

## Tech Nation Report 2020

### Investment and employment boom for UK tech sector

### Future Fifty 8.0 announced with *Atom Bank* and *BenevolentAI* joining the programme

- Digital tech sector GVA grew nearly 6x faster than that of the rest of the UK economy in 2018 - contributing £149bn to the UK economy and accounting for 7.7% of UK GVA
- Digital tech employs 2.9m people in the UK, an increase of 40% from 2017 (now accounting for 9% of the national workforce)
- 25% of Europe's top 20 highest investment tech cities in 2019 are in the UK - Manchester, London, Bristol, Oxford and Cambridge
- 95 UK companies valued at between \$250-\$800m in the UK in 2019 - a 27% increase from 2018, in addition to the 77 \$1bn valued companies currently in the UK
- Tech Nation has also announced which companies have joined its [Future Fifty 8.0](#) programme, Europe's longest serving and most successful programme for late-stage tech companies, with 9 IPOs and 30 mergers and acquisitions. Successful applicants include Atom Bank, Vizolution, BenevolentAI, Elvie and Babylon (full list below)

Tech Nation, the growth platform for tech companies and leaders, has today announced the release of its annual [Tech Nation Report](#).

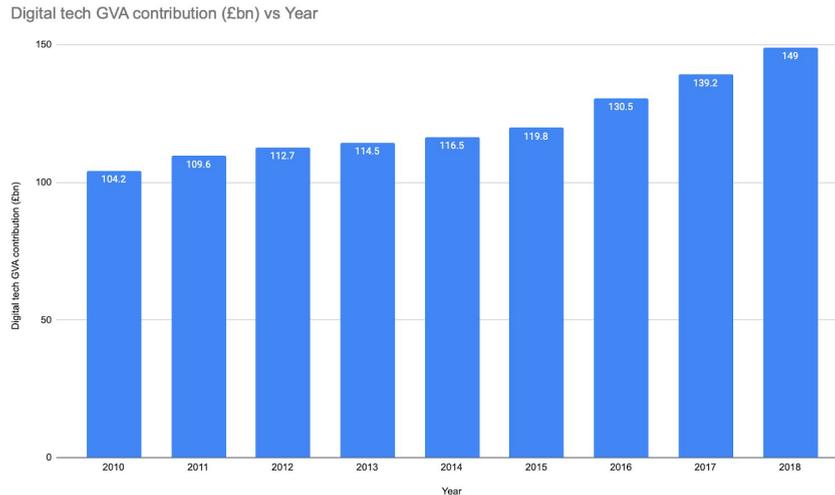
The report provides a comprehensive overview of the evolution of the UK's tech ecosystem, exploring the drivers that underpin and power economic growth within the sector.

This year, the report explores the current state of the UK tech sector, how high value scaleups and tech unicorns are fuelling investment, which UK regions are competing on the international stage, and how the UK is leading the way on cutting-edge technologies.

The Tech Nation report is proudly supported by partners Openreach and BNP Paribas Real Estate, who are pivotal in digital transformation through the provision of valuable infrastructure and in championing the UK tech sector. We would also like to thank our data partners Aon.Radford, Dealroom, Pitchbook, Crunchbase and Gsma.

#### **UK Tech sector growth**

2019 was an incredibly positive year for the UK tech sector. Compared to the rest of the UK economy, digital tech grew 6 times faster than any other industry (the digital tech sector contributed £149bn to the UK economy in 2018, accounting for 7.7% of UK GVA. This is nearly 6 times greater than growth across the economy as a whole, which increased by 1.4%).



Source: Tech Nation 2020; DCMS 2020

In 2019 there were 2.9m people employed in the digital tech economy, an increase of 40% from 2017, with the digital tech economy now accounting for 9% of the national workforce compared to 7% two years ago.

Late stage scaling investment in the UK has boomed over the last year: Series C investment onwards grew by 71%, and Growth Equity (Private Equity) grew by 51%, indicating that the UK tech ecosystem is scaling and companies are ready to take on large sums to enable unicorn style growth.

In 2019, 81.2% of investment into UK tech went to scaling firms, compared to 80% in 2018. A 'scaleup business' is defined as a company which has seen average annualised growth of at least 20% over three years with 10 or more employees at the start of the period.

Fintech remains the UK's largest tech investment sector with a 100% rise from 2018. 44% of Europe's Fintech unicorns and companies valued between \$250m and \$800m are based in the UK.

### **UK Growth powered by High Value Scaleups across the country**

The UK is home to 95 companies valued at between \$250-\$800m in 2019 - the most ever on record – which represents a 27% increase from 2018, and significantly more than the UK's counterparts: France is home to (61) of these high value scaleups, Germany (46), and Israel (46).

These companies are important as they represent the pipeline of companies that are already disrupting the UK's tech ecosystem, and show trends and patterns in the development of the UK tech sector. To date these companies have raised £6.75bn and employ 17,475 people.

45% of high value scaleups are based outside of the capital, including wejo based in Chester, Bybox based in Coventry and Crisp based in Leeds.

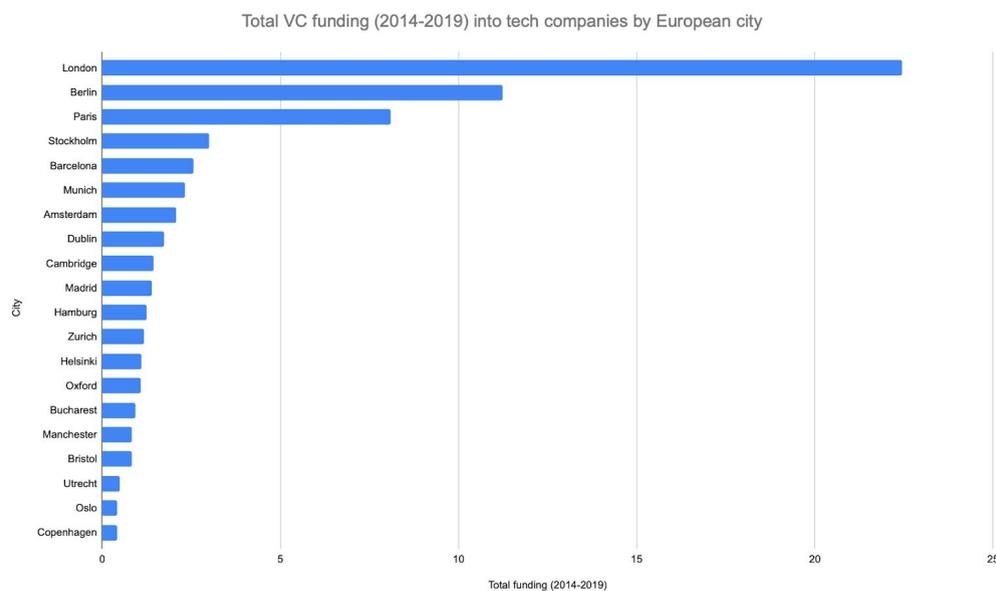
These companies are set to become the tech unicorns of the future. The UK is already a world leader in producing tech unicorns - it's 3rd in the world, behind only the US and China. The UK is home to 77 tech unicorns, tech companies valued at over \$1bn, and 8 tech unicorns were created in 2019.

## UK Investment in European Perspective

UK companies secured a third of the £30.4bn of investment raised by tech companies during 2019 in Europe.

London generated record investment among European cities - £6.8bn in 2019, a 67% increase on 2018, followed by Berlin (£3.5bn), and Paris (£2.4bn).

25% of Europe's top 20 highest investment tech cities are in the UK - Manchester, London, Bristol, Oxford and Cambridge. Furthermore, Manchester is the fastest growing European tech city, with an increase in investment of £48m to £181m from 2018 to 2019 – representing an increase of 277%.



## UK Pioneering New Technologies & Leading in Value Driven Technology

In 2019, for every £1 invested into New Technologies (AI, robotics, cybersecurity, blockchain, IoT, virtual reality, and augmented reality) in Europe, 35 pence was invested into UK companies.

- Artificial Intelligence:
  - The UK is 3rd in the world for the level of AI investment. From 2015 to 2019 UK AI companies raised £3.2bn of global AI investment, meanwhile the US raised £32bn, and China raised £12bn
  - The UK is the only country of the top 5 AI nations to have demonstrated consistent positive year-on-year growth for the last 5 years
- Cybersecurity
  - The cybersecurity big hitters are the US and China, followed by Israel and the UK.
  - The UK raised £7.8bn in cybersecurity investment from 2015 to 2019. The US and China continue to dominate with total investment of £17.5bn and £16.4bn from 2015 to 2019
- Blockchain
  - The UK comes in fourth in the world for blockchain investment at £8.9bn of investment for 2015 to 2019.

- The UK is third in the world for blockchain deals, at 249 compared to the US at 1,212 and China at 268
- Healthtech
  - £1.18bn raised by UK healthtech companies in 2019 - accounting for 61% of the total European market (£1.93bn)

It's not just new technologies that are driving change in the tech ecosystem, but also values. Purpose-driven UK tech companies are coming to the fore, with investment in UK tech companies addressing UN Sustainable Development Goals (SDGs) almost doubling in the last year, from £1.59bn investment to £3.06bn. UK SDG aligned companies have raised more over the last six years than those in any other European country.

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## Future Fifty 8.0 Cohort Announcement

In conjunction with the annual Tech Nation report, Tech Nation, the growth platform for tech companies and leaders, is pleased to announce the high-growth scaleups which have been selected to join the 8th edition of [Future Fifty](#), the UK's leading late-stage growth programme.

The programme supports companies in achieving their global ambitions, creating jobs and opportunities across the UK, and inspiring the next generation of tech entrepreneurs, founders and businesses.

Previous Future Fifty Alumni include a host of successful tech companies, including Deliveroo, Funding Circle, Skyscanner and Partnerize.

New entries onto the programme this year include Atom Bank, BenevolentAI, Elvie, Soldo and Vizolution.

See the full list of the Future Fifty 8.0 cohort in notes to editors.

The programme is supported by partners CBRE, RSM, Talent Works International and Shearman & Sterling who bring their expertise and networks to Future Fifty.

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### Quotes

**Digital Secretary, Oliver Dowden, said:** "The tech sector is at the heart of our economy and creating jobs and wealth across the country."

"We are determined to create the conditions digital businesses need to succeed and are investing heavily in gigabit speed broadband, 5G, cyber security, digital skills and research and development."

**Gerard Grech, Chief Executive, Tech Nation, commented:** "These are truly extraordinary times. Over the coming months, technological involvement will be essential, impactful and exponential. Across the piece, UK tech companies are offering radical solutions. We need to stay responsive. Every effort we put in now will repay many times over, as the past few years have already shown."

“In a rapidly changing world, the UK is a shining light for tech entrepreneurs, investors and employees, with jobs in the digital sector now accounting for 9% of its national economy. Some of the biggest UK successes; the 77 so-called tech unicorns, are \$1bn valued companies now inspiring others, and there are an additional 95 tech businesses across the UK primed to be scaling over the coming years. The success of these businesses will be grounded in the UK tech ecosystem's ability to build deeper and broader knowledge networks between various constituents such as experienced investors and entrepreneurs and to truly fuel growth across the country.”

**On the announcement of Future Fifty 8.0, he said:** “As one of Europe’s longest and most successful scaling programmes for late stage scale-ups with 163 companies collectively raising £6.1Bn so far on Tech Nation’s Future Fifty. I’m thrilled to see such an impressive array of companies such as Vizolution, wejo and BenevolentAI from across the UK join the programme. The companies joining Future Fifty 8.0 today have already raised over £1.4bn, and already employ nearly 6,000 people - Tech Nation’s ambitions for what they can achieve are as big as the entrepreneurs themselves.”

### **On the Tech Nation Report**

**Her Majesty’s Trade Commissioner for Asia Pacific, Natalie Black CBE, commented:** “The annual Tech Nation report is the definitive view on UK tech. I am delighted that it continues to show overseas investors backing the UK tech sector as one of the most exciting and dynamic in the world. With 21% of UK tech investment from Asia last year, the opportunity for the UK to grow partnerships in Asia Pacific is exceptional. I am particularly pleased to see UK start-ups with operations in Asia Pacific, like BenevolentAI, join the Future Fifty, showing the global capability of the UK tech ecosystem.”

**Eileen Burbidge, Partner, Passion Capital, Chair, Tech Nation, commented:** “The latest findings from Tech Nation today evidence the impact the tech sector has on the UK economy. The UK tech sector is growing 6 times faster than the rest of the economy, and we are seeing UK tech companies raise funds from investors all over the world. Fintech continues to be one of the UK’s key strengths, with 44% of Europe’s fintech unicorns and high-value scaleups being located in the UK.”

**Dr Sarah Wood, Founder, Unruly, commented:** “The UK continues to push the envelope when it comes to creating technologies that are reactive to the ever changing world around us. In 2019, we see continued growth in AI, Healthtech and Fintech as well as purpose-driven tech companies coming to the fore, with investment into UK tech companies responding to the UN’s Sustainable Development Goals nearly doubling in the last year alone. I’m excited to see these developments in the UK tech sector, which is testament to the ambition and innovation of tech entrepreneurs right across the UK.”

**David Richards, Founder, WANdisco, Board Member, Tech Nation, commented:** “As the Founder of WANdisco, and a board member at Tech Nation I am proud to see the tech ecosystem flourish in thriving tech hubs right across the country. The Tech Nation report 2020, rightly recognises the UK as a centre for tech excellence, providing startups with the talent, investment and know-how to grow in the UK and to take on the world.”

**Lesley Eccles, Founder & CEO, HelloRelish Inc, commented:** “UK tech is well and truly scaling up. Late-stage investment is up 71% from 2018, a testament to the growing maturity of the UK tech sector and to the ambition and talent we have in the UK. With 95 exciting companies coming through the pipeline, I’m looking forward to seeing these companies becoming the household names of tomorrow.”

**Poppy Gustafsson, CEO, Darktrace, commented:** “It is fantastic that the UK stands as one of the top 3 countries investing in AI globally. The lifeblood of brilliant technology companies is access to capital and great talent, and Britain has both of these ingredients. Darktrace is a fantastic example of Great British AI proving itself fundamental in solving one of the society’s greatest challenges. Thousands of organizations around the world are using this technology to fight back on their behalf to protect their critical data and systems from crippling cyber-attacks.”

**Clive Selley, CEO, Openreach, commented:** “Realising the potential laid bare in this report won’t just need a concerted effort across the tech sector, but we believe it needs widespread full fibre broadband infrastructure coupled with people actually upgrading to the fastest fibre. Ultrafast, ultra-reliable connectivity will enable anyone to launch a business and work from wherever they choose. It will reduce commuting and carbon emissions, and unlock job opportunities for people such as carers, older people and parents looking to return to work. Ultimately, research suggests it could grow our economy by around £60 billion per year. At Openreach we’re determined to lead this digital transformation and that’s why we felt it is so important to be part of this report”

**Dan Bayley, Head of Tenant Representation, BNP Paribas Real Estate, commented:** “The UK is fast establishing itself as a leading tech hub, supporting jobs and economic growth across the whole of the country. Our research shows tech businesses were behind 2.3m sq ft of office uptake in London in 2019 and the most active sector accounting for a 19% share. For continued success, access to the right type of office space, in attractive vibrant locations will be key to attract talent. Flexibility and choice in terms of space and leasing arrangements, allowing businesses to scale up, when needed is also important. The industry is incredibly versatile and we are excited to be working closely with Tech Nation to support its future growth.”

**Charlotte Park, partner at Aon, commented:** “Aon is proud to be partnering with Tech Nation to support UK-based start-ups with the data they need to attract the best talent that will allow their ideas to flourish and their businesses to thrive. In this study, we looked at two key roles you’d find at any start-up: full-stack engineers and data scientists, and compared salary rates within our Radford Global Technology Survey across 10 cities in the UK and 12 cities globally.”

#### **Quotes on the Future Fifty Programme**

**Hazel Moore, Chairman and Co-founder, FirstCapital commented:** “The process for selecting the Future Fifty companies is rigorous and the competition is tough. Congratulations to this new cohort, which represents a group of outstanding digital businesses in the UK that have the potential to be globally successful leaders in their field.”

**Mark Mullen, CEO, Atom Bank, commented:** “To be selected for the 8<sup>th</sup> edition of Future Fifty is a huge honour. We’re a fast growing entrant from the North East and we’re proud of our roots. The North East has a great reputation in terms of innovation and the fact we’ve received this recognition and to represent the region is a testament to the team’s success and talent. We’re excited to get started and to build a network with the country’s most successful tech companies. As the UK’s most trusted bank on Trustpilot and one that’s recently re-platformed to Google Cloud and will use a cutting-edge technology stack and practices, we look forward to sharing our expertise and learning from others in the cohort.”

**Baroness Joanna Shields, CEO, BenevolentAI commented:** "Future Fifty was created to support high growth tech companies as they strive to scale up and become market leaders. BenevolentAI could not be more excited or proud to be part of the cohort in 2020. We are a great British business and we have an important and purposeful mission to push the boundaries of technology to understand

the underlying cause of diseases and to use AI and machine learning to develop more effective medicines for patients. We are delighted to have Future Fifty by our side for the journey ahead."

**Abakar Saidov, CEO, Beamery commented:** "We're proud to be recognized by Tech Nation as one of the most successful late-stage UK tech companies, and excited to join the next cohort of the Future Fifty. It's a great opportunity for our team to network and build relationships with other top businesses in the UK, as well as connect with some of the program's illustrious alumni."

**Dr Ali Parsa, CEO & Founder, Babylon, commented:** "Babylon's mission is to put an accessible and affordable health service in the hands of every person on earth, a huge ambition which can only succeed by working with others. We know the value of collaboration as it has fuelled our dramatic growth, making us one of the world's leading healthtech companies in just 7 years. The UK tech industry is changing the world and one look at the brilliant companies involved in Future Fifty shows why - we are humbled to be among them."

**Adam Hildreth, Founder & CEO, Crisp, commented:** "It's great to be a part of the Tech Nation Future Fifty programme. At Crisp, we're solving a high growth, truly global problem that affects brands, social platforms, democracy and society, and we're looking forward to sharing our experiences and learning alongside some amazing companies."

"We're pleased to be representing the Yorkshire tech sector. Crisp is a global-facing company but our foundations are in Leeds, and the strong regional tech eco-system has enabled us to scale successfully."

**Charlie Delingpole, CEO & Founder, ComplyAdvantage, commented:** "We feel honored to have made the Future Fifty list and to be recognised alongside such an outstanding cohort who are having an incredible impact on the financial future of the UK."

**Richard Hartley, CEO, Cytora, commented:** "We're proud to be included in this year's Future Fifty, alongside such an impressive cohort for 2020. The insurance industry is undergoing a fundamental technological shift, which we've seen transform other vertical industries like commercial banking in recent years, and which makes this a really exciting time for Cytora. As we continue to deepen our partner network and scale into new markets, we're looking forward to learning from and supporting other successful companies at a similar juncture."

**Ben Harris, CEO & Co-founder, Decibel commented:** "Since Decibel's founding, we've been committed to providing global brands with the crucial AI they need to improve customer experiences on their websites and apps. Our explosive growth has been fueled by clients seeing 450% return from the insight our data provides them, which proves just how critical digital customer experience is to business success. We're honoured that our journey has been recognised by Tech Nation, and thrilled to be established as one of the UK's most successful businesses by the Future Fifty."

**Dr Lewis Z. Liu, Co-founder & CEO, Eigen Technologies, commented:** "There is real momentum right now in the European tech sector. From a global perspective I believe European tech as a whole has come of age in the last couple of quarters. We've seen the likes of Lakestar, Atomico, Balderton, and Northzone raise big funds, showing greater ambition than ever before. European tech, with London leading the way, is now starting to compete with the likes of Silicon Valley and Shenzhen. Organisations like Tech Nation do brilliant work in supporting this drive and ambition, so we are truly honoured to have been selected to be in the latest Future Fifty cohort."

**Tania Boler, founder and CEO, Elvie commented:** "We are really proud and excited to be recognised in Tech Nation's Future Fifty programme. It has supported some of the biggest names in UK tech such as Deliveroo and Farfetch who have all benefited massively from inclusion on the programme. It comes at a great time for us at Elvie and is a testament to the team's hard work and joint passion to transform women's lives through smarter technology. We hope to use this accolade to further inspire future female leaders, share learnings and support other start-ups."

**Louise Hill, co-founder and COO, gohenry commented:** "We're delighted to join Tech Nation's Future Fifty programme alongside such established alumni. As we scale up our UK and US operations and build on our mission to help millions of kids to be good with money, we're looking forward to working with Tech Nation to further establish gohenry as a leader in the UK tech industry - as well as a champion for Gen-Z and the youth economy."

**Dr Kate Hilyard, Chief Operating Officer, Healx, commented:** "At Healx we are committed to transforming the lives of rare disease patients by harnessing the power of AI to discover and develop new treatments. To be accepted to the Future Fifty 8.0 programme is a great validation of Cambridge's thriving tech ecosystem and their support of mission-driven companies that are developing tech to positively impact society."

**Peter Hansen-Chambers, CTO, Hutch, commented:** "It is great to join the Future Fifty programme, especially amongst such impressive company. We're excited to begin contributing to the network."

**Matthew Scullion, CEO, Matillion commented:** "Matillion is proud to be recognized for our sustained, rapid growth with acceptance into the Future Fifty program for the UK's leading late-stage technology companies. As a pillar in the tech ecosystem in the North West, we look forward to learning from the experiences of other powerhouses in the Future Fifty network as we continue our own contribution to the global tech economy."

**Tom McDonnell, CEO, Monterosa commented:** "For media companies, sports organisations and brands, developing and retaining fans has never been a higher priority. Monterosa is a leading light in fan engagement and interaction, providing pioneering technology that delights fans and satisfies an increasing appetite for businesses to generate tangible value from attention. Joining the Future Fifty is a tremendous accolade for the team at Monterosa and our customers. We're proud to be counted alongside an incredible alumni and to be given such an opportunity to learn."

**Ivan Mazour, CEO and Founder, Ometria, commented:** "The past year has been full of milestones for Ometria - completing our Series B, opening our New York and Southampton offices, growing our team to over 100 Ometrians - to name a few. It's an honour to have that progress recognised with our inclusion in the Future Fifty, and we're really excited to be in such great company."

**Doron Meyassed, Co-founder and CEO, Plum Guide, commented:** We are thrilled to be included as a part of Tech Nation's Future Fifty 8.0 Cohort, to be recognised as a company that has received considerable traction within our chosen market and shown the potential to become a global technology leader of tomorrow, is a true honour."

**Jason du Preez, CEO, Privitar, commented:** "Privitar is providing the leading platform for sensitive data management to the world's largest organizations. Our ability to deliver the latest data privacy capabilities at scale, and with enterprise complexity has driven rapid growth over the past 5 years and we are honoured to be recognised as one of the UK's leading late-stage technology startups."

**Carlo Gualandri, Founder & CEO, Soldo commented:** "We are delighted to have been selected for Tech Nation's Future Fifty programme. Soldo has experienced huge growth over the last 12 months and we have invested heavily in developing the best technology on the market that gives businesses of all sizes the possibility to automate company cash flow in a smart way. We have raised a total of \$81 million from notable international investors and our team is growing fast to support high demand from companies eager to start unifying every piece of the business spending jigsaw into one elegant future-ready platform. Soldo is well established as the leader in the spend management space, and we are scaling fast, so we're looking forward to the opportunities provided by Future Fifty that support this growth."

**Jonathan Seaton, CEO and Co-Founder, Twinkl, commented:** "Twinkl was born with the mission 'to help those who teach' and this is still at the heart of everything that we do today. We are immensely proud that, as a digital business, our resources are available anywhere in the world, carrying our mission to help those who teach across the globe."

"We are honoured to work with and support teaching communities internationally, but we recognise that there are still more teachers to help. The Future Fifty programme will help us to secure our position as a leading digital publisher and provide us with a platform whereby we can discuss and work with others to continue expanding our reach and the support we offer."

"Although we're growing our global presence, we're immensely proud of our Sheffield roots. Our growth is a testament to the amazing talents of people based or moving here, particularly in the digital and education sectors. Supportive business networks, amazing universities and a growing number of start-ups have helped make Sheffield a hub for innovation and education technology."

"We're a Sheffield born company with a global impact and I'm excited to see what the future brings as a part of the Future Fifty 8.0 cohort."

**Bill Safran, CEO, Vizolution, commented:** "As a scale up that has enjoyed considerable success so far, we decided to enter Future Fifty to expedite our expansion and are delighted to have been selected in this year's growth programme. We work with over 30 global enterprises from the financial services and telco industries (including HSBC, Santander and RBS) and are currently focused on expanding our client base. The Wales technology sector is well established, with a very supportive ecosystem, so we are incredibly proud to be the only Welsh technology company on the list. We very much look forward to sharing insights with other members and participating in the upcoming events and roundtable discussions."

**Richard Barlow, CEO, wejo, commented:** "We are proud of our North West roots. We started as a small team based near Chester and now innovate on a global scale, in an industry that's typically led by the Silicon Valley pack. wejo is powered by brilliant people, focused on unlocking the value in our journeys. We are only as good as our team is, which is why we opened an office in Manchester to tap into the thriving tech talent pool."

"We are excited to be selected to join the Future Fifty 8.0 programme, alongside an impressive cohort. As the North West continues to gain prominence in the tech industry, we expect to see many more North West businesses follow in our footsteps in the coming years."

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**Notes to editors**

## **Future Fifty 8.0 Cohort**

1. Atom Bank, Durham, Fintech
2. Babylon Health, London, Healthtech
3. Beamery, London, Enterprise & Cloud Computing
4. BenevolentAI, Cambridge, AI
5. Callsign, London, Cybersecurity
6. ComplyAdvantage, London, SaaS
7. Crisp, Leeds, AI
8. Cytora, London, Fintech
9. Decibel, London, SaaS
10. Duco, London, SaaS
11. Eigen, London, AI
12. Elder, London, Healthtech
13. Elvie, London, Healthtech
14. gohenry, London, Fintech
15. Healx, Cambridge, Healthtech
16. Hutch, London, Digital Entertainment
17. Landbay, London, Fintech
18. Matillon, Altrincham, Data Analytics
19. Monterosa, London, SaaS
20. Ometria, London, Adtech
21. The Plum Guide, London, E-commerce
22. Thought Machine, London, Fintech
23. Privitar, London, Data Analytics
24. Soldo, London, Fintech
25. Twinkl, Sheffield, Edtech
26. Vizolution, Swansea, SaaS
27. wejo, Chester, Tech for Good
28. Zego, London, Fintech

## **Future Fifty 8.0 New Joiners - Stats:**

- 28 companies
- 33% first time founders
- 5,579 total number of employees, 201 average number of employees
- 281% year on year revenue growth over the last 2 years
- £219M total revenues, with £7.8M average revenues
- £1.4Bn total raised, with £51m average amount raised
- 2 Unicorns are joining this year's programme bringing the total to 18 Unicorns from the Future Fifty programme.

## **Future Fifty 8.0 New Joiners - Sector Breakdown**

- Fintech - 25%
- SaaS - 18%
- Healthtech & Biotech - 14%
- Data Analytics - 7%
- Enterprise & Cloud Computing - 4%
- Artificial Intelligence - 4%
- Digital Entertainment - 4%
- Adtech & Marketing - 4%

- Cyber Security - 4%
- Ecommerce & Marketplace - 4%
- Edtech - 4%
- Tech for Good - 4%