UK AI SEES 600% GROWTH IN NUMBER OF HOMEGROWN COMPANIES OVER 10 YEARS

- The UK is home to over 1,300 AI companies with a collective turnover of almost $2bn, representing a 600% increase in the number of firms over 10 years
- The UK's AI sector currently has a collective valuation of $46.3bn (a 29x increase from its $1.6bn valuation in 2011)
- Four UK AI companies have IPO'd since 2015 (Darktrace, Mirriad, Crossword Cybersecurity and Diaceutics), setting a strong precedent for up-and-coming AI companies
- Oxford Nanopore ($3.7bn), Graphcore ($3.05bn), and Darktrace ($2.4bn) are the three most valuable AI companies in the UK
- The major hubs of AI companies can be found in London, Cambridge and Edinburgh
- Between 2019 and 2020, there was a 50% decrease in the number of UK AI companies founded, with just 67 companies founded in 2020, compared to 133 in 2019, demonstrating a need to continue to support the UK's AI sector in an increasingly competitive global landscape

Wednesday 2nd June 2021: Today, Tech Nation, the leading growth platform for UK tech companies, releases new data on the growth of the AI tech ecosystem in the UK, ahead of an AI event hosted today in collaboration with the Office for AI and the AI Council.

New data reveals the huge growth achieved in the UK's AI sector over the past ten years. The UK is now home to over 1,300 AI companies, up from only 180 companies in 2011, representing a 600% increase. AI companies are scaling across all regions of the UK, with 50% of the UK's top 10 scaling AI companies outside of London. The UK's major AI hubs include Cambridge and Edinburgh. Most recently Cambridge-based Darktrace IPOed in Spring 2021, setting a strong precedent for up-and coming AI companies, the company uses machine learning and AI to protect clients from cyberattacks, with shares soaring by 32% on the first day of trading.

Not only are the UK's scaling AI companies driving growth across the UK economy, with prevalence in fintech (10%), cyber (5%) and healthtech (4.5%), the AI sector is also an important engine of growth, with a collective valuation of $46.3bn (up from $1.6bn in 2011), turnover of almost $2bn, and employing almost 30,000 people across all regions of the UK. Furthermore, VC investment into UK AI companies has rocketed from $120mn in 2010 to $3.4bn in 2020.

AI technology is also key to building the foundations for the future growth of the UK economy, for instance, Bristol-based Graphcore are building next-generation AI chips, while OBS Medical are developing predictive algorithms to transform healthcare.

However, between 2019 and 2020, there was a 50% decrease in the number of AI companies being founded, with just 67 companies founded in 2020, compared to 133 in 2019. These figures highlight the need to continue to support the UK's AI sector in an increasingly competitive global landscape, and to build the key enablers of growth, such as R&D capabilities, and links between industry and academic institutions.

Today, Tech Nation will be hosting an event in collaboration with the Office for AI and the AI Council, featuring key government and AI industry stakeholders, which will explore how the UK is scaling up and levelling up the AI ecosystem as the Government develops its National AI Strategy, releases its 2021 AI Roadmap and prepares for a future built on deep tech.

Quotes:

Digital Secretary Oliver Dowden said: "These fantastic figures show the UK is rapidly becoming an AI superpower, with government support playing a critical role. We have committed £1 billion through our AI Sector Deal to drive even more growth, create new jobs and use the power of tech to tackle some of the world's biggest challenges."

Gerard Grech, Chief Executive of Tech Nation, commented: "The UK is a central hub for transformative AI technologies, and the staggering growth we are seeing in the sector is encouraging and exciting. Last year alone, UK AI saw a 17% increase in VC investment, more than any other country. At this pivotal time, we must work to support and accelerate these businesses as they continue to shape our future; from transforming financial processes to tackling climate change and revolutionising modern healthcare.

The AI Council's recently released AI roadmap is a step in the right direction to unlocking the full potential of UK AI, which has the power not only to boost our own economy by 10% (by 2030), but also to transform societies around the world."

Tabitha Goldstaub, Chair of the UK's AI Council, said: "These figures show the vibrancy of the UK's growing AI ecosystem. Now is the time to 'double down' and support the 1,300 AI companies to catalyse more innovation that will in turn benefit the economy and society and ensure the UK's remains at the forefront of developing new data-driven technologies."

Harry Davies, Chief of Staff, Greyparrot, comments: "We are only witnessing the beginning of the transformational impact that AI and machine learning will have across so many industries and, given the strength and breadth of AI development in the UK, it is encouraging, but not surprising, to see VC investment into UK AI increase again this year.

Through Darktrace, Graphcore, Signal AI, Benevolent AI, Tessian, Tractable, and many others, we are now beginning to see globally competitive, AI-first British companies competing at scale. There is, however, much work still to be done and I welcome the recommendations set out in the AI Council's Roadmap to support and champion innovative AI businesses across the country."

Zara Nanu, CEO, Gapsquare, comments: "The growth in this sector has been spectacular and it is reflected in the rise in jobs in the sector. The Future of Jobs Report 2020 from the World Economic forum indicates the top three jobs in increasing demand over the next five years globally are data analysts and scientists, AI and machine learning specialists, and big data specialists. Investing in people, and more specifically diverse talent, gives the UK a real opportunity to reskill and upskill talent for global leadership in AI."

END

Today (2 June), Tech Nation, in partnership with the Office for AI & the AI Council, are hosting an event to explore what it takes to grow an AI company in the UK, how AI is being deployed across sectors, and what the government is doing to harness the transformational power of AI technology in 2021 and beyond.

The event will be an opportunity to hear from: Sana Khareghani, Head of UK Government Office for AI; Tabitha Goldstaub, Chair, AI Council; Gerard Grech, CEO, Tech Nation; Dave Palmer, Chief Product Officer, Darktrace; Zara Nanu, CEO, Gapsquare; Sarah Drinkwater, Director of Beneficial Tech, Omidyar Network; Parveen Dhanda, Head of Programmes, Tech Nation; and Harry Davies, Chief of Staff, Greyparrot.

More information about the event today can be found here.

About Tech Nation:
Tech Nation is the leading scaleup accelerator. Tech Nation fuels the growth of game-changing founders, leaders, and scaling companies so they can positively transform societies and economies. We provide them with the coaching, content, and community they need for their journey in designing the future. Tech Nation has years of experience facilitating and helping UK tech companies scale, both at home and abroad. Over 20 cohorts and 600 companies have successfully graduated from Tech Nation's growth programmes. Alumni include Skyscanner, Darktrace, and Monzo.

About Tech Nation's Applied AI Sector Programme:
Applied AI is Tech Nation's first growth programme for Artificial Intelligence companies to help the UK's most promising founders who are applying AI in practical areas and creating real-world impact. The programme is based on peer-to-peer support and the shared experience of later-stage founders, all curated under the values of honesty, intimacy and trust.

About the AI Council:
The AI Council is a body set up in 2019 by the Government to provide independent external expertise drawn from industry, academia and civil society. In January, the Government published the AI Council's roadmap which made 16 recommendations to the Government, including that they should write a National AI Strategy that looks to retain and build on those advantages, not just for the next year, but for the next 5 or 10 years.

Top 10 scaling UK AI companies:

Company	Sub-sector	HQ Location	Year Founded	Latest turnover growth (%)
Graphcore	Semiconductors	Bristol	2016	733
Exscientia	Drug development	Oxford	2012	491
Traydstream	Trade finance technology	London	2015	283
DivideBuy	Credit provider	Newcastle-under-Lyme	2015	199

Mirriad	Advertising	London	2015	174
OBS Medical	Healthcare	Abingdon	2000	166
Thought Machine	Finance	London	2014	163
DeepMind	Research	London	2010	158
DiffBlue	Software	Oxford	2016	130
Vaix	Gaming	London	2016	124