AlbionVC

Deep Tech & Future of Compute report. 2025

Beauhurst

Contents.

Deep tech

* includes future of compute

5,613

Number of active deeptech companies (including future of compute)

out of 6,726 incorporated between 2015 - 2024

£32.0b

Total equity funding secured by deep tech* companies (2015 - 2024)

£9.68b

Total equity funding secured by deep tech* companies (2023 - 2024)

11,789

Number of deals secured by deep tech* companies (2015 - 2024)

3,331

Number of deals secured by deep tech* companies (2023 - 2024)

£2.15b

Total grant funding awarded to deep tech* companies (2015 - 2024)

£702m

Total grant funding awarded to deep tech* companies (2023 - 2024)

Future of compute

69

Number of active future of compute companies

out of 70 incorporated between 2015 - 2024

£1.53b

Total equity funding secured by future of compute companies (2015 - 2024)

£563m

Total equity funding secured by future of compute companies (2023 - 2024)

191

Number of deals secured by future of compute companies (2015 - 2024)

64

Number of deals secured by future of compute companies (2023 - 2024)

£143m

Total grant funding awarded to future of compute companies (2015 - 2024)

£63.2m

Total grant funding awarded to future of compute companies (2023 - 2024)

Deep tech overview.

Introduction

At AlbionVC we define Deep Tech as deeply technical, IP rich opportunities with a long-term moat. Companies in the sector have scientific and engineering breakthroughs at their core, many are founded in university labs and spun out to solve the world's biggest problems.

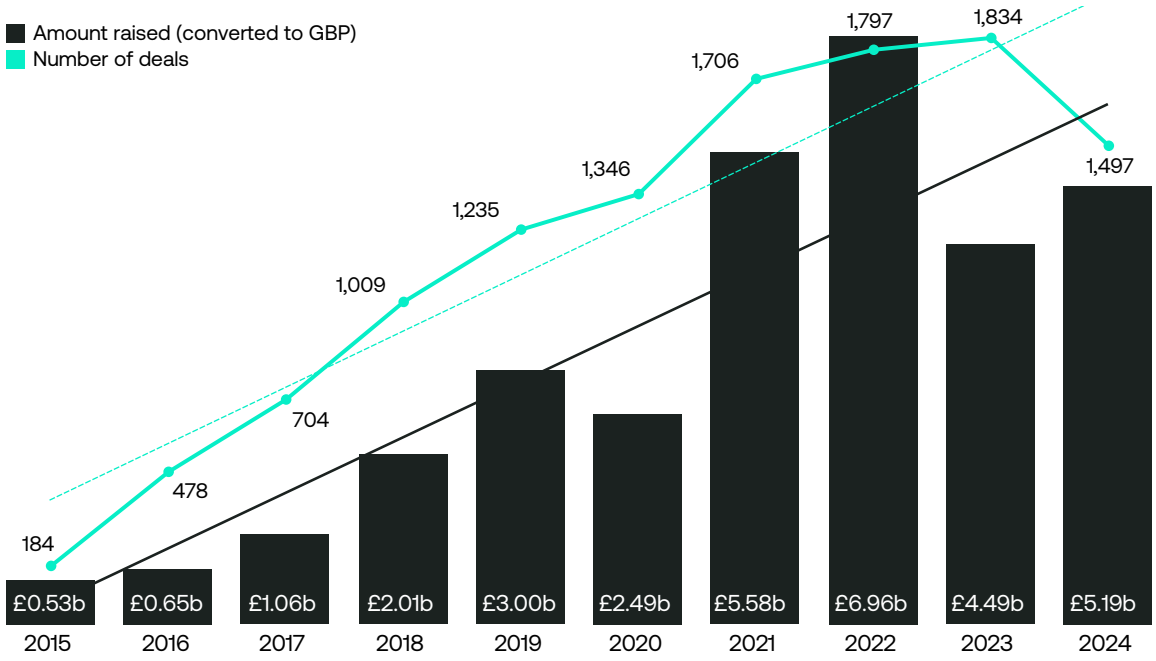
Over the past decade, Deep Tech has become a strategic pillar for the UK, with the potential to build global category leaders. Between 2015 and 2024, companies in the space raised a total of £32 billion in equity funding via 11.8k deals and a significant number of companies raising large rounds of £10 million and above. Notable rounds in 2023-2024 include AlbionVC backed AI unicorn Quantexa raising £104 million, UCL spinout Synthesia raising £217 million and AI self-driving car startup Wayve leading the ranking with £833 million in funding secured.

Nowhere is this surge in investment more evident than in the once-overlooked but now thriving field of Compute—a Deep Tech subsector pioneering new computational modalities and technologies. The Future of compute encompasses the evolution beyond traditional Von Neumann architectures to embrace new modalities across seven core areas: semiconductors, networking, in-memory, neuromorphic, photonic, infrastructure and quantum computing. Over the past decade investment in this highly technical space has surged from £3 million in 2015 to a quarter of a billion (£284 million) by 2024, fueling the rise of highly promising and rapidly scaling startups. In 2015, no equity deals in Future of Compute exceeded £10 million, but by 2024, nearly 40% did.

This report explores the changing investment landscape across the UK Deep Tech and Future of Compute over the past decade and outlines key ecosystem players behind the data.

Equity investment—
a decade of growth and resilience

Equity investment secured by deep tech companies in the UK (2015 - 2024)



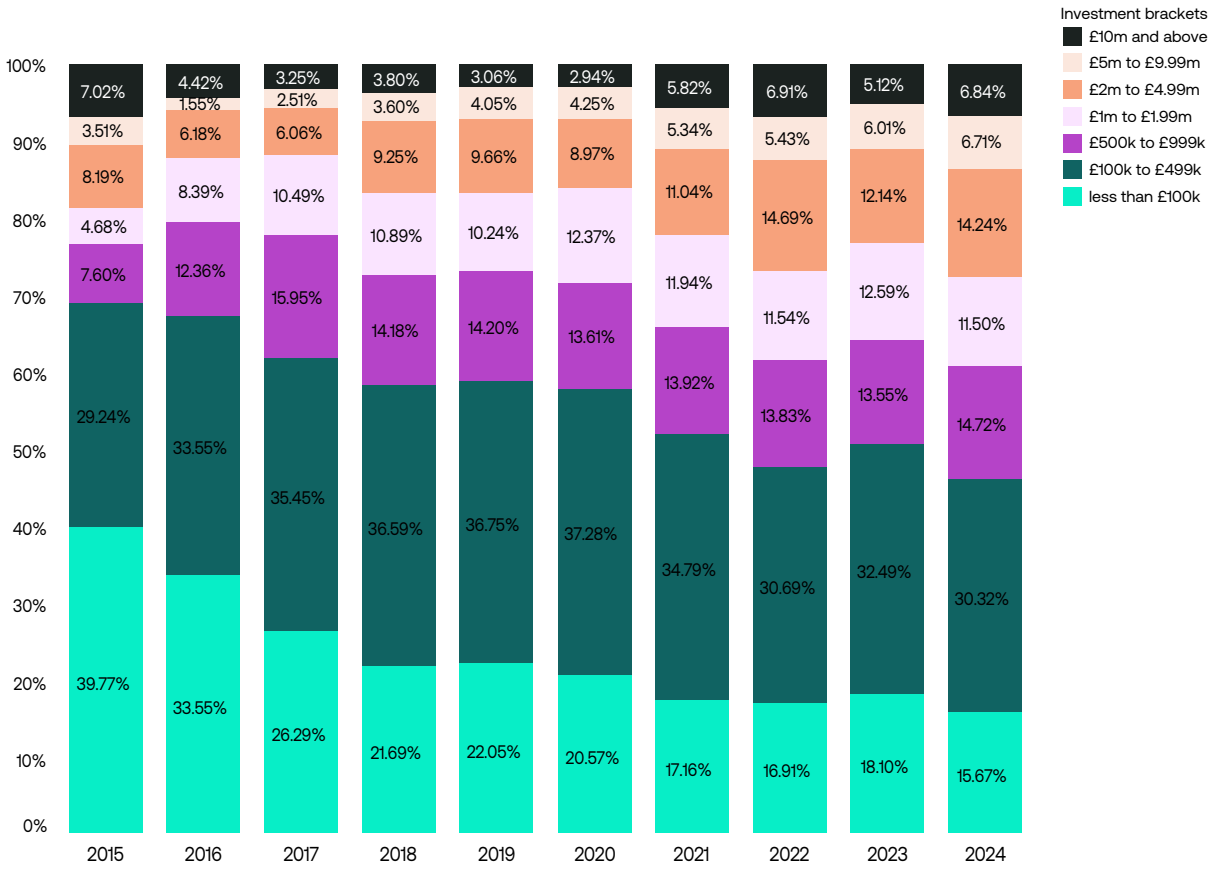
Between 2015 and 2024, deep tech companies raised a total of £32.0b in equity funding via 11.8k deals. The average deal value for deep tech increased from £2.53m in 2019 to £3.55m in 2024. Despite an 18.4% reduction in the number of deals from 2023 to 2024, mirroring the broader 24% drop in the equity market, deep tech companies raised more funds in 2024 (£5.19b) compared to 2023 (£4.49b).

Breakdown of deals by size — the evolution of equity investments

Out of the 6,726 deep tech companies incorporated since 2015, 4,604 (68.6%) have secured at least one round of equity funding between 2015 and 2024. This indicates a strong investor interest in deep tech and the sector's ability to attract capital over the past decade.

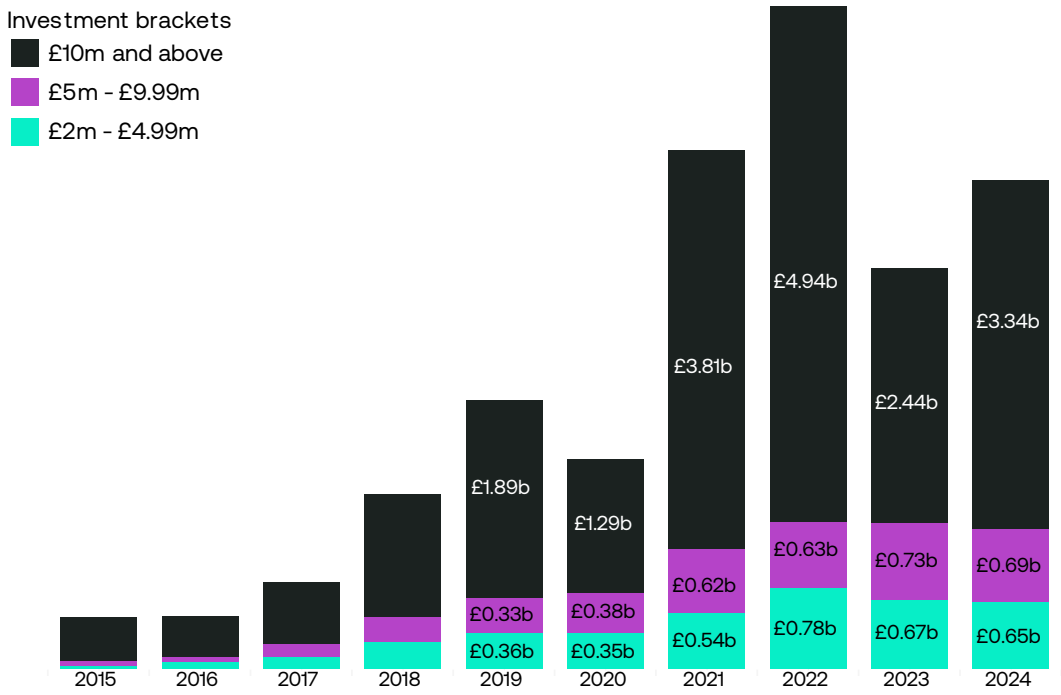
Most deals into UK deep tech companies fall within the £100k–£499k range, although their relative proportion has declined steadily over the past decade from 70% to 46%.

Breakdown of equity investment by size of deal (using deal numbers) (2015 - 2024)



Breakdown of deals over £2m - consistent growth in larger rounds over the past decade

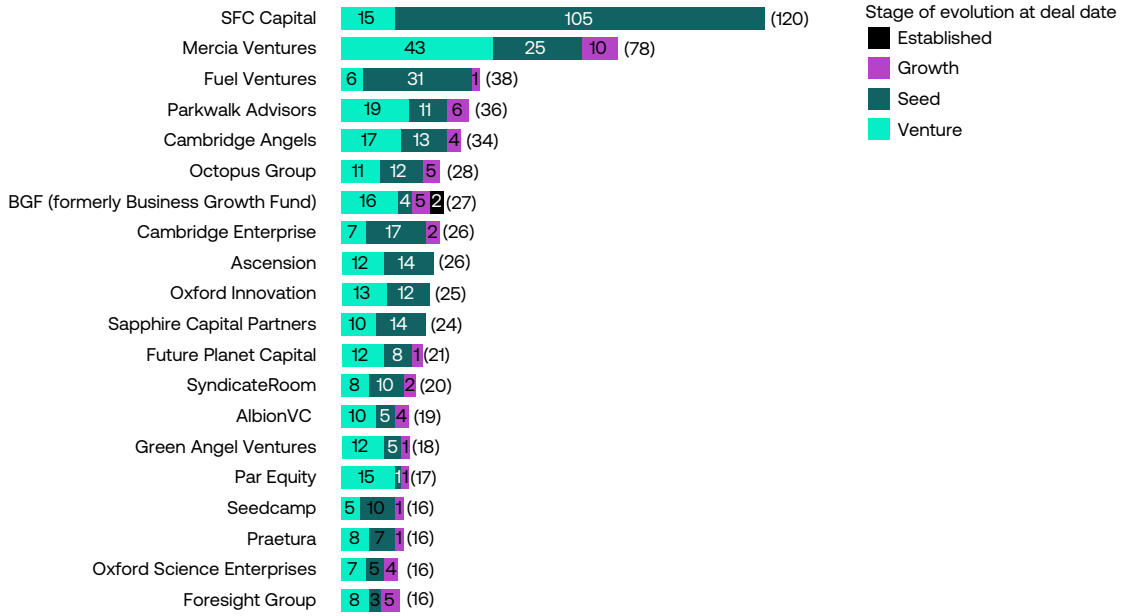
Breakdown of equity investment into deep tech companies by deals over £2m (2019 - 2024)



Since 2019, the proportion of investment rounds exceeding £2m has grown significantly, with the total amount invested in such rounds nearly doubling—up from £2.58b in 2019 to £4.68b in 2024. Within these deals, there has been a consistent increase in the number of deals over £10m during this period. In 2024, of the total £4.68b raised in deals over £2m, £3.34b of these came from deals over £10m. These larger funding rounds are more valuable for deep tech companies, which often face long timeframes between R&D and commercialisation.

The most active VC investors

Top investors by number of deals and stage of deal (2023 - 2024)



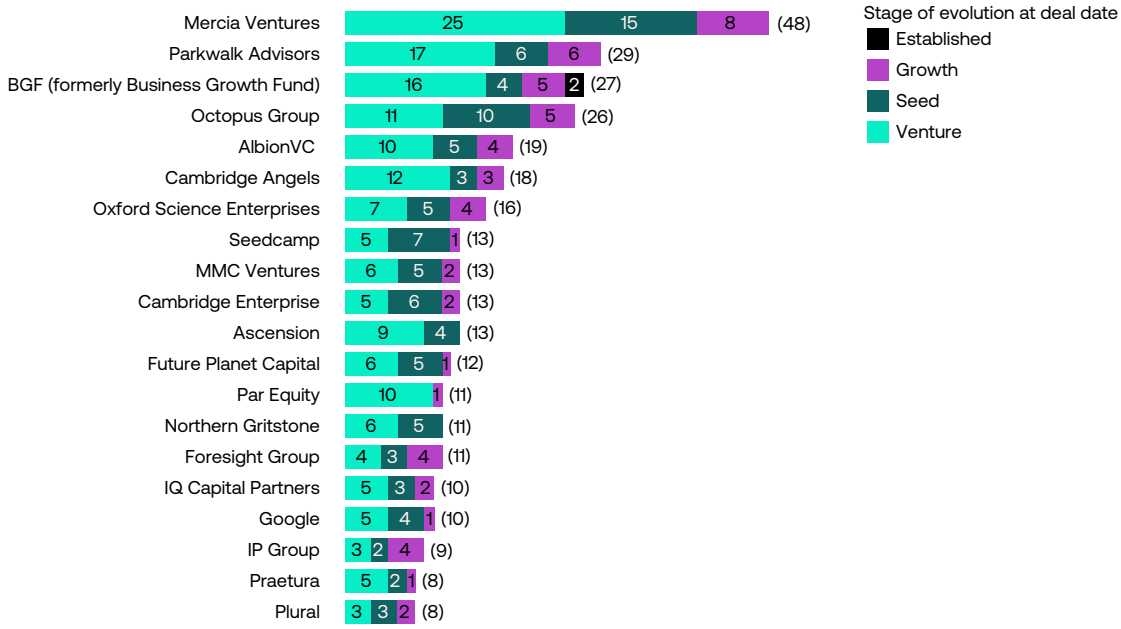
Between 2023 and 2024, SFC Capital emerged as the top investor in deep tech companies, having participated in a total of 120 deals. The fund typically participates in funding rounds with a median value of £270k. It focuses on companies eligible for the SEIS, which offers tax incentives to investors in startups. As SFC Capital primarily supports startups, the majority of its investments are in the seed and venture stages of growth.

SFC are among a number of investors including Ascension, Sapphire Capital Partners, that predominantly provide funds to early-stage deep tech companies.

Investors backing companies across various stages of growth include Mercia Ventures, Parkwalk, BGF, and AlbionVC. Mercia ventures tops this group, having participated in 78 deals into deep tech companies between 2023 and 2024.

The definitions of growth stages used in this analysis can be found here.

Top investors by participation in deals valued over £2m and by stage of deal (2023 - 2024)



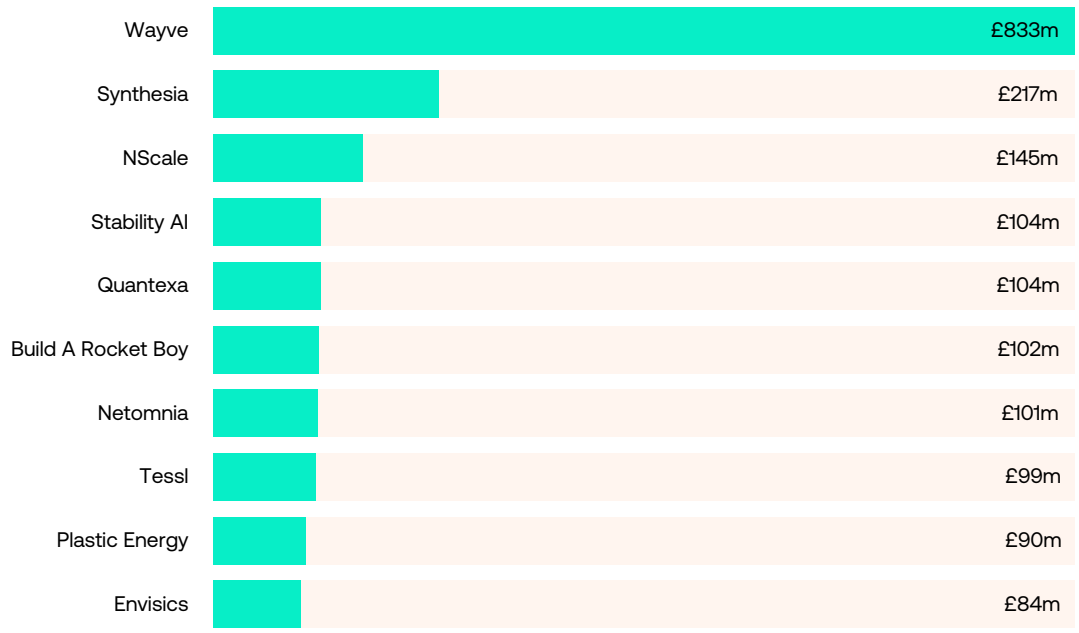
Out of 3,331 equity deals between 2023 and 2024, 820 were valued over £2 million, with 191 of these deals exceeding £10m.

This ranking contrasts with the previous, with SFC Capital disappearing from the ranking while funds like BGF ascend from seventh to third place. AlbionVC's rank increased from fourteenth to fifth, as all 19 deals AlbionVC participated in are valued at over £2m.

Funding rounds with more capital are essential for deep tech companies that are looking to develop past the early-stage. Mercia Ventures is the top investor in funding rounds valued over £2m. Between 2023 and 2024, the Mercia participated in 48 such rounds.

Top investment recipients

Top investment recipients by value of deals secured (2023 - 2024)



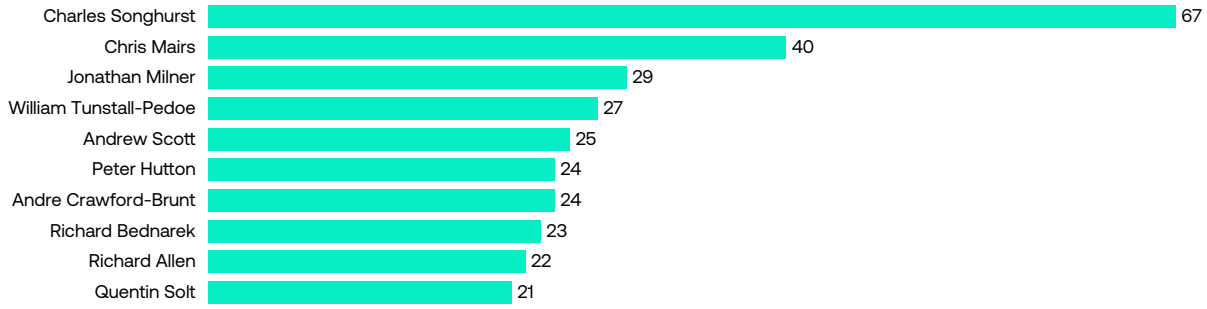
Between 2023 and 2024, deep tech companies in the UK raised a total of £9.68b in equity funding. Wayve emerged as the top investment recipient by value, raising a total of £833m via two deals during this period.

The top company raising equity between 2023 and 2024 via a single deal was Quantexa. The London-based company secured a single round totalling £104m, and received investment from investors including AlbionVC and Dawn Capital. In that same year, Quantexa acquired Irish company AYLIEN. In early 2025 Quantexa raised a further £137m led by Teachers' Venture Growth.

"Quantexa is a standout British deep tech success story, combining a visionary founder, a cutting-edge product, and strong market demand for AI-driven decision intelligence in both enterprise and the public sector. With backing from a syndicate of UK and global investors, the company has raised £420m to date, fueling its global expansion—making Series F just another step in its impressive journey." Ed Lascelles, Partner AlbionVC who led the first institutional investment in Quantexa in 2017 and is still on the board today.

The most active angel investors

Top angel investors by number of deep tech companies invested in (as of January 2025)



Cambridge Angels are a leading force in the deep tech ecosystem.

Charles Songhurst is the top angel investor backing deep tech companies as of January 2025. Among the companies he's backed are Crypto Quantique, Dexory, and Wave Photonics. Of the 67 companies invested in, 32.4% are in the venture stage of growth. These companies have collectively raised £894m between 2015 - 2024.

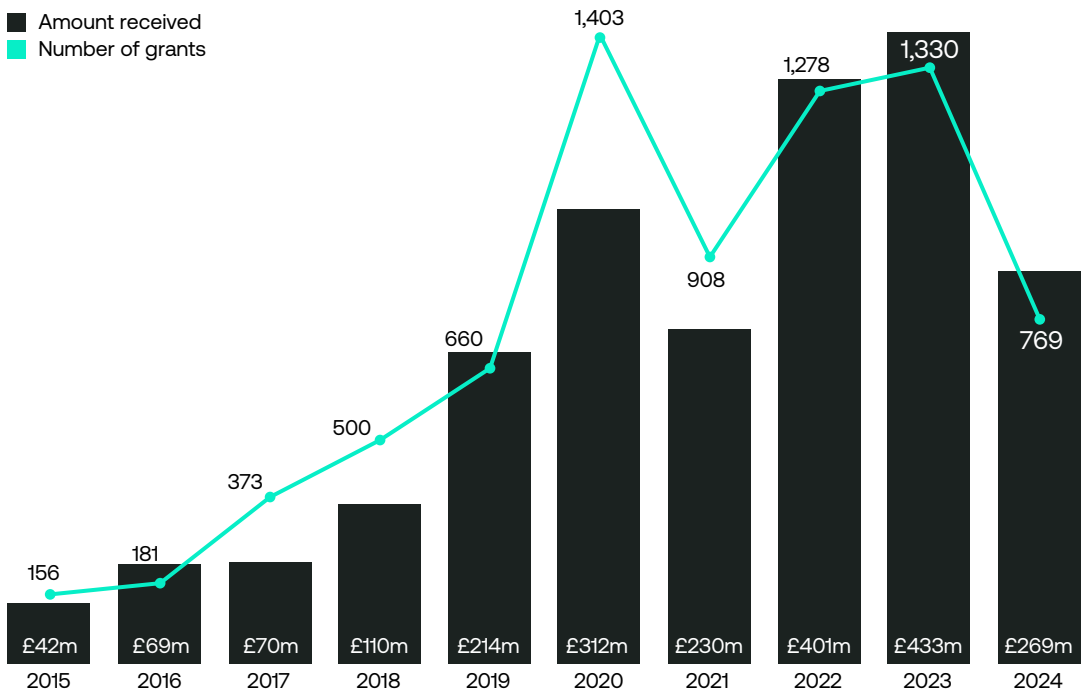
Cambridge Angels, a syndicate of experienced entrepreneurs focused on £150k to £1.5m, are a key player for early-stage ventures with 80 deals done by the most active angels in this ranking—Jonathan Milner, William Tunstall-Pedoe, and Peter Hutton.

Grant funding

From 2015 to 2024, deep tech companies in the UK secured a total of £2.15b in grant funding via 7,558 deals. M Squared emerged as the most prolific recipient, winning 56 grants. There was a notable decline in grant funding activity in 2024 compared to 2023, marked by a 37.9% drop in the value of grants. This trend was not limited to deep tech companies, as grant funding fell across the wider ecosystem between 2023 to 2024. Artemis Technologies was the top grant recipient by total awarded in grants between 2023 and 2024. The company received £31.7m in grant funding via 10 awards.

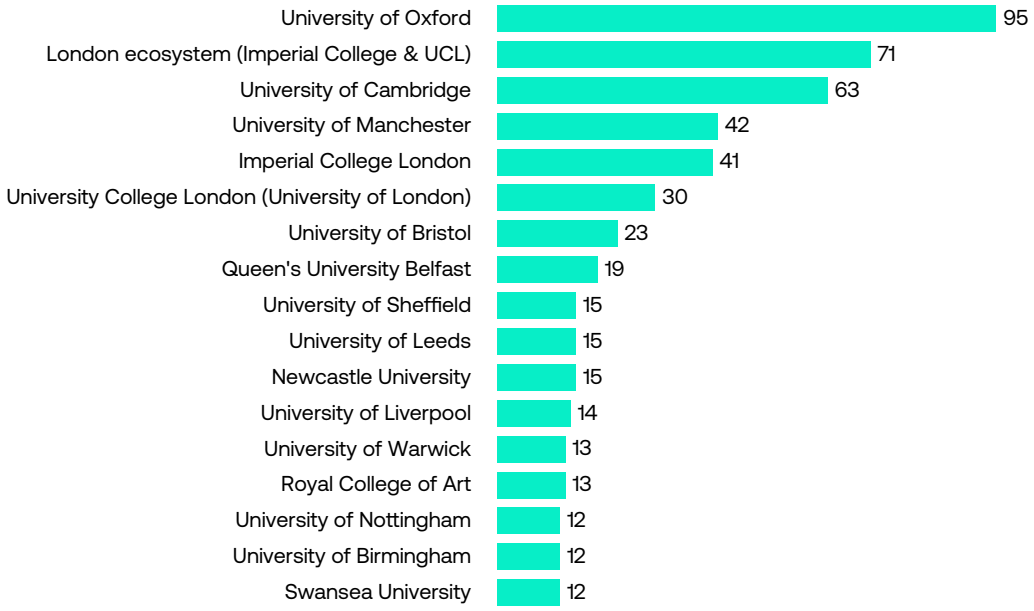
While grant funding into deep tech companies remains higher than pre-pandemic levels, it is still a small proportion of equity rounds—in 2024 all grant funding was only 5.2% of all equity investment.

Grant funding awarded to deep tech companies in the UK (2015 - 2024)



Top academic institutions – London ecosystem ranks second by the number of spinouts

Top academic institutions by deep tech spinout count (incorporated 2015 - 2024)



The University of Oxford is the top academic institution in terms of the number of deep tech spinouts. Between 2015 to 2024, it spun out 95 companies.

The London ecosystem, represented by Imperial College London and University College London (UCL), ranks second with a combined total of 71 spinouts. Individually, Imperial has produced 41 spinouts between 2015 and 2024, whereas 30 companies have spun out of UCL. Stanhope AI spun out from UCL in 2021. The London-based deep tech startup combines neuroscience and robotics to develop AI software for autonomous machines, intended to allow them to make real-world decisions. The company received a £2.30m funding round from multiple investors, including AlbionVC via its UCL Technology Fund in 2024.

Top academic spinouts that have raised rounds over £2m (2023 - 2024)

Company name	Origin academic institution	Number of deals	Amount raised
Synthesia	University College London	2	£217.4m
Oxford Quantum Circuits	University of Oxford	2	£79.5m
Perspectum	University of Oxford	2	£45.8m
Quantum Motion	University College London, University of Oxford	2	£42.5m
Echion Technologies	University of Cambridge	2	£39.0m
Chemify	University of Glasgow	1	£36.0m
Theolytics	University of Oxford	2	£32.5m
Oxford Ionics	University of Oxford	2	£32.0m
PQShield	University of Oxford	1	£29.1m
Advanced Electric Machines	Newcastle University	2	£28.0m
Oriole Networks	University College London	2	£27.5m
Alloyed	University of Oxford	1	£27.3m
Salience Labs	University of Oxford	1	£24.1m
Forefront RF	University of Bristol	2	£22.7m
Tympa Health	Imperial College London	2	£22.3m

Among the total 812 active deep tech spinouts based in the UK, 436 (53.7%) raised equity between 2023 and 2024. The top academic spinout raising investment is Synthesia, which raised £217m via two deals within this period. The company spun out of University College London in 2017, and to date has raised £266m in funding via six deals.

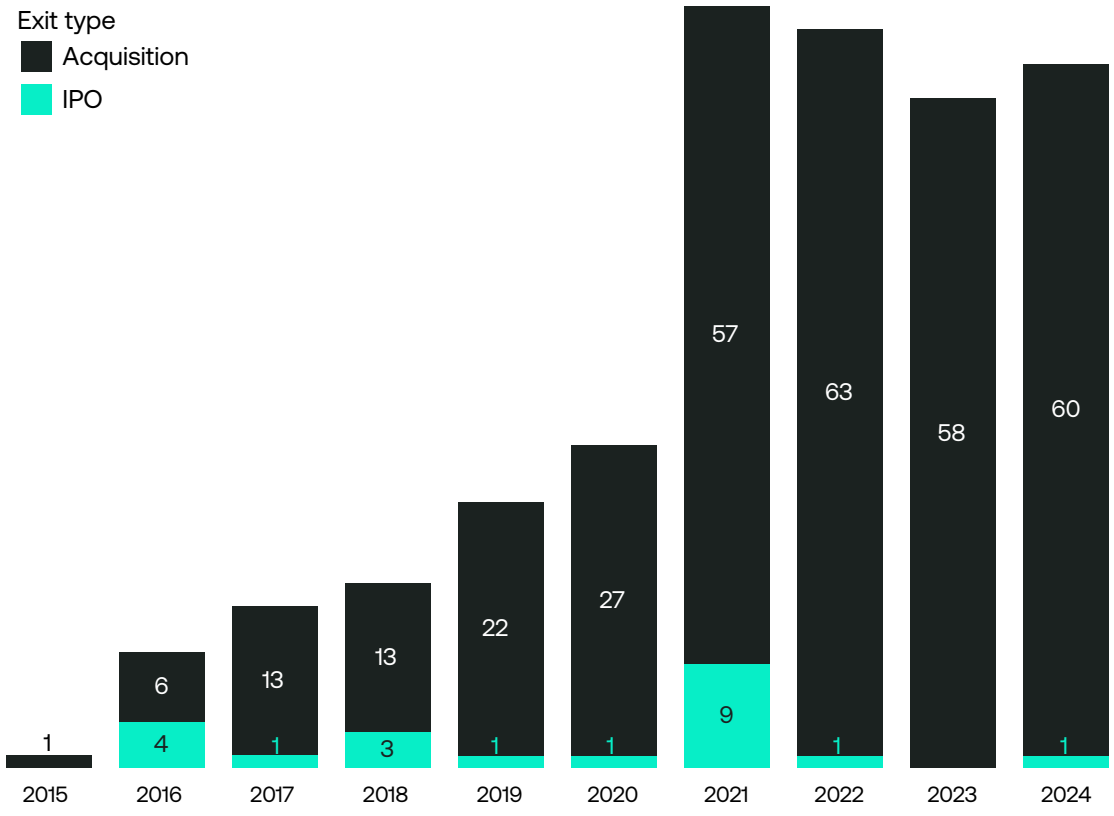
Of the top 15 spinouts raising investment between 2023 and 2024, eight spun out from the University of Oxford.

Company exits - M&A transactions dominate the exit environment

Over the past decade, there have been 341 exits in the deep tech space, corresponding to 320 acquisitions and 21 initial public offerings (IPOs). The top year for deep tech exits during this period was 2021, when 66 companies exited. Of these, nine went public—the most in the past decade.

The number of exits in 2024 has remained considerably high, with a total of 61 exits.

Number of deep tech company exits by type of exit (2015 - 2024)



At least five exits between 2023 and 2024 were £100m+

Company name	Company type	Year of exit	Exit type	Acquisition price / IPO market capitalisation
Darktrace	Deeptech	2024	Acquisition	£3.99b
Graphcore	Future of compute	2024	Acquisition	£462m
InstaDeep	Deeptech	2023	Acquisition	£362m
LandVault	Deeptech	2024	Acquisition	£352m
Celixir	Deeptech	2023	Acquisition	£135m
30 Technology	Deeptech	2023	Acquisition	£92.0m
Ocean Polymers	Deeptech	2023	Acquisition	£86.4m
Angstrom Sports	Deeptech	2023	Acquisition	£81.0m
Yellowstone Biosciences	Deeptech	2024	Acquisition	£16.5m
IntelliAM	Deeptech	2024	IPO	£15.4m

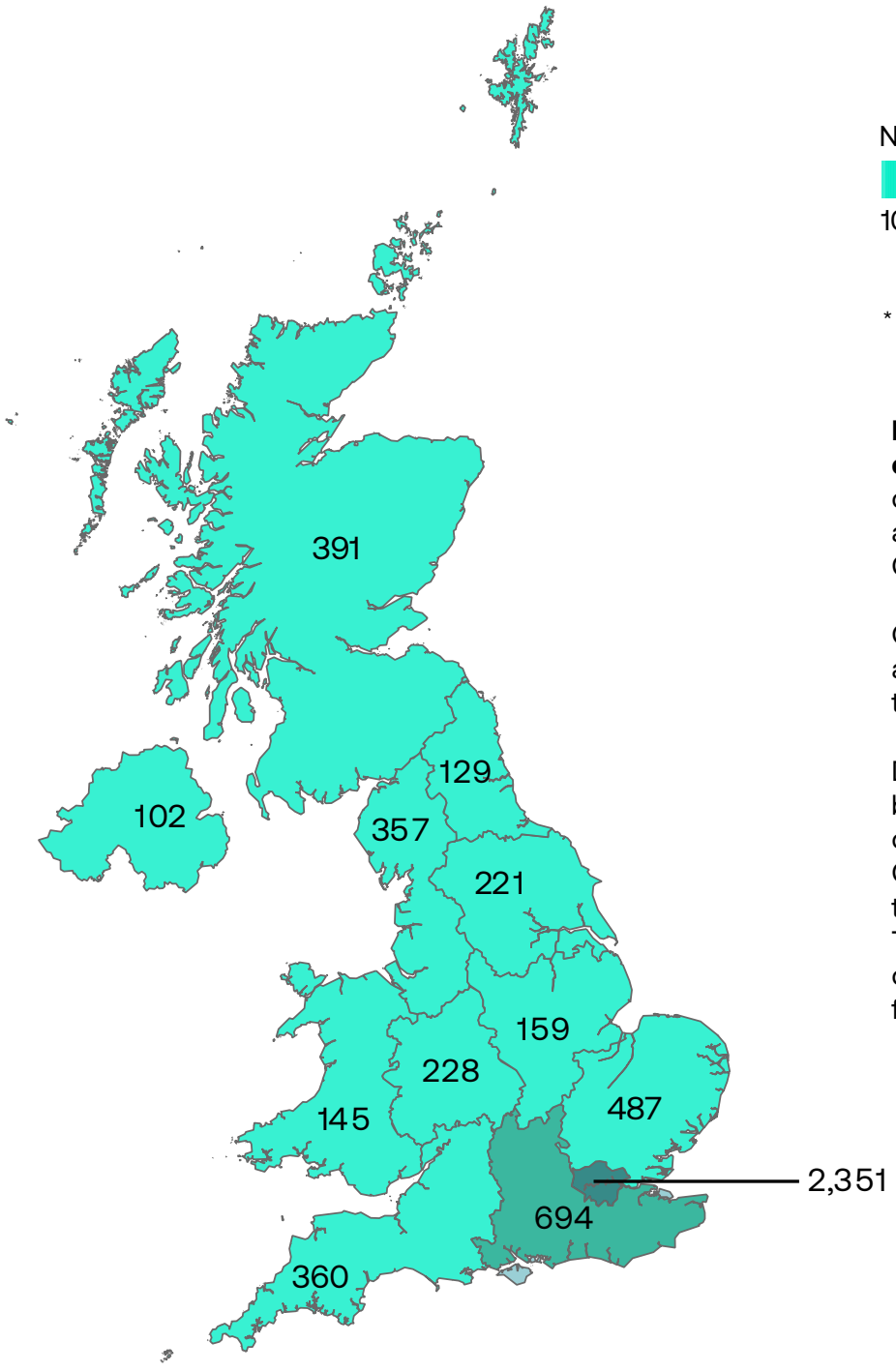
Top acquisition

The top exit in 2024 by total consideration paid was Darktrace. The cybersecurity firm was acquired by US-based firm Thoma Bravo at a valuation of £3.99b in October 2024.

Top IPO

The top IPO in 2024 (ranked by market capitalisation) was IntelliAM. It underwent a £15.4m IPO in July 2024. The company uses AI and machine learning to optimise manufacturing processes.

Regional distribution of active deep tech companies in the UK (2024)



Number of companies*

102 2,351

* includes the location of 5,613 active deep tech companies incorporated between (2015 and 2024)

London remains the dominant force in deep tech, with a clear concentration of companies. The top local authorities for active companies are Westminster (432), Camden (367), and Hackney (264).

Outside of London, the top local authority is Cambridge (144), followed by the City of Edinburgh (142).

Despite deep tech firms being mostly based in the Golden Triangle (the area connecting London, Oxford, and Cambridge), Scotland ranks highly in terms of active deep tech companies. This signals momentum for Scotland's deep tech ecosystem and opportunities for expansion.

Future of compute overview.

Thematic overview

The future of compute represents a small but thriving subset of the deep tech sector, driving the next generation of computing technologies that will enhance the UK's computing capabilities.

This area gained strategic focus in 2022 when the Independent Review of the Future of Compute was published, setting out 10 strategic recommendations to strengthen the UK's computing capabilities. The review highlighted that the UK's long-term economic growth and ambition to become a Science and Technology Superpower by 2030 hinge on advancing computing to maximise its impact across the economy and science base. The government's AI Opportunities Action Plan further highlights this, with the expansion of AI relying heavily on enhanced computing.

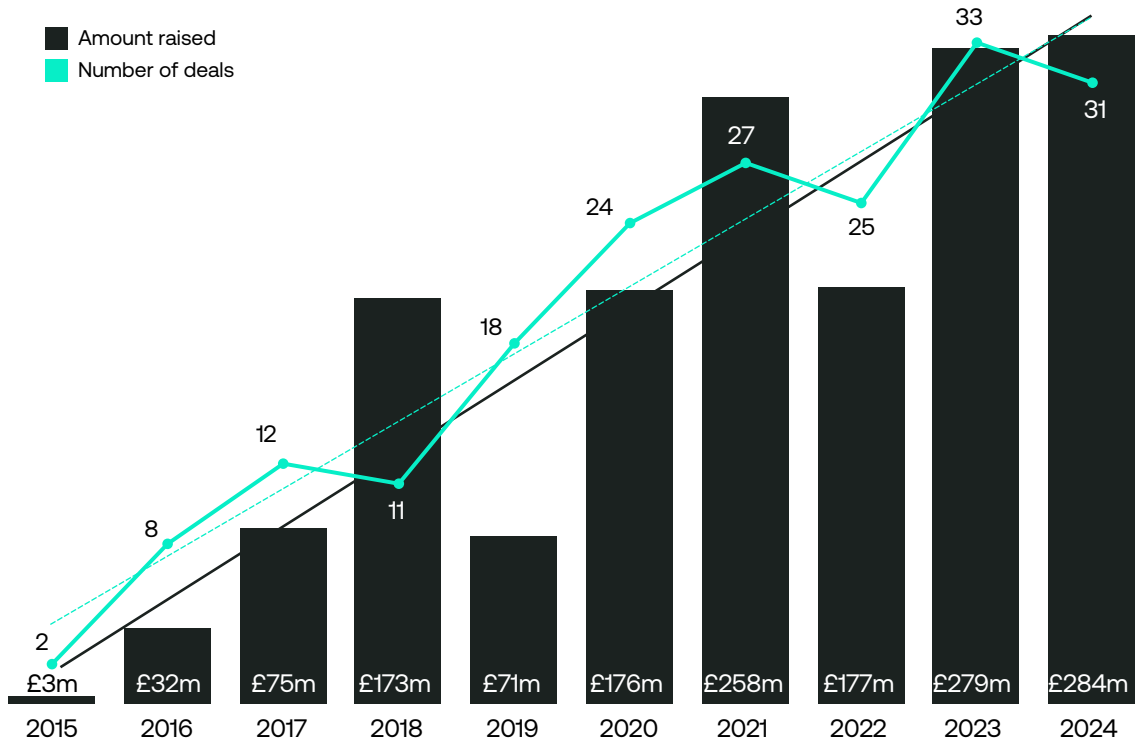
Companies such as Oriole Networks are leading this charge, pioneering photonic switching to create faster, more energy-efficient networks. Its technology supports high-performance computing and data centres, strengthening AI capabilities while reducing environmental impact.

Investment trends reflect the capital-intensive nature of this sector. While both deep tech and future of compute companies have seen sharp increases in public and private funding since 2015, future of compute companies secure, on average, £5.3m more per deal than the wider deep tech cohort. This suggests that computing companies face higher costs related to infrastructure, talent, and R&D—consistent with the demands of scaling and technological innovation in the computing space.

[1] "Independent Review of the Future of Compute: Final Report and Recommendations." GOV.UK. 2022. https://www.gov.uk/government/publications/future-of-compute-review/the-future-of-compute-report-of-the-review-of-independent-panel-of-experts.
[2] "AI Opportunities Action Plan." Department for Science, Innovation & Technology. GOV.UK. 2025. https://www.gov.uk/government/publications/ai-opportunities-action-plan/ai-opportunities-action-plan.

Equity investment – the rapid rise in investment over the past decade

Equity investment secured by future of compute companies in the UK (2015 - 2024)



From 2015 to 2024, companies in the future of compute sector secured a total of £1.53b in equity funding, showcasing a sharp increase in funding from £3m in 2015 to £284m in 2024. Graphcore was a notable recipient within this group, securing several large deals, including a £158m round in 2018 and a £162m deal in 2021.

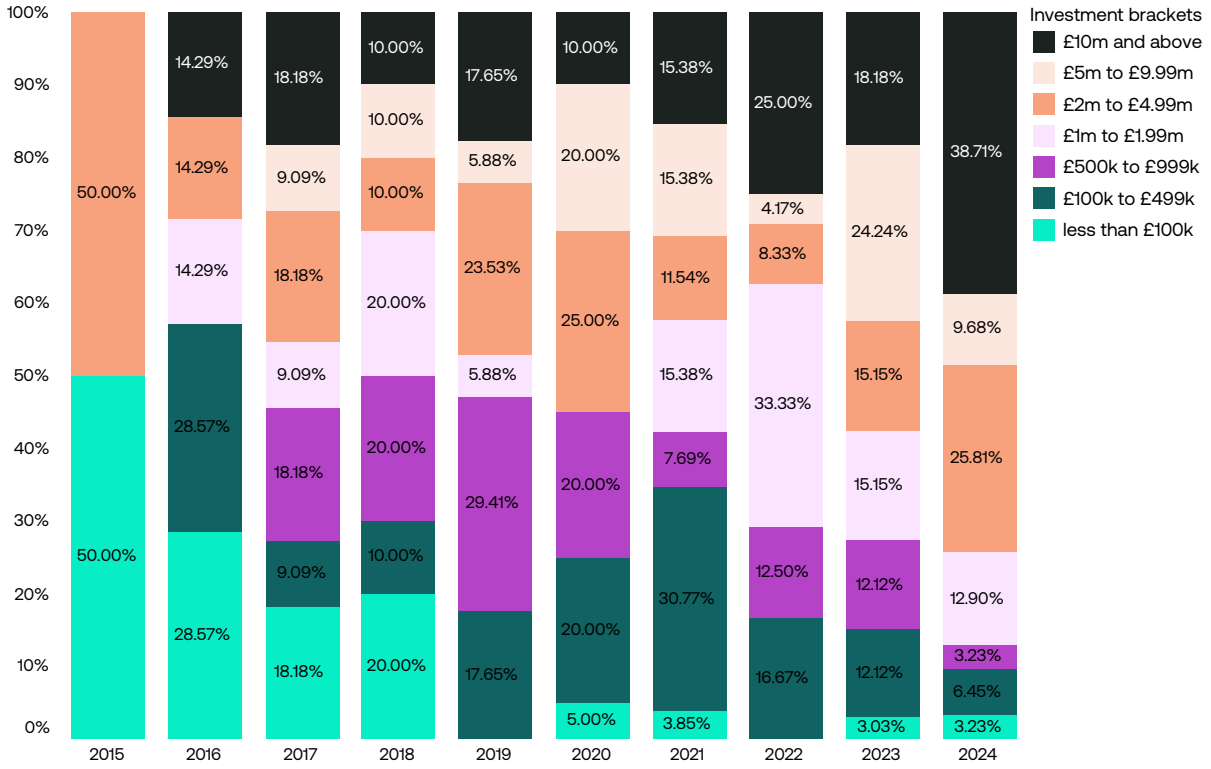
The number of deals peaked at 33 in 2023, reflecting rising investor confidence in next-generation computing technologies. Despite some fluctuations, the sector has maintained strong momentum, and funding increased in 2024.

Breakdown of deals by size – the rise of mega rounds

In 2024, the proportion of deals valued at £2 million and above reached its highest point, representing 74.2% of all transactions. Meanwhile, £10m+ mega rounds accounted for 38.7% of all deals.

The rate of deals valued under £100k has been on a decline, with only 3.23% of deals in 2024 falling into this category.

Breakdown of equity investment into future of compute companies by size of deal (using deal numbers) (2015 - 2024)

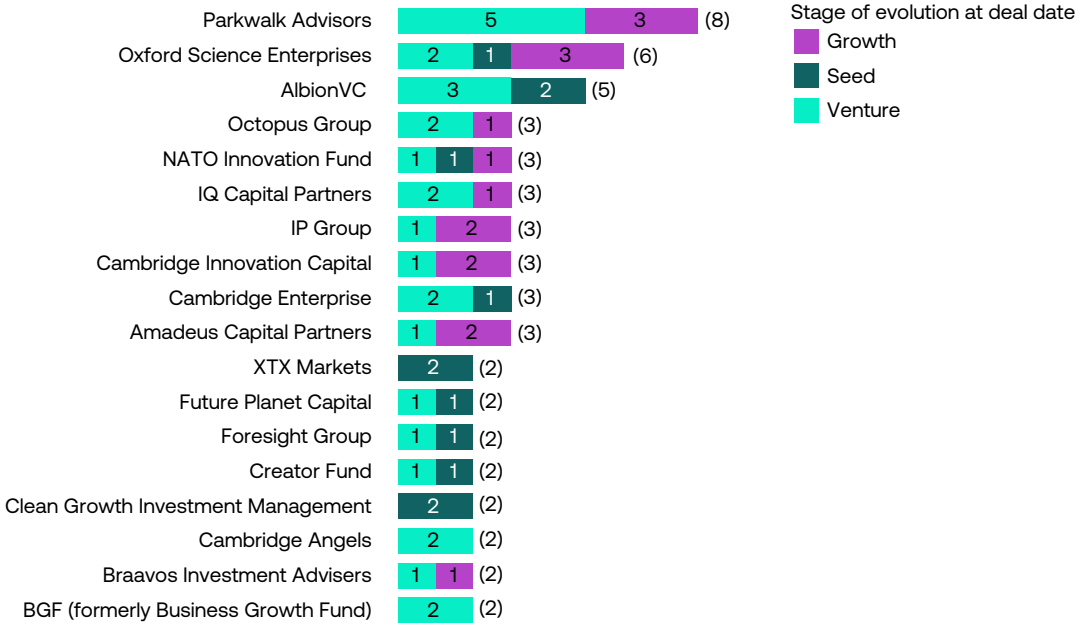


The most active VC investors

Out of the 64 deals in the future of compute cohort, 79.7% were valued at over £2m. The investors listed in this ranking all participated in deals over £1m. The top investor into future of compute companies is Parkwalk Advisors. The fund participated in a total of eight deals—all valued at over £2m.

Among the top investors providing follow-on investment is AlbionVC, which participated in the funding rounds of Phasecraft and Oriole Networks.

Top investors participating in future of compute deals over £2m by total number and stage of deals (2023 - 2024)



Top investment recipients

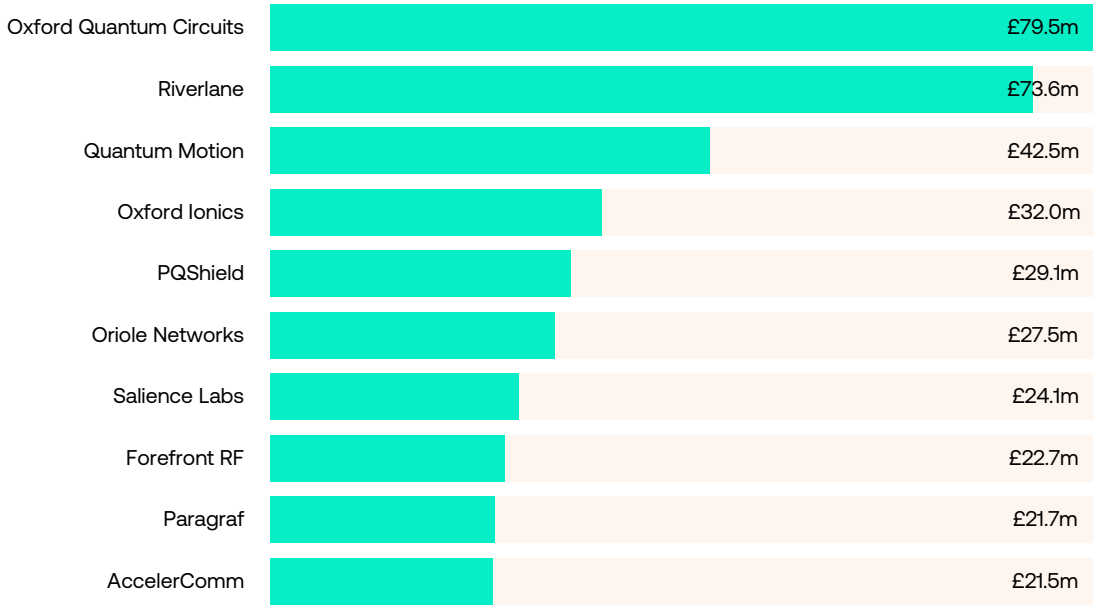
The top investment recipient between 2023 and 2024 among future of compute companies is Oxford Quantum Circuits. In total, the University of Oxford spinout raised £79.5m in equity across these two years, via two fundraisings. Oxford Quantum Circuits develops quantum computers using superconducting circuits. Since its launch in 2017, it has raised £120m in equity via four deals.

Riverlane raised a total of £73.6m via two deals between 2023 and 2024. The company raised £15.0m in its first round in April 2023, followed by a second fundraising in August 2024 for a total of £58.6m. Riverlane develops proprietary software to reduce data errors in quantum computing.

"UCL spinout Oriole Networks raised £27.5m in just 18 months after incorporation, demonstrating the team's unique ability to scale university research into global product enabling the AI paradigm shift".

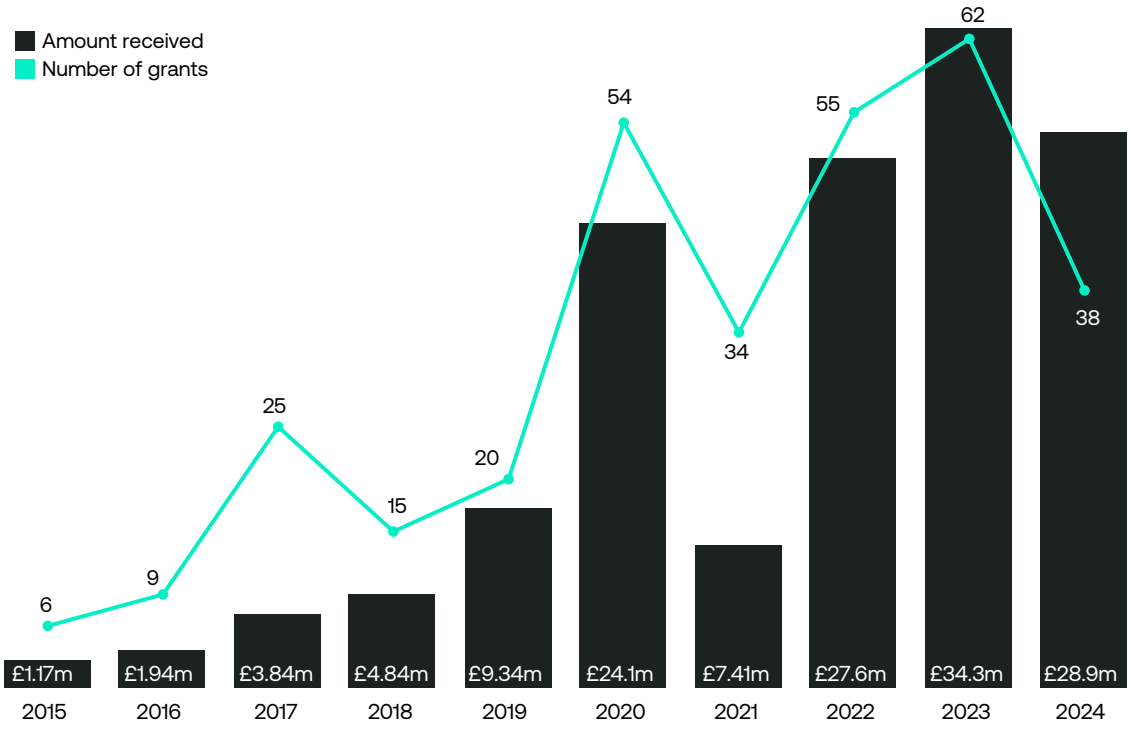
Sebastian Hunte, Investor AlbionVC

Top future of compute investment recipients by value of deals secured (2023 - 2024)



Grant funding

Grant funding awarded to future of compute companies in the UK (2015 - 2024)



Over the past decade, the future of compute sub-sector secured £143m in grant funding via a total of 318 grants. During this period, the top recipient was M Squared, which received £17.4m of the total grant funding.

Other top grantees included Riverlane and Orca Computing. These companies received a total of 19 and 18 grants respectively.

"While grant funding for the future of compute companies has gone up over the past decade, it is still only 10% of the equity investments made in 2024 signalling an opportunity for the government to double down on supporting this strategically important sector."

David Grimm, Partner AlbionVC

Top academic institutions

Top academic institutions by future of compute spinout count (incorporated 2015 - 2024)

The University of Oxford is the leading university by number of future of compute spinouts.

The University of Oxford is the leading university by count of future of compute spinouts, with a total of eight.

Tied for second place, the London ecosystem along with the University of Cambridge each produced six spinouts. An emerging player in the future of compute space is Oriole Networks. Founded in 2023, the UCL spinout develops technology to make data centres more energy efficient. Since its inception, it has secured £27.5m in equity via two rounds of funding. It has been backed by investors including AlbionVC, Plural, XTX Ventures, Clean Growth Fund, and Dorilton Ventures.

Future of compute company exits (2015 - 2024)

Given that in 2015 only £3 million was invested in all future of compute companies in the UK, it is not surprising that the sector has not yet established a strong exit track record, however positive early signs are emerging within the M&A market:

Graphcore (2024)

Graphcore develops accelerators for AI and machine learning. The company spun out from the University of Bristol in 2016 and raised a total of £528m in equity via eight rounds. It was acquired by SoftBank Group in 2024 for £462m.

Lumenisity (2022)

Lumenisity was formed in 2016 as a spinout from the University of Southampton. It develops fibre optic cables. Prior to being acquired in December 2022 by Microsoft, the company raised £28.4m in equity via four rounds.

ArQit (2021)

Established in 2017, London-based ArQit develops a global quantum key distribution network—a communication method using encryption. It was acquired by US-based Centricus Acquisition Corp. in 2021.

Fastest growing companies by headcount growth (2021 - 2024)

Oxford Ionics (77.3%)

Oxford Ionics develops quantum computing technology, developing and manufacturing a trapped-ion silicon chip. The company spun out of the University of Oxford in 2019, and to date has raised £34.5m in equity via three deals. It has also received nine grants totalling £6.33m. The company grew its team from seven employees in 2021 to 39 in 2024.

AegiQ (71.0%)

Founded in 2019, AegiQ develops quantum computing photonics hardware. Since launch, the University of Sheffield spinout has raised £8.24m in equity via five deals, with investors including Quantum Exponential and Deepbridge Capital. The company has also won a collective £3.72m in grant funding, via a total of seven grants. In 2021, AegiQ employed three people. This value has grown by a CAGR of 71.0%, to 15 employees by the end of 2024.

Phasecraft (48.1%)

Bristol-based Phasecraft develops quantum software, with applications in modelling and simulations, allowing scientists to predict the outcomes of chemical reactions. The company is an academic spinout emerging from the universities of Bristol and UCL. Since its incorporation in 2018, it has raised £17.4m in equity via three fundraisings, including continued support from AlbionVC. Phasecraft grew its employee base from eight in 2021, to 26 in 2024, marking a 48.1% compound annual growth rate.

Key takeaways

Deep tech

- **A decade of resilience and growth** — deep tech companies secured £32.0b of equity investment from 2015 to 2024.
- **Maturing investment ecosystem** — The amount invested in rounds exceeding £2m has nearly doubled up from £2.58b in 2019 to £4.68bn in 2024, with £10 million and above rounds securing £3.34b in 2024.
- **London is UK deep tech hub** — home to 42% of all deep tech companies with London universities producing a strong pipeline of deep tech spinouts.

£32.0b

Total equity raised by deep tech companies (2015 - 2024)

£3.34b

Total equity raised by rounds over £10m in 2024

Future of compute

- **Rapid rise in equity investment** — from £3m in 2015 to £284m in 2024.
- **Mega rounds have transformed funding** — 74.2% of funding in 2024 were in deals valued £2m+, with £10m+ rounds dominating the space.
- 69 UK companies to watch.

£1.53b

Total equity raised by future of compute companies (2015 - 2024)

40%

of all deals within Future of Compute were £10m+ rounds in 2024

Concluding remarks

This report examines the deep tech sector over the past decade, highlighting a resilient and evolving ecosystem. Deep tech offers transformative solutions to some of humanity's greatest challenges, driving job creation, new ways of thinking, and technologies that will secure the UK's future in AI, quantum computing and clean energy. Realising its full potential will require strategic policies to support R&D, strengthen the startup ecosystem, and create regulatory frameworks that balance innovation with risk. These steps will be critical as the UK positions itself as a Science and Technology Superpower in the Fifth Industrial Revolution.

"The Deep Tech and Future of Compute Report shows how the UK is emerging as a global leader in these industries, particularly in fields like quantum computing, where we're seeing world-class innovation driven by university spinouts and cutting-edge research. The rapid growth in larger deal sizes, over £10 million, signals increasing investor confidence in a new generation of breakthrough startups with a capital base to scale into global leaders."

David Grimm, Partner, AlbionVC

Appendix.

Methodology

While there is no universal definition of deep tech, the term generally refers to a broad and evolving category of technologies driven by significant innovations in engineering and science.

To identify deep tech companies for this report, sub-sectors of Beauhurst-defined industries and emerging technologies were used in combination with growth milestones.

These growth milestones (outlined on the right) are Beauhurst-defined high-growth triggers, which represent a significant event or achievement that validates a company's growth, innovation, or strategic progress. More detail on Beauhurst's tracking triggers is available via their website.

A 10-year company limit on company age is applied. The age limit and the growth milestones work together to ensure this report provides a closer analysis of how starting and scaling deep tech companies are faring in the UK, minimising the inclusion of older companies that may have diversified beyond their initial deep tech focus.

Equity investment
To be included in our analysis, any investment must be:

- Some form of equity investment
- Secured by a non-listed UK company
- Issued between 1 January 2015 and 31 December 2024

High-growth tracking triggers


Equity investment


Scaleups


Accelerator attendances


MBOs/MBIs


Academic spinouts


High-growth lists


Major grant recipients


Venture debt

About

Beauhurst

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Beauhurst is the ultimate source of UK private company data.

Through our data platform, we provide data on every UK private company—from investments and hiring status, to patents and trade data—identifying hidden growth, innovation, risk, and ESG signals across UK companies.

Our Research and Consultancy team can provide powerful insights, thought leadership, and data-led reports.

Please get in touch if you would like to talk about a project.

AlbionVC

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AlbionVC supports visionary founders and technologies with long-term capital and scale-up know-how.

Founded in 1996, it was amongst the first to back leading global success stories such as Booking.com, Egress, Quantexa and Oviva. With £1bn in AUM and over 100 exits successfully realised, it funds venture breakthroughs that drive real outcomes for founders, investors and society.

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