

Private capital in Scotland

Scotland was the beneficiary of £605 million in private capital investment in 2022, a substantial portion of which, £165 million, was directed towards innovative tech enterprises that are spearheading the UK's advancements in technology. This influx of capital has not only bolstered the technological landscape but has also had an impact on the job market, supporting approximately 300,000 jobs across all sectors in Scotland, both directly and indirectly, and making a substantial contribution to the regional economy.

The dynamic entrepreneurial spirit of Scotland is exemplified by its burgeoning venture hubs in Glasgow and Edinburgh, two of the top five in the UK. Private capital firms are actively engaging with the exciting investment opportunities and support prospects within Scotland.

Furthermore, Scotland's universities have emerged as pivotal catalysts for attracting private capital investment. Institutions like Strathclyde, St Andrews and Dundee have shown remarkable prowess in nurturing potentially groundbreaking spinouts, with 218 tracked since 2011¹.

BVCA Members back innovative Scottish companies, such as Forres-based Orbex Space, which is an orbital launch services company and is supported by BGF and Scottish Investment Bank, and, Heliex Power in Glasgow, backed by Par Equity, which designs, manufactures and sells a unique packaged generator system which harvests low grade (waste) steam to recover energy and convert it to electricity.

JOBS

145,000

jobs in Scotland are backed by PE and VC, 9% more than in 2021, this represents 7% of the total number of private capital supported jobs in the UK jobs²

JOBS

155,000

jobs indirectly supported through supply chains and consumer spending, a 13% increase since 2021 and 7% of total indirectly supported jobs²

COMPANIES

621

companies are backed by PE & VC in Scotland, or 5% of the total businesses²

COMPANIES

99%

of private capital's investments in Scotland were in small and medium-sized businesses³

GROWING BUSINESSES

No.4

Scotland received the fourth highest number of venture capital investment in the UK with 57 companies receiving vital venture investment, some £132 million invested³

INVESTMENT

£605m

was deployed into companies in Scotland in 2022³

TECH-FOCUS

42

Scottish Tech businesses received £165 million in investment in 2022³

Private capital in action



Forres

Aerospace

BGF, Scottish National Investment Bank

Orbex, a pioneering Scottish orbital launch services company established in 2015, has garnered significant support from venture capital firms. In 2022, the company secured £40.4 million in Series C funding, led by the Scottish National Investment Bank. This funding was earmarked to bolster resources for Orbex's inaugural vertical rocket launch from UK soil and future projects. Existing investors, including BGF, Octopus Ventures, Jacobs, the Danish Green Future Fund, and entrepreneurs Phillip and James Chambers, joined this funding round.

In May 2023, Orbex initiated construction at Sutherland Spaceport in Scotland, which is poised to become the UK's first vertical launch spaceport and aims to be the world's inaugural carbon-neutral launch site facility in terms of construction and operation. A substantial public investment of £14.6 million backs this project, with contributions from various stakeholders. The spaceport is anticipated to create jobs and yield significant economic benefits for the region. At the core of the endeavour is Orbex's innovative Prime rocket, powered by renewable bio-fuel, with a focus on substantially reducing carbon emissions. The company is actively conducting integration tests and preparations for its inaugural launch.



East Kilbride

Energy & Environment

Par Equity

Founded in 2010 and based in East Kilbride, Heliex Power, a pioneering cleantech company, specialises in designing and manufacturing steam screw expanders for energy recovery from industrial processes. Their patented Twin Screw Turbine technology generates electricity by utilising existing steam or waste heat from clients' production processes, empowering heavy machinery and industrial companies to establish their own sustainable power sources.

Since its inception, Heliex Power has made significant strides, receiving its initial venture investment of £7.2 million in 2010 from BP Ventures. Over the years, the company continued to attract investments from distinguished firms such as Greencoat Capital and Scottish Enterprise.

As of now, Heliex Power employs 24 dedicated professionals, who contribute to delivering the company's innovative green energy solutions. In 2022, the company received a substantial investment of approximately £2.4 million from Par Equity, through its EIS Fund and Syndicate of Angel Investors, further solidifying its position as a leading player in the green energy sector.

In early 2023 the company was selected by Petronas as a winner of its "Race2Decarbonise" competition aimed at implementing solutions to cap the petrochemical giant's greenhouse gas emissions by 2025 and Heliex has since broadened out its application areas into Marine and shipping.