



UK TECH FOR A CHANGING WORLD

TECH NATION REPORT 2020

Report partners:





The growth platform for tech companies and leaders

The annual Tech Nation report charts and champions the UK's digital economy. As emerging and maturing technologies continue to disrupt and transform incumbent industries, and tackle some of the world's biggest challenges, the report this year focuses on UK Tech For A Changing World. As we live through the fastest pace of change in history, UK tech is at the forefront of some of the biggest questions, and providing the answers.

This is an executive summary - over 50 case studies and more findings can be explored at: technation.io/report2020

Report partners:



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The Prime Minister

The Rt Hon Boris Johnson MP



I am delighted to introduce this report, which confirms the United Kingdom's standing as Europe's number one Tech Nation.

In the space of a single year, we have shattered all records, with technology investment in the UK soaring by 44 per cent to over £10 billion - more than France and Germany combined. Britain is second in the world for fintech, with investment rising by over 100 per cent in the last year alone. And we are number one in Europe for the emerging technologies that will transform the lives of every single human being.

In this report, you will read of the world's first artificial intelligence blood test, pioneered by a British company, ClinspecDX, which will accelerate the detection of brain cancer and allow the early treatment that saves lives.

You will learn how Great Ormond Street Hospital have employed Virtual Reality to let children, who may never have been to hospital, calm their fears by roaming its wards and meeting other patients before they even step through the doors.

You will discover how tech companies are increasingly striving not solely to maximise profits but to achieve a wider purpose, deploying the arsenal of technology against the giant evils of hunger, poverty and disease.

So this report only fortifies my optimism in our ability to remake the world wondrously and benignly – and this Government is determined to seize the opportunity. We are investing in education, infrastructure and technology, levelling up across the regions of our country. We are doubling investment in basic science research, and using the newfound control of our immigration system to fast track the talent for our continued success.

We are also leading the global debate on the ethical and responsible use of technology, ensuring that new advances reflect our values of freedom, openness and pluralism.

In doing so, we can unleash the boundless ingenuity and inventiveness of our Tech Nation to surmount the limits that once constrained humanity and vanquish the perils that once ended so many lives.



Eileen Burbidge

Chair, Tech Nation and Partner, Passion Capital

Gerard Grech

Chief Executive, Tech Nation

Tech is rapidly evolving the way we live and work. Game-changing companies are positively transforming societies and economies - shifting global boundaries and redefining growth for the 21st century.

Companies at the pinnacle of growth, *scaleups*, are becoming an ever more important part of UK tech, with nearly 82% of tech sector investment now being made into these job-generating, value-creating powerhouses of the future. At Tech Nation, we specifically work with these tech companies every day through our growth and sector programmes, which are designed to fuel growth by unlocking the potential of leadership teams.

Purpose-driven tech companies in particular are coming to the fore, harnessing technology to solve global problems. Investment into companies responding to the United Nations Sustainable Development Goals nearly doubled (+92%) in the last year, showing that investors are putting their money where their mouth is when it comes to tackling some of the world's biggest challenges. Thriving tech companies wherever they are based raise our collective ambition, and drive momentum for positive change.

Amid a rapidly changing world, the UK continues to act as a shining light for global tech. This report provides important, evidenced insights into the UK's place in the world, providing a true State of the Nation when it comes to UK tech.

We would like to thank the UK Government, in particular the Department for Digital, Culture, Media and Sport, the Department for International Trade, and the Department for Business, Energy and Industrial Strategy. Thank you to our Tech Nation Report partners Openreach and BNP Paribas Real Estate. Finally, we would like to acknowledge and thank our colleagues and the board at Tech Nation – a team which we are incredibly proud to be a part of.

Key statistics

UK tech is scaling

#1 <

UK is Europe's top scaling tech nation, and is increasing its lead in the world

£10.1bn <

Investment into UK tech companies in 2019 - a record

95 <

Companies valued at \$250m-\$800m in the UK in 2019, a 27% increase from 2018

5/20 <

Manchester, London, Bristol, Oxford and Cambridge are among Europe's top 20 cities for tech investment

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> 277%

Manchester is Europe's fastest-growing major tech cluster, with investment growing from £48m in 2018 to £181m in 2019

> 77

The UK is 3rd in the world for tech unicorns behind only the US and China, with 77 companies valued at over \$1bn

> 6x

Tech sector GVA grew nearly six times as fast as that of the UK economy as a whole - £104bn in 2010 to £149bn in 2018, +43% in eight years

> +44%

UK tech investment grew to a record £10.1bn in 2019

> 2.93m

UK tech employment grew by 40% in the last 2 years, now accounting for 9% of the national workforce with 2.93m jobs created

> £2.2bn

UK tech companies aligned to United Nations Sustainable Development Goals have raised £2.2bn over the last 6 years, the highest in Europe

1.0 INVESTMENT



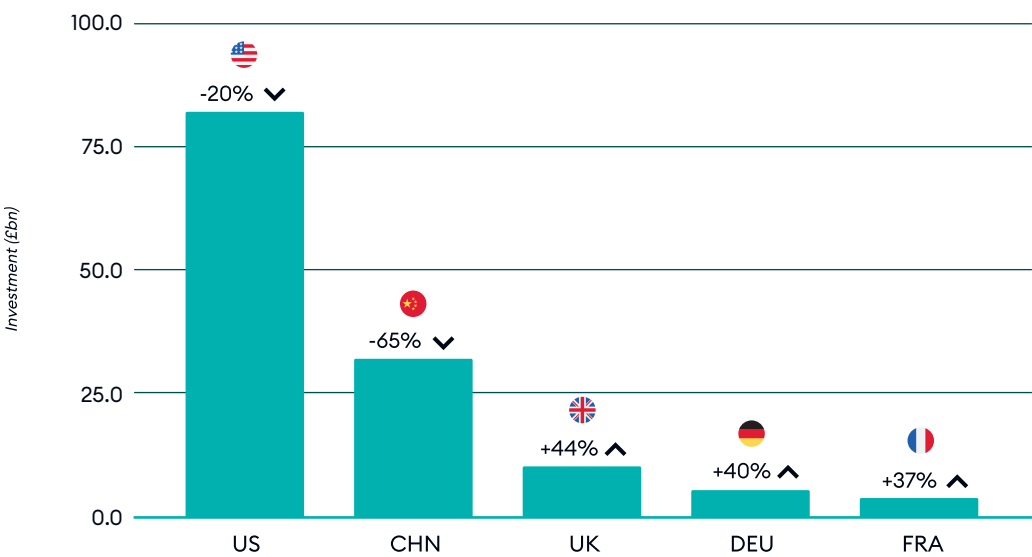
1.1 Global investment trends

UK tech investment increased by 44% over the last year - breaking records

£10.1bn was invested in UK tech in 2019, breaking the all-time record for tech investment in the UK.

The UK is third in the world for tech investment for another year running, behind only the US and China, and raising more than France and Germany combined.

Investment (£bn) 2019 vs country



Source: Tech Nation 2020; Dealroom 2020

Scaleup nation

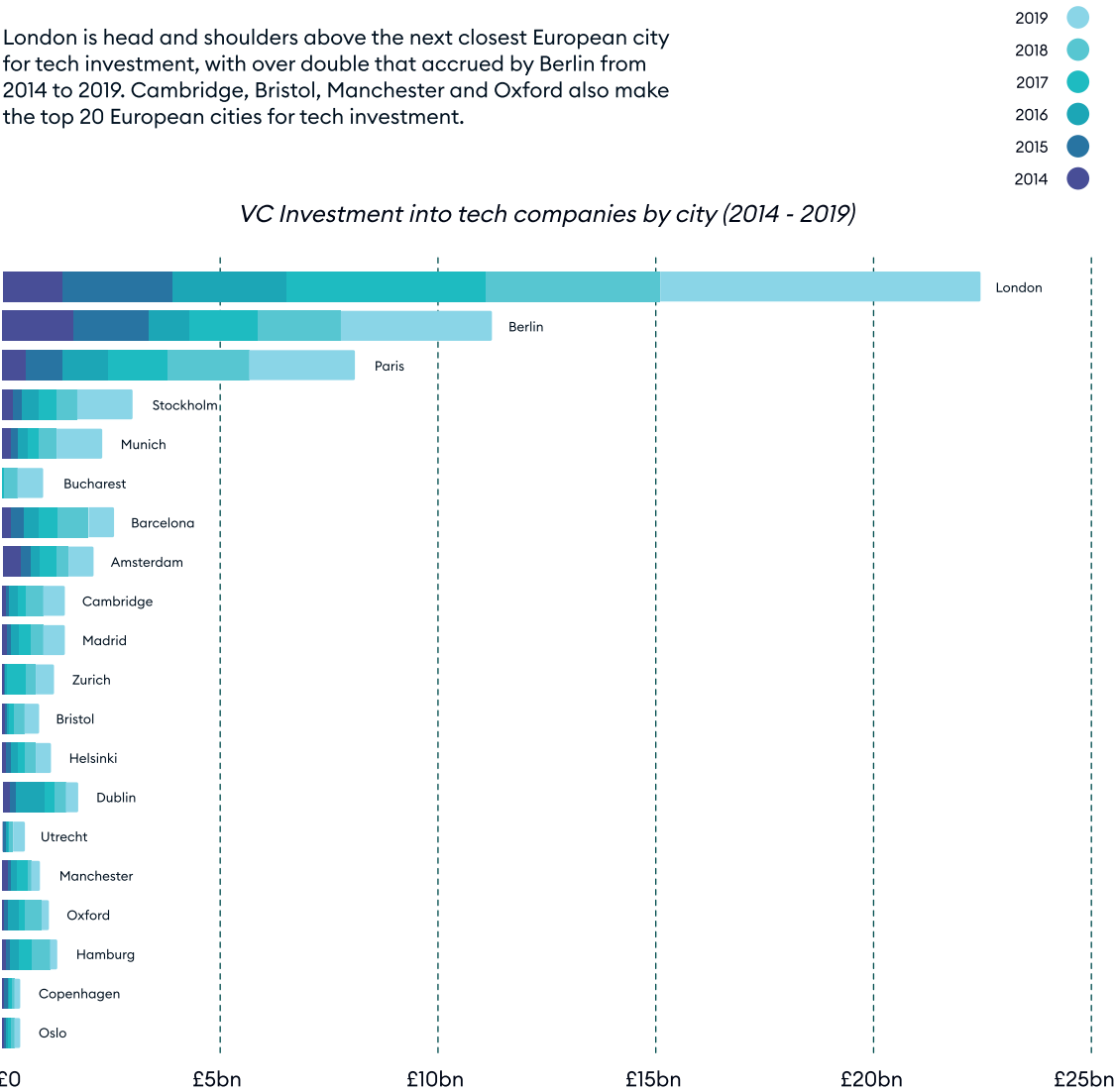
81.2% of UK tech investment was made into high-growth, high-productivity potential scaleup firms - those with at least 10 employees and growing by at least 20% year on year.

1.1 Global investment trends



London and Cambridge are in the top 10 European cities for 2019 investment

London is head and shoulders above the next closest European city for tech investment, with over double that accrued by Berlin from 2014 to 2019. Cambridge, Bristol, Manchester and Oxford also make the top 20 European cities for tech investment.



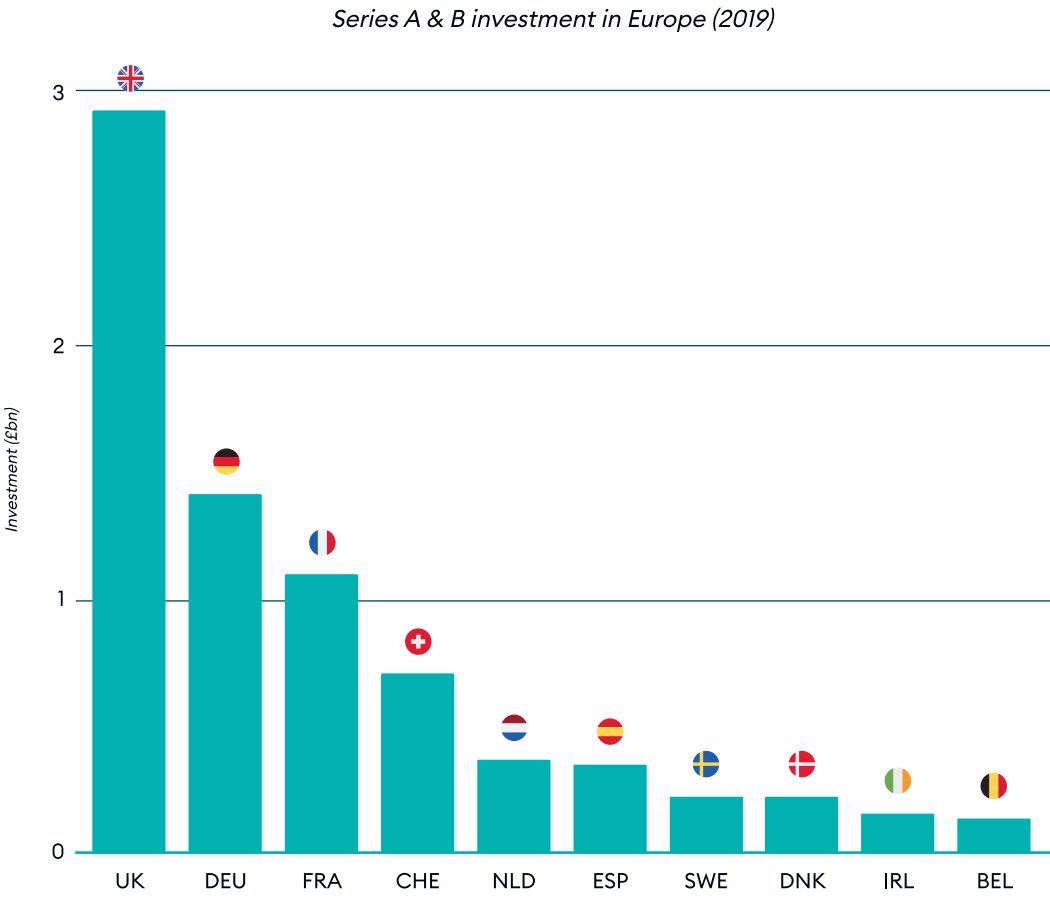
Source: Tech Nation 2020; Dealroom 2020

1.1 Global investment trends



Late-stage UK tech is rocketing

UK Series A and B investment has rocketed over the last year - by 28%.



Source: Tech Nation 2020; Dealroom 2020

1.1 Global investment trends



Growth at every stage for UK tech

VC investment change (2018-2019) by stage of growth shows a mature, scaling UK ecosystem. Consistent increases, as opposed to volatile increases and decreases, illustrate the stability of the UK tech sector relative to some other European nations, where a lower baseline of investment is seen at each stage of company growth.

	Pre-seed & seed	Bridge rounds	Series A & B	Series C +	Growth equity
Europe	-3%	-2%	17%	96%	36%
UK	6%	23%	28%	71%	51%
DEU	-21%	14%	16%	243%	-69%
FRN	42%	-9%	-2%	187%	-49%
SWE	40%	-26%	-3%	167%	696%
CHE	-55%	-83%	119%	-23%	481%
NLD	-46%	-21%	23%	238%	300%
ESP	0%	76%	44%	-31%	100%
ROU	0%	0%	-100%	148%	0%
FIN	0%	56%	-50%	135%	500%
BEL	50%	0%	-36%	200%	-100%
DNK	50%	-10%	108%	-39%	-33%
IRL	-40%	57%	43%	-60%	-67%
ITA	-50%	-27%	-24%	1100%	-14%
NOR	-60%	30%	150%	-38%	0%
AUT	-33%	0%	100%	13%	100%
POL	0%	100%	100%	0%	0%
LTU	100%	0%	0%	133%	-100%

Source: Tech Nation 2020; Dealroom 2020 High Decline Decline Growth High Growth

1.2 UK investment

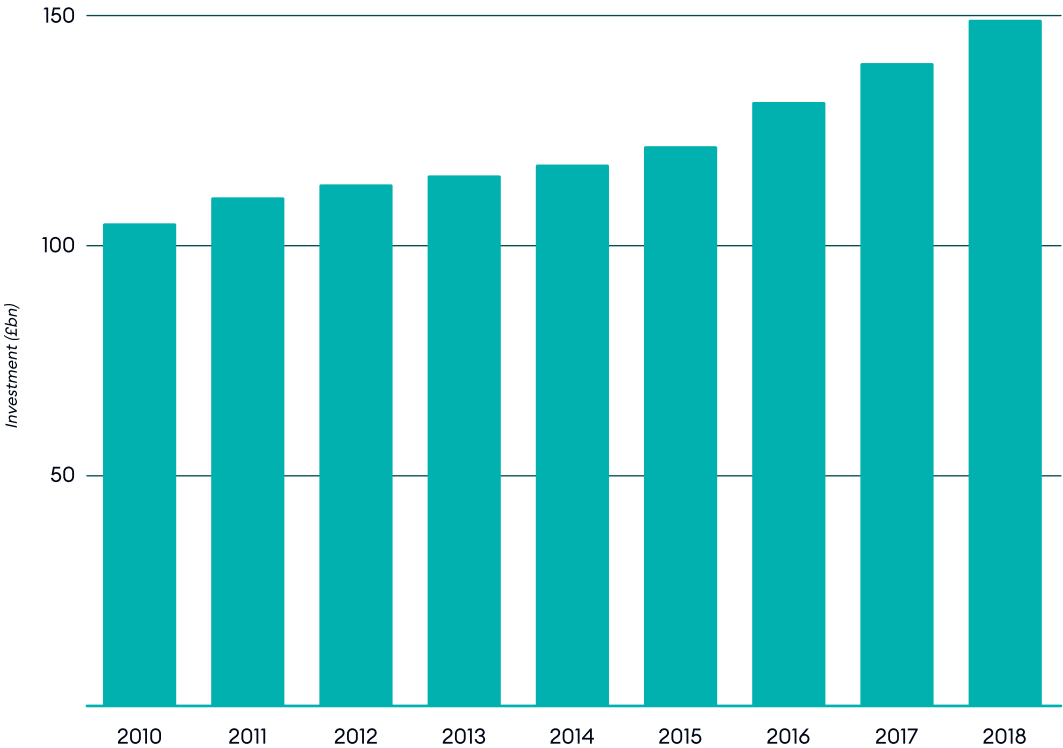


UK tech GVA has rocketed over the last eight years

The UK tech sector's Gross Value Added (GVA) contribution is now growing six times faster than that of the wider economy.

Digital tech contributed £149bn in GVA in 2018, accounting for 7.7% of the UK economy. Over the last eight years, digital tech sector GVA has increased by 43%, from £104.2bn in 2010 to £149bn in 2018.

Digital tech GVA contribution (£bn) vs year



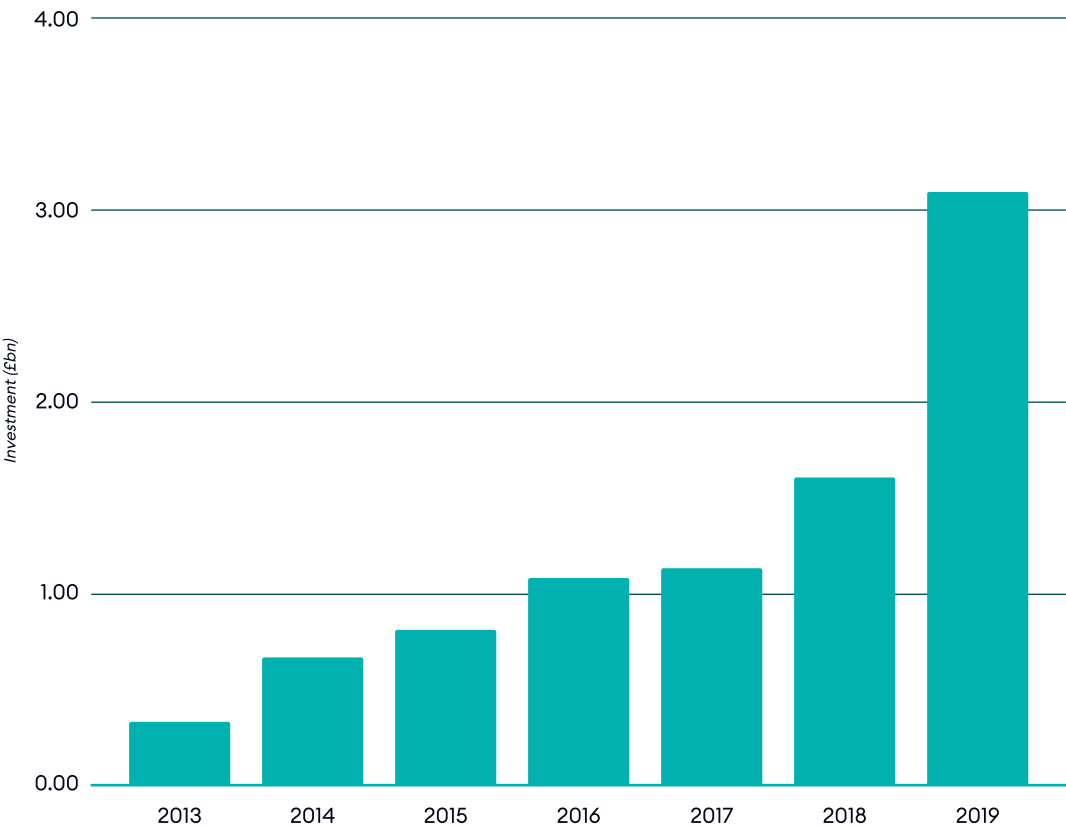
Source: Tech Nation 2020; DCMS 2020

1.2 UK investment

Conscientious investor

Purpose-driven UK tech companies are coming to the fore, with investment in tech companies addressing United Nations Sustainable Development Goals almost doubling in the last year, and growing by over 9x since 2013.

Investment in UK companies aligned with UN SDGs



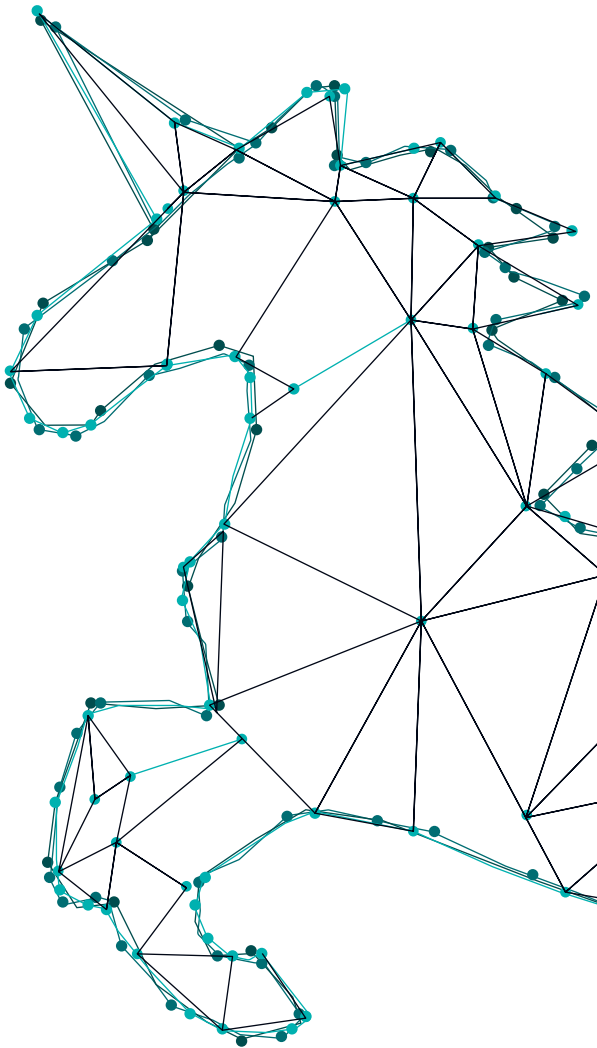
Source: Tech Nation 2020; Dealroom 2020

1.3 Unicorns

Unicorn Kingdom

8 tech unicorns - companies valued at over \$1bn - were created in the UK in 2019, bringing the UK's total count to 77 since 1990.

The unicorn class of 2019:

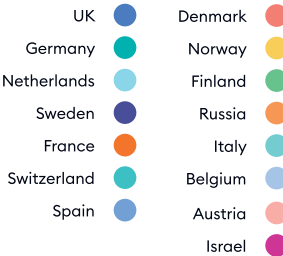


1.3 Unicorns



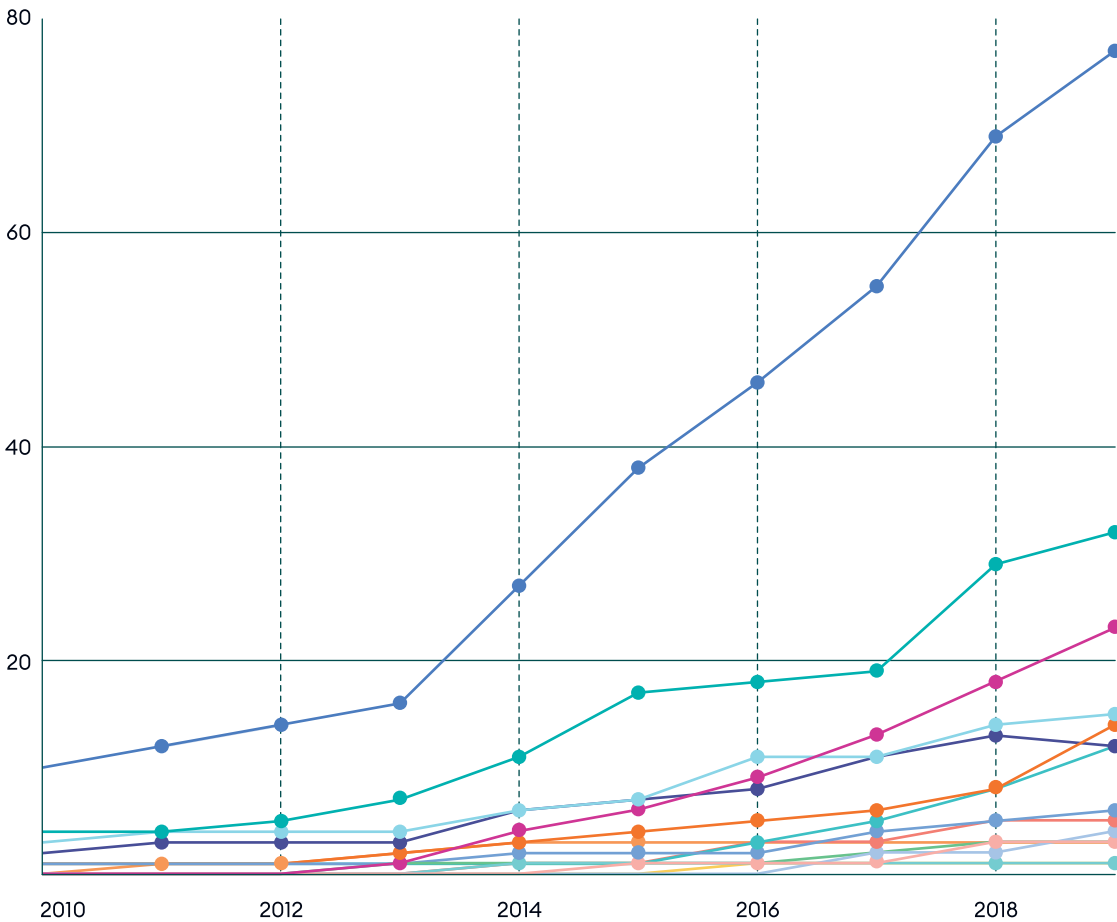
Unicorns in the making?

The number of “future unicorns” - companies valued between \$250m and \$800m - rose by 27% to 95 in 2019, showing that the pipeline of prospective billion dollar-valued firms is healthy and growing.



Number of tech unicorns in European countries (2010 - 2019)

Source: Tech Nation 2020; Dealroom 2020



1.3 Unicorns



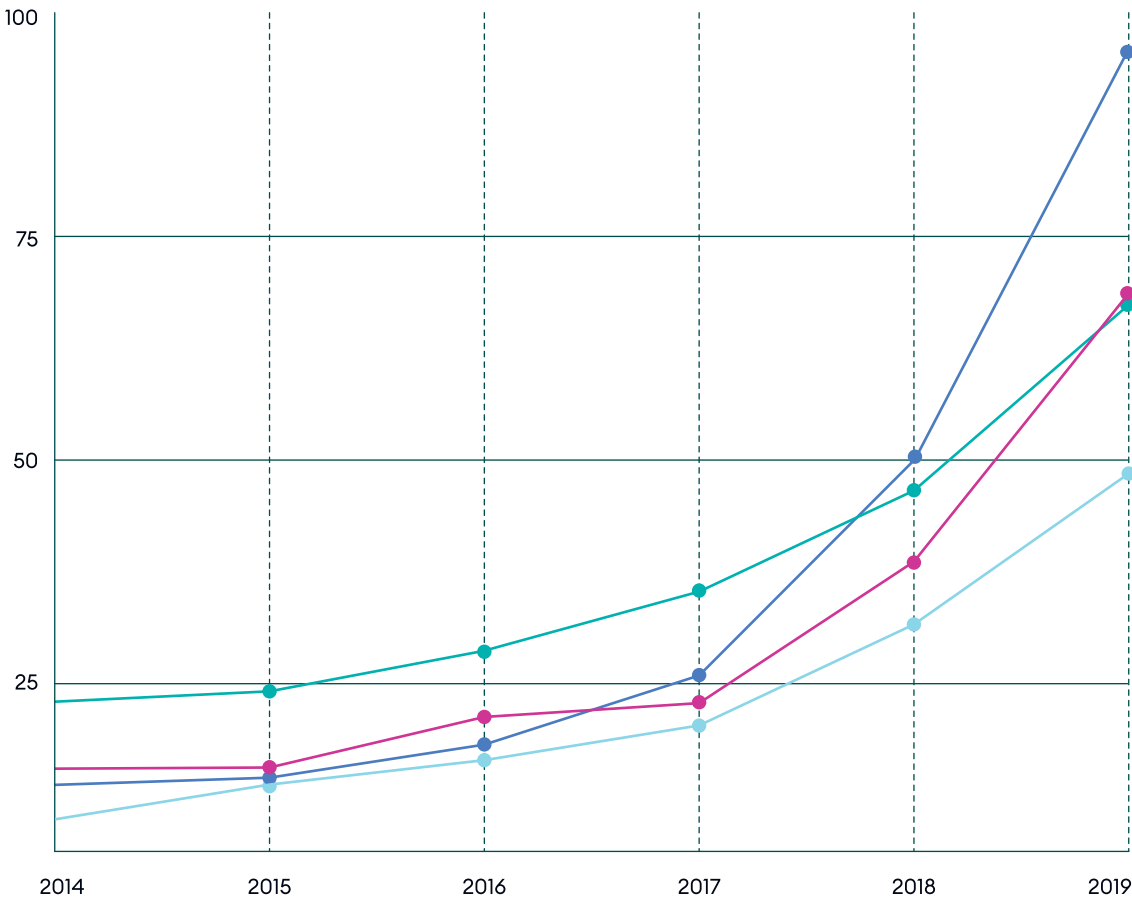
There were 95 of these high-value scaleups in the UK in 2019, including companies like Atom Bank in the North East of England, Depop in London and Crisp Thinking in Yorkshire.

45% of the UK's high-value scaleups are based outside of London - a positive sign that all nations and regions in the UK are building a pipeline of global tech leaders.



High value scaleups in the UK, Germany, France & Israel (2014-2019)

Source: Tech Nation 2020; Dealroom 2020



1.4 Global capital

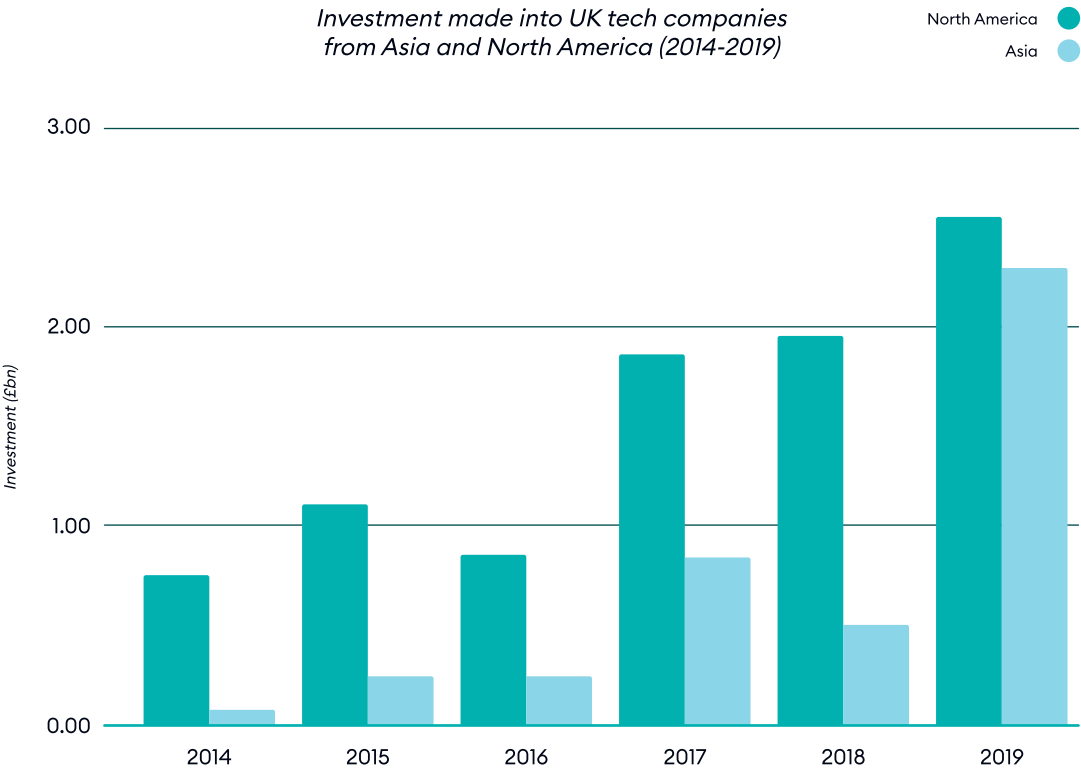


UK tech is a global investment beacon

£4.9bn was invested into UK tech companies by US and Asian investors in 2019, accounting for 45% of all investment made into UK tech. 24% of investment was made by US investors and 21% from Asian investors.

This is a strong health indicator for UK unicorns of the present and future, and of the UK economy, given that the top 30 foreign-funded tech companies in the UK have created more than 5,000 UK jobs.

Investment made into UK tech companies from Asia and North America (2014-2019)



Source: Tech Nation 2020; Dealroom 2020

2.0 EMERGING TECH

The UK is 3rd in the world for investment in crucial emerging technologies.

VC investment in emerging technologies from 2015-2019 represents 15% of all investment into digital tech companies.

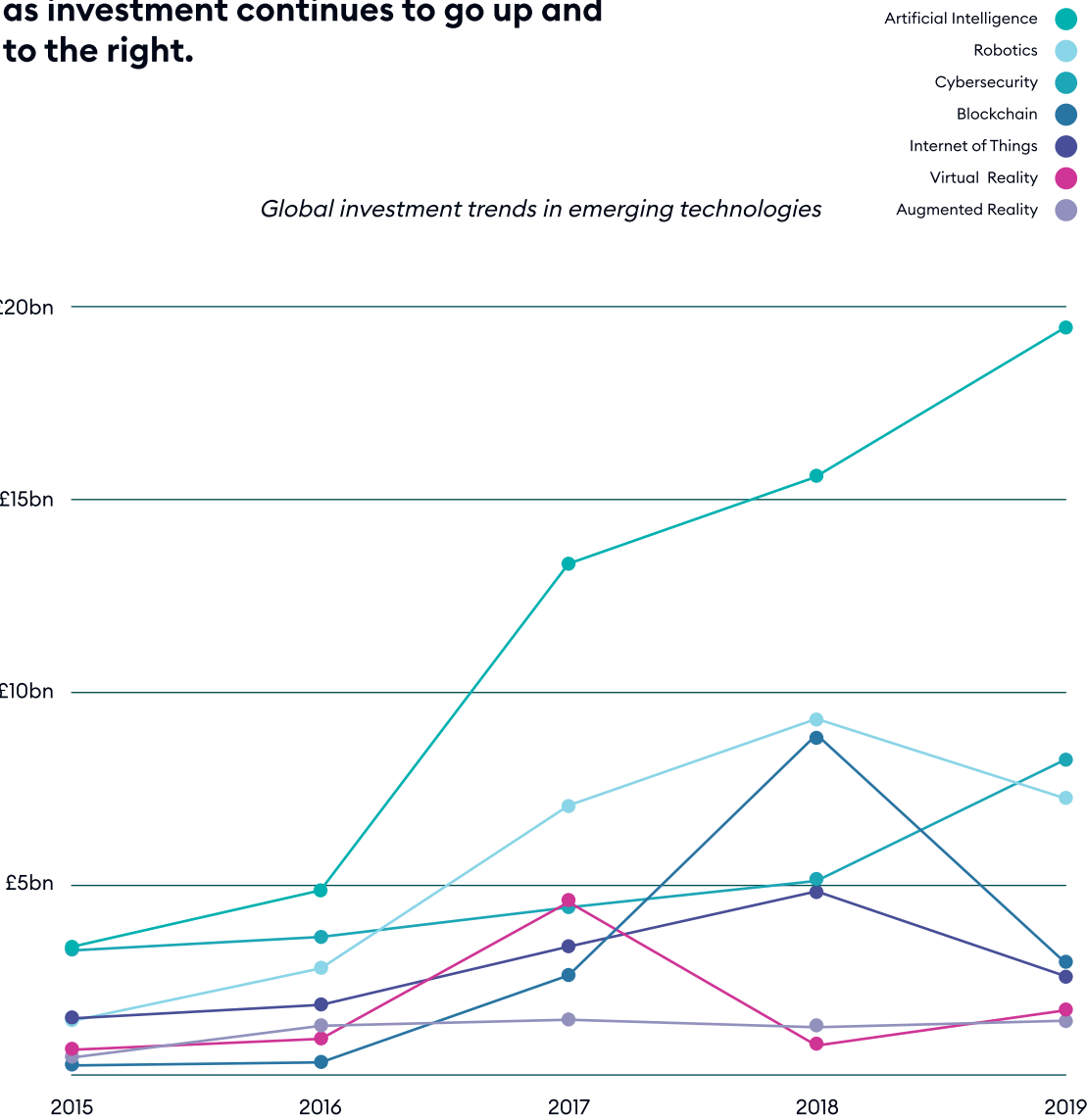
The future of innovation: Artificial Intelligence (AI), Robotics, Cybersecurity, Blockchain, Internet of Things (IoT), Virtual Reality (VR) and Augmented Reality (AR).



2.0 Emerging tech



AI dominates emerging technologies as investment continues to go up and to the right.

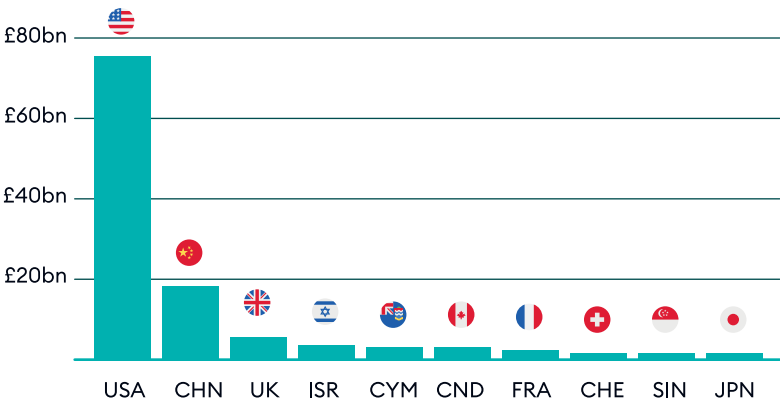


Source: Tech Nation 2020; Crunchbase 2020

2.0 Emerging tech

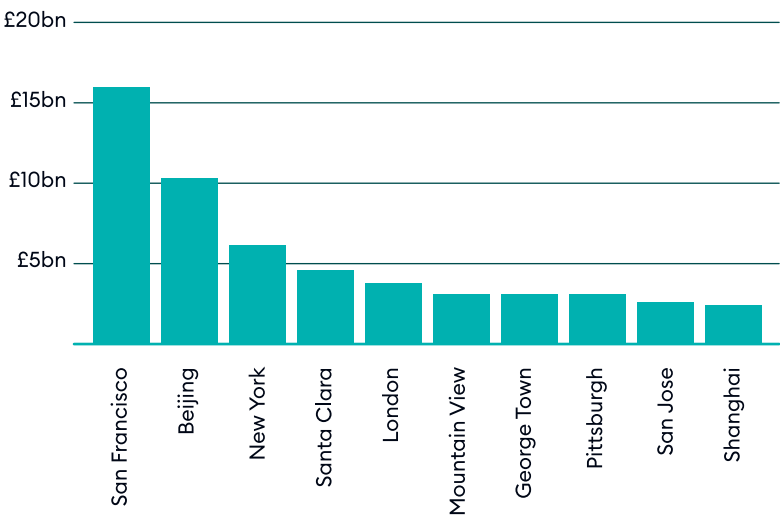


Total funding since 2015 - top 10 countries



The top 10 countries worldwide raised 91% of all emerging tech investment in the last 5 years.

Total funding since 2015 - top 10 cities



10 global cities alone raised 44% of the total emerging tech funding from 2015 to 2019.

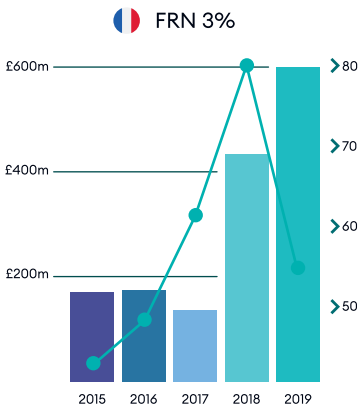
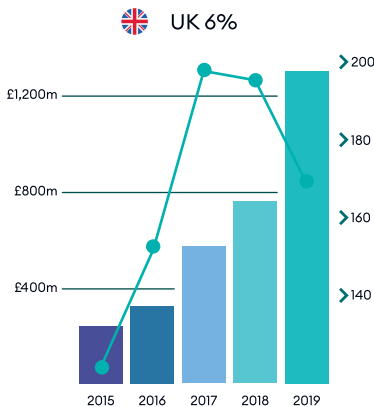
Source: Tech Nation 2020; Crunchbase 2020

2.1 Artificial Intelligence

UK on a Machine Learning curve

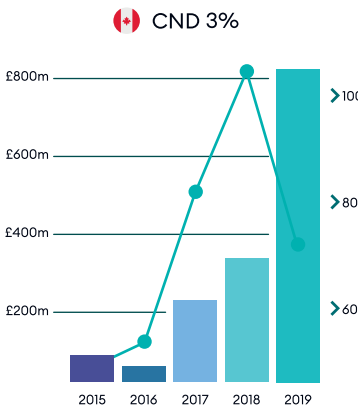
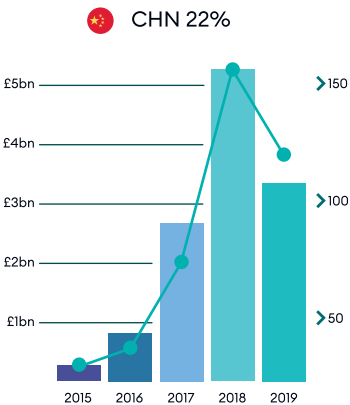
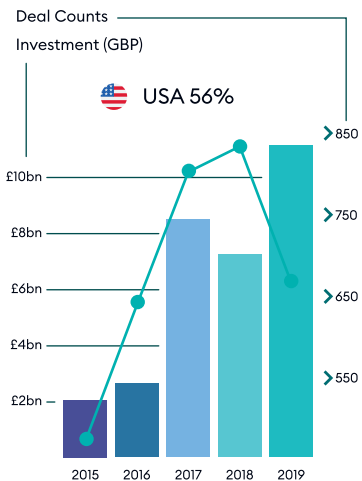
The US attracted 56% of global AI investment in the last 5 years, with China in second place.

The UK is third in the world for levels of AI investment, and second by deal count, and the only country of the top 5 AI nations to have demonstrated consistent positive year-on-year growth for the last 5 years.



Top 5 countries in Artificial Intelligence

Source: Tech Nation 2020; Crunchbase 2020

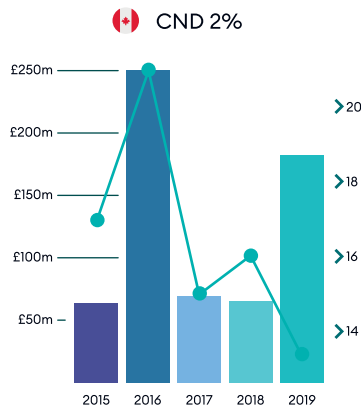
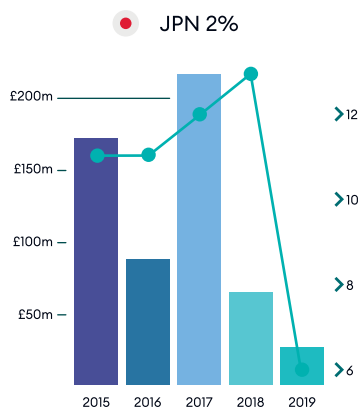


2.1 Robotics

Hardware is hard

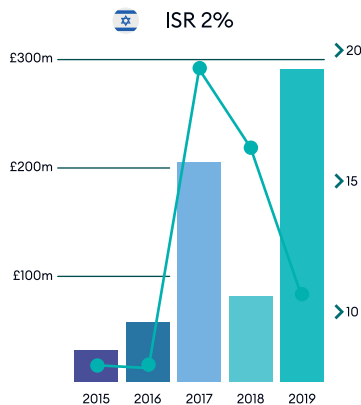
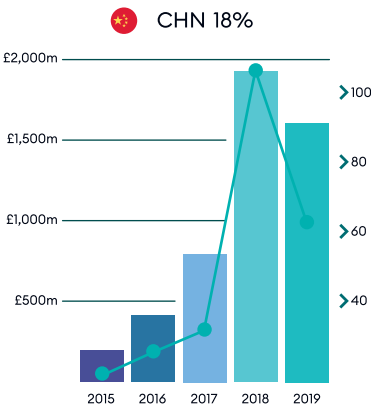
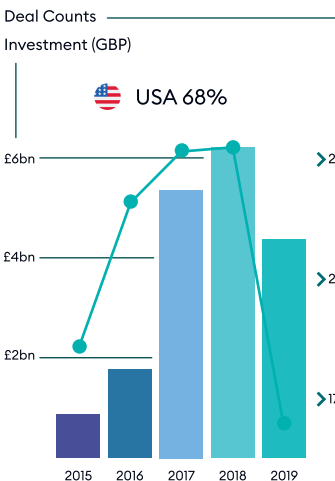
Robotics endured an investment set-back in 2019 by overall global investment and number of deals completed, perhaps reflecting the old cliché that “hardware is hard”.

Israel and Canada bucked the trend by growing their robotics investment figures in 2019, but such is the dominance of the US and China in Robotics that overall investment plummeted from £9.1bn in 2018 to £7.1bn in 2019.



Top 5 countries in Robotics

Source: Tech Nation 2020; Crunchbase 2020



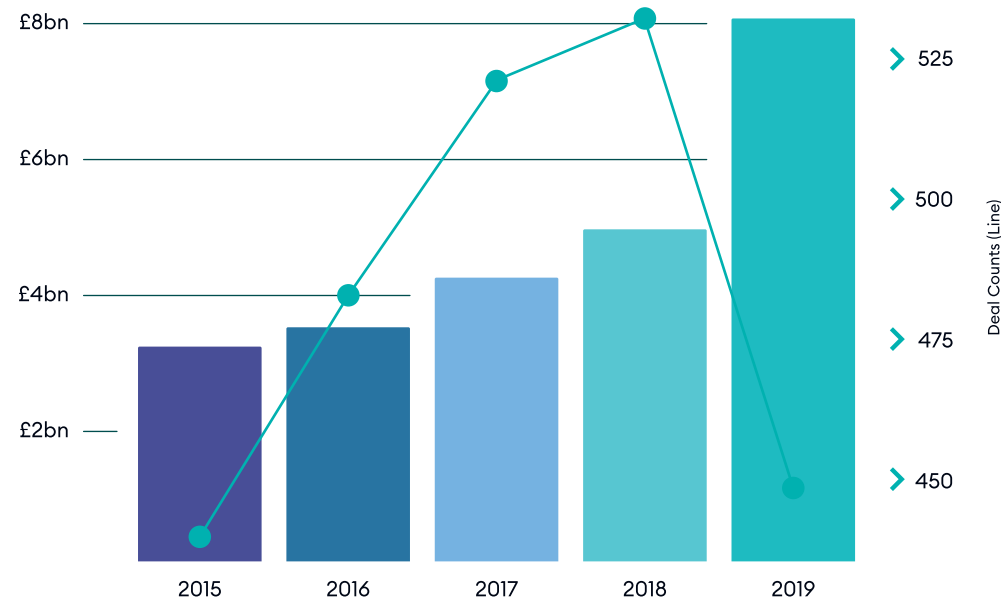
2.1 Cybersecurity

Where there's a threat, there's a cheque

After relatively stable global investment levels between 2015 and 2018, cybersecurity saw a big 2019 surge. The spike may reflect increasing geopolitical tensions globally, and the ever increasing number of attacks. Cisco reported that they alone blocked 7 trillion cyber threats in 2019. Assuming ongoing nefarious activity, we can also assume a continued trend in cybersecurity investment to tackle it.

Unsurprisingly it is the US and China that are the cybersecurity big hitters, closely followed by Israel, the UK, and Ireland.

Cybersecurity - worldwide funding and deal count



Source: Tech Nation 2020; Crunchbase 2020

2.1 Blockchain

Blockchain reaction

The blockchain industry saw a surge of investment between 2017 and 2018, followed by a plunge in 2019.

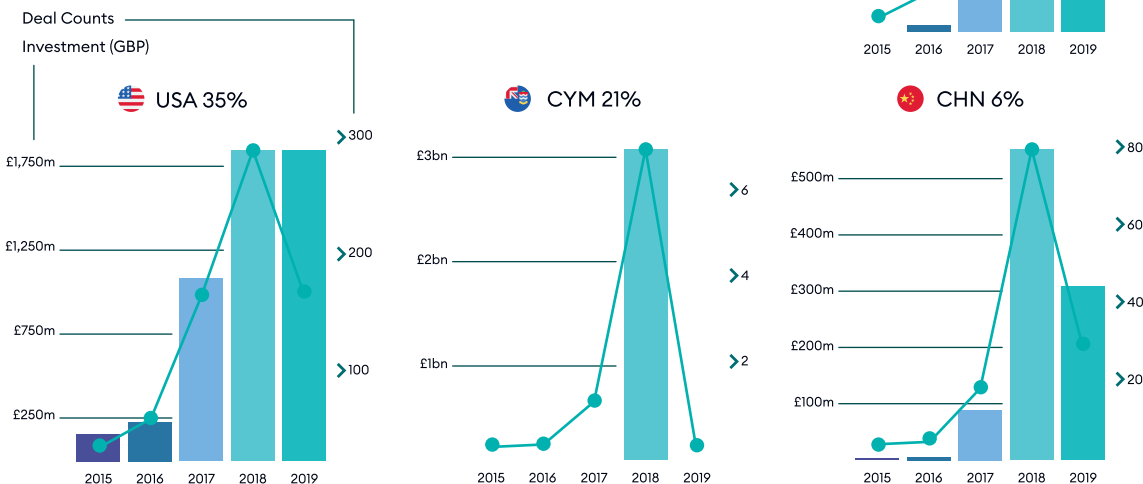
The Cayman Islands registered high on the list of investment nations (2nd) due almost entirely to a single year-long Initial Coin Offering (ICO) by block.one (EOS token), which closed in 2018 raising over £3bn.

Blockchain may have reached peak hype in 2018 as crypto-asset prices crested, however blockchain technology's potential in areas other than currency are vast. Once we start seeing the mature technology applied to the right problems, we may see yet another surge of investment as blockchain and Web 3.0 change the world.

When we looked at blockchain investment by city, we found that the hotspots were the most global of any of the emerging technologies investigated, based in 8 countries: Cayman Islands, USA, UK, Singapore, Vietnam, Switzerland, China and South Korea.

Top 5 countries in Blockchain

Source: Tech Nation 2020; Crunchbase 2020



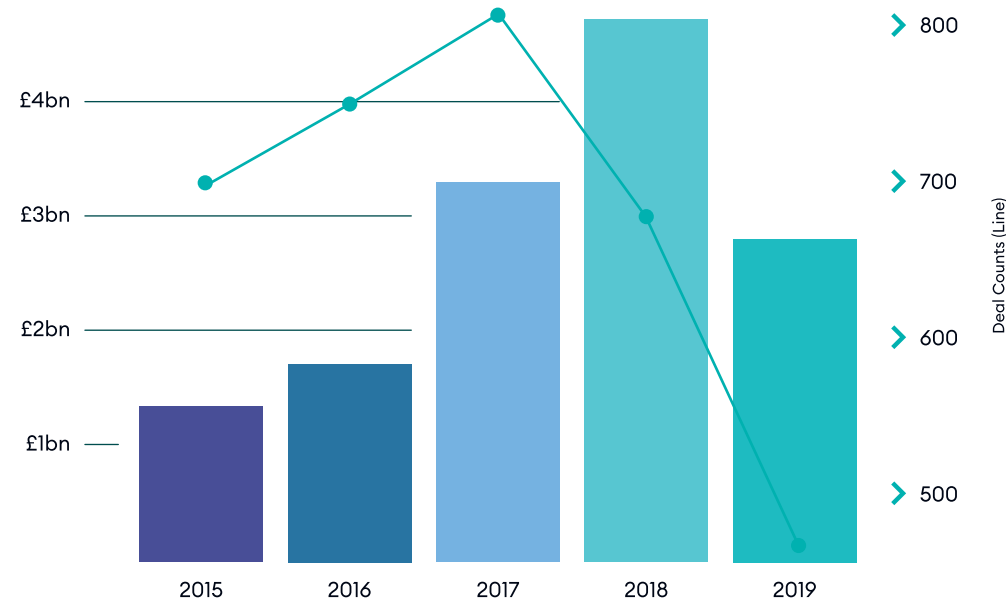
2.1 Internet of Things

Connecting the dots

Internet of Things (IoT) and connected devices saw a surge of investment in 2017 and 2018, followed by a considerable cut in 2019.

As buzz over smart homes and cities died down, the analysis revealed an uncertain future of IoT. Though as IoT is tightly connected to AI and robotics, investors may become more interested when the industry finds ways to integrate IoT devices with other emerging technologies, creating value by connecting the dots.

Internet of Things - worldwide funding and deal count



Source: Tech Nation 2020; Crunchbase 2020

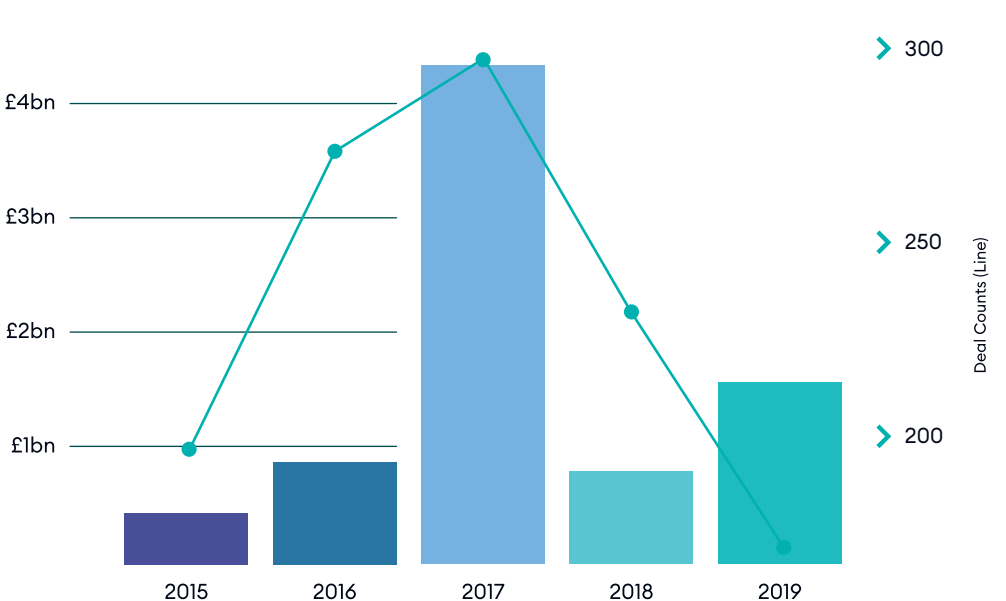
2.1 Virtual Reality

Reality check

Virtual Reality (VR) saw a huge investment spike in 2017. That said, the VR industry is gaining momentum with increased investment in 2019 compared to 2018.

The UK is well represented as the third most attractive destination for global VR capital, after the US and China, and ahead of Israel and Switzerland. This is built on a strong domestic gaming legacy; additionally the UK is producing some of the most innovative cross-industry applications for VR technology such as the work done at Great Ormond Street Hospital, London.

Virtual Reality - worldwide funding and deal count



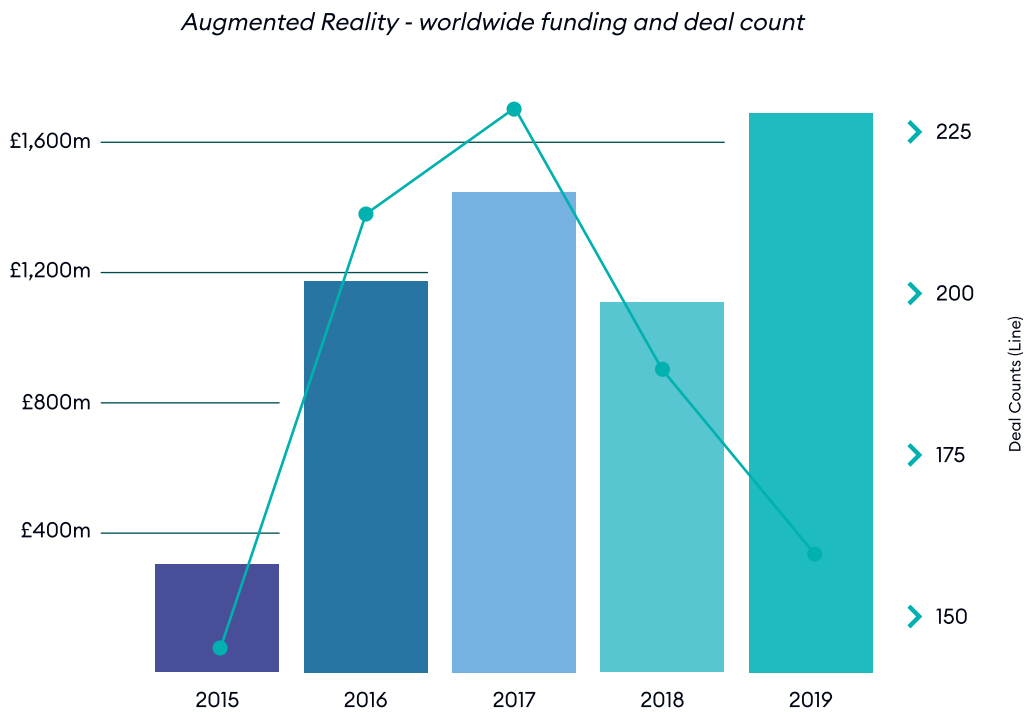
Source: Tech Nation 2020; Crunchbase 2020

2.1 Augmented Reality

Under the HUD

Unlike the VR industry, the Augmented Reality (AR) industry has enjoyed more consistent investment growth except in 2018, with 2019 a record year globally.

Of the top 5 countries for AR investment, the US, Israel, and the UK each raised record-high investment in 2019.



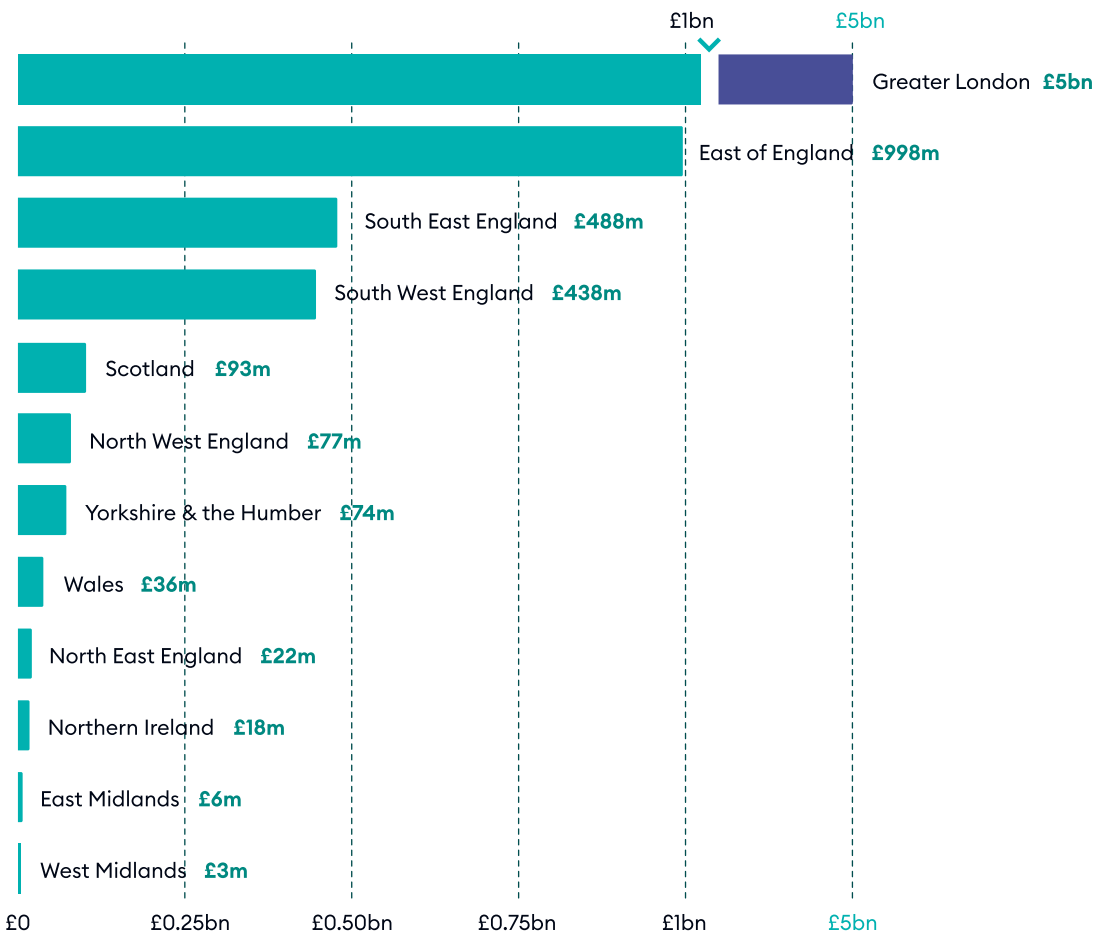
Source: Tech Nation 2020; Crunchbase 2020

2.1 Tech in the UK

Cutting-edge Britain

Emerging technologies are being utilised in scaling companies in every UK nation and region. Companies in all UK nations and regions have pioneered emerging tech development and received investment to do so.

Total VC investment since 2015 in emerging tech companies by UK nation/region



Source: Tech Nation 2020; Crunchbase 2020

Note: discrepancies due to rounding may be present

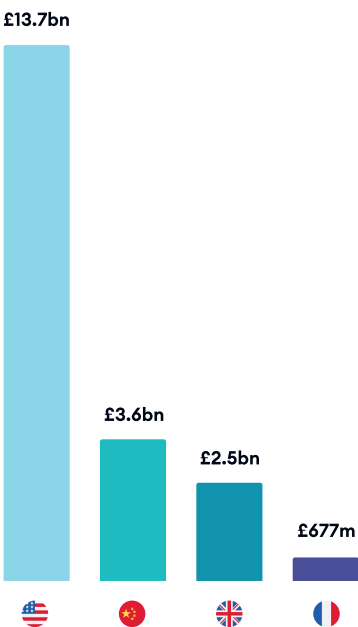
2.2 Emerging sectors

Emerging sectors

Technology verticals such as Artificial Intelligence and Blockchain are exciting for their diverse application potential and are fueling the emergence of new sub-sectors of applied technology, that are disrupting incumbent industries and tackling some of the world's biggest challenges.

The UK is a world leader in impactful disruptive applied innovation.

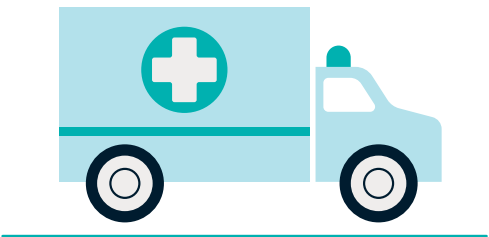
In 2019, Agritech, Healthtech and Cleantech received £2.5bn in the UK, compared to £13.7bn in the US, £3.6bn in China, and £677m in France.



> Agritech

The sector disrupting farming and agriculture garnered £1.84bn of investment in 2019 compared with £1.06bn in 2016. With such resources behind it, and the size of the industry it is addressing, Agritech is one of the most important technology sectors worldwide.

> Healthtech



Companies - such as UK-based Voscuris which uses Blockchain technology to share client data safely between clinical professionals, or ClinSpec Dx which uses AI to diagnose blood cancer - are highlighting how emerging technologies are solving some of the most complex health problems and enhancing our way of life. In 2019, worldwide investment in Healthtech reached a staggering £8.7bn.

> Cleantech



Acting to reduce negative human environmental impact will be a key component of any sustainable future and is at the forefront of achieving the United Nations Sustainable Development Goals. It gathered £17.93bn of investment last year.

2.2 Agritech

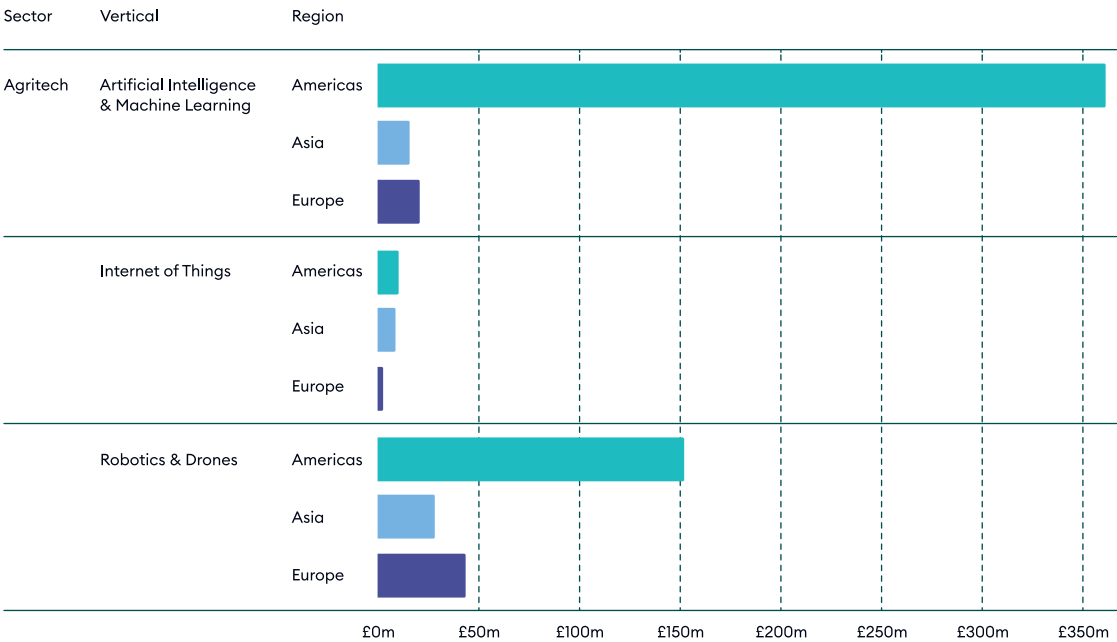
Smart growth

Artificial Intelligence is vital in agriculture and farming worldwide, with its ability to solve complex issues with ease. In 2017 investment in European Agritech that utilises AI was at £181m. This fell to £19m in 2019, though an Indigo Agriculture deal in early January 2020 closed for £152m. In the Americas, AI Agritech went from £401m in 2017 to £323m in 2019 and in Asia from £7m to £16m.

Robotics and mechanical automation has a long history in agriculture. In the UK, companies such as The Small Robot Company utilise Robotics in Agritech to improve how food is farmed on a mass scale. Between 2017 and 2019, Europe saw a huge increase in investment related to Agritech and Robotics, from £3m to £43.5m.

Internet of Things (IoT) devices are critical for growth and advancement in Agritech. Smart farming devices help to make farming more efficient, by monitoring climate conditions and powering data-driven smart farming.

These graphs show investment into transformative technologies used in emerging tech areas, like Agritech, Cleantech and Healthtech.



Source: Tech Nation 2020; Pitchbook 2020

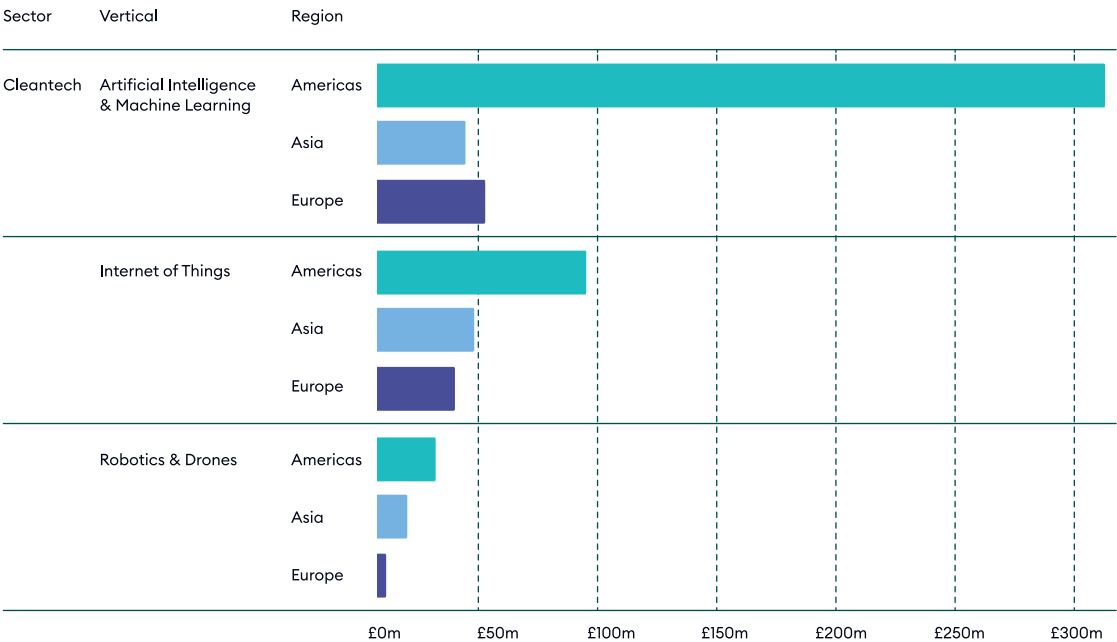
2.2 Cleantech

Climate controlled

AI can be used in Cleantech in applications such as climate modelling and deforestation mapping. UK-based Cervest uses Earth Science AI to bring clarity to decisions on climatic and extreme events.

Robotics can help in Cleantech solutions too, for example, by offering increased performance compared to mechanical recycling. In Europe, funding for robotic cleantech increased from £450k in 2017 to £3.59m in 2019. In the Americas, it increased to £24.8m in 2019 from £1.8m in 2017, and in Asia, it was £7.9m in 2017 which increased to £12.9m in 2019.

IoT technology also has the ability to revolutionise Cleantech. IoT devices reduce waste in farming and agriculture, enhancing sustainability. Even in the home, smart meters are improving consumer energy efficiency.



Source: Tech Nation 2020; Pitchbook 2020

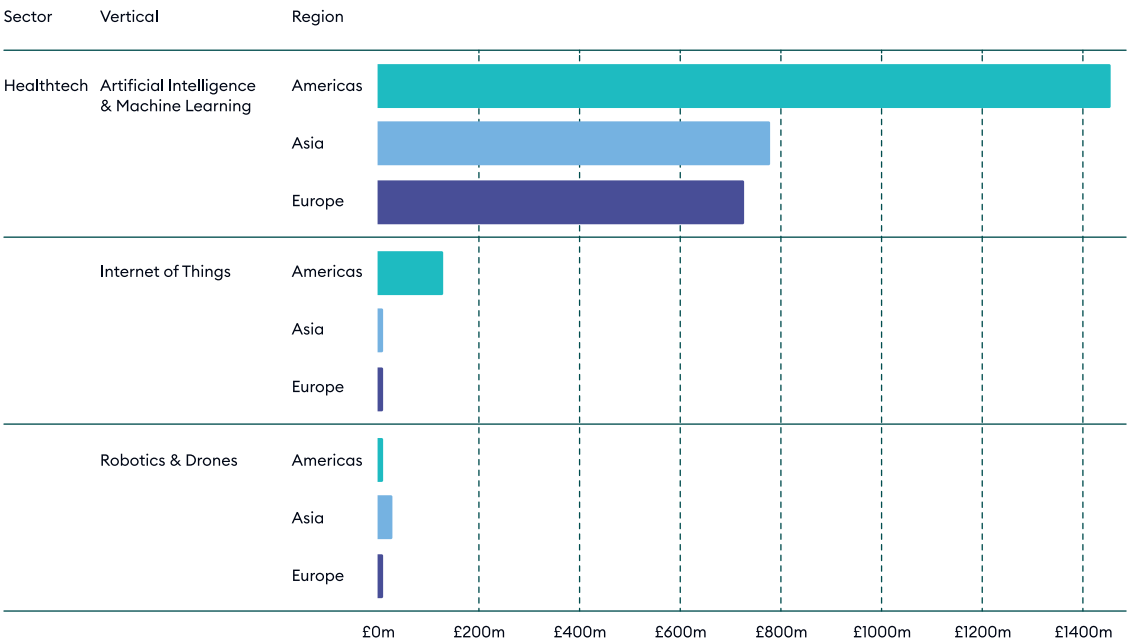
2.2 Healthtech

Vital signs

Healthtech companies using Artificial Intelligence have been hugely successful in the UK. Companies such as Babylon Health, Healthy.io and Healx have attracted total investment of £623.6m. In Europe, investment increased from £108m in 2017 to £712.8m in 2019. In the Americas, investment was £404m in 2017 which increased to £1.42bn in 2019. In Asia, this was £649m in 2017 and £762m in 2019. African healthtech saw the fastest growth of all, increasing from £51m in 2017 to £469.1m in 2019.

Robotics use in areas such as surgery is increasing year on year in the UK. The NHS uses devices like the robot arm Mako for knee surgeries and the Versius Robotic System.

IoT devices such as smart watches and UK wearable Tended have important healthcare uses, from apps able to measure abnormal heart rhythms to detecting a dangerous fall.



Source: Tech Nation 2020; Pitchbook 2020



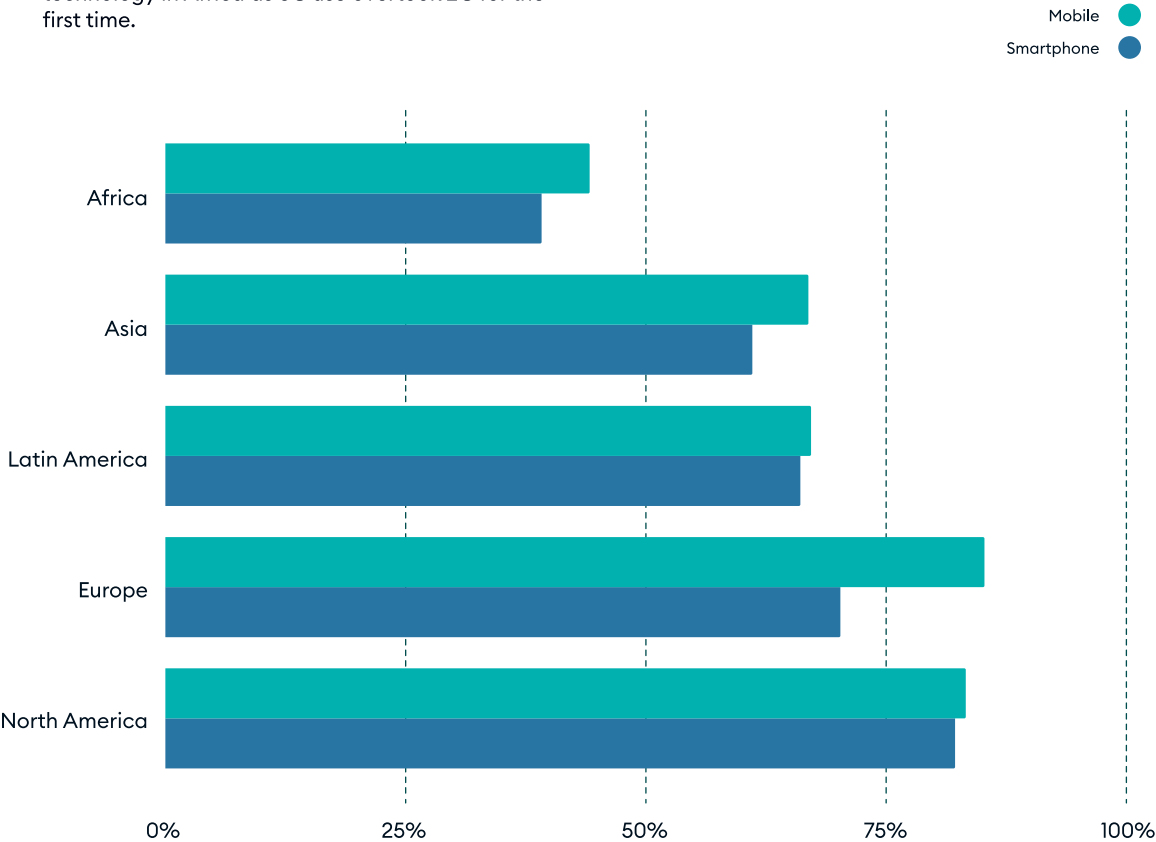
3.1 Consumer tech adoption - hardware

Smartphone revolution

Unsurprisingly, in an ever more connected world, mobile and smartphone-enabled populations are growing every year, on every continent.

Mobile phone use is now at 44% in Africa, 39% of which are smartphones. Not all of these users have access to the internet - it is predicted that by 2025, 23% of Africa's population will have access to mobile internet. 2019 was also a pivotal year for mobile technology in Africa as 3G use overtook 2G for the first time.

A large disparity between smartphone and mobile usage may be present in Europe compared to other continents, due to better access to alternative forms of fixed connectivity. In exploring the interplay between hard and soft infrastructure we must appreciate not only the digital infrastructure, that exists in places but also the relationship that people have with that system.



Source: Tech Nation 2020; gsma.com 2018

3.1 Consumer tech adoption - hardware

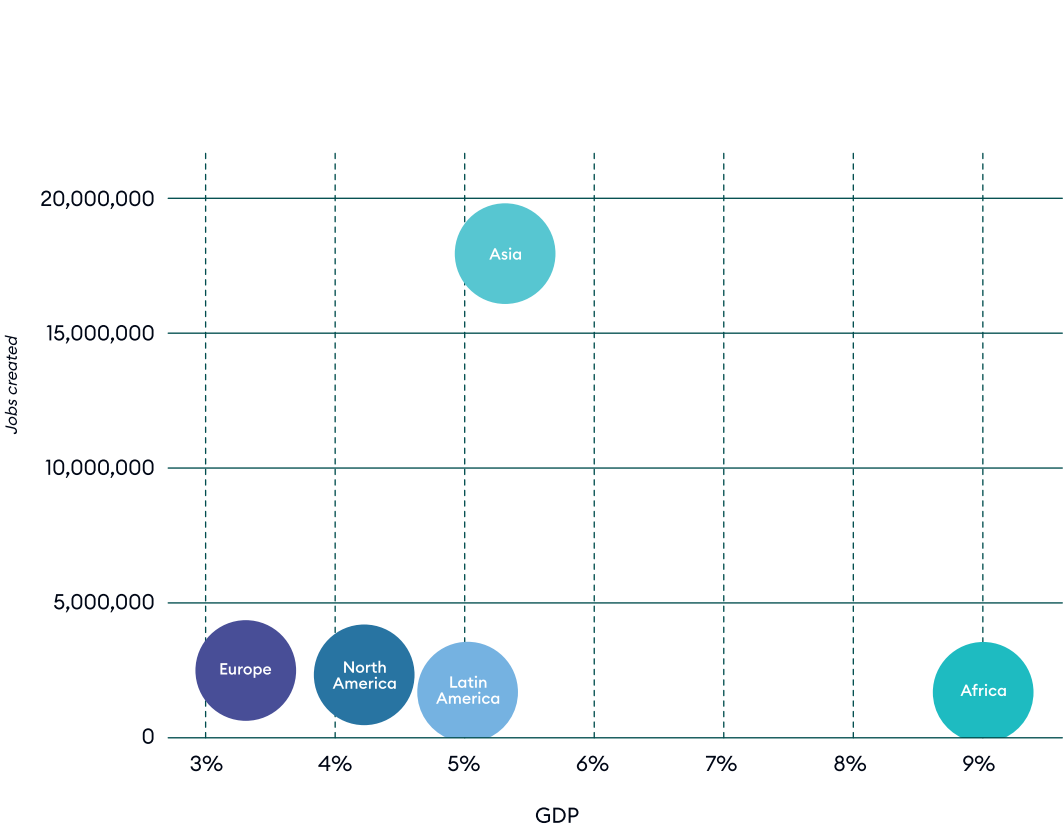
Upwardly mobile

In regions where broadband and wifi are less pervasive, mobile technology is crucial for connectivity and economic development. Africa leads the world for the economic influence of mobile technology, where it accounts for 9% of GDP.

Mobile technology is also driving job creation, most notably in Asia where 18m jobs have been created through the mobile ecosystem.

Mobile technology is at the core of developing economies, as a portal to access affordable global services and enable domestic disruption.

As 3G continues to replace 2G as a global baseline, as 4G takes a global lead and with 5G on the horizon, we expect to see the influence of mobile connectivity continue to grow over the next ten years.

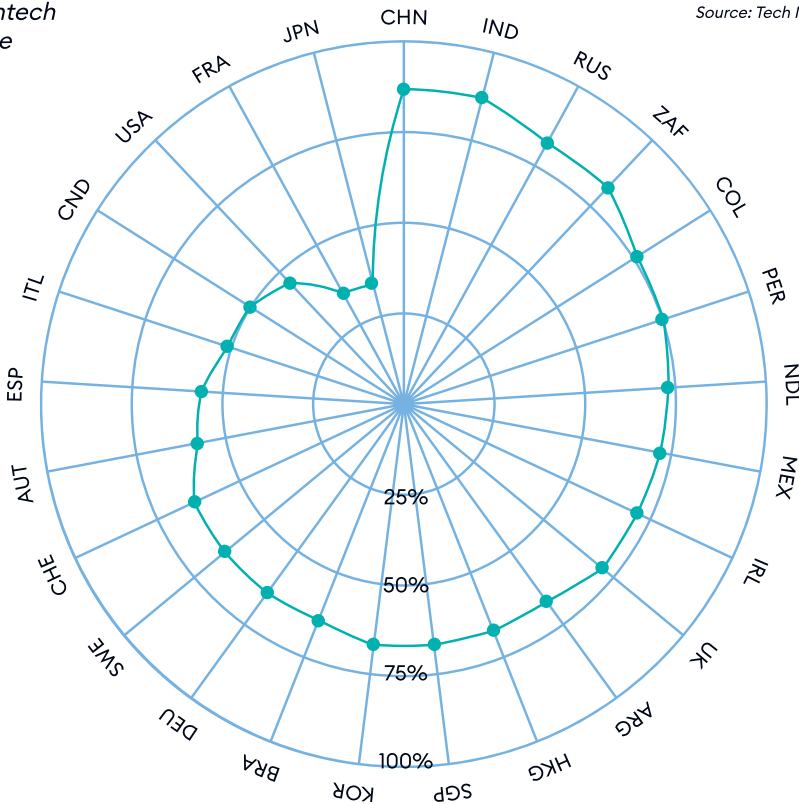


Source: Tech Nation 2020; gsma.com 2018

3.2 Consumer tech adoption - services

Consumer fintech adoption rate

Source: Tech Nation 2020; EY 2019



Fintech adoption is highest in China, India and Russia, whilst the USA, France and Japan lag behind

Fintech has been one of the most disruptive and impactful technologies for global consumers, and its adoption can increase productivity as well as promote financial inclusion.

The UK is leading the global fintech charge, with UK fintech investment doubling between 2018 and 2019. On consumer fintech adoption, the UK ranks within the

top 10 countries in the world, with 71% of people using fintech products, more than in the US, France and Italy at 46%, 35% and 34% respectively.

China and India have the highest rate of adoption at 87%, with money transfers and payments the most popular services globally.

UK SPOTLIGHTS



UK spotlights



East of England

> **£800m**

2019 total digital tech VC investment

> **£998m**

Total emerging tech investment (2015-2019)

> **£39,000**

Median digital tech salary for core cluster

> **£486m**

AI investment (2015-2019)

> **9**

Number of digital tech unicorns

> **12**

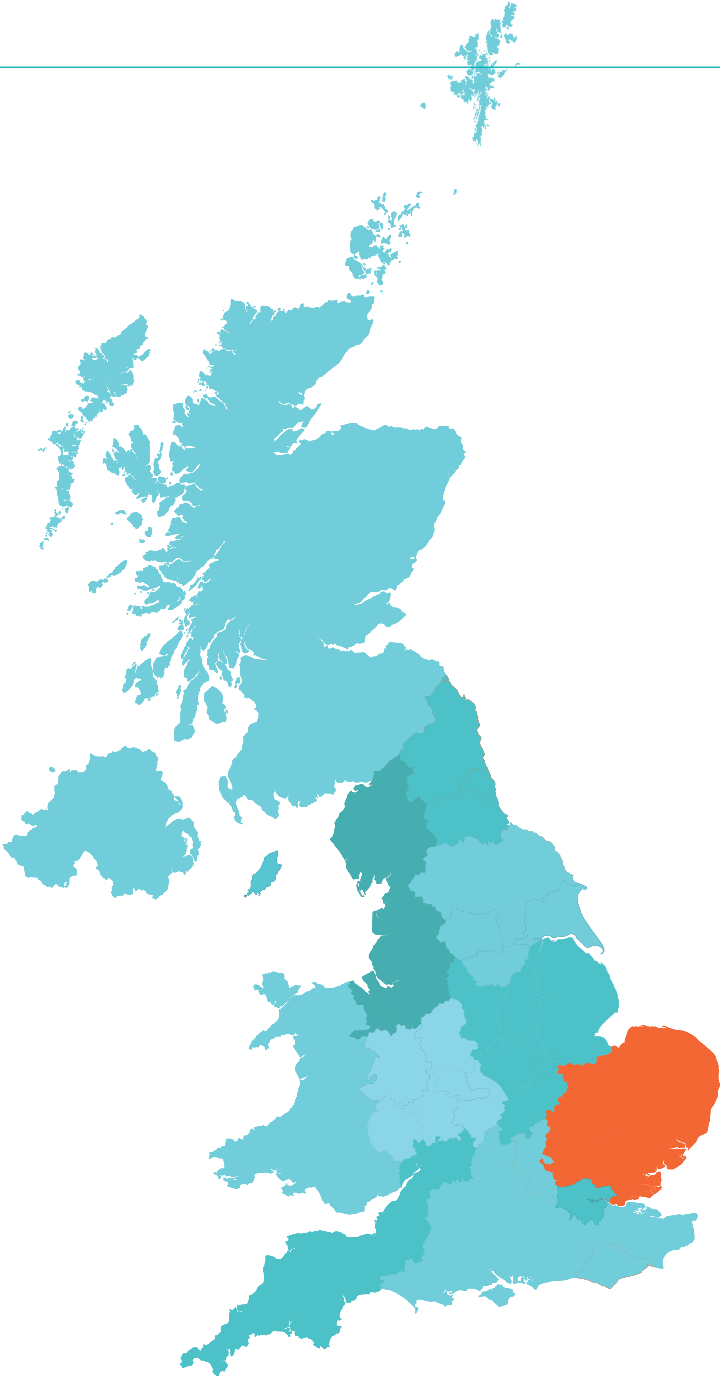
High value tech scaleups



Ones to watch

Achilles Therapeutics
Healx
Inivata

Explore the full report online for more UK spotlight insights and case studies.



UK spotlights



London

> **£6.8bn**

2019 total digital tech VC investment

> **£5bn**

Total emerging tech investment (2015-2019)

> **£53,296**

Median digital tech salary for core cluster

> **£3bn**

AI investment (2015-2019)

> **43**

Number of digital tech unicorns

> **58**

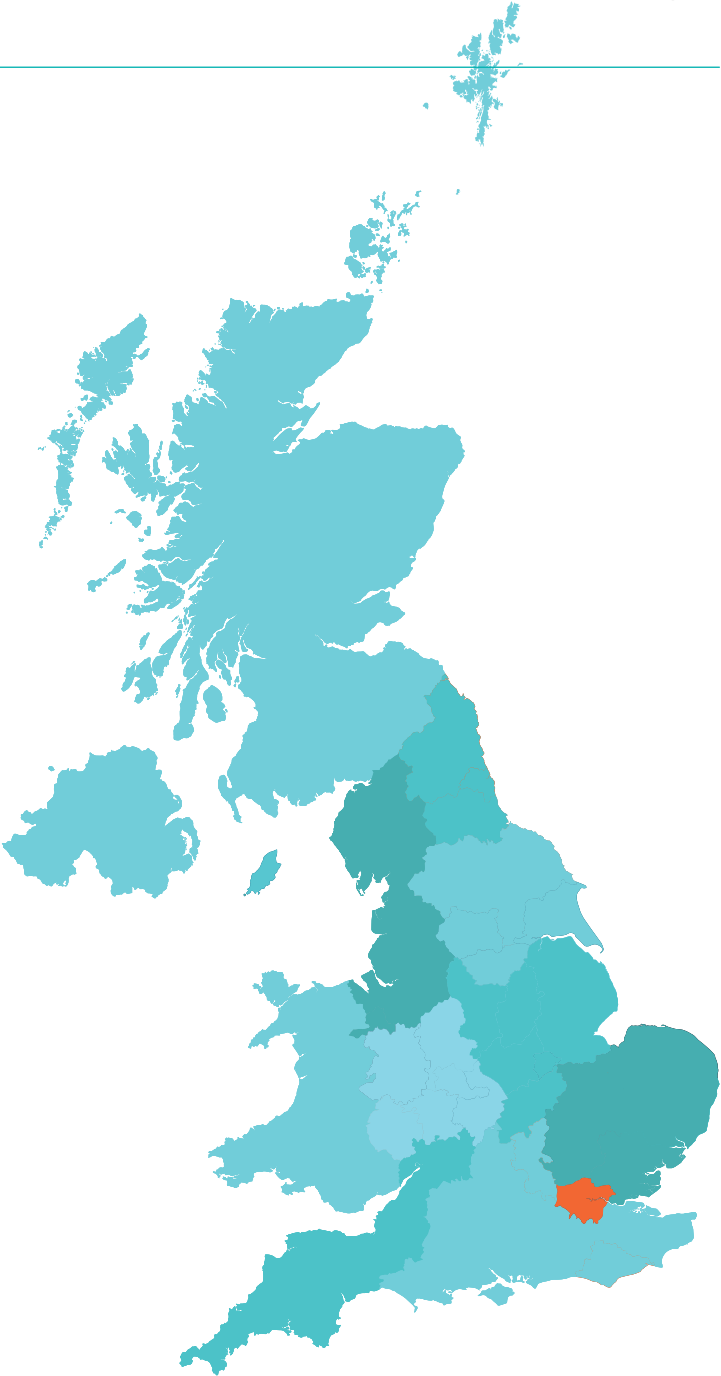
High value tech scaleups



Ones to watch

Elvie
Receipt Bank
Starling Bank

Explore the full report online for more UK spotlight insights and case studies.



UK spotlights



Midlands

> **£200m**

2019 total digital tech
VC investment

> **£9m**

Total emerging tech
investment (2015-2019)

> **£37,500**

Median digital tech
salary for core cluster

> **£6m**

AI investment (2015-2019)

> **2**

Number of digital tech
unicorns

> **3**

High value tech scaleups



Ones to watch

Click Travel
Quanta Dialysis Technologies
Tray

Explore the full report online for more
UK spotlight insights and case studies.

UK spotlights



North East England

> **£100m**

2019 total digital tech
VC investment

> **£22m**

Total emerging tech
investment (2015-2019)

> **£35,000**

Median digital tech
salary for core cluster

> **£896k**

AI investment (2015-2019)

> **1**

High value tech scaleups



Ones to watch

Atom Bank
Partnerize
Zerolight

Explore the full report online for more
UK spotlight insights and case studies.

UK spotlights



Northern Ireland

> **£100m**

2019 total digital tech VC investment

> **£18m**

Total emerging tech investment (2015-2019)

> **£40,000**

Median digital tech salary for core cluster

> **£3m**

AI investment (2015-2019)

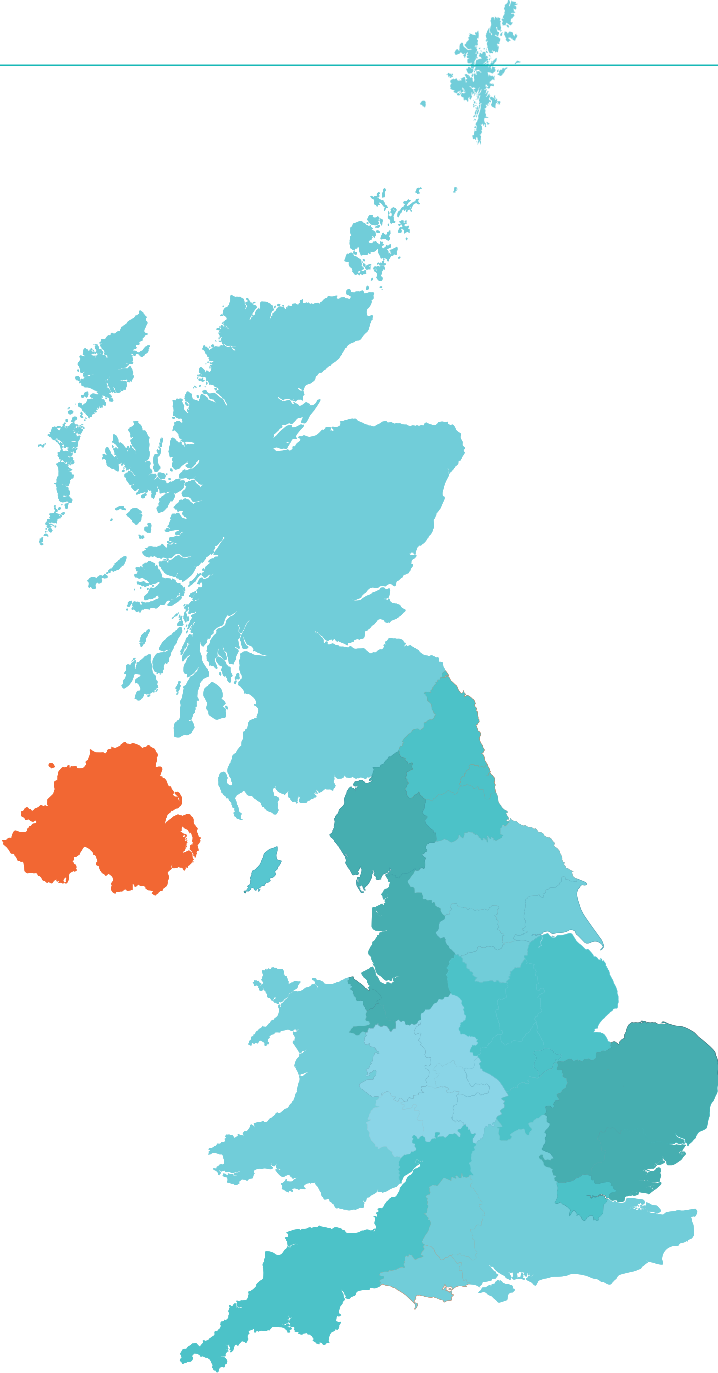
> **1**

Number of digital tech unicorns



Ones to watch

B-Secur
Datactics
Neurovalens



Explore the full report online for more UK spotlight insights and case studies.

UK spotlights



North West England

> **£600m**

2019 total digital tech VC investment

> **£77m**

Total emerging tech investment (2015-2019)

> **£35,000**

Median digital tech salary for core cluster

> **£25m**

AI investment (2015-2019)

> **5**

Number of digital tech unicorns

> **4**

High value tech scaleups



Ones to watch

F2G
UKFast
Wejo



Explore the full report online for more UK spotlight insights and case studies.

UK spotlights



Scotland

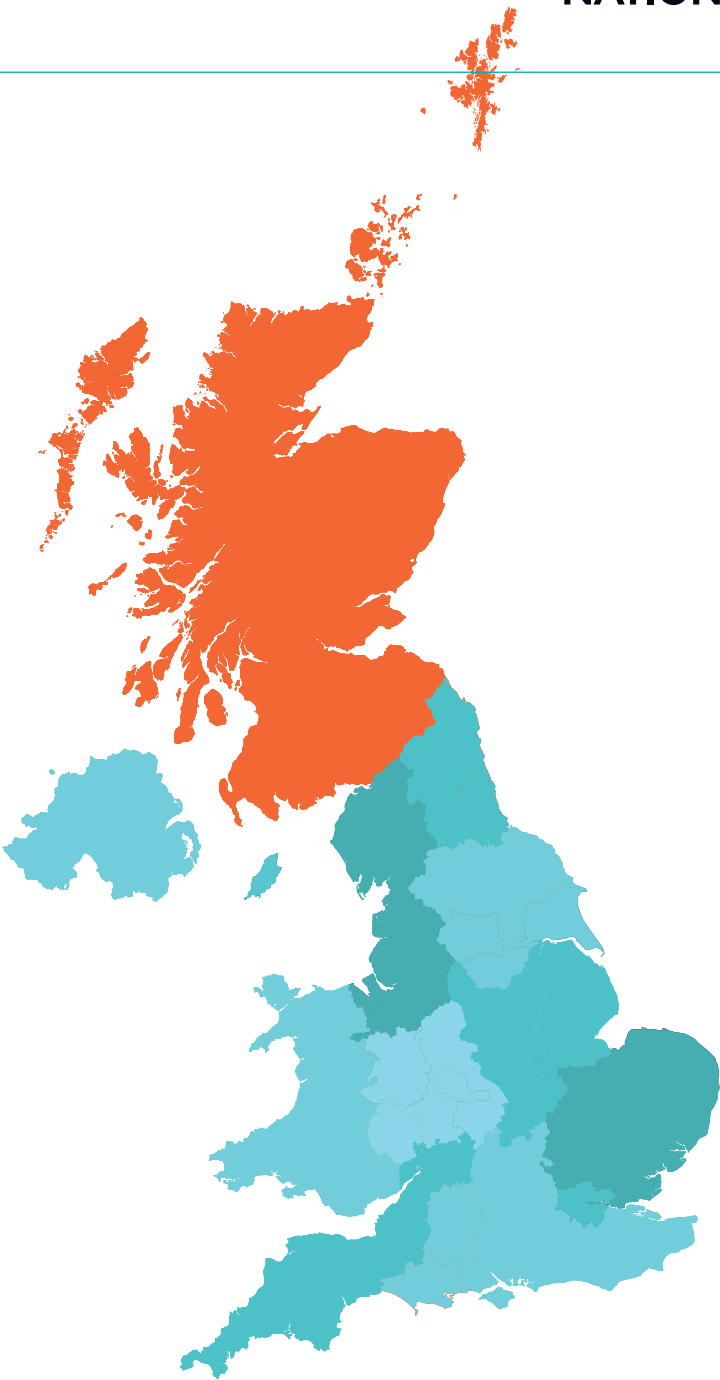
- > **£200m**
2019 total digital tech VC investment
- > **£93m**
Total emerging tech investment (2015-2019)
- > **£42,500**
Median digital tech salary for core cluster
- > **£25m**
AI investment (2015-2019)
- > **4**
Number of digital tech unicorns
- > **1**
High value tech scaleups



Ones to watch

Ecometrica
Orbex Space
TVSquared

Explore the full report online for more UK spotlight insights and case studies.



UK spotlights



South East England

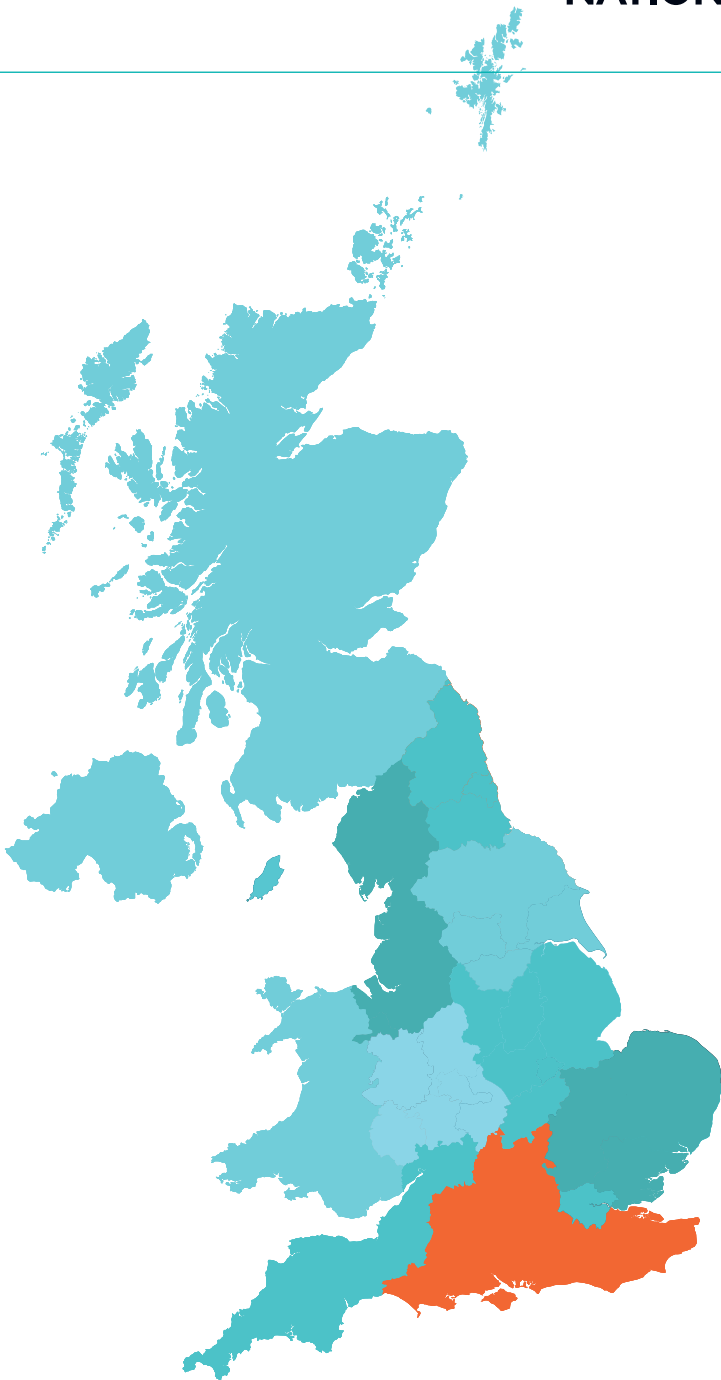
- > **£300m**
2019 total digital tech VC investment
- > **£448m**
Total emerging tech investment (2015-2019)
- > **£36,000**
Median digital tech salary for core cluster
- > **£281m**
AI investment (2015-2019)
- > **7**
Number of digital tech unicorns
- > **11**
High value tech scaleups



Ones to watch

ByBox
Gigaclear
UKCloud

Explore the full report online for more UK spotlight insights and case studies.



UK spotlights



South West England

- > **£300m**
2019 total digital tech VC investment
- > **£438m**
Total emerging tech investment (2015-2019)
- > **£35,250**
Median digital tech salary for core cluster
- > **£346m**
AI investment (2015-2019)
- > **2**
Number of digital tech unicorns
- > **2**
High value tech scaleups



Ones to watch
Immersive Labs
Open Bionics
Ultraleap

Explore the full report online for more UK spotlight insights and case studies.

UK spotlights



Wales

- > **£100m**
2019 total digital tech VC investment
- > **£36m**
Total emerging tech investment (2015-2019)
- > **£35,000**
Median digital tech salary for core cluster
- > **£32m**
AI investment (2015-2019)
- > **1**
Number of digital tech unicorns



Ones to watch
Amplifyi
MYPINPAD
Vizolution

Explore the full report online for more UK spotlight insights and case studies.

UK spotlights

Yorkshire & the Humber

> **£100m**

2019 total digital tech
VC investment

> **£74m**

Total emerging tech
investment (2015-2019)

> **£35,000**

Median digital tech salary
for core cluster

> **£52m**

AI investment (2015-2019)

> **3**

Number of digital tech
unicorns

> **3**

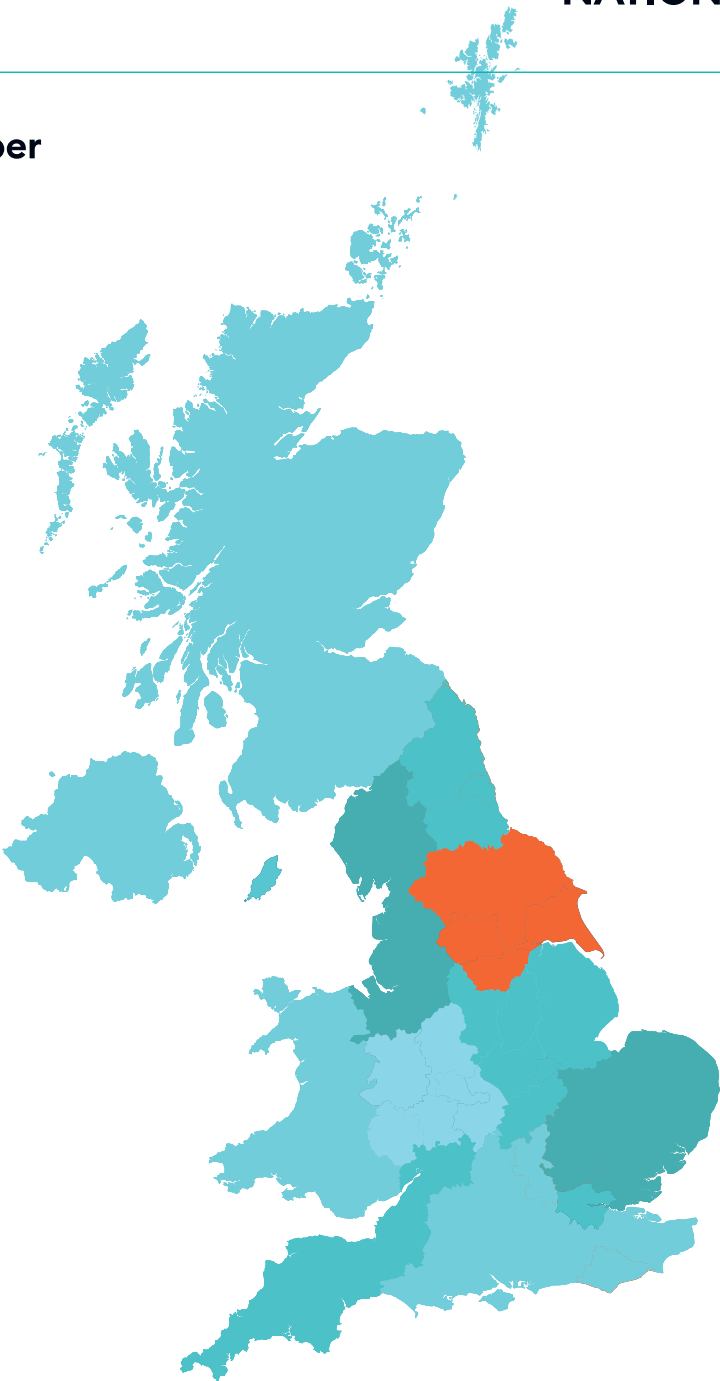
High value tech
scaleups



Ones to watch

Crisp Thinking
Pharmacy2u
Twinkl

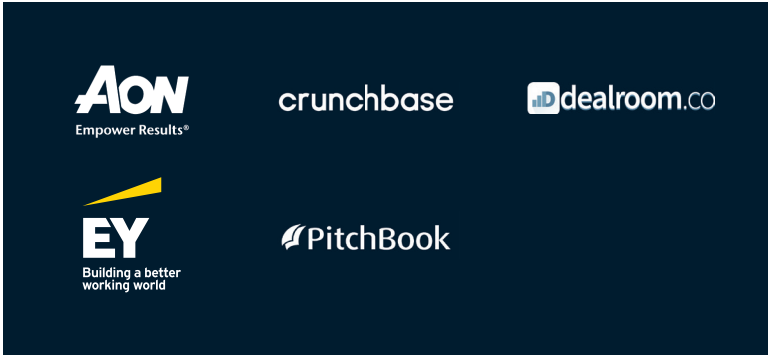
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UK spotlight insights and case studies.



Data partners and acknowledgements

In creating this report, the Tech Nation Insights team used data from Aon, Radford, Dealroom, Pitchbook, Crunchbase, gsma and EY. Thanks to Aon, Radford and Dealroom for their support in using this data.

To find out more about the findings and the methodology used in this report, visit technation.io/report2020



Partner comment



Real Estate for a changing world

BNP Paribas Real Estate partner commentary

We are living in times of unprecedented change, with tech entrepreneurs and innovators leading the way. Estimates suggest that the digital economy alone accounts for \$11.5 trillion globally, or 15.5% of global GDP, and employs 2.9m people in the UK, up from 2.1m in 2017, a truly seismic shift with more to come.

The UK is already a major winner in the tech sector, with a record £10.1bn invested in 2019 (up 44% year on year). Five of Europe's top 20 destinations for investment – London, Cambridge, Bristol, Edinburgh and Oxford – contribute to the UK having the largest investment share of any European country.

As the industry matures in the UK we are seeing more focus on scaleups – 81% of investment made into UK tech during 2019 went to scaleup firms. With that growing maturity comes a change in the workspace and infrastructure needed for these companies to thrive.

BNP Paribas Real Estate has advised tech companies at all stages of development from startups looking for serviced space, to high-growth UK businesses and mature global players like IBM. We're proud to support scaling tech companies with top quality digital and physical infrastructure, as well as space where talented professionals want to live and work. Our own Next X research into the UK's best current and future locations points to a need to understand local community, wellbeing and the environment to attract and retain great talent.

As part of the BNP Paribas Group we have a long history of channelling resources towards projects which address the social and environmental challenges facing society, and we are delighted to continue this work by partnering with Tech Nation on its mission to empower and champion the UK's tech sector.

Etienne Prongue

Deputy Chief Executive Officer Advisory UK
BNP Paribas Real Estate

Partner comment



Openreach partner commentary

This report's vision of technological success and potential in the UK is exhilarating. If current investment trends continue, we'll overtake China next year as the world's second largest tech country, behind only the US. A remarkable feat.

And what's even more encouraging is that our success is being built on a network of tech clusters. London, Cambridge, Bristol, Edinburgh and Oxford - all come in the top 20 European cities for tech investment. This regional spread shows the strength of our communities, industries, ingenuity – and importantly our digital networks. We simply couldn't be in this position without the transformative power of connectivity.

I'm really proud of the role Openreach is playing in that – investing £13bn over the last decade to upgrade the UK's digital infrastructure and provide a platform for social and economic prosperity. But it doesn't stop there. To realise the potential laid bare in this report, we'll need a concerted effort across an entire sector. And at Openreach, we also believe it will need full fibre broadband.

A futureproof, ultrafast and ultra-reliable network will enable anyone to launch a business and work from wherever they choose. It will cut down commuting and reverse a hundred-year trend towards the big urban centres. It will also unlock job opportunities for people otherwise left behind – carers, older people and parents looking to return to work. Ultimately, it could grow our economy by around £60 billion.

At Openreach we're determined to lead this digital transformation. We're already building the new network to over 26,000 premises a week and we're on track to reach four million homes and businesses by the end of March 2021. But we want to go further. We want to help the UK fulfil its potential and that's why we felt it so important to sponsor this report, which champions the success of the UK's digital businesses.

Clive Selley

CEO Openreach

> Our purpose

To fuel the growth of game-changing founders, leaders and companies so they can positively transform societies, economies and outcomes.

> Our mission

To unlock the growth potential of 1000 scaling tech leadership teams across the UK by 2022.

> Our vision

A world in which anyone with vision and drive can access the skills and support needed to scale and succeed as a game-changing leader.

How we do it

Our growth programmes target the rising stars, fast movers and new leaders. Supporting them on the journey of starting up, skilling up and growing up.

Our visa fast tracks the acquisition of exceptional people in digital technology. Enriching the UK's entrepreneurial workforce with global talent.


Our academy provides the know-how needed to start, join or grow a digital business. Levelling the playing field to diversify the technology landscape.

Our insights and reports showcase data, research and analysis of the UK's digital economy. Opening up access to the information, insights and intel that optimise acceleration.

Our enterprise offer digs into startup DNA and dynamics. Arming up corporates to take advantage of the Day 1 mindset.

We're keen to work with partners in ways that create value and drive real impact for your business and for fast-growth companies.

Ways to get involved:

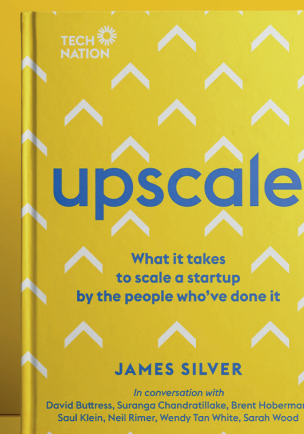
-  Sponsor an upcoming research report.
-  Become a partner on our growth programmes.
-  Commission a research report.
-  Collaborate on a project, we're open to ideas.
-  Book a deep dive into tech for your team with our enterprise offer (Immersion).



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info@technation.io



Available at all good online stores and at Audible.

Upscale, the book: What it takes to scale a startup. By the people who've done it.



Scan or visit to explore the full report
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HM Government