EIC Scaling Club

European Deep-Tech Scaleups: **Lead Investor**

Scaleup Series | Roadmap 4 out of 10 – Challenges

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Bibliographic record

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Executive summary

A **lead investor** typically conducts thorough due diligence, sets the valuation, and acts as a representative for other investors in the syndicate. Although it is critical for European deep-tech scaleups, around 60% to 70% of them face difficulties or fail in securing a lead investor according to a recent BCG piece. This report aims to shed some light on how these companies can better attract funding from a lead investor.

Our findings reveal that the analyzed companies, when pursuing this endeavor, often consider five core development areas: **traction, vision, readiness, investment,** and **networking**. The study has segmented each area into the four most relevant priority actions that companies implement to tackle these areas to identify the most frequent initiatives, transitions in time, and existing misalignments.

To identify transitions in time, priority actions were ranked by relevance based on both the past –what companies did during the last 12 months– and the future –what they aim to prioritize during the next 12 months. Then, for identifying misalignments, the analysis has compared two perspectives: the companies as well as expert stakeholders including investors, corporations, mentors, and policymakers. Moreover, 30 principles of do's and don'ts are provided, jointly with several examples.

In this lead investor strategy, the results showcase:

- The **most relevant actions** are establishing partnerships with industry leaders to gain credibility and show growth potential, demonstrating market demand through an expanding customer base, showing the financial sustainability and long-term impact of the technology, proving the technology viability with a minimum viable product or proof of concept, preparing comprehensive due diligence, and identifying as well as researching potential deep-tech investors.
- The **most pivotal temporal shifts** in priorities are a decrease in proof of concept while several increases in revenue milestones, the scalability roadmap, and the investor engagement plan.
- The **most significant misalignments in priorities** are that companies prioritize the following aspects more than stakeholders do: winning industry awards, the future funding strategy, the technology impact, and transparency in the documentation. Meanwhile, stakeholders see more relevance in expectations alignment than companies do.

This document also provides a **self-assessment** to benchmark your company (or your portfolio's) against the sample, and then showcase some possible objectives and results as well as key performance indicators for each core development area to support you in developing a 6-month improvement plan.

The **conclusions are based** on a literature review, expert interviews, online and onsite workshops, and surveys –involving 40 international experts– as well as the analysis of primary data from a subset of the 48 companies of the EIC Scaling Club at the time of this publication. Currently, they have an average valuation of €57.8M and an average fundraised amount of €34.8M.

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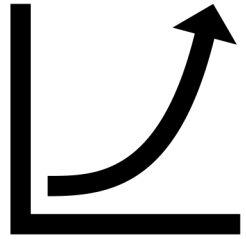
Who this is for

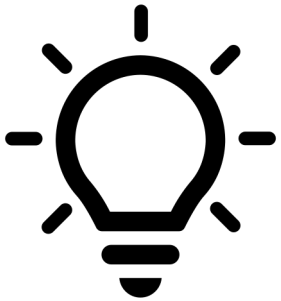
1. European deep-tech scaleups

Empowering your scaleup journey, receiving actionable strategies for an exponential growth.



2. Deep-tech scaleup mentors

Enhancing your mentoring capabilities in supporting EU deep-tech scaleups, based on primary data and peer insights.



3. Deep-tech experts

Elevate your expertise on this challenge about the most relevant pains and solutions for European deep-tech scaleups.

Note 1. 'Deep tech' is "a group of emerging technologies based on scientific discoveries or meaningful engineering innovations, seeking to tackle some of the world's fundamental challenges". For example: artificial intelligence, advanced materials, blockchain, photonics, etc. (IESE Business School, 2022).
Note 2. 'Scaleups' or 'scaling companies' refers to a subset of high-growth firms that have successfully navigated the early startup phase and entered a period of rapid growth. (Journal of Business Venturing, 2003) (Organisation for Economic Co-operation and Development, 2021). They have an average annualized growth rate of more than 40% for at least two out of three years and have at least 10 employees at the beginning of this period. Moreover, they are 10 years old or younger. 'Scaling' is the organizational and strategic routines by which firms grow exponentially through the expansion, replication, and synchronization of resources and practices over time. (Journal of Management Studies, 2023).

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Foreword

"Deep tech is key to a brighter future. To fully harness this potential, we need to empower the scaleup companies that will help innovation flourish in Europe."

Iliana Ivanova

European Commission | Commissioner for Innovation, Research, Culture, Education and Youth.

Source: EIC Scaling Club's Ignition Forum in Brussels, April 2024.

"In Europe, we need to attract private investors in the later growth stage of companies for rapid scaling up, especially in deep tech. […] When we launched this initiative, the EIC Scaling Club, the objective was to create a community with the relevant stakeholders on the sides of technology, investment, and advising to provide additional means to the most promising innovative companies, […] the ambitious scaleups that will drive Europe's technological leadership."

Jean-David Malo

European Commission | Director of European Innovation Council (EIC) and SMEs Executive Agency (EISMEA).

Source: EIC Scaling Club's online interview, April 2024.

Note. The European Innovation Council's Scaling Club is a curated community where more than a hundred European deep-tech scaleups, with the potential to build world-class businesses and solve major global challenges, come together with investors, corporate innovators, and other industry stakeholders to spur growth.

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Scaleup Series – Roadmaps of 10 Challenges

1. Go-To-Market Strategy
2. Strong Board
3. Investment Thesis
4. Lead Investor
5. Corporate Partnerships
6. Leadership and Talent Development
7. Gender and Diversity Balance
8. European and Institutional Partnerships
9. Building an Ecosystem
10. Policy and Regulatory Framework

Note: These are the most frequent challenges that European deep-tech scaleups face, according to the previous edition of this initiative and the European Innovation Agenda announced in July 2022. Please, keep in mind that some of the challenges are related. Moreover, the ten publications are complementary.

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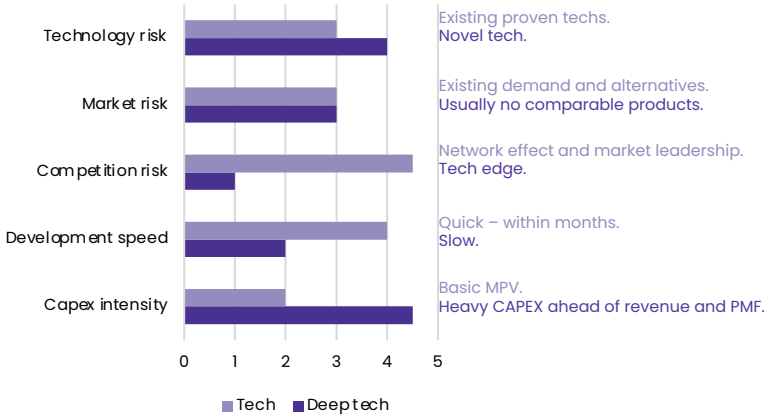
Deep-tech startups are different

They need longer time-horizons, higher CAPEX, with higher tech and market risks associated.

Figure 1. Comparison of deep-tech vs. non-deep-tech startup characteristics

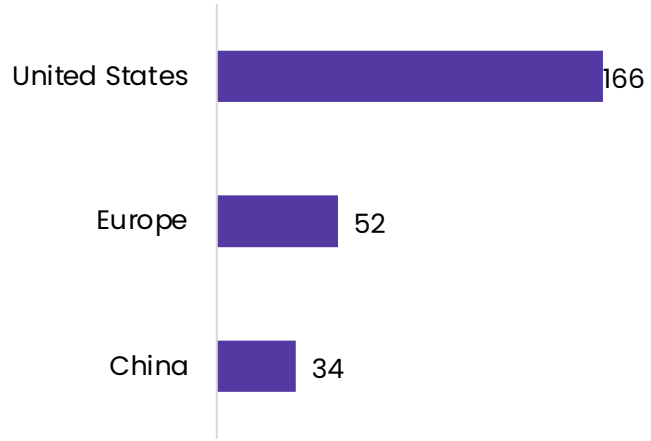


Source: IESE (2021) and McKinsey (2022). **Note**: CAPEX is capital expenditure. MPV is minimum viable product. PMF is product-market fit.

Growth opportunity in Europe

Europe has the potential to grow its venture capital (VC) investment in deep-tech startups.

Figure 2. Global VC investment ($ billion) in deep-tech startups by headquarters (2020-2022)



Source: Dealroom (2022). **Note**: China investment is partially representative due to limited visibility. In this measurement, Europe also considers the UK.

Lead investor strategy

A lead investor strategy is crucial for companies. Yet, most of them don't implement it effectively.

Around **60% to 70%** of deep-tech scaleups in Europe face difficulties or **fail in securing a lead investor.**

However, lead investors are crucial in setting the company's valuation, validating the model, alluring other investors to join the board, and providing access to the resources and expertise necessary for growth and commercialization.

A 'lead investor' typically conducts thorough due diligence, sets the valuation, and acts as a representative for other investors in the syndicate.

Source: BCG (2022) and Journal of Business Venturing (2012).

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2. Core development areas

Traction | Vision | Readiness | Investment | Networking

		Core development area	Actions	Description
1.		**Traction:** Market validation	**Customer base** expansion	Demonstrate market demand through an expanding customer base
			Strategic partnerships	Establish partnerships with industry leaders to gain credibility and show growth potential
			Revenue milestones	Achieve and spotlight revenue milestones indicating market traction
			Industry awards	Seek and publicize industry awards to enhance credibility
2.		**Vision:** Long-term and scalability	**Scalability roadmap**	Formulate a detailed plan for business expansion
			Exit strategy	Detail potential exit strategies, showing market foresight
			Technology impact	Show the financial sustainability and long-term impact of the technology
			Future funding strategy	Develop a future funding round strategy, detailing milestones and timelines
3.		**Readiness:** Due diligence and deal preparation	**Transparent documentation**	Prepare comprehensive due diligence documentation for transparency
			Expectations alignment	Align expectations between founders and investors (both existing and new)
			Investor references	Collect and share endorsements from past investors
			Syndicate-friendly structure	Create a capital structure and investment terms appealing to syndicate investors
4.		**Investment:** Attractiveness and company robustness	**Pitch deck:** strong	Develop a compelling pitch deck with a clear investment narrative
			Financial model: robust	Build a comprehensive valuation and financial model highlighting growth and profitability
			Intellectual property protection	Enhance IP protection to boost valuation and attract investors
			Proof of concept	Prove technology viability with a minimum viable product or proof of concept
5.		**Networking:** Investor outreach and company positioning	**Map potential investors**	Identify and research potential investors with a deep-tech focus
			Investor engagement plan	Craft a targeted plan to engage investors through various networking avenues
			Advisory board leverage	Assemble an influential advisory board connected to key investors
			Public relations strategy	Execute a public relations strategy to enhance brand and industry presence

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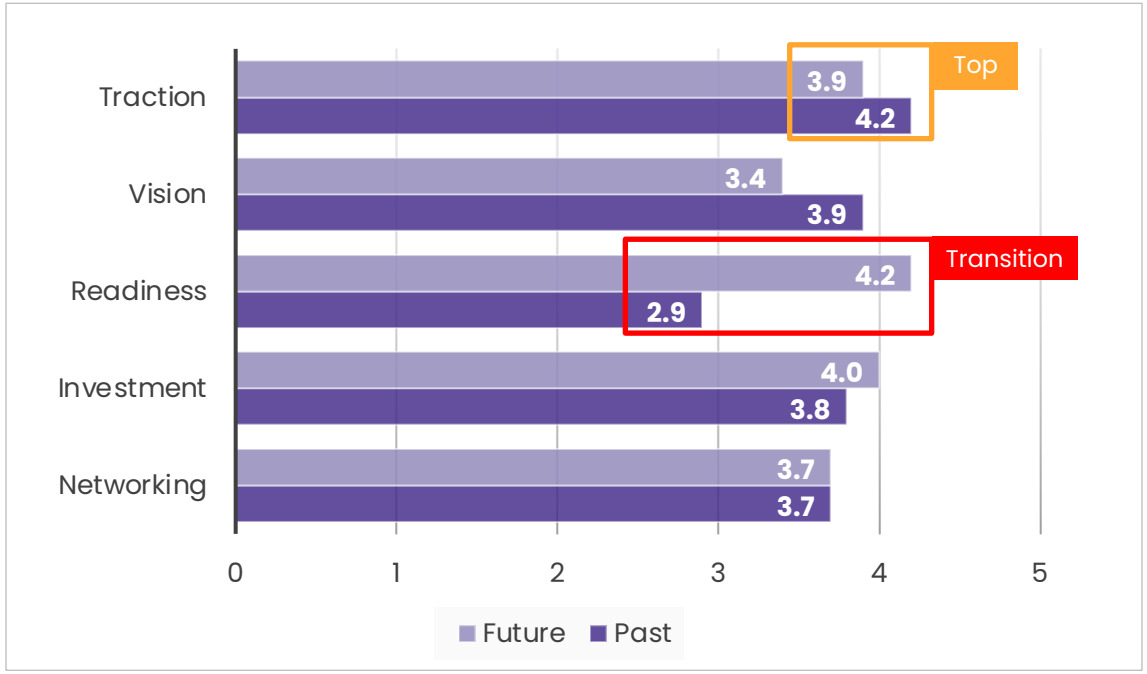
Most relevant areas

During past vs. future (year)



For companies vs. other stakeholders

Notes: In the horizontal axis, 0 means "least important" and 5 refers to "most important". Past and future refer to the previous and the next year. Data were reviewed at the date of publication.
Source: Prepared by the authors (see Annex 3: Methodology). N = 40 (33% are companies and 67% are expert stakeholders including investors, corporations, mentors, and policy makers).

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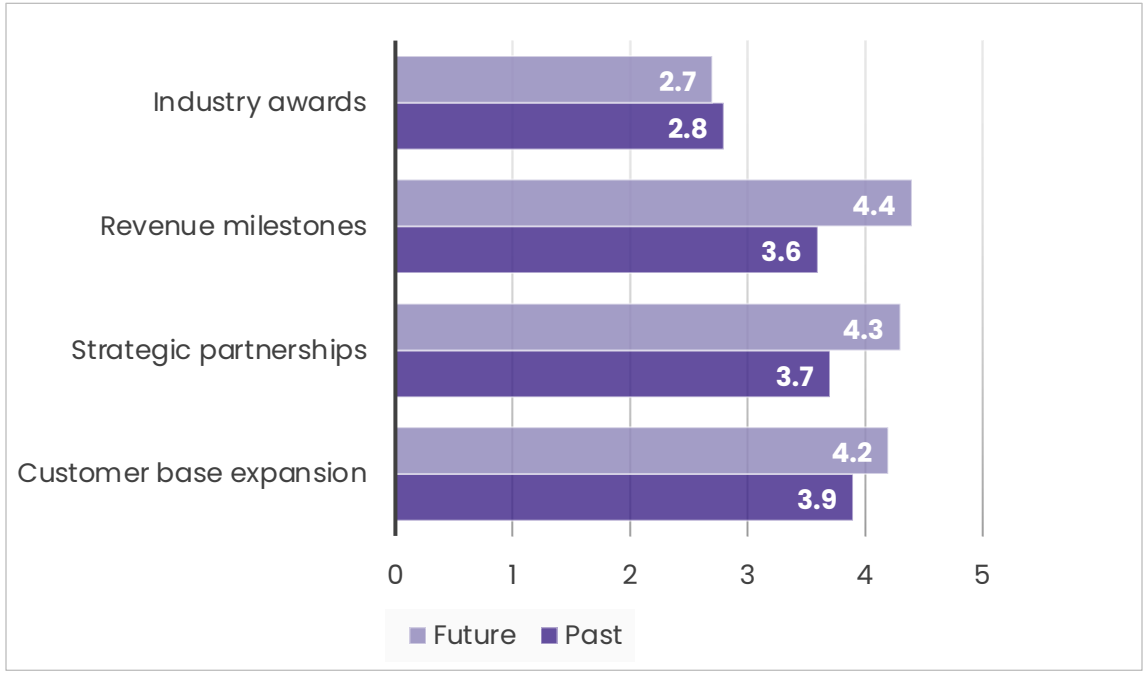
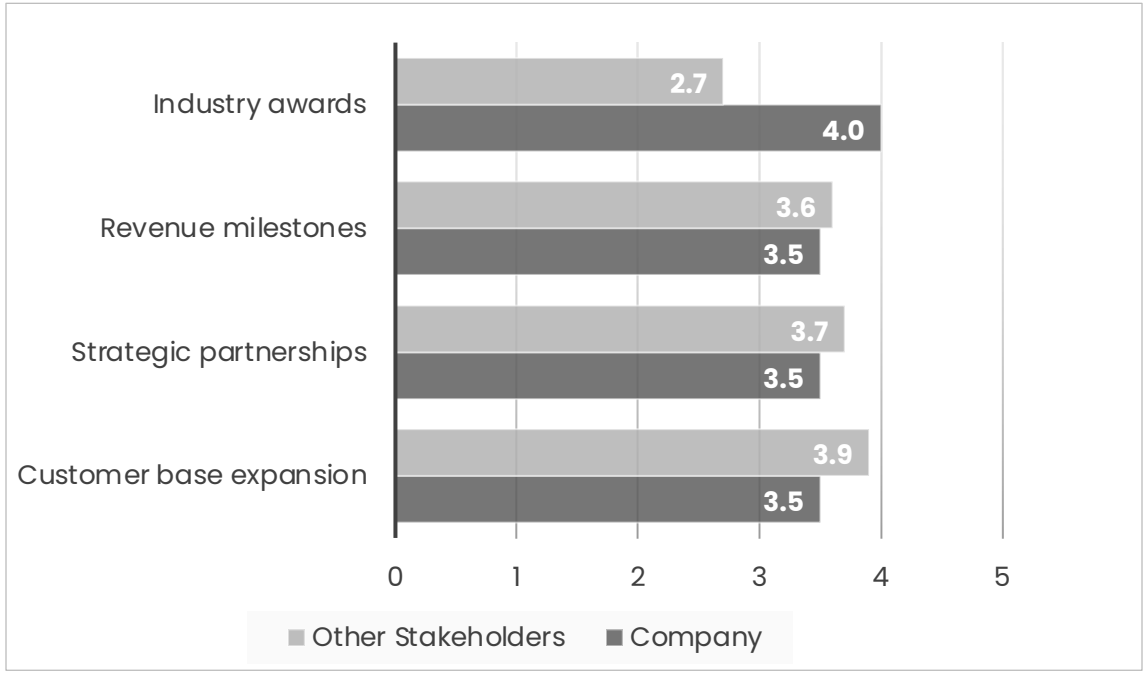
Most relevant actions

During past vs. future (year)



For companies vs. other stakeholders



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3. Priority actions

Do's and Don'ts

DO's	DON'ts
Show robust growth metrics and KPIs such as user and revenue growth, CAC, and LTV with accurate, compelling visuals.	Avoid misrepresenting traction with exaggeration or presenting vanity metrics. Discrepancies can harm your credibility.
Highlight high-profile customers, strategic partnerships, pre-orders, and letters of intent to demonstrate demand.	Do not ignore your competition. Acknowledge it, articulating your unique value proposition and advantages.
Re-validate your product-market fit every 3-12 months, showing ongoing demand and adaptability.	Avoid launching without thorough market validation. This can lead to misaligned product-market fit and deter investors.

Source: Expert workshops. **Note**: CAC is customer acquisition cost. LTV is lifetime value.

Insights

"Market validation is essential to attract lead investors. Demonstrating customer demand with tangible metrics is key."	Laurent Vancaillie
"Create a thorough and broad competitor analysis, highlighting how you are better than your competitors."	Kaija Pöysti

Assessing priorities

- **Top relevant aspects**: Strategic partnerships and customer base expansion (above 3.5/5.0 in most cases).
- **Top transitions:** Increase of revenue milestones (+0.8/5.0) and strategic partnerships (+0.6/5.0).
- **Top misalignments**: Companies place more value on winning industry awards (+1.3/5.0) compared to what stakeholders do, who prioritize customer base expansion more (+0.4/5.0) than companies do.

Case in point

Infineon technologies

This company gains market traction through extensive validation via pilot projects and strategic partnerships across sectors. This helps them gather critical customer feedback and confirm the commercial viability of their semiconductor solutions, ensuring they meet market demands. This practice supports initial traction.

Source: Infineon tech.

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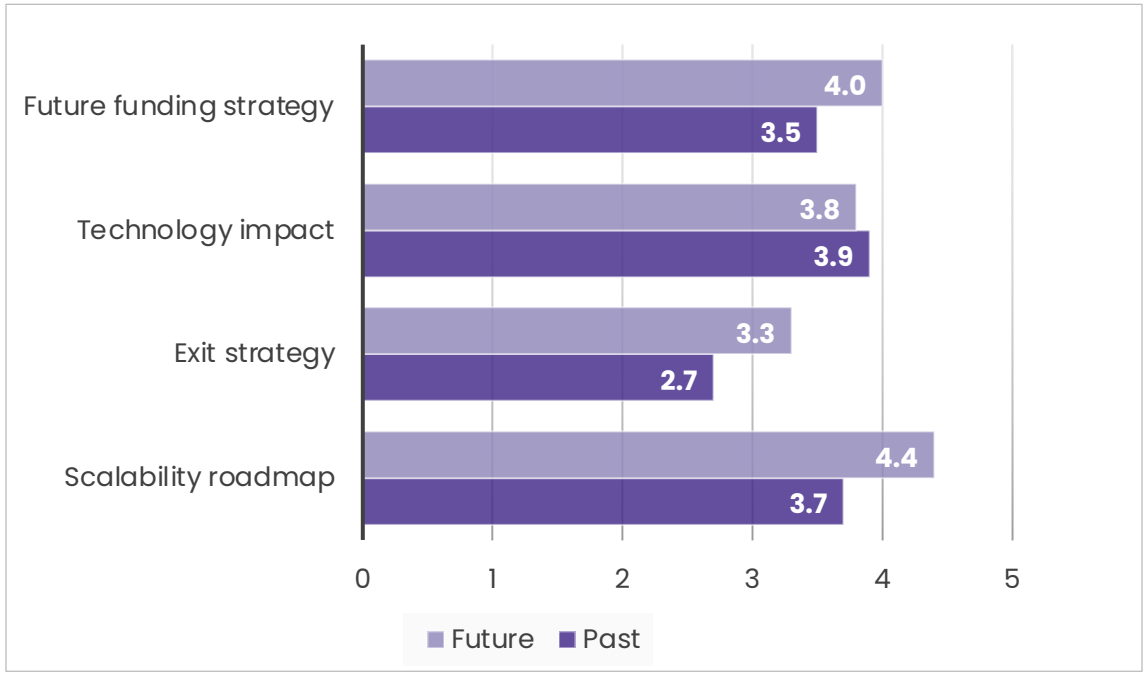
Most relevant actions

During past vs. future (year)



For companies vs. other stakeholders

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Do's and Don'ts

DO's	DON'ts
Demonstrate capital efficiency. How the funds will be used in growth drivers like R&D, market expansion, and team scaling.	Don't neglect a clear plan for multiple funding rounds connected to milestone achievements.
Identify potential industry acquirers, explaining why your company would be an attractive acquisition target for them.	Do not underestimate the importance of a well-defined exit strategy for investors, which is crucial for their commitment.
Incorporate investors' feedback and advisors' insights into your long-term strategy to show responsiveness.	Do not neglect to communicate your vision effectively to investors to ensure alignment.

Source: Expert workshops. **Note**: R&D refers to research and development.

Insights

"Long-term scalability should be a core part of your pitch. Investors need to see the future potential of your tech." — Kaija Pöysti

"Articulate a clear vision that aligns with market trends. This forward-looking approach attracts visionary investors." — Isabel Obieta

Assessing priorities

- **Top relevant aspects**: Showing the financial sustainability and long-term impact of the technology (above 3.8/5.0 in most cases).
- **Top transitions:** Increase of relevance on the scalability roadmap (+0.7/5.0) and exit strategy (+0.6/5.0).
- **Top misalignments**: Companies place more importance on the future funding strategy (+1.3/5.0) and the technology impact (+0.9/5.0) than stakeholders do.

Case in point

IQM

This Finnish deep-tech scaleup provides a vision, including long-term planning, and scalability potential. They have a clear scalability roadmap for quantum computing hardware, a robust future funding strategy (having secured over €200 million investment to support its growth), and a defined exit strategy through an initial public offering.

Source: IQM.

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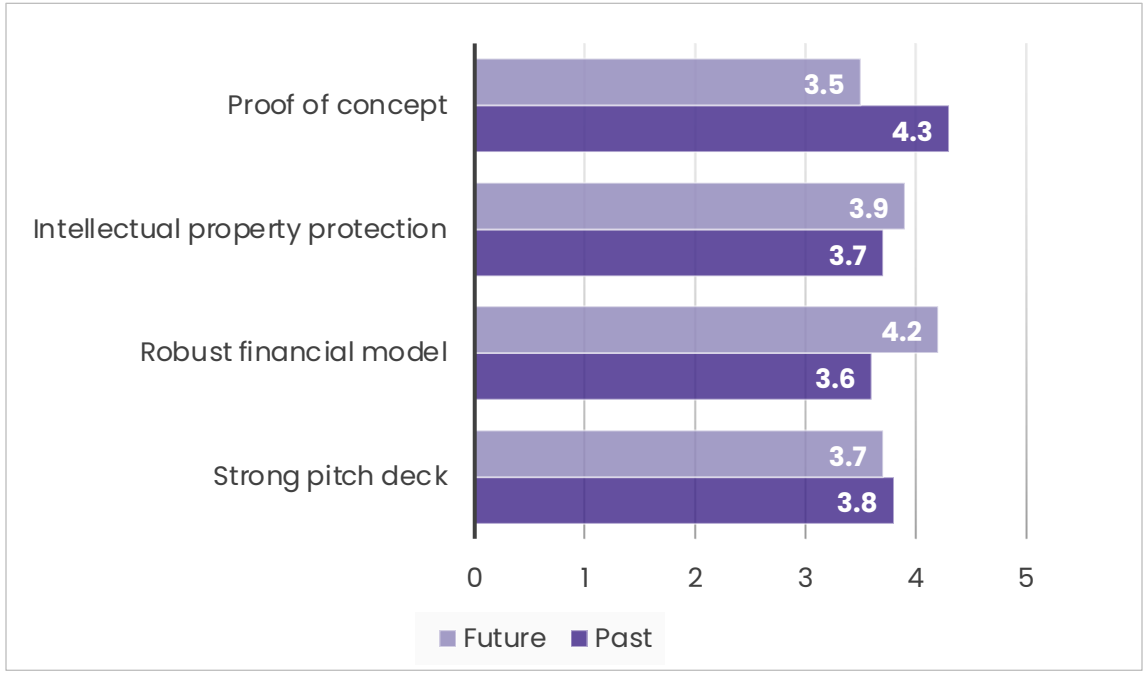
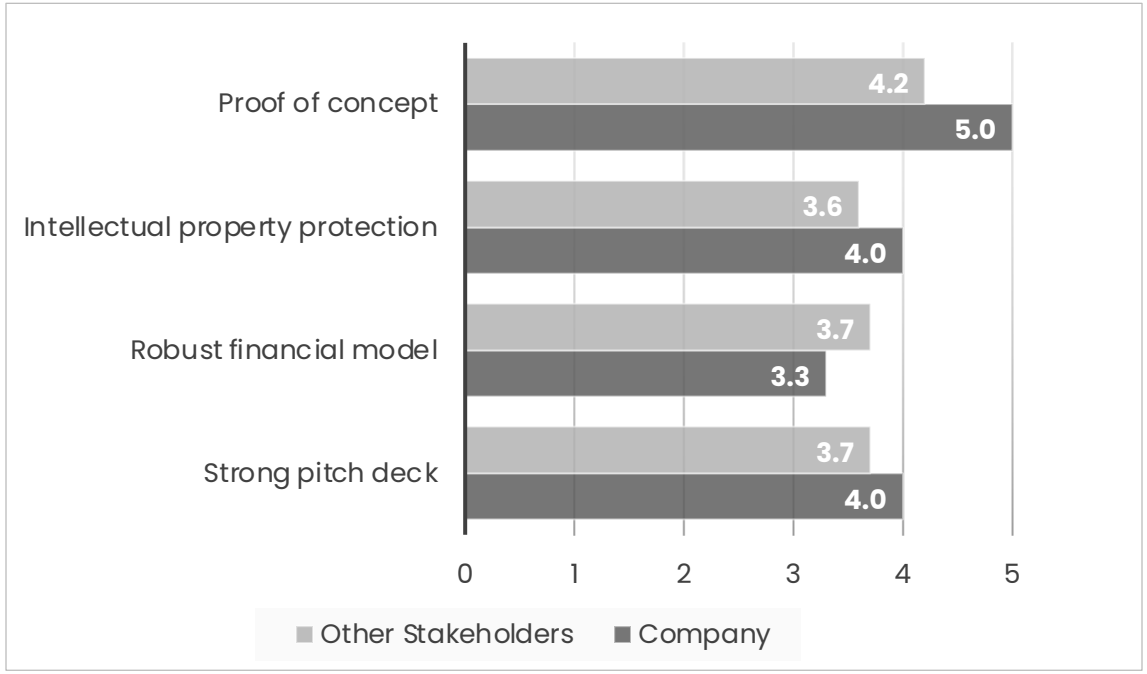
Most relevant actions

During past vs. future (year)



For companies vs. other stakeholders



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Do's and Don'ts

DO's	DON'ts
Provide a clear pathway to profitability to demonstrate to lead investors that their investment will yield returns.	Avoid unrealistic financial projections. Ensure your forecasts are grounded in reality to avoid misleading investors.
Show a clear roadmap in your pitch deck with milestones, timelines, activities, and resource allocation.	Don't be inflexible or dismissive of criticism. Deep-tech investors seek founders who can engage constructively.
Company's financial health and growth: Show it transparently to attract lead investors.	Don't assume investors will grasp the technical intricacies of your technology, without a thorough explanation

Source: Expert workshops.

Assessing priorities

- **Top relevant aspects**: Proving the technology viability with a minimum viable product or proof of concept (above 3.5/5.0 in most cases).
- **Top transitions:** Shift from proof of concept (-0.8/5.0) to developing a robust financial model (+0.6/5.0).
- **Top misalignments**: Companies prioritize proof of concepts more (+0.8/5.0) than stakeholders do.

Insights

"Create a robust investment narrative highlighting financial health and growth potential to secure lead investors." — Erhan Kilicozlu

"Highlight your company's robustness through comprehensive due diligence. Transparency is key to attract investors." — Oliver Oczycz

Case in point

LILIUM

Source: Lilium

This German deep-tech scaleup has carefully worked on its investment attractiveness, securing over $1 billion in funding. How? Among other factors, crafting a strong pitch deck (showcasing its vision for electric air mobility), a robust financial model projecting substantial growth, strong IP protection with numerous patents for their eVTOL tech, and successfully proving the concept with their Lilium Jet.

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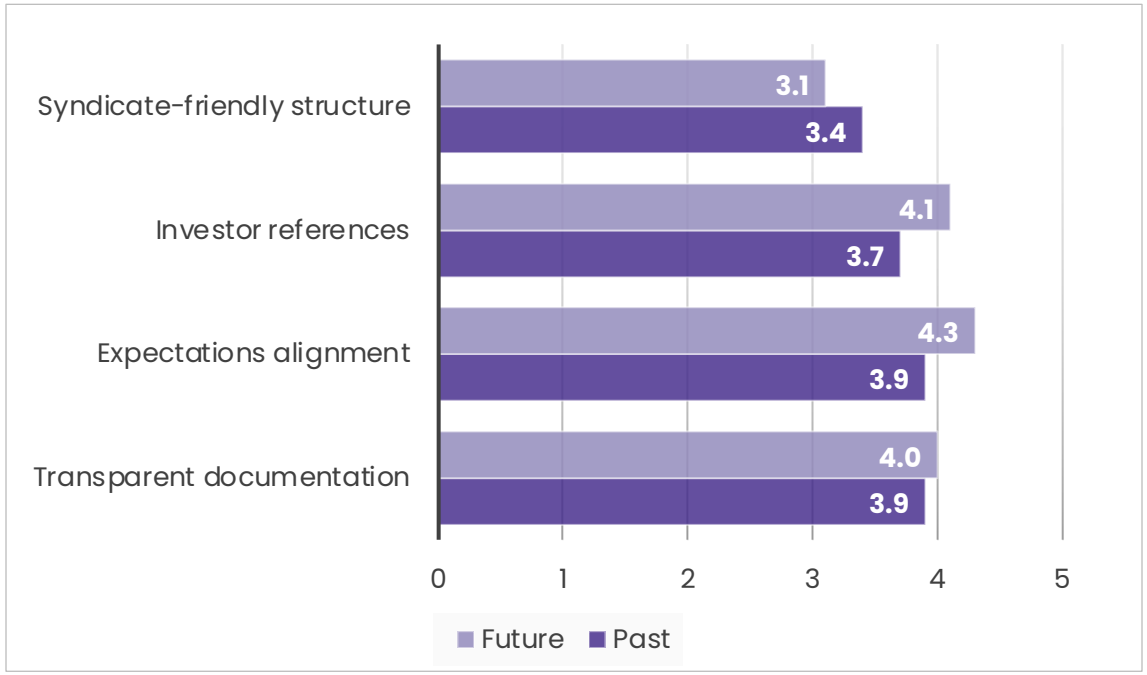
Most relevant actions

During past vs. future (year)



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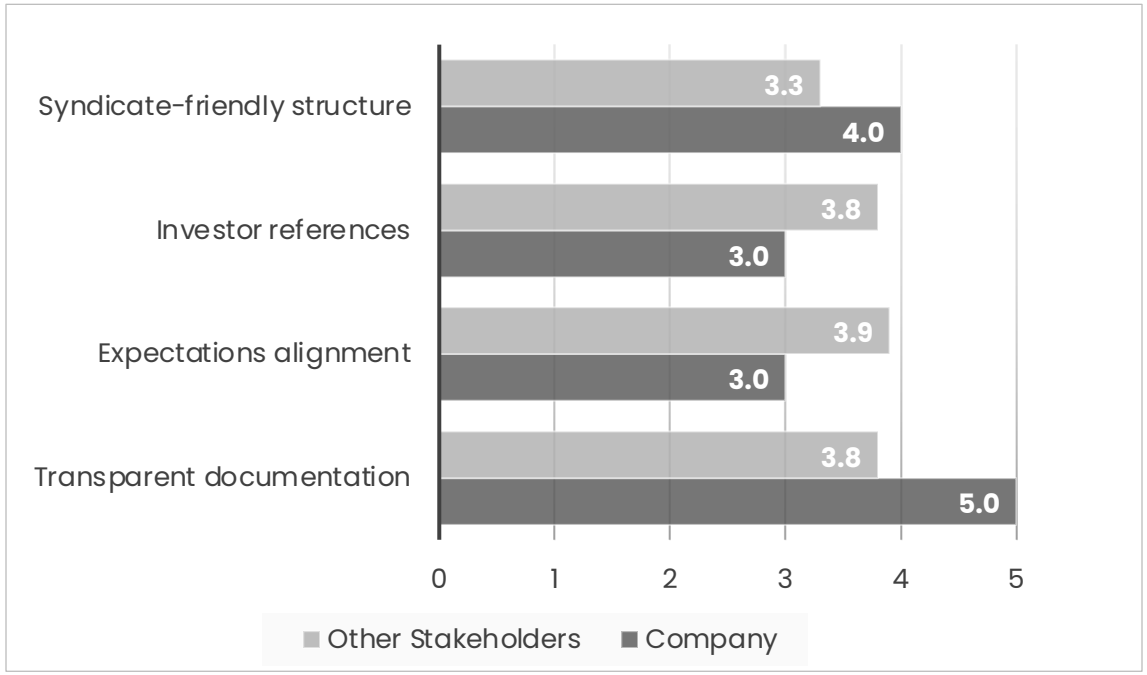

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Do's and Don'ts

DO's	DON'ts
Prepare thoroughly for due diligence by organizing all relevant documents and data to instill investor confidence.	Do not underestimate the importance of legal and financial preparedness, which can derail investor interest.
Ensure your team is ready for questions from investors during the deal exploration and negotiation process.	Don't overlook regulatory compliance. Failure to adhere to industry standards can complicate investment negotiations.
Follow a deal preparation checklist, comprehensively, to streamline the process and show readiness to investors.	Don't neglect to verify investor credentials. Partnering with unsuitable investors can hinder company progress.

Source: Expert workshops.

Assessing priorities

- **Top relevant aspects**: Preparing comprehensive due diligence documentation for transparency (above 3.8/5.0 in most cases).
- **Top transitions:** Increases in expectation alignment and investor references (+0.4/5.0).
- **Top misalignments**: Companies prioritize transparency in documentation more (+1.2/5.0) than stakeholders do. While stakeholders see more relevant expectations alignment (+0.9/5.0) and investor references (+0.8/5.0) than companies do.

Insights

"Ensure thorough due diligence and deal preparation. This readiness significantly reduces investor hesitation." — Michal Tresner

"Being prepared with detailed documentation and a clear strategy eases the due diligence process for lead investors." — Alexander Lapshin

Case in point

UiPath™

Originally from Romania, this deep-tech company aims to maintain transparent documentation of its robotic process automation tech, align expectations with detailed disclosures, offer strong investor references from successful funding rounds, and have a syndicate-friendly structure, attracting over $1 billion in funding before their initial public offering.

Source: UiPath.

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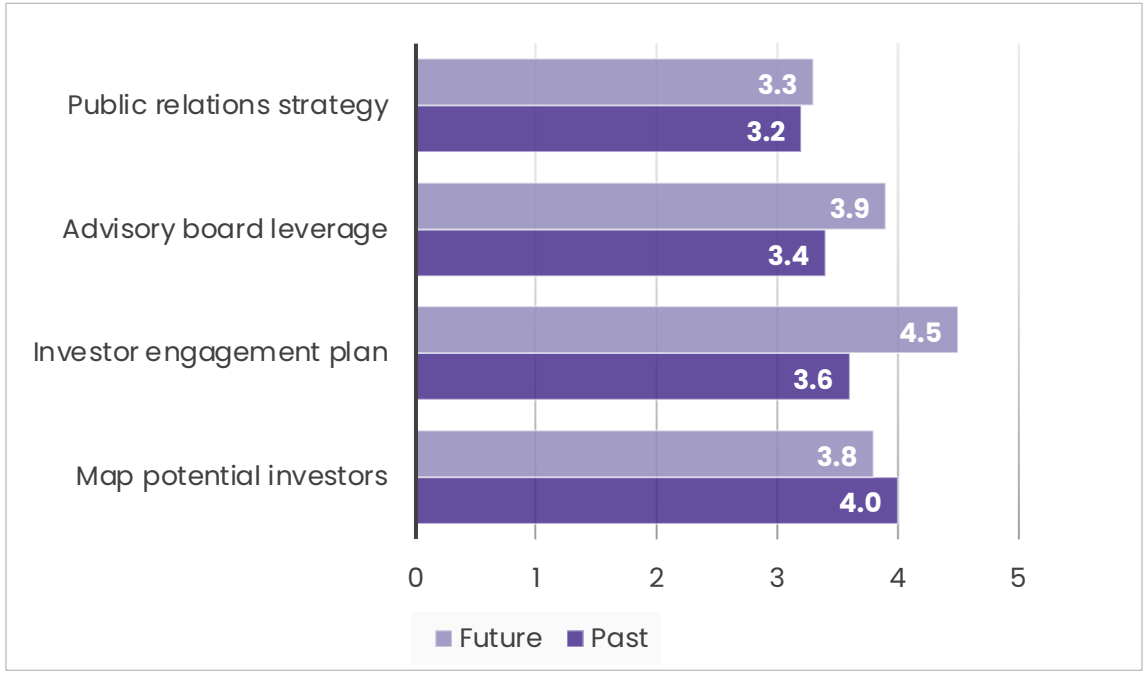
Most relevant actions

During past vs. future (year)



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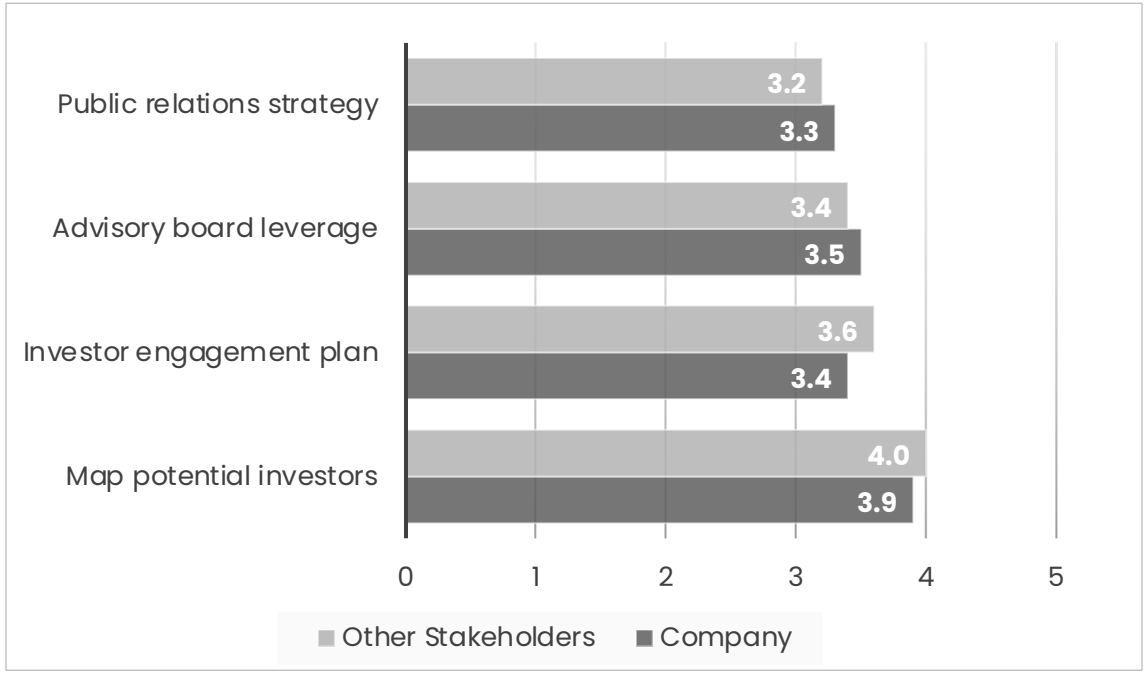

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Do's and Don'ts

DO's	DON'ts
Actively participate in industry events to increase visibility and network with potential lead investors.	Avoid coldly reaching out to investors. This is often ignored. Seek mutual-contact introductions or industry events.
Leverage existing connections to facilitate introductions to key investors and enhance credibility.	Don't forget about the follow-up. Nurture relationships, promptly post-meeting, to maintain investor interest and credibility.
Research investors' background: strategies, profiles, and past deals to better secure and investor-company fit.	Avoid overlooking the investor strategy. Thoroughly prepare before industry events and investor meetings.

Source: Expert workshops.

Assessing priorities

- **Top relevant aspects**: Identify and research potential investors with a deep-tech focus (above 3.8/5.0 in most cases).
- **Top transitions:** Increase in relevance on the investor engagement plan (+0.9/5.0).
- **Top misalignments**: In this case, they are quite aligned in the four aspects with minor variations of one or two tenths up or down.

Insights

"Networking with potential investors early and consistently can position your company favorably when seeking lead investors." — Angel Alberich

"Position your company in the right networks and forums. Visibility in the right circles can attract the attention of major investors." — Jean-Michel Deligny

Case in point

VOLOCOPTER

This German urban air mobility scaleup strategically maps investors interested in innovative aviation, regularly engages them through updates and meetings, leverages an advisory board of industry experts to guide the development and enhance credibility, and utilizes a dynamic public relations strategy to maintain high visibility and attract significant global partnerships.

Source: Volocopter.

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A five-step guide for preparing an action plan in your core development areas

1. Challenge roadmap familiarization

- Review this roadmap to understand the core development areas and priority actions of the analyzed **challenge**.
- Deep dive into your market for insights on current and future opportunities. For this, you have the **Market** Roadmaps* (separate publication).

2. Self-assessment and benchmarking

- Fill out your self-assessment and benchmark the results to (i) gauge your relative standing, and (ii) better assess your priority actions.
- Focus on specific areas where your company should focus, identifying potential development opportunities.

3. Action plan development

- Develop a comprehensive 6-month plan to address identified pain points with tailored solutions.
- Incorporate strategies from the roadmap, keeping in mind do's and don'ts while allocating resources according to your strategic objectives and key results (OKRs).

4. Continuous learning, and KPI setting

- Engage in continuous learning, using recommended publications and the recorded presentation to adapt and refine your strategy.
- Define clear, measurable key performance indicators (KPIs) for each core development area.

5. Execution, monitoring, and iteration

- Implement your action plan with a focus on agility and responsiveness to market changes.
- Regularly review and adapt your plan based on OKR and KPI progress to stay on the path to becoming a high-growth company.

Source: Prepared by the authors. **Note**: The Market Roadmaps are another series of publications of the EIC Scaling Club.

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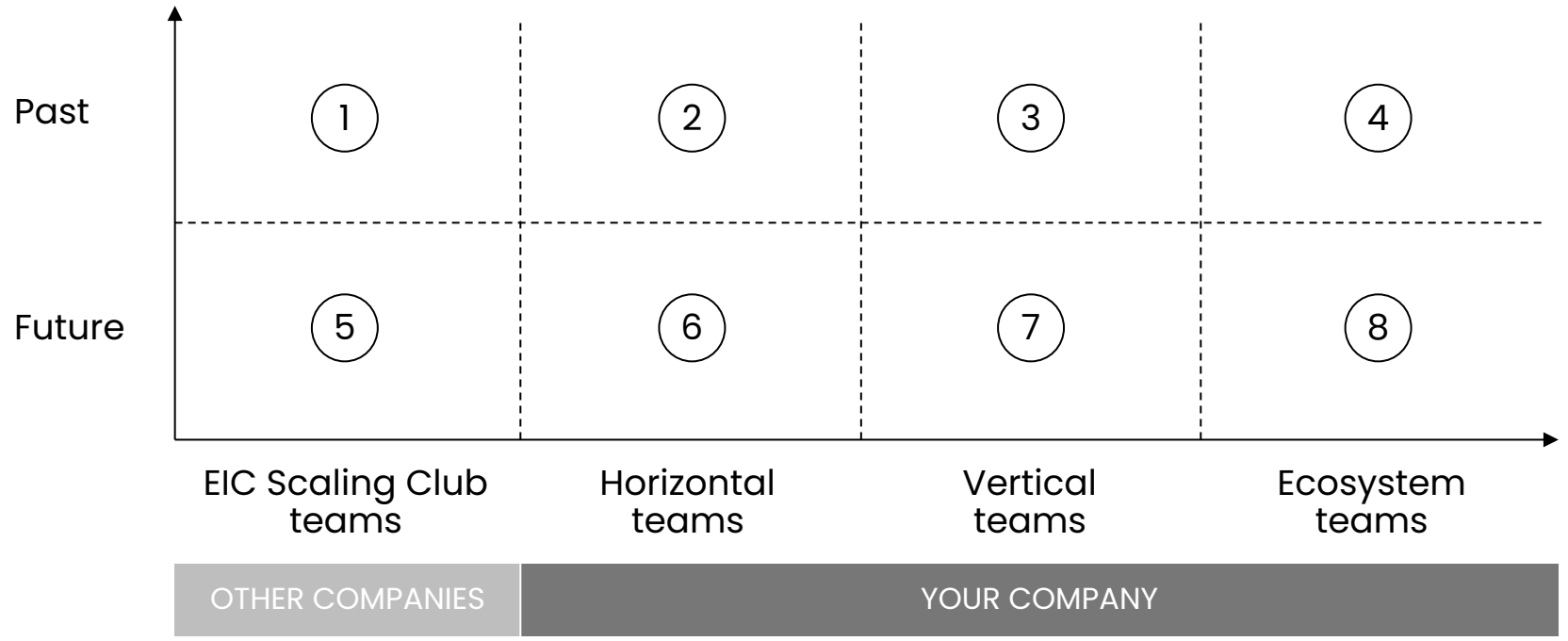
Then, you can annually compare your results from multiple angles



Target groups for comparison

- **EIC Scaling Club teams**: between you *(the company's CEO)* and the analyzed sample of companies in this document.
- **Horizontal teams**: between you and other peers (e.g., other executive committee members or cofounders) or between departments at the same company level (e.g., sales, product development, talent).
- **Vertical teams**: between you *(the company's CEO)* and departments below you.
- **Ecosystem teams**: between you and other stakeholders (e.g., investors, advisors, clients).

Source: Prepared by the authors.

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4. Plan | **Self-assessment** | OKRs | KPIs

1) Self-assess your company with this survey (only 5')

What has been and will be your most relevant priority **actions**?

2) Benchmark yourself against the analyzed sample

Which **areas** are you going to improve?
What should be your main **objectives**?
How are you going to **measure** them?

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Potential dashboard for core development areas with OKRs

Zoom into the objectives and key results that you may track and improve based on your self-assessment

Area	1. Traction	2. Vision	3. Readiness	4. Investment	5. Networking
Objective	• Establish substantial market traction milestones to attract lead investors and showcase growth potential.	• Develop and communicate a compelling vision to attract lead investors and achieve 90% stakeholder alignment.	• Enhance organizational readiness to attract lead investors and achieve 90% operational efficiency.	• Strengthen investment strategy to attract lead investors and achieve 90% alignment with growth objectives.	• Strengthen networking efforts to attract lead investors and achieve a 50% increase in strategic connections.
Key results	• Increase user base by 3x to demonstrate scalable market adoption. • Achieve a consistent 50% month-over-month revenue growth, validating the robustness and sustainability of the business model. • Secure commitments from at least 3 lead investors to strengthen investor confidence.	• Conduct 5 strategic vision workshops with key stakeholders, ensuring alignment and clarity on long-term goals. • Achieve a 75% positive sentiment score from investor community surveys on the communicated vision. • Secure endorsements from 3 industry thought leaders, enhancing credibility and investor interest in our vision.	• Complete 100% of readiness assessments, ensuring all departments meet operational standards and investor requirements. • Implement process improvements that reduce operational bottlenecks by 30%, enhancing overall efficiency. • Achieve a 25% increase in cross-functional team collaboration, improving readiness for investor scrutiny and due diligence.	• Develop and present a detailed investment roadmap, achieving 85% approval from the board and key stakeholders. • Increase the number of investor meetings by 40%, enhancing opportunities for funding and strategic partnerships. • Achieve a 25% reduction in funding cycle time, streamlining processes to accelerate investment acquisition.	• Attend and actively participate in 10 industry conferences, increasing visibility and networking opportunities. • Establish partnerships with 5 key industry influencers, enhancing credibility and investor interest. • Increase LinkedIn connections and engagement by 50%, broadening the network of potential investors and collaborators.

Source: Prepared by the authors. **Note**: This is just an example.

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Potential dashboard for core development areas with KPIs

Zoom into the key performance indicators you may track and improve based on your self-assessment

Area	1. Traction	2. Vision	3. Readiness	4. Investment	5. Networking
KPIs to track	• **User Growth Rate**: Measures percentage increase in active users to gauge market traction. • **Customer Retention Rate**: Percentage of users retained over time, indicating product satisfaction and loyalty. • **Conversion Rate**: Measures percentage of users converting from free to paid plans.	• **Stakeholder Alignment Score**: Measures percentage of stakeholders aligned with the company's vision and goals. • **Vision Communication Effectiveness**: Evaluates clarity and impact of vision communication through stakeholder feedback. • **Vision Endorsement Rate**: Percentage of industry leaders and influencers endorsing the company's vision.	• **Operational Efficiency Index**: Measures overall efficiency in operations and resource utilization. • **Compliance Readiness Score**: Quantifies readiness levels to meet regulatory and compliance requirements. • **Training and Development Completion Rate**: Percentage of training programs completed to enhance team readiness and capabilities.	• **Funding Cycle Time**: Measures the average time taken to secure investment funding. • **Investor Engagement Score**: Quantifies level of investor interest and engagement through interaction metrics. • **Due Diligence Completion Rate**: Percentage of due diligence processes completed successfully within expected timelines.	• **Strategic Partnership Growth Rate**: Measures the percentage increase in strategic partnerships with industry stakeholders. • **Influencer Engagement Score**: Quantifies the level of engagement with industry influencers and thought leaders. • **Event Attendance and Impact**: Evaluates the effectiveness of networking events in building connections and visibility.
Visual elements	• **Growth Rate Line Chart**: Displays user growth trend over time to visualize traction progress. • **Retention Rate Cohort Analysis**: Shows retention trends across different user groups to assess long-term engagement. • **Conversion Funnel Chart**: Illustrates the stages of user conversion to identify optimization opportunities.	• **Alignment Bar Chart**: Shows percentage of stakeholder alignment to assess vision clarity and acceptance. • **Feedback Sentiment Analysis Chart**: Visualizes sentiment from stakeholder feedback to gauge communication effectiveness. • **Endorsement Network Diagram**: Maps endorsements from key figures to measure vision credibility and influence.	• **Efficiency Scorecard**: Provides a comprehensive view of operational efficiency metrics for strategic assessment. • **Compliance Readiness Matrix**: Displays readiness scores across different compliance categories for strategic planning. • **Training Progress Dashboard**: Tracks training completion rates and skill development initiatives for operational readiness.	• **Cycle Time Histogram**: Displays distribution of funding cycle times for analysis and optimization. • **Engagement Dashboard**: Provides real-time insights into investor interactions and sentiment. • **Due Diligence Tracker**: Tracks due diligence progress to ensure timely completion and investor confidence.	• **Partnership Growth Line Chart**: Tracks the growth of strategic partnerships over time for networking assessment. • **Influencer Engagement Dashboard**: Provides insights into influencer interactions and impact on networking efforts. • **Event Impact Analysis**: Analyzes the impact of event participation on networking goals and relationship building.

Source: Prepared by the authors. **Note**: This is just an example. To visualize this, there are plenty of business intelligence tools such as Tableau and Power BI.

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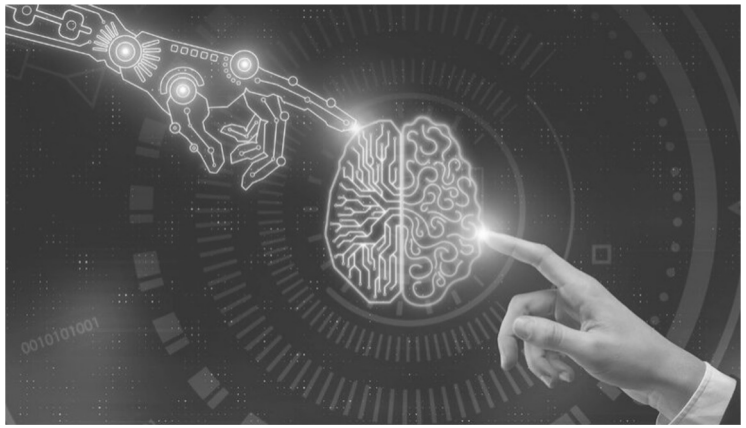
5. Selected literature

The Deep-Tech Investment Paradox: A Call to Redesign the Investor Model



Read more:

Source: BCG and Hello Tomorrow.

Securing Financing: What Every Entrepreneur Should Know

Read more:

Source: IESE Business School and Forbes.

An Investor's Guide To Deep Tech

Read more:

Source: BCG.

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Annex 1: Recorded presentation and satisfaction survey

Play the recorded presentation

Contribute to our satisfaction survey

Annex 2: Scaleup Series – 10 Roadmaps

Scaleup Series – Roadmaps in 10 challenges

1. Go-To-Market Strategy
2. Strong Board
3. Investment Thesis
4. Lead Investor
5. Corporate Partnership Strategy
6. Leadership and Talent Development
7. Gender and Diversity Balance
8. European and Institutional Partnerships
9. Building an Ecosystem
10. Policy and Regulatory Framework

Access to them

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Annex 3: Methodology

Academic partner

IESE Business School University of Navarra

Collaborating partners

TechTour | bpifrance

webrazzi | EurA

hello tomorrow

Methodology

This study was conducted to shed light on how European deep-tech scaleups can better develop their **lead investor** strategy. To achieve this, the research team has conducted literature reviews, interviews, onsite and online workshops, surveys, and more.

- **Literature review**: comprehensive analysis of studies published in relevant academic journals, industry reports, news platforms, and secondary data, to name a few.
- **In-depth interviews (3 experts)**: later, a semi-structured interview protocol was developed with fixed open-ended questions. Each interview's introduction phase was established to align definitions, reduce ambiguity, and focus the scope — ensuring a common understanding. Four interviews were conducted and analyzed to validate the measurement indicators of core development areas and priority actions, among other factors.
- **Expert workshops and survey (40 experts):**
  - Afterward, four online and onsite workshops were moderated for further validation while gathering insights and primary data about the indicators, securing diversity in terms of geography, industry, and gender. Moreover, the selection of companies (and stakeholders' portfolios) aimed to be within a similar company's maturity stage. These companies were selected by a committee of experts based on their past and future potential results. These workshops were also developed to validate the framework for the self-assessment of companies, among other factors. Lastly, an additional survey was used.
  - A total of 40 experts were involved, encompassing scaleups, investors, corporations, media, policymakers, and mentors. In several cases, a triangulation process was applied using multiple data sources to ensure the validity of the information and gain a comprehensive understanding of this phenomenon.
  - The team analyzed the answers through several stages, including coding and classification of responses by repetition of keywords and frequency of concept reference, to identify initial categories. Several tests were conducted to develop a robust classification, avoiding redundancy and securing completeness. Data was quantified and visually analyzed, with percentages reflecting the relative importance of each aspect, rounded to the nearest unit. Three researchers carried out this process, increasing the robustness of the results. The entire study underwent a review by four additional peer reviewers, including three academics and one practitioner.

The study's primary challenges were the ambiguity of terminology used in the industry, creating a robust categorization that was neither too fragmented nor too aggregated, the limited size of the sample, the company's sector diversity, and the scope of companies' maturity stage. Countermeasures were put in place to address these challenges, as described in this section. The research team acknowledges the complexity of the phenomenon and the opportunity for further analysis, gathering more indicators within a bigger sample to better understand co-relation factors.

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Annex 4: EIC Scaling Club companies

Maturity of companies

Overall group:
N: 48

Valuation (€M):
Average: 57.8
St. Dev: 62.10
N: 22 (46%)

Fundraised (€M):
Average: 34.8
St. Dev: 38.2
N: 34 (71%)

Smart mobility

- Daze
- Dronamics
- Easelink
- Elaphe Propulsion Technologies Ltd
- KONUX
- MANNA
- SHIPPEO
- tallano
- TERAKI
- Transmetrics
- Vay Technology GmbH
- VIANOVA

Digital security and trust

- Hadian
- Probely
- QUOINTELLIGENCE
- salv
- sekoia
- SettleMint
- sherpa.ai
- ThreatMark
- TILKAL
- UMNAI
- VAULTSPEED
- XXII

Next-gen computing

- LUMEN
- BASEMARK
- dispelix
- GSCAN
- MULTIVERSE
- QUIX QUANTUM
- quobly
- Quside
- sensiBel
- VisIC Technologies
- XTPL

Renewable energies

- AERONES
- bound4blue
- CorPower Ocean
- ENEIDA.IO
- eologix
- ping
- FOCUSED ENERGY
- GA Drilling
- Heimdall Power
- modvion
- ROSI
- sweetch energy
- sympower

Source: Pitchbook and Dealroom (2024 June 14). **Note**: The analyzed companies are a subset of this group. The information is based on the latest available data. "St. Dev." refers to the standard deviation. "N" refers to the size of available data for the chosen metric. Data were reviewed at the date of publication.

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Annex 5: Contributing experts and organizations

Experts


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Source: LinkedIn.

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Annex 5: Contributing experts and organizations

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Katlijn Mertens

Source: LinkedIn.

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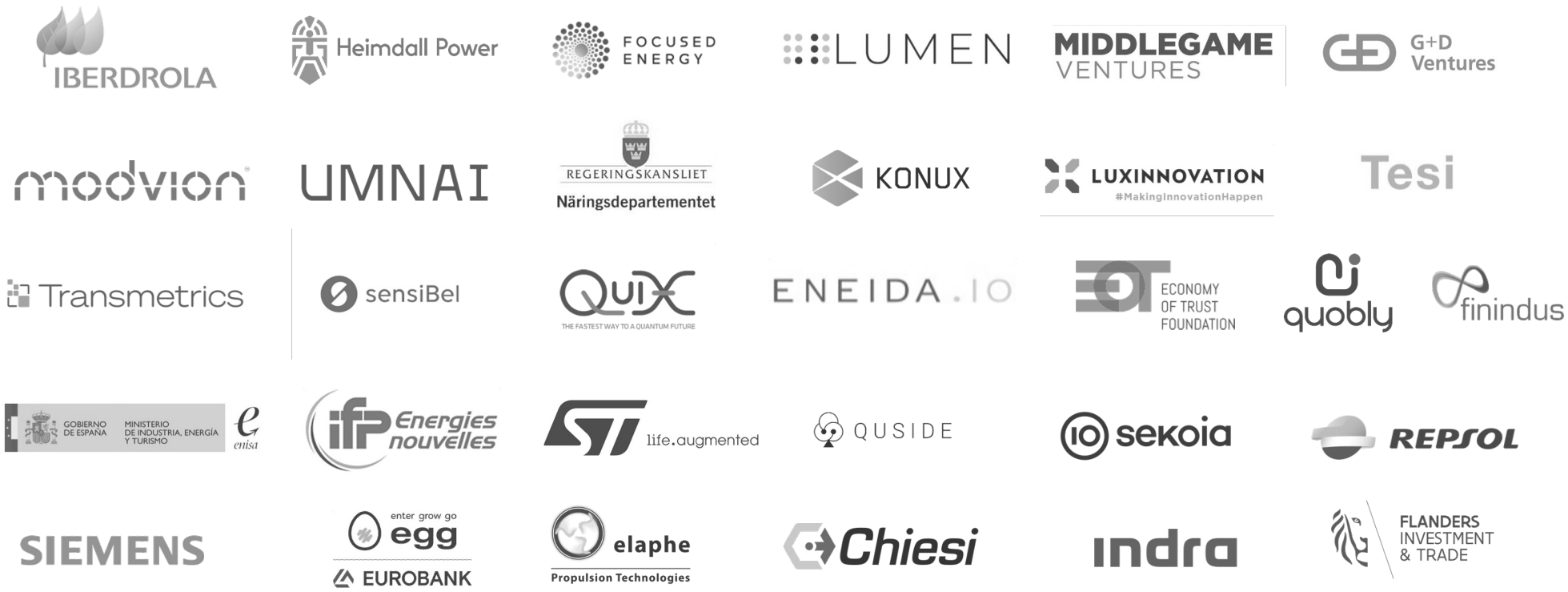
Annex 5: Contributing experts and organizations

Organizations



Source: Companies' website.

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