

Record levels of investment for UK's £10.1 billion cyber security sector

- UK-registered cyber firms raised more than £1 billion external investment in 84 deals
- More than 6,000 new jobs added to the UK's 50,000-strong cyber workforce

Britain's tech sector continues to break records as new government data shows more than 1,800 cyber security firms generated a total of £10.1 billion in revenue in the most recent financial year, a 14 per cent increase from the previous financial year.

The DCMS [Annual Cyber Sector Report](#), which tracks the growth and performance of the UK's cyber security industry, reveals the sector contributed around £5.3 billion to the UK economy in 2021, rising by a third on the previous year from £4 billion – the largest increase since the report began in 2018.

Employment across the industry rose by 13 per cent, with more than 6,000 new jobs created, opening up new opportunities for people up and down the UK to join the sector and share its wealth. This brings the total number of people working in cyber in the UK to 52,700.

There were 1,838 active cyber security firms in the UK in 2021. More than half are based outside of London and the South East, with cyber security showing growth in the North East and East Midlands. The report highlights this move could be a result of remote working increasing regional opportunities.

UK-registered cyber security firms attracted record levels of external investment, with more than £1 billion secured across 84 deals by companies including Bristol-based Immersive Labs, which raised £53.5 million, and London-headquartered Tessian which secured more than £52 million in funding.

Digital Secretary Nadine Dorries said:

Cyber security firms are major contributors to the UK's incredible tech success story.

Hundreds of British firms from Edinburgh to Bristol are developing and selling cutting-edge cyber tools around the world that make it safer for people to live and work online.

We are investing in skills training and business initiatives to help the UK go from strength to strength as a global cyber power and open up the sector to people from all walks of life.

Over the last decade, the UK has established itself as a leader in areas including network security, threat monitoring and professional services which has contributed to the sector's double digit growth last year.

Almost 300 UK-headquartered cyber security firms have offices in international markets, with 56 per cent offering their products and services in the United States and 46 per cent exporting to the European Union.

The UK attracted a number of foreign companies, with US-headquartered companies representing one in ten UK-based cyber companies, highlighting the importance of US-UK collaboration in this area to support the UK's economic growth.

The findings come as Digital Minister Julia Lopez addresses the CyberASAP demo day today. The event gives UK academics the opportunity to showcase innovative new cyber security products to potential buyers.

Vicky Brock CEO and co-founder of Vistalworks said:

Vistalworks was originally founded in response to a Scottish government innovation challenge to find innovative technology solutions to online illicit trade.

As we've grown, working closely with our government agency and cyber security stakeholders has remained incredibly important.

The Cyber Runway Scale programme has enabled us to reach new public and private sector contacts, including contracts with banks and enforcement, and has helped us develop the skills and awareness we need to take our intelligence solutions to new markets and partners across the rest of the UK and beyond.

Lorna Armitage, co-founder, CAPSLOCK said:

The support of Plexal and government-funded programmes like Cyber Runway has enabled CAPSLOCK to accelerate our growth from a young startup in 2020 to the 'most innovative cyber security SME of 2021', as named by DCMS.

Our relationship with Plexal has given us a great platform to talk

about our commitment to promoting equality and diversity in the cyber security industry. For example, we spoke to fellow Cyber Runway members about the challenges faced by female co-founders and women in cyber.

The government's [National Cyber Strategy](#) is supporting UK firms to grow and scale up through a number of schemes including the National Cyber Security Centre Startups and CyberFirst bursary schemes, the London Office for Rapid Cyber security Advancement, and the Cyber Runway programme which helps entrepreneurs and businesses access a range of services to turn their ideas into commercial successes.

The Department for Digital, Culture, Media and Sport has launched a number of skills initiatives including the Cyber Explorers youth programme and skills bootcamps. It is boosting careers in the cyber workforce by supporting new apprenticeship standards and helping to standardise the professional cyber security landscape with the new UK Cyber Security Council.

ENDS

Notes to editors

Ipsos MORI, Perspective Economics and the Centre for Secure Information Technologies (CSIT) at Queen's University Belfast were jointly commissioned by DCMS to analyse the UK's cyber security sector. [The full 2022 report is here](#).

This latest analysis builds upon the baseline UK Cyber Security Sectoral Analysis which used data from 2020 and was published in February 2021. The Cyber Security Sectoral Analysis 2021 report can be found [here](#).

For this year's study, the methodology was refined to improve the identification of businesses offering cyber security products and services in the UK. The cyber security sector is fast-moving and always subject to changes in products, services and market approaches.