

How are the UK's unicorns faring in 2023?

The UK remains the third biggest unicorn nest globally, after the US and China. So how are its new members and current crop navigating the current market?

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Nudging towards a \$1T total valuation, the UK's startup market remains one of the biggest hubs of startup activity globally, behind only the US and China in that regard.

Over the past decades, the UK has added numerous companies to an increasingly packed unicorn nest—numbering over 140 at the time of writing, according to *Dealroom*, compared to 71 in Germany and 49 in France. While fintech constitutes the biggest proportion of the group, there are growing numbers in AI, energy, and biotech, among other areas.

UK companies for a long time have shown their ability to compete not just on the European continent but across the global stage, raising the status of the UK as a factory for global, innovative solutions.

Here we dive into seven standout members of the UK unicorn club, as well as looking at which sectors we can expect to see more unicorn potential in the coming year.

UK Unicorns: Seven of the best in 2023

Arm Holdings

The Cambridge-based chip manufacturer, pulled off one of the most successful IPOs of the year. It hit the NYSE at a \$54.5B valuation, and has largely retained its promising stock valuation of \$62.45 per share. In 2023, more than ever, chips are worth their weight in gold—and in many people's view, Arm now holds the status of the UK's most successful tech company, with a vast portfolio of clients including Samsung, Google and Apple who use their chips.

Octopus Energy

The UK renewable energy provider has continued its climb in a market that has been rocked over the last few years, seeing many of its competitors go out of business in the previous year. Consolidation in the market has certainly swung in their favour—this year they acquired Shell Energy, and are now the second biggest energy provider in the UK. They also announced plans to invest €1B into the French green energy market, helping accelerate the country's clean energy transition.

Quantexa

The big data startup is one of the new members to the UK unicorn club in 2023, and was the first startup to reach \$1B status this year. Quantexa provides data analytics and AI to the banking and insurance sectors, with a particular focus around preventing fraud and financial crime. Its latest funding round was backed by the GIC, the sovereign wealth fund of Singapore, alongside VCs and several of its financial services clients (HSBC, BNY Mellon).

Starling

The challenger bank continues to nudge ahead of rivals Revolut and Monzo in a bid to be the UK's most popular digital banking provider. Starling recorded profits 6 times that of the previous financial year. CEO & founder Anne Boden also announced that she would be stepping back, joining the Board of Directors, with COO John Mountain stepping up as Interim CEO.

Synthesia

Another new entry to the UK unicorn club, Synthesia is a synthetic media generation platform used to create AI generated video content—or as you may know them, deep fakes. You may remember the *viral ad campaign featuring David Beckham* speaking fluently in nine languages, showcasing the ease and seamlessness that Synthesia allows users to edit and translate videos with. Founded in 2017, Synthesia has been backed by the likes of Seedcamp, Kleiner Perkins, and GV, before raising \$90M in June from Accel and Nvidia to bring it to a \$1B valuation.

Zyber365

The latest of UK unicorns is a cyber-secure operating system leveraging Web3 technology. While it operates largely out of India, Zyber is headquartered in London—arguably a joint unicorn effort for the UK and India. Most intriguing, Zyber was only founded in May this year, and what with reaching a \$1.2B valuation in August, it became one of the fastest companies ever to reach unicorn status.

Multiverse

The UK's first edtech unicorn continued its push to transform apprenticeship opportunities globally. Led by Euan Blair, Multiverse expanded its London HQ while also completing its first acquisition—Danish edtech platform Eduflow—for an unspecified amount.

Where might the UK's next unicorns come from?

Amid uncertainty, the UK remains one of the best places in Europe, if not globally, to scale a business to \$1B valuation. So what sectors might yield the next UK unicorns?

AI is undoubtedly a key prospect, having become a key area of focus for the current UK government. The AI Summit in November sought to position the UK as a global AI superpower and key hub for AI activity. A number of companies will like to build on this success. Wayve, the AI-powered driverless car business, has long been touted as a unicorn in waiting. Gensyn AI, a decentralised machine learning compute protocol, was backed earlier this year by a16z. There's also InstaDeep, who provide AI-powered decision making systems for a number of complex spaces.

Quantum computing is another key emphasis area, with the UK government backing up its commitment to the sector by investing in supercomputers in Edinburgh and Bristol, with others in the works. Oxford Quantum Circuits has become a key startup in the UK quantum scene, as a Quantum-as-a-Service provider. Peptone is another startup finding novel applications for AI and quantum to develop drugs and therapeutics for disordered proteins, and raised a \$40M Series A last year.

Off the back of Arm's success, the UK is banking on developing another semiconductor market leader to power its flourishing AI industry. Pragmatic Semiconductors, based out of Bristol, will be vying for that crown—and is already *valued at £500M ahead of fresh funding*.

Fintech will always remain a strong focus for the UK, and no doubt has more unicorns to yield. Tide, the entrepreneur-first business banking platform, and YuLife, the employee benefit life insurance provider, have been dubbed unicorn prospects for some time, and will no doubt look to

convert that once the UK fintech fundraising market recovers.

UK Prime Minister Rishi Sunak's ambitions for the UK science and technology market are clear—he even dubbed his plans the 'Unicorn Kingdom'. With renewed investment in established sectors and increased fuel into emerging technologies, the UK certainly intends to keep its crown as the unicorn capital of Europe.

The Commercial Department of the British Embassy in Paris provides support to French companies wishing to set up in the UK. Click [here](#) to find out more.

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