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# UK sweeps a third of European tech funding in 2024 as London and Cambridge boom



**Lars Mucklejohn**

Banking and Fintech Reporter

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UK firms have received nearly a third of European venture capital tech funding so far this year, new data shows, as investors flock back to London and Cambridge bolsters its credentials as an international hub.

VC investment in the UK tech sector came in at £7.4bn for the first half of 2024, up 16 per cent from the same period last year and representing 32 per cent of the European total, according to figures from Dealroom.

The UK sailed past its continental rivals, raising more than France and Germany combined (£6.8bn) and five times Switzerland's total (£1.25bn).

The increase was driven by a rebound for London, which saw a 30 per cent jump in investment to £5.3bn. This figure was ahead of Paris (£2.4bn) and Stockholm (£940m).

Cambridge also cracked the top 10 European cities for funding, seeing an 83 per cent surge in VC investment to £517m. Dealroom valued the historic university city's tech ecosystem at \$191bn (£150bn) in May, more than those of Spain and Italy combined.

Its players include chipmaker Arm, which has seen its shares more than double in value since floating on the Nasdaq last September, as well as cybersecurity company Darktrace, which joined the FTSE 100 last month ahead of an agreed private equity takeover.

Dealroom's latest figures may help quell fears that the UK, and London in particular, is losing ground to EU locations as a global hub for start-ups following Brexit.

VC funding had boomed in the decade to 2022 but began to slow dramatically after Russia invaded Ukraine and central bankers began hiking interest rates to cool inflation. UK investment tumbled to £16.1bn last year, from £28.9bn in 2022, data from Pitchbook showed.

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But as rate cuts loom and the economic outlook improves, 1,450 European firms have raised at least £1.5m so far this year, with Dealroom projecting that 2024 could be the third-most active year for VC investment in Europe ever, second only to 2021 and 2022.

UK tech funding this year has been dominated by later stage rounds in the AI, fintech and energy spaces.

Self-driving car tech start-up Wayve raised the most in the second quarter, landing a \$1.05bn (£840m) deal in May that was cheered on by then prime minister Rishi Sunak. The firm was founded in Cambridge but moved to London shortly afterwards.

Credit technology firm Abound came in second place, securing a debt and equity round in May that could extend up to £800m. In June, Highview Power raised £300m for the UK's first commercial-scale liquid air energy storage plant.

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Digital-only bank Monzo landed a \$190m (£150m) deal in May, topping up a \$430m (£339m) round announced two months prior. Rounding out the top five, EV charging company Char.gy secured £100m in private funding last month.

Catherine Lenson, co-chief operating officer at VC firm Phoenix Court, said: "As late stage funding returns to Europe and in particular to New Palo Alto, the supercluster of innovation ecosystems, we're seeing a surge of thoroughbred companies – boasting strong revenues and incredible potential."

"The UK's fintech sector continues to be world-leading," added Sahar Meghani, a partner at the Visionaries Club fund. "This is a clear example of how open banking and AI is helping to transform financial services, and it's likely we'll see more fintech success stories using these technologies this year."

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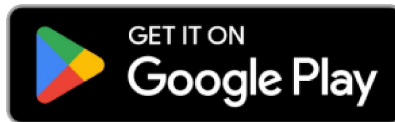
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