

ClimbUK® hadaway^{ward}



Northern Lights 2.0

Yorkshire's Calling

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Mayor Statement



Tracy Brabin,
Mayor of West Yorkshire

"This report rightly highlights the opportunities for investment across West Yorkshire and the wider Yorkshire and Humber region.

For too long, investment has been concentrated in London and the Greater South East and as mayors we have a critical role to play in driving investment across the country.

Our region is home to incredible talent and businesses on the cutting-edge of innovation – pushing boundaries, developing the technologies of tomorrow and transforming sectors in ways we never imagined.

With further devolution and transfer of power outside of Westminster, we can use the tools at our disposal to fuel local growth, drive investment across key sectors and tackle chronic and long-standing challenges facing female-led businesses and businesses led by people from ethnic minority backgrounds.

Working with aspiring businesses and our universities we can, and must, do significantly better – and we're ready to play our part to build a stronger economy in which business and investment can thrive."

Opening Statement



Giles Moore,
Regional Development
Manager, Par Equity

For too long, Yorkshire and the Humber have been seen as an afterthought in the UK's investment landscape. Like the majority of the North, as Par Equity revealed in the last edition of this report ¹, it's a region with undeniable talent and ambition. But crucially, it lacks the visibility and support necessary to thrive. It's about time that changed.

Over the past two decades, Yorkshire and the Humber have been undergoing a quiet transformation. Sheffield, for instance, became home to the government's British Business Bank. Leeds continues to assert itself as a major technology hub. And other initiatives across the region, like the Department for Energy Security and Net Zero's three East Coast Cluster projects in Teesside, as well as three Russell Group universities, are helping to provide the fundamental building blocks of a successful startup ecosystem.

Political devolution over the past decade has also empowered local leadership to improve infrastructure, transport, and economic strategy. Initiatives led by recently formed combined authorities, such as the new investment zones in South Yorkshire and West Yorkshire, are presenting new opportunities for entrepreneurs to conceive and build businesses based on pioneering new technologies.

New research that we've commissioned from Beauhurst suggests that, while Yorkshire and the Humber still very much need extra support, there are a lot of exciting changes taking place. The region's share of total UK equity investment is rising. Additionally, some ventures like the housebuilder Honey, although still anomalous, are setting new standards for industries in the region with as much as £75 million in equity funding.

These are exciting times for Yorkshire and the Humber.

Still, the reality is that founders in the region need much more hands-on support, network access, and regional investment to realise the opportunities available to them. In this sense, proximity matters. Regional VCs have the local knowledge, access, and engagement to play a major role in connecting and attracting VCs from the Golden Triangle and abroad to the region.

At Par Equity, we set out in 2008 to build and nurture the kind of environment that would be able to see these companies through to their full potential. As the early signs of change emerge, this report lays out the opportunity for all to see. The question for investors now is no longer whether there are opportunities here, but whether they're ready to compete for them

¹ Source: Par Equity, Northern Lights, July 2024

About Par Equity

Par Equity is a leading venture capital firm based in Edinburgh and Leeds. Since our founding in 2008, we've had the privilege of partnering with some of the most innovative tech companies in the North of the UK. While we're proud of the role we've played, we recognise that this success has been shaped by many contributors – the visionary founders we back, the incredible network which supports us, and the investors who entrust us with their capital. Since 2008, Par Equity has invested over £192m across 82 companies, catalysing a further £327m of capital from third-party investors.² Par Equity has backed and exited high profile names

such as Current Health and DeltaDNA, which have helped build an impressive track record across 32 realisations to date.

A certified B-Corp, Par Equity partners with early-stage companies, operating B2B business models and with strong IP. Many of these companies are innovating in the fields of health tech, climate tech and industrial tech, often driven by new technologies such as robotics, photonics, advanced materials and artificial intelligence. Supporting Par's successful investment strategy across the north of the UK includes 15 investment professionals, 10 support staff, 40 operating partners and 240

investor network members across the community*.

Par Equity recently launched Par Equity Ventures I LP, an institutional fund to support companies in the north of the UK to scale faster at Series A rounds and beyond, accelerating innovation and job creation in the region.

As business builders, we are passionate about fostering innovation and growth for the north of the UK. We remain grounded in our commitment to serving our founders and investors with integrity and trust, and we take pride in being a reliable partner who listens, adapts, and delivers value.

² Source: Par Fund Management Limited, as at 31st December 2024

About Ward Hadaway

Based in Leeds, Manchester and Newcastle, and founded in 1988, Ward Hadaway LLP is a full-service law firm providing strategic and pragmatic advice to businesses, public sector clients and private individuals nationwide.

As a Top 100 UK law firm with over 95 Partners and 500 staff, our lawyers provide effective commercial solutions, built on a deep understanding of client and sector needs. Navigating complex legal challenges with confidence, our personal approach delivers on service, integrity and value. Fundamentally, as a firm without City overheads, we always strive to minimise cost, while ensuring client needs are maximised through transparency and financial certainty. This, to us, represents best value.

We're deeply committed to our communities and regularly engage in pro-bono work and the supporting of local charities and organisations, through donations, fundraisers and social value-led initiatives.

Yorkshire & The Humber: The State of Play

The investment gap between Britain's North and South has left Yorkshire in acute need of investment. In 2023, as outlined in our previous report, 78% of UK venture capital firms were still based in London. This situation makes it much tougher for startups and scaleups in the North, especially those new to engaging with VCs, to secure the capital and mentoring they need.

As we'll show later in this report, the region is home to an increasingly developed, effective, and profitable startup ecosystem supported by world-class universities and government investment. The local population is growing faster than the national average (0.67% vs. 0.66%).³ Salaries tend to be much lower (av. £34,401) than in London (£47,455).⁴ And in specialised fields like data science, the difference is even starker: a data scientist in Leeds costs an average of £46,328.⁵ That's 23% less

than in London. Put simply, funding goes further in Yorkshire than it does down South.

There are signs, however, that investors are starting to recognise this. Between 2020 and 2024, Yorkshire and the Humber attracted 1.39% of total UK equity investment. That figure rose to 1.76% in 2024 alone – a 21% increase. This leap was aided by a high-profile £75 million round into housebuilder Honey, yet still points to a promising change in perception of a region long overlooked. Aegis Energy, a Wakefield company improving charging infrastructure for electric commercial vehicles, for example, raised almost £21 million in March 2024. And Steel City Interactive, a Sheffield video gaming business, raised £15 million a couple of months later.

These success stories, however, provide the region with a foundation to build upon – one that we hope will

grow to shine in the future. The region's share of total investment deals in the UK (by number) remains small at just over 3% since 2020. We can do significantly better.

With this in mind, we must nurture this prospect as best we can. Yorkshire is poised for growth, but lacks the support it needs to realise it. If policymakers and investors can harness the growing momentum, by addressing the most significant issue, and closing the existing investment gap, the region could soon become a critical part of the UK's wider economic success.

³ https://www.macrotrends.net/global-metrics/cities/204592/west-yorkshire/population#google_vignette

⁴ <https://www.statista.com/statistics/416139/full-time-annual-salary-in-the-uk-by-region/>

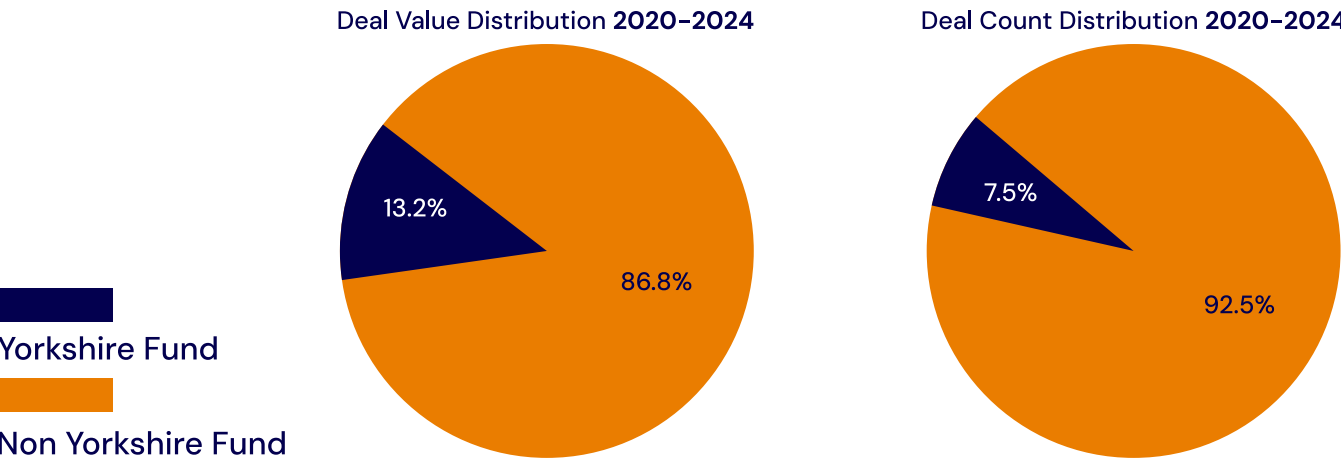
⁵ <https://uk.indeed.com/career/data-scientist/salaries>



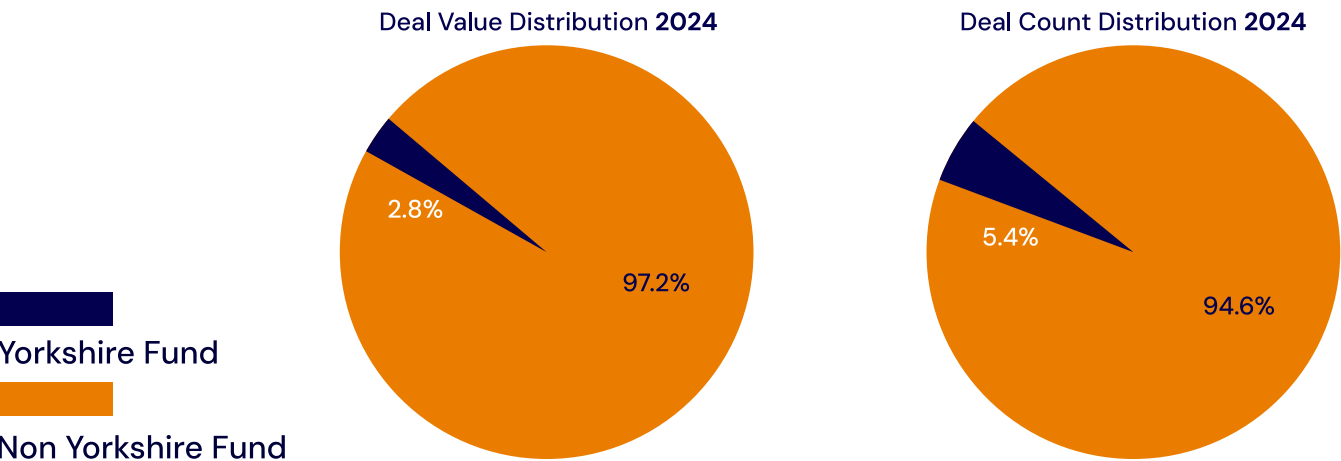
More Money, Fewer Pockets

Our research has revealed a concerning reduction in support from local VCs in Yorkshire and the Humber. While between 2020 and 2024 they invested 13% of their funds across 78 deals into regional companies, in 2024 that figure fell to 3% shared between only 8 deals. In other words, the influence of Yorkshire-based funds in their own region is in decline.

Equity investments into Yorkshire and the Humber companies by local Yorkshire and Humber VCs 2020–2024



Equity investments into Yorkshire and the Humber companies by local Yorkshire and Humber VCs 2024



This actually reflects an overall reduction in the number of investment deals by VCs across the UK. Between 2020 and 2024, there were 34,624 deals nationwide with Yorkshire and Humber VCs involved in 3% of these, totalling 1,046 investments.

Equity investments into Yorkshire and the Humber companies in proportion to the UK 2020–2024

	UK	Yorkshire and the Humber	%
Deal value	£110b	£1.53b	1.39%
Deal count	34624	1046	3.02%

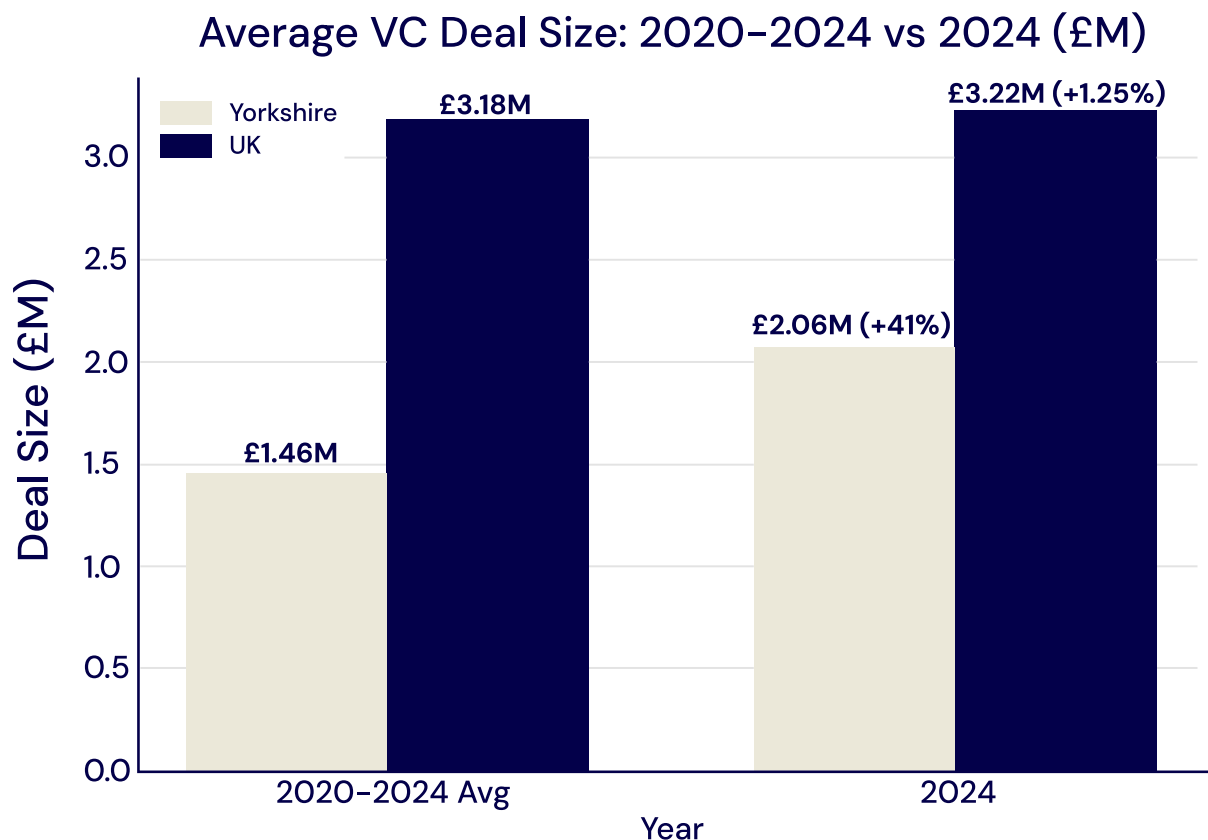
In 2024, that number dropped to 5,365 deals, with Yorkshire and Humber VC's only involved in 2.76% (3%) of these deals, totalling 148 investments.

Equity investments into Yorkshire and the Humber companies in proportion to the UK 2024

	UK	Yorkshire and the Humber	%
Deal value	£17.3b	£305m	1.76%
Deal count	5365	148	2.76%

More Money, Fewer Pockets

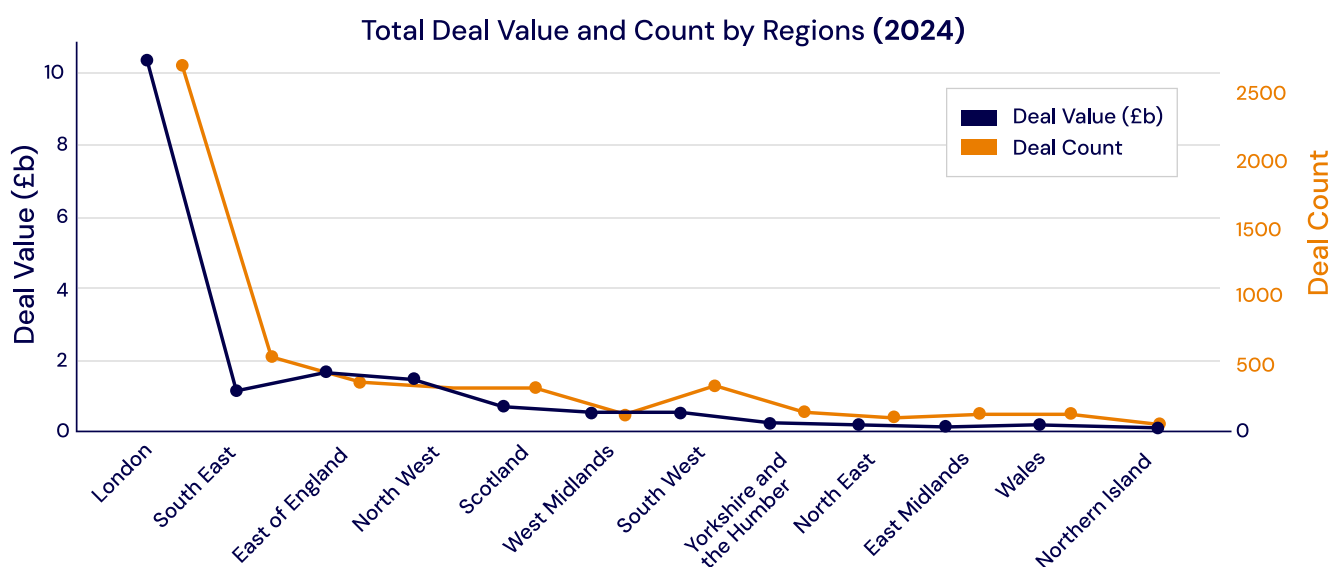
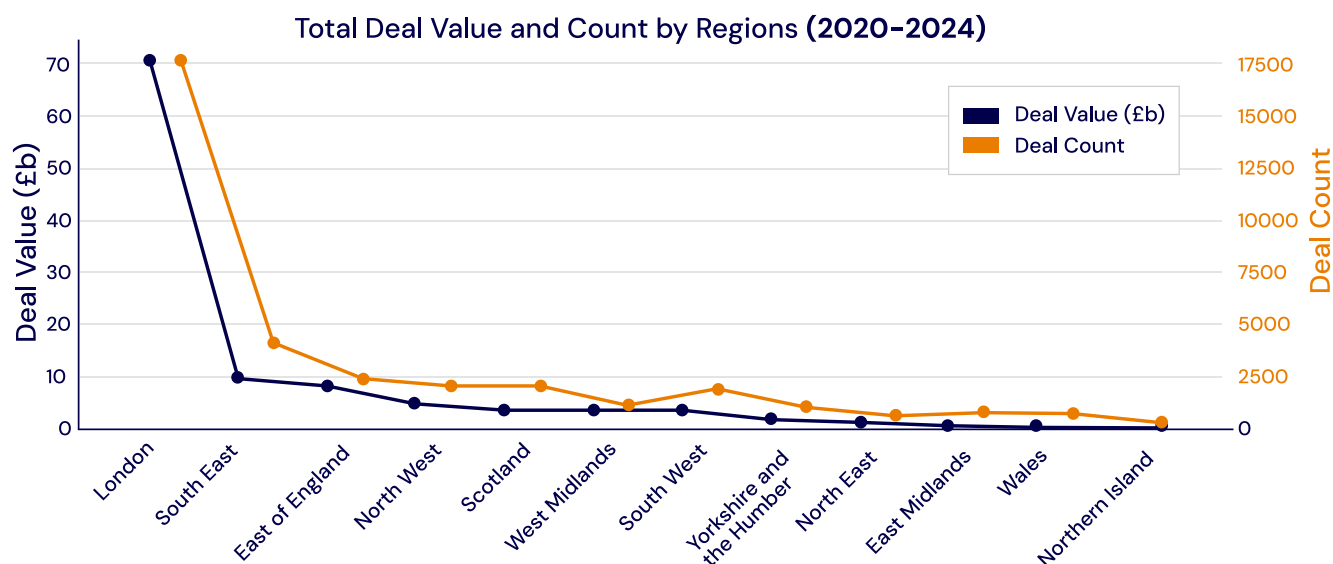
It is clear from our data that Yorkshire VCs are channelling their funds into fewer opportunities, which in turn is increasing the average ticket size into these opportunities.



The average size of investment into companies in the region rose from £1.46 million in the years between 2020 and 2024 to £2.06 million in 2024, which is a 41% increase.

Our research indicates that, while this trend can also be observed across the UK, it's happening at a faster rate in Yorkshire. The average UK VC deal between 2020 and 2024 was £3.18 million, rising to £3.22 million in 2024 alone, which is only a 1.25% increase.

This is, on the one hand, good news. It means that Yorkshire's most promising startups are getting access to more financial investment – the kind that will help them compete with other companies across the UK and the world. But it also means that it's becoming increasingly difficult for other startups to get the support they need to thrive. Without increased investment, many exceptional businesses will be lost to history, with the majority not even having the opportunity.

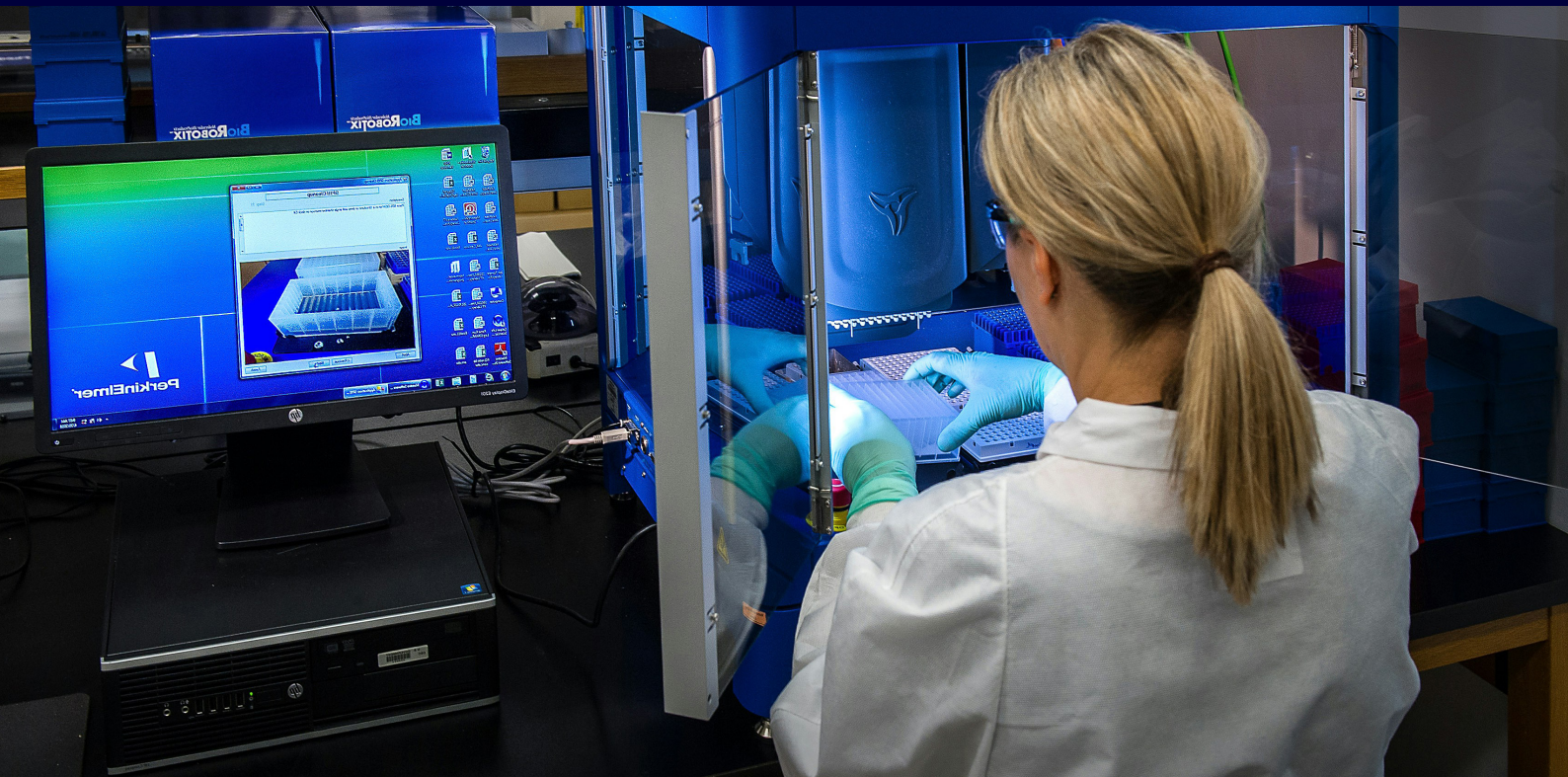


Between 2020 and 2024, London dominated the investment landscape, securing almost £71 billion across 17,502 deals. During this same period, Yorkshire and the Humber attracted £1.5 billion through 1,046 deals, representing 1.4% of the UK's total deal value and over 3% of all UK deals.

In 2024 alone, London once again dominated the investment landscape. Yorkshire and the Humber saw £305 million invested across 148 deals, accounting for 1.8% of the UK's total deal value and 2.8% of all UK deals, representing an increase in deal value but a slight drop in deal count.

Despite the majority of investments still being concentrated in London, we are starting to see increased capital flowing into the other regions across the UK. The North West and East of England are starting to catch up to the South East. However, Yorkshire and the Humber have not been able to increase their percentage share, and for all the exceptional talent and companies in the region, we are still not seeing a fairer distribution of capital away from London.

Industry Focus



The new Investment Zones in South and West Yorkshire will help Yorkshire to extrapolate its heritage in heavy industry and manufacturing into the modern world by attracting big industry players. There's also the Advanced Manufacturing Research Centre in South Yorkshire and the Enterprise Zone in East Riding, which have attracted large corporations like Siemens that offer excellent partners for innovative startups in those areas.

However, as our research has discovered, it would be a mistake to think that Yorkshire today is simply a high-tech version of its former self. Several of the largest funding rounds over the past four years, including into the energy management company Icelotope (£36 million since 2020), and the pharmaceutical company AMO Pharma (£34 million since 2020) prove that a diverse array of industries can yield significant success too.

However, as we'll reveal in the 'Sheffield & Leeds Rising' section, areas in the region are establishing themselves as focal points for different industries. Many of the companies showing the most promise are in the health tech, deep tech (especially AI), advanced manufacturing, and renewable energy/climate tech sectors. All of these sectors play a prominent role across Yorkshire, although the split between these sectors varies depending upon the region. This suggests that Yorkshire is beginning to stake out a position as an emerging hub for more advanced innovation on the technology frontier.

The challenge for Yorkshire is now in keeping those startups there, as well as attracting startups from other regions and countries. London and Silicon Valley present alluring opportunities for companies operating in these spaces. Yorkshire requires more investment opportunities to incentivise them to make Yorkshire their home.

The Big Opportunity: University Spinouts

Yorkshire boasts a network of 11 universities, three of which (University of Sheffield, University of York, University of Leeds) belong to the prestigious Russell Group. These institutions have carved out reputations for engineering and biomedical sciences, with at least 23 appearances among The Complete University Guide's 'Top 10' lists for core STEM subjects.⁶ Every year, they collectively produce nearly 18,000 STEM graduates.

Equally significant is that many of these talented graduates choose to stay in the region, fuelling its pipeline of technical expertise. Over 70% of graduates who studied in the region choose to stay on for work afterwards. And that proportion rises to 86% for students who originally came from Yorkshire and the Humber, making its universities fertile ground for talent and spinout ventures.⁷

The launchpads for these ventures are found in specialised research centres across the region. At the University of Sheffield, facilities like the Neuroscience Institute, to better understand the brain and nervous system, the Insigneo Institute, bringing together expertise in biomedical imaging, healthcare data, computational modelling, and digital healthcare technologies, and the Centre for Machine Intelligence exemplify the university's contribution to cutting-edge research in developmental medicine, AI, and renewable energy. Hubs at Sheffield Hallam and at the University of Leeds focus on interdisciplinary scientific collaboration, health, and biological engineering.

"The research talent in Yorkshire and the Humber is one of the best in the country, and we're only just beginning to tap into what that means for the UK's startup landscape. We have the raw materials: top-tier universities, groundbreaking ideas, and a high graduate retention rate. The next step is in making sure these spinouts have the investment, networks, and support they need to scale into globally competitive businesses."

Elizabeth Young, Investment Manager



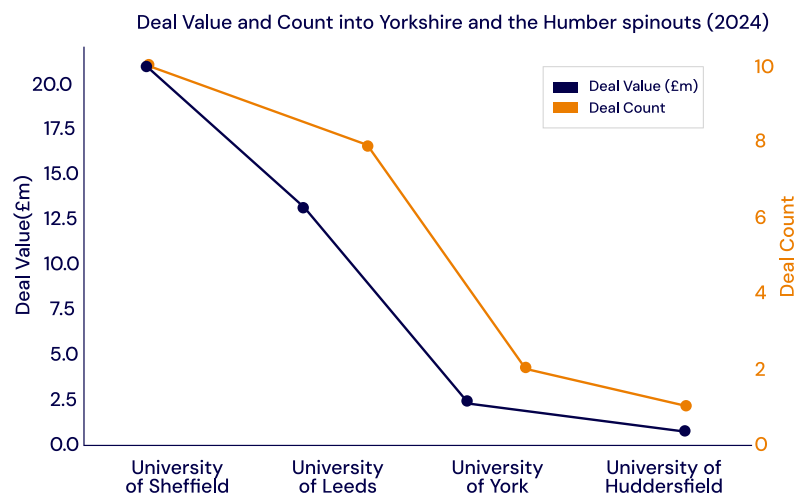
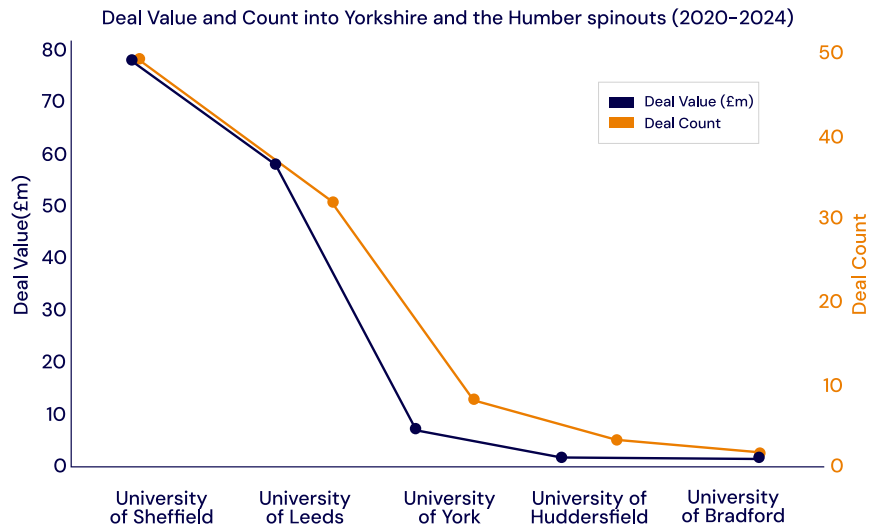
⁶ <https://www.thecompleteuniversityguide.co.uk/>

⁷ https://www.hesa.ac.uk/data-and-analysis/graduates?__cf_chl_tk=nxWTAcvkJCeOjwgmiNY6VGywLPMT099m2sL8pidOjmQ-1741249792-1.0.1.1-cl79DgNkRWYgJ70JE9JF35gYhDxNpQKDsGUMKrPrVgk

The Big Opportunity: University Spinouts

Between 2020 and 2024, the University of Sheffield has led the way for the Yorkshire and the Humber spinout landscape, securing £78.1 million across 49 deals. The University of Leeds followed in second place, attracting £58 million through 32 deals during this period. Over this time, we also saw over £10 million distributed across 13 spinouts from the University of York, the University of Huddersfield and the University of Bradford.

This pattern continued in 2024, with the University of Sheffield maintaining its leading position by securing £21 million across 10 deals, while the University of Leeds followed with £13.1 million across 8 deals. In 2024 we also saw over £2.5 million invested into 3 spinouts from the University of York and the University of Huddersfield.



"Building upon established successes, spinout founders at the University of Sheffield are using The Commercialisation Journey to drive a strong upward trend. We're proudly supporting and investing in more and more founders, enabling them to launch successful spinouts and attract significant private investment. Importantly, founders are reinforcing Yorkshire's ecosystem by establishing their ventures in our county."

Andy Hogben,
Head of Commercialisation
at the University of Sheffield



“Our spinouts are turning world-class research into real-world impact, tackling major challenges in healthcare, engineering, and beyond. With strong industry links and a developing innovation ecosystem, we’re ensuring Yorkshire’s brightest ideas receive the support required to scale into high-growth businesses.”

Andy Duley,
Director of Commercialisation
at the University of Leeds

The University of Sheffield’s Aegiq highlights the caliber of startups the region can produce when given the right support mechanisms.⁸ Founded in 2019, Aegiq applies quantum computing to address complex challenges in defence, aerospace, cybersecurity, and AI. Its customers include the Royal Navy and the National Quantum Computing Centre, and last year it raised £6.3 million in equity funding.

Two other University of Sheffield spinouts – BOW, enabling faster robotics software development,

and Exciting Instruments, pioneering molecule-detection tools for use in pharmaceutical research – attracted £4 million in equity funding each last year. Two University of Leeds ventures – adsilico, focusing on AI-driven medical device testing, and LC Auxtec, a pioneering auxetic materials company – have also secured £4 million and £2 million each respectively.

These examples highlight the commercial potential of Yorkshire’s brightest minds. To support them, the university-led Northern Gritstone fund from the

north of England has already made its presence known with at least 24 investments since 2021. Yet, as our data shows, financial support for these early-stage ventures is shrinking. To preserve and nurture this well of innovation, VCs must ensure that they continue to support the region’s high-tech pipeline. If we want real deep tech innovation to thrive in the region, we must be prepared to back them financially so they can deliver on their vision.

⁸ <https://aegiq.com/>



The Big Opportunity: University Spinouts



"This is a huge opportunity for York and North Yorkshire to be a rural trailblazer, showing the rest of the country how to drive growth and innovation in rural areas. I can't wait to see what we can achieve."

David Skaith,
Mayor of York and
North Yorkshire

York and North Yorkshire has always been a place of innovation—from building the first railways and social housing to transforming farming with new technology.

That pioneering spirit is still at the heart of our region today.

Sheffield & Leeds Rising

Across Yorkshire, cities and towns that were for many years left behind due to their locality, are now laying their own tracks for development. A wealth of new public and private-led initiatives, focusing on specific sectors, are facilitating the success of a new generation of startups. However, two cities stand out as the primary hubs of the regional ecosystem: Sheffield and Leeds.

In 2024 alone, Sheffield-based ventures led the region's investment rankings by a substantial margin, raising £121 million across 20 deals (although again worth considering that housebuilder Honey's £75 million round made up the majority of that). Ventures in Leeds raised a total of £38 million.

This success can be in large part attributed to an array of initiatives, events, accelerators, and institutions that have been established in the cities. These include: the British Business Bank, headquartered in Sheffield; the South Yorkshire Combined Authority's Sheffield Innovation Spine strategy, designed to support cutting-edge businesses and research partnerships; and TECH SY community and summit, supporting tech investment in the region.

In Leeds, flagship events like the Leeds Digital Festival and ClimbUK offer valuable opportunities to network and engage with innovators and investors from across the country and, indeed, the world. There's also the new Leeds Angels community,

launched by passionate tech founders and entrepreneurs in the city to "invest, nurture, and mentor ambitious, high-growth and deep tech businesses" in the North and the rest of the country.

Together, these developments underscore how both Sheffield and Leeds are shaping the future of innovation in Yorkshire and the Humber, creating fertile ground for high-growth ventures looking to scale in the North. The gravity of the cities' thriving innovation scenes is so strong, in fact, that the government's Department for Business and Trade and the UK Business Angels Association now bring international and Golden Triangle investors to these cities as part of a country tour.



"Yorkshire's start-up sector has experienced significant growth and diversification in recent years, emerging as a dynamic component of the UK's broader entrepreneurial landscape - we know this through clear, quantifiable growth, particularly in the tech sector. Yorkshire-based university spin-outs generated over £50M in '22-'23. The South Yorkshire Tech Summit has brought together stakeholders to discuss and promote the region's tech economy, with the regional sector reaching a value of £3B last year. Yorkshire's startup community has celebrated the success of companies in the region through the Leeds Digital Festival and Tech Climbers Yorkshire."

Alastair McDonald,
Business Development Director at Ward Hadaway

Sheffield & Leeds Rising



Startup Spotlight: Opteran

One of the most exciting Sheffield startups in recent years is **Opteran**, a University of Sheffield spinout pioneering '**natural intelligence**' for robotics and autonomous systems. Drawing inspiration from insect brains, Opteran's approach delivers highly efficient, low-latency AI solutions that are especially well-suited to drones, self-driving vehicles, and other edge-computing applications. Its technology has the potential to reshape how machines perceive and interact with their environments. The company raised **£10m** million of seed funding in **2022**.

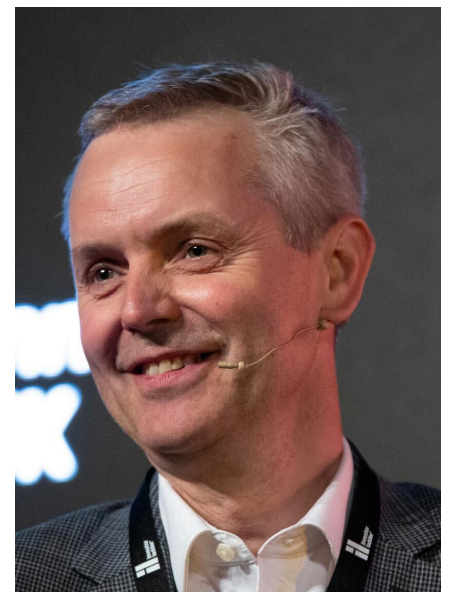


“Sheffield and Leeds are fast becoming the beating heart of Yorkshire’s tech scene and a gateway to the whole north. With record investment, growing networks, and flagship initiatives like TECH SY, there have never been more opportunities for ambitious entrepreneurs in the region. This is the place to build and scale innovative startups.”

Tracey Johnson, Project Director at Tech SY

“The strength of the UK’s investment landscape lies in its ability to connect talent, innovation, and capital from across the country. Whilst the North is driving forward in key sectors like healthtech, sportstech, cyber, creative industries, and advanced manufacturing, it is through national and international collaborations that we unlock real scale and impact. We created Climb25 because major national events hosted in the region play a crucial role in bringing together investors, founders, and industry leaders—breaking down regional silos, fostering meaningful partnerships, and accelerating growth.”

Gordon Bateman, Founder of ClimbUK



The Health-Tech Opportunity

Sheffield and Leeds are fast becoming focal points for health-tech innovation in the UK, with a growing number of startups, accelerators, and research initiatives driving progress in the sector. Both continue to be a powerful launchpad for new ventures, and their host cities are increasingly recognised as hubs for pioneering health-tech companies. This includes Little Journey, a Par Equity-backed startup improving the hospital experience for children.⁹



Startup Spotlight: Little Journey

Founded in 2018 by anaesthetist Dr. Chris Evans and product designer Sophie Copley, Little Journey enhances paediatric care by providing personalised tech-enabled psychological support to children and their families throughout healthcare experiences. Its digital platform offers interactive, age-appropriate content – like virtual hospital tours and other calming activities – designed to prepare families before, during, and after medical interactions to reduce anxiety and improve health outcomes.

“Chris and I have been exceptionally grateful to have had the support for ambitious founders like us in a city like Leeds. There’s a prevailing misconception that, to succeed, startups need to relocate themselves to the capital. But that just isn’t the case, and certainly not for us. There are a hundred reasons to build a startup right here in Leeds, especially in the health tech space, and we’re excited to see what other innovative companies the city yields over the coming years.”

Sophie Copley, Co-Founder and Chief Product Officer

⁹ <https://www.littlejourney.health/>



“For many years, there has not been enough innovation and investment in children’s health. When Sheffield Children’s NHS Foundation Trust secured the funding to build the National Centre for Child Health Technology, at the Olympic Legacy Park, this presented the perfect opportunity to launch the KidsUP Accelerator and start to address the innovation and investment gap. Working with key local and national partners, UP designed and delivered the pilot which was a huge success, and we are now really looking forward to the next cohort.”

Danny Meaney, CEO of UP Ventures

In 2024, Par Equity played a key role in launching the first edition of KidsUP, the UK’s first paediatric health-tech accelerator. The 13-week programme attracted 12 startups from across the UK and Europe, all focused on applying robotics, data, AI, VR, and medical devices to improve children’s healthcare. Participants benefited from mentorship by leading clinicians at Sheffield Children’s NHS Foundation Trust, refining their technologies before pitching to international investors at the programme’s end.

The National Centre for Child Health Technology, currently under development at Sheffield Olympic Legacy Park, will further reinforce the city’s position at the cutting edge of healthcare innovation. Bringing together world-class researchers, healthcare professionals, and families, the centre will focus on developing and testing breakthrough technologies to address critical paediatric health challenges.¹⁰

Meanwhile in Leeds, the Innovation Pop-Ups at Leeds Teaching Hospitals NHS Trust provide startups with access to frontline healthcare expertise, enabling rapid development and deployment of new medical technologies.¹¹ Alongside this, major regeneration projects such as the Innovation Village and Innovation Arc are redefining the city as a powerhouse for health and digital-tech entrepreneurship.^{12, 13}

Together, Sheffield and Leeds are proving that Yorkshire and the Humber has the talent, infrastructure, and investment support to lead the next generation of health-tech innovation in the North, the UK, and beyond.

¹⁰ <https://nationalcentreforchildhealthtechnology.com/about/>

¹¹ <https://www.leedsth.nhs.uk/about/future/innovation/innovation-pop-up/>

¹² <https://www.inclusivegrowthleeds.com/innovation-village>

¹³ <https://www.inclusivegrowthleeds.com/leeds-innovation-arc>

Yorkshire's Rising Stars

While Sheffield and Leeds are prominent hubs, the network extends beyond these cities to include many smaller, yet equally important, centres for development. A wealth of new public and private-led initiatives, focusing on specific sectors, are facilitating the success of a new generation of startups. Notable among these are York, Hull, Middlesbrough, and Bradford, each contributing significantly to the overall growth and innovation in the region.

York

Total sum raised by startups headquartered in the city between 2023 and 2024: £19 million

York's reputation as a centre for biotech, agritech, and AI is growing rapidly, supported by its world-class research institutions and an established network of knowledge-based industries. The York Biotech Campus has become pivotal in nurturing life sciences startups, offering on-site lab facilities and specialist guidance.¹⁴ Meanwhile, the city's long-standing focus on food and agriculture innovation continues to draw interest, with startups exploring sustainable food production, precision farming, and alternative proteins.

As well as biotech, York hosts a fast-expanding AI sector, driven in part by research at the Institute for Safe Autonomy at the University of York.¹⁵ The city's skilled workforce, increasing appeal to venture funders, and initiatives like York Angels reinforce the city's potential to become an important player in AI-driven innovation across various sectors.

Startups to watch:

- **Mesenbio**: a biopharmaceutical company developing a Cell Line Extracellular Vesicle Release (CLEVR) platform that enables it to pursue a varied therapeutic pipeline by improving consistency.

- **Humans Not Robots**: developer of an artificial intelligence-powered analytics and observability platform to help reduce the environmental impact of media operations.

- **Hydrologiq**: facilitates hydrogen as a scalable and immediate diesel replacement for off-road machinery, decarbonising a market that produces 1.3 gigatonnes of CO2 every year.

"York shares many characteristics found in other startup hubs in England such as Cambridge and Oxford: great universities, ideal demographics, wealth, and unique entrepreneurial institutions such as the Merchant Adventurers. However, the access to those first crucial investors was missing, and so we now plug that gap to ensure founders can get the cash they need to get started. In our first year we raised over £1m for startups and those that had otherwise been overlooked."

Samuel Hields, Co-Founder of York Angels

¹⁴ <https://yorkbiotechcampus.com/>

¹⁵ <https://www.york.ac.uk/safe-autonomy/>

Hull

Total sum raised by startups headquartered in East Riding between 2023 and 2024: £28 million

Hull has long been a centre for maritime industries, but today the city is carving out a new reputation in renewable energy, advanced manufacturing, and other industries. Home to Siemens Gamesa's offshore wind turbine blade factory, the city has become a key player in the UK's transition to clean energy.¹⁶ With ongoing investment in the Humber Freeport, startups focusing on sustainable technologies, logistics, and decarbonisation will find Hull a fertile ground for growth.

Beyond energy, Hull is also fostering a thriving digital sector, with C4DI (Centre for Digital Innovation) providing a dedicated space for tech entrepreneurs.¹⁷ The city's growing network of incubators and accelerators, unique Enterprise Zone, and relatively low cost of living, makes it an attractive location for early-stage companies. With ambition in maritime technology and smart logistics, it presents real opportunities for startups developing cutting-edge solutions in these fields.

Startups to watch:

- **Rubicon Bridge:** develops a cutting-edge regulatory technology – The Reg Tech Tool – designed to transform how businesses ensure regulatory compliance across Europe.
- **Halocycle:** provides a solution to plastics pollution by deploying established microwave processing technology in an innovative way to recycle plastics that contain chlorine.
- **Dwelly:** redefining the rental experience, making it simpler, smarter, and more reliable for individuals, families, landlords, and real estate agencies.

¹⁶ <https://greenporthull.co.uk/what-we-do/siemens-gamesa>

¹⁷ <https://www.wearemiddlesbrough.com/our-stories/dan-watson-boho-zone/>

Middlesbrough

Total sum raised by startups headquartered in North Yorkshire between 2023 and 2024: **£50 million**

Middlesbrough has rapidly evolved into a digital technology and advanced manufacturing hub, bolstered by both public and private investment. The Boho Zone, a cluster of digital and creative businesses, is widely recognised as a hotspot for software development, gaming, and immersive technologies.¹⁸ Flok, a versatile co-working space, has also become a hub for startups, hosting frequent events for investors and founders. This concentration of tech-focused firms, coupled with the city's comparatively affordable operating costs, makes Middlesbrough particularly attractive for VR, AR, and animation startups.

Beside digital innovation, Middlesbrough is using its industrial heritage to transition into a centre for advanced manufacturing and materials science. The Tees Valley Freeport supports opportunities in clean energy, hydrogen, and industrial decarbonisation, offering a platform for sustainable materials and engineering ventures. Additionally, the Tees Maritime Cluster, set to launch later this year, will improve the region's position in maritime innovation and logistics. With ongoing improvements to transport infrastructure and a growing appetite for investment, Middlesbrough is increasingly appealing to ambitious startups seeking a dynamic base in the North.

Startups to watch:

- **Material Evolution:** a groundbreaking ultra-low carbon cement operation accelerating construction's journey to net zero.
- **Assessable:** a platform automating the assessment of extended writing for schools to reduce teacher burnout that's forcing them to leave the English state school system.
- **Platvix:** a platform that helps startups to leverage AI-powered insights and real-time analytics to connect with the right investors.

¹⁸ <https://www.wearemiddlesbrough.com/our-stories/dan-watson-boho-zone/>

Huddersfield & Doncaster

Innovation in Yorkshire doesn't end there though. Cities like Huddersfield and Doncaster are also developing their own high-growth specialisms. Huddersfield's Innovation Enterprise Corridor, anchored to the University of Huddersfield's National Health Innovation Campus, is driving advancements in medical research, healthcare technologies, and business growth. Meanwhile, Doncaster is forging its own hub for AI with the launch of Gateway 1, and is shaping itself into a centre for sustainable aviation, with Hybrid Air Vehicles (HAV) planning to build an Airlander 10 airship production facility, helping to establish a green aerospace cluster in South Yorkshire. These developments highlight the wider opportunities unfolding across the region, reinforcing Yorkshire's reputation as a growing hub for innovation, investment, and future-focused industries.

Bradford

Total sum raised by startups headquartered in the city between 2023 and 2024: **Over £1 million**

Although it tends to receive less attention than the other cities on this list, Bradford is home to a £11.6 billion economy, ranking as the third largest in Yorkshire and the tenth largest in England. The city's focus on diversity and inclusion progress is exemplified by Impact Hub Bradford, which is working to support underrepresented communities through initiatives designed to foster economic opportunity. BREE (Bradford-Renduchintala Enterprise Ecosystem) is promoting university spinouts and entrepreneurship, providing a £2.5 million platform to support startups in taking their ideas from concept to market.



“Bradford is the UK’s first-ranked city for entrepreneurship. Our Bradford-Renduchintala Enterprise Ecosystem (BREE) is redefining how a University can play a key role in driving prosperity, through an open programme that inspires innovation and start-ups, harnessing our technology and international connections, with the strength of our vibrant community.”

Prof. Paul Thorning, Director of BREE

Bradford is also emerging as a key player in AI development, supported by the University of Bradford, which is now ranked as the third-best institution in the UK for AI education. Beyond its tech credentials, Bradford is also in the spotlight as the 2025 UK City of Culture, a title that has led to over 30 creative health and wellbeing projects. With a dynamic business landscape and increasing investor interest, Bradford is establishing itself as a rising force in Yorkshire’s innovation economy.

Startups to watch:

- **ExecQua:** a platform that helps self-employed administration professionals (virtual assistants) get found by business owners, who want to work with a VA.
- **TiwaOma:** produces customised braided wigs and human hair wigs for kids and women experiencing alopecia and other forms of hair loss.
- **OneClic:** an automated platform that helps online retailers to source their products and gather happy customer feedback.

What Now?

Yorkshire has all the foundational building blocks required to create a successful startup ecosystem: talent, ambition, a set of world-class research universities, and new investment and innovation zones to accelerate the region's potential. Yet, as this report has shown, and like many of its neighbours, it remains underfunded compared to the South. Startups and scaleups often struggle to access the capital and support they need to scale.

Despite this, there are clear signs of progress. The average size of investments in the region increased by 41%. Sheffield and Leeds are emerging as central hubs for innovation, especially in IP-rich deeptech and health technology. Other cities, including York, Hull, Middlesbrough, and Bradford are also developing strong sector specialisms, from biotech and AI, to clean energy and advanced manufacturing.

To capitalise on its potential, Yorkshire and the Humber region requires support in four areas:

1. Stronger local networks:

Relationships with successful entrepreneurs and business people will ensure that founders have access to necessary mentorship, support and industry connections.

2. Improved spinout funding mechanisms:

These will be essential in retaining top talent and ensuring that groundbreaking research translates into high-growth businesses.

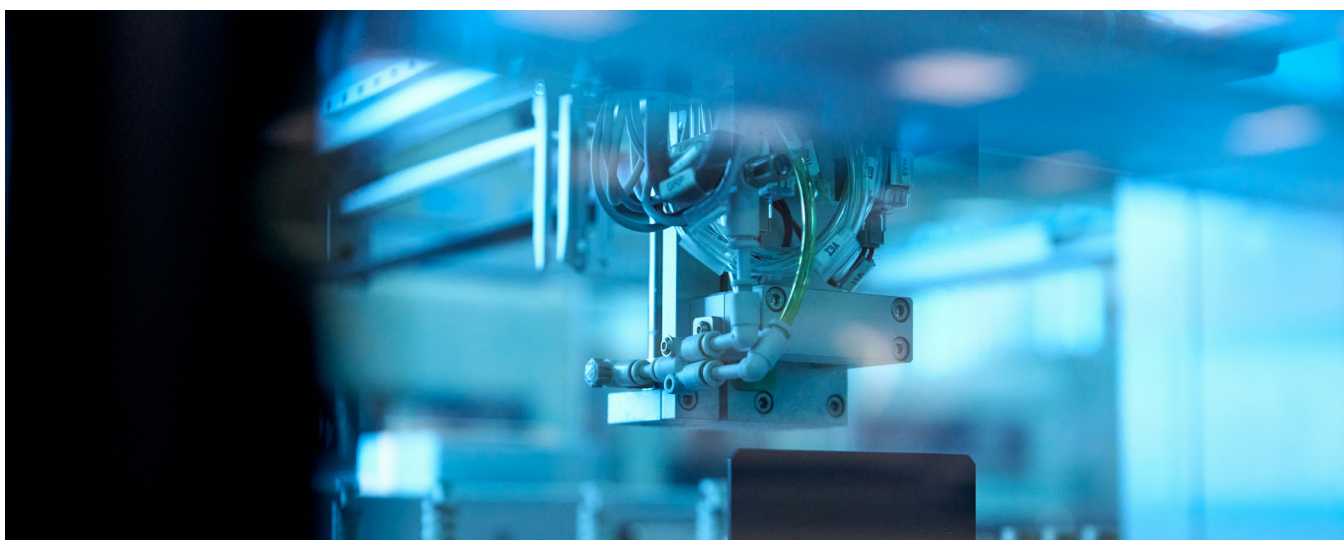
3. More investment opportunities:

These will allow a more equal spread of funding to startups at every stage of the growth journey, especially those at pre-seed and late stage where the obvious current gaps are.

4. Regional sector clusters:

These would attract large corporations to the region, which would attract talent, create larger pools of resources, and attract further innovation.

If these barriers are overcome, Yorkshire has the potential to become both a regional success story and a national leader in innovation, thriving as a self-sustaining ecosystem that attracts investment and talent for years to come.



“At Ward Hadaway, we are committed to our regional footprint and driving growth through technology, innovation and building upon the region’s historic strength in manufacturing. Startups are often innovators and disruptors. They change the face of business. By enhancing funding access, strengthening infrastructure, fostering collaboration and promoting diversification, we can continue to develop an already resilient and expansive economy; further establishing Yorkshire as a key business hub for the entrepreneurs of tomorrow.”

– Alistair McDonald,
Business Development Director at Ward Hadaway

For more information, or to speak to one of our team, please visit <https://www.wardhadaway.com>

Par Equity's Role

Par Equity has been an active force in Yorkshire since its inception in 2008, backing some of the region's most exciting early-stage businesses and laying the groundwork for long-term growth. Notably, Par Equity backed Little Journey in 2024, a pioneering health-tech company transforming paediatric care, and Nova Pangaea Technologies since 2017, which develops sustainable aviation fuel. The company continues to seek out high-growth B2B businesses with exceptional founders and global opportunity, which Par Equity can help to facilitate.

Par Equity's commitment to Yorkshire is not just about capital though; it's about securing a long term future for the region. In the past year, the firm has expanded its team with three new appointments based in Leeds and Sheffield, expanding its network and increasing accessibility for founders. The company has set up offices in both cities, using Yorkshire as a second base for its northern investments. These offices support Par Equity's expanding engagement with cities often overlooked by London-based investors, such as Hull, Bradford, and Doncaster.

An important element of Par Equity's regional activity has been its ongoing collaboration with the British Business Bank, headquartered in Sheffield. Since 2020, Par Equity has worked with British Business Investments as part of its Regional Angels Programme, securing £26 million in funding. This has been deployed alongside £85 million of Par Equity's own capital and a further £117 million of third-party capital to support its highly successful investment model across the North.

Par Equity has also played a leading role in accelerating health-tech innovation, partnering with UP Ventures and Sheffield Children's NHS Foundation Trust to launch the KidsUP accelerator in 2024. Designed to support startups developing cutting-edge medical technologies for children, the programme brings together VCs, NHS specialists, and global tech partners to help early-stage companies bring life-changing innovations to market. The company also acts as entrepreneur-in-residence at the NHS's Health Innovation Yorkshire and Humber.

Through this work, Par Equity is reinforcing its long-term commitment to Yorkshire and the Humber. By embedding itself in the local ecosystem, backing high-potential startups, and building deep-rooted investor networks, it is ensuring that the region's best and brightest founders have the support they need to thrive, scale, and compete on a global stage.

For more information, or to speak to one of our investors, please visit: <https://www.parequity.com/>



Left to Right – Sunny Nagi, Giles Moore, Robert Higginson, Elizabeth Young, Andrew Noble

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Interested parties are strongly recommended to seek specialist financial and tax advice before investing.



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