

FOUNDERS FORUM EUROPE 2022

EXECUTIVE SUMMARY

FOUNDERS FORUM GROUP

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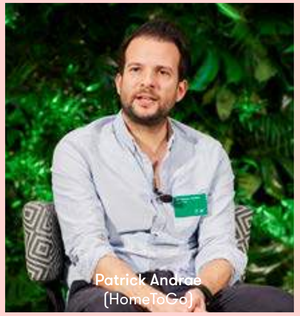
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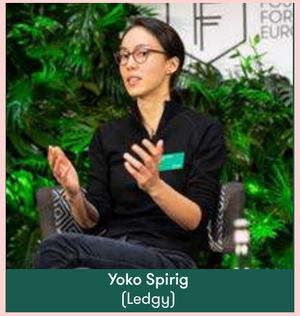
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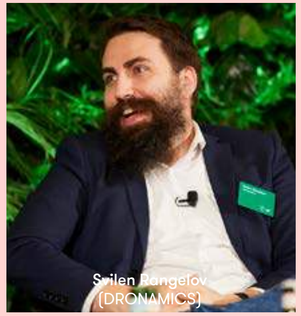
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INTRODUCTION



Our inaugural **Founders Forum Europe** brought together over 200 trailblazing founders, investors, and corporate leaders to discuss cutting-edge topics, from quantum and the future of mobility to climate investing and new breakthroughs in fintech.

We heard founders share their personal stories of hypergrowth, raising money in a recession, taking on challenges and emerging stronger on the other side.

We learned about hyperloop, self-driving cargo drones, alternatives to VC funding, and a transformative way to manage your data.

And we discovered ideas with world-changing potential, from web3 infrastructure and warehouse robotics to human-centred healthcare and data-driven humanitarian relief for Ukraine.

What are the biggest trends shaping the future of European tech? Over the course of the day, five standout themes emerged:

- **Europe's Investment Reset.** *No more crazy capital.*
- **Digital Economy.** *What's next for fintech?*
- **Quantum for Good.** *Killer use cases and quantum as a service.*
- **Reinventing Mobility.** *Hyperloop and long-range cargo drones.*
- **Building Resilience.** *Equity for ownership and wartime CEOs.*

Read on to scoop the day's top insights.

EUROPE'S INVESTMENT RESET

The Crazy Capital Era is Over

The days of mega valuations are done. The margin of error for investors is thinner and companies that raised crazy capital in recent years, and have already burned through it, are going to struggle. Investors predict 18 months of quiet before a more stable market in 2024.

Still, the money is out there, waiting to be deployed. US VC investors are sitting on $290b, while European VCs raised over $20b in the first half of 2022. Great companies with sustainable business models will get venture funding.

Yet European investors tend to be cautious. It's a chicken and egg situation; investors want startups to prove their tech works before they invest, but startups need investment to do so. To ensure future innovation comes from Europe, investors may need to reassess their appetite for risk.

Corporates Investing in Startups

Founders can look to corporations for alternatives to VC funding. Deutsche Telekom's tech incubator, hubraum, invests up to €1m in seed stage companies, its Telekom Innovation Pool awards tickets of up to €25m for Series A to B companies, and its independent, growth-stage investment vehicle, DTCP, boasts $2.3b AUM.

Together with Founders Factory, hubraum recently launched a Berlin-based Venture Studio, offering the next generation of telco founders pre-seed capital, mentorship, and access to a network of entrepreneurs and leaders in the industry. hubraum's 5G Early Access Program also allows select startups to tap into its core 5G network.

Across the board, Deutsche Telekom behaves like a traditional investor with no special rights. The rule is that each startup it invests in should become a standalone success first, before becoming a potential strategic asset down the line.



Collaboration on Climate

Healthy investment in climate tech is bucking the trend of the broader VC market. Investors are creating specific funds for Article 9, while generalist tech entrepreneurs in Europe are shifting their focus to resolving the climate crisis.

These are positive signs, but climate is a global, geopolitical issue and trying to solve it on a local or regional level doesn't make sense – especially when the biggest energy producers are located in parts of the world with the least access to capital and formalised venture networks.

Plus, climate is not a market or an asset class but is being treated as such. Instead, the climate crisis presents a set of problems and solutions that have different risk profiles and there's less data to inform investment decisions. To progress, we need new financial products, risk constructs, and ways of packaging, selling, and investing in that risk.

Choosing the Right Investors

US VCs attract founders with their bigger ticket sizes, but founders should look for experience as well as cash when choosing investors – and that's even more important now.

Look to investors who have been entrepreneurs themselves and have gone through similar crises in the past. There have been too many horror stories. Research into the people offering investment, call other startups they've invested in, and do your own personal due diligence.





DIGITAL ECONOMY

FinTech’s New Beginning

Fintech’s opening chapter was fueled by the growth of cheap capital, with startups grabbing market share from incumbents. Now, we’re at an inflection point; a time to reassess opportunities, risks, and drive towards profitability.

The biggest opportunities are in infrastructure that enables new businesses to solve pain points for customers at scale and financial transparency and inclusion driven by machine learning and data.

Consumers appreciate localised solutions, but with the advent of digital currencies, we need a global regulatory framework that allows for collaboration and payments across borders. To influence regulation and avoid knee-jerk reactions to new tech, founders can pay higher fees to regulators in exchange for on-demand access to their teams.

TechFin

The next phase of fintech innovation will move from the digital interface to vertical integration. It’s about more of the tech and less of the fin.

While the first successful fintech startups provided customers with better access and UX – bringing banking to mobile or putting insurance products online – future success stories will connect their offering with organisations’ existing infrastructure; their processes, ERP, and accounting flow.



Jacqueline van den Ende (Carbon Equity)



Jeannette zu Fürstenberg (La Famiglia VC) & Hung Dang (Y42)

Insurtech Revolution!

Insurance today is like retail before Amazon. Merchants mostly offer local products from local suppliers. Insurers grew by acquisition in an analog era and established global brands, but their mainframe technology, strategies, and management teams are all local. Plus, customer experience is poor, claims processes are lengthy, and contracts are still printed on paper.

Julian Teicke founded wefox to change all that by giving customers more control over their personal safety at the click of a button. Insurers will also soon be able to launch new products globally at the click of a button and adjust their prices in seconds instead of days, ensuring a superior customer experience.

wefox is currently active in five European countries, boasts 2 million customers, and raised $400m in Series D funding at a $4.5b valuation in July 2022. Insurance is a $5t industry and Julian sees a huge opportunity to reinvent insurance as a global product from scratch.

Mastering Data

The modern data stack is a suite of tools used for data integration and analysis, but you can't just buy those tools and plug and play. While use cases for data have exploded in the digital era, effectively managing data is complex.

To build an effective data pipeline, you need to stitch various tools together. You need multiple development environments. You need to pull data from different sources, transform, clean, and prepare it for analysis.

Hung Dang built on his experience running a data analytics SaaS for live events to launch Y42, the first fully managed Modern DataOps Cloud. The data platform enables organisations to manage production-ready data pipelines. Y42 raised $31m in Series A funding in 2021 and Hung's goal is to empower everyone within a business, technical or otherwise, to make data-driven decisions.


Julia Zhou (Tidal Impact)



Marc Thom (Henkel dx Ventures)


Catherine Quantschnigg (GreenRock Sustainable) & Shilpika Gautam


Rob van den Heuvel (Sendcloud) & Mikayel Vardanyan


Stefan von Holtzbrinck (Holtzbrinck Publishing


Zoé Fabian (Eurazeo Growth) & Zaya Kadyrova (Teachers' Venture


Jacqueline van den Ende (Carbon Equity) & Jamie Rowles (Planet Fund)




Eric Quidenus-Wahlforss (Dance/SoundCloud)



(L-R) Maru Winnacker (Urania Ventures), Markus Pflitsch (Terra Quantum), Helmut Schönenberger (UnternehmerTUM) & Cornelia


Zoé Fabian (Eurazeo Growth)

QUANTUM FOR GOOD

Quantum Has Left the Research Lab

While the principles of quantum mechanics go back over a century, we now have the technology to build high computational power machines. The underlying trend in the industry is an exponential speed up of computational power. Quantum is ready for commercialisation and we'll soon see large-scale industrial applications of quantum tech.

Markus Pflitsch started Terra Quantum to drive adoption of the technology, offering quantum as a service to lower entry barriers for corporates. With a team of over 140 quantum scientists across Europe and North America, the company delivers cloud-based tools in quantum algorithm design, computing, and security.

Use Cases, From Toxicology to Telco

By solving complex problems and digesting huge silos of data, quantum can boost business performance, save money, and help discover new innovations across industries.

In mobility, quantum can optimise production, improve logistics, and train models that improve sensors and prediction accuracy for self-driving cars. In chemical research, quantum can help simulate the environmental effects of pesticides and simulate materials to support the invention of new battery technology.

By simulating and optimising the quantum properties of nature, quantum also has the potential to transform drug discovery and design, while, in telco, quantum will soon make end-to-end encryption truly unhackable.



Classical + Quantum Computing

The hardware to unlock the full potential of quantum is not yet there, but founders shouldn’t hold back. For now, quantum startups should adopt a hybrid model, using classical high performance computers as simulators alongside quantum software.

Terra Quantum used this approach to optimise the portfolio of an investment bank, unlocking six basis points (bps) of performance improvement, which translated into a Can$200m annual recurring cost saving. In the future, with more mature quantum hardware, these six bps could become hundreds and save billions of dollars. But why wait? Tap into quantum today and you’ll already find opportunities for business enhancement.

New Startup Factories

We have the talent, the emerging technology, and quantum scientists who are desperate to take their research to market. What’s missing in Europe is the ecosystem to bring everything together. That starts at university – institutions need to recalibrate to drive the creation of new startups.

To do so, they can follow the example of Helmut Schönenberger’s UnternehmerTUM, a university innovation centre that offers student entrepreneurs access to a network of companies, industry experts, scientists, and investors, and guides them through the entrepreneurial process step-by-step.

The Munich-based centre produces over 50 scalable startups per year and is the birthplace of around 20% of Germany’s top tech companies, including unicorns like Personio and Celonis.

REINVENTING MOBILITY

The Hyperloop Race

In 10 years, travelling in floating pods, blasted through a tube at 700 miles per hour could be the norm. Powered by magnets, hyperloop transports passengers and cargo through tunnels in pods levitated in a vacuum, with minimal friction allowing for ultra-high speeds.

Hyperloop is 10 times more energy efficient than planes or cars, can transport 20,000 passengers per hour (3,000 more than high speed rail), and could take you from Berlin to Amsterdam in under an hour with zero emissions.

While there's serious competition from China, the US, and Elon Musk, Tim Houter's Hardt Hyperloop is driving Europe's effort to win the hyperloop race and solve mobility's infrastructure challenges. Hardt Hyperloop was awarded €15m by the European Commission in 2021 and is now building the hyperloop system for the European Hyperloop Centre, a 400 metre hyperloop designed to test and implement the groundbreaking technology.

Driving EV Adoption

Transport accounts for around 30% of global carbon emissions and over 70% of these come from road transportation. Government support is needed to make widespread electric vehicle adoption happen. The EU Green Deal is a great first step, but the EU should avoid regulation that limits innovation, like unnecessary standards for EV charging cables.

Consumer sentiment also needs to shift, with many people still reluctant to try EVs. Max Beyer's FINN is changing this with its flexible car subscriptions. While around 10% of new vehicles in Germany are electric, over 30% of FINN's latest fleet are EVs and 85% of consumers who try them stick with them. His goal is to move towards an all electric fleet by 2025.



"We need to invest in future-proof transport infrastructure that's more energy-efficient, has higher capacity, and provides faster transport."

Tim Houter, Hardt Hyperloop

Self-Driving Cargo in the Air...

Autonomous vehicles are boosting efficiency and reducing the environmental impact of cargo transport, in the air and on the ground. Svilen Rangelov's Dronamics is building a fleet of long-range, fuel-efficient cargo drones, which operate with 60% lower carbon emissions and at half the cost of alternative modes of transport like air freight.

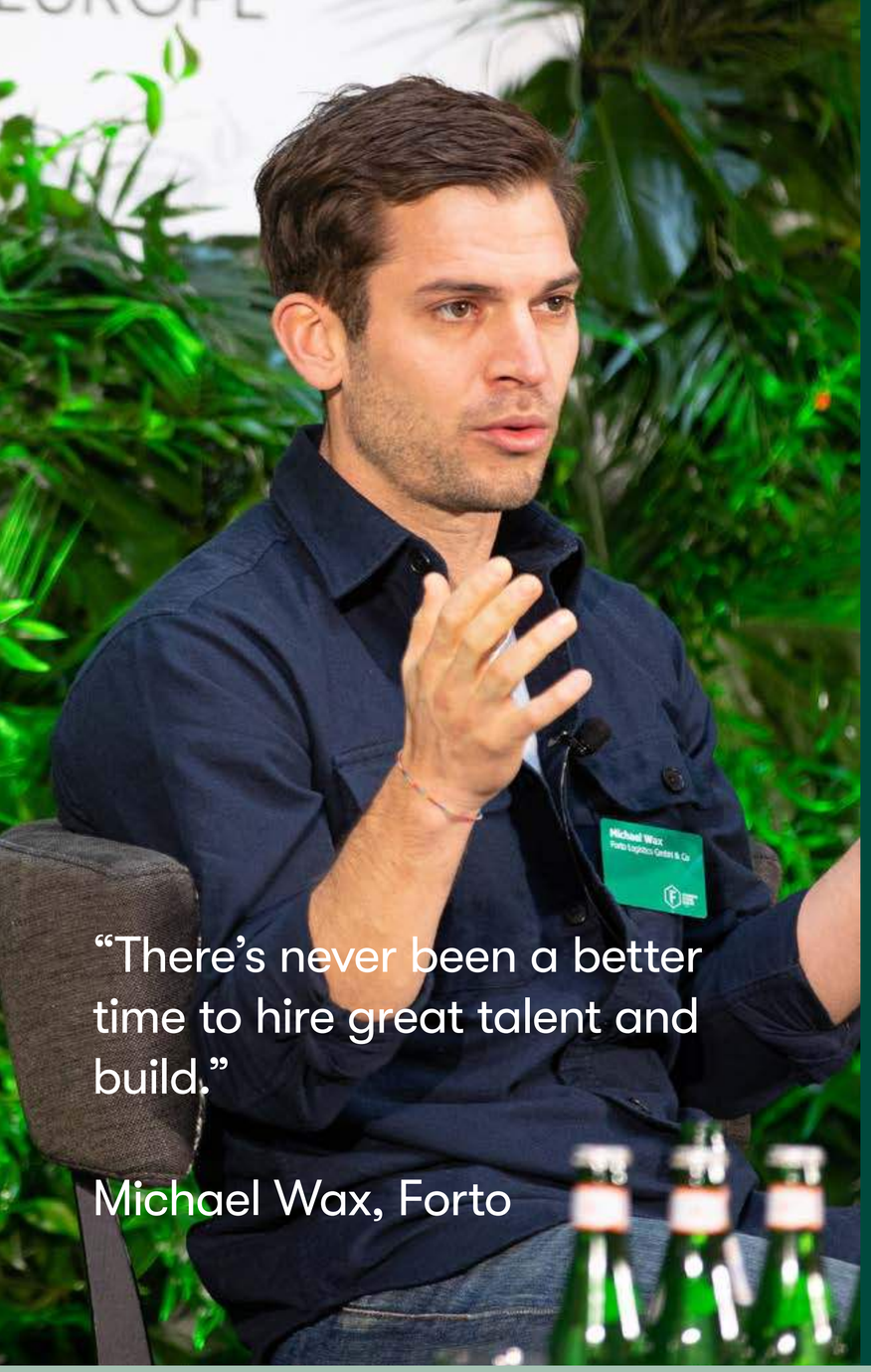
Its flagship Black Swan drone can carry 350kg to remote locations at a distance of up to 2,500km. Svilen's goal is to enable same day delivery for anyone, anywhere, no matter where they're located – and to shave his beard! Together with his brother and co-founder, Konstantin, eight years ago he vowed that he wouldn't shave until his self-driving cargo plane took its first commercial flight.

...And on the Ground

On land, Linnéa Kornehed Falck's Einride was the first company to operate a fully autonomous, electric heavy duty vehicle on public roads. Einride raised $110m in Series B funding in 2021 and, together with its customers, operates the largest fleet of heavy electric trucks in Europe.

Rather than chasing autonomous mobility anywhere and everywhere, Einride takes a customer volume approach, getting permits for the A to B routes that need it most. Linnéa's mission is to build freight mobility grids that re-engineer the movement of goods to unlock clean capacity at scale.





“There’s never been a better time to hire great talent and build.”

Michael Wax, Forto

BUILDING RESILIENCE

Crisis = Opportunity

Since Michael Wax founded Forto, he’s navigated trade wars, covid, and the subsequent consumption frenzy, which culminated in one of the biggest ever blockages of global trade. Forto raised $250m in Series D funding at a $2.1b valuation in March 2022. By August, the recession forced Michael to reset short-term expectations, switching from global expansion to extending runway and building sustainably.

But where there is challenge, there is opportunity. During the pandemic, global trade rose and freight rates skyrocketed, from around $500 for a 40-foot container in 2016 to $20k in 2021. Today, rates are back down to $1.5k per container.

Moritz Clausson was advised to shut his company down in early 2020, when covid first hit and air traffic came to a standstill. A month later, the air cargo market boomed. cargo.one raised $18.6m in Series A funding in July and $42m in its Series B in December.

As more businesses look for tools to help them better control their spend, fintech startups will benefit. Plus, as people leave their jobs, many are turning to education. Markus Witte’s Babbel is diversifying, introducing live classes, podcasts, games, and transitioning from a single to a multi-product business.



Wartime CEOs

Today’s founder-CEOs need to enter crisis mode; focus on a single mission, hold people accountable, and use fewer resources to do more. Many are extending their runway by up to 12 months and most will make redundancies, but they should do so just once.

Talent laid off by big tech firms are applying for startup jobs that pay 50% less. Focus on product to create customer value and on refining the product team.

Accept that we’re all in the same boat. Few companies are hitting their targets. Taking a realistic view and reassessing priorities will help founders come out of the crisis healthy and with stronger companies.

Ownership

Yoko Spirig’s software startup, Ledgy, helps scaling companies manage their equity and raised $22m in Series B funding in September 2022. She’s seeing more startup founders give equity to their teams to boost ownership.

Y42 has 150 people across four locations, and involves everyone in the success of the company by giving them shares. Especially in a remote environment, ownership is the key to a thriving culture.

To build trust, communication, transparency, giving context to decisions, and showing vulnerability are key. For Hung Dang, the role of a startup leader is about taking the highest level of responsibility and ownership, absorbing as much information from the team as possible, and acting in the interests of the collective.



Dima Shvets (Reface)


Yuliia Karnas (One Ukraine)

RISING STARS

In a series of fast-paced startup pitches, our *Rising Stars & Disruptors* shared ideas with world-changing potential – from AI face-swapping tech to the infrastructure for a new internet!

Reface

Dima Shvets' Reface is an AI-powered app that enables users to swap faces in videos, GIFs, and photos in seconds. Since launching in 2020, Reface reached the top spot in the US App Store, achieved 250 million downloads, and its users – including celebrities like Justin Bieber, Snoop Dogg, and Miley Cyrus – have created over 6 billion pieces of synthetic media to date.

Dima's mission is to make it easy for everyone to connect through digital expression and now he's taking Reface into the digital world and 3D environments, with MetaHead, which allows users to create a hyper-realistic 3D representation, or avatar, of their own head using just a couple of selfies.

One Ukraine

Based in Berlin, One Ukraine is a data-driven charitable platform, leveraging data insights to provide humanitarian relief to Ukraine at scale, quickly, and where it's needed most. Launched by a group of seasoned entrepreneurs, One Ukraine has delivered more than €4m in aid and helped evacuate close to 12,000 refugees to date.

As Managing Director, Yuliia Karnas is spearheading initiatives to reinvent the social housing model in Ukraine and create investment opportunities in construction, and in promoting mental health, including the TYSHA project, which helps Ukrainians provide psychological support to young people impacted by the war.

Kleiderly & Founderland

Every second, a truckful of textile waste ends up in landfill, where it won't decompose for over 200 years. Alina Bassi's Kleiderly solves this problem by recycling textiles into a sustainable plastic alternative, meaning textile brands can turn their unsold inventory or fabric scraps into their next eyewear collection or the interiors of their stores. By doing so, Kleiderly helps brands reduce their carbon footprint, saving 2.5kg of CO2 for every kilogram of material produced.

Alina also co-founded Founderland, a Google.org-backed nonprofit creating a more equitable startup ecosystem. She's building the biggest community of women of colour entrepreneurs, who receive less than 0.5% of Europe's venture capital.

Qunomedical

The biggest problem facing healthcare is a lack of human resources. Most countries have effective medical devices, but lack the doctors or nurses to run them. Plus, doctors spend too much of their time on administrative tasks and away from their patients.

Sophie Chung's Qunomedical has just launched a new B2B software product, Qunosuite, to enable healthcare providers to digitally manage their patient relationships, helping them maximise human contact where it matters and use tech where it doesn't. Qunomedical recently raised €10m in Series A funding to create a more humane healthcare experience across the world.

Charles

Inspired by the success of conversational commerce in Asia and Latin America, Artjem Weissbeck and Co-CEO, Andreas Tussing, built Europe's first clothing brand that sold exclusively via WhatsApp. Their customers loved it, but they couldn't find software with which they could seamlessly combine support, marketing, and sales all in one chat.

So, they founded Charles, helping businesses unlock WhatsApp as a revenue and brand channel, where they can sell products, answer questions, send marketing notifications, and build customer relationships. Charles raised $20m in Series A funding in July 2022 and plans to introduce the power of conversational commerce to the world's biggest firms.


Alina Bassi (Kleiderly/Founderland)


Sophie Chung (Qunomedical)


Artjem Weissbeck (Charles)



Madeleine Parker (Newfoundation/Newlife.io)



Victor Splittgerber (WAKU Robotics)

Newfoundation & Newlife.io

The internet of Google was based on a knowledge graph; Facebook on a social graph. Now, with Newfoundation, Madeleine Parker and an ecosystem of players are building the infrastructure for a new internet, based on an omnichain creative graph protocol: a set of rules for transferring data on creative consensus that she hopes will change the way the internet and innovation works. This new internet could change how VCs, patrons, and creatives consider new ideas and how innovators access funding and monetisation for their projects in the aspiration economy.

For Madeleine, creativity is the next point of value creation for the entire global economy – and that's what web3 brings to the table. She also created the world's first creative social app-DAO, Newlife.io, a decentralised social creativity network backed by Farfetch, Open AI, and Nvidia AI, together with a growing community of creators and web3 pioneers.

WAKU Robotics

We're in a robot revolution! Companies are onboarding more mobile robots like autonomous forklift trucks in their warehouses and factories, increasing efficiency with automation. But these robots can't interact with each other. The result is a delay in production caused by traffic jams of mobile robots.

Victor Splittgerber's WAKU Robotics builds software to help robots talk to each other. On a single live map, organisations can view and control their robots from multiple vendors with real-time insights, automatic incident reports, and error logs. WAKU raised €1.5m in seed funding in the summer of 2022

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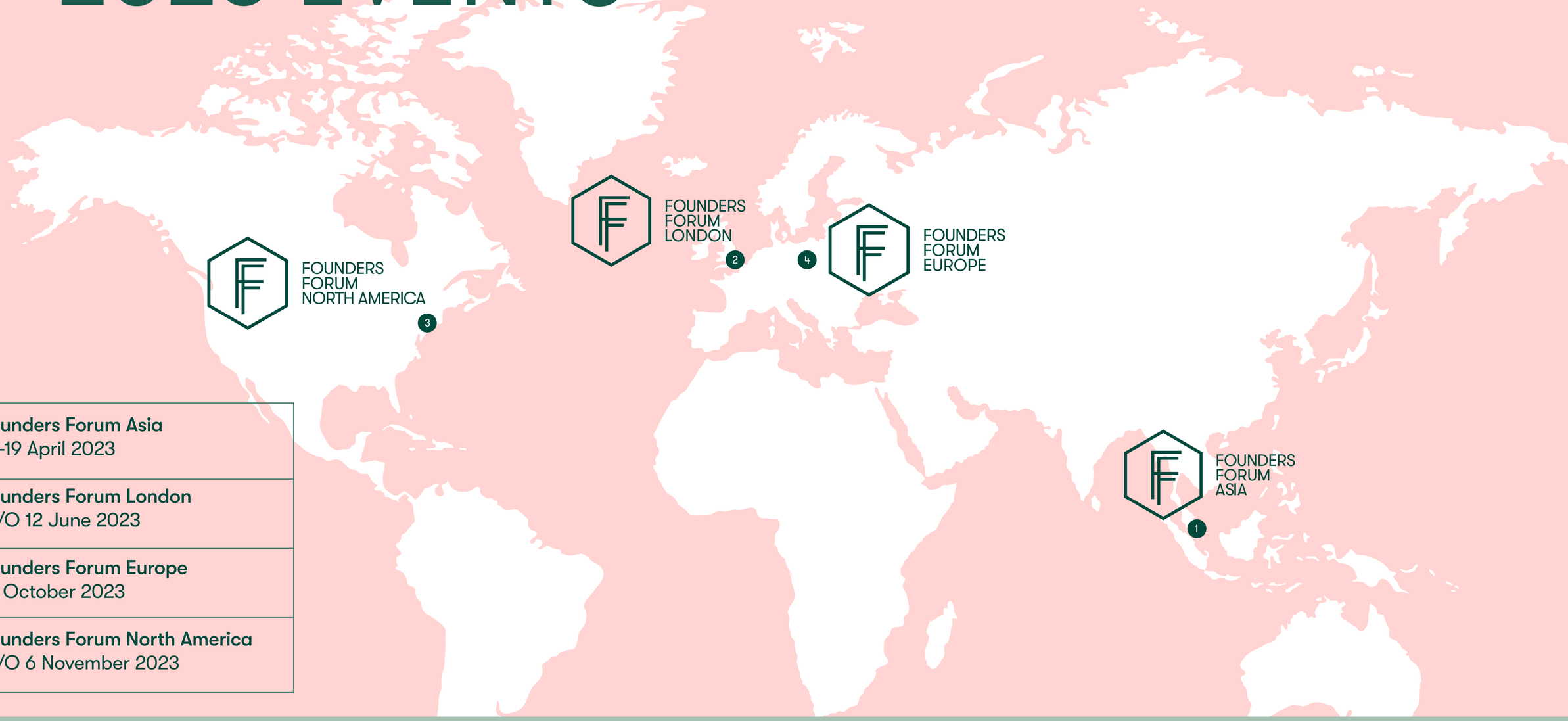

1	**Founders Forum Asia** 18-19 April 2023
2	**Founders Forum London** W/O 12 June 2023
3	**Founders Forum Europe** 10 October 2023
4	**Founders Forum North America** W/O 6 November 2023

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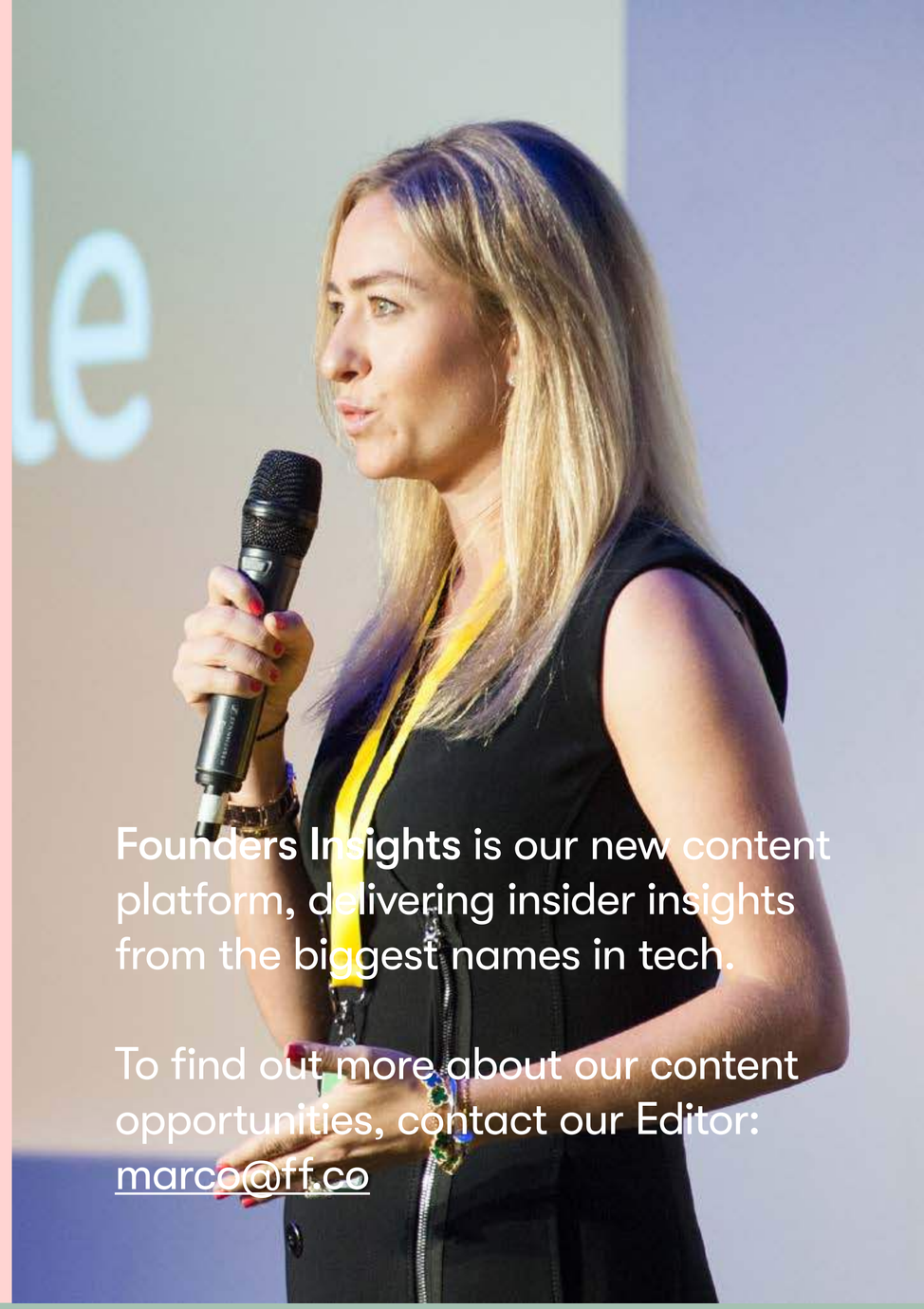

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