

Bumper Year Ahead in Prospect for Venture Capital Activity In Scotland

KPMG reports VC interest significantly up "despite challenging economic backdrop"

By Bill Magee

Edinburgh Chamber of Commerce has highlighted a new report revealing a significant rise in venture capital spending in Scotland.

The value of VC investment rose by 14 per cent in the final business quarter (Q4) of 2024. This augers well for the coming months.



KPMG's latest Venture Pulse report highlights the percentage rise equates to a total of £92.3 million raised by Scottish start-ups from October to December.

Up from £80.9m raised in Q3 last year.

Volume of transactions also grew to 25 up from 21.

Driven by investment activity in Scotland's Capital, in particular Resolution Therapeutics' £67m funding round.

Edinburgh's thriving life sciences and technology sectors remain key drivers.

It comes just weeks after its KPE Barometer revealed over 90 per cent of the UK's private business owners are confident of growth this year.

Vishal Chopra, KPMG's Scotland Senior Partner, says: "despite a challenging economic backdrop the quality of resilience of Scottish businesses continues to shine through."

It represents a strong end to 2024 in terms of VC activity with the city and country's ability to attract significant investment in what remains a cautious market.



While investors remain measured in their approach, the fundamentals of Scottish business remain strong.

Also, a growing focus on innovation and sustainability has placed many in a

strong position to deliver VC-backed growth this year.

Such a Q4 strong rebound has boosted VC optimism where artificial intelligence will likely remain to the forefront of those looking to invest.

However, KPMG concludes with a warning.

UK Head of Emerging Giants practice Amy Burnett: "The impact of both global and domestic events, such as UK Budget measures and new US President taking office, could still contribute to a level of investor caution."