

MANCHESTER STARTUPS RAISE OVER £200M IN 2018 AS CITY'S TECH SECTOR CONTINUES TO GROW

- Manchester digital tech companies have raised more than £200m in early-stage funding so far in 2018, according to data analysis by Tech Nation
- City's digital tech turnover climbs by 4% to £3.2bn
- Manchester has 69,837 digital tech jobs
- 531 business births in 2016
- Digital tech turnover per employee reaches £105,000

Manchester, October 4 2018

Manchester's transformation into a thriving tech hub has continued in 2018, with tech companies in the North West city raising more than £200m in funding, including significant funding rounds for healthtech companies eLucid mHealth and Push Doctor, events startup TickX and fintech Shieldpay.

Manchester is the city with the most digital tech workers outside London, and is the centre of a thriving digital commerce sector, which builds on a long legacy of resourcefulness and ability to combine creative and technology skills. Billion dollar companies - unicorns - that have been built in the North West in the last few years include boohoo, AO.com and The Hut Group. Other digital tech successes include UKFast, the cloud-hosting business that helps small startups to grow, retailer PrettyLittleThing, virtual reality company Immotion Group, and AccessPay, a specialist in cloud-based payments and a cash management automation provider.

According to Tech Nation research, Manchester's digital tech sector grew steadily between 2006 and 2016, with a 130% increase in the number of businesses formed per year. In 2016, the last year that figures are available for, 531 digital tech businesses were formed in Manchester and increasingly the city is also becoming a hub for blockchain. Turnover of the sector grew by 4% last year, outstripping the growth of the wider economy.

Manchester startups that raised significant funding rounds in 2018 include TickX, founded in 2015, which raised a £3m series A funding round, led by BGF Ventures, this summer. Peak, a member of Tech Nation's Upscale programme, raised £1.5m in June and Wondrwall, a startup that connects homes with thermostats and alarms also raised investment this year. Airtime Rewards, which joined Tech Nation's inaugural fintech programme in September, raised £1m in May.

Tech Nation on Tour arrives at No 1 Spinningfields on 4 October, when entrepreneurs, founders and tech ecosystem experts will assemble to debate the opportunities for developing startups in the North West. Tech Nation sees Manchester as a crucial node in the development of a national network to encourage ambitious entrepreneurs and startups right across the nation and has an office in Manchester, in the nearby Bonded Warehouse.

Data on Manchester will be presented by Tech Nation's insights team which will feed into a panel discussion on the challenges faced by local entrepreneurs and startups. The panel includes Sarah Wood, the chair and co-founder of viral ad company Unruly, who is also a Tech Nation board member; Gail Jones, joint MD and co-founder of UKFast; Hannah Anderson, co-founder of Social Chain and Amman Ahmed, founder of Music for Pets.

Gerard Grech, chief executive of Tech Nation, will announce today that Tech Nation's new home in the North will be at the Bonded Warehouse, putting the organisation right at the centre of the city's start-up ecosystem.

Grech said: "Manchester is a city with a brilliant reputation for science, commerce and creativity and of course is closely associated with Alan Turing, the father of modern computing. With several co-working spaces, private equity firms, a globally recognised university talent pool, as well as many fast growth companies like The Hut Group and Social Chain in the city, Manchester has outpaced Amsterdam and Dublin in tech investment growth over the last few years."

Hannah Anderson, Director of Social & Creative at Media Chain, said: "We love this city. It is the epicentre of creativity and disruption in the UK. We chose Manchester over London back in 2014 because we were a bunch of Northerners who loved the North. We had an idea of what we could create with the social influence we had built, and by utilising the incredible pool of digital talent in the area, we've now created the most engaged social-first media portfolio in the world, expanding to London, New York and Berlin."

Gail Jones, co-founder and joint MD of UKFast, says: "Manchester's strength is that community, business and government can work together collaboratively. Manchester led the industrial revolution and generations later there's huge expectation from business leaders to continually reinvent the city. The last few years have seen a huge acceleration in the growth of the digital tech sector in the city and Greater Manchester."

The buzz around Manchester's digital tech sector has been helped by Government bodies and businesses planning to open or expand in Manchester in the next year. Government agency GCHQ and Moneysupermarket.com will open in the city while leading local tech company, The Hut Group, has said it will invest more than £750m in the area over the next three years. Car maker Jaguar Land Rover recently opened a new software, IT and engineering centre in Manchester which will work on its connected car technologies. Meanwhile, Amazon is opening a new office in Manchester and booking.com has signed a deal to open a £100m European HQ in the city.

Earlier this month, Vodafone confirmed that it had chosen the city's MediaCityUK as an incubator base to test 5G. This will give businesses, startups and tech innovators access to 5G, Internet of Things, high-speed fibre and help transform the way that services in the city, including transport, energy and health are managed.

Also in September, Cisco and Manchester Science Partnership said that they would partner with GCHQ and Wayra to launch an “engineering accelerator” in Manchester, to help discover the brightest software engineering startups in the UK.