

START UPS

IN GREECE 2019

Re-mapping the investments landscape

ANNUAL REPORT

 **FOUND.ATION**

 Digital

IN PARTNERSHIP WITH

 **VELOCITY**
PARTNERS ▲●

CONTENTS

Foreword 03

About

EIT Digital 04

Foundation 04

Velocity.Partners 04

Executive Summary

Limitations and Methodology 05

The Greek Digital Economy 06

A statement from the Ministry of Development and Investments 11

The EquiFund's Impact

Short presentation of all VC funds and their investments so far 12

A statement from the EIF 23

The Greek startup ecosystem

An analysis of the startups in the pre-seed and seed stages 24

Startup funding and exits

Top of 2019 most funded/exits 36

Key takeaways and Suggestions 42

FOREWORD



Dimitris Kalavros-Gousiou
Investor, co-founder and partner of Velocity, Partners Venture Capital, founder of TEDxAthens and Found.ation.

10 year in & the next decade of the Greek Startup Ecosystem

As the new decade reaches its closure, we cannot but question what is next for the greek startup ecosystem. Although it started as a clear underdog for the first decade of its existence, the greek startup community has undertaken an impressive acceleration boost especially during the last 24 months. Many might argue that this is a consequence of the new funding opportunities that

emerged with the introduction of the Equifund Family VCs. Undoubtedly, access to funding is one of the key pillars for successful sustainability of the community and an essential resource, as in every part of the world. However, in Greece, it is not only the Equifund activity that creates high anticipation for the next decade of the so called #GRstartupScene.

In the midst of a historic crisis of our country, a new generation of tech companies emerged, that not only directly helped the asthenic greek economy during its dark years, but also created a new paradigm and an example for the years to come. New, emerging teams of highly educated Greeks decided to stay and leverage their work experience and skills in building market-defining technology solutions that have the potential to dominate global markets. It is not only 'Beat' (ex Taxibeat) that resembles this vision, which is competing head to head with 'Uber' for market dominance in LATAM markets. 'Blueground' continues building a stellar global business, as the most funded Greek Startup for 2019. 'Workable' is also still growing positively as one of the global market leads in HR tech, while a new batch of younger companies which emerged during the last three years such as Netdata (a distributed monitoring systems for servers, applications, containers and IoT devices) and Spotawheel (a used-car marketplace active in Greece and Poland) escalate our status scene to a new level. These examples not only build a robust group of venture-backed projects with major prospects to

dominate international markets, but also attract internationally acclaimed investors like Bain Capital and Balderton.

According to our report, for every euro invested from an Equifund family fund, Greek startup companies have raised another two euro from private investors and international funding schemes. This is a very clear and bold vote of confidence for the quality of the entrepreneurial level we as Greeks have to offer. Moreover, this year, we recorded an increase in early stage (pre-seed and seed) investments; a development that strengthens the belief we need to invest more in the very early stage of the venture creation, during ideation, in order to enlarge the footprint of our ecosystem. More startups lead to more experimentation and eventually higher quality maturity levels for first or second generation entrepreneurs.

For the next decade, we should leverage on these foundations. We arguably need a big success to further ignite the growth and validate the greek tech story. A company or two that will put Greece in the global map of digital and technological innovation, a Greek Unicorn. Besides the obvious, benefits will be multiple: positive impact in and out of the country's borders while it will give birth to a new generation of business angels and entrepreneurs. The same effect Skype had for Estonia or Spotify for Sweden.

We also need a national strategy which will point out and build on the competitive advantages of Greece, in sectors where technology changes the nature of the market and the business itself. Two prime candidate sectors are obviously maritime (maritime-tech) and tourism (travel-tech), yet we can also look for overlooked areas such as the creative industries or even impact investing. These are areas in which technology acts as a catalyst for change, financial inclusion, access to education and jobs.

The challenge for Greece is to become a benchmark in the broader European technological market and a role-model on how a country can reposition and enhance its economic footprint in the international sphere while transforming itself. The road so far indicated by our findings included in this report, fills us with confidence that an interesting path lies ahead for the greek startup ecosystem.

ABOUT

EIT DIGITAL

EIT Digital is a leading European digital innovation and entrepreneurial education organisation driving Europe's digital transformation. Its way of working embodies the future of innovation through a pan-European ecosystem of over 200 top European corporations, SMEs, startups, universities and research institutes, where students, researchers, engineers, business developers and entrepreneurs collaborate in an open innovation setting. This pan-European ecosystem is located in Amsterdam, Berlin, Braga, Budapest, Brussels, Eindhoven, Edinburgh, Helsinki, London, Madrid, Milano, Munich, Nice, Paris, Rennes, Stockholm, Trento, and San Francisco.

As a Knowledge and Innovation Community of the European Institute of Innovation and Technology (eit.europa.eu), EIT Digital invests in strategic areas to accelerate the market uptake and scaling of research-based digital technologies (deep tech) focusing on Europe's strategic, societal challenges: Digital Tech, Digital Cities, Digital Industry, Digital Wellbeing, and Digital Finance. EIT Digital breeds T-shaped entrepreneurial digital talent focused on innovation through a blended Education Strategy that includes a Master School, an Industrial Doctoral School and a Professional School.



www.eitdigital.eu

FOUND.ATION

Found.ation is a leading startup-enabling platform for tech-oriented products & services in SE Europe, a digital transformation accelerator for corporations and a tech education hub.

Found.ation has been a key player in the startup scene since the beginning. Starting as a co-working space and then acting as an incubator, it has provided a great number of startups with valuable advice and access to a big network of key players in the startup ecosystem, such as mentors and investors. Furthermore, having some of Greece's largest companies among its clients, Found.ation has contributed to the organization of a few innovation competitions and hackathons, thus supporting the creation of more opportunities startups from the greater Balkan region.

In 2016, Found.ation started cooperating with EIT Digital, under the ARISE Europe Programme, with the objective of strengthening the Greek startup ecosystem and enhancing the Digital Transformation of local corporations even further. The aim of the collaboration is to initiate discussions and enhance cooperation between small and big companies. This will help both startups expand and grow and corporates adapt and evolve. Currently, the collaboration has been extended to include Cyprus, Romania, Albania and Bulgaria.



www.thefoundation.gr

VELOCITY.PARTNERS

Velocity.Partners is a pre-seed and seed venture capital fund on a mission to support the next generation of Greek founders build category-defining technology companies at scale.

Velocity.Partners brings in a diverse team of founders, operators and investors with hands-on experience and skills in areas such as Maritime-tech, Med-tech, Financial Technologies and Travel-tech,

where Greece has a unique competitive edge. V.P bring value through immediate access to smart capital and talent together with life-long operational support and a global network of like-minded people.



velocitypartners.vc



EXECUTIVE SUMMARY

This report is a study of the Greek startup ecosystem that is being published for the third consecutive year, providing a valuable scope in the Greek entrepreneurial scene and its development over the years. This year we attempted something different: we not only continued to draw the profile of the startups and identify the market trends, but we also focused on the investment opportunities available in the country and most of all, their impact.

We lay out the details regarding the new fund-of-funds programme EquiFund, for which the Hellenic Republic cooperated with the European Investment Fund (EIF). We present all the funds that are involved in the investing process and their investments so far, offering a rare view of the country's most promising companies as identified by the VC funds. We are honoured to include an official statement by the European Investment Fund, and also a statement from the Ministry of Development and Investments, giving a glimpse of what comes next for entrepreneurship and which are the priorities of the Greek government.

The report takes a closer look into the data concerning startups in the pre-seed and seed stages and attempts to draw a picture of the Greek startup scene. In addition, a number of accelerators, incubation spaces and co-working spaces are documented, as well as hackathons and other startup-oriented events taking place in Greece, as we consider them to play an important role in the entrepreneurial ecosystem. Finally, the report lists the 10 most funded Greek startups and the top 10 exits.

What's new in the 2019 report

The data from the two previous two reports were updated to include the latest deals and information up to the moment of writing. In addition to the "Top 10 most funded Greek startups (all-time)" and "Top 10 Greek startup exits (all-time)" lists, you will find a list with the "Top 10 most funded Greek Startups in 2019" and infographics quickly pointing out their main characteristics.

We have included a detailed chart of the startups that received investments through the EquiFund programme and details on the invested amounts, where available. Further examination of these data helped us draw the picture of the investments made

in the country in the last two years.

Analysis of the startups profile as well as the investments, is based in a large part on data shared with us by Velocity.Partners, one of EquiFund's Innovation Window funds. Our data were shared with all of EquiFund's VC funds before publication. What needs to be noted here is that according to their policy, the funds do not publicly share the investments amounts at all times.

Limitations & Methodology

The major limitation of this report was access to data, as there is no publicly available database of Greek startups. Most of the data was hand-picked, therefore, all conclusions must be treated as relative.

The report is based on data that were publicly available, including press releases, company announcements and news articles. The information we share is not meant to be exhaustive, as there is no active official register of the startups in Greece. Yet, we do believe that our research was based on data that was representative of the startups involved and has produced enough information to justify an analysis upon which we can confidently draw conclusions that can be generalized.

For the purpose of the research we documented and analysed more than 600 transactions that occurred over the last decade. Please keep in mind that the figures mentioned are always in euro unless stated otherwise and might not be totally accurate. For several deals the amounts were approximate, or they have been converted from US dollars and British pounds to euros, taking into account the average conversion rate in the month of the transaction announcement. When the exit values were not fully disclosed we had to resort to making an educated guess, based on market estimations and the details on the funding rounds.

We consider a startup as Greek if currently, or at some point in the past, maintained headquarters in Greece or one of its founders is a Greek citizen. Notably, most of the startups maintain strong ties with Greece by investing in local branches and hiring Greek talents in their teams. Given the relatively small size of the Greek market, the majority of startups starts locally with the intention to expand their business outside the country's borders when the opportunity arises.



THE GREEK DIGITAL ECONOMY

On July the 7th Greece's opposition conservatives returned to power. Kyriakos Mitsotakis, the new Prime Minister, won the trust of Greek citizens, investors and foreign politicians thanks to his manifesto promises to lower taxes and improve the business environment, boost employability, reduce bureaucracy, increase foreign investment, and support entrepreneurship.

At his first public appearance during the annual Thessaloniki International Fair (TIF), on September 2019, the Prime Minister shared his vision for economic growth in his keynote speech, focusing highly on entrepreneurship. Under the slogan "Growth for all", the Prime Minister outlined the government's plans for the next 12 months and onward regarding major investments - such as the investment project in Elliniko region and Cosco's investment plan in Piraeus port- the reduction of a corporate tax rate from 28% to 24% as of 2020, as well as the gradual decrease of social security contributions by 5% by 2023.

Prime Minister Kyriakos Mitsotakis also announced the creation of "Thess Intec", an innovation

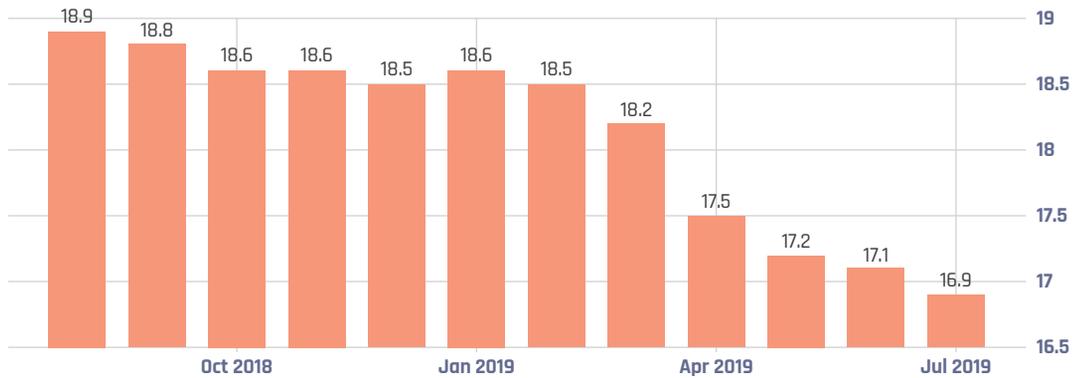
park in the Perea area in Northern Greece to be implemented through private funding aiming to serve as an international technology and innovation park, complete with the necessary technical and building infrastructure and facilities. The park is set to host educational, research, financial and industry bodies allowing direct communication between stakeholders thus eliminating tedious red tape while attracting investor interest. One more innovation park is to be created in Athens in 2020, with the latest information coming from official sources to state that the space has already been found, although no further details have been disclosed.

The government's intent is to create a framework where companies will provide additional benefits to their employees such as free transportation to work, extra insurance benefits, profit contracts and special equity plans. In an attempt to support startups, the government also announced special social insurance schemes. Faced with the worst unemployment rate of the last decades, such incentives for enterprises and especially for the

young, are crucial in order to boost creativity and entrepreneurship. Greece is failing to win over founders planning to launch startups, with 39% seeking a “friendlier” eco-system elsewhere, according to the recently released Startup Heatmap Report 2019¹ and the government should take some serious action. Startups are rewriting Greece’s economic roadmap, after all.

Overall, a turning point has certainly come for Greece. The seasonally adjusted unemployment rate in Greece dropped to 16.9% in July 2019 from an upwardly revised 17.1% in the prior month and compared with 19.1% in July 2018. That’s the lowest jobless rate since May of 2011. Unemployment rate in Greece averaged 16.27% from 1998 until 2019, reaching an all-time high of 27.80% in July of 2013

UNEMPLOYMENT RATE

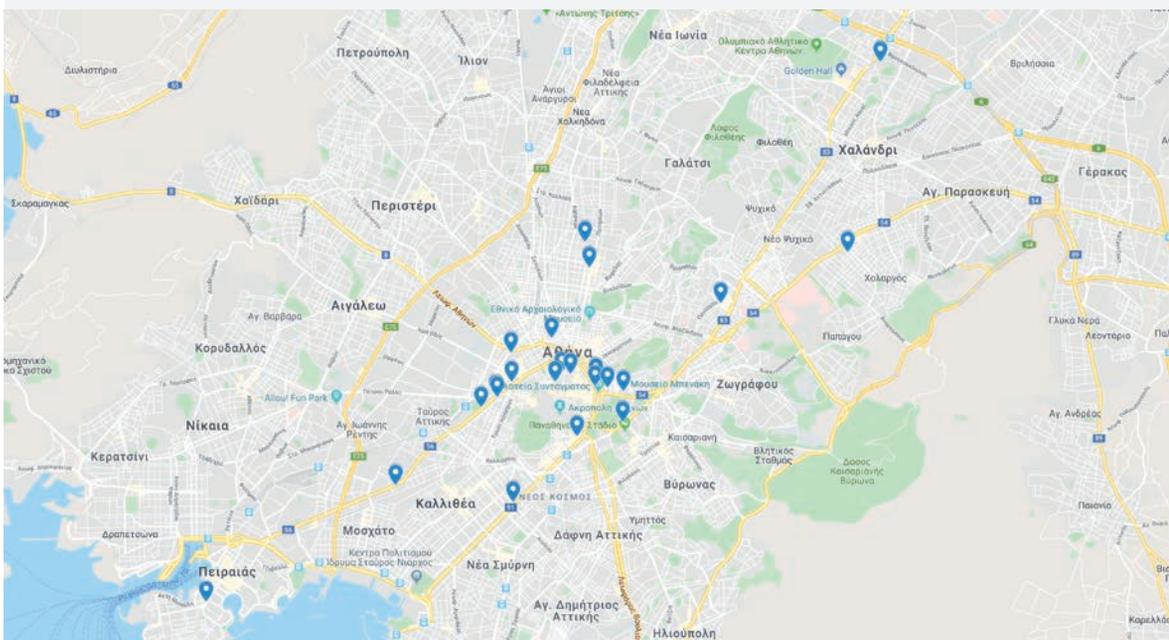


Source: National Statistical Service Of Greece

Athens Innovation District

Zooming in to the capital city of Greece, where the concentration of innovation spaces and players is higher, it is interesting to see the dispersion in a map. Perhaps, the most noteworthy is that the highest number of pins

on the map are located on the axis leading from the city center to the capital’s port, Piraeus, namely Pireos Avenue. The pins that are farther from the city center represent either venture capital firms (south districts) or incubators related to the maritime sector (Piraeus).



1. European Startup Initiative, Startup Heatmap Europe, <https://www.startupheatmap.eu>

and a record low of 7.30% in May of 2008.

Also, greek gross domestic product grew by 1.9 per cent in 2018², faster than Germany and France. In July of this year, Greece recorded the strongest manufacturing purchasing managers' index score in Europe and consumer confidence hit a 19-year high in August³.

Furthermore, the main greek stock index has soared more than 40% since January⁴, roughly doubled the rise in the S&P 500 over the same period, while the projections show that public debt will fall to 167.8% of GDP, or 331 billion euros, in 2020 from an expected 173.3% of GDP this year⁵. Greece has promised to deliver a primary budget surplus – which excludes debt servicing costs – of 3.5% of GDP in each year up to 2022⁶. Athens projects a primary surplus of 3.56% of GDP next year, based on its draft 2020 budget.

According to the European Commission's Economic Forecast for Greece "Economic growth slowed in the first half of the year but is expected to remain resilient, against the headwinds of a weaker external environment. The ongoing recovery is likely to be supported by gains in export market shares and fiscal policy measures aiming to stimulate investment and reduce labour costs. The general government balance is projected to record a surplus in 2019 for the fourth year in a row, which

should facilitate a rapid reduction in public debt. Greece is projected to achieve its agreed fiscal targets, while at the same time improving the quality of its public finances."⁷

The data shows that the country is on its journey back to growth. While the improvement of macroeconomic indicators are necessary for increasing greek economy competitiveness, there is still room for improvement. In its annual Global Competitiveness report⁸, the World Economic Forum (WEF) continues to highlight weak points, as Greece's global index position has slipped two places from the 57th to 59th out of 140 countries, but its overall score improved by 0.5% (see graph on page 9).

Greece's worst performance is in terms of its credit system (115th, from last year's 114th), due to the high rate of bad loans and low financing of small and medium-sized enterprises. The other major problem is Greece's labor market, where it ranks 111th, from 107th last year. Among the partial indexes where Greece constantly has had a low ranking in the past years in employers' social security contributions, which come to 28.3% of employers' earnings (up from 28% last year).

The main field of improvement for Greece has been macroeconomic stability, where it climbed from 83rd to 64th place.

ECONOMIC FORECAST FOR GREECE				
Indicators	2018	2019	2020	2021
GDP growth (% , yoy)	1.9	1.8	2.3	2.0
Inflation (% , yoy)	0.8	0.5	0.6	0.9
Unemployment (%)	19.3	17.3	15.4	14.0
Public budget balance (% of GDP)	1.0	1.3	1.0	1.1
Gross public debt (% of GDP)	181.2	175.2	169.3	163.1
Current account balance (% of GDP)	-1.1	-0.8	-1.1	-0.9

Source: European Commission, Directorate-General for Economic and Financial Affairs (DG ECFIN)

- Countryeconomy.com, <https://countryeconomy.com/gdp>
- IHS Markit's Purchasing Managers Index (PMI)
- Trading economics <https://tradingeconomics.com/greece/stock-market>
- Reuters.com, "Greece aims for strong economic growth, tax cuts in 2020", <https://www.reuters.com/article/us-greece-economy-budget/greece-aims-for-strong-economic-growth-tax-cuts-in-2020-idUSKBN1WMM15M>
- Bloomberg, "Greece Sees Growth in 2020, Putting It on Track for Fiscal Goals", <https://www.bloomberg.com/news/articles/2019-10-07/greece-sees-growth-in-2020-putting-it-on-track-for-fiscal-goals>
- European Commission, Economic Forecast for Greece (Autumn 2019), https://ec.europa.eu/economy_finance/forecasts/2019/autumn/ecfin_forecast_autumn_2019_el_en.pdf
- World Economic Forum, The Global Competitiveness Report 2019, http://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf

In the Digital Economy and Society Index (DESI) 2019⁹, Greece ranks 26th out of the 28 EU member states in the European Commission. Over the last year, Greece progressed slightly more than the EU average increase, due to an improved performance in some of the DESI dimensions measured. Greece marginally improved its performance as regards human capital increasing the percentage of Information and Communication Technology (ICT) specialists in total employment for the third consecutive year, and increasing the number of ICT graduates for the second year running. It also improved the supply side of digital public services.

Although the national broadband plan has been updated, the transition to fast and ultrafast broadband is much slower than in the rest of Europe. The number of internet users is growing, but progress with integrating digital technology into business has been slow, apart from the use of big data by enterprises, which is higher than the EU average.

Among all dimensions, Greece ranks highest in the integration of digital technology. In fact, the best progression compared to last year is in the digital public services dimension where there has been an increase of 7.4 points.

THE GLOBAL COMPETITIVENESS REPORT 2019

Greece

59th /141

Global Competitiveness Index 4.0 2019 edition

Rank in 2018 edition: 57th/140

Performance Overview 2019 Key ◇ Previous edition ▲ High-income group average □ Europe and North America average



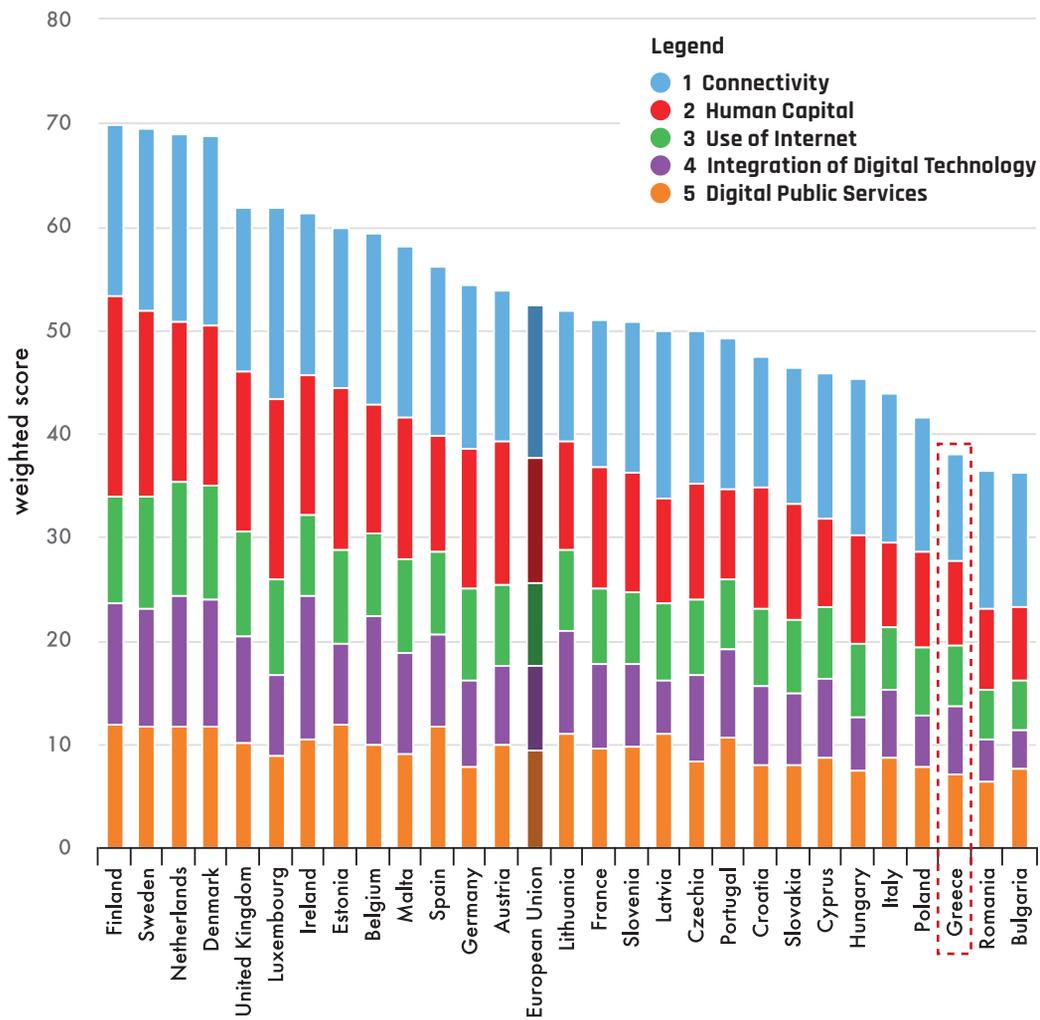
Source: World Economic Forum

9. European Commission, The Digital Economy and Society Index (DESI), <https://ec.europa.eu/digital-single-market/en/desi>

	Greece		EU
	rank	score	score
DESI 2019	26	38.0	52.5
DESI 2018	28	34.9	49.8
DESI 2017	26	33.1	46.9

Source: European Commission, DESI 2019

Digital Economy and Society Index (DESI) 2019 Ranking



Source: European Commission, DESI 2019

A STATEMENT FROM THE MINISTRY OF DEVELOPMENT AND INVESTMENTS



Yannis Tsakiris
Deputy Minister
for Development
& Investments

Over the last period, Greece has shown a remarkable progress in terms of numbers of start-up companies, in particular in the innovation and technology sector. Main driver was the establishment of the Equifund to provide equity investments, as well as other initiatives to enhance the momentum, coming from several

ecosystem's stakeholders such as mentoring initiatives, hackathons, business and innovation awards etc.

Startups are the essence of entrepreneurship, and entrepreneurship means solid growth. As a government we need to ensure that there is sufficient access to great ideas, access to talent, and access to finance.

What needs to be done now is to keep the momentum, develop more the start-up ecosystem and make sure that its roots are getting deeper and deeper in the Greek business environment.

From the side of the Ministry for the Development and Investments and in particular through the Greek Development Bank, we are in the process of complementing the available financial instruments' range which will accommodate more access to finance from this vital sector.

First of all, a guaranteed facility is underway, to guarantee bank loans to startups with significantly favourable terms. At the same time, and in the area of equity, a Business Angels support scheme is under design. Then, Technology Transfer Funds and Accelerators will complete the puzzle of initiatives within 2020. In long-term, we plan to launch instruments to fill the seed innovation funding gap by using blended finance which is a combination of grants and equity/loans.

Equifund has shown very positive results so far, and Equifund's operating model will be the epicentre of all the equity initiatives we are planning to launch. Don't forget that currently, under the New Economy Fund (TANED) there is already an equity investment programme for general entrepreneurship.

Last but not least, and in parallel, there is a continuous effort, particularly through legislation, to set the enabling conditions for the strengthening of the start-up environment, through simplification of companies' establishment procedures, proper stock options plans regulations, insolvency, and many more.



THE EQUIFUND'S IMPACT

Since late 2017, when the first investments of EquiFund were announced, a lot has changed in the Greek startup scene. The fact that a large amount of funding is available for startups has boosted entrepreneurship –as was expected- but has also affected the investments field in multiple ways.

One of the most important effects of the programme is that the local funds entitled to carry out the investments act as a local scout for promising startups. The funds often co-invest with other VCs and angels from both Greece and abroad, offering not only larger amounts to the startups, but also a great opportunity for international visibility that benefits the whole ecosystem.

In this chapter, we have focused exclusively on the EquiFund funded companies of the two windows related to early stage startups. Following on the funding rounds completed within the nearly two years of the programme, we have identified interesting patterns that shape the whole investments landscape. The funded companies are younger in age than before and receive lower amounts per round than startups in previous years

(see next chapter for more information on specific numbers), but the number of founded companies has increased. Follow-on rounds are also a good sign of well-put investments by the funds. In this light, we expect EquiFund's impact to grow bigger in the next years and even in the period following its conclusion.

**EQUIFUND'S
IMPACT IS
EXPECTED TO
GROW BIGGER**
in the next years.



WHAT IS THE EQUIFUND?

Following the expiration of the JEREMIE (Joint European Resources for Micro to Medium Enterprises) funds investment period (2007-2013), the Greek government has collaborated with the European Investment Fund (EIF) in a public-private partnership that includes both national funds and private capital: the EquiFund, a fund-of-funds programme through which more than 400,000,000€ are expected to be invested in the Greek market, aiming at boosting entrepreneurship and creating a lasting impact on local businesses.

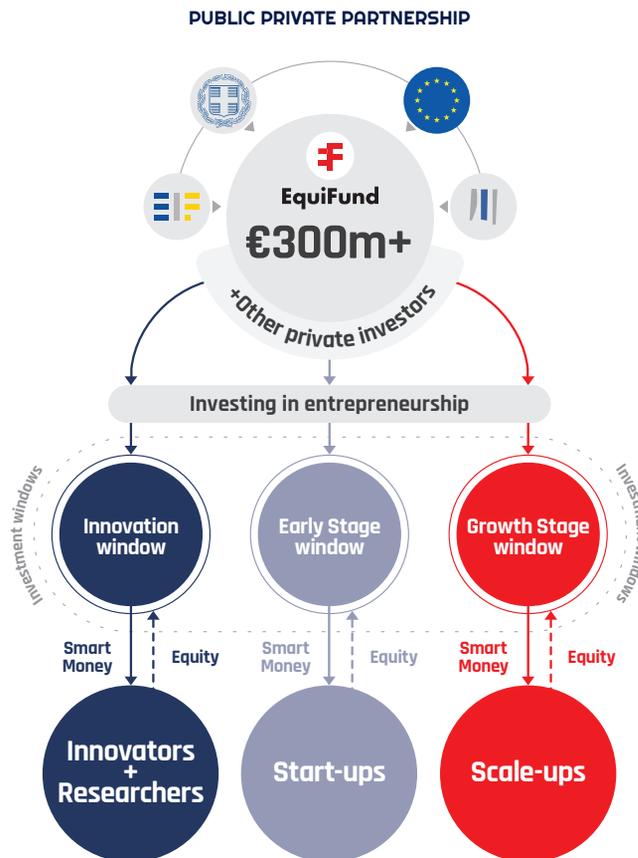
200 million euros come from national funds, 60 million from the EIF and another 40 million from the EIB via the European Fund for Strategic Investment (EFSI). The remaining amount is to be funded by the private sector.

All available capital is to be invested among companies with an establishment or branch in Greece. A big proportion of this flow of private and public capital is to be directed towards Small and

Medium Enterprises (SMEs) that develop innovative products and services and are at the early stages of their idea or business development. In addition to software solutions, modern technologies that are on the rise, such as Machine Learning (ML), Artificial Intelligence (AI), Data Science, Internet of Things (IoT), Robotics and Virtual Reality (VR), are anticipated to be among to top choices of the funds.

All investments via EquiFund will have the form of equity financing, giving ideas the chance to flourish and businesses the much-needed capital to scale up in exchange of shares in the company. The investors' support is not limited to financial investments: Founders and teams will be offered invaluable access to knowledge, in addition to connections to the local start-up ecosystem and guidance on how to make the most of their potential.

In accordance with the usual growth cycle of start-ups, the EquiFund investments will be split among three separate windows. Each window involves a different set of funds which are directing their investments at specific areas of the market.



Source: EquiFund

Innovation Window (pre-seed and seed stages)

The innovation window aims to financially support researchers and innovators in the very early stages of development of their projects, encouraging them to bring their ideas to life and make their first public releases. It favours the DeepTech sector and investment amounts are expected to range between 0.01 and 5 million euros.

Here the focus is on conception and origination and two main constituents can be distinguished: Technology Transfer and Accelerators. The goal for Technology Transfer is to enable innovative research stemming from Greek universities or other Research and Development (R&D) departments to enter the market. Accelerators are to act as a nurturing environment for young startups to grow, providing them with the necessary elements of mentoring, experience and contacts in the market.

Four funds were selected for an aggregated target size of €133m. Circa 25M have been invested so far.

1. BIG PI VENTURES (€50M TO MANAGE)

The Big Pi Ventures fund is targeting the Business to Business (B2B) segment, focusing on the technology transfer element and looking into research-based projects and companies.

Its targeted sectors include but are not limited to: Software (Data analytics, Machine Learning, Software as a Service [SaaS]), electronic based hardware (robotics, optics, sensors), materials science, energy technologies, clean technologies (clean-tech).

Until December 1st 2019, BigPi had invested in 9 companies:

- 2bull MeDiTherapy
- Accusonus
- Balena
- Fieldscale
- Intelligencia
- Kinems
- Phenometry
- Space Talos
- TileDB

2. METAVALLON VC (€32M TO MANAGE)

Metavallon's focus is on investing in startups that offer B2B solutions in ICT and High Tech.

Its targeted sectors include but are not limited to: Robotics, Microelectronics, Artificial Intelligence, Data and Machine Learning, Cyber Security, Energy, Transportation, FinTech.

The fund has so far invested in the following 18

companies:

- Advantis
- Bioemtech
- Citizen
- Covve
- CreatorUp
- Entomics
- Ferryhopper
- GuestFlip
- Intelistyle
- Mist.io
- Perceptual Robotics
- Purposeful
- Racecheck
- Speen
- Tendertec
- Think Silicon
- Trucksters
- Useberry

3. UNI.FUND (€27M TO MANAGE)

Uni.Fund is aiming at making investments in the broad technology sector, particularly in the R&D and Tech space.

Its targeted sectors include but are not limited to: ICT, E-business, Robotics, Maritime, Supply Chain, IoT, Energy Informatics, FinTech, Insurance Tech.

The fund has so far invested in the following 19 companies:

- Allcancode
- B2B Wave
- Bespot
- BibeCoffee
- Clio Muse
- CollegeLink
- Cyrus
- DTwise
- Exit Bee
- FlexCar
- Foodoxys
- K-Invent
- m-hospitality
- Nanoplasmas
- Nimbata
- Novoville
- PLiN Nanotechnology
- Qcell
- Tekmon

4. VELOCITY.PARTNERS VC (€24M TO MANAGE)

Velocity.Partners is a fund with an emphasis on technology-oriented startups in the B2B, SaaS and IoT industries.

Its targeted sectors include but are not limited to: TravelTech, Maritime Tech, AI, Mobility, MedTech, Deep Tech, IoT, SaaS, Fintech, E-Health/Wellness.

The fund has so far invested in the following 12 companies:

- FightHoax
- iCOMAT
- Instacar
- Intelligencia
- Loceye
- MyJobNow
- Pushme
- ResonanceX
- Spotawheel
- Syncbnb
- Toorbee
- WinningMinds



Early Stage Window (seed and series A stages)

The early stage window is tailored for the needs of entrepreneurs who have already launched products that are beginning to gain initial momentum and have high potential for future growth. ICT is the favoured sector in this case, with investments ranging between 0.4 and 5 million euros and the focus being on immersion and evolution.

Two funds were selected for an aggregated target size of €82m. More than half of the available amount for investments has been already allocated.

1. MARATHON VC (€32M TO MANAGE)

Marathon VC targets mainly SMEs developing B2B products. Its targeted sectors include, but are not limited, to ICT.

The fund has so far invested in the 10 following companies:

- Augmenta
- Causaly
- Centaur Analytics
- Cube RM
- Hack The Box
- InAccel
- LearnWorlds
- Lenses
- Netdata
- Norbloc

2. VENTUREFRIENDS 400W (€50M TO MANAGE)

VentureFriends 400W will invest in SMEs in the ICT industry. Its targeted sectors include, but are not limited, to Marketplaces and SaaS.

The fund has so far invested in the following 13 companies:

- Accusonus
- Blueground
- FlexCar
- Home Made
- Instashop
- MyJobNow
- Norbloc
- Novoville
- Plum
- Rtsafe
- Spotawheel
- Stasher
- Welcome Pickups

Growth Stage Window

The growth stage window is mostly suited to already established companies with healthy revenues that are in the process of scaling up their business and expand their activities, reaching a wider audience. Consequently, the amounts here

are higher, with investments expected to reach up to 2-12 million euros and will be spread among all industry sectors, aiming at expansion and globalisation.

Three funds were selected to handle the investments for an aggregated amount of €210m.

- **ELIKONOS 2 (€60M TO MANAGE)** targets all sectors.
- **EOS CAPITAL PARTNERS (€100M TO MANAGE)** targets all sectors, with special focus on food & beverage, tourism, fintech, retail, energy efficiency and pharmaceuticals.
- **SYNERGIA HELLENIC FUND IV (€50M TO MANAGE)** targets Greek SMEs across all sectors, with a special focus on food & beverage, agri-business, tourism, hospitality, environment and energy efficiency.

Due to its nature, this window falls out of the spectrum of this report, as the related funds are mainly targeting companies outside the startup ecosystem. Consequently, we did not proceed with any further research and analysis.

Other funding prospects

The Greek government's plans go beyond the EquiFund program, and very soon new funding mechanisms will also be available to startups and SMEs. The New Economy Fund ("TANEO") will be comprised of four different windows: "Debt Fund", "4th Industrial Revolution", "Made in Greece" and "Ep-anodos". TANEO will invest €700 million in these windows, of which €450 million in the "Debt Fund", €150 million in "Ep-anodos" and €50 million in the "4th Industrial Revolution" and "Made in Greece". Private stakeholders should invest with funds representing at least 30% of TANEO's placements. A total of more than 1.05 billion euros will be set aside to finance both new and old businesses. Debt funds are expected to prove helpful to EquiFund-backed startups at a later stage.

The "Made in Greece" fund's aim is to finance export companies with activities in the primary sector, while in the "4th Industrial Revolution" startups will be funded in the field of technology. This window is coming to close the EIF gap, which is believed to put restrictions on the financing of startups with many rounds of capital allocation.

NAME	SECTOR	FOUNDED YEAR	URL	EQUIFUND INVESTORS
2bull MeDiTherapy	Biotechnology	2016	2bullmeditherapy.com	BigPi
Accusonus	Software	2012	accusonus.com	Venture Friends 400W, BigPi
Advantis	HealthTech	2016	advantis.io	Metavallon
Allcancode	EdTech	2014	www.allcancode.com	Uni.fund
Augmenta	AgriTech	2016	www.augmenta.ag	Marathon Venture Capital Marathon Venture Capital
B2B Wave	E-Commerce	2016	www.b2bwave.com	Uni.fund
Balena	IoT	2013	balena.io	BigPi
bespot	RetailTech	2018	bespot.me	Uni.fund
BibeCoffee	IoT	2018	bibecoffee.com	Uni.fund
BIOEMTECH	Biotechnology	2013	bioemtech.com	Metavallon
Blueground	Hospitality	2013	www.theblueground.com	Venture Friends 400W
Causaly	HealthTech	2017	www.causaly.com	Marathon Venture Capital Marathon Venture Capital
Centaur Analytics	AgriTech	2014	centaur.ag	Marathon Venture Capital
Citizen	SaaS	2015	www.citizen.is	Metavallon
Clio Muse	TravelTech	2014	cliomusetours.com	Uni.fund
CollegeLink	HR Tech	2016	www.collegelink.gr	Uni.fund
Covve	Software	2016	covve.com	Metavallon
CreatorUp	EdTech	2013	creatorup.com	Metavallon
Cube RM	SaaS	2017	cuberm.com	Marathon Venture Capital
Cyrus	EnergyTech	2019	www.h2cyrus.eu	Uni.fund
DTWISE	Big Data	2015	www.dtwise.com	Uni.fund
Entomics	AgriTech	2015	www.entomics.com	Metavallon
Exit Bee	AdTech	2015	www.exitbee.com	Uni.fund
Ferryhopper	TravelTech	2016	www.ferryhopper.com	Metavallon
Fieldscale	SaaS	2015	fieldscale.com	BigPi
FightHoax	AdTech	2016	FightHoax.com	Velocity Partners
FlexCar	Transportation	2018	www.flexcar.gr	Venture Friends 400W, Uni.fund
FoodOxys	HealthTech	2019	www.foodoxys.com/en	Uni.fund
GuestFlip	Hospitality	2018	guestflip.io	Metavallon
Hack The Box	Security	2017	www.hackthebox.eu	Marathon Venture Capital
Home Made	Real Estate	2017	www.home-made.com	Venture Friends 400W
iCOMAT	Manufacturing	2019	icomat.co.uk	Velocity Partners
InAccel	IT services / Computing / Networking	2018	www.inaccel.com	Marathon Venture Capital
Instacar	Transportation	2019	instacar.gr	Velocity Partners
Instashop	E-Commerce	2015	instashop.ae	Venture Friends 400W
Intelistyle	RetailTech	2017	www.intelistyle.com	Metavallon
Intelligencia	HealthTech	2017	www.intelligencia.ai	Velocity Partners, BigPi
Kinems	EdTech	2013	www.kinems.com	BigPi
K-Invent	IoT	2017	www.k-invent.com	Uni.fund

Data updated up to December 1st, 2019.

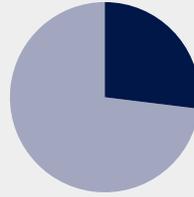
CO-INVESTORS	CUSTOMER FOCUS	INVESTMENT ROUND	ROUND TOTAL FUNDING M €	TOTAL FUNDING M €	ANNOUNCEMENT DATE
	B2B	Seed	-	-	11/2019
	B2C	Series A	3.00	3.55	11/2019
	B2B	Seed	0.70	0.70	03/2019
	B2C	Seed	0.40	0.40	04/2019
	B2B	Pre-Seed	0.50	2.82	07/2018
Hardware Club	B2B	Seed	2.25		10/2018
	B2B	Pre-Seed	-	-	12/2019
DFJ, GE Ventures, Ericsson and KDDI	B2B	Series B	13.00	28.57	06/2018
	B2C, B2B	-	-	-	10/2019
	B2B	Seed	0.40	0.41	04/2019
	B2B	Pre-Seed	-	-	04/2019
Kevin Ryan, Jabbar Internet Group, Endeavor Catalyst	B2C	Series B	18.00	70.43	03/2019
	B2B	Seed	0.90	5.28	07/2018
Pentech Ventures		Series A	4.32		11/2019
Cognitive Ventures and Avi Reichental (angel)	B2B	Seed	2.70	3.91	10/2018
	B2B	Seed	0.80	0.82	01/2019
	B2C	Pre-Seed	0.20	0.20	
	B2C, B2B	Seed	0.20	0.20	10/2018
	B2C, B2B	-	-	-	11/2019
LearnStart (LearnCapital)	B2B	Seed	0.90	0.91	09/2019
	B2B	Seed	-	-	04/2018
	B2B	Pre-Seed	-	-	12/2019
	B2B	Seed	-	-	07/2019
	B2B	Seed	1.80	1.82	04/2019
	B2B	Seed	-	-	03/2019
Stelios Chatziioannou	B2C	Seed	0.60	0.60	04/2019
	B2B	Series A	2.50	2.50	10/2018
Other Investors	B2B	Pre-Seed	0.10	0.10	01/2019
	B2C	Seed	1.50	1.5	05/2019
	B2C, B2B	Pre-Seed	0.25	-	09/2019
	B2B	Pre-Seed	0.20	0.20	03/2019
	B2B	Seed	1.19	1.18	04/2019
Tethys	B2C	Series A	2.25	2.96	
Other Investors	B2B	Pre-Seed	0.50	0.53	07/2019
	B2B	Seed	0.55	0.55	07/2018
	B2C	Seed	0.50	0.53	
	B2C	Series A	-	6.37	
	B2C	Seed	0.53	0.70	11/2018
Other Investors	B2C, B2B	Seed	1.50	1.55	
	B2C, B2B	Seed	0.89	0.91	
	B2C, B2B	Seed	-	-	11/2018

NAME	SECTOR	FOUNDED YEAR	URL	EQUIFUND INVESTORS
LearnWorlds	EdTech	2014	www.learnworlds.com	Marathon Venture Capital
Lenses	IT services / Computing / Networking	2016	lenses.io	Marathon Venture Capital
Loceye	AdTech	2017	www.loceye.io	Marathon Venture Capital
m-hospitality	Hospitality	2014	www.m-hospitality.com	Velocity Partners
Mist.io	IT services / Computing / Networking	2013	mist.io	Uni.fund
MyJobNow	HR Tech	2018	www.myjobnow.com	Metavallon
Nanoplasmas	Research	2016	www.nanoplasmas.com	Velocity Partners, Venture Friends 400W
Netdata	IT services / Computing / Networking	2018	www.netdata.cloud	Venture Friends 400W
Nimbata	AdTech	2013	www.nimbata.com	Uni.fund
Norbloc	Business Services	2016	www.norbloc.com	Marathon Venture Capital
Novoville	SmartCities	2016	www.novoville.com	Venture Friends 400W
Perceptual Robotics	Robotics	2016	www.perceptual-robotics.com	Uni.fund
Phenometry	Software	2019	www.phi3d.com	Metavallon
PLiN Nanotechnology	Nanotechnology	2015	www.plin-nanotechnology.com	BigPi
Plum	FinTech	2016	withplum.com	Uni.fund
Purposeful	HealthTech	2018	www.purposeful.eu	Venture Friends 400W
Pushme	Transportation	2016	www.getpushme.com	Metavallon
Qcell	Deep Tech	2016	www.qcell.tech	Velocity Partners
Racecheck	Sports	2016	www.racecheck.com	Uni.fund
ResonanceX	FinTech	2017	resonancex.io	Metavallon
RTsafe	Medical Devices and Equipment	2014	www.rt-safe.com	Velocity Partners
Space Talos	Aerospace	2018	spacetalos.com	Venture Friends 400W
Speen	Transportation	2017	speenbikes.com	BigPi
Spotawheel	E-Commerce	2016	www.spotawheel.gr	Metavallon
Stasher	TravelTech	2015	stasher.com	Venture Friends 400W, Velocity Partners
Syncbnb	SaaS	2017	www.syncbnb.com	Venture Friends 400W
Tekmon	Business Services	2015	www.tekmon.gr	Velocity Partners
Tendertec	HealthTech	2017	tendertec.co.uk	Uni.fund
Think Silicon	Semiconductors	2007	www.think-silicon.com/index.ph	Metavallon
TileDB	Big Data	2017	tiledb.io	Metavallon
Toorbee	TravelTech	2016	www.toorbee.com	BigPi
Trucksters	Transportation	2017	www.trucksters.io	Velocity Partners
Useberry	Big Data	2016	www.useberry.com	Metavallon
Welcome Pickups	TravelTech	2015	www.welcomepickups.com	Metavallon
WinningMinds	Software	2017	winningminds.ai	Venture Friends 400W
				Velocity Partners

Data updated up to December 1st, 2019.

CO-INVESTORS	CUSTOMER FOCUS	INVESTMENT ROUND	ROUND TOTAL FUNDING M €	TOTAL FUNDING M €	ANNOUNCEMENT DATE
	B2B	Seed	1.00	1.05	07/2019
	B2B	Seed	0.89	7.74	12/2017
83 North, Laurel Bowden	B2B	Series A	6.75		09/2019
	B2B	Pre-seed	0.30	0.30	10/2018
	B2B	Seed	0.40	0.55	11/2018
	B2C, B2B	Seed	-	-	10/2019
	B2C, B2B	Seed	0.53	0.91	04/2019
Charamida, Angel investors	B2C, B2B	Pre-Seed	0.38		08/2018
	B2B	Pre-Seed	0.15	-	04/2019
	B2B	Seed	1.35	18.66	09/2018
Bain Capital	B2B	Seed	1.80		03/2019
Bain Capital	B2B	Series A	15.50		09/2019
	B2B	Seed	-	-	07/2019
Filip Engelbert, Jonas Nordlander, SUP46, Inbox Capital, Digital Currency Group, Back in Black Capital, Marathon Venture Capital	B2B	Seed	1.50	3.00	10/2017
	B2B	Seed	-		
	B2B, B2G	Seed	1.64	1.64	04/2019
	B2B	Seed	1.37	1.37	06/2019
	B2C, B2B	-	-	-	
	B2B	Seed	0.32	0.32	10/2018
EBRD	B2C	Series A	6.84	9.56	07/2019
	B2B	Seed	0.20	-	10/2018
SOSV, angel investors	B2B	Seed	1.00	1.00	10/2018
	B2B	Seed	-	-	12/2019
Ecustars, OpenFund II, angel investors	B2C	Seed	0.25	-	09/2018
	B2B	Seed	0.61	0.61	09/2019
	B2B	Series A	-	2.64	
	B2B	Pre-Seed	-	0.55	
	B2C, B2B	Pre-Seed	0.20	0.20	09/2018
Other Investors	B2C	Seed	5.00	7.01	07/2019
Howzat Partners	B2C	Seed	1.05	1.64	01/2018
Angel investors	B2C	Seed	0.81	0.74	08/2018
	B2B	Seed	0.35	0.50	10/2018
	B2C	Pre-Seed	0.64	0.64	05/2019
	B2B	Seed	1.40	1.41	07/2019
Intel Capital and Nexus Venture Partners	B2B	Seed	2.70	3.64	
Alpha Ventures, Other investors	B2C, B2B	Seed	1.55	2.00	07/2019
Big Sur Ventures	B2B	Seed	0.85	1.00	06/2019
	B2C, B2B	Pre-Seed	0.20	-	09/2018
MarketOne, Howzat, Jabbar, Openfund & Alejandro Artacho, Giannis Tsioris	B2C	Series A	3.30	6.19	03/2019
Other Investors	B2B	Seed	0.56	1.37	07/2019

From the €215m available in the Innovation and Early Stage Windows, approximately €60m have been invested so far.



For every €1 received by EquiFund, the startups have received €2 more by other investors.

€0.5M

EquiFund

investments per round (median)

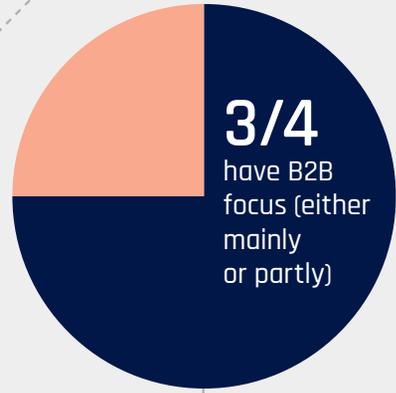
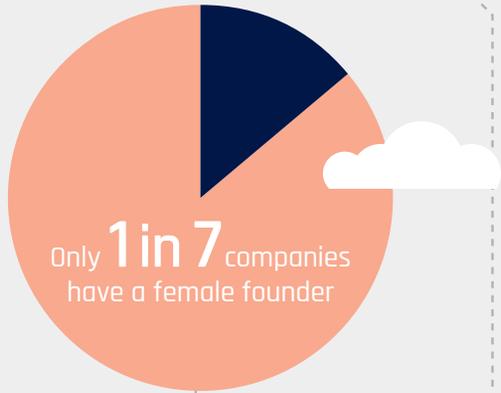
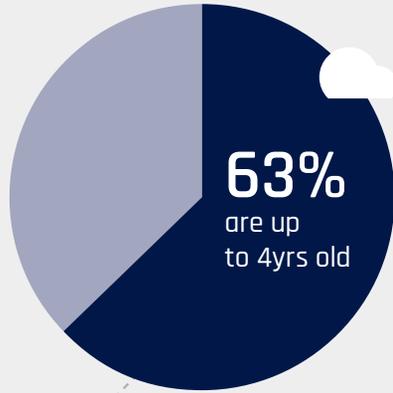
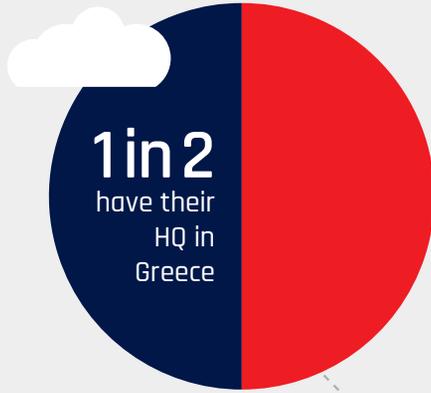
74 companies funded

€60M in funding invested in 80 rounds

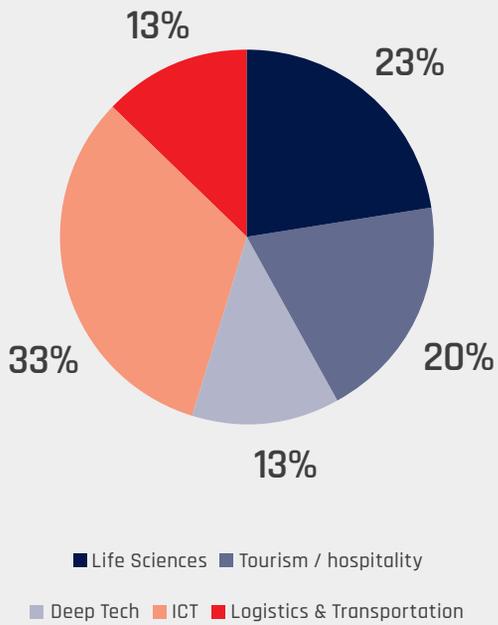
or €0.7M of total investments per round, (median)

2/3 of which are seed rounds

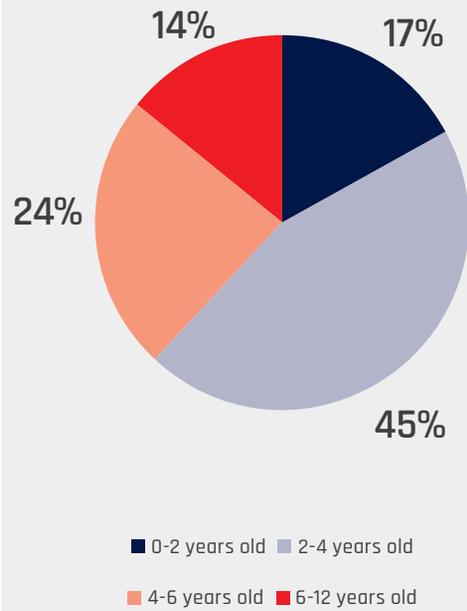




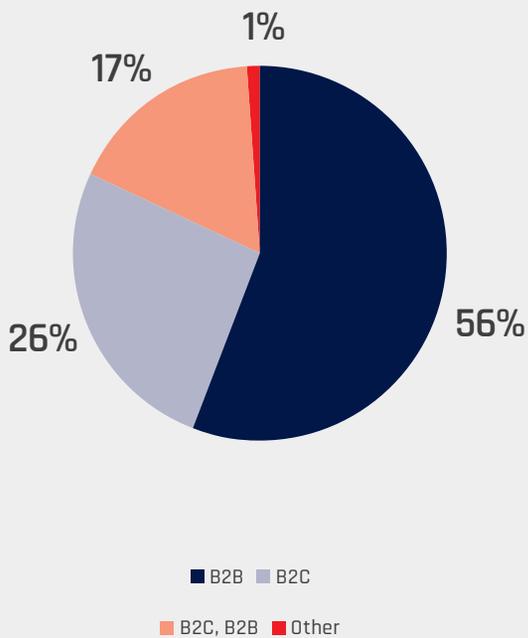
TOP 5 SECTORS



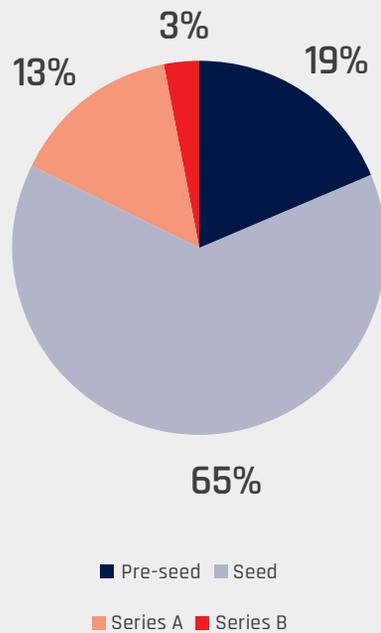
STARTUP AGE



FOCUS



ROUND TYPE





A STATEMENT FROM THE EIF

EIF's footprint in Greece dates back to 2007, when the JEREMIE Greece initiative was launched by the European Commission and the Hellenic Republic. At the time, the Greek start-up ecosystem was nascent and the objective was to activate the ecosystem by breeding the first generation of VC fund managers and incidentally start-uppers. Four funds were selected; they ultimately invested around 55,000,000€ in 63 companies, mostly in the technology sector.

Ten years later, building on the lessons learnt from the first programme, the Hellenic Republic and the European Commission launched EquiFund. In addition to continue to support the early stage VC market, new verticals were added for TT/acceleration and growth stage. Overall, the 200,000,000€ from EquiFund have allowed to catalyse 450,000,000€ from public, institutional and private investors. Overall, nine funds were supported. In particular, the six funds targeting early stage investments raised more than 200 million €. EquiFund's support have allowed those managers to reach viable fund sizes and hence improving the deployability of their envisaged strategy.

In a little over two years, the six early stage funds have invested more than 42,800,000€ in 59 companies*. Those companies employ about 700 persons throughout the country and the VC fund managers have been contributing to reversing the brain-drain the country has been facing. For the

first time, technology transfer and research are also supported and projects and scientific research now find their way into the market. The Greek VC market is on the map of international funds who are now following on in the portfolio companies of EquiFund fund managers.

Even though the EquiFund program is in its early days, the results so far have met the expectations. The fund managers supported by EquiFund have managed to stir the Greek VC ecosystem by addressing different market segments, both in terms of sectors and of stages of development of the companies targeted. They have also helped develop the startup community thanks to their efforts scouting the market searching for the best opportunities. Lastly, they created multiplier effects on the ground, such as the creation of new jobs or the noticeable increased appetite from non-Greek investors who are syndicating more frequently than before, with Greek VC funds backs by EquiFund. Although equity financing represents only a slight fraction of the overall Greek economy, the VC funds supported by EquiFund are a positive testimony of the promising VC ecosystem being built. The next challenge will be to crystallise this promise by realising the value currently lying in the startups financed by those VC funds.

*Due to the procedures of data collection from EIF, figures are updated up to the end of the 2nd quarter.



THE GREEK STARTUP ECOSYSTEM

THE EXPECTED IMPACT OF EQUIFUND ON THE STARTUP SCENE

The year 2019 can be characterised as transitional for the Greek startup ecosystem. Less than twenty four months after the EquiFund mechanism was deployed, the country's entrepreneurs have been actively chasing the opportunities available to them. A careful look on the deal stage of the companies rushing to the funds shows (see graph on page 28) a notable increase in the pre-seed stage (+11.2% year on year) which reveals a flow of newly established companies trying their luck with investors. On the other hand, we notice a 6.4% increase on the number of companies being on Series A deal stage, while there is a decrease in all other stages. Does that mean that new companies have been formed? Not always. Insights from the fund managers

reveal that there has been a recycling of people and ideas, new companies sprawling from older ones, experienced entrepreneurs trying something different, failed startups trying again, harder and faster. In this light, it is important to stress the effect of the venture capital firms in the Greek ecosystem and their influence.

In 2018, nearly 71% of the startups asking for funding were founded in Greece, while 12% were registered in the United Kingdom. Both of these percentages saw a drop in 2019, as new countries entered the entrepreneurship map. Of course, one can easily understand that startups established in those countries fall outside the scope of the EquiFund program, but it proves something else that gives an interesting perspective: the country is being slowly known as an aspiring entrepreneurial ecosystem.

In terms of the ask amount, we notice an increase in almost all categories above the €400,000 window. This can be interpreted as a maturity level of some companies that are now ready to reap the harvests

of their long-time labour. This also demonstrates the influence of the EquiFund VCs in shaping the ticket size.

A noticeable shift can be seen in the most popular sectors. While HealthTech and TravelTech still remain at top positions, there is a significant rise on sectors such as Retail, Agro/Food and Energy, following the global market trends, but also because of a plethora of competitions and grants offered at the moment to these sectors (see the Competitions & Hackathons sections for more information on this). Interestingly enough, FinTech drops from the 3rd to the 12th position, giving way to other sectors such as Maritime Tech and Transportation/Logistics. When further trying to group sectors, we end up having AgriTech/EnergyTech on the top position, on par with HealthTech and followed by Travel/Hospitality.

As far as the focus is concerned, we notice an increase in B2C and B2B/B2C, but B2B still retains the first position of the chart. Last but not least, no change is observed in the percentages depicting the founders' gender, leaving a disappointing 12.66% to female founders.

The characteristics of the ecosystem

According to data by Startup Heatmap Europe¹, an initiative aiming to map the perceived quality of startup hubs in Europe, 55% of founders establish international locations within the first year of their startup. This rate is the highest in the Mediterranean region, CEE and the UK and Ireland. In Greece 62% of startups have an international setup, meaning that they either have employees working from abroad (a large highly-educated emigrant community has been established in various European cities in recent years), or have their company registered in another country (in order to avoid high taxes) or have investors from abroad. In the general city rankings that Startup Heatmap uses, Athens was ranked 3% higher than last year in the category of "Founders' Choice", while it also has the highest ranking in the category "Value for Money" as a startup hub. The latter percentage rose to 96% in 2019 from 88% in 2018.

An analysis of the startups in the Pre-Seed and Seed stages

(based on data by Velocity.Partners VC)

For the needs of this report we continue our partnership with Velocity.Partners VC, a pre-seed and seed stage fund, part of EquiFund's Innovation Window for innovators and researchers. The data made available to Foundation regarding the market's early stage startups and investments enabled us to build an overview of the current status of the ecosystem, the attributes of the founders, the sectors that are more active and the general flow of capital. Velocity.Partners VC's comprehensive database covers an important majority of the startup companies in this particular stage and allows us to draw conclusions on the related trends and characteristics of the ecosystem with a significant degree of confidence.

Although the numbers show that less than 7 out of 10 startups are based in the country for which the EquiFund is intended for, this percentage is easily justifiable (see graphs on page 26). The remaining startups, even though based abroad, are linked to Greece either by their founders' nationality or by maintaining an active local branch. This fact is also highlighted in the Startup Heatmap 2019 report, as mentioned earlier. The increase in startups coming from other countries shows the increasing interest that the EquiFund resources create not only in the country, but also in the whole European area.

As anticipated by the focus of the Innovation window on new and emerging projects and teams, most of the startups are very small in size, with almost 92% of them employing 2 to 9 people. Compared with the previous year though, we notice an increase in self-employed people running solo, as well as companies employing 5-9 people.

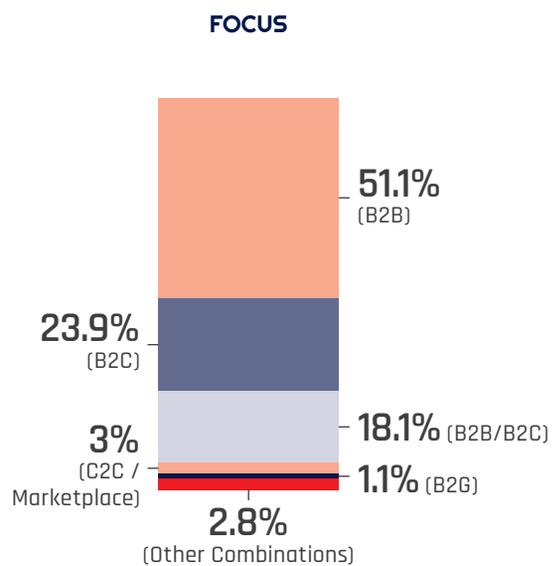
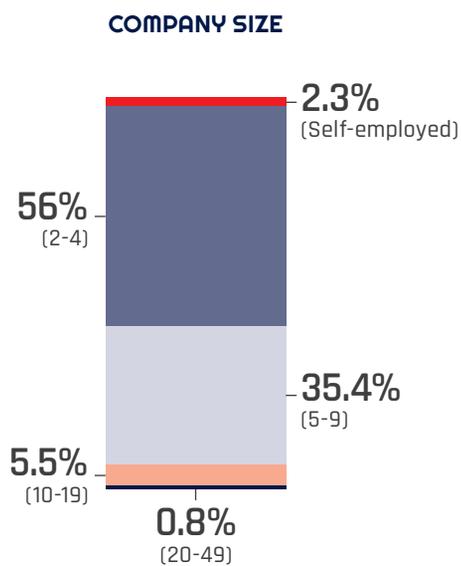
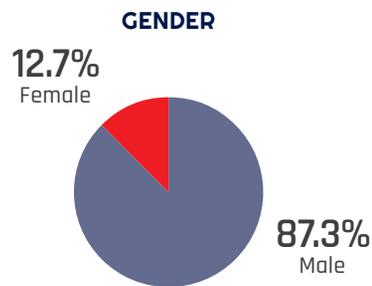
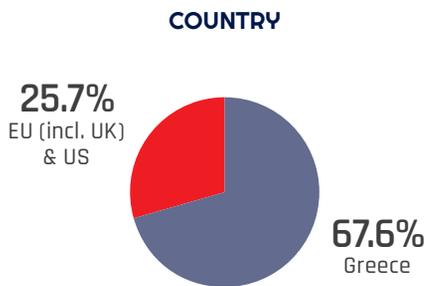
The percentage of solo founders is not uncommon, but stresses the fact that more people are seeking funding opportunities even without having first built a solid team.

It is noteworthy that there is a slight increase in the larger companies section as well, even though medium and larger companies fall out of the spectrum of the database in question and are not listed in their entirety.

The startup ecosystem still remains a male-dominated field, with approximately only 1 in 10 individuals involved being female. Yet, taking in mind that on a global scale the percentage of companies that have at least one female founder

1. European Startup Initiative, Startup Heatmap Europe, <https://www.startupheatmap.eu>

PROFILE OF PRE-SEED AND SEED STAGE GREEK STARTUPS



is at 16%², the fact that in the Greek ecosystem 12.7% of startup teams are female suggests that even though this is an area with potential for improvement, the ecosystem is maturing. The 2019 Women in Technology Leadership Report³ by the Silicon Valley Bank documents that 28% of startups have a female founder, although their sample mainly comes from the markets of the U.S.A., the UK, Canada and China. Startup Genome's 2019 Global Startup Ecosystem Report⁴ indicates that even developed startup hubs such as Berlin and Paris are struggling to attract female entrepreneurs.

According to figures by Eurostat included in the Women in Digital Scoreboard 2019⁵ by the European Commission, Greece falls behind the EU average

(17.2%) in the percentage of female ICT specialists (10.9%). Nevertheless, the growing percentage of people having above basic skills in younger ages leaves a positive promise for the participation of more women in tech in the future. It is worth mentioning that among the ages of 16 to 24 years old, the percentage of women having digital skills that are above the average is slightly higher than the percentage of men, climbing just above 40% of the age group population.

The focus of the startups active in these phase, as defined by the commercial transactions among companies and their clients, is on Business to Business (B2B) services, who constitute more than half (51.1%) of the companies listed.

2. TechCrunch: The portion of VC-backed startups founded by women stays stubbornly stagnant <https://techcrunch.com/2018/01/15/the-portion-of-vc-backed-startups-founded-by-women-stays-stubbornly-stagnant/>
3. Silicon Valley Bank, Women in Technology Leadership Report 2019, https://www.svb.com/globalassets/library/uploadedfiles/content/trends_and_insights/reports/women_in_technology_leadership/svb-suo-women-in-tech-report-2019.pdf
4. 2019 Global Startup Ecosystem Report, <https://startupgenome.com/gser2019>
5. European Commission, Women in Digital Scoreboard 2019, <https://ec.europa.eu/digital-single-market/en/women-ict>

SECTOR	%	Compared with 2018
Life Sciences (HealthTech, BioTechnology, Medical Devices)	14.80%	↑
Retail/eCommerce	13.00%	↑
Agro/Food	9.42%	↑
Lifestyle/Social/Entertainment (Fashion, Sports, Gaming, Media, Social Networks)	8.97%	↑
Tourism/Hospitality	8.52%	↑
Energy/Infrastructure (Industrial, CleanTech, SmartCities, Telecommunications)	7.62%	↑
Deep tech (Aerospace, Automation, Robotics, Semiconductors, Nanotechnology)	6.73%	↑
ICT (Software, Security, Networking, Services)	6.28%	↓
Logistics/Transportation	3.59%	↓
MaritimeTech	3.59%	↓
EdTech	3.14%	↑
FinTech	2.24%	↓
HRTech	1.79%	↓
Business Services	1.35%	↓
IoT	1.35%	↓
AR/VR	1.35%	↓
BigData / Analytics	0.90%	↓
AdTech / MarTech	0.90%	↓
RegTech/InsurTech	0.90%	↓
Other	3.59%	↓

Another 23.93% of companies are engaged in Business to Consumer (B2C) activities. The long history of tourism and travel, as well as other B2C products and services surrounding them, is encapsulated in this percentage, suggesting that entrepreneurs continue following this tradition. At the same time, the data concerning B2B and B2C businesses suggest that there is a shift from the more familiar to the Greek entrepreneur B2C model towards B2B services.

While performing year on year comparisons, in 2019 we notice an increase in the number of companies targeting both the consumers directly and other businesses. While in 2018 there was a 15% of startups active in the B2B/B2C sectors, in 2019 this percentage rose to 23,3%, raising the total percentage of listed startups in our database to 18%.

With the ecosystem in Greece still being young, small in size, and not yet adopting a distinguished orientation, new founders are not urged to focus on a specific sector of the industry. Consequently, startups are formed and operate in a variety of sectors across the market. As VelocityPartners VC is industry agnostic, this distribution among sectors can be regarded as a valid representation of the

Greek startup ecosystem.

Intriguingly at the top this list are Life Sciences, with HealthTech being the sector contributing the most to this high percentage. In fact, this percentage grew in comparison with 2018 (9,25%). As noted last year, insufficient funding for medically oriented research could serve as a possible explanation to this finding, but we cannot ignore the continuing global trend of increased funding for startups active in the Health sector⁶, and additional factors like the aging population and the increased availability of sensors able to track and analyse biological activities.

According to the most recent data, tourism (direct and indirect) has contributed in creating 25,9% of total employment, as well as between 25,7% and 30,9% of the country's GDP (47.4 billion € and 57.1 billion € accordingly) in 2018⁷. Therefore, it comes as no surprise that the representation of tourism and hospitality remains strong on the list, with 8,52%.

Nevertheless, tourism placed 3rd according to our 2018 data, while this year it dropped by two positions. The emergence of Retail/eCommerce and Agro/Food demonstrates two interesting markets full of opportunities for the Greek startups.

6. According to "Startup Health Insights: Global Digital Health Funding Report 2019 Q3", at \$10.4B in funding year to date, we're on par to have the second most-funded year for health innovation, ever. Startup Health calls 2019 "The Year of the Patient", <https://www.startuphealth.com/2019-q3-insights-report>

7. Greek Tourism Confederation (SETE) "Greek Tourism - Basic Figures 2018", <https://sete.gr/en/strategy-for-tourism/basic-figures-repository/>

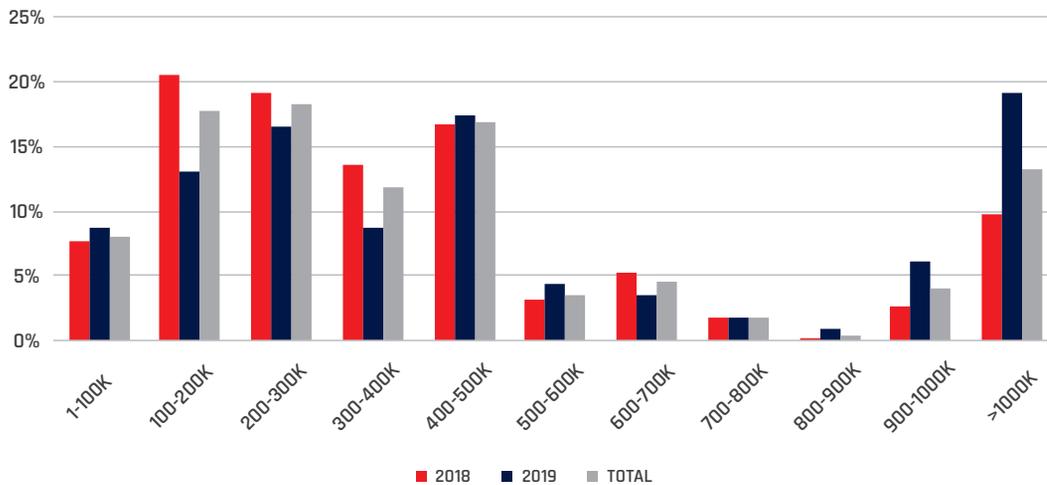
The vast majority (72.6%) of startups in the pre-seed and seed funding rounds still request up to 500,000 € in funding, whereas the percentage of companies asking for more than 1,000,000 € rose to 13.2% (from 9.67% last year) and the percentage of those asking for an amount between 500,000 € and 1,000,000 € rose to 14.2% (up from 12.76 in 2018). Due to Velocity.Partners' specialization in the innovation window of EquiFund, the data here are not easy to generalize to the overall startup ecosystem. But this slight shift towards bigger amounts can be interpreted as some companies starting to reach a maturity level that enables them to harvest the fruits of their long-time labour. This also shows the influence of the EquiFund VCs in shaping the initial ticket size, as each fund has a specific ceiling, ranging from 200,000 € to 1,500,000 € in the Innovation and Early Stage windows.

Diving deeper into the data, we can observe how the requested amounts are distributed for each particular funding round. A confounding variable to

keep in mind is that Velocity.Partners' investment strategy implemented a 500,000 € loose ceiling in the seed phase, a fact that has potentially influenced the distribution of the data.

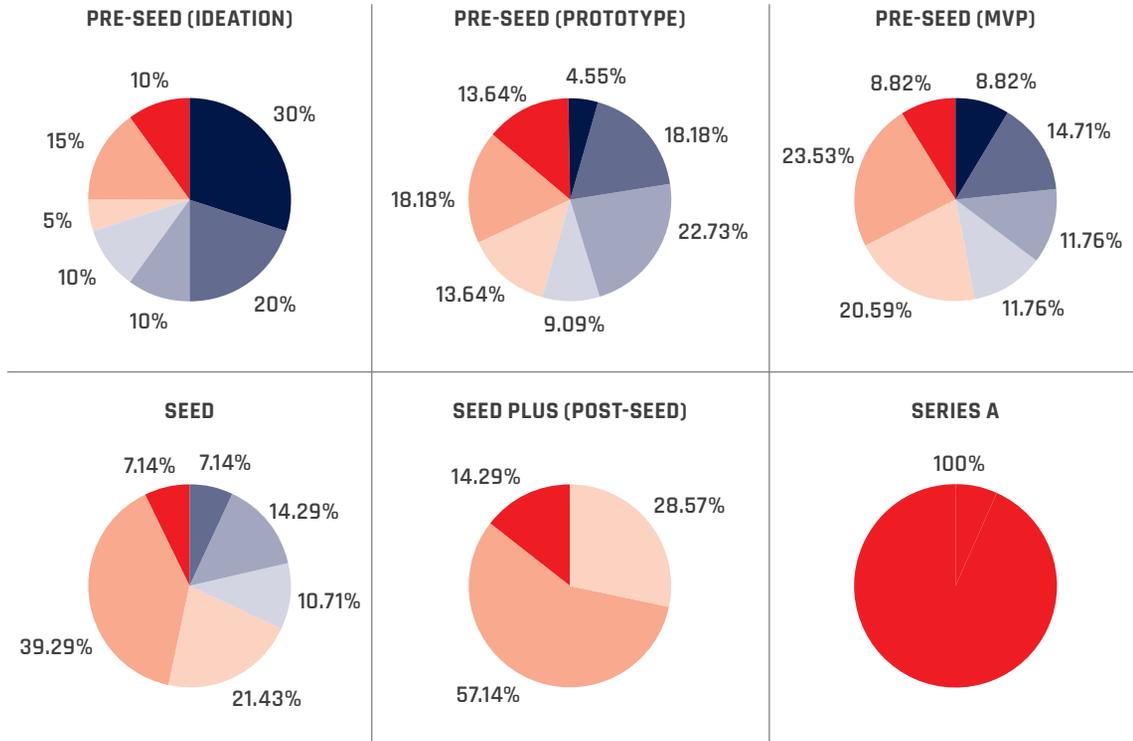
6 in 10 startups (60%) estimated that they required up to 200,000 € to get past the ideation stage, whereas in 2019, the startups that made contact with the funds raised their ticket to higher prices, as we notice a drop to 50% in the same request amount category. It is worth noting that while 16% of startups requested 500,000 €-1,000,000 € in 2018, this percentage increased in 2019 (24.59%). Moreover, the percentage more than doubled in the category of funding requests of more than a million euros (from 8.13% in 2018 to 18.03% in 2019). Taking into account that there is possibly a number of founders who overestimate their needs or attempt to maximize the funding amount, the shift is impressive and gives a clear message: startups that have already received funding during previous rounds are maturing and progressing.

ASK AMOUNT (IN EURO) %

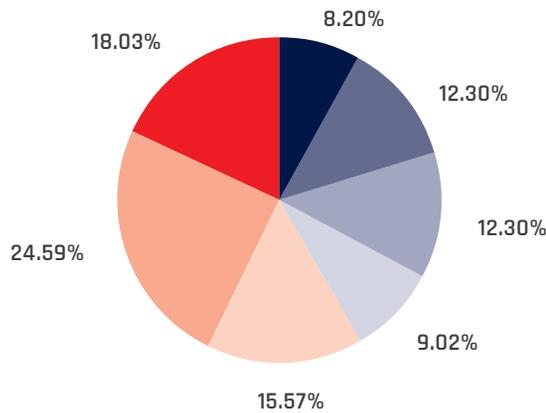


ASK AMOUNT (IN EURO)	%	Difference from 2018
1-100000	8.1%	+0.98%
100001-200000	17.7%	-7.47%
200001-300000	18.2%	-2.65%
300001-400000	11.8%	-4.87%
400001-500000	16.9%	+0.79%
500001-1000000	14.2%	+3.76%
>1000001	13.2%	+9.46%

ASK AMOUNT PER FUNDING ROUND (IN EURO) %



GRAND TOTAL



■ 1-100K
 ■ 100-200K
 ■ 200-300K
 ■ 300-400K
 ■ 400-500K
 ■ 500-1,000K
 ■ > 1,000K

In the Series A phase, as startups are looking to scale up and increase their revenue, all companies heading to funds (100%) are requesting amounts higher than 1,000,000 €, a significant rise from last year's 83.33%.

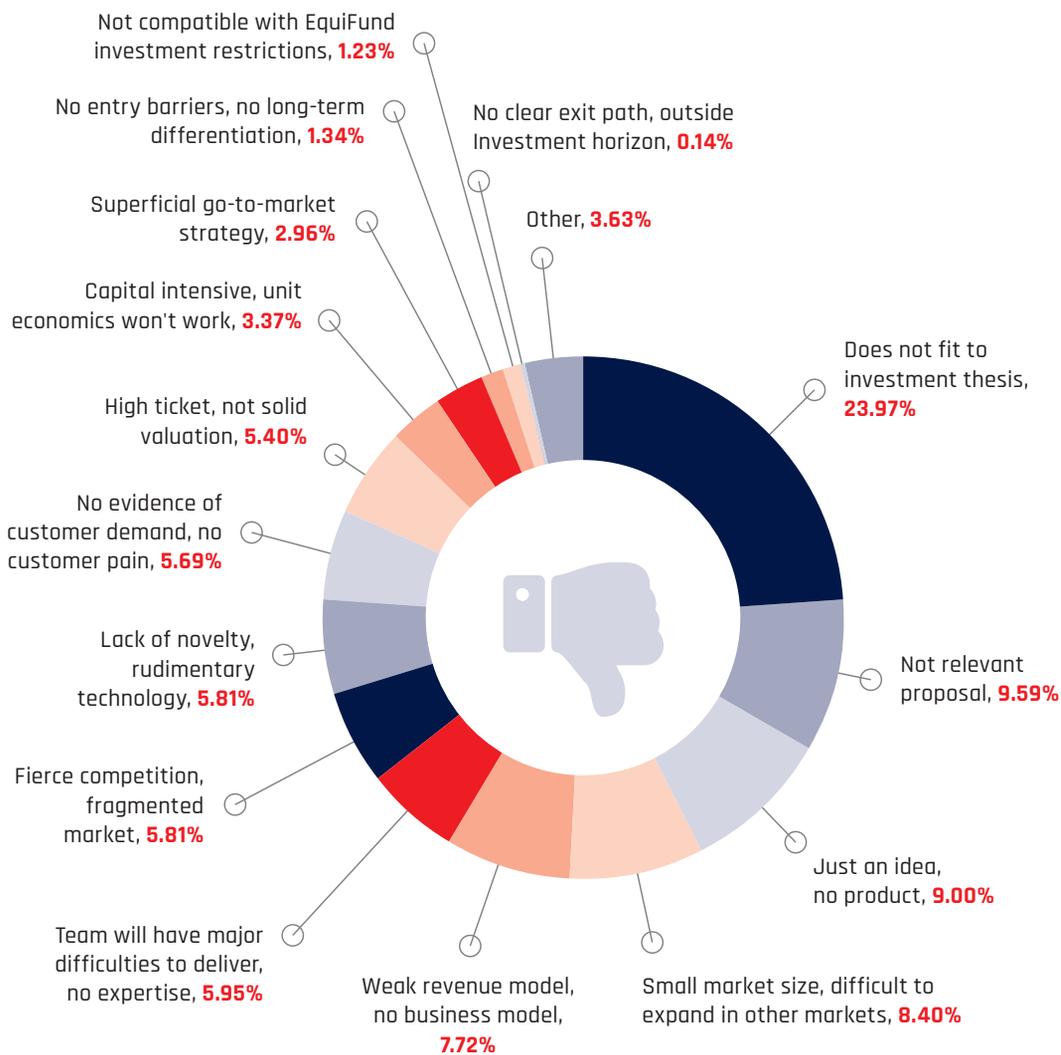
Perhaps one of the most insightful parts of our findings is the list of reasons for which startups have been denied access to venture capital, which has been updated to include the latest relevant findings from 2019.

The analysis of VelocityPartners' database suggests that 1 in 4 startups being rejected are making a proposal that does not fit the VC's investment thesis, and the gap between this reason and the ones following is definitely noteworthy. This observation is not uncommon and is often listed among the main reasons that prevents startups from getting funded⁸. An investment thesis can be summed up as the guidelines that a particular fund follows in order to decide why, when and how to proceed with an investment. In other words, this indicates that 23.97% of startups reaching out to the fund fell out of the spectrum of its investing

plan. Provided that most funds usually make their investment thesis apparent, this could very well mean that founders fail at preparing and making efficient research that will enable them to contact the funds that suit their startup.

Following very closely at 3rd place on the table is "not relevant proposal". This is potentially an indicator of not experienced founders entering the startup ecosystem, as 1 in 10 startups that requested funding failed to make a proposal to the fund that would justify further looking into it and being rejected for a more relevant reason.

REJECTION REASONS



⁸ Sean Wise, The 1 Top Reason Investors Are Ignoring Your Startup Opportunity, <https://www.inc.com/sean-wise/the-1-top-reason-investors-are-ignoring-your-startup-opportunity.html>

INCUBATORS, ACCELERATORS & CO-WORKING SPACES

Incubators, accelerators and co-working spaces are continuing to grow in popularity due to the benefits that they provide to startups. As it is commonly said, the best path to success is to be surrounded by people who share the same passions as you.

Below is a non-exhaustive list of the most important initiatives, grouped according to what is considered as their main activity (some initiatives fall into multiple categories).

Unsurprisingly, the cities with a larger concentration of incubators, accelerators and co-working spaces are also home to universities with a technical department and a renowned informatics faculty. It should be stressed that startup initiatives in smaller cities are becoming a reality thanks to active communities working voluntarily in a large part.



Incubators

Incubators are organizations that support startups in the very early stages of their development.

This can occur via providing them with access to office facilities, financial resources, experienced business mentors, and connections to related companies and other entities.

- **ABC HUB** helps young entrepreneurs based in Crete (Heraklion) build their business with the help of field-experts.
- **AEPHORIA.NET** is a sustainable-business education and incubation program for startup companies operating in Greece. Its goal is to help entrepreneurs transform their dreams into good business with a positive economic, environmental, and social impact.
- **ATHENS CENTRE FOR ENTREPRENEURSHIP AND INNOVATION (ACEIN)**, part of the Athens University of Economics and Business, is focused on student innovation.
- **ATHENS DIGITAL LAB**, a smart city research and development lab, created by Athens Partnership.
- **CORALLIA**, operating in Athens and Patras, acts as a cluster facilitator in sectors such as gaming and creative technologies, nano/microelectronics and space technologies.
- **EGG (ENTER-GROW-GO)**, a long-running Athens-based incubator and accelerator supported by Eurobank.
- **IMEDD**, an incubator for Media Education and Development with a mission to support and promote the transparency, credibility and independence in journalism on the grounds of securing meritocracy and excellence in the field.
- **INDUSTRY DISRUPTORS - GAME CHANGERS**, a non-profit/non-governmental organization running the local chapter of the Founder Institute, as US-based acceleration program.
- **INVENT ICT**, a tech-incubator based in Athens, Greece that brings together academia and industry, aims to support and launch sustainable ICT companies.
- **INNOVATHENS**, a state funded initiative by the City of Athens, managed by Technopolis.
- **IQBILITY**, an Athens-based incubator by Quest, focused exclusively on IT enabled industries.
- **MICROSOFT INNOVATION CENTRE**, one of the oldest incubator and startup events space in Athens, established in 2008.
- **OK!THESS**, an incubator and accelerator based in Thessaloniki, aiming to create a vibrant innovation ecosystem in the city.
- **PATRAS SCIENCE PARK (PSP)**, an incubator

which provides high quality infrastructure and an appropriate economic environment and supports/promotes the creation of innovative businesses through fast-growing processes. It hosts Innovation HUBs in the below selected areas: NanotechnologyHUB, AromaHUB, BiohealthHUB, SmartCitiesHUB, Cleantech EnergyHUB, AeronauticHUB, BlueInnHub, KannabisHub and it brings the productive sector closer to academia/research institutions to solve business problems and/or implement business research. It is also home to the CERN Business Innovation Center, discovering high technology companies in Greece that could be integrated into CERN's research infrastructures.

- ◉ **SCIENCE AND TECHNOLOGY PARK OF CRETE (STEP-C)**, established in 1993 by the Foundation for Research and Technology-Hellas (FORTH), offering incubating facilities and services to startups.
- ◉ **THE ATHENS STARTUP BUSINESS INCUBATOR (TH.E.A.)**, an initiative of the Athens Chamber of Commerce and Industry (ACCI) for entrepreneurship promotion.
- ◉ **TECHNOLOGY PARK "LEFKIPPOS"**, established in Athens by the National Centre for Scientific Research "Demokritos", aiming at strengthening the link between research and production.
- ◉ **THESSALONIKI TECHNOLOGY PARK**, founded by the Centre for Research and Technology Hellas (CERTH) to promote innovation, competitiveness and entrepreneurship.

■ Accelerators

Accelerators provide a blend of education, finance, guidance and access to a network of experienced consultants. They focus on growth and run over specific time periods that boost product-development.

- ◉ **BE FINNOVATIVE**, a FinTech accelerator program awarding each team with 3,000 €, is organised by the National Bank of Greece.
- ◉ **CAPSULE T**, the first Greek accelerator exclusively for tourism aiming to connect emerging technology companies in the tourism sector with industry leaders and investors.
- ◉ **EIT DIGITAL VENTURE PROGRAM** is designed to help entrepreneurs develop and finalize their MVP and establish their startup company, awarding each of the teams with 15,000 €. It is supported by EIT Digital and organized by Found. ation, accepting early stage startups from a

cluster of five countries (Greece, Cyprus, Albania, Romania and Bulgaria).

- ◉ **RELOAD GREECE YOUNG ENTREPRENEURS** pre-accelerator programme aims to inspire, coach and nurture aspiring entrepreneurs to develop their early stage ideas into a viable business.
- ◉ **STAGE TWO**, a Thessaloniki-based program offered by Innovation Farm and Atlantis Research, emphasizing market strategy and access to finance.
- ◉ **THERMI ACCELERATOR**, is a three-month acceleration program aimed to house, strengthen and promote innovative ideas of young entrepreneurs and help them create sustainable companies.
- ◉ **VENTURE GARDEN**, an education-centric acceleration program running simultaneously in Athens and Thessaloniki, supported by the Hellenic Initiative.

■ Co-Working Spaces

Co-working spaces bring together groups of people working independently on different projects or for different companies under the same roof.

In addition to the offered office space, participants benefit from the social and business connections.

- ◉ **3VENIZELOU**, offering office solutions and more luxurious working spaces in Thessaloniki.
- ◉ **ATHENS INVESTMENT CENTRE**, promoting the cooperation between Greek and foreign enterprises to facilitate business development.
- ◉ **ATHENS PLACE**, provides business spaces to startups and other small enterprises.
- ◉ **COHO**, a collaboration, business development and shared workspace in the centre of Thessaloniki.
- ◉ **FOUND.ATION**, the second largest in size space, also acting as a leading technology and innovation enabling platform in SE Europe, a startup hub and a tech education hive.
- ◉ **H2B HUB**, a new space created in Heraklion, Crete, which is supported by the University of Crete, the Foundation for Research & Technology Hellas, the Technological Educational Institute of Crete and the Heraklion Chamber of Commerce and Industry.
- ◉ **HIGGS (HIGHER INCUBATOR GIVING GROWTH & SUSTAINABILITY)**, aims to reinforce non-profit organizations operating in Greece, through educational and supportive activities at its



premises in Athens.

- ◉ **IMPACT HUB ATHENS**, part of Impact Hub Global Network, is focused on social-entrepreneurship and also acts as an incubator.
- ◉ **MAKE CREATIVE SPACES**, a co-working space in Thessaloniki, which also offers a creative space equipped with all the tools to design and implement packaging, objects and other design projects.
- ◉ **OFFICE12**, a co-working space in Heraklion, offering working spaces and a beautiful balcony with a view to the coastal city.
- ◉ **ORANGE GROVE**, a corporate social responsibility driven initiative by the Dutch embassy in Athens, involving a number of Greek and Dutch corporate sponsors and charity foundations.
- ◉ **POM**, a modern co-working space in Heraklion, Crete.
- ◉ **POS4WORK**, Patras' first co-working space, also offering meeting room solutions, a makerspace and events space.
- ◉ **ROMANTSO**, mostly addressing creative entrepreneurs in Athens and also acting as a cultural centre.
- ◉ **SPACES**, part of the Spaces global brand, is present in three neighbourhoods of Athens, planning to open to a fourth location in 2020.
- ◉ **STONE SOUP**, a space in Athens emphasizing in community cooperation.
- ◉ **THE CUBE**, in Athens, remains the largest in size private co-working space in Greece.
- ◉ **TZAFERI 16**, one of the latest additions in Athens' co-working scene, offering a boutique office, meeting and event space.

COMPETITIONS AND HACKATHONS

One of the most valuable resources available to startups is undoubtedly networking. Innovation events and competitions offer great opportunities for knowledge transfer, contact with investors, as well as help entrepreneurs gain experience and sharpen their presentation skills.

Athens is the epicenter of Greek innovation, as major investor and startup events take place in the capital, with Thessaloniki and Patras to follow – proving that there are remarkable startups all over

the country. As it was expected, the main focus of the events in 2019 was on FinTech, HealthTech, GovTech and AgriTech.

- ◉ **AGRITECH CHALLENGE AWARDS**, by Corteva Agriscience in cooperation with Bousias Communications, aims to explore the best practices and solutions in AgriScience in Greece.
- ◉ **AGROINNOECO** is a project co-funded by the European Union and by National Funds of the participating countries (Greece, Albania, Bulgaria and Cyprus) which addresses the issue of pre-incubation in Agri-food Sector.
- ◉ **BLUE HACKATHON** aims to develop and support ideas in the areas of Blue Growth, such as aquaculture, fisheries, coastal and marine tourism, etc. with the support of the Patras Science Park and the Blue Innovation Hub.
- ◉ **BLUEGROWTH COMPETITION** aims to inspire and support startups with innovative ideas relating to the blue economy, including shipping, tourism, fisheries, and the marine ecosystem. The competition is conducted under the auspices of Ministry of Digital Policy and the Hellenic Chamber of Shipping.
- ◉ **CHIVAS VENTURE** is a global competition for social entrepreneurs with an 1,000,000 \$ no-strings funding award, in which Greece participated for the 3rd time.
- ◉ **CITY CHALLENGE CROWDHACKATHON SMARTCITY**, held for the third time and organized by CrowdPolicy, required contestants to develop pilot services and applications solving problems that Local Authorities face and supporting local and national development through new technologies.
- ◉ **CLIMATHON**, the largest climate action collective of its kind, is a 24-hour Hackathon for the development of sustainable tools and solutions that target the climatic challenges of Athens. It was held for the third time in 2019 by EIT Climate-KIC Hub Greece.
- ◉ **CODE BIZ 2019**, an innovative competition powered by Think Biz, the first student entrepreneurship organization club in Greece for all upcoming coders.
- ◉ **COPERNICUS HACKATHON** is looking for teams that develop agriculture, maritime, tourism and climate solutions based on Copernicus geolocation data. It is part of the European Union Copernicus Start-up Programme.
- ◉ **CROWDHACKATHON #AGRIFOOD**, designed by The Hellenic Ministry of Rural Development and Food to develop applications and services in the

broader field of agri-food.

- ◉ **CROWDHACKATHON #INSURANCE 3**, the third two-day Innovation Marathon, organized by Crowdpolicy and Ethos Media, took focused on the creation of innovative applications (Minimum Viable Products – MVP) in the wider insurance sector (#insurtech).
- ◉ **DISRUPT GREECE**, an innovative competition designed by Fortune Greece and Industry Disruptors-Game Changers (ID-GC) to promote innovation, entrepreneurship and support the Greek startup ecosystem.
- ◉ **EMPHASIS**, a digital accelerator of innovative ideas, innovative products and services in the retail sector, powered by Cardlink in collaboration with the Athens Center for Entrepreneurship and Innovation (ACEin).
- ◉ **ENNOVATION** is an international university competition on entrepreneurship and innovation, running by a network of 20 universities in Greece and Cyprus with the organizational support of the Athens University of Economics & Business.
- ◉ **ENVOLVE AWARD GREECE (FORMERLY THE HELLENIC ENTREPRENEURSHIP AWARD)** founded by The Libra Group, is a global entrepreneurship support organization that seeks to cultivate the next generation of business leaders running for the 7th consecutive year.
- ◉ **EO GLOBAL STUDENT ENTREPRENEUR AWARDS** aim to help students develop their entrepreneurial ideas. The initiative is supported by the Greek chapter of Entrepreneurs Organisation.
- ◉ **ESMARTCITY DATATHON**, an innovation contest aiming at Greek SME capacity building in the Smart City sector.
- ◉ **FINQUEST BY ALPHA BANK**, an international open-innovation competition, aiming to enable innovative proposals and make the Fintech community part of the industry's transformation. Organized by Found.ation for the first time in 2019.
- ◉ **GREENTECH CHALLENGE BY ESU NTUA** aims to bring the National Technical University of Technology to the forefront of innovation and to become a unifying element among its existing structures, highlighting green technologies.
- ◉ **GO 4.0 GREEN CROWDHACKATHON INNOVATION MARATHON** aims to highlight green innovation applications that help meet the major environmental challenges of our time and contribute to the digital transformation and upgrading of the Ministry's services.
- ◉ **HEALTH DATATHON** is the 1st Health Datathon in Greece organized by the Athens Medical Society, the Open Technologies Alliance (GFOSS) and the Hellenic Society of eHealth Services and Education where participants collaborated on unanswered questions, both in the clinical field and in the field of management of health services.
- ◉ **HACKING HEALTH ATHENS** organized by Ehealth Forum and Biomimicry Greece Research & Innovation, the competition aiming to develop disruptive solutions for fostering Health Data and Mobility.
- ◉ **HACKATHON SERRES** aims to create applications that use and analyze cyberattack data and was held for the 4th time.
- ◉ **HELLENIC INNOVATION FORUM**, aims to bring together the academic and research community and the business world. It is designed by Ethos and held for the 3rd time in Greece.
- ◉ **INDUSTRY 4.0 NOW CROWDHACKATHON**, an open innovation initiative of H.F.E. organized by Crowdpolicy, aiming to bring the ecosystem of innovation and start-ups closer to the Greek industry and to explore the possibilities and scenes of digital conversion and innovative development of Greek businesses.
- ◉ **INNOVATION AND TECHNOLOGY COMPETITION** is an integrated program designed to foster innovative and export-oriented entrepreneurship by National Bank of Greece and its NBB Business Seeds program.
- ◉ **JOHN & MARY PAPPAS BUSINESS PLAN COMPETITION**, the Business Plan Competition of Anatolia School of Business subsidized by John & Mary Pappas is open to young entrepreneurs who take their first steps.
- ◉ **MEDIAMARKT STARTUP CHALLENGE** brings together entrepreneurs, who are shaping technologies of the future today, and the retail world and took place for a second year.
- ◉ **MINDSPACE CHALLENGE** gives university students the chance to participate in a free 3-day educational workshop. Three best ideas travel to the U.S. and the first team receives 8,000 €.
- ◉ **MIT HACKING MEDICINE HACKATHON ATHENS**, a collaboration between MIT Hacking Medicine, eHealth Forum and Biomimicry Greece Research & Innovation that held for the very first time.
- ◉ **MIT ENTERPRISE FORUM (MITEF) GREECE STARTUP COMPETITION**, a technology accelerating competition established back in 2015 and running



since then, promoting high-edge technologies.

- ◉ **NASA SPACE APPS CHALLENGE**, an international hackathon for coders, scientists, designers, storytellers, makers, builders, technologists, and others in cities around the world, where teams engage with NASA's free and open data to address real-world problems on earth and space. The competition held in Piraeus and Thessaloniki.
- ◉ **OK!THESS DEMO DAY** uses the format of speed matching in order to help entrepreneurs from north Greece to meet with investors.
- ◉ **OLIVE CHALLENGE**, a competition that focused on innovations for the olive oil sector and organized by the Fileos, Olive Oil Society.
- ◉ **PATRAS DATABIO HACKATHON** - AI for Agriculture, organised by The DataBio project in order to support innovative ideas of students and entrepreneurs addressing agriculture challenges. The Patras DataBio Hackathon 2019 is part of the INSPIRE Hackathon series.
- ◉ **POWERUP! 2019** is the 5th edition of the competition for start-ups organized in 24 Central & Eastern European countries. PowerUp! thematic fields among others are: energy, mobility, cleanair, heating, cleantech, smartcities. The local finals were held by InnoEnergy & KINNO Consultants Ltd.
- ◉ **RETECH INNOVATION CHALLENGE**, attempted to transform the mall experience by leveraging technology and multichannel strategies. It was organized by Lamda Development and Industry Disruptors-Game Changers (ID-GC) as its strategic partner.
- ◉ **SMART4SEA AWARDS** focus exclusively on initiatives and individuals who foster Safety Excellence & Sustainable Shipping, following a combination of open nomination and audience-vote.
- ◉ **STARTUPNOW FORUM** is a two-day conference aiming to become the meeting place for entrepreneurs and investors, also including a pitching session for startups.
- ◉ **STARTUPS D.DAY**, a competition organized by the Federation of Hellenic Information Technology & Communications (FHITCE), to help open to all tech startups.
- ◉ **STARTUP WEEKEND** returned this year with a SW Women edition to empower more girls and women to start their own business with a spin-off of a 54 hour Hackathon with the help of entrepreneurs, guest speakers, mentors of the local community and beyond.
- ◉ **STARTUP WORLD CUP** is the worldwide largest startup conference and competition in the world launched in 2016 by the global venture capital arm, Fenox VC and held for the very first time in Greece this year.
- ◉ **STELIOS AWARDS GREECE**, addressed to young entrepreneurs under 40 wishing to accelerate and scale their businesses. The competition held by Sir Stelios Hajioannou, founder of easyJet, easyGroup and Stelios Philanthropic Foundation for the 12th year.
- ◉ **THE DIGITAL GATE III: THE AIRPORT INNOVATION CHALLENGE**, addressed to startups or scientists who attempt to modernize airports and provide innovative solutions running for the 3rd consecutive year.
- ◉ **THE SQUEEZE**, one of the most well-known thrilling pitching competitions in Greece with 13 completed rounds.
- ◉ **TROPHY - TROFI CHALLENGE**, aimed at startups with innovative solutions in the areas of AgriTech and FoodTech.
- ◉ **VISA INNOVATION PROGRAM**, a collaborative platform where fintech startups and Visa's business partners work together for addressing market-wide challenges through tangible propositions.
- ◉ **WWF IMPACT VENTURES**, a program aiming to accelerate, build capacity and enable access to investment platforms, dedicated to transforming grant funded WWF projects into for profit conservation businesses.

An increased amount in startup competitions, hackathons and award ceremonies was held in the capital city and various other locations during 2019. It is encouraging to see that the business world shows an interest in the startups scene and many corporate responsibility programs target the specific category of young entrepreneurs, while it is also a sign that many large organisations see in startups an efficient way to invest in technology and innovation as part of their digital transformation journey. This is especially evident in sectors like finance, health and even more traditional industries such as agriculture.

On the other hand, it is somewhat alarming that this could result in a fragmentation of ideas and talent, making it hard for each event to produce really innovative solutions that could be implemented on real life challenges.



STARTUP FUNDING AND EXITS

In 2019, the majority of investments went through the EquiFund mechanism, a rather unsurprising fact due to the amounts available from the participating funds. Nevertheless, as stated in the relative chapter, a significant part of the investment rounds comes from non-EquiFund VCs, although as an immediate result of the program.

Our research shows that in 2019, a total of 130,000,000 € were raised by the top 10 Greek startups. Like in previous years, the 3 most funded companies claim the majority of this amount, accounting for almost 60% of the total investments sum. In comparison with 2018 (116,500,000 €), the total amount has not increased significantly, but there have been more investments recorded than the previous years (in fact, the number of investments has more than doubled), with a smaller amount for each one. A total of at least 147,000,000 € were raised by startups in 2019, with almost 88% of that amount being received by the 10 most funded startups. This is more than the amount invested in 2018, but scattered across a larger number of startups overall.

Our 2019 list of the most funded startups has many new entries, and what is remarkable is that many of these are companies that were founded a year ago or even less. It is also noteworthy that the amounts invested in those companies are less impressive than in the 2018 list (where we had a 43,000,000 € investment in the first place and a 2,000,000 € at the base of the chart), but this is due to the ticket size of most funds in the early stage and innovation windows. Nevertheless, we should not draw the conclusion that the amounts invested have decreased in 2019, because EquiFund funding accounts for just 25% of the total funding received by those startups.

Regarding startup exits, there were fewer (just 1) recorded compared with 2018 (2), 2017 (5) and 2016 (5). It would be interesting to follow the EquiFund-funded companies' path in the next years - a path that could potentially lead to an increased number of exits.

TOP 10 MOST FUNDED GREEK STARTUPS IN 2019

	Company	Funding (€ in millions)
1	Blueground	62.74
2	Netdata	17.31
3	Balena	13
4	Weengs	7
4	Spotawheel	7
5	Plum	6.84
6	Sentio Solutions (Feel)	4.1
7	Welcome Pickups	3.3
8	Accusonus	3
9	Augmenta	2.75
10	Toorbee	1.5
10	Flexcar	1.5

Who is who

- BLUEGROUND** is a hospitality company that offers high-quality accommodation for business executives, expats and individual renters.
- NETDATA** develops the Marketing Language Cloud, a cognitive content platform that uses AI generated language to help instantly diagnose slowdowns and anomalies in infrastructure.
- BALENA (FORMERLY RESIN.IO)** provides the infrastructure and tools to help develop, deploy and manage IoT projects at any stage.
- WEENGs** is a smart logistics service that simplifies how sellers get their orders to their customers.
- SPOTAWHEEL** is a high-tech used cars B2C platform that aims to redesign the whole buy-sell process, ensuring value, transparency and customer satisfaction at the highest levels throughout.
- PLUM** develops personal savings assistant solutions for customers by monitoring their daily spending and automatically sets money aside that they won't need.
- SENTIO SOLUTIONS**, also known by the name of their main product, Feel, develop digital biomarkers and therapeutics to change the way we diagnose, monitor, and care for mental health. Their first product, Feel, is an emotion-sensing wristband and app, that provides continuous monitoring and real-time personalized interventions for individuals that suffer from anxiety and depression.

WELCOME PICKUPS acts like a personal travel concierge covering a traveler's all in-destination requests starting from the very first one, the pickup from the airport. Welcome upsells products and services (sim card, prepaid bank card, museum tickets etc.) tailored to the needs of the specific traveler which are delivered conveniently right at the exit gate.

ACCUSONUS is a high technology start-up focused on innovation in digital audio technologies.

AUGMENTA offers an Artificial Intelligence based solution comprised of a hardware device and a web platform, that is available to any farmer anywhere in the world, that wants to have the best possible efficiency for every inch of their land and ultimately increase their seasonal net income.

TOORBEE is a B2B travel platform that connects Online Travel Agents (OTA) with in-destination services providers. Through Toorbee's immersive platform, OTA can access the in-destination spending of their travelers.

FLEXCAR is a flexible leasing company that offers cars as a subscription service. The company buys high quality cars that are slightly used and leases them out at an all-inclusive monthly price. After passing credit checks, customers can lease a car with a minimal deposit, while having the ability to return, switch or buy their car at any point in time.

TOP 10 MOST FUNDED GREEK STARTUPS (ALL-TIME)

	Company	Total Funding (€ in millions)
1	Persado	83.6
2	Workable	73.83
3	Blueground	70.43
4*	Balena (Resin.io)	28.19
5	Hellas Direct	23.8
6	Softomotive	21.75
7	Netdata	18.9
8	Metamaterial Technologies	16.26
9	Pollfish	15.5
10	Viva Wallet	15

*New entries in 2019

Who is who

PERSADO develops the Marketing Language Cloud, a cognitive content platform that uses AI generated language which resonates the most with any audience.

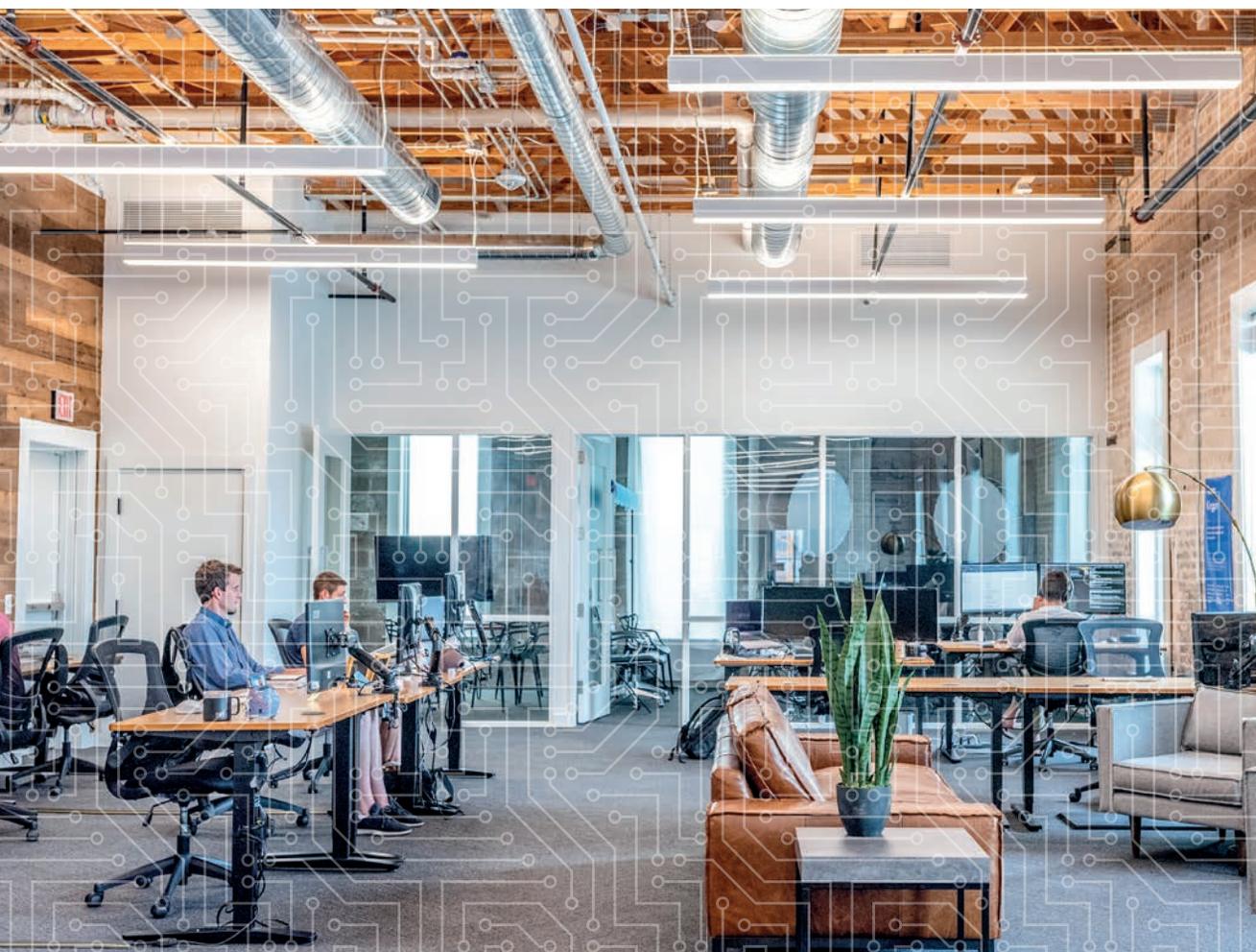
- ◉ **WORKABLE** operates a cloud-based recruitment platform for companies, helping them manage their recruitment process with simple tools to promote their jobs online, review candidates and schedule interviews.
- ◉ **HELLAS DIRECT** is an online insurance company providing car and house insurance.
- ◉ **SOFTMOTIVE** is a company specializing in Robotic Process Automation. It was founded in 2005 and it serves more than 8,000 companies worldwide. In 2018 it received new funds by Grafton Capital and moved its offices in London.
- ◉ **METAMATERIAL TECHNOLOGIES** is a smart materials and photonics company designing a new class of multi-functional materials that facilitate advanced light manipulation.
- ◉ **POLLFISH** is a startup developing a hybrid-service survey platform that delivers surveys online and via mobile applications. The Series B funding round led by the European Bank for Reconstruction and Development (EBRD) in 2018 places Pollfish into the top 10 of the most funded Greek Startups.
- ◉ **VIVA WALLET** offers transparent multi-channel payment solutions through cloud-based systems architecture. It was founded in 2000 and in 2018 it received funding from DECA Investments.

■ New entries in 2019

- ◉ **NETDATA** develops the Marketing Language Cloud, a cognitive content platform that uses AI generated language which resonates the most with any audience. Netdata made headlines when the new investment round of 17,000,000\$ was announced on September 2019 (led by Bain Capital, with co-investment by Marathon Venture Capital), because of the age of its founder and CEO, Costa Tsaousis, who at 51 years old is one of the best examples that startups are not only for the young.

Blueground received 50,000,000\$ in funding (Series B) in October 2019 (Prime Ventures and WestCap were the lead investors), climbing up to the 3rd position of the chart. Balena raised 14,400,000\$ in a Series B round led by OpenView Venture Partners in July 2019, taking up the 4th position. Persado and Workable still remain at the top two positions of the all-time most funded Greek startups, even though neither of them have announced new investments.

It is worth noting that 8 out of the 10 companies in this chart have been backed by EquiFund and have received additional funding. 25% of the funding rounds include an EquiFund VC involvement. For the companies that have received an EquiFund investment, this represents a 33% of their total funding on average.



The number of people employed by the top 10 most funded startups has dropped (from 101-250 employees to 11-50). These top startups maintain offices in 2 or less countries, with 80% of them having established a branch in the USA, a slight increase compared to 2018. Many startups continue to have offices abroad in order to expand and reach bigger markets, increase their chances of receiving international funding, or benefit from lower corporate tax rates. At the same time, these are indicators that established startups are maturing as organizations, attracting new talents and expanding their operations.

On one hand, a decrease in funding from Angel investors is observed among all the startup deals that took place in 2019, with a simultaneous increase of Venture Capital funding. On the other hand, more investors from abroad are taking part in the funding rounds led by EquiFund VCs, which is a very positive sign of extroversion of the Greek startup ecosystem.

Found.ation has been keeping record of most tech startups and their progress since 2010 and has maintained a thorough database, from which the following statistics have been drawn. So far, there has not been a more complete central database from which to draw the data needed for a more analytical report. In terms of funding received, the listed companies are the most successful startups that are still active at the time of writing.

Disclaimer: Ranking for all tables was based on announced values. When no public information was available, market estimations were taken into consideration.

Data sources: Found.ation, Crunchbase

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	Avocarrot	€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.*

Who is who

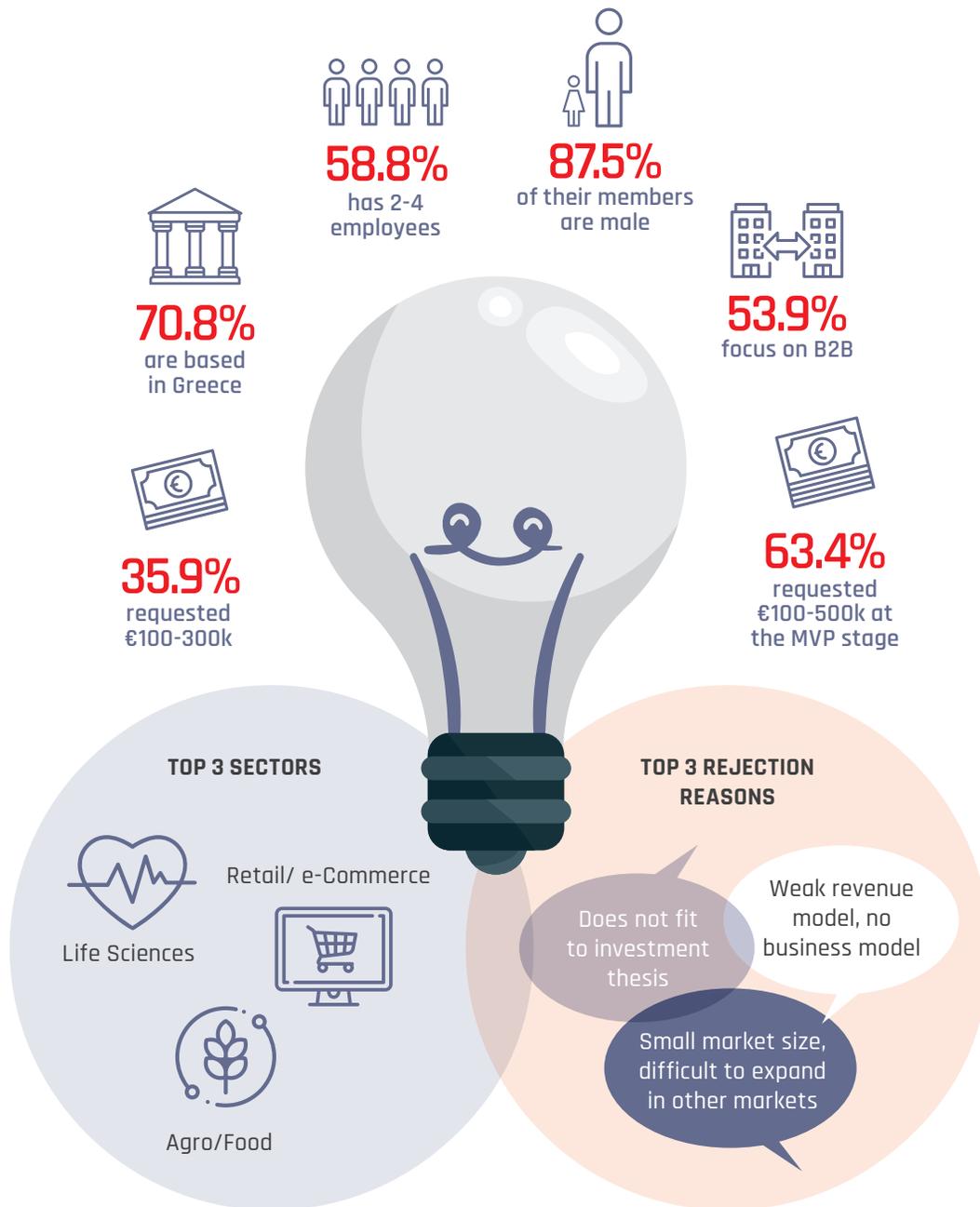
- **BEAT (TAXIBEAT)** is a mobile application that transforms the way people move in their cities and beyond.
- **INNOETICS** develops advanced synthetic voices and offers solutions that integrate with their text-to-speech technology.
- **AVOCARROT** is a leading programmatic native ad exchange & mediation solution for mobile publishers, offering an all-in-one platform for optimizing and monitoring mobile ad revenue.
- **E-FOOD** is a website that enables its users to order food online from restaurants in Greece.
- **CRYPTEIA NETWORKS** delivers a zero-day threats identification technology based on threat intelligence and analytics.
- **QUIZDOM** is a social trivia game with the most downloads for a mobile game application in Greece and more than 2 million users.
- **ANTCOR** is a leading provider of Wi-Fi IP for the communications and connectivity chip industry.
- **ABZORBA GAMES** is a world leading mobile social casino operator that develops a series of casino game apps.
- **BUGSENSE** provides application performance reports to mobile developers, helping them identify issues and create better mobile app experiences.
- **CLICKDELIVERY** was the first online food ordering service in Greece, developing and using breakthrough technology to dispatch online orders to restaurants via terminals.

New exits in 2019

- **RADIOJAR** was launched in 2013 with the vision of empowering radio stations to progress into the internet cloud era. Using audio computing and distributed architecture, the company focuses on two major technology fields, cloud play-out and digital audio delivery. It was acquired by leading media company iHeartMedia in February 2019 and retains its headquarters in Athens.

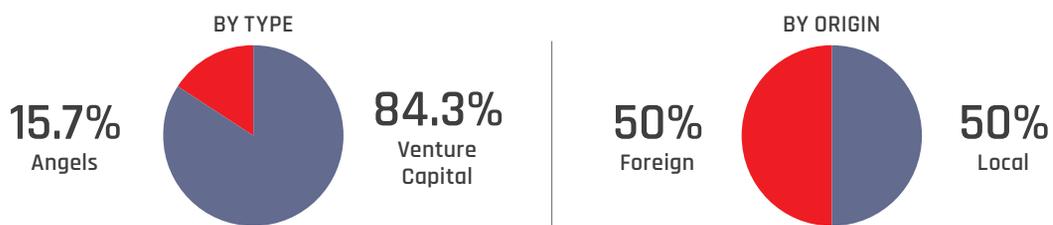
The amount for this exit (in the form of acquire) was not announced and no data to base an estimation upon reached us. Consequently, we did not include it in the top 10 list, which remains exactly as it was in 2018.

PROFILE OF THE EARLY STAGE GREEK STARTUPS



*based on data by Velocity.Partners VC and Foundation

INVESTORS (2019)*



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

7.9
years 

3.6
Funding Rounds 

6.1
Investors 

3.1
Countries with offices 

101-250
Employees 

4.4 years
till first funding 

8 have a
branch office
in USA 

PROFILE OF THE 10 MOST FUNDED STARTUPS IN 2019

3.8
years 

4.4
Funding Rounds 

5.4
Investors 

1.5
Countries with offices 

11-50
Employees 

1.7 years
till first funding 

5 have a
branch office
in USA 

% VARIATION BETWEEN 2018 AND 2019



Positive values indicate increment from 2018 to 2019. Negative values indicate reduction from 2018 to 2019.

PROFILE OF STARTUPS - THE TOP 10 EXITS OF ALL-TIME

5.65
years 

2.4
Funding Rounds 

11-50
Employees 

3.9
Investors 

2.39
Capital Raised 



KEY TAKEAWAYS

The impact of the EquiFund funding mechanism is starting to become clear. The majority of investment rounds are led by the VC funds participating in the EquiFund programme, yet in terms of the total amounts invested in those startups, almost two thirds come from third parties. This is indicative of the desired result – the attempt to attract more investments from the private sectors but to also draw attention to the Greek startup scene as a whole.

€60 million have been invested in Greek startups so far through the EquiFund program. Those 74 companies that were backed, have received total funding of €180 millions.

For every €1 received by EquiFund VCs, the startups have attracted €1 more by other investors in following rounds. In general, for every €1 received by EquiFund, the startups have received €2 more by other investors.

The startups funded by EquiFund are younger than the startups backed by investors in the previous years, prior to the program. The investment amounts are also smaller per round, but scattered across a larger number of companies.

8 out of the 10 most funded companies of all-time have been backed by EquiFund and have received additional funding. 25% of the funding rounds include an EquiFund VC involvement. For the companies that have received an EquiFund investment, this represents a 33% of their total funding on average.

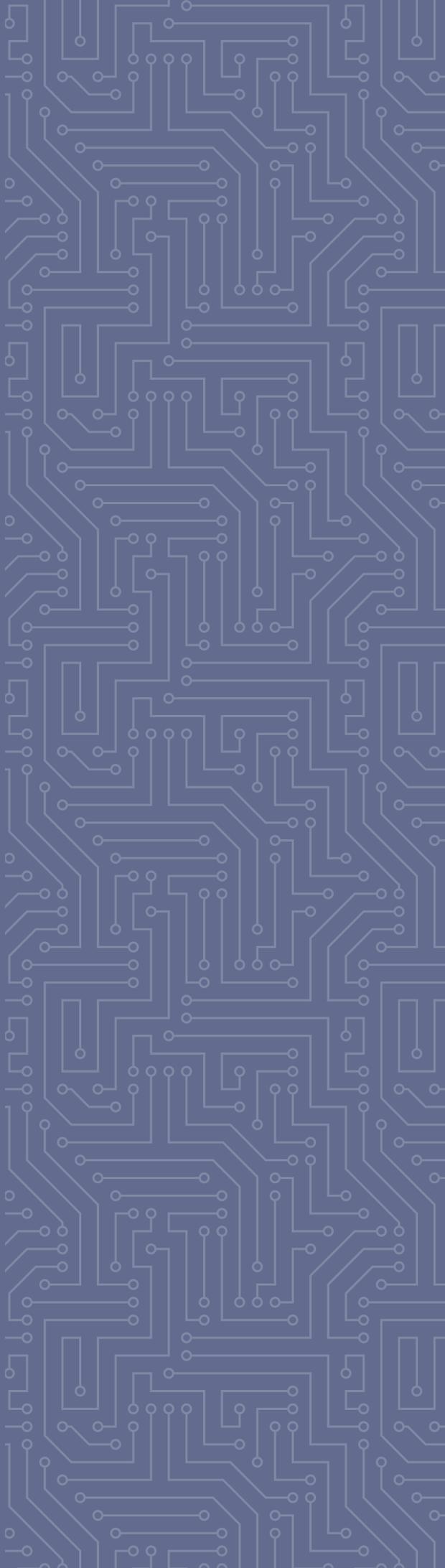
The top 3 sectors include Life Sciences, Retail and AgriTech, while more traditional sectors such as Tourism/Hospitality and Lifestyle are still on the rise.

VC funds are sometimes investing smaller amounts to startups, thus reducing the gap between early funding (usually from friends and family, grants and competitions) and proper VC funding. But there is still room for further actions towards this direction.

SUGGESTIONS

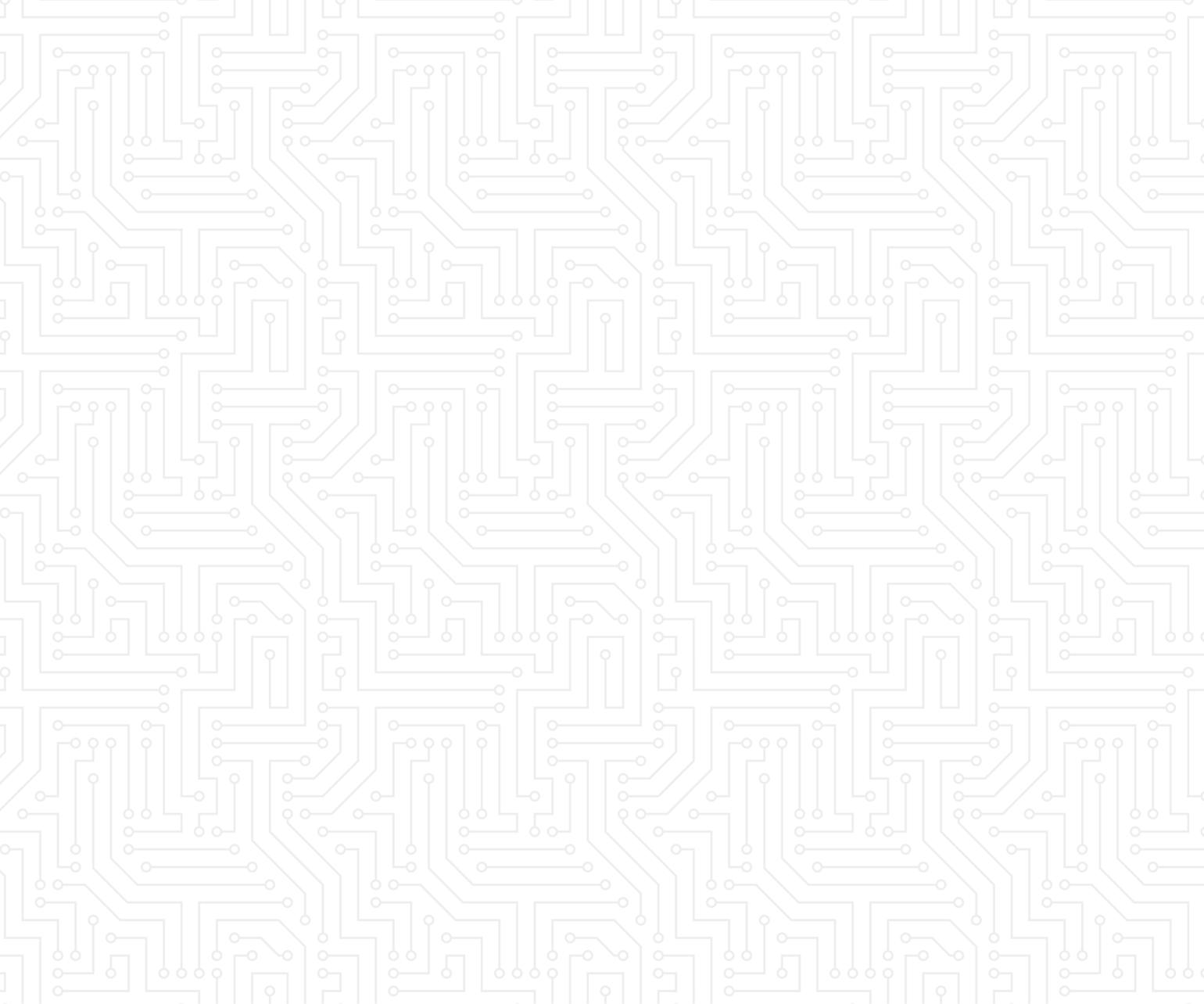
Having returned to the path to prosperity, slowly but steadily, Greece is turning the page in every sector. The support of entrepreneurship has moved to the top positions of the government's priorities. What remains to be seen is how this support will be implemented. Now that there are more funding opportunities available to promising companies, it is the right moment to create a complete strategy for supporting startups and individuals at even earlier stages. Education is one of the sectors that should be transformed. Early stage financial and mentoring support is another way to boost entrepreneurship. Research and development should be encouraged even further. The legal framework has yet to be updated to further allow new companies form and develop in their first steps, although progress has been made towards the right direction. A careful planning of the next day for investments has to be made, as it seems that some EU-backed funding mechanisms that will be put into effect in the next months are almost competitive to EquiFund.

Last year we noted that the increasing amount of hackathons and competitions might create a saturation effect. In 2019 we saw even more events around startups being organised. While this further adds to the problem (funds are scattered across multiple competitions, mentors and judges are often the same people at most events), it can also be seen on a more positive view: many companies and organisations are seeking innovation in the form of startups and young entrepreneurs, and thus want to play a role in boosting entrepreneurship, a goal often interlinked with their corporate responsibility strategies – resulting in a win-win situation. The need for a more systematic and business-oriented approach on this point is still something that needs to be considered. It should also be noted that there are no corporate venture capital funds in the country.



On the other side, startupper need to work more on their proposals and be better prepared before presenting their company before the fund managers. As the ecosystem is maturing and founders take part in more events, hackathons and accelerators, they are also gaining experience and improve their pitching and business development skills. There is still room for improvement though, and education is one of the best ways to achieve an entrepreneurial mindset.

There is still plenty of time ahead to see the full EquiFund impact in the Greek startup ecosystem. The future seems to be more than promising.



EIT Digital is supported by the EIT,
a body of the European Union.



Evrystheos 2 (Peiraos 123),
K. Petralona 118 54 Athens, Greece
www.thefoundation.gr