

VENTURE BULLETIN

Q 1 2 0 2 5

An analysis of the value and volume of UK Scaleup Investment focussed on Series A-B

With thanks to custom data from our partners at Dealroom and Sifted Insights, and references to published data from Soapbox and Beauhurst

Executive Summary

65-82

£370-£379m £4.6-£5.7m

Series A deals in the £2-
10m / £3-11m range

Total capital invested across
these rounds ranged

The average raise size per
company

→ On a like-for-like basis, this is the lowest quarter for 28
quarters (7 years)

→ Down a quarter from the previous 3 months [Quarter-on-Quarter] and a
third compared to Q1-24 [Year-on-Year]

For context:

→ Seed rounds saw 83 seed deals done (down Quarter on Quarter and Year
on Year), and declining values of capital invested

→ Series B saw just 25 deals done, and flat values of capital invested (both
down Quarter-on-Quarter and Year-on-Year)

Q1-25 Bulletin: Analysis



UK VC investment remains in decline

→ Low access to VC funding continues, with just 65-82 companies receiving Series A (£2-10m) VC funding.

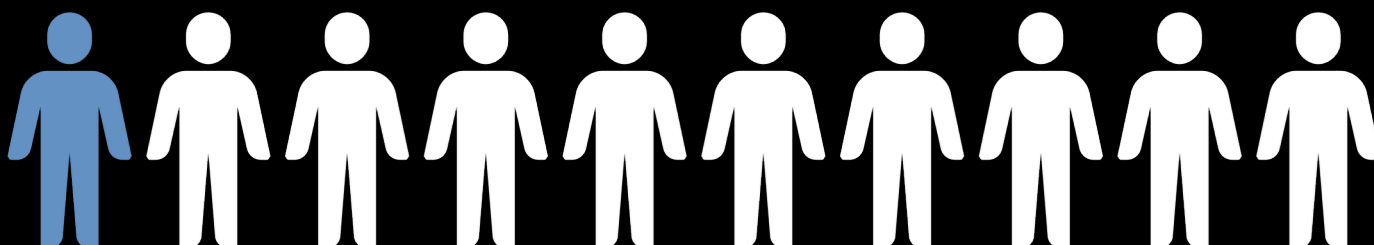
→

A record low over the last 7 years in value and volume terms.

→ In value terms, Dealroom shows a -40% decline from [\$326m less than] the same quarter last year and in volume terms Sifted shows a 26% reduction from the previous quarter (Q4), on a like for like basis.

The 'Funding Ladder' is broken

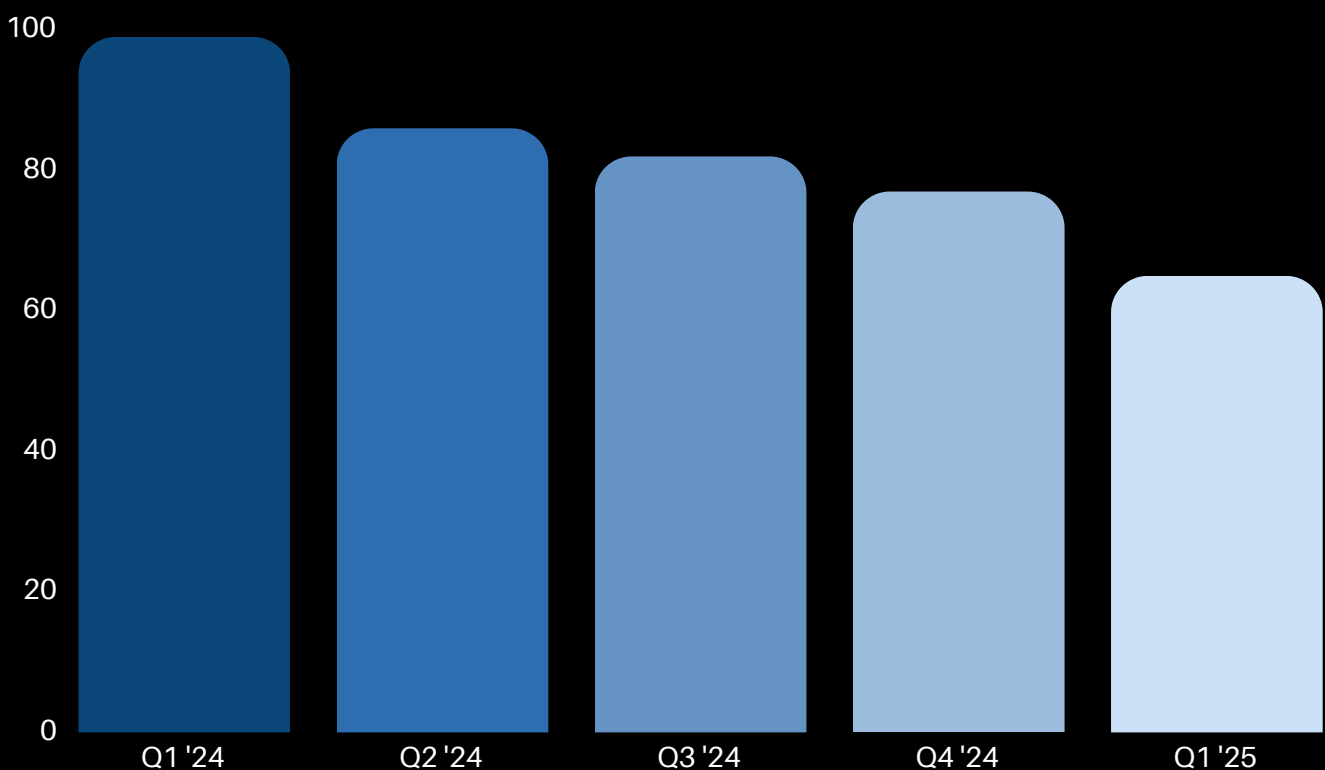
Progression from Seed to Series A remains a major hurdle for UK startups. Despite having already secured initial investment, fewer than 1 in 10 seed-backed (note; not seed-stage) companies go on to raise follow-on VC funding. This sharp drop-off highlights a critical gap in the funding ladder - where promising businesses are unable to access the capital needed to scale.



Quarterly decline in Series A



Dealroom data for the 12 months to March 2025 shows a consistent quarter-on-quarter decline in Series A deal volumes. Each successive quarter has seen fewer companies securing funding, pointing to a sustained contraction in access to growth capital.



Source: Dealroom

This downward trend culminated in Q1 2025, with a one-third drop in the number of companies raising Series A compared to the same quarter in 2024.

Annual decline



The annual view for this Venture Bulletin shows:

- In 2024 around 429 companies raised £2-10m Series A round.
- Of which Sifted show near consistent quarterly reductions.
- Adding in Q1, rolling 12 months to end of Q1-25 shows the volume of companies is declining, 388 raised in trailing 12 months to March 30th 2025

Wider interpretation

~~Continuing the trend identified in our last Venture Bulletin~~, approximately half a billion GBP less Series A capital is being deployed, than just 2 years ago. Dealroom shows trailing 12 months to:

£3bn

March 2023

£2.9bn

March 2024

👁️ £2.4bn

March 2025

Conclusions

Series A Drop Off

UK entrepreneurs increasingly struggle to access first VC funding rounds. The UK is witnessing incredibly low progression from the startup to scaleup phase, with lack of access to growth funding being cited as a core reason for this (Source: VenturePath ScaleUp Roundtables). Less than 1:10 seed-backed startups access VC funding

Conclusions cont.



Series B Declining Volume

As UK Series A scaleup investment continues to decline, so do the knock-on effects later in the investment cycle. Q1 data from Dealroom shows just 25 Series B deals done, and the Trailing 12 months showed 130 Series B deals, with Q1 numbers reflecting Quarter-on-Quarter and Year-on-Year decline. Deal value for the trailing 12 months, on a like for like basis at Series B was consistent at \$3bn, again reinforcing a smaller number of higher ticket deals at Series B.

Thank You

We appreciate you taking the time to explore this report.

To find out more about the UK ScaleUp Investment Mission and how it's helping improve access to growth funding for UK tech companies, visit our dedicated [mission](#) page.

To stay updated with future insights, data and funding trends, [subscribe to the Venture Bulletin](#).

To learn more about how VenturePath supports UK scaleups on their investment journey, visit our [website](#).

A special thank you to our partners for their ongoing support in making this report possible.