

## **UK creates almost one unicorn a week as tech boom grows**

### ***Startup funding soars to H1 record of £13.5bn***

- The UK tech industry has raised £13.5bn in the first half of the year, almost three times what was invested in first six months of 2020
- Mega-financing rounds at companies including Revolut, Hopin and Cinch helped push total higher
- 1,700 tech startups and scaleups have received venture capital backing so far this year
- 20 new unicorn companies have been created in just six months, compared with the 24 years it took to create the very first 20
- UK tech now has 105 unicorns, more than France and Germany combined
- Five UK cities outside London are comparable to other European tech hubs: Manchester, Cambridge, Oxford, Bristol and Edinburgh
- Oxford's biotech sector helps it to top city, outside London, for attracting venture capital

**London, 20 September 2021:** The UK's tech sector is on course for a [record year of investment](#) after a flurry of mega deals sent venture capital investment soaring to £13.5bn in the first six months of the year, topping the figure achieved in the whole of 2020 and almost triple what was achieved half-way through 2020. The new figures, compiled for the UK's Digital Economy Council and Tech Nation by Dealroom for London Tech Week, demonstrate how the UK continues to extend its lead over rival European startup hubs and has attracted more venture capital investment than France, Germany and Israel combined during 2021.

#### **Prime Minister, Boris Johnson said:**

“Our tech revolution is creating jobs, driving growth and boosting investment across the country.

“We have a number of cities firmly on the map as tech hubs and new companies springing up at a rapid pace - supercharging the post pandemic economy as we build back better.

“We must continue to research, build and innovate as we cement our place as a world leader in tech and push forward towards another record breaking year.”

**Digital Secretary Nadine Dorries said:** “UK tech is booming. It's been yet another record-breaking year, with new start-ups launching to tackle challenges posed by the pandemic, and some of our most exciting home-grown tech firms cementing their world-class status.

“As Digital Secretary, I'm going to push our pro-tech agenda to even greater heights and make sure every corner of the UK benefits from the tech revolution.”

**More businesses raising more money than ever**

A handful of mega fundraising rounds by leading UK tech companies have helped push the total VC raised into record territory. More than half of all rounds raised this year have been for \$100m+.

Notable mega-rounds - those over £72m - included:

- Revolut, the neobank, which raised £577m at Series E
- Cinch, the car sales platform, which raised £1bn
- Cybersecurity platform Snyk, which raised £289m at Series E
- Hopin, the online events company, which raised £289m at Series C to cement its status as the fastest-growing European tech company ever.

As the UK gets ready to welcome the world's investors for London Tech Week, the figures will underline the UK's position as the leading centre of tech in Europe and the main challenger to Silicon Valley, after China. Over 1,400 UK tech companies have benefited from the £13.5bn raised and the investment is more than double that achieved in the next biggest market - Germany (£6.2bn).

### **Flying high with unicorns**

This influx in cash to UK startups has helped secure \$1bn + valuations for even more of the fastest-growing tech companies. The UK is now home to 105 unicorns - private companies worth \$1 billion or more - with 20 created in the past six months alone including Tractable, Zego and Depop. In comparison, it took 24 years (from 1990 to 2014) to create the UK's first 20 unicorns.

The number of futurecorns - high-growth companies with the potential to become unicorns - is also growing, with 153 possible candidates in the UK. Some of the top futurecorns in the UK are the digital bank Zopa, global kids entertainment company Moonbug, and direct-to-consumer letterbox flowers platform Bloom & Wild.

As revealed by Tech Nation in June, the UK is also home to 12 \$10billion tech companies - of which seven were created during 2021.

### **Fintech remains top...while healthtech and enterprise tech attract funding**

Financial technology, or fintech, continues to dominate the majority of investment rounds with the sector attracting £4.2bn in the first six months of the year. Fintechs also account for 11 of the 20 companies that became unicorns in the first six months of 2021. Fintechs dominate the top 10 most valued tech companies in the UK, including Revolut, valued at £23bn, Checkout.com, the enterprise payment service; Wise, the international money transfer platform which recently went public; and eToro, the cryptocurrency trading platform.

After fintech, the sector that has attracted the most funding so far this year is healthtech - with £2.7bn raised and then enterprise software - £1.3bn. Both sectors have benefitted from a surge in investor and user interest arising from the pandemic. Transportation - a sector that has seen

a challenging 18 months - has also been successful in attracting funds, raising £1.1bn in total so far.

Three other sectors have also seen a significant uplift in year-on-year investment: these are robotics - 12.8 x higher than last year; event tech which has raised 7.2 x higher than in 2020 and jobs recruitment, which has raised 5.9 x more than at the same point in 2020.

### **Regions taking a bigger slice of the pie**

After London, the city which has attracted the most in VC funding so far this year is Oxford, followed by Bristol, Birmingham and Cambridge.

[Oxford](#)'s biggest rounds were:

- Exscientia, an AI drug discovery company, raised a £379M Series D round
- Oxford Nanopore, which develops genetic sequencing products, raised £195M Series H
- Vaccitech, a biotech company, raised £121M in a Series B to continue its coronavirus work
- Evox Therapeutics, biotech company, raised a £69M Series C round
- Oxbotica, autonomous motor company, raised £33M in a Series B round.

[Bristol](#)'s biggest rounds were:

- Immersive Labs, cybersecurity training company, raised £54M at Series C
- Ultraleap, haptics company, raised a £36M Series D
- MoneyHub, fintech app, raised £13m in late VC round

[Birmingham](#):

- Onto, electric car subscription company, raised £126M Series B,
- Nourish3d, personalised nutrition, raised £7.9M Series A
- Remedy Health, personalised health startup, £8M Series A

[Cambridge](#):

- Riverlane, quantum software startup, raised £15M Series A
- Agile Analog, analogue IP platform, raised £13.7M Series A
- Mogrify, biotech and big data startup, raised £12M Series A

Startups in Scotland have raised £53.5m so far this year, including a £35.9m round by alternative protein company Enough and a seed round by the on-demand workspace platform Desana.io. Over in Northern Ireland, tech companies have raised £18.8m already in 2021.

### **London's strength continues**

The capital continued on its strong growth trajectory and is now home to 71 unicorns, created since 1990. London's biggest fundraising rounds between January and July were:

- Cinch £1bn
- Revolut £578M Series E
- OneWeb £397M Growth Equity
- Saltpay £345M Series C
- Checkout £325M Series C
- Hopin £289 Series C

## **UK tech company values rocket**

The combined value of UK tech companies founded since 2000 is now £428 billion and climbing. The UK's single largest tech company is currently banking app Revolut, which was valued at £23 billion at the time of its recent fundraising. 2021 has also been a year in which large numbers of home-grown tech companies have listed on the London markets, including Deliveroo, Darktrace and Wise, London's largest-ever tech listing.

Today Cognizant, one of the world's leading professional services companies, announced it will expand its UK-based workforce of highly skilled digital engineers by more than 2,500 by 2025. The company will also open two new delivery centers in Leeds and Northern Ireland. Through its UK graduate and apprenticeship intake program, Cognizant plans to hire and train junior talent in key digital skills including programming, data analytics, digital customer experience, and cloud capabilities.

### **Quotes:**

**Gerard Grech, founding Chief Executive, Tech Nation, said:** "The UK tech industry is on course for another record high in terms of investment in 2021. The success of established companies like Wise, Darktrace and Depop show there is a clear pathway for UK tech companies to make an impact on a global scale, and at Tech Nation we will continue to support entrepreneurs and startup founders as they grow their businesses from first investment cheque all the way to IPO."

**Nicola Mendelsohn, Vice President EMEA, Facebook and member of Digital Economy Council, said:** "The UK tech sector is fast maturing and the country now has leadership status alongside Silicon Valley and China. This is an exciting time to be part of this industry and we should be encouraging talented young people to understand that the best careers of the future can be found in those companies that are creating innovative products and services that help businesses and individuals."

**Rob Walker, senior vice president, UK&I country head, Cognizant said:** "Clients across the UK's private and public sector rely on Cognizant to help them modernise their businesses. Our new delivery centres in Leeds and Northern Ireland will help us attract and nurture the best and brightest digital engineering talent from across the whole country to help our clients solve their most important business challenges."

**Debbie Forster, co-founder Tech Talent Charter and member of Digital Economy Council, said:** “Investors from across the globe are putting money into the talent and research base we have in the UK tech sector. This is an opportunity to build a long-lasting sustainable industry that really reflects the diversity of people in both UK and global markets. Continuing the UK’s track record in developing innovative technology depends on making sure that companies large and small recruit from a diverse pool of people.”

**Julia Hawkins, general partner at LocalGlobe, said:** “The UK’s strengths in biotech and healthtech are starting to be recognised and investment is flowing into this sector where we already have world-leading intellectual property. The challenge now is to bring these companies to scale.”

**Rana Yared, general partner at Balderton Capital, said:** “The UK is home to one of the most diverse and vibrant tech industries in the world. Entrepreneurs launching new companies today have some great models to learn from, including companies like The Hut Group, Zego, and Depop. Uniquely to the UK, multiple tech hubs have thrived outside of London, such as Cambridge, Manchester, and Oxford, demonstrating the transformative power of technology.”

**Harry Briggs, managing partner at OMERS Ventures, said:** “There’s never been a better time to be working and investing in the UK’s startup and scaleup sector. The tech sector has the talent, the funding and the ecosystem to be a huge part of driving the country’s future prosperity, and I’m excited by the number of potential global winners starting to emerge here.”

**Andrew Elder, partner at AlbionVC, said:** “The UK tech industry wasn’t immune to the effects of 2020 yet it’s great to see sectors including healthtech recovering strongly and attracting record levels of funding. This sector in particular is one of the jewels in the UK’s crown and we need to continue to help it flourish, thereby creating both jobs and life-saving technologies.”

**Russ Shaw CBE, founder of Tech London Advocates and Global Tech Advocates, said:** “Record levels of investment and unicorns show that tech companies are driving the economic recovery in cities across the country and consolidating the UK’s position as the world’s third global tech ecosystem – alongside the US and China. This is no longer a story just about London, or just about fintech – UK tech has proven it is capable of producing world-class tech companies in AI, biotech and cyber nationwide.

“After the challenges so many businesses faced during the pandemic, today’s data recognises the extraordinary resilience and success of British tech companies and sends a clear message to the international tech community ahead of Europe’s largest tech festival, London Tech Week – the UK is a global tech powerhouse reaching a size and scale that can compete with anyone on the world stage.”

**Carolyn Dawson MD Informa Tech said:** “As we prepare to host the world’s top investors at London Tech Week, we are delighted that the UK’s tech sector is set to achieve a [record year of investment](#) and London remains the epicentre for VC funding. This year has been like no other,

and throughout London Tech Week we look forward to celebrating the fantastic recent achievements of the British tech sector and showcasing London's credentials as a diverse global tech ecosystem that continues to welcome leading entrepreneurs, talent and investment from all over the world. We are proud that the continued strength of UK tech positions the industry at the forefront of the UK's growth and economic recovery."

**Janet Coyle, Managing Director Business Growth, London & Partners said:** "As we come together for London Tech Week to celebrate the UK and London for tech, it is fantastic to see such incredible levels of funding being pumped into London and UK tech companies. These findings demonstrate the vital role technology has to play in the economic recovery of London and the UK and are confirmation that we can now compete on the global stage with the likes of the US and China. The growth in the number of unicorns in London is testament to the hugely supportive tech ecosystem here, from investors to accelerators and policy makers, London is now one of the best cities in the world to grow a global tech business."

**ENDS**

**Contact:**

**About DEC**

The Digital Economy Council is a non-statutory advisory committee of independent members set up to provide advice to the government. Its purpose is to harness the expertise of industry and the wider tech community to develop a world-leading digital economy that works for everyone.

**About [Tech Nation](#):**

Tech Nation is the growth platform for tech companies and leaders. Tech Nation fuels the growth of game-changing founders, leaders, and scaling companies so they can positively transform societies and economies. We provide them with the coaching, content, and community they need for their journey in designing the future. Tech Nation has years of experience facilitating and helping UK tech companies scale, both at home and abroad. Over 20 cohorts and 600 companies have successfully graduated from Tech Nation's growth programmes. Alumni include Skyscanner, Darktrace, and Monzo.

**About Dealroom:**

Dealroom.co is the foremost data provider on startups, growth companies and tech ecosystems in Europe and around the globe. Founded in Amsterdam in 2013, Dealroom.co now works with many of the world's most prominent investors, entrepreneurs and government organizations to provide transparency, analysis and insights on startups and venture capital activity.