IVCA

Irish Venture Capital & Private Equity Association

Celebrating 40 years | 1985 - 2025

Life Sciences in Ireland

Strengthening Ireland's Life Sciences Leadership Through Investment in Data Infrastructure, Drug Discovery and Translational Research, and Domestic Venture Capital Capacity.

1. Introduction

As Ireland develops its next Life Sciences Strategy, there is an opportunity to transform an already strong sector into a fully integrated innovation ecosystem.

Ireland is internationally recognised for its strong life sciences manufacturing base and research excellence. However, our innovation and commercialisation outputs, particularly in therapeutics, medtech, diagnostics, data-enabled health, and digital therapeutics, are constrained by underinvestment in data infrastructure, translational R&D, and the limited scale of domestic venture capital (VC) funds.

To continue to compete with high-performing innovation economies (Denmark, Netherlands, Singapore, UK, Canada), Ireland must invest strategically in five interconnected pillars:

1. Health data infrastructure
2. Translational and drug discovery capacity
3. International research partnerships
4. Modern reimbursement and early access frameworks
5. A deeper, better-capitalised life sciences investment ecosystem

Ireland's strengths in advanced bioprocessing, multinational engagement, academic excellence, and regulatory leadership give it an exceptional foundation. Targeted reforms will allow Ireland to capture more economic value, accelerate patient access, and strengthen global competitiveness.

These actions will drive indigenous industry formation, secure long-term value from public Research & Innovation investment, and reinforce Ireland's global attractiveness as a place to discover, trial, and scale future health technologies.

Contact: info@ivca.ie | + 353 (0)1 276 4647 | www.ivca.ie

IVCA

Irish Venture Capital & Private Equity Association

2. Data Infrastructure as a National Asset

Ireland's fragmented health and research data environment limits our ability to participate in cutting-edge drug discovery, real-world evidence (RWE) generation, and Artificial Intelligence and Machine Learning-enabled innovation. High-performing ecosystems (Finland's Findata, Denmark's National Patient Registry, UK's NHS-GRCH partnerships) show that secure, integrated data infrastructures attract major industry R&D investment and accelerate innovation.

A national health data infrastructure would:

- Support the Sláintecare commitment to integrated, data-driven care.
- Underpin the HSE Digital Health Strategic Framework (2024–2030), particularly digital integration, interoperability, and data governance.
- Enable the Department of Health to contribute meaningfully to the European Health Data Space (EHDS) and position Ireland as a trusted access point for safe, regulated secondary data use.
- Strengthen HIQA's remit in data standards and expand capacity for anonymisation, stewardship, and secure data environments.

Key actions include:

- A unified national health data platform, with consistent standards for data collection, sharing, governance, and privacy.
- Integration of real-world data (RWD) from hospitals, primary care, registries, and digital health systems to enable longitudinal insights.
- Investment in data stewardship, governance, cybersecurity, and analytics.
- A high-quality national dataset will strengthen Ireland's attractiveness to global industry partners, enable large-scale research collaborations, and enhance national clinical decision-making.
- Linking Data Infrastructure with Research and Innovation will establish secure research environments where academic and industry researchers can access anonymised datasets and enable federated data models to support participation in multinational studies without compromising data sovereignty. Such integrated systems will accelerate biomarker discovery, support earlier diagnosis, and anchor Ireland in high-value global R&D networks.

3. Translational Research and Drug Discovery Capabilities

Ireland excels in basic research (SFI centres, University excellence, HRB programmes) but faces a persistent challenge in converting this research into commercial therapies, technologies, and companies.

3.1 Building Robust National Translational Infrastructure

The creation of the ARC hub for therapeutics and the allocated budget of €31.6 million is a welcome development. Currently Ireland's translational capabilities are fragmented and underfunded relative to international competitors. To bridge the gap between academic excellence and commercial application, Ireland must:

- Develop dedicated translational hubs that combine wet-lab discovery, computational R&D, clinical trial capabilities, and industry partnership infrastructure.
- Increase strategic funding for early-stage drug discovery, medicinal chemistry, high-throughput screening, and preclinical validation.
- Expand access to bioprocessing, cell and gene therapy manufacturing, and GMP-grade facilities.

This will not only drive indigenous innovation but will also attract multinational pharmaceutical and biotech investment seeking integrated end-to-end development environments.

Ireland should establish a National Centre of Excellence for therapeutic drug discovery, embedding drug discovery and translational capabilities currently lacking. Such a centre would enable the translation and advancement of academic research from Irish universities into start-ups. The requisite scientific disciplines could work across multiple therapeutic areas irrespective of modalities (small molecules, biologics, or cell & gene therapy). Many EU countries and regions, e.g., Flanders in Belgium, have successfully established similar centres to advance indigenous biotech growth. Allocating a portion of the €750M Inspire R&D fund to this initiative would strategically address gaps in Ireland's translational capabilities.

3.2 International Partnerships as a Strategic Imperative

Ireland's life science growth increasingly depends on deep global connectivity. To remain competitive we must:

- Establish structured bilateral partnerships with leading innovation ecosystems (UK, US, Singapore, Nordic countries).
- Incentivise international industry–academic collaborative grants or projects, mobility programmes, and shared infrastructure initiatives.

Other countries have overcome similar gaps by investing in dedicated translational platforms, for example:

- UK's Francis Crick Institute partnerships with AstraZeneca and GSK.
- Denmark's BioInnovation Institute, funded by Novo Nordisk Foundation.
- Singapore's Agency for Science, Technology and Research (A*STAR).

Ireland can emulate these models by:

- Building national translational centres linked to clinical networks.
- Focusing on international collaborations to springboard activities.
- Strengthening public–private R&D partnerships through EI, IDA, and SFI.
- Expanding targeted funds for drug discovery, therapeutics platforms, and clinical translation.

3.3 Reimbursement Innovation to Accelerate Commercialisation

Ireland is well integrated in multiple international HTA collaborations at European and global levels. Through HIQA and NCPE, Ireland contributes to joint assessments, shares expertise, and leverages international evidence — which helps improve efficiency, avoid duplication of work, and align HTA methodology with best practice globally.

However, current reimbursement processes often delay patient access to cutting-edge therapies and limit Ireland's ability to serve as an early-launch market. Ireland does not have a formal, structured national early-access reimbursement fund, though the recent commitment to provide a €31M innovative medicines fund is welcom. Early access is typically case-by-case, reactive, and reliant on manufacturer participation. Outcome-based or performance-linked reimbursement is still limited compared to the UK (NICE Cancer Drugs Fund) or Germany (AMNOG "early access" pricing).

To be a credible global testbed for novel therapies and technologies, Ireland must adopt innovative reimbursement and early-access pathways. Examples include:

- UK's Early Access to Medicines Scheme (EAMS) for conditional access before formal marketing authorisation.
- Italy's AIFA designation for "innovative" medicines, immediately available with dedicated public fund support.
- Germany's AMNOG early market entry with post-launch price negotiation.
- Australia's provisional approvals pathway for oncology and advanced therapies.
- Pilots for digital therapeutics, precision medicine, and AI diagnostics.

Leadership in this area would make Ireland a preferred early-launch and clinical adoption site, reinforcing attractiveness for MNC investment and increasing opportunities for indigenous start-up scale-up companies.

4. Deepening Domestic Venture Capital: Mobilising Pension & Insurance Capital

4.1 The Critical Gap

Irish VC funds are substantially smaller than international specialist funds (€40–€100M vs €300–€800M), limiting their ability to fund Series B–C rounds in capital-intensive life sciences. This pushes Irish companies to relocate, typically to the US, to access scale-up financing. The reality is that 75% of Irish life sciences companies that have attracted significant follow-on investment were initially funded by a local VC. However, the small size of local funds means many Irish VCs seed and support companies through the hardest years, only to watch global funds and other jurisdictions take the lion's share of equity and returns.

4.2 Mobilising Institutional Investors

Global experience shows that strong innovation ecosystems rely on participation from pension, insurance, and sovereign investors. Ireland can replicate international successes by enabling:

Option A – Innovation Allocation for Pension Funds

- A regulated allowance permitting pension schemes, including auto-enrolment, to allocate a small, risk-managed portion (1–3%) to domestic VC/innovation funds.
- Precedent: UK Mansion House Compact; Australia's Super Funds.

Option B – Insurance Company Investment Pathway

- Provide Solvency II–aligned guidance enabling modest, diversified investment in VC.
- Precedent: France and Netherlands regulatory adaptations.

Option C – National Fund-of-Funds

- Combine ISIF, EI, pension, insurance, and EU capital (InvestEU/EIF) to anchor multiple VC managers and attract international funds to establish Irish operations.
- Precedent: Singapore, Sweden, EIF regional platforms

Option D – Irish Scale-Up Growth Fund

- A €200M+ matched public–private fund to support Series B/C rounds, ensuring Irish companies remain headquartered and scaling domestically.
- Precedent: British Patient Capital; BPI France Growth.

Option E – MNC Corporate Co-Investment Schemes

- Structured pathways for multinationals to match public contributions in spin-outs, translational research, and early-stage deals.
- Precedent: Crick-AstraZeneca collaborations; Singapore's corporate co-investment vehicles.

International precedents demonstrate the impact of institutional LP participation:

- Canada – CPPIB investing in innovation and biotech clusters.
- Australia – Super Funds allocating to life sciences VC.
- Denmark – ATP investing in early and growth-stage biotech.
- UK – Mansion House Compact committing ≥5% of assets to unlisted equities and VC by 2030.

5. Strengthening the Indigenous Life Sciences Ecosystem

A successful national life sciences strategy must place far greater emphasis on the development, scaling, and long-term anchoring of Ireland's indigenous life sciences sector, including the full supply chain. While FDI remains a cornerstone, Ireland must enable domestic start-ups to become scale-ups and, ultimately, global acquirers rather than frequent acquirees.

Currently, the vast majority of Irish life sciences start-ups are acquired via trade sale to large multinational companies, typically US-based. While such acquisitions often deliver meaningful short-term gains, the long-term economic value would be greater if Ireland could grow a cohort of indigenous companies able to scale globally from an Irish HQ.

Ireland's life sciences activity is notably strong outside Dublin, with clusters in the West, Midwest, South, and Southeast. This regional strength represents an important national asset and can be amplified by integrating adjacent emerging sectors — AI, immersive technologies, advanced manufacturing — which can build on life sciences companies as early anchor customers.

To build such a pipeline, Ireland must reduce dependence on external markets and become more self-reliant in production and sales at a European level. This requires more risk capital along the funding continuum — friends & family, angels, VC, PE, family offices, corporate venturing. Unlocking more private-sector participation is critical, with tax incentives strategically used to catalyse investment. Pension funds and a portion of auto-enrolment assets should be ring-fenced for SME investment including life sciences.

Domestic commercialisation success also depends on access to reference customers. The HSE and broader public sector should act as structured beta customers for high-innovation Irish companies. Public procurement frameworks should include significant weighting for innovative solutions and early-stage technologies.

Case Study – Neuravi

Funded by three IVCA members, Neuravi developed breakthrough technology for ischemic stroke. With 7.8M new cases globally annually, patients treated with Neuravi's device can return to normal or near-normal life, generating estimated health system savings of $190,000 per patient. Global extrapolation suggests potential savings exceeding $1 trillion annually. Following acquisition by J&J, the company established a major Western Region presence, employing over 150 staff and serving as a global centre of excellence.

Ireland must match its strong R&D capability with robust commercialisation and sales skills. Structured technical sales training, dedicated undergraduate / postgraduate pathways, and STEM modules will improve translation of innovation into global markets.

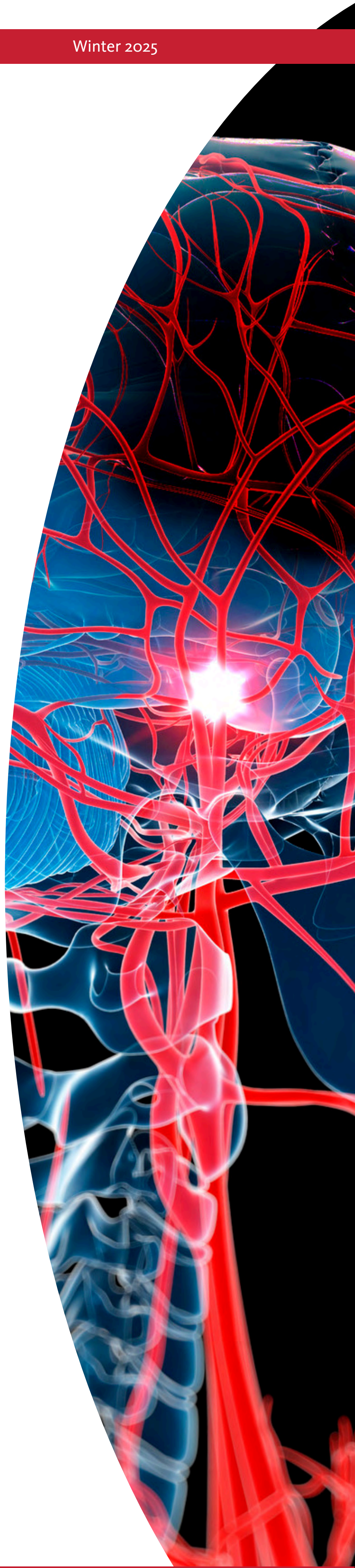
Finally, Ireland has an opportunity to specialise in first-in-human and pilot-phase clinical trials, providing a European niche for early-stage clinical research where population size is less limiting.

6. Potential Return on Investment

The example of the Western Innovation Fund (WIF) demonstrates the potential transformative impact of targeted policies in early-stage life sciences, and their return on investment. An allocation of €20M in Exchequer funding has catalysed significant private investment, enabled the creation and scaling of multiple Irish start-ups, and accelerated the translation of academic research into commercial outcomes.

To date the significant socio-economic impact generated from this initial investment includes, supporting 4,584 jobs that generate €1.5 billion in salaries. The region contributes €3.3 billion in revenue and €2.4 billion in exports, while investing €420 million in research and development. Additionally, the region is a hub of innovation, with over 1,000 patents registered, underscoring its role as a driver of high-value economic activity and technological advancement.

The WIF has strengthened the domestic venture ecosystem by providing critical early-stage capital, supporting clinical validation, and attracting international interest in Irish life sciences companies. This fund has directly contributed to job creation, retention of high-value IP in Ireland, and enhanced global visibility for the Irish life sciences sector.



By combining public and private capital in a coordinated approach, the WIF illustrates how relatively modest state funding can generate outsized economic, innovation, and societal returns. It reinforces the importance of structured public funding mechanisms to de-risk early-stage investment and support Ireland's indigenous life sciences ecosystem.

7. Conclusion

In conclusion successful policy initiatives will lead to positive outcomes economically, improvements to our health system, and our population health.

- €1–2bn increase in investable VC capital over 10 years.
- Stronger indigenous life sciences pipeline (therapeutics, medtech, diagnostics, digital health).
- Improved commercialisation and IP retention from public R&I investments.
- Attraction of specialist VC funds and talent.
- Higher-value job creation in R&D, clinical research, regulatory affairs, and manufacturing scale-up.
- Enhanced data-enabled decision-making and health system performance.
- Faster access to innovative therapies for Irish patients.
- Greater integration with EU research, data spaces, and innovation missions.

Immediate Policy Actions

- Establish a **cross-departmental group** (DFHERIS, DFIN, DETE, DEASP, EI, ISIF, IDA, DoH, IVCA, IPHA, ARC-HUB, IBEC, Irish Medtech, Dub Bio) to design a coordinated approach for data infrastructure, drug discovery, and translational science strategies to maximise ROI.

- Increased urgency around the ongoing work to develop **prototype models** for a national data infrastructure aligned with EU Health Data Space.

- Future Life Sciences success will depend on innovation in access for novel medicines and therapeutics. A special focus group on reimagining reimbursement of novel medicines in Ireland should be convened to create a system which will ensure Irish early-access and innovative reimbursement pathways.

- Draft regulatory and fiscal proposals enabling **pension and insurance investment** for Budget 2026 to support local specialist life sciences VC funds, and attract international Life Sciences VC to establish or expand Irish hubs.

Contact: info@ivca.ie | + 353 (0)1 276 4647 | www.ivca.ie

IVCA Members, Affiliate Members & Associate Members

IVCA Members

Act
Atlantic Bridge
BVP Business Venture Partners
Causeway Capital Partners
Delta Partners
Development Capital
Elkstone
Erisbeg
Fountain Healthcare Partners
Furthr VC
Goodbody
Hatch
Kernel Capital
Lightstone Ventures
Melior Equity Partners
MGV Middlegame Ventures
MML
Molten
Seroba.
SOSV
Sure Valley Ventures
Waterland Private Equity Investments
Western Development Commission
The Yield Lab

Associate Members

Abbey International Finance
Addleshaw Goddard
A&L Goodbody
Arthur Cox
BDO
Beauchamps
Byrne Wallace Shields
Dentons
Dillon Eustace
Enterprise Ireland
evelyn
Eversheds Sutherland
EY
Fitzgerald Power
FlynnO'Driscoll
forvis mazars
UKRI Innovate UK Business Growth
InterTradeIreland
Investec
KPMG
McCann FitzGerald
Maples Group
Mason Hayes & Curran
Matheson
NTMA
Noone Casey ETL Global
Ogier
Pegasus Capital
PhilipLee
Pinsent Masons
pwc
RDJ
Wallace Corporate Counsel
Whitney Moore
William Fry

Affiliate Members

Synova
Exponent

About the IVCA

The Irish Venture Capital & Private Equity Association is the industry body for the venture capital and private equity ("VC/PE") industry in Ireland. Celebrating our 40th year, the IVCA represents Irish-based VC/PE firms, as well as their investors and professional advisers.

Contact: info@ivca.ie | + 353 (0)1 276 4647 | www.ivca.ie