

Европейские технологическ ие

Самый полный каталог
платформы
европейских технологий на

ОСНОВЕ ДАННЫХ

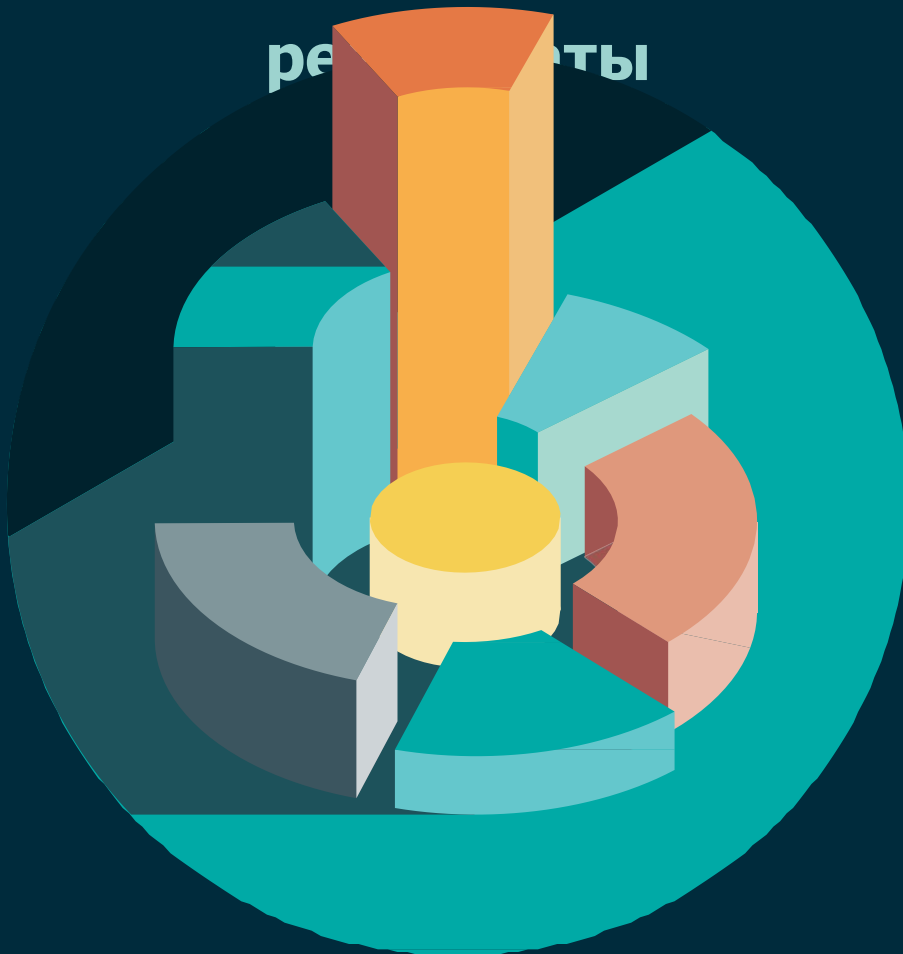
stateofeuropeantech.com



01

2019 основные

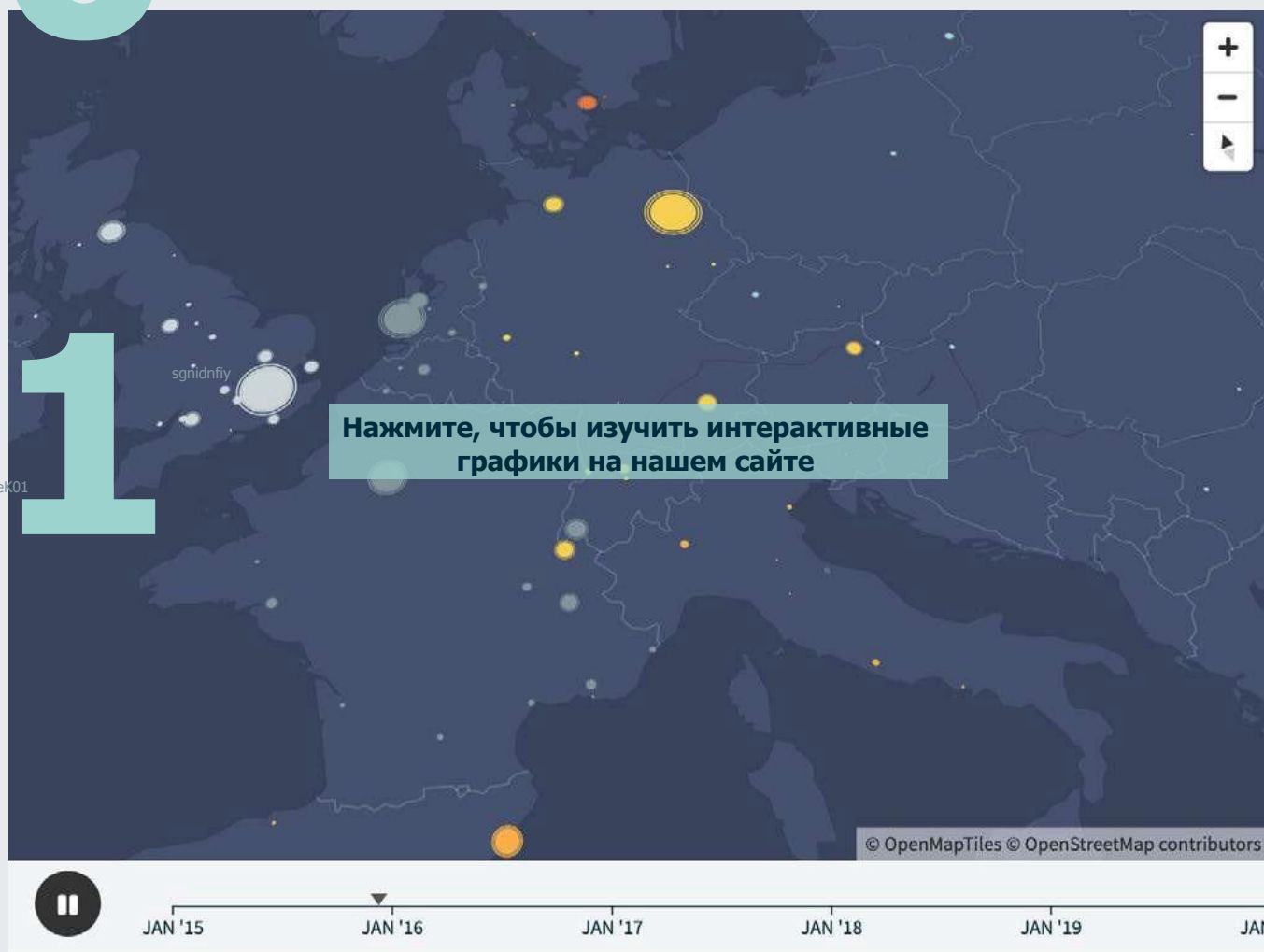
результаты



Инвестированный в Европу капитал

Мы приближаемся к отметке \$110 млрд, вложенных в Европу с 2015

0 Оценки инвестиций европейских городов (\$), 2015 - 2019



3

Страны (Великобритания, Германия и Франция), чей инвестированный капитал превысил \$ 10млрд.

Source: dealroom.cc

Visualised with: Flourish

29

Европейские города, привлекающие более \$ 100 млн капитала, инвестированного только в 2019 году

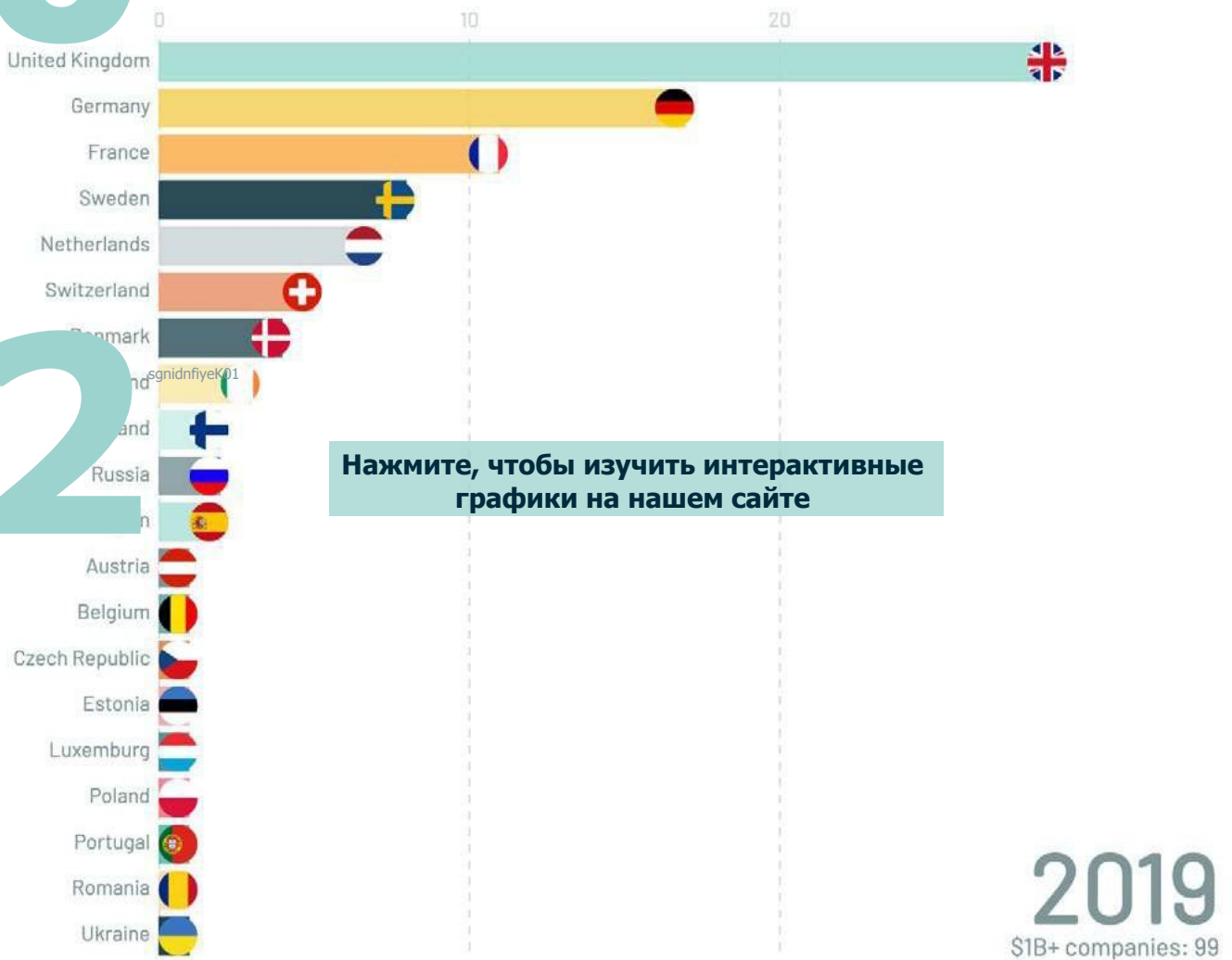
\$B+
COMPANIES

Ознакомьтесь с историей успеха

Европы на миллиард долларов

0

Ознакомьтесь с числом европейских технологических компаний, достигших отметки в млрд дол, поддерживаемых венчурными инвесторами по странам и годам.



2

Страны с венчурными компаниями, достигающие отметки в млрд дол

0

Source: dealroom.cc

Visualised with: Flourish

100%

Получившие Млрд дол европейские венчурные компании основанные после 2010

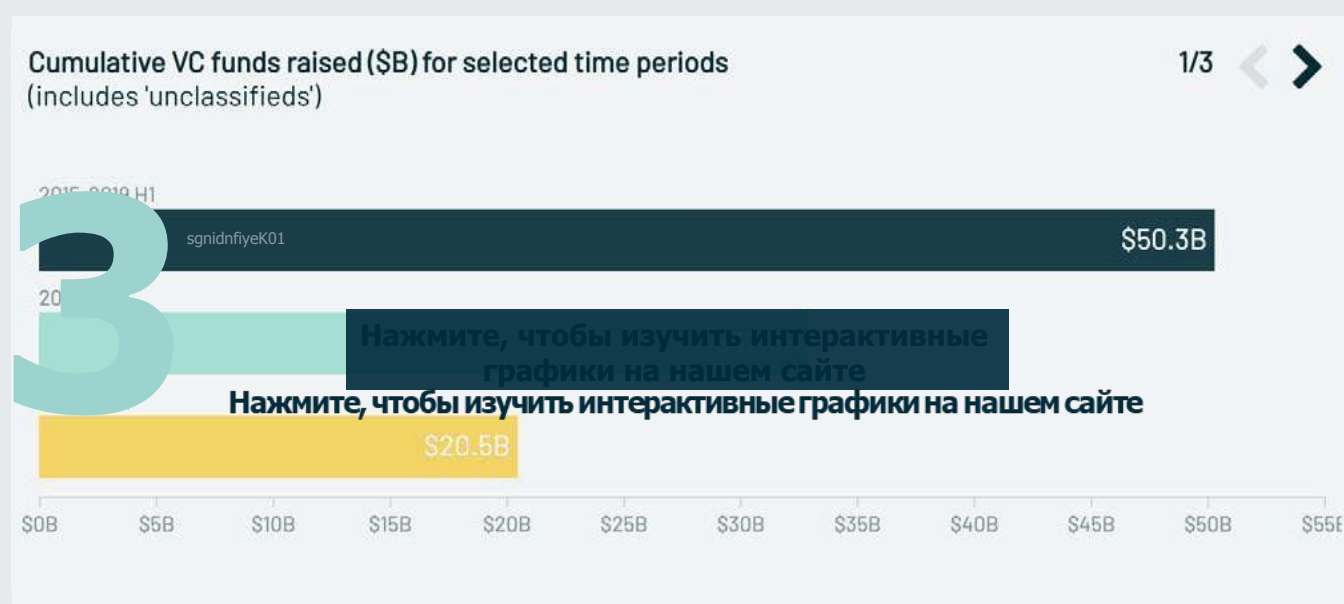
Привлеченные венчурные фонды

В рекордный 2018 г европейские венчурные инвесторы собрали более 13 миллиардов долларов.

0

окупные привлеченные венчурные фонды
2015-2019 и 2015-2019

Совокупный объем привлеченных венчурных фондов
(\$млрд) за выбранные периоды времени



\$50млр

Д

Средства, собранные венчурными компаниями
за первое полугодие 2015-2019

\$902мл

Н

рекордные инвестиции пенсионных фондов в
европейские венчурные фонды в 2018 году

ЕВРОПЕЙСКИЕ ТЕХНИЧЕСКИЕ УЧРЕДИТЕЛИ

Мы опросили более 1200 основателей со всей Европы. Исследуйте набор данных!

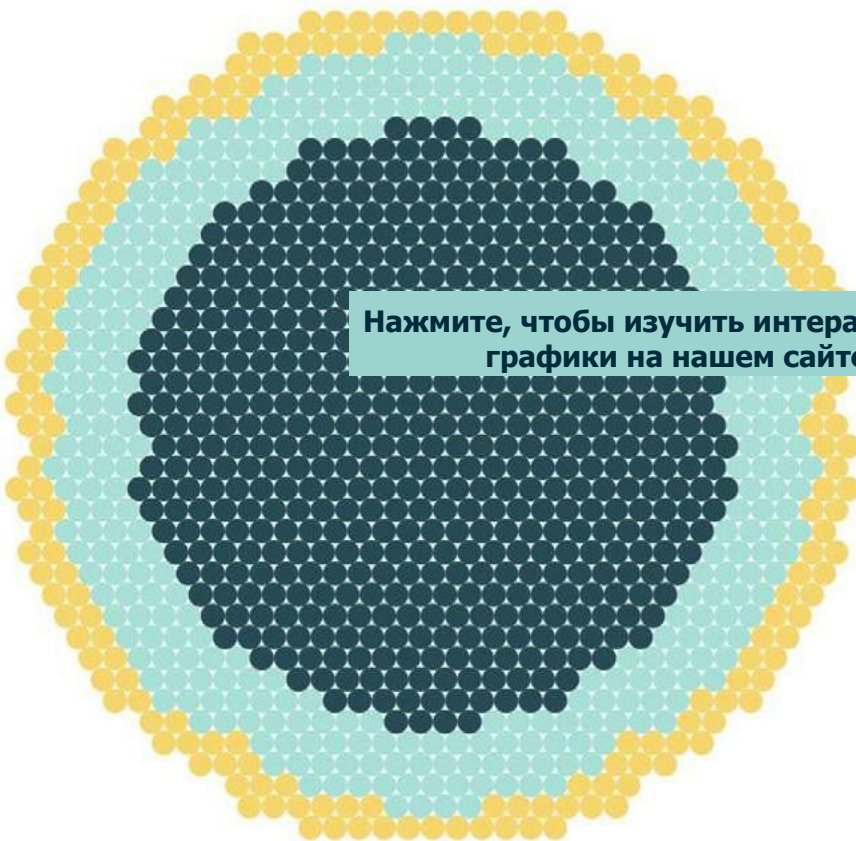
0

Ответы европейских основателей (анонимно)
50% респондентов впервые являются основателями

50% of founder respondents are first-time founders

1/4 < >

Founder Experience ● First-time founder ● Repeat founder with limited experience ● Experienced repeat founder



Нажмите, чтобы изучить интерактивные графики на нашем сайте

✕

🌸 🌸

All ▾

Group by ▾

Shade by ▾

Founder Experience ▾

81

жили комфортно/оплачивали основные расходы с дополнительных остатками

Source: State of European Tech Survey

Visualised with: Flourish

21%

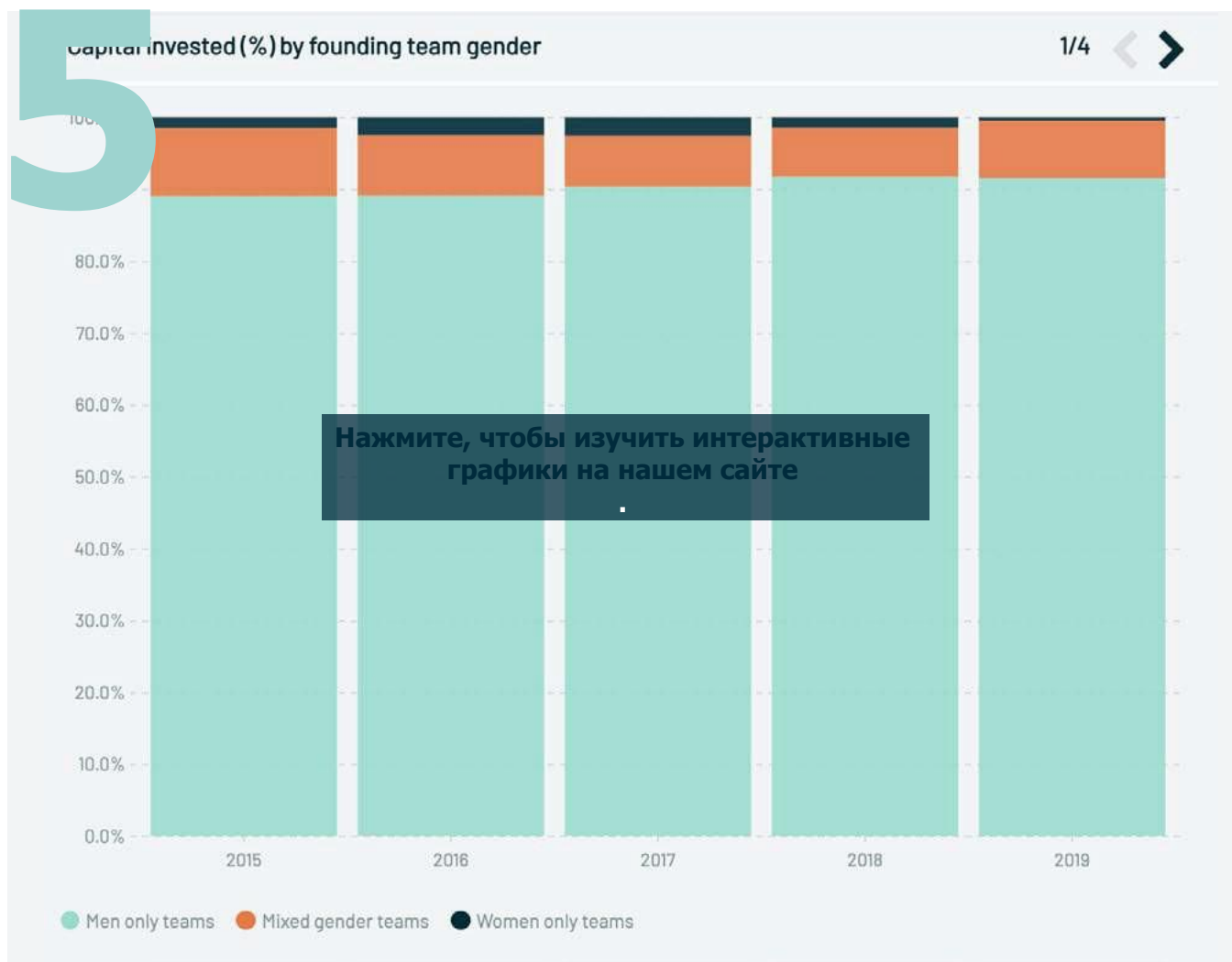
Респондентов являются женщинами

РАЗНООБРАЗИЕ И ИНКЛЮЗИВНОСТЬ

0

Отсутствие существенного повышения доли капитала, вложенного в европейские технологические компании в различные группы основателей.

Капитал, инвестированный основателями по гендерному признаку



\$92

на каждые вложенные 100дол основатели мужчины

1 к 12

На каждую женщину руководителя приходится 12 руководителей мужчин

Source: dealroom.cc

Visualised with: Flourish

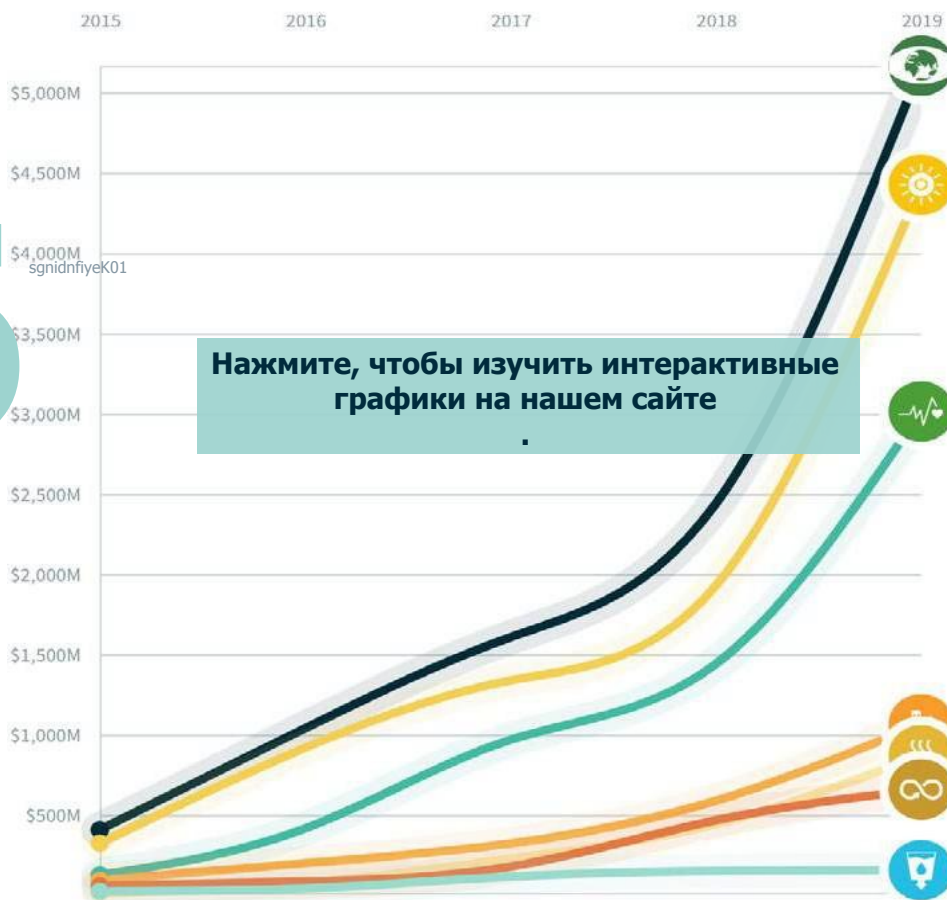
ЦЕЛЬ

Целевые инвестиции

0

В 2019 году создано более 500 европейских технологических компаний, которые считают устойчивое развитие основной частью своей миссии.

6



Нажмите, чтобы изучить интерактивные графики на нашем сайте

\$4.4млрд
12.3%

Source: [dealroom.cc](#) visualised with: [Flourish](#)

капитал, вложенный в целевые европейские технологические компании в 2019 году

от объема капитала, инвестированного в европейские технологии в 2019г., что в два раза больше, чем в прошлые годы

0

Состояние европейских технологий 201

9



Почему Европа не может заниматься технологиями?

Пора перестать задавать этот вопрос. У нас есть неопровержимые доказательства того, что Европейская технологическая экосистема может поддерживать крупные компании. Мы наблюдаем растущее число крупных инвестиционных вложений и появление «целеустремленных» компаний, решающих некоторые из самых больших мировых проблем, а так же наличие талантливых разработчиков, не менее чем в США; однако остаются такие проблемы как отсутствие многообразия и расходящиеся приоритеты между политикой и общественностью.

02.1

Предисловие к докладу 2019 года

Многое изменилось с тех пор, как мы представили первый отчет о состоянии европейских технологий в 2015 году. В тот год президент Обама отмечал первую годовщину соглашения по климату с Китаем, в то время как Совет Европы размышлял над письмом премьер-министра Великобритании Дэвида Кэмерона, в котором излагались будущие отношения Великобритании с Евросоюзом. Будущее имеет обыкновение высмеивать прошлые прогнозы, но иногда они действительно попадают в цель. Тогда мы считали, что технологии в Европе уже испытали прорывной год, став платформой для большего успеха. Однако это убеждение оказалось неуместным.

At this point, we were amongst a growing but still limited number of people who truly believed in the ecosystem's potential.

Belief is as vital as talent or capital when it comes to building tech companies. However, in 2015, belief in the European ecosystem was limited to the European tech industry itself.

Fast forward to 2019, and while the world's media may have focused on Chinese-US trade disputes and volatility on the public markets, European tech has quietly increased its number of external believers. We see this everywhere, from the increased time top US investors are spending on the ground here to the fact that a fifth of European rounds this year had at least one US or Asian investor participating - a proportion which grows as the deal size increases. VCs are reporting increasing interest from global LPs, while previously unconvinced European Institutional Investors are now fully engaged. We're also seeing valuations and pre-emptive term sheets on the increase in Europe - always a sign that competition to invest in the best tech companies is accelerating, as well as a reflection on the quality of the opportunity.

In fact, European tech companies are performing at a level exceeding the expectations of all but the most optimistic. In 2015, we celebrated \$10B of investment into the region's tech companies. This year, \$35B seems par for the course. That year, our report concerned itself with the late-stage funding gap: in 2019, 40 different European tech companies were able to raise \$100M+ rounds. To date, there are now at least 174 European tech companies that have scaled to a valuation of over \$1B - including 99 venture-backed companies.

However, we can't afford to be complacent - or to lose focus. Now that we've instilled the external as well as internal belief, it's up to us to shape our own destiny when it comes to the future of European tech. We hope this report provides inspiration and guidance: we need to address our D&I issues, acknowledge the importance of well-being, foster a generation of purpose-driven companies, reinforce the density of our networks of people and capital, and end the disconnect between policymakers and founders.

A word on our D&I issues: we won't realise our full

Если мы сможем обеспечить, безопасность демографических показателей и многолетнего опыта, у нас будет огромное конкурентное преимущество перед другими частями света, которые менее всеобъемлющи.

Мы надеемся, что этот отчет является полезным исследованием, который является обоснованным подтверждением способностей Европейцев создавать технологические компании. Однако этот отчет-не последнее и не единственное слово о европейских технологиях. Мы рекомендуем вам посетить города, выходящие за рамки тех, которые вы обычно посещаете, и живущие широкими и разнообразными технологическими площадками, которые вместе представляют собой крупнейшую экономическую силу экономического роста во всей Европе

Мы пишем этот отчет, чтобы пролить свет на европейскую технологическую систему. Он намеренно обеспечивает макро взгляд на ландшафт и предназначен для исследования, полезного для максимально возможного количества людей. Дело в том, что каждый город имеет свою собственную невероятную историю с собственным микро-составом основателей, сотрудников, компаний, инвесторов и университетов, помогающих продвигать технологии как на местном, так и на региональном уровне. Мы инвестировали в 20 европейских городов в 15 странах, но мы помним о том, что у нас есть и слепые зоны. С каждым годом мы наблюдаем, что европейские технологии становятся все более взаимосвязанными - каждый из нас должен воплотить это в жизнь и гарантировать, что эти связи будут продолжаться. Создав прочность талантов и опыта, мы увидим что технологические знания более эффективно передаются будущим и нынешним поколениям европейских основателей. Это поможет нам достичь плотности населения в Европе: обеспечив равномерное распределение талантливых разработчиков и исследователей с капиталом по всему континенту, наш и без того стремительный прогресс ускорится еще быстрее. Когда мы начинали в 2015 году, мы верили, что европейский успех останется без внимания. Сегодня вера в европейские технологии приходит как извне нашей экосистемы, так и изнутри. Принято считать, что вы можете собрать необходимые деньги, нанять лучшую команду и выйти на международный уровень, не мигрируя в США. На самом деле ничто так не демонстрирует этот сдвиг, как приток американского капитала увеличившегося в 10 раз в 2018 году.

Тем не менее, нам нужно убедиться, что мы не зациклились на США или Китае. Мы должны наметить свой собственный курс и построить свою собственную технологическую экосистему на основе наших собственных ценностей. Наша мощная инвесторская база способствовала реальным изменениям европейских технологий. Как вы видите, когда-то мы были в основном потребителями, а сейчас мы развили свою мощь в таких областях, как корпоративное программное обеспечение и пограничные технологии. Наконец данный доклад предоставляет информацию, которая ведет к подлинным изменениям и улучшению нашей

Нам есть чем гордиться и над чем работать. В этом году мы отмечаем пятый день рождения нашего доклада. Что еще более важно, мы празднуем пять лет поразительного роста европейской технологической экосистемы. Сравнение того, где мы сейчас находимся, с тем, где мы были в 2015 году, показывает, как далеко продвинулась Европа.



02.2

Основные положения

Состояние разнообразия и вовлеченности

Этот отчет показывает, что европейское разнообразие и вовлеченность все еще недостаточно развиты.

Люди

Опираясь на ответы опроса учредителей, мы набросали портрет того, как выглядит типичный европейский технологический основатель в 2019 году, и как их проблемы меняются по мере увеличения их компании.

В 2019 году 92% финансирования досталось мужским командам, что соответствует цифрам, шокирующим читателей в прошлом году. Когда вы рассматриваете данные о расе, возрасте, образовании и социально-экономическом фоне, видно возникновение больших проблем: 43% темнокожих/африканских / карибских основателей испытали дискриминацию; 80% которых связывают это со своей этнической принадлежностью. Темнокожие основатели составили только 1% (0,9%) из более чем 1200 респондентов-основателей. В 2019 году 92% финансирования досталось мужским командам, что соответствует цифрам, шокирующим читателей в прошлом году. Когда вы рассматриваете данные о расе, возрасте, образовании и социально-экономическом фоне, видно возникновение больших проблем: 43% темнокожих/африканских / карибских основателей испытали дискриминацию; 80% которых связывают это со своей этнической принадлежностью. Темнокожие основатели составили только 1% (0,9%) из более чем 1200 респондентов-основателей. Мы также обнаружили, что люди с более низким социально-экономическим статусом менее склонны становиться предпринимателями: 81% опрошенных основателей сказали нам, что они жили комфортно до того, как основали свою компанию против 39% в Европе. Мы также обнаружили, что люди с более низким социально-экономическим статусом менее склонны становиться предпринимателями: 81% опрошенных основателей сказали нам, что они жили комфортно до того, как основали свою компанию против 39% в Европе. Что также становится все более очевидным, так это то, что женщины-капиталисты продолжают решать проблемы разнообразия Европы: 63% из них сообщили нам, что они увеличили свое внимание на проведение мероприятий с более активным участием различных учредителей против 36% мужчин. Это особенно проблематично, поскольку в докладе за этот год показано, что венчурные капиталисты не увеличили долю женщин на уровне партнеров. Один положительный момент - в быстро растущей отрасли глубоких технологий, мы обнаружили, что 23% европейских квантовых компаний имели смешанную или возглавляемую женщинами команду основателей, что более чем вдвое превышает средний показатель по Европе - 13%. Это неудивительно, учитывая большую долю исследователей и ученых, которые являются женщинами: как показывает доклад, женщины фактически составляют более половины населения ученых и инженеров в Китае, Болгарии, Латвии и Дании. В ходе этого процесса возник целый ряд идей, начиная от детальной информации о том, как основатели на ранних стадиях финансировали свой бизнес, и заканчивая возрастным составом компаний, которые оценивались в миллиарды долларов. Мы также смогли изучить интенсивное личное становление, которое влечет за собой строительство компании, в отчете за этот год. Мы собрали набор данных, который без сомнения демонстрирует, что многие основатели хотят получить помощь. Целых 57% учредителей, которые привлекли внешний капитал, заявили, что они были бы признательны за поддержку со стороны Совета директоров или инвесторов. В других странах есть положительные стороны: мы обнаружили, что Европейский профессиональный союз разработчиков по-прежнему глубже, чем в США (6,1 млн против 4,3 млн), в то время как на более поздних стадиях европейские компании сокращают разрыв с США в использовании фондовых условий для стимулирования инвестиций.

Цель

По наблюдению Маргрет Вестэджер в настоящем докладе рассматривается вопрос о том, что европейские технологии отличаются друг от друга по целевому назначению

Инвесторы поддержали целевые европейские технологические компании с капиталовложениями в размере более \$4 млрд в 2019 году, увеличившись более чем в 6 раз за последние пять лет - с учетом того, что совокупный объем инвестиций с 2015 года приблизился к \$10 млрд. Dealroom.co была создана основа для оценки европейских технологических компаний с венчурной поддержкой на основе их соответствия целям устойчивого развития Организации Объединенных Наций. Анализ был сосредоточен на совокупности семи из семнадцати Целей устойчивого развития (ЦУР), отобрав только те, где Dealroom наблюдал более высокий уровень активности европейских венчурных стартапов. Мы обнаружили, что более 500 европейских технологических компаний, основанных с 2005 года, решают по крайней мере одну из этих семи целей в качестве основной части своей миссии.

Место

Каждый год наши данные выделяют целый ряд технологических центров, которые показывают многообещающие результаты

Теперь это обещание выполняется, и двадцать стран создают технологические компании на миллиарды долларов. У основателей никогда не было большего выбора, но наш отчет показывает, что они предпочитают находиться на своем внутреннем рынке, если это возможно, в то время как цены на аренду в популярных центрах, таких как Лондон, показывают спрос. И каков же результат? Большое географическое многообразие по мере того, как деятельность удаляется от основных центров. Восточноевропейские города доминируют в списке растущих центров по числу участников Meetup, поскольку такие топовые технологические центры, как Лондон, Берлин и Париж, имеют меньшую популярность среди основателей, думающих о том, где разместить свой бизнес. В докладе также описывается критическая роль, которую играют университеты, и исследуется повторяющаяся критика в адрес того, что Европа не может эффективно коммерциализировать свои передовые исследования.

Политика

Чтобы реализовать потенциал европейских технологий, сложная и четкая политика будет иметь ключевое значение, поэтому необходим диалог

Слишком многие основатели все еще пребывают в неведении относительно видения европейской политики в области технологий: 40% опрошенных нами основателей и сотрудников стартапов заявили нам, что они не чувствуют себя информированными о цифровых приоритетах Европейской комиссии. Наш отчет показывает, что основатели технологий призывают к упрощенному регулированию занятости, в то время как данные Politico говорят о том, что внимание политиков находится в другом месте: они меньше сосредоточены на цифровом едином рынке, чем два года назад, и больше сосредоточены на создании цифрового налога и деятельности из крупных американских технологических фирм. Европейские истории успеха, такие как финтех и цифровое здравоохранение, также редко обсуждаются политиками. Мы должны обеспечить, чтобы европейские политики и основатели смотрели в том же направлении, если Европа хочет реализовать свой потенциал.

Инвестиции

В отличие от США и Китая, инвестиции в европейские технологии продолжают расти.

Наиболее перспективные европейские компании предпочитают больше и дольше оставаться частными, а также получают многомиллиардные оценки на фоне повышения \$100 млн раундов на рекордных уровнях. Мы идем по пути достижения \$34,3B, вложенных в европейские технологии в 2019 году, при этом \$11.В вложены только в Q2.

Во многом это было вызвано большими раундами финансирования: 40% всего финансирования, привлеченного европейскими технологическими компаниями за первые девять месяцев 2019 года, было в сделках больше \$100 млн. Хотя в 2019 году не было европейского IPO с венчурной поддержкой в \$1B, мы действительно видим амбиции масштабироваться до огромных результатов в экосистеме.

IPO больше не входят в повестку дня каждого основателя, но сколько бы капитала ни поступал в регион, они всегда будут осторожно относиться к повышению следующего раунда

Инвесторы

После успеха европейской технологической экосистемы в последние пять лет, нет ничего удивительного в том, что европейская венчурная индустрия чувствует себя вполне здорово.

Данные кембриджской ассоциации по доходности венчурных инвестиций показывают, что индексы по Европе либо находятся на одном уровне, либо значительно превосходят показатели как американских так и европейских прямых инвестиций.

Даже несмотря на то, что инвестиции государственных агентств в венчурные фонды упали почти на \$1 млрд в 2018 году, фактически мы наблюдаем всплеск инвестиций в пенсионные фонды, что на 203% больше, чем в прошлом году.

Отчет этого года отслеживает больше инвесторов, чем когда-либо прежде, от новичков до 2600 уникальных институциональных инвесторов, участвующих в европейской сделке в 2019 году.

И давайте не будем забывать о корпоративных инвесторах, таких как Unilever Ventures или Next 47, которые участвовали в 1 из 5 сделок в 2019 году или рост интереса инвесторов из-за рубежа: в прошлом году 21% европейских раундов имели по крайней мере одного американского или азиатского инвестора- по сравнению с 10% в 2015 году.



Photo by: Jussi Hellsten

02.3

Компания Slush

Мы считаем, что предпринимательство - это один из самых эффективных способов добиться перемен в мире. Согласно данным опроса этого года, в Европе уже сейчас большинство предпринимателей и особенно инвесторов стремятся измерить долгосрочное воздействие на общество и окружающую среду, которое оказывает их бизнес или портфель. Пятикратный рост инвестиций в специализированные предприятия за последние пять лет в Европе говорит на том же языке. Только в 2019 году в этих компаниях было развернуто более \$ 5 млрд. Это событие несомненно радует и мы видим, что Европа может занять место лидера во всем мире.

Однако Европа только начинает осознавать тот факт, что предпринимательство не является одинаково доступным для всех. И для того, чтобы увидеть разного рода проблемы, нужны разные люди. Slush по-прежнему стремится освещать более широкий спектр ролевых моделей для следующего поколения основателей через наши мероприятия и недавно запущенные средства массовой информации .

Учитывая эти достижения, рекордные инвестиции в европейские технологии- это явный признак динамичной экосистемы. Одним из наиболее обнадеживающих событий является рост предпринимательских амбиций, о чем свидетельствует количество инвестиционных раундов на поздних стадиях: европейские компании больше не продают свои активы на ранних сроках , а продолжают расти как самостоятельные предприятия. Это создает надежду на исключительно положительные времена, когда основатели и ключевые сотрудники этих историй успеха начинают свой второй этап построения компании.

**Andreas
Saari**
CEO, Slush

02.4

Компания Orrick

Технологии-это двигатель европейского роста, как ясно видно из отчета о состоянии европейских технологий в этом году. Технологическая экосистема Европы хорошо налажена и устойчива, с рекордным финансированием, опытными основателями и инвесторами, а также ускоряющимся ростом. Европейские технологические компании, скорее всего, достигнут \$34 млрд финансирования в 2019 году, по сравнению с \$25 млрд в 2018 году. За последние пять лет объем финансирования увеличился более чем вдвое. Это включает в себя более 40 \$100 млн сделок в этом году – больше, чем когда-либо прежде. По всей Европе сейчас насчитывается 174 \$ млрд+ технологических единорогов. В 2010 году их было всего 18 – Это в 10 раз больше, чем за последние десять лет. А в 20 странах сейчас есть по крайней мере один единорог, вдвое больше, чем всего пять лет назад. Сегодня в 170 городах есть технологические сообщества, по сравнению с 70 четыре года назад. Хотя в этом году число сделок по слияниям и поглощениям сократилось, за последние пять лет их было в два раза больше, чем за предыдущие пять лет. А стоимость сделки по слияниям и поглощениям уже близка к тому, чтобы превысить прошлогоднюю сумму в \$100 млрд.

Что потребуется для поддержания успеха Европы? В докладе говорится о четырех вещах:

Европейская комиссия должна уточнить свои приоритеты в области регулирования.

Поменять отношение к ценности интеграции; за этим должны следовать инвестиции

Развитие технологий по-прежнему опережает регулирование. Отчет демонстрирует, что искусственный интеллект это верх ума для регулирующих органов. Тем не менее 40% респондентов опроса сообщили, что они не чувствуют себя достаточно информированными, чтобы комментировать технологические и цифровые приоритеты регулирования ЕС. Мы видели большие преимущества сотрудничества в области разработки стратегии– например, в области Британских финансовых рынках– но оно начинается с большей прозрачности государства.

Мы также призываем директивные органы рассмотреть возможности упрощения и рационализации требований к соблюдению требований, увеличивая нагрузку по мере расширения компании (и риска). Это особенно важно в сфере регулирования занятости. В противном случае мы рискуем возложить непомерное бремя на стартапы и задуматься о способности расти. Интеграция по-прежнему является сложной задачей для данного сектора, поскольку только 8% финансирования приходится на компании, возглавляемые смешанными гендерными и женскими командами. Однако на уровне компании более 40% членов команды видят улучшение. В докладе также отмечается, что более половины инвесторов и сотрудников стартапов до сих пор не имели преимуществ от неосознанных предубеждений. Социальная наука не оставляет никаких сомнений в том, что более инклюзивное лидерство будет порождать больше инноваций и отдачи.

Устойчивость- это верх ума – но есть место для большей сосредоточенности.

Как общество, мы должны заботиться о психическом здоровье и стабильности

Более 85% учредителей говорят, что они заботятся о социальном и экологическом воздействии своих компаний – и инвесторы поддерживают это обязательство. Почти 50% венчурных капиталистов говорят, что они принимают во внимание социальное или экологическое воздействие потенциальной компании, прежде чем принять решение об инвестировании. Мы хотели бы еще больше сосредоточиться на социальном воздействии. Мы также приветствуем 15% венчурных капиталистов, которые продолжают отслеживать показатели социального воздействия своих портфельных компаний на постоянной основе.

Почти 20% основателей говорят, что запуск компании оказал “в основном негативное” влияние на их психическое здоровье, а подавляющее большинство на психическое здоровье людей. Большинство заявило, что они приветствовали бы большую поддержку со стороны инвесторов в управлении давлением, с которым они сталкиваются. Здоровье основателя является важным фактором общего здоровья экосистемы. Мы считаем, что акцент на инклюзивность может помочь и здесь. Мы невероятно благодарны компании Atomic за то, что она собрала и поделилась богатой информацией о рынке в этом отчете. В Orrick мы с нетерпением ожидаем продолжения нашей работы с Европейским технологическим сообществом для создания еще более сильной европейской платформы. За последние 15 кварталов мы консультировали больше венчурных сделок в Европе, чем любая другая юридическая фирма – в 2,5 раза. И мы поддержали более 20 компаний единорогов юридическими, нормативными и коммерческими консультациями с момента их создания. Это невероятная честь-быть частью вашей истории успеха.

Chris Grew

Партнер Группы
Технологических
Компаний Orrick

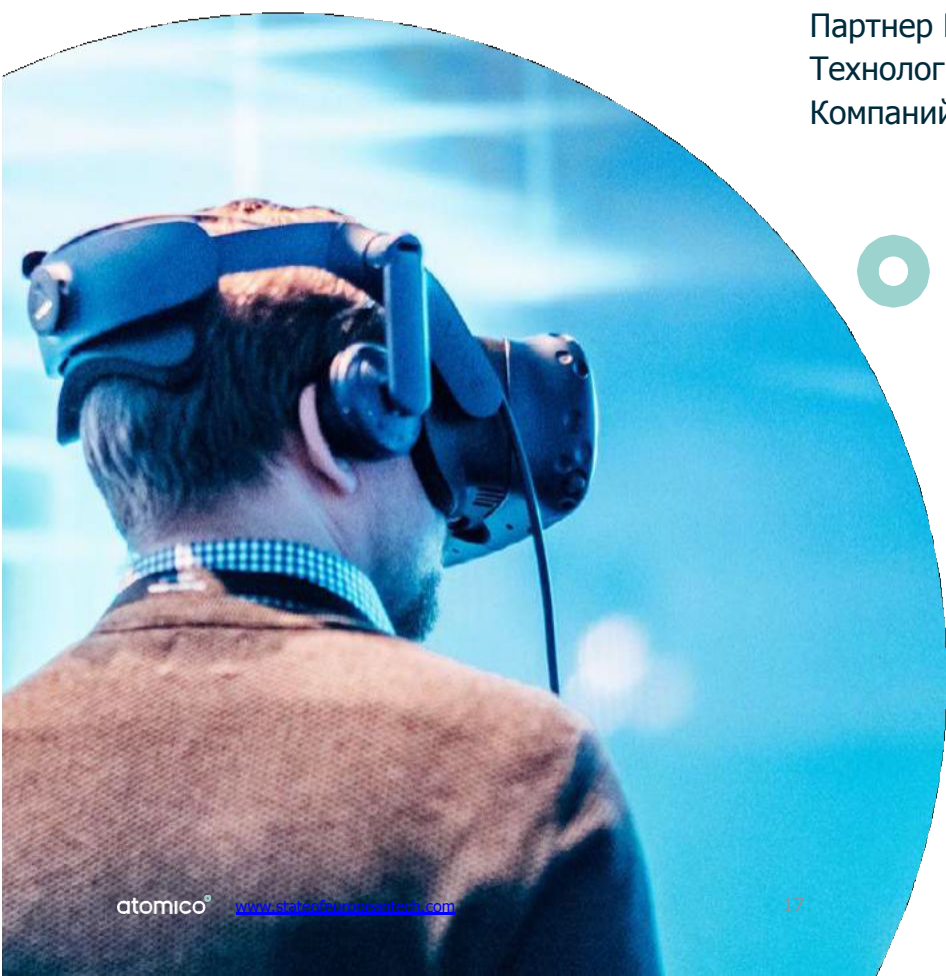


Photo by: Jussi
Hellsten

0

Инвестиции 3



Сколько венчурные капиталисты вкладывают в европейские технологии?

Как вы оцениваете доходность европейских технологий?

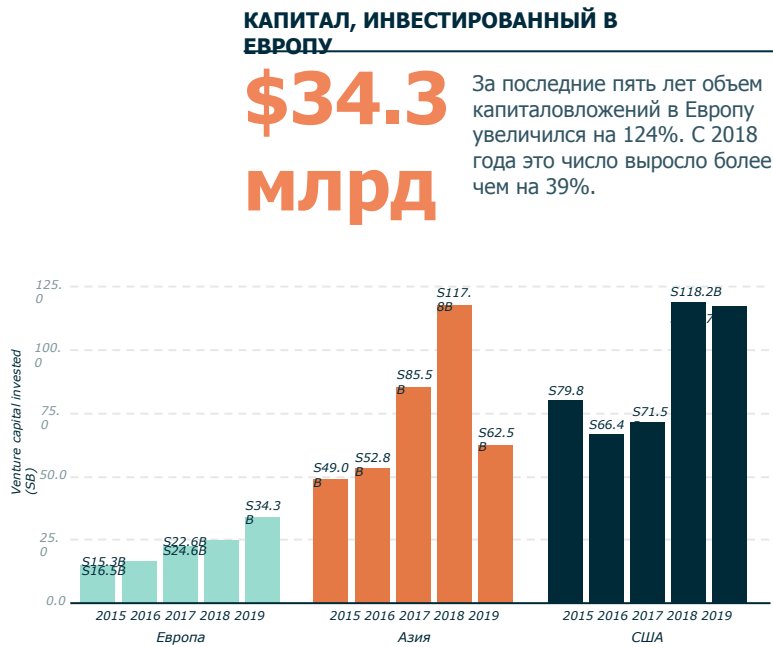
Европейские учредители ищут лучшего времени в истории региона, чтобы получить финансирование; они собрали рекордную сумму в 2019 году, включая в себя рекордное количество раундов на \$100 млн, что европейские технические скептики когда-то считали невозможным.

03.1

Инвестиционный кадр

В отличие от США и Азии, где инвесторы отступили от рекордного уровня инвестиций в 2018 году, инвестиции в европейские технологии продолжают расти. Несмотря на снижение в США в 2019 году, объем инвестированного в США капитала все равно окажется примерно в 3,4 раза выше уровня Европы за год.

Инвестированный капитал (\$млрд) в Европе, США и Азии по годам



Source: dealroom.cc

Во втором квартале 2019 года впервые за один квартал в европейские технологические компании было инвестировано более \$10 млрд. За первые девять месяцев текущего года европейские технологические компании привлекли в среднем около \$ 3,3 млрд в месяц.

Инвестированный капитал (\$млрд) и количество сделок за квартал

LEGEND
 Capital invested (\$B)
 # of deals

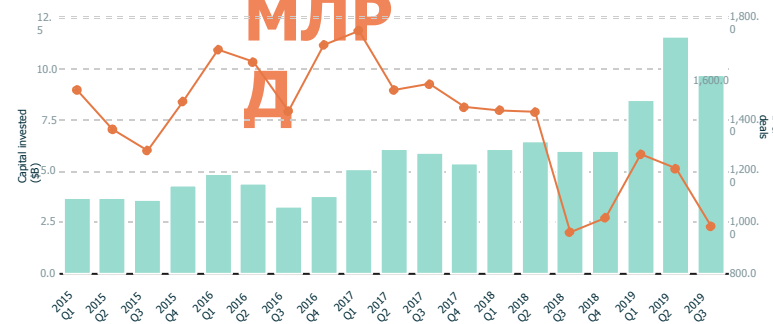
Примечание:

Dealroom.co исключают следующие данные: биотехнологии, вторичные сделки, долги, кредиты, гранты. Обратите также внимание, что эти данные не включают Израиль.

Капитал, инвестированный во втором квартале 2019 года

\$11.6 млрд

Во втором квартале 2019 года наблюдался самый большой в истории период для капитала, инвестированного в европейские технологические компании.

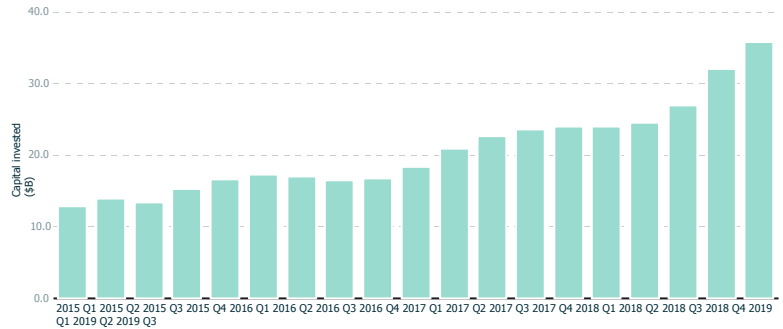


Source: dealroom.cc

Неизбежно наблюдаются взлеты и падения с точки зрения последовательных ежеквартальных сумм, инвестируемых в европейские технологические компании, но с учетом 12-месячного обзора инвестированного капитала показывает долгосрочную восходящую траекторию вложений, инвестированного в регион

Конечный 12-месячный инвестированный капитал (\$млрд)

Dealroom.co исключают следующие данные: биотехнологии, вторичные сделки, долги, кредиты, гранты. Обратите также внимание, что эти данные не включают Израиль.



Source: dealroom.co



Похоже на то, что сейчас для Европы наступил золотой век: качество талантов, уровень амбиций и доступность капитала находятся в совершенно ином масштабе.

Европейские стартапы строят глобально определяющие потребительские и корпоративные бизнесы с большим успехом. Spotify, UiPath, Adeyn - все это яркие примеры. Я думаю, что эти и другие ролевые модели сыграли решающую роль в вдохновении нового и совершенного поколения основателей, которые теперь выбирают предпринимательство в качестве своего карьерного пути.



Sonali de Rycker
Accel
Partner

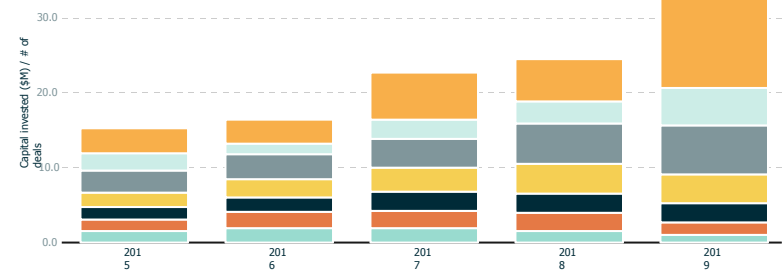
Увеличение числа крупномасштабных сделок на сумму более 100 миллионов долларов является движущей силой роста общего объема капитала, инвестированного в Европу. В 2019 году на эти сделки приходилось 36% всего финансирования, привлеченного европейскими технологическими компаниями.

Инвестированный капитал (\$млрд) и количество сделок

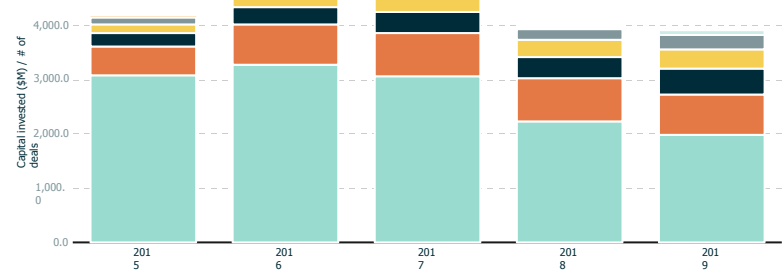
- LEGEND
- \$0M-\$2M
 - \$2M-\$5M
 - \$5M-\$10M
 - \$10M-\$20M
 - \$20M-\$50M
 - \$50M-\$100M
 - \$100M+

Dealroom.co исключают следующие данные: биотехнологии, вторичные сделки, долги, кредиты, гранты. Обратите также внимание, что эти данные не включают Израиль.

CAPITAL INVESTED (\$B)

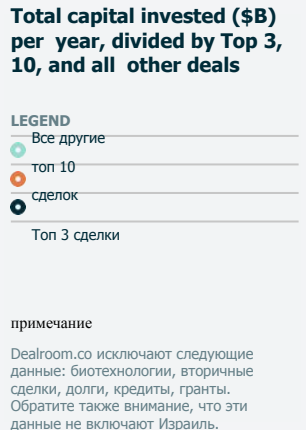


OF DEALS



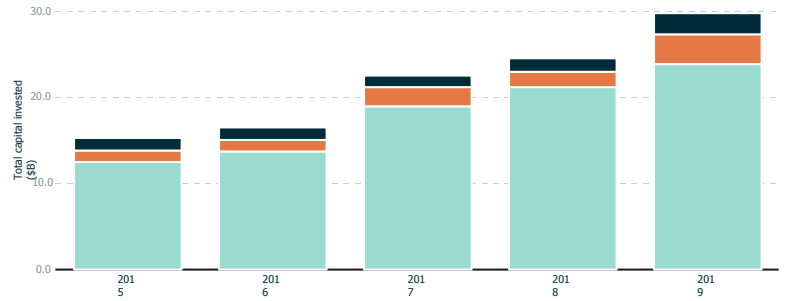
Source: dealroom.co

Несколько крупных сделок оказывает существенное влияние на годовой уровень капиталовложений в европейские технологические компании. Только за первые девять месяцев 2019 года Топ- 3 сделок составили \$ 2,4 млрд.



мега сделки
36%

От всех средств, привлечено более 100млн до



Source: dealroom.co



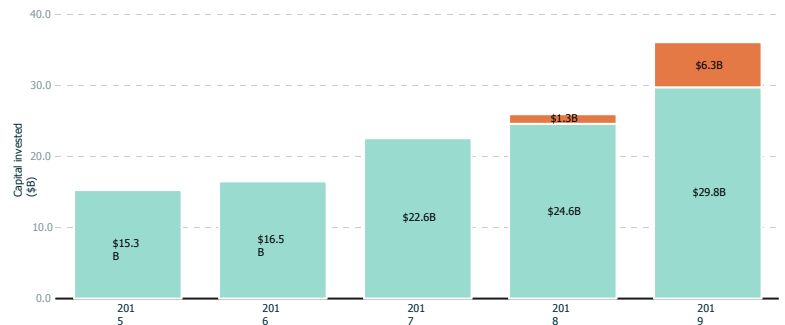
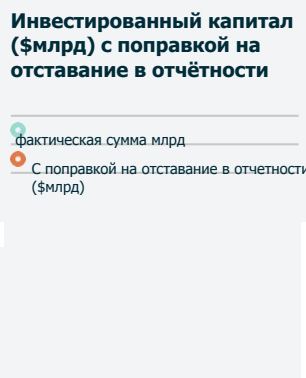
Самые большие проблемы Европы: несмотря на весьма большой приток капитала, необходимо значительно больше средств, особенно на более поздних стадиях и фазах роста, чтобы вырастить действительно крупные европейские компании глобального значения

И нам нужно выпускать больше акций, чтобы охватить более широкую аудиторию для выгоды инвестирования стартапов. И нам все еще не хватает большого количества предпринимателей, таких как США, которые вышли из этих масштабных проектов, перерабатывающие свой капитал и таланты в технологическую экосистему. Самые сильные стороны Европы-это, безусловно, наша система образования, наше культурное разнообразие, а также огромное количество и высокое качество наших технических основателей. Это сопряжено с более низкими оценками входа по сравнению с США и Азией, что приводит к очень эффективным инвестиционным возможностям капитала.



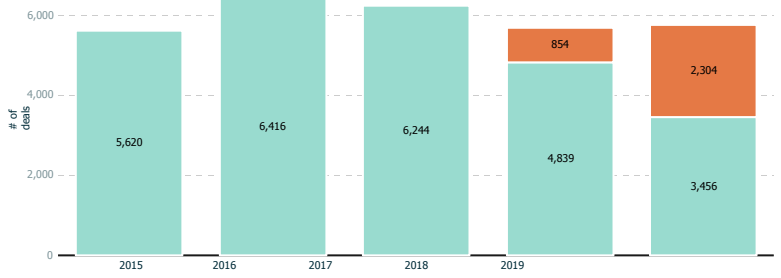
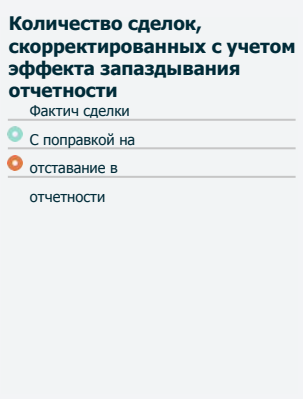
Daniel Keiper-Knorr
Основатель/партнер Speedinvest

В дополнении ежегодных капиталовложений в европейскую технологическую экосистему важно понимать, что существует существенная тенденция, которая означает, что многие раунды фиксируются только после значительной задержки. Это "отставание в отчетности" означает, что окончательные итоги не будут известны до тех пор, пока не пройдет значительный период времени после окончания рассматриваемого года. Соответственно, мы индексно скорректировали годовые итоговые показатели с учетом этого отставания в отчетности, чтобы можно было сопоставить общие тенденции инвестиций на европейском уровне.



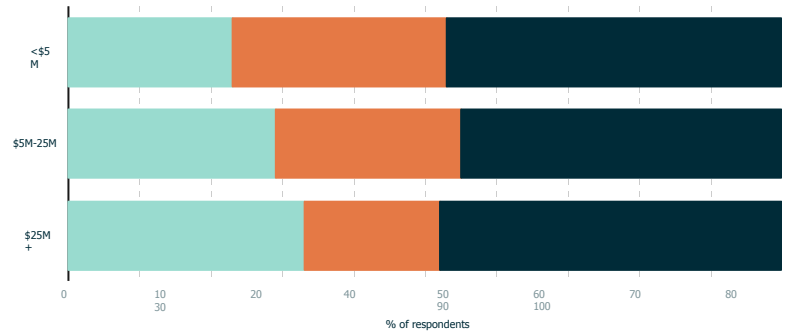
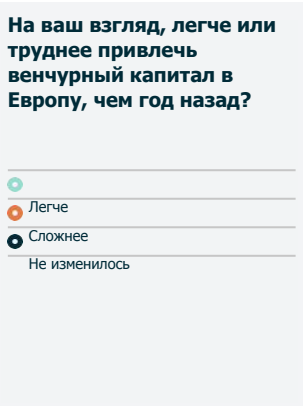
Source: dealroom.co

Как и выше, важно учитывать "запаздывание отчетности", чтобы обеспечить сопоставление количества сделок на европейском уровне.



Source: dealroom.cc

Несмотря на рекордный уровень инвестиций в Европу, все больше основателей считают, что за последние 12 месяцев стало труднее привлечь венчурный капитал в Европу. Это первый случай за последние пять лет, когда мы задали этот вопрос основателям в рамках настоящего доклада.



Source: The State of European Tech Survey

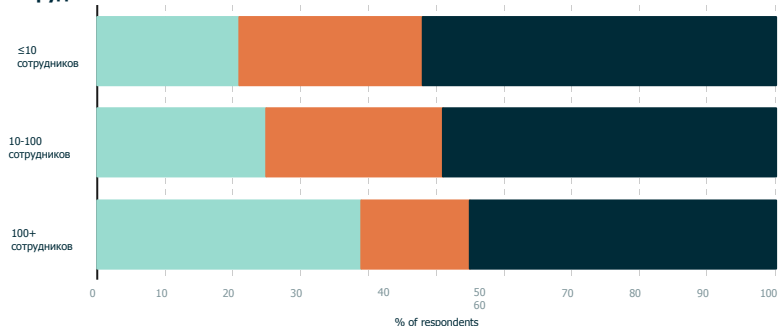
Основатели крупных компаний (более 100 сотрудников) и учредители, которые привлекли больше внешнего капитала, имеют значительно более благоприятный курс для привлечения капитала

По вашему мнению, сейчас в Европе легче или труднее привлечь венчурный капитал, чем год назад?

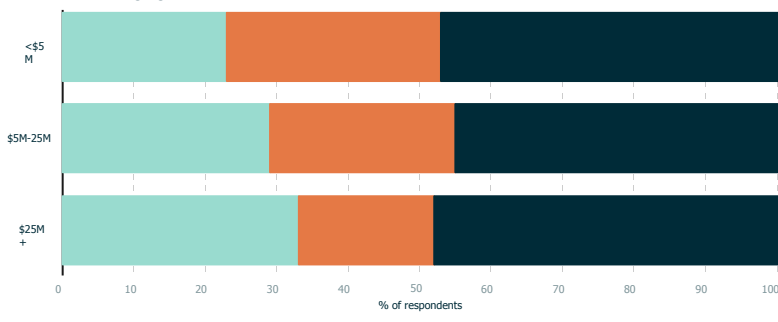
- Легче
- Сложнее
- Не изменилось

Примечание:
Только основатели

Количество сотрудников



ОБЩИЙ ОБЪЕМ ПРИВЛЕЧЕННОГО КАПИТАЛА



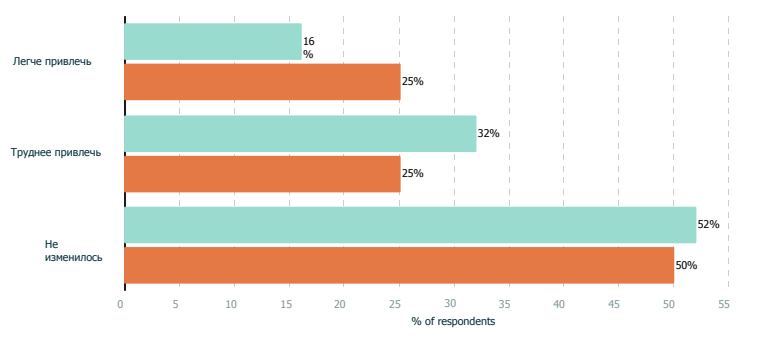
Source: The State of European Tech Survey

Среди основателей женщин в два раза больше считают, что за последние 12 месяцев стало труднее привлечь венчурный капитал, а около половины считают, что не заметили изменений

По вашему мнению, сейчас в Европе легче или труднее привлечь венчурный капитал, чем год назад?

- LEGEND**
- Жен
 - Муж

Примечание
Только основатели, цифры могут округляться до 100



Source: The State of European Tech Survey

В 2019 году в Европе наблюдалось увеличение числа этапов мегафинансирования на \$100 млн+, включая шесть этапов на сумму более \$ 500 млн.

Топ-20 крупнейших сделок по сбору средств при поддержке венчурных инвесторов в 2019 году (округлено)

	компания	страна	город	Этап	сумма(\$)	дата
1	Northvolt	Швеция	Стокгольм	Growth Equity	\$1000M	Июнь 2019
2	Deliveroo	Великобритания	Лондон	Series G	\$575M	Май 2019
3	UiPath	Румыния	Бухарест	Series D	\$568M	Апрель 2019
4	Babylon Health	Великобритания	Лондон	Series C	\$550M	Август 2019
5	Veeam	Швейцария	Бар	Growth Equity	\$500M	Январь 2019
6	FlixBus	Германия	Мюнхен	Series F	\$500M	Июль 2019
7	GetYourGuide	Германия	Берлин	Series E	\$484M	Май 2019
8	Klarna	Швеция	Стокгольм	Growth Equity	\$460M	Август 2019
9	N26 Group	Германия	Берлин	Series D	\$300M	Январь 2019
10	GitLab	Нидерланды	Утрехт	Series E	\$268M	Сентябрь 2019
11	CMR Surgical	Великобритания	Кембридж	Series C	\$240M	Сентябрь 2019
12	Meero	Франция	Париж	Series C	\$230M	Июнь 2019
13	Checkout.com	Великобритания	Лондон	Series A	\$230M	Май 2019
14	Adjust	Германия	Берлин	Late VC	\$227M	Июнь 2019
15	Relex Solutions	Финляндия	Хельсинки	Late VC	\$200M	Февраль 2019
16	Glovo	Испания	Барселона	Series D	\$186M	Апрель 2019
17	Signavio	Германия	Берлин	Series C	\$177M	Июль 2019
18	WorldRemit	Великобритания	Лондон	Series D	\$175M	Июнь 2019
19	N26 Group	Германия	Берлин	Series D	\$170M	Июль 2019
20	Doctolib	Франция	Париж	Late VC	\$170M	Март 2019

Примечание

Dealroom.co исключают следующие данные: биотехнологии, вторичные сделки, долги, кредиты, гранты. Обратите также внимание, что эти данные не включают Израиль.

Source: dealroom.co



We are on an overall good wave: more capital, more startups from seed to large, late rounds, more exits.

There is still a large capital gap regarding the US and China situations, but we can see very encouraging recent signals: the €100 billion EU Commission future fund and the €5 billion investment announcement from President Macron in France, for instance.

We are on an overall good wave: more capital, more startups from seed to large, late rounds, more exits. We should all keep up the good work to position Europe as the key place for technology!



Antoine Hubert
Ÿnsect
CEO



I take a long view on European tech, I'm old enough to remember how far we have come and to understand we still have a way to go yet. Plus, Brexit has changed the picture a lot, so progress based on the work done the year before isn't as inevitable as it perhaps was.



Steve O'Hear
TechCrunch
Journalist

03.2

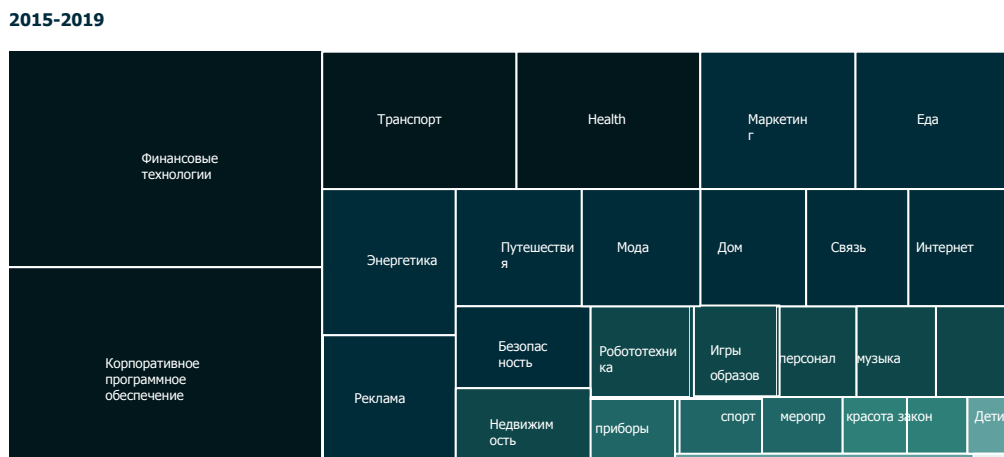
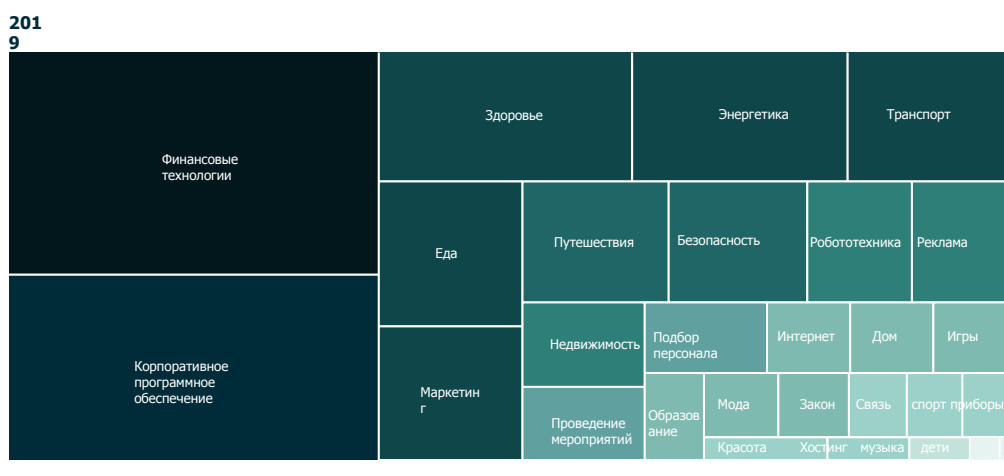
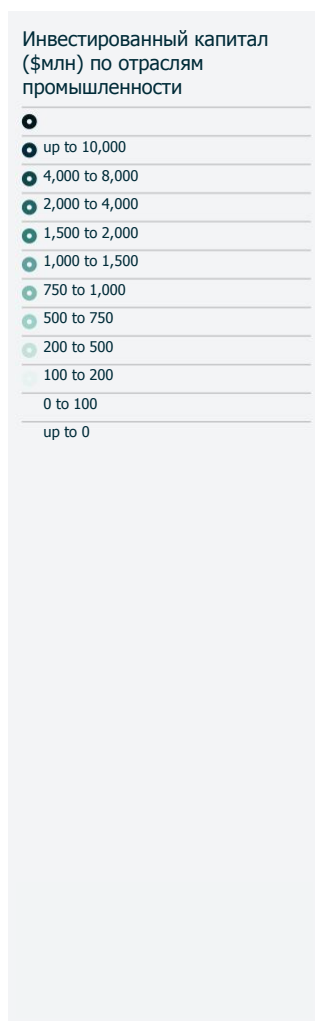
Инвестиции по отраслям

В течение последних пяти лет основными бенефициарами капитала были финтех-компании и компании, занимающиеся корпоративным программным обеспечением. В целом за последние пять лет европейские компании только в этих двух секторах привлекли около \$ 50 млрд..

КАПИТАЛ, ВЛОЖЕННЫЙ В ФИНТЕХ

\$25
млрд

Инвестировано в финтехкомпании



Source: dealroom.cc

Тем не менее, существует высокий уровень разнообразия с точки зрения потоков капитала в различных отраслях европейской технологической экосистемы. В настоящее время существует семь отраслей, в которые инвестировано более 2 миллиардов долларов по сравнению только с четырьмя в 2018 году.

Капитал инвестированный в индустрии

- Финтех
- Прог. обеспечение
- Здоровье
- Энергетика
- Транспорт
- Еда
- Маркетинг

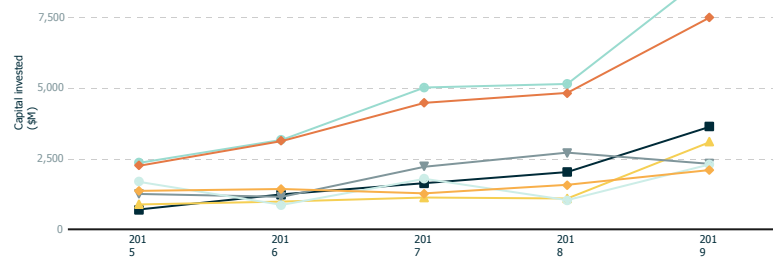
- LEGEND
- Туризм
 - Безопас
 - Роботы
 - Реклама
 - Недвижимость

- LEGEND
- Мероприятия
 - НаемперсоналаД
 - ом
 - Интернет
 - Игры
 - Образование
 - Мода
 - закон

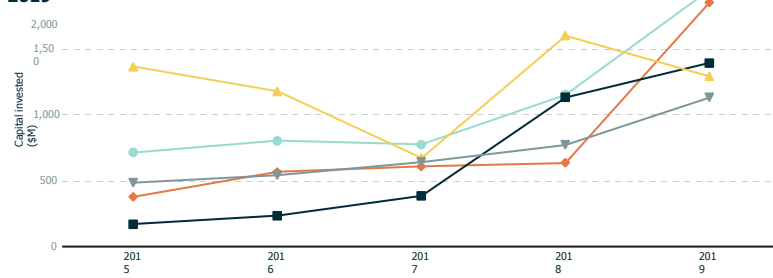
- LEGEND
- Связь
 - Спорт
 - Приборы
 - Красота

- LEGEND
- Хостинг
 - Г
 - Музыка
 - Дети

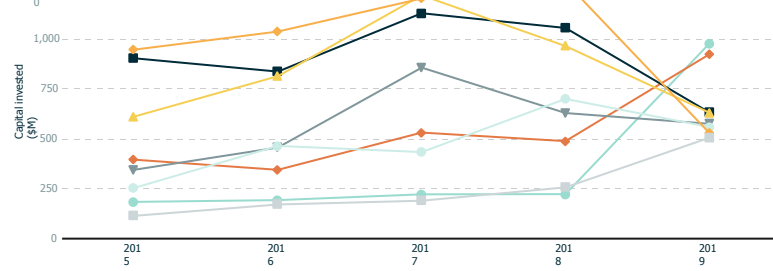
\$2млрд+ в 2019



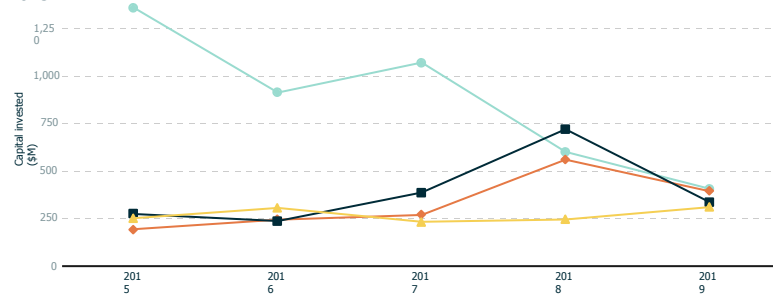
\$1млрд - \$2млрд в 2019



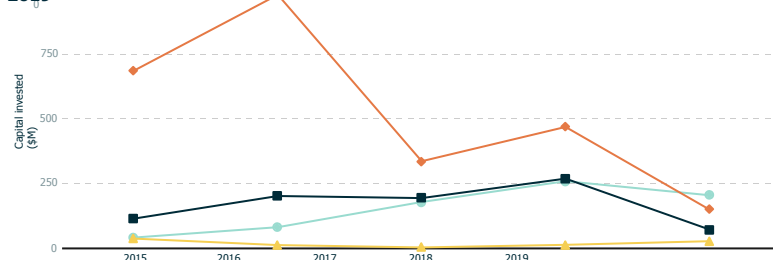
\$500M - \$1млрд в 2019



\$250M - \$500M в 2019



< \$250M в 2019



Source: dealroom.cc



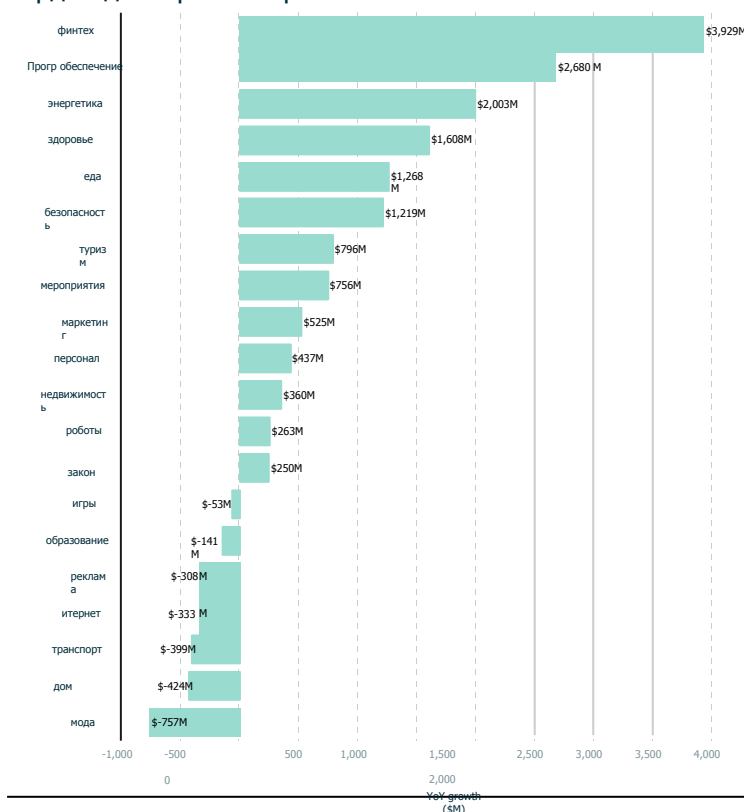
Я считаю, что сейчас в Европе есть значительные технологические возможности в области финтеха. Более жесткой макроэкономический подход, отрицательные процентные ставки и более мягкая денежно-кредитная политика потенциально открывают путь для захватывающих новых бизнес-моделей, поскольку действующие лица сталкиваются с рисками платежеспособности и продолжают терять позиции перед лицом разрушительных инноваций. На мой взгляд, это больше, чем платежи, торговля и другие технологии, которые мы наблюдаем в последние годы, и может означать фундаментальное изменение государственной финансовой инфраструктуры, включая льготы, налоги и субсидии.



Akshay Naheta
Инвестиционный
Консультант
SoftBank
управляющий
партнер

Европейские технологические компании в области финтеха, корпоративного программного обеспечения, энергетики, здравоохранения и продовольствия стали самыми крупными бенефициарами возросших инвестиций в 2019 году, в совокупности увидев прирост капитала более чем на 11 миллиардов долларов по сравнению с 2018 годом.

Абсолютное изменение по отраслевой вертикали инвестированного капитала (\$млн), 2018 г. по сравнению с 2019 г.



Source: dealroom.cc



Европа всегда имела выдающийся образовательный продукт, и это благоприятствует технологиям здравоохранения, особенно в важном слиянии биотехнологий и Информационных технологий, где выступает Оукин. Для этого требуются высокотехнические математики, инженеры и разработчики с широким кругозором. Мы можем применить свою дисциплину к сложной области систем биологии, открытию и разработке лекарств.

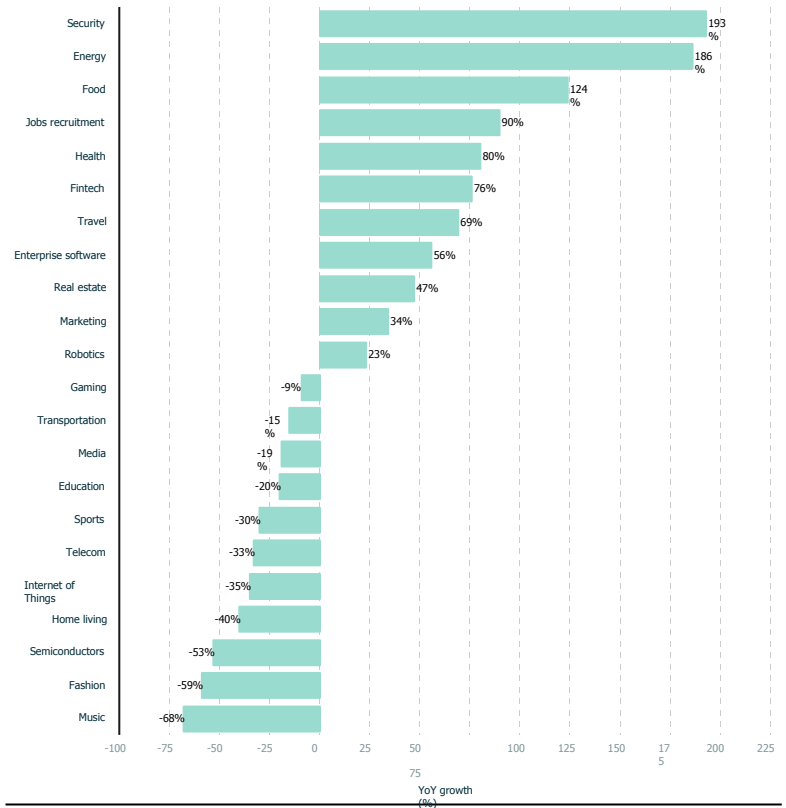


Thomas Clozel
Owkin
Соучредитель и
генеральный
директор

Наша самая большая проблема заключается в сохранении талантов и как уже упоминалось выше, я улучшаю регулятивную и инвестиционную культуру, а также некоторые реальные преимущества жизни в европейском городе, поощряя наших лучших докторов наук и специалистов для сохранения их в Европе. Оукин, например, имеет более 50 европейских ученых-исследователей, работающих над многоступенчатым анализом и интерпретируемым искусственным интеллектом, а наша лаборатория по праву признана одной из лучших в мире групп искусственного интеллекта в области естественных наук.

Самые быстрорастущие отрасли промышленности с точки зрения процентного изменения в годовом исчислении в 2019 году включают безопасность, энергетику и продовольствие.

% изменение отраслевой вертикали инвестированного капитала (\$млн), 2018 г. по сравнению с 2019 г.



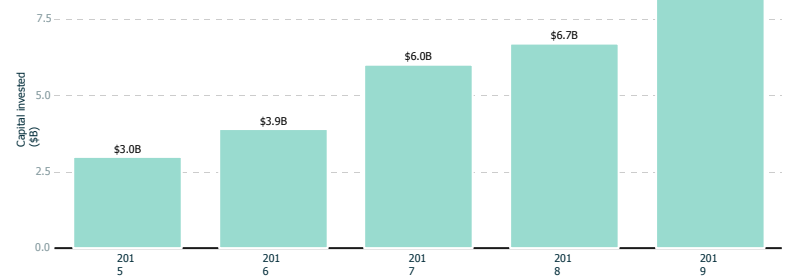
Source: dealroom.cc

Инвестиции в европейские компании находятся на пути к тому, чтобы побить еще один рекорд - \$8,4 млрд в 2019 году, по сравнению с \$6,7 млрд в 2018 году и \$3,0 млрд в 2015 году.

Инвестированный капитал (\$млрд) в европейские техкомпании

2.8
X

инвестиционный уровень 2015 года.



Source: dealroom.cc



По всей Европе наблюдается сильный рост капитала для компаний, занимающихся сложными технологиями....тем не менее, объем инвестированного капитала все еще не является репрезентативным для качества и потенциальной стоимости потока сделок в Европе.

Существует сильное увеличение капитала для глубинных технологических компаний по всей Европе. (Глубинные технологии — это уникальные, дифференцированные, часто защищенные патентами или трудно поддающиеся копированию технологические или научные достижения). Такие компании, как Insect, cam или AMSilk, использование конвергентных технологии для создания реальных ценностей в крупных, глобальных и сложных отраслях промышленности. Признавая эти возможности, инвесторы (и покупатели) из Европы и из-за рубежа инвестируют в европейские активы глубинные технологии (большинство приобретений в США теперь приходится на компании глубинной технологии). В то же время создается новое поколение политиков ЕС, стремящихся сохранить "технологический суверенитет", что помогает снизить риск инвестиций в эти предприятия.

Тем не менее, объем инвестированного капитала все еще не является репрезентативным для качества и потенциальной стоимости потока сделок в Европе. Этот дисбаланс особенно бросается в глаза, когда вы рассматриваете размер рыночных возможностей, которые преследуют эти компании, таких как мясо (\$1 трлн), строительство (\$10 трлн) или чистая энергия (\$2,5 трлн). Иными словами, капитал остается неравномерно распределенным по всему спектру возможностей. Две основные причины такого "дефицита финансирования" (1) многие венчурные инвесторы не имеют необходимых экспертных знаний и структур для оценки и поддержки этих компаний, и (2) некоторые исторические атрибуты более глубоких технологических инвестиций (время выхода на рынок, капиталоемкость...) все еще мешают инвесторам, даже если они не применимы ко всем типам глубоких технологических компаний.



Sofia Hmich
основатель
положительного
капитала

Искусственный интеллект доминирует над капиталом, вложенным в глубинные технологии, в то время как квантовый еще не сделал своего скачка в Европе. В 2019 году европейские компании, отнесенные к категории компаний "искусственного интеллекта", привлекли почти \$5 млрд-самую крупную отдельную подкатегорию.

\$4.9
млрд

Капитал, инвестированный в 2019 году в европейские технологические компании, классифицированные как компании искусственного интеллекта.

Капитал, вложенный в глубинные технологии

	2015	2016	2017	2018	2019
Искусств.интеллект	\$1249M	\$1750M	\$2947M	\$3252M	\$4884M
Данные	\$1053M	\$1025M	\$1267M	\$1892M	\$2577M
комп зрение	\$468M	\$543M	\$605M	\$1052M	\$1548M
роботы	\$160M	\$232M	\$376M	\$1098M	\$1391M
нанотехнол.	\$351M	\$586M	\$684M	\$805M	\$846M
Блокчейн	\$89M	\$220M	\$377M	\$851M	\$700M
поиск	\$622M	\$748M	\$585M	\$433M	\$684M
интернет	\$696M	\$885M	\$1246M	\$1072M	\$626M
Оборудов.	\$793M	\$1050M	\$1011M	\$1381M	\$600M
Прогноз.анализ	\$330M	\$353M	\$235M	\$307M	\$562M
3D	\$379M	\$409M	\$366M	\$563M	\$347M
Обучение	\$81M	\$130M	\$314M	\$327M	\$320M
Прогр обесп	\$163M	\$233M	\$719M	\$283M	\$202M
дроны	\$89M	\$146M	\$163M	\$157M	\$164M
приборы	\$213M	\$183M	\$303M	\$557M	\$148M
Вирт ре	\$237M	\$319M	\$677M	\$256M	\$135M
радары	\$259M	\$252M	\$272M	\$131M	\$116M
речь	\$75M	\$88M	\$124M	\$88M	\$112M
квантум	\$3M	\$1M	\$1M	\$1M	\$2M

Source: dealroom.cc

Количество сделок

	2015	2016	2017	2018	2019
Искусств.интеллект	603	780	839	716	451
Данные	395	416	432	303	175
комп зрение	317	379	367	246	128
роботы	87	112	163	191	103
нанотехно	326	367	282	225	83
Блокчейн	124	151	164	144	76
поиск	166	167	157	121	75
интернет	175	163	150	93	73
Оборудов.	202	201	186	145	71
Прогноз.анализ	106	135	129	126	64
3D	97	103	105	72	45
Обучение	48	73	98	53	44
Прогр обесп	79	105	115	61	33
дроны	93	114	83	73	31
приборы	41	35	51	40	27
Вирт ре	65	70	55	68	23
радары	46	52	52	50	23
речь	23	20	18	11	9
кванту	1	1	6	1	7

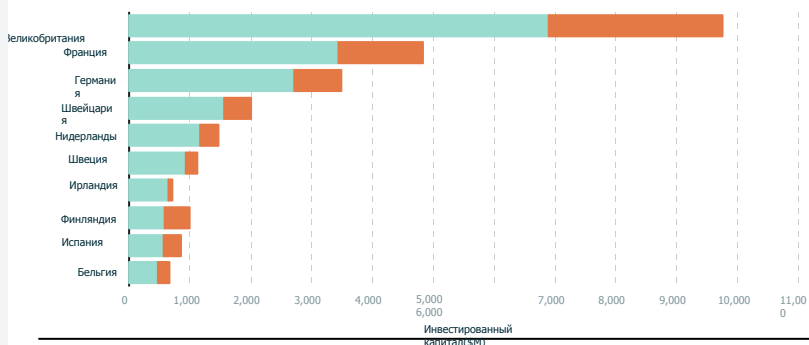
Source: dealroom.cc

Великобритания является ведущим направлением в Европе для инвестиций в глубинные технологии, привлекая \$ 2,9 млрд в 2019 году и почти \$10 млрд в совокупности с 2015 года. Франция и Германия также являются европейской технологической силой, и в 2019 году в эти страны было инвестировано в общей сложности 2 миллиарда долларов. Глядя за пределы топ-10, Румыния выделяется благодаря большим суммам, вложенным в UiPath, возможно, самый быстрорастущий чемпион Европы по глубинным технологиям.

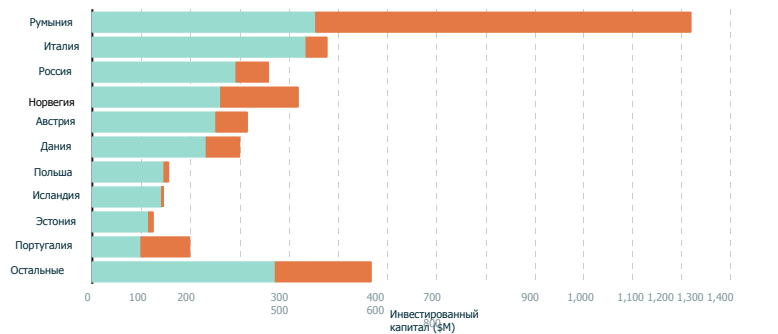
Инвестированный капитал (\$млн) в европейские компании глубинной технологии по странам

2014-2018
2019

Топ 10 стран



11-20 место

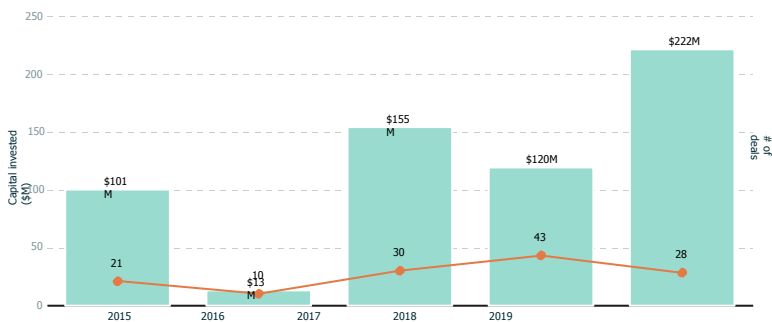


Source: dealroom.cc

Квантум-это небольшая, но важная развивающаяся категория для инвестиций в глубинные технологии. В глобальном масштабе совокупные инвестиции в квантовые компании достигли более чем \$600 млн

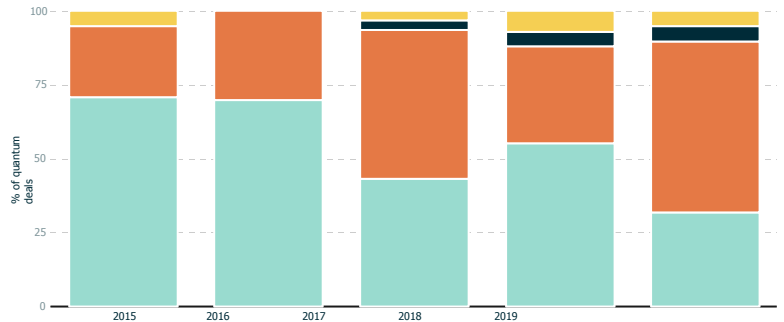
Количество сделок и капиталовложений (\$млн) в quantum Global

Капитал в млн
Количество сделок



Source: dealroom.cc

Европейская сила в области глубоких технологий также распространяется на новые подкатегории, которые приобретают все большее значение в качестве направлений для глобальных инвестиций. Квантум-это прекрасный пример того, насколько сильны исследования региона в европейских университетах(такие как Бристоль, Инсбрук, Оксфорд и UCL) помогает укрепить позиции Европы как конкурентной силы на мировой арене.



Source: dealroom.cc



Бренд Бристоль признан во всем мире.

10 лет назад английские основатели приезжали в Кремниевую долину и им задавали вопрос : "Когда вы собираетесь переехать сюда?" Теперь возникает вопрос: " Как мы можем инвестировать в эту невероятную возможность?"

Это доказательство сдвига во внешнем восприятии экосистемы Великобритании. Это отражает работу, проделанную британским правительством по продвижению страны, а также большое количество успешных технологических фирм. Сегодня есть предприниматели, которые "были там и сделали это." Есть образцы для подражания, на которые может равняться следующее поколение, и это подпитывает еще более высокие уровни устремлений и амбиций. И это не только Великобритания в целом, но и бренд Бристоль, который теперь признан во всем мире.



Nigel Toon
Соучредитель и генеральный директор

Хотя многие европейские квантовые компании остаются в скрытом режиме, все большее число перспективных квантовых компаний в прошлом году увеличили количество серий продаж. Хотя некоторые из этих компаний не были включены в нижеследующее, они также воспользовались грантами Европейского Союза - например, Veit получила дополнительные 2,6 млн. долл.

Некоторые сделки, заключенные европейскими компаниями квантовых вычислений в 2019 году

	Stage	Capital raised (\$M)	Date	City	Country	Lead Investors
IQM	Seed	12.2	Jul-19	Espoo	Finland	Vito Ventures;MIG Fonds;Tesi;OpenOcean;Maki.vc
Riverlane	Seed	4.4	Jun-19	Cambridge	United Kingdom	Amadeus Capital Partners;Cambridge Innovation Capital
HQS Quantum Simulations	Seed	2.6	Oct-19	Karlsruhe	Germany	High-Tech Gründerfonds;Unternehmertum Venture Capital Partners;btov Partners
Rahko	Seed	1.7	Oct-19	London	United Kingdom	Balderton Capital
Beit	Seed	1.4	Oct-19	Krakow	Poland	Kindred Capital
Kiutra	Seed	1.2	May-19	Munich	Germany	High-Tech Gründerfonds;Unternehmertum Venture Capital Partners;APEX Ventures
Phasecraft	Seed	1.0	May-19	London	United Kingdom	UCL Technology Fund;Parkwalk Advisors
NuQuantum	Seed	0.8	Oct-19	Cambridge	United Kingdom	Amadeus Capital Partners

Source: dealroom.cc

03.3

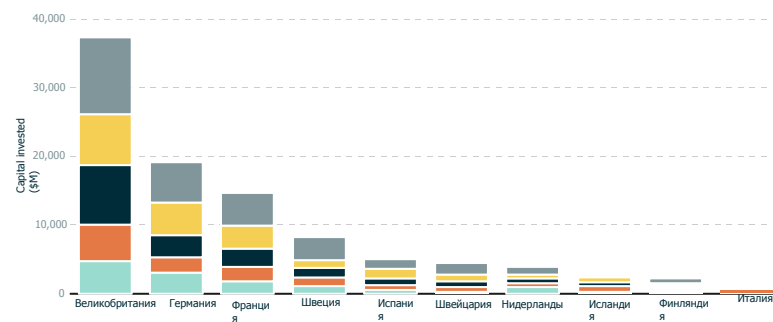
География инвестиций

Суммарные капитальные вложения с 2015 года превысили \$ 10 млрд в трех европейских странах (Великобритания, Германия, Франция) и более \$1 млрд еще в одиннадцати странах.

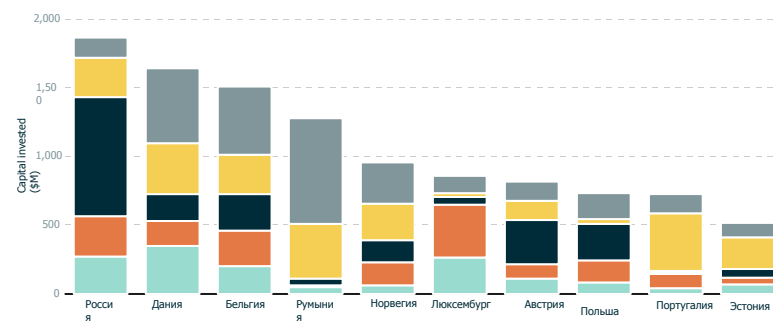
Инвестированный капитал (\$млн) по странам в год с 2015

- 2015
- 2016
- 2017
- 2018
- 2019

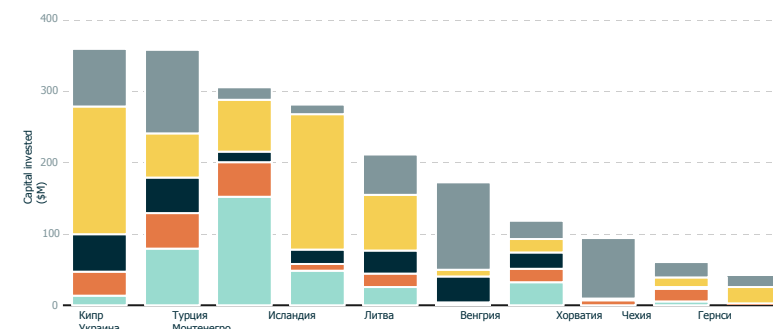
Топ 10 стран



11-20



другие



Source: dealroom.cc



Я даже более оптимистична, чем 12 месяцев назад, невероятно.

За последние 12 месяцев мы стали свидетелями рекордного финансирования и появления новых французских компаний-единорогов.. Мы также наблюдали некоторые очень обнадеживающие инициативы со стороны правительства, такие как новая французская техническая виза для талантов и недавнее объявление Макрона о новом массовом фонде для глубоких технологий. Мы видим все больше и больше международных инвесторов и предпринимателей .Все это очень многообещающе.



Roxanne Varza
директор

London is Europe’s tech capital, as measured by the total number of unique companies that have raised funding since 2015, with more than twice the number of the second city by size, Paris. In total, Europe is home to more than 13,000 unique companies that have raised funding since 2015.

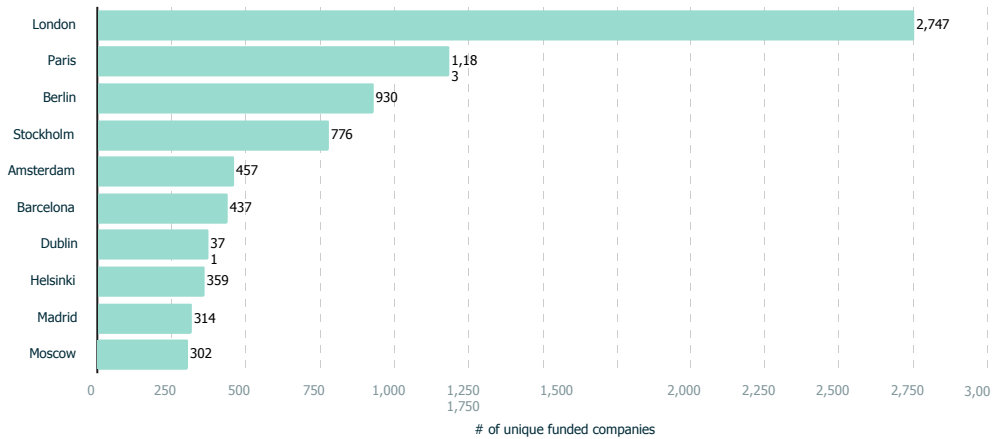
EUROPEAN TECH COMPANIES

13,000

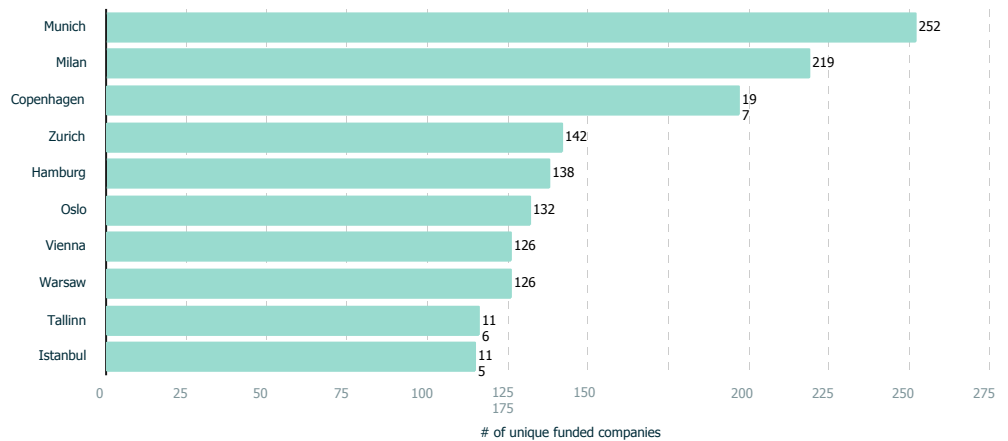
of unique European tech companies that have raised funding since 2015.

Top 20 hubs by number of unique funded companies, 2015-2019

TOP 10 CITIES



CITIES 11-20



NOTE:
Number of unique funded companies between 2015 to 9M 2019. All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel.

Source: dealroom.co

The distribution of capital invested per country varies within key European tech industry verticals. The UK, for example, is the most important destination for investments in fintech, accounting for half of all capital flows.

FINTECH INVESTMENTS

50%

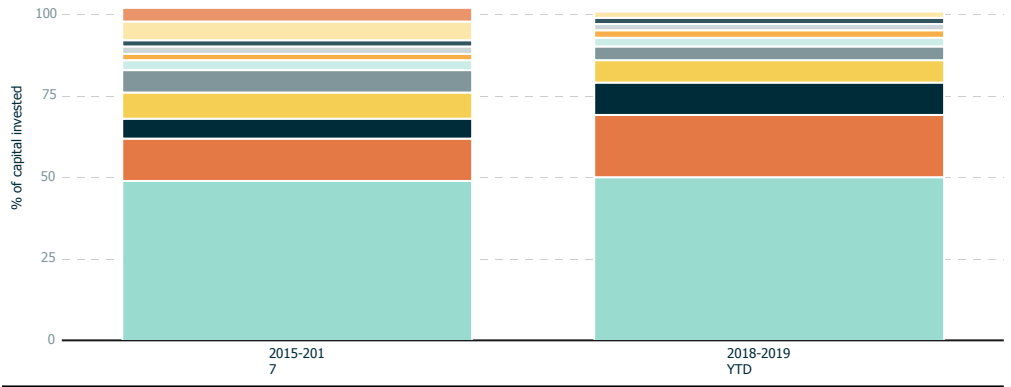
UK share of total European fintech investments since 2018.

Share of capital invested (%) per vertical per country, 2015-2017 vs. 2018-2019 YTD

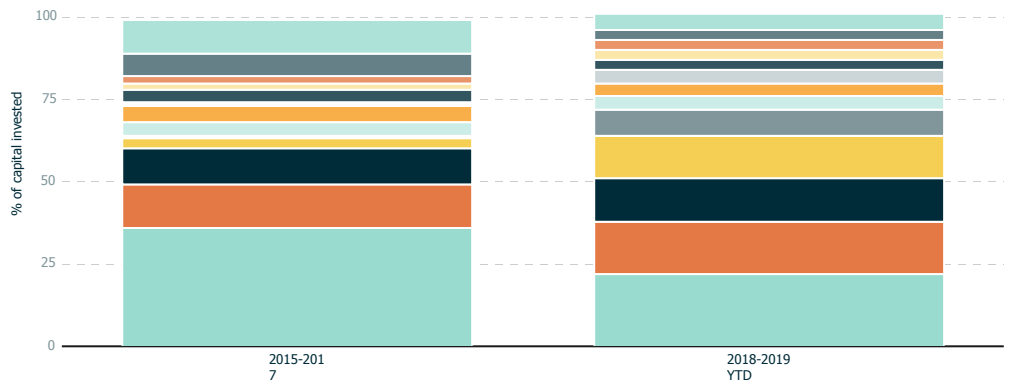
LEGEND

- United Kingdom
- Germany
- Sweden
- France
- Switzerland
- Netherlands
- Spain
- Denmark
- Italy
- Ireland
- Rest of Europe

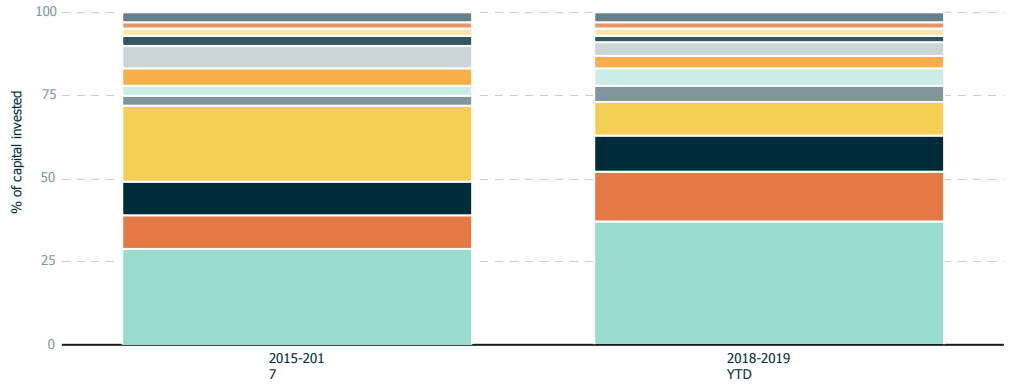
FINTECH H



ENTERPRISE SOFTWARE



HEALTH



NOTE:

All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel. 2019 based on data to September 2019.

Source: dealroom.co

Share of capital invested (%) per vertical per country, 2015-2017 vs. 2018-2019 YTD

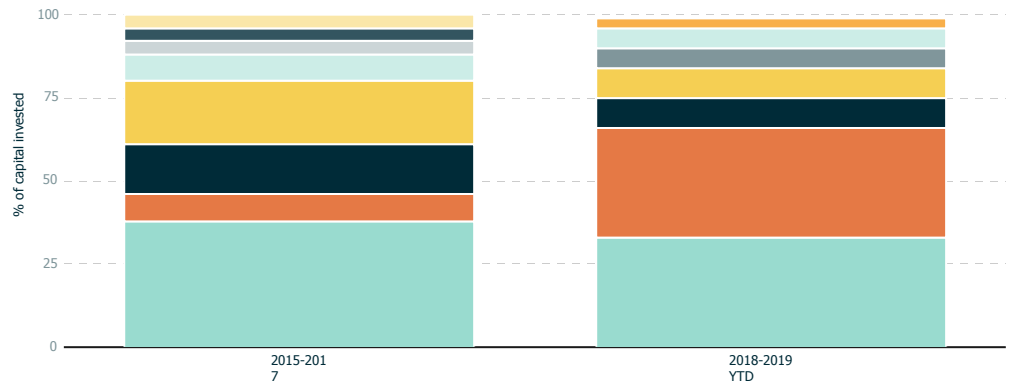
- LEGEND**
- United Kingdom
 - Sweden
 - Germany
 - France
 - Switzerland
 - Netherlands
 - Spain
 - Finland
 - Denmark
 - Italy
 - Rest of Europe

- LEGEND**
- Germany
 - United Kingdom
 - France
 - Spain
 - Netherlands
 - Sweden
 - Switzerland
 - Russia
 - Croatia
 - Finland
 - Ireland
 - Rest of Europe

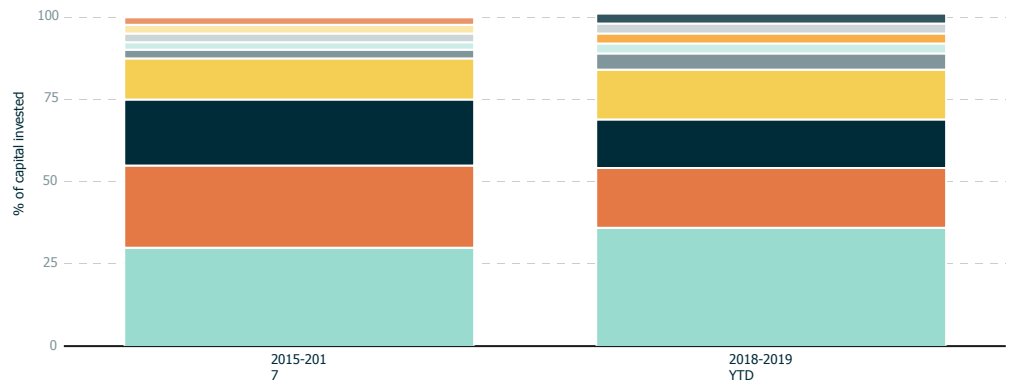
- LEGEND**
- United Kingdom
 - France
 - Germany
 - Spain
 - Finland
 - Sweden
 - Belgium
 - Norway
 - Italy
 - Netherlands
 - Rest of Europe

NOTE:
 All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel. 2019 based on data to September 2019.

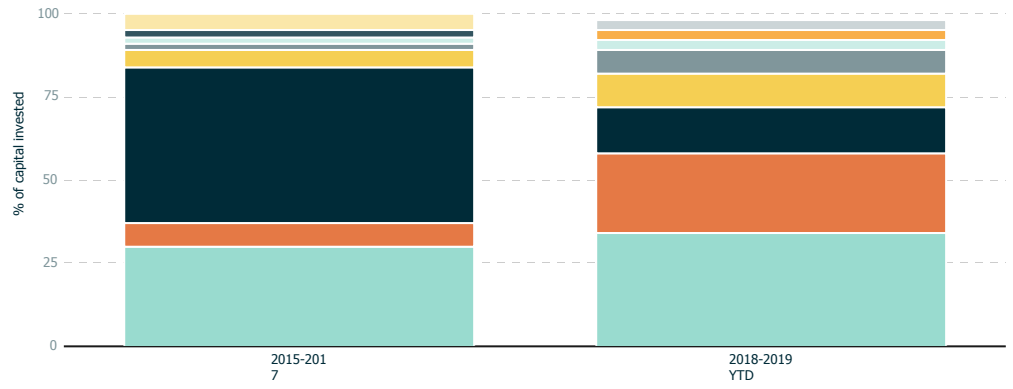
ENERGY



TRANSPORTATION



FOOD



Source: dealroom.co

Though the UK has a dominant share of capital invested in European fintech companies, its share of deals is lower, a reflection of the fact that UK fintech companies have been successful in raising a number of giant rounds of more than \$100M. In fact, looking at the distribution of deals per industry vertical per country shows the distributed characteristic of investment activity across the region, as demonstrated by the share of deals in the transportation industry.

Share of deals (%) per industry vertical by country

LEGEND

- United Kingdom
- Germany
- France
- Netherlands
- Spain
- Sweden
- Russia
- Switzerland
- Italy
- Norway
- Rest of Europe

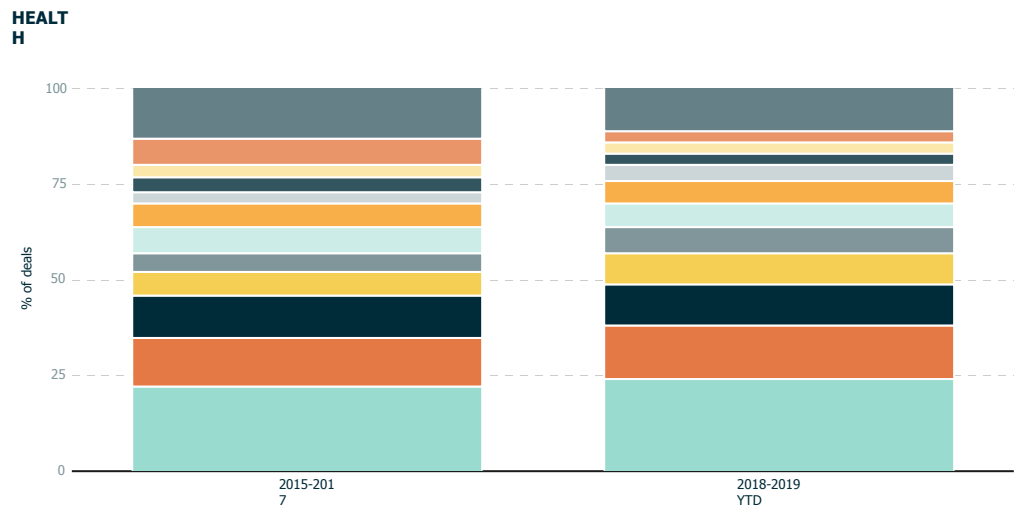
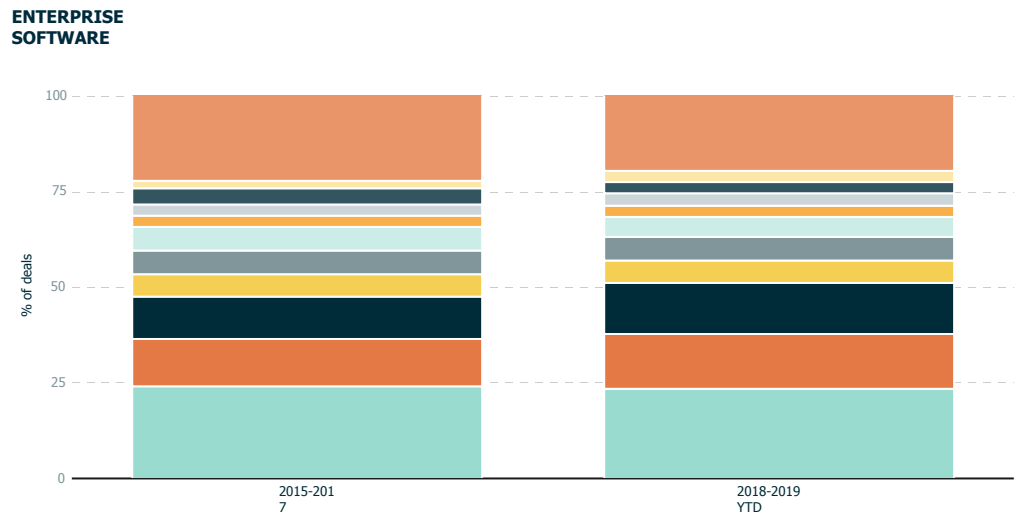
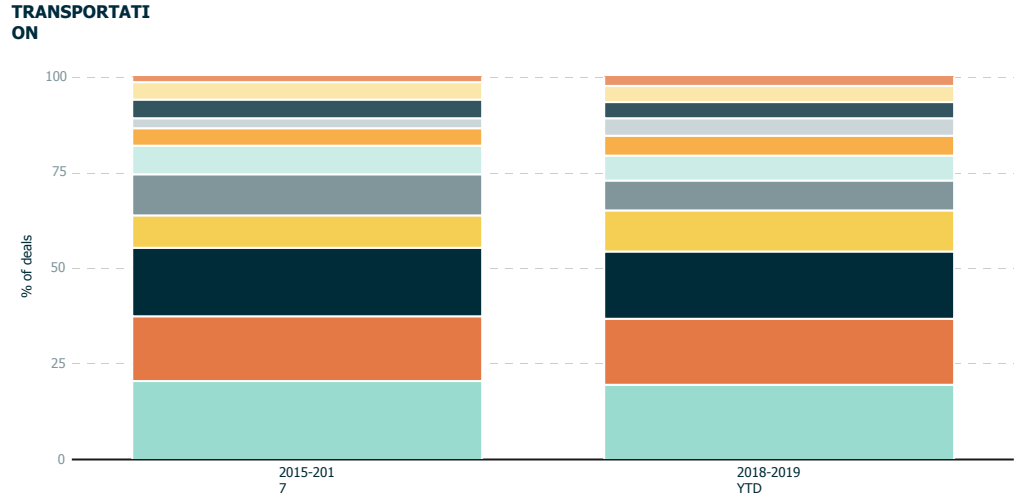
LEGEND

- United Kingdom
- Germany
- France
- Spain
- Netherlands
- Sweden
- Switzerland
- Italy
- Ireland
- Denmark
- Rest of Europe

LEGEND

- United Kingdom
- France
- Germany
- Switzerland
- Netherlands
- Sweden
- Spain
- Italy
- Finland
- Belgium
- Ireland
- Rest of Europe

NOTE:
 All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel. 2019 based on data to September 2019.



Source: dealroom.co

Share of deals (%) per industry vertical by country

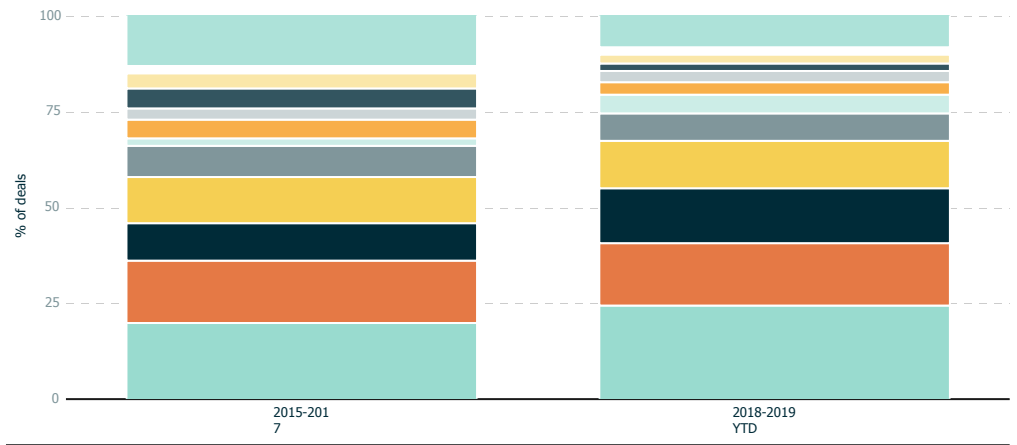
- LEGEND**
- United Kingdom
 - France
 - Netherlands
 - Germany
 - Sweden
 - Switzerland
 - Finland
 - Ireland
 - Spain
 - Italy
 - Norway

- LEGEND**
- United Kingdom
 - France
 - Germany
 - Italy
 - Spain
 - Netherlands
 - Sweden
 - Switzerland
 - Finland
 - Norway
 - Ireland
 - Rest of Europe

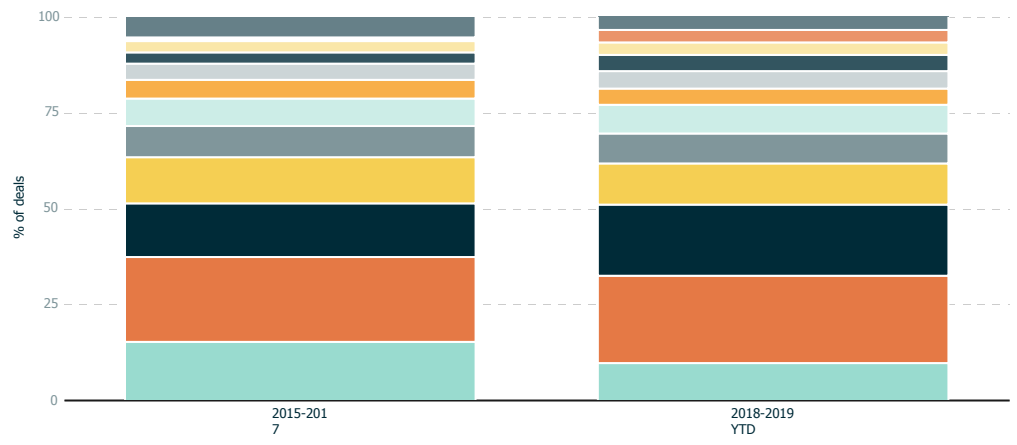
- LEGEND**
- United Kingdom
 - Germany
 - France
 - Sweden
 - Spain
 - Italy
 - Netherlands
 - Switzerland
 - Ireland
 - Denmark
 - Rest of Europe

NOTE:
 All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel. 2019 based on data to September 2019.

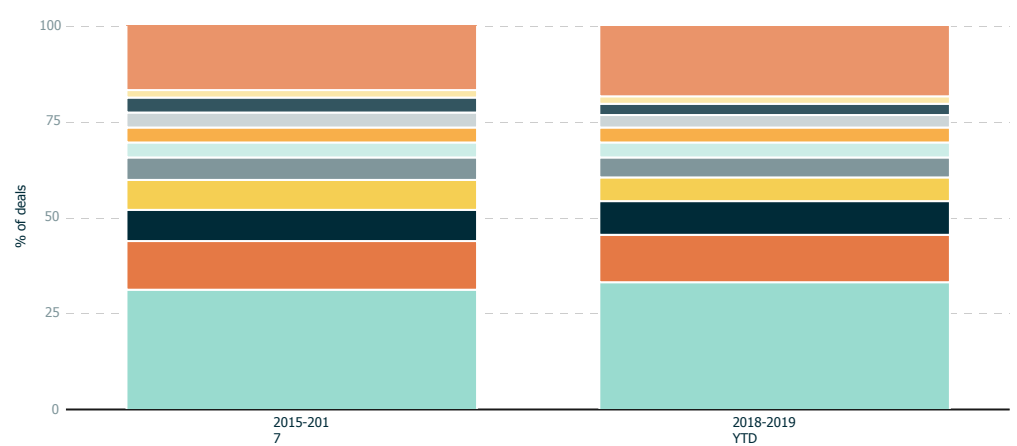
ENERGY



FOOD

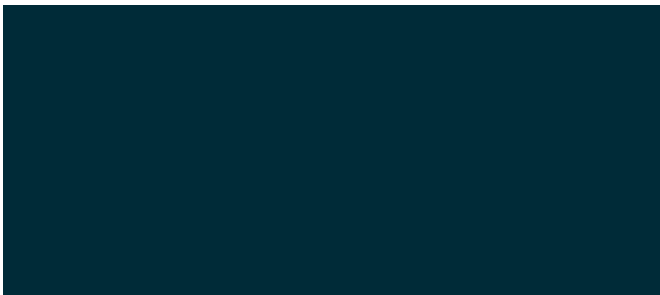


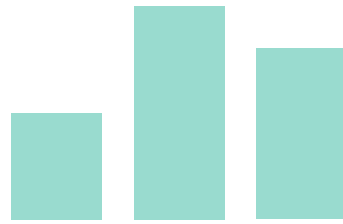
FINTECH



Source: dealroom.co











The top 10 European tech hubs for capital invested is becoming an increasingly interesting set of cities. Places perhaps less known to European tech outsiders have established themselves as important destinations for inbound capital flow, including Bucharest, Cambridge and Munich.

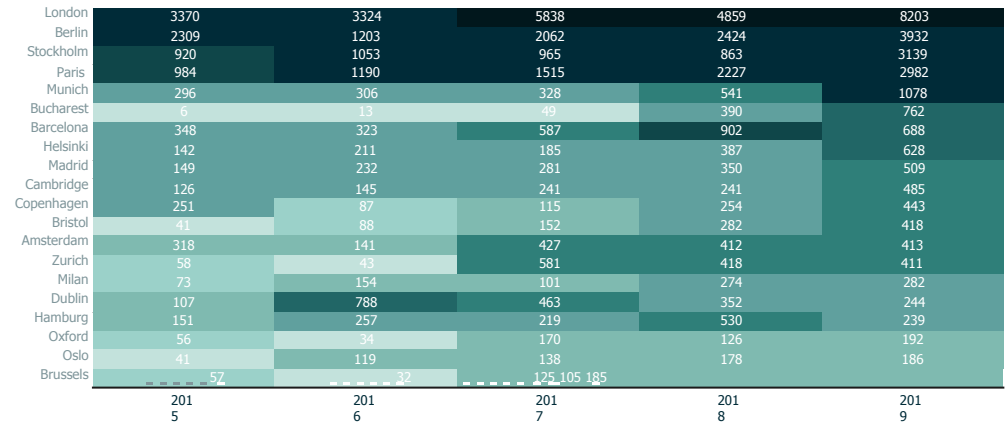
Top 20 European hubs by capital invested (\$M), ranking based on 2019

LEGEND

- up to 8,000
- 1,000 to 4,000
- 800 to 1,000
- 600 to 800
- 400 to 600
- 200 to 400
- 100 to 200
- 50 to 100
- up to 50

NOTE:

All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel. 2019 annualised based on data to September 2019.



Source: dealroom.co

Similarly on the number of deals, it is interesting to see cities like Milan make the top 15% list, a sign that Italy is starting to catch up.

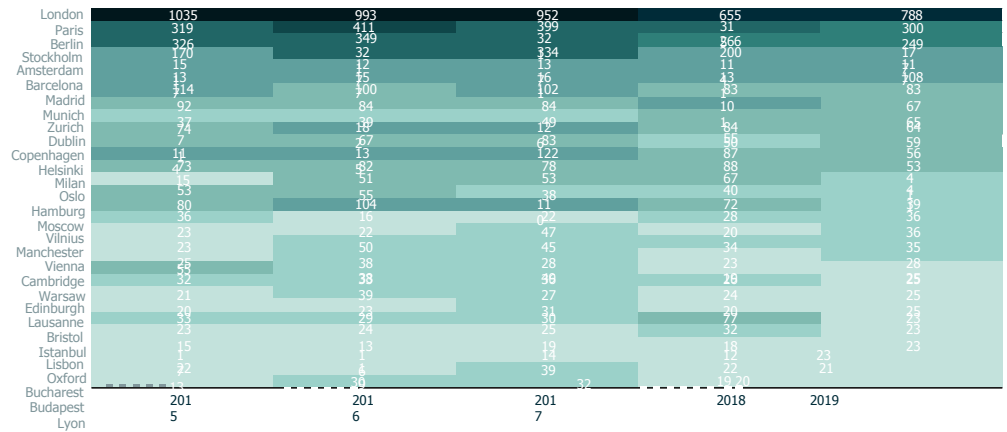
Top 20 European hubs by number of deals, ranking based on 2019

LEGEND

- up to 1,000
- 600 to 800
- 400 to 600
- 300 to 400
- 200 to 300
- 100 to 200
- 50 to 100
- 25 to 50
- up to 25

NOTE:

All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel. 2019 annualised based on data to September 2019.

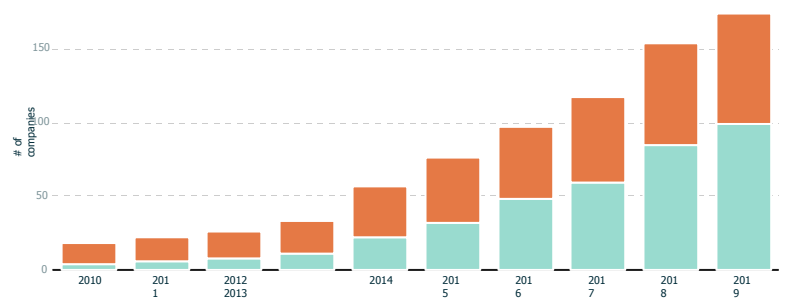
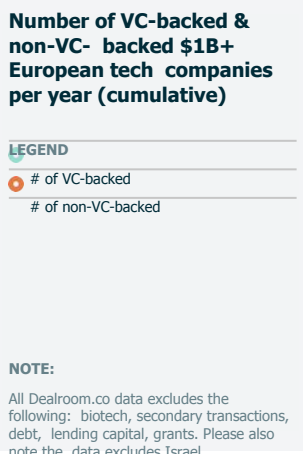


Source: dealroom.co

03.4

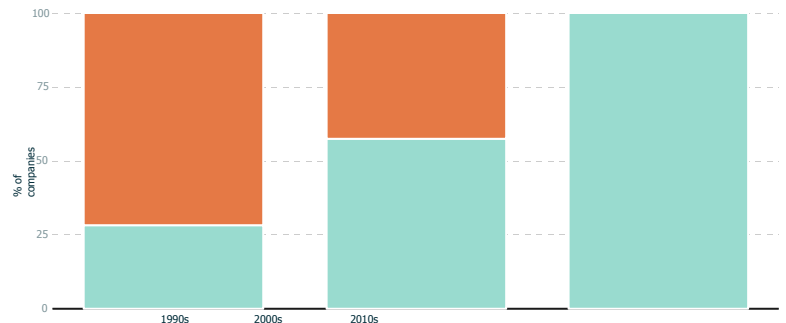
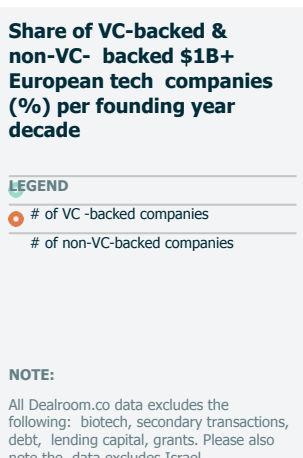
\$1B+ Companies

There are now at least 174 European tech companies that have scaled to a valuation of more than \$1 billion. Before entering this decade, that number stood at just 13, meaning Europe has seen over 13x increase in the number of companies scaling to this milestone. This is a diverse set of companies, a large proportion of which (43%) scaled to \$1 billion+ without raising venture capital.



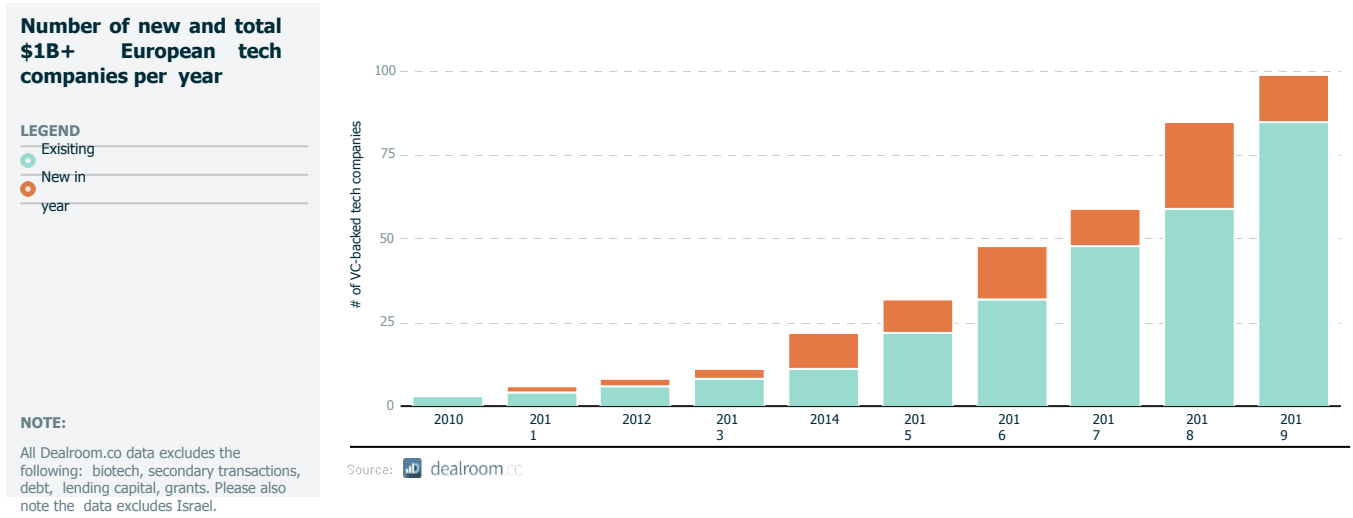
Source: [dealroom.co](#)

European founder attitudes to venture capital have undergone a transformation. While Europe has always produced tech companies that can reach billion-dollar milestones, these companies have not historically used venture capital as a means to finance themselves. As Europe's venture capital base has matured and as awareness of the benefits of partnering with VCs has grown, this trend has reversed itself entirely.

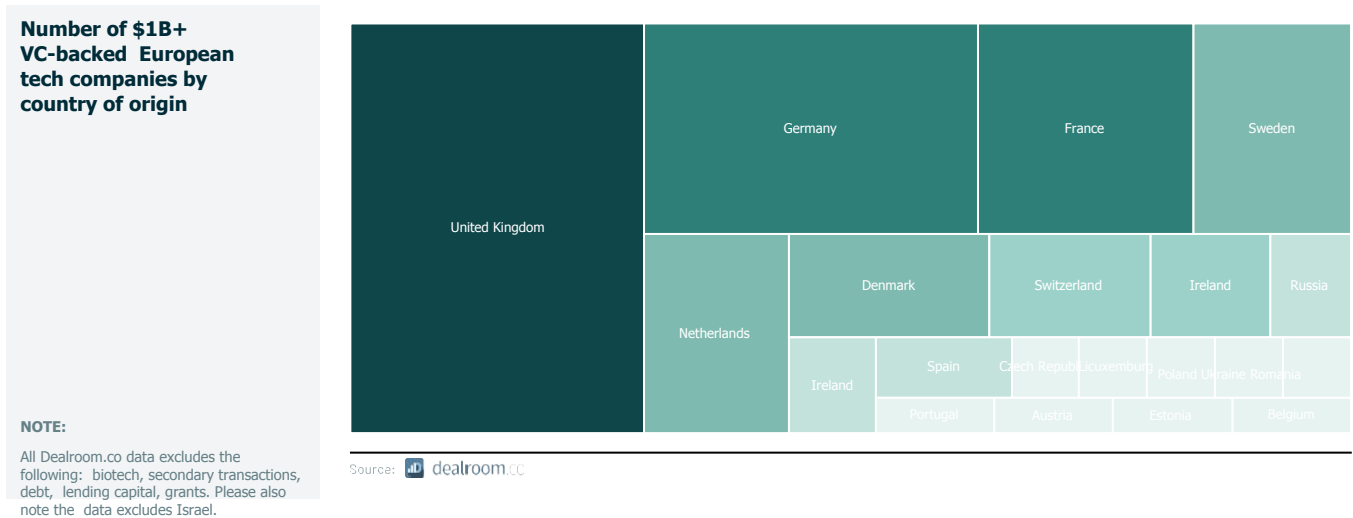


Source: [dealroom.co](#)

At the time of publication, there are 99 \$1 billion+ VC-backed European tech companies. If Europe's not already surpassed 100, it's only a matter of time before this milestone is surpassed.



The UK is the single largest source of \$1 billion+ VC-backed tech companies from Europe with 29, followed by Germany (17) and France (11). There are now VC-backed \$1 billion+ European tech companies from 20 unique countries across Europe, including Austria, Poland and the Czech Republic.



In France, the pipeline of potential \$1B+ companies has never been so promising, and has even started to deliver with Doctolib. The first exits will follow soon, and with them the 'mafias' of operators with firsthand rocketship experience that we lack. We perceive this as the last significant step before ecosystem maturity.



Pierre Entremont
 Frst Co-Founder & Partner



trivago

Zoopla

DFG

SetecienAI



Planetmatics

timecast

mindmaze

HEPTAGON



THEBETROBOT

NANOPIRE

PROVID

GetNorth Bank

MATCHES FASHION.COM



PRIMITY

Calaciot

DARKFACE

cobify

TRADESHIFT



GitLab

celonis



Kaseya

VEGAM

Numero

collibra

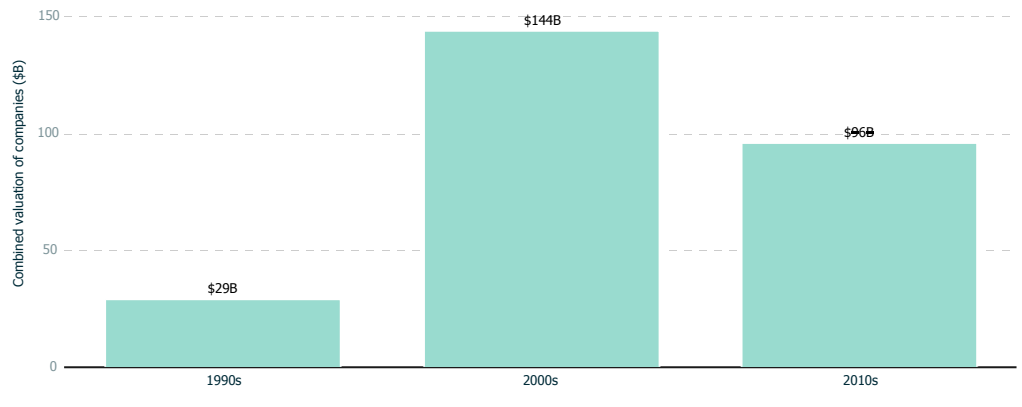


tvalu



The total aggregate value of \$1 billion+ VC-backed companies from Europe is just short of \$270B with companies founded during the 2000s delivering the greatest share of value to date. Companies founded during the 2010s are on track to comfortably exceed that total based on the current trajectory of value accretion.

Total value of VC-backed European \$1B+ tech companies by founding decade



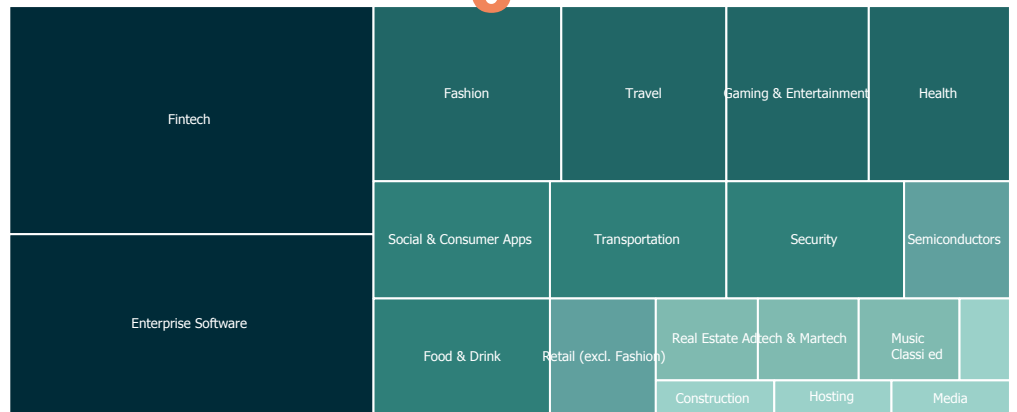
NOTE:
All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel.

There are more billion-dollar companies for fintech (20) than for any other industry vertical, though there are a growing number of \$1 billion+ VC-backed European enterprise software companies.

EUROPEAN SAAS
16

Europe has now produced 16 \$1 billion+ VC-backed enterprise software companies.

Number of \$1B+ VC-backed European tech companies by industry all time



NOTE:
All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel.

The total value of VC-backed \$1 billion+ European fintech companies now exceeds \$50 billion.

Total value of \$1B+ VC-backed European



NOTE:
All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel.

Source: dealroom.co

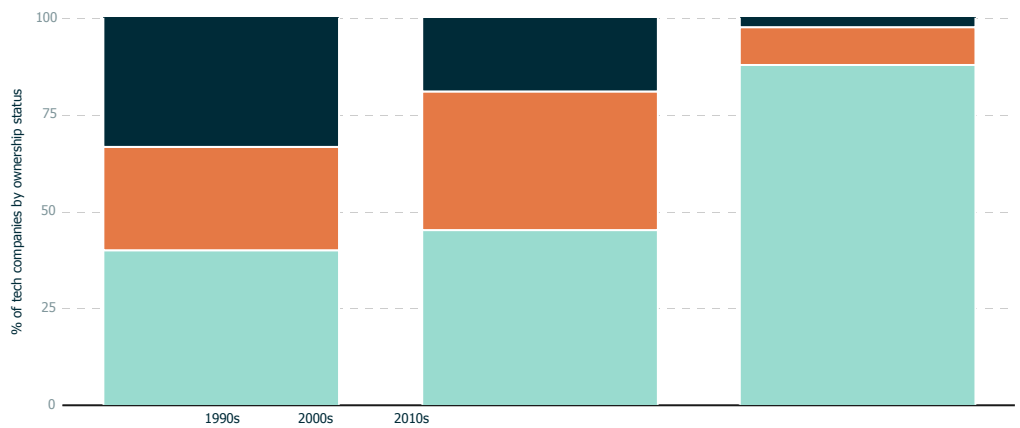
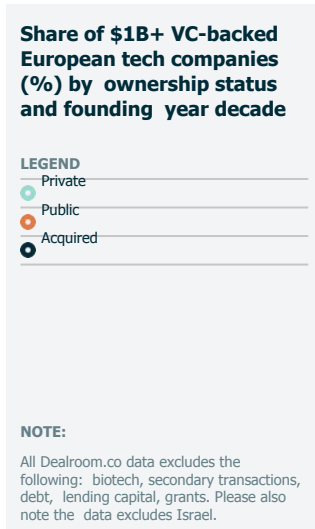


I'm very optimistic. We've seen so many exciting ideas being developed by firms and embraced by consumers, including here at Monzo. People are appreciating how technology can provide them with a much better level of transparency and control, and I expect that trend to continue. We're seeing multiple world-class, growth-stage companies coming out of Europe across multiple sectors, really for the first time ever. In digital banking alone, we've got three or four companies with multi-billion valuations.



Tom Blomfield
Monzo
CEO

The latest cohort of \$1billion+ VC-backed European tech companies founded during the 2010s remains overwhelmingly in private hands.



Source: dealroom.co



Because fewer unicorn companies have started in Europe than in America, we have a less fixed mindset as to what a successful business or a successful founder should be. We're more open to quirky business ideas and teams that don't quite fit the 'socially awkward white guy with a hoodie' mould.



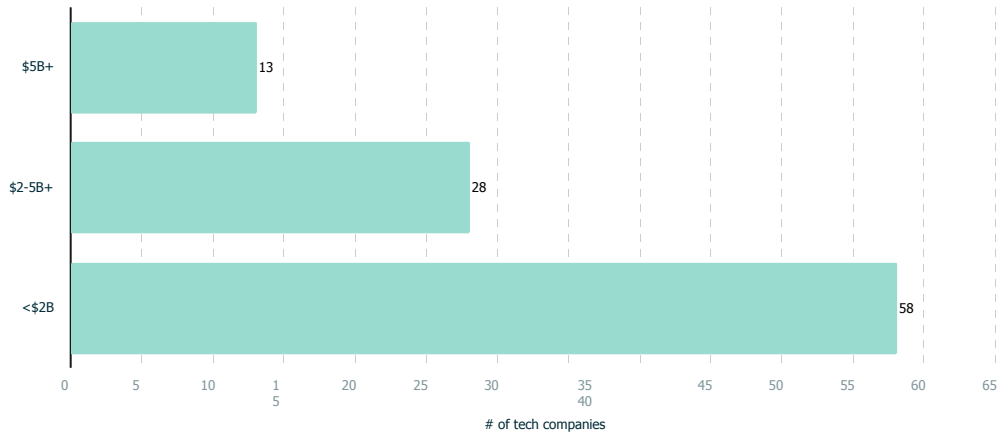
Valentina Milanova
Daye
Founder & CEO

Europe's now produced 13 \$1B+ VC-backed tech companies that have scaled to more than \$5B, including four that have grown beyond the \$10B milestone.

Number of \$1B+ VC-backed European tech companies by valuation group

NOTE:

All time \$1B+ VC-backed European tech companies. All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel.

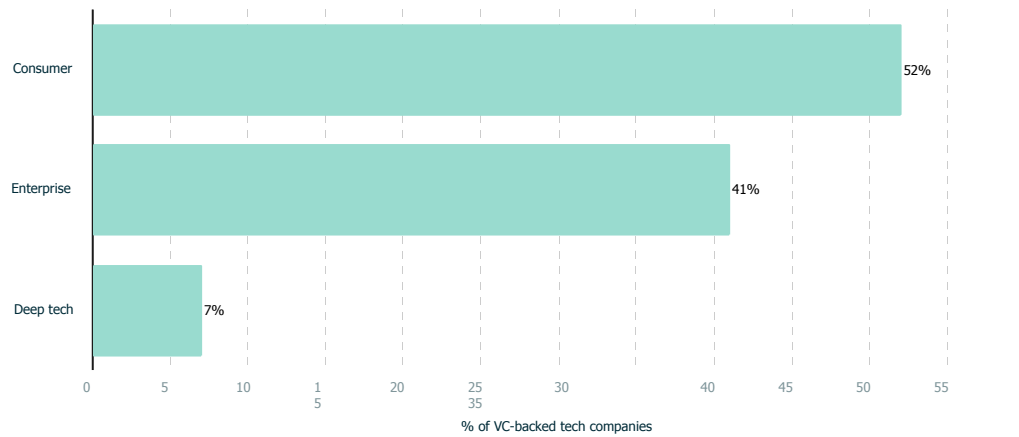


Source: dealroom.co

Share of VC-backed European \$1B+ tech companies (%) by business model

NOTE:

All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel.



Source: dealroom.co



Great operating talent came out of the first generation of consumer tech companies in Europe - people who are great marketers, great at product, great at finance. That talent has been key in supporting a new generation of deep tech companies as they commercialise. We now have the ingredients to build big companies.

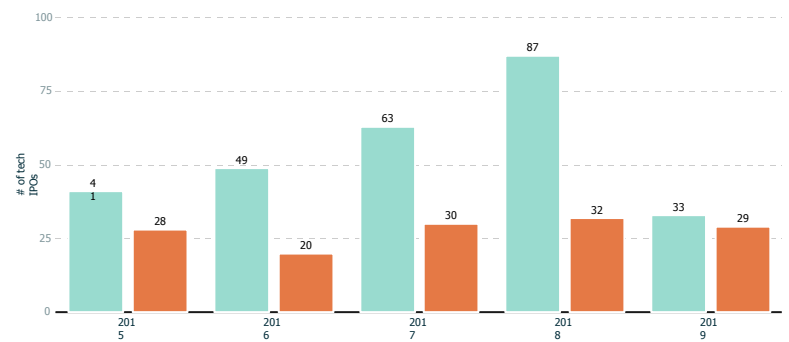
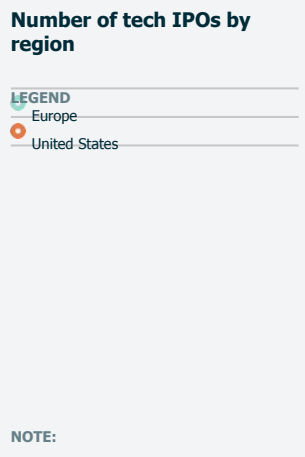


Nigel Toon
Graphcore
Co-founder & CEO

03.5

European Exit Landscape

Many will be surprised to know that Europe has produced more tech IPOs than the US for six consecutive years, including more tech IPOs in the first nine months of 2019.

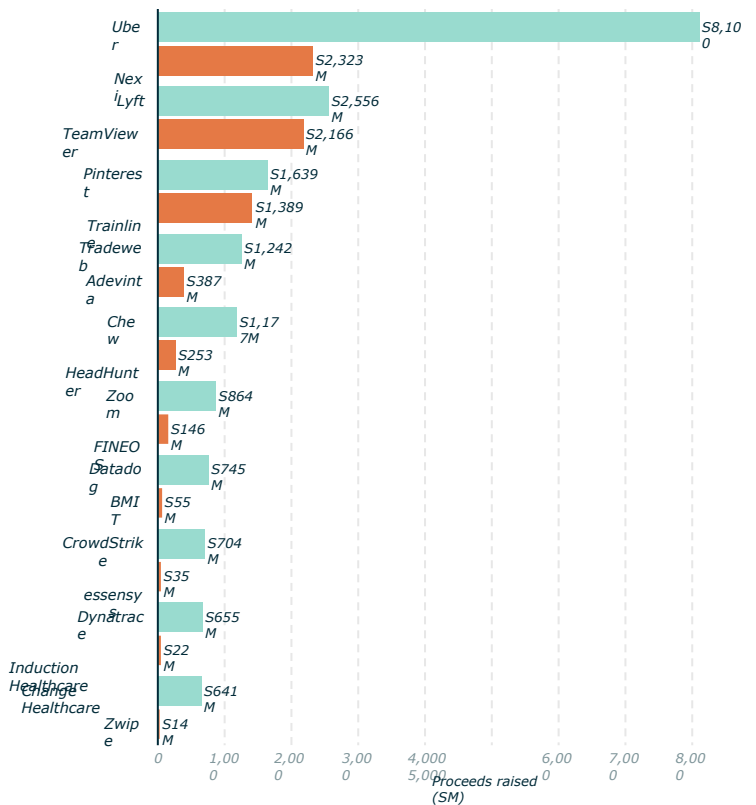
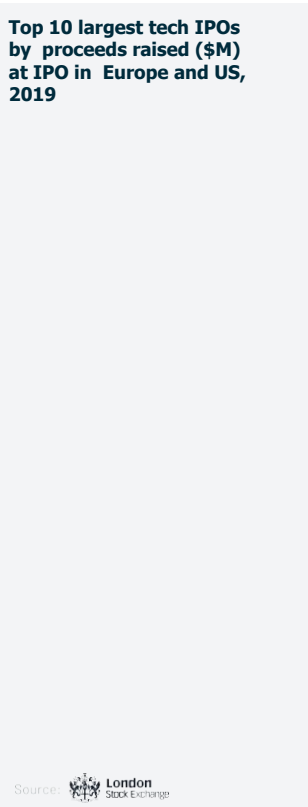
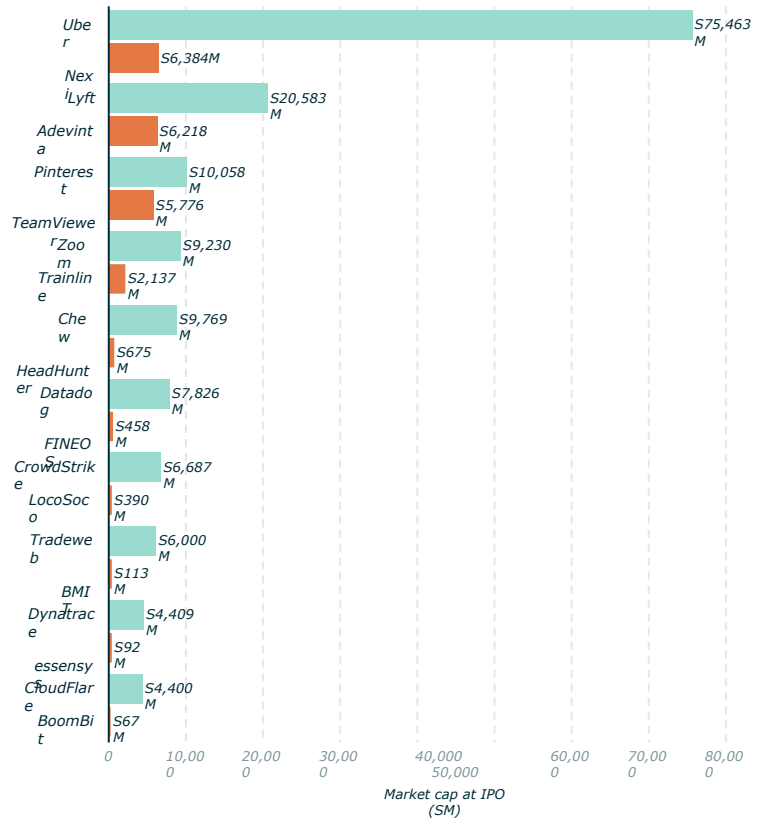
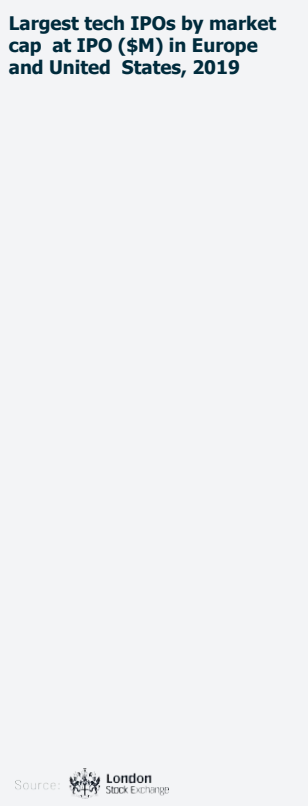


Source: London Stock Exchange



Photo by: Jussi Heliösten

But you have to dig beneath the headline numbers to get the full story. First of all, looking at the magnitude of the tech IPOs, as measured by market cap (\$B) at IPO, it is clear that the US had a dominant year in 2019. The combined value of the Top 10 tech IPOs in the US in the first nine months of the year equated to a total market cap of \$153B versus \$22B for the ten largest European tech IPOs in 2019. Uber's market cap at IPO alone eclipsed the combined market cap of Europe's top 10 tech IPOs in 2019.





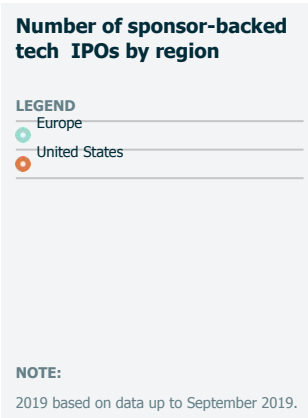
Looking past the opening day headlines, it's notable that Europe's 2019 crop of IPOs, large and small, have delivered returns for their investors which exceed their US contemporaries.

2019 has been a highly eventful year in global tech listings, with companies like Uber and Lyft in the US, and Nexi and Trainline here in Europe. While numbers of European listings have been a little subdued compared with 2018, Europe has stretched its lead over the US in the number of tech listings for the 6th year running. Looking past the opening day headlines, it's notable that Europe's 2019 crop of IPOs, large and small, have delivered returns for their investors which exceed their US contemporaries.



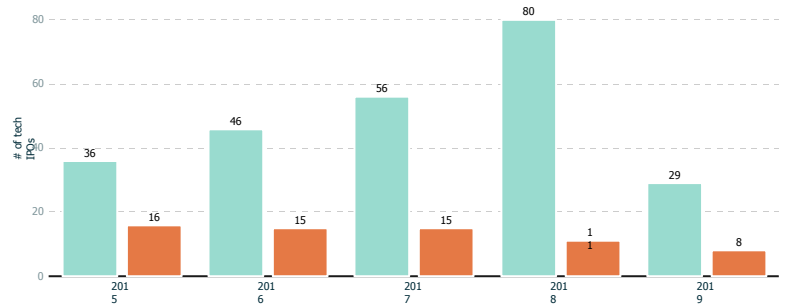
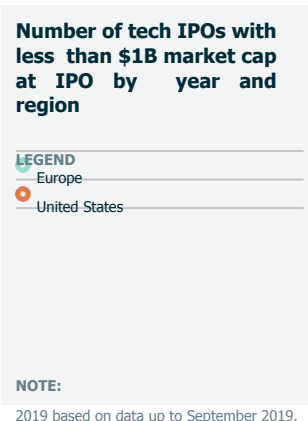
James Clark
 London Stock Exchange
 Head of Tech and Lifesciences, Primary Markets

The numbers of sponsor-backed tech IPOs per region are at similar levels in Europe and the US. These relate to IPOs where typically financial investors, whether VCs or PE funds, play a 'sponsoring' role in bringing these companies to the public market. The mix of VC versus PE sponsors between the US and Europe in 2019 has been very different. In the US, VCs have been the dominant sponsor of tech IPOs, while in Europe they've been led by PE funds. This marks a shift versus 2018, when Europe's largest tech public listings were 'sponsored' by VCs, including Spotify, Adyen and Farfetch.



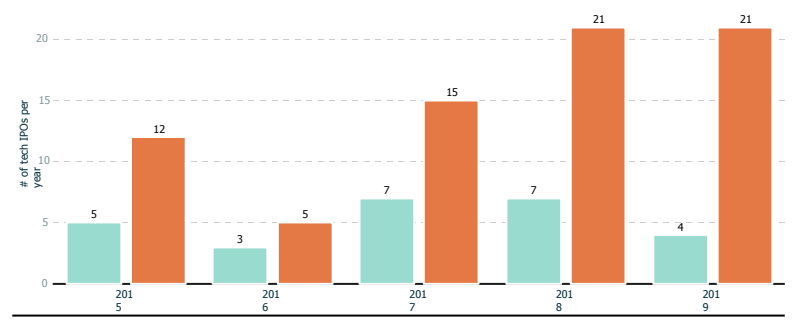
Source: London Stock Exchange

There is a divergence between European and US public markets in terms of the ability of tech companies of different scale (by market cap) to access them. While the number of US tech IPOs with a market cap of less than \$1B has been in persistent decline for several years, Europe has seen the opposite trend as a result of the greater diversity in types of companies that can access the region's public markets.



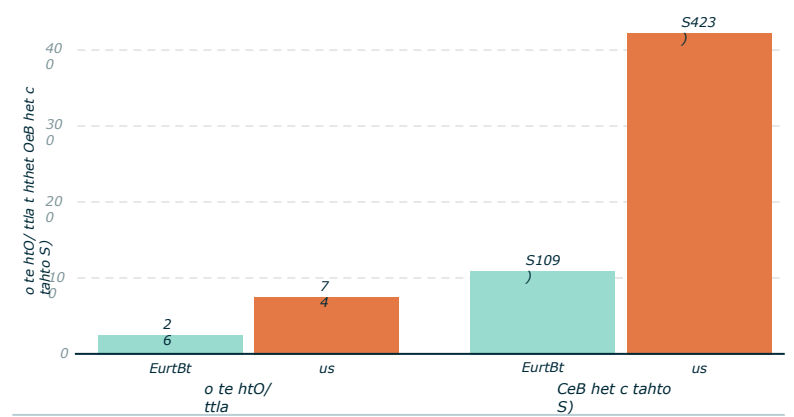
Source: London Stock Exchange

At the other end of the market cap scale, while European has consistently delivered multiple billion-dollar tech IPOs each year, the US has delivered a greater volume of larger tech IPOs of \$1B+ market cap at issuance. Since 2015, there have 2.8x as many \$1B+ tech IPOs from the US versus Europe.

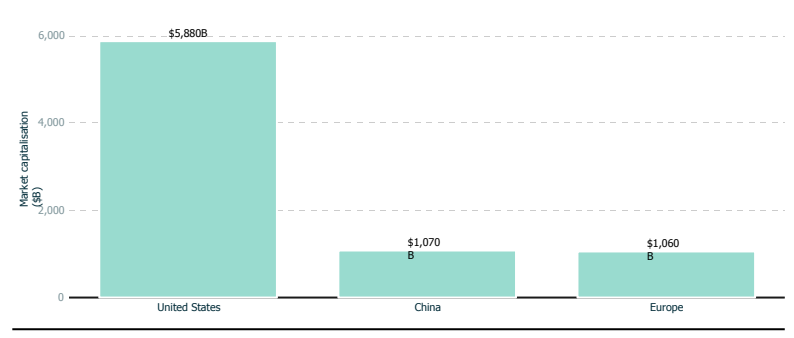


Source: London Stock Exchange

Of course, the 2.8x difference should be put in additional context. It's only one consideration to account for the difference between Europe and the US, but it's relevant to note the gap in terms of relative levels of capital investment into tech in Europe and the US. Since 2015, the US saw a 4.0x greater level of venture capital investment versus Europe, a number that puts into additional context the 2.8x multiple on \$1B+ tech IPOs.



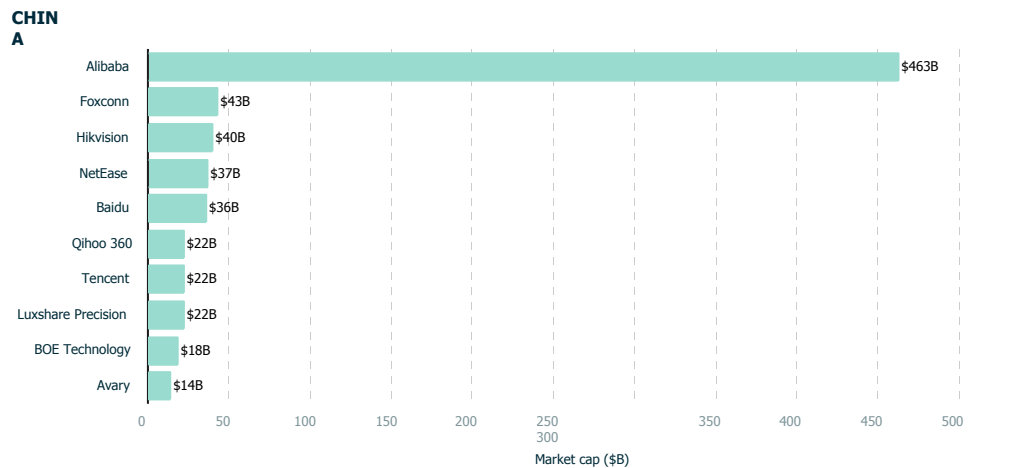
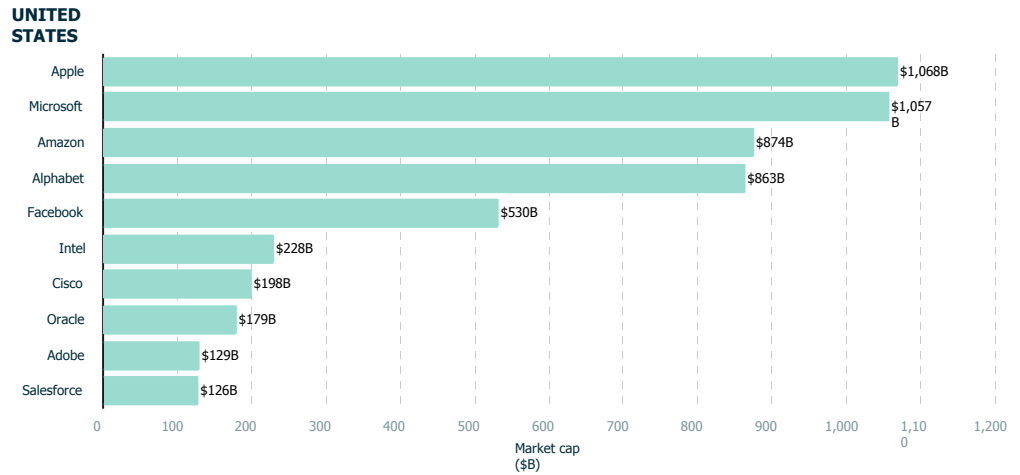
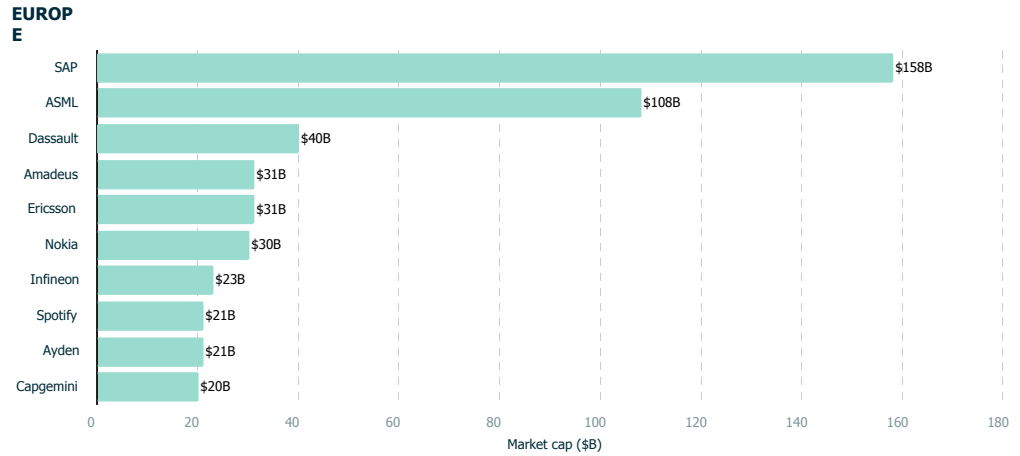
The long-standing dominance of the US in the global tech industry and the sustained decades-long gaps in relative capital investment in tech in different regions are best captured by the difference in total market cap of public tech companies by region. The total aggregate value of public US tech companies (around \$5.9T) is 5.5x greater than Europe (around \$1T). This too, however, is in part a reflection of the fact that relative levels of venture capital investment in the US and Europe have been on very different scales. More than \$800B of venture capital has been invested in the US since 2000 versus between \$150-200B in Europe.



Source: London Stock Exchange

Though Europe has yet to produce a company that comes close to rival the value creation of trillion-dollar market cap companies to rival Microsoft or Apple, it's often forgotten that Europe has produced more than one \$100B tech company. SAP, Europe's largest public tech company by market cap, has now grown to be valued at more than \$150B. If SAP has done it, why can't others?

Top 10 largest tech companies by market cap (\$B) in Europe, US and China in 2019



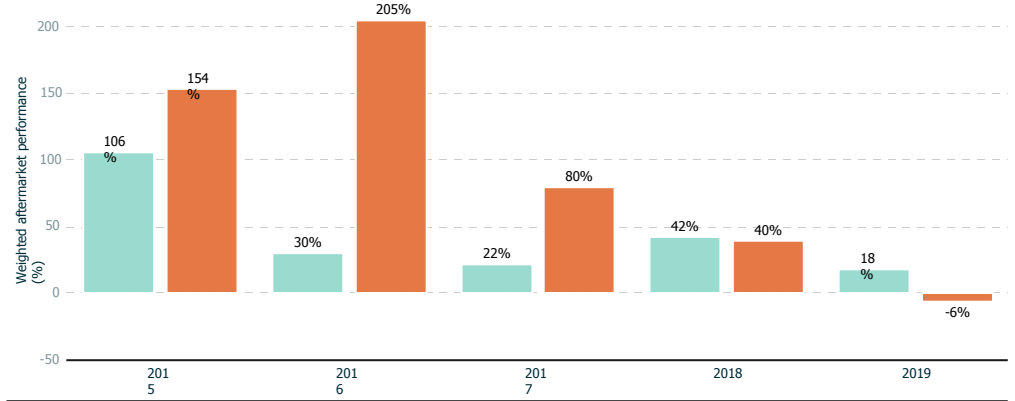
Source: London Stock Exchange

NOTE:
Based up data up to 21 October 2019.

Whilst the US had a bumper year in terms of the scale of its tech IPOs in 2019, those companies have not gained value as a cohort since listing, as the public markets have been impacted by increased volatility. The weighted aftermarket performance of the 2019 class of tech IPOs from the US was down 6% at the end of October 2019; Europe's 2019 vintage was up 18% at the end of the same period. Of course, it's still much too early to judge the performance of these companies.

Weighted aftermarket performance of tech IPOs by vintage year (%)

LEGEND
 Europe
 United States



NOTE:
 Aftermarket performance is weighted by market cap at IPO. 2019 based on data to 21 October 2019.

Source: London Stock Exchange



There are a lot of things happening right now in tech that are raising a lot of questions. Looking at what happened to WeWork most recently, we're seeing investors shy away from companies that might not be clearly profitable from the get-go. I think there will be some kind of movement when it comes to funding for startups. Startups will need to prove themselves, and their business models even more. It's going to be trickier; if you rely on funding, a far more uncertain future is ahead. Combined with the delay of Brexit in the UK, we're entering an extended state of uncertainty for businesses.



Maria Raga
 Depop
 CEO



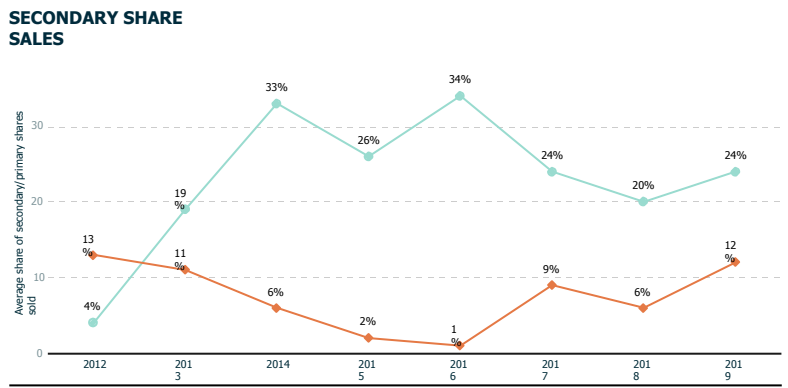
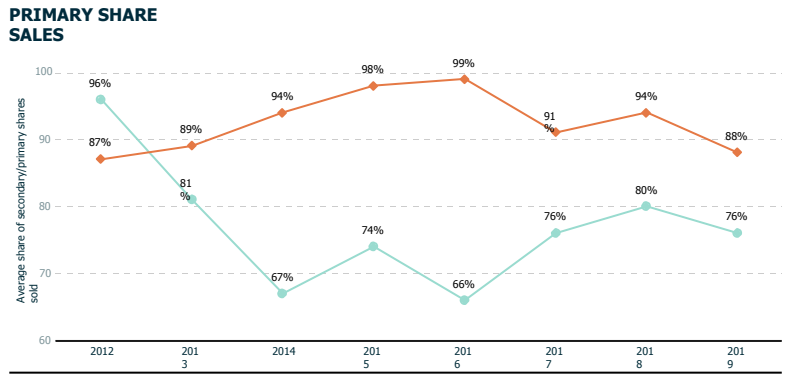
Photo by: Jussi Rallainen

Besides simply looking at the scale of public tech companies, there are a number of other cultural differences between European and US public markets. One is a greater level of openness to existing investors selling down their position at IPO for liquidity. As a result, there is a materially higher share of secondary share sales on European than on US markets.

Average share of primary versus secondary shares sold at IPO by region

LEGEND
 ● Europe
 ● United States

NOTE:
 2019 based on data up to September 2019.



Source: London Stock Exchange

There is a strong pool of sophisticated European public market investors that have built large portfolios of holdings in public European tech companies. Norway’s giant sovereign wealth fund, Norges Bank Investment Management, is the single largest European investor in European public tech companies, as measured by the size of its portfolio at the end of September 2019.

Top 10 European investors in European tech companies

	# of Investments in European Tech Companies
Norges Bank Investment Management	332
Legal & General Investment Management	203
DWS Investment	255
Baillie Gifford	143
BNP Paribas Asset Management	162
Allianz Global Investors	208
Amundi Asset Management	152
UBS Asset Management	257
Henderson Global Investors	224
ABN AMRO	157

Source: London Stock Exchange

2018 was a record year for European VC-backed exits, including the IPOs of Spotify, Adyen and Farfetch, amongst other highlights. By comparison, 2019 has been a very quiet year in terms of large-scale VC-backed exits, with the largest exit coming in at just over \$850M.

Top 10 largest VC-backed exits by value at exit in 2019

	Exit Type	Country	City	Value at IPO/EV in M&A (\$M)	Acquirers (if any)
Kiwi.com	Acquisition	Czech Republic	Brno	853	General Atlantic
Drivy	Acquisition	France	Paris	300	Getaround
MeilleursAgents.com	Acquisition	France	Paris	220	Axel Springer
Audio Network	Acquisition	United Kingdom	London	215	Entertainment One
Graze	Acquisition	United Kingdom	Richmond	200	Unilever
lyzico	Acquisition	Turkey	Istanbul	165	PayU
data Artisans	Acquisition	Germany	Berlin	103	Alibaba
Crypto Facilities	Acquisition	United Kingdom	London	100	Kraken
Usabilla	Acquisition	Netherlands	Amsterdam	80	SurveyMonkey
mnuo	Acquisition	Spain	Sant Pere de Ribes	78	Aspen Technologies

NOTE:
EUR to USD conversion taken by date of exit from Bloomberg; Graze value at exit based on rumours.

Source: dealroom.co

The slow year in terms of VC-backed exits is reflected in the count of total M&A transactions.

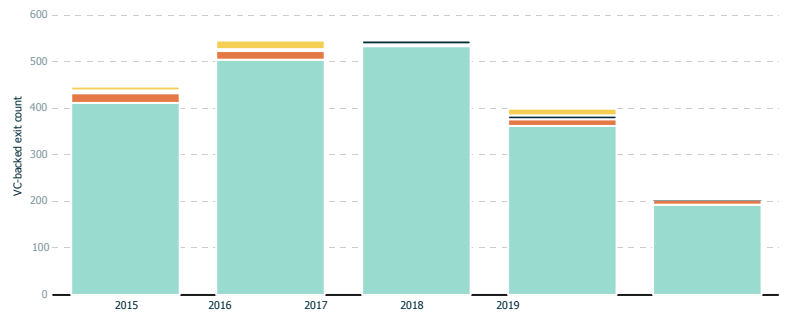
VC-backed M&A exit count by deal size

LEGEND

- <\$100M
- \$100M-\$250M
- \$250M-\$500M
- >\$500M

NOTE:

All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel. 2019 based on data up to September 2019.



Source: dealroom.co

Looking beyond just venture-backed European tech M&A activity, total deal value hit \$88B in the first nine months of 2019 and is on track to surpass 2018's total for the year of nearly \$100B. Non-VC-backed companies have been the key driver of that figure, accounting for almost 80% of total M&A activity of September 2019.

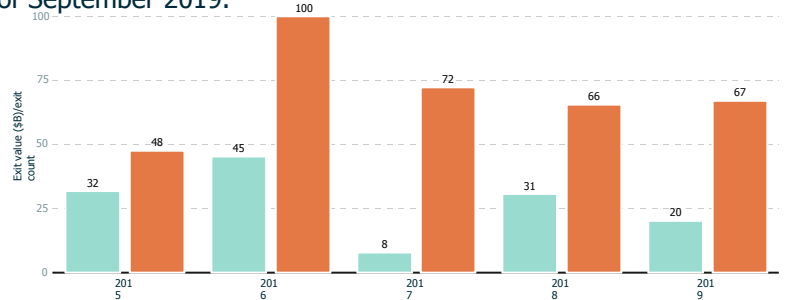
European M&A exit value (\$B) per year by VC-backed or not

LEGEND

- VC-backed exit value
- Non-VC backed exit value

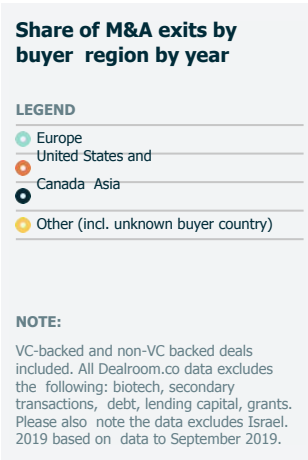
NOTE:

2019 is based on data up to September 2019.



Source: dealroom.co

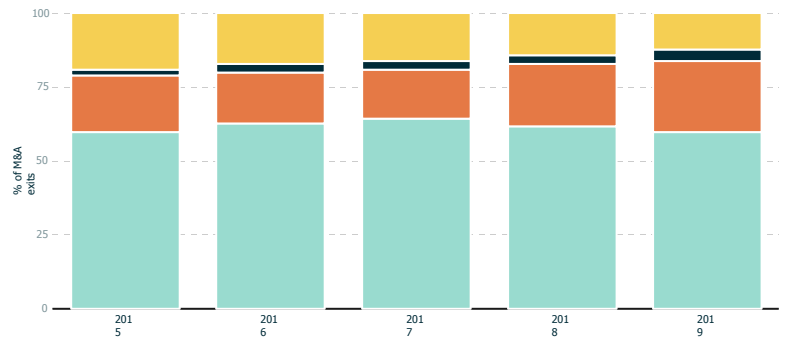
European tech M&A is dominated by exits to European buyers, which accounted for 60% of exit by deal count in 2019. One in four M&A transactions in 2019 was a US buyer, a record high over the past five years.



TECH M&A BUYERS

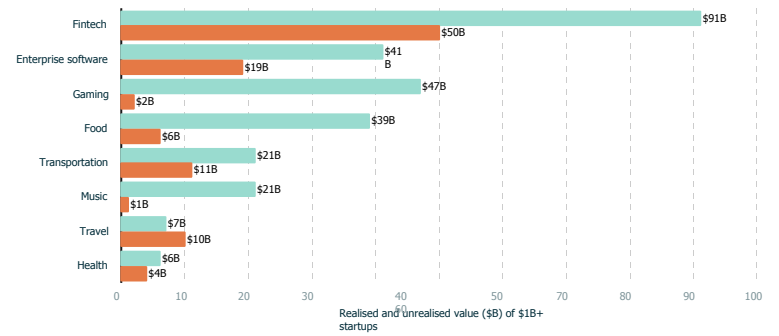
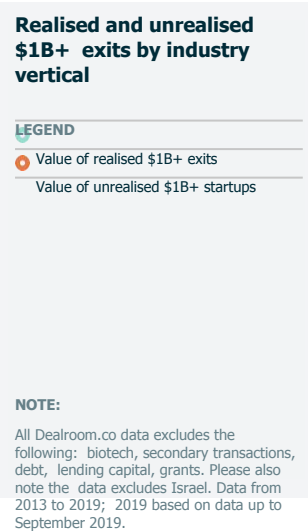
60%

of European tech companies are sold to European buyers.



Source: dealroom.co

Despite the slow exit year in 2019, Europe has a large pipeline of potential exit candidates with close to \$103B of unrealised \$1B+ candidates for exits across a number of industries.



Source: dealroom.co



Entrepreneurs believe they can build extraordinary success stories in Europe, because either they know of others, or perhaps, increasingly, they know someone directly who has been a part of one of those stories. That's hugely powerful.

I tend to think that a high-performing ecosystem is made up of three main things: talent, capital and a 'belief system'. I think Europe has more and more phenomenal talent, including people who move from the US to come to Europe for any number of reasons - for their studies, for lifestyle or world experience, to move back to where their families are, etc. I don't have to tell you there's more capital than ever before, and more high-quality capital, I should add. But it's really the 'belief system' that I think has had the most marked change. Entrepreneurs believe they can build extraordinary success stories in Europe, because either they know of others, or perhaps, increasingly, they know someone directly who has been a part of one of those stories. That's hugely powerful.



Leila Rastegar Zegna
Kindred Capital
Founding General Partner

0

Investors 4



What is the definition of a European tech investor?

As investment into European startups continues to set records, capital providers have proliferated at all stages from angel to growth. Investors at more than 100 funds are on track to raise over \$100B, and we saw a record number of first-time funds.

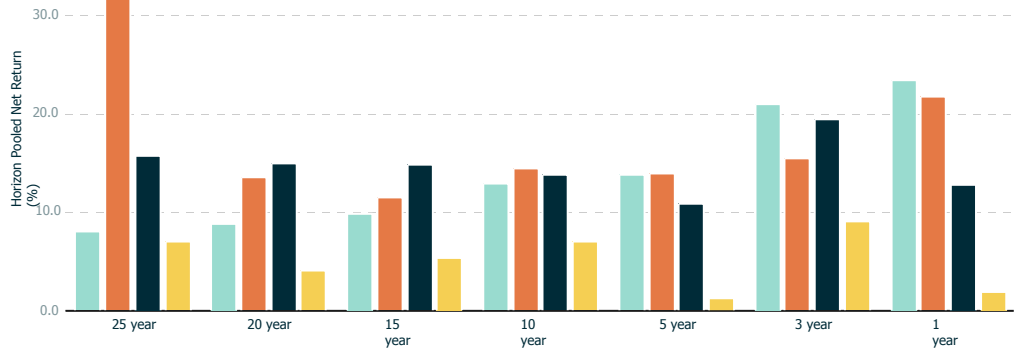
04.1

VCs and LPs

It's hard to point to a single reason why the level of interest in European tech has increased in the way it has over the past five years. But it would be foolish to look past the hard data. The fact is that European VC returns are now globally competitive and that has caused LPs to wake up. On a one-, three- and five- year horizon, Cambridge Associates data, the most widely cited benchmark of venture capital performance, shows that its index for European VC performance is either on par or significantly outperforming indices for both US VC and, importantly, European Private Equity.

Horizon pooled return (net) by fund index, June 2019

- LEGEND**
- Europe Developed Venture Capital Index (\$)
 - Cambridge Associates US Venture Capital Index
 - Europe Developed Private Equity Index
 - (\$) MSCI Europe Index (\$)



Source: CA CAMBRIDGE ASSOCIATES

NOTE:

As of 30 June 2019, \$



LPs from around the world are becoming increasingly interested in European tech. They recognise the quality of technical talent in Europe and want access to this potential. There is also a realisation that the next Silicon Valley isn't going to be a single location; instead, it will be a number of cities that attract and aggregate the world's best talent and build ecosystems around this.



Alice Bentinck
Entrepreneur First
Co-founder

2018 was another record year with European VCs raising more than \$13B, and fundraising activity in the first six months of 2019 (>\$7.5B) indicates that the full year total for 2019 could go on to surpass that level. Larger funds of greater than €250M represent over 40% of capital raised in 2018.

VC funds raised (\$M) and number of VC funds closed per year by fund size (€M)

LEGEND

- <€25M
- €25-50M
- €50-100M
- €100-250M
- >€250M

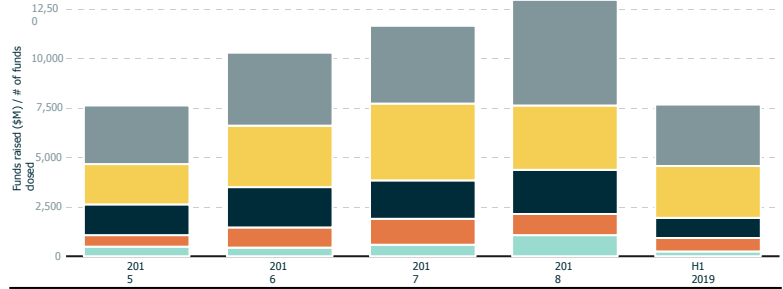
NOTE:

H1 2019 gures are preliminary. Taken from the European Data Cooperative, developed by Invest Europe. EDC data converted at EUR:USD of 1.1367, the rate on 30 June 2019.

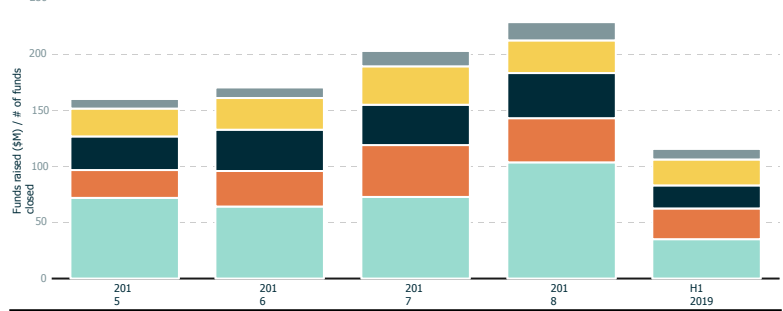
**FUNDS >
€100M
66
%**

of all VC funds raised in 2018 are from funds with a size of >€100M.

FUNDS RAISED



FUNDS CLOSED



Source: **INVEST EUROPE**

The overall median fund size at final closing reached \$53M in the first six months of 2019, continuing the gradual increase in average fund size in Europe over the past five years.

Median and mean fund size (\$M) at nal closing by year

LEGEND

- Median
- Mean

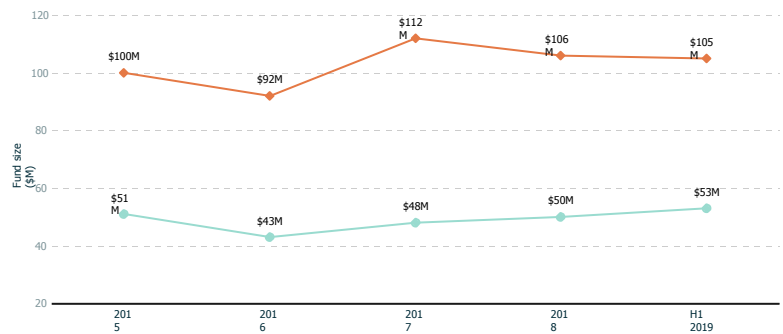
NOTE:

H1 2019 gures are preliminary. Taken from the European Data Cooperative, developed by Invest Europe. EDC data converted at EUR:USD of 1.1367, the rate on 30 June 2019.

AVERAGE VC FUND SIZE

**\$53
M**

Size of median VC fund closed in Europe in H1 2019



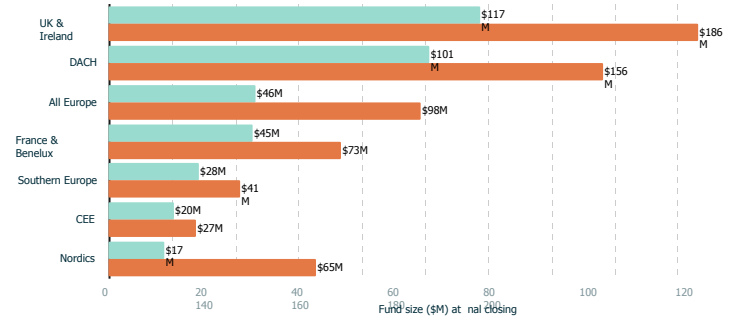
Source: **INVEST EUROPE**

In the UK and Germany the mean fund size at final closing has surpassed \$100M, but elsewhere in Europe average fund sizes are still much lower. On a European-wide basis, the mean VC fund has a final closing at \$45M.

Median and mean fund size (\$M) at nal closing by year by sub- region, 2014-H1 2019

LEGEND
● Median
● Mean

NOTE:
 Taken from the European Data Cooperative, developed by Invest Europe. EDC data converted at EUR:USD of 1.1367, the rate on 30 June 2019.



Source: **INVEST EUROPE**

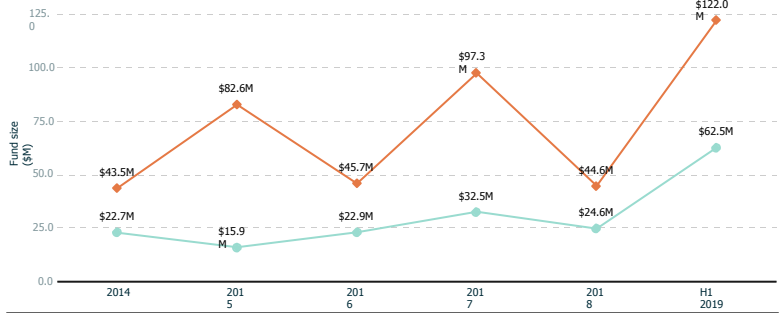
The median size of first-time VC funds closed in Europe hit \$62.5m in the first half of 2019. This is up nearly 3x on median fund sizes from five years ago. The increased fund size is a reflection of the sophistication of new generation first-time fund managers in Europe, as well as a necessary response to the increased round sizes in European early-stage venture.

Median and mean fund size (\$M) at nal closing per year by fund type (2014-H1 2019)

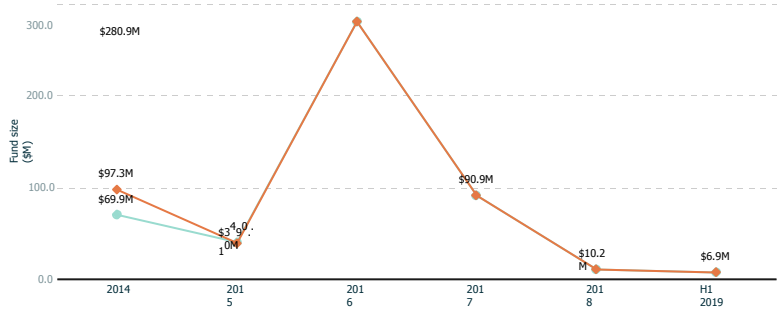
LEGEND
● Median
● Mean

NOTE:
 H1 2019 figures are preliminary. Taken from the European Data Cooperative, developed by Invest Europe. EDC data converted at EUR:USD of 1.1367, the rate on 30 June 2019.

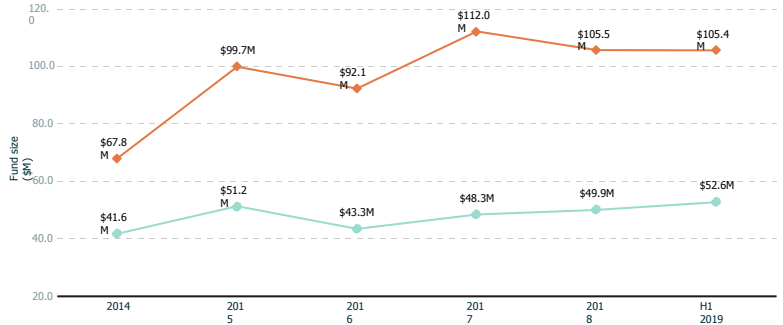
INITIAL FIRST VC FUND



FIRST-TIME VC FUND OF ESTABLISHED FIRM



FOLLOW ON VC FUND



Looking back on a cumulative basis at total funds committed to European VCs since 2014, government agencies have been the largest contributors - supporting the European VC ecosystem with \$9B. They are followed by corporate investors and private individuals as the next two largest LP types.

GOVERNMENT AGENCIES \$9B

Funds allocated by government agencies to European VCs since 2014

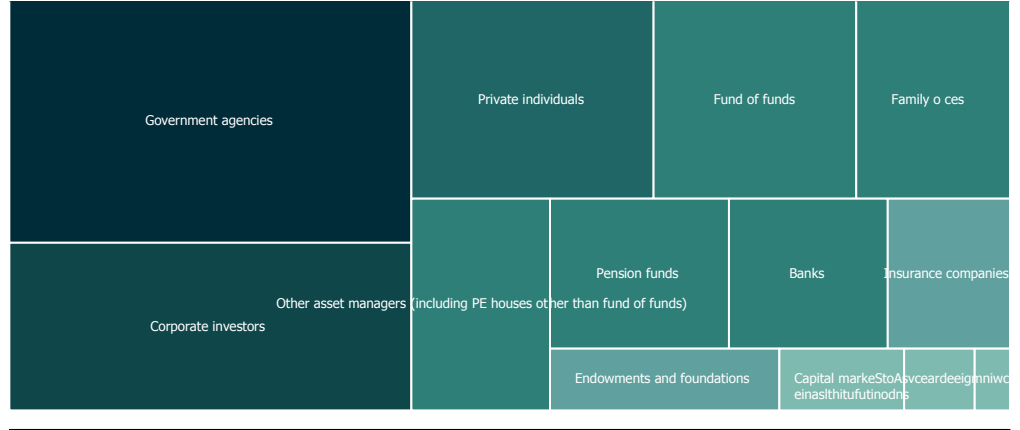
VC funds raised (\$B) by LP type, 2014-2018 cumulative

LEGEND

- up to 12.0
- 8.0 to 10.0
- 6.0 to 8.0
- 4.0 to 6.0
- 2.0 to 4.0
- 1.0 to 2.0
- 0.0 to 1.0
- 1.0 up to 0.0

NOTE:

Taken from the European Data Cooperative, developed by Invest Europe. Excludes unclassified EDC data converted at EUR:USD of 1.1367, the rate on 30 June 2019.



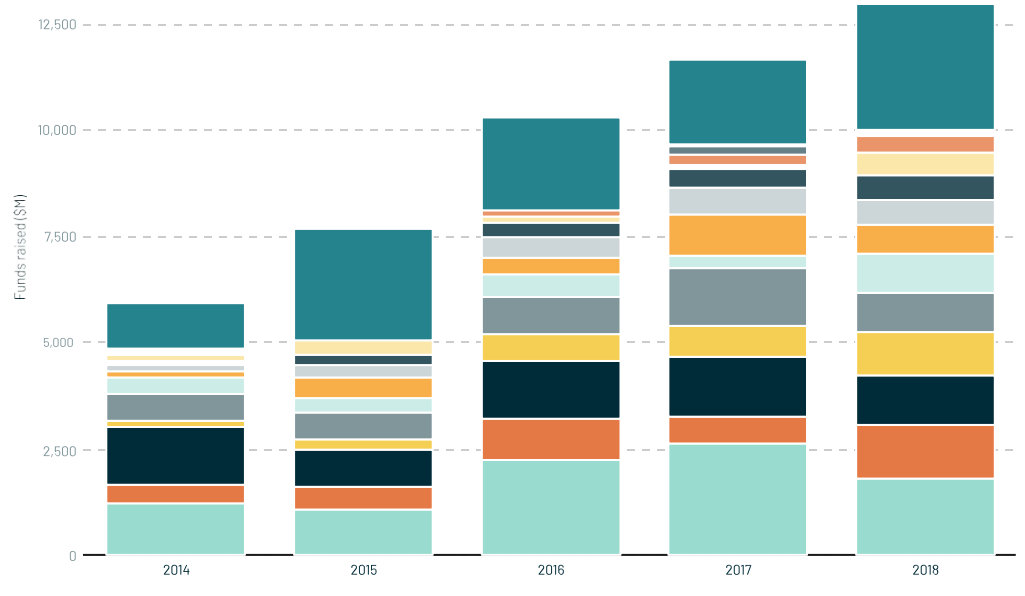
Source: INVEST EUROPE

The record high of more than \$13B raised by European VCs in 2018 came despite a decline in government agency investment of almost \$1B. This drop was more than offset by large increases in investment by fund of funds, pension funds and family offices.

VC funds raised (\$M) per year by LP type, 2014-2018

LEGEND

- Government agencies
- Fund of funds
- Corporate investors
- Family offices
- Private individuals
- Pension funds
- Other asset managers (including PE houses other than fund of funds)
- Banks
- Insurance companies
- Endowments and foundations
- Capital markets
- Sovereign wealth funds
- Academic institutions
- Unclassified



Source: INVEST EUROPE

Indeed, pension funds appear to be waking up to the European VC opportunity. They contributed just short of \$1B to European VCs in 2018, a material increase on the average commitment of just \$395M per year for the period between 2014 and 2017. The emergence of fund of funds with a mandate for European VC is also notable. Fund of funds contributed \$1.2B in 2018, more than any other LP type except government agencies.

PENSION FUNDS

\$902 M

Size of total investment by pension funds in European VC in 2018 (a record)

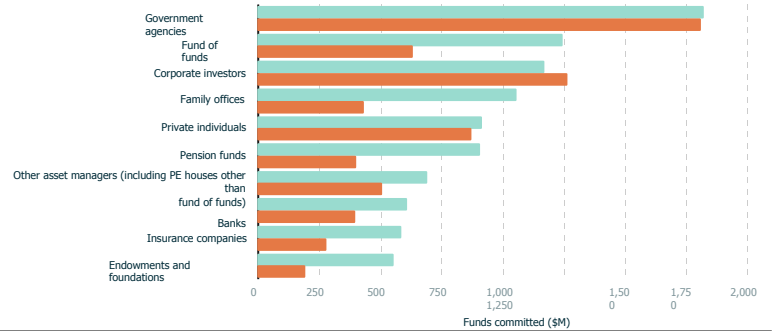
Funds committed (\$M) to VC funds by LP type (>\$500M), 2014- 2017 vs 2018

LEGEND

- VC Funds 2018 (\$M)
- Average VC Funds 2014-2017 (\$M)

NOTE:

Taken from the European Data Cooperative, developed by Invest Europe. Excludes Unclassified. EDC data converted at EUR:USD of 1.1367, the rate on 30 June 2019.



Source: INVEST EUROPE

Looking at 2018 commitments as a multiple of average commitments in the four previous years, pension funds, family offices and endowments and foundations have shown the greatest increase in their allocations to European VC, a clear indication of the increased institutional investor interest in the asset class.

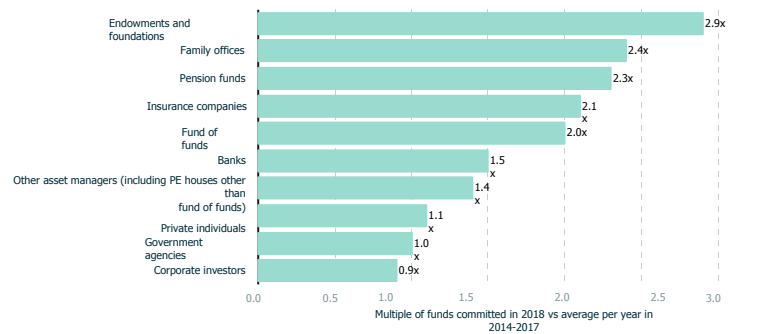
Funds committed to VC funds by LP type (multiple), 2018 versus average per year 2014-2017

LEGEND

- Multiple (2018 vs. average 2014-2017)

NOTE:

Taken from the European Data Cooperative, developed by Invest Europe. Excludes Unclassified. EDC data converted at EUR:USD of 1.1367, the rate on 30 June 2019.



Source: INVEST EUROPE



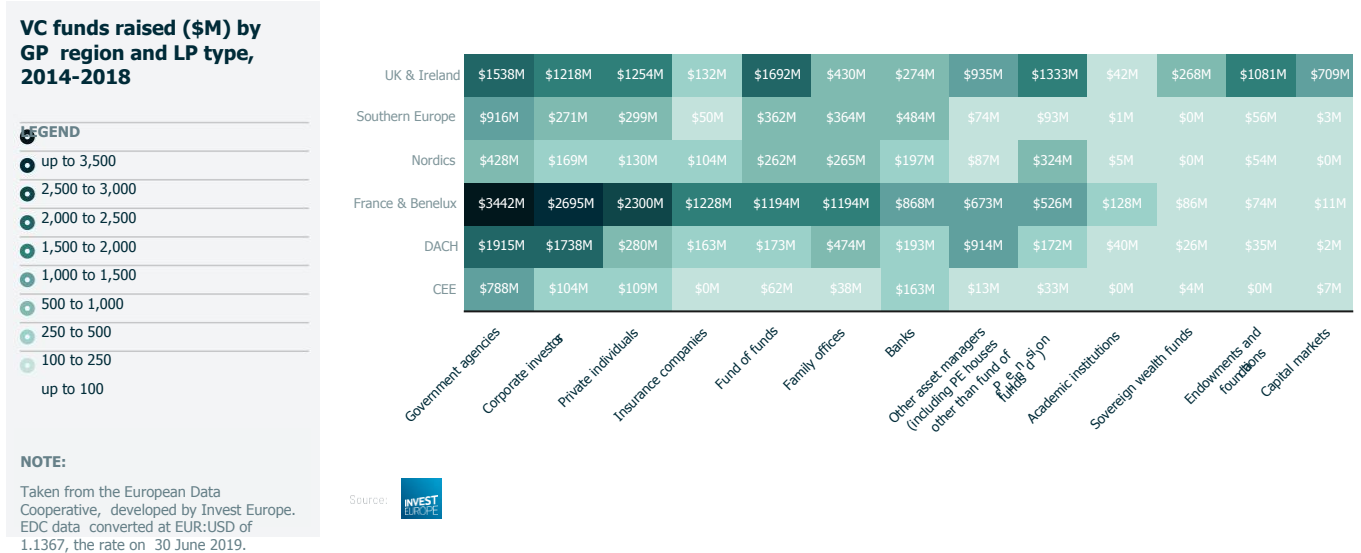
The value creation in venture is based on innovation. Great companies can be created anywhere and at any time in a market cycle. That makes venture an interesting complement to other asset classes where the value creation are more related to interest rates and stock markets.

The European VC market has matured and grown and has been proven by successful exits. Still, many managers are too young to have experienced a market downturn. But the increased market size makes the market more resilient to a potential correction.

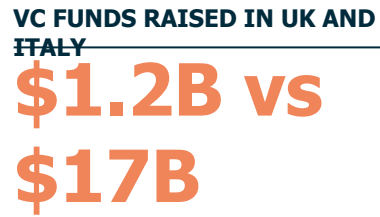


Christina Brinck
Sixth Swedish National Pension Fund - Investment Director

The diversification of the LP base for GPs in different regions is at very different levels depending on the maturity of the local VC ecosystem. The GP investor base in the UK, the most developed European VC market, benefits from access to a heavily diversified LP base. This is in contrast to GPs based in Central & Eastern Europe, where there is still a large dependency on funds raised from government agencies. The Nordics, meanwhile, has the strongest relative support from pension funds, which make up 16% of all VC funds raised in the sub-region since 2014.



UK-based VCs have raised \$17B in cumulative funds since 2014, followed by French (\$11.7B) and German (\$7.6B) VCs. Given its status as Europe's fourth-largest economy by GDP, the fact that Italian VCs have raised only \$1.2B over the same period is particularly noteworthy. The launch of the recent €1B National Innovation Fund in Italy with a mandate that includes investing in VC funds could help to move that number in the right direction.



Total amount raised by Italian and UK funds respectively since 2014



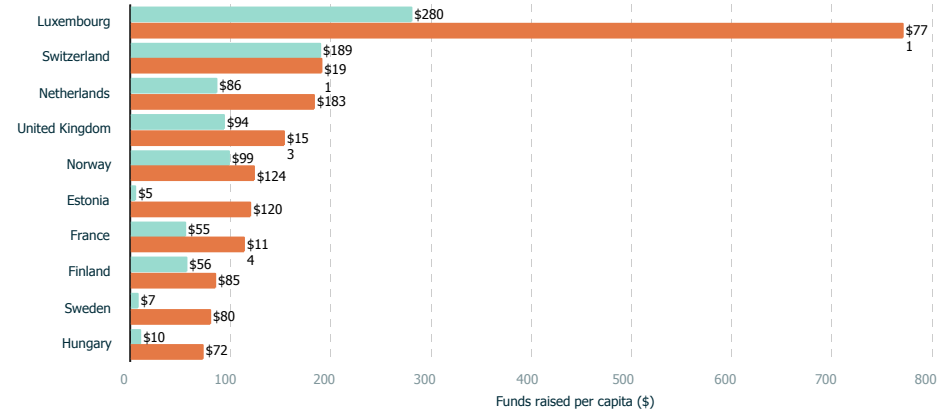
On a population-adjusted basis, VCs based in Luxembourg and Switzerland have raised the highest amount of funds, a reflection of their attractiveness as global financial centres. The Netherlands and the UK also rank high on a per capita basis, while large European markets such as Italy, Spain and even Germany still have relatively underdeveloped VC ecosystems compared with the most advanced European countries. Estonia is an example of a country that has seen a rapid development in the local VC ecosystem with the emergence of a new generation of VC funds, such as Karma Ventures and Tera Ventures.

VC funds raised per capita by country of GP by year

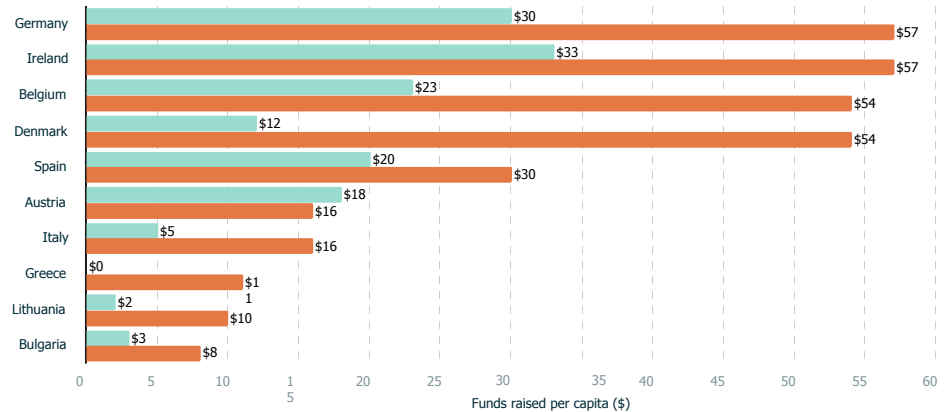
LEGEND

- \$ raised per capita (2013-2015)
- \$ raised per capita (2016-2018)

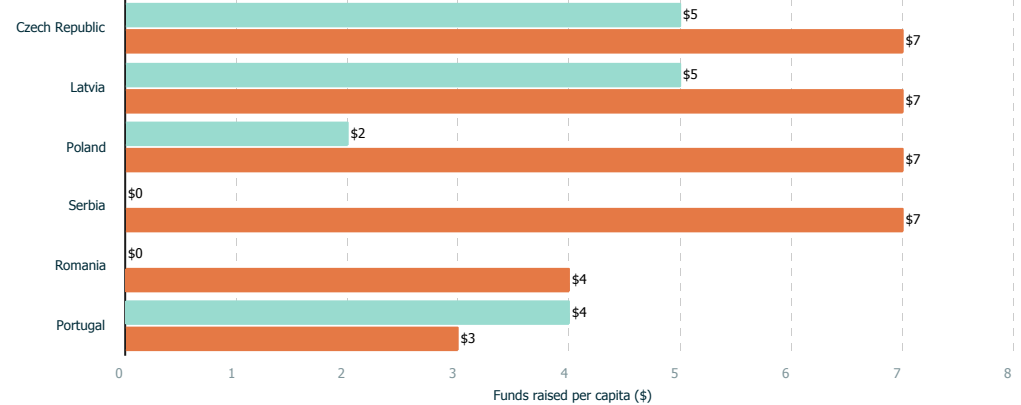
TOP 10



RANKS 11-20



REST OF EUROPE

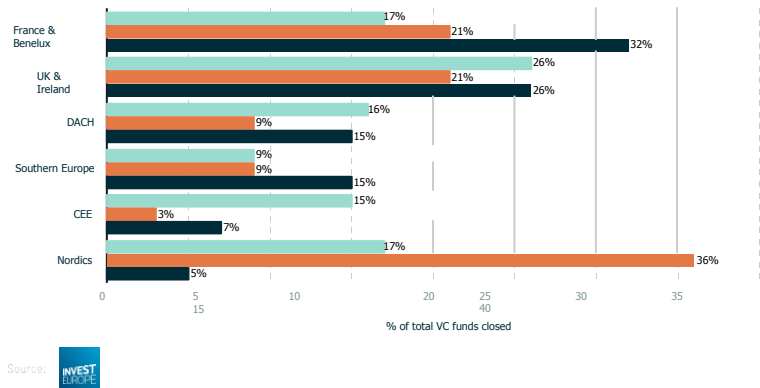
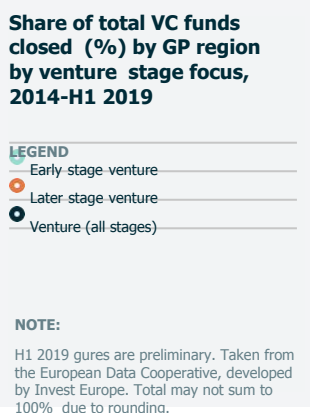


NOTE:

Taken from the European Data Cooperative, developed by Invest Europe. EDC data converted at EUR:USD of 1.1367, the rate on 30 June 2019.

Source: INVEST EUROPE

It's interesting to look at the geographic distribution of VC funds raised in different sub- regions of Europe and their stage of focus. The distribution of VC funds with an early- stage venture focus is fairly even across Europe, but there are greater levels of regional concentration for multi-stage and later-stage venture VC funds. Southern Europe stands out for its smaller share of VC funds raised across Europe in the past five years.

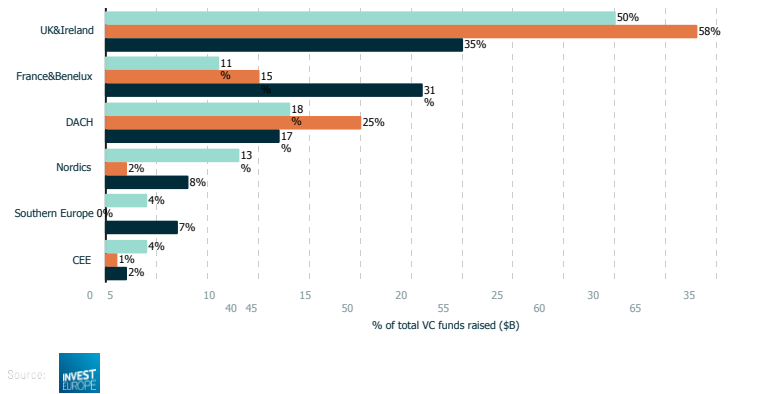
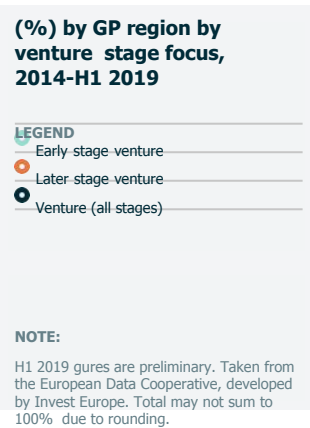


But looking at the dollar-weighted distribution of VC funds raised by VC across the region shows there is a greater level of concentration of capital availability. VCs in the UK and France hold the greatest firepower in terms of dollar amounts raised, while GPs in CEE and Southern Europe have far less capital to deploy.

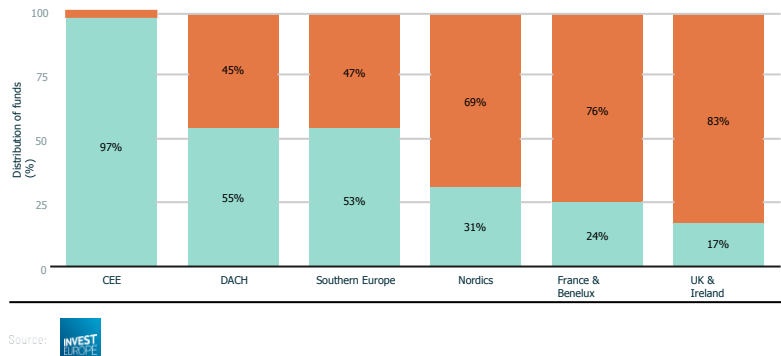
CEE VC FUNDING

4%

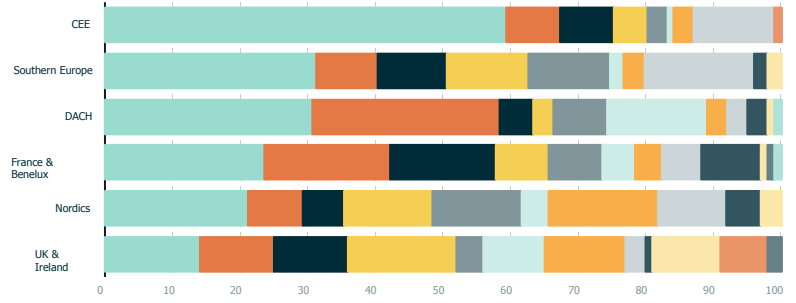
Share of total European early-stage venture funds raised by VCs based in CEE since 2014



The geographic target focus of funds raised by GPs from different European sub-regions also stands out because of the wide variance. VC funds raised from the UK & Ireland are most likely to be investing with a pan-regional or global mandate, while VC funds raised by GPs based in the CEE are most likely to have a local mandate specific to one country or a small set of neighbouring countries.

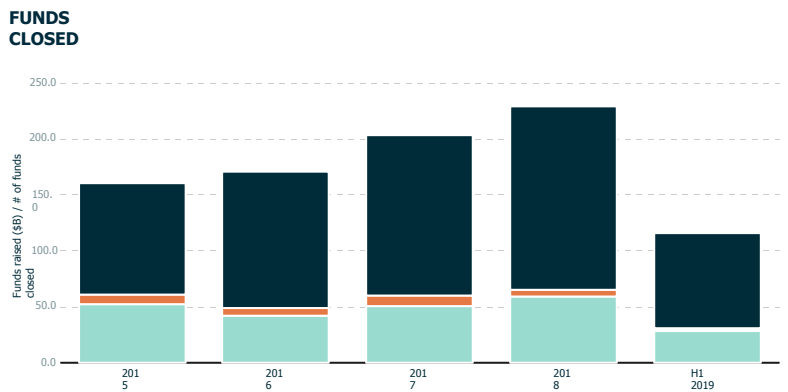
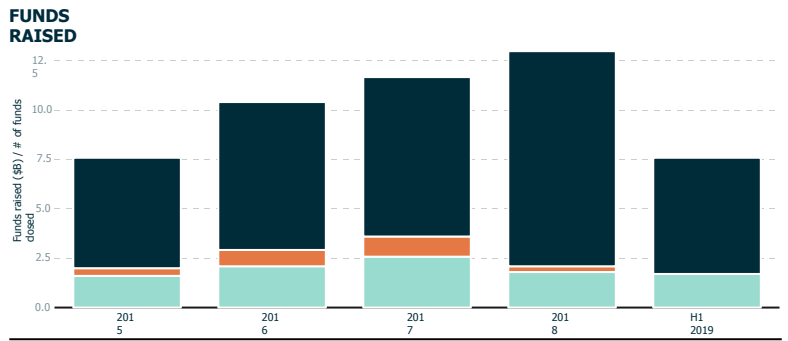
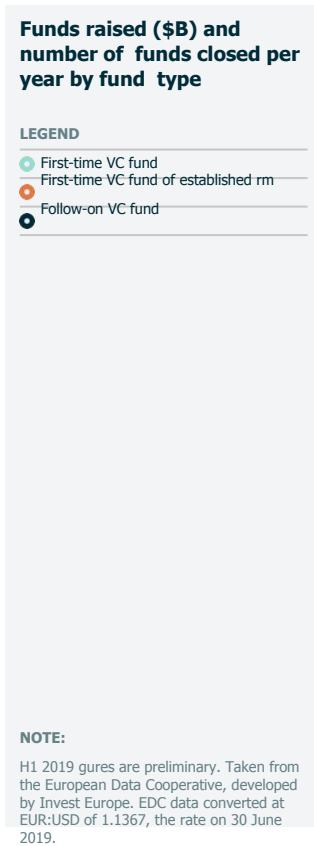


There are interesting differences in the LP composition of VC funds in different regions across Europe. VC funds from less mature markets in CEE are more dependent on government agency funding, while those funds from more advanced markets like the UK have a greater level of LP type diversity.



Source: INVEST EUROPE

The overwhelming share of VC funds raised in Europe flows to follow-on funds, which account for almost 80% of the total. That being said, more than \$1.7B has been committed to 28 first-time Europe VC fund managers in just the first six months of 2019.

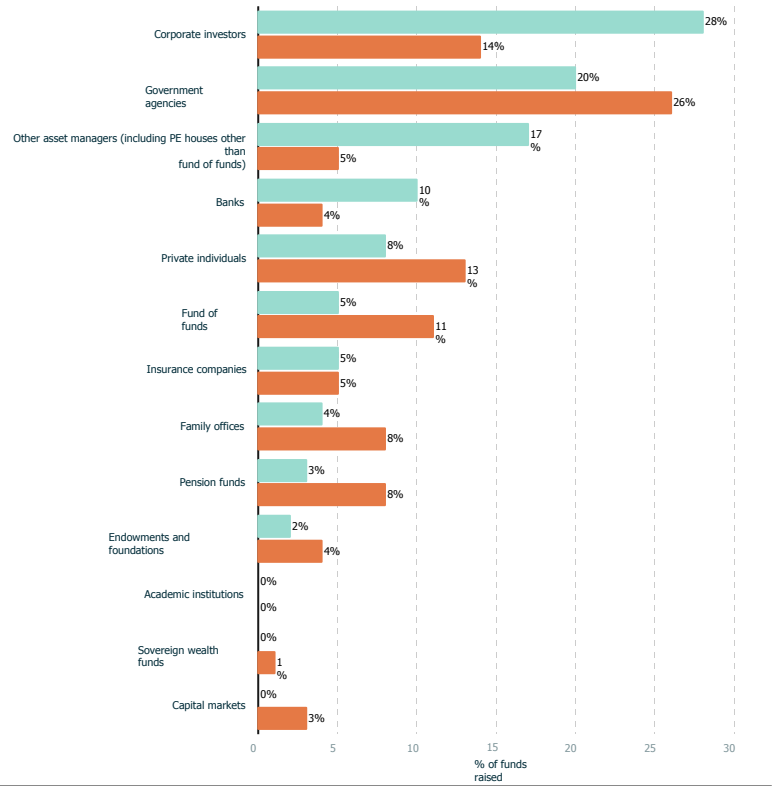


Source: INVEST EUROPE

First-time fund managers are most dependent on raising from government agencies and corporate investors, but also receive meaningful contributions from private individuals and banks. Follow-on funds, unsurprisingly, are able to raise from a more diversified LP base.

Share of funds (%) raised by fund type and type of LP, 2014-2018

- Initial VC fund
- Follow on VC fund



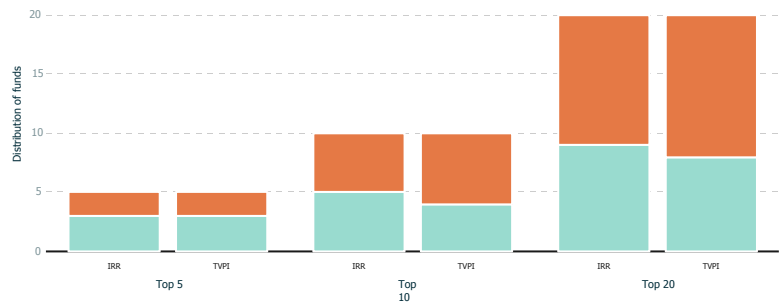
NOTE:
Taken from the European Data Cooperative, developed by Invest Europe. Excludes Unclassified. Total may not sum to 100% due

Source: INVEST EUROPE

Europe has produced some very strong performing first-time VC fund managers. The European Investment Fund's returns analysis shows that first-time VC fund managers make a large share - approaching half - of their Top 10 best-performing funds.

Distribution of top-performing EIF backed VC fund managers split by emerging versus established funds

- IRR, Emerging
- TVPI, Emerging
- IRR, Established
- TVPI, Established



NOTE:
Data relates to EIF-backed European ICT funds only. Emerging funds are defined as any fund between Fund I and III. Based on data up to Q2 2019.

Source: EIF



I see far more openness to European VC than when we raised our first fund four years ago.

I see far more openness to European VC than when we raised our first fund four years ago. There are more examples of big outcomes in recent years that I think are fuelling that interest, and far lower in-prices and relatively less competition (although I think that's changing in the later stage rounds when it's more of a global investor universe). There are also more operators coming onto the investment side (instead of retiring!), and that's a really positive force for the ecosystem as a whole.



Leila Rastegar Zegna Kindred Capital Founding General Partner

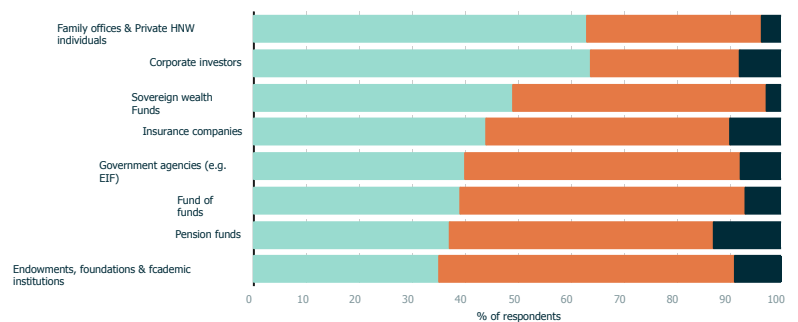
Based on their interactions with different LP types VC respondents to the survey stated that corporates, family offices and private individuals are the LP types, most frequently cited as having shown an increased appetite for investment in the European VC asset class in the last 12 months.

In the last 12 months, which LP types have you spoken to and how has their appetite for European Venture Investment changed?

LEGEND

- Increased appetite
- Same appetite
- Decreased appetite

NOTE:
Venture Capitalist respondents only, excluding respondents that answered 'I do not feel sufficiently informed to comment' and 'I have not interacted with any LPs of this type'. Numbers may not add to 100 due to rounding.



Source: The State of European Tech Survey

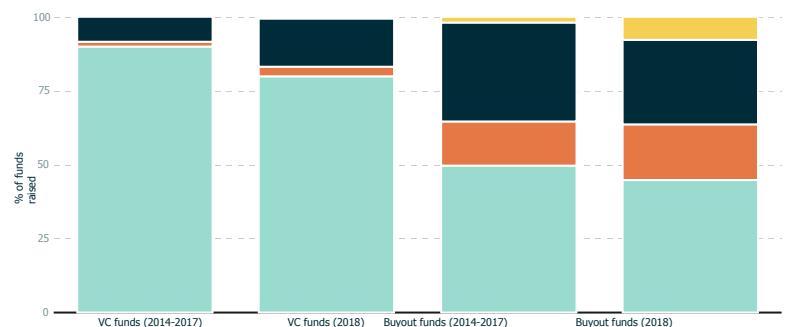
European Buyout raises funds from a diverse LP geographic footprint, with European LPs accounting for less than 50% of total LP commitments. By contrast, European VC funds are still overwhelmingly backed by European investors. There are, however, clear signs of the geographic diversification of the European VC LP base as international interest in the asset class grows. Non-European investors accounted for 20% of commitments to European VCs in 2018 versus an average of 10% for the period 2014-2017.

Funds raised by fund type and LP region, 2014-2017 vs 2018

LEGEND

- Europe
- North America
- Asia & Australia
- Rest of the world

NOTE:
Taken from the European Data Cooperative, developed by Invest Europe. Excludes Unclassified. Total may not sum to 100% due to rounding.



Source: INVEST EUROPE

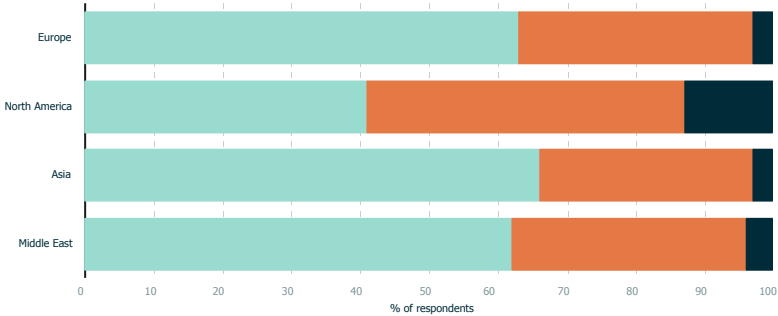
A large share of European VCs reported increased appetite for European venture investment from LPs inside and outside Europe and across all regions, most obviously from Asia and the Middle East.

In the last 12 months, how has the appetite for European venture investment of Limited Partners from the following regions changed?

LEGEND

- Increased appetite
- Same appetite
- Decreased appetite

NOTE:
Venture Capitalist respondents only, excluding respondents that answered 'I do not feel sufficiently informed to comment' and 'I have not interacted with any LPs of this type'. Numbers may not add to 100 due to rounding.



Source: The State of European Tech Survey

US LP interest in European VC has strengthened as the European tech industry has proven its ability to deliver outsized returns. This is reflected in a 5x increase in funds committed from US-based LPs in 2018 versus 2017. There is also an increase, though much smaller, in LP commitments from Asia.

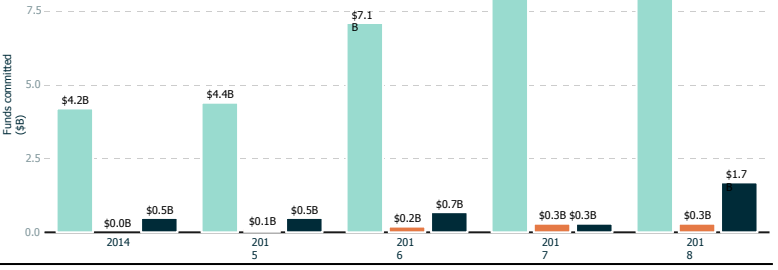
US LP INTEREST IN EUROPEAN VC
5X
Increase in commitments to European VC funds from US LPs in 2018

Funds committed (\$B) to VC funds by LP region per year, 2014-2018

LEGEND

- Europe
- Asia & Australia
- North America

NOTE:
Taken from the European Data Cooperative, developed by Invest Europe. Excludes Unclassified EDC data converted at EUR:USD of 1.1367, the rate on 30 June 2019.



Source: INVEST EUROPE

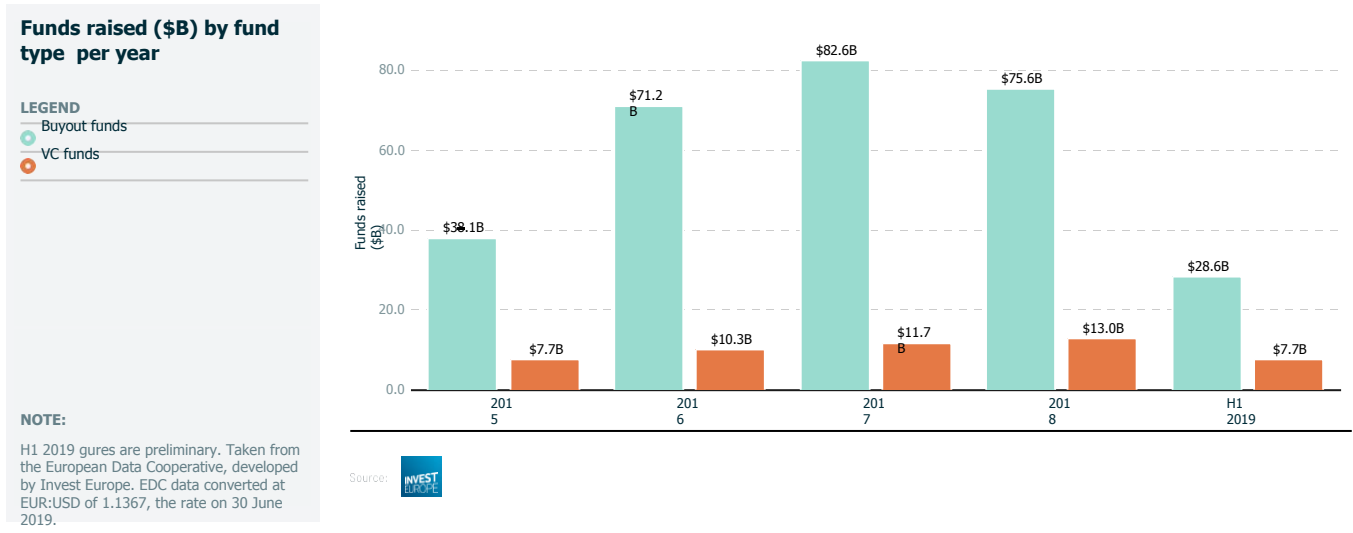


As venture capital and innovation continue their global growth, Europe and its surrounding ecosystem remain increasingly attractive on many fronts, including valuations and capital flows. Our Silicon Valley neighbours have echoed this sentiment and are moving teams to Europe in increasing numbers.



David York
Top Tier Capital Partners
Managing Director

The scale of European VC is small when compared against the level of LP commitments to European Buyout funds. Since the beginning of 2018, more than a \$100B has been raised by Buyout funds versus around \$20B raised by European VC funds. That said, the gap is closing. In the first six months of 2019, the difference was 3.7x versus 7x as recently as 2017.

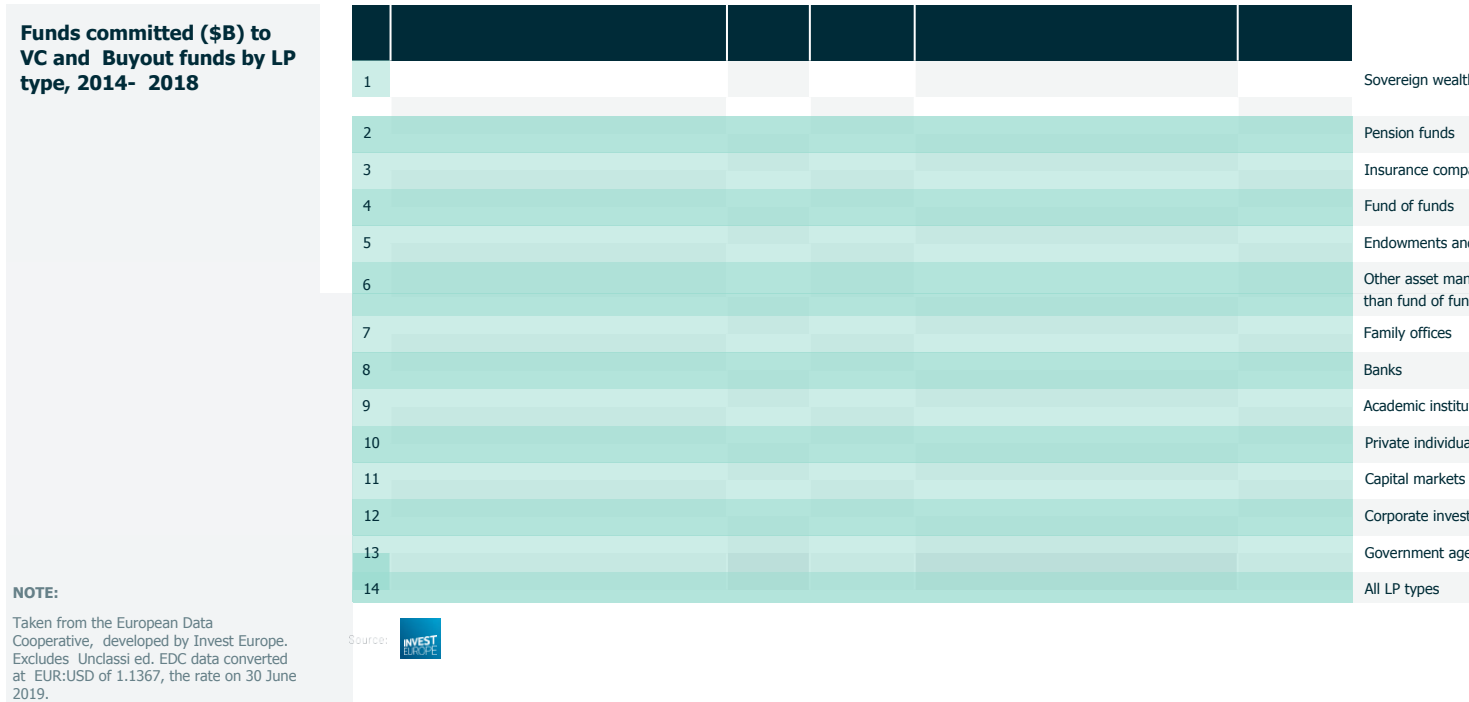


Pension funds have invested \$100B in European Buyout funds since 2014, but only \$3B in European VC funds, a difference of 40x. The multiple is even more extreme for sovereign wealth funds, which have invested 79x more capital in European Buyout funds than European VC funds.

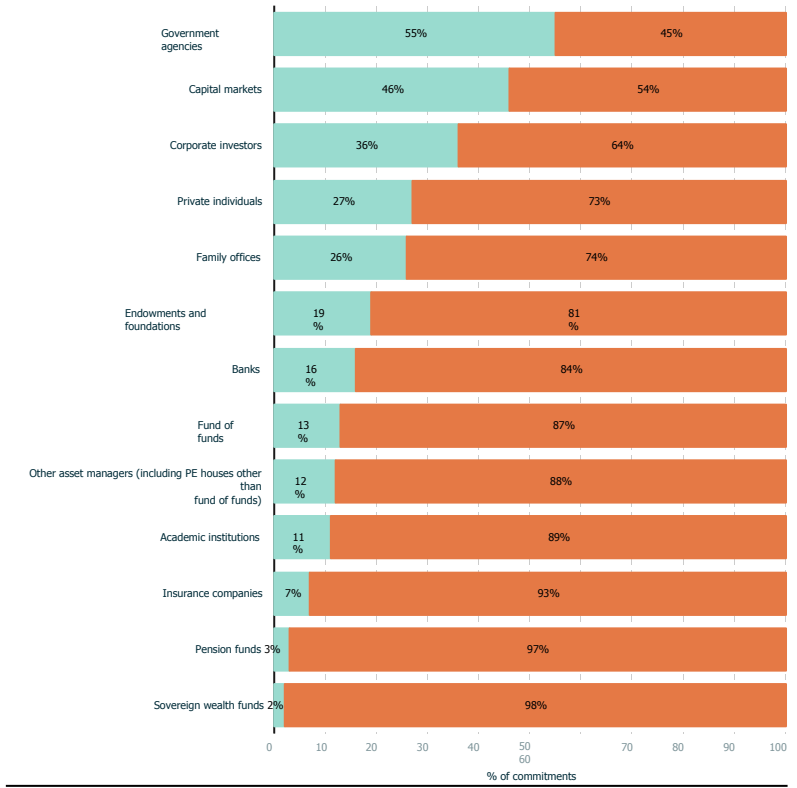
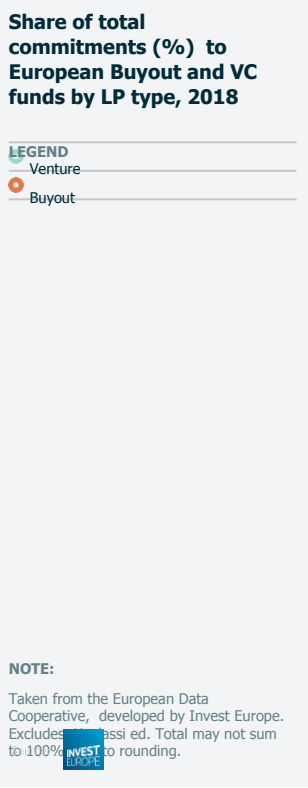
PENSION FUND COMMITMENTS

40
X

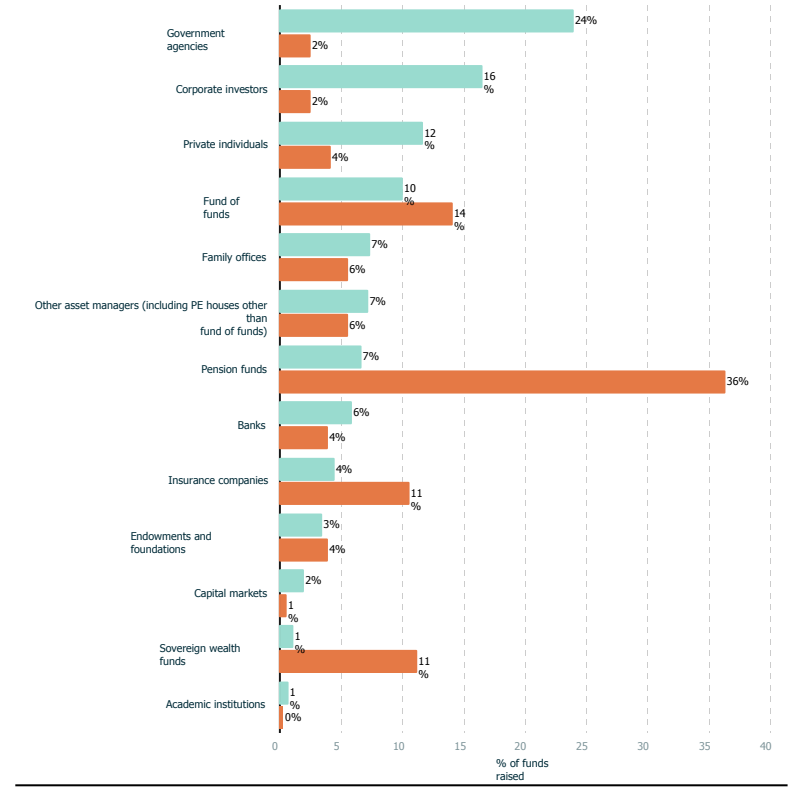
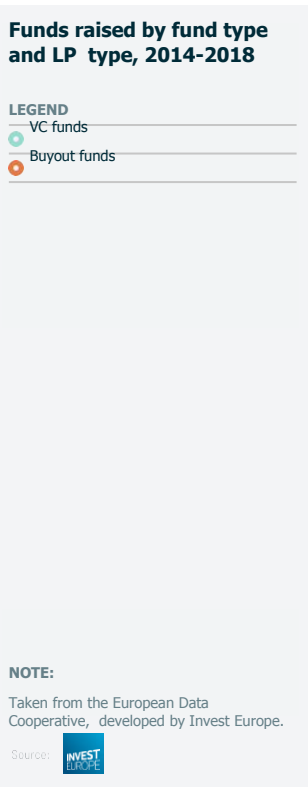
Difference in pension funds commitments to European Buyout funds versus European VC funds



The share of capital deployed by different LP types into European VC and Buyout funds varies significantly. While government agencies allocate a greater share of their dollar commitments into European VCs, pension funds allocated a 3% share of the combined commitment to European Buyout and VC funds to the region's venture capital funds. Sovereign wealth funds and insurance companies also allocated at single-digit percentage levels into European VC.



As a result of these vast differences in capital allocation, the composition of the LP base of European Buyout and VC funds looks very different. Pension funds make up 36% of all funds raised since 2014 by Buyout funds, but only 7% of funds raised by European VCs.



04.2

Investors

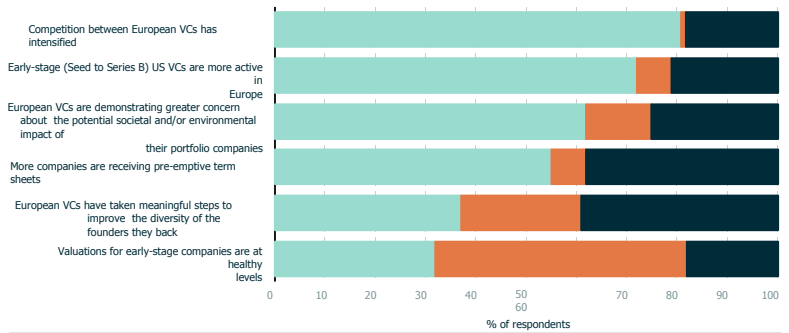
We asked European VCs to give their perspective on a number of trends related to the underlying dynamics of the market. The sentiment was clear; competition has intensified. There was a strong level of agreement that competition between local VCs has increased and that T1 US VCs have become more active in Europe, even at the early stages. This intensification of competition is felt in valuations, the compression of fundraising timelines and more pre-emptive term sheets being offered to companies.

Thinking about the past 12 months, do you agree or disagree with the following statements:

LEGEND

- Agree
- Disagree
- Neither agree nor disagree

NOTE:
Venture Capitalist respondents only. Numbers may not add to 100 due to rounding.

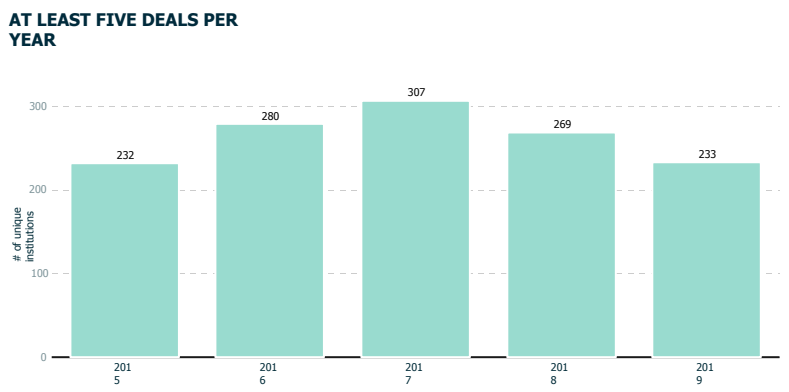
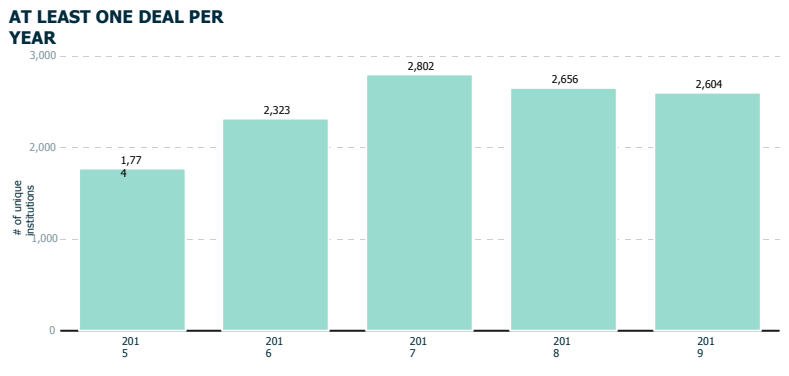


Source: The State of European Tech Survey

One driver of increased competition is the increase in the number of active investors deploying capital into European tech. This investor base continues to expand, with over 2,600 unique institutions participating in at least one deal in 2019. We can expect this number to come close to 3,000 once adjusted for the reporting lag.

Number of unique institutions that have participated in at least 1 and 5 investment deals in Europe per year

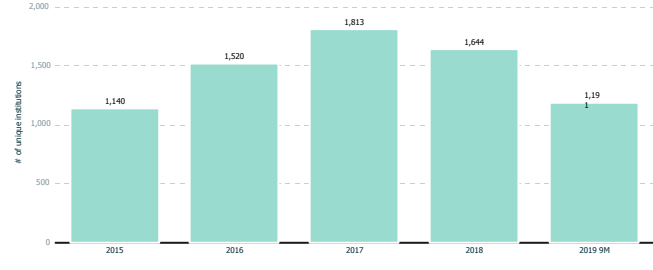
NOTE:
Number of unique investors (incl. investment funds, corporate investors & accelerators, but excl. angel investors) that have participated in at least 1 investment round per year. 2019 annualised based on data to September 2019.



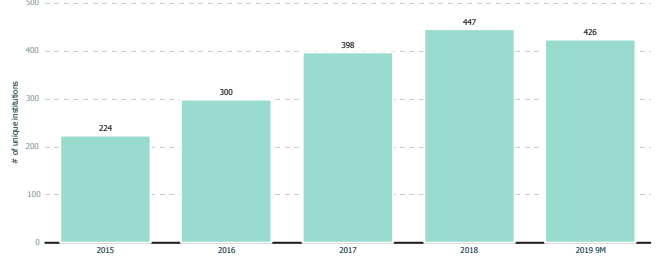
The depth of the pool of investors varies according to the size of the round. While there are more than 1,500+ unique institutions that have made at least one investment into rounds of less than \$10M, the number reduces to just over 100 unique institutions that have invested in a round of \$100M or more.

NUMBER OF UNIQUE INSTITUTIONS BY ROUND SIZE AND BY YEAR

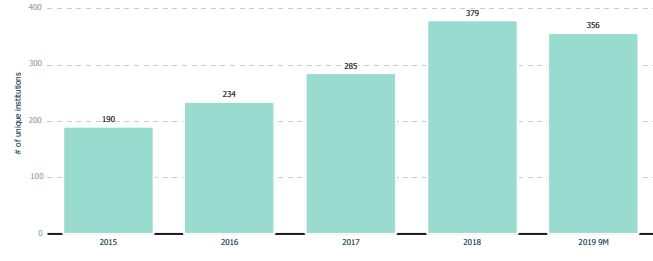
<\$10M



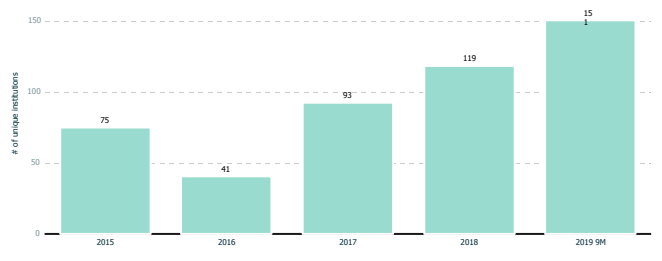
\$10M-\$20M



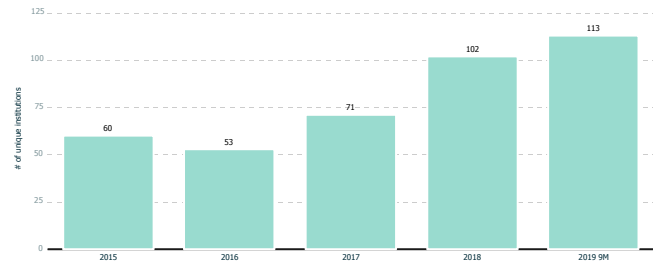
\$20M-\$50M



\$50M-\$100M



\$100M+



NOTE:
All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel. 2019 based on data to September 2019.

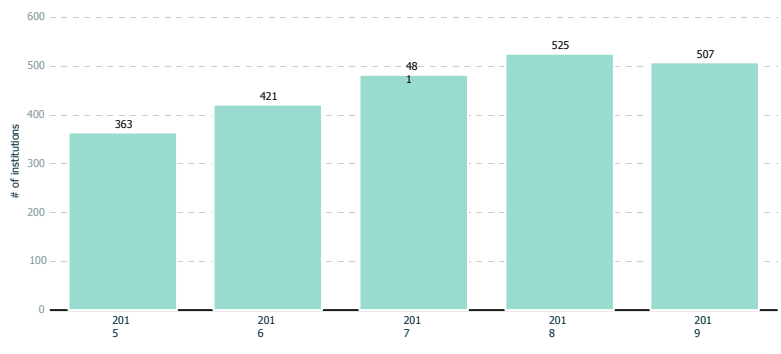
Source: dealroom.co

There has never been stronger interest in Europe from US investors, who are more active in terms of their activity in the region, but also are spending an increasing amount of time on the ground to build their European network and dealflow.

Number of unique US institutions that have participated in at least 1 investment round in Europe per year

NOTE:

Number of unique investors (incl. investment funds, corporate investors & accelerators, but excl. angel investors) that have participated in at least 1 investment round per year. 2019 annualised based on data to September 2019.



Source: dealroom.co

One in five rounds raised in Europe in 2019 involved the participation of at least one US or Asian investor, up from just 10% in 2015.

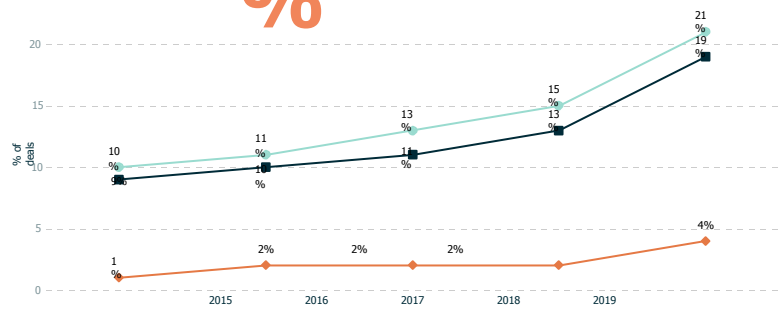
Share of European deals (%) per year with at least one US or Asian investor

NOTE:
All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel. 2019 based on data up to September 2019.

US AND ASIAN INVESTORS IN EUROPEAN TECH

21%

Share of rounds raised in Europe with at least one US or Asian investor participating

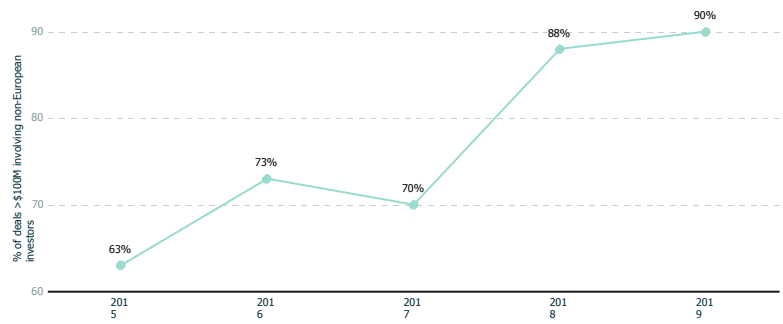


Source: dealroom.co

US and Asian investors have been particularly important for the rise of large-scale funding rounds of \$100M+ in Europe. In 2019, 90% of all \$100M+ rounds involved the participation of at least one investor from the US or Asia.

Share of deals (%) >\$100M involving non-European investors

NOTE:
All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel. 2019 based on data up to September 2019.



Source: dealroom.co

The growth in US and Asian investor activity in Europe is reflected in the total capital commitments from investors based in those regions. In 2019, the total capital invested into Europe from US-based investors is approaching \$10B, up nearly 3x since 2015.

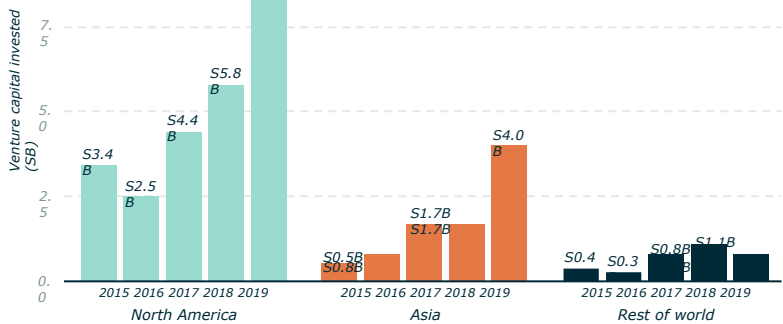
Venture capital invested (\$B) into Europe

NOTE:
All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel. 2019 annualised based on data to September 2019.

US AND ASIAN INVESTORS

90%

of \$100M+ rounds raised in 2019 involved at least one US or Asian investor



Source: dealroom.co



I'd say the European funding gap has moved a lot more to later stages than in the past. Today, there are a lot of high-quality investors available from the seed stages until maybe Series B (referring to up to €30-50m rounds). However, from Series C onwards (now talking about €100m+ rounds), there are a lot fewer options available in Europe than elsewhere. For instance, in our case over 2/3 of the investors we spoke with for our Series C came from outside Europe, while we'd mostly focused on speaking with European investors up until our Series B.



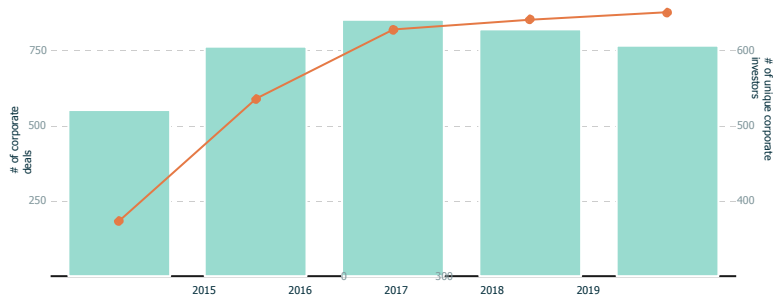
Miki Kuusi
Wolt
Co-Founder & CEO

The volume of investment activity by corporate investors has also expanded considerably in recent years. In 2019, almost 700 unique corporate investors participated in at least one investment round involving a European tech company.

Number of unique corporate investors per year and number of deals involving at least one corporate investor, 2015-2019

LEGEND
● # of unique corporate investors
■ # of corporate deals

NOTE:
 Unique corporate investor count is based on number of corporate (i.e. non investment fund) investors that have participated in at least 1 round per year. 2019 annualised based on data to September 2019.

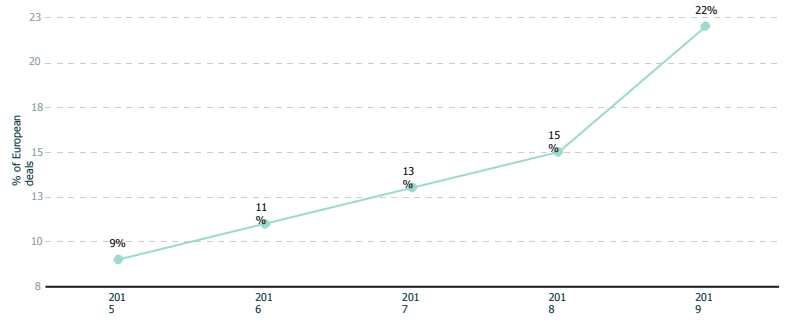


Source: dealroom.co

The rise of corporate investor participation has been even more marked than the rise of US and Asian investors. 22% of rounds closed in Europe in 2019 involved at least one corporate investor, up from just 9% in 2015.

Share of European deals (%) per year with at least one corporate investor

NOTE:
 All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel. 2019 based on data up to September 2019. Includes corporate VC funds as well as corporate investors.



Source: dealroom.co

On the other hand, the most active Corporate VCs span a wide range of industries. With 4 of the top 10, Germany is home to some of the most active Corporate VCs, each one having at least one unicorn in portfolio - Graphcore, Fair, Bolt and N26.

Top 10 most active corporate venture capital investors in European tech by number of deals in the last 12 months

		Country	# of Deals Last 12 Months	% of Portfolio Size
1	Next47 (Siemens)	Germany	16	12
2	Unilever Ventures	United Kingdom	15	38
3	Santander Innoventures	United Kingdom	11	41
4	M Ventures (Merck KGaA)	Germany	10	14
5	Sabadell Venture Capital	Spain	9	31
6	Swisscom Ventures	Switzerland	9	13
7	Robert Bosch Venture Capital	Germany	9	18
8	InMotion ventures (Jaguar Land Rover)	United Kingdom	8	44
9	AXA Venture Partners	France	7	14
10	Allianz X	Germany	6	33

NOTE:

All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel. 2019 based on data as of September 2019.

Source:  dealroom.co

The depth of the corporate investor base is also apparent from a vertical perspective. Young companies can tap into a specialised pool of investors to navigate their scaling journey. It's also remarkable to see some of our homegrown European scale-ups such as Just Eat and Delivery Hero become active investors in the ecosystem.

Top 10 most active corporate investors for select vertical ranked by number of deals, 2015-2019

	Fintech	Health	Transportation	Enterprise Software	Food
1	ING Ventures	ZKB	InMotion ventures	Salesforce Ventures	Crédit Agricole
2	Collector Ventures	Crédit Agricole	Rakuten	Serena	R/GA Ventures
3	Orange Digital Ventures	Axel Springer Plug and Play Accelerator	Daimler Technology & Venture	Swisscom Ventures	Caixa Capital
4	Credit Mutuel Arkea	Parkwalk Advisors	Deutsche Bahn	Caixa Capital	ProSiebenSat.1 Accelerator
5	Goldman Sachs	M Ventures	Crédit Agricole	Sapphire Ventures	Mail.ru Group
6	Schibsted Growth	Hax	BOOST Programs	R/GA Ventures	Just Eat
7	Allianz X	Boehringer Ingelheim Venture Fund	Macif	Parkwalk Advisors	ZKB
8	Santander Innoventures	Oxford Technology Management	Shell	Pi Labs	Metro Group
9	BNP Paribas	BNP Paribas	Delivery Hero	GV	Collector Ventures
10	Uniq	Sabadell Venture Capital	RATP	M12	Unilever Ventures

NOTE:

2019 based on data up to September 2019.

Source:  dealroom.co

04.

3

Angel

S European angel investing landscape

Pre-seed stage investments are particularly difficult to monitor given most angel investments are not tracked until much later in the life of the startup. The European Business Angels Network organisation ('EBAN') estimates that the 'visible' market only represents 10% of the overall angel investments.

As such there is an inherent bias in our datasets towards 'super-angels' and/ or startups that have already managed to progress through multiple stages of investments. The reporting lag is also much more likely to impact the performance for 2018 and 2019.

EBAN estimates that \$8.6B (€7.5B) was invested across all European countries in 2018 by angel investors, based on the extrapolation of the 'visible' market. Angel investors with the deepest pockets reside in the UK, Germany and Spain.

CAPITAL INVESTED (\$B)

\$8.6

invested by angel investors in Europe in 2019.

B

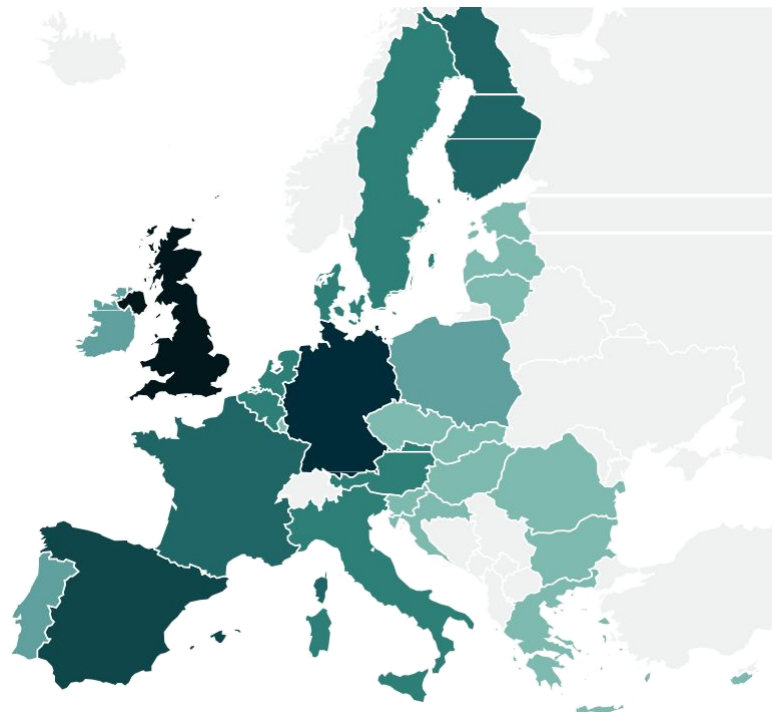
'Visible' capital invested (\$M) by angels by country

LEGEND

- up to 120
- 80 to 100
- 60 to 80
- 40 to 60
- 20 to 40
- 10 to 20
- up to 10

NOTE:

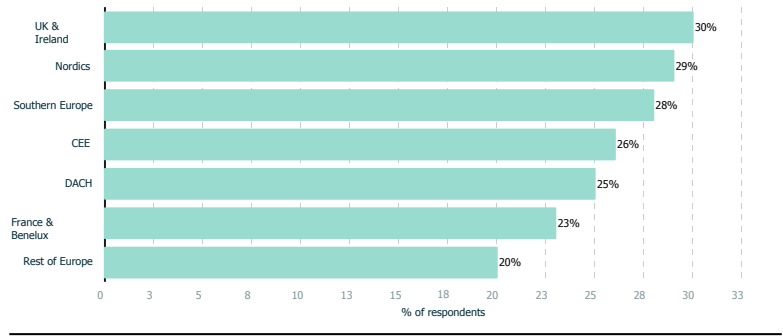
EUR to USD conversion taken at 1 EUR to 1.145 USD from December 31, 2018. Displaying 'visible market' capital invested (\$M) in the EU-28 countries.



Source: eban

A significant number of founders surveyed mentioned receiving angel investments to start their company from these countries.

Share of respondents (%) who raised initial nancing from angel investors by region

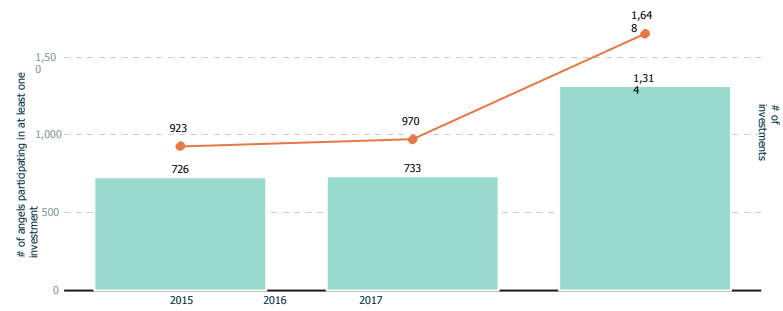


Source: The State of European Tech Survey

NOTE:
Founder respondents only.

Though we can see only a small part of the 'visible' market, EBAN estimates there are well over 300,00 angel investors in Europe. Still, the number of active angels (those who participate in at least one investment every year) is significantly lower - though rising quickly.

Number of unique angel investors participating in at least one investment and # of angel investment



Source: dealroom.co

LEGEND
 ● # of investments
 ● # of angels participating in at least one investment

NOTE:
All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel.



Angel investing in Europe has grown significantly from just a handful of investor networks on the continent in the late 90s to a market that today sees more than 450 active communities of angels scattered across the map.

Angel investing in Europe has grown significantly from just a handful of investor networks on the continent in the late 90s to a market that today sees more than 450 active communities of angels scattered across the map.

This strong growth is also reflected in the size of the angel market in terms of investments made annually in early stage startups. Nearly €7.5B are estimated to be invested each year by European angels, with approximately forty thousand startups receiving pre-seed, seed and series A funding from this category of private investors. To put this number into perspective, in 2009 the angel investor market in Europe was estimated to be worth approximately €2.6B. EBAN has been monitoring the angel investment market in Europe since 2004 when we first launched our annual 'Statistics Compendium' publication.

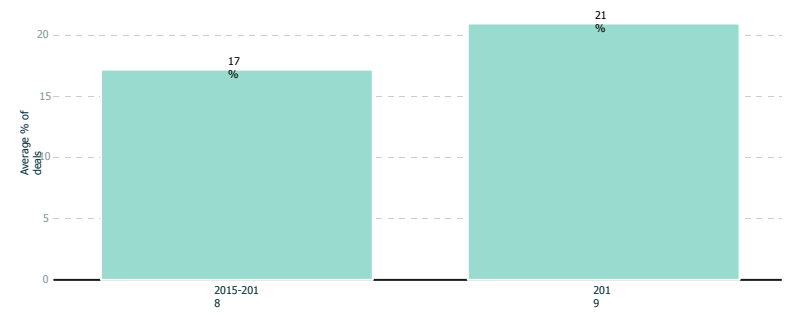


Jacopo Losso
EBAN
Director of Secretariat

Founders are becoming more likely to make investments back in the ecosystem in comparison with the period 2015-2018, leading to the increased sophistication of the investor pool.

Share of angel investments (%) by founders, 2015-2018 vs 2019

NOTE:
All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel. 2019 as of September 2019.



Angel investors form a critical part of any successful ecosystem.

Angel investors form a critical part of any successful ecosystem. Looking back a dozen or so years ago, there were very few angel investors in Europe, and even fewer founders turned angels. For TransferWise, it was a huge coup to get the likes of Max Levchin (founder of PayPal) and David Yu (then the CEO of Betfair) to invest in our seed round. Besides the credibility, it gives startup teams lots of experience to tap into for problem solving as you grow. Seed funds like Seedcamp, who often act together with the angels, also have a vital role to play in fulfilling this need.



Taavet Hinrikus
TransferWise
Co-Founder & Chairman

The top 15 most active angel investors are all founders (or in the case of Sophia Bendz, operator) except for 3.

Top 15 angel investors in

Source: dealroom.co

	Investor	Deal Count	Former Founder?	Company
1	Xavier Niel	54	Yes	Iliad
2	Charlie Songhurst	35	No	n/a
3	Theo Osborne	24	No	n/a
4	Pierre Kosciusko-Morizet	23	Yes	PriceMinister
5	Taavet Hinrikus	22	Yes	TransferWise
6	Chris Adelsbach	21	No	n/a
7	Carlos Blanco	19	Yes	Akamon Entertainment
8	Sophia Bendz	19	No (operator)	Spotify
9	Alex Chesterman	18	Yes	Zoopla
10	Thibaud Elziere	18	Yes	Fotolia
11	Andreas Mihalovits	16	Yes	dreamfab
12	Eduardo Ronzano	16	Yes	KelDoc
13	Hampus Jakobsson	15	Yes	brisk.io
14	Michael Benabou	15	Yes	Vente privée
15	David Helgason	15	Yes	unity

FORMER FOUNDERS
40
%

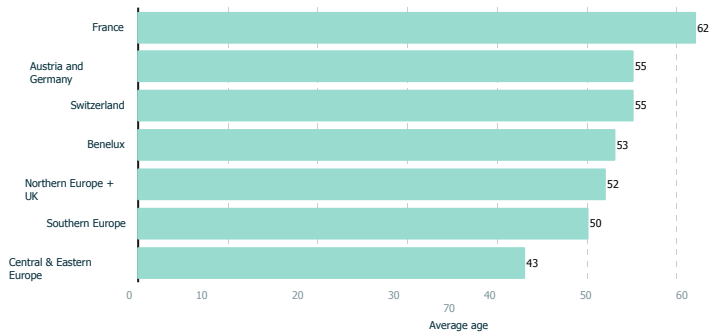
of angel investors surveyed by EBAN have also been a founder in the past.

Source: eban

The age profile of angels varies widely. In France, the average angel investor is 62, while in CEE countries they are 43.

Average age of business angels by region

NOTE:
Based on a study performed by EBAN and funded by the European commission, 'Understanding the nature and impact of the business angels in funding research and innovation', November 2017. The dataset includes 592 angel respondents across Europe.



Source: eban

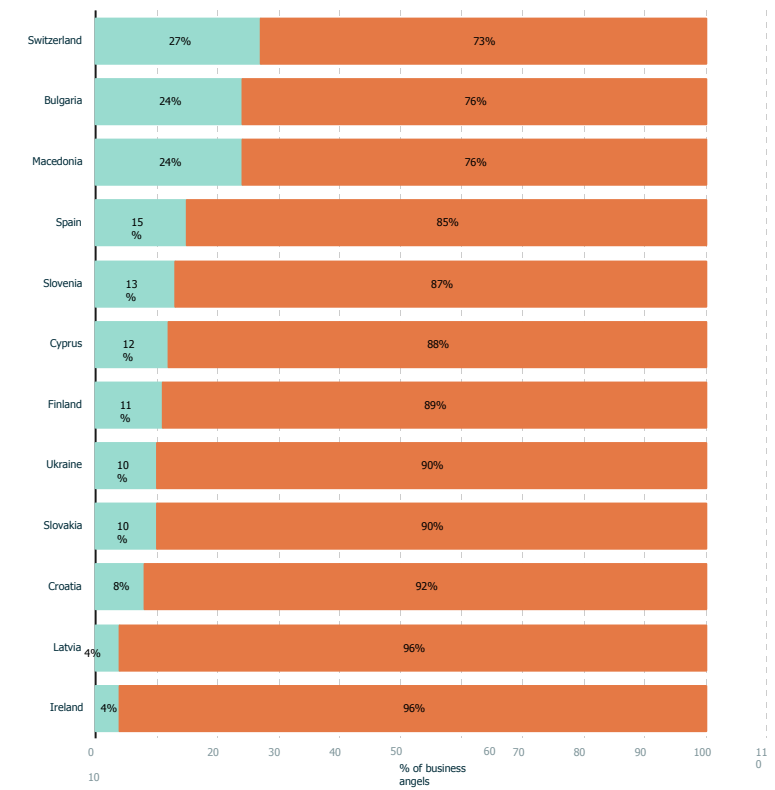
CEE countries also have the largest proportion of women angel investors.

Share of angels (%) by country and by gender

LEGEND
● % of women
● % of men

NOTE:
Based on a study performed by EBAN and funded by the European commission, 'Understanding the nature and impact of the business angels in funding research and innovation', November 2017. The dataset includes 592 angel respondents across Europe.

Source: eban



We are also noticing an increase in diversity within the angel investor population, not just in terms of gender with more female investors participating in angel networks, but also in terms of age and background profile of the individuals beginning their investor careers.

We are seeing consolidation of angel investment activity in many countries in Western Europe and strong expansion into regions such as Central and Eastern Europe and South Eastern Europe. We're also noticing an increase in diversity within the angel investor population, not just in terms of gender with more female investors participating in angel networks, but also in terms of age and background profile of the individuals beginning their investor careers. What has never changed in these years, though, is the fundamental role played by the angels in getting ideas to the market and scaling up businesses in their early days.



Jacopo Losso
EBAN
Director of Secretariat

Atomico Angel Investor Programme

The first Atomico angels cohort has invested into 42 companies to date, mostly in climate tech, and 45% of investments have been into female founded companies.



Roxanne Varza
Station F, France



Rohan Silva
Second Home, UK



Gregory Gazagne
Criteo, France



Suvi Haimi
Sulapac, Finland



Tuva Palm
NordNet, Sweden



Doreen Huber
Lemoncat, Germany



Emily Brooke
Beryl, UK



Johan Brand
We Are Human, Norway



Josefin Landgard
Kry, Sweden



Clare Johnston
The Up Group, UK



Stefano Bernardi
Token Economy, Italy



Ritu Jain
LifeX, Denmark



We started Atomico’s inaugural angel programme last year with 12 angels from across the European ecosystem. They received no guidance about sectors. Currently, 34% of the deals have been in startups with an environmental impact, and 34% of the deals are with female founders.

This just goes to show that a diverse set of people becoming angels – whether that is through capital earned at a successful tech company or through angel programmes – is key to increasing the diversity gap in funding and supporting solutions to big societal problems.

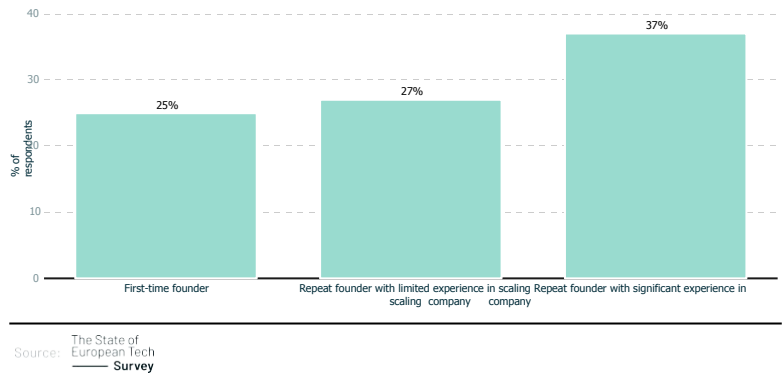


Sophia Bendz
Atomico Partner

Repeat founders with significant experience in scaling a company are much more likely to use angel investments for initial financing of their company.

How did you finance the initial setup and earliest phase of your most recent company?

NOTE:
Founders only. Respondents could select multiple options.

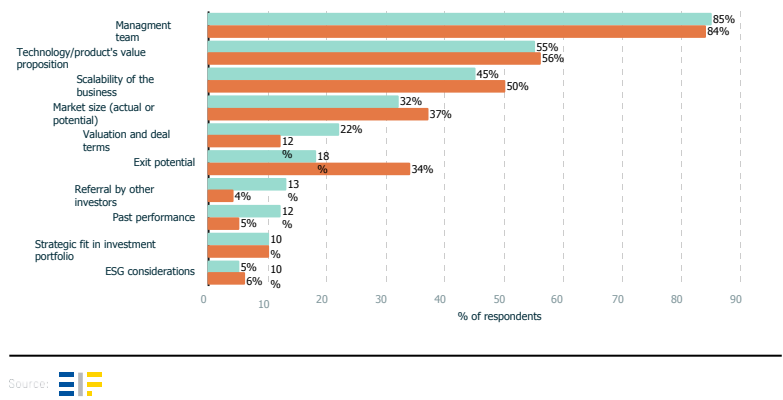


'Super angel' investors and venture capital investors have similar investment selection criteria. Venture capital investors are more focussed on exit potential, while 'super angels' are more interested in valuation and deal terms.

Investment selection criteria by angels and VCs

LEGEND
● % of angels
● % of VCs

NOTE:
Angel data are based on the EIF BA Survey, a survey of 60 angel investors or 65% of the 'European Angels Fund' programme population at the time the survey was conducted. VC data is based on the EIF VC Survey 2019.

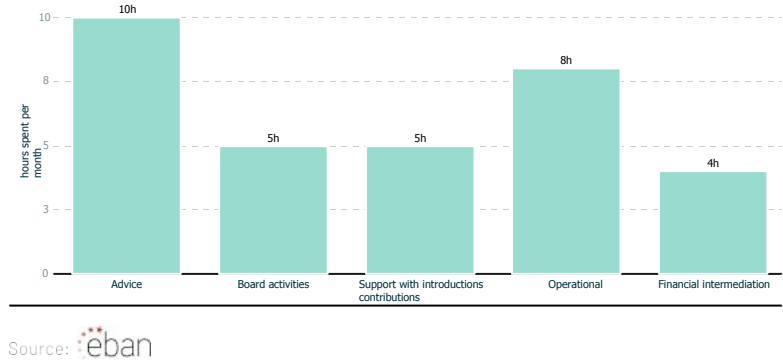


Angel investors spend a significant amount of time supporting founders every month. They spend most of their time giving general advice, followed closely by operational contributions.

NUMBER OF INVESTMENTS
3 is the median number of investments made by angel investors over the past 12 months.

Angels' median time spent per month on their portfolio

NOTE:
Based on EBAN survey respondents including 90 different angels across Europe in 2019.

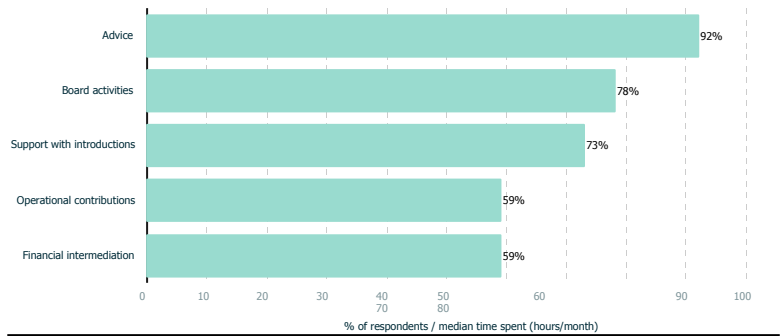


Still, on average angel investors are likely to say they participate in board activities and leverage their network with introductions more than on operational contributions.

How are angels typically involved with companies they invest in?

NOTE:

Based on EBAN survey respondents including 90 angels across Europe in 2019.



Source: eban

Regarding specific 'hot topic' sectors, angel investors are most excited about artificial intelligence, e-commerce and digital health, but a number of angel investors are also actively investing in sustainability and cleantech.

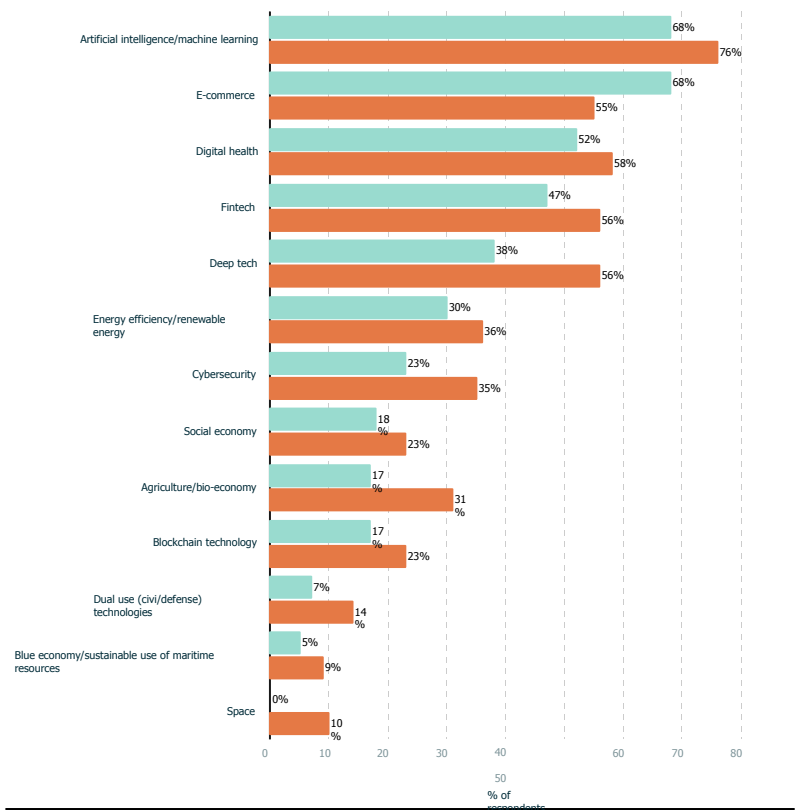
Share of VC and angel investors (%) with portfolio companies in selected sectors

LEGEND

- % of angels
- % of VCs

NOTE:

Angel data are based on the EIF BA Survey, a survey of 60 angel investors or 65% of the 'European Angels Fund' programme population at the time the survey was conducted. Source for VC data: Botsari, A., Crisanti, A., and Lang, F. (2019).



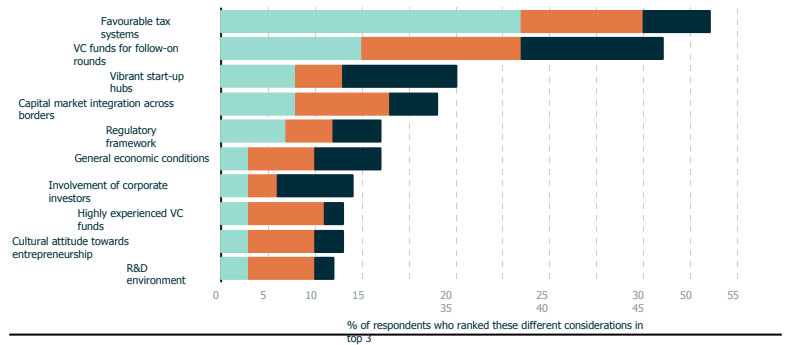
Source: EIF

Angels tell us the lack of favourable tax systems is a barrier to investing. Over 30% of respondents picked this element as the most important consideration out of 17 options available. The EIS/SEIS scheme introduced in the United Kingdom has been an incredibly effective tool to attract angel investments into the country.

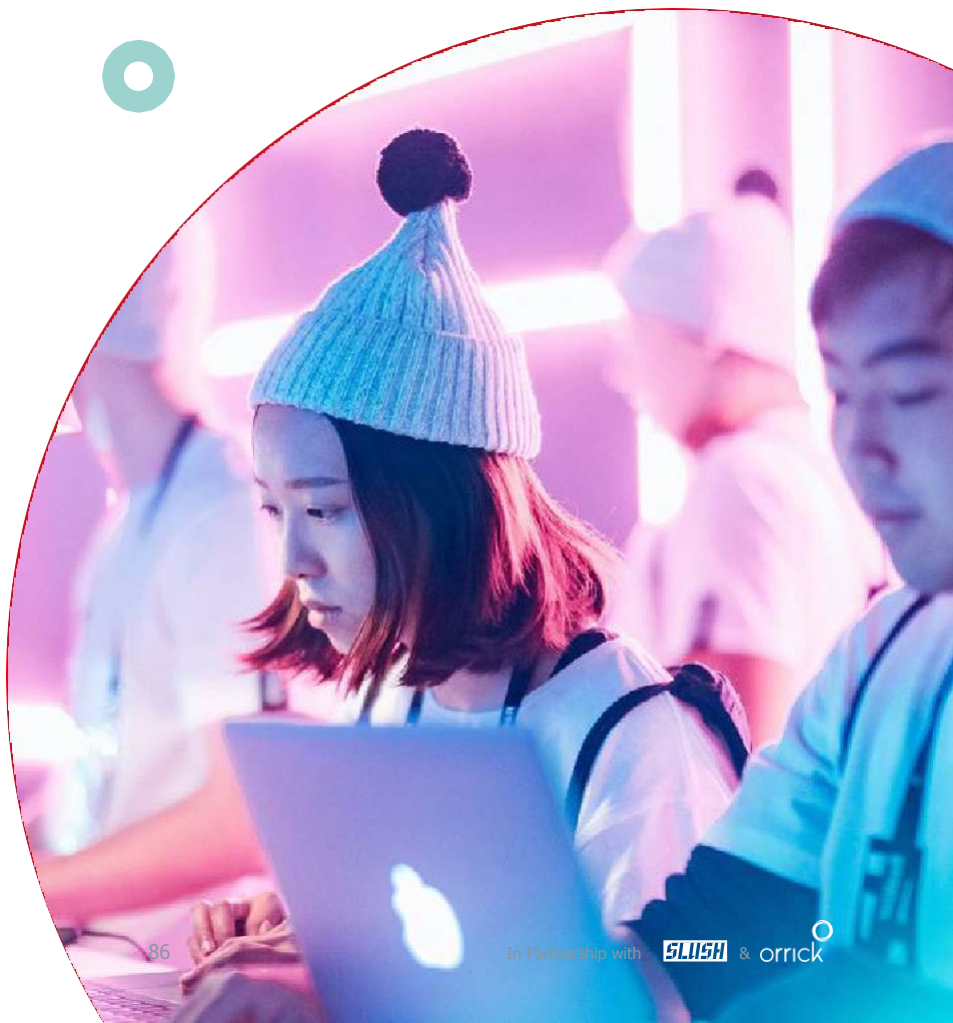
Top 10 most underdeveloped elements for angel investing

- LEGEND**
- Most important
 - Second most important
 - Third most important

NOTE:
Based on the EIF BA Survey, a survey of 60 angel investors or 65% of the 'European Angels Fund' programme population at the time the survey was conducted.



Source:



0

Diversity & Inclusion



Does European tech still lack diversity and inclusion?

Despite increased awareness a lack of diversity, the problem remains entrenched. There is only one woman CTO among a sample of VC-backed tech companies. Nearly a quarter of people in the ecosystem say they've experienced discrimination on factors from ethnicity to age. Some initiatives - such as more organisations serving talent from underrepresented backgrounds - give hope, but change will require a concerted effort from everyone in the ecosystem.

05.1

State of D&I in European Tech

Our survey polled over 1,200 European tech founders and asked them to self-identify based on a number of characteristics, including gender, ethnicity, education and their financial status prior to founding their company. We also asked these founders to share whether they had raised external funding or whether they had bootstrapped their companies. While this dataset has limitations, it provides an interesting insight into who Europe's founders are and who's raised funding. Based on this data, 21% of all founders who responded are women, though they make up only 15% of founder respondents who have raised external capital

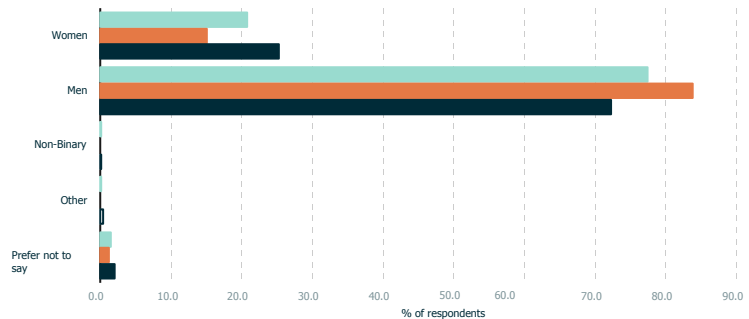
Share of founder respondents (%) who have raised external funding by self-identified gender

LEGEND

- All founders
- Already raised external capital
- Bootstrapped to date

NOTE:

Share of founders who reported having already raised external capital (of any amount) versus reporting having bootstrapped their companies. Excludes founders who responded 'Other'. Founder respondents only. Numbers may not add to 100 due to rounding.



Source: The State of European Tech Survey

If we look at the composition of the founder respondents based on self-reported ethnicity, we found that 84% of all founders identified as White/Caucasian. Only 0.9% of all founder respondents self-identified as Black/African/Caribbean, and those respondents made up only 0.5% of all founders who have raised external capital.

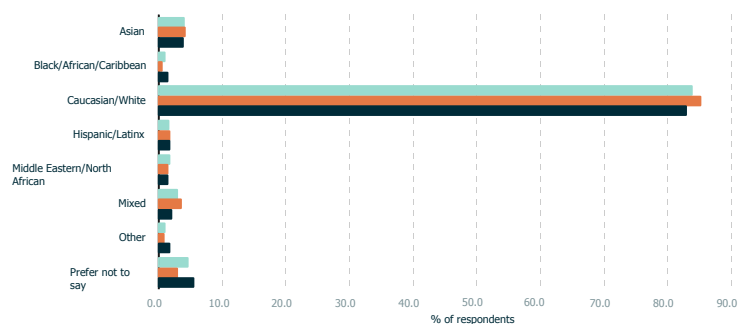
Share of founder respondents (%) who have raised external funding by self-identified ethnicity

LEGEND

- All founders
- Already raised external capital
- Bootstrapped to date

NOTE:

Share of founders who reported having already raised external capital (of any amount) versus reporting having bootstrapped their companies. Excludes founders who responded 'Other'. Founder respondents only. Numbers may not add to 100 due to rounding.



Source: The State of European Tech Survey

If we look at the highest educational attainment of the founder respondents to the survey, 82.3% of all founders reported having a university education (bachelor’s degree or higher), compared to just 35% of the EU-28 population aged 25-54 who have attained tertiary education or higher, according to Eurostat. Examining the share of founders who have raised external capital or are bootstrapped, there are observed differences between founders who have a university education

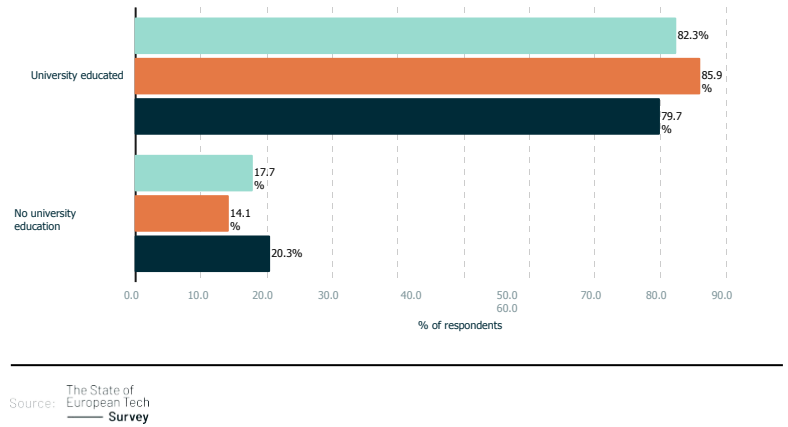
Share of founder respondents (%) who have raised external funding by education background

LEGEND

- All founders
- Already raised external capital
- Bootstrapped to date

NOTE:

Share of founders who reported having already raised external capital (of any amount) versus reporting having bootstrapped their companies. Excludes founders who responded 'Other'. Founder respondents only. Numbers may not add to 100 due to rounding.



We’re beginning to see the industry pay attention to other intersections beyond gender, such as race, class, ability and more. This intersectional approach supports and celebrates individuals who have multiple identities, such as black women. Over the past couple of months, there have been a number of initiatives supporting these underrepresented groups, such as EITFood Change Makers Programme; a two-day hackathon for women and people of colour in the agricultural sector and Included VC; a 12-month venture capital fellowship group for marginalised communities, such as veterans and refugees.



Deborah Okenla
YSYS
Founder & CEO

The survey asked founders to share details of their financial situation immediately prior to starting their company to provide an insight into the financial background of European tech founders. According to the responses shared, 80% of all founders stated they lived comfortably or at levels that left disposable income once basic expenses were met. This compares to 39% of the EU-28 population that live easily, fairly easily or very easily, according to Eurostat. Again, looking at any variance between the share of founders based on whether they have raised external funding or not, there is also an observable difference between founders based on their self-reported prior financial situation

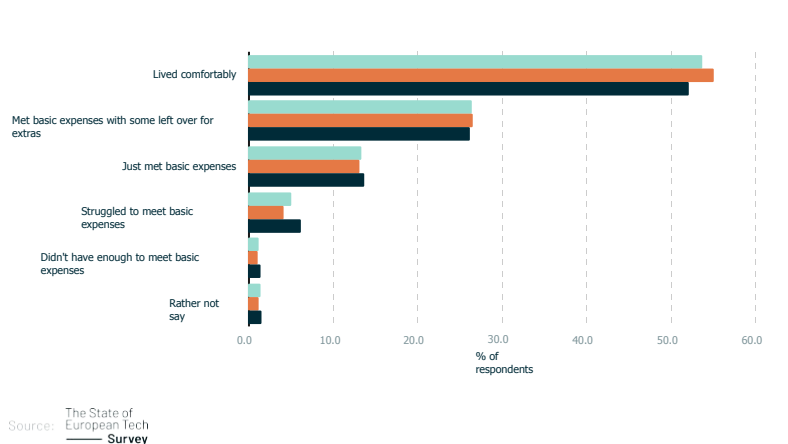
Share of founder respondents (%) who have raised external funding by prior financial status before starting company

LEGEND

- All founders
- Already raised external capital
- Bootstrapped to date

NOTE:

Share of founders who reported having already raised external capital (of any amount) versus reporting having bootstrapped their companies. Excludes founders who responded 'Other'. Founder respondents only. Numbers may not add to 100 due to rounding.



D&I and investment data: the limitations

If you have access to, or suggestions for, data sets which would help us tell this story, please email research@atomico.com.

Funding for all women teams is actually going down. There is no material improvement in the share of capital invested in European tech companies going to diverse founding teams. In fact, the share of capital invested in companies founded by women decreased in 2019 versus 2018. This means that in 2019, \$92 in every \$100 invested in Europe went to founding teams that were all men.

CAPITAL RAISED BY FOUNDING TEAM GENDER

\$92 in every \$100

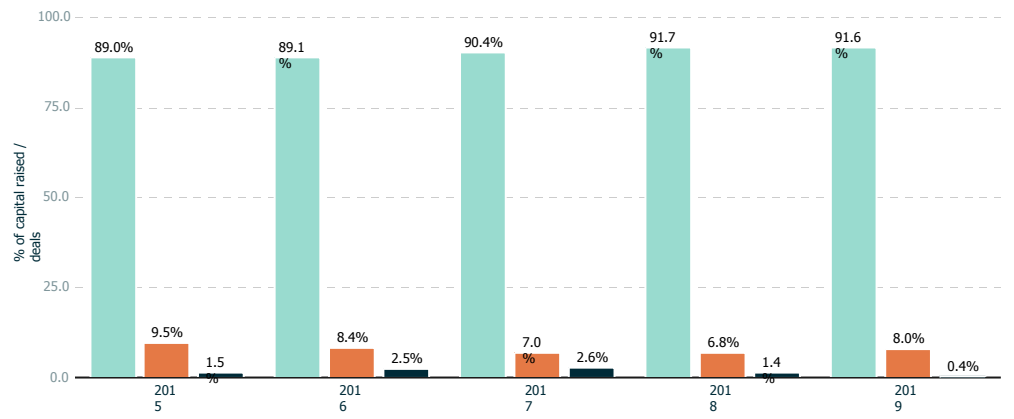
invested in Europe went to founding teams that were all men

Share of capital raised and deals (%) by founding team gender composition

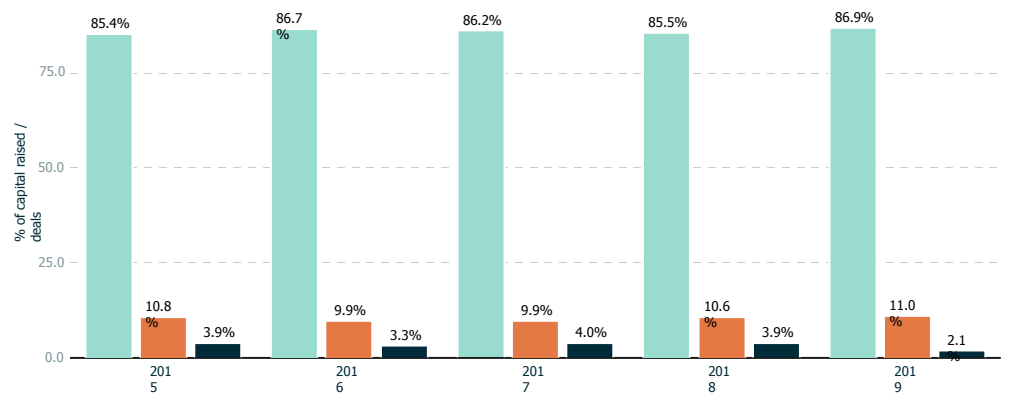
LEGEND

- Men
- Mixed
- Women

CAPITAL RAISED



DEALS



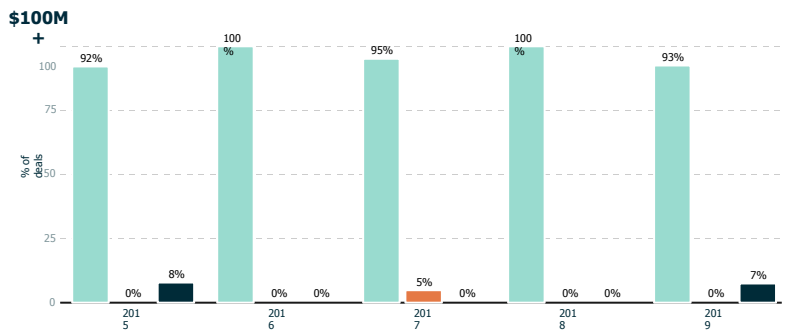
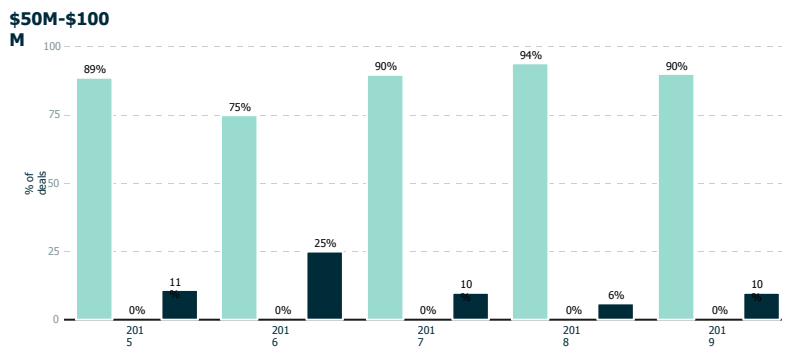
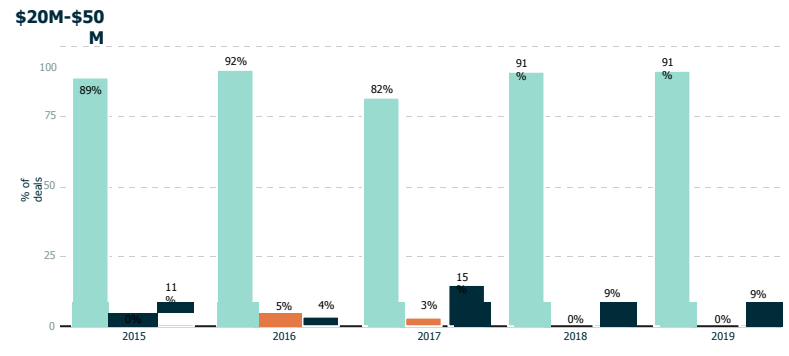
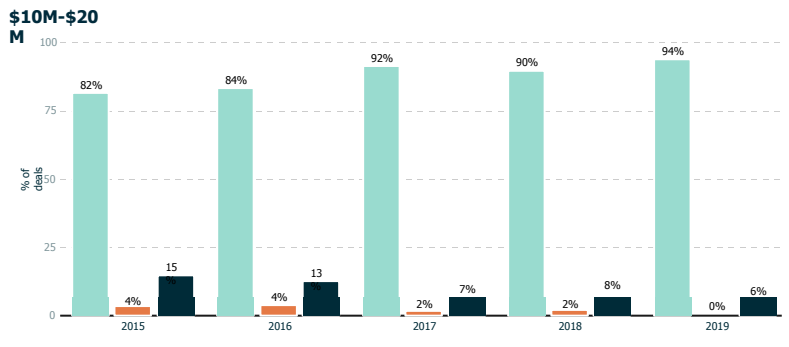
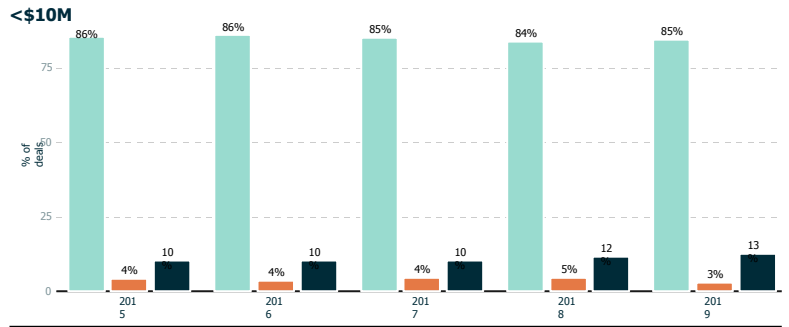
NOTE:

All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel. 2019 annualised based on data to September 2019.

Source: dealroom.co

The gender diversity of founding teams varies according to the size of the round. There is a greater level of diversity at round sizes of less than \$10M, though it is notable that there has not been any material change in the trends over recent years. It's also notable that larger rounds are typically raised by founding teams that are all men, and so the more these large rounds are raised, the greater the dilutive impact on the overall share of capital raised by more gender diverse teams.

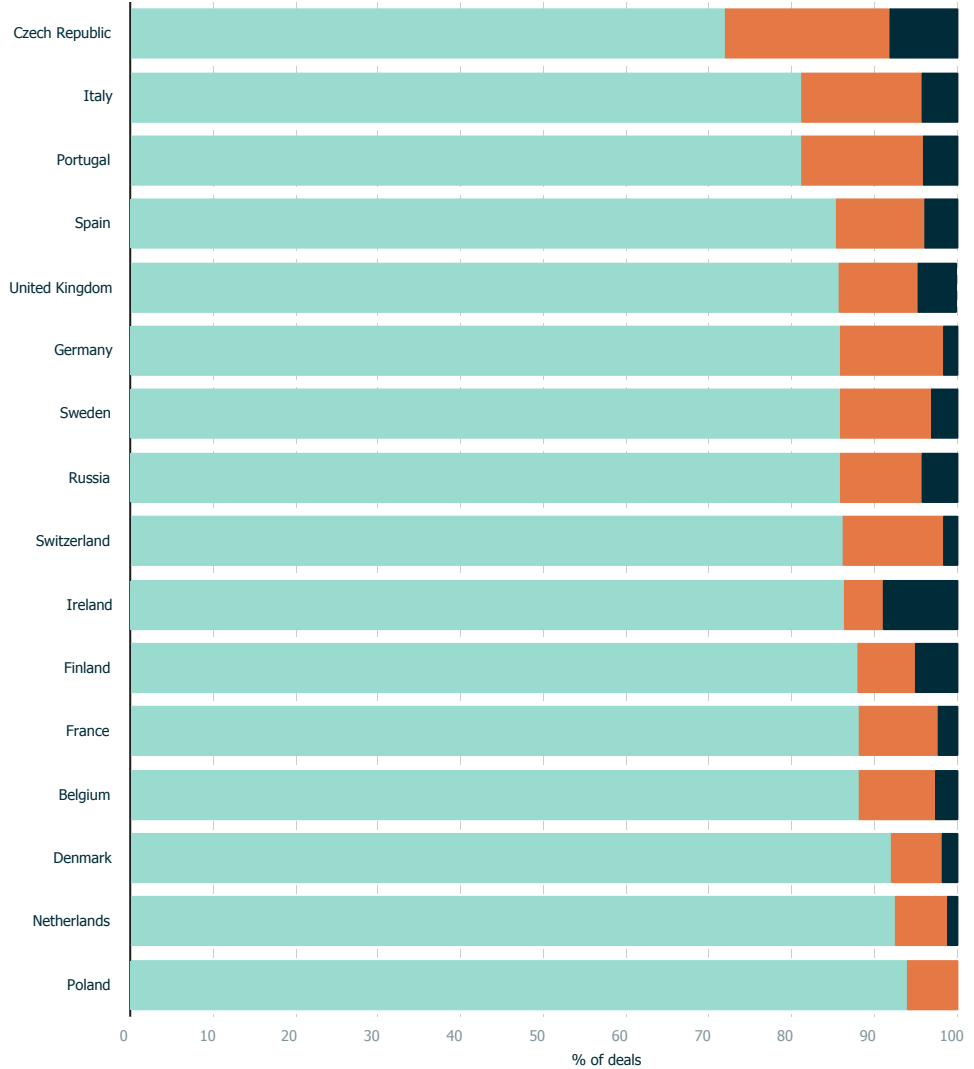
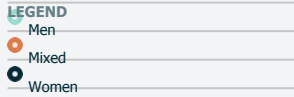
Share of deals (%) by round size, year and founding team gender composition



NOTE:
All Dealroom.co data excludes the following: private secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel. 2019 annualised based on data to September 2019.

The share of rounds raised by more gender diverse founding teams varies by country across Europe. Looking at the total distribution of deals raised by founding teams since 2015, it is noteworthy that countries from Southern Europe, such as Portugal or Italy, have seen greater diversity in the number of rounds raised by teams composed of women or mixed-gender founders compared with Nordic countries, such as Finland or Denmark.

Share of deals (%) by founding team gender composition and country, 2015-2019



NOTE:
All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel. 2019 based on data to September 2019.

Source: dealroom.co

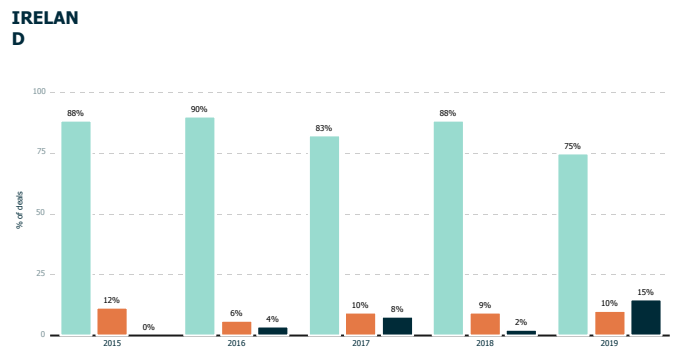
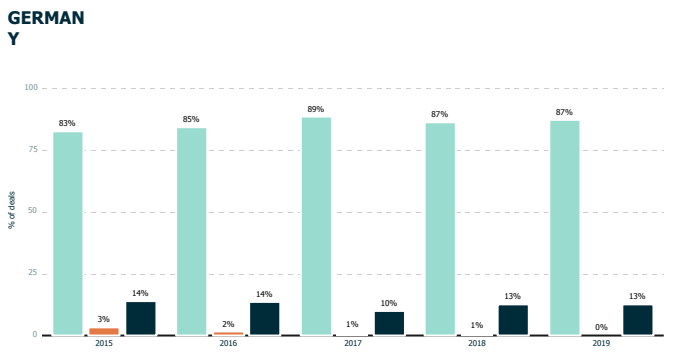
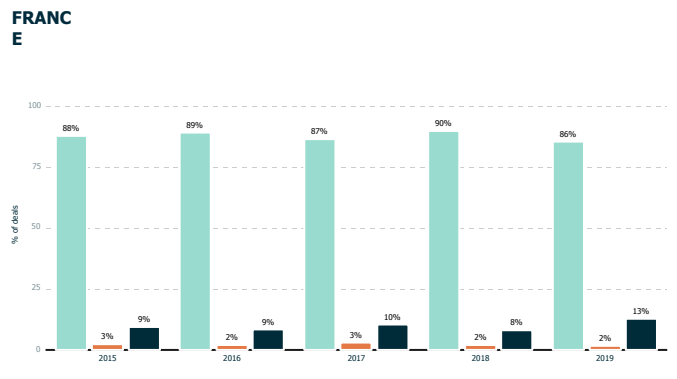
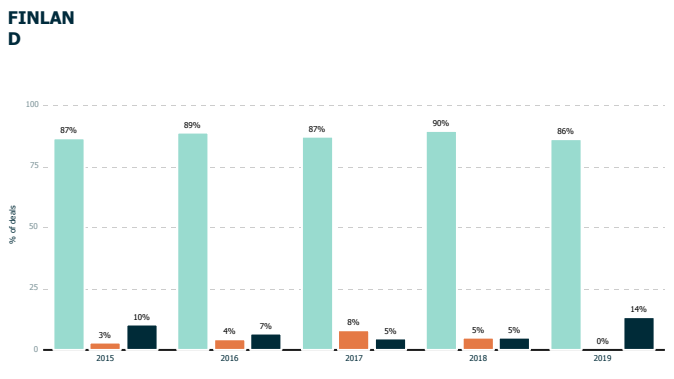
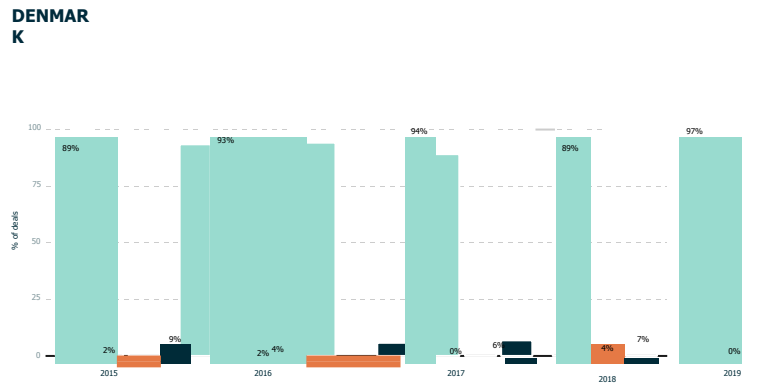
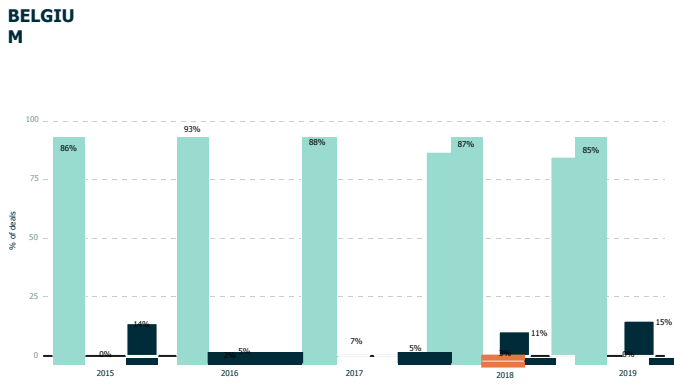
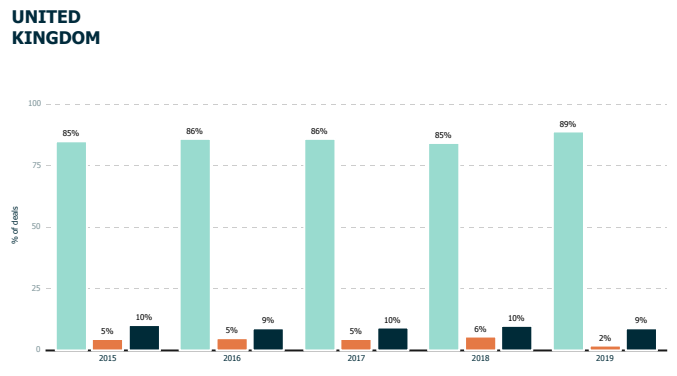
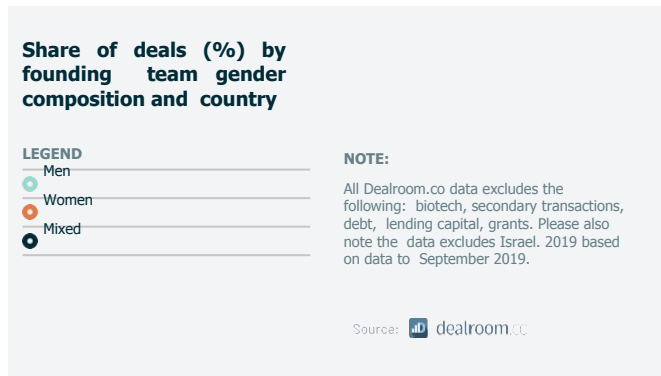


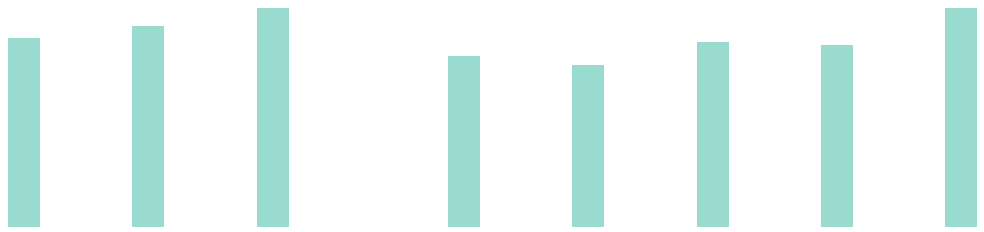
What kind of progress do I think the European tech community has made towards increasing diversity and inclusion in the past 12 months?
The slow kind.



Steve O'Hear
TechCrunch Journalist

It's particularly notable that, when looking at the evolution of the share of deals by the gender composition of founding teams over time in different European countries, there's been minimal movement in recent years in almost all countries.





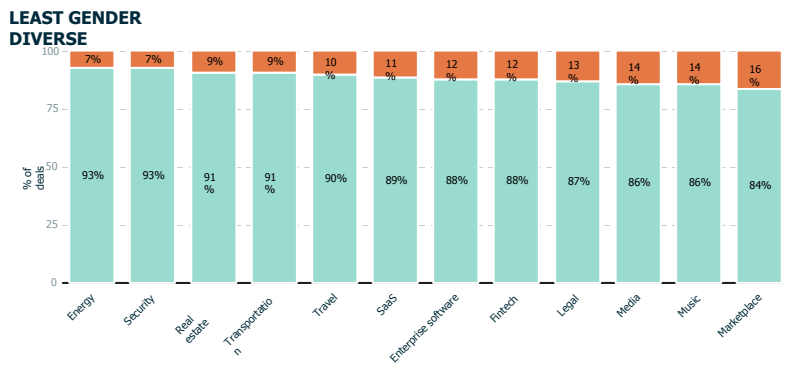
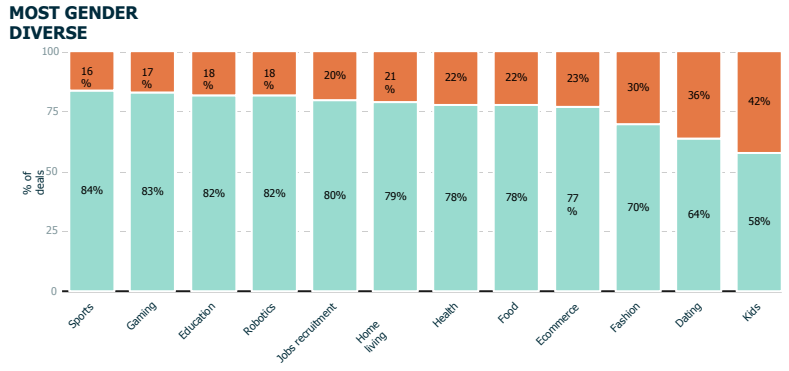
Looking across industries, there are significant differences in the distribution of rounds to founding teams of different gender compositions. Industries such as health and food show a higher level of founding team diversity.

Share of deals (%) by founder team gender and industry, 2015- 2019

LEGEND

- Men
- Women + mixed gender

NOTE:
All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel.



Source: dealroom.co

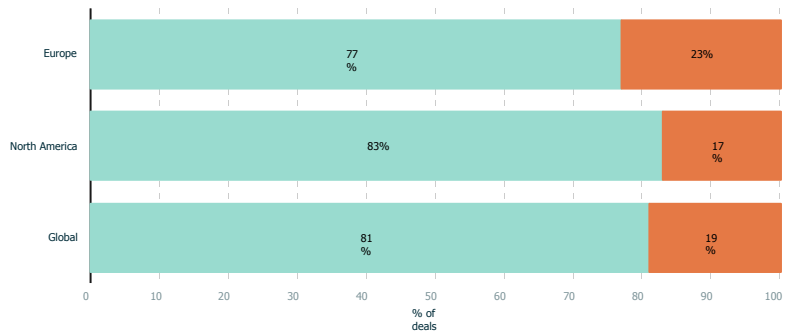
There are other reasons to be optimistic that greater diversity can be achieved across all industry verticals. In quantum computing, for example, a rapidly growing deep tech sub-sector, we found that 23% of European quantum companies had a mixed or woman-led founding team, more than double the European average of 13%.

Share of deals (%) in quantum companies by founding team gender composition, 2015-2019

LEGEND

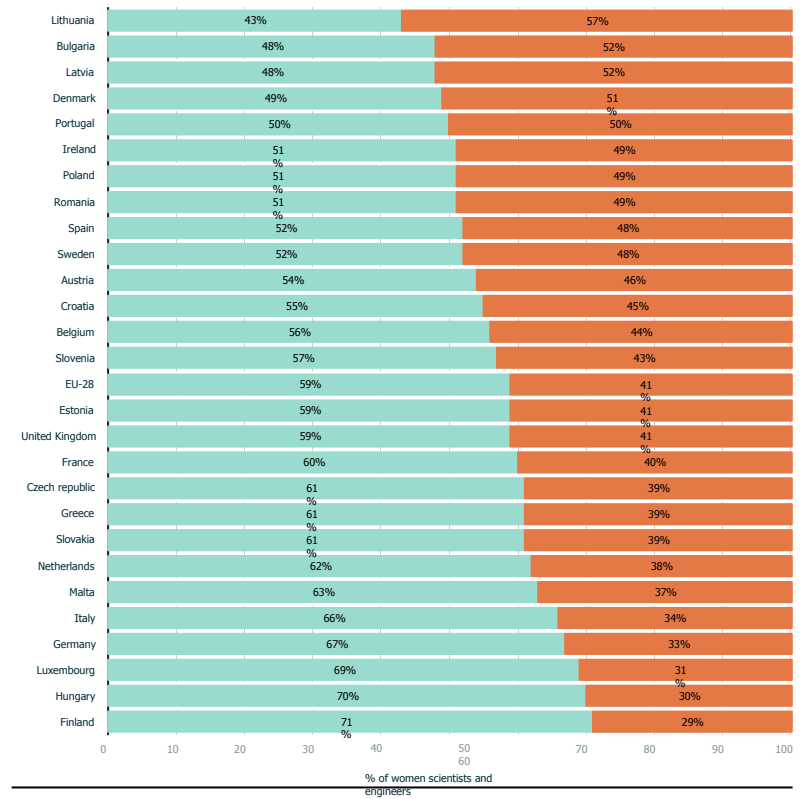
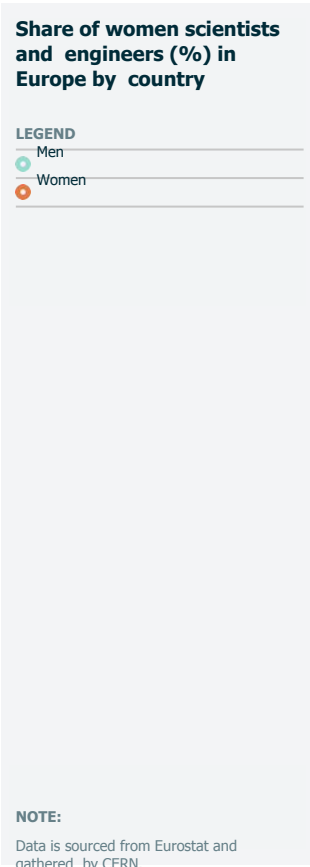
- Men-only teams
- Mixed gender and women-only teams

NOTE:
Based on a sample of 85 companies globally of which 35 are in North America and 44 in Europe. All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. 2019 YTD is as of October 2019.



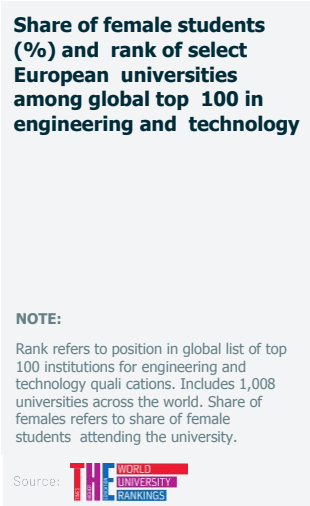
Source: dealroom.co

The fact that Quantum is more inclusive should not be a surprise given the large proportion of women scientists and engineers in Europe. Women actually account for more than half of the population of scientists and engineers in Lithuania, Bulgaria, Latvia and Denmark.



Source:

The quality and diversity of talent in deep tech fields are also evident when looking at the gender composition of the student population of Europe's leading technical universities, which rank amongst the highest-rated globally for engineering and technical qualifications. These institutions have female participation levels in terms of share of students that are typically far higher than European tech industry benchmarks.



	University	Country	Female Share (%)
88	TU Dresden	Germany	42
25	Technical University of Munich	Germany	34
60	Technical University of Berlin	Germany	34
62	KTH Royal Institute of Technology	Sweden	33
8	ETH Zurich	Switzerland	32
30	RWTH Aachen University	Germany	32
71	Chalmers University of Technology	Sweden	32
69	Technical University of Denmark	Denmark	30
21	Delft University of Technology	Netherlands	29
19	École Polytechnique Fédérale de Lausanne	Switzerland	28
74	Karlsruhe Institute of Technology	Germany	28

We revisited prior analysis exploring the gender composition of the leadership teams of European tech companies that raised a Series A or Series B round in the past 12 months and found that men continue to account for the overwhelming majority of executives in CxO positions. For example, there was only one CTO that is a woman out of more than 119 CTOs in the sample set. Executive roles in Finance, Marketing and Operations are most likely to be filled by women.

GENDER COMPOSITION IN EXECUTIVE-LEVEL POSITIONS

1 in 12

For every woman executive, there are 12 men executives.

Gender composition by C-level title

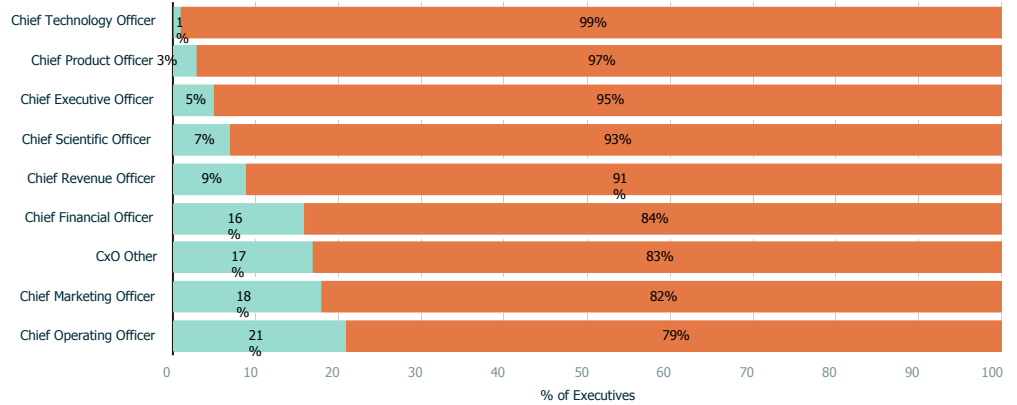
LEGEND

Women

Men

NOTE

Based on a sample of executives in CxO positions at 251 European VC-backed tech companies that raised a Series A or B round between 1 October 2018 and 30 September 2019 with more than \$10M funding.



Source: Craft

We have now produced this analysis across three cohorts of companies since 2017, and there has been no positive change in either the gender composition of founders and CEO's, or at the full executive leadership teams. In fact, the numbers declined slightly in 2019. Women made up just 8% of all leaders in CxO positions in the 'class of 2019' cohort, versus 9% in the previous two cohorts analysed.

WOMAN C-LEVEL EXECUTIVE

1

Source: Craft

1 woman CTO out of 119 CTOs working at VC-backed European tech companies that raised a Series A or B in the past year with more than \$10M of funding.

Share of women (%) by executive-level positions of selected European Series A and B venture-backed companies

LEGEND

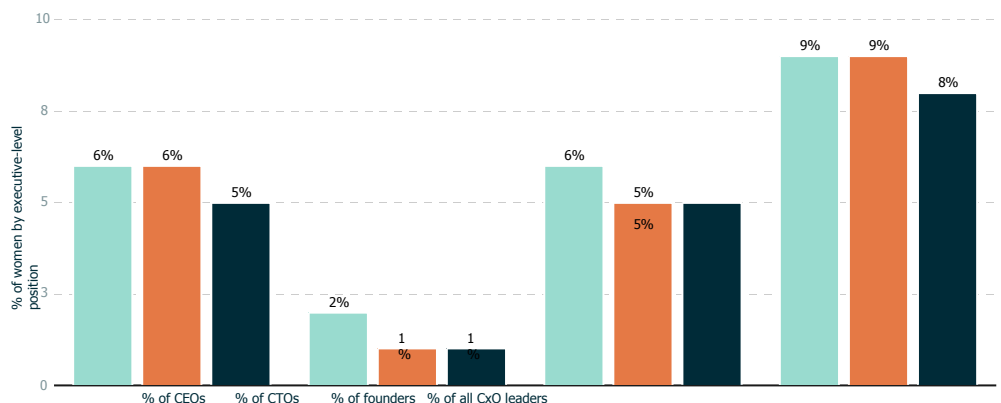
2017

2018

2019

NOTE:

Based on a sample of founders and executives in CxO positions at 382 European VC-backed tech companies that raised a Series A or B round between 1 October 2018 and 30 September 2019.

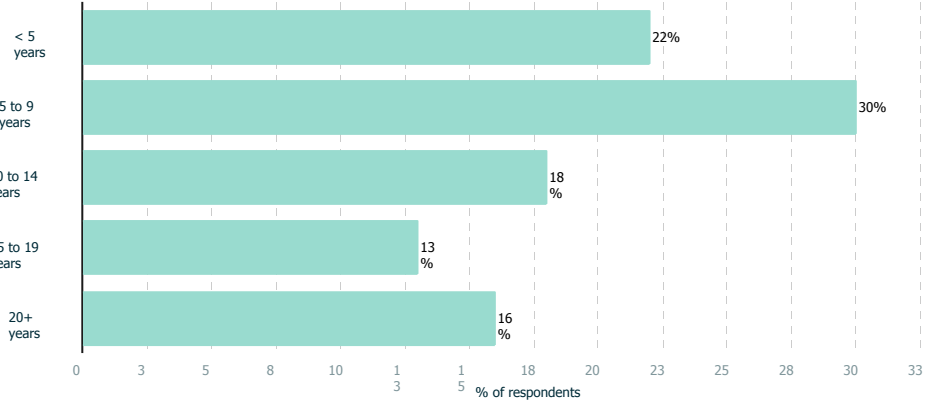


Source: Craft

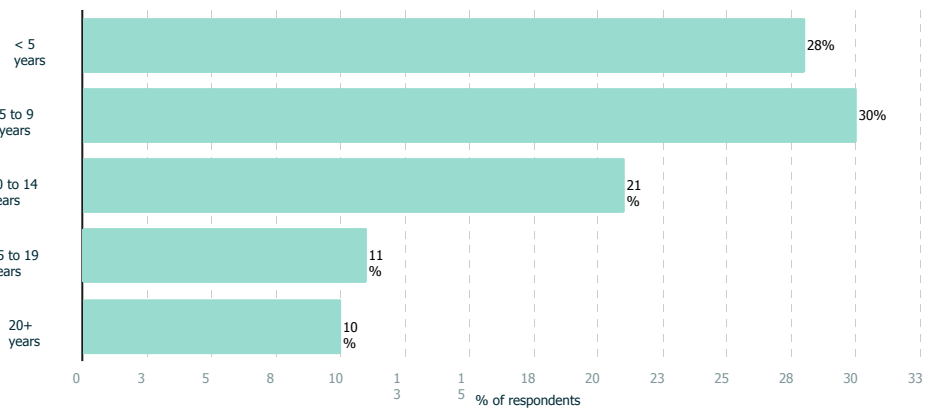
Though there is a near absence of women in technical leadership positions within European venture-backed tech companies, there is not an absence of developer talent with significant experience in either gender.

Experience and gender breakdown of professional developers in Europe

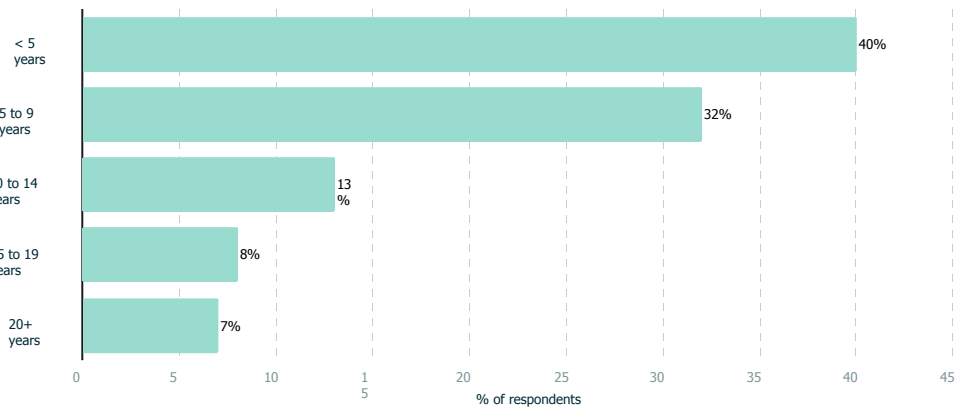
MEN



NON-BINAR Y



WOMEN

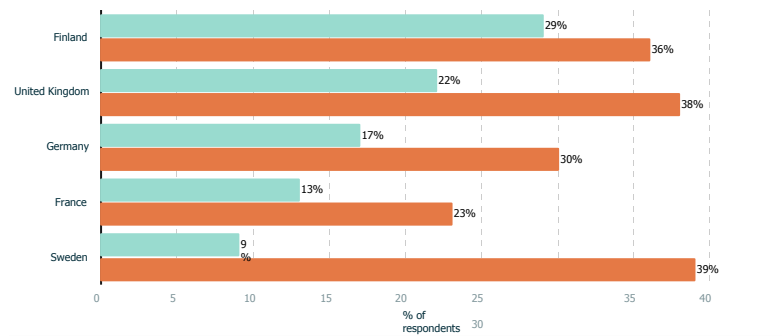
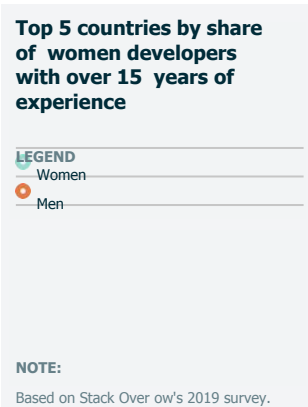


Source: stackoverflow

NOTE:

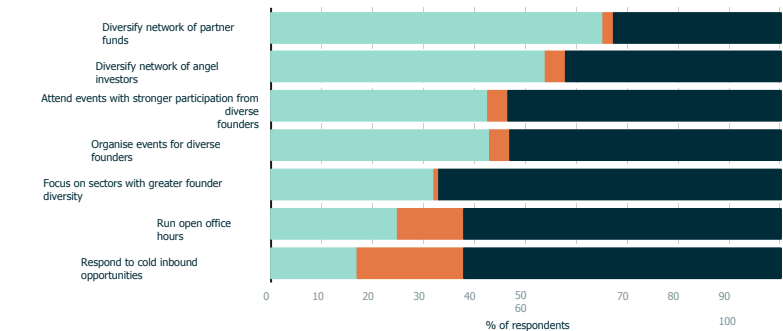
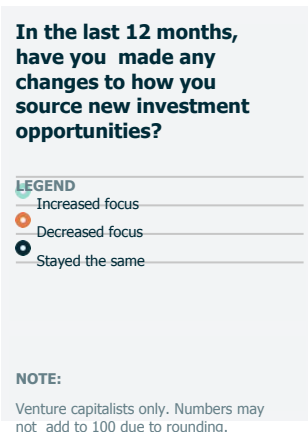
Based on Stack Overflow's 2019 survey. Experience relates to years since learning to code.

Looking on a country-by-country basis at the experience level of the European developer base, a number of countries stand out with a material share of women developers with more than 15 years of experience.



Source: Stack Overflow

Though there is a difference of opinion over how meaningful these steps that have been taken have been, VC respondents shared that they have made changes to the way they source new investment opportunities over the last 12 months. The most frequently cited changes by respondents were diversifying their networks of partner funds and angel investors, while the least frequently cited changes were running open office hours and responding positively to cold inbound opportunities.



Source: The State of European Tech Survey



If investors are more representative of society's diversity, we will reach a more diverse set of entrepreneurs. They, in turn, can create a whole range of companies and services that we have not previously thought of.

92% of all funding went to all-men teams this year, which is not much better than last year. It's obvious that capital is not being allocated in a way that reflects our society or encourages a broader set of people to become entrepreneurs. Diversity of all kinds is lacking in our ecosystem. I am passionate about changing the status quo, and increasing diversity at VC funds is one important piece to encourage more diverse founders. If investors are more representative of society's diversity, we will reach a more diverse set of entrepreneurs. They, in turn, can create a whole range of companies and services that we have not previously thought of.

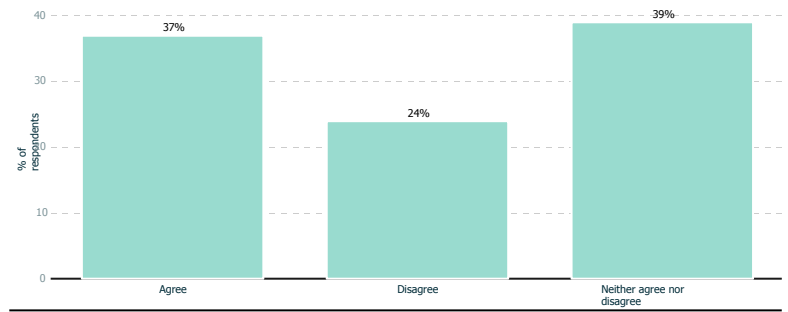


Sophia Bendz
 Atomico Partner

Given these static numbers, it's important to examine the steps that investors have taken to try to improve the diversity of the founders they invest in. Venture capitalist respondents to the survey were divided over whether the European VC industry has taken meaningful steps to improve the diversity of the founders they back. In fact, for this particular question, there was a greater level of divergence of opinion between the VC respondents than for all other questions where VCs were asked to share their sentiment on major industry issues.

Thinking about the past 12 months, do you agree or disagree with the following: European VCs have taken meaningful steps to improve the diversity of the founders they back

NOTE:
Venture capitalists only. Numbers may not add to 100 due to rounding.



Source: The State of European Tech Survey



I think we have made huge steps in understanding and admitting the problem. Now, action will be key. In the words of Alan Turing, 'we can only see a short distance ahead, but we can see plenty there that needs to be done'.



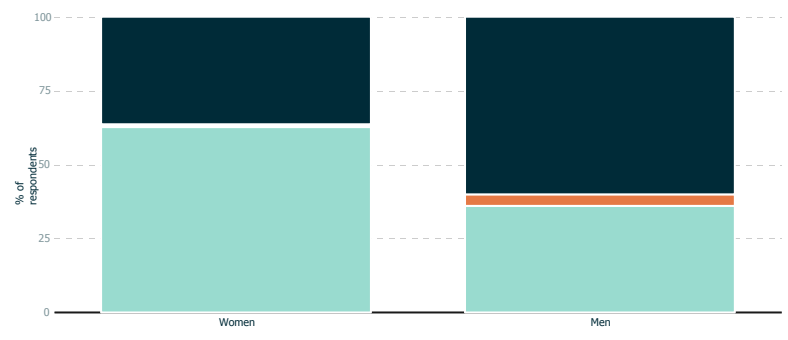
Suranga Chandratillake
Balderton
Capital General
Partner

We found important differences in the changes to sourcing activities reported by VC respondents who were men and women that suggests the focus on improving diversity is itself not equally shared. For example, 63% of VC respondents who are women said they had increased their focus on attending events with stronger participation from diverse founders, compared to just 36% of respondents who are men.

In the last 12 months, have you made any changes to how you source new investment opportunities?

LEGEND
■ Increased focus
■ Decreased focus
■ Stayed the same

NOTE:
Venture capitalists only. Numbers may not add to 100 due to rounding.



Source: The State of European Tech Survey

We also found large differences between men and women when it came to sourcing activities such as running open office hours or focusing on sectors with greater founder diversity.

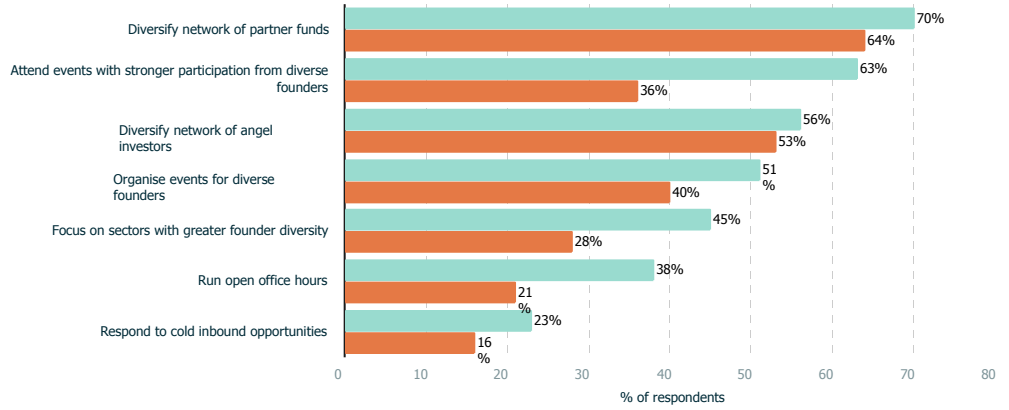
In the last 12 months, have you made any changes to how you source new investment opportunities?

LEGEND

- Increased focus (women)
- Increased focus (men)

NOTE:

Venture capitalists only. Respondents that answered 'Increased focus' only. Numbers may not add to 100 due to rounding.



Source: The State of European Tech Survey

It's important context to show the level of female representation within the VC industry. Diversity VC's data shows that VC funds in the UK have improved the representation of women at junior levels, but there has not been any material change in the share of women venture professionals at more senior levels, with no movement at the partner level.

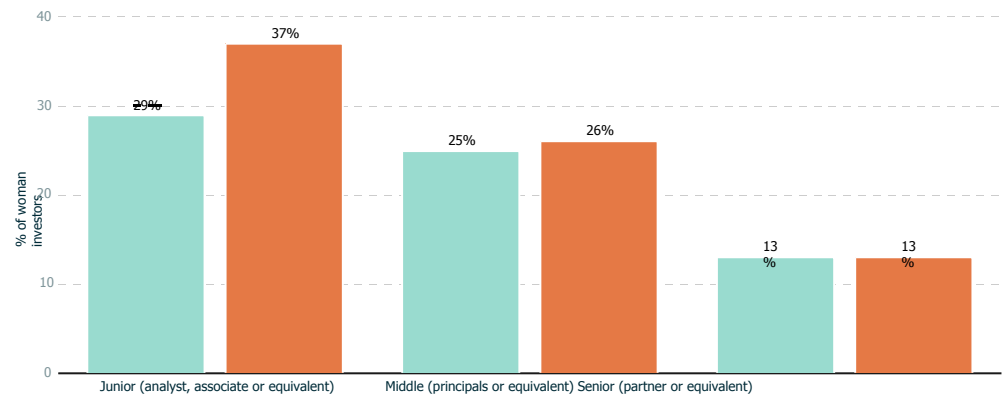
Share of women investors by seniority, 2017 vs 2019

LEGEND

- 2017
- 2019

NOTE:

Diversity VC analysis 2019. Based on a sample of 987 and 1,436 venture professionals in 2017 and 2019 respectively.



Source: DIVERSITY VC

Tech startups and scale ups are taking action to improve diversity and inclusion but there is still work to be done in terms of adopting D&I policies and implementing training programmes.

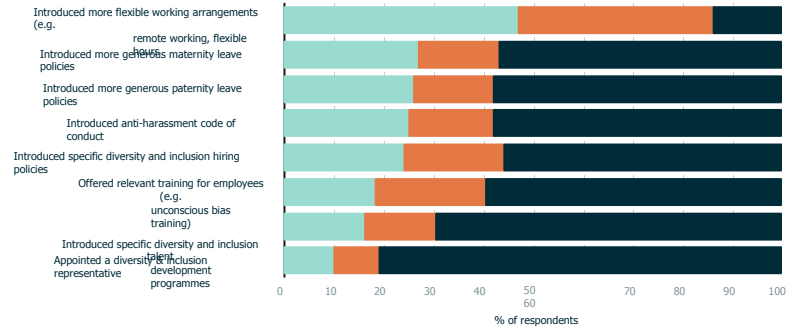
In the last 12 months, has your company taken any of the following actions to improve diversity and inclusion?

LEGEND

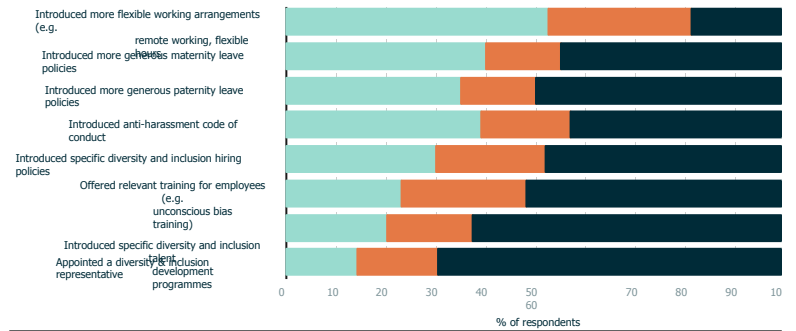
- Already actioned
- Yes
- No

NOTE:
Venture capitalists, founders and startup/scaleup employees only. Numbers do not add to 100 as respondents could choose multiple responses.

FOUNDERS & TECH/SCALEUP EMPLOYEES



VENTURE CAPITALISTS



Source: The State of European Tech Survey



It's our responsibility to build an open and inclusive tech ecosystem in Europe. We have taken the first step and started a conversation around the topic. Now we need a firm commitment, actions and measures to move forward, as there is clearly value to be captured through diversity. I wish more LPs would start demanding venture capitalists to be the change they want to see in the industry.



Ekaterina Gianelli
Inventre Partner

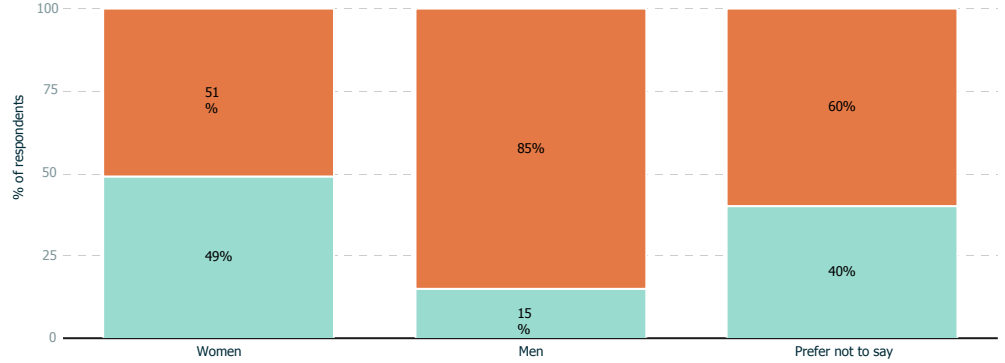
Last year, our survey found that 46% of women working in the European tech industry had experienced some form of discrimination at some point in the past. This year, we found that 38% of respondents who are women had experienced some form of discrimination in just the past 12 months. In fact, almost half (49%) of all founders who are women and more than 40% of founders from minority ethnic groups report having experienced some form of discrimination during the last 12 months.

In the last 12 months, have you experienced any form of discrimination while working in the European tech industry?

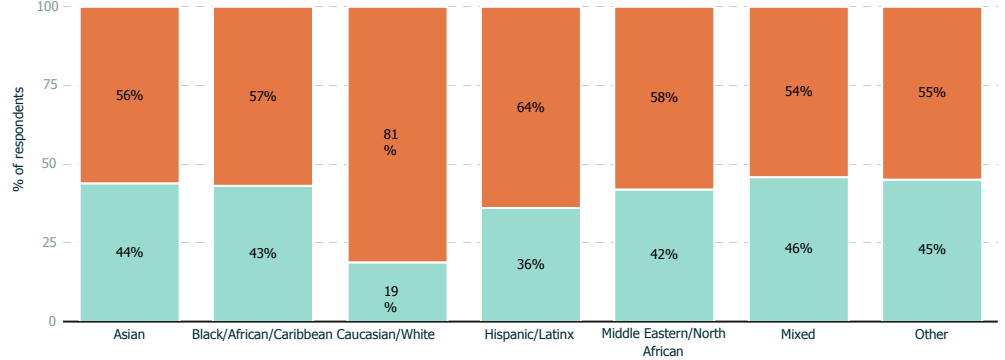
LEGEND

- Yes
- No

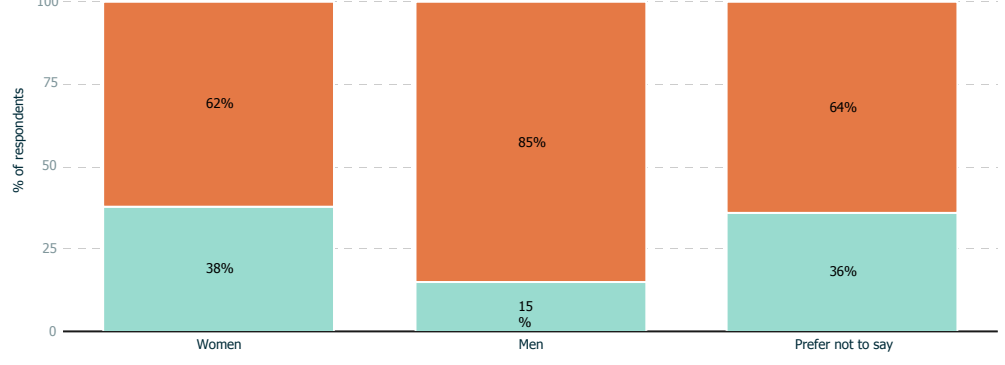
GENDER FOUNDERS ONLY



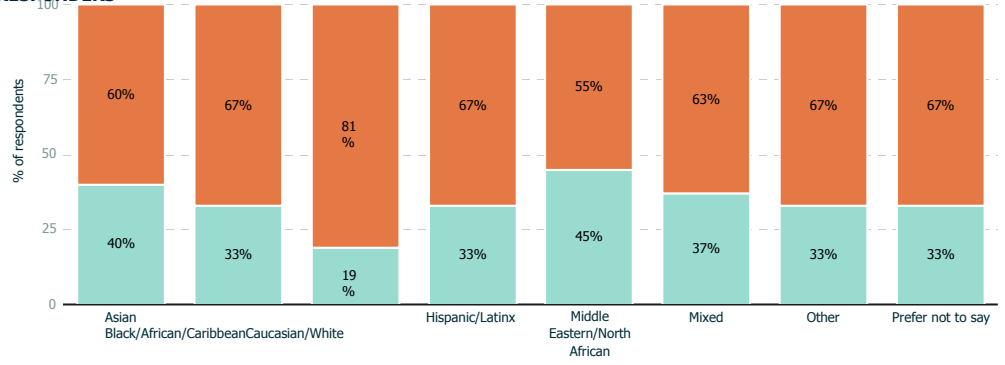
ETHNICITY FOUNDERS ONLY



GENDER ALL RESPONDERS

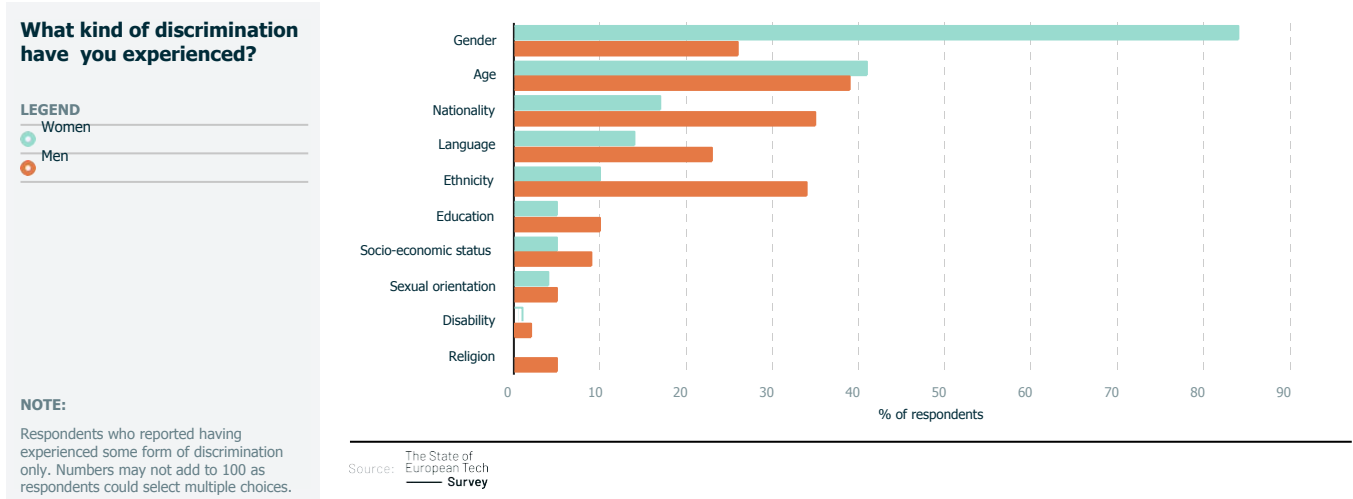


ETHNICITY ALL RESPONDERS



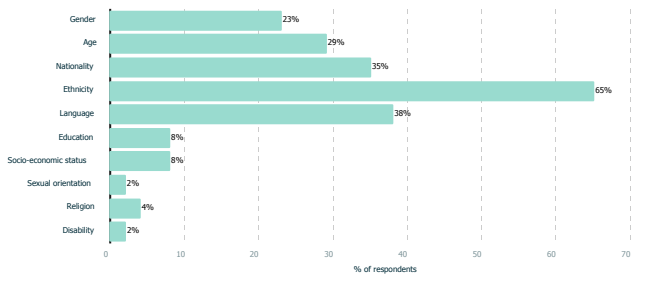
NOTE: The State of European Tech Survey
Numbers may not add to 100 due to rounding.

Discrimination in the European tech industry takes many forms. Women respondents most commonly report having experienced gender-based discrimination, while men most commonly report age-based discrimination. The survey can't accurately quantify the level of discrimination based on all forms of discrimination (for example, disability or sexual orientation), but the data points to these being very prevalent here too.

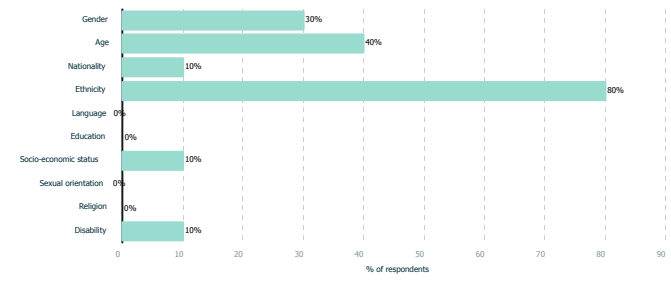


Respondents who self-identified as belonging to different minority ethnic groups also reported different experiences of discrimination while working in the European tech industry. For example, 80% of respondents that said they had experienced a form of discrimination in the past 12 months while working in the European tech industry and that self-identified as Black/African/Caribbean reported they had experienced discrimination on the basis of their ethnicity.

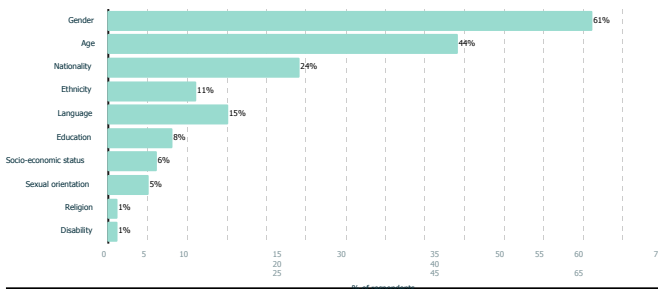
ASIAN - KIND OF DISCRIMINATION EXPERIENCED



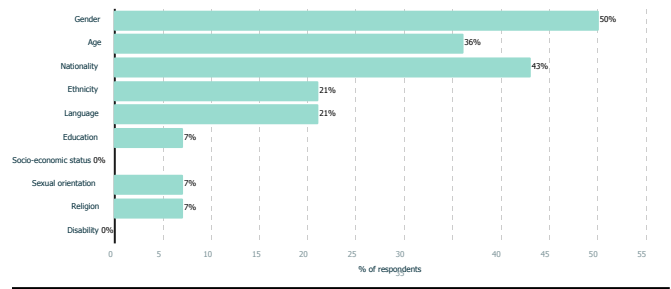
BLACK / AFRICAN / CARIBBEAN - KIND OF DISCRIMINATION EXPERIENCED

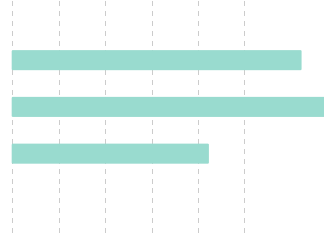


CAUCASIAN / WHITE - KIND OF DISCRIMINATION EXPERIENCED



HISPANIC / LATINX - KIND OF DISCRIMINATION EXPERIENCED



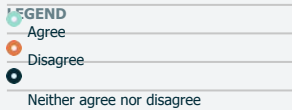


05.2

Industry Sentiment on D&I

The survey included a large number of questions exploring industry sentiment on a range of different issues related to progress on building a more diverse and inclusive European tech industry in the past 12 months. There is strong agreement in the European tech and VC community about the importance of creating a more diverse and inclusive industry. While many feel better informed and more empowered to take actions towards this goal and have changed their behaviours accordingly, it's also clear that for many the industry is a long way from creating equal opportunity for people of all demographics, backgrounds and experiences.

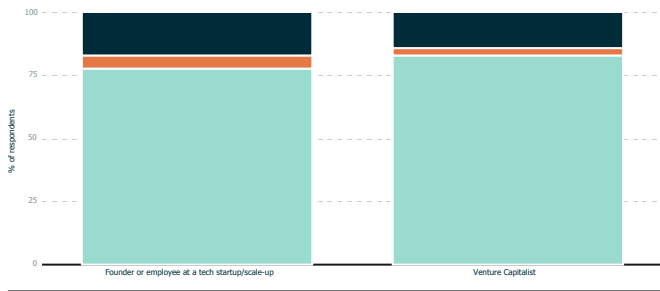
Do you agree or disagree with the following statements?



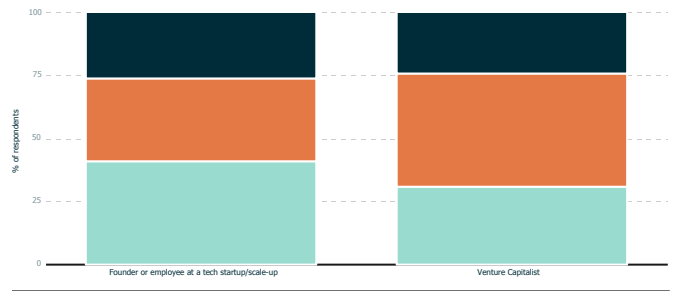
NOTE:
Venture capitalists, founders and startup/scale-up employees only. Numbers may not add to 100 due to rounding.

Source: The State of European Tech Survey

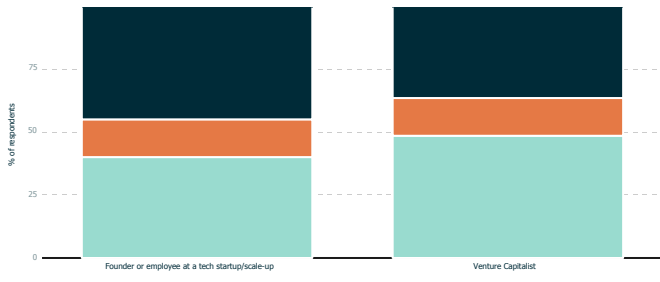
THE FOCUS ON CREATING A MORE DIVERSE AND INCLUSIVE EUROPEAN TECH ECOSYSTEM IS IMPORTANT



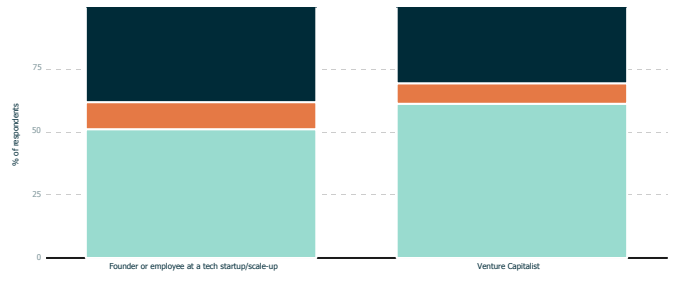
THE EUROPEAN TECH ECOSYSTEM PROVIDES EQUAL OPPORTUNITY FOR PEOPLE OF ALL DEMOGRAPHICS, BACKGROUNDS AND EXPERIENCES



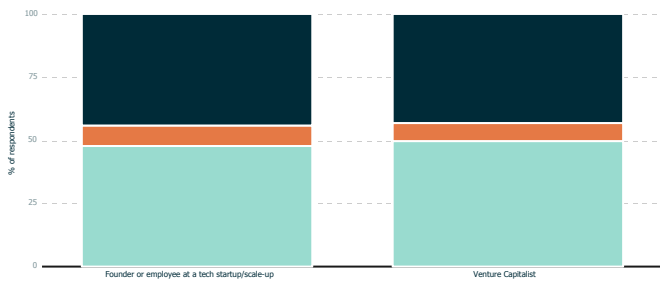
THE EUROPEAN TECH ECOSYSTEM HAS MADE MEANINGFUL PROGRESS IN IMPROVING ITS LEVEL OF DIVERSITY AND INCLUSION



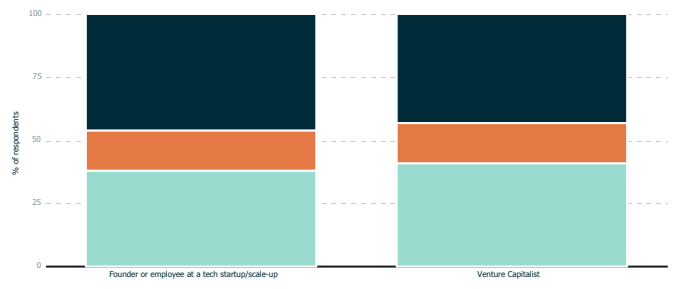
I FEEL BETTER INFORMED ON THE TOPIC OF DIVERSITY AND INCLUSION COMPARED TO 12 MONTHS AGO



I FEEL MORE EMPOWERED TO TAKE POSITIVE STEPS TO IMPROVE DIVERSITY AND INCLUSION WITHIN MY COMPANY COMPARED TO 12 MONTHS AGO



I HAVE CHANGED MY BEHAVIOUR AS A RESULT OF INCREASED FOCUS ON DIVERSITY AND INCLUSION



ur

It's also clear that the experience of working in the European tech industry varies greatly based on background. For example, respondents from minority ethnic groups are much less likely to believe that the industry has made meaningful progress towards being more diverse and inclusive and much less likely to believe that it provides equal opportunity for all.

Do you agree or disagree with the following statements?

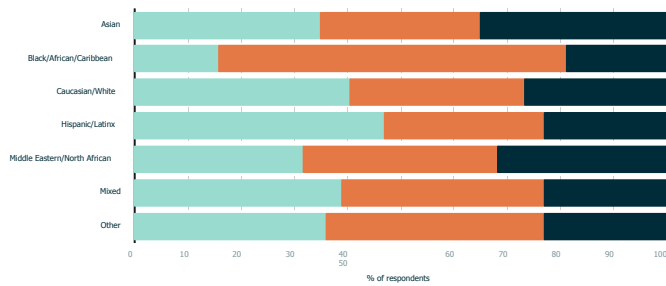
LEGEND

- Agree
- Disagree
- Neither agree nor disagree

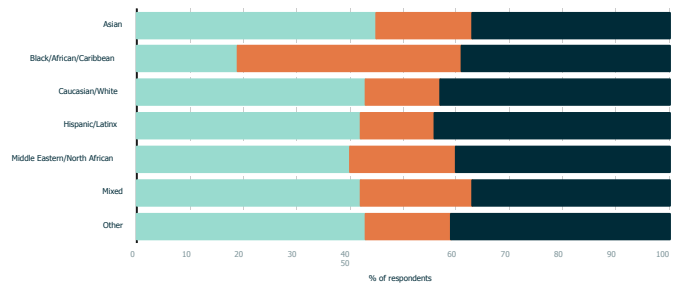
NOTE: Numbers may not add to 100 due to rounding.

Source: The State of European Tech Survey

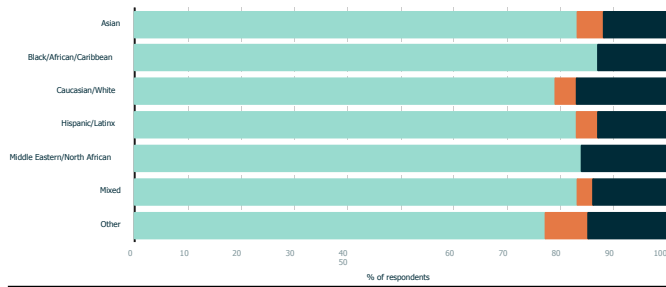
THE EUROPEAN TECH ECOSYSTEM PROVIDES EQUAL OPPORTUNITY FOR PEOPLE OF ALL DEMOGRAPHICS, BACKGROUNDS AND EXPERIENCES



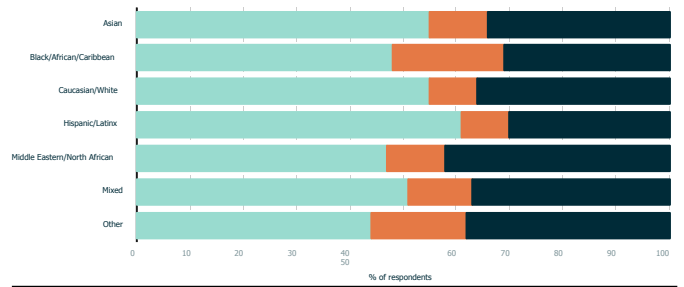
THE EUROPEAN TECH ECOSYSTEM HAS MADE MEANINGFUL PROGRESS IN IMPROVING ITS LEVEL OF DIVERSITY AND INCLUSION



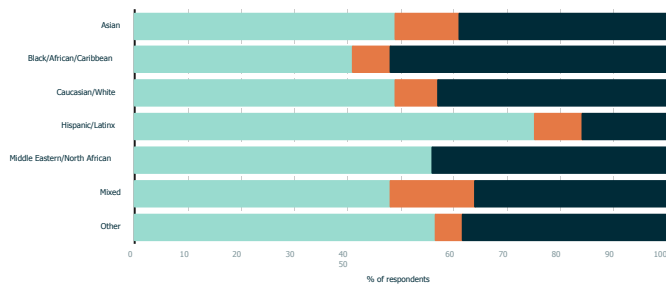
THE FOCUS ON CREATING A MORE DIVERSE AND INCLUSIVE EUROPEAN TECH ECOSYSTEM IS IMPORTANT



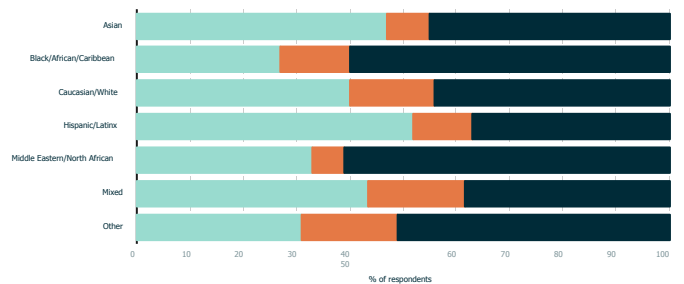
I FEEL BETTER INFORMED ON THE TOPIC OF DIVERSITY AND INCLUSION COMPARED TO 12 MONTHS AGO



I FEEL MORE EMPOWERED TO TAKE POSITIVE STEPS TO IMPROVE DIVERSITY AND INCLUSION WITHIN MY COMPANY COMPARED TO 12 MONTHS AGO

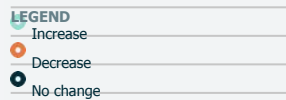


I HAVE CHANGED MY BEHAVIOUR AS A RESULT OF INCREASED FOCUS ON DIVERSITY AND INCLUSION

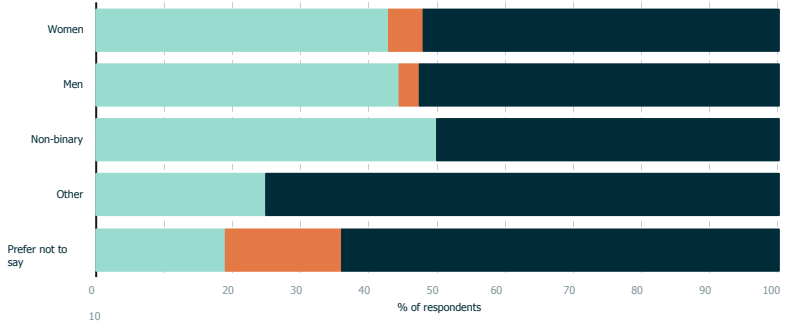


Four in ten women and men believe there has been an increase in the past 12 months, but more than half felt things hadn't changed, including 56% of respondents who are founders of work in a tech startup or scale-up. This sentiment is reflected at similar levels across respondents from all ethnic groups too. Respondents from the UK were most likely to share the view that there has been an increase in inclusiveness, while respondents from France and the Benelux were least likely to say there has been an increase.

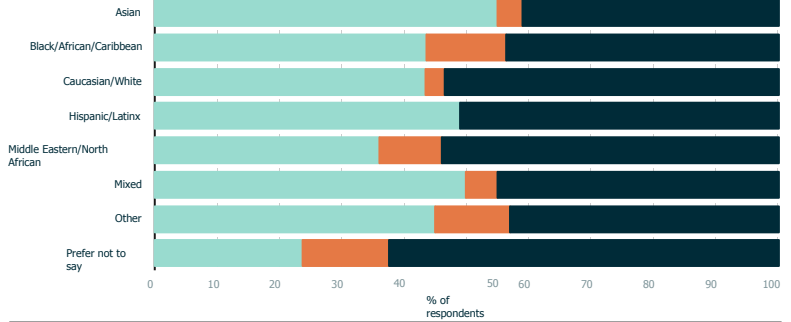
Thinking only about the last 12 months, have you experienced any change in the inclusiveness of the tech industry in Europe?



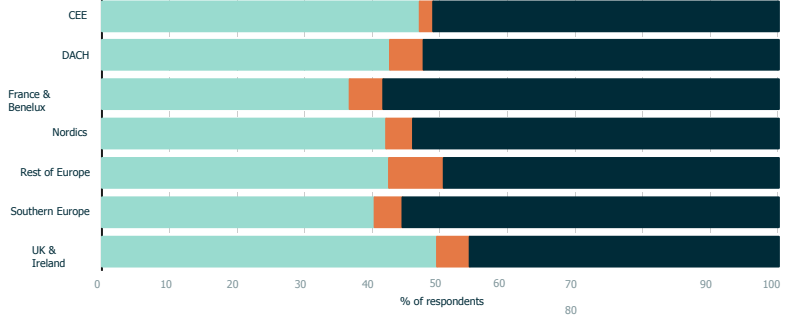
**GENDE
R**



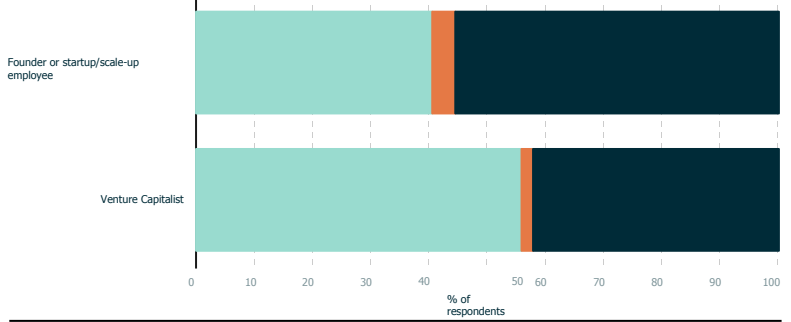
**ETHNICIT
Y**



**REGIO
N**



**OCCUPATIO
N**

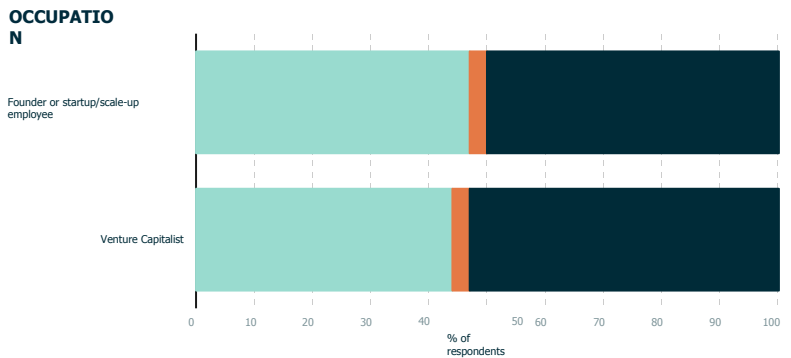
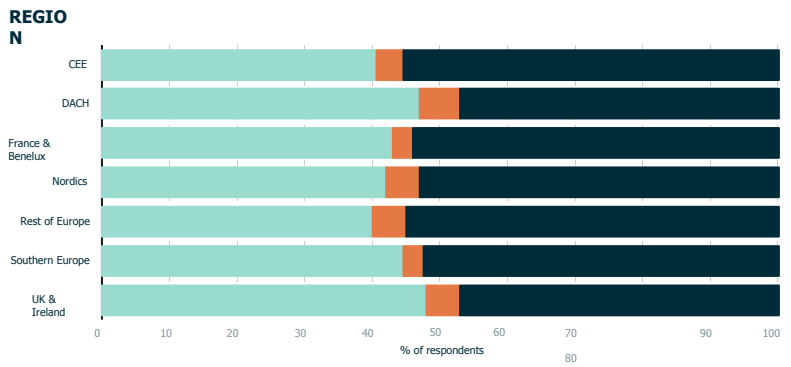
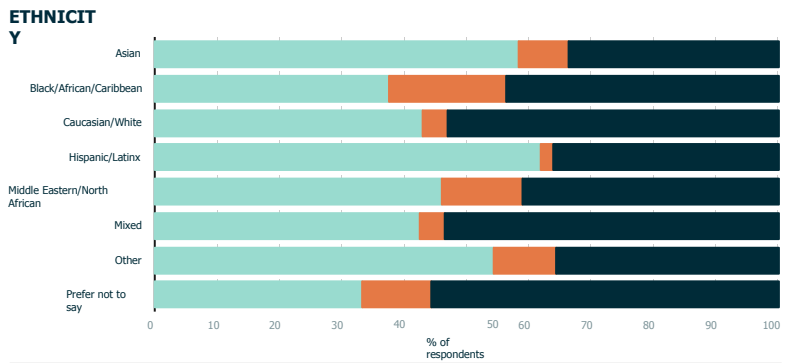
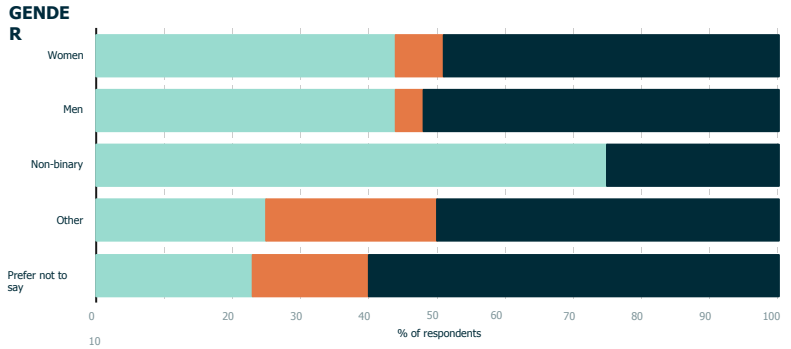


Source: The State of European Tech Survey

NOTE:
Numbers may not add to 100 due to rounding.

When asked to share their sentiment on any change in the inclusiveness of the culture within their own companies in the past 12 months, the responses were similar to those based on the industry-wide view. Half of all respondents said there had been no change in the past 12 months, but 44% were more positive and stated they had seen an increase in the inclusiveness of the culture at their companies. Respondents based in the UK were most likely to have reported an increase.

Thinking only about the last 12 months, have you experienced any change in the inclusiveness of the culture at your company?



Source: The State of European Tech Survey

NOTE:
Numbers may not add to 100 due to rounding.

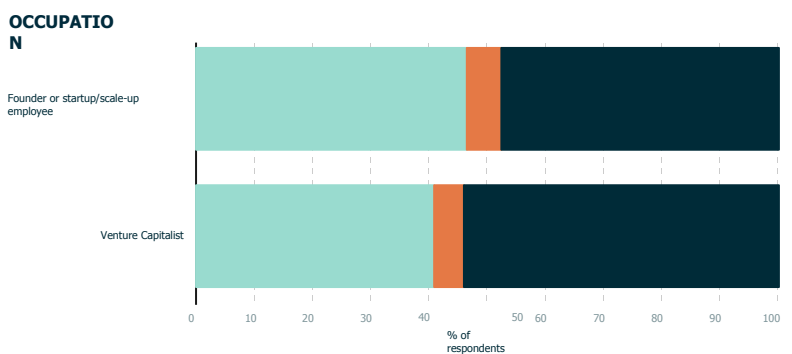
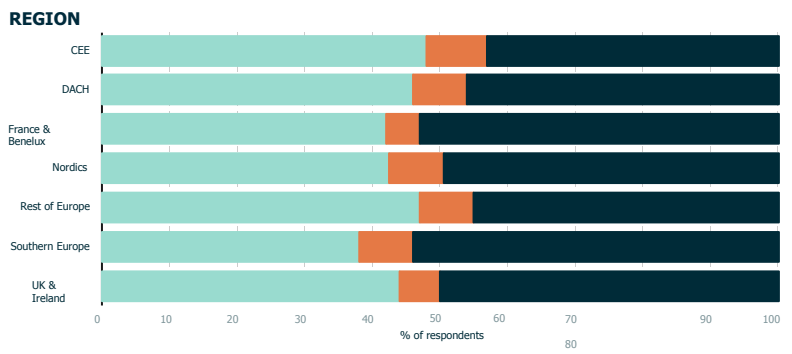
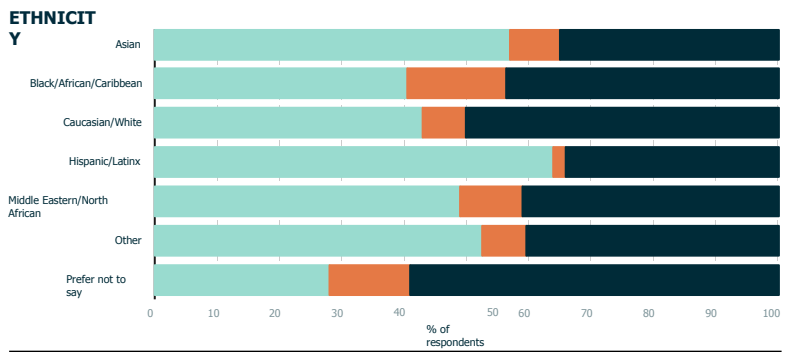
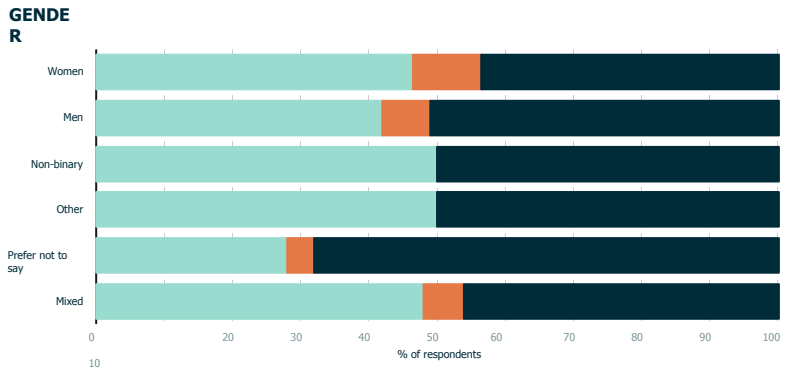
We asked respondents to share whether they felt more comfortable in bringing their whole selves to work. A material share of respondents stated that they had increased comfort levels in this regard, but there are also meaningful numbers of respondents who said they had felt no change or even felt a decreased comfort level. For example, 10% of women and 16% of Black/African/Caribbean respondents said they felt less comfortable over the last 12 months.

Thinking only about the last 12 months, have you experienced any change regarding your comfort level in bringing your whole self to work in your tech company?

LEGEND

- Increase
- Decrease
- No change

NOTE:
Numbers may not add to 100 due to rounding.



Source: The State of European Tech Survey



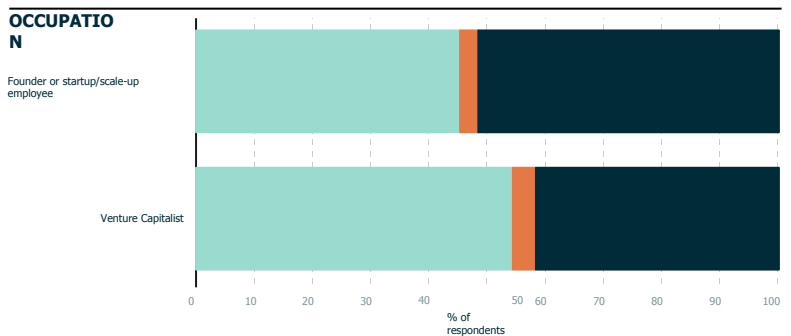
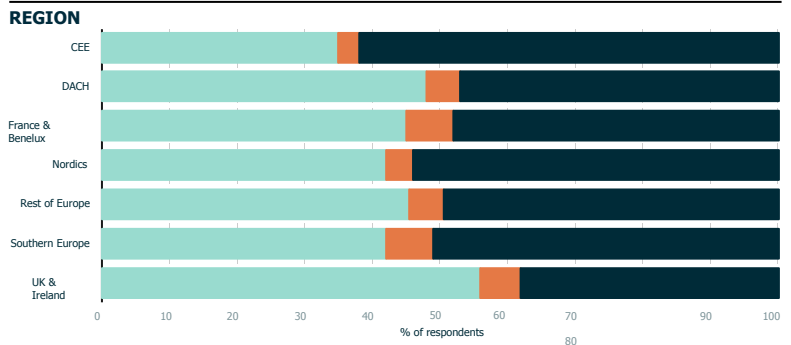
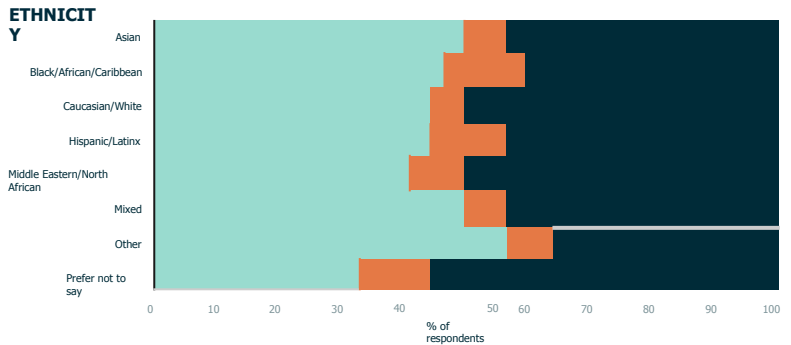
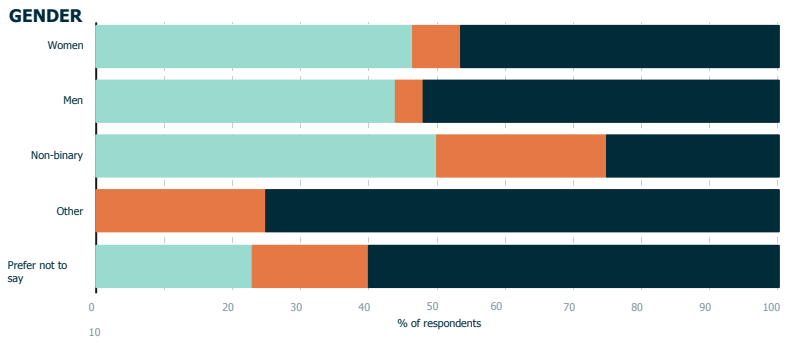
I think we're rightly seeing more thought and attention being given to diversity and inclusion. At Monzo we've taken a really important step and hired our first head of diversity and inclusion, Sheree Atcheson. I feel we're making progress in this space but there's still a long way to go.



Tom Blomfield
Monzo CEO

The divided sentiment around progress on diversity and inclusion is also visible when asking respondents to share their sentiment on the priority level at their companies to recruit, retain and grow talent from diverse demographics, backgrounds or experiences. 45% of respondents who are founders or working at tech startups and scale-ups reported an increase in priority level and 55% of venture capitalist respondents. But, again, we found that more than four in ten respondents reported they felt there had been no change in priority level.

Thinking only about the last 12 months, have you experienced any change regarding the priority level of your company to recruit, retain and grow talent from diverse demographics, backgrounds or experiences?



NOTE: The State of European Tech Survey
Numbers may not add to 100 due to rounding.



In our experience hiring in Europe, we assumed there might have been a challenge in terms of gender diversity, but this actually became an advantage for us.

At Karma we're 60% female, which is unusual in a tech company. And those women are across all teams, including engineering and product. We feel extremely lucky to have attracted this talent.

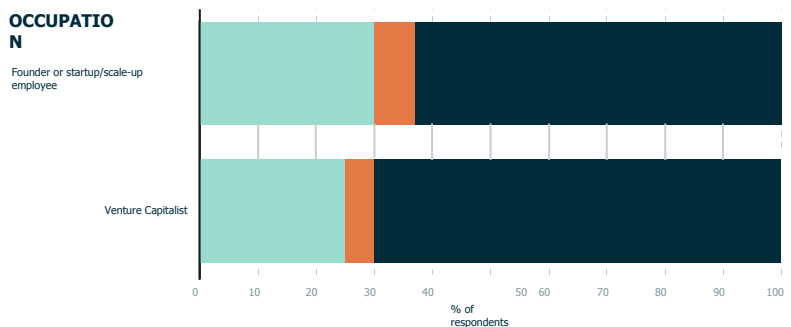
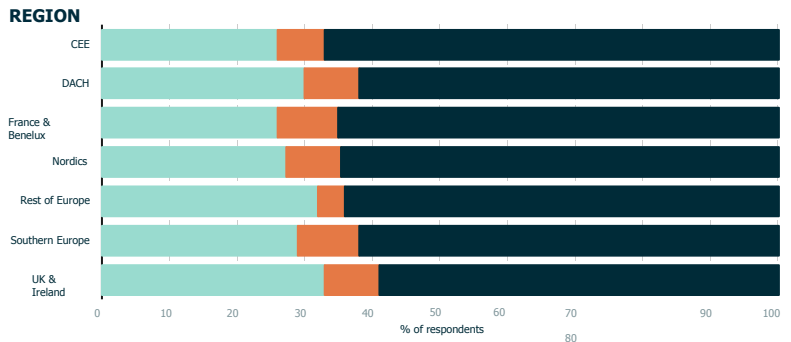
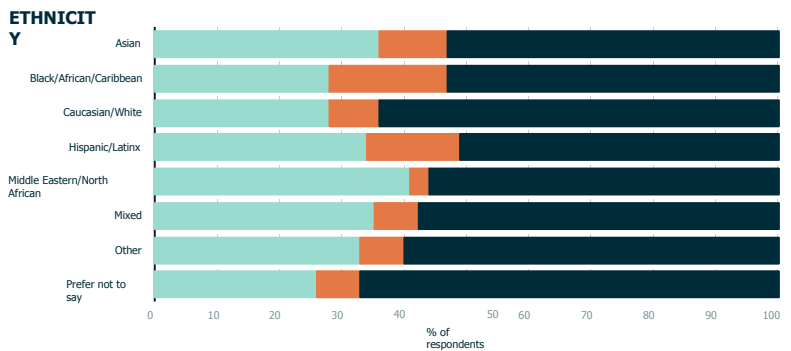
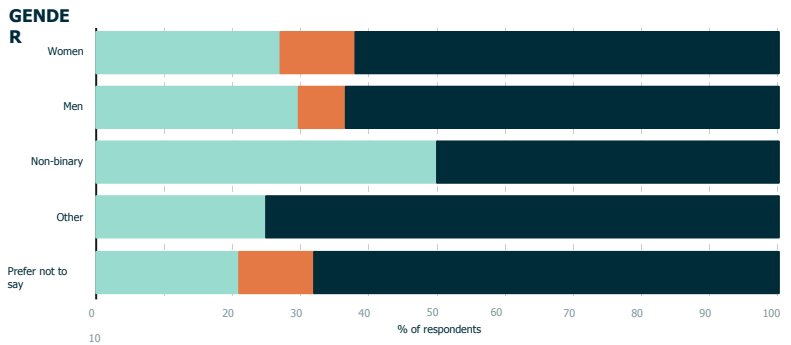


Elsa Bernadotte
Karma
Co-Founder & COO

Another thing we had on our side was the level of English spoken in Sweden; it was a clear advantage for us expanding internationally. At Karma we spoke English internally from the very beginning, even when all employees were Swedish. Now that we have offices in 3 countries and 70 employees from over 20 countries, it's a no-brainer to communicate in English.

Despite large numbers of respondents reporting increases in the quantity of diverse talent hired into their companies overall, far fewer respondents reported that the diversity of senior leadership in their company had increased over the last 12 months.

Thinking only about the last 12 months, have you experienced any change regarding the level of diversity of senior leadership in your company?



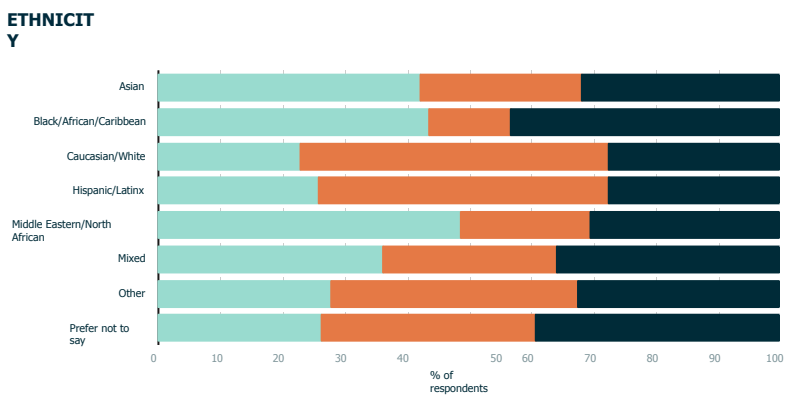
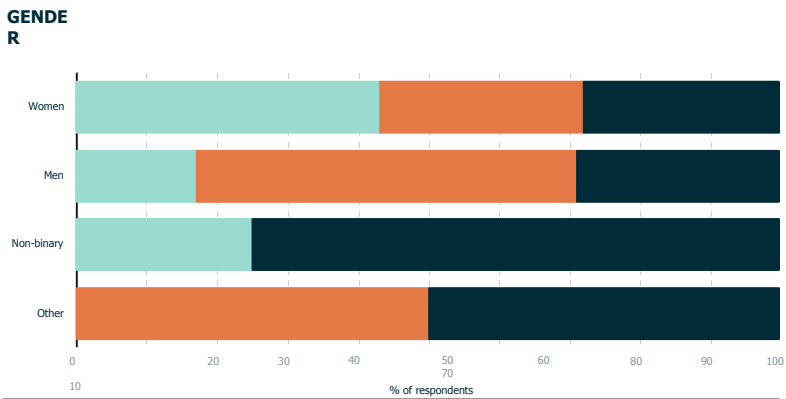
NOTE: The State of European Tech Survey
Numbers may not add to 100 due to rounding.

The net net is that there are still far too many people who believe they must overcome obstacles to be successful in the European tech industry. 43% of women respondents and more than 40% of respondents from minority ethnic groups shared that they believe it is more difficult to be successful in tech because of their background and/or identity.

Do you agree or disagree with the following statement: It is more difficult for me to be successful in tech because of my background and/or identity (socio-economic status, gender and/or age)

LEGEND
■ Agree
■ Disagree
■ Neither agree nor disagree

NOTE:
 Numbers may not add to 100 due to rounding.



Source: The State of European Tech Survey



I only heard the concept of 'part time' when I moved out of Romania!

The CEE has more gender diversity in its tech workforce than other regions in Europe. This is a 'side effect' of the old communist regimes where it was the basis of the society that both women and men worked equally. Women often pursued careers in STEM fields, which was encouraged due to the focus on industrialisation. I experienced this firsthand as I was growing up in Romania. It was natural for professional-age women to work - most of our mothers worked full time as engineers, entrepreneurs, doctors and lawyers, and took pride in their careers. I only heard the concept of 'part time' when I moved out of Romania! They encouraged their children, regardless of gender, to have educational and career ambitions, and they provided role models. This doesn't mean that there isn't work still to be done, including more representation in key political roles, reporting of diversity statistics and addressing pay gaps.



Irina Haivas
 Atomico Principal

05.3

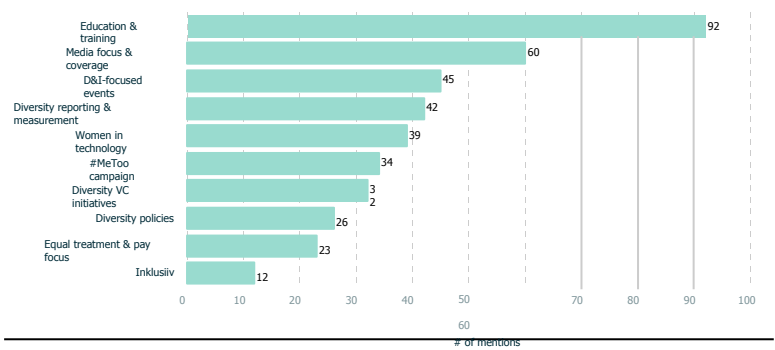
Community-Led Change

We asked respondents to share their views on initiatives they believe have had the biggest impact on promoting or enabling greater diversity in the European tech ecosystem. The most cited factors include better education on the topic, greater awareness via media coverage and the impact of events focussed on the topic of diversity and inclusion.

In your opinion, which initiatives, if any, have had the biggest impact in promoting or enabling greater diversity and inclusion in the European tech ecosystem?

NOTE:

Keyword analysis performed on open-ended answers, similar spellings and keywords aggregated.



Source: The State of European Tech Survey

Intuitively, it feels like diversity and inclusion have gained an increased level of prominence in the news narrative around the European tech industry. But our analysis of more than 450,000 tech-related articles published in the past year by over 1,000 European news sources shows that diversity and inclusion actually declined as a relative share of total news coverage, even though it increased in absolute terms versus 2018. By contrast, the relative share of news coverage focussed on topics such as fundraising or AI increased in 2019.

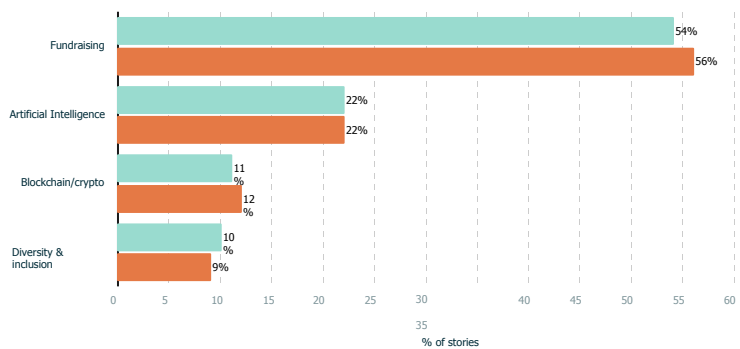
Share of total tech news narrative (%) by topic area and year

LEGEND

- 2018
- 2019

NOTE:

Based on ~5,460 stories across 1,094 European news sources from 1 October 2017 to 30 September 2018 (2018 data) and on 5,300 stories across 1,105 European news sources from 1 October 2018 to 30 September 2019 (2019 data).



Source: Quid



One of the most powerful reasons to be optimistic about the possibility of making and accelerating positive change towards a more diverse and inclusive European tech ecosystem is the large and growing number of initiatives working directly to achieve this goal. Last year, we included a list of 28 initiatives identified by Diversity VC in just the UK alone. This year, Sifted has been able to identify 100 different initiatives from all across Europe.

European diversity initiatives and organisations by region

UK & IRELAND

	Type of Initiative	Scope	Country	Description
Django girls	Non-profit	Global	UK	Volunteer-run organization hosting hundreds of events across Europe and beyond teaching women to build their first web application using HTML, CSS, Python and Django.
Xuntos	Community	Online	UK	A community for recent graduates and university students from underrepresented groups in tech.
Google for Startups	Community	Europe	UK	Since Google's London Campus reopened earlier this year, it has focused on supporting diversity. It regularly hosts #pocotech meetups, Black and Good (a community for black social innovators), Womxn, Series Q (a network for LGBTQ+ people at startups) and YSYS events.
Women Like Me	Meet-up	Local	UK	A collective for BAME women working and interested in STEAM due to the lack of representation, support and progression for underrepresented groups within tech. They host monthly events that create safe spaces to discuss gender and racial issues across London, using human-centred design methodologies.
Hustle Crew	Social enterprise	Global	UK	A for-profit social enterprise working to promote inclusivity in the tech sector through talks, training and mentorship.
TechHub Accelerate	Coworking	Europe	UK	A new grant scheme from London co-working space and community TechHub. It is offering free membership to 30 founders from underrepresented backgrounds to its business support programme and workspace, along with access to its network of mentors and investors.
Backstage Accelerator	Accelerator	USA and UK	UK	An accelerator programme for 'underestimated' founders, funded by US investor Arlan Hamilton's firm Backstage Capital. The first cohort took place in London earlier this year, with five companies graduating. Watch this space for future programmes.
ThisAbility	Consultancy	Local	UK	A consultancy, founded in 2016, which works to empower disabled creatives.
Diverse & Equal	Events	Local	UK	A two-day conference on diversity and inclusion, held in Manchester.
WTF Community	Events	Local	UK	WTF stands for Women's Tech Focus. A support network for women working in, or interested in, technology. They organise events/workshops in London (...and soon Amsterdam) and are looking to provide a safe place for sharing or getting advice.
UKBlackTech	Social enterprise	Local	UK	An independent organisation aiming to increase the number of people from black and ethnic minority backgrounds working in tech and founding tech businesses. It offers employer training, university programmes and mentorship. <small>Photo by: Justine Hellewell</small>
YSYS	Community	Local	UK	Short for 'Your Startup, Your Story', YSYS is a community for founders and others working in tech who are interested in promoting diversity in the ecosystem. It hosts an extremely collaborative Slack community, runs a pre-accelerator to help 18-24 year-olds launch businesses and TalentDoor, a series of career-focussed workshops for diverse talent.
Foundervine	Accelerator	Global	UK	Started in 2018, Foundervine 'helps diverse entrepreneurs build startups from scratch'. It runs a startup-building programme, educational masterclasses, festivals and training for corporates around the UK. It is also launching a nine-week scale-up programme for businesses run by black entrepreneurs, which starts in October.
OneTech	Community	Local	UK	Supports underrepresented founders in London with everything from startup weekends to mentoring and free workspace.
Witty Careers	Events	Local	UK	Hosts events at tech companies (such as Uber and Microsoft) for black and ethnic minority women, and also offers career support, through mentorship and resources.
Colorintech	Non-profit	Local	UK	A non-profit organisation founded in 2016 which aims to increase the number of ethnic minorities entering the UK's tech workforce. It runs four programmes, including a pre-accelerator, an internship scheme for university students and a coding event for school students.
10x10	Community	Local	UK	A WhatsApp community for black founders and investors which has been growing through word-of-mouth since 2015.

UK & IRELAND

BYP Network	Events	Local	UK	Dubbed as 'LinkedIn for black professionals', BYP holds conferences, hosts a jobs board and runs a networking app, all to help young black professionals meet and support one another. Its annual conference is taking place in London on 3 September.
Muslimicmakers	Meet-up	Local	UK	A meetup event for Muslims (and non-Muslims) to discuss, pitch and share ideas.
Don't Sleep on Us	Events	Local	UK	An event for people from BAME backgrounds working on side projects.
Afrotech Fest	Events	Local	UK	A tech festival by and for black people of African and Caribbean heritage'. Held annually in London.
Solidarity in Tech	Events	Local	UK	Aims to 'dispel certain myths about the tech/STEM industry' and make it as inclusive an industry as possible.
Coders of Colour	Events	Local	UK	Inspiring underrepresented teens of colour to pursue careers in tech, through events and workshops.

CEE & DACH

	Type of Initiative	Scope	Country	Description
European Women in VC	Community	Europe	Poland	A community of senior women investors from across Europe (managing partners, founders of VC funds and business angels). Their mission is to strengthen the presence of women in the VC industry in Europe.
Czechitas	Non-profit	National	Czech Republic	Non-profit aiming to increase diversity in the tech sector through education and workshop initiatives.
Capacity	Incubator	Local	Switzerland	A business incubator for people with a refugee or migrant background. It also runs workshops and training and mentoring schemes.
Hach'n'Lead	Events	Local	Switzerland	Switzerland's first women-friendly hackathon (69% of participants to the last event were new to hackathons.)
Girls Tech Switzerland	Non-profit	Local	Switzerland	A non-profit that aims to tackle gender inequality in tech by educating and empowering women who are passionate about technology. It offers events and workshops.
TechFace	Recruitment	National	Switzerland	A recruitment site with a diversity focus, connecting companies and candidates in tech. Their catchphrase is 'making tech more colourful' and they assess companies for culture and commitment to diversity before engaging.
We Shape Tech	Community	National	Switzerland	A network of more than 1600 women and men dedicated to greater diversity in tech and innovation. Currently has chapters in Zurich, Basel, Bern and Geneva and is expanding into other cities in Switzerland and beyond.
Female Founders Academy from Hatch Enterprise (Austria)	Accelerator	Local	Austria	A hub for female founders in Vienna, which runs regular events, an accelerator programme for startups from all over Europe and beyond, and a corporate leadership programme.

FRANCE & BENELUX

	Type of Initiative	Scope	Country	Description
The Next Women	Fund	Online	Netherlands	A global community of ambitious entrepreneurs, investors and executives that has created its own fund to help close the gap on female funding.
EWPN (European Women Payments Network)	Non-profit	Europe	Netherlands	A not-for-profit organisation dedicated to building a community for women in cards, fintech and payments in Europe, which organises local networking evenings, workshops, annual events, awards and research.
Fighters Programme	Coworking	Local	France	A free one-year programme for founders of early-stage startups, from underprivileged backgrounds. Run by startup mega campus Station F in Paris.
La French Tech Tremplin	Accelerator	Local	France	A two-part programme from government-backed organisation La French Tech to support aspiring entrepreneurs from underrepresented groups in 13 regions. The first phase — 'Prepa' — helps founders prototype and test their business idea, supported by a €17,000 grant. The second phase, 'Incubation', is for early-stage businesses, and includes membership of a partner accelerator, access to financial and business experts, and introductions to investors and stakeholders.
Diversidays	Accelerator	Local	France	An organisation promoting social, cultural and ethnic diversity in the digital sphere — through training and mentoring, running events and engaging with economic and political decision makers across France.
Startup Banlieue	Community	Local	France	An association formed in 2017 which hopes to inspire a generation of entrepreneurs in the suburbs. It runs mentoring programmes and events.
Afrobytes	Events	Local	France	An annual event, this year held at Station F in Paris, which brings together founders, investors, academics, industry and more to explore business opportunities in Africa's tech ecosystem.
Les Déterminés	Non-profit	Local	France	Founded in 2015, this non-profit organisation offers entrepreneurs in suburban and rural areas training and workshops.
Singa France	Community	National	France	An organisation which supports refugees by, amongst other things, helping them launch businesses. Active in eight cities across France.
Willa (formerly known as Paris Pionnières)	Incubator	Local	France	An incubator for female founders which runs several programmes across France, catering to different business stages and sectors. It also runs programmes for corporates and 'intrapreneurs' — those innovating within a business.
StartHer	Community	Local	France	Founded in 2010 by Roxanne Varza (now director of Paris mega campus Station F) and Mounia Rhka, StartHer aims to put a spotlight on women working in the tech sector, through events, content and networks.
Women in Fintech	Meet-up	Local	France	Regular meetups for women in fintech in Paris.
French Tess	Community	Local	France	Group supporting entrepreneurs from Paris' banlieue. It brings together entrepreneurs and investors, promotes role models, demystifies the world of technology and looks for new ways to make the ecosystem more inclusive.
Female Ventures	Community	Local	Netherlands	Currently active in Amsterdam, Rotterdam, Delft, Utrecht and Eindhoven, Female Ventures supports women in leadership roles with an online community, one-on-one mentorship and events. It also supports the Fundright initiative.
FEM-START	Accelerator	Local	Netherlands	An intentionally inclusive accelerator for women-led startups that focus on social impact or tech. Provides communication and confidence training as well as giving access to capital and important business tools.
Amsterdam Creative Entrepreneurs Collective	Events	Local	Netherlands	A collective of creative entrepreneurs in Amsterdam. Hosts dinners, events and learning experiences.
Girl Code	Meet-up	Local	Netherlands	A group looking to close the gender gap in code. They host meetups for coders and everyone interested in code (men are welcome too!).
SheSharp	Meet-up	Local	Netherlands	Organization that aims to empower women by bringing diversity to the technology scene. They host monthly events that bridge the gap between STEM and Entrepreneurship.
Techionista	Events	Local	Netherlands	Swedish group supporting women in tech via events and the 'Techionista Academy', which provides one-day Masterclasses week-long Bootcamps or up to 3 months training.

FRANCE & BENELUX

Technionista	Events	Local	Netherlands	Swedish group supporting women in tech via events and the 'Techionista Academy', which provides one-day Masterclasses week-long Bootcamps or up to 3 months training.
Code to Change	Meet-up	Local	Netherlands	They're looking to provide women with the skills to succeed in the job market. They host a mentorship programme and lots of events in Amsterdam.
#Fundright	Advocacy	Local	Netherlands	An initiative backed by 25 Dutch VCs to improve both the gender balance within their own workforce and of the companies they invest in. (In 2017, less than 2% of venture capital in the Netherlands went to female founders.)

NORDIC S

	Type of Initiative	Scope	Country	Description
Rails Girls	Non-profit	Global	Finland	Helps girls and women learn sketching, prototyping and basic programming and get introduced to the world of technology. Rails Girls was born in Finland, but is nowadays a global, non-profit volunteer community.
SHE Community	Community	Local	Norway	Initiative pushing for gender equality in the workplace.
TENK Norge	Events	Local	Norway	Thin k' runs workshops and events to encourage women and girls to consider careers in tech.
Pangea	Accelerator	Local	Norway	Pangea is an accelerator program and an investment platform that matches African startups with investors.
Charge	Incubator	Local	Norway	Charge is a 12-month startup incubator for first generation immigrants.
A Woman's Place	Advocacy	Local	Sweden	An initiative by the City of Stockholm to support equal opportunities for women and men. Over 100 tech companies have joined and declared themselves 'A Woman's Place', including local unicorns Spotify, Klarna, iZettle and King. Its website has resources for all companies looking to improve their gender equality.
Femtech Bootcamp	Accelerator	Local	Sweden	A free, intensive one-week accelerator programme for female founders, set up in 2018 by numerous government organisations.
Di Digital Female Founders	Events	USA/Sweden	Sweden	An event series for female founders to pitch their ideas and, for a successful few, take part in a trip to New York.
Inklusiv	Advocacy	National	Finland	A movement challenging Finnish fast-growing tech companies to report their diversity data. Their website brings together studies and best practices for improving diversity in business.
The Shortcut	Accelerator	Local	Finland	A talent accelerator in Helsinki designed to support a diverse group of people into the startup community. It works at the grassroots level to build a community of startup doers and now has over 90 nationalities and more men than women.
Women in Tech DK	Community	National	Denmark	Open community running events, online forums, a slack group and a mentorship programme to build relationships between female founders.

SOUTHERN EUROPE

	Type of Initiative	Scope	Country	Description
MujeresTech	Community	Online	Spain	This is an initiative devoted to empowering women as leaders and potential founders. It trains kids, teenagers and adults.
AllWomen.tech	Coding school	Local	Spain	This Barcelona-based initiative is an AI training campus dedicated to women in tech. It offers Data Science, UX – UI Design, and Product Management courses for women, by women.
Eje&Con	Community	National	Spain	A Spanish Association of Women Executives, CEOs, and Managing Directors, whose goal is to increase the number of women in Senior Management positions as well as in corporates' Boards of Directors.
Autoempleo Incorpora	Community	Local	Spain	A programme by Obra Social La Caixa that provides free advice to low-income and low-resource entrepreneurs (for example, people with disabilities, long-term unemployed, youth at risk of exclusion, gender violence victims, immigrants, and former prisoners), and accompanies them through the founding process. They analyse the viability of the project and help find funds.
She Tech Italy	Community	Local	Italy	SheTech Italy is a community founded with the aim of supporting women in technology, digital and entrepreneurship, through networking events, workshops and professional opportunities.
#BcnTech4Women	Non-profit	Local	Spain	#BcnTech4Women is a working group to promote the voices of women in the Barcelona tech community, under the umbrella of Barcelona Tech City, a non-profit organisation of more than 800 companies.
Portuguese Women in Tech	Community	National	Portugal	Portuguese Women in Tech is a community and web resource that draws attention to female talent in tech. The group organizes events and has published a booklet to distribute around schools in Portugal.

NORTH AMERICA

	Type of Initiative	Scope	Country	Description
AnitaB.org	Community	Global	USA	A global organisation that is known for the Grace Hopper Celebration (GHC), a massive gathering of women technologists. There are a series of AnitaB.org local communities in various cities.
WOW Dinner	Non-profit	Global	Canada	A networking dinner series, promoting diversity and inclusion in tech. It's active in several countries around the world, including Spain, France, the UK, Portugal and Germany.

GLOBAL

	Type of Initiative	Scope	Country	Description
TedXWomen	Events	Global	NA	Events hosting speeches coming from top innovators and leaders. Has offshoots all over Europe (e.g. TEDxAmsterdamWomen and TEDxLondonWomen).
Ladies that UX	Community	Global	NA	A friendly, welcoming and collaborative community of women in UX, with a growing number of local groups based in cities worldwide (including 12 across Europe).
Pyladies	Network	Global	NA	An international mentorship group with a focus on helping more women become active participants and leaders in the Python open-source community. They have a series of Meetups and/or a Facebook group for most countries in Europe (as well as elsewhere across the world).
Inspiring Fifty	Non-profit	Global	NA	A non-profit that aims to increase diversity in tech by making female role models in tech more visible.
FutureWomenX	Community	Global	NA	Community of leaders from around the world dedicated to supporting one another via executive coaching, global expeditions, impact accelerators and Personal Boards (groups of women from across sectors who get together to serve as each other's ongoing 'Personal Board of Directors').
Chicas poderosas	Community	Global	NA	A community that is active around the world but also has a home in Spain. It is all about empowering women and promoting female founders in media.

ONLINE

	Type of Initiative	Scope	Country	Description
50inTech	Community	Online	NA	A new platform which aims to support women in tech — through educational podcasts, networking and working with industry stakeholders — and reach an equal gender balance in tech by 2050.
Women in AI	Community	Online	NA	A community-driven initiative bringing empowerment, knowledge and active collaboration via education, research, events (across Europe and beyond) and blogging. Their mission is to increase female representation and participation in AI.
Femstreet	Community	Online	NA	Femstreet began as a newsletter for female founders and investors, and has grown into a global community, with events in the US and Europe, and an invite-only Slack community for active newsletter readers.
Women in Tech	Non-profit	Online	NA	Non-profit dedicated to educating, equipping and empowering women and girls with the necessary skills to succeed in STEM career fields. Their work includes education in schools as well as mentoring, incubation and acceleration camps, networking events and research. Events are located across Europe.
Lesbians Who Tech	Community	Online	NA	This group is a big community (50,000+ including allies) based in the US that is expanding to Europe. They host lots of summits and events and have a coding scholarship programme.
Global D&I Knowledge Community	Community	Online	NA	A safe environment with driven D&I champions facilitating knowledge sharing. Consists of a mix of founder of tech startups solving D&I challenges, corporates, NGOs and educational institutions, as well as individuals such as D&I experts and up-and-coming D&I professionals.
Diverse in	Community	Online	NA	A diversity and inclusion platform founded by Furkan Karayel that provides diversity news, consultancy services and events. It helps develop sustainable strategies for companies to make equal and happier workplaces with its 20+ ambassadors from all over the world.
300Seconds	Events	Online	NA	Helps women in tech gain public speaking experience and skills, to counter the underrepresentation of women onstage at conferences.

Source: 



In some areas, European tech has certainly become more diverse in the last year. Initiatives like OneTech, funds like Backstage Capital and communities like Foundervine, Blooming Founders and Femstreet have grown in scale and influence in the main hubs, and there is a growing understanding of the importance of inclusion and not just diversity, which is very welcome.



Check Warner
Diversity VC
Co-Founder

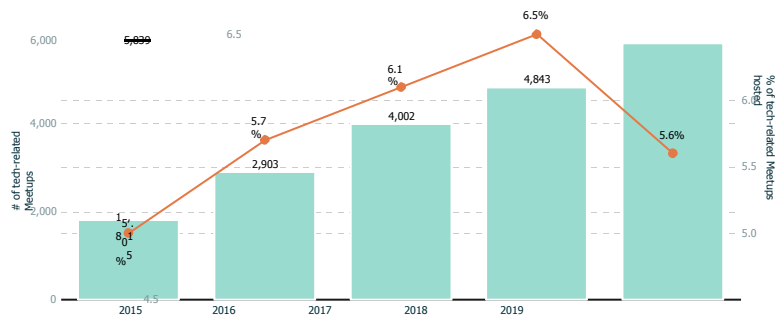
As the industry has focused more of its attention on the topic of diversity, there has been a large rise in the number of events focused on D&I across the region in recent years.

Share and number of tech-related Meetup events focused on D&I by year

LEGEND

- # of events hosted
- % of all events hosted

NOTE:
2019 annualised based on data to September 2019.



Source: *Meetup*



Still we have to be honest that both our industry and ourselves need to do more to really change the picture.

We still see about 80% of the founder teams being predominantly male. But we strongly believe that one of Europe's biggest assets in global competition is its diversity. Europe sees a large number of initiatives to encourage and include specifically female founders and entrepreneurs, and it seems that these dynamics are accelerating in a very positive way, also triggered by an increasing number of top-level female investors. Speedinvest is actively supporting local initiatives to drive gender equality and age equality such as 'Female Founders' and 'WisR'. Still we have to be honest that both our industry and ourselves need to do more to really change the picture.



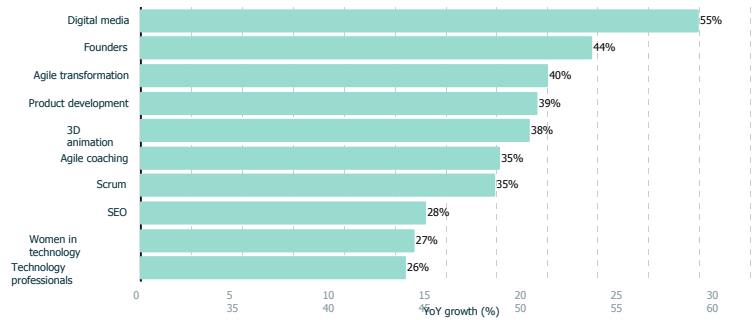
Daniel Keiper-Knorr
Speedinvest
Founder & Partner

According to Meetup, 'Women in Technology' is one of Top 10 fastest-growing topics for all tech-related Meetup events in Europe in 2019.

The 10 fastest growing topics for tech-related Meetup events in Europe in 2019

NOTE:

2019 annualised based on data to September 2019. Only events with at least 250 events in 2018 included.



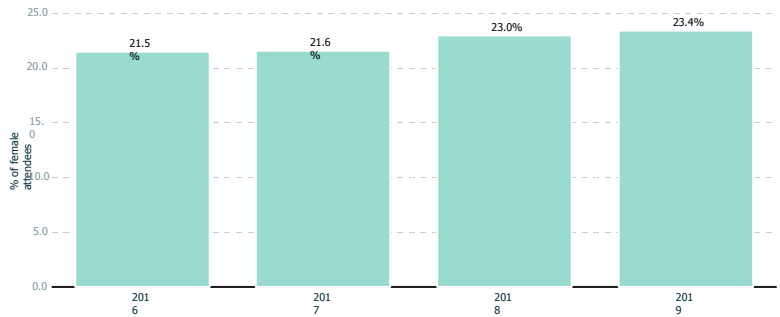
Source: *Meetup*

Despite the rise of events focussed on bringing together and supporting underrepresented groups within European tech, at a macro level there has not been any material improvement in female attendees in tech-related Meetup events in Europe in recent years. Women accounted for only 23.4% of participants in 2019, a number that has only crept upwards from 23.0% in 2018.

Share of female attendees in tech-related Meetup events in Europe

NOTE:

% of the reported gender of attendees.

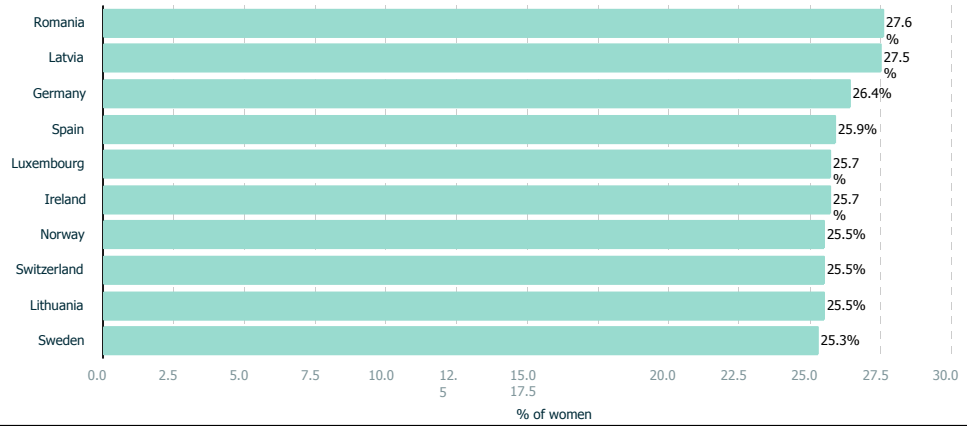


Source: *Meetup*

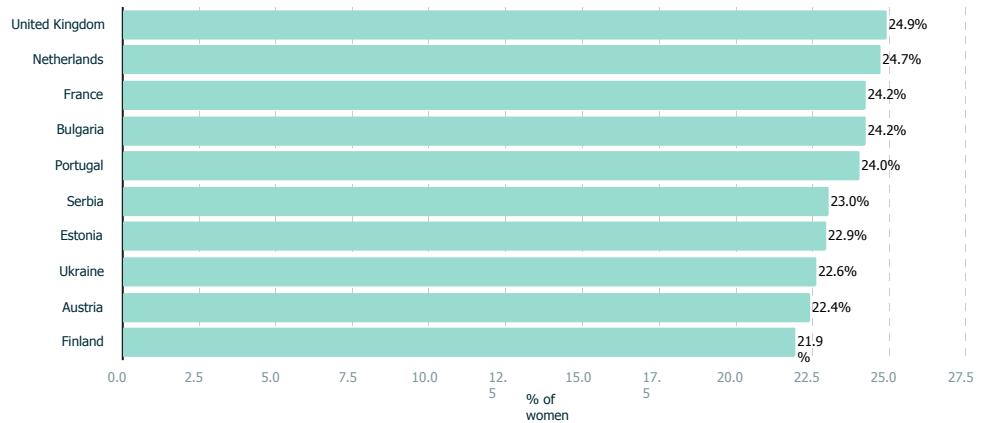
Eastern European countries are the main constituents of the top 10 list of countries for female participation at tech-related Meetup events. Though there are differences across countries, the participation of women in tech community events throughout Europe remains low; Hungary, the number one country by share of participants in events that are women, tops the list with just 28%. Denmark, at the other end of the list, has one of the lowest female participation rates at just 18%.

Share of woman attendees in tech-related Meetup events by country

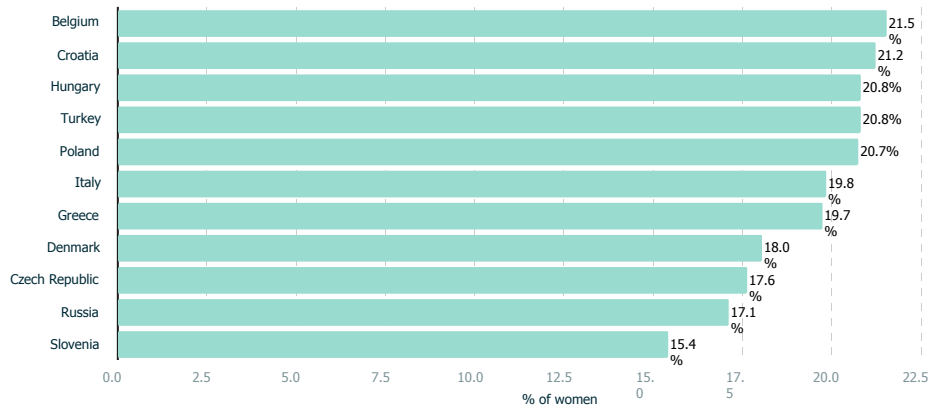
TOP TEN COUNTRIES



COUNTRIES 11-20



THE REST



NOTE:
Source: *Meetup*
% of the reported gender of attendees. Only countries with at least 100 female attendees included.

0

People



What kinds of people work in European tech jobs?

The archetype of a European founder is still overwhelmingly a man with financial stability. Founders are feeling the heat from increased competition for talent. The debate is now turning to how to keep that talent engaged through incentives and stock options, and healthy through discussions of mental health and wellness.

06.1

Portrait of a European Tech Founder

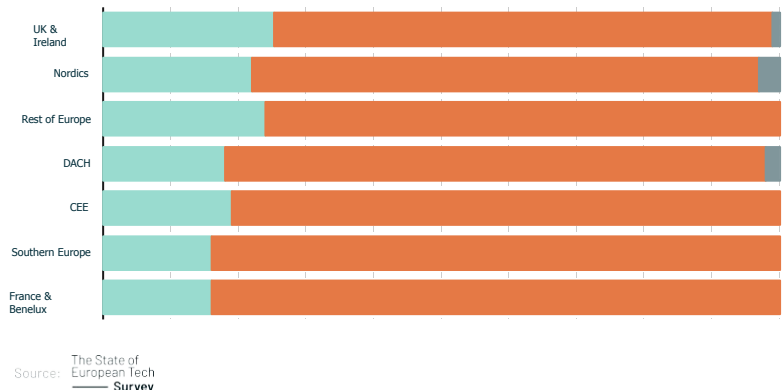
Our survey of more than 1,200 founders from across Europe found that 21% of founder respondents self-identify as female. The gender diversity of founders varies across the region. According to the survey responses, the UK and Ireland have the highest gender diversity, while France, the Benelux and Southern Europe have the lowest levels.

Which gender do you identify with?

LEGEND

- Women
- Men
- Non-Binary
- Other
- Prefer not to say

NOTE:
Founders only. Numbers may not add to 100 due to rounding.



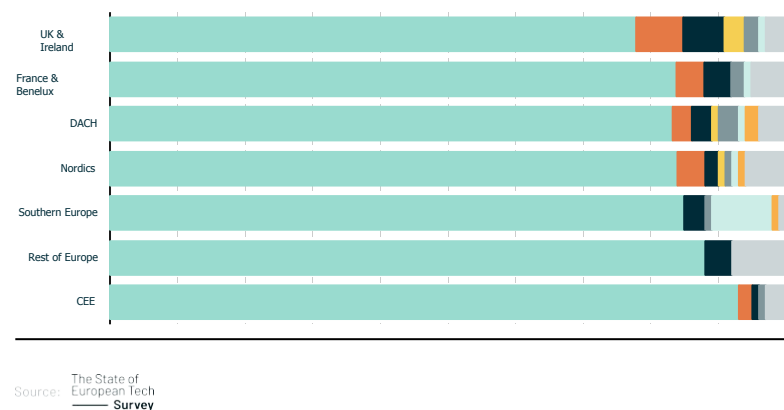
The overwhelming majority of founders who responded to the survey self-identify as White/Caucasian, making up 84% of responses received. The ethnic diversity of founder respondents was highest in the UK, where 20% of founder respondents self-identified with a minority ethnic group.

Which best describes your ethnicity?

LEGEND

- Caucasian/White
- Asian
- Mixed
- Black/African/Caribbean
- Middle Eastern/North African
- Hispanic/Latinx
- Other
- Prefer not to say

NOTE:
Founders only. Numbers may not add to 100 due to rounding.



Around one-quarter of all European founder respondents to the survey are immigrants; in other words, they have chosen to build their company in a country not the same as their country of origin. There is a huge variance among the different parts of Europe. In the UK, approaching 50% of all founders are immigrants. In Central and Eastern Europe, it is only just over 10% of founders.

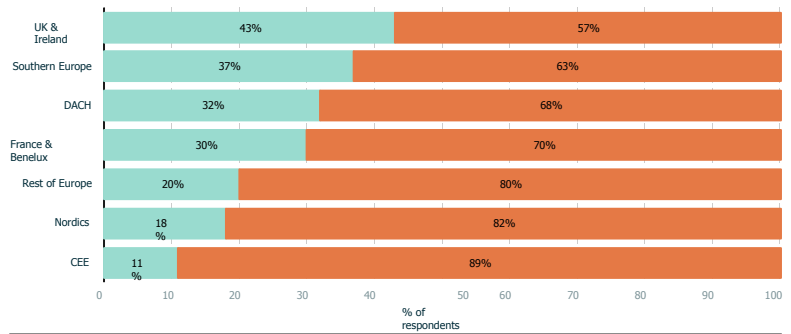
Are you based in your country of origin?

LEGEND

- Founder not based in country of origin
- Founder based in country of origin

NOTE:

Founders only. Numbers may not add to 100 due to rounding.
Source: European Tech Survey



The founder respondents to our survey showed a high level of educational attainment. Three-quarters of founders have a bachelor's or master's degree, while another 7% have a doctorate. This compares to just 35% of EU-28 population aged 25-54 who have attained tertiary or higher education according to Eurostat.

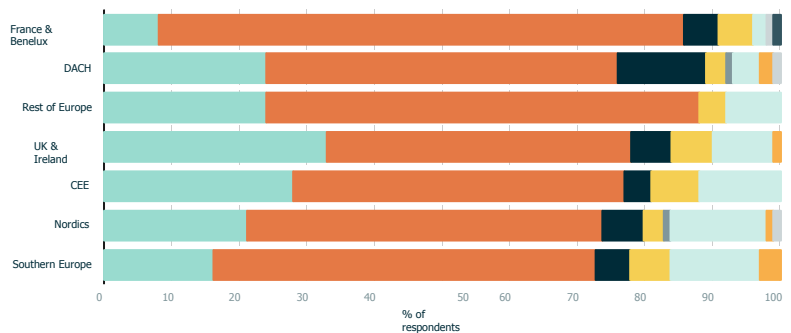
What best describes your highest formal educational attainment?

LEGEND

- Bachelor's degree
- Master's degree
- Doctoral degree
- Professional degree
- Trade school
- Some college/university study without earning a degree
- Secondary school
- Primary/elementary school
- No formal education completed

NOTE:

Founders only. Numbers may not add to 100 due to rounding.
Source: The State of European Tech Survey

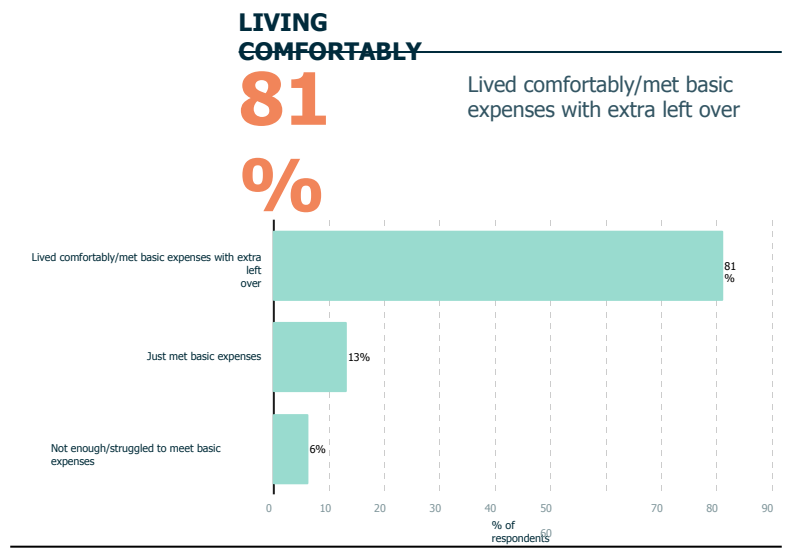


81% of entrepreneurs were living comfortably before they founded their company, compared with 39% of Europeans who say they were living fairly easily, easily or very easily according to Eurostat.

How would you describe your financial situation right before starting your company?

NOTE:

Founders only. Numbers may not add to 100 due to rounding.
Source: The State of European Tech Survey





The assumption that all founders have access to 'friends and family rounds' still bewilders me.

The assumption that all founders have access to friends and family rounds' still bewilders me. We need to develop an environment that this is not accessible to all, additional and thus develop inclusive pathways that give the opportunity.

These pathways look like community groups, diverse angels and early-stage pre-seed funds. Initiatives such as Natwest Back Her Business are making those first steps, the program match funds female founder crowdfunding campaigns.

On YYSYS pre-accelerator FoundersDoor, our alumni Emilia Servane Founder of The Good Hair Co, took part and was able to crowdfund which Natwest matched an additional £1,500 - this capital will now be used to validate her ideas and move forward.

We need more impactful interventions like this to truly have a diverse and inclusive European startup ecosystem.

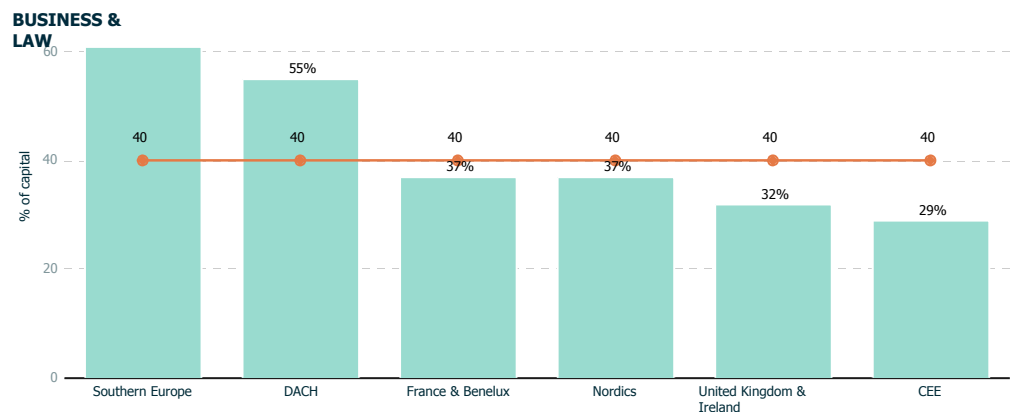
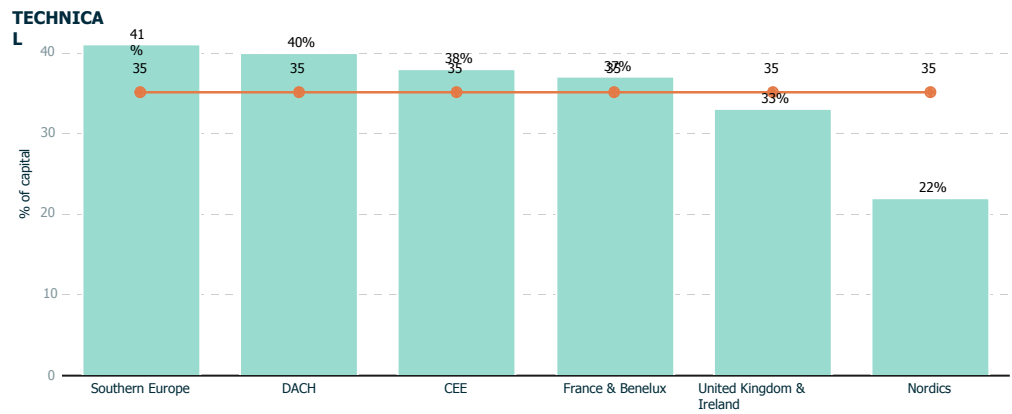
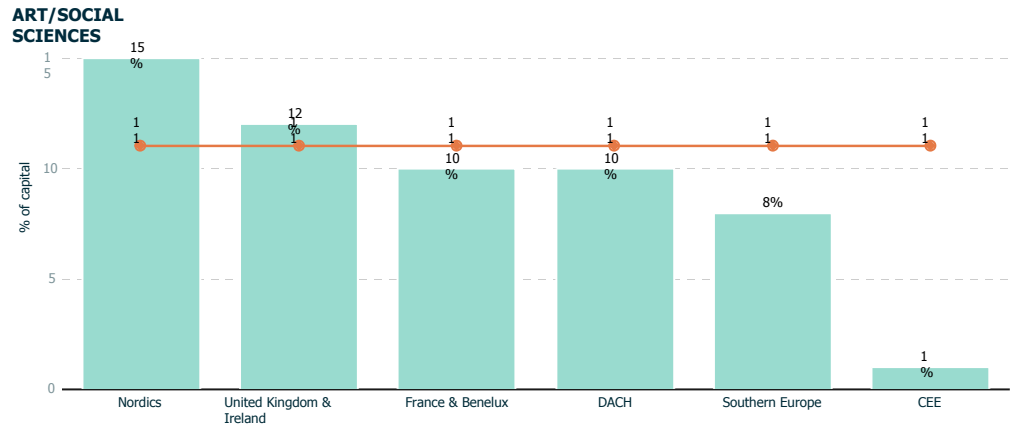


Deborah Okenla
YYSYS
Founder & CEO

Looking only at those founders who have attained a university degree, there are interesting differences in the diversity of subjects studied by founders from different regions. Founders in the Nordics, UK & Ireland have more diverse backgrounds than in other regions. CEE, DACH and Southern Europe stand out with the largest share of founders with a technical degree.

Share of capital invested (%) by education background and by region, 2015-2019

LEGEND
 % of capital raised
 European average capital raised (%)

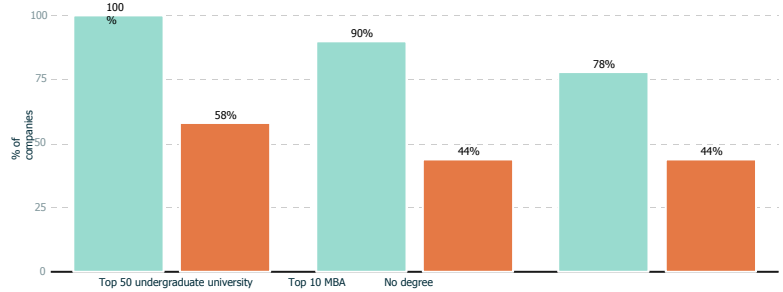
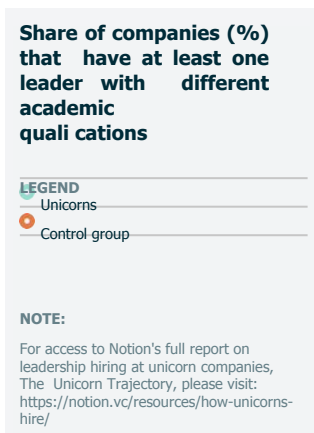


NOTE:
 Numbers don't add up to 100 because 'deals' can have more than one founder involved. 2019 based on data up to September 2019.

The Unicorn Trajectory

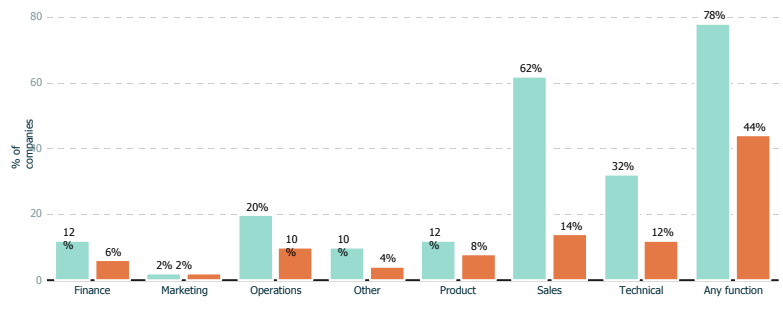
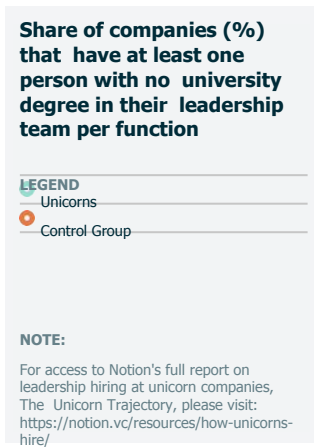
In November 2019, Notion, a European VC investing in early-stage SaaS and enterprise tech startups, published a comparison of people hired into leadership teams of B2B software \$1B+ companies (unicorns) and B2B software companies that raised the same amount of VC money at the same time as unicorns, but did not enjoy the same levels of success. The research paints a useful picture of the diversity of leadership teams (Founders, C-level, EVP, SVP, VP) of these companies.

A high proportion of companies that have scaled to \$1 billion or more have at least one leader with a top university degree, but also a high proportion of these same companies have leaders that didn't attend university at all.



Source: *NOTION*

The prevalence of leaders in \$1B+ companies with no university degree is highest in sales, technical and operational functions and lowest in finance and marketing.



Source: *NOTION*

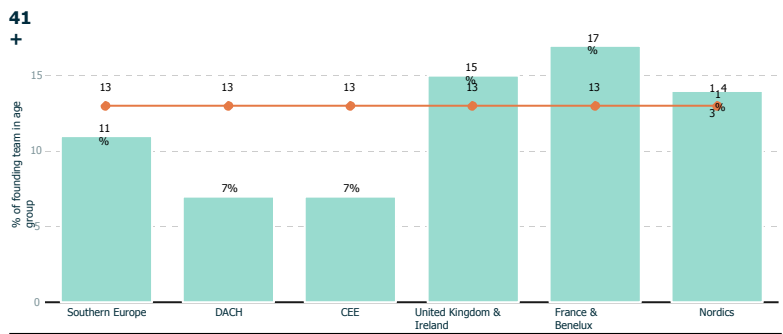
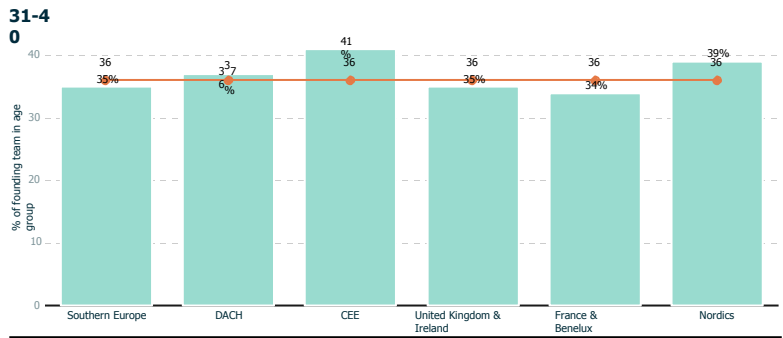
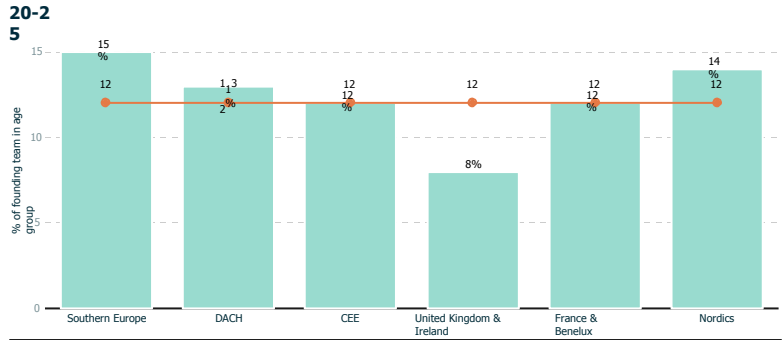
Across Europe, 40% of seed stage startups have a founding team aged between 26-30 years old. Southern Europe, DACH and the CEE regions have the largest share of young founders. Only 7% of founding teams in the CEE are over 40 years old - while in France, this number is close to 20%.

EUROPEAN FOUNDING TEAMS

50%

of seed stage European founding teams are on average less than 30 years old.

Share of founding team (%) in age groups by region



NOTE:
Seed stage startups founding team average age post 2015. All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants.

Source: dealroom.co

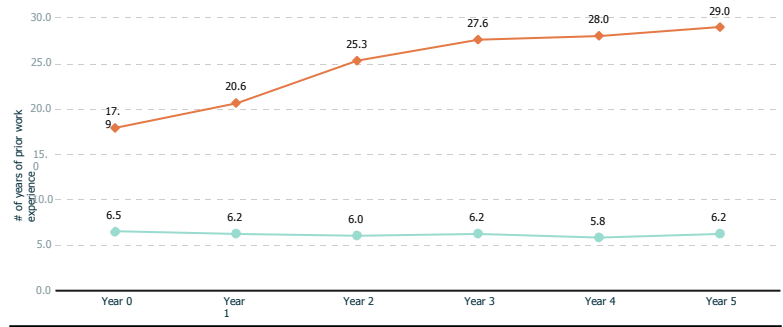
The importance of age diversity is supported by Notion's research. Teams of companies that scale to a valuation of \$1 billion or more are significantly more diverse in leadership experience than those in the control group. Their most experienced leaders have more experience, and their least experienced leaders less, than those in the control group.

Years of experience of least and most experienced leaders in unicorn companies versus the control group average per year since founding

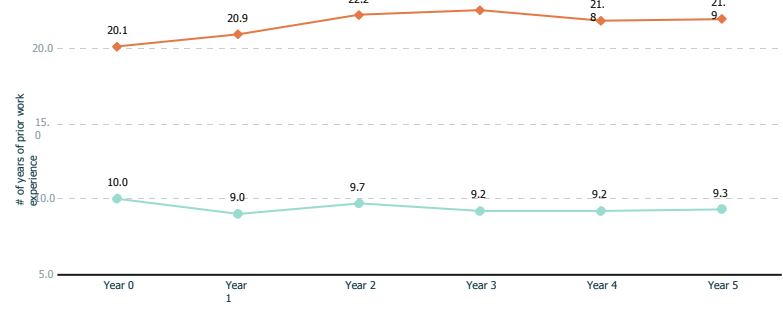
- LEGEND**
- Least experienced leaders
 - Most experienced leaders

NOTE:
For access to Notion's full report on leadership hiring at unicorn companies, The Unicorn Trajectory, please visit: <https://notion.vc/resources/how-unicorns-hire/>

UNICORN S



CONTROL GROUP



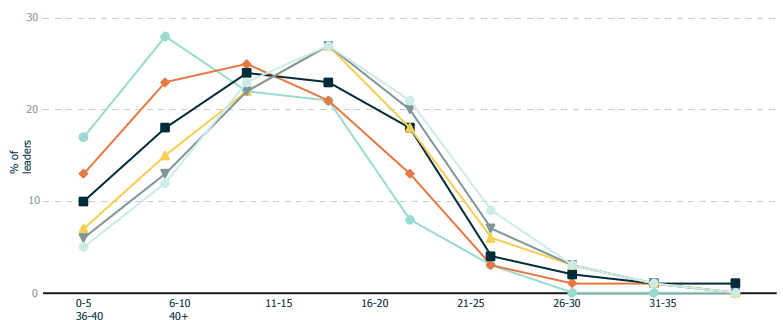
Source: *NOTION*

The wide range of experience in the average \$1B+ company, and how this evolves through the journey of the company, can be seen in the distribution of leaders by years of experience.

Distribution of previous years of experience of each leader in an average unicorn per year since founding

- LEGEND**
- Year 0
 - Year 1
 - Year 2
 - Year 3
 - Year 4
 - Year 5

NOTE:
For access to Notion's full report on leadership hiring at unicorn companies, The Unicorn Trajectory, please visit: <https://notion.vc/resources/how-unicorns-hire/>



Source: *NOTION*

The companies seeding the largest number of European tech founders are mostly from the US. Ten of the Top 15 companies by number of founder alumni are American, with Microsoft in first place followed by Google and BCG. Nokia is the highest-ranked European company. Rocket Internet is the only homegrown, Internet-era company that makes the Top 15.

Top 15 companies by number of founder alumni

	Company	HQ Country	Founding Decade
1	Microsoft	United States	1970s
2	Google	United States	1990s
3	The Boston Consulting Group	United States	Pre-Internet
4	IBM	United States	Pre-Internet
5	McKinsey	United States	Pre-Internet
6	Nokia Corporation	Finland	Pre-Internet
7	Accenture	United Kingdom	Pre-Internet
8	Yahoo!	United States	1990s
9	Siemens	Germany	Pre-Internet
10	Rocket Internet	Germany	2000s
11	eBay	United States	1990s
12	EY Ernst & Young	United Kingdom	Pre-Internet
13	Goldman Sachs	United States	Pre-Internet
14	PwC	United States	Pre-Internet
15	JP Morgan	United States	Pre-Internet

Source:  dealroom.cc

Photo by: Jussi Hellsten



06.2

How Founders Get Started

Starting out...

We wanted to explore the initial phase of the founding journey. How do founders finance their companies? Who do they raise those initial funds from? How much do they raise? How do they decide where to build their companies? What personal and business considerations influence their decisions?

Nearly 50% of first-time founders set up and start their companies with less than \$25,000. Repeat founders who have successfully scaled companies in the past are far more likely to raise significantly more to start their next companies. 32% of repeat founders with significant experience raised more than \$500,000 to set up and start their most recent companies, unders.

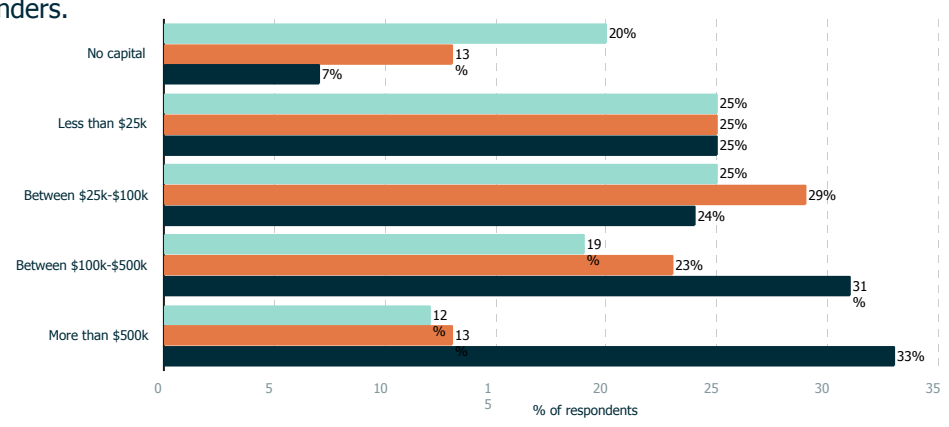
How much capital did you 'raise' or collect in order to set-up and start this company?

LEGEND

- First-time founder
- Repeat founder with limited experience in scaling company
- Repeat founder with significant experience in scaling company

NOTE:

Founders only. Numbers may not add to 100 due to rounding.



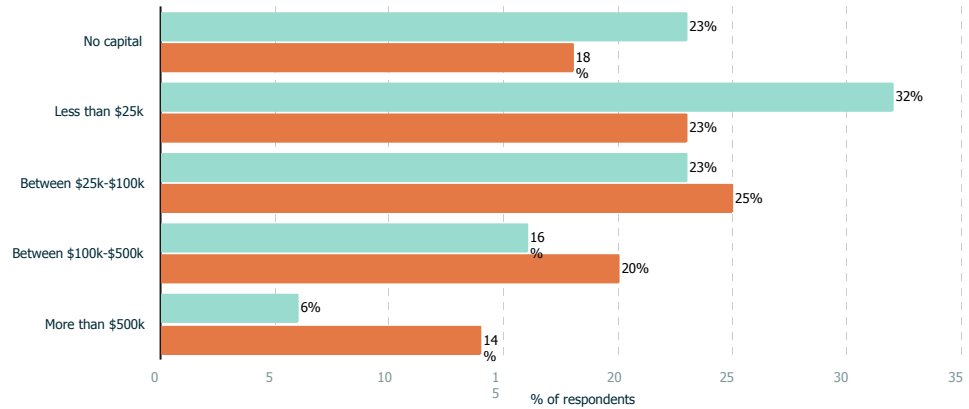
Source: The State of European Tech Survey

Looking at the differences between men and women founders and their entrepreneurial experience, we found that women first-time founders were significantly more likely to have set up and started their most recent company with no capital or with less than \$25,000. This gap disappears, though, when looking at the differences between experienced men and women repeat founders.

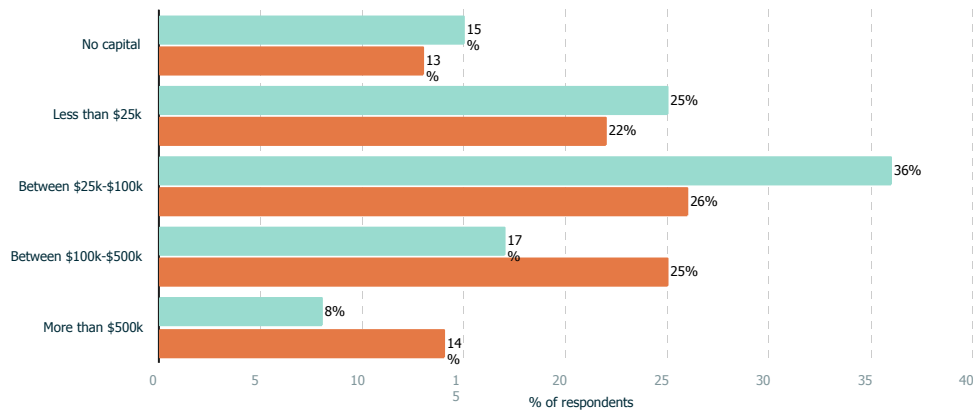
How much capital did you 'raise' or collect in order to set-up and start this company?

LEGEND
 Women
 Men

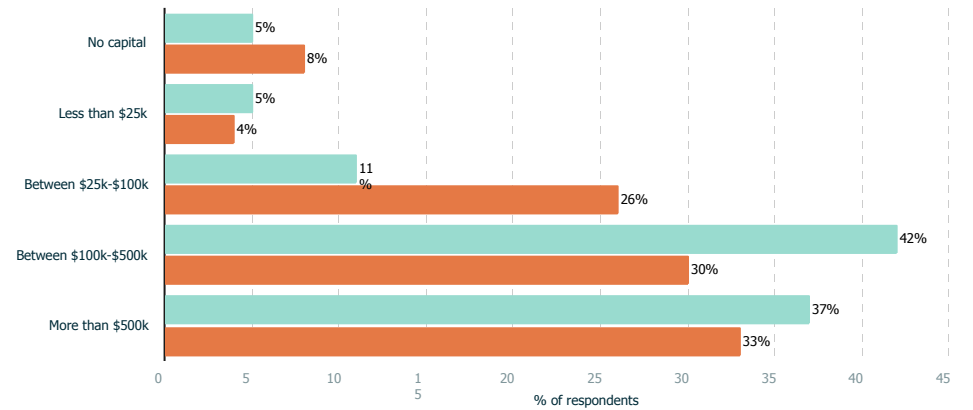
FIRST-TIME FOUNDER



REPEAT FOUNDER WITH LIMITED EXPERIENCE IN SCALING



REPEAT FOUNDER WITH SIGNIFICANT EXPERIENCE IN SCALING



Source: The State of European Tech Survey

NOTE:
 Founders only. Numbers may not add to 100 due to rounding.

We also observed material differences in the responses from founders who self-identified with different ethnic groups. 60% of founders who self-identified as Black/ African/Caribbean started their most recent company with no capital or with less than \$25,000.

STARTING WITH LESS THAN

\$25K

55%

of women first-time founders start their company with no initial capital

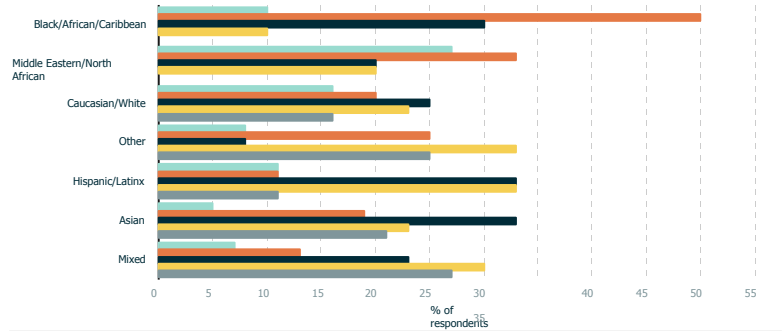
Source: The State of European Tech Survey

How much capital did you 'raise' or collect in order to set-up and start this company?

LEGEND

- No capital
- Less than \$25k
- \$25k-\$100k
- \$100k-\$500k
- More than \$500k

NOTE:
Founders only. Numbers may not add to 100 due to rounding.



Source: The State of European Tech Survey



The need for funds focused on diversity is as important as the need for insights and related to diverse founders - and there is zero data on black founders in the UK.

This is why I started interviewing black founders and creating a database with their permission. It is important to shine a light on the differences, especially as black founders have become synonymous with a seemingly perpetually fixed 0.2% funded statistic or the fact that 67% of those I surveyed mentioned that they were struggling to meet their needs before starting a company, compared to 19% of the respondents surveyed by Atomico. It's time that black founders have realistic insights and perspectives as to what it takes to be a black founder and know that there are others in their ecosystem like them. This will hopefully create a clearer path for future black founders and the investors who back them.



Andy Davis
Backstage Capital

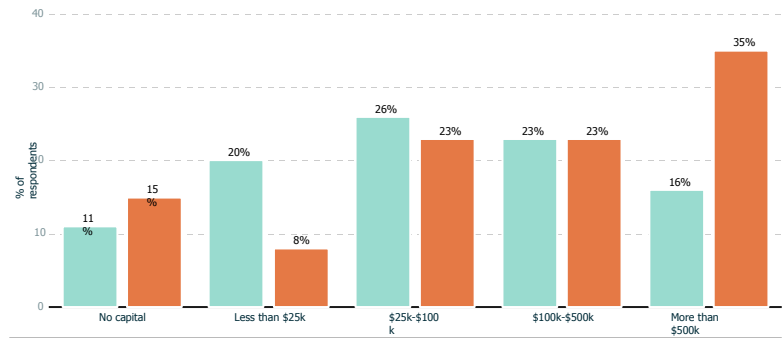
This survey doesn't allow us to explore the relationship between the initial financing and the eventual success of a company. What we can say, though, is that founders of companies that have scaled to more than 100 employees are more likely to have set up and started with a larger sum of initial financing compared with founders of companies where the employee count is still less than 100 employees.

How much capital did you 'raise' or collect in order to set up and start this company?

LEGEND

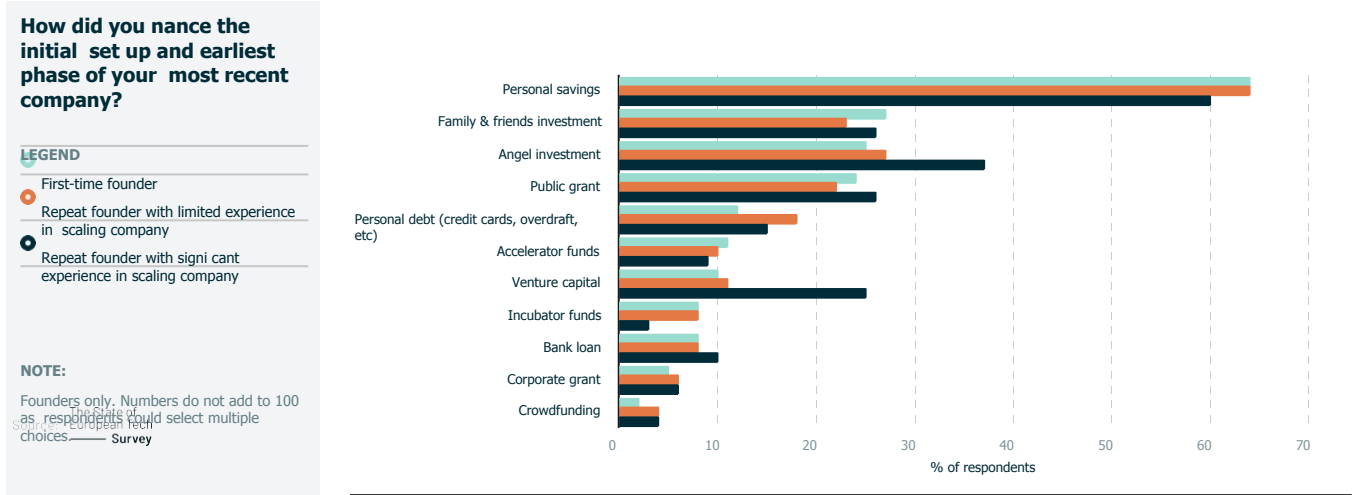
- <100 employees
- >100 employees

NOTE:
Founders only. Numbers may not add to 100 due to rounding.

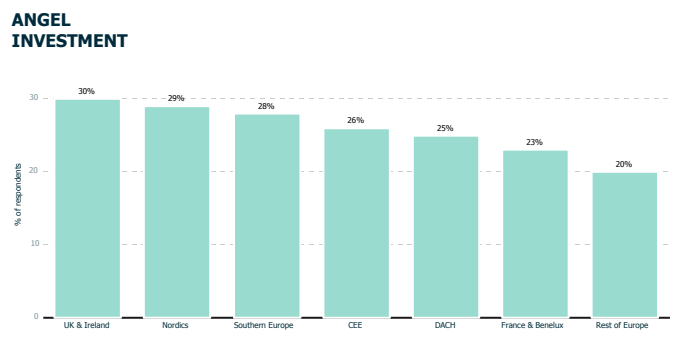
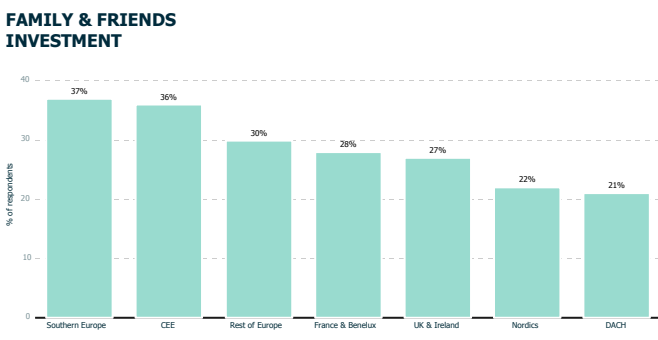
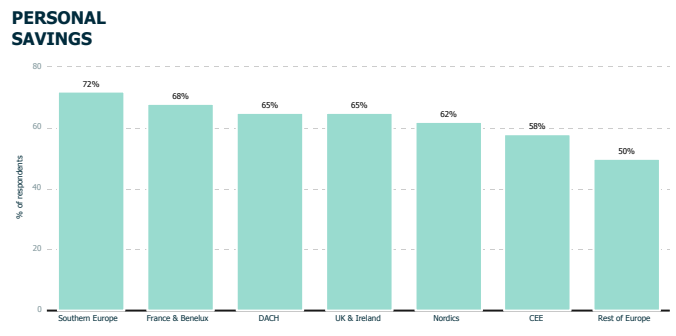
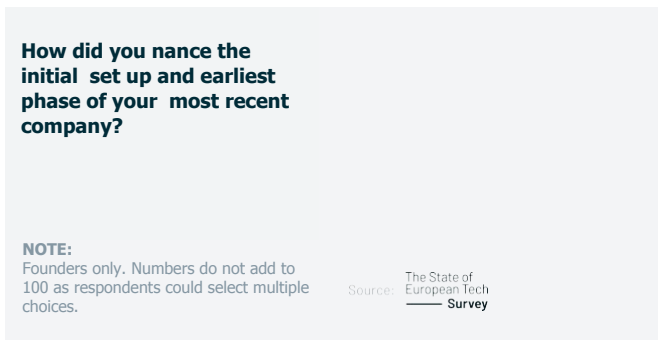


Source: The State of European Tech Survey

We also wanted to understand how founders finance the initial setup of their companies. The overwhelming majority of founders (around two-thirds) did so by tapping into their personal savings. The sources of initial funds vary significantly, however, depending on the level of experience of the founders. As one might expect, repeat founders with previous success are significantly more likely to have used angel investments and VC money for initial financing.

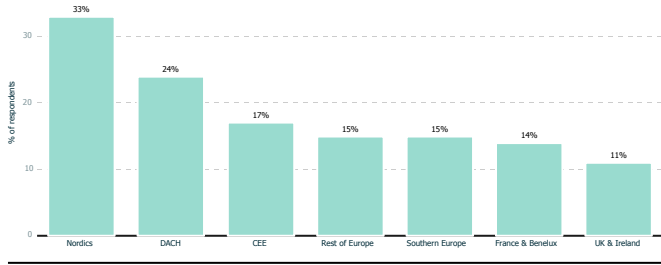


It's interesting to look at how the sources of initial financing raised by founders to start their journeys vary across Europe. There is a material level of variance in the most prevalent form of initial funding depending on where you start your company. In the Nordics, for example, government grants are a much more common source of initial financing for founders in those markets. In France, there's a higher likelihood of obtaining a corporate grant than elsewhere in Europe.

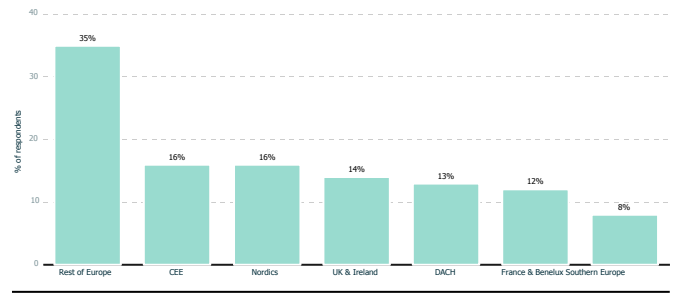


HOW DID YOU FINANCE THE INITIAL SET UP AND EARLIEST PHASE OF YOUR MOST RECENT COMPANY?

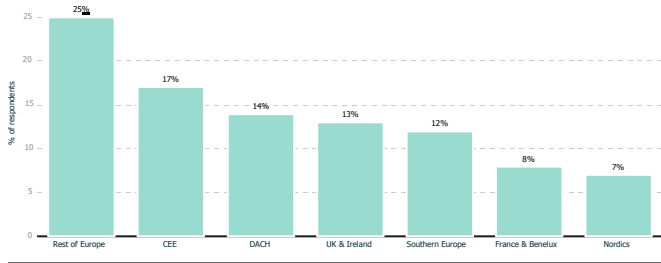
PUBLIC GRANT



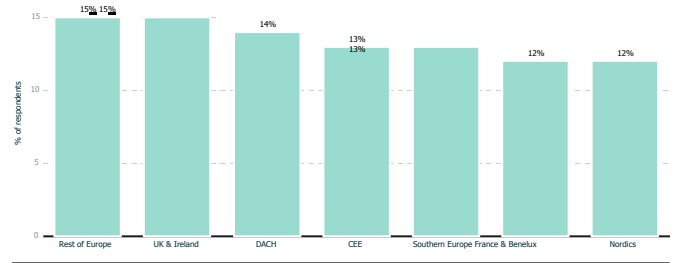
PERSONAL DEBT



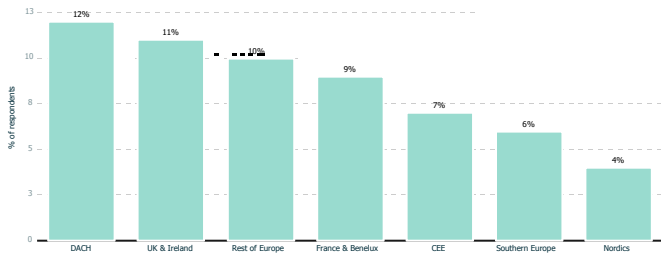
ACCELERATOR FUNDS



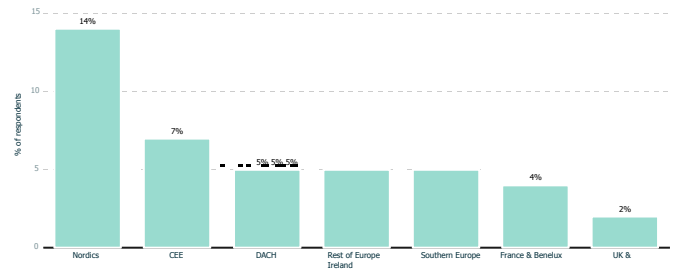
VENTURE CAPITAL



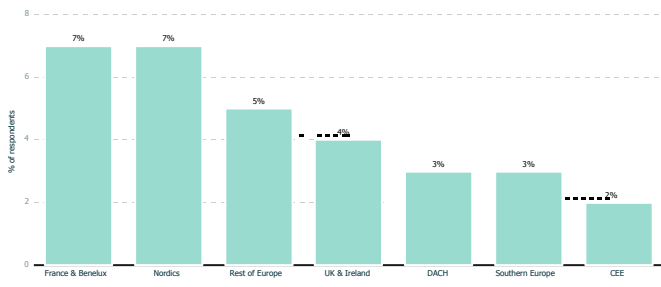
INCUBATOR FUNDS



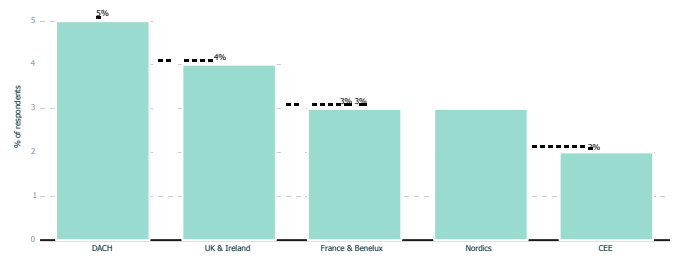
BANK LOAN



CORPORATE GRANT



CROWDFUNDING



06.3

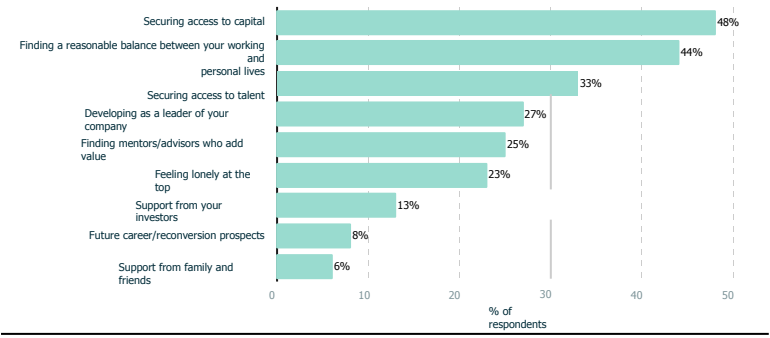
Founder Challenges & Well-Being

We set out to understand how the journey of starting a company affects founders. Not just in terms of the company-building challenges, but also in exploring some of the intense personal challenges that founders must deal with on a daily basis. We started by asking what they consider to be the most challenging aspects of being a founder. Our respondents, more than 1,200 of them, most frequently cited balancing working and personal lives, loneliness at the top and securing access to talent and capital as their biggest challenges.

Since you started a company, what have you found the top three most challenging aspects of being a founder?

NOTE:
 Founder respondents only. Numbers do not add to 100 as respondents selected up to three options.

The State of European Tech
 Survey



Mental health isn't a PR campaign, it's a paradigm shift.

Mental health isn't a PR campaign, it's a paradigm shift. Millennials and Generation Z are acutely aware of mental health issues, and it is something that we incorporate into our community events. It's about making sure that entrepreneurs have a support system and have people to have honest conversations with. I'm interested to see in five to ten years how these conversations about mental health at the early stage will filter through to conversations about founders' relationships with investors, and what the expectations on the part of investors are.



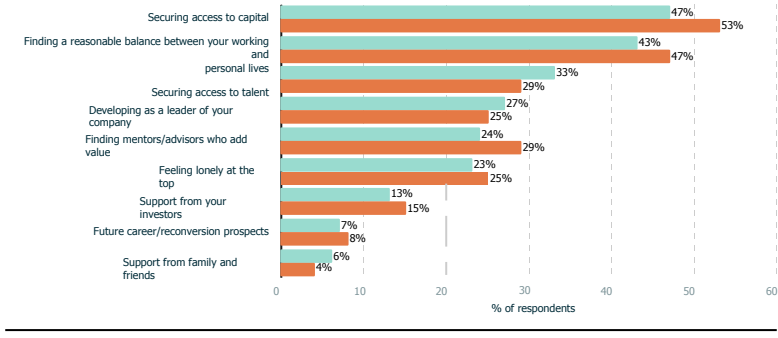
Abby Scarborough
 Yena Co-Founder

The same challenges surfaced with similar frequency for both men and women founder respondents, though responses did demonstrate small differences around the challenge of securing access to capital, finding a reasonable balance in their personal and working lives, and finding mentors and advisors who actually add value.

Since you started a company, what have you found the top three most challenging aspects of being a founder?

LEGEND
 Men
 Women

NOTE:
 Founder respondents only. Numbers do not add to 100 as respondents selected up to three options.



The State of European Tech Survey

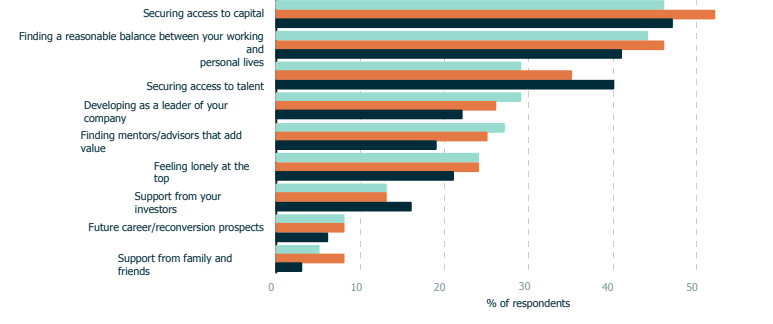
Where we saw a greater variance in responses was when we asked founders with different levels of experience. Repeat founders with significant experience in scaling a previous company are materially more likely to state that securing access to talent is the most challenging aspect of being a founder. They were also much less likely than first-time founders to cite the challenge of developing as a leader or being able to find mentors.

Since you started a company, what have you found the top three most challenging aspects of being a founder?

LEGEND

- First-time founder
- Repeat founder with limited experience in scaling company
- Repeat founder with significant experience in scaling company

NOTE:
 Founder respondents only. Numbers do not add to 100 as respondents selected up to three options.



Source: The State of European Tech Survey

It should not be a surprise that the most challenging aspects of being a founder also change at each step of the scaling journey. As their companies grow in scale, founders point out that the challenges of the earlier stages, such as securing access to capital and finding mentors, become much less of a concern. Instead, it becomes much clearer that finding a balance in their working and personal lives and developing as leaders of their growing companies become the most challenging aspects of being a founder.

REPEAT FOUNDERS
40%

of experienced repeat founders mentioned that 'securing access to talent' is one of the top three most challenging aspects.

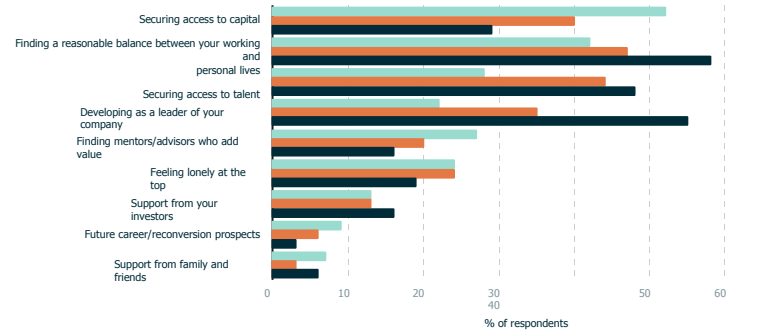
Source: The State of European Tech Survey

Since you started a company, what have you found the top three most challenging aspects of being a founder?

LEGEND

- <10 employees
- 11-100 employees
- >100 employees

NOTE:
 Founder respondents only. Numbers do not add to 100 as respondents selected up to three options.



Source: The State of European Tech Survey

We asked founders if the experience of starting and building a company had led to any change in their mental health. While 19% of founders were most likely to say it had mostly had a positive impact on their

mostly negative impact for their mental health. It is interesting that 'success' - as defined here by scaling a company to a meaningful number of employees - is not more likely to lead to positive mental health outcomes. In fact, founders of larger companies were less likely to say they had experienced a positive change in their mental health.

FOUNDER

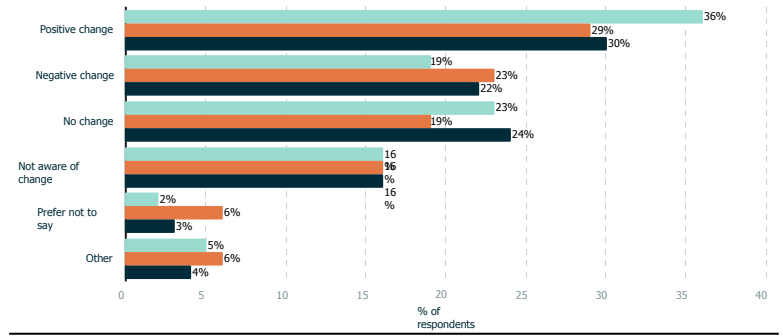
of all founders said that starting a company mostly had a negative impact on their well-being.

Have you experienced any change in your mental health since you founded your company?

LEGEND

- <10 employees
- 11-100 employees
- >100 employees

NOTE:
Founder respondents only. Numbers may not add to 100 due to rounding.



Source: The State of European Tech Survey



I am a co-founder so that has helped as [I have] done lone founder before, and it is tough so you have to team up with other founders/CEOs to support when getting going.



State of European Tech survey respondent

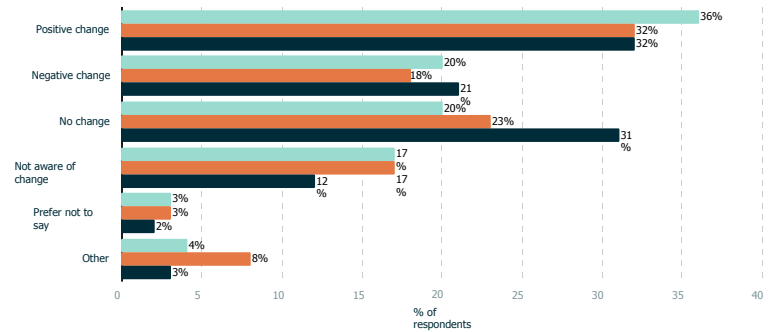
It is also noteworthy that we saw little difference between first-time and repeat founders. Experienced repeat founders were just as likely to say they had experienced a mostly negative change in their mental health as first-time founders. We did find that experienced repeat founders were more likely to say that they don't believe that being a founder had had any impact at all on their mental health.

Have you experienced any change in your mental health since you founded your company?

LEGEND

- First-time founder
- Repeat founder with limited experience
- Repeat founder with significant previous experience

NOTE:
Founder respondents only. Numbers may not add to 100 due to rounding.



Source: The State of European Tech Survey

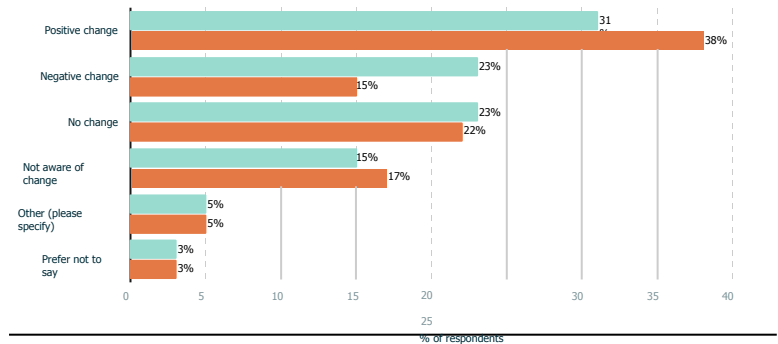
Where we did see a larger variance was between founders of externally funded and bootstrapped companies. Founders of bootstrapped companies were materially less likely to tell us that being a founder has had a mostly negative impact on their mental health compared with those founders who have raised external capital.

Have you experienced any change in your mental health since you founded your company?

LEGEND

- Raised external capital
- Bootstrapped

NOTE:
 Founder respondents only. Numbers may not add to 100 due to rounding.



Source: The State of European Tech Survey



I am under more stress than I've ever been, but I am also more intellectually stimulated than I've ever been. These positives and negatives are both felt at the same time, so they don't cancel out - but they are both felt.



State of European Tech survey respondent

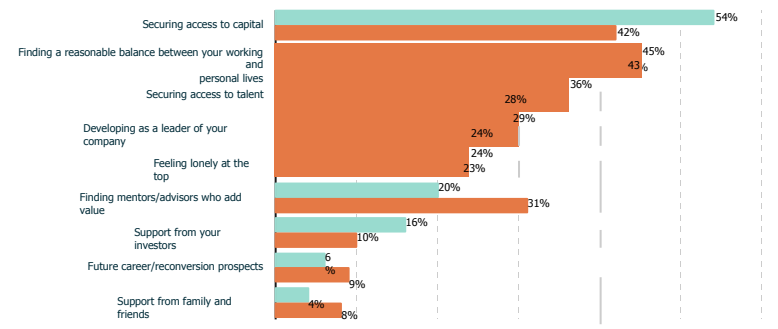
We also saw that the decision to take external capital introduces a different set of challenges for those founders. While many challenges are cited at the same level by founders of both types of companies, such as the sense of loneliness at the top, there were clear differences of opinion on whether others were amongst the most challenging aspects of being a founder. Notably, founders of companies who have raised capital were more likely to see access to capital and talent as a challenge, while founders of bootstrapped companies were more likely to say that finding mentors was a challenge.

Since you started a company, what have you found the top three most challenging aspects of being a founder? By funded versus bootstrapped companies

LEGEND

- Funded
- Unfunded

NOTE:
 Founder respondents only. Numbers may not add to 100 due to rounding.



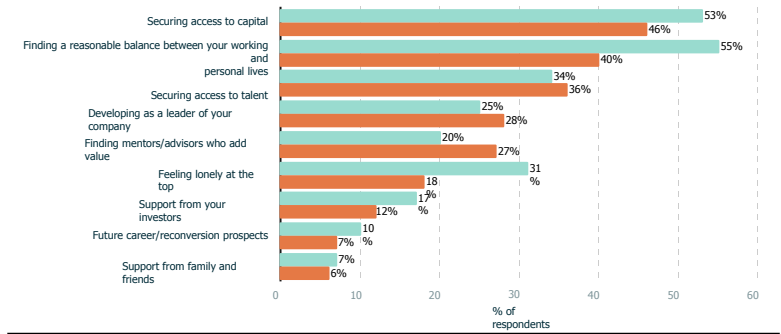
Source: The State of European Tech Survey

We tried to explore the most challenging aspects of being a founder that were more or less likely to be correlated with founders who experience negative or positive impact on their mental health, and found some clear differences. Respondents who said that being a founder had had a mostly negative impact on their mental health were materially more likely to point to balance in the personal and working lives and loneliness at the top as being the most challenging issues.

Since you started a company, what have you found the top three most challenging aspects of being a founder?

LEGEND
■ Mostly negative impact
■ Mostly positive impact

NOTE:
 Founder respondents only. Numbers do not add to 100 as respondents selected up to three options.



Source: The State of European Tech Survey



Due to the power dynamic between founders and investors, if the investor does not set the tone, founders may not feel that asking for help or voicing a need for support is possible.

Chronic stress and exhaustion are driven by an imbalance between an employees' perceived and actual resources, and their work and demands in the workplace. Stress and burnout, and then even more severe symptoms of negative mental health, are often signs of deeper root causes, which can range from personal time management practices to physical health, and relationships. At an individual level, employees and founders need to be able and supported to manage the root causes that allow them to both perform and be well. At the company level, employees, founders, and investors need to be able to manage the need for growth in a smarter way

and be able to have an honest conversation when growth expectations are not achievable because the market is simply not yet there. In order to have open conversations, you need to have trust and open communication. Due to the power dynamic between founders and investors, if the investor does not set the tone, founders may not feel that asking for help or voicing a need for support is possible. Investors need to signal in many different ways that founders have permission to ask for help, get support, and talk about their overall mental/ physical health and well-being.

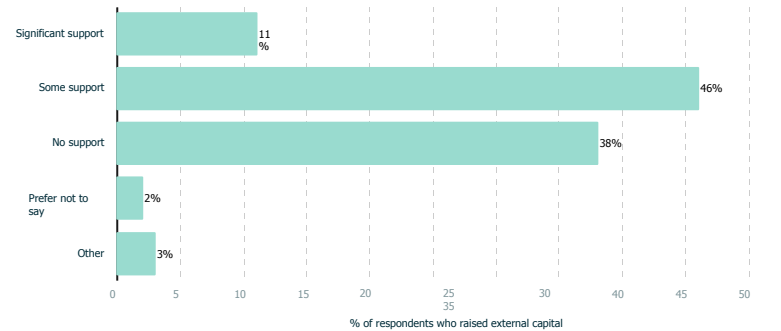


Madeleine Evans
 Levell
 Founder & CEO

We also set out to explore what support, if any, founders are receiving from their investors to manage the pressures they experience. More than half of founder respondents who have raised external capital state they have received some level of support from their investors, with another 11% saying they had received significant support. But that leaves nearly 40% of founders who said they had received no support at all from their investors.

What support, if any, have you received from your investors to specifically help you manage the pressures of being a founder?

NOTE:
 Founder respondents who have raised external capital only. Numbers may not add to 100 due to rounding.



Source: The State of European Tech Survey



One investor/advisor in particular has been useful but mostly by being a role model. Or you see someone else acting in the right way (e.g. work-life balance, right morals). It is easy to keep those standards. Many words are just hot air.



State of European Tech survey respondent

We also explored if founders who had experienced negative impact on their mental health were receiving support, and found that 41% of those founders had received no support at all from their investors.

SUPPORT FROM INVESTORS

38%

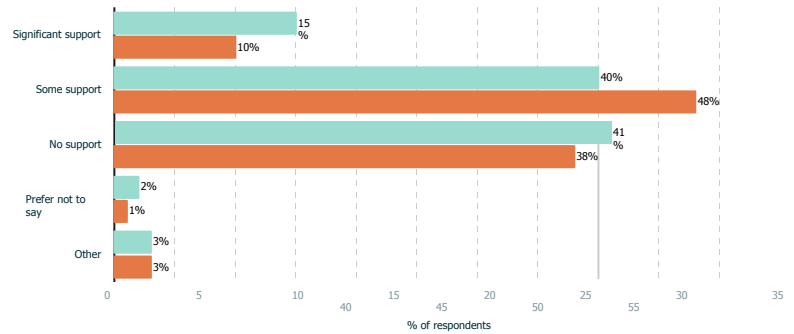
of founders who raised external capital said they had received no support at all from their investors to help them manage the pressures that comes with being a founder.

What support, if any, have you received from your investors to specially help you manage the pressures of being a founder?

LEGEND

- Founders reporting mostly a positive impact on mental health
- Founders reporting mostly a negative impact on mental health

NOTE:
Founder respondents who have raised external capital only. Numbers may not to 100 due to rounding.



Source: The State of European Tech Survey

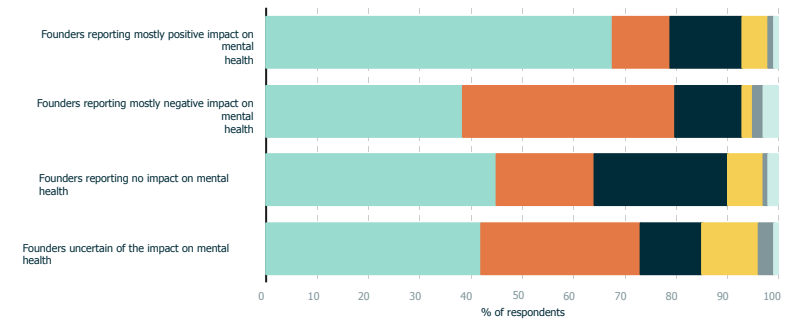
When we asked founders if they would feel comfortable discussing changes in their mental health with their investors, we saw a clear divide amongst founders. Those who reported being negatively impacted are much more likely to feel uncomfortable discussing these changes with their investors - 41% in fact, compared to only 11% for founders for whom becoming a founder has been a positive experience.

Would you feel comfortable discussing changes in your mental health with your board investors?

LEGEND

- Yes, I would feel comfortable
- No, I would not feel comfortable
- I don't think it is relevant
- Not able to comment
- Prefer not to say
- Other

NOTE:
Founder respondents only. Numbers may not to 100 due to rounding.



Source: The State of European Tech Survey

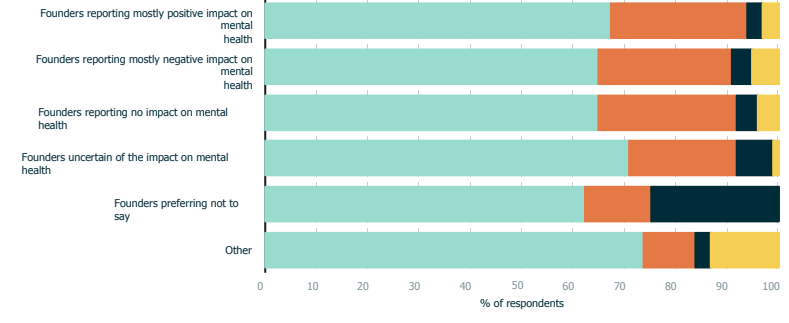
Of course, it is a fair question to ask whether founders would actually appreciate any support from their investors. We found that the large majority, around two-thirds of founders, state they would indeed appreciate support from their investors to help manage their mental health. This is true whether their experience of being a founder has been mostly positive, neutral or negative (from the perspective of changes to their mental health).

Would you appreciate receiving support from your board/investors to specifically help you with managing your mental health?

LEGEND

- Yes
- No
- Prefer not to say
- Other

NOTE:
 Founder respondents who have raised external capital only. Numbers may not total 100 due to rounding.



Source: The State of European Tech Survey



I think it would benefit the investments to be more open about things like [managing mental health], because you can course-correct [and] save the value of the investment. But good luck with that.



State of European Tech survey respondent



Photo by: Tanu Kallio

06.4

Strong Talent Base

There's a huge competition between cities and countries across Europe to position themselves as the most attractive place for founders to start up. Given that one-quarter of founders across Europe are migrants and have moved country to set up and start their companies, this appeal to founder mobility makes sense. As such, we wanted to explore the considerations that matter to founders when choosing where to start their companies. From a business perspective, the most important considerations are access to talent and customers. There is, however, observed variance in the responses from first-time founders and repeat founders with significant experience. The greater the level of prior entrepreneurial success, the more likely founders are to consider access to talent as an important consideration for location choice.

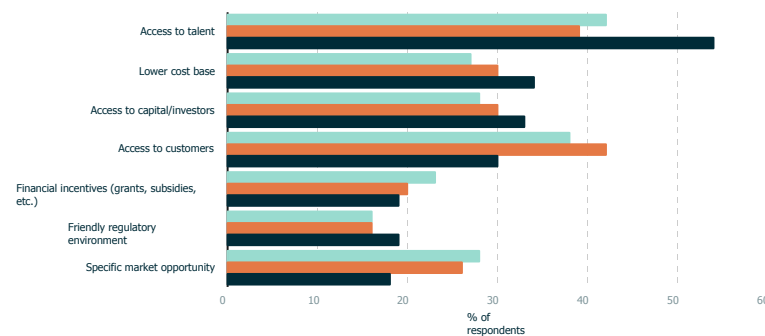
What were the most important practical business considerations for you when choosing where to locate your company when you founded it?

LEGEND

- First-time founder
- Repeat founder with limited experience in scaling company
- Repeat founder with significant experience in scaling company

NOTE:

Founder respondents only. Numbers do not add to 100 as respondents could choose multiple responses.



Source: The State of European Tech Survey

Immigrant founders are significantly more likely than local founders to have considered access to capital as an important practical business consideration for choosing where to locate their company when they founded it. One way to interpret this is that there is a clear incentive for cities and countries to try to build a strong local investor base to ensure that local talent does not feel the need to migrate elsewhere to ensure access to capital and investors.

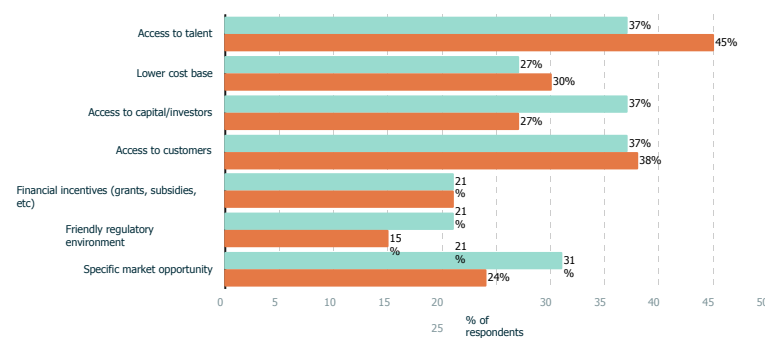
What were the most important practical business considerations for you when choosing where to locate your company when you founded it?

LEGEND

- Founder (migrant)
- Founder (local)

NOTE:

Founder respondents only. Numbers do not add to 100 as respondents could choose multiple responses.



Source: The State of European Tech Survey



I think the great strength of Europe's ecosystem is the plurality of industrial background we have. While Europe may not have the depth of pure technology experience that, say, the Bay Area does, I would argue we understand finance, fashion, food, manufacturing, aerospace and more at least as well, if not better.

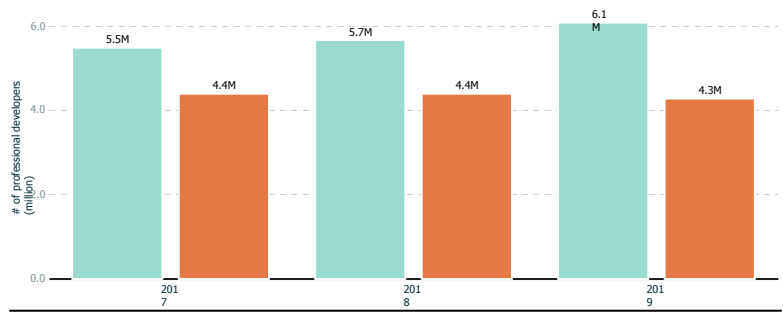


Suranga Chandratillake
Balderton Capital
General Partner

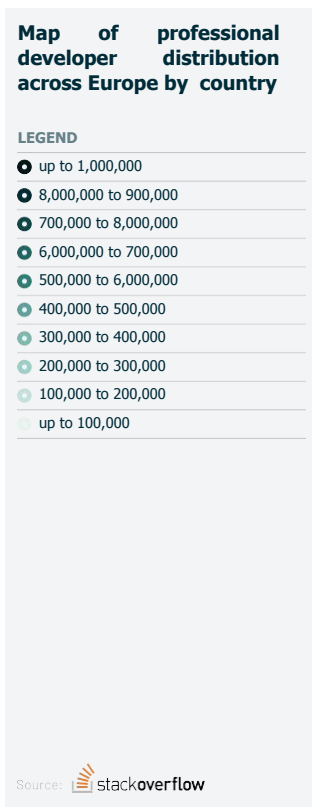
I think the biggest challenge continues to be the lack of experienced talent, especially for later-stage companies and especially in the areas of sales, marketing and product. We just don't have the decades of large companies and start-up history that has churned out legions of people who've seen it and done it before. We will get there but some things are hard to accelerate. I think the great strength of Europe's ecosystem is the

plurality of industrial background we have. While Europe may not have the depth of pure technology experience that, say, the Bay Area does, I would argue we understand finance, fashion, food, manufacturing, aerospace and more at least as well, if not better. As software eats the world, these skills and this know-how will become crucial in building companies that are about technology but also the context in which that technology will be used.

Europe has more than 6 million professional developers and has experienced steady growth in the developer talent pool, in contrast to the US, where the professional developer base has been static for the past two years.



Germany and the UK are the two largest hubs for professional developer talent in absolute numbers, and together are home to more than 1.7 million professional developers.



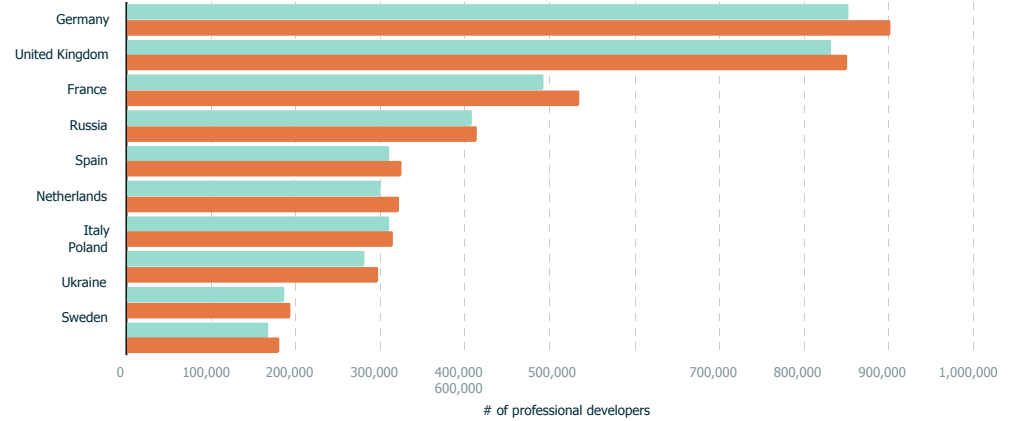
The growth in the professional developer talent pool across Europe is a Europe-wide phenomenon, with all countries (except Luxembourg) experiencing growth in numbers in 2019.

Number of professional developers by country, 2018 vs 2019

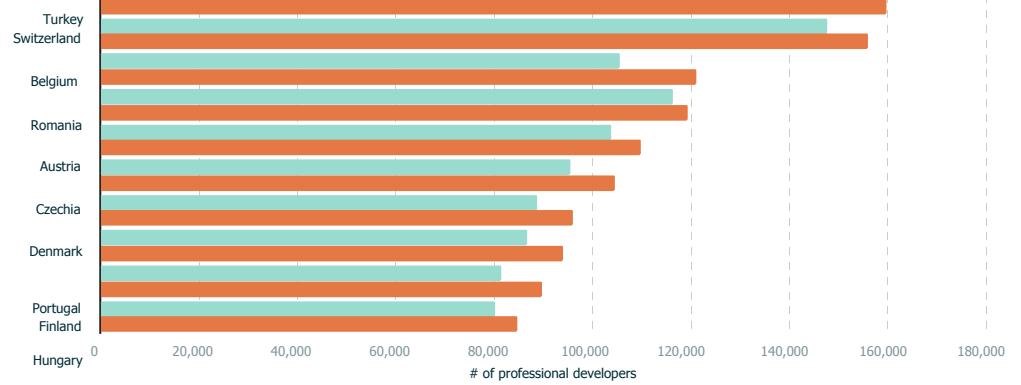
LEGEND

- 2018
- 2019

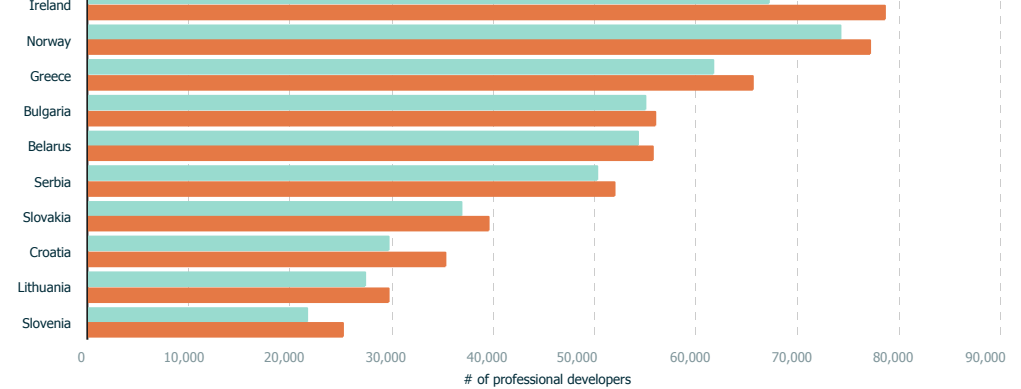
TOP 10



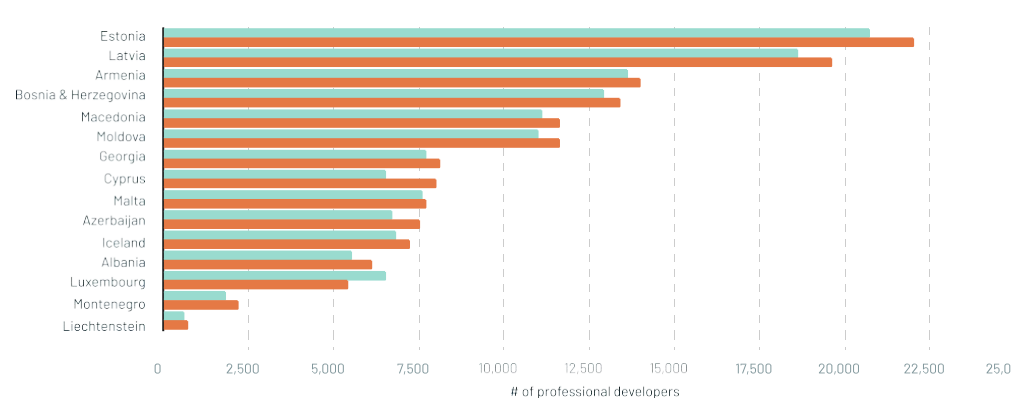
RANK 11-20



RANK 21-30



RANK 31+



Source: stackoverflow

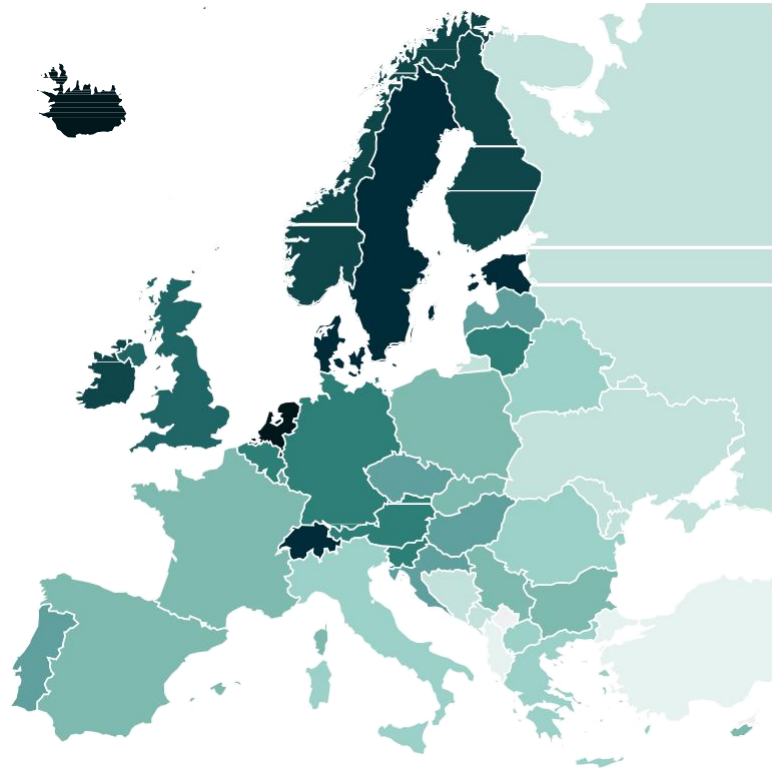
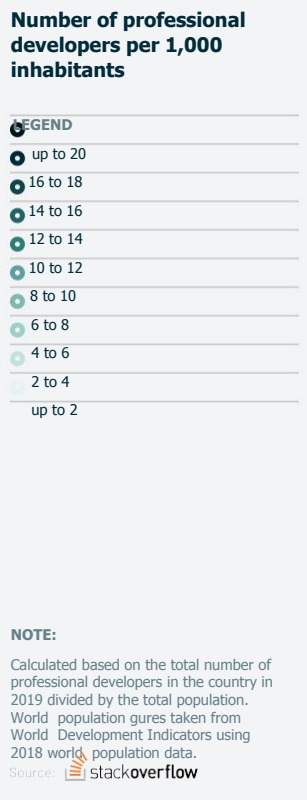
Europe's larger countries are, of course, home to the largest developer talent pools. It's useful, therefore, to explore the density of talent on a relative basis to the general population size of different countries. When looking on this population-adjusted basis, a number of smaller countries emerge as having a relatively higher density of developer talent, such as Sweden, Switzerland or the Netherlands.

CAPITAL INVESTED IN EUROPE

6.1

professional developers in Europe which represents an increase of 400,000 compared to 2018.

Source:  stackoverflow



The pool of tech talent in Europe is improving quickly in terms of quality and seniority, but there is still a way to go when you compare it to the pool in other larger ecosystems, like those in the Valley.

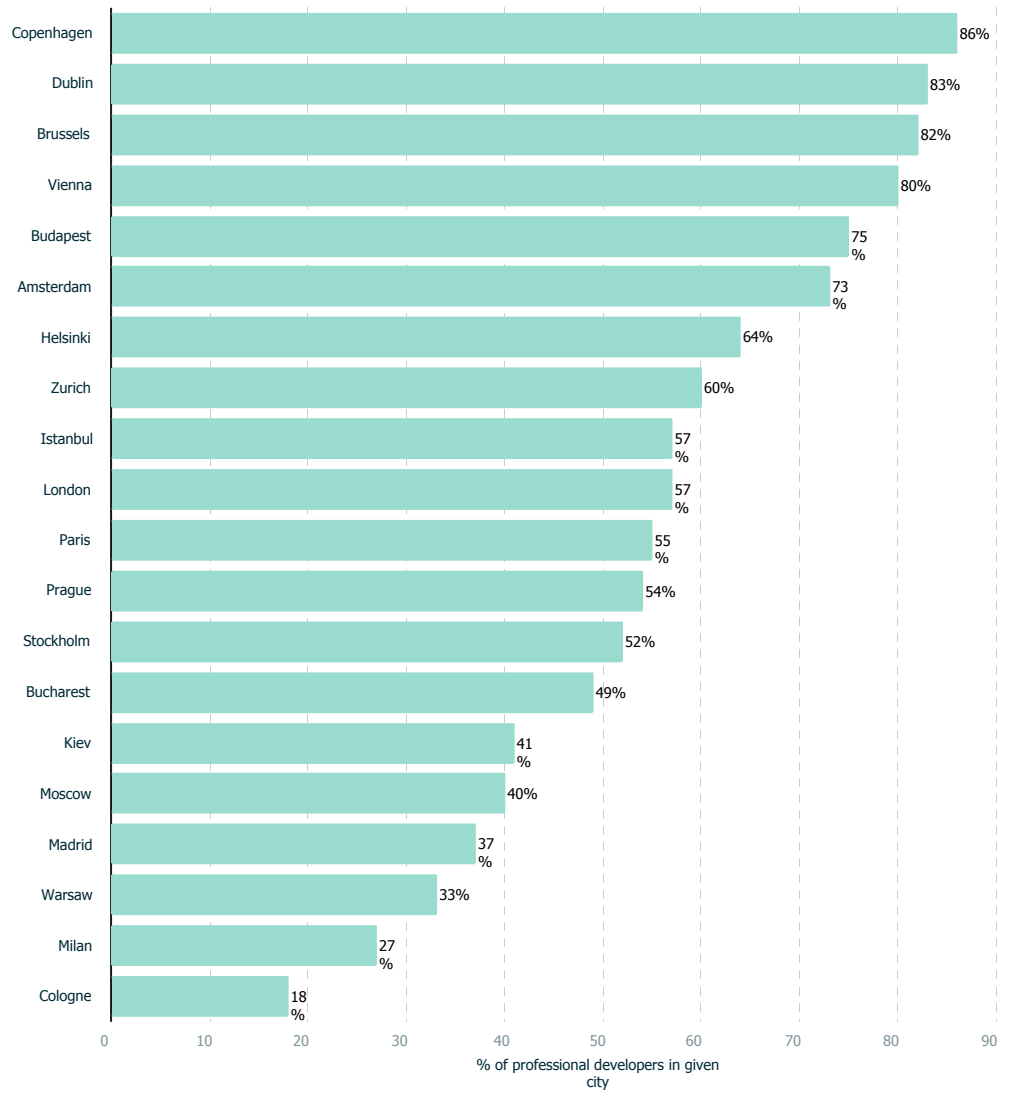
The pool of tech talent in Europe is improving quickly in quality and seniority, but there is still a way to go when you compare it with the pool in other larger ecosystems, like those in the Valley. We're attracting talent from the bigger, more established tech brands, and those bring with them experience and learning from more established markets. This is a good thing for Europe, but it will also be important to ensure European businesses don't become clones of those in, for example, the US. Europe has its own startup style, and I'd love to see that remain a strength.



Naren Shaam
 Omio
 Founder & CEO

There is also a wide variance in the distribution of talent in different countries. In smaller countries or those with relatively less mature tech ecosystems, there tends to be a larger concentration of tech talent in a single hub. Other countries, such as Germany, Italy and Spain, have a more distributed tech talent base, thanks to the strength of multiple large cities in those countries.

Share of professional developer talent (%) in the largest hub for selected European countries in 2019



Source:  stackoverflow

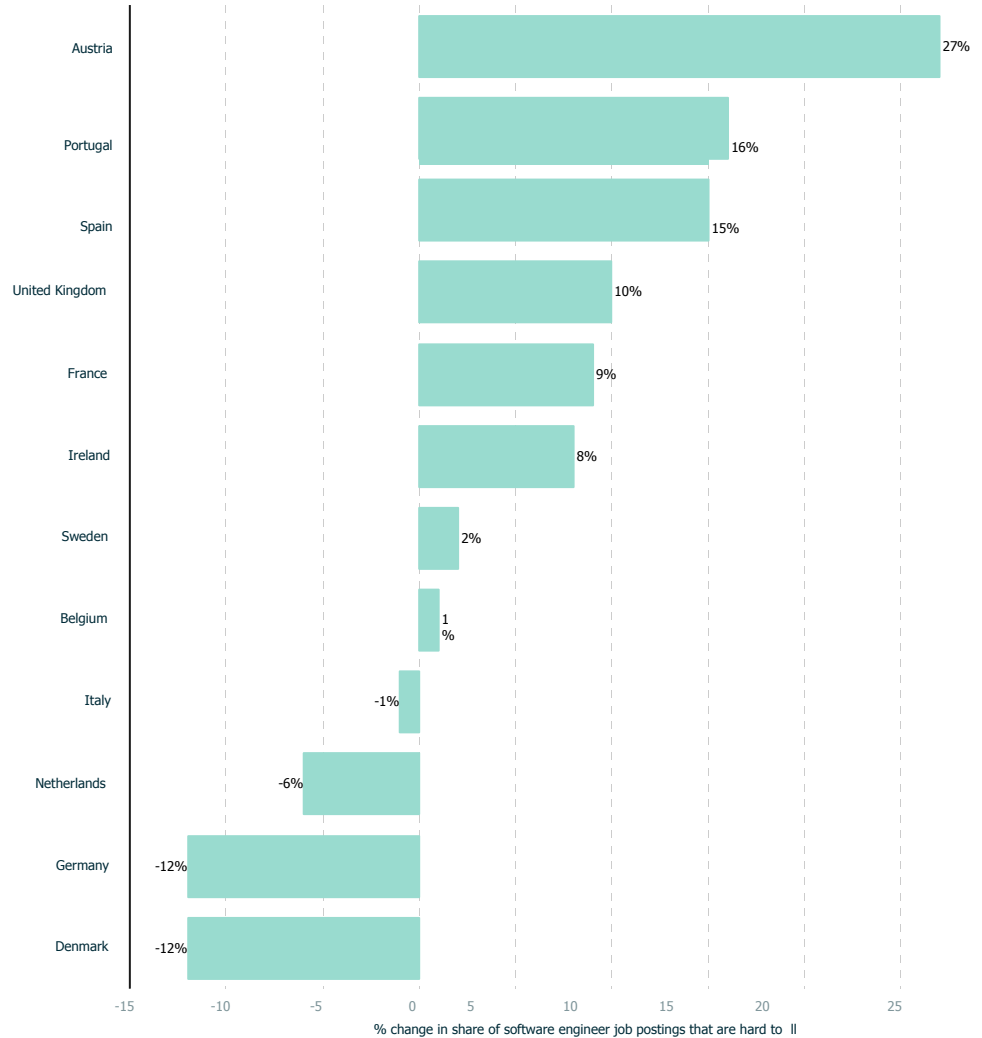
NOTE:

% of total professional developers in city as share of country total.

Lower density can also make it more difficult to find sought-after talent. Portugal and Spain are seeing a rise in the % of hard-to-fill software engineer job postings, a reflection, amongst other factors, of the emerging strength of local tech ecosystems and, in the case of Portugal, a trend for larger international companies to build a presence to source local talent.

Change in share (%) of software engineer job postings that are hard to fill, 2018 vs 2019

LEGEND
% change YoY



NOTE:
%-point change in % of software engineer jobs that are hard to fill in 2019 versus 2018 by country. Hard to fill is defined as % of 'software engineer' job postings on the Indeed site(s) for more than 60 days.
Source: indeed



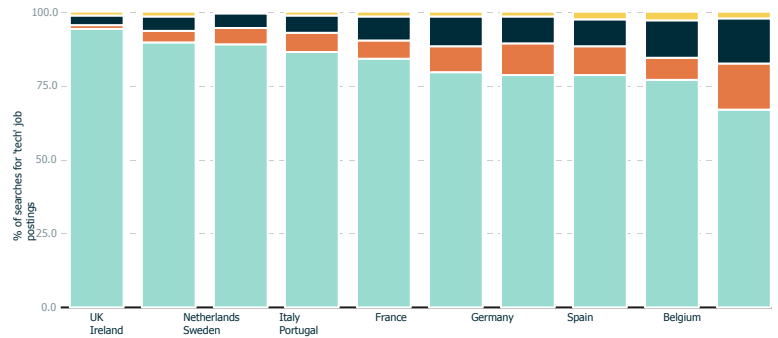
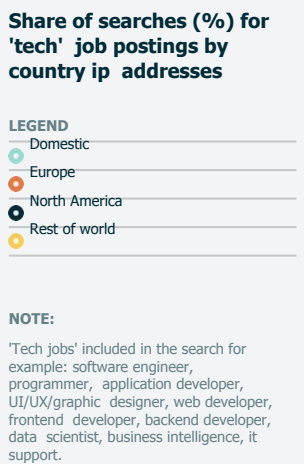
The European ecosystem's greatest strength continues to be the quality of technical talent, particularly those coming out of some of Europe's world-class universities.

We still need to see more startups convert to scale-ups. One of the challenges is that as our companies scale there is a small pool of experienced startup execs in Europe, particularly those who have taken a startup beyond a couple of hundred people. Competition to hire experienced startup COOs and CMOs right now is fierce! The European ecosystem's greatest strength continues to be the quality of technical talent, particularly those coming out of some of Europe's world class universities. It's exciting to see more and more of these technologists consider a career as a founder, or in a startup, and this creates a bright long-term future for Europe.



Alice Bentinck
Entrepreneur First
Co-founder

The European talent pools searching for tech job postings are overwhelmingly looking for jobs where they live. Still, there are some differences in countries like Sweden and Portugal where talent is a bit more open to global mobility.



Source: indeed



Founders don't need to move any more to build world-class teams, because they're finding that talent at home.

There is now an abundance of talent across engineering, product, design and growth. Founders don't need to move any more to build world-class teams, because they're finding that talent at home - whether it be from home-grown successes like Adyen, Spotify, FarFetch or US tech companies who've expanded here, or from top engineering schools. It's advantageous and easier to hire from your network locally, and founders are playing to their strengths.



Ophelia Brown
 Blossom Capital
 Founder & Partner

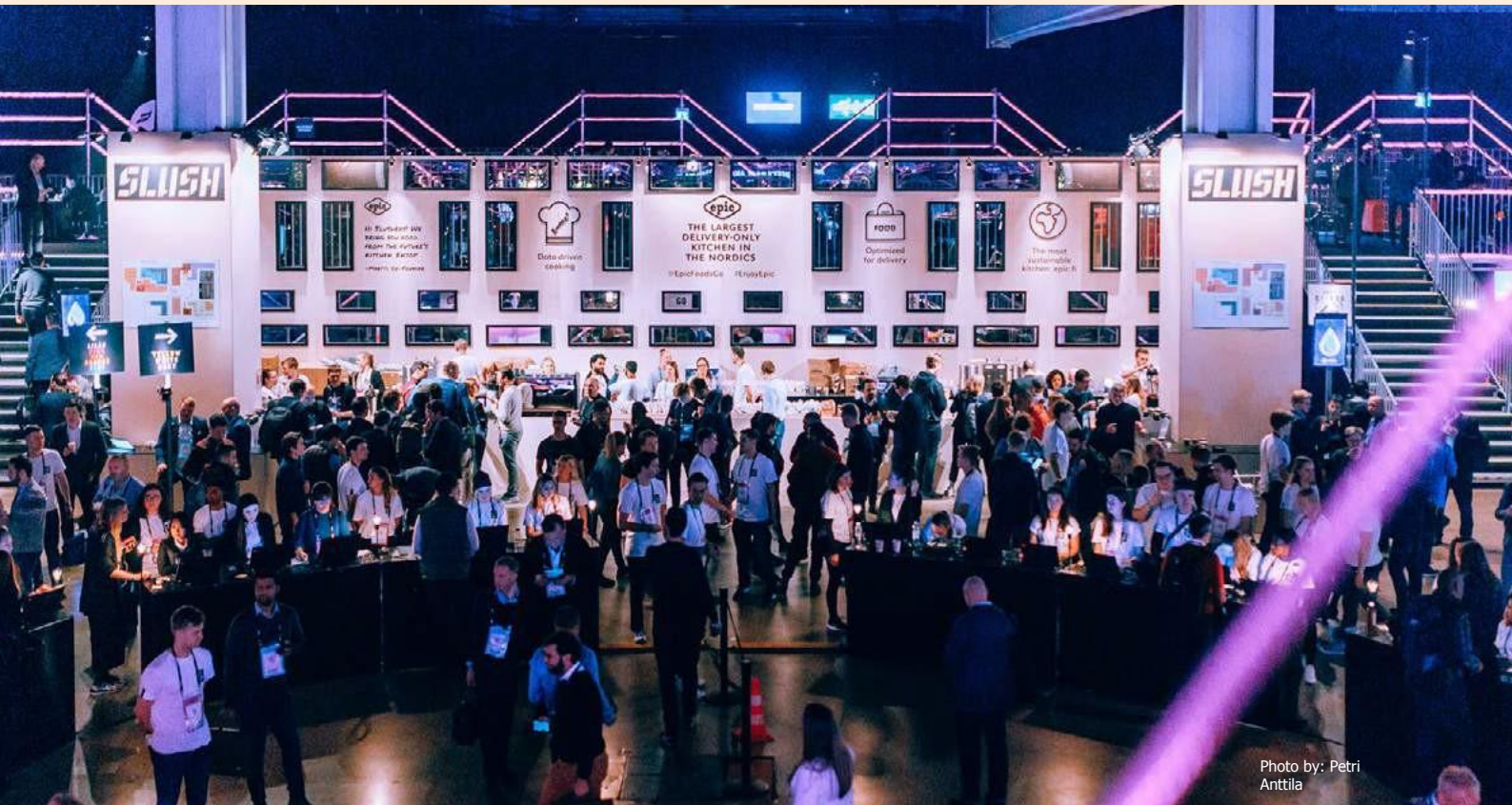


Photo by: Petri Anttila

A new form of mobility is emerging: flexibility. Europe has a much larger proportion of professional developers working freelance or part-time than the United States. CEE countries have the largest share of freelance professional developers.

FREELANCE DEVELOPERS

11%

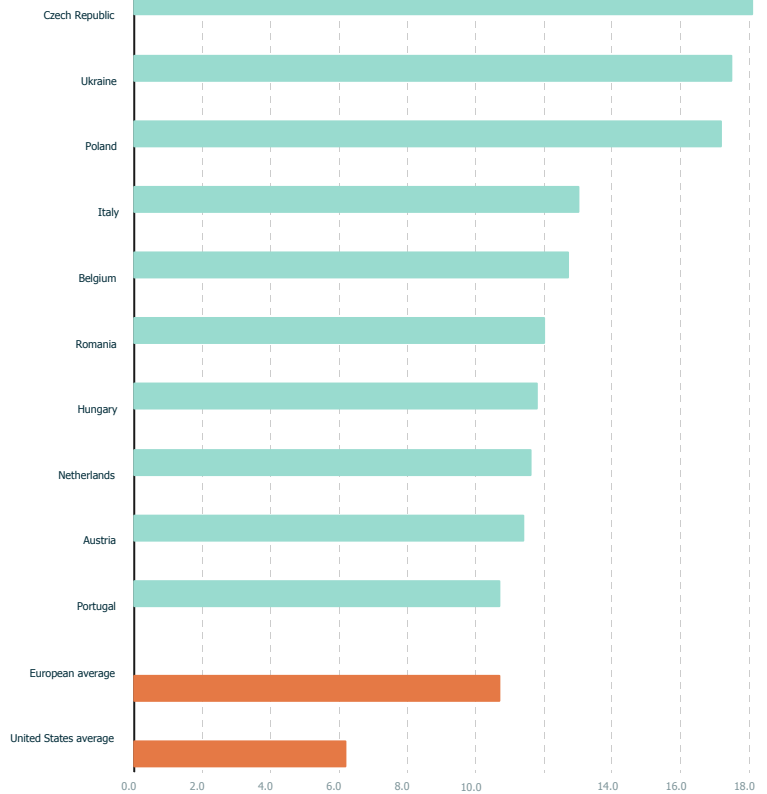
of professional developers respondents in Europe work as independent contractor/freelancers compared to only 6% in the US.

Top 10 countries with the largest share of freelance professional developers

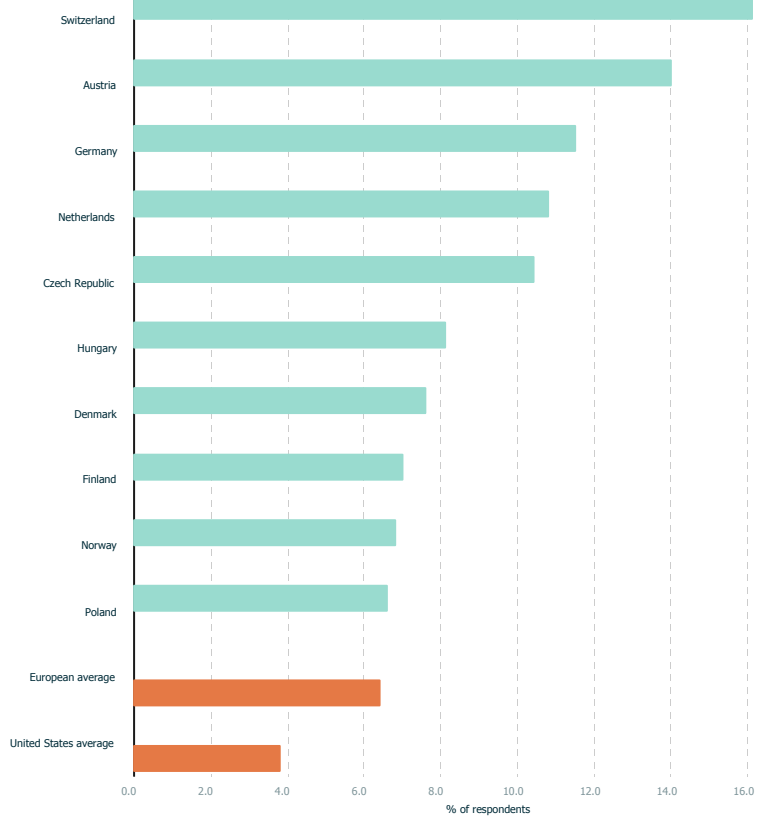
LEGEND

- % of respondents by country
- % of respondents by average: European and US

INDEPENDENT CONTRACTOR, FREELANCERS OR SELF-EMPLOYED



PART-TIME



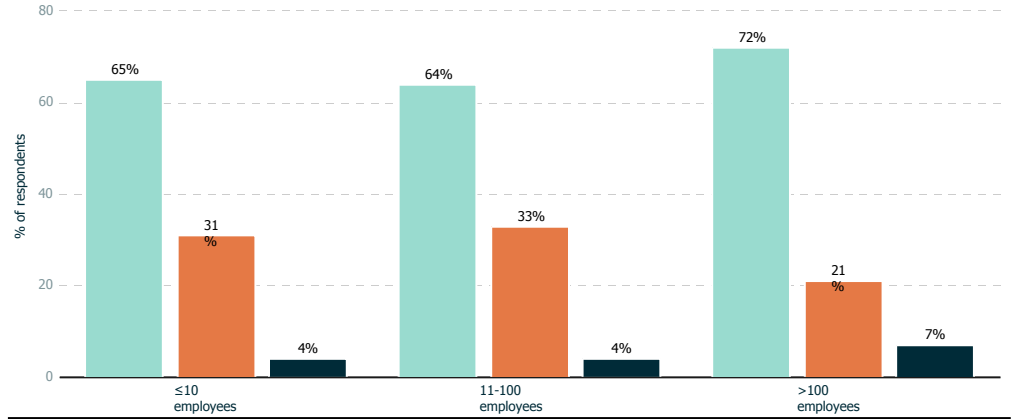
Source: stackoverflow

As a result, employees are increasingly working remotely, which in turn lowers the need for mobility between hubs. It is a trend that appears to be materialising across tech companies of all sizes.

Has your company experienced any change in the number of employees working remotely?

LEGEND
 ● Increase
 ● No change
 ● Decrease

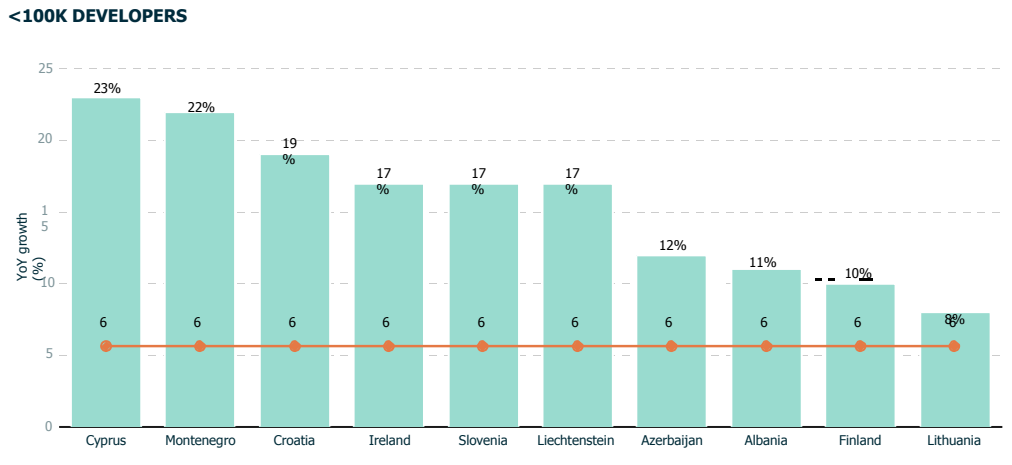
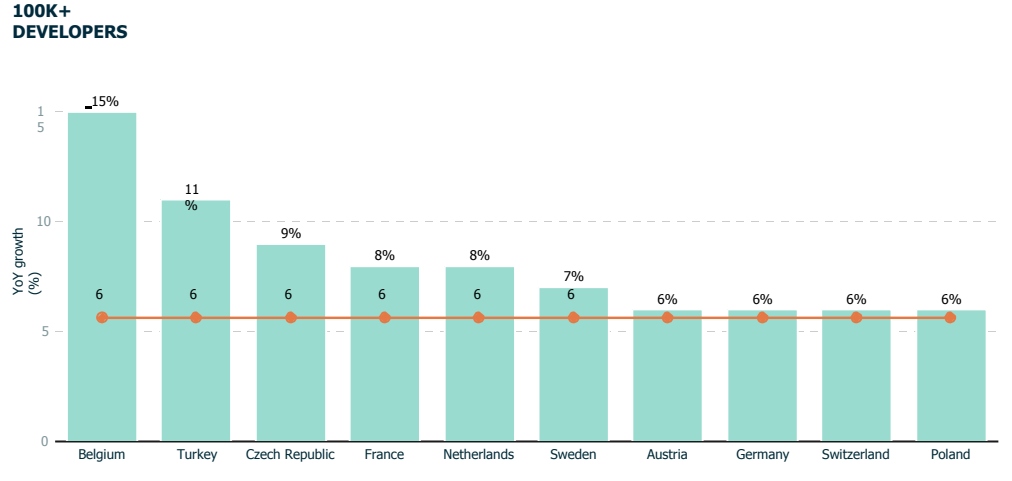
Source: The State of European Tech Survey



Top 10 fastest-growing countries for professional developers, 2018 vs 2019

LEGEND
 ● YoY growth (%)
 ● European YoY growth (%)

Source: stackoverflow



Indeed data is able to provide a proxy for the volume of interest in US-based tech job seekers looking to move to Europe to take up positions working in tech. Looking at searches originating from the US, but scanning for jobs in Europe as a whole, Indeed's data shows a decline across two successive years since 2017. This, however, masks an important underlying trend. The decline is entirely accounted for by a reduced level of interest in UK-based jobs by US tech talent. In contrast, there have been two successive years of increase in the relative level of interest of US tech talent in finding jobs in the rest of Europe (i.e. anywhere else but the UK).

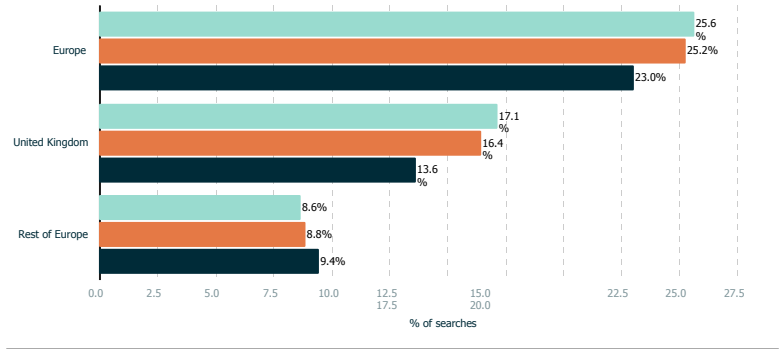
Share by destination country/region (%) of US- originated cross-border searches containing key 'tech' titles

LEGEND

- 2017
- 2018
- 2019

NOTE:

This data shows the % of total searches for key 'tech' job postings on the local Indeed country site that are originated from non-native ip addresses, i.e. from outside the specified country. 'Tech jobs' include: software engineer, programmer, etc.



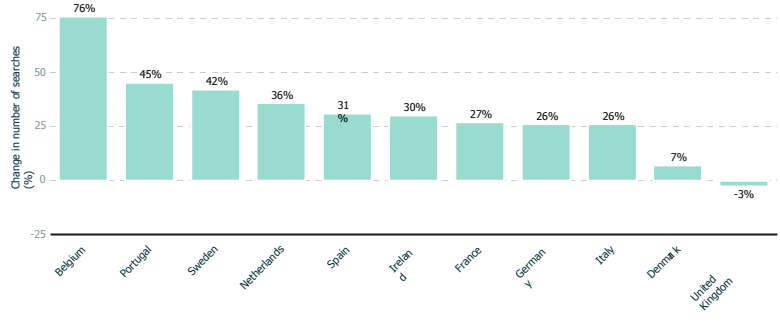
Source: indeed

Fewer people overall are searching for tech jobs in the UK, but elsewhere in Europe job searches are up 20% in many countries when compared with 2017. Huge growth in Belgium is supported by a sharp increase in capital invested in the country (+71%) over the period.

Change in number (%) of tech jobs searches per million by country, 2017 H1-2019 H1

NOTE:

This data measures the relative number of searches per country for tech related job postings as a share of every million searches on the local Indeed site for each country. 'Tech jobs' include: software engineer, programmer, application developer, etc.



Source: indeed



The best part is that thanks to another 2019 milestone, we're open: When you join a French startup, our new French Tech talent visa can get you and your family here in a matter of weeks with a 4-year residence permit.

French Tech is leapfrogging the usual ecosystem development curve in 2019. Four years ago, serious capital was hard to come by. Today, our startups are raising mega-round after mega-round. Our total number of unicorns doubled in six months. And that was before President Macron announced €5B making its way into the tech ecosystem or that he grew the French Tech Mission 10x, making us the biggest (and baddest) pro-startup team inside modern government. The best part is that thanks to another 2019 milestone, we're open: When you join a French startup, our new French Tech talent visa can get you and your family here in a matter of weeks with a 4-year residence permit. À bientôt!



Kat Borlongan La
French Tech Director

06.5

Incentivising and Retaining Talent

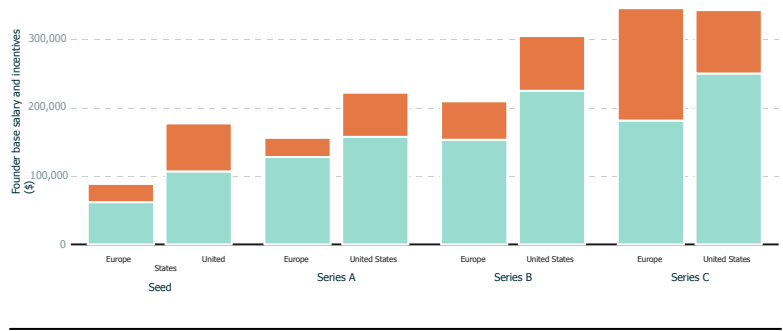
The difference in the level of compensation for founders is material between Europe and the United States at the early venture stages (Seed to Series B). Founders in the US have higher base salaries and higher incentive pay. At Series C, the gap in total compensation closes, driven by higher incentive pay for European founders, not higher base salary levels.

Founder base salary (\$) by funding round in the 50th percentile by region

LEGEND

- Base salary (Europe)
- Base salary (United States)
- Incentive pay (Europe)
- Incentive pay (United States)

NOTE:
 Note that at Seed stage some Founders may not take a base salary and take incentive pay instead.
 Incentive pay is cash bonus or incentive, which is not related to equity or equity value. Converted EUR to USD with an FX rate of 1.1151 from 30 October 2019.



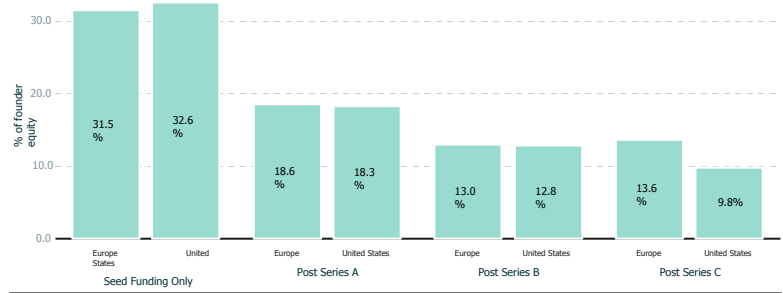
Source: Shareworks BY MORGAN STANLEY

The average level of founder equity by funding round is closely aligned between the United States and Europe at the early stages of funding. Post Series C, European founders maintain more ownership than their American counterparts. The overall trend in terms of founder equity dilution as companies progress through multiple funding rounds is important to observe. After their Seed round founders hold, on average, around 32% equity in their company, but this declines to less than 15% post-Series C.

Founder equity by funding round in the 50th percentile by region

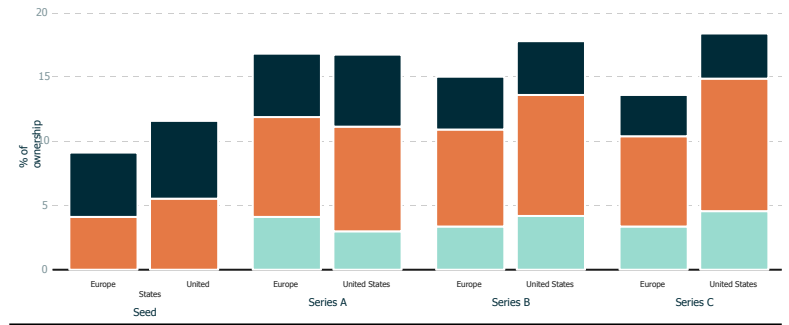
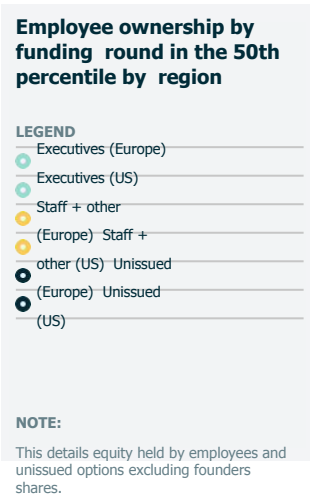
LEGEND

- Europe
- United States



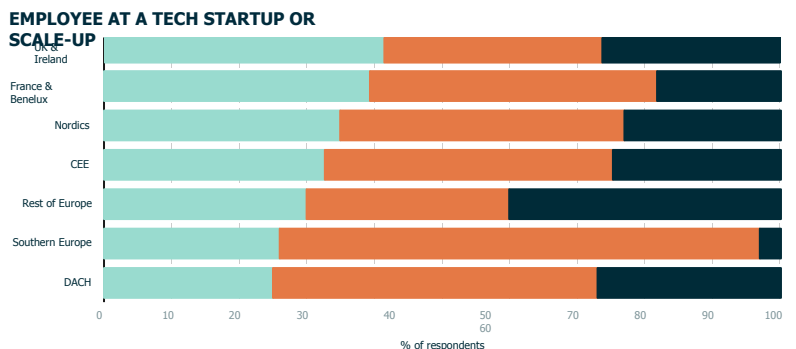
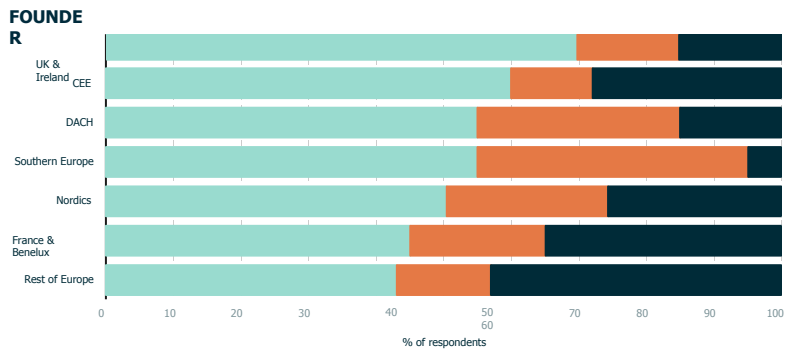
Source: Shareworks BY MORGAN STANLEY

European tech companies have historically lagged behind those from the US in their use of stock options as an effective tool to attract, incentivise and retain talent. However, looking at Shareworks' latest employee ownership survey, there are signs that the latest generation of companies from Europe are now properly rewarding their most talented executives and employees. While there is likely sample bias because most founders who participate in the survey are likely to a) understand the issue more and b) be better at remunerating their employees, it is a positive sign. There is still work to do, but thanks to important efforts to build awareness around the issue, such as NotOptional, more founders are starting to take this issue seriously, and the rest will hopefully follow suit. European governments need to pay attention and ensure that the implementation of progressive policies around use of stock options do not lag behind this evolved attitude among European founders.



Source: Shareworks by MORGAN STANLEY

To be clear, there are more and less favourable environments for the use of stock options in different European countries. It's interesting in that context to look at differences by geography in how founders and tech startup employees perceive the effective use of stock options in their companies. Founders from the UK, which has one of the most favourable environments for the use of stock options, are more likely to believe that stock options are used effectively in their company. This is mirrored by responses from employees at UK-based tech startups and scale-ups.

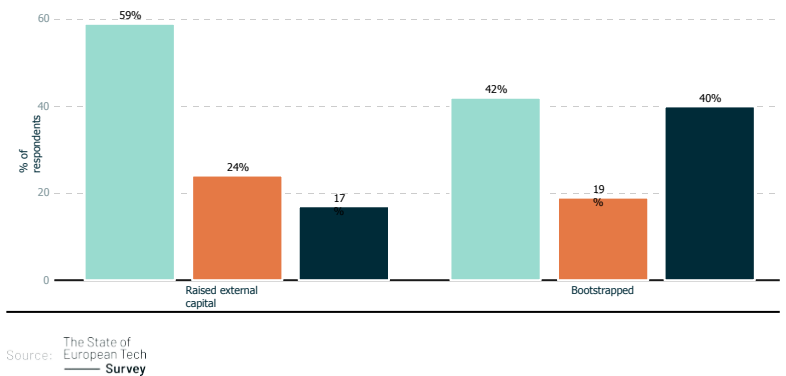


It's also interesting to observe how founders of companies that have raised external capital compare in their responses with founders of bootstrapped companies. We found that founders who have taken external funding are more likely than founders of bootstrapped companies to agree that they are using stock options effectively within their companies to incentivise employees.

Founder's view on stock options being used effectively to incentivise employees in their company

LEGEND
 Agree
 Disagree
 Neither agree nor disagree

NOTE:
 Founder respondents from companies with more than 11 employees only. Numbers may not add to 100 due to rounding.



#Not Optional — Europe must attract more talent to startups.

Policy wheels are turning slowly, but they are turning.

Last year at Slush, 30 CEOs and founders of some of the most well-known European companies including BlaBlaCar, Klarna, Revolut, Supercell and TransferWise signed a letter calling on legislators 'to fix the patchy, inconsistent and often punitive rules that govern employee ownership—the practice of giving staff options to acquire a slice of the company they're working for'. One of the main levers startups have to recruit the talent they need. They wrote: 'If we don't eliminate the talent bottleneck, we risk squandering the incredible momentum that European tech has built up in recent years. The next Google, Amazon or Netflix could well come from Europe, but for that to happen, reforming the rules of employee ownership is definitely **not optional**.' 500 more CEOs and founders added their signature to the letter, which kicked off #NotOptional, a campaign to bring about change in how stock options are governed across Europe.

A year on, the European Commission has actively engaged with the campaign and is looking for ways to tackle the issue in the upcoming 5-year term.

Startup associations across Europe, from Deutsche Startups to France Digitale and Scale Ireland have held meetings at the most senior levels and secured commitments to make rewarding startup talent a priority. At the World Economic Forum in Davos, ineffective employee ownership policies were singled out as a major bottleneck to the growth of Digital Europe. A change is afoot in Europe. Finland is currently in the process of drafting its new policy, France has made changes to its scheme for startups and we expect to see more, Ireland just broadened the scope of its employee ownership scheme and has a full-scale review planned for next year, and Germany, one of the countries with the worst policy in Europe, is finally responding to entrepreneurs who've been lobbying for change for years. Based on our experience working with entrepreneurs around the world, we strongly believe that fixing stock option policies will have material impact on the ability of startups to grow and create tech giants on par with those emerging from the US and China. Everyone who joined us in signing #NotOptional can be proud that they've helped to put the issue on the agenda in Europe. Now we need to turn positive conversations across the continent into policy.

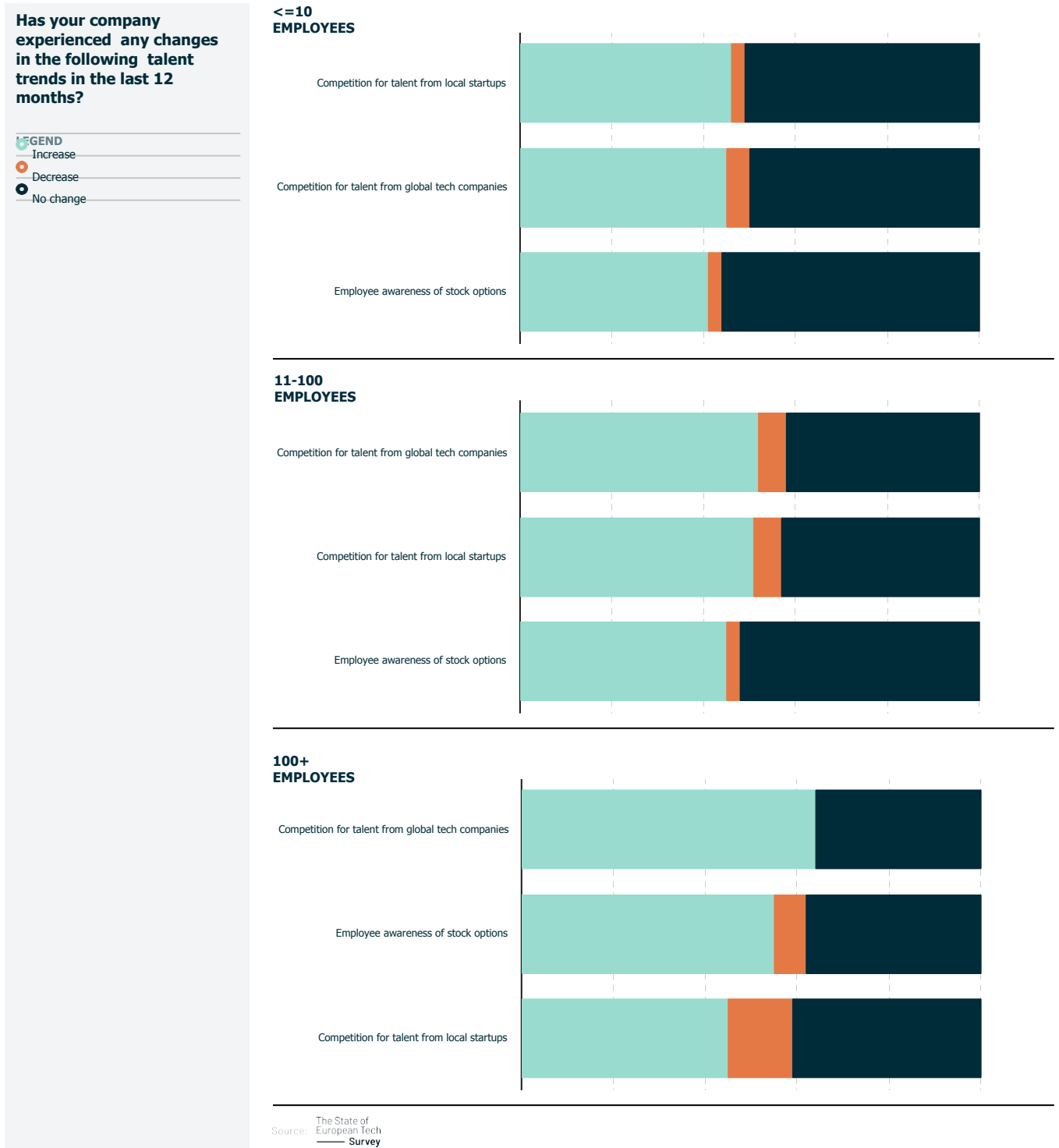


Martin Mignot Index Ventures Partner



Source : The t
v

The role of stock options as a tool to incentivise talent is particularly relevant in the context of increased competition for talent within the European tech ecosystem. Larger companies, in particular, are experiencing increasing competition for talent from both local tech startups and global giants. If you're an employee at a company with 100+ employees, you're more likely to be aware of your stock options; founders can leverage this insight not only to attract but also to retain talent.



Beyond financial incentives, employees are increasingly drawn to companies with strong missions. This is particularly striking for larger companies and could be a differentiating factor for unlocking a highly sought-after talent base.

INCREASE IN CSR FOCUS

71%
of employees of large tech companies place greater emphasis on corporate social responsibility

of employees of large tech companies place greater emphasis on corporate social responsibility

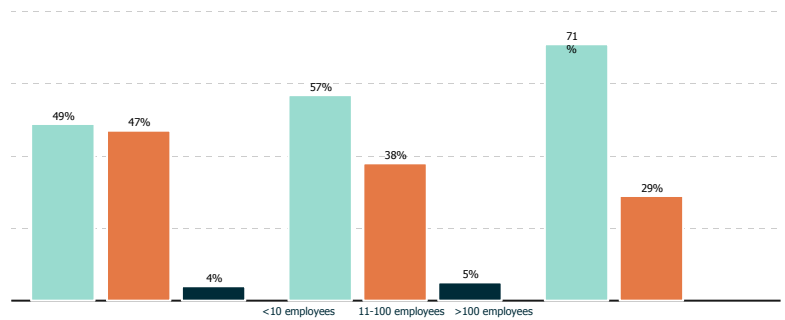
Number of employees placing greater emphasis on corporate social responsibility by company size

LEGEND

- Increase
- No change
- Decrease

NOTE:

Employee at a tech startup or scale-up respondents only. Numbers may not add to 100 due to rounding.



Source: The State of European Tech Survey



We've been blown away by the strong talent across Europe; we've hired key roles from Uber, Apple, Deliveroo, Spotify and iZettle. We're lucky to have scaled quickly across Europe and now have three offices with local teams. The best thing we've done is create a remote-friendly culture where key and senior roles are not bound to our Swedish base. In fact our new VP of Marketing joined us a few months ago and is based out of our London office.



Elsa Bernadotte
 Karma
 Co-Founder & COO

Photo by: Riikka Vaahtera



0

Purpose e7



What is the definition of a purpose-driven tech startup?

The EU competition commissioner Margrethe Vestager has observed: 'Some say China has all the data, and the US has all the money. But in Europe, we have purpose.' In European tech, purpose has become a powerful differentiator. European founders aren't just aiming for commercial success - they are trying to solve some of the world's largest problems. It makes business sense too: consumers and tech talent alike are demanding companies think about more than the bottom line.

07.1

Finding Purpose

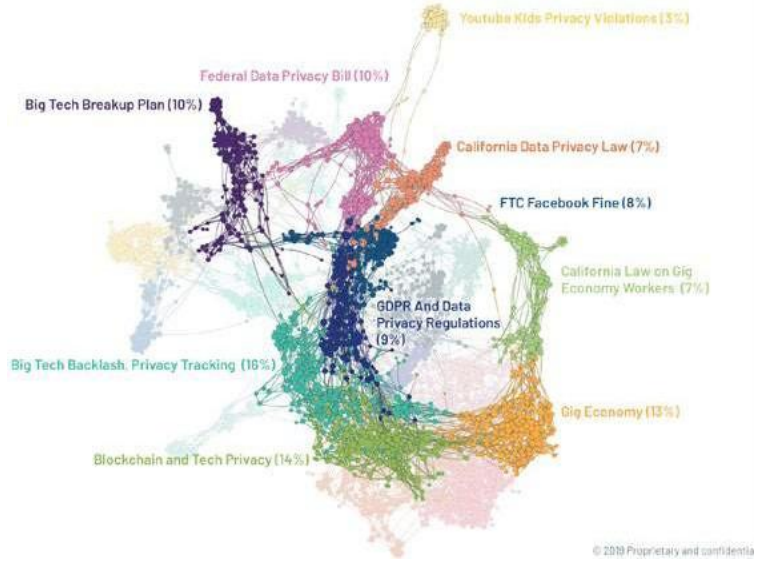
Techlash narrative

In the United States the Techlash narrative is driven mostly by the Tech giants - the Big Tech breakup plan and the Big Tech backlash account for 26% of the overall narrative. On the other side of the pond, Europe remains focused on data privacy, but conversations on antitrust, tech ethics and the gig economy signal that a bigger Techlash is just around the corner.

Each node represents an article. Links connect articles sharing similar language. Clusters form when many articles share strong similarities, revealing shared topics.

Techlash narrative in the United States (based on 2,300 unique stories)

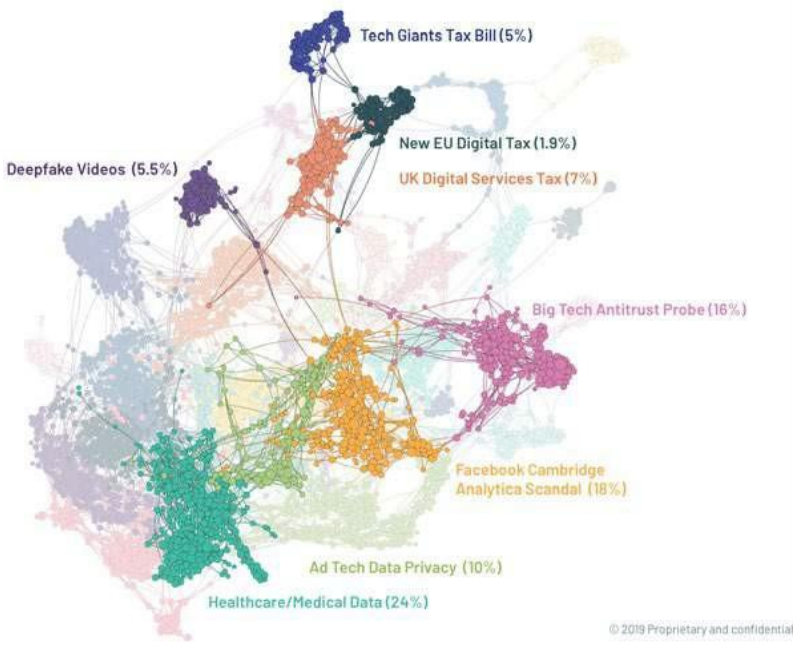
SOURCE: Quid



Each node represents an article. Links connect articles sharing similar language. Clusters form when many articles share strong similarities, revealing shared topics.

Techlash narrative in Europe (based on 3,100 unique stories)

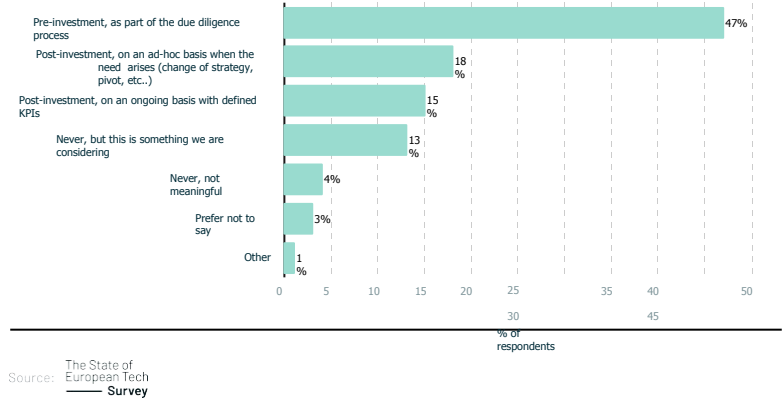
SOURCE: Quid



80% of VCs say they assess the potential long-term societal and/or environmental impact of an investment, in either a pre- or post-investment timeframe. The largest share of respondents (47%) stated that the impact assessment happens pre-investment as part of the due diligence process.

When, if at all, do you assess the potential long-term societal and/or environmental impact of an investment?

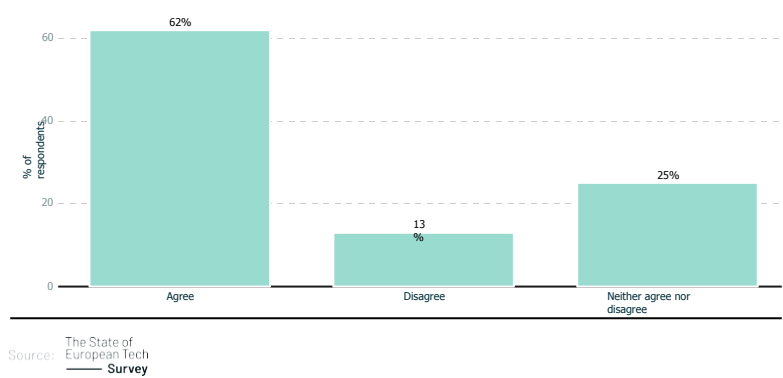
NOTE:
Venture capitalists only. Numbers may not add to 100 due to rounding.



Nearly two-thirds of VC respondents agree that in the last twelve months European investors have demonstrated greater concern about the potential societal or environmental impact of their portfolios.

Thinking about the past 12 months, do you agree or disagree with the following: European VCs are demonstrating greater concern about the potential societal and/or environmental impact of their portfolio companies.

NOTE:
Venture capitalists only. Numbers may not add to 100 due to rounding.



We believe that Europe can take a leading position in development and investment in the ethical use of technology.

I am more optimistic about the future of European technology today than I was 12 months ago although we are in uncertain times with big problems facing the planet - from climate change to delivering resources such as healthcare, food, and education to a global population approaching 8 billion. Europe is leading the way in building trustworthy technology by choosing to use its values to drive the use of technology to the right place. Being a member of the HLEG-AI group, we published ethical guidelines for the use of AI, and we believe that Europe can take a leading position in development and investment in the ethical use of technology.

Loubna Bouarfa
OKRA Technologies
Founder & CEO

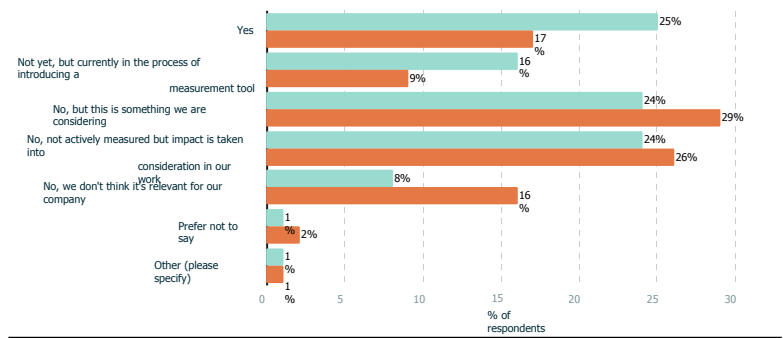
One in five European founders states their company is already measuring its societal and/or environmental impact. Only 14% of founders don't believe it's relevant for their company. Founders who are women are much more likely to be advanced in their approach to measuring impact.

Does your company measure its societal or environmental impact?

LEGEND

- Women
- Men

NOTE:
Founders only. Numbers may not add to 100 due to rounding.

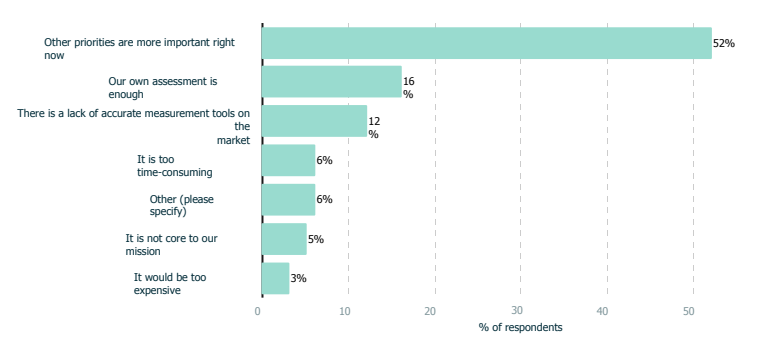


Source: The State of European Tech Survey

Where founders aren't yet measuring their company's impact, it's mostly because they are prioritising other things. Investors can lead the way by prompting founders to think about these issues.

Which of the below statements best describes why you do not measure your company's impact?

NOTE:
Founders only. Numbers may not add to 100 due to rounding.

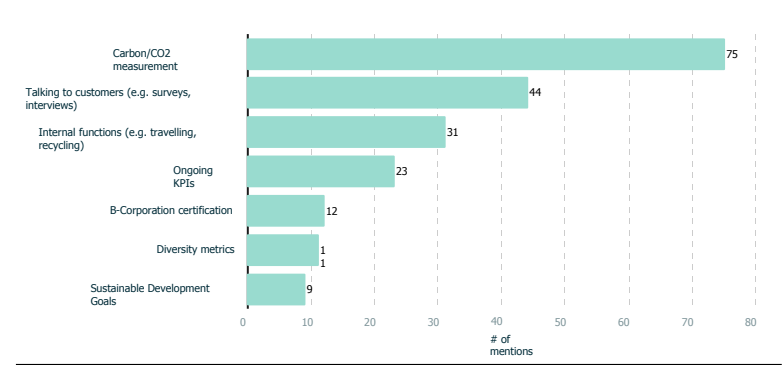


Source: The State of European Tech Survey

Founders are most likely to measure their company's impact by tracking CO2 emissions. Engaging with customers through surveys or conversation is the next most common method.

Stated briefly, what type of impact measurement techniques or tools is your company using, implementing or considering?

NOTE:
Founders who answered that they measure their company's impact, are considering it or are implementing a tool. Keyword analysis performed on open-ended answers, similar spellings & keywords aggregated.



Source: The State of European Tech Survey



I see us moving towards a potentially unhealthy dual internet: a free-for-all 'poor man's' web versus a premium web, and I think businesses need to try harder to build products for broader socio-economic segments of society.

One interpretation I have honed in on around 'tech for good' is the idea of 'humane technology', as I think there's a real need to think more clearly through the behavioural ramifications of consumer-tech especially - and its impact on debate/ politics/addiction/mental health/etc. I think we have some good thinkers along these lines in the UK, but there remains a contradiction in terms when it comes to business models and the need for rapid returns which still prioritise rapid growth, eye-balls and the attention economy. I see us moving towards a potentially unhealthy dual internet: a free-for-all 'poor man's' web versus a premium web, and I think businesses need to try harder to build products for broader socio-economic segments of society.

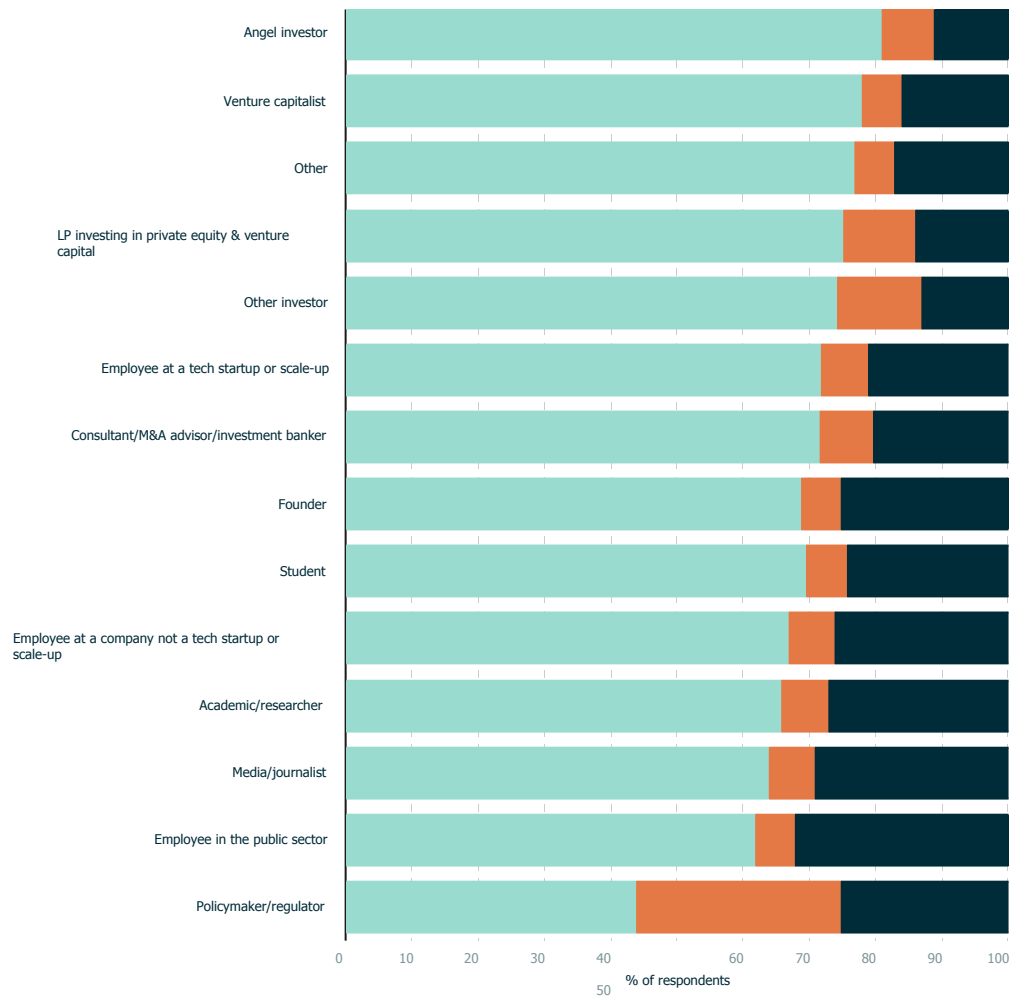


Jessica Butcher
Tick
Co-Founder

Investors are most likely to agree with the statement that European technology entrepreneurs will do more to address societal challenges in the next decade than European governments. Policymakers and the media are more sceptical...

Do you agree or disagree with the following statement? European technology entrepreneurs will do more to address societal challenges (pollution, congestion, climate change, food sustainability, health, etc.) in the next decade than European governments.

- LEGEND**
- Agree
 - Disagree
 - Neither agree nor disagree



Source: The State of European Tech Survey

NOTE:

Numbers may not add to 100 due to rounding.



I'm excited to see a new generation of entrepreneurs in Europe who oppose the 'move fast and break things' dogma in favour of a more thoughtful, more resilient, truly long-term approach to business.

'Social innovation' or 'tech for good' is a different approach to entrepreneurship. One that's in contrast with the average MBA-grad, who crunched some numbers and, driven by a search for monetisation, decided to fill a given market niche. I'm excited to see a new generation of entrepreneurs in Europe who oppose the 'move fast and break things' dogma in favour of a more thoughtful, more resilient, truly long-term approach to business. I see more of my entrepreneur friends in Europe looking to build companies that last 100 years, and more of my friends in SV looking for a quick exit. Both approaches to founding companies are valid; I just find the first one to be much more enjoyable.



Valentina Milanova
Daye
Founder & CEO



European founders are trying to solve some of world's most endemic challenges, achieving transformative impact on climate change, smart cities, economic inclusion and other imperatives of our generation. At the same time, there is an estimated \$502B of assets under management focused on impact investment – and greater focus than ever before from investors and consumers alike on sustainability. It's a very good moment for the purpose-driven entrepreneur.



Perry Teicher
Orrick
Impact Finance
Lawyer

Photo by: Jussi Hellsten



07.2

Purpose-driven Investment

Measuring purpose-driven investment in European tech

2019 saw a huge spike in investment into European tech companies that are seeking to solve some of humanity's most pressing problems.

We partnered with Dealroom to try to quantify this trend and identify the growing universe of purpose-driven venture-backed European tech companies.

To do so, Dealroom created a framework to assess venture-backed European tech companies based on their alignment with the United Nations Sustainable Development Goals.

In this first iteration, the analysis focused on a subset of seven of the seventeen Sustainable Development Goals, selecting only those where Dealroom.co has observed greater levels of European venture-backed startup activity. For each of the selected SDGs, Dealroom manually assigned keywords used to tag companies in its platform to search for and identify a first set of potential companies for review.

The initial results set was then manually reviewed by Dealroom analysts to evaluate the companies for fit against one or more of the SDGs and assign them to those SDGs accordingly.

Additionally, Dealroom's team also manually differentiated all companies in the dataset based on whether the purpose-driven impact of the company was 'core' to the business model, or a 'peripheral' or indirect component of the business model.

Only companies where the purpose-driven impact was considered core to the business model were included in the final dataset and analysis. In total, the analysis identified 528 unique venture-backed, purpose-driven tech companies. The full list can be accessed on Dealroom's platform [here](#).

We understand the methodology has limitations and see this as a first attempt to seek to build a more robust analysis of European purpose-driven tech companies. We welcome feedback and will update this work both in terms of scope and methodology in future iterations.

The analysis has an initial focus on identifying companies that are addressing a subset of seven of the seventeen United Nations Sustainable Development Goals.

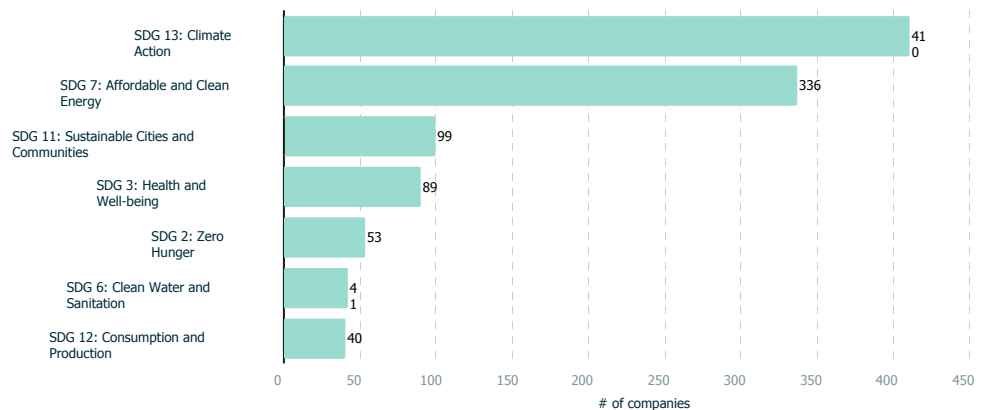
Overview of SDGs included in analysis and mapping to keywords on Dealroom platform

	Description	Selected Dealroom Keywords
SDG 2: Zero Hunger	End hunger, achieve food security and improved nutrition, and promote sustainable agriculture	Innovative food; food waste; sustainable food; aquaculture; alternative protein; agritech; meat substitutes
SDG 3: Health and Well-being	Ensure healthy lives and promote well-being for all at all ages	Medical devices; health devices; health platforms; direct-to-consumer health
SDG 6: Clean Water and Sanitation	Ensure availability and sustainable management of water and sanitation for all	Water; water saving, water treatment
SDG 7: Affordable and Clean Energy	Ensure access to affordable, reliable, sustainable and modern energy for all	Lithium ion batteries; energy; power; carbon; renewable energies; energy storage; green technology; solar energy; electric energy; wind energy
SDG 11: Sustainable Cities and Communities	Make cities and human settlements inclusive, safe, resilient, and sustainable	Air quality; public transportation; charging solutions; urban mobility, advanced mobility; smart city; vertical farming
SDG 12: Consumption and Production	Ensure sustainable consumption and production patterns	Second hand; waste management; recycling; sustainable packaging; sharing economy
SDG 13: Climate Action	Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy	Eco friendly; electric energy; renewable energy; sustainability

Source: dealroom.cc

There are more than 500 European tech companies who received funding since 2005 that are tackling at least one of the UN's Sustainable Development Goals as a core part of their mission. SDG 13 on Climate Action is by far the most addressed goal.

Number of purpose-driven European tech companies per Sustainable Development Goal, 2005-2019















Source: dealroom.cc

NOTE:

Based on a set of 528 unique companies identified by Dealroom. The sum of all companies per SDG is greater than that number as some companies may be addressing more than one goal.

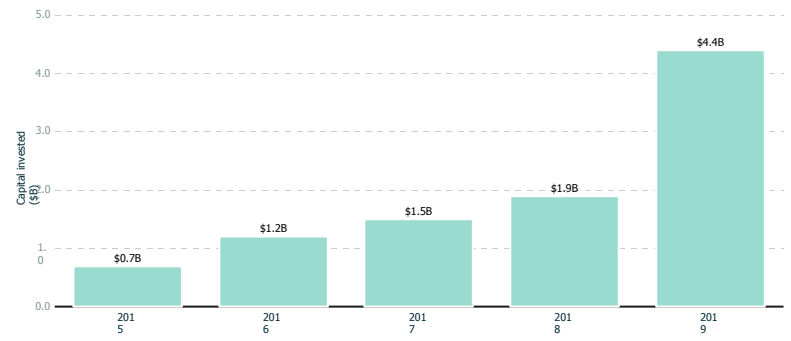
Selected purpose-driven European tech companies

			
<p>Germany SDG 2: Zero Hunger</p>	<p>France SDG 2: Zero Hunger</p>	<p>Netherlands SDG 2: Zero Hunger</p>	<p>United Kingdom SDG 3: Health and Well-being</p>
			
<p>Netherlands SDG 3: Health and Well-being</p>	<p>Sweden SDG 3: Health and Well-being</p>	<p>United Kingdom SDG 7: Affordable and Clean Energy</p>	<p>Sweden SDG 7: Affordable and Clean Energy</p>
			
<p>United Kingdom SDG 12: Consumption and Production</p>	<p>United Kingdom SDG 12: Consumption and Production</p>	<p>Sweden SDG 13: Climate Action</p>	<p>Finland SDG 13: Climate Action</p>

Investors have supported purpose-driven European tech companies with over \$4 billion in capital investment in 2019, up more than 6x over the past five years and taking the cumulative total invested since 2015 to more than \$10 billion.

Capital invested (\$B) in purpose-driven European tech companies per year

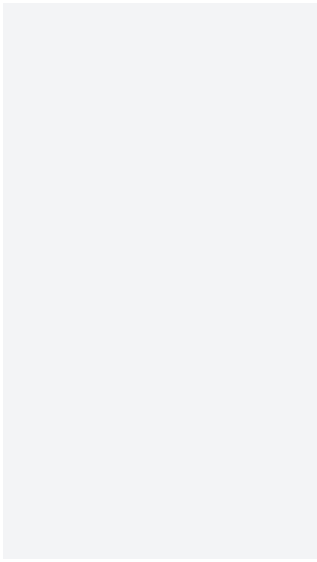
NOTE:
All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel. 2019 annualised based on data to September 2019.



Source:  dealroom.co



5





This year the number of purpose-driven European founders who have pitched to us has been overwhelming.

This year the number of purpose-driven European founders who have pitched to us has been overwhelming. European founders have the most powerful tech toolkit in history, and they are stepping up to help solve some of the world's most pressing challenges such as the climate crisis and healthcare. In doing so they will build huge commercial successes, the global category winners of tomorrow. I believe companies who are purpose driven will outperform the companies who are not. Being mission-driven makes business sense. Many consumers - specifically younger consumers - would rather pay more for something that's sustainable. Younger employees want to work for companies with a mission, and they will leave companies they think are doing things that are negatively impacting society or the environment.



Niklas Zennström
 Atomico
 Founding Partner & CEO

Purpose-driven European tech companies have raised huge rounds in 2019, topped by a \$1B investment into Sweden's Northvolt, founded in 2016 with the mission to build the world's greenest battery and enable the European transition to renewable energy.

Top 10 largest deals raised by purpose-driven tech companies in 2019

	Company	Description	City	Country	Round Size (\$M)	Deal Date
1	Northvolt	Lithium-ion batteries	Stockholm	Sweden	1,000	Jun 2019
2	Babylon Health	High quality healthcare via mobile phone	London	United Kingdom	550	Aug 2019
3	Doctolib	An appointment online to a doctor or dentist	Paris	France	165	Mar 2019
4	Ynsect	Transforms insects into nutrient resource for agriculture	Évry	France	138	Feb 2019
5	Energy Vault	Energy storage technology	Lugano	Switzerland	110	Aug 2019
6	Infarm	An urban farming services company	Berlin	Germany	100	Jun 2019
7	docplanner	Booking platform for medical appointments	Warsaw	Poland	88	May 2019
8	Healx	AI platform for rare diseases	Cambridge	United Kingdom	56	Oct 2019
9	BBOXX	Designs, manufactures and distributes solar power systems	London	United Kingdom	50	Aug 2019
10	Dental Monitoring	Application designed for self-monitoring dental treatment	Paris	France	50	Mar 2019

NOTE:
 Based on deals announced between 1 January 2019 and 30 September 2019 only.
 Source: dealroom.co



For the team here, there's no bigger motivator than knowing you're applying your skills to improving the lives of patients, their carers and their families.

At Healx we believe every rare disease patient deserves a treatment. It's this belief which drives us to achieve our mission of taking 100 new treatments towards the clinic by 2025. Having such a clear mission also helps with recruiting and retaining the best and brightest talent. For the team here, there's no bigger motivator than knowing you're applying your skills to improving the lives of patients, their carers and their families. This is especially the case for the many team members who count either themselves or a relative amongst the 400 million people worldwide living with a rare disease.



Kate Hilyard
 Healx
 COO



'Tech for good' generally addresses humankind's most important needs, which means the largest markets.

Ÿnsect is a mission-driven company from Day 1. It is right in our DNA, as we came from an activist non-profit association. We see more and more projects and entrepreneurs looking to have an impact, to have a purpose, with great ideas showing that profits and impacts can be compatible. Amazing companies like Olio, NorthVolt, OpenClassRooms or Doctolib demonstrate that Impact Unicorns won't be a myth! Europe could become the best place for 'tech for good' companies, which will have tremendous positive economical and social impacts in Europe and beyond, as 'tech for good' generally addresses humankind's most important needs, which means the largest markets.



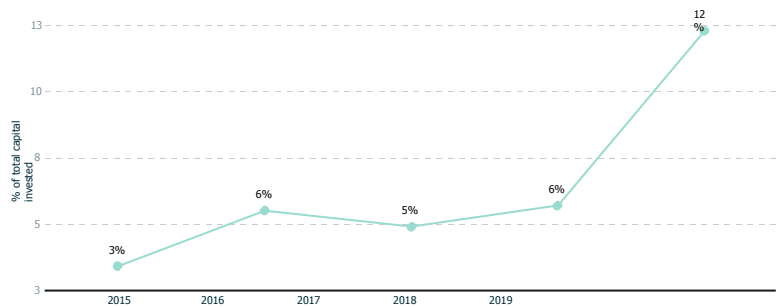
Antoine Hubert
Ÿnsect
CEO

As a result of the large funding rounds raised by some of the leading players, capital invested into purpose-driven companies accounted for more than 12% of total capital invested into European tech in 2019, more than double any previous year.

Capital invested in purpose-driven European tech companies per year as a share of total capital invested (%)

NOTE:

All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel. 2019 annualised based on data to September 2019.



Source: dealroom.co



A significant part of our own portfolio is in life sciences and digital health and clean growth, mobility and transportation. Not only are there social positives from investing in these types of companies, there are also potentially very large commercial returns available both for VCs and LPs.

Consumers are becoming increasingly values-driven in their lifestyles and this in turn affects how they spend their money. Consumers will look for businesses with values similar to their own, whether that's how a company improves its environmental impact and treats workers in their supply chain or the way it works within its local community. While much of VC is still focussed on areas like Enterprise Software and Fintech, there are significant market opportunities in areas that tackle global issues like efficient energy, sustainable consumption and health and social care. A significant part of our own portfolio is in life sciences and digital health and clean growth, mobility and transportation. Not only are there social positives from investing in these types of companies, there are also potentially very large commercial returns available both for VCs and LPs.



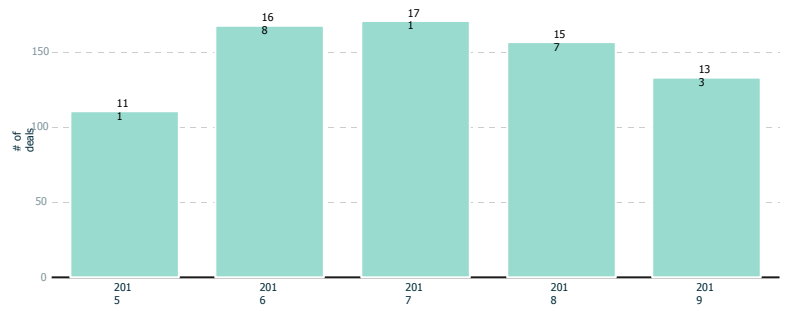
Christine Hockley British Patient Capital
Director of Investments

The number of deals involving purpose-driven European tech companies has been increasing steadily over the past five years.

Number of deals involving purpose-driven European tech companies per year

NOTE:

All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel. 2019 annualised based on data to September 2019.



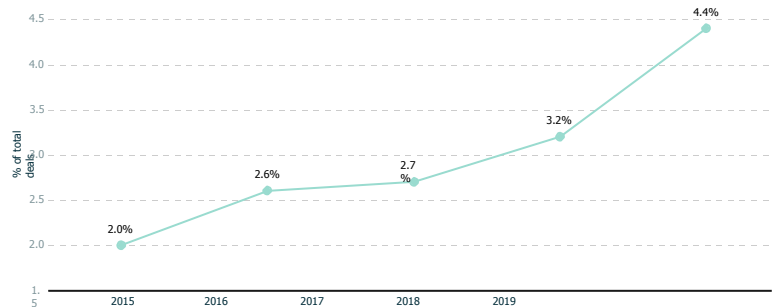
Source: dealroom.co

Though the absolute number of deals is increasing (when factoring in the reporting lag) and the share of total deals has been rising consistently, investments into purpose-driven European tech companies still only represented less than 5% of all deal activity in 2019.

Deals in purpose-driven European tech companies per year as a share of total deals (%)

NOTE:

All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel. 2019 annualised based on data to September 2019.



Source: dealroom.co



Photo by: Julius Kontinen

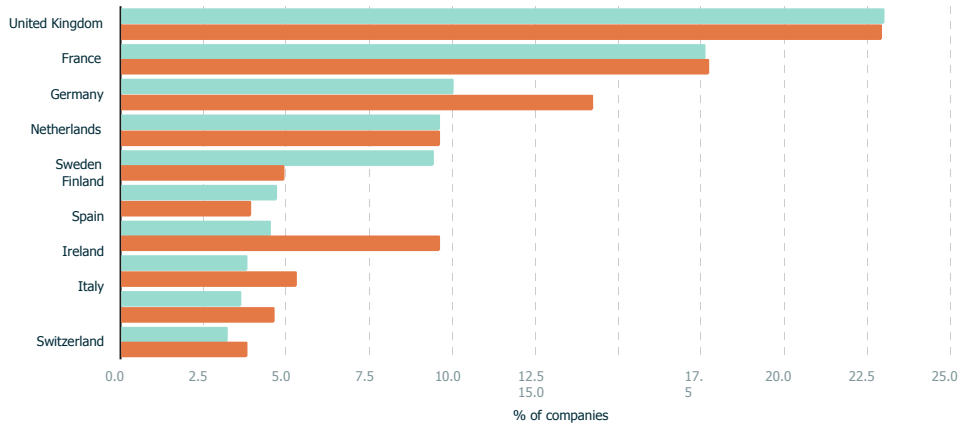
The UK, France and Germany are home to the highest number of purpose-driven European tech companies.

Top 20 countries by share of purpose-driven European tech companies

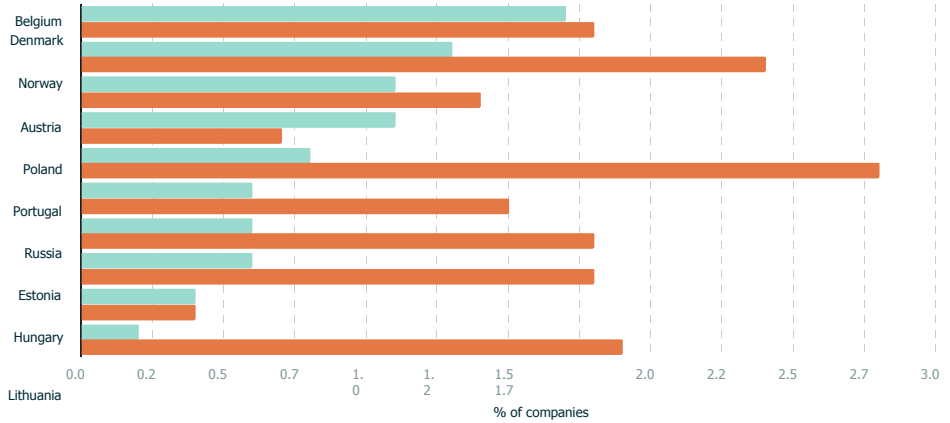
LEGEND

- % of purpose-driven companies
- % of all companies

TOP 10



RANK 11-20



NOTE:

All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel. 2019 annualised based on data to September 2019.

Source: dealroom.co



We're beginning to see the industry pay attention to other intersections beyond gender, such as race, class, ability and more. This intersectional approach supports and celebrates individuals who have multiple identities, such as black women. Over the past couple of months, there have been a number of initiatives supporting these underrepresented groups, such as EITFood Change Makers Programme; a two-day hackathon for women and people of colour in the agricultural sector and Included VC; a 12-month venture capital fellowship group for marginalised communities, such as veterans and refugees.



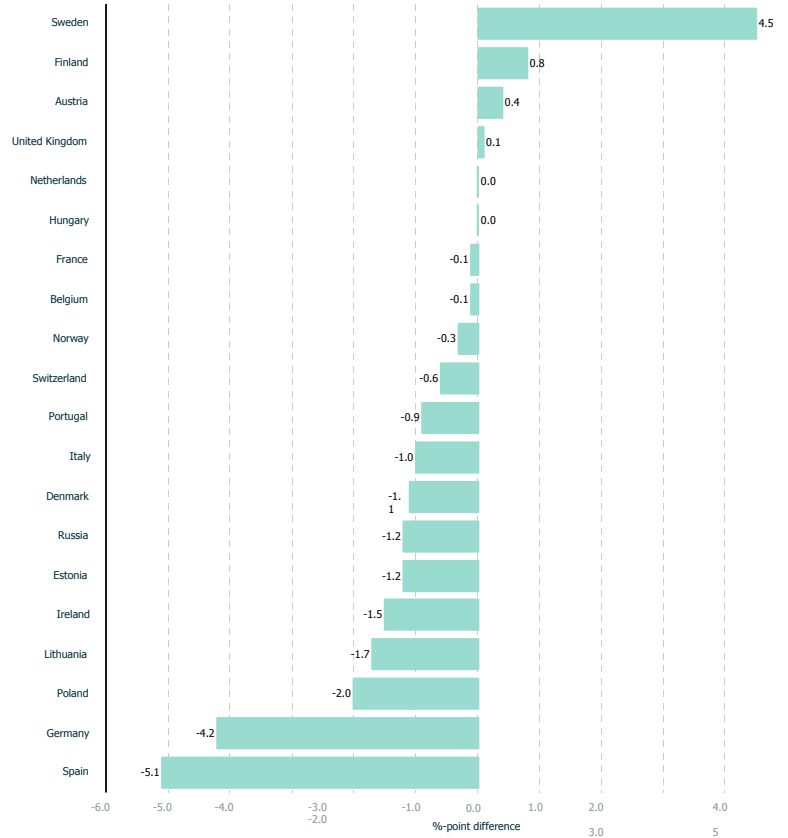
Osnat Michaeli
Infarm
Co-Founder

But looking on a relative basis, it's clear that some countries are much more overweight towards purpose-driven tech companies when benchmarked against their overall share of all European tech companies. Sweden, for example, is home to nearly 10% of purpose-driven tech companies, but accounts for only 4.3% of all European tech companies, a difference of 5.1% points.

Rank of countries by %-point difference in relative share of purpose-driven European tech companies versus all European tech companies

LEGEND
 %-point difference

NOTE:
 All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel. 2019 annualised based on data to September 2019.



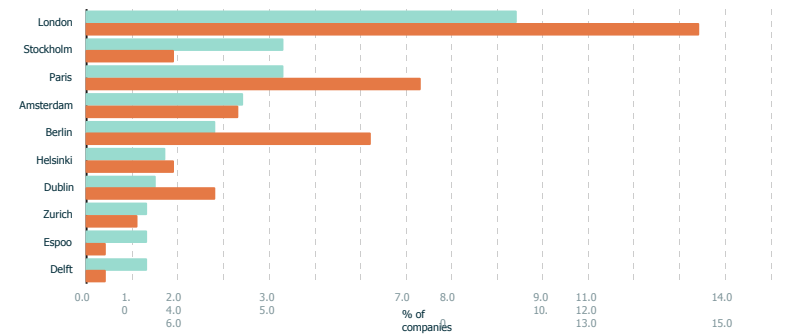
Source: dealroom.co

In absolute terms, London is the capital of purpose-driven European tech companies; it is home to nearly one in 10 companies with a purpose-driven mission. But on a relative basis, Stockholm is by far the number one city, with the heaviest weighting towards purpose-driven tech companies compared to its share of all European tech companies.

Top 10 European cities by share of purpose-driven European tech companies

LEGEND
 ● % of purpose-driven tech companies
 ● % of all European tech companies

NOTE:
 All Dealroom.co data excludes the following: biotech, secondary transactions, debt, lending capital, grants. Please also note the data excludes Israel. 2019 annualised based on data to September 2019.



Source: dealroom.co

0

Place



What are the best hubs for European tech?

Cluj-Napoca, Romania, Delft, the Netherlands, Minsk, Belarus.

European tech is no longer driven by a handful of cities and a handful of countries. More European countries can say they have created a billion-dollar tech company. Universities across the region are creating more spinoffs. And founders are choosing even more to found where they are, further fueling local tech communities and setting the stage for the global category winners of tomorrow.

08.1

Picking Places

Getting started

In the People chapter (06.2), we explored a number of the business-related motivations behind why founders set up their companies where they did. We also wanted to explore the personal side of this decision. In a European tech ecosystem where there are so many emerging tech hubs and where people mobility is so significant, what are the personal factors that shape the decision to start a company in one city versus the next?

The answer from founders is interesting; for the significant majority (60%+), regardless of the level of experience, there is no place like home.

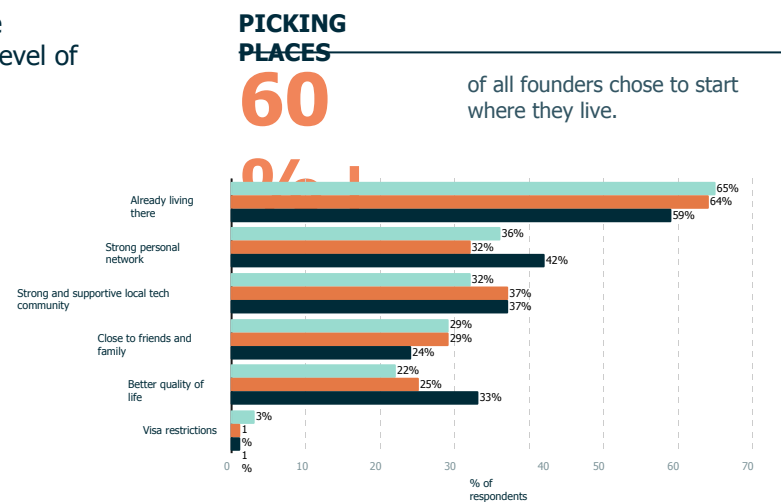
What were the most important personal considerations for you when choosing where to locate your company when you founded it?

LEGEND

- First-time founder
- Repeat founder with limited experience in scaling company
- Repeat founder with significant experience in scaling company

NOTE:

Founders only. Numbers do not add to 100 as respondents could choose multiple responses.



Source: The State of European Tech Survey

In this context, it's interesting to look at how the personal considerations vary for local founders who have started their companies in their home country versus migrant founders who have started in a country other than their country of origin. What is clear is that migrant founders are often already in situ prior to having started their company, perhaps because they had already moved earlier in their career. This is an important point that reinforces the need for countries not only to focus on attracting founders from overseas, but also to attract talent before they embark on their entrepreneurial journey.

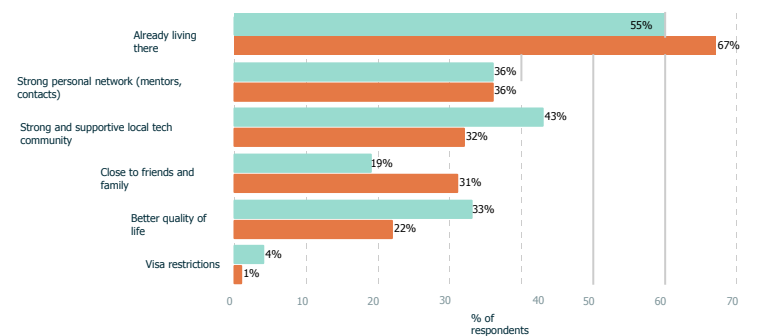
What were the most important personal considerations for you when choosing where to locate your company when you founded it?

LEGEND

- Founder (migrant)
- Founder (local)

NOTE:

Founders only. Numbers do not add to 100 as respondents could choose multiple responses.



Source: The State of European Tech Survey

Most founders also shared that they are unlikely to change their original decision. Given the choice to start over and to found and build their company again, the overwhelming majority of founders, both first-timers and repeat, would choose either to stay exactly where they are or to stay in Europe, but in a different city.

If you were to start over, where would you choose to found and build your company?

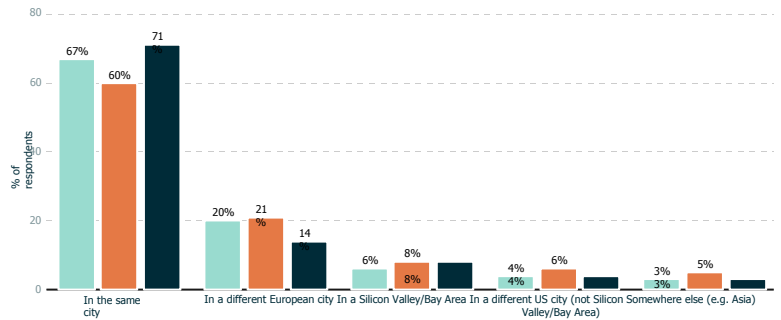
LEGEND

- First-time founder
- Repeat founder with limited experience in scaling company
- Repeat founder with significant previous experience in scaling company

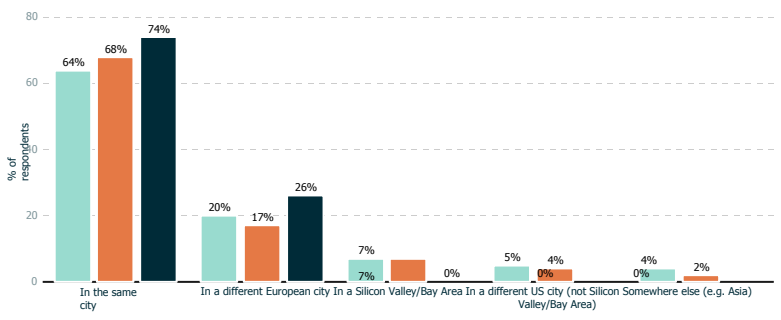
NOTE:

Founders only. Numbers do not add to 100 as respondents could choose multiple responses. Source: The State of European Tech Survey

FOUNDER TYPE



COMPANY SIZE



Still, there are some differences by region worth noting. The interest for the US and other international hubs remains low, but European tech founders from CEE and DACH are more likely to pick a location different from where they started.

STARTING OVER

30%

of founders from CEE would pick a different European city.

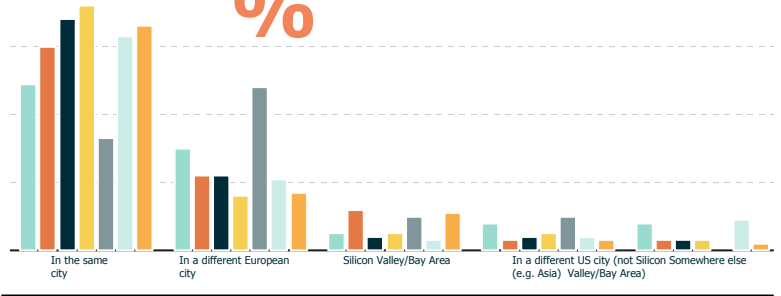
If you were to start over, where would you choose to found and build your company?

LEGEND

- CEE
- DACH
- France & Benelux
- Nordics
- Rest of Europe
- Southern Europe
- UK & Ireland

Founders only. Numbers do not add to 100 as respondents could choose multiple responses.

Source: The State of European Tech Survey



Clearly there is way more international talent in French startups than a few years ago.

Clearly there is way more international talent in French startups than a few years ago. This is for two reasons. First, President Macron has clearly projected a very pro-business image of France, which wasn't necessarily the case before. It's not just political blabla; the quality of the startups here is also attracting this talent. But part of it is also that entrepreneurs and startup employees are looking for new locations different from some of the other, more traditionally sought-after ecosystems. For example, I don't hear as many entrepreneurs getting hyped up to move to Silicon Valley.



Roxanne Varza
Station F Director

Where next?

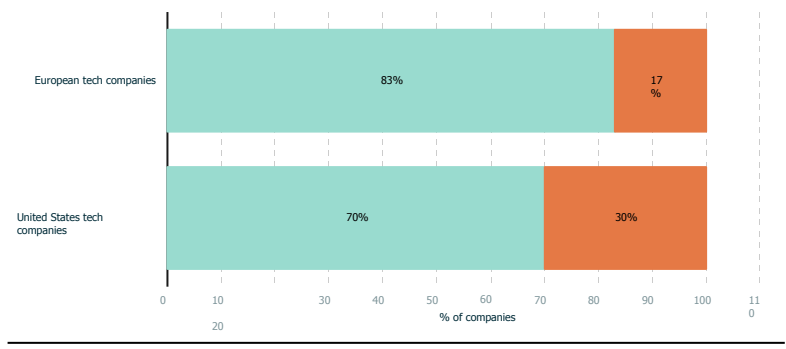
But staying in Europe does not mean settling for proximity. European tech founders have international ambition and build companies with this mindset.

In fact, European scale-ups, i.e. those that have reached \$1B+ valuations or more, are more likely to have internationalised than those in the US. 83% of European tech scale-ups established an international office versus 70% of tech scale-ups in the United States. So how do founders choose where to go next?

Share of leading VC-backed European and Bay Area tech companies (%) with an international office footprint

LEGEND
■ International office location
■ No international office location

NOTE:
 Based on a sample of 80 European tech companies and 182 Bay Area tech companies that have reached \$1B+ milestone and/or raised more than \$50M in venture capital, excluding Biotech.

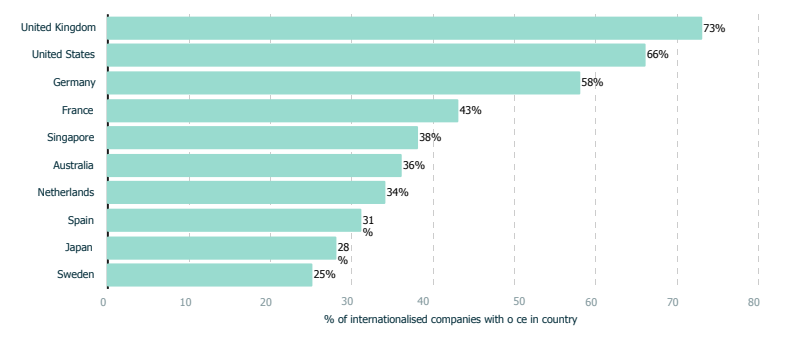


Source: Craft

The Top 10 most popular countries for international office locations of European tech scale-ups is dominated by other European countries, most frequently the UK and Germany, and then France. But the huge prize of making a dent in the giant North American market unsurprisingly means that the US comes in as the second most popular location for international offices for European tech scale-ups.

Top 10 most popular countries for international office locations of European tech scale-ups that have internationalised their office footprint

NOTE:
 Based on a sample of 80 European tech companies that have reached \$1B+ milestone and/or raised more than \$50M in venture capital, excluding Biotech.



Source: Craft



When you go to market in your own local market, you have a different scale that you are working against, which translates into the availability (or lack thereof) of experienced talent you can find when you need to scale up.

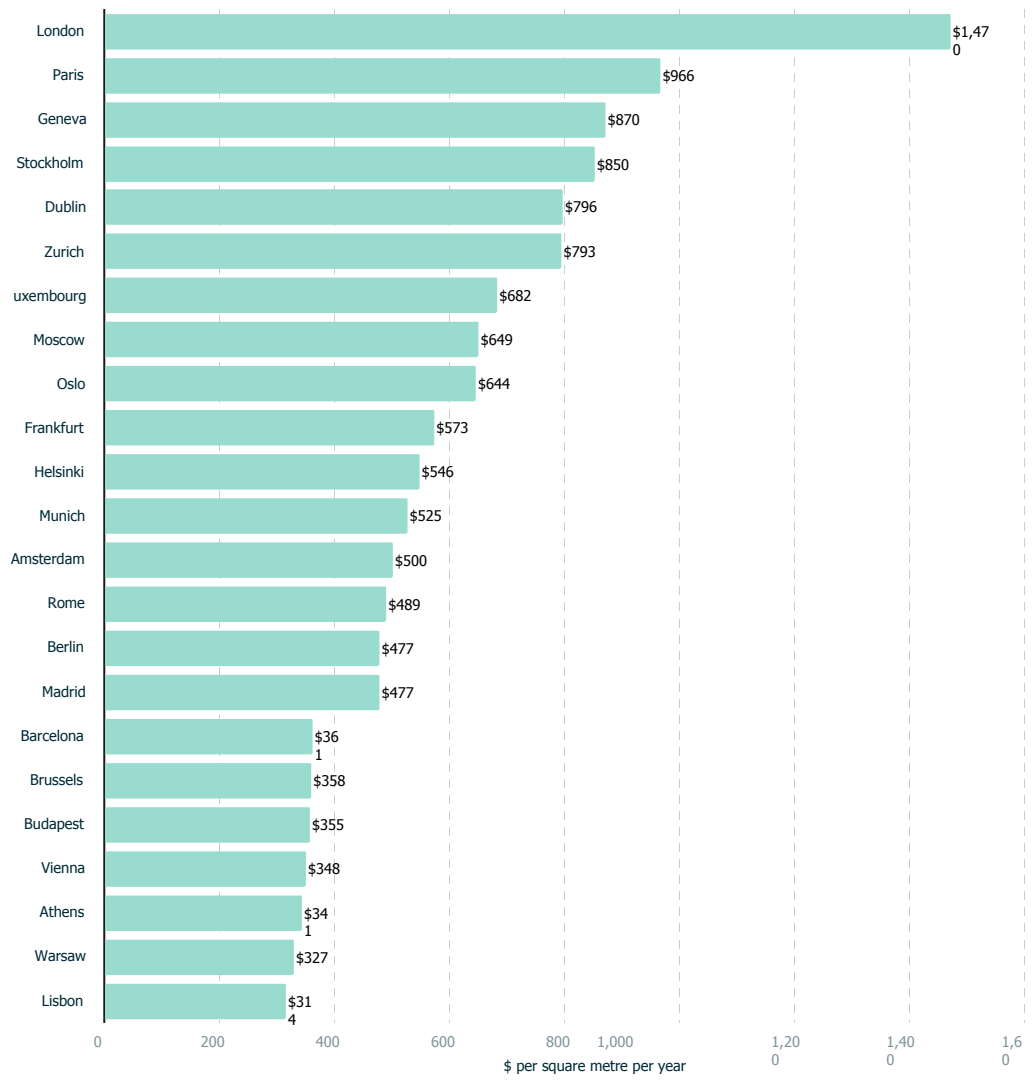
Being a European company is one thing, being a Belgian company is another. Personally I believe that the biggest challenge for scaling in Europe is Europe's fragmented marketplace. When you go to market with a product in Europe, you aren't going to market in Europe as much as you are going to market country by country. Every country has their own identities, languages, cultures, laws, channels,... which means that - all else being equal - a dollar (or euro) spent in a US go-to-market goes a lot further than one distributed over the different geographies in Europe. If you then look at orders of magnitude, Belgium has 10M+ people, Germany 80M+, France 65M+, the UK 66M+, ... whereas the US has 330M+ people. This means that when you go to market in your own local market you have a different scale that you are working against, which translates into the availability (or lack thereof) of experienced talent you can find when you need to scale up.



Stijn Christiaens
Collibra
Co-Founder & CTO

European tech continues to undergo a strong level of geographic diversification, meaning that tech activity is growing in more cities in more countries than ever before. This trend also includes geographic diversification within countries and away from the main hubs. There are potential downsides, of course, but there are also material benefits from the lower cost to operate outside of the main hubs.

Cost of prime rent (\$ per square metre per year) for office space by city, 2Q 2019

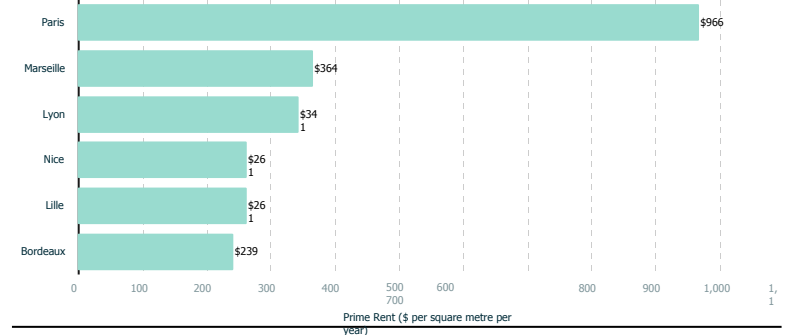


NOTE:
EUR to USD (1 EUR = 1.1367 USD) conversion taken from 30 June 2019 from Bloomberg.

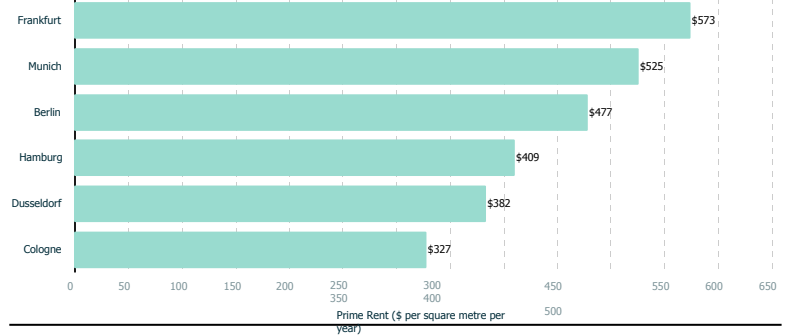
European tech continues to undergo a strong level of geographic diversification, meaning that tech activity is growing in more cities in more countries than ever before. This trend also includes geographic diversification within countries and away from the main hubs. There are potential downsides, of course, but there are also material benefits from the lower cost to operate outside of the main hubs.

Cost of prime rent (\$ per square metre per year) for office space by city in selected countries, 2Q 2019

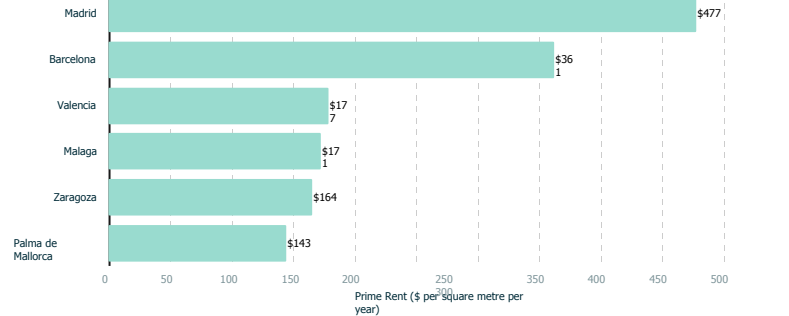
FRANCE



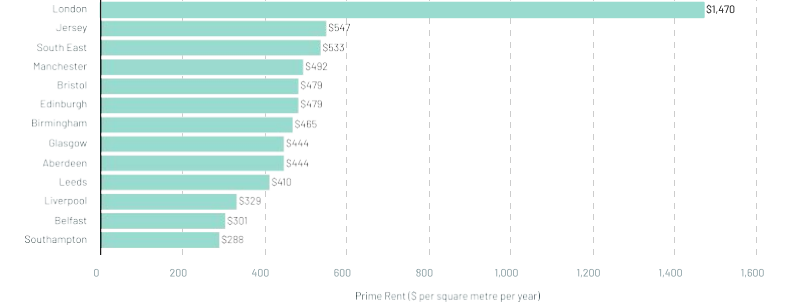
GERMANY



SPAIN



UNITED KINGDOM



NOTE:

Based on data for 2Q 2019. EUR to USD (1 EUR = 1.1367 USD) conversion taken from 30 June



As consumers are more and more aware that tech is changing their lives, this conversation between governments and tech is only going to become more crucial.



Simon Cook
Draper Esprit
CEO

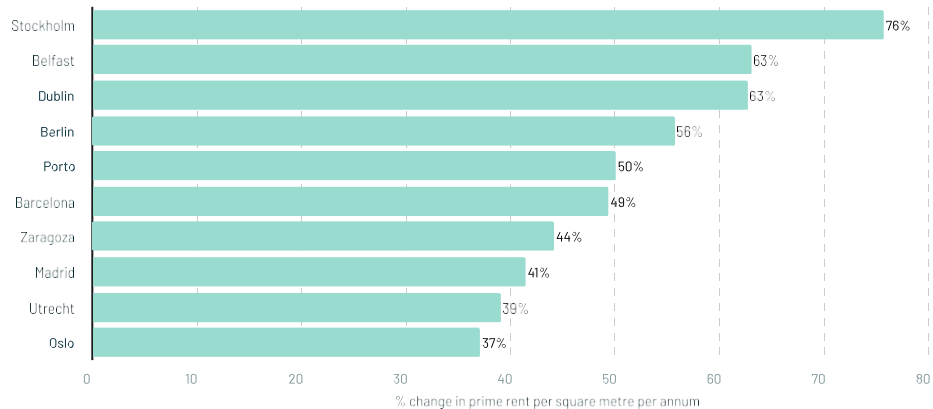
For a European tech company, the challenge is always around paths to expansion. As a continent, we are made up of many different markets, with separate cultures and languages. For a startup in China or the US, their initial markets are much, much larger. European startups, on the other hand, have to think global from day one. This can be their strength, of course, but to succeed they have to be absolutely ruthless about product market fit. The flip side is that we are much more diverse as a continent, have some of the best universities in the world (especially for deep tech) and are more open to regulation.

The latter is something I think will only become more important. Fintech is a good example of this already in action — London became the world leader because the regulators have been engaging with the technology, not because it has been left alone to do its own thing. As consumers are more and more aware that tech is changing their lives, this conversation between governments and tech is only going to become more crucial.

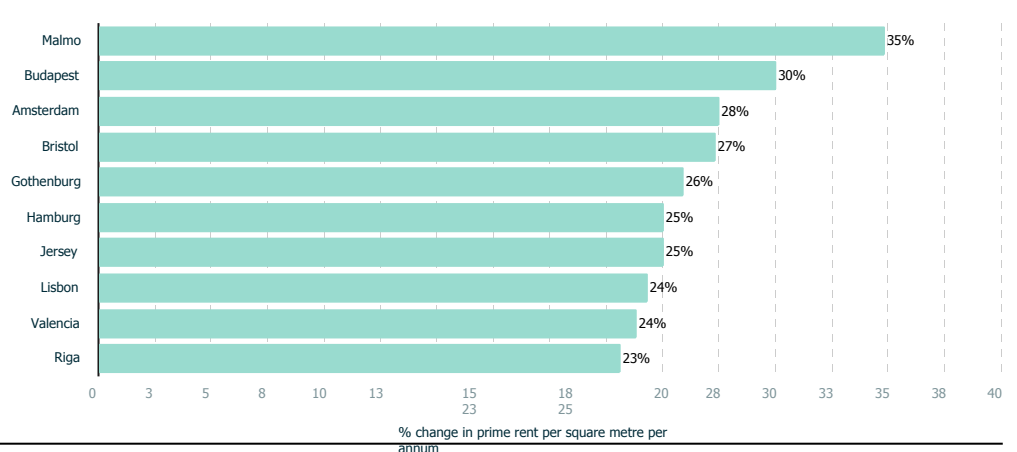
The material increase in the cost of prime rent in certain cities over the past five years is certainly a consideration for founders. In Stockholm, for example, office space rental costs are up 76% since 2013, while in Berlin they are up 56%.

Top 20 cities by change in prime rent per square metre, 2Q 2019 versus 2Q 2014

TOP TEN

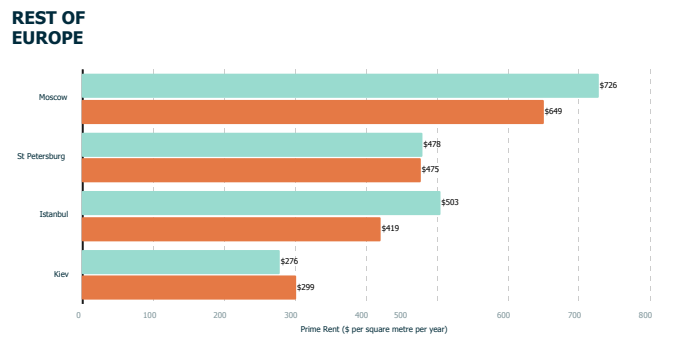
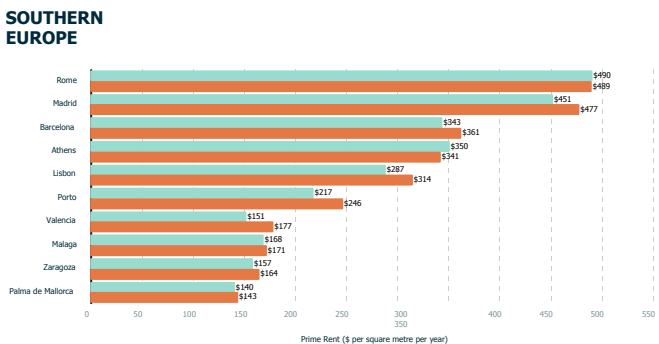
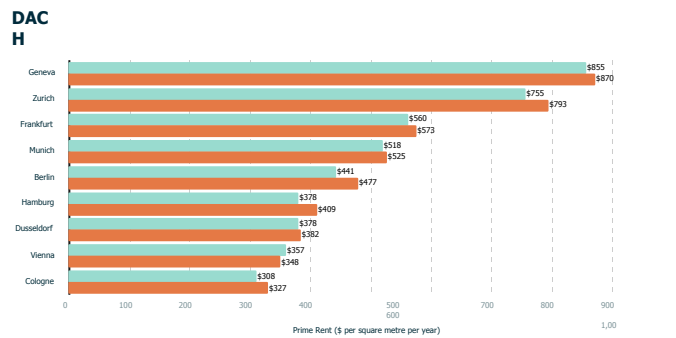
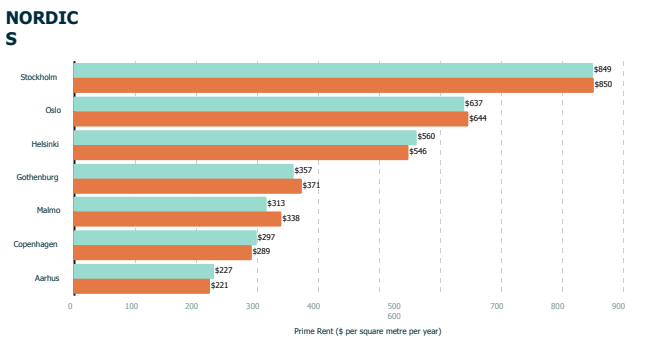
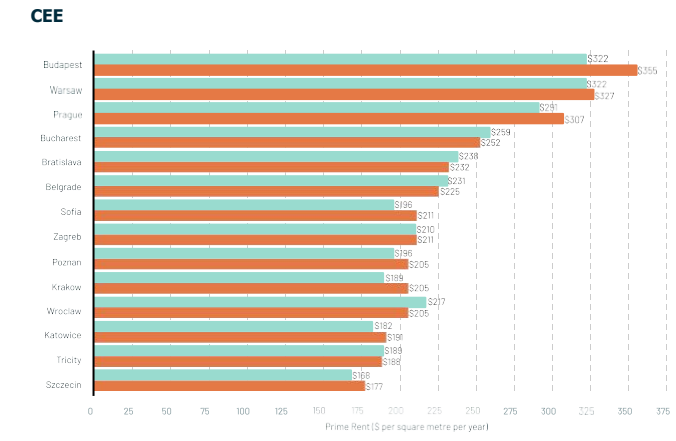
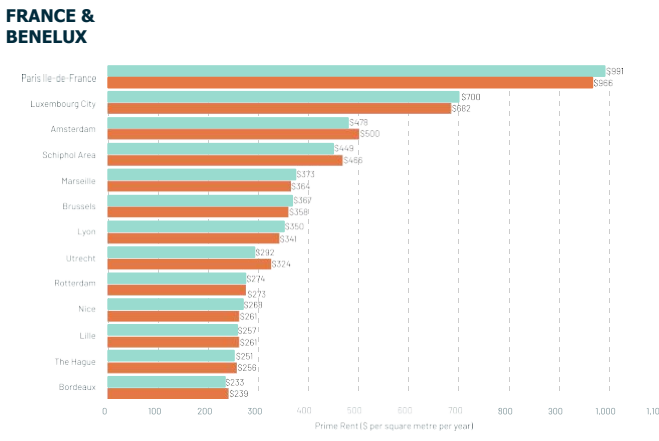
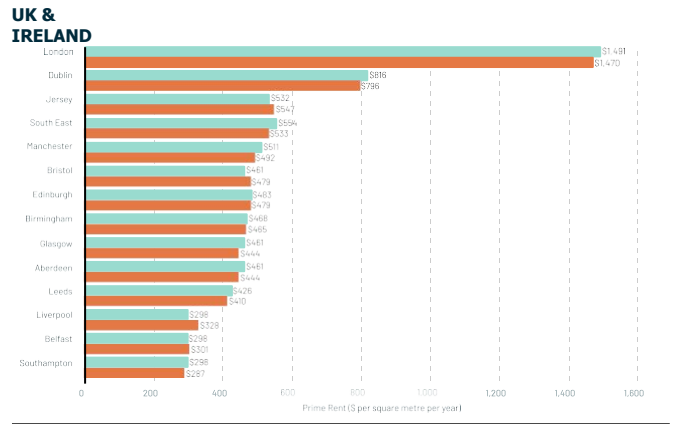


RANK 11-20



Source: **CBRE**

The cost of office space is perhaps not at the top of the list of considerations for founders when thinking about where to start and build a company, but the data certainly helps' to understand the relative cost of different cities, particularly as companies choose to scale and build office presence across multiple locations as they grow and seek access either to new customers or new talent pools.

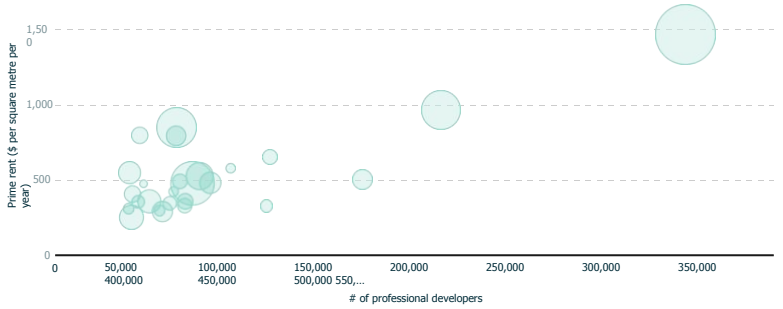


Amsterdam has built a growing reputation as an attractive location choice for international tech companies to set up overseas offices - and it's not hard to see why. It is home to one of Europe's largest developer talent clusters and also offers reasonable costs in terms of office space.

Number of professional developers versus prime rent (\$ per square metre per year) versus capital invested (\$M) by city (bubble size)

NOTE:

Bubble size represents the capital invested amount annualised based on data to September 2019.



Source: stackoverflow dealroom.cc CBRE

The average capital invested (\$) per professional developer has increased by 23% year-over-year. Berlin, and now also Munich and Hamburg, rank in the top 10 cities, asserting Germany's position as the technical powerhouse of Europe.

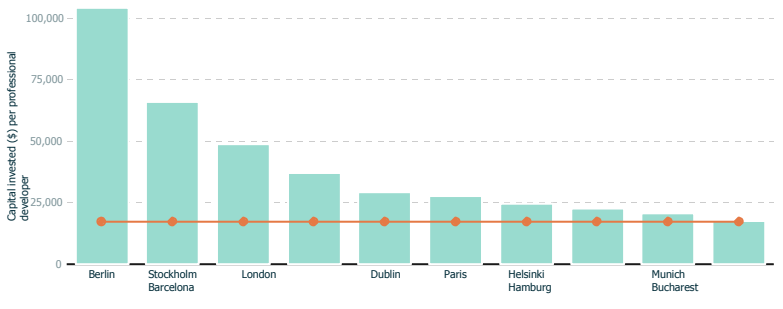
Top 10 European cities for capital invested (\$) per professional developer

LEGEND

- Capital invested per professional developer (\$)
- European average (\$)

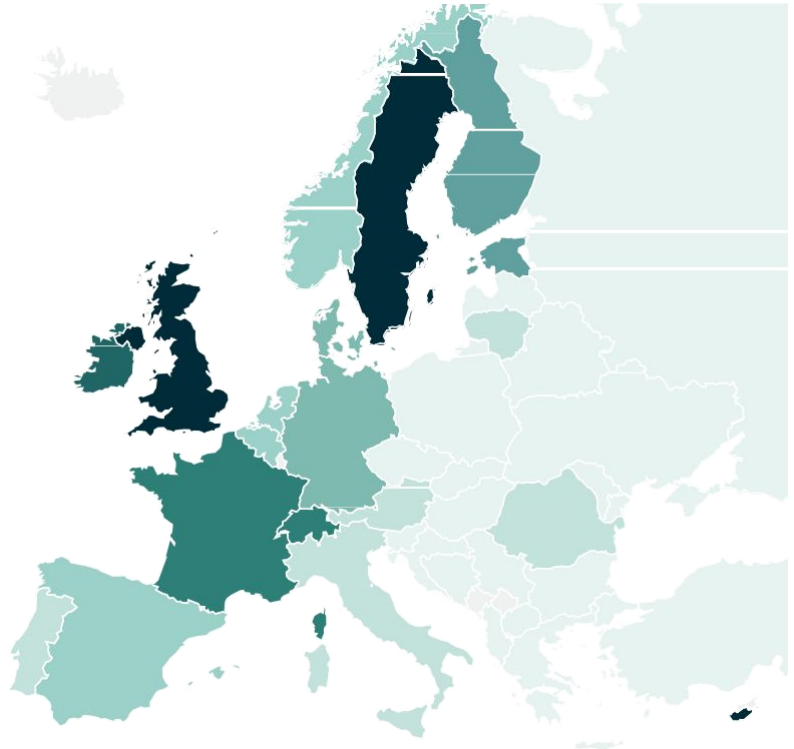
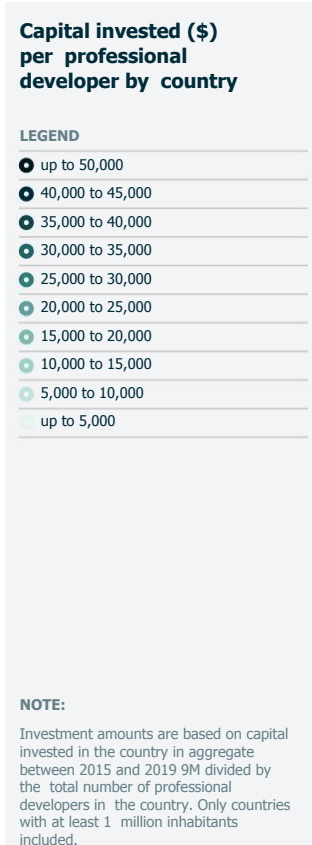
NOTE:

Investment amounts are based on capital invested in the cities in aggregate between 2015 and 2019 9M divided by the total number of professional developers in the city. Only cities with at least 50,000 professional developers in 2019 are included.



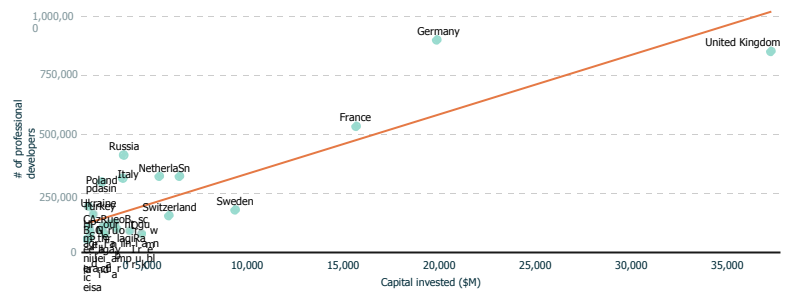
Source: stackoverflow dealroom.cc

It is also interesting to assess the capacity of certain countries to mobilise their talent pool effectively and look at how much capital has been invested based on the size of the local professional developer talent base. Finland and the United Kingdom are in the lead, but it is also important to note that countries in Central & Eastern Europe such as Romania, Lithuania and Estonia are starting to emerge though being under the radar the year before.



Source: stackoverflow dealroom.cc

European tech can grow faster by tapping into hidden talent pools. The number of professional developers compared with the amount of capital invested in countries across the region suggests that countries such as the Netherlands, Spain and Poland still have the potential to exceed expectations in the European tech ecosystem.



Source: stackoverflow dealroom.cc



There are a number of challenges facing the tech ecosystem in Spain. However, the biggest issue by far is a lack of real support for the tech companies here, especially when compared with France or Portugal.

There are a number of challenges facing the tech ecosystem in Spain. However, the biggest issue by far is a lack of real support for the tech companies here, especially when compared with France or Portugal.

While it's fair to say that policymakers around the world are wrestling with how to effectively regulate disruptive technologies, the vast majority are trying to do so without reigning in or stifling innovation. In Spain, the impact of regulators so far suggests a determination to hold back new technologies and new ways of working in favour of maintaining the traditional industries' status quo. From our point of view, Spain is the only country (out of the 26 in which we operate globally) where we haven't been able to open a constructive dialogue with local regulators around the labour market rules for startup workers. When you couple this with rising taxes, and a tax system not adapted to providing share-based incentives to employees, it can be difficult for tech companies to gain a foothold in the Spanish market without quickly becoming embattled.

In terms of its strengths, Spain has so much to offer the global tech community. It's easy to attract top talent, especially to Barcelona, and there are many good universities here. The high quality of life and low living cost also make it much more affordable than other big European tech hubs, such as London, to set up and launch a business. And the country's geographical position makes expansion in Europe easy and gives it a distinct advantage in Latin America, due to the cultural ties with that region.



Oscar Pierre
Glovo
Co-Founder &
CEO



Photo by: Julius Konttinen

08.2

Budgeting for your (Series) A Team

'Cheat sheet'

How much does it cost to start and build a team in different European cities? It should be an easy question to answer. Of course, it really isn't.

We don't have a perfect answer, but to help we've put together an illustrative org chart for a Series A stage software-as-a-service (SaaS) company. No two teams are the same, but we think it provides a reasonable benchmark on what a team might look like for this type of business at that stage.

We then enriched our 'dream team' dataset with data from Aon's rewards data (covering base salary and actual incentives) and CBRE's dataset on the prime rent cost of office space. We then built this out to give cost benchmarks for ten key European tech hubs, as well as providing a comparison with the equivalent cost to build the team from the Bay Area.

No methodology is ever perfect, but this should help founders (and others) to understand what it costs to set up and build in different European tech hubs.

Photo by: Julius Kontinen














Assembling your Series A dream team

role / number of headcounts

 <p>Engineering</p> <ul style="list-style-type: none"> 2 Senior Software Engineers 2-5 Software Engineers 1 UX Designer 1 Data Analyst 	 <p>Product</p> <ul style="list-style-type: none"> 1-3 Product Managers 	 <p>Sales & Marketing</p> <ul style="list-style-type: none"> 1 Sales Director/VP Sales 1-2 Account Executive 2-4 SDRs 2-4 Customer Success 1 VP/Marketing Director 2-3 Marketing Managers 	 <p>Operations</p> <ul style="list-style-type: none"> 1 Operation Manager/Chief Operations Officer 1 Office Manager 1 HR Manager/Recruiter 	 <p>Finance</p> <ul style="list-style-type: none"> 1 Finance Manager
--	--	---	--	---

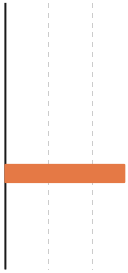
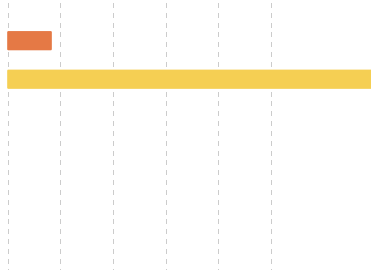
Budgeting for your team of 20-30 people

\$M per year

#	CITY	SALARY COST (\$M)			OFFICE SPACE COST (\$M)			TOTAL COST BASE (\$M)		
		20PPL	AVG.	30PPL	20PPL	AVG.	30PPL	20PPL	AVG.	30PPL
	 Bay Area	2.81	3.48	4.15	0.29	0.37	0.44	3.11	3.85	4.59
1	 London	1.79	2.21	2.62	0.47	0.59	0.71	2.26	2.80	3.33
2	 Copenhagen	2.11	2.62	3.12	0.09	0.12	0.14	2.20	2.73	3.26
3	 Munich	1.97	2.43	2.90	0.17	0.21	0.25	2.14	2.64	3.15
4	 Dublin	1.68	2.08	2.47	0.25	0.32	0.38	1.93	2.39	2.85
5	 Paris	1.60	1.96	2.33	0.31	0.39	0.46	1.91	2.35	2.79
6	 Amsterdam	1.71	2.10	2.50	0.16	0.20	0.24	1.87	2.30	2.74
7	 Berlin	1.67	2.07	2.47	0.15	0.19	0.23	1.82	2.26	2.70
8	 Stockholm	1.49	1.85	2.22	0.27	0.34	0.41	1.76	2.19	2.62
9	 Barcelona	1.42	1.71	2.00	0.12	0.14	0.17	1.53	1.85	2.17
10	 Madrid	1.32	1.61	1.89	0.15	0.19	0.23	1.47	1.80	2.12

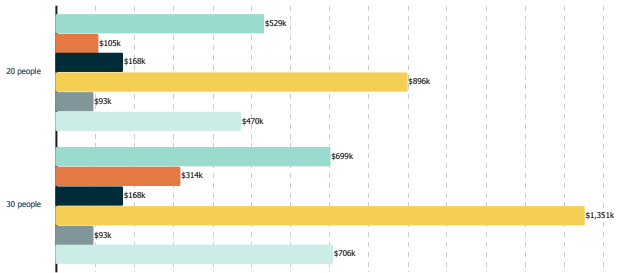
NOTES: 'Series A team' composition is for illustrative purpose. The headcounts are based on a proprietary dataset of Series A Software-as-a-Service Series A companies compiled by Atomico. 'Salaries cost' is based on Radford's salary surveys for technology and sales functions. The data accounts only for base salary and actual incentives (an average 50th percentile) across a number of job titles best representative of those referred to in the Series A team. For the 'office space cost', the data is based on CBRE estimates (\$/sqm) per city and an average of 8 sqm per headcount. For a team of 20-30 people we estimated that the space required needed to be based on a total headcount of 40-60 people (respectively) to accommodate for further growth. Radford data is as of July 2019 and CBRE data as of June 2019.

SOURCE: **AON** **CBRE**

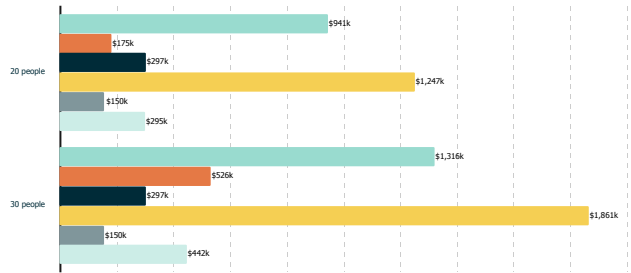


ANNUAL COST BASE (\$K) FOR 20-30 PEOPLE SERIES A TEAM PER CITY

LONDON



BAY AREA

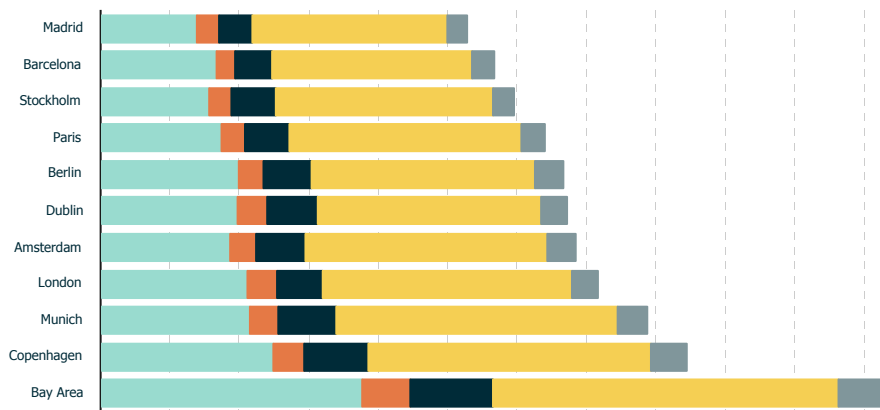


Although London is the most expensive European city overall when taking into account both office space and talent, Copenhagen and Munich come first when accounting for talent alone.

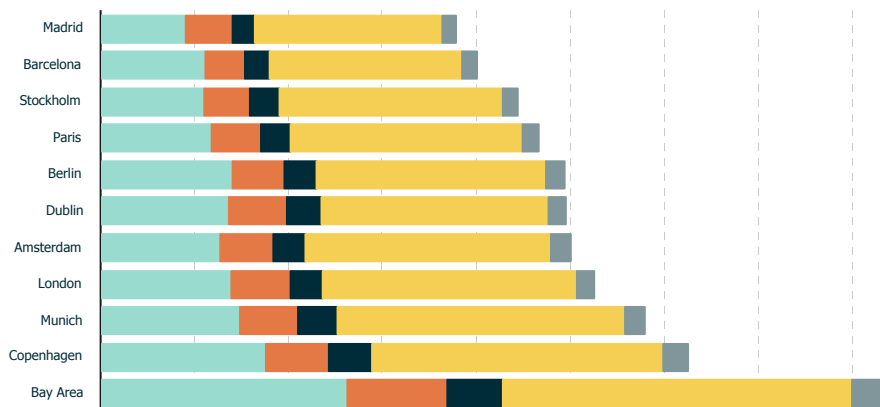
Annual salary cost (\$k) for 20-30 people Series A team per city

- LEGEND**
- Engineering team salary
 - Product team salary
 - Operations team salary
 - Sales & Marketing team salary
 - Finance team salary

20 PEOPLE



30 PEOPLE



NOTE:
'Salary cost' based on rewards data from Aon.

Source: **Aon**

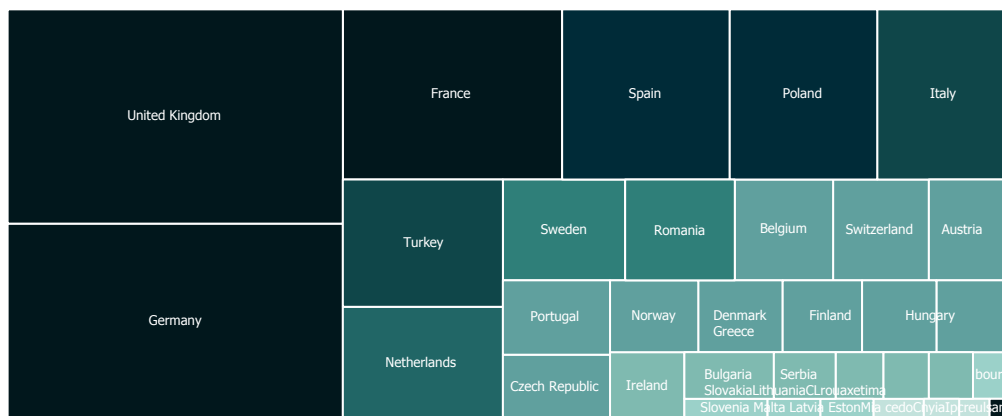
08.3

Research & Technology Hubs

Europe enjoys a broad technical talent base composed of professionals with a scientific or technical training background. The UK and Germany are the region's powerhouses, followed by France, Spain and Poland.

Number of scientists and engineers by country

NOTE:
 'Scientists' and 'engineers' refer to people who are engaged in professional work on science and technology. Data is sourced from Eurostat and gathered by CERN. Latest data is 2018.

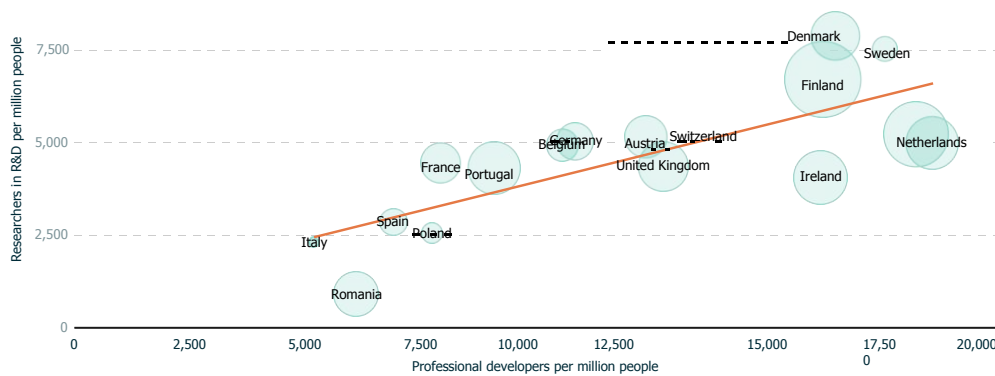


Source:

On a population-adjusted basis, the Nordic region is home to countries with the densest research and developer talent bases. Finland, in particular, has been able to capitalise on a dense technical talent base to support a proportionately higher number of deep tech deals given its population size. In this graph, the size of the bubbles indicate the number of deep tech deals.

Density of researchers and professional developers by country versus deep tech deals per million people

NOTE:
 Only countries with 10,000+ developers and 10+ deep tech rounds included. Funding data from Dealroom, developer data from Stack Overflow. Research data from Eurostat, gathered by CERN. Numbers adjusted per capita for clarity.



Source:



A profound and exciting wind of change is blowing through Europe.

European Universities are simply among the very best in the world for research and IP contributions, especially in deep tech. Yet, until a few years ago, they were also quite modest in their commercial aspirations, certainly compared to the United States. But a profound and exciting wind of change is blowing through Europe. A new generation of European entrepreneurs and academics are setting their sights at building world class global companies. Many are not willing to expat to the US to find success anymore. And they can count on a growing support ecosystem that is taking root here, e.g. the launch of CDL in the UK in 2019 (and in Paris next year), or new funds such as OSI (Oxford) and CIC (Cambridge) willing to support founders with the patient capital necessary for deep tech startups. And the world has taken notice, with many of the large North American and Asian funds now turning their attention to Europe, opening offices and/or announcing growth funds specific to Europe. Very exciting.



Patrick Pichette
Inovia Capital
General Partner

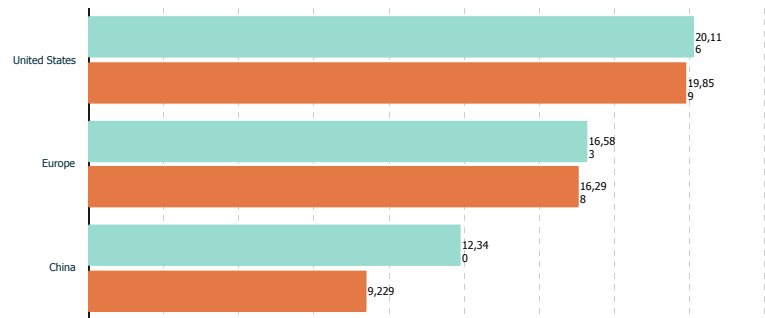
The large research community in Europe continues to be a prolific source of ideas and a knowledge factory globally, on par with the US.

Number of publications in Europe, China and the US

LEGEND

- 2018
- 2017

NOTE:
'Count' refers to a fractional count that takes into account the percentage of authors from that institution/country and the number of affiliated institutions per paper. Data sourced via Nature Index and gathered by CERN.



Source:

Europe doesn't only stand out by the size of its talent pool; the quality of the research originating from Europe is world-class, with 4 of the top 10 global research institutions based in Germany, France and the United Kingdom.

Top 10 global research institutions by contributors to research papers, 2019

NOTE:
'Count' refers to a fractional count that takes into account the percentage of authors from that institution/country and the number of affiliated institutions per paper. Data sourced via Nature Index and gathered by CERN.

	Research institution	Country	Count
1	Chinese Academy of Science	China	1,698
2	Harvard University	United States	875
3	Max Planck Society	Germany	757
4	National Centre for Scientific Research	France	690
5	Stanford University	United States	622
6	Massachusetts Institute of Technology	United States	560
7	Helmholtz Association of German Research Centres	Germany	483
8	University of Cambridge	United Kingdom	438
9	University of Tokyo	Japan	431
10	Peking University	China	412

Source:

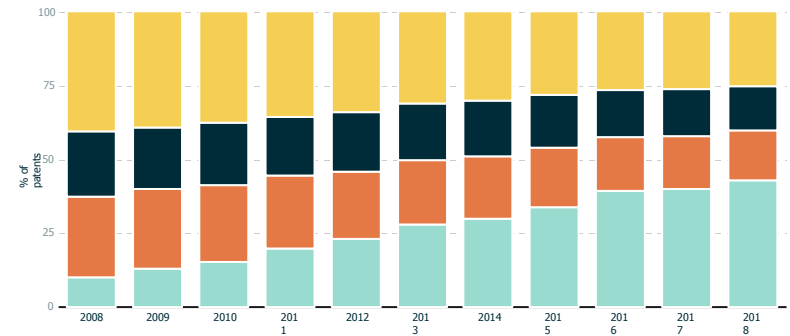
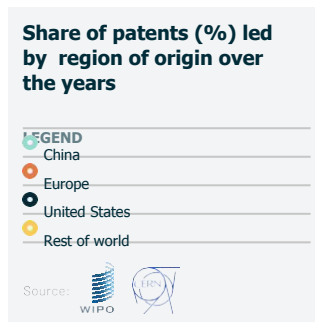


Historically, US research has often been more application-driven than European research, which could be a clue to understanding the US' success in commercialising research. I think the bridges between different communities are stronger in the US, especially between investors and the startup community. However, the European tech ecosystem has a lot to offer for deep tech. For example, Europe publishes more research papers related to artificial intelligence than either China or the US. At CERN, we are looking for investors interested in our AI solutions, so we invite them to look for opportunities on this side of the pond.

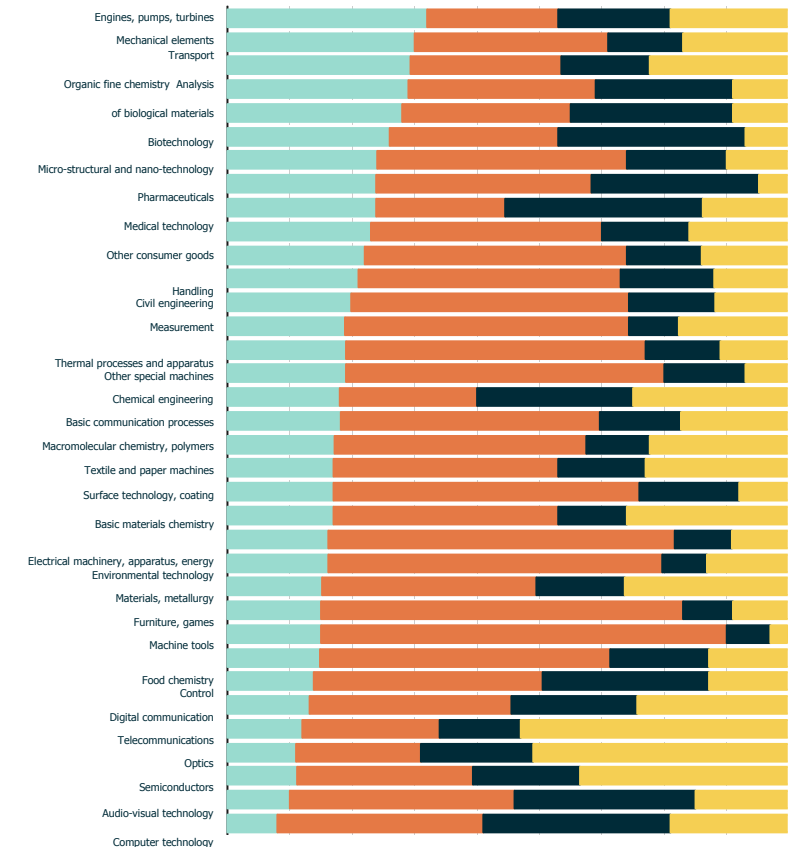
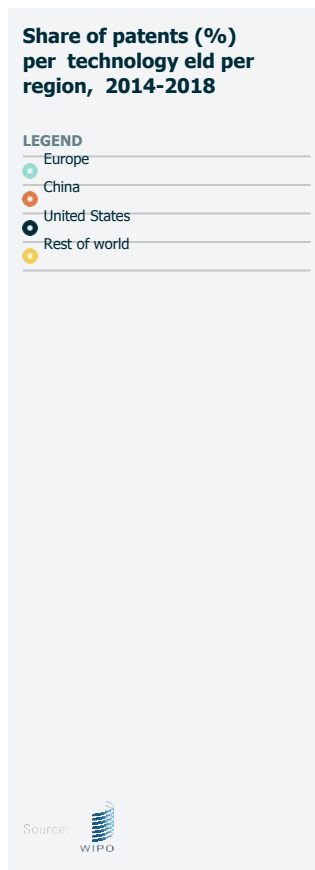


Giovanni Anelli
CERN
Head of Knowledge Transfer Group

On the global scene, China continues to grow its research capabilities at an impressive rate and, while the number of patents for both Europe and the US is mostly stagnant year on year, their share is in decline.

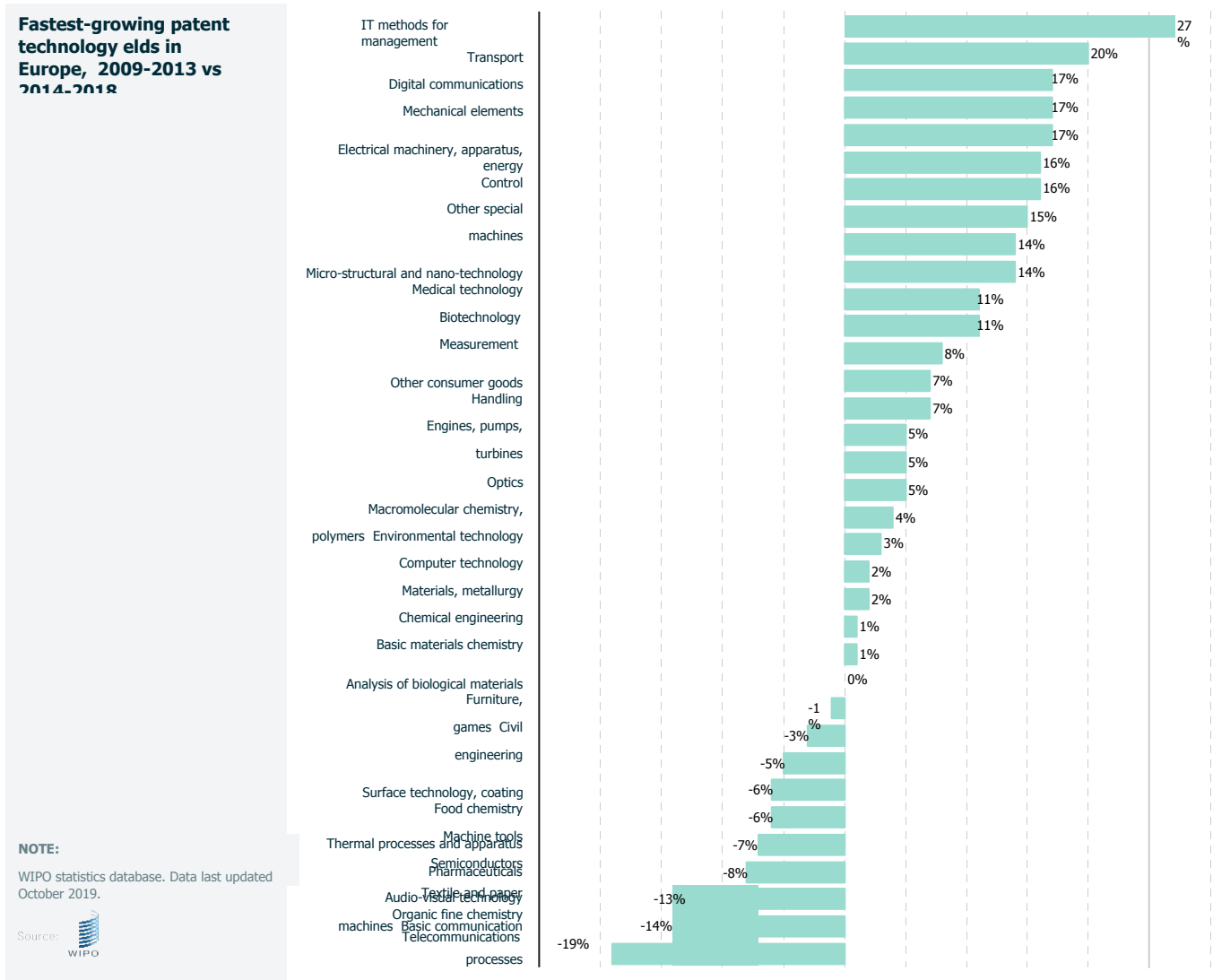


But Europe is particularly well positioned to win in a number of technology fields, often tied to the strength of traditional industries and the presence of large incumbents in certain regions. For example, Europe is in the lead for both the mobility and robotics space. Meanwhile, Europe is still lagging behind in software & computer technology.



IT methods for management

Europe is trying to catch up though, with the "IT methods for management" category being one of the fastest-growing patent technology fields in Europe. This is the category that is the closest approximation to 'software', according to the definitions used by the World Intellectual Property Organisation.



The growth of Europe's most dynamic tech hubs - London, Berlin, Amsterdam, Stockholm, Helsinki, Dublin and others - along with the accompanying inflow of investment, is driving a steady reorientation of talent, not only from Europe but from countries outside of Europe - including my native Israel - to help meet demand. Our business, which requires highly trained individuals in plant biology and plant science, also benefits from the pool of master's and Ph.D candidates so plentiful in European markets.



Osnat Michaeli
Infarm
Co-Founder

Mobility has been consistently in the lead in Europe over the past 5 years as well as Health/Pharmaceuticals.

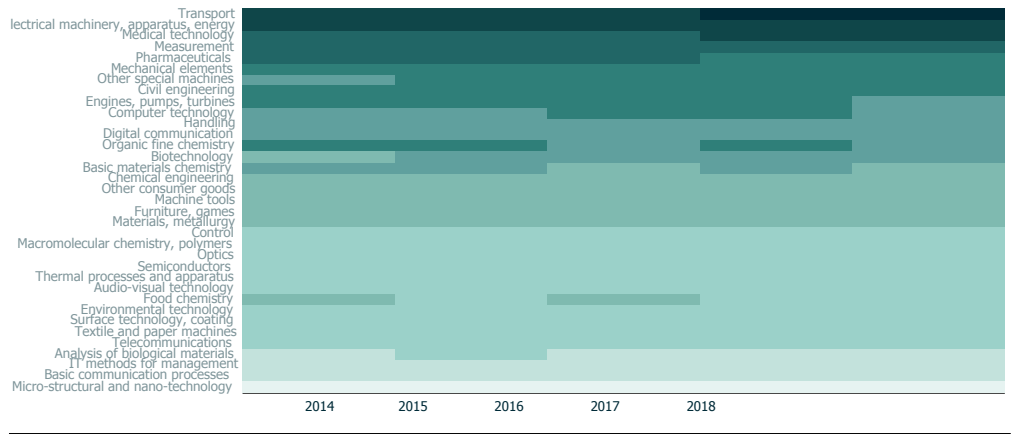
Number of patents per technology field per year, 2014- 2018

LEGEND

- up to 45,000
- 35,000 to 40,000
- 30,000 to 35,000
- 25,000 to 30,000
- 20,000 to 25,000
- 15,000 to 20,000
- 10,000 to 15,000
- 5,000 to 10,000
- 2,500 to 5,000
- 1,000 to 2,500
- up to 1,000

NOTE:

WIPO statistics database. Data last updated in October 2019.

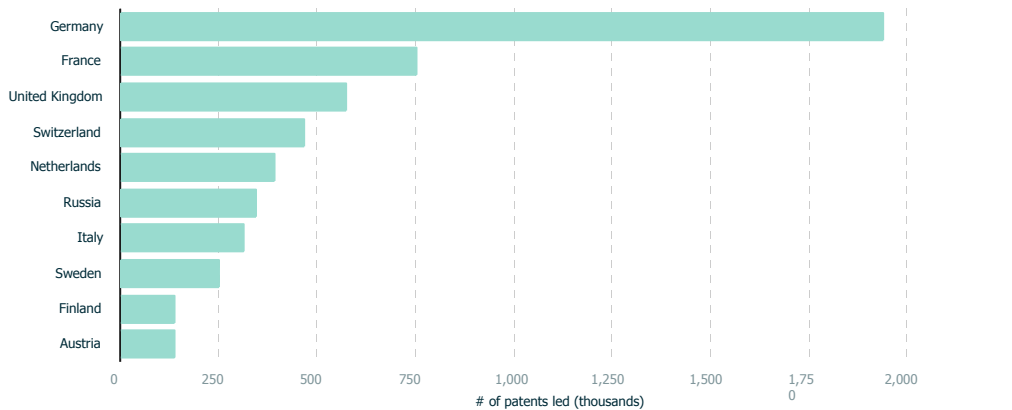


It should not come as a surprise that Germany leads by a long way on the number of patents in Europe and is home to a strong and dynamic base of traditional transport/mobility corporations.

Cumulative number of patents led by country of origin (thousands)

NOTE:

Cumulative number of patents between 2008 and 2018.



Europe is consistently recognised as one of the most promising sources of talent in computer science globally. Indeed, Europe is home to 25% of the Top 50 universities in the world for computer science, including 4 of the top 10 and the overall number one institution, the University of Oxford.

COMPUTER SCIENCE

25%

of the top 50 universities in the world for computer science are based in Europe.

European universities among global top 50 in computer science and their global rank

NOTE:

'Rank' refers to position in global list of top 50 institutions for computer science qualifications. Compiled by the Times Higher Education Supplement and includes 749 universities worldwide.



	University	Country
1	University of Oxford	United Kingdom
3	ETH Zurich	Switzerland
5	University of Cambridge	United Kingdom
7	Imperial College London	United Kingdom
18	Technical University of Munich	Germany
19	UCL	United Kingdom
20	École Polytechnique Fédérale de Lausanne	Switzerland
24	University of Edinburgh	United Kingdom
34	Paris Sciences et Lettres - PSL Research University Paris	France
46	RWTH Aachen University	Germany
47	Delft University of Technology	Netherlands
50	Karlsruhe Institute of Technology	Germany

Yet, despite Europe's long-standing strengths in research, the majority of the European tech community does not agree that European universities are effectively commercialising intellectual property developed by academic research. Most notably, academics, researchers and policymakers were most likely to disagree that European universities are effective.

Do you agree or disagree with the following statement? European universities effectively commercialise intellectual property (knowledge, technology, etc.) developed by academic research

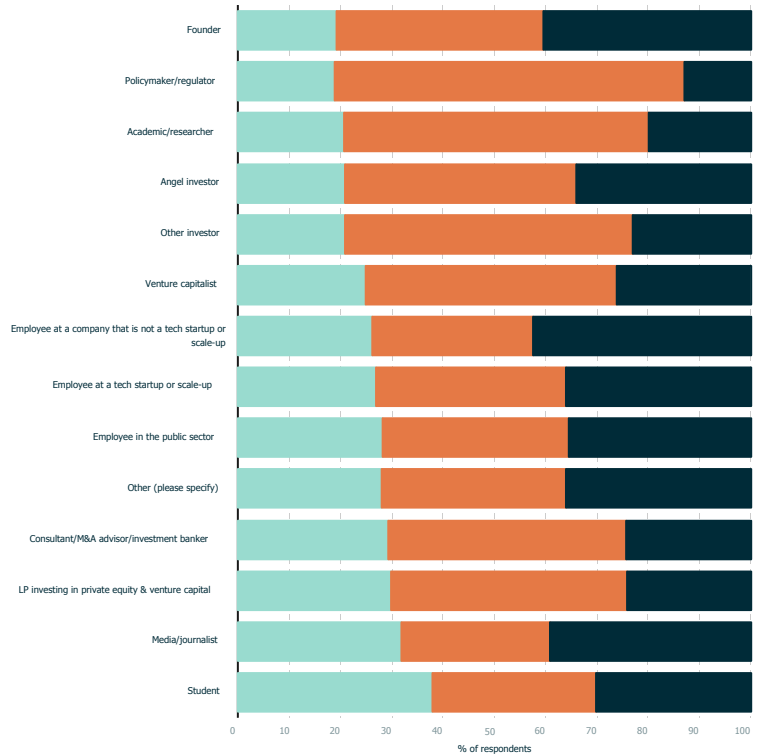
LEGEND

- Agree
- Disagree

Neither agree nor disagree

NOTE:

Numbers may not add to 100 due to rounding.

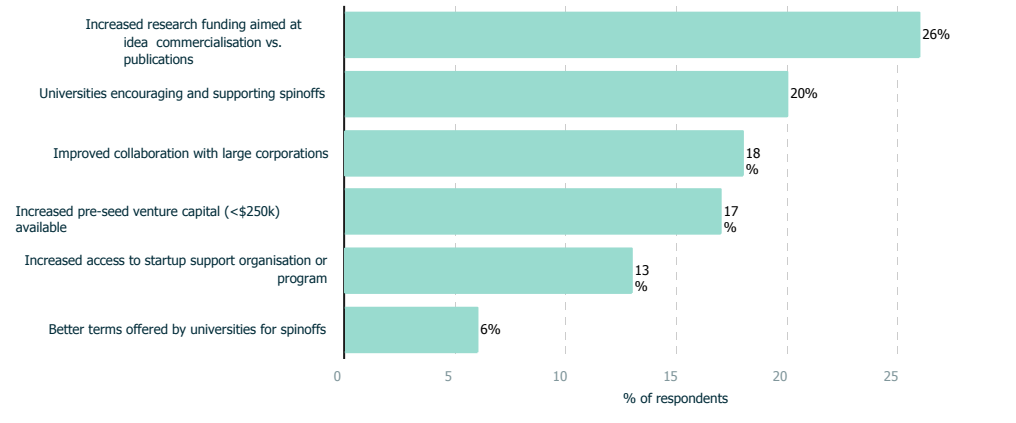


Source: The State of European Tech Survey

When asked directly how to better support the research community to start companies and help them succeed, respondents who are academics/researchers pointed to changing the terms of research funding away from publication and towards commercialisation, as well as educating universities to change their mindset towards being able to encourage and better support spinoffs.

If you were to pick one action from the list below that would better support the academic/research community to start companies and help them succeed, what would it be?

NOTE:
Academics/researchers only. Numbers may not add to 100 due to rounding.

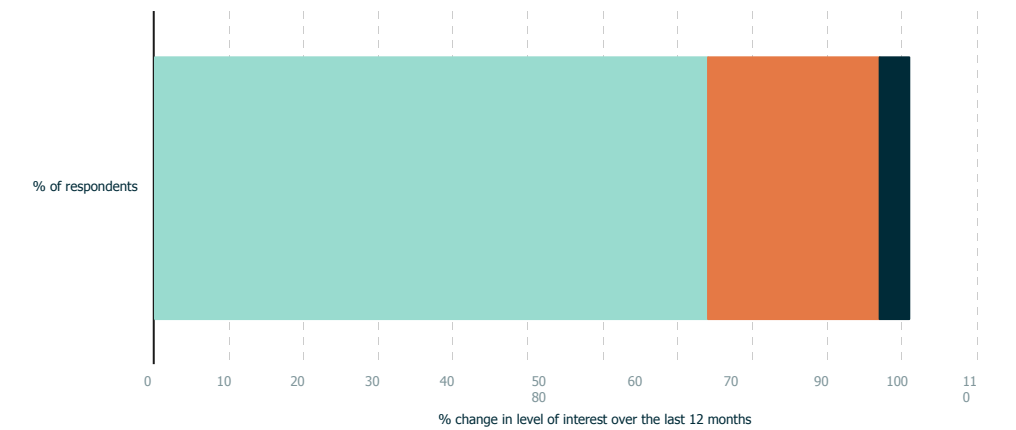


Source: The State of European Tech Survey

Although there is likely a sample bias in the responses to the survey, it's noteworthy that three-quarters of respondents who work in academia or research shared that they have seen an increase in the level of interest of people in their networks in starting or joining tech startups.

Thinking about your academic or research network (i.e. other academics, researchers, students, etc.), have you observed any change in the level of interest in starting or joining tech startups in the last 12 months?

NOTE:
Academics/researchers only. Numbers may not add to 100 due to rounding.



Source: The State of European Tech Survey



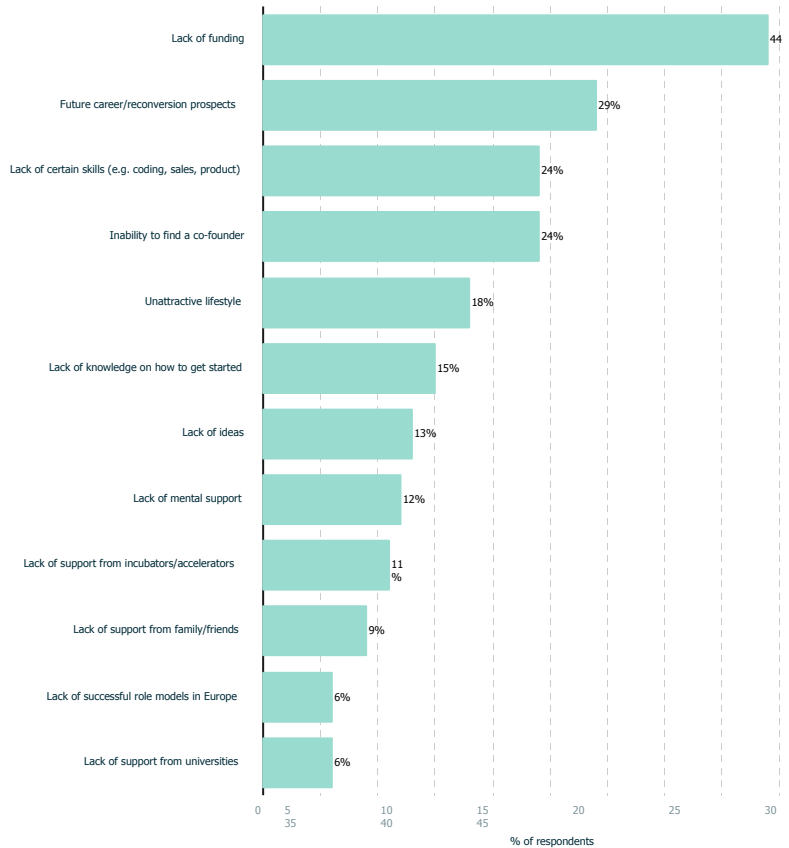
I believe the academic and business sectors are currently fragmented and stuck in tunnel vision. We need to align both sectors to drive the development of our technology in the right direction and achieve global scale for our tech.

I believe the academic and business sectors are currently fragmented and stuck in tunnel vision. We need to align both sectors to drive the development of our technology in the right direction and achieve global scale for our tech. Academia needs the freedom to do research; however, it needs to align training, researcher upskilling, and the ideas of innovation towards meeting future goals that are aligned with big competitive ambitions for Europe. Ideas that come out of academia need to be feasible for implementation in an industry setting, therefore we need to see each other as partners not as rivals. In many instances academia sees business as funders or as processors, not as partners to reshape the world. Simultaneously, businesses see academia as long-term vision R&D partners, and business goals are not aligned with academic collaboration. I believe the two should create a real partnership, through an agile work mindset with clear short- and long-term goals.

Loubna Bouarfa
OKRA Technologies
Founder & CEO

Though the interest levels in starting or joining startups is increasing, there remain barriers to this happening. When asked about the main reservations they have, lack of funding was given as the most frequently cited reservation by academics and researchers when considering whether to start or join a startup. Risk appetite and fear of failure also appear to be a continuing factor given the strength of consideration regarding future career/reconversion prospects.

What are the main reservations you would have when considering whether to start or join a startup?



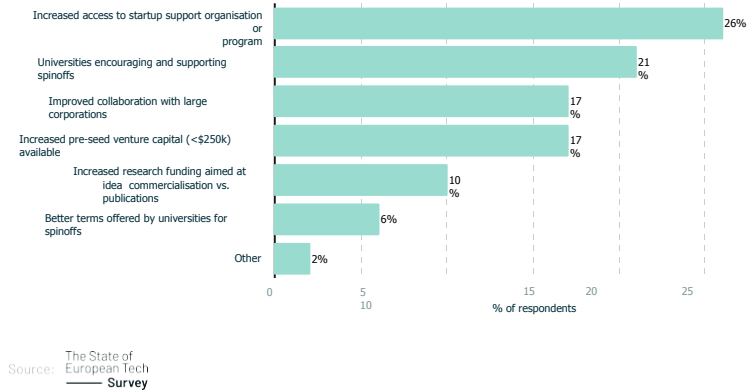
NOTE:
Academics/researchers only. Numbers do not add to 100 as respondents could select multiples choices.

Source: The State of European Tech Survey

Given those concerns, it shouldn't be surprising that students themselves cite increased access to startup support organisations or programs as the number one action that could better support them. These offer the promise for students to access groups to share knowledge, experiences and connections in a way that can have a meaningful impact at the beginning of the startup journey.

If you were to pick one action from the list below that would better support students to start companies and help them succeed, what would it be?

NOTE:
Students only. Numbers may not add to 100 due to rounding.



Hubs that combine mature ecosystems to provide initial support as well as world-class laboratory and research space are best equipped to produce high quality companies. In that respect Oxford, Cambridge, London, Paris and Berlin still lead the pack...There, talent investors like EF, programs like the Creative Destruction Lab in Oxford (and soon in Paris), or dedicated funds like OSI or the PSL Innovation Fund, continue to grow the top of the funnel. That said, some research ecosystems are very strong on specific themes and remain completely under the radar – Cork University in the microbiome, EPFL and ETH in construction, Montpellier in ecology, the University of Wageningen in Food Science & Technology or the University of Delft in biotech are examples that stand out.



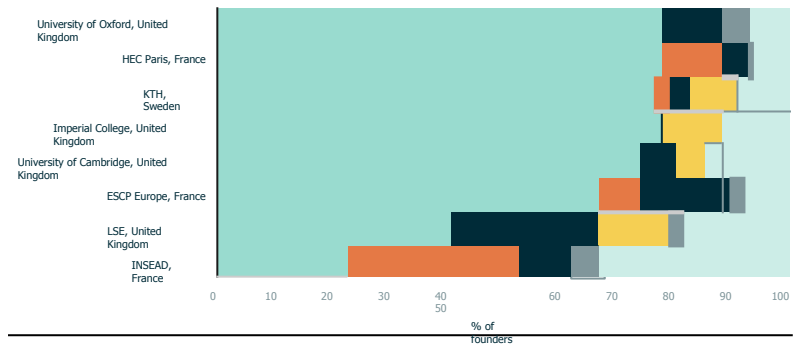
Alex Terrien
Future Positive Capital
Co-Founder

Countries where universities help students materialise their entrepreneurial calling are also likely to benefit in the long term as we see a high proportion of founders starting their companies in the countries where they studied.

Share of founders (%) who founded their companies in the countries they studied

LEGEND

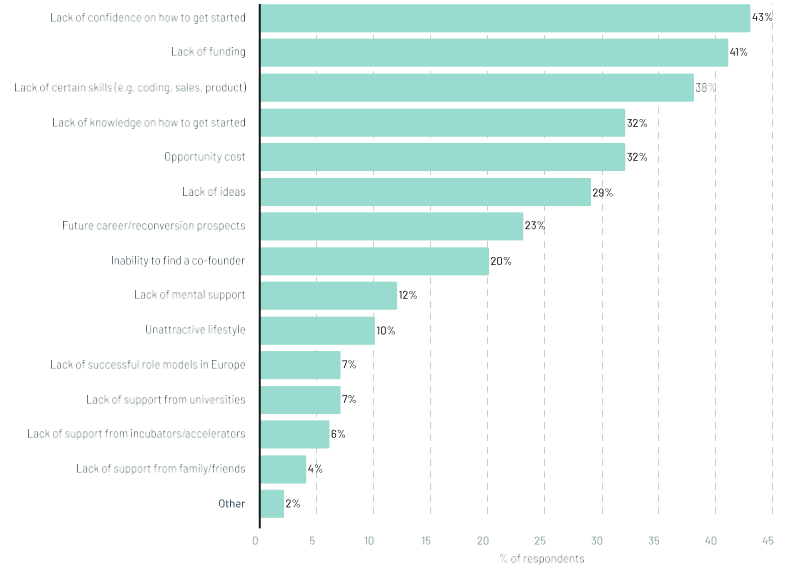
- Stayed in country
- UK
- Germany
- France
- Switzerland
- Rest of Europe



Looking beyond the faculty to the students themselves, it is interesting to explore their core reservations about starting or joining a startup. For students, a lack of confidence in how to get started is the most frequently cited reservation. This is followed by concerns about funding, having the right skillset and also obtaining the necessary knowledge on how to get going.

What are the main reservations you would have when considering whether to start or join a startup?

NOTE:
Students only. Numbers do not add to 100 as respondents could select multiples choices. — Survey

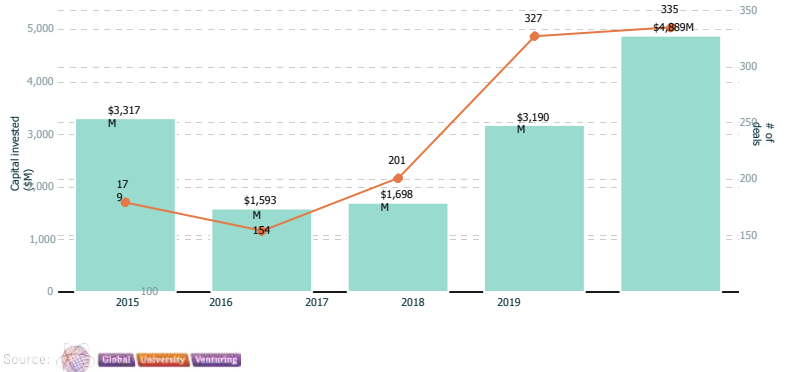


There is now positive momentum in the level of deals and capital invested into spinoffs from European universities.

Number of deals and capital invested in Europe-based university spinoffs

LEGEND
● # of deals
■ Capital invested (\$M)

NOTE:
2019 annualised based on data to September 2019.

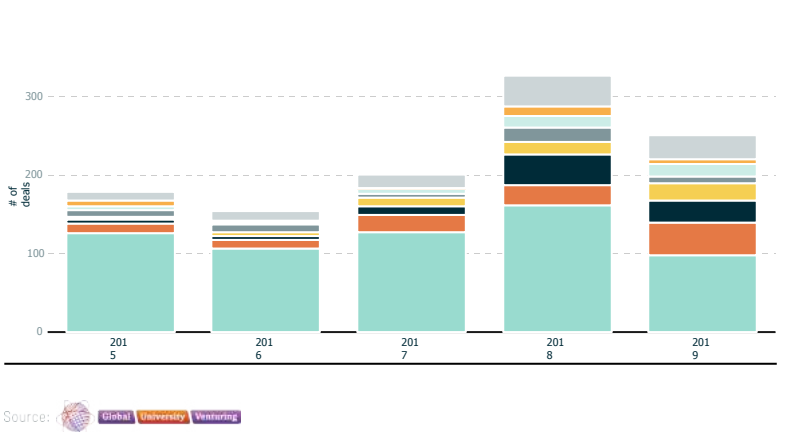


Although Germany and Switzerland are respectively leading on the overall number of patents and the number of patents per capita, universities in the United Kingdom accounted for the largest share of European university spinoff activity.

Number of deals in Europe-based university spinoffs by country

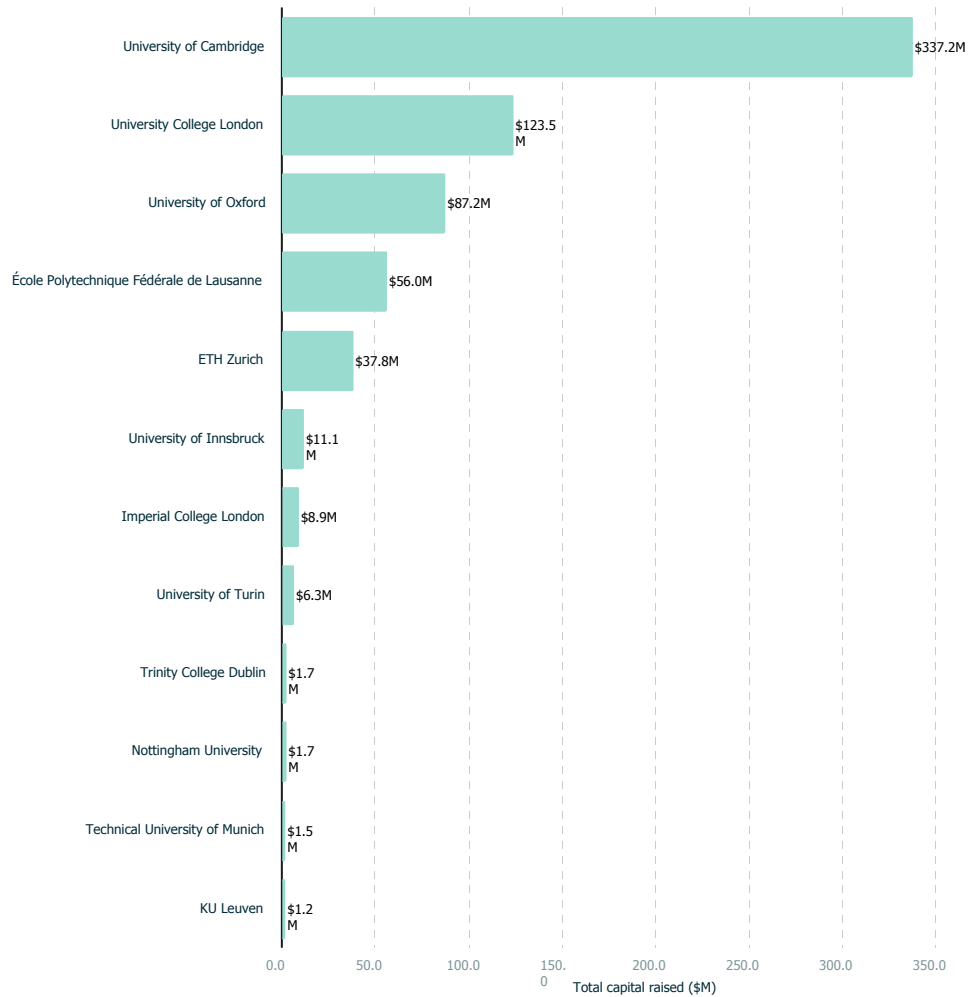
LEGEND
● UK
● Germany
● Switzerland
● France
● Ireland
● Belgium
● Netherlands
● Rest of Europe

NOTE:
Based on data from September 2018 to September 2019.



Looking across Europe at the volume of capital raised by spinouts from top European universities over the past 12 months, it's clear that it is a very mixed bag. There are positive signs from the United Kingdom and Switzerland, but beyond those places the level of spinoff activity from universities from elsewhere in Europe is limited.

Top European universities by total capital raised (\$M) by spinoffs



NOTE:
Based on data from September 2018 to September 2019.



The days of the ivory tower are rapidly receding as European universities and the tech industry learn to dance together.

European universities and the tech industry are cooperating more and more. 'Deep tech' is not just a cool label, it is a viable investment model with its own logic: identify game-changing technologies, assemble diverse teams, build viable business models, and have lots of patience! This kind of entrepreneurship happens not only at the technical universities, such as Aalto University or TU Munich, but also at the traditional research universities in Paris or London. At Oxford, we are spinning off more than two new tech ventures every month, and we also have countless student-led startups, supported by university programmes such as at the Oxford Foundry. The boundaries between universities and the commercial world are increasingly blurred. Oxford Innovation is a private venture firm,

yet it is entirely focused on the university's spinoffs. And at the Creative Destruction Lab (CDL-Oxford), we are bringing together business mentors, scientists and students, all with a common goal of accelerating exceptional AI ventures that come from anywhere in the UK and beyond. The appetite for joint academic-industry initiatives is enormous, especially among young students and tech executives. Academics and policy makers are waking up to the opportunities too. There is still a lot to do, including reforming IP and tech transfer policies, rethinking incentives in academia, and even reimagining the role of universities within their local ecosystems. Yet the days of the ivory tower are rapidly receding as European universities and the tech industry learn to dance together.



Thomas Hellmann Saïd Business School University of Oxford DP World Professor of Entrepreneurship and Innovation

08.4

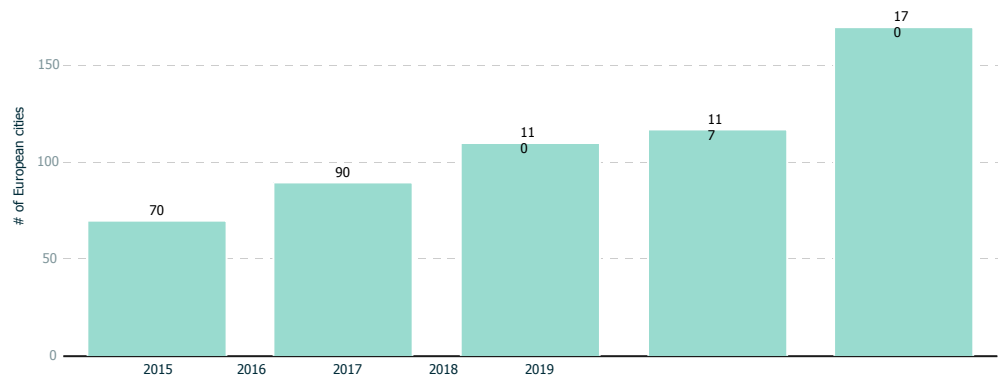
Trending Hubs & Communities

Strong and supportive

Founders picked the presence of a strong personal network and a supportive local tech community as two of the top three most important personal considerations for choosing where to start.

Europe continues to flourish and to experience growth rates in the number of cities hosting over 100 tech-related Meetup events. 2019 in particular registered an almost 50% increase year over year.

Number of European cities with 100+ tech-related Meetup events per year



NOTE:

2019 annualised based on data to end of September 2019.

Source: *Meetup*



Photo by: Samuli Pentti

Europe's largest and most mature tech communities continue to see a slow yet steady increase in the level of participation in tech-related Meetup events. Level of participation outside the top 5 hubs is growing even faster year on year, especially in cities such as Hamburg, Istanbul and Zurich, to name a few.

Top 20 hubs by level of tech-related Meetup activity in 2019, ranked by number of attendees

LEGEND

- London
- Berlin
- Paris
- Amsterdam
- Munich

LEGEND

- Istanbul
- Madrid
- Warsaw
- Barcelona
- Hamburg

LEGEND

- Dublin
- Zürich
- Stockholm
- Manchester
- Oslo

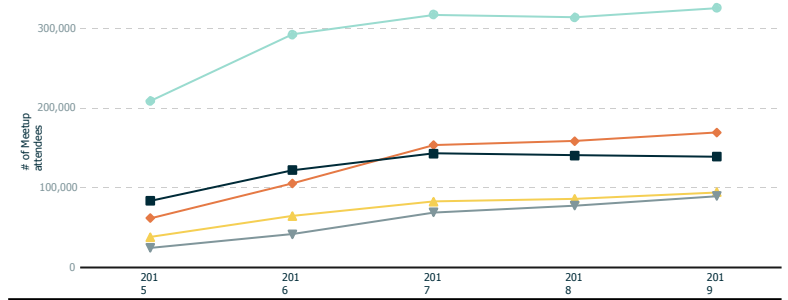
LEGEND

- Budapest
- Lisbon
- Wrocław
- Frankfurt
- Vienna

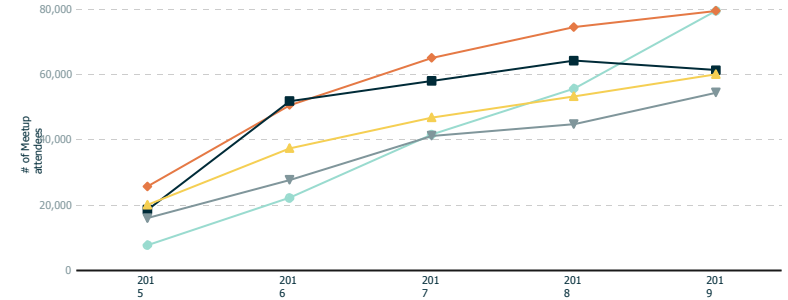
NOTE:

Based on Stack Overflow's 2019 survey. Experience relates to years since learning to code.

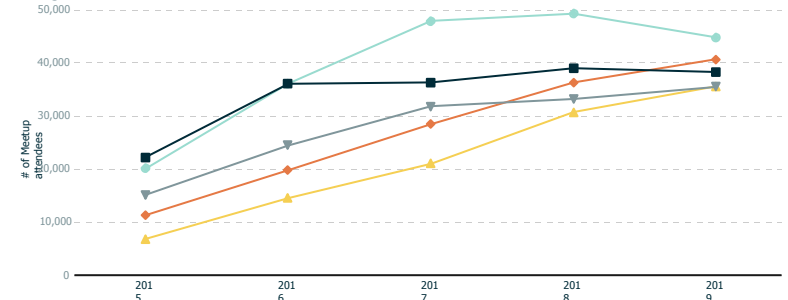
TOP 5 HUBS



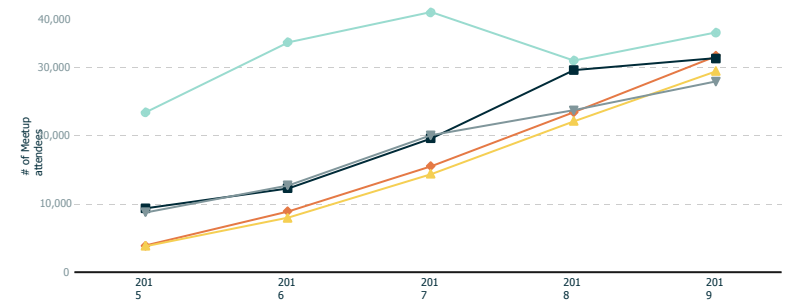
HUBS 6-10



HUBS 11-15

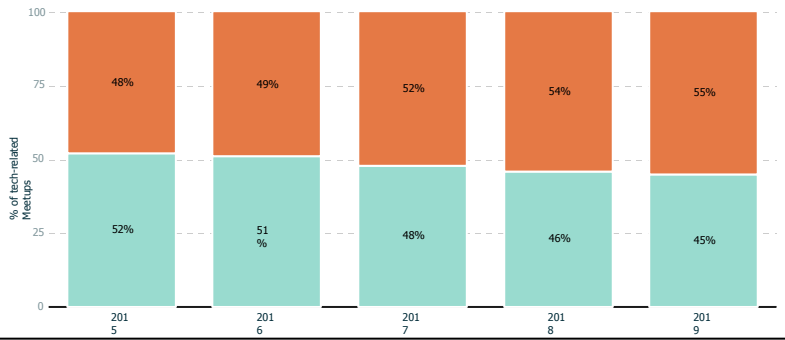
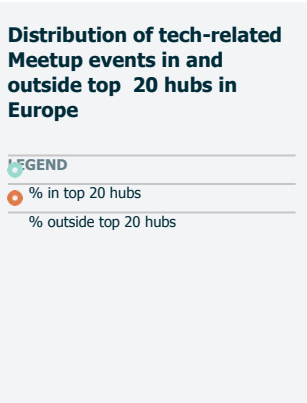


HUBS 16-20



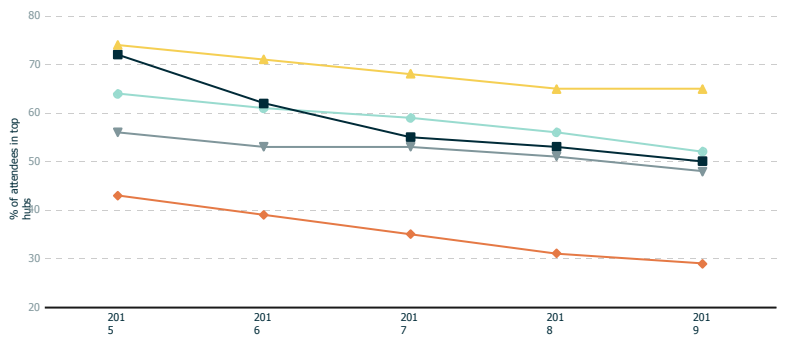
Source: Meetup

European tech communities are also expanding beyond the largest hubs. The share of tech-related Meetup events outside the top 20 hubs has consistently increased over the years.



Source: Meetup

In fact, we are seeing a trend of 'decentralisation' as the share of attendees in tech-related Meetup events decreases year on year.



Source: Meetup



This year alone, we've invested for the first time in Prague, Milan and Aarhus.

Europe is unique in its model of multiple technology hubs across the continent, which has meant that no single place has the depth and breadth of a Silicon Valley. But we are now seeing unprecedented levels of entrepreneurial activity across the region, not just in the traditional hubs of London, Paris and Stockholm. This year alone, we've invested for the first time in Prague, Milan and Aarhus.

When these markets are taken together, they show a true diversity in sector and approach - from fintech to healthtech and enterprise automation. The fragmentation also means that talent is dispersed and companies need to be mindful of location as they scale.



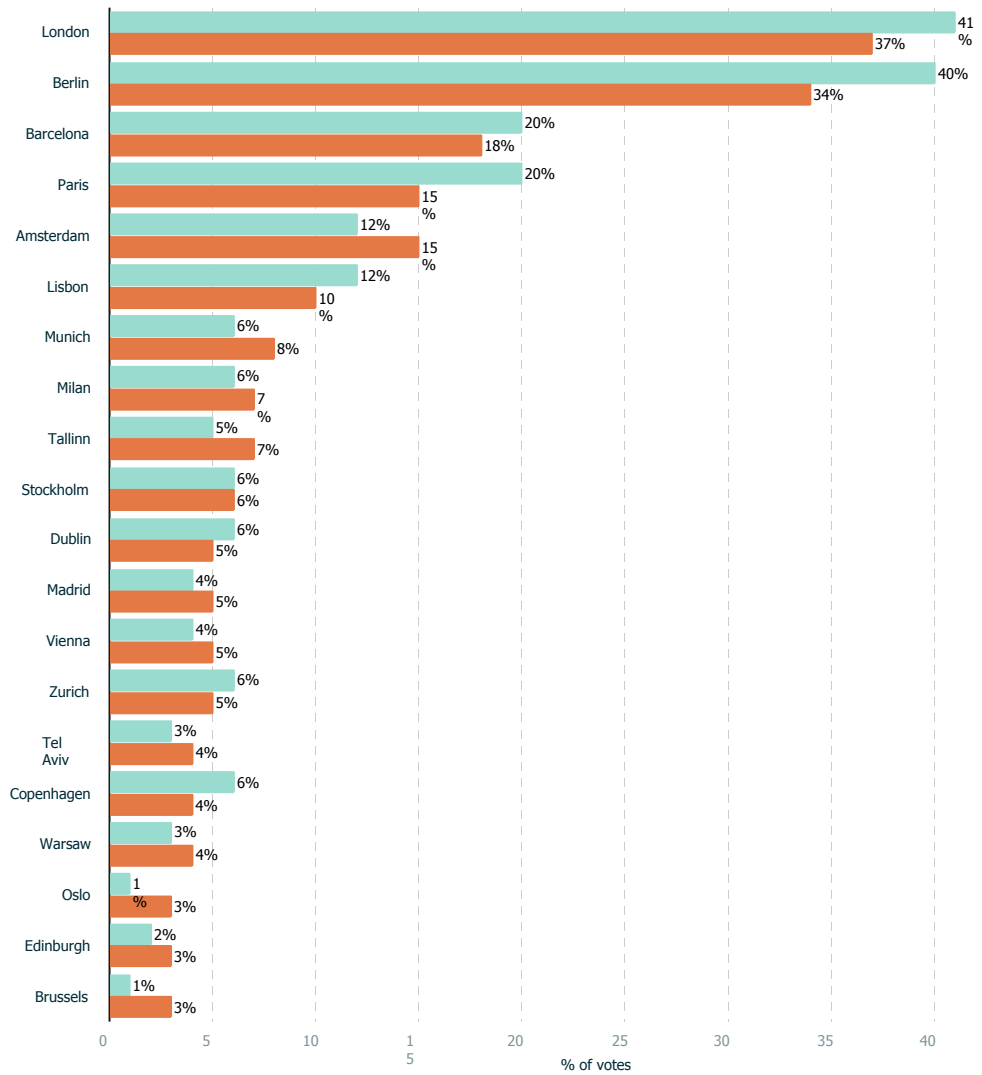
Sonali de Rycker
Accel Partner

As the number of options keeps growing every year, top tech hubs such as London, Berlin, Barcelona, Paris, and Copenhagen are losing their popularity amongst founders.

Top hubs where founders would start a company tomorrow, 2018 vs 2019

LEGEND

- % of votes 2018
- % of votes 2019



NOTE:

Founders were asked to allocate three votes in the survey. Percentages indicate the share of founders that cited each named city.



We need to build up stronger relationships between these local ecosystems so as to form a pan-European network and improve liquidity in the markets for both talent and capital.

Local ecosystems are still too isolated from each other. Whenever you visit a European capital, you can always spot interesting things on the ground: entrepreneurs with higher ambitions; angel investors with an improving track record; venture capital firms with more capital to deploy; and more technical talent willing to join the startup world. However, every single city in Europe ignores all the others —with the one notable exception of London. And I think that's the biggest challenge we need to tackle. We need to build up stronger relationships between these local ecosystems so as to form a pan-European network and improve liquidity on the markets for both talent and capital. Also, we're still waiting for the European tech world to inspire its own culture, one that would make it possible for people from different countries and backgrounds to work together. Distributed teams are all the rage now, including in Silicon Valley. But you can't work as a distributed team if that team is not cemented by a common culture. We need that pan-European tech culture if we want people from various European countries to work together and build successful tech companies.



Nicolas Colin The Family Co-Founder & Director

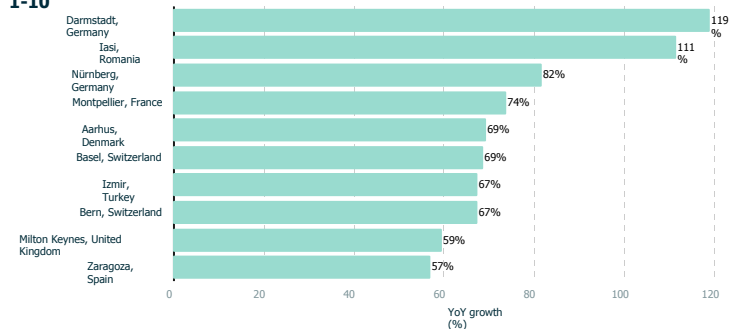
Bright future ahead for Central & Eastern Europe

Central and Eastern Europe have come to the limelight in the last 12 months. Not only because of the record level of capital invested in Romania and the rise of UiPath to a \$1B+ company but also because of their leadership in areas such as diversity and technical talent pool. So the growth of tech communities across CEE countries is great news for Europe as a whole.

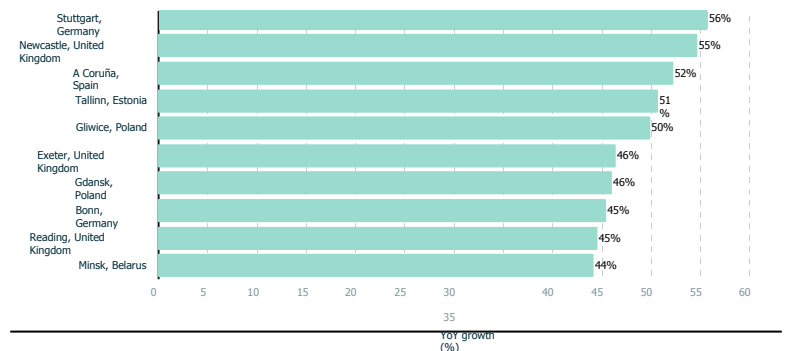
Europe continues to see geographic diversity amongst the Top 20 fastest-growing tech hubs by year-on-year growth to tech-related Meetup events. Iasi, a city in Romania where United State's tech giant Amazon set up office space, ranked number two as the fastest-growing community overall.

Top 20 fastest-growing tech hubs in Europe by year-on-year growth of attendees to tech-related Meetup events per city

HUBS 1-10



HUBS 11-20



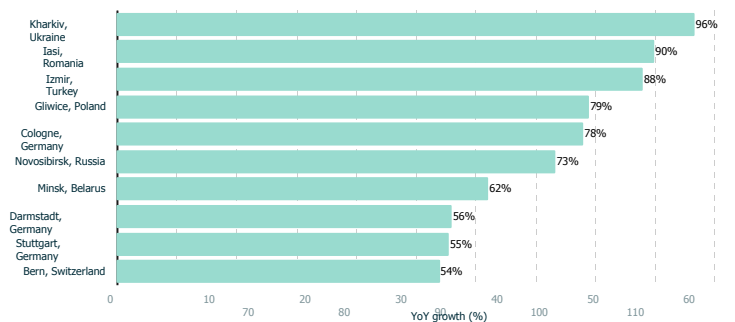
NOTE:

2019 annualised based on RSVPs to end of September 2019. Only hubs with at least 1,000 RSVPs in 2018 are included.

Source: *Meetup*

Central & Eastern European cities dominate the list of top ten fastest-growing hubs by growth of active members year-on-year.

Top 10 fastest-growing hubs in Europe by YoY growth rate of active members in tech-related Meetups



NOTE:

2019 annualised based on active members to end of September 2019. Only cities with over 1,000 active members in 2018 are included.

Source: *Meetup*

Central & Eastern Europe also dominates the list of top ten countries by Compound Annual Growth Rate (CAGR) of active members since 2015. Albania, the leading country in this category, has seen a CAGR of 267%.

Top 10 countries by growth of active members in tech-related Meetup groups

NOTE:

CAGR = Compound Annual Growth Rate. 2019 annualised based on active members to end of September 2019. Only countries with over 1,000 active members in 2018 are included. *Meetup*

	2015	2016	2017	2018	2019	CAGR 2015-2019
Albania	58	226	746	1,037	1,064	267%
Macedonia	136	503	543	1,036	1,584	133%
Belarus	270	637	975	1,687	2,721	102%
Turkey	8,020	17,689	36,903	51,145	75,228	88%
Russia	6,477	13,662	24,067	37,474	52,455	62%
Bulgaria	1,043	2,972	3,937	6,347	7,913	52%
Czech Republic	3,267	7,423	11,663	15,313	21,703	33%
Ukraine	5,101	11,052	18,385	24,437	30,493	20%
Portugal	5,541	11,320	16,670	22,665	32,232	16%
Bosnia and Herzegovina	337	858	1,451	1,615	1,932	15%



A number of successful acquisitions of Belarusian startups started a boom in the Belarusian startup ecosystem.

In Belarus, a drastic difference between the average compensation in IT and in general in the country drives a lot of people to acquire an education and a job in IT. A number of successful acquisitions of Belarusian startups (maps.me acquired by Mail.Ru, MSQRD by Facebook, AIMATTER by Google, etc.) started a boom in the Belarusian startup ecosystem. It was further accelerated when the The Decree on Development of Digital Economy passed in December 2017 and greatly improved the tax and legal regime of the High Tech Park. It is now relatively easy for a startup to apply for the HTP regulation and make use of tax benefits and simpler legal regulation.



Yury Melnichek
Bulba Ventures
Co-Founder & Partner



Photo by: Samuli Pentti

28 cities have made the list of European cities surpassing 1,000 members of tech groups for the first time.

European cities surpassing 1,000 members of tech-related Meetup groups for the first time in 2019 ranked by YoY growth

	Country	2015	2016	2017	2018	2019	YoY growth 2018-2019
Bursa	Turkey	60	91	193	396	1,324	234%
Würzburg	Germany	69	206	397	625	1,117	79%
Szczecin	Poland	180	349	538	880	1,429	62%
Skopje	Macedonia	102	417	432	907	1,440	59%
Kazan	Russia	186	225	439	725	1,140	57%
Lublin	Poland	137	470	644	704	1,087	54%
Coimbra	Portugal	228	368	501	690	1,036	50%
Braga	Portugal	157	332	619	727	1,085	49%
Bydgoszcz	Poland	87	292	507	720	1,068	48%
Chisinau	Moldova	285	572	717	925	1,345	45%
Amstelveen	Netherlands	321	553	842	941	1,365	45%
Tampere	Finland	308	491	853	919	1,328	45%
Stavanger	Norway	555	792	787	759	1,096	44%
Augsburg	Germany	205	394	676	815	1,164	43%
Bochum	Germany	139	266	478	744	1,055	42%
Firenze	Italy	217	397	593	938	1,319	41%
Wiesbaden	Germany	177	332	579	919	1,280	39%
Mainz	Germany	174	363	620	930	1,288	39%
Milton Keynes	United Kingdom	307	674	777	909	1,217	34%
Espoo	Finland	492	771	866	840	1,103	31%
Coventry	United Kingdom	454	651	822	851	1,115	31%
Enschede	Netherlands	315	567	681	834	1,081	30%
Kaunas	Lithuania	108	223	498	932	1,171	26%
Luzern	Switzerland	407	688	814	883	1,087	23%
Bournemouth	United Kingdom	362	613	996	983	1,152	17%
York	United Kingdom	274	499	714	753	1,024	36%
Büyükçekmece	Turkey	35	112	429	810	1,016	25%
Eskisehir	Turkey	41	90	930	947	1,004	6%

Source: *Meetup*

NOTE:

2019 annualised based on active members to end of September 2019.

0 Politic 9



What can policymakers do to best help European tech?

European policymakers will play a critical role in determining the speed at which European tech can fulfil its potential, but too many founders are still in the dark about the policy vision for technology. Policymakers need to maintain focus on what's going on inside Europe, and be less distracted by external factors. By paying attention to the priorities of founders, and delivering on initiatives like the Digital Single Market, policymakers can create optimal conditions for innovation and growth in Europe.

09.1

Europe Policy Focus

Measuring policy focus in Europe

The data challenge

According to our survey respondents, Margrethe Vestager had the most impact in European tech this year. She came first by a long mile with 12% of respondents' votes. In fact 40% who picked the EU competition commissioner were founders/ employee of tech startups and 10% were part of the VC community. As such, our aim in this article is to identify opportunities for improved collaboration between policymakers and the European tech community. To do this, we used Politico Pro Intelligence to analyse the activity of the European Parliament (the legislative branch of the European Union) during the last term of the European Parliament (2014 to 2019) to better understand the policy conversation around a number of key topics for the tech community. The European Parliament, as the body that debates and approves policy legislation, is where we can see the 'end result' of the European policy agenda that is set by the European Commission. In other words, it's a useful proxy for actual policy outcomes that may have a nearer-term impact on the European tech ecosystem. If it were possible, we would extend the analysis to cover the European Commission, which creates and proposes the forward-looking policy agenda for the European Union, to be able to complement this analysis with a longer-term view on future policy focus.

Activities and press releases provide a sense of what is being talked about and the responses to those discussions. Legislative documents on the other end tell us what makes it into draft policies.

Information Type	Description	Why Is It Useful?
1 Activities	This data looks specifically at keywords occurrences in parliamentary questions, speeches and debates made by elected legislators.	Activities are a good proxy for the prevalence of selected technology-related discussions taking place at the EP.
2 Press releases	This data focuses on keywords occurrences in commentaries and responses from the various agencies and other moving parts of government.	Press releases are a proxy for the response of the EP to these discussions and the communication back to the public. This should translate into greater awareness of the issues at hand (and proposed solutions) of the public.
3 Legislation	This data looks at the number of keywords occurrences related to legislative documentation, which relates to the ongoing process of law making, actual bills, procedures, etc.	Legislation is a proxy for the 'outcome' of 'activities', as it takes discussions a step further into the process of law making.

NOTE:
We look at the number of keyword occurrences relating to a set of selected technology-related topics in the European Parliament.

Source: POLITICO PRO INTELLIGENCE

Weinterrogated European Parliament documentation over the period 2014-2019

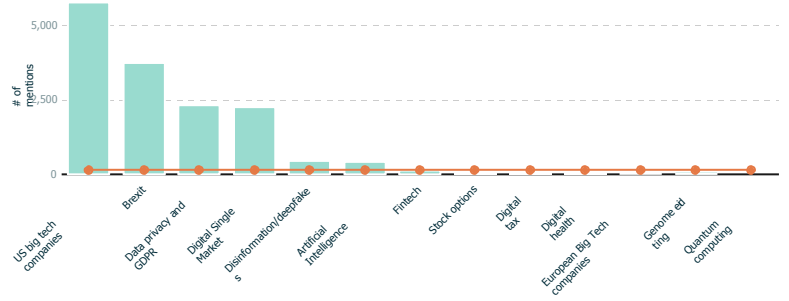
to get a sense of which topics surfaced most frequently in terms of mentions in activities and press releases. It might be surprising to see that Big Tech companies from the US were cited more frequently than any other topic, surpassing even Brexit. Data privacy-related terms, including GDPR, came in third.

Number of mentions of keyword occurrences related to key topics in European Parliament activities and press releases, 2014-2019

LEGEND

- # of mentions
- # of mentions (median of all topics)

NOTE:
This data looks at the number of keyword occurrences related to key tech topics in European Parliament activities and press releases.

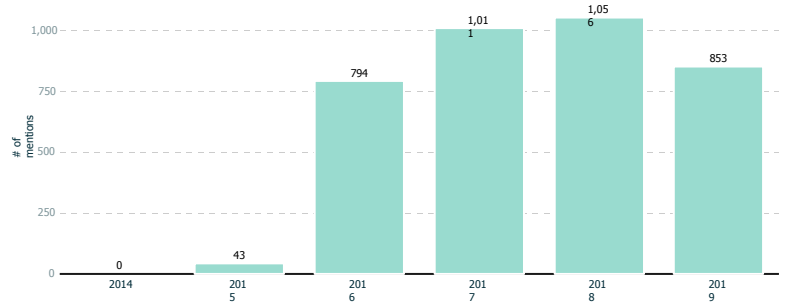


Source: POLITICO PRO INTELLIGENCE

An analysis of European Parliament activities shows that Brexit has, of course, been a huge distraction in the European Parliament over the past 4 years.

Number of mentions of Brexit in European Parliament activities and press releases per year

NOTE:
This data looks at the number of keyword occurrences related to Brexit in European Parliament activities and press releases.

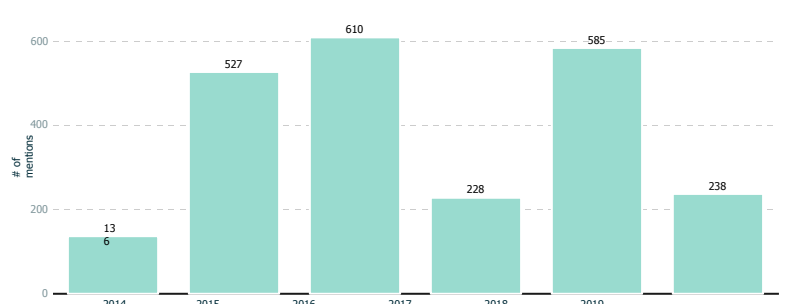


Source: POLITICO PRO INTELLIGENCE

The level of focus on data privacy and GDPR during the previous European Parliament term is not a surprise. It was, arguably, the centrepiece of EU tech-related policy of the last parliamentary term. Following the implementation of GDPR in May 2018, it's now taken up materially less airtime in the European Parliament.

Number of mentions of data privacy or GDPR in European Parliament activities and press releases per year

NOTE:
This data looks at the number of keyword occurrences related to data privacy issues in European Parliament activities and press releases.



Source: POLITICO PRO INTELLIGENCE



We also believe that privacy is going to be a huge topic globally, and as our laws are more stringent in Europe – as a result of GDPR – we are in a better position to adapt to our users’ expectations as we expand globally.

As a business, we think globally – we don’t think locally. We were born with the need to be international from the beginning because our users demand it. The youth of today are inherently global, and they seek fashion inspiration from all over the world. This has forced us to look at how our business can be more appealing to other markets from day one. We also believe that privacy is going to be a huge topic globally, and as our laws are more stringent in Europe – as a result of GDPR – we are in a better position to adapt to our users’ expectations as we expand globally.



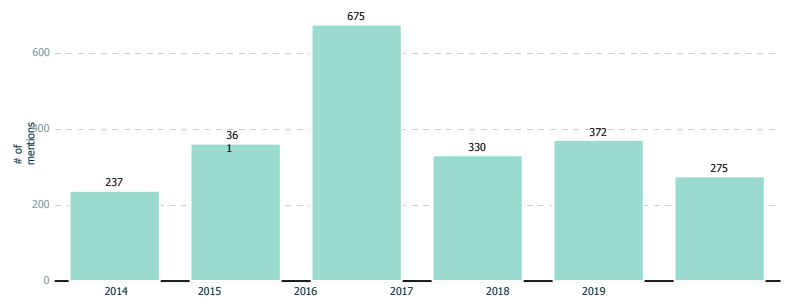
Maria Raga
Depop
CEO

The Digital Single Market has been an important area of attention from European parliamentarians, especially leading up to and including 2016, but given the widespread agreement on the importance of creating a unified digital market, the drop in the level of discussion since 2016 is notable.

Number of mentions of Digital Single Market in European Parliament activities and press releases per year

NOTE:

This data looks at the number of keyword occurrences related to Digital Single Market in European Parliament activities and press releases.



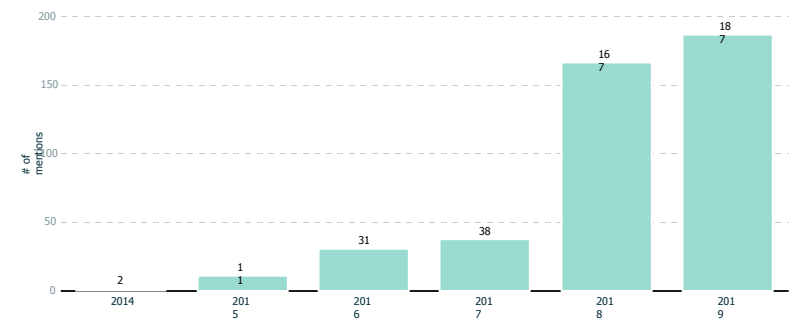
Source: POLITICO PRO INTELLIGENCE

More recently, there’s been a surge of discussion around disinformation. Deep fakes clearly caught the attention of Europe’s legislators, just as they captured the attention of the public.

Number of mentions of disinformation/deepfakes in European Parliament activities and press releases per year

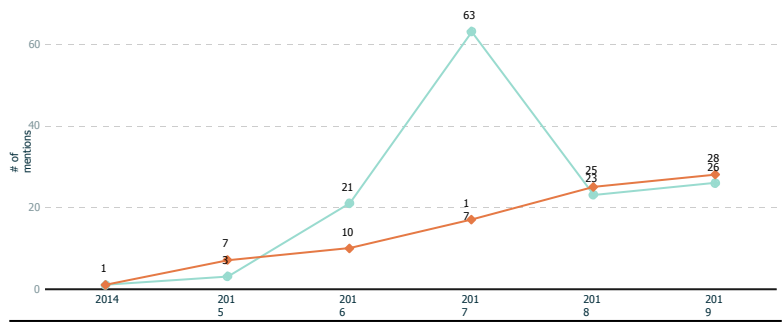
NOTE:

This data looks at the number of keyword occurrences related to disinformation/deepfakes in European Parliament activities and press releases.



Source: POLITICO PRO INTELLIGENCE

What's interesting is just how little discussion, on a relative basis, there is around topics such as fintech or digital health, where European startups have had a huge impact on the global technology stage.



Source: POLITICO PRO INTELLIGENCE



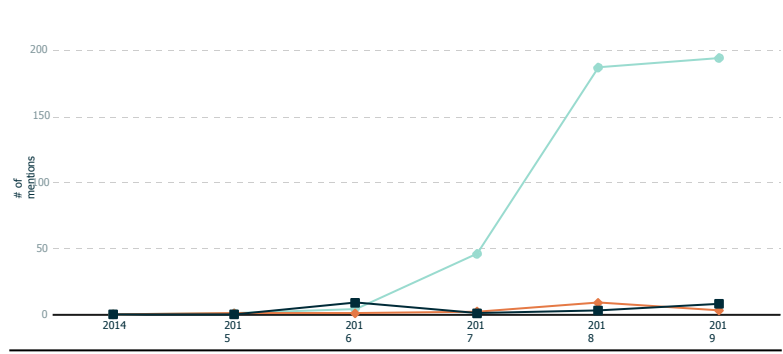
For fintechs, European regulators have fostered an environment in which challengers can prosper on a level playing field with incumbents, e.g. the Bank of England opening up settlement accounts to non-banks. This forward-thinking approach is setting the standard for regulators all over the world, and is a huge advantage for the European market.

European tech continues to prosper, and it's very likely the next giant will have started here. There are two crucial elements to this growth. Critically, later-stage VC money is no longer confined to Silicon Valley, removing the pressure for tech firms to relocate for scale. That's had a massive impact on the likes of TransferWise, Monzo and N26, who have been able to grow, hire and innovate so much faster. For fintechs, European regulators have fostered an environment in which challengers can prosper on a level playing field with incumbents, e.g. the Bank of England opening up settlement accounts to non-banks. This forward-thinking approach is setting the standard for regulators all over the world, and is a huge advantage for the European market. A year ago, Brexit was my big concern in continuing this momentum. Assuming we lose the regulatory passporting rights the EU provides, how would the current high-growth firms handle the need to get regulated in multiple countries? Would TransferWise and others be able to continue to hire the talent we need to scale? Today it's clear the current crop of scale-ups will meet this challenge. Most, like TransferWise, have already taken the steps needed to mitigate all possible Brexit outcomes. My next concern is how we help the next generation of startups also thrive, so that London in particular continues to be attractive as a HQ to grow a business.



Taavet Hinrikus
 TransferWise
 Co-Founder &
 Chairman

While it seems the European Parliament woke up to AI some time in 2016, it has yet to put strategically important and thriving deep tech fields like Quantum Computing and Gene Editing on its policy agenda.



Source: POLITICO PRO INTELLIGENCE



European information governance rules are strong on privacy protection, but there are few contractual standards in place, which makes it expensive and time-consuming to form bespoke partnerships with every single institution.

Owkin is playing an important role in increasing collaboration between academic, biopharma and healthcare institutions by championing a new class of technology called Federated Learning. FedAI allows researchers to collaborate and train predictive models on the decentralised data within disparate institutions, to reveal insights on mechanism of action, or drivers of disease progression, while entirely safeguarding patient privacy by sending the models to the data and never removing data from the hospital firewalls.

More could be done by governments to support collaboration. In America, for example, hospitals have a standard contract form called a business association agreement (BAA) which standardises how third parties access anonymised patient data. It is a rigorous but standard process. European information governance rules are strong on privacy protection, but there are few contractual standards in place, which makes it expensive and time-consuming to form bespoke partnerships with every single institution. However, I am confident that these issues are being worked on, and that Europe is moving in the right direction for both attracting and retaining great health tech talent.



Thomas Clozel
Owkin
Co-Founder & CEO

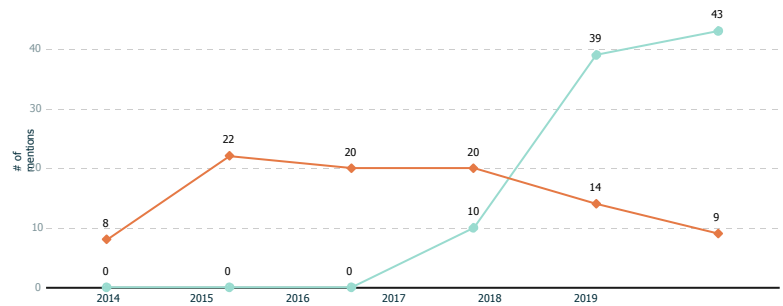
Taxation is, of course, a national competence and what is said in the European Parliament has no legal standing, but it's still relevant to explore discussion on the topic to understand where priorities lie. We can also see that while the idea of a digital tax has gained traction in European parliament activities, there has been less discussion around key startup-related taxation changes, such as to the tax treatment of stock options.

Number of mentions of digital tax and stock options in European Parliament activities and press releases per year

LEGEND
● Digital tax
● Stock options

NOTE:

This data looks at the number of keyword occurrences related to digital tax and stock options in European Parliament activities and press releases.



Source: POLITICO PRO INTELLIGENCE

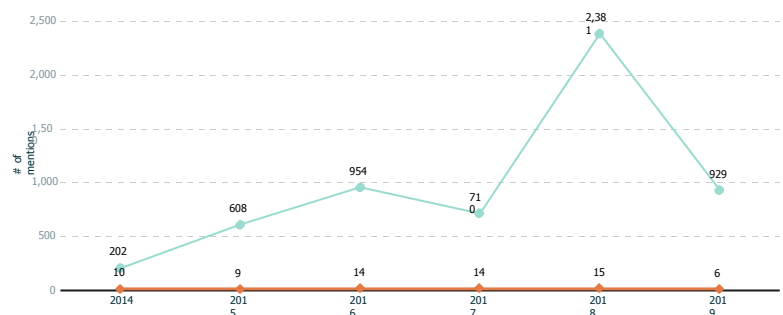
The greater level of discussion in the European Parliament on the idea of a digital tax compared with stock option tax reform is better understood when examining which types of tech companies have taken up greater mindshare of European policymakers.

Number of mentions of selected US big tech companies versus European tech companies in European Parliament activities and press releases per year

LEGEND
● US big tech companies
● European tech companies

NOTE:

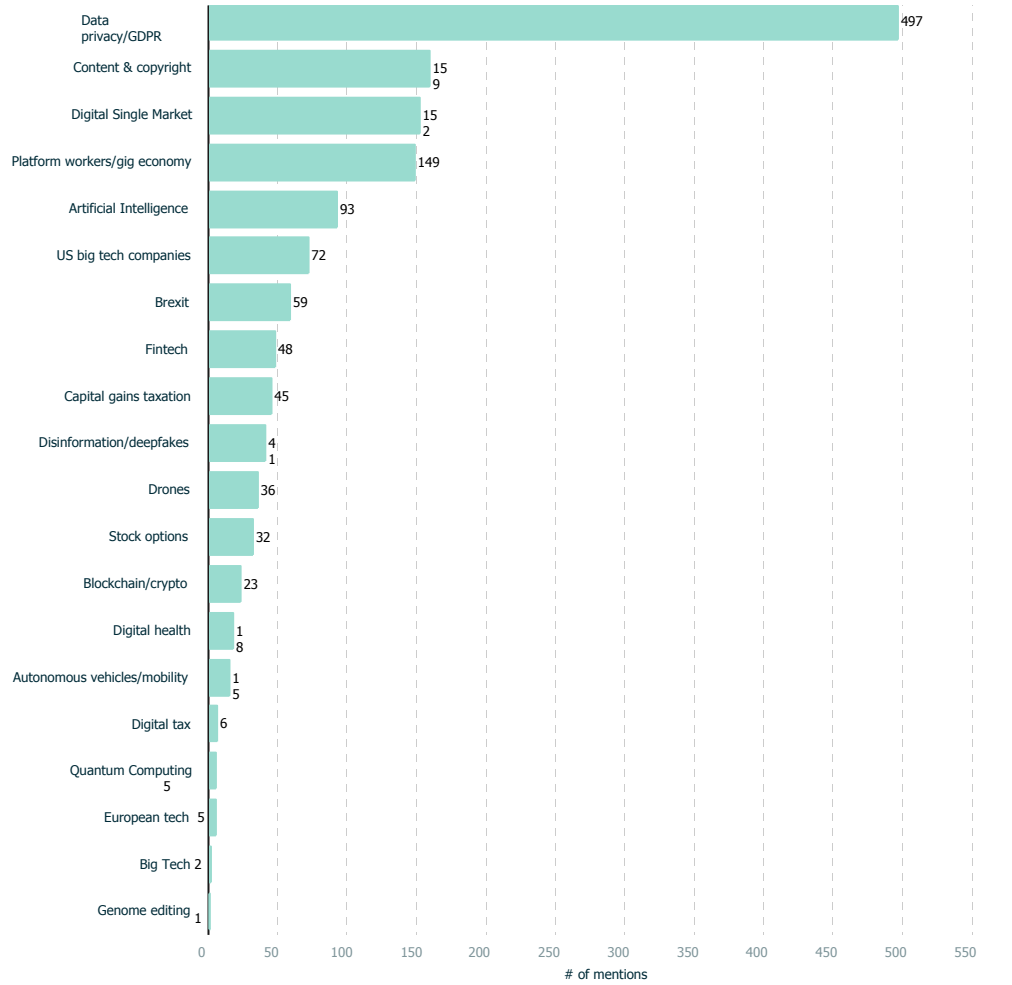
Data looks at the number of keyword occurrences related to select US big tech (i.e. Google, Facebook, Twitter, Apple, Microsoft, Amazon) and European tech companies (i.e. Spotify, Skype, Adyen) in European Parliament activities and press releases.



Source: POLITICO PRO INTELLIGENCE

The overall trends outlined in terms of the analysis of European Parliament activities and press releases also filter down into the focus areas of legislative documentation during the last parliamentary term.

Number of mentions of key tech- related issues in European Parliament legislative documents by topic, 2014-2019



NOTE:

This data looks at the number of keyword occurrences of key tech-related issues in European Parliament legislation.

Source: POLITICO PRO-INTELLIGENCE



The rise of AI, big data, gig workers, facial recognition technology and 5G has given rise to a new set of human rights issues. And governments are turning their attention to the human rights impact of the adoption and use of technology.

The healthcare platform that connects with patients around the world.

The disruptive consumer electronics innovator that makes and sells a new kind of device.

The delivery app that relies on gig workers.

The AI pioneer who utilises facial recognition technology.

What do they all have in common?

They are exciting tech company models that also present growing exposure

to human rights concerns.

Human rights may not be the first topic you associate with the state of the European tech ecosystem. But the reputational, financial and legal hazards once associated primarily with the mistreatment of physical labourers have moved into the digital world. The rise of AI, big data, gig workers, facial recognition technology and 5G has given rise to a new set of human rights issues. And governments are turning their attention to the human rights impact of the adoption and use of technology.

A valuable conversation is emerging about 'responsible technology' — preventing, addressing and remediating the negative impacts of technology on human rights, and ensuring its ethical design, deployment and use. And Europe is in the driver's seat on 'responsible AI'. In April 2019, the European Commission's High-Level Expert Group on AI presented the 'Ethics Guidelines for Trustworthy Artificial Intelligence', which are underpinned by international human rights law and identify seven key requirements for AI systems to be deemed trustworthy.

The Council of Europe Commissioner for Human Rights also published this year a

10-point recommendation on AI and human rights. The report recommends that member states establish procedures for conducting human rights impact assessments, among other things.

OECD also published its own Principles on AI this year, calling for AI systems to be designed in a way that respects human rights.

At the same time, more tech companies worldwide are opting in to the UN Guiding Principles on Business and Human Rights and joining multi-stakeholder initiatives aimed at promoting human rights and ethics in tech, like the Global Network Initiative, Partnership on AI and the World Economic Forum's ethical tech projects.

There's a lot to unpack here — and different schemes need to be reconciled. But, if you're at a company looking to get started on these issues — as both a moral imperative and a business and risk management matter — we suggest three key steps: (1) a human rights impact assessment, which will help you understand and prioritize areas of risk for your particular business model, (2) integration of human rights considerations into your existing compliance processes and policies, and (3) engagement with key stakeholders, including your board.

This is a growing area of focus for companies, investors and consumers, as this year's SOET report confirms.

Be on the forefront.



Betsy Popken
Orrick
Special Counsel,
Business and
Human Rights



Photo by: Samuli Pentti

09.2

Tech's Take on Policy



We need clearer objectives to successfully regulate the European tech ecosystem.

We need clearer objectives to successfully regulate the European tech ecosystem. Are we trying to create sustainable employment and solve major societal challenges like health and the environment? Or is our chief objective to focus our resources on policing companies from other regions? These goals are not necessarily mutually exclusive. Major technology firms undoubtedly need sustained scrutiny. Still, the political world needs to define a European approach, which balances our ambitions for robust tech regulation with an understanding of what's needed for our companies to scale.



Linda Griffin King
VP, Global Public Policy

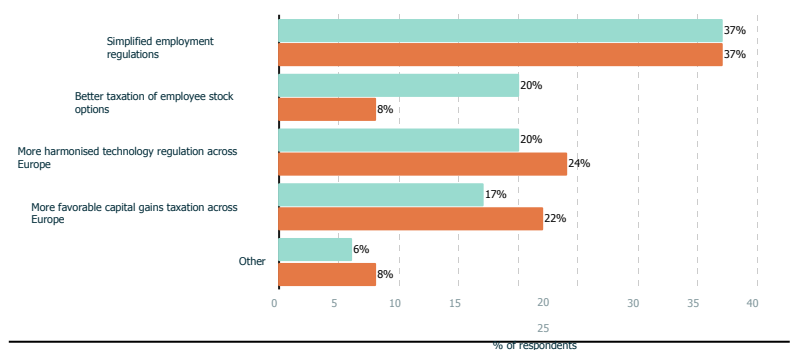
We used the survey to explore what matters most to more than 1,200 European tech founders when it comes to potential policy support. The priorities they shared focused mostly on policy to create the conditions that make it more appealing for companies to attract, retain and replace talent. Founder respondents cited the introduction of simplified employee regulations across Europe as the number one regulatory change that would have a materially positive impact on the prospects of their business. For founders of companies who have raised external capital, this is followed by better taxation of employee stock options. The harmonisation of tech-related regulation across Europe also scores highly for founders of both bootstrapped and externally funded companies.

What is one regulatory change that would have a materially positive impact on the prospects of your business?

LEGEND

- Raised external capital
- Bootstrapped

NOTE:
Founder respondents only. Numbers may not add to 100 due to rounding.



Source: The State of European Tech Survey



At present, there are too many instances of governments trying to apply existing legislation - legislation that was drafted in a pre-digital age to respond to the needs of a different type of work and a different type of worker - to startups and new technologies.

I think the approach in Europe differs from country to country. In countries like the UK, France and Portugal, while still recognising a need to regulate certain aspects of the tech community, there's greater openness to disruptive innovation. Whereas in Spain there's a distinct lack of trust at the government level. However, what we need is a new regulatory framework that focusses on the digital economy. I find it hard to believe there are some countries in Europe that fail to see the potential of the digital revolution and the long-term socio-economic benefits that come with it. At present, there are too many instances of governments trying to apply existing legislation - legislation that was drafted in a pre-digital age to respond to the needs of a different type of work and a different type of worker - to startups and new technologies. The digital age has brought about a sea change in the global economy - changing the ways in which we live, communicate, work and consume - and we need regulatory modernisation to really reflect those changes. Otherwise, we run the risk of slamming the brakes on the digital economy. Today, we see millions of people around the world signing up for platform jobs, and yet there's still no clear regulation that balances their requirement for flexibility and their need for increased social benefits. If we're going to move forward, then this cannot continue.



Oscar Pierre
Glovo
Co-founder & CEO

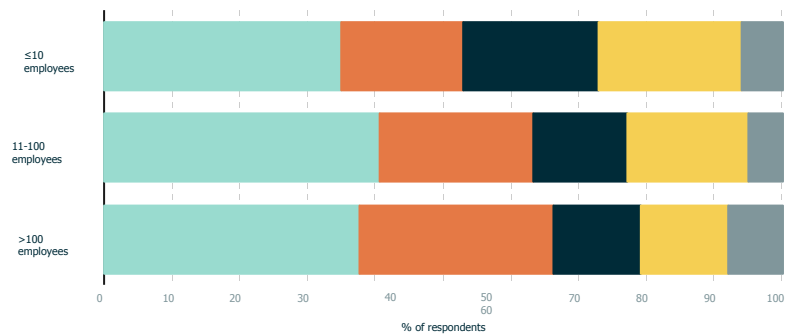
There are clear differences in what matters most to founders of funded companies of different scales. Interestingly, the importance of better taxation of stock options is much more likely to be cited by companies that have gained significant scale (i.e. more than 100 employees), while they are far less likely to be concerned about changes to improve the harmonisation of tech regulation across Europe or more favourable capital gains taxation

What is one regulatory change that would have a materially positive impact on the prospects of your business?

LEGEND

- Simplified employment regulations
- Better taxation of employee stock options
- More favorable capital gains taxation across Europe
- More harmonised technology regulation across Europe
- Other

NOTE:
Founder respondents of companies who have raised external capital only.
Numbers may not add to 100 due to rounding.



Source: The State of European Tech Survey

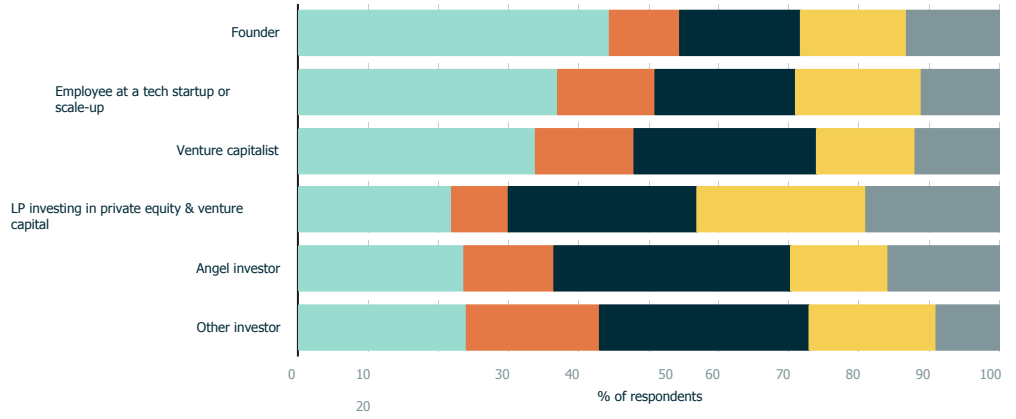
We also asked the European tech community to share their view on who is most impacted by the regulatory burden in Europe today. Whether they are empirically right or wrong, the perception of respondents from most occupation groups, including European tech founders and investors, is that the burden is being carried by the region's tech startups.

Who do you think is most impacted by the regulatory burden amongst the following?

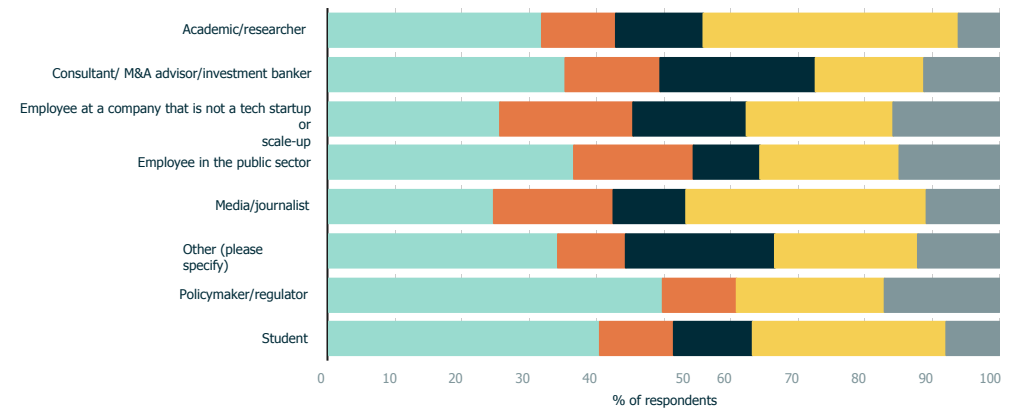
LEGEND

- Tech startups
- Established private tech companies
- Established public tech companies
- Non-tech SMEs
- No difference

FOUNDERS, TECH EMPLOYEES, INVESTORS



OTHER OCCUPATIONS



NOTE:

Numbers may not add to 100 due to rounding.

Source: The State of European Tech Survey

This perception may be impacted by the fact that the general level of awareness of the key priorities of the European Commission in the tech and digital sphere appears to be low. When asked to determine which of the

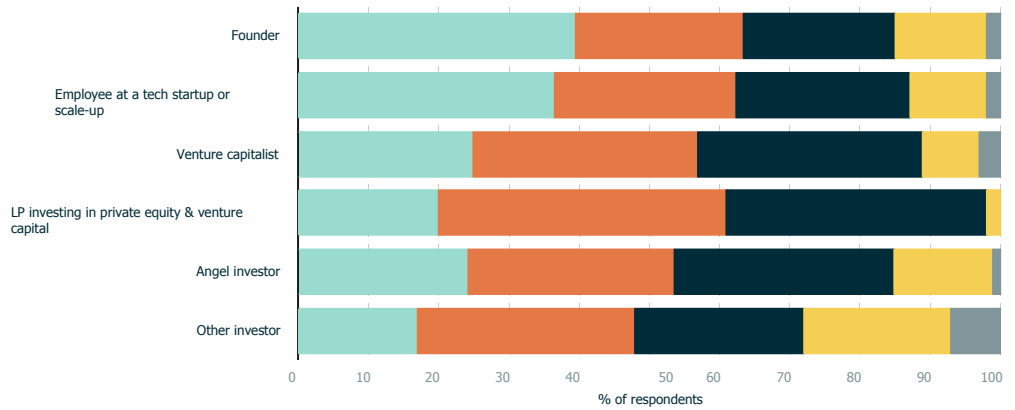
Commission's priorities was most important, the most frequently cited answer was 'I don't feel sufficiently informed to comment'. Interestingly, very few respondents believe that delivering a connected, single digital market was the key priority for the European Commission.

What do you think have been the key tech and digital economic priorities for the European Commission in the last 12 months?

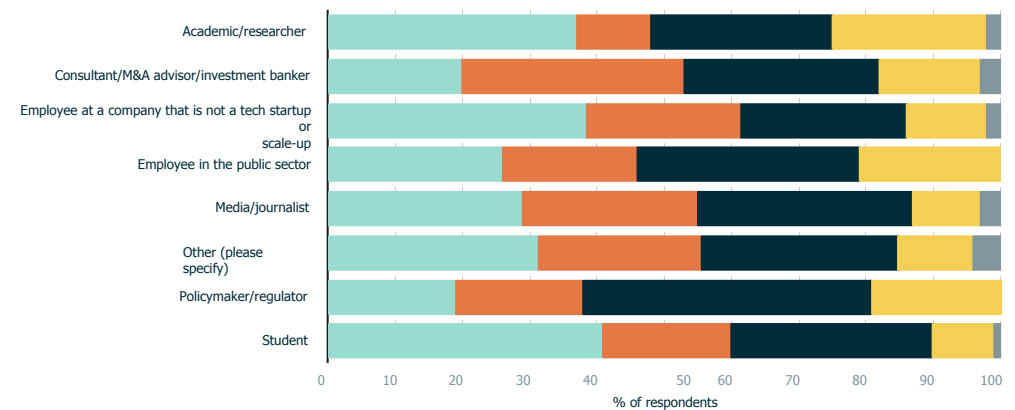
LEGEND

- I don't feel sufficiently informed to comment
- Policing a handful of major platform companies/Big Tech
- Supporting the growth of the European Tech ecosystem
- Delivering a connected Digital Single Market
- Other

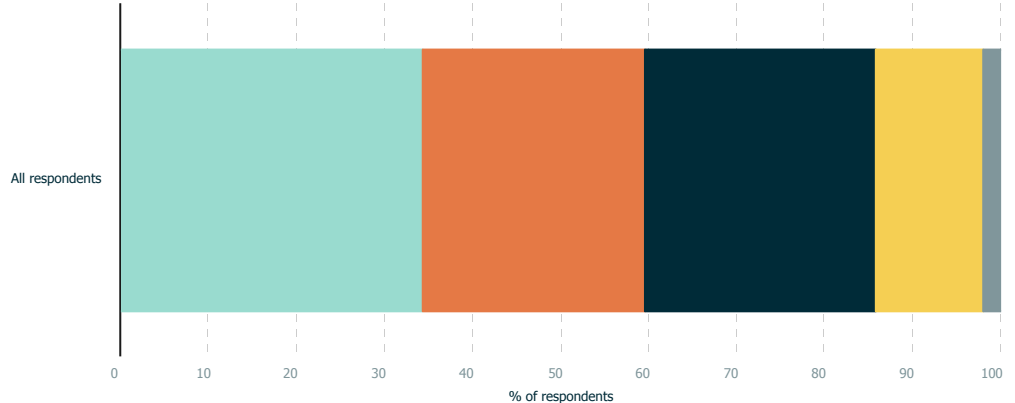
FOUNDERS, TECH EMPLOYEES, INVESTORS



OTHER OCCUPATIONS



ALL RESPONDENTS



Source: The State of European Tech Survey

NOTE:

Numbers may not add to 100 due to rounding.

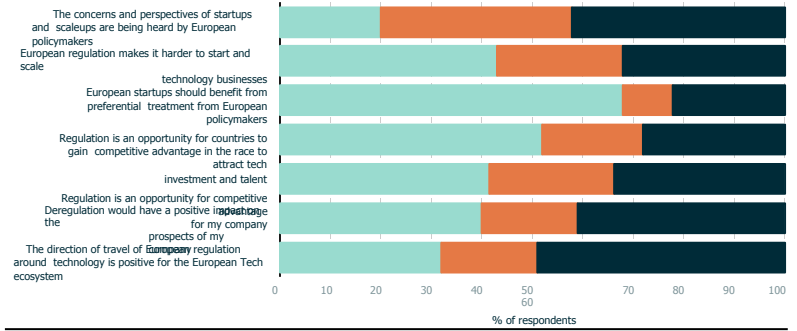
It's also telling that just one in five European founders believes that the concerns and perspectives of the region's startups and scale-ups are being heard by European policymakers. We also see that half of all founders perceive that European regulation makes it harder to start and scale technology businesses. The European tech community also shared a strong call to benefit more from 'preferential treatment' for European tech companies

Do you agree or disagree with the following statements?

LEGEND

- Agree
- Disagree
- Neither agree nor disagree

NOTE:
Founders only. Numbers may not add to 100 due to rounding.



Source: The State of European Tech Survey

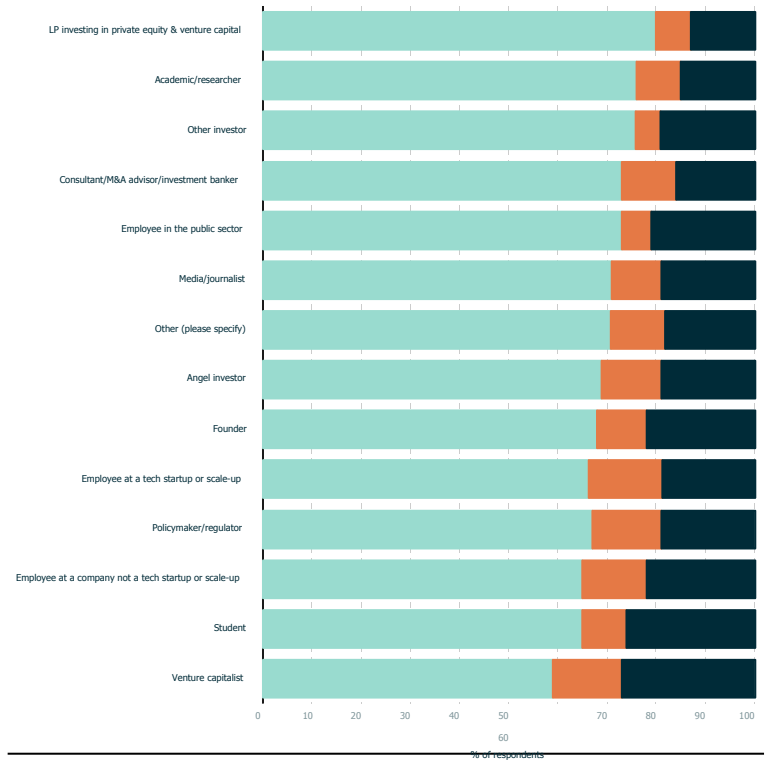
On the final point of preferential treatment, it's fascinating that there's a high level of agreement across the board from the European tech community, including amongst European policymakers, that European startups should benefit from preferential treatment from the region's policymakers

To what extent do you agree or disagree with the following statement: European startups should benefit from preferential treatment from European policymakers

LEGEND

- Agree
- Disagree
- Neither agree nor disagree

NOTE:
Numbers may not add to 100 due to rounding.



Source: The State of European Tech Survey



One of the shared responsibilities of all government – local and national - is to deliver key services in areas like health, mobility, housing and environment. The demand and the opportunities are huge: we have only just begun to see how public services can be improved when resources like public data sets are opened up and re-used. But startups/scale-ups and government services often have different priorities, sensitivities and timescales. They also have different ways of working. Both sides need to understand each other better. There are examples of this here and there - but it's far too underdeveloped. We must promote cooperation and dialogue.

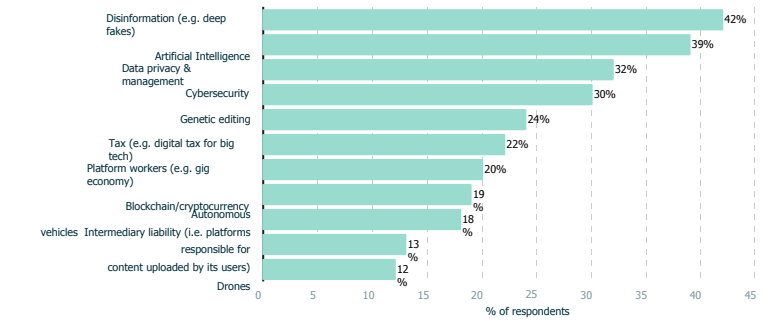


Linda Griffin King
VP, Global Public Policy

Disinformation is most frequently cited by respondents as the technology area that requires urgent attention from regulators. This is followed by artificial intelligence, data privacy and cybersecurity as other areas cited as requiring urgent attention. As interesting as what's top of the list, is what's on the bottom. Drones, intermediary liability, autonomous vehicles and blockchain were all far less likely to be cited as requiring urgent attention.

In your opinion, which areas in tech require urgent attention from regulators as they are likely to be most impactful for society (in a good or bad way)? Select up to 3

NOTE:
Numbers do not add to 100 as respondents could select up to three responses.



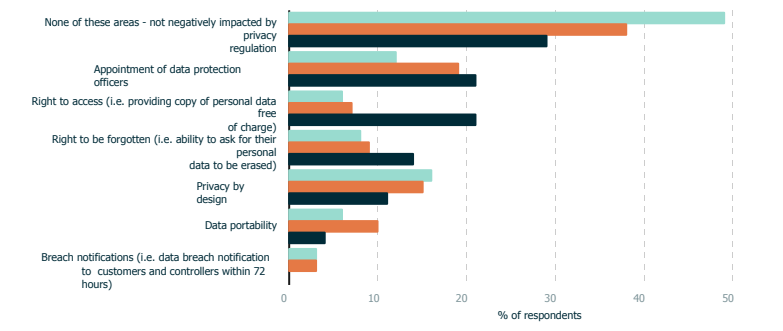
Source: The State of European Tech Survey

It's interesting to explore the impact of European policy on the European startup community. Notably, almost half of founders of companies of 10 employees or fewer stated that they have not been negatively impacted by privacy regulation, though that still means that more than half of the region's smallest tech startups have been negatively impacted. The larger the company, the more likely founders are to report having been negatively impacted by privacy regulation over the last 12 months. The most frequent change cited by founders of companies with 10+ employees as having negatively impacted their business is the appointment of Data Protection Officers, a role that is both difficult and expensive to fill.

Which one of the following changes to privacy regulation have impacted your company the most over the last 12 months?

- LEGEND**
- ≤10 employees
 - 11-100 employees
 - >100 employees

NOTE:
Founders only. Numbers may not add to 100 due to rounding.



Source: The State of European Tech Survey

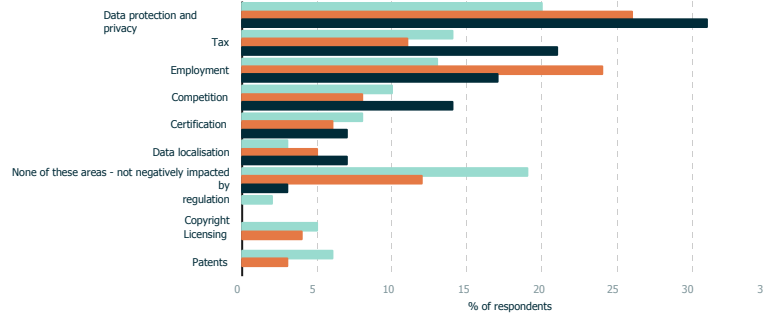
The impact of data privacy regulation is the top-ranked area of regulation perceived as most challenging by founders of companies of all sizes.

Thinking about any potential negative impact on your business from regulation, which one area do you view as the most challenging for your company?

LEGEND

- ≤10 employees
- 11-100 employees
- >100 employees

NOTE:
Founders only. Numbers may not add to 100 due to rounding.



Source: The State of European Tech Survey

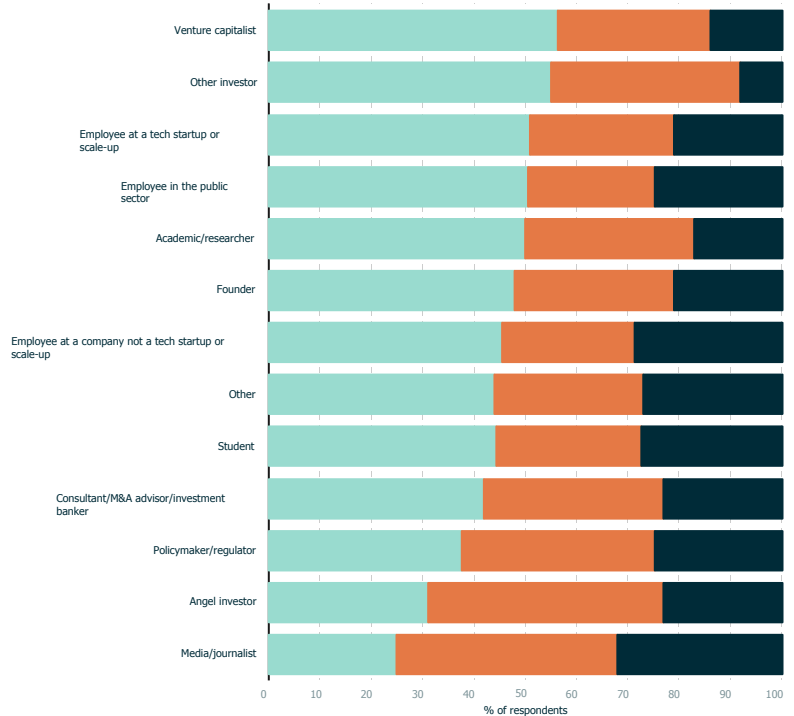
VCs, LPs, tech workers and founders are more likely to agree that European founders can compete equally on the global tech stage, while policymakers and media are more sceptical. Who's right and who has the better vantage point? And if policymakers are sceptical about the ability for European founders to compete on the global stage, what can they do to better support the founders in that objective?

To what extent do you agree or disagree with the following statement: European founders can compete equally on the global technology stage

LEGEND

- Agree
- Disagree
- Neither agree nor disagree

NOTE:
Numbers may not add to 100 due to rounding.



Source: The State of European Tech Survey

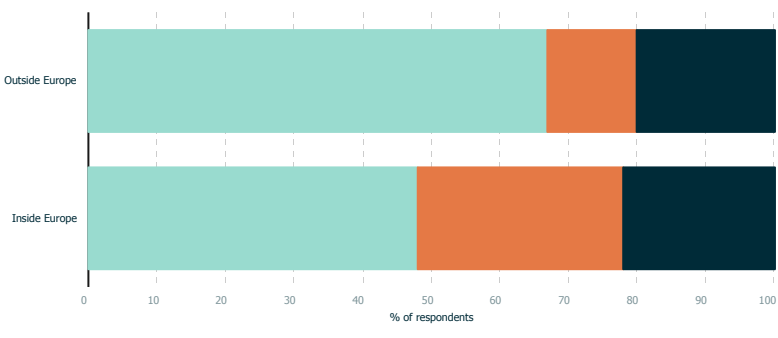
It's interesting that respondents from outside Europe show a materially higher level of agreement with the view that European founders can compete equally on the global stage.

To what extent do you agree or disagree with the following statement: European founders can compete equally on the global technology stage

LEGEND

- Agree
- Disagree
- Neither agree nor disagree

NOTE:
Numbers may not add to 100 due to rounding.



Source: The State of European Tech Survey

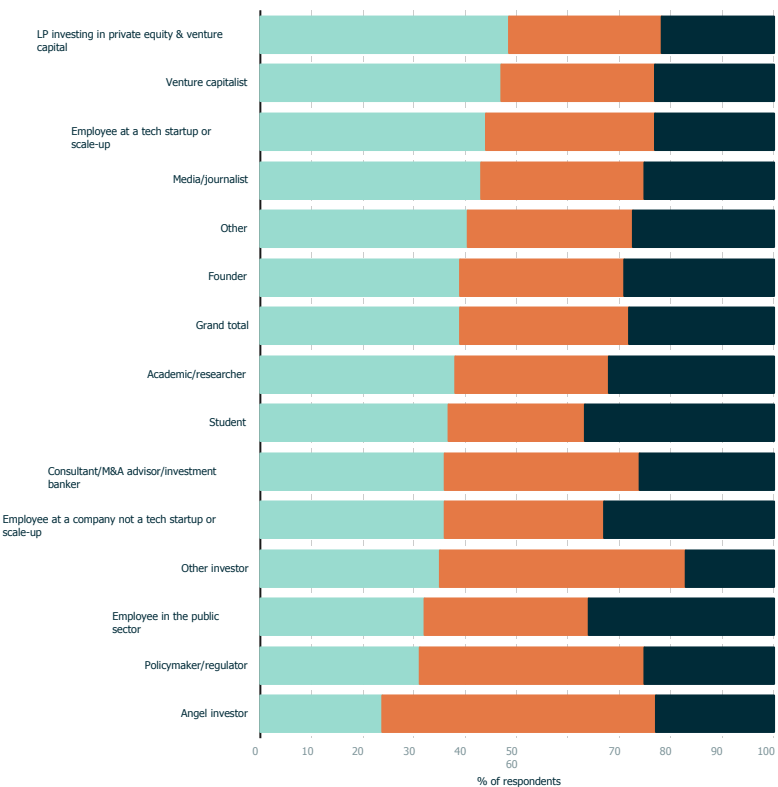
Opinion is split on Europe's likelihood to gain ground relative to the US and China in the next decade.

Do you agree or disagree with the following statement? European tech is likely to gain ground relative to the US and China in the next decade

LEGEND

- Agree
- Disagree
- Neither agree nor disagree

NOTE:
Numbers may not add to 100 due to rounding.

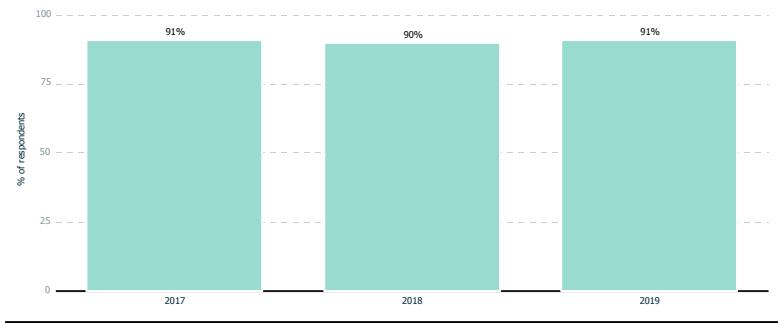


Source: The State of European Tech Survey

Europe's tech ecosystem remains characterised by a strong level of optimism about the future. 91% of respondents said they were more optimistic about the future of European tech or the same as they were 12 months ago. This is on par with the levels seen in the past two years.

Are you more or less optimistic about the future of European technology today than you were 12 months ago?

NOTE:
% of all respondents that answered either 'More' or 'About the same'.



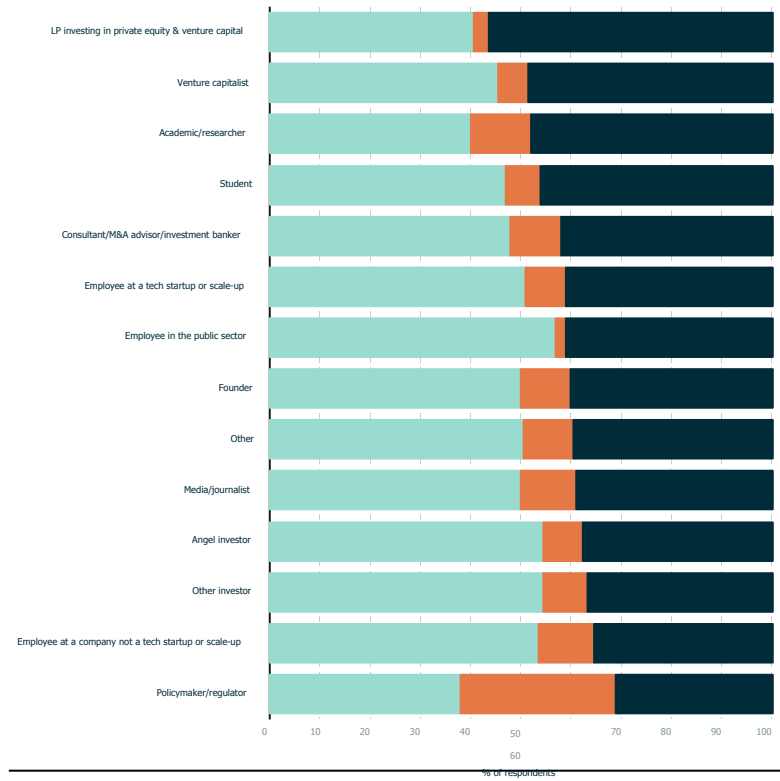
Source: The State of European Tech Survey

Interestingly, however, there is a large divergence depending on the occupation of respondents. Investors in European tech, including both VCs and LPs, are amongst the most optimistic occupations, while founders and tech employees also expressed strong sense of optimism about the future of European tech. Policymakers, by contrast, were the least optimistic. This divergence of opinion between the founders operators and investors on the one hand, and policymakers on the other, speaks volumes.

Are you more or less optimistic about the future of European technology today than you were 12 months ago?

LEGEND
■ About the same
■ Less
■ More

NOTE:
Numbers may not add to 100 due to rounding.



Source: The State of European Tech Survey



There is still a wide gap between the world of policymaking and that of tech entrepreneurs... I think that venture capitalists have a key role to play in bridging that gap between the two worlds.

There is still a wide gap between the world of policymaking and that of tech entrepreneurs. Policymakers genuinely want to help, but they don't know a thing about tech startups, and they usually don't count tech entrepreneurs as friends or acquaintances, which makes it even more difficult for them to understand what's going on. On the other hand, tech entrepreneurs have difficulties reaching out to policymakers because they don't understand that world, where everything seems so slow and so bureaucratic; they rightfully prefer to focus on growing their businesses. This is the reason why, by the way, I think that venture capitalists have a key role to play in bridging that gap between the two worlds.

Unlike entrepreneurs, venture capitalists don't have to focus on one single problem over the course of several years. They can embrace a long-term view of the market, identify the many regulatory obstacles that still stand in the way, and help policymakers understand technology and come up with sound regulations designed to boost local champions.

It's both about providing entrepreneurs with the resources and the security they need to take more risks and about raising the bar for European tech companies, forcing them to get better on various fronts, and ultimately consolidating their competitive advantage at a global scale - an industrial policy for the Entrepreneurial Age.



Nicolas Colin
The Family Co-Founder & Director



The OECD has given the UK its highest overall score for the quality of our regulatory practices, but we're not resting on our laurels. We are bringing forward world-leading policies to boost innovation and build trust in digital markets, to promote ethical and responsible technology and give tech firms growing on our shores the competitive advantage they need.



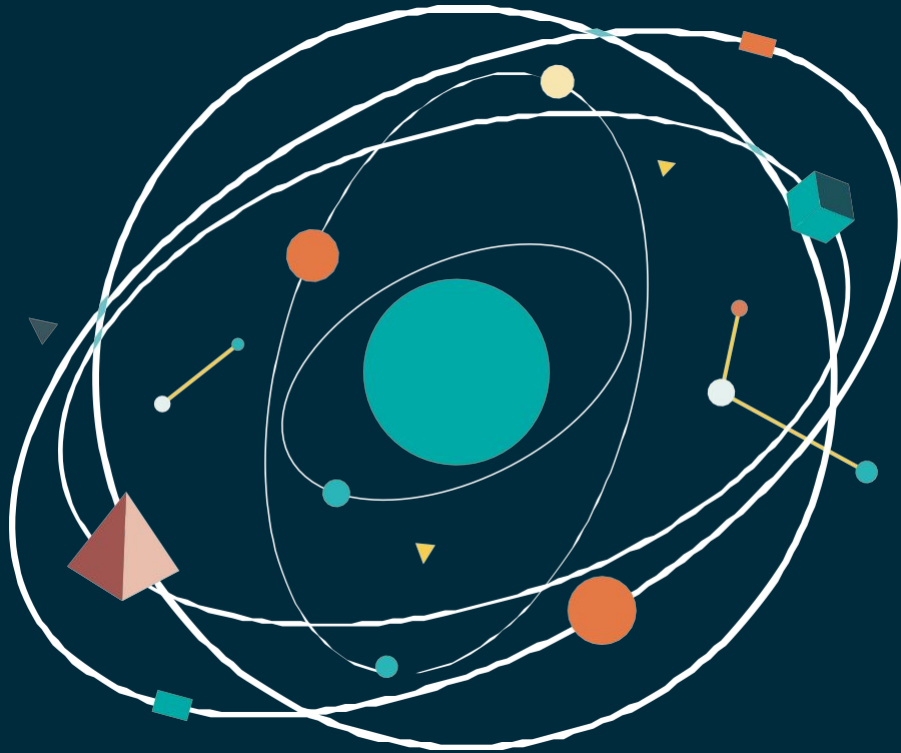
Nicky Morgan
UK Secretary of State for Digital, Culture, Media & Sport



Photo by: Samuli Pentti

10

About



This report was produced in partnership with Slush and Orrick. Nearly 100 people and 20 organizations came together to provide insights and data. This is who they are.

10.1

Our Contributors

Thanks to all of the following people for their assistance and insight in developing this year's State of European Tech Report

Contributors



Giovanni Anelli
CERN



Sophia Bendz
Atomico



Alice Bentinck
EF



Elsa Bernadotte
Karma



Tom Blomfield
Monzo



Kat Borlongan
La French Tech



Loubna Bouarfa
OKRA Technologies



Christina Brinck
Sixth Swedish National Pension Fund



Anisah Osman Britton
23 Code Street



Ophelia Brown
Blossom Capital



Jessica Butcher
Tick



Suranga Chandratillake
Balderton Capital



Stjin Christiaens
Collibra



James Clark
London Stock Exchange



Thomas Clozel
Owkin



Nicolas Colin
The Family



**Simon
Cook**
Draper Esprit



Andy Davis
Backstage Capital



**Sonali de
Rycker**
Accel



**Pierre
Entremont**
FRST



**Madeleine
Evans**
Levell



**Ekaterina
Gianelli**
Inventure



**Linda
Griffin**
King



**Irina
Haivas**
Atomico



**Thomas
Hellmann**
University of Oxford



**Kate
Hilyard**
Healx



**Taavet
Hinrikus**
TransferWise



Sophia Hmich
Future Positive Capital



**Christine
Hockley**
British Patient Capital



**Antoine
Hubert**
Ynsect



**Miki
Kuusi**
Wolt



**Daniel
Keiper-Knorr**
Speedinvest



**Jacopo
Losso**
EBAN



**Yury
Melnichek**
Bulba Ventures



**Osnat
Michaeli**
Infarm



**Martin
Mignot**
Index



Valentina Milanova
Daye



Nicky Morgan
UK Secretary of State for Digital, Culture, Media & Sport.



Akshay Naheta
SoftBank Vision Fund



Steve O'Hear
TechCrunch



Deborah Okenla
YSYS



Patrick Pichette
Inovia Capital



Oscar Pierre
Glovo



Maria Raga
Depop



Andreas Saari
Slush



Abby Scarborough
Yena



Naren Shaam
Omio



Perry Teicher
Orrick



Alex Terrien
Future Positive Capital



Nigel Toon
Graphcore



Roxanne Varza
Station F



Check Warner
Diversity VC



David York
Top Tier Capital Partners



Leila Rastegar Zegna
Kindred Capital



Niklas Zennström
Atomico

10.2

Acknowledgements

We wouldn't have been able to put together the State of European Tech without a lot of help - thanks to all of the following in particular:

Acknowledgements



Mike Allanson
Studio Lovelock



Kaloyan Andonov
Global University
Venturing



Giovanni Anelli
European Organization for
Nuclear Research (CERN)



Karl Bjelland
Politico



Jon Brewer
Orrick



Yuliya Chernova
Craft



James Clark
London Stock Exchange



George Clayton
Studio Lovelock



Matt Collins
Studio Lovelock



Katelyn Dennis
Shareworks



Ivan Draganov
Dealroom



Anastasiya Dudareva
Craft



**Mark
Dunbavan**
Studio Lovelock



**Oscar
Farres**
EIF



**Rugiyya
Gahramanli**
London Stock Exchange



Sofian Giuroiu
PEREP Analytics/EDC



**Sarah
Guemouri**
Atomico



Thierry Heles
Global University
Venturing



Ben Jakob
Studio Lovelock



**Ant
Jumratsilpa**
Studio Lovelock



**Bryce
Keane**
Atomico



**Julie
Kim**
Quid



Thomas Kösters
European Startup Initiative



**Julien
Krantz**
Invest Europe



**Ilya
Levtov**
Craft



**Joe
Lovelock**
Studio Lovelock



**Elissa
Maercklein**
Craft



**Gligor
Micajkov**
Dealroom



Elmo Pakkanen
Slush



Angelina Panagiotopoulou
Studio Lovelock



Julien Puls
Dealroom



Anais Rassat
European Organization for Nuclear Research (CERN)



Julia Silge
Stack Overflow



Maxine Smith
Atomico



Karthik Suresh
Craft



Eleanor Warnock
Atomico



Tom Wehmeier
Atomico



Yoram Wijngaarde
Dealroom



The purpose-driven porpoise
Self-employed

10.3

About Atomico

We're Atomico. You probably knew that already.

But who are we really?

We're not a traditional venture capital firm.

We are built by founders for founders. Every single aspect of Atomico, every part of our culture, and every decision we take, is designed with the sole ambition of helping our partners succeed.

We exist for more than returns. We believe entrepreneurs are the ultimate agents of positive, transformational change across every aspect of our society and economy.

Our mission is to spur this progress forward.

It's why we partner with the world's most ambitious founders. The rule-breakers who want to build the next leader in their category. The world-shapers creating companies that fundamentally shift the way we live today. The gamechangers using technology to rewire the world in favour of something better, for as many people as possible.

When we find these people, we invest much more than money. We work hand-in-glove with them, drawing on hard-won experience scaling some of the most successful technology companies in the world.

10.4

About Orrick

But who is Orrick?

Creators. Visionaries. Underdogs. The Daring.

Orrick counsels more than 2,700 tech companies, as well as the most active funds, corporate venture investors and public tech companies worldwide. We help you disrupt. We help you build. We protect you. We help you win.

We are the No. 1 most active law firm in European venture capital, No. 3 globally (PitchBook), top 15 for global M&A (Bloomberg) and advisors to seven of the top 15 global private equity funds. We offer destination practices in other areas that are important to tech companies' success: privacy and cybersecurity, intellectual property, payments, and beyond.

And we innovate not only in our legal advice but also in the way we deliver our services. That's why Financial Times has named us the most innovative law firm in North America for the last three years in a row.

10.4

About Slush

Once again we've partnered with Slush to produce the State of European Tech report

Slush is a student-driven, not-for-profit movement with the mission to create and help the next generation of groundbreaking entrepreneurs.

But why are so many people flocking to Helsinki in November?
The Slush year culminates in Helsinki in November, when 25,000 founders, investors, media and executives from 130+ countries gather in Helsinki.

Held during the darkest time of the year, Slush has always been characterized by a unique energy and enthusiasm.

Slush is run by a community of students who want to radically change how entrepreneurship is perceived in Northern Europe and beyond. Several successful entrepreneurs, from the founders of Supercell and Spotify among others, have already become a part of the not-for-profit initiative that has already become a movement of global magnitude.

10.5

About Studio Lovelock

Branding to engage and inspire

Studio Lovelock partners with ambitious scale-ups ready to embrace the power of brand to drive growth

Studio Lovelock is a branding and communications design agency based in London.

We are a collection of open-minded, smart and creatively restless folk, driven to help the businesses we believe in achieve great things. We are founded on the belief that creativity and clear design thinking are critical components in the long term success of any business. We pride ourselves on our willingness to push beyond our comfort zone and the quality of the relationships we've built with our clients.

Being friendly, helpful and reliable doesn't hurt

either. View more of our work at

studiolovelock.com

11

Appendix

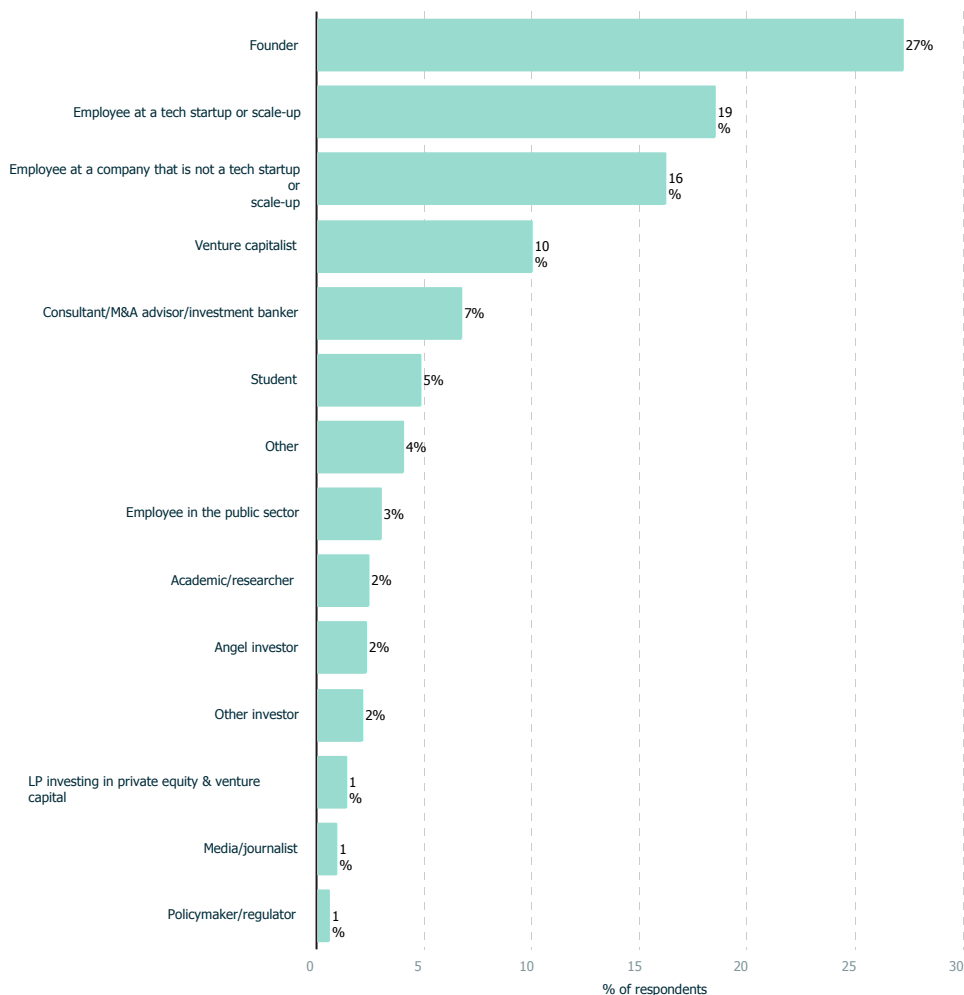


Last but not
least

11.1

Survey Respondents

Occupation of survey respondents

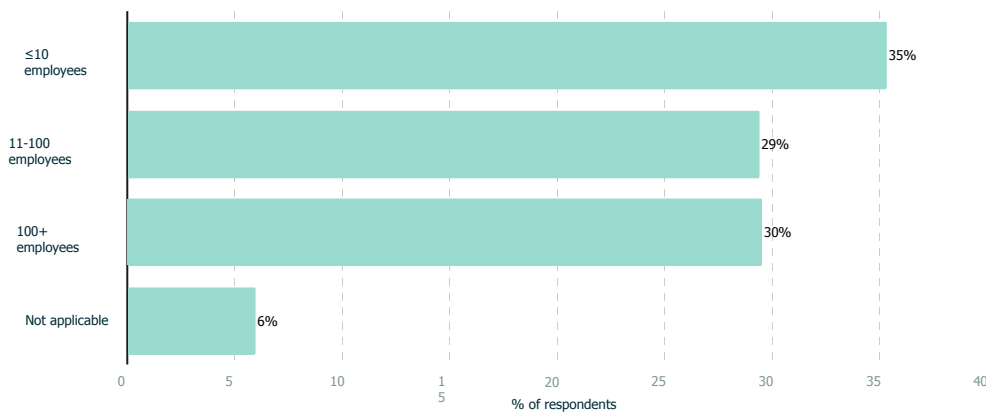


NOTE:

Numbers may not add to 100 due to rounding.

Source: The State of European Tech Survey

Company size of survey respondents



NOTE:

Numbers may not add to 100 due to rounding.

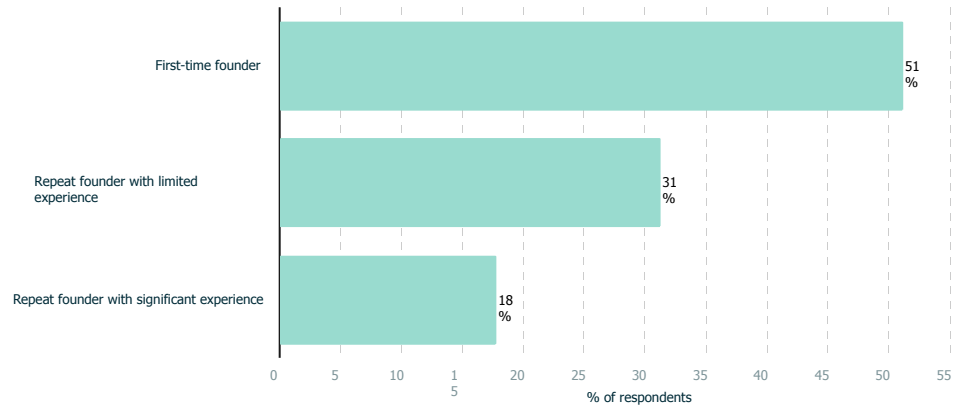
Source: The State of European Tech Survey

Experience level of founder respondents

NOTE:

Founders only. Numbers may not add to 100 due to rounding.

Source: The State of European Tech Survey

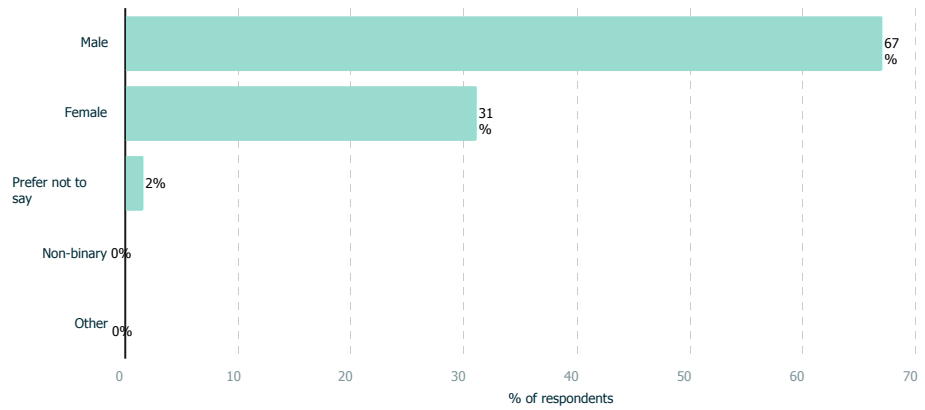


Gender of survey respondents

NOTE:

Numbers may not add to 100 due to rounding.

Source: The State of European Tech Survey

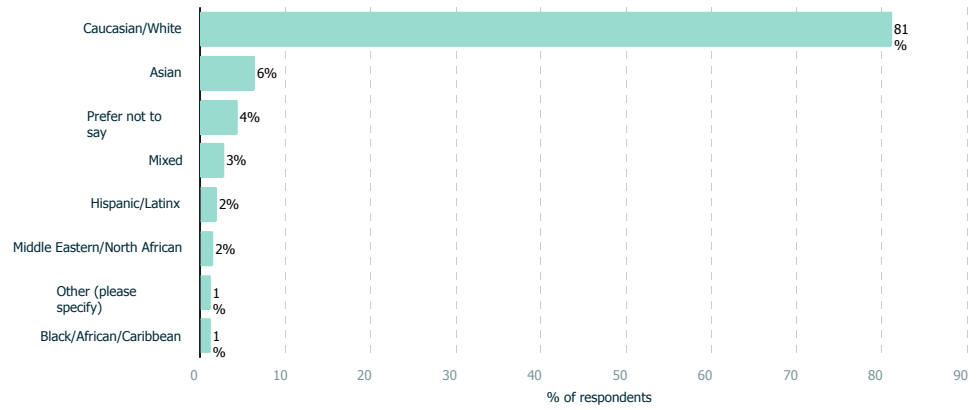


Ethnicity of survey respondents

NOTE:

Numbers may not add to 100 due to rounding.

Source: The State of European Tech Survey

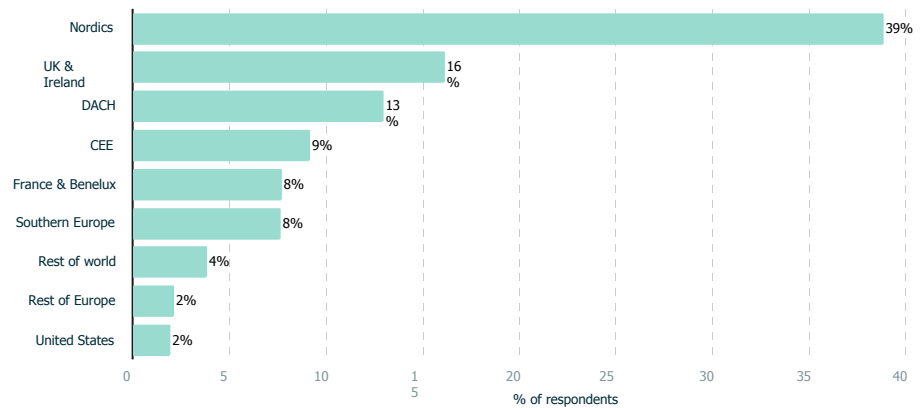


Geographic origin of survey respondents

NOTE:

Numbers may not add to 100 due to rounding.

Source: The State of European Tech Survey



11.2

More About Our Data Partners



Aon

Radford is the technology and life sciences unit of Aon's Rewards Solutions practice.

ABOUT REWARDS SOLUTIONS

The Rewards Solutions practice at Aon empowers business leaders to reimagine their approach to rewards in the digital age through a powerful mix of data, analytics and advisory capabilities. Our colleagues support clients across a full spectrum of needs, including compensation benchmarking, pay and workforce modeling, and expert insights on rewards strategy and plan design. To learn more, visit: rewards.aon.com.

ABOUT AON

Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance. For further information, please visit aon.com.



Dealroom.co

Dealroom is a global company information database & research firm. Its software, database and bespoke research enable its clients to stay at the forefront of innovation, discover promising companies and identify strategic opportunities. Among its clients are world-leading strategy consulting firms, investment banks, multinationals, technology firms, venture capital & buyout firms and governments. For more information, please visit: dealroom.co



CBRE

CBRE Group, Inc. (NYSE:CBRE), a Fortune 500 and S&P 500 company headquartered in Los Angeles, is the world's largest commercial real estate services and investment firm (based on 2018 revenue). The company has more than 90,000 employees (excluding affiliates) and serves real estate investors and occupiers through more than 480 offices (excluding affiliates) worldwide.

CBRE offers a broad range of integrated services, including facilities, transaction and project management; property management; investment management; appraisal and valuation; property leasing; strategic consulting; property sales; mortgage services and development services. Please visit our website at www.cbre.com.



The European Organization for Nuclear Research (CERN)

The European Organization for Nuclear Research (CERN) - is a world-renowned centre for scientific research, celebrated for its recent discovery of the Higgs boson. CERN's technology provides concrete business solutions in many fields: from medtech to aerospace, and industry 4.0, and are already present in start-ups hosted in CERN's network of Business Incubation Centres. CERN is also part of the ATTRACT initiative, a European call for breakthrough ideas that will fund 170 innovative projects from 2019.



Craft

[Craft](#) is building the 'Source of Truth' on companies, mapping the global economy, and delivering unique intelligence on companies to corporate decision-makers globally. Craft collects, aggregates and curates financial, operating and human capital data to provide the deepest picture of private and public companies to assist decision-makers to manage their supply chain, maximize their investments, mitigate risks, grow their sales, leverage their talent and enhance their competitive position.



The European Business Angels Network (EBAN)

EBAN, The European Business Angels Network, is the pan-European representative for early stage investors gathering over 150 member organizations in more than 50 countries. Established in 1999 by a group of pioneer angel networks in Europe with the collaboration of the European Commission and EURADA, EBAN represents a sector estimated to invest over 7 billion Euros a year and playing a vital role in Europe's future, notably in the funding of Start-Ups SMEs. EBAN has been conducting research on the business angel market since 2001 and is the leading source of knowledge in Europe for this industry.



The European Investment Fund (EIF)

The European Investment Fund (EIF) is part of the European Investment Bank group. Its central mission is to support Europe's micro, small and medium-sized businesses (SMEs) by helping them to access finance. EIF designs and develops venture and growth capital, guarantees and microfinance instruments, which specifically target this market segment. In this role, EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth, and employment.



Flourish

Flourish makes it easy to produce beautiful and engaging data visualizations and interactive presentations. Used by companies from Google and EY to Sky News and the BBC, it converts complex datasets into animated, mobile-friendly, on-brand data stories in minutes. No coding required. Get started for free at flourish.studio.



Global University Venturing

Global University Venturing

Global University Venturing is both a quarterly magazine and website written for and about universities taking stakes in spinouts. We help universities to share best practice and to connect with each other, with investors and with other useful parties in the innovation ecosystem. Our aim is to help improve the processes of bringing innovations from academia to the market and facilitate their integration into the business ecosystem.



Graphext

Graphext provides a data science software for business decision makers. Combining the latest machine learning techniques and a user friendly interface, Graphext automates and simplifies data driven decision making for all aspects of your business.



Indeed

More people find jobs on Indeed than anywhere else. Indeed is the #1 job site in the world and allows jobseekers to search millions of jobs on the web or mobile in over 60 countries and 28 languages. More than 250 million people each month search for jobs, post resumes, and research companies on Indeed. For more information, visit [indeed.com](https://www.indeed.com).



Invest Europe

Invest Europe is the association representing Europe's private equity, venture capital and infrastructure sectors, as well as their investors.

Our members take a long-term approach to investing in privately held companies, from start-ups to established firms. They inject not only capital but dynamism, innovation and expertise. This commitment helps deliver strong and sustainable growth, resulting in healthy returns for Europe's leading pension funds and insurers, to the benefit of the millions of European citizens who depend on them.

Invest Europe aims to make a constructive contribution to policy affecting private capital investment in Europe. We provide information to the public on our members' role in the economy. Our research provides the most authoritative source of data on trends and developments in our industry.

Invest Europe is the guardian of the industry's professional standards, demanding accountability, good governance and transparency from our members.

Invest Europe is a non-profit organisation with 25 employees in Brussels, Belgium.

For more information visit www.investeurope.eu



London Stock Exchange

London Stock Exchange Group (LSE.L) is a diversified international exchange Group that sits at the heart of the world's financial community. The Group can trace its history back to 1801.

The Group operates a broad range of international equity, bond and derivatives markets, including

London Stock Exchange; Borsa Italiana; MTS, Europe's leading fixed income market; and the pan-European equities platform, Turquoise. Through its markets, the Group offers international business, and investors, unrivalled access to Europe's capital markets.

Post trade and risk management services are a significant and growing part of the Group's business operations. LSEG operates CC&G, the Rome headquartered CCP and Monte Titoli, the significant European settlement business, selected as a first wave T2S participant. The Group is also a majority owner of leading multi-asset global CCP, LCH.

The Group offers its customers an extensive range of real-time and reference data products, including Sedol, UnaVista and RNS. FTSE calculates thousands of unique indices that measure and benchmark markets and asset classes in more than 80 countries around the world.

London Stock Exchange Group is also a leading developer of high performance trading platforms and capital markets software. In addition to the Group's own markets, over 40 other organisations and exchanges around the world use the Group's MillenniumIT trading, surveillance and post trade technology.

Headquartered in London, United Kingdom with significant operations in Italy, France, North America and Sri Lanka, the Group employs approximately 4,700 people.

Meetup



Meetup is a global community platform that connects people in real life. It was founded with one simple idea: use technology to get people off technology. Our vision is to harness technology to remove the barriers to human connection and deliver real life community.

Meetup supports over 40 million members+, 320,000+ Meetup groups and 12,000 Meetups per day around the world. Meetup was acquired by WeWork in 2017. The two companies share a vision of the power of bringing people together, and together using technology to create new and innovative ways of building community. Follow us @Meetup on Twitter, @Meetup on Instagram and Facebook, or visit [meetup.com](https://www.meetup.com) to learn more.



POLITICO

POLITICO, a global nonpartisan politics and policy news organization, launched in Europe in April 2015. POLITICO Europe is a joint-venture between POLITICO LLC, based in the USA and Axel Springer, the leading publisher in Europe.

With operations based in Brussels and additional offices in London, Berlin, Paris, Rome, and Warsaw, POLITICO connects the dots between global power centers. In June 2018, an annual ComRes/Burson-Marsteller survey ranked POLITICO as the #1 most influential publication on European affairs, for the second year running.

POLITICO's premium politics and policy news service, POLITICO Pro, empowers thousands of policy experts and decision-makers from over 900 organizations on key industries. Launched in 2015, Pro now covers 7 policy areas: Agriculture and Food, Energy and Climate, Financial Services, Healthcare, Technology, Trade, and Mobility. POLITICO Pro has 5 cross-industry products: Brexit Pro, Sustainability Pro, Cybersecurity and Data Protection Pro, EU Budget Pro and Competition Pro. Subscribers include EU and national government, corporations, trade associations, consultancies, law firms, and NGOs.

POLITICO Pro's newest offering, Pro Intelligence, is an innovative platform which fuses the power of technology with the power of journalism, providing professionals with an overview of bills, legislation, voting behavior and attendance, tweets, activities, press releases, transcripts and more, at the touch of a button. Users can track information on the EU Institutions and national legislatures in the UK, France and Germany. Pro Intelligence was used by Atomico to research data on EU Tech legislation for this report.



Quid

Quid is a big data research platform that inspires full picture thinking by drawing connections across massive amounts of unstructured data. The software applies advanced natural language processing technology, semantic analysis, and artificial intelligence algorithms to reveal patterns in large, unstructured datasets, and generate visualizations to allow users to gain actionable insights, enabling our Fortune 1000 clients to quickly complete analyses like tech scouting, competitive tracking, market landscapes, and brand narrative maps.



Shareworks

Option Impact by Shareworks is the leading provider of pre-IPO compensation data. We partner with over 180 top-tier investors and over 3600 private companies to produce the world's largest corporate-sourced compensation database specific to private, venture-backed companies. Option Impact is a rolling cash and equity survey providing relevant market data across all levels and job families for \$0 in exchange for maintaining current information in the system. To learn more, please email us at compensation@shareworks.com.



Sifted

Sifted is the new Financial Times backed media platform for European entrepreneurs, innovators and investors. It is an essential, trusted and independent resource for the startup and tech world: a source of news, information and analysis and also a channel for discovery.



Stack Overflow

Founded in 2008, Stack Overflow is the largest, most trusted online community for anyone that codes to learn, share their knowledge, and build their careers. More than 50 million unique visitors come to Stack Overflow each month to help solve coding problems, develop new skills, and find job opportunities. Stack Overflow partners with businesses to help them understand, hire, engage, and enable the world's developers. Stack Overflow's products and services are focused on developer marketing, advertising, technical recruiting, and enterprise knowledge sharing.



Startup Heatmap Europe

The Startup Heatmap Europe is a data & knowledge platform enabling tech communities in Europe to grow. Find more information on the data and courses for ecosystem builders on www.startupheatmap.com

The Startup Heatmap Europe is an annual survey among founders and the greater tech community on mobility and the attractiveness of startup hubs. The 2019 survey was collected between May and August 2019 and had 1,200 participants. After cleaning and sampling the data 806 complete datasets remained that were weighted to adjust for regional representativeness on country level. Founders were 53% of respondents. For long-term trends in founder mobility, we used a combined dataset of 4 years with >6,000 founder opinions. Analysis of key topics and trends was based on social media data and a dataset of >20,000 startup meetups.