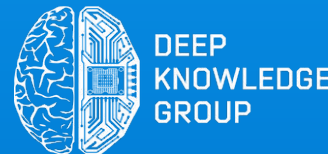


CREATECH INDUSTRY IN THE UK

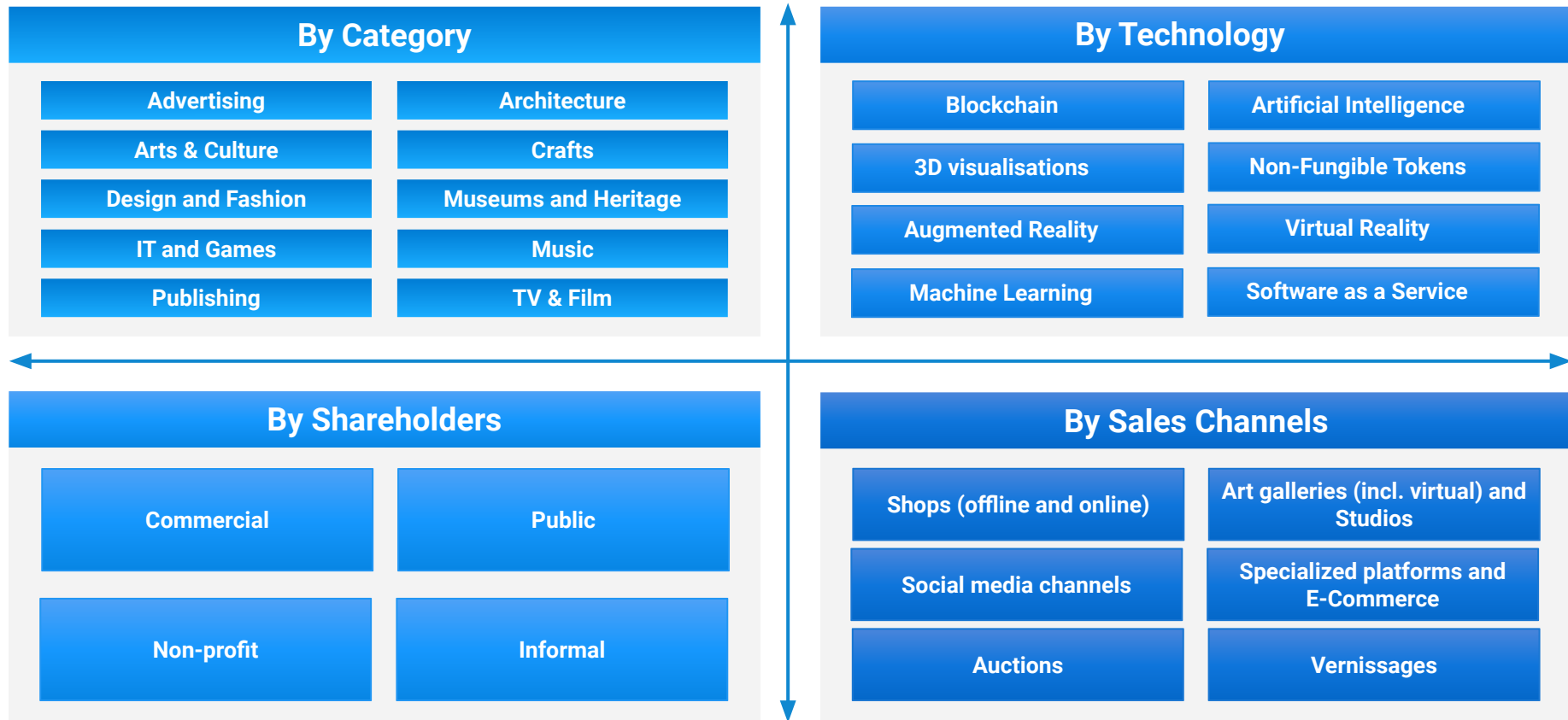
LANDSCAPE OVERVIEW 2021 Q3

SUMMARY

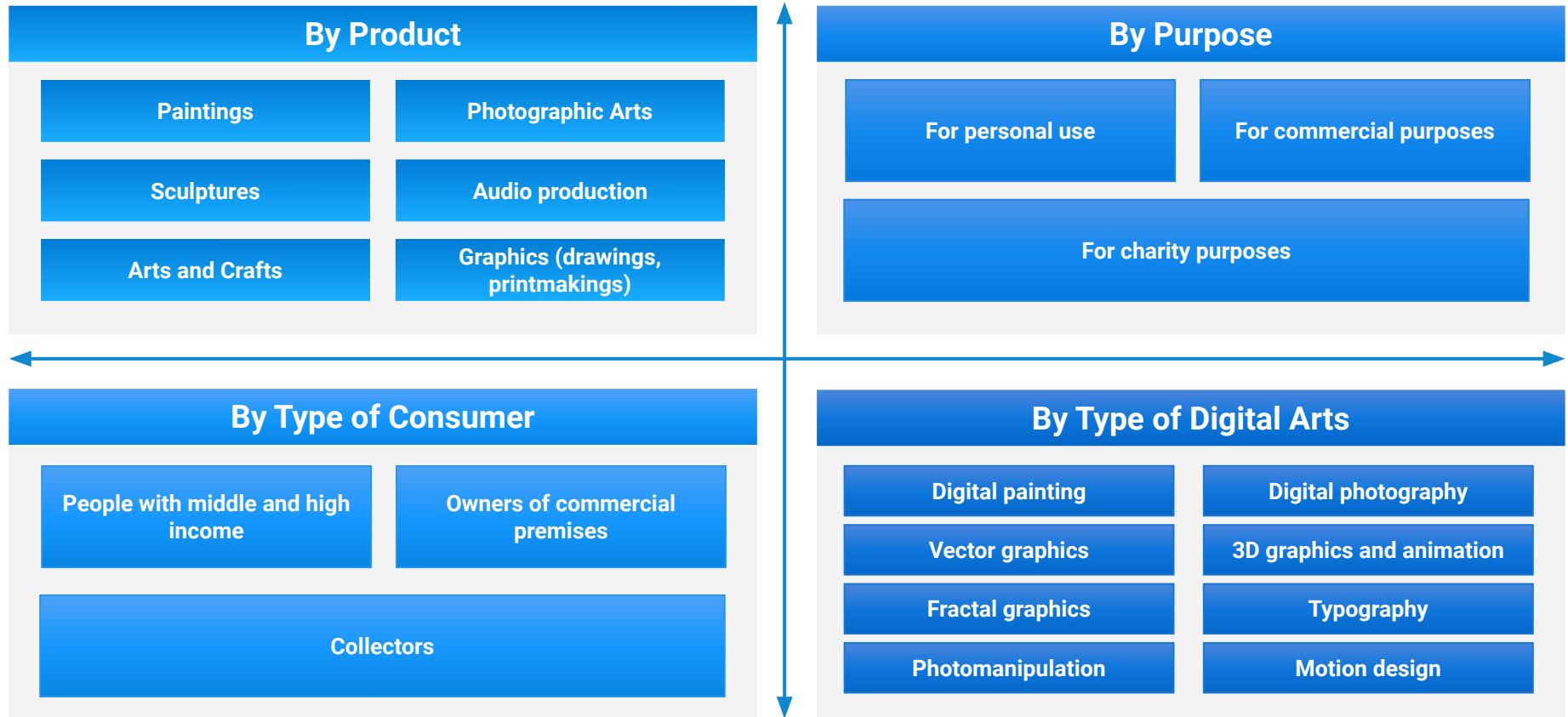
SEPTEMBER 2021



CREATECH INDUSTRY LANDSCAPE FRAMEWORK



CREATIVE PROJECTS LANDSCAPE FRAMEWORK



CreaTech Industry in the UK Landscape Overview 2021 Q3

Companies - 300
Investors - 20+
Charities - 10+
Galleries - 40+
Studios - 10+
Universities - 60+

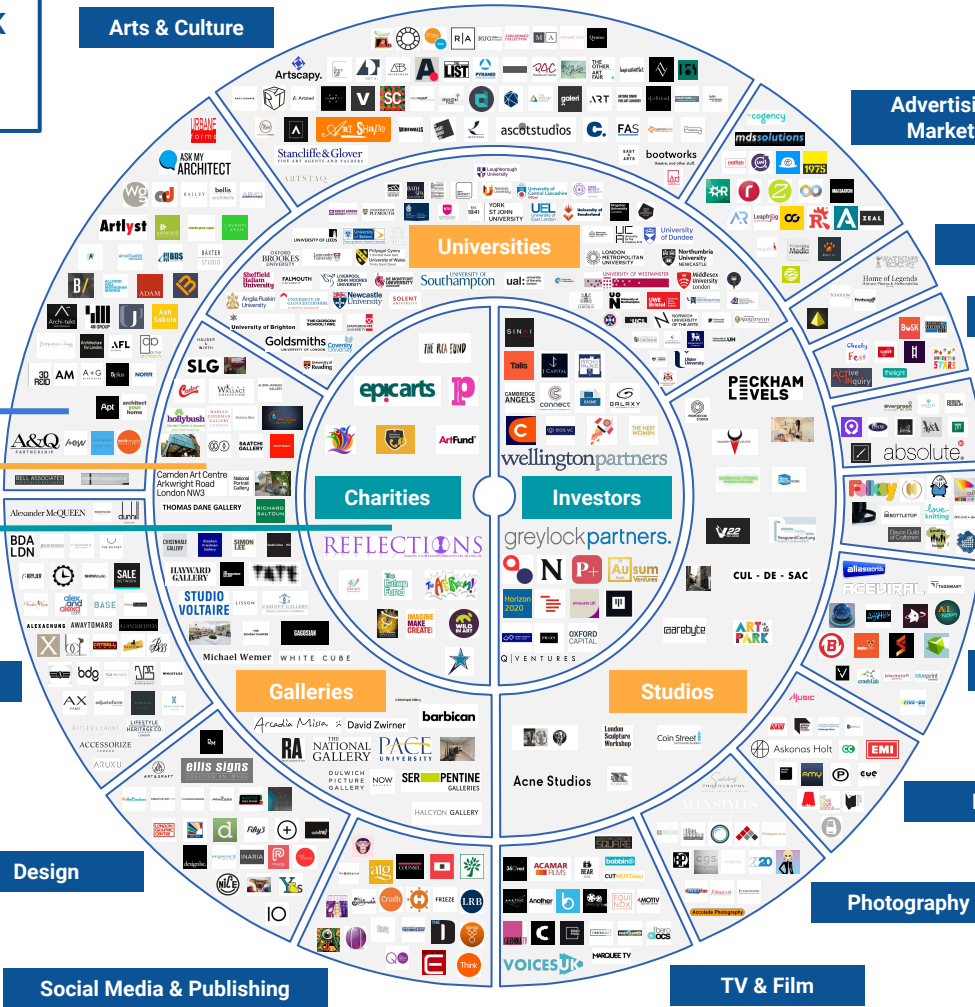
Companies
Universities, Galleries,
Studios
Charities & Investors

Fashion

Design

Social Media & Publishing

Arts & Culture



Advertising & Marketing

Literature

Performing Arts

Museums & Heritage

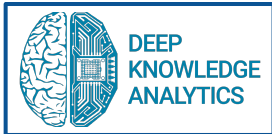
Crafts

IT & Games

Music

Photography

TV & Film



CREATIVE INDUSTRIES FACTSHEET

~1 in 8

UK businesses are creative businesses

95%

of creative businesses employ fewer than 10 people

>2 million people are employed in creative industries in the UK

12%

of all UK service exports belong to the Creative Industries

£422

Median weekly earnings by employees*

£116B

Contributed by CreaTech to the annual GVA

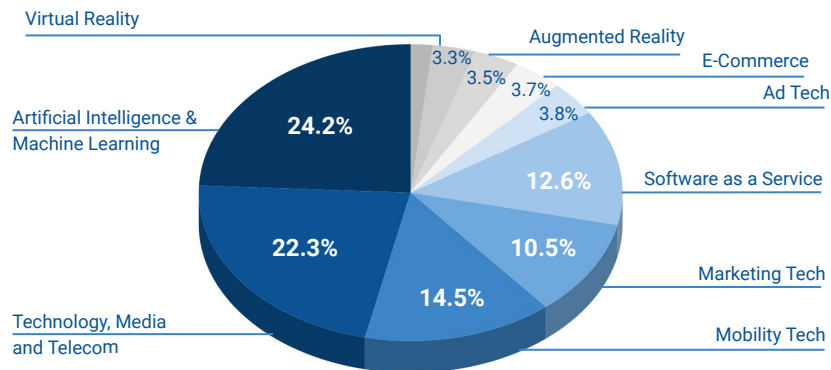
£981.8M

Raised by CreaTech companies in 2020

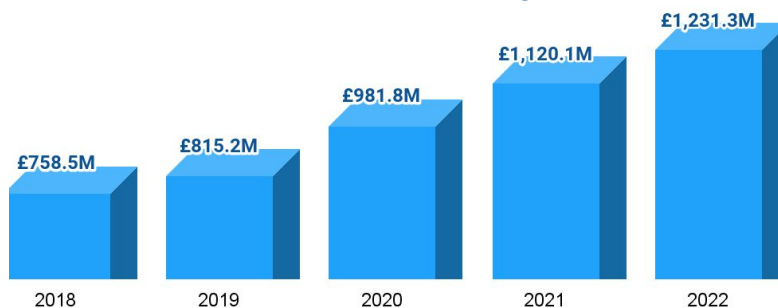
64%

Of investment came from UK investors between 2017-2020

Creative Technology Companies by Area of Activity



Investments in Creative Technologies in 2018-2022



CREATIVE INDUSTRIES IN THE UK

The UK has a track record of introducing new advances in technology. These include many of the advances in the early days of computer science, as well as the first MP3 player, the first laptop computer, the first portable television, and the first 3D computer game. In the mobile content market, the UK is one of the leading app development hubs in Europe, as well as a recognised leader in visual effects, post-production and in other sectors where technology and creativity intersect.

Why the United Kingdom?



A Culture of Innovation and Creativity.

The UK has an open competitive environment in which innovators can develop ideas and collaborate, find sponsors and partners.

Growth through CreaTech. The UK has excellence in productivity, storytelling, data, crafts and gaming, which often serve as the foundation for CreaTech's technology-related innovation.

A Stable IP and Business System. The UK has a well-established transparent system for protecting technological innovation, as well as a stable business and political environment.

Advanced Consumer Markets. The UK provides technology companies with a vast market of savvy digital consumers and tens of millions of broadband connections.

Diverse Workforce. The UK's multicultural population, social liberalism and quality of life make relocation and recruitment an attractive prospect for global tech companies.

Attractive to Investors. UK tech businesses have attracted significant investment from overseas companies and private and venture capital firms.

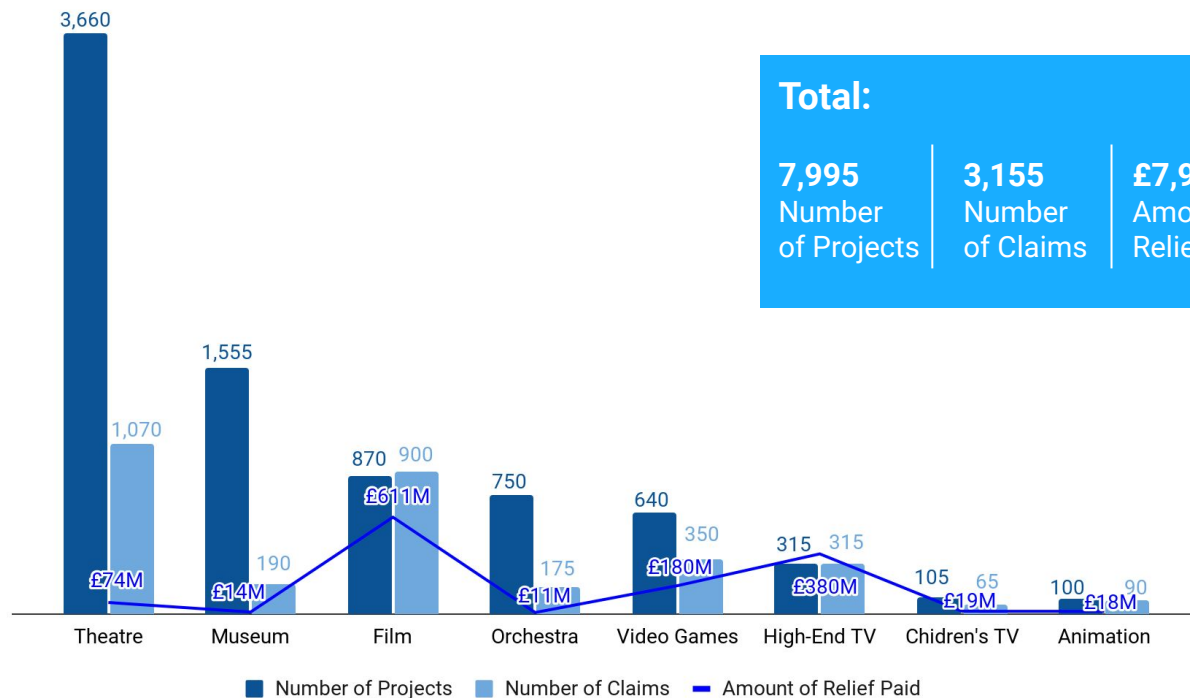
CREATIVE INDUSTRIES IN THE UK: 2021 STATISTICS

The **cultural and creative industries account for over 5% of the total EU GDP**. The value of the global creative goods market has grown exponentially since 2002. These trends have coincided with the digitisation of the creative economy and the digitisation of artistic and creative works, including music, video production and publishing.

During the year ending March 2021, **£1.31B was paid in all tax credits for creative industries in the UK**. That is an 18% increase from the £1.11B per year paid in the year ending March 2020.

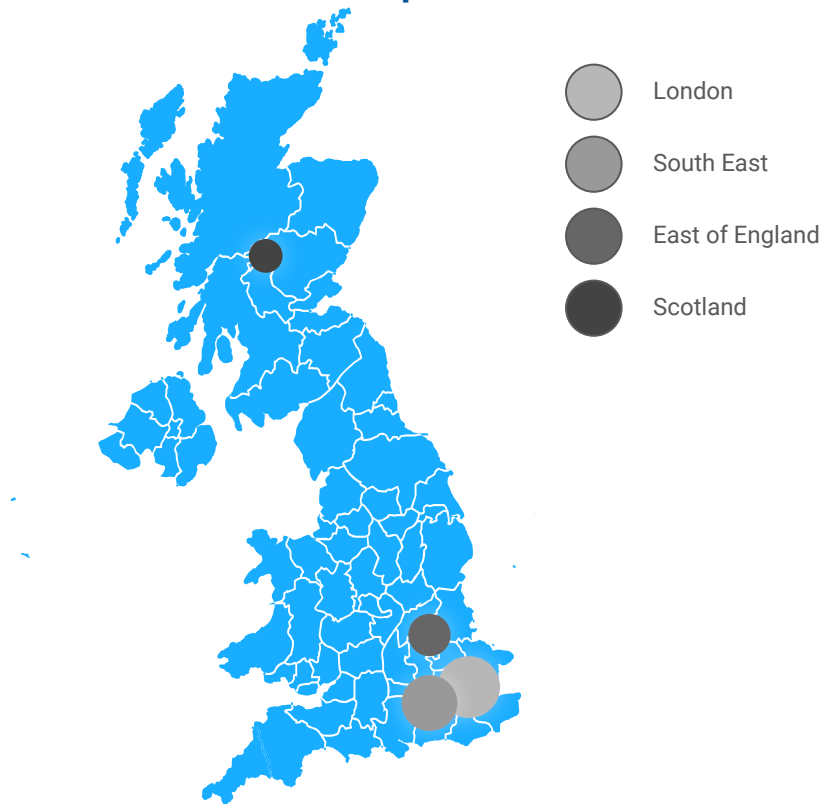
In 2021, tax breaks in film will account for nearly half of the total paid, and high-tech television (HETV) tax breaks will account for nearly a third of the total.

Creative Industries in the UK: Statistics, 2020-2021



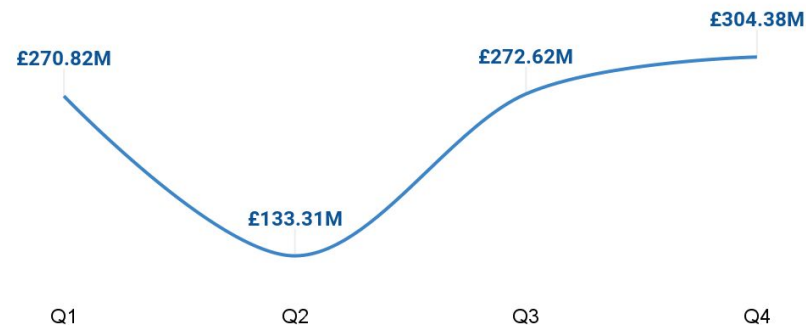
UK CLUSTERS OF INVESTMENT IN CREATECH COMPANIES

UK Clusters of Venture Capital Investment



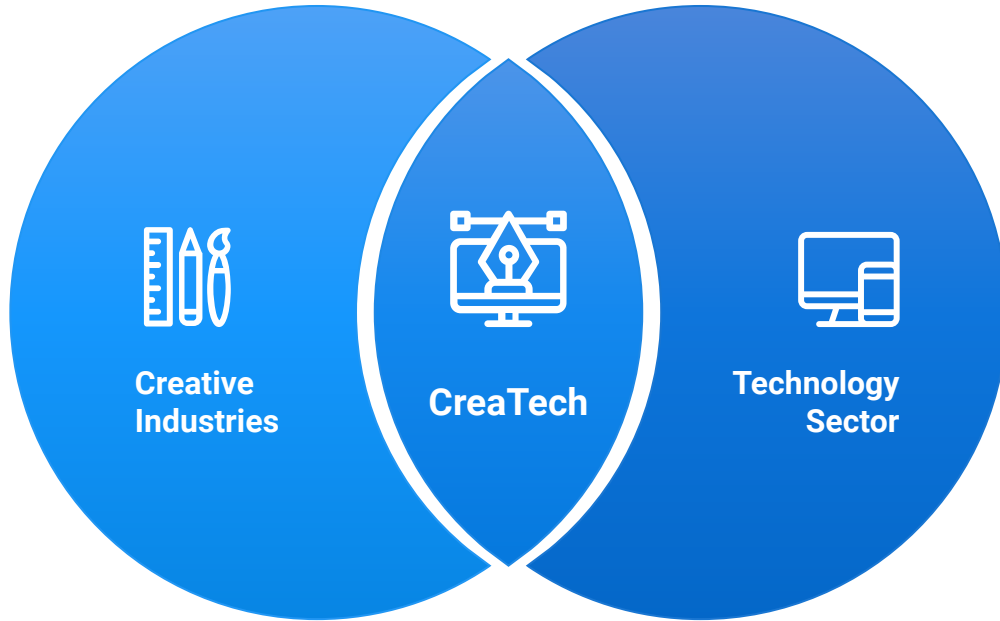
- Companies in London received £486M in VC investment, an increase from £352M in 2019.
- The South East of England raised £24M from 11 deals.
- The East of England raised £13M from 5 deals.
- Scottish CreaTech companies raised £7.5M in investment, an increase from £4.6M in 2019.

Venture Capital Investment into UK CreaTech Companies by Quarter in 2020



CREATECH AS AN INTERSECTION BETWEEN CREATIVE INDUSTRIES AND TECHNOLOGIES

Connection Between Creative Industries and Technologies



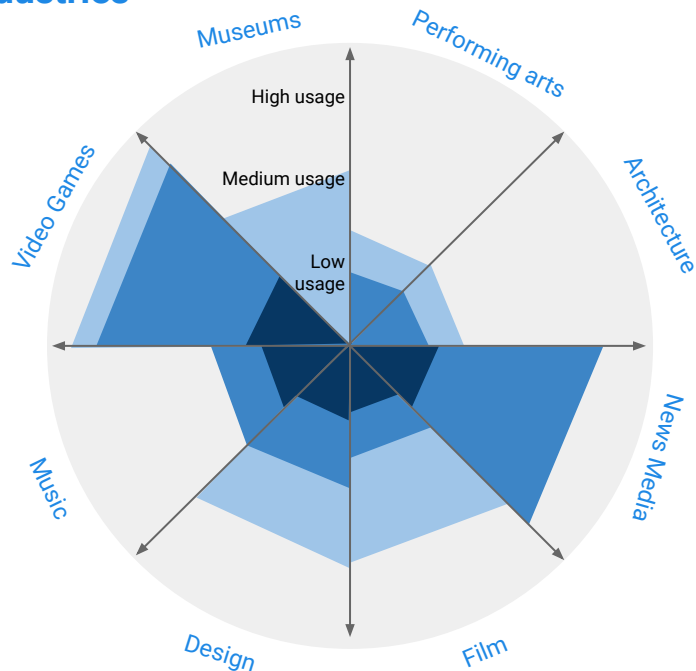
CreaTech, or Creative Technology, is used to describe new technologies aimed at improving and automating the delivery and use of creative services.

CreaTech is used to support companies, artists, investors, and consumers to better manage their operations and processes by applying specialised software and algorithms that are used on computers, smartphones, Internet of Things devices, etc.

The Creative Technology movement represents a pivotal movement for the UK, and its spread and development over the next decade will help lay the foundations for a prosperous, culturally rich and environmentally conscious age.

USAGE OF EMERGING TECHNOLOGIES IN CREATIVE INDUSTRIES

Adoption of Emerging Technologies in Creative Industries



AR/VR

AI

Blockchain

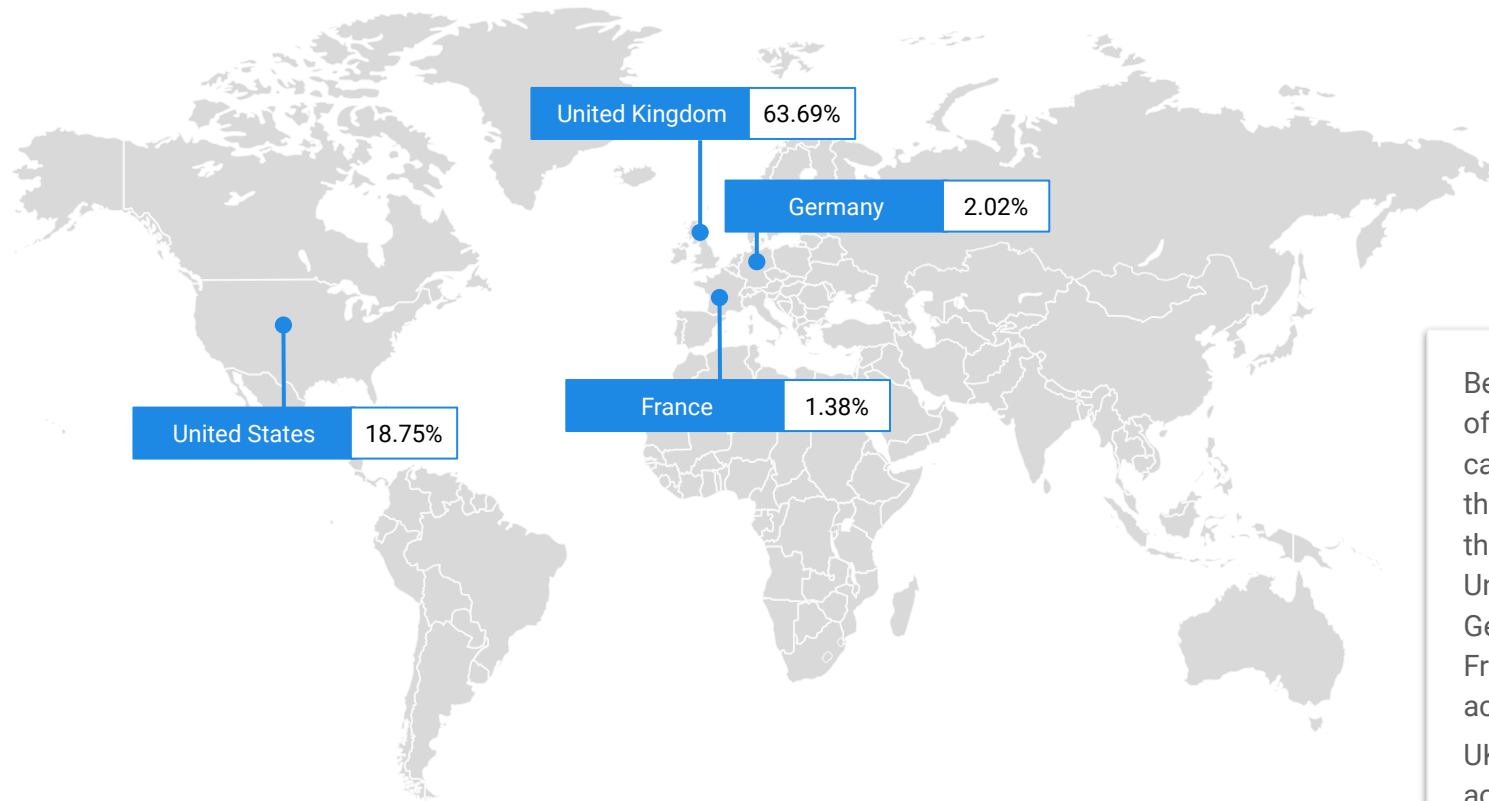
AR/VR as One of the Most Used Technologies

Virtual and augmented reality has infused the cinema, video games, media and design industries with new immersive experiences.

In the video, online and mobile gaming segment, augmented virtual reality technologies **offer an enhanced user experience** for gamers, creating a realistic, fully immersive experience. Immersive media **can change the perception of news reading by bringing the event closer to the viewer**. The use of AR / VR in museums and galleries has been on the increase for some time as many have created AR / VR apps to **attract more visitors**. Making movies in virtual reality provides a new way to experience video content when viewers are inserted into a story.

Despite exciting examples of use, **the proliferation of AR / VR in the creative industries raises a number of ethical and social issues**. For example, immersive media can be problematic as AR / VR in the news can create bias or convey unwanted emotions.

SOURCE COUNTRY OF INVESTMENTS IN CREATECH IN 2017-2020

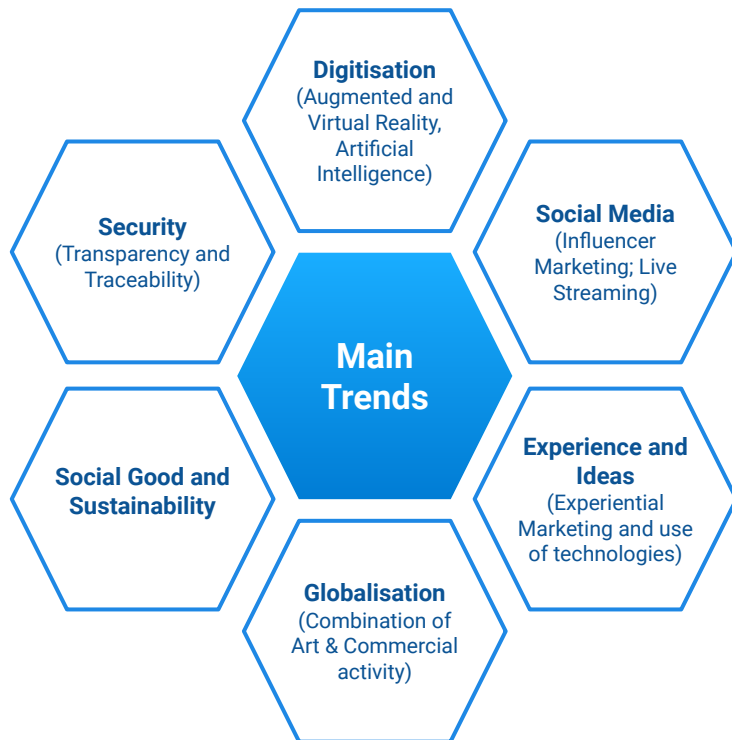


Between 2017 and 2020, 64% of investment in CreaTech came from UK investors. In the same time period, 19% of the deals came from the United States, 2% came from Germany and 1.4% came from France. Other countries accounted for 14%.

UK and US investors accounted for 82% of CreaTech investment in 2020.

MAIN TRENDS AND OBSTACLES IN THE UK CREATIVE INDUSTRIES

Main Trends



Main Obstacles



Lack of Investments

Although, in 2020, the UK's creative sector managed to receive £157B in support from the government to stay afloat, the UK Creative Industries remain highly under-capitalized.



Skills Shortage

Even though the education system aims to integrate creativity into the school curriculum to make students pursue a career in the creative sector, long-term unpaid internships lead to unequal access to opportunities.



Innovations

There are certain requirements to be followed by companies in order to be eligible to claim corporation tax benefits for qualifying expenditure.



Weak Skill and Employment Policy

Creative industries vastly rely on freelancers, who are most of the time excluded from direct government support. As a result of the pandemic, a negative trend in the freelance employment creative sector was noticed.

DKG CREATECH PLATFORM

This teaser is just the first step towards creating a feature-rich platform. From this teaser, **DKG plans to initiate a platform where various participants of the creative industries and emerging technologies will be gathered**. The platform will act as a place for discussions between representatives of the creative and DeepTech industries.



Creative Industries Parties



DeepTech Community

Are the creative industries ready to embrace emerging technologies?

What impact do technologies have on the creative industries?

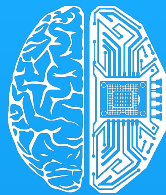
How and where can parties in the creative industries find out about potential interesting technologies?

Is there a need to introduce emerging technologies into the creative industries?

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ANALYTICS

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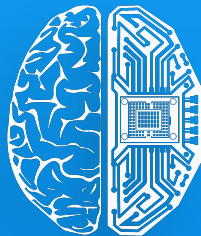
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