

Startup
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Partnership

SEP MONITOR

SEPTEMBER 2016

**DENMARK:
A SCALEUP FORGE IN THE NORDICS**

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SEP Monitor is published by Startup Europe Partnership (SEP)



About Startup Europe Partnership (SEP)

Established by the European Commission in January 2014 at the World Economic Forum in Davos, SEP is the first pan-European platform dedicated to transforming European startups into scaleups by linking them with global corporations. By participating in the SEP program, global companies can ease the scale up process via business partnerships and strategic and venture corporate investments, providing them with access to the best technologies and talents through procurement of services or products, corporate acquisition or “acqui-hiring”.

SEP is led by Mind the Bridge Foundation, a global organization based in Europe and United States, with the support of Nesta (the UK’s innovation foundation), Factory (an acceleration program and campus for tech companies of any stage, based in Berlin), and Bisite Accelerator (Madrid/Salamanca).

SEP is a Startup Europe initiative. Partners include Telefónica, Orange, BBVA (Founding), and Telecom Italia, SKY, Unipol Group, Microsoft and Enel (SEP Corporate Member), with the institutional support of the European Investment Fund/ European Investment Bank Group, London Stock Exchange Group, EBAN, Cambridge University, IE Business School and Alexander von Humboldt Institute for Internet and Society.

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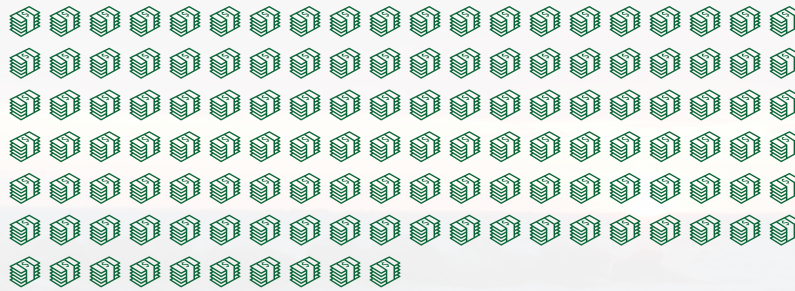


SEP MONITOR

DENMARK: A SCALEUP FORGE IN THE NORDICS

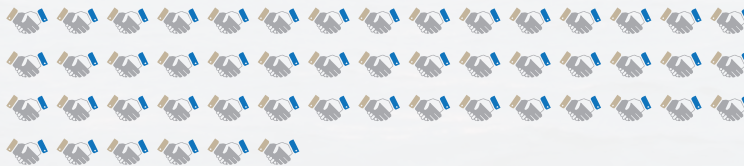


96
scaleups

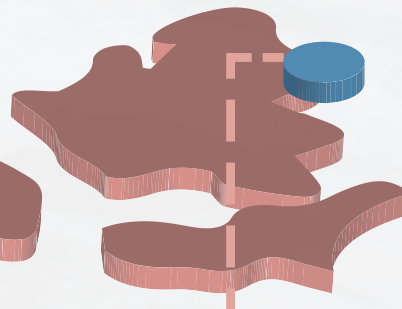


\$1.3B
capital raised

51
M&As



5.6M people
▶ 1.7 scaleups per 100K pp.



COPENHAGEN
Scaleup Hotspot

70
scaleups

\$1B
capital raised

INTRODUCTION



Denmark: a Scaleup Forge in the Nordics

Denmark seems to have cemented its position at or near the **top of every global quality-of-life** survey. Take a look around, and it's not hard to see why.

Our recent research confirms that the **Nordic countries are without any doubts an innovation powerhouse in Europe**. 430 scaleups able to cumulatively secure over \$6.5B in investments are in the Northern region (Sweden, Finland, Denmark, Norway and Iceland). That puts the Nordics at a similar level of the UK and of Germany and France combined.

In the Nordic landscape, **Denmark is one of the main pillars**, representing about one fifth of the total. It contributes approximately for the 22% of the Nordic contingent and 20% of the capital raised. Not surprisingly, Denmark ranks third in the European Innovation Scoreboard (EIS)

Consistently with the Nordic average, **Denmark shows 1.7 scaleups every 100 thousand people** and 0.49% of the GDP invested in Danish scaleups.

And the investment seems to pay-off, since **4 companies were able to raise over \$100M in funding** (the so called “scalars”). The “*Unicorn pack*” led by Zendesk (recently joined by Sitecore) includes fast growing companies like Momondo Group, Tradeshift, and Trustpilot.

In terms of sectors, **Web Content, Enterprise services and Software solutions** dominate the Danish scaleup landscape.

51 startups exited via acquisition in the last 5 years. As usual in Europe, **US companies are the most frequent buyer** (39% of the total).

Denmark shows the largest percentage (35% of the total) of **dual companies** in the Nordic region, *i.e.* startups that have moved their headquarters abroad (though maintaining relevant operations in the home country). That shows a more accentuated **propensity to look abroad** for accelerating the growth process. This evidence is also confirmed by the fact that 5 out of the 6 Danish scaleups that went public after 2010 got listed abroad.

That said, **Denmark looks like a fertile ground for scaleups**, but probably some ingredients still need to be found elsewhere like the vikings were used to.

Alberto Onetti

Chairman, Mind the Bridge Foundation
Coordinator, Startup Europe Partnership

Peter Munkholm Nielsen

Business Development Manager,
Copenhagen Capacity

EDITOR NOTE

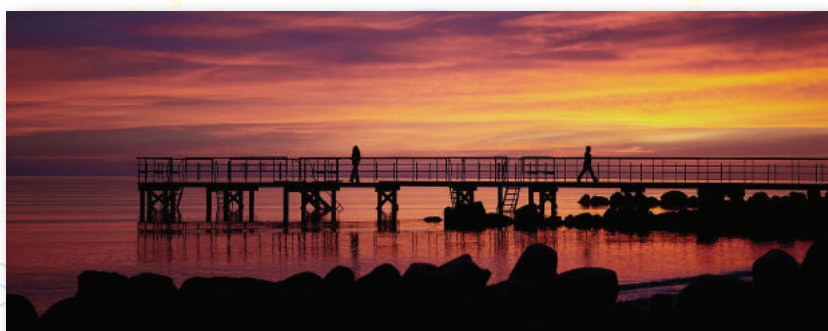
The current analysis is focused on Denmark and the other Nordic countries including Finland, Iceland, Norway and Sweden. International comparison is limited to six countries (France, Germany, Italy, Portugal, Spain and the United Kingdom). Scaleups and exits from other countries are not yet covered.

The current analysis is limited to ICT companies. Other key areas in the startup ecosystem, such as biotech/life science, hard-tech and cleantech, are currently under investigation and are not included.

SEP refers to the scaleup category as startups that raised over \$1 million (see Methodology for further details). This criterion may fail to consider startups that are scaling-up in a sustainable way (such as bootstrapped companies that grow organically and generate revenue and employment), although it includes startups that raised enormous seed investment while still in the “search phase.” Although the data fail to represent the complete scaleup landscape, we adopted this methodology because it is the only viable in providing an up-to-date “who’s who” of scaling-up in the various startup ecosystems. Furthermore, it is often not possible to report revenue and employment data (the real key variables to assess growth of a startup) as most cases involve private companies, and many countries are simply not accessible in a timely manner.

SEP sources include public data (*e.g.* press articles, blogs), and direct information collected by investors and companies. The accuracy of our dataset is limited to the available information and disclosed data.

This Monitor has been realized by Mind the Bridge with the active contribution of Copenhagen Capacity, Innovation Center Denmark and Silicon Vikings. We’d like to thank them together with all the local investors and accelerators that contributed to the data collection and qualification.



“

*In the Nordic landscape, Denmark is one of
the main pillars: a fertile ground for scaleups.*

Cover picture:

Denmark, Hejlsminde, by Vera Buhl

Picture in this page:

Aarhus, by Ehrenberg Kommunikation

A Look To The Northern Lights

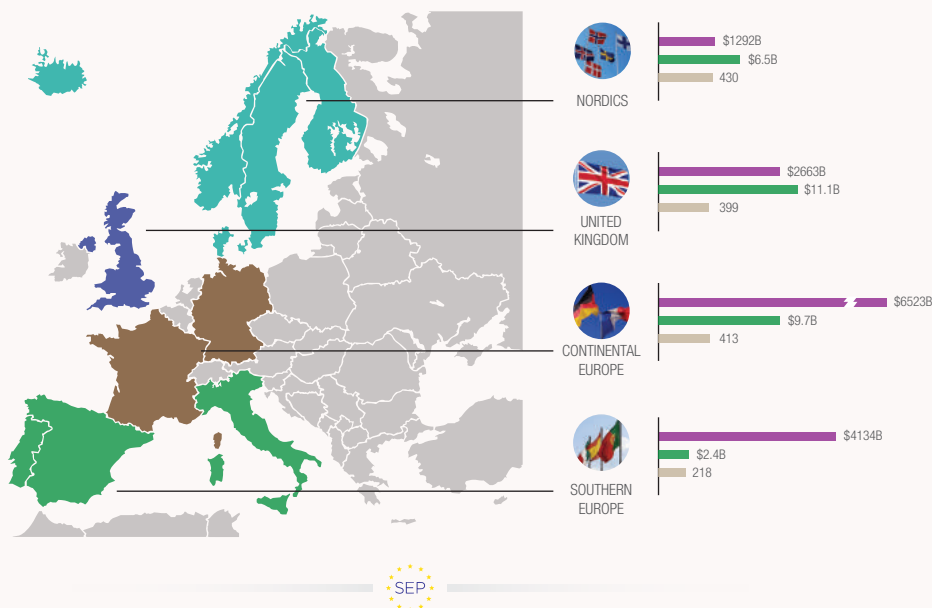
Scaleup Europe: The Kings Are in the North



SEP MONITOR JUNE 2016
Northern Lights: ICT Scaleups in the Nordics

SCALEUP REGIONS IN EUROPE

■ GDP (2015) (\$B)
■ CAPITAL RAISED (\$B)
■ NUMBER OF SCALEUPS



KEY TAKEAWAYS

SEP identified a total of 430 ICT scaleups in the five Nordic countries analysed. Collectively, they raised \$6.5 billion in funding.

SEP identified a total of 430 ICT scaleups in the five Nordic countries analysed, which include Denmark, Finland, Iceland, Norway and Sweden. Collectively, they raised \$6.5 billion in funding either from venture capital funds and/or the stock market.

Sweden is the largest scaleup hub with 149 companies (35% of the total). Finland ranks second with 126 (29%), while Denmark follows with 96 (22%). In Norway and Iceland numbers are smaller but still relatively remarkable, with 44 (10%) and 15 (4%) scaleups respectively.

In terms of number of scaleups, the Nordic countries are at the same level as the UK as well as Germany and France combined. Looking at the amount of capital raised, the level of funding in the Nordics is almost the half of that made available to UK scaleups and two thirds of the amount collectively funded in Germany and France. The figures above are quite impressive if we take into account the relatively smaller economic size of the 5 Nordic economies compared to the other European regions. GDP for 5 Northern countries (\$1,292B) is 1/2 of the UK, 1/5 of Continental Europe and 1/3 of Southern Europe. But everything happens for a reason. If we look at the capital raised, 0.5% of the GDP has been invested into scaleups in the Nordic countries, versus 0.42% in UK, and only 0.15% in Continental Europe (Germany and France) and 0.06% in the South (Italy, Portugal and Spain).

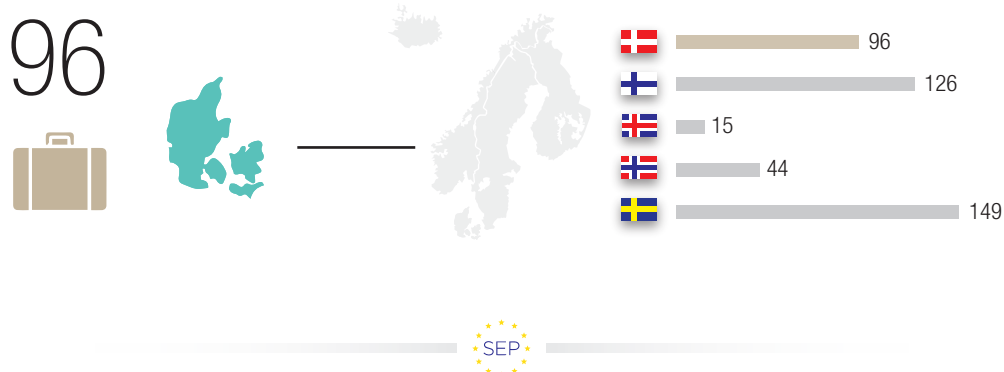
If we look at the number of scaleups per inhabitants, the Nordic countries show a stronger entrepreneurial and managerial attitude. In the Nordic region we recorded 1.6 scaleups per 100 thousand people, that is 2.5 times the ratio we have in the UK (0.6 scaleups per 100k inhabitants), almost 6x the Continental Europe average (0.6) and 9x the Southern Europe value.

It is also worth mentioning that the Nordic scaleup ecosystem is relatively young: just over 60% of scaleups we tracked were founded after 2010.

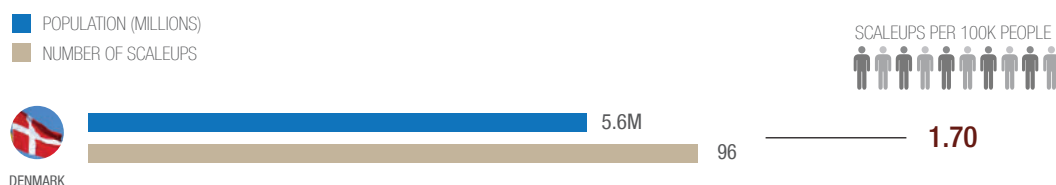
Scaleups, Not Only Mermaids

In Denmark we counted **96 scaleups**, *i.e.* startups that cumulatively raised over \$1B in VC funding or through the IPO channel¹. This makes **22% of the total scaleups mapped** from the 5 Nordic countries.

NUMBER OF SCALEUPS

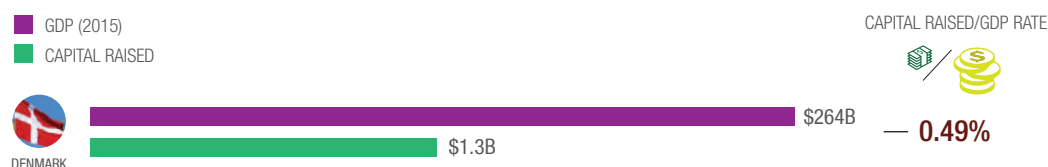


If we look at the population, in Denmark we have **1.7 scaleups every 100 thousand people**. This figure is in line with the average in the Nordics (1.6) and six times higher than the Continental Europe figures (0.3).



Collectively, the **96 Danish scaleups raised \$1.3B** (capital raised since inception). This is about one fifth (20%) of the total capital raised by scaleups in the Nordic countries.

This is 0.49% of the GDP. The figure - in line with the average in the Nordic region (0.5%) – is slightly higher than in the UK (0.42%) and 3 times higher than Continental Europe and 8 times higher than Southern Europe.



Specifically, **Danish scaleups raised \$1.1B (85%) through venture capital funds**, while an additional \$0.2B (15%) was raised on the stock market through the IPO channel.

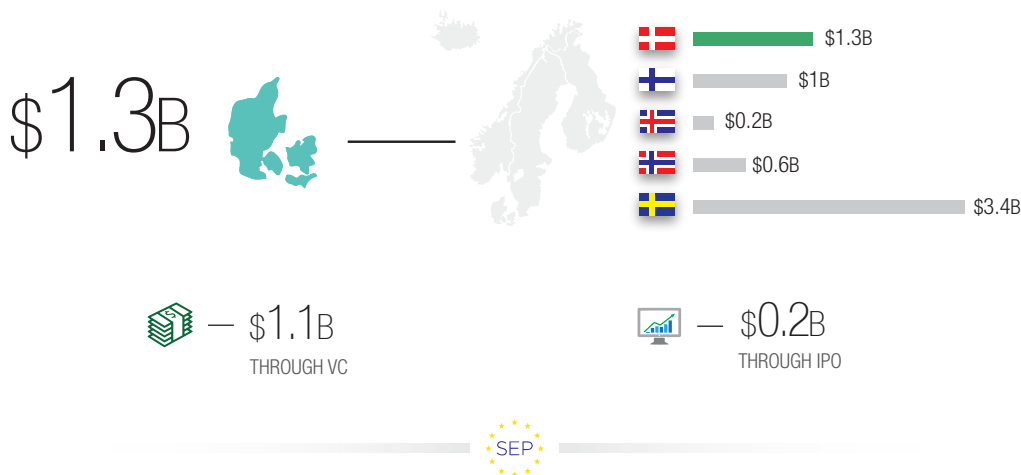
On average, Danish scaleups each raised \$13.5M. **On average, VC backed scaleups raised \$11M.**

In Denmark, we have 1.7 scaleups every 100.000 people. 6 times higher than Continental Europe.

1- SEP Monitor data is updated as of December 2015. 31/12/2015.

Therefore, data does not include the recent \$181M round of Unity technologies (July 2016).

CAPITAL RAISED IN DENMARK



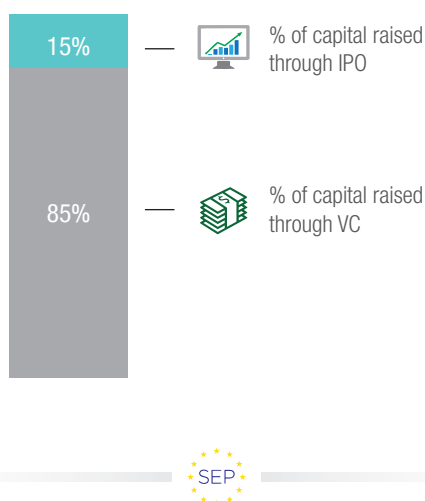
Similar to Sweden, also in Denmark the stock market represents a relevant supplementary source of funding for scaleups. **15% (\$0.2B) of the capital raised by Danish scaleups come through the IPO channel.** We recorded 6 Danish scaleups going public after 2010: most of them got listed abroad in order to seek favorable matches.

Two companies (Napatech in December 2013 raising \$22.4M and Asetek in March 2013 securing \$33M) went public at the Oslo Borse, while two other IPOs occurred respectively in the First North and in the Oslo Axess.

The largest IPO - raising \$100M at a \$700M valuation and accounting for half of the capital raised – is Zendesk. Zendesk went public in the US at the NYSE in May 2014: it is Zendesk IPO.

Only one IPO remained somewhat domestic: it is Smartguy/Stylepit that got listed - securing \$21.6M - in November 2012 at the Nasdaq OMX which operates eight stock exchanges mainly in the Nordic and Baltic countries.

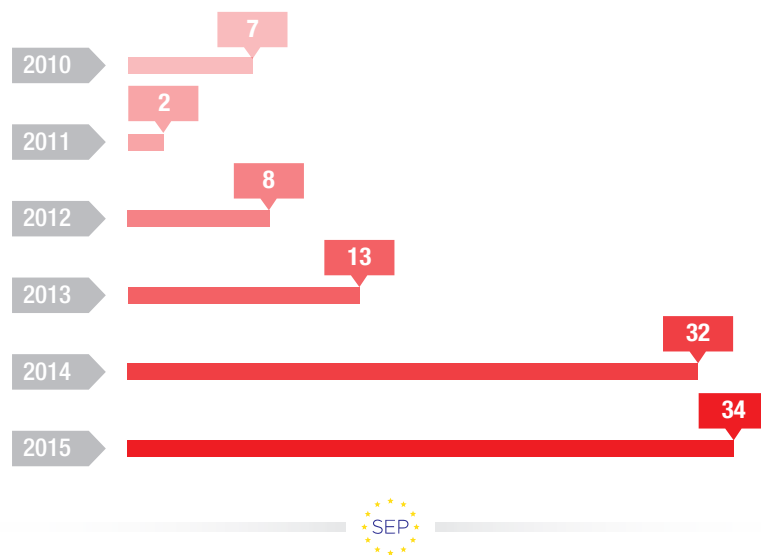
CAPITAL RAISED VC-IPO



The Denmark scaleup ecosystem is pretty young. 61 (63% of the total) of Danish scaleups have been founded after 2010. **And it is growing fast: 69% of Danish scaleups had a funding event in the last two years.**

The largest IPO is Zendesk, raising \$100M at a \$700M valuation.

NUMBER OF DANISH SCALEUPS PER LAST FUNDING YEAR



Zendesk Leads the Unicorn Pack

In Denmark we identified 4 “scalpers”. *i.e.* companies able to raise over \$100M in funding. These companies (Zendesk, Momondo Group, Tradeshift, and Trustpilot) cumulatively raised the 45% of the total capital made available to Danish scaleups.

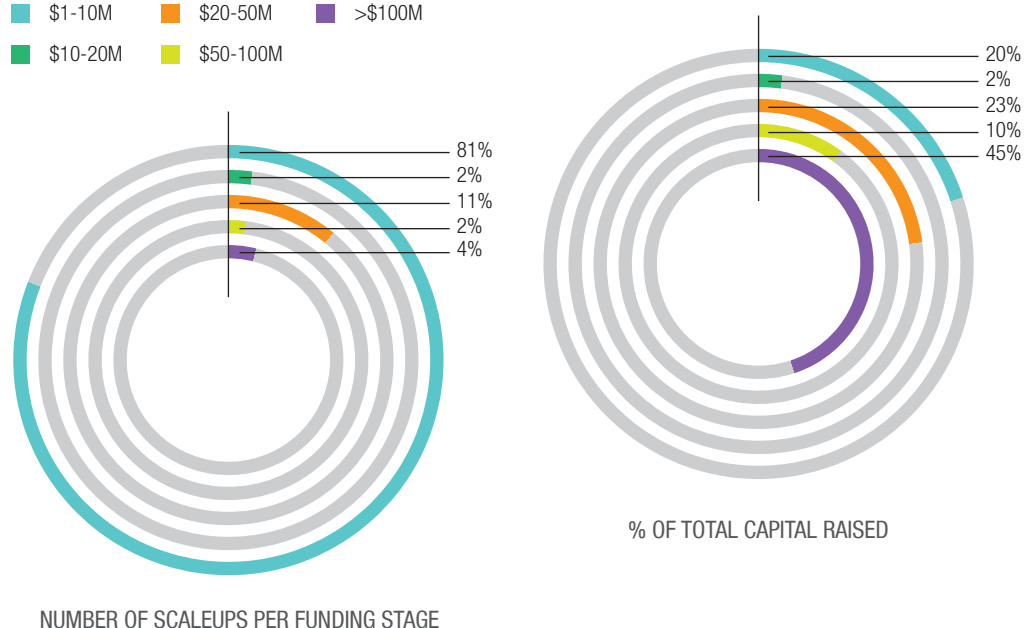
Other 2 scaleups (Asetek and SiteImprove) raised over \$50M each contributing for an additional 10% of total capital raised. **The vast majority of Danish scaleups (81%) fall into the small scaleup category (\$1-10M in capital raised).** They account for 20% of the overall capital raised by Danish scaleups. Additional 25% of the overall capital made available to Danish scaleups has been raised by the mid-scaleup segment (\$10-50M).

KEY TAKEAWAYS

The 4 Danish scalpers cumulatively raised the 45% of the total capital made available to Danish scaleups.

CAPITAL RAISED VC-IPO

■ \$1-10M ■ \$20-50M ■ >\$100M
■ \$10-20M ■ \$50-100M



The four Danish scalers are Zendesk (\$171M), Momondo Group (\$ 152M), Tradeshift (\$129M), Trustpilot (\$117M).

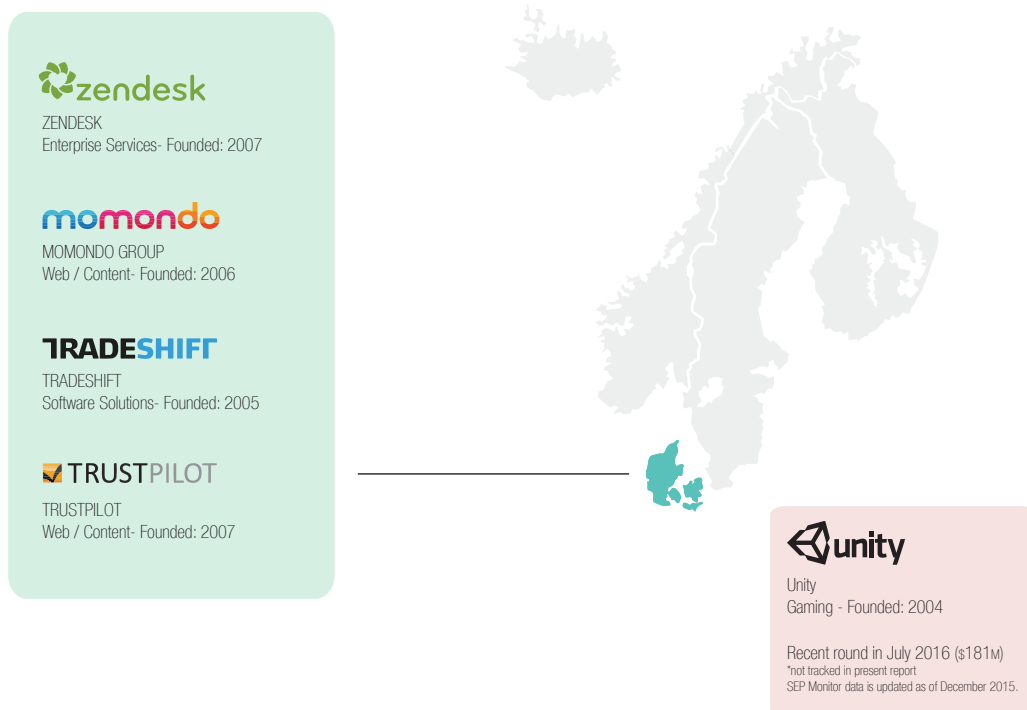
Zendesk is the only Danish scaler that went public (in US), while Momondo Group, Tradeshift and Trustpilot are pure venture-backed companies.

SEP Monitor data are updated as of 31 December 2015. Therefore, the recent rounds of funding of the Danish scaleups Unity and Sitecore are not tracked.

Danish customer experience management software company **Sitecore became a unicorn** as private equity group EQT has acquired a majority equity stake in a transaction that values the tech company at approximately €1B.

Unity also joined the Unicorn pack with the recent outstanding Series C round of \$181M, announced in July 2016 and led by US based venture capital firm DFJ Growth.

DANISH SCALERS



KEY TAKEAWAYS

The four Danish scalers are Zendesk (\$171M), Momondo Group (\$ 152M), Tradeshift (\$129M), Trustpilot (\$117M).



Location: Copenhagen
Stock Market: NYSE (US) - 2014



Location: Copenhagen



Location: Copenhagen



Location: Copenhagen



Danish Scaleup Poster Children


Zendesk

LOCATION: COPENHAGEN



ENTERPRISE

Zendesk is a leading cloud-based customer service software solution that offers help desk ticketing, issue tracking, and customer service support. Founded in Copenhagen in 2007, the company went public on the NYSE in 2014, securing \$100M. Before the IPO, Zendesk raised \$71M in a total of six rounds. Zendesk is now a global engineering organisation headquartered in San Francisco with departments in Copenhagen, Dublin, Madison, Melbourne and Singapore.



MORTEN PRIMDAHL AND MIKKEL SVANE,
ZENDESK FOUNDERS


Momondo

LOCATION: COPENHAGEN



WEB/CONTENT

Momondo has been founded by Danish entrepreneur Thorvald Stigsen as a meta-search engine built on a blend of humanity and technology. Based in Copenhagen, Momondo enables users to find and compare prices on airplane tickets, hotels, cars and travel deals. The company has been launched in September 2006 as a flight search engine, and has been re-launched in 2007, expanded to include also city guides and travel articles. Since then, Momondo has grown to become one of Denmark's top websites across all sectors, not just travel. In April 2011, British/American Cheapflights Media Ltd completed a large investment in Momondo, designed to bring together the two companies. As a result of this deal, Cheapflights Media Ltd changed name into Momondo Group (based in London, UK).



THORVALD STIGSEN, FOUNDER


Tradeshift

LOCATION: COPENHAGEN



SOFTWARE

Launched in 2009 in Copenhagen, Tradeshift is a global business-to-business platform that helps companies run more efficiently, using cloud-based technology to improve processes like invoicing, workflow and supplier financing. Headquartered in San Francisco, the company raised \$129M. Last funding round of 20M USD occurred in March 2016, is not included in this report.



CHRISTIAN LANNG; FOUNDER AND CEO


Trustpilot

LOCATION: COPENHAGEN



WEB/CONTENT

Trustpilot is a review community that builds trust and transparency between consumers and businesses. Trustpilot focuses on getting people to write about their recent customer experiences with online merchants and other companies they deal with primarily online. Trustpilot has already published 13 million reviews about more than 100,000 brands. Founded in 2007 in Copenhagen, now it has offices in Copenhagen, London, New York, Berlin and Melbourne. Trustpilot last raised \$73.5M in May 2015. Vitruvian Partners led the Series D round, joined by Trustpilot's earlier backers, DFJ Esprit, Index Ventures, Northzone and SEED Capital Denmark. In total, Trustpilot has raised \$117 million in venture funding to date.



PETER HOLTEN MÜHLMANN, FOUNDER



Sitecore

LOCATION: COPENHAGEN



BIZ ANALYTICS

Sitecore is a global software that provides customer experience management solutions using web content management and multichannel marketing automation software. Started in 1998 as Pentia A/S, Sitecore was spun off as a separate business entity in 2001, having now more 800 employees across Europe. Michael Seifert has been the company's CEO since its founding in 2001. Very recently, in April 2016, EQT, a Stockholm-based Swedish private equity investor acquired a majority stake in Sitecore: a transaction that valued Sitecore at about \$1.14B, making the company a new EUnicorn.



MICHAEL SEIFERT; FOUNDER AND CEO



Siteimprove

LOCATION: COPENHAGEN



WEB/CONTENT

Founded in Copenhagen in 2003 by Morten Ebbesen, Siteimprove is a leading provider of web governance software, with a broad suite of cloud software products including quality assurance, accessibility compliance, analytics, SEO, performance monitoring and policy management. Siteimprove has around 250 employees across eleven global offices. In December 2015, Siteimprove received an outstanding investment round of \$55M from global equity firm Summit Partners, to fuel the continued expansion of its global operations, sales and marketing and the development of industry-defining SaaS solutions for web governance.



MORTEN EBBESEN, CEO & FOUNDER



Unity Technologies

LOCATION: COPENHAGEN



GAMING

Unity Technologies is the company behind Unity, one of the most popular game engines. The company has been founded in 2004 by David Helgason (CEO), Nicholas Francis (CCO), and Joachim Ante (CTO) in Copenhagen, with a specific focus: to "democratize game development". In April 2012, Unity reportedly had 1 million registered developers, 300,000 of which used Unity on a regular monthly basis. Throughout the years, Unity Technologies raised around \$17.5M, and acquired several companies, including Applifier (FIN, 2014), Playnomics (USA, 2014), Tsugi (USA, 2014) and Silkcloud (CHN, 2015). In addition to this, Unity announced in July 2016 an outstanding \$181M Series C round led by DFJ Growth¹. It is also worth mentioning that Pokemon Go, the blockbuster mobile game developed by US-based game studio Niantic, has also been made with the Unity game engine, which again establishes the company's product as one of the de facto standards for mobile game development.



JOACHIM ANTE (CTO),
NICHOLAS FRANCIS (Chief Creative Officer)
DAVID HELGASON (CEO)

UNITY'S LATEST ROUND JULY 2016

In July 2016, Unity announced an outstanding \$181M Series C round of financing, led by US based DFJ Growth and including China Investment Corporation, FreeS Fund, Thrive Capital and Max Levchin, joining existing investors including Sequoia Capital and WestSummit Capital.

Thanks to this new funding, Unity plans to accelerate the advance of AR/VR with their unique engine.

SECTORS

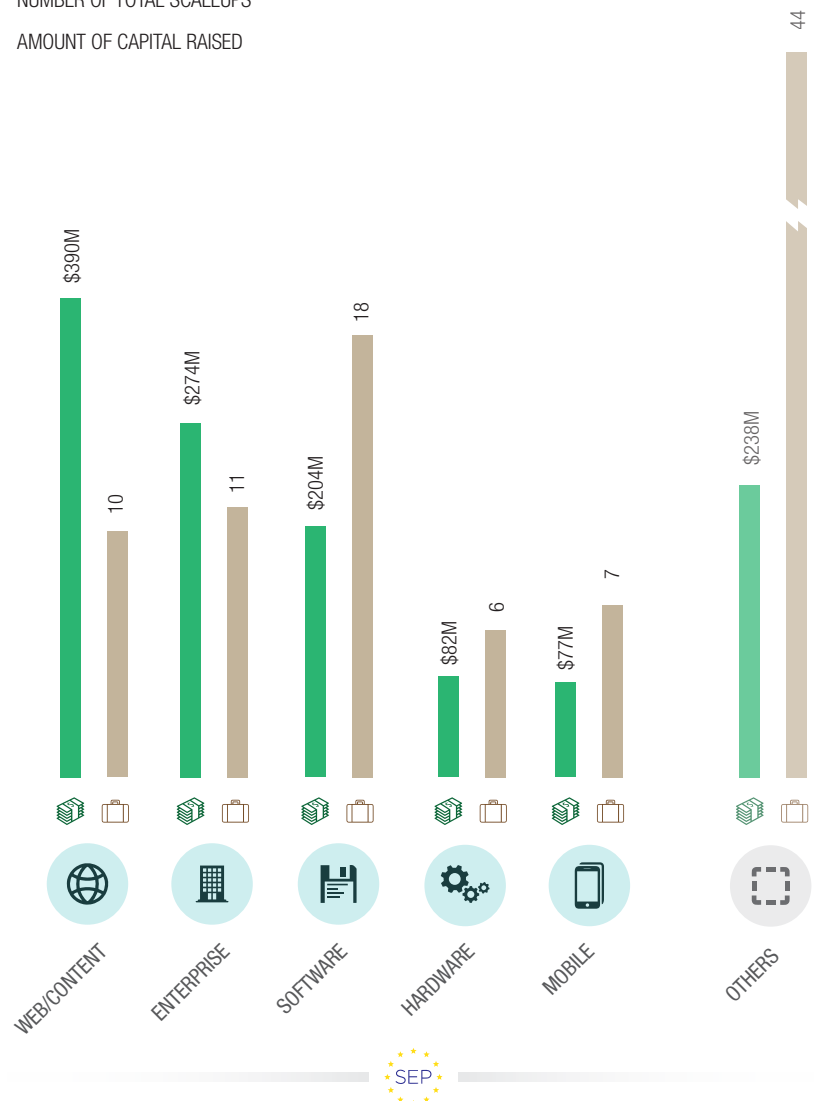
- ADV/PROMOTION
- BIZ ANALYTICS
- CLEANTECH
- DIGITAL MEDIA
- E-COMMERCE
- EDUCATION
- ENTERPRISE
- FASHION
- FINANCE
- GAMING
- HARDWARE
- HEALTH
- HOSPITALITY
- MOBILE
- NETWORK
- SEARCH
- SECURITY
- SOCIAL
- SOFTWARE
- WEB/CONTENT

Software, Web and Enterprise Services

Web Content, Enterprise services and Software solutions dominate the Danish scaleup landscape. They respectively account for 31%, 22% and 16% of the overall capital raised by Danish scaleups. In terms of number of scaleups, Software solutions includes the vast majority of scaleups accounting for 20% of the overall amount of Danish companies. Hardware and mobile equally attracted 6% of the overall capital made available to Danish scaleups.

DANISH HOT SECTORS

- NUMBER OF TOTAL SCALEUPS
- AMOUNT OF CAPITAL RAISED

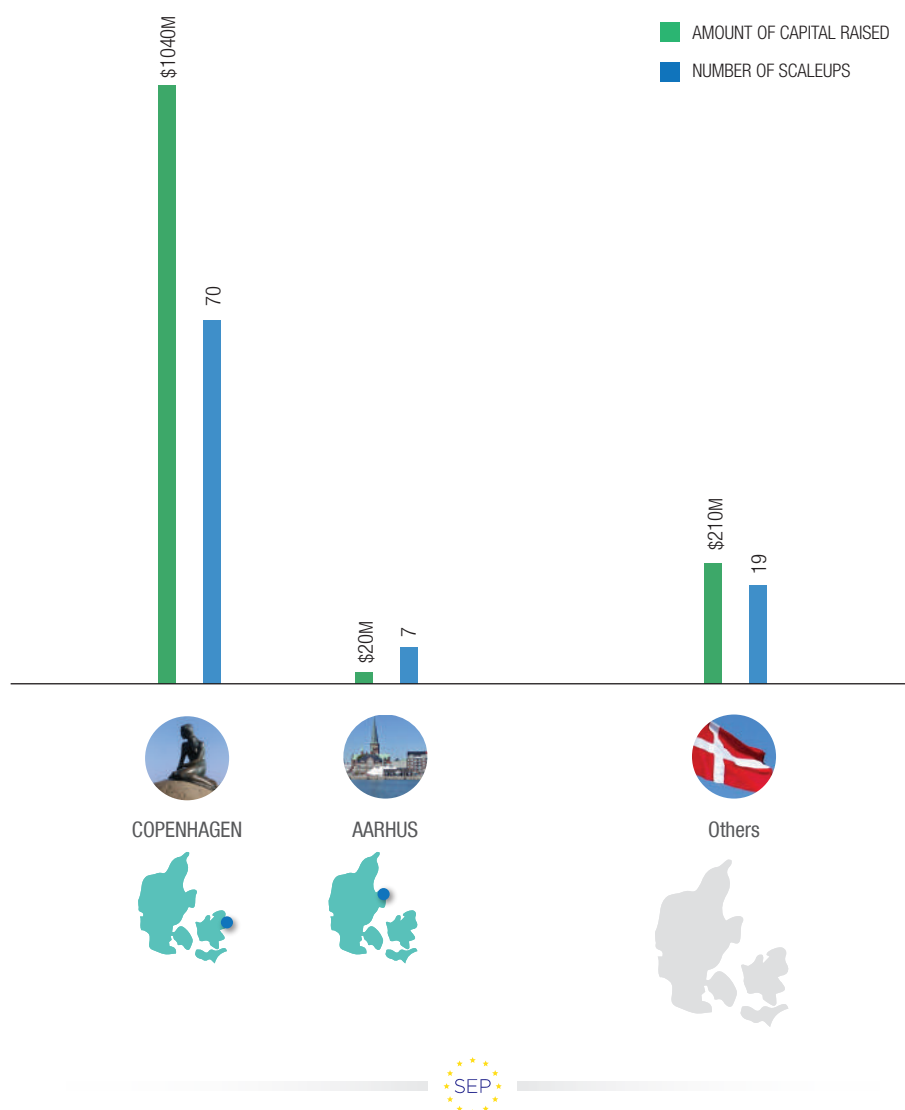


Copenhagen is the Scaleup Hotspot for Denmark

70 out of the 96 Danish scaleups (73% of the total) are located in Copenhagen.

Another 7 scaleups (7% of the total) are located in Aarhus. This makes it the second scale-up hub in Denmark. The remaining 19 scaleups (which account for the 16% of overall capital raised by Danish scaleups) are scattered all over Denmark.

SCALEUP HOTSPOTS IN DENMARK



KEY TAKEAWAYS

The SEP monitor reported 7 Dual Companies in Denmark. 6 of them moved their headquarters to the US, 1 to the UK.

Danish “Dual” Companies: US is the Destination

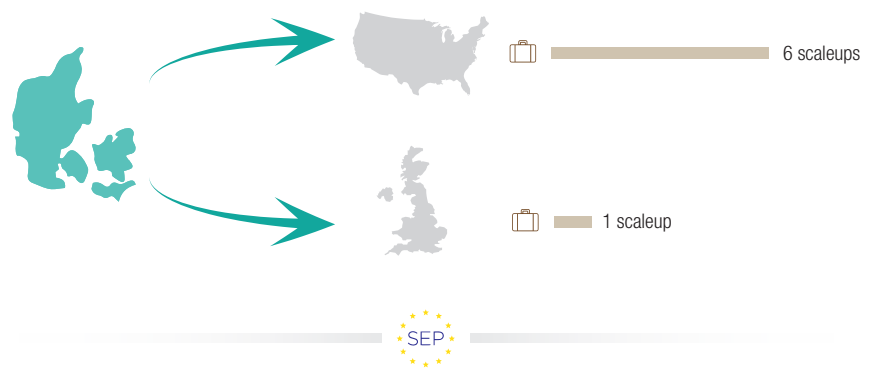
As similarly reported in other European ecosystems, **the SEP monitor reported 7 Dual Companies in Denmark.** We define as “*dual companies*” startups that have moved their headquarters abroad, while maintaining a strong operational presence in the country of origin.

Tradeshift, Zendesk, Realm, Soonr, Zmags and Issuu moved their headquarters to the US, while Momondo moved its headquarters in the UK after completing an M&A (but received post seed funding by US investors).

Similar to what we identified in many other European countries, **the US seem to be the place to go to** for boosting the scale-up process due to the large availability of capital and market relevance.

To be noted that 35% of the Nordic dual scaleups (7 out of 20) are from Denmark. This is almost double the percentage of the Danish scaleups in the region (22%) and shows a more accentuated propensity to look abroad for accelerating the growth process.

THE DUAL MODEL IN DENMARK



Tradeshift



Tradeshift initially founded in Copenhagen is now headquartered in San Francisco with offices in Copenhagen, New York, London, Paris, Suzhou, Tokyo, and Munich. Since Tradeshift's founding in 2009, the company has emphasized the need to scale globally and applies a special focus when it comes to the requirements of the localized economies they enter. The company raised \$129M in five rounds from Kite Ventures (UK), Notion Capital (UK), ru-Net (RUS) and Scentan Ventures (Singapore). The latter led the largest funding round of 75M USD occurred in 2014. The company declared they will use the new funds for global expansion, in the US, Europe and now Asia with investments made to fuel sales, marketing and applications development. The funding will also jump start efforts in Japan, where the new partnership with Scentan Ventures will bring local expertise and build the applications ecosystem for the Tradeshift platform in Asia. Last funding round of 20M USD occurred in March 2016, it is not included in this report.

Momondo



Momondo has been founded in Copenhagen in 2006. In April 2011, British/American Cheapflights Media Ltd completed a large investment in Momondo, designed to bring together the two companies. As a result of this deal, Cheapflights Media Ltd changed name into Momondo Group (based in London, UK). The group has offices in London, Copenhagen, Boston and Toronto. Momondo still operates independently from Copenhagen. In 2014, Momondo Group received a \$130M (£80M) funding round from US capital firm Great Hill Partners. This latest investment values the company at about \$210 million, with GHP owning the majority of the company.

Realm



Realm was founded in Copenhagen in 2011 by a team of childhood friends who were developers at Nokia in Copenhagen, Formerly tight.db, Realm is a mobile database that resides inside an app directly on a smartphone or other smart device and enables its users to develop applications that are fast, and craft amazing user experiences. The company actually launched in 2011 as part of Y Combinator. After completing their time at the incubator, the founders took their time developing the product. After an initial seed round of \$1.9M, secured in 2011 from a mix venture capital firms, in 2013 the company raised \$7.1M (series A) from Khosla Ventures (US) and Y Combinator (US). Last funding round occurred in 2015, when the company secured \$20M from two US investors Khosla Ventures and Scale Venture Partners. Even if headquartered in the U.S., Realm has also an office in downtown Copenhagen.

Zendesk built its first remote engineering team operating in Copenhagen leveraging their heritage, local network and brand.

Zendesk



Zendesk initially founded in Copenhagen in 2007, the company first moved to San Francisco in the fall of 2009, being the city an amazing incubator for some of the world's most innovative tech companies. After an initial seed funding secured in 2008 from a German investor, the company obtained its Series A in 2009 from US investor Charles River Ventures (CRV). In the same year, Zendesk secured another \$6M from previous investor CRV and Benchmark Capital, another US venture capital firm. One year later, the company raised another \$19M from previous investors and Matrix Partners (US). The largest funding round occurred in 2012 when Zendesk secured \$45M from a pool of investors led by Redpoint (US) with the participation of Benchmark, CRV, ESO Fund (US), GGV Capital (US), Goldman Sachs (US), Index Ventures (SWI), Matrix Partners, Silicon Valley Bank (US). Last funding round (May, 2014) was led by GGV Capital. The company went public on the NYSE in 2014, securing \$100M. Before the IPO, Zendesk raised \$71M in a total of six rounds.

When they moved to the US in 2009 they started hiring the local team that would become the core of Zendesk engineering. Over the next two years, investors in the Bay Area were getting increasingly optimistic about technology and it became incredibly hard to find great engineers in such a competitive environment. So, they decided to look back home in Denmark. Leveraging their Danish heritage, network and brand in the local startup and technologies communities, they built their first remote engineering team operating out of Copenhagen. Zendesk is now a global engineering organisation with departments in Copenhagen, Dublin, Madison, Melbourne, San Francisco and Singapore.

Soonr



Founded in 2005, Soonr is now headquartered in Silicon Valley with relevant operations in Denmark. Soonr delivers file sharing and collaboration services to make organisations more productive and competitive by securely connecting office and mobile workers and their critical information. Soonr has been acquired in July 2015 by Autotask, a US Professional services automation provider. Financial terms of the deal were not disclosed, while Autotask executives shared that Soonr - at the time of the acquisition - had about 40 employees, several hundred customers and some OEM agreements and was venture capital funded by - among others - Intel Capital, Presidio Ventures, Sand Hill Capital and Clearstone Venture Partners.

Zmags



Initially founded in Copenhagen in 2006, Zmags is the shoppable content company, empowering digital marketing and e-commerce professionals to create and publish engaging digital experiences in minutes, without writing a single line of code. After an initial seed round of \$4.2M secured in 2008 from the Nordic investor Northcap and the US investor OpenView, one year later the company moved the headquarter to Boston and appointed a new CEO well inserted in the local community. In 2011, the company also raised \$7M from Square 1 Bank, OpenView Venture Partners, Northcap Partners. Last disclosed funding round of \$6M occurred in 2012 and was led by North Atlantic Capital. The company is headquartered in Boston, Mass. with offices in London and Copenhagen.

Issuu

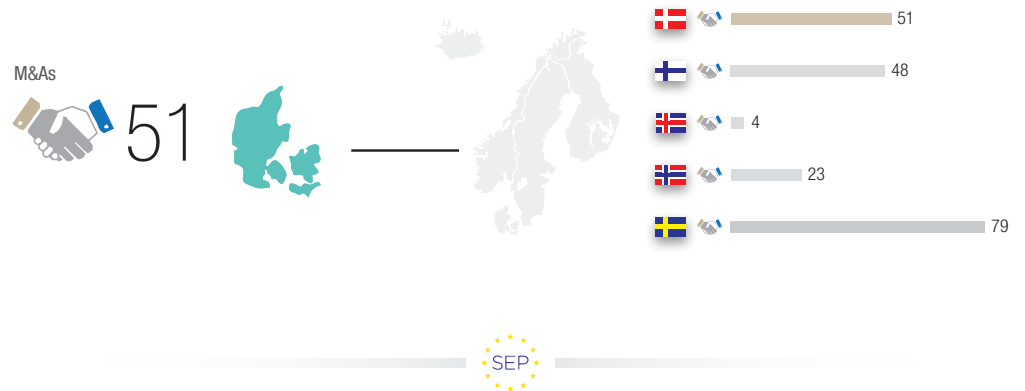


Issuu, a digital publishing and discovery platform, connects people to content created by publishers sharing the same passion. The company was founded in Copenhagen in 2006 and in early 2013 decided to move its headquarters to Palo Alto, California. The company raised \$21.5M in two rounds. The Series A occurred in 2007. Issuu raised \$10.25M from the Danish investor Sunstone Capital. The last funding round occurred in 2014 when the company secured \$10M from the Japanese KDDI and the previous investor Sunstone Capital.

Main Exits for Danish Scaleups

SEP Monitor tracked 51 M&As in Denmark since 2010. This is approximately 25% of exits mapped in the Nordic countries.

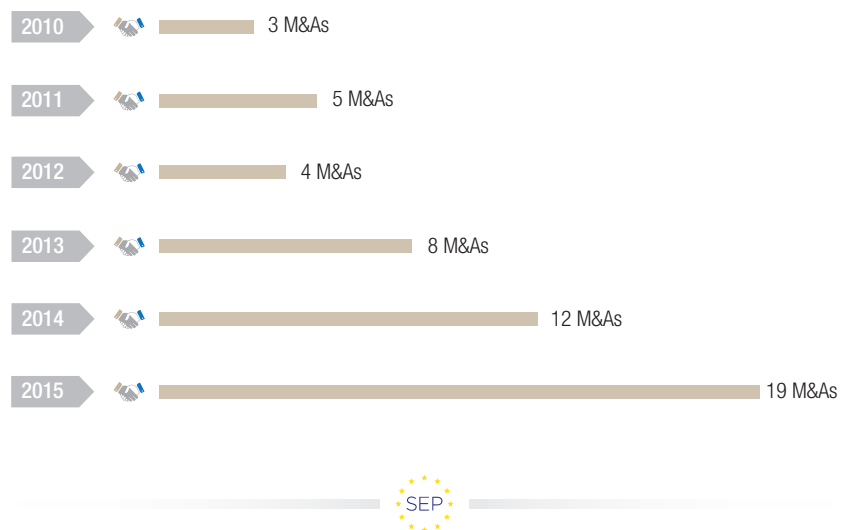
ICT M&As IN DENMARK



We also identified a growing trend, from an average of 4 transactions in the period 2010-2012 to 13 in the subsequent period 2013-2015.

In 2015 we recorded 19 M&As involving ICT Danish startups.

ICT M&As IN DENMARK



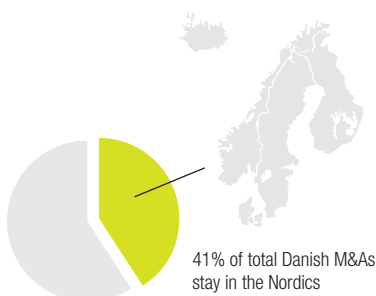
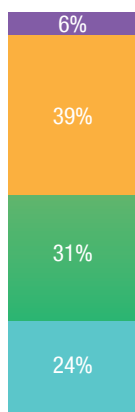
SEP Monitor tracked 51 M&As in Denmark, approximately 25% of exits mapped in the Nordics.

Data shows that **only 24% of acquisitions were completed by domestic companies.**

31% of the Danish startups have been acquired by other European players, while 39% were bought by US companies.

DANISH M&As: ACQUIRERS

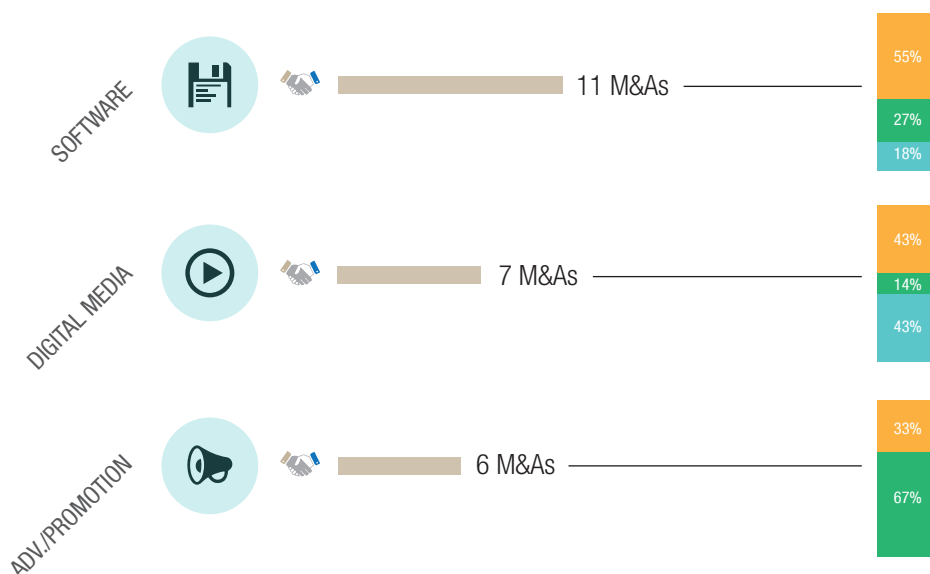
OTHERS
US
EU
DOMESTIC



Software solutions, digital media and advertising/promotion appear to be the most attractive sectors for buyers of Danish startups. Similar to Sweden, Software solutions companies are the typical target for US companies (55%). Local acquirers seem to be more interested in digital media startups, while other European companies are mainly focused on startups specialized in advertising/promotion (67%)

DANISH M&As: ACQUIRERS

OTHERS
US
EU
DOMESTIC



Software, digital media and advertising/promotion appear to be the most attractive sectors.

M&As Danish



Endomondo

ACQUIRED BY: Under Armour (US)
LOCATION: Copenhagen
M&A VALUE: \$85M
YEAR OF M&A: 2015

Endomondo is a social fitness network and mobile app for users to track their workouts, challenge friends, and analyze their training. Founded in Copenhagen by three ex-management consultants in 2007, Endomondo has been acquired in February 2015 by Under Armour, a US sports apparel company, for \$85 million. Coincidentally to Endomondo's acquisition, Under Armour also acquired MyFitnessPal, a food tracking app from San Francisco. Since then Under Armour has begun making the Endomondo and MyFitnessPal apps talk to each other in order to boost the appeal of both, a new "inter-app integration" way to drive more user engagement.



METTE LYKKE, FOUNDER



Area9

ACQUIRED BY: McGraw-Hill Education (US)
LOCATION: Copenhagen
M&A VALUE: Undisclosed (rumored around \$180M)
YEAR OF M&A: 2014

Founded in 2006 in Copenhagen by Ulrik Juul Christensen, Tommy Olesen, Asger Alstrup and Chaudri Jamil, Area9 delivered technological solutions devoted to fix the gaps in helping people learn with the goal of finding a better way of delivering training and education. Area9 has been acquired by McGraw-Hill Education in February 2014, and by the time of the acquisition, Area9 had grown to 66 employees. Area9 has had a collaboration with McGraw-Hill Education since 2007. In early 2013, the company already purchased a 20 percent equity stake in the startup. The acquisition deal covered the 80 percent of the equity in Area9 that McGraw-Hill Education did not already own. Financial terms of the deal were not disclosed officially, but it is rumored that the total amount could have reached DKK 1 billion (\$180M).



ULRIK JUUL CHRISTENSEN, FOUNDER



AdQuota

ACQUIRED BY: Opera Mediaworks (US)
LOCATION: Copenhagen
M&A VALUE: Undisclosed
YEAR OF M&A: 2015

Founded in 2010, AdQuota was founded in 2010 by serial entrepreneur Torben Majgaard. AdQuota grew to become a leading mobile advertising network across Scandinavia and the Baltic States, and it has since acquired several European competitors. In 2014 it received investment from Northcap totalling \$3M. The company has been sold in October 2015 to Opera Mediaworks, a US subsidiary of the publicly listed Norwegian Opera Software ASA (OPERA:Oslo). The deal gives Opera Mediaworks a significant presence in the Nordic market for mobile ads which it lacked, despite its Norwegian roots. Financial terms of the deal were not disclosed.



TORBEN MAJGAARD, FOUNDER

SEP Methodology

The SEP Monitor is based on the Startup Europe Partnership (SEP) mapping and scouting database that focuses on scaleups.

SEP categorizes ICT companies as follows:

Startup:

<\$1M funding raised (since foundation) and at least one funding event since 2010.

Scaleup:

>\$1M funding raised (since foundation) and at least one funding event since 2010.

Scaler:

>\$100M funding raised (since foundation) and at least one funding event since 2010.

SEP categorization is based on capital raised (including both capital raised through VC and the stock market), not on valuation. An alternative methodology is the one used by The Wall Street Journal and Dow Jones Venture Source that are tracking venture-backed private companies valued at \$1 billion or more (aka The Billion Dollar Startup Club or Unicorn Club). SEP considers:

Exit:

Liquidity event that occurred since 2010.

M&A:

For companies that exited via M&A, the valuation is the amount that the company got acquired for.

IPO:

For companies that went public, the exit valuation is that on the day of the IPO.

Dual Companies:

Startups founded in one country that relocated their headquarters – and with that part of their value chain – abroad, while maintaining a strong operational presence in their country of origin.

SEP Sources of information include the SEP database, portfolios of VC companies, corporate venture units, business angels, accelerators and active seed and early stage funds, crowdfunding platforms, tech competitions and events, and other relevant channels. Research is ongoing and results reported in the SEP Monitor are preliminary and cannot be considered as final. SEP welcomes research from everyone in the European startup ecosystem by providing data and indicating cases of scaleup companies and exits to be monitored.

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Startup Europe Partnership - SEP

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Mind the Bridge

About Mind the Bridge

Founded in 2007, Mind the Bridge is a Silicon Valley/European organization dedicated to developing, promoting, and supporting sustainable entrepreneurial ecosystems around the world and bridging them to the world's most innovative center - Silicon Valley.

Mind the Bridge offers a suite of programs and services (Startup School, Investors Program, Scaleup Mastery Program, Corporate Executive Program, Technology Scouting) with partnerships and operations in Europe, Asia, MENA, and LATAM.

Mind the Bridge has also been chosen by the European Commission to drive "Startup Europe Partnership (SEP)", the pan-European open innovation platform to connect startups to large corporates. It is also the host of Startup Europe Comes to Silicon Valley (SEC2SV), an intense week of activities in Silicon Valley for top EU scaleups, corporates and policy makers.

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