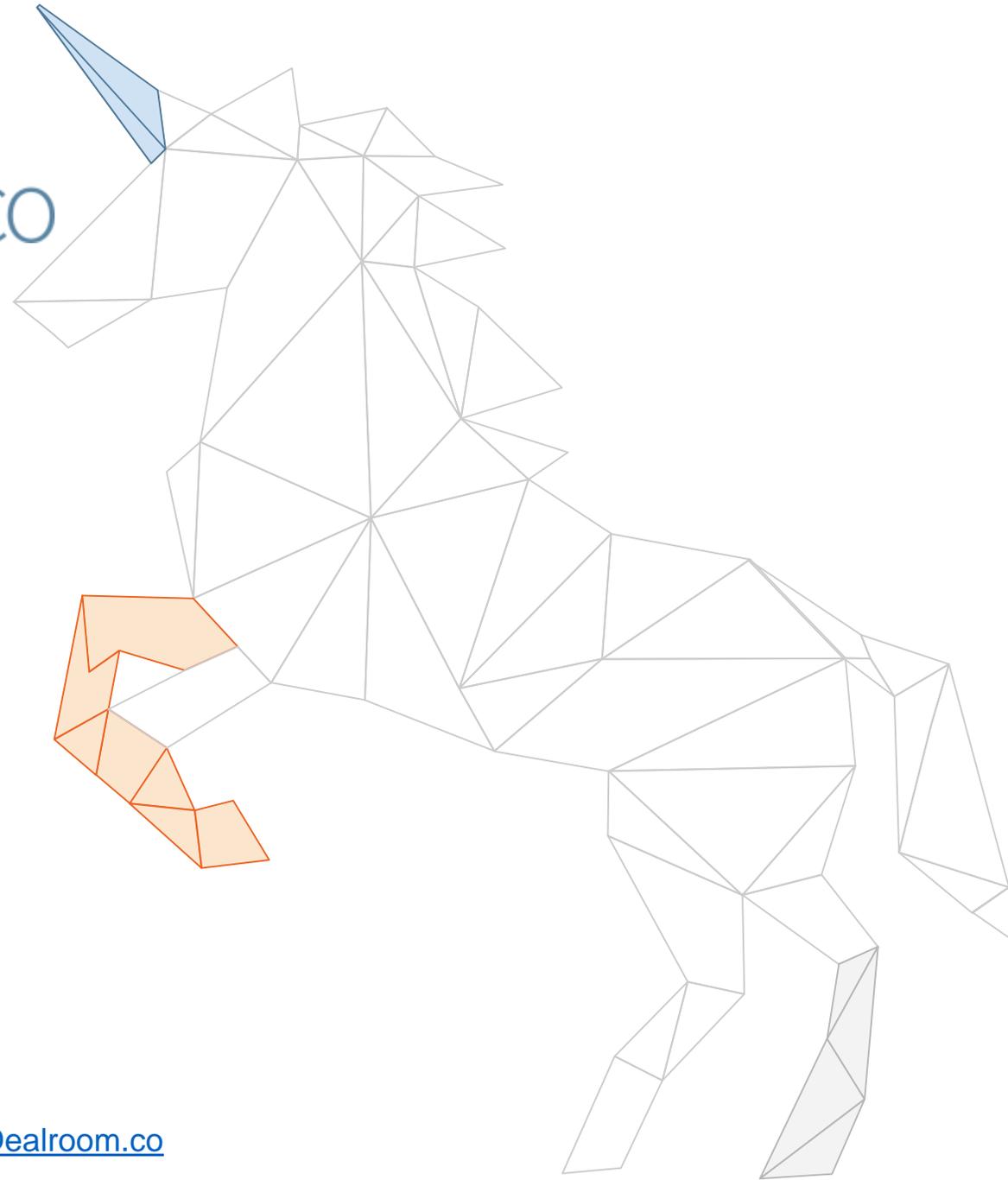


UK extends leadership in Artificial Intelligence

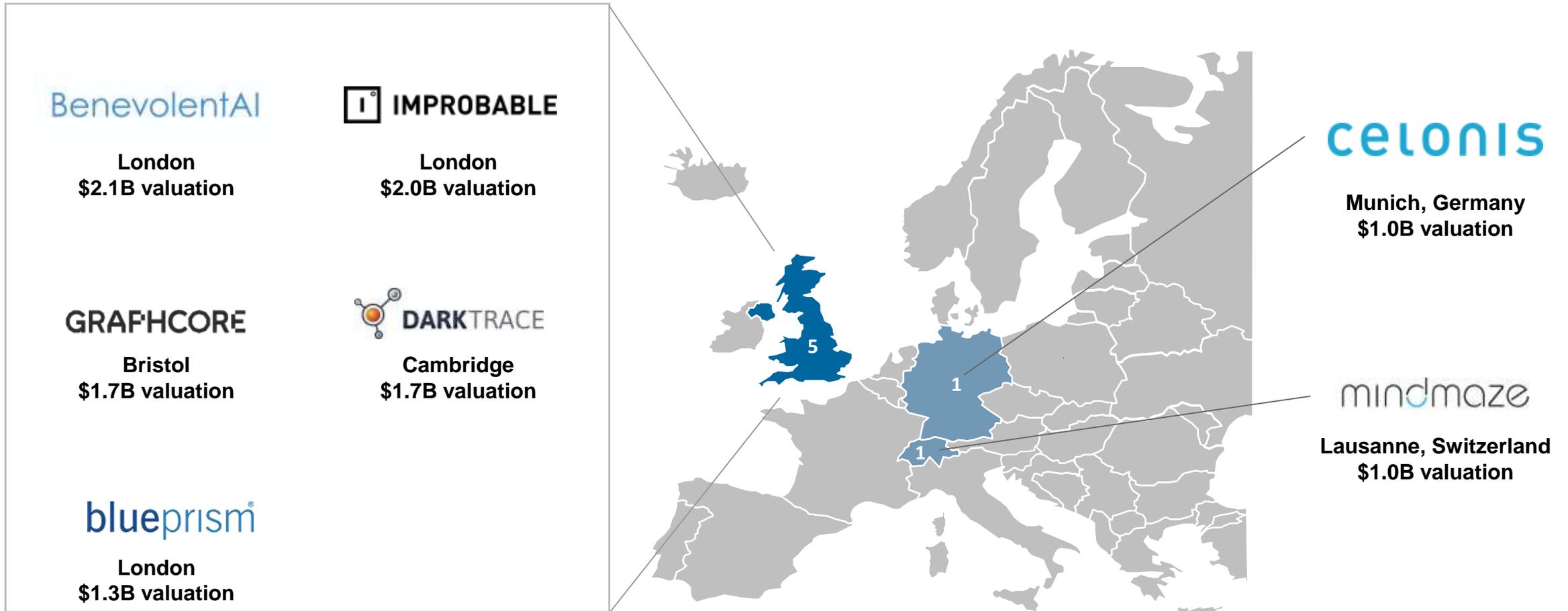
February 2019



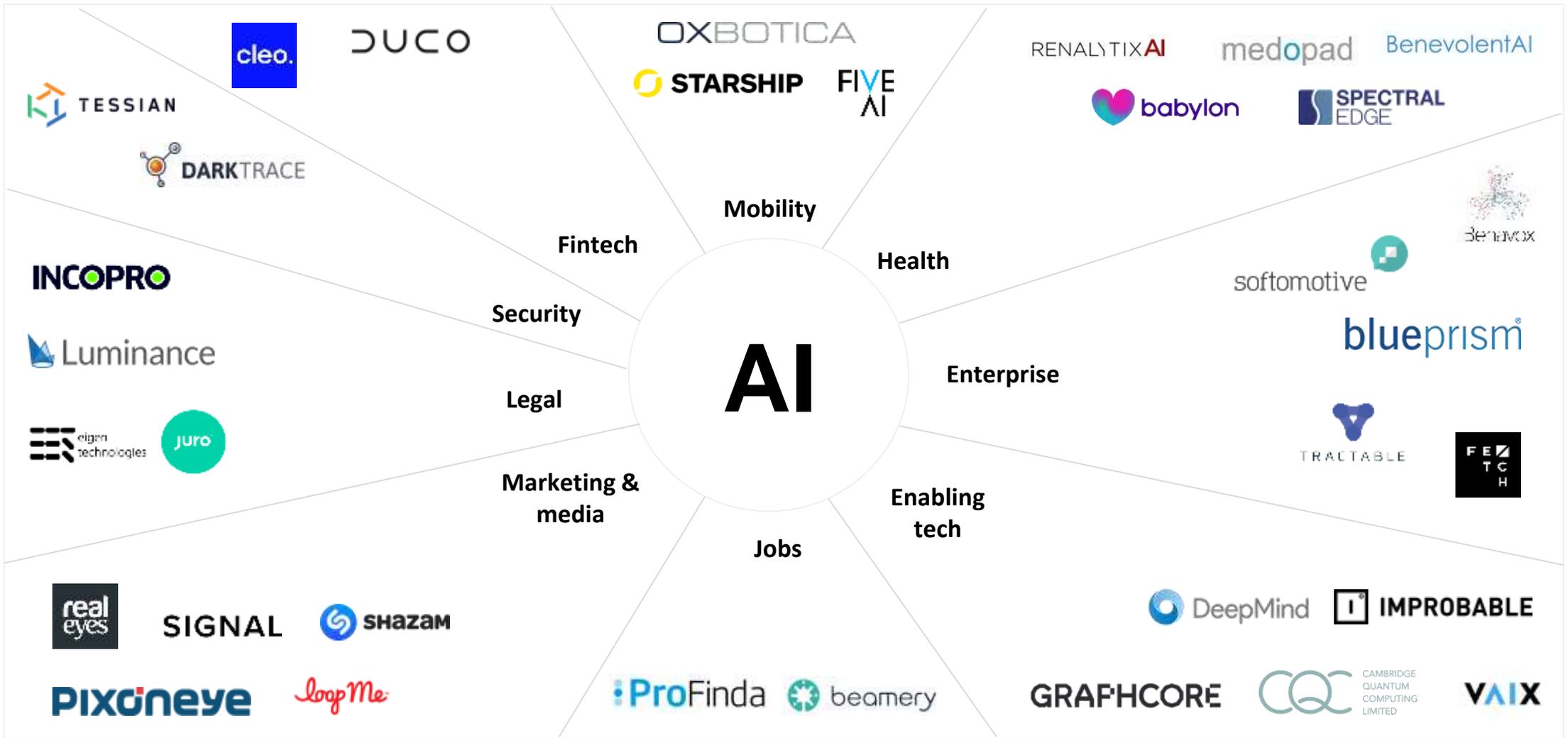
Summary

- 2018 was a new record for investment in UK in AI companies extending its lead in Europe
- UK artificial intelligence startups raised \$1.3 billion in 2018 continuing its leadership in Europe
- AI startups from the UK raised nearly as much capital as France, Germany, and the rest of Europe combined
- The UK counts at least five AI-tech unicorns vs. two in the rest of Europe
- Artificial Intelligence (AI) is pervasive across nearly every industry vertical, and has become a core part of nearly every major tech company
- The UK is home to many companies that drive the development of AI forward, across different fields of AI such as: autonomous vehicles (Five AI, Starship), computer processing (Graphcore, Cambridge Quantum), Healthcare (Babylon) and security (Darktrace)

The UK counts at least five Artificial Intelligence unicorns, compared with two in the rest of Europe

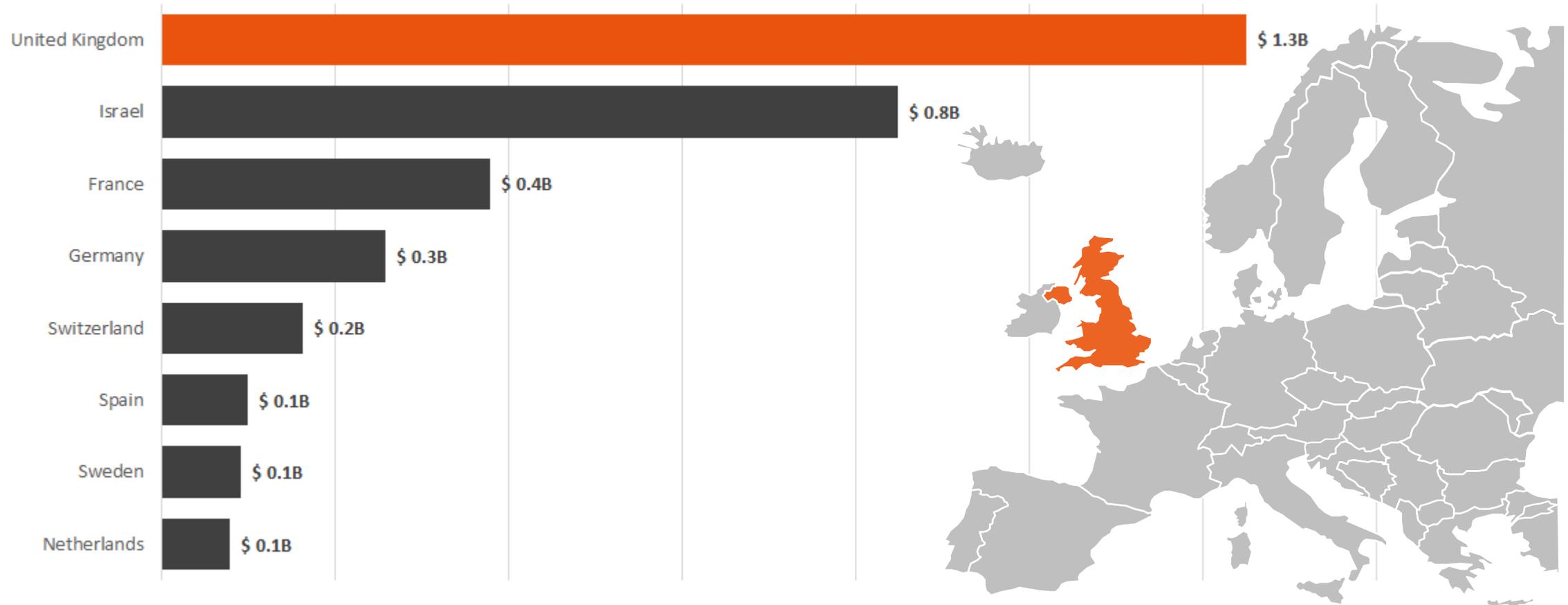


Enablers in Artificial Intelligence across multiple categories



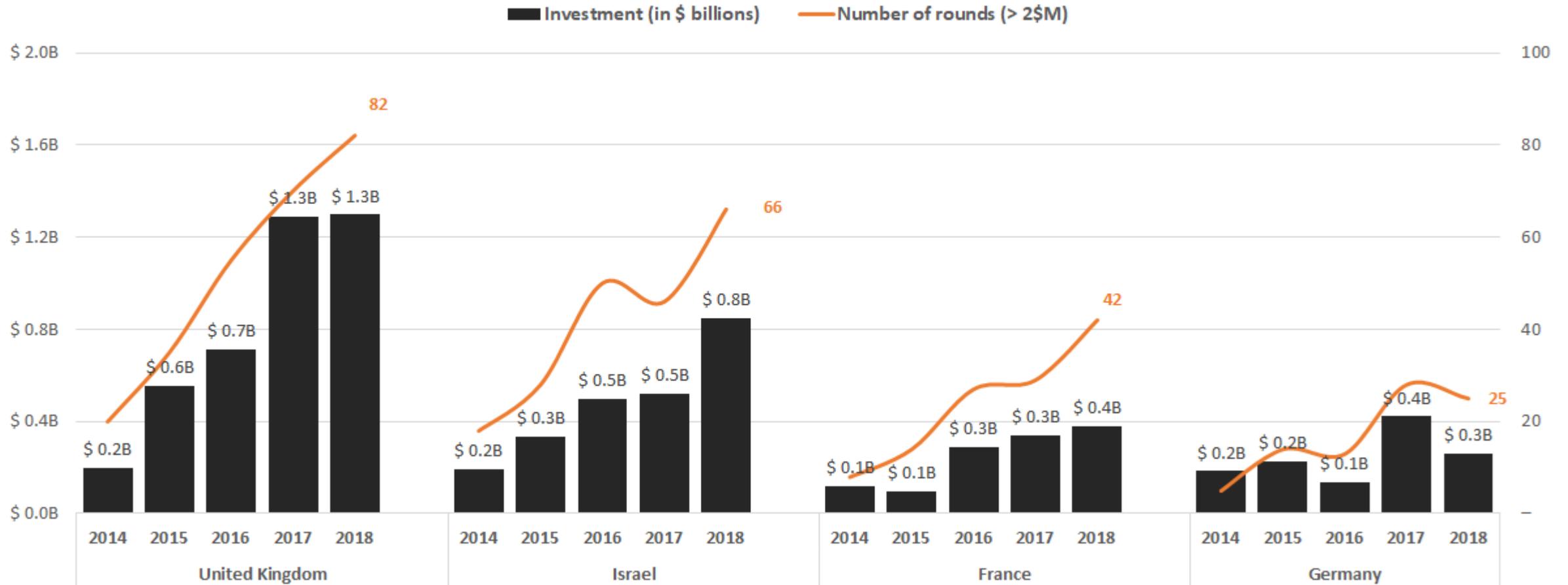
AI startups from the UK raised nearly as much capital as France, Germany, and the rest of Europe combined

Venture capital funding in artificial intelligence by country location in 2018



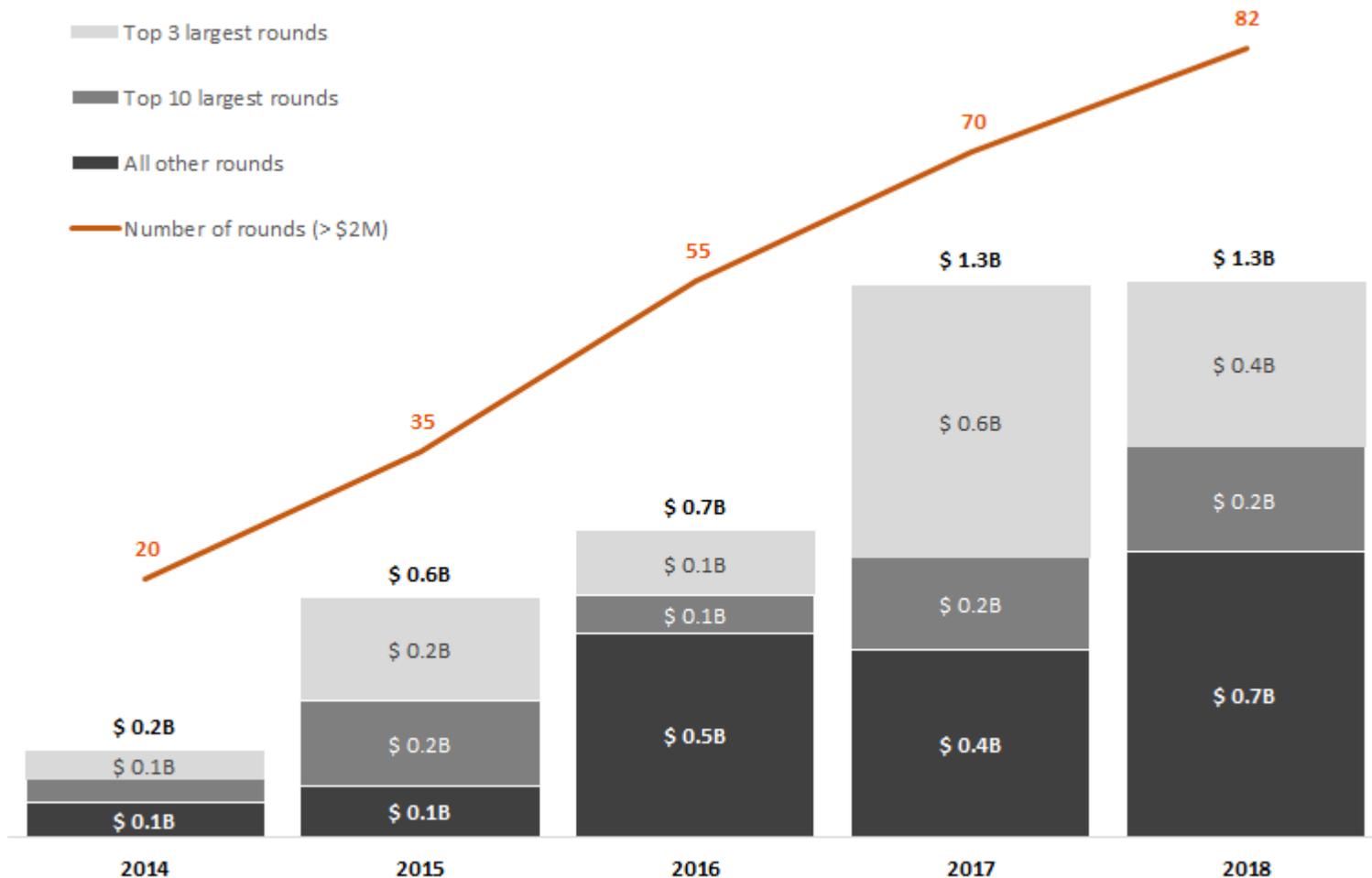
Investment in UK artificial intelligence startups has rapidly increased in recent years, extending its lead

Venture capital funding in artificial intelligence by country location in the last 5 years



2018 was a new record for investment in UK in AI companies (despite Improbable raising \$500M in 2017)

UK artificial intelligence investment in \$ billions



Notable AI investment rounds in 2018

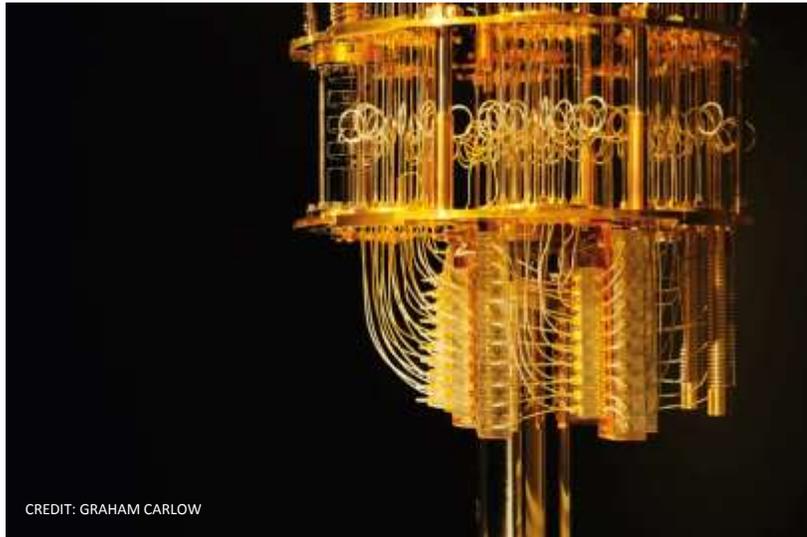
GRAPHCORE \$200M	 \$115M
 \$70M	 \$50M
 \$50M	RENALYTIX AI \$29M
 \$28M	 \$28M
 \$25M	 \$25M

Enabling tech & processing power

GRAPHCORE

Founded: 2016
Funding: \$310M (valuation \$1.7B)
HQ: Bristol

Developing a new processor specifically designed for AI. Graphcore's Intelligence Processing Unit (IPU) is designed to lower the cost of accelerating AI applications in cloud and enterprise datacenters, to increase the performance of both training and inference by up to 100x compared to the fastest systems today.



CREDIT: GRAHAM CARLOW



CAMBRIDGE
QUANTUM
COMPUTING
LIMITED

Founded: 2014
Funding: \$66M (valuation \$200M)
HQ: Cambridge

Software combining expertise in Quantum Information Processing, AI, Optimisation and Pattern Recognition. It has developed solutions such as an operating system for quantum computers, AI algorithms for anomaly detection & classification of real-time data and a secure authentication & quantum resistant cryptocurrency.

Autonomous driving & delivery



Founded: 2014

Funding: \$42M (valuation \$100M - \$150M)

HQ: London/US

Building a network of self-driving delivery robots. Autonomous for 99% of their journey, the robots work from local hubs to deliver goods within 30 minutes.



Founded: 2015

Funding: \$38M (valuation \$140M - \$210M)

HQ: Linton

Navigation systems to power autonomous cars. The company's ambition is to develop an autonomous vehicle software stack, safe to use in cities and without any driver involvement.

Intelligent applications



Founded: 2013
Funding: \$230M (valuation \$1.7B)
HQ: UK/US

Self-learning AI designed to fight back cyber-attacks in real time. It protects the cloud, SaaS, corporate networks, IoT and industrial systems against all types of cyber-threats.



Founded: 2012
Funding: \$652M (valuation \$2B)
HQ: London

Focus on large-scale simulations in the cloud, enabling virtual worlds of unprecedented scale and complexity. The company is dedicated to building powerful technology designed to help solve previously impossible problems and enable the creation of new realities.

Health

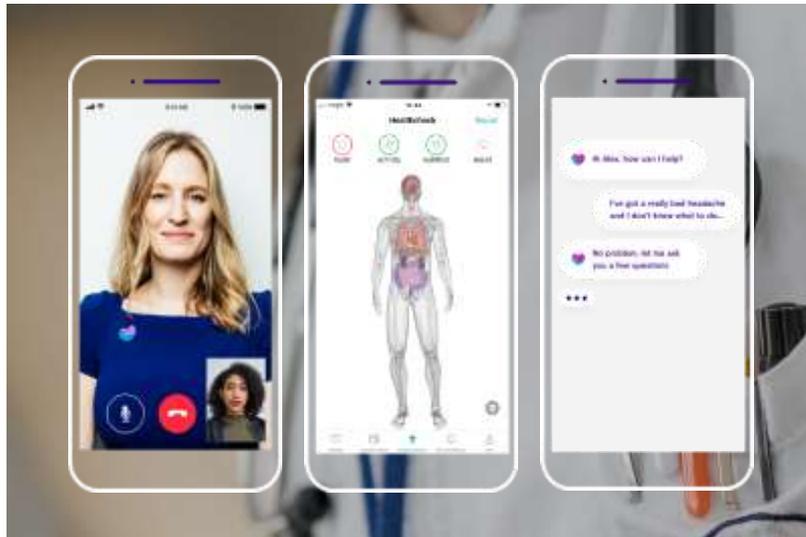
BenevolentAI

Founded: 2013

Funding: \$215M (valuation \$2.1B)

HQ: London

Global leader in the development and application of artificial intelligence (“AI”) for scientific innovation. The company aims to accelerate the journey from inventive ideas to medicines for patients by developing AI to generate new treatments.



Founded: 2013

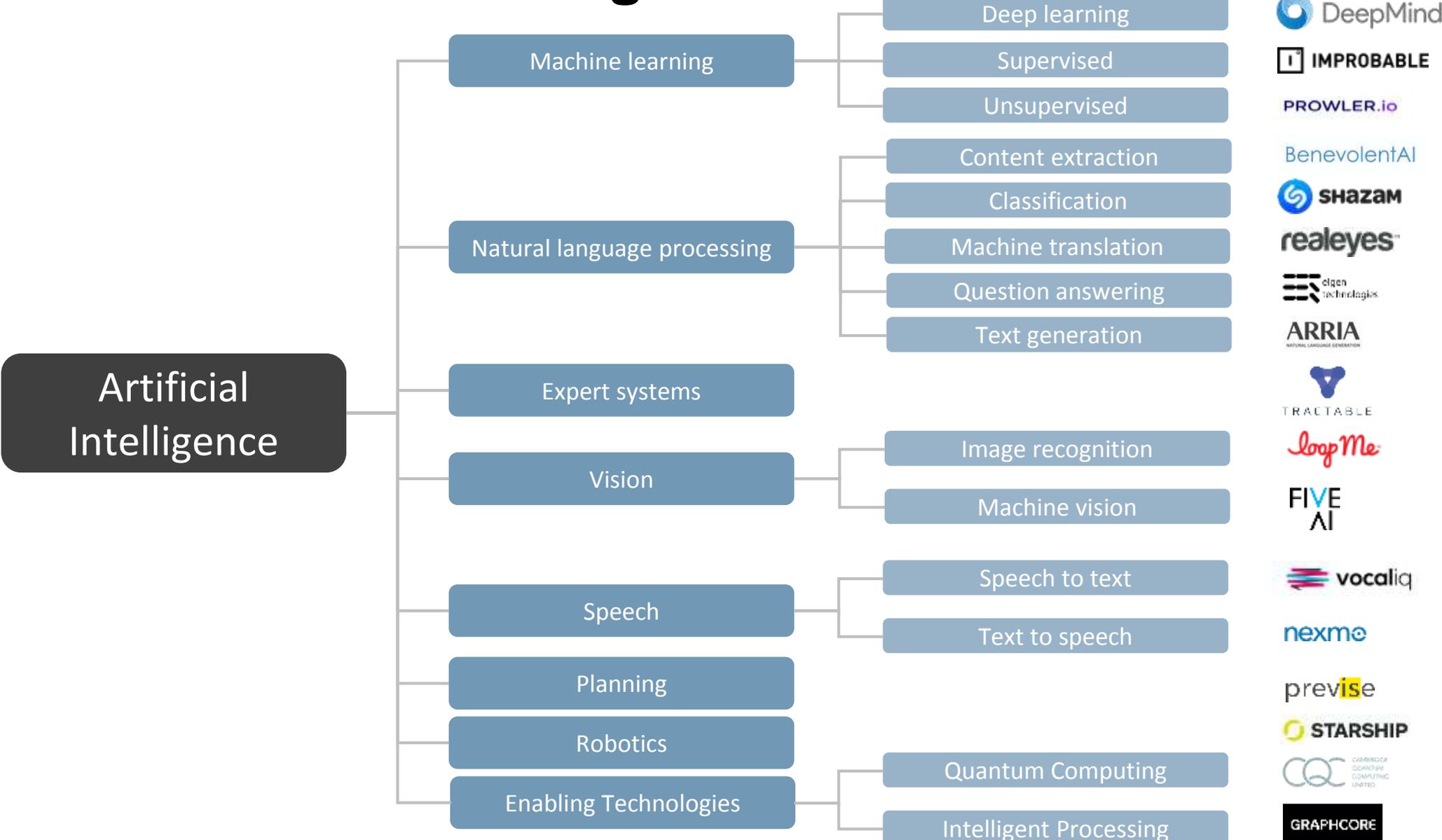
Funding: \$85M (valuation \$200M)

HQ: London

Making healthcare more accessible and affordable. The company combines AI with the best medical expertise of humans to create a comprehensive, immediate and personalised health service available via an app.

Methodology & additional information

What is Artificial Intelligence?



Methodology & definitions

Venture capital investments and exits

- Investment numbers refer to venture capital investment rounds such as seed, series A, B, C, late stage and growth equity rounds. It excludes debt or other non-equity funding, lending capital, grants and ICOs
- Buyouts, M&A and IPOs are treated as exits: they are excluded from funding data, but included in exit data
- Exits include sale of a company via acquisition or IPO. A company is deemed venture-backed if it received institutional investment any any point in its life-cycle. In some cases, the initial venture capital investors had already realised their investment prior to the larger exit counted in this report
- Number of rounds are often shown excluding rounds below \$2 million. This is done to eliminate the effect of delayed reporting of smaller rounds

What is a tech company

- Companies included in the analysis are innovative, tech-driven businesses. Industries include software, ecommerce, online marketplaces, hardware, ICT infrastructure. The full industry and business model taxonomy can be found online via app.dealroom.co/heatmaps/funding/industries
- Increasingly, innovative models are scaling offline or via hybrid online-retail models. Examples are beer brand Brewdog which innovated distribution and marketing, by leveraging viral marketing and crowdfunding to build a brand, and Metro Bank, a retail-first challenger bank
- This report focuses on companies from the post-internet age. Excluded are companies founded by corporates (e.g. WorldPay) and before 1990 (e.g. Travelport)

How is data collected

- Dealroom's proprietary database and software aggregate data from multiple sources including processing of public news-flow, data feeds, web scraping, crowd-sourced contributions (verified by Dealroom) and manual research
- Data is verified and curated with an extensive manual process, augmented by data processing
- Most underlying data from the report is available online. For more info please visit dealroom.co or contact support@dealroom.co

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Trusted by world-leading clients

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- Among its clients are world-leading strategy consulting firms, investment banks, multinationals, technology firms, venture capital & buyout firms and governments

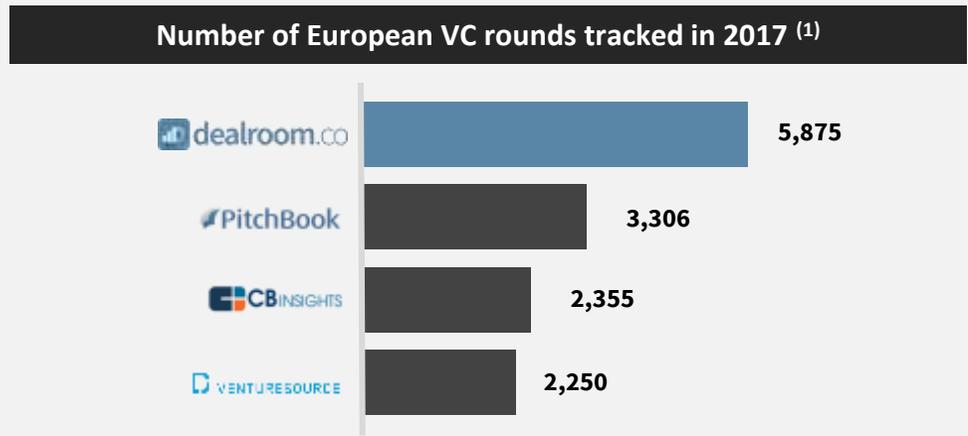
Selected publishers of Dealroom data



Selected Dealroom clients



The most comprehensive European data source



- Europe's most comprehensive database of promising companies and investment
- Growth metrics like product usage, funding and valuation momentum (web, iOS, Android)
- Track team size, background, composition and growth
- Discover potential unicorns, long before others do
- Industry taxonomy and database structure designed for innovative technology startups & scaleups
- Stay at forefront of innovation and investment trends



Tech Nation - The UK Network for Ambitious Tech Entrepreneurs

[Tech Nation](#) empowers ambitious tech entrepreneurs to scale faster through digital entrepreneurship skills, a visa scheme for exceptional talent, building networks and connections, and by championing the UK's digital sector through data, stories and media campaigns.

Founded in 2011 as Tech City, Tech Nation's programmes cater for businesses of all growth stages, from initial idea and early stages ([The Digital Business Academy](#), [Founders' Network](#) and [Rising Stars](#)), right through to the mid and late stages ([Upscale](#) and [Future Fifty](#)). It also recently launched its first ever sector-specific programme, for [fintech](#) companies, with more in the pipeline.

Some of the UK's biggest tech success stories have taken part in Tech Nation's growth programmes, from Just Eat, Deliveroo, Not On The High Street, and Skyscanner, to Farfetch, Unruly, Zoopla and Darktrace. [Check out all alumni companies.](#)

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