



STARTUP HEATMAP EUROPE

Trends and challenges for European deep tech start-ups



Thomas

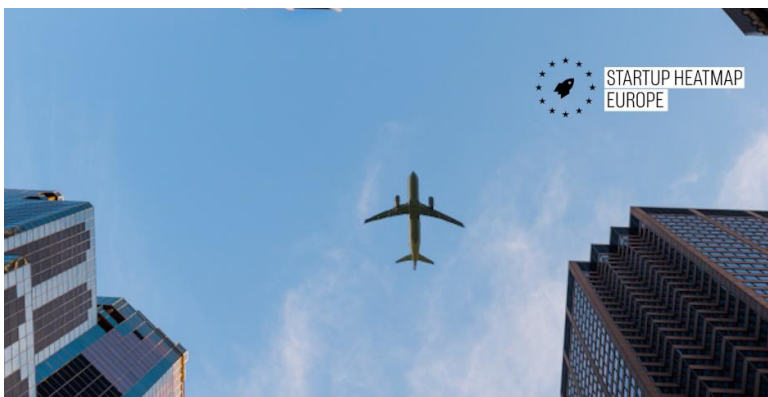
Kösters

CEO DEEP Ecosystems





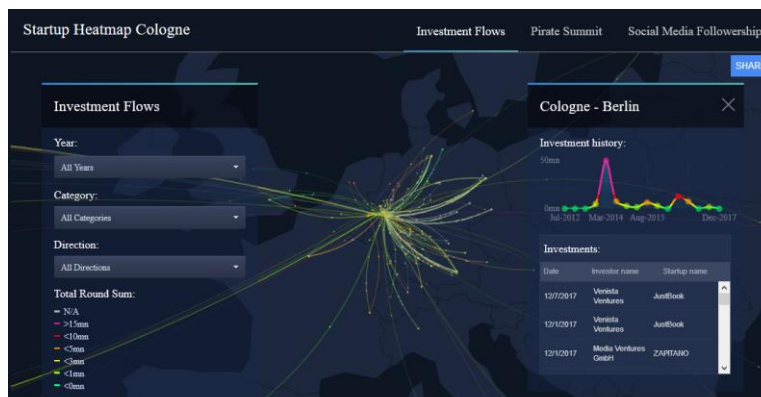
YOU CANNOT GROW
WHAT YOU CANNOT MEASURE



STARTUP HEATMAP EUROPE

STARTUP ECOSYSTEM REPORTS

- Leading reports on startup locations and founder mobility
- Featured in New York Times, Politico, World Economic Forum, etc.
- >400,000 readers annually



HEATMAP PLATFORM

- “TripAdvisor” for founders and investors to find the best places for startups
- >10,000 founder opinions since 2016
- Hard data on >100 ecosystem metrics (investments, meetups, news, etc.)



ECOSYSTEM ACCELERATION

- Intensive peer learning seminars for professional ecosystem builders
- >250 participants across Europe, LATAM and Africa since 2019
- Partnerships with Atomico Ventures, Balderton Capital, Swisscontact, GIZ



Since 2016, the annual Startup Heatmap Report is the leading reference for the popularity of startup hubs in Europe.

Founders' Favorite Startup Hubs

Rank	City	% of Founder Vote	Change of Rank	Change of %
1	Berlin	37.36%	0	-1.56%
2	London	33.09%	0	-3.29%
3	Barcelona	20.01%	+1	+2.69%
4	Lisbon	16.36%	+2	+6.74%
5	Amsterdam	16.17%	-2	-1.28%
6	Tallinn	9.20%	+3	+0.06%
7	Paris	8.28%	0	-1.25%
8	Munich	7.55%	-3	-2.59%
9	Stockholm	7.12%	+1	+0.94%
10	Madrid	6.43%	+3	+0.77%

Sample of >24,000
Pre-Selected Founders
Equal Distribution by Region
>1,300 Founder Votes collected
Timeline Comparison since 2016

[Full Report](#)

European Founders are Optimistic

75% of founders in Europe are optimistic

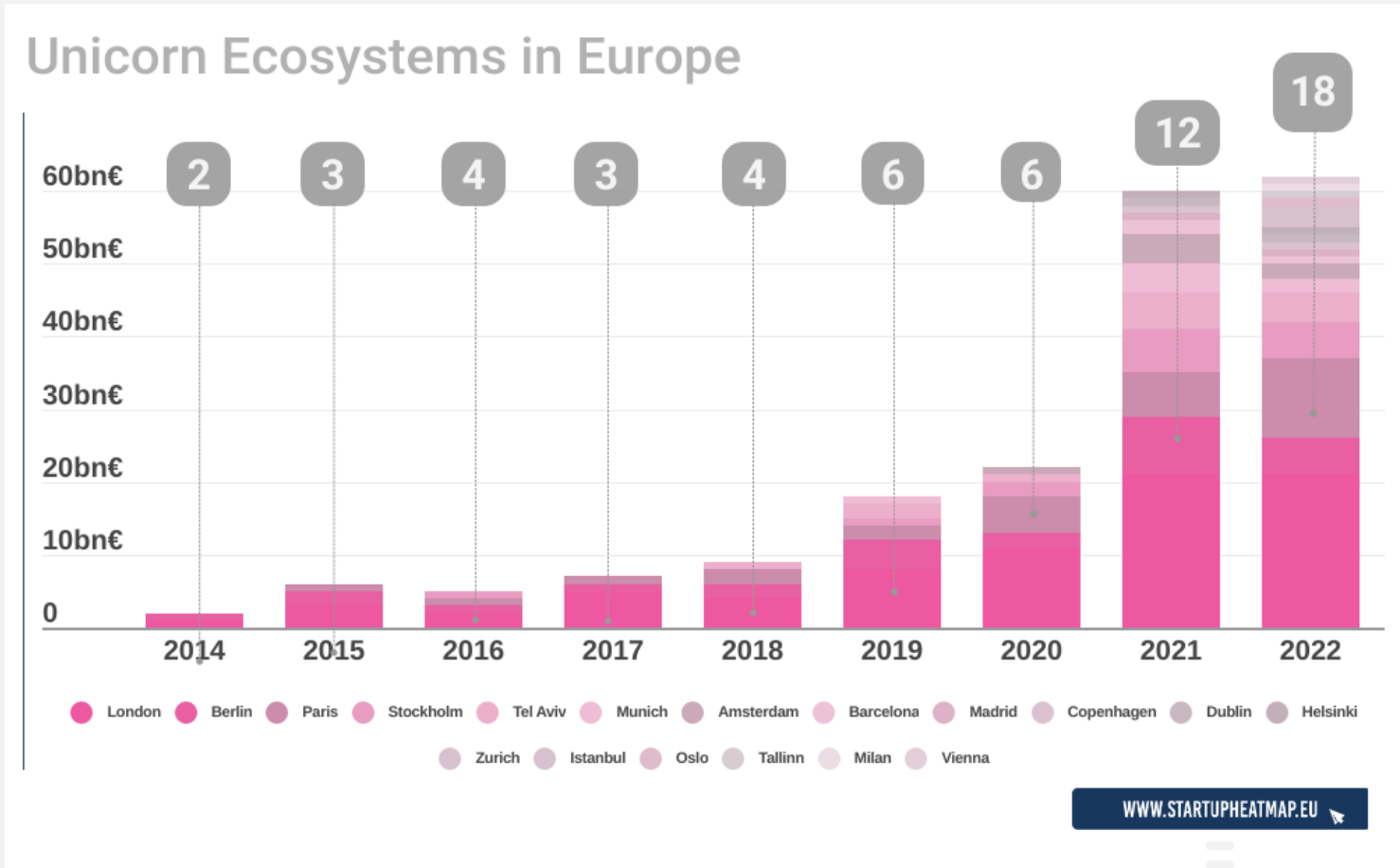
The majority of European founders is optimistic or even very optimistic about their regional ecosystems' developments. Overall, 36.7 % are extremely optimistic while 38.8 % are very optimistic. The UK, the West and Nordics and Baltics are the most optimistic. 57% prefer to start in Europe over the US.



„Unicorn“ Ecosystems raising >1bn € per year

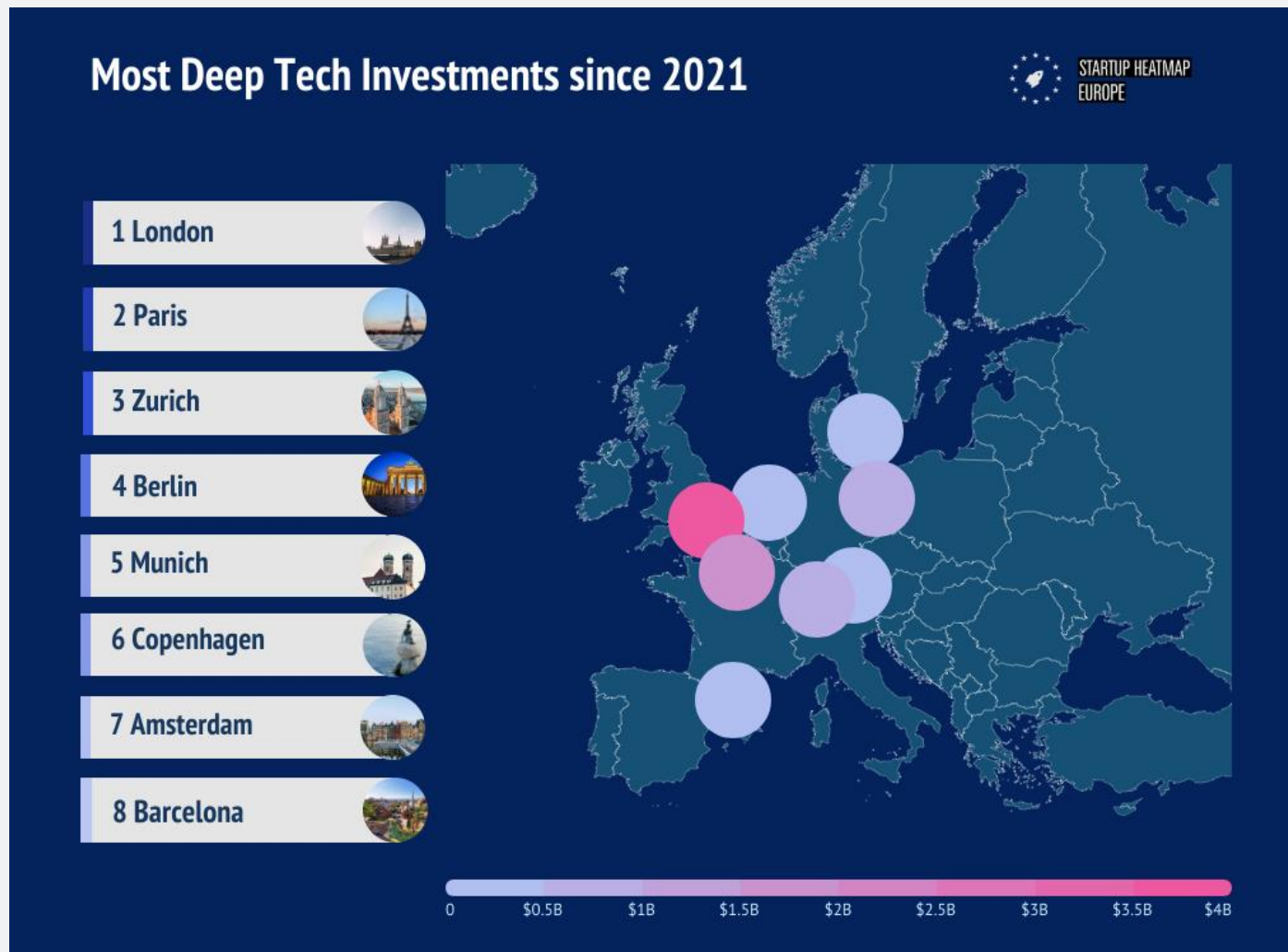
More Hubs Reach Critical Size

The influx of capital boosted more hub's to critical size allowing 18 of them to reach „unicorn ecosystem“ status claiming their startups have raised more than 1bn€ cumulatively in 2022.



Deep Tech Is Different

Looking at the Deep Tech investments we see different front-runners than in the „classical“ startup investment space



Hardware Startups on the Rise

36% of funding in Germany goes to “physical products”

While 10 years ago, hardware startups were the cryptonite of Venture Capital, today we see an increasing trend to invest in clean-tech, mobility and industry appliances with a hardware component.

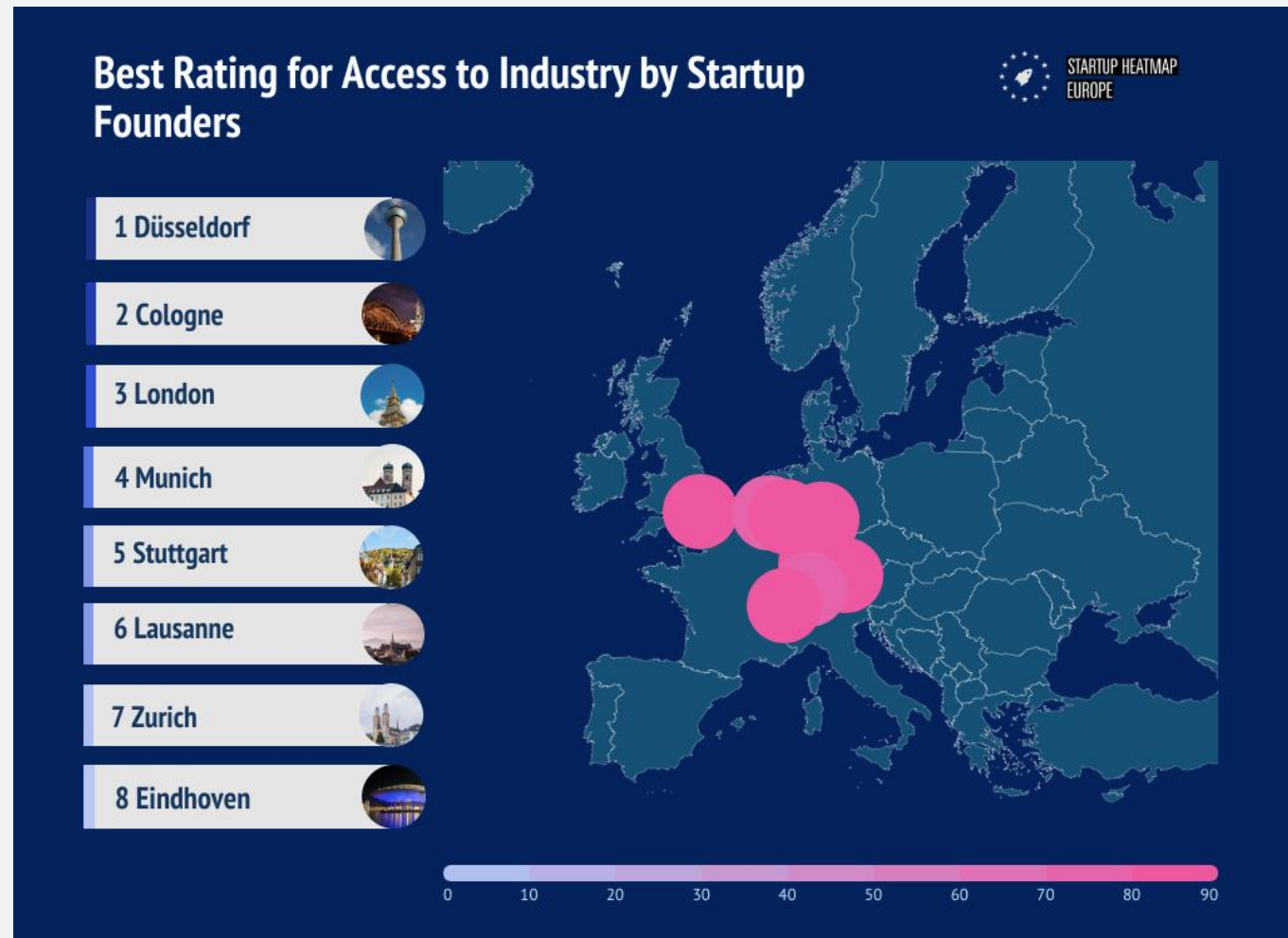


Access to Industry for Startups

On average European hubs have 67% positive ratings for access to industry

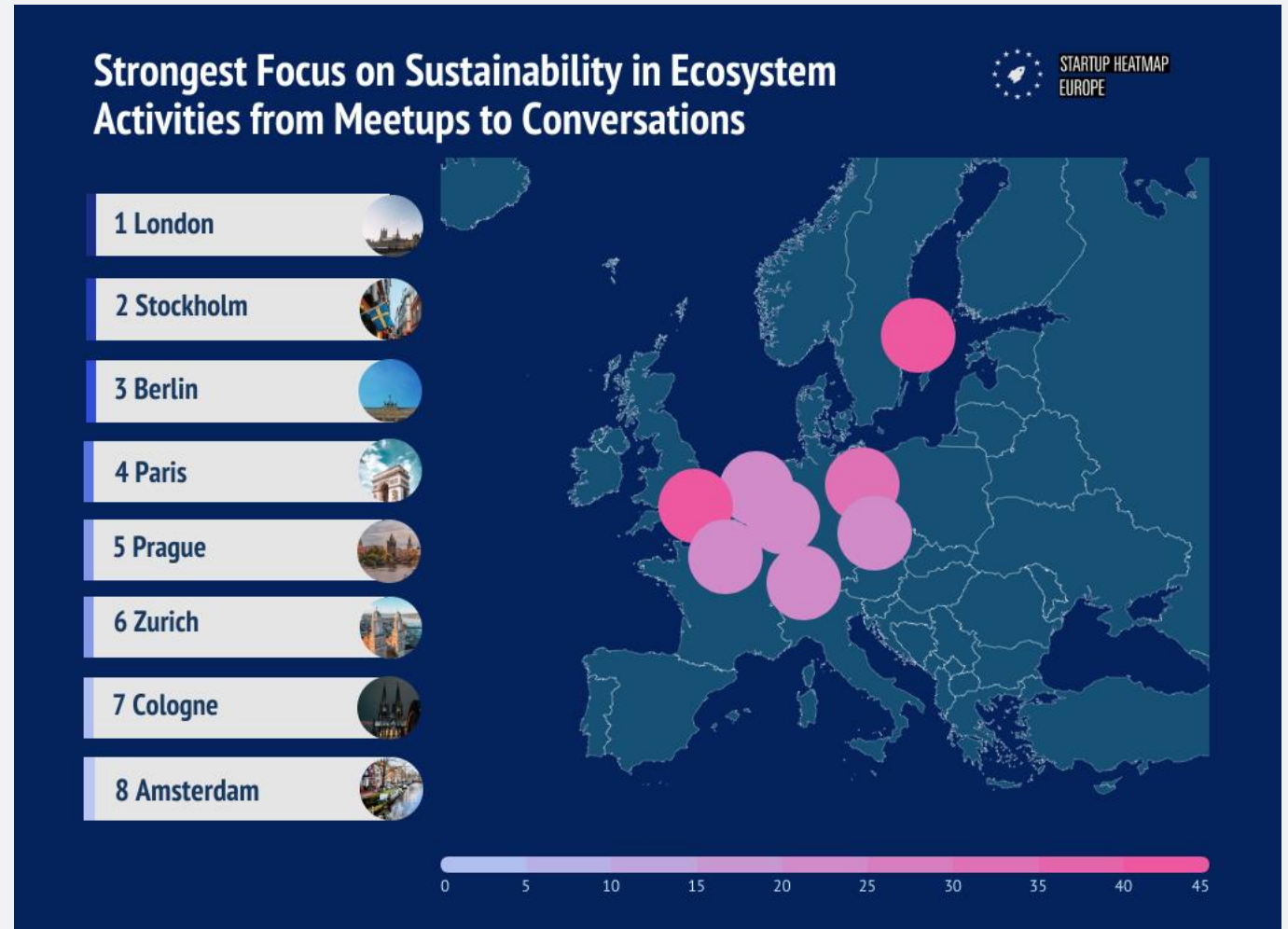
German speaking cities outperform their counterparts with strong access to industry. Düsseldorf and Cologne at the heart of Germany's industrial cluster lead the pack.

Cities that reach 85% and more positive rating for the connection to industry are also London, Lausanne and Eindhoven.



Trendsetters in the Sustainability Sector

An analysis of grassroots activities, including meetups, social media messages and tech news sites shows which cities set the agenda on sustainability topics.



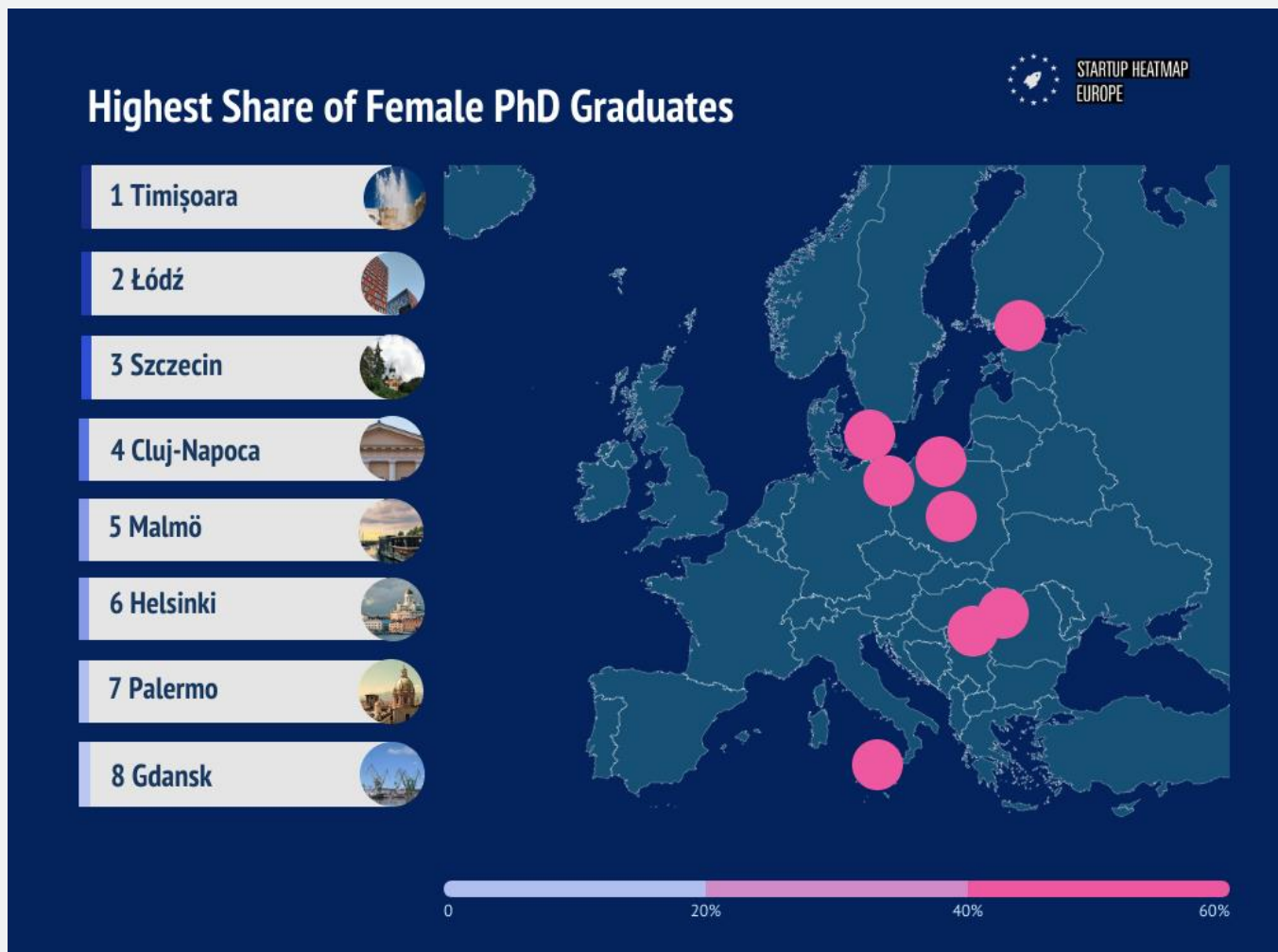
Only 16.1% of tech founders are female in Europe

The openness of tech ecosystems in Europe is still limited and especially economic centers that are strong in deep tech and industry connections are particularly closed off for women.



CEE offers a sizeable pool of female talent

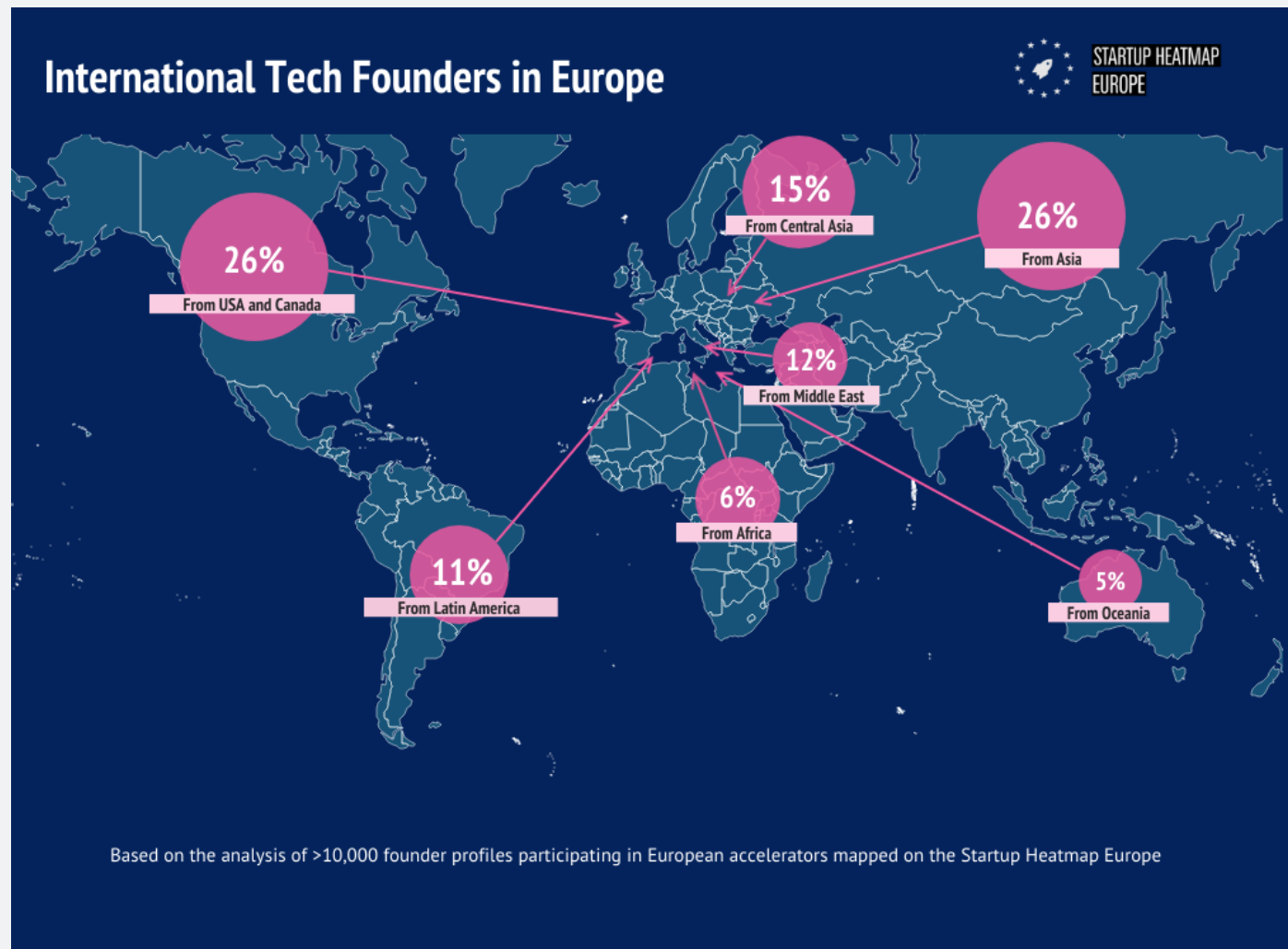
Regional and gender diversity might go hand-in-hand looking at the pockets of highly-educated tech talent in Central Eastern Europe that has limited access to growth opportunities in the deep tech sector today.



Alternative Places for Diverse Talents

International Tech Founders move to Europe where it is easiest

Our mobility data shows a sizeable inflow of international tech founders, who often follow paths of non-tech immigrants and settle in regions that make the entry to Europe easier.

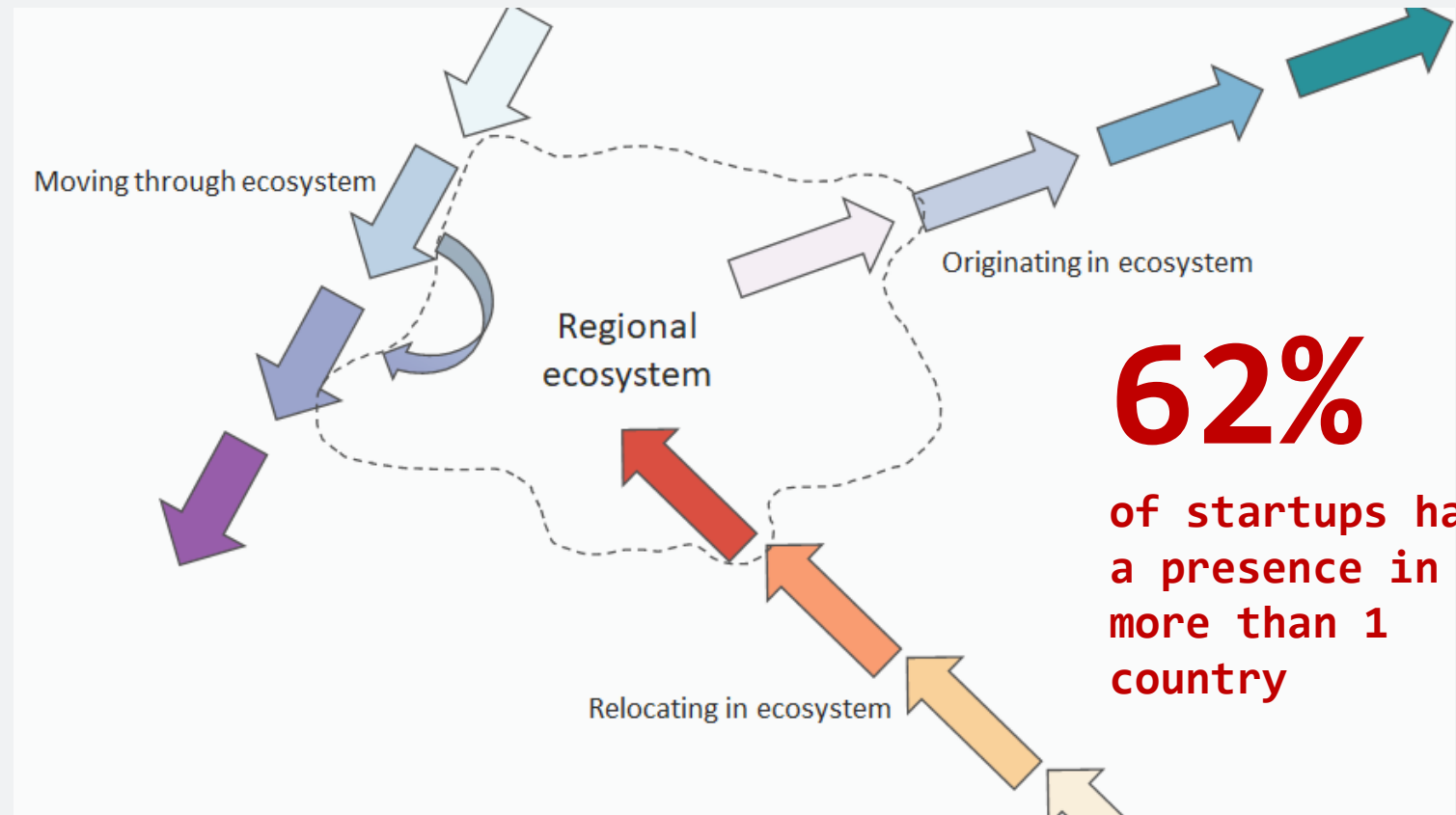


Transnationality as an Opportunity

Most startups are home to more than one country

Startups are eager to make use of European markets and therefore can contribute to cross-border labor market integration by building teams irrespective of location.

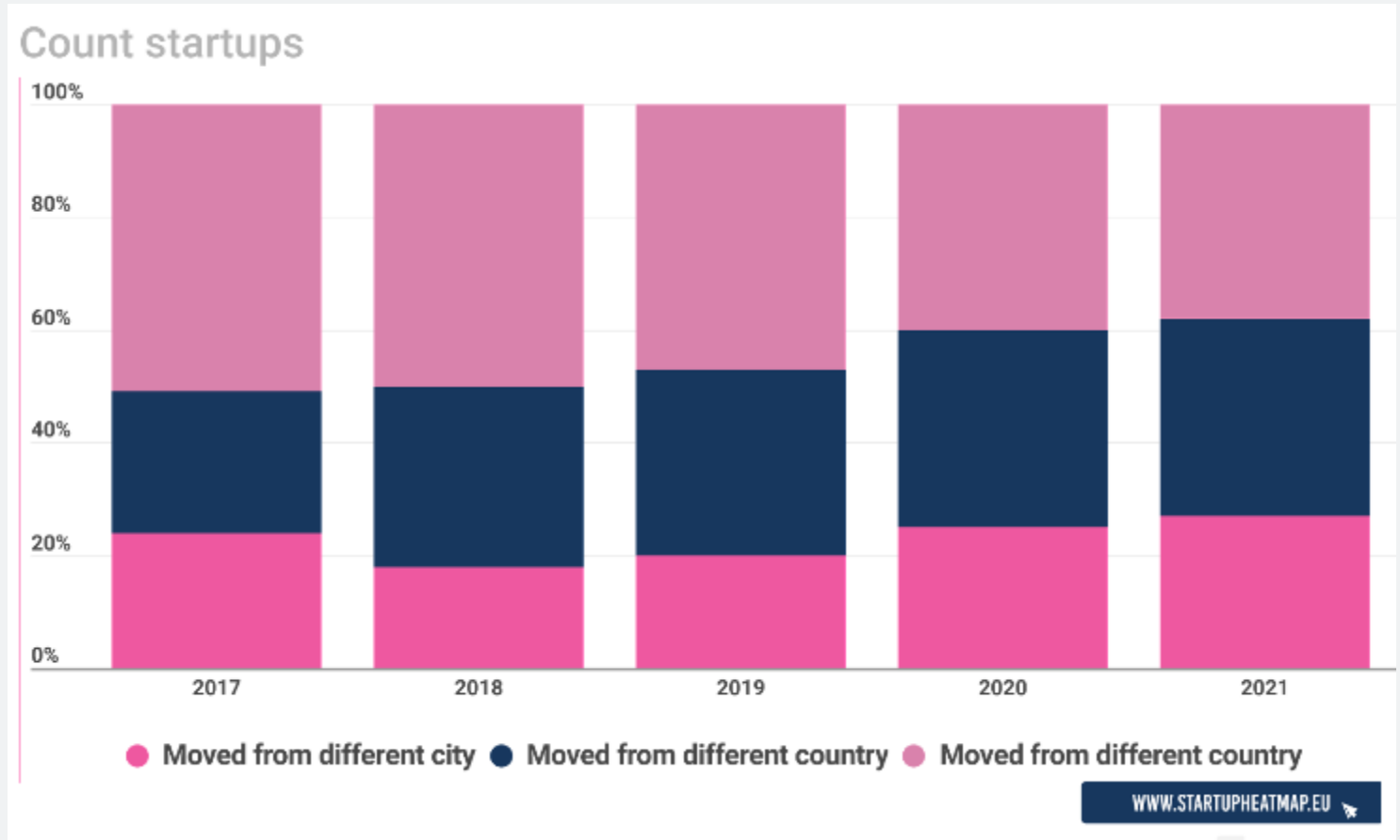
Is Europe's industry as open to cross-regional collaboration?



Transnationality as an Opportunity

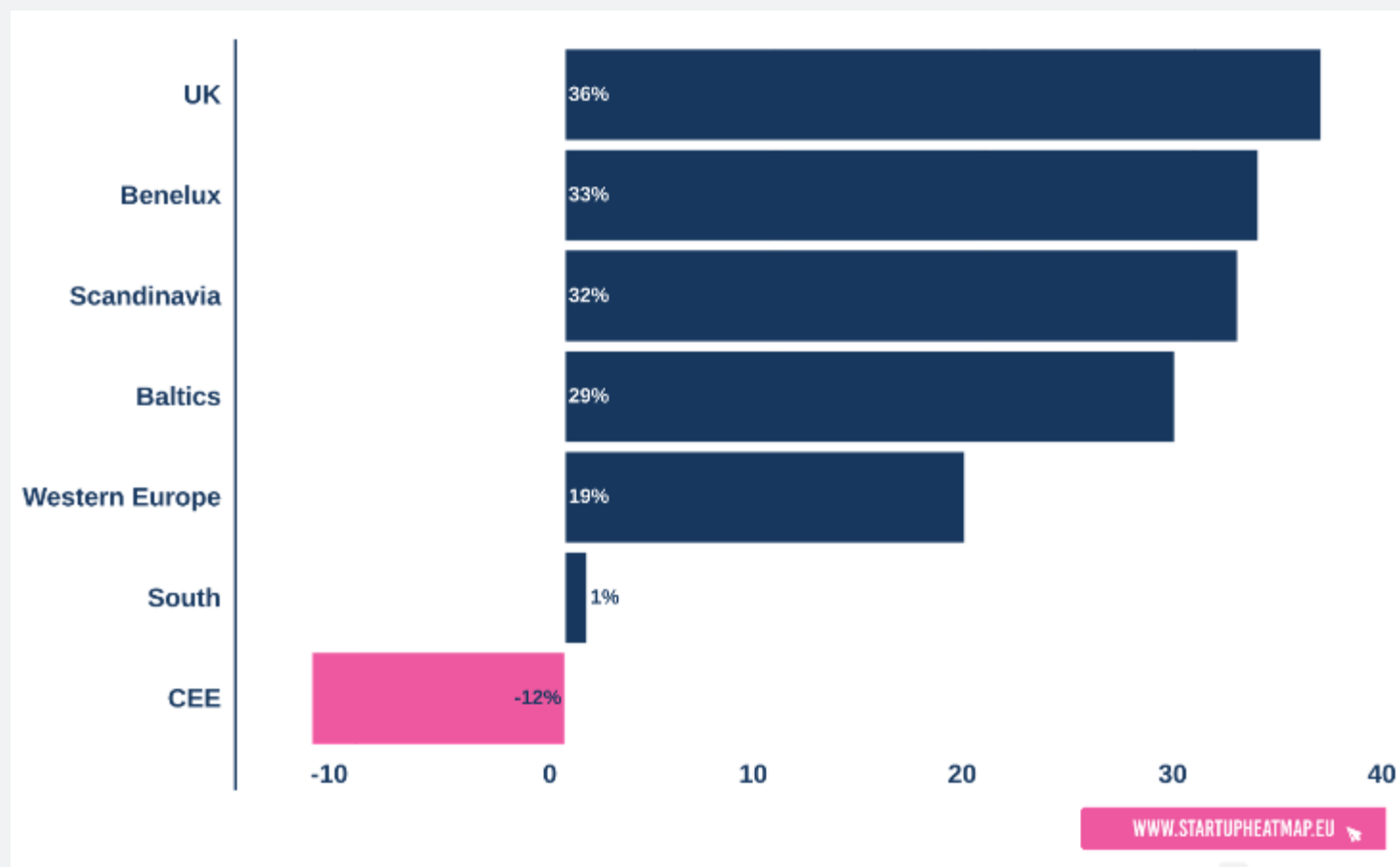
Relocation is a reinforcing trend

Over the past five years, the ratio of startups that moved for accelerators has increased from 49% to 62%. This trend is especially driven by startups that move to a different country to participate in accelerator programs.



Who benefits from migration?

Taking all migration effects together including the immigration from outside Europe, we see that the UK has the highest surplus of founders with 36% more founders after migration effects. At the same time, UK-based founders were the most likely to move out to another European country, showing that migration can be a two-way street. The only region in Europe losing from migration is CEE at this point.



Building Open Region Strategies for the Win

To succeed in a fast growing, transnational startup ecosystem policies and corporate strategies must be adapted to an Open Region reality, where innovation is created, accelerated and scaled in various regions.



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