

Foreword

The North of England is a vibrant and growing tech ecosystem. With a startup ecosystem valued at £75B and a pipeline of 1,500 VC-backed companies, the North of England is a key driver of the UK's tech economy. South Yorkshire is an important part of the northern landscape and brings expertise in deep tech and physical tech. Our Universities play an ever-increasing role in supporting new startups into the ecosystem, commercialising IP but importantly also providing the right support at the right time to spin out scalable businesses.

For this report with our partners Dealroom, we've focused on the tech companies in South Yorkshire that have raised funding to better understand the scale journey that many startups are now on. We know we have a good mix of new ideas led by determined and talented founders that are not yet raising VC funding – this is notoriously hard to track and part of the work of TECH SY is to help identify more of these businesses and ensure that there's a clear support pathway through the various stages of their growth.

South Yorkshire is a friendly and accessible ecosystem with plenty of open doors and supportive activity. Our amazing tech businesses attract global money, markets and attention which is an important bellwether of the vibrancy of the landscape.

We benefit from a well established and active membership organisation in Sheffield Digital as well as events, groups and programmes led by founders for founders such as Startup Meetups, Venture. Community and The Digital Forge. We have an increasing number of active angels investing in tech and more deals being done at VC level.

There's always more to do and TECH SY's role is to help develop the longer term support pathways way to ensure that the region has a bright, technology led future that leans into the assets and markets already here but also the opportunities ahead. To do that, digging into our data but also looking at our role within the northern and UK wide ecosystems is essential. We are incredibly grateful to Dealroom for working with us to help paint a picture of the ecosystem both here and across the north; please enjoy getting to know us!

Tracey JohnsonProject Director at TECH SY



Executive summary

£75B in value created by startups in the North of **England**

The North of England is competing with some of EMEA's top emerging startup ecosystems.

Top EMEA ecosystems under £100B in EV



North Yorkshire and **Greater Manchester lead** by Ecosystem Value

The North of England's two decacorns, Blockchain.com and Anaplan, were both founded in North Yorkshire.

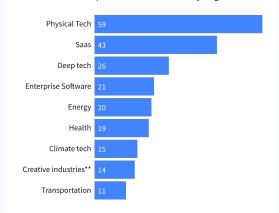
Top regions in the North of England by EV



South Yorkshire has an emerging pipeline of 100+ VC backed startups

With strengths in Physical tech and Deep tech

VC backed startups in South Yorkshire by segment*



Scope of the report

What is a startup?

Startups are companies designed to grow fast. Generally, such companies are VC-investable businesses. Only companies founded since 1990 are included in this report. Throughout the report, "startup" is used to commonly refer to all subtypes of eligible companies, including startups, scaleups and unicorns.

Power law outcomes

Power law outcomes classify companies by valuation and revenue milestones:

Unicorns: Startups that reached US\$1B+ valuation or exited at this level.

Decacorns: A subset of unicorns valued at US\$10B+.

Thoroughbreds: Startups generating US\$100M+ in revenue

They may be counted as part of multiple categories, as many unicorns also qualify as thoroughbreds, and all decacorns are unicorns.

Regional scope

While many startups founded in the North of England/South Yorkshire relocate beyond their borders, most maintain business-critical ties to their homelands.

In order to take this reality into account, the first chapter of this report includes both startups based in the North of England & South Yorkshire, which maintain their main center of business (HQ) in their region of origin, and startups originally founded in these regions but later relocated their HQs elsewhere

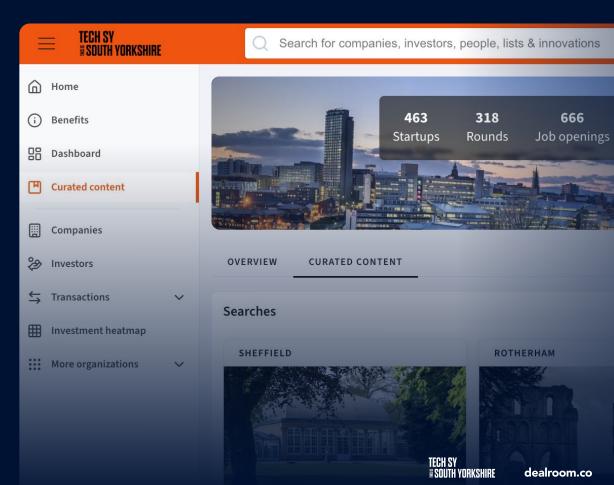
Please refer the methodology section at the end of this report for more details on our approach.



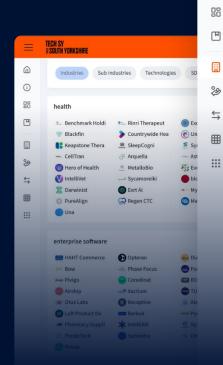
A jointly launched dedicated open-access data platform for the South Yorkshire tech ecosystem

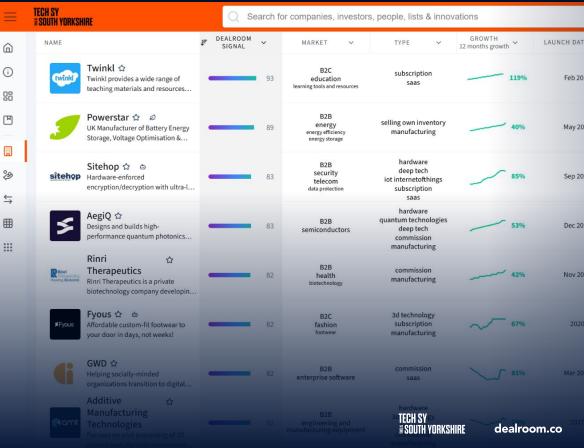
Accessible to anyone, to provide data transparency, learn about the ecosystem, measure KPIs, promote startups.

» view online



Explore South Yorkshire startups mapped across a detailed industry taxonomy

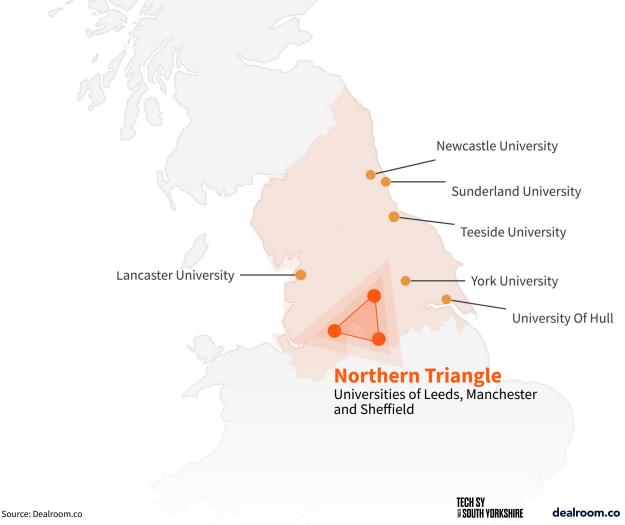




1 The rise of tech in the North of England

- 2 Zoom into South Yorkshire
- 3 South Yorkshire x Venture Capital
- 4 The South Yorkshire Outlook

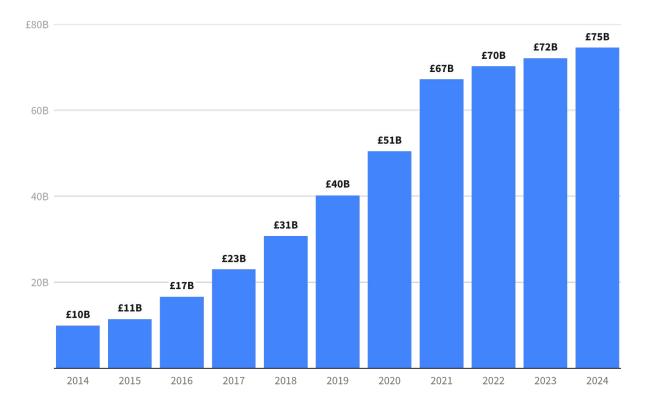
The North of **England is made** up of Yorkshire and the Humber, **North East and North West England**



The combined enterprise value of startups in the North of England has reached £75B

The North of England accounts for 8% of the UK's tech Ecosystem Value, or 18% when excluding London

Ecosystem Value of startups in the North of England » view online



Source: Dealroom.co. Sum of the valuations of all startups in the ecosystem. Using estimated valuations based on most recent VC rounds, public markets and publicly disclosed valuations.





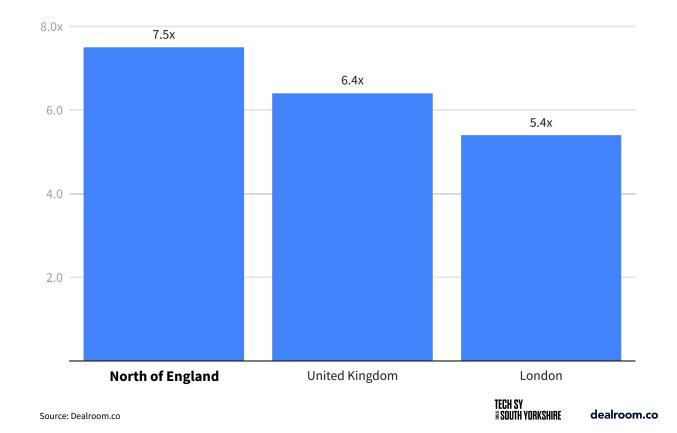
The North of **England** is competing with some of EMEA's top emerging countries

Top EMEA ecosystems under £100B in Ecosystem Value

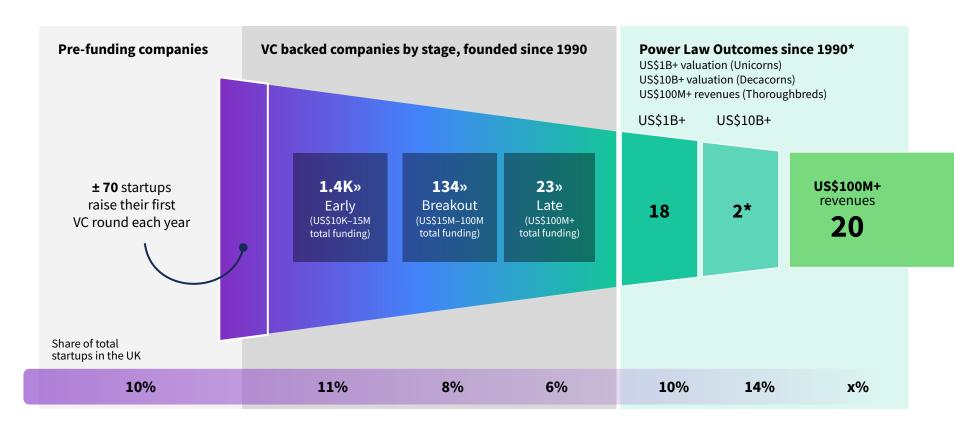


Startups in the North of England have produced over £7.5 in value for every pound of VC invested, ahead of the UK and London

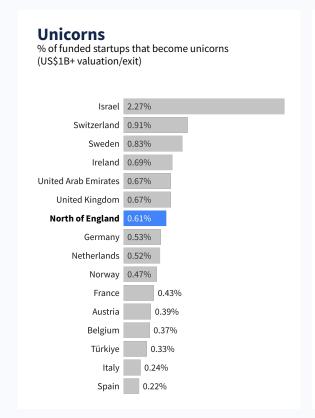
Enterprise value vs VC invested since 2010

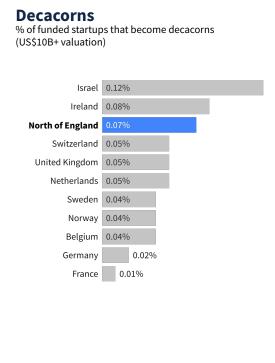


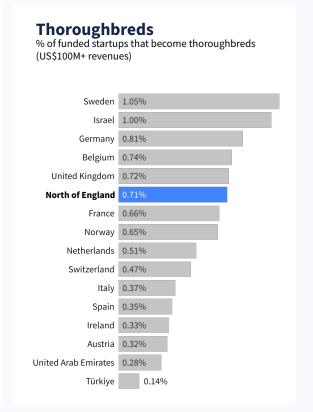
A promising pipeline of startups, with more than 30 Power law outcomes



Strong Power Law outcomes: the North of England outperforms many of EMEA's top tech ecosystems

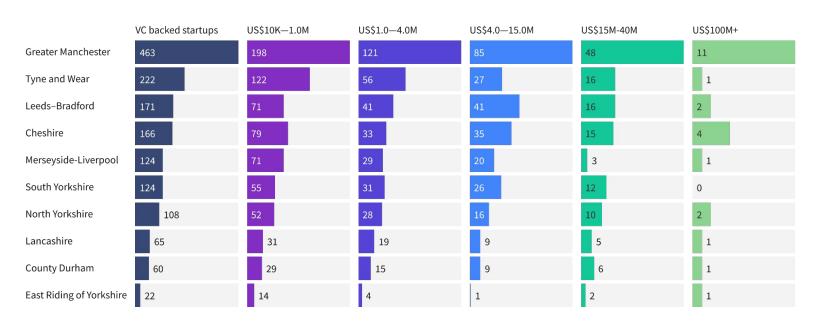






Manchester leads the North by number of VC backed startups, at all stages

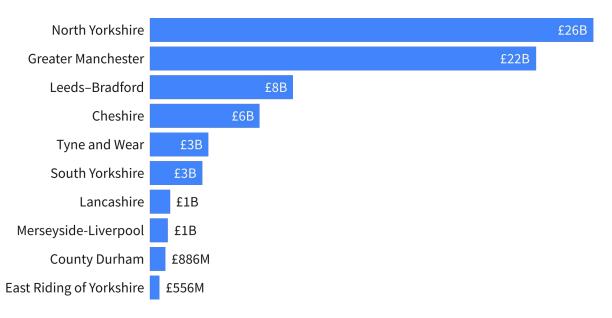
Number of VC backed startups by region and total funding raised



North Yorkshire leads the North by Ecosystem Value, driven by Blockchain.com and Anaplan

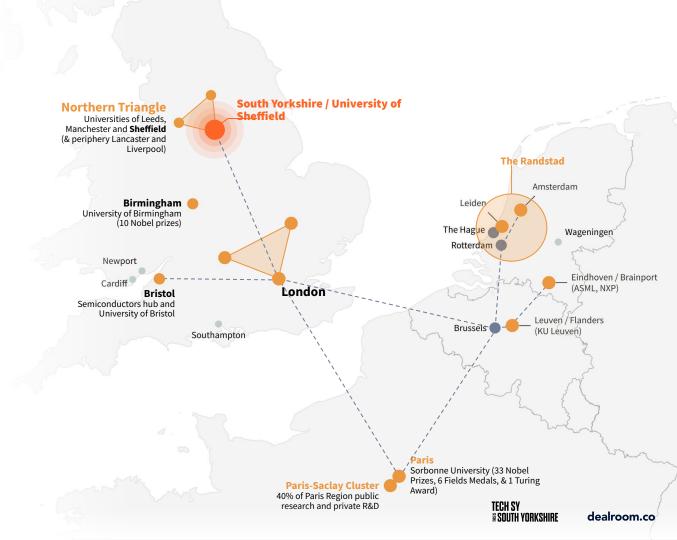
Greater Manchester follows with the second-highest EV

Top regions in the North of England by Ecosystem Value



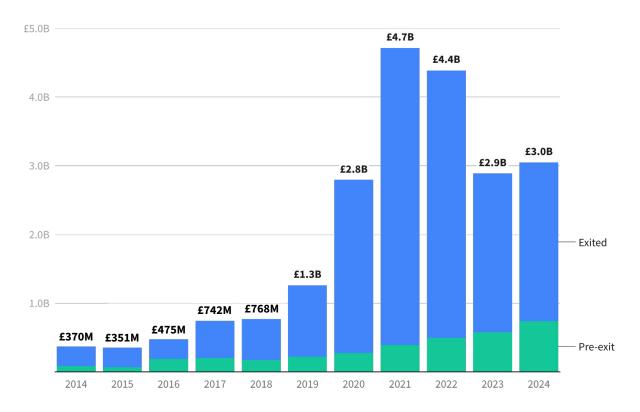
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South Yorkshire is strategically positioned within the Northern Triangle, near Europe's largest tech hubs



South Yorkshire startups are now worth £3B

Ecosystem Value of South Yorkshire startups <u>» view online</u>

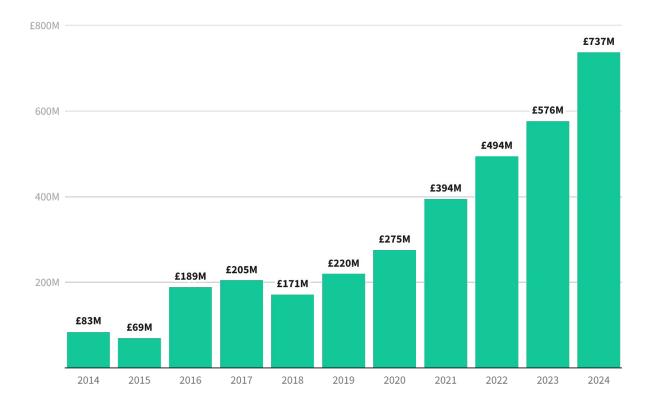


Source: Dealroom.co. Sum of the valuations of all startups in the ecosystem. Using estimated valuations based on most recent VC rounds, public markets and publicly disclosed valuations.

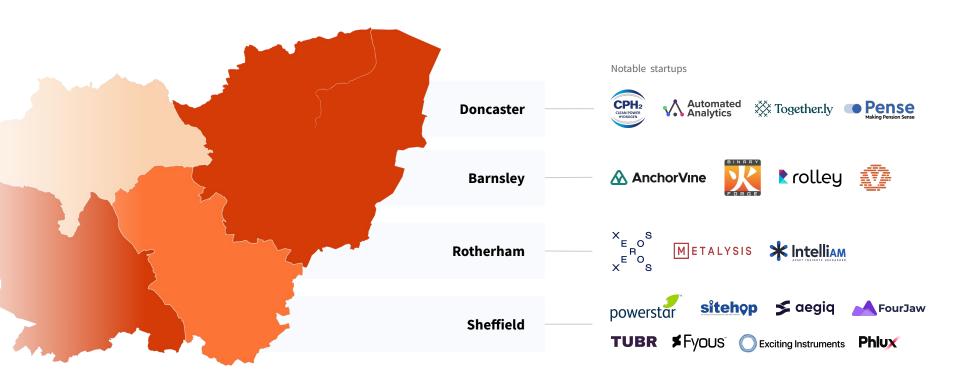


Pre-exit
companies (not
yet public or
acquired) are
now valued at
over £700M,
having grown 9x
in the past
decade

Combined enterprise value of South Yorkshire startups, pre-exit <u>» view online</u>



Promising startups are emerging throughout the region



Innovation in South Yorkshire is fueled by its industrial legacy



Here in South Yorkshire, we're pioneers. We led the world into the first industrial revolution, and we'll do the same with the tech revolution.

We have the world-leading businesses, the agile tech start-ups and the people to create good growth for our communities. This report highlights how our heritage is shaping our future.

The work of TECH SY and others will help us work with our northern partners to drive innovation and build a bigger and better economy in South Yorkshire.





Selected Research Institutes

- Advanced Manufacturing Research Centre (AMRC)*
- Royce Discovery Centre*
- Translational Energy Research Centre (TERC)*
- **UKAEA Fusion Technology Facility**
- Advanced Wellbeing Research Centre (AWRC)
- Sheffield Policy Campus

Major corporates







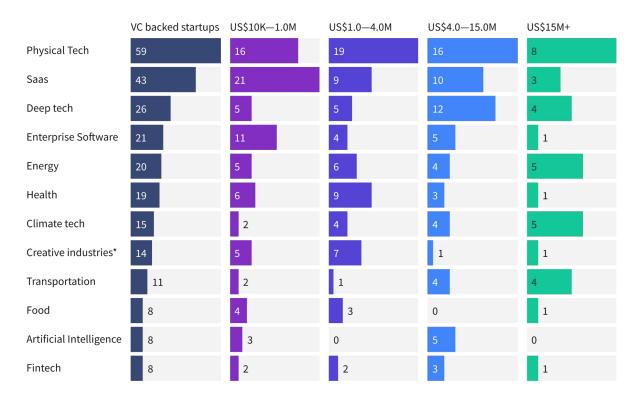






South Yorkshire has a strong pipeline of Physical tech and Deep tech startups, with some late stage outcomes emerging

Number of startups by segment and total funding raised

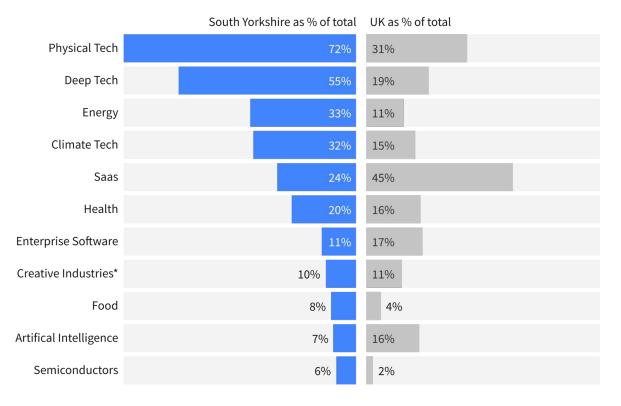


Source: Dealroom.co. Sectors shown overlap between each other. For instance a nuclear energy startups feature both in Physical Tech, Deep Tech, Energy and Climate tech, while a SaaS for energy trading would feature in Energy and Climate Tech, but not in Physical tech and Deep Tech. "Creative Industries includes the following industries on Dealroom: Marketing. Media. Fashion. Music. Gaming.



Physical tech and Deep tech receive a higher share of funding in South Yorkshire than in the UK overall

VC allocation by segment 2020-2024, South Yorkshire vs UK*







Landscape of startups in South Yorkshire by segment

Deep Tech















Health















Climate tech and energy





LIBERTINE

Magnomatics[®]







Food



FUTURE GREENS

☑ Grobotic Systems



nutritoken





ΑI















Creative Industries

≠Fyous



PRΥΛ



IC INNOVATIONS DESIGN LED-QUALITY DELIVERED



Others

twinkl

tuťorful

The Floow

 ${\bf The Build Chain}$













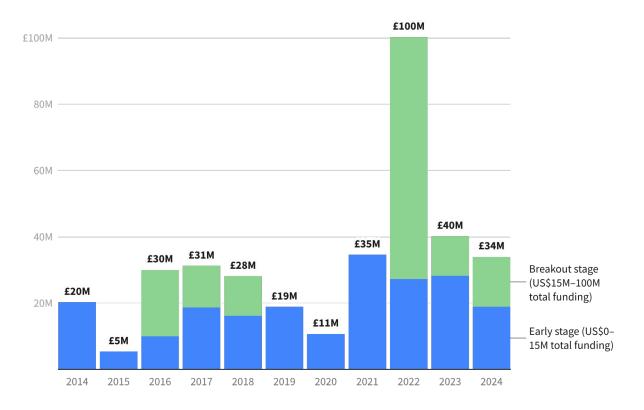
Quidco



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South Yorkshire startups have raised over £200M in VC funding since 2020

VC investment in South Yorkshire by stage <u>» view online</u>

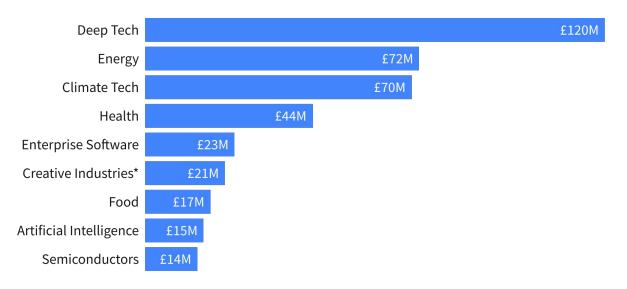


Deep Tech is the top-funded sector, attracting £120M in VC investment

Energy and Climate Tech have also emerged as strong sectors, with over £70M in funding

<u>Iceotope</u> and <u>Clean Power</u> <u>Hydrogen</u> raised the largest rounds, both operating at the intersection of Deep Tech, Climate Tech and Energy

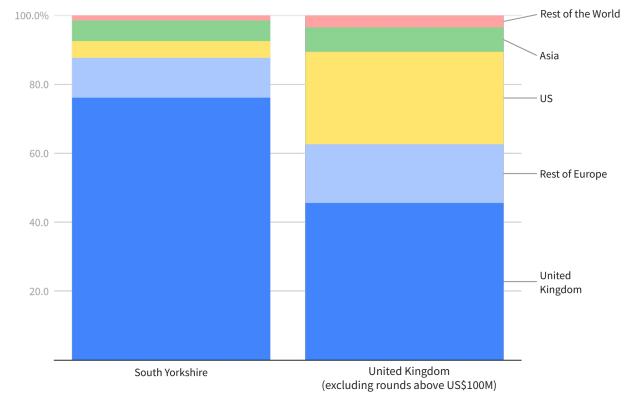
VC investment in South Yorkshire by segment, 2020-2024



75% of South Yorkshire's VC investment came from UK investors

South Yorkshire sees less foreign VC participation than the UK overall

VC investment by source of capital, 2020-2024



Source: Dealroom.co. Excludes undisclosed investors. Excludes megarounds in the UK for a more equivalent comparison with the SY ecosystem. When multiple investors participate in a round, amount invested is equally divided between the co-participants.



Key UK investors backing South **Yorkshire** startups since 2020

Selected active UK investors, since 2020

Investor name	Companies invested in
Mercia Asset Management	AMT, Tutorful, Productive Machines
Northern Powerhouse Investment Fund	Suiso, FourJaw, Sitehop
SFC Capital	Bow, FourJaw, Evolutor
Northern Gritstone	Exciting Instruments, Iceotope, Opteran
Finance Yorkshire	Bow, TUBR, The Build Chain
IQ Capital	Opteran
Praetura Ventures	Bow, Exciting Instruments
Foresight Williams	AMT
UK Future Fund	Rinri Therapeutics, AMT
Seraphim Space	Opteran
Maven Capital Partners	GWD, Automated Analytics
Yorkshire Al Labs	IntelliAM, Purealign
Episode 1 Ventures	Opteran



dealroom.co

There is an emergence of foreign investment into South Yorkshire startups focused on Deep tech, Climate tech and Biotech

Deep tech/Climate tech

Liquid cooling for data centers



Selected Foreign investors

ABC Impac FTSE Group Pavilion Capital

Deep tech

3D printing optimisation



Selected Foreign investors

Saint-Gobain DSM Venturing 15th Rock Ventures

Biotech

Cell therapy for hearing loss



Selected Foreign investors

Boehringer Ingelheim Venture Fund UCB Ventures

Deep tech/AI

Al-powered robotics



Selected Foreign investors

Join Capital Schauenburg Ventures

Deep tech/Semiconductor

Quantum computing



Selected Foreign investors

High-Tech Gründerfonds Black Quant

Deep tech/Biotech

Automation for cell biology



Selected Foreign investors

Acequia Capital SOSV Alumni Ventures

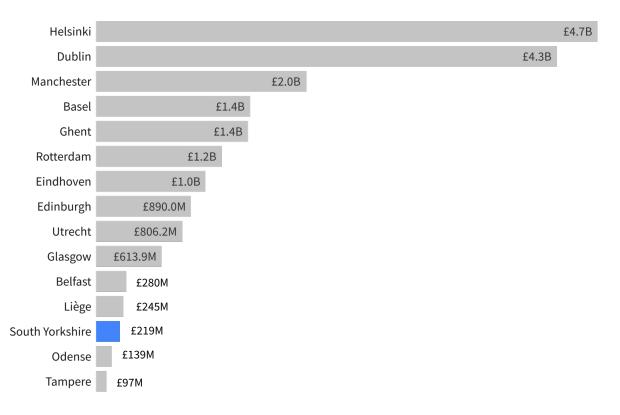
TECH SY

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Page / 30 Source: Dealroom.co

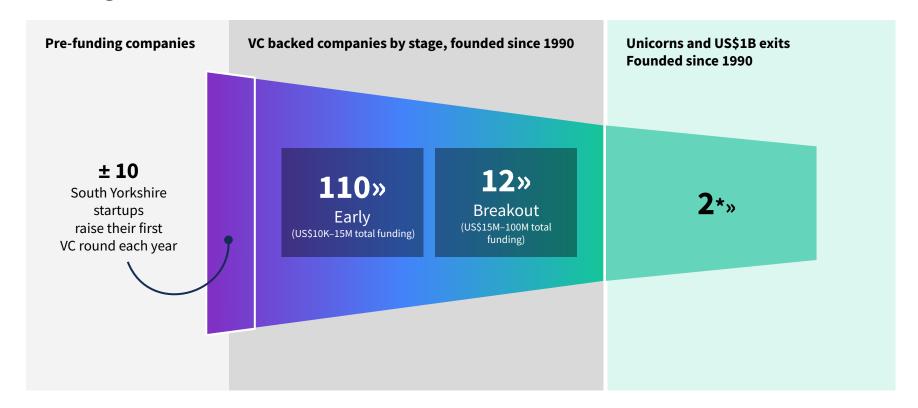
South Yorkshire attracts less VC investment than peer European ecosystems

VC investment in selected European ecosystem, 2020-2024



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South Yorkshire's VC backed startup pipeline is growing, but scaling remains a challenge



Key barriers to scale in South **Yorkshire**

Startups in the South Yorkshire face a range of challenges that hinder their ability to scale. The Barriers to Scale Survey (Tech SY, 2025) highlights the key obstacles they encounter:

- Access to funding was most frequently mentioned (13 responses out of 21) with 10 respondents mentioning investment as inaccessible
- **Network & partnerships**: Several respondents cited a shortage of incubators, accelerators, and mentorship opportunities, limiting support for early-stage startups
- **Infrastructure limitations**: Some startups faced challenges related to physical infrastructure, such as combined lab-office spaces, expensive transport connections, and broadband limitations
- **Talent acquisition:** The biggest productivity challenge cited across surveys was the lack of experienced talent, indicating a pressing gap in senior or specialized talent availability

Source: Dealroom.co analysis of the Barriers to Scale in South

Yorkshire Survey (21 respondents)

South Yorkshire and Sheffield's tech sectors are adapting to change, but talent shortages and hiring challenges remain

Sheffield's tech sector has faced a year of change. While hiring has slowed, a more available talent pool has made recruitment slightly easier. Still, skills shortages remain key barriers to growth. Here's what's shaping the region's tech workforce in 2025:

- Cautious business outlook for 2025: 50% of companies downsized in 2024, far more than the 20% expected last year. Looking ahead, business confidence remains low, with firms adopting a more cautious approach to hiring and investment. Around 20% anticipate further staff reductions
- Growing demand for key tech skills: Programming, AI, and data science remain highly sought-after, alongside growing demand for digital marketing and sales expertise. Companies are prioritizing tech adoption and data-driven roles
- Skills pipeline & education partnerships remain key: University of Sheffield, Sheffield Hallam University, and The Sheffield College play a crucial role in equipping the next generation of tech talent



Many of South Yorkshire's most promising companies are spinouts

» view online

NAME	JF DEALROOM SIGNAL	~	MARKET ~	TYPE ~	GROWTH 12 months growth	LAUNCH DATE V
AegiQ 습 Designs and builds high- performance quantum photonics		83	B2B semiconductors	hardware quantum technologies deep tech commission manufacturing	53%	Dec 2019
Rinri 🏠 Therapeutics Rinri Therapeutics is a private biotechnology company developin		82	B2B health biotechnology	commission manufacturing	42%	Nov 2018
Bow な 曲 BOW simplifies robotics development by centralizing contr	_	80	B2B robotics enterprise software	artificial intelligence hardware deep tech machine learning natural language processing	18%	Mar 2020
XEROS ☆ Ø Old clothes recycling company applying innovative technologies t		80	B2B energy energy efficiency waste solution water	commission manufacturing	22%	Sep 2006
Phlux Technology 🌣 Building infrared sensors that will enable a connected and clean future		80	B2B semiconductors	hardware deep tech selling own inventory manufacturing	50%	Sep 2020
Metalysis な Metalysis Limited owns and operates technology for producing metal		78	B2B space	hardware deep tech manufacturing	11%	2001
Floreon Ø The World's most versatile bioplastic 4 times tougher than standard PLA	_	77	B2B food agritech	hardware deep tech commission manufacturing	50%	2011
MetalloBio な 色 Developing two novel antimicrobial leads to combat multi-drug resista	_	76	B2B health chemicals biotechnology	selling own inventory manufacturing	60%	Mar 2021
Magnomatics & Ø Magnomatics is a high-technology company that develops and			B2B energy transportation energy storage energy efficiency	hardware manufacturing	TECH SY 7% § South Yorkshir	Jul 2006 E dealroom.co

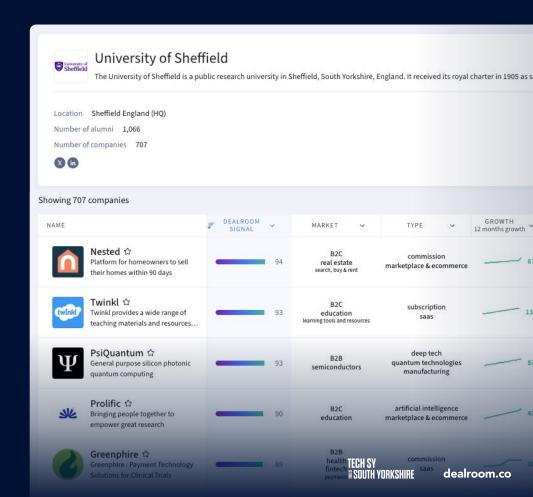
The University of Sheffield is a breeding ground for fostering entrepreneurial talents

60+ alumni founders which raised \$US10M Ranked in the UK top 20

50+ spinoutsRanked 13th in the UK

Selected spinouts raising VC rounds

Bow - £4m seed round in January 2025 Exciting Instruments - £4m seed round in November 2024 SynGenSys - £1.8m seed round in April 2024





The University of Sheffield has built a strong internal ecosystem, increasing spinout creation from one per year in 2016 to 6-8 annually today

Our Commercialisation Journey is fuelling a powerful trend: we're supporting and investing in a record number of founders to launch successful spinouts and attract substantial private investment.

Crucially, they're choosing to anchor their companies right here in South Yorkshire, directly strengthening our burgeoning ecosystem."

South Yorkshire enhances its global competitiveness through collaboration with other northern regions, exemplified by the initiatives taken by the Universities of Manchester, Leeds and Sheffield



Secured £1.5 million from the Research England Connecting Capability Fund.

Ambitious project to develop business talent and connect spinout founders with world leading business experts and mentors



Established by the universities of Manchester, Leeds, and Sheffield to support university spin-outs and IP-rich startups.

They have now Secured £312M, aiming to raise up to £500M.

Northern Triangle Initiative (NTI)

2017 - 2021

Launched with £5 million from the Research England Connecting Capability Fund (CCF). To drive research commercialization, IP

To drive research commercialization, IP development, and entrepreneurship in Northern England

Collaborative

Research Projects

561

Joint research projects completed by the universities

30

2022

new projects funded in 2024 through initiatives like the Newton-Katip Celebi Fund and the International Science Partnership Fund (ISPF)

2024

Methodology

What are startups?

Startups are companies designed to grow fast. Generally, such companies are VC-investable businesses. Only companies founded since 1990 are included in this report.

What is a unicorn?

Unicorns are (former) startups that reached US\$1B valuation or exit at one point in time.

What is a Unicorn?

What is a thoroughbred?

Companies can also be divided by revenue rather than valuation. Thoroughbreds are companies generating \$100M+ in annual revenue.

Underlying Data

Dealroom's proprietary database and software aggregate data from multiple sources: harvesting public information, user-submitted data verified by Dealroom, data engineering. All data is verified and curated with an extensive manual process. Data fro this report was taken in February 2025.

The data on which this report builds is available via app.dealroom.co. For more info please visit dealroom.co or contact support@dealroom.co.

Venture Capital, Investors

Investment are referred to by their round labels such as Seed, Series A, B, C, ... late stage, and growth equity. VC investments exclude debt, non-equity funding, lending capital and grants.

Regional scope

While many startups founded in the North of England/South Yorkshire relocate beyond their borders, most maintain business-critical ties to their homelands.

In order to take this reality into account, the first chapter of this report includes both startups based in the North/South Yorkshire, which maintain their main center of business (HQ) in their region of origin, and startups founded in the North/South Yorkshire, which relocated their HQ outside the region.

Industries, Segments

Dealroom's Intelligence Unit has developed a proprietary technology taxonomy that acts as a foundation and helps navigate existing and emerging technologies.

Dealroom's proprietary taxonomy

Methodology

What is a Deep tech startup?

Deep Tech includes startups working on innovative technologies that are closely linked to the frontiers of science and engineering. These companies inherently take on risk relating to the feasibility of their technologies (R&D risk), as well as the risk in proving market demand for the product which has likely not been seen before in the market (Product/Market fit risk). Deep Tech startups often start with an extended R&D phase, have a higher share of technical staff and involve hardware and/or IP.

The European Deep Tech Report 2023

What is a Physical tech startup?

Physical tech includes startups focusing on manufacturing or on hardware-focused solutions as the core of their offering. It can also include some software focused on physical world applications like AI for robotic intelligence. This broadly includes sectors such as advanced materials and manufacturing, robotics, semiconductors, biotech, energy hardware, and vehicle production among others.

What is an AI startup?

We define a company as "Al-first" if it:

- 1) develops computing infrastructure focused on Al, such as Ai chips and processors or specialized cloud providers for AI
- 2) develops AI models for other companies, such as generative AI foundational models
- 3) develops machine learning operations tools to: prepare, annotate or generate data for AI: to train and optimize/fine-tune AI models; to deploy and monitor AI performances.
- 4) offer products and services which have artificial intelligence as their core feature.

The European Al report 2024

TECH SY **SOUTH YORKSHIRE**



TECH SY is a two year project to scale up the South Yorkshire tech ecosystem, funded by the South Yorkshire Mayoral Combined Authority and delivered by Barnsley Council.

Our ecosystem is growing, and TECH SY is here to build on its development; working with our local authorities, educators, founders, funders and all other partners to be joined up in our efforts.



Dealroom.co is a global intelligence platform startup & VC ecosystems. Clients include Accel, Index Ventures, McKinsey, BCG, Deloitte, Google, AWS, Microsoft, Stripe. Dealroom partners closely with local organizations, to measure, monitor and grow the tech ecosystem across metrics like capital, talent, innovation, entrepreneurship and overall economic dynamism.

