

Europe and Israel's fintech founder factories

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Introduction

Fintech unicorns are fuelling the creation of a new wave of fintechs across Europe and Israel as former employees become founders.

Created in partnership with data provider Dealroom, this report reveals that of the 98 VC-backed fintech unicorns in the region, 82 have fuelled 625 new tech-enabled startups across Europe and Israel. In spite of fintech funding reverting to a new normal, tracking 2020 and 2023's funding levels, the data highlights the strong fintech foundations laid by the region's fintech unicorns. The wealth of talent and ambition of Europe and Israel's fintech founders remains undiminished, with new startups continuing to be founded despite the tougher macroeconomic environment seen over the last few years.

Commenting on the report's findings, Luca Bocchio, Partner at Accel, said: "It's clear that the flywheel of talent from fintech unicorns is now spinning. The region's fintech founder factories aren't just producing the next wave of founders, but also a strong network of seasoned operators around them who have a wealth of product, engineering and scaling experience. This knowledge and experience is vital to building the future generation of

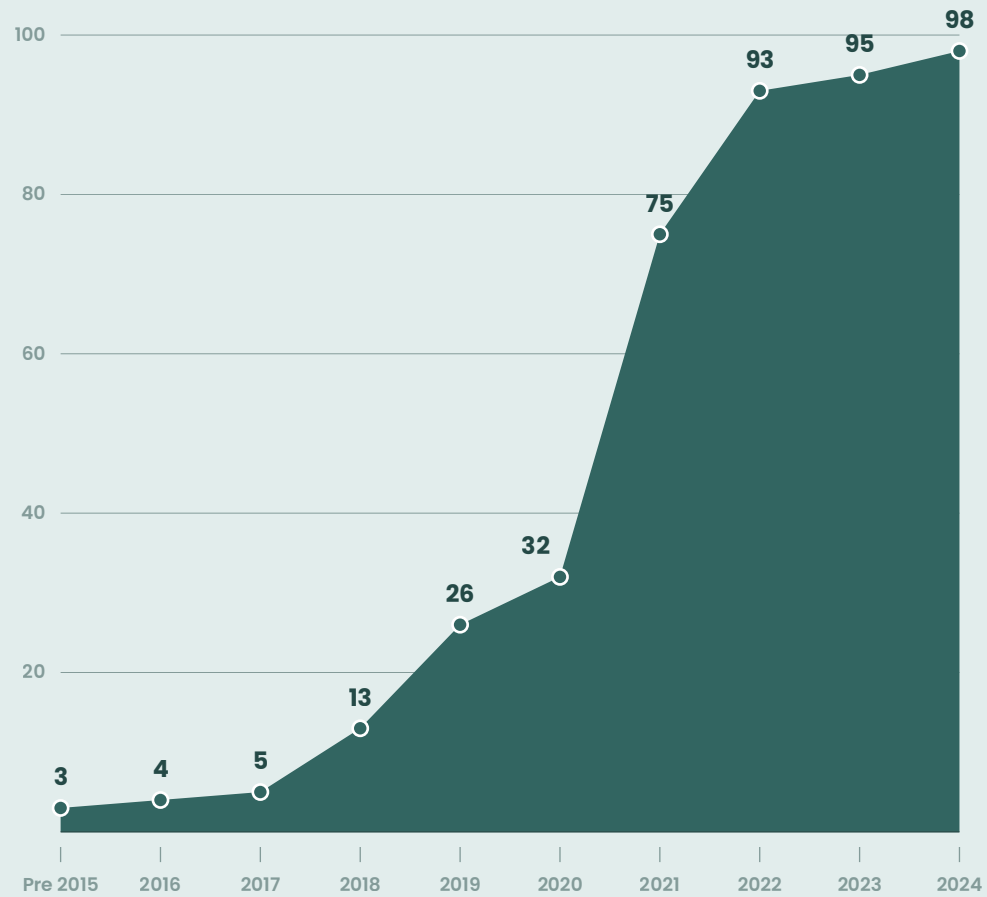
fintech success stories, while growing local ecosystems across the whole continent. We're looking forward to seeing more durable yet disruptive startups bringing innovation to many different segments and categories across the \$10T+ financial service industry."

LONDON, 22 OCTOBER, 2024

Venture-backed fintech unicorns

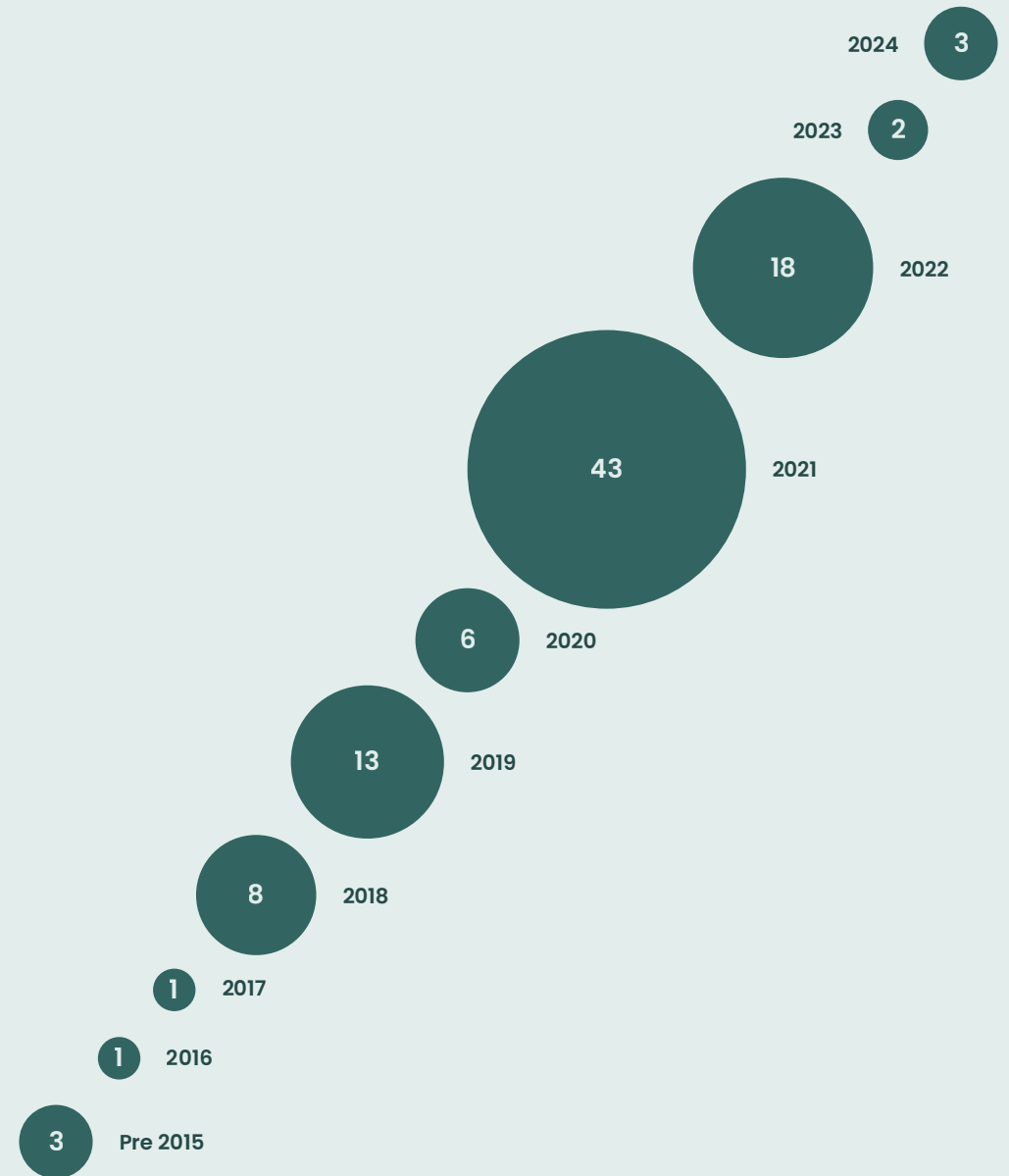
CUMULATIVE NUMBER OF VENTURE-BACKED FINTECH UNICORNS FOUNDED IN EUROPE AND ISRAEL

Source: Dealroom.co



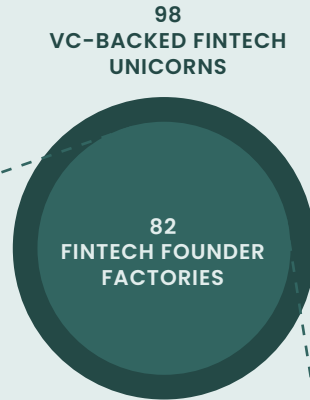
NUMBER OF NEW FINTECH UNICORNS FOUNDED IN EUROPE AND ISRAEL

Source: Dealroom.co



Fintech founder factories in the spotlight

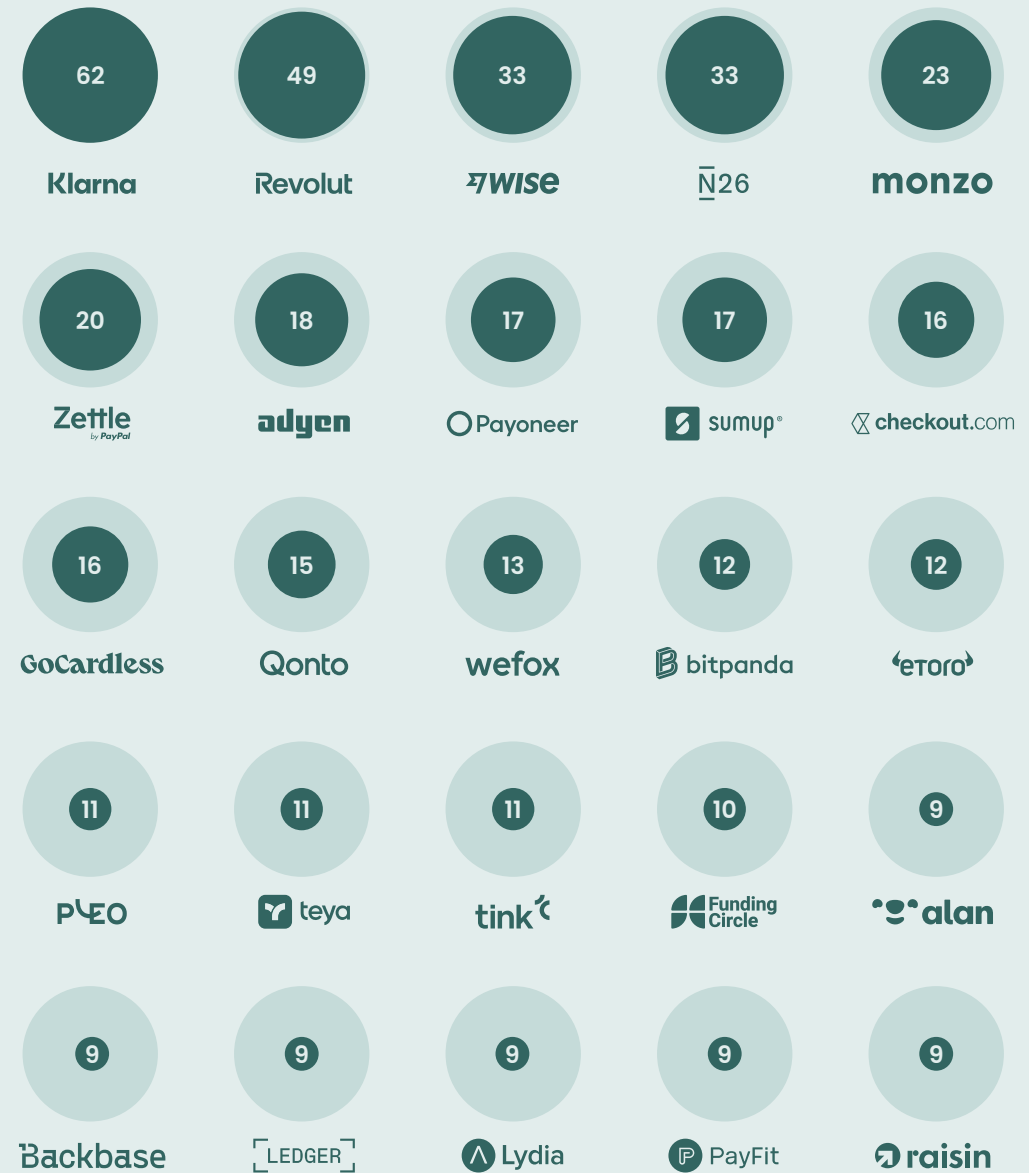
Of the 98 VC-backed fintech unicorns in the region, 82 have fuelled 625 new tech-enabled startups across Europe and Israel. The top 25 fintech founder factories are:



625
NEW STARTUPS

NUMBER OF 2ND GENERATION STARTUPS

Source: Dealroom.co

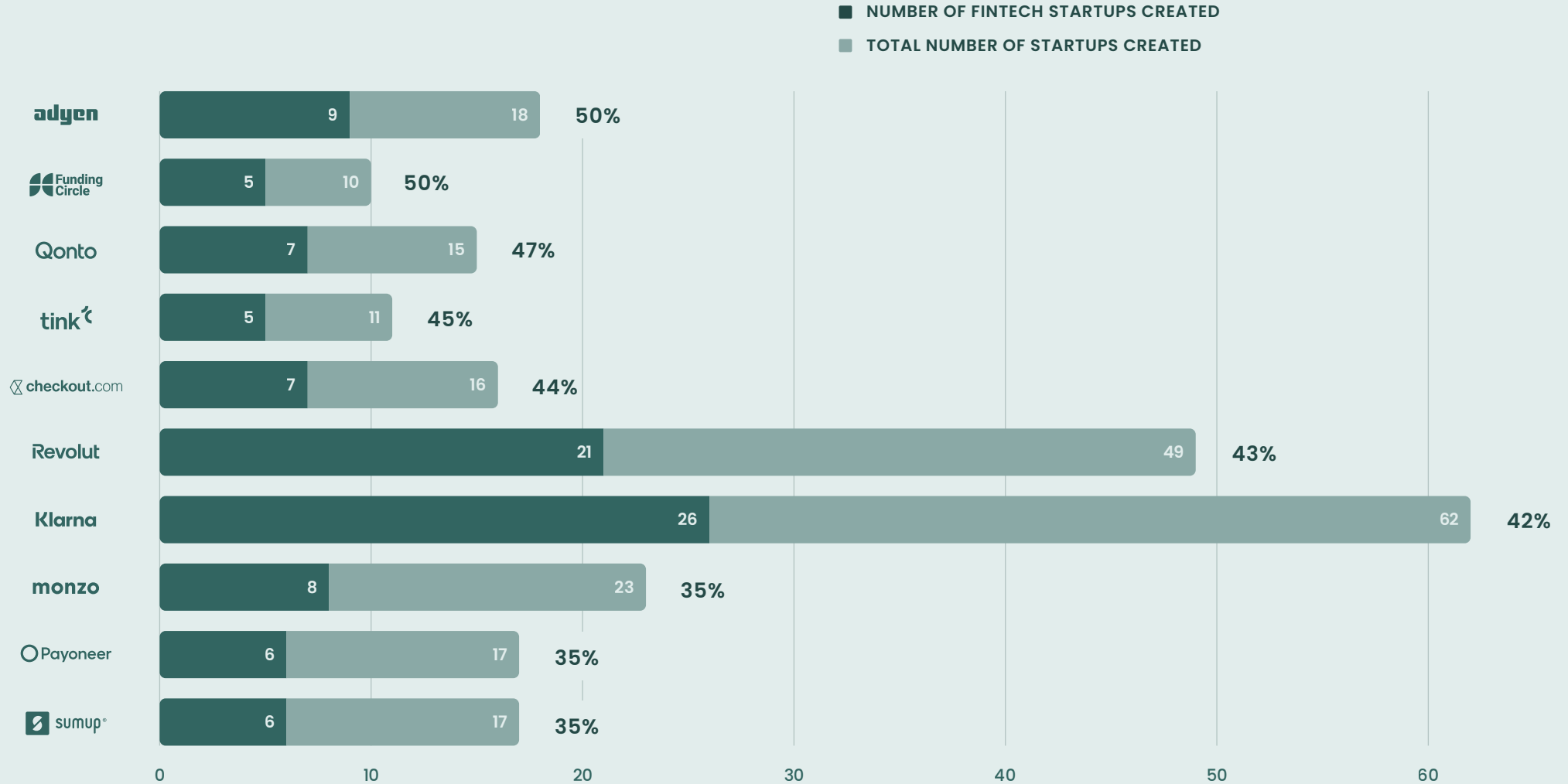


Applying industry expertise to new ventures

Of the startups that have emerged from fintech founder factories, more than a third (35%) are also fintechs as employees utilise their industry-specific expertise to launch new ventures.

THE TOP 10 FINTECH FOUNDER FACTORIES PRODUCING THE NEW WAVE OF FINTECH STARTUPS

Source: Dealroom.co



Fintech founder factories lay strong foundations in tech hubs

Companies founded by former fintech unicorn employees are more often than not founded in the same cities as the fintech unicorn. Almost two thirds (61%) of companies founded by ex-employees were founded in the same city as the unicorn.

This results in thriving tech hubs developing in cities where fintech unicorns have been created and a strong talent network building up around them.

1. LONDON

24 unicorn founder factories
234 startup spinouts
68% founded in London

2. STOCKHOLM

4 unicorn founder factories
96 startup spinouts
54% founded in Stockholm

3. PARIS

10 unicorn founder factories
70 startup spinouts
79% founded in Paris

4. BERLIN

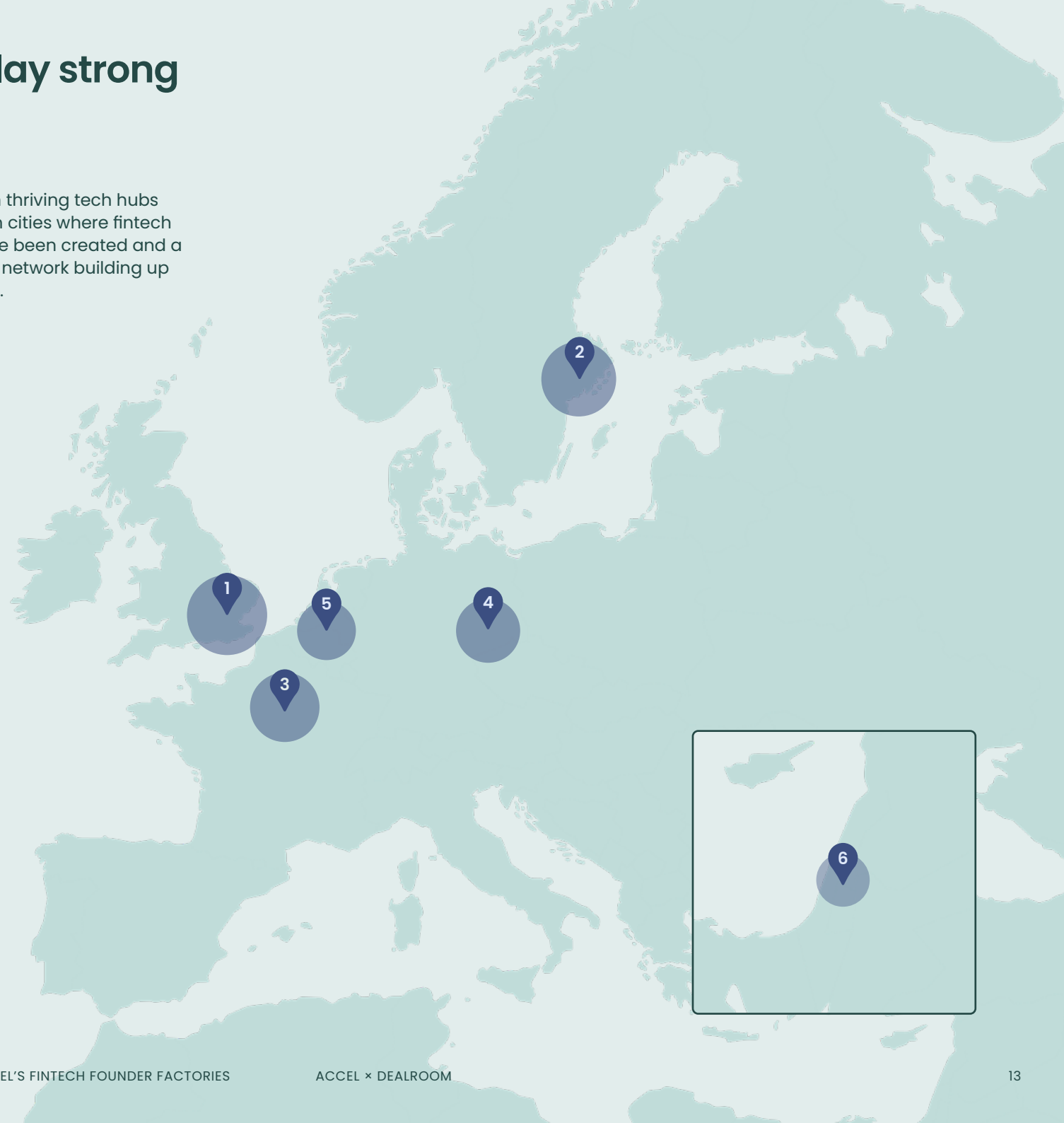
7 unicorn founder factories
67 startup spinouts
55% founded in Berlin

5. AMSTERDAM

5 unicorn founder factories
37 startup spinouts
57% founded in Amsterdam

6. TEL AVIV

11 unicorn founder factories
37 startup spinouts
81% founded in Tel Aviv

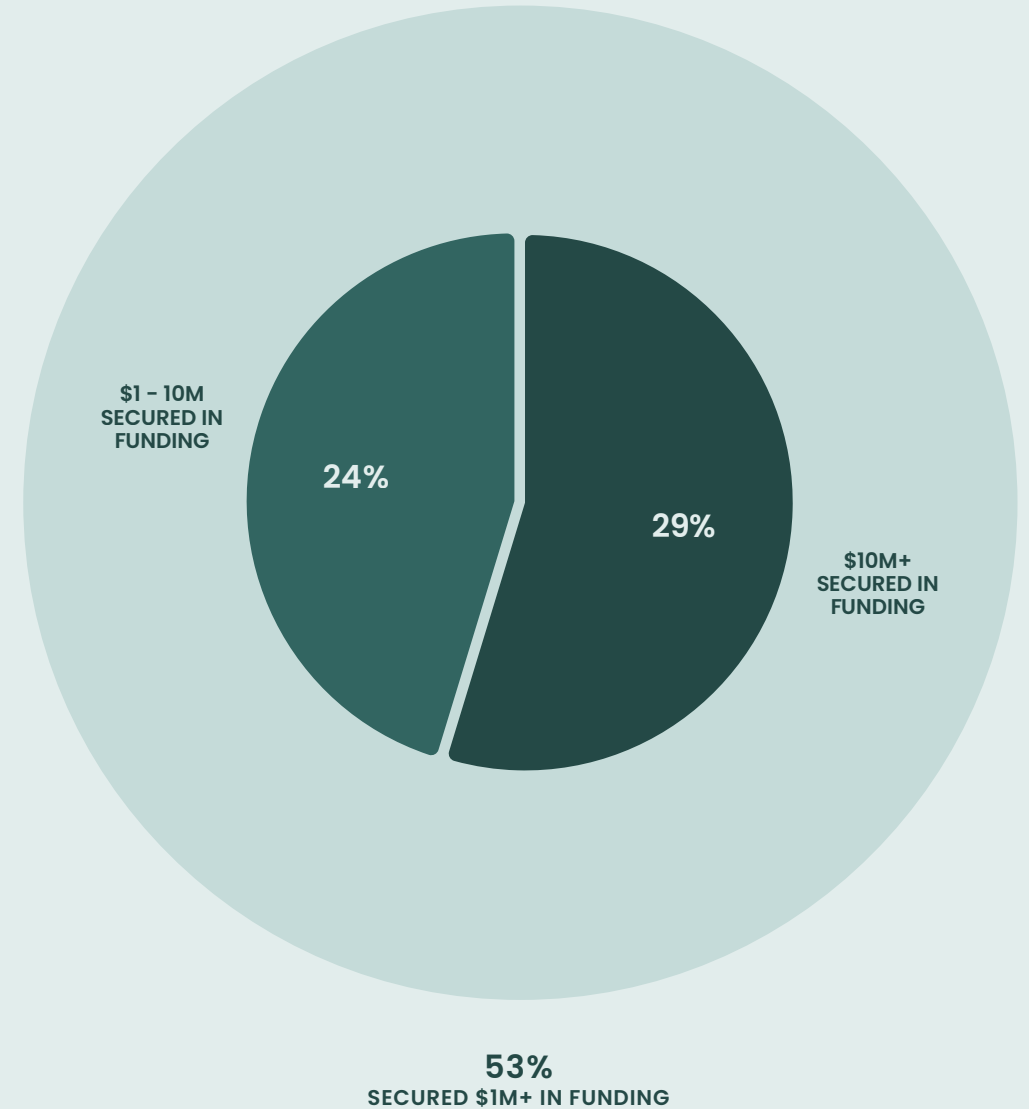


Funding for startups springing from fintech unicorns

This new wave of startups founded by former fintech unicorn employees is already attracting significant private investment.

PERCENTAGE OF NEW STARTUPS THAT SECURED \$1M+ IN PRIVATE FUNDING

Source: Dealroom.co



Methodology

This report is based on qualitative and quantitative research into the European and Israeli fintech unicorn ecosystem carried out over the last three months by Dealroom.

Second generation startups

We define second generation startups as tech-enabled companies that have been founded in Europe or Israel by former full time employees of a unicorn who had been at the unicorn for five months or more and founded a company within six years of leaving. Advisors, interns and part time employees are excluded. Consultancies and agencies have been excluded. The list also includes companies acquired over the last five years.

Locations

Locations of companies in this dataset are determined by where the company was founded. A company that was founded in London and later relocated its headquarters to New York, for example, is counted as London.

Venture-backed fintech unicorns

Fintech companies with \$1B+ current valuation or at exit that were founded in Europe or Israel and have received investment from a Venture Capital investor.

About Dealroom

Dealroom.co is the foremost data provider on startups, growth companies and tech ecosystems in Europe and around the globe. Founded in Amsterdam in 2013, Dealroom.co now works with many of the world's most prominent investors, entrepreneurs and government organisations to provide transparency, analysis and insights on startups and venture capital activity.

Appendix

FOUNDER FACTORY RANKING IN FULL

Source: Dealroom.co

FOUNDER FACTORY	COUNT		
KLARNA	62	ALAN	9
REVOLUT	49	BACKBASE	9
WISE	33	LEDGER	9
N26 GROUP	33	LYDIA	9
MONZO BANK	23	PAYFIT	9
ZETTLE	20	RAISIN	9
ADYEN	18	TRADESHIFT	8
PAYONEER	17	TRUSTLY	7
SUMUP	17	SPENDESK	7
CHECKOUT.COM	16	STARLING BANK	7
GOCARDLESS	16	SWILE	7
QONTO	15	THOUGHT MACHINE	7
WEFOX	13	ZOPA	7
BITPANDA	12	BLOCKCHAIN.COM	6
ETORO	12	CURRENCYCLOUD	6
PLEO	11	FUNDBOX	6
TEYA	11	MAMBU	6
TINK	11	SCALABLE CAPITAL	6
FUNDING CIRCLE	10	TRUELAYER	6

COPPER	5
FEEDZAI	5
OAKNORTH CREDIT INTELLIGENCE	5
PPRO	5
VERIFF	5
BITFURY	4
BUNQ	4
FLYWIRE	4
MELIO	4
PADDLE	4
PAGAYA	4
SHIFT TECHNOLOGY	4
YOUNITED	4
ZEGO	4
CHAINALYSIS	3
EARNIX	3
KYRIBA	3
LENDABLE	3
LMAX EXCHANGE	3
LUNAR	3
SOLARIS	3
TRACTABLE	3
TRADE REPUBLIC	2
ZEPZ (WORLDREMIT)	3
AT-BAY	2
CLARK	2
FACILE.IT	2
MOLLIE	2
NAYAX	2

PENNYLANE	2
RAPYD	2
RISKIFIED	2
SCALAPAY	2
SELF CUSTODY	2
TAXFIX	2
TRANSFERMATE GLOBAL PAYMENTS	2
FIREBLOCKS	1
HONEYBOOK	1
LIQUIDITY GROUP	1
MARSHMALLOW	1
PAYHAWK	1
SATISPAY	1
VIVA WALLET	1
ZILCH	1

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