

# London tech firms raise €8.6B VC investment in 2020: Report

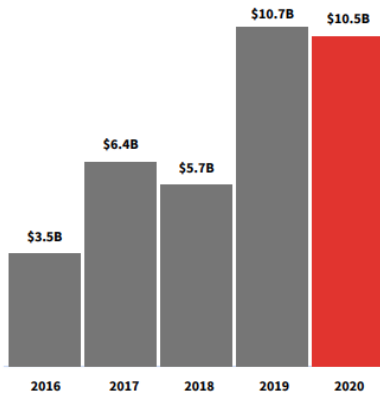
by [Editorial team](#) [January 15, 2021](#) in [\(Crowd\)funding](#), [News](#), [Startups](#), [Venture Capital](#)



There has never been a better time to invest in European tech, particularly the UK's capital city – London. According to the latest research from [Dealroom.co](#), and [London & Partners](#), tech companies based out of London helped Europe reach record levels of tech VC funding in 2020.

## London tech companies raised near record investment in 2020, accounting for more than a quarter of all European venture capital investment.

Venture capital investment in London



Top rounds in London 2020

Revolut \$500M Series D	KI \$500M Growth Equity	APFIVAL \$400M Growth Equity
octopusenergy £300M Late VC	Snyk £252M Series A	CAZOO \$310M Series D
Infobip \$200M Series A	Snyk \$200M Series D	ZENOBÉ £150M Growth Equity
checkout.com \$150M Series B	hopin \$125M Series B	moonbug \$120M Series B

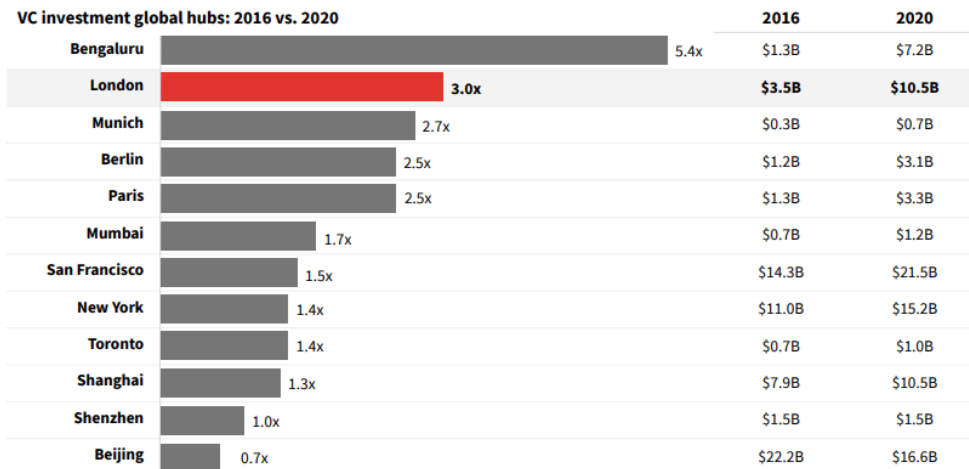
Image credits: Dealroom

# More investment than any European city

The data shows that the UK capital received more tech VC investment than any other European city in 2020.

Despite the UK's exit from the European Union and the global pandemic, **London tech firms** raised \$10.5B (approx €8.6B) in 2020, which is significantly more than the total amount raised in 2017 (€5.7B) and 2018 (€4.8B) and close to the record in 2019 (€8.8B).

**London has been the second fastest-growing mature tech ecosystem in the world since 2016, with investment growing 3.0x in five years.**



Page / 5 Source: Dealroom.co. Note: Rounding to one decimal place in visualization, growth is computed on exact amount. Excludes smaller tech hub outliers where year-on-year fluctuation can be inconsistent.



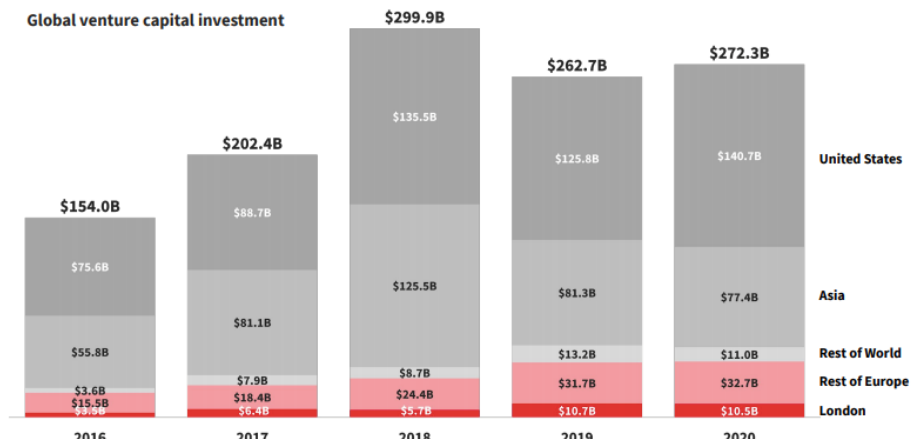
Image credits: Dealroom

# Second-fastest-growing global tech hub

Notably, London tech companies are receiving over three times the amount of investment than any other European tech city. On the global front, London’s tech scene remains competitive as it’s the second-fastest-growing global tech hub since 2016 and ranked 5th on the worldwide list for VC tech investment over the past five years.

The future looks bright as well as London based VC firms have unprecedented levels of fresh capital to deploy in 2021.

**2020 was a not only a strong year for London – global and European VC showed resilience despite the pandemic.**



Page / 6 Source: Dealroom.co.



Image credits: Dealroom

# Record year for VCs

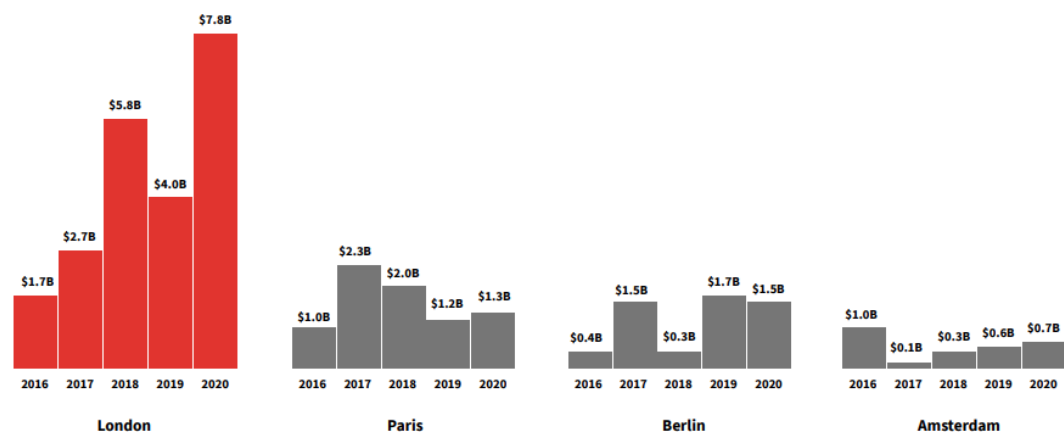
The finding also reveals that the European tech companies raised \$43.1B (approx €35.5B) in 2020 from VC. Notably, London was at the heart of this growth, with its tech firms accounting for a quarter of all European tech funding. Moreover, the global tech VC investment was also resilient in 2020, with the data showing \$272.3B (approx €224B) was invested in tech firms worldwide in 2020.

The report also throws light on London-based tech companies raising a record \$15 billion in 2020 from VCs. Some of the largest deals involving London companies included:

- Revolut: \$500M (approx €412B) Series D funding
- Arrival: a \$400M (approx €330B) funding rounds
- Octopus Energy: \$527M (approx €434B) funding.

**London is the preferred destination for VC investors – a third of new European funds have been raised in London in the last two years.**

New funds raised by European VCs



Page 8 Source: Dealroom.co.

LONDON PARTNERS dealroom.co

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## Home to 1,252 VC firms

Furthermore, London VC firms raised \$7.8B (€6.4B) in new funds in 2020, on top of the \$4B (€3.2B) raised in 2019 – accounting for a third of all new European VC funds over the past two years. It's worth mentioning that London is now home to 1,252 VC firms – more than any other European city, says the report.

Global investment firms including Index Ventures (€1.6B funds) and Atomico ((€684M funds) have also announced new funds for European startups based in

London in 2020. Also, Silicon Valley-based VC Sequoia Capital has expanded its footprint in the UK capital.

Mayor of London, Sadiq Khan commented, “London is the global tech capital of Europe. Despite the challenges brought about by Brexit and the coronavirus pandemic, London’s tech sector continued to thrive in 2020 and has an important role to play in the city’s economic recovery. London is already home to some of the world’s best technology companies and will remain open to international investment and tech talent from all over the world.”

### London is the unicorn capital of Europe.

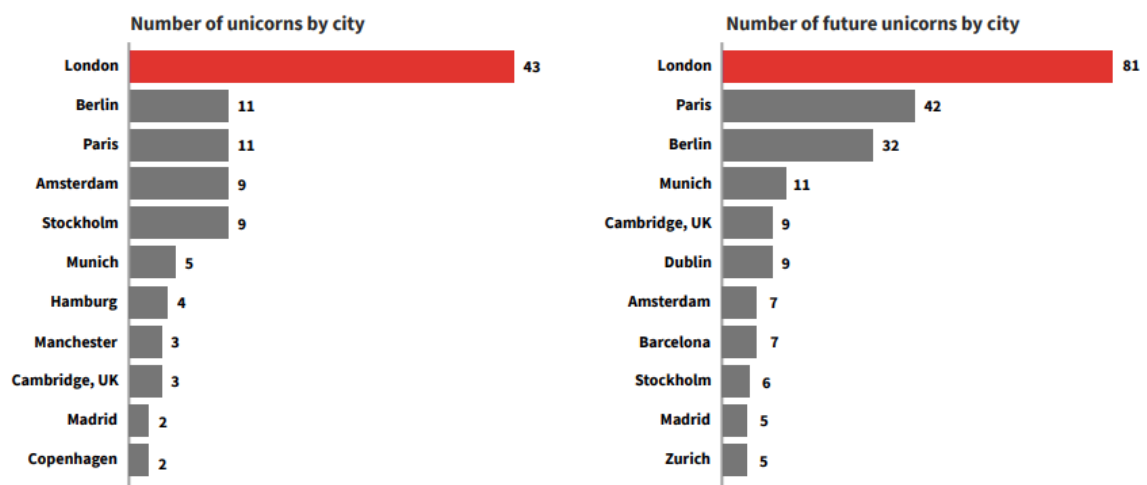


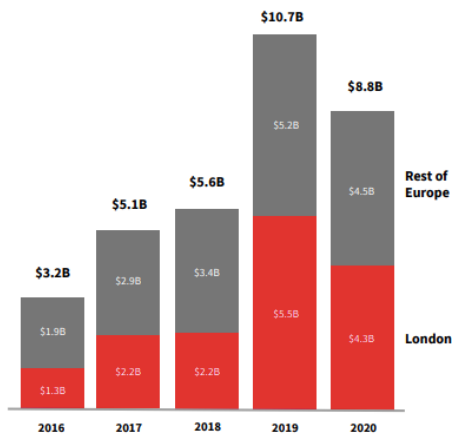
Image credits: Dealroom

## 81 potential future unicorns

As per Dealroom.co, London is producing some of the world’s fastest-growing tech companies. It also says London is home to 81 potential future unicorns, which is double the amount of Paris (42) and Berlin (32). At present, London has 43 unicorn companies – more than Paris (11), Berlin (11), and Amsterdam (9) combined.

## In 2020, London raised almost half of all Europe's fintech capital.

Amount invested in fintech startups



VC investment in fintech by city	2019	2020	% change
London	\$5.5B	\$4.3B	-22%
Paris	\$0.6B	\$0.7B	+5%
Berlin	\$1.3B	\$0.5B	-60%
Stockholm	\$1.0B	\$1.1B	+15%
Amsterdam	\$0.1B	\$0.2B	+77%
Munich	\$0.1B	\$0.1B	-17%

Top London rounds in 2020

**Revolut**  
\$500M Series D

**KI**  
\$500M Growth Equity

**checkout.com**  
\$150M Series B

Page / 12 Source: Dealroom.co. Note: Rounding to one decimal place in visualization, growth is computed on exact amount.

LONDON & PARTNERS dealroom.co

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As the competition for fintech heats up, London fintech companies raised \$4.3B (€3.5B) – almost half of all European fintech investment. In the enterprise software technology sector, London saw an 82% increase, raising a total of \$1.9bn. Since 2016, London's health tech firms have raised a total of \$3.2B (€2.6B) – more than any European city.

Greg Jackson, CEO and Founder, London-based energy tech unicorn Octopus Energy said: "We deliberately set up our headquarters in London – Europe's tech hub – because it gives us access to like-minded tech innovators and world-class talent."

Source: <https://siliconcanals.com/news/startups/london-tech-firms-8-6b-vc-2020/>