The Greek Start-Up Scene

High caliber Greek Start-Up Ecosystem Ripe for Investment

June 2019
Greek startup ecosystem was brought into the spotlight during the financial crisis and it keeps growing ever since.

The last years the Greek startup scene saw a stage of consolidation with new successes and a lot of balancing out.

Greece is home to many aspiring entrepreneurs who are working on promising new ideas and innovative business models.

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

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

- 562 startups
- 2807 investors

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

- 925 startups

Source: https://angel.co/greece
https://insidestory.gr/article/startups-elliniki-oikonomia?token=35RFU9LGO0,
https://www.f6s.com/startups?
The Greek Start-Up Ecosystem (II)

500+ Startups

~10 Venture Funds

~20 Incubators & Accelerators

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

Source: BCG Analysis, Crunchbase, Desktop research
Several developments within 2018 demonstrate the progress that is happening in Greece on the innovation front and set a promising path towards a technologically fueled economic growth

- **Athens** was awarded the title of the European Capital of Innovation 2018 and received a €1 million prize by the EU research and innovation programme Horizon 2020. Barcelona (2014), Amsterdam (2016) and Paris (2017) received the prize in the recent past.

- The EIT Innovators award was won by a startup developing ADPS (Alzheimer’s Disease Prediction Service), led by the Greek Ioannis Tarnanas (supported by EIT Health).

- In 2018 global leading companies chose to invest in Greek services and products. **Tesla** established Tesla Greece, based at the Lefkippo Technological Park of the National Center for Scientific Research (NCSR ) Demokritos.

Source: Report Startups in Greece 2018 by EIT_Digital and Foundation
The main characteristics (I)

- Most of the Greek startups operate on the **Industrial Technology / Production Hardware category (17.1%)** and their business model is “mainly B2B with some B2C” (20%), followed by “mainly B2B” (17.1%) and “mainly B2C with some B2B” (17.1%)

- Greece presents a high degree of **internationalization (43.8%)**

- Out of the startups that are already having some revenue, the majority (71.5%) are earning **up to €50,000**, holding the **lowest position** among European countries overall. Another 14.3% earned **€50,000-€150,000** and 14.3% had an annual revenue of **€150,000-€500,000** in the past year.

Source: Foundation_EIT_Startups_Greece_report
The main characteristics (II)

➤ Greeks have a strong tendency towards entrepreneurship

➤ In the years following the Greek crisis, entrepreneurship in Greece has emerged as a key lever for growth restoration and job creation

➤ The domestic IT sector (SMEs and larger enterprises) contributes value added of €830 million, of which approximately ¼ concerns companies integrated in clusters and startups.

➤ According to NBG estimates (taking into account the value that private investment funds attribute to Greek startups), the value added of the IT sector may top €1.8 billion in 2020, offering circa 20,000 new jobs – the key growth vehicles being startups and cluster enterprises, which account for ¾ of the increase.

Source: NBG, Survey of Greek SMEs: IT clusters and tech startups
Greece is a favorable market for investment

- Greece has a highly educated talent pool: 42th out of 126 countries in the Global Innovation Index 2018 (2nd in Tertiary enrolment, % gross, 11th in Graduates in science & engineering)

- Most Greeks are fluent English speakers

- Situated at the crossroads of Europe, Asia and Africa, Greece is surrounded by major markets and it is part of the European Union

- Several Start-Up Support organizations (incubators, accelerators and co-working spaces)

- Properties and wages are low compared to the rest of the Eurozone

- It has also excellent living conditions: mild temperatures and a low crime rate
Greece ranks 57th among 140 countries
Greece ranks:

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

**Athens** ranks **28th** in the Global City Talent Competitiveness Index 2018 among 90 cities (Singapore ranks **33rd**).
Among the European leaders in science & technology workforce

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

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>50.80%</td>
</tr>
<tr>
<td>Germany</td>
<td>48.70%</td>
</tr>
<tr>
<td>Spain</td>
<td>44.30%</td>
</tr>
<tr>
<td>Greece</td>
<td>38.50%</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>36.50%</td>
</tr>
<tr>
<td>Hungary</td>
<td>36.50%</td>
</tr>
<tr>
<td>Portugal</td>
<td>36.40%</td>
</tr>
<tr>
<td>Italy</td>
<td>36.30%</td>
</tr>
<tr>
<td>Turkey</td>
<td>28.10%</td>
</tr>
<tr>
<td>Romania</td>
<td>27.70%</td>
</tr>
</tbody>
</table>

Source: Eurostat, Science & technology statistics 2017
Athens moved ranks higher in the most important category of “Founders’ Choice”

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

### ORIGIN OF FOUNDERS VOTING FOR ATHENS BY REGION

<table>
<thead>
<tr>
<th>Region</th>
<th>Rank 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank 2018</td>
<td>32</td>
</tr>
<tr>
<td>BeNeLux</td>
<td>7%</td>
</tr>
<tr>
<td>Baltic</td>
<td>1%</td>
</tr>
<tr>
<td>Mediterranean</td>
<td>52%</td>
</tr>
<tr>
<td>West Europe</td>
<td>10%</td>
</tr>
<tr>
<td>Central and Eastern</td>
<td>0%</td>
</tr>
<tr>
<td>EU</td>
<td>0%</td>
</tr>
<tr>
<td>UK and Ireland</td>
<td>31%</td>
</tr>
</tbody>
</table>

### OVERALL APPROVAL RATINGS

<table>
<thead>
<tr>
<th>Category</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
<td>Athens</td>
</tr>
<tr>
<td>Funding availability</td>
<td>41%</td>
</tr>
<tr>
<td>Business regulations</td>
<td>12%</td>
</tr>
<tr>
<td>Talent availability</td>
<td>59%</td>
</tr>
<tr>
<td>Industry connections</td>
<td>41%</td>
</tr>
<tr>
<td>Startup ecosystem &amp; culture</td>
<td>35%</td>
</tr>
<tr>
<td>Value for money</td>
<td>88%</td>
</tr>
</tbody>
</table>

Source: Report Startups in Greece 2018 by EIT_Digital and Foundation
Co-working spaces

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

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

Source: Foundation_EIT_Startups_Greece_report
Incubators, Accelerators

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

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

Source: Foundation_EIT_Startups_Greece_report
Other supporting mechanisms

Angel Investors:

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

Venture Capital Investors that supported the Greek startups:

- Openfund II
- Piraeus Jeremie Tech Catalyst Fund
- Elikonos Jeremie Sicar
- Odyssey Venture Partners
- Fundbox Capital
- NBG Business Seeds

Source: http://magazine.startus.cc/athens-is-where-future-is-all-about-startups/
StartupGreece: a digital platform for information, networking and co-operation

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

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

**Recent Survey of StartUpGreece**
- Mapping of business needs of Greek start-ups
- The survey lasted from 21/10/2016 to 25/11/2016,
- resulted in 128 completed questionnaires from 65 existing businesses and 63 businesses at various stages of development
Support Mechanisms have created many success stories...
...more than €250mn investments since 2012

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

Sources: Starttech Ventures; Marathon Venture Capital; OECD; ECVA/Invest Europe; BCG analysis.
### Most funded Start-Ups & Exits

#### TOP 10 MOST FUNDED GREEK STARTUPS IN 2018

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Total Funding (€ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Workable</td>
<td>43.83</td>
</tr>
<tr>
<td>2</td>
<td>Softomotive</td>
<td>21.75</td>
</tr>
<tr>
<td>3</td>
<td>Viva Wallet</td>
<td>15</td>
</tr>
<tr>
<td>4</td>
<td>Blueground</td>
<td>10.44</td>
</tr>
<tr>
<td>5</td>
<td>Hellas Direct</td>
<td>7</td>
</tr>
<tr>
<td>6</td>
<td>Pollfish</td>
<td>5.48</td>
</tr>
<tr>
<td>7</td>
<td>Bolena (Resin.io)</td>
<td>4.35</td>
</tr>
<tr>
<td>8</td>
<td>METIS</td>
<td>4</td>
</tr>
<tr>
<td>9</td>
<td>Centour Analytics</td>
<td>2.6</td>
</tr>
<tr>
<td>10</td>
<td>Home-Mode</td>
<td>2</td>
</tr>
</tbody>
</table>

#### TOP 10 MOST FUNDED GREEK STARTUPS (ALL-TIME)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Total Funding (€ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Persado</td>
<td>83.6</td>
</tr>
<tr>
<td>2</td>
<td>Workable</td>
<td>73.83</td>
</tr>
<tr>
<td>3</td>
<td>Hellas Direct</td>
<td>23.8</td>
</tr>
<tr>
<td>4*</td>
<td>Softomotive</td>
<td>21.75</td>
</tr>
<tr>
<td>5</td>
<td>Blueground</td>
<td>17.98</td>
</tr>
<tr>
<td>6</td>
<td>Metamaterial Technologies</td>
<td>16.26</td>
</tr>
<tr>
<td>7</td>
<td>Bolena (Resin.io)</td>
<td>15.13</td>
</tr>
<tr>
<td>8*</td>
<td>Viva Wallet</td>
<td>15</td>
</tr>
<tr>
<td>9</td>
<td>Book 'n' Bloom</td>
<td>12.55</td>
</tr>
<tr>
<td>10*</td>
<td>Pollfish</td>
<td>7.76</td>
</tr>
</tbody>
</table>

*New entries in 2019

#### TOP 10 GREEK STARTUP EXITS (ALL-TIME)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Exit deal (€ in millions)</th>
<th>Exit year</th>
<th>Age of startup at the time of the exit (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Beat (Taxibeat)</td>
<td>€40.48*</td>
<td>2017</td>
<td>6</td>
</tr>
<tr>
<td>2</td>
<td>Innoetics</td>
<td>€*</td>
<td>2017</td>
<td>11</td>
</tr>
<tr>
<td>3</td>
<td>Avocarrot</td>
<td>€17.85</td>
<td>2016</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>E-food</td>
<td>€*</td>
<td>2014</td>
<td>3</td>
</tr>
<tr>
<td>5</td>
<td>Cryptico Networks</td>
<td>€*</td>
<td>2014</td>
<td>3</td>
</tr>
<tr>
<td>6</td>
<td>Quizdom</td>
<td>€*</td>
<td>2017</td>
<td>3</td>
</tr>
<tr>
<td>7</td>
<td>Antcor</td>
<td>€8.5*</td>
<td>2014</td>
<td>10</td>
</tr>
<tr>
<td>8</td>
<td>AbZorba Games</td>
<td>€*</td>
<td>2015</td>
<td>4</td>
</tr>
<tr>
<td>9</td>
<td>BugSense</td>
<td>€6.74*</td>
<td>2013</td>
<td>2</td>
</tr>
<tr>
<td>10</td>
<td>ClickDelivery</td>
<td>€*</td>
<td>2015</td>
<td>6</td>
</tr>
</tbody>
</table>

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

Source: Report Startups in Greece 2018 by EIT_Digital and Foundation
Profile of the most funded Greek startups

PROFILE OF THE 10 MOST FUNDED STARTUPS IN 2018
- 6.67 years
- Funding Rounds 2.9
- 5/10 have a branch in USA
- First funding after 5 years
- Have offices in 3 countries
- Number of investors 5.22
- Employees 51-100

PROFILE OF THE 10 MOST FUNDED STARTUPS (ALL-TIME)
- 7.6 years
- Number of Investors 10.7
- Funding Rounds 3.9
- First funding after 4.4 years
- Have offices in 3 countries
- 7/10 have a branch in USA
- Employees 101-250

Source: Report Startups in Greece 2018 by EIT_Digital and Foundation
Type of investors

**Type of Investors (2018)**
- 14% Angels
- 86% Venture Capital
- 24% Foreign
- 76% Local

**Type of Investors (All-Time)**
- 20% Angels
- 80% Venture Capital
- 65% Foreign
- 35% Local

**By Value of Deals**
- Venture Capital: 99.8%
- Angels: 0.1%
- Accelerators: 0.1%

**By Number of Deals**
- Venture Capital: 71%
- Angels: 18%
- Accelerators: 11%

Source: Report Startups in Greece 2018 by EIT_Digital and Foundation
Core industries by a wider Start-Up Ecosystem

WIDER STARTUP ECOSYSTEM

- AI, big data, the Internet of Things, and virtual reality
- E-commerce
- Core industries
  - Travel and tourism
  - Shipping and logistics
  - Cleantech
  - High-end agro-food
  - Medtech and biotech
- Advanced manufacturing
- Fintech
- Culture and education

Source: BCG analysis.
Note: AI = artificial intelligence. Advanced manufacturing refers to Industry 4.0.
A variety of sectors

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

Source: Report Startups in Greece 2018 by EIT_Digital and Foundation
Equifund: a fund-of-funds to support innovation and SMEs

- A new fund-of-funds programme, created by the Greek ministry of Economy and Development in cooperation with the European Investment Fund (EIF) to provide small and medium-sized enterprises (SMEs) with the private equity and venture capital ecosystem they need in order to thrive.

- EquiFund aims to strengthen the venture capital market in Greece, to provide entrepreneurs with the crucial financing they need to grow their businesses (and attract private sector investment).

- Its goal is to attract private investment at all stages of entrepreneurship, from start-ups to mature expansion companies.
Equifund was launched with:

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

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

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

Innovation window for innovators & researchers

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

Early Stage window for start-ups

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

Growth Stage Window for scale-ups

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

Source: EquifundGreece2018, Report Startups in Greece 2018 by EIT_Digital and Foundation
Equifund: The funds

Innovation window for innovators & researchers

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Source: EquifundGreece2018, Report Startups in Greece 2018 by EIT_Digital and Foundation
The Funding tools (II)

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

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

Source: NBG, Survey of Greek SMEs: IT clusters and tech startups
National Research and Innovation Strategy for Smart Specialization 2014-2020

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

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

Source: RIS3 Executive Summary_2014-2020
Government Revenue from Startups

Projected Annual Government Revenue from Startups (€M)

Source: BCG Greece’s Startup Ecosystem

Government revenue in 2023: 3x higher than losses in 2018

Source: BCG Analysis
A positive net fiscal impact

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

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

Source: BCG Greece’s Startup Ecosystem
Enterprise Greece is the official agency of the Greek State, under the supervision of the Ministry for Economy and Development.

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

E: info@enterprisegreece.gov.gr
www.enterprisegreece.gov.gr