

Female Foundry releases the State of Gender Diversity in European Venture report 2024

Despite the challenging fundraising environment, female founders and female emerging fund managers in Europe prove resilient.

Why is there the need for diversity in the workplace and the venture capital world?

We all start as equal. At birth, there are no possible distinctions between newborns.

However, life changes us. The people we meet, the good, the bad, the great, the evil, turns us into the person we become by the time we reach adulthood. And even then, our mind, our approach to life constantly changes throughout our constant interactions with our environment.

It is evident that other factors come into play. As we grow up, the way we approach life get distorted depending on our race, belief, gender, sexual orientation, etc.

To be a woman is to have a unique experience and approach to life. To be a woman is to work with different codes than the rest of society.

“One is not born, but rather becomes, a woman.” –
Simone de Beauvoir

This diversity is wealth, for a different approach to a situation, to a challenge, to a crisis can prove to be vital, especially in a male dominated scene.

With the increase of funds raised by female-led startups, we are witnessing an increase in wealth around Europe, that will soon expand to all around the globe.

A great year for female founders

In 2023, European startups with a female co-founder raised £5.05B, across close to 1,000 deals. This marks a third record year for funding into female-funded startups, following the peak years of 2021 and 2022. European funds (co-)led by women investors announced fund raises of £3.77B in fresh capital to be deployed to support future growth of European startups. This is according to the *Female Foundry State of Gender Diversity in European Venture report*.

Health and fintech were top sectors for female-founded companies in Europe in 2023, receiving investments of £1.31B. The theme of the year, AI, attracted some of the largest funding rounds for female-founded companies in 2023. For example, this year marked a £70.95M round by UK-based *Synthesia* in June, a £21.38M round raised by also UK-based *Prolific* in July, and a £25.66M round raised by German *Orbem* in October.

The new survey found that one in three female emerging fund managers are optimistic about 2024, reflecting a broader positive sentiment within the European venture community.

2023 closed on a high for Europe's female fund managers – 22 funds (co-)led by women investors announced the closing of 26 new funds, amounting to £3.76B in fresh capital, a 76% increase compared to 2022. 12 of those new funds were announced by first-time managers.

A meticulous investigation

In order to make this new survey, more than 645,000 companies in Europe were analysed. *Female Foundry* has also gathered insights from 1,200 responses from verified founders and investors, and conducted interviews with

70 prominent European venture capitalists, angel investors, Limited Partners, emerging female fund managers, and female entrepreneurs who successfully raised funding in 2023.

Female Foundry was founded in 2020 in London by Agata Nowicka, a two-time entrepreneur and an investor. Today, Female Foundry is a network of 6,000 investors and female founders across Europe. *The State of Gender Diversity in European Venture 2024 edition is available now!*

Increased confidence in backing female founders

11% of total venture capital deployed in Europe in 2023 went to female founded and co-founded startups, a 1% increase compared to 2022. Female entrepreneurs are also raising bigger rounds, as seen with the Series C level, where the average round size was £68.42M, marking a 45% increase since 2022. Additionally, the average Series A round size reached £9.4M, i.e. a 38% increase.

Four female-founded companies managed to raise mega rounds (£85.53M or more) in 2023. Although there were no female-founded IPOs, one female founded startup, UK-based Synthesia, achieved unicorn status. The UK and Denmark take a clear lead in terms of percentage of venture capital invested in female-founded startups. However, in 2023, Luxembourg stands out: SustainCERT's £29.94M and TaDaweb's £12.83M rounds, brought the country's share of investment into female-founded startups to 40%.

Increased attention from European VC investors is favouring female entrepreneurs. 70% of surveyed VC investors report claim that they currently keep track female founders going through their deal flow.

40% of them reported dedicating more time to proactively seeking investment opportunities in companies (co)founded by women, compared to 2022.

In 2023, female General Partners (GPs) raised £3.76B, marking a 76% increase from the previous year. 26 new female-led funds were announced by 22 female- GPs in 2023, a 73% increase from 15 new funds announced in 2022 by 13 investors.

12 of all new female-led funds announced were raised by first-time fund managers. 70% of Europe's female fund managers with a new fund announced in 2023 are from the UK, France, Spain and Germany.

