

Edtech investment accelerated by COVID-19

A new report by London & Partners and Dealroom highlights London as top European city for Edtech as coronavirus accelerates online learning and development with London's Edtech ecosystem having an estimated value of \$3.4B. Best in Class: Global Trends in Edtech from a London Perspective explores Edtech VC-led investment trends since 2014, comparing countries and cities in terms of deal value and deal count, and considers the impact of coronavirus on the accelerated adoption of Edtech and the growth of the sector.

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The report reveals that London is the top destination for Edtech investment in Europe, featuring as the only European city in the global Edtech top 10 by total VC investment value. The UK capital comes in eighth globally, with \$630M invested into London-based Edtech companies since 2014. China dominates the top five ranking, with Beijing taking the top spot and Shanghai in third, while San Francisco and Bangalore come in second and fourth respectively.

Last year, London-based Edtech companies raised a total of \$124M in VC investment, ahead of Paris with \$92M and Berlin's \$67M. London's Edtech ecosystem is also the largest in Europe, with an estimated value of \$3.4B. Paris Edtech ecosystem is worth \$1.9B, while Berlin's is \$0.8B.

"The coronavirus pandemic has accelerated the

global adoption of Edtech platforms as schools, universities and employers embrace online learning. London's Edtech companies are well-placed to meet this increased demand and today's new research, released to coincide with London Tech Week 2020, shows London is leading the way in Europe for Edtech and is quickly becoming a major global hub." - Laura Citron, CEO at London & Partners

High deal count volume suggests there is significant growth ahead for London's Edtech sector, as early-stage startups develop innovative technologies and apps for learning and development. Coronavirus has forced major changes in education at every level, from early years to adult learning and career development. The pandemic has accelerated the adoption of digital technology in education with global Edtech investment on track to grow by 15% in 2020, a predicted \$7.6B.

The Edtech sector in London is in its infancy compared to other sectors like AI, fintech and healthtech, but the latest research shows startups in London and across the UK are well-positioned to capitalise on the recent adoption of Edtech. London is also home to Europe's only current Edtech unicorn, Learning Technologies Group.

"To build and scale a successful Edtech company you need to be part of an advanced Edtech ecosystem. With some of the best emerging Edtech companies, a thriving community and a

web of support from venture finance to growth programs, London is one of the top cities in the world for Edtech.” - Nic Newman, Partner at Emerge Education

A number of London’s ‘rising stars’ in Edtech have experienced considerable growth during the pandemic and are expanding globally from the UK capital, as well as hiring rapidly. These companies include:

- EduMe - The corporate training solution offers customisable and mobile-first remote training, communication and engagement platform for deskless workers and in July closed \$5M Series A funding round from Valo Ventures.
- WhiteHat - Career-focused modern professional apprenticeships aimed at 800,000 UK 16-24 year olds are not in employment, education or training have accelerated their employee count over the last 6 months.
- VRtuoso - A tool to create virtual reality presentations for corporate learning, sales and marketing, changing the way knowledge is delivered by creating interactive and immersive learning experiences
- Lingumi - The Edtech platform for toddlers and pre-schoolers raised a \$5M Series A in April 2020 to continue developing its AI-driven language lessons and expand the team globally.
- Construct Education - The online education platform designed to offer accessible, engaging education that empowers individual personal development was founded in 2013 in London. The company quickly expanded offices from the UK, to the US and South Africa and from 2018 to 2019, its revenue grew by over 500%.
- Century Tech - The developer of AI classroom technology provides students with an education personalised to their individual strengths, weaknesses, behaviours, and habits. During the pandemic the

company has signed a landmark technology partnership deal with the Lebanese government to bring their technology free to thousands of schools in Lebanon.

“The last six months have accelerated the push for new digital and tech skills across a broad range of sectors. Existing routes just don't provide the skills employers need and at different levels, including graduates, there's a clear gap in knowledge and experience. Our mission is to create a diverse group of future leaders and we do this by providing world class training, supported by a community and in partnership with brilliant employers who are crying out for skilled employees. Now, more than ever, we've been driven by the enthusiasm, talent and hard work of our employees. We've grown our headcount and client base over lockdown and have set ourselves up to bring our mission to new markets.” - Euan Blair, Co-Founder and CEO, WhiteHat

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