

# UK TECH IN THE AGE OF AI

The Tech Nation  
Report 2024

In partnership with



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# FOREWORD

by Carolyn Dawson OBE  
CEO, Founders Forum Group



→ *“The UK tech sector reached a combined market valuation of \$1.1 trillion in Q1 2024, a landmark achievement for UK tech and another milestone in our remarkable growth story.”*

In the past two years, much of this growth has been driven by groundbreaking advancements in AI. The UK is number one in Europe for AI investment; home to more than 1,800 VC-backed AI startups and 20 AI unicorns. 16% of total VC investment in UK startups goes to AI companies, and UK AI startups saw a 10% increase in investment in 2023, bucking the trend of global venture capital.

In **The Tech Nation Report 2024: UK Tech in the Age of AI**, we provide a comprehensive overview of the investment data and trends shaping the future of UK tech – considering the funding environment, startup sentiment, emerging industries, and more – with a special focus on the impact and future potential of AI.

The Tech Nation Report has been the state of the nation report on UK tech since 2015. This edition is the first published under Founders Forum Group, and we sprinkle some of our own unique FF magic, sharing insider insights from the leading voices in UK tech as they reflect on a paradigm shift in the sector.

We are on the front line of startup development in the UK. We convened the UK’s top AI founders to shape the discussion and regulatory landscape ahead of the UK AI Safety Summit last year. We’re now launching a new Entrepreneurship Academy, in partnership with Bayes Business School, to train the tech-savvy leaders of the future.

Under Tech Nation, and together with our founding partner, HSBC Innovation Banking, we aim to facilitate £10b to startups within the next five years through the power of connections, knowledge sharing, mentorship, and talent opportunities.

There are challenges ahead and work to be done; to diversify the talent pipeline, address gaps in funding for women and

underrepresented founders, and provide more support for growth-stage companies, especially in the climate space. We must also recognise that the obstacles startups face in Manchester or Glasgow are different to those faced by startups in London or the Southeast.

These are challenges we’re tackling head on through our growth programmes and initiatives – Climate, our programme for climate tech startups; Libra, for underrepresented tech founders; Future Fifty for pre-IPO, late-stage ventures; Creo, our new community uniting disabled founders and entrepreneurs innovating around disability; and Rising Stars, our UK-wide pitch competition for early-stage tech startups.

Plus, through our network, insights, support services, and our role as the official endorsement body for the Global Talent Visa for digital technology, we are enabling the best tech talent from around the world to build their careers in the UK.

There are already encouraging signs in 2024. The \$50.2b raised by UK-headquartered funds in Q1 2024 represents the biggest quarterly fundraising to date, releasing new, deeper buckets of capital for UK startups. 84% of UK startup and scaleup founders are positive about the future of UK tech and 69% of tech professionals believe AI will have a transformative impact on the UK economy and country as a whole.

The UK now has the opportunity to lead the responsible development of AI on a global scale. As we look forward, we can be hugely positive about this crucible moment for UK tech.

# FOREWORD

by Robert Armstrong  
Director of Data Science, Tesco



→ *“Generative AI is a novel and exciting type of AI that is opening new opportunities for our business and for our society as a whole.”*

Tesco has always been at the forefront of retail innovation. We brought self-service to the UK in the 1940s; fulfilled the first digital order in the 1980s; and led the way in supermarket loyalty in the 1990s, with the launch of Tesco Clubcard.

We’ve been using Artificial Intelligence (AI) for many years now. The technology team at Tesco is one of the biggest in the UK. Our grocery home shopping app is one of the most popular downloads and as new technologies emerge that can give our customers a better experience, help our colleagues do their jobs better, or be more efficient and reduce our environmental footprint, we embrace them.

Generative AI is a novel and exciting type of AI that can create new content and ideas, opening new opportunities for our business and for our society as a whole. While we have not yet fully discovered all the possibilities this unlocks, we have been actively exploring how it can expand the benefits we are already realising from the use of AI, particularly to continue enriching the experience we provide to customers, to help colleagues in their jobs, and to help us make better decisions.

The technology of today is more sophisticated but our approach to innovation remains the same. We are constantly looking for ways to deliver our purpose and serve our customers, communities and the planet a little better every day.

With all new technology, there are new possibilities but also new risks. Organisations must be diligent and cautious in the way they manage new technologies to ensure that they’re only being applied in the right way to serve customers and colleagues better.

As we look to the future, we are delighted to partner with Tech Nation on The Tech Nation Report 2024: UK Tech in the Age of AI. We look forward to collaborating with partners across the tech sector to drive efficiencies, improve customer experiences, and harness the most exciting opportunities in this new era.

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→ *“The UK tech ecosystem is vibrant. We’re seeing a high level of new company creation and the diversity of the sectors that companies are being started and scaled in is really positive.”*



**Erin Platts**  
CEO, HSBC Innovation Banking UK

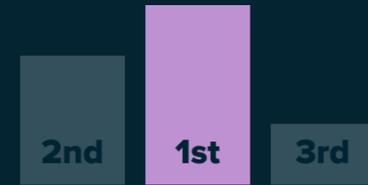
Unless an alternative source is cited, investment data in this report is from Dealroom.

# UK TECH IN NUMBERS



**\$2.2b**

Raised by companies with at least one woman co-founder in 2023



The UK tech sector is the number one tech ecosystem in Europe, and the third most valuable in the world

**171 Unicorns**

Produced in the UK

**84%**

of startup and scaleup founders are positive about the future of UK tech

**\$1.1trillion**

The combined market valuation of the UK tech sector in Q1 2024

**\$16.3m**

Later-Stage VC

**\$8.8m**

Early-Stage VC

**\$2.8m**

Seed

Average sum raised by funding round in 202

Source: PitchBook

**64%**

of VC investment in UK tech comes from overseas



US



Japan



France



Canada



Germany

**1,757**

UK tech companies exited in 2023 with a combined valuation of **\$121.9b**

**\$21.3b**

Raised by UK tech startups in 2023



\$5b Energy



\$3.9b Fintech



\$3.7b Transport

**\$50.2b**

Raised by UK-headquartered funds in Q1 2024, the biggest quarterly fundraise to date

Investment data from Dealroom

# UK AI

**\$92b**

The combined market valuation of the UK AI sector in Q1 2024

**1,800+**

UK AI startups backed by VCs

**20**

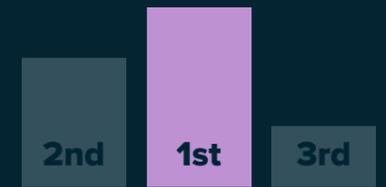
AI Unicorns

**\$3.4b**

Raised by UK AI startups in 2023

**+10%**

Increase compared with 2022, bucking the trend of global venture capital



In Europe for AI funding

**1 in 2**

UK tech companies are using AI to improve their existing product offering

**69%**

Of UK tech professionals say AI is having a positive impact on them personally today



**1 in 5**

UK tech professionals are considering a career switch as a result of advances in AI

**16%**

of total UK VC investment went to AI startups in Q1 2024

Business areas expected to be most affected by AI Technology



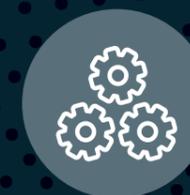
Customer Support



Data Analytics



Marketing Services



Engineering & Development

**\$1.05b**

Raised by UK AI startup, Wayve, in May 2024, the biggest European AI investment to date

Investment data from Dealroom

# REGIONAL SPOTLIGHTS

The combined market value of tech ecosystems across the UK as well as VC investment, AI VC investment, and unicorns by region. All figures are for 2023.

**Scotland**  
Investment: **\$424m**  
AI Investment: **\$80m**  
Unicorns: **4**

**Northern Ireland**  
Investment: **\$127m**  
AI Investment: **\$7m**

**North West**  
Investment: **\$528m**  
AI Investment: **\$57m**  
Unicorns: **12**

**West Midlands**  
Investment: **\$794m**  
AI Investment: **\$549m**  
Unicorns: **4**

**Wales**  
Investment: **\$157m**  
AI Investment: **\$29m**  
Unicorns: **3**

**South West**  
Investment: **\$614m**  
AI Investment: **\$23m**  
Unicorns: **3**

**North East**  
Investment: **\$256m**  
AI Investment: **\$27m**  
Unicorns: **1**

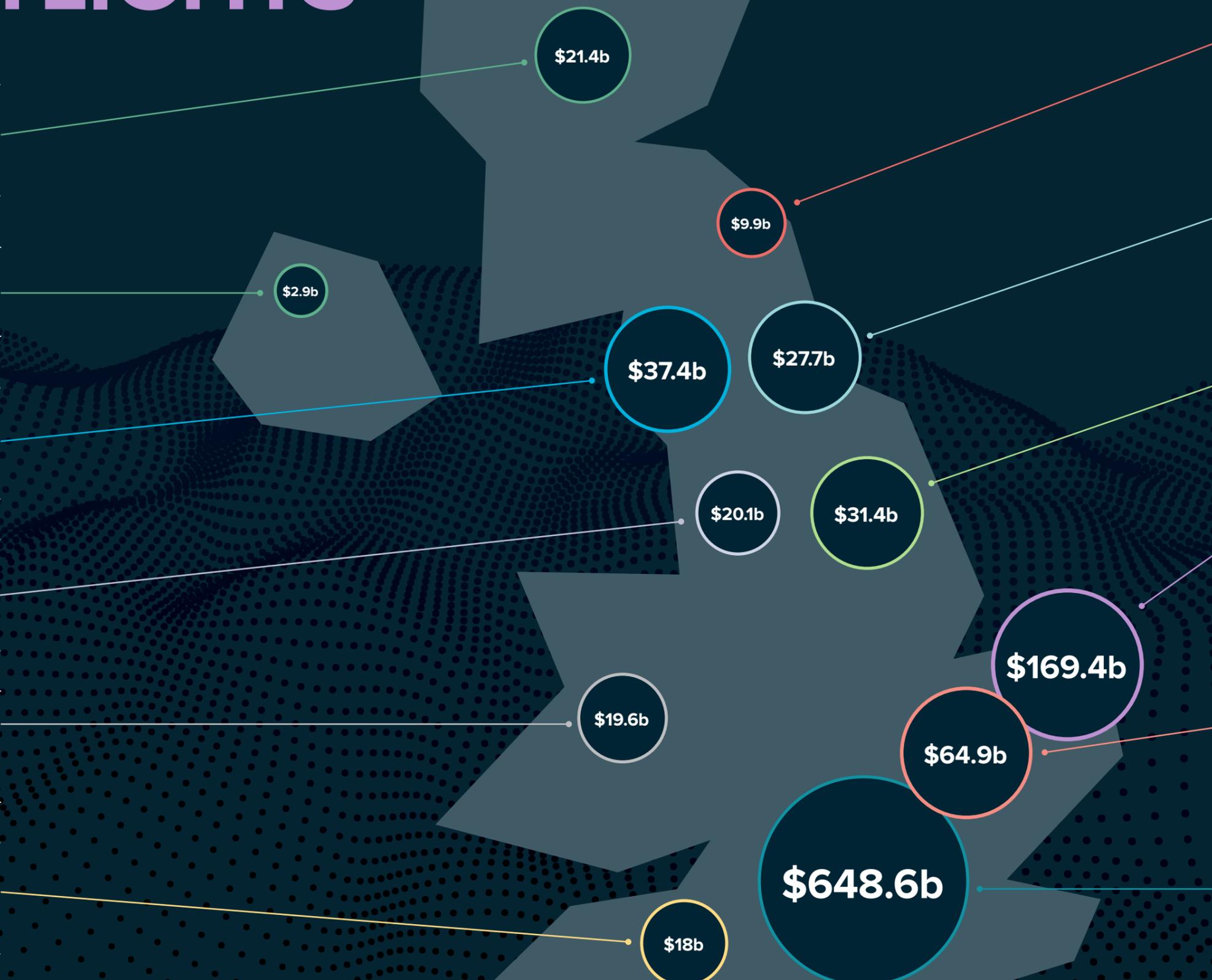
**Yorkshire & The Humber**  
Investment: **\$464m**  
AI Investment: **\$95m**  
Unicorns: **8**

**East Midlands**  
Investment: **\$154m**  
AI Investment: **\$0.7m**  
Unicorns: **3**

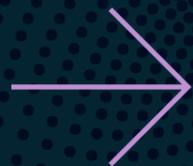
**East of England**  
Investment: **\$1.7b**  
AI Investment: **\$222m**  
Unicorns: **13**

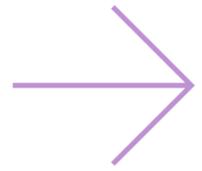
**South East**  
Investment: **\$2b**  
AI Investment: **\$327m**  
Unicorns: **12**

**Greater London**  
Investment: **\$12.7b**  
AI Investment: **\$2b**  
Unicorns: **112**



# UK TECH IN THE AGE OF AI





Since OpenAI launched ChatGPT in November 2022, we've seen groundbreaking advances in generative AI transform business models, disrupt industries, engage governments and policy-makers, and gain global media attention and consumer adoption like never before.

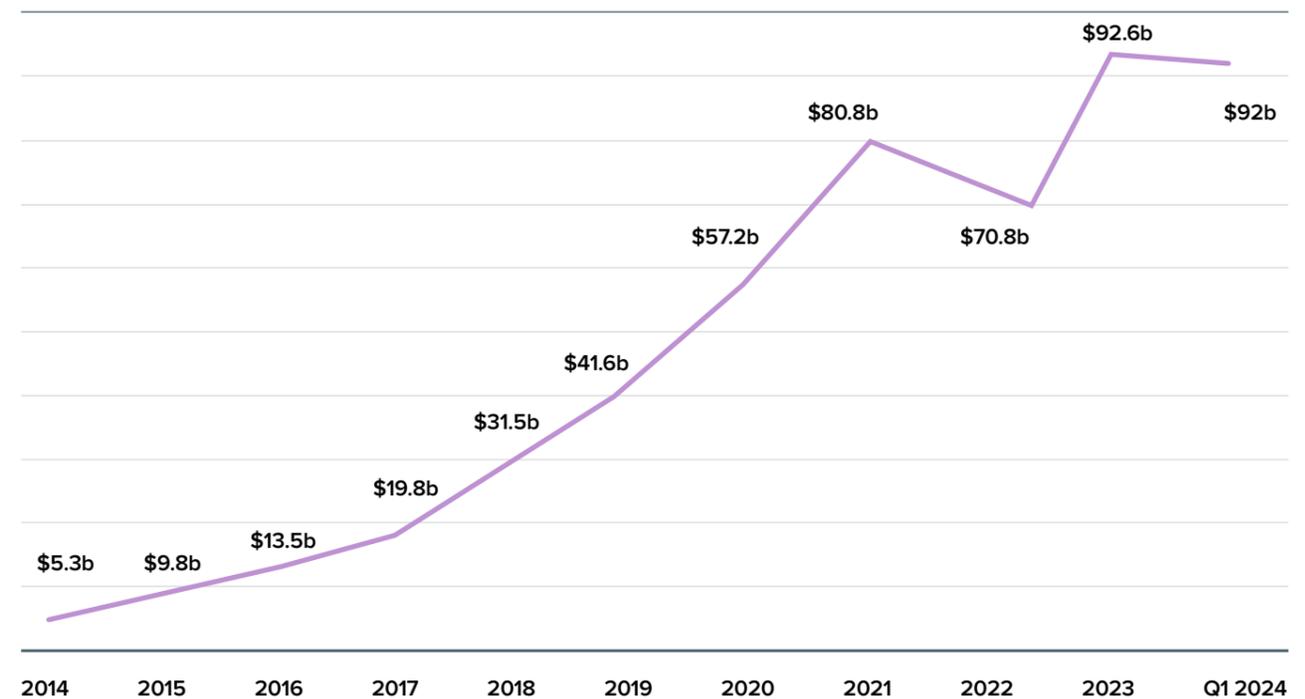


## Market Overview

In Q1 2024, the UK AI sector reached a combined market valuation of \$92b.

UK tech companies have led innovation in AI and machine learning for decades. Now, in this new age of AI, the UK has emerged as one of the world's leading centres for AI development, with mega raises, advances in regulation, and a new wave of AI startups drawing talent, capital, and new business to the country.

The value of UK AI has increased 17x in the past decade (from \$5.3b in 2014) and by 2.2x in the last five year (from \$41.6b in 2019).

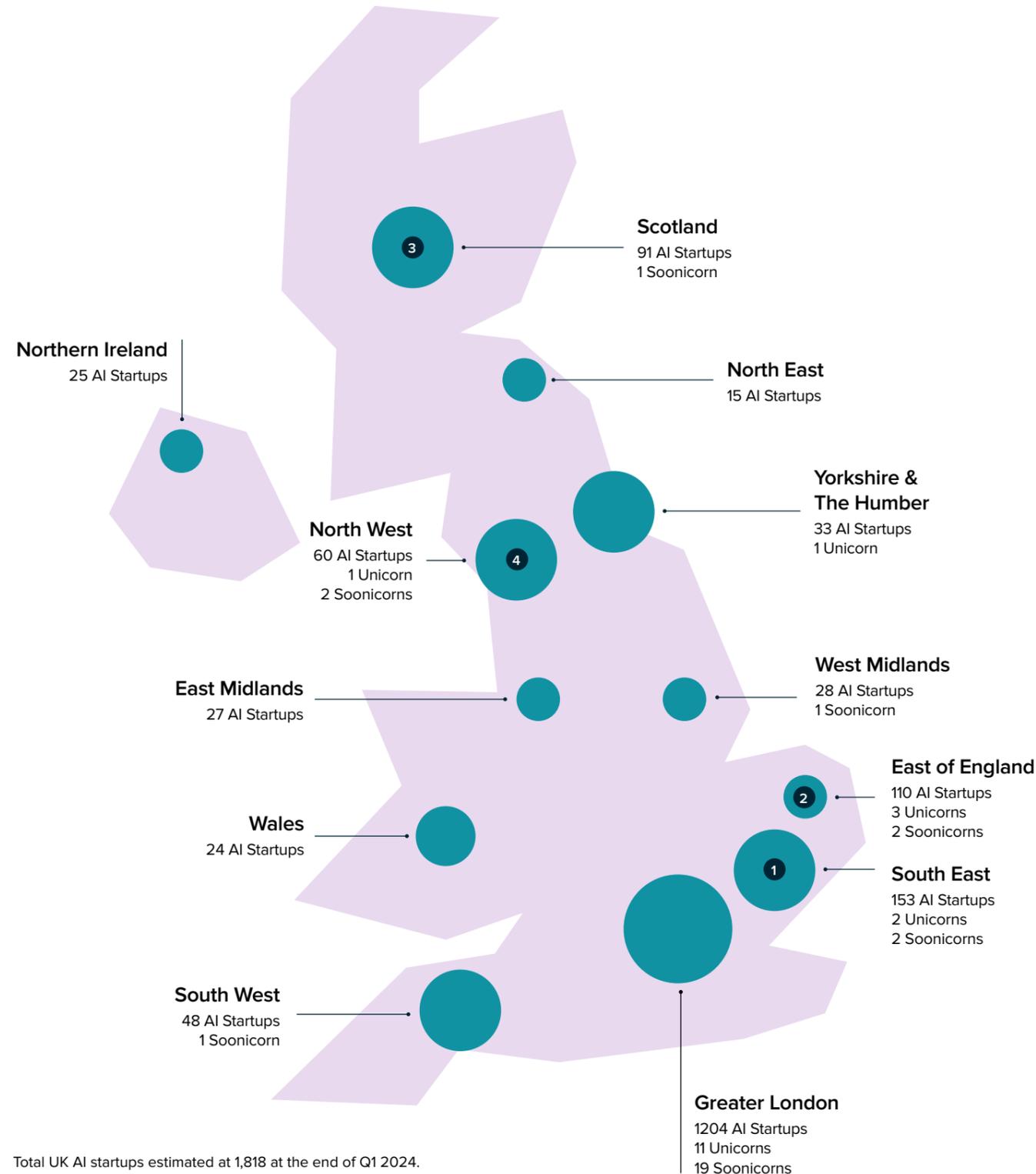


Combined market valuation of VC-backed UK companies using AI over the past decade, 2014-2023. USD Billions.



## UK AI Startups

There are more than 1,800 VC-backed AI startups and scaleups in the UK. 66% are based in London. The biggest AI startup clusters outside of London are in Oxford<sup>1</sup>, Cambridge<sup>2</sup>, Edinburgh<sup>3</sup>, and Manchester<sup>4</sup>.



Total UK AI startups estimated at 1,818 at the end of Q1 2024.



## UK AI Unicorns

While 97% of UK AI startups are at early or mid-stage, with valuations of under \$200m, we've seen some significant success stories in the past few years.

The UK has produced 20 AI unicorns to date and four new AI unicorns were born in 2023 and 2024 so far: Quantexa, Synthesia, Wayve, and Zyber 365. Two AI unicorns founded in the UK – ElevenLabs and Snyk – have since relocated to the US.

Company	HQ	Industry	Unicorn Year
ARM	Cambridge	semiconductors	1998
Babylon	London	health	2019
Beamery	London	jobs recruitment, enterprise software	2022
BenevolentAI	London	health	2015
Darktrace	Cambridge	security	2018
ElevenLabs	New York City	media	2024
Exscientia	Oxford	health	2021
Flo	London	health, enterprise software	2022
Gousto	London	food	2020
Matillion	Altrincham	enterprise software	2021
Ocado Group	Hatfield	food	2010
Oxford Nanopore Technologies	Oxford	health	2016
Quantexa	London	fintech, enterprise software	2023
Snyk	Boston	security, enterprise software	2020
Stability AI	London	media, enterprise software	2022
Synthesia	London	media	2023
Tractable	Sheffield	fintech, enterprise software	2021
Wayve	London	transportation	2024
Zego	London	fintech	2021
Zyber 365	London	security	2023

The UK also has 28 AI startups that are potential future unicorns (soonicorns) valued at \$250m-\$1b. AI soonicorns to watch include in-car holographics company, Envisics, which raised \$100m in 2023, and climate intelligence startup, Sylvera, which raised a \$57m Series B round.

# Alex Kendall

Wayve

“We’re now witnessing AI extending its reach beyond chatbots and image generation, and giving machines the ability to interact and learn from our environment in the physical world.”



We call this latest wave of AI, Embodied AI. At Wayve, we’re developing the Embodied AI to enable any vehicle to drive autonomously in any city. By using end-to-end AI and learning from fleet-scale data, we’ve developed a system that mirrors the human learning process in driving but with enhanced reliability and safety. In reality, this means we can scale our technology to cities throughout the UK and globally without having to first map them.

I believe Embodied AI will be the most transformative technology of our generation, enabling autonomy which is safe and trusted by society. The UK can be at the forefront of this development. The self-driving vehicle market in the UK alone is set to be worth £42b by 2035. This technology will revolutionise our cities, giving us safer, smarter, and more sustainable transport systems. With its AI heritage and landmark AV Bill, the UK has a real opportunity to drive forward this technology, attract international investment and establish itself as a global leader in Embodied AI.

Alex is the Co-Founder & CEO of Wayve, a pioneering British startup developing embodied AI for self-driving technology in the UK and global markets. Wayve raised \$1.05b in its Series C funding round led by SoftBank Group in May 2024.

Founded: **2017**

Stage: **Series C**

Employees: **240**

Raised: **\$1.3b+**

Investors: **Eclipse Ventures, D1 Capital Partners, Moore Strategic Ventures, Linse Capital, Balderton Capital, Firstminute Capital, Baillie Gifford, Virgin, Microsoft**

# Clare Barclay

CEO, Microsoft UK

“AI will only live up to its potential if we develop it in a safe and responsible way.”



AI will be the defining technology of our time. As with any emerging and fast-evolving technology, even with thorough testing in advance, we can’t predict what might work well and what might go wrong. Keeping a human in the loop is essential. When designing, developing and deploying AI systems, they should always be accountable to a diverse group of people.

Any organisation looking to create, or use, AI will need to develop and implement a governance system. AI is more trustworthy when it’s designed with user-centred ethical principles, like transparency, inclusiveness and fairness, and governed in a way that encourages cross-collaboration between developers, deployers, and users. It’s easier to spot, and correct, mistakes when there are people at the centre.

Leadership matters too. CEOs wanting to transform their businesses need to have not only vision, but an ability to articulate that vision for AI. And they need to try out the tech as well, to better understand its potential. AI isn’t just about technology; it’s about culture.

Also, be humble. We are all learning about this exciting technology, yet the rapid pace of change and innovation means it’s hard to keep up. So, test, share learnings, then test again. Find partners so you can innovate and grow with them. Listen to, and learn from, your customers.

**£2.5b**

Investment in UK data centres, security, and AI skills programmes made by Microsoft in 2023.

# INVESTMENT IN AI

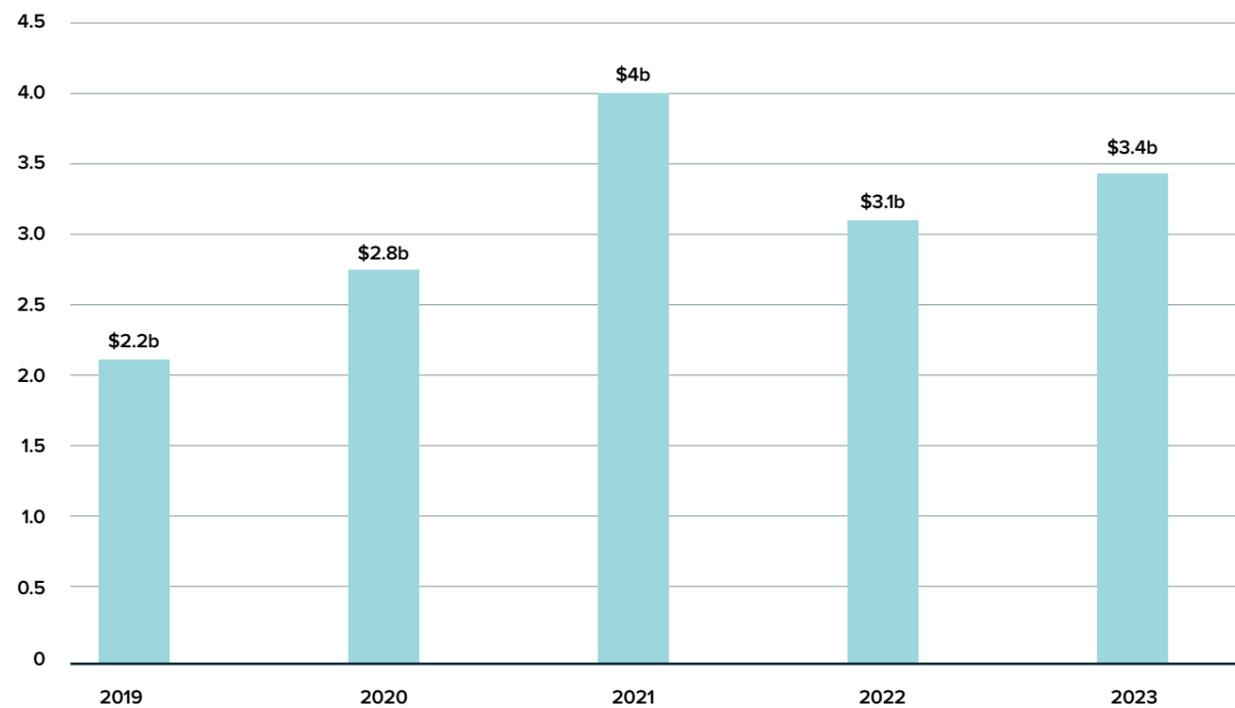




## UK AI startups raised \$3.4b in 2023, the second highest total on record.

AI Investment grew year on year by 10%, bucking the trend of overall UK and global venture capital.

The biggest raises in 2023 were made by driverless vehicle startup, Conigital, and AI lending platform, Abound, which both raised £500m (\$630m), and Builder.ai, which raised \$250m.



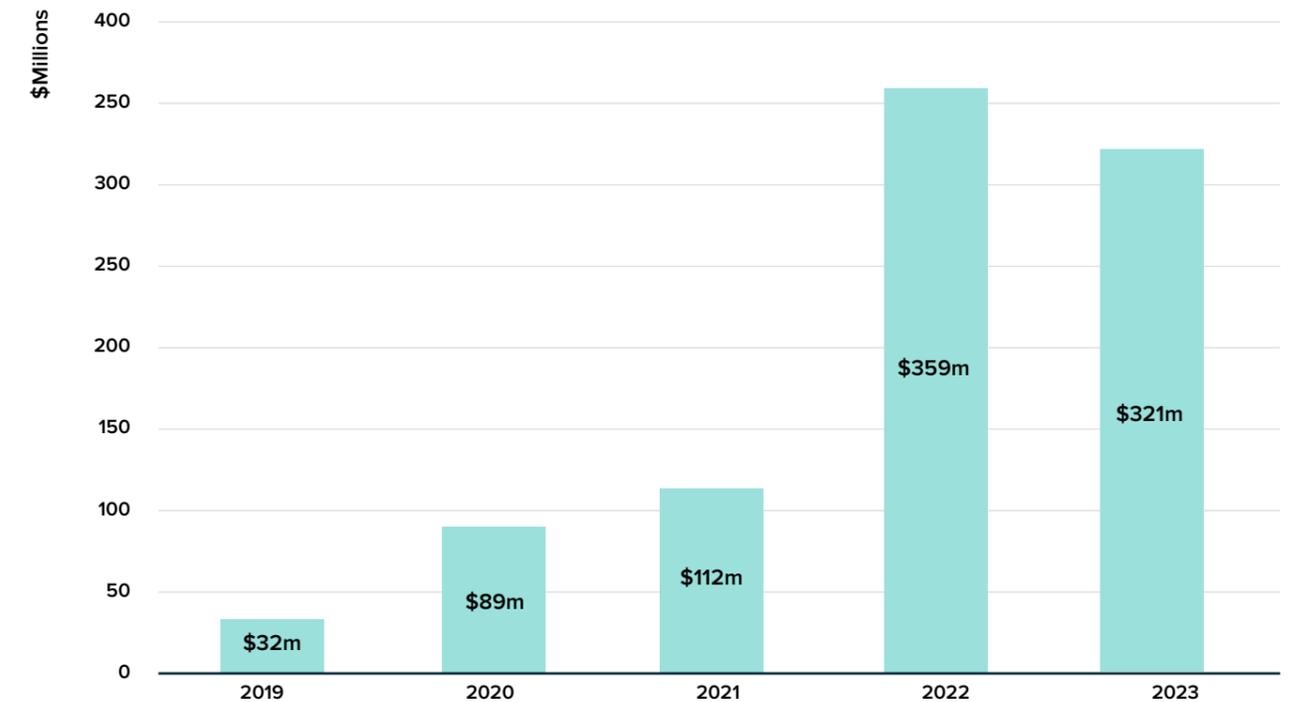
Money raised by AI companies headquartered in the UK. Includes VC and corporate investment.



## Investment in Generative AI startups

Despite the hype, funding for pure generative AI startups made up just 9% of total VC investment into UK AI companies in 2023, at \$321m.

Still, investment in generative AI has boomed in the past two years and we saw significant raises in 2023 by generative AI bid writing tool, AutogenAI (over \$60m in total), and video generator, Synthesia (\$90m).



Money raised by generative AI companies headquartered in the UK. Includes VC and corporate investment.

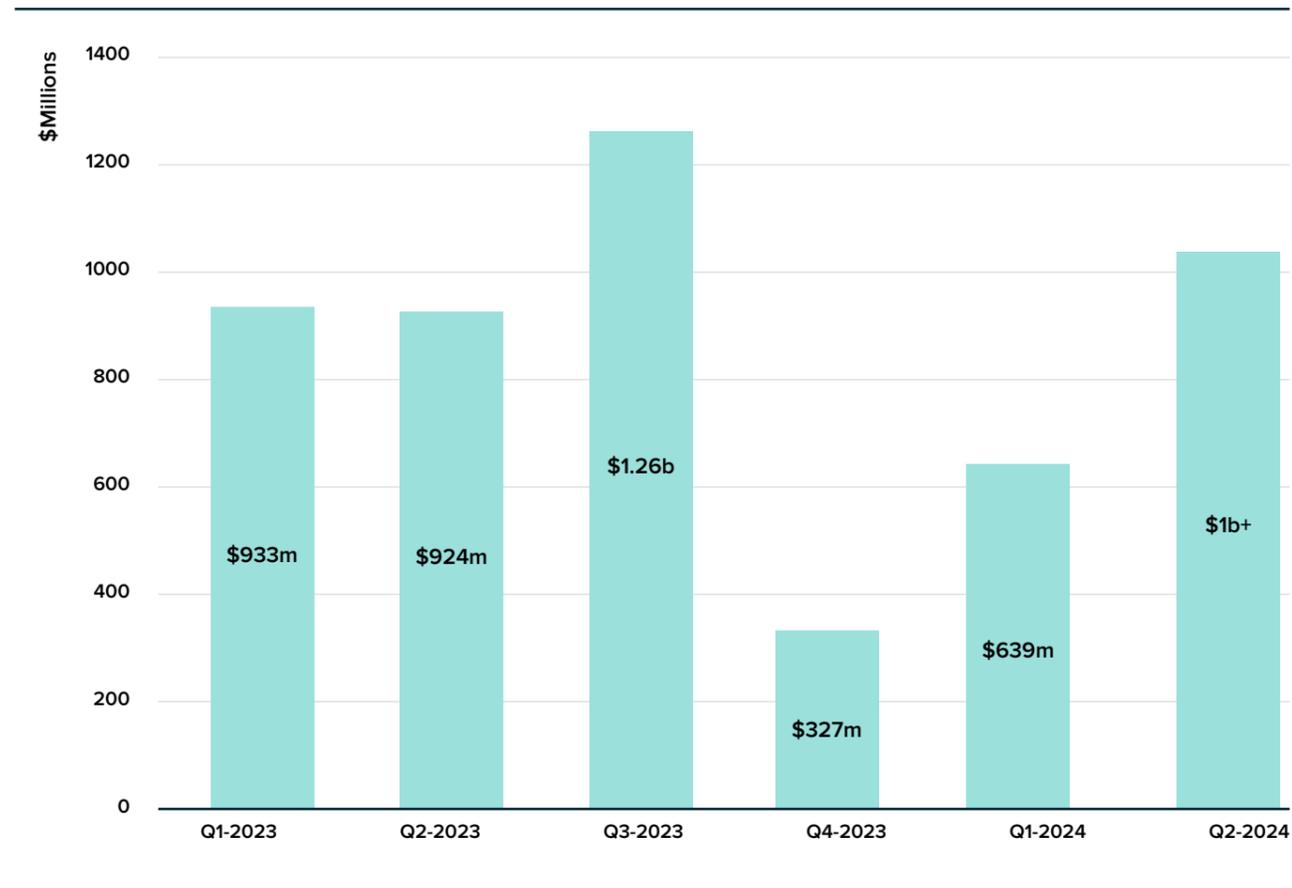


## Quarterly investment

In Q1 2024, UK AI startups raised \$639m, up from Q4 2023 (\$327m) though down compared with Q1 2023 (\$933m), with investment on a quarterly basis heavily influenced by a small number of megarounds.

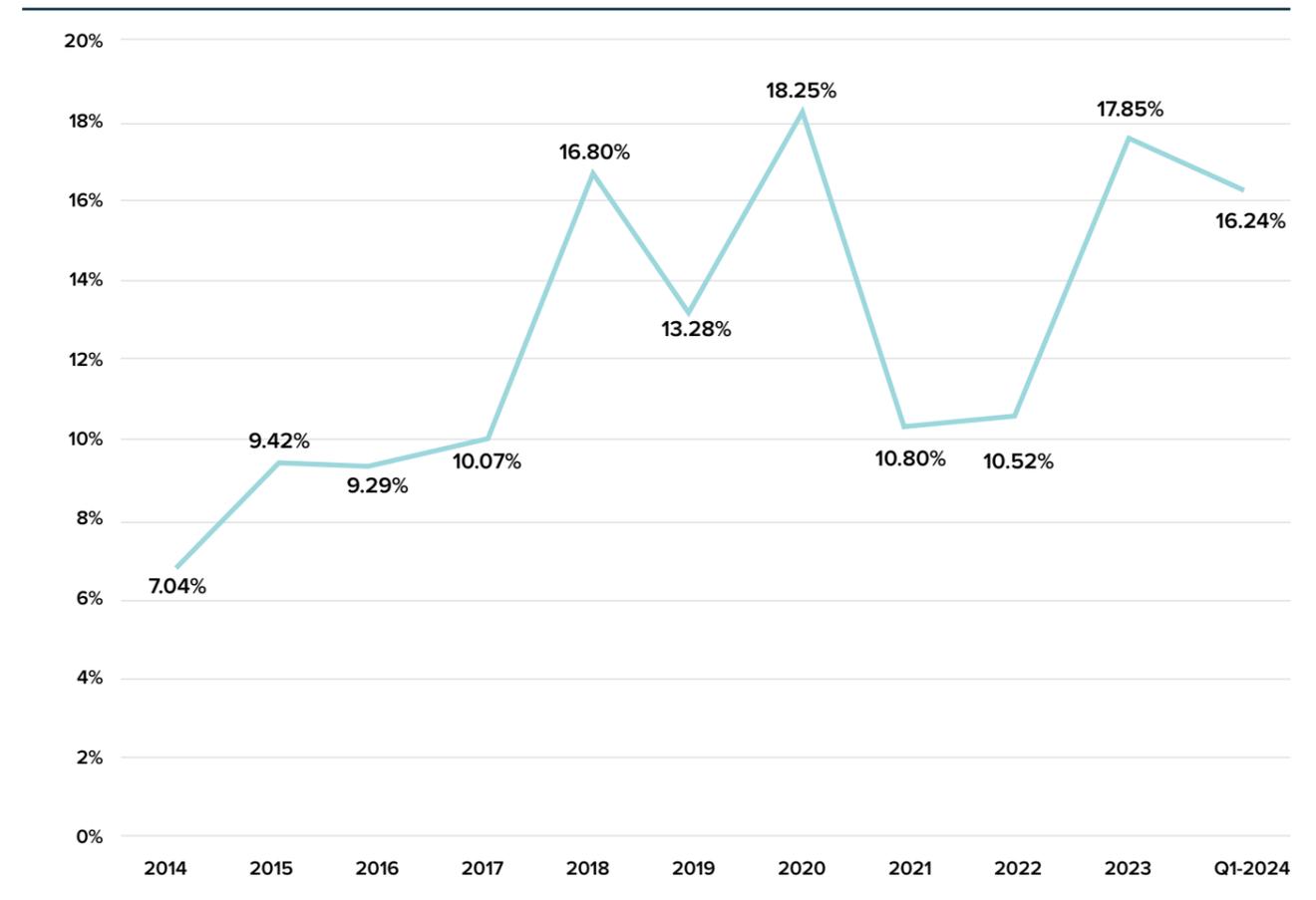
Q1 2024 saw notable raises for anti-money laundering startup, Napier.ai (£45m), and drug discovery firm, Curve Therapeutics (£40.5m).

As we continue into 2024, the UK AI funding environment looks increasingly promising. In May, we saw a watershed moment as autonomous mobility startup, Wayve, raised \$1.05b in its Series C funding round led by SoftBank, marking the biggest European AI investment to date.



## Share of Total Investment

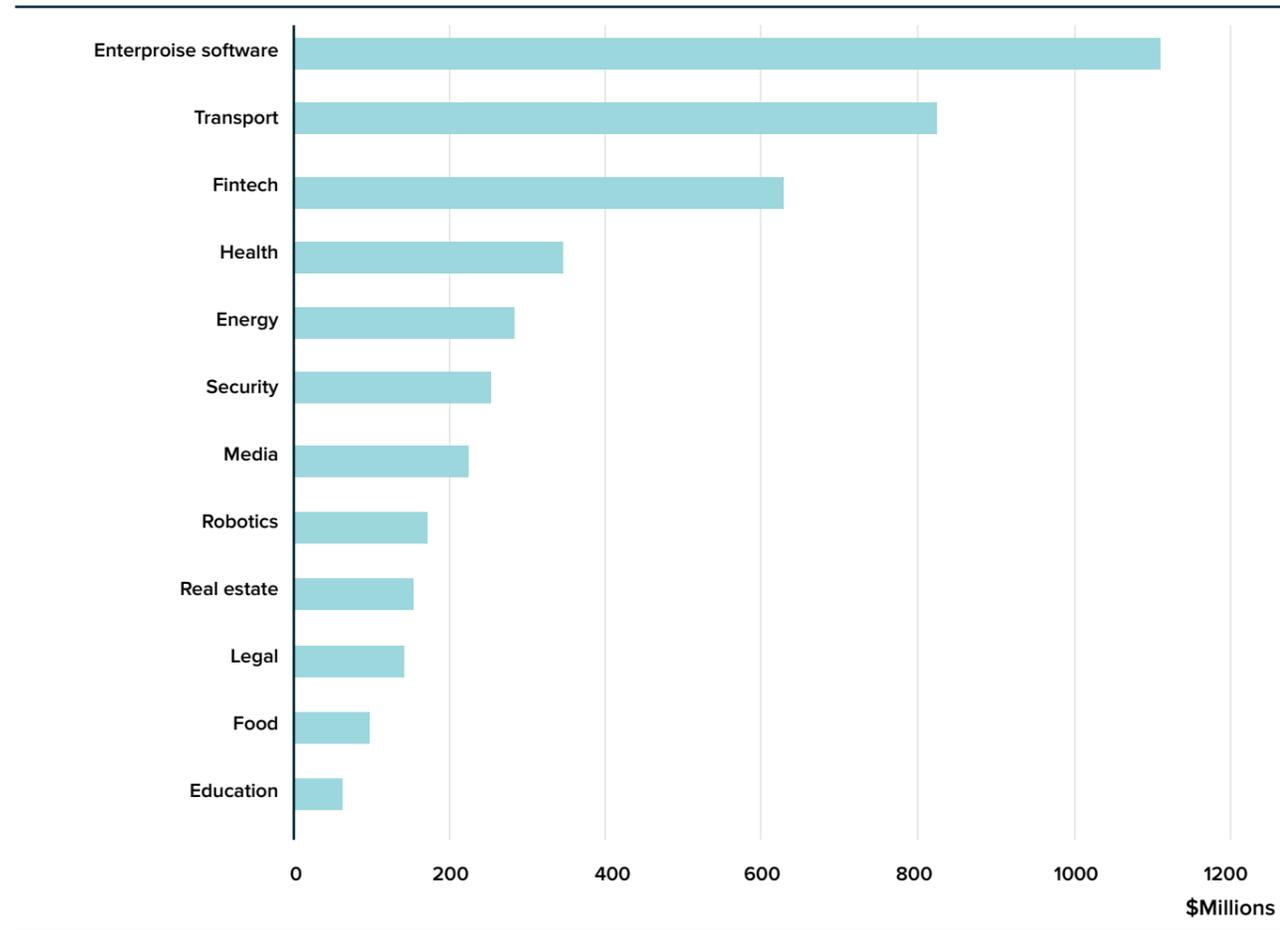
The share of UK venture capital being raised by AI companies has been on a steady upward trajectory over the past decade. In Q1 2024, 16% of total UK VC investment went to AI startups, up from 7% in 2014.





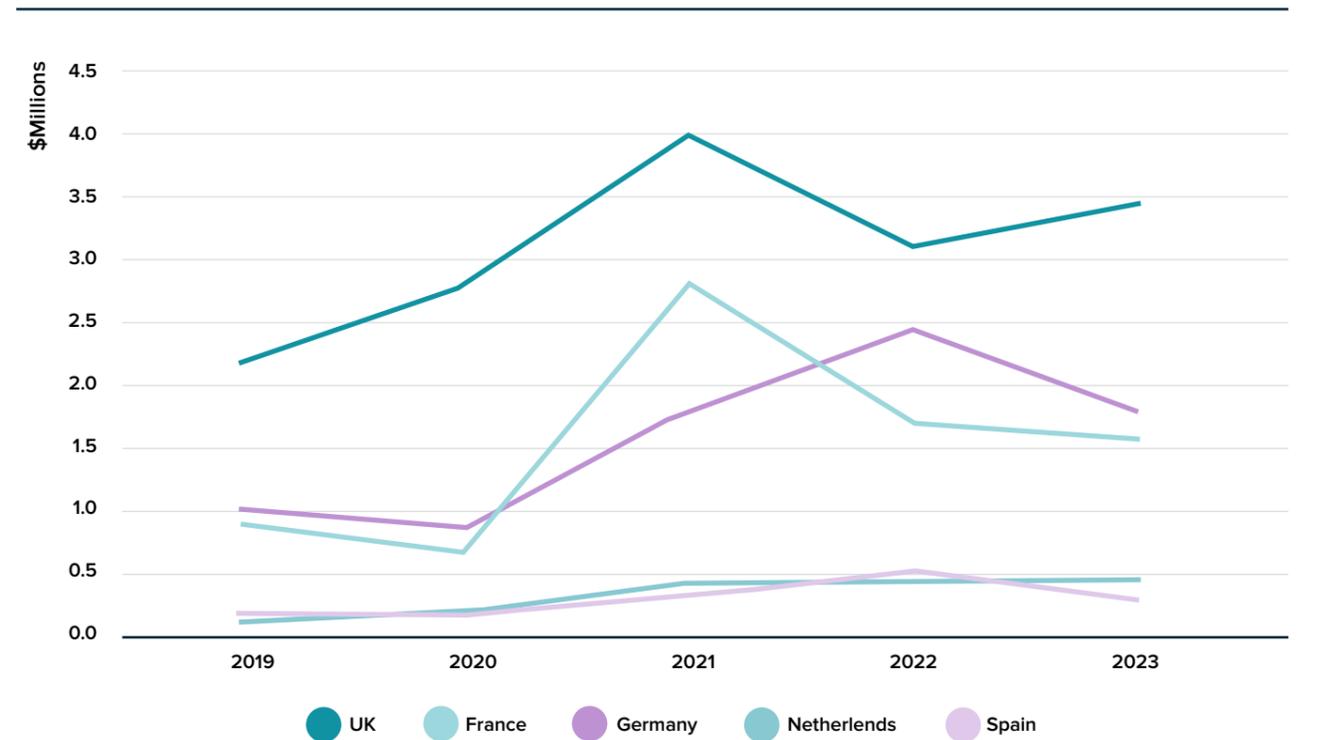
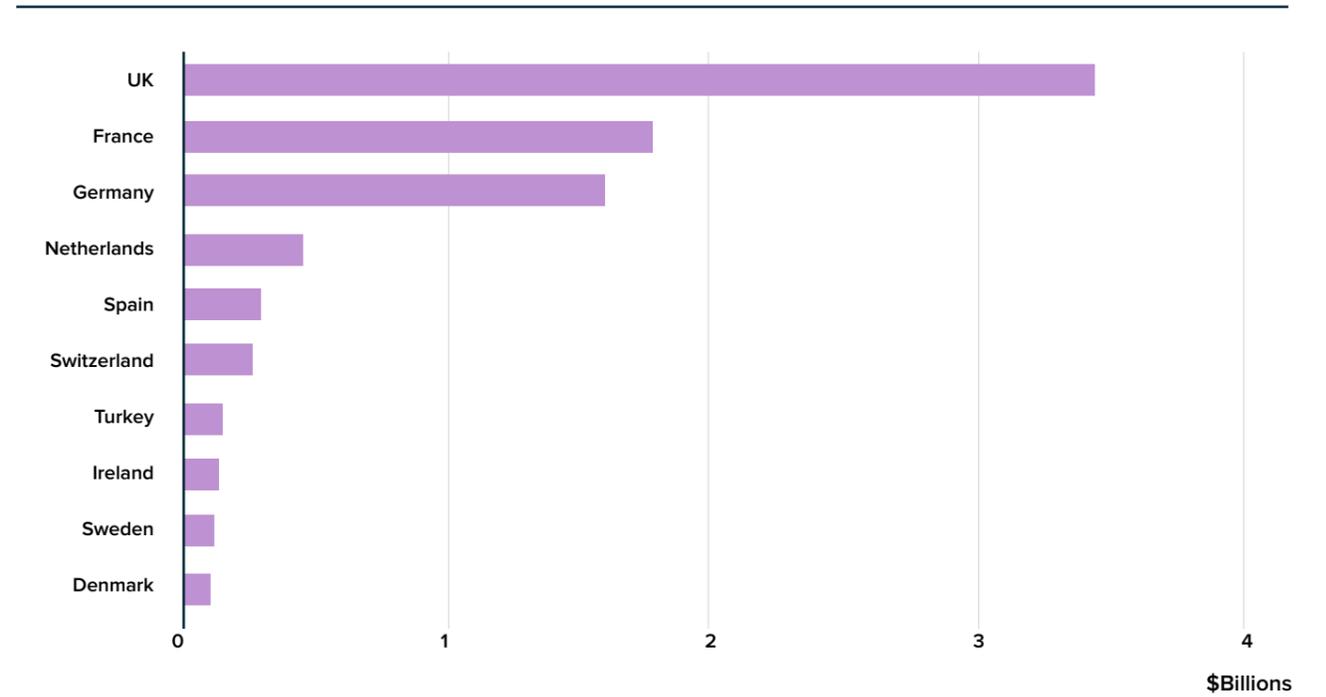
## Investment by Industry

AI companies operate across industries, from fintech to femtech. In 2023, most investment in UK AI went into AI companies operating in enterprise software (\$1.1b), transport (\$824m), and fintech (\$626m).



## Investment in a Global Context

In 2023, UK AI companies raised more than double the amount raised by startups and scaleups in France, Germany, and any other European market. While other European markets saw a decline in investment in 2023, funding for UK AI increased.

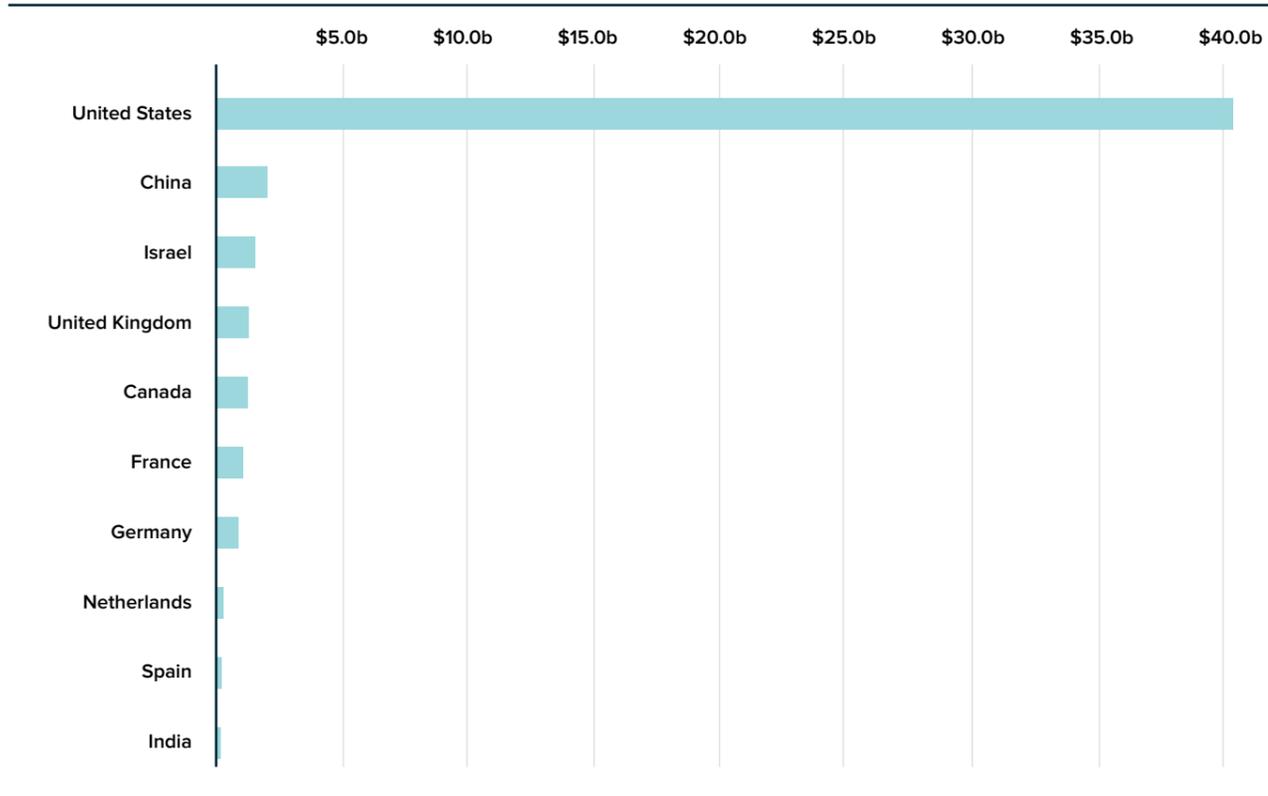


Money raised by AI startups headquartered in each country per year.



Globally, the US dominates the nascent generative AI space, with US generative AI startups raising more than \$40b to date. No other country has collectively raised \$2b or more.

The UK ranks fourth globally for generative AI investment, with UK generative AI startups raising \$1.2b in VC funding to date.



Money raised by Generative AI startups headquartered in each country to date.



## Investment in a Regional Context



London-based AI startups have collectively raised 64% of all UK AI venture capital since 2018. But notable clusters have emerged in the South East, East of England, and South West and North West.

Money raised by UK AI startups by region between 2018-2023.

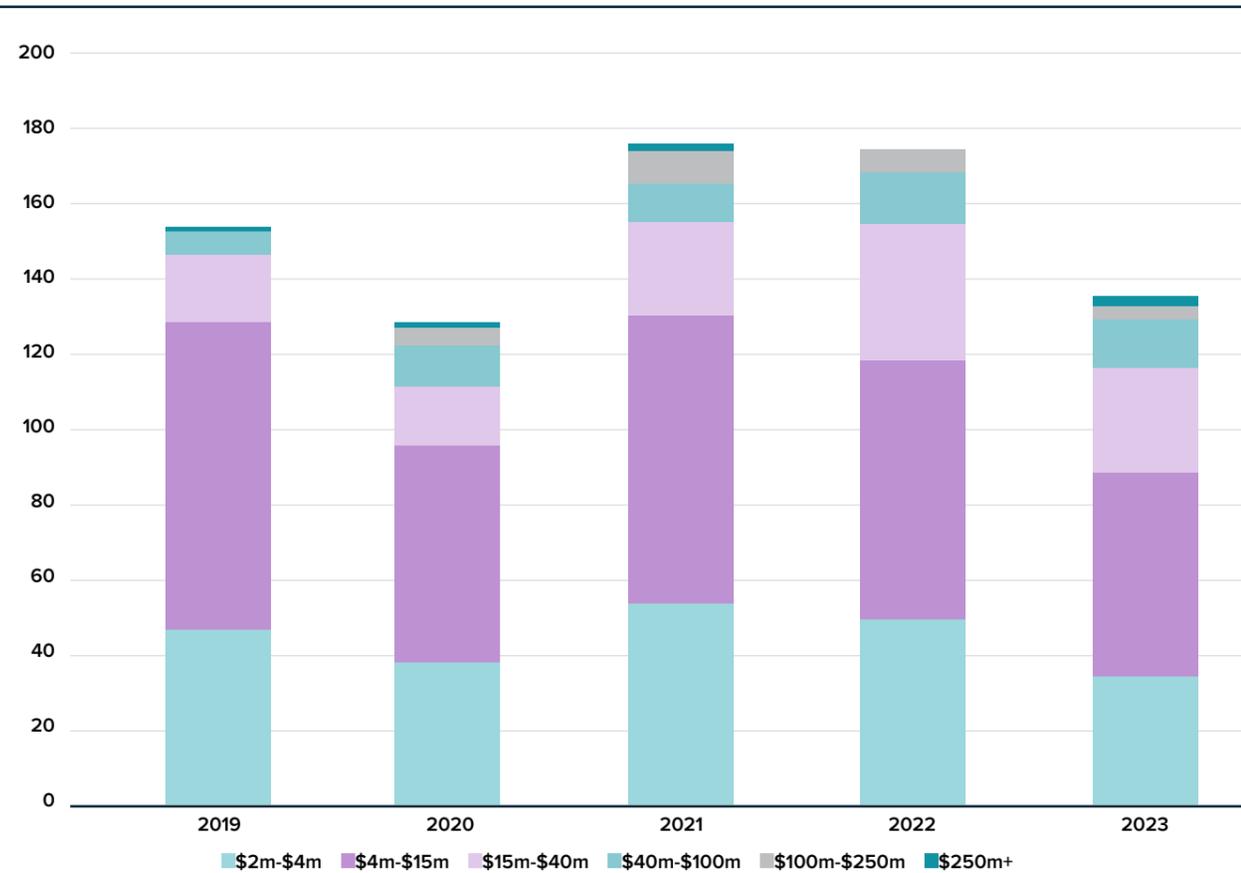


## Rounds Raised

Deal activity has slowed in the past year, with the number of \$2m+ funding rounds falling from 195 in 2022 to 153 in 2023. However, as we've seen, overall investment has increased.

While most investment activity in AI is seen at early stage – Seed and Series A rounds between \$4m to \$15m – we saw an increase in rounds worth \$100m or more in 2023.

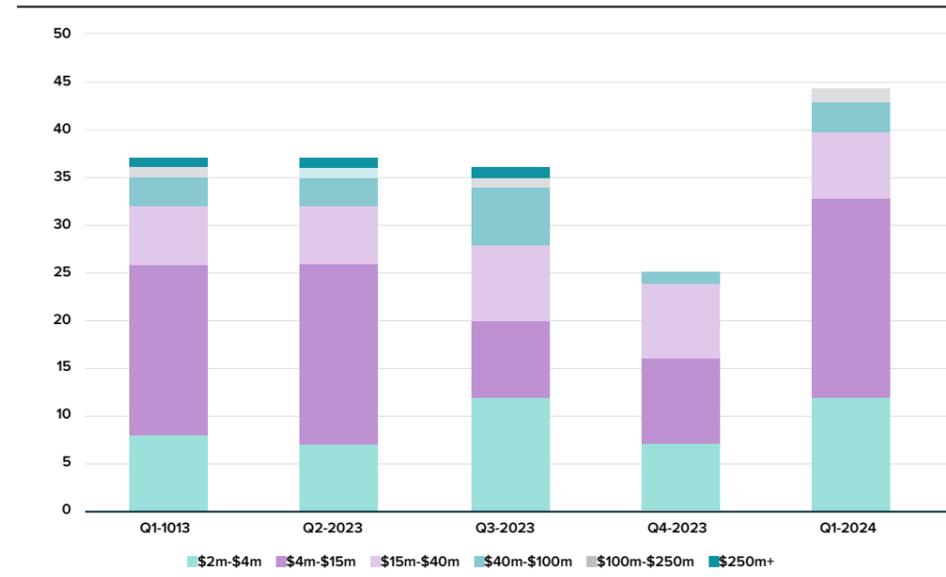
Plus, three UK AI companies raised rounds worth \$250m or more in 2023 (Abound, Builder.ai, and Conigital), compared with none in 2022.



Number of \$2m+ funding rounds raised by UK AI startups per year.

Note, there is a known reporting lag for early-stage funding rounds. In order to accurately track deal activity, our analysis only considers rounds worth more than \$2m.

There are also positive signs in deal activity in 2024, with Q1 2024 recording the most rounds raised per quarter since the boom years of 2021-22 and significant activity at early stage.



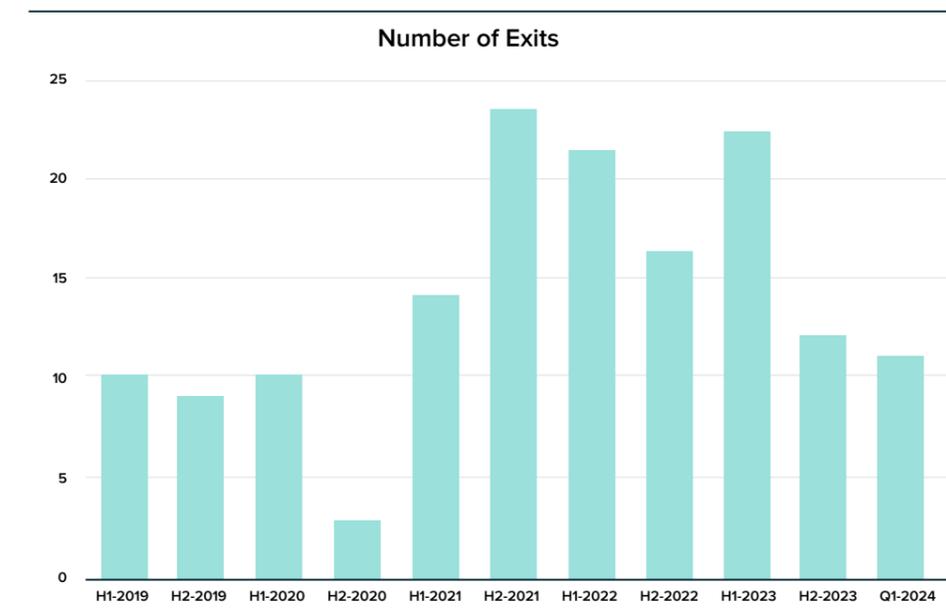
Number of \$2m+ funding rounds raised by UK AI startups.



## Exits

34 UK AI companies exited in 2023. 33 AI companies were acquired, while one went public: ARM which listed on Nasdaq and now has a market cap of \$125b, having more than doubled since IPO.

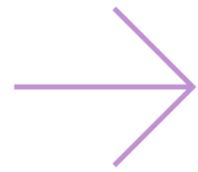
In Q1 2024, 11 companies exited, including CloudMade, Humn.ai, and Abaka.



Number of AI company exits via acquisition, IPO, or buy-out.

# Angie Ma

## Faculty



*“The conversation around AI today has become polarised. People are often either catastrophists or blind optimists, but the way forward is nuanced.”*



There's a path to realising AI's benefits without dangerous risks, but that means choosing safe, connected, and human-first AI.

Choosing safe AI means using the technology in a narrow way to solve specific problems. These applications are safer, because they have specific, predetermined goals. They also tend to be easier for organisations to digest, as they're laser focused on solving a set problem. For instance, using AI to spot terrorist propaganda online and remove it faster, or to direct an autonomous boat towards the wind so it can generate clean energy.

Secondly, we need connected AI. Today, most organisations deploy models in silos. Standalone AI tools are less effective in the short term, because they can't bring wider context to a decision, and in the long term, because they create deeper siloes. Choosing connected AI means not building models in isolation, and ensuring central governance across systems and business processes. By connecting models together, businesses can reap the highest ROI.

Finally, we need to choose human-first AI. AI should support people in making critical decisions, not replace them. Humans should always be in control of what an AI system is doing. Its goals should be set by humans, and its output monitored by humans. It means humans retain final sign off over the output, so biased, harmful or false information is stopped at source.

Angie is the Co-Founder and COO of Faculty, which transforms organisational performance through safe, impactful, and human-first AI. Faculty helps customers reap AI's benefits whilst safely managing the risks.

Founded: **2014**

Stage: **Series A**

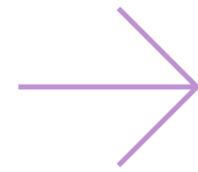
Employees: **320**

Raised: **£40m**

Investors: **LocalGlobe, Apax Digital Fund, GMG Ventures LP and, the founding engineer of Skype, Jaan Tallinn**

# Dr Hermann Hauser

## Amadeus Capital Partners



*“Generative AI is a productivity technology. When there's more productivity, there's new job creation and you can create more value that will make everybody better off.”*



This isn't the first time people have gotten very excited about a new technology. What's unique is that you normally overestimate the short-term benefits of a new technology and underestimate the long-term benefits. With generative AI, we're seeing the benefits right away, and because it's trained on everything, it's applicable to pretty much anything.

The opportunity for founders is to pick a particular sector and then become a global player in owning that sector. But to do that you need a large amount of money early on. The problem is that AI companies are being funded with much larger tickets than we're used to in the UK. We're not used to putting £50m-£100m in a one-year-old startup, but we need to do more. The most serious danger is that we don't adopt AI fast enough.

Hermann co-founded Amadeus Capital Partners in 1997 with Anne Glover. He has founded and invested in multiple technology companies including Acorn, ARM, Solexa, which was bought by Illumina, CSR, Graphcore, and Photonic.

AUM: **£1b**

Focus: **DeepTech: AI, Synthetic Biology, Quantum**

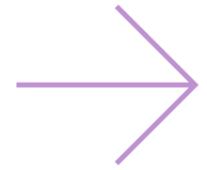
Stage: **Pre-Seed-Series B**

Ticket Size: **£50k-£10m (most £2m-£3m)**

Portfolio Includes: **Creditas, Graphcore, Improbable, Oxford Nanopore Technologies, Photonic, PolyAI, SandboxAQ, Secondmind, Speechmatics, Riverlane, Tessian**

# Mursal Hedayat

Chatterbox



*“AI means better quality learning is going to be far cheaper than ever before.”*



I'm not an engineer; I didn't study technology. I started Chatterbox as a social enterprise to provide in-person work for refugees teaching languages at universities. But now we're a tech company using AI, so I'm a prime example of how you can gain mastery of AI tools without a tech background. Like any tool, AI is in the hands of its creators and users (at least until automated AI starts deciding the direction it wants to travel!). There will be dangers to avert, but on balance we have a good track record as a human race when it comes to technology so far.

I would make it the job of every member of your team to stay on top of advancements in AI. We're in the early days of understanding the use cases of existing tools. If every team member is an innovator implementing AI, the marginal gains will be significantly higher than allocating that task exclusively to your CEO or CTO.

When we ran a test to build a new language course at Chatterbox, we found that the cost of producing the course using generative AI tools went down by 10 times. I'm an Afghan entrepreneur and one of my greatest ambitions in life is to transform the prospects of Afghan women and online learning. AI could be key to that and online learning could be the key to so much development in the world. So it's profoundly exciting that such high quality learning is now so easily affordable and therefore so easily accessible to so many.

Mursal is the Founder & CEO of Chatterbox, which transforms language skills into income for refugees and other inspiring linguists.

Founded: **2016**

Stage: **Seed**

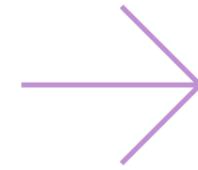
Employees: **7**

Total Funding: **\$2m**

Investors Include: **Founders Factory, Mercury Ventures, Mustard Seed Maze**

# Euan Blair

Multiverse



*“The simple fact is that nearly every business is behind the curve on AI skills right now.”*



Businesses are facing a fundamental deficit in this crucial area, and there's not nearly enough talent currently equipped to fill those gaps. The university system cannot produce sufficient graduates to meet this need, and so organisations will need to develop the talent themselves in order to succeed.

That means identifying high potential people within their current workforces who can be trained in AI and other emergent fields, and hiring from the broadest pool of talent externally that may not have the skills required today, but have the character and grit to develop them if provided access to opportunity.

Businesses need to stop trying to hire AI talent, and instead focus on creating AI talent through apprenticeships and applied learning programs.

Euan Blair started Multiverse to provide an alternative to traditional education and train the next generation of leaders through professional apprenticeships. Today, Multiverse works with more than 1,000 businesses across the UK and US.

Founded: **2016**

Stage: **Series D**

Employees: **700+**

Total Funding: **\$400m+**

Investors: **General Catalyst, Lightspeed Venture Partners, StepStone Group**

# DEVELOPING AI SOLUTIONS

Robert Armstrong

Tesco

Director of Data Science



Over the past eight years, our talented Technology and Data Science teams have developed and operationalised a mature portfolio of AI products spanning a wide range of business domains and delivering ongoing real-world impact.

These AI products cover Pricing Optimisation, Personalisation, Operations Optimisation, Commercial Decision making, and many others, and you can find more details in our recent [Medium article](#).

In the Pricing Optimisation space, as fresh products get closer to their sell-by date, we lower the price with a yellow sticker. Not only does this give our customers the chance to get the same great quality products for less, but it also helps to reduce the amount of food going to waste.

By introducing AI optimised pricing for our yellow label products, we have significantly reduced the number of expiring fresh food items going to waste, and minimised losses from reduced-to-clear fresh food items.

We have also used AI models to support markdowns in clothing and general merchandise, that in addition to optimising the reduction strategy for each line, provides merchandisers with accurate forecasts of future sales and stock.

## Award-winning AI

To help identify the most effective price reductions across hundreds of thousands of unique products and thousands of stores each year, Tesco developed an [award-winning](#) reduction pricing optimisation AI solution.

The AI solution deeply integrates into Tesco's upstream and downstream systems and leverages three core components:

1. Machine Learning based demand elasticity models that predict how customers will react to different prices.

2. Optimisation routines that select the best reductions to minimise waste and losses.

3. Deployment and experimentation techniques that deliver the price recommendations to the business and enable ongoing robust and efficient testing of new AI models.

Looking to the future, our primary focus will be on continuing to improve the quality of the data we use to train our models, enhance the flexibility of the solution to enable the optimisation to be agnostic to the reduction routines in store and to trial new modelling approaches such as reinforcement learning.

## Partnering with Tesco

As a large and complex retailer, upon which millions of customers and colleagues rely on daily, it's critical that our technology systems, including new AI capabilities, are robust, trustworthy and aligned to our core purpose of serving our customers, communities and planet a little better each day.

To that end, regardless of whether we are developing a new AI solution in house or partnering with an external provider, it's critical that the solution can operate at Tesco's scale with robust operational mechanisms in place to mitigate potential risks.

We also need to ensure that solutions can integrate seamlessly with our upstream and downstream systems and that we can effectively conduct trials to validate that behaviours and performance are as expected within our often complex online and physical environments.

I would also advise potential partners to ensure that responsible AI principles are at the core of their offering and that, in line with our sustainability commitments, they deploy solutions that are as environmentally efficient as possible and they should be confident that they have considered this in how they design their technology.

***“Our potential partners must ensure that responsible AI principles are at the core of their offering.”***

# ACCELERATING INNOVATION IN THE UK

Simon Bumfrey

HSBC Innovation Banking UK  
Head of Technology and Life Sciences



Few topics spark debate quite like AI. Depending on your viewpoint, AI is either a silver bullet to solve our planet's most pressing problems, or a force to be handled with extreme care. While the full influence of AI remains uncertain, one thing is clear: it has already had a profound effect on the innovation economy.

This is to be expected given the global importance of the UK's vibrant technology sector. Valued at \$1.1 trillion in Q1 2024, the UK remains Europe's largest tech ecosystem, and the third most valuable globally. That is the ideal environment for bold visionaries to explore and embed the latest technologies at speed.

It's little wonder, then, that the UK has firmly established itself as the home of AI investment for Europe.

The numbers speak for themselves. With some 16% of all VC investment now going to AI companies, it is clear that investors have an appetite (and dry powder to deploy) – but what does that interest mean for founders?

## Making brilliant businesses better

AI accelerates innovation because it empowers founders to explore new ideas and deploy them into the market in record time. However, this race to lead with AI brings with it a need to be responsible.

As hungry as investors appear to be for AI-driven solutions, they are unlikely to be wooed by tech alone; nor are they likely to invest in any business that is unable to deploy AI in a responsible, sustainable way.

The appetite for all things AI brings with it the need to focus on business fundamentals. There is ample dry powder available to those who can prove that AI is an accelerant, but only when that ambition is matched by a responsible roadmap, supported by experienced partners.

While it may be tempting to put AI at the heart of your pitch, it's important to remember that investors will always favour stability and the ability to scale efficiently at speed.

## An opportunity like no other

AI is an extraordinary technology that has already started to change the world. It presents a unique opportunity to turn inspiration into viable businesses at unprecedented speed, which has excited innovators and investors alike.

However, as the technology continues to evolve, so too will the obstacles and opportunities ahead. There is inherent risk in blazing new trails, but the reward for those who move quickly, in a measured way, can be immense.

The UK's innovation economy is well placed to not only move quickly, but also to lead the way in the responsible advancement of AI. So please, race responsibly.

*“There is ample dry powder available to those who can prove that AI is an accelerant, but only when that ambition is matched by a responsible roadmap, supported by experienced partners.”*

# TRACKING AI SENTIMENT



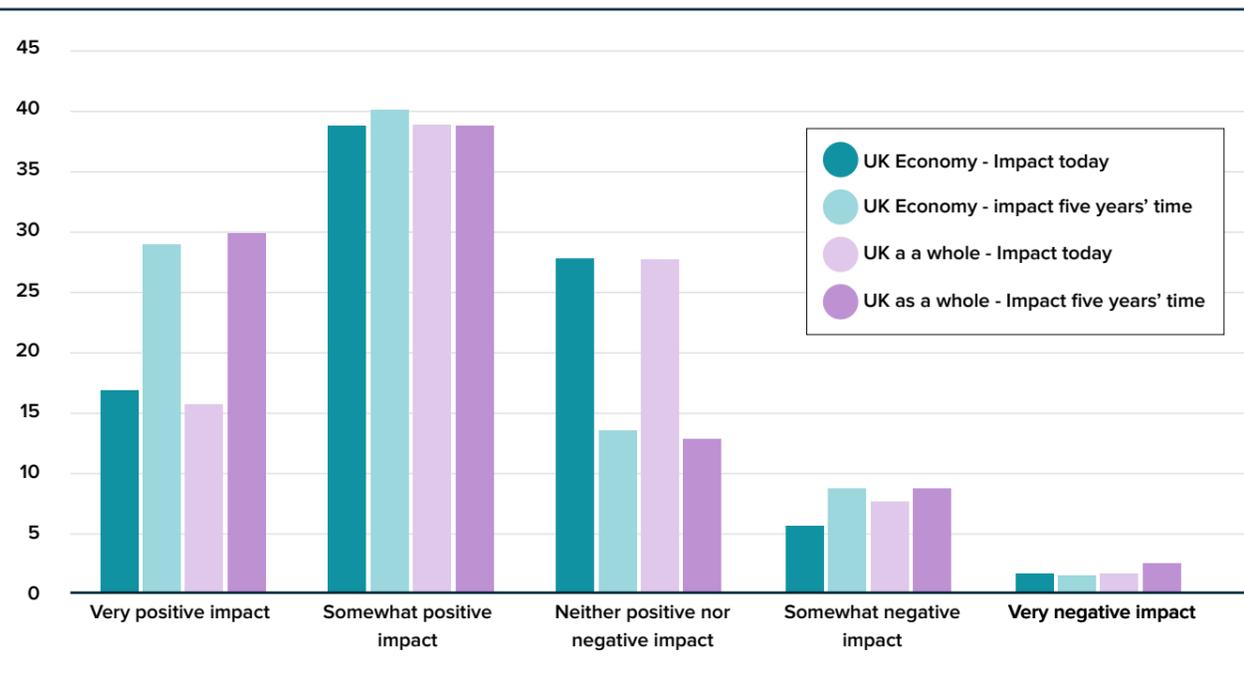


In our comprehensive UK Tech Survey, startup founders and operators shared their perspectives on the impact of AI on their businesses and its future potential. Sentiment towards AI is overwhelmingly positive, particularly when it comes to AI's future impact.

**One in two UK tech professionals say that AI is having a positive impact on the UK economy and the country as a whole.**

Positivity around AI's future impact is even greater. When asked about AI's impact on the UK economy and the country as a whole in five years' time, 69% say AI will have a positive impact.

To what extent does AI have a positive or negative impact on the UK economy and the UK as a whole?



Positive impact = very positive + somewhat positive.

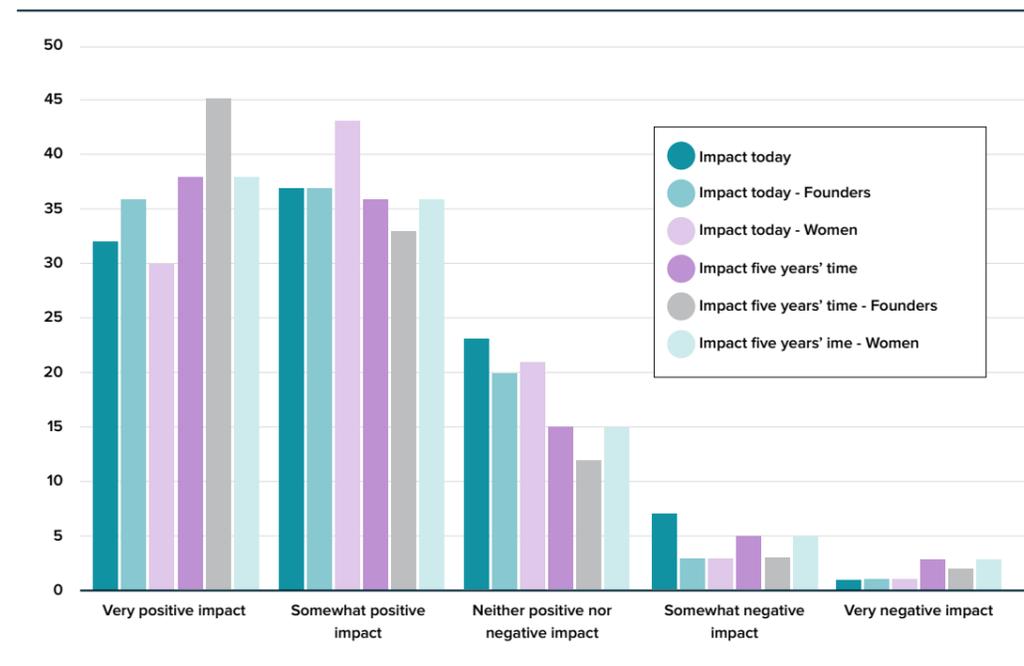
We surveyed 892 professionals working in the UK tech sector. The majority are from startups and scaleups, and are founders, CEOs, or senior leaders in their organisations. See our methodology for a full breakdown.

**69% of UK tech professionals say AI is having a positive impact on them personally today, while 74% expect a positive impact in five years' time.**

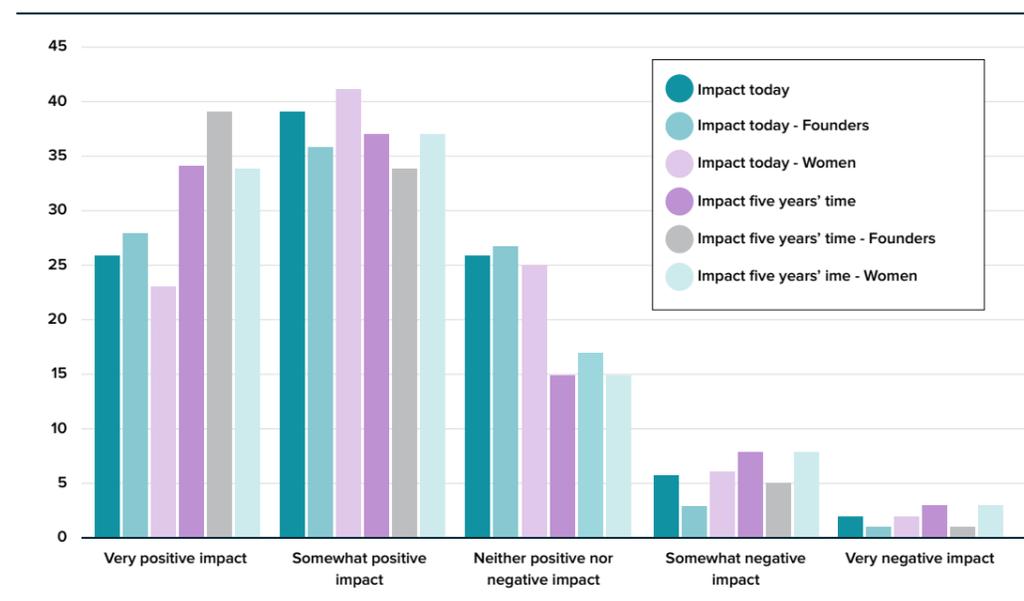
When considering their own roles, UK tech professionals are also relatively unconcerned by any disruptive impact of AI – 65% are positive about AI's impact on their current role, increasing to 71% who are positive about AI's future impact on their role.

Women and founders are especially optimistic. 73% of both women in tech and founders say AI is having a positive impact on them personally today, and 74% and 78% respectively expect to see a positive impact in five years' time.

To what extent does AI have a positive or negative impact on you personally?



To what extent does AI have a positive or negative impact on roles like yours?

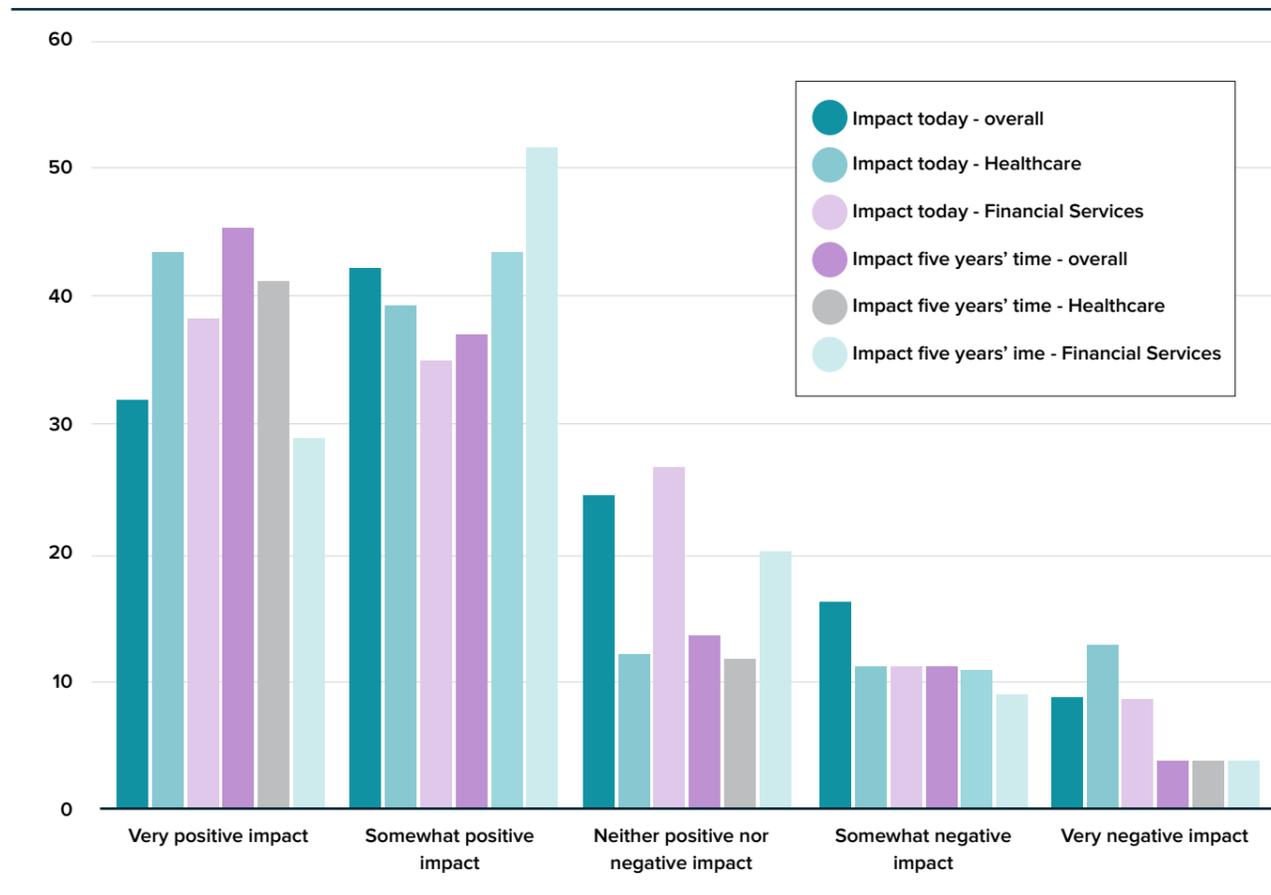


**72% say AI is having a positive impact on their industry, while only 9% say AI is having a negative impact. 80% say AI will have a positive impact in five years' time.**

The vast majority (83%) of UK professionals in finance and fintech say AI is having a positive impact on their industry today.

Healthcare professionals are especially positive about the future impact of AI on their industry: 80% predict a positive impact in five years' time, while 71% say AI is having a positive impact today.

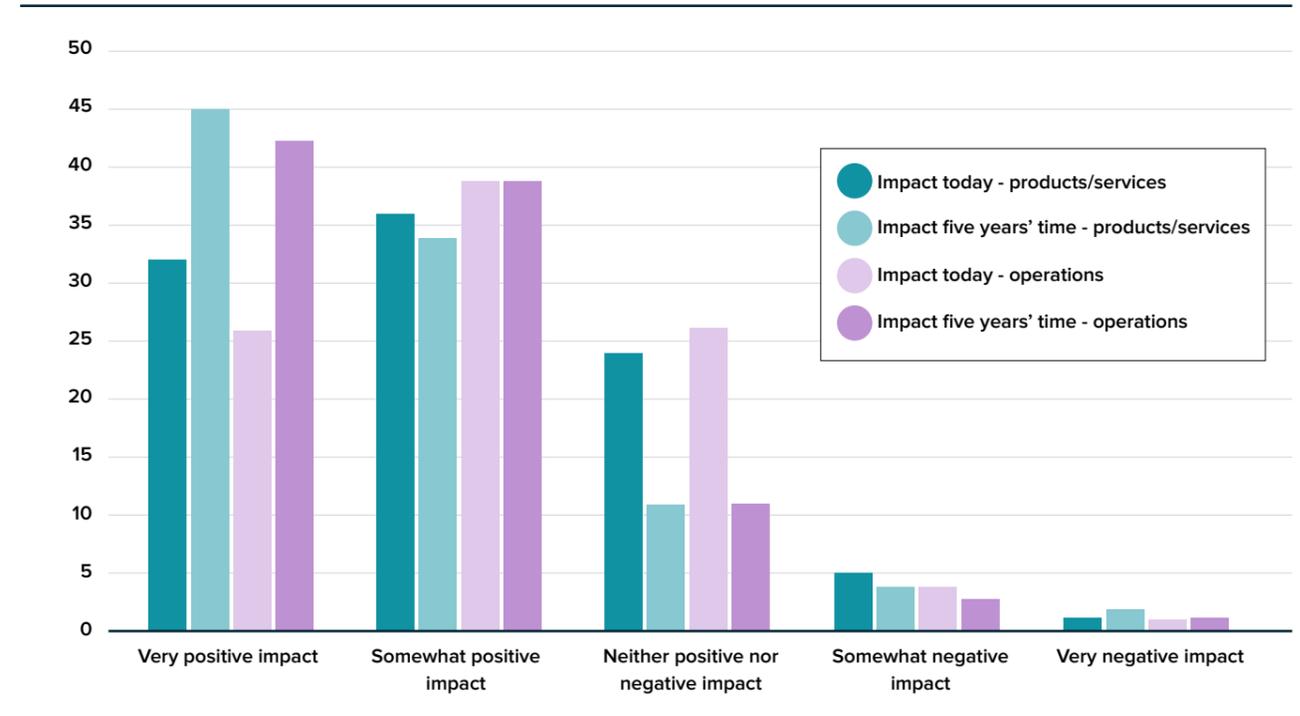
To what extent does AI have a positive or negative impact on your industry?



**AI is also perceived as having a positive current and future impact on company operations and products and services.**

Those who aren't seeing the positive impact of AI today expect to see it in the near future. 81% say AI will have a positive impact on their company operations in five years' time, compared with 65% today, and 79% on their products or services, compared with 68% today.

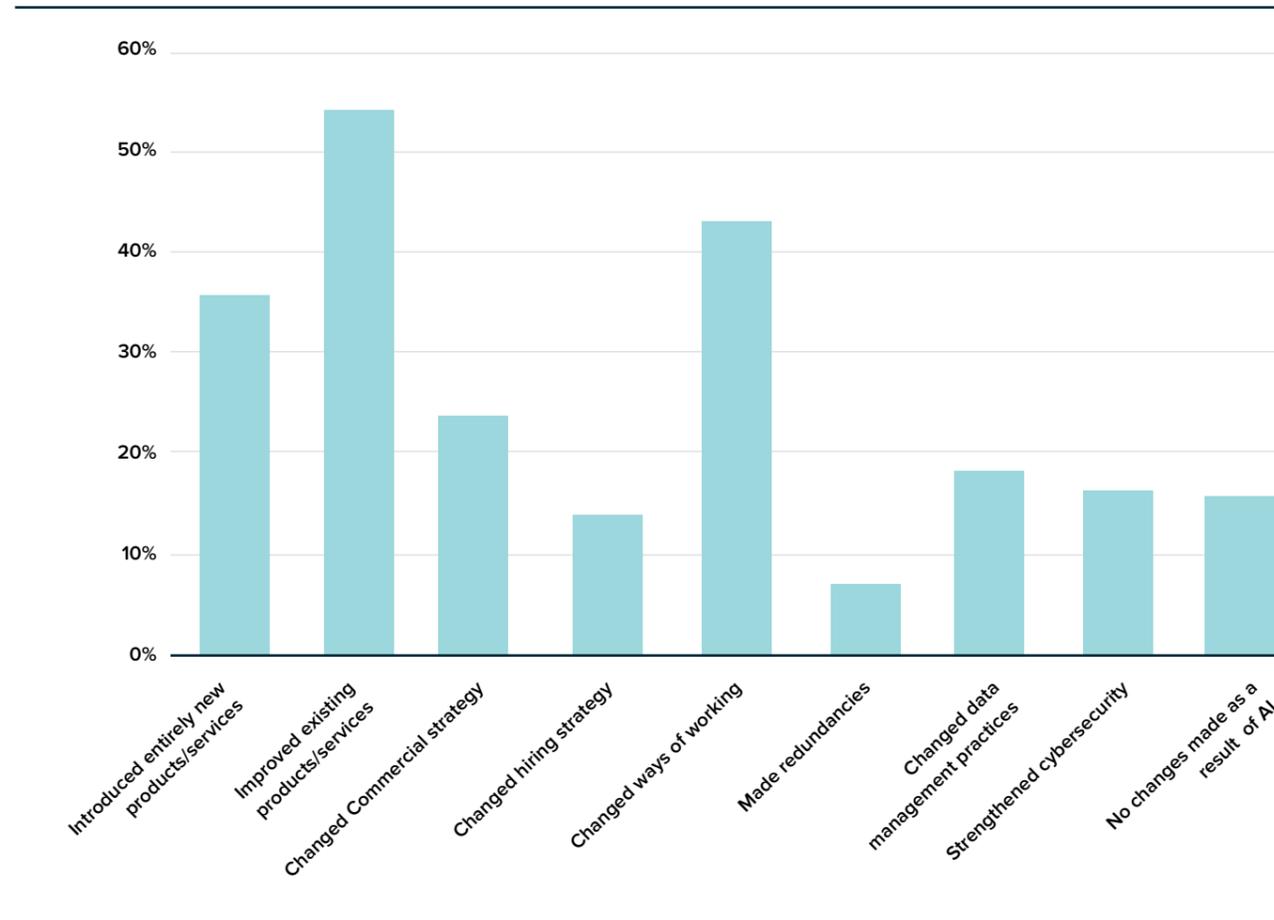
To what extent does AI have a positive or negative impact on your company?



## Companies are using AI to improve their products and services and change ways of working.

One in two companies surveyed are using AI to improve their existing product offering, while one in three have launched entirely new products. 42% have changed their ways of working due to advances in AI.

What changes has your company made as a result of AI?

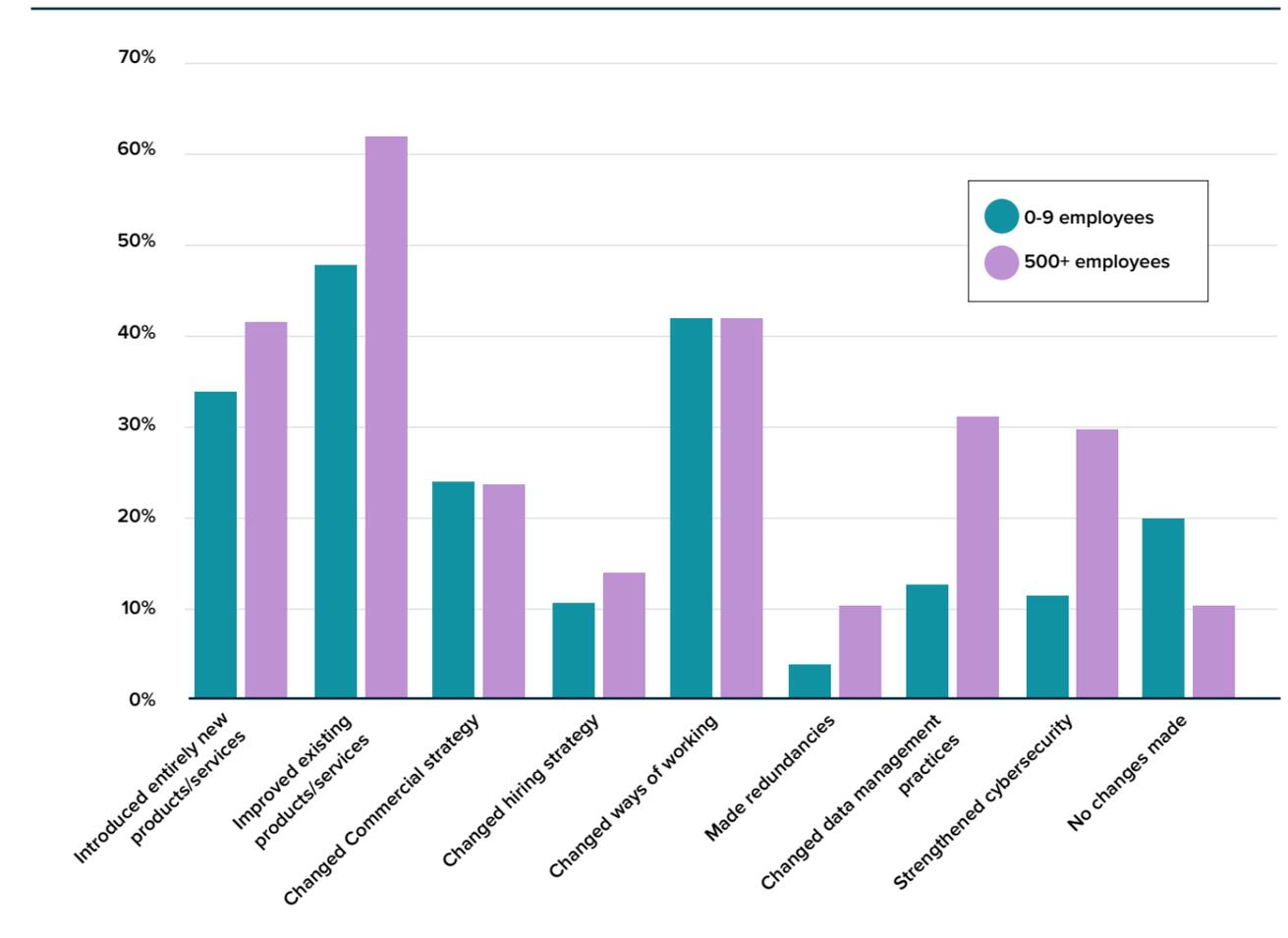


Respondents could choose all options that applied to their business.

## The biggest companies are improving their existing products and services more than the smallest companies.

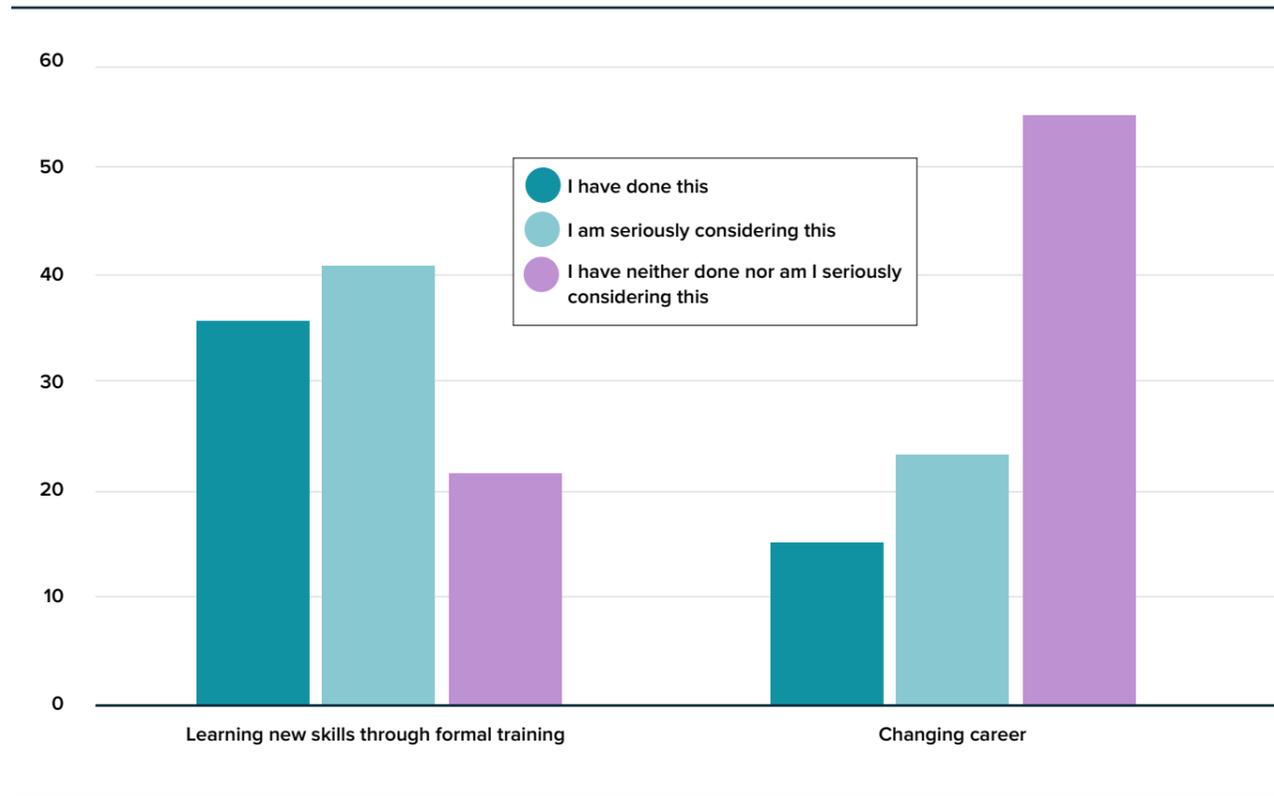
While large and small companies are fairly aligned, more large companies are also focusing on introducing new products, strengthening their cybersecurity, and changing data management practices. Only 10% of the largest companies surveyed have made no changes as a result of AI, compared with 20% of the smallest companies.

What changes has your company made as a result of AI?



One in three UK tech professionals have learned new skills in response to advances in AI, and one in five are seriously considering a career switch.

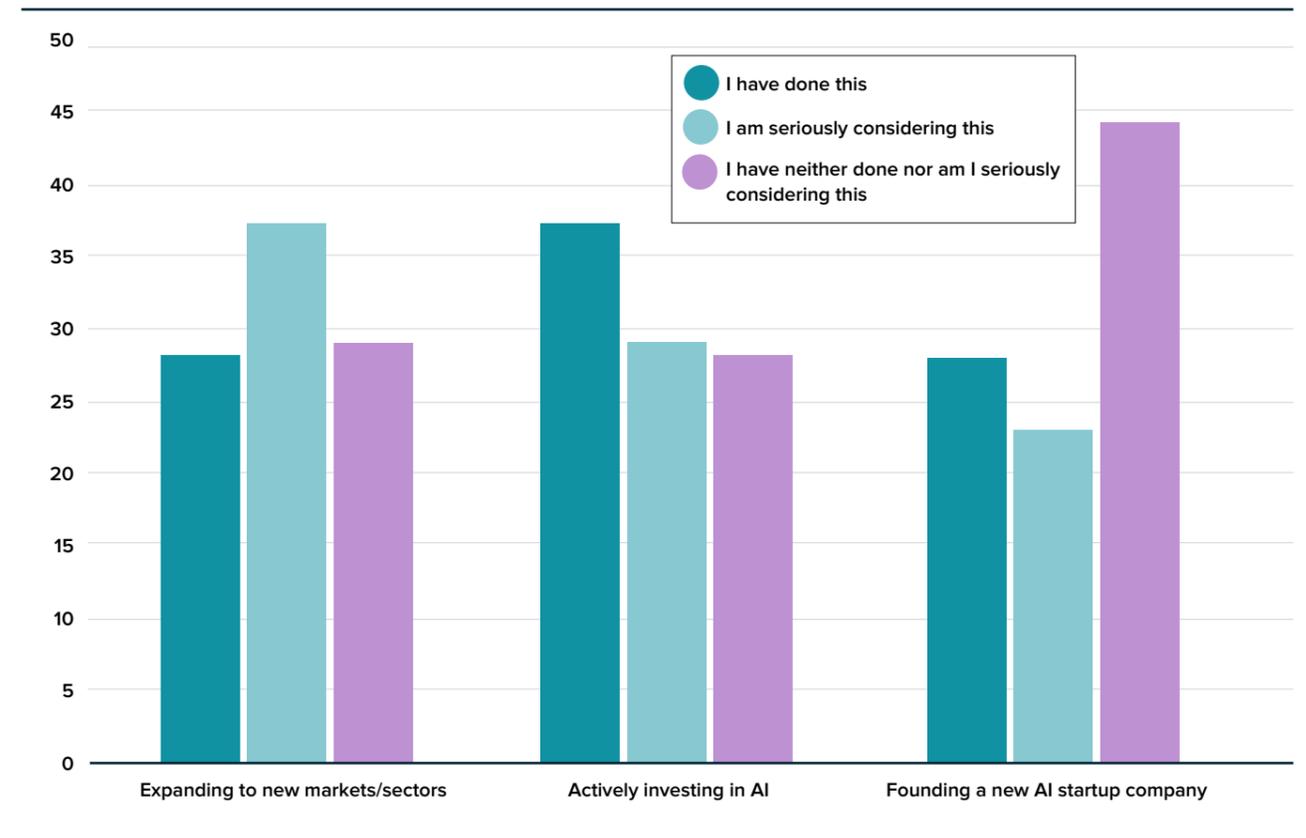
Which of the following actions have you considered doing as a result of AI?



One in three founder-CEOs are actively investing in AI, and one in four have expanded into new markets or sectors as a result of AI.

More than half have already or are seriously considering starting an AI company. 66% have already or are seriously considering actively investing in AI, while 65% have already or are seriously considering expanding into new markets or sectors.

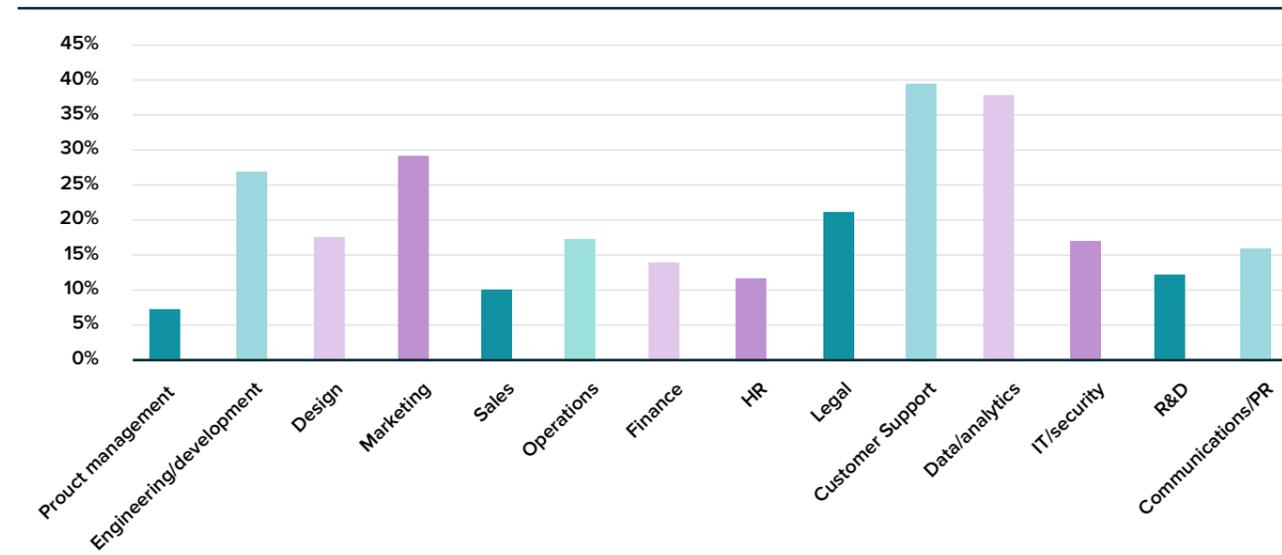
Which of the following actions have you considered doing as a result of AI?



Data for founder-CEOs only.

**Customer support, data analytics, marketing, and engineering and development are expected to be most disrupted by AI, and product management least impacted.**

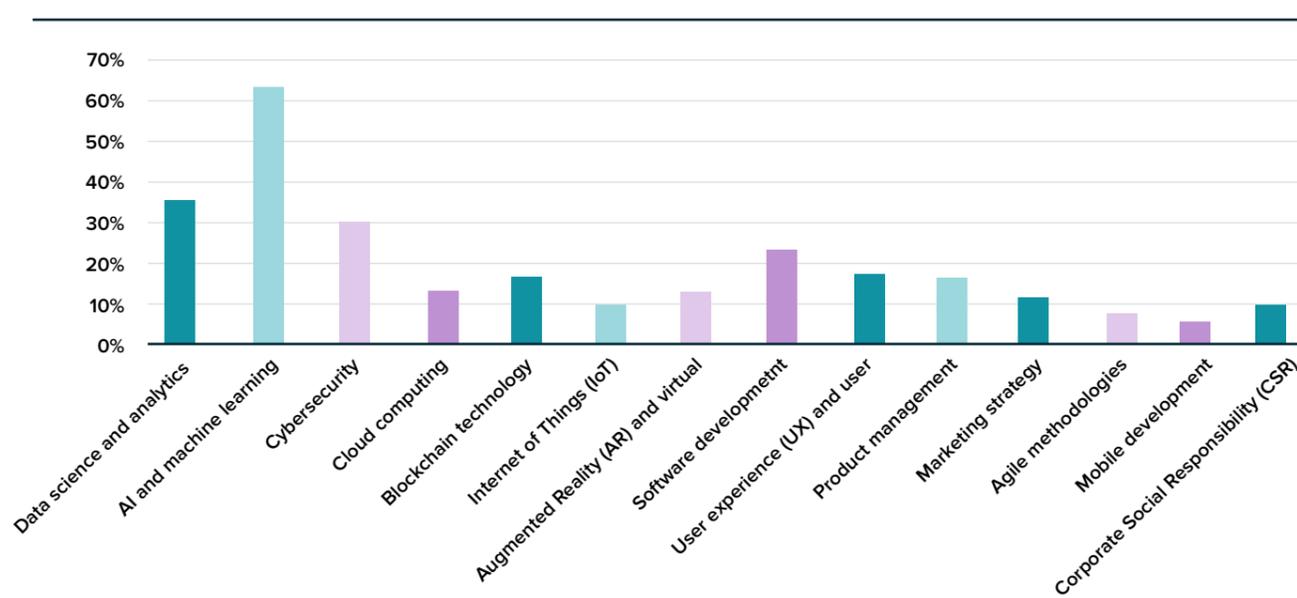
Which business areas are most likely to be disrupted by AI in the next five years?



Respondents chose up to three different business areas.

**UK tech professionals say AI and machine learning skills will be the most important skills for careers in the sector in five years' time.**

Which skills are going to be the most important in the tech sector in five years' time?

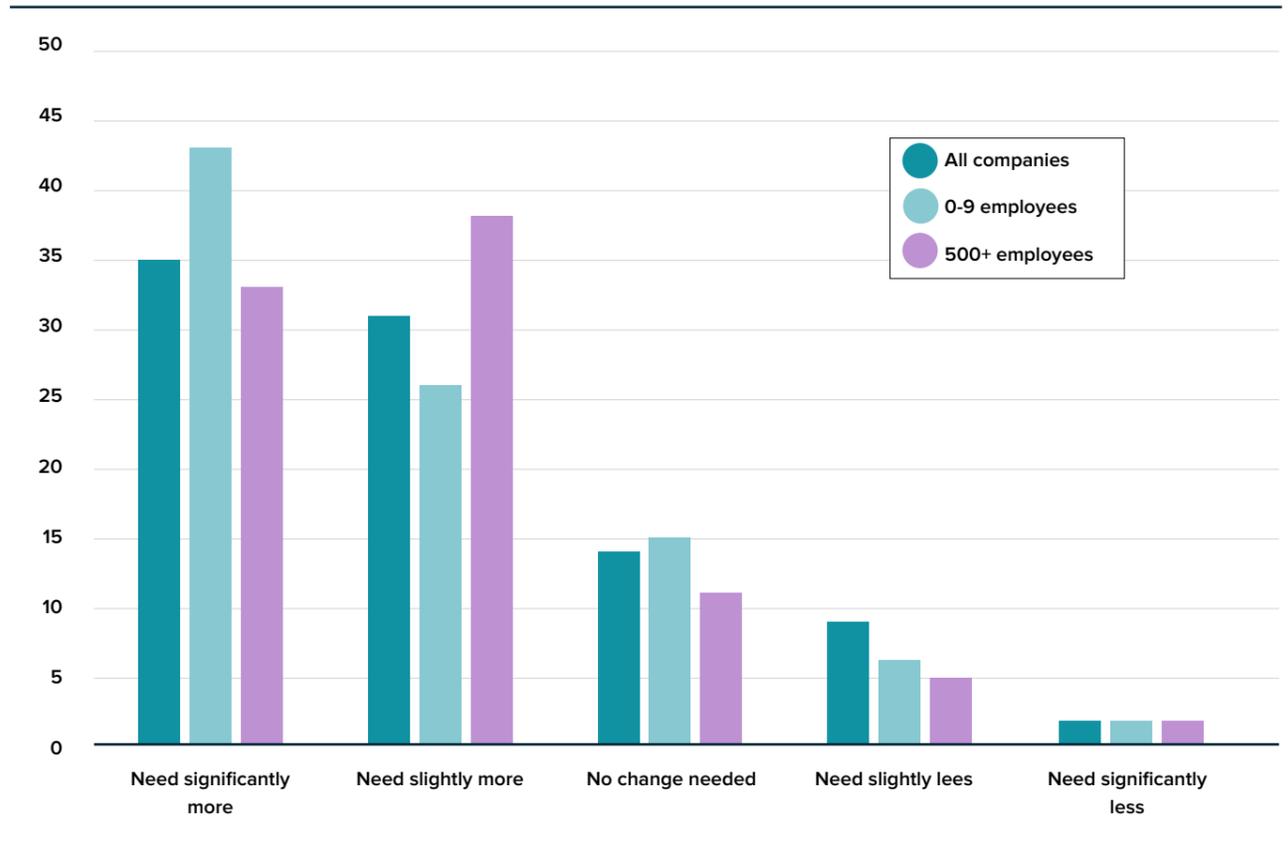


Respondents chose up to three skills.

**The majority of UK tech professionals say we need more AI regulation.**

This sentiment is especially strong among the smallest companies (0-9 employees) and less strong among the largest companies (500+ employees). 43% of small startup companies

To what extent, if at all, is change to the level of regulation of AI in the UK needed?



# Nicola Hodson

CEO, IBM UK & Ireland

# Tej Lalvani

Vitabiotics

→ *“We believe the purpose of AI is to augment, not replace human expertise and judgement; that insights generated from data belong to their creator; and that AI must be transparent, explainable, and free of harmful bias.”*

→ *“Setting up a business is going to be a challenge. Find a niche where you’re going to be the best, add value, and be a great growth prospect, because that’s what investors look for.”*



Achieving trustworthy, scalable AI requires a collective effort. We need an open innovation ecosystem for AI and an approach that ensures these tools represent all parts of society. Involving diverse teams in development and deployment is key to this.

Intelligent AI policymaking is also essential, and policymakers must enact regulation at the point of use to advance AI’s potential to help us make the world more productive.

However, legislation takes time to be implemented, and many organisations want to safely adopt AI now. To do so, organisations need to encourage AI innovation within a clear governance framework. They need enterprise-ready tools that produce accurate, ethical, and appropriate outputs. And they need to act now to train their teams; those that do will gain a competitive advantage.



There’s a lot of fire-fighting. If you’ve got a great idea, research it. Don’t be everything for everyone. AI can help through cost saving efficiency, by automating repetitive tasks and reducing the need for additional staff it can help businesses scale faster and more efficiently.

Around 60% of large businesses are using some form of AI, but only around 15% of smaller businesses, so there’s a lot of potential for growth.

Tej is the CEO of Vitabiotics and a former Dragon on BBC’s hit TV show, Dragons Den. He has led the growth of Vitabiotics into the UK’s largest vitamin company while driving expansion to over 100 countries.

# AI IN THE MEDIA





400,000 articles about AI were published in UK media in 2023 – more than 1,000 per day – with the perceived impact of AI dominating news channels.

From apocalyptic descriptions of job disruption and post-human worlds to life-saving new technologies, tech founders and operators must be just as ready to navigate AI's real, technological impact as the wider public perception of AI and AI startups as reflected in the media.

Mostly, sentiment towards AI in the UK media is positive. The UK saw a big spike in AI coverage during the AI Safety Summit in November 2023 and the most consistent coverage of AI is focused on regulation and the economy.

Topics most associated with AI in the media relate to progress in engineering and innovation, plus stories related to the labour market have a positive slant. Media coverage is less positive in relation to AI's impact on human rights.



UK AI news media coverage in 2023. Source: Signal AI

# Enterprise Software

**DIGITAL AGILITY** Technology

Engineering Market Regulation

## AUTOMATION

Technology R&D

## INNOVATION

Digital Futures DIGITAL AGILITY

Market Regulation

Engineering **MANUFACTURING**

Long-term Outlook Market Regulation

**R&D** INNOVATION

Business Modernisation

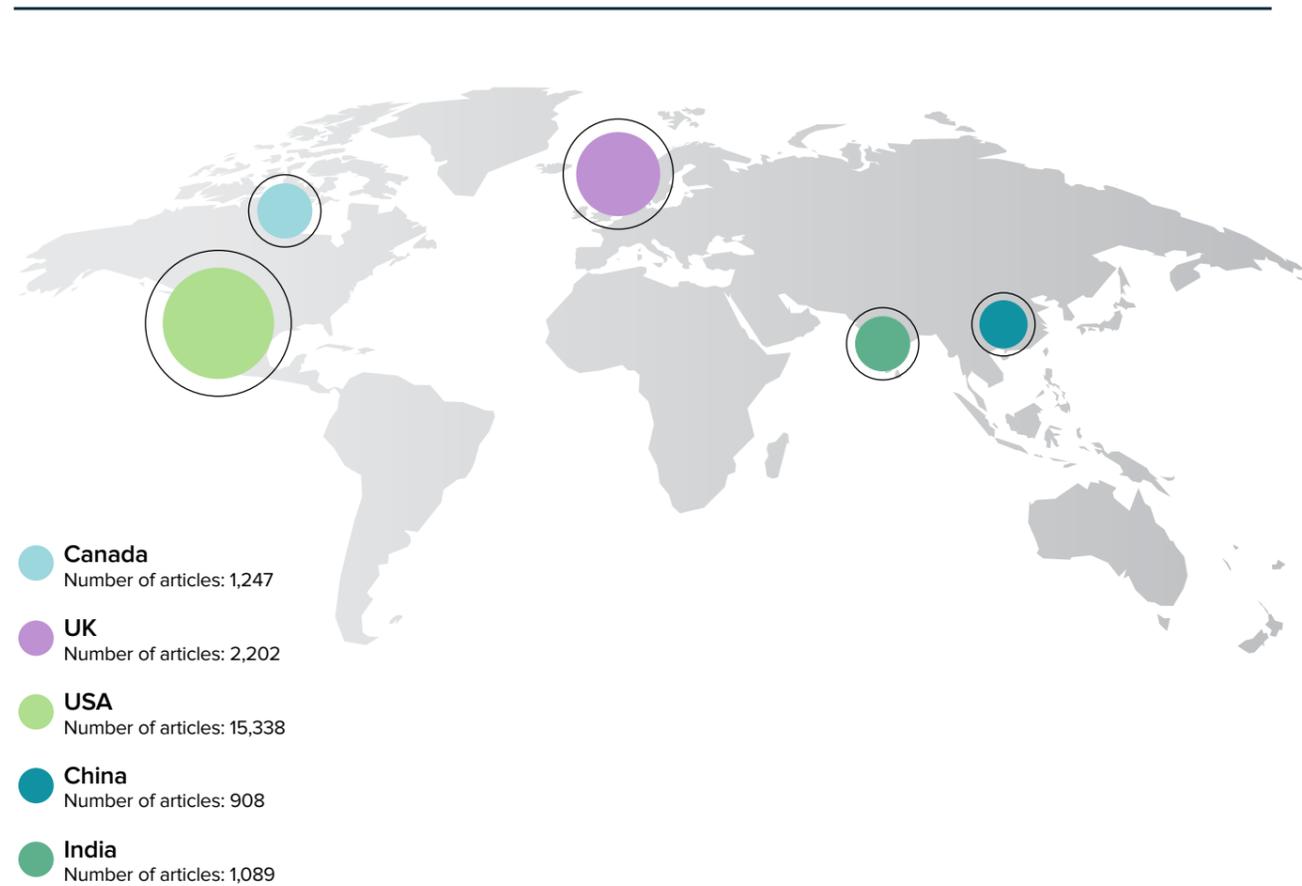
Machine Learning

**Innovation Leadership**

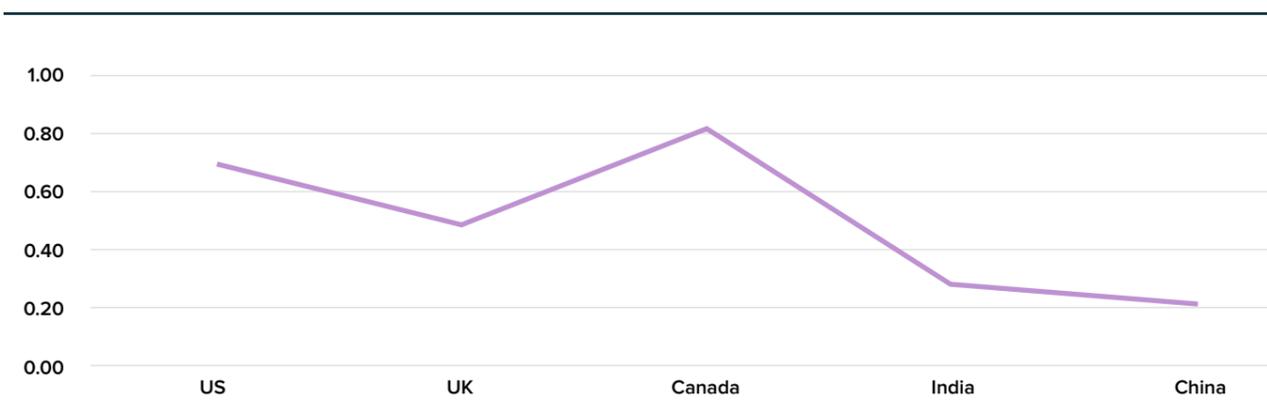
Topics most associated with AI in UK news media in 2023. Source: Signal AI

Global news coverage also portrays UK AI startups positively, with the US and Canada the primary sources of favourable attention for the UK AI startup scene.

News coverage of UK AI startups



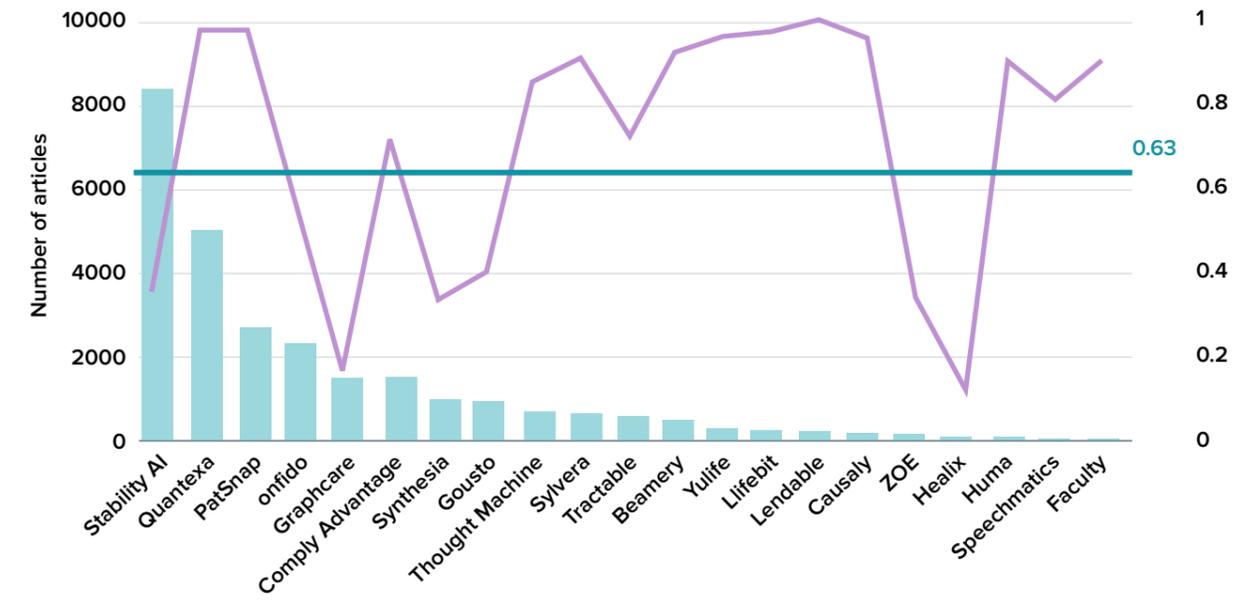
Sentiment around UK AI companies - Top 5 source locations



Net positive sentiment (0-1, neutral-positive). Source: Signal AI

Media sentiment varies depending on the fortunes of different UK AI startups, although the likes of Quantexa, PatSnap, and Lendable received overwhelmingly positive coverage in 2023.

News coverage and sentiment around UK AI startups (2023; global coverage)

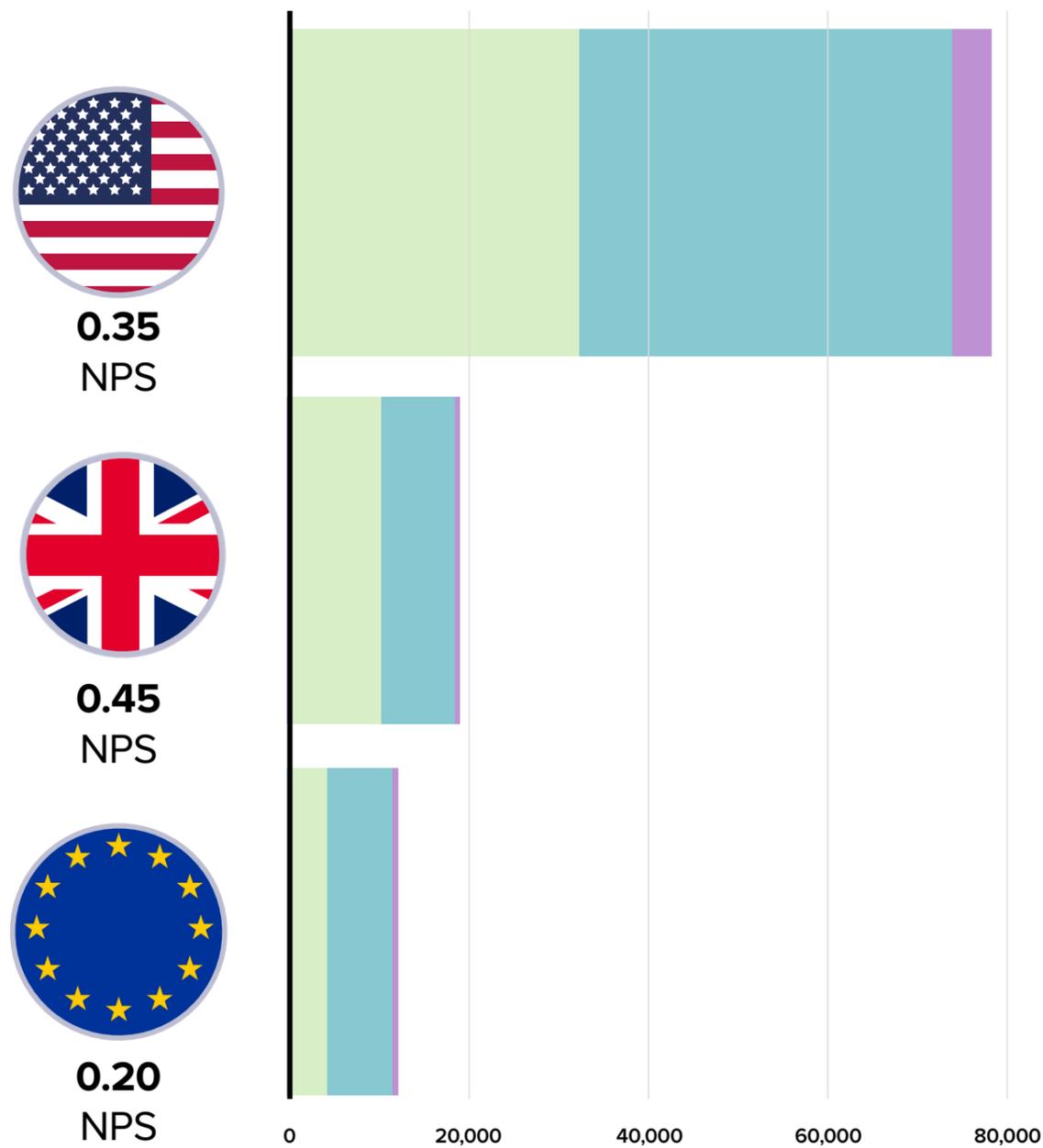


Number of articles  
Net Positive Sentiment  
Overall NPS

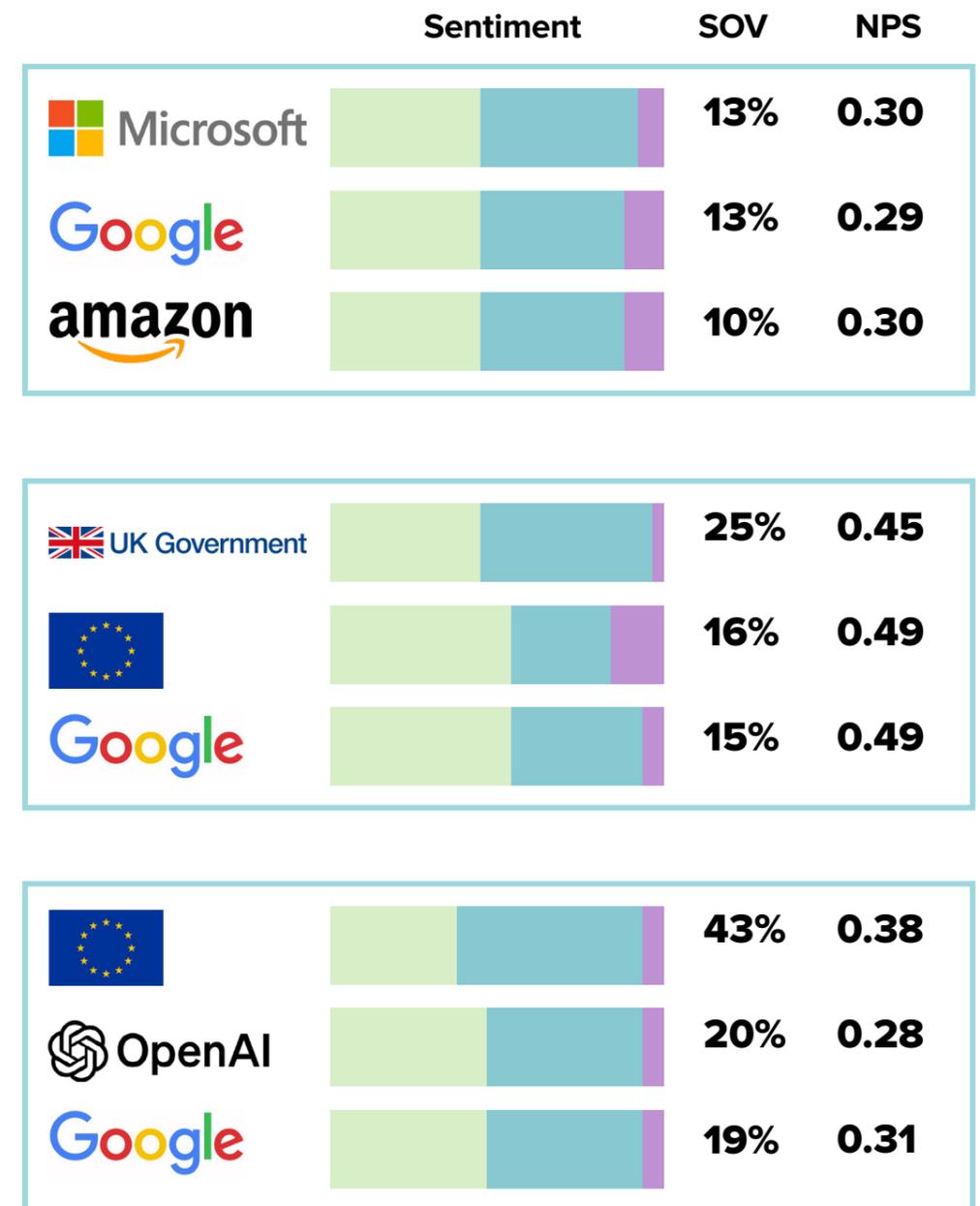
Source: Signal AI

While in the US, the big tech firms dominate discourse around AI, in the UK, as in continental Europe, regulators lead the conversation, with a more positive portrayal of AI in the media.

How national sources portray AI



Top organisations driving the conversation



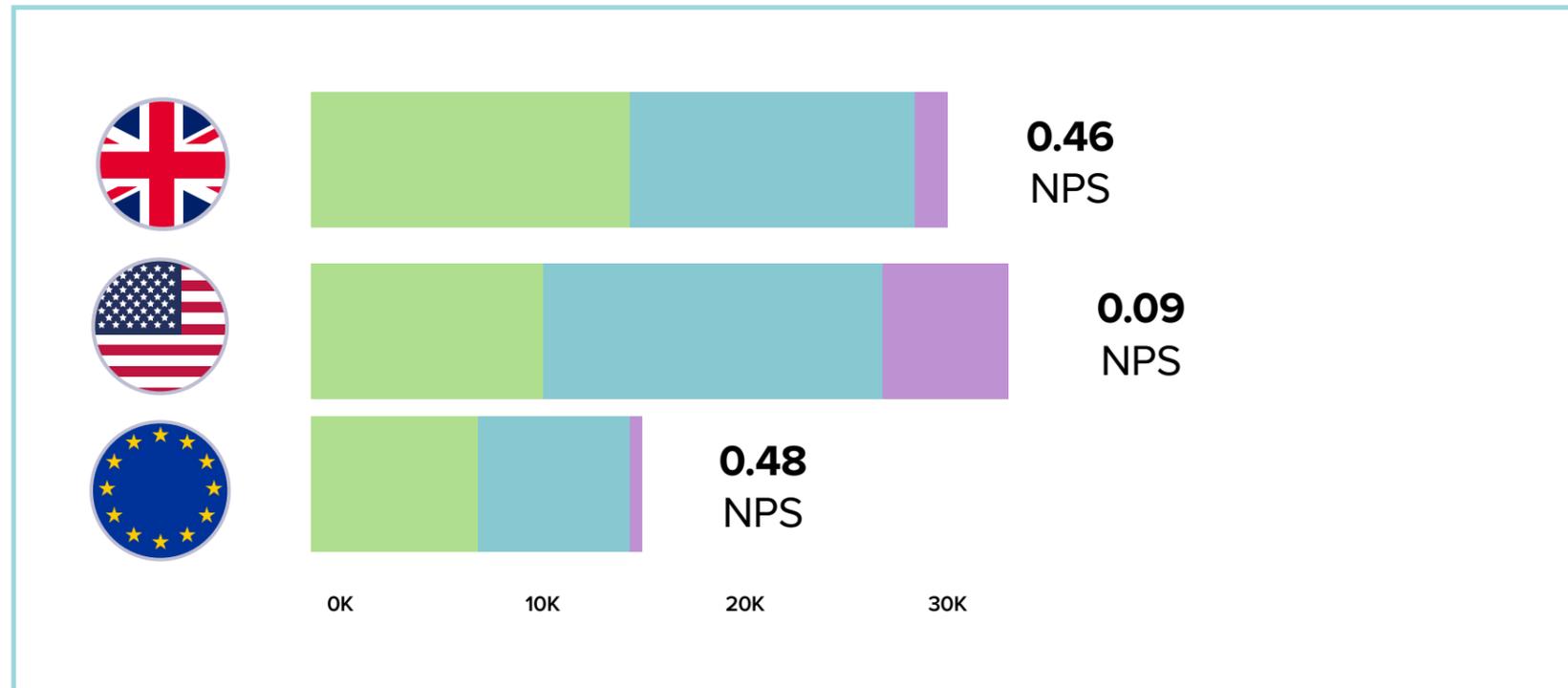
NPS = Net Positive Sentiment

Sentiment: Positive Neutral Negative

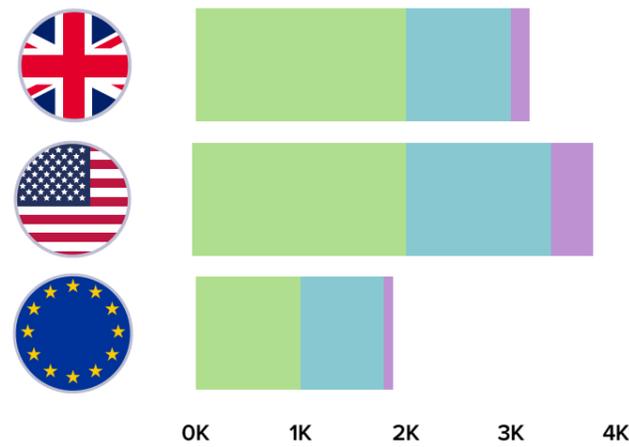
Source: Signal AI

The UK also leads discussions on the responsible development of AI with sentiment on AI regulation mostly positive and neutral. The biggest regulatory concerns relate to data protection, privacy, and copyright.

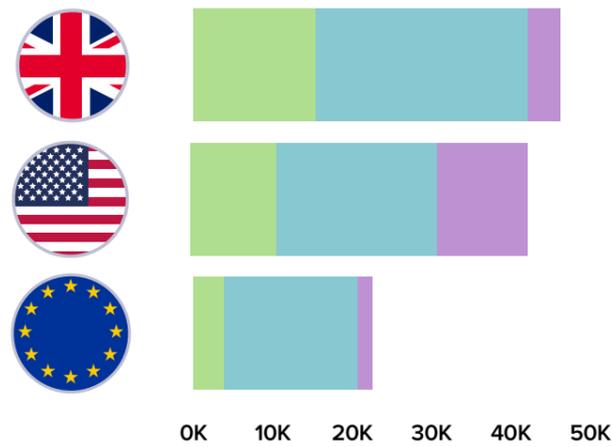
### AI Regulation



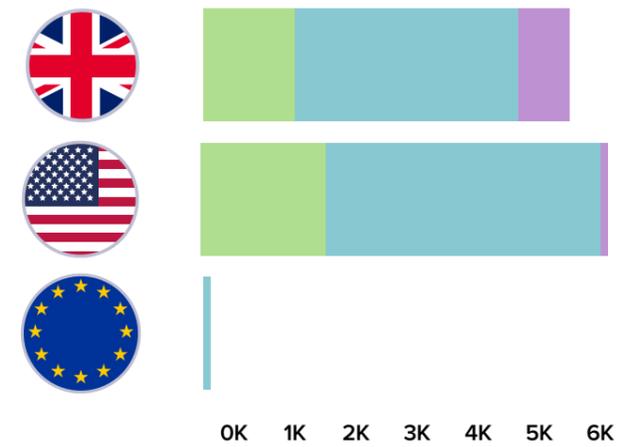
### Responsible AI



### Data Protection & Privacy



### Patent, Copyright, Trademark & AI



Source: Signal AI

Sentiment: ● Positive ● Neutral ● Negative

# Guy Podjarny

Snyk

# David Benigson

Signal AI

→ *“Organisations need to level up their automation, speed, and AI defence.”*



New developments in AI and LLMs are opening up new realms of possibility in threat intelligence; in better understanding text and visuals, human interaction within an organisation, and new modes of interface activity in games and web. But AI also strengthens the attackers, making them better at mimicking humans and more efficient at automatically-generating cyber attacks. It's an arms race – if you don't embrace AI for your defences, the attackers will take you down!

Educate yourself and your teams to be more discerning and scrutinise requests regardless of their format. Implement tools like two-factor authentication and maintain good overall security hygiene by addressing misconfigurations, unpatched vulnerabilities, and overly trusting human behaviours.

With the pace of tech change, cybersecurity has to switch from the state of mind of an auditor, which reviews what's being done, to a platform that helps everybody make the right decisions as they work.

Guy is the Founder, President, and Chairman of Snyk, which pioneered, and now leads, the growing category of developer security.

Founded: **2015**

Stage: **Series G**

Employees: **1,000**

Raised: **\$1.1b**

Investors: **Accel, Boldstart, Sands Capital, Evolution, BlackRock**

→ *“The UK is positioning itself as a leader in the safe AI category.”*



Sentiment around AI in the UK is mixed and there's been a tremendous amount of hyperbole around the impact AI is going to have on the workforce and job automation. Even the AI Safety Summit was geared towards existential risk.

In reality, the implications of the technology are more subtle, but no less profound. We need to think less about automation and more about augmentation. How do we evolve skills and train new workforces? As a tech community, we need to communicate a more balanced perspective and talk about AI safety in the context of current challenges – social media, education, and skills development – rather than dramatic existential risks.

It's an exciting moment for UK AI. We don't have the scale or the compute power of the US and China, and we haven't built our own LLM like Mistral in France. But the UK is positioning itself as a leader in the safe AI category and that can help us compete on the global stage. We're not going to see large enterprises adopt these new LLMs unless they're confident the insights they produce are safe and can be trusted and the data that powers them is compliantly sourced. We have an opportunity to lead in ensuring these technologies are adopted safely and can be trusted.

David Benigson is the Co-Founder and CEO of Signal AI, which provides reputation and risk intelligence to companies globally.

Founded: **2013**

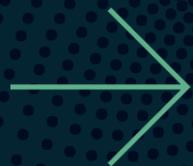
Stage: **Series D**

Employees: **200**

Funding Raised: **\$100m**

Investors: **Highland Europe, MMC Ventures, Hearst Ventures, Mercuri Ventures, Local Globe**

# THE UK TECH LANDSCAPE





**With innovations in AI driving new business and investment, UK tech's successful growth story continues into 2024, offering exciting opportunities for startup founders and operators from all corners of the country.**

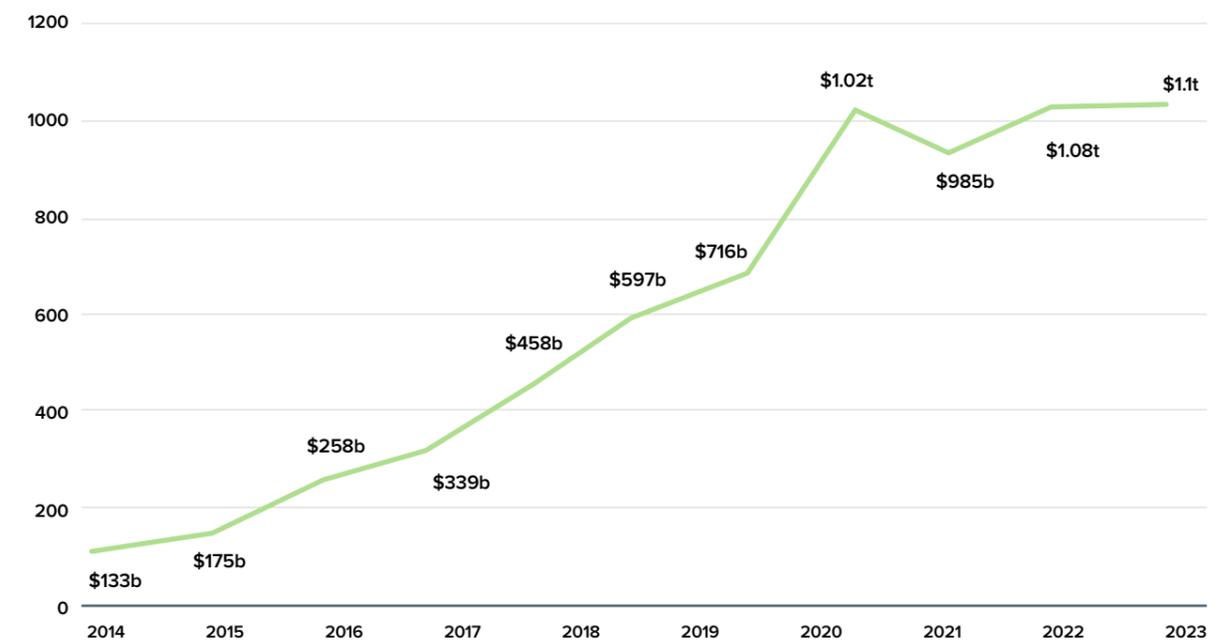


## The Growth of the UK Tech Sector

The UK tech sector overall reached a record combined market valuation of \$1.08 trillion in 2023.

That's an 8x increase in value over the past decade, up from \$133b in 2014, and an almost 2x increase compared with five years ago.

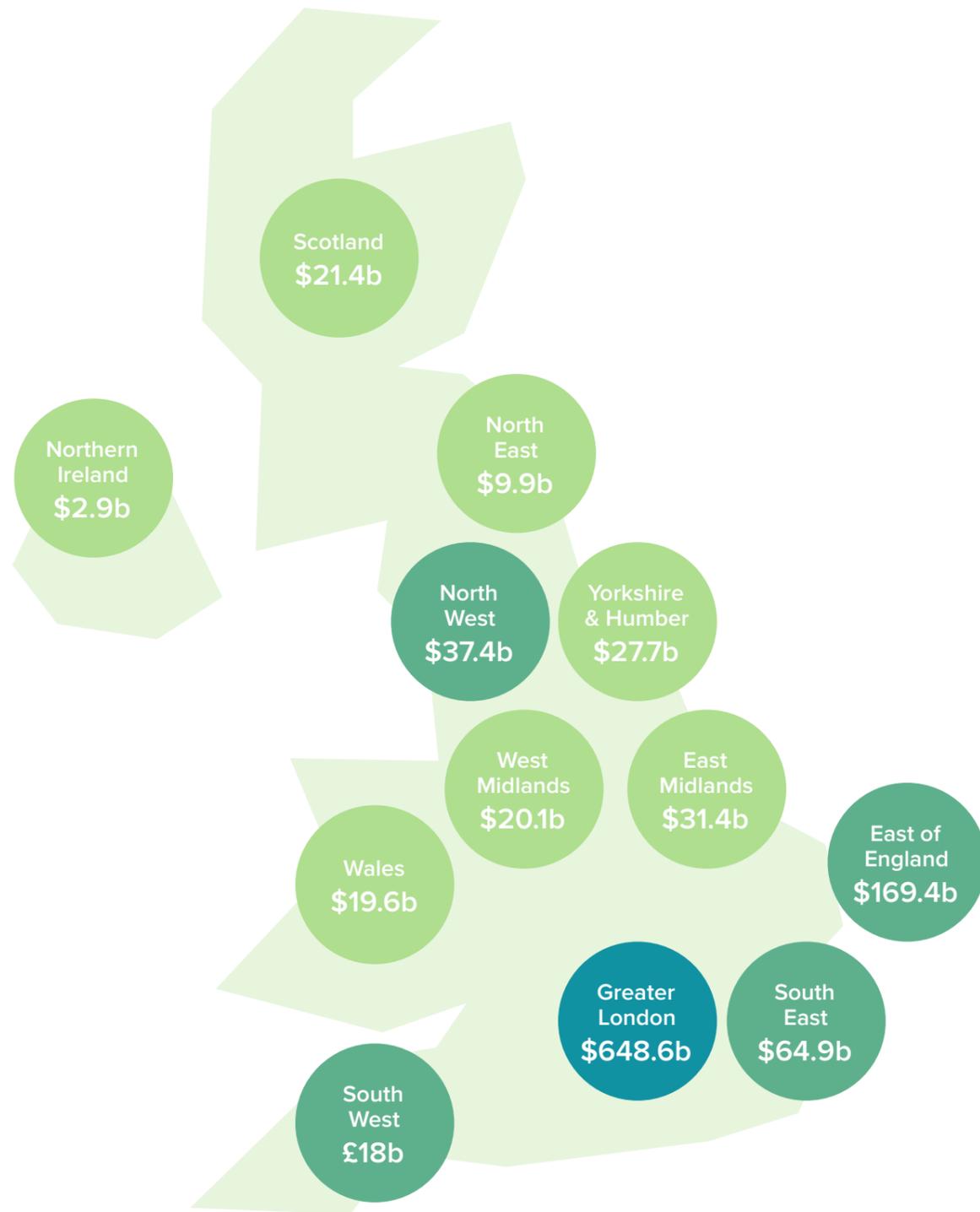
This positive growth trajectory looks set to continue in 2024, with the UK tech sector valued at \$1.1 trillion in Q1 2024.



Combined market valuation of UK tech companies over the past decade, 2014-Q1 2024. USD Billions.



London is the UK's most valuable tech ecosystem, with a combined market valuation of \$648.6b in 2023. However, there are multi-billion dollar tech hubs across the UK. After Greater London, the East of England, the South East, and the North West are the leading regional UK tech ecosystems.

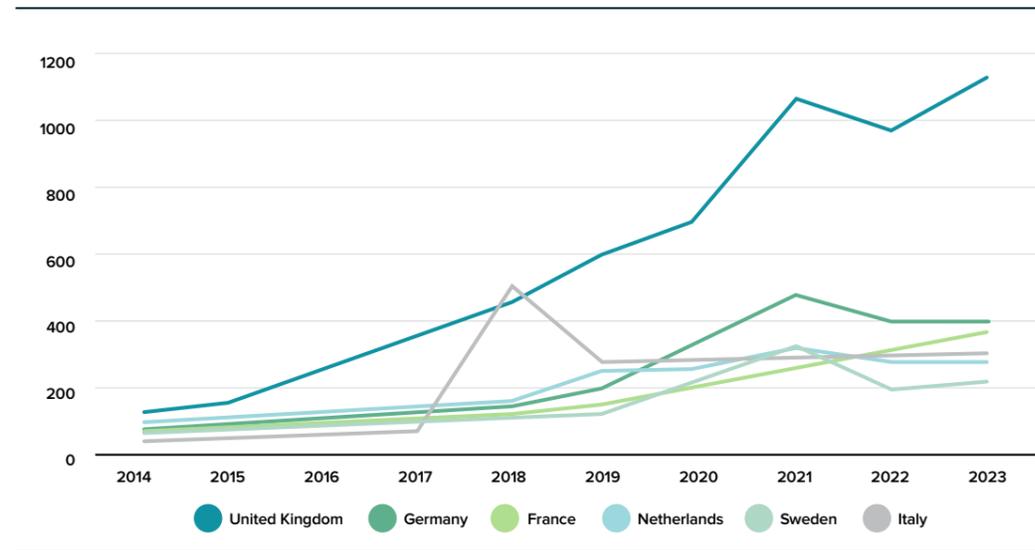


Combined market valuations in 2023.

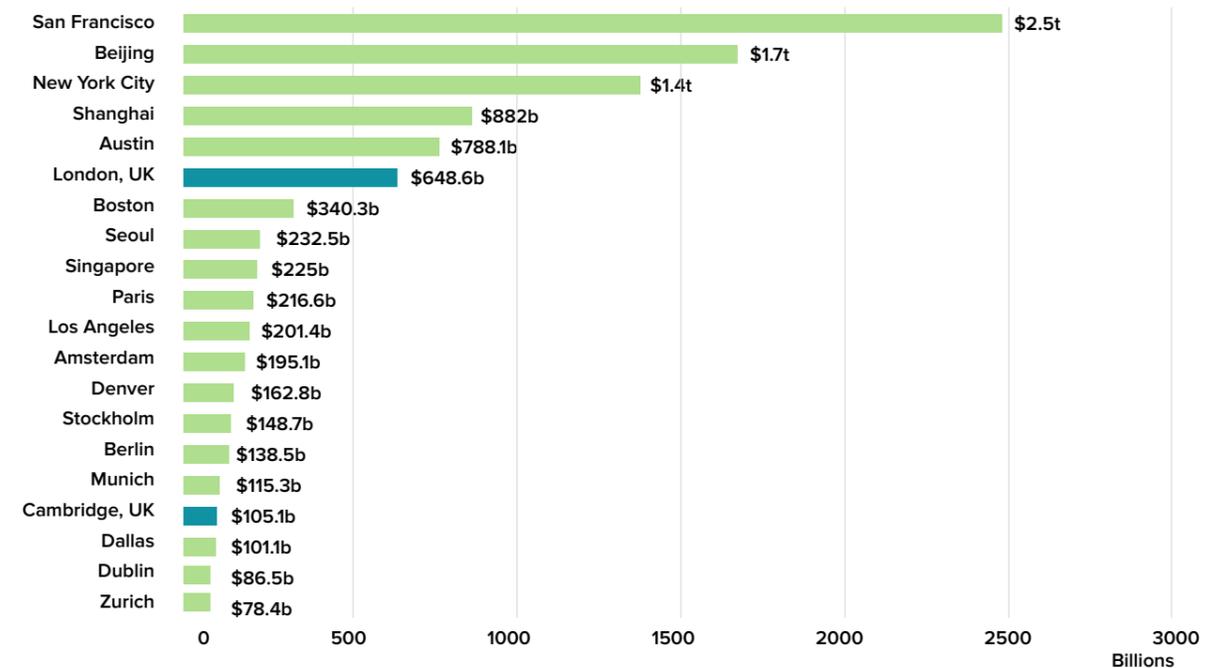


## UK Tech in a Global Context

Valued at more than \$1t, the UK tech sector is the third most valuable in the world after the US and China, and the number one tech ecosystem in Europe.



London is the world's sixth most valuable tech city, with a combined market valuation of \$649b in 2023. Cambridge also features among the world's top 20 most valuable tech cities, at 17th, with a combined market valuation of \$105b in 2023.



Combined market valuations of tech companies headquartered in each city in 2023. USD Billions.

# Dr Hayaatun Sillem

## Royal Academy of Engineering

→ *“The UK has a very strong offering to innovators, from our outstanding research base to the creativity of our engineering and tech workforce and the openness of our economy.”*



The challenge is for us to continue to upgrade our ability to attract and retain innovation talent and finance in a competitive global landscape.

We also need to focus more on driving adoption of existing technology across UK industry, recognising that SMEs and sectors with lower levels of innovation may struggle to navigate this without help. Accelerating adoption can drive improvements in the productivity and competitiveness of UK plc, and increase our capacity to innovate in the future.

In addition, we need a continued emphasis on building a more inclusive and resilient innovation ecosystem. When we have the best talent on the job, from all parts of society, we'll be able to unlock the true potential of technology to shape better outcomes for all. I remain awestruck by the power of technology and engineering to transform lives – it's the innovators and entrepreneurs in these fields who will shape our future.

Hayaatun is CEO of the Royal Academy of Engineering and Queen Elizabeth Prize for Engineering Foundation. She is an advisor to government and ARIA, co-chaired Lewis Hamilton's Commission on Black representation in motorsport, and is NXD at construction company, Laing O'Rourke. Previously, she co-founded the Academy's Enterprise Hub, a leading deep tech accelerator.

# Tom Bohills

## Founders Law

→ *“Understanding and navigating legal complexities is a pivotal part of a startup's journey.”*



Tom Bohills is the Founder of [Founders Law](#), which provides businesses with frictionless, relationship-driven legal support, from Seed through to exit.

### Legal lessons for startups

#### 1. Laying the groundwork

Establish your website with clear terms and conditions, privacy, and cookie policies from the outset. These documents are not just legal formalities; they're the bedrock of trust and transparency with your users, outlining how their data is used. Neglecting this can lead to significant fines, often calculated as a percentage of your revenue.

#### 2. Protecting your Intellectual Property

Your IP is likely more valuable than you realise. Registering it not only safeguards you from competitor infringement and customer confusion but also bolsters your balance sheet – an attractive prospect for investors. This process is typically very cost-effective. We have seen a number of scaleups forced to undergo expensive rebranding having failed to register their rights, even post Series A.

#### 3. Navigating co-founder disagreements

Collaborating with co-founders can be complex. Disagreements are inevitable, but having a robust co-founder agreement in place can safeguard all parties. It ensures clear decision-making processes and conflict resolution strategies, saving you from potential legal disputes and hefty costs.

#### 4. Employee protection

Ensure you have legally sound employment contracts. Familiarise yourself with mandatory policies like grievance, disciplinary and dismissal procedures. These are not just legal requirements; they're tools to mitigate risks associated with hiring and firing. Lack of proper documentation can lead to expensive settlements or tribunal cases. Ensuring your legal documents are in order allows you to concentrate on what you do best; growing your business.

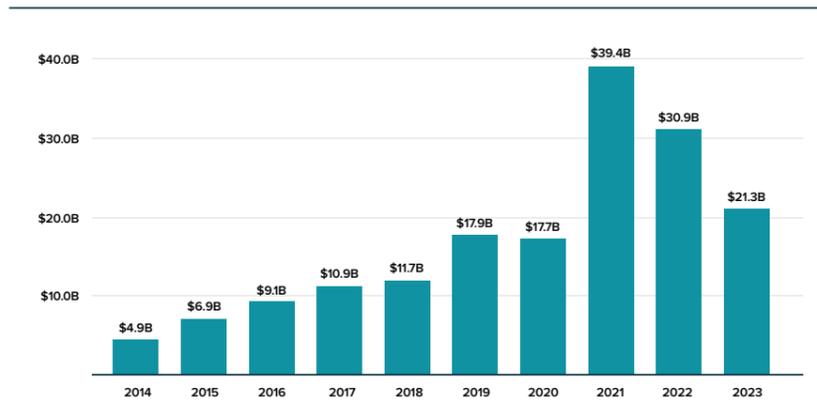
# INVESTMENT





Much of UK tech's growth has been fueled by the startup and scaleup ecosystem. In 2023, UK startups raised \$21.3b in VC investment, the third highest total on record, after the outlier years of 2021/22.

VC investment into UK startups



VC investment includes all venture-type investments, from VC firms as well as corporate venture investments and venture investments by family offices, angel networks etc.

In 2024 so far, we've seen the normalisation of the VC funding environment continue, with startups finding it more challenging to raise VC investment than in previous years. While significantly down compared with 2021 and early 2022, VC investment per quarter has been fairly consistent since Q3 2022.

In Q1 2024, UK tech startups raised \$3.9b, down 8% compared with Q1 2023 and down 69% compared with Q1 2022. Q1 2024 saw startups raise the lowest quarterly amount of VC investment in the past two years, although there are likely more Q1 2024 rounds that are yet to be disclosed.

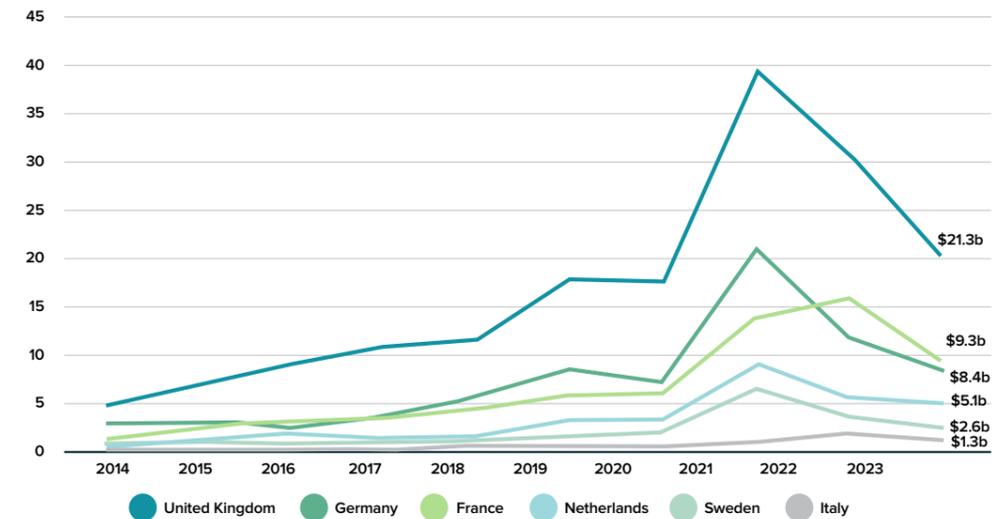
VC investment into UK startups (Quarterly)



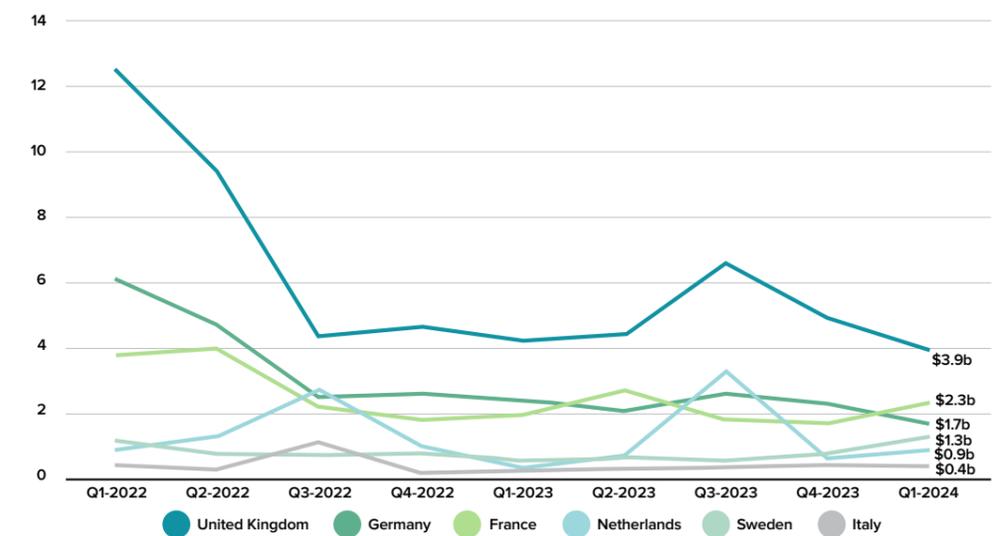
## Investment in a Global Context

Investment in UK tech startups outstrips every other country aside from the US and China.

In 2023, at \$21.3b, UK tech startups raised more than double that raised by startups in France (\$9.3b), Germany (\$8.4b), Sweden (\$5.1b), and other major European markets.



Quarterly investment follows a similar pattern across Europe, with UK startups still raising around double the amount raised by startups in other European markets in Q1 2024.



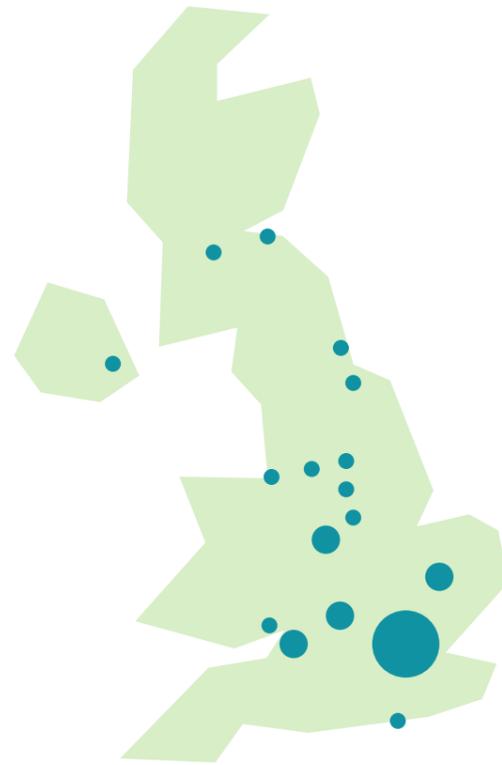


## Investment by Region

Across the UK, tech startups in London raise the most capital, but entrepreneurship is distributed throughout the country with investment growing fastest in the West Midlands, Glasgow, and Northern Ireland.

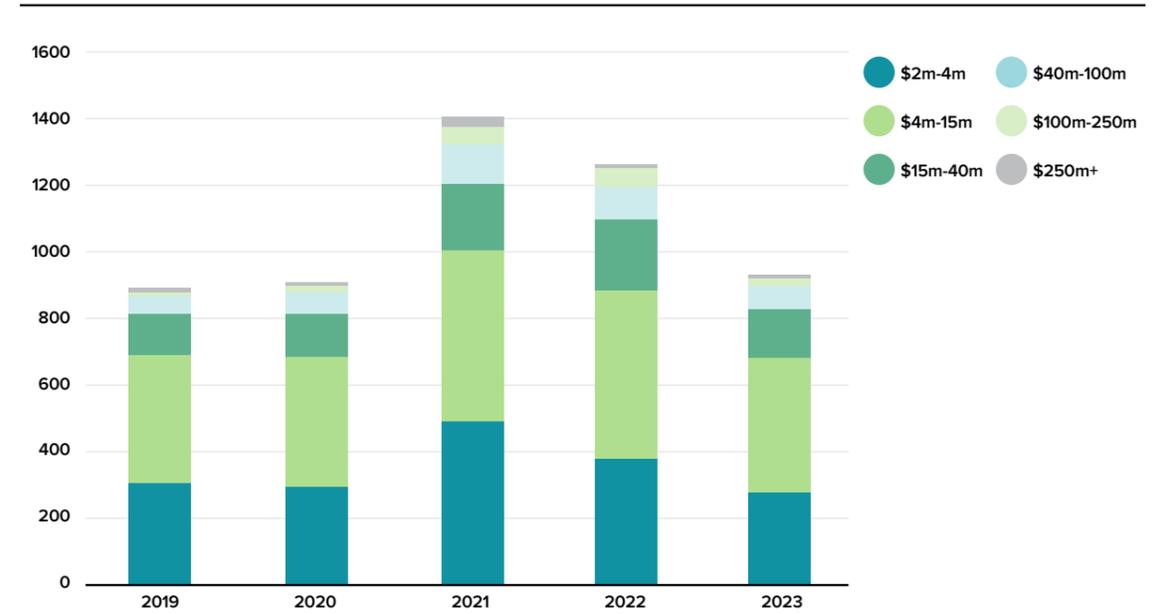
With significant growth in the past five years, Birmingham, Liverpool, Sheffield, Glasgow, and Belfast are the UK tech hubs to watch.

City	2023	Growth in VC (2019 - 2023)
Birmingham	\$643m	1183%
Liverpool	\$195m	657%
Sheffield	\$300m	595%
Glasgow	\$224m	526%
Belfast	\$123m	227%
Oxford	\$786m	125%
Durham	\$133m	104%
Brighton	\$24m	47%
Cambridge	\$8m	37%
Cardiff	\$125m	9%
London	\$12m	4%
Leeds	\$88m	-5%
Newcastle	\$70m	-13%
Edinburgh	\$135m	-21%
Bristol	\$437m	-27%
Nottingham	\$12m	-33%
Manchester	\$237m	-44%



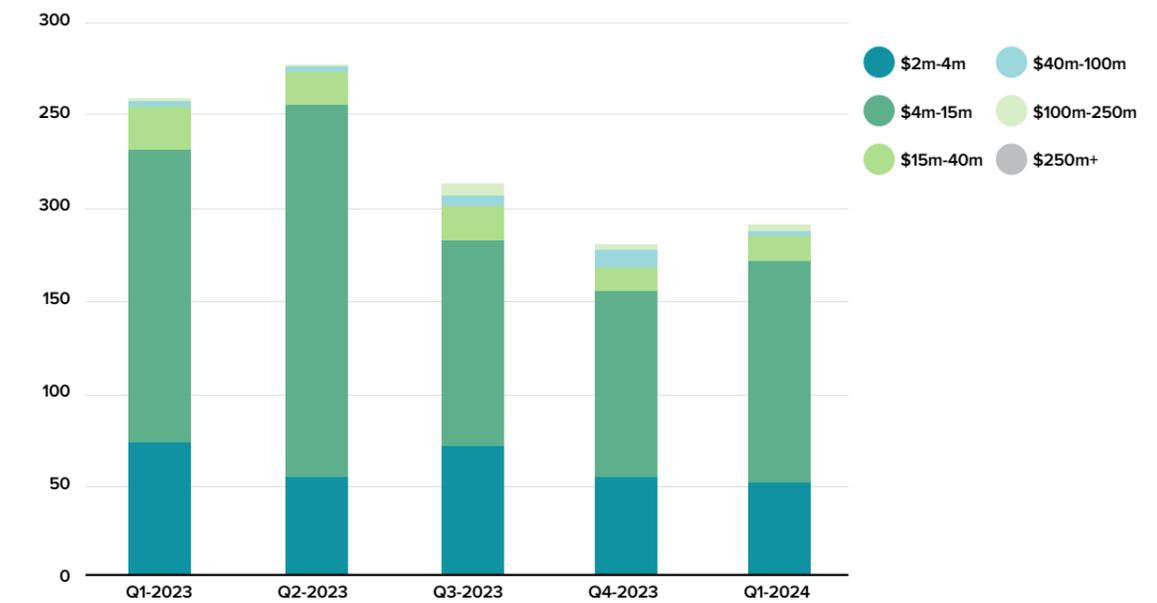
## Rounds Raised

Although deal activity has followed a general downward trend since 2021, the number of \$2m+ rounds raised in 2023 was still greater than 2020 and 2019.



Number of \$2m+ funding rounds raised by UK startups per year. Note, there is a known reporting lag for early-stage funding rounds. In order to accurately track deal activity, our analysis only considers rounds worth more than \$2m.

While VC investment declined in Q1 2024, the number of rounds raised increased compared with the previous quarter, showing strong signs of investment activity. Series A rounds (\$4m-\$15m) saw the most activity.

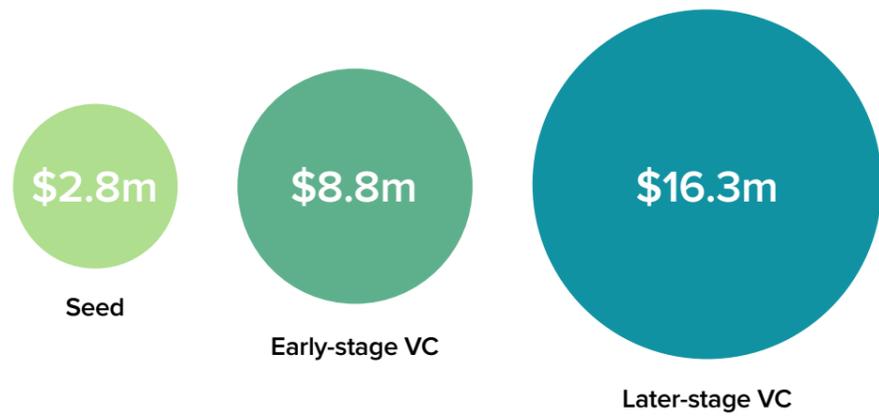




## Investment and Valuations per Round

The average Seed funding round in 2023 was \$2.8m, the average early-stage VC round was \$8.8m, and the average later-stage VC round was \$16.3m.

VC investment per round has stayed fairly consistent over the past five years, although later-stage rounds have seen the biggest decline. The average capital invested per later-stage VC round halved in the past year, from \$31.3m in 2022.



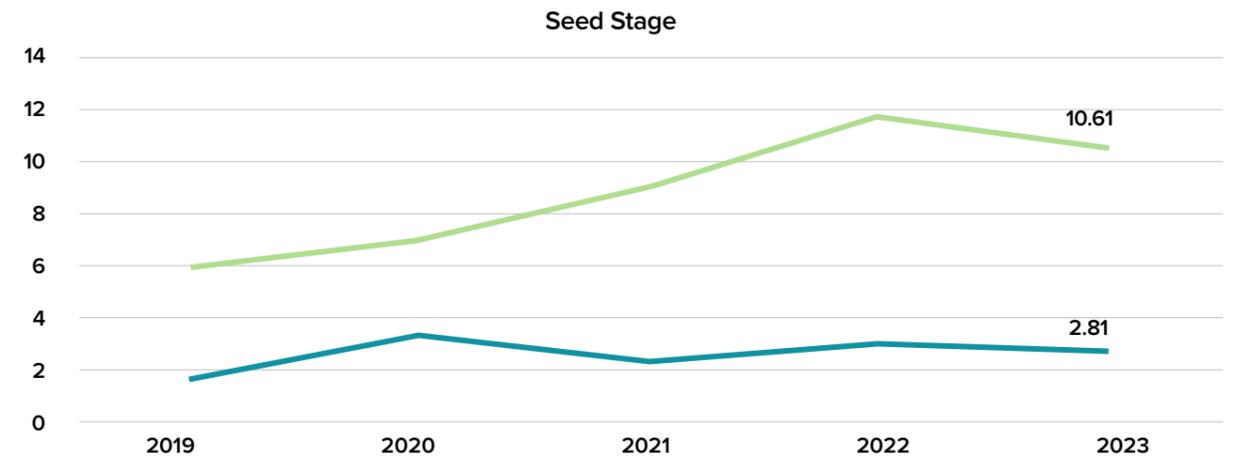
Average round size raised by UK tech startups in 2023

After two years of inflated valuations, we saw a return to the norm for startup valuations in later-stage VC rounds.

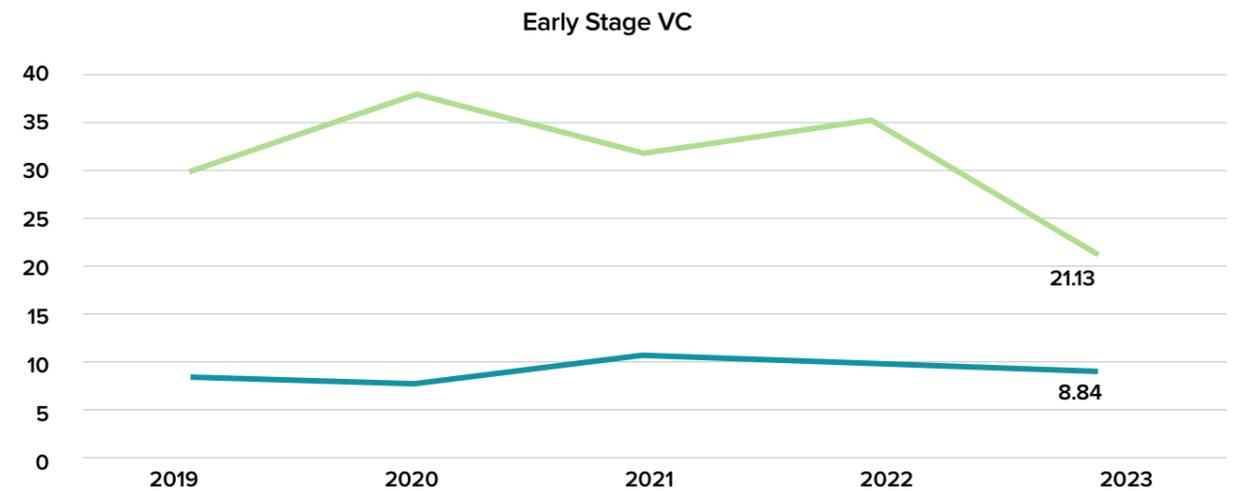
Average valuations for startups that raised later-stage VC rounds fell by 57%, from \$280m in 2022 to \$119m in 2023. Average valuations for startups that raised early-stage VC rounds fell by 40%, from \$35m in 2022 to \$21m in 2023.

Meanwhile, Seed stage startups were valued at \$10.6m on average in 2023, down compared with 2022, but still up on previous years.

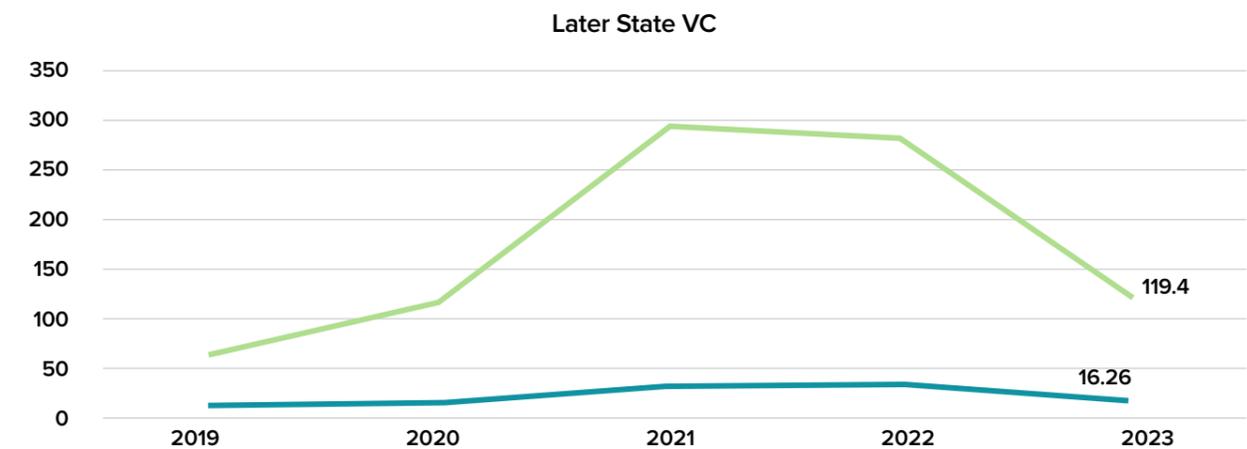
● Capital Invested Mean ● Post Valuation Mean



\$ Millions - Based on global VC investments in UK-headquartered companies. Data from Pitchbook.



\$ Millions. Data from Pitchbook.



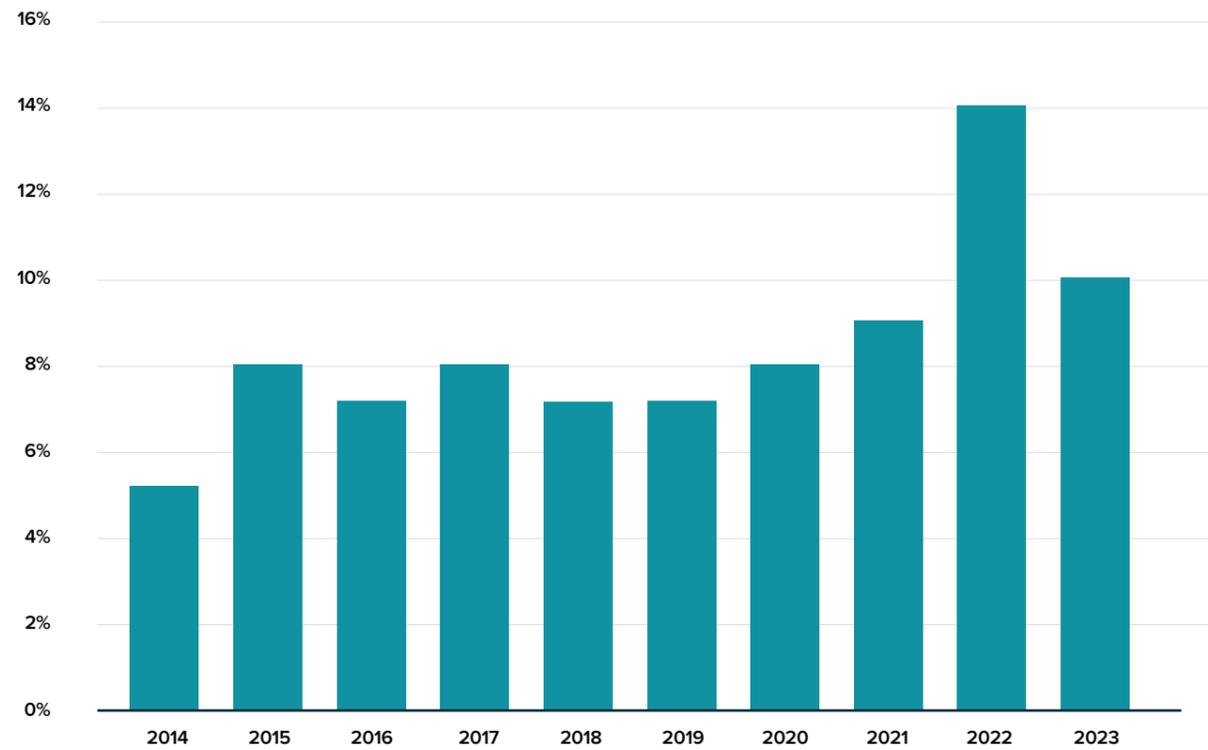
\$ Millions. Later-Stage VC is typically Series C+. Data from Pitchbook.



## Investment in women-founded startups

\$2.2b (10%) of the total \$21.3b raised by UK tech startups in 2023 went to companies with at least one woman co-founder.

While the proportion of investment flowing to tech startups founded by women has more than doubled in the past decade (from 5% in 2014), there's still significant progress to be made, with only around one in 10 funded startups in the UK founded by women.



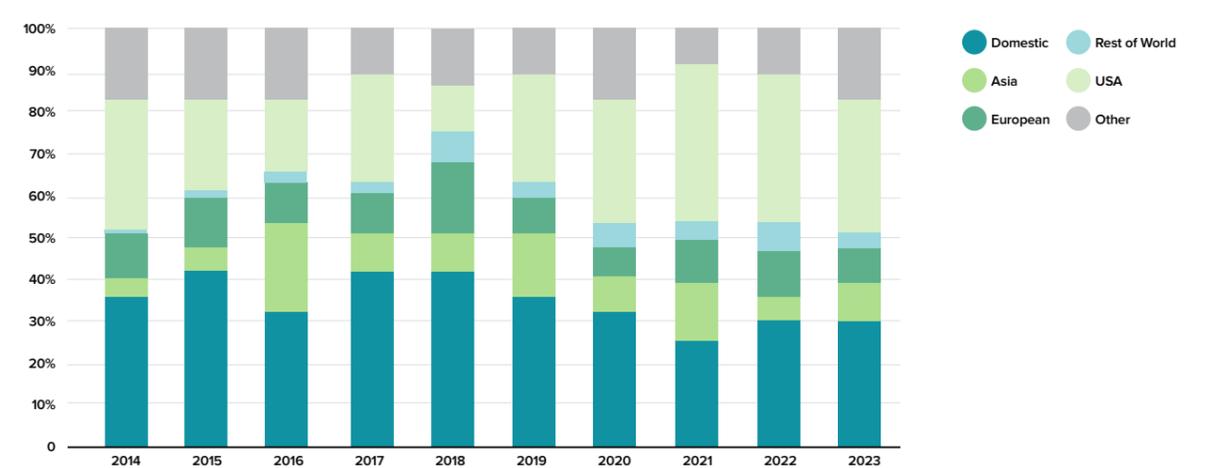
Percentage of total investment in UK tech which went to startups with at least one woman co-founder per year. Investment includes VC and corporate investment.



## Domestic vs Overseas Investment

The UK remains an attractive destination for foreign investment. On average over the past 10 years, up to 64% of VC investment in UK tech startups has come from overseas.

The US is the strongest international backer of UK tech, with more than a quarter (26%) of investment in UK tech flowing from across the Atlantic in the past decade. In 2023, the US contributed 28% of total investment in UK tech startups, Europe 9%, and Asia 9%. Around a third (32%) came from within the UK.

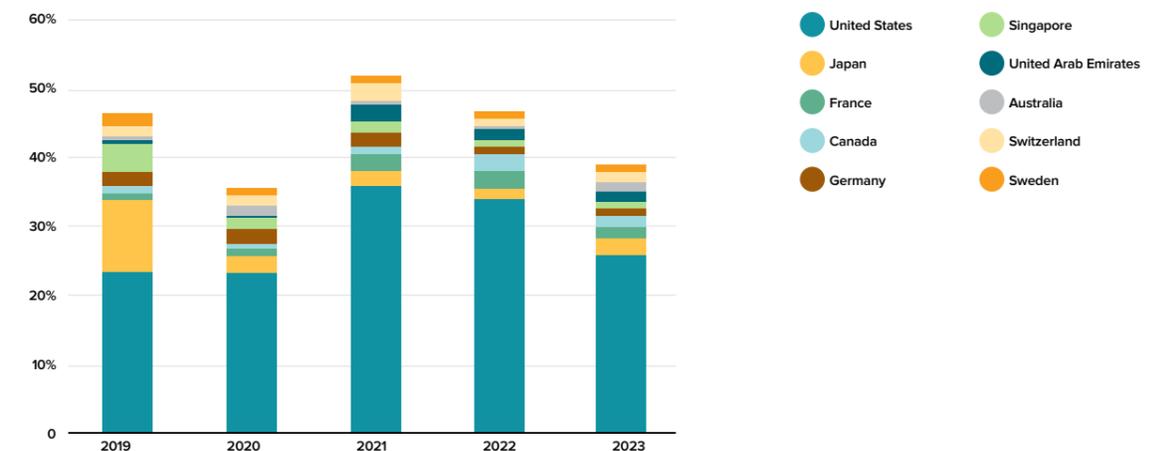


Percentage of domestic and foreign investment into UK tech startups over the past decade based on location of investor HQ. Includes VC and corporate investment. Other = HQ unknown and counted as foreign investment.

## Top countries for overseas investment in the UK

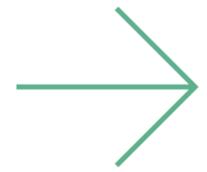
Broken down by country, the US, Japan, France, Canada, and Germany are the biggest sources of overseas VC investment in UK tech, although the proportion of investment from the US dwarfs every other country.

On average over the past five years, 29% of overseas investment has come to the UK from the US, compared with 4% from Japan and 2% from Germany, the next highest contributors.



# Grace Beverley

Tala



*“The barriers to entry for aspiring female entrepreneurs are sky-high. We need to take concrete steps to change the landscape.”*



The first step is education, ensuring that at school all pupils are taught about the different avenues into entrepreneurship; how to pitch, how funding works, and the basics of investing.

Even more importantly, the system needs to change. So many women are pushed out of entrepreneurship because of the lack of access to funding, both on a VC level and in securing angel investment. It still astounds me that only 2% of all investment goes to female founders in the UK, particularly considering that when they do get investment, female-founded businesses outperform those of their male peers.

Until the government makes funding more accessible and addresses the systemic bias in the investment landscape, young women will still be climbing barriers even to start on their entrepreneurial journey.

Grace is the Founder & CEO of sustainable activewear brand, Tala, with a global following of 3 million. She was named first in Forbes 30 Under 30 Retail/Ecommerce for accelerating sustainable fashion. She’s also the author of Sunday Times bestseller, Working Hard, Hardly Working, and host of the eponymous podcast.

Founded: 2019

Stage: Seed

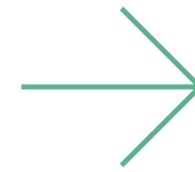
Employees: 40

Raised: \$5.7m

Investors: Venrex, Active Partners, Simon Mottram, Debbie Woskow, Charlotte Tilbury, Nicola Kilner

# Flavilla Fongang

Black Rise



*“Black people need to feel empowered to believe they can start and scale tech businesses.”*



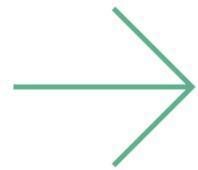
That starts with building awareness of how you can launch a business step by step, a support system, mentorship, and safe spaces where ideas can be tested and brought to life. Storytelling is crucial. There are tons of black leaders across industries, but their stories haven’t been told. With more role models, we can normalise the idea of being an entrepreneur in the black community.

The UK is ahead of the rest of Europe in its desire to improve diversity in tech, but it’s a problem that can’t be solved by any one organisation. VCs want to invest in minority-led businesses but don’t know where to find them. Companies need to think about new methods of recruiting and reframe their brands to attract black talent. We need to incentivise the entire ecosystem to act as one, and organisations need to build relationships with different partners who are tapped into the black community to change their approach. In this way, we can overcome preconceived ideas of what it takes to be a tech entrepreneur.

Flavilla is the Founder of Black Rise, a platform bringing Black professionals, entrepreneurs, and businesses together while connecting them with companies and investors.

# Hussein Kanji

## Hoxton Ventures



*“There’s a plethora of capital for Seed-stage companies. Funds are more active versus less active, and there’s more entrepreneurship versus less.”*



We’ve had a shock in the market, but it’s not like the US funds here are moving out. Tech is part of UK GDP now, and it’s here to stay.

For anyone raising Seed funding, you need to show, don’t tell. Don’t just talk about getting customers; provide demonstrable examples of customer growth. Get social references. The investment community is so connected that it’s easy enough to find an inroad. Plus, hire well. There’s a frenzy for world-class talent, especially in AI, so the more distinguished your team, the easier the fundraiser.

At a late stage, you have more traction and numbers you can point to. At Seed, it’s more conceptual; it’s about your people, your idea, and your vision for the future.

A proud New Yorker, Hussein is the Founder of Hoxton Ventures, and now renowned as one of Europe’s most influential tech investors. He previously worked in senior roles at Microsoft and spent over a decade in Silicon Valley’s startup ecosystem.

AUM: **\$400m**  
Focus: **Generalist (Enterprise, Consumer, Deep Tech)**  
Stage: **Pre-Seed-Seed**  
Ticket Size: **\$1m-\$5m**  
Portfolio: **Baseimmune, Darktrace, Deliveroo, Peptone, Preply**

# Richard Segal

## Founders Keepers



Richard is the Co-Founder and Managing Partner of executive search firm, [Founders Keepers](#), which helps the world’s most ambitious high-growth companies hire the most impactful senior talent.

### Hiring your executive team - 5 trends to watch

#### 1. The market downturn has made more high-quality talent available

So it’s a good time to hire if you’re in a position to do so. To hire well, start by aligning internally on the role requirements and competencies before launching a search. Do thorough referencing, asking probing questions to understand the candidate’s working style, strengths, weaknesses, and fit for the role and working environment. Spend time building a relationship and selling them on the opportunity, and leverage the board in the interview process as part of the sell.

#### 2. Recruitment processes are moving faster

Executive searches typically take 3-4 months from start to close, but we’re seeing the time to close get quicker. There’s more talent on the market with more time to spare for interviews. Plus, since covid, people are more used to video interviews, which expedite the hiring process.

#### 3. Salaries have increased even in a down market

You’ve still got high-performing companies with big ambitions who are able to attract the very best talent. And the candidates going for these roles are experienced, proven, brilliant people who know how to navigate the market. When making an offer, understand the candidate’s personal financial requirements and constraints, and clearly communicate what the company can afford and why.

#### 4. Talent is increasingly looking to PE-backed firms

We’re seeing the emergence of tech talent, who’ve been part of scaling businesses in the past, now wanting to go into later-stage, private equity-backed companies. These firms offer broader roles, good compensation, and a faster path to liquidity.

#### 5. Equity is still important, but people are assessing likelihood of a payout

Candidates are more closely assessing the likelihood and timeline of an equity payout, not just the headline percentage. They’re becoming more savvy about evaluating the real value of equity offers based on the stage and trajectory of the company and their own past experiences. To stay competitive, companies need to be transparent about their growth plans.

# FUNDS

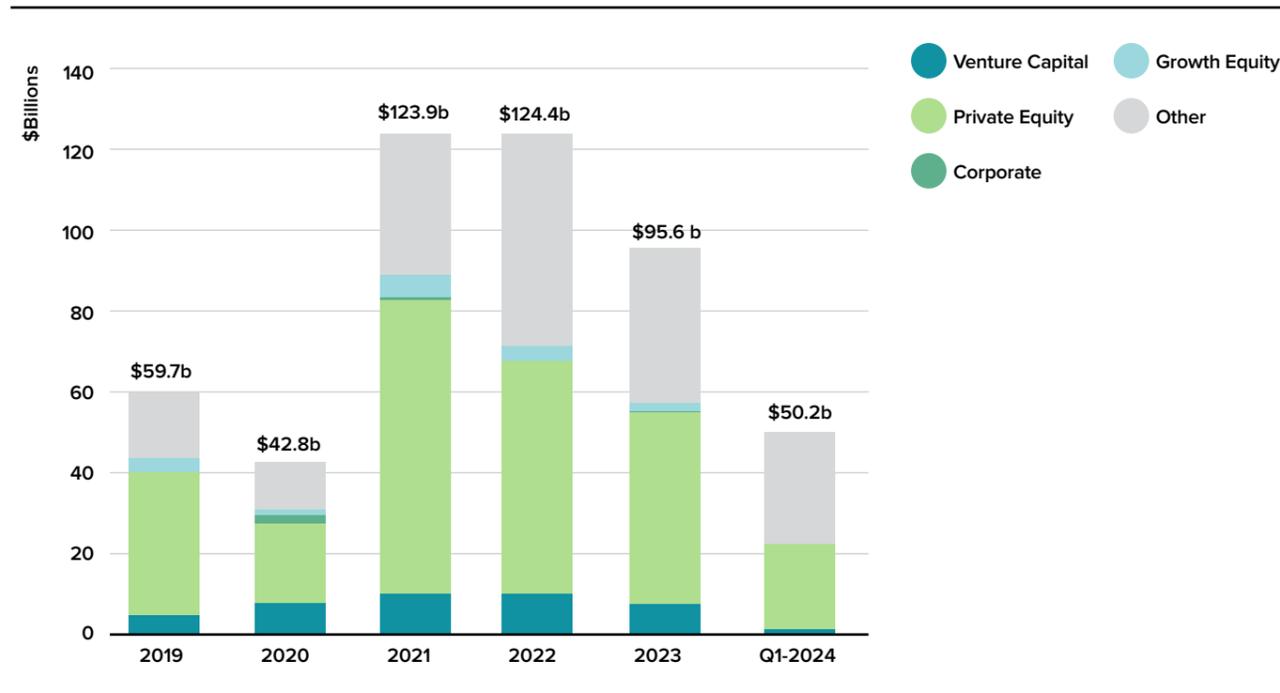




UK-headquartered funds investing in tech startups raised \$50.2b in Q1 2024, the biggest quarterly fundraise to date and more than half the amount raised by funds in the entirety of 2023 – encouraging signs for startups looking to raise investment this year.

VC funds raised \$1.4b and PE funds raised \$21b in Q1 2024, building off the back of a strong 2023 when UK funds raised \$95.6b in total, more than twice the amount raised in 2020.

In 2023, UK-headquartered VC firms raised \$7.7b in new funds, while PE firms raised \$47.6b.

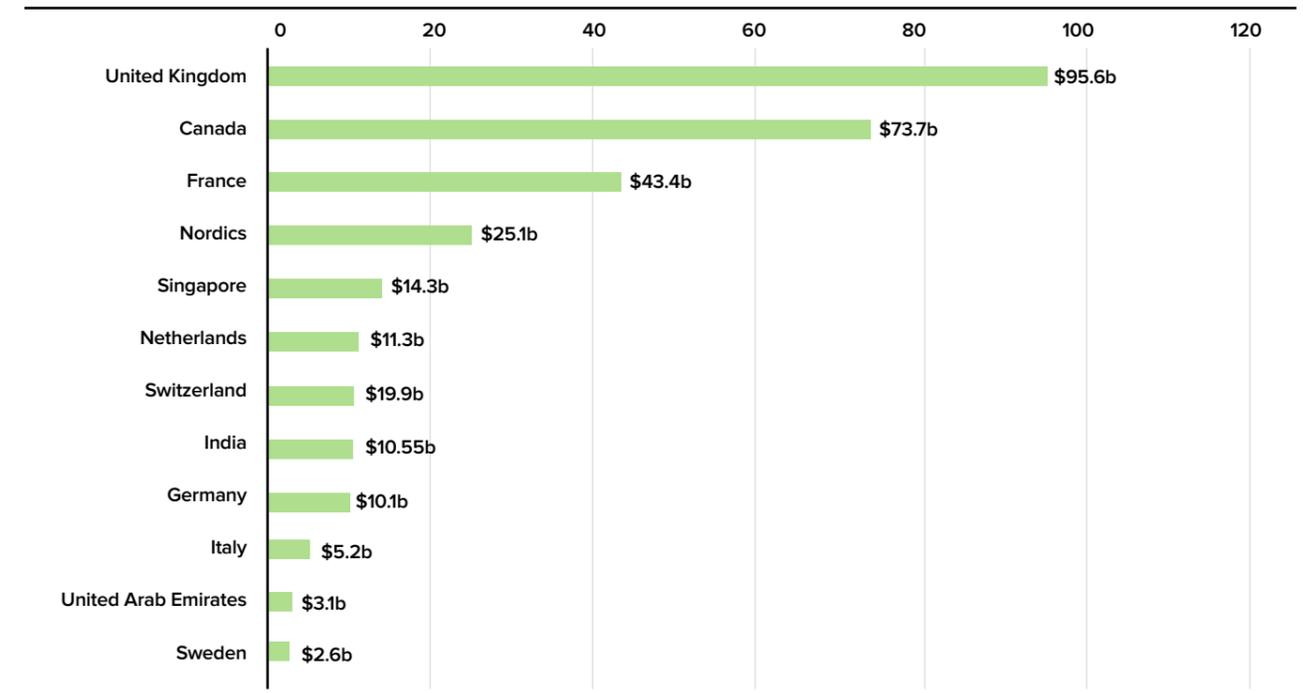


Money raised by UK funds per year. 'Other' includes national investment funds, lenders, and alternative asset managers.



### Funds raised in a Global Context

The value of funds raised in the UK in 2023 was greater than any other country aside from the US and more than double the amount raised by funds in France, Germany, and other major European financial centres.\*



\*US-headquartered funds raised a mammoth \$631.8b in 2023.



## Most Active Investors

SFC Capital, Outlier Ventures, and Index Ventures are the UK's most active investors in early-stage tech startups.

The majority of active investors are headquartered in London or the South of England, excluding Scottish Enterprise, Scotland's national economic development agency.

Rank	Investor	Portfolio Size	Round count (12 months)	Round count (24 months) ↓
1	SFC Capital	633	137	253
2	Outlier Ventures	223	61	135
3	Index Ventures	696	50	100
4	Octopus Ventures	320	35	93
5	Scottish Enterprise Growth Investments	276	43	91
6	Seedcamp	415	35	91
7	Mercia Asset Management	268	43	90
8	Entrepreneur First	482	21	75
9	Notion Capital	134	41	67
10	Fuel Ventures	177	25	65
11	firstminute capital	130	16	54
12	Tiny Supercomputer Investment Company	88	32	50
13	Balderton Capital	291	23	50
14	LocalGlobe	278	16	48
15	Northzone	201	21	43

UK-headquartered Seed-Series A investors with a majority or significant proportion of investments in UK startups, ranked based on the number of rounds they've participated in over the past 24 months. Data pulled in June 2024.

# Rana Yared

## Balderton Capital

→ *“Venture capital brings funding to the table that is less risk averse and has a longer horizon than other types of investment.”*



As a result, VCs are more willing to finance innovative, potentially unproven ideas that push the boundaries of technology. We want to invest in founders with vision and passion, who want to change the world by building something new.

Investors in venture funds are often big pension funds, endowments, insurance companies, and sovereign funds whose missions insist on investing in companies that make great returns and are socially valuable. In the UK, we would benefit from more funding from pension funds into venture capital, to allow them to make higher-risk, higher-return investments.

Rana is a Partner at Balderton Capital, a leading London-based VC supporting European founders from Seed to IPO. Balderton is currently investing from two funds totalling \$1.3b.

Focus: **Generalist**

Stage: **Seed-Pre-IPO**

Ticket Size: **\$1m-\$60m**

Portfolio: **Revolut, Lendable, Scalable, GoCardless, Darktrace, Flywire, Cleo, Merama**

# Charles Delingpole

## Comply Advantage

→ *“Since DeepMind, it’s been clear the UK has always been a great place to build an AI startup because of the amazing technical talent.”*



As the data shows, a very significant part of VC funding has gone into AI startups in the past year, tapping into this pool of experienced machine learning talent. We’ve seen many companies try to deploy LLMs into vertical applications. For instance, Momentum using LLMs for outbound sales, or Wexler using LLMs for legal discovery. Then there are the shovel investments, with companies trying to build metrics around the LLM using text-based command lines like Context.ai.

There have been casualties. Some very well funded companies have been commoditised overnight by rapid advancements in technology. But we are rapidly ushering in the future, with commercial adoption of AI across a range of industries that were previously hard to penetrate, like pharmaceuticals and legal. This is good for both the UK economy and society as AI makes software more intelligent and workers more productive.

How can new AI startups stand out to investors? Given the explosion of AI startups and infusion of funding, we have to fall back on what differentiates every startup: team, technology, and traction. In terms of the market map or value chain, finding new applications or perspectives is challenging, but if you can find something with rapid uptake, someone genuinely talented, or a differentiated technology, then that is always going to be interesting.

Charles is an active angel investor and the Founder & Executive Chair of ComplyAdvantage, a leader in AI-driven financial crime risk and detection technology. He’s also the Co-Founder of MarketFinance (now, Kriya) and The Student Room Group, which he started at age 16.

Founded: **2014**

Stage: **Series C+**

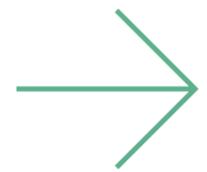
Employees: **470**

Total Funding: **£104m**

Investors Include: **Index Ventures, Balderton Capital, Goldman Sachs Asset Management, Ontario Teachers’ Pension Plan**

# June Angelides

## Samos Investments



*“We need to create an environment where female founders want to come to market.”*



It's hard because you look around you and you don't see other female founders getting the investment that they should. There's an onus on funds to make sure their firms are representative of the founders that they serve – the more diversity of thought in the room, the more likely the startup is going to get funded.

But we also need role models, a supportive network, enabling environments, and mentorship to make sure that women-founded businesses are given the support to grow.

When I invest, I look for a stellar founder, team, market potential and, most importantly, fit between the VC and the founding team, because you're going to be spending a lot of time together! Last year was tough, but there is capital around. The bar is just a lot higher and deals are taking longer, increasing from 3-4 weeks to two months now. I think that's a good thing. The market has gone from growth at all costs and companies surviving round to round, to companies thinking about how to get to profitability, and VCs are taking their time to really get to know the startup teams.

June has been an active part of the startup ecosystem for over 10 years, first on the venture debt side, as a founder, and now as an investor at Samos Investments. She sits on the UK Government task force set up to increase the number of high growth women-led businesses.

Focus: **Generalist, including AI, deep tech, ecommerce, fintech**

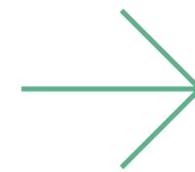
Stage: **Pre-Seed-Series A**

Ticket Size: **£100k-£1.5m**

Portfolio: **Aztec, Betfair, Bloom & Wild, BOF, Carwow, Ocado, Charlotte Tilbury, Curve, EF, Jude, Lick, Moneybox, Ometria, Papier, Seedcamp, Signal, Skin+Me, Zencargo**

# Michael Stothard

## firstminute capital



*“VC investors see an opportunity for a new generation of vertical SaaS companies that are AI native.”*



Vertical SaaS has been the big investing theme of the past 15+ years (software moved to cloud in the 2000s and then in the 2010s it went vertical). But after so much time, there is now a SaaS product in almost every vertical imaginable and, as a result, there have been rumblings that there is 'too much SaaS' in the market and the big opportunities are gone.

Today though, many venture capital investors see an opportunity for a new generation of vertical SaaS companies that are AI native, built on top of models which have been uniquely trained on industry-specific datasets. This is a fundamentally different approach from where most of the big generative AI winners have been so far – with of the most excitement around broad models (Mistral, OpenAI), broad infrastructure (HuggingFace, LangChain), or broad applications (Midjourney for photos, Elevenlabs for voice, Writer for words).

AI-native SaaS is more about solving specific business problems, and represents the next iteration of the vertical SaaS. Within AI-native SaaS, we're excited about fintech (e.g. new AI-native book-keeping tools for finance teams?), construction and agriculture (an opportunity for new ERP systems?), and insurance (understanding unstructured data). But the possibilities are endless. Name a software company, and maybe it can be disrupted!

Michael is an early-stage VC investor at [firstminute capital](#), a \$400m AUM venture fund investing in Seed stage companies and backed by a network of more than 130 unicorn founders.

AUM: **\$400m**

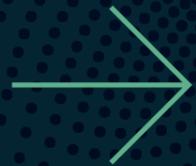
Focus: **Generalist**

Stage: **Pre-Seed & Seed**

Ticket Size: **£250k (discovery), £1m-£5m (core)**

Portfolio: **Argent, A.team, Block, Clockwork Labs, Engflow, Klang, Lightning, Lindus Health, Mistral, n8n, Ramp, Robocorp, Storyblock, Stitch, Taktile, Wayve**

# UNICORNS, SOONICORNS & EXITS





The UK has produced 171 unicorns in total, 144 in the last 10 years, and 63 in the past three years.

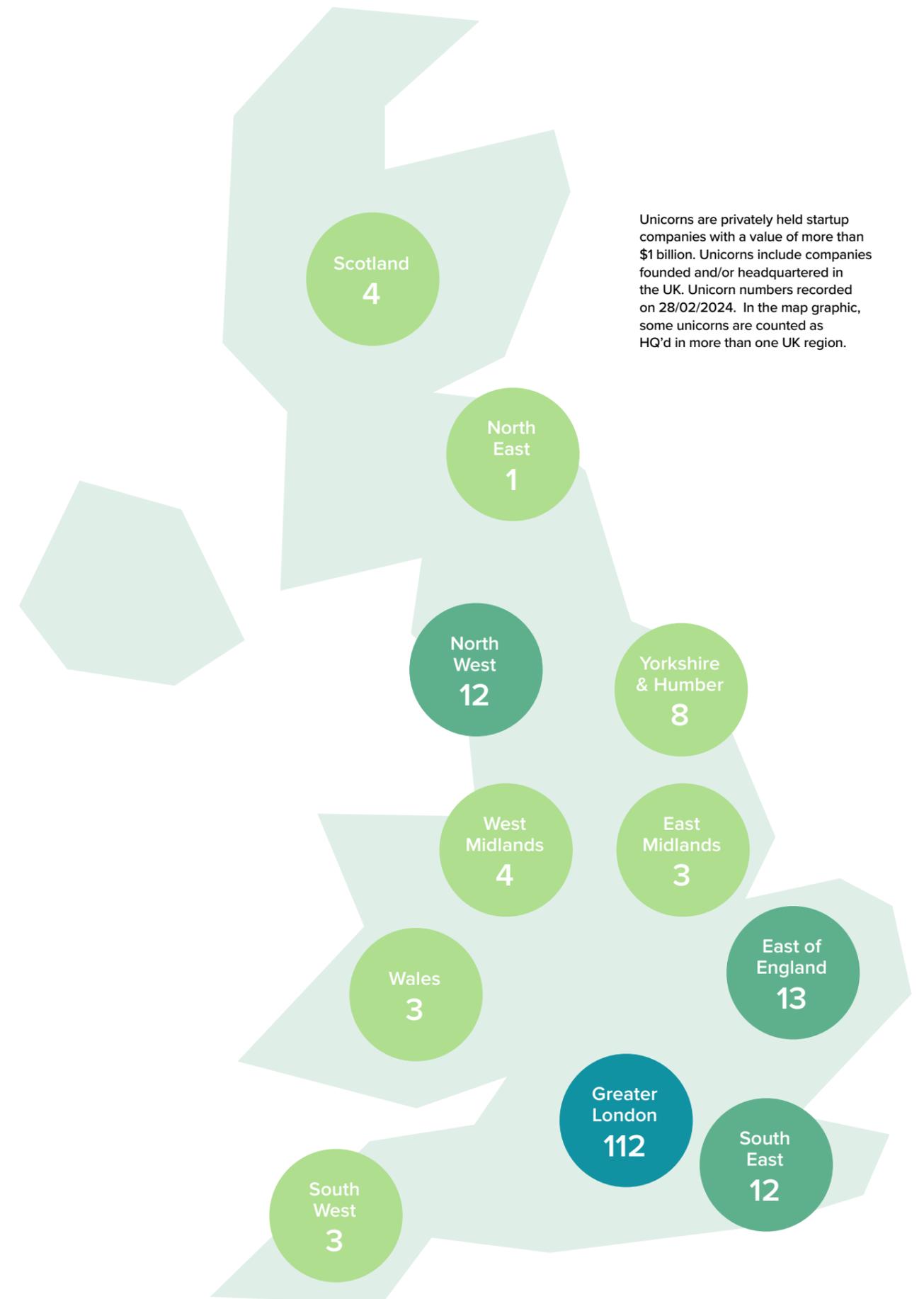
158 (92%) are still headquartered in the UK.

112 UK unicorns (65%) were born in London and the majority of UK unicorns are in fintech (52), enterprise software (32), deep tech (26), and health tech (24).

Quantum computing startup, Quantinuum, became the first UK unicorn born in 2024, raising \$300m at a \$5b valuation in January.

The seven UK unicorns born in 2023 include data and analytics software company, Quantexa, which raised \$129m at a \$1.8b valuation in April 2023, and AI video generator, Synthesia, which raised \$90m in June 2023. Web3 cybersecurity startup, Zyber 365, raised \$100m in its Series A funding round at a \$1.2b valuation in August 2023.

Others include AI identity startup, Callsign; Manchester-based sportswear brand, Castore; employee engagement platform, Reward Gateway; and SaaS startup, Enable, founded in Stratford upon Avon and headquartered in San Francisco.

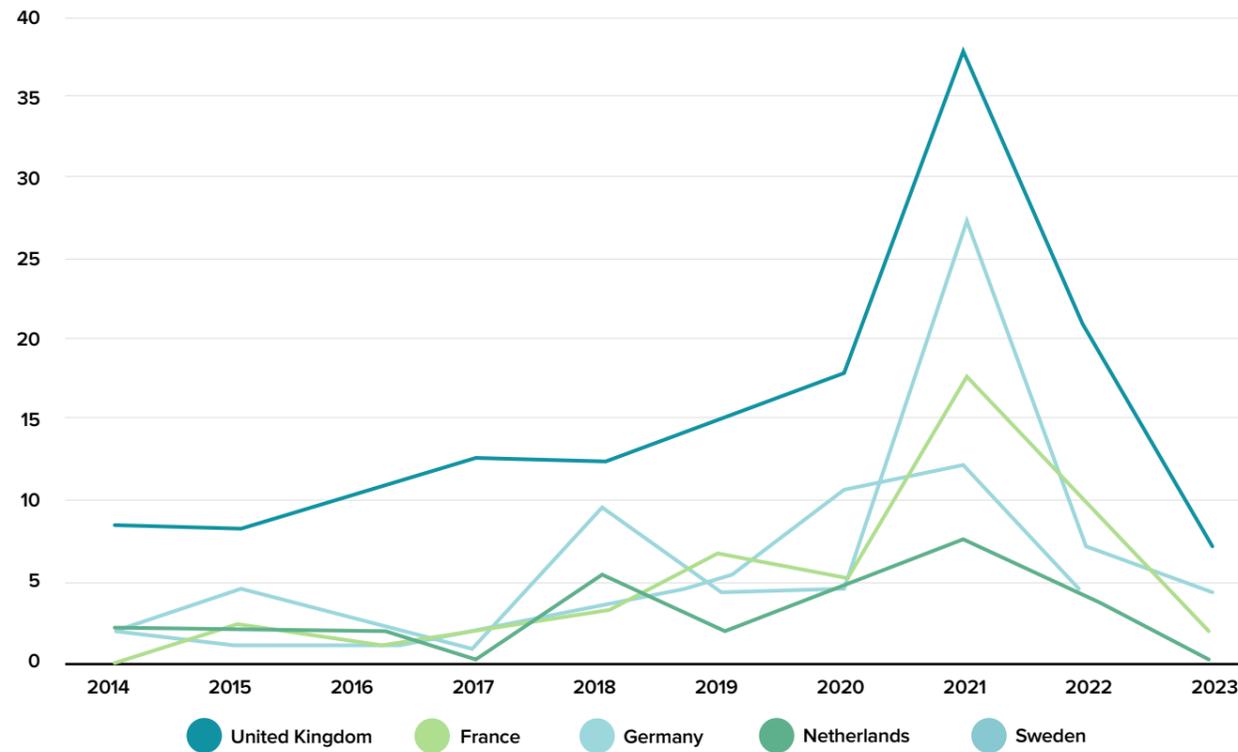




## Unicorns in a European context

The UK is the third biggest producer of unicorns in the world after the US (1,557 unicorns) and China (397).

In Europe, the UK leads the way for new unicorn creation, producing 2x more unicorns than Germany and 3x more than France.



Number of companies that reach a \$1b+ valuation each year. Includes unicorns founded and/or headquartered in each country.



## Soonicorns

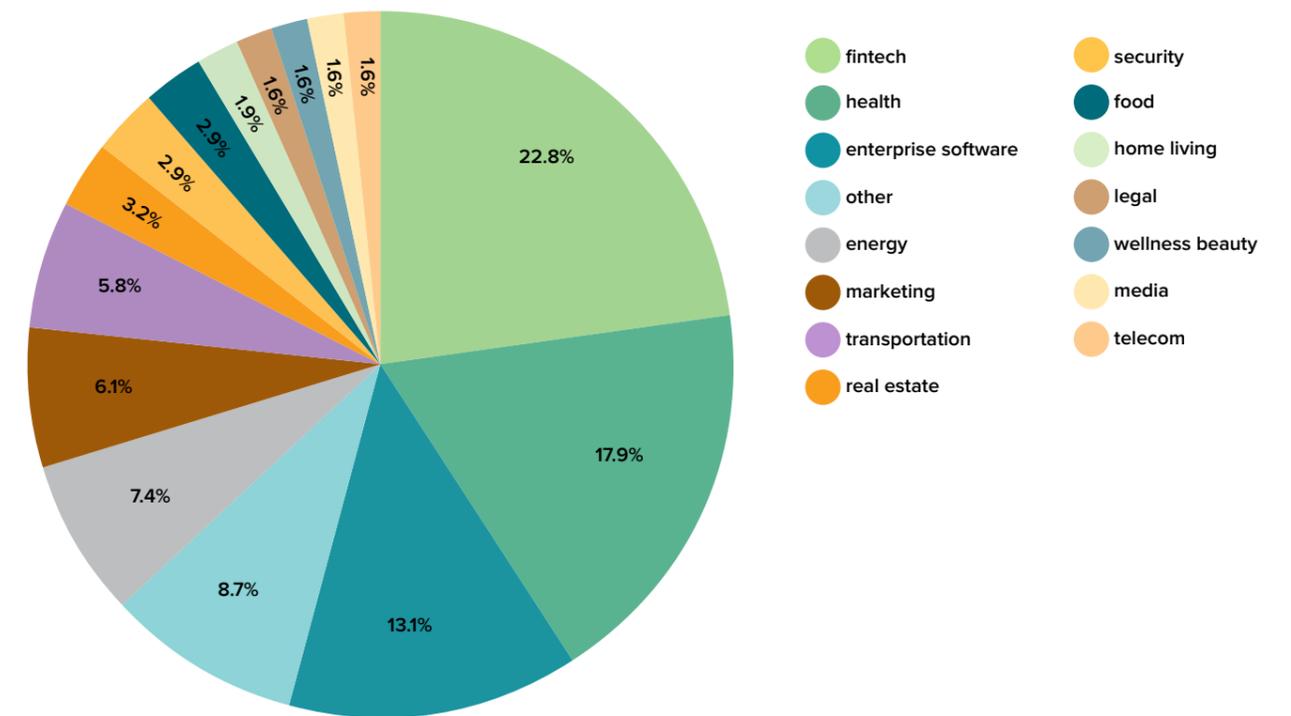
The UK has produced 240 soonicorn companies in the past five years and 43 new soonicorns were created in 2023.

Soonicorns to watch include ecommerce startups, Shop Circle, which raised a \$120m Series A round in 2023, and Threecolts, which raised \$90m.

Others include Northern Ireland's largest privately-owned EV network, Weev; fast-charging battery startup and University of Cambridge spinout, Nyobolt; and University of Manchester spinout, Complement Therapeutics, which raised €72m to tackle diseases including the leading cause of blindness.

Most UK soonicorns are in fintech (23%), health tech (18%), and enterprise SaaS (13%), followed by energy, marketing, and transport.

UK Soonicorns by Industry

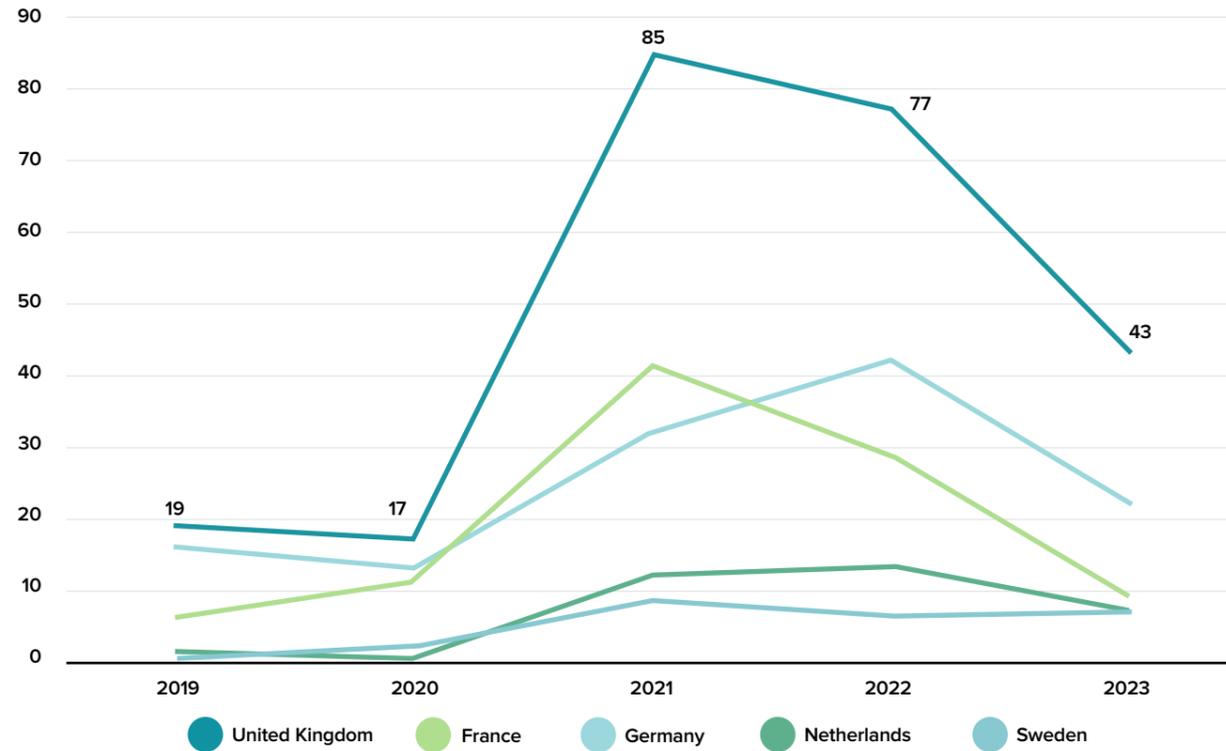


Soonicorns by industry, 2019-2023. Soonicorns are companies valued at \$200m-\$999m and on track for unicorn status. Soonicorn numbers only consider companies headquartered in the UK.



## Soonicorns in a European context

The UK produces the most potential unicorn startups in Europe, double the amount produced in France and Germany.



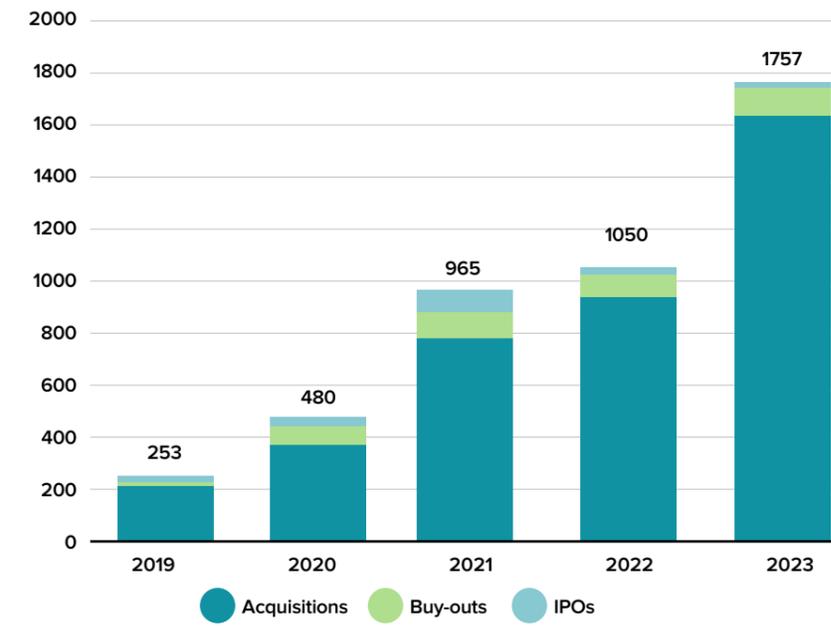
Number of soonicorns created each year by country. Soonicorn numbers only consider companies headquartered in the UK.



## Exits

1,757 UK tech companies exited in 2023 with a combined valuation of \$121.9b. 1,633 companies were acquired (93% of exits), 110 exited via buyouts (6%), and there were 14 UK tech IPOs (1%).

The number of companies that exited in 2023 increased by 67% compared with 2022.



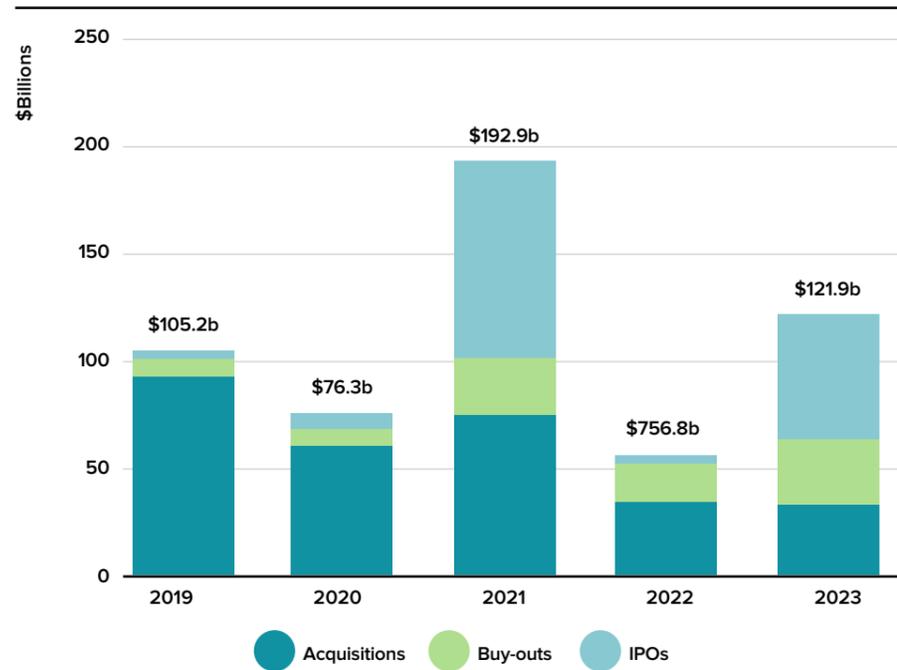
Number of exits (2019-2023)



## Exit Value

The total combined exit value of UK tech companies in 2023, at \$121.9b, was mostly driven by companies that went public; most notably ARM, valued at \$54.4b at the time of its IPO.

The value of companies acquired in 2023 totalled \$33.3b, with the acquisitions of Inmarsat (\$7.3b) and Abcam (\$5.7b) contributing the most to the overall total. But 2023 still lags behind 2021 for total exit value, when the likes of Cazoo, Deliveroo, Moonpig, Oxford Nanopore Technologies, and Paysafe went public.



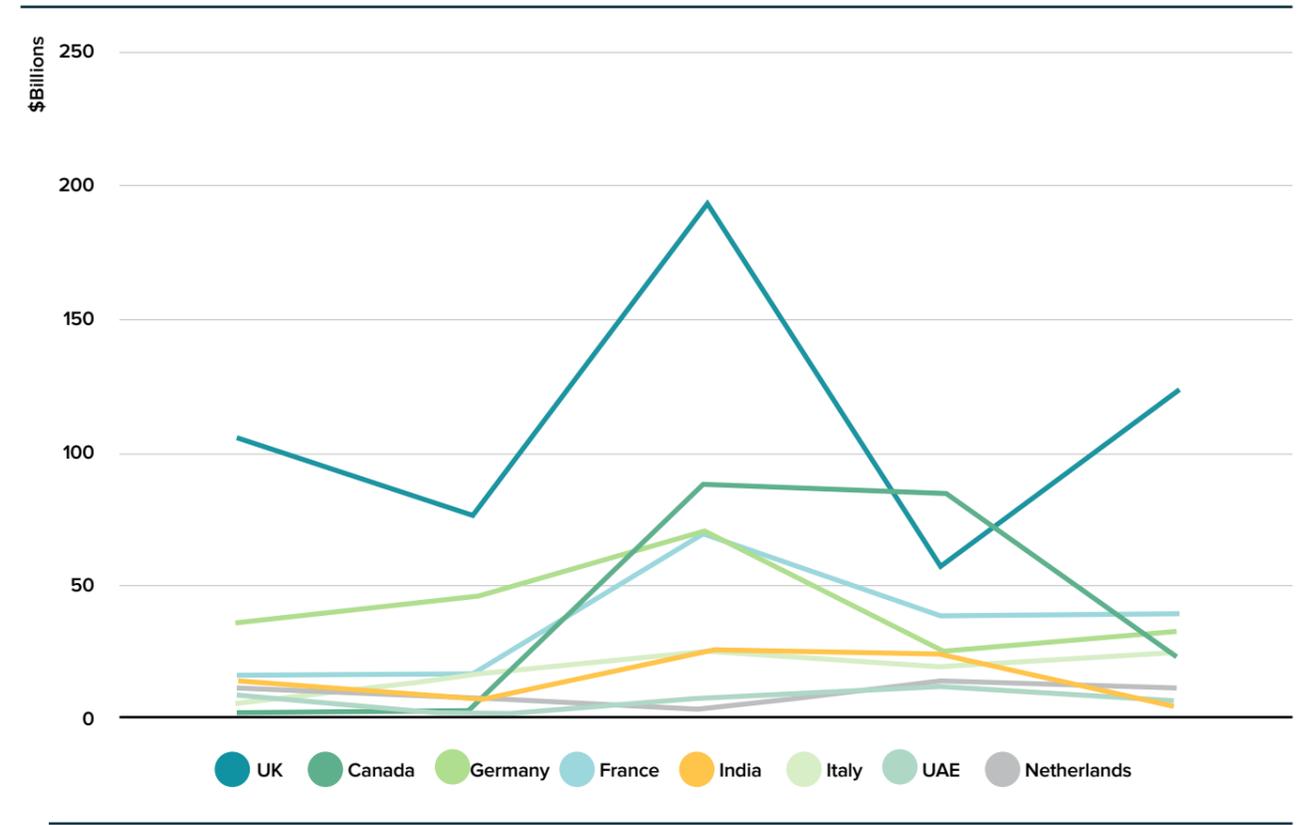
Combined valuation of exited companies in the UK (2019-2023)

In Q1 2024, 412 companies exited with a combined valuation of \$12.7b. 373 companies were acquired, 35 exited via buyouts, and there were four IPOs, including Manchester-based delivery management platform, Sorted Group.



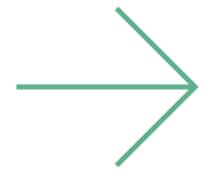
## Exit Value in a Global Context

The total combined exit value of VC-backed UK tech companies in 2023 surpassed that of companies headquartered in Canada, Germany, and France combined.



# Timo Boldt

## Gousto



*“To scale a business successfully, the number one factor is learning; constantly adapting, pivoting, and improving.”*



The journey from 0 to 1, with 1 being product market fit, is totally different compared with the journey from 1 to 100 employees, the hardcore scaling journey.

Developing 0-1 ideas is challenging. The speed of decision-making, resource allocation, ability to pivot, and intensity needed are different from what a mature company typically operates on. That's why large companies often isolate teams working on 0-1 projects from the rest of the organisation. The first design principle for entrepreneurs is to understand the distinct needs of the 0-1 and 1-100 phases and respond appropriately. Then, constantly raise the bar and create the conditions for talent to be their very best.

People and culture remain the best indicator of future success, but AI will step-change the cost of starting a business. As AI models and data science become more commoditised, the question is: What data do you have that's unique and that you can turn into a sustainable moat?

At Gousto, we use AI to achieve super-low food waste, by using AI in forecasting, order allocation, and in the personalisation engine that decides what goes onto the menu and what recipes we should develop more of. This creates huge differentiation value for customers, and means we can offer 3x more choice than our closest competitor, while also taking CO2 emissions out versus the equivalent supermarket shop.

Timo is the CEO & Founder of Gousto, the data-driven recipe box company with a vision to become the UK's most-loved way to eat dinner. Since switching from a life in finance at the age of 26 to follow his passion for food, Timo's has taken Gousto on a journey to becoming a tech unicorn and a certified B Corp in just 10 years.

Founded: **2012**  
Stage: **Late-stage growth**  
Employees: **1,400**  
Raised: **£100m+**  
Investors: **Fidelity International, Unilever Ventures, SoftBank Vision Fund**

# Tommy Stadlen

## Giant Ventures



*“A lot of the conversation around AI has been focused on the big large language model companies; Open AI and Google DeepMind.”*



What I'm more interested in is how we can use AI in an applied way for specific use cases – in climate, health, or inequality – that move the needle on big global challenges.

When I was a founder in 2014, I felt that I needed to move to the US to find the talent and capital to start my company. Fast-forward a decade and we're in such a good position in the UK; we have extraordinary talent starting companies out of universities and the capital for entrepreneurs to build whatever they need to build.

The obvious gap at the moment is in the public markets that perhaps don't value startups and growth as much as our US counterparts.

Tommy is a Founding Partner of Giant Ventures, the global venture capital firm backing purpose-driven technology founders. Tommy was previously the Co-Founder & CEO of Swing, which exited to Microsoft in 2017. He was also the Co-Founder and Chair of the Tailwind Group, which launched three public companies with a combined market cap of more than \$1b. He is a best-selling climate author.

AUM: **Deploying \$1b this decade**  
Focus: **Climate, Health, Inclusive Capitalism**  
Stage: **Seed-Series B**  
Ticket Size: **\$1m-\$20m**  
Portfolio: **Agreena, Calm, Doccla, Field Energy, Sesame Care**

# Dhiraj Mukherjee

Shazam



*“Shazam took us 18 years from start to finish, so it’s a marathon, not a sprint. You need to keep your energy levels up and be in it for the long haul.”*



Be able to bounce back from setbacks and use them as stepping stones. Then, when that window for an exit opens, it’s about finding the right match for your organisation, people, and vision. You can’t manufacture a perfect exit; it’s about having the right confluence of circumstances and a healthy dose of luck as well.

When I was an entrepreneur over 20 years ago, it was quite lonely. The good news is now there’s a thriving community of founders supporting each other and building businesses for the long term, investors supporting different industries, and the government promoting innovation and entrepreneurship. We’re going to see some big success stories in this ecosystem in the years ahead!

Dhiraj is the Co-Founder of Shazam, the world’s first mobile phone-based music recognition service, which was acquired by Apple for \$400m in 2017. He’s now an angel investor focused on emerging technologies and tech for good.

# Poppy Gustafsson

Darktrace



*“An IPO is a huge moment for any company and offers the opportunity to scale to the next level of growth, but you need to know why you’re doing it.”*



Becoming a public company is also a real ‘growing up’ moment, and requires a willingness to operate with transparency, to broaden out your set of stakeholders, and to invest in the processes, controls, and other systems that will give confidence in the operations of your business.

For founders who are planning to take this step, I’d share three reflections:

**1. The first year after an IPO is critical for building long-term trust with your investors.**

You need to know your business and the market that you’re in well enough to be sure that you’re going to be able to meet their expectations and deliver the returns you have promised.

**2. While the purpose of an IPO is to raise the capital needed to enable your next phase of growth, you need to make it a win-win moment for everyone.**

You will have existing shareholders who want to have a successful exit, and new shareholders who want to generate returns in the future. The baton is being handed from one group of investors to another, and everyone needs to feel that they’ve got a good deal.

**3. Make sure you’ve got really good advisers.**

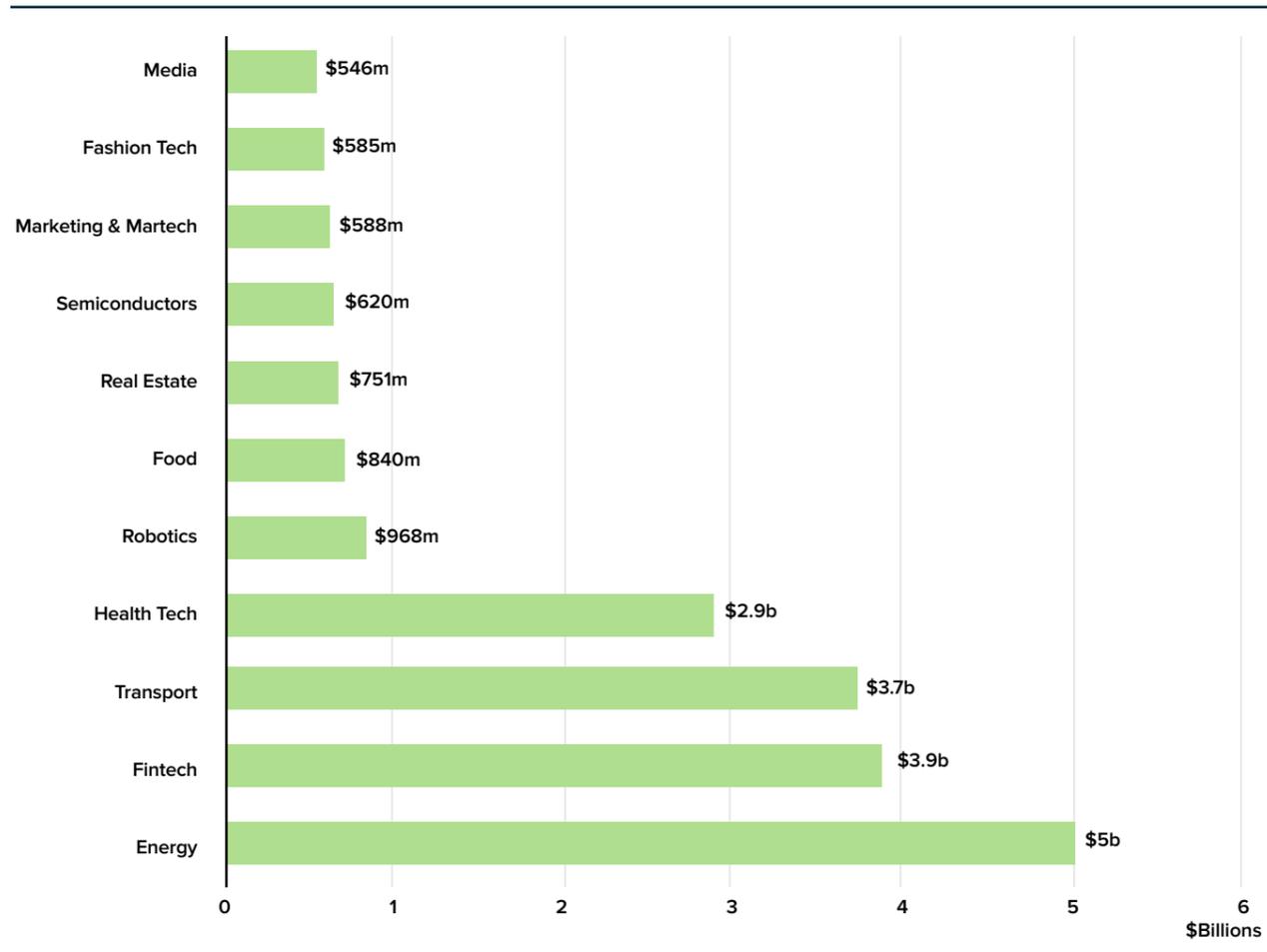
The most important thing is picking partners who genuinely believe in your business and are invested in your long-term success. Don’t focus too much on who promises the best IPO price. The quality of partnership is more important.

Poppy is the Co-Founder & CEO of Darktrace, a global leader in cyber security artificial intelligence on a mission to free the world of cyber disruption. Darktrace listed on the London Stock Exchange in April 2021 with a market value of around £2.5b. In April 2024, Darktrace announced a \$5.3b (£4.2b) takeover by US private equity firm, Thoma Bravo.

# TOP SECTORS



The top tech sectors in the UK, based on total VC investment, are energy (\$5b invested in UK energy startups in 2023), fintech (\$3.9b), and transport (\$3.7b).

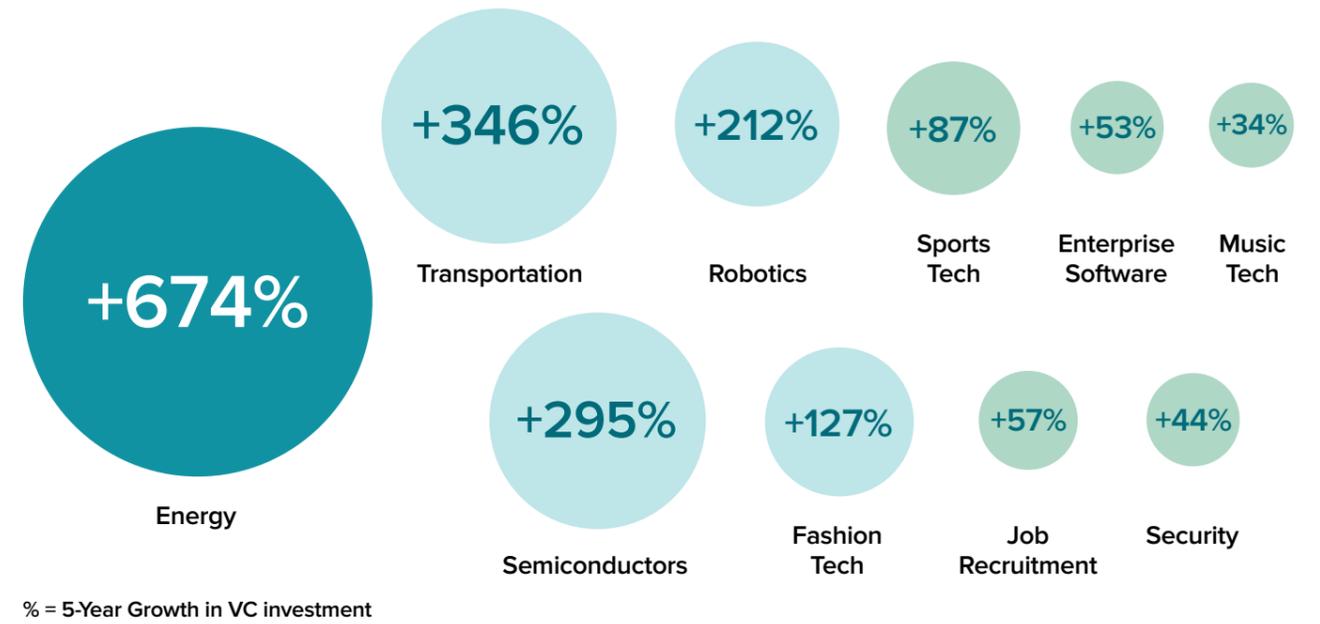


Total VC investment raised by UK tech startups by sector in 2023.



### High Growth Sectors

Energy, transport, semiconductors, robotics, and fashion tech stand out as UK tech's highest-growth sectors, attracting the most significant increases in funding over the past five years.

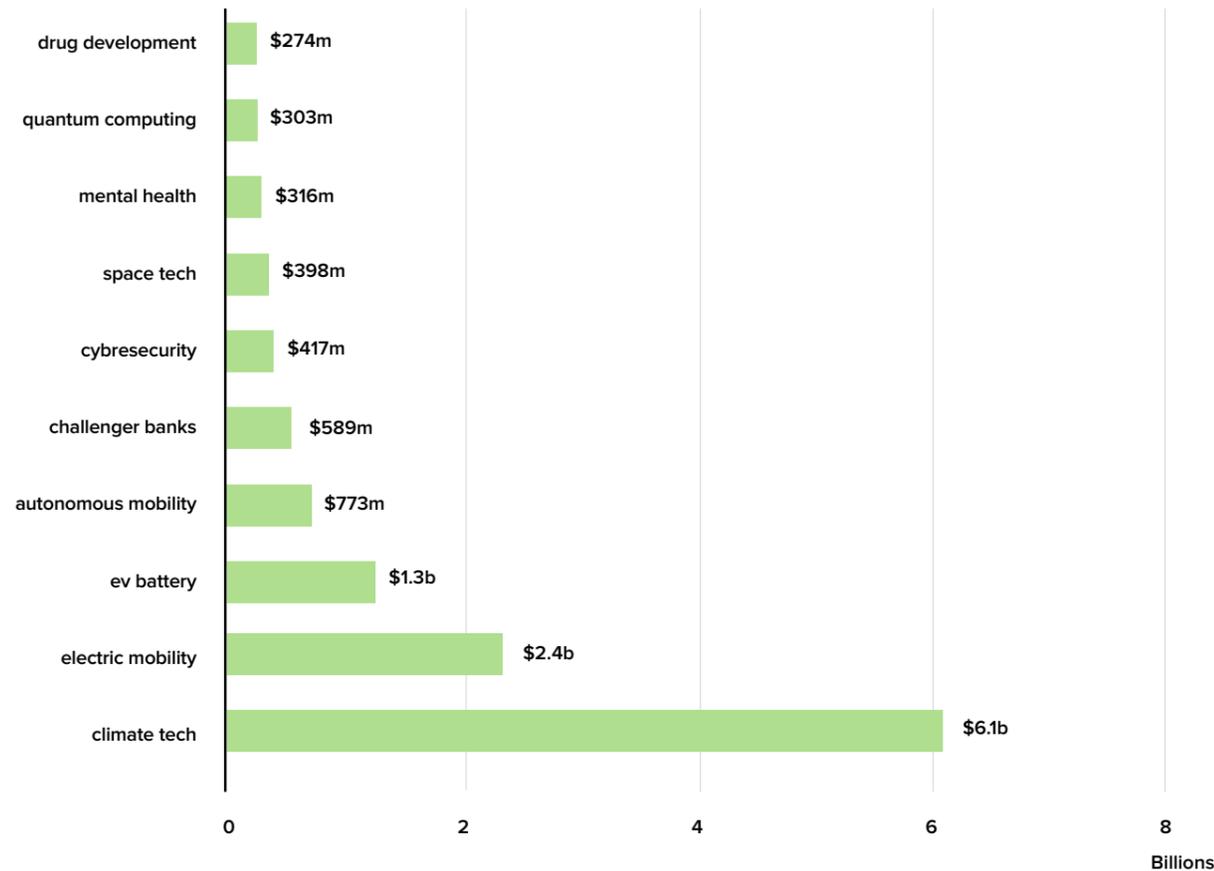




# Frontier Tech

Among the newest, frontier technologies, climate tech is the hottest ticket for investors.

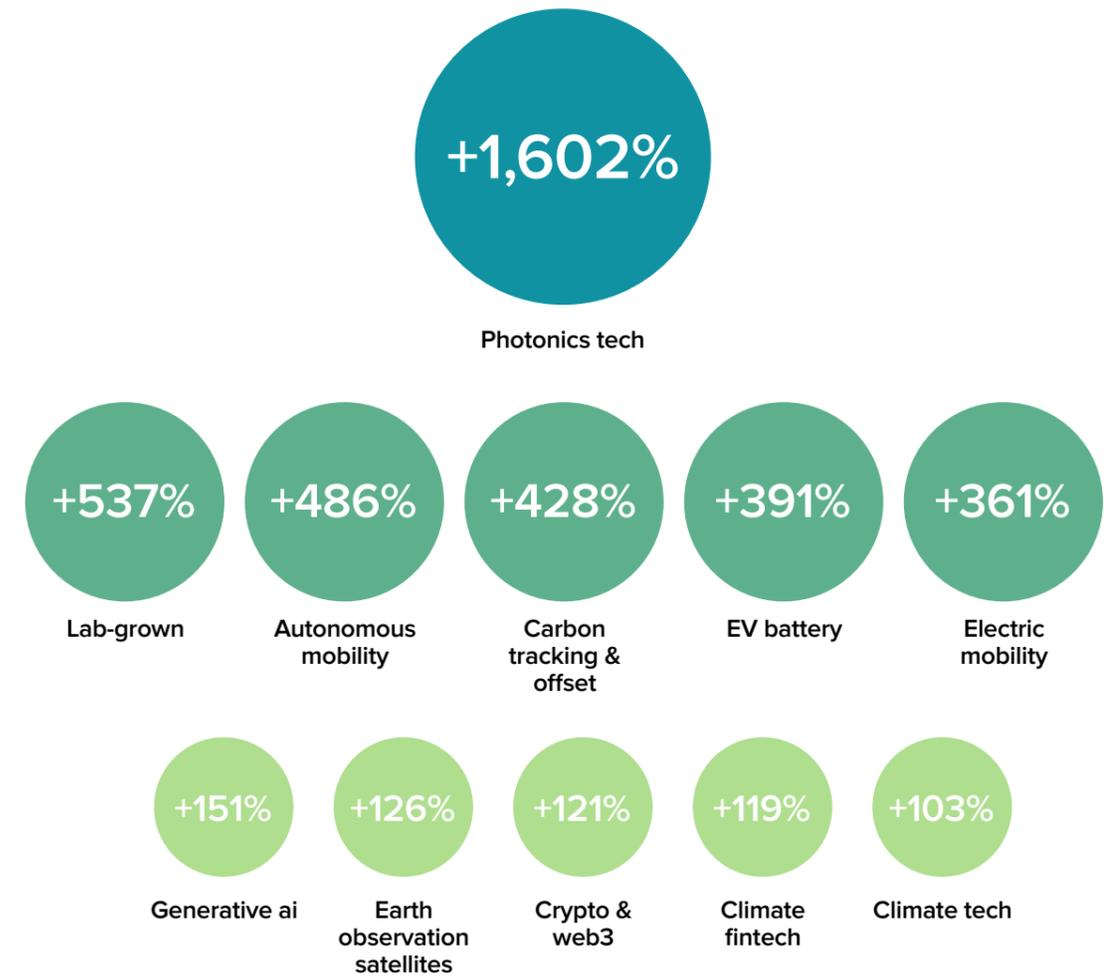
UK climate tech companies raised \$6.1b in 2023, followed by startups driving new phases of innovation in mobility, fintech, and healthcare.



Photonics startups, which use light particles (photons) to process huge amounts of data in a faster and more energy efficient way, have seen the biggest growth in investment in the past three years.

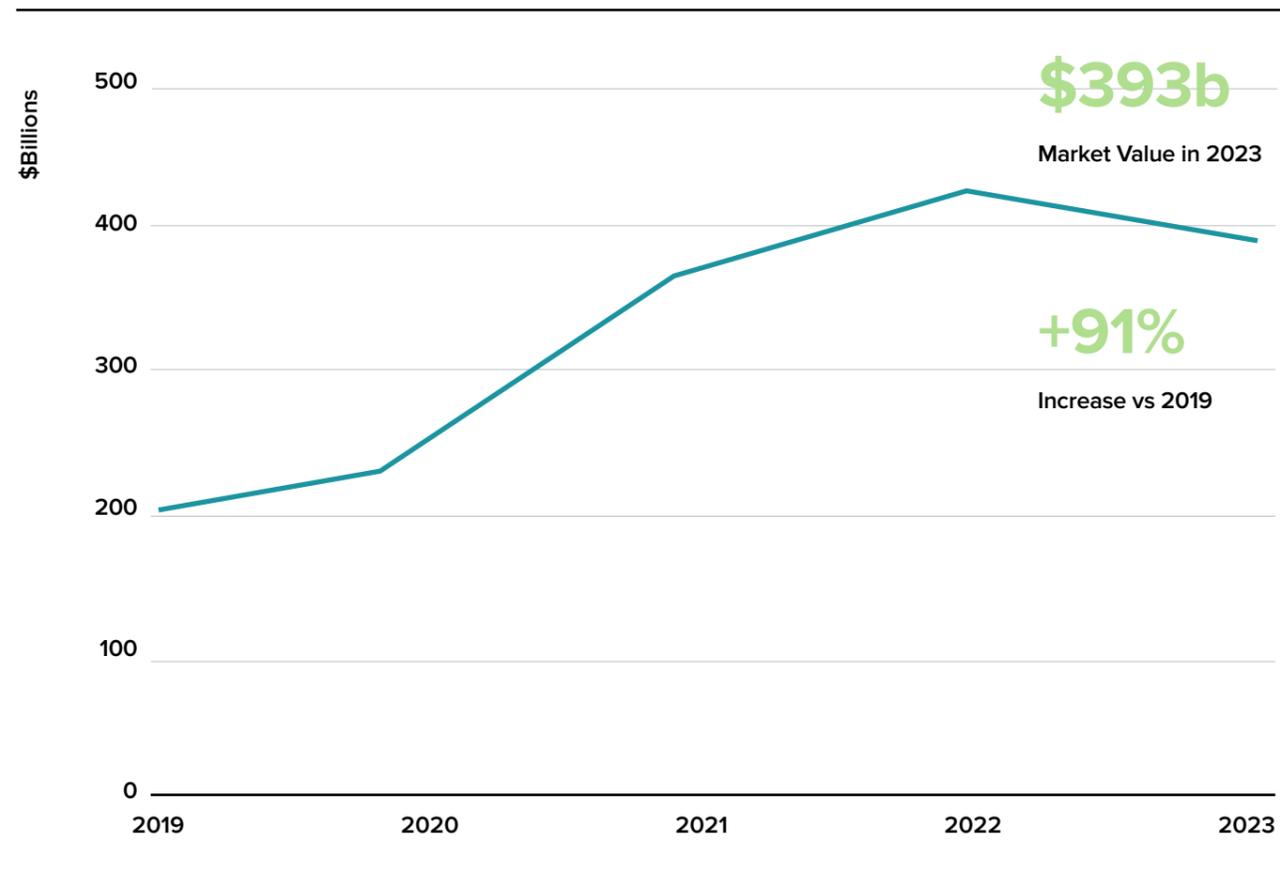
These include quantum computing startups like Oxford Quantum Circuits and Quantum Motion, as well as photonic chip-maker, Optalysy.

Frontier tech companies producing lab-grown products – including biomanufacturing, cultivated meat, and cellular biology startups – and autonomous mobility startups have also seen significant growth in funding.



% = 3-year growth in investment in frontier tech (2023 vs 2021).

# + Fintech



**\$3.9b**

Raised by startups in 2023

**\$21.7b**

Value of exits in 2023

**52 Unicorns**



## Latest Raises



Total raised in Q1 2024: \$1.4b

# Dame Jayne-Anne Gadhia

Snoop

# Rishi Khosla

OakNorth

→ *“The future of fintech in the UK is bright.”*



The combination of evolving customer preferences and advancements such as AI-powered advisory and asset management, generative AI, and tokenisation, will unlock new possibilities for further innovation and growth in UK fintech.

Leveraging AI alongside the next phase of open banking and the evolution towards open finance, fintech firms will also go some way to making financial services more inclusive and ramp up competition.

When it comes to unlocking genuine value from AI in financial services, the focus must be on ethical execution and making sure that the technology empowers and doesn't exploit the people it serves. If you're looking to start a fintech startup, think carefully about whether you want to serve businesses or consumers. If your innovation is in the B2C space, the aim must be to solve real pain points for customers and look to make their lives easier. Understand their needs and build solutions that offer genuine value.

Jayne-Anne is the Founder of Snoop, an award-winning, data-driven fintech that uses open banking and AI to help users manage their finances more effectively. Jayne-Anne was previously CEO of Virgin Money from 2007 to 2018.

Founded: 2019

Stage: Acquired by Vanquis Banking Group, August 2023

Employees: 50

Raised: £34m pre-acquisition

→ *“Use this time to build a stronger and more resilient business.”*



Over the last 18 months, we've seen the sell-off in equity markets, challenging funding rounds, and significant lay-offs as fintech businesses seek to build profitable business models. But counterintuitively, it's exactly these kinds of challenges that will create the perfect ecosystem for new startups to be born and thrive.

Brilliant businesses – GE, IBM, Disney, Okta, Airbnb, Uber, the list goes on – were all created in down markets. So use this time to build a stronger and more resilient business, be more disciplined and bootstrap, and focus on the long-term value you can deliver for customers, as opposed to the valuation you think you can get in the short-term.

AI has huge potential to revolutionise financial services, but overcoming the passive resistance to change found in many organisations will be essential to its success. At OakNorth, we leverage machine learning, predictive analytics, and rules-based approaches to support our credit modelling, portfolio monitoring, and scenario analysis. Our engineering and data teams have been experimenting with generative AI, using real-world data to enhance the customer experience and streamline internal operations amongst other areas, while teams such as marketing are leveraging ChatGPT to support content creation.

Rishi is the Co-Founder & CEO of OakNorth, which is transforming how entrepreneurs grow their businesses by providing them with access to credit and personalised banking services.

Founded: 2015

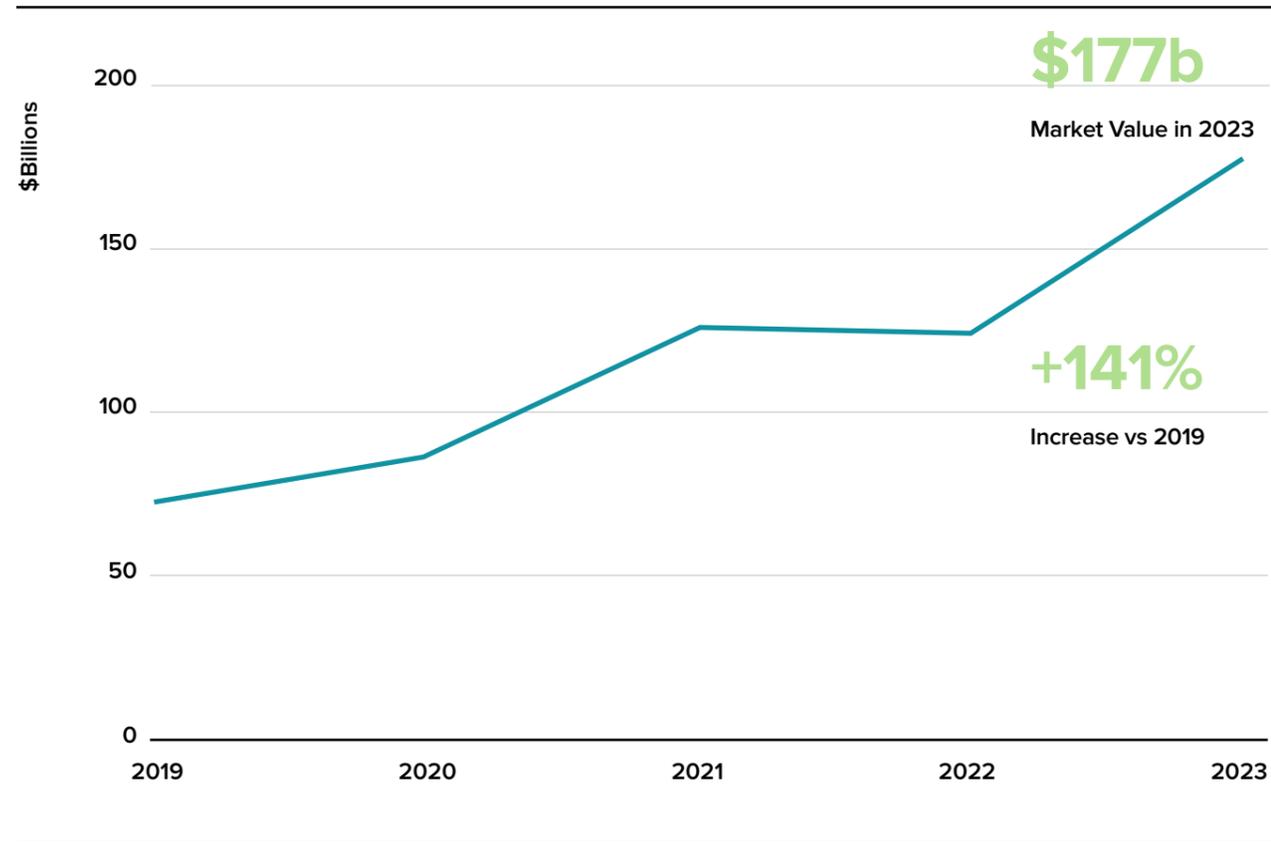
Stage: Pre-IPO

Employees: 750

Raised: \$1b

Investors: GIC, EDBI, Toscafund, HighSage, SoftBank Vision Fund, Coltrane, Clermont, SMBC, NIBC Bank

# Deep Tech



**\$4b**  
Raised by startups in 2023

**\$56.7b**  
Value of exits in 2023

## 26 Unicorns



## Latest Raises



Total raised in Q1 2024: \$1.4b

# Harry Destecroix

Science Creates, SCVC

→ *“We support scientists and engineers to become great founders.”*



Harry is the Founder of Science Creates and Managing Partner of SCVC. Science Creates is a Bristol-based deep tech ecosystem that helps scientists and engineers accelerate their ideas and build disruptive businesses. Its VC arm, SCVC, invests in advanced technologies to improve the health of people and the planet.

There's a huge opportunity for deep tech in the UK. We have some of the best research per capita in the world, but we have a relatively low number of patents being filed. At Science Creates, we're focused on supporting scientists and engineers to become great founders and working with universities to ensure the right things are spun out with the correct licences in place.

With deep tech, you've got a lot more technology risk, so you really need to align your superpower tech to the right product. Do the hard work early – at the start when your burn is low is when you need to be de-risking your technology – because as soon as you raise your Seed round, you set a course and it's hard to back out because the switching costs are higher.

If you're not sure yet, take less money at Seed to get to a higher proof point, otherwise that technological risk will manifest itself in manufacturing and regulatory risk. Plus, don't be pushed in a commercial direction until your product is ready, and make sure you align your investors with that commercial direction. A lot of later-stage funds are specialised and quite specific about what they need to see at a Series A or later. The problem is pre-Seed and Seed investors often don't push for what those later-stage investors want to see.

# Ilana Wisby

Oxford Quantum Circuits

→ *“The more we develop the credibility of emerging tech, the more we can drive growth and productivity across the UK economy.”*



Ilana Wisby is the Co-Founder & CEO of Oxford Quantum Circuits (OQC), a University of Oxford spin-out, which aims to create a quantum-enabled future by developing enterprise-ready quantum computers based on superconducting qubits and OQC's patented Coaxmon chip.

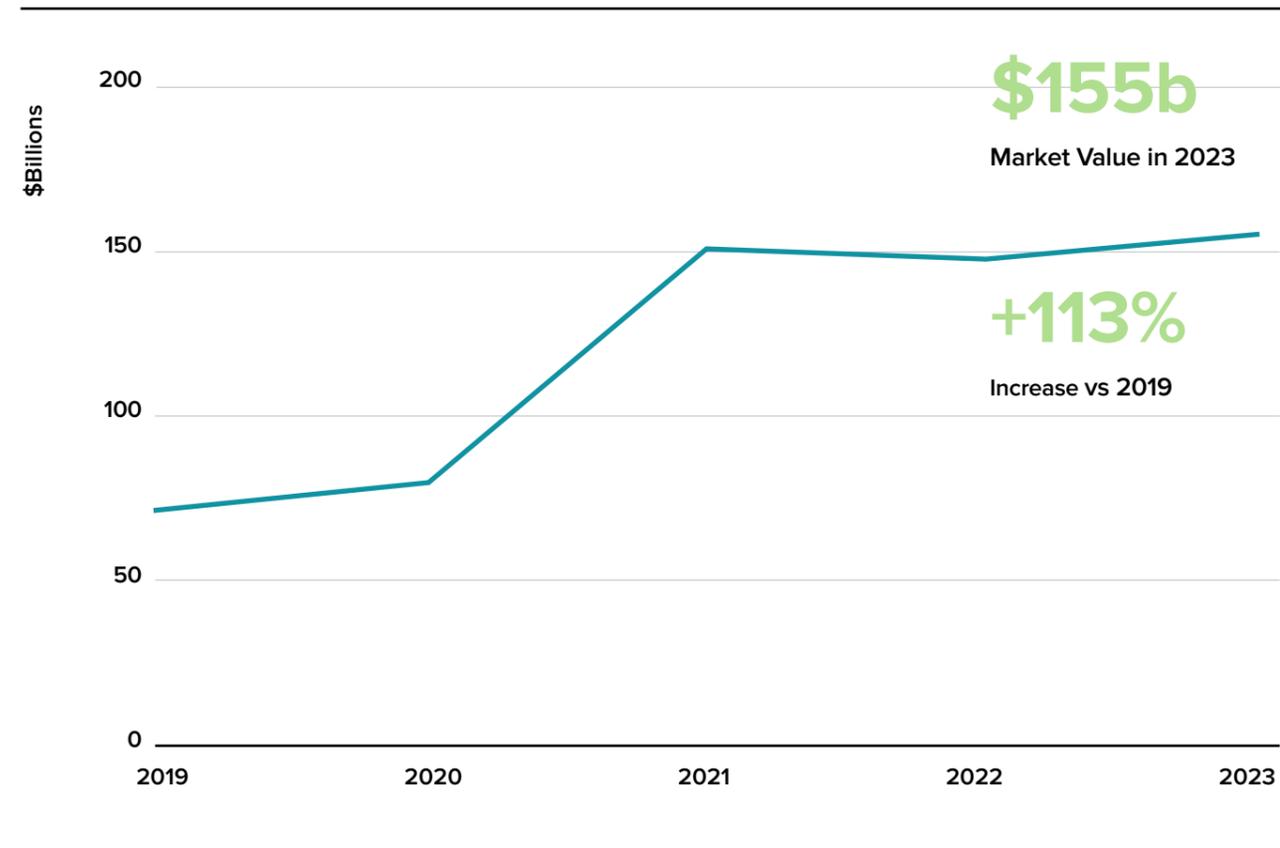
Founded: **2017**  
Stage: **Series B**  
Employees: **100**  
Raised: **\$150m+**  
Investors: **SBI Investment, Oxford Science Enterprises, Oxford Investment Consultants, University of Tokyo Edge Capital, Lansdowne Partners, British Patient Capital**

Deep tech is the lifeblood of our economy, not just because of the employment opportunities it offers but also because of the new industries it can help to create. However, the funding opportunities in the UK are less attractive than in the US and parts of APAC, especially post-Series A. The UK Government sets ambitious targets for the deep tech sector, but it needs to do more with funding commercial R&D and building and securing the infrastructure to meet those targets and enable companies to leverage deep tech and build global partnerships.

The Government plays an important role as the 'first customer' of these technologies. The more we develop the credibility of emerging tech in the eyes of the market, the faster we can move on procurement, and the more we can drive growth and productivity across the economy. UK universities also take a much more significant equity stake than our US counterparts, and there's active debate on how this deters investors and reduces the incentives for founders to grow.

My advice for deep tech founders? Take your tech out of the lab as quickly as you can. While necessary for your technology's development, the lab environment is not conducive to truly stress-testing or solving the core problems that prevent many deep-technologies from becoming mainstream. Plus, take a human-centred approach, where diverse perspectives have a seat at the table. By incorporating a wide range of skills sets and perspectives from both sides of the lab door, you can achieve so much more.

# Health Tech



**\$2.9b**

Raised by startups in 2023

**24 Unicorns**

**\$11.7b**

Value of exits in 2023

**Benevolent<sup>AI</sup>**



**TOUCLIGHT**

## Latest Raises



Total raised in Q1 2024: \$1.4b

# Melissa Snover

## Rem3dy Health

# Tania Boler

## Elvie

→ *“We’ve seen a huge upswing in productivity.”*



It’s been all over the news; you can’t escape it; it’s on every other TikTok; everyone is talking about how it’s going to change the world. But I think far fewer people understand what AI can do for your business on a day to day basis.

When we started out, we developed an AI-driven algorithm to recommend specific products to our customers based on 10,000 data points from science and clinical trials, and that’s now combined with a web-searching algorithm that adds in any new clinical data. So, as soon as the chatbots came out, we taught everyone in our business how to use them.

As a result, around 60-70% of our business is using some kind of AI to delegate manual and time-consuming tasks. If my business, at the age and size we’re at, can do that and see a huge upswing in productivity, I think that as more people learn about what you can do with AI, the potential for economic growth is unlimited.

Melissa is the Founder & CEO of Rem3dy Health, which pioneers personalised solutions across preventative and curative health under the brands Nourished (Personalised Nutrition) and Scripted (Personalised Medicine).

Founded: **2019**

Stage: **Series A**

Employees: **147**

Raised: **\$22.5m**

Investors: **Suntory Ventures, Cibus, UPSA, Henkel Tech Ventures, ADM Ventures, Riverpark Ventures, Shraviv & Sakshi Mittal**

→ *“AI creates more opportunities for startups focused on women’s health.”*



I’m so excited for the potential of AI in femtech, particularly for the early detection and diagnostics of women’s health issues. There are many taboo issues in women’s health that people don’t talk about and that have been neglected, but we’ve also been lacking in innovation.

Conditions such as polycystic ovary syndrome or endometriosis are difficult to diagnose. Now, we can use AI to improve the accuracy of diagnostics, such as MRI and ultrasound, and start identifying biomarkers for biopsies so that women can get to detection and diagnosis much earlier.

There are also more opportunities for female-focused startups. Many femtech startups have been focused on the connected devices space, but now we can look much more at the analytics side.

Tania is the Founder & President of Elvie, which pioneers female-first innovation in tech to improve the lives of women around the world.

Founded: **2013**

Stage: **Series C**

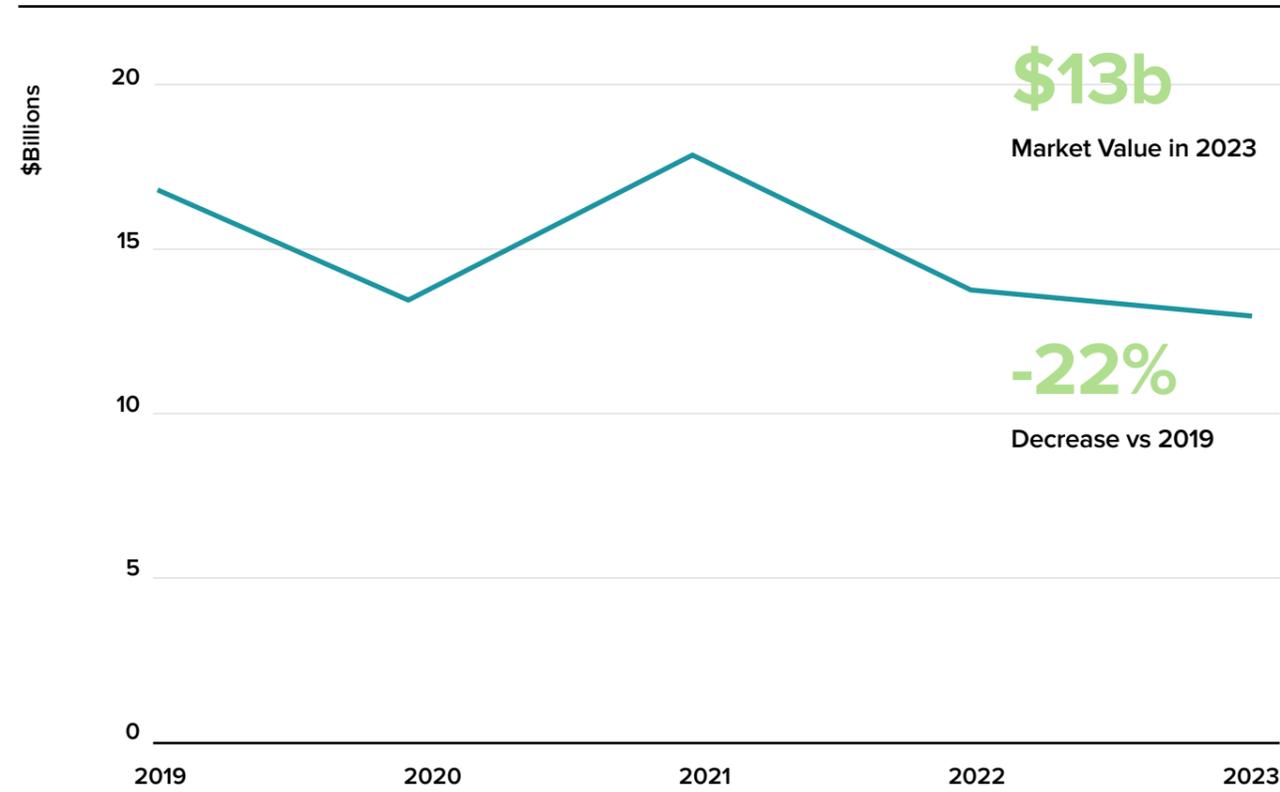
Employees: **213**

Raised: **£70m+**

Investors: **BlackRock, Octopus Ventures, IPGL, Business Growth Fund**



# Enterprise Software



**\$2.1b**

Raised by startups in 2023

**\$5.9b**

Value of exits in 2023

**32 Unicorns**



## Latest Raises



Total raised in Q1 2024: \$1.4b

# Matthew Scullion

## Matillion

→ *“We have all the ingredients to manufacture the consequential companies of tomorrow.”*



Generative AI is absolutely one of those technology moments when the world is changing at a desperate pace and will affect every aspect of how we do business, use data, work, live, and play. We're right at the beginning of the story, so it's about urgency.

We have all the ingredients in the UK to manufacture the consequential companies of tomorrow – talent, capital, top universities, and a stable business environment. With AI, the faster we can get up the cognition curve – from ignorance to denial, existential fear, excitement, and finally action – the better.

Matthew Scullion is the Co-Founder & CEO of tech unicorn and data productivity provider, Matillion. Today, Matillion helps thousands of customers across the globe – including DocuSign, Western Union, Slack, TUI, and Cisco – turn their data into meaningful insights.

Founded: **2011**

Stage: **Series E**

Employees: **500**

Raised: **\$300m**

Investors: **YFM, Snowflake, Databricks, Scale, Lightspeed, Sapphire, Battery, General Atlantic**

# Sammy Fry

## Climate

→ *“Most of the solutions already exist. We just need to scale them.”*



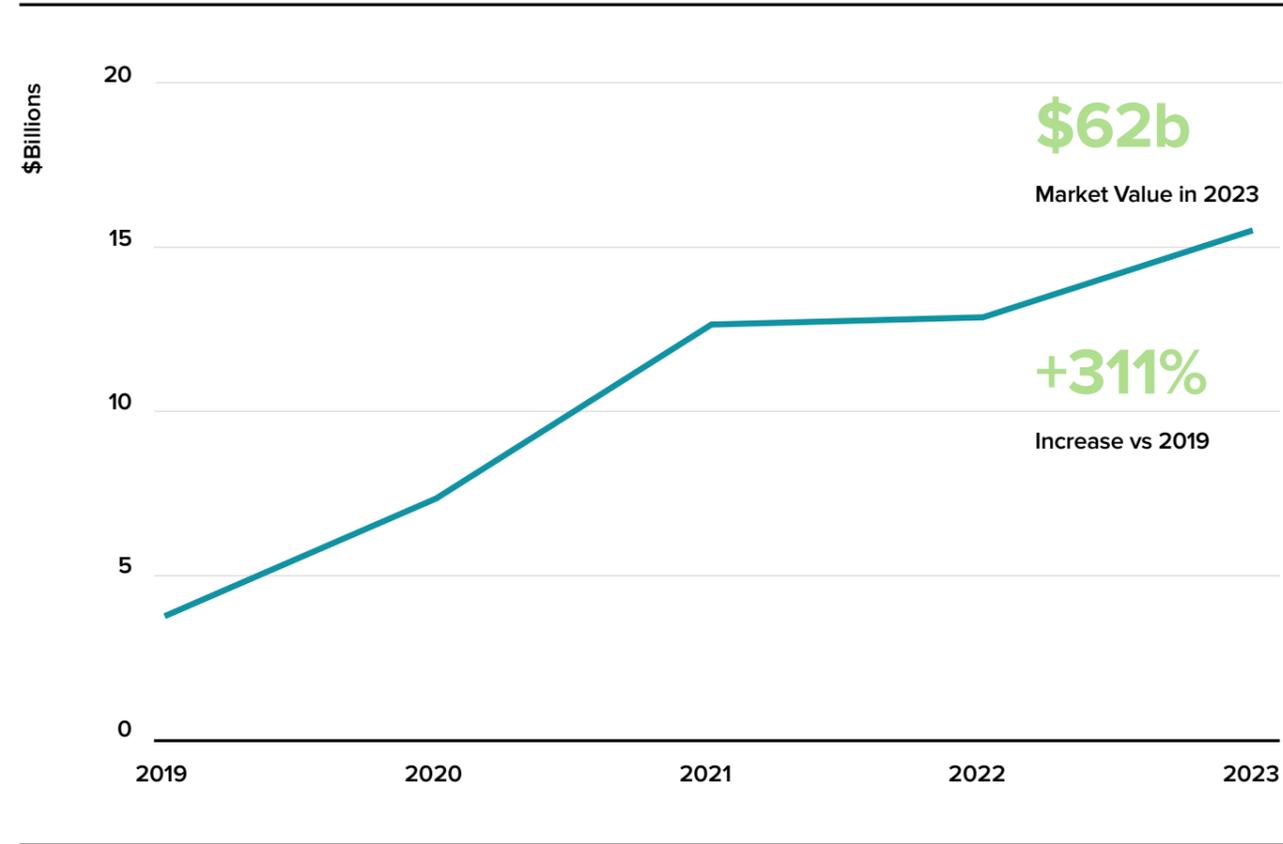
The climate tech landscape is almost blossoming, but not quite. Global investment has surged, from \$27b of funding in 2019 to over \$100b today. This growth is fueled by multiple factors: institutional investors, government initiatives, and the recent emergence of debt financing.

This progress comes with a healthy dose of caution. The cleantech bubble of 2006-2013, where many VC-backed climate ventures failed, serves as a stark reminder. The market appears to be maturing. Startups and stakeholders are embracing diversified funding sources, moving beyond the limitations of VC money. However, there is still a critical financing gap for the most impactful solutions, which are traditionally R&D intensive.

With 2023 recording the hottest temperatures on record and exceeding six out of eight critical planetary boundaries, finding the right funding mechanisms are more critical than ever. The good news is that most of the solutions already exist. We just need to scale them.

Sammy is Head of Climate at Tech Nation and runs Tech Nation's Climate programme, which has supported more than 130 climate tech startups to date. The programme has supported companies to scale 3x as fast as the industry average, and 4 companies have so far exited. Its alumni include the likes of Olio, UNDO, Mission Zero, and Satellite Vu.

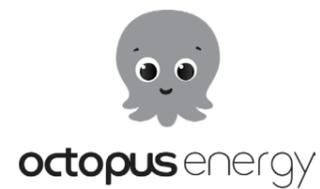
# Climate Tech



**\$6.1b**  
Raised by startups in 2023

**\$2.7b**  
Value of exits in 2023

## 13 Unicorns



## Latest Raises



Total raised in Q1 2024: \$1.4b

# RECRUITMENT & PLANNING FOR THE FUTURE



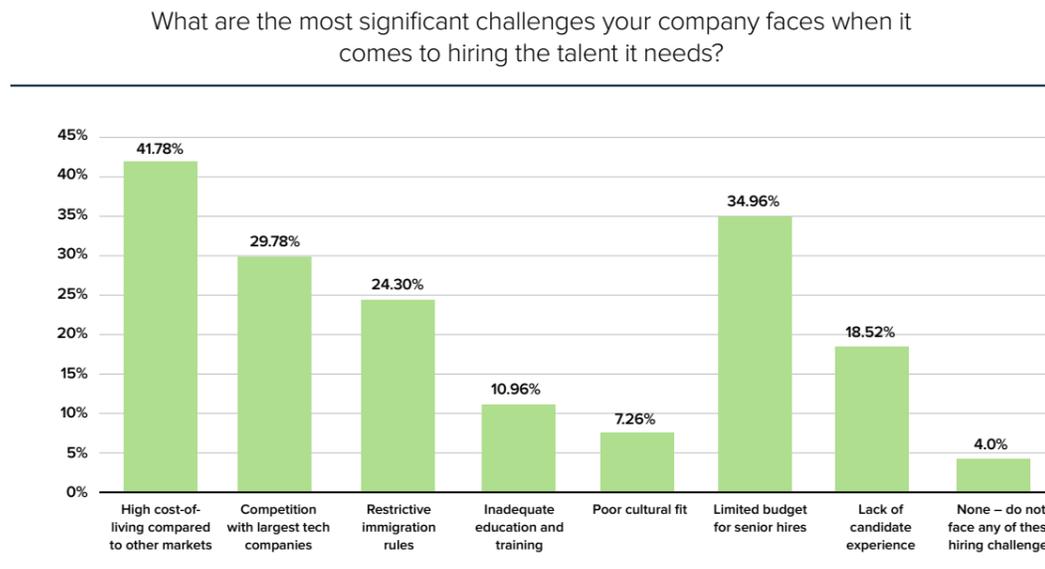
As startups and scaleups welcome an exciting new era for UK tech, the challenges are especially felt in recruitment. Founders, CEOs, and senior leaders responding to our UK Tech Survey face new skills shortages and hiring needs.

**More than half of UK tech startup CEOs and directors say recruitment remains a challenge.**



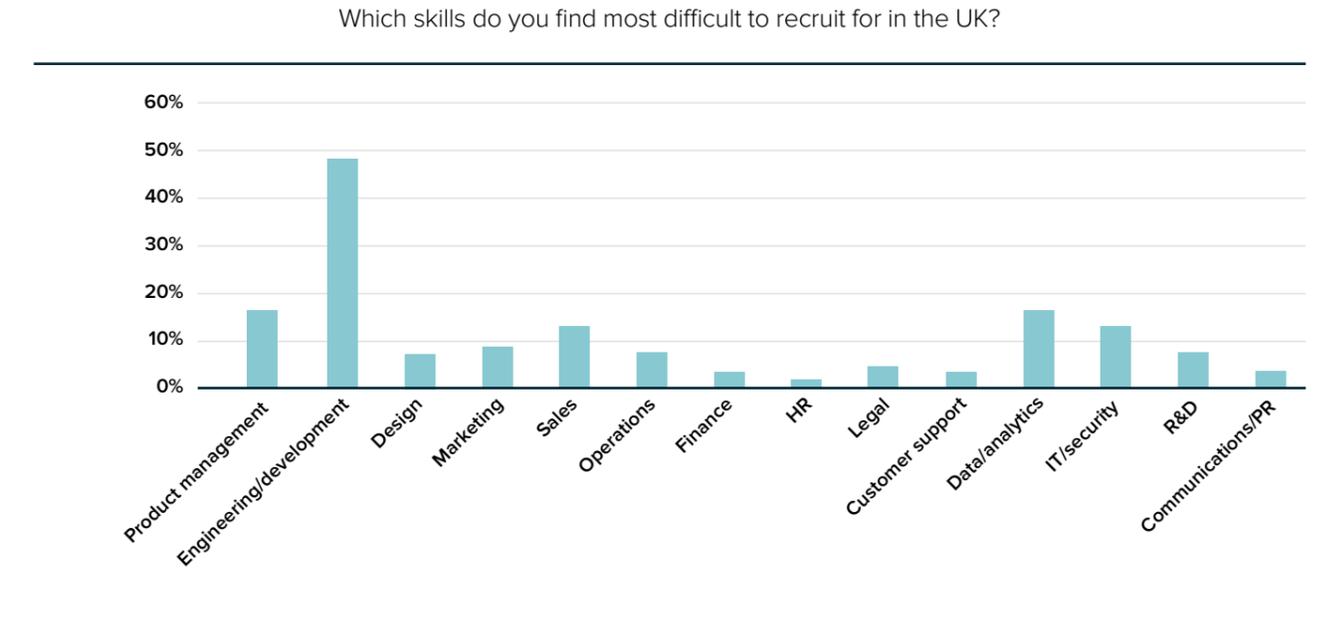
See methodology for a full breakdown of our survey.

**The high cost of living and limited budget for senior hires are the biggest recruitment challenges for leaders of startups and scaleups across the UK.**



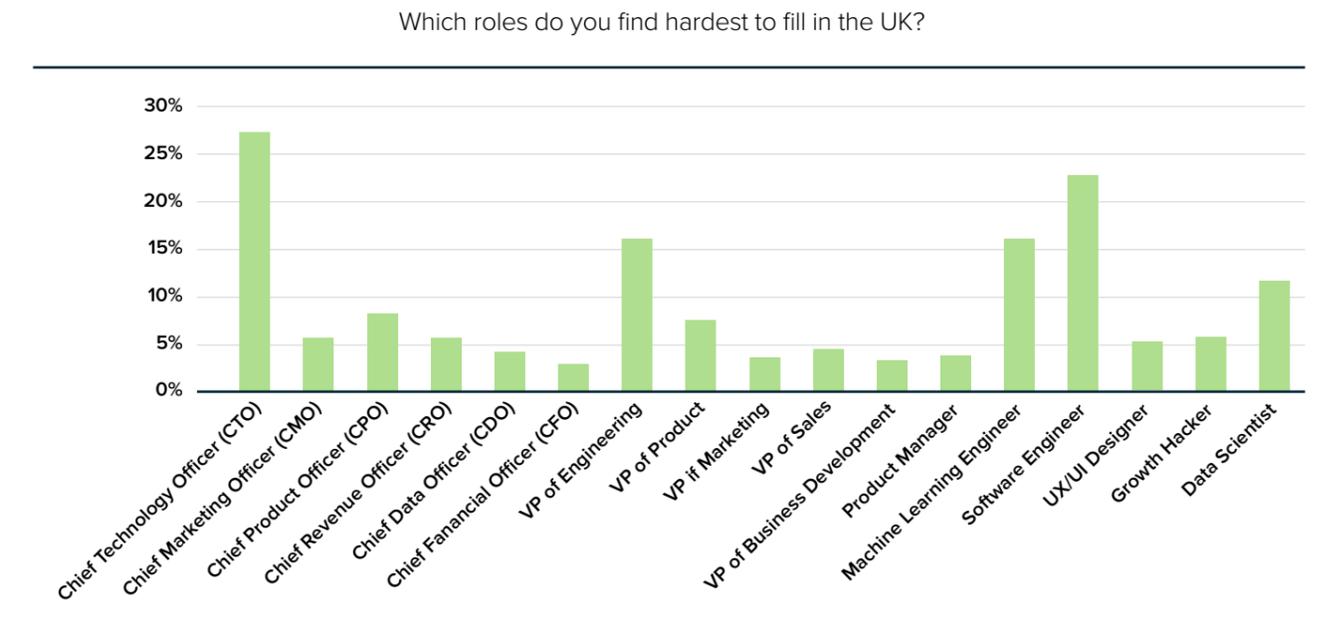
Respondents chose up to two challenges.

**Founders of UK startups and scaleups find engineering and development skills the hardest to recruit for by some distance.**



Question answered by Founders and CEOs of startups and scaleups only. Respondents chose up to three skills.

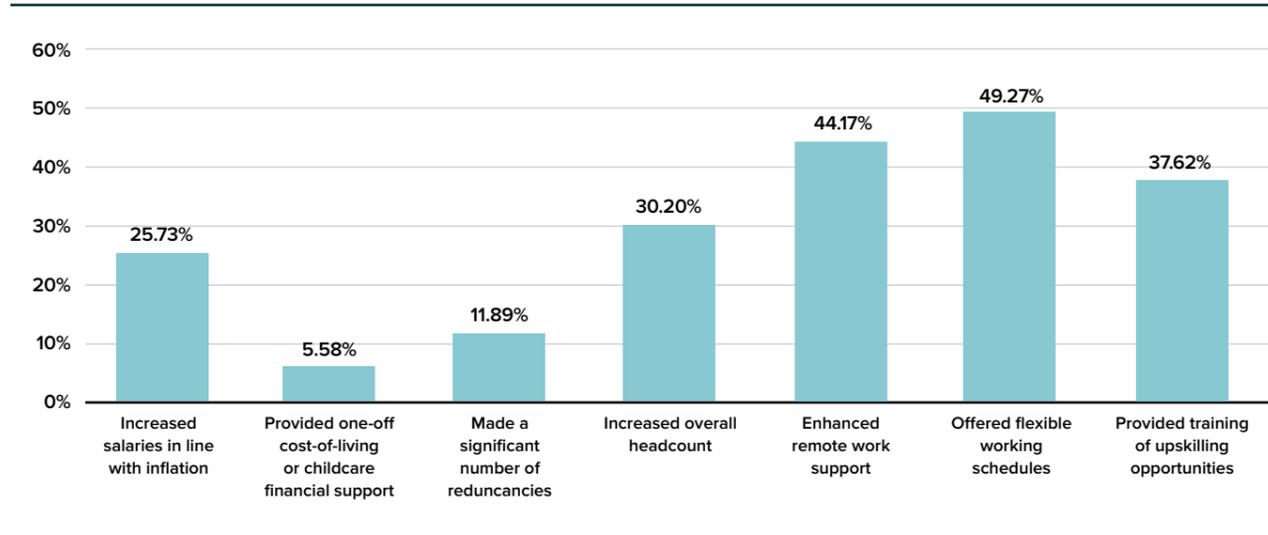
**CTO, VP of Engineering, and Software Engineers are the toughest to recruit roles.**



Respondents chose up to three roles.

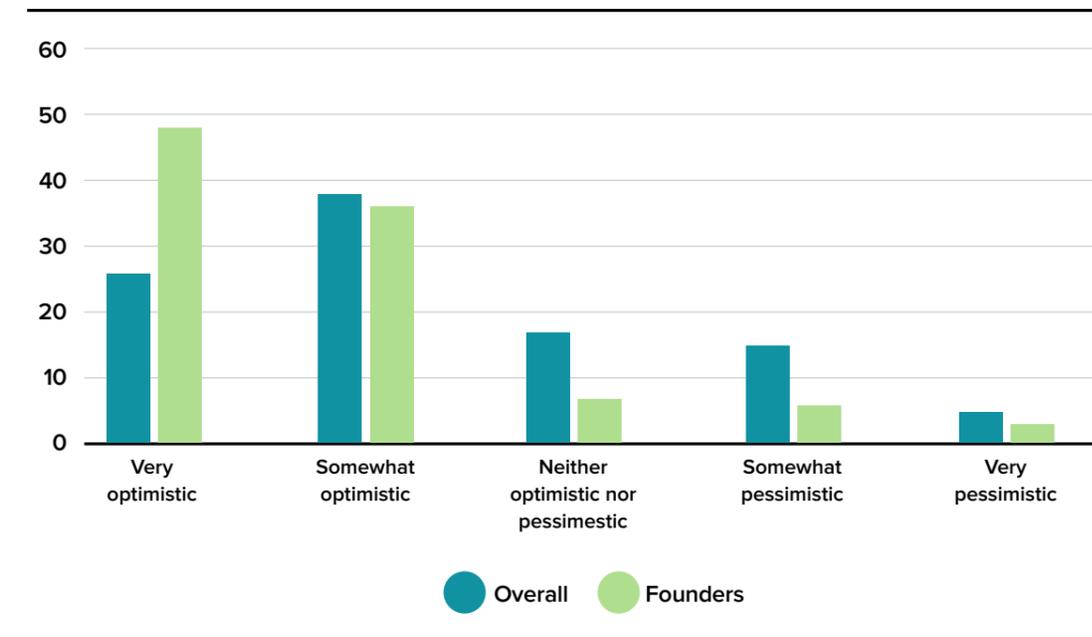
**More UK startups are offering flexible working opportunities, but only one in four increased salaries in line with inflation last year.**

Despite a tough economic environment, close to one in three UK tech founders surveyed said they increased their company's overall headcount last year. Around one in 10 made significant redundancies.



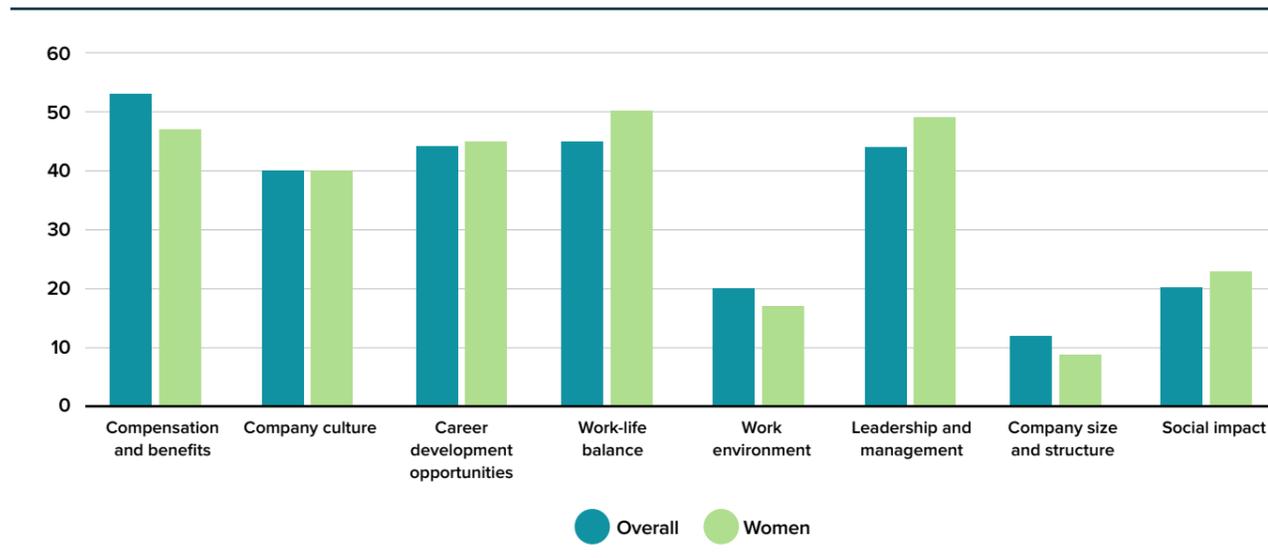
**Despite the challenges, 64% of UK tech professionals overall and 84% of founders surveyed are optimistic about the future of the UK tech sector.**

How optimistic or pessimistic are you about the future of the UK tech sector over the next 12 months?



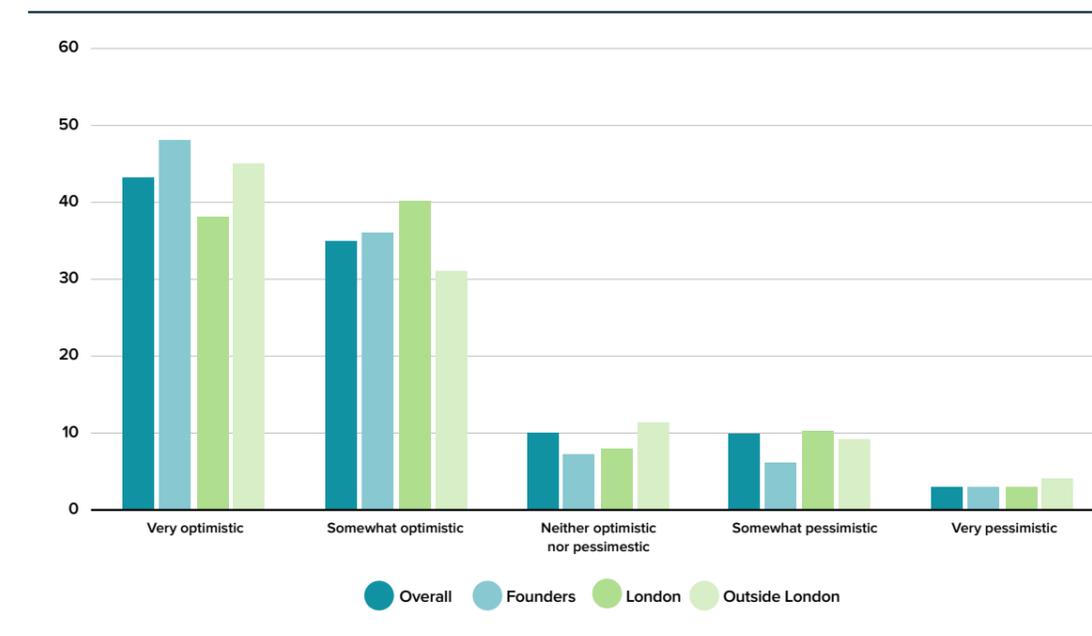
**Job-seekers value work-life balance and culture alongside compensation and career development.**

What are the most important attributes you look for in a prospective employer?

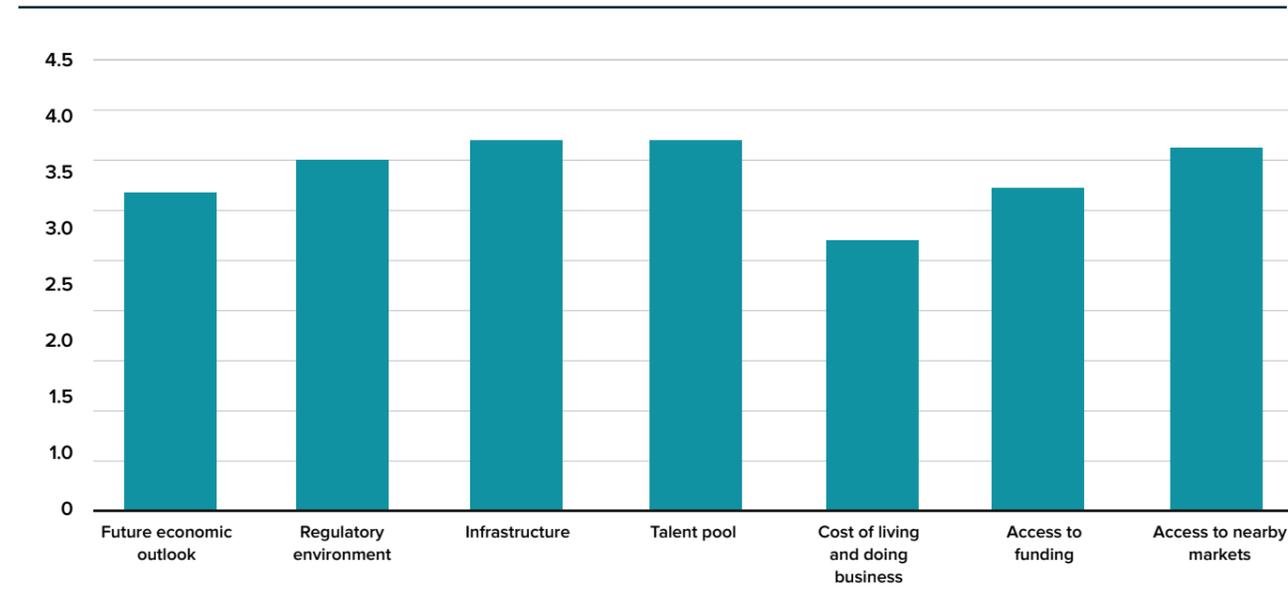


**78% of UK tech professionals overall are optimistic about the future of their companies.**

How optimistic or pessimistic are you about the future of your company over the next 12 months?



Tech professionals rate the UK most highly for business infrastructure, talent, access to nearby markets, and its regulatory environment.

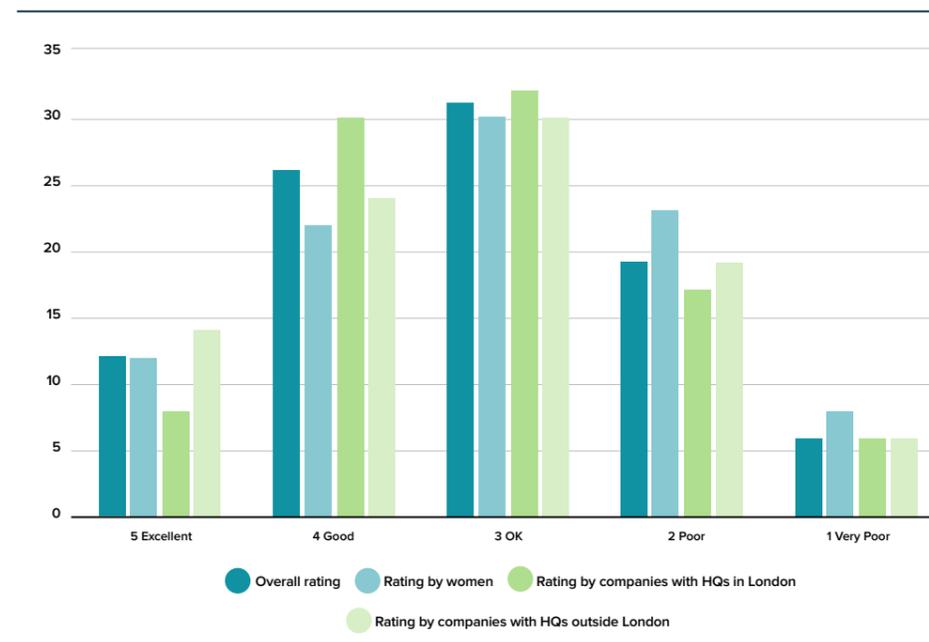


Average overall ratings 1-5: 1 very poor, 2 poor, 3 ok, 4 good, 5 excellent.

38% rate the UK good or excellent for access to funding, although women and tech professionals from companies outside London are less positive.

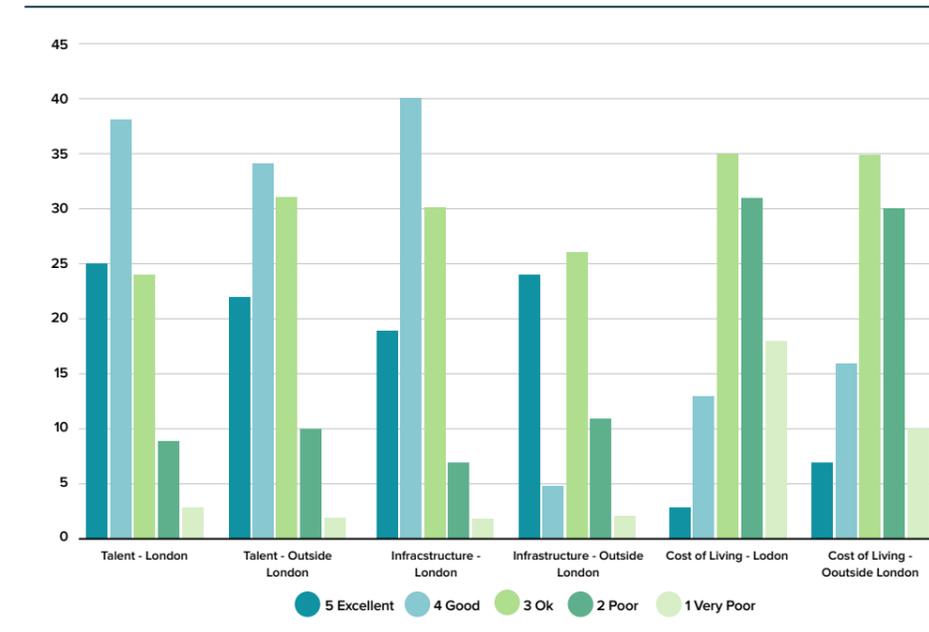
31% of women surveyed rate the UK as poor or very poor for funding, compared with 25% overall.

How do you rate the UK for access to funding?



UK companies headquartered outside London are more positive about cost of living, but less positive about business infrastructure and access to talent.

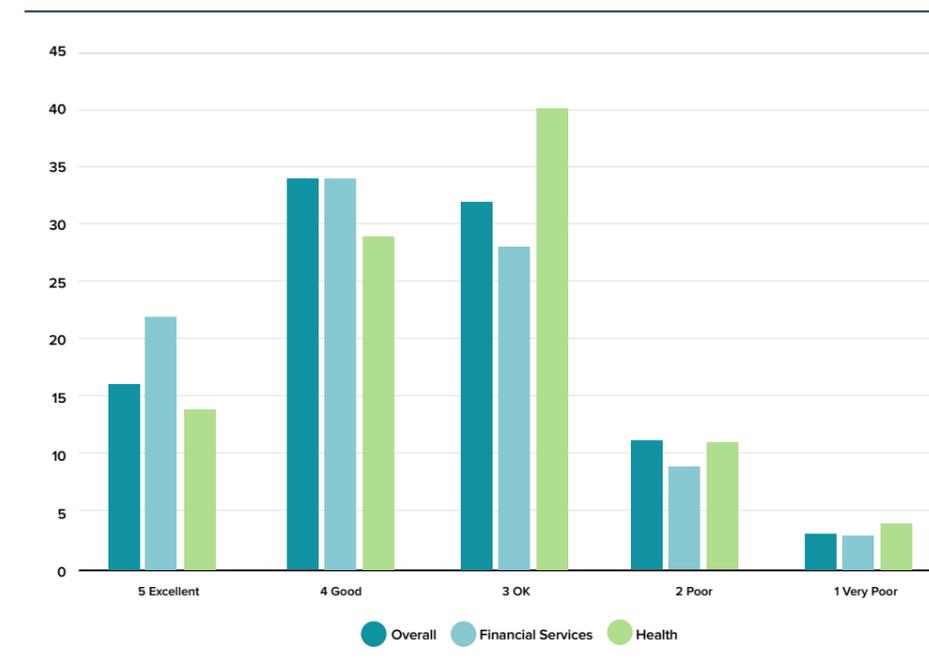
How do you rate the UK for talent, infrastructure, and cost of living?



One in two tech professionals rate the UK regulatory environment as good or excellent.

According to our survey, sentiment is especially positive among professionals in financial services and fintech, while professionals in healthcare and health tech are slightly less positive.

How do you rate the UK for its regulatory environment?



# Jordan Schwarzenberger

Arcade Media



Jordan is the Co-Founder of Arcade Media, the management company for Europe's biggest creators, The Sidemen, who have more than 244 million cross-channel followers. Together, they've founded four fast-growing businesses: fried chicken restaurant, Sides, premium alcohol brand, XIX Vodka, cereal brand, Best Cereal, and the official Sidemen membership club, Side+.

## What's next for the creator economy?

### 1. The biggest opportunity is to develop IP that can turn into a brand

How can you turn a social media following into a business? On the entertainment side, it's about monetising access to your content through paywalls and memberships. On the educational side, it's about productising the value you provide to your audience and turning that into digital products and courses.

We've shifted into a value relationship with creators. The biggest opportunity for the biggest creators is to develop IP that can turn into brands (think PRIME for Logan Paul and KSI). For creators, these brands can become bigger than their content operation would ever be valued at.

### 2. Bridging the gap between creators and financing is key

Influencers have huge distribution channels that can unlock retail opportunities. But the creator is the catalyst. To make the actual running of the business and growth happen, you need the operational team around you and the capital to deliver at scale.

The problem is that there's a gap in the relationship with investors. The people with the money don't know the creators and vice versa. There's a big opportunity to connect investors and creators and help investors better understand how creators work.

### 3. We'll see more founder-creator partnerships

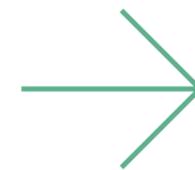
Because there's such market saturation, you're going to see a lot of creators moving in-house to brands. If you're a startup founder, I'd look at creators on TikTok who understand the platform and are great storytellers, and I'd bring them into your business as consultants or creative directors. There will be someone out there who is perfectly aligned with your business, who can provide you with distribution, credibility, a voice, and a personality.

### 4. AI will enhance but not replace human creators

AI will speed up creativity, but it won't replace people. If you look at TikTok, a lot of the content that does well is low-effort content; creators speaking to the camera as if they're talking to a mate. That kind of content often pops way more than the hyper-optimised, hyper-strategic content that tries to game your attention.

# Chantelle Young

Libra



*“Curating a diverse ecosystem isn't just a moral imperative; it's a strategic advantage. Our mission is to guide startups in creating environments that not only attract but actively foster a broad and rich range of talent.”*



Chantelle is the Programme Lead for Tech Nation's Libra programme, providing a springboard for underrepresented tech founders and support for their scale journey. She also heads up Rising Stars, the nationwide pitch competition for early-stage tech startups.

## DEI strategies for startups

### 1. Inclusive Recruitment

Establishing partnerships with organisations committed to diversity is a powerful strategy. Collaborate with diversity-focused recruitment agencies or attend career fairs targeting underrepresented groups. Implement blind hiring practices to minimise unconscious biases, such as removing personal information that could reveal a candidate's protected characteristics. Ensure there is diversity in your interview panel. These are tangible steps which signal that you understand the role of diversity in driving innovation.

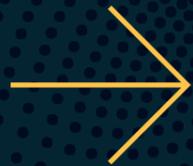
### 2. Unconventional Talent Pools

Engage with non-traditional talent pools, such as coding bootcamps, community organisations, and platforms specifically designed to connect underrepresented talent with tech opportunities. Interrupting traditional recruitment pipelines will help you to find diverse talent.

### 3. Inclusion and Retention

At the heart of the Libra programme lies a commitment to cultivating a tech landscape that mirrors the diversity and innovation of the world we live in. It's not enough to just hire diverse talent, you need to create an environment that will keep them there. Establish mentorship programmes, institute policies that actively address unconscious biases, and implement transparent and fair compensation practices.

# OUR 10 STEP ACTION PLAN FOR UK TECH





# How can we ensure the UK maintains its position as a global tech leader in the age of AI? From our research, data insights, and conversations with leading voices from across the UK tech ecosystem, 10 key themes have emerged.

By following our 10 step action plan, policymakers, companies, investors, founders, and tech startup operators can continue to work together to build a globally competitive and sustainable UK tech sector that attracts diverse talent, fosters groundbreaking innovations, and leads the world in the responsible development of AI.



1

## Seize the opportunity to spearhead AI innovation

There is overwhelming positivity about the current and future potential impact of AI across the UK tech sector. 69% of UK tech professionals say AI is having a positive impact on them personally today and Wayve's \$1b+ fundraise marks a new era for AI investment. This is a watershed moment and we must seize it. We now need further investment in AI research, development, and commercialisation to harness the opportunities AI brings, keep high-potential AI companies in the UK, and strengthen the UK's position as a global AI leader.

As Founders Forum Group, we published four recommendations for the UK Government to drive forward this new era of AI: 1) Adopt AI products and services across Government Departments to drive expertise, productivity, and growth. 2) Open unique UK datasets – NHS, BBC, Companies House – to maximise their value. 3) Upskill our existing outcomes-focused regulators with AI proficiency. 4) Cultivate the AI startup ecosystem with incentives, support, and access to AI talent.



2

## Champion responsible AI development

The UK tech sector is united in its calls for AI regulation. As AI transitions from chatbots into the physical world, we need regulation to ensure its responsible and safe development. However, the risk is that regulation serves the biggest companies with the biggest budgets and leaves the startup ecosystem behind. It's vital that AI regulation considers the needs of all companies, big and small, and we need open conversation between policymakers and industry leaders to develop balanced and innovation-friendly regulation, plus clear guidelines for navigating the regulatory landscape.



3

## Invest in AI skills development at scale

Almost half of the companies we surveyed have changed their ways of working due to AI, and one in five UK tech professionals are seriously considering switching careers. In the next five years, business areas, roles, and entire industries will be significantly disrupted. To stay ahead, we need to close vital skills gaps. This starts at Government level. We need greater collaboration between educators, government, and industry, particularly in upskilling in areas like AI and machine learning, data science, and software engineering. We need to drive the adoption of AI tools across the public sector to upskill the workforce, and to work with schools and universities to develop educational programmes at scale.



## 4 Enhance vital growth-stage support

UK-headquartered funds investing in tech startups are raising more than ever before – \$50.2b in Q1 2024. However, there is a funding gap at growth stage. We need more support mechanisms for scaling companies, particularly in strategic sectors like AI, climate tech, and health tech, to facilitate access to later-stage capital, global talent, and international markets.

At the same time, we must facilitate larger VC funds by catalysing more funding from institutional investors – pension funds and family offices – into venture. The plan to [allocate](#) 5% of UK pension fund assets into startups by 2030 is a start. We need more alternative funding options to complement VC funding, like venture debt and private-public market solutions. [PISCES](#), which will create the first regulated crossover market in the UK, is a great example. Rolling out this new framework will be key by allowing growth-stage companies to access a broader group of investors and greater liquidity while remaining private.



## 5 Bolster regional tech hubs across the UK

The UK tech sector is about more than London. There are multi-billion dollar tech hubs across the UK. Birmingham, Liverpool, Sheffield, Glasgow, and Belfast have witnessed incredible growth in VC funding in the past five years. But the challenges differ region by region. One major barrier to growth in the North is transport. We need faster and more efficient transport links between Manchester and Newcastle or Leeds and Manchester, for example, simply to get people to their jobs. By investing in local infrastructure and talent, increasing startup funding, and championing regional success stories, we can continue to build high-growth tech clusters across the UK, where startups can capitalise on each region's unique strengths and access the critical resources they need to grow.



## 6 Build diverse and inclusive talent pipelines

We know that curating a diverse ecosystem isn't just a moral imperative; it's a strategic advantage. We must promote underrepresented groups in tech, such as women, ethnic minorities, LGBTQ+ individuals, and people with disabilities, to foster more inclusive workplace cultures, support diversity in leadership roles, and ensure a more diverse talent pipeline. To do so, we need to tap into non-traditional talent pools, through initiatives like coding bootcamps and by working alongside community organisations. Once talent is found, we need effective mentorship programmes, policies that actively address unconscious biases, and transparent and fair compensation practices.



## 7 Bridge the funding gap for women and underrepresented founders

\$2.2b (10%) of the total \$21.3b raised by UK tech startups in 2023 went to companies with at least one woman co-founder. Women still raise significantly less in startup funding than men, especially women from underrepresented groups. Targeted initiatives and funds to increase the proportion of VC investment going to women-led startups can help close funding gaps. First, we need to grow the pipeline of women with skills to work for and lead venture capital firms, and we need to include women in the design process of financial products and funding mechanisms to best match their needs. We also need mentorship, education, and greater access to key networks and resources to empower more diverse groups of entrepreneurs and investors.



## 8 Strengthen global partnerships

The majority of VC investment in UK tech startups (64%) comes from overseas. UK founders are building global businesses and top global AI companies – most recently, Scale AI and CoreWeave, which also announced a \$1b investment in UK data centres – are choosing London for their European HQs. In this new age of AI, collaborating with global partners – on regulation, cross-border investment, talent exchange, market access, skills development, and climate tech – has never been more important.



## 9 Make it easier for global tech talent to work in the UK

The UK tech sector's continued success relies on its ability to attract and retain the best global talent. We need to ensure an attractive investment environment for scaling companies across industries, invest in world-class infrastructure, address cost of living, and continue to cultivate and promote a supportive and inclusive environment that values diversity and makes global talent feel at home. Tech Nation has endorsed more than 5,000 highly skilled global professionals, providing them with the opportunity to join the UK tech ecosystem via the [Global Talent Visa](#). We need to support and expand visa routes for skilled technology professionals to make it easier for global talent to work in the UK.



## 10 Empower climate action through technology

Despite the pressing need for climate action, there's still a funding gap for the most impactful, R&D-intensive climate tech solutions. We need to create more incentives for climate tech adoption, establish funding mechanisms beyond traditional VC models, and prioritise public and private investment in solutions across energy, transport, agriculture, and other high-impact sectors to drive the UK's net-zero transition.



# METHODOLOGY

## UK Tech in the Age of AI

To tell the growth story of UK AI and the wider UK tech ecosystem, we used UK tech startup and investment data provided by Dealroom, covering valuations, investments, unicorns, and growth sectors. Currency data is in USD.

AI as a technology is now being used by most tech companies to improve efficiency, speed up performance, development and deployment. Our AI analysis instead focuses specifically on two types of companies:

AI-first startups where the core product is built and enabled by AI (e.g. Quantexa AI fraud detection, Helsing AI for defence, Writer genAI writing assistant). AI tools and model makers such as companies creating AI models (e.g. Mistral AI), hardware or computing infrastructure for AI (e.g. CoreWeave), and tools for AI (e.g. Pinecone).

Unicorn companies include companies that are privately valued at \$1b+, and those that achieved a \$1b+ exit via going public or acquisition. Unicorn numbers include companies founded and/or headquartered in the UK. Soonicorns are companies valued at \$200m-\$999m that have raised investment in the last five years, and are therefore on a potential unicorn track. Soonicorn numbers only include companies headquartered in the UK.

The figure for the annual value of the UK tech ecosystem is based on the combined sum of the valuations of UK tech companies founded since 1990 for each year over the past decade. Other valuation figures follow the same corresponding criteria. For example, the value of UK fintech is based on the combined sum of UK fintech companies.

VC investment figures (money raised by tech startups) include all venture-type investments, from VCs as well as corporate venture investments and venture investments by family offices, angel networks, crowdfunding, sovereign wealth funds, crossover funds etc.

When total investment is broken down by industry, the combined total investment figure per industry does not equate to total investment in UK tech startups. This is because some companies are counted as operating in more than one industry, so the resulting figure would be greater.

## UK Tech Survey

Supported by Global Counsel, we surveyed 892 professionals working in the UK tech sector between March and May 2024 to gather their perspectives and sentiments on the current state and future direction of UK tech, talent, and the impact of AI.

Total combined percentages shown in our data charts do not add up to 100%. This is because some respondents answered 'don't know' or 'other' to some of the survey questions but these data points are not included in the charts.

More about our survey respondents:

- 67% describe their gender as male, 30% female, 3% other/preferred not to say.
- They're mostly from startups and scaleups. 38% of respondents represent companies of between 0-9 employees; 15% have 10-24 employees; 20%, 25-100; 11%, 100-500; 15%, 500+.
- 26% are from pre-Seed companies, 20% Seed, 13% Series A, 8% Series B, 11% Series C+.

- 69% of those companies are headquartered in the UK. 53% are headquartered in London, 47% outside London. The most prominent regions represented outside London are the South East (7%), the South West (6%), the West Midlands (6%), the North West (5%), and the East of England (5%).
- They are senior leaders in their organisations. 44% are founders/CEOs, 63% are in executive and/or leadership positions, 90% are managers or senior-level employees.
- They come from a variety of industries. The most prominent are financial services (18%), cloud services (12%), healthcare (11%), education (10%), and legal and professional services (10%). Respondents could identify as operating across more than one industry.
- They work across a variety of functional business areas. The most prominent are engineering and development (31%), product management (19%), marketing and comms (18%), data and analytics (18%), finance (17%), operations (15%). Respondents could identify as operating across more than one functional area.

## AI in the Media

We used data from Signal AI to track sentiment towards AI and AI startups in the UK and global news media between January and December 2023.

Signal AI analyses the world's external data across 225 markets and 100 languages, providing companies with actionable insights designed to spot industry trends, assess emerging risks, and unearth reputational insights.

Signal AI's Net Positive Sentiment (NPS) is based on the total number of positive news mentions, minus the total number of negative mentions, divided by the total number of mentions. The sentiment score varies between -1 (negative sentiment) and 1 (positive sentiment), with a neutral score (0) indicating a prominence of neutral coverage, or highly polarised coverage (both positive and negative).

Share of Voice (SOV) is based on topic mentions divided by the total number of mentions, multiplied by 100. SOV is determined by tallying the mentions of the top 20 most referenced organisations in conjunction with a particular topic. The resulting percentage is the percentage of the total number of mentions attributed to the 20 most referenced organisations related to a particular topic.

# OUR PARTNERS



Tesco is a leading multinational retailer, which aims to serve customers affordable, healthy and sustainable food. Tesco has always been at the forefront of retail innovation. Tesco brought self-service to the UK in the 1940s; fulfilled the first digital order in the 1980s; and led the way in supermarket loyalty in the 1990s, with the launch of Tesco Clubcard. Tesco is constantly looking for ways to deliver its purpose and serve its customers, communities and the planet a little better every day.



Dealroom is a global provider of data and intelligence on startups and tech ecosystems. Founded in Amsterdam in 2013, Dealroom now works with many of the world's most prominent investors, entrepreneurs, and government organisations to provide transparency, analysis, and insights on venture capital activity.

# FOUNDING PARTNER



HSBC Innovation Banking provides commercial banking services, expertise, and insights to the technology, life science and healthcare, private equity, and venture capital industries. HSBC Innovation Banking UK is a subsidiary of HSBC Group, benefiting from its stability, strong credit rating, and international reach to help fuel its growth.



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Global Counsel supports corporates, investors, and the public sector to predict, adapt to, and shape policy and regulatory change. This report was produced with the combined support of Global Counsel's Tech, Media and Telecoms, and Research and Insight teams. Combining rigorous research programmes with an in-depth understanding of the policy environment, Global Counsel helps organisations to make valuable, evidence-based contributions on important public policy topics.



Signal AI provides reputation and risk intelligence to companies globally. Signal AI analyses the world's external data across 225 markets and 100 languages, providing companies with actionable insights designed to spot industry trends, assess emerging risks, and unearth reputational insights.

# POWERED BY



Founders Forum Group is a global community and group of businesses supporting entrepreneurs at every stage of their journeys. Its forums unite the world's most influential founders, investors, corporate and government leaders to tackle era-defining questions in iconic locations across the globe. Fuelled by the connections and ideas forged at the group's flagship events, FF Group businesses support the needs of today's founders via professional services, education, investment, philanthropy, and content.

In 2023, FF Group acquired Tech Nation and continues its previously government-funded programmes for early-stage and diverse founders, as well as data-driven research into the UK's tech ecosystem, with Tech Nation also continuing to act as an endorsing body for the UK's Global Talent Visa.



Cat Totty partners with co-founders to design the most effective ways of working together to scale their business. She's worked with 35+ startups, also bringing experience as a director in West End Theatre, a global corporate, and a Masters in Physics from Oxford.



Jennifer Clamp, Founder of Aata Ltd, is a coaching partner with Octopus VC and Tech Nation, and runs a network of over 30 founder coaches. Jennifer's roots are in psychology and biology, specifically behavioural change, organisational design, and leadership.



# TECH NATION

Supporting startups from  
seed stage to success story



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