affinity

The Relationship Intelligence Benchmark Report

EUROPEAN UNICORN EDITION

JUNE 2022

A look at European unicorns, the firms investing in them, and the role of relationship intelligence in those deals.

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Foreword

The past decade has seen an exponential increase in the volume and diversity of new capital investing in startups. This has yielded an increase in investment activity and the size of valuations and deals. As the VC world has grown, so too has the importance of forging and nurturing increasingly vast professional networks.

While the onset of a global pandemic temporarily slowed market growth in 2020, it rebounded quickly, and 2021 turned out to be a banner year. Tempted by portfolio companies that had continued to grow during the pandemic, VCs returned to what they know best: building and leveraging their relationships to connect with the right people for the right deals.

In the coming year, these relationships will be put to the test, as the economic downturn has already begun to affect everything from deal volume to funding to the birth of new unicorns—the subject of this report.

These business networks are complex and interwoven. Detangling them to find invaluable but hidden information has long been tedious and time consuming. Now, relationship intelligence platforms are enabling everyone to fully harness the power and potential inherent in their business network more easily.

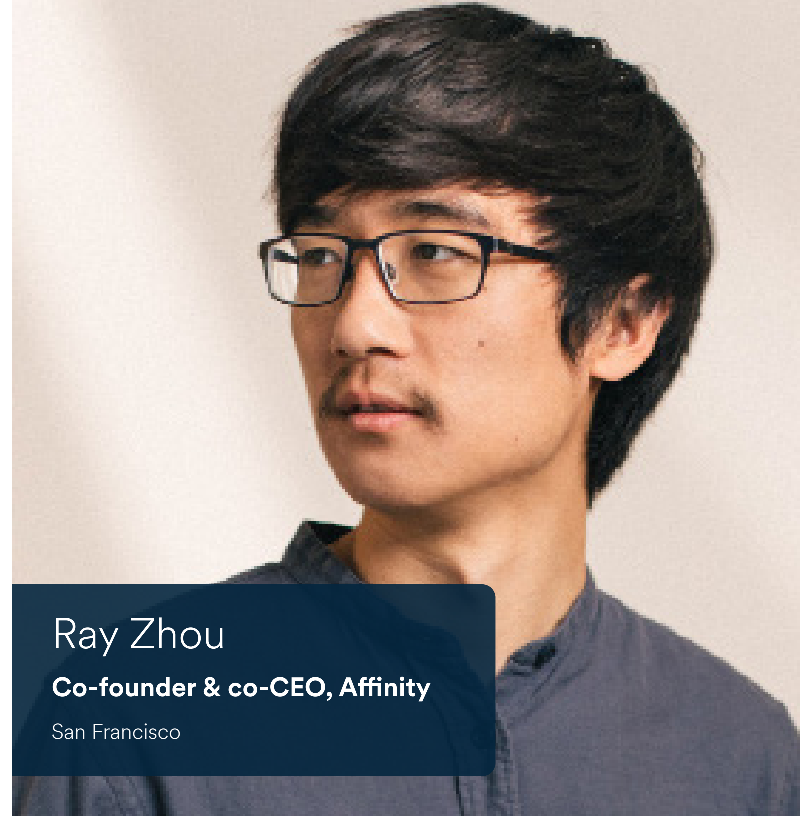
Improving access to this type of relationship-focused information is core to the mission of Affinity and Dealroom.co. A leading provider of predictive intelligence data, Dealroom.co has a long-term presence in the European investment market. Our new partnership further democratizes access to data points that map the universe of global business relationships.

Together, Affinity's and Dealroom.co's comprehensive datasets surfaced insights into what goes into making a European unicorn. By identifying the behavior of investors in existing unicorns, we've uncovered how relationship intelligence has influenced the European VC market.

In this report, we share these observations with you, to help inform the business decisions of unicorn watchers and unicorn hunters alike.

— Ray Zhou and Yoram Wijngaarde

June 2022



Ray Zhou

Co-founder & co-CEO, Affinity

San Francisco

Yoram Wijngaarde

Co-founder & CEO, Dealroom.co

Amsterdam

What's in this report?

The number of unicorns in Europe, while still only a fraction of those worldwide, is on a steep upward trajectory. The continent is now home to over 390 unicorns—privately held startup companies valued at over $1B. One-third passed the billion dollar mark in 2021 alone.

A decade of growth for European venture capital investments has led to the steady increase in these billion-dollar beasts. This correlation is easy to see, but granular trends in the market tell a more complex story.

This report includes:

- Benchmarks of European unicorn trends over the last ten years—including where unicorns have been found throughout Europe and an analysis of the firms investing in them.
- A data-driven examination of the role of relationship intelligence technology in unicorn-related deals.
- A look at current predictions for the venture capital industry—and what impact an economic downturn could have on future investors in and founders of would-be unicorns.
- Suggestions for how relationship intelligence can simplify private capital investment strategies and dealflows, and boost their success.

Report sources

Over 2,000 private capital firms around the world use the Affinity relationship intelligence platform. Among Affinity clients, over 500,000 new introductions are made and 450,000 deals tracked every month.

Of the VCs who use Affinity as their CRM, more than 30% have invested in at least one European unicorn.

All this makes it possible for us to extrapolate industry trends based on aggregated data from our platform.* To further clarify the trends guiding the VC industry—and unicorn investing more specifically—we:

- Consolidated datasets from public sources, including Dealroom.co
- Analyzed the past three years of relationship intelligence data about VCs who use Affinity
- Applied Affinity Data—our platform's proprietary, enhanced dataset—to the information
- Conducted research on the state of the VC industry

This information comprises macro data about the industry itself as well as granular data about the size and activity of European VCs' business networks. All amounts are reported in U.S. dollars. Some direct quotes were edited for length and clarity.

*In doing the research, we adhered strictly to Affinity's security protocols, so all data from our platform was aggregated and anonymized.

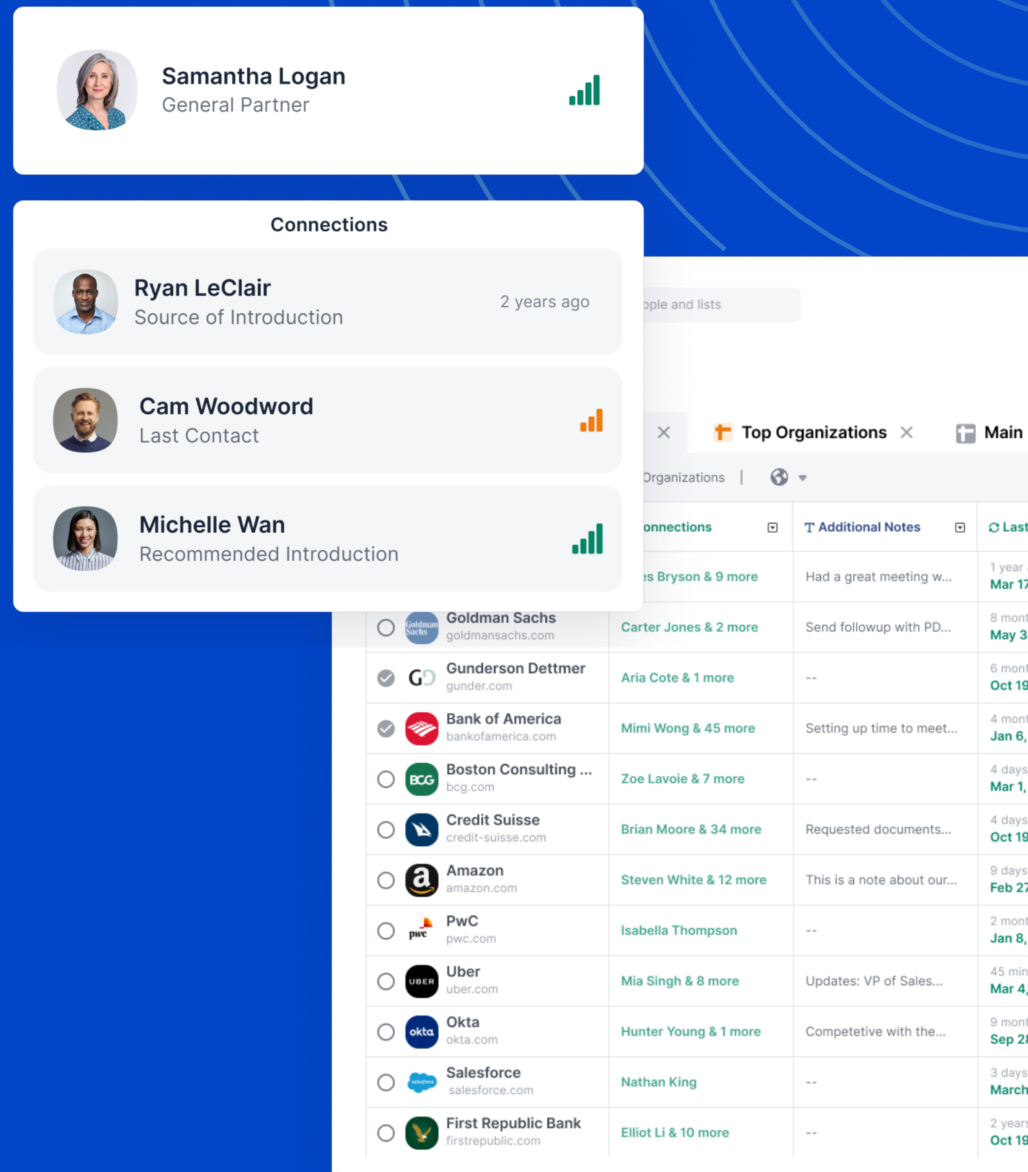
What is relationship intelligence?

Relationship intelligence is insight into your team's network, business relationships, and client interactions that helps you find, manage, and close deals.

Billions of data points are hiding in plain sight and routinely go uncaptured. This "data exhaust," produced by emails and calendaring, contains a wealth of information about who knows whom and what they spoke about, as well as the recency, frequency, cadence, and quality of those communications. All that adds up to relationship intelligence.

The Affinity relationship intelligence platform generates these insights through algorithms that analyze data from every email, meeting, and interaction between your organization and every business contact you've engaged with. It also automatically enriches those insights with additional context from Affinity Data—our own, proprietary data sets—and external data partners, including Crunchbase, PitchBook, and, of course, Dealroom.co, to provide a comprehensive understanding of your business network and dealmaking opportunities.

> "For most venture capitalists, relentless networking was not just one thing they did. Rather, it was *the* thing—the key to succeeding in the business."
>
> Source: Financial Times



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Executive summary

Summary of key findings

01

NUMBER

Europe produced 5 times more unicorns in 2021 than in 2020, and it's producing tech unicorns at more than twice the rate of the United States.

02

GEOGRAPHY

German funding of unicorns grew over 300% in the last 5 years. Together with the UK, they have funded 1/2 of all Europe-based unicorns.

03

VALUATION

European unicorns are now worth a combined $1.6 trillion, up 305% in the last 5 years. The average valuation is $7.2 billion.

04

INDUSTRY

Financial technology is Europe's most significant sector, and the most prolific unicorn- and value-generating engine, responsible for $473B in combined enterprise value. Fintech unicorns outpace those of the next two largest industries, healthcare and transportation, by 56% and 153%, respectively.

05

DECACORNS

Nearly half of all unicorn value in Europe is held by decacorns—companies worth more than $10B. Over the past 5 years, this percentage of multibillion-dollar unicorns has risen by a staggering 560%.

The total value of decacorns in 2021 was $777.4B; in June of 2022, it was already $730.4B, guaranteeing it will exceed 2021's number. Depending on economic volatility, it is on the path to nearly doubling.

Summary of key findings

06

FUNDERS AND FUNDING

In total, 17 investment firms have backed a total of 37 decacorns. $31.5B of investment capital was raised in Q1 2022, up from $23.8B in the same period of 2021, making it the second-biggest quarter in the history of European VC investment.

07

U.S. vs. EUROPE

U.S. investors now account for 35% of all startup funding in Europe, up from 23% in 2017. It remains to be seen whether the funds from the U.S. available to European startups will be affected by a worldwide economic downturn or recession.

08

ECONOMY

2021 was a banner year for VCs and startups alike, a reflection of pent-up demand from a pandemic-related drop in business activity. The worldwide economic downturn beginning in 2022 is reflected in the volume of some, but not all, industry benchmarks and private investor activity. While measurements of the amount of business being done have dropped in 2022, valuations are so far keeping pace with 2021 levels—but funding has decidedly not.

Few expect 2022 to match the skyrocketing activity of 2021, and the dropoff in business activity during the first half of 2022 could foreshadow a similar dropoff in everything from fundraising to unicorn creation.

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RELATIONSHIP INTELLIGENCE

Affinity customers who have invested in unicorns:

- Increased the number of contacts in their database 48% between 2019 and 2021
- Took 59% more meetings in 2020, and 30% in 2021 year-over-year
- Made 12% more warm introductions in 2021 year-over-year

The industry's economic downturn in 2022 is reflected in investor activity volume.

02

Key benchmark data for the European venture capital industry

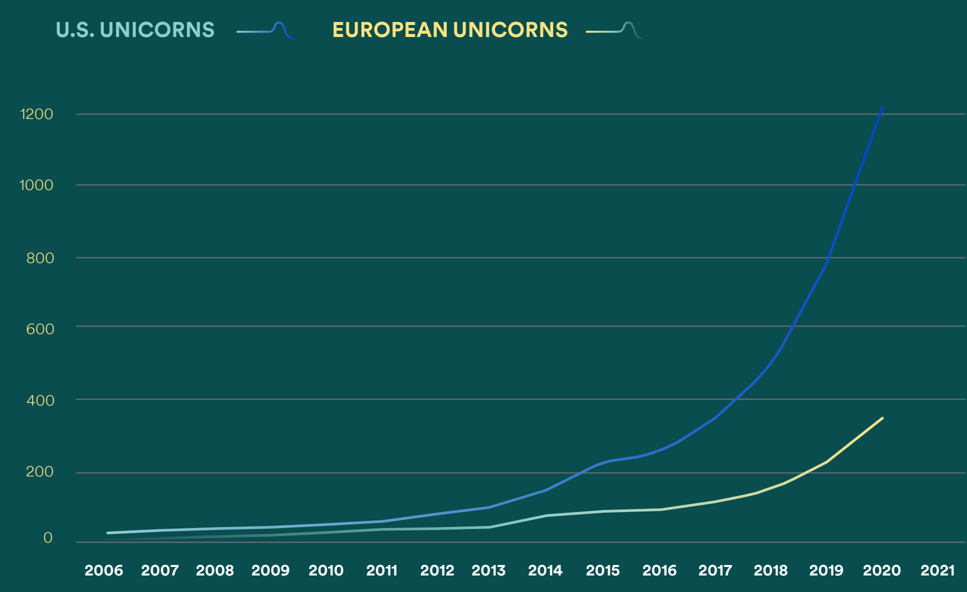
European unicorns by year

Europe produced 72 new unicorns in 2021, nearly 5x the 2020 total of 15. Another 34 have been added in Q1 and Q2 of 2022.

“While numbers are up significantly year-over-year for European startups, Europe still represented only 14% of the 595 new unicorns minted globally in 2021,” according to Crunchbase.

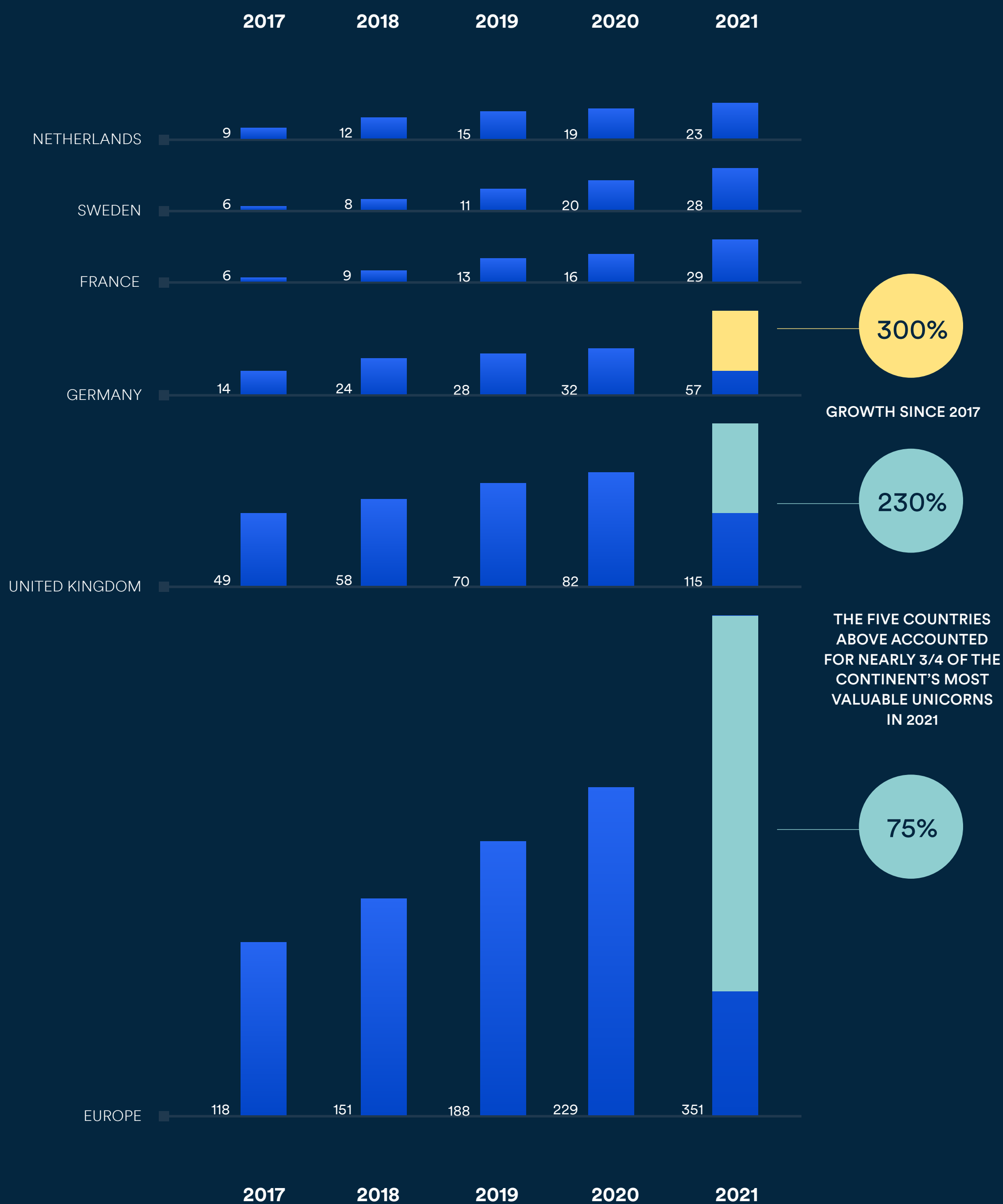
But Europe shows signs of catching up—as predicted by Sequoia Capital partner Matt Miller, who in 2019 wagered that in the following few years the growth curve for European unicorns would curve further and further upward. Today Sequoia owns stakes in one-fifth of all European unicorns.

In fact, the pace of new European unicorn creation in 2022 has already increased compared to 2021, with 13 new unicorns created—including Sweden’s Spotify, which has since gone public. By some accounts, European venture capital investments surpass those from similar American investments in returns.



SOURCE: DEALROOM.CO

> “European entrepreneurs want to build world champions here in Europe.... Founders no longer have to relocate to the USA to be successful.”
>
> **BERNARD LIAUTAUD**
> MANAGING PARTNER, BALDERTON CAPITAL
> Source: La Tribune



SOURCE: DEALROOM.CO

Where the unicorns roam

With 1/3 of all European unicorns, the UK is home to more billion-dollar companies than any other European country. It nearly surpasses the four next-ranking countries combined.

Other countries are, however, gaining ground. Germany's unicorn numbers grew more than 300% between 2017 and 2021, compared to only 230% for the UK. Taken together, the UK and Germany comprise 1/2 of all European unicorns, and the top five nations comprise nearly 2/3 of all unicorns in the UK and EU. Stockholm may lag behind, but per capita it boasts more unicorns than any other large European city.

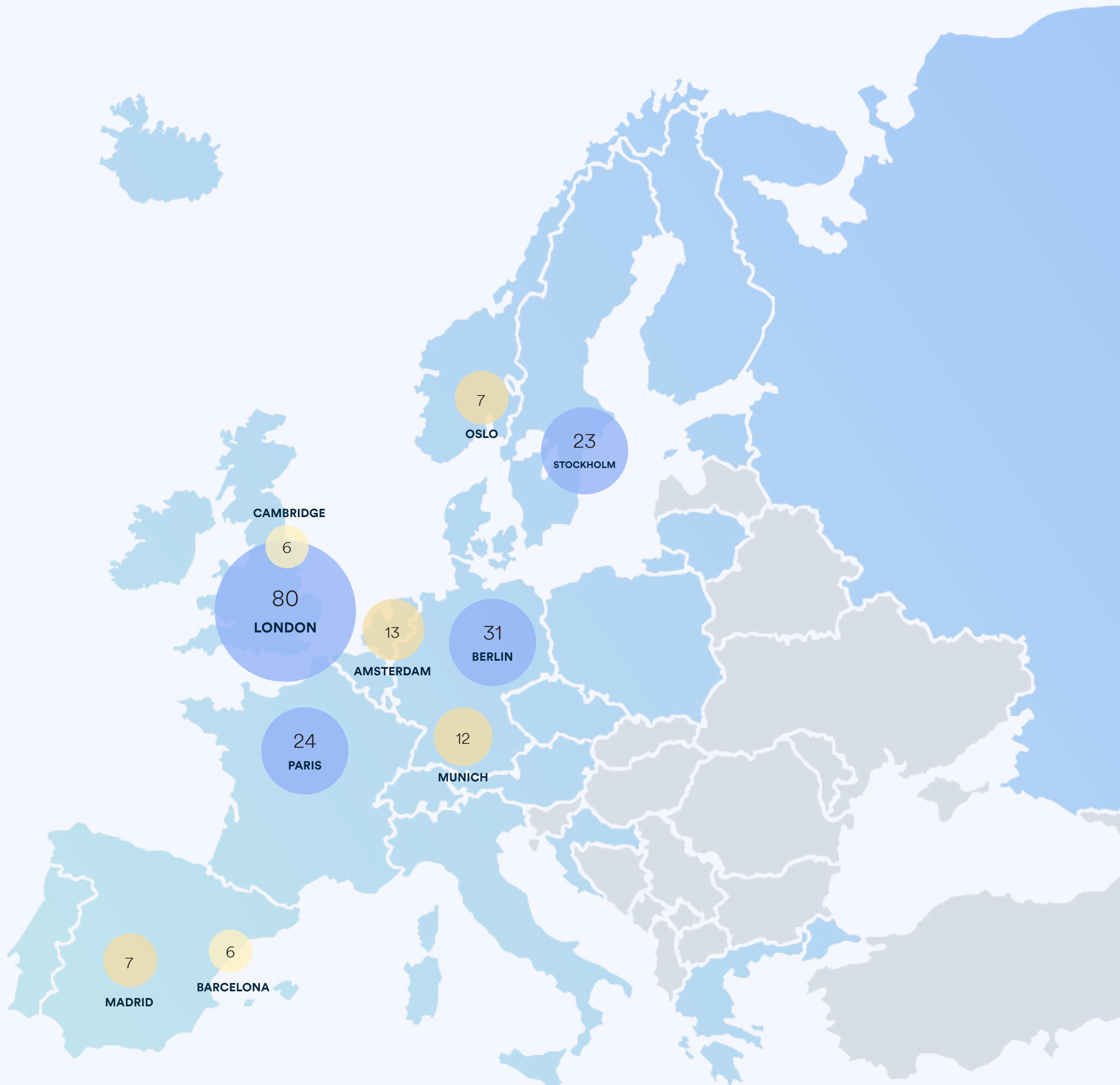
European tech companies are forging ahead when it comes to creating new tech unicorns, according to a report from i5invest, an Austrian tech M&A international advisory and investor firm. Europe now registers a tech unicorn growth rate more than twice that of the U.S.

London is not only the leading European unicorn creator, it ranks 5th globally, behind the Bay Area, New York, Beijing, and Boston. London has produced more unicorns than Paris, Berlin, and Stockholm combined.

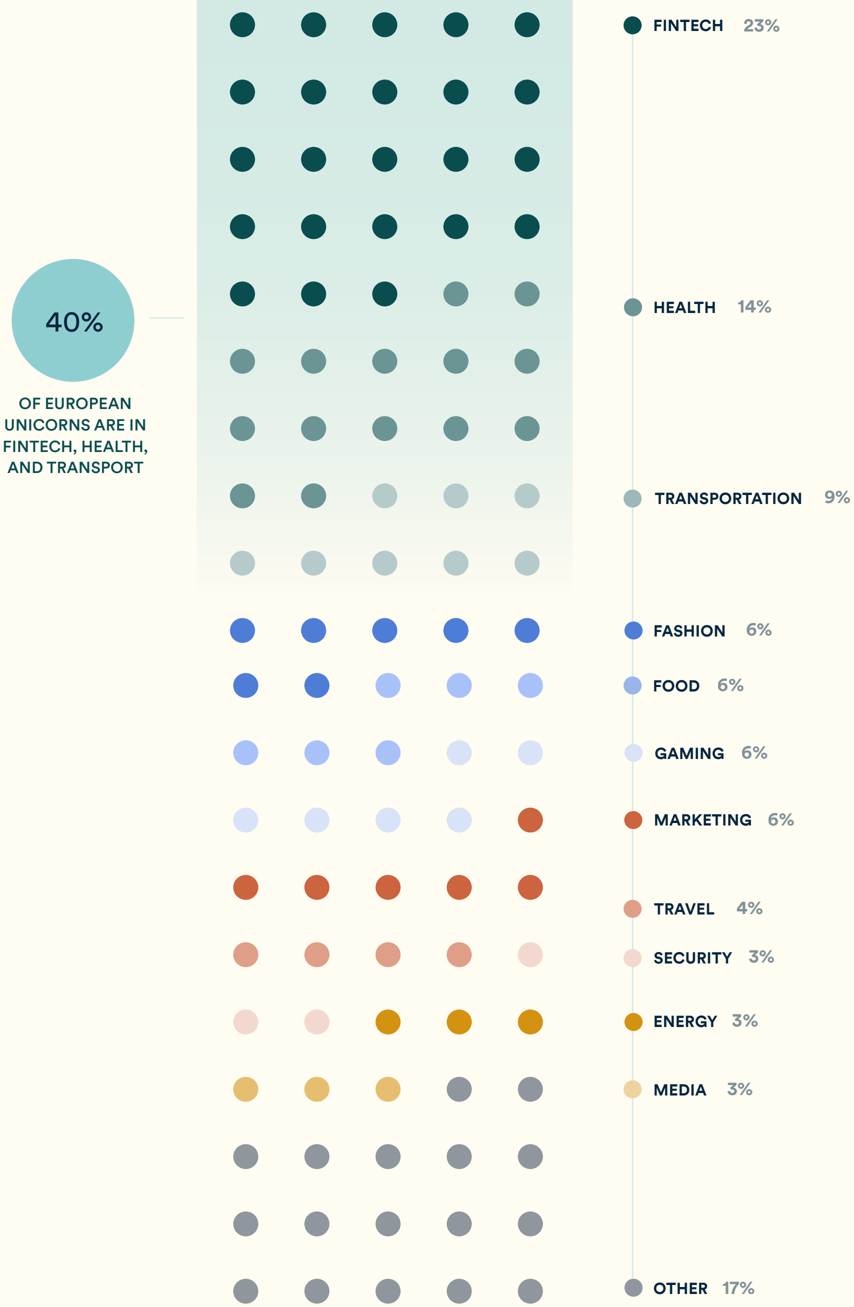
A more equitable distribution of unicorns

The distribution of unicorns across the continent is spreading. There are now 24 European countries that have produced more than one unicorn—a startup ecosystem much less centralized than that of the United States. Europe is home to 65 "unicorn cities"—places where at least one unicorn has been founded. That is more than in the United States or on any other continent. (The top 10 have been shown on this map.)

> Long dead are the days when all the attractive startups were a bike ride away. The geographic map of opportunity is only getting larger and more complex."
>
> **MATT MILLER**
> PARTNER, SEQUOIA CAPITAL
> Source: Financial Times



SOURCE: DEALROOM.CO



Unicorns by industry

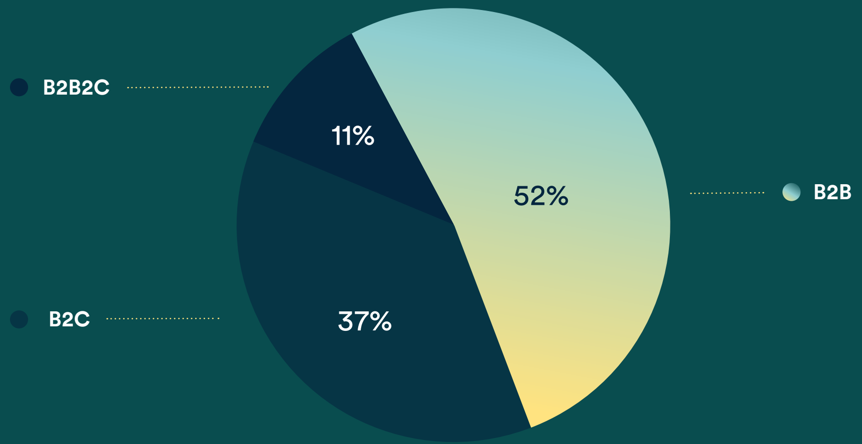
Fintech currently makes up nearly 1/4 of all European unicorns. Together with the next two largest categories—health (14%) and transportation (9%)—they comprise nearly 40% of the market. Investment-wise, the same five countries that lead all unicorn investment lead fintech investment as well: the UK, followed by France, Germany, Netherlands, and Sweden.

> "London's strengths in technology and financial services helped drive record levels of fintech investment. There was also a huge increase in funding for health tech after the beginning of the coronavirus pandemic."

LAURA CITRON
HEAD OF THE GOVERNMENT-FUNDED PROMOTIONAL AGENCY
LONDON & PARTNERS
Source: Financial Times

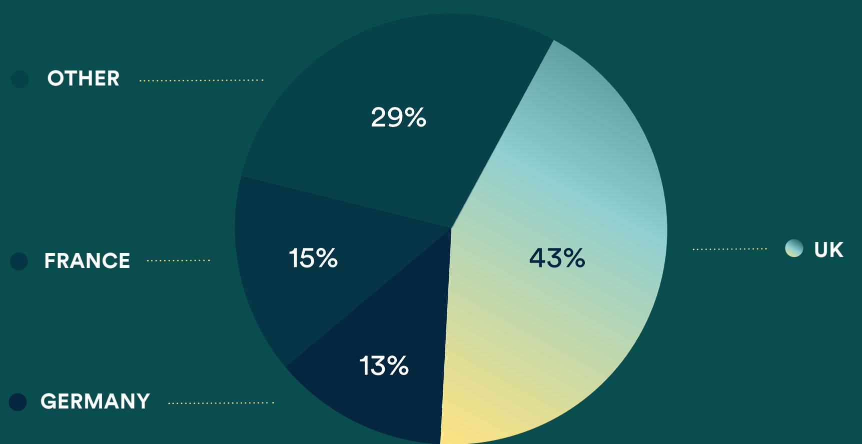
Split among unicorn fintech markets

The majority of the European fintech unicorns build SaaS B2B software. B2C and B2B2C products lag behind.



Investment in fintech unicorns by country

In 2021, nearly 2/3 of all European fintech unicorns were funded by three countries: the UK, Germany, and France.



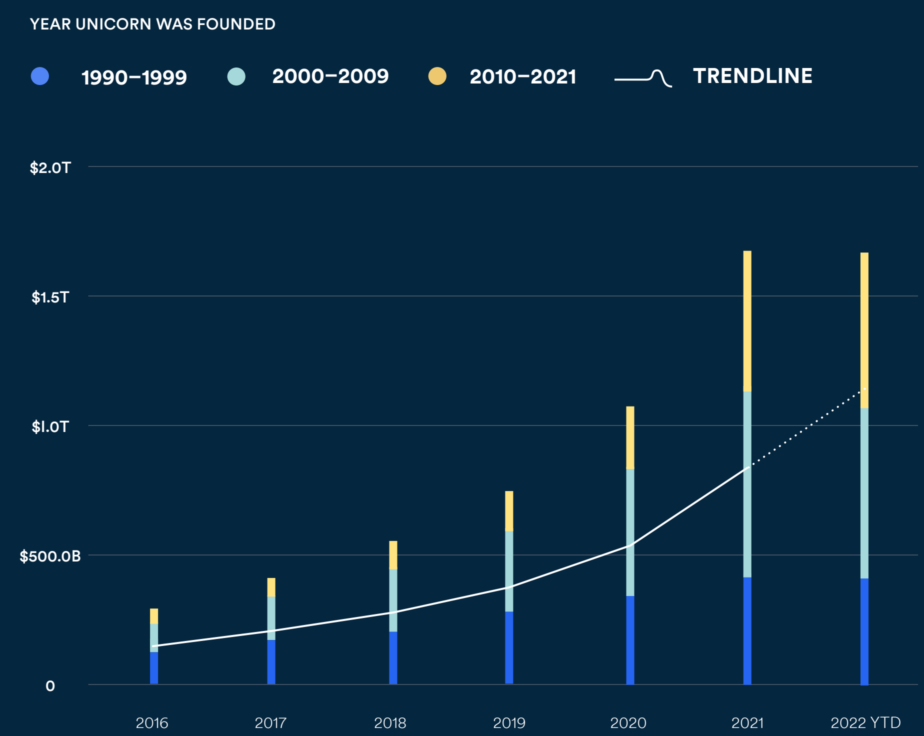
European unicorn valuations over time

European unicorns are now worth a combined $1.6T, up 305% in the last five years; their average valuation is $7.2B. Younger cohorts, measured from founding to unicorn status, are now more numerous and valuable than more mature startups.

They've also been scaling more quickly than their predecessors, raising more rounds in less time. In the past 5 years, the number of early startup investment rounds has doubled in the U.S.; in Europe, the number is 7 times that. And European unicorns are unicorning faster than previously, which often means after fewer rounds of funding.

> "Get to know your first potential investors, as they'll be with you for the lifetime of your business. When the fit is good, they will be supportive, collaborative, and patient—all critical to your life as a founder."
>
> **EMMA DAVIES**
> CO-CEO, OCTOPUS VENTURES
> Source: EU Startups

European unicorn valuations over time



SOURCE: DEALROOM.CO

Decacorns:
The ten-headed beasts

Half of all unicorn value in Europe is held by companies worth more than $10B. Over the past five years, this percentage has continued to climb: more and more unicorn value is attributable to decacorn companies.

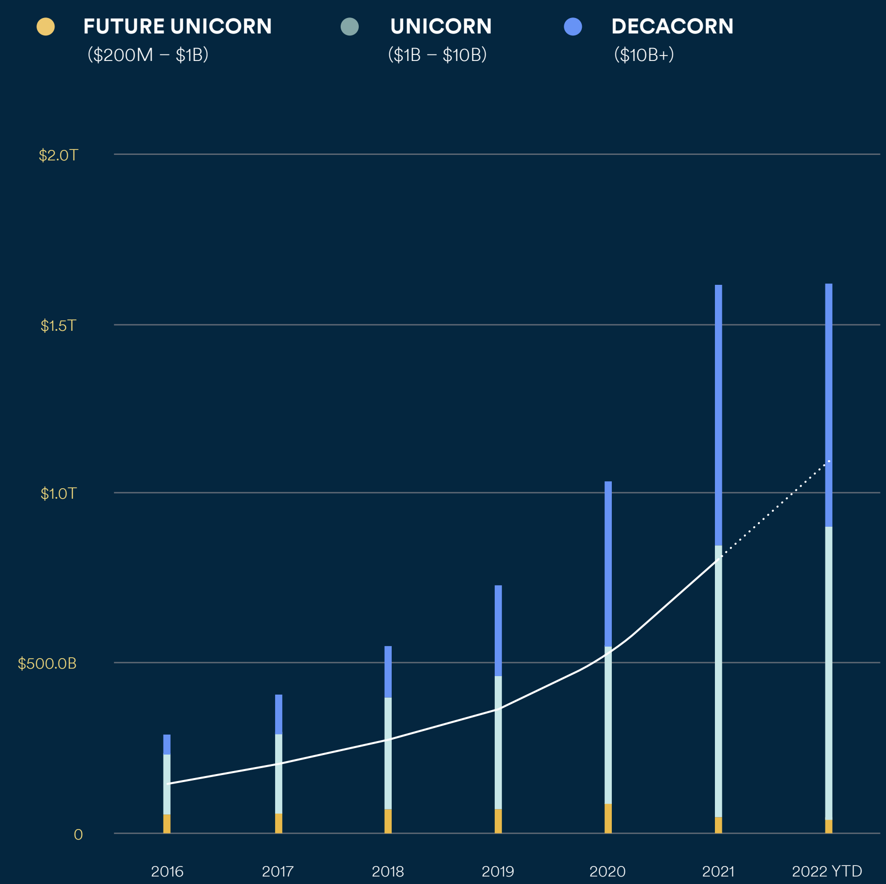
> "Founders are building great companies everywhere around the world—and staying local. We're going to see a growing number of decacorns emerge across Europe, which will spawn even more valuable companies as employees depart to found their own companies."

ALEX FERRARA

PARTNER, BESSEMER VENTURE PARTNERS

Source: CNBC

The rise of the European decacorn



SOURCE: DEALROOM.CO

The VCs with the largest portfolio of decacorns

A single investor, Index Ventures, a multinational VC headquartered in London, by itself backed 10 European decacorns. In total, 17 investment firms have backed a total of 37 decacorns, from Finland to Spain and Lithuania to Greece.

NOTE: Because valuations rise and fall, unicorns and decacorns may lose and then regain their star status. This report treats all companies that have at one time achieved that status as unicorns and decacorns.

SOURCE DATA: DEALROOM.CO

Top investors funding European decacorns

Index Ventures	10
DST Global	8
Accel	7
Goldman Sachs	6
Baillie Gifford	6
Wellington Management	6
SoftBank	5
Tiger Global	5
BlackRock	5
Institutional Venture Partners	5
Fidelity	5
JP Morgan	5
Insight Partners	4
General Atlantic	4
Felix Capital	4
G Squared	4
BNP Paribas	4

Decacorns funded by Index Ventures

COMPANY	INDUSTRY	FOUNDING CITY	FOUNDED	VALUATION	MARKET
Adyen	Fintech	Amsterdam	2006	$58.8B	B2B
Deliveroo	Online food delivery	London	2012	$1.2B	B2C
Elastic	Software	Amsterdam	2012	$7.6B	B2B
Farfetch	Fashion technology	Leça do Balio, Portugal	2007	$4.5B	B2C
Just Eat	Online food delivery	Kolding, Denmark	2001	$10.0B	B2C
Ozon	e-Commerce	Moscow	1998	$6.2B	B2C
Revolut	Fintech	London	2015	$33.0B	B2B, B2C
Supercell	Gaming	Helsinki	2010	$10.2B	B2C
Wise	Fintech	Tallinn, Estonia	2011	$2.6B	B2B, B2C
Zendesk	Customer service	Copenhagen	2007	$14.0B	B2B

Funding trends for European unicorns

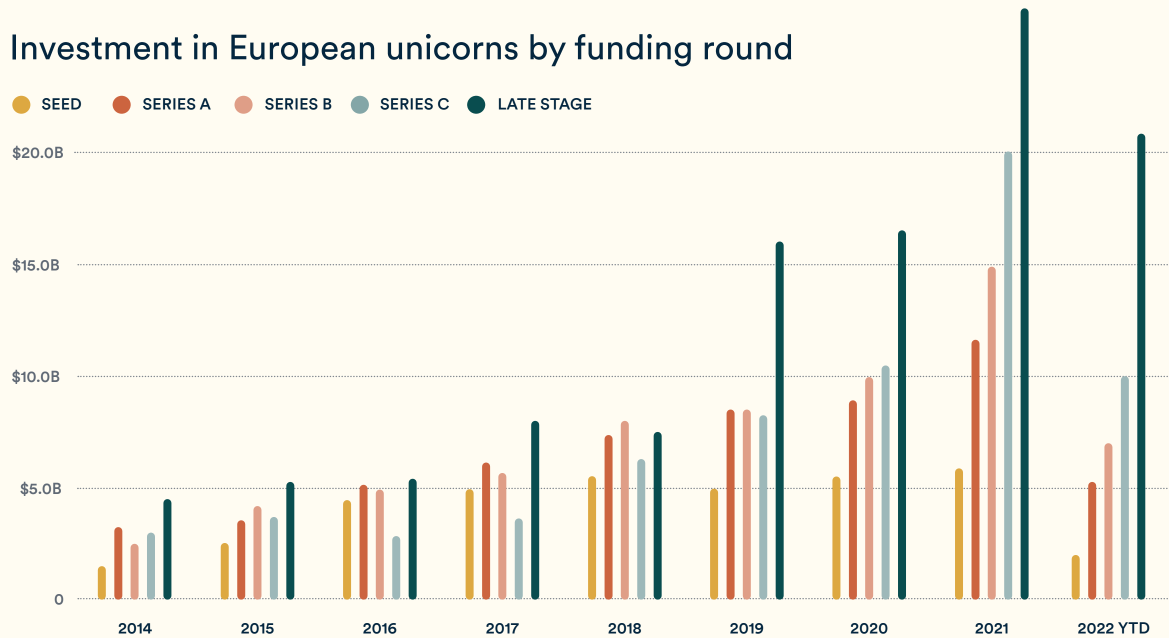
European unicorns raised over $45B in funding in 2021: more than any previous year, more than twice what was invested in 2020, and 38% of all European funding raised since 2010.

$31.5B was raised in Q1 2022, up from $23.8B in the same period of 2021, making it the second-biggest quarter in the history of European VC investment. Only Q2 2021 has surpassed this level, with $37B raised. Investment is largely driven by later-stage rounds.

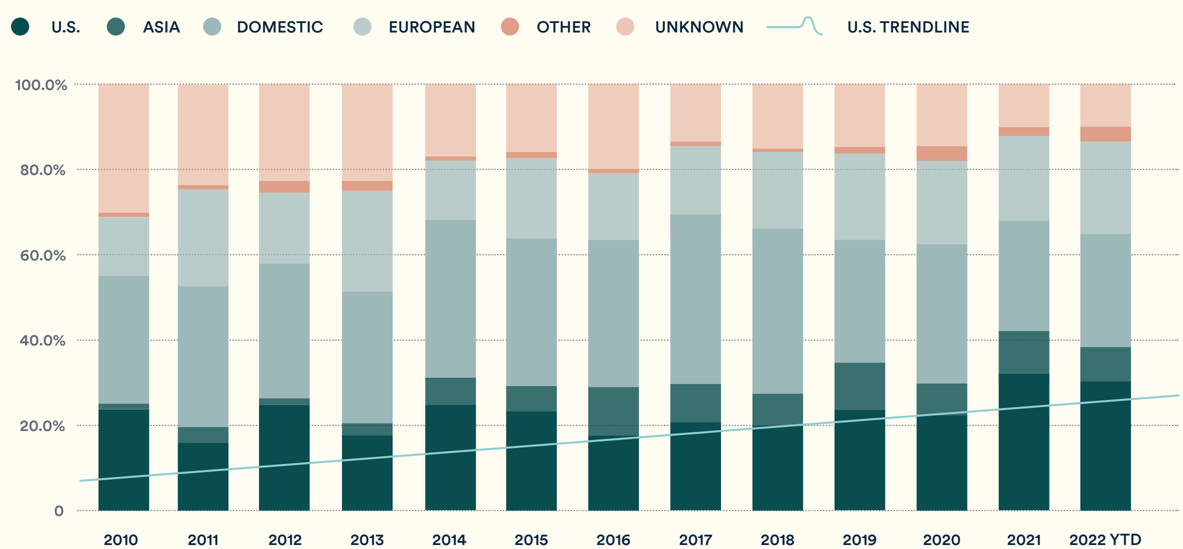
As the European ecosystem matures, both the amount and proportion of funding going to late-stage startups is growing: in 2021, $83.9B was invested in late-stage startups, a 217% increase over 2020's $26.5B. The reasons may be twofold: many companies have had more investment options and available capital than previously, and more early-stage companies are being acquired by tech giants.

> "The size of the European market is attracting a new set of investors as potential returns from VC-backed businesses become more attractive."
>
> **SONYA IOVIENO**
> HEAD OF VENTURE AND GROWTH, SILICON VALLEY BANK UK
> Source: Fortune

Investment in European unicorns by funding round



U.S. funding of European startups



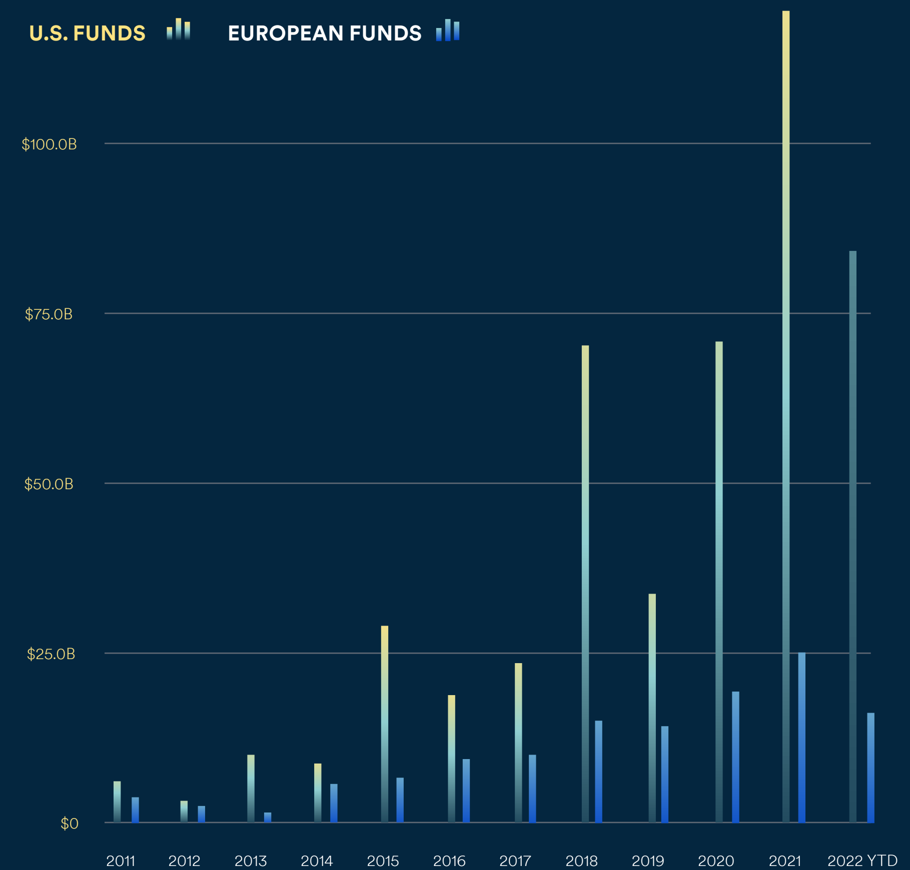
New VC fundraising by geography

European fundraising has largely mirrored the pace, if not the value, of VC fundraising in the U.S., indicating global market trends that predate the rise of both European venture capital funding and the founding of startups. Once again, the UK is at the top, followed by Germany, France, Sweden, and the Netherlands.

> "The UK is the largest venture capital market in Europe. But when companies get to a certain size, the sophistication—and the sheer amount of money available to them—is just much greater in the U.S."

ED LASCELLES
PARTNER, ALBION
Source: Bloomberg

New funds raised by European and U.S. VCs



SOURCE: DEALROOM.CO

New VC funds by country

In addition to the reasons for the lag in investment in Europe generally, there are a few other general factors that may be at play:

- European investment funds have less brand recognition, which limits their ability to raise capital and, therefore, the amount they have to invest.
- The lack of a centralized tech or VC hub, which is advantageous in some ways, dilutes the energy of the marketplace.
- The European Union has 27 members—and 27 different sets of regulations. That can make it difficult for companies to work cross-border, even within the Eurozone. This may also be a factor in the UK's funding successes, as their VC firms are concentrated in London, and, since Brexit, outside the EU.

New VC funds broken out by country

SOURCE DATA: DEALROOM.CO

AMOUNT RAISED | LOCATIONS	2016	2017	2018	2019	2020	2021	2022 YTD
UNITED KINGDOM	$2.1B	$4.0B	$6.6B	$5.1B	$8.5B	$10.5B	$5.4B
FRANCE	$979M	$1.8B	$1.9B	$1.1B	$1.4B	$3.7B	$1.0B
GERMANY	$923M	$1.7B	$1.7B	$2.0B	$2.8B	$3.1B	$3.6B
SPAIN	$805M	$56.1M	$188M	$743M	$532M	$1.3B	$1.1B
NETHERLANDS	$1.2B	$190M	$1.1B	$1.1B	$697M	$793M	$1.3B
ITALY	$233M	$391M	$603M	$116M	$1.5B	$751M	$86M
BELGIUM	$193M	$112M	$172M	$122M	$591M	$474M	$175M
IRELAND	$489M	$82.5M	$45.9M	$25.5M	$138M	$353M	$270M
SWEDEN	$978M	—	$292M	$1.2B	$96.8M	$295M	$749M
AUSTRIA	—	$11M	$141M	$50M	$300M	$154M	—

03

Key findings among Affinity VC clients

Warm introductions to business associates

The average number of "warm" introductions fell 4% in 2020, likely because the pandemic suppressed business overall. In 2021, the average number of warm introductions recovered, increasing by 12% year-over-year.

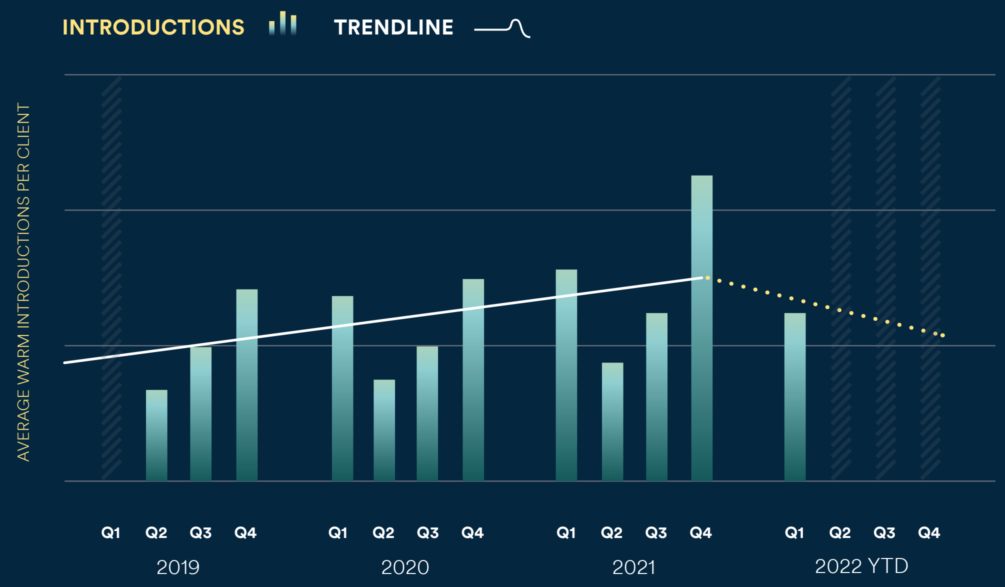
The backbone of any relationship-driven business, warm intros enable VCs to find prospects and dealmaking partners sooner.

The dropoff in warm introductions in 2022 is an unmistakable indicator of worldwide economic turbulence. While Q1 saw a 24% rise in introductions over Q1 2020, **Q1 2022 saw a 25% decline quarter-over-quarter**.

In the VC industry, that has manifest in many ways, including the number of Q2 layoffs: 130,000 employees across nearly 800 startups. But despite the sharp turn from a founders market to a funders market, predictions are split on whether that instability will continue for the second half of the year.

The New York Times noted that every time the tech VC industry has predicted "the boom times are ending… more money has flooded in…and things got bubblier."

The Wall Street Journal was more succinct and bearish: "For tech startups, the party is over," a recent headline blared. "Funding is suddenly scarce as venture capital firms grow stingy, forcing young companies to get frugal…."



SOURCE: AFFINITY

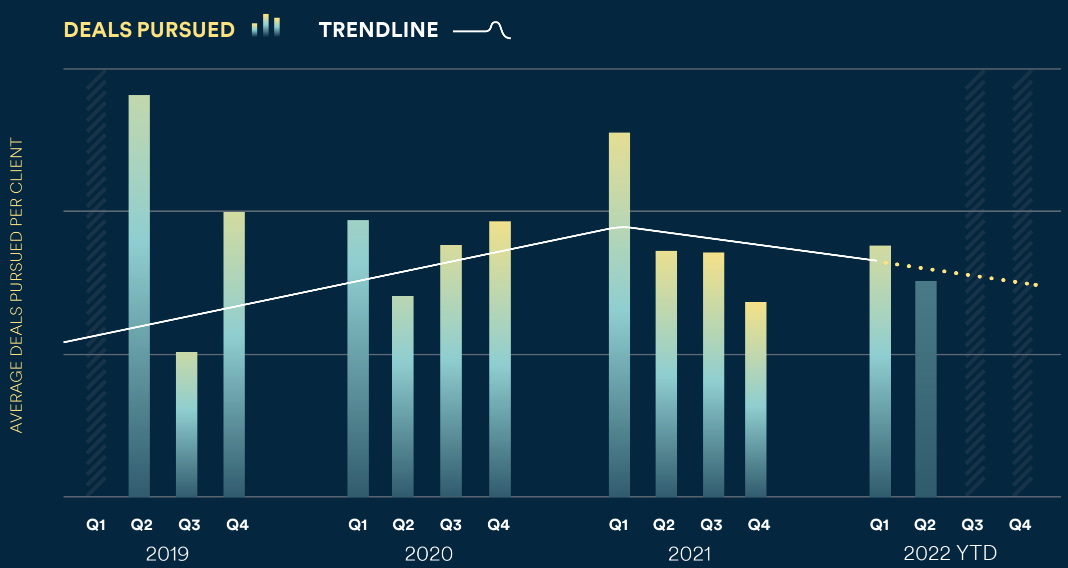
Whichever way the economy goes, warm introductions will be key to both funders and startups alike as they continue to strive for success.

> "Startups should be prepared for things to get worse before they get better. Many people join startups to embrace the struggle. They may just get that opportunity."
>
> **J. ZAC STEIN**
> PRESIDENT, LATTICE
> Source: Wall Street Journal

Deals pursued

More warm introductions contribute to stronger dealmaking opportunities that can lead to a greater number of successful deals, and deal volume follows the curve of warm intros. In Q1 of 2021, that curve seemed headed endlessly upward. But more recent quarterly figures tell a different story.

Deal volume increased 31% in Q1 2021 from Q1 2020, a result of the post-lockdown surge in business seen in many industries. But **deal volume has decreased 27% in Q1 2022 from Q1 2021**, a reflection of the stormier economic times predicted for the rest of the year.



SOURCE: AFFINITY

> "The best companies should keep their foot on the gas. It doesn't take as much strength when it's easy to fundraise. But the playing field is getting tougher, which will benefit people who can make the most of the opportunity."

MICHELLE BAILHA
PARTNER, SEQUOIA
Source: CNBC

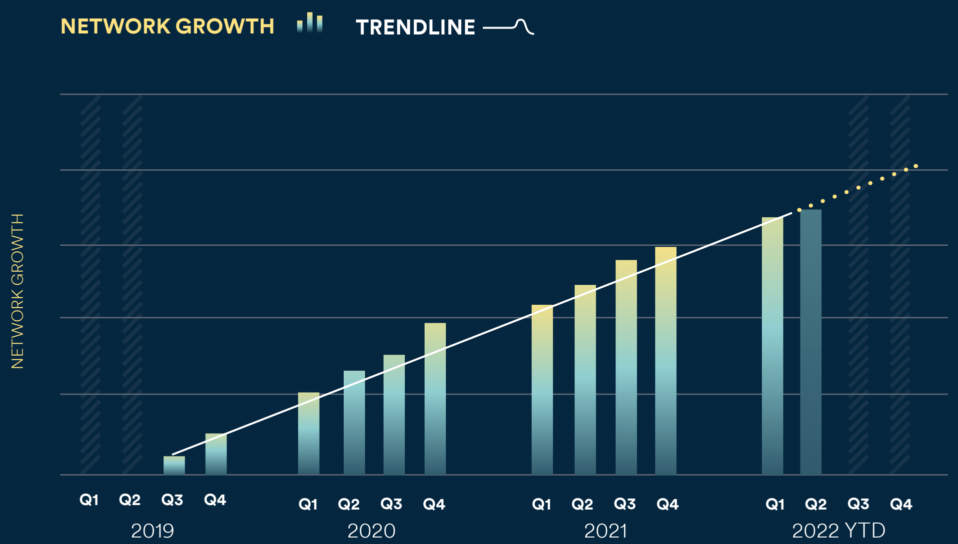
Total business network size

Affinity clients increased the overall number of contacts in their database an average of 48% between 2019 and 2021, and overall network growth is a steady 3% quarter-over-quarter.

Their network size grows at this healthy rate even as the quality of each contact increases, as evidenced by the overall three-year increase in warm introductions and deals pursued prior to the recent economic downturn.

> "Build your relationships long before you need them, and continue to cultivate them over time, whether with investors themselves or individuals within the ecosystem."
>
> **EVIE MULBERRY**
> MANAGING PARTNER, ASTIA FUND
> Source: Maddyness

Total size of business network



SOURCE: AFFINITY

Outbound marketing and emails sent

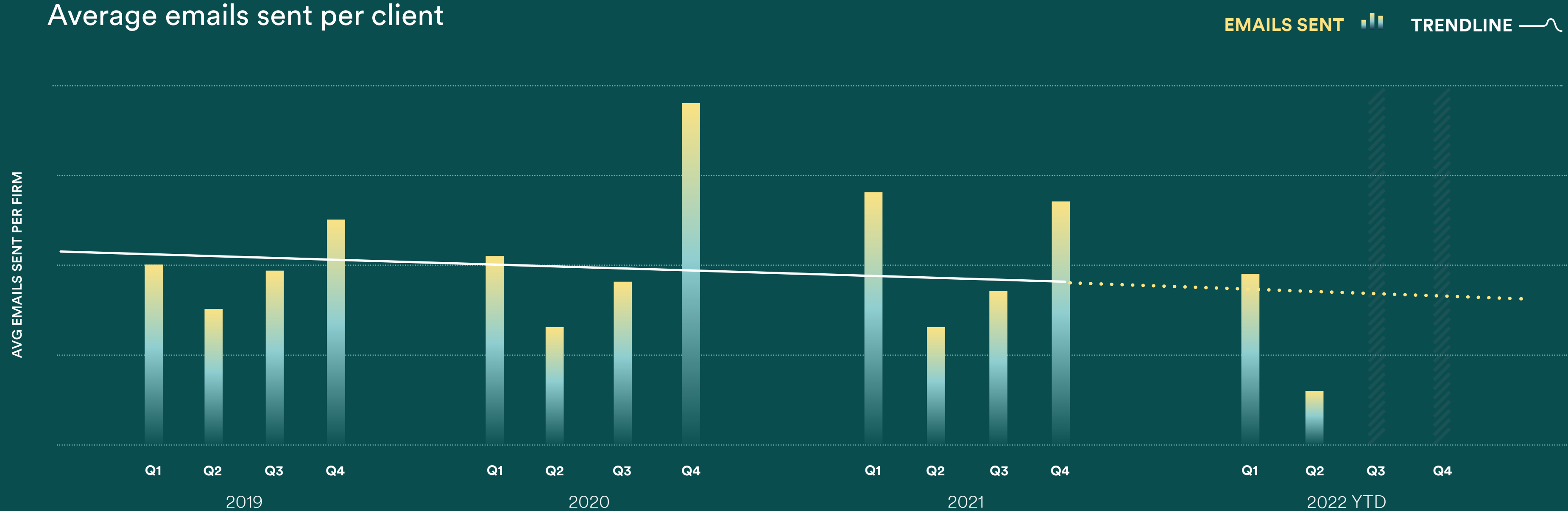
Email volume shows some seasonality every year, falling off in the first two quarters and picking up again in the last six months of the year. For example, from Q4-2020 to Q2-2021, there was a 65% decrease in email activity. **But from Q4-2021 to Q2-2022, there was a 78% decrease in email activity—a 13% difference. And there was a 35% drop in total email volume during the same period.**

This larger-than-average dropoff in 2022 reflects recession predictions and an economic downturn that has left funders less eager to give away their cash in exchange for equity. (The same downturn is also reflected in the downward trend in meeting, introduction, and deal volume.)

In 2021, there was a 13% increase year-over-year in the number of emails sent, a rebound attributable to a fallback on email communications during the worst year of the pandemic and

> "Companies will adjust to any market turmoil by reducing areas that aren't as essential, such as marketing. Investors will be putting more value in business models and capital efficiency."
>
> **TOD FRANCIS**
>
> CO-FOUNDER, SHASTA VENTURES
>
> Source: Washington Post

Average emails sent per client



Meetings per quarter

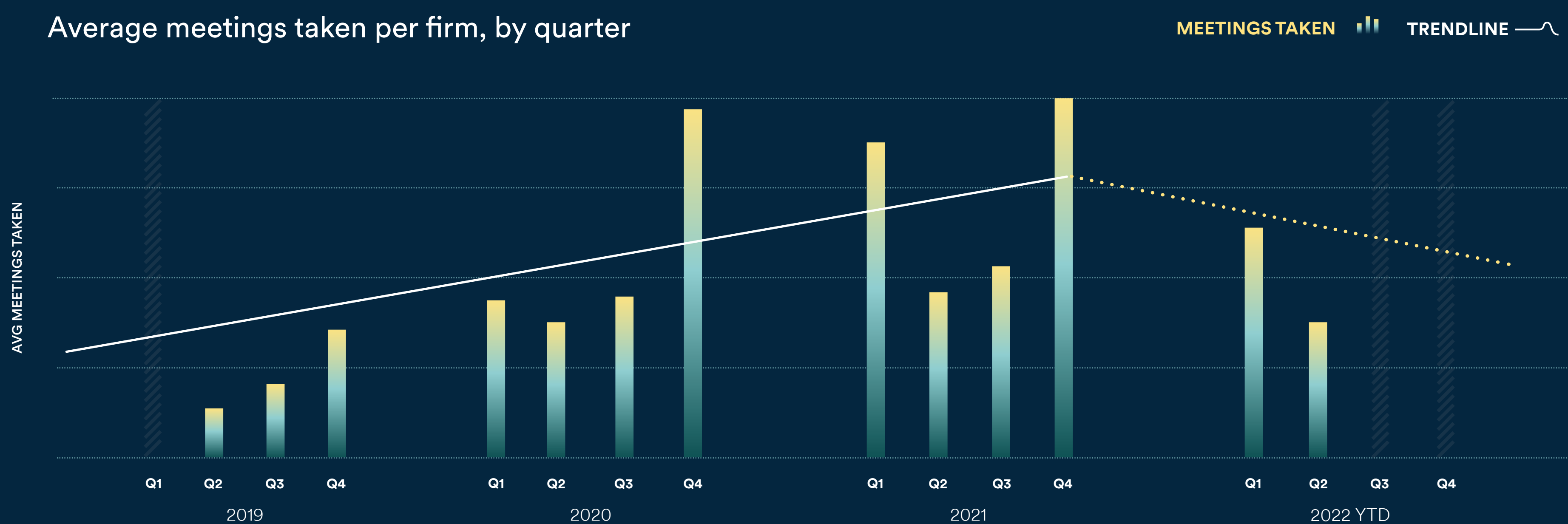
Relationship intelligence has enabled firms to meet the right connections and target the right emails to the right people; this yields the more deliberate yet stiffly upward trend in meetings per quarter over time. Affinity clients took 30% more meetings in 2021 than they did in 2020, and 59% more in 2020 than they did in 2019.

However, while meeting stats were up a whopping 104% in Q1 2021 compared to Q1 2022 saw a drop of 38%, as VCs and other funders held on to their dry powder and took fewer meetings in reaction to to the inflation in Europe and predictions of an impending recession.

Although there is overall seasonality in the month-to-month curve, the combined decline in meeting and activity volume beginning in 2022 is much too steep to attribute merely to seasonality— it's a clear reflection of market volatility, an unwillingness of funders to spend the capital they have, and a decrease in the overall capital they are able to raise.

> "The firehose is drying up, and that goes for both startups and VCs alike when raising money.... [So] it's not about how fast you move, it's about how little capital it takes to get you there."
>
> **BIZ CARSON**
> EDITOR, PROTOCOL'S PIPELINE
> Source: Pipeline

Average meetings taken per firm, by quarter



04

A comparative trend analysis of Affinity platform data

Trend analysis

A glossary of the terms used in the following trend analysis of Affinity platform data

Warm introductions: The number of people to whom any member of your firm was introduced to a prospective business associate by a colleague at your firm.

Opportunities: The number of potential deals in your pipeline at any given time.

Network size: The number of people and companies in your Affinity database at any given time.

Meetings taken: The number of meetings with prospects or partners you schedule.

Emails sent: The number of external, outbound emails, including prospecting emails, the entire Affinity userbase has sent.

> "Ultimately, the question is, 'How do you assess an entrepreneur's quality and get from 2,000 opportunities to 500 to 100 to 5 efficiently?'"
>
> **MARK TLUSZCZ**
> CO-FOUNDER AND MANAGING PARTNER,
> MANGROVE CAPITAL
> Source: CGTN EU

Note: The trends in this section are based on historical data, and go only through the end of 2021. They do not reflect the downturn the market began experiencing in March 2022.

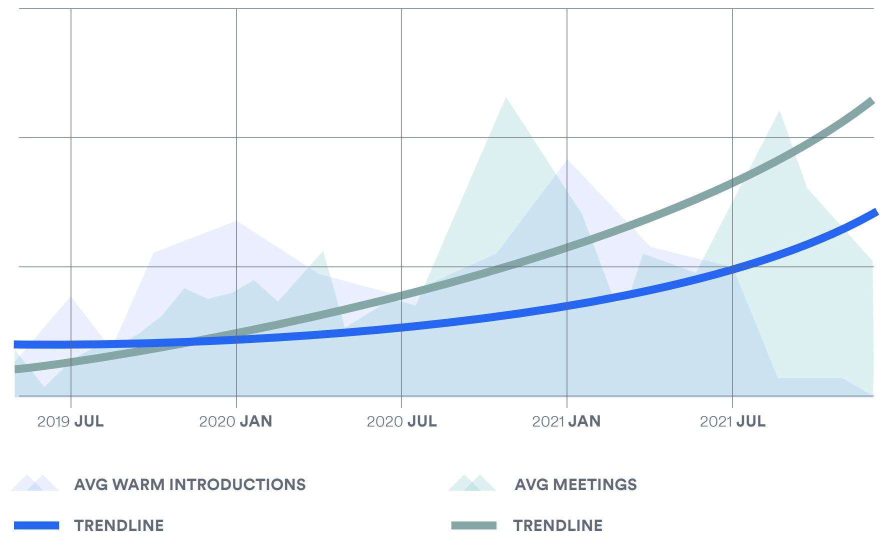
Warm introductions

As one would expect, the number of warm introductions led to both more meetings taken and more opportunities per deal. Relationship intelligence enabled Affinity users to more easily find the likeliest prospects; automated data capture and reminders gave them the information they needed to successfully nurture those relationships.

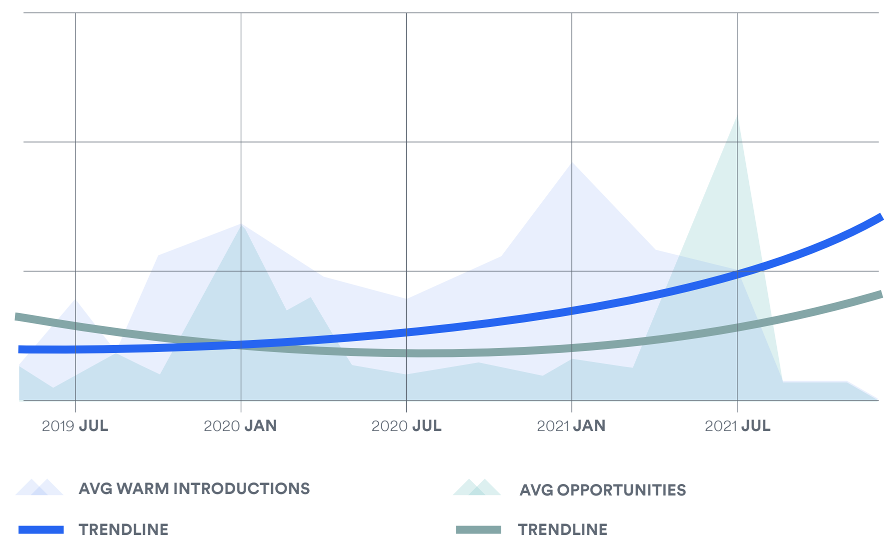
> "There'll be more and more collaboration between the corporate world and the startup world, because they need each other. Corporate leadership involves and needs technology. That leads to technology-driven innovations across many industries."

HELENA TORRAS
MANAGING PARTNER, PAO CAPITAL
Source: Sifted

Warm introductions vs. Meetings



Warm introductions vs. Opportunities



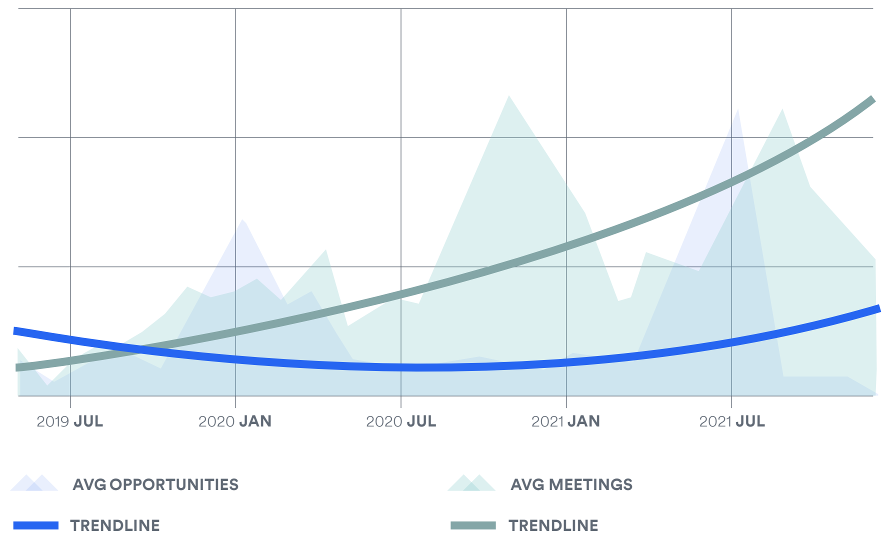
Deal opportunities

Similarly, more opportunities led to more meetings (or, perhaps, more meetings led to more opportunities per deal). However, Affinity's relationship intelligence enabled VCs to more efficiently conduct outbound marketing as well as email-based introductions and dealmaking, so despite a downward trend in number of emails sent, the number of opportunities increased. VCs were working smarter and leaving more time for dealmaking.

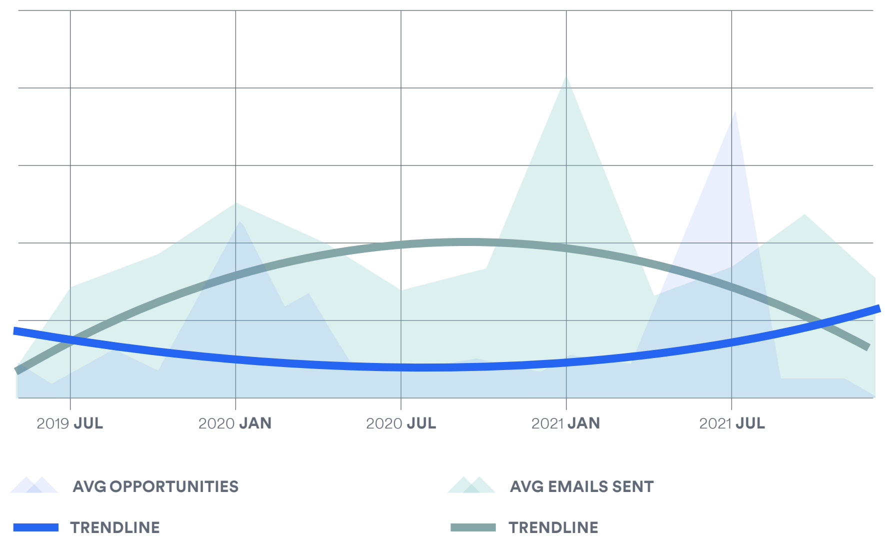
There are a number of Affinity features—including sales prospect assignment, interaction auto-tracking and timeline generation, and bulk email delivery—that make Affinity a more proficient email platform.

> "For those who started your company in the last 5 years, question what you believe to be the normal fundraising environment. Your fundraising experience was most likely not normal, and future fundraises will be much more difficult."
>
> **EMAIL TO FOUNDERS**
> Y COMBINATOR
> Source: Business Insider

Opportunities vs. Meetings taken



Opportunities vs. Emails sent



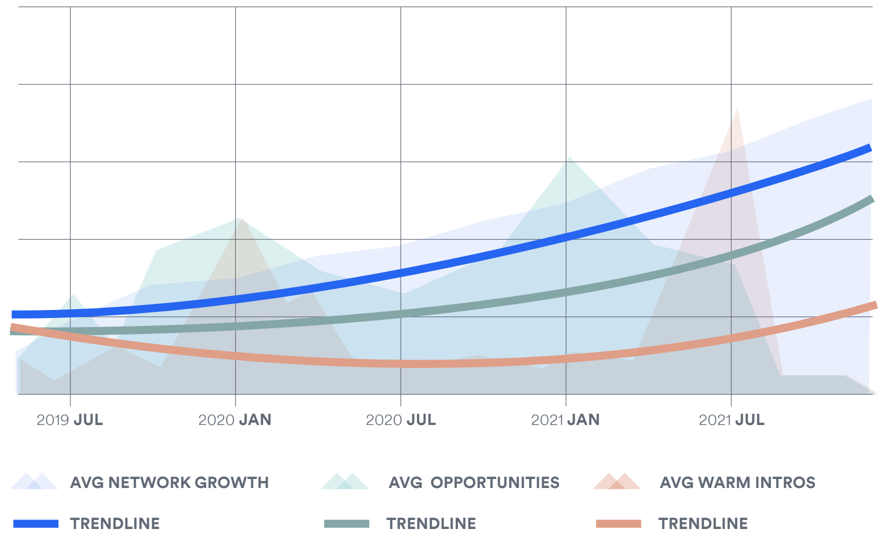
Network growth

The increase in Affinity unicorn investors' investment activity is mirrored by the number of meetings they took, opportunities they pursued, and introductions they made. All three variables will decline in 2022, reflecting the overall economic downturn that affected nearly every aspect of the VC industry.

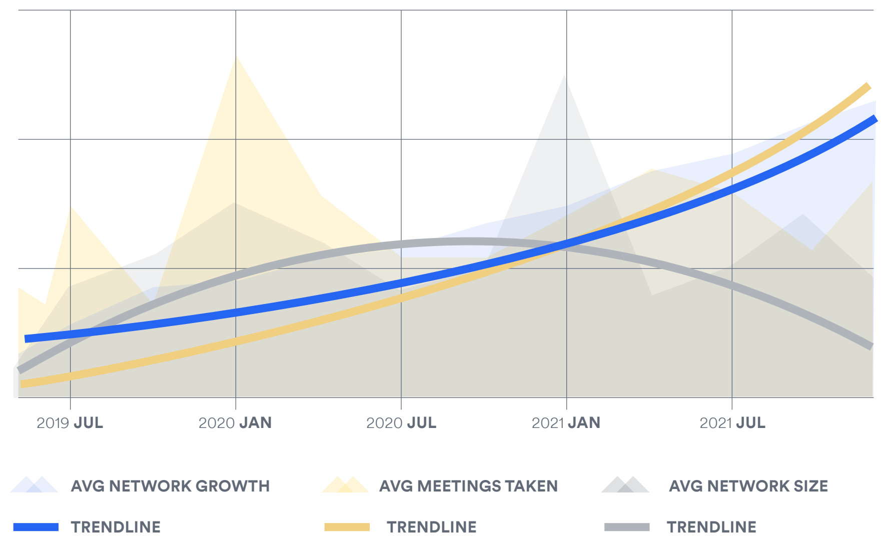
There may be other factors affecting the number of emails sent in any given year. Targeting emails to the most receptive people at the optimal moment enables VCs to abandon spray-and-pray tactics and send fewer emails while increasing their open and success rates. And during the lockdowns of 2020, it is possible that email volume increased because more business was done online.

> "Women are rapidly expanding their network with other female investors. Men give each other the benefit of the doubt, but with women they focus on past performance. But past performance is not the only criteria for success or way to win the trust of female investors."
>
> **SIMONE BRUMMELHUIS**
> FOUNDER, BORSKI FUND
> Source: Harper's Bazaar (Holland)

Network growth vs. Opportunities vs. Warm introductions



Network growth vs. Meetings taken vs. Emails sent



05

Relationship intelligence

Relationship intelligence: The force behind fluid, successful investing

Based on the trends calculated in the previous section, the Affinity relationship intelligence platform—built specifically for the way venture capital and private investment firms work—makes the following possible:

FIND MORE WITHOUT DOING MORE

Affinity clients are able to locate more warm introductionsa and more opportunities per deal, and schedule more meetings without doing more outbound marketing.

HEALTHY NETWORK GROWTH

Affinity investor networks grow steadily and are composed of the people most likely to be valuable to successful dealmaking.

EFFICIENT DEALFLOWS

Investors using Affinity can more effectively manage their dealflow.

Customizable tools for viewing, organizing, sharing, tracking, and scheduling pipeline information provide adaptable, workgroup-wide visibility.

OBJECTIVE, DATA-DRIVEN MEASUREMENT

Affinity platform data is translated into quantifiable relationship scores that showcase who has the best relationship by measuring how well someone on a team knows someone at a target organization. Relationship scores are informed by the recency, frequency, and cadence of communications, among other factors.

ACCURATE ANALYTICS

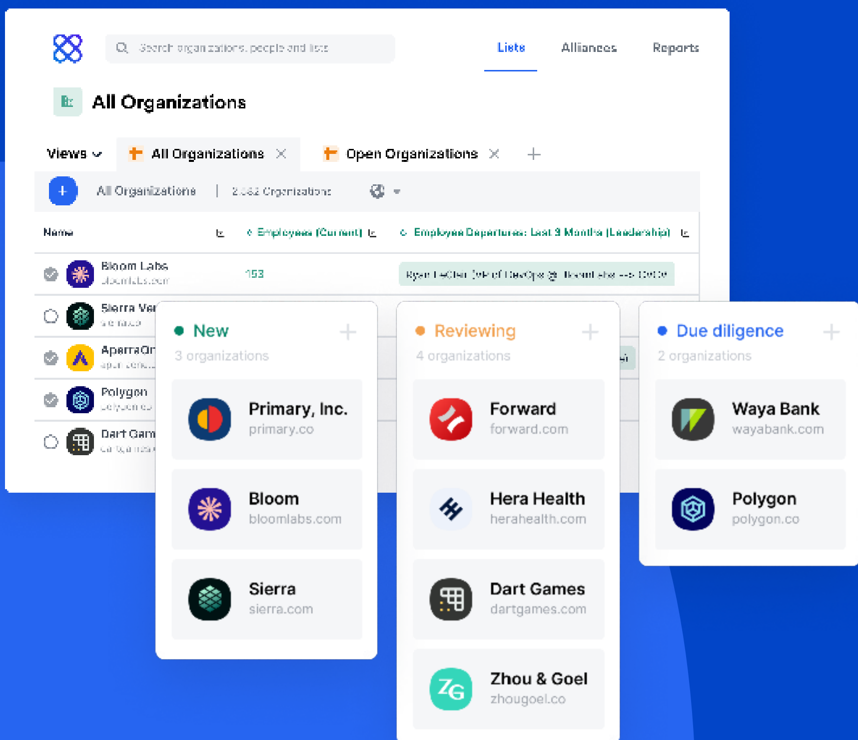
Affinity Analytics enables users to track platform usage over time, which will become increasingly important as they monitor business activity in relation to overall economic conditions.

A SINGLE PLATFORM

Affinity smooths workflow by housing dealflow tracking and relationship management on a single platform.

The Affinity Relationship Intelligence CRM Platform

To get ahead of the competition, venture capital and private investment firms are turning to relationship intelligence technology. Here are a few ways the Affinity relationship intelligence CRM is helping VCs and other investment professionals meet the right people, grow their business network and pipeline, and close more deals.



- **Data captured automatically** from your email and calendar frees your team from the drudgery of manual data entry, giving them more time to handle deal-related work.
- **AI-driven relationship scoring** leads to warmer introductions by quantifying the recency, frequency, and cadence of connections between your team and your contacts.
- **Enriched datasets** from Affinity's proprietary algorithms as well as leading investment data providers enhance your own data to help you make broadly informed decisions.
- **Automated reminders** mean you never lose track of a connection in your network.
- **In-depth business intelligence** lets you visualize, evaluate, share, and improve your business development tactics.
- **An easy-to-use platform** with an intuitive interface is quick to implement, simple to learn, and fosters widespread adoption.
- **Pipeline management tools** align the platform's workflow management with how you prefer to work.
- **Security protocol certifications** protect your client data on a platform that meets certification against stringent global standards such as GDPR and SOC 2 Type II.
- **An extensible, open API** lets you integrate your most-used tools with Affinity.
- **The Affinity mobile app** lets you access your data from anywhere.

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The most successful private investors and VCs don’t just have more resources or more money to invest—they’re experts at managing their relationships.

The journey from finding a new opportunity to closing a deal can involve dozens of people across your team and professional network.

Accurately tracking the deal flow—every person involved, every Zoom call, every meeting, document, and story shared over dinner—is imperative for building deeper, longer-lasting business relationships.

But effectively managing all of the information relevant to each connection, and knowing when and how to act on that data, gets harder and harder as your business gets bigger and bigger.

Find out how Affinity can help your firm leverage relationship intelligence to grow your business network effectively, manage your dealflow easily, and have more time to spend on successful dealmaking.

info@affinity.co

affinity

> The risks European VCs have taken, and continue to take, have generated significant returns, and those will assure the success of the next generation...."

OPHELIA BROWN
FOUNDER, BLOSSOM CAPITAL
Source: Financial Times

Relationship Intelligence Benchmark Report
European Unicorn edition | June 2022

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