



# UK INNOVATION UPDATE

Q1 2024

April 2024

*Image: Brighton Pavilion,  
Ana Simon*



# UK innovation - Q1 2024

## UK startups raised \$3.9B in Q1 2024

VC investment levels in the UK have stabilised following a sharp global reset from H2 2022.

Early-stage investment in Q1 closed higher than the two previous quarters. Investment at breakout stage of Series B and C is steady. Late-stage rounds, which have the biggest impact of headline totals, remain in single figures but there were important rounds for Monzo, Quantinuum and others in Q1.

## Fintech is back on top as UK's most-funded startup sector

In 2023, Energy surpassed Fintech to be the UK's most funded startup sector for the first time. In Q1 2024 with \$1.4B raised across 73 rounds, fintech is back.

Among emerging frontier technology segments, semiconductors and quantum computing have been gaining momentum, for startups often based in science hubs like Cambridge and Oxford.

## UK retains European lead for venture capital

The UK remains the number one destination in Europe for startup innovation and investment.

UK startups raised almost as much as German and French peers combined in Q1 2024 (\$2.3B and \$1.7B respectively).

The UK also remains third globally, behind just the US and China, and ahead of India.

## Edinburgh & Brighton are fastest growing UK hubs in 2024

While London remains the number one city in the UK (and Europe) by venture capital raised in 2024, UK venture continues to be distributed across the country.

Edinburgh, Brighton and Cambridge notably have shown the most growth in venture capital this year compared to 2023.

# UK startups raised \$3.9B in Q1 2024.

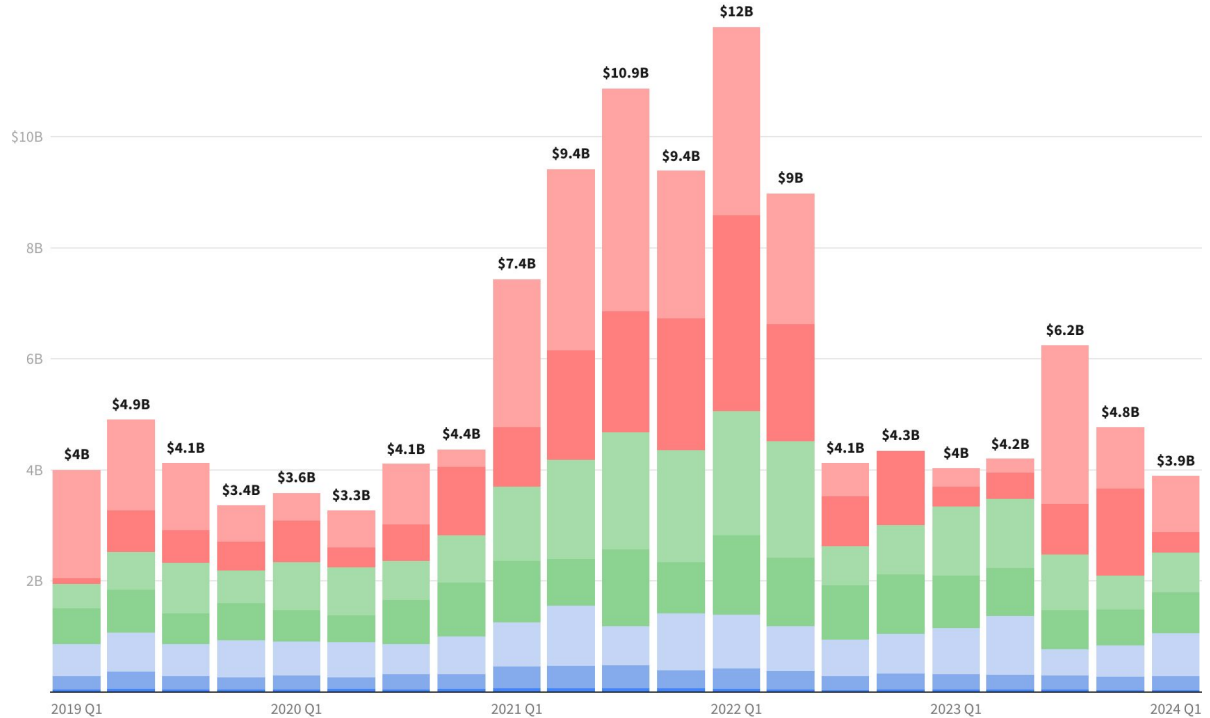
UK startups raised \$279M in Pre-Seed and Seed rounds of under \$4M in Q1 2024.

Series A rounds totalled \$769M in Q1, with \$742M raised at Series B and \$715M at Series C.

Six late-stage megarounds of \$100M+ totalled \$1.4B.










## UK Venture Capital by stage » [view online](#)

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



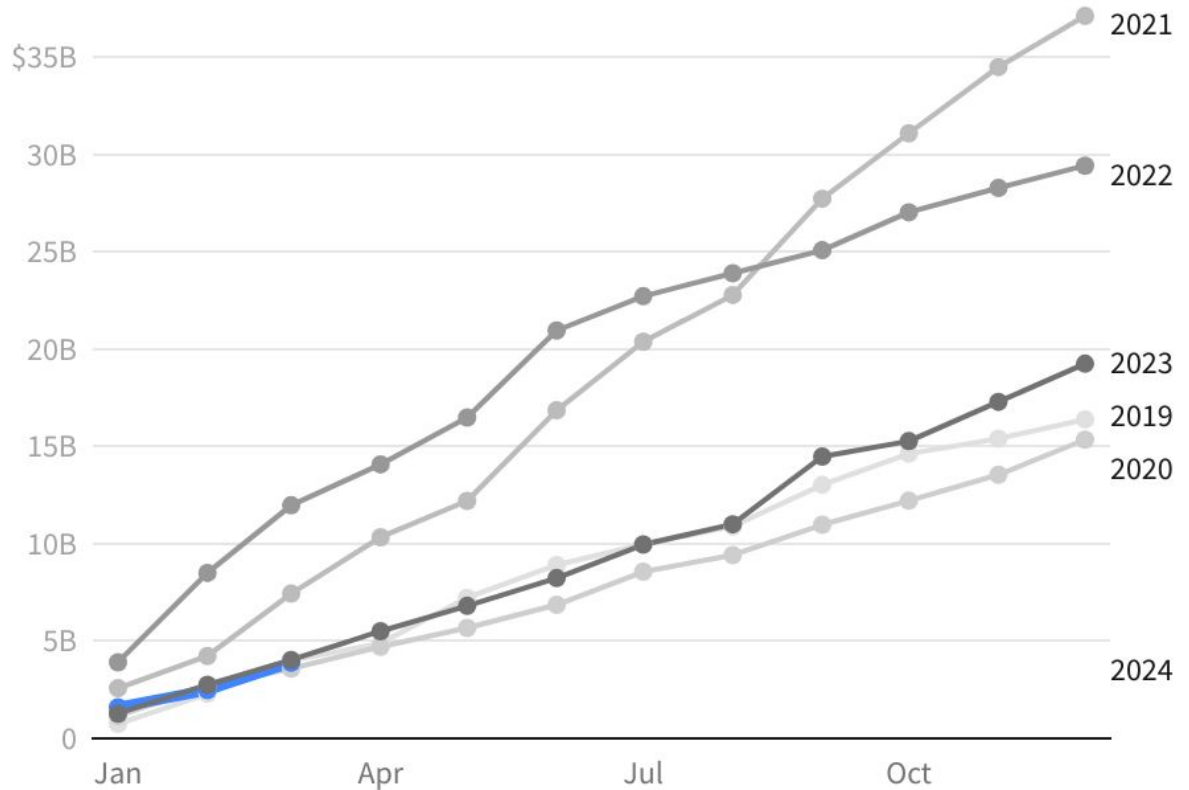
# The biggest UK venture capital rounds in Q1 2024.

The UK's fintech pedigree is represented among the [top rounds](#) of Q1 2023, along with new frontier technologies including AI, quantum computing and climate tech.

<p><b>Challenger Bank</b> London</p>  <p>£340M Late VC</p>	<p><b>Quantum</b> Cambridge</p>  <p>\$300M Late VC</p>	<p><b>Sustainable Compute</b> London</p>  <p>£200M Growth Equity VC</p>
<p><b>Wealth Management</b> London</p>  <p>£108M Growth Equity VC</p>	<p><b>Open Source AI</b> London</p>  <p>\$112M Early VC</p>	<p><b>Community gaming</b> Edinburgh</p>  <p>\$110M Series D</p>
<p><b>Payments</b> London</p>  <p>€85M Late VC</p>	<p><b>Green Hydrogen</b> Nottinghamshire</p>  <p>£56M Late VC</p>	<p><b>Insurtech pricing intelligence</b> London</p>  <p>\$73M Series B</p>

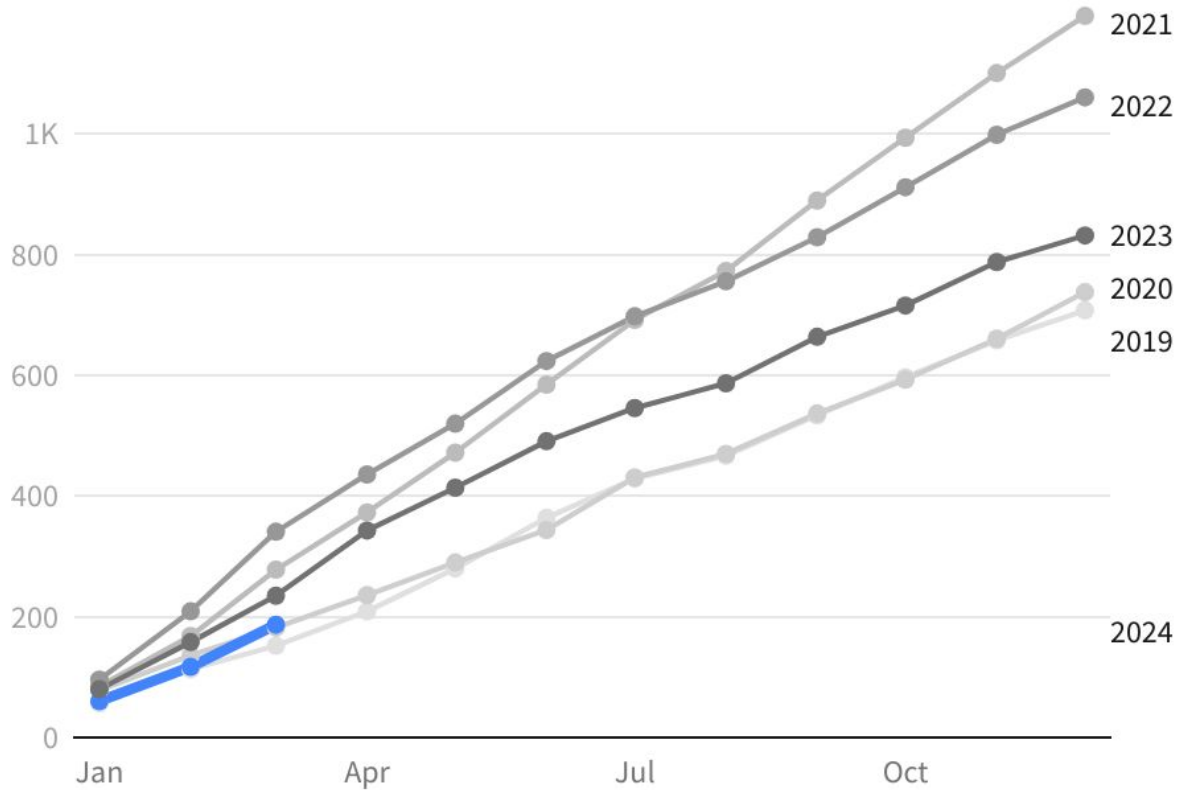
**UK venture capital investment is tracking a similar path to 2023, behind only the outlier years of 2021/22.**

UK VC investment amount by month » [view online](#)



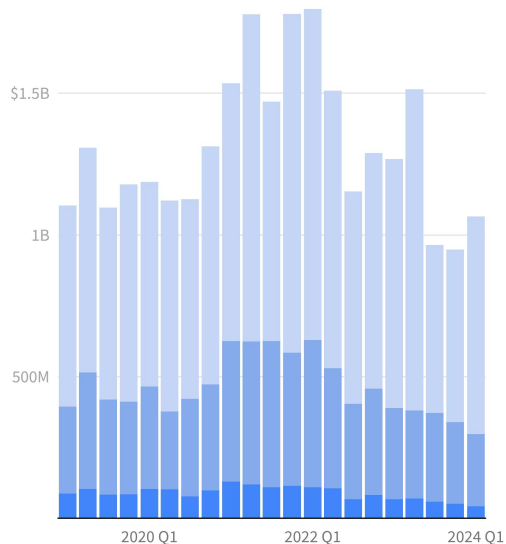
**192 UK startups  
have raised  
rounds of  
over \$2M in 2024.**

UK VC investment rounds over \$2M by month » [view online](#)



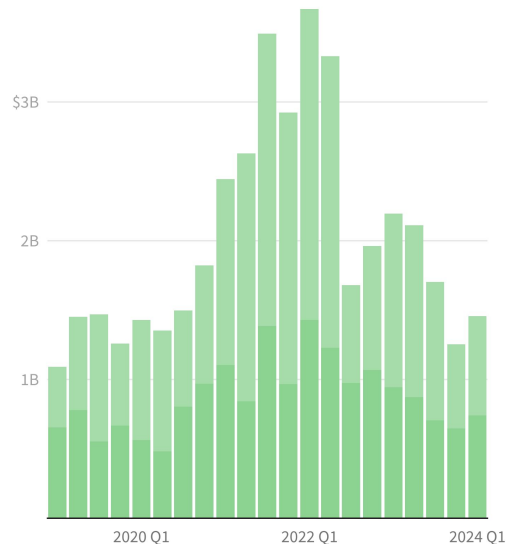
## Early-stage VC in Q1 was higher than the two previous quarters.

- \$4-15m (Series A)
- \$1-4m (Seed)
- \$0-1m (pre-Seed)



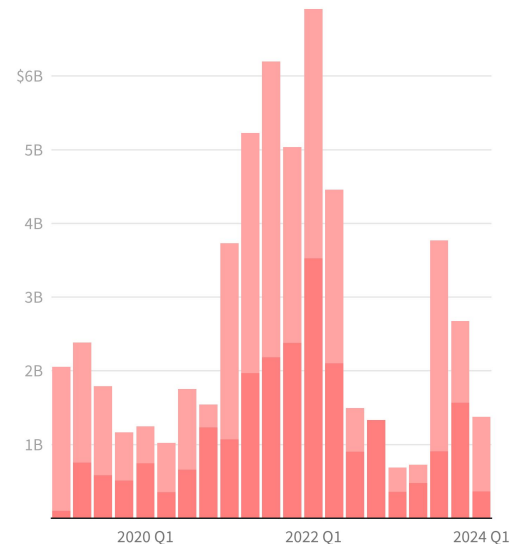
## Breakout-stage investment at Series B & C totalled \$1.5B.

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



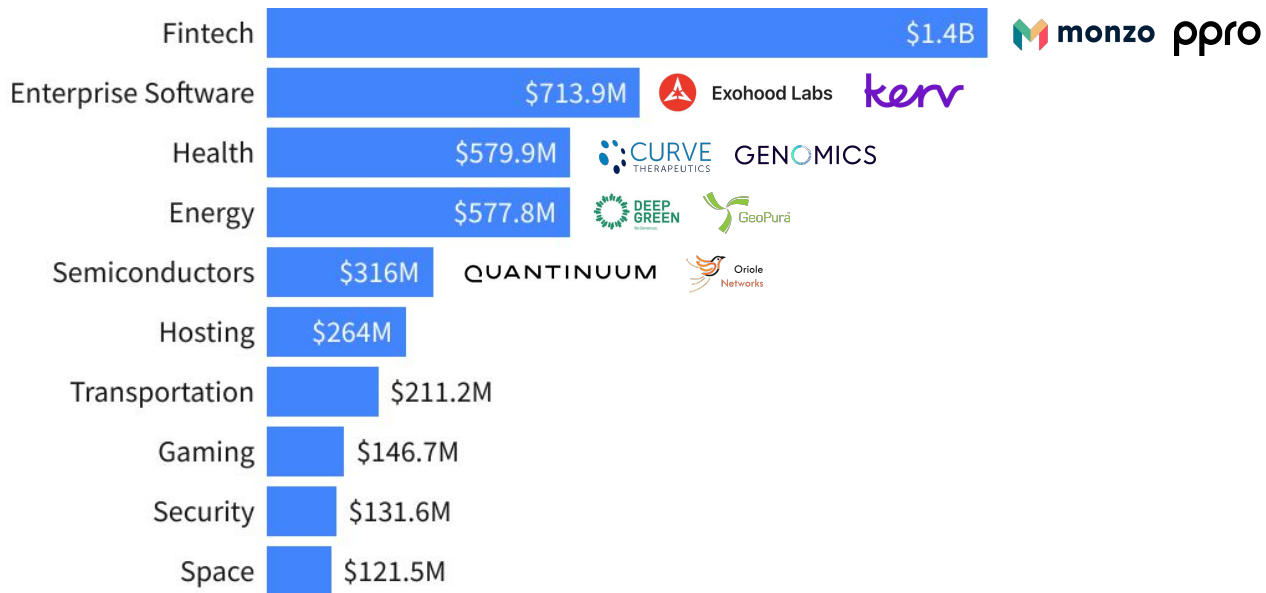
## Late-stage investment totalled \$1.4B in Q1, across 6 rounds.

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



**Fintech was the most funded sector in the UK in Q1, led by late-stage rounds for Monzo, Flagstone and PPRO.**

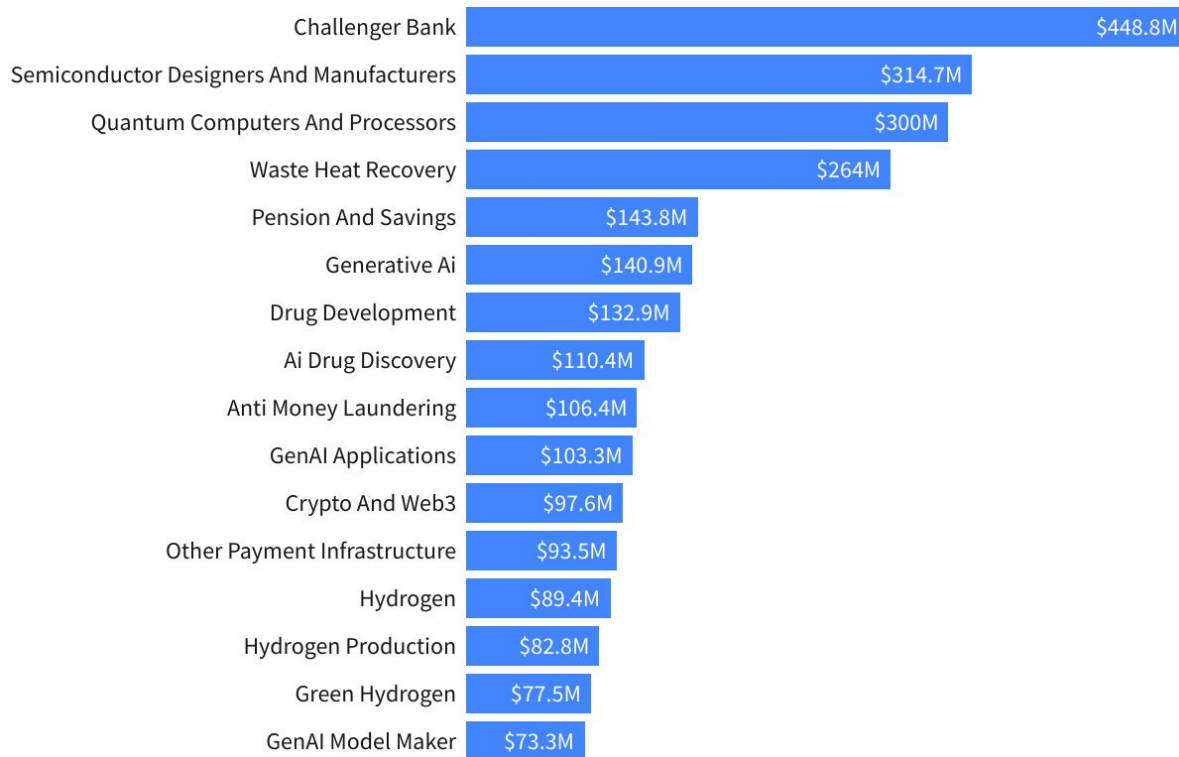
UK leading industries for VC investment, Q1 2024 » [view online](#)





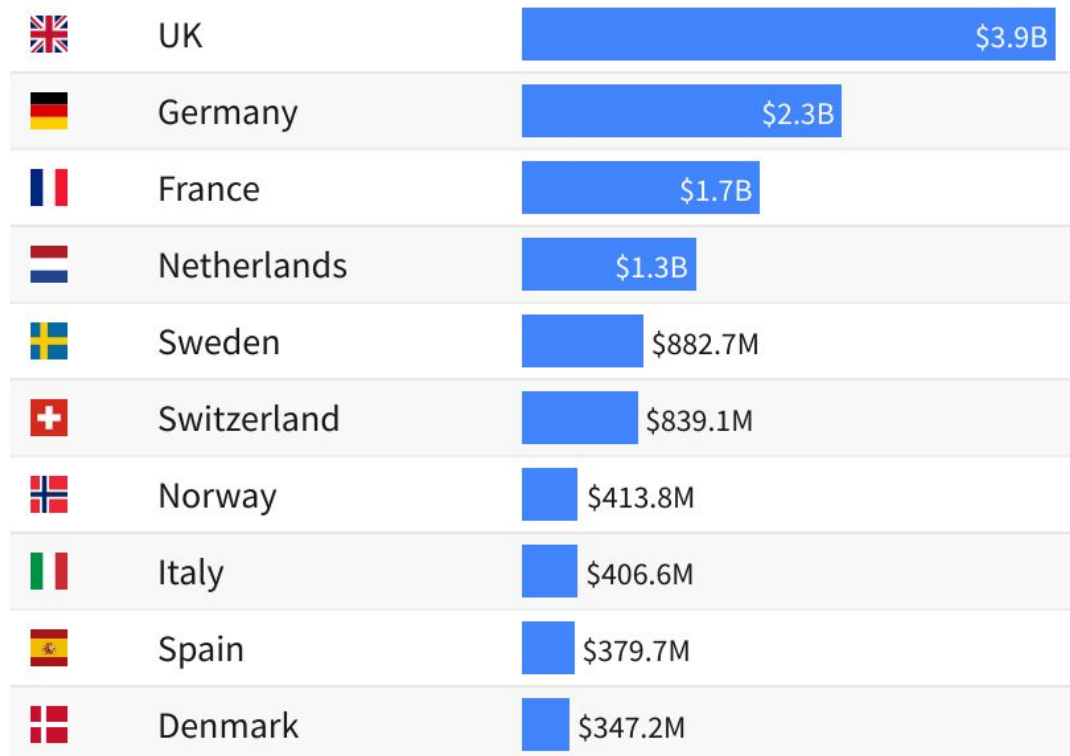
# Quantum computing and semiconductors were among the top-funded UK frontier tech segments in Q1 2024.

UK leading segment for VC investment, Q1 2024 » [view online](#)



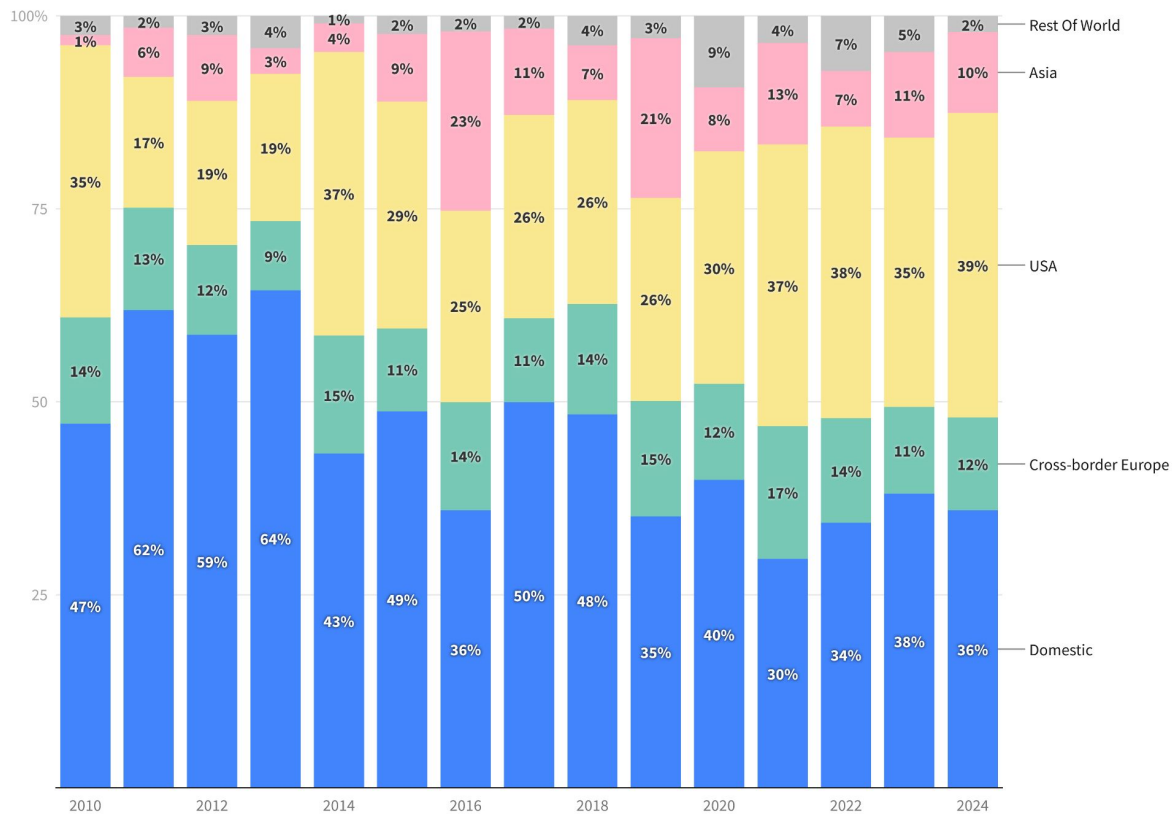
**The UK remains the #1 country in Europe by VC investment in 2024.**

Top 10 European countries by VC investment in 2024 » [view online](#)



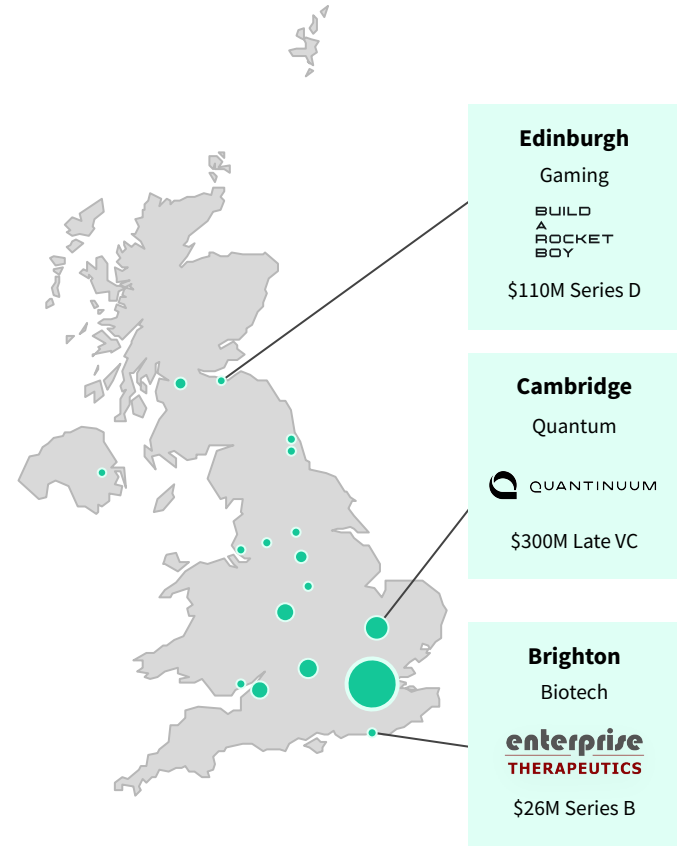
**More than half of UK venture capital comes from overseas investors.**

UK venture capital by investor source » [view online](#)



# Edinburgh and Brighton have had the highest growth in VC investment so far in 2024 among UK tech hubs.

Hub	VC investment Q1 2024	change vs. 2023
London	\$2.4B	-18%
Cambridgeshire	\$449M	59%
Edinburgh	\$157.4M	406%
Oxfordshire	\$142.4M	-20%
Manchester	\$116.9M	26%
Brighton	\$33.9M	209%
Belfast	\$23.3M	-9%
Sheffield	\$17.2M	-77%
Bristol	\$16.7M	-83%
Newcastle	\$16.1M	-9%

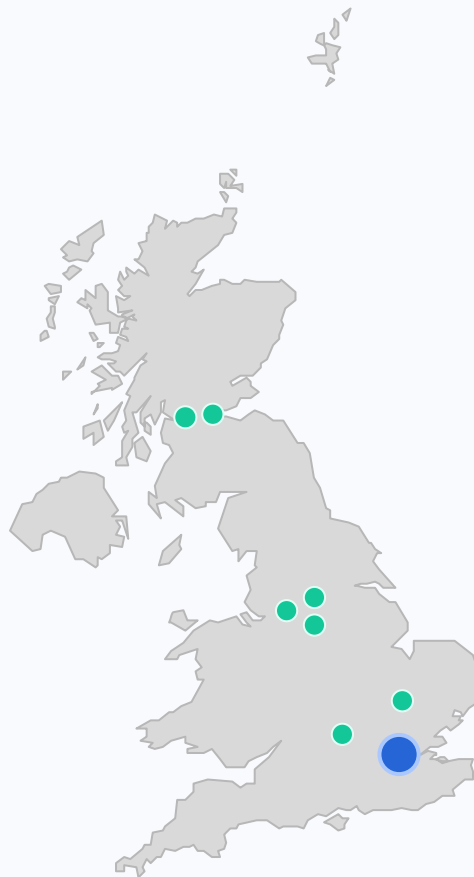


# Most active UK VC investors

UK investors | Investments in UK companies

Investor	Notable UK investment	Notable 2024 investment
1 <b>SFC Capital</b>	Flux Aviation	MeVita
2 <b>octopus ventures</b>	Depop	Haiper AI
3 <b>Seedcamp</b>	Synthesia	Metaview
4 <b>mercia</b> asset management	Oxgene	Pimberly
5 <b>BGF</b>	Elvie	Trojan Energy
6 <b>LocalGlobe</b>	Tide	Victory League
7 <b>MAVEN</b>	Snappy Shopper	AccessPay
8 <b>Fuel Ventures</b>	OnBuy	Shift
9 <b>ASCENSION</b>	WageStream	Shellworks
10 <b>e11</b> ENTREPRENEUR FIRST	Tractable	Limbic AI

The UK is home to thousands of venture capital funds. This top 10 represents the funds that have actively backed the most UK startups in the last five years.



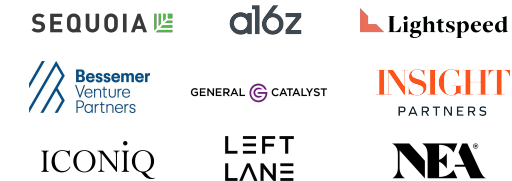
UK VCs account for 40% of all new funds raised in Europe in the last five years. The majority of funds are based in London, but a number of notable investors are also distributed across the country.

## UK funds based outside London



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



# Methodology.

## What is a startup?

Companies designed to grow fast. Generally, such companies are VC-investable businesses.

When startups are successful, they develop into scaleups (>50 people), grownups (>500 people) and result in big companies. Only companies founded since 1990 are included in this report.

Blog post » [What is a Startup?](#)

## What is a unicorn?

Unicorns are (former) startups that are privately valued at over US\$ 1B, or have achieved a \$1B+ exit via public market or M&A.

Blog post » [What is a Unicorn?](#)

## 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.

The data on which this report builds is available via [app.dealroom.co](http://app.dealroom.co). For more info please visit [dealroom.co](http://dealroom.co) or contact [support@dealroom.co](mailto:support@dealroom.co). Data for this report was taken in 2023.

## Venture Capital, Investors

Investment are referred to by their round labels such as Seed, Series A, B, C, ... late stage, and growth equity. VC investments exclude debt, non-equity funding, lending capital and grants.

## Sectors

Dealroom's proprietary tech taxonomy consists of 32 fixed industries, 77 sub-industries, and thousands of tags for niche, granular company categorization.

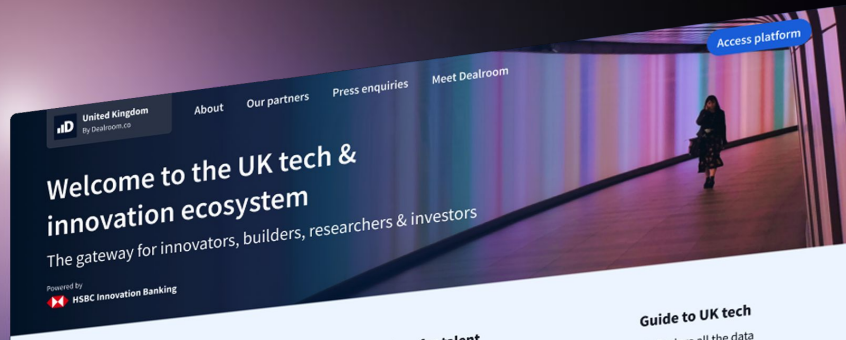
Guide » [Dealroom tech taxonomy](#)

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### Services for startups

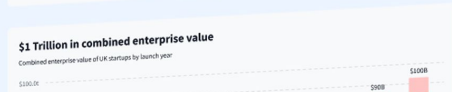
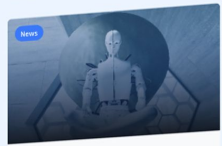
→ Fundraise, recruit, visas, grants

### Services for talent

→ Jobs, visas, research

### Guide to UK tech

→ Explore all the data



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