

# Tech IPOs raised a record £6.6 billion in 2021, double 2020 figures

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- A total of 37 tech and consumer internet companies went public last year, including fintech Wise, consumer review site Trustpilot and online marketplace Auction Technology Group
- London also proved its international competitiveness by attracting companies from Europe (TrustPilot), Canada (AlphawaveIP) and the US (Devolver Digital)

Following a year of bumper public debuts by tech companies, analysis shows that tech IPOs in the UK raised £6.6 billion, more than double 2020's figures of £3.1 billion, according to data from the London Stock Exchange (LSE). With 126 companies listing in the UK in 2021, tech companies made up 29% of listings on the LSE, indicating the UK tech industry's increasing maturity and driving much of the London market's success.

The analysis is revealed as Prime Minister Boris Johnson, Digital Minister Chris Philp and Economic Secretary to the Treasury John Glen speak with founders and leaders from leading high-growth tech companies from No 10 Downing Street today, including Quantexa, Bought by Many, Oxford Nanopore and OakNorth. They are expected to discuss the strengths of the UK tech ecosystem and highlight how the implementation of reforms recommended by Lord Hill in his recent UK Listings Review will make London an even more attractive destination for tech.

## **Tech leading the way**

Landmark IPOs of UK-headquartered businesses in 2021 included Deliveroo, Moonpig and Trustpilot. The 37 tech IPOs compare with just eight in 2020. London also proved its international competitiveness by attracting companies from Denmark (Trustpilot), Canada (AlphawaveIP) and the US (Devolver Digital)

Fintech has been a leading area of UK tech over the past five years, with the country home to almost 4,000 fintech companies according to Dealroom, which have disrupted traditional financial services. It follows then that this would be one of the dominant categories of tech companies making public debuts in 2021, with a total of seven fintech companies listing including LendInvest, PensionBee and Wise.

Ecommerce companies were another dominant category, illustrating the increasing trend towards online shopping which accelerated sharply during the pandemic. A total of 10 ecommerce companies listed in London in 2021. This included consumer commerce companies such as Moonpig, Made.com and InTheStyle, as well as B2B companies including CM0stores.com which serves construction businesses.

## **Growth in appetite to list**

The publication of Lord Hill's UK Listings Review in March 2021 was a turning point in encouraging innovative and tech-led companies to choose London. It demonstrated the UK Government wants the UK Capital Markets to be the global destination for innovative companies to fund themselves. Proposals to reform dual class share structures, free float requirements and other elements of importance to founder-led businesses were picked up and taken forward by government and the Financial Conduct Authority at pace, followed by a surge in tech listings seen last year.

The listing rule reforms also saw the evolution of the UK's SPAC (special purpose acquisition company) regime to better meet the needs of those seeking capital, with investment firm Hambro Perks announcing in November that it was launching London's first SPAC under the new rules.

Following the success of the UK's tech sector in recent years, 2022 now has the potential to be another record-breaking year, with the maturity of the UK tech sector indicating a strong pipeline of companies ready to come to market. According to the latest data by Dealroom, the UK is now home to 116 unicorns – tech companies that are worth \$1 billion or more in value – and 213 futurecorns – high growth tech companies that are predicted to reach the coveted \$1 billion mark in the future, indicating a strong pipeline of listings to come.

Digital Minister Chris Philp said:

2021 was a brilliant year for UK tech and it's great to see just how many companies have grown from startup to scale-up, to finally becoming publicly-listed businesses on the London markets.

Global investors hold London's capital markets in high esteem and as we implement clear governance around innovative fast-growth companies, including rules around AI and data, we believe even more companies will appreciate the advantages that listing in London can give them."

Economic Secretary to the Treasury John Glen said:

Our markets are some of the world's most international and diverse, and provide companies of all sizes with deep, mobile pools of liquid capital to fund and grow their businesses.

The Government is working with firms, the regulators and the stock market to make the UK even more attractive for companies to list, including by reforming our listings regime following Lord Hill's independent review, alongside broader capital markets reforms.

This focus is why 2021 was such a great year for IPOs in the UK, especially in the tech and financial services sectors. The work

does not stop here and we will continue to support the UK's cutting-edge tech sector by making our markets even more attractive.

Julia Hoggett, CEO of London Stock Exchange plc, said:

The UK is home to entrepreneurs, innovators and disruptors across a range of sectors, with some particularly remarkable success stories for companies in the technology sector. Last year demonstrated that the London Stock Exchange is increasingly becoming one of the top destinations for these companies and their founders to finance their visions and thrive. We now have an opportunity to build on this momentum, supported by the ambitions of the UK Government, and for the UK Capital Markets to play a leading role driving growth in the global tech sector and supporting the UK economy for many years to come.

Romi Savova, CEO at PensionBee, said:

We founded PensionBee with the vision to simplify pensions so that everyone can look forward to a happy retirement. Raising capital has enabled us to continue growing and innovating our proposition, such as adding one-off and recurring 'Easy Bank Transfers' through open-banking technology and the ability to track pensions transfers in real-time. We're excited to continue our growth journey and make it easier for everyone to save for their retirement.

Yoram Wijngaarde, founder and CEO at Dealroom, said:

The road for tech startups from pre-seed to IPO and beyond has become a lot shorter and that is testament to the quality and breadth of the UK tech industry. The maturing ecosystem has led to an increase in investor confidence which is likely to grow further over the next few years as more scale-ups get ready for the next step.

**ENDS**

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