

atomico^o in partnership with



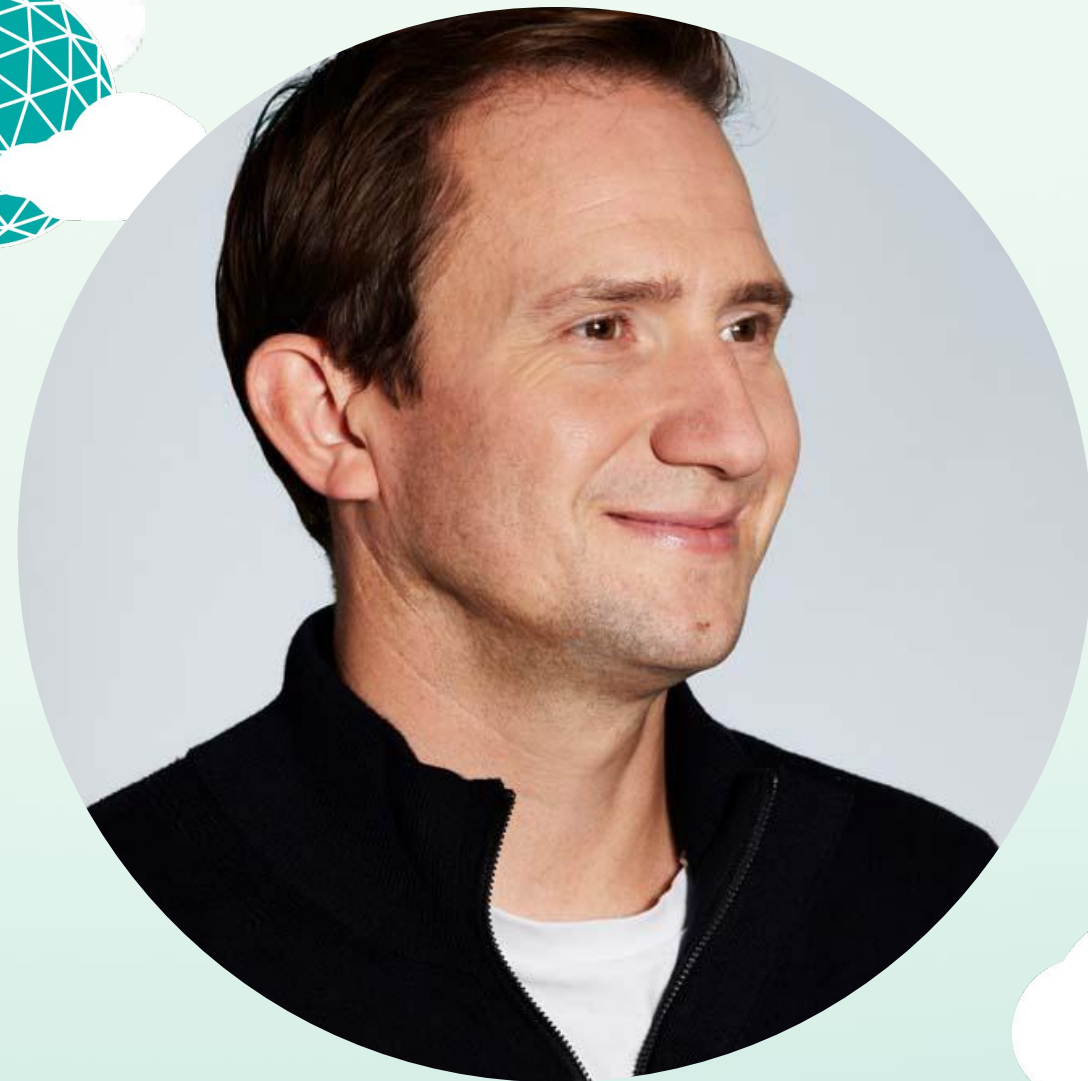
STATE OF EUROPEAN TECH 21

The definitive take on European tech

Proudly supported by



Co-authors and hosts



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atomico^o



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Fireside talks



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Wolt



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Ilkka Paananen
Supercell



Karl Lokko
Black Seed



Hiro Tamura
Atomico



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CapitalT



Corinne Vigreux
TomTom



Sebastian Siemiatkowski
Klarna



Niklas Zennström
Atomico



Linda Griffin
Kry



Tony Blair
Tony Blair Institute
for Global Change

Industry leaders and experts



Our data partners

 dealroom.co

 INVEST
EUROPE

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 Extend
Ventures

 grapedata

 POLITICO

 PitchBook

 Craft

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 optionimpact

 Landscape

 Google for Startups

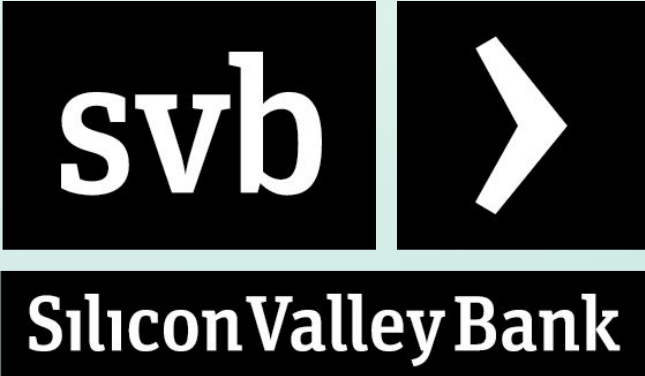
 mapverse

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-VC

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Our report partners



Europe a global tech force

State of European Tech 2021



A groundbreaking year for European tech



\$100B+

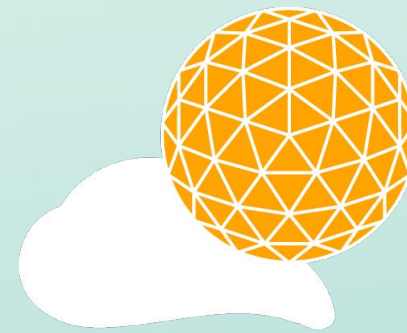
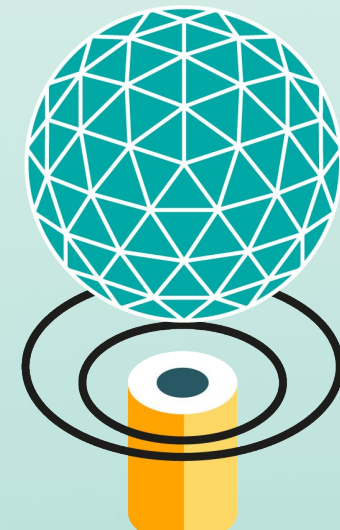
98 100

\$3T+

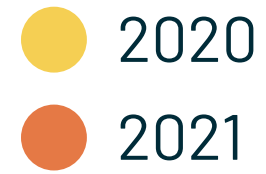
Capital Invested in 2021

New \$1B+ Companies in 2021

Total Ecosystem Value



Investment at a whole new level



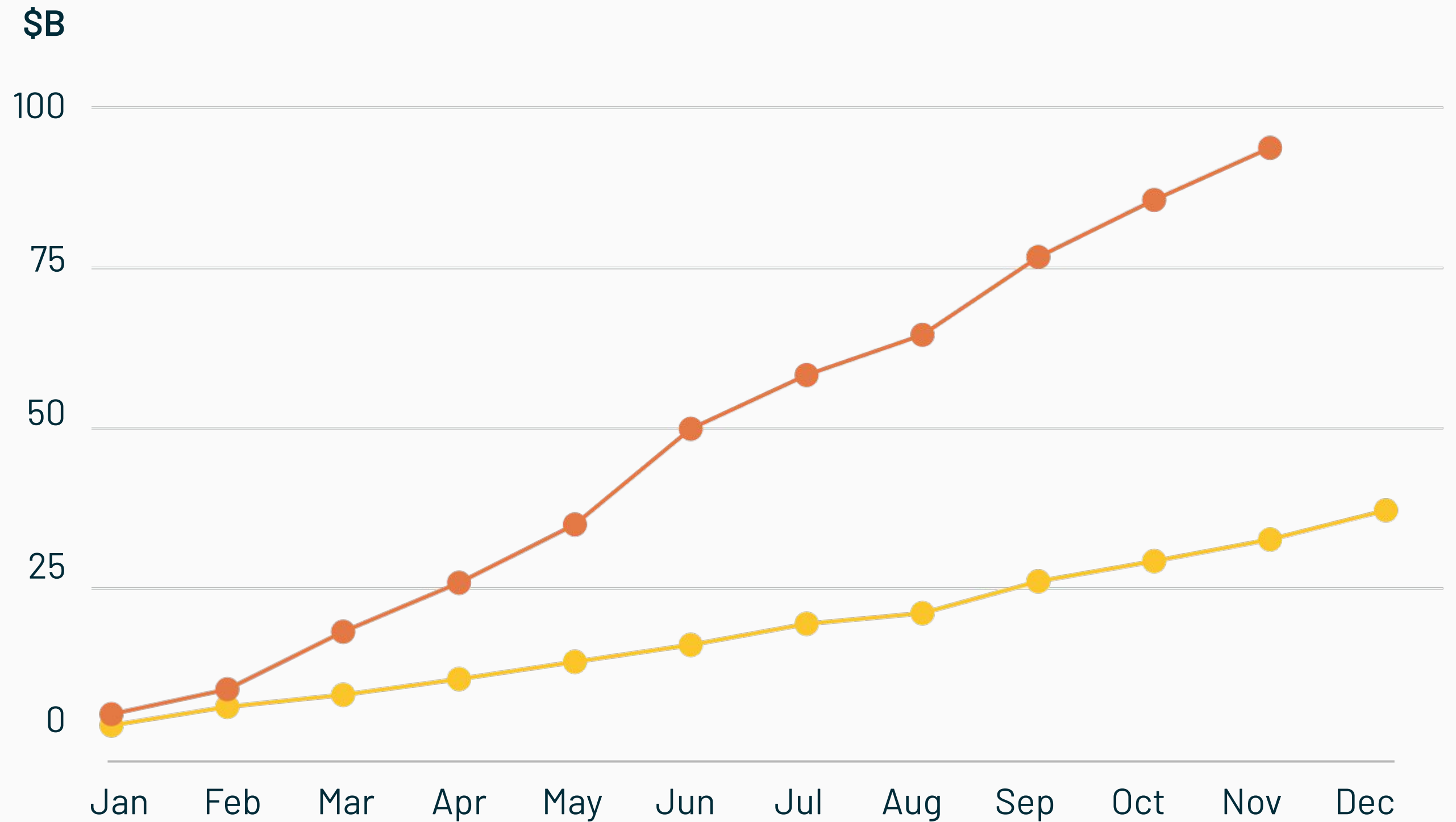
Source:



Note:

All Dealroom.co data excludes Israel and the following: biotech, secondary transactions, debt, lending capital, and grants. 2021 figures show data up to November 2021.

Cumulative month-by-month capital invested (\$B)



Led by “mega” megarounds

- <\$100M
- >\$100M

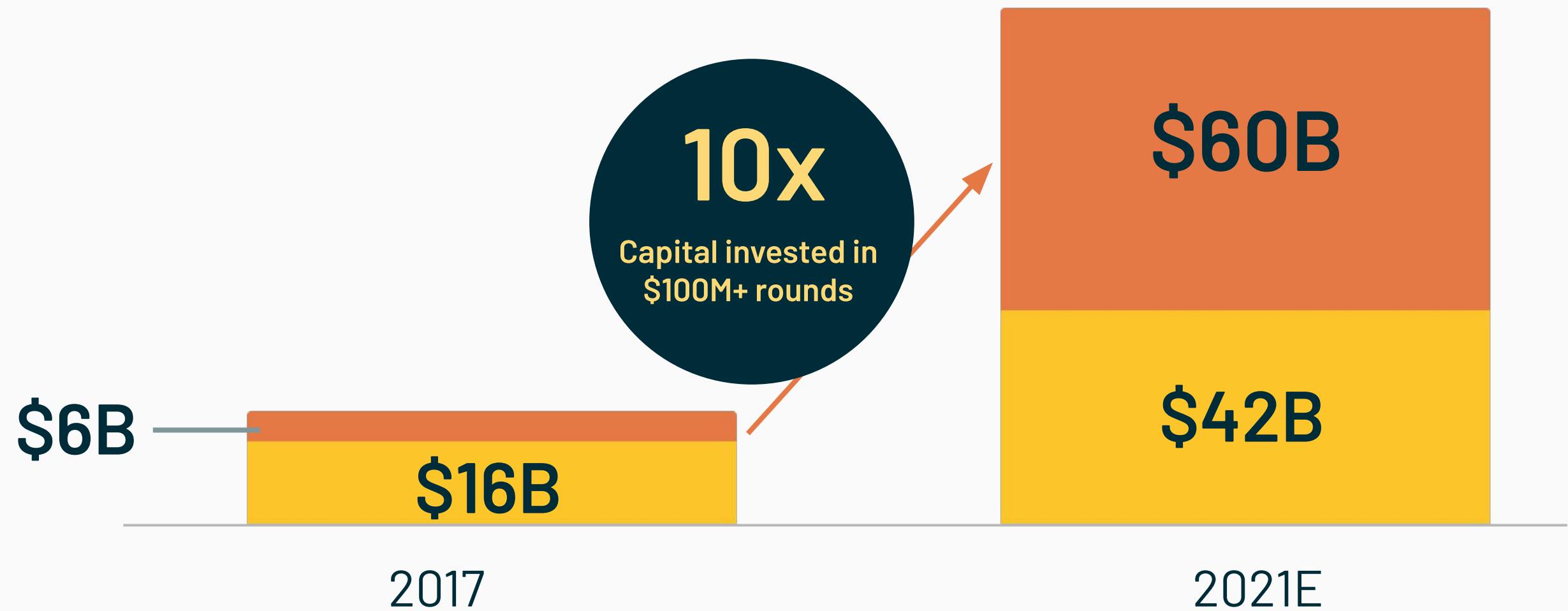
Source:



Note:

All Dealroom.co data excludes Israel and the following: biotech, secondary transactions, debt, lending capital, and grants. 2021 is annualised based on data to September 2021.

Capital invested (\$B) by round size and by year



Waking up to European tech



28%

of rounds with US investor participation versus 19% in 2019



3.1x

of investors investing in \$100M+ rounds in 2021 versus 2019



1 in 3

\$100M+ rounds involved a crossover investor versus 5% in 2019

Europe is not even close to its full potential

● 2020
● 2021

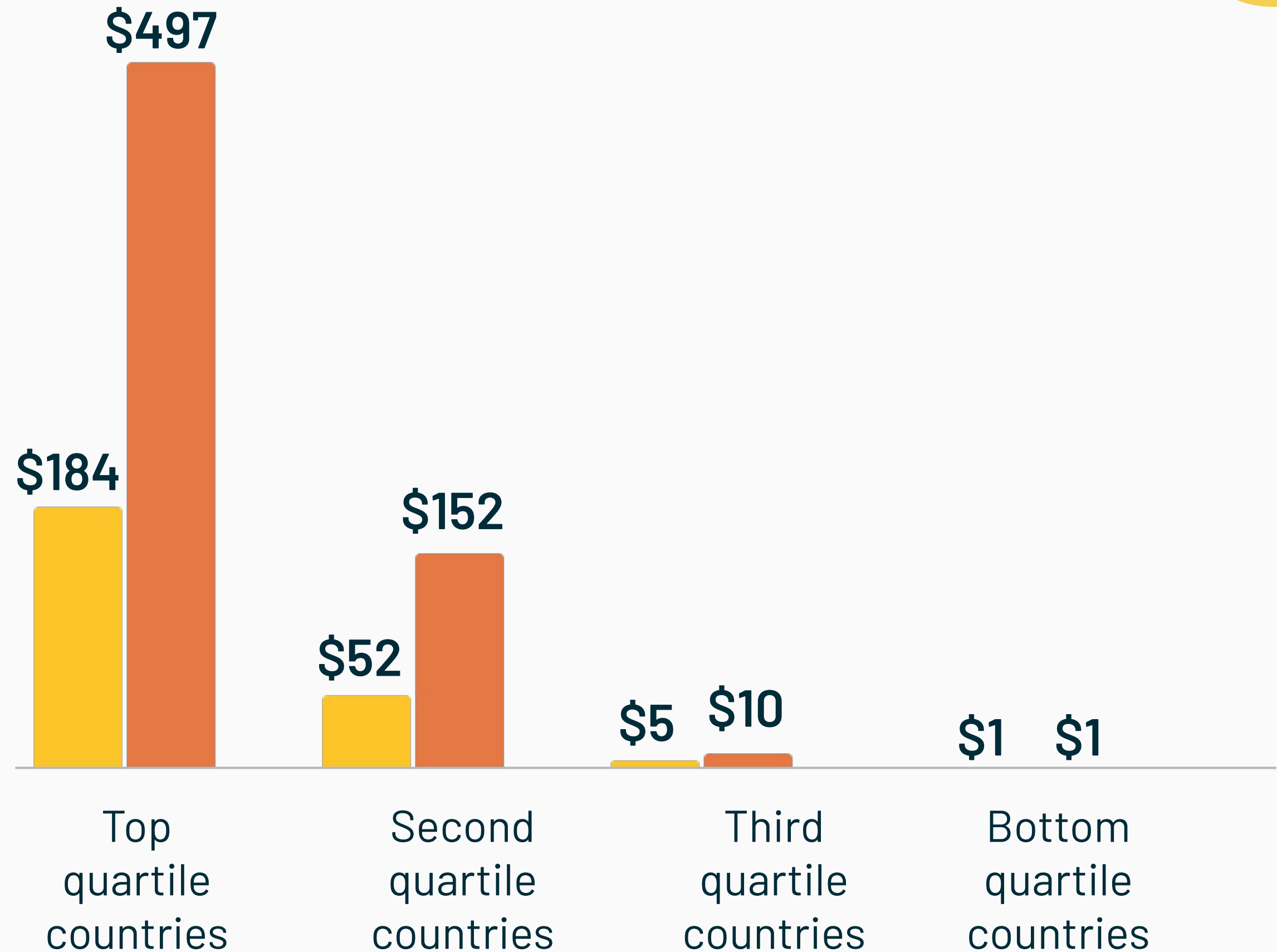
Source:



Note:

All Dealroom.co data excludes Israel and the following: biotech, secondary transactions, debt, lending capital, and grants. 2021 is annualised based on data to September 2021. Population data from UN, with data shown for countries with >300,00 inhabitants.

Capital invested per capita (\$) by country quartile



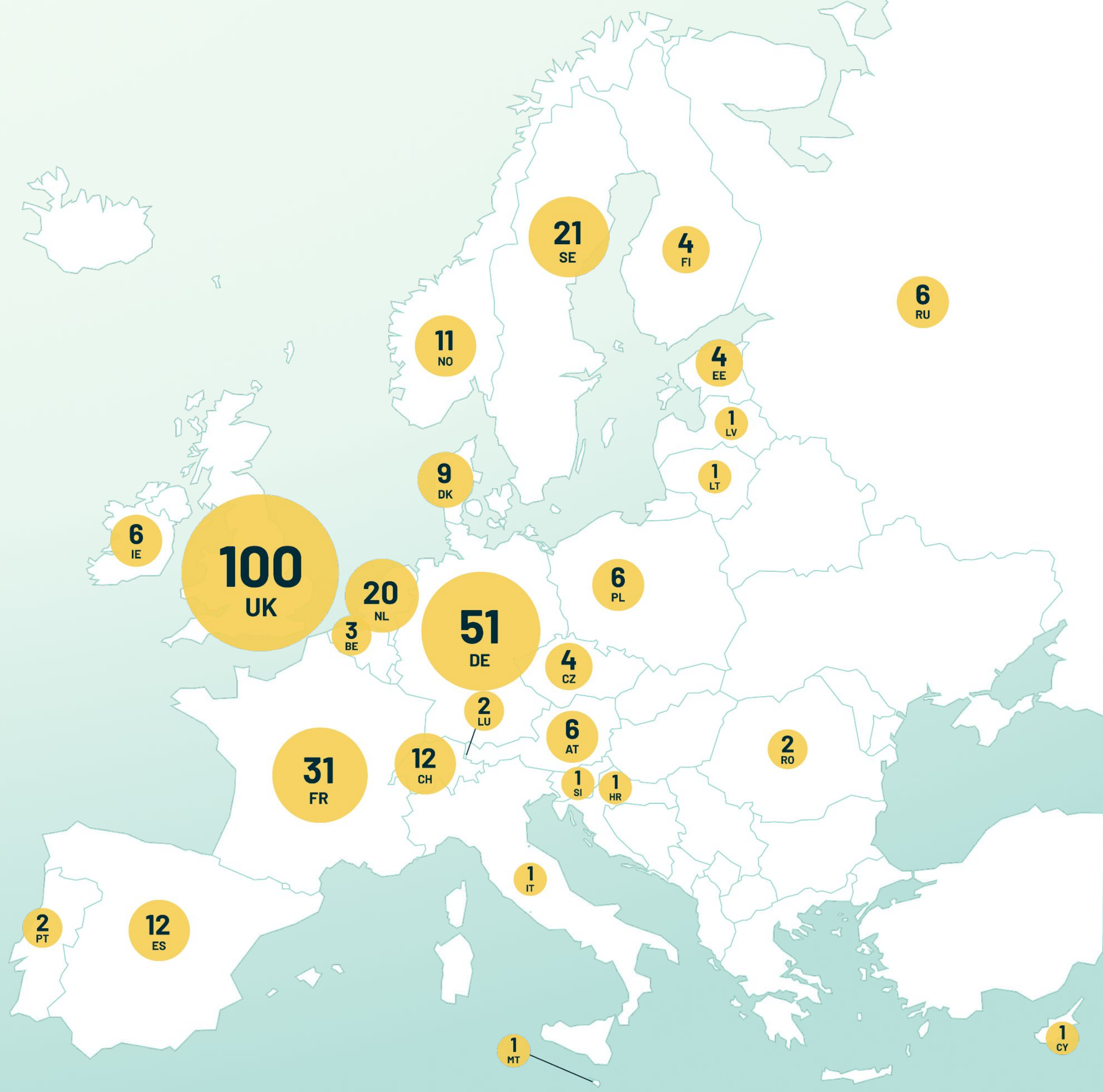
**Great European
tech companies
can come from
anywhere**

98

cities

28

countries



A record number of unicorns and decacorns

40 \$10B+

321 \$1B+ companies



adyen

northvolt®

UiPath™

Klarna®

Revolut

Wolt

AUTO 1
GROUP

 aiven

 wise

 checkout.com



 hopin

N26

marshmallow

depop

 LILIUM

jobandtalent



The era of European big tech is upon us

First VC-backed \$100B company is on the horizon



ASML

\$352B

\$178B
2020



adyen

\$97B

\$59B
2020

Source:

S&P Global

Note:

S&P Capital IQ Platform, as of date 5 November 2021,
for illustrative purposes only.

A watershed year for European tech exits

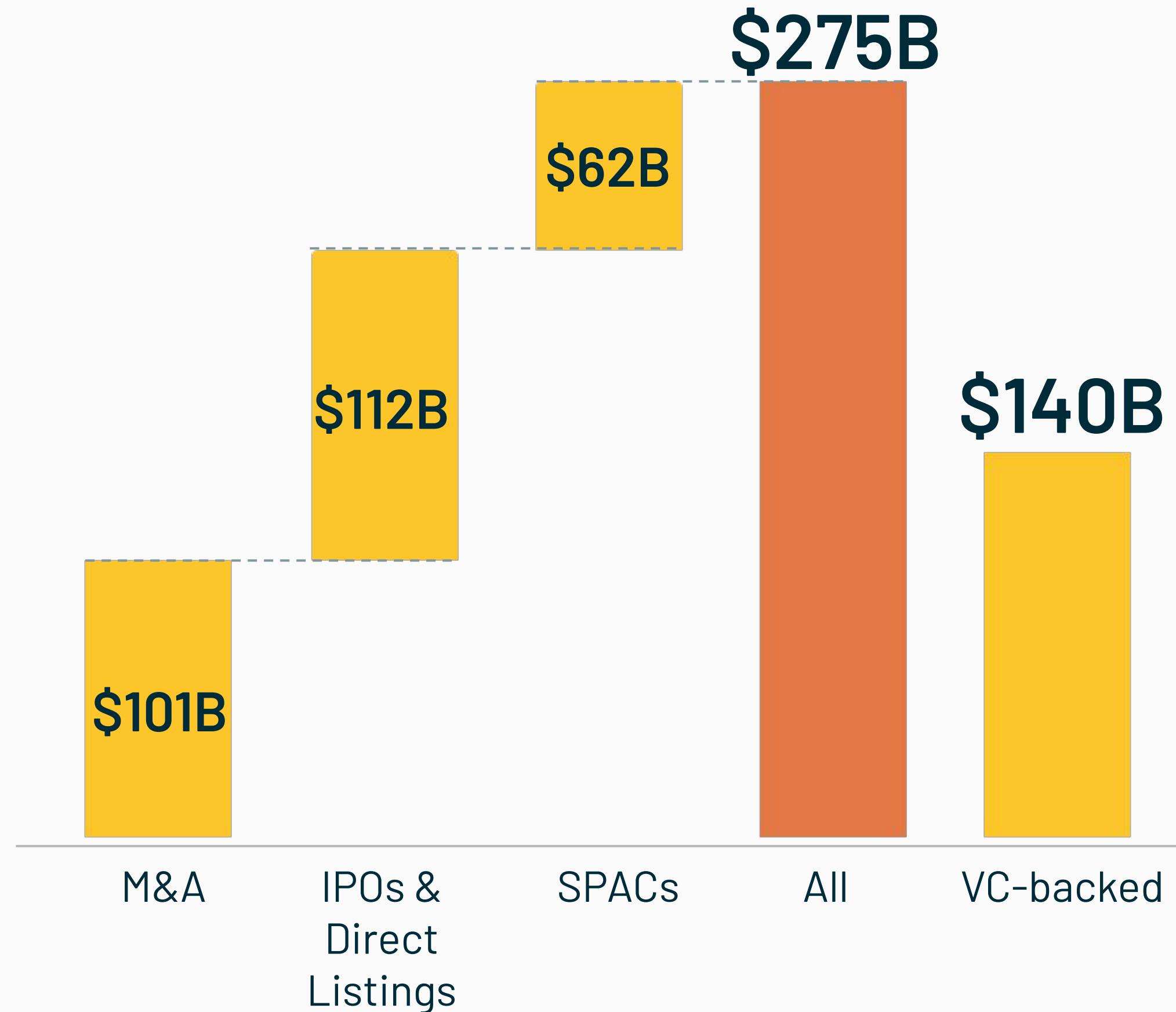
Source:

S&P Global  **dealroom.co**

Note:

S&P Capital IQ Platform for IPOs, direct listings and SPACs is as of date 15 November 2021, for illustrative purposes only. Dealroom data for M&A is based on data up to September 2021.

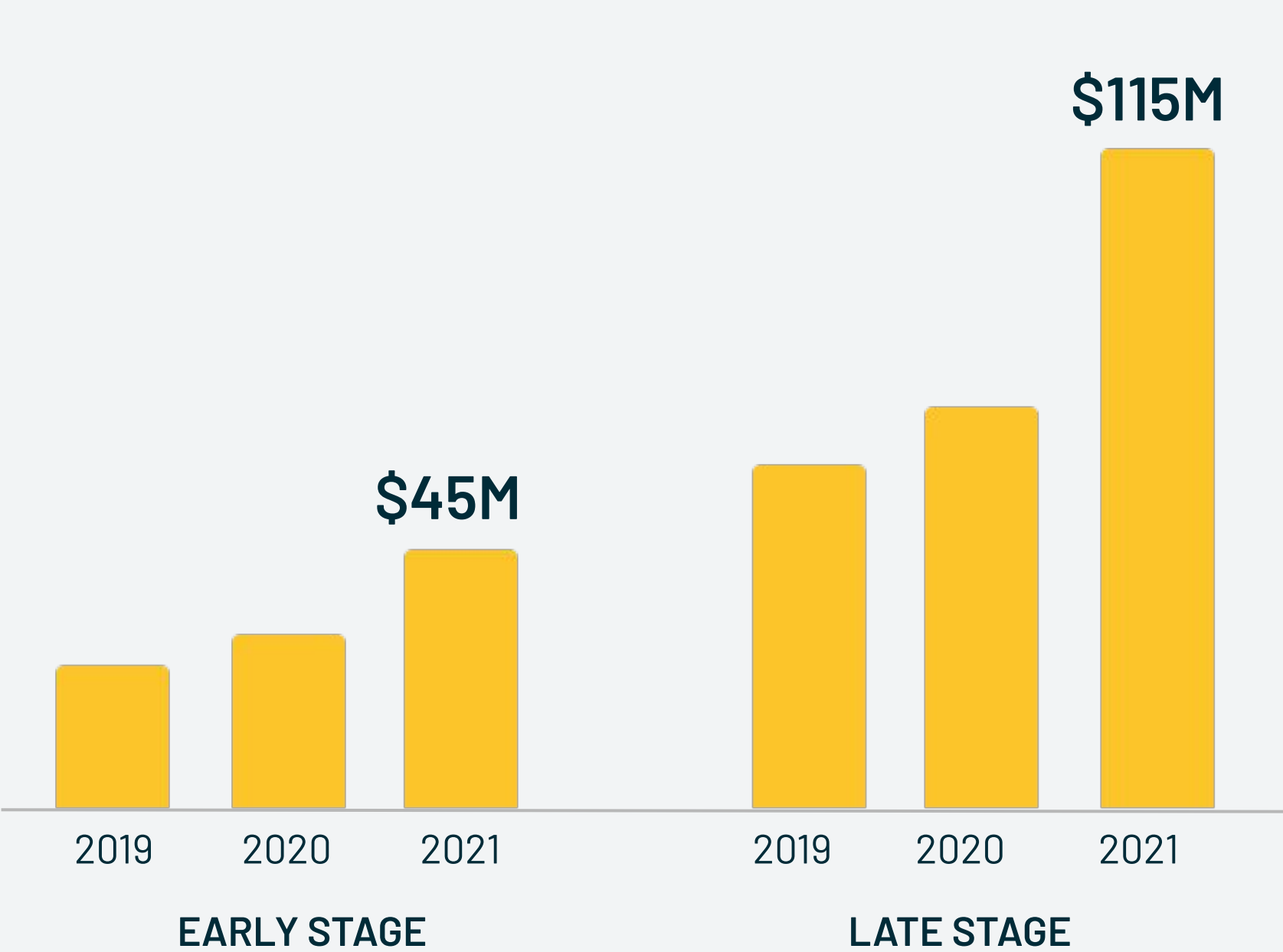
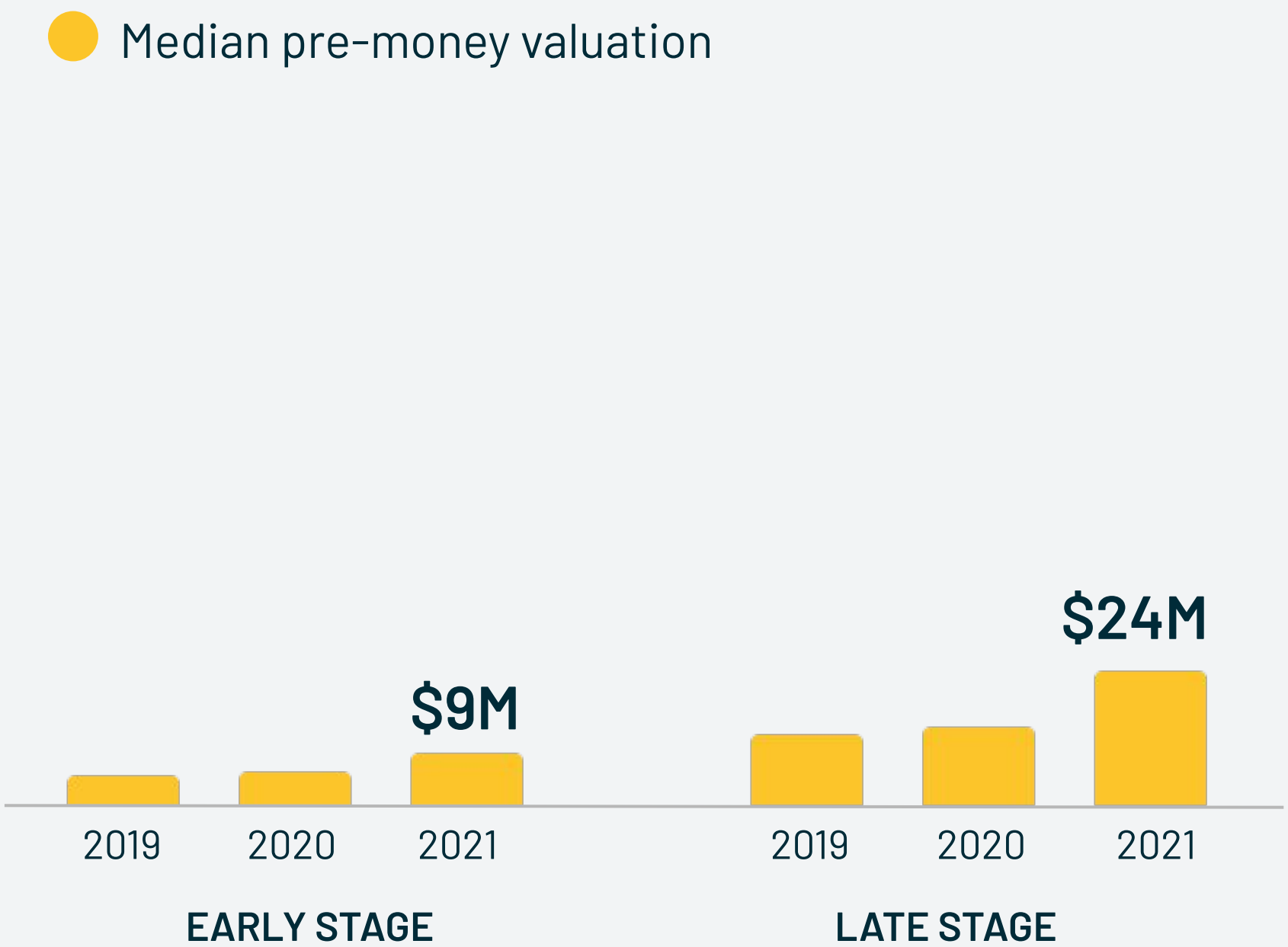
Total enterprise value (\$B) by route to liquidity (2021)



A step change in valuations globally in 2021



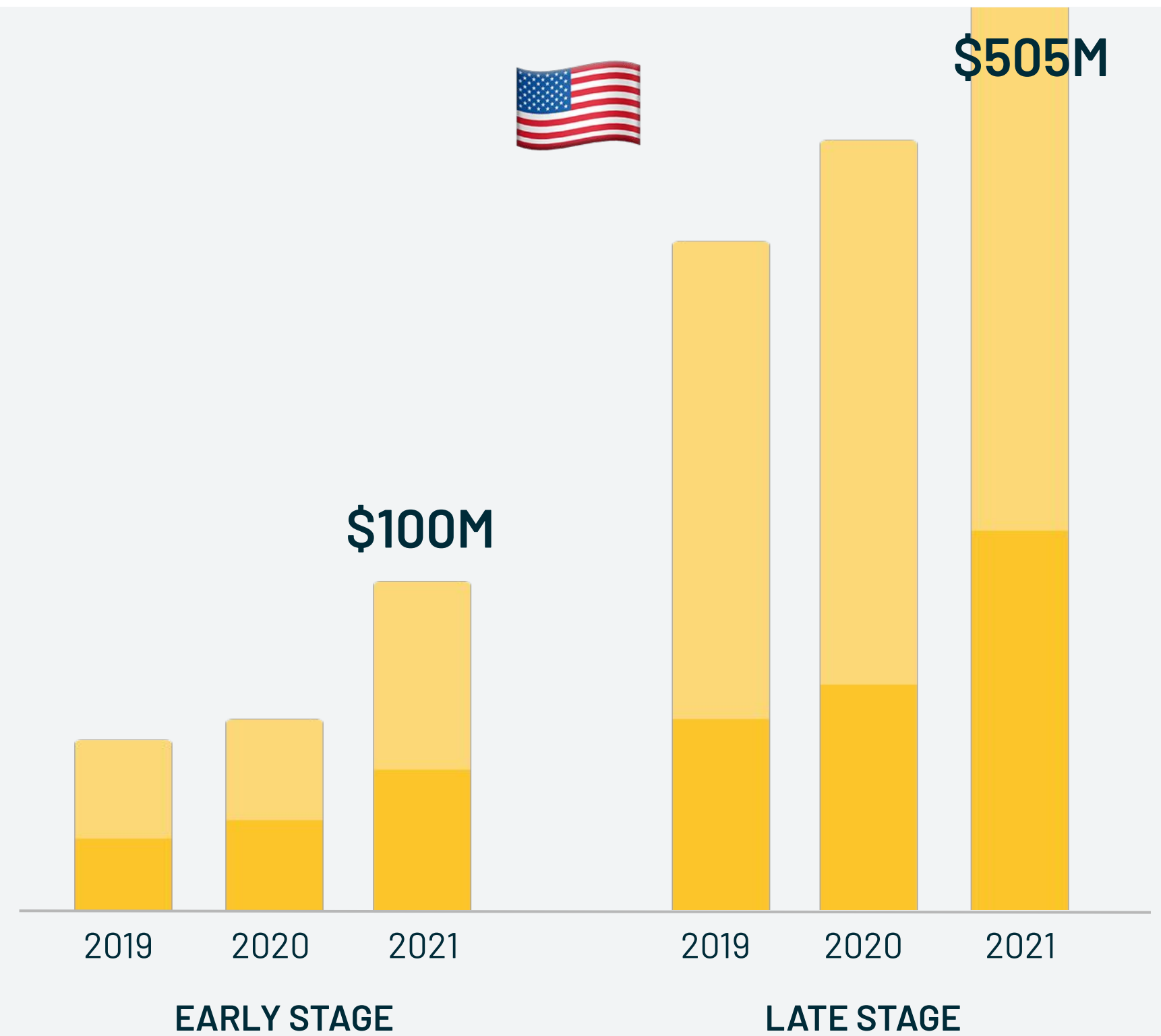
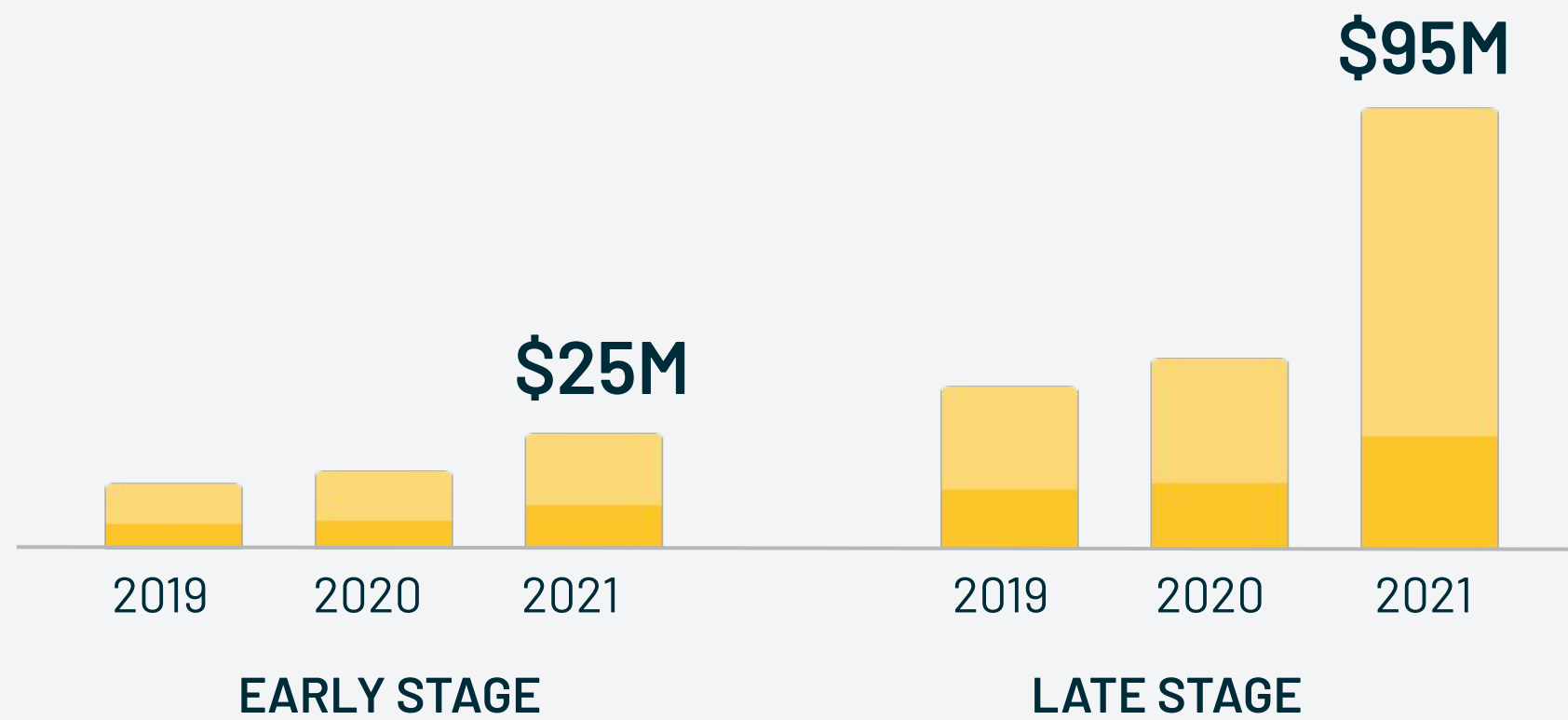
● Median pre-money valuation



A step change in valuations globally in 2021



- Median pre-money valuation
- 75th percentile pre-money valuation



European tech is creating value faster than ever

\$1T added in just 8 months

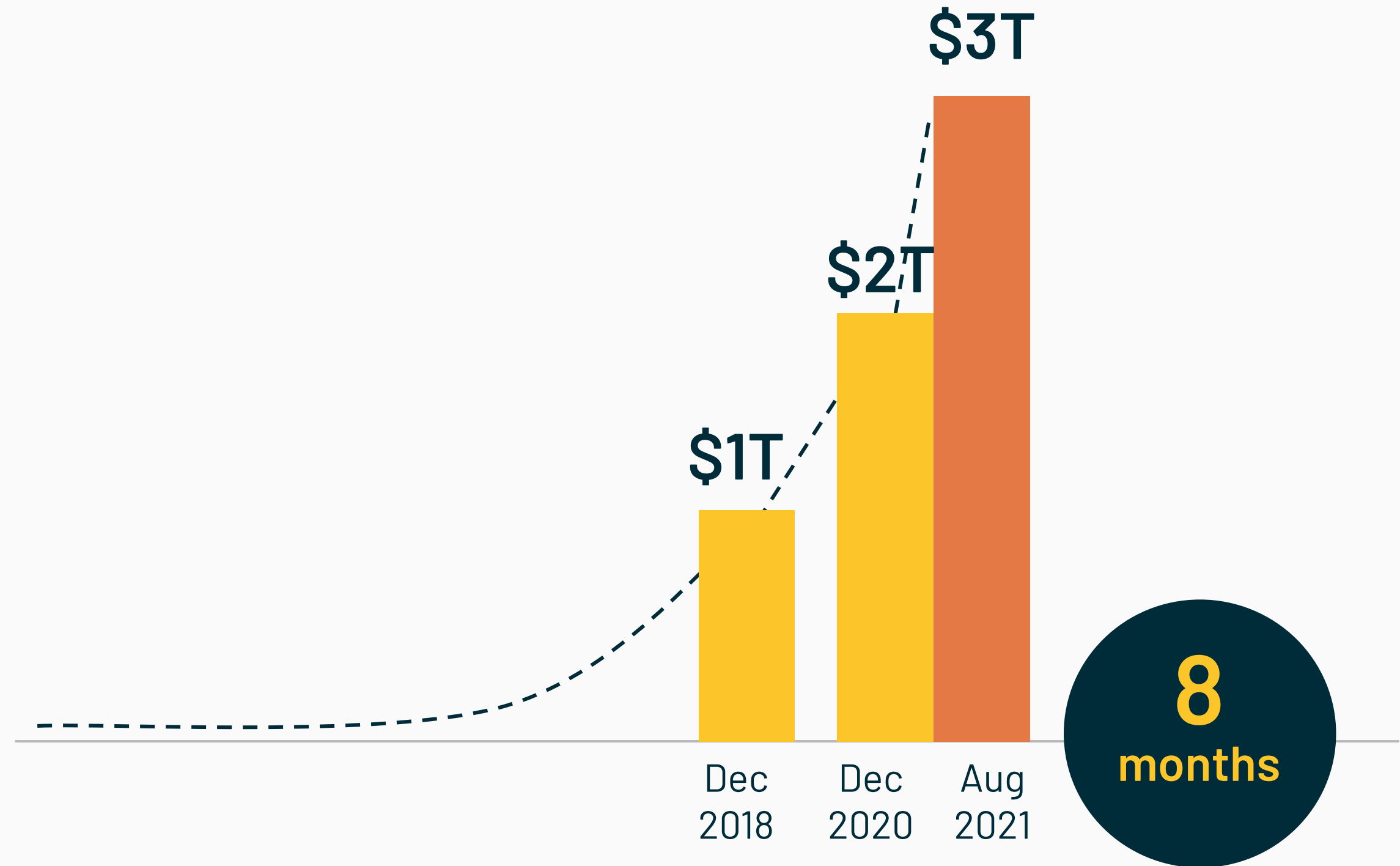
Source:



Note:

All Dealroom.co data excludes Israel and the following: biotech, secondary, transactions, debt, lending capital, and grants. Based on private markets valuation of European tech companies as of September 2021 and S&P market capitalisation of public European tech companies as of 15 November 2021.

Total enterprise value (\$T) of European tech





The macro context is not lost on the industry...

What are the three main macro risks that you see that could lead to an overall slowdown of VC activity in Europe over the next 5 years?

53%

Higher interest rates and inflation

53%

Public market sentiment and performance

41%

Loss of competitiveness due to policy decisions

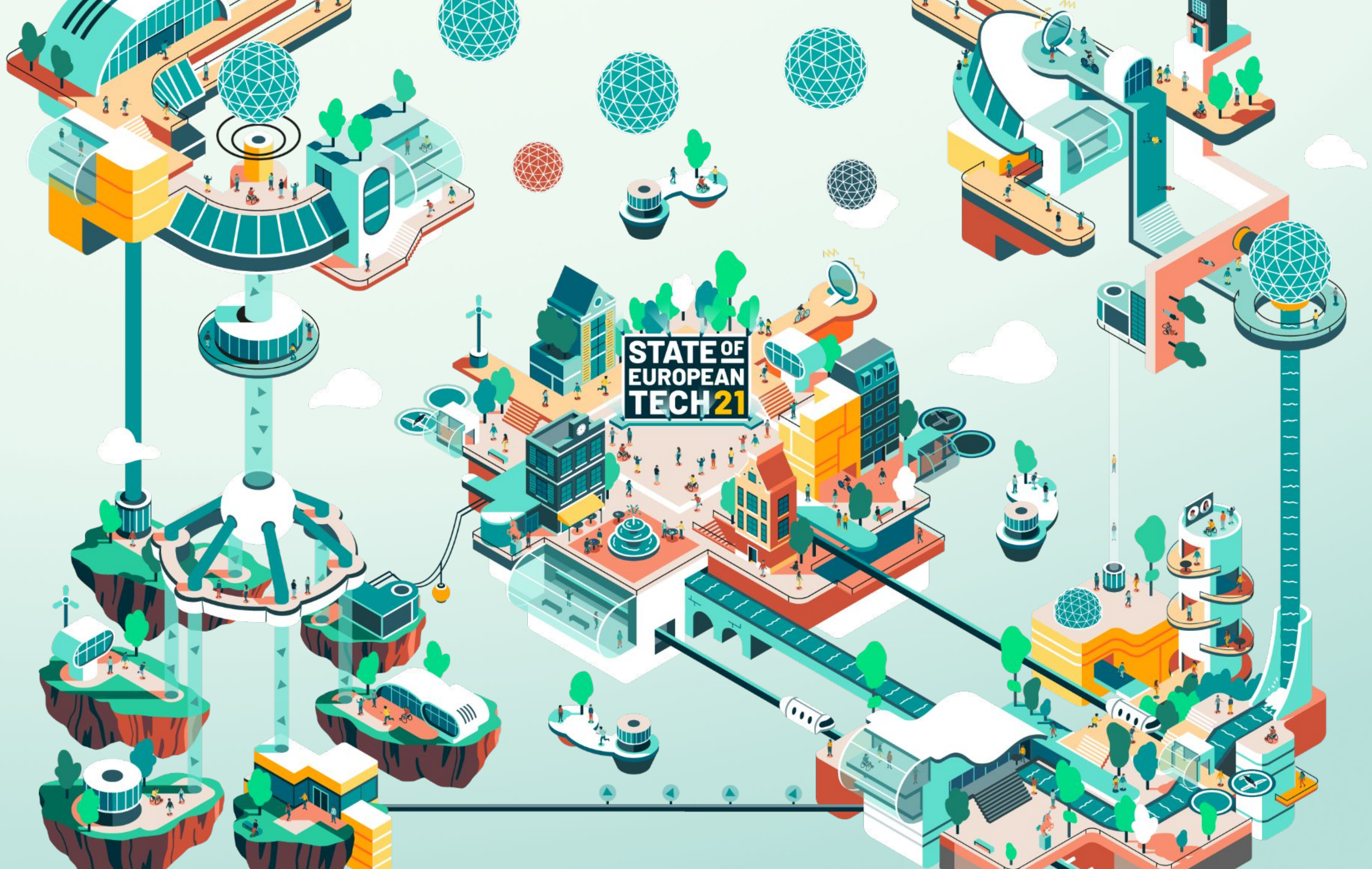
Powerful and irreversible tailwinds



Technology adoption



European flywheel



STATE OF
EUROPEAN
TECH 21



Talent is betting on tech

Founders and Operators



Founders and leaders with the best credentials



38%

Multi-generational
experience

19%

With experience at a
\$1B+company

Today's unicorn mafias already have a big impact; tomorrow's will be even bigger

- % of alumni founders
- % of \$1B+ companies

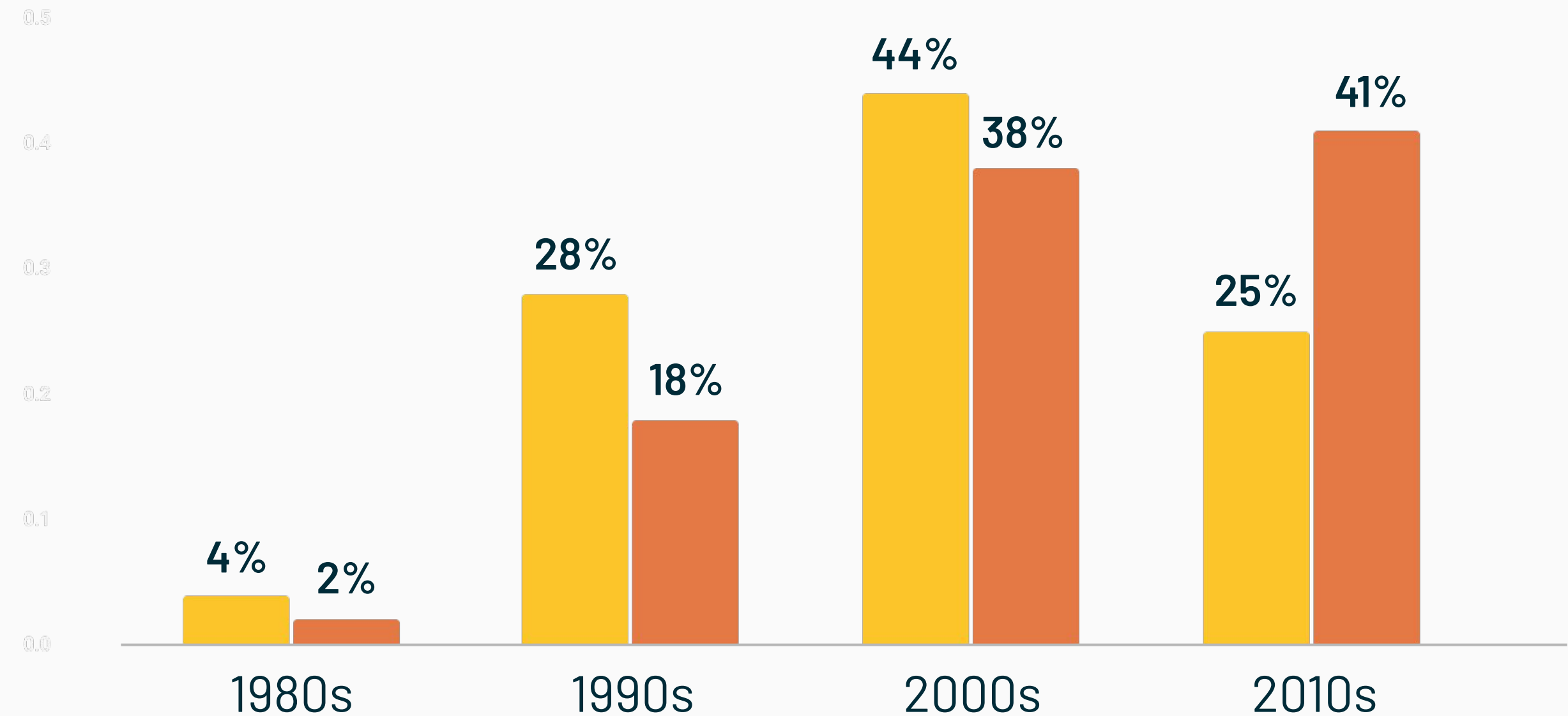
Source:



Note:

Based on Dealroom's analysis of 5,997 founders who previously worked for a \$1B+ European companies.

Distribution of alumni founders and of \$1B+ companies by founding decade



European tech gets better with each 'vintage'

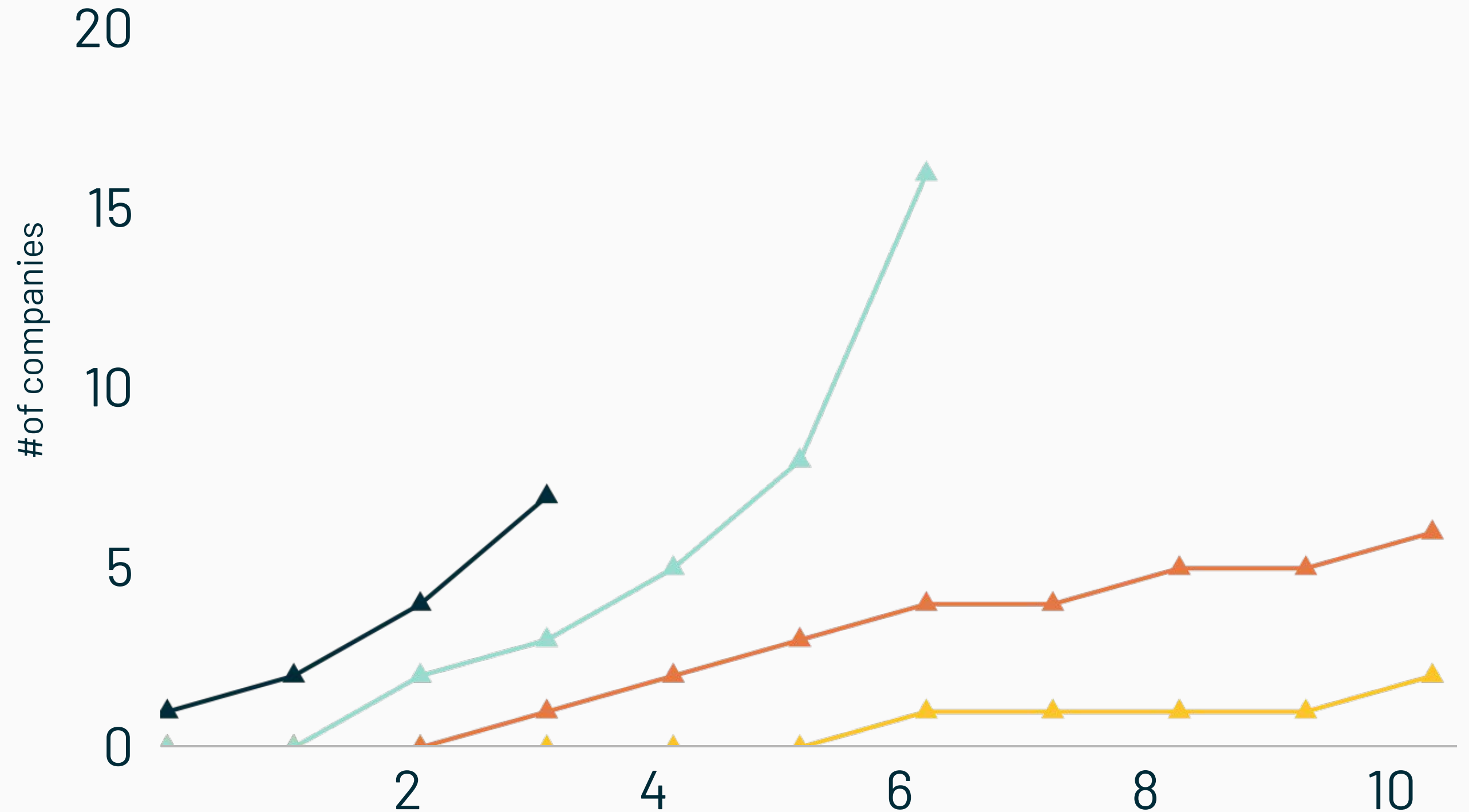
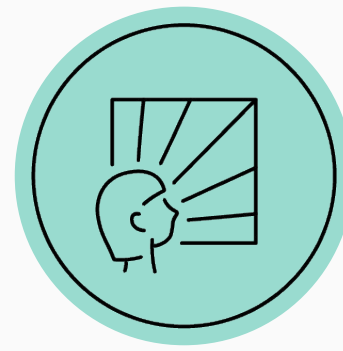
- 2000
- 2010
- 2015
- 2018

Source:



Note:

Cohorts of \$1B+ companies by founding year and by years of reaching \$1B+ milestone



The strongest ever pipeline of early-stage companies

- Europe
- United States

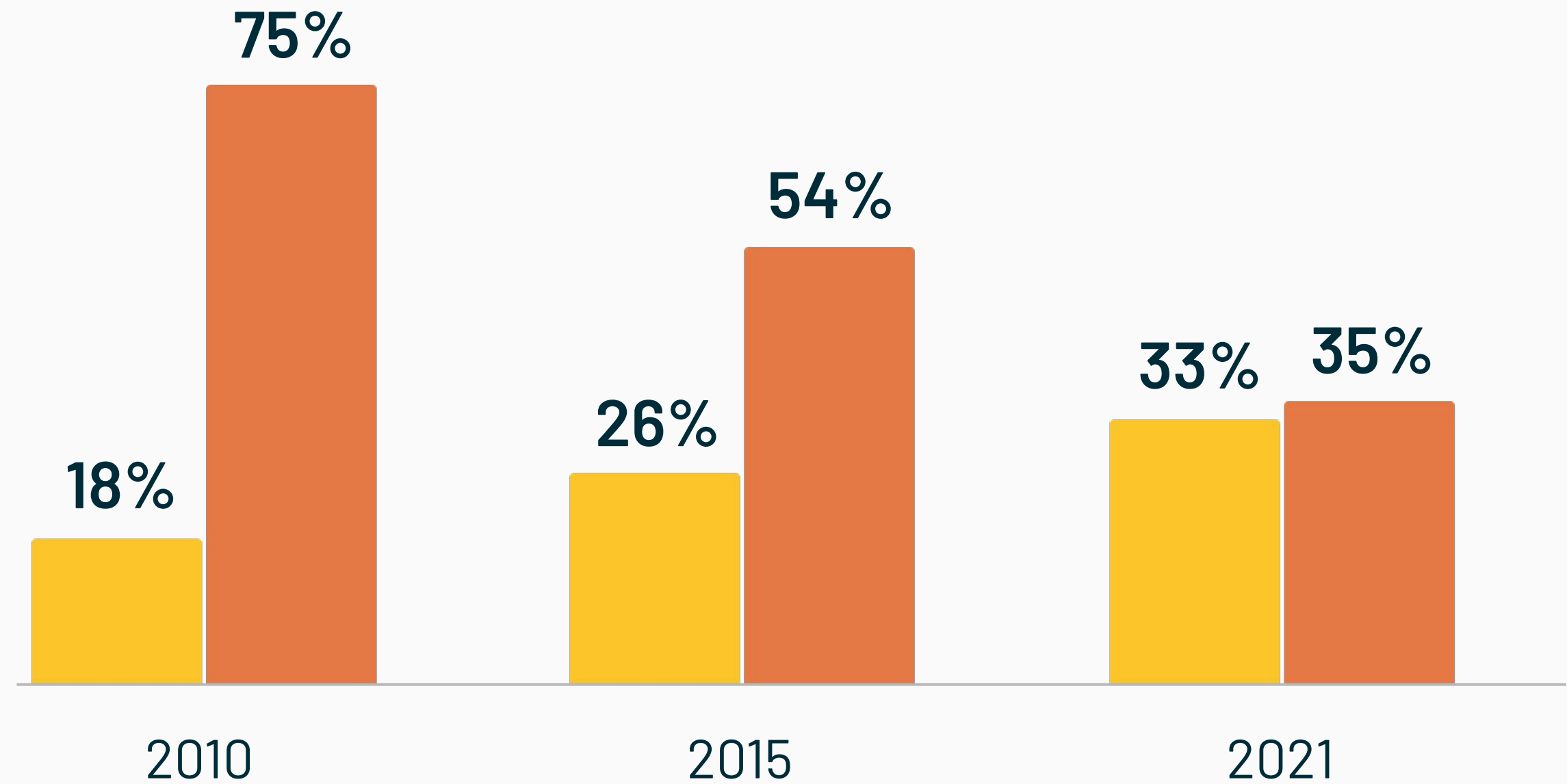
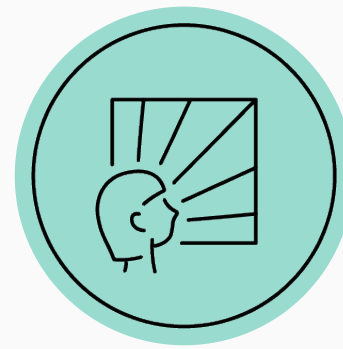
Source:



Note:

All Dealroom.co data excludes Israel and the following: biotech, secondary transactions, debt, lending capital, and grants. 2021 figures show data up to September 2021.

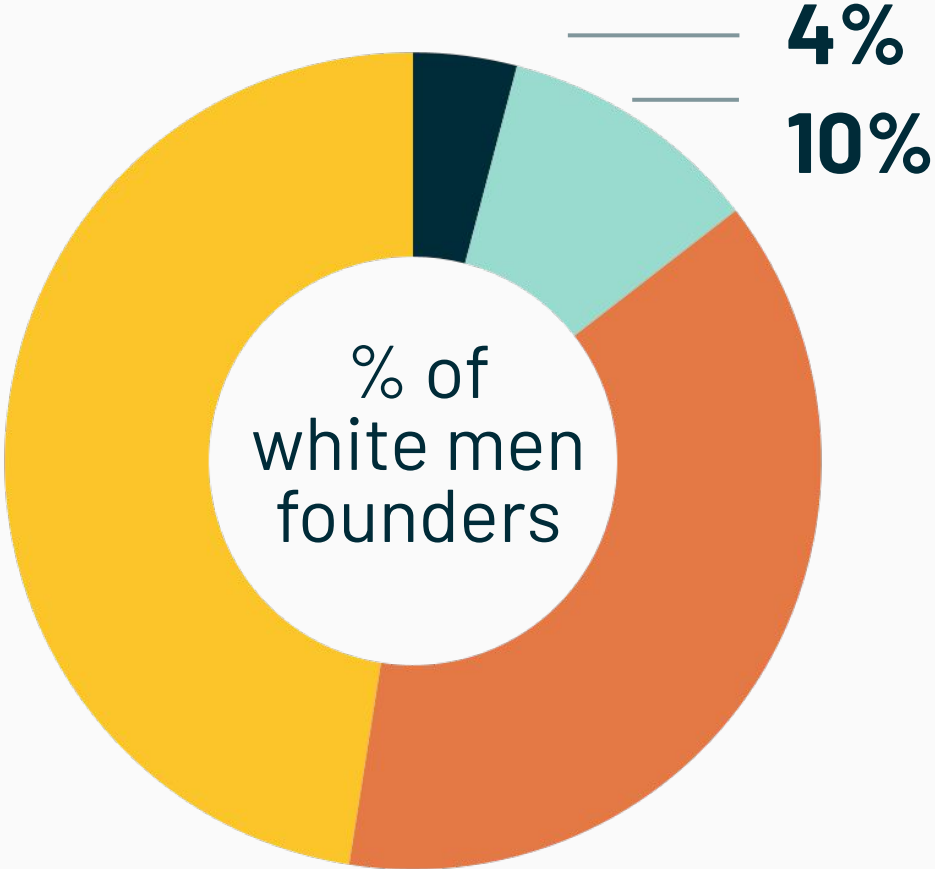
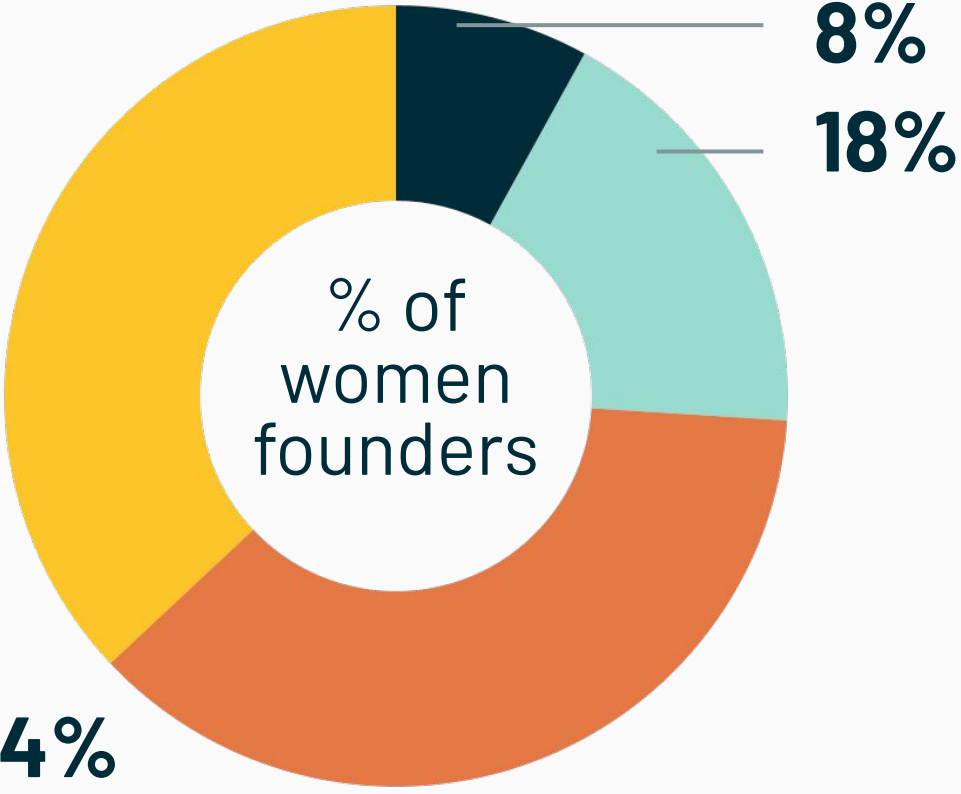
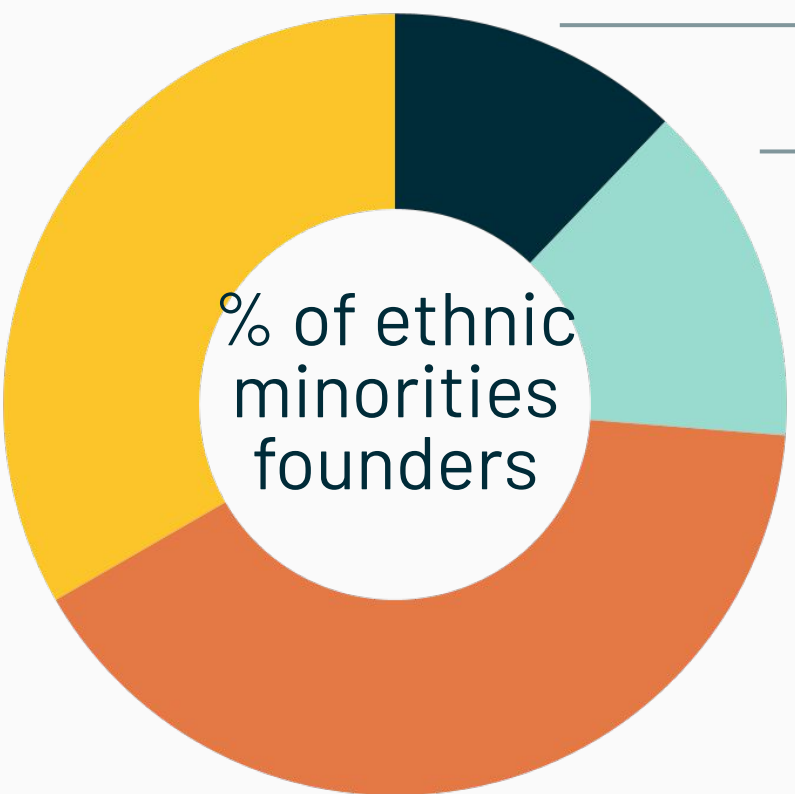
Share of capital invested for deals <\$5M by region



It's never easy to raise capital

In your opinion, is it **easier** or **harder** to raise venture capital in Europe than it was 12 months ago?

- Much harder
- Somewhat harder
- Unchanged
- Easier

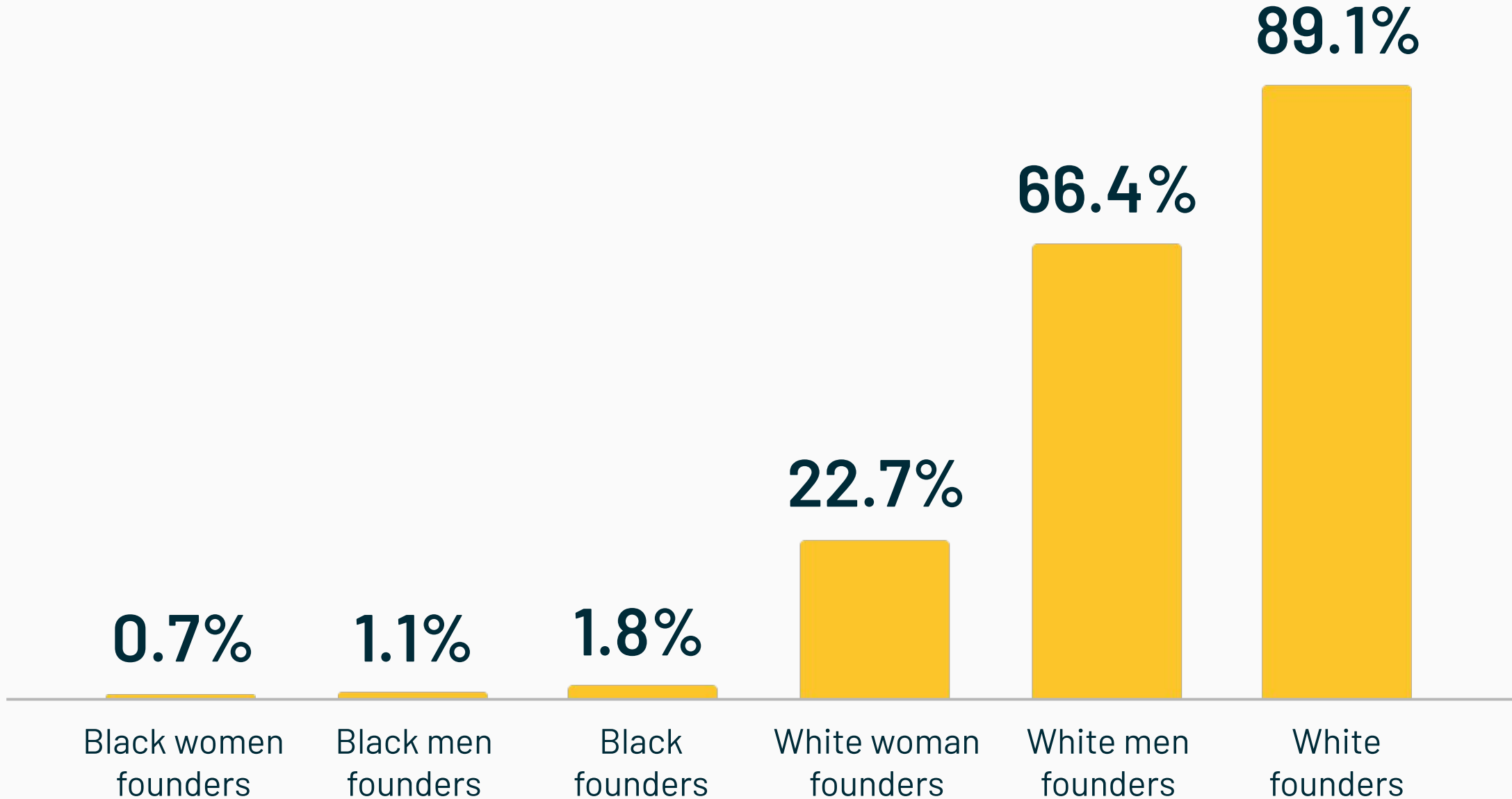


Source:
The State of European Tech
Survey

Note:
Founders only. Numbers do not add to 100 as respondents selected up to three options.

Expanding the talent addressable market

Share of total capital raised to date (pro-rated) by companies who raised a round since January 2020 in Europe



Source:

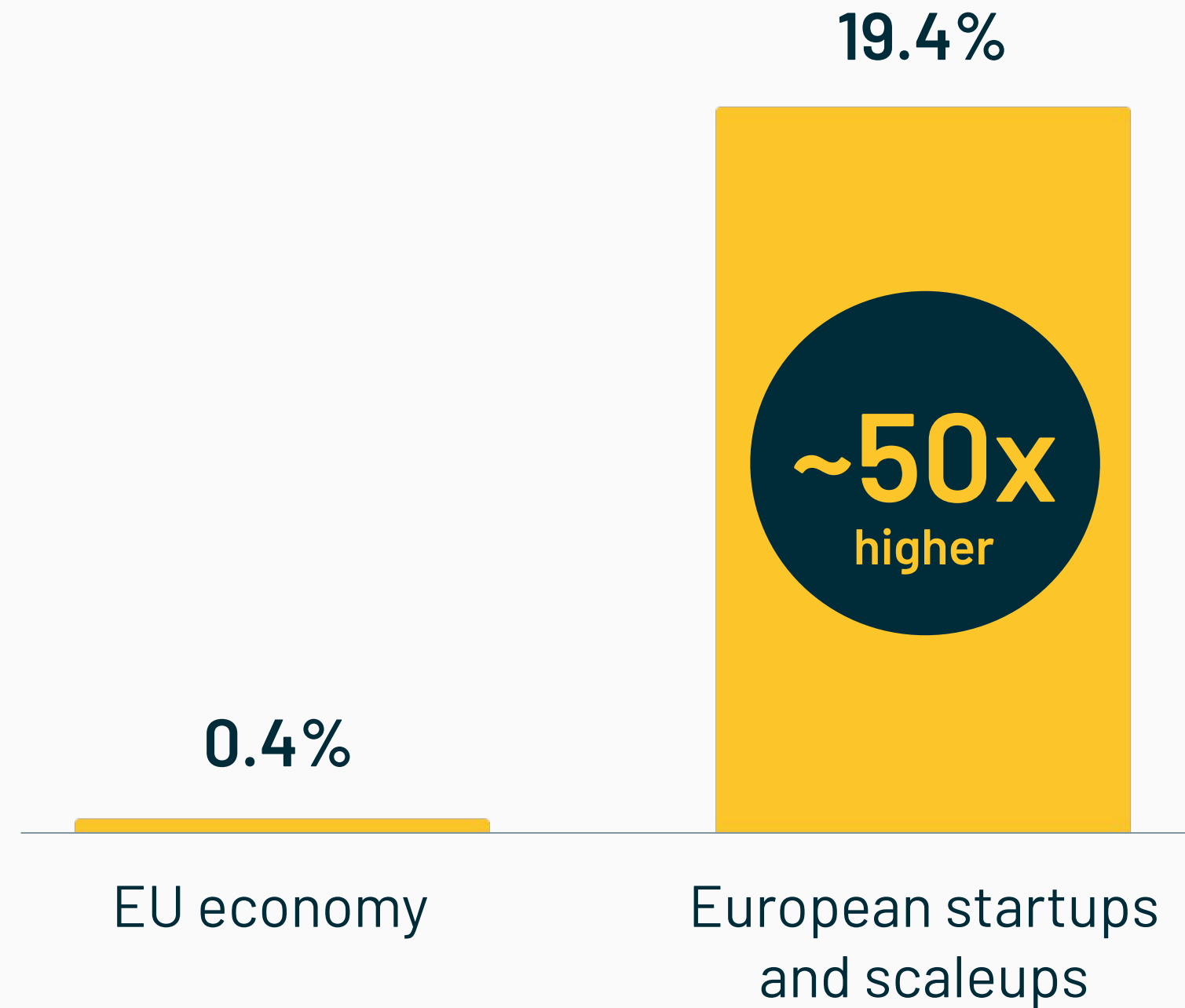


Note:

Based on Extend Ventures analysis of a sample of 4,684 tech companies headquartered in Europe that have raised more than \$2M of total funding since 1st of January 2020.

Tech is the engine for European growth

Employment growth rate (%), 2021 versus 2019



Source:



Note:

Europe employment growth rate sourced from EuroStat.
Start-up employment data sourced from Dealroom.

The greatest challenges facing European tech



What if anything do you see as **the greatest challenge** facing the European tech ecosystem in the next 12 months?



29%

Funding



21%

Regulation



18%

Talent

Young, talented women leaders

- Men
- Women

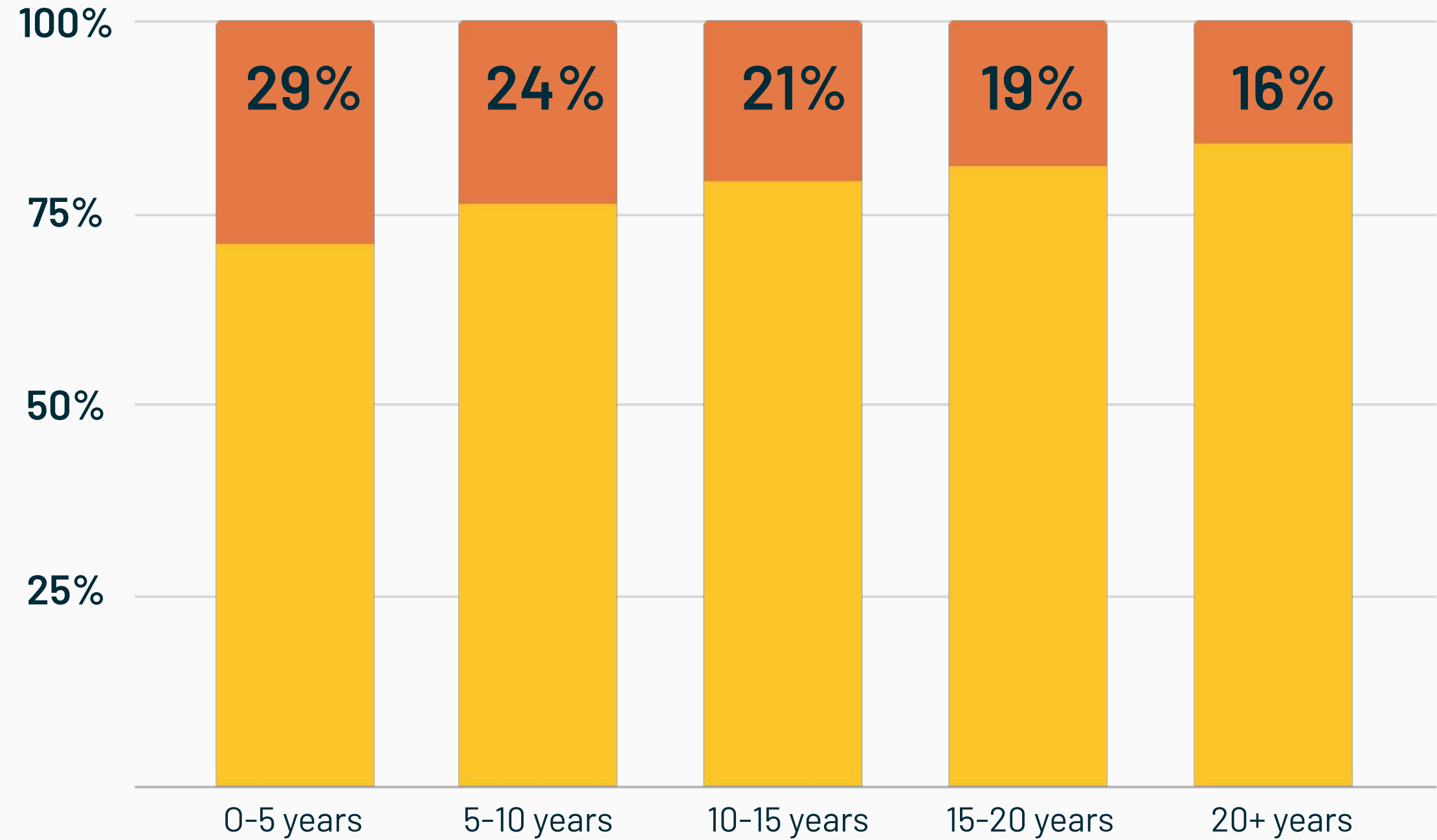
Source:



Note:

Based on Dealroom's subset of 11,000 unique leaders as defined in the methodology with perceived gender attribute

Share of leaders by gender and years of experience



European entrepreneurs are shaping their own path

Better ideas, better companies



Moonshots



011h



BIONTECH



Carbo Culture



Destinus



Dioxyde



einride



Exscientia



H2green steel



healx



Heart Aerospace



ICEYE



LabGenius



LILIUM



MANNA



MOSA Meat



northvolt



RENAISSANCE FUSION



SPINNOVA



newcleo

Crypto on 🔥



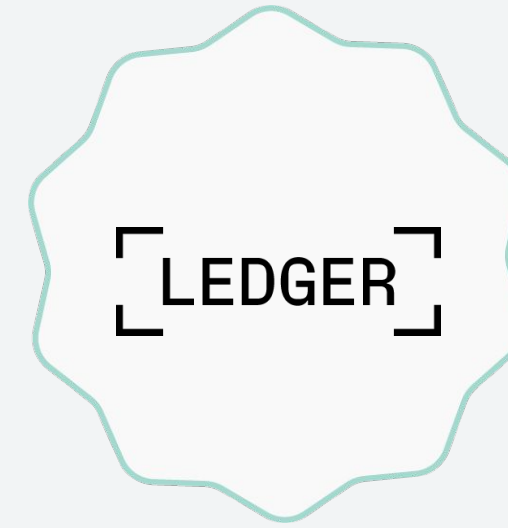
Blockchain.com



Celsius Network



Sorare



Ledger



Bitpanda



Chainalysis



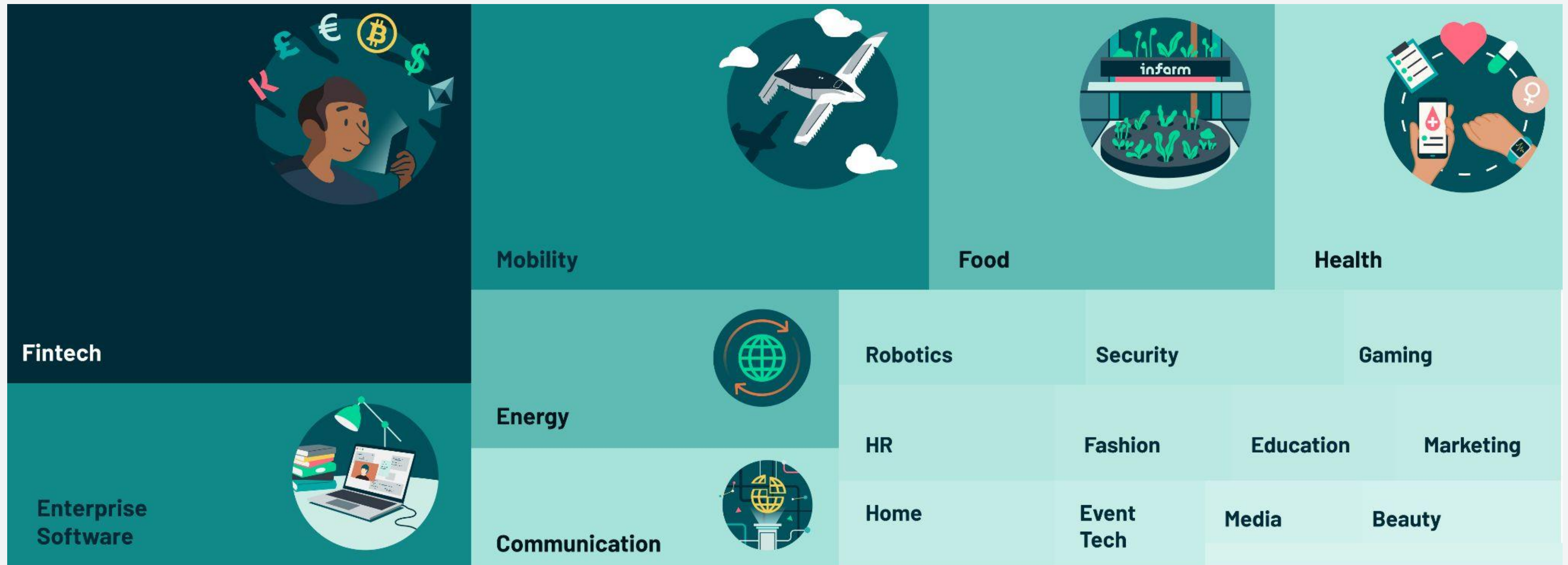
Bitfury



Dfinity

Fintech leading the pack

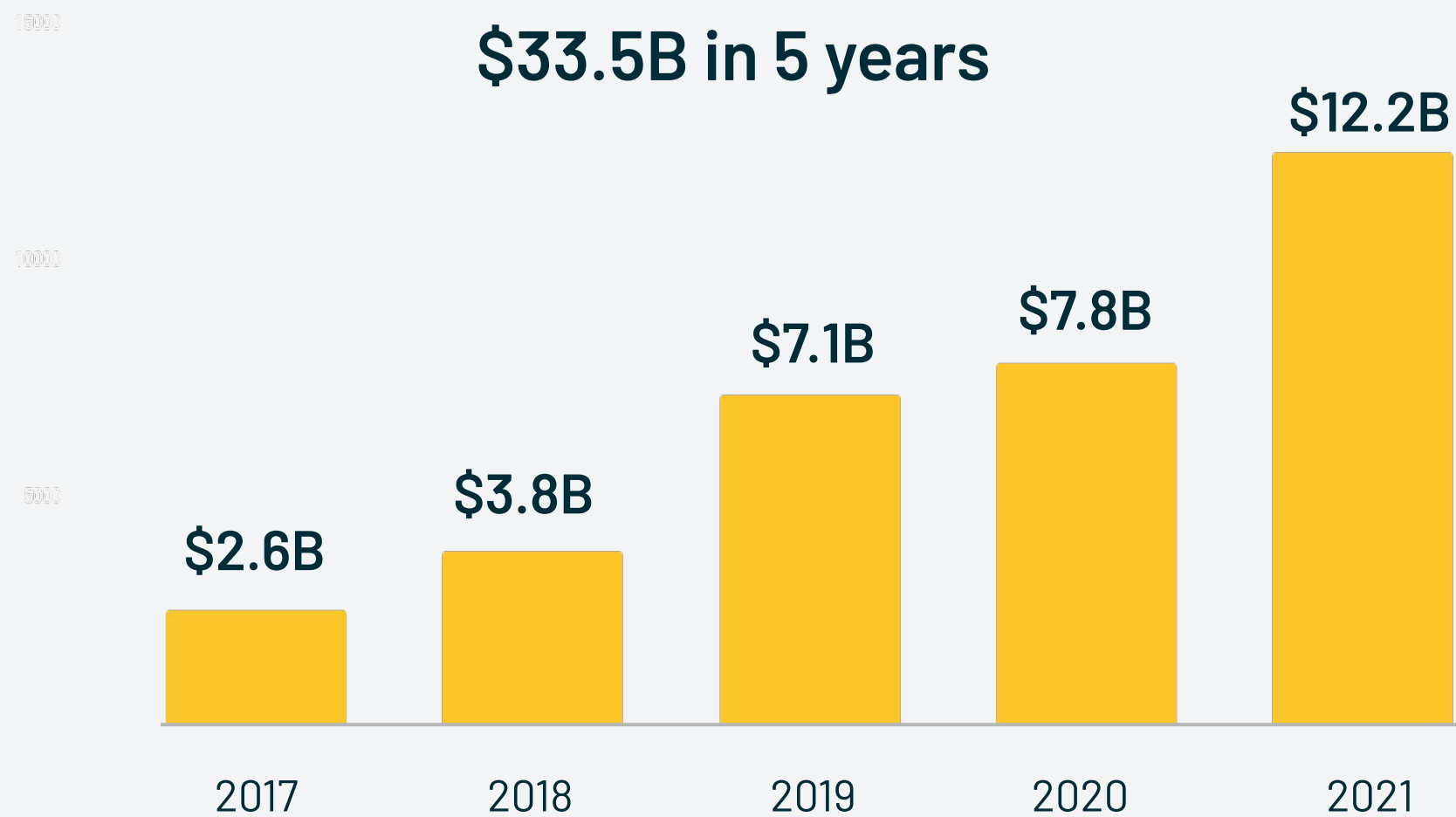
Absolute change by industry vertical of capital invested (\$M), 2020 versus 2021



Impact matters

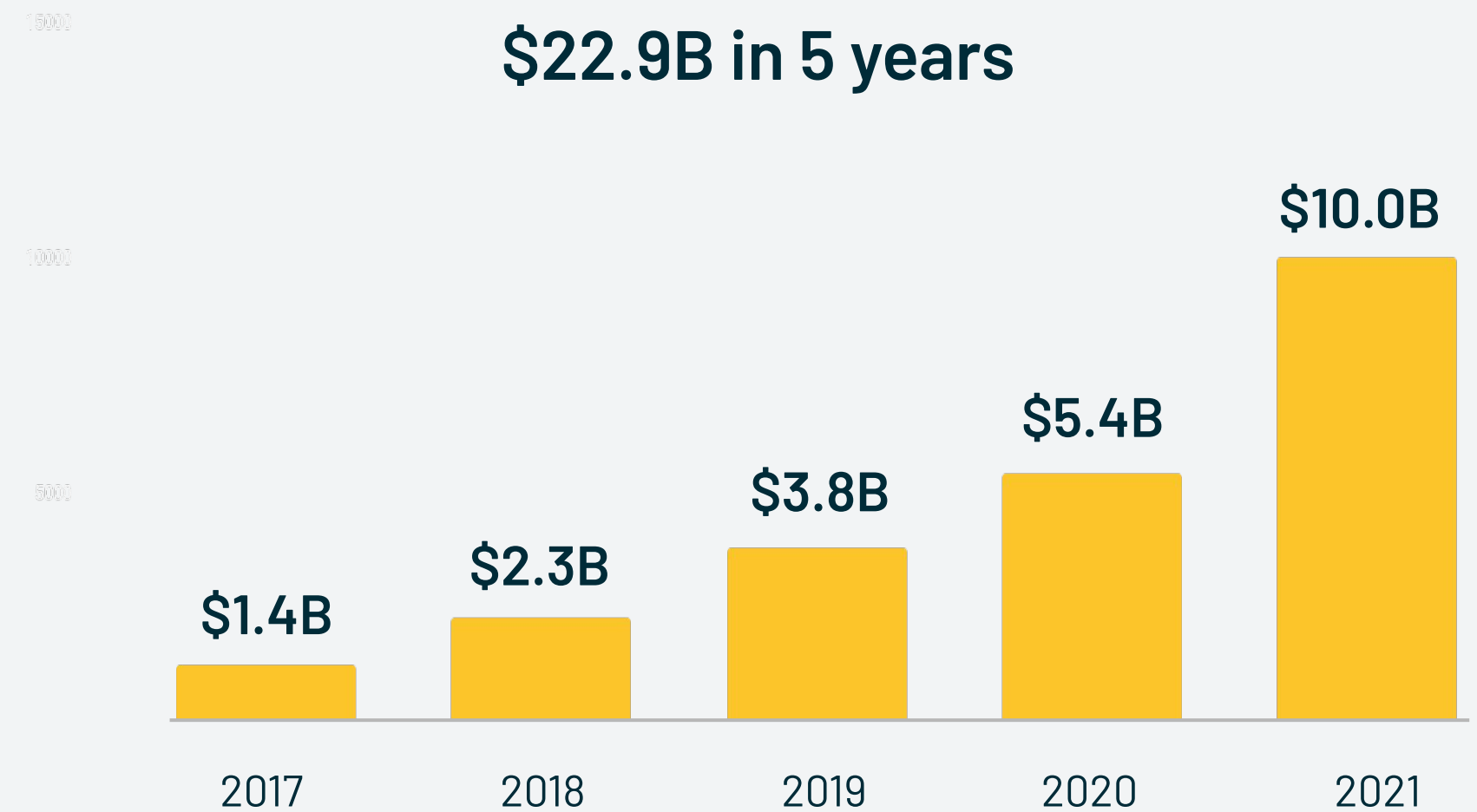
Purpose-driven investments (\$B) in Europe

\$33.5B in 5 years



Planet Positive investments (\$B) in Europe

\$22.9B in 5 years



Investing in Europe is more attractive than ever

World-class investors



Stellar returns

- Developed Europe VC
- US VC
- Developed Europe PE
- MSCI Europe

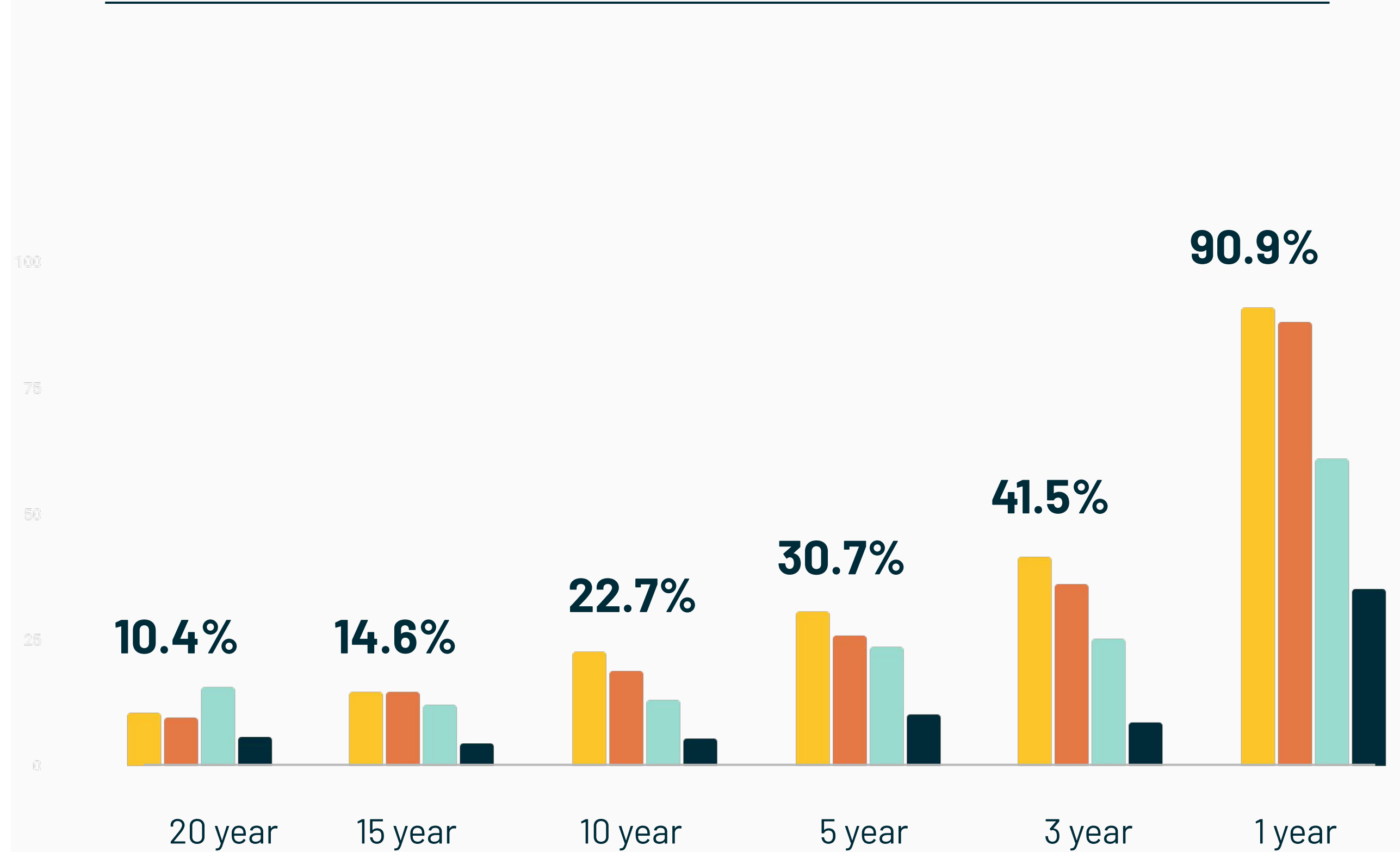
Source:



Note:

Data is as of 30 June 2021.

Horizon pooled return (net) by fund index



European institutional investor allocations to VC are tiny

- Venture
- Buyout

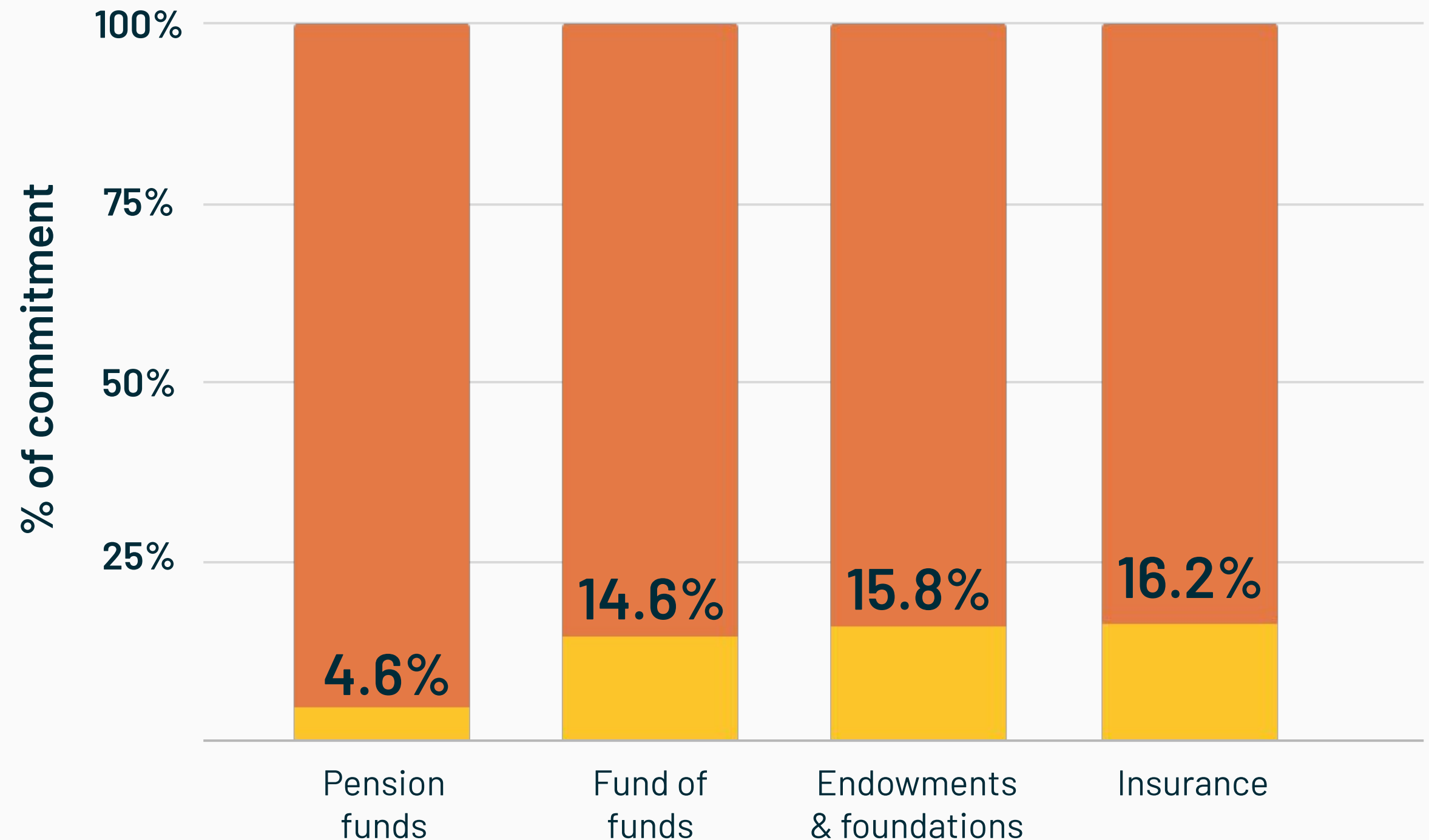
Source:



Note:

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

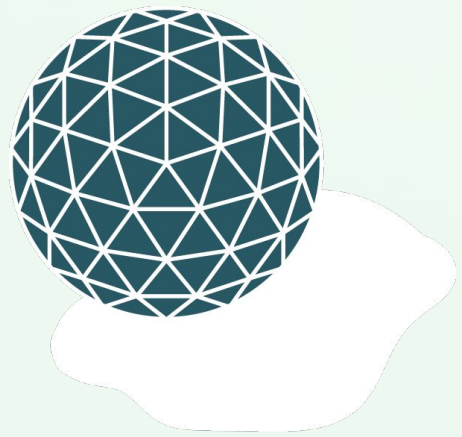
Share of total commitments to European Buyout and VC funds by LP type, 2020



Outcomes exceed expectations in private and public markets

Extraordinary outcomes





Liquid capital markets



\$100B+

M&A

\$110B+

IPOs and direct listings

\$62B+

SPACs



A huge upside potential

- Global GDP
- Global non-tech market cap
- Global tech market cap

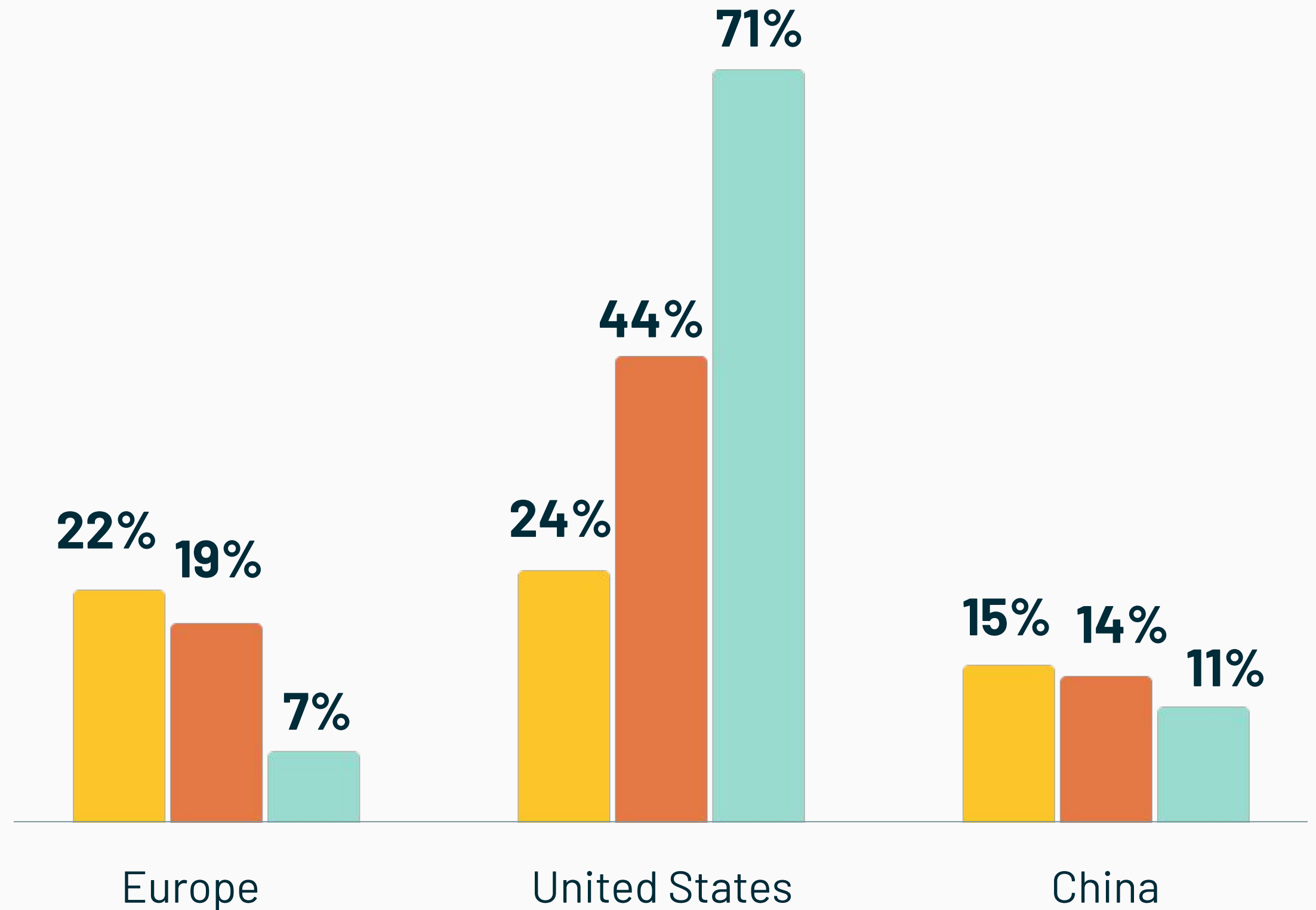
Source:

S&P Global

Note:

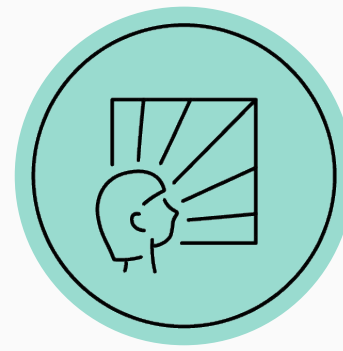
S&P Capital IQ Platform, as of date 15 November 2021, for illustrative purposes only. GDP data from World Bank.

Share of global GDP, global non-tech and tech market cap (%) by region in 2021



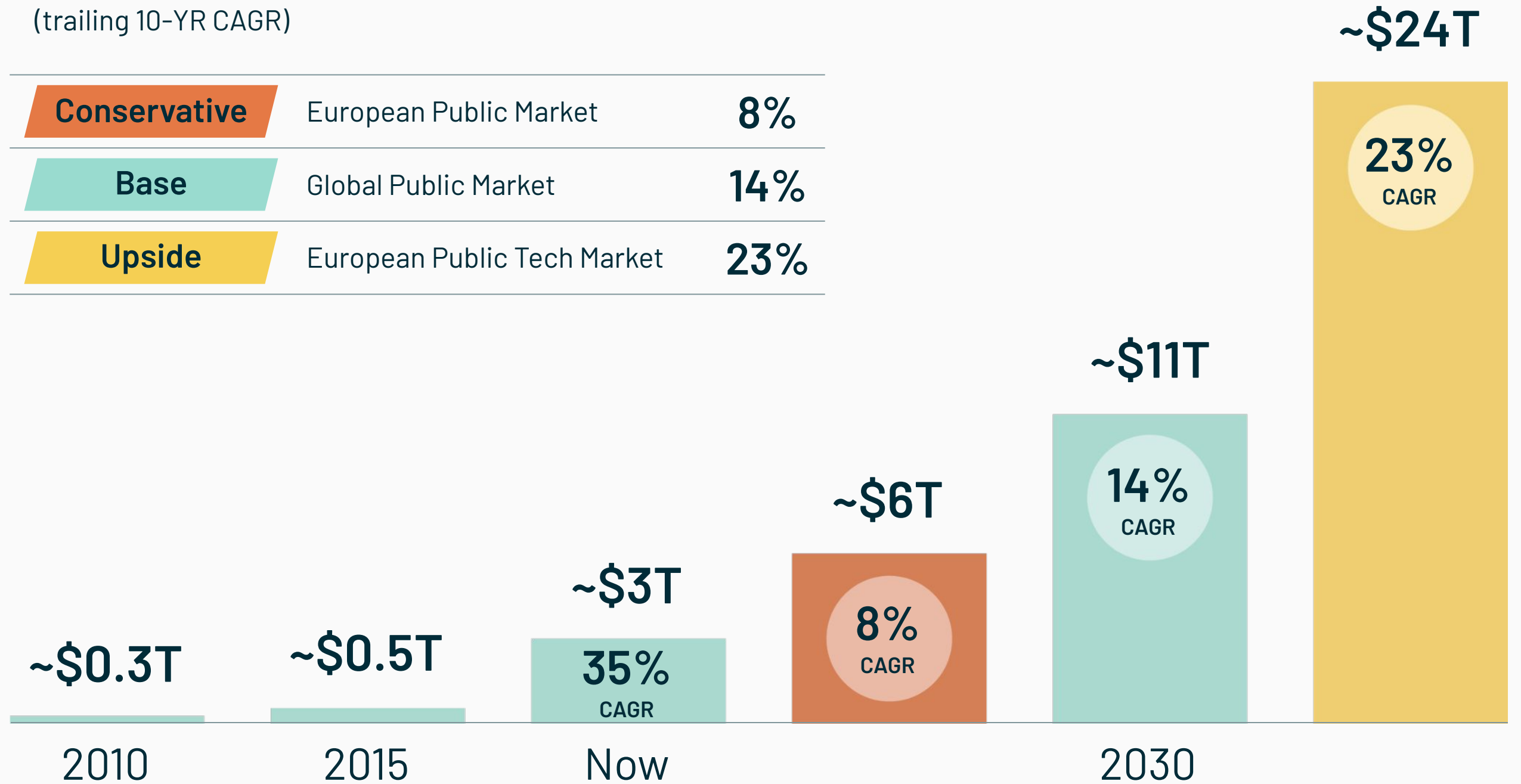
A path to \$10 trillion in the next decade

The path to \$10 trillion of total European tech ecosystem value and beyond



Benchmark Growth Rate
(trailing 10-YR CAGR)

Conservative	European Public Market	8%
Base	Global Public Market	14%
Upside	European Public Tech Market	23%



Source:

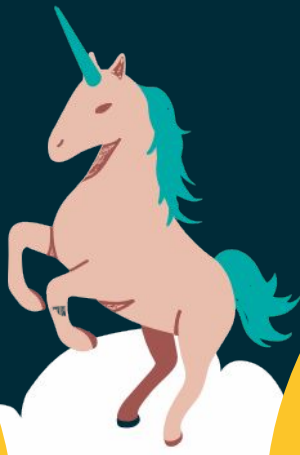
The State of European Tech
Survey

Note:

Founders only. Numbers do not add to 100 as respondents selected up to three options.



OVER
400
CHARTS



OVER
100
QUOTES



One groundbreaking year



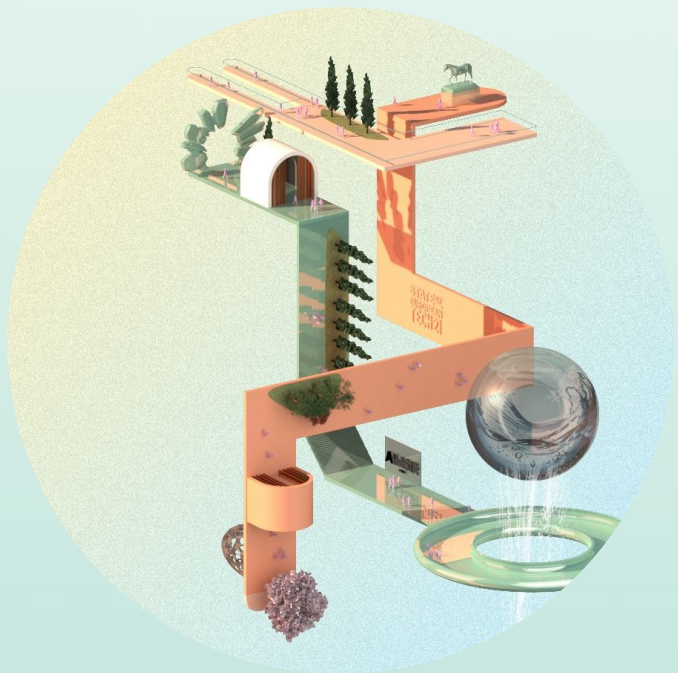
Thank you



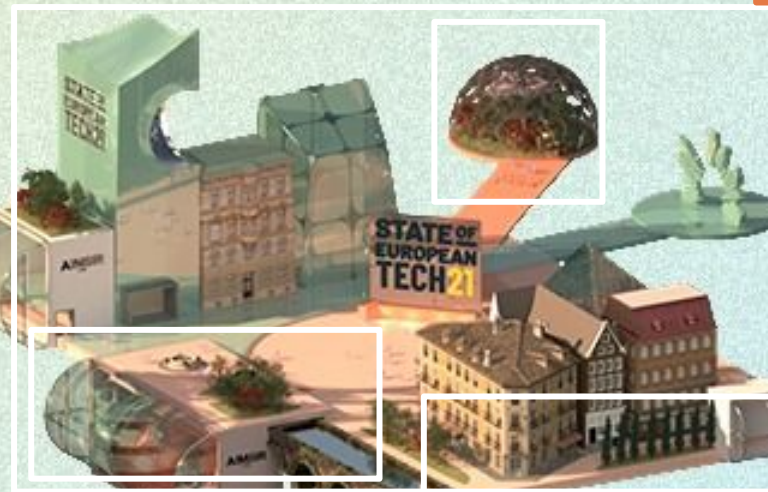
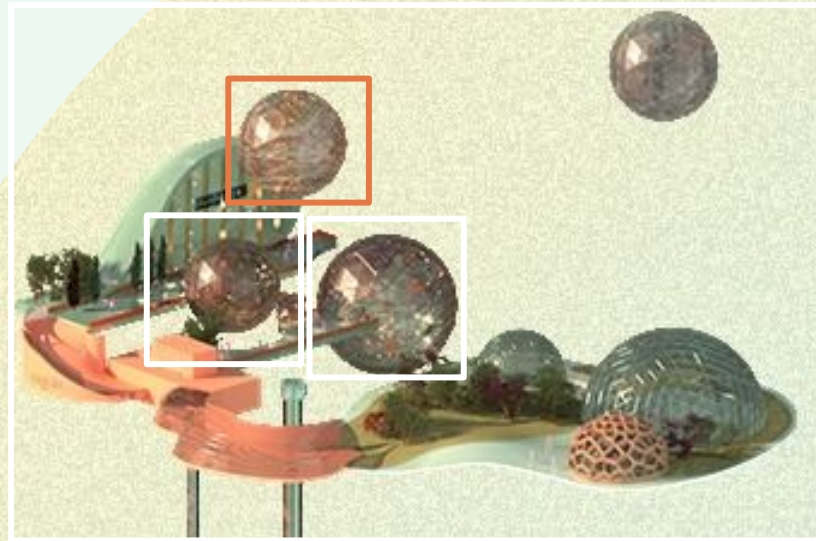
The European Tech Flywheel NFT Collection



The Moonshot Launchpad



The Pipeline



Full collection on
OpenSea



AIMSIR
LONDON

STATE ^{OF} EUROPEAN TECH21

The definitive take on European tech

stateofeuropeantech.com

The European Flywheel Collection

The Idea Factory



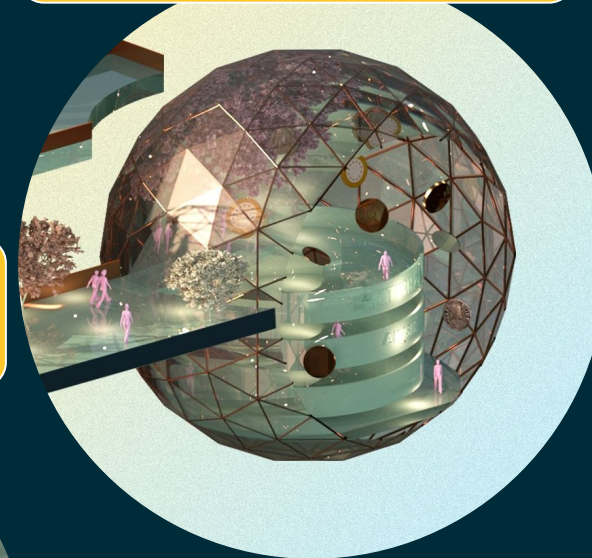
The SoET stage



The Planet Positive Pod



The Crypto Maze



The Moonshot Launchpad



The Seed Farm



The Talent Express



The pipeline



Founder Island



The Liquidity Waterfall

