R&D & Innovation Market Size in Ireland, UK & Canada | ReaDI-Watch

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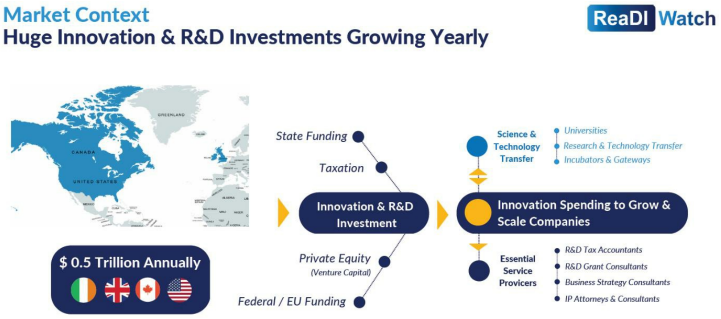
Innovation and R&D have become central drivers of economic growth, competitiveness, and technological advancement across the global economy. Governments, multinational corporations, startups, and research institutions continue to increase investment in research, development, and innovation as countries compete to attract talent, intellectual property, and high-value industries.

Ireland, the United Kingdom, and Canada have emerged as major innovation-driven economies, supported by strong R&D tax incentives, grant programmes, research ecosystems, and growing investment in technology, sustainability, digital transformation, and advanced manufacturing. Together, these markets represent billions in annual R&D expenditure and significant opportunities for organisations operating in innovation management, funding, and governance.

ReaDI-Watch estimates that more than 200,000 SMEs in Ireland, the UK, and North America collectively invest over $0.5 trillion annually in R&D with an expected annual growth rate of 10%. This funding comes from various sources, including State Funding, R&D tax incentives, Private Equity (Venture Capital), and Federal and EU funding, which all aim to enhance the prosperity and competitiveness of these countries. The $0.5 trillion investment supports company growth and fosters science & technology RD&I ecosystems, including universities, tech transfer offices, incubators, and gateways, to develop science & technology innovations into market-ready products and services.



ReaDI-Watch's primary focus is on Ireland, the UK, and Canada, which are targeted as key markets with significant growth potential. To validate ReaDI-Watch's estimates, they were compared against external market data, and the results can be seen in Figure 10 above.

The Irish Market

In 2020, Ireland received significant funding of over €3 billion through the EU's Horizon program (Markets and Markets, 2021). Domestic R&D investment in Ireland reached €4.5 billion, with private businesses accounting for 74% of the total spending (Department of Further Education, Research, innovation, and Science, 2021) as outlined in Figure 11 below. About €1.13 billion in R&D tax credits were claimed by 1,616 companies (Revenue, 2023).

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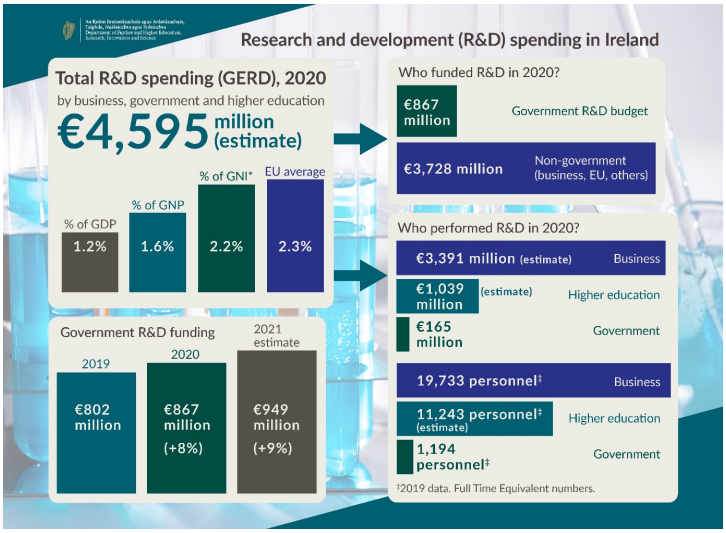


RD&I breakdown Irish Market

(Department of Further Education, Research, Innovation, and Science, 2021)

R&D spending in Ireland grew by 8% in 2020 (Department of Further Education, Research, Innovation, and Science, 2021). This trend is favourable for companies like ReaDI- Watch, operating in Ireland's RD&I management software market. This Irish market is expected to reach $151 million by 2025 (Markets and Markets, 2021).

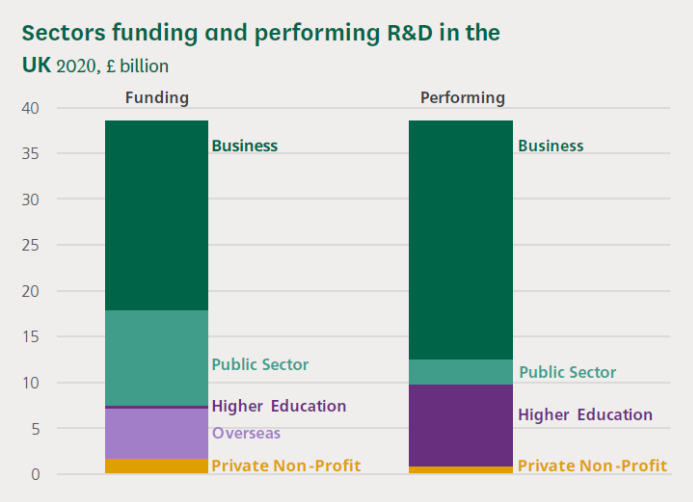
Private business enterprises spent €3.39 billion on R&D in Ireland in 2019, with large enterprises employing over 250 individuals contributing 66.1% of total R&D expenditure (Central Statistics Office, 2020). The top 100 enterprises, with 78.1% attributed to foreign- owned companies, accounted for €2.7 billion or 81.18% of the total R&D expenditure in 2020 (See Appendix 2).

Data from the European Commission for 2019 highlighted that 35 large multinational declared their entire global R&D expenses through their Irish Headquarters. This suggests Ireland's favourable tax rate attracts global R&D investments (European Commission, 2020).

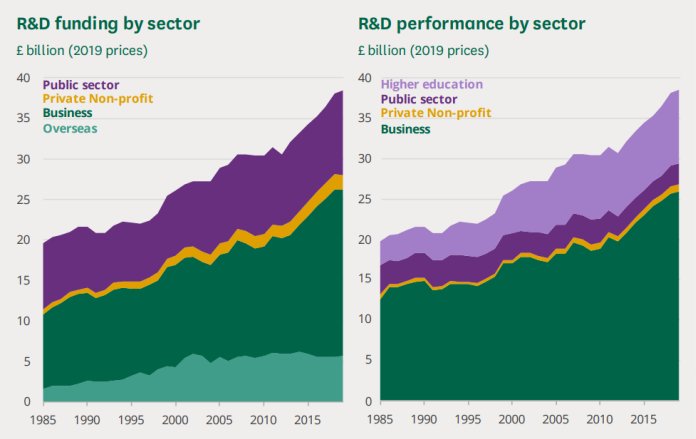
The UK Market

In 2020, the UK Government invested £38.5 billion in R&D, a £2.1 billion increase from 2019, with the business enterprise sector accounting for £20.7 billion, representing 54% of total R&D spending (Parliamentary Office of Science and Technology, 2021) as outlined in Figure 12 belowFigure 13. A new R&D tax credit scheme introduced in 2020 supported SMEs, resulting in £6.6 billion R&D tax credits claimed by 89,300 companies across the UK that year (UK Government, 2022).

Despite a severe economic downturn after the 2008 global collapse, the UK's GDP rebounded in the following years with R&D spending across all sectors displaying a positive trajectory, indicating the R&D market's resilience to economic slowdowns (Parliamentary Office of Science and Technology, 2021). This favourable market condition provides ideal opportunities for SaaS providers like ReaDI-Watch and other RD&I management companies to operate in the UK.



R&D funding and performance by sector in UK Economy



R&D funding and performance by sector from 1985-2020

Like the Irish market, the UK also shows a positive outlook for R&D spending, making it an attractive market for RD&I management software firms like ReaDI-Watch. The RD&I management software market in the UK is expected to reach $754 million by 2025 (Markets and Markets, 2021).

The UK government's detailed analysis of R&D expenditure in the business sector reveals £25.9 billion spent in 2019, comprising 67% of the total UK R&D expenditure (Parliamentary Office of Science and Technology, 2021). This Government report also provides a summary of the top 20 sectors and the top 10 companies investing in R&D in 2019. Impressively, almost £16.4 billion (63%) of all business sector R&D spending was contributed by just 10 companies that year, mirroring a trend seen in Ireland.

The Canadian Market

Canada's main research SR&ED program provides tax incentives for eligible R&D activities. In 2020, Canada spent $41.9 billion on R&D (Statistics Canada, 2023). R&D spending was estimated at approximately $42.6 billion in 2021, with 55% of this coming from the private business enterprise sector. $3.8 billion in R&D tax credits were claimed by 25,850 companies in 2020 (OECD, 2021).

Canada's market is attractive for companies like ReaDI-Watch. The Canadian economy has a high proportion of innovation-focused firms and personnel employed by same, making it a rich target market for RD&I management firms like ReaDI-Watch (OECD, 2021). The market size for RD&I management software in Canada is expected to

reach $143 million by 2025 (Markets and Markets, 2021).

Like the Irish and UK markets, 55% of Canada's total R&D spend comes from the private business enterprise sector. Notably, the Aerospace, Automotive, Oil / Gas, Pharmaceutical, and Software and Computer Services industries contribute significantly to this sector's R&D expenditure (Infosource, 2020). Appendix 5 provides a summary of Canada's top contributing corporate R&D companies. Canada's top 100 firms accounted for 31% of the country's total R&D spend in 2019, indicating less concentration compared to the UK and Irish markets.

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