

The analytical case study analyzes the market of **DeepTech and AI Ecosystem in Ukraine**. The study provides insights on 450 companies that use **AI / ML technologies** in their work and are attractive to domestic and foreign investors. Also, the report highlights the most successful cases of **The Ministry of Digital Transformation** activities, which create a comfortable economic environment for Ukrainian startups.

IT market in Ukraine experiences a significant growth over the last 10 years, with the most active dynamics during the last 5 years. As of beginning of 2022, Ukraine demonstrates the growth rate of the IT services market at 20-25% annually.

IT sector accounts to more than 200,000 technicians to meet the growing global demand for software development and maintenance services.

Current State of Tech Market in Ukraine

\$6.8B

Exports of the Ukrainian IT industry in 2021; 36% growth YOY

\$832M

VC and PE investments in Ukrainian tech companies in 2021; 45% growth YOY

285K

IT specialists; 80% of employees are between 18 and 32 years old

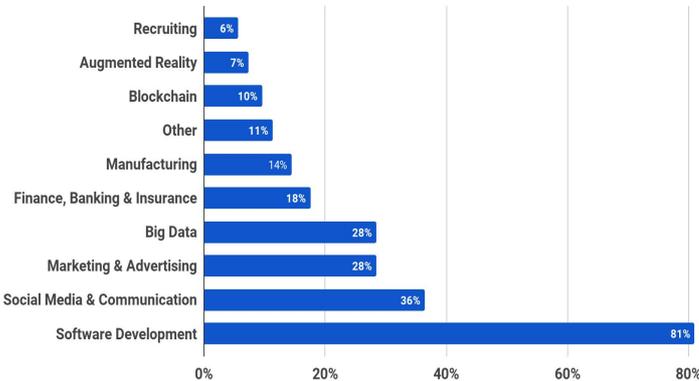
74%

Of people in IT sector are technical specialists

Source: [IT Ukraine Association "Ukraine IT Report 2021"](#)

Since companies may implement AI technology in an almost infinite number of cases, they participate not in a single industry solely but have several vectors at a time. Most of the companies (**81%**) that apply AI or provide AI services are engaged in **Software Development**.

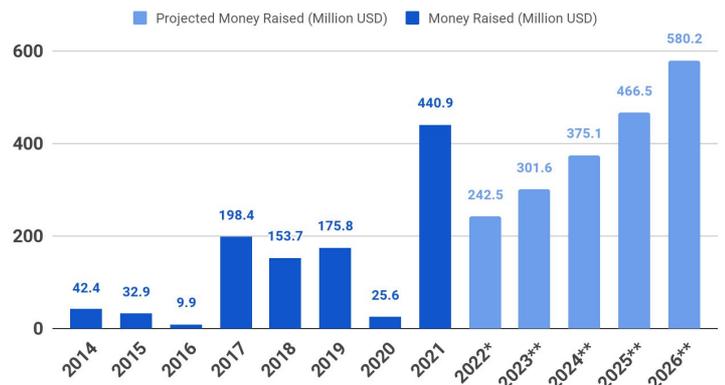
Industry Vectors Among 450 Companies



Source: [Deep Knowledge Analytics: DeepTech Companies and Investors in Ukraine](#)

Industry market share shows the percentage of a certain industry among all industries in which AI-related companies operate. Thus, the more companies operate in a particular industry, the greater the share of this industry in the overall market is. According to the graph, the Software Development industry takes the biggest share of 33.8% of AI companies' operational market.

Total Allocations Amount (Million USD)



Source: [Deep Knowledge Analytics: DeepTech Companies and Investors in Ukraine](#)

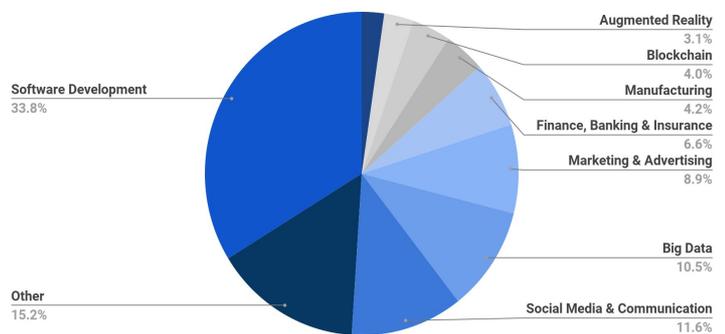
Investments in Ukrainian companies applying AI increased significantly over the last 10 years from **\$42.4 million in 2014 to \$440.9 million in 2021**, showing the potential of Ukrainian economy and the attractiveness of Ukrainian companies to domestic and foreign investors. It is worth noting the sharp decline in investment in 2020 in connection with COVID-19, and in 2022 (**\$1.1 million in Q1 2022**) due to the war of Russia against Ukraine.

Several takeaways from the analytical case study:

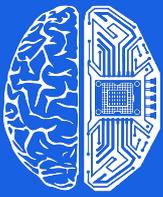
- Software development industry leads the market.
- Due to the war, 41% of Ukrainian startups lack money but 72% will try to continue operating*.
- Ukraine has become the significant player in the AI market in Eastern Europe.
- Governmental initiatives contribute to further growth of AI & ML sector in Ukraine.

*Source: [Ukrainian Startup Fund "Startup Voice", March 2022](#)

Industry Market Share

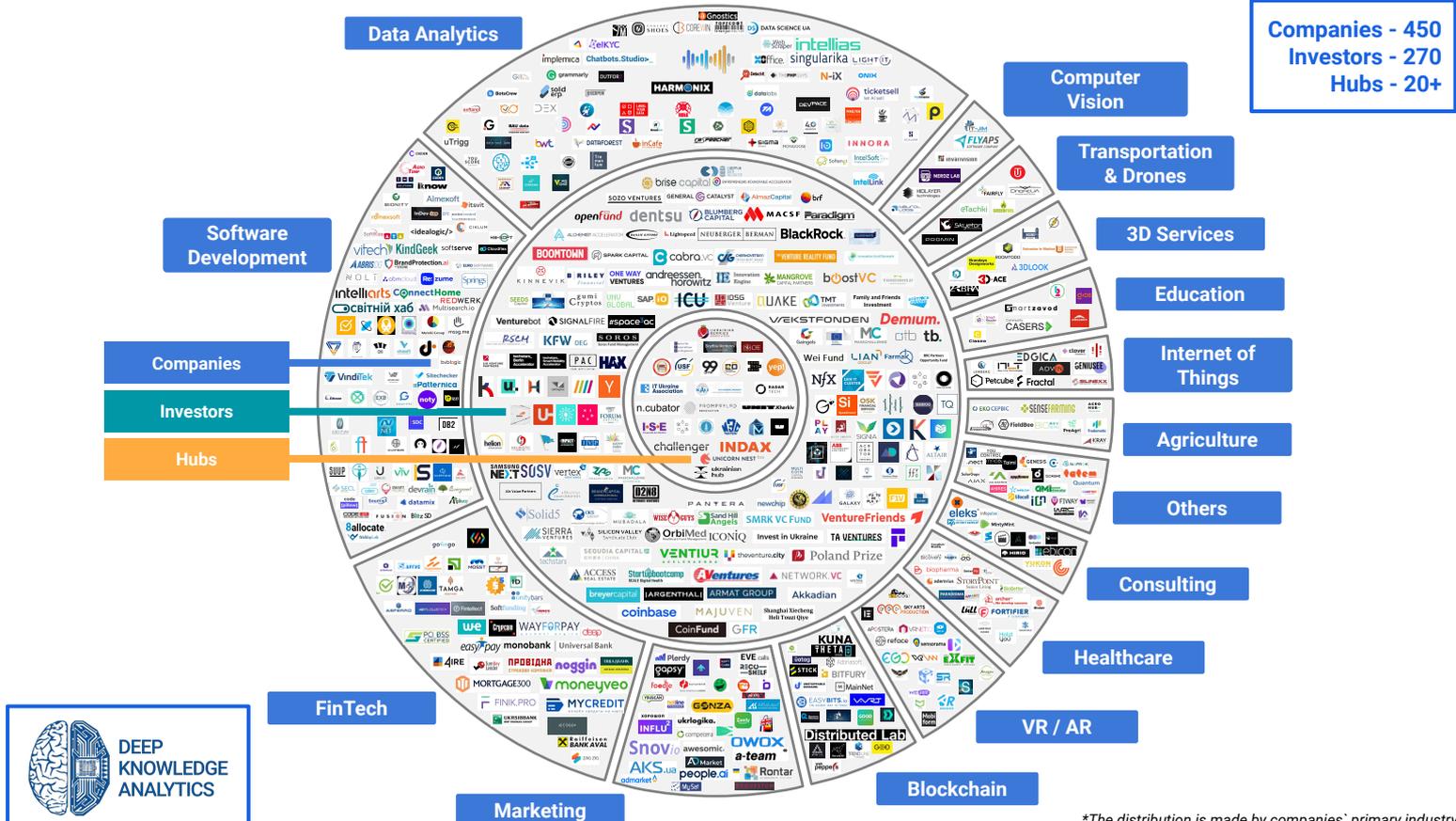


Source: [Deep Knowledge Analytics: DeepTech Companies and Investors in Ukraine](#)



DeepTech and AI Innovation Ecosystem in Ukraine

Companies - 450
Investors - 270
Hubs - 20+



Ukraine – the New Eden for DeepTech and AI Development

Deep Knowledge Analytics aims to find incentives to further development of AI and DeepTech in Ukraine. Therefore, the specialized collaborative platform will allow contributing to building the network of tech entrepreneurs.

