

WHAT DOES IT TAKE?

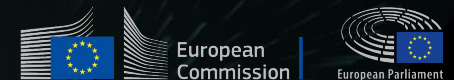
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EUROPE'S STARTUP ECOSYSTEM NAVIGATING THE COVID-19 CRISIS

LAUNCH REPORT
22 APRIL 2020

BY **dealroom.CO** + **\sifted/** backed by **FT**
FINANCIAL TIMES

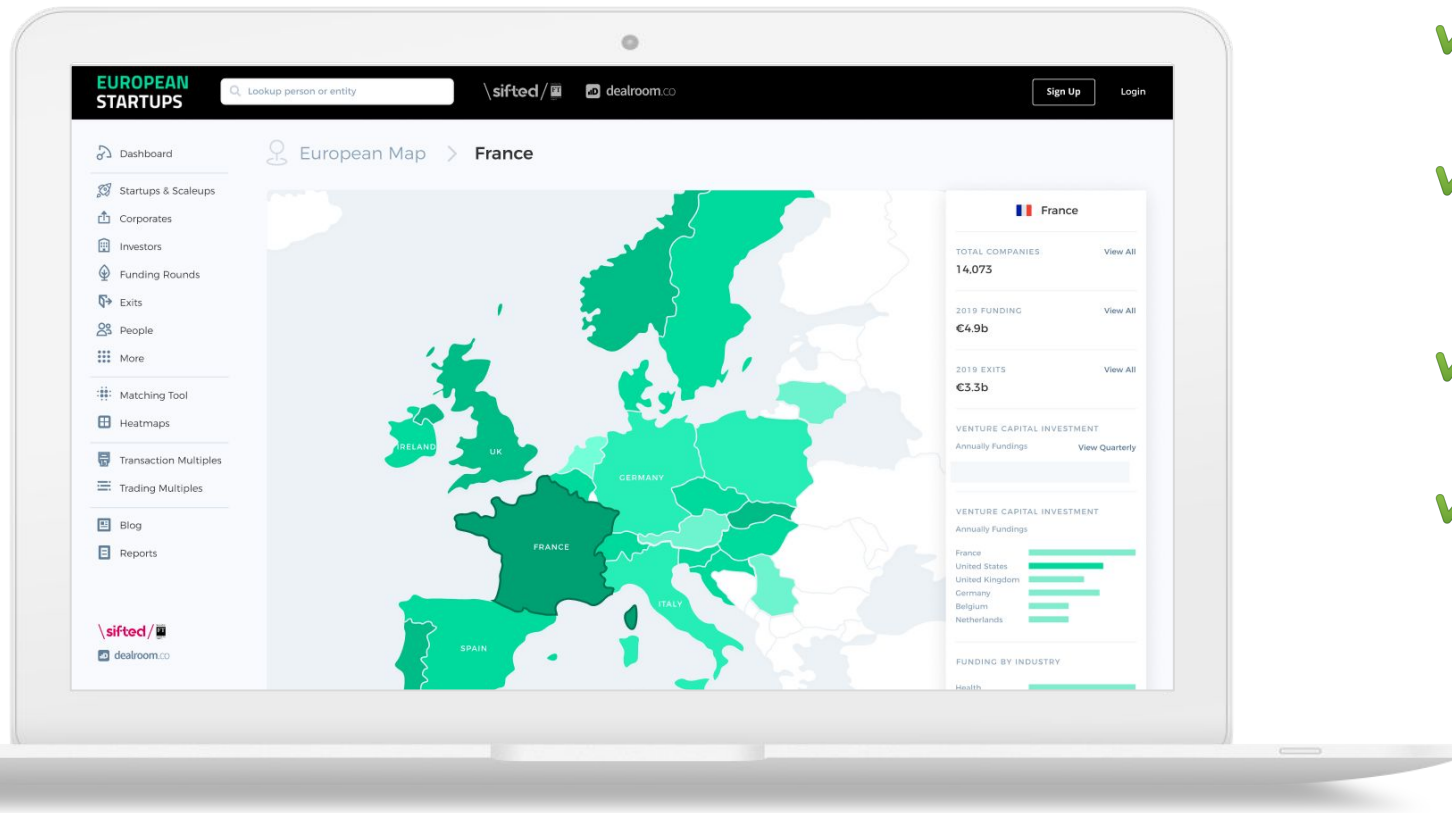
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About this report.

- ✓ This report initiates **a two-year joint venture between Dealroom.co and Sifted.eu, supported by the European Commission.** The report itself sets the scene for this initiative, by providing a health check of the continent's startup ecosystem, also looking at the impact of Covid-19
- ✓ **Europe has made great strides in tech in recent years.** The gap with Silicon Valley has been closing, measured by startup formation and VC backed exits. Startups have also become the leading job growth engine in Europe. To stay relevant in the global economy, it is critical that momentum isn't lost
- ✓ Our mission is to **raise awareness and instil a sense of urgency** across the EU27 Member States, through powerful insights and narratives that highlight strengths and address weaknesses in a constructive manner. We aim to support an informed two-way discussion between public and private sectors, facilitate insight-driven policy making and **help direct EU funding decisions**
- ✓ **Alignment between private and public sectors** can become a global competitive advantage, even more so in the current environment

A new public data platform will be released in the first half of 2020.



- ✓ A single trusted source of intelligence for stakeholders across Europe
- ✓ Focus on macro trends, supporting data-driven policy making and help direct funding decisions
- ✓ Showcasing emerging tech ecosystems, and frontier tech hubs
- ✓ Plus: research reports and live formats

Facilitating better alignment between public and private sector.



"Policy-making without data is like driving blindfolded. Not ideal when you have a crisis that needs you to floor the gas pedal. EuropeanStartups.co comes at a time pro-startup governments will need it most."

Kat Borlongan

Director, La French Tech

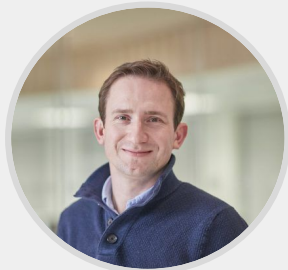


"You need great data to properly understand, grow and benchmark startup ecosystems. Dealroom and Sifted have been laser focussed on a city, regional, national and continental level helping to shine a light on the amazing companies being developed in Europe as well as the increasingly robust and sophisticated ecosystems that support them."

Saul Klein

Partner, LocalGlobe

“This crisis has helped to underline the crucial role that technology plays in so many aspects of society and the economy.”



Tom Wehmeier
Partner

atomico

The last five years have proven that not only can Europe do tech, but that we can do it in our own way. We've been strengthened by our unique blend of cultures and values, not limited by them. We've learned many of the lessons from what has helped make Silicon Valley the pre-eminent place globally to build a tech company, but we've not blindly copied it.

It's clear that the COVID-19 pandemic will reshape the European tech ecosystem in many ways and creates material risks for its long-term prospects. The biggest risk now is that the COVID-19 pandemic pushes us into a risk-off period that reverses the great strides forward we have taken in overcoming historical risk aversion to entrepreneurial activity, startup formation, and funding.

While we may see a shakeout, any long-term damage would be less severe if this were constrained to a withdrawal of more short-term-oriented capital and talent, sometimes known as the 'tourists' that are attracted during 'top of the market' times.

This will likely lead to a decline in total investment levels, as well as accelerated failure rates for weaker companies.

European tech is strong enough now to navigate that challenge in a relatively robust way. What would be much more damaging is if more resilient and sophisticated entrepreneurs, operators and investors retrench or withdraw entirely.

A key reason why Silicon Valley was able to bounce back in the aftermath of the dotcom crash, the global financial crisis and other downturns is because the region has always retained a critical mass of this latter group of resilient entrepreneurs and investors.

So a key question for Europe now is: do we have our own critical mass of these individuals to weather the crisis and emerge stronger? There are many reasons to have conviction in the strength of the ecosystem to 'weather the storm'.

First, there are enough active players in the ecosystem now who have experienced risk-off periods and understand that “great companies are born and built at all points of the cycle.” Great European tech companies such as Spotify or Adyen were founded right before the global financial crisis, while others such as Farfetch or Supercell were founded during or immediately after the crisis.

Second, given the COVID-19 pandemic’s broad impact on all sectors of the economy, in contrast to periods in the aftermath of prior downturns, there are no obvious ‘safe havens’ into which talent might retrench.

Even if some of tech’s shine fades, other industries don’t pose a significant competitive threat. This is in contrast, for example, to the shift in talent flows after the dotcom crash towards careers in fields such as finance and consulting.

Thirdly, the trend of talent wanting to work for companies aligned with their values will continue to pull great talent into purpose-driven tech companies. I don’t believe this drive towards more purpose will be unwound by the crisis; in fact, people may emerge on the other side with an even greater desire to devote their lives to what’s important to them.

***“Data will be key in tracking
the recovery and helping
create better conversations
between policymakers and the
tech community”***

Tom Wehmeier
Partner
atomico

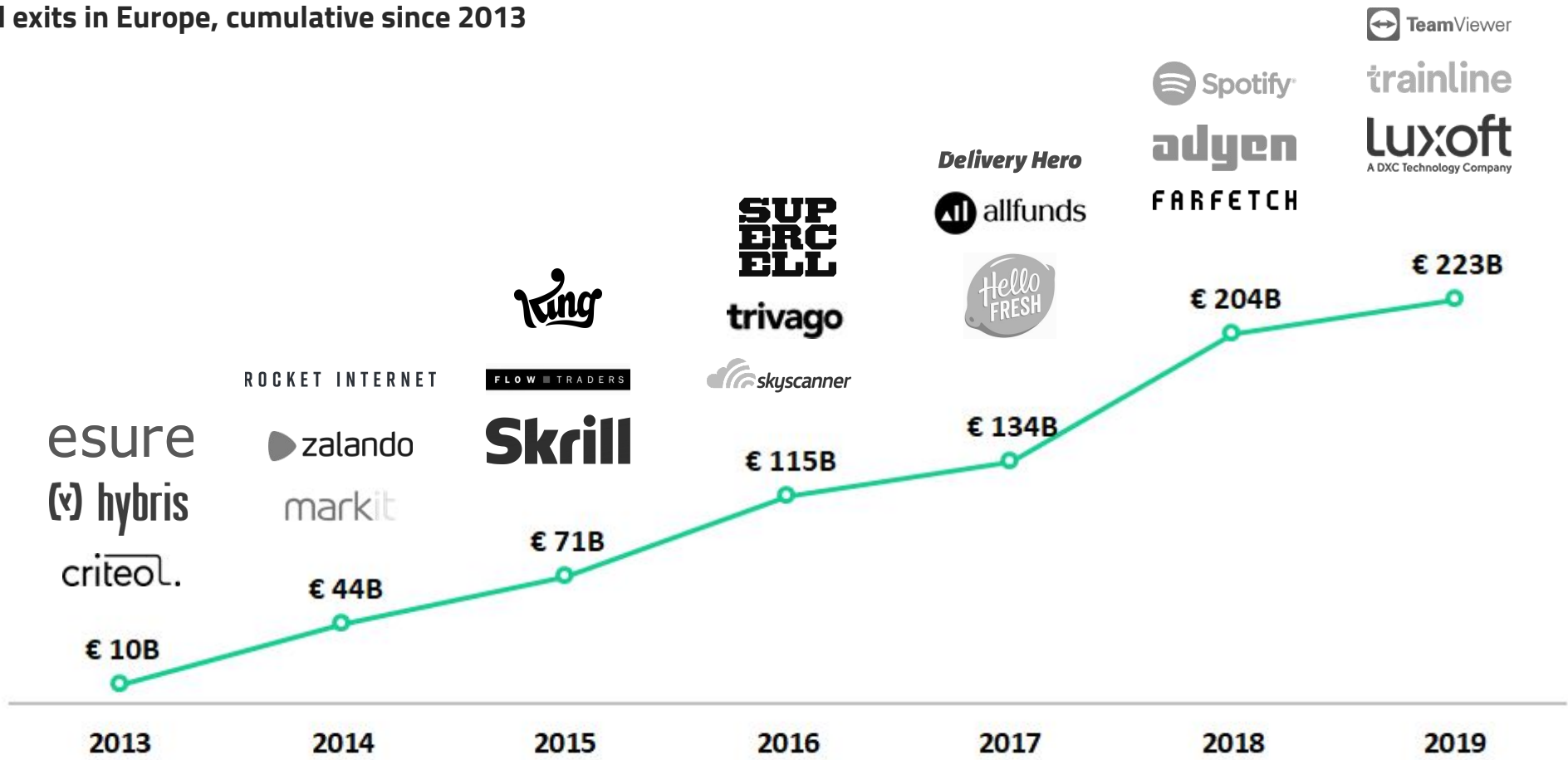
Finally, this crisis has helped to underline the crucial role that technology plays in so many aspects of society and the economy, whether that is in supporting efforts to manage the health response to the pandemic or in enabling companies to stay productive even in times of lockdown. This only serves to reinforce the investment case for deploying capital to invest in new generations of exceptional European entrepreneurs that are helping to build the future.

Europeanstartups.co is an important and timely initiative. Data will be key in tracking the recovery and helping create better conversations between policymakers and the tech community as we navigate what will likely be some tough months ahead. With data we shall overcome and grow stronger.

Europe has made great strides in tech in recent years. To stay relevant in tomorrow's global economy, it's critical that momentum isn't lost.

After €223 billion in VC-backed exits since 2013, European venture capital has become profitable and thus self-sustainable for the long term.

VC backed exits in Europe, cumulative since 2013





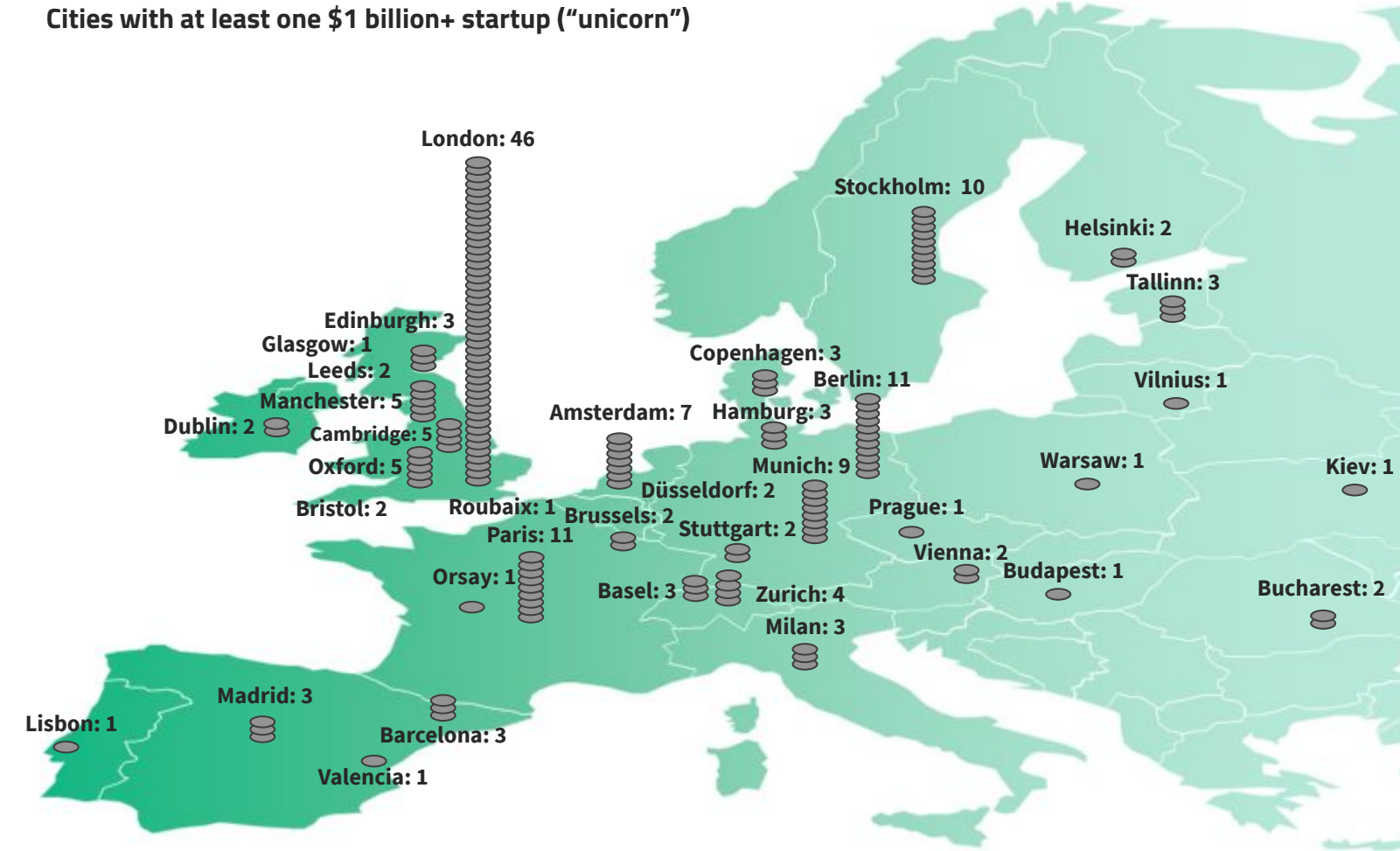
"The next big thing in tech can come from anywhere in Europe. That's a truly groundbreaking idea and an exciting time for European entrepreneurship. It's great to see this project come to life, inspiring policymakers, entrepreneurs and innovation ecosystem stakeholders."

Eva Kaili

European Parliament Member
Chair Future Science & Tech

Throughout Europe, 190 startups have surpassed the \$1 billion valuation milestone since 2000.

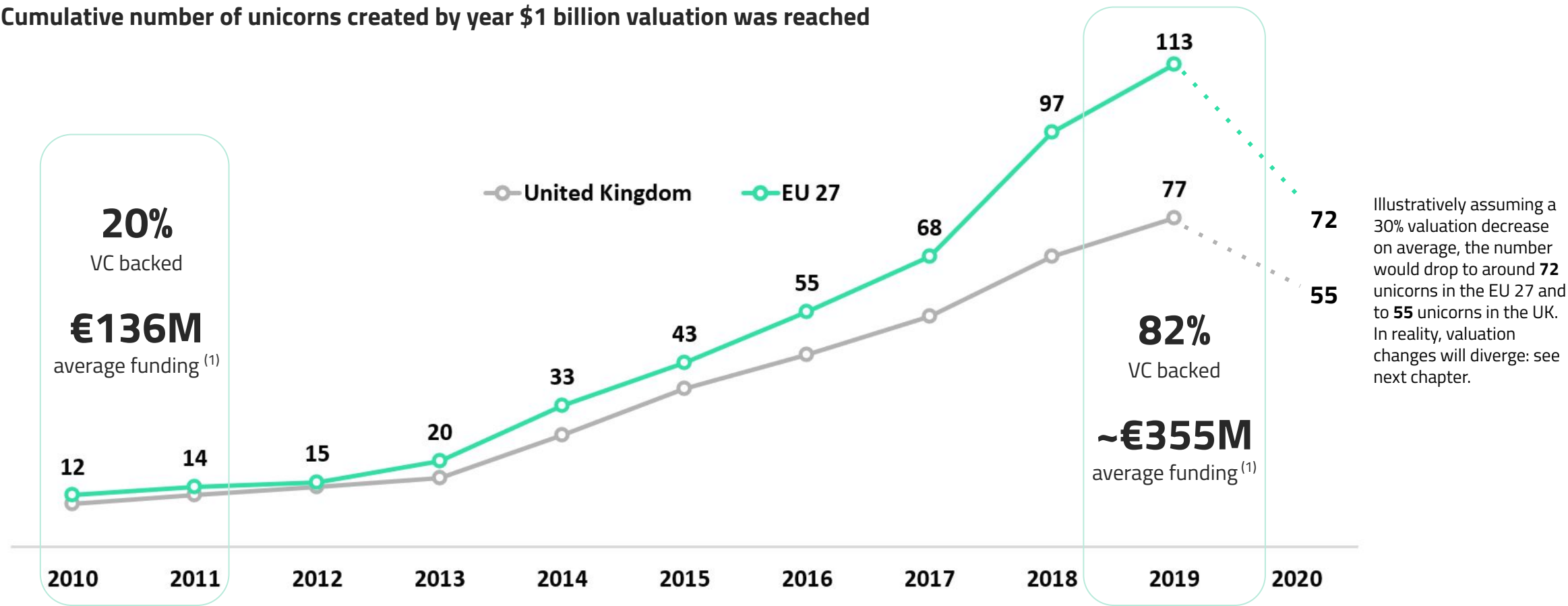
Cities with at least one \$1 billion+ startup ("unicorn")



Source: Dealroom.co

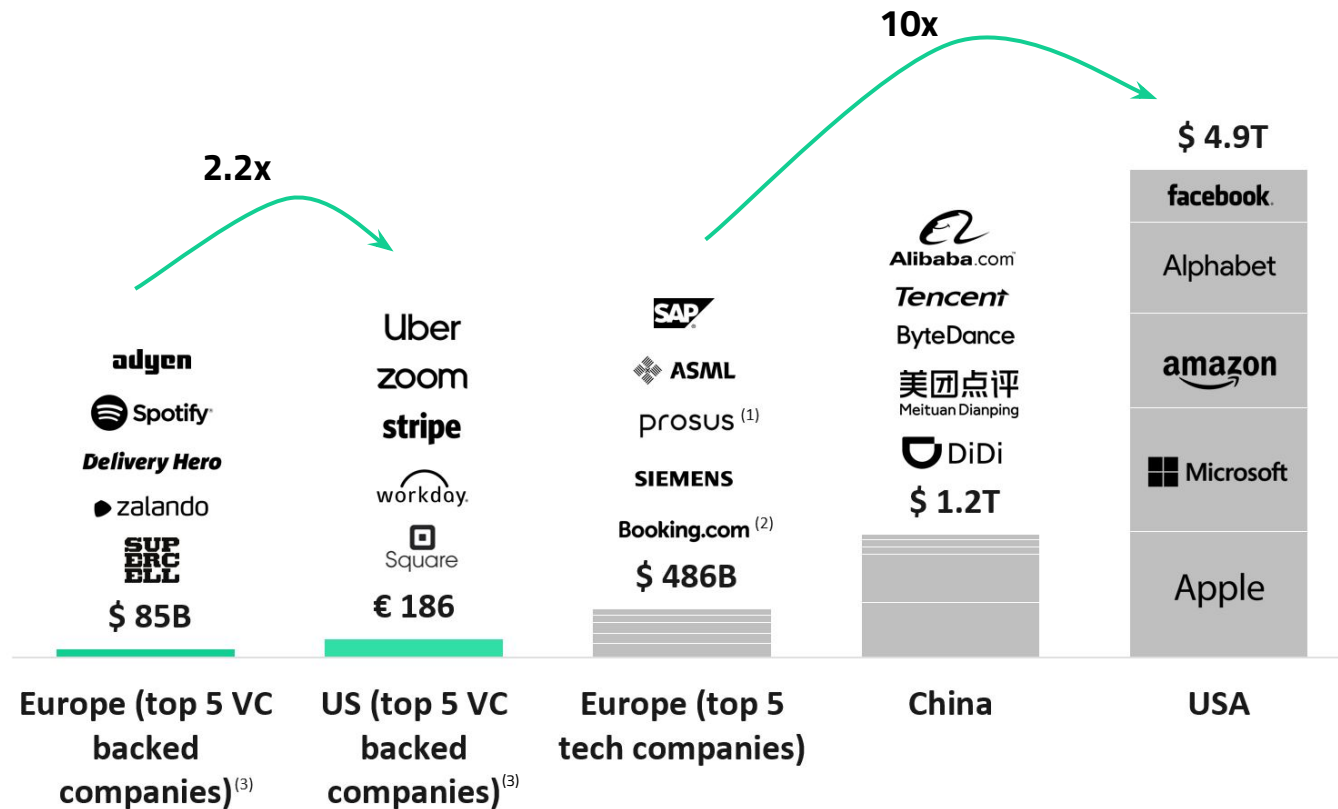
Venture capital investment has accelerated the rise of unicorns. Today, 82% of unicorns are VC-backed, compared with only 20% a decade ago

Cumulative number of unicorns created by year \$1 billion valuation was reached



1. Funding when reaching unicorn status.

Yes, there is still a gap with Silicon Valley's big tech. But for younger VC backed companies, the gap is closing.



The often heard “gap” with Silicon Valley and China, is usually based on a comparison with big tech companies like Google, Apple, Amazon, Facebook and Microsoft.

Europe's most valuable tech companies are SAP, ASML, Siemens and Booking. These are mostly older companies (SAP 1972, ASML 1984, Siemens, 1847). Booking was acquired by a US firm in 2005. Not a very favorable comparison.

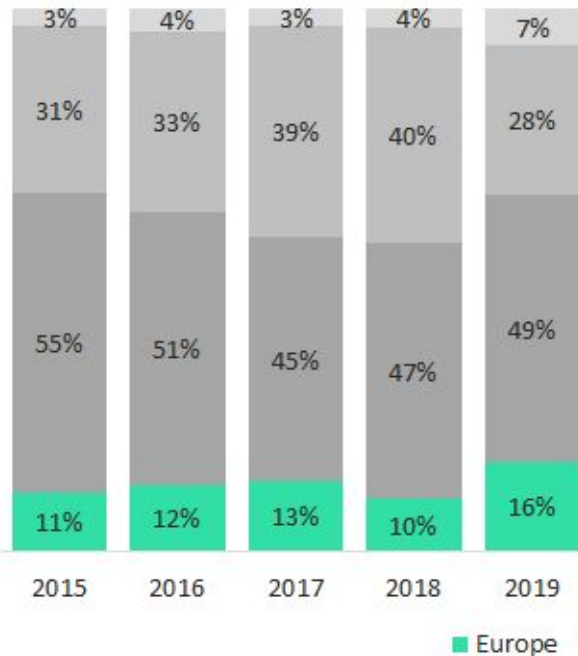
But more recently, Spotify, Adyen, Supercell, Delivery Hero and Zalando are Europe's five most valuable VC-backed companies founded since 2005. Comparing these against the comparable set of VC-backed companies in the USA (Uber, Zoom, Skype, Stripe, Workday, Square), the difference is only a factor of 2.2x.

Valuation as 1st of March 2020.

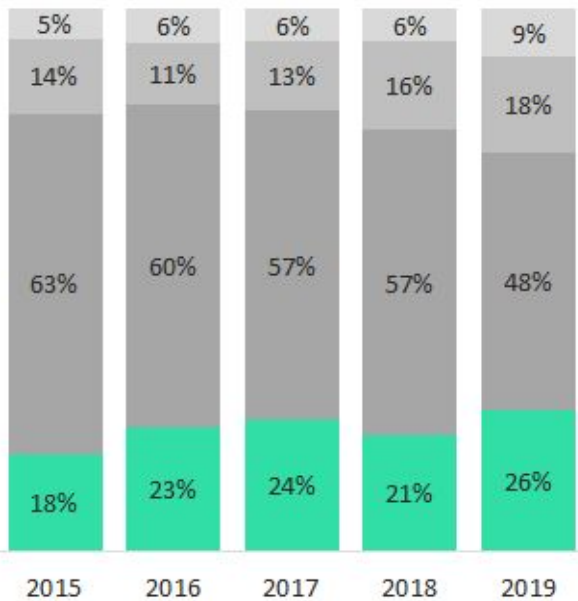
1. South African company and most of its value is from Asian Tencent.
2. Acquired by Priceline (U.S.) in 2005.
3. Europe's most valuable VC backed starts founded since 2005 and the top most valuable USA VC backed companies from the same period.

Europe’s startups have started to claim a larger share of global venture capital.

% investment per region



% number of rounds greater than €2M



■ Europe ■ North America ■ Asia ■ RoW

In 2015, 11% of global venture capital was invested into European startups. By 2019, this was up to 16%.

In 2019, European startups raised €39 billion, compared with €116 billion in North America and €66 billion in Asia. In other words, North American VC investment is 3x higher than in Europe, compared to 5x higher in 2015. Meanwhile, comparing the valuations of the top-5 VC backed companies from the last decade, the difference is only 2.2x (see page 10).

The increase in Europe was partially the result of Chinese investment collapsing. The collapse of investment in China provides a lesson to Europe: it takes time to build an ecosystem and quick gains are also quickly lost.

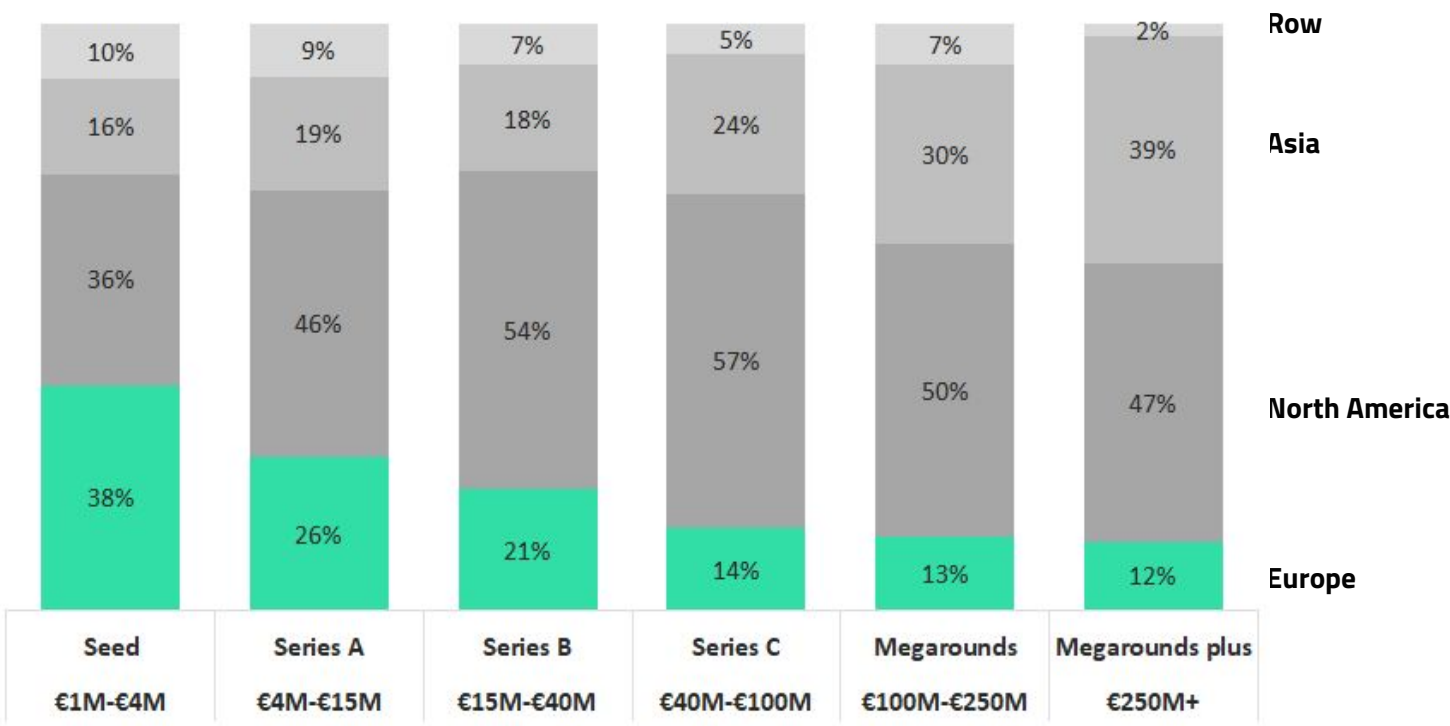
By number of venture capital rounds greater than €2 million⁽¹⁾, Europe has increased its share as well. In 2019, 26% of those rounds were raised by European startups, up from 18% in 2015.

Source: Dealroom.co

1. The reason for measuring only rounds above €2 million is that these size rounds tend to be announced as they occur whereas smaller rounds are often only disclosed with a delay of 1-2 years, or not at all (aka “reporting lag”).

Impressively, 38% of all global seed stage capital is raised by European startups.

% investment in 2019 per round size and per region



Europe’s tech ecosystem is much younger than Silicon Valley and therefore it is more skewed towards earlier stage investing. And at early stage investing, it has caught up with the USA.

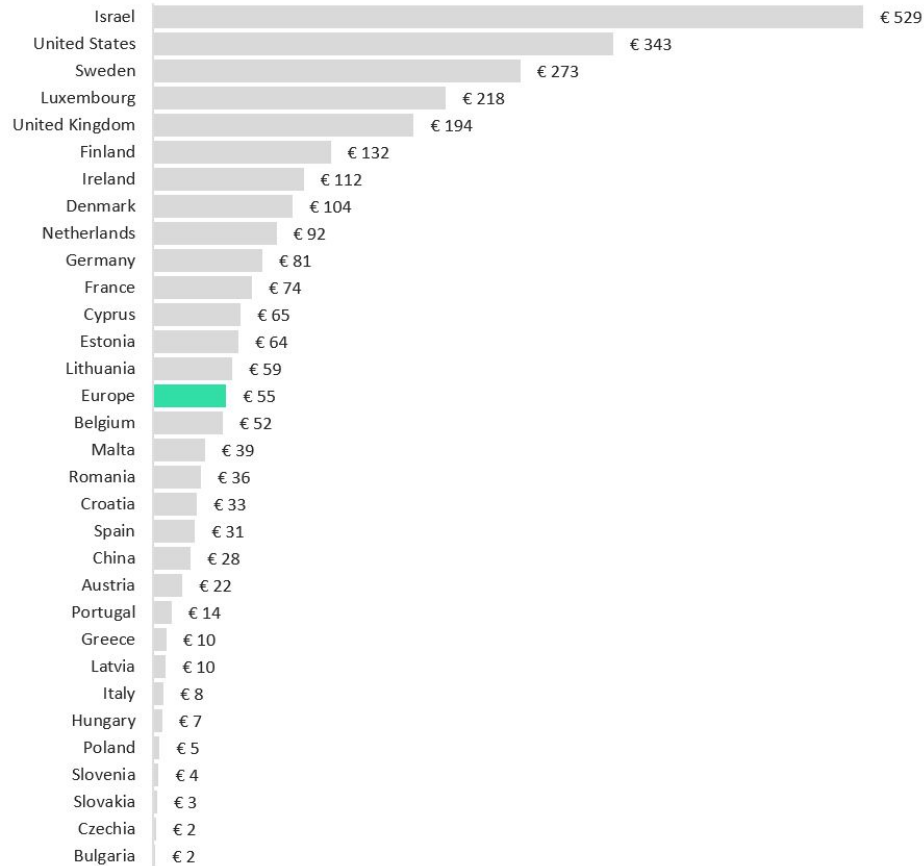
Impressively, 38% of all global seed stage capital is raised by European startups.

Europe’s share of total startup funding declines as the rounds get bigger, which is consistent with the idea that Europe’s startup ecosystem is in a much earlier stage of development.

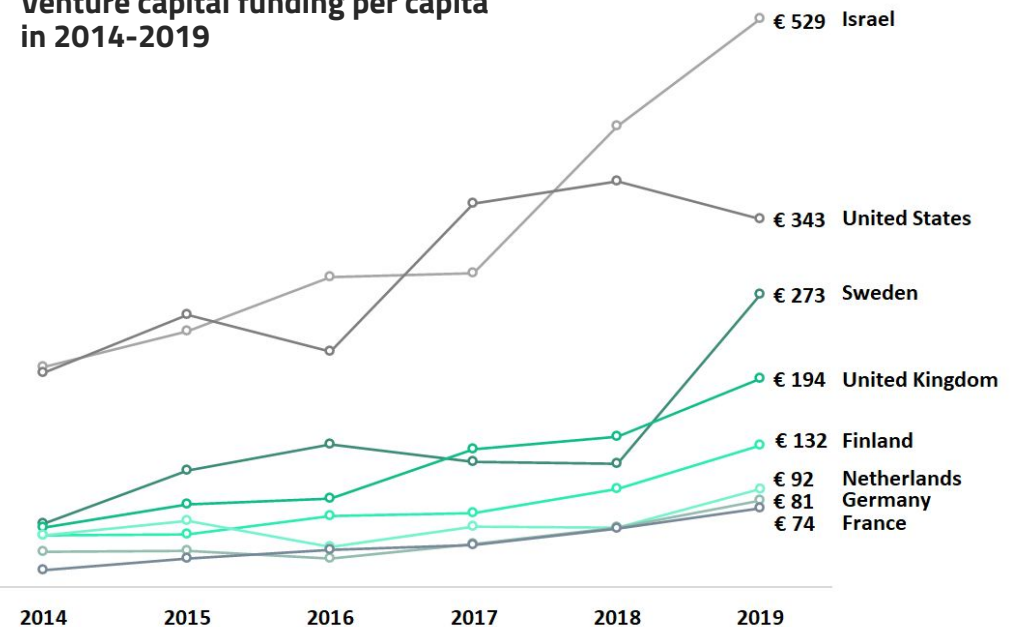
Source: Dealroom.co
Note: the labels “Seed”, “Series A” are standardised labels per Dealroom.co method, not the reported labels as they are not consistently applied.

2019 average EU per capita funding still lags the US and Israel. But individual countries like the UK, Sweden and Finland have closed in significantly.

Venture capital funding per capita in 2019



Venture capital funding per capita in 2014-2019



Source: Dealroom.co. World Bank for population.

An estimated 2 million jobs are provided by European startups as of 2019.

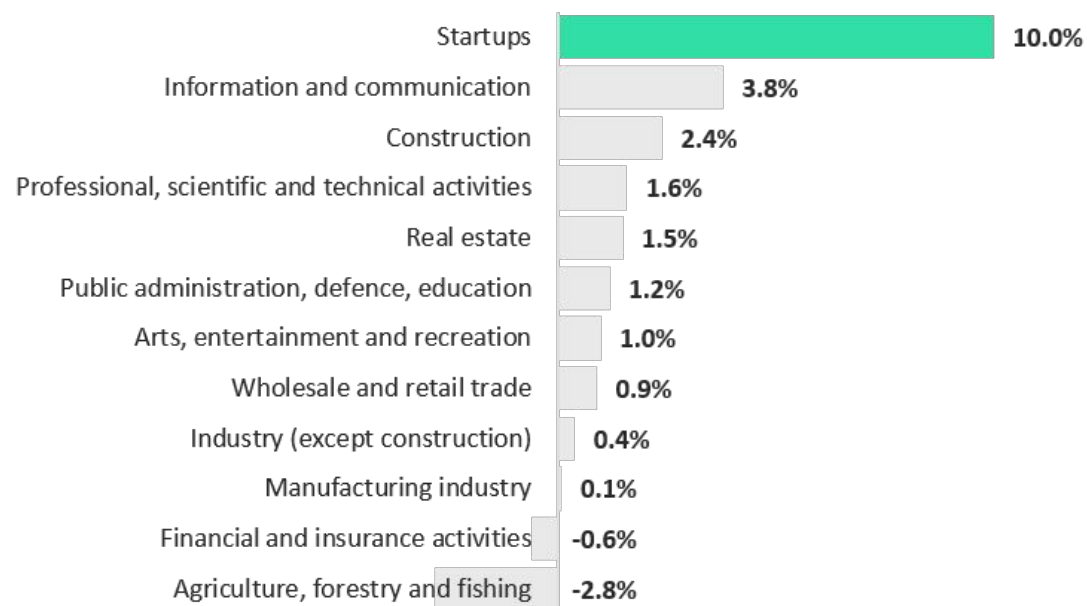
	Selected metro areas						Rest of Europe	Europe
	London	Berlin	Paris	Amsterdam	Barcelona	Stockholm		
Population	14M	6.1M	13M	2M	5.5M	2.3M	490M	512M
Startups	14K	4K	6K	2K	2K	2K	90K	120K
Total startup jobs ⁽¹⁾	c. 290K	78K	c. 100K	38K	36K	34K	1.4M	2M
Jobs per startup	20	20	17	16	19	31	16	17
Startup jobs per 1,000 inhabitants	20	13	8	19	7	15	3	4

Source: Dealroom.co

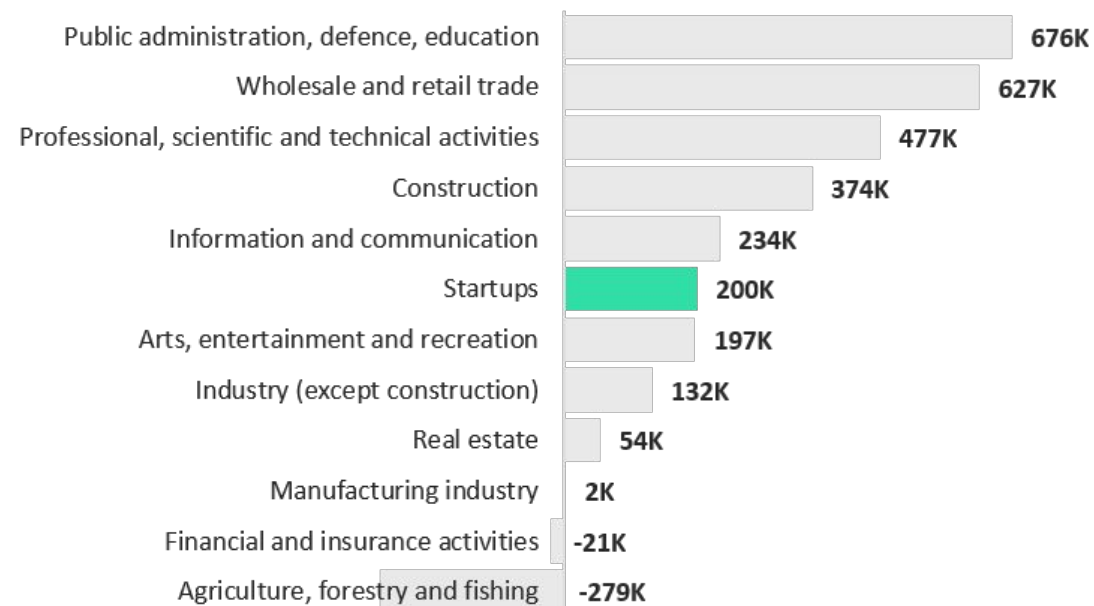
1. Dealroom indicative estimates based on company statements and analysis of professional social media accounts of identified startups & scaleups. The most detailed figures so far are on Berlin and Amsterdam. In-depth studies on other cities following.

In recent years, European startups have become a leading job growth engine.

Year-on-year growth rate



Job growth 2018-2019



Source: Dealroom.co for startups, Eurostat for sectors.

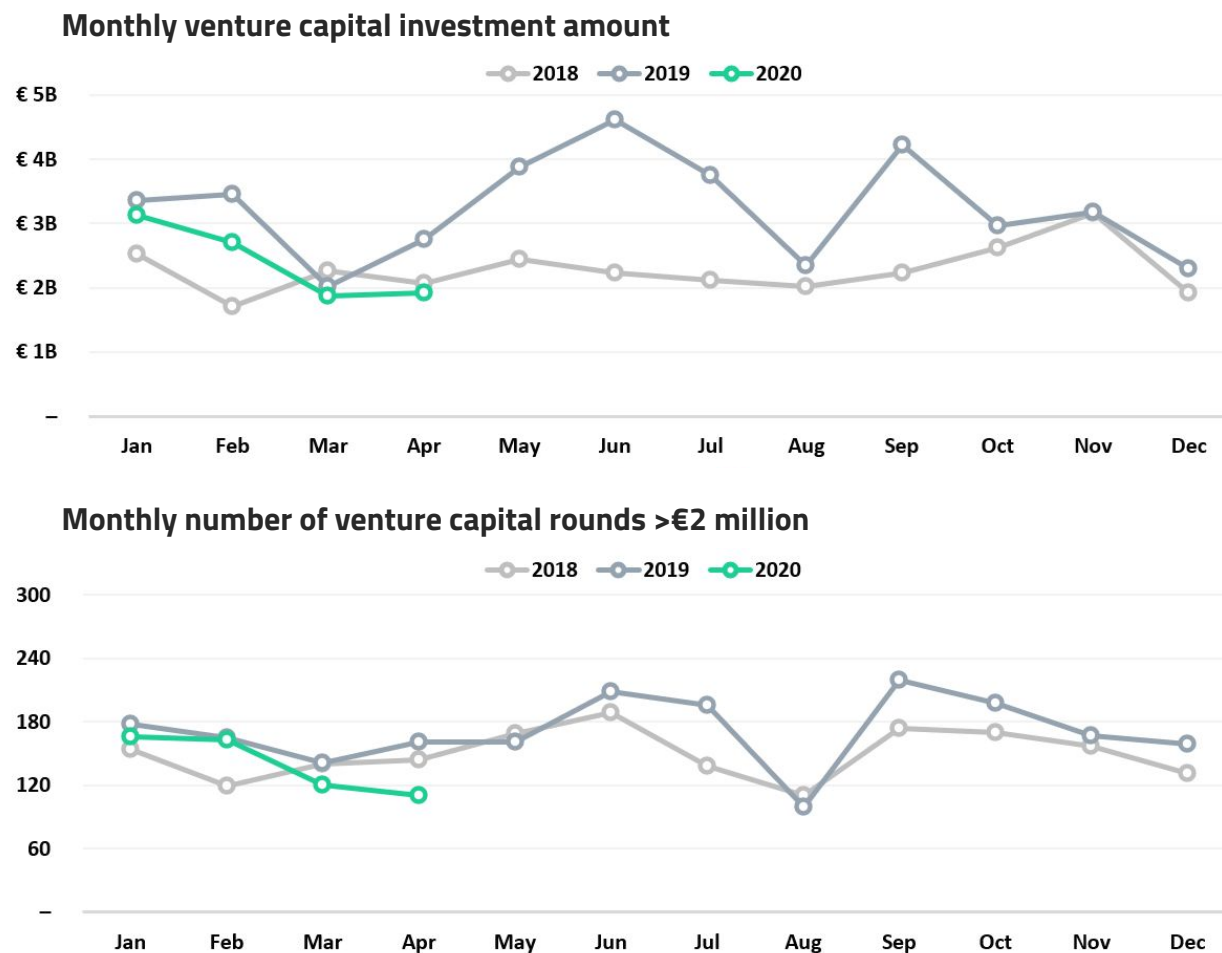
The Covid-19 crisis brings different challenges for different startups. For some, immediate cash flow issues. For others, new opportunities. Both need to be managed.

“It’s hard to be a startup and it’s really hard to be a startup during a crisis.”

Hussein Kanji
Partner
Hoxton Ventures



VC activity in March/April is not significantly lower than normal. The next few months will provide a better view.



Source: Dealroom.co.

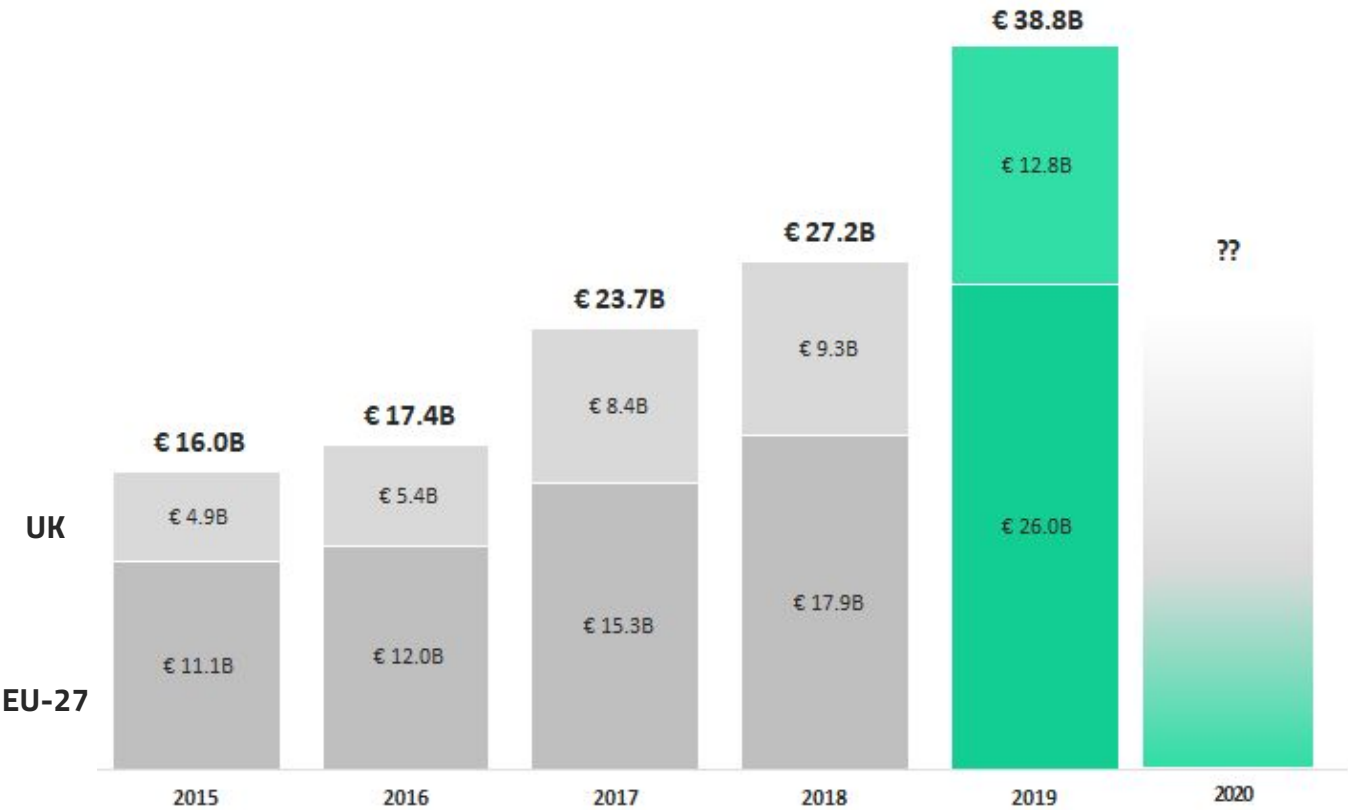
Activity in March and April was not significantly lower than previous months and the same period last year. Several big deals still happened, like Lilium (flying cars), Cazoo (used cars on-demand platform), and Collibra (developer tools).

But those deals were in the works long before the crisis. Venture capital investment activity is a lagging indicator; and it can be a noisy indicator too, as monthly data tends to be volatile. March and April are not significantly lower than other months.

Early signs, based on anecdotal evidence suggest that VC activity is about to experience a further significant slow down. April estimated data is based on actual data until 15 April multiplied by 2x. But investment has not absolutely “stopped”.

European startups have got used to an abundance of venture capital in recent years.

Venture capital fundraising in € billions



Source: Dealroom.co.

Main drivers behind record VC investment



A generation of experienced operators (founders, developers, executives) launching startups, with bigger ambitions than ever before.



Record amount of venture capital raised by European VC, as a result of better track record, and possibly supported by low interest rates. Also, more risk appetite, like in Silicon Valley.



Government support, both on European and national level as tech hubs became political priorities and a key pillar of urban strategies (EIF, BBB, Bpifrance, et cetera).



US and Asian investors becoming more active in Europe, after seeing big outcomes and relatively lower valuations. Corporate, Sovereign Wealth Funds, Family Offices and other alternative investors started piling in as well.



The advent of mega-rounds, as a result of asset heavy models, and companies staying private longer to fund aggressive growth for longer.


















All of the above also led to a war for talent, driving up wages, and a war for users, driving up advertising costs.

European VC firms are sitting on record amounts of dry powder to be invested.

New funds raised by European VCs



Over €20 billion raised by European VCs in 2019-2020 alone

Seed	Series A+	Growth stage
<div> Si Speedinvest €190M Feb 2020</div>	<div> Index Ventures \$2B Apr 2020</div>	<div> HIGHLAND EUROPE €463M Mar 2019</div>
<div> Project A \$200M Sep 2019</div>	<div> atomico \$820M Feb 2020</div>	<div> BAILLIE GIFFORD \$477M Mar 2019</div>
<div> CHS €175M Jun 2019</div>	<div> LAKE STAR \$735M Feb 2020</div>	<div> 8TH EIGHT ROADS \$375M Mar 2018</div>
<div> LOCALGLOBE \$115M Jun 2019</div>	<div> Northzone \$500M Nov 2019</div>	<div> A C T I O N €193M Nov 2019</div>
<div> Seedcamp \$81M May 2018</div>	<div> Balderton capital \$400M Nov 2019</div>	<div> Latitude: \$180M Dec 2018</div>

Source: Dealroom.co.

“Large LPs invest with a 20+ year horizon. Investing in tech is a key part of most funds' strategies. We therefore don't expect LPs to pull out of the market on a wide scale.”

Jan Miczaika
Partner
HV Holtzbrinck Ventures

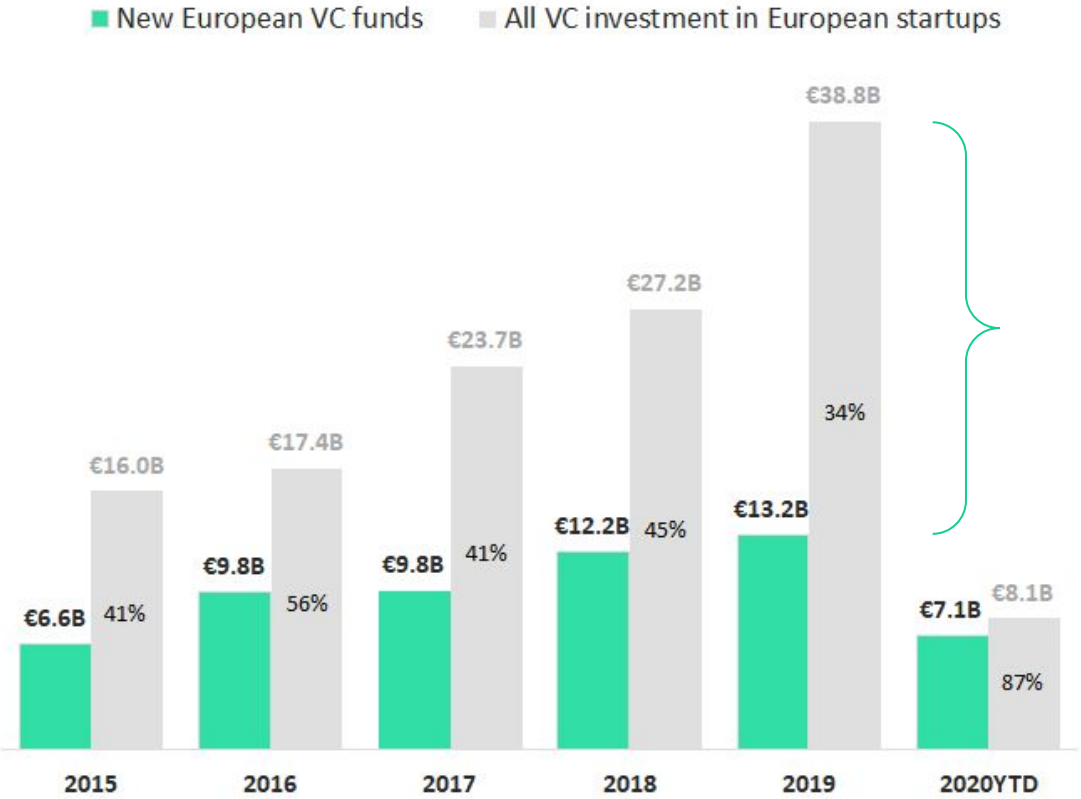


Quoted from **Sifted + Dealroom** webinar on April 3rd 2020

BY **dealroom.co** + **sifted** / backed by **FT**
FINANCIAL TIMES

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New funds raised by European VCs normally equals 30-40% of investment in European startups. The other 60-70% comes from additional investor groups.













Additional investor groups

<p>USA & Asian VCs</p> <p>INSIGHT PARTNERS Accel</p> <p>SoftBank SEQUOIA</p>	<p>Growth & private equity</p> <p>VITRUVIAN PARTNERS PERMIRA</p> <p>KKR CVC CAPITAL PARTNERS</p>
<p>Sovereign Wealth Funds</p> <p>bpi france TEMASEK HOLDINGS</p> <p>GIC MUBADALA</p>	<p>Corporates</p> <p>amazon axel springer</p> <p>BBVA BMW GROUP</p>
<p>Family Offices / Private Wealth</p> <p>Talis Capital CREDEV</p> <p>ICONIQ DOLBY FAMILY VENTURES</p>	<p>Crowdfunding</p> <p>crowdcube KICKSTARTER</p> <p>SEEDRS oneplanetcrowd</p>

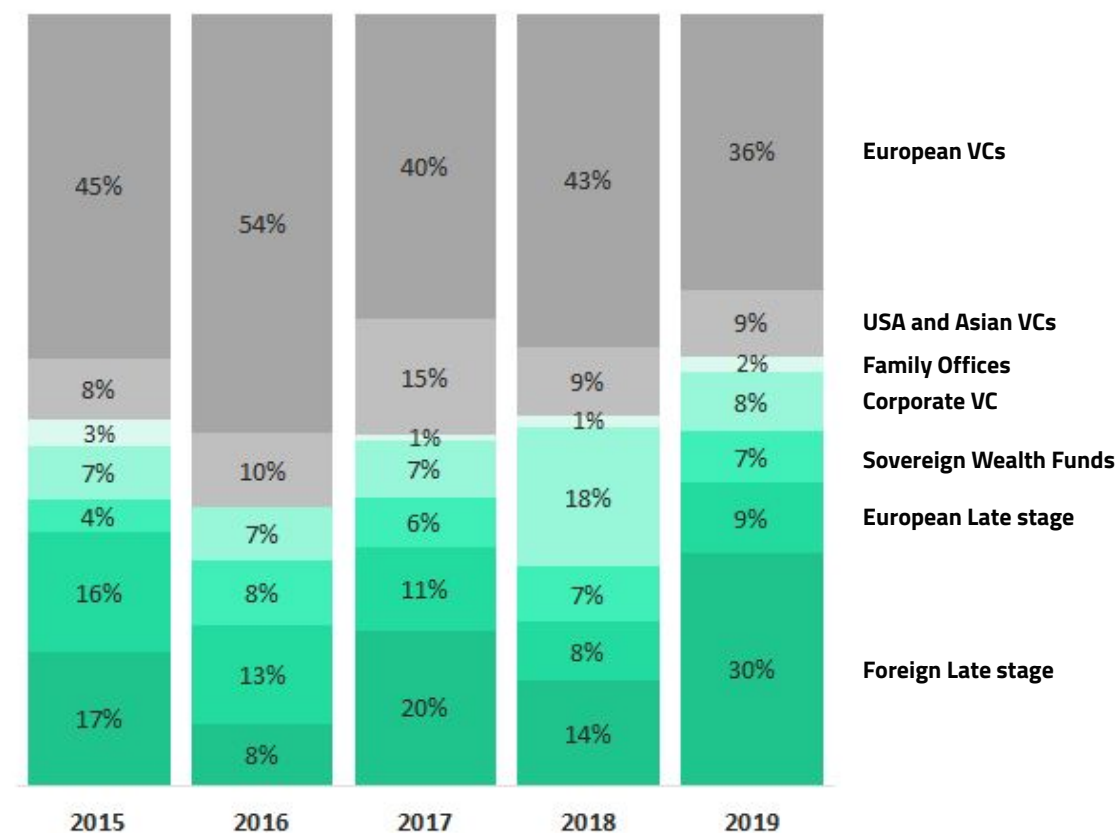
Note: New funds raised are invested over different years and also some capital raised by European VC is also invested abroad.

Continued deployment by the additional investor groups is key for investment levels to stay elevated.

Largest investors in Europe 2018-2020 by combined amount of VC rounds

Investor	Investor type	Rounds totalling 2018-2020	HQ
 SoftBank	Late stage	€3.0B	Japan
 Accel	VC	€3.0B	USA
 bpi france	SWF	€2.9B	France
 Goldman Sachs	Late stage	€2.4B	USA
 idinvest	VC	€2.4B	France
 INSIGHT	Late stage	€2.2B	USA
 Index Ventures	VC	€1.5B	UK
 LAKE STAR	VC	€1.5B	Switzerland
 GENERAL ATLANTIC	Late stage	€1.3B	USA
 SEQUOIA	VC	€1.3B	USA

% of investment by type of investor



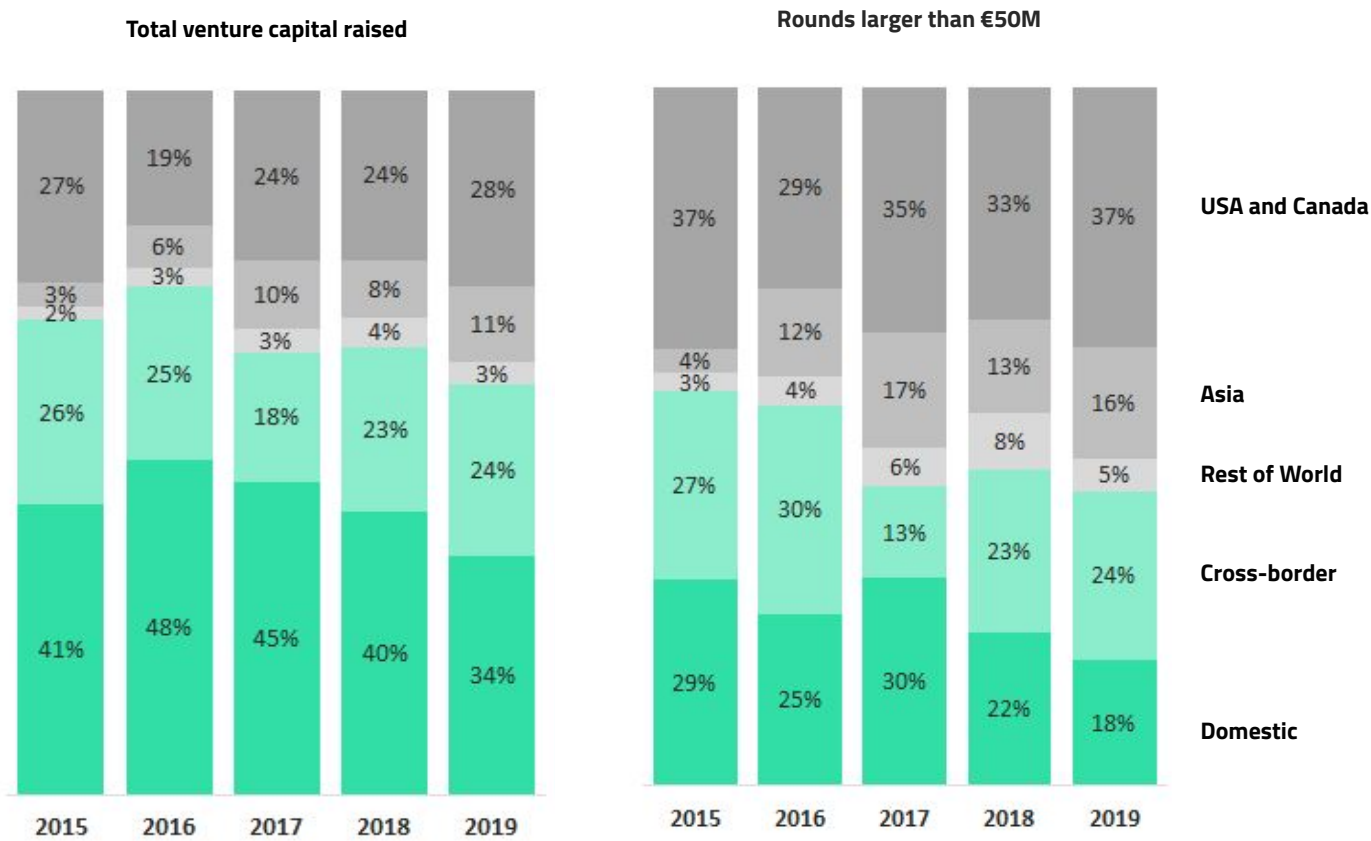
Source: Dealroom.co estimates.

European late stage includes: Baillie Gifford, Highland Europe, Korelya Capital, LSP, Andera Partners, Eight Roads.

Foreign late stage includes: Softbank, Insight Partners, Goldman Sachs, TCV, General Atlantic, Battery Ventures.

Foreign investors in Europe: a sign of strength, but also a potential weakness during a global crisis.

% of investment by location of investor



Source: Dealroom.co estimates.

European firms have attracted interest from global funds. Sequoia, a VC fund with a track-record including Apple, Google, PayPal, Dropbox, LinkedIn, Airbnb and WhatsApp - announced the opening of a London office in February.

In 2018, 7% of VC deals into European startups involved at least one Silicon Valley firm, up from 3% in 2013 and in 2019, 19% of funding rounds into European startups included an American investor.

Softbank's venture fund accounted for 6.1% of VC flows into European startups in 2019 ranging from deep tech startup Kami, which develops language processing AI to guide human-machine interface, to Greensill, a finance start-up that has become one of the UK's most valuable startups.

Temasek, the Singaporean state investment company, established a European advisory panel in 2016 to advise it on deal-making in the region.

Europe has built a unique set of institutions and programs to provide government support for innovation and venture capital, on both national and EU level.

	UK	France	Germany	Sweden	Netherlands	EU	Israel	USA
Fund of Funds	BPC/BBB £2.5B	Bpifrance €6.5B	KfW Capital €0.5B	Saminvest \$0.5B	RVO (Seed Capital) €0.3B	EIF €12B	No	No
Grants	Innovate UK	Bpifrance €1.3B	BMW EXIST €78M (2019) ZIM €0.6B (2019)	Vinnova \$0.3B (yearly)	No	Horizon Europe €100B	Israel Innovation Authority (IIA) \$0.5B (2019)	Small Business Administration \$2.5B (yearly)
Equity co-investing	No	Bpifrance €1.6B	HTGF €325M Coparion €225M	Almi \$0.2B	InvestNL €1.7B	EIC Accelerator €3.0B	No	SBIC (part of SBA) \$5.5B yearly
Debt co-investing	No	Bpifrance €1.3B	KfW Group ERP Start-up Loans	Almi \$0.3B	No	EIB €2.1B	SBA \$0.7B	SBIC \$5.5B yearly
R&D tax credits	Yes £4.5B (2018)	Yes €7.7B (2018)	No	Yes €0.2B (2018)	WBSO €1.3B (2020)	Yes	Yes	Yes \$9.7B (2018)
Investor tax relief	£2bn (EIS/SEIS 2019)	No	No	Yes	No	No	No	No

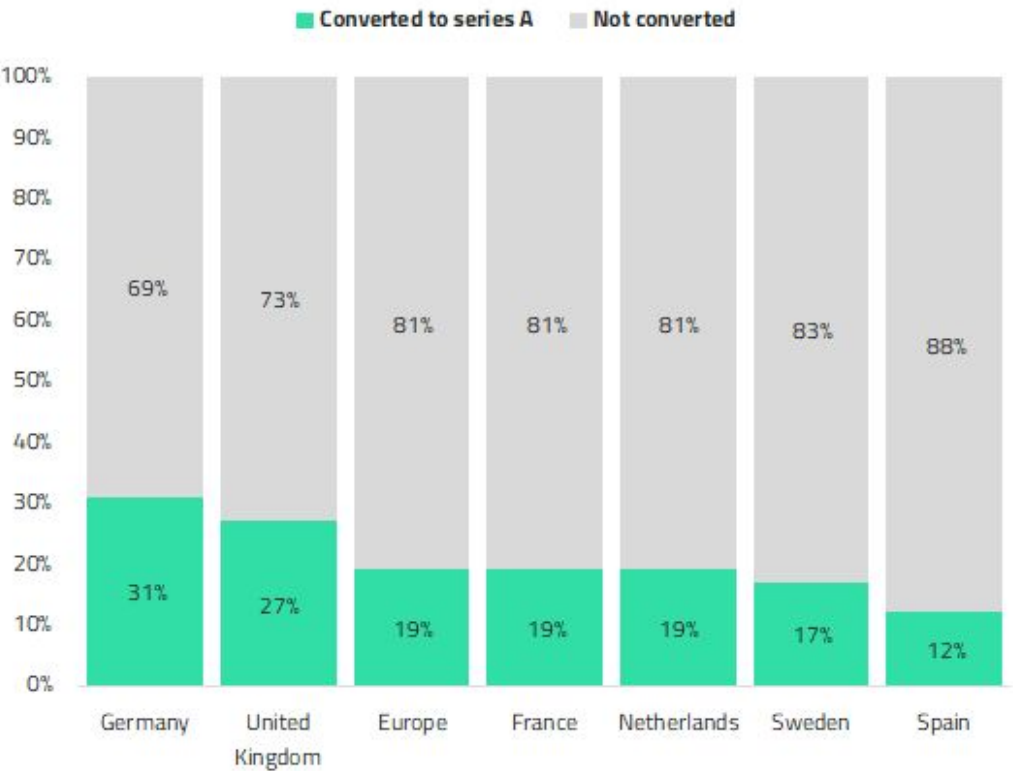
Note: preliminary Dealroom analysis.

With institutions already in place, Europe is able respond more quickly to Covid-19, at a time when such support could make a big positive impact.

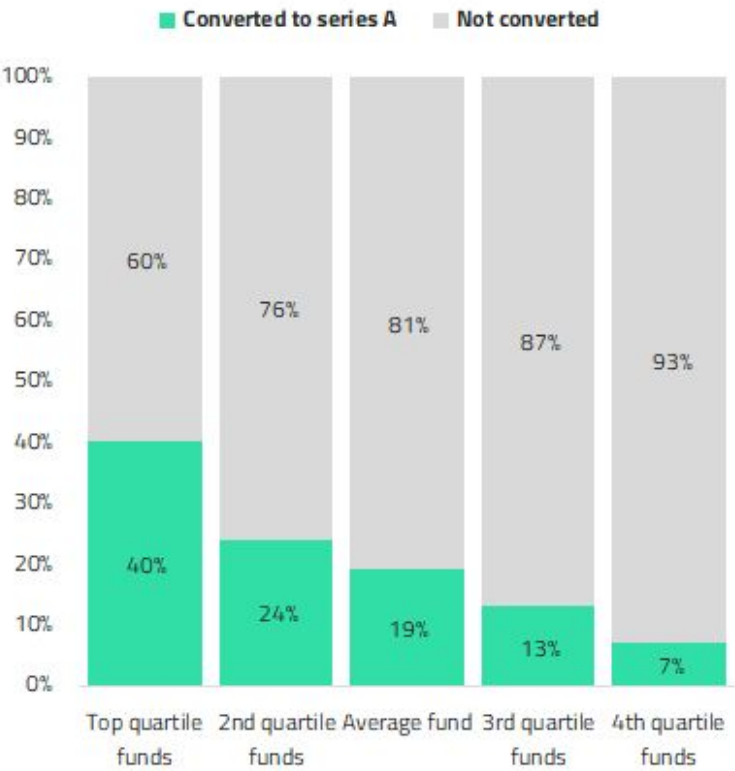
	UK	France	Germany	Sweden	Netherlands	EU	Israel	USA
Support for businesses (furloughing, loans & loan guarantees, tax leniency, etc)	£330bn	€410B €7B for SMEs	€500B €50B for SMEs	SEK668B	€10B	€40B	\$22.5B	\$349B
Packages dedicated to startups & scaleups	£1.25B	€4B	€2B + €10B *	SEK3B	€100M	€1.2B	\$180M* (to be extended)	✗
Governing body	BBB / Innovate UK	Bpifrance	BMW i / KfW	Almi	RVO	EIB/EIF/ (Escalar)	IIA	SBA
Investment in VC funds	x	x	€2B	x	x	€1.2B	x	x
Equity co-investing	x	x	€10B *	Yes *	x	x	x	x
Debt-co-investing	£0.5B *	x	x	Yes *	x	x	x	x
Direct loans	£0.75B **	x	Yes	Yes **	€100M	x	Yes **	x
Loan guarantees	x	€2B	x	Yes	x	x	x	x
Accelerated tax credits	x	€1.5B *	x	Yes	x	x	x	x
Bridge financing	x	€80M	x	Yes	x	x	x	x
Innovation grants	Yes **	€250M	x	x	x	x	\$14M	x
Notes	* converted into equity if not repaid ** Via Innovate UK	* Advance payment	* Longer-term startup fund of €10B has also been agreed	* Co-financing is required for amount over SEK 5M ** Up to SEK 0.5M	Loans of €50K-2M via Regional Development Banks (ROMs)	Invests in funds with focus on scale-ups	* \$165M R&D funding assistance for healthcare startups ** Via sba.org.il	Loans up to \$10M for cos <500 FTEs Majority-owned by PE/VC are disqualified

Any government support should take into consideration that failure is a feature: only 20-30% of seed stage companies make it to series A. And that’s in a bull market.

Number of 2012-2017 seed rounds that convert to series A within 36 months

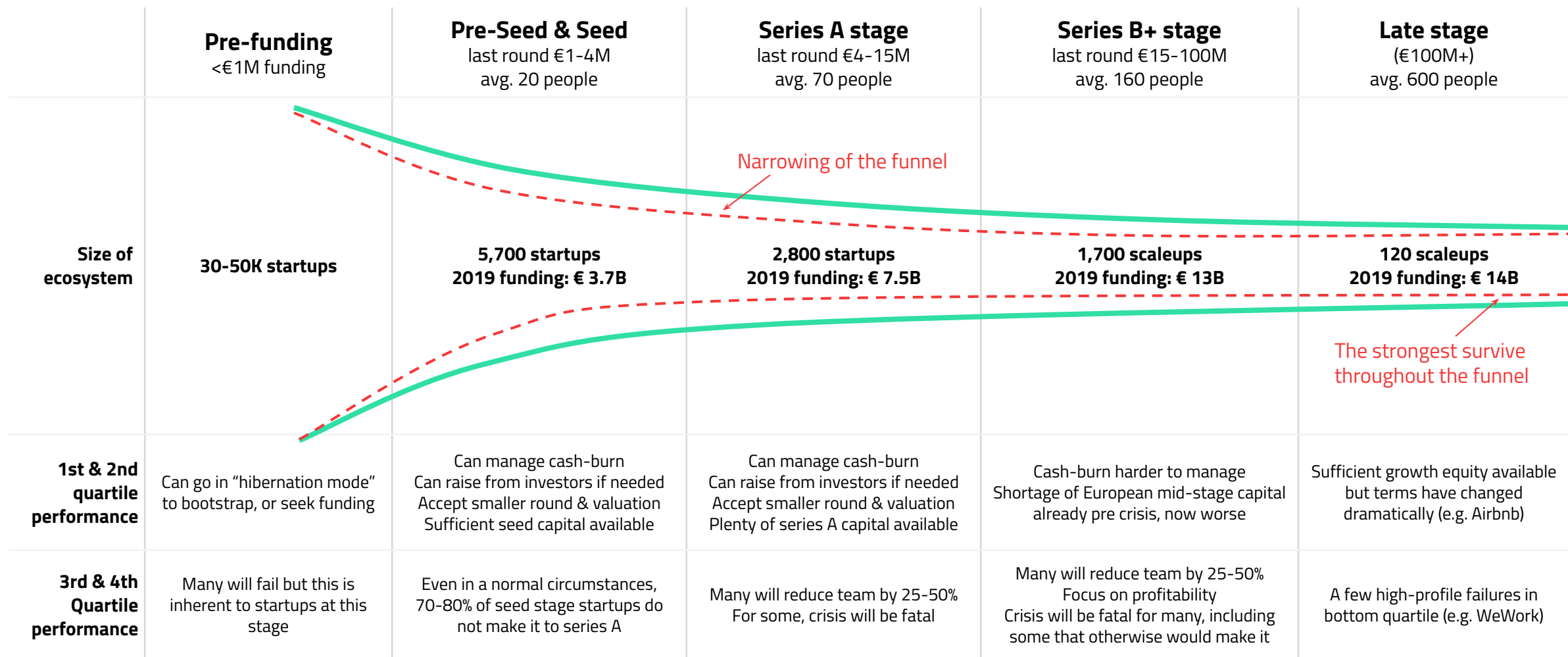


Conversion by investor quartiles. Top quartile fund is an investor with the highest conversion ratio in its portfolio. ⁽¹⁾



Source: Dealroom.co.
Note: Seed is the first round to be \$1-4M and Series A is the first round to be >\$4M, both within 5 years after the company’s founding.
1. Each quartile is made of 12 investors which have participated to at least 8 Seed rounds within the 2012-17 period, and do more than 70% of their first investments into companies in (pre)Seed rounds.

Covid-19 impact is different for early vs. stage startups and top quartile vs. bottom quartile performing startups. But the graduation funnel is narrowing for everyone.



Many key drivers behind Europe's startup ecosystem are still in place.



Growth drivers in place

- ✓ Largest ever generation of experienced European operators of tech startups (founders, developers, execs, ...)
- ✓ Record amount of VC dry powder available
- ✓ Sectors benefiting from accelerated digital adoption (groceries, tele-health, ...)
- ✓ Reduced asset and wage inflation
- ✓ Government support remains and will even increase, on European and national level



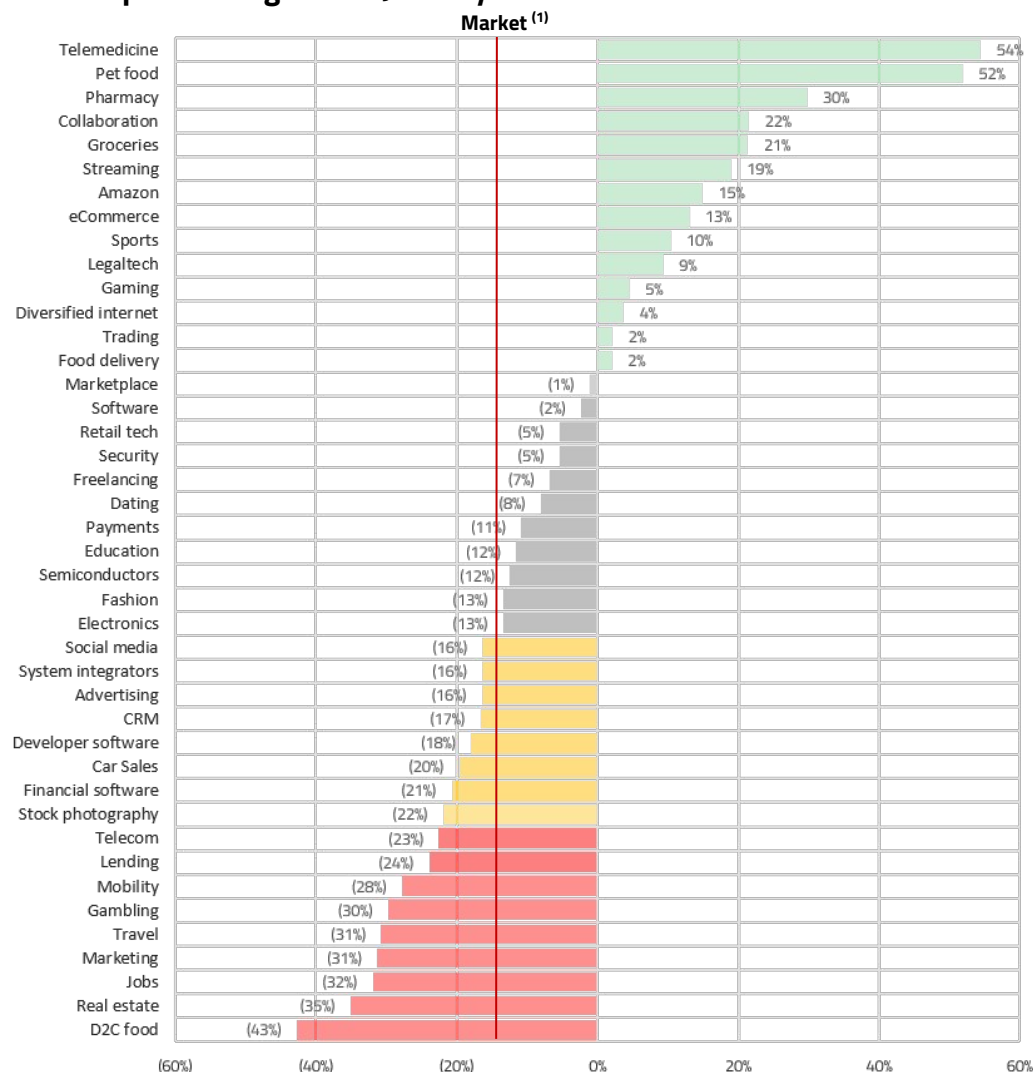
New uncertainties

- ? Some US and Asian investors might become a lot more selective in Europe
- ? Corporate, Sovereign Wealth Funds, Family Offices and other non-traditional investors may reduce activity or disappear
- ? New non-traditional investors may emerge (private equity firms like Blackstone)
- ? Will asset-heavy business models stay or go?

There's never been a better time to launch or scale a startup in Europe: digital adoption is accelerating, the ecosystem is well-capitalised, and government institutions are in place to provide further support where needed.

Covid-19 has caused tech companies to diverge into winners and losers.

Share price change since January 31



Net positive

Defensible

Vulnerable

Most affected

Collaboration: **zoom** **Dropbox** **TeamViewer** **ATLASSIAN** **slack**

Telemedicine: **TELADOC** **平安好医生**

Streaming: **NETFLIX** **Spotify**

Groceries: **Ocado**

Food delivery: **JUST EAT** **Delivery Hero** **GRUBHUB**

Education: **Chegg** **跟谁学** **PLURALSIGHT**

Security: **splunk** **CROWDSTRIKE** **CYBERARK**

Online payments: **adyen**

Advertising: **WPP** **criteo** **Alphabet** **PUBLICIS GROUPE**

Financial software: **sage** **IHS Markit** **TEMENOS**

CRM: **salesforce** **HubSpot**

Social media: **facebook** **twitter** **Pinterest**

Mobility: **lyft** **Uber**

Real estate: **PURPLE BRICKS** **Fang.com** **rightmove** **REA Group**

Travel: **Booking.com** **Expedia** **tripadvisor** **trivago**

The same divergence applies to European VC-backed startups.

Categories and their challenges	Examples	Share by nr. of VC-backed companies ⁽¹⁾
Net positive Managing rapid growth, even harder during lock-down	Consumer health: Docplanner KRY Doctolib babylon Groceries: crisp Farmdrop Picnic Collaboration tools: Sketch Pitch Forecast Biotech & B2B health: MOGRIFY ROIVANT STILLA GYROSCOPE	19% 3,400 VC backed companies €8.5B 2019 investment
Defensible Operational challenges Shrinking lead pipeline, selling gets harder Heightened cash awareness, dealing with runway	Deep tech: GRAPHCORE Lilium algolia FIVE AI AIMOTIVE Clean tech: northvolt sonnen SOTO SOLAR LANCEY Online payments: Klarna. Rapyd checkout.com mollie Developer tools: contentful snyk RASA screen	48% 8,600 VC backed companies €12B 2019 investment
Vulnerable Affected. Need to reduce costs	Fashion and apparel: Vinted eyerim LOOKIERO NA-KD Car sale: FCG FRONTIER CAR GROUP CAZOO brumbrum motorway PropTech: kodit.io McMakler goodlord PLANET smart city Lending: Trussle Pretto lendinvest EXPORO	19% 3,400 VC backed companies €6.4B 2019 investment
Most affected Sometimes revenues going to zero	Travel: GET YOUR GUIDE TravelPerk Duffel limehome Mobility: Bolt TIER omio BlaBlaCar dott Jobs: jobandtalent JOB TODAY cornerjob adzuna	14% 2,600 VC backed companies €4.6B 2019 investment

Source: Dealroom.co















1. The analysis excludes 30% of VC backed startups mainly in Fintech, Telecom and Media sectors as the impact is not clear yet.

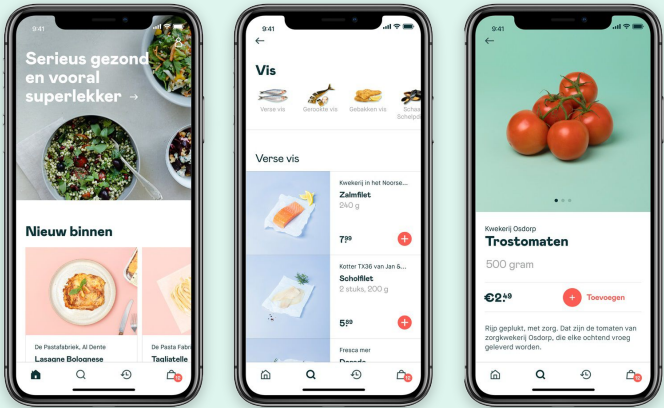
Digital adoption is accelerating among households.



“At Crisp we experienced a surge in demand for delivery of fresh groceries: we've managed to **triple in size in one month time**. Digital adoption has definitely accelerated among households. The challenge is to manage growth, in a more volatile environment.”
















Tom Peeters, Co-founder & CEO
Crisp.nl (online groceries)

Groceries	Education	Banking
<div>crisp</div> <div></div> <div></div> <div></div> <div></div>	<div></div> <div></div> <div></div> <div></div> <div></div>	<div></div> <div></div> <div></div> <div></div> <div></div>
188 startups ⁽¹⁾ 6 future unicorns 8 unicorns	357 startups ⁽¹⁾ 7 future unicorns 1 unicorns	144 startups ⁽¹⁾ 10 future unicorns 10 unicorns



Source: Dealroom.co.
1. Startups with at least €1 million in VC funding.

In healthcare, 10 years of change have been happening in a few weeks.

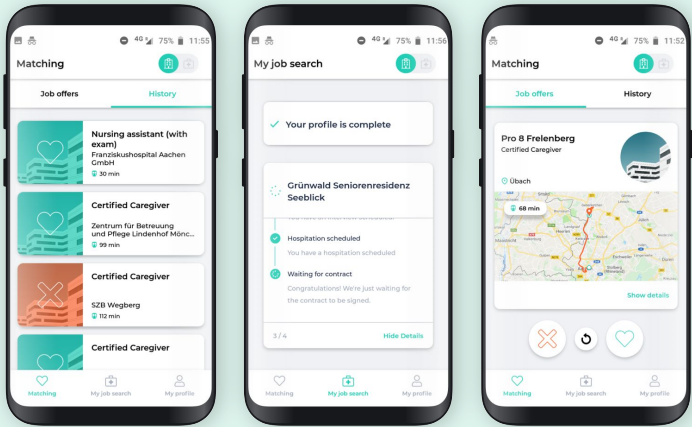
Consumer healthcare	Biotech	AI drug development
<div><div>accuRx.</div><div>MEDWING</div><div>Doctolib</div><div>KRY</div><div>alan</div><div>Docplanner</div><div>babylon</div></div>	<div><div>CUREVAC</div><div>ROIVANT SCIENCES</div><div>BIONTECH</div><div>SNIPRBIOME</div><div>NANOPORE Technologies</div></div>	<div><div>BenevolentAI</div><div>healx</div><div>SOM BIOTECH</div><div>Exscientia</div><div>OWKIN</div></div>
415 startups ⁽¹⁾ 17 future unicorns 2 unicorns	733 startups ⁽¹⁾ 40 future unicorns 17 unicorns	35 startups ⁽¹⁾ 2 future unicorns 1 unicorns

Source: Dealroom.co.
1. Startups with at least €1 million in VC funding.





























“Healthcare recruiting needs to modernise, now more than ever given the situation unfolding around us, around the globe.”

Johannes Roggendorf, Founder & MD at Medwing (healthcare staffing platform)



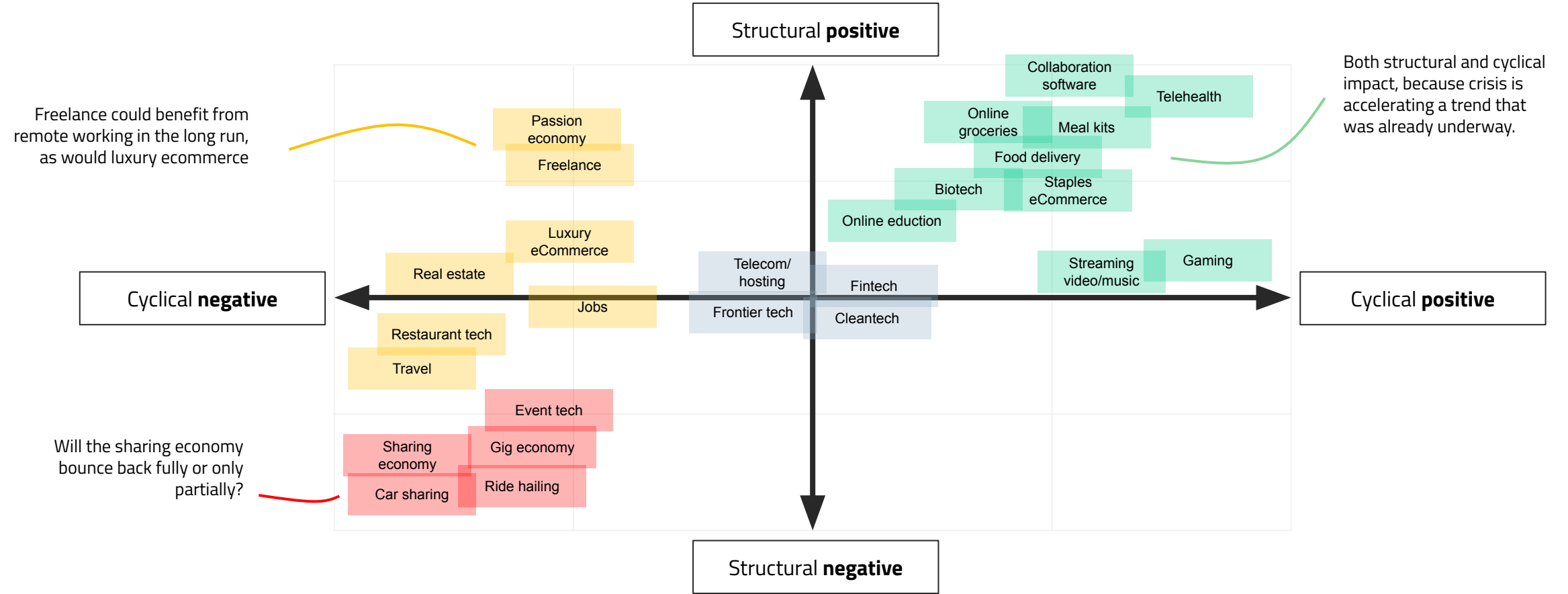
Corporate workplaces and urban landscapes will likely see an accelerated rate of innovation too.

Artificial Intelligence	Robotics	Semiconductors	Mobility	Impact
     	    	    	     	   
1135 startups ⁽¹⁾ 29 future unicorns 14 unicorns	227 startups ⁽¹⁾ 1 future unicorns 4 unicorns	314 startups ⁽¹⁾ 6 future unicorns 7 unicorns	149 startups ⁽¹⁾ 5 future unicorns 5 unicorns	612 startups ⁽¹⁾ 33 future unicorns 8 unicorns

Source: Dealroom.co.

1. Startups with at least €1 million in VC funding.

The big question mark: which changes will be temporary and which will be structural?



Source: Dealroom.co.

“I think some great entrepreneurs are going to come out of this. Let’s not forget that some of our best investments were for companies that were funded in less great circumstances: Spotify’s Series A was 2008; iZettle’s Series B was 2012. And those are some of our biggest exits over the past two decades.”



Marta Sjögren
Partner
Northzone

Quoted from **Sifted + Dealroom** webinar on April 3rd 2020

BY **dealroom.co** + **\sifted/** backed by **FT**
FINANCIAL TIMES

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Appendix: additional data.

VC investment in Europe per country.

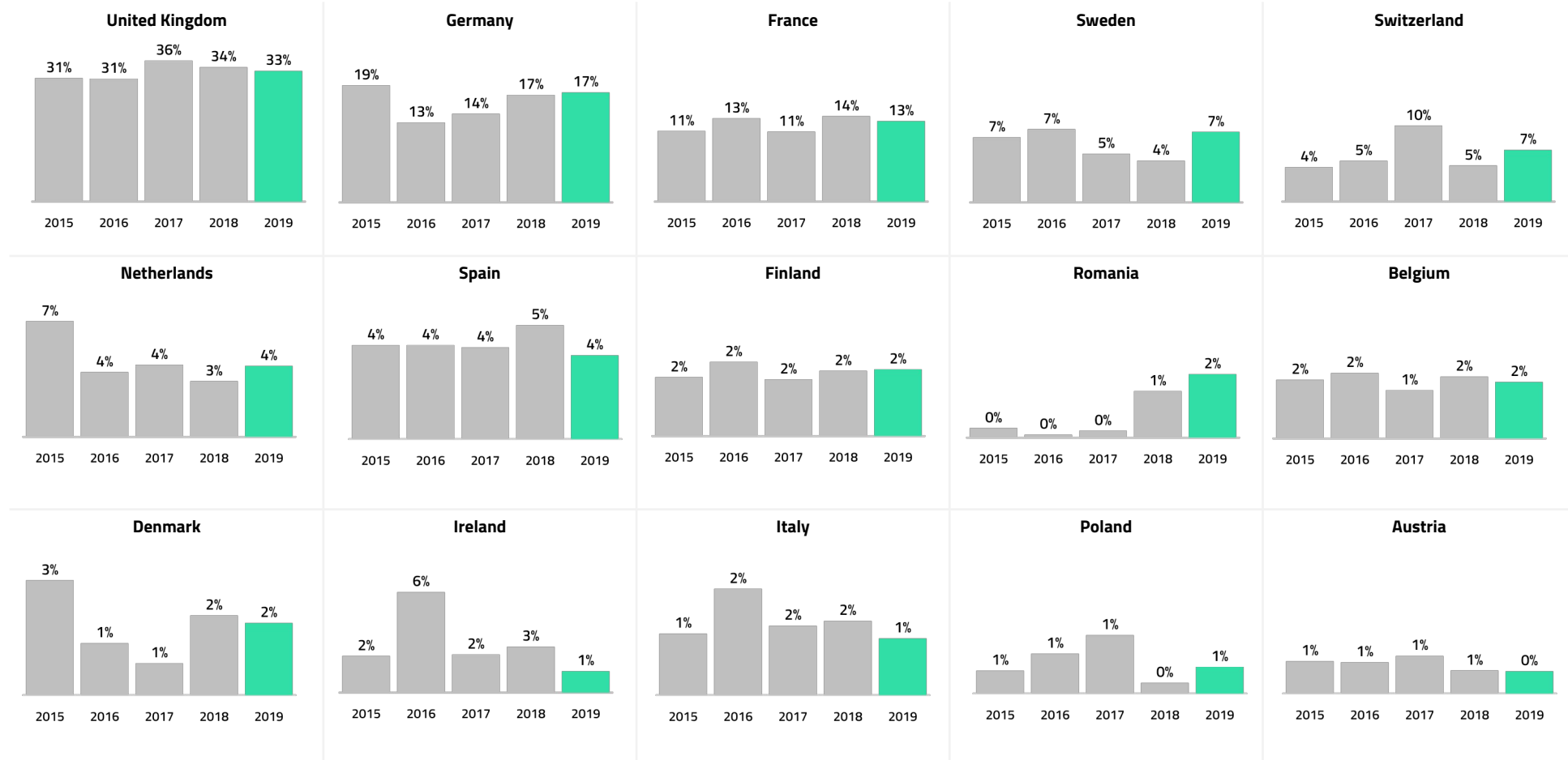
Venture capital investment



Source: Dealroom.co.

VC investment in Europe per country (cont'd).

% of VC investment from total capital received in Europe



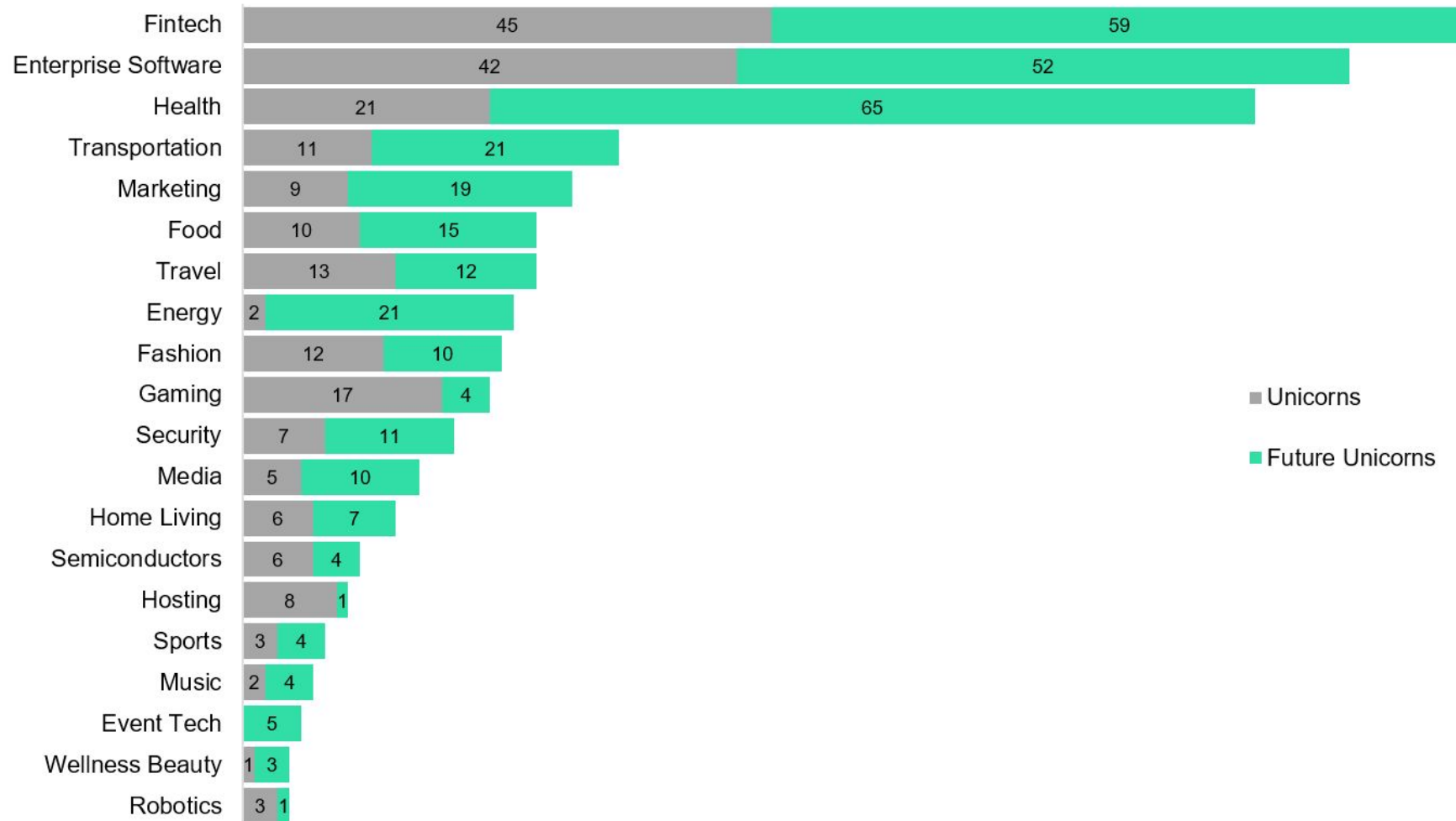
Source: Dealroom.co.

Cumulative value of VC backed exits in Europe since 2015.

<i>EUR in Billions</i>	2015	2016	2017	2018	2019
United Kingdom	10.6	20.0	23.2	39.6	44.3
Sweden	0.6	9.6	11.5	42.2	42.2
Germany	5.5	9.1	16.6	21.1	26.8
Netherlands	1.9	3.6	3.9	11.8	12.2
Finland	0.0	9.4	10.5	11.2	11.4
France	1.9	2.7	4.2	6.6	7.2
Italy	0.0	0.0	0.0	5.0	5.0
Switzerland	0.2	1.6	2.0	2.1	3.9
Spain	0.4	1.1	3.2	3.4	3.8
Ireland	0.4	1.1	1.1	1.2	1.3
Denmark	0.1	0.3	0.3	0.6	0.6
Belgium	0.5	0.5	0.5	0.5	0.5

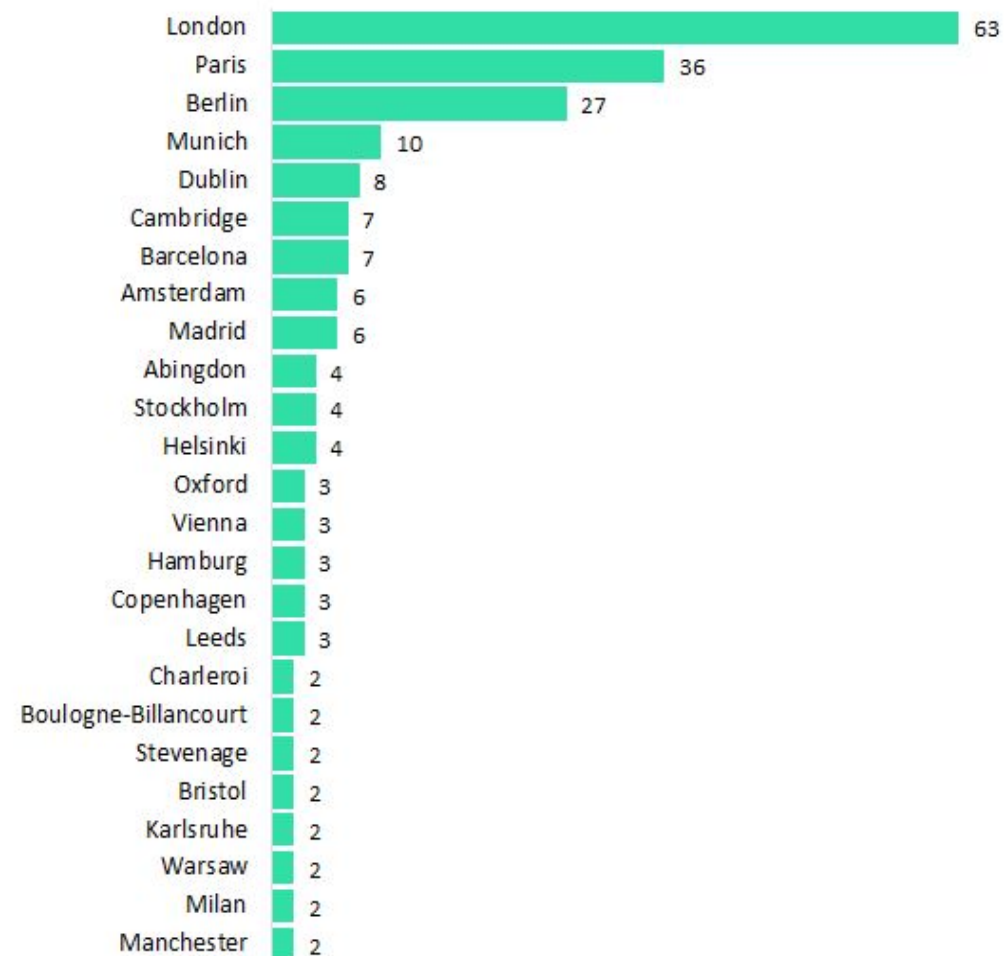
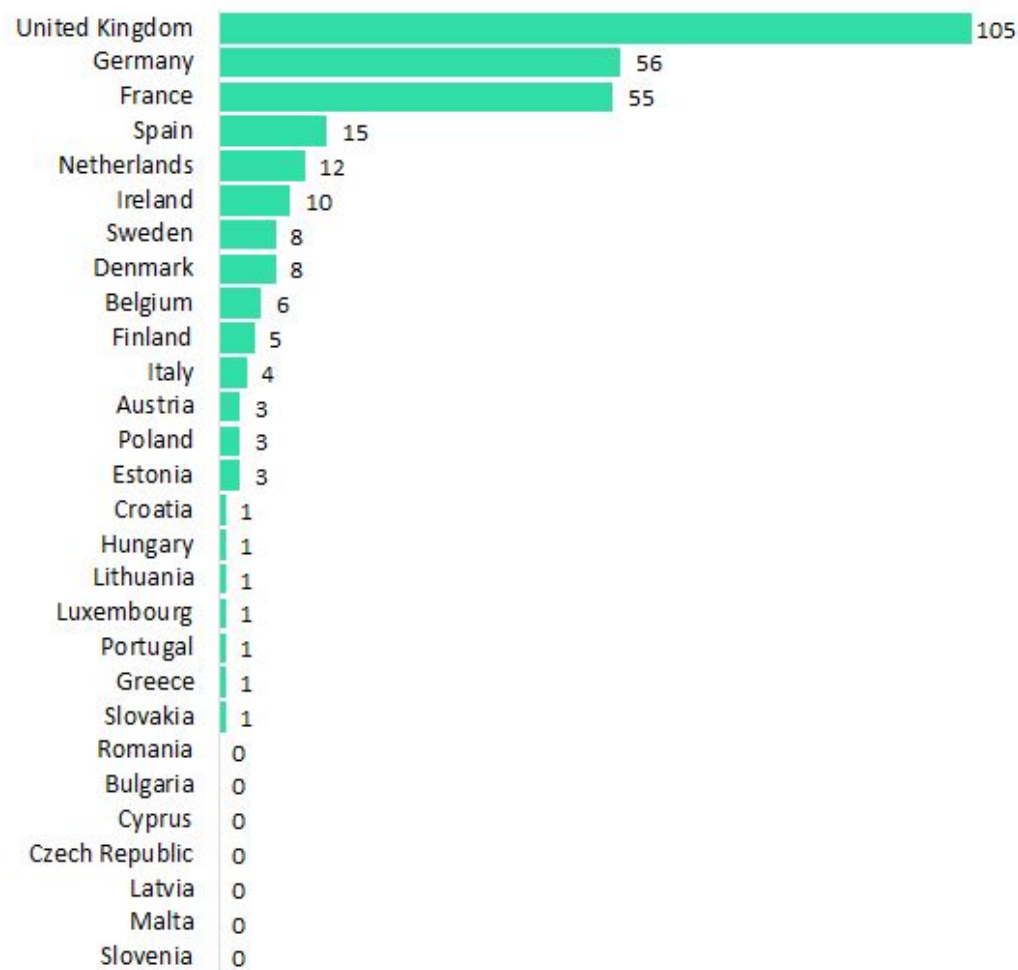
Source: Dealroom.co.

Unicorns and future unicorns by sector.



Source: Dealroom.co.

Future unicorns by country and city.

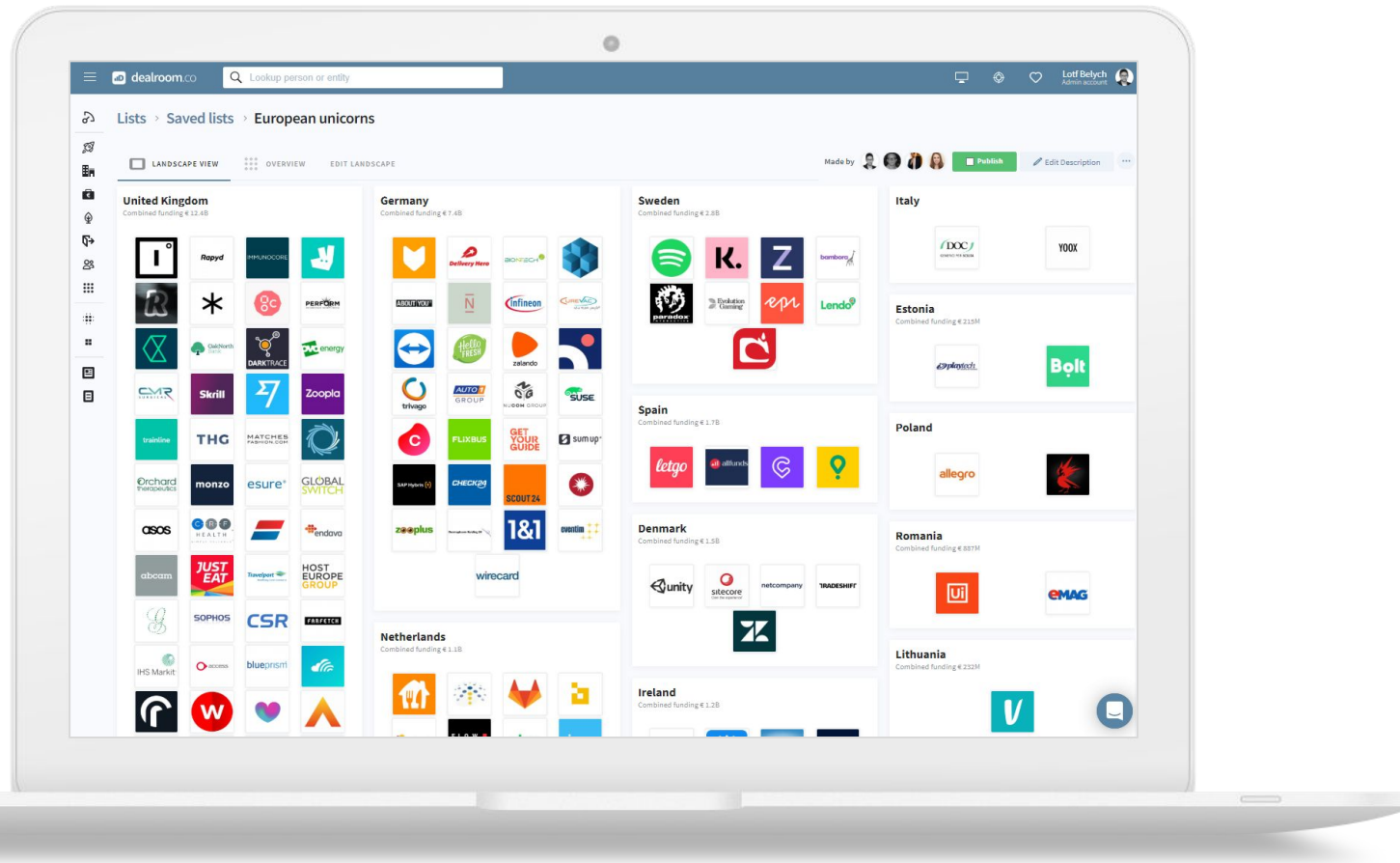


Source: Dealroom.co.

Methodology & definitions

- ✓ Investment numbers refer to venture capital investment rounds such as seed, series A, B, C, late stage, and growth equity rounds. It excludes debt or other non-equity funding, lending capital, grants and ICOs.
- ✓ Buyouts, M&A, secondary rounds, and IPOs are treated as exits: excluded from funding data, but included in exit data.
- ✓ A unicorn is defined as a rapidly scaling company (and tech enabled) that has reached a \$1 billion valuation, on the basis of a funding round (unrealised), acquisition or IPO (realised).
- ✓ There are some notable edge-cases:
 - Companies that IPO-ed at or above \$1 billion but subsequently dipped below that valuation, are still included as \$1B+ exit (examples: Alfa, Rovio, eDreams).
 - Some companies have at some stage reached a \$1 billion but subsequently raised, IPO-ed or were acquired below that value. In this case the company is not counted as a unicorn (examples: Blippar, Home24).
 - If a unicorn moved HQ, the company is counted in the country where it reached unicorn status. Occasionally companies received dual HQ status.
- ✓ A future unicorn is defined as a tech driven company valued over \$200 million but less than \$1 billion, excluding acquired and/or public companies.
- ✓ This report focuses on companies in the information age, i.e. after 2000. Most (but not all) unicorns are VC backed.

Online data: European unicorns per country and other data online.



European unicorns per country

<https://app.dealroom.co/lists/15129>

Future unicorns in Europe

<https://app.dealroom.co/lists/15187>

Companies actively combating Covid-19

<https://app.dealroom.co/lists/14702>

Purpose-driven European startups

<https://app.dealroom.co/searches/11153>

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