



London Blockchain Ecosystem Report

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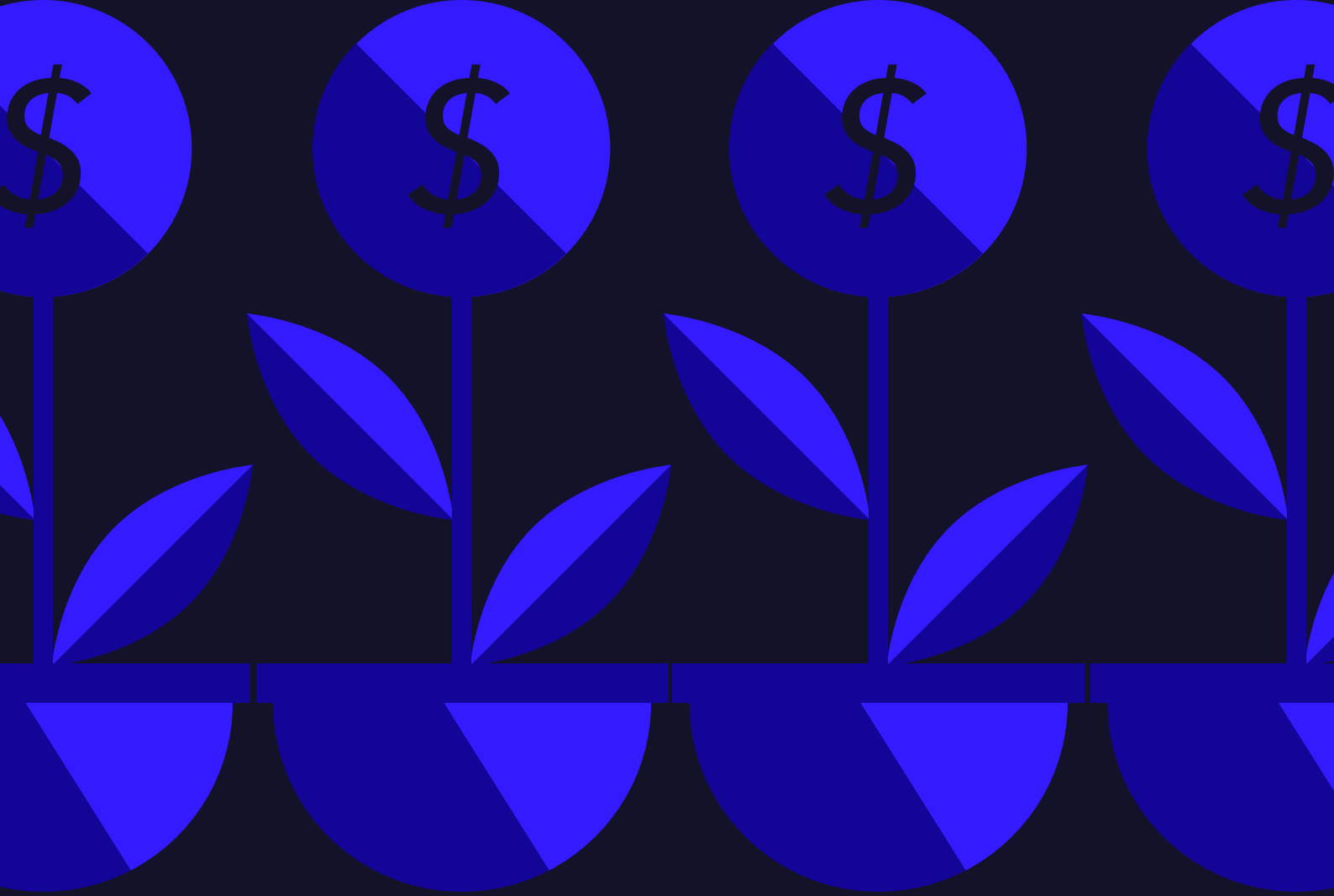
London is one of the most preferred cities to incorporate a blockchain firm

The ease of corporate registration in London combined with its focus on being a financial hub has positioned London to be a preferred hub for blockchain related ventures to be headquartered. Other contributing factors have been access to active investors, market proximity to Europe and a stable regulatory environment that has been pro-active



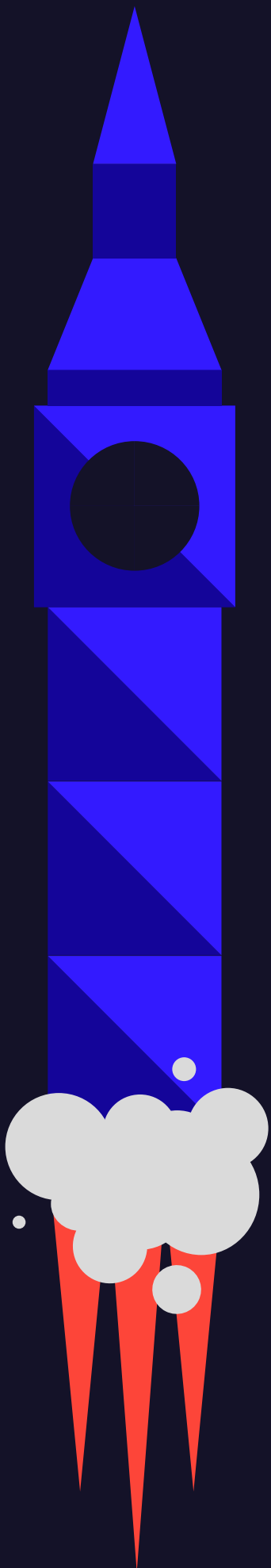
1 in 3 Blockchain Companies In London Raise Funding

Of the 450 blockchain companies that are headquartered in London today, 159 companies have raised rounds across equity stages. A combined \$503 million has been invested in London based blockchain ventures since 2013. The presence of larger fintech players in the region translates to strategic investments.



\$95 million in seed stage investments have occurred so far in the region since 2013

Seed stage startups on average raise \$1.1 million in London. A total of 122 deals adding up to \$95 million in seed stage investments have occurred so far in the region. An active ecosystem of accelerators ensure early stage ventures have the required support to go from idea to market.



London is a leading destination in Europe for blockchain startups

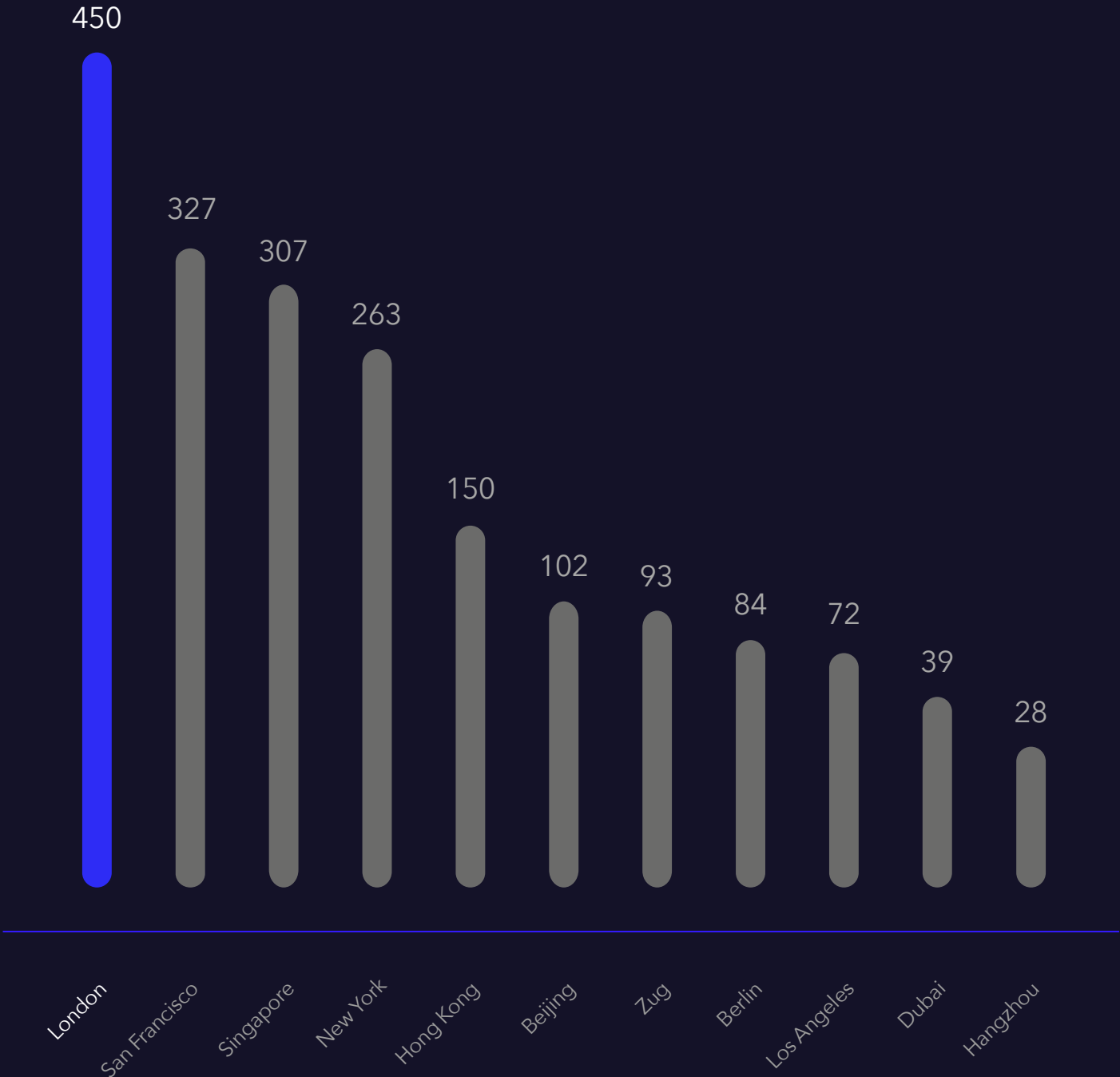
London has close to 5 times as many startups headquartered in comparison to other prominent hubs in Europe like Zug and Berlin

This is likely because the vast majority of use cases are finance-related and so London has the advantage over other cities.

The main drivers for this are: access to financial services and professional services; a strong early-stage financing landscape; and a deep pool of engineering and financial talent.

As blockchain technology is adopted as part of a software stack, we expect access to particular markets to drive company formation more than expertise in a particular technology.

Count of Blockchain companies headquartered



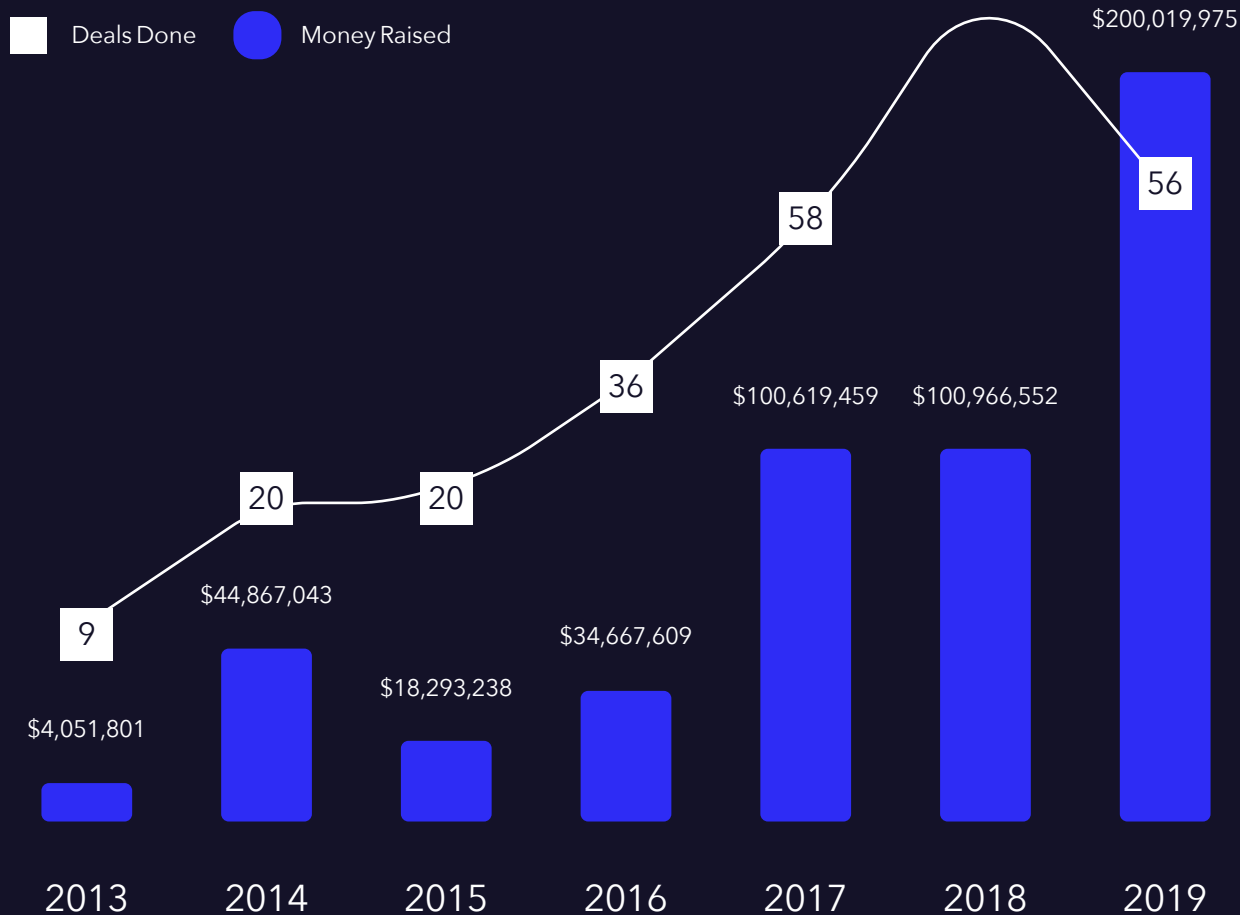
Source: Crunchbase

Investments in Blockchain firms in London grew 10x since 2015

We have observed that the frequency and size of deals have not mirrored the drop in the price of Bitcoin. This indicates that institutional investors continue to dominate backing early stage firms in the region.

The reason for the healthy uptick in total raises year on year are late stage follow on rounds combined with a growing appetite for investing in the ecosystem

Money Raised & Number of Deals

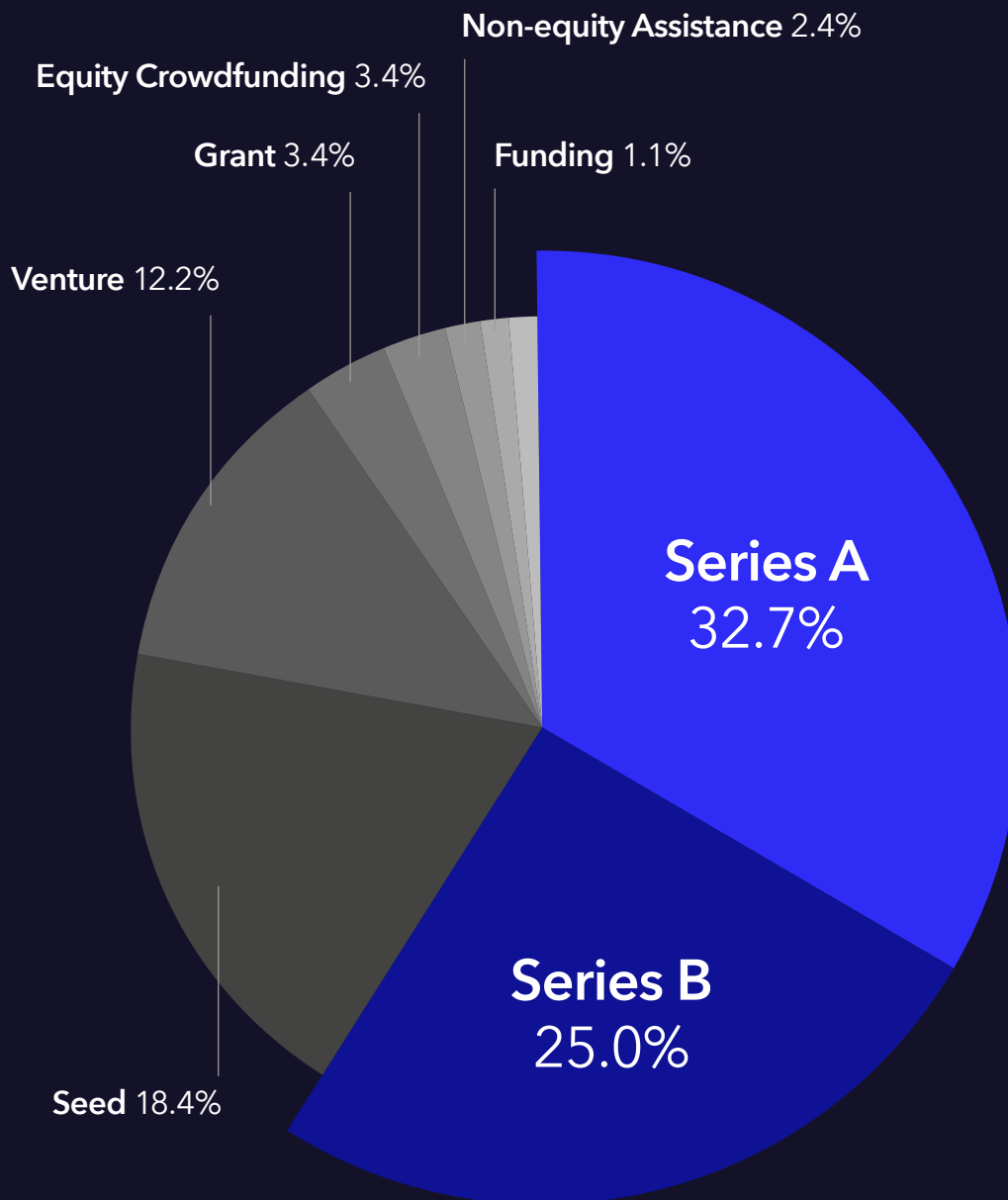


Note: Deals exclude ICOs
Source: Crunchbase

Capital allocation is fairly healthy across early stages

Series A and B combined attract close to 60% of all blockchain related investments in London.

While mortality rates are high for startups, those that endure see considerably larger checks and longer runways.



And Series B's Require Product Market Fit

Firms in the sector struggle to reach Series B stage due to requirements from backers for revenue and product-market fit.

Due to this, a lower number of firms are able to raise at those stages. For the ones that do - follow on rounds seem to be quickly available with large amounts of capital infused in short periods due to lack of comparable peers.



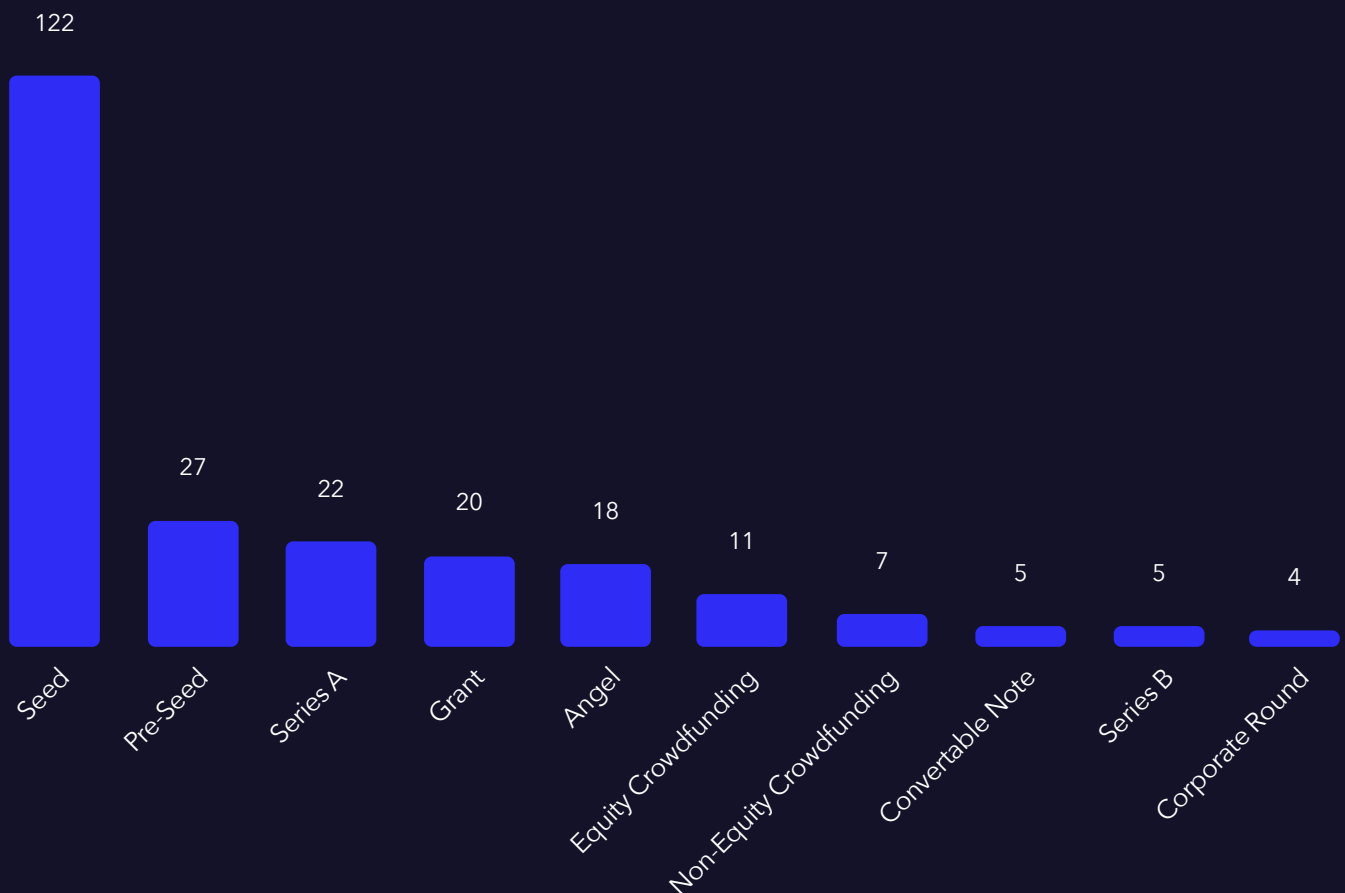
But failure rate remains high

Series A is the chasm for blockchain firms in London. Only 13% of the firms that raise some form of seed-stage capital go on to raise series A.

The conversion is even more brutal for Series B, where the number is at 3%.

Firms are yet to blitzscale globally and have substantially large late stage rounds in the region.

Frequency of deal type



A dark blue world map is centered in the background of the top half of the page. The map shows the outlines of continents in a slightly lighter shade of blue.

**10.4% female
founders in UK**

**7.6% female founders
global average**

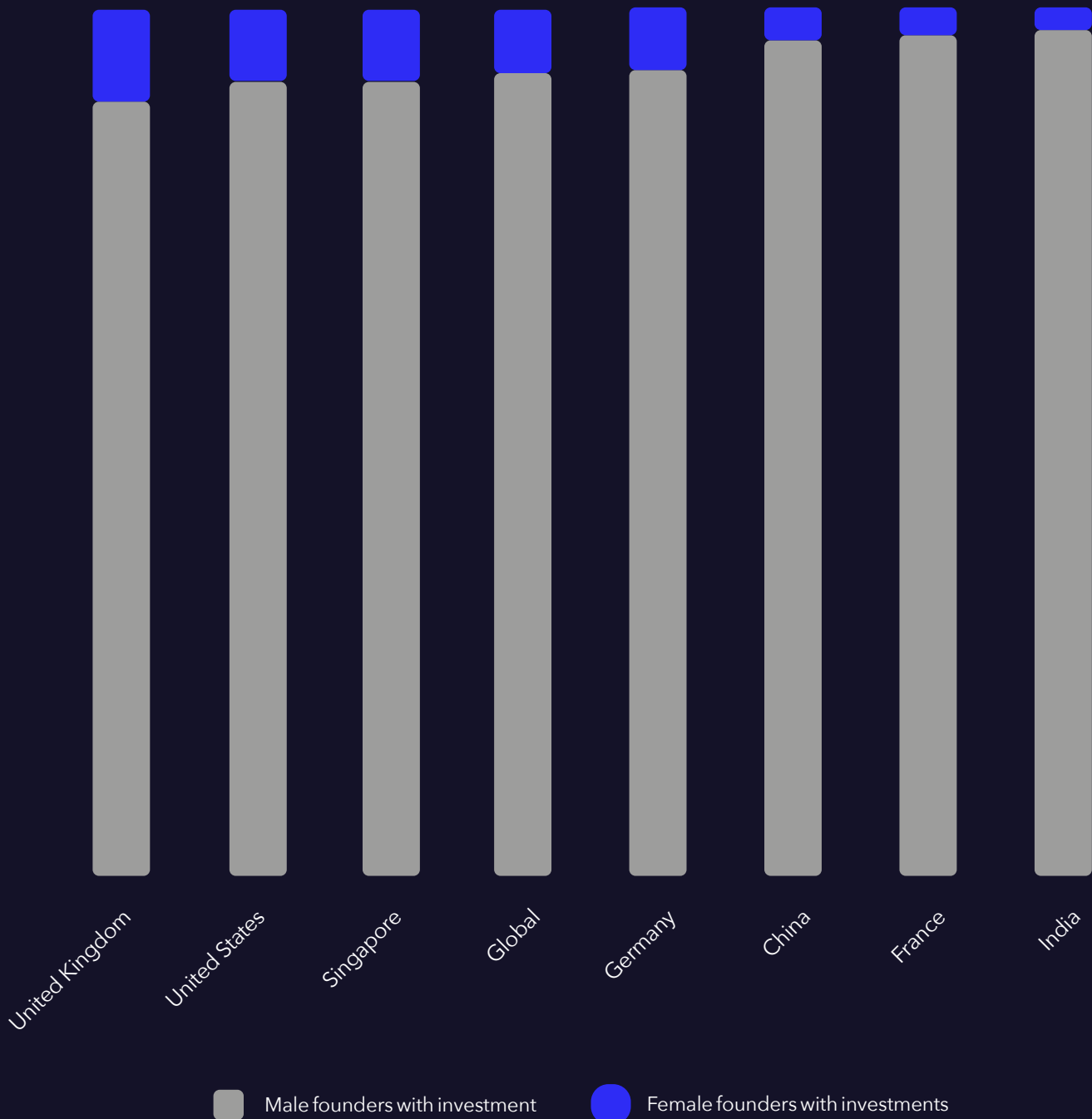
The UK does better than it's peers
in backing female founders but
still has a long way to go

The United Kingdom leads among a basket of countries when compared on basis of female founders that go on to raise funding.

In the United Kingdom, of all ventures that raise funding, 10.4% have a female founder. The global average for blockchain related ventures is at 7.6%.

The trend is similar among employees too at 13.6%. Considerably lower than the percentage of women in the overall workforce for the United Kingdom at 46.8%.

Gender distribution among blockchain companies in percentage



Source: Crunchbase, World Bank



Outlier Ventures
Base Camp

Be part of the development and growth of new technologies

Outlier Ventures research coincides with the launch of its third basecamp program to support the development and growth of new technologies in the open data economy.

To apply to be part of the program or to learn more about how you or your company could be involved get in touch with Scott who manages the program: scott@outlierventures.io

- 3 month accelerator program based in London
- £35k immediate funding for early stage projects
- Up to £200k total funding available per team
- Office space, legal, accounting and back-office support
- Global ecosystem of investment, enterprise and tech partners

More info on outlierventures.io/base-camp

Note re Funding this breaks down as €40,000 immediate funding for 6% equity / tokens up to €230,000 for Berlin cohort

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