Accel

Europe & Israel's founder factories

How the region's startup ecosystem is evolving in the age of AI

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Introduction

AI is the most transformative technology we have ever seen, reshaping how technology companies are built, scaled and valued. Across Europe and Israel, it is acting as a force multiplier on top of the region's existing strengths, supercharging company creation and compressing the time it takes to reach major milestones.

That acceleration is happening within an ecosystem that has matured dramatically over the past 26 years. In 2000, the region had yet to mint a unicorn, founding a tech startup was far from a well-trodden career path, and there were few teams with experience across product, engineering and management who had already been through the startup journey before.

Today, there are more than 400 European and Israeli-founded unicorns, and many of these companies have become founder factories. With former employees going on to launch technology businesses of their own, they have fuelled thousands of new tech-enabled startups and created a powerful flywheel of talent, experience and ambition. AI is now amplifying that foundation.

The impact is already visible. Since 2023, following the arrival of the mainstream generative AI era, the region has experienced an unprecedented wave of ultrafast growth companies. One in five unicorns minted since 2023 reached a $1 billion valuation within two years of founding, compared with just 5% before 2023. Nearly a third reached unicorn status within three years, up from 12% previously.

Companies such as Cyera, Dash0, Legora, Lovable, and Synthesia illustrate the scale and speed that is now possible. Lovable surpassed $100 million ARR just eight months after reaching its first $1 million ARR, making it one of the fastest-growing software companies globally. Legora grew from $1 million to $100 million ARR in just over 18 months. Cyera quadrupled its valuation to $12 billion over 18 months, while Synthesia has surpassed $100 million ARR and reached a $4 billion valuation.

AI is also changing the archetype of the European founder. The latest wave of unicorn founders is more likely to have gained experience at Big Tech companies, academic institutions and research environments than previous generations, reflecting the growing importance of deep technical expertise in the AI era. With world-class universities at the forefront of AI research and major technology companies building strong research presences across the region, Europe is particularly well positioned to capitalise on this opportunity.

This combination of world-class talent, proven founder factories and a maturing ecosystem is creating a powerful advantage. From infrastructure innovators such as Fractile and Nebius through to application-layer leaders including Cyera, Legora, Lovable, n8n and Synthesia, the region is producing globally competitive AI companies across the stack.

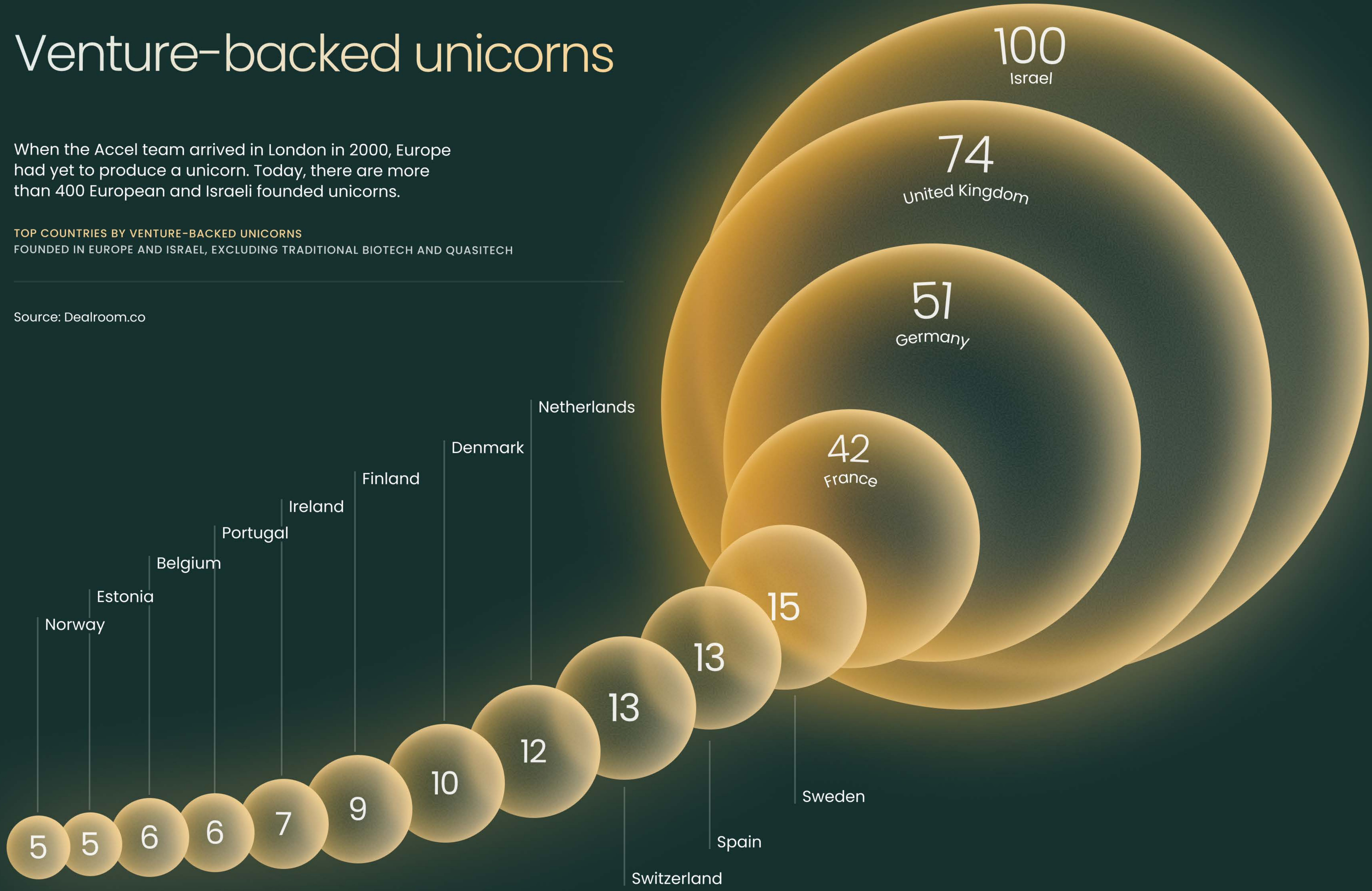
AI is creating unprecedented opportunities and, with the region already a powerhouse of talent, innovation and ambitious entrepreneurs, we believe Europe and Israel are exceptionally well placed to produce the next wave of category-defining technology companies.

Venture-backed unicorns

When the Accel team arrived in London in 2000, Europe had yet to produce a unicorn. Today, there are more than 400 European and Israeli founded unicorns.

TOP COUNTRIES BY VENTURE-BACKED UNICORNS
FOUNDED IN EUROPE AND ISRAEL, EXCLUDING TRADITIONAL BIOTECH AND QUASITECH

Source: Dealroom.co



AI is supercharging the region's unicorn creation

On average, VC-backed European and Israeli startups that reach unicorn status ($1B+ valuation) do so after seven years.

However, from 2023 onwards - when the release of ChatGPT ushered in the mainstream generative AI era - there has been an unprecedented wave of new ultrafast growth startups that have hit unicorn status across the region.

The number of unicorns in Europe and Israel that hit $1B valuations within two years has quadrupled since 2023.

Of the 86 new unicorns minted in the region from 2023 onwards, 20% were two years old or less. Prior to this, only 5% of unicorns were in this ultrafast growth category.

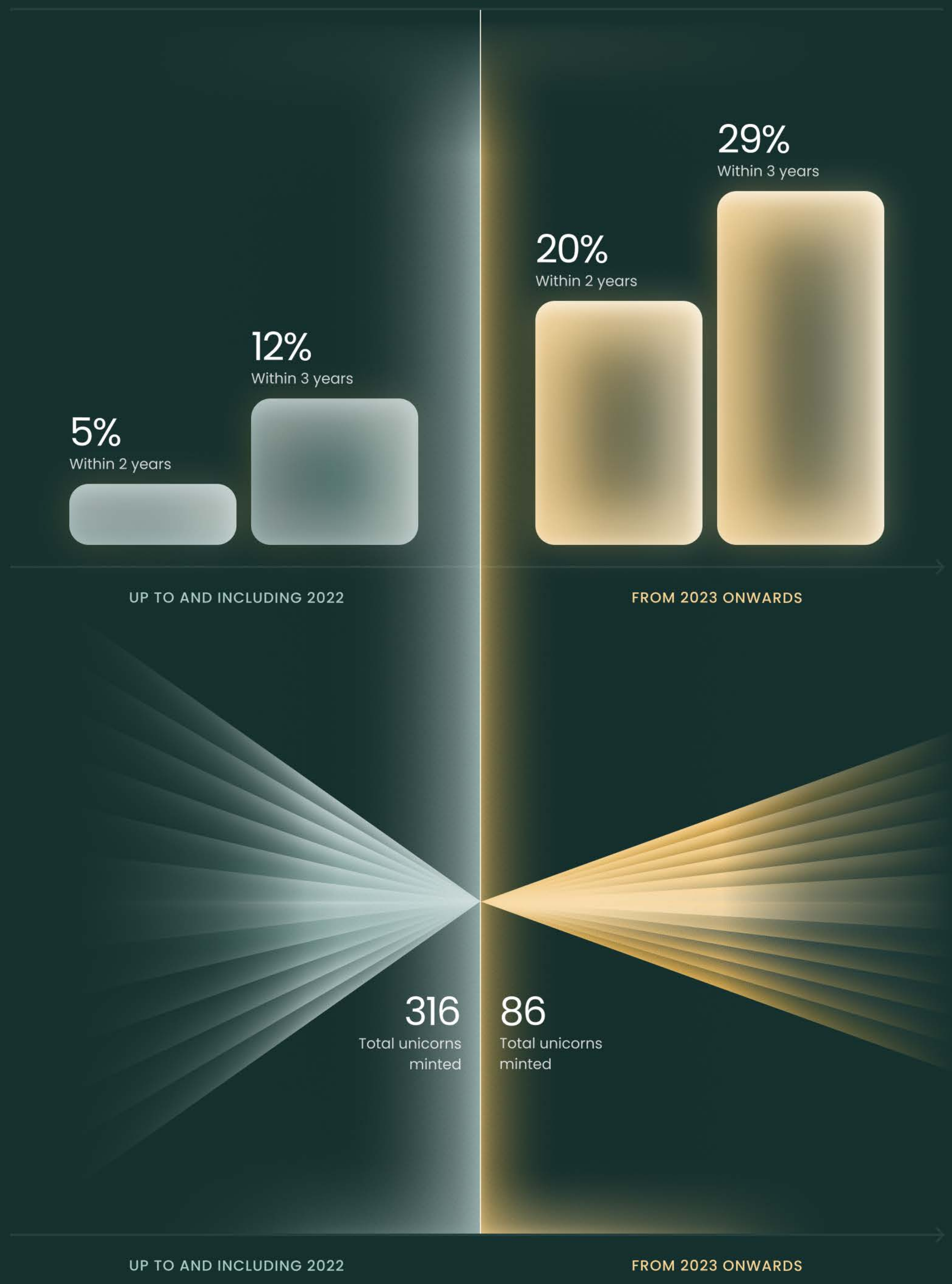
Nearly one third (29%) of all of the new European and Israeli unicorns in the AI era reached a $1B valuation in three years or less.

Before 2023, this was just 12%.

Source: Dealroom.co

SPEED OF UNICORN CREATION IN THE PRE VS POST AI ERA

Source: Dealroom.co



Founder factories in the spotlight

There are now 28 unicorns that have each seen 20 or more tech-enabled startups created by former employees.

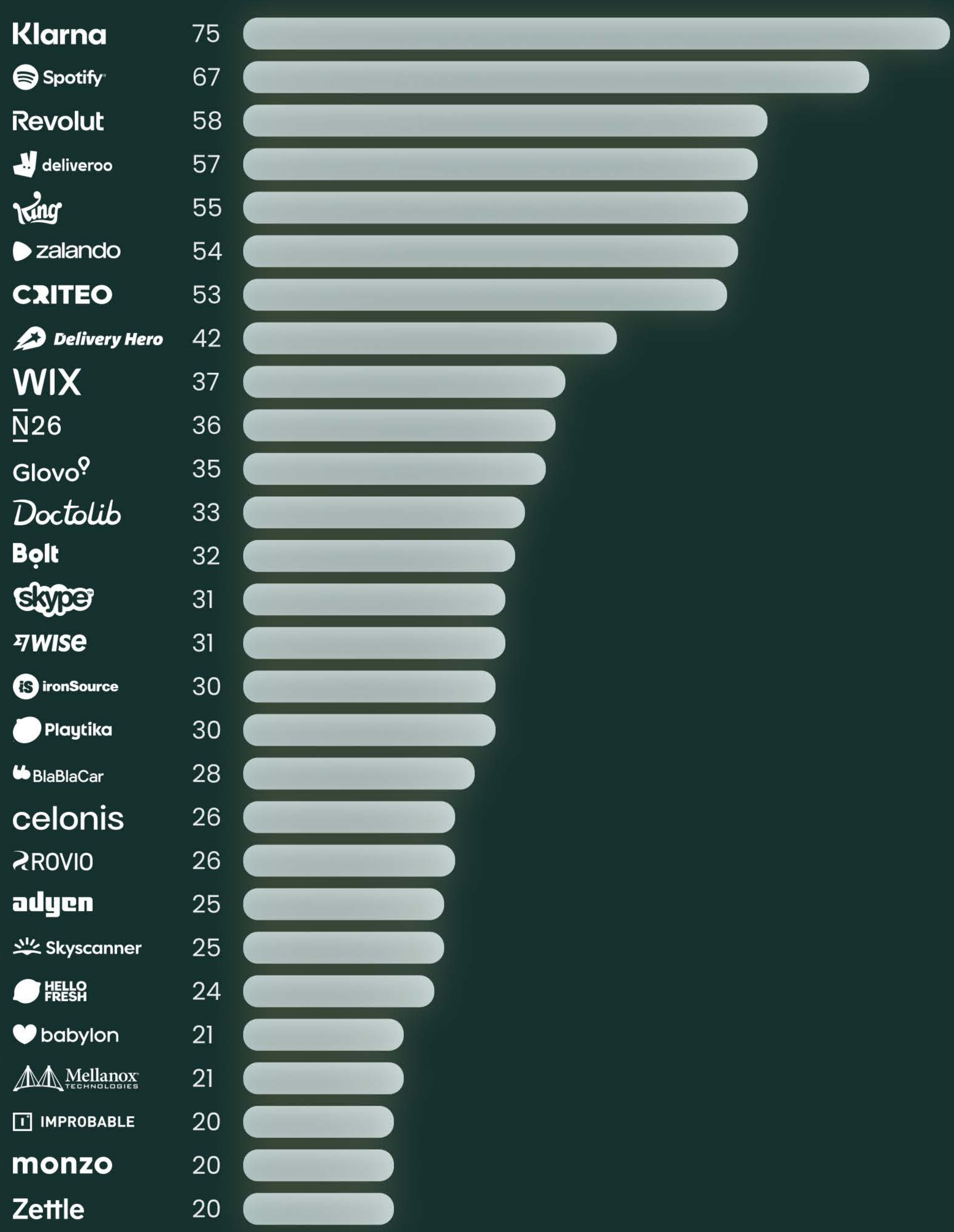
402
VC-backed unicorns in Europe and Israel

322
of which have fuelled...

2,329
new tech-enabled startups across the region as former employees go on to become founders

NUMBER OF SECOND GENERATION STARTUPS

Source: Dealroom.co



Founder factories help to fuel thriving tech hubs

More than half (55%) of companies started by former unicorn employees were founded in the same city as the unicorn where they previously worked. This has resulted in thriving tech hubs developing around these unicorns across Europe and Israel, laying the foundations for future success.

TOP 12 CITIES FOR TECH-ENABLED STARTUP CREATION

Source: Dealroom.co

CITY	# OF FOUNDER FACTORY UNICORNS	# OF STARTUPS	% FOUNDED IN SAME CITY
1 London	43	387	64%
2 Paris	33	300	69%
3 Tel Aviv	51	287	79%
4 Berlin	23	278	61%
5 Stockholm	12	247	51%
6 Tallinn	5	87	51%
7 Munich	10	87	36%
8 Amsterdam	10	65	54%
9 Copenhagen	7	63	35%
10 Barcelona	5	56	52%
11 Espoo	5	43	5%*
12 Madrid	5	34	41%

*While just 5% were founded in Espoo, 72% were founded in nearby Helsinki

Spotlight on the UK

The UK leads in total output across Europe and Israel, with 54 unicorns producing 463 startups across the region.

London is the city that has nurtured the most founders, with 387 startups emerging from 43 local unicorns. Other cities across the UK are also fostering new tech startups.

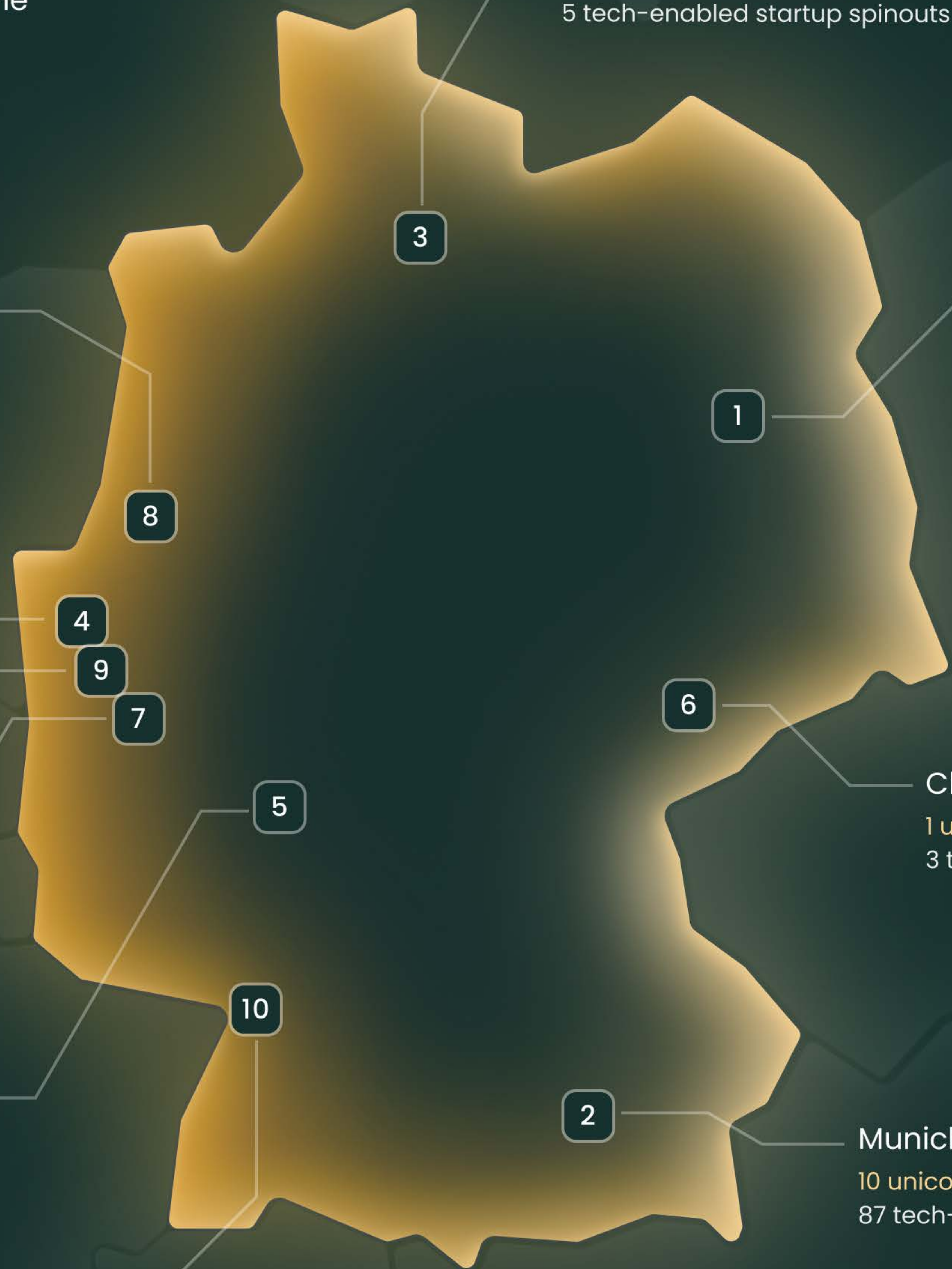
Source: Dealroom.co

The sum of cities' company counts may vary from the country's totals as some founders have gained experience at more than one unicorn.

Spotlight on Germany

41 unicorns founded in Germany have fuelled 384 startups across Europe and Israel. Although Berlin is the city with the highest density of unicorns, fuelling the largest number of tech-enabled startups, unicorns founded in other cities across Germany are also fostering new tech-enabled startups.

Source: Dealroom.co

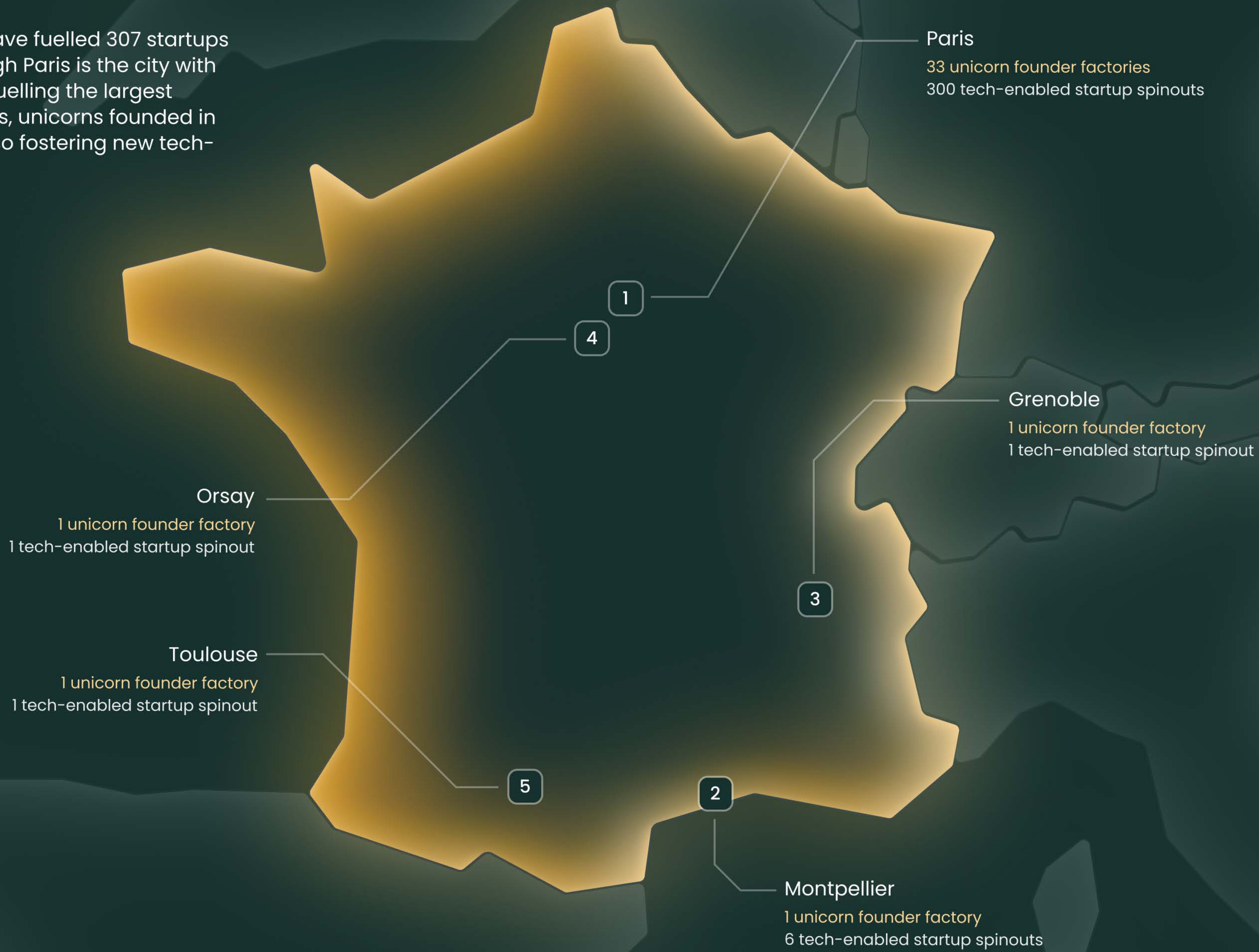


The sum of cities' company counts may vary from the country's totals as some founders have gained experience at more than one unicorn.

Spotlight on France

37 unicorns founded in France have fuelled 307 startups across Europe and Israel. Although Paris is the city with the highest density of unicorns, fuelling the largest number of tech-enabled startups, unicorns founded in other cities across France are also fostering new tech-enabled startups.

Source: Dealroom.co



The sum of cities' company counts may vary from the country's totals as some founders have gained experience at more than one unicorn.

Spotlight on the Nordics

The Nordics is a hotbed of innovation and company creation, with key tech innovation hubs in cities such as Copenhagen, Espoo, Oslo, and Stockholm. However, Sweden's unicorns are having a disproportionate impact on Europe's tech ecosystem.

Not only are three of the five most prolific founder factories in Europe - Klarna (75), Spotify (67) and King (55) - all Stockholm-founded, Sweden's unicorn founder factories generate an average of 19.2 startups each. This is nearly three times the European average of 7.2 startups each.

Source: Dealroom.co

The sum of cities' company counts may vary from the country's totals as some founders have gained experience at more than one unicorn.

Spotlight on Israel

75 unicorns founded in Israel have fuelled 427 startups across Europe and Israel. Although Tel Aviv has the highest density of unicorns, tech-enabled startups are springing out of other cities across the country.

Source: Dealroom.co

Tel Aviv
51 unicorn founder factories
287 tech-enabled startup spinouts

Herzliya
6 unicorn founder factories
44 tech-enabled startup spinouts

Ramat Gan
5 unicorn founder factory
24 tech-enabled startup spinouts

Petah Tikva
3 unicorn founder factories
30 tech-enabled startup spinouts

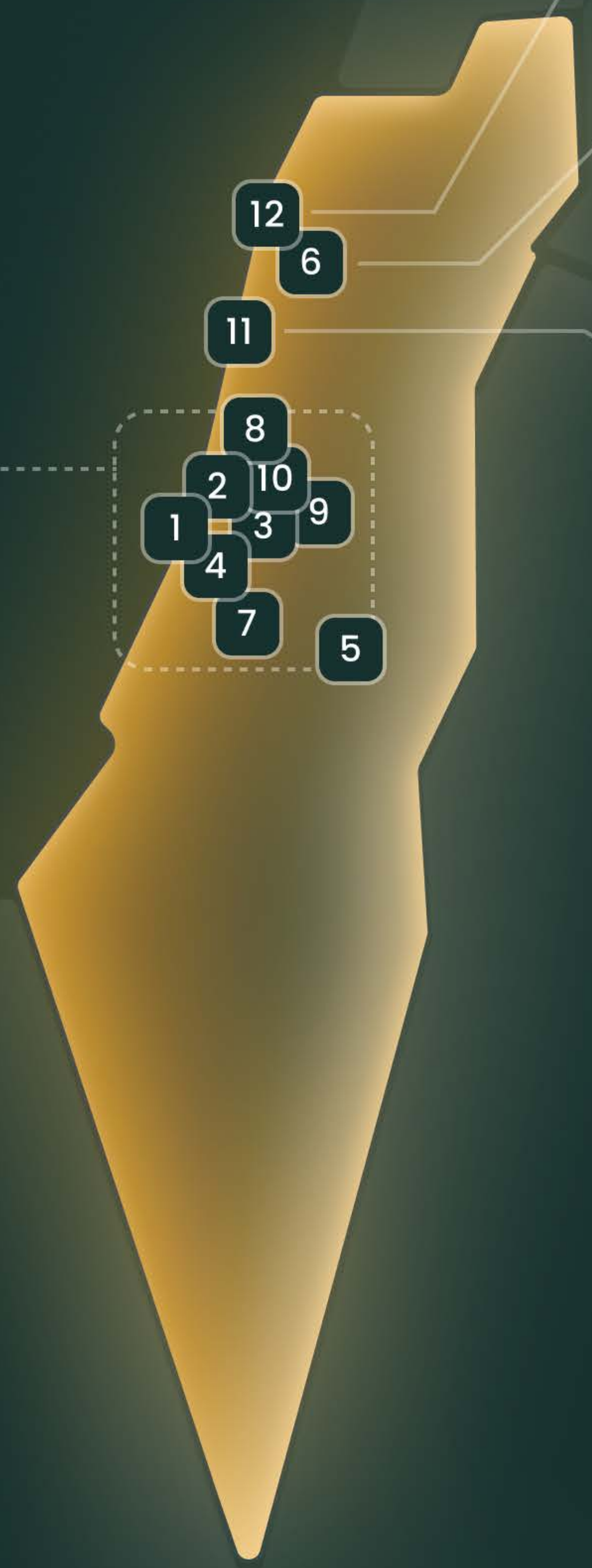
Jerusalem
2 unicorn founder factories
12 tech-enabled startup spinouts

Ness Ziona
1 unicorn founder factory
18 tech-enabled startup spinouts

Ra'anana
1 unicorn founder factory
4 tech-enabled startup spinouts

Rosh Haayin
1 unicorn founder factory
3 tech-enabled startup spinouts

Givatayim
1 unicorn founder factory
2 tech-enabled startup spinouts



Haifa
1 unicorn founder factory
1 tech-enabled startup spinout

Yokneam Illit
1 unicorn founder factory
21 tech-enabled startup spinouts

Caesarea
1 unicorn founder factory
1 tech-enabled startup spinout

The sum of cities' company counts may vary from the country's totals as some founders have gained experience at more than one unicorn.

From unicorn founder factories, more unicorn founder factories emerge

As the region's tech ecosystem evolves and matures, 24 European and Israeli unicorn founder factories have produced 25 companies that have also gone on to become founder factories.

Some unicorns have nurtured more than one unicorn founder factory in the second generation, ensuring the talent flywheel continues to spin.

Skype produced 31 companies, including unicorn founder factories:

skype

Bolt

32 tech-enabled startup spinouts

Wise

31 tech-enabled startup spinouts

pipedrive

14 tech-enabled startup spinouts

Cera

1 tech-enabled startup spinout

Deliveroo produced 57 companies, including unicorn founder factories:

deliveroo

GORILLAS

9 tech-enabled startup spinouts

ZEGO

7 tech-enabled startup spinouts

Delivery Hero produced 42 companies, including unicorn founder factories:

Delivery Hero

GORILLAS

9 tech-enabled startup spinouts

Flink

6 tech-enabled startup spinouts

Orcam produced 11 companies, including unicorn founder factories:

ORCAM

AI21 labs

4 tech-enabled startup spinouts

Placer.ai

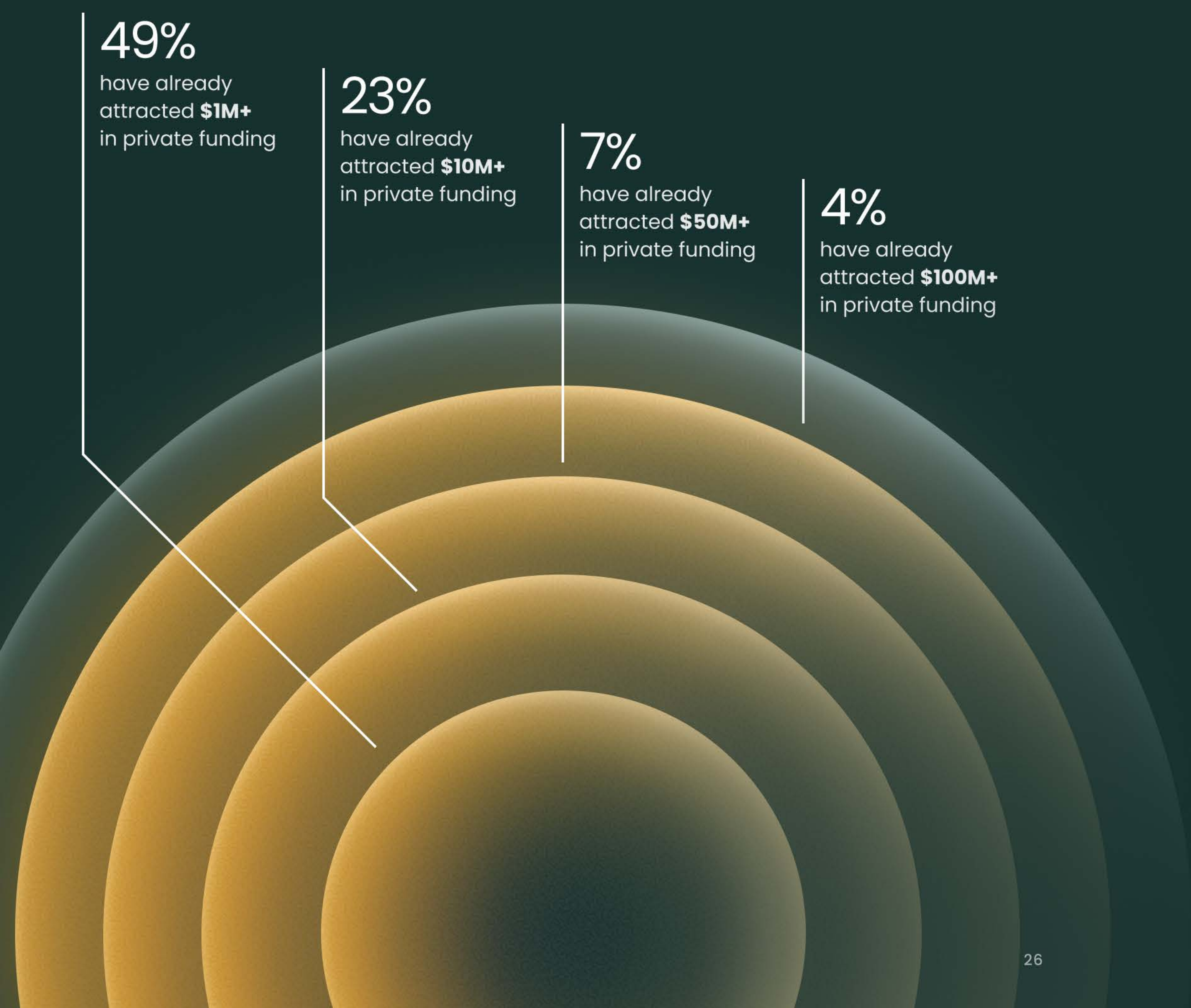
4 tech-enabled startup spinouts

Funding for founder factory startups

The following startup cohorts analysed have raised $2B or more. Startups shown have raised $20M or more according to Dealroom data.

FORMER UNICORN EMPLOYEE STARTUPS AND FUNDING

Source: Dealroom.co



Delivery Hero

$3.89B raised by startups founded by former Delivery Hero employees

Flink	$1.48B
Gorillas	$1.34B
JOKR	$530M
NELLY	$75.9M
Marley Spoon	$70.4M
circ	$60.5M
OnTruck	$57.8M
Payrails	$54.1M
tiger.	$42.6M
LANCH	$38.5M
1000Farmacie	$26.7M
recare	$22.8M

Skype

$3.61B raised by startups founded by former Skype employees

Bolt	$1.89B
Cera	$392M
Wise	$396M
Starship	$281M
vay	$169M
pipedrive	$96.2M
Job Today	$81.1M
katana	$64M
Saltside	$65M
wire	$62M

GoCardless

$2.18B raised by startups founded by former GoCardless employees

monzo	$1.91B
incident.io	$95M
nested	$92.3M
Duffel	$56.3M

AI is shifting the European tech founder archetype

As AI supercharges unicorn creation, revenue generation, innovation and more, the profile of European unicorn founders is also evolving. Analysing European unicorns minted in 2023 onwards, their founders are more likely to have gained experience at Big Tech companies or academic institutions than earlier unicorn founders.

Source: Revelio Labs

11% → 23%

The percentage of unicorns minted in 2023 onwards that have one or more founders who have gained experience at Big Tech companies has more than doubled, increasing from 11% to 23%.

Microsoft & Alphabet in 1st

Microsoft and Alphabet are now joint top work experience pools (8.5% each) for 2023+ unicorn founders. The top firms pre-2023 unicorn founders gained experience at was Boston Consulting Group and McKinsey (6.4% each).

12% → 23%

Academic founders are on the rise. Almost a quarter of 2023+ unicorns (23%) have at least one founder who holds or has held a position at an academic institution. These include titles such as professor, acting professor, researcher, lecturer, and head of a department. This is up from 12% among pre-2023 unicorn founders.

9% → 18%

The latest wave of unicorn founders are more likely to hold advanced degrees. The share of companies with at least one founder that holds a doctorate has doubled from 9% to 18%.

Methodology

This report is based on qualitative and quantitative research into the European and Israeli unicorn ecosystem carried out over the last six months by Dealroom and Revelio Labs. All unicorn, second generation startup and funding data was gathered and analysed by Dealroom up until 31 March, 2026.

All data specifically related to talent - including founders' work experience and education - was gathered and analysed by Revelio Labs up to 31 May, 2026. Revelio Labs' European unicorn founder analysis summarises founder profiles across 290 of the 302 European unicorns examined in this report. The analysis covers prior work experience and educational backgrounds. Percentages are based on the number of unicorns where at least one founder matches the criterion examined. The remaining 12 unicorns could not be included due to either unidentifiable founder profiles or insufficient education and career history in the data.

Unicorns

Companies with $1B+ current valuation or $1B+ valuation at exit that were founded in Europe or Israel from 1999 onwards and have received investment from a Venture Capital investor. For example, Babylon was valued at $4.2B when it went public via a SPAC merger in 2021, so is included in the unicorn count. This dataset excludes quasitech (BrewDog) and traditional biotech companies focused on drug development and biologics (Oxford Nanopore Technologies).

Locations

Locations of companies in this dataset are determined by where the company was founded. For example, a company that was founded in London and later relocated its headquarters to the US is counted as a London-founded company.

Second generation startups

We consider a startup to be part of a unicorn's "mafia" or snowball effect when a founder has held a full-time position at the parent company for more than five months. The end date of the founder's employment at the unicorn should not have been more than six years prior to the launch of the new tech-enabled company. Companies included had a minimum of two employees at the time of analysis. The list excludes agencies, consultancies and traditional biotech companies focused on drug development and biologics. It also excludes companies founded by people who were at the founder factories as interns, consultants or in advisory roles. Companies that have been acquired from 2015 to date have been included in the counts. Second generation startups included in counts were founded across Europe and Israel.

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