

Med tech start-up exits Bank of Ireland Seed Fund with US\$21m valuation

Galway med tech company neoSurgical has become the first start-up to exit the 2009 Bank of Ireland Seed and Early Stage Fund after raising US\$6m from US investor SAIG.

Kernel Capital said that it has commenced the formal divestment of the 2009 Bank of Ireland Seed and Early Stage Fund, which has a portfolio of almost 40 companies.

Third-party investment in portfolio companies will be facilitated, while simultaneously divesting the fund's interest.

Galway-based neoSurgical is one of the first companies to benefit from this programme, with the Bank of Ireland Seed and Early Stage Fund facilitating a US\$5.6m investment from US investor SAIG at a post-money Enterprise Value of US\$21m.

The company has completed product development of its lead surgical device neoClose and secured both FDA and CE Mark certification. This new investment will support the company's export-led growth through its entry into US and European markets.

"The Bank of Ireland Seed and Early Stage Fund investment in 2011 was the major enabler to getting us to where we are now," Barry Russell, CEO of neoSurgical explained.

"From inception Kernel Capital's leadership team gave us the confidence to seize the market opportunity and most recently they played a key role in structuring the SAIG investment."

Return on investment

Kernel and Bank of Ireland will return profitable cash proceeds to investors.

Kernel Capital forecast 25pc of the Bank of Ireland Seed and Early Stage Fund to be divested by Q2 2016.

Kernel is now focused on the All-Island Bank of Ireland Kernel Capital Growth Funds, which are actively investing in the €1m to €5m range.

The most recent investment from these funds was the medical imaging company, Cirdan Imaging Limited, in January 2015.

"This latest divestment is the 17th successful divestment of the Bank of Ireland Kernel Capital Venture Funds and the seventh in the past 12 months," said Ger Goold, partner, Kernel Capital.

"It is an excellent example of how this early-stage fund can be a catalyst for growth, successfully transitioning a company to series A funding while generating cash returns for our investors. We will be announcing similar divestments in the coming months."

Source: <https://www.siliconrepublic.com/start-ups/2015/04/30/neosurgical-med-tech-start-up-neosurgical-exits-bank-of-ireland-seed-fund>

May 1st 2015