

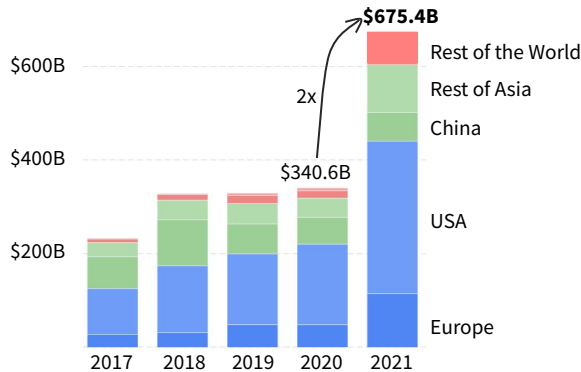
2021: the year London tech reached new heights

January 2022

Key takeaways: A record year for global, European and London tech investment

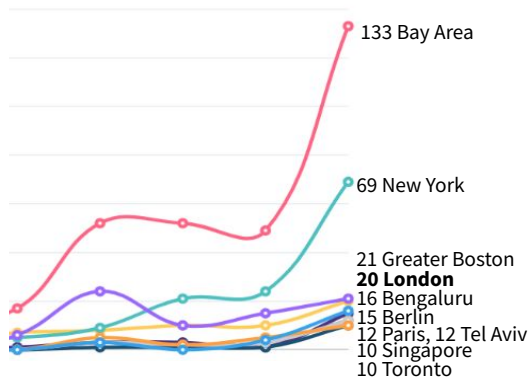
2021 was a record year for VC globally, with Europe leading the growth surge.

2021 crushed all previous record for venture capital investment into startups. Over \$675B was raised globally by startups, double 2020's previous all-time high. Europe was among the fastest-growing regions, growing faster than both the US and China.



London is fourth globally for investment and unicorns in 2021.

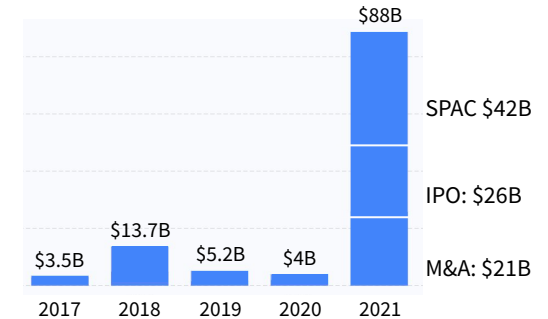
London startup investment reached an all-time high in 2021 of \$25.5B, growing 2.3x year on year. London ranks fourth globally for investment raised in 2021. It also created 20 new unicorns in 2021, the most of any year, and ranks fourth globally after Bay Area, New York and Greater Boston Region.



The London tech ecosystem is reaching maturity - megarounds, exits and new VC funds break records.

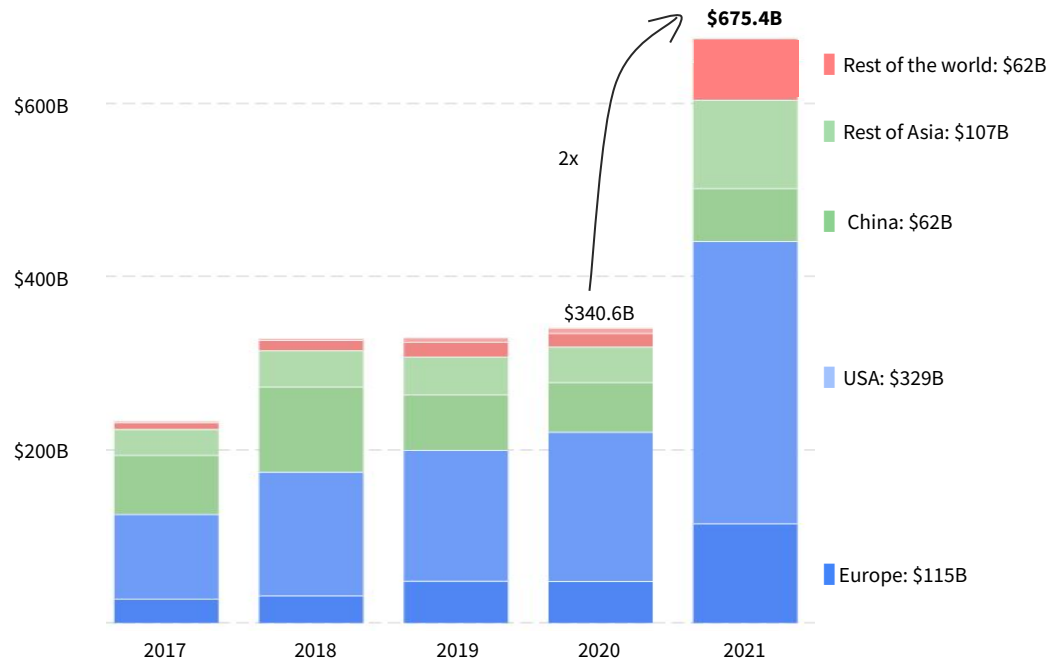
Megarounds of \$100M+ grew 3.4x in number in 2021, making up 60% of London funding. Tech exit value also soared, reaching \$88B in 2021 up from \$4B in 2020. As London reaches late-stage maturity, there are also strong signals for future growth - London VCs raising record new capital (\$9.9B) - 35% of Europe's total.

Enterprise value of exits of London startups

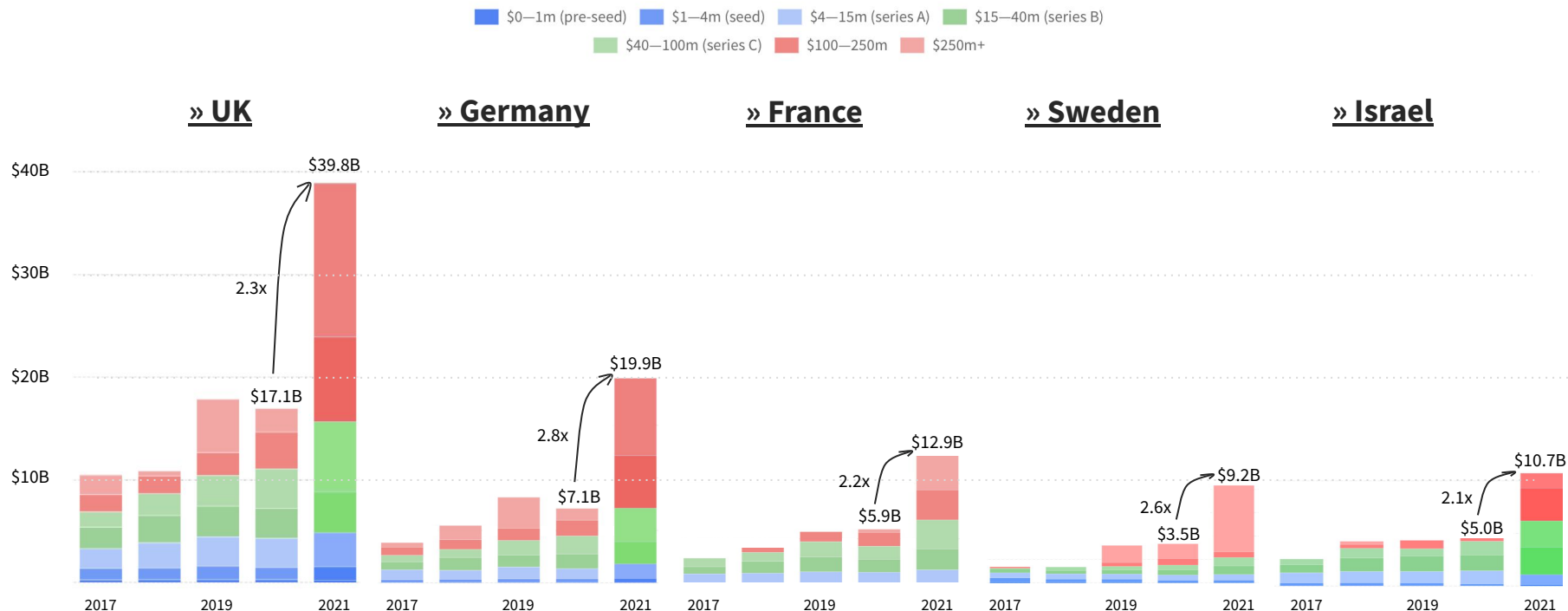


2021 has crushed all records for venture capital, with \$675B raised globally, and Europe among the fastest growing regions.

VC investment in global startups » [view online](#)

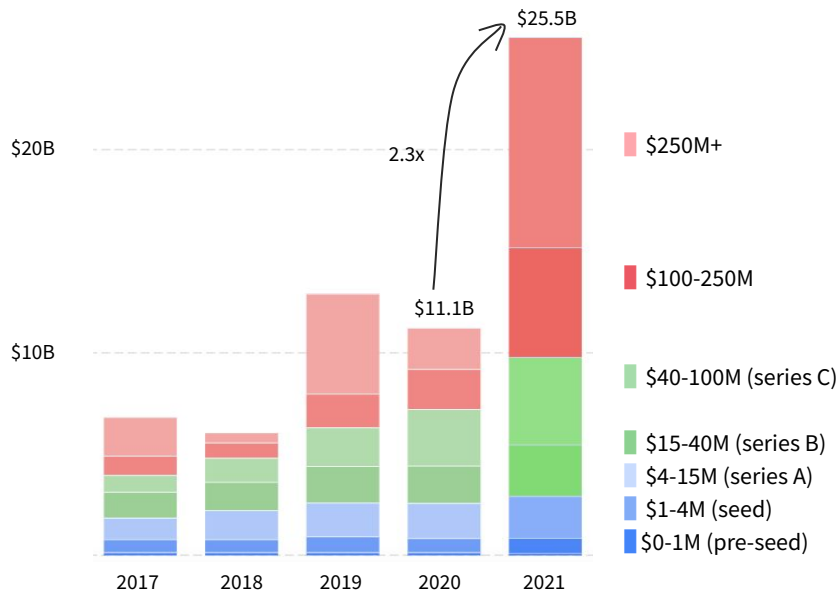


Within Europe, the UK attracted more venture capital than Germany and France combined, and 4x that of Israel.

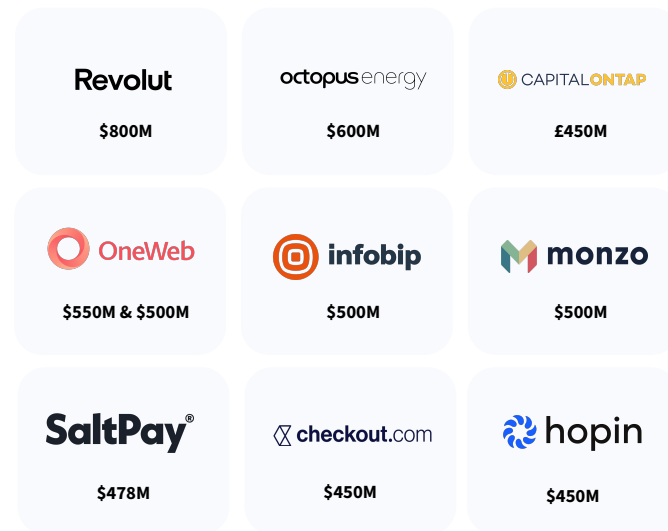


Investment into London startups soared to over \$25B, an all time high. This represented 2.3x year on year growth, compared to 2x growth for global VC.

VC investment in London startups » [view online](#)

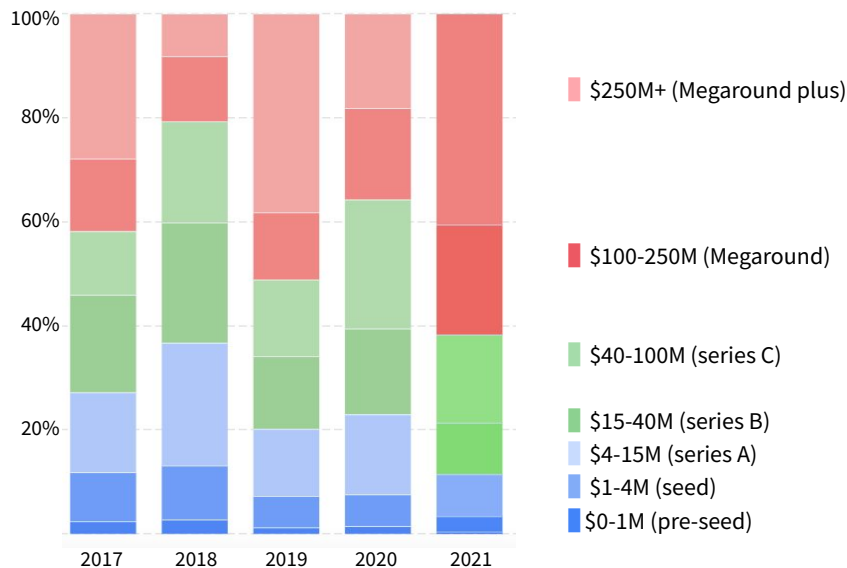


Biggest London funding rounds in 2021 » [view online](#)

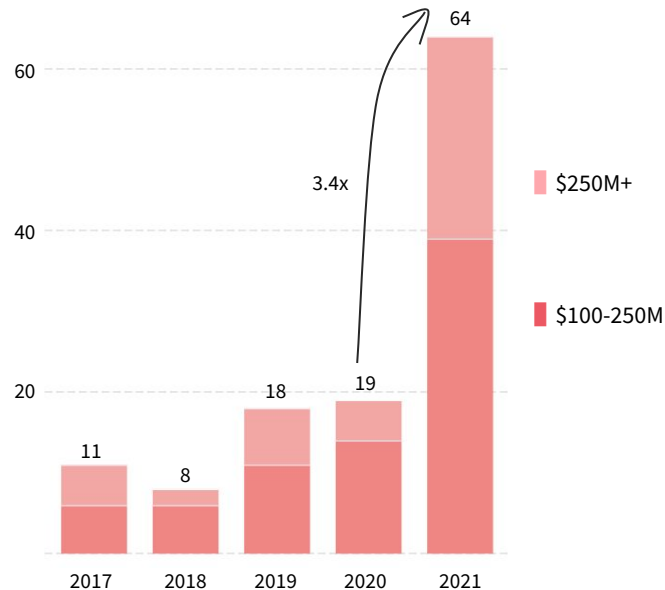


London's 2021 investment was largely driven by surging megarounds, with \$100m+ round funding increasing 3.4x, more than any other year.

VC investment in London startups, by round size 100% stacked [» view online](#)

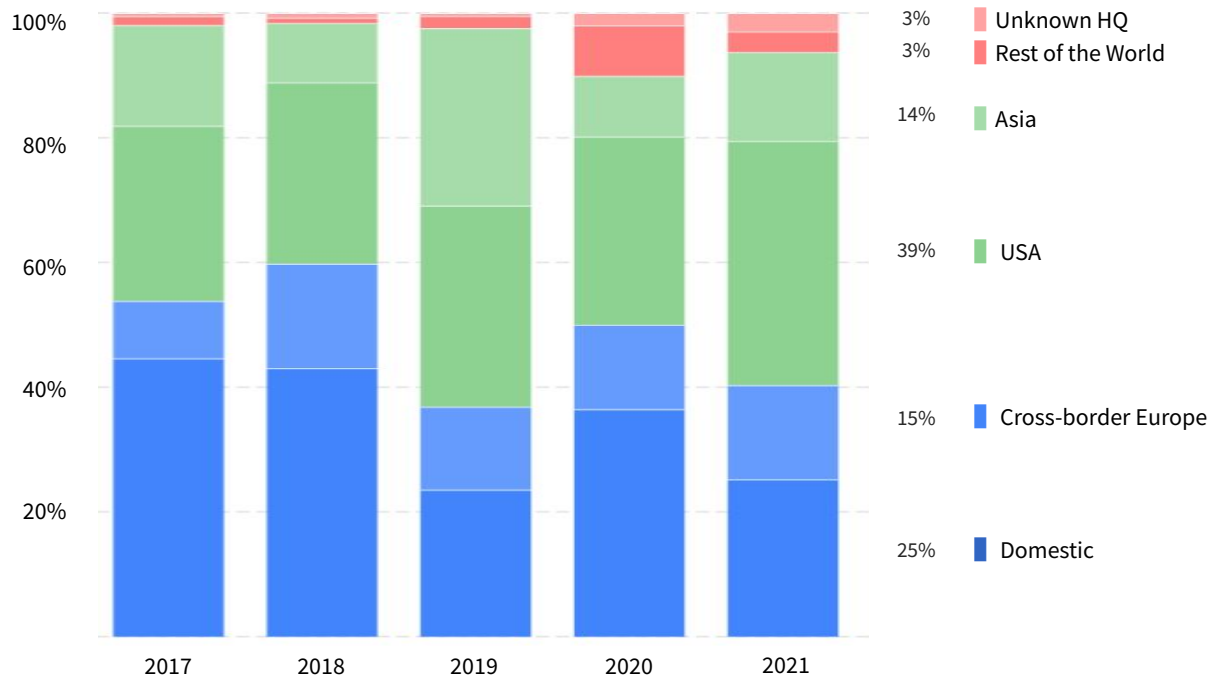


London megarounds by round count [» view online](#)



London startups continue to attract high levels of international capital, with 39% of London VC investment coming from the US in 2021.

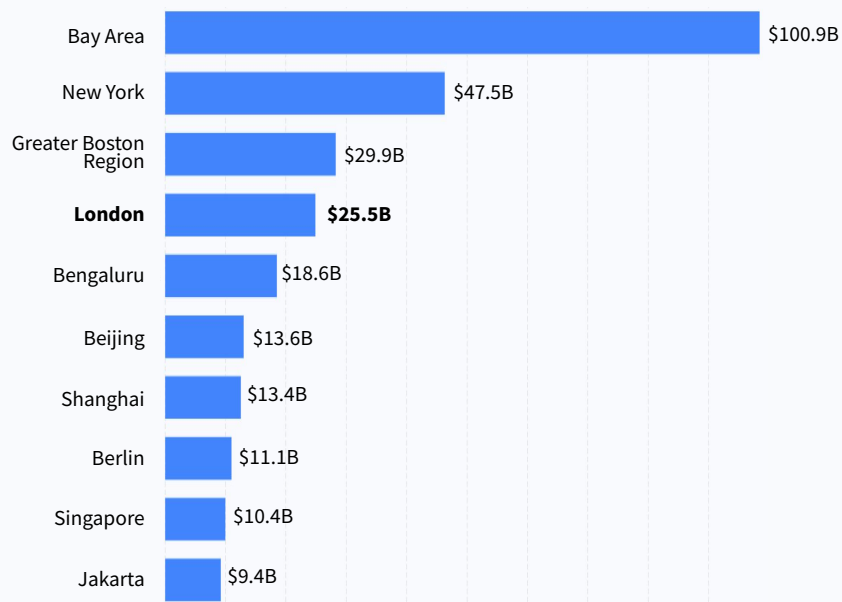
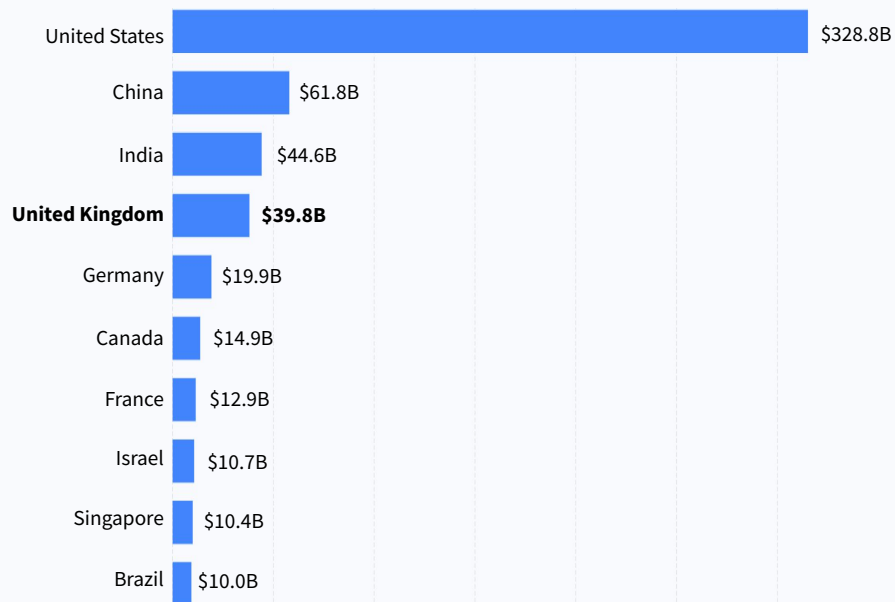
VC investment by source [» view online](#)



The UK and London ranked fourth globally for investment by country and city hub respectively in 2021, and first in Europe.

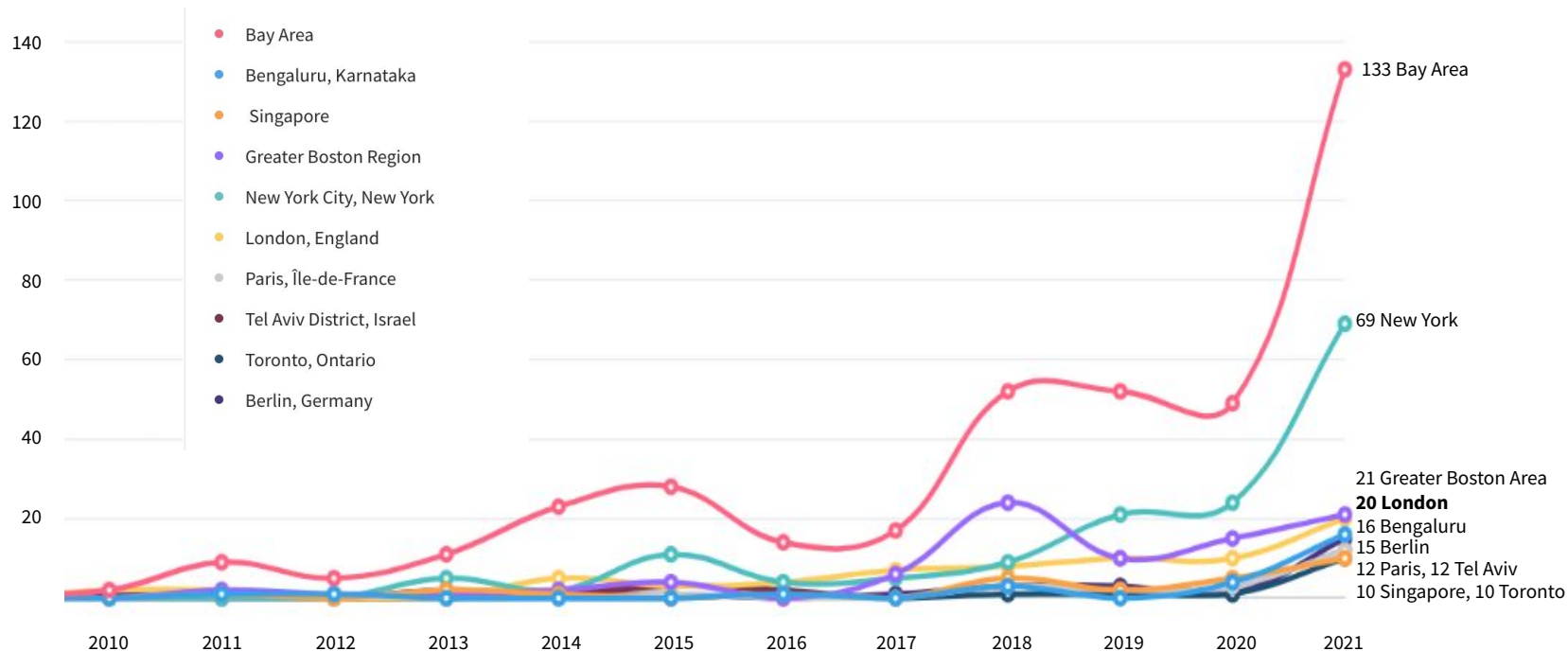
VC investment by country » [view online](#)

VC investment by city » [view online](#)



In 2021, London produced more new unicorns (20) than in any previous 12 month period, behind only the Bay Area, New York and Boston.

New unicorns and \$1B exits by year, top 10 hubs by new unicorns 2021 » [view online](#)



London's 20-strong unicorn class of 2021.

New London-based unicorns and \$1B+ exits in 2021 » [view online](#)

depop

ZEGO

TRACTABLE

ARQIT

Starling
Bank

ppro

genius sports
GROUP

LMAX
GROUP

Global e

THE BANK
OF LONDON

Thought
Machine

BOUGHTBYMANY

BLOCKCHAIN

SaltPay

zilch

motorway

marshmallow

bob

TRUELAYER

Currencycloud

A record-smashing \$88 billion in Enterprise Value exited via IPO (Darktrace, Wise), SPAC (Cazoo, Babylon, Arrival) or sale via acquisition (Depop) in 2021.

Enterprise value of exits of London startups » [view online](#)

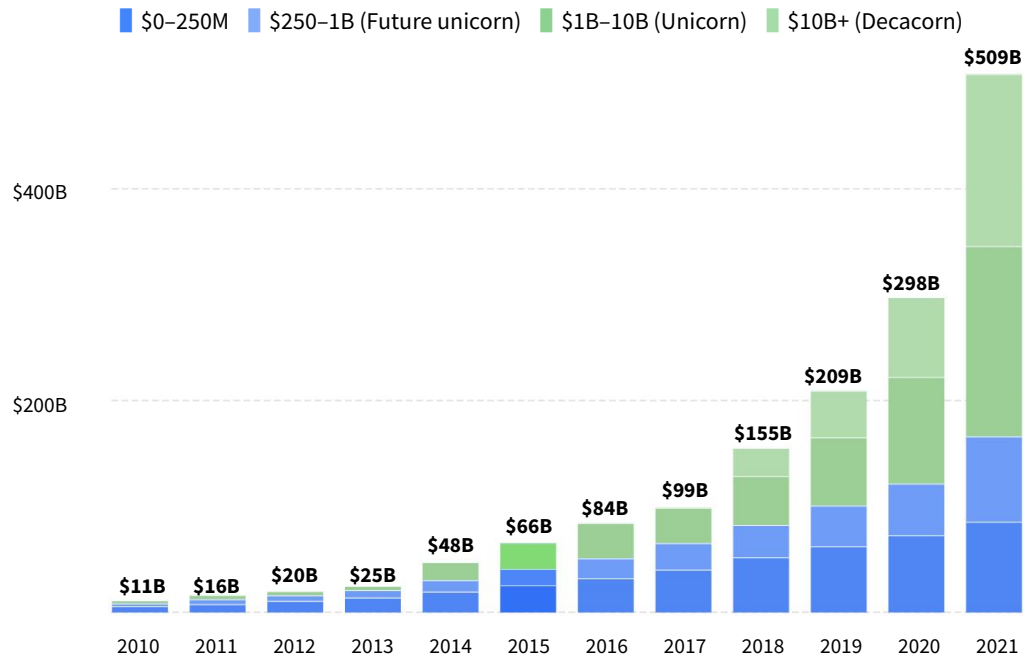


VC-backed exits announced in 2021 » [view online](#)

NAME	BACKERS	ACQUIRORS	MARKET	ENTERPRISE VALUE	IP	TRANSACTION
Mimecast SaaS-based email management a...	Dawn Capital Index Ventures Insight Partners ATL Partners Business Growth Fund	Permira	security enterprise software	\$5.8b		\$5.8b BUY/OUT <small>source: privateequitywire.co.uk/2021/...</small>
Moonbug A team of entertainment and tech...	The Raine Group Felix Capital Feritita Capital Goldman Sachs	Next Generation Media	media kids publishing	\$3.0b		\$3.0b ACQUISITION
Deliveroo Delivering premium restaurant me...	Greg Marsh Index Ventures Hooton Ventures JamJar Investments Arnaud Bertrand		food food logistics & delivery	£7.6b		£1.5b IPO
Blue Prism Enterprise-grade Robotic Process ...	Morris Asset Management Enterprise Ventures Endeavour Ventures Clydesdale Bank PLC Yorkshire Bank	SS&C Technologies	enterprise software	\$1.7b		\$1.7b ACQUISITION <small>source: business-journalist.com/par...</small>
Depop Mobile marketplace that enables i...	H-FARM Ventures Balderton Capital Nana Bianca HY Capital Luca Marzotto	Etsy	fashion apparel	\$1.6b		\$1.6b ACQUISITION
Gyroscope Therapeutics Developing one-time gene therapi...	Cambridge Synconco Partners Synconco Cambridge Innovation Capital Forbion Capital	Novartis	health biotechnology	\$1.5b		\$1.5b ACQUISITION <small>source: theonlinepharma.com/news-comp...</small>
SpotX Video supply-side platform and pr...	HIC Capital RTL Group	Magnite	marketing adtech	\$1.2b		\$1.2b ACQUISITION
Vectura A provider of innovative inhaled dr...	Excalibur Fund Managers	Philip Morris International	health pharmaceutical biotechnology	£852m		£852m ACQUISITION
Currencycloud Cross border payments as a service	Silicon Valley Bank Xänge Anthemis Group Atlas Venture Notion Capital	Visa	fintech enterprise software payments	£700m		£700m ACQUISITION

The combined value of London tech companies founded since 2000* passed half a trillion dollars in 2021, after +70% growth in value.

Enterprise value of UK tech companies founded since 2000 [» view online](#)

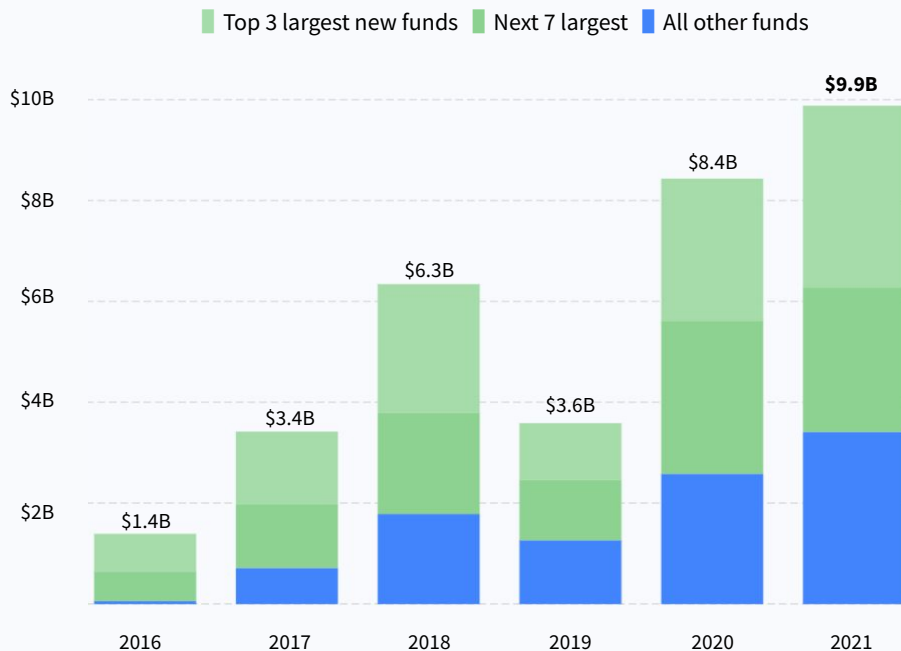


Most valuable tech companies founded since 2000

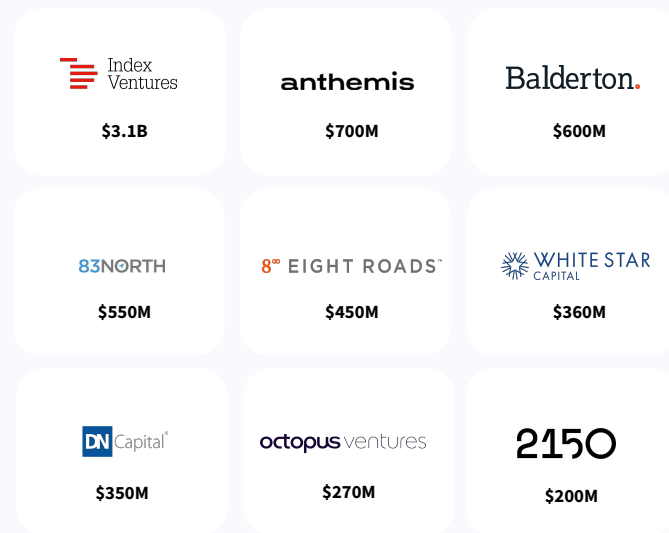
NAME	MARKET	TYPE	GROWTH SIGNAL	LAUNCH DATE
Markit A global leader in the information, ...	B2B, media, enterprise software	big data, commission, subscription, saas	1,282	2003
Revolut ★ A world beyond banking - a secure...	B2B, B2C, fintech, banking	machine learning, artificial intelligence, commission	2,517	Jul 2015
Wise ★ Money transfer platform	B2B, B2C, fintech, payments	commission	2,380	2011
Checkout.com ★ Offers credit card and alternative p...	B2B, fintech, payments	machine learning, artificial intelligence, subscription, saas	1,460	Apr 2012
Farfetch ★ Online luxury fashion retail platform	B2C, fashion, apparel, luxury	machine learning, artificial intelligence, commission, marketplace & ecommerce	5,307	Oct 2007
eToro ★ Trading network designed to provi...	B2C, fintech, crypto and defi, wealth management	machine learning, artificial intelligence, commission, marketplace & ecommerce	2,228	2007
Deliveroo ★ Delivering premium restaurant me...	B2C, food, food logistics & delivery	commission, marketplace & ecommerce	6,145	2012
Rapyd ★ A fintech as-a-service platform ma...	B2B, fintech, payments	artificial intelligence, subscription, saas	341	2016
Arrival ★ Technology company making sma...	B2B, transportation, vehicle transformation	artificial intelligence, deep tech, manufacturing	1,902	Mar 2015

London-based VCs have record levels of dry powder at their disposal having raised \$9.9B in new funds, 35% of all new European funds raised in 2021.

New funds raised by London-based VC firms » [view online](#)



New VC funds announced in 2021 » [view online](#)



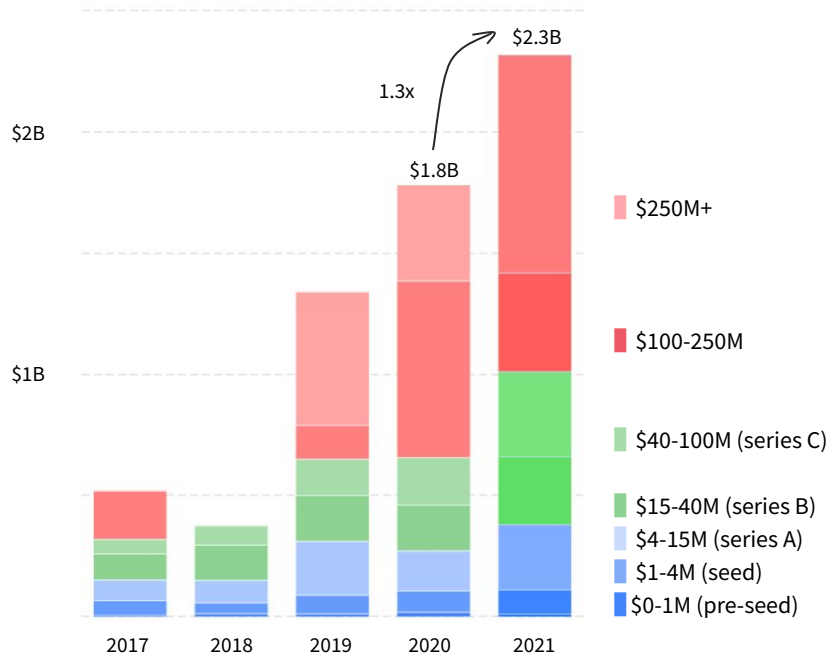
Fintech continues to dominate London funding, accounting for 46% of investment in 2021, but Telecoms and Health are among the fastest-growing sectors.

Top five industries for London startup investment » [view online](#)

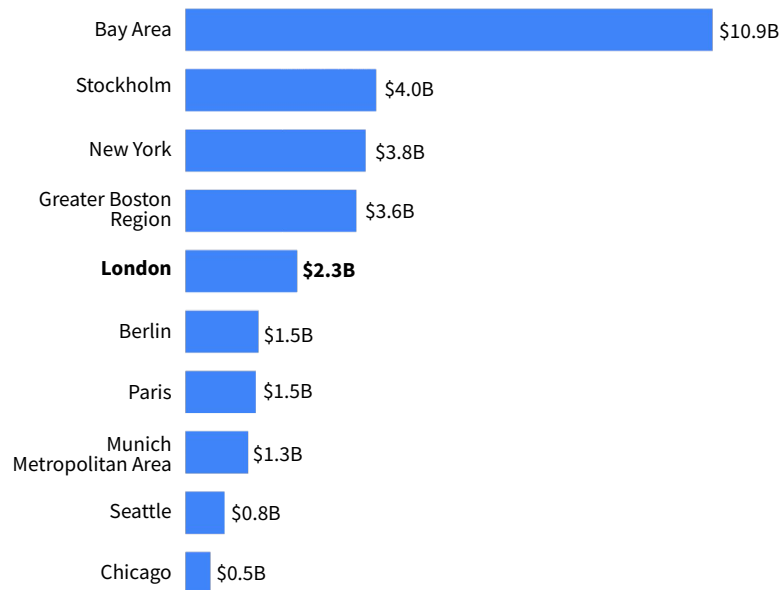
	2017	2018	2019	2020	2021
Fintech	\$2.2b	\$2.3b	\$5.6b	\$4.7b	\$11.7b
Telecom	\$409m	\$210m	\$1.4b	\$280m	\$2.6b
Enterprise Software	\$1.1b	\$901m	\$810m	\$1.4b	\$2.5b
Health	\$626m	\$458m	\$1.0b	\$688m	\$1.6b
Energy	\$237m	\$126m	\$333m	\$948m	\$1.5b

London impact startups raised record levels of funding in 2021, and London ranks fifth globally by impact VC investment.

VC investment in London impact startups » [view online](#)



VC investment in top 10 global impact hubs, 2021 » [view online](#)



Summary: London's year in numbers

- London's tech firms have raised an all-time high of \$25.5B, growing faster (2.3x) than the global average (2x) year on year.
- London's tech sector is showing real signs of maturity, with 60% of funding coming from megarounds of \$100M+ and 39% of all capital coming from the US, more than any other region.
- London has produced more new unicorns than in any previous year and only the Bay Area, New York and Boston have created more in 2021.
- 2021 was the year London tech came of age - the combined value of London's tech companies has passed half a trillion dollars and the exit value for London startups in 2021 was \$88B, a record high.
- The future of London's tech sector looks bright as London-based VC firms have record levels of dry powder at their disposal, having raised \$9.9B in new funds in 2021, 35% of all new European funds in 2021.

Methodology & definitions

Startups & venture capital

This report focuses on companies in the internet age, i.e. after 2000. Most but not all unicorns are VC backed.

Companies included in the analysis are tech-driven. Industries include software, ecommerce, online marketplaces, hardware, ICT infrastructure. The full [industry & business model taxonomy](#) can be found online

Investment numbers refer to venture capital investment rounds such as seed, series A, B, C, late stage, and growth equity rounds. It excludes debt or other non-equity funding, lending capital, grants and ICOs. Buyouts, M&A, secondary rounds, and IPOs are treated as exits: excluded from funding data, but included in exit data.

Unicorns

A unicorn is defined as a tech-driven company that has reached a \$1 billion valuation, on the basis of a funding round (unrealised), acquisition or IPO (realised).

There are some notable edge-cases:

- Companies that IPO-ed at or above \$1 billion but subsequently dipped below that valuation, are still included as \$1B+ exit (examples: Alfa, Rovio, eDreams).
- Some companies have at some stage reached a \$1 billion but subsequently raised, IPO-ed or were acquired below that value. In this case the company is not counted as a unicorn (examples: Blippar, Home24, Fanduel, Ulmart, Conduit, Wonga, VE Interactive, Powa).
- If a unicorn moved HQ, the company is counted in the country where it reached unicorn status. Occasionally companies received dual HQ status.

Underlying data

Dealroom's proprietary database and software aggregate data from multiple sources: harvesting public information, user-submitted data verified by Dealroom, data engineering. All data is verified and curated with an extensive manual process.

Most underlying data from the report is available online via app.dealroom.co. For more info please visit dealroom.co or contact support@dealroom.co



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