# EHE Ventures backs UK AI startups with £1.1 million fund launch



Manchester-based EHE Ventures has invested over £1.1 million into seven early-stage AI-first startups across the UK, marking the first round of funding from its newly launched (S)EIS AI Growth Fund. The firm plans to deploy up to £15 million over the next three years to support startups developing practical AI applications.

EHE is coupling capital investment with operational and technical support via its in-house venture studio. This model allows the firm to collaborate directly with founders on product development, technology build and go-to-market strategies. “We back practical, scalable applications of AI that actually make life better,” said Neil Vose, CEO of EHE Ventures.

The seven funded startups span a range of sectors. Good With, a female-founded fintech platform, applies AI and behavioural science to improve credit access for underserved borrowers. Peppercorn AI uses large language models to streamline insurance onboarding and claims, while Scooch combines embedded insurance with AI to personalise pet healthcare.

In healthtech, Spotlight Pathology uses computer vision to speed up blood cancer diagnoses. AgriTech firm Fotenix applies spectral imaging to detect crop diseases early, while NeuWave Technologies addresses inaccurate wave forecasts affecting offshore industries. In marketing, SUBJCT provides AI-driven content tagging to enhance engagement and SEO.

UK AI startups continue to attract strong investor interest, raising $4.2 billion in 2024—a 31% increase on the previous year and 27% of total venture funding. Fintech remains the top investment category. EHE’s regional focus reflects a growing push to decentralise AI development beyond London. “The North of England can lead the way in responsible, applied AI,” said Vose, positioning the North as a growing hub for AI innovation.

This approach aligns with broader moves across the UK tech sector. Sidetrade plans to invest £30 million in AI by 2025, including a new tech hub in Birmingham. Tech Nation’s Applied AI Growth Programme has also spotlighted 32 high-potential AI scaleups, many of them outside London and nearly half led by female founders. Despite this momentum, a recent House of Lords report warned the UK could become an “incubator economy” unless structural challenges—such as limited capital access, talent shortages and risk-averse investors—are addressed. The report calls for more accessible government support to help UK AI startups scale.

EHE’s fund model offers one potential solution, combining funding with hands-on support to help founders accelerate development. “It’s not just about putting money in—it’s about helping startups get to market faster,” said Vose.

With up to £5 million earmarked for deployment by the end of 2025, EHE’s initiative reflects a wider belief that practical, regionally driven AI innovation can help secure the UK’s leadership in this transformative field.

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## Bibliography

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3. <https://thefintechtimes.com/sidetrade-plans-30-million-investment-in-artificial-intelligence-commitments-include-new-tech-hub-in-birmingham-in-uk-and-70-future-jobs-birmingham/> - Sidetrade, an AI platform, announced a £30 million investment in AI by 2025, including a new Tech Hub in Birmingham and 70 new tech jobs. The investment focuses on software innovation, training initiatives, expert services, and expanding R&D capacities. ([thefintechtimes.com](https://thefintechtimes.com/sidetrade-plans-30-million-investment-in-artificial-intelligence-commitments-include-new-tech-hub-in-birmingham-in-uk-and-70-future-jobs-birmingham/?utm_source=openai))
4. <https://thefintechtimes.com/tech-nation-has-announced-the-32-companies-selected-for-the-applied-ai-growth-programme/> - Tech Nation's Applied AI Growth Programme selected 32 UK AI scaleups, including Archangel, ILOF, and Rahko. The programme aims to support companies in scaling up and becoming future AI unicorns, with 59% based outside London and 44% having female founders. ([thefintechtimes.com](https://thefintechtimes.com/tech-nation-has-announced-the-32-companies-selected-for-the-applied-ai-growth-programme/?utm_source=openai))
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7. <https://thefintechtimes.com/uk-risks-losing-ai-and-tech-startups-to-overseas-markets-lords-committee-warns/> - A House of Lords report warns that the UK risks becoming an 'incubator economy' for AI and tech startups, citing barriers like limited capital access, talent shortages, and a risk-averse investment culture. The report calls for simpler government support to retain high-growth companies. ([thefintechtimes.com](https://thefintechtimes.com/uk-risks-losing-ai-and-tech-startups-to-overseas-markets-lords-committee-warns/?utm_source=openai))