



UK innovation 2024 forward look

10 January 2024



2024 in UK tech

VC investment is growing again heading into 2024

UK startups raised \$21.3B in 2023, the third highest total on record, after just the outlier years of 2021/22.

VC investment has been growing again as of H2 2023. Investment was up 46% in the second half of 2023, compared to the period Jan-Jun.

AI and Climate tech are the UK hottest startup segments

Climate tech accounted for 29% of all UK VC investment in 2023 - \$6.2B, an all-time high. This represented 40% growth year on year.

Startups utilising AI raised \$4.5B in investment in 2023, including significant rounds for Generative AI companies Synthesia (\$90M), AutogenAI (\$22.3M & \$39.5M) and Stability AI (\$50M).

Dry powder - UK investors are armed

UK-based venture capital investors have raised over \$25B in the last three years.

The UK is the centre of the European venture market, home to 40% of the continent's venture capital, and London is the European base of choice for top international funds. The UK investor talent pool is deeper than ever, and VCs are raising 20x what they did 20 years ago.

The exit window opening?

2023 saw the first few tests of the IPO window for global tech startups like Arm and Klaviyo.

Of 168 unicorns produced by the UK, 63 have yet to exit via public markets or M&A.

2024 could see the return of the UK tech IPO, with a rich shopping list of late-stage startups.

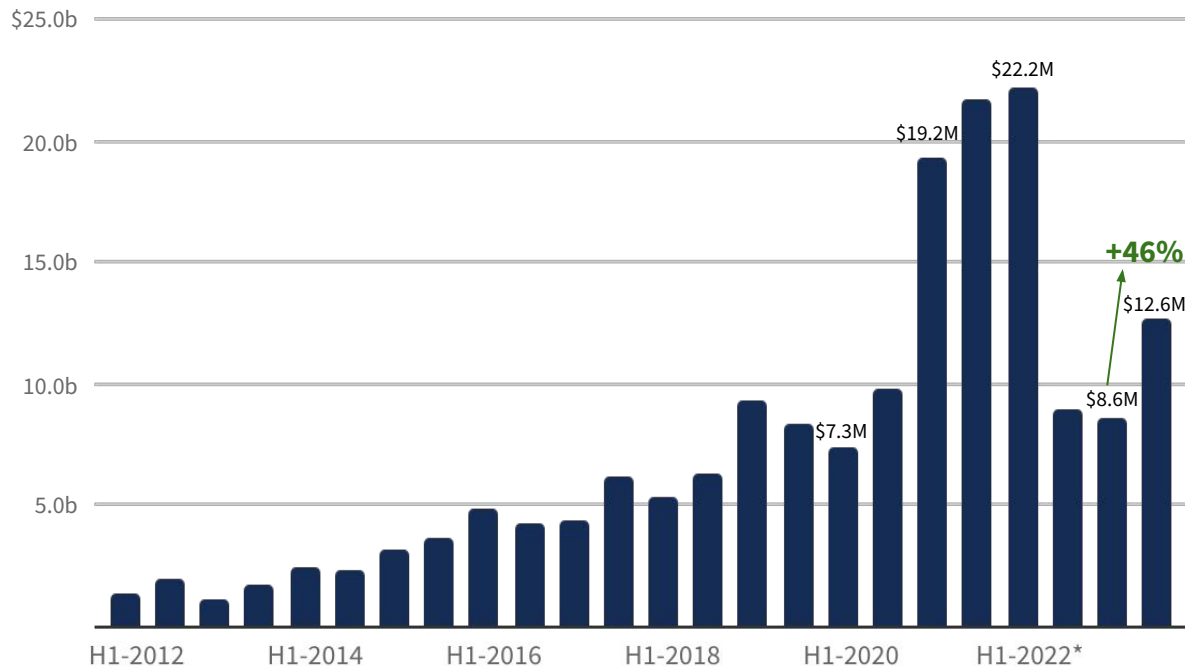
UK

UK venture capital turned a corner in 2023.

2024 could be the year of tentative recovery.

Live data »

VC investment into UK startups, half year overview >> [view more](#)



UK

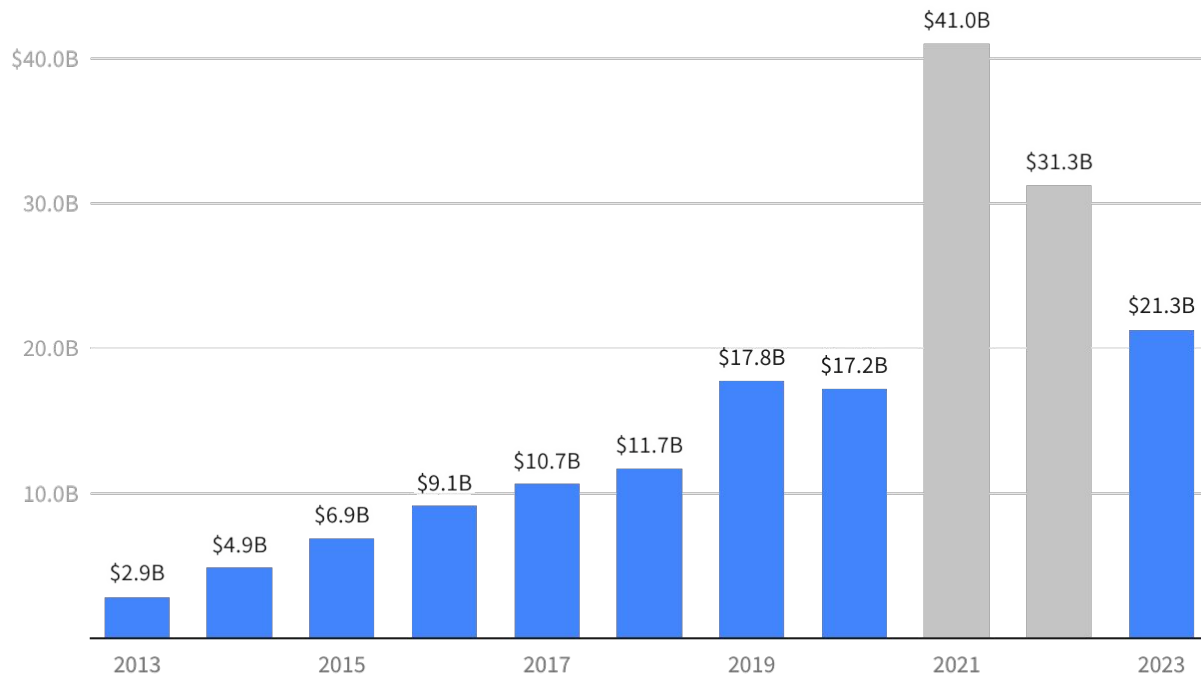
UK startups raised \$21.3B in 2023.

The UK hit its third highest total for VC in 2023, behind only outlier years of 2021/22.

Live data »

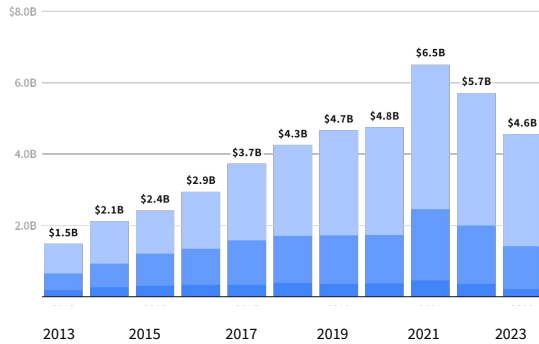
VC investment into UK startups, annual [» view online](#)

VC investment into UK startups, annual



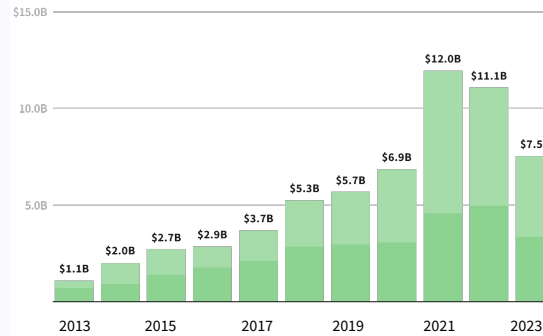
Early-stage investing has remained active, filling the startup pipeline

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



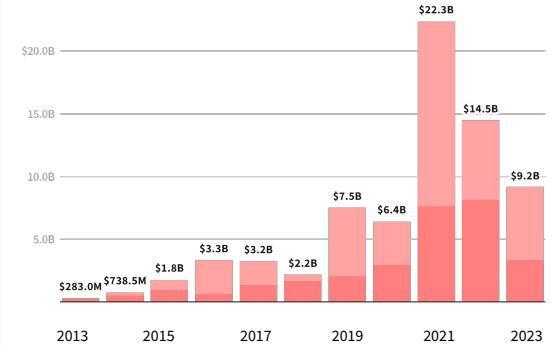
Breakout stage investment is at 110% of pre-pandemic levels

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



Late-stage investment has meaningfully slowed

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













UK

UK remains the #3 tech ecosystem in the world.

Customise comparisons »

Top 10 countries by VC investment, 2023

Country	VC in 2023	Change in VC (2019-2023)
 USA	\$150.0B	-7%
 China	\$48.4B	-25%
 UK	\$21.3B	19%
 India	\$11.2B	-33%
 France	\$9.2B	53%
 Germany	\$8.2B	-7%
 Canada	\$6.7B	2%
 South Korea	\$5.7B	17%
 Sweden	\$5.2B	66%
 Japan	\$6.3B	-8%











UK

The UK is the #1 tech ecosystem in Europe.

UK raises more VC than France and Germany combined in 2023.

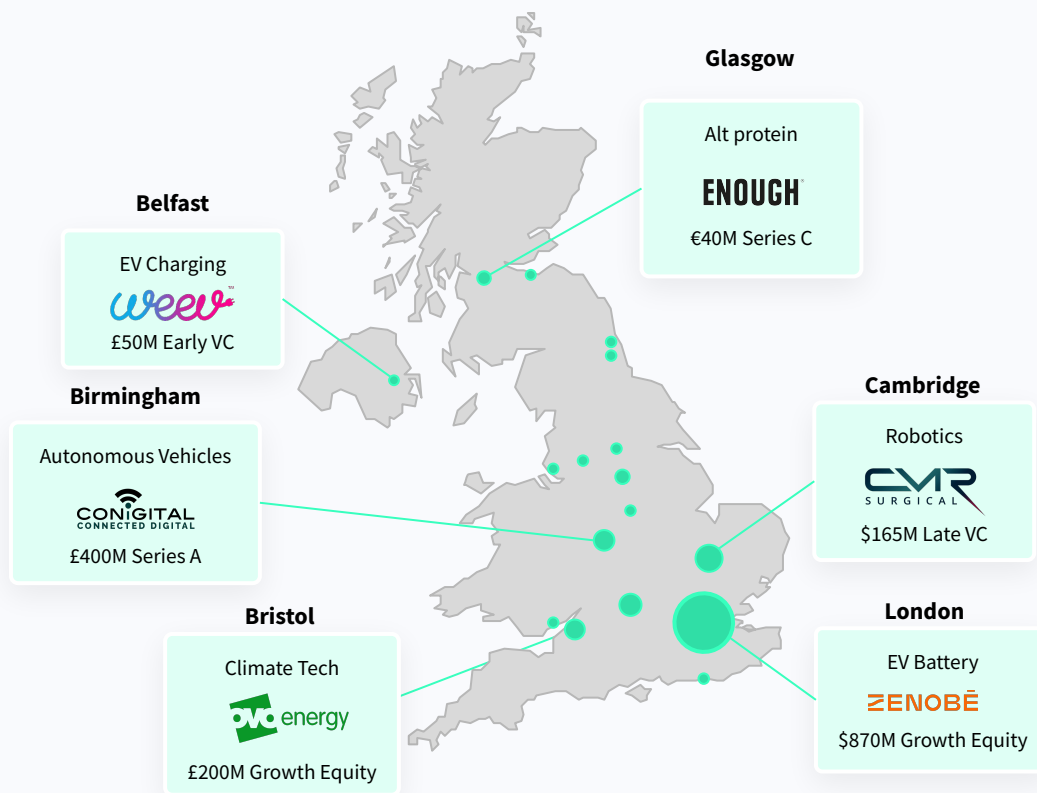
Customise comparisons »

Top 10 European countries by VC investment, 2023

Country	VC in 2023	Change in VC (2019-2023)
 UK	\$21.3B	19%
 France	\$9.2B	53%
 Germany	\$8.2B	-7%
 Sweden	\$5.2B	66%
 Switzerland	\$2.9B	48%
 Netherlands	\$2.6B	46%
 Spain	\$2.1B	2%
 Norway	\$1.4B	191%
 Denmark	\$1.4B	104%
 Ireland	\$1.3B	28%

UK entrepreneurship is distributed throughout the country. Investment is growing fastest in the West Midlands, Glasgow and NI.

City	2023	Growth in VC (2019-2023)
Birmingham	\$643M	1183%
Liverpool	\$195M	657%
Sheffield	\$300M	595%
Glasgow	\$224M	526%
Belfast	\$123M	277%
Oxford	\$786M	125%
Durham	\$133M	104%
Brighton	\$24M	47%
Cambridge	\$1B	31%
Cardiff	\$125M	9%
London	\$12B	4%
Leeds	\$88M	-5%
Newcastle	\$70M	-13%
Edinburgh	\$135M	-21%
Bristol	\$437M	-27%
Nottingham	\$12M	-33%
Manchester	\$237M	-44%



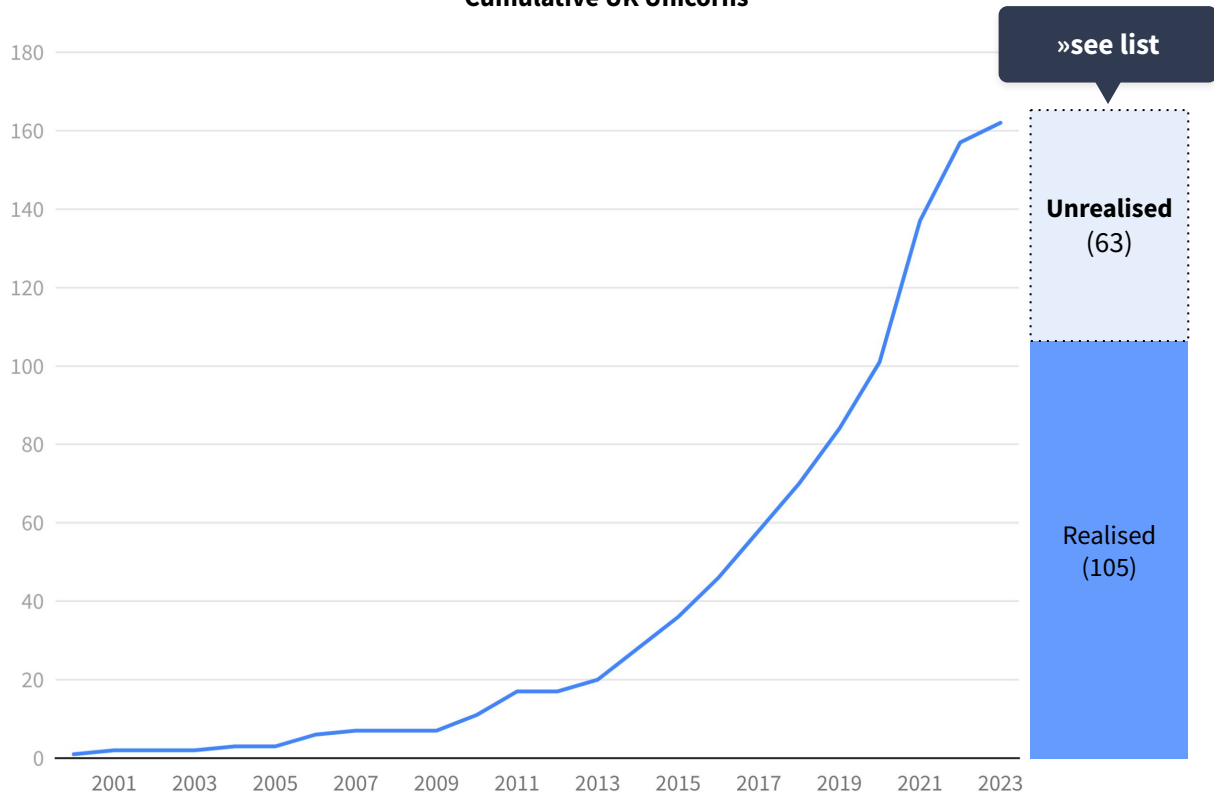
UK

The UK has produced 168 \$1B+ startups.

63 UK unicorns have not yet exited, worth a combined \$180B.

Live data »

Cumulative UK Unicorns



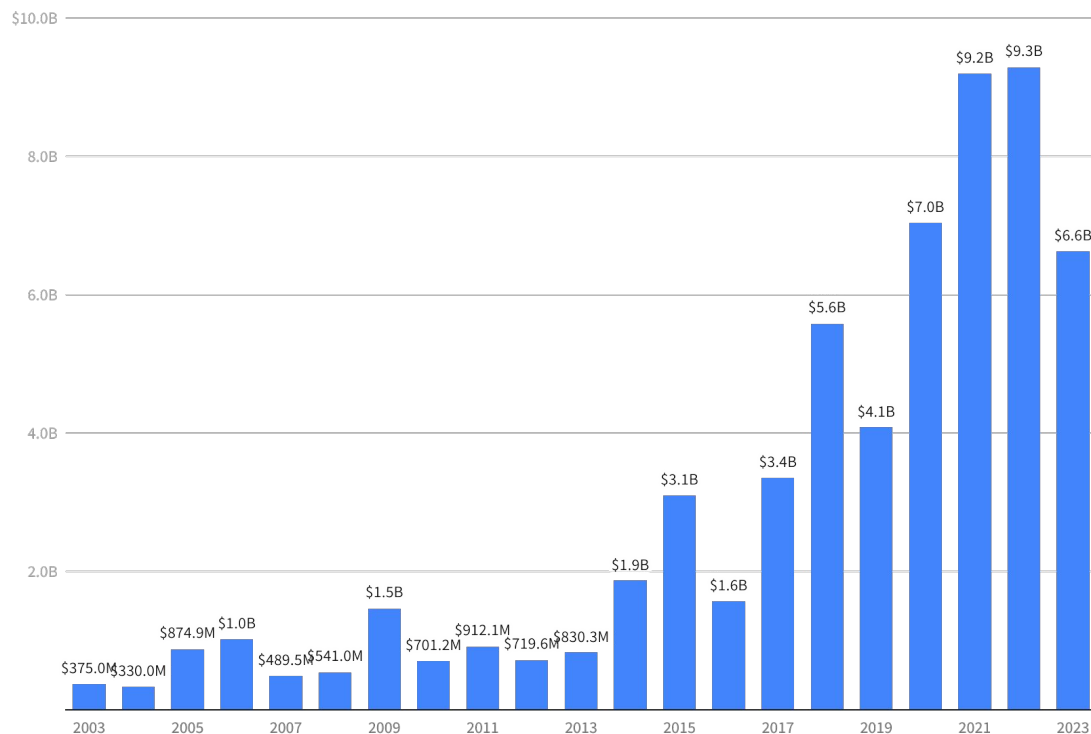
UK

UK VCs have more dry powder than ever before.

Over \$25B raised in the last three years.

[Live data »](#)

Total amount of new VC fund capital raised in the UK

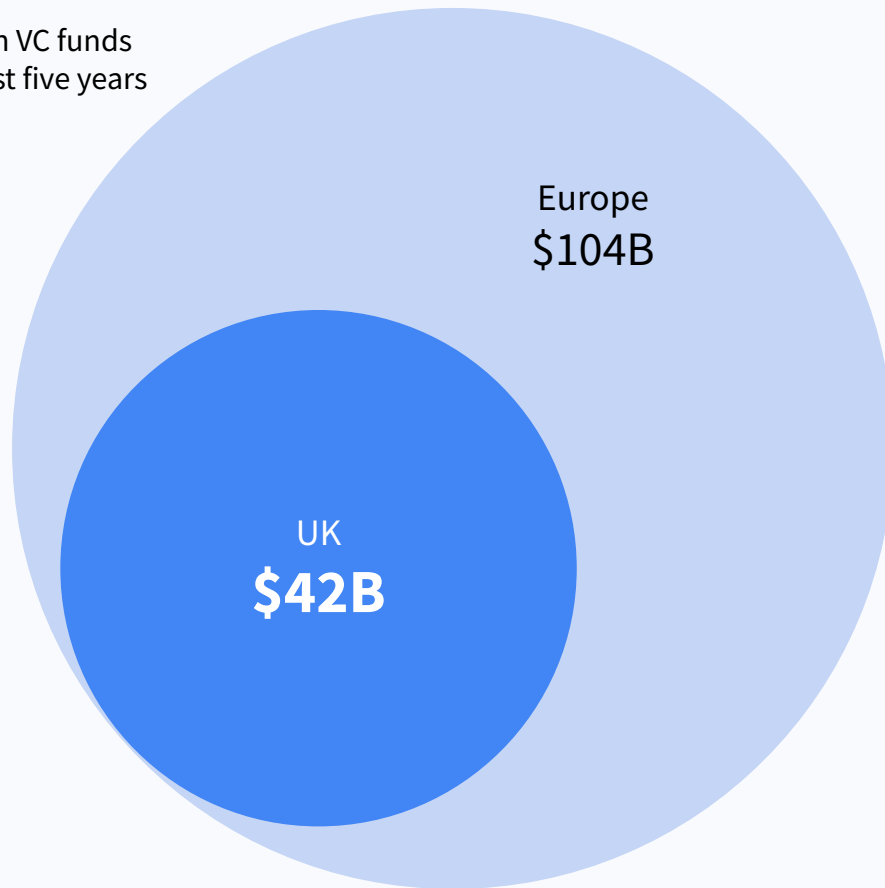


UK

The UK is the home of European venture capital.

40% of new European VC capital raised in the last five years is based in the UK.









European VC funds raised last five years



UK

Leading UK funds are freshly equipped to deploy in 2024.

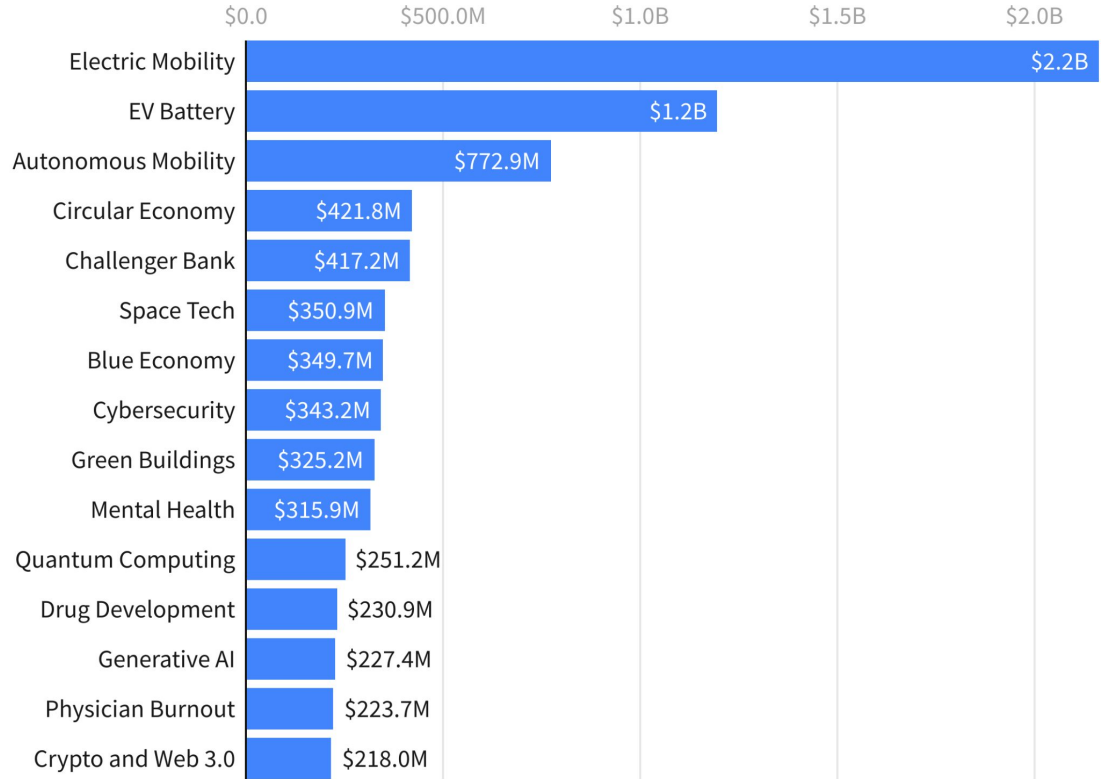
Explore New Funds »

NAME	FUND TYPE	NEW FUND	DATE
 Atomico Invests in disruptive technology co...	Venture Capital	€1.1b <small>source: thenextweb.com/news/vc-atomi...</small>	Oct 2023
 Highland Europe Growth-stage technology fund wit...	Venture Capital	€1.0b <small>source: tech.eu/2023/01/23/highland-eu...</small>	Jan 2023
 Dawn Capital Dawn is Europe's leading specialis...	Venture Capital	\$620m <small>source: techfundingnews.com/dawn-cap...</small>	Sep 2023
 Northern Gritstone Investment company founded by t...	Venture Capital	£312m <small>source: uktech.news/funding/vc-funding...</small>	Oct 2023
 Notion Capital Entrepreneur-backed venture capi...	Venture Capital	€300m <small>source: eu-startups.com/2023/07/londo...</small>	Jul 2023
 Isomer Capital Venture capital investment platform	Venture Capital	€250m <small>source: tech.eu/2023/06/05/isomer-capit...</small>	Jun 2023
 Illuminate Financial Venture capital firm focused on en...	Venture Capital	\$235m <small>source: marketsmedia.com/illuminate-fi...</small>	Jun 2023
 IQ Capital IQ Capital is a venture capital firm,...	Venture Capital	\$200m <small>source: cityam.com/london-based-iq-ca...</small>	Jun 2023

UK











Electric mobility, EV battery and Autonomous mobility were the top funded UK startup segments in 2023.

Total amount of new VC fund capital raised in the UK

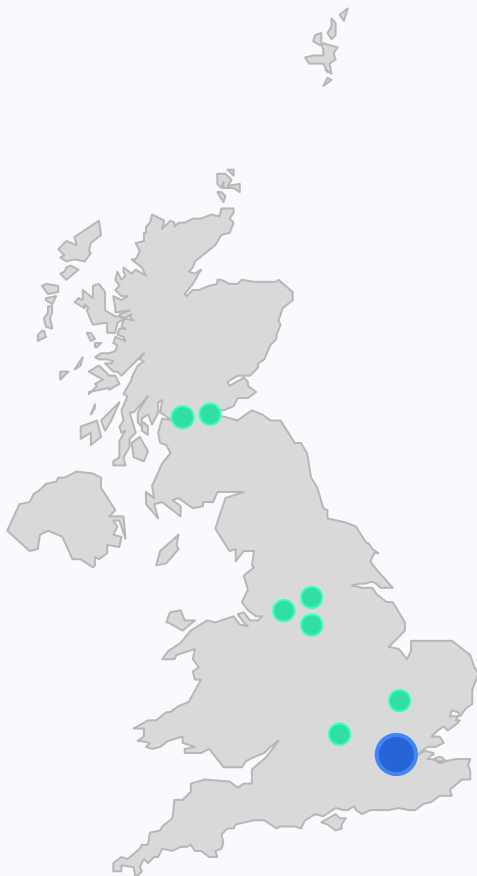


Top 10 UK investors

UK investors
Investments in UK companies

	Investor	Notable UK investment	Notable investment outside London	Notable EMEA investment (not counted here)
1	 LocalGlobe	Tide	Open Cosmos	TravelPerk
2	 Index Ventures	Revolut	END.	Adyen
3	 Passion Capital	Lendable	CultureAI	Spotahome
4	 Episode 1	Omnipresent	Huboo	Flutter
5	 Accel	Monzo Bank	Ubiquisys	Celonis
6	 Seedcamp	Synthesia	Nodes & Links	Pleo
7	 Octopus Ventures	Depop	Elvie	Cobee
8	 Balderton	GoCardless	Darktrace	Sinch
9	 MMC Ventures	Copper	Interactive Investor	Lookiero
10	 Amadeus Capital Partners	Improbable	Oxford Nanopore	Igenomix

The majority of top EMEA investors are based in the UK. Therefore, for the UK ranking and look specifically at investments in the UK, made by UK investors.



UK VCs account for 40% of all new funds raised in Europe in the last five years. The majority of funds are based in London, but a number of notable investors are also distributed across the country.

UK funds based outside London

Baillie Gifford



pentech

NORTHERN GRITSTONE
THE VALUE OF IDEAS

praetura
VENTURES

British Business Bank

O X F O R D
S C I E N C E
E N T E R P R I S E S

IQ CAPITAL

CAMBRIDGE INNOVATION CAPITAL

The UK has also become a base for international capital investing across Europe. Many of the world's top funds have set up shop in London.

U.S. funds with London office

SEQUOIA

al6z

Lightspeed

Bessemer
Venture Partners

GENERAL CATALYST

INSIGHT
PARTNERS

Two of the top three Next-Gen investors in EMEA are based in the UK.

Looking only at funds founded since 2019, with some VCs building impressive portfolios in a short, turbulent period.

The top 1% of funds in EMEA - 20VC, Air Street Capital and 468 Capital come out as the top next-gen funds investing in EMEA, from over 300 funds founded since 2019. The top two are based in the UK.

EMEA deals

Global deals (not counted)

20VC

Remote (Seed) 🐾
Sorare (Seed) 🐾
Tripledote Studios (Series B) 🐾

Linktree (Seed) 🐾
NexHealth (Seed) 🐾
AgentSync (Seed) 🐾

**AIR
STREET
CAPITAL.**

Thought Machine (Seed) 🐾
Tractable (Series A) 🐾
Synthesia (Series B+) 🐾
Exscientia (via Allcyte M&A) 🐾

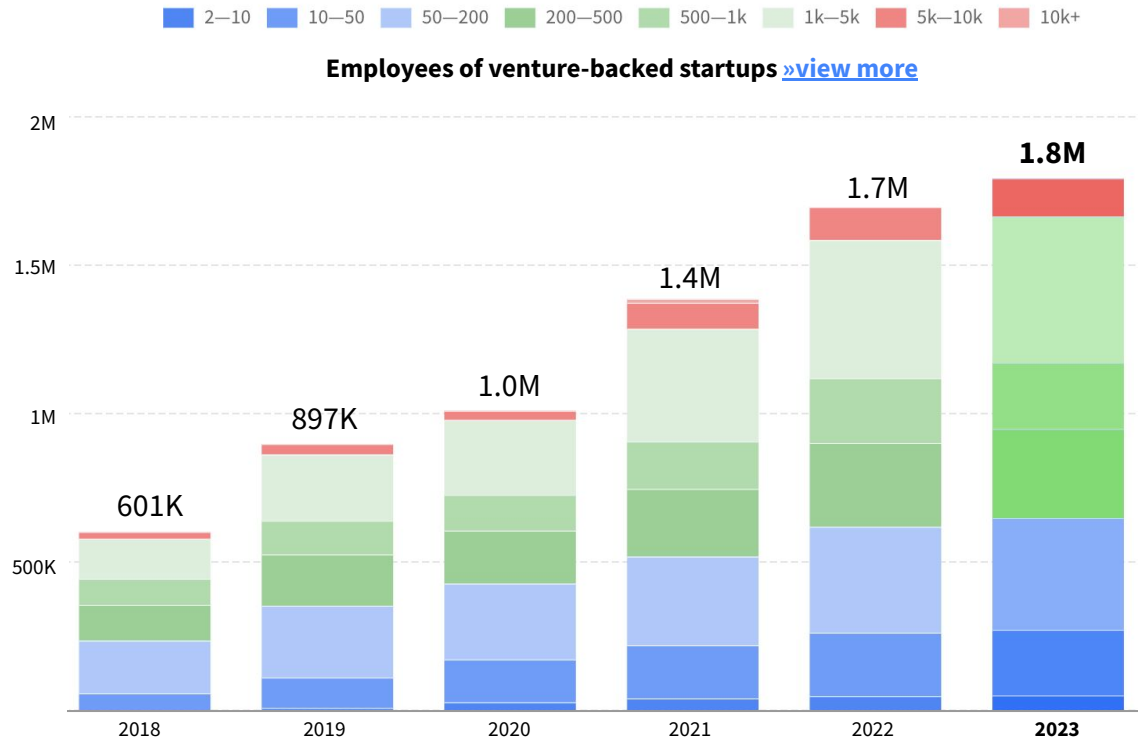
Adept AI (Seed) 🐾
Recursion Pharma (Series B+) 🐾
Crusoe Energy (Series B+) 🐾

468 Capital

Razor (Seed) 🐾
Aleph Alpha (Seed)
Zapp (Series A)

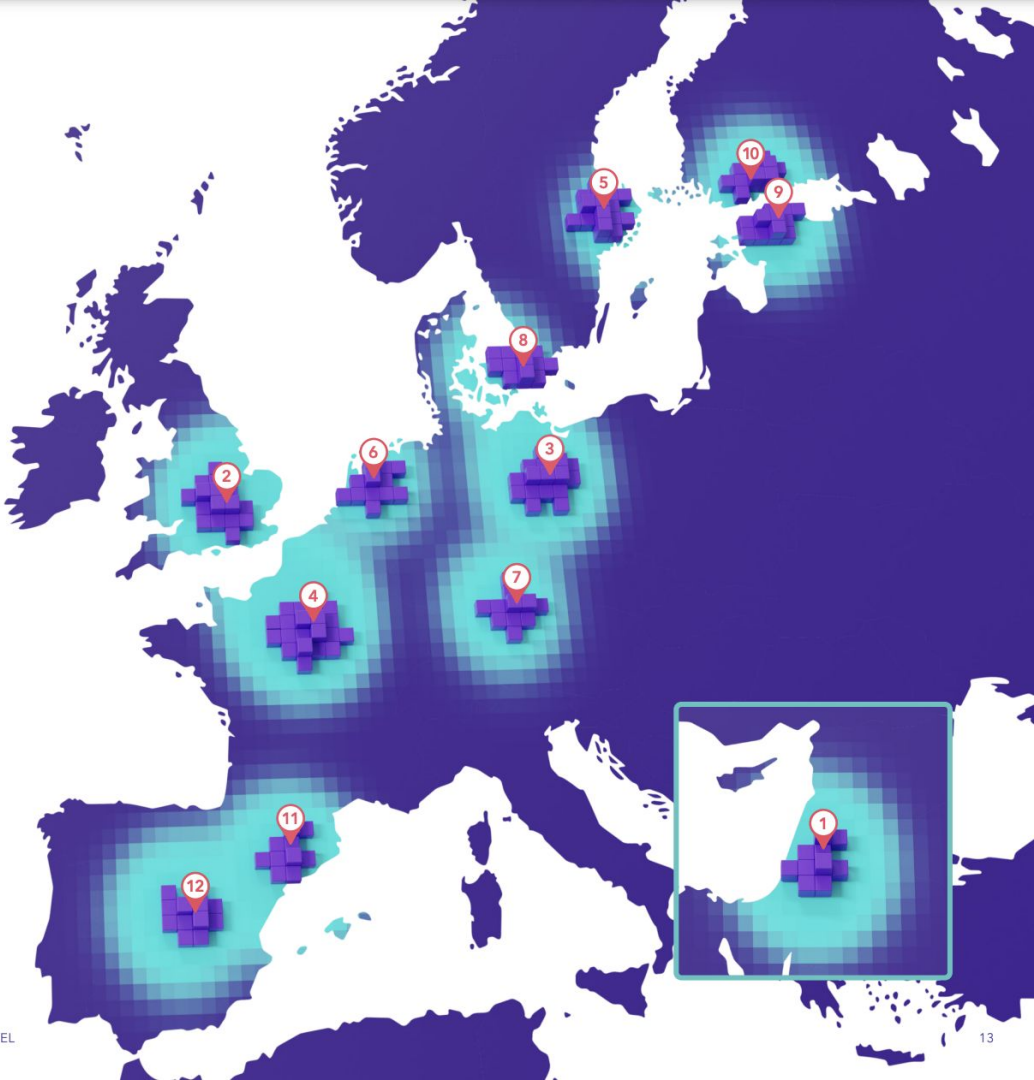
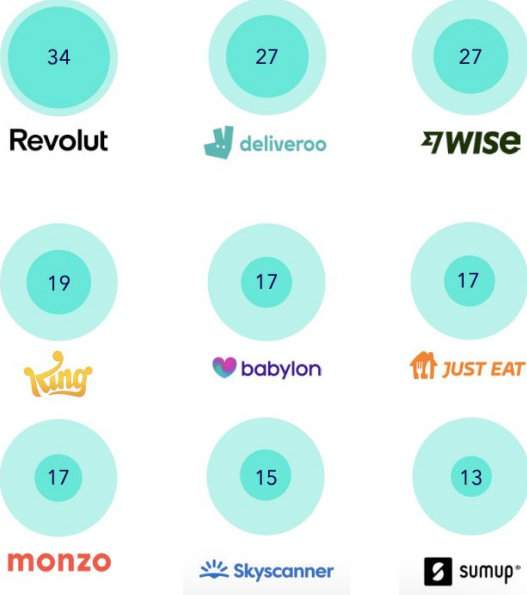
UpScalio (Series A)
Iterative.ai (Seed)
Bardeen (Seed)

UK startups employ 1.8M people. This represents 300% job growth since 2018. 90% of these companies have under 100 employees.



The founder flywheel is in full effect in the UK.

UK unicorns are spawning dozens of new startups via staff alumni turned founders.

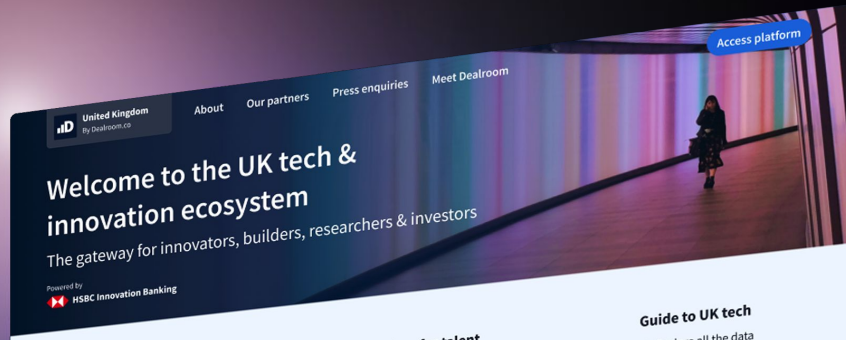


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Services for startups

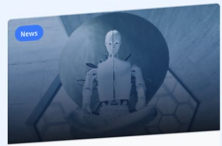
→ Fundraise, recruit, visas, grants

Services for talent

→ Jobs, visas, research

Guide to UK tech

→ Explore all the data



From London tech week 2023
Understanding UK, Europe and the EMEA



From London tech week 2023
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