



**TECH  
NATION**

# THE TECH NATION REPORT 2025

EARLY-STAGE FOCUS EDITION

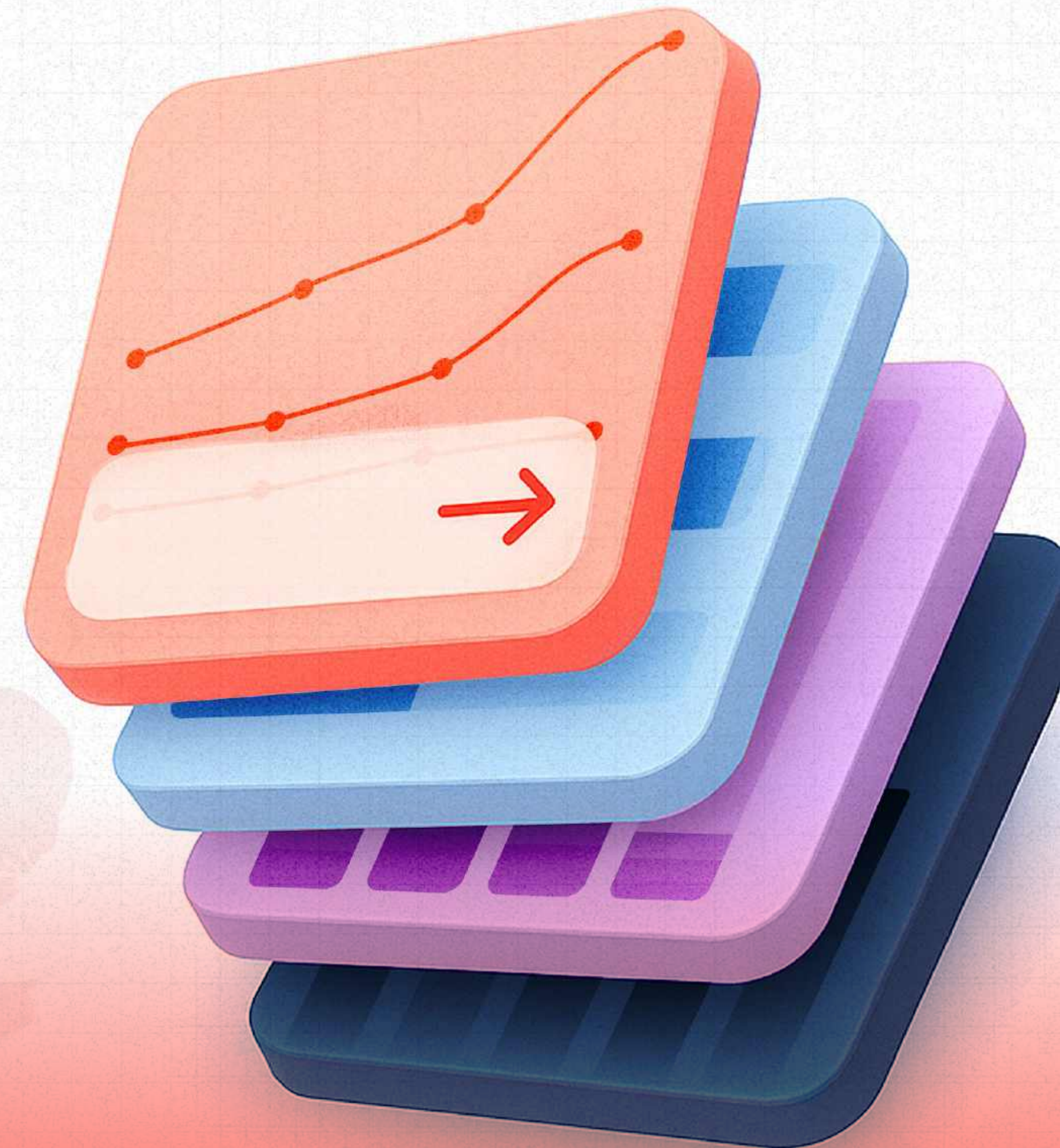


**Unlocking the UK's Growth Potential**

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# CONTENTS

## Foreword I

By The Rt Hon Peter Kyle MP, Secretary of State for Science, Innovation and Technology UK Government

4

## Foreword II

By Carolyn Dawson, CEO, Founders Forum Group

5

## Foreword III

By James Petter, GVP, EMEA, Snowflake

6

## Key Findings

7

## Unlocking the UK's Growth Potential

Early-Stage Focus

12

## VC Investment Trends 2025

Early-Stage Focus

41

## Methodology

57





# FOREWORD I

At last year's London Tech Week, I spoke about our plan to harness the power of British tech to rebuild our public services and deliver long-term economic growth. I promised change, and we have delivered. In the last year, we've taken radical action to tear down the barriers businesses in Britain are facing.

We've created the Regulatory Innovation Office to help firms get innovative products and services into citizens' hands faster. Our planning reforms will make it cheaper and easier to build the infrastructure that powers our digital economy.

We are rethinking procurement to ensure that we aren't just working with the same old suspects but using our buying power to create prosperity right across the UK. And we're working with some of Britain's biggest pension providers to unlock billions in productive investment for British science and tech. There is no better demonstration of our ambition than the AI Opportunities Action Plan, a world-leading strategy to safeguard our position at the forefront of the global AI revolution.

Now, our efforts are bearing fruit. In the first half of 2025, UK tech start-ups raised more than \$7 billion in venture capital investment – that's including the biggest first quarter fundraise in the last three years.

At every stage, UK start-ups are raising bigger rounds than they were last year, with deep tech and AI firms leading the way. Across the UK, we have extraordinarily talented people building products and services that are changing lives for our citizens.

But we know that too many of those people are still being held back, unable to achieve their full potential. Though they are raising more, it's also taking firms here longer to do so. Britain may be a great place to start a business but concerns about access to capital and top talent mean too many entrepreneurs still aren't sure if it's the right place for them to scale. Now, I'm making it my personal mission to change their mind.

We have sent a powerful statement of intent: we will not hold back in our pursuit of change. Now, it's time to double down. We know that the success of our start-ups and scale-ups will define our country's path to prosperity in the decade to come. Together, we will make Britain a country that encourages innovation and rewards ambition – a country that every part of our tech sector is proud to call home.



**The Rt Hon Peter Kyle MP**

Secretary of State for Science,  
Innovation and Technology UK Government





# FOREWORD II

The Tech Nation Report has been the state of the nation report on UK tech since 2015. In our special 10th anniversary edition, we focus on the number one challenge facing the UK tech sector: Growth.

The UK remains Europe’s number one tech ecosystem in 2025, home to more than 17,000 VC-backed startups, with a combined market valuation of \$1.2 trillion. In H1 2025, UK tech startups have raised more than \$7b, including the biggest first quarter fundraise of the past three years.

UK startups are raising bigger rounds at each stage than they were last year. Companies are reaching unicorn status faster than ever before. We’re seeing the rise of breakthrough technologies in rapidly-growing sectors like deep tech, health tech, robotics, and AI. Outside London, the number one city in Europe for VC investment, exciting tech hubs are developing across the UK, in the Midlands, the East of England, and Scotland in particular.

However, we face an era-defining challenge. While the UK excels at startup creation, we struggle to retain our most promising companies as they scale. Homegrown tech champions like Wayve, Multiverse, and Darktrace have turned to the US for investment and exit opportunities, while others are considering relocating their headquarters outside the UK.

In **The Tech Nation Report 2025: Unlocking the UK’s Growth Potential**, we provide a comprehensive overview of the UK tech ecosystem, covering the latest VC investment trends, startups to watch, high-growth sectors, and insider insights from 50+ of the UK’s leading tech founders, investors, and corporate and government leaders.

Plus, we reveal the results of our comprehensive UK Tech Sector Survey of 1,000+ UK tech founders and investors, endorsed by the Department for Science, Innovation and Technology (DSIT), to uncover the key barriers to growth faced by UK tech companies and the potential solutions.

From our findings, the message is clear: To attract and retain the best and brightest tech talent in the UK, we must support founders at all stages in overcoming their most significant barriers to growth – access to capital and access to talent.

At **Founders Forum Group**, we are on the front line of startup development across the globe, supporting entrepreneurs at every stage of their journeys through the power of connections, knowledge sharing, and talent opportunities. And we know that, to achieve transformational change in the UK, it takes a collective effort; it takes a Tech Nation.

Under **Tech Nation**, with the support of our founding partner, **HSBC Innovation Banking**, we relaunched our pioneering startup growth programmes to connect and support founders in all corners of the UK – **Climate**, our programme for climate tech startups; **Libra**, for underrepresented founders; **Upscale**, for scaleups after Series A; **Future Fifty**, for pre-IPO, late-stage ventures; **Creo**, for disabled founders and entrepreneurs innovating around disability; and **Rising Stars**, our UK-wide pitch competition for early-stage tech startups.

This year, we launched the **London AI Hub**, in collaboration with Merantix and Husayn Kassai, providing a community, co-working space, and events to act as the centre of gravity for the UK’s AI ecosystem.

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 talent from around the world to build their careers in the UK.

This Government has made economic growth its number one mission, with the [Industrial Strategy](#) and the [AI Opportunities Action Plan](#) signalling a firm commitment to supporting the UK’s thriving tech ecosystem.

Still, the founders we surveyed call for more direct government intervention in funding markets, enhanced R&D tax credits to hire the best talent, better digital infrastructure, and regulatory sandboxes to test new technologies and support their companies’ growth.

The UK stands poised to lead the global technology revolution. Our task now is to create the conditions where our most promising companies can scale without looking elsewhere, championing the innovators building our technological future right here in the UK.

Read on to discover the trends shaping the future of UK tech.



**Carolyn Dawson, OBE**  
CEO, Founders Forum Group





# FOREWORD III

At a pivotal moment in its evolution, the UK tech sector has built a thriving startup ecosystem that now faces the critical challenge of scale. As The Tech Nation Report 2025 reveals, the next chapter of British innovation depends on our ability to transform promising ventures into global powerhouses.

The UK's position as Europe's leading tech ecosystem is undeniable, with a combined market valuation of \$1.2 trillion and a thriving community of over 17,000 VC-backed startups. This success is underpinned by significant financial investment, with UK startups raising over \$7 billion in the first half of 2025.

However, the report rightly emphasizes a key concern: the difficulty in scaling high-potential companies. This is where the strategic use of data and AI, enabled by platforms like Snowflake, becomes an essential growth-driver for start-ups across all sectors.

In today's competitive landscape, startups need a data and AI strategy that's built on these principles:

- **Ease:** Speed and agility are paramount. Startups require data platforms that are quick to implement and simple to use, allowing them to focus on creating innovation from day one.
- **Connectivity:** Siloed data creates blind spots and hinders innovation. A platform that seamlessly connects data from across the organisation – and its vendor and customer ecosystem – provides the foundation for informed decision-making.
- **Trust:** Data integrity and security are non-negotiable. Startups need a reliable and secure platform to manage and protect their data and build customer confidence.

A solid data foundation delivers these critical needs for startups, empowering them to:

- **Accelerate Innovation:** By providing easy access to connected and trusted data, we enable startups to derive insights faster, develop cutting-edge AI solutions, and disrupt markets.
- **Achieve Scalable Growth:** Startups' data needs evolve rapidly. A platform that scales effortlessly ensures that their data infrastructure supports, rather than hinders, their growth trajectory.
- **Cultivate Data-Driven Cultures:** When data is accessible and reliable, it empowers teams across the organization to make data-driven decisions, fostering a culture of continuous improvement and innovation.

We are proud to collaborate with many of the UK's most innovative startups, providing them with the data capabilities they need to compete and succeed. The Tech Nation Report 2025 offers a valuable roadmap for the UK tech sector, highlighting both its strengths and the areas that require collective action.

I encourage you to explore the report's findings and join us in our shared commitment to fostering a thriving environment where UK tech companies can scale and lead the world.



**James Petter**

GVP, EMEA, Snowflake





# KEY FINDINGS



Captions (clockwise from top):  
Baroness Jones of Whitchurch, Marta Krupinska (CUR8) & Pippa Gawley (Zero Carbon Capital),  
The Rt Hon Keir Starmer at our Future Fifty launch, Future Fifty cohort of 2024.

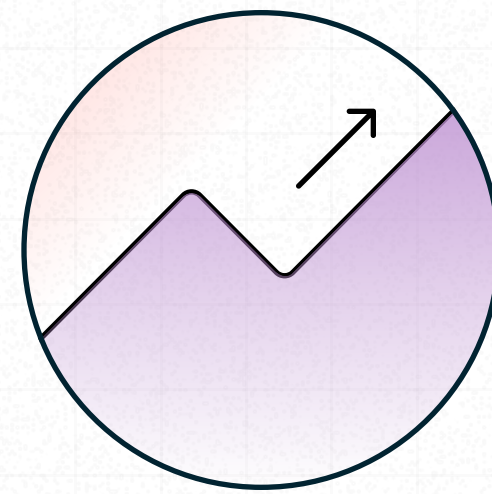




# 1 The UK tech sector has reached a combined market valuation of \$1.2 trillion in 2025, cementing its place as the number one tech ecosystem in Europe.

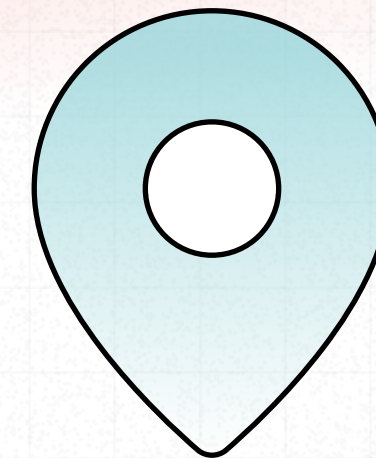
## 12.5% CAGR

UK tech is growing at a CAGR of **12.5%**, outstripping its European competitors.



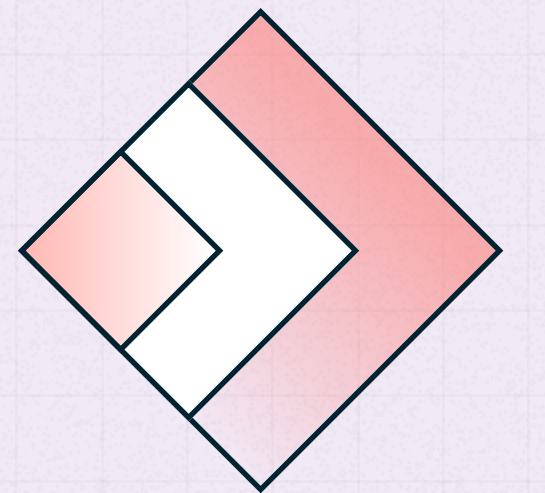
## 59% of value

London accounts for **59%** of the UK tech sector's total value, while the East Midlands, Scotland, and the North East are the fastest-growing tech hubs in the UK.



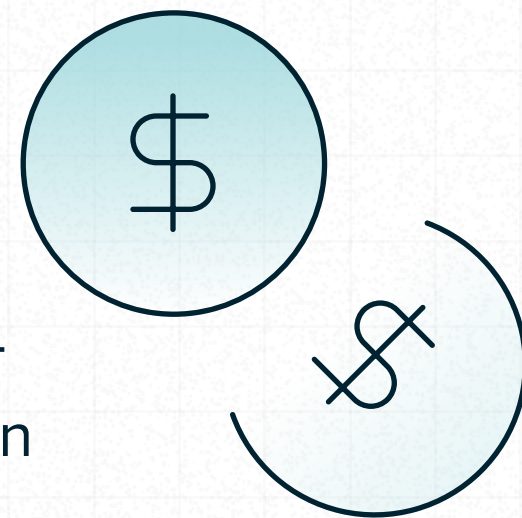
## Record exits in 2024

More UK tech companies exited in 2024 than ever before, although tech IPOs have become almost negligible.



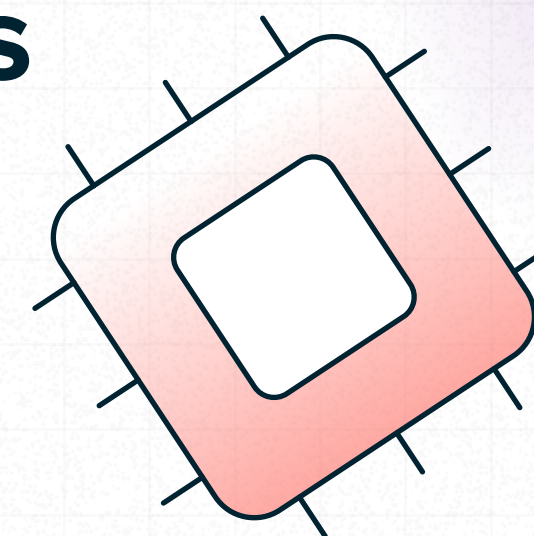
## \$10.9b raised by VCs

UK VCs raised **66** new funds in 2024 worth **\$10.9b** – **70%** more than VCs in France and Germany combined.



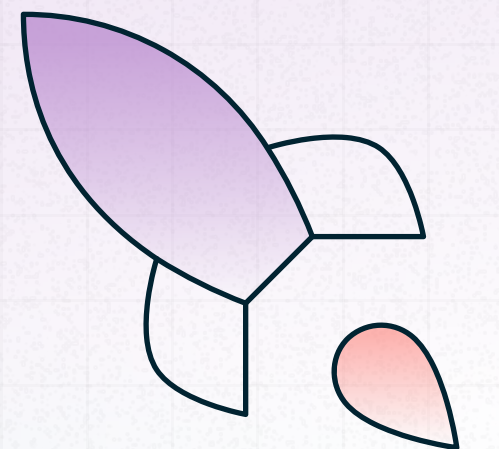
## Top Tech Sectors

Fintech, Health Tech, and Enterprise SaaS are the top tech sectors in the UK, while Robotics is the fastest-growing tech sector.



## 163 Unicorns

The UK has produced **163** unicorn companies to date – including **48** active unicorns – with 90% staying in the UK. And companies are reaching unicorn status faster than ever before.



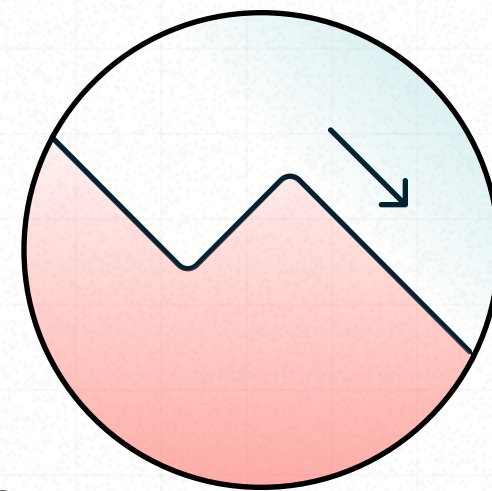




## 2 UK tech startups have raised more than \$7b in VC investment in H1 2025, including the biggest first quarter fundraise of the past three years.

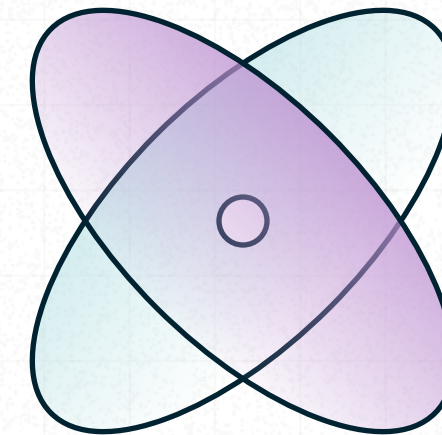
### Global VC: downward

VC investment follows a global downward trend, but investors show continued appetite for growth-stage deals.



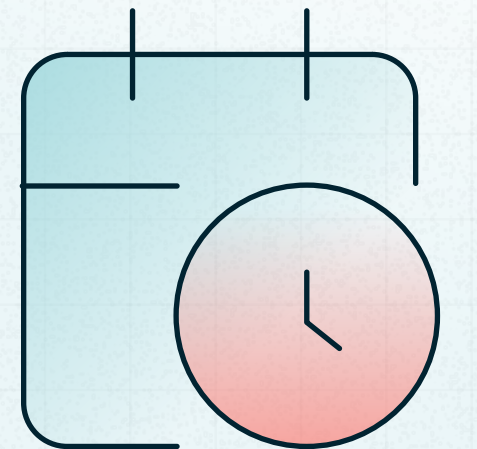
### Bigger rounds

UK startups are raising bigger rounds at each stage than they were last year, with deep tech and AI startups raising the largest rounds.



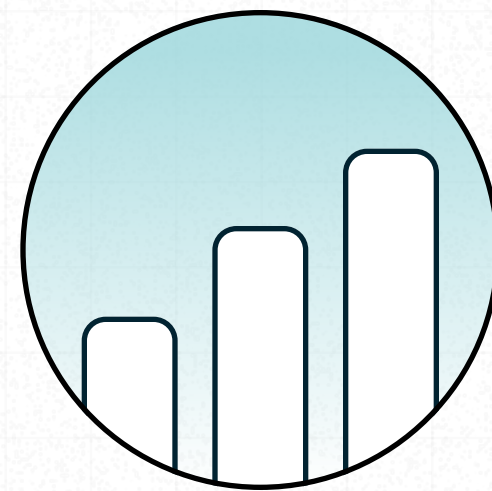
### 9.6 years

But it is taking longer to raise VC funding – the average time it takes a UK startup to go from launch to Series C has nearly doubled to **9.6** years since 2019.



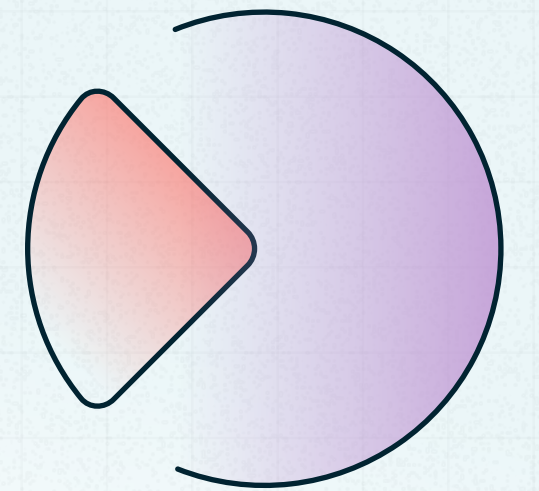
### 7x more raised in London

London-based startups raised **7x** more than any other UK region in 2024, while Scotland and the East of England have seen the biggest growth in investment.



### 11.6% equity given up

London-based founders give up the least equity (**11.6%**) when raising early-stage funding, while founders in the North East and Northern Ireland sacrifice around 25% of their businesses.



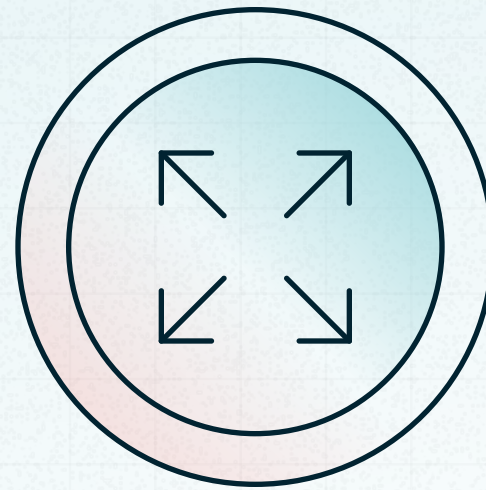




# 3 UK founders say access to capital, the tax environment, and availability of top talent are their biggest barriers to growth in the UK.

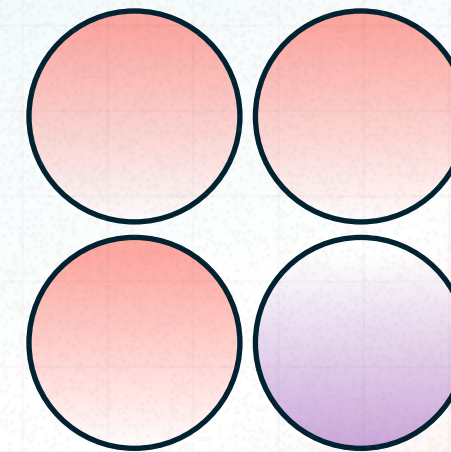
## Tough scale

UK founders rate the UK as a good place to start a tech company, but they are less positive about scaling or exiting their companies in the UK.



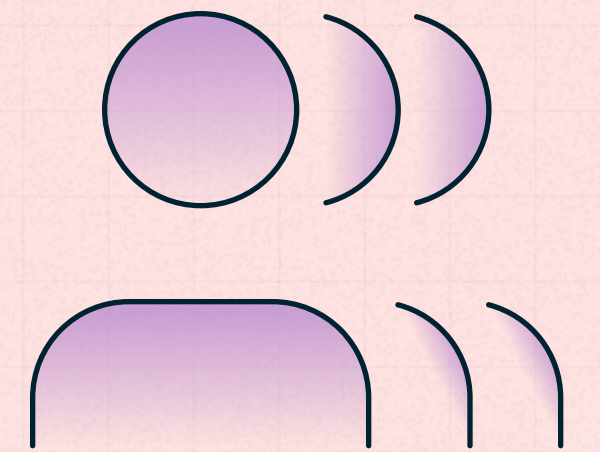
## Funding barrier

3 in 4 UK tech founders say access to growth capital is their biggest barrier to growth.



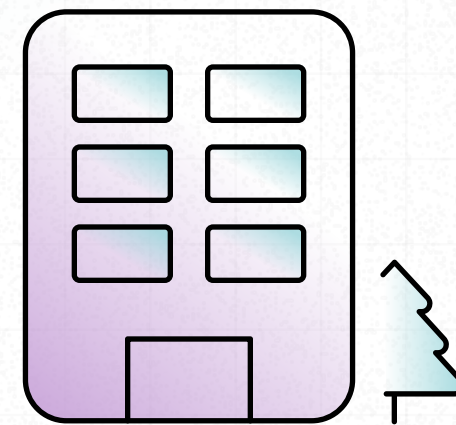
## Talent gaps

1 in 3 UK founders say availability of top talent is their biggest barrier to growth.



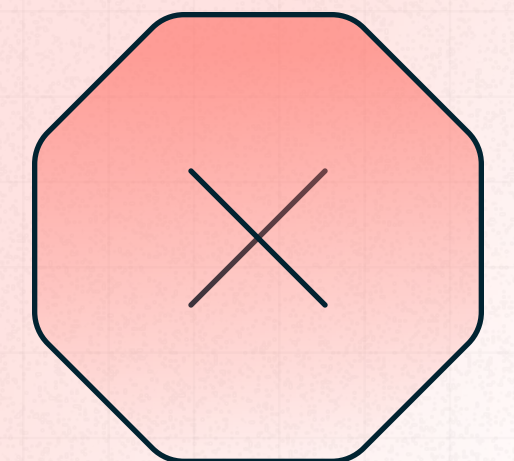
## HQs may relocate

43% are actively considering relocating their company's headquarters outside the UK.



## Exit & capital limits

Meanwhile, limited exit opportunities and availability of institutional capital are the biggest barriers investors face when investing in UK companies.





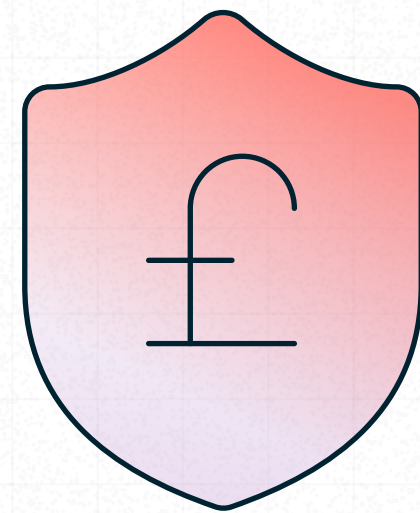


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To overcome those barriers, founders call for government intervention in funding markets, enhanced R&D tax credits to hire the best talent, digital infrastructure funding, and regulatory sandboxes to test new technologies.

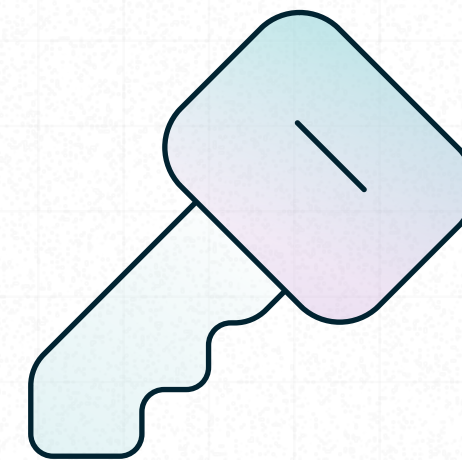
## Investment funds

**1 in 2** UK founders say new government-backed funds and policies that better incentivise investors to invest in the UK would best support the growth of their businesses.



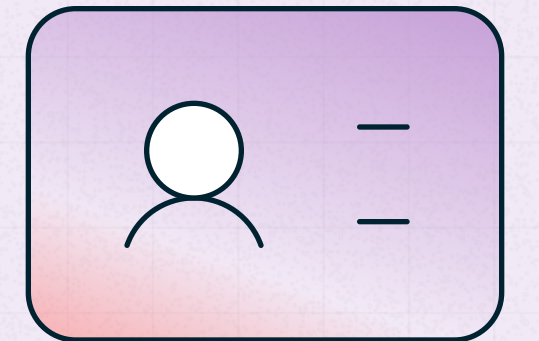
## Pension reform

More than **1 in 3** growth-stage founders in the UK want pension fund investment reform to unlock access to growth capital.



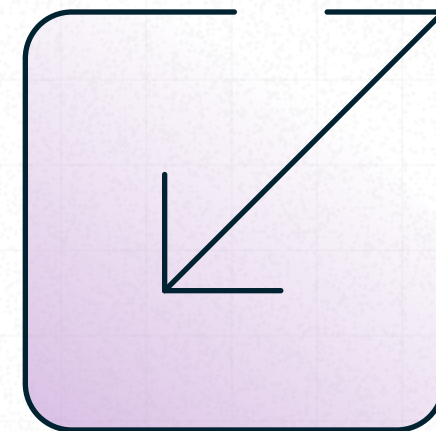
## Visa reform

**1 in 2** founders say improving immigration and visa processes would best support their talent needs.



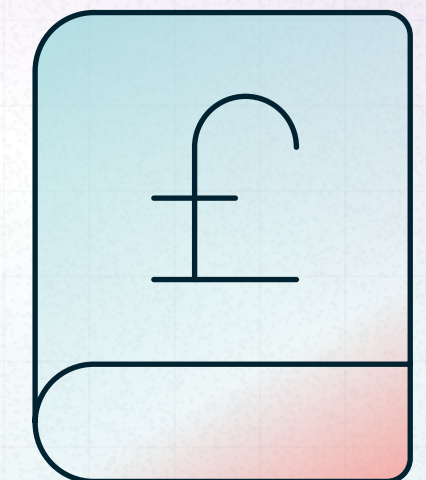
## Market access

**1 in 2** want the government to use competition laws to remove barriers to investment and scaling, while 1 in 3 want public procurement reform.



## Tax incentives

Meanwhile, **1 in 2** investors say enhanced tax incentives would make them more likely to increase their investment activity in the UK.







EARLY-STAGE FOCUS

# UNLOCKING THE UK'S GROWTH POTENTIAL

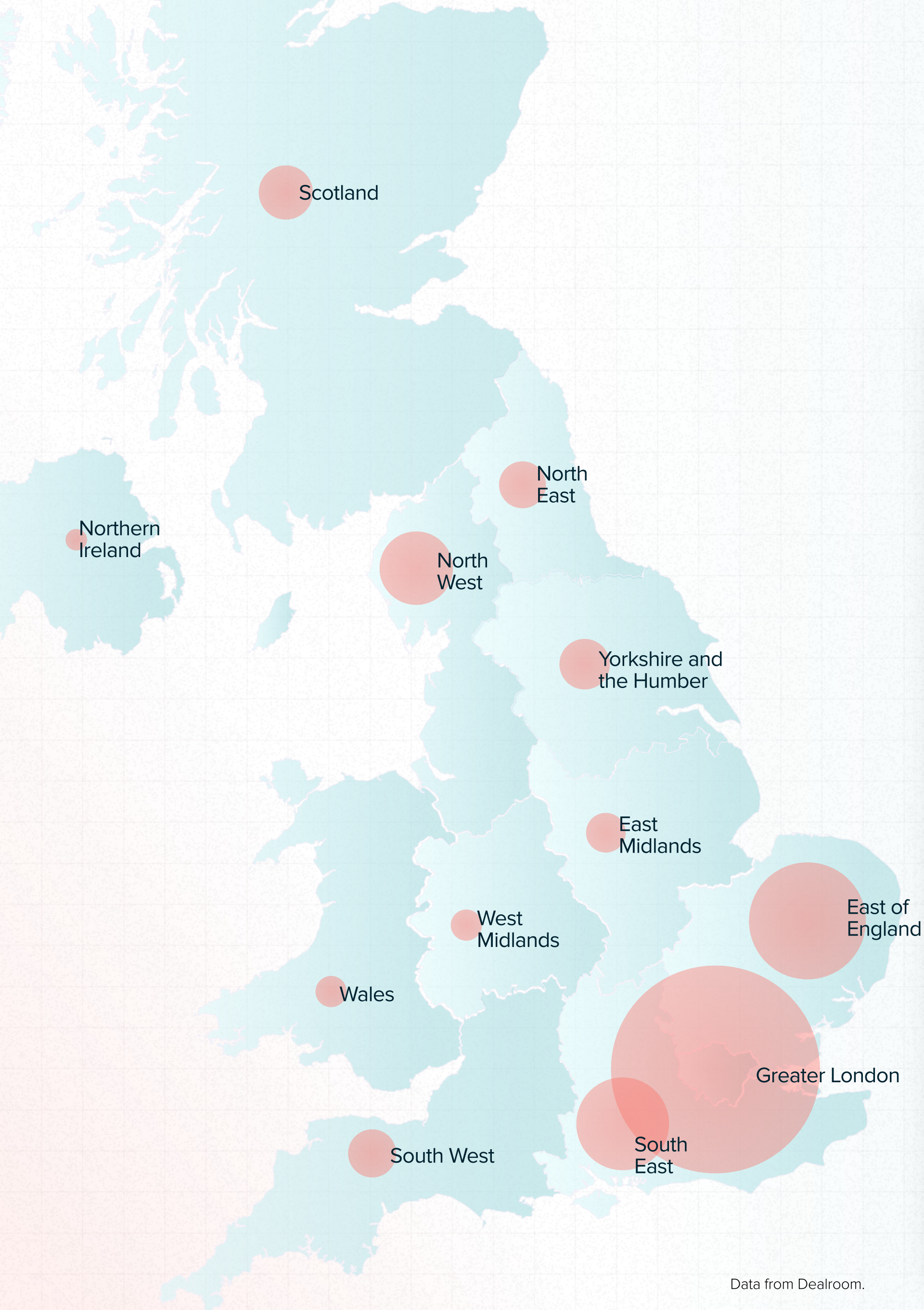


Captions (clockwise from top):  
Tej Lalvani (Vitabiotics) & Rana Yared (Balderton), Lara Lewington, Lord Adair Turner (Energy Transitions Commission).





# The UK is Europe's number one tech ecosystem, home to more than 17,000 VC-backed startups.



HQ Region	Value	Growth in Value (2020-25), CAGR	VC Investment (2024)	Growth in VC investment (2020 vs 2024) %	Unicorns HQ	Unicorn Logos
East Midlands	\$24.7b	21%	\$150m	-23.6	4	
East of England	\$223.2b	14%	\$1.5b	89.8	10	
Greater London	\$693.7b	12%	\$10.8b	-5.1	119	
North West England	\$32.9b	5%	\$597m	37.2	9	
North East England	\$6.3b	15%	\$160m	53.9	1	<b>END.</b>
South East England	\$73.7b	8%	\$1.4b	7.8	11	
South West England	\$21.6b	8%	\$289m	-49.7	4	
West Midlands	\$16.4b	11%	\$143m	-55.5	3	
Yorkshire and the Humber	\$23.8b	0.2%	\$149m	-20.5	5	
Scotland	\$25.6b	19%	\$660m	120.3	3	
Wales	\$24.3b	10%	\$32m	-66.5	1	
Northern Ireland	\$3.8b	7%	\$84m	250.7	0	

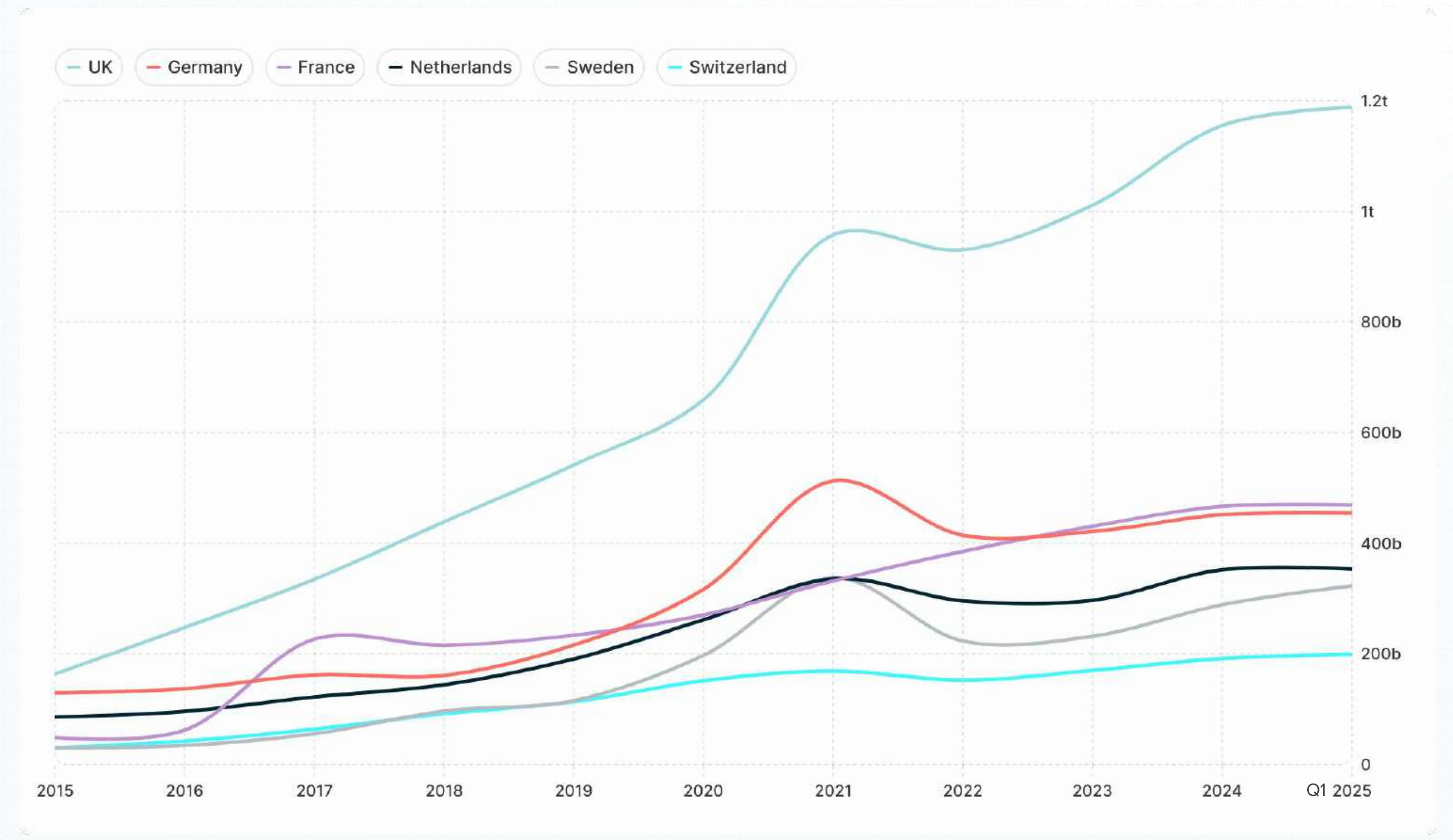




## The UK tech sector reached a combined market valuation of \$1.2 trillion in H1 2025, cementing its place as the number one tech ecosystem in Europe.

While other European markets have stagnated, the UK tech sector is growing at a CAGR of 12.5% and its total value is more than double the size of Germany and France combined.

### The combined market valuation of the UK tech sector in a European context



#### CAGR (2020-2025)

UK	12.5%	Germany	7.5%	France	12%
Netherlands	6%	Sweden	10%	Switzerland	6%

Data from Dealroom.

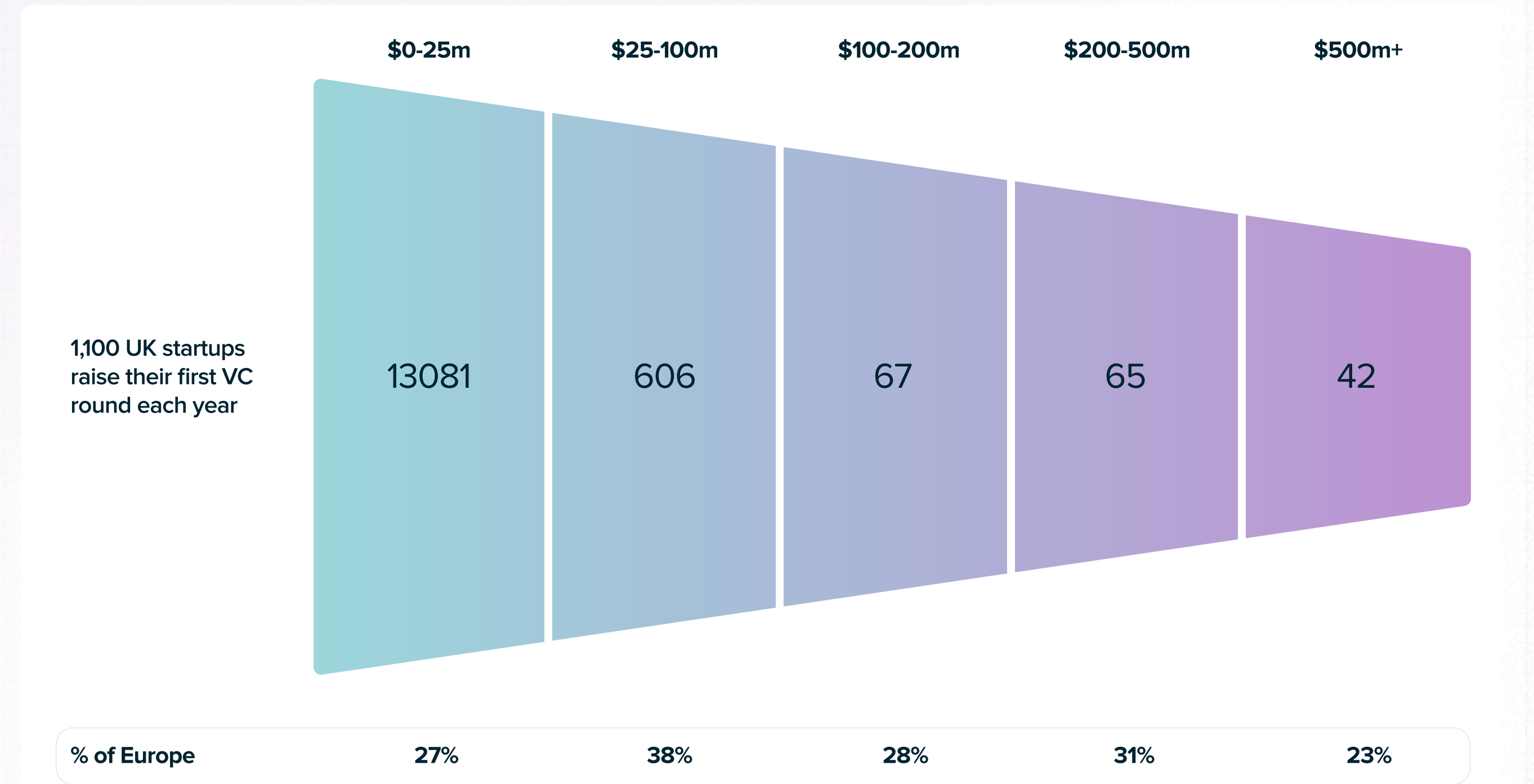




## The UK is home to around a quarter of Europe's biggest tech companies by revenue.

23% of European tech firms with \$500m+ in revenue are based in the UK. The UK also accounts for 38% of growth-stage companies in the \$25-100m revenue range, but companies struggle to break through the \$100m barrier.

### Number of VC-backed companies by revenue (ARR)



Analysis covers manually verified companies founded or headquartered in the UK since 1990 with \$100k total minimum funding. Data recorded May 2025.

Data from Dealroom.

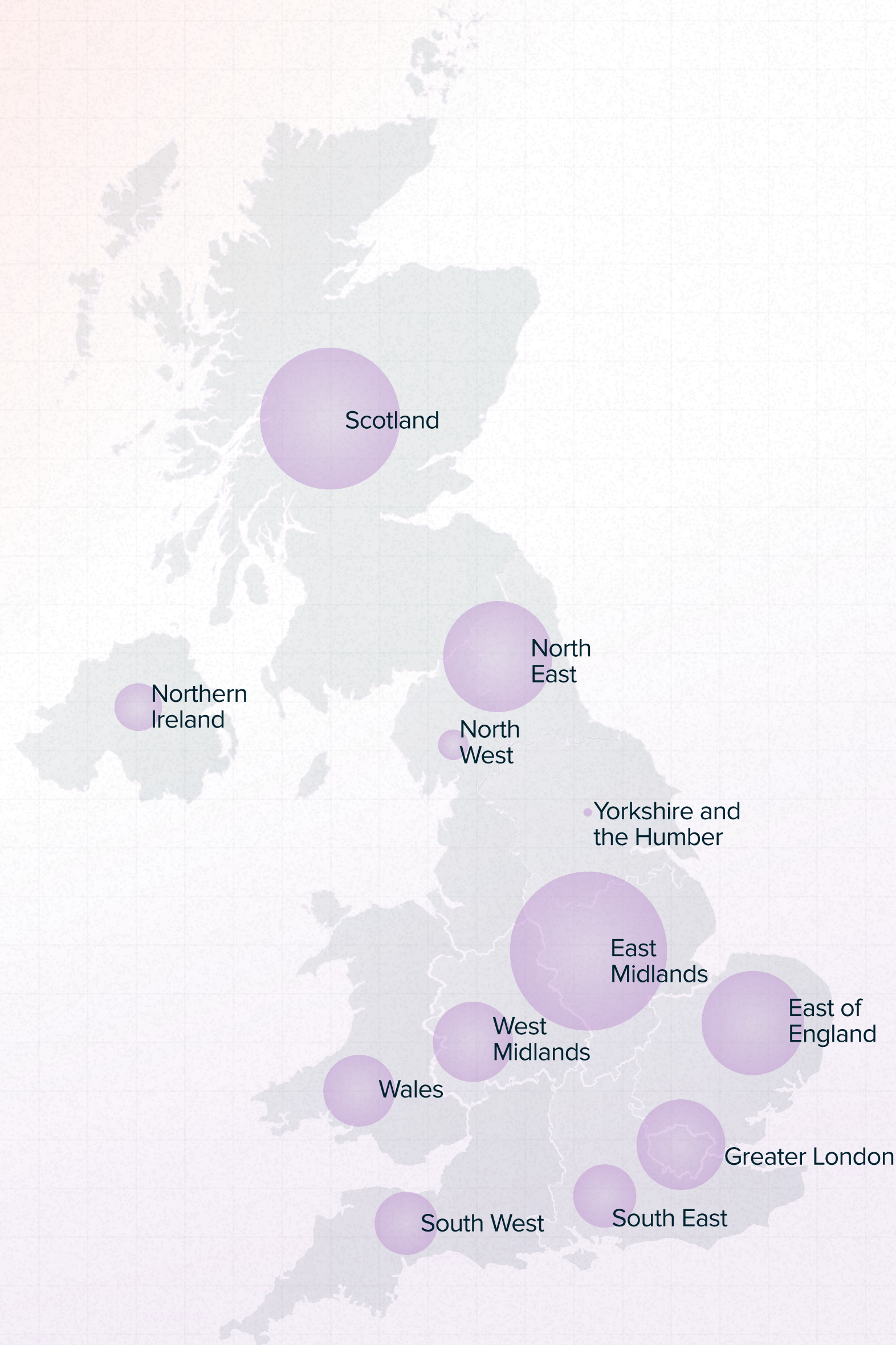




## London dominates the UK tech landscape, but there are fast-growing tech hubs across the UK.

The East Midlands, Scotland, and the North East are the fastest-growing tech hubs in the UK based on market value, with CAGRs exceeding 15% between 2020 and 2025.

London accounts for 59% of the UK tech sector's total value, with London's tech ecosystem growing at a CAGR of 12% in the past five years.



HQ Region	Value	Growth in Value (2020-25), CAGR ↓	Market share
East Midlands	\$24.7b	21%	2%
Scotland	\$25.6b	19%	2.2%
North East England	\$6.3b	15%	0.5%
East of England	\$223.2b	14%	19%
Greater London	\$693.7b	12%	59%
West Midlands	\$16.4b	11%	1.4%
Wales	\$24.3b	10%	2.1%
South East England	\$73.7b	8%	6%
South West England	\$21.6b	8%	1.8%
Northern Ireland	\$3.8b	7%	0.3%
North West England	\$32.9b	5%	2.8%
Yorkshire and the Humber	\$23.8b	0.2%	2%

Data from Dealroom.





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The UK has played a central role in our company’s success, and we expect that to continue in the months and years ahead. For the UK to remain a strong environment for the starting and scaling up of AI companies, we urge the government to follow through on the powerful commitments of the Prime Minister’s AI Opportunities Action Plan – partner with AI companies to improve public services, support groundbreaking research, build AI infrastructure, incentivise top talent to move and remain here, and avoid overly burdensome regulations.



**Mati Staniszewski**

IIElevenLabs

“

The UK has proven itself as a powerhouse for startup innovation. The key is to ensure that high-potential tech companies have all the support they need to grow. Fostering a culture of long-term investment – where UK-based companies can thrive at home – will be key to retaining our most promising businesses and cementing the UK as a global tech leader.



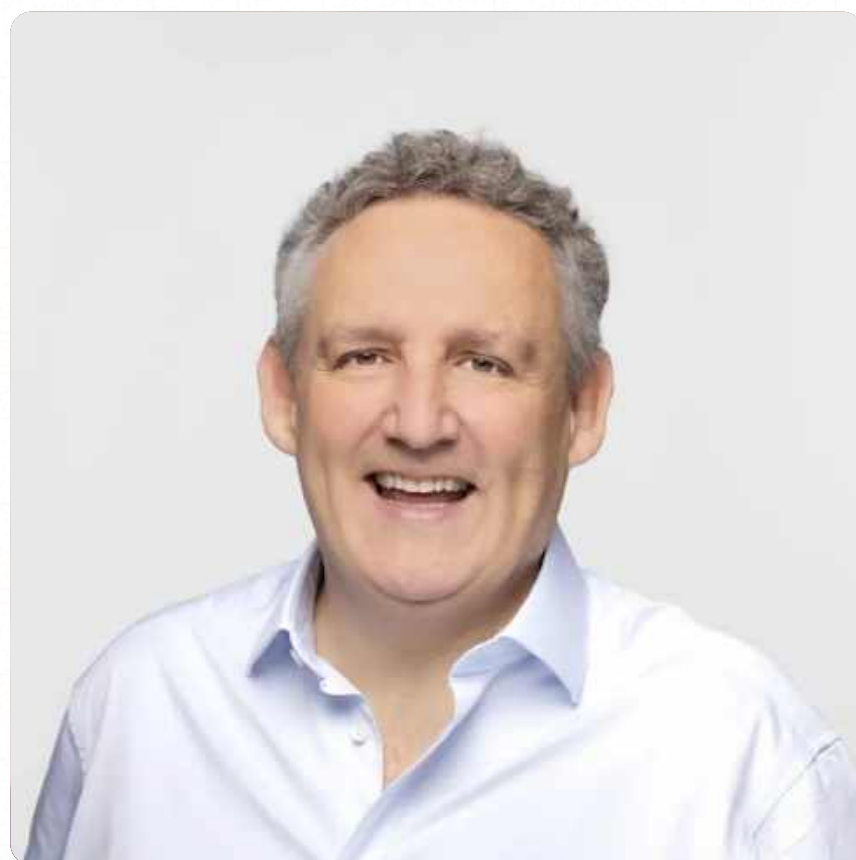
**Dame Jayne-Anne Gadhia**

moneyfarm



“

The UK is Europe’s leading innovation powerhouse – driving revenue, producing more unicorns, and attracting a growing share of VC investment. To sustain this momentum, we must create an environment that boosts investor confidence by unlocking domestic scale-up capital from UK institutions, building on the UK’s position as a leading destination for international capital, and strengthening our public markets to create alternatives to the US.



**Simon Bumfrey**



“

Deep tech companies are a vital part of our tech sector. However, the challenging economic climate has made it more difficult for startups to secure funding. To increase access to capital, we’d like to see the Mansion House Reforms accelerated and the British Business Bank and British Patient Capital backing more deep tech companies. We need more investors with the expertise and specialist skills to confidently invest in deep tech, and we also suffer from a limited pool of UK C-suite talent with experience of scaling companies from £10m to £100m+. We need to find creative ways to bring these people into the ecosystem.



**Dr Hayaatun Sillem CBE**





**Harsha Kapre**

Director, Snowflake Ventures

“

We're enthusiastic about how UK founders are applying rapid advancements in generative AI to enterprise use cases.

### Why the UK?

The UK tech sector is a powerhouse of innovation and the projected economic uplift from AI adoption here presents substantial opportunities for investors:

- **The UK has proven outstanding at creating the next wave of unicorn fintech companies.** There has been an important shift in investor interest towards partnering with startup founders transitioning from established financial services organisations. Without legacy technical debt or rigid corporate structures inhibiting their ability to develop, these individuals' deep domain expertise translates to leveraging data in unique ways, resulting in competitive advantages not seen in other regions.
- **Investors have access to a pipeline of talent emerging from world-class universities.** These institutions contribute to strengthening the UK's digital infrastructure, with entrepreneurs discovering remarkable ways to accelerate digital adoption across industries, creating a fertile ground for data generation and consumption – critical elements for training AI models and building data-driven applications.

- **The UK's diversity is proving to lead to fresh perspectives and innovative problem-solving.** This helps identify unmet needs and develop novel solutions for the market.

### What do you look for?

We're particularly enthusiastic about how UK founders are applying rapid advancements in generative AI to enterprise use cases on Snowflake, opening new possibilities for data transformation, content creation and intelligent automation.

We're also keen on seeing how companies are building specialised AI and data applications that tackle unique challenges within specific industries. As AI scales, the need for robust governance, ethical AI development, and explainable AI becomes paramount. We're eager to support startups building tools and platforms that help organizations ensure responsible and trustworthy AI adoption.







## What are the barriers to investment?

We've observed a perceived gap in later-stage growth capital in the UK compared to the US. This often leads promising companies to seek funding or exit opportunities abroad. We see a similar challenge with the AI and tech talent pipeline, where retention remains an issue, sometimes prompting UK tech leaders to relocate headquarters to the US for better access to both capital and talent. We also observe that early-stage valuations can sometimes be higher relative to traction, and the path to massive scale and large exits may be less clear or slower than in the more mature US market.

From a tech perspective, many UK businesses grapple with data accessibility, consistency and transparency, impeding effective AI integration. While some sectors like banking and finance lead in AI adoption, broader integration across all industries is crucial to maximise AI's economic impact. Furthermore, fragmented data environments and legacy infrastructure within UK enterprises can complicate the adoption of new data and AI solutions for our portfolio companies. Restricted access to large, high-quality public datasets, compared to some markets, can occasionally limit certain types of AI innovation.

## What needs to change?

Initiatives focused on data governance and democratisation, such as promoting data sharing frameworks and secure marketplaces, are essential to fuel AI innovation and strengthen the UK's position as a global tech and AI leader. It's equally important to continue developing agile regulatory sandboxes and proactive, sector-specific AI policies that foster innovation without stifling technological advancements. Promoting a 'scale-up' culture through mentorship, networks, and resources will be vital in supporting ambitious companies navigating hyper-growth.



## Fundraising Tips



### 1 Demonstrate clear, measurable value for customers

Our ideal partners articulate how building on Snowflake accelerates time-to-value, reduces operational costs, provides unique insights, or enables new data-driven workflows for our customers.

### 2 Exhibit deep domain expertise

Clearly identify and solve a pressing, scalable problem within your target industry, backed by proof of concept or early traction.

### 3 Demonstrate commitment

Be an active part of the Snowflake ecosystem. We want to see visionary leadership and a clear roadmap for growth.





# BARRIERS TO GROWTH

While the UK has built an impressive track record as Europe's leading hub for startup creation, tech leaders face challenges when it comes to scaling their businesses in the UK.

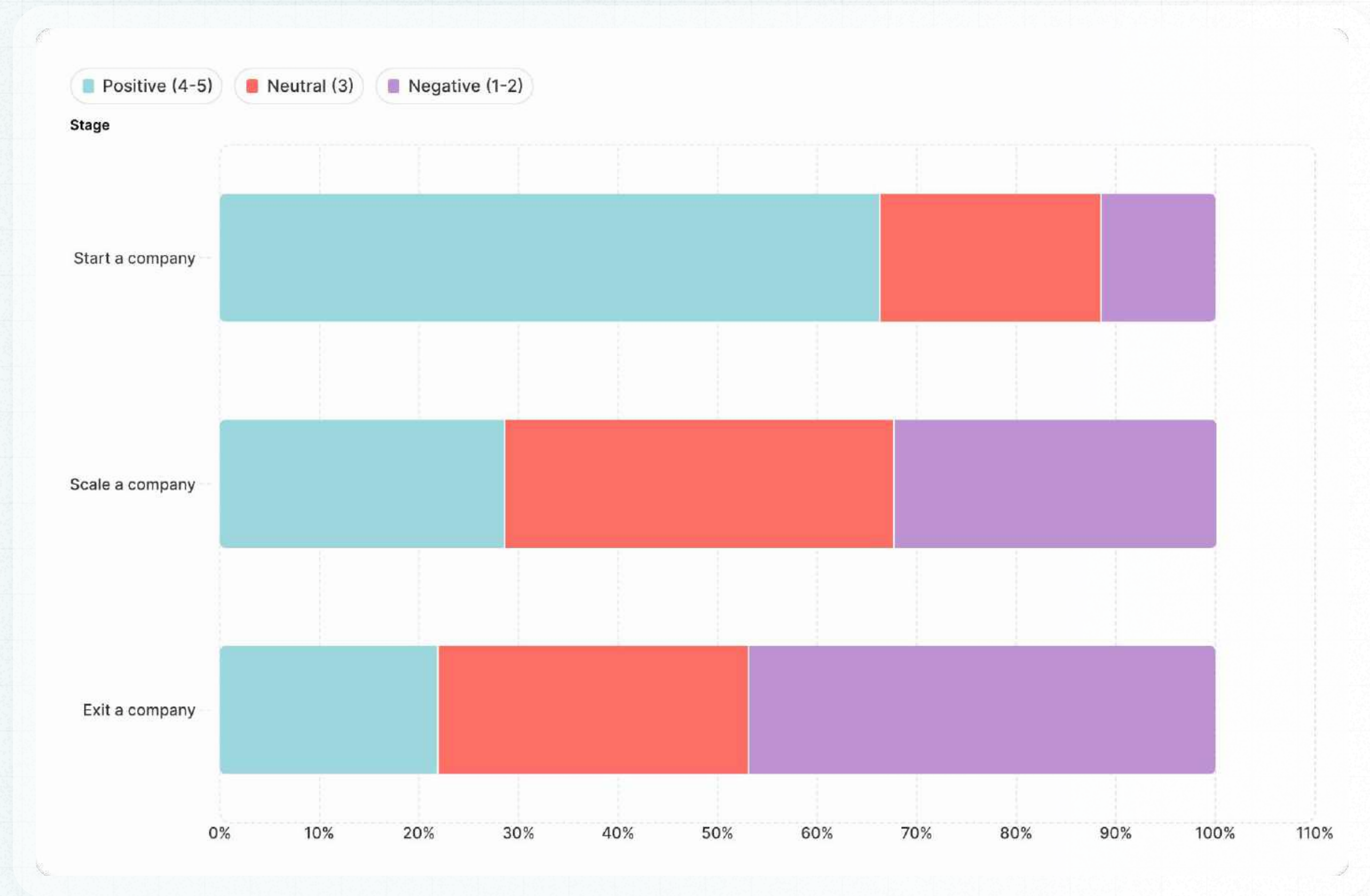
In our UK Tech Sector Survey, we asked 1,000+ founders, investors, and leaders of UK tech startups about the key barriers they face while scaling their businesses in the UK, and the potential policy solutions





## Early-stage founders rate the UK as a good place to start a tech company, but they are less positive about scaling or exiting their companies in the UK.

65% of the early-stage founders we surveyed rate the UK as a good place to start a company, while 30% rate the UK as a good place to scale.



Early-stage founders = pre-seed to Series A.



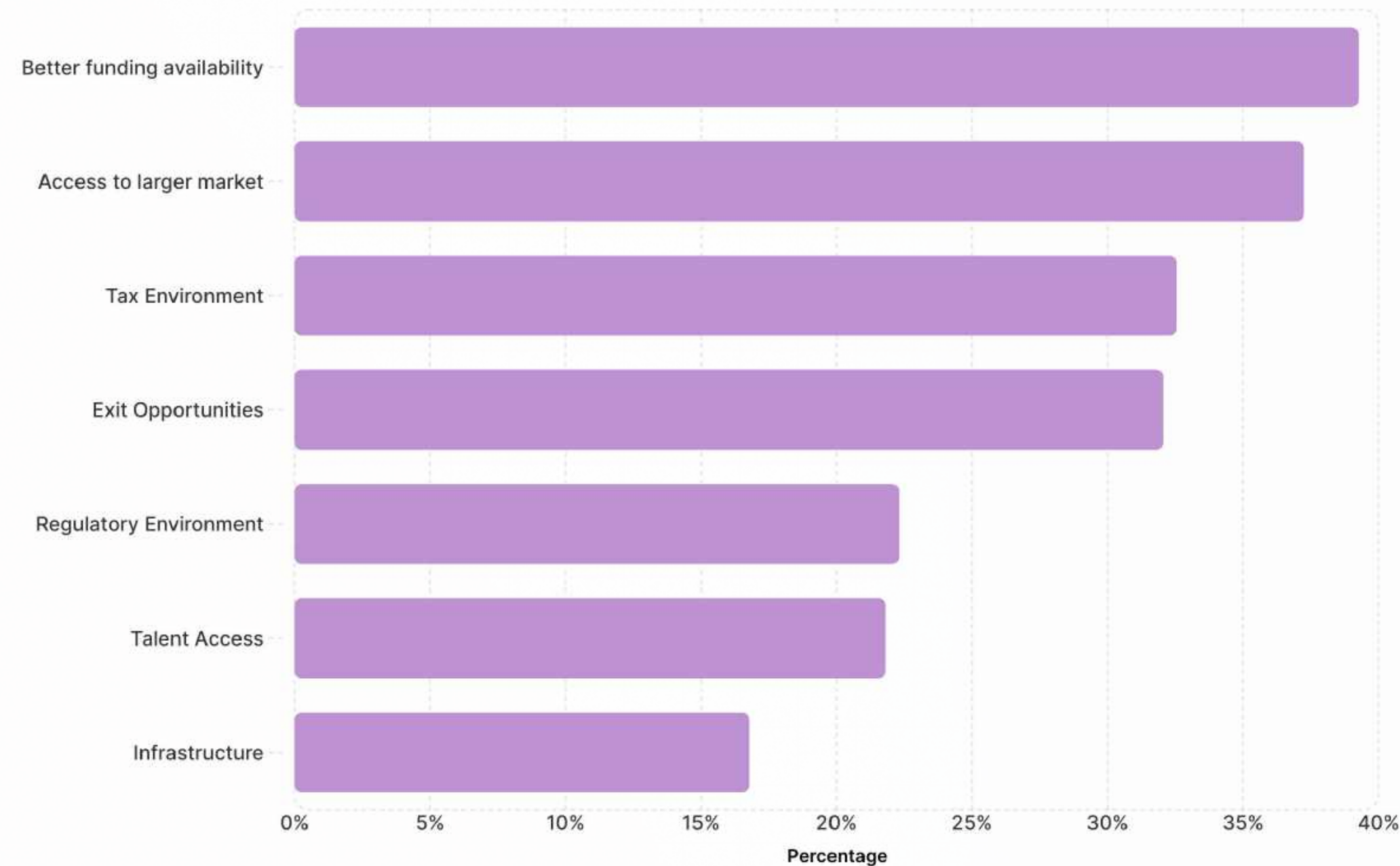


# 43% of early-stage founders we surveyed are actively considering relocating their company's headquarters outside the UK.

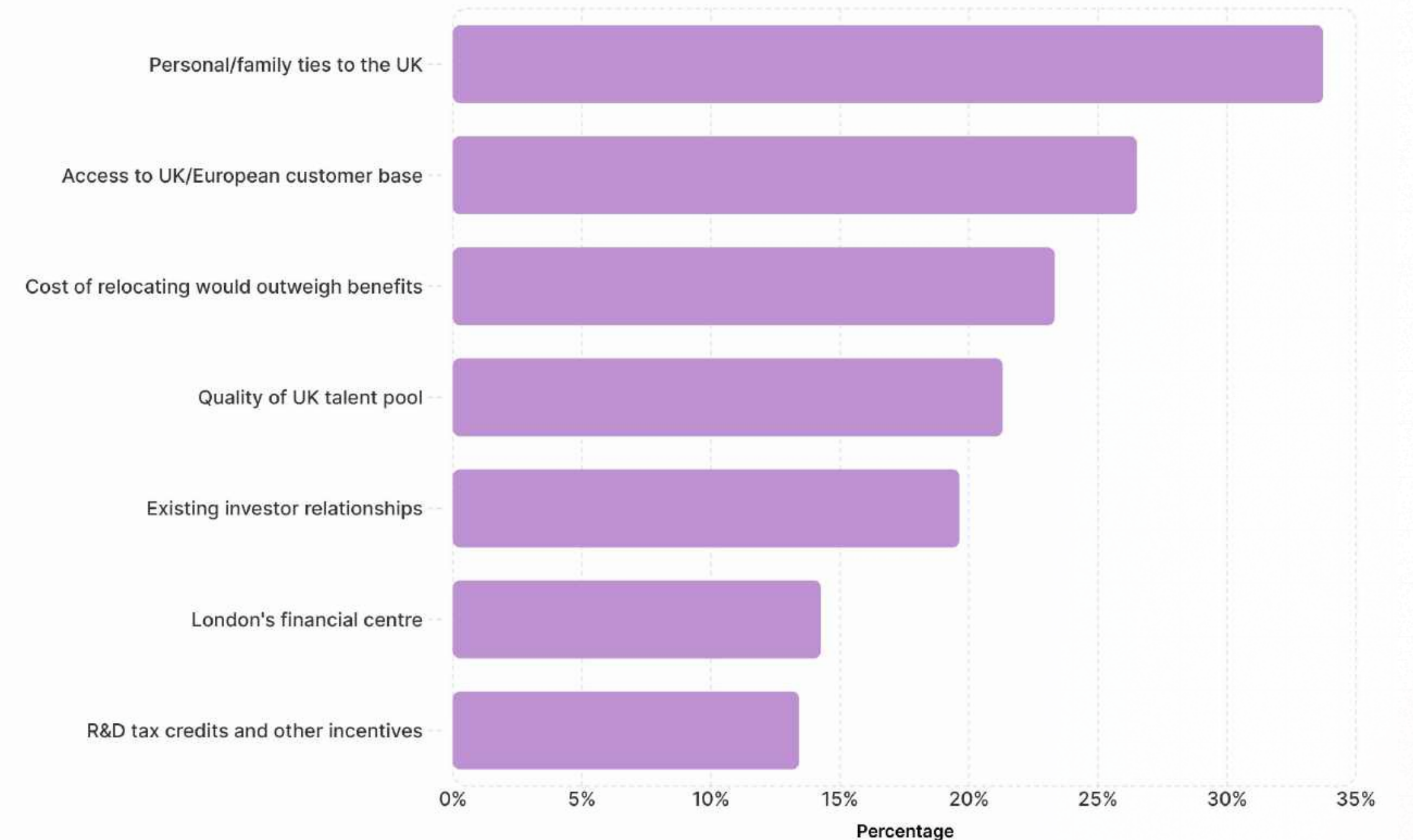
The risk of not supporting scaling business in the UK is the best move abroad. Almost all of the founders we surveyed who are considering relocating are targeting the US. Of those, more than 1 in 3 are looking for better funding availability and access to a larger market outside the UK.

Those not considering relocating cite personal ties and access to the UK and EU market as their primary reasons for staying in the UK.

Which factors made you consider or decide to relocate?



Which factors have made you stay in the UK?







# Early-stage founders mostly plan to expand to the US, maintaining strong interest despite recent trade tariffs.

## Where do early stage companies located in United Kingdom plan to expand to?



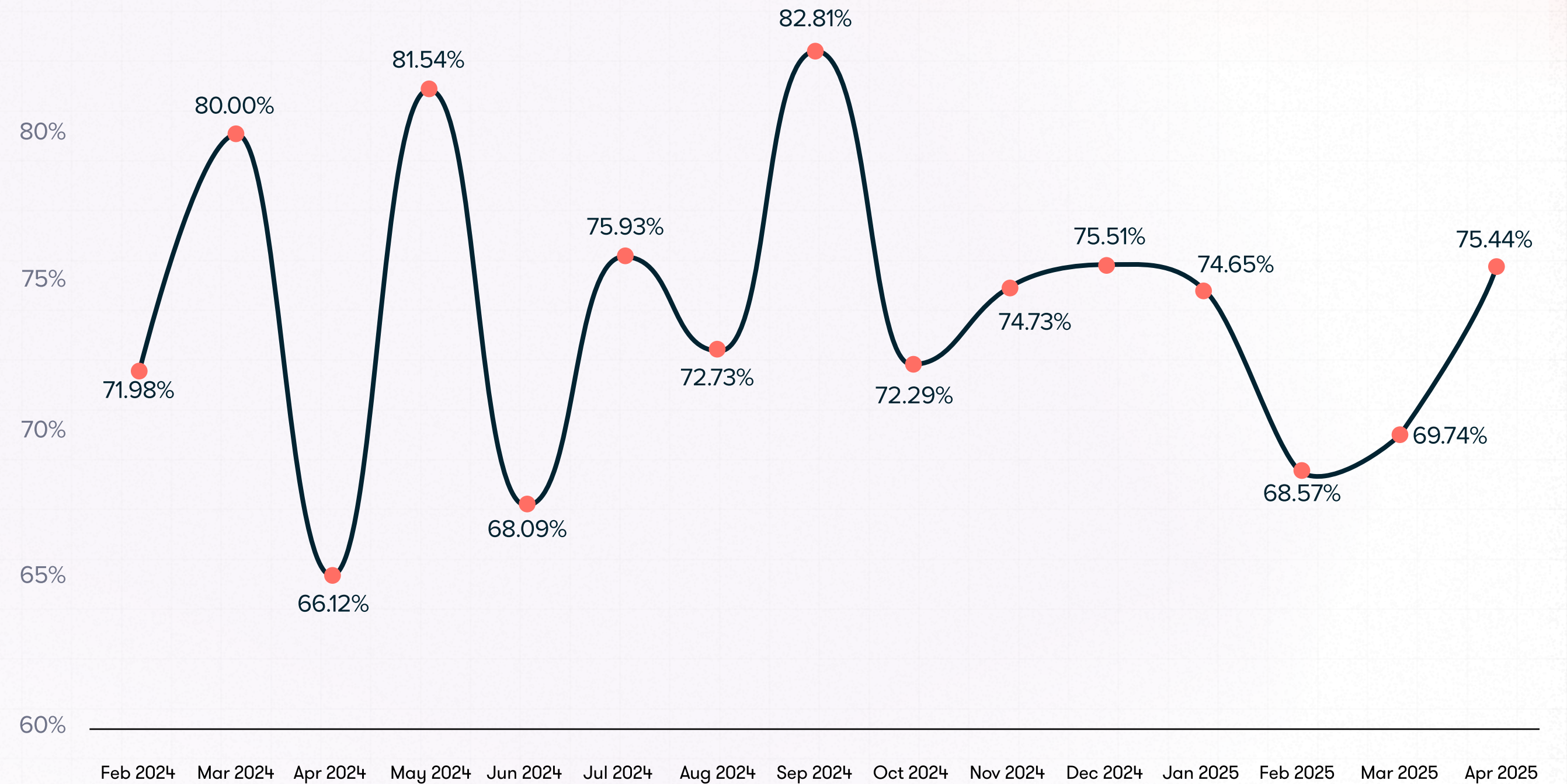
### Top 10 expansion destinations

- United States of America (**48.9%**)
- EU (**28.3%**)
- Europe (**17.6%**)
- GCC (**7.5%**)
- Southeast Asia (**6.8%**)
- Australia (**6.1%**)
- Latin America and the Caribbean (**4.8%**)
- India (**4.7%**)
- East Asia (**4.5%**)

Based on a survey of 1,945 tech companies using shipshape.vc between July 2023 and April 2025.  
Data from Shipshape.vc

## UK Tech company sentiment: Planning expansion to the USA

Based on data from Shipshape.vc, 1 in 2 early-stage UK founders with international expansion plans are targeting the US, while just under 30% target the EU. On a month by month basis, the percentage of early-stage UK startups planning US expansion has stayed strong in recent months despite US trade tariffs.



Based on a survey of 1,103 tech companies planning international expansion using shipshape.vc between Jan 2024 and April 2025.  
Data from Shipshape.vc

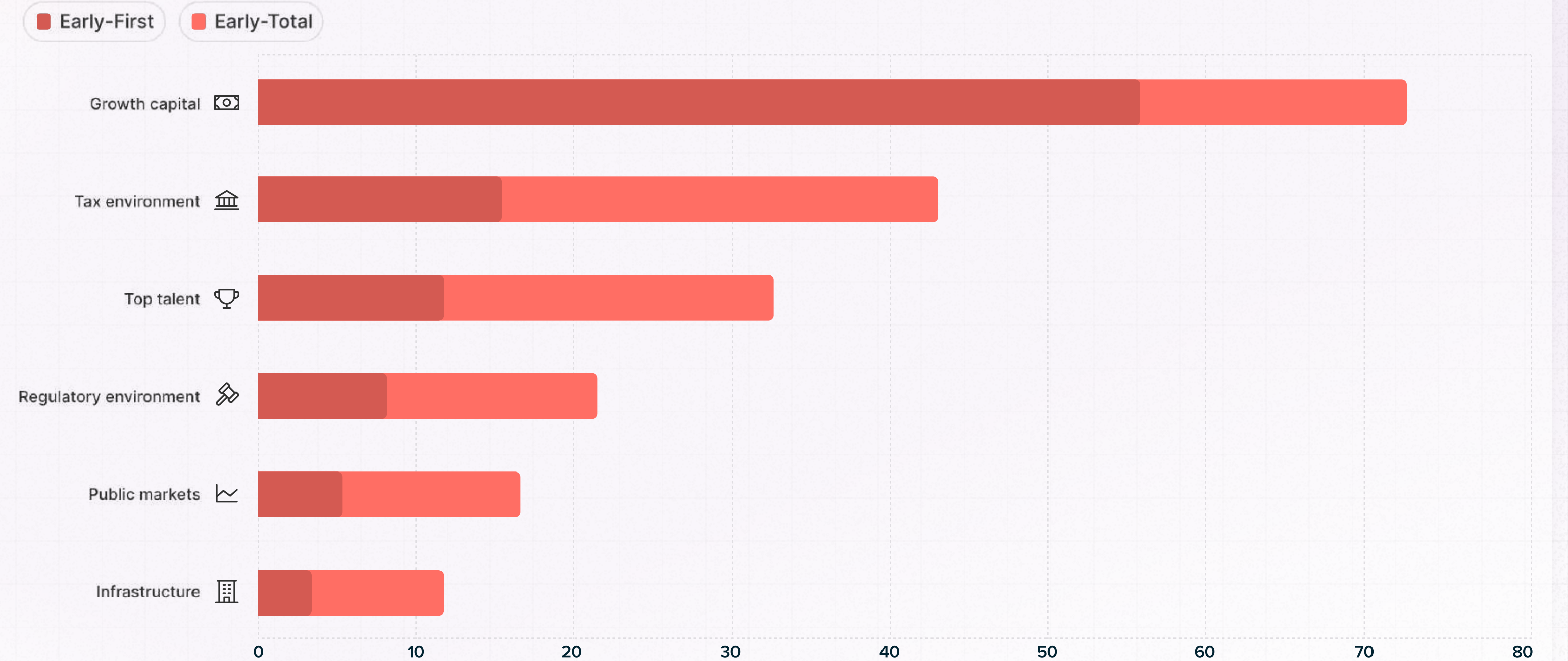




## 3 in 4 early-stage founders say access to capital is their biggest barrier to growth.

Funding availability is the most significant obstacle for early-stage founders scaling in the UK, followed by the tax environment and availability of top talent.

### Biggest Barriers to growth for UK Founders



UK Founders were asked to rank the biggest obstacles they face while scaling their businesses in the UK.

\* Darker shading represents first-ranked barriers; lighter shading shows second-ranked barriers.

Growth capital	<b>72.7%</b>	Tax environment	<b>43.1%</b>	Top talent	<b>32.7%</b>
Regulatory environment	<b>21.5%</b>	Public markets	<b>16.6%</b>	Infrastructure	<b>11.8%</b>





“

To scale successfully, access to growth capital is crucial, as is access to the world's biggest markets. To this end, US growth equity is a very attractive form of capital.



**Shelley Copsey**  
FYLD

“

Lack of growth capital combined with a shrinking public market that doesn't understand how to value high growth companies is a huge issue preventing growth.



**Timo Boldt**  
Gousto

“

The single biggest hurdle that we face in the UK is the provision of risk capital. Our VCs are so risk-averse that they have failed to help companies scale – this is a systemic issue.



**Ilyas Khan**  
Quantinuum

“

The biggest challenge for scaling a startup in the UK right now is cost of living. This makes it difficult to attract and retain talent, and it limits the amount of risk early-stage entrepreneurs can take.



**Robyn Greaves**  
Pravi

“

There are more conversations now around capital efficiency and pathways to profitability than there have ever been.



**Jade Cohen**  
Qualis Flow

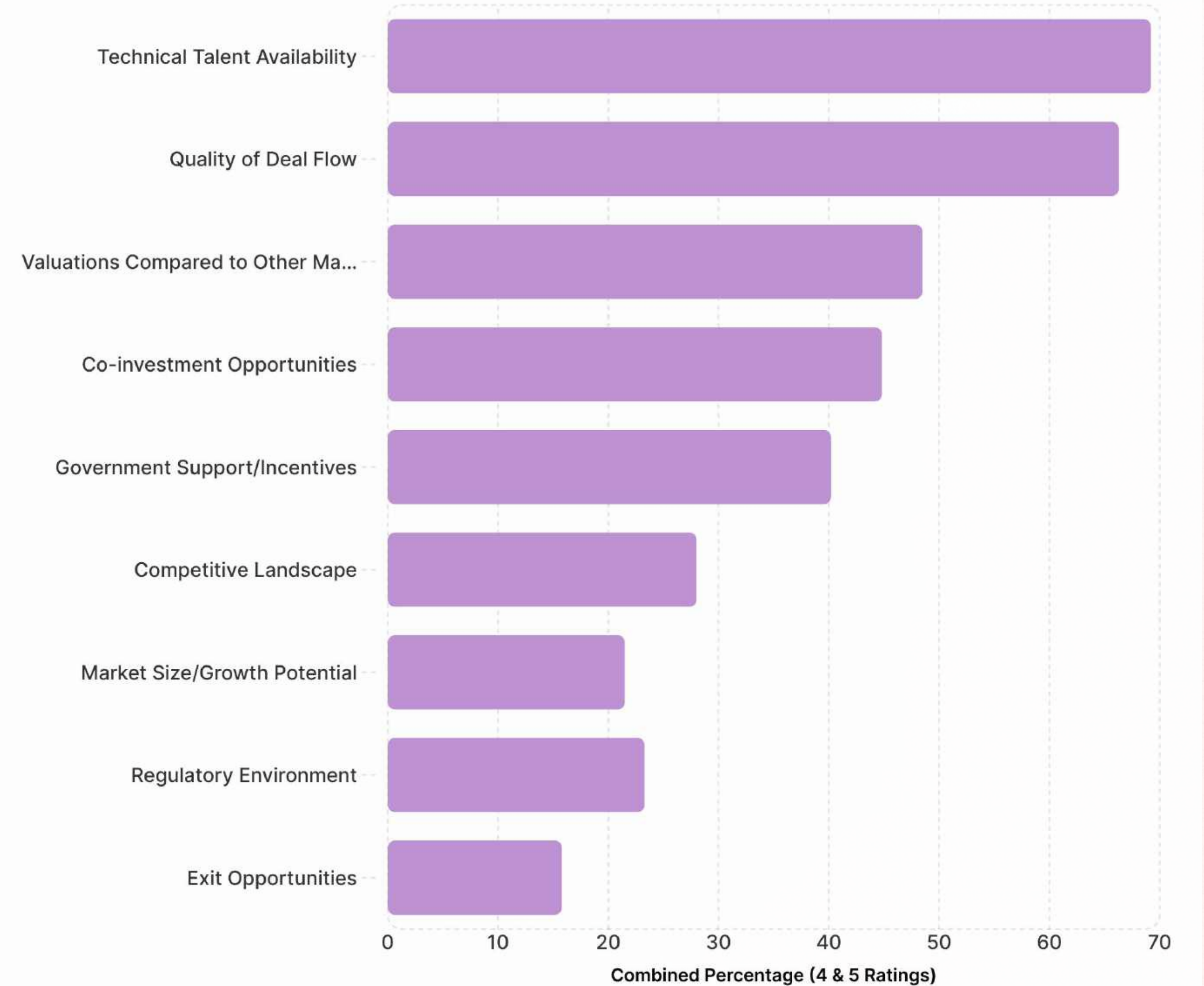




## For investors, availability of technical talent and quality of deal flow are the most important factors that make the UK an attractive place to invest.

Investors, including VCs and angels, are also drawn to the UK's competitive valuations and co-investment opportunities.

Which factors make the UK an attractive place to invest?

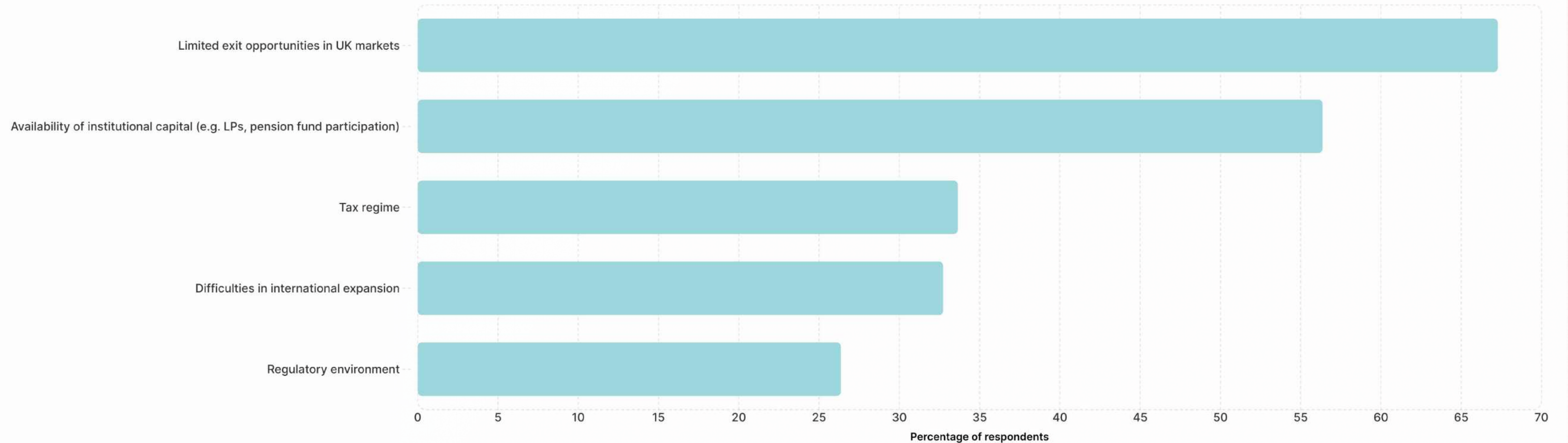






## However, limited exit opportunities and availability of institutional capital are the biggest barriers investors face when investing in UK companies.

69% of the investors we surveyed say a lack of exit opportunities stops them investing more in the UK, while 58% point to a lack of capital from LPs and pension funds. Others cite high prices at pre-Seed and Seed stage relative to proof points and founder ambition as well as founders relocating to the EU or the US.







## 1 in 2 investors say enhanced tax incentives would make them more likely to increase their investment activity in the UK.

Better tax incentives, plus overcoming the key barriers to investment – the exit environment and availability of institutional capital – would make investors increase their investment activity in the UK.

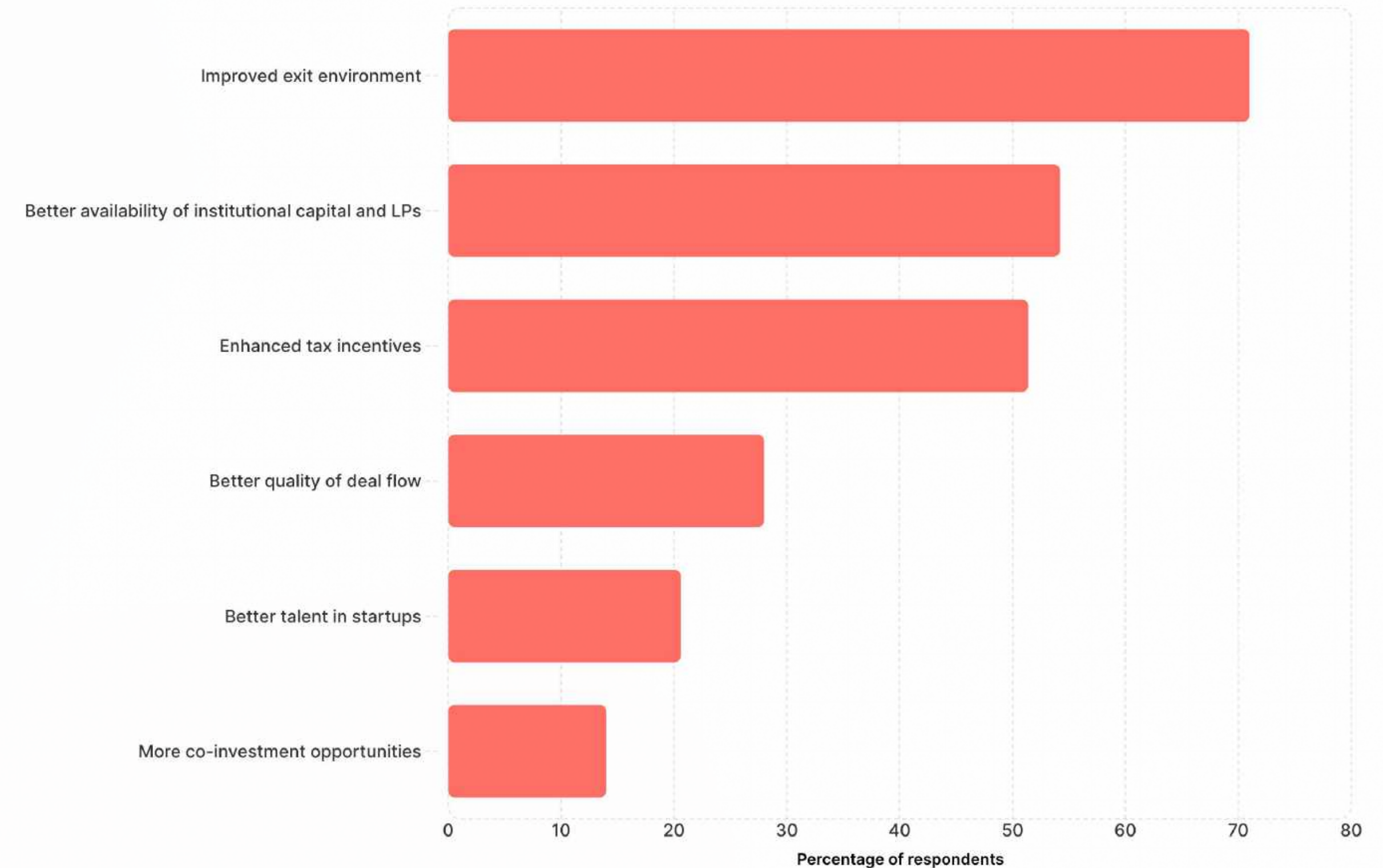
Investors also mentioned:

Better access to European markets post-Brexit.

Reduced FCA regulatory costs and administrative burdens for small venture funds.

Improved quality of co-investors and closer connections to US investor networks.

Which of the following factors would most make you increase your investment activity in the UK?







## Investor Insights | Raising VC Funding

“

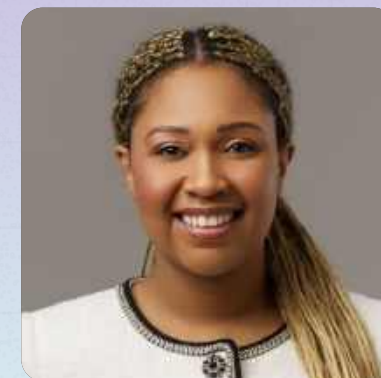
Setting up a business is going to be a challenge. Find a niche where you're going to be the best, add value, and be a great growth prospect, because that's what investors look for.



**Tej Lalvani**  
Vitabiotics

“

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!



**June Angelides MBE**  
Samos Investments

“

Build great products for your customers! Most of the other things tend to follow – it means you can hire great people, investors will want to support you in a funding round, and other customers will want to buy your product.



**Sam Endacott**  
firstminute capital

“

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.



**Hussein Kanji**  
Hoxton Ventures

“

VCs are 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.



**Rana Yared**  
Balderton Capital





# POTENTIAL SOLUTIONS

How can we overcome those barriers and support the growth of UK tech companies? We asked founders to identify the potential policy solutions that would best support the growth of their businesses, focusing on investment, talent and skills, infrastructure, and competition regulation.





# Investment

**Early-stage UK tech founders want a new government co-investment fund to unlock access to growth capital.**

More than 1 in 2 early-stage founders say new government-backed funds (sovereign wealth fund, co-investment fund) and policies that better incentivise investors to invest in the UK (international investment, VCs) would best support the growth of their businesses.

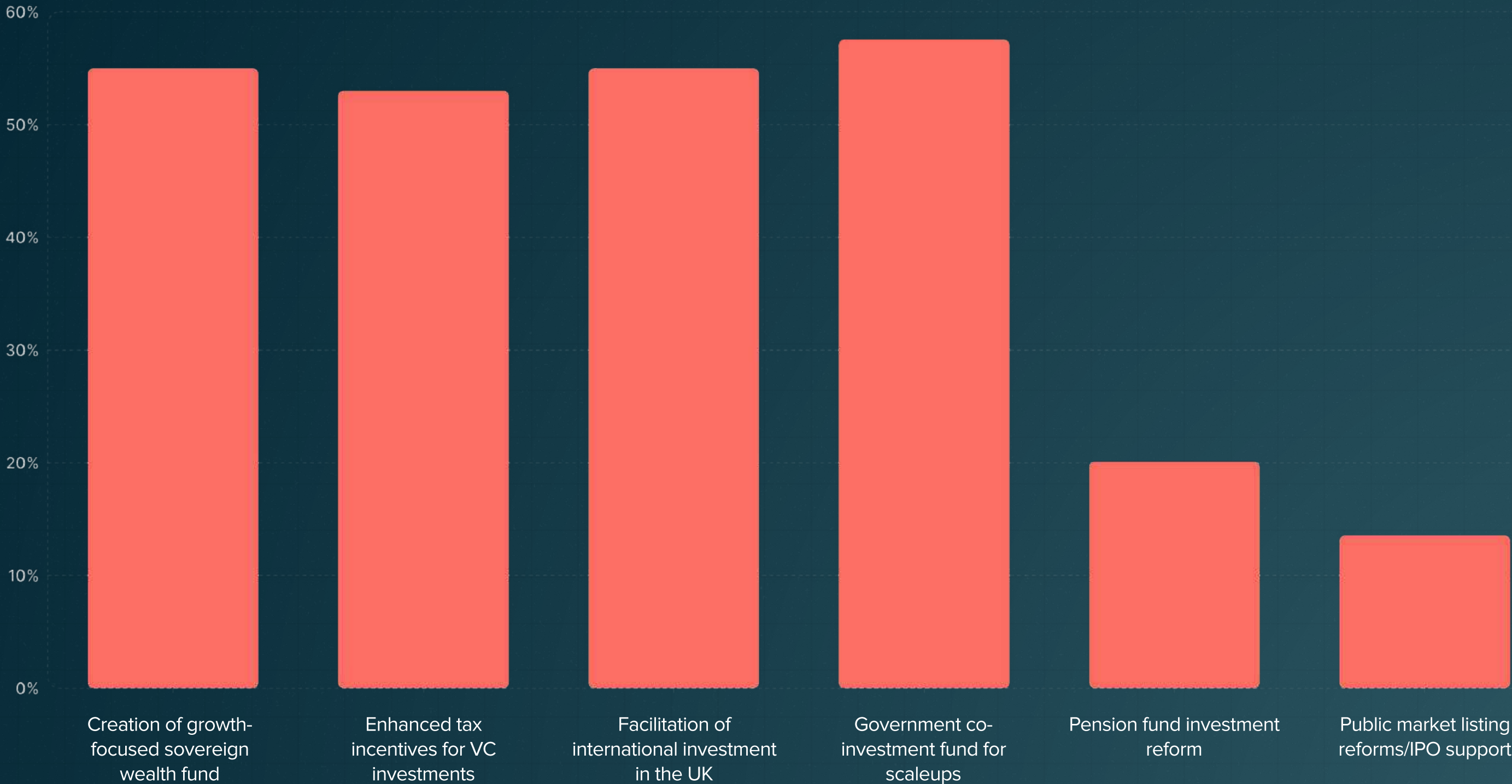
**Founders also called for:**

Enhanced incentives through SEIS/EIS expansion.

Increased government funding via grants and investments targeting underrepresented founders.

Closer alignment with EU markets.

**Which government policy solutions would best support access to growth capital / investment?**







“

The Government has to improve the incentives to scale and exit in the UK. Everything else – improving access to capital or improved broadband access to support remote working – comes second if there is no incentive to build a successful business.



**Zoe Bucknell**



“

We've found American VCs are more founder-friendly in terms of terms, valuation, and speed, which is crucial to startups as we're all burning runway. We need a stronger VC ecosystem, but this also comes down to a good environment for LPs to deploy into UK VCs, which comes down to the market for exits and tax.



**Brett Cotten**







## Talent & Skills

**1 in 2 early-stage founders say enhanced tax incentives for R&D and employee training would best support their talent needs.**

When it comes to improving access to top talent, almost half of the early-stage founders we surveyed also called for improved immigration and visa processes.

Founders generally show a preference for policies that directly reduce talent costs (tax credits, incentives) or expand the talent pool (immigration, remote work) in the short-term over long-term talent development (university connections, apprenticeships).

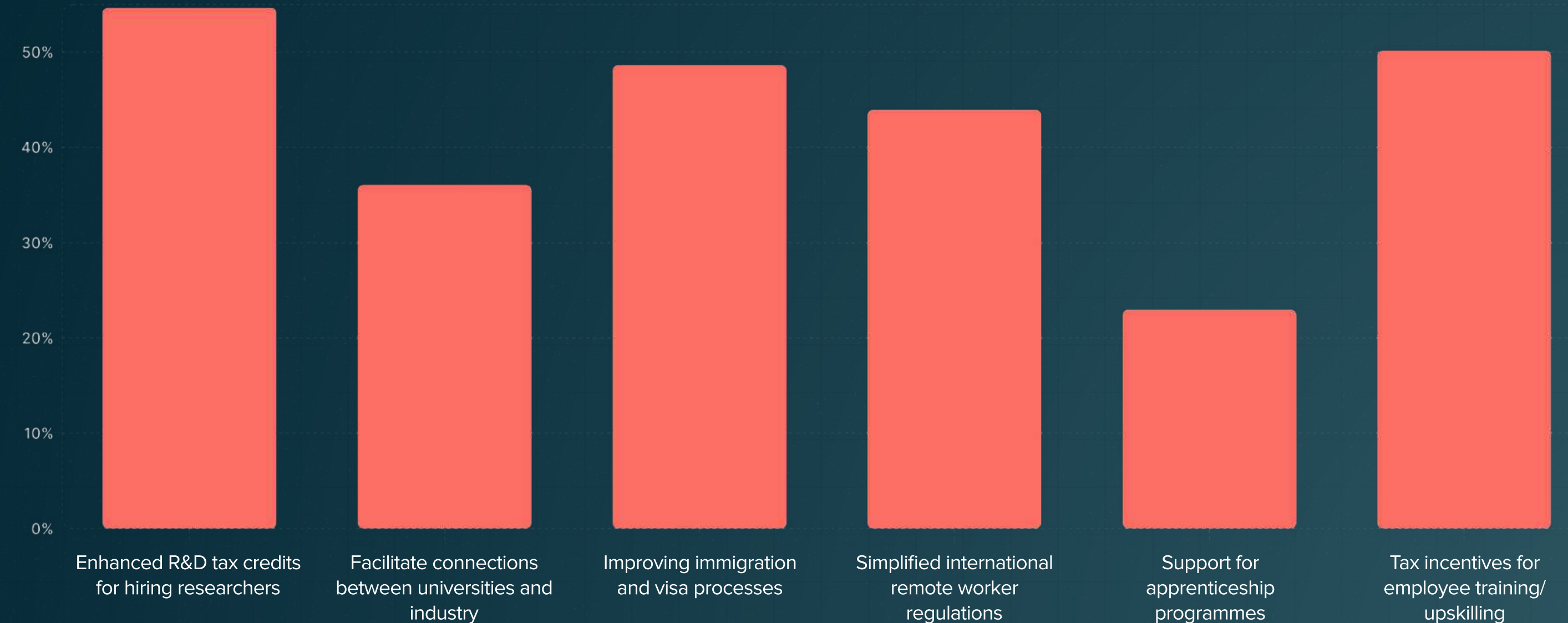
### Founders also called for:

Policies that make it easier to hire EU workers post-Brexit.

Training programmes that align with industry needs.

Better government support for parental leave and employment law reform to make hiring processes less restrictive.

### Which government policy solutions would best support talent and skill needs?







“

The Government should expand visa access for critical AI skills by streamlining work visas and allowing AI graduates to stay longer, similar to Canada’s Tech Talent Strategy and France’s Tech Visa, which attract top global talent. They should also allocate a percentage of government procurement budgets to startups founded in the past five years, following the model of Israel’s Innovation Authority, which funds early-stage companies to drive national AI leadership. These changes would help UK startups retain talent and compete fairly for public contracts, rather than being locked out by legacy vendor restrictions.



**Husayn Kassai**

Quench.AI

“

R&D tax relief is one of the most important incentives for starting and growing R&D functions and scaling the startup ecosystem.



**Neta Meidav**

vault.





# Infrastructure

**1 in 3 early-stage founders say better digital connectivity and subsidised office space would best support their infrastructure needs.**

Early-stage founders especially value digital infrastructure funding, while green technology infrastructure incentives and planning reform are lower priority.

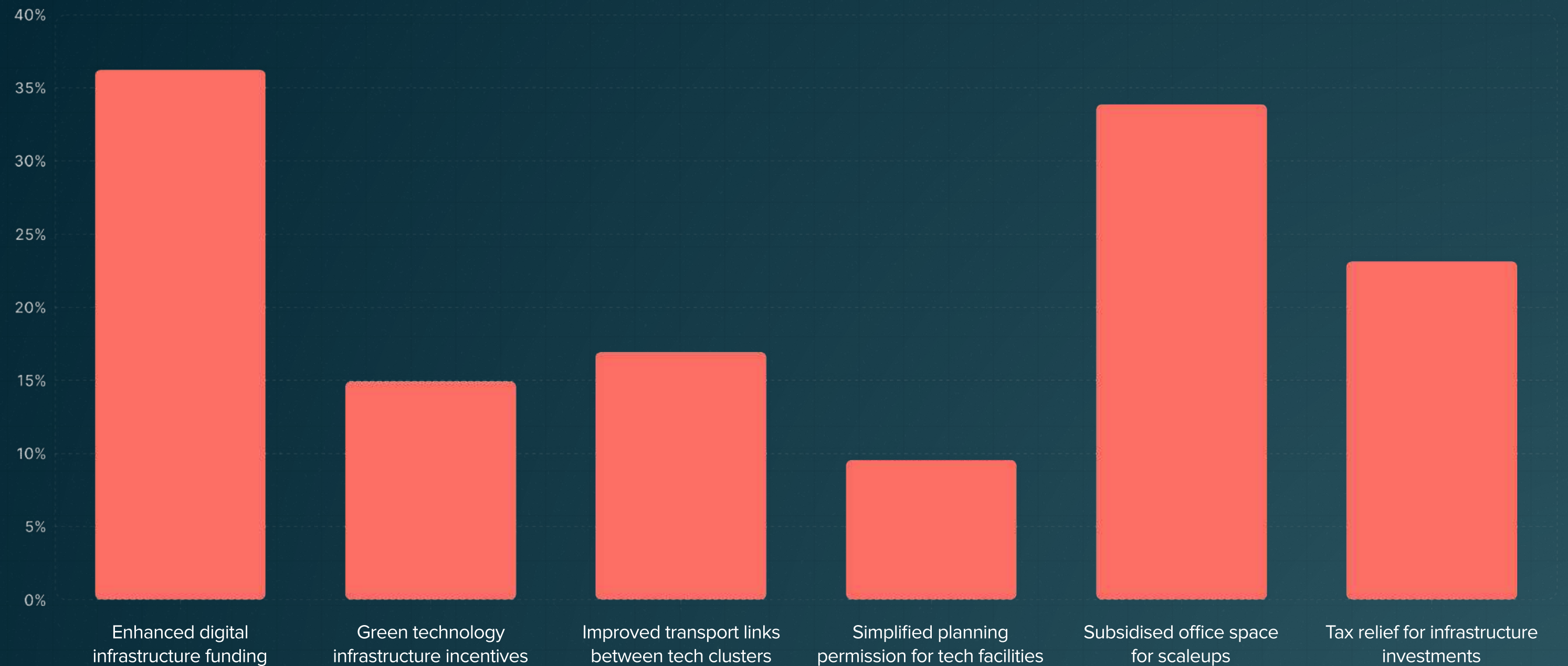
### Founders also called for:

Nationwide ultra-fast broadband, particularly in underserved and remote areas.

Cheaper rail travel to connect tech hubs more effectively.

Access to lab facilities and testing centers designed for early-stage ventures.

### Which government policy solutions would best support infrastructure needs?







“

We must focus on data policy and building national data resources to train AI models ethically and safely. Regardless of the policy intervention, it is critical that we build frameworks that can adapt to the rapidly evolving technical capabilities of AI and their impact on the lives of regular people.



**Tom Graham**

 METAPHYSIC

“

A cultural shift has to take place. One that is ignited by heartfelt recognition by the leadership of the country, which calls out the critical value of the startup sector to delivering a brighter, more prosperous future. From there, we need a trickle down through the public, private, and academic sectors that sees the country rediscover what it means to innovate, to take measured risk in the pursuit of breakthroughs that drive a renewed culture of connected, ambitious entrepreneurship.



**Richard Browning**

 GRAVITY





# 🔧 Competition & Regulation

**Early-stage founders want clearer communication of regulation relevant to their businesses.**

To stay competitive, around 1 in 2 early-stage founders also want the government to use competition laws to remove barriers to investment and scaling as well as regulatory sandboxes to test new technologies. More than 1 in 3 founders want public procurement reform.

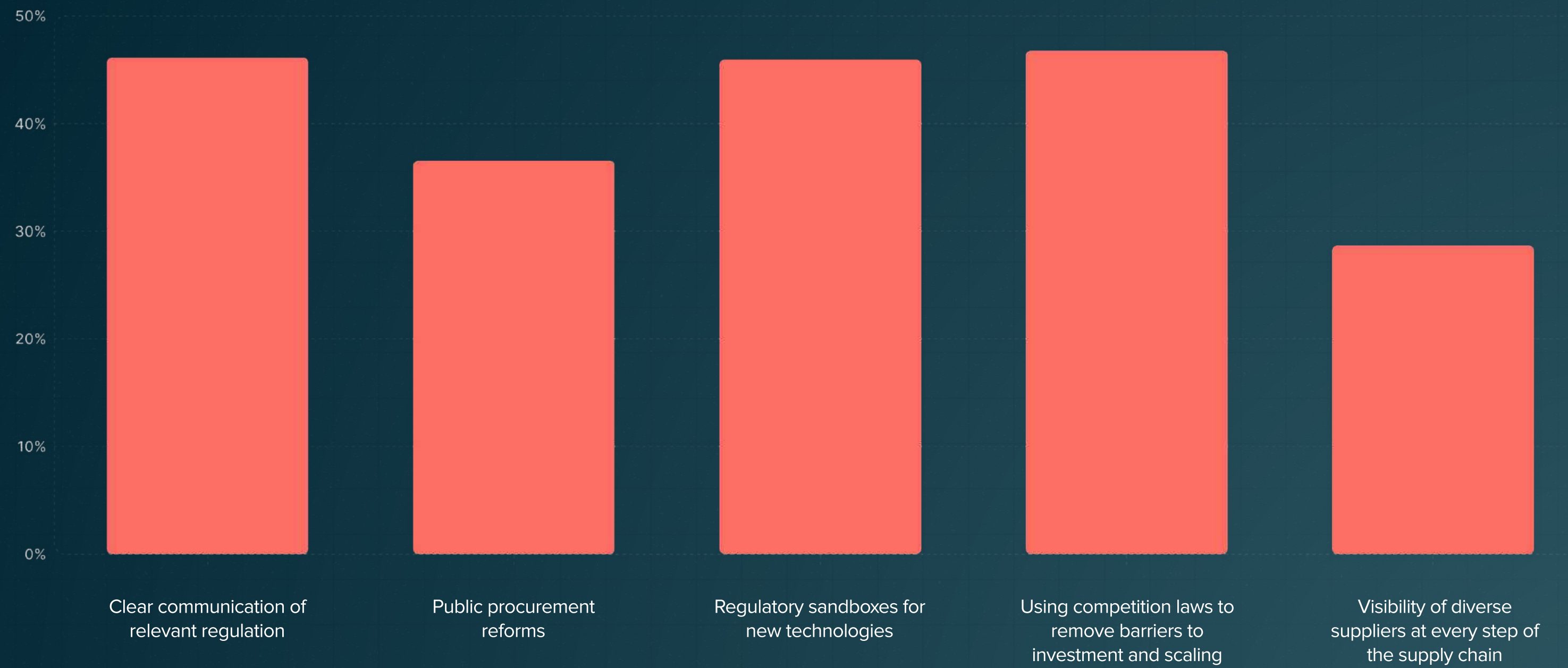
### Founders also called for:

A pro-innovation approach to regulation to compete internationally.

Greater alignment with EU regulation.

Streamlined public procurement that enables SME participation.

### Which government policy solutions would best support fair competition?







“

The potential of the UK's growth ecosystem is immense, and much has been achieved in the last decade despite political instability. If government can provide regulatory clarity, stability, and an attractive fiscal framework, we can expect a step-change in growth.



**Henry Motte de la Motte**

**EDGE** ➤

“

The UK needs to shift from a think tank and incubator to a regulation and adoption-friendly market.



**Hassan Luwalira**

**unwildered**





In Summary

# Unlocking the UK's Growth Potential

How can we unlock the UK's growth potential? We surveyed 1,000+ UK tech founders who identified the key barriers they face when scaling their companies in the UK and the potential solutions.

## BARRIER TO GROWTH

## TOP 3 PROPOSED SOLUTIONS



### Access to growth capital

- Creation of a growth-focused sovereign wealth fund.
- Government co-investment fund for scaleups.
- Enhanced tax incentives for VC investments.



### Access to top talent

- Enhanced R&D tax credits for hiring researchers.
- Tax incentives for employee training/upskilling.
- Improving immigration and visa processes.



### Infrastructure

- Enhanced digital infrastructure funding.
- Subsidised office space for scaleups.
- Tax relief for infrastructure investments.



### Regulation

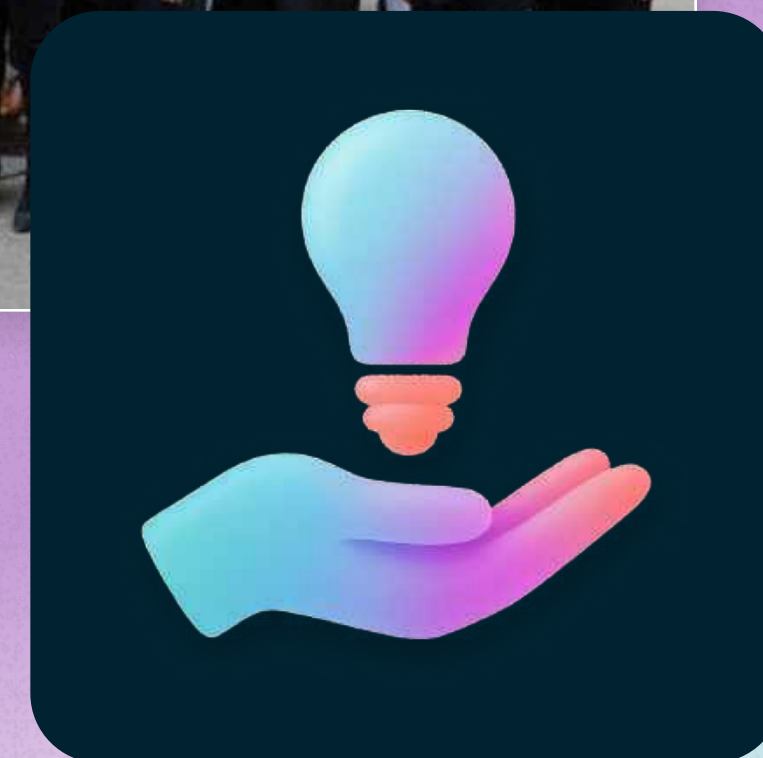
- Using competition laws to remove barriers to investment and scaling.
- Regulatory sandboxes for new technologies.
- Clear communication of relevant regulation.





EARLY-STAGE FOCUS

# VC INVESTMENT TRENDS 2025



Captions (clockwise from top):  
Richard Browning (Gravity Industries),  
Future Fifty cohort 2025,  
Jen Lothian (Datawollet)





# UK startups have raised more than \$7b in VC investment so far in H1 2025, with early-stage funding fairly consistent over time.

After fluctuations throughout 2023 and 2024, the VC market is showing signs of recovery in 2025, with the \$4.2b raised by UK startups in Q1 2025 representing the biggest first quarter fundraise since 2022.

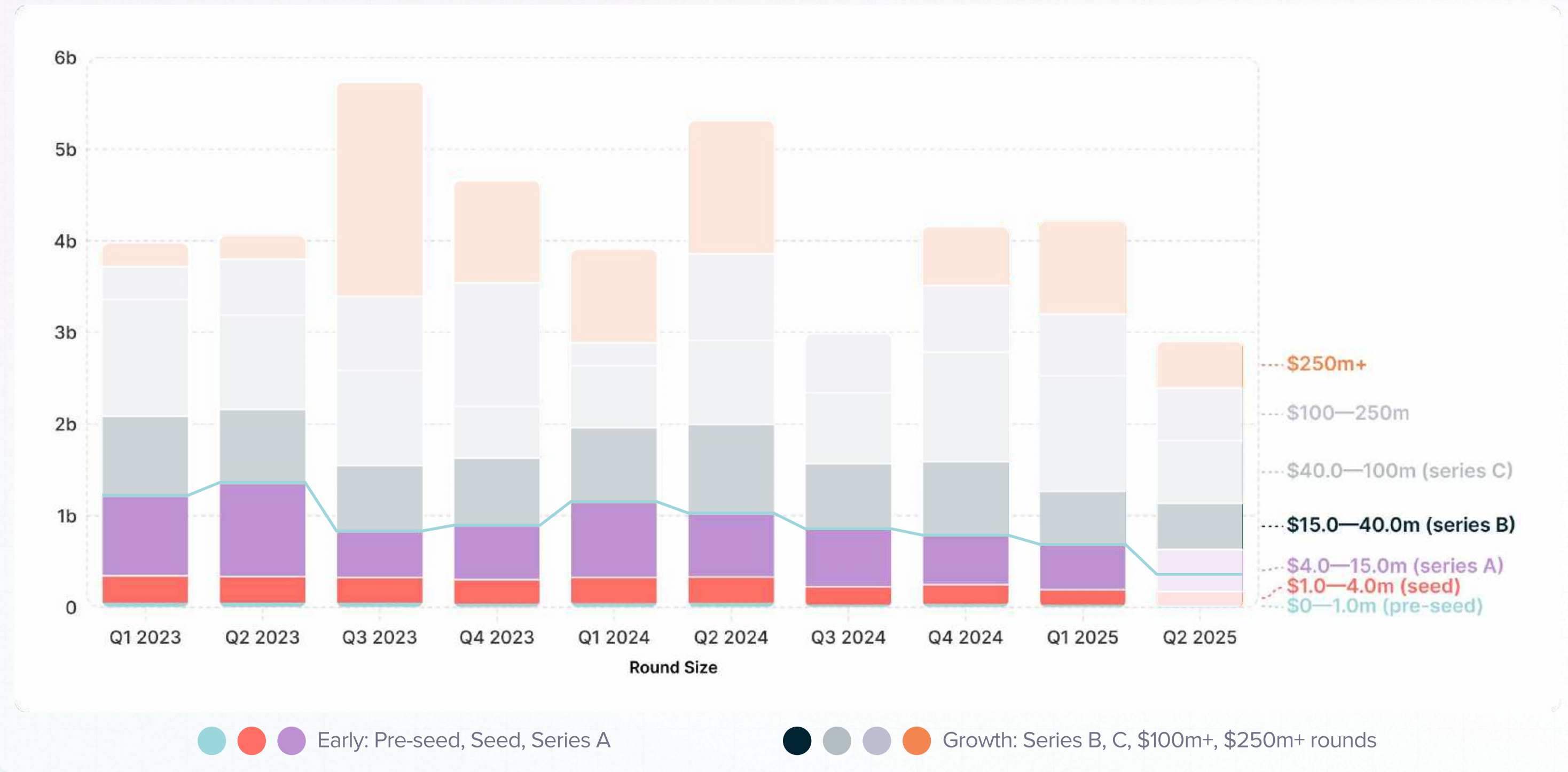
While early-stage funding is consistent, Seed funding has been on a general downward trend from Q1 2023 (\$296m) to Q1 2025 (\$163m), with investors showing more caution toward new ventures.

In fact, the ratio of early-to-growth stage VC investment has shifted over the past two years, with growth-stage funding becoming increasingly dominant in Q1 2025 (81% growth stage vs. 19% early stage).

## Significant Raises in 2025:

<b>Isomorphic Labs</b>  <b>\$600m</b> Biotech Late VC Thrive Capital	<b>Verdiva Bio</b>  <b>\$411m</b> Health Tech Series A General Atlantic, Forbion	<b>Synthesia</b>  <b>\$180m</b> AI Series D NEA
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## UK VC Investment by Round Type (in million USD)



Q2 2025 data recorded May 2025.

Data from Dealroom.



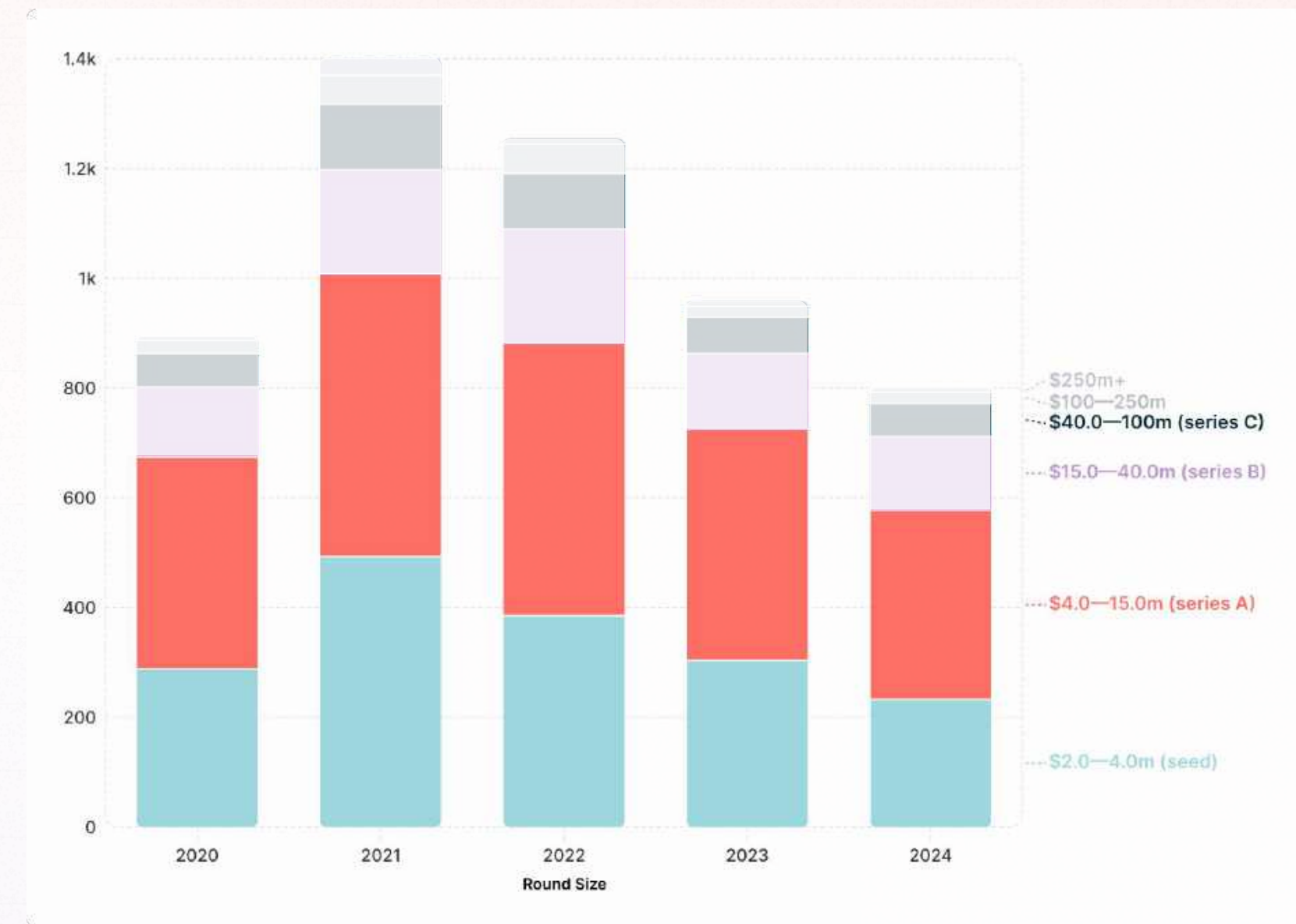


# Early-stage deal activity is on a downward curve, with VCs reducing their number of early-stage investments.

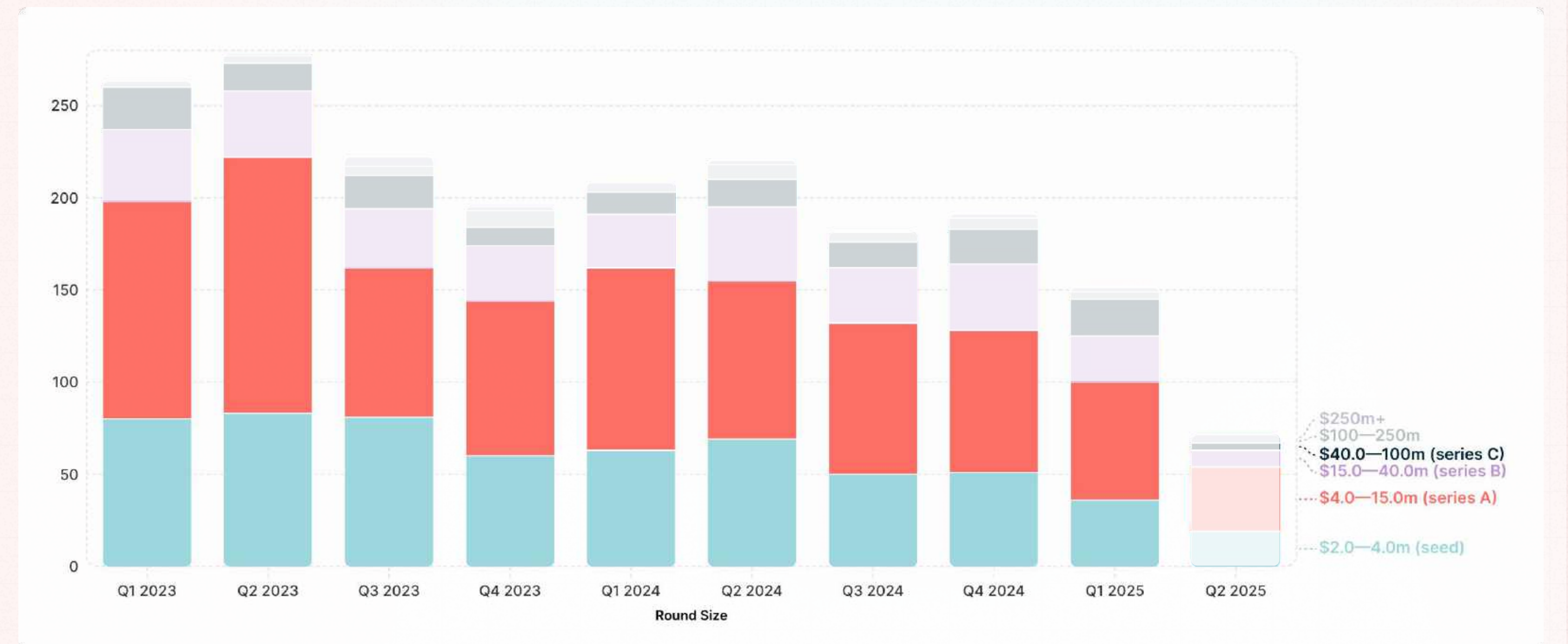
800 \$2m+ VC rounds were raised in total in 2024, representing a 17% decline compared to 2023, as overall deal activity returns to pre-boom 2020 levels.

And early-stage deals have experienced the steepest declines, with Seed stage activity down 23% and Series A down 19%. This pattern is consistent across annual and quarterly timescales, suggesting that VCs are tightening their criteria for early-stage investments.

### UK VC Rounds Over \$2M (2020-2024)



### UK VC Rounds Over \$2m (Q1 2023 - Q2 2025 YTD)



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. Q2 2025 data recorded May 2025.

Data from Dealroom.



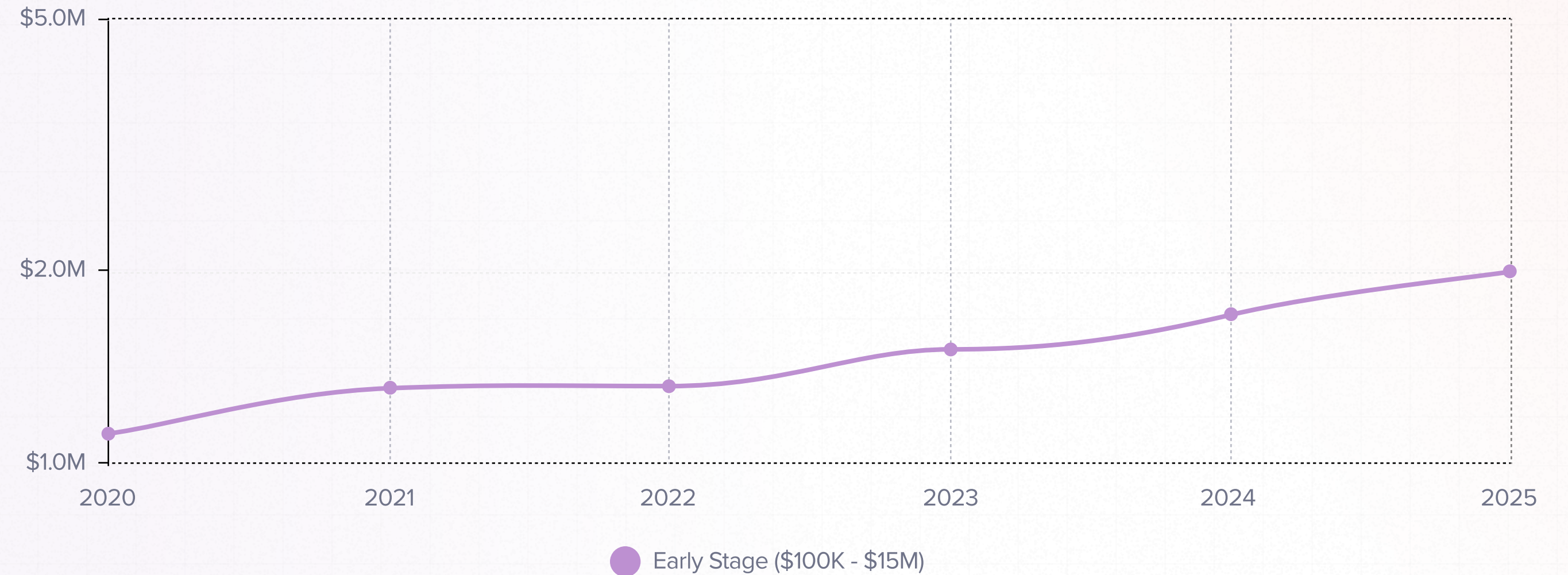


## However, early-stage startups are securing bigger funding rounds than ever before.

UK startups are raising bigger rounds at each stage than they were last year, with early-stage startups seeing the biggest increases. The median early-stage round for UK startups reached \$2m this year – up from \$1.7m in 2024 and nearly double the \$1.1m seen five years ago.

### Median Round Sizes by Funding Stage (2020-2025)

All Companies (Industry Average)



#### Early Stage

(\$100K - \$15M)

2020

**\$1.1M**

2025

**\$2.0M**

CAGR (2020-25)

**12.70%**

Median round sizes between 2020 and 2025, based on startups founded after 1990. Analysis excludes rounds less than \$100k. 2025 data recorded in March 2025.

Data from Dealroom.

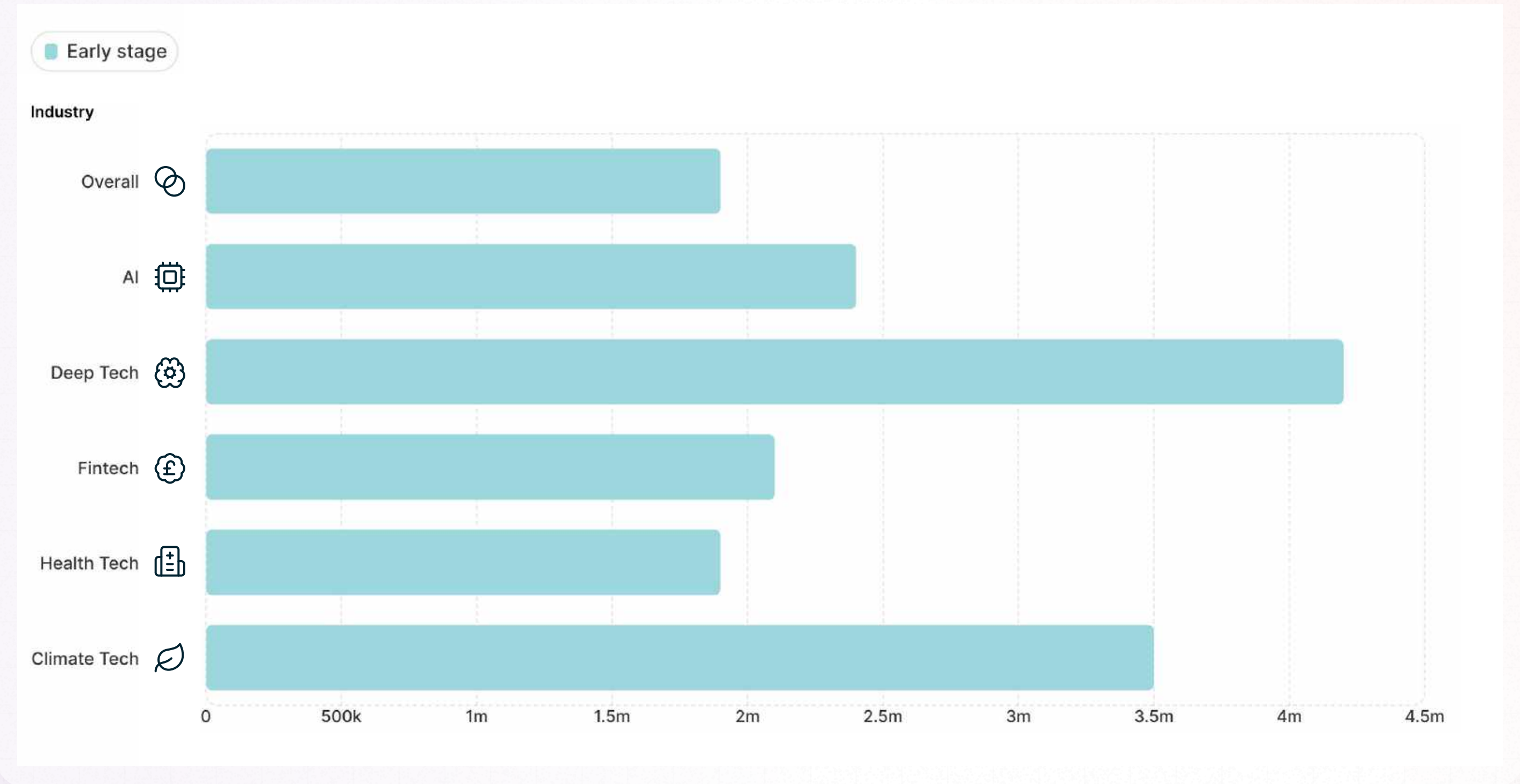




## Deep tech and climate tech startups raise the biggest early-stage rounds.

Considering early-stage median round sizes for UK startups across 2024 and 2025, capital-intensive deep tech startups raise more than 2x the UK average early stage round, at \$4.2m, followed by climate tech startups, at \$3.5m.

### Median Round Sizes by Funding Stage (2020-2025)



Industry	Early stage (>\$100K - \$15M)
Overall	\$1.9M
AI	\$2.4M
Deep Tech	\$4.2M
Fintech	\$2.1M
Health Tech	\$1.9M
Climate Tech	\$3.5M

Median round sizes by industry between 2024-2025, excluding rounds less than \$100k.

Data from Dealroom.





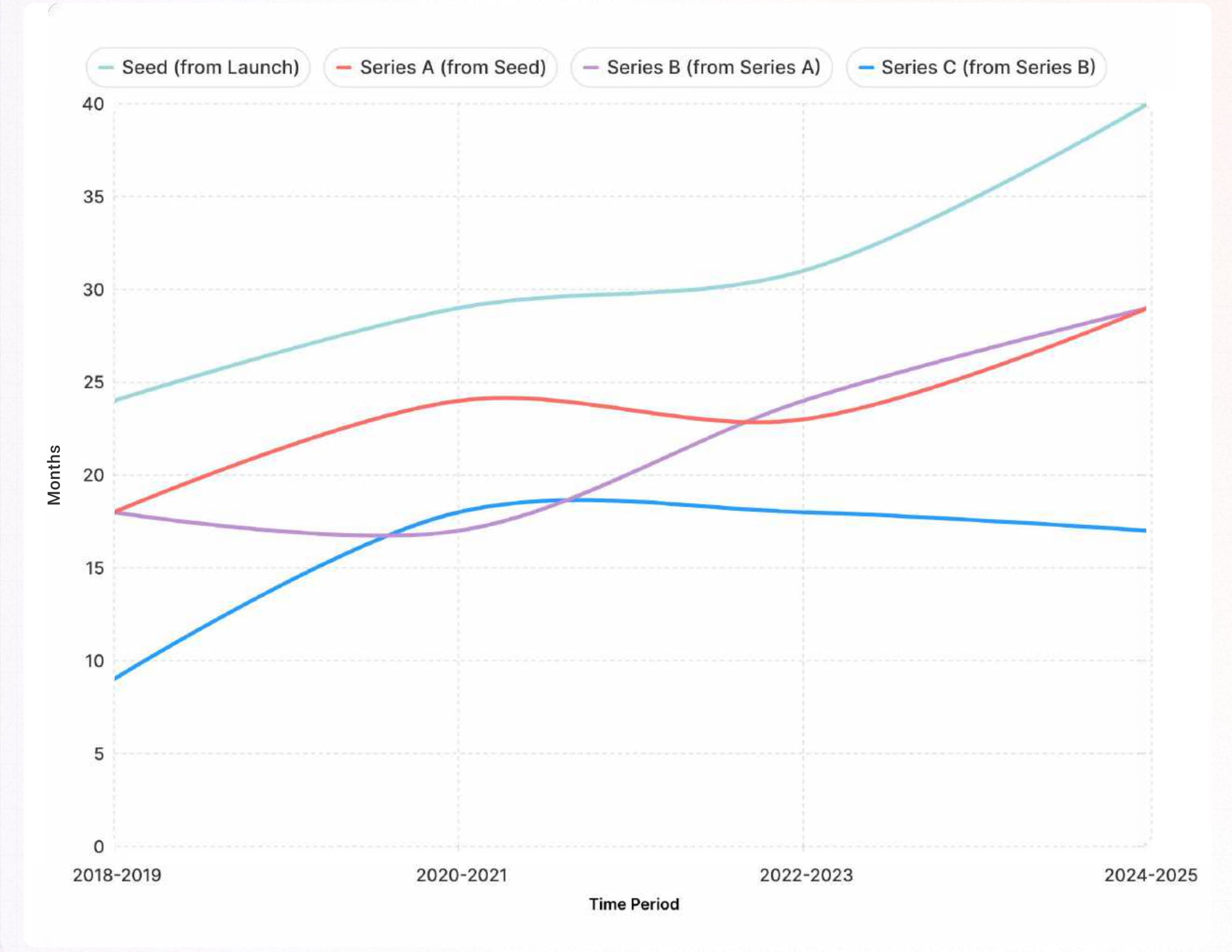
## But it is taking longer to raise VC funding – the average time it takes a UK startup to go from launch to Series C has nearly doubled to 9.6 years since 2019.

Early-stage startups, in particular, are taking longer to raise funding, with the average time from launch to Seed round increasing from 24 months (2 years) in 2019 to 40 months (3.3 years) today.

Startups also take more time to raise subsequent rounds. The average period for UK startups to progress from Seed to Series A, as well as from Series A to B, has increased from 18 months (1.5 years) in 2019 to 29 months (2.4 years) today.

The average time it takes a UK startup to move from Series B to Series C increased sharply from 9 months in 2019 to 18 months in 2021, but has slightly decreased to 17 months today.

### Startup Funding Timelines



Data from Dealroom.

Seed and Series A data for 2024-2025 may be skewed slightly due to a reporting lag in early-stage rounds. Seed data is time in months between founding and raising a seed round.

Round Year	Seed	Series A	Series B	Series C	Launch to Series C
2018-2019	24 months	18 months	18 months	9 months	5.8 years
2020-2021	29 months	24 months	17 months	18 months	7.3 years
2022-2023	31 months	23 months	24 months	18 months	8.0 years
2024-2025	40 months	29 months	29 months	17 months	9.6 years





## Founder Insights | Raising VC Funding

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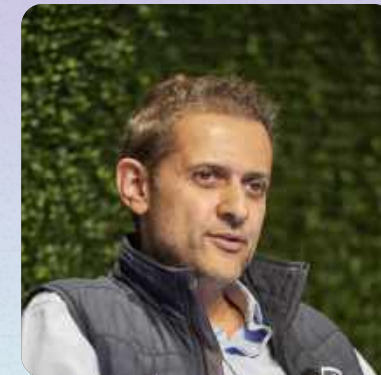
Hire a leadership team for the next stage, not this one. Founders often hire based on their current needs, but scaling requires people who have already been where you're trying to go.



**Euan Blair**  
Multiverse

“

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.



**Rishi Khosla**  
OakNorth

“

Know that there is an unbelievably supportive startup ecosystem that has got your back. I cannot count the number of brilliant entrepreneurs who have been willing to step in and help move the needle on my startup.



**Lorna Maclean**  
Demetria

“

First, make sure you have a great idea. Ask yourself why anybody would care about it. Be brutally realistic. Tear that idea down a million ways. Then, practice your pitch like you're giving a Ted Talk. Pitch non VCs (other founders, friends in finance etc.) before you pitch anyone you really want money from. Unless you're desperate, don't take the first offer someone throws at you. Take your time. Consider your dilution. Remember, this is only your first go-round. Enjoy the learning curve!



**Marcia Kilgore**  
Beauty Pie





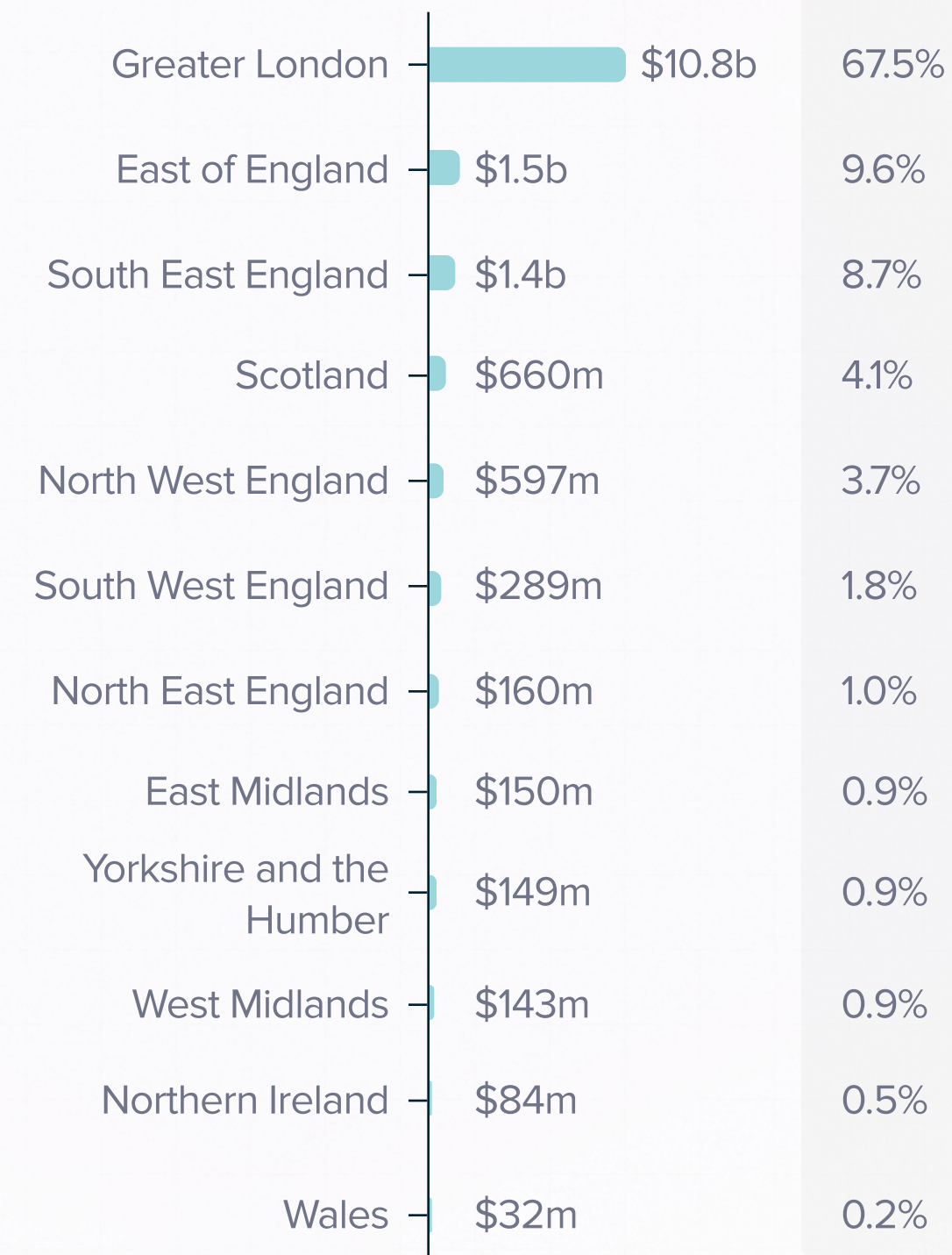
## London dominates, but Scotland and the East of England have seen the most significant growth in investment.

London-based startups raised 7x more than any other UK region in 2024, but there are growing investment hubs across the UK. Comparing 2024 to 2020 pre-boom investment levels, Scotland saw VC funding increase by 120% to \$660m, while investment into the East of England increased by an impressive 90% to \$1.5b.

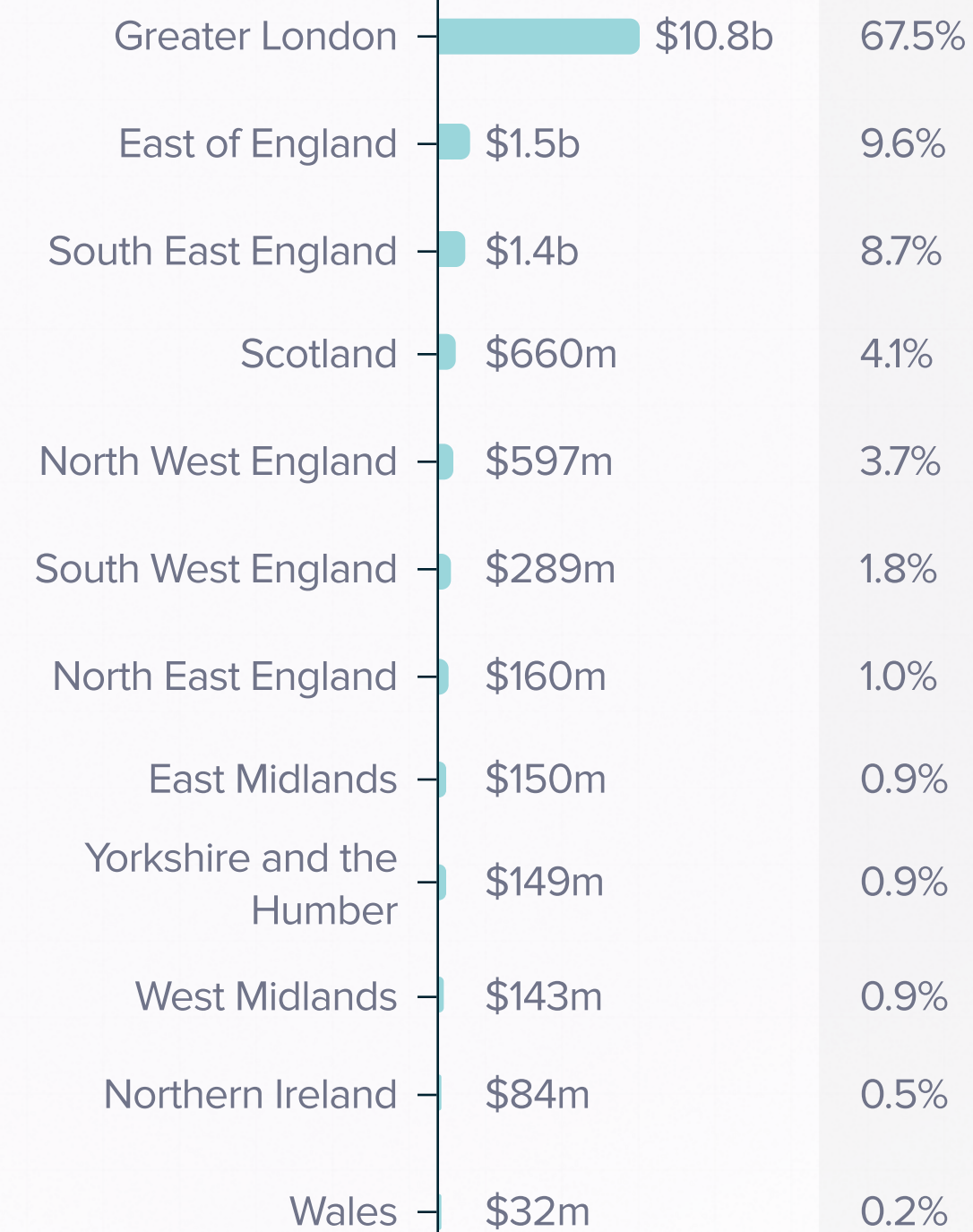
While Northern Ireland saw significant growth in percentage terms, investment increased from a very small base to \$84m in 2024, accounting for 0.5% of total UK investment.

### UK VC investment in European context

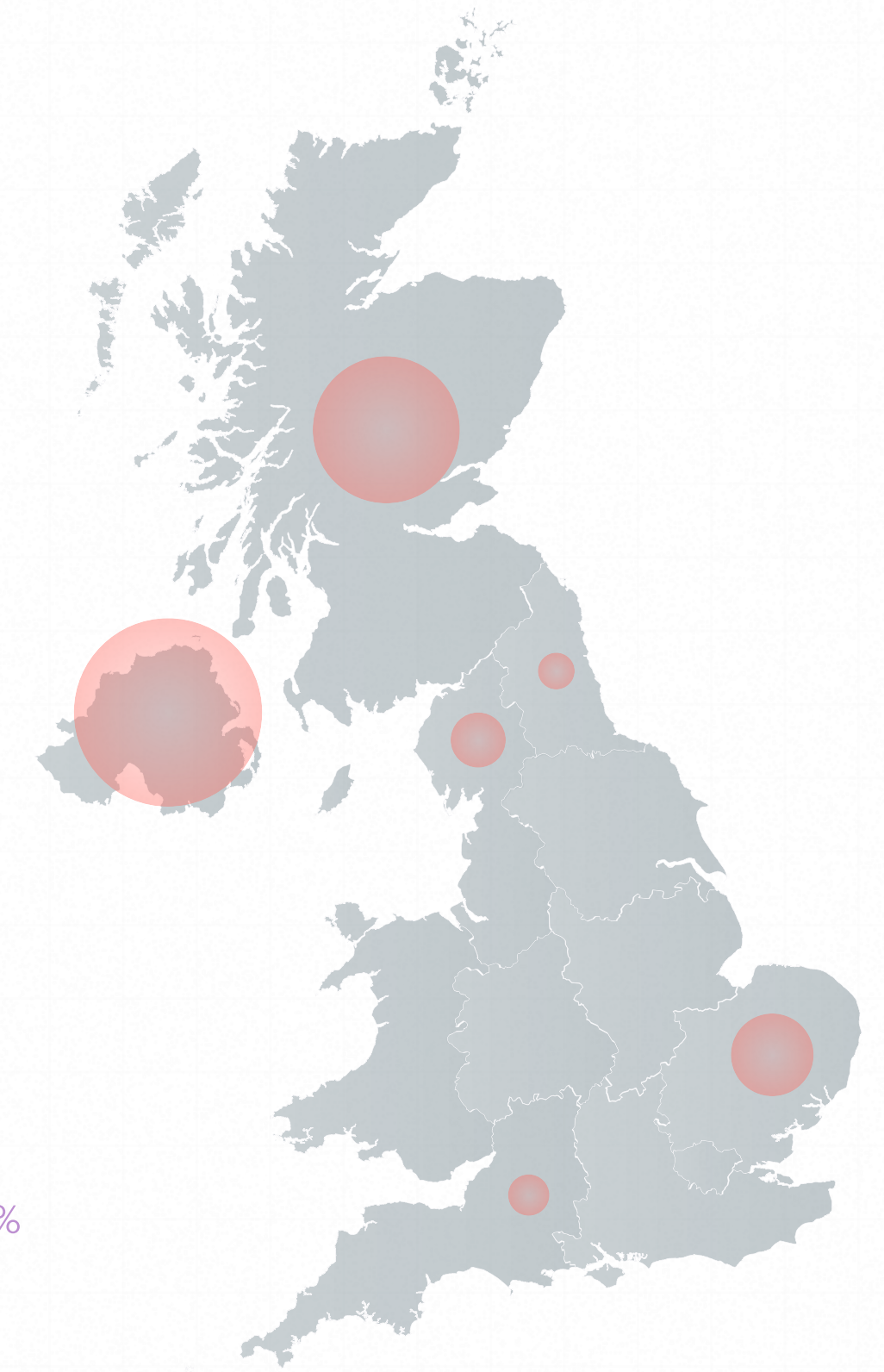
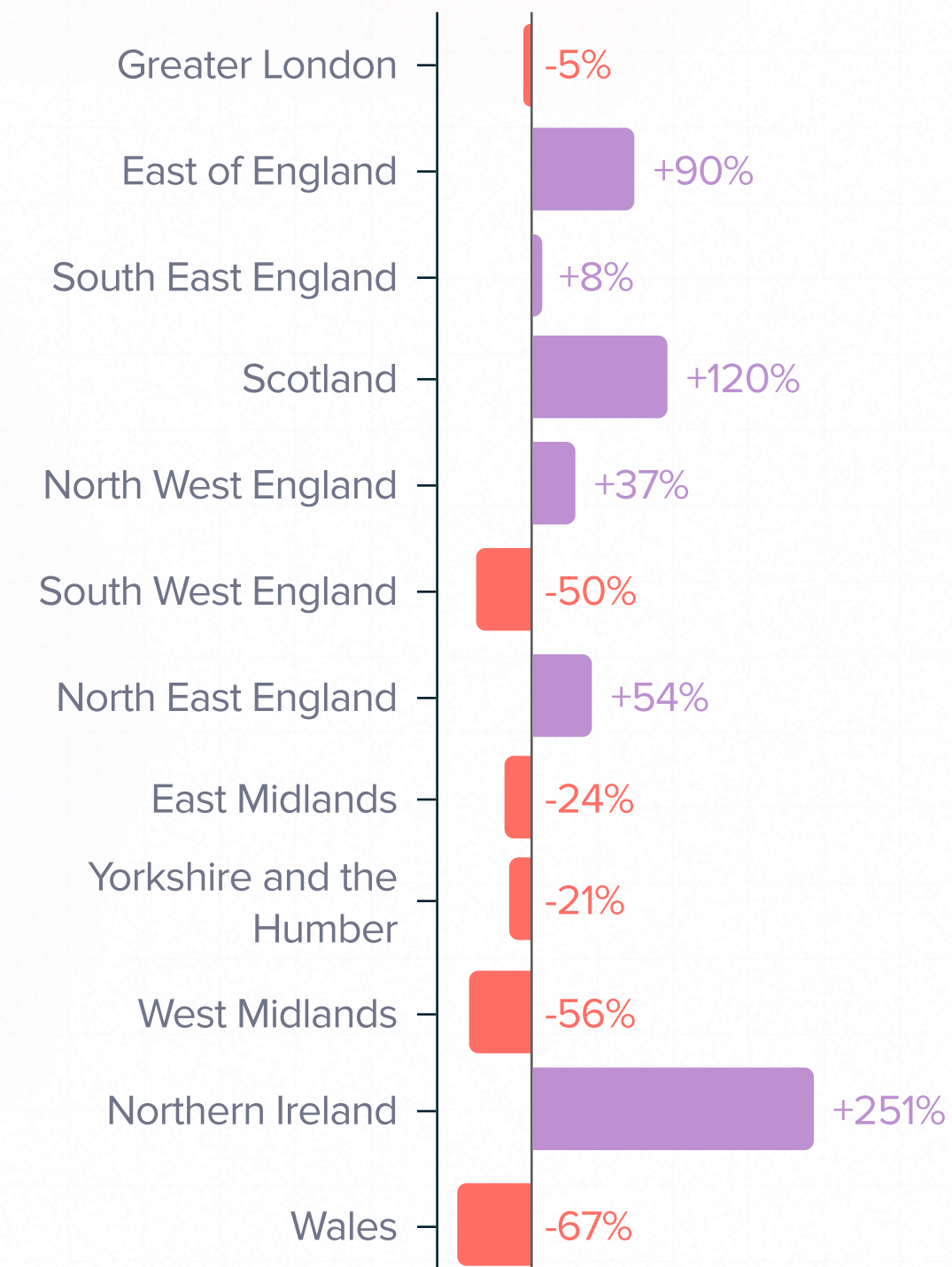
2024 VC Investment



Percentage share of total investment



Growth rate (2020 vs 2024)



Data from Dealroom





## London-based founders give up the least equity (11.6%) when raising early-stage funding, while founders in the North East and Northern Ireland sacrifice around 25% of their businesses.

Securing a high valuation is key for founders as it directly impacts how much of their company they retain when raising capital. With the highest average pre-money valuations in the UK, founders in London retain the most ownership of their businesses at the earliest stages, followed by founders in the North West and South East England.

Founders in Northern Ireland and North East England experience the highest dilution when raising their early investment round (24.7% and 24.5% respectively), corresponding with the lowest pre-money valuations.

### UK Early-Stage Funding: Equity Dilution by Region

Sorted by dilution percentage (lowest to highest)

REGION	DILUTION %	AVERAGE RAISE	AVERAGE PRE-MONEY VALUATION
London	11.6%	£338,029	£2,570,634
North West England	12%	£299,093	£2,201,732
South East England	12.6%	£341,000	£2,363,704
Scotland	13.1%	£329,066	£2,191,412
South West England	13.8%	£324,714	£2,028,907
East of England	14.3%	£311,440	£1,870,831
East Midlands	16.4%	£339,889	£1,738,250
West Midlands	18%	£317,667	£1,444,196
Yorkshire and the Humber	18.2%	£343,708	£1,543,200
Wales	20.8%	£365,431	£1,389,021
North East England	24.5%	£316,667	£976,667
Northern Ireland	24.7%	£333,333	£1,016,667

Based on 1,534 UK companies using Shipshape.vc in the 24 months up to Feb 2025 raising between £100k-£500k. Dilution is the portion of the company that founders give up to investors. Dilution percentage is calculated by dividing the investment amount by the total company value after investment (pre-money valuation plus the investment amount).

Data from Shipshape.vc





“

We need to reinvent London as an attractive place to live and to attract wealthy people – VCs, PEs, and family offices – and the funding associated with that.



**George Hadjigeorgiou**  
ZOE

“

In addition to supporting London and the South, the UK must double down on its regional strengths. For example, the University of Edinburgh's School of Informatics is the largest in Europe and regarded as a world leader in AI research. AI regulation must also be pragmatic while balancing AI safety – overregulating before the technology is fully understood risks stifling innovation, especially when competing with US and global policies.



**Iain Mackie**  
Malted AI

“

The Midlands is an industrial hub with a very high quality of life, a huge network of universities and a thriving tech scene. We have universities within 10 miles of my office which have advanced degree programmes in additive and advanced manufacturing – that's super rare.



**Melissa Snover**  
Rem3dy Health





## SFC Capital, the UK's leading SEIS fund, is the most prolific investor in early-stage startups.

SFC Capital has participated in more than 450 early-stage funding rounds in the past five years, followed by Mercia Asset Management and Scottish Enterprise.

### Most Active Early-Stage VC Investors

Early Stage (Seed, Series A)

Name	HQ	Type	Preferred round	Number of rounds ↓
SFC Capital 	United Kingdom 	Angel, VC	SEED	456
Mercia Asset Management 	United Kingdom 	PE, VC	SEED	165
Scottish Enterprise Growth Investments 	United Kingdom 	VC	SEED	139
Fuel Ventures 	United Kingdom 	VC	SEED	132
Seedcamp 	United Kingdom 	VC	SEED	127
Haatch 	United Kingdom 	VC	SEED	118
Octopus Ventures 	United Kingdom 	VC	SERIES A	103
Business Growth Fund 	United Kingdom 	PE, VC	GROWTH EQUITY	94
Maven Capital Partners 	United Kingdom 	PE	SEED	82
Ascension 	United Kingdom 	VC	SEED	73

Top 10 most active early-stage investors by VC rounds participated in the last five years (2020-2025).

Data from Dealroom.

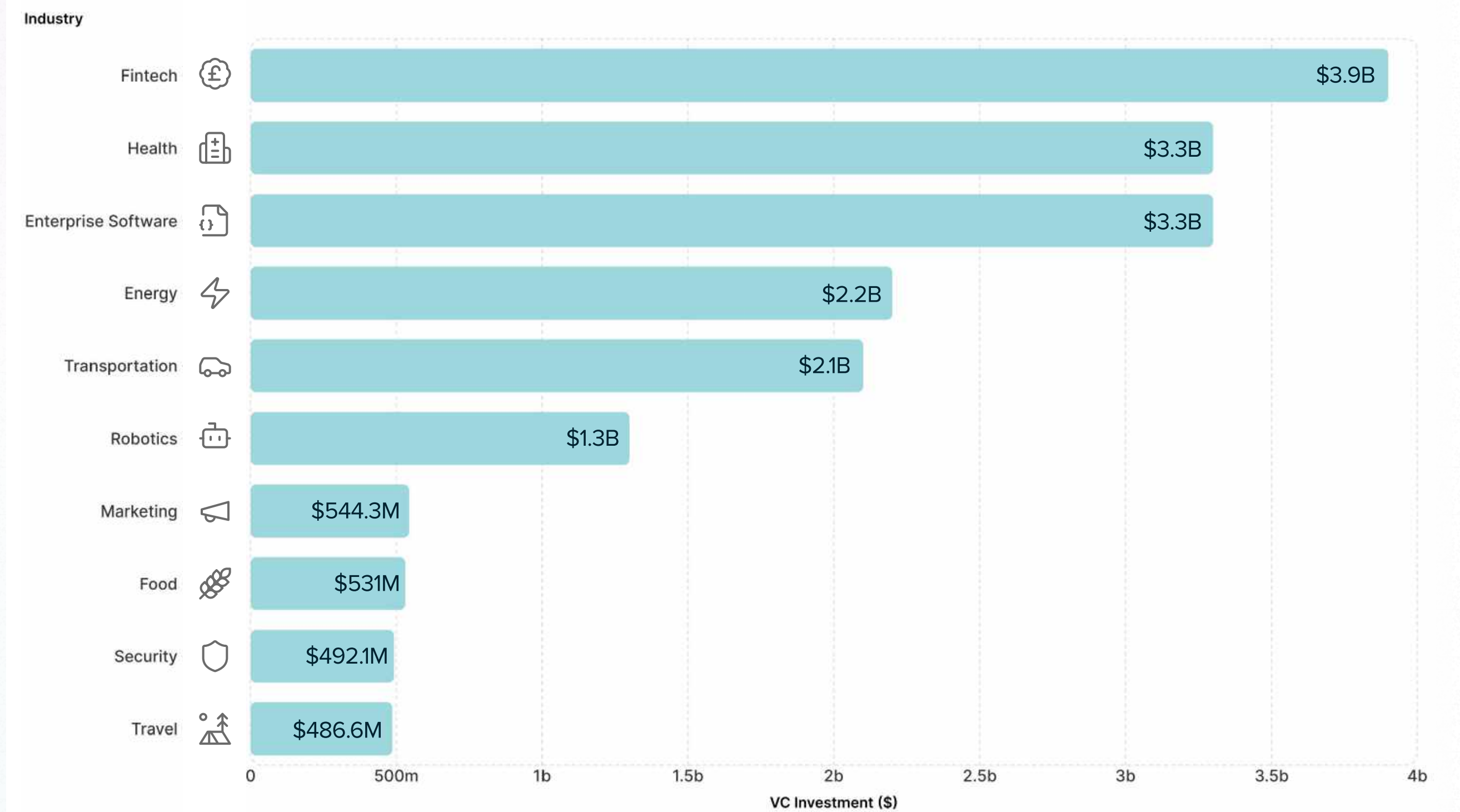




## Fintech, health tech, and enterprise SaaS are the top tech sectors in the UK based on total VC investment.

Fintech startups raised \$3.9b in 2024, 18% more than companies in health tech and enterprise software, both at \$3.3b.

### Top UK tech sectors by VC investment



Total VC investment raised by UK tech startups by sector in 2024.

Data from Dealroom





## Robotics is the fastest-growing tech sector in the UK, while telecoms and fashion tech have seen funding decline.

As industries automate, investment in UK robotics companies has flourished, achieving an impressive 83% CAGR over the past five years and reaching \$1.3b in 2024. Other emerging sectors – event tech, music tech, and web hosting – have also experienced strong growth in investment, though starting from smaller bases.

While most of the UK's largest tech sectors have demonstrated resilience, fintech has seen a slight decline in funding since its peak during the 2021-22 boom. Telecoms and consumer-focused sectors such as fashion, food, and sports have experienced the most significant funding declines.

Data from Dealroom.

Fastest-growing industries based on CAGR of VC investment between 2020 and 2024.

INDUSTRY	2020	2024	CAGR (2020 - 2024) ↓
 Robotics	\$115.0m	\$1.3b	<b>83.36%</b>
 Event Tech	\$22.5m	\$66.9m	<b>31.31%</b>
 Music	\$47.4m	\$116.0m	<b>25.07%</b>
 Hosting	\$218.0m	\$431.0m	<b>18.58%</b>
 Energy	\$1.3b	\$2.2b	<b>14.06%</b>
 Travel	\$320.0m	\$518.0m	<b>12.80%</b>
 Gaming	\$180.0m	\$291.0m	<b>12.76%</b>
 Enterprise Software	\$2.3b	\$3.3b	<b>9.45%</b>
 Transportation	\$1.5b	\$2.1b	<b>8.78%</b>
 Health	\$2.5b	\$3.3b	<b>7.19%</b>
 Education	\$126.0m	\$163.0m	<b>6.65%</b>
 Semiconductors	\$456.0m	\$419.0m	<b>-2.09%</b>
 Media	\$368.0m	\$294.0m	<b>-5.46%</b>
 Wellness Beauty	\$133.0m	\$102.0m	<b>-6.42%</b>
 Fintech	\$5.2b	\$3.9b	<b>-6.94%</b>
 Marketing	\$766.0m	\$532.0m	<b>-8.71%</b>
 Legal	\$359.0m	\$224.0m	<b>-11.12%</b>
 Food	\$940.0m	\$523.0m	<b>-13.63%</b>
 Sports	\$411.0m	\$204.0m	<b>-16.06%</b>
 Fashion	\$366.0m	\$156.0m	<b>-19.20%</b>
 Telecom	\$841.0m	\$83.4m	<b>-43.88%</b>

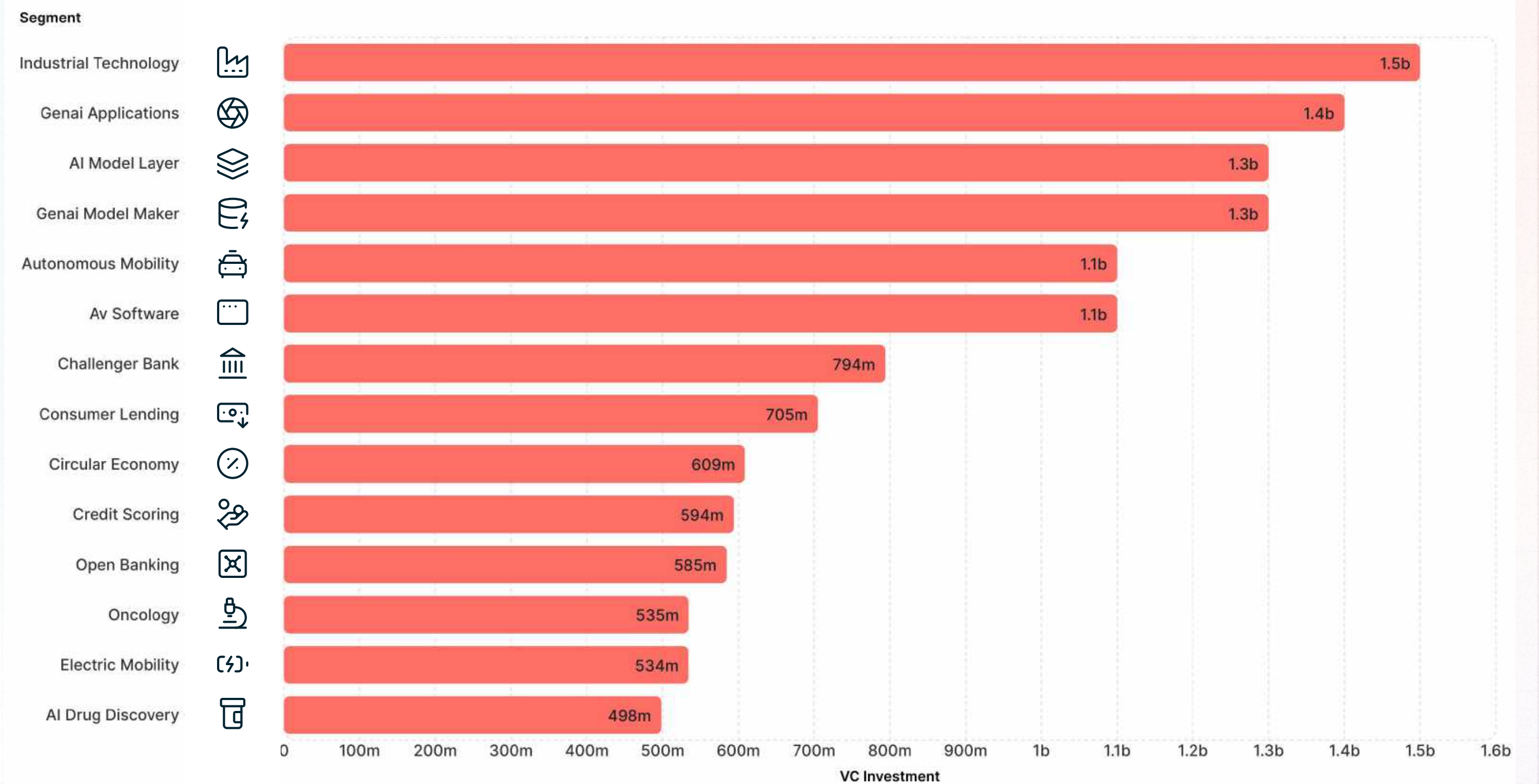




## Industry tech and generative AI applications lead the way for investment in new, frontier technologies.

AI and other innovative technologies modernising industry, finance, health, and mobility are the hottest tickets for VC investors.

### Top UK frontier technologies by VC investment



Data from Dealroom





Read the complete edition of The Tech Nation Report 2025 for more in-depth analysis of top UK industries, unicorns, exits, VCs, startups to watch, and insider insights from 50+ UK tech leaders!

[Read now](#) 





Read our UK AI Sector Spotlight 2025 in full for a comprehensive overview of the UK AI ecosystem, top AI investors, future unicorns, and more!

[Read now](#) 





# METHODOLOGY

## Unlocking the UK's Growth Potential: UK Tech Sector Survey

We surveyed 1,157 professionals working in the UK tech sector between January and March 2025 to gather their perspectives on the key barriers to growth faced by UK tech companies and the potential solutions.

Our survey respondents overall:

- 61% identify as men; 28% identify as women.
- They are senior leaders in their organisations. 60% are founders; 83% are in executive and/or leadership positions including founders; 10% are investors including VCs.
- 78% are from early-stage startups (pre-Seed to Series A); 22% are from growth or late-stage startups (Series B+). Similarly, 78% of investors mostly invest in early-stage startups; 22% in growth or late-stage startups.
- 77% of those organisations are headquartered in the UK. 54% are headquartered in London; 46% outside London.
- The most prominent regions represented outside London are the South East (10%), East of England (6%), South West (6%), and Scotland (5%). 3% have no physical office location.
- They come from a variety of industries. The most prominent are AI/ML (14%), fintech (11%), health tech (9%), consulting/professional services (8%), and climate tech (7%).

UK founders specifically:

- 65% identify as men; 28% identify as women.
- 46% are based in London; 54% outside London.

- The most prominent regions represented outside London are the South East (13%), East of England (8%), South West (5%), and North West (5%).
- 85% are from early-stage startups (pre-Seed to Series A); 15% are from growth or late-stage startups (Series B+).
- The most represented industries are AI/ML (15%), health tech (12%), fintech (11%), retail/consumer tech (9%), and climate tech (7%).

## UK Tech in 2025

To tell the growth story of the UK technology sector, we used UK tech startup and investment data provided by [Dealroom](#), covering investment trends, valuations, unicorns, exits, and growth sectors. Currency data is in USD unless noted otherwise.

### Valuations

The figure for the annual value of the UK tech sector 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.

### Investment

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. H1 2025 investment figures were recorded in May 2025 unless noted otherwise.

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.

There is a known reporting lag for early-stage funding rounds. In order to accurately track deal activity (number of rounds raised over time), our analysis only considers rounds worth more than \$2m.

For equity dilution, we also used survey data provided by venture capital search engine, [Shipshape.vc](#). All Shipshape.vc data is provided by the management teams of companies using the search engine. For our analysis, we focused on early-stage startup data.

### Unicorns & Soonicorns

'All-time' unicorns are companies that have been a unicorn at any stage in their history. This includes privately held startups with a value of more than \$1 billion and those that achieved a \$1b+ exit via going public or acquisition. When we say, 163 unicorn companies have been produced in the UK, we refer to all-time unicorns.

Deeper analysis of UK unicorns in this report is based on all-time unicorn numbers unless stated otherwise. Unicorn numbers can include companies founded and/or headquartered in the UK. In each case, context is provided within the report. When unicorns are broken down by industry, the combined total does not equate to a total unicorn number. This is because some companies are counted as operating in more than one industry.

Active UK unicorns are unicorns founded and headquartered in the UK that are still VC-backed and privately-owned today.

Soonicorns are companies valued at \$250m-\$999m that have raised investment in the last three years, have not exited, and are on a potential unicorn track. Soonicorn numbers include companies founded and headquartered in the UK.

## AI Sector Spotlight

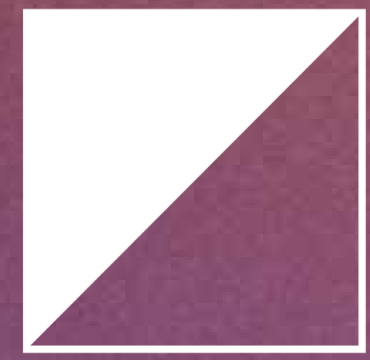
AI as a technology is now being used by most tech companies to improve efficiency, speed up performance, development and deployment. Our AI analysis focuses specifically on two types of companies:

1. 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).
2. 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).

Data for the AI Sector Spotlight was recorded at the end of Q1 2025. Investment data was provided by Dealroom and survey data is from our UK Tech Sector Survey.







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