



Startups & Venture Capital in South Eastern Europe 2022

November 2022



Supporting entrepreneurship & innovation in Europe

Part of the EIB group, EIF's central mission is to support Europe's small and medium-sized businesses (SMEs) by helping them to access finance.

To this end, EIF aim's at satisfying existing and future market needs by designing innovative financial products addressed to our partners (banks, guarantee, leasing and microfinance institutions, private equity and venture capital funds, among others), acting as our financial intermediaries.



Focal point of PE & VC funds to drive growth and innovation

The Bulgarian Private Equity and Venture Capital Association (BVCA) is the focal point of private investors, venture capital funds and the entrepreneurial community in Bulgaria. The BVCA unites the investment community in Bulgaria and creates a strong public platform for each member to make positive impact on the industry.

BVCA is committed to popularizing the role of private investment as a reliable and sustainable source of funding for innovative start-ups in Bulgaria and the region. The Association will collect comprehensive data on investment activity in Bulgaria and communicate it with its members, the political and institutional communities, as well as with the general public.



The largest multilateral financial institution in the world

The European Investment Bank is the lending arm of the European Union. We are the biggest multilateral financial institution in the world and one of the largest providers of climate finance.

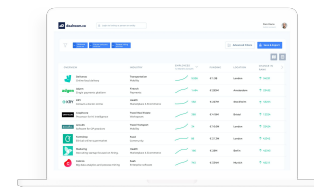
The EIB offers loans, guarantees, equity investments and advisory services since 1958 and has invested over a trillion euros in 160 countries since its inception.



Global startup & venture capital intelligence platform

Dealroom.co is the foremost data provider on startup, early-stage and growth company ecosystems in Europe and around the globe.

Founded in Amsterdam in 2013, we now work with many of the world's most prominent investors, entrepreneurs and government organizations to provide transparency, analysis and insights on venture capital activity.

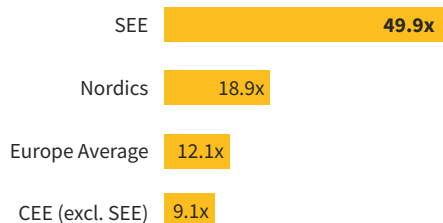


Key takeaways.

SEE is one of the fastest growing ecosystems in Europe.

Since 2012, SEE startups have grown 49.9x in combined enterprise value, significantly faster than its neighbours in CEE (9.1x) and the European average (12.1x).

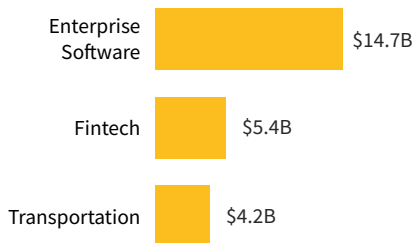
Combined enterprise value growth 2012-2022



Enterprise Software, Fintech & Transportation lead in SEE.

The 3 industries combined have generated over \$24B in enterprise value, over 50% of total value of the region. Success cases such as InfoBip, UiPath, Payhawk and others have proven the region's capacity to create success cases.

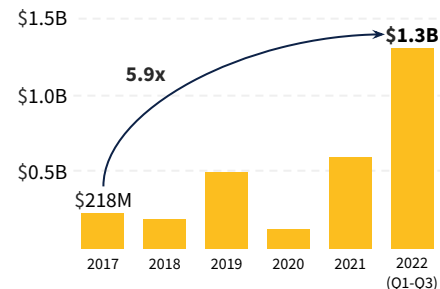
Top 3 industries by combined enterprise value, 2022 YTD



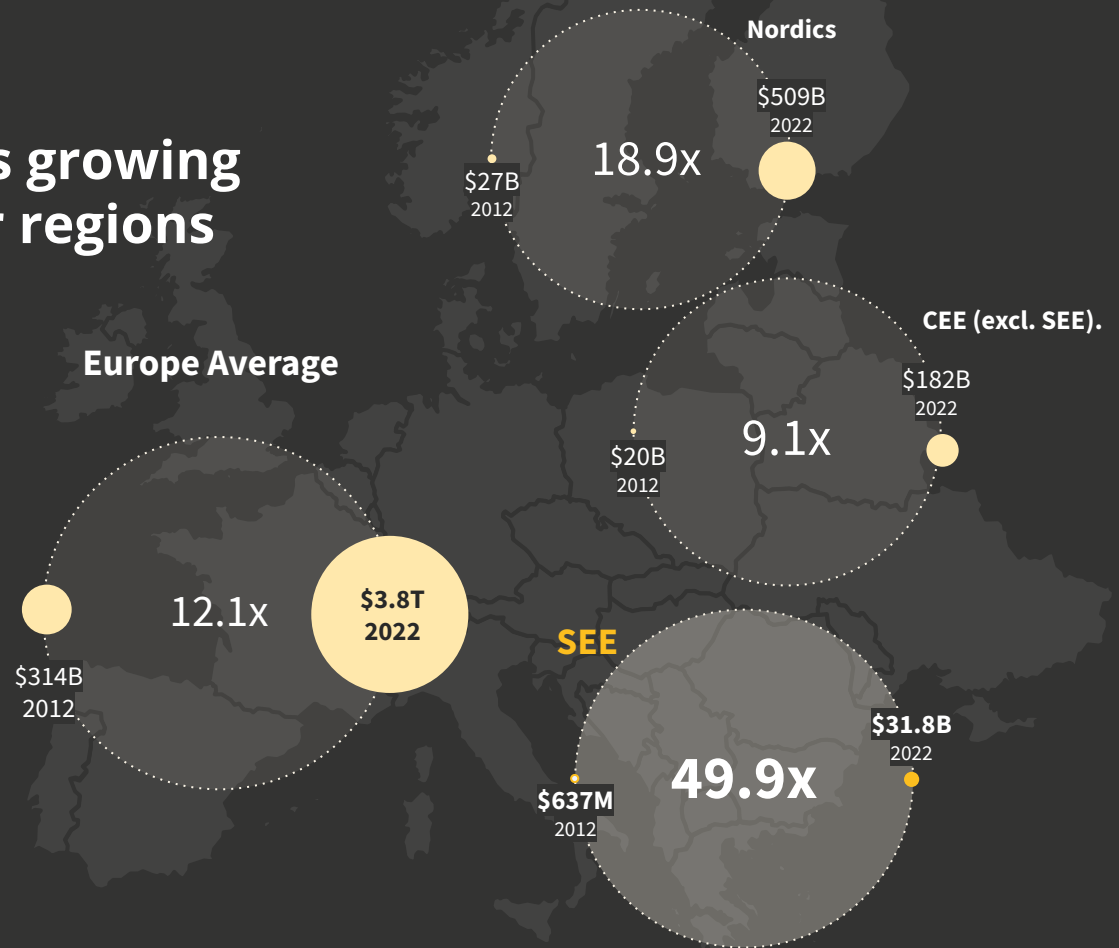
VC funding is at an all time high in the region.

Combined VC funding of SEE-based startups has already reached over \$1.3B in 2022, an all time record. Since 2017, VC funding has grown 5.9x and shows signs of continued growth.

Combined VC funding into SEE-based startups, 2017-2022

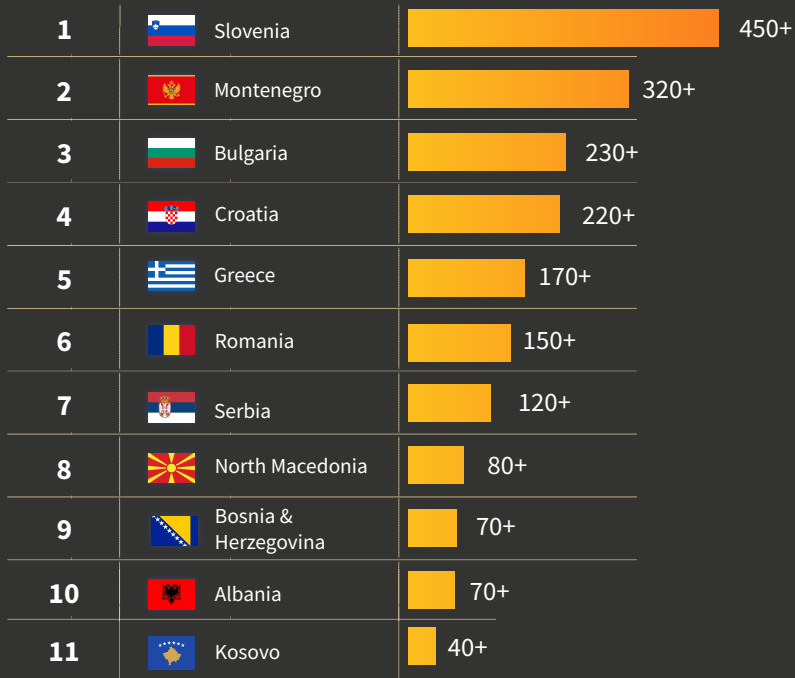


South Eastern Europe is growing much faster than other regions on the Continent.

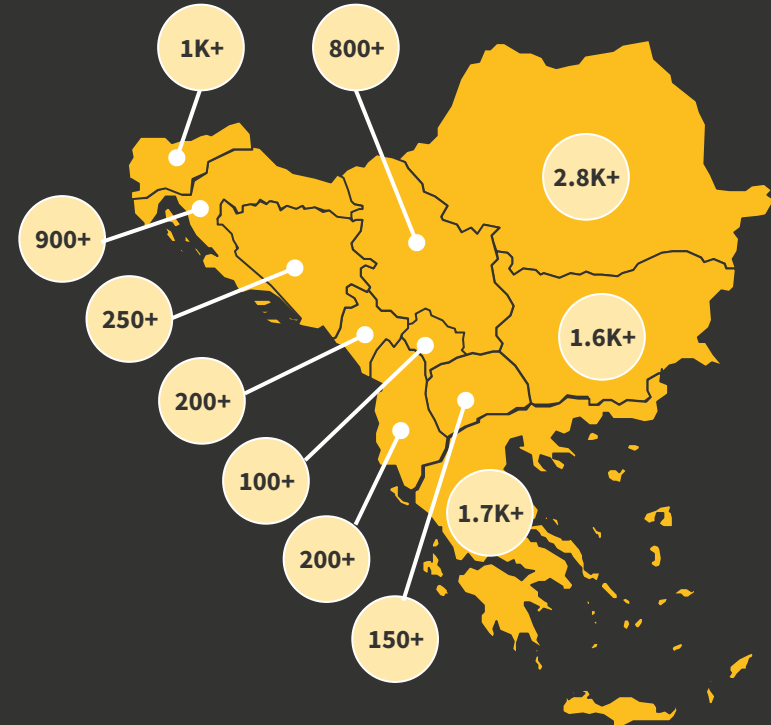


Startup density varies widely across South Eastern Europe.

Active startups per capita in South Eastern Europe, 2022



Active startups by country, 2022



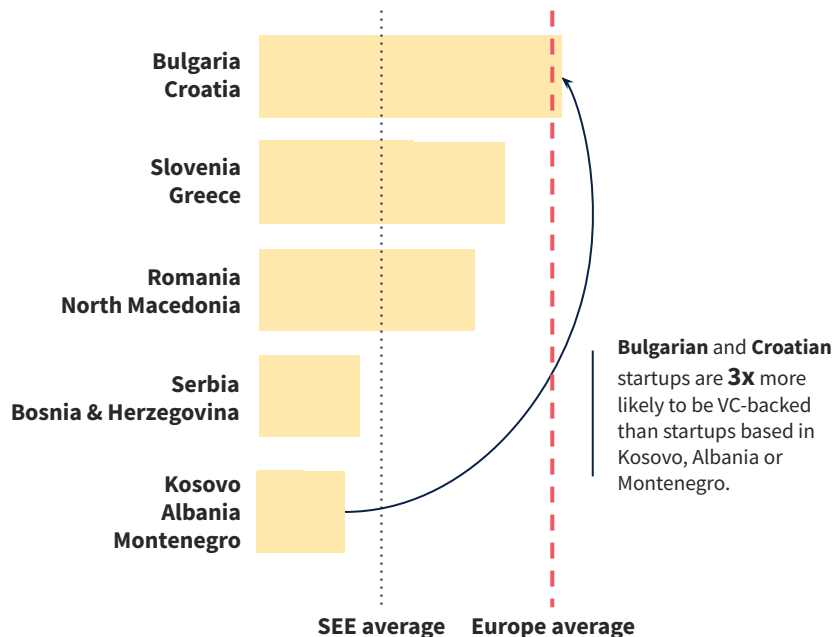
Access to VC-backing is unequal across South Eastern Europe.

South Eastern Europe, like most of the CEE region, has a strong tradition of bootstrapping, with investors historically playing a less prominent role in the startup and innovation ecosystem than in Western Europe, the United States or Israel.

But things are changing fast in the region, as entrepreneurs become more and more likely to seek VC backing to scale faster. Investors, whether domestic or foreign, are also showing more and more appetite for innovative SEE businesses.

Bulgarian and Croatian startups are 3x more likely to be VC-backed compared to startups in Kosovo, Albania or Montenegro.

Startups with VC-backing by country in SEE, 2022
Active startups with known funding per 100k inhabitants



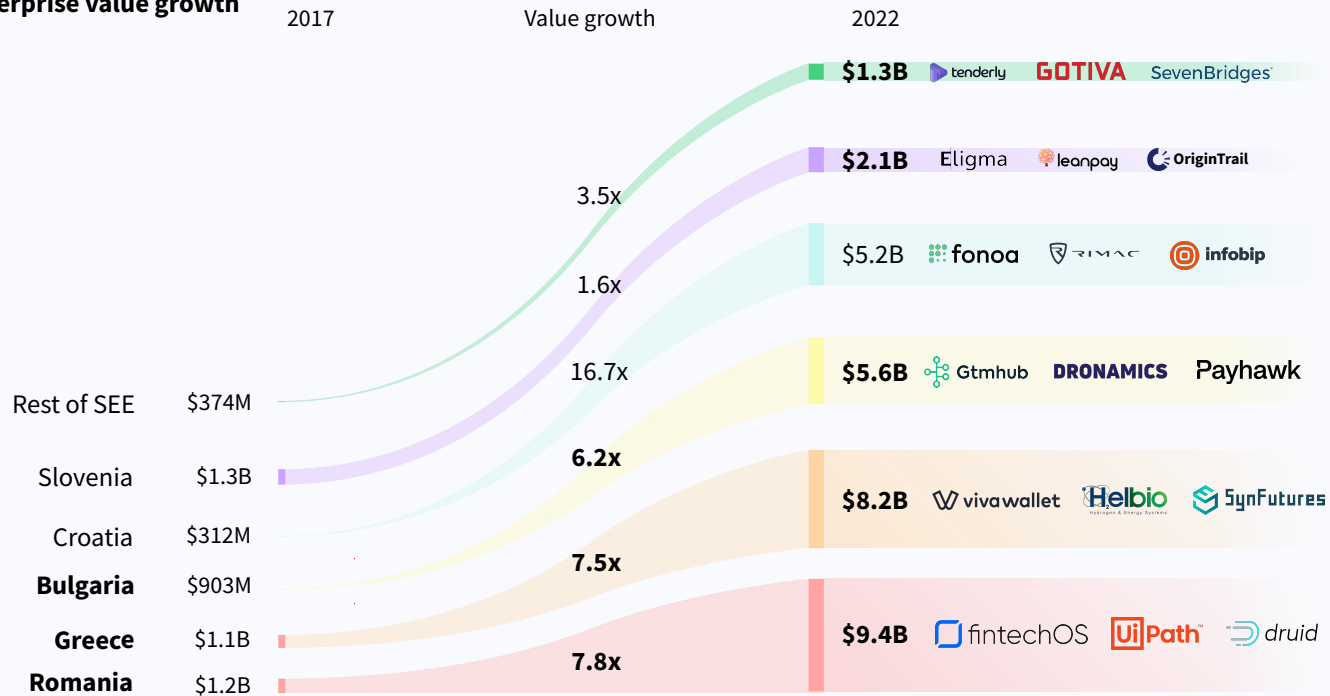
1. Ecosystem Overview



dealroom.co

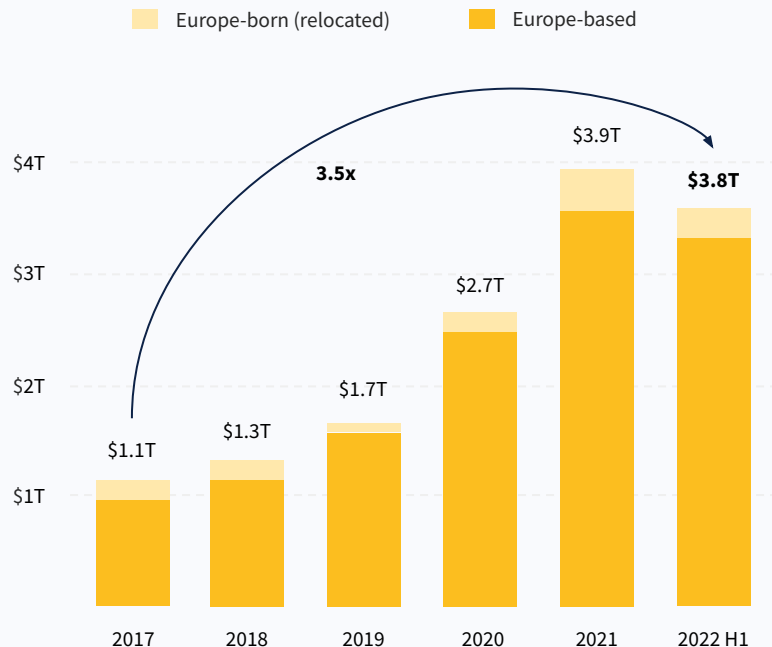
Romania, Greece & Bulgaria have grown to make up more than 70% of the SEE ecosystem enterprise value.

Country enterprise value growth (2017-2022)

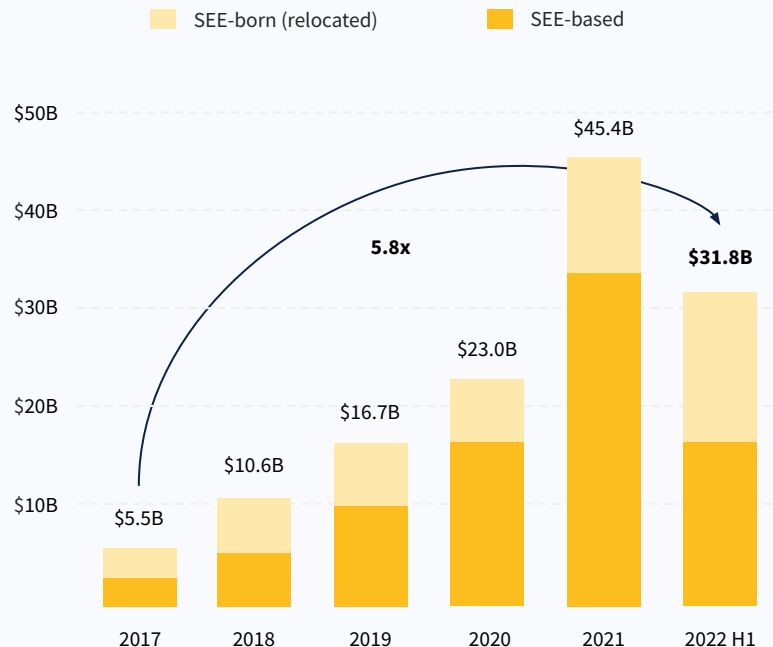


South Eastern Europe accounts for a fraction of Europe's startups in terms of value, but it grew almost twice as fast on average over the past 5 years.

Europe [» view online](#)



Combined enterprise value of SEE startups [» view online](#)



SEE has already produced 9 Unicorns.



SEE Unicorns



Rimac Automobili
Croatia
 Year became Unicorn: 2022
 Electric hypercar brand building next gen. performance cars.



Infobip
Croatia
 Year became Unicorn: 2020
 Full-stack Communications Platform as a Service.



PeopleCert
Greece
 Year became Unicorn: 2021
 Educational assessment and certification of professional skills.



Payhawk
Bulgaria
 Year became Unicorn: 2022
 Financial management product for credit cards, payments, and expenses.



Viva Wallet
Greece
 Year became Unicorn: 2022
 Provides businesses of all sizes card acceptance services.



Outfit7
Slovenia
 Year became Unicorn: 2017
 Mobile game & app developer



UiPath
Romania
 Year became Unicorn: 2018
 Designs and develops robotic process automation software.

Became a Unicorn as a subsidiary



eMag
Romania
 Year became Unicorn: 2021
 Consumer goods e-commerce platform operating in eastern europe.

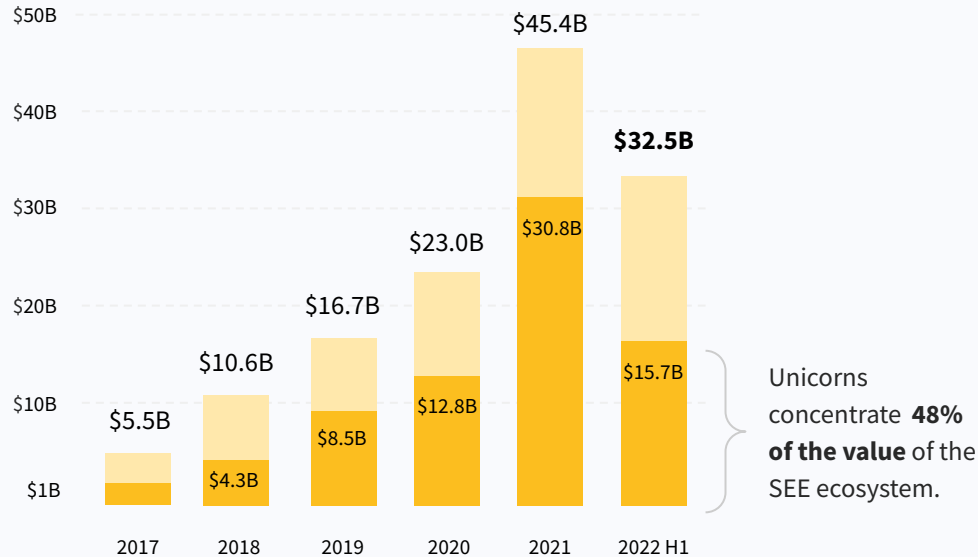


Elrond
Romania
 Year became Unicorn: 2021
 Blockchain app for apps, enterprises and internet economy.

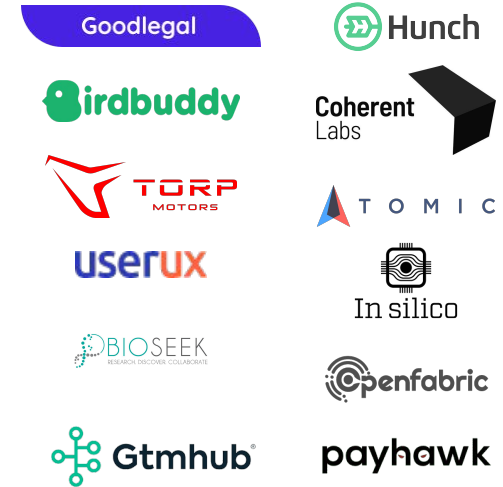
SEE unicorns contribute half of the region's combined enterprise value. More importantly it helps spin the wheel by turning local talents into founders.

Combined enterprise value of SEE Unicorns [» view online](#)

- Combined value of all startups, scaleups and unicorns from the SEE region.
- Combined enterprise value of Unicorns from the SEE region.

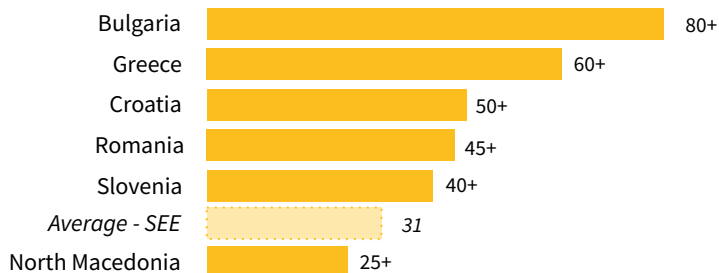


SEE startups founded by former employees of SEE Success Cases [» view online](#)

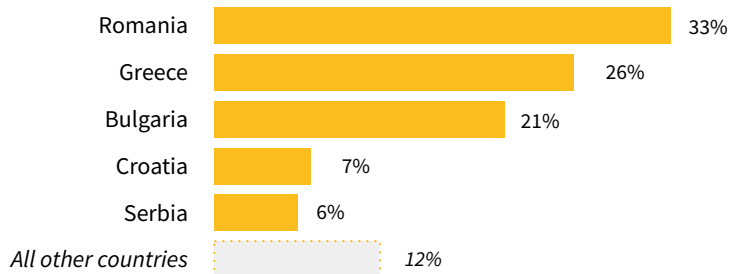


Startups create opportunities for talent across South Eastern Europe.

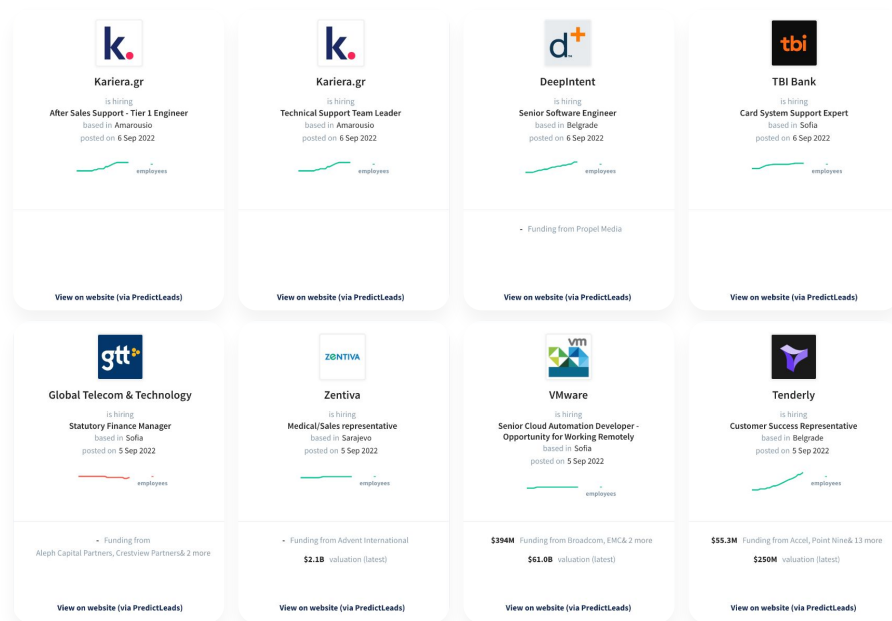
Startup job openings per 100,000 inhabitants



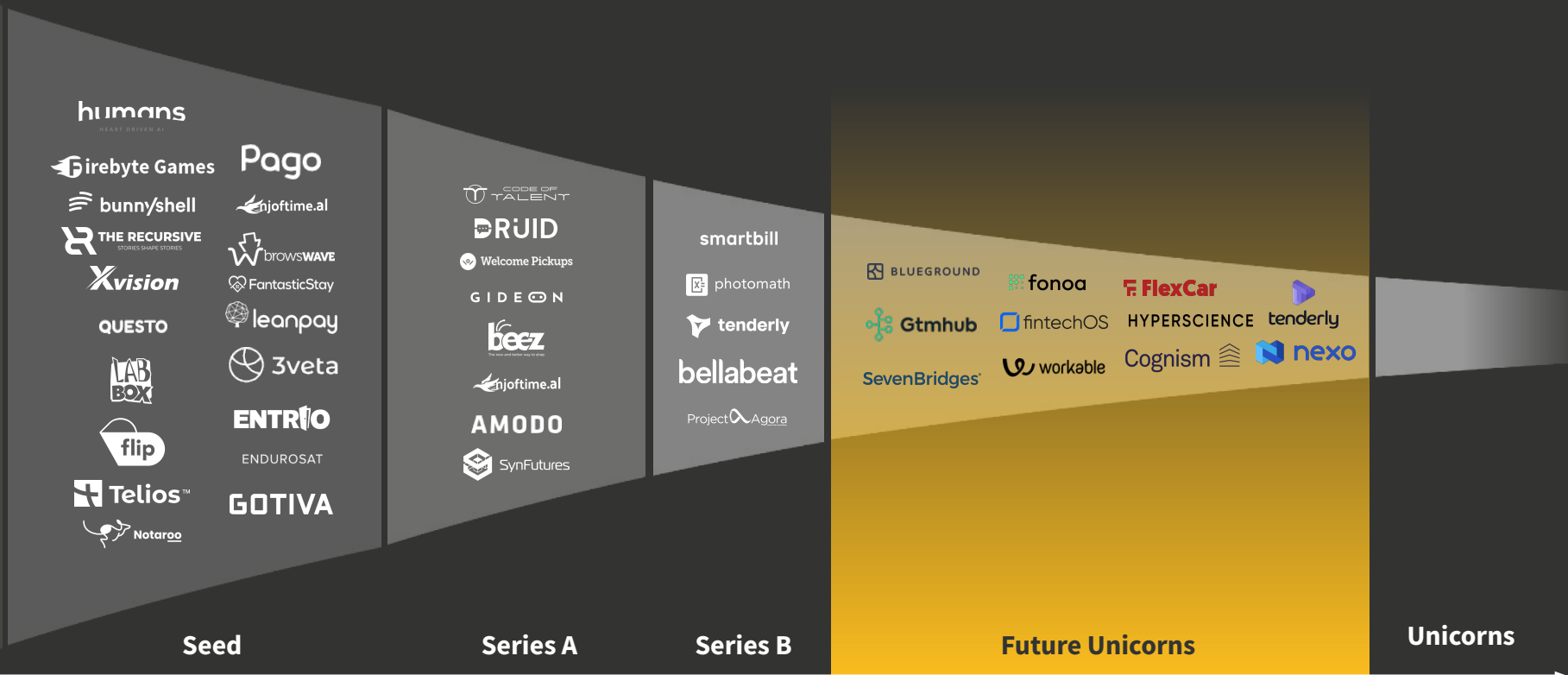
Distribution of startup job openings in SEE (Top 5)



View Job Openings in SEE » [view online](#)














SEE builds a strong pipeline of future unicorns and successes.



SEE currently has 11 future unicorns spread across 5 countries.

Future Unicorns of SEE, Oct/2022

 FlexCar	Founded: Greece	Last Round: \$210M Late VC May/2022	 Cognism	Founded: Croatia	Last Round: \$87.5M Series C Jan/2022	 Fonoa Technologies	Founded: Croatia	Last Round: \$60M Series B Jun/2022
 Blueground	Founded: Greece	Last Round: \$140M Series C Sep/2021	 FintechOS	Founded: Romania	Last Round: \$60M Series B Apr/2021	 Nexo*	Founded: Bulgaria	Last Round: \$52.5M Early VC Apr/2018
 Gtmhub	Founded: Bulgaria	Last Round: \$120M Series C] Dec/2021	 Tenderly	Founded: Serbia	Last Round: \$40M Series B Mar/2022	 Workable	Founded: Greece	Last Round: \$50M Series D Nov/2018
 Hyperscience	Founded: Bulgaria	Last Round: \$100M Series E Dec/2021	 SevenBridges	Founded: Serbia	Last Round: \$15M Series C Apr/2021			

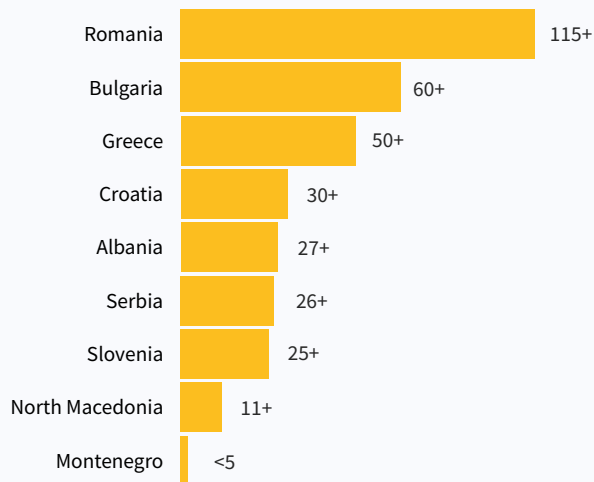
Even those SEE startups that go global with an international HQ, retain a strong team presence in South Eastern Europe after local seeding.

Selected SEE-born startups which relocated their main address abroad » [view online](#)



South Eastern Europe is also a popular destination for foreign startups setting up overseas offices, particularly in Bulgaria and Romania.

Secondary offices of foreign companies in South Eastern Europe* » [view online](#)



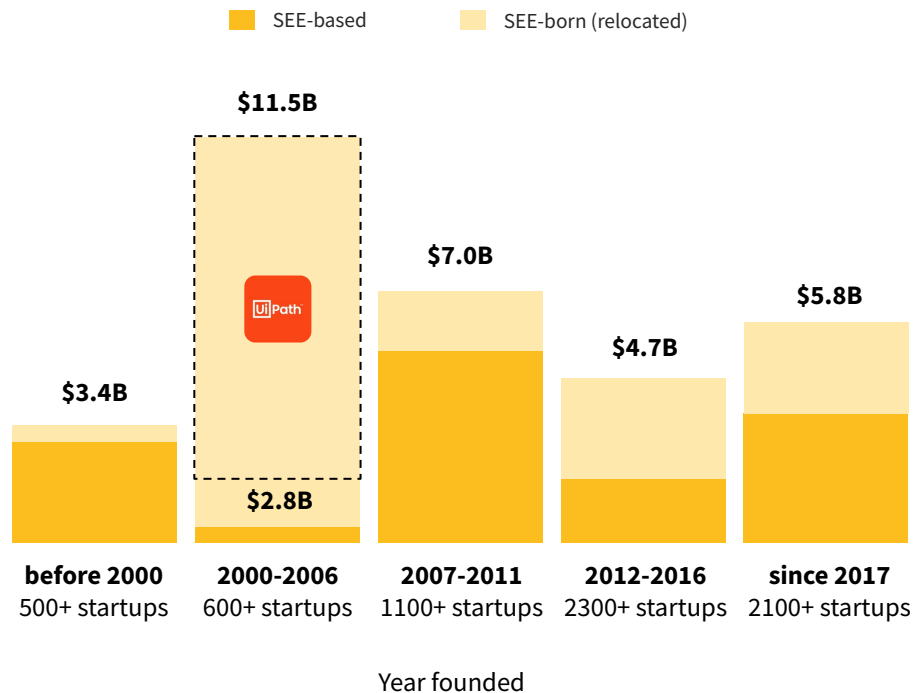
2. Ecosystem Funding & Valuation

Bulgaria leads SEE in number of locally-based funds.



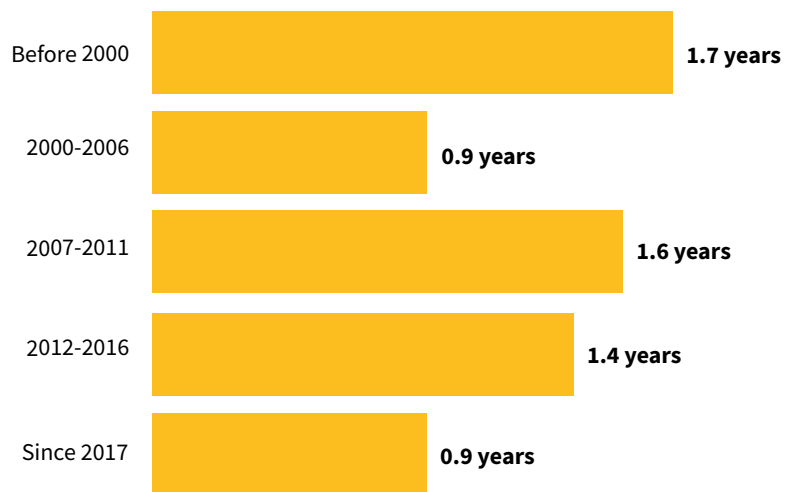
Newer generations of SEE-born startups are creating value faster than their forebears.

Combined enterprise value of SEE startups by company age

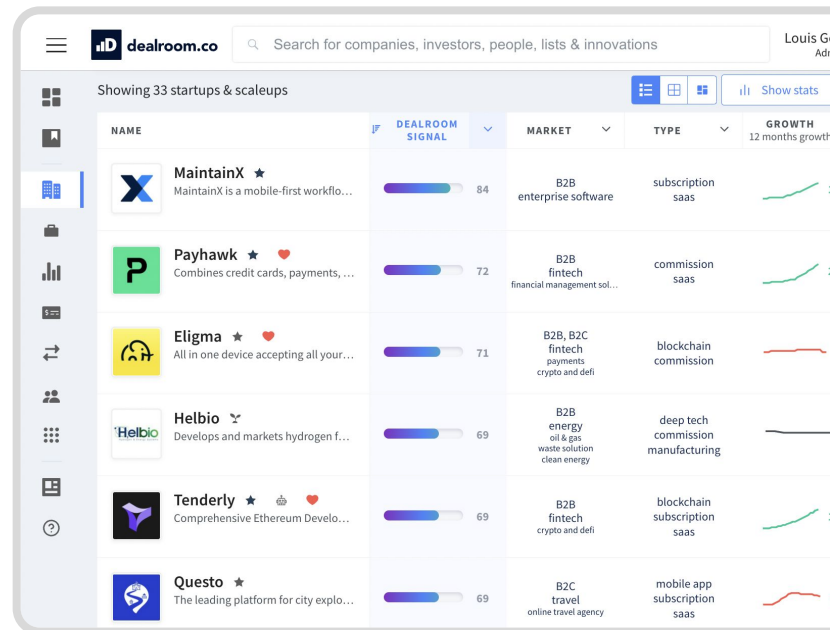


Startups are creating value ever faster in the region.

Average time between founding year and first seed round
by company founding year in SEE

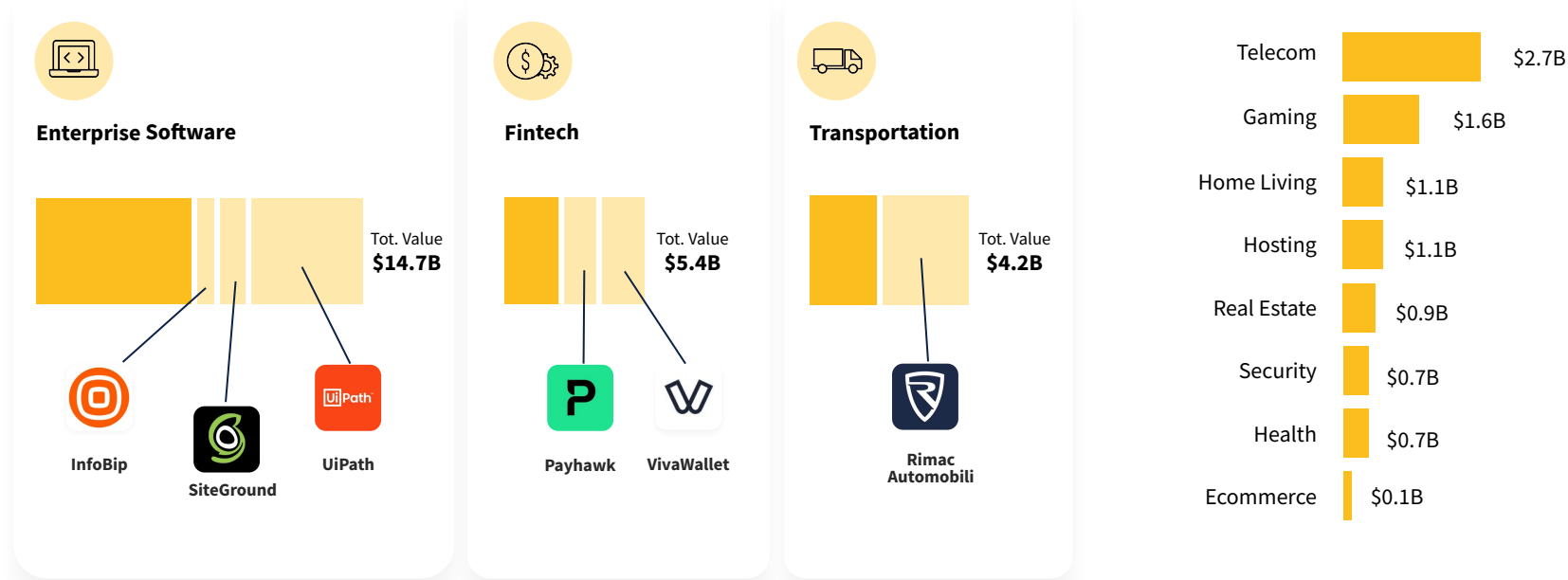


Promising SEE startups based on Dealroom Signal [» view online](#)



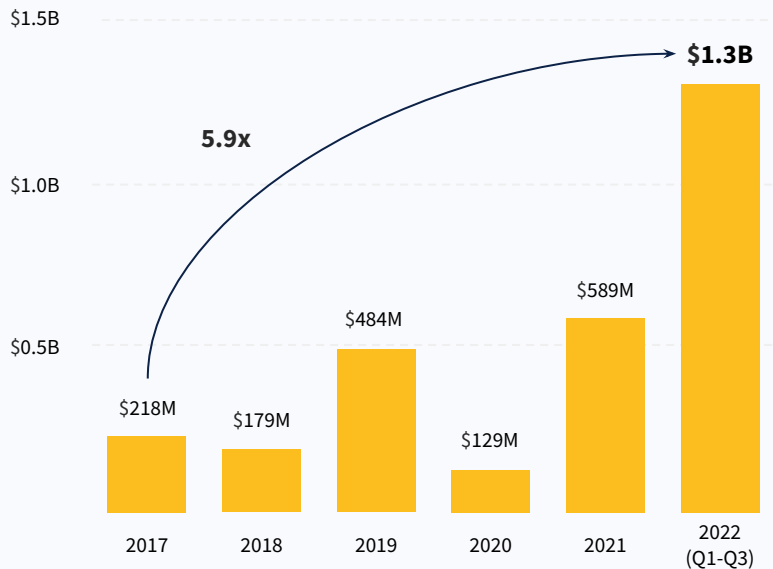
Enterprise Software, Fintech & Transportation account for 65% of the region's enterprise value created to date.

Top 10 Industries by combined enterprise value, H1 2022



So far in 2022, SEE-based startups attracted more funding than in 2019, 2020 and 2021 combined.

Investment into SEE-based startups,
2017-2022 (Q1-Q3). » [view online](#)



Selected rounds raised by SEE-based startups in 2022 so far



Croatia

\$500M Series D

Jun/2022



Greece

\$210M Late VC

May/2022



Greece

\$110M Growth Equity VC

Apr/2022



Bulgaria

\$100M Series A

Apr/2022



Serbia

\$40M Series B

Mar/2022



Bulgaria

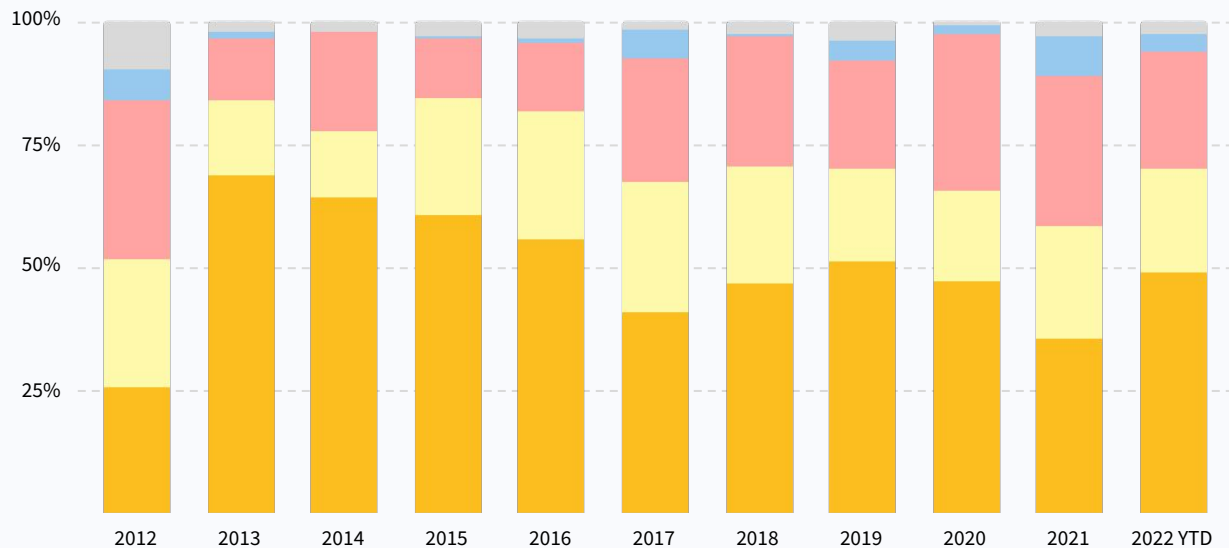
\$30M Early VC

Jan/2022

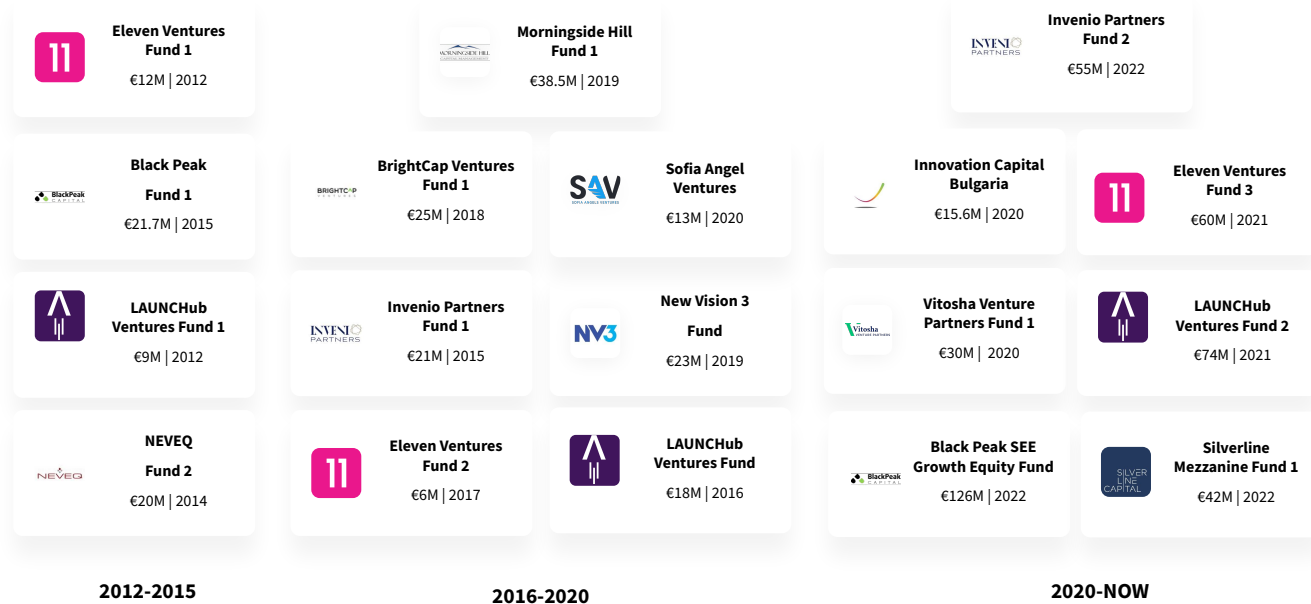
International investors have increased their presence in SEE.

VC Funding by Investor Location [» view online](#)

■ SEE ■ Europe (excl. SEE) ■ USA ■ Asia ■ Rest of the World



A wave of new funds has emerged in Bulgaria since 2012.

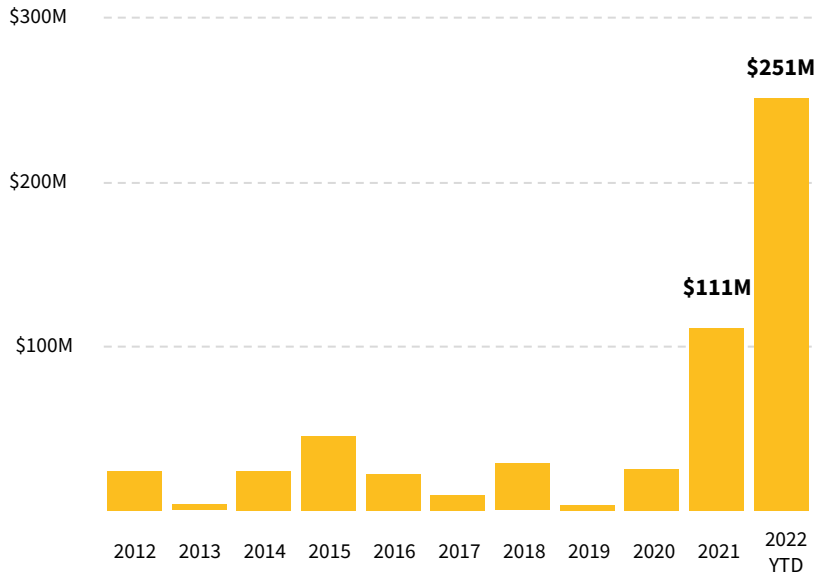


South East European Funds in the 2022 EMEA Prominence Rank » [view online](#)

NAME	LOCATION
11 Eleven Ventures Early stage investment fund with a...	Bulgaria
LAUNCHHUB LAUNCHHub Ventures A seed fund focused on investing i...	Sofia, Bulgaria
FRC Fil Rouge Capital (FRC) Private investment company that i...	Zagreb, Croatia
VentureFriends VentureFriends Entrepreneurial investors in startu...	Athens, Greece
GAPMINDER GapMinder Venture Partners Targeting innovative tech start-ups...	Bucharest, Romania
South Central Ventures South Central Ventures Largest investment fund in the Bal...	Belgrade, Serbia
Vitosha Venture Partners Vitosha Venture Partners Vitosha Venture Partners invests b...	Sofia, Bulgaria

More funds were raised in the last 18 months than ever before in Bulgaria.

New Funds Raised in Bulgaria » [view online](#)



Largest 2022 Bulgarian VC Funds based on AUM



BlackPeak Capital
South East Europe Growth Equity Fund

Jun/2022 - €126M Raised

Selected Past Investments:



Eleven Ventures
Venture Capital Fund 3

Jan/2022 - €60M Raised

Selected Past Investments:



Silverline Capital
Mezzanine Fund 1

€43M Raised

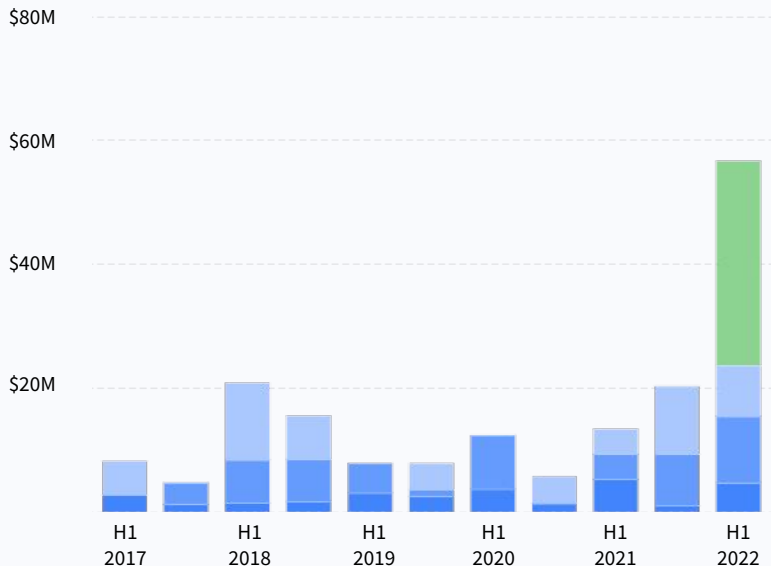
Selected Past Investments:



The Bulgarian investment landscape has gained maturity, with larger rounds and greater participation of venture capital funds.

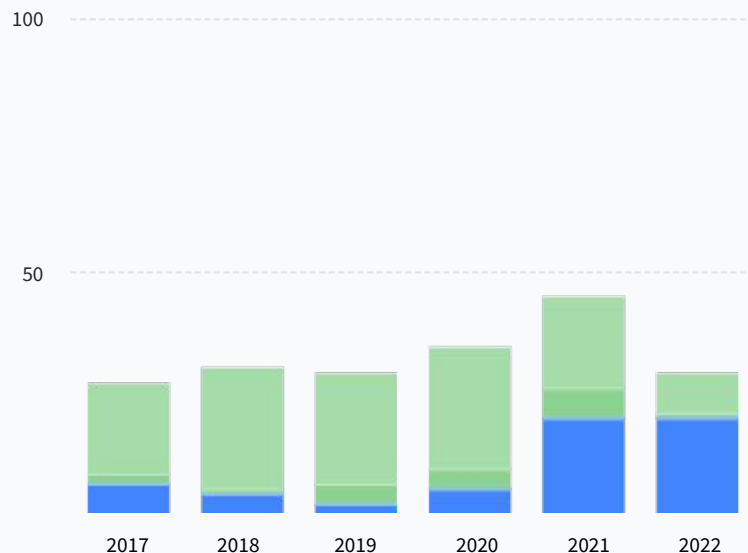
Investments by round size, Bulgaria-based [» view online](#)

■ \$15–40m (series B)
 ■ \$ 4–15m (series A)
 ■ \$1–4m (pre-seed)
 ■ \$0–1m (pre-seed)



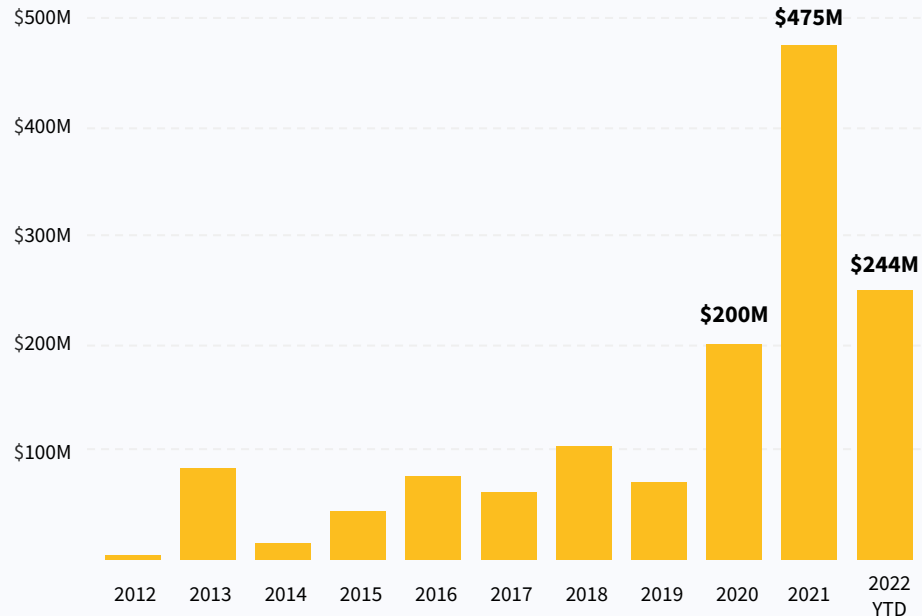
Number of rounds by investor type, Bulgaria-based [» view online](#)

■ Venture Capital (incl. Growth Equity)
 ■ Corporate
 ■ Other



2022 is already the second highest year for VC investment into Bulgarian startups, only behind record-breaking 2021.

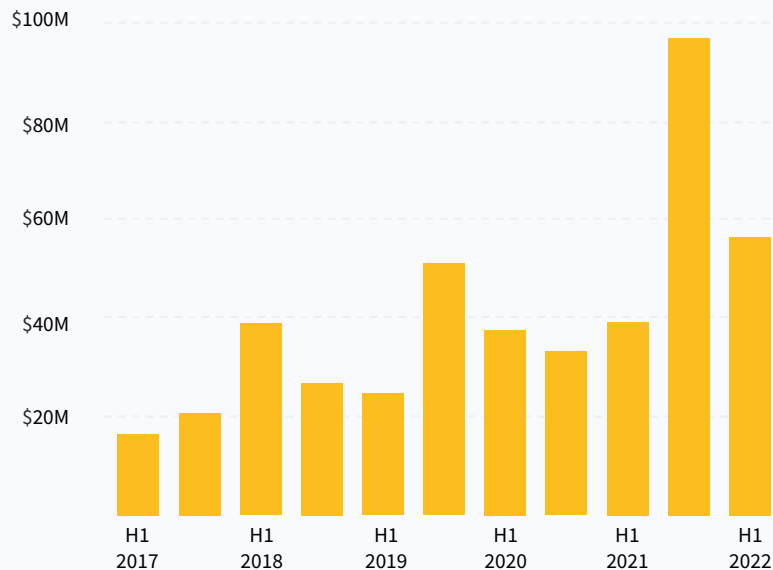
Investments into Bulgarian startups » [view online](#)



SEE early stage VC funding has more than tripled since 2017.

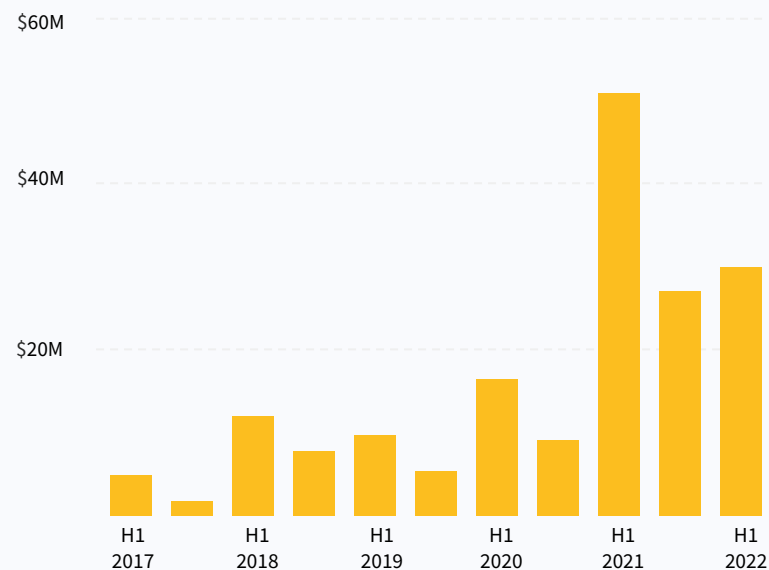
Early VC Funding in SEE-based startups

[» view online](#)



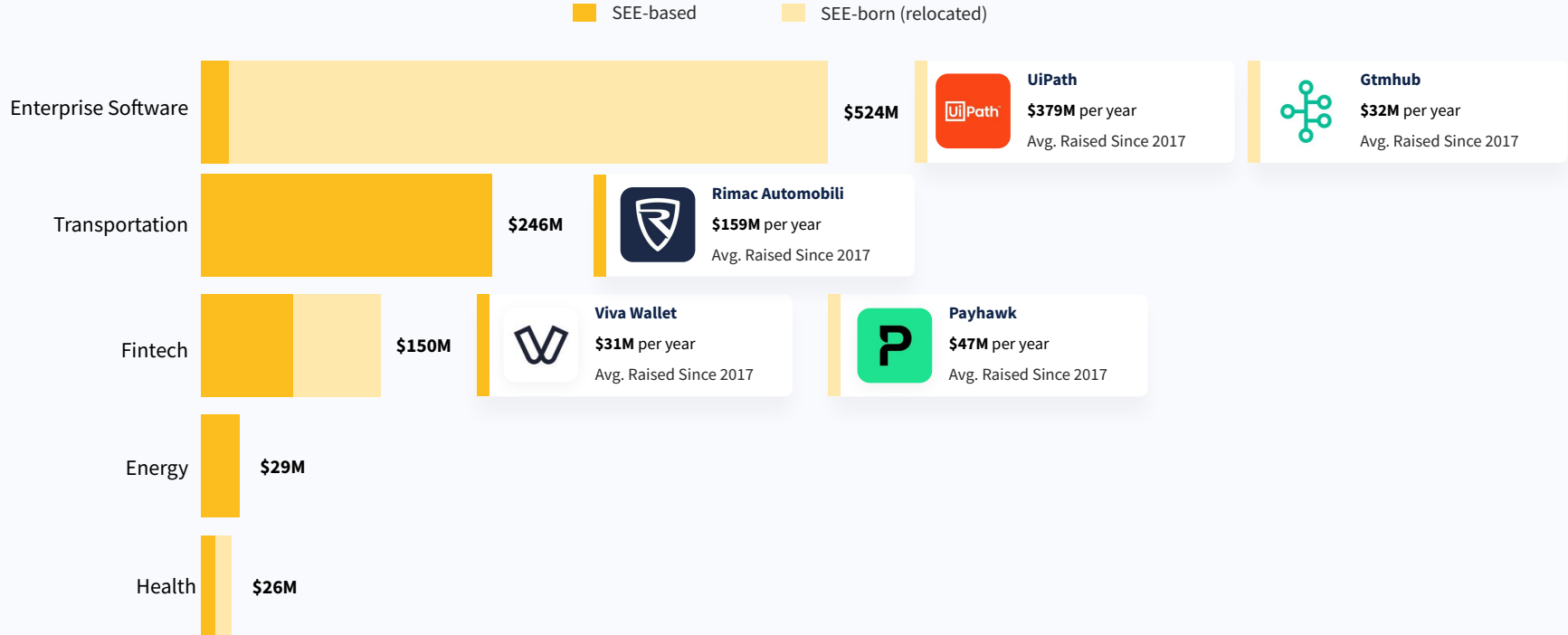
Series A Funding Growth in SEE-based startups

[» view online](#)



Global success in SaaS, transportation & fintech helped put the region on the map.

Top 5 Industries by 5-Year VC Funding average

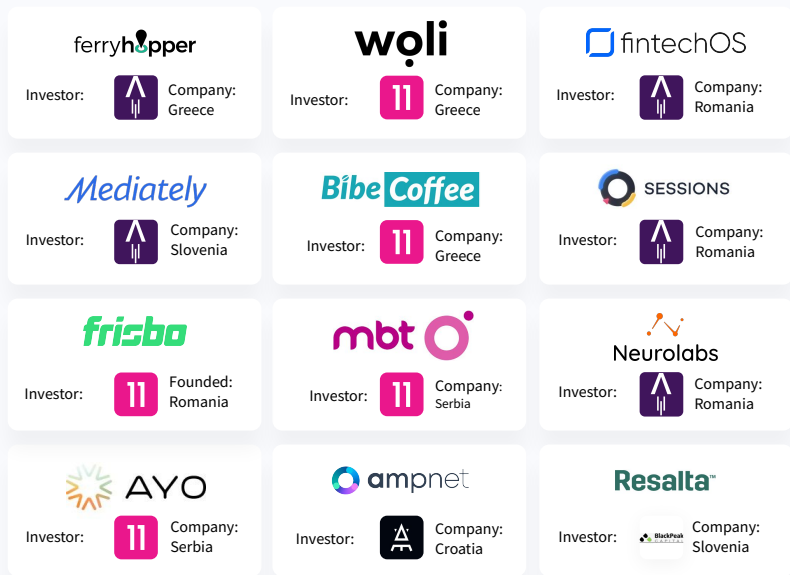


Angel investors are helping create the next generations of successful startups in SEE & beyond.

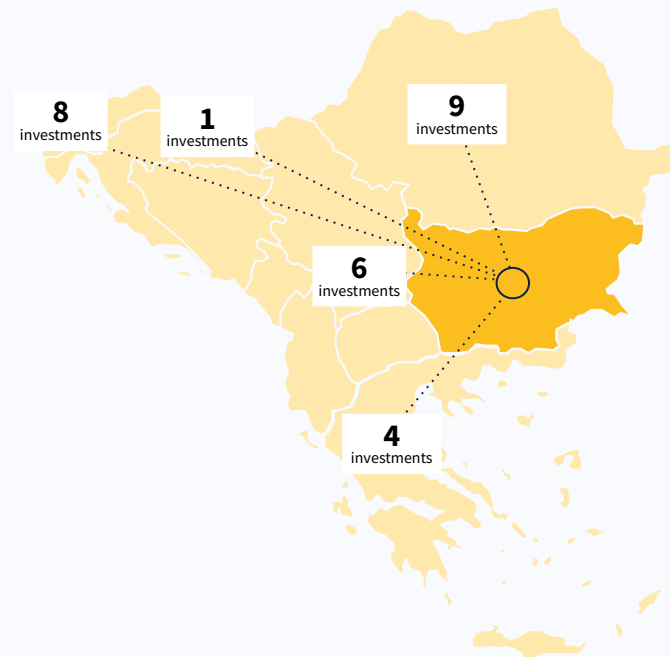


Bulgaria is one of the leading investor hubs in SEE.

Selected Investments by Bulgaria-based investors in SEE



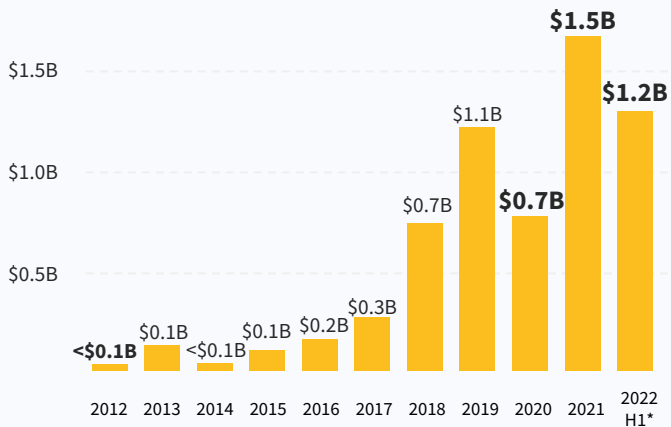
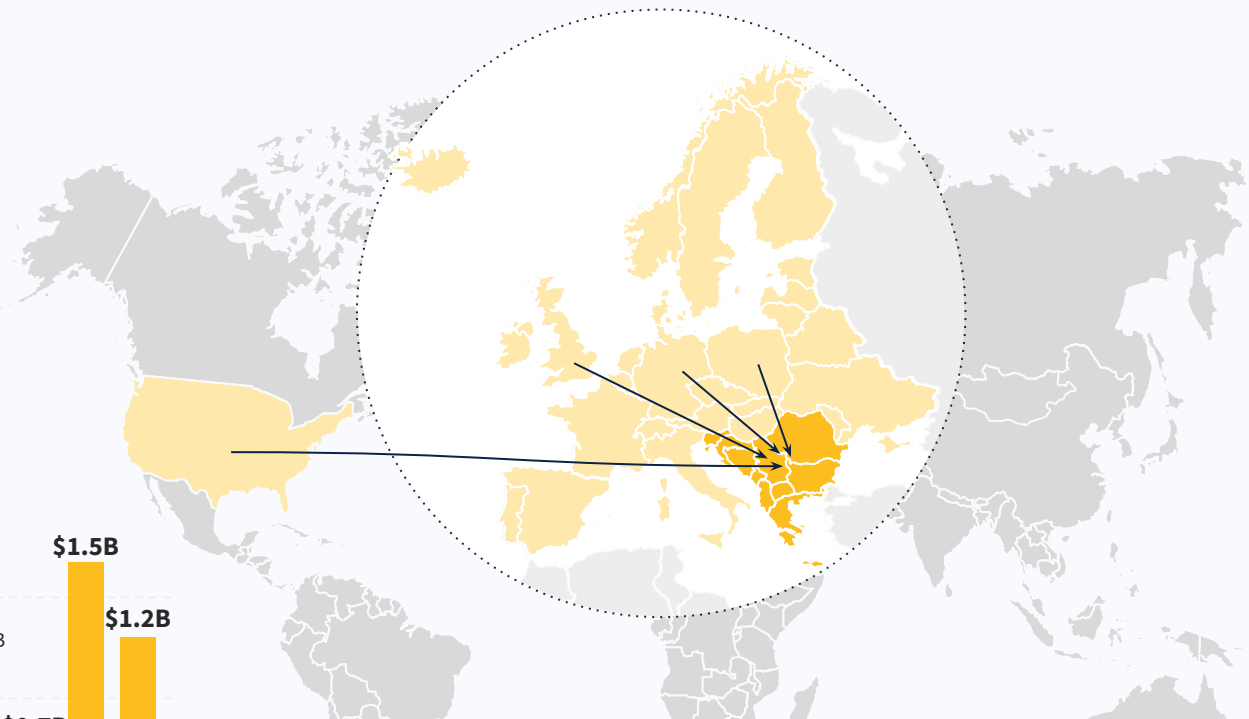
Top number of selected investments by Bulgarian investors across the region since 2015



International investors are increasingly looking to South Eastern Europe for opportunities.

Foreign VC investment into SEE startups

[» view online](#)



United States

TIGERGLOBAL Accel ABSTRACT VENTURES

Bessemer Venture Partners FIRSTMARK stripes

Europe

Index Ventures STRIDE GFC

dawn. hoxton ventures karma.vc

NOTION in|venture

3. Ecosystem Benchmarking



SEE EV per Capita

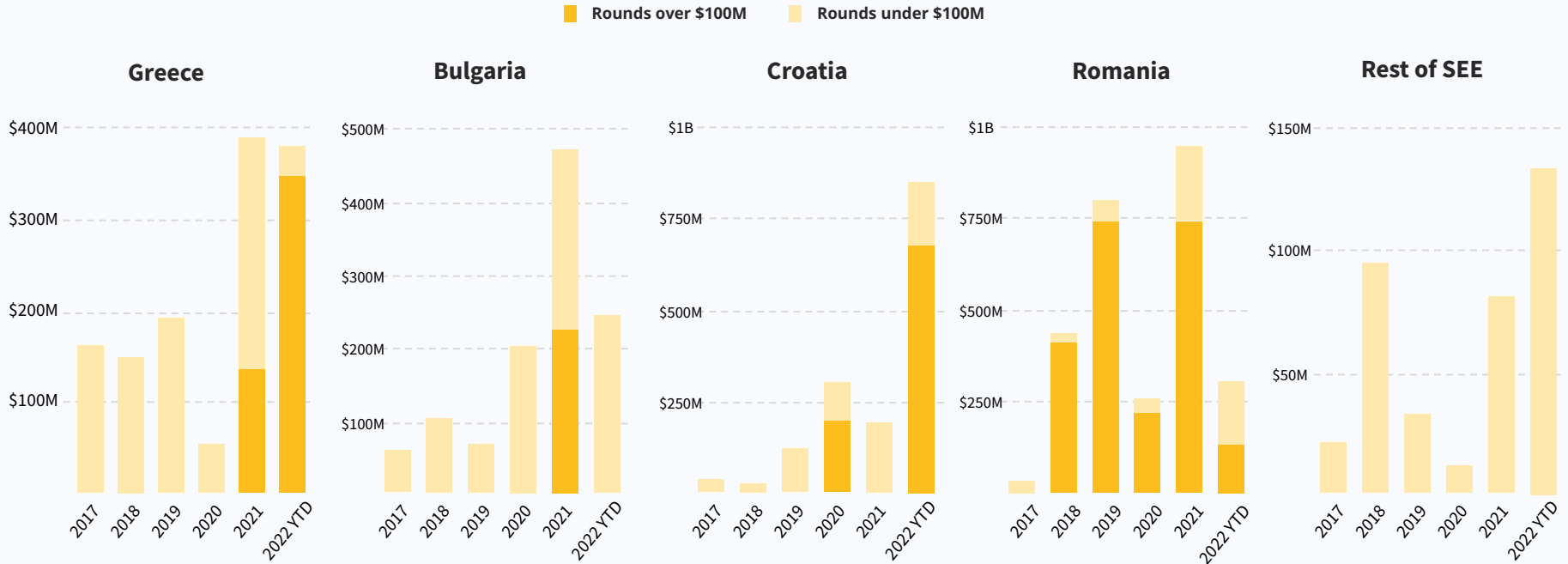
Europe: Combined enterprise value per capita H1 2022.

Position change vs 2021 in European ranking.

1	 Croatia	\$0.7k ▲+4
2	 Bulgaria	\$0.5k ▼-1
3	 Greece	\$0.4k ▲+4
4	 Slovenia	\$0.3k ▼-1
5	 Romania	\$0.1k - 0
6	 Serbia	>\$0.1k - 0
7	 Montenegro	>\$0.1k ▲+3
8	 Albania	>\$0.1k ▼-1
9	 North Macedonia	>\$0.1k - 0
10	 Bosnia & Herzegovina	>\$0.1k - 0
11	 Kosovo	>\$0.1k - 0

Bulgaria has received the highest volume of VC funding when excluding megarounds.

VC funding of SEE startups 2017-2022 [» view online](#)



A few words on our methodology.

What is a startup?

Companies designed to grow fast. Generally, such companies are VC-investable businesses. Sometimes they can become very big (e.g. \$1B+ valuation).

When startups are successful, they develop into scaleups (>50 people), grownups (>500 people) and result in big companies. Only companies founded since 1990 are included in this report.

What is a startup?

What is a unicorn?

Unicorns are (former) startups that reached US\$ 1B valuation or exit at one point in time.

What is a Unicorn?

Geographic scope

In this report, the countries considered as part of SEE include Albania, Bosnia & Herzegovina, Bulgaria, Croatia, Greece, Kosovo, Montenegro, North Macedonia, Romania, Serbia, Slovenia.

Startups are created everywhere. Most relocate as they scale, often within their own city. Some find it necessary to relocate their headquarters abroad. Whilst these SEE successes are now calling another country *home*, most maintain business-critical ties to their homelands. In order to take this reality into account, this report includes both **SEE-based** startups, which maintain their main center of business (HQ) in their country of origin, and **SEE-born** startups, relocated outside of SEE as they grew.

SEE startups on Dealroom

Startups founded by alumni of SEE Universities, and/or nationals of SEE countries whilst abroad, as well as startup funded by SEE investors abroad, are not included in the main section of this report.

Underlying Data

Dealroom's proprietary database and software aggregate data from multiple sources: harvesting public information, user-submitted data verified by Dealroom, data engineering. All data is verified and curated with an extensive manual process.

The data on which this report builds is available via app.dealroom.co. For more info please visit dealroom.co or contact support@dealroom.co.

Venture Capital, Investors

Domestic investors refer to each respective SEE countries. Europe investors include all SEE and CEE investments except those from the company's founding or HQ location. Europe includes the entire European continent, the UK and Russia, but excludes Turkey.

Investment are referred to by their round labels such as Seed, Series A, B, C, ... late stage, and growth equity. VC investments exclude debt, non-equity funding, lending capital and grants.

