



# 2022: UK tech ecosystem year in review

January 2023



## About Tech Nation

Tech Nation is the leading growth platform for UK tech companies. 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 - through our growth programmes and digital [Growth Platform](#).

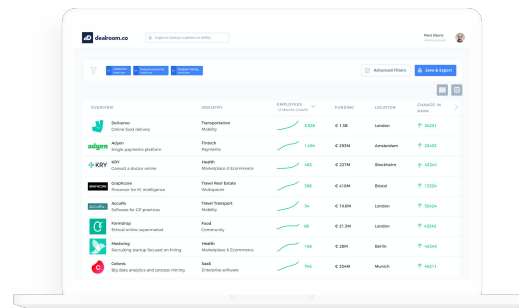
Tech Nation has years of experience facilitating and helping UK tech companies scale, both at home and abroad. Over 40 cohorts and 1000+ companies have successfully graduated from Tech Nation's growth programmes. Alumni include Skyscanner, Darktrace, and Monzo, as well as 3 of the UK's 'decacorns'; Revolut, Wise, and Farfetch.



## Global startup & venture capital intelligence platform

Dealroom.co is the foremost data provider on startup, early-stage and growth company ecosystems in Europe and around the globe.

Founded in Amsterdam in 2013, we now work with many of the world's most prominent investors, entrepreneurs and government organizations to provide transparency, analysis and insights on venture capital activity.



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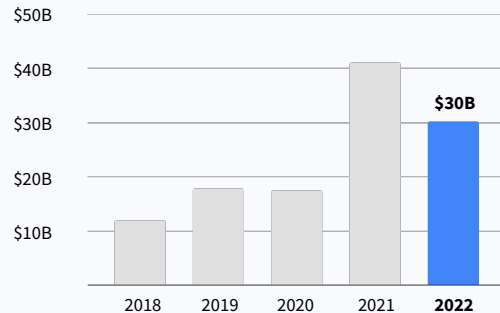
# Key findings

# What happened in 2022.

## UK startups raised \$30B, the second best year on record despite the downturn.

UK startups raised \$30B in 2022. This is down from the heights of 2021 funding which peaked globally, but is still 72% higher than the total from 2020, a record high year for VC investment for many nations globally.

UK VC Investment growth year-on-year

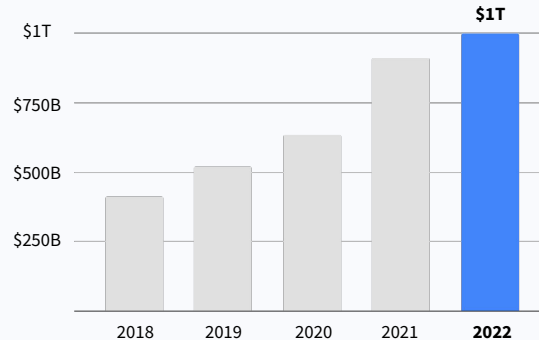


## The UK tech ecosystem enterprise value reaches a record high of \$1T.

Combined value of UK tech companies has now reached over \$1T by the end of 2022.

The UK is just the third country in the world to pass this milestone after the US and China.

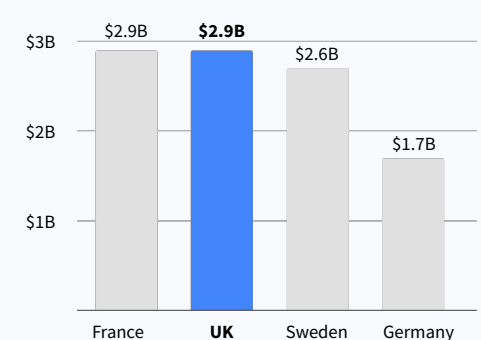
UK startup ecosystem enterprise value



## UK and France top European countries in terms of Climate Tech funding in 2022 with \$2.9B.

A once dominant UK in the European Climate Tech ecosystem has now seen neighbouring countries such as France and Sweden match or catch up to levels of investment into this sector.

Top 4 European Climate Tech funded nations in 2022



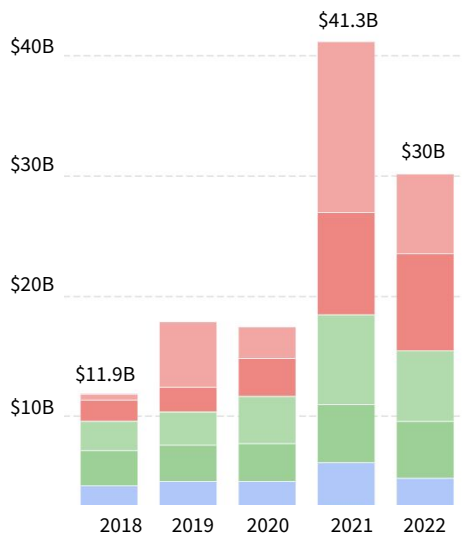
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## The state of UK tech in 2022

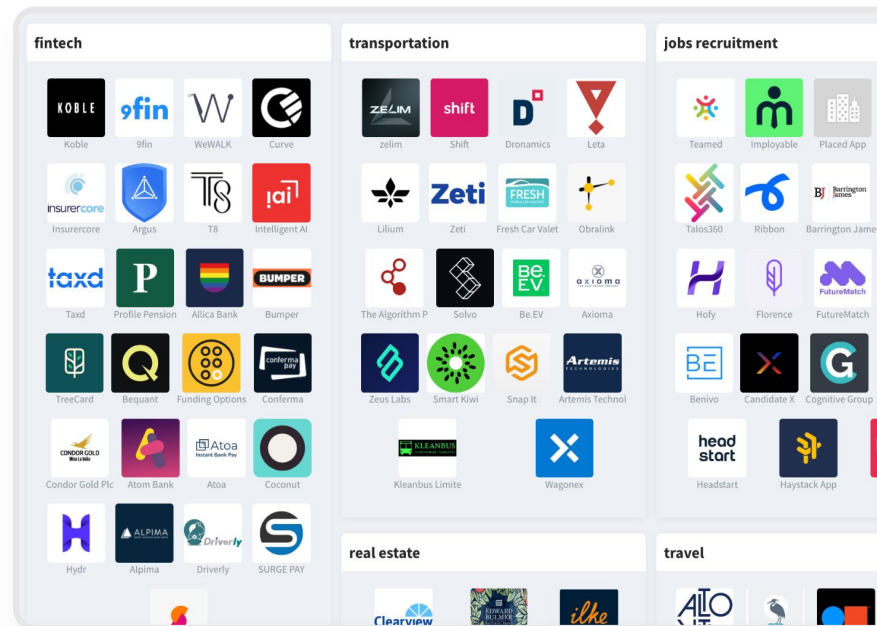
# UK startups raised \$30B in 2022. This is down from the heights of 2021 when funding peaked globally, however is still 72% higher than the 2020 total.

## VC investment into UK startups » [view online](#)

■ \$0—1m (pre-seed) 
 ■ \$1—4m (seed) 
 ■ \$4—15m (series A) 
 ■ \$15—40m (series B) 
 ■ \$40—100m (series C) 
 ■ \$100—250m 
 ■ \$250m+



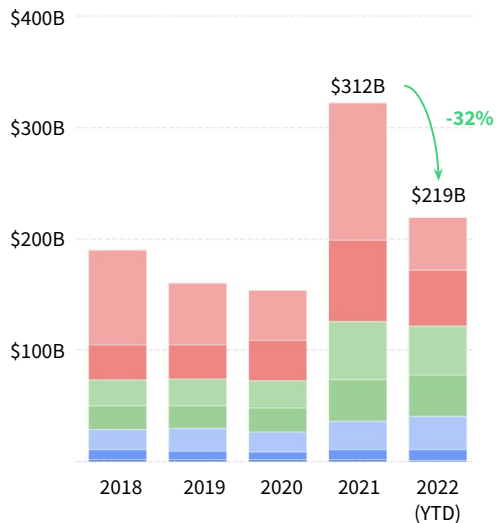
## Over 2,700+ UK startups raised in 2022 » [view online](#)



# The UK startup and scaleup ecosystem has shown resilience during a challenging global pullback in venture capital.

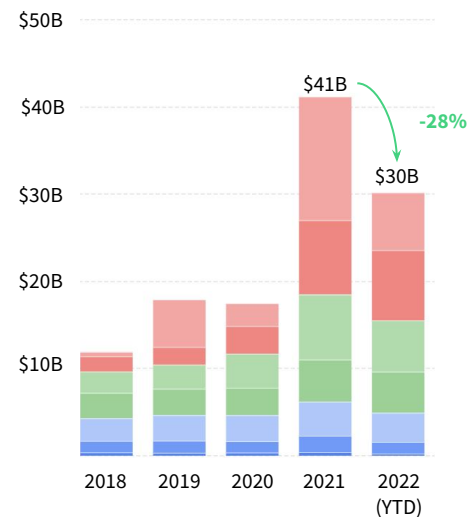
## Global VC investment (exc. The USA)

■ \$0—1m (pre-seed) ■ \$1—4m (seed) ■ \$4—15m (series A) ■ \$15—40m (series B)  
■ \$40—100m (series C) ■ \$100—250m ■ \$250m+



## United Kingdom VC investment

■ \$0—1m (pre-seed) ■ \$1—4m (seed) ■ \$4—15m (series A) ■ \$15—40m (series B)  
■ \$40—100m (series C) ■ \$100—250m ■ \$250m+

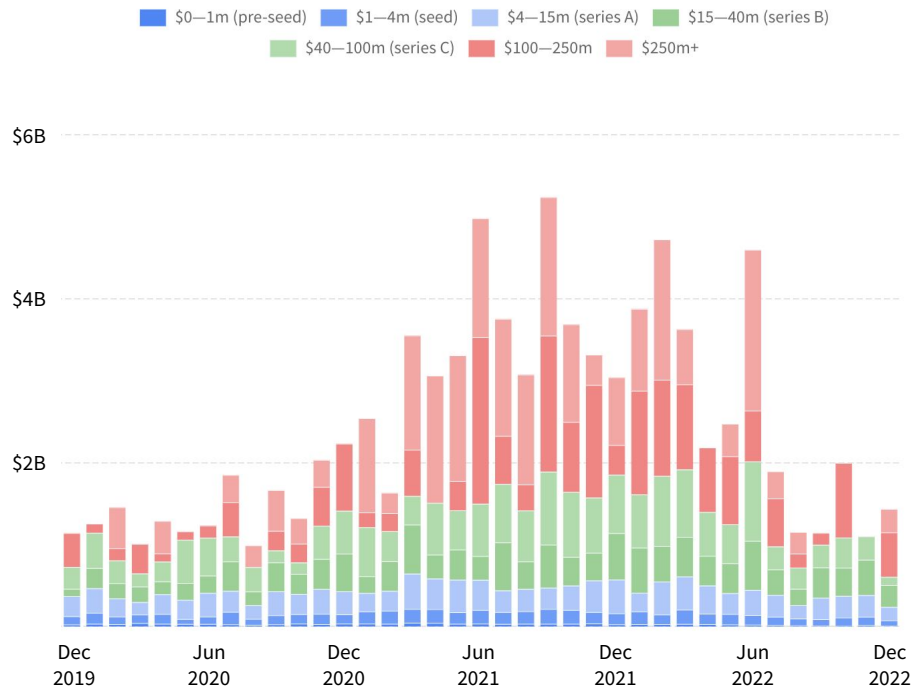




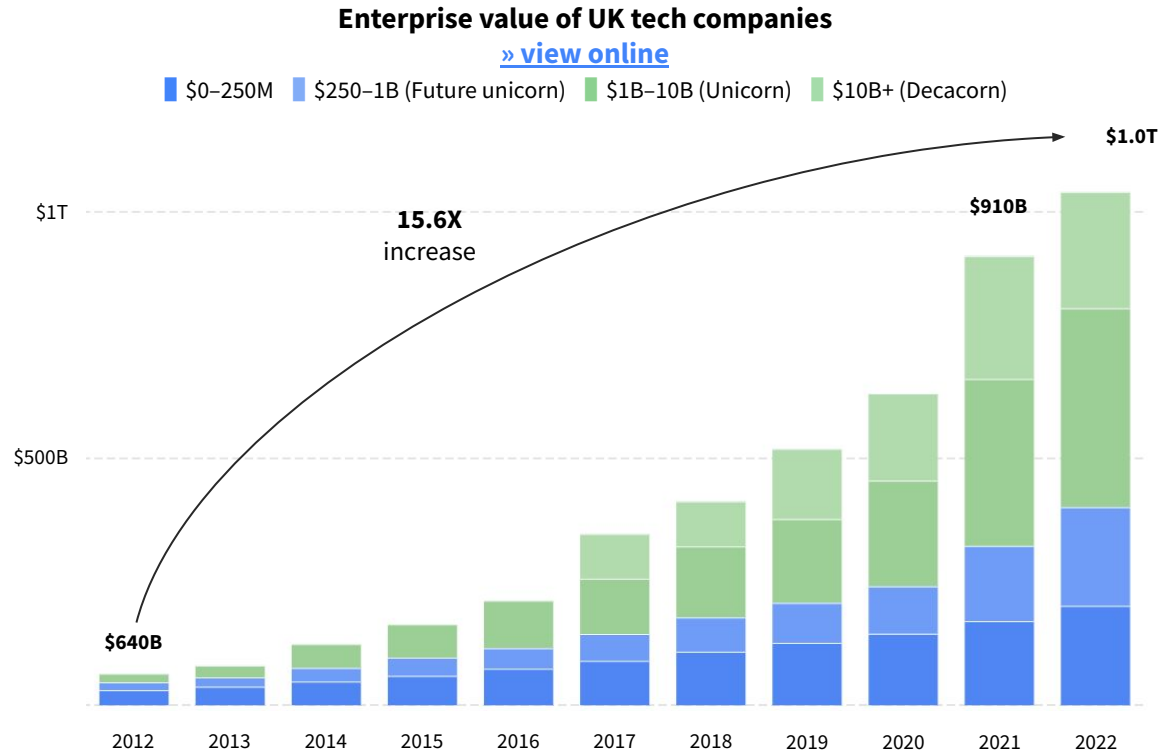
**However, there could be more challenging times ahead. We are only just beginning to see the full impact of a slowing market in the second half of 2022.**

### Monthly VC investment into UK startups over the past 48 months

[» view online](#)



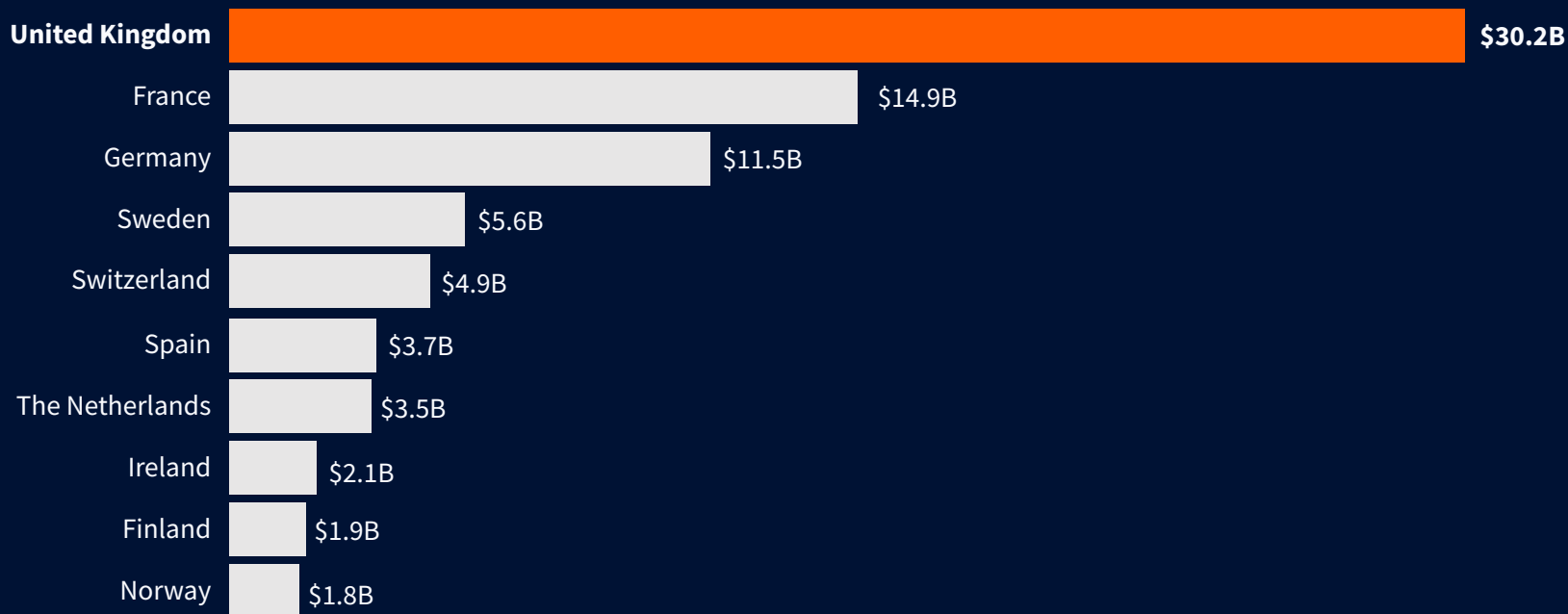
# The UK tech ecosystem is now valued at \$1T.



# Investment activity in the UK is double that of the next biggest European market, however European neighbours are closing the gap.

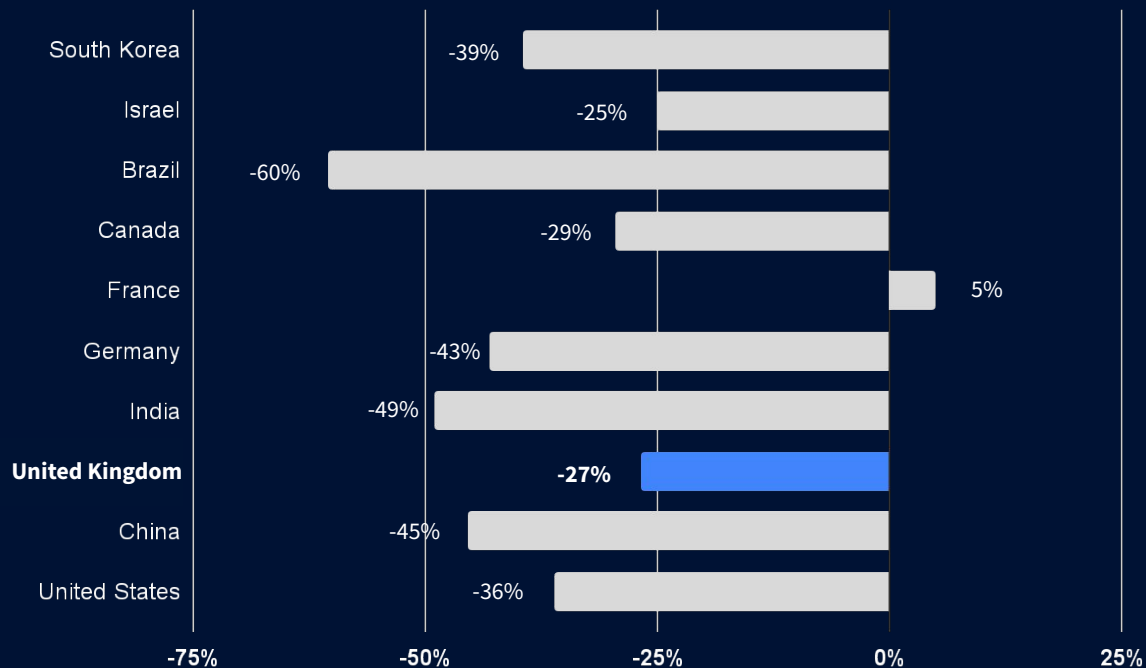
VC investment in 2022 by selected European countries, top 10

[» view online](#)



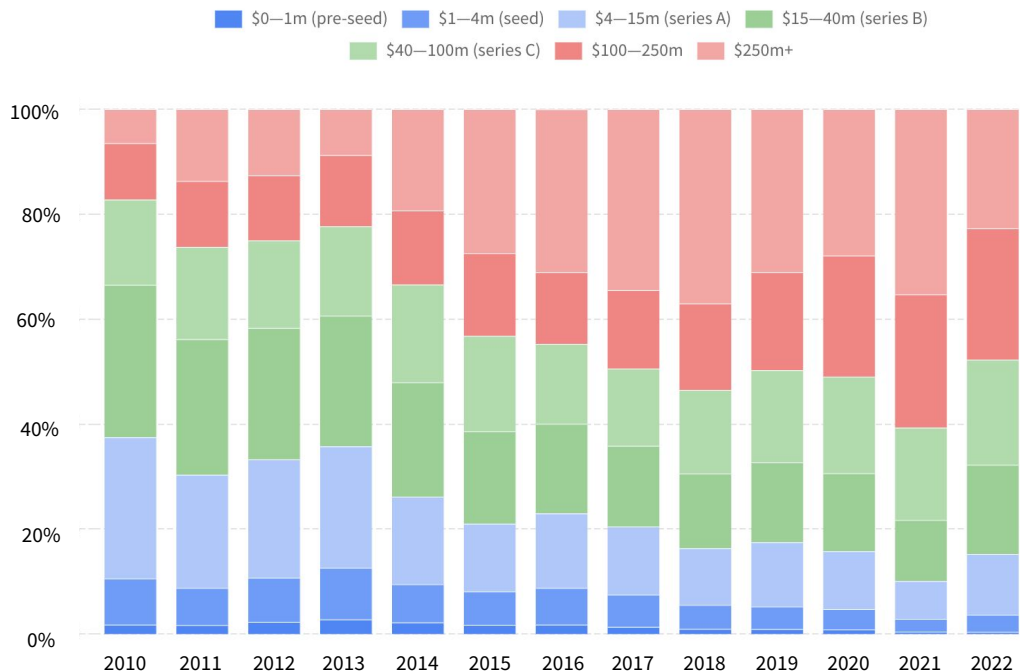
# The UK has shown stronger resilience than most other top countries for VC investment amongst a global pullback in venture capital.

Top 10 countries by VC funding in 2021, year-on-year VC investment (2021-2022)



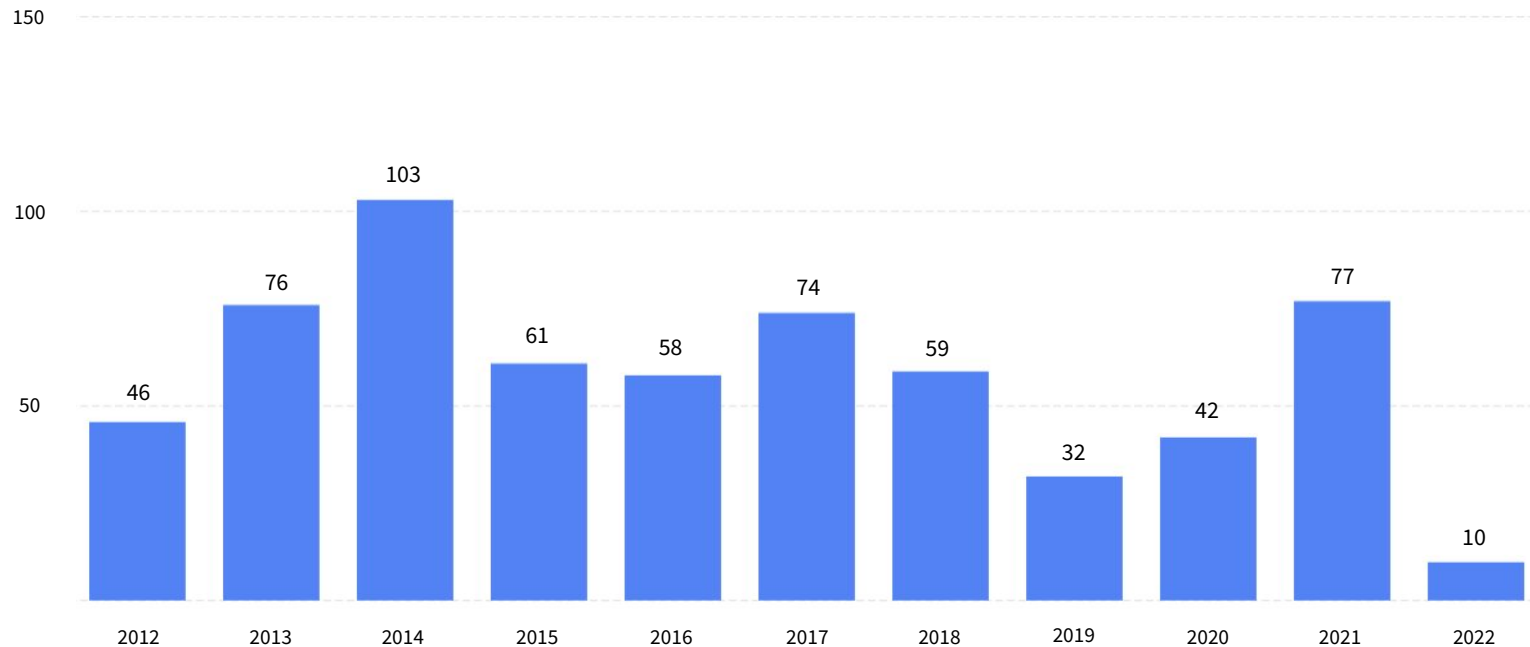
# The trend to late-stage has reversed in 2022. Less than half of UK funding came from \$100M+ megarounds this year, the first time since 2017.

Quantity of VC capital into the UK visualised through different round types



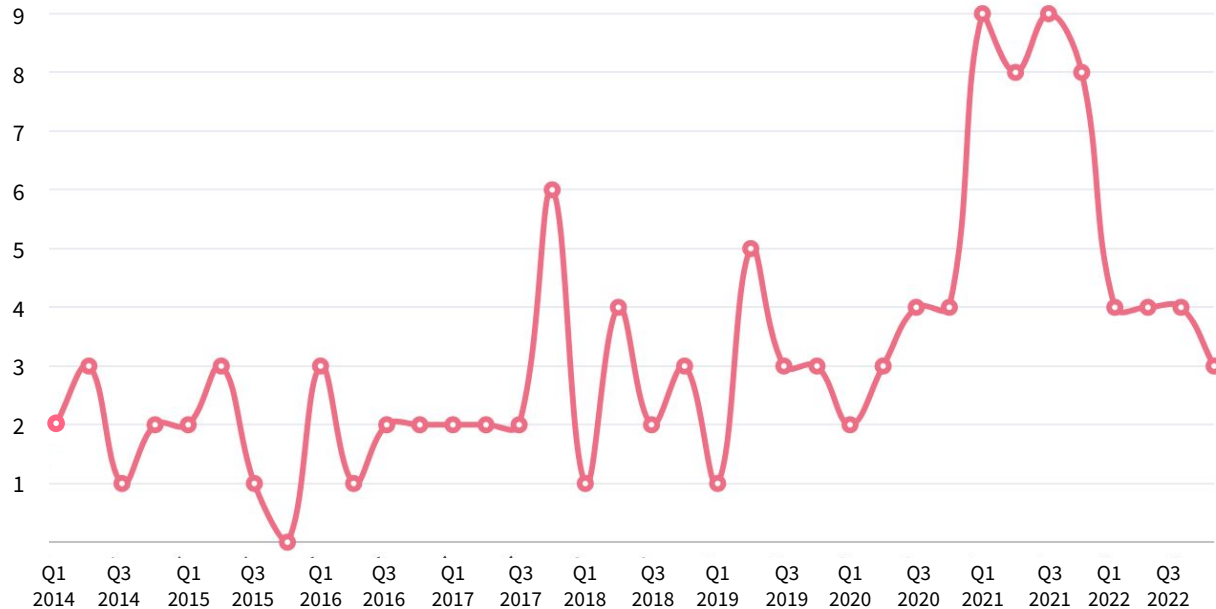
# Public markets are closed to new business. UK startups are going public at their lowest rate in over a decade.

Number of realised exits via SPAC & IPO in the UK over the past decade [» view online](#)



# The UK is entering a unicorn winter. With exit routes narrowing and a late-stage capital crunch, new unicorns are once again becoming rare beasts.

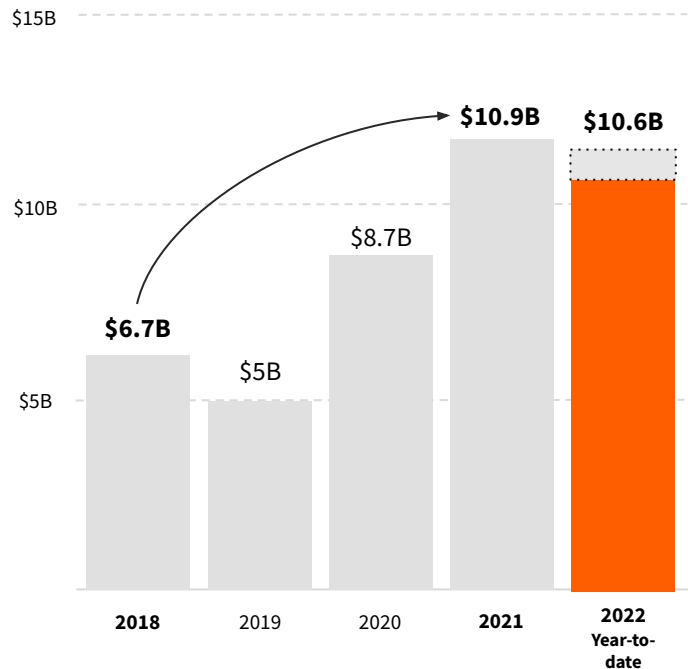
New Unicorns founded in the UK over the past eight years  
[»view online](#)



# UK-based VCs have raised over \$20B in dry powder in the last 24 months. However, challenging conditions may mean slower, more cautious deployment to startups.

Capital raised by new VC funds in the UK (2018-2022)

[»view more](#)



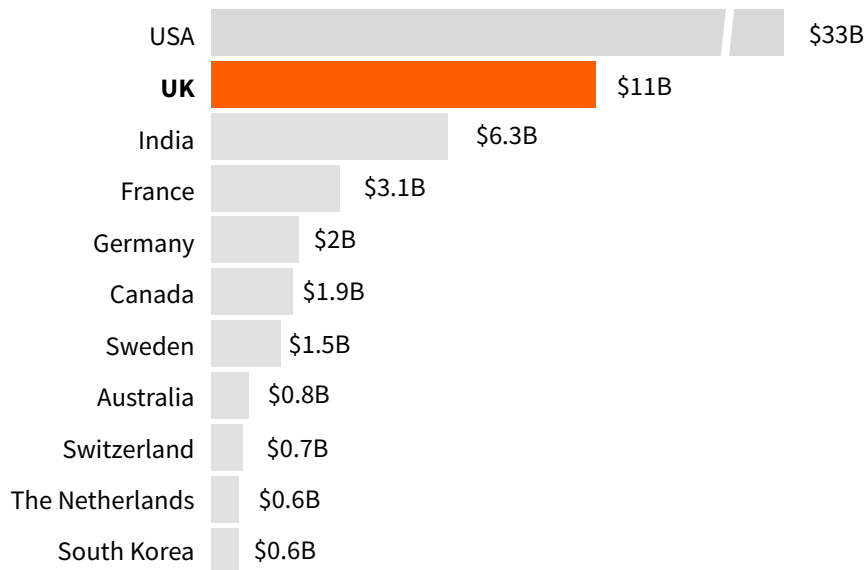


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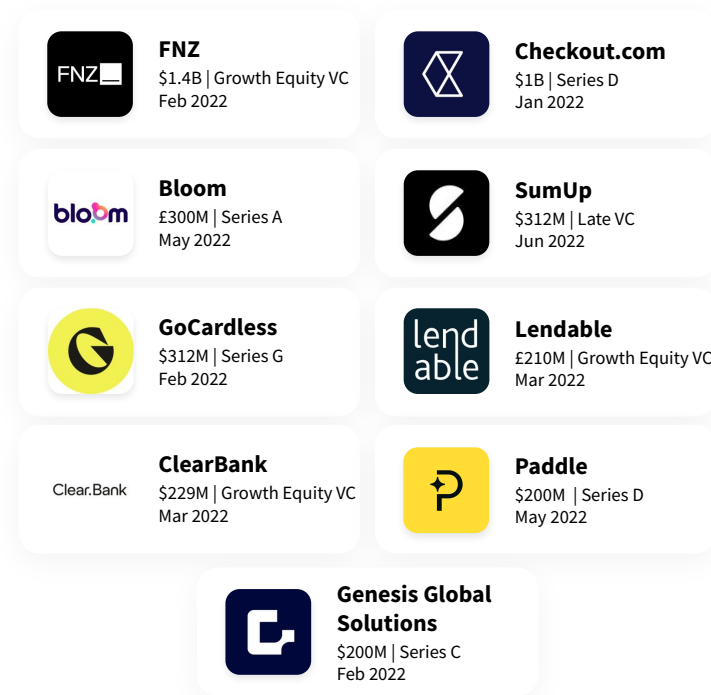
## **UK and global strength sectors**

# UK fintech startups raised over \$11B in 2022, more than any country apart from the US.

Fintech VC Investment into the UK against its local & international counterparts in 2022(YTD)\*

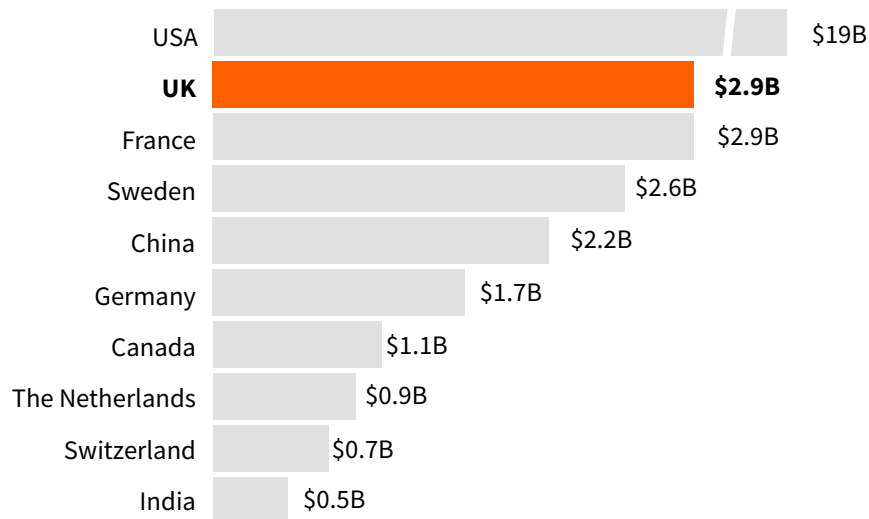


Largest investment rounds into UK fintech companies in 2022 [»view online](#)

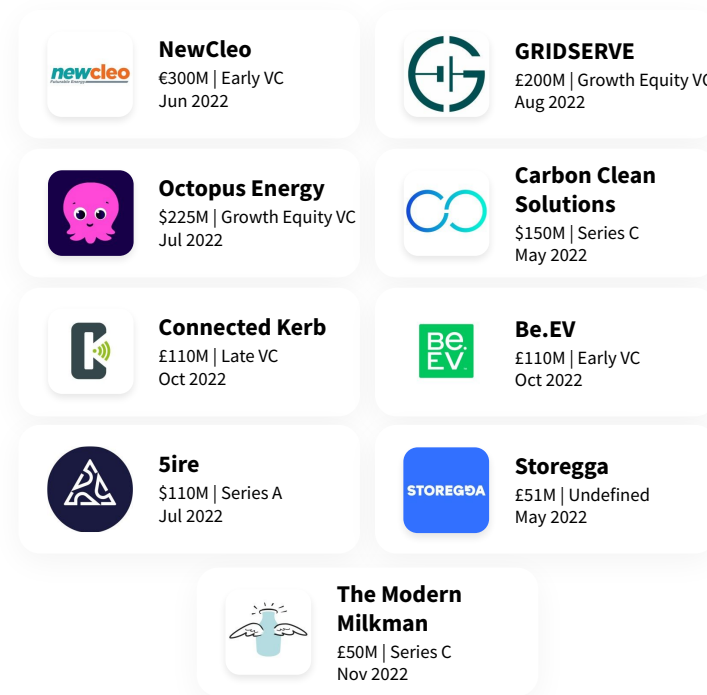


# The UK and France were neck and neck for climate tech funding in 2022, and Sweden punches well above its weight in these vital future technologies.

Climate Tech VC Investment into the UK against its local & international counterparts in 2022(YTD) \*

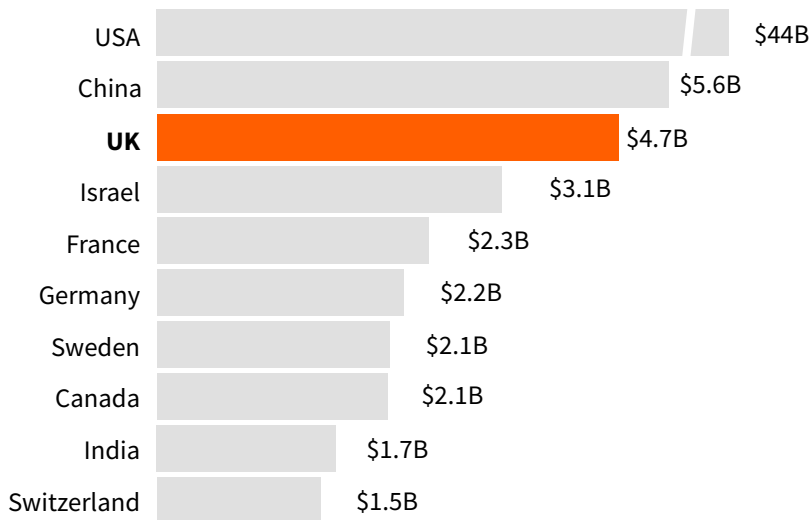


## Largest investment rounds into UK Climate Tech companies in 2022 [»view online](#)

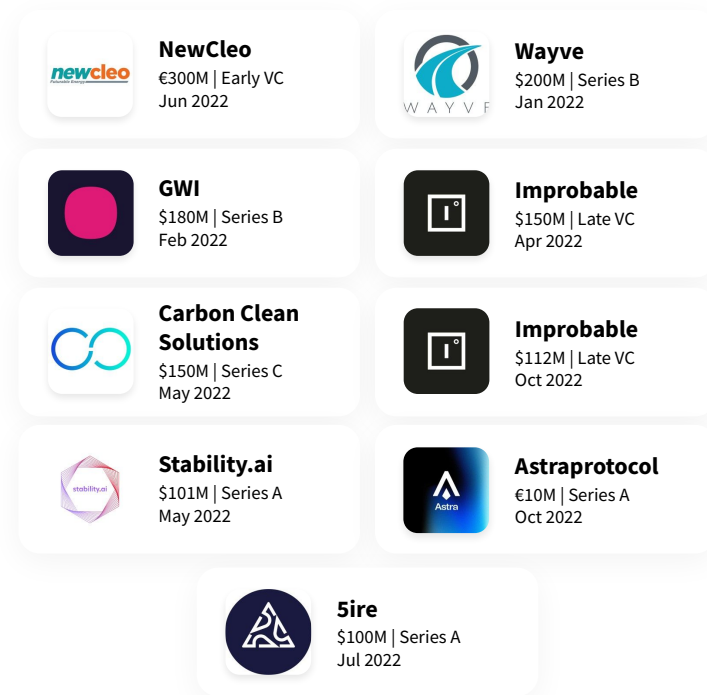


# UK Deep Tech startups raised over \$4.7B in 2022. This is more than any other EMEA nation, but it is still an order of magnitude smaller than US investment.

Deep Tech VC Investment into the UK against its local & international counterparts in 2022(YTD)\*



Largest investment rounds into UK Deep Tech companies in 2022 [»view online](#)



# A | Appendix and Methodology

# Methodology & definitions.

## Startups, scaleups, grownups and tech

Companies designed to grow fast. Generally, such companies are VC-investable businesses. Sometimes they can become very big (e.g. \$1B+ valuation).

When startups are successful, they develop into scaleups (>50 people), grownups (>500 people) and result in big companies, like Adyen.

In this report, the term “tech ecosystem” refers to startups, scaleups grownups from different vintages/cohorts. Only companies founded after 1990 are included in this report.

**What is a startup?**

## Venture capital investment

Investment numbers refer to rounds such as seed, series A, B, C, .... late stage, and growth equity rounds

Venture capital investment figures exclude 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.

Investment rounds are sourced from public disclosures including press releases, news, filings and verified user-submitted information.

## Company valuations (public & private)

Company valuations are based on their market capitalization (public) or latest transaction value. Share price are usually taken around the publishing date of the report.

For private companies, the valuation is taken from their exit or implied unrealised valuation from the latest VC round, which is either announced or estimated by Dealroom based on market benchmarks.

## Data sources used in this report

Dealroom’s proprietary database and software aggregate data from multiple sources: harvesting public information, user-generated data verified by Dealroom, data engineering.

All data is verified and curated manually. The report includes data up until the 20 December 2022.

For more info please visit [dealroom.co](https://dealroom.co) or contact [support@dealroom.co](mailto:support@dealroom.co)

## Geographic scope of this report

The geographic scope includes startups that are headquartered within the United Kingdom only..

Company and investor locations are based on their current HQ and not founding location.

For further information regarding the Dealroom.co taxonomy, please refer to the following link:

**Taxonomy and Terms**

# The most complete and detailed picture of UK's tech ecosystem, in partnership with Tech Nation: [datacommons.technation.io](https://datacommons.technation.io)

76,000+

startups & scaleups

15,500+

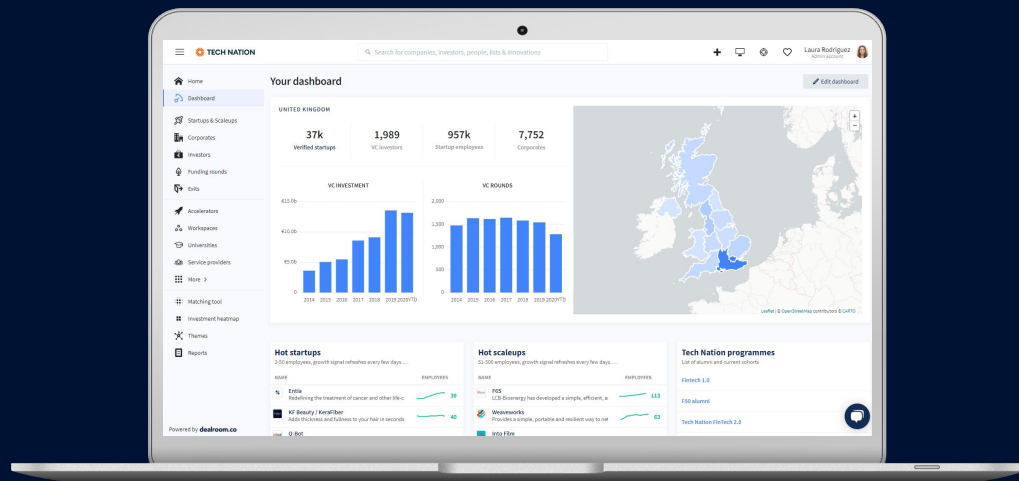
funds & corporate investors

500+

Accelerators, workspaces

30,000+

Funding rounds & exits



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