



## Press Release

# 2022 Startup Deal Volumes Plunge 18%, SEIS 2.0 Aims to Restore Confidence

## SFC Capital and Beauhurst's Annual "Seeding to Succeed" Report Investigates Startup Investment Trends and the Pivotal Role of SEIS 2.0 in the UK Ecosystem

**London, 13th April 2023:** SFC Capital and Beauhurst have released their annual report on first-time deals and investment trends in the UK startup ecosystem, highlighting the challenges faced by startups in securing investments amidst economic disruptions and global instability.

The report emphasizes the importance of the Seed Enterprise Investment Scheme (SEIS) in fostering innovation and the need for its modernization to better serve the startup community.

The report reveals a sharp drop in both the number of deals and deal volumes between 2021 and 2022. Overall deal volumes have plunged by 18%. This severe downturn marks a return to pre-pandemic investment levels.

The data indicates that seed-stage capital remains accessible, but investors have shifted their focus towards doubling down on previous investments rather than pursuing new opportunities, leading to a decline in first-time deals.

"Our report underscores the critical role SEIS plays in nurturing emerging innovation within the UK. The implementation of SEIS 2.0 marks a significant stride towards revitalising the UK's startup community," said Stephen Page, CEO of SFC Capital.

The data highlights the crucial importance of SEIS within the UK's funding environment, but also reveals that its growth has struggled to maintain the same pace since 2018. The introduction of SEIS 2.0 in April this year is expected to modernize and adapt the scheme to better serve its purpose of fueling the next wave of innovation and startup leaders.



SFC Capital calls on the government to help drive the success of SEIS 2.0 by raising awareness about the scheme and its remarkably generous benefits for UK taxpayers. By working together, we can reverse the downward trends observed since 2018 and re-establish the UK's startup fundraising ecosystem as a global leader.

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### **About SFC Capital**

SFC Capital is the UK's most active seed-stage investor, providing seed capital and support to promising British startups. By combining our leading investment funds with our angel syndicate, we have created a unique model that provides investors with diversified exposure to high-potential SEIS and EIS-qualifying businesses.

Since 2012, SFC has invested in over 450 startups and partnered with the likes of British Business Investments to support innovation across all UK regions.

To learn more about what we do and see our portfolio, visit [sfccapital.com](http://sfccapital.com).

### **About Beauhurst**

Beauhurst is a searchable database of the UK's high-growth companies. Our platform is trusted by thousands of business professionals to help them find, research and monitor the most ambitious businesses in the UK. We collect data on every company that meets our unique criteria of high-growth; from equity-backed startups to accelerator attendees, academic spinouts and fast-growing scaleups.

Our data is also used by journalists and researchers who seek to understand the highgrowth economy, and powering studies by major organisations—including the British Business Bank, HM Treasury and Innovate UK—to help them develop effective policy.

For more information and a free demonstration, visit [beauhurst.com](http://beauhurst.com).