INNOVATION REPORT 2026

AlbionVC

OWN THE FUTURE



Where Technology Is Taking the Economy and Investors' Returns

INTRODUCTION

Thirty Years of Pattern Recognition

When AlbionVC was founded in 1996, Google didn't exist and the internet was a curiosity. We backed some of the companies that shaped what came next, including Booking.com, a small travel startup in a world before smartphones.

That investment returned many times over because we understood the pattern: new infrastructure was being built, and the companies sitting at its foundation were the ones that would endure.

The same pattern is playing out today and we see that across three sectors:

- **Digital assets** are building a new layer of financial infrastructure
- **Deeptech** is compressing the timeline of scientific progress
- **Healthcare** is being rebuilt around AI and digital delivery

In each case, the question is the same: who is building the foundation, and can we back them early enough?

This report is our annual view of where technology is heading and where we have the strongest conviction. It is written for advisers, wealth managers, and investors keen to learn about the forces reshaping the economy, what that means for the companies being built right now and the investment opportunity set that it offers.

30

YEARS OF BACKING AMBITIOUS FOUNDERS

£1bn under management
100+ successful exits



The three themes

Digital Assets: The UK's digital asset ecosystem has reached a critical inflection. Investment has decoupled from Bitcoin's price for the first time, capital is flowing to fundamentals, and the regulatory framework that will define the next decade is being written now.

Deeptech & Future of Compute: British university spinouts in areas like quantum, photonics, and AI infrastructure are attracting the first wave of serious institutional capital. The companies being founded today from universities such as Oxford, Cambridge, and UCL are the technology leaders of the future.

Healthcare: AI has stopped being a feature of healthcare software and is becoming the product. Across clinical workflows, virtual-first care, and drug discovery, European healthtech is entering its fastest period of growth since the pandemic peak.

The infrastructure bet

You've probably heard about Bitcoin's value reaching $126,000 in 2025. What you may not have heard is that UK venture capital investment in digital asset companies barely moved when it did. In the first half of 2025, UK startups in the sector raised just £100m, the lowest H1 total since 2020, a period when Bitcoin was trading at a fraction of its current price. That decoupling is not a failure of the market but a sign of its maturity.

For most of its short history, digital assets were driven by price momentum. When Bitcoin went up, startups raised money, and when it crashed, they didn't. That era is ending as investors are now prioritising businesses with real revenue, enterprise customers, and defensible technology. The companies raising capital today are being judged on the same criteria as any other software company.

A Decade of Structural Transformation

The transformation of the UK digital asset ecosystem over the past decade is striking. In 2015, 55% of deals were into consumer-facing businesses. By 2025, over 70% of deals were B2B companies building the compliance, custody, settlement, and data infrastructure that institutional finance depends on.

Our research* shows that the total equity investment raised by UK digital asset companies across the decade reached £2.7bn across 955 active companies, with the top five recipients alone accounting for £1.1bn of that total. The sector has followed the classic venture power law where there is extreme concentration in a small number of exceptional companies.

£2.7bn

Total equity raised by UK digital asset companies 2015–2025

35%

Of UK adults (23 million) engaged with digital assets in 2025

70%

Of all digital asset deals are now B2B, up from 27% in 2015

*AlbionVC & Beauhurst Digital Assets Report 2025

The next chapter: Infrastructure wins

The opportunity in digital assets is not in trading platforms or consumer wallets but in the infrastructure that the entire ecosystem depends on. It includes:

- blockchain analytics and compliance (the layer that makes digital assets acceptable to regulators)
- institutional custody (the layer that makes them safe for asset managers)
- stablecoin yield infrastructure (the layer that makes them useful for global payments)
- risk management (the layer that makes them visible to banks and insurers)

As compliance requirements tighten globally, the companies that have already built the trust of institutional customers become more valuable and two developments in 2025 underline the scale of what is coming.

Firstly, in September 2025, the London Stock Exchange launched its Digital Markets Infrastructure platform, becoming the first major financial centre to integrate tokenised settlement into mainstream regulated capital markets.

Secondly, in August 2025 the FCA's decision to permit retail access to cryptoasset-backed exchange traded notes means that digital assets can now be held within tax-advantaged investment accounts, such as ISAs. This strengthened the UK's position as a centre for digital asset investment.

"The UK has the ingredients to build and scale global leaders in institutional-grade digital assets. B2B infrastructure firms operate with 70% gross margins, long-term contracts, high switching costs, and growing regulatory moats."



Jay Wilson
Partner, AlbionVC

DIGITAL ASSETS

Sample portfolio companies

ELLIPTIC

Blockchain analytics and crypto compliance. Screens 1bn+ transactions/week across 700 customers in 30 countries.

OpenTrade

Institutional-grade stablecoin yield infrastructure serving clients across Latin America, Asia, and Europe. $1bn transaction volume expected in 2026.

AGIO Ratings

Risk management platform for digital assets designed for crypto counterparties. AlbionVC investment completed 2025.

Britain's scientific edge

The next generation of computing won't come from making today's chips faster, it will come from entirely new ways of processing information; light instead of electrons, quantum states instead of binary code, neuromorphic chips that mimic the architecture of the brain.

It is a sector experiencing rapid investment growth in the UK, with large venture capital funding rounds funnelling into deeptech startups and scaleups. Why? Because Britain leads the world in scientific breakthrough in several of these technologies.

Oxford, Cambridge, UCL and Imperial together produce more deeptech spinouts than anywhere outside the US. These startups are rewriting the rules in fundamental science, introducing new ways of processing information, new approaches to energy, defence and medicine.

For the first time, private capital is beginning to match the science. A decade ago, UK deeptech was barely funded. Today it is one of the most significant bets in European venture.

A Decade of Growth, Accelerating

Our own research* shows that between 2015 and 2024, UK deeptech companies raised £32bn in equity across nearly 12,000 deals. While the headline number is large, the trajectory within it tells the real story because in 2015, just £3m was invested into UK deeptech companies. By 2024, it reached £284m. In 2015, no single compute deal exceeded £10m but by 2024, nearly 40% did.

The rounds arriving in 2026 are of a scale that would have been unthinkable at the start of this period; UK AI firm Nscale raised £1.5bn, Synthesia raised £151m. This signals an emerging asset class starting to mature.

£32bn

Equity raised by UK deeptech companies, 2015–2024

£284m

Into UK deeptech in 2024 alone (up from £3m in 2015)

40%

Deals in 2024 that exceeded £10m

* AlbionVC & Beauhurst DeepTech & Future of Compute Report 2025

The university advantage

The University of Oxford has produced 95 spinout companies between 2015-2024. The London ecosystem (UCL and Imperial College combined) has produced 71, and Cambridge 63.

Several of the most significant AI and computing companies of the coming decade are currently PhD projects, so the funding capital arriving at this stage is essential as deeptech companies require long development timelines before commercialisation.

The Exits Are Arriving

The scale of what is being built is being validated by exits. In 2024, Darktrace, the UK AI cybersecurity firm, was acquired by a US private equity firm for £4bn.

Graphcore, the Bristol-based AI chip maker, was acquired by SoftBank for £462m. These are among the first major exits from the UK's deeptech generation and indicate what remains in the pipeline from the companies currently being built.

In the US, the comparison is instructive: the deeptech generation of the 2010s is now producing the landmark exits of the 2020s. The UK's cycle is running three to five years behind and is currently at the point where landmark exits are about to arrive.

> "A recent report on Deep Tech and Future of Compute by AlbionVC shows how the UK is emerging as a global leader, particularly in quantum computing. The rapid growth in larger deal sizes signals increasing investor confidence in breakthrough startups with the capital base to scale into global leaders."



David Grimm
Partner, AlbionVC

DEEPTECH & FUTURE OF COMPUTE

Sample portfolio companies

quantexa

AI-driven contextual decision intelligence that helps governments and banks detect financial crime by connecting data that would otherwise never be seen together. Quantexa has grown to unicorn scale and was recently selected by HMRC for a landmark £175m sovereign data transformation.

Oriole Networks

UCL spinout using photonic switching to make AI training 100x faster. Raised £27.5m within 18 months of incorporation.

PHASECRAFT

Quantum software company spun out of Bristol and UCL universities, developing error-reduction algorithms to accelerate practical quantum computing.

HEALTHCARE

AI becomes the clinician's partner

European healthcare has a problem that technology was always going to have to solve. There aren't enough doctors, nurses, or hospital beds to meet rising demand from ageing populations and growing chronic disease burdens.

The question was never whether AI would enter healthcare; it was when. The answer is that AI has arrived and it is already changing the economics of care.

In 2025, AlbionVC published our fourth edition of the European HealthTech Market Map in partnership with HLTH Europe, which reviews over 5,000 companies and identified over 1,000 high-growth startups and scaleups transforming the sector.

The headline finding is that AI has moved from a supporting feature to the core value proposition across clinical workflows, patient care, and drug discovery.

Research from Nelson Advisors shows that the European healthtech market is valued at c.£73bn in 2025 and is forecasted to exceed £168bn by 2030 and the UK leads Europe, with London as the primary hub.

1. AI in clinical workflows

Ambient listening tools now transcribe and structure clinical consultations in real time, eliminating documentation burden. Back-office automation such as billing, scheduling, referrals, is consolidating onto AI-native platforms. Clinical decision support is shifting from rule-based alerts to LLM-driven differential diagnosis. More than 50 new startups entered this segment in just 18 months to mid-2025.

£73bn

European healthtech market size in 2025

£166bn

Forecast market size by 2030 (18% compound annual growth rate)

1,000+

High-growth companies identified in AlbionVC's 2025 HealthTech Market Map

2. Virtual-first care

A new market segment is emerging that brings together multiple digital health services into unified, condition-specific care pathways.

Two distinct models are developing: NHS- and insurer-reimbursed B2B pathways for chronic conditions, and consumer-direct B2C services driven by demand for faster, more personalised access. Obesity, mental health, and respiratory disease are the highest-volume categories.

3. AI drug discovery

A wave of 25 new startups entered AI drug discovery in 2025 alone, targeting previously untreatable diseases. Two thirds of new entrants are therapeutic-area-focused, combining technology licensing with proprietary drug pipelines in a business model that is capital-light in early stages and has large upside if the pipeline delivers.

The Policy Tailwind

NHS capacity constraints are not a cyclical problem but a structural one. As health systems across Europe face sustained political pressure to reduce waiting times and improve outcomes, procurement of digital-first care pathways is moving from pilot to mainstream. The companies with NHS contracts and clinical evidence today are building the platforms of tomorrow.

> "AlbionVC has been backing health technology companies for 20 years and has helped treat over 1.4 million patients through our portfolio companies to date. We know that technology is the only path to delivering population health at scale. We remain bullish about virtual-first care in Europe, with the potential to drive both superior patient outcomes and significant cost savings."



Christoph Ruedig
Partner, AlbionVC

HEALTHCARE

Sample portfolio companies

Oviva

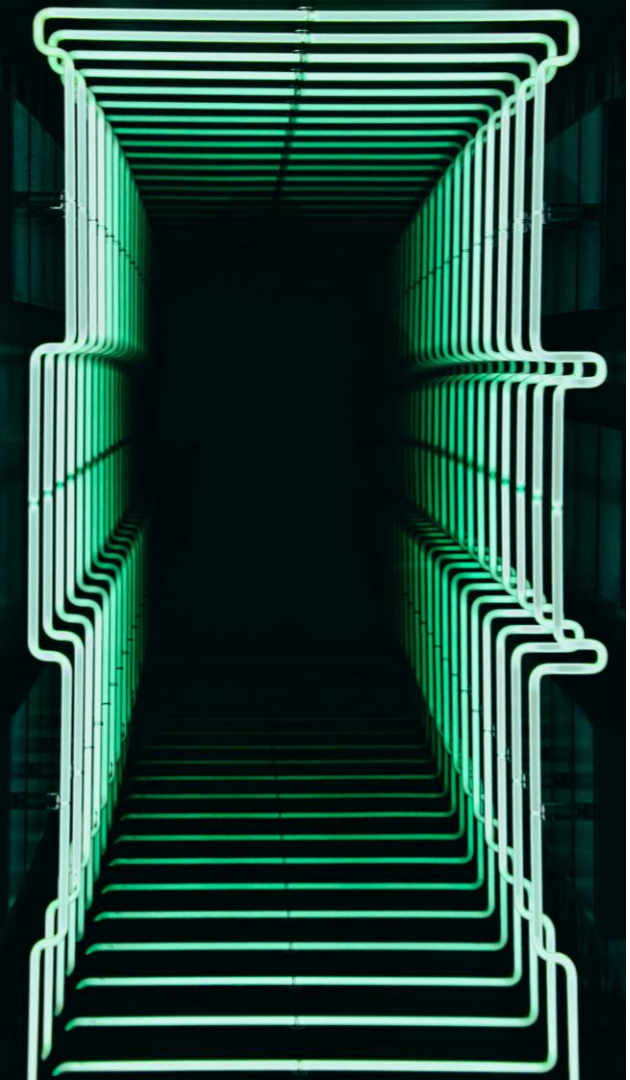
Europe's leading weight loss and metabolic health platform. One million patients treated across the UK and Europe.

Healios

NHS-commissioned digital mental health services for children and young adults, reaching patients who would otherwise wait months for face-to-face care.

evaro

Embedded online pharmacy infrastructure enabling businesses to offer pharmacy services within their own products.



What to expect in the next three years

Thirty years of backing companies teaches us to focus on long-term structural trends. The forecasts below are observations about where structural forces are pointing, based on the data in our research and the evidence from our companies.

1. Institutional digital finance becomes mainstream

The LSE's Digital Markets Infrastructure platform, the FCA's forthcoming cryptoassets regulatory framework, and the opening of tax-advantaged accounts to crypto ETNs will collectively bring digital assets inside the regulated financial mainstream. The winners will be the compliance, custody, and settlement companies that exchanges depend on; the infrastructure layer. Several of these companies are already in our portfolio.

2. The UK produces its first deeptech £10bn exit

The cohort of deeptech infrastructure companies being built from UK university spinouts is the most concentrated outside the US.

Several are past proof-of-concept and approaching commercialisation. With the likes of the Darktrace exit (£3.9bn) acting as the opening signal, the first £10bn+ deeptech exit from this generation is a matter of when, not if.

3. Virtual-first healthcare hits the NHS tipping point

As NHS capacity constraints become politically unsustainable, commissioning of digital care pathways will move from pilot to standard procurement. Obesity, mental health, and respiratory disease will lead.

Weight loss medications are creating demand for digital wraparound services at a scale the NHS cannot deliver through in-person care alone. The companies with clinical evidence and NHS relationships today will be the scaled platforms in the coming years and AlbionVC's portfolio company Oviva is a prime example of this today.

GROWTH ACCELERATION STANDOUTS

These are the companies in our portfolio that we believe are positioned for significant breakout in the near future:

Deeptech

quantexa

Most organisations sit on vast oceans of data they cannot connect. Quantexa uses AI to link financial records, identity data, and transaction histories in real time, surfacing the patterns that reveal fraud, risk, and opportunity that humans alone would never find. Its clients include some of the world's largest banks and insurers.

In mid-2026 HMRC, selected Quantexa for a landmark £175m sovereign data and AI transformation. AlbionVC led the first institutional round in 2017. It is one of Britain's most important AI success stories, and it is still scaling.

Deeptech



Every time an AI model is trained, a data centre somewhere burns electricity, often as much as a small city. A spinout from UCL, Oriole Networks' photonic switching technology routes data using light instead of electrical signals. The company raised £27.5m within 18 months of incorporation, backed by AlbionVC and other venture funds.

Oriole has made its first commercial deployment this year, delivered in collaboration with AMD, a landmark moment for deeptech and the infrastructure underpinning sovereign AI.

GROWTH ACCELERATION STANDOUTS

Healthcare

Oviva

GLP-1 weight-loss medications are reshaping the treatment of obesity across Europe but that alone is not a complete treatment. Oviva has spent years building a clinically validated, digitally delivered weight management platform with deep NHS relationships and a growing European footprint.

The obesity treatment market is one of the most significant in modern medicine and Oviva is positioned at its digital centre.

Digital assets



As financial institutions and government agencies engage more deeply with digital assets, they all face the same issue of whether the assets they handle are clean. Elliptic's blockchain analytics platform monitors transactions across multiple chains, identifies illicit flows, and helps institutions meet their regulatory obligations.

In 2025, Elliptic reported that cross-chain criminal flows have surpassed $21bn, making its product ever more essential. Backed by global investors, Elliptic is the compliance layer that makes digital assets safe for institutional adoption.

Healthcare

evaro

Not every healthcare journey starts with the GP. Increasingly, patients seek care through the apps, platforms, and services they already use. Evaro is tapping into this trend with its embedded online pharmacy offering that allows any business, from a teleconsultation platform to a consumer wellness app, to offer pharmacy services seamlessly within their own product.

As digital health converges with consumer experience, Evaro is building that infrastructure layer for European digital pharmacies.

ALBIONVC KNOW-HOW

As a venture capital firm, we back frontier technologies from early-stage and growth-stage. With 30 years of experience, we deliver returns by backing ambitious founders who own the future.

Managed by AlbionVC, the Albion VCTs give individual investors access to the most ambitious founders solving the world's hardest problems. We've backed outliers including Booking.com, Quantexa, Oviva, Elliptic and tem. With £1bn under management and a track record of 100+ successful exits, we achieve industry leading returns over the long-term.

Our sector focus reflects where we have the deepest expertise and see the long-term value.

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Get in touch:

AlbionVC LLP
1 Benjamin Street
London, EC1M 5QL