



# Venture capital in the UK

Q3 2023

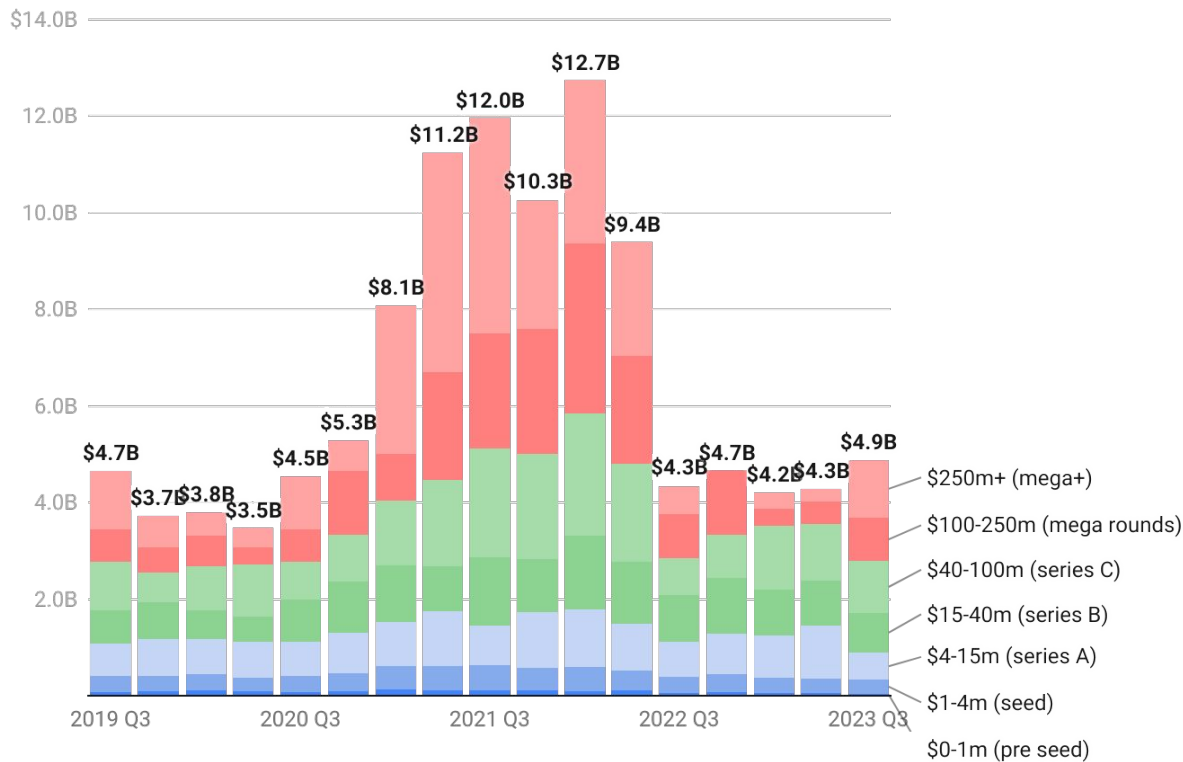
October 2023

# UK

In Q3 2023, \$4.9B of venture capital was invested in the UK, up 14% from the previous quarter.

Live data »

VC investment in UK startups

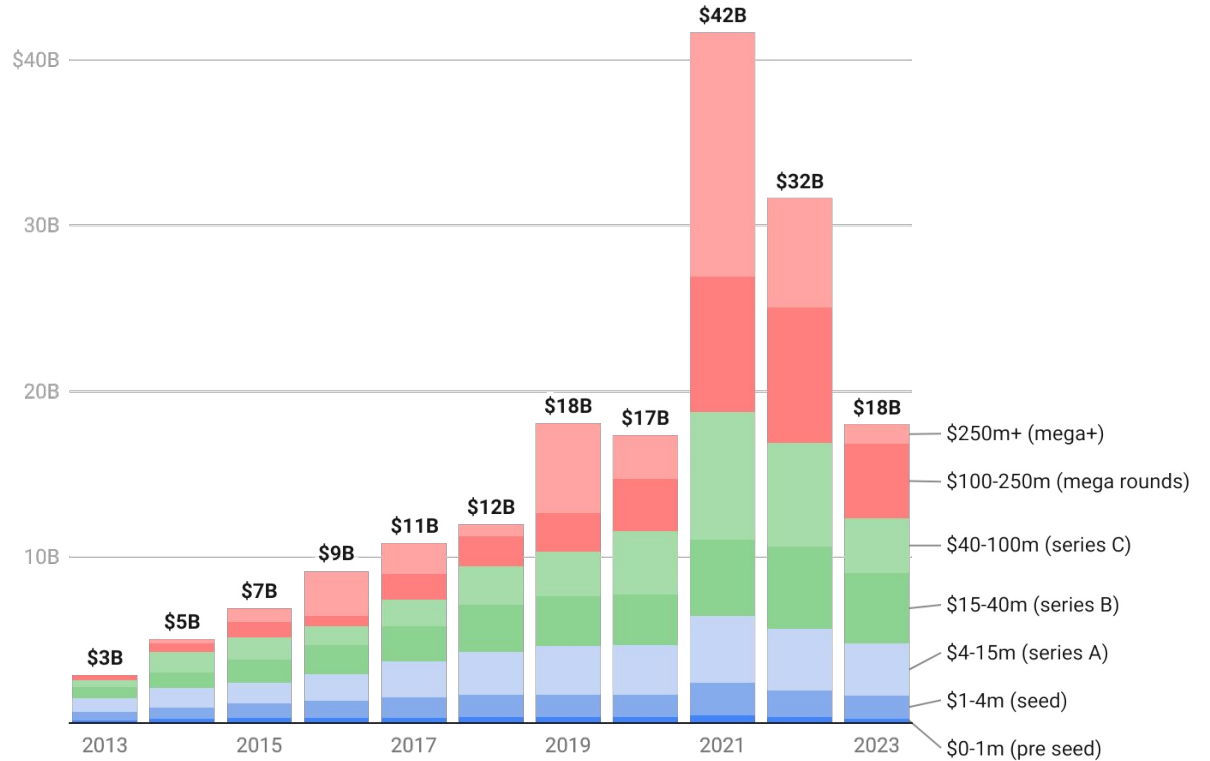


## UK

**Investment in UK startups is expected to reach \$18B for the full year 2023, on par with 2020.**

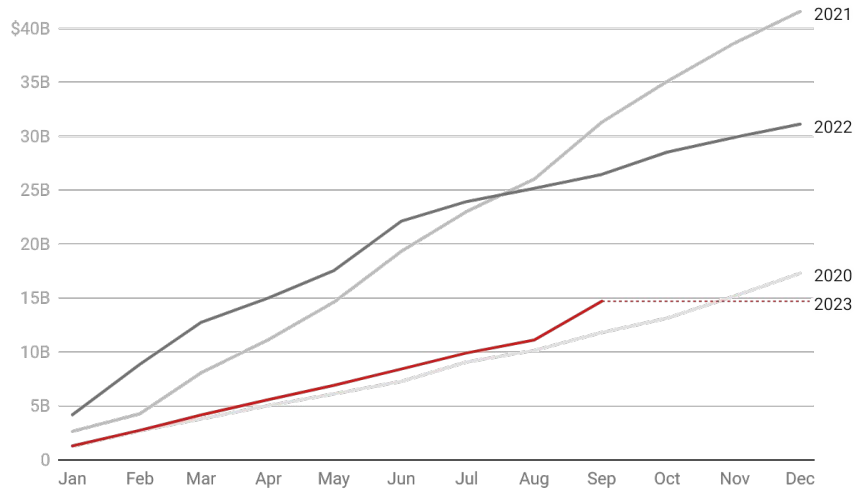
[Live data »](#)

VC investment in UK startups

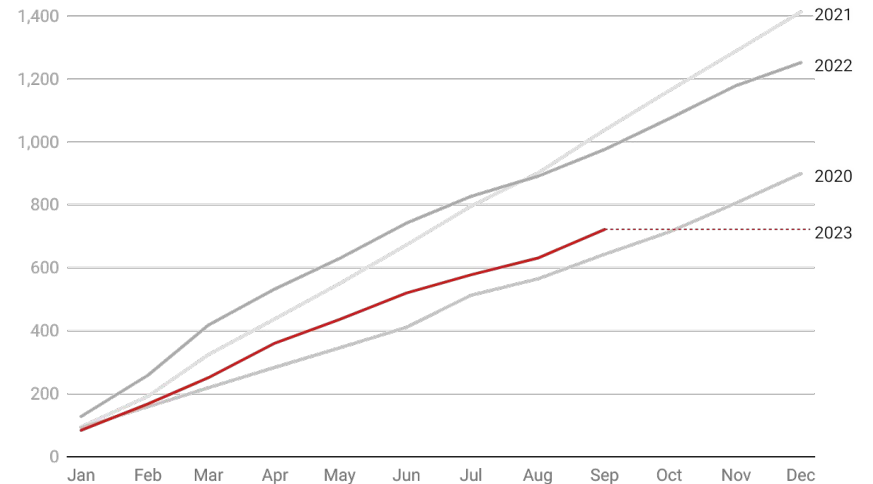


# VC investment is on a similar trajectory as seen in 2020

Monthly VC investment into UK startups



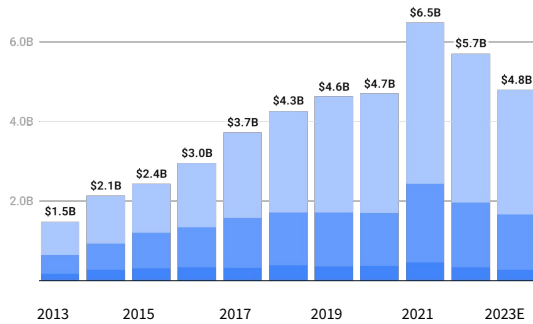
Number of monthly VC rounds over \$2M into UK startups



Live data »

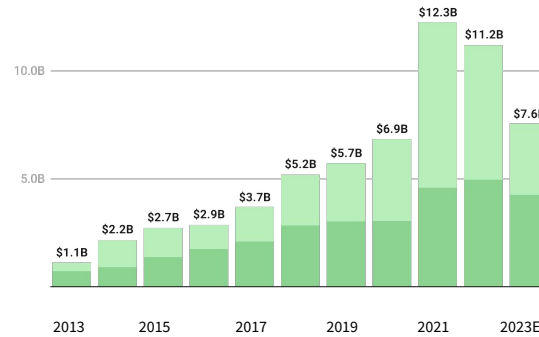
## Early-stage investing has remained strong

- \$4-15m (series A)
- \$1-4m (seed)
- \$0-1m (pre-seed)



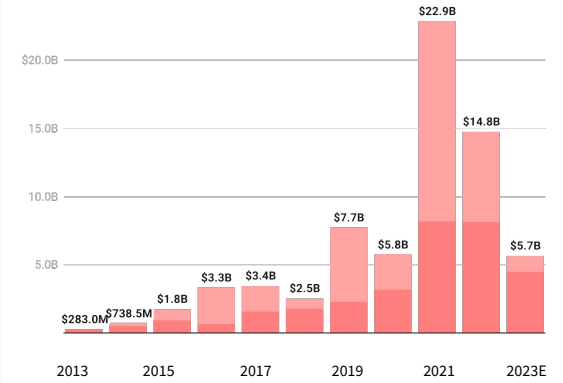
## Breakout stage is at 3x pre-pandemic levels

- \$40-100m (series C)
- \$15-40m (series B)



## Late-stage investment has meaningfully slowed

- \$100-250m
- \$250m+



UK

## UK retains its position as #3 tech ecosystem in the world.

Live data »

Top 10 countries by VC investment in 2023

Country	2023	Change since 2019 (Jan-Sept)
USA	\$127B	-21%
China	\$39B	-39%
UK	\$15B	-14%
India	\$8B	-50%
France	\$8B	27%
Germany	\$7B	-15%
Canada	\$5B	-17%
Sweden	\$5B	50%
South Korea	\$4B	-16%
Israel	\$4B	-11%

UK

**UK remains by far the leading destination for VC investment in Europe.**

Live data »

Top 15 European countries by VC raised in 2023

Country	VC raised in 2023	Change since 2019 (Jan-Sept)
UK	\$15B	-5%
France	\$8B	41%
Germany	\$7B	-8%
Sweden	\$5B	57%
Switzerland	\$3B	5%
Spain	\$2B	30%
Netherlands	\$2B	39%
Denmark	\$1B	49%
Norway	\$1B	80%
Ireland	\$871M	-40%
Italy	\$847M	7%
Belgium	\$832M	-14%
Finland	\$663M	-9%
Austria	\$507M	107%
Estonia	\$371M	44%

UK

# Belfast, Glasgow and Birmingham are the fastest growing metro areas in the UK in 2023.

Live data »

Top 15 UK Regions countries by VC raised in 2023

Region	VC in 2023	Change since 2019 (Jan - Sept)
Belfast	\$80M	221%
Glasgow	\$109M	211%
Birmingham–Wolverhampton	\$94M	195%
Sheffield	\$88M	145%
Oxford	\$599M	103%
Brighton	\$40M	44%
Cardiff–Newport	\$91M	-1%
Leeds–Bradford	\$70M	-10%
London	\$6B	-48%
Cambridge	\$329M	-53%
Edinburgh	\$58M	-59%
Newcastle	\$24M	-65%
Manchester	\$123M	-67%
Bristol	\$70M	-85%
Merseyside–Liverpool	\$2M	-94%

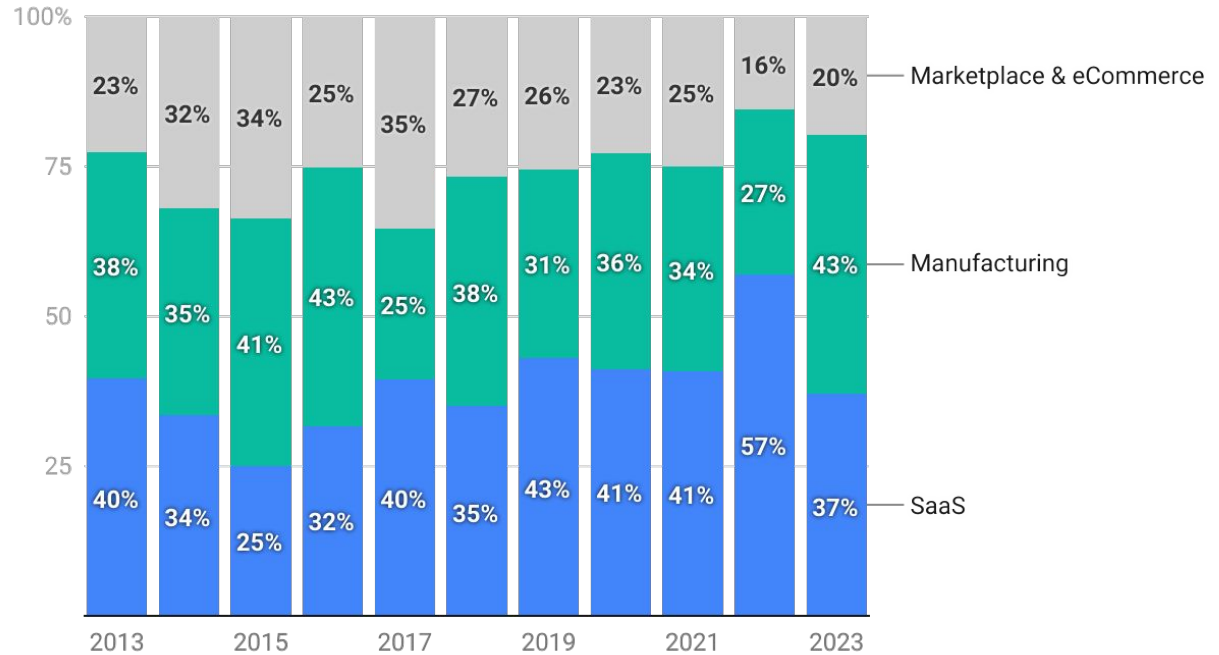


UK

# Atoms > bits. UK VC investment into manufacturing startups is at an all-time-high.

Live data »

Venture capital investment by startup type (% allocation of invested amount)



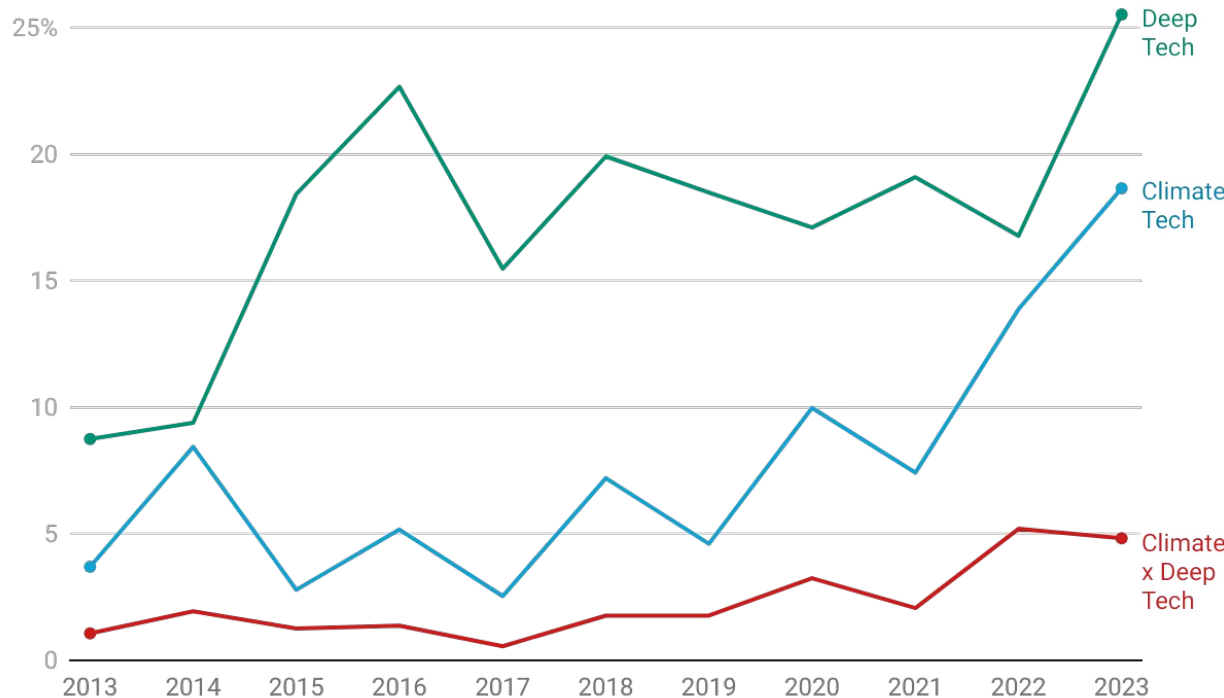
2023 data representative up to Q3 2023

UK

# Deep Tech and Climate Tech are taking over.

- Deep Tech »
- Climate »
- Climate x Deep Tech »

UK Climate tech and Deep Tech as % of total VC



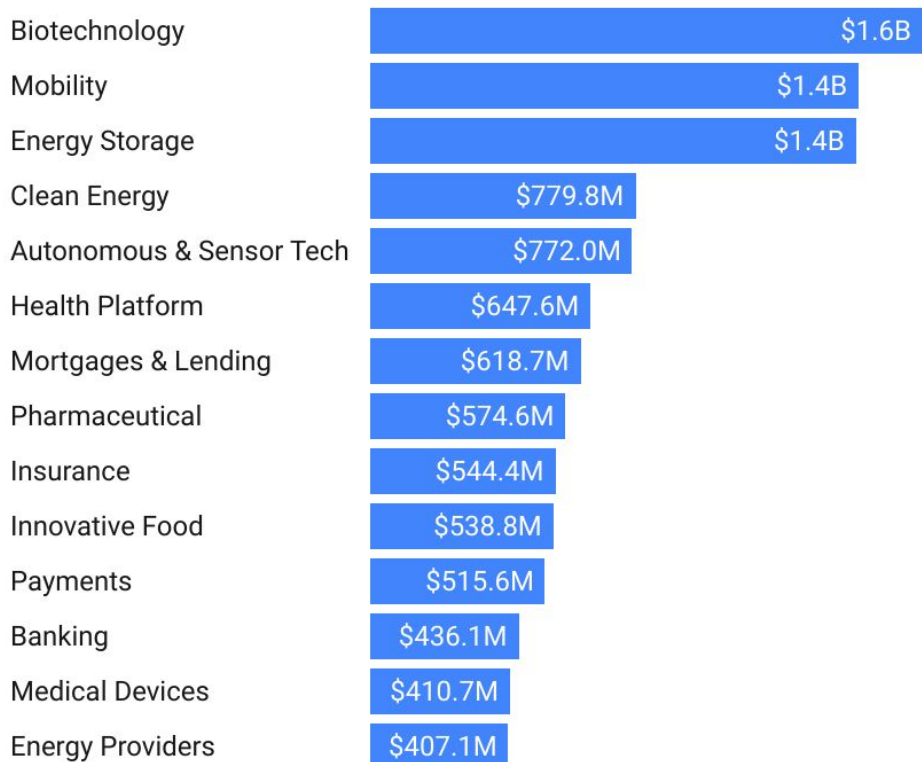
UK

## Top segments for UK tech investment in 2023 include biotech, energy storage, and clean energy.

Q3 data »

2023 YTD data »













### UK leading sub industries by VC investment in 2023



UK

# Top funding rounds in Q3 2023 show a trend towards hard tech.

Live data »

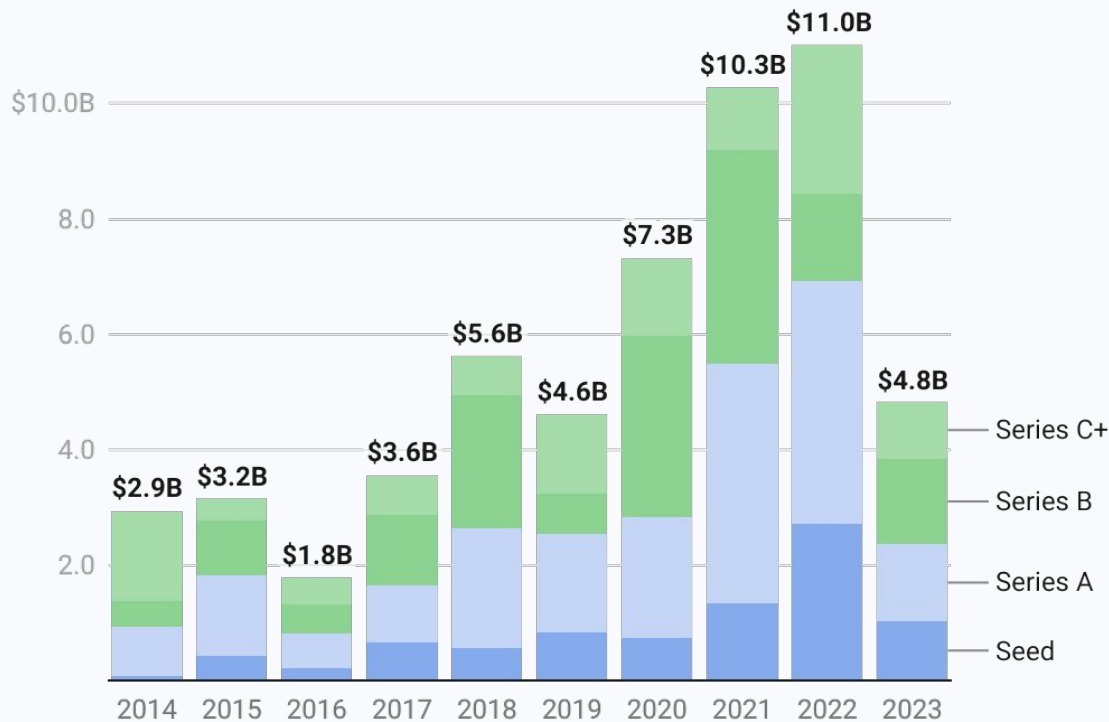
Transportation  \$528M	Food  \$369M	Health  \$285M	Energy  \$264M
Health  \$226M	Energy  \$198M	Health  \$165M	Enterprise software  \$120M
Fintech  \$100M	Security  \$100M	Media  \$85M	Fintech  £58M

UK

**Dry powder: UK VCs have raised over \$26B in new funds in the last three years.**

Live data »

New VC Funds in the UK by typical first stage



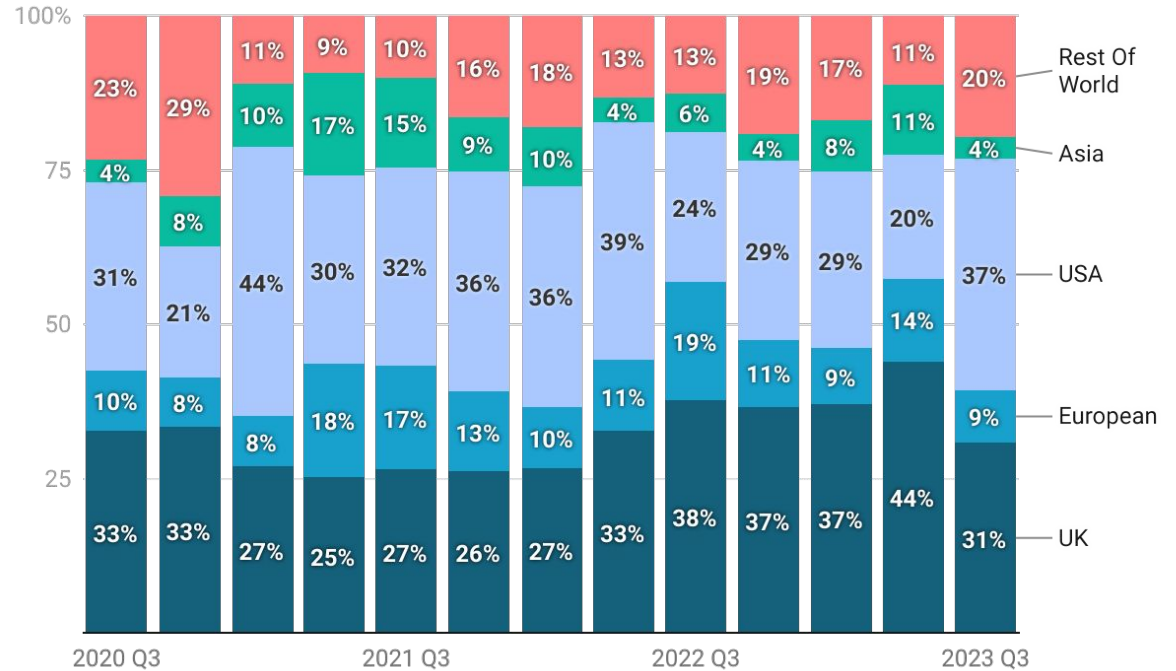
2023 data includes Q1-Q3.

# UK

**UK startups raised more venture capital from US investors in Q3 than they did from domestic sources.**

[Live data »](#)

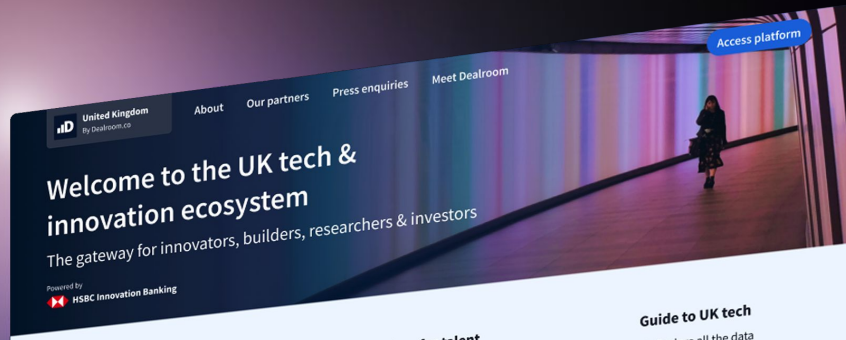
Venture capital invested by source of origin



*HSBC Innovation Bank Limited (trading as HSBC Innovation Banking) is registered in England and Wales at Alphabeta, 14-18 Finsbury Square, London EC2A 1BR, UK (Company Number 12546585). HSBC Innovation Bank Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (Firm Reference Number 543146).*

*HSBC Innovation Bank Limited is part of the HSBC Group. HSBC Innovation Bank Limited is committed to making its website and related documents accessible to everyone.*

Learn more on [www.hsbcinnovationbanking.com/accessibility](https://www.hsbcinnovationbanking.com/accessibility)



### Services for startups

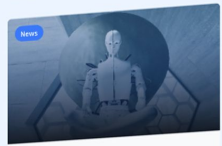
→ Fundraise, recruit, visas, grants

### Services for talent

→ Jobs, visas, research

### Guide to UK tech

→ Explore all the data



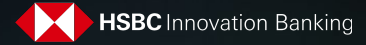
**\$1 Trillion in combined enterprise value**  
Combined enterprise value of UK startups by launch year



**EXPLORE NOW**

# THE UK TECH & INNOVATION DATABASE

Powered by



The gateway for innovators, builders, researchers, investors, and supporters

**uk.dealroom.co**