

The Greek Start-Up Scene

*High caliber Greek
Start-Up Ecosystem
Ripe for Investment*



June 2019

 **ENTERPRISE GREECE**
INVEST & TRADE

The Greek Start-Up Ecosystem (I)

- **Greek startup ecosystem** was brought into the spotlight during the financial crisis and it keeps **growing** ever since
- The last years the **Greek startup scene** saw a stage of **consolidation** with **new successes** and a lot of **balancing out**
- Greece is home to many **aspiring entrepreneurs** who are working on **promising new ideas and innovative business models**

The **size** of Greek startups is not easily **measurable**. It is estimated around **2000 startups**

According to **AngelList**, a social network for startups and investors there are recorded:

- ✓ **562 startups**
- ✓ **2807 investors**

Additionally, according to **F6S** an other social network for startups and investors there are recorded:

- ✓ **925 startups**

The Greek Start-Up Ecosystem (II)

500+ Startups¹



~20 Incubators & Accelerators

~10 Venture Funds



1. List encompasses startups at all stage of lifecycle, from pre-seed to acquired (i.e. Workable)
Note: Images not exhaustive

Recent developments for the Greek Start-Up Ecosystem

*Several developments within **2018** demonstrate the progress that is happening in Greece on the **innovation** front and set a **promising path** towards a **technologically fueled economic growth***

- ✓ **Athens** was awarded the title of the **European Capital of Innovation 2018** and received a **€1 million prize** by the EU research and innovation programme Horizon 2020. Barcelona (2014), Amsterdam (2016) and Paris (2017) received the prize in the recent past
- ✓ The **EIT Innovators award** was won by a startup developing **ADPS (Alzheimer's Disease Prediction Service)**, led by the Greek Ioannis Tarnanas (supported by EIT Health)
- ✓ In 2018 global leading companies chose to invest in Greek services and products. **Tesla** established Tesla Greece, based at the **Lefkippos Technological Park of the National Center for Scientific Research (NCSR) Demokritos**

The main characteristics (I)

- Most of the Greek startups operate on the **Industrial Technology / Production Hardware category (17.1%)** and their business model is **“mainly B2B with some B2C” (20%)**, followed by **“mainly B2B” (17.1%)** and **“mainly B2C with some B2B” (17.1%)**
- Greece presents a high degree of **internationalization (43.8%)**
- Out of the startups that are already having some revenue, the **majority (71.5%)** are earning **up to €50,000**, holding the **lowest position** among European countries overall. Another **14.3%** earned **€50,000-€150,000** and **14.3%** had an annual revenue of **€150,000-€500,000** in the past year



The main characteristics (II)

- Greeks have a **strong tendency** towards entrepreneurship
- In the years following the Greek crisis, entrepreneurship in Greece has emerged as a key lever for **growth restoration and job creation**
- The domestic IT sector (SMEs and larger enterprises) contributes **value added of €830 million, of which approximately ¼ concerns companies integrated in clusters and startups.**
- According to NBG estimates (taking into account the value that private investment funds attribute to Greek startups), the value added of the IT sector may **top €1.8 billion in 2020**, offering circa 20,000 new jobs – the key growth vehicles being startups and cluster enterprises, which account for $\frac{3}{4}$ of the increase.



Greece is a favorable market for investment

- ✓ Greece has a **highly educated talent pool: 42th** out of 126 countries in the Global Innovation Index 2018 (**2nd** in Tertiary enrolment, % gross, **11th** in Graduates in science & engineering)
- ✓ Most Greeks are fluent **English** speakers
- ✓ Situated at the crossroads of **Europe, Asia and Africa**, Greece is surrounded by major markets and it is part of the European Union
- ✓ Several **Start-Up Support organizations** (incubators, accelerators and co-working spaces)
- ✓ Properties and wages are **low** compared to the rest of the Eurozone
- ✓ It has also **excellent living conditions**: mild temperatures and a low crime rate



Greece ranks 57th among 140 countries

THE GLOBAL COMPETITIVENESS REPORT 2018

Greece

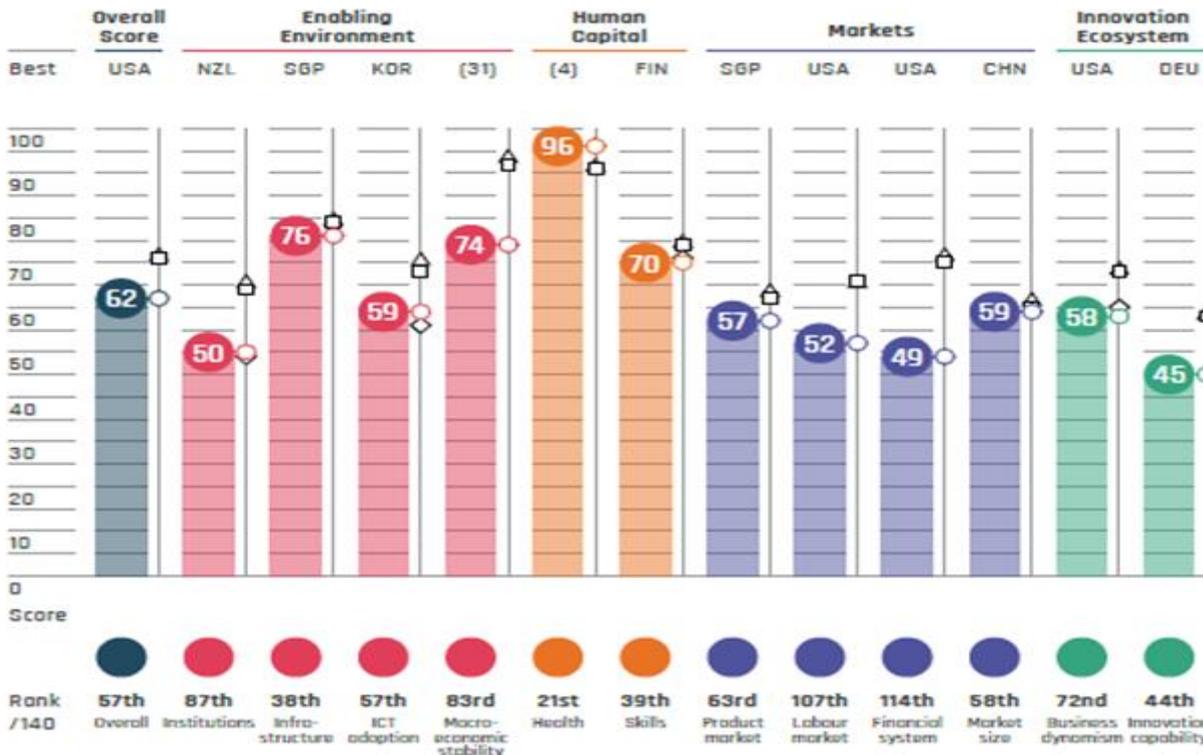
57th / 140

Global Competitiveness Index 4.0 2018 edition

Rank in 2017 edition: 53rd / 135

Performance Overview 2018

Key ◊ Previous edition ▲ High income group average □ Europe and North America average



Source: World Economic Forum

Greece ranks...

Greece ranks:

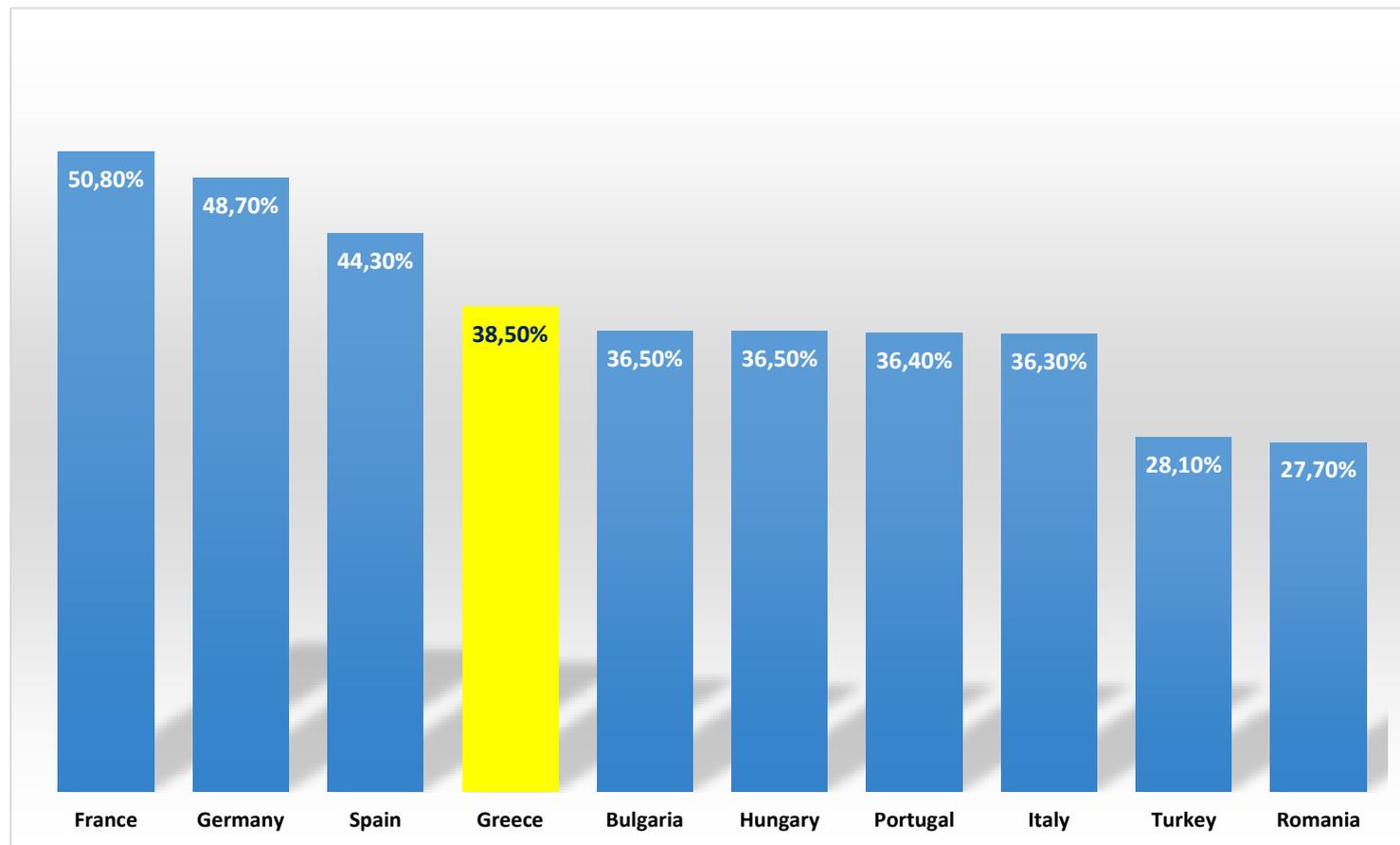
- **38th** position out of 176 countries according to the ICT Development Index (IDI) 2017, maintaining the same position with 2016. The total score of Greece in all sub-indexes is **7.23**
- **87th** out of 137 countries in the Global Competitiveness Index 2017-2018
 - **44th** in Higher Education & Training
 - **50th** in Technological Readiness
 - **58th** in Market Size
- **42th** out of 126 countries in the Global Innovation Index 2018
 - **2nd** in Tertiary enrolment, % gross
 - **11th** in Graduates in science & engineering



Athens ranks **28th** in the Global City Talent Competitiveness Index 2018 among 90 cities (**Singapore** ranks **33rd**)

Among the European leaders in science & technology workforce

Human resources in science and technology as a share of the active population



Source: Eurostat, Science & technology statistics 2017

Athens moved ranks higher in the most important category of “Founders’ Choice”

- ✓ Within **2018**, Athens was selected by **1.67%** founders in Europe, which placed it in the **32nd** position overall. 52% of the votes for Athens originated from the Mediterranean region and 31% from the UK
- ✓ **88%** of founders who voted for Athens mentioned “**Value for money**” as the most popular factor, followed by **Talent availability**

ORIGIN OF FOUNDERS VOTING FOR ATHENS BY REGION	
Rank 2018	32
BeNeLux	7%
Baltic	1%
Mediterranean	52%
West Europe	10%
Central and Eastern Europe	0%
Non-EU	0%
UK and Ireland	31%

Source: Startup Heatmap Europe

OVERALL APPROVAL RATINGS	
City	Athens
Funding availability	41%
Business regulations	12%
Talent availability	59%
Industry connections	41%
Startup ecosystem & culture	35%
Value for money	88%

Source: Startup Heatmap Europe

Co-working spaces

Co-working spaces are offering cheaper alternatives to offices for bootstrapping startups and accompanying services such as the network of people and connections inside the community. Some of the most well-known co-working spaces are the following:

- ✓ **The Cube**
- ✓ **Found.ation**
- ✓ **Orange Grove**
- ✓ **Impact Hub Athens**
- ✓ **Stone Soup**
- ✓ **Romantso**
- ✓ **HIGGS**



Incubators, Accelerators

Accelerators and incubators are important parts of every startup ecosystem, but the distinction between the two is often unclear. In Greece, there are only a few accelerators that act strictly as so, and the same goes for incubators as well. Incubators usually support startups at their early stages, while accelerators aim to advance their growth and are time specific. Below is a list of the most important organisations of Greece:

- ✓ **Metavallon**
- ✓ **Startech Ventures**
- ✓ **Venture Garden**
- ✓ **Stage Two**
- ✓ **Iqbility**
- ✓ **EGG (enter•go•grow) by Eurobank**
- ✓ **Corallia**
- ✓ **Technology Park “Lefkippos”**
- ✓ **Thessaloniki Technology Park**
- ✓ **VIVA Nest**
- ✓ **Athens Digital Lab**
- ✓ **Innovathens**
- ✓ **Athens Centre for Entrepreneurship and Innovation (Aceln)**
- ✓ **The Athens Startup Business Incubator (Th.E.A.)**



Other supporting mechanisms

Angel Investors:

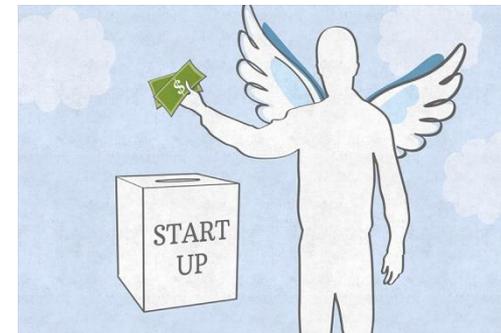
- [EVEA Business Angels Network](#)
- [Angels Group by StartTech Ventures Incubation Fund](#)
- [AngelList or CrunchBase \(portfolio of Greek or Greek-origin private investors\)](#)

Venture Capital Investors that support the Greek startups :

- [Openfund II](#)
- [Piraeus Jeremie Tech Catalyst Fund](#)
- [Elikonos Jeremie Sicar](#)
- [Odyssey Venture Partners](#)
- [Fundbox Capital](#)
- [NBG Business Seeds](#)



+ Equifund



Supporting Mechanisms



openfund



BETA
STARTUPGREECE



Θερμοκοίτιδα
νεοφυλών
Επιχειρήσεων
Αθήνας



opencoffee
minds, wide open



ORANGE GROVE Athens



StartupGreece: a digital platform for information, networking and co-operation

STARTUPGREECE

StartupGreece is an information, networking and collaboration space, aimed at creating a new generation of entrepreneurs in Greece. It is supported by the Ministry of Economy, Development and Tourism and the Greek Government in collaboration with communities of young entrepreneurs.

Objectives

- promotion of entrepreneurship
- support the business ecosystem of Greece
- targeted information and an online environment for networking and developing co-operation

Recent Survey of StartUpGreece

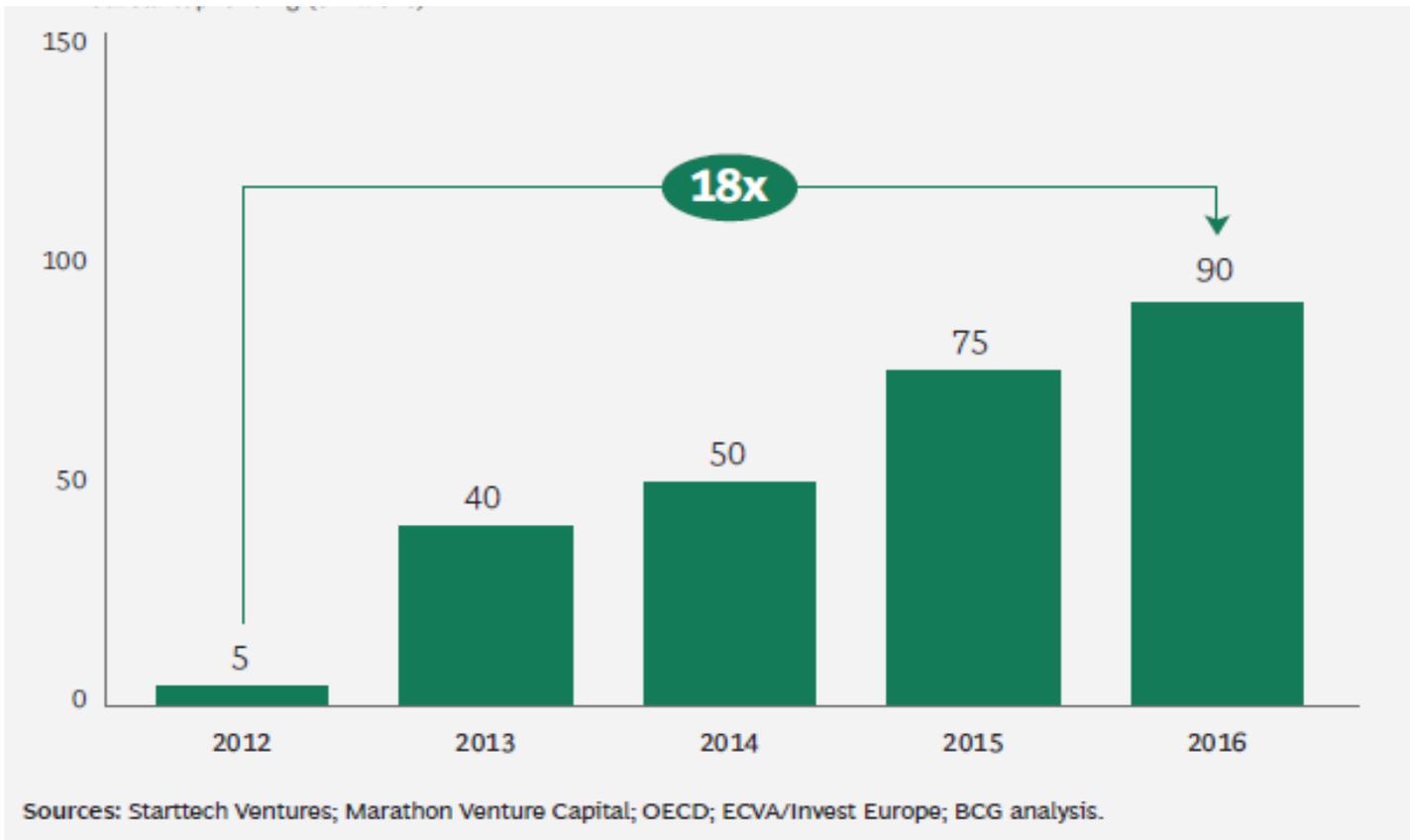
- Mapping of business needs of Greek start-ups
- The survey lasted from 21/10/2016 to 25/11/2016,
- resulted in 128 completed questionnaires from 65 existing businesses and 63 businesses at various stages of development

Support Mechanisms have created many success stories...



...more than €250mn investments since 2012

- Foreign investors have acquired majority stakes in Greek startups
- Four Greeks were in the 2017 edition of Forbes 30 under 30 and two Greeks made it to the 2018 list



Most funded Start-Ups & Exits

TOP 10 MOST FUNDED GREEK STARTUPS IN 2018

	Company	Total Funding (€ in millions)
1	Workable	43.83
2	Softomotive	21.75
3	Viva Wallet	15
4	Blueground	10.44
5	Hellas Direct	7
6	Pollfish	5.48
7	Balena (Resin.io)	4.35
8	METIS	4
9	Centaur Analytics	2.5
10	Home-Made	2

TOP 10 MOST FUNDED GREEK STARTUPS (ALL-TIME)

	Company	Total Funding (€ in millions)
1	Persado	83.6
2	Workable	73.83
3	Hellas Direct	23.8
4*	Softomotive	21.75
5	Blueground	17.38
6	Metamaterial Technologies	16.26
7	Balena (Resin.io)	15.13
8*	Viva Wallet	15
9	Book 'n' Bloom	12.55
10*	Pollfish	7.76

*New entries in 2018

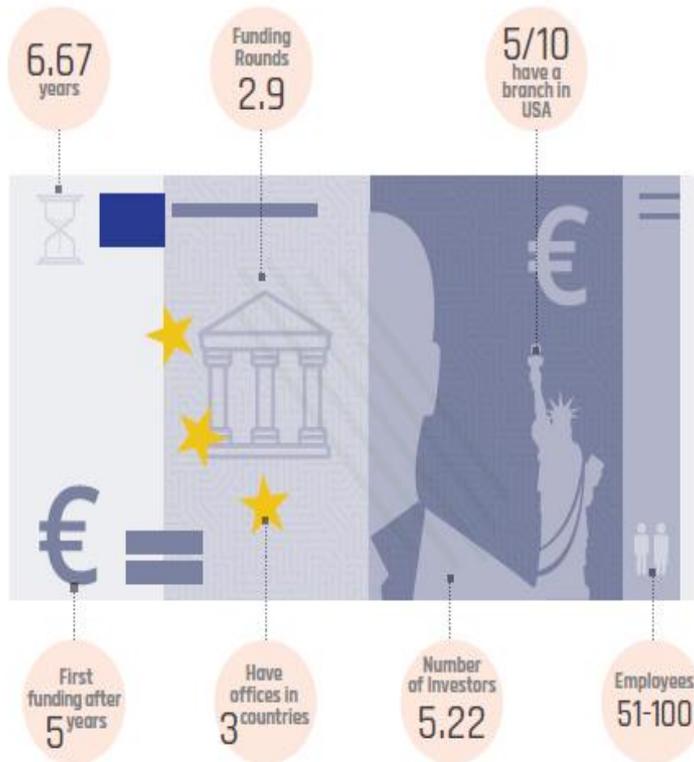
TOP 10 GREEK STARTUP EXITS (ALL-TIME)

	Company	Exit deal (€ in millions)	Exit year	Age of startup at the time of the exit (years)
1	Beat (Taxibeat)	€40.48*	2017	6
2	Innoetics	€*	2017	11
3	Avocarrat	€17.85	2016	4
4	E-food	€*	2014	3
5	Crypteia Networks	€*	2014	3
6	Quizdom	€*	2017	3
7	Antcor	€8.5*	2014	10
8	AbZorba Games	€*	2015	4
9	BugSense	€6.74	2013	2
10	ClickDelivery	€*	2015	6

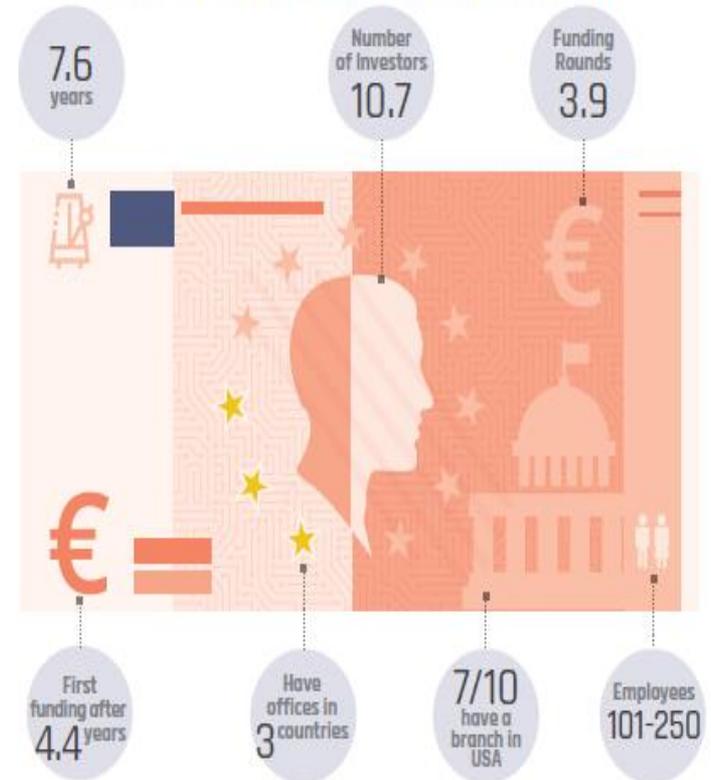
*Undisclosed amount, market estimations were taken into consideration for the ranking.

Profile of the most funded Greek startups

PROFILE OF THE 10 MOST FUNDED STARTUPS IN 2018

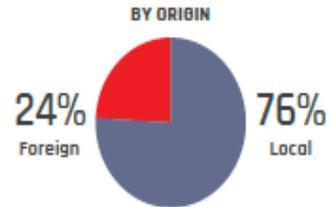
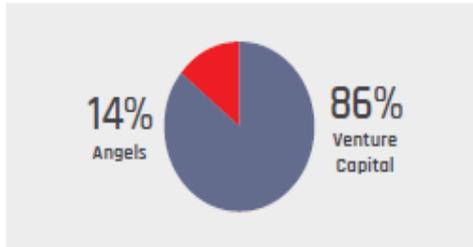


PROFILE OF THE 10 MOST FUNDED STARTUPS (ALL-TIME)

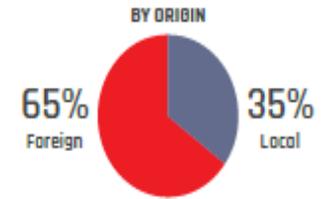
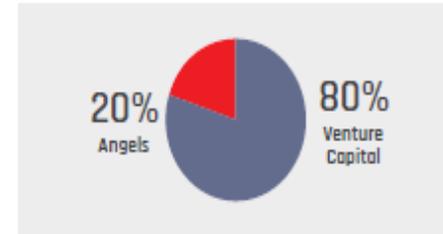


Type of investors

TYPE OF INVESTORS (2018)



TYPE OF INVESTORS (ALL-TIME)



BY VALUE OF DEALS



BY NUMBER OF DEALS



BY VALUE OF DEALS

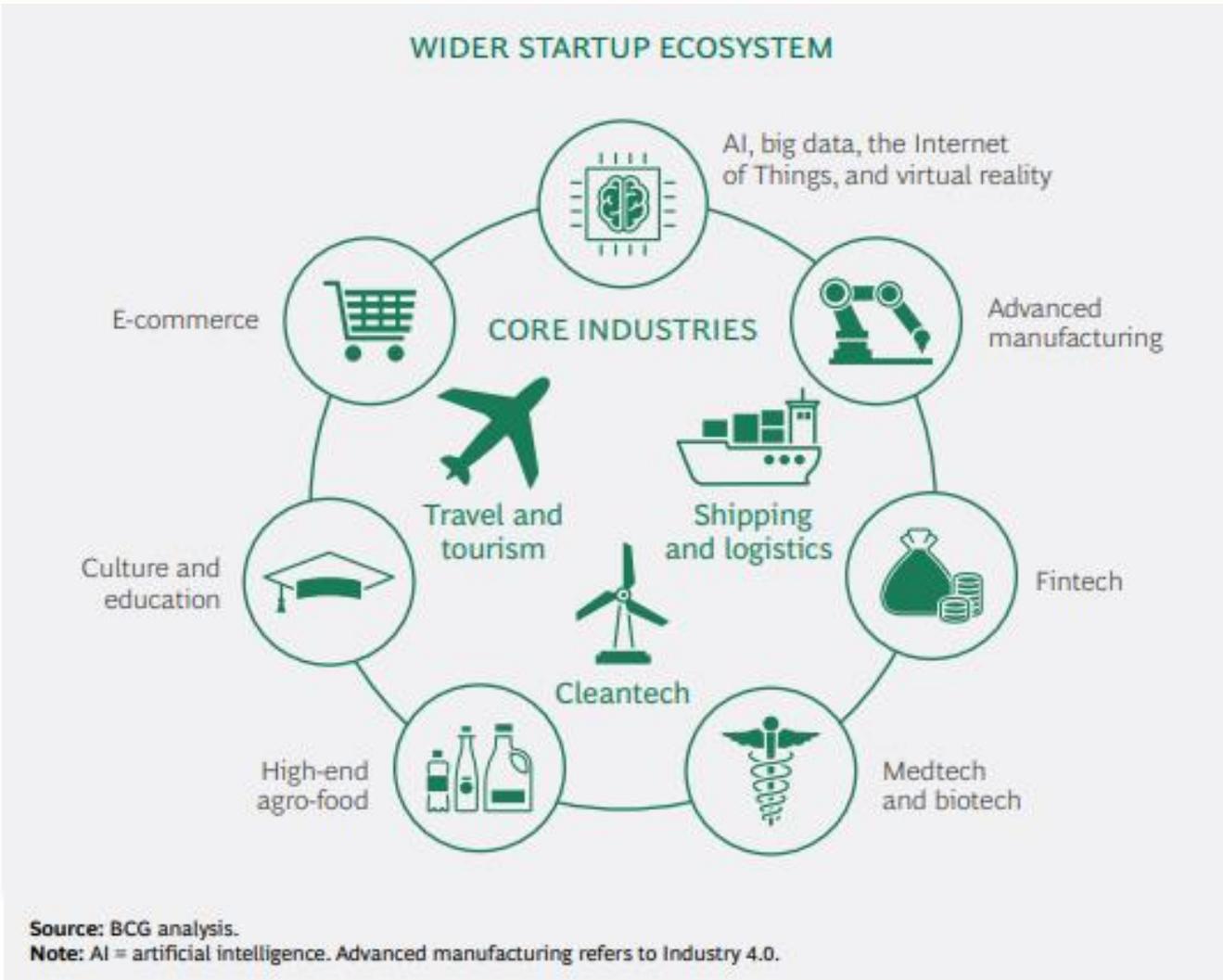


BY NUMBER OF DEALS



Based on data by Foundation

Core industries by a wider Start-Up Ecosystem



A variety of sectors

SECTOR	%
Life Sciences (HealthTech, BioTechnology, Medical Devices)	9.25%
Lifestyle/Social/Entertainment (Fashion, Sports, Gaming, Media, Social Networks)	8.22%
Tourism/Hospitality	7.93%
ICT (Software, Security, Networking, Services)	7.05%
Energy/Infrastructure (Industrial, CleanTech, SmartCities, Telecommunications)	6.31%
Deep tech (Aerospace, Automation, Robotics, Semiconductors, Nanotechnology)	6.02%
FinTech	5.87%
Agro/Food	5.73%
Retail/eCommerce	5.43%
Logistics/Transportation	4.41%
BigData/Analytics	3.96%
AdTech/MarTech	3.67%
EdTech	3.38%
MaritimeTech	3.23%
HRTech	2.94%
Business Services	2.94%
RegTech/InsurTech	2.64%
IoT	2.64%
AR/VR	1.76%
Other	6.61%

The Funding tools (I):Equifund

Equifund: a fund-of-funds to support innovation and SMEs

- A new fund-of-funds programme, created by the Greek ministry of Economy and Development in cooperation with the European Investment Fund (EIF) to provide small and medium-sized enterprises (SMEs) with the private equity and venture capital ecosystem they need in order to thrive
- EquiFund aims to strengthen the venture capital market in Greece, to provide entrepreneurs with the crucial financing they need to grow their businesses (and attract private sector investment)
- Its goal is to attract private investment at all stages of entrepreneurship, from start-ups to mature expansion companies



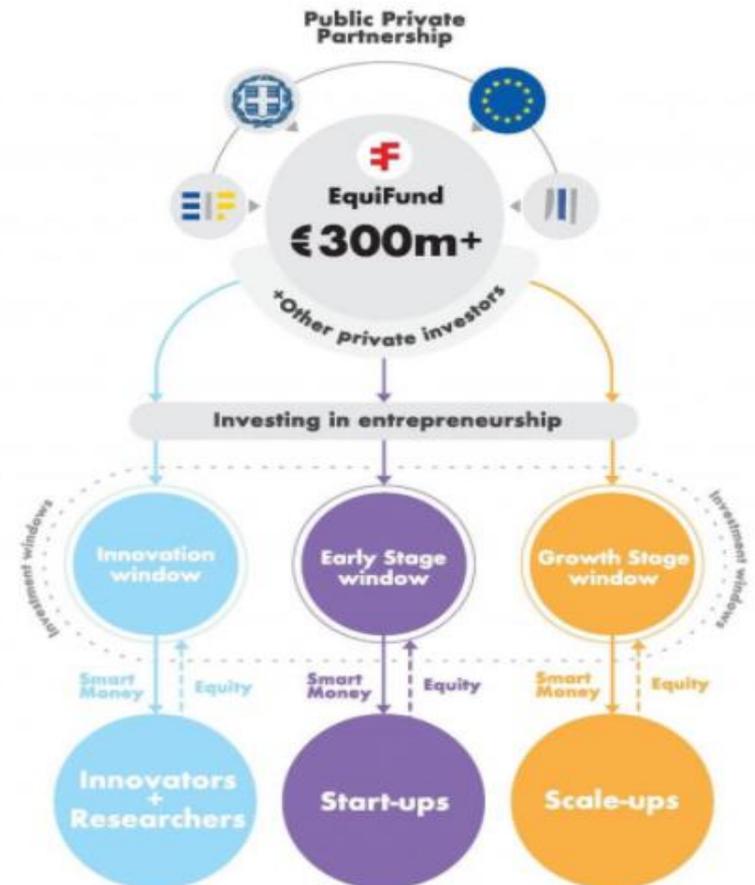
The Funding tools (I): Equifund

Equifund was launched with:

- ✓ **200 million euro** from European and national funds
- ✓ **60 million** from the European Investment Fund
- ✓ **40 million** from the European Investment Bank European Fund for Strategic Investments, the core of the so-called 'Juncker Plan' and
- ✓ another **100 million** is calculated to receive from other private investors.

In total, **500 million euro** is expected to be deployed in the **period 2018-2023 in venture capital investing**

From the **€215m** available in the Innovation and Early Stage Windows, only **€13m** approx. have been invested so far



Equifund: The funds



uni.fund
MAKE IT HAPPEN

big pi

METAVALLON

VELOCITY

PARTNERS



MARATHON



EOS
capital partners

Innovation window for innovators & researchers

- ✓ Big Pi Ventures (www.bigpi.vc) (€50M TO MANAGE)
- ✓ Metavallon (www.metavallon.vc) (€32M TO MANAGE)
- ✓ Velocity.Partners (www.velocitypartners.vc) (€24M TO MANAGE)
- ✓ Uni.fund (www.uni.fund) (€27M TO MANAGE)

Early Stage window for start-ups

- ✓ Marathon VC (www.marathon.vc) (€32M TO MANAGE)
- ✓ VentureFriends 400W (www.venturefriends.vc) (€50M TO MANAGE)

Growth Stage Window for scale-ups

- ✓ Eikonos 2 (www.elikonos.com) (€60M TO MANAGE)
- ✓ EOS Capital Partners (www.eoscapitalpartners.com) (€100M TO MANAGE)
- ✓ Synergia Hellenic Fund IV (www.synergiahellenicfund4.com) (€50M TO MANAGE)

 **VentureFriends**



Synergia
Hellenic Fund IV

Eikonos
GENERAL PARTNERS

Equifund: The funds



uni.fund
MAKE IT HAPPEN

big pi

METAVALLON



Innovation window for innovators & researchers

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MARATHON



Growth Stage Window for scale-ups

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Synergia
Hellenic Fund IV



The Funding tools (II)

➤ Another alternative source of funding is the **EU Horizon 2020** project which includes ICT actions of **€9 billion**

➤ The **Digital Single Market** – one of the EU's priorities – holds out significant prospects: it is expected to have a beneficial impact, both directly, through infrastructure investments totalling **€21.4 billion**, and indirectly, as according to estimates the **Digital Single Market** should contribute **€415 billion** per year to the European economy.



COMMISSION PRIORITY

Digital Single Market

National Research and Innovation Strategy for Smart Specialization 2014-2020

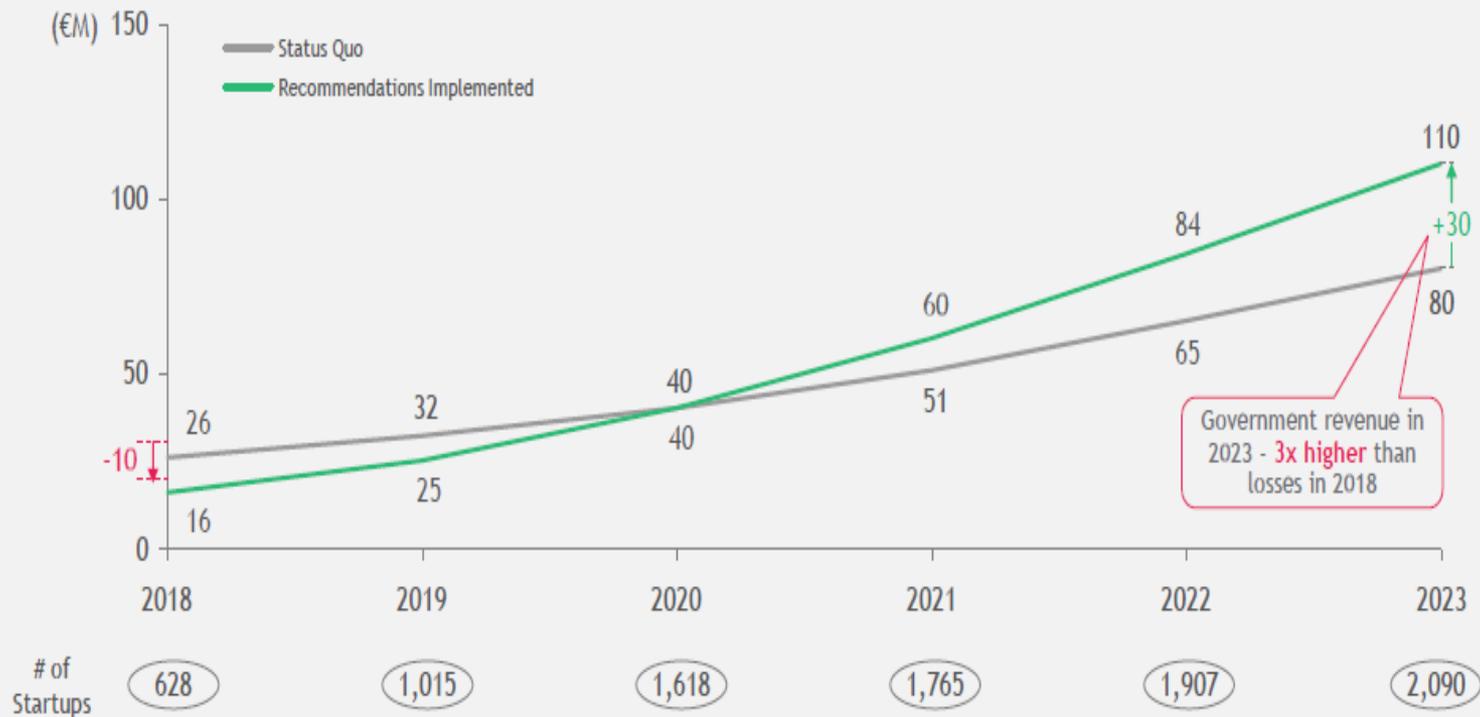
The **ICT priority area** will mainly be supported by electronic infrastructures (e-infrastructures) targeted to:

- Effective support for research & innovation-driven needs for "**big computing**" and "**big data**"
- Support other high added value sectors such as **life sciences, with special requirements to computing resources** (capitalizing and reinforcing cores of excellence and reinforcing background knowledge and innovation in bioinformatics, bio-imaging etc.)
- Promotion of **cultural heritage, the arts and humanities**, through development of **virtual infrastructures** that leverage and expand content management technologies, interoperability of digital repositories and language technologies and applications



Government Revenue from Startups

Projected Annual Government Revenue from Startups (€M)



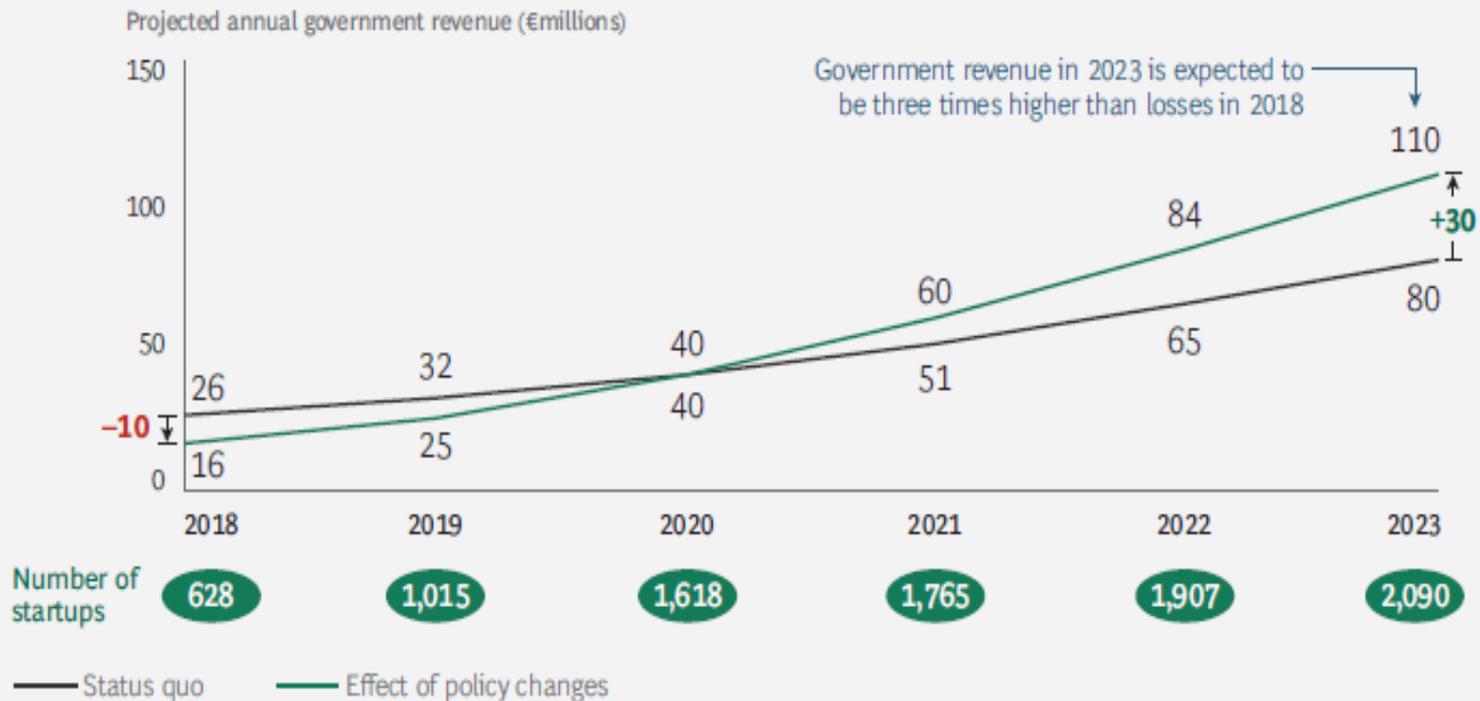
Source: BCG Analysis

A positive net fiscal impact

Reforms and incentives can create a **positive** net fiscal impact within **four** years:

- ✓ more than **1,600 startups**
- ✓ more than **15,500 jobs**

EXHIBIT 6 | The Fiscal Impact of Policy Changes Is Positive Within Four Years





Enterprise Greece is the official agency of the Greek State, under the supervision of the **Ministry for Economy and Development**.

To showcase Greece as an outstanding destination for **investment** and to promote the highly competitive products and services produced in Greece for **export**.

Enterprise Greece

Your partner
for growth

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