



The analytical case study analyzes the market of **DeepTech and AI Ecosystem in Ukraine**. The study provides insights on 560 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 recent years, with the most active dynamics during the last 5 years. As of beginning of 2023, Ukraine demonstrates the growth rate of the IT services market at 20-25% annually.

IT sector accounts to more than 240,000 technicians to meet the growing global demand for software development and maintenance services.

Current State of Tech Market in Ukraine

\$7.35B

Exports of the Ukrainian IT industry in 2022; 5.8% growth compared to 2021

\$881M

Volume of VC and PE investments in 2022; 6% growth compared to 2021

703%

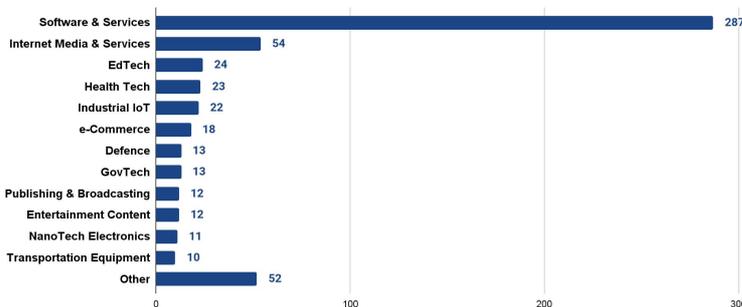
is the overall increase in the value of Ukrainian startups over five years

\$876M

amount of taxes and fees paid by the IT business in 2022, which is more than in the previous year.

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. Half of the companies (52%) that apply AI or provide AI services are engaged in **Software & Services**.

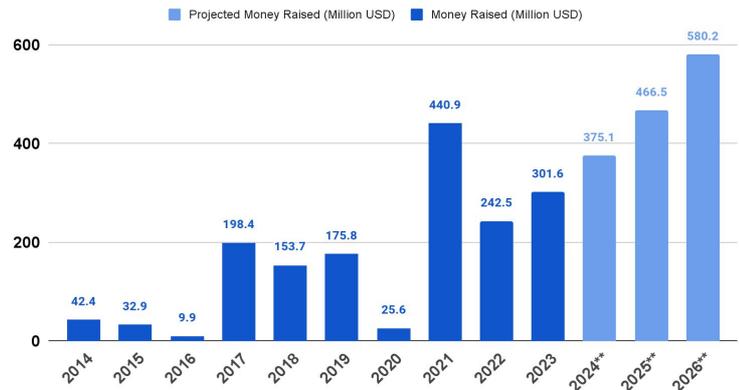
Industry Vectors Among Companies Q3 2023



Source: Invest in Ukraine Tech: DeepTech and AI Ecosystem in Ukraine 2023

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 Internet Media & Services follow the Software sphere with the share of about 10%.

Total Allocations Amount (Million USD)



Source: Invest in Ukraine Tech: DeepTech and AI Ecosystem in Ukraine 2023

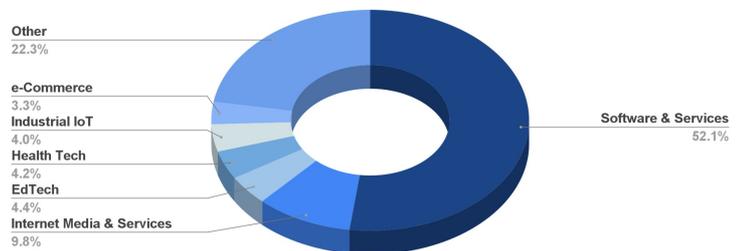
Investments in Ukrainian innovative companies increased significantly over the last 10 years from **\$42.4 million in 2014 to \$301.6 million in 2023**, which shows the incredible growth of the Ukrainian economy and the attractiveness of Ukrainian companies to domestic and foreign investors. It is worth 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 invasion and war of Russia against Ukraine.

Several takeaways from the analytical case study:

- Software & Services sector 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

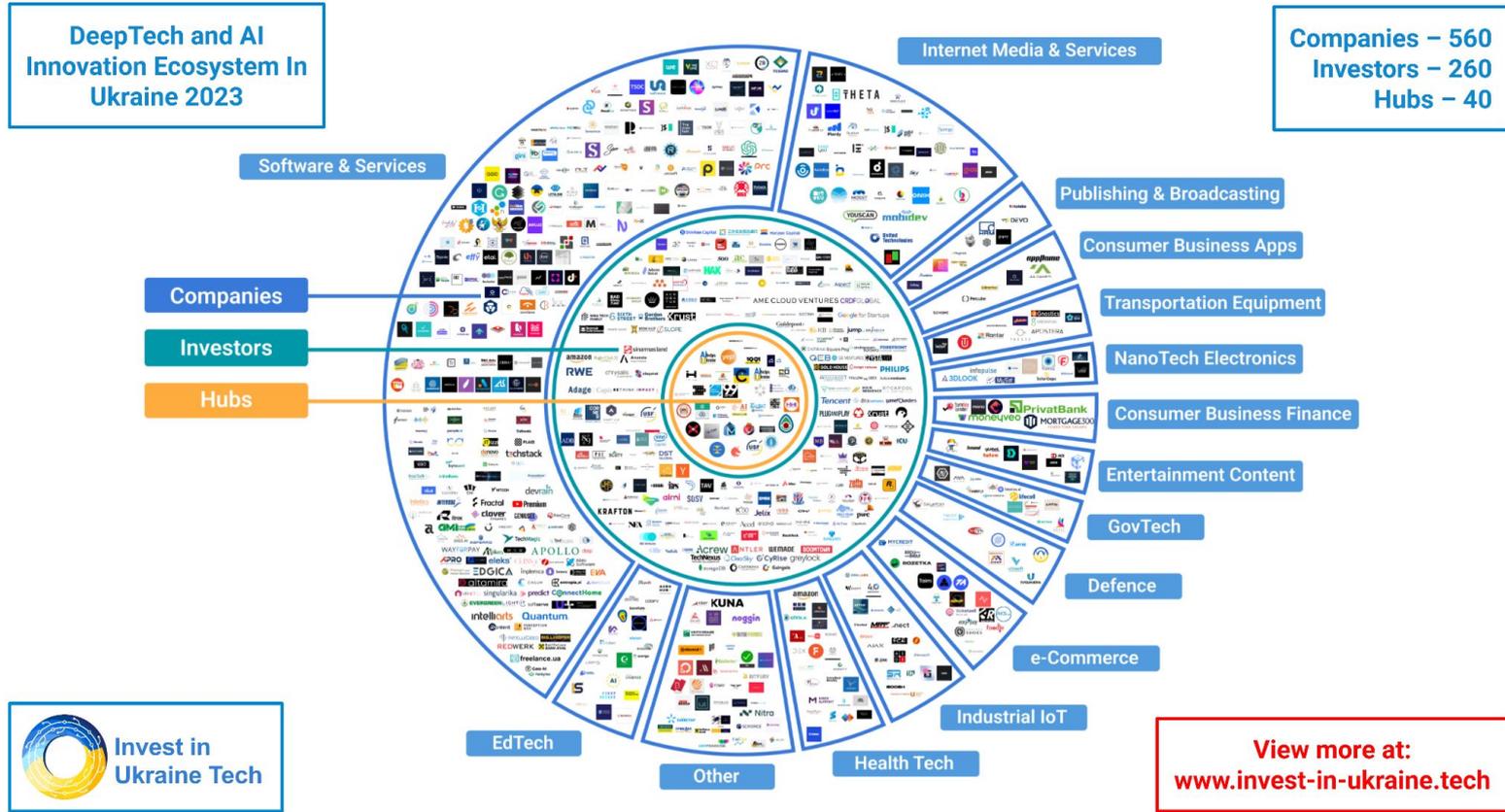
Industry Market Share Q3 2023



Source: Invest in Ukraine Tech: DeepTech and AI Ecosystem in Ukraine 2023



DeepTech and AI Ecosystem in Ukraine Q3 2023



Ukraine – the New Eden for DeepTech and AI Development

Invest in Ukraine Tech 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.

