Only 20-30% of seeded companies go to series-A. Thereafter, follow-on rate is about 50% for each stage.

Recent years saw more European startups than ever. But less are reaching the next funding round stage. This is likely due to a combination of increased competition and higher risk appetite by VCs. The number of companies raising seed rounds has roughly doubled in last five years. However, not reaching series-A does not necessarily equal failure. Especially beyond series-A/B companies often simply do not need additional funding.

### % probability to reach next funding round

<table>
<thead>
<tr>
<th>COHORT</th>
<th>SEED</th>
<th>SERIES A</th>
<th>SERIES B</th>
<th>SERIES C</th>
<th>SERIES D</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>100%</td>
<td>33%</td>
<td>16%</td>
<td>7%</td>
<td>4%</td>
</tr>
<tr>
<td>2010</td>
<td>100%</td>
<td>31%</td>
<td>16%</td>
<td>7%</td>
<td>4%</td>
</tr>
<tr>
<td>2011</td>
<td>100%</td>
<td>22%</td>
<td>12%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>2012</td>
<td>100%</td>
<td>22%</td>
<td>9%</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td>2013</td>
<td>100%</td>
<td>21%</td>
<td>8%</td>
<td>3%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Note: the average time between rounds is roughly 18 months. Therefore, it takes an average of nearly three years to move from Seed to Series B. For this reason, the data only includes cohorts from 2013 and earlier.

1. The deterioration of more recent cohorts may partially be explained by survivor bias.
Which is the better investment: series-A, -B, -C…?

Chance to a reach successful exit increases linearly

<table>
<thead>
<tr>
<th>Stage</th>
<th>Probability to Reach Successful Exit (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEED</td>
<td>7%</td>
</tr>
<tr>
<td>Series A</td>
<td>12%</td>
</tr>
<tr>
<td>Series B</td>
<td>18%</td>
</tr>
<tr>
<td>Series C</td>
<td>22%</td>
</tr>
<tr>
<td>Series D</td>
<td>29%</td>
</tr>
</tbody>
</table>

1. From seed to series-A the chances of successful exit nearly doubles (1)

After series-A, the probability to successful exit improves roughly 30-40% each additional funding stage.

Note: cohorts between 2010-2013. Several companies from these cohorts may still reach exit, which would increase % success.

1. Data is also affected by survival bias: there are many unknown seeded companies that failed and never announced their seed round. Correcting for this would reduce the % success.

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Bonus slide: same data but weighted for €M invested. Bigger rounds have higher probability of exit

% probability to reach successful exit

Conclusion: bigger rounds have higher probability of exit. **Correlation, not causation.** Better companies can also raise more capital.

Note: cohorts between 2010-2013. Several companies from these cohorts may still reach exit, which would increase % success.

1. Data is also affected by survival bias: there are many unknown seeded companies that failed and never announced their seed round. Correcting for this would reduce the % success.
About Dealroom

- Dealroom is the one-stop shop for data, analytics and research on high-growth companies and venture capital in Europe and beyond

- Founded in 2013 in Amsterdam, Dealroom has become Europe’s leading venture capital database, tracking over 500,000 companies and 10,000 investors

- Dealroom provides a 360° view via a unique data model, which combines big data and machine learning, with curation and contributions from over 10,000 local market experts
Powerful data model

Automatic data feeds and web crawlers

Big data, analytics and growth signals on 500,000+ companies

Manually verify data and enrich content in growth areas

Curation & research by Dealroom’s team

Market insights from insiders

Predict company activity, identify trends and areas of growth

10,000+ contributors (founders, VCs, …)

Machine learning and natural language processing
Premium data & research on-demand

Database access

- Custom reports
- Industry & strategic reviews
- Geographic overviews
- VC and M&A activity

Research on demand

10,000+ contributors (founders, VCs, …)
Curation & research by Dealroom’s team
Big data analytics on 500,000+ tech companies and 10,000+ investors
Machine learning and natural language processing
Dealroom data composition

### Type of entities

- **281,400** Seed startup
- **29,152** Early startup
- **10,650** Late stage scaleup
- **2,532** Corporates
- **6,376** Agencies

**Investable companies**

### Number of companies by data method

- **486,657** Artificial Intelligence based
- **27,552** Verified and Claimed

### Distribution of investable tech companies by year

<table>
<thead>
<tr>
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</thead>
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<tr>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>3%</td>
<td>3%</td>
<td>4%</td>
<td>5%</td>
<td>7%</td>
<td>10%</td>
<td>13%</td>
<td>15%</td>
<td>18%</td>
<td>16%</td>
</tr>
</tbody>
</table>
European focus, global scope

**USA**
- 170,500 companies
- 1,950 investors
- 7,000 rounds

**EUROPE & ISRAEL**
- 286,000 companies
- 4,500 investors
- 15,600 rounds

**LATIN AMERICA**
- 4,250 companies
- 80 investors
- 350 rounds

**MENA**
- 800 companies
- 70 investors
- 110 rounds

**ASIA**
- 9,500 companies
- 500 investors
- 2,150 rounds
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