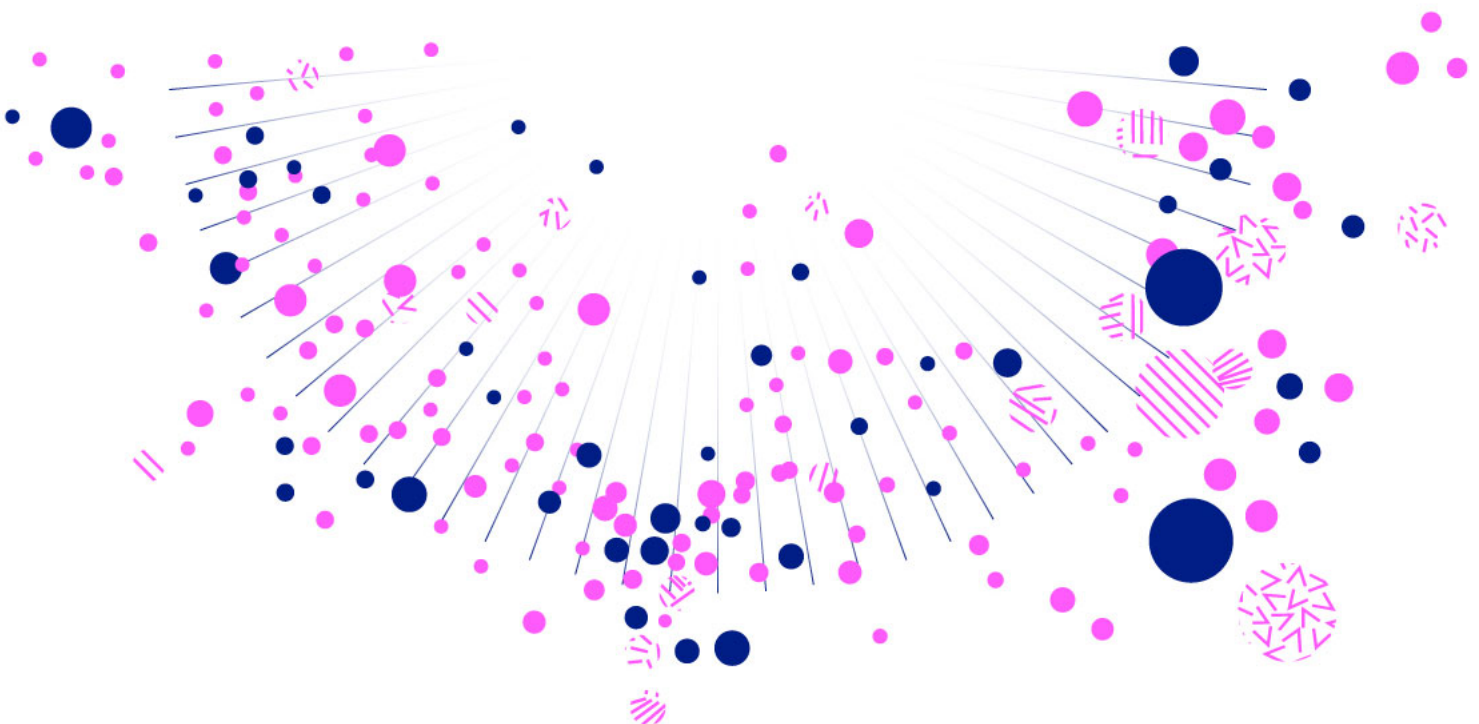


## EIF Venture Capital Survey Autumn 2020: Regional analysis

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Antonia Botsari, Frank Lang, Federica Marrazza



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**Editor:**

Helmut Kraemer-Eis,  
Head of the EIF's Research & Market Analysis, Chief Economist

**Contact:**

European Investment Fund  
37B, avenue J.F. Kennedy, L-2968 Luxembourg  
Tel.: +352 248581 394  
[http://www.eif.org/news\\_centre/research/index.htm](http://www.eif.org/news_centre/research/index.htm)  
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**Antonia Botsari**

is Research Officer in the EIF's Research & Market Analysis division.

Contact:

[a.botsari@eif.org](mailto:a.botsari@eif.org)

Tel.: +352 248581 546

**Frank Lang**

is Senior Manager in the EIF's Research & Market Analysis division.

Contact:

[f.lang@eif.org](mailto:f.lang@eif.org)

Tel.: +352 248581 278

**Federica Marrazza**

is Trainee in the EIF's Research & Market Analysis division.

Contact:

[f.marrazza@eif.org](mailto:f.marrazza@eif.org)

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# Executive summary

## Introduction

- With three regular equity surveys, the *EIF VC Survey*, the *EIF Private Equity Mid-Market Survey*, and the *EIF Business Angels Survey*, the EIF's Research & Market Analysis team provides unique market insight. To the best of our knowledge, the combined *EIF PE MM Survey* and *EIF VC Survey* currently represent the **largest regular survey** exercise among GPs in Europe. The *EIF BA Survey* is unique in its pan-European coverage and multi-country approach.
- The already large outreach of the surveys and the high relevance of the questionnaire topics for both market participants and policy makers have further increased through **new cooperations with Business Angels Europe (BAE) and the Joint Research Center (JRC) of the European Commission**.
- The surveys are typically performed on an annual basis. However, 2020 was an unprecedented and remarkable year – also a year with high uncertainty and increased information needs. Therefore, **exceptionally, the team ran the surveys two times during the year, to shed more light on the impact of COVID-19 on the respective markets**. The main results are summarised and compared in [EIF Working Paper 2021/71](#), which provides a unique picture of the developments during 2020, the market sentiment, and also delivers insights into special selected topics.
- **In the present publication, we look deeper into the survey responses and analyse the results by region, thereby focusing on the EIF Venture Capital Survey (EIF VC Survey)**. We look at the main elements of the survey and highlight the key differences between the regions in Europe. For the purpose of our analysis, we combine several countries into country groups (or “clusters” or “regions”), based on the respondents' distribution by headquarter country.

# Executive summary

## Investment and VC firm characteristics by headquarter region

- **In general, General Partners (GPs) rank as their most important country of investment a country belonging to the region where their VC firm is headquartered.** Thus, the analysis by headquarter region reflects in good part the VC regional trends regarding investments and company performance.
- **Only the *Benelux* region exhibits a significant number of respondents stating as their “most important country of investment” a country outside their headquarter region.** Focusing on individual countries, both Luxembourg and the Netherlands indeed have the highest share of respondents whose firms, while headquartered in these two countries, invest (primarily) abroad. On the contrary, Germany is chosen as the most important country of investment by more respondents than those whose firm is headquartered in the country.
- **Across regions, the stage which is more frequently indicated by GPs as the most important stage for their VC firm’s investments is the early stage,** with the exception of GPs in the *CESEE* region, where a comparatively higher percentage of respondents state the seed stage as their most important investment stage. A relatively higher share of *France* and *UK & Ireland*-based VC respondents focus on later stage investments.
- Among our respondents, **VC firms headquartered in the *CESEE* region are, on average, younger than VC firms located in other regions,** given that their average year of establishment is in 2015. On the opposite end, *France* and *UK & Ireland*-based VC firms exhibit the oldest average year of establishment (lying in 2005-2006).
- ***France* together with the *UK & Ireland* have the highest share of GPs who report their firm having more than EUR 500m of AUM.** *CESEE* and *South*-based VC firms have relatively lower assets under management, on average.



# Executive summary

## Market sentiment, COVID-19 impact and policy measures: key results by headquarter region

- Overview -

- **Across all regions, VC fund managers are, on average, negatively impacted by the COVID-19 crisis.**
- **We observe, however, some interesting differences depending on the headquarter of the respondents' VC firm.** The *South*, *Benelux* and *Nordics* regions exhibit a relatively higher share of respondents negatively impacted by the COVID-19 crisis, contrary to the *UK*, *DACH*, *France* and *CESEE*. This pattern is evidenced particularly in the following areas:
  - Qualitative impact of COVID-19 on funds' performance, both in the short-term and in the long-term.
  - Percentage of portfolio companies negatively/not/positively affected by the COVID-19 crisis.
- In general, **VC fund managers in *Benelux* are the most pessimistic** regarding the VC market environment and their portfolio development over the next 12 months. **By contrast, VC fund managers in the *UK & Ireland*** report the highest percentage of portfolio companies positively impacted by COVID-19.
- While **securing financing/liquidity** is the most frequently mentioned challenge facing the respondents' portfolio companies in the *South* and in the *Nordics*, this appears to be less of a problem for respondents in *France*. Corroborating the aforementioned evidence, an overwhelming majority of VC fund managers in *France* express their satisfaction with the access to external finance for their investee companies and with the implementation of national/regional support programs during the crisis.
- **Fundraising** has become the most important challenge for the VC market, together with the exit environment. VC fund managers in the *CESEE* region have particularly struggled with fundraising since the onset of the crisis. Notably, however, first-time teams account for almost 60% of the respondents in this region.



### - Most important challenges -

- The **exit environment** and **fundraising** are perceived as the two **most important challenges in the VC business** across regions. For respondents in the *UK & Ireland*, **high investee company valuations** are also of significant concern, while in *France*, **competition among investors** enters the top-three of most cited challenges.

### - Fundraising -

- The **fundraising sentiment is particularly negative** for VC fund managers in the *CESEE* countries, followed by those in the *South* and in the *UK & Ireland*. **However, expectations over the next 12 months pick up** for almost 4 in 10 respondents in the aforementioned regions. *France* is the region with the highest share of respondents evaluating the **fundraising opportunities** as (very) **good**.

- In this context, it is worth mentioning two important differences between the regions:

- The *CESEE* and *South* regions exhibit the **highest share of first-time teams** among respondents (59% and 47%, respectively). In all other regions, the share of first-time teams is much lower, ranging between 28% and 38%.
- VC fund managers in *France* have raised, on average, **5 funds to date: the highest number across all regions**. The average number of funds raised is instead the **lowest** (equal to 2) for respondents in the *CESEE* countries.

### - Exit environment -

- **The exit environment has deteriorated substantially** since the beginning of the crisis across all regions. **Respondents in the *South* express the most negative sentiment, as opposed to those in the *DACH* region**, many of whom have experienced a stable exit environment. Looking ahead, expectations are optimistic in almost all regions (especially in *CESEE*, the *UK & Ireland* and *DACH*), with the exception of *Benelux*.

### - Portfolio development and fund performance -

- Since the beginning of the COVID-19 crisis, **portfolio development has fallen short of expectations** for at least 4 in 10 VC fund managers, across regions. Respondents in the *South and Benelux* regions are the **most negative** in this respect, while VCs in the *UK & Ireland* are the **most positive** (with 45% of them reporting that portfolio development has exceeded expectations). Over the next 12 months, **portfolio development is expected to improve for the vast majority of the respondents across regions, with the exception of those in Benelux.**
- The evidence regarding the **impact of COVID-19 on the funds' current and final performance** is consistent with the one documented at the portfolio level: the current performance of funds is negatively affected across all regions, with **respondents in the South (UK & Ireland) being the most (least) severely impacted.** Regarding the impact of COVID-19 on the funds' final performance, respondents in the *South* remain pessimistic, as opposed to those in the *UK & Ireland, DACH* and *France*.

### - Portfolio companies -

- The **impact of COVID-19 on investee companies is, on balance, negative across most regions** – particularly so in the *Nordics* and in the *South*. By contrast, VCs in the *UK & Ireland* report the **highest share of portfolio companies positively affected** by COVID-19.
- When it comes to the **biggest challenges facing the respondents' portfolio companies** during the crisis, **customer acquisition and retention** is the most frequently mentioned one across regions – with the exception of the *South* and the *Nordics*, where **securing liquidity** is instead the primary concern. Finally, **COVID-19-related business disruptions** remain an important challenge in the *Benelux* region and in the *South*.

### - Portfolio companies' access to finance and investment -

- There is **significant variation regarding how VC fund managers across Europe perceive the access to external finance of their portfolio companies**. VCs in *France* are the most satisfied in this respect, while VCs in the *South* lie at the opposite end (with further deterioration expected, on balance, over the next 12 months). VC fund managers in *Benelux* are the most pessimistic with respect to future developments, contrary to VC fund managers in the *CESEE* countries.
- Fewer VC fund managers in *France* had to provide **unforeseen additional investment** to their portfolio companies due to COVID-19.

### - Competition among investors and entry prices -

- Since the beginning of the crisis, **competition among investors has increased for 4 in 10 respondents in France**, the highest proportion across regions. Looking ahead **over the next 12 months, competition is expected to increase**, especially in the *UK & Ireland* and *CESEE*.
- **The great majority of VCs in France have experienced stable or growing entry prices** since the beginning of the crisis, contrary to respondents in other regions. Indicatively, approximately half of the respondents in the *South* and in the *Nordics* state that entry prices have decreased. Looking forward, **entry prices are anticipated to remain stable in most regions**, except for *Benelux* where a further decrease is expected.

- ESG considerations -

- **Despite the crisis, ESG considerations are still an important factor in the investment decisions of VC fund managers** across most regions, particularly so in *France*, the *Nordics* and the *UK & Ireland*. **By contrast, in CESEE**, 1 in 6 VCs had to divert attention away from ESG considerations to focus instead on recovery, while 1 in 4 do not consider ESG criteria at all.

- Policy measures -

- **VC fund managers also rate differently the implementation of national/regional support programs** put in place during the COVID-19 crisis. To a large extent, these regional differences reflect the ones documented in relation to the level of satisfaction with the access to external finance for portfolio companies. Indeed, **VCs in France express the most positive views** on all three aspects of the implementation of support programs, namely their relevance, speed and effectiveness. On the other hand, VC fund managers in the South are particularly critical of the speed of implementation of government support programs, as are VC fund managers in *DACH* and *CESEE*.
- **40% of respondents in France have applied (or considered applying) for a government support measure related to COVID-19 for all of their portfolio companies**, the highest percentage across all regions.
- **VC fund managers in France are also the most satisfied with European-level programs and initiatives aimed at helping struggling startups/companies and promoting investments during the COVID-19 pandemic**. Indeed, the majority of them consider these programs to be (very) good, whereas respondents in other regions predominantly rate them as “average”.

- The *EIF VC Survey* has shown that, across all regions, **VC fund managers have been experiencing negative developments due to the ongoing COVID-19 crisis**. Fundraising has been more difficult and the exit environment has become particularly bad, on balance. Portfolio performance has been, on average, below expectations. Entry and exit prices have decreased.
- The interregional comparison of the responses highlights how the current views, needs and expectations of VC fund managers in a given region differ from the average ones in the sample, thereby orienting the discussion towards existing regional gaps and how to address them. In particular, the analysis presented here has shown that:
  - The **exit environment** is currently the biggest difficulty encountered by VC fund managers in almost all regional groups.
  - In the *CESEE* region, the less developed VC market and the prevalence of first-time teams among the surveyed fund managers suggest an increased difficulty for not-already-established teams to acquire financing sources during the crisis. This evidence highlights the **need for policy measures aimed at facilitating the fundraising process** in this region.
  - In the *South* especially, portfolio companies appear to be **lacking sufficient access to external finance**. The improvement of the implementation speed of public support programs in assistance of startups and investments, which in Autumn was evaluated negatively by the highest share of respondents in the *South*, could be beneficial in this respect.
- **Regional and national VC policy programs** have been, overall, relevant, but their implementation speed and effectiveness could be improved. Respondents based in the *South* and the *CESEE* are the least satisfied with the implementation of public programs, unlike VC fund managers based in *France*, who instead express widespread appreciation of their government's reaction and support scheme. The implementation speed of public support programs put in place in the *DACH* and in the *CESEE* countries could also be improved.
- **The difficulties facing investee companies differ in their importance from region to region, highlighting different priorities for policy making**. The design of support programs can benefit from key regional insights into the VC market. The next wave of the *EIF VC Survey*, the *EIF Private Equity Mid-Market Survey*, and the *EIF Business Angels Survey* is already in preparation for mid-2021.

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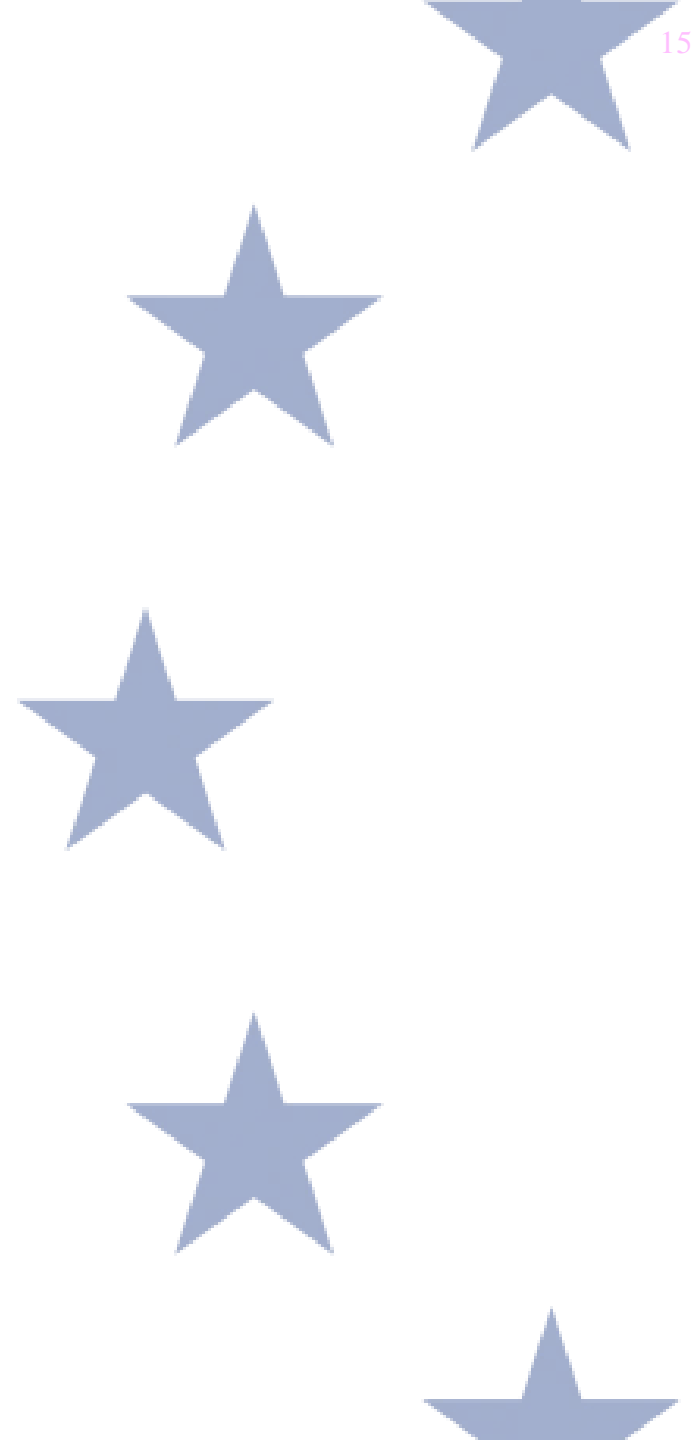
# EIF Venture Capital Survey

Autumn 2020:

## Regional Analysis

*Introduction*

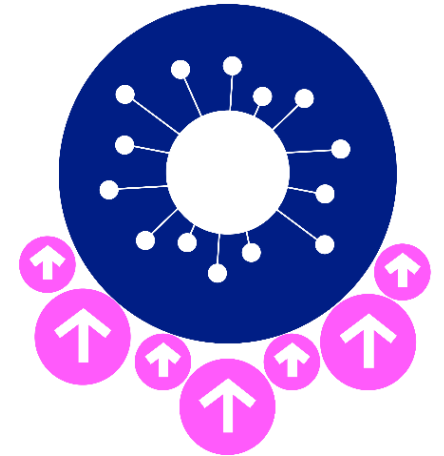
***EIF Research & Market Analysis***





# A detailed look at the European VC market during the COVID-19 pandemic in 2020 by region

- With three regular equity surveys, the *EIF VC Survey*, the *EIF Private Equity Mid-Market Survey*, and the *EIF Business Angels Survey*, the EIF's Research & Market Analysis team provides unique market insight, typically on an annual basis.
- As everyone knows, 2020 was an unprecedented and remarkable year – also a year with high uncertainty and increased information needs. Therefore, exceptionally, the team ran the surveys a second time during the year in Autumn 2020, to shed more light on the impact of COVID-19 on the respective markets.
- The main results are summarised and compared in [EIF Working Paper 2021/71](#), which provides a unique picture of the developments during 2020, the market sentiment, and also delivers insights into special selected topics.
- In the present publication, we look deeper into the survey responses and analyse the results by region, thereby focusing on the *EIF Venture Capital Survey (EIF VC Survey)*. We look at the main elements of the survey and highlight the key differences between the regions in Europe.
- For the purpose of our analysis, we combine several countries into country groups (or “clusters” or “regions”), based on the respondents' distribution by headquarter country. (See further below for the details.)



# The *EIF VC Survey*: General information

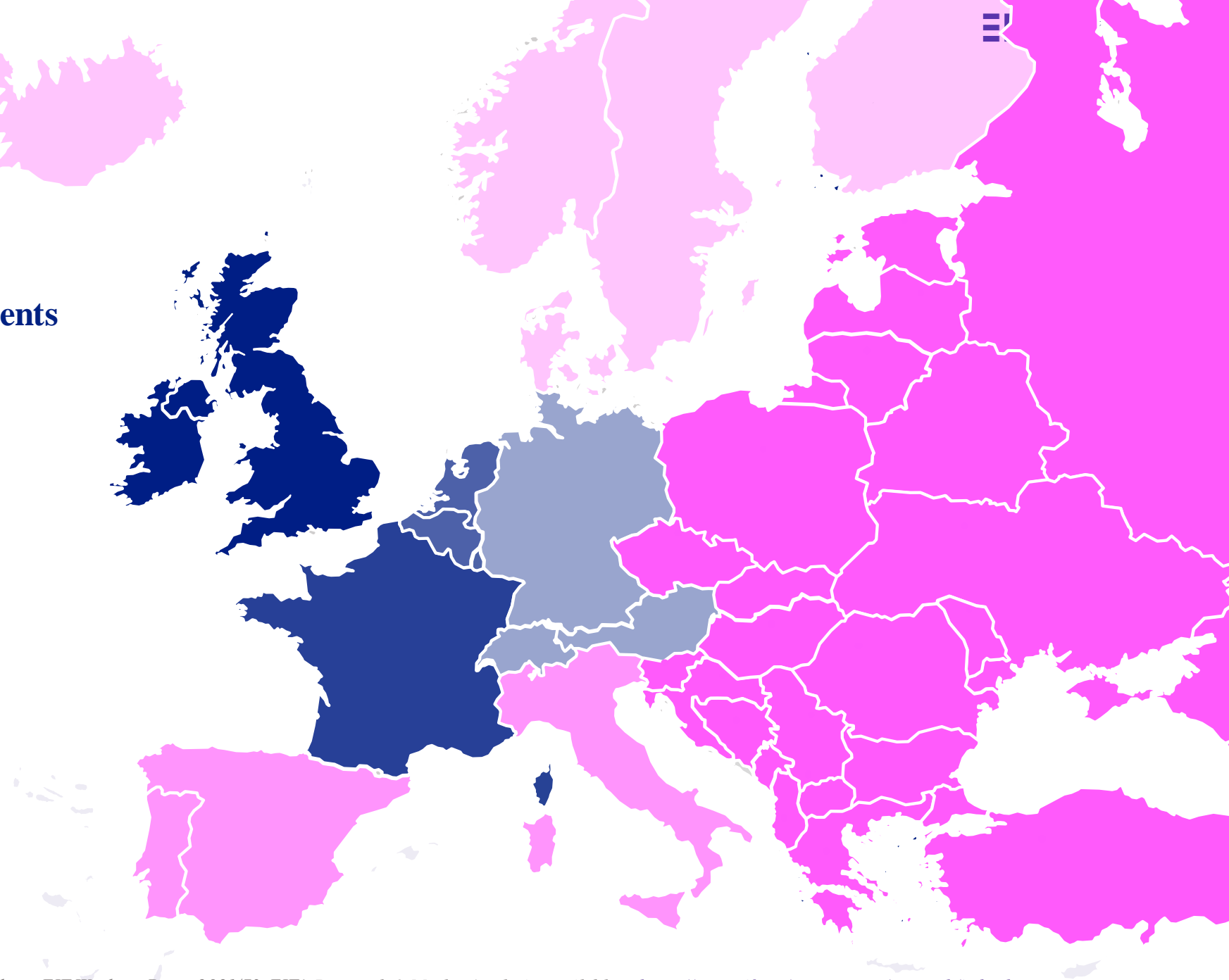
- The *EIF VC Survey* is an online survey of VC fund managers investing in Europe.
- The second wave of 2020 (2020-Autumn wave) includes anonymised responses from 536 VC fund managers (from 495 VC firms). Responses were received between 07 October and 03 November.
- The *EIF VC Survey* targets both EIF-supported as well as non-EIF supported VC managers.
- The outreach of our three EIF equity surveys is unique: To the best of our knowledge, the combined *EIF Private Equity Mid-Market Survey* and the *EIF VC Survey* currently represent the largest regular survey exercise among GPs in Europe. The *EIF BA Survey* is unique in its pan-European coverage and multi-country approach.
- The topics covered in the second wave of the 2020 surveys are market sentiment as well as the impact of COVID-19 and the related policy measures.
- The vast majority of the respondents in the *EIF VC Survey* hold the position of the CEO or Managing/General Partner, suggesting that their responses reflect the views of the decision-makers in the respective PE/VC firms.
- A part of the survey questions is based on exchanges with the Joint Research Center (JRC) of the European Commission.

# Country clusters

Depending on headquarter location

## Country group & number of respondents

- DACH, 89
- Benelux, 88
- France, 42
- UK & Ireland, 67
- CESEE, 76
- South, 78
- Nordics, 62



Q. "In which country is your firm headquartered?"

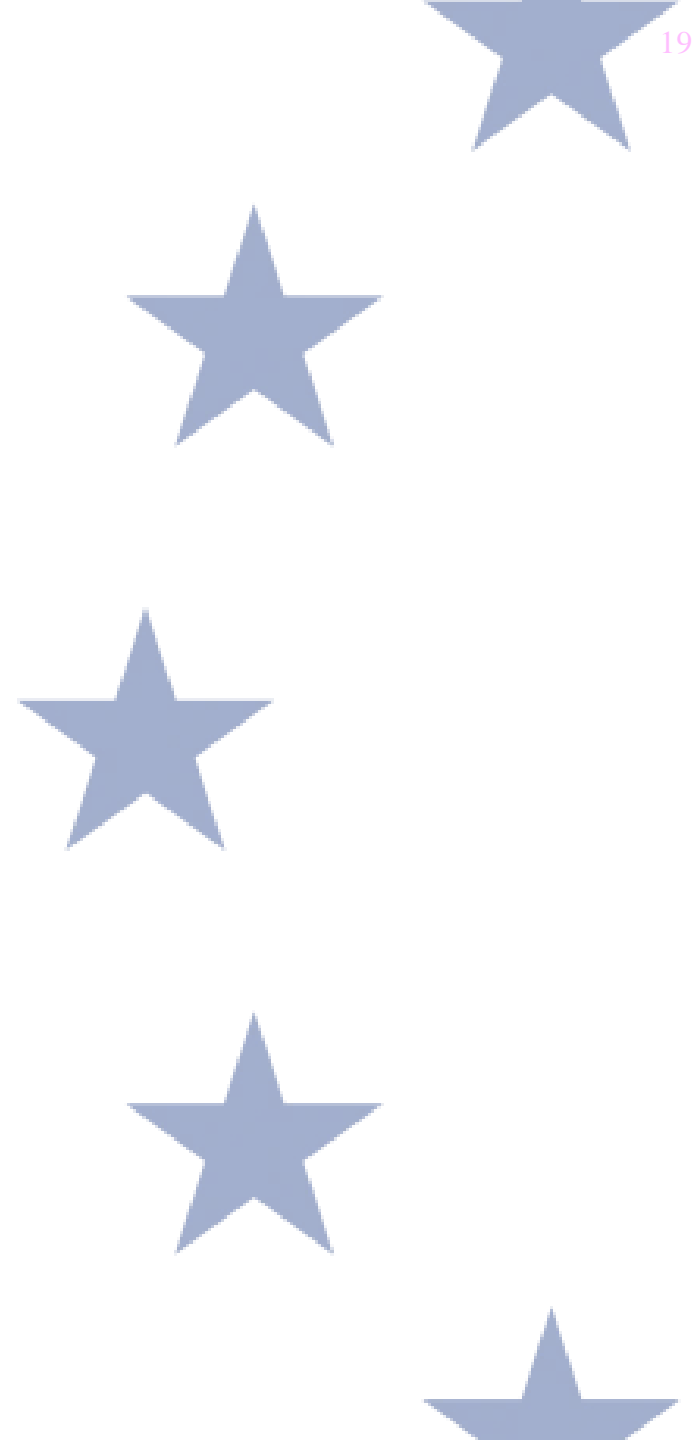
# EIF Venture Capital Survey

Autumn 2020:

## Regional Analysis

*Investment and VC firm characteristics  
by headquarter region*

***EIF Research & Market Analysis***



# Investment country focus – by headquarter region

In general, GPs rank as their most important country of investment a country belonging to the region where their VC firm is headquartered. Thus, the following analysis by headquarter region reflects in good part the VC regional trends regarding investments and company performance.

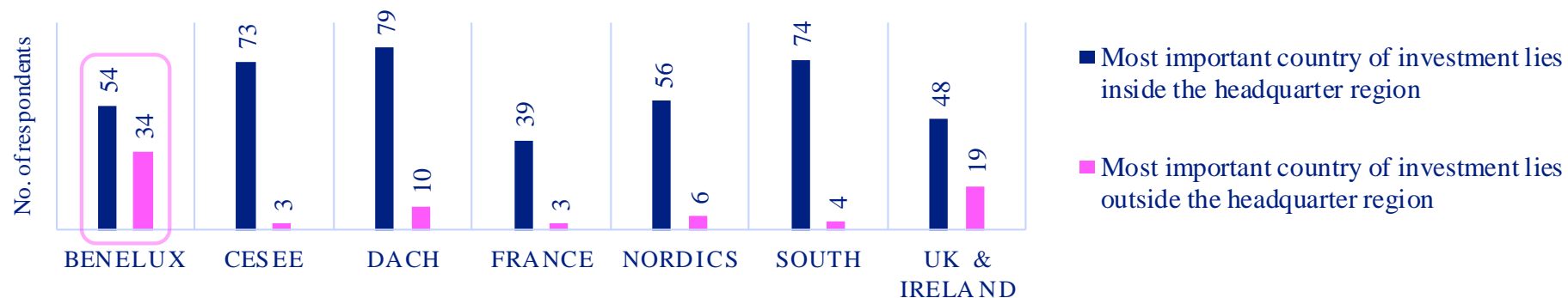
Only **Benelux** exhibits a significant number of respondents (34 out of 88) stating as their “most important country of investment” a country outside their headquarter region. In particular, Luxembourg accounts for a large share of these respondents (19 GPs out of the 34).

Focusing on individual countries, both **Luxembourg** and the **Netherlands** indeed have the highest share of respondents whose firms, while headquartered in these two countries, invest (primarily) abroad (100% and 24% of the respondents in Luxembourg and the Netherlands, respectively).

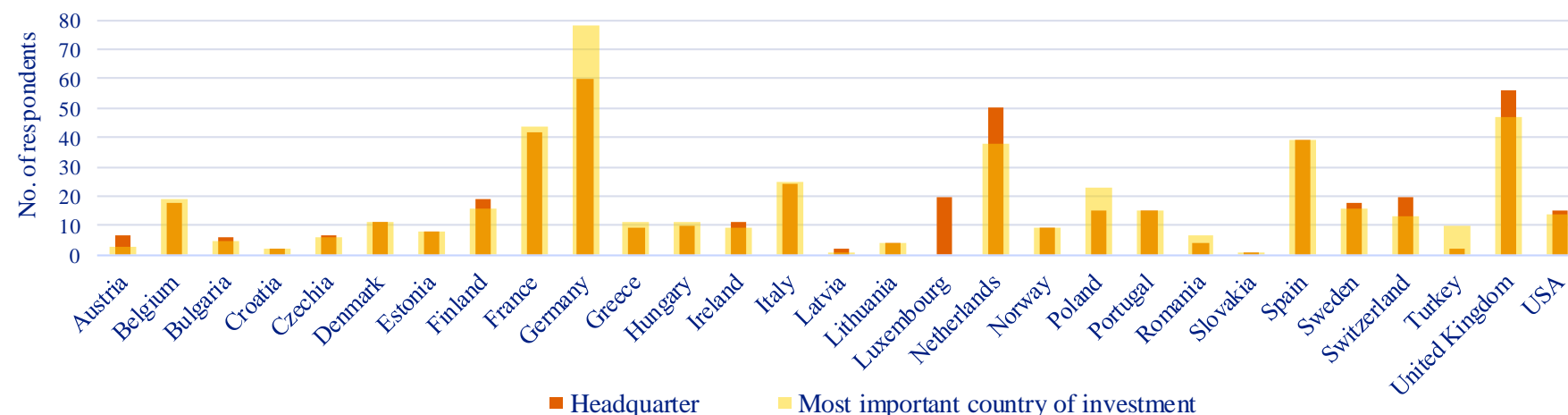
On the contrary, **Germany** is chosen as the most important country of investment by more respondents than those whose firm is headquartered in the country.

**Note:** as a robustness test, we excluded from the analysis of Benelux the 34 respondents investing primarily outside the region. The results remained qualitatively similar.

MOST IMPORTANT COUNTRY OF INVESTMENT – BY HEADQUARTER REGION



INVESTMENT COUNTRY FOCUS AND HEADQUARTER COUNTRY



Q. “Please select the most important countries (up to 3) in which your firm invests in venture.”

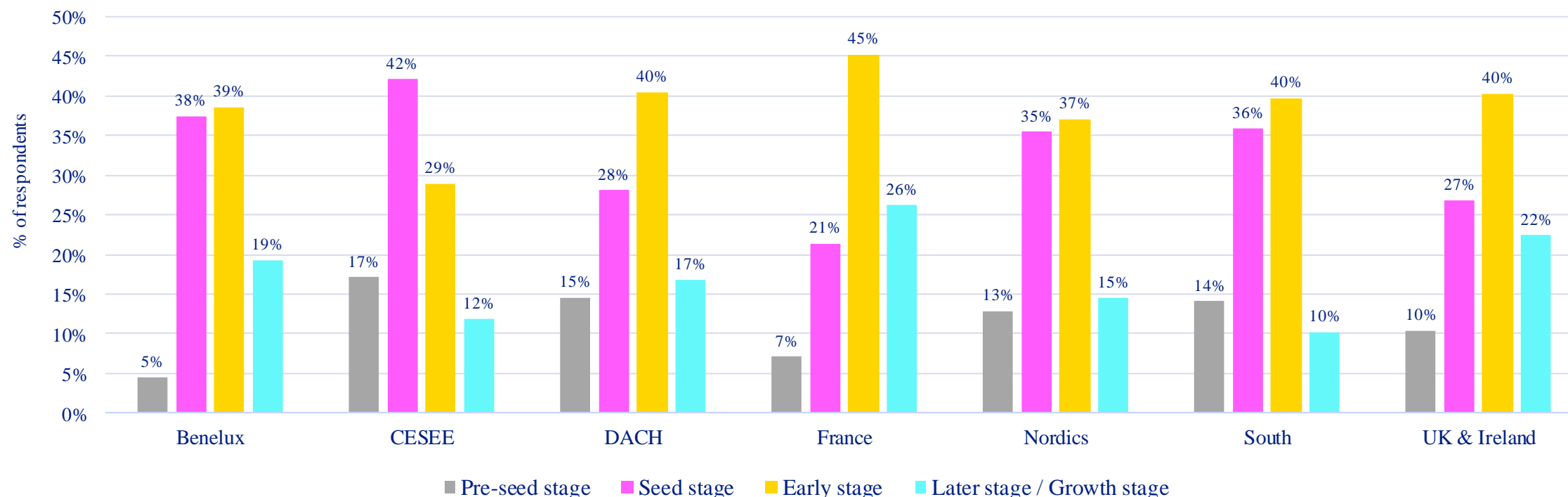
**Note:** the graph shows the **first** most important country.

# Investment stage focus – by headquarter region

Across regions, the stage which is more frequently indicated by GPs as the **most important stage** for their VC firm’s investments is the **early stage**, with the exception of GPs in the **CESEE** region, where a comparatively higher percentage of respondents (42%) state the **seed stage** as their most important investment stage. Moreover, 17% of GPs in the *CESEE* region focus on investing in the **pre-seed stage** (the highest percentage across regions).

A relatively higher share of *France* and *UK & Ireland*-based VC respondents focus on **later stage** investments.

MOST IMPORTANT INVESTMENT STAGE – BY HEADQUARTER REGION



Q. “What is (are) the most important stage(s) in which your firm invests?”

# VC firm characteristics – by headquarter region

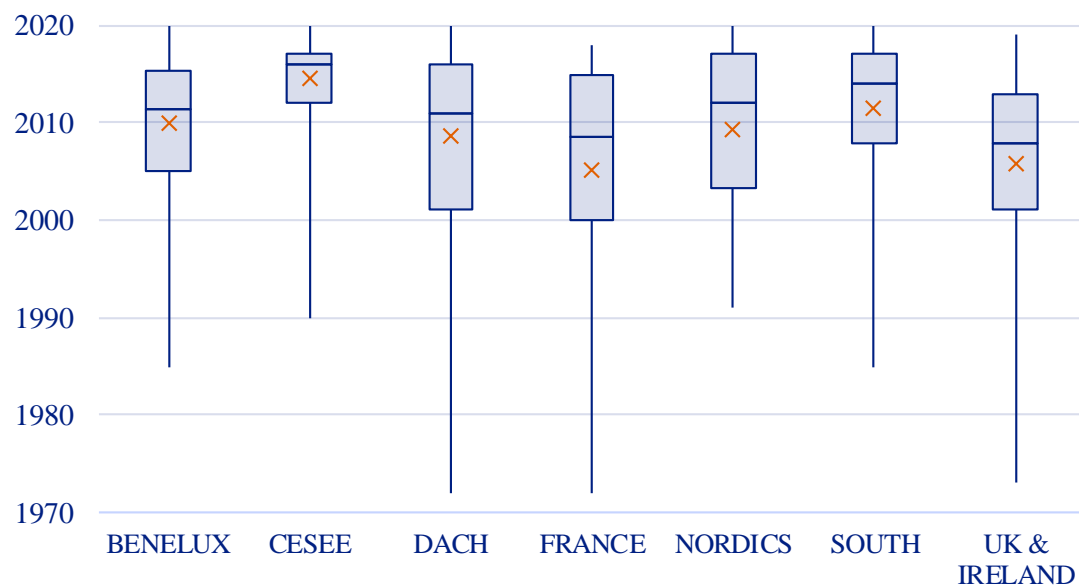
On the basis of the survey results, VC firms headquartered in the **CESEE** region appear to be, on average, younger than those located in other regions, given that their reported average **year of establishment** is 2015.

In contrast, **France** and **UK & Ireland**-based VC firms exhibit the oldest average year of establishment (lying in 2005-2006).

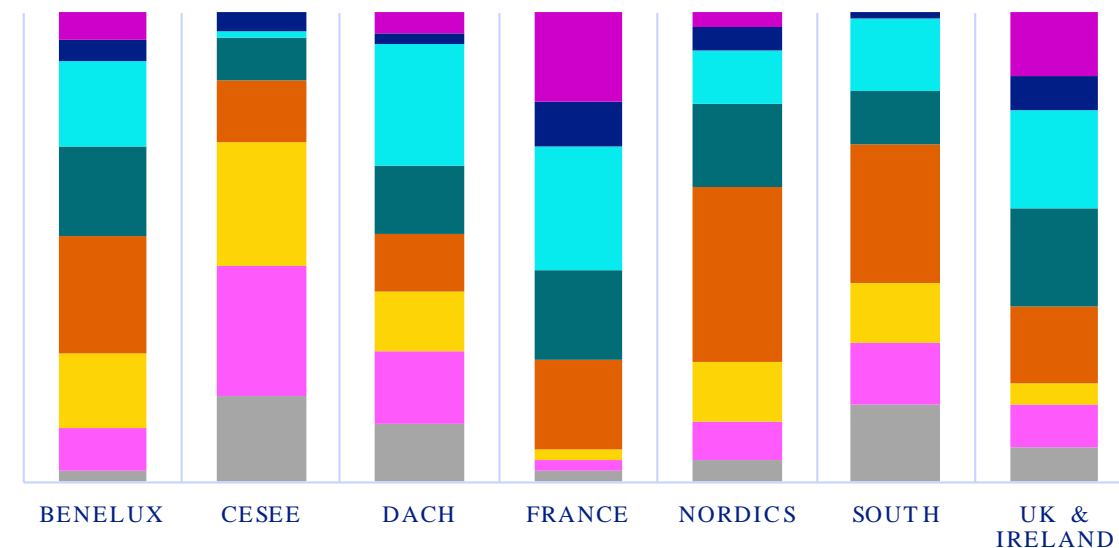
**Assets under management** are higher than 100 million Euro for the great majority (75%) of respondents' VC firms in **France**. Additionally, **France** together with the **UK & Ireland** exhibit the highest share of GPs who report their firm having more than 500 million Euro of AUM.

On the other hand, the **CESEE** and **South**-based VC firms in the sample have, on average, relatively fewer assets under management.

YEAR OF ESTABLISHMENT OF VC FIRMS – BY HEADQUARTER REGION



AUM OF VC FIRMS – BY HEADQUARTER REGION



Boxplots include the mean (cross), the median (horizontal bar), the interquartile range, and the minimum and maximum values.

Legend for AUM of VC Firms:   
 ■ < 10 million Euro    ■ 10 – 29 million Euro    ■ 30 – 49 million Euro    ■ 50 – 99 million Euro   
 ■ 100 – 199 million Euro    ■ 200 – 499 million Euro    ■ 500 – 999 million Euro    ■ ≥ 1,000 million Euro

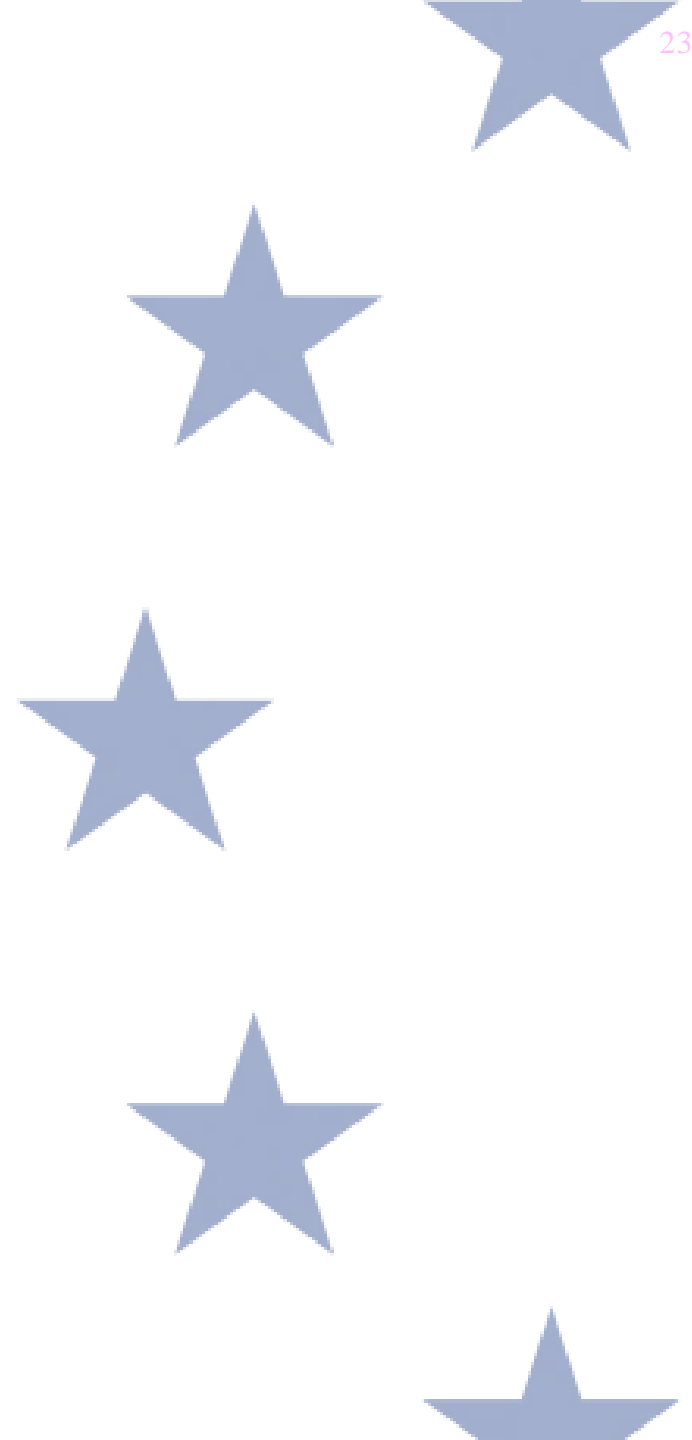


# EIF Venture Capital Survey Autumn 2020:

## Regional Analysis

*Market sentiment, COVID-19 impact  
and policy measures: key results  
by headquarter region*

***EIF Research & Market Analysis***

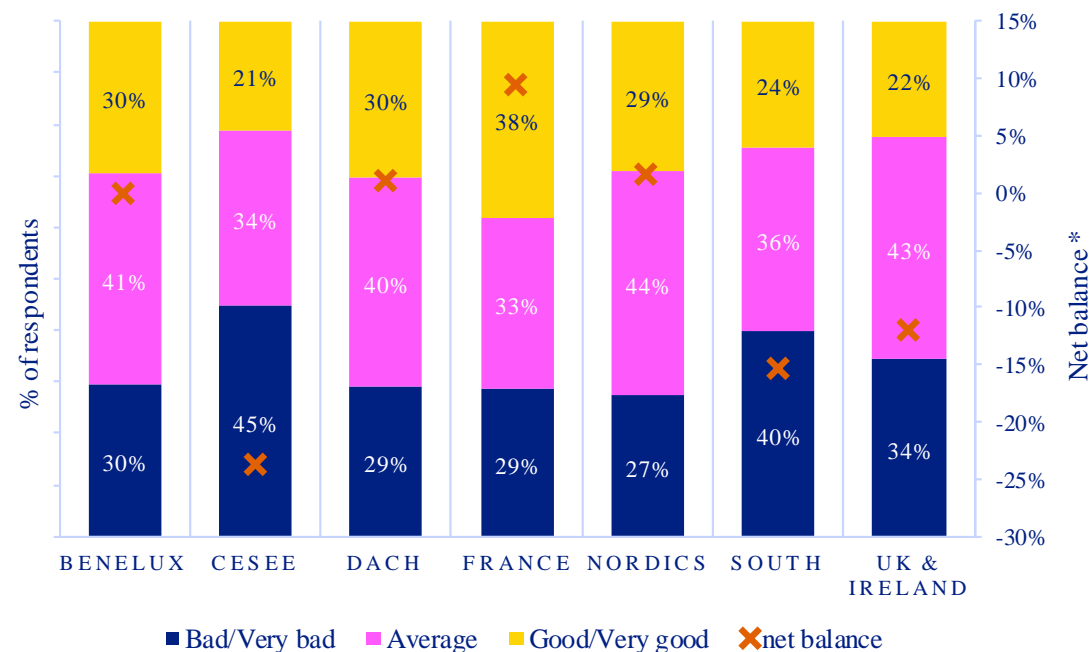


# Fundraising environment – by headquarter region

## • Current

The current fundraising environment is perceived to be (very) bad by 45% and 40% of the VC fund managers in *CESEE* and *South*, respectively.

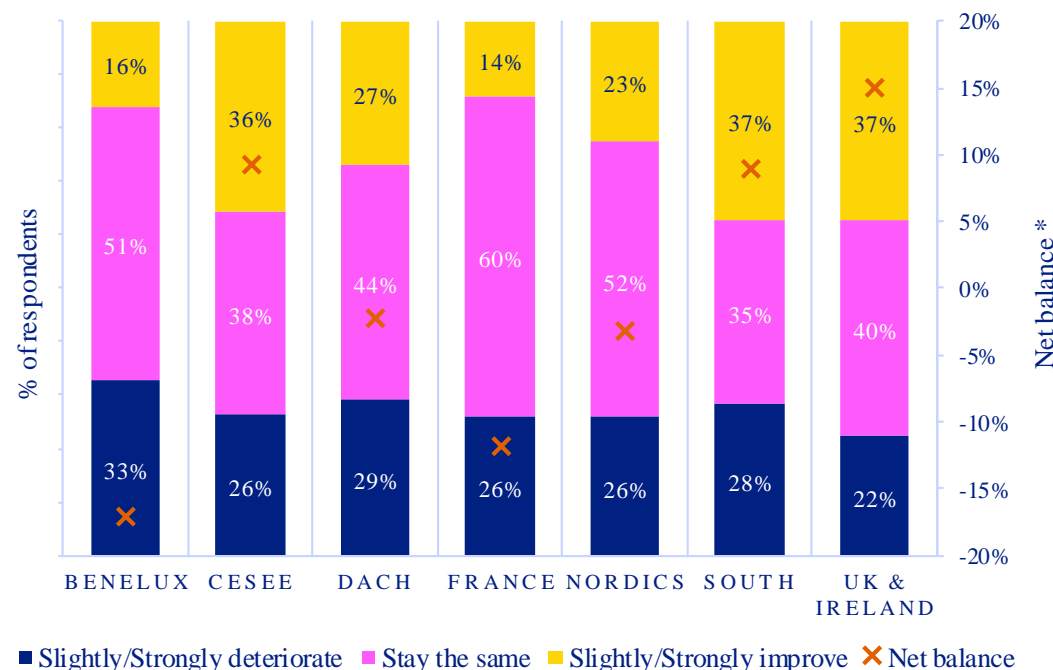
By contrast, 38% of the fund managers in *France* rate it as (very) good, the highest percentage among regions.



## • In the next 12 months

GPs in the *UK & Ireland*, *CESEE* and *South* expect the fundraising environment over the next 12 months to improve, on balance.

On the contrary, GPs in *Benelux* and *France* are more pessimistic, as indicated by the respective negative net percentages.

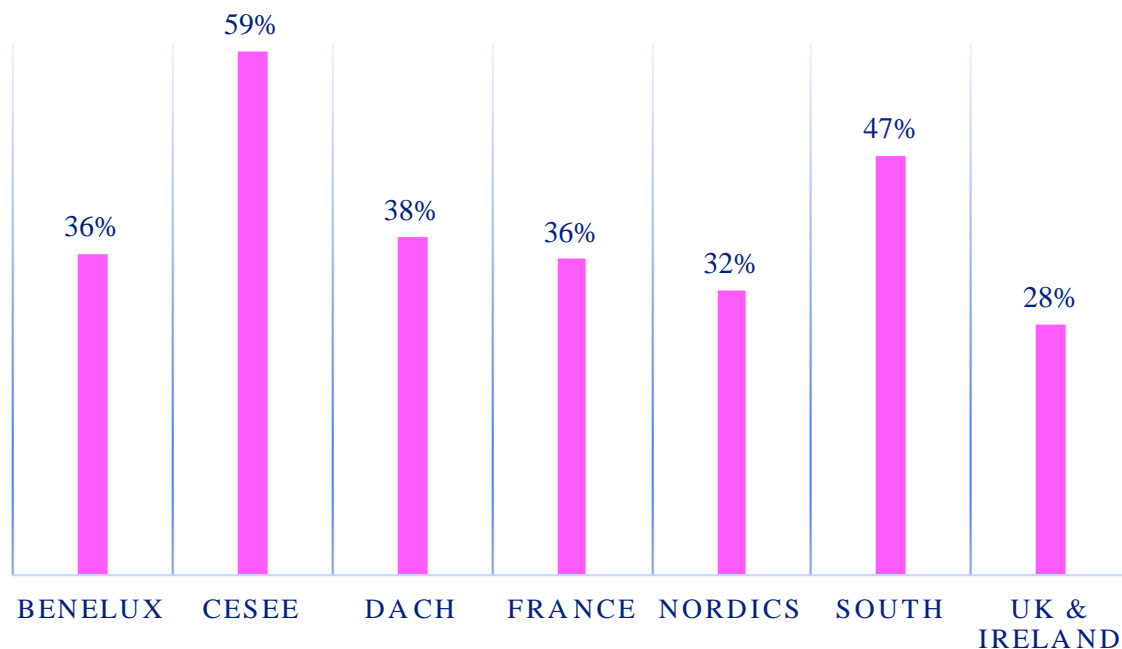


\* Net balance in the left-hand (right-hand) graph refers to the % of respondents who state (expect) that the fundraising environment is good/very good (will slightly/strongly improve) minus the % of respondents who state (expect) that it is bad/very bad (will slightly/strongly deteriorate).

Compared to other regions, the higher percentage of GPs in the **CESEE** and **South** regions who rated the fundraising environment over the past months as (very) negative could reflect the increased difficulty facing first-time teams to raise funds during the COVID-19 crisis. Indeed, the majority (59%) of respondents in the **CESEE** region and a relatively high share (47%) of surveyed GPs in the **South** stated that their firm’s most recent fund was also the **first fund raised**.

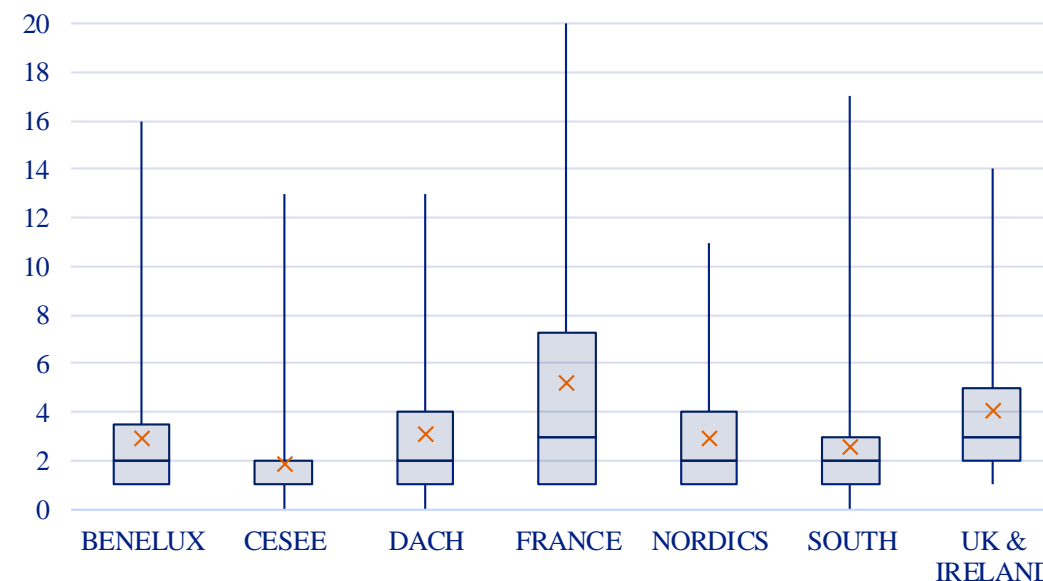
On the other hand, **France**-based VC firms have the highest average number of funds raised to date (equal to 5).

% OF FIRST-TIME TEAMS - BY HEADQUARTER REGION



Q. “Was your firm's most recent fund also the first time that your team raised a fund?”

NUMBER OF FUNDS RAISED TO DATE - BY HEADQUARTER REGION



Boxplots include the mean (cross), the median (horizontal bar), the interquartile range, and the minimum and maximum values. Results are adjusted for outliers.

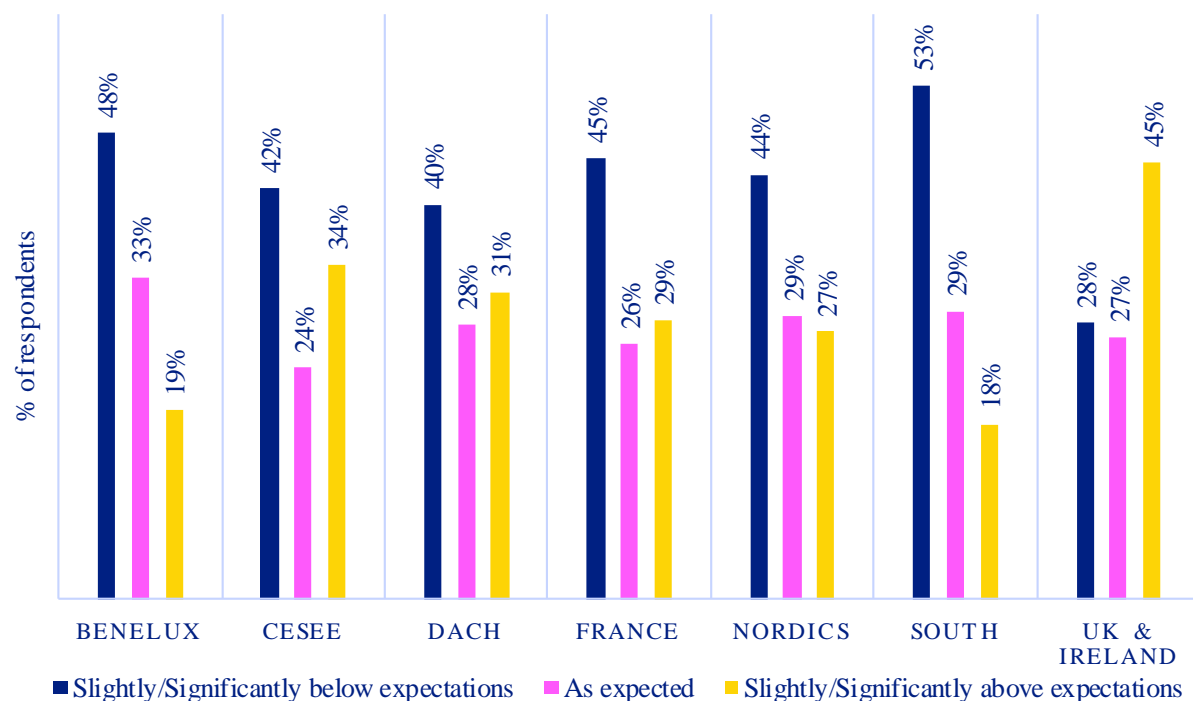
Q. “In total, how many venture capital funds has your firm raised to date?”

# Portfolio company development — by headquarter region

## • Since March 2020

The development of portfolio companies since March 2020 has in general been below respondents' expectations in almost all regions, with the exception of the **UK & Ireland**, which exhibited the highest percentage of respondents (45%) considering the portfolio development to have instead exceeded expectations.

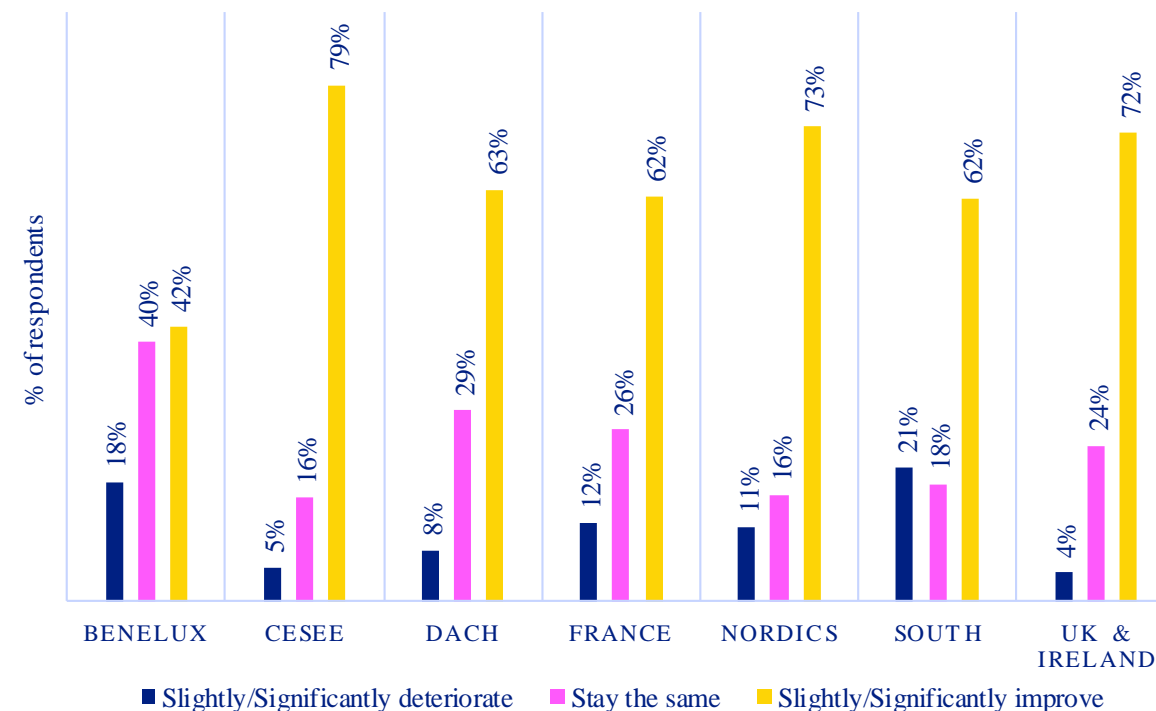
Relatively more GPs in **South** and **Benelux** perceived the development of portfolio companies to have deteriorated.



## • In the next 12 months

Across regions, the majority of GPs expect the development of portfolio companies in the next 12 months to improve.

The **CESEE** region exhibits the highest percentage of optimistic respondents (79%), while a relatively lower share of GPs from **Benelux** are confident about future prospects.

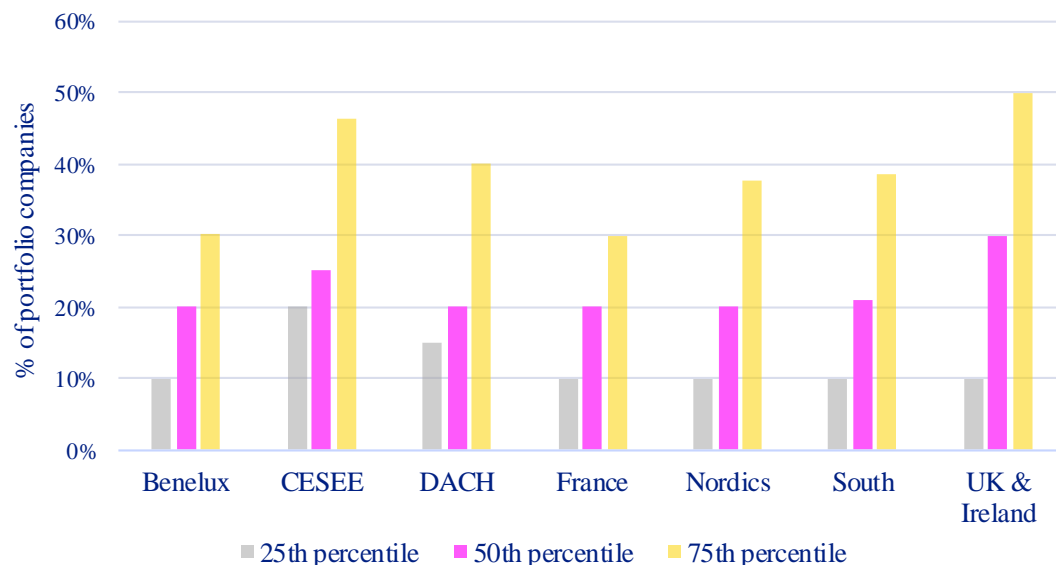


Focusing on **COVID-19's impact on portfolio companies**, we observe that half of the GPs in the **UK & Ireland** report 30% or more of their portfolio companies being **positively** impacted by the COVID-19 crisis, with 25% of the respondents even stating a positive impact for 50% or more of their portfolio companies. The **UK & Ireland** is indeed the only region where the median percentage of portfolio companies positively affected is higher than the median percentage of those negatively affected, suggesting that the COVID-19 crisis, on balance, might have been beneficial for investee company development.

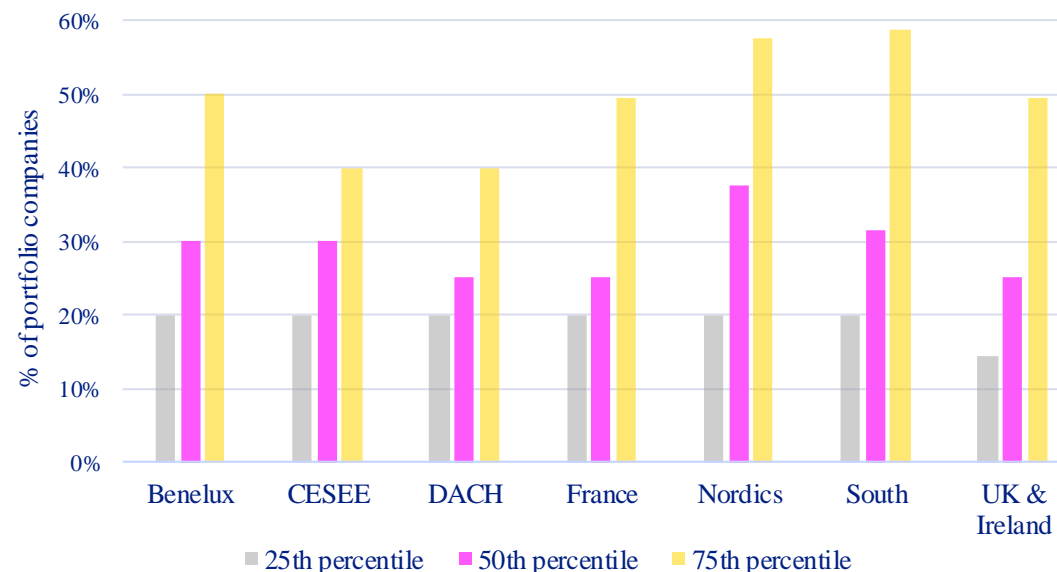
In the **CESEE** region too, across all respondent percentiles, the percentage of companies positively affected by COVID-19 is higher than in other regions. By contrast, fewer respondents in **Benelux** and **France** seem to report a positive impact of COVID-19 on their portfolio companies.

The **Nordics**, **South** and **Benelux** regions exhibit (across all respondent percentiles) the highest percentages of companies **negatively** impacted by the COVID-19 crisis. In the first two regions in particular, 1 in 4 fund managers reports 60% or more of the portfolio companies being negatively affected.

Reported % of portfolio companies **POSITIVELY** impacted by COVID-19 – respondents' percentiles



Reported % of portfolio companies **NEGATIVELY** impacted by COVID-19 – respondents' percentiles

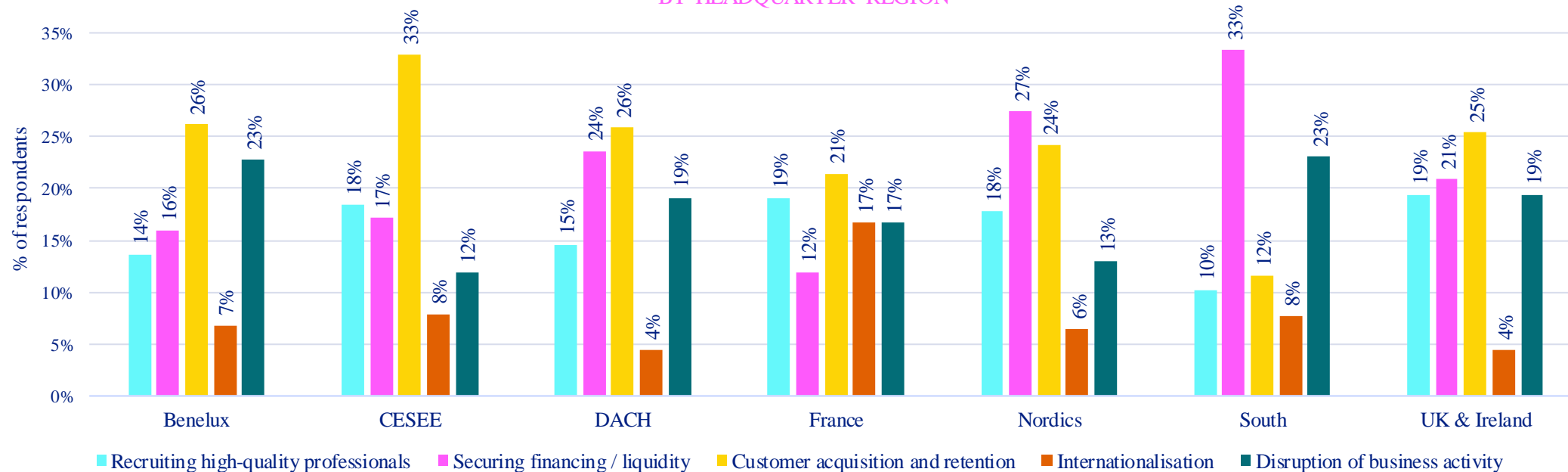


Q. "What is the approx. percentage of your portfolio companies that are currently impacted by COVID-19?"

Looking at the **most important challenge** currently facing the respondents' portfolio companies, *customer acquisition and retention* is the most frequently selected one across regions, with the exception of the **Nordics** and **South**, where *securing liquidity* is the primary challenge instead. Indeed, 33% of the GPs in the **South** perceive *securing liquidity* as the most pressing challenge for their investee companies, as opposed to only 12% of the respondents in **France** (the lowest percentage across all regions).

Additionally, **Benelux**, together with the **South**, present the highest percentage of GPs (23%) concerned about the *disruption of business activity or changes to how the business operates due to COVID-19-related restrictions*.

FIRST MOST IMPORTANT CHALLENGE CURRENTLY FACING THE RESPONDENTS' PORTFOLIO COMPANIES  
– BY HEADQUARTER REGION



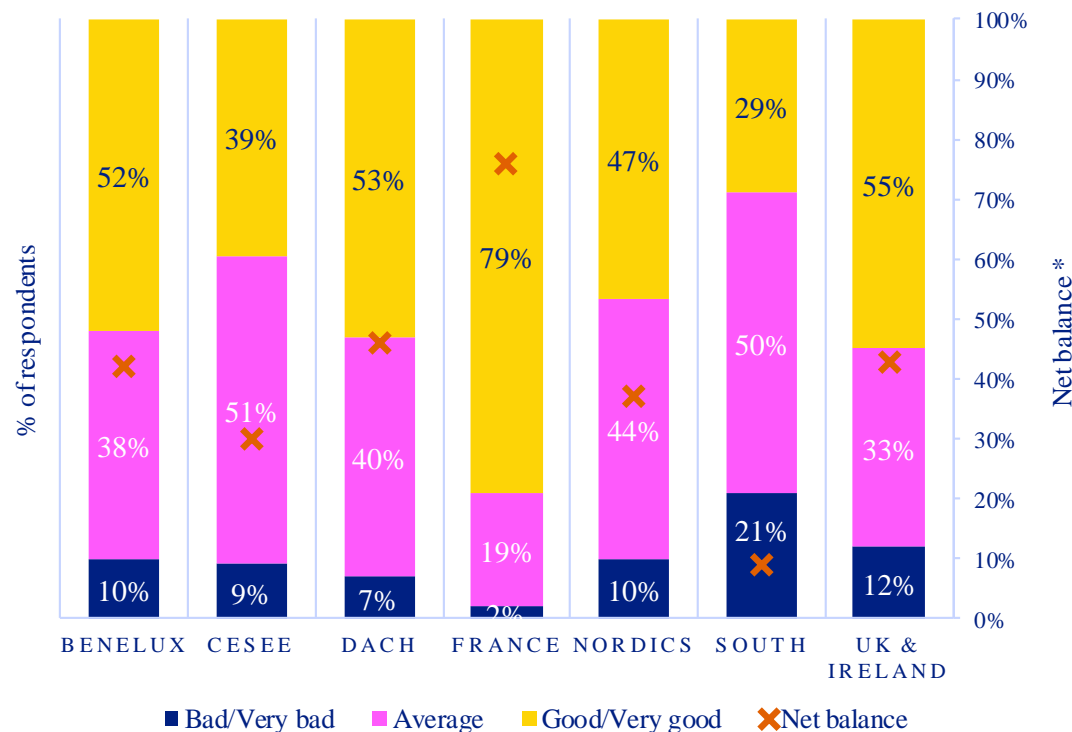
Q. “Please select the biggest challenges currently faced by your portfolio companies.”

# Access to external finance — by headquarter region

## • Current

The current access to external finance for portfolio companies is considered to be (very) good by 8 in 10 VC fund managers in **France**.

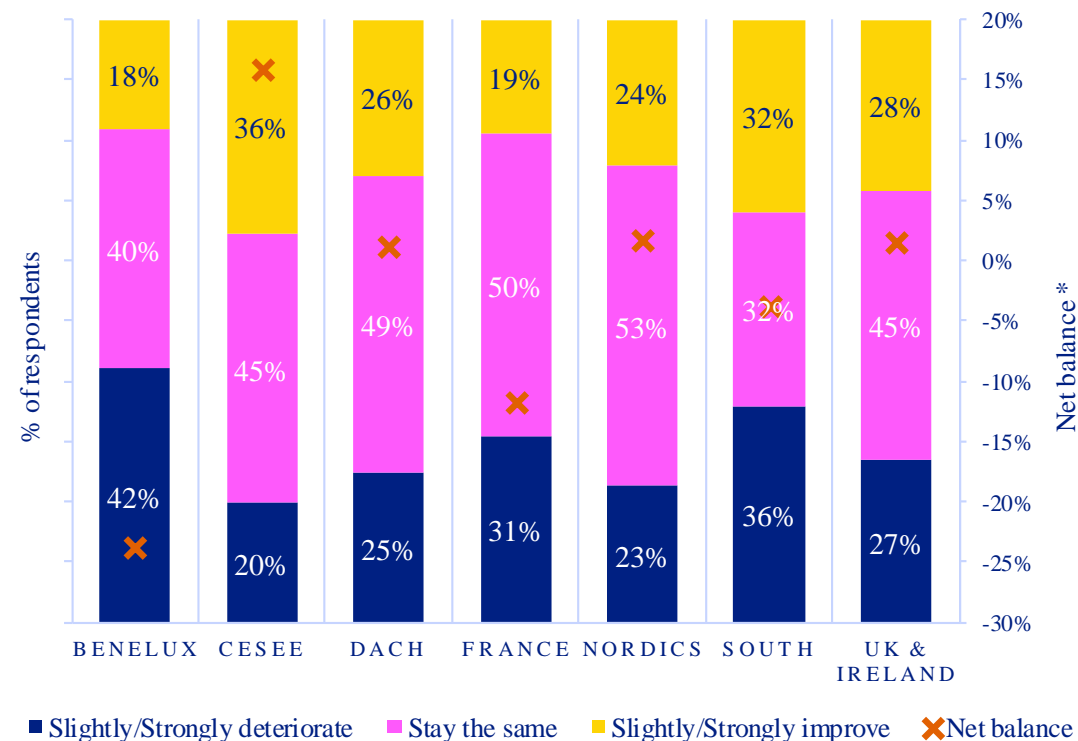
On the other hand, only 29% of the GPs in the **South** are satisfied with the access to external finance for their portfolio companies, while 21% even consider it to be (very) bad.



## • In the next 12 months

The access to external finance is expected to deteriorate, on balance, in **Benelux** and **France**, given the negative net percentages of -24% and -12%, respectively.

GPs in the **CESEE** region are the most optimistic, as indicated by a positive net balance of +16%.



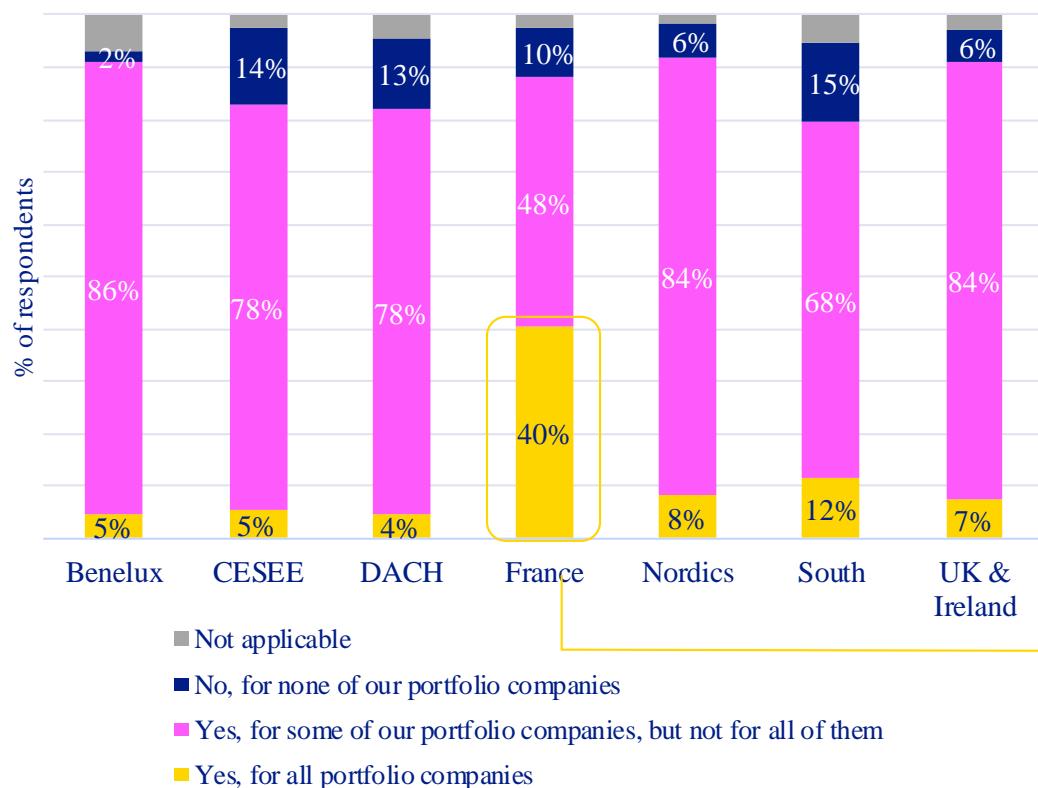
\* Net balance in the left-hand graph (right-hand graph) refers to the % of respondents who state that the access to external finance is good (expected to improve) minus the % of respondents who state that it is bad (expected to deteriorate).

Source: EIF Venture Capital Survey Autumn 2020: Regional Analysis; EIF Working Paper 2021/73; EIF's Research & Market Analysis; available at [https://www.eif.org/news\\_centre/research/index.htm](https://www.eif.org/news_centre/research/index.htm)

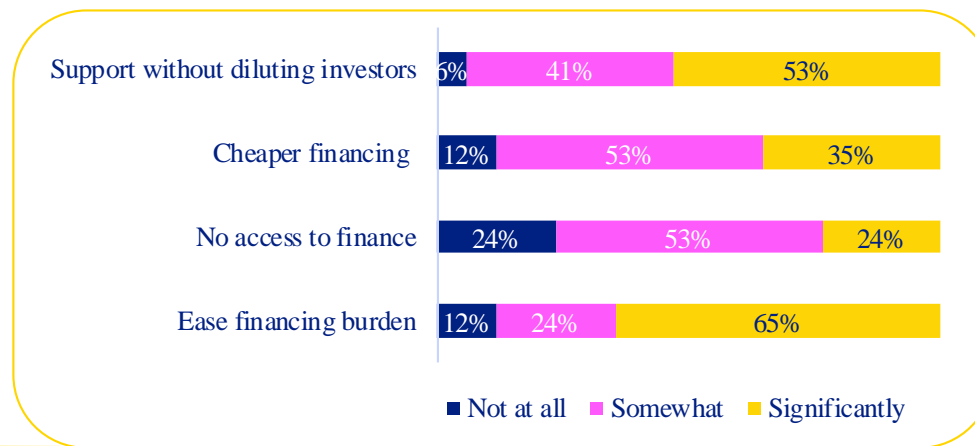


The relatively higher share of *France*-based VC fund managers who are satisfied with their portfolio companies' access to external finance might reflect the fact that, across regions, *France* exhibits the highest share of respondents (40%) who state that they have applied for **government support measures** related to COVID-19 for *all* of their portfolio companies, mainly to ease the financing burden of the company and to offer support without diluting existing investors.

APPLICATION FOR GOVERNMENT SUPPORT PROGRAMS – BY HEADQUARTER REGION



Q. “Have you / Has one of your portfolio companies applied or considered applying for a government support measure related to COVID-19?”



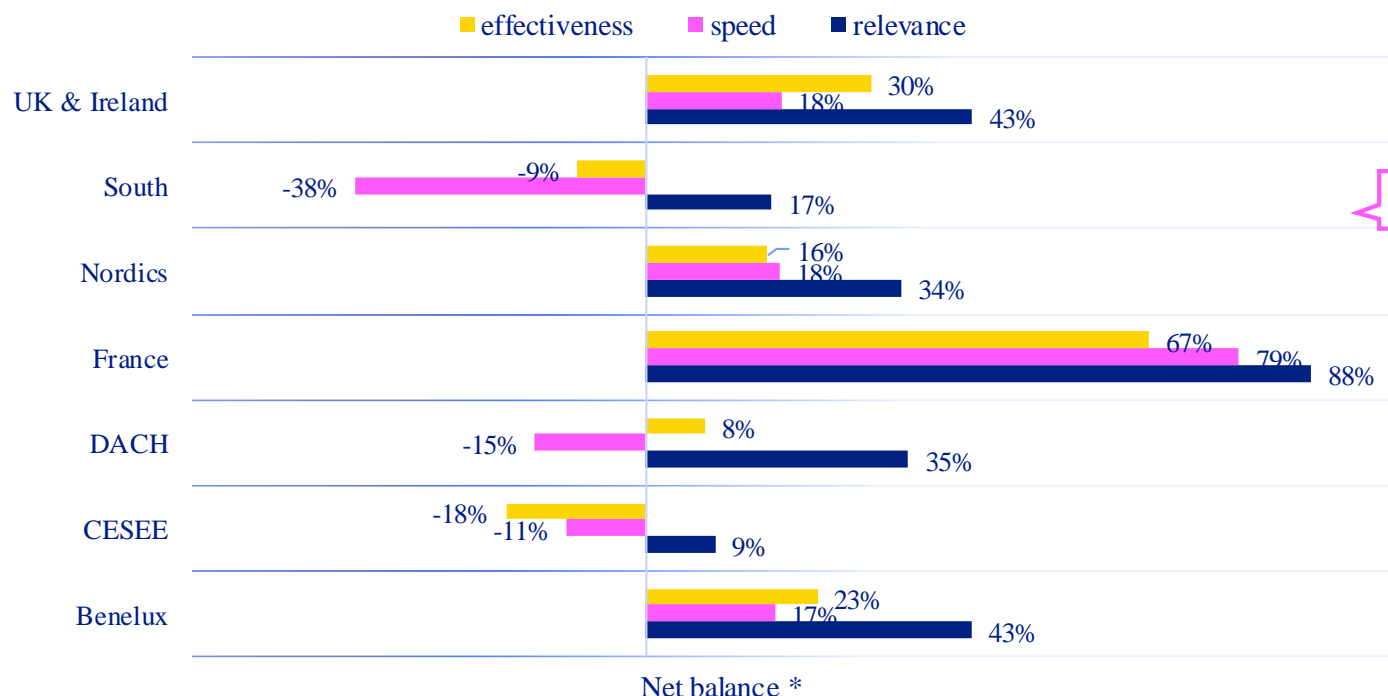
Q. “Please indicate the extent to which the following factors influenced your decision.”

Moreover, an overwhelming majority of VC fund managers in **France** rate as (very) good the **implementation of regional/national programs** to support startups/stimulate investment during the COVID-19 crisis.

Compared to the remaining regions, the **UK & Ireland** and **Benelux** also exhibit high positive net balances for all three aspects of the implementation of these programs (i.e. effectiveness, speed and relevance). Nonetheless, while UK-based GPs mostly refer to support programs implemented in the UK, GPs based in **Benelux** report on a variety of programs from different countries of investment (notably, as also mentioned earlier, many **Benelux**-headquartered respondents invest outside the **Benelux** region).

On the other hand, a great number of GPs in the **South** are dissatisfied with the *implementation speed* and the *effectiveness* of the support programs, as indicated by the negative net balances of -38% and -9%, respectively. In the **CESEE** region too, a relatively high share of fund managers rate as (very) bad the *effectiveness* and *implementation speed* of support programs, as do respondents in the **DACH** region, though only with respect to the *implementation speed*.

### SATISFACTION WITH THE IMPLEMENTATION OF GOVERNMENT SUPPORT PROGRAMS – BY HEADQUARTER REGION



### SUPPORT MEASURES WHICH RESPONDENTS HAVE EXPERIENCED IN THEIR TARGET COUNTRIES OF INVESTMENT

**UK & Ireland:** Future Fund Program (UK); Bounce Back loans (UK); Covid Business Interruption loan (UK); Furlough scheme (UK); Kurzarbeit scheme & Corona Matching Facility (Germany)

**South:** Furloughs; loans supported by the Spanish Government (Préstamos ICO).

**Nordics:** Loans and increased soft funding for R&D.

**France:** Loans guaranteed by the French State (PGEs); Partial unemployment.

**DACH:** Corona Matching Facility by the German government; Short time work in Germany & Switzerland.

**CESEE:** Furlough; postponed VAT payments; government loans.

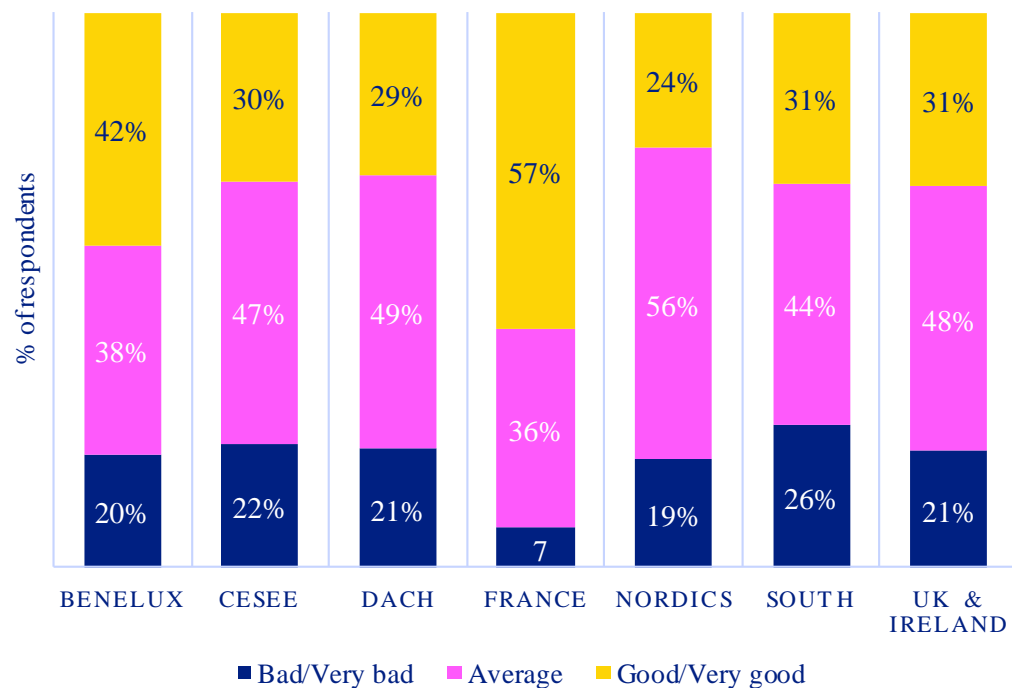
**Benelux:** Payroll taxes and VAT postponement (NOW) & government loans (COL) in Netherlands; Future Fund Program (UK); Corona Matching Facility & Short time work (Germany).

\* Net balance refers to the % of respondents who state that the implementation of government programs, in terms of effectiveness, speed and relevance, was (very) good *minus* the % of respondents who state that it was (very) bad.

With respect to **European-level programs and initiatives** during the crisis, **France** also exhibits the highest share of respondents (57%) expressing their satisfaction, despite this percentage being lower than the one of positive evaluations expressed with respect to national-level programs (ranging between 67% and 88%, p.31).

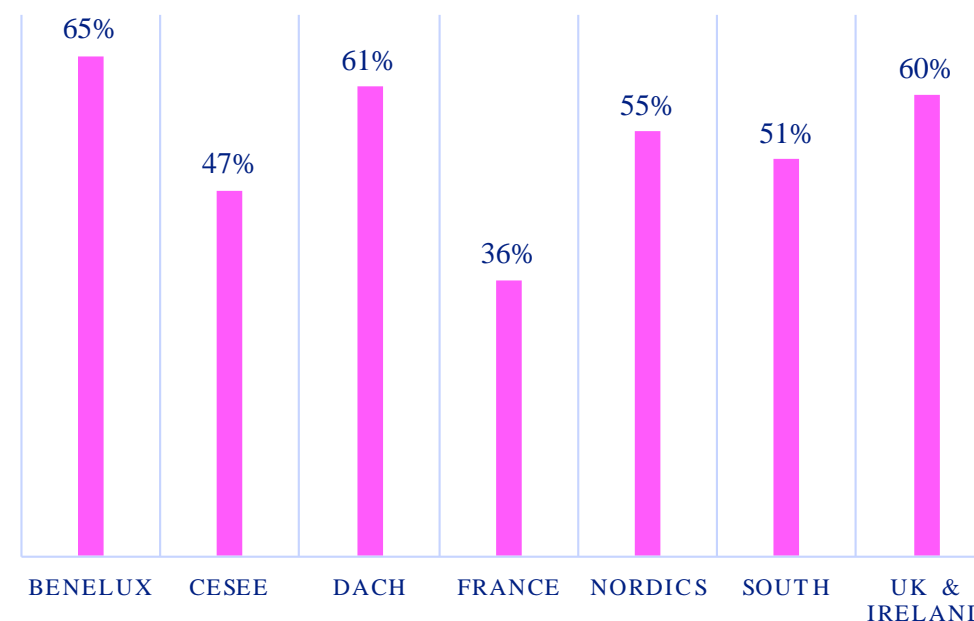
When asked whether (unforeseen) **additional investment** to portfolio companies was provided due to COVID-19, **France** exhibits the lowest percentage of GPs who did so across all regions. This could suggest that access to external finance for French startup companies has been sufficient to cover liquidity needs during the crisis.

EVALUATION OF EUROPEAN-LEVEL PROGRAMS DURING COVID-19 – BY HEADQUARTER REGION



Q. “How would you rate European-level programs and initiatives aimed at helping struggling startups and promoting investments during the COVID-19 pandemic?”

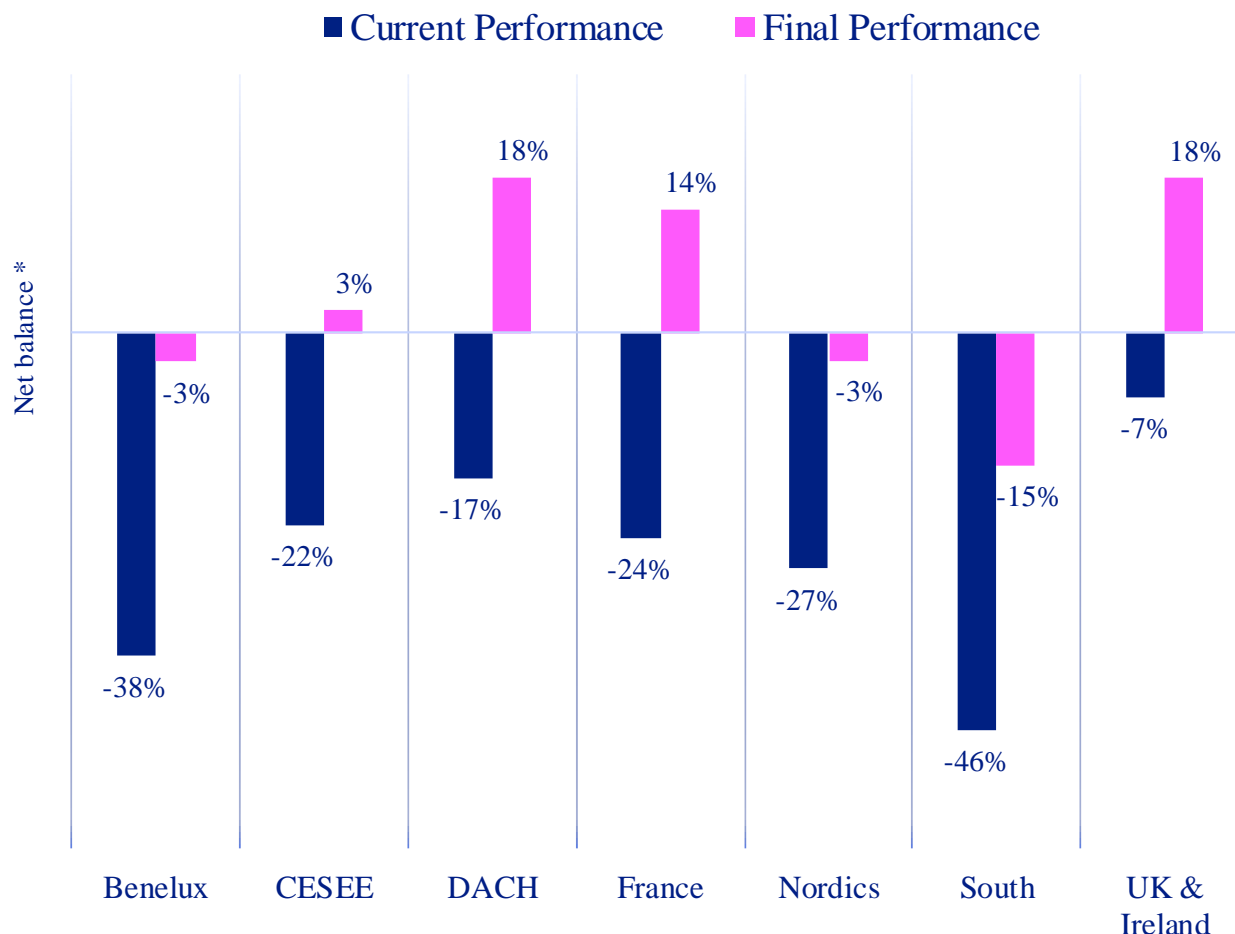
% OF VC FUND MANAGERS THAT PROVIDED ADDITIONAL INVESTMENT DUE TO COVID-19



Q. “Have you provided additional investment to portfolio companies due to COVID-19, where such investment was not foreseen at the start of 2020?”

# COVID-19 impact on fund performance

– by headquarter region



\* Net balance refers to the % of respondents who state that the COVID-19 impact on their fund(s) performance was (very) positive *minus* the % of respondents who state that it was (very) negative.

Q. “How do you assess the impact of COVID-19 on the current performance of your fund(s)? And on the expected final performance of your fund(s)?”

Given the regional variation in the impact of COVID-19 on portfolio companies and in the implementation of national support programs, the impact of the crisis on the overall fund performance also varies across regions.

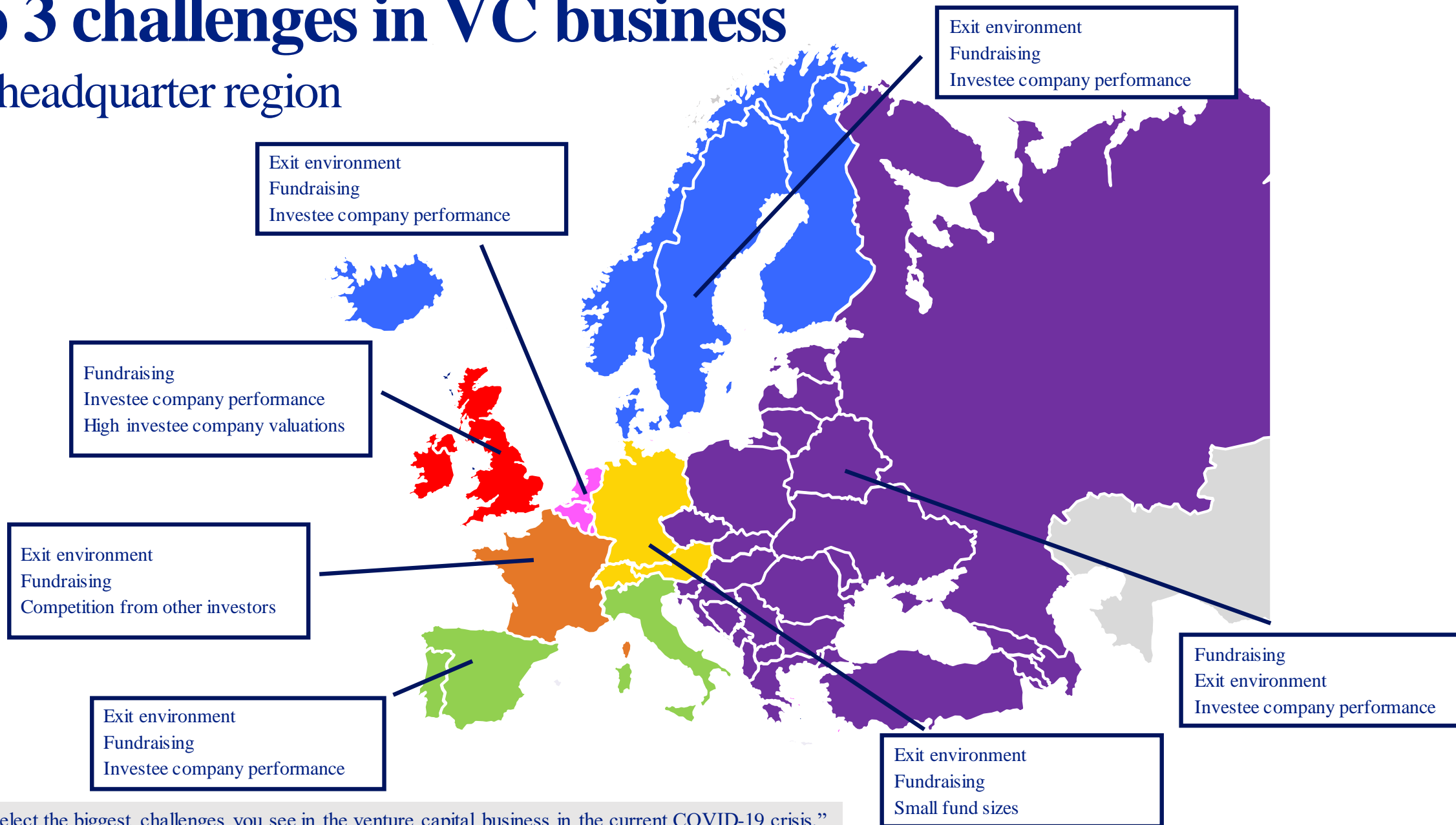
Consistent with previous evidence, the *South* exhibits the highest percentage of VC respondents whose fund(s) *current* performance has been (very) negative due to COVID-19, net of those respondents whose funds have been instead positively affected by the crisis. Expectations regarding the impact of COVID-19 on the funds' *final* performance are also the most pessimistic in the *South* compared to other regions.

Respondents from the *Benelux* too view the *current* performance of their funds as (very) negatively impacted, as indicated by the negative net balance of -38%.

Fewer funds in the *UK & Ireland* have been affected negatively. Moreover, similarly to respondents based in *DACH* and *France*, *UK & Ireland*-based respondents expect their funds to benefit, on balance, from the COVID-19 crisis in terms of *final* performance.

# Top 3 challenges in VC business

– by headquarter region

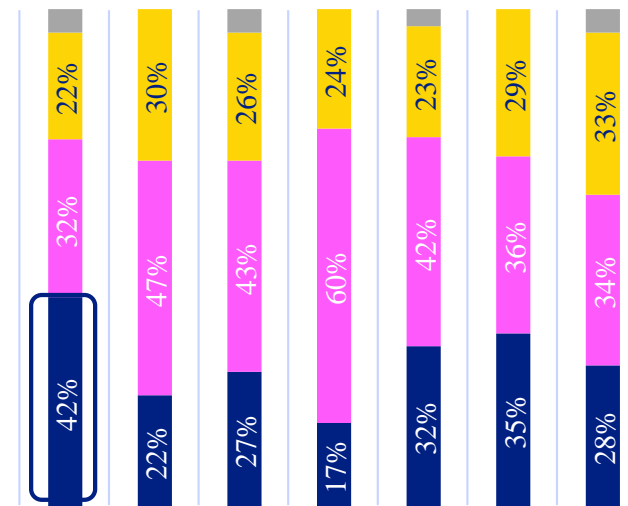


Q. “Please select the biggest challenges you see in the venture capital business in the current COVID-19 crisis.”

# Entry prices

- Since March 2020

Entry prices have **increased** the most in *France*, while they have **decreased** for the majority of the respondents in the *South*.



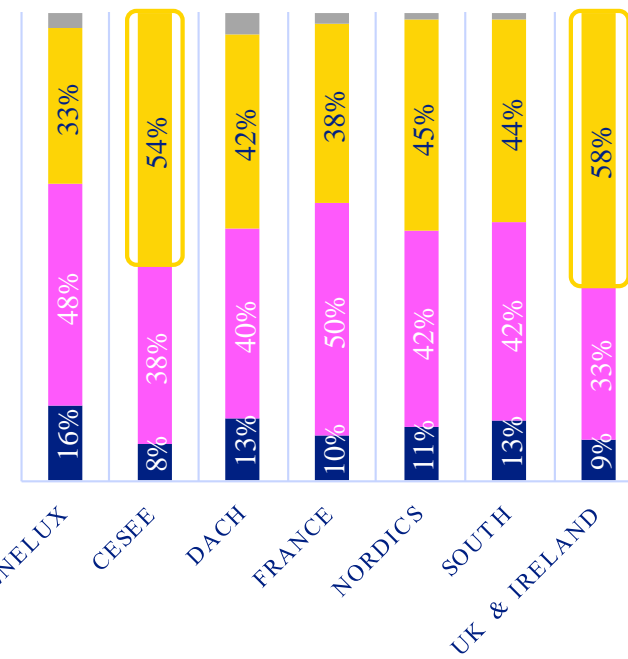
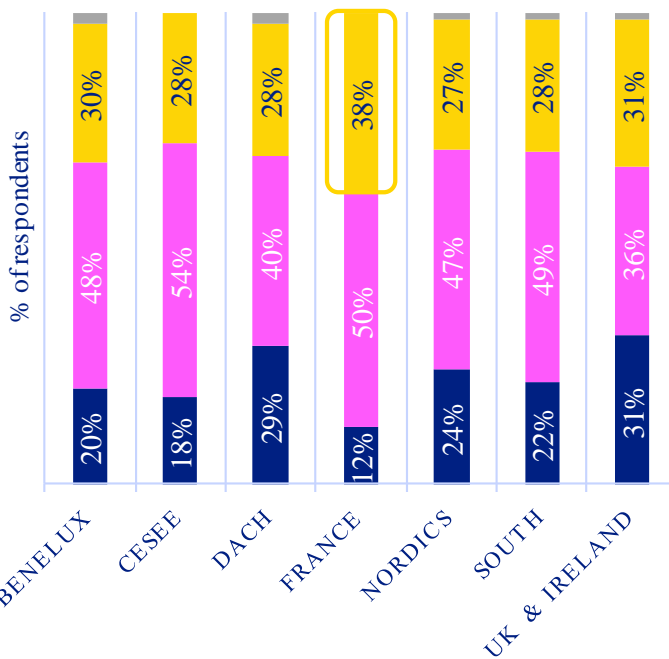
- In the next 12 months

A relatively higher percentage of GPs in the *Benelux* expect entry prices to **decrease**.

# Competition

- Since March 2020

Competition among investors has **increased** for 4 in 10 VC fund managers in *France*.



- In the next 12 months

The majority of GPs in the *UK & Ireland* and *CESEE* expect competition among investors to **increase**.

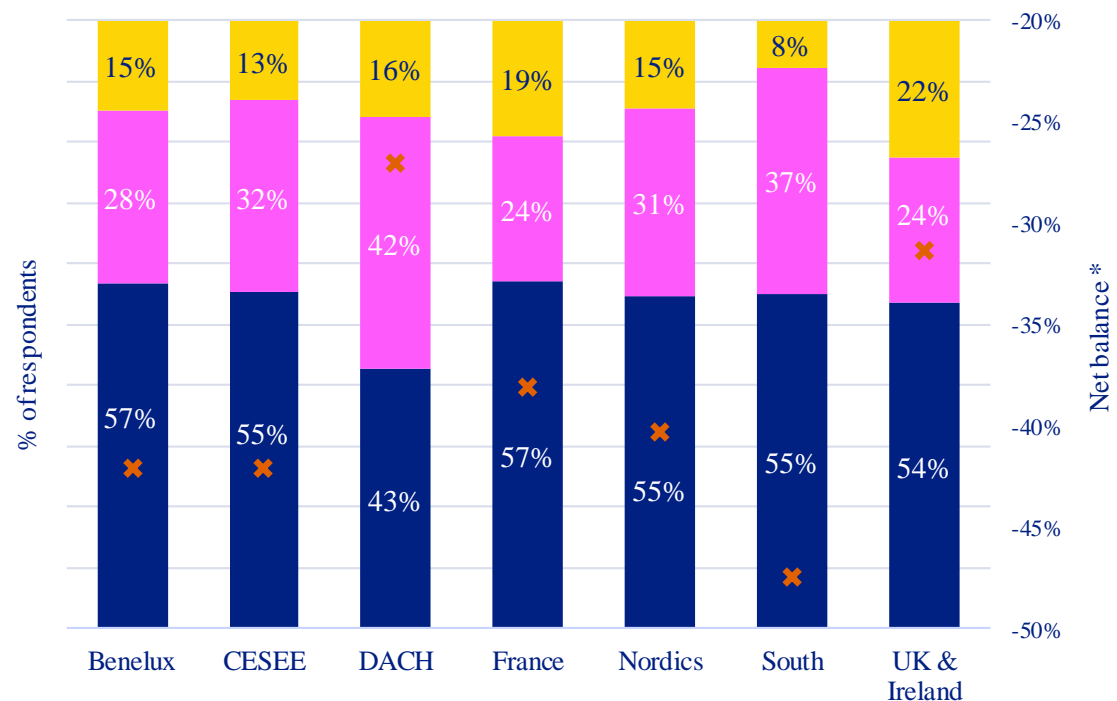
■ Slightly/Strongly decreased ■ Stayed the same  
■ Slightly/Strongly increased ■ Don't know

■ Slightly/Strongly decrease ■ Stay the same  
■ Slightly/Strongly increase ■ Don't know

# Exit environment — by headquarter region

## • Since March 2020

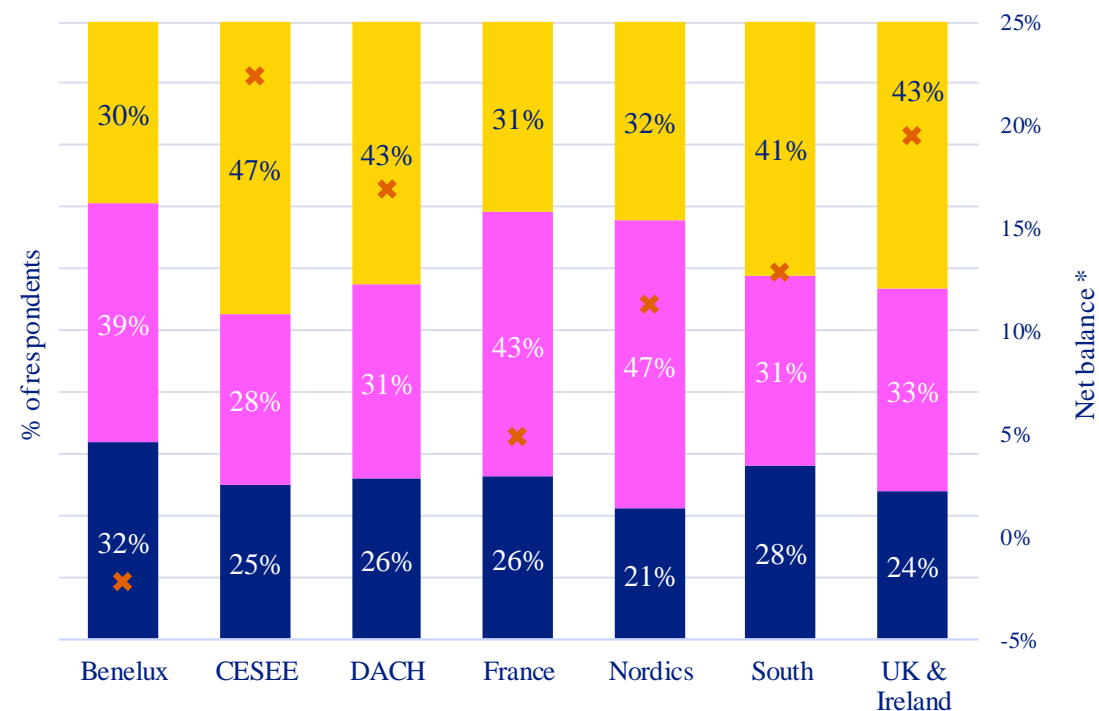
Since March 2020, the exit environment has deteriorated across all regions. Nevertheless, in the **DACH** region, the decline in exit opportunities was experienced by a relatively lower percentage of respondents.



## • In the next 12 months

The sentiment about the future exit environment is positive, on balance, across regions, with the exception of the **Benelux**, where the percentage of fund managers expecting the exit environment to deteriorate exceeds the percentage of those expecting an improvement.

On the other hand, relatively more GPs from the **CESEE** region are optimistic.



■ Slightly/Significantly deteriorated ■ Stayed the same ■ Slightly/Significantly improved ✖ Net balance

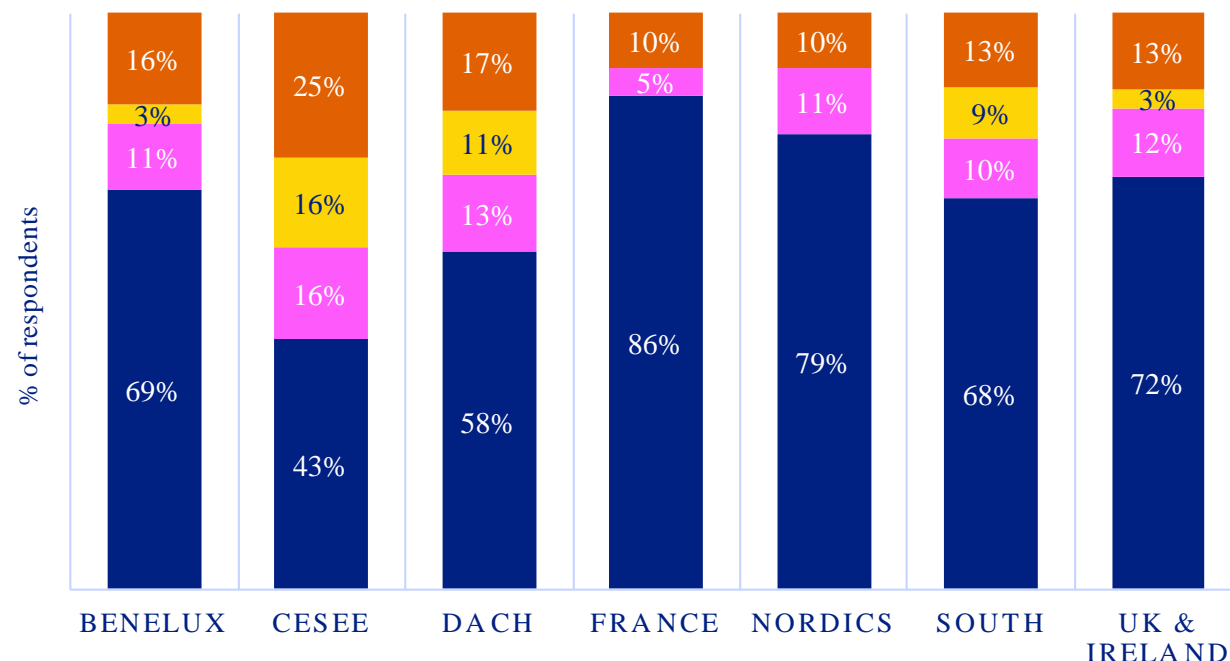
■ Slightly/Significantly deteriorate ■ Stay the same ■ Slightly/Significantly improve ✖ Net balance

\* Net balance refers to the % of respondents who state that the exit environment improved/will improve *minus* the % of respondents who state that it deteriorated/will deteriorate.



# COVID-19 and ESG considerations

– by headquarter region



- We are NOT considering ESG issues
- We were NOT considering ESG issues before, but the crisis demonstrated the need to consider non-financial indicators too
- We were considering ESG issues before, but the focus on ESG considerations had to be temporarily diverted as a result of the crisis and the focus on recovery
- We were already considering ESG issues before, and the crisis demonstrated the need to consider non-financial indicators even more

The majority of the respondents in most regions, particularly in *France*, the *Nordics* and the *UK & Ireland*, were already considering ESG issues before the COVID-19 outbreak and will continue to do so.

By contrast, the inclusion of ESG considerations in the investment decisions of VC fund managers appears to be less frequent in the *CESEE* region. This region presents indeed the highest share of GPs (1 out of 4) who state that they do not consider ESG criteria at all. Additionally, the impact of COVID-19 on ESG considerations in this region has been neutral, on balance, given that the share of respondents who started considering ESG criteria amid the crisis exactly equals the share of those whose attention had to be instead diverted away from ESG considerations as a consequence of the ongoing crisis and the focus on recovery.

Q. “How has the COVID-19 crisis affected ESG considerations in your investment decisions?”

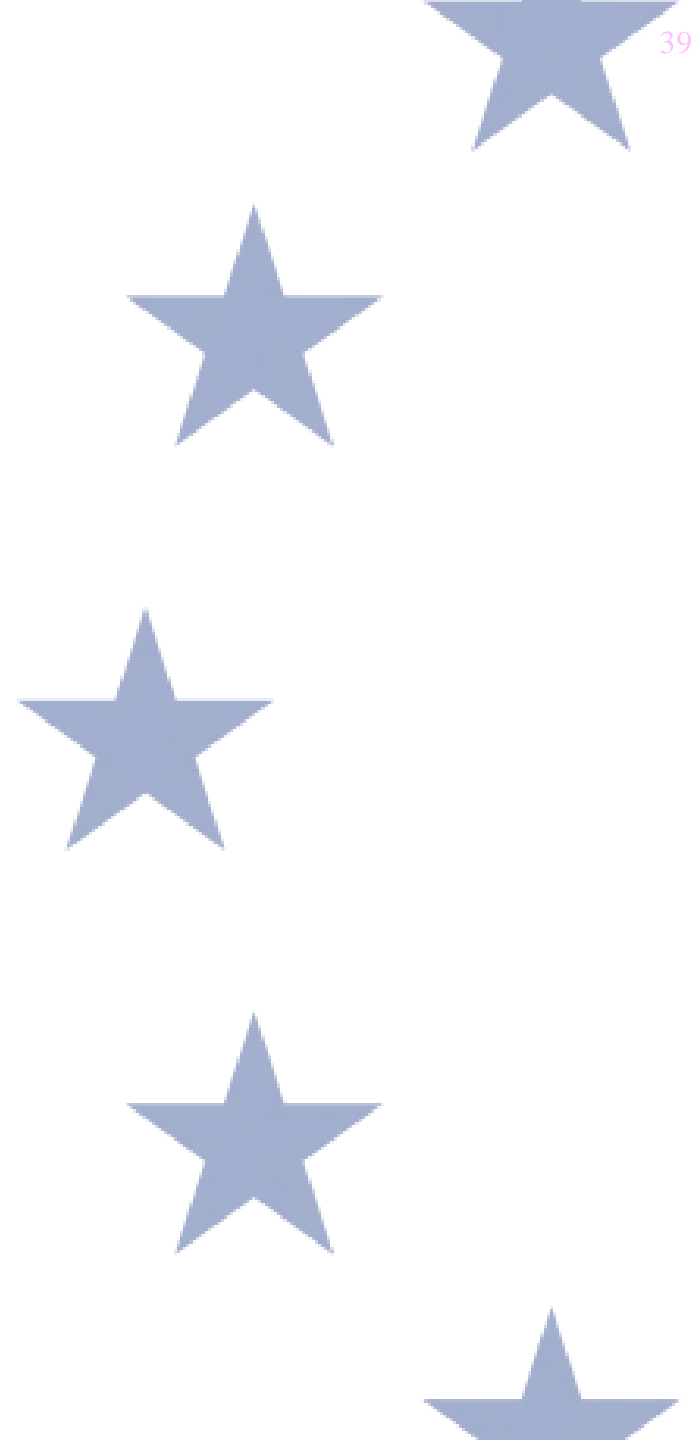
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# EIF Venture Capital Survey Autumn 2020:

## Regional Analysis

*Overview of results  
by region*

***EIF Research & Market Analysis***



Investee companies of VC firms headquartered in *Benelux* have been, on average, negatively hit by the COVID-19 crisis. In particular, *securing liquidity* and the *disruption of business activity due to COVID-19-related restrictions* are the **challenges most frequently mentioned** by GPs in the *Benelux*. Notably, a unique feature of the *Benelux* region is that it exhibits a significant number of GPs (34 out of 88) stating as their “most important country of investment” a country outside this region.

Similarly to the *South* region, the high share of GPs who state that **portfolio companies underperformed** since March 2020 is poorly counterbalanced by the share of those who believe portfolio companies did better than expected. Moreover, whereas the majority of GPs in the *South* and in the remaining regions are optimistic about developments in the next 12 months, relatively fewer GPs in the *Benelux* share this optimism.

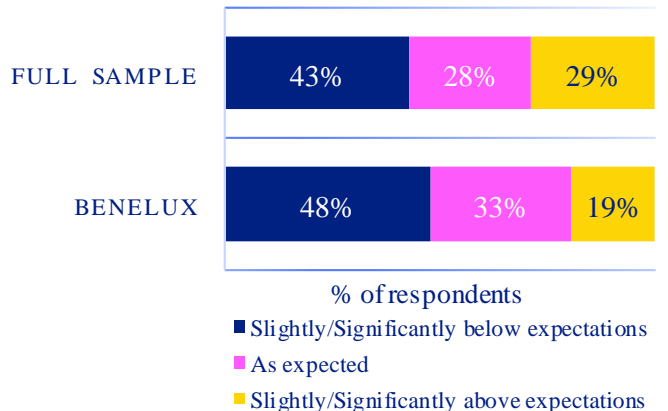
Furthermore, regarding the **exit environment in the next 12 months**, despite the already negative sentiment expressed by GPs over the past months, no improvement is expected, on balance, in the near future. The **fundraising environment** and the **access to external finance for investee companies**, which, on balance, are currently considered as *average* and *good*, respectively, are expected to deteriorate in the coming months.

The median fund manager in *Benelux* reports that **20%** of their portfolio is **positively impacted** by the COVID-19 crisis and **30%** is **negatively impacted** (the same median percentages are documented in the overall sample)

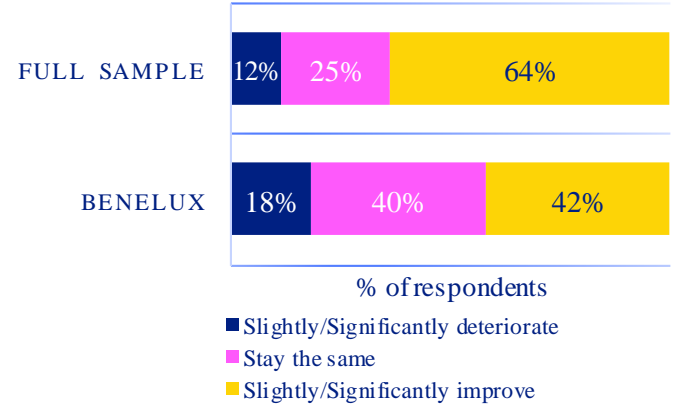
**16 in 88** GPs in *Benelux* identify countries in the CESEE region as their “most important **country of investment**”

**23%** of the GPs in *Benelux* (the highest % across regions) refer to the COVID-induced disruption of business activity as the **biggest challenge** for their investees

DEVELOPMENT OF PORTFOLIO COMPANIES SINCE MARCH 2020



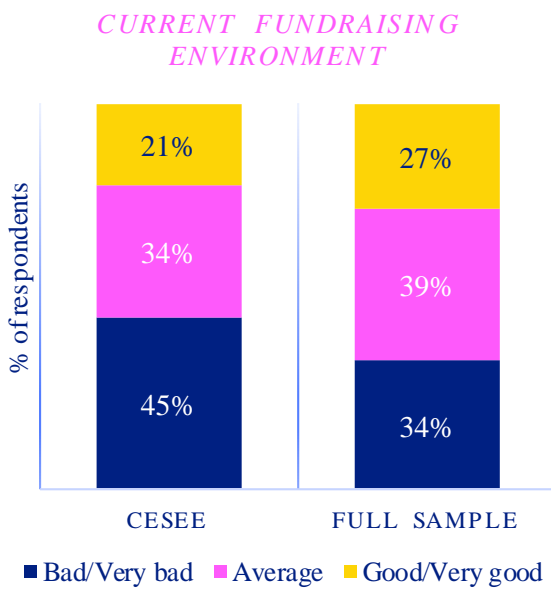
DEVELOPMENT OF PORTFOLIO COMPANIES IN NEXT 12 MONTHS



Source: EIF Venture Capital Survey Autumn 2020: Regional Analysis; EIF Working Paper 2021/73; EIF’s Research & Market Analysis; available at [https://www.eif.org/news\\_centre/research/index.htm](https://www.eif.org/news_centre/research/index.htm)

The VC market in the *CESEE* region appears to be relatively **less mature**. On average, VC firms headquartered here are **younger** than VC firms based in other regions, and have **lower assets under management**. Additionally, according to the survey, **first-time teams** are more frequent among respondents in the *CESEE* region (59%, compared to 36% in the overall sample). VC fund managers in the *CESEE* region tend to focus more on the *seed* stage, as opposed to respondents in other regions for which *early* stage is instead the **dominant stage of investment**.

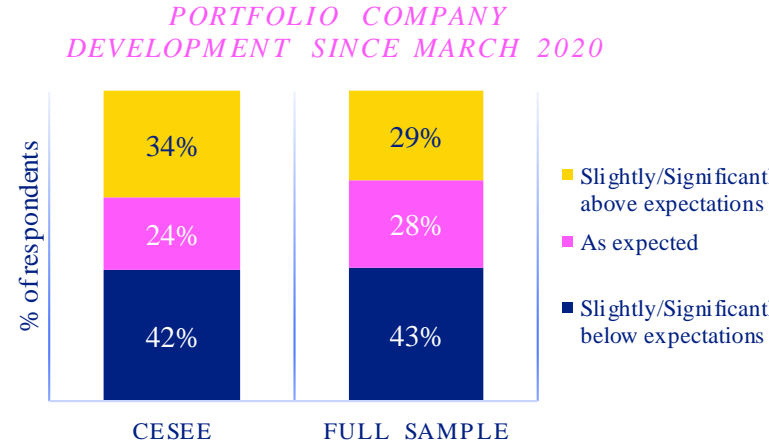
Looking at portfolio development in comparison to other regions, relatively more GPs from *CESEE* saw **portfolio companies** perform above expectations since March 2020; the great majority of the respondents expect portfolio development to improve further in the next 12 months. In the same line of evidence, VC GPs in the *CESEE* region report, on average, that 30% of their investee companies have been **positively impacted by the COVID-19** crisis, the second highest percentage following the UK & Ireland.



It might have proven increasingly difficult for first-time teams to raise funds during the crisis, as signaled by the fact that a relatively higher percentage of GPs in *CESEE* rate the **current fundraising environment** as (very) negative.

**42% and 17%** of the respondents mention the *seed* and *pre-seed* stages, respectively, as their most important **stage of investment** (the highest %s across all regions)

**1 in 4** GPs in *CESEE* considers the **impact of COVID-19** to be positive for **45% or more** of their portfolio companies

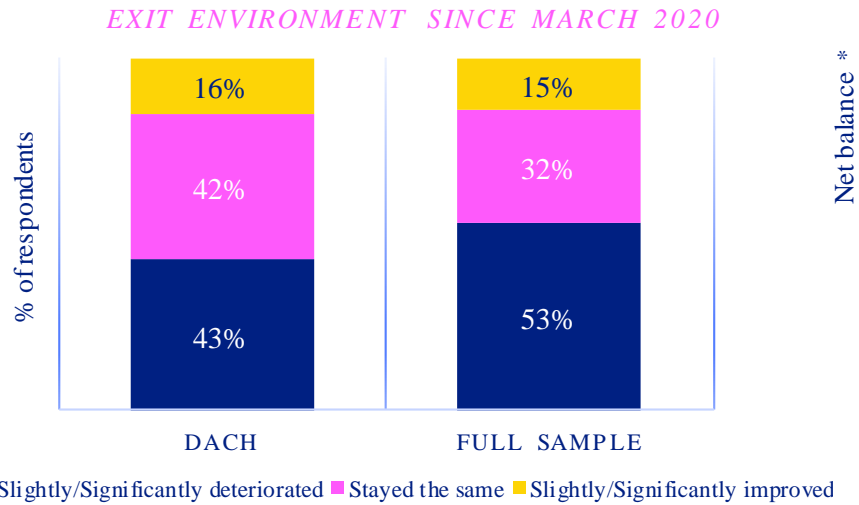


These developments at the portfolio level are also reflected in the expectations of the majority of *CESEE*-based GPs relating to an improved **exit environment** in the next 12 months. In particular, the sentiment on *future* exit opportunities is positive for a higher share of VC respondents in *CESEE* compared to other regions.

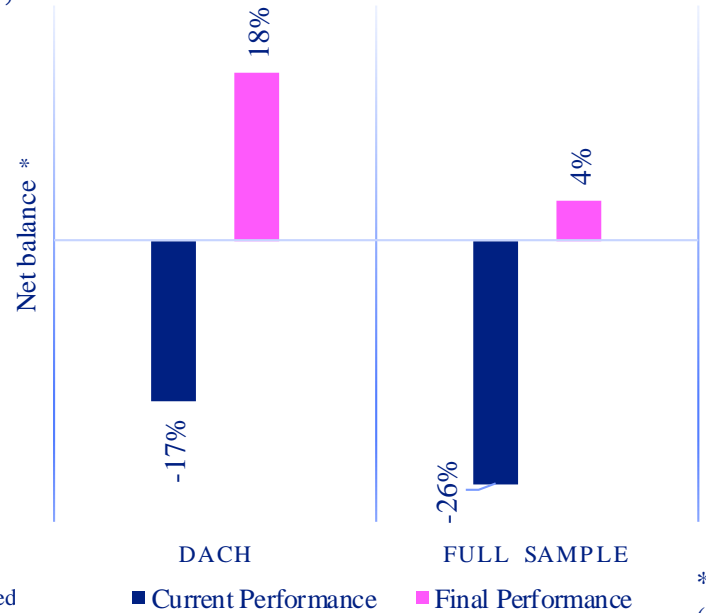
The VC market in the *DACH* region has done relatively well during March - October 2020. The **fundraising environment** is perceived as stable, on balance, and is expected to remain so in the months ahead. The **exit environment** deteriorated for a lower percentage of respondents in *DACH* compared to other regions, and is expected to improve, on balance, in the next 12 months.

The **impact of COVID-19** on portfolio companies and on the funds' **current performance** has been negative, on balance. Nevertheless, this negative impact seems less severe in the *DACH* region compared to the overall sample. Furthermore, the **final performance** of funds is expected to be positively affected, on balance, by the COVID-19 crisis.

Despite the fact that the majority of the respondents in *DACH* consider the **access to external finance** for their portfolio companies to be good, the related national and regional **support measures** during the crisis are criticised, on balance, for their implementation *speed*. For instance, the *Corona Matching Facility* in Germany is reported to entail a rather slow and complex process. Additionally, compared to the rest of the sample, relatively fewer GPs in *DACH* rate the measures' *effectiveness* as good.



**COVID-19 IMPACT ON FUNDS' CURRENT/FINAL PERFORMANCE**



**45%** of the GPs in *DACH* rate negatively the **implementation speed** of support programs (the second highest % following the South)

The % of GPs in *DACH* who evaluate positively the **effectiveness** of support programs, net of those evaluating it negatively, is equal to **only 8%** (compared to 13% in the overall sample)

The funds' **final performance** is expected to be positively affected by COVID-19, according to a net **18%** of respondents in *DACH* (the highest net %, together with the UK)

The **relevance** of national/regional support programs is satisfactory (positive net balance of **35%**), comparable to the rest of the sample

\* Net balance refers to the % of respondents who state that the impact is (very) positive minus the % of respondents who state that it is (very) negative.   
 Source: EIF Venture Capital Survey Autumn 2020: Regional Analysis; EIF Working Paper 2021/73; EIF's Research & Market Analysis; available at [https://www.eif.org/news\\_centre/research/index.htm](https://www.eif.org/news_centre/research/index.htm)



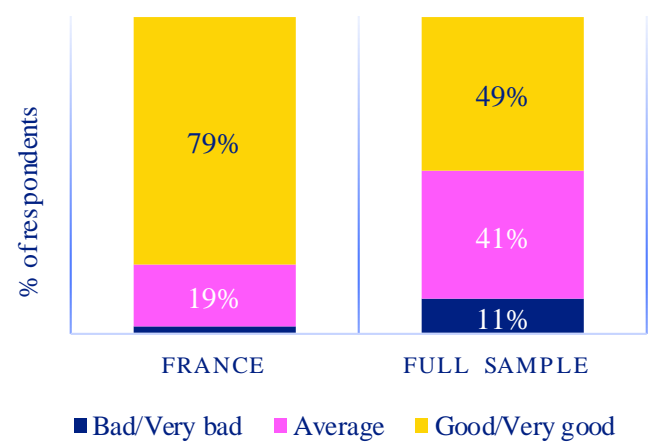
The environment for VC firms in *France* during March - October 2020 seems to have been more favourable than in other regions. *France*, indeed, exhibits the highest percentage of VC fund managers who perceive positively the current **fundraising environment**, while the current **access to external finance** for portfolio companies is also considered to be (very) good by 8 in 10 surveyed GPs.

Notably, the VC market in *France* is among the most mature ones, with VC firms in this region having, on average, **the highest number of funds raised** to date.

At the same time, however, **entry prices** and **investor competition** have increased, on balance, since March 2020, in the target markets of the wide majority of *France*-based GPs.

The positive developments aforementioned might also be partly driven by the implementation of the **French government's support programs** related to COVID-19 (in particular the state-guaranteed loans *PGEs*). The relevance, speed and effectiveness of these programs are rated as (very) good by the overwhelming majority of surveyed GPs in *France*, in stark contrast to the less positive evaluations expressed by respondents in other regions with respect to their respective national/regional support programs.

CURRENT ACCESS TO EXTERNAL FINANCE



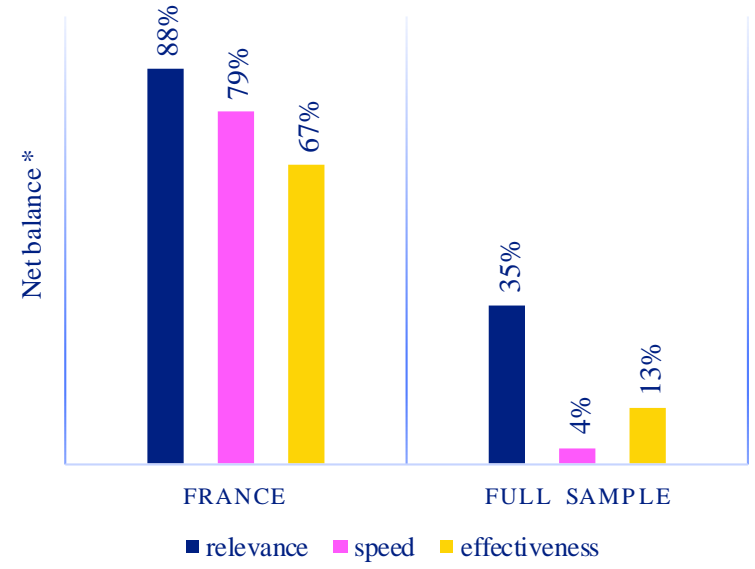
France is the only region where the % of GPs reporting an increase in **entry prices** in their market, net of those reporting a decrease, is positive and equal to **12%**

While **4 in 10** fund managers in France consider the **current fundraising environment** to be good, only **28%** of the GPs in the full sample share the same view

French VC firms have raised, on average, **5 funds** to date; whereas the overall sample average is **3 funds**

In France, the net % of respondents who reported an increase in **competition**, is equal to **26%** (the highest among all regions)

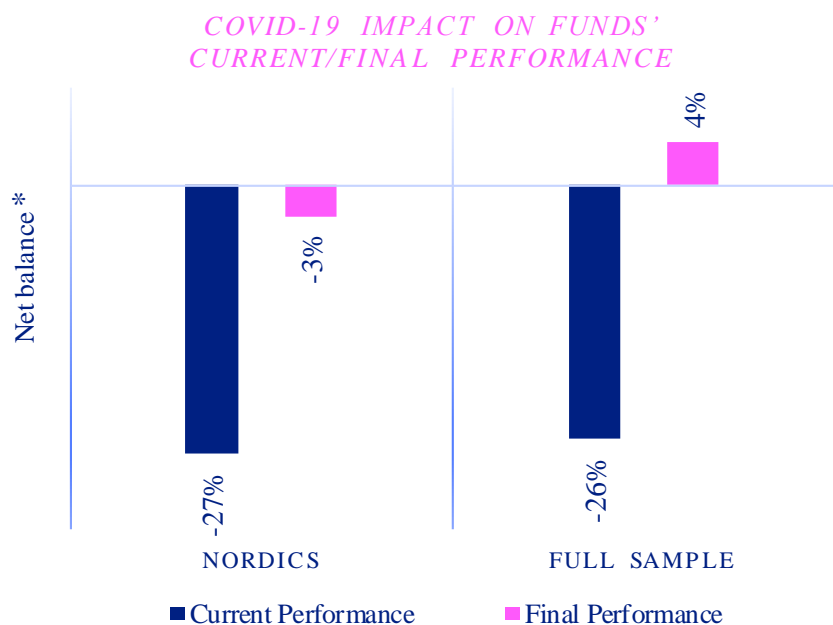
IMPLEMENTATION OF NATIONAL SUPPORT PROGRAMS



\*Net balance refers to the % of respondents who state that the implementation was (very) good minus the % of respondents who state that it was (very) bad.

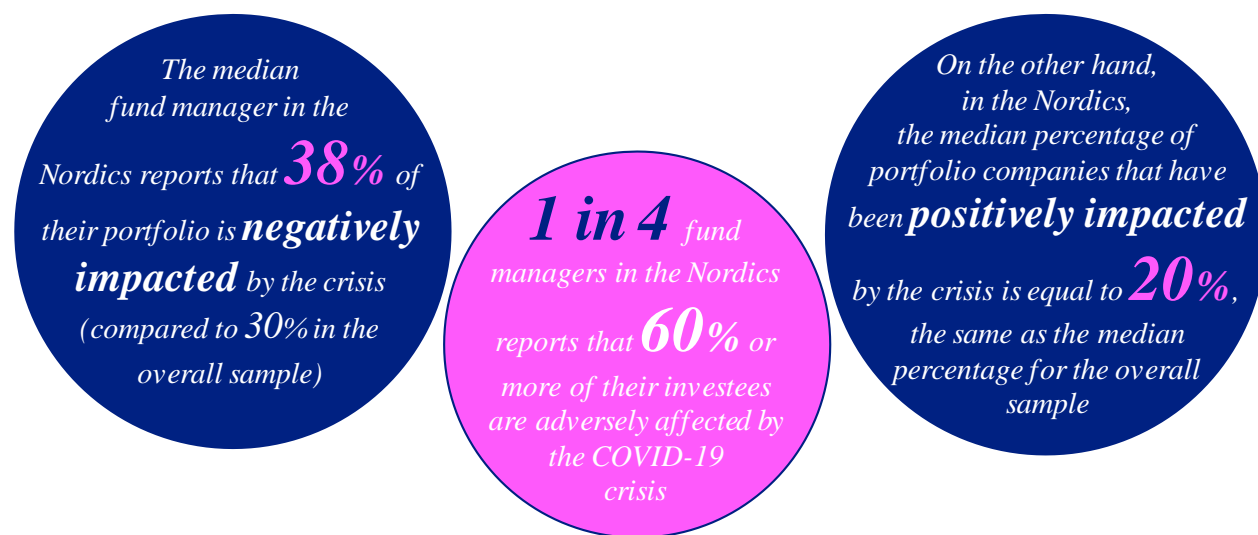


After the *South* and the *Benelux* regions, the *Nordic* countries appear to have the highest share of VC respondents who experienced a worsening, on balance, in the **current performance of their funds** due to the COVID-19 crisis. The final performance of the funds is also expected to be negatively affected. This is in contrast to the positive expectations about the funds' final performance expressed, on balance, by GPs in other regions (*DACH*, *UK*, *France* and *CESEE*).



\* Net balance refers to the % of respondents who state that the impact is (very) positive *minus* the % of respondents who state that it is (very) negative.

Indeed, compared to the rest of the sample, a larger percentage of **investee companies** in the *Nordics* appear to have suffered from the COVID-19 crisis. Having said this, expectations about portfolio development in the next 12 months are positive for the vast majority of the GPs in the *Nordics* (72%).



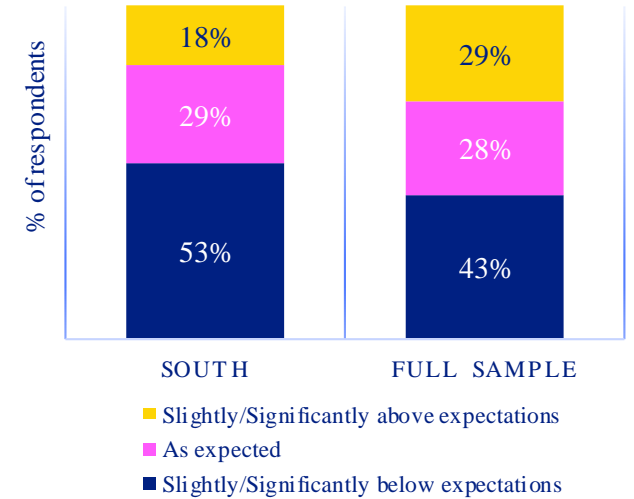
On balance, GPs in the *Nordics* consider the **access to external finance for investee companies** and the **fundraising environment** to be *good* and *average*, respectively, with no major changes anticipated in the months ahead. The **exit environment** in the *Nordics*, in line with the rest of the sample, has deteriorated since March 2020, but, GPs in the region expect, on balance, an improvement in the near future.

VC firms and their investees in the *South* have been severely impacted by the COVID-19 crisis. The region has the highest share of GPs who consider their **portfolio companies** to have **developed below expectations** between March and October 2020, and the **exit prices** and **exit environment** to have deteriorated. Additionally, compared to the remaining sample, relatively more respondents from the *South* consider the impact of COVID-19 on the **current** and **final performance of their funds** to be negative.

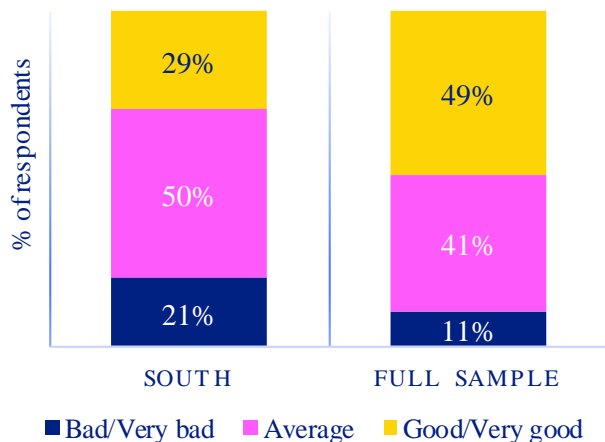
For investee companies, *securing liquidity* appears to be the most important **challenge**, and indeed only 29% of GPs in the *South* are satisfied with the access to **external finance** for their portfolio companies. Furthermore, according to the majority of the respondents, the implementation of **government support programs** has been too slow and of poor effectiveness.

While respondents are optimistic, on balance, about the development of their investee companies and about the exit and fundraising environments in the next 12 months, they are less so with respect to future access to external finance.

PORTFOLIO COMPANY DEVELOPMENT SINCE MARCH 2020

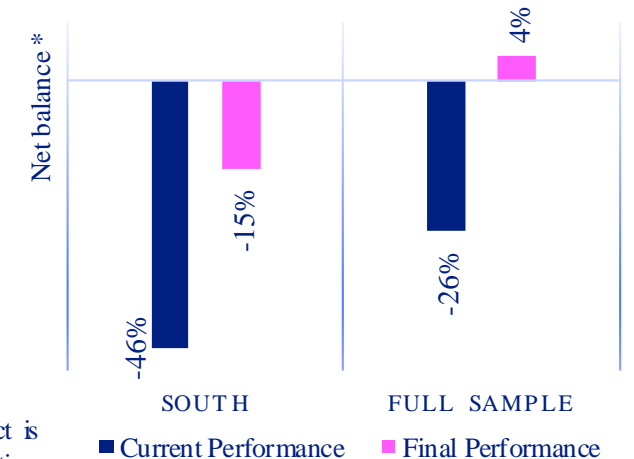


CURRENT ACCESS TO EXTERNAL FINANCE



- 33%** of the GPs in the South mention 'securing liquidity' as the most important **challenge** for their investee companies (compared to 21% in the overall sample)
- For **49%** of the surveyed GPs in the South (the highest percentage across regions), **exit prices** in their reference market have decreased since March 2020
- 55%** of the GPs in the South rate negatively the implementation speed of the national **support programs**, while this is true for only 33% of the respondents in the overall sample

COVID-19 IMPACT ON FUNDS' CURRENT/FINAL PERFORMANCE



\* Net balance refers to the % of respondents who state that the impact is (very) positive minus the % of respondents who state that it is (very) negative.

# UK & IRELAND

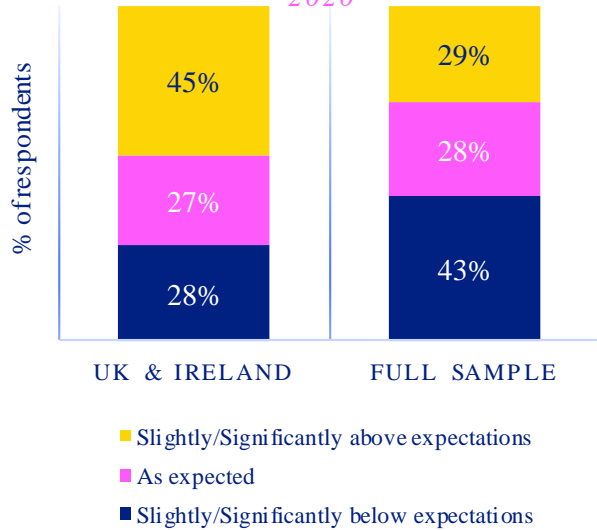
Interestingly, VC-backed companies in the *UK & Ireland* appear to have benefitted, on average, from the COVID-19 crisis. The region is the only one where a higher number of respondents consider the **development of their portfolio companies** since March 2020 to have exceeded expectations. When asked specifically about **the impact of COVID-19**, the median *UK & Ireland*-based fund manager reports that 30% of their portfolio has been *positively* affected by the crisis.

Across the entire sample, the median fund manager reports that **20%** of their portfolio is **positively impacted** by COVID-19 and **30%** is **negatively impacted**

\*Net balance refers to the % of respondents who state that the implementation was (very) good *minus* the % of respondents who state that it was (very) bad.

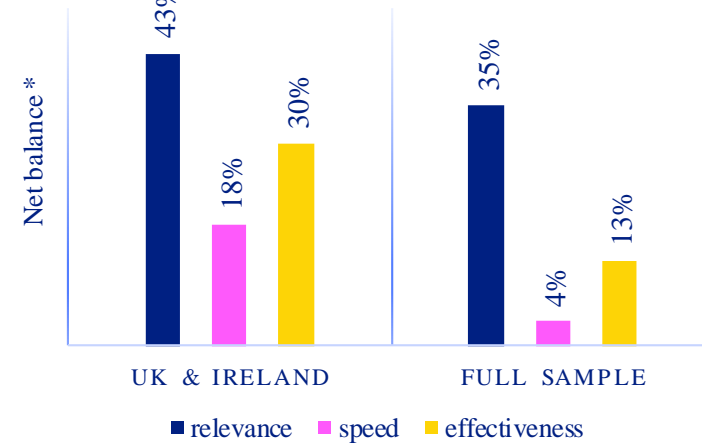
46% of the respondents in the entire sample consider the exit environment as one of the **biggest challenges** for the VC business, whereas only **1 in 4** GPs in the UK shares this view

PORTFOLIO COMPANY DEVELOPMENT SINCE MARCH 2020



Moreover, national/regional policy measures aimed at supporting portfolio companies have been better received in the *UK & Ireland* compared to the rest of the sample (France excluded). Among the support measures, the most popular one is the *UK Future Fund* program, which was described as easy to access and well-structured.

IMPLEMENTATION OF NATIONAL SUPPORT PROGRAMS



Looking at the **biggest challenges** the VC business faces in the current COVID-19 crisis, GPs in the *UK & Ireland* are mostly concerned with the **fundraising environment**, the performance of investee companies and high valuations. The exit environment is instead less frequently mentioned, whereas it is recurringly reported as a challenge in other regions.

Overall, fewer **funds** in the *UK & Ireland* have been affected negatively by the COVID-19 crisis in terms of their **current performance**, while the impact on the **final** performance is even expected to be positive.

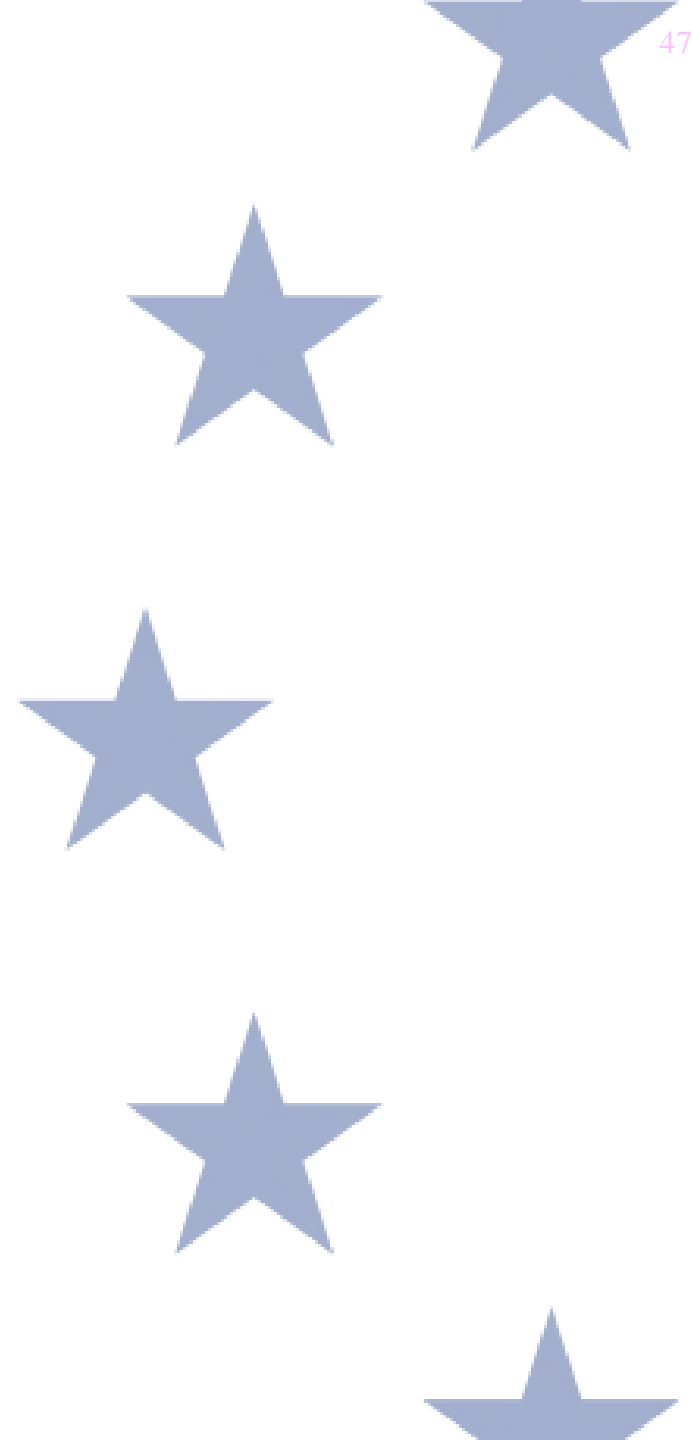
# EIF Venture Capital Survey

Autumn 2020:

## Regional Analysis

*Concluding remarks*

***EIF Research & Market Analysis***



# Sentiment on VC market developments since March 2020 and future expectations vary across regions...

- The *EIF VC Survey* has shown that, across all regions, **VC fund managers have been experiencing negative developments due to the ongoing COVID-19 crisis**. Fundraising has been more difficult and the exit environment has become particularly bad, on balance. Portfolio performance has been, on average, below expectations. Entry and exit prices have decreased.
- The *South* region has the highest percentage of respondents **reporting negatively on VC market developments** over the course of 2020, but overall an improvement is expected in most areas over the next year, on balance. By contrast, *Benelux*-based VC respondents show a particularly **pessimistic view on future developments**, anticipating further deterioration in most of the issues examined.
- At the investee company level, relatively more GPs from the *Nordics*, the *South* and the *Benelux* report high percentages of **COVID-19-related negative impact**.
- Instead, a relatively larger number of VC fund managers in the *UK & Ireland* and in *CESEE* have indicated high percentages of portfolio companies being **positively affected by COVID-19**, and have expressed optimism regarding progress in the VC market in the next 12 months.
- In the *UK & Ireland* and in *CESEE*, the **fundraising environment** is ranked as the first most important challenge by the highest share of respondents, whereas, in all other regions, the **exit environment** is the most frequent concern.

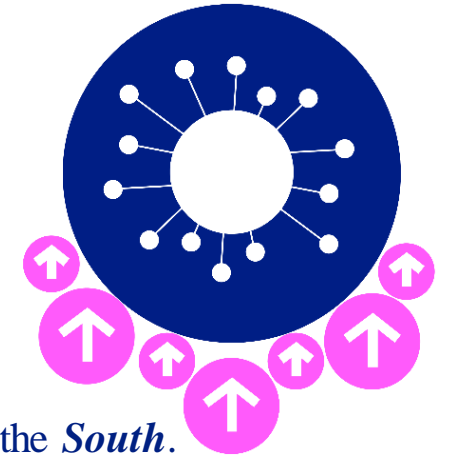
# ... as well as satisfaction regarding support measures implemented during the crisis.

- **Regional and national VC policy programs** have been, overall, relevant, but their implementation speed and effectiveness could be improved. As documented, respondents based in the *South* and the *CESEE* are the least satisfied with the implementation of public programs, unlike VC fund managers based in *France*, who instead express widespread appreciation of their government's reaction and support scheme.
- Across regions, most respondents rate **European-level programs and initiatives** aimed at helping struggling startups/companies and promoting investments during the COVID-19 pandemic as “average”. In *France* though, the share of positive evaluations is the highest.
- A large majority of respondents have **applied or considered applying for a government support measure** related to COVID-19, at least for some of their portfolio companies. Notably, 4 in 10 VC fund managers in *France* did so in relation to *all* of their investee companies.
- The reason for applying/considering applying for government support for at least some of the investee companies is primarily to ease the financing burden of the company. As second most important reason, respondents in *DACH, UK & Ireland* and *South* more frequently mention the lack of finance from other sources, whereas respondents in *France, CESEE, Nordics* and *Benelux* indicate the willingness to offer support without diluting existing investors.



# The difficulties facing investee companies differ in their importance from region to region...

- Customer acquisition and retention, COVID-19-related business disruptions, securing financing/liquidity and recruiting high-quality professionals are currently the **biggest challenges** for the VC respondents' portfolio companies. However, the regional variation in their order of importance is worth noticing.
- **The access to finance/liquidity** is by far the most frequently mentioned difficulty encountered by investee companies in the *South*, while it is also often reported in the *Nordics* and *DACH*. On the other hand, it is less of a concern for VC fund managers in *France*.
- **Customer acquisition and retention** is a widely reported issue in most regions, and especially in the *CESEE*. By contrast, it features as the least frequently mentioned challenge for investee companies in the *South*.
- **The COVID-19-induced activity interruption** is the second most important challenge for investee companies in the *Benelux* and in the *South*. In the *CESEE* region as well as in *France*, the second most frequently mentioned difficulty lies in the **recruitment of high-quality professionals**.

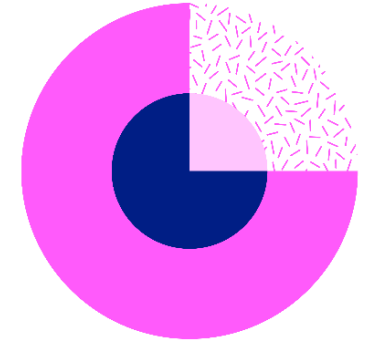


... highlighting different priorities for policy making.



# The design of support programs can benefit from key regional insights into the VC market.

- The interregional comparison of the responses obtained in the VC Survey provides a valuable picture of both common and specific developments in each region. It highlights the current views, needs and expectations of VC fund managers in a given region, and how they differ from the average ones in the sample, thereby orienting the discussion towards existing regional gaps and how to address them.
- In particular, the analysis presented here has shown that:
  - The **exit environment** is currently the biggest difficulty encountered by VC fund managers in almost all regional groups.
  - In the *CESEE* area, the main concern is the **fundraising environment**. In this region, the less developed VC market and the prevalence of first-time teams among the surveyed fund managers suggest an increased difficulty for not-already-established teams to acquire financing sources during the crisis. This evidence highlights the need for policy measures aimed at facilitating the fundraising process in this region.
  - In the *South* especially, portfolio companies appear to be lacking **sufficient access to external finance**. The financial issue is indeed among the top challenges that investee companies face in the current crisis. The improvement of the implementation speed of public support programs in assistance of startups and investments, which in Autumn was evaluated negatively by the highest share of respondents in the *South*, could be beneficial in this respect.
  - The **implementation speed of public support programs** put in place in the *DACH* and in the *CESEE* countries could also be improved. The implementation of policy measures has been particularly successful in *France*.



# Exceptional times require unique market insight

- **The *EIF VC Survey*, the *EIF Private Equity Mid-Market Survey*, and the *EIF Business Angels Survey* provide the opportunity to retrieve unique market insight.** To the best of our knowledge, the combined *EIF PE MM Survey* and *EIF VC Survey* currently represent the **largest regular survey** exercise among GPs in Europe. The *EIF BA Survey* is unique in its pan-European coverage and multi-country approach.
- The already large outreach of the EIF surveys, which are **coordinated by EIF's Research & Market Analysis (RMA)**, and the high relevance of the questionnaire topics for both market participants and policy makers have further increased through **new cooperations with Business Angels Europe (BAE) and the Joint Research Center (JRC) of the European Commission.**
- In addition to the sections on **market sentiment**, the **impact of COVID-19** and market participants' perception of **policy responses**, the latest 2020 EIF Survey wave allowed us to look into recent changes with respect to the respondents' **human capital** and their considerations related to **ESG & impact investing.**
- 2020 was an exceptional year. Therefore, EIF's RMA performed, on an exceptional basis, two survey waves. Moreover, the responses of the first survey wave were split into two sets, based on the time of their submission. **Our new and exceptional approach allows us to analyse and compare the situation in the European private equity & venture capital markets at three points in time: (i) Before the COVID-19 crisis, (ii) when the crisis started to spread across Europe in the first quarter of the year, and (iii) during a later phase in Autumn.**
- **Looking ahead**, the next wave of the *EIF VC Survey*, the *EIF Private Equity Mid-Market Survey*, and the *EIF Business Angels Survey* is already in preparation for mid-2021.
- As usual, the **survey results** are published in the **EIF Working Paper series** which is **available here:**  
[https://www.eif.org/news\\_centre/research/index.htm](https://www.eif.org/news_centre/research/index.htm)



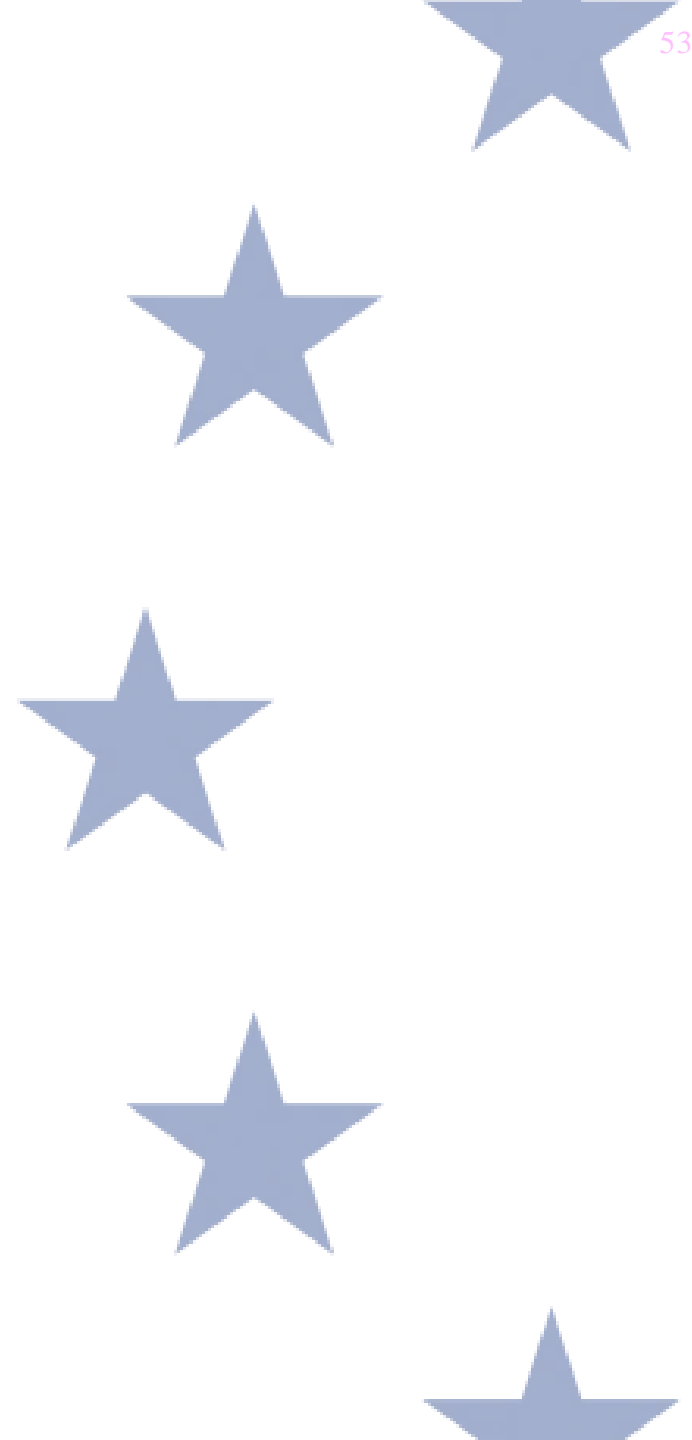
# EIF Venture Capital Survey

## Autumn 2020:

### Regional Analysis

*Annex*

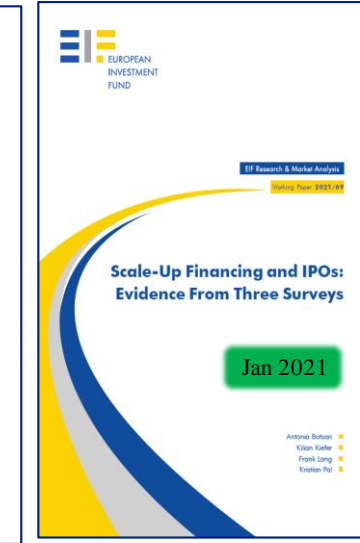
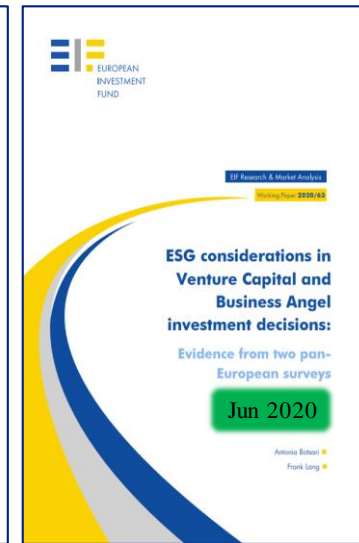
***EIF Research & Market Analysis***



# List of acronyms

- AUM: Assets Under Management
- BA(s): Business Angel(s)
- bn: billion
- CEO: Chief Executive Officer
- EIB: European Investment Bank
- EIF: European Investment Fund
- ESG: Environmental, Social, Governance
- EU: European Union
- EUR: Euro
- GP(s): General Partner(s)
- ICT: Information and Communications Technologies
- IPO: Initial Public Offering
- LP(s): Limited Partner(s)
- m: million
- MBO: Management Buy-Out
- PE MM: Private Equity Mid-Market
- RMA: Research & Market Analysis
- SME: Small and Medium-sized Enterprise
- UK: United Kingdom
- USA: United States of America
- VC: Venture Capital

# Survey publications and highlights



**Public intervention in VC**  
*Fund managers more satisfied with European programs than with national or regional ones*

**EIF's value added, products and processes**  
*EIF's presence has high value-added and helps to crowd-in private investors, but red tape should be reduced*

**Policy suggestions**  
*Tax harmonisation, regulatory simplification and overcoming cross-border market fragmentation*

**ESG**  
*First ever testimony on the integration of ESG considerations and impact investing in VC & BA*

**Market sentiment\***  
*Unique insights into the impact of the COVID-19 crisis on the European PE and VC ecosystem*

**Scale-up financing & IPOs**  
*Low scale-up focus of funds in Europe is one of the biggest challenges for VC/PE fund managers & BAs*

**COVID-19 impact**  
*Challenges differ by investor type. The crisis can also be an opportunity, if appropriate policy tools are put in place.*

\*Latest market sentiment is published in the EIF Working Paper series; see also "Measuring Venture Capital Sentiment in Europe", [https://doi.org/10.1007/978-3-030-17612-9\\_6](https://doi.org/10.1007/978-3-030-17612-9_6), for methodological notes.

## About ...

### ... the European Investment Fund

The European Investment Fund (EIF) is Europe's leading risk finance provider for small and medium sized enterprises (SMEs) and mid-caps, with a central mission to facilitate their access to finance. As part of the European Investment Bank (EIB) Group, EIF designs, promotes and implements equity and debt financial instruments which specifically target the needs of these market segments.

In this role, EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth, and employment. EIF manages resources on behalf of the EIB, the European Commission, national and regional authorities and other third parties. EIF support to enterprises is provided through a wide range of selected financial intermediaries across Europe. EIF is a public-private partnership whose tripartite shareholding structure includes the EIB, the European Union represented by the European Commission and various public and private financial institutions from European Union Member States, the United Kingdom and Turkey. For further information, please visit [www.eif.org](http://www.eif.org).

### ... EIF's Research & Market Analysis

Research & Market Analysis (RMA) supports EIF's strategic decision-making, product development and mandate management processes through applied research and market analyses. RMA works as internal advisor, participates in international fora and maintains liaison with many organisations and institutions.

### ... this Working Paper series

The EIF Working Papers are designed to make available to a wider readership selected topics and studies in relation to EIF's business. The Working Papers are edited by EIF's Research & Market Analysis and are typically authored or co-authored by EIF staff, or written in cooperation with EIF. The Working Papers are usually available only in English and distributed in electronic form (pdf).

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