2019: A record year for VC investment in the UK

January 2020
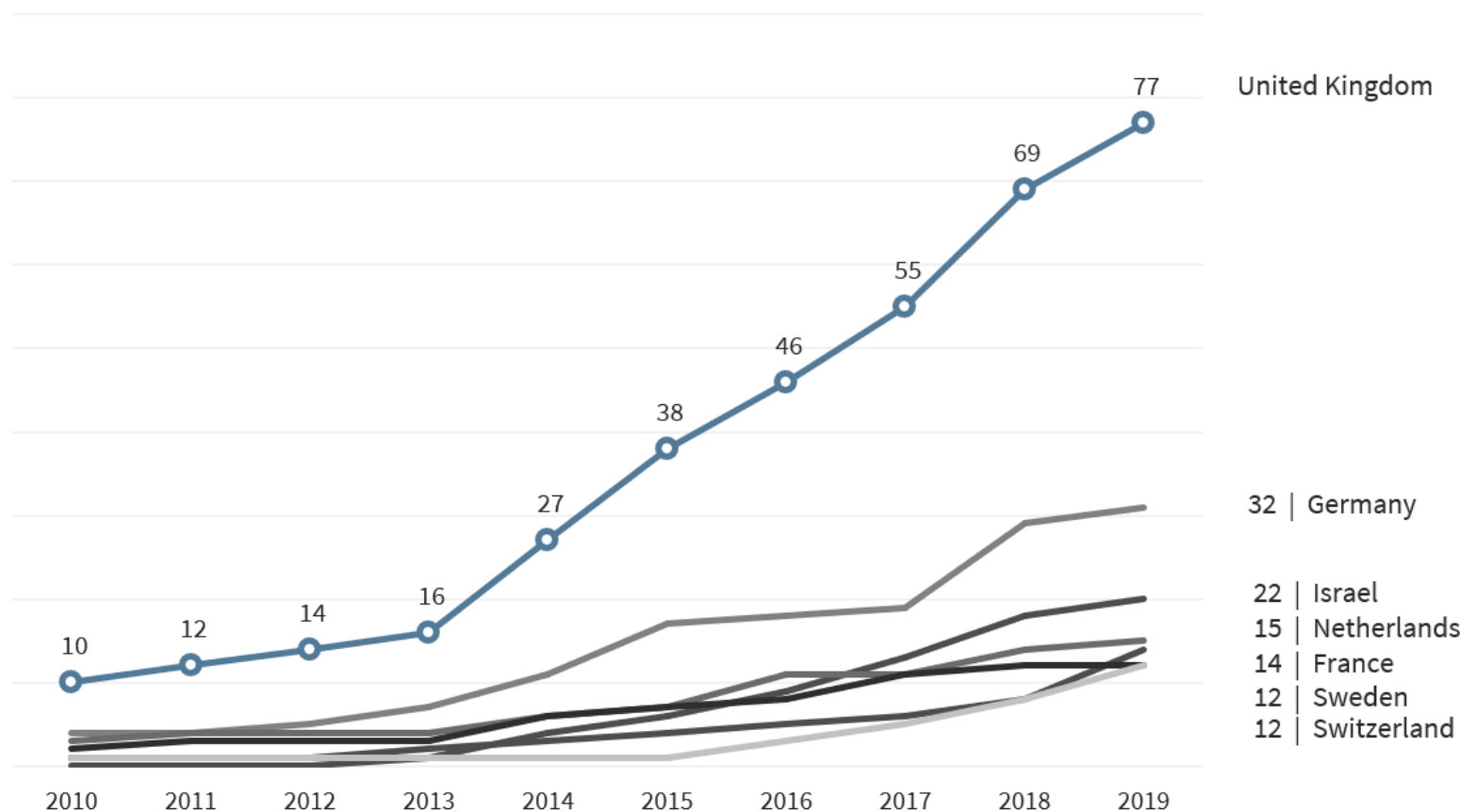
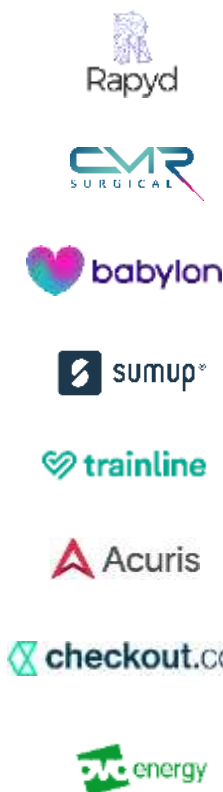Bristol's Clifton Suspension Bridge. Photo by Vadim Sherbakov.

In Europe, the UK ranks #1 by number of unicorns.

Cumulative number of unicorns created by year $1 billion valuation is reached

Unicorns created in 2019

UK: **8**

Rapyd
CMR SURGICAL
babylon
sumup
trainline
Acuris
checkout.com
ovo energy

France: **6**

meero   eFront
ivalua   Doctolib
kyriba   dataiku

Switzerland: **4**

luxoft   veeam
Acronis   Numbrs

Israel: **4**

Lemonade   monday.com
riskified   Lightricks

Germany: **3**

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Rest of Europe: **5**

Kaseya   iON
Glovo   teamblue
collibra   Vinted

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UK has several major tech hubs that measure up to Europe's capitals.

	London	Berlin	Oxbridge	Paris	Amsterdam	Manchester	Dublin	Edinburgh	Bristol
Unicorns created	46	12	11	11	9	5	4	2	2
Population	8.2M	3.5M	290K	2.2M	821K	510K	565K	489K	535K
Investment per capita	$1180	$1290	$3,420	$1500	$980	$1080	$660	$330	$780
Highest ranked university	8	62	1 & 2	72	59	54	117	27	87
Number of accelerators	146	54	22	51	28	10	14	6	5

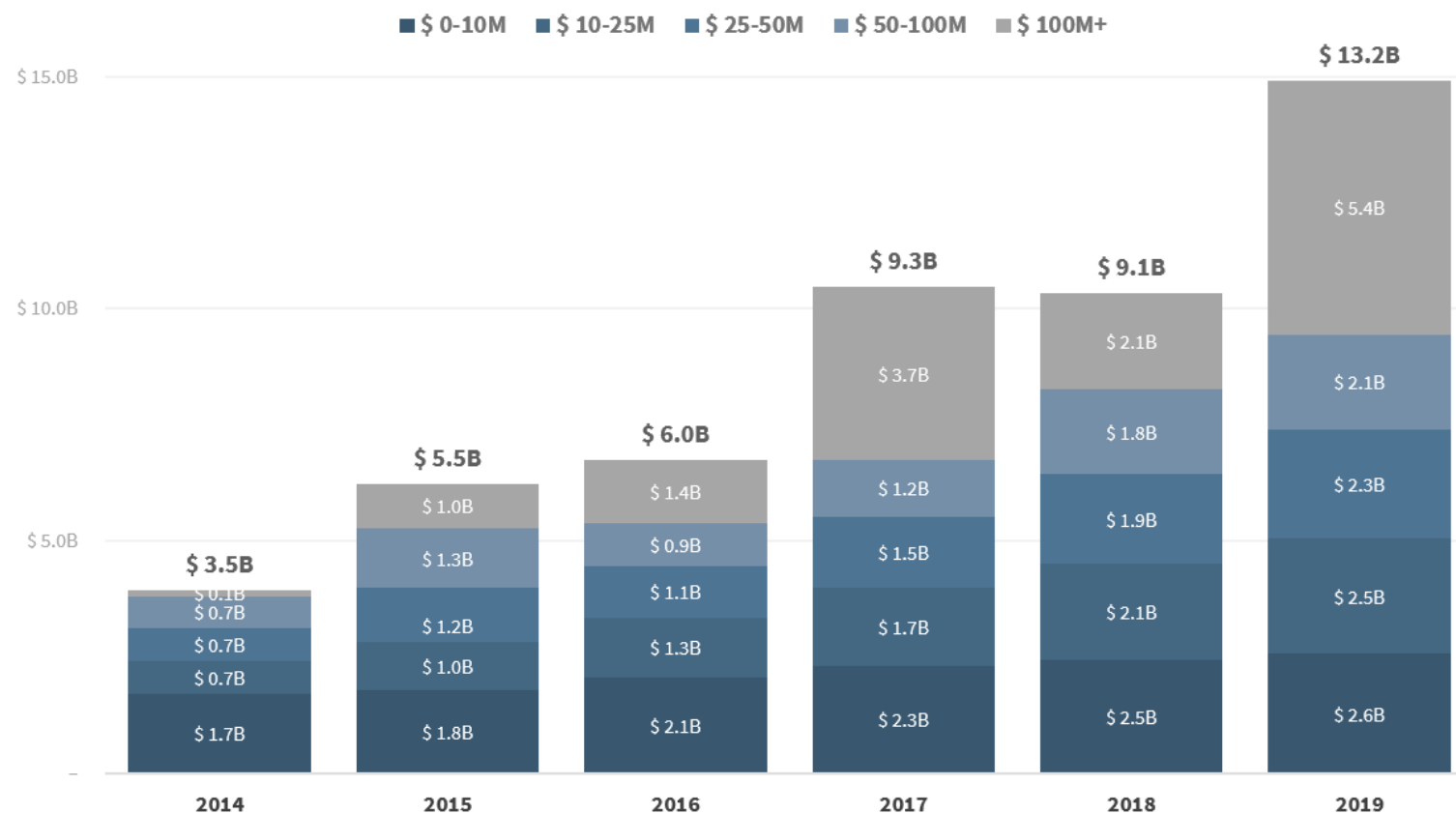Unicorns: number of companies founded since 1990 that reached $1 billion valuation.
Investment per capita based on investment in 2019 and city population.
University rank as per Times Higher Education.

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Venture capital investment in the UK: $13.2 billion invested in 2019.

Venture capital investment in UK by round size

Top UK rounds in 2019

■ $ 0-10M ■ $ 10-25M ■ $ 25-50M ■ $ 50-100M ■ $ 100M+

Greensill **$800M**	Greensill **$655M**
deliveroo **$575M**	babylon **$550M**
OakNorth **$440M**	ovo energy **$260M**
CMR SURGICAL **$240M**	checkout.com **$230M**

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The UK received more investment than Germany and France combined, and about one third of total investment in Europe in 2019.

Legend: ▬ Amount invested (€B)   ─○─ Number of rounds above €2M

United Kingdom
- 2014: $3.5B
- 2015: $5.5B
- 2016: $6.0B
- 2017: $9.3B
- 2018: $9.1B
- 2019: $13.2B

Germany
- 2014: $3.0B
- 2015: $3.2B
- 2016: $2.4B
- 2017: $3.5B
- 2018: $5.0B
- 2019: $7.0B

France
- 2014: $1.2B
- 2015: $2.0B
- 2016: $2.5B
- 2017: $2.8B
- 2018: $3.8B
- 2019: $5.2B

Israel
- 2014: $5.2B
- 2015: $7.0B
- 2016: $8.2B
- 2017: $10.3B
- 2018: $10.8B
- 2019: $14.4B
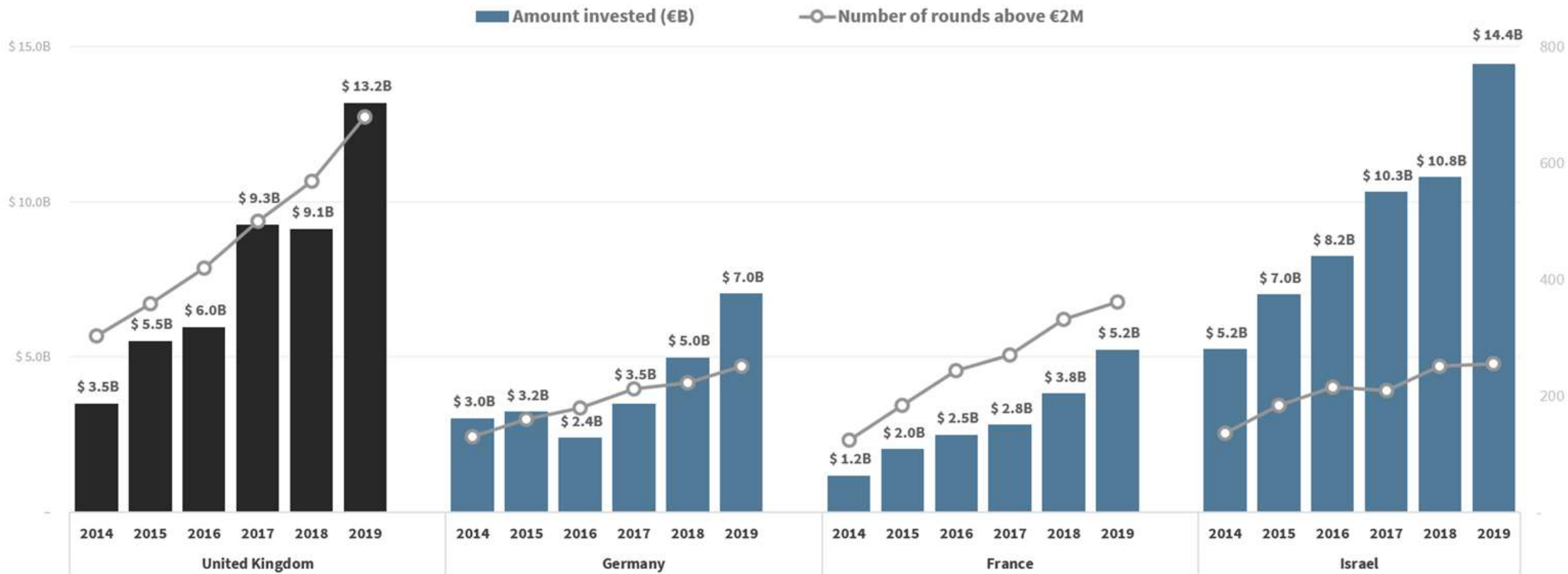
Venture capital investment in the UK compared to the rest of the world.
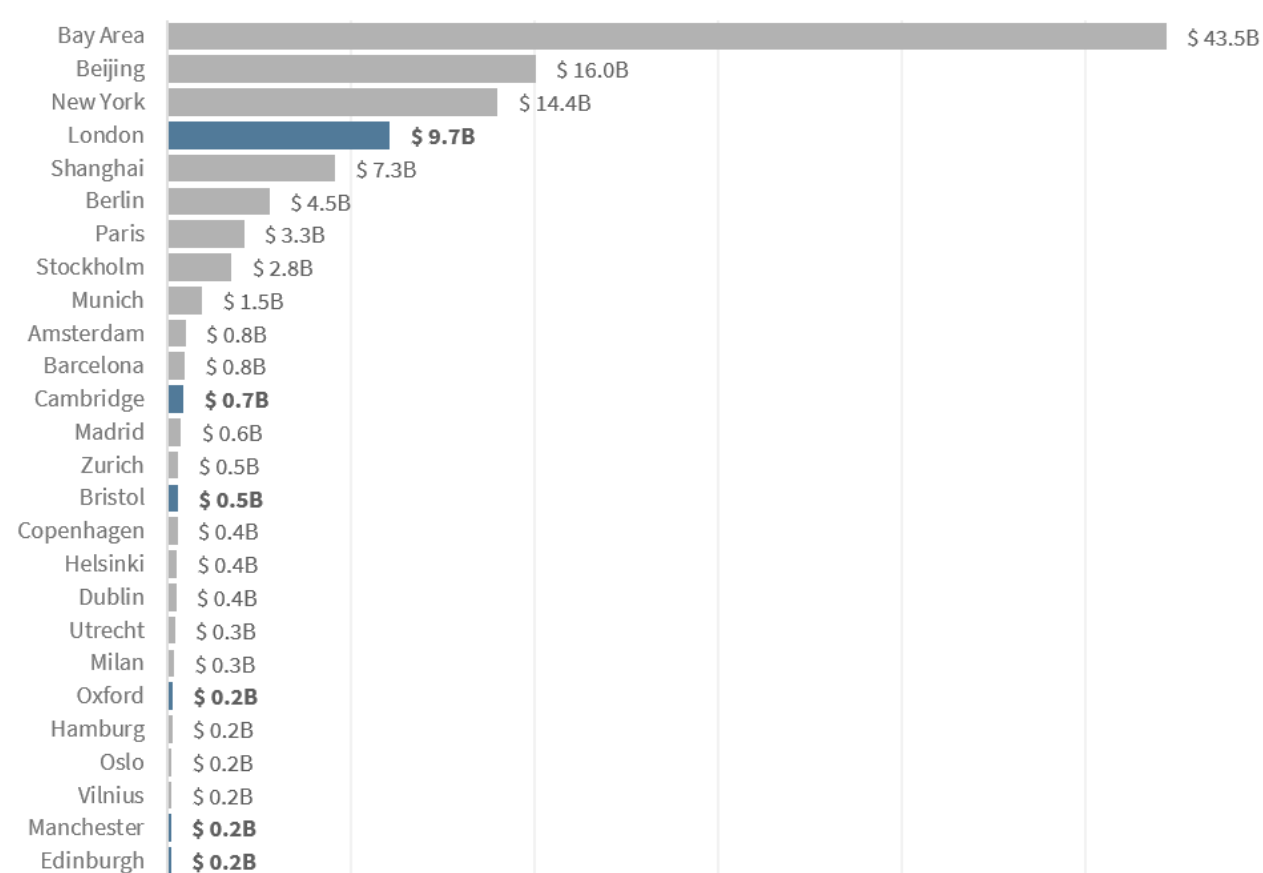
Venture capital funding by country 2019

Country	Amount
United states	$ 116.0B
Europe	$ 39.8B
China	$ 33.5B
United Kingdom	$ 13.2B
Germany	$ 7.0B
France	$ 5.2B
Israel	$ 4.6B
Sweden	$ 2.9B
Switzerland	$ 2.6B
Netherlands	$ 1.6B
Spain	$ 1.4B
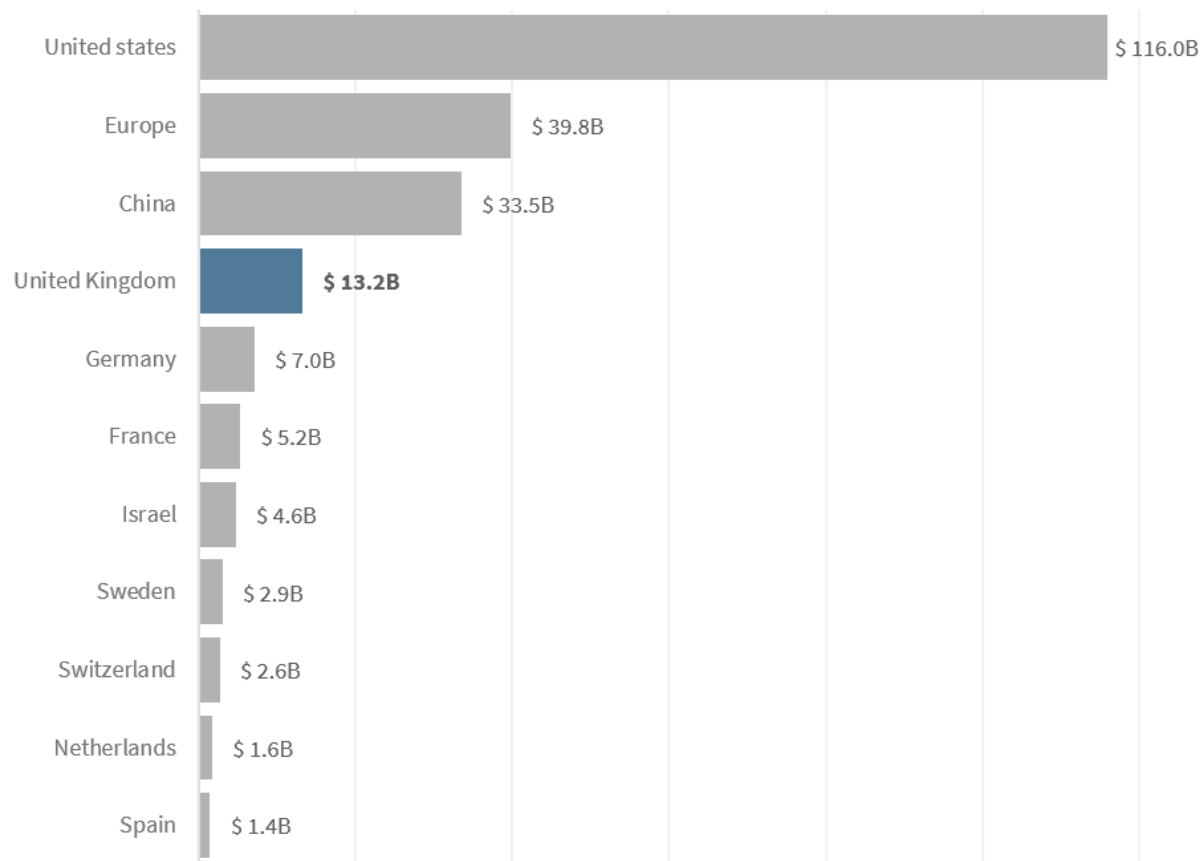
Venture capital funding by city 2019

City	Amount
Bay Area	$ 43.5B
Beijing	$ 16.0B
New York	$ 14.4B
London	$ 9.7B
Shanghai	$ 7.3B
Berlin	$ 4.5B
Paris	$ 3.3B
Stockholm	$ 2.8B
Munich	$ 1.5B
Amsterdam	$ 0.8B
Barcelona	$ 0.8B
Cambridge	$ 0.7B
Madrid	$ 0.6B
Zurich	$ 0.5B
Bristol	$ 0.5B
Copenhagen	$ 0.4B
Helsinki	$ 0.4B
Dublin	$ 0.4B
Utrecht	$ 0.3B
Milan	$ 0.3B
Oxford	$ 0.2B
Hamburg	$ 0.2B
Oslo	$ 0.2B
Vilnius	$ 0.2B
Manchester	$ 0.2B
Edinburgh	$ 0.2B

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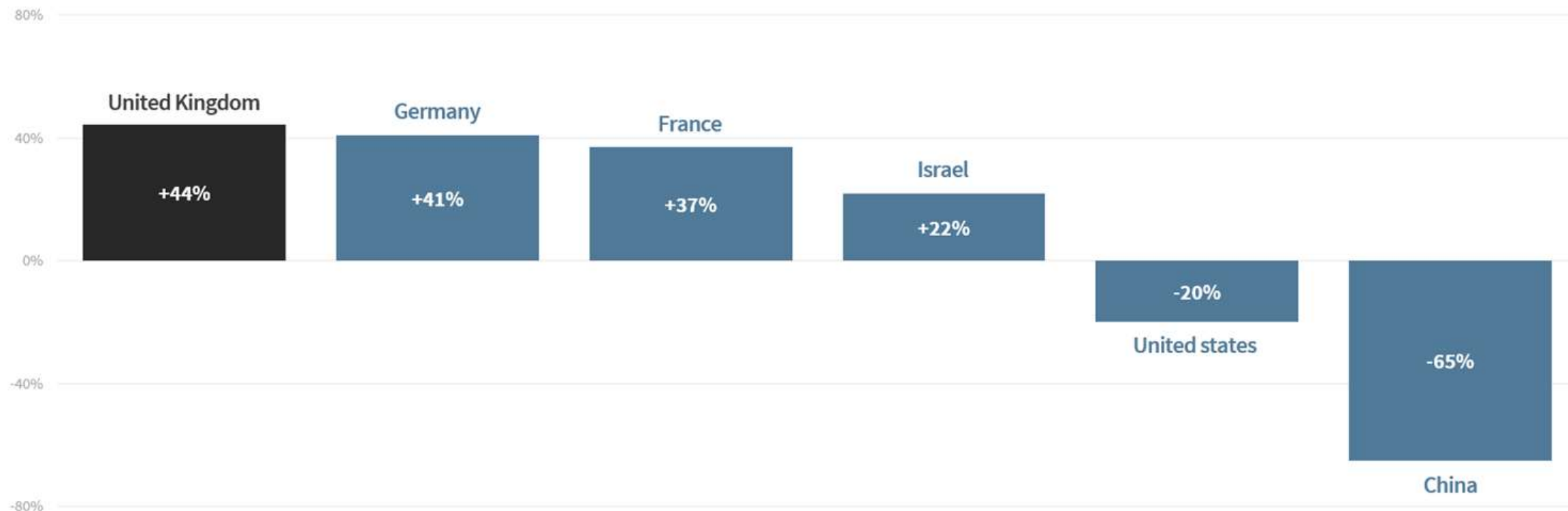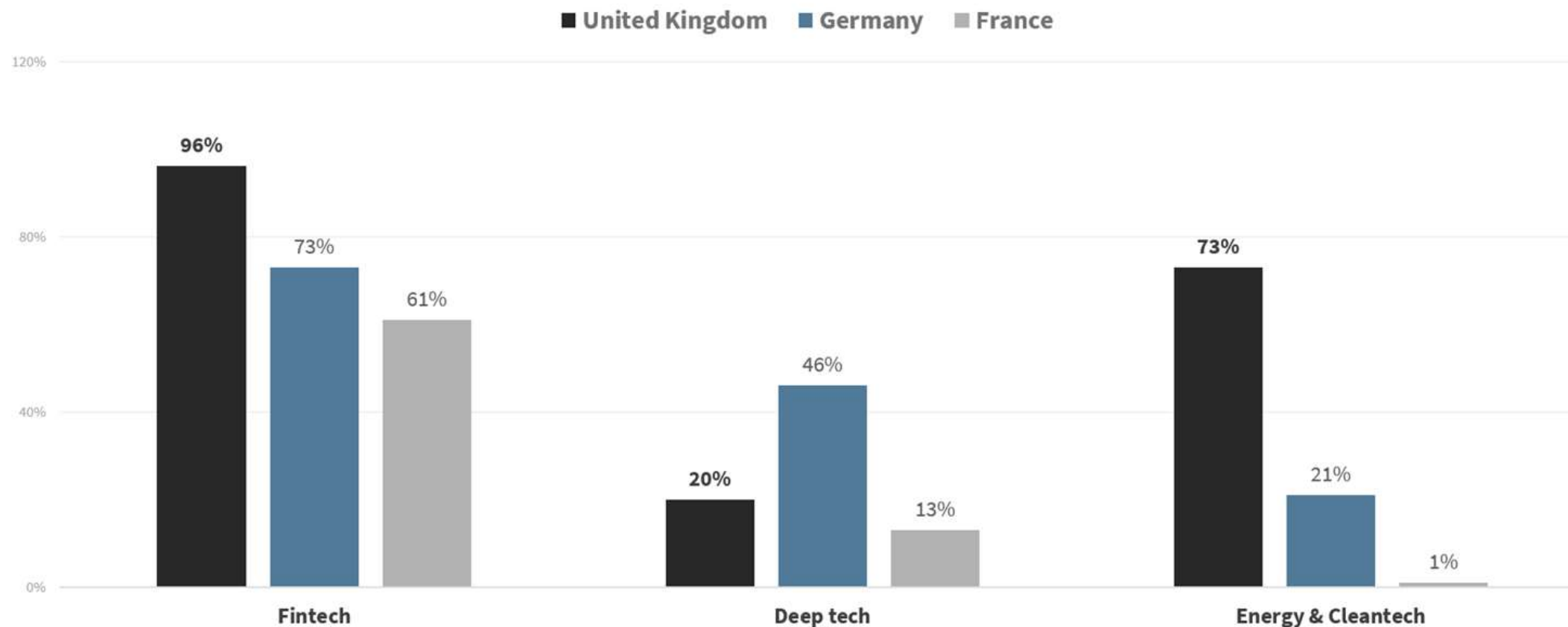
Investment in the UK grew by 44% in 2019 compared to last year.

2018-19 change in VC investment in percentage

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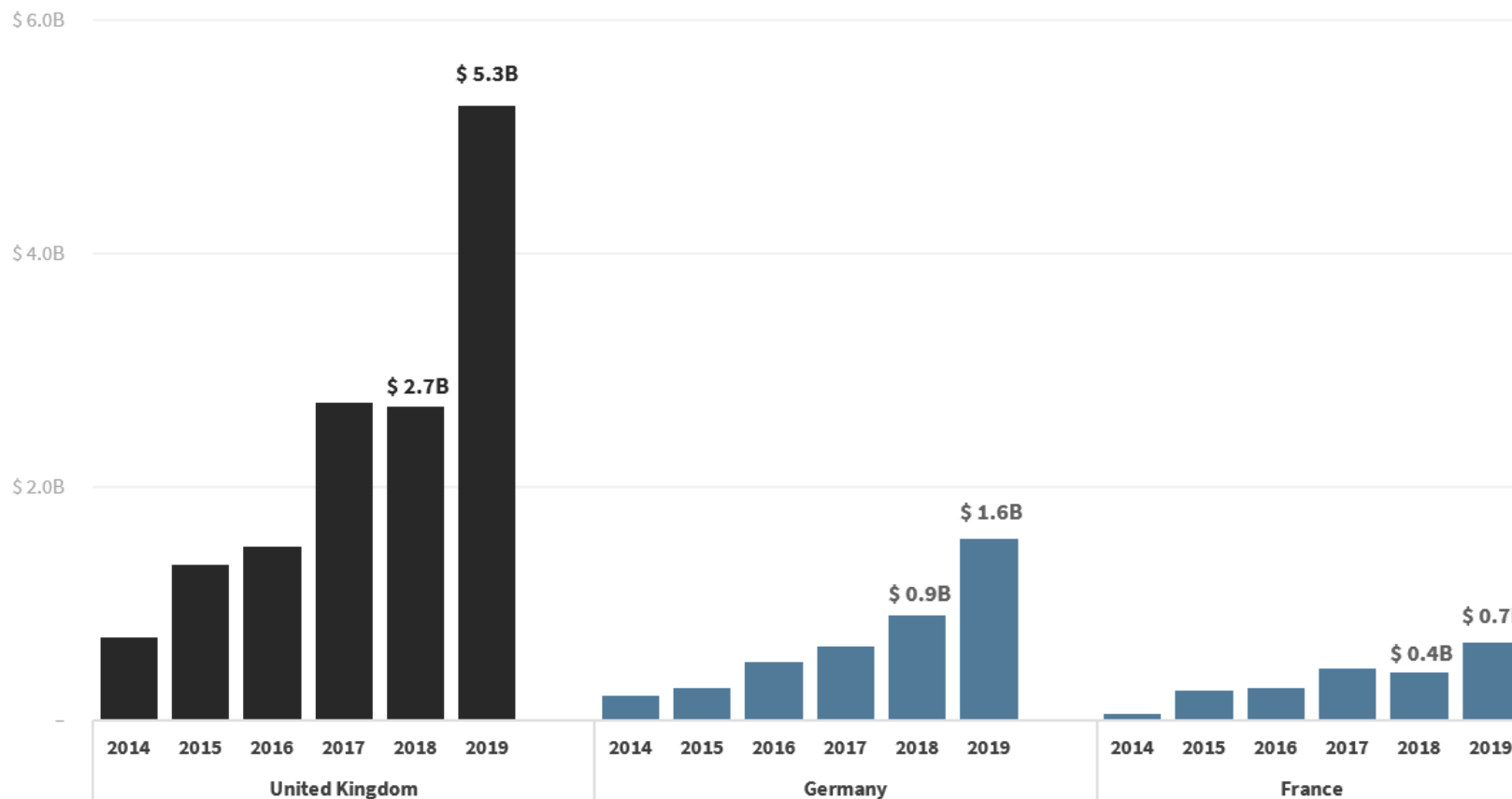
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Strong performance across key tech sub-sectors.

2018-19 change in VC investment in percentage per key sector.

■ United Kingdom ■ Germany ■ France

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A closer look at UK best performing sectors: Fintech

Amount invested in fintech startups by country ($B)

	Greensill	OakNorth
	Supply Chain Financial Services	*The next-generation credit platform*
	$1455M	**$800M**
	checkout.com	foxberry
	International Online Payment Solutions	*index management*
	$230M	**$221M**
	WorldRemit	ZOPA
	Online Money Transfer Business	*Peer-to-peer Lending Platform*
	$175M	**$168M**
	monzo	Rapyd
	Digital Only Bank Platform	*Enabling Payment in-country or cross-border*
	$147M	**$100M**
	STARLING BANK	pollinate
	Mobile-App based Bank	*Merchant Acquiring for Banks*
	$98M	**$78M**

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A closer look at UK best performing sectors: AI & Deep tech

Amount invested in AI & deep tech startups by country ($B)
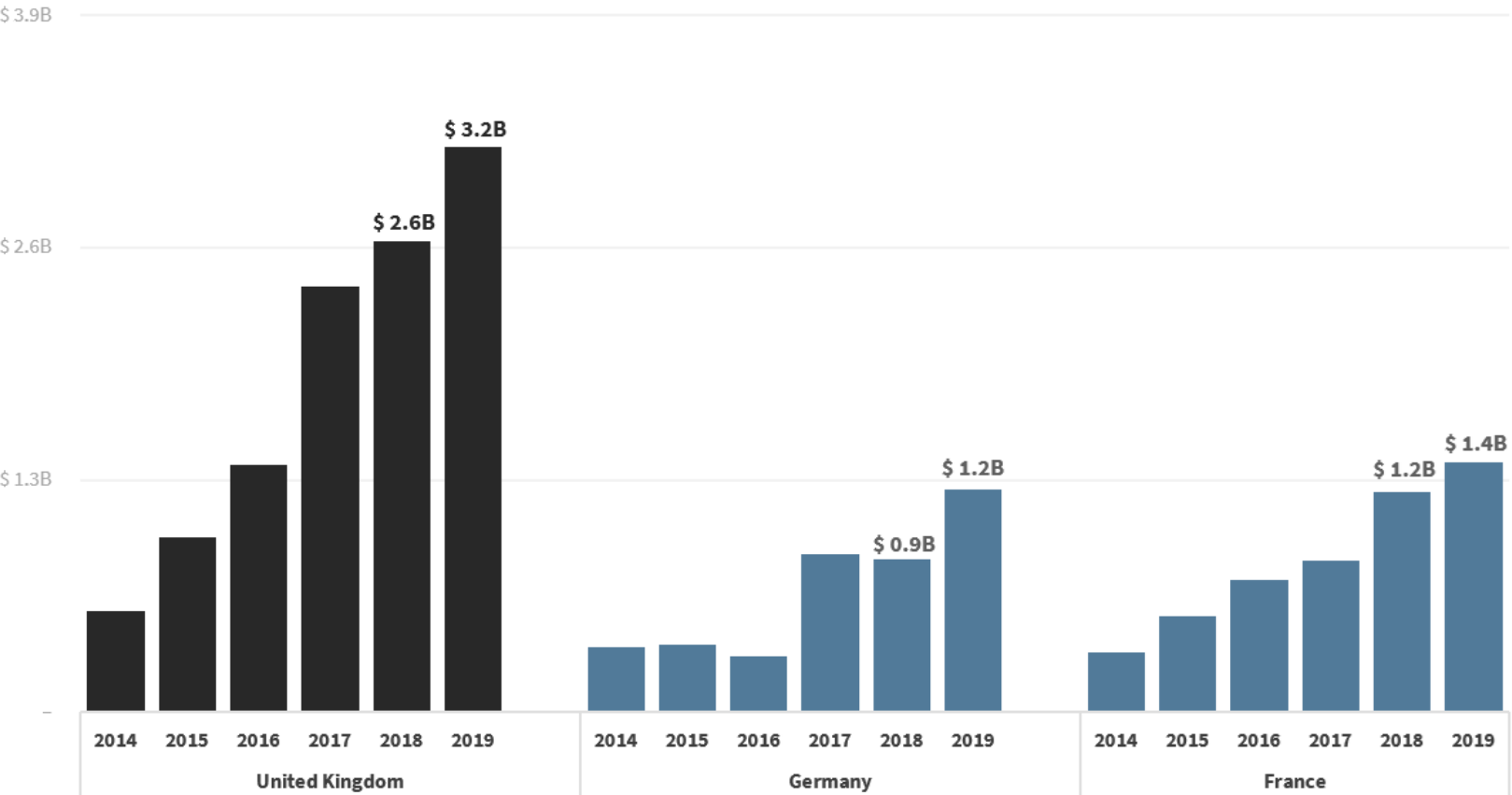
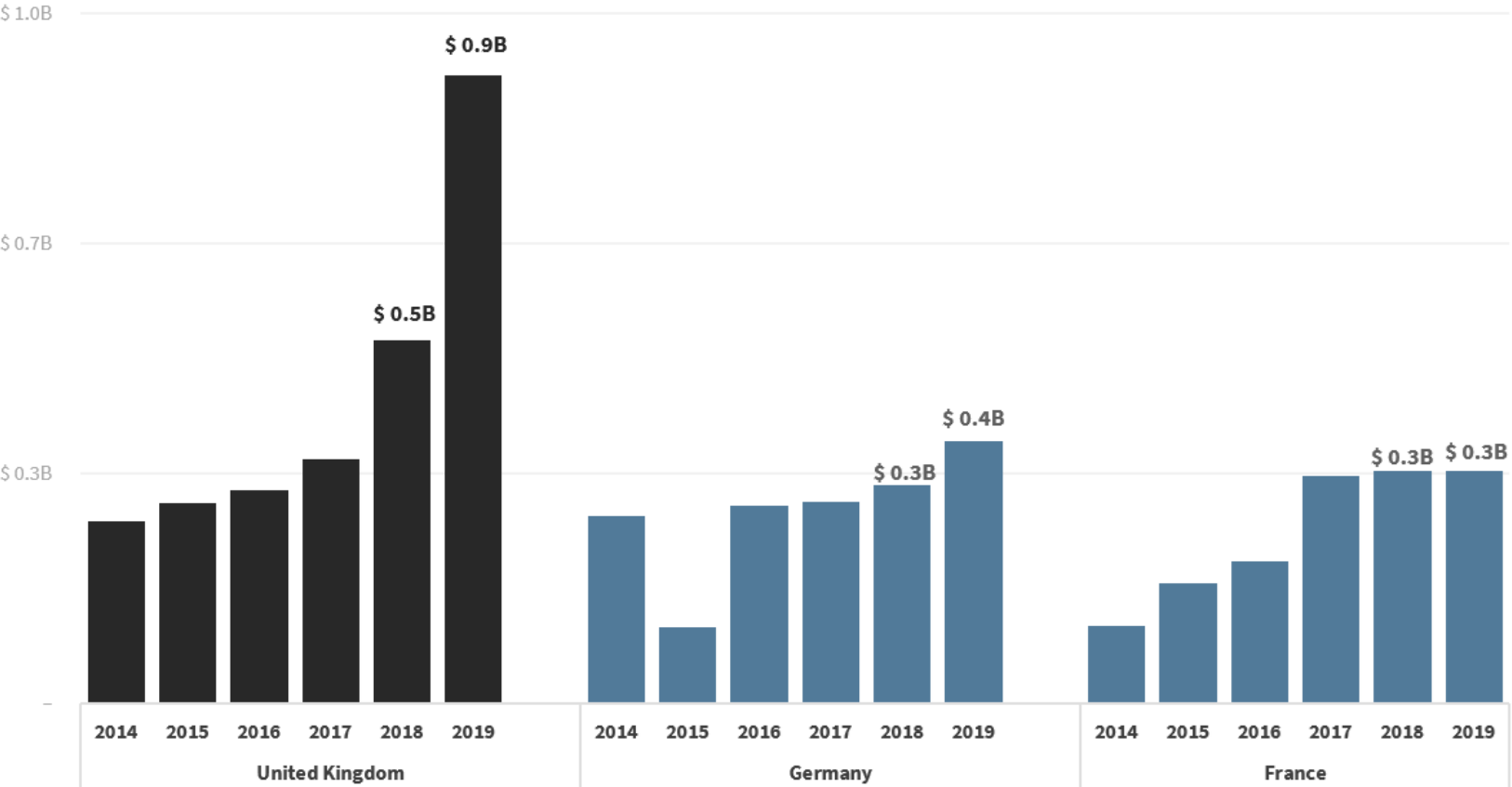|	
BenevolentAI	**melody** VR
AI to accelerate scientific discovery	*Virtual Reality Music*
$90M	**$60M**
ContractPodAi®	**TESSIAN**
Contract Management	*Machine Intelligent Email Security*
$55M	**$40M**
PRIVITAR	**eigen technologies**
Data Collection Privacy	*Text Algorithms*
$40M	**$38M**
FEATURE SPACE	**SIGNAL**
Fraud Management	*AI Powered Media Intelligence*
$33M	**$25M**
PROWLER.io the decision company	**WAYVE**
AI Decision Making Platform	*AI for Self Driving Cars*
$24M	**$20M**

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A closer look at UK best performing sectors: Energy & Cleantech

Amount invested in energy & cleantech startups by country ($B)

Bar chart showing investment by country and year:

United Kingdom: 2014, 2015, 2016, 2017, 2018 ($ 0.5B), 2019 ($ 0.9B)

Germany: 2014, 2015, 2016, 2017, 2018 ($ 0.3B), 2019 ($ 0.4B)

France: 2014, 2015, 2016, 2017, 2018 ($ 0.3B), 2019 ($ 0.3B)

Company list:

Company	Description	Amount
OVO energy	Energy Technology company and Supplier	$260M
OXFORD PV	Hybrid Organic Photovoltaic Systems	$81M
BBOXX	Solar Power Systems	$81M
THE FARADAY GRID	Power Technology Developer	$33M
ZENOBĒ	Battery Energy Storage Solutions	$33M
azuri	Solar Systems for rural off-grid homes	$26M
tonik	Next generation clean energy	$17M
FRONTROW ENERGY TECHNOLOGY GROUP	Specialises in wells and well related technology	$13M
moixa	Developer of Distributed Energy Storage	$11M
ECOVATIVE DESIGN	Biomaterials & mushroom technology start-up	$10M

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Early stage VC funding in the UK is growing by both investment amounts and number of rounds.

■ Amount invested in rounds below $25M

—Number of rounds below $25M

Left chart (Amount invested in rounds below $25M):
- 2014: $2.4B (dark), $3.5B total
- 2015: $2.8B (dark), $5.5B total
- 2016: $3.4B (dark), $6.0B total
- 2017: $4.0B (dark), $9.3B total
- 2018: $4.5B (dark), $9.1B total
- 2019: $5.1B (dark), $13.2B total

Right chart (Number of rounds below $25M):
- 2014: 302
- 2015: 349
- 2016: 431
- 2017: 523
- 2018: 594
- 2019: 697

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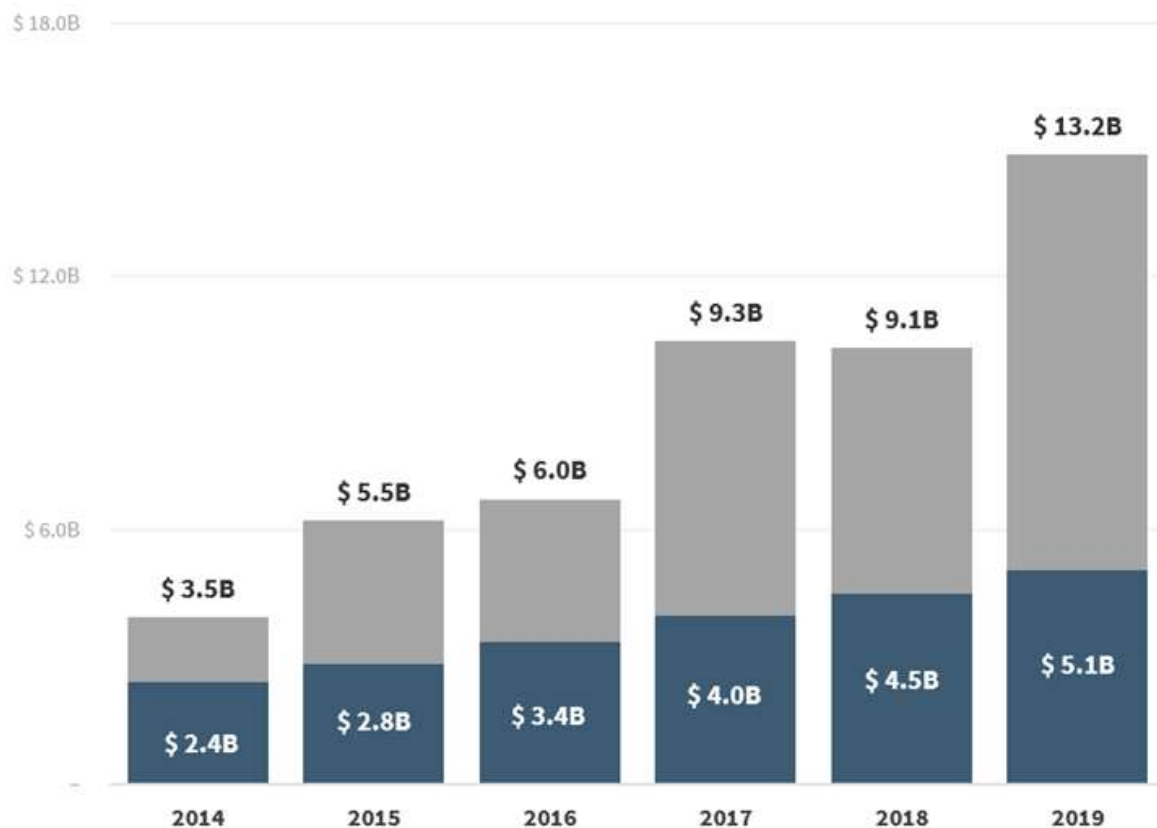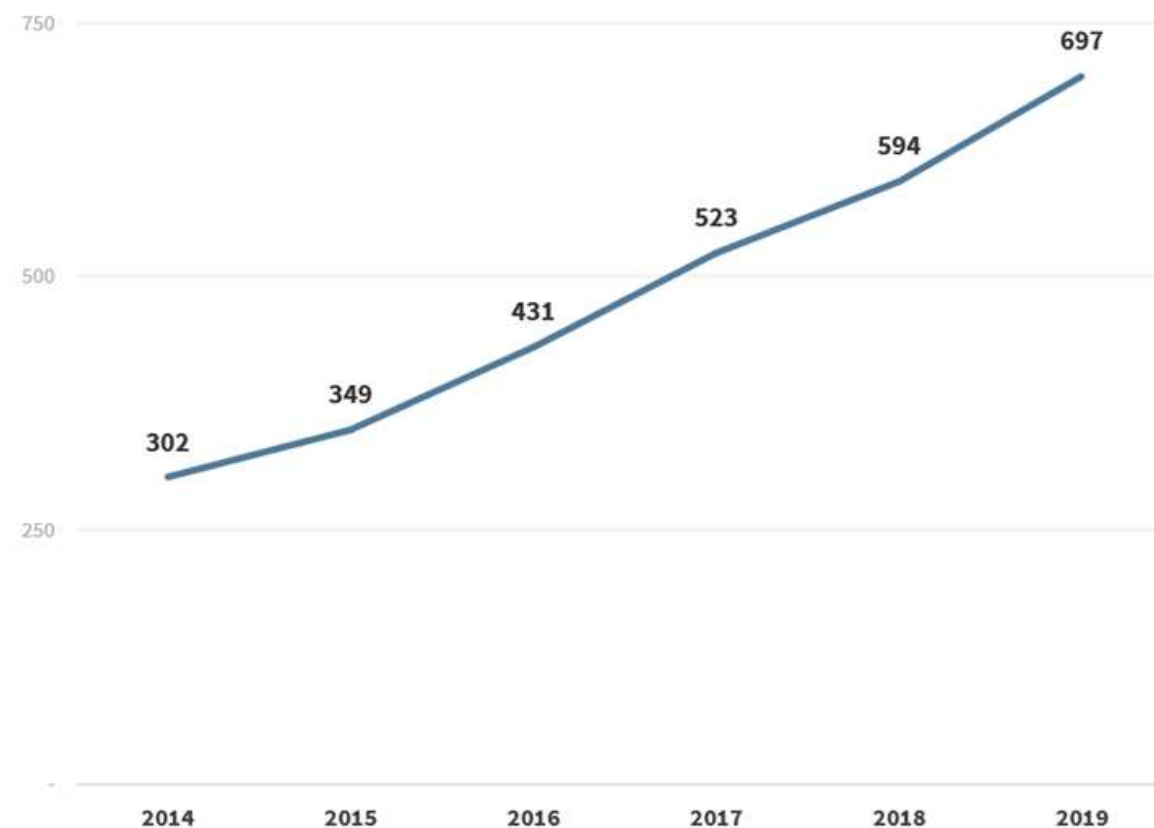
Compared to Germany and France, the UK has a wider mix of investor and received more investment from Asia and North America.

Legend:
- Investment from North America
- Investment from Asia
- Investment from home country
- Investment from Europe cross-border

United Kingdom

Year	Total	Values
2014	$3.6B	
2015	$4.8B	
2016	$4.7B	
2017	$8.5B	
2018	$8.0B	
2019	$11.8B	$2.0B, $3.8B, $2.8B, $3.2B

Germany

Year	Total	Values
2014	$2.6B	
2015	$2.9B	
2016	$2.1B	
2017	$2.8B	
2018	$4.5B	
2019	$6.2B	$2.1B, $1.8B, $0.5B, $1.7B

France

Year	Total	Values
2014	$1.0B	
2015	$1.9B	
2016	$2.7B	
2017	$2.7B	
2018	$3.7B	
2019	$5.0B	$1.0B, $3.1B, $0.7B

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Methodology & definitions

- 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.

- 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.

- This report focuses on companies in the post-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

- 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 **https://datacommons.technation.io**. For more info please visit dealroom.co or contact support@dealroom.co

The most complete and detailed picture of UK's tech ecosystem, in partnership with Tech Nation: https://datacommons.technation.io
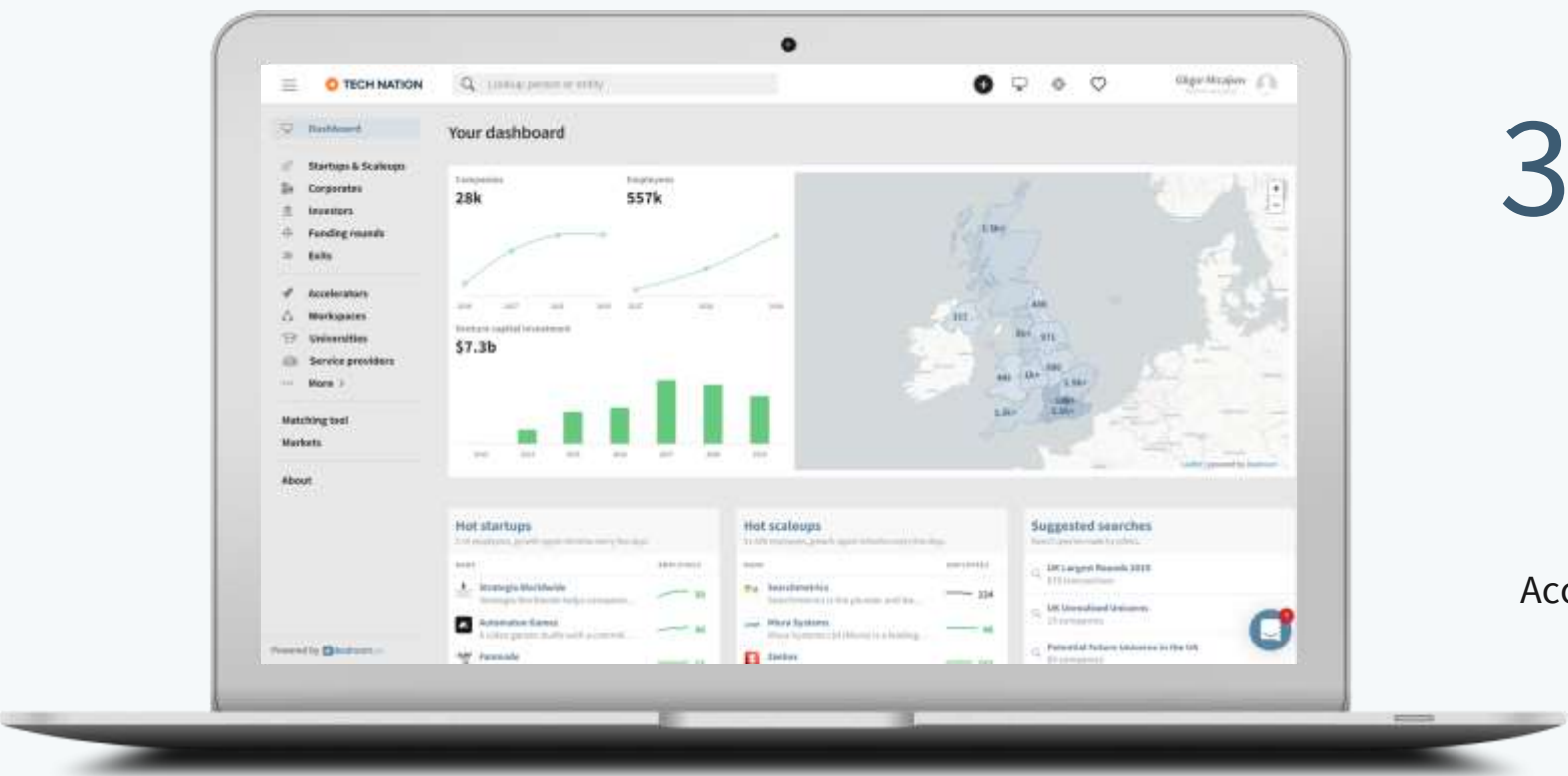
31,300+
startups & scaleups

10,200+
funds & corporate investors

500+
Accelerators, workspaces

19,500+
Funding rounds & exits

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