



Gníomhaireacht Bainistíochta an Chisteáin Náisiúnta
National Treasury Management Agency

Ciste Infheistíochta Straitéisí d'Éirinn
Ireland Strategic Investment Fund

Economic Impact Report FY 2015

June 2016



Economic Impact Highlights – 2015

Committed **€2.2bn** to Irish investments with **€1bn** drawn and total **€5.4bn** capital committed to Ireland including third party capital.

Employment supported by ISIF increased by 5,935 jobs to almost **18,000 jobs**. Majority of increase from SME sector (**84%**) with the regional split of employment **40% Dublin/60% ex-Dublin**.

Turnover significantly increased (**73%**) of which 29% was exported for 2015.

Gross Value Add of **€538m** with SMEs the biggest profit contributors.

Summary Metrics – Irish Portfolio

		31 Dec 2014	31 Dec 2015	
Capital	Discretionary Portfolio (Global ¹ + Irish Portfolio)	€7,171m	€7,859m ²	+€688m, 10%
	ISIF – Capital Committed	€1,424m	€2,165m ³	+€741m, 52%
	Project Size in Ireland/Co-investor Multiple	€3,135m/2.2x	€5,364m/2.5x	+€2,229m, 71%
	Market Value of Capital Invested	€726m	€1,028m	+€302m, 42%
	ISIF Capital Deployed by Region	44% Dublin/56% ex-Dublin	54% Dublin/46% ex-Dublin	N/A
Jobs	Employment	12,005 jobs	17,940 jobs	+5,935, 49%
	Wage Bill	€432m	€505m	+€73m, 17%
	Employment by Region	43% Dublin/57% ex-Dublin	40% Dublin/60% ex-Dublin	N/A
Economic Activity	Turnover	€711m	€1,229m	+€518m, 73%
	Exports (as a % of Turnover)	28%	29%	+1%
	GVA (Profit + Depreciation + Wage Bill)	€447m	€538m	+€91m, 20%

Good progress across all metrics, continuing to deliver on “double bottom line” mandate and proactively support Irish projects and businesses.

¹Global Portfolio will be transitioned to investments in Ireland over a number of years.

²The Discretionary Portfolio's value increased by €688m which includes €280m from the Directed Portfolio following payment of a preference share dividend from AIB and €335m was allocated to a new Connectivity Fund within the Discretionary Portfolio following the sale of State's holding in Aer Lingus.

³There is some time lag between the achievement of economic impact and the commitment to an investment. Typically, economic impact is generated when there is a drawdown on committed capital and this can be months/years after a commitment to an investment.

Snapshot of Underlying Investees FY 2015

          	          	           	          	          	          
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ISIF supporting
108 Irish-based
companies /
projects through
commercial
investments

(Appendix 2 for full
list)

€5.4bn Capital Committed to Ireland

€2,165m ISIF Committed Capital at 31 Dec 2015



ISIF Crowding in Capital

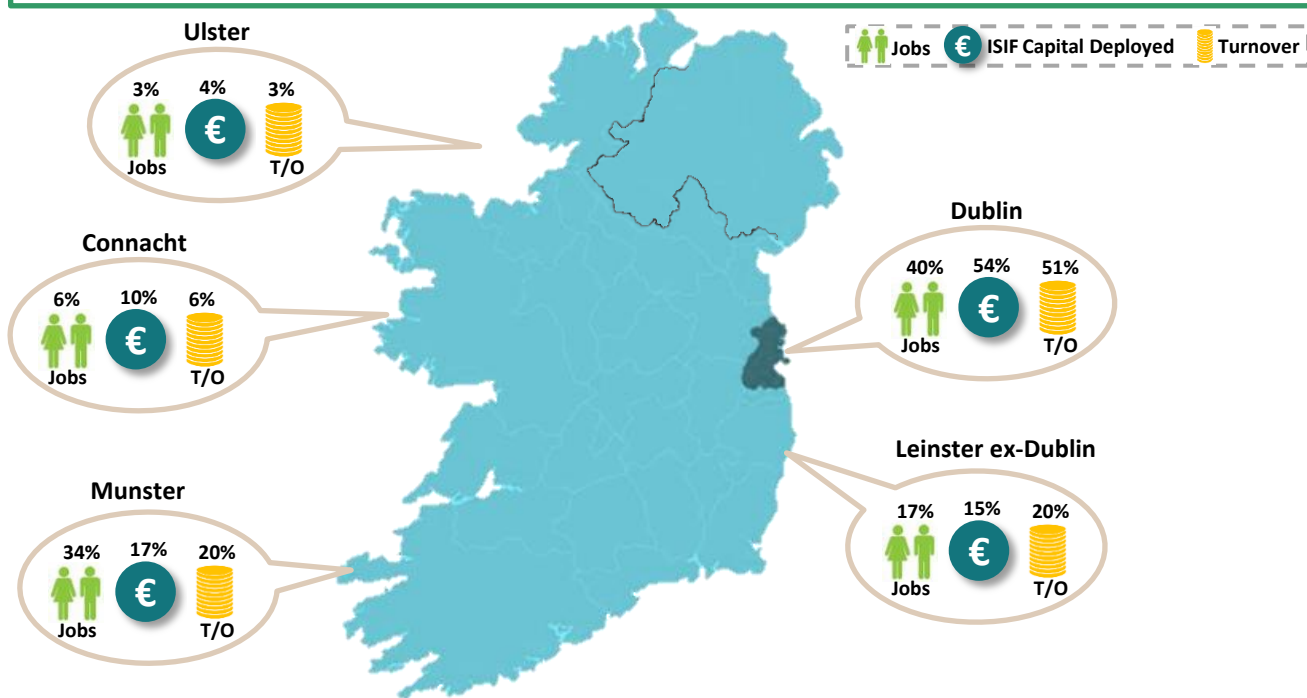
ISIF €2.2bn has unlocked third party capital, total commitment of **€5.4bn** to Ireland of which

€3.0bn

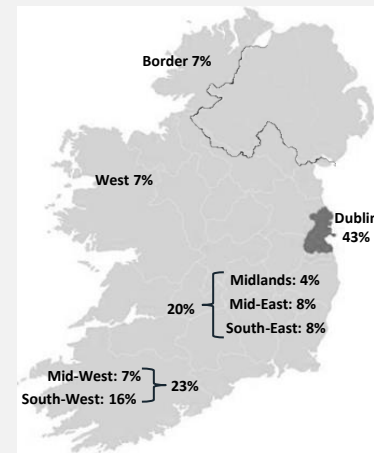
invested as at 31 Dec 2015.

Regional Analysis

ISIF Regional Economic Impact – Regionally balanced



As compared with CSO GVA per Region¹



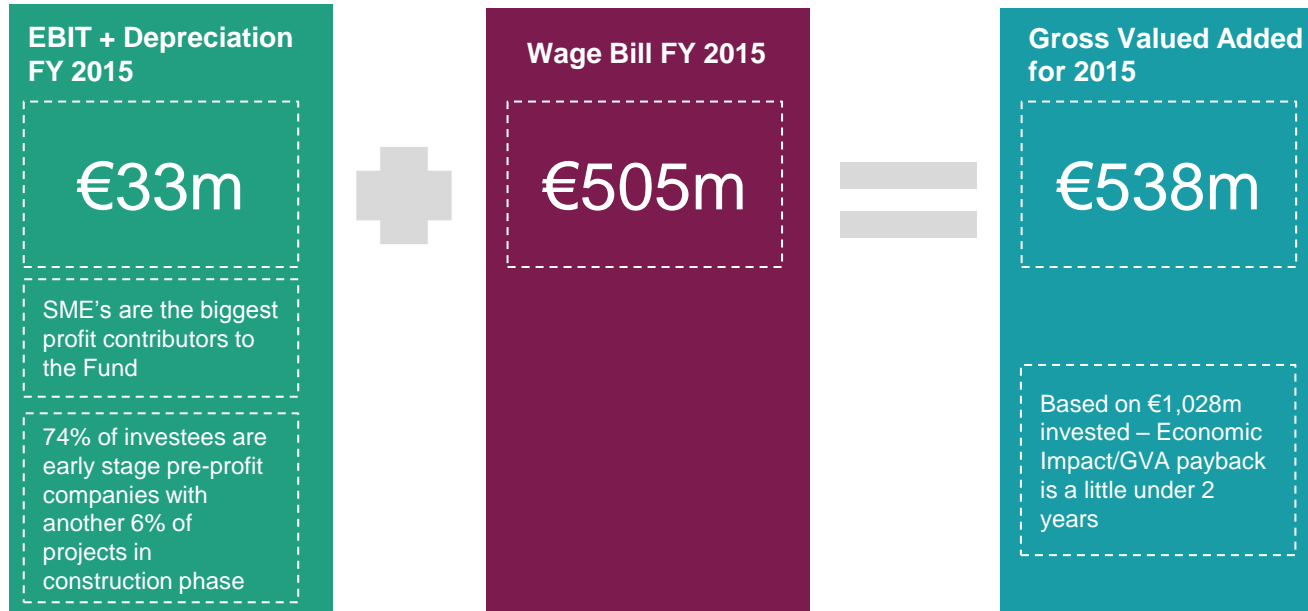
¹ Regions based on Eurostat/CSO methodology (2014). Gross Value Added (GVA) is a measurement of economic activity in an area. Source: CSO

Regionally balanced with 60% of jobs supported and 46% of capital invested outside of Dublin.

Gross Value Add

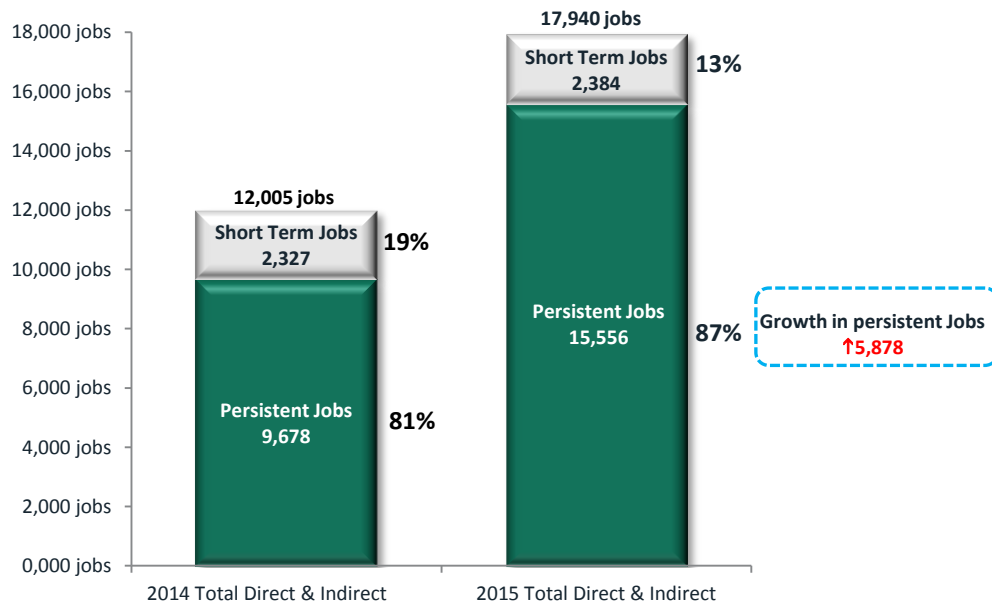
Gross Value Add (GVA) is a standard measure of economic activity, employment is a subset of GVA, GDP comprises the aggregate of GVA at enterprise level across the economy.

Some investments will contribute significantly to employment whereas some projects will contain lower levels of employment but higher levels of profitability. Both contribute to the GVA and therefore GDP and economic impact. The calculation of GVA is indifferent as to whether it comes from profits or wage bills.

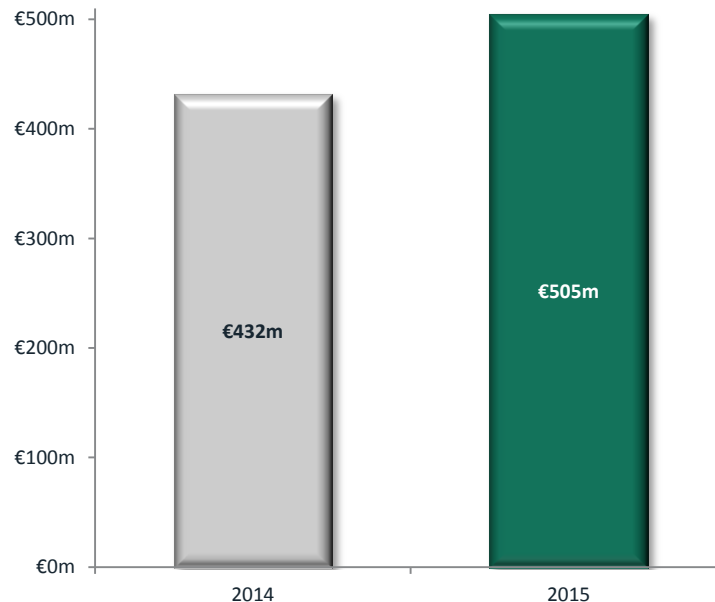


Underlying Investees Employment

Irish Based Employment



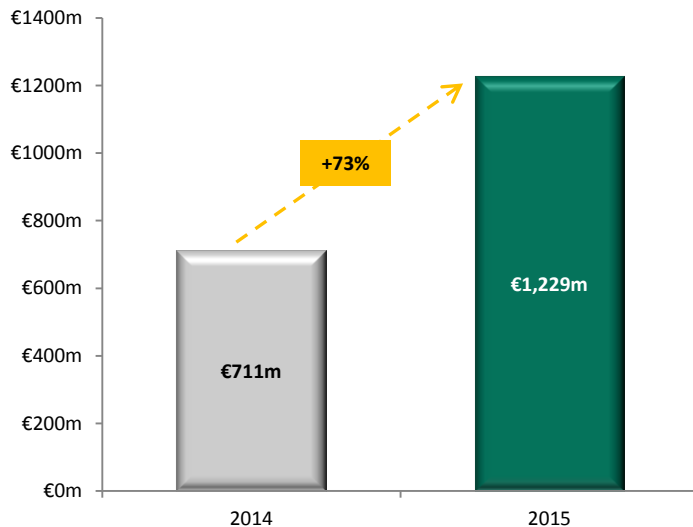
Irish Based Wage Bill



**Gross employment increased by 7,085 jobs with 1,150 job losses due to the completion of construction projects.
1,700 jobs for every €100m invested**

Underlying Investees Turnover

Underlying Investee Turnover Analysis¹



¹Turnover generated from underlying investees that contribute no economic impact in Ireland is excluded (e.g. foreign businesses). Additionally, turnover does not necessarily capture all of the economic impact benefits associated with an investment – many of the early stage companies in the ISIF portfolio are at pre-revenue stage.

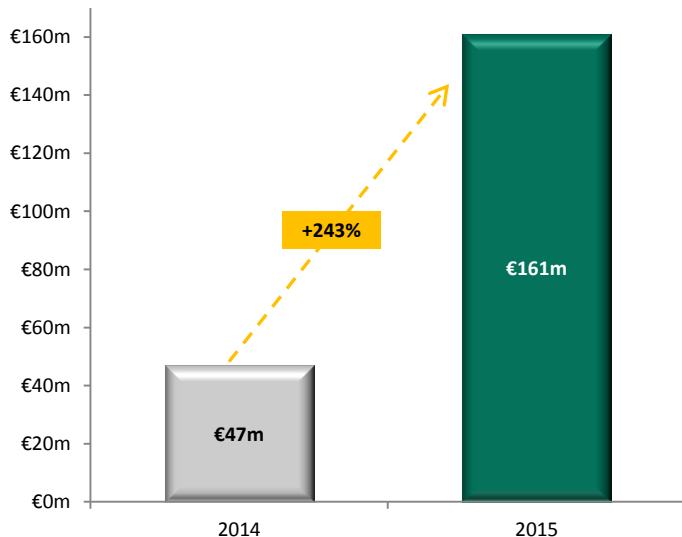
Exports FY 2015



Significant turnover generated from underlying investees despite the number of early stage companies, with a significant portion of turnover from exports (29%).

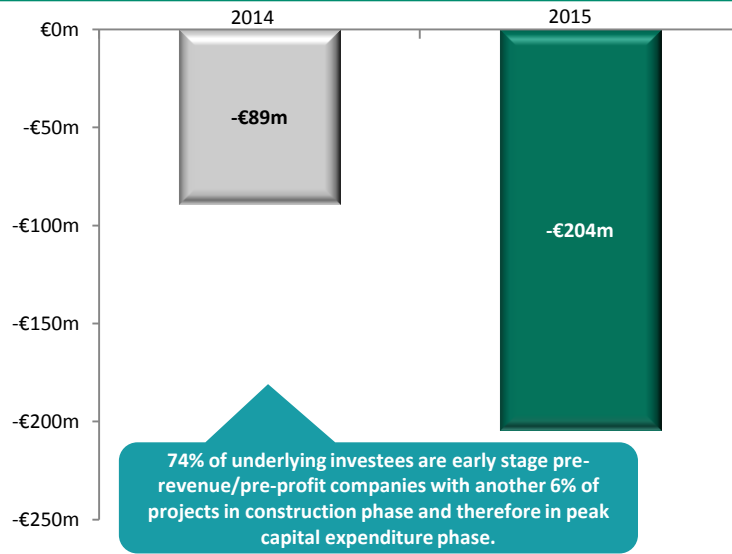
Underlying Investees Profitability Analysis

Underlying Investees Earnings (Profitable¹)



¹The profitable category accounts for profits but also includes mature companies which have made a loss.

Underlying Investees Earnings (Pre-Profit²)



²The pre-profit category is for early stage businesses.

Early stage investees/projects in construction (80% of investees) initially generate low levels of economic activity but should improve as businesses transition from the start-up stage to the growth/expansion stage.

ISIF's Long-Term Strategic “Enabling” Agenda

There are key economic benefits which are not captured through economic impact metrics, outlined earlier in the report, which support long term future productivity and competitiveness of the economy

ISIF's investment facilitating...

Provision of
2,300 Student accommodation units
across 3 DCU campuses, alongside significant transformation of campus infrastructure.

The delivery of a
key strategic link in the national road network, upgrade to the N11 & the Newlands Cross junction upgrade.

Decarbonisation agenda through commitment to NTR potential to deliver
120MW of renewable energy generation with potential to **supply 70,000 homes**.

Activate has to date provided site and working capital finance for the delivery of over **800 homes** and Ardstone has acquired sites to deliver up to **1,250 new homes**. Ardstone and Activate combined have **potential to unlock 10,000 – 15,000 new homes**.

The delivery of **8 schools with 5,700 school places** in Westmeath, Leitrim, Galway, Limerick, Donegal, Waterford providing under the PPP Schools Bundles 3.

Dublin Waste to Energy capacity to process up to **600,000 tonnes of waste** when complete, the facility will generate **clean renewable energy to 80,000 homes**.

MilkFlex Fund launched in March 2016 with potential to support over **1,000 dairy farmers** enhancing the productive capacity of the sector.

ISIF Transaction Update



€759m

committed in 2015¹

HIGHLAND
CAPITAL PARTNERS

€10m



€54m

QUADRANT
REAL ESTATE ADVISORS

€50m

LEEDS | Equity Partners

€92m

*Conditional on global fundraising completion



€155m

committed in 2016
with continued strong pipeline

CAUSEWAY
CAPITAL PARTNERS

€15m



€35m

Ardstone

€25m



€50m



€11m



€45m
Funding Round

Activate Capital
Innovative funding with capital strength

€325m



€15m

Venture Capital Fund

€20m
*Not announced.



€45m



\$30m
Funding Round



€150m

¹ The purpose of this slide is to provide an update on the ISIF's commitments. Please note that due to the time lag of commitments and drawdowns, the majority of the investments presented here do not contribute to the FY 2015 economic impact. As capital is invested the economic impact will be captured in future reports.

Appendices



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Appendix 1 – Assumptions, Methodology and Disclaimer

Assumptions & Methodology

1. The NTMA collected data on 108 underlying investees. While economic impact data is somewhat complicated, the NTMA has adopted a structured approach to the collection and analysis of the data.
2. Underlying investees are either direct or indirect (i.e. through Funds), the economic impact data is gathered through a semi-annual survey process of the direct and indirect underlying investees. The economic impact of an underlying investee is only included once i.e. where the ISIF has more than one indirect investment in an underlying investee the duplicate economic impact is removed from the analysis.
3. There is some time lag between the achievement of economic impact and the commitment to a investment. Typically, economic impact is generated when there is a draw down on committed capital and this can be months/years after a commitment to an investment.
4. The NTMA completes a check of all survey data for reasonableness. However, the NTMA is reliant on the underlying investees to provide accurate data and is not in a position to verify the data submitted.
5. Surveys provided in USD were converted to EUR, income statement metrics were converted to EUR using a 12 month average FX rate sourced from Bloomberg.
6. The high/low economic impact split is based on an internal NTMA assessment of the economic impact of the capital committed as at 31 December 2015, the high/low split as at 31 December 2015 was 62% high and 38% low. 80:20 split is the long term target with 60:40 identified as the initial guideline for year end 2015. High economic impact is defined as persistent additional economic impact whereas low economic impact is defined as either short term economic impact or an accelerator investment.
7. The regional distribution of capital deployed (slide 7) is weighted based on the capital deployed as at 31 December 2015 and data provided by the underlying investees detailing the location/regional activities of the underlying investee/project. Where underlying investees operate on a nationwide basis, the capital deployed is weighted by population, this population data is sourced from the Central Statistics Office.
8. The regional distribution of underlying investees employment and turnover (slide 7) is based on data provided by the underlying investees detailing the number of jobs and turnover generated regionally. Where underlying investees operate on a nationwide basis and a reliable regional employment split is unavailable, the total jobs and turnover is weighted by population.
9. The majority of underlying investees (101 out of 108 underlying investees) provided the number of jobs and wages paid as at 31 December 2015 directly. There are some exceptional cases where the data was unavailable and the following assumptions were applied:
 1. In the case of construction projects where reliable headcount was not available, we evaluated the drawn capital of the project over the 12 month period to 31 December 2015 and applied a Construction Industry Federation multiplier to the capital expenditure to estimate the number of employees. All of these employees are accounted for in the short term employment numbers (slide 9).
 2. In the case of construction projects where third party/contracted headcount was provided but a wage bill was not available, an average wage was applied to the third party/contracted headcount. The average wage by sector was sourced from the CSO.
10. In line with industry standards, an indirect employment multiplier is applied to direct jobs. The NTMA calculation of employment multipliers is based on CSO methodology and verified by CSO (slide 9).
11. Exports are weighted based on turnover and an estimate provided by the underlying investee of the percentage of turnover generated from exports (slide 10).
12. The underlying investee profitability analysis (i.e. the earnings before interest and tax) is split between early stage companies, which have not yet made a profit, and more mature companies, which can either be profitable or loss-making (slide 11).

Disclaimer

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Appendix 2 – Summary of Underlying Investments (1/4)

Fund/Company/Project	Company/Project	Principal Product/Service
Arch	Carrick Therapeutics	Drug development targeting cancer resistance
	Evolv-x	Novel electronic materials derived from a self-learning, closed-loop synthetic reactor system
	Genomics Medicine Ireland	Products and services derived from advanced genomic research, analysis & global partnerships
	Movidiu	A fabless semiconductor company in computer visioning sector
Atlantic Bridge	Accuris Networks	WiFi off-load and roaming technologies
	Boxfish	Developer of second screen television platforms
	Civic	Internet of Things
	Fieldaware	Provider of mobile, cloud-based field service solutions
	Movidiu	A fabless semiconductor company in computer visioning sector
	Swrve	Mobile marketing automation software platform
Bluebay (BICC 1)	Abraheabra Investments	Leading fast food franchise owner and operator in Ireland with five trading businesses
	Airspeed Telecom	Irish broadband provider offering high performance internet for enterprise, public sector and SME business
	BB Muffins	Chain of coffee and muffin retail stores across the UK and Ireland
	Carne Global Financial Services	Provider of governance and oversight solutions within the asset management industry
	Centric Health	Healthcare services business providing (i) diagnostic imaging; (ii) primary care and (iii) medical recruitment services
	Excelsys	Designer and manufacturer of high power density high efficiency power supplies
	Gaelectric	Irish-based developer of onshore wind farms in Ireland and the US and offshore wind farms in Ireland
	Killiney Hotels (FitzPatrick Castle Hotel)	Hotel and conference centre
	Carlton Hotel Kinsale	4* hotel in Kinsale, Co. Cork
	Mainstream Renewable Power	Leading player in the global renewable energy development market focusing on wind (onshore and offshore) and solar power
Carlyle Cardinal Ireland	TV3	Ireland's only independent free-to-air commercial broadcasting chain
	Abtran	Business Process Outsourcing
	Carroll Cuisine	Production and distribution of sliced cooked ham and other food products
	General Secure Logistics Services (GSLs)	Cash-in-transit and money processing
	Lily O'Briens	Manufacturer and distributor of chocolate
China Ireland Growth Technology Fund	Payzone	Multi-channel payment solutions
	Accuris Networks	WiFi off-load and roaming technologies
	Fieldaware	Provider of mobile, cloud-based field service solutions
	Movidiu	A fabless semiconductor company in computer visioning sector
Dublin Waste to Energy	Dublin Waste to Energy	Thermal waste treatment and electricity production

Appendix 2 – Summary of Underlying Investments (2/4)

Fund/Company/Project	Company/Project	Principal Product/Service
Delta Partners	Betapond	Marketing app provider for social networks
	BriteBill	Provides bill presentment solutions to telecommunications and utility companies
	Clavis	Reference data quality solutions
	Cleverbug (CleverCards)	Personalised greeting cards and gifts
	Cloudium	Thin Client software and hardware solutions
	Davra Networks	Management system for Internet of Things devices for Cisco distributed networks
	Digit Game Studios	Online multiplayer multiplatform games
	Homestay	Accommodation portal
	Luzern Solutions	Online retailer and online store provider for new and refurbished goods
	mADme	Mobile advertising solutions
	Mobatravel (MobaCar)	Online car rental software platform
	Neuravi	Developer of clot retrieval medical devices
	Sim Travel	Local sims for international travellers
Draper Esprit	What Clinic	Medical treatment search portal
	Zapa Technologies	Telecom expense and value management
	Datahug	SaaS relationship intelligence management/CRM platform
	GetBulb	Data visualisation software
First Forestry Fund	Mobile Travel Technologies	Develops mobile apps, mobile web and mobile technology products for airlines and travel management companies
	Movidiu	A fabless semiconductor company in computer visioning sector
First Forestry Fund	First Forestry Fund	Invests directly in forestry plantations diversified across Ireland
Fountain	Genable Technologies	A development stage gene therapy company for the treatment of inherited diseases
	Inflection Biosciences	Developing small molecule therapeutics for the treatment of cancer.
	Innocoll	Collagen based drug delivery platform
	Mainstay Medical	Manufacturer of medical device for treatment of chronic lower back pain
	Neuravi	Developer of clot retrieval medical devices
	Opsona Therapeutics	Developer of drugs for the treatment of autoimmune and inflammatory diseases
	Trino Therapeutics	Drug Discovery and early drug development company that focuses on anti inflammatory therapeutics
Frontline	Vivasure Medical	Research and Development medical device company
	Barricade Security Systems Ltd	Intrusion Detection as a Service
	Boxever Ltd	SaaS customer intelligence platform for airline and travel industry
	BuildingEye	Planning permission tracking
	CurrencyFair Ltd	P2P Currency Exchange
	Drop	Connected kitchen products

Appendix 2 – Summary of the Underlying Investments (3/4)

Fund/Company/Project	Company/Project	Principal Product/Service
Frontline Ventures	LogEntries	Developer of web-based log management services
	Linked Finance	P2P SME lending marketplace
	PageFair Ltd	Ad-blocking software
	Pointy	Putting shops online automatically
	Qstream, Inc.	Mobile Sales enabling service
	Reep Rewards	Retailer & consumer brand insights
	Verifly	Drone technology
Highland Europe	AMCS	Software solutions for the waste management industry
	Malwarebytes	Anti-malware software
Investec Ventures	Accuris Networks	WiFi off-load and roaming technologies
	AMCS	Software solutions for the waste management industry
	Betapond	Marketing app provider for social networks
	BlueTree	Developer of GPS fleet software, telematics and vehicle tracking solutions
	BriteBill	Provides bill presentment solutions to telecommunications and utility companies
	Davra Networks	Management system for Internet of Things devices for Cisco distributed networks
	Diona Technologies	Diona is addressing the demand for mobile solutions in the HHS market
	Ferfics	The company designs and develops components (radio frequency switches)
	HeyStaks Technologies	HeyStaks enables users to collaboratively search the web using search engines
	Mick's Garage	The company e-tails car parts and is Ireland's leading on-line car-parts retailer
	Rainmaker Business Technologies	Provider of business intelligence and performance software to the airline sector
	RAPT Touch	Develops multi-touch screen technologies for incorporation into large screens
	SilverCloud Health	SilverCloud Health Limited provides online therapeutic solutions via tailored clinical programs
Irish Infrastructure Fund	Terminal Four Solutions	Developer of enterprise web content management software for the higher education market globally
	Vearsa	Helps traditional publishers distribute electronic copies of their books ("eBooks")
	Zamano	Zamano is a mobile marketing and mobile products company
Irish Water	Convention Centre Dublin	Ireland's only purpose built convention centre positioned on the banks of the River Liffey in the centre of Dublin
	Cyclone Wind Farm Portfolio	Portfolio of 10 wind farms located in both the ROI and NI, generating electricity for sale into the Single Electricity Market
	Towercom Limited	Largest independent telecom tower / mast owner in the Republic of Ireland and owns/controls 406 telecom tower/mast sites
Irish Water	Irish Water	National service provider of water and treatment of wastewater
Lightstone Ventures	FIRE1	Developing a novel, therapeutic medical device for a major unmet medical need

Appendix 2 – Summary of Underlying Investments (4/4)

Fund/Company/Project	Company/Project	Principal Product/Service
Malin	Altan	Develops, manufactures and markets generic injectable drugs
	AN2H Discovery	Designs novel small molecule therapeutics
	Emba Medical	Develops vascular embolisation devices
	Emba Neuro	Develops embolisation devices for application in neurovascular field
	Seranus	Specialises in in-licensing, registering and commercialising certain approved therapeutics to address unmet needs in the African market
	3D4 Medical	Develops medical, educational and health fitness apps
Polaris Partners	Boxever	SaaS customer intelligence platform for airline and travel industry
	Logentries	Developer of web-based log management services
	Novaerus	Manufacturer of wall mounted airborne pathogen control devices
	Profitero	Competitive pricing, intelligence and e-commerce insights for brand manufacturers and retailers
PPPs	N11 Arklow Rathnew PPP	Construction and O&M of roads
Seroba Kernel	Heart Metabolics	Biopharmaceutical development company focusing on clinical development of a therapy for hypertrophic cardiomyopathy
	Novate Medical	Convertible vena cava filter for prevention of pulmonary embolism
	Opsona Therapeutics	Developer of drugs for the treatment of autoimmune and inflammatory diseases
	PQ Bypass	Medical devices required to perform a percutaneous femoro-politeal bypass procedure
	Veryan Holdings	Development of stents with a unique 3D geometry, for treatment of vascular disease
Silicon Valley Bank	Fifteen underlying investees – bank confidentiality	precludes disclosure of borrower names
Sofinnova	Innocoll	Collagen based drug delivery platform
WLR Cardinal	Investment 1	Apartment development
	Investment 2	Commercial real estate
	Investment 3	Commercial real estate
	Investment 4	Commercial real estate
	Investment 5	Commercial real estate
	Investment 6	Commercial real estate
	Investment 7	Commercial real estate

Note: this appendix does not include a small number of investees where confidentiality precludes disclosure of investee names.

Note: this appendix excludes investments where capital is committed but not invested as at 31 December 2015; Leeds Private Equity Fund 5, DCU Student Accommodation, Activate, Quadrant, Causeway Capital.

Appendix 3 - Investment Overview 31 December 2015

Project/Fund	Commitment Year		Commitment €m
Irish Water Refinancing Facility	2015		300
Irish Water	2015		150
Water Total			450
Irish Infrastructure Fund	2011		250
DCU Student Accommodation	2015		54
Infrastructure Total			304
Dublin Waste to Energy	2014		44
Energy Total			44
Carlyle Cardinal Ireland	2012		125
Bluebay (BIC 1)	2013		200
SME Total			325
First Forestry Fund	pre 2011		30
Food & Agri Total			30
WLR Cardinal CRE Mezzanine Fund	2014		75
Activate Capital	2015		325
Quadrant	2015		50
Real Estate Total			450
Atlantic Bridge Fund II	pre 2011		10
Delta III	pre 2011		23
DFJ Espirit III	pre 2011		20
DFJ X	pre 2011		10
Fountain I	pre 2011		15
Investec Ventures	pre 2011		18
Polaris VI	pre 2011		36
Seroba Kernel II	pre 2011		15
Sofinnova Venture Partners VIII	2011		9
Highland Technology Europe	2012		10
SVB Capital Strategic Investors Fund V	2012		20
China Ireland Growth Technology Fund	2013		36
Lightstone Ventures I	2013		10
Strategic Investors Fund VI	2013		19
WestSummit Global Technology Fund	2013		36
Arch VIII	2014		20
Atlantic Bridge Fund III	2014		20
Fountain II	2014		15
Polaris VII	2014		40
Frontline Ventures I	2015		11
Highland Europe Technology Growth Fund II	2015		10
Venture Capital Funds Total			403
Malin	2015		50
AMCS	2015		6
Swrve	2015		11
Direct Equity Total			67
Leeds Equity Partners Fund VI	2015		92
Other Total			92
Total Live Commitments			2,165
Expired / Matured Commitments		Expired	
PPP Schools Bundle 3	2012	2014	14
PPP N11	2013	2015	18
Better Capital	2013	2014	50
Irish Water Government Guarantee (matured facility)	2013	2015	300
Total Expired Commitments			382
Total Live & Expired Commitments			2,547

Contacts

Eugene O'Callaghan

Director

T +353 1 238 4066

E eocallaghan@ntma.ie

Kieran Bristow

Head of Investment Strategy

T +353 1 238 5058

E kieran.bristow@ntma.ie

Martin Whelan

Head of Government and Public Affairs

T +353 1 238 4459

E martin.w.whelan@ntma.ie



info@isif.ie



www.isif.ie



[@ntma_ie](https://twitter.com/ntma_ie)