European PropTech Trends 2020

February 2020

PROPTECH1

EXECUTIVE SUMMARY

- PropTech and ConTech have been growing by 45% annually (CAGR) in Europe since 2014.
- Financing rounds in the now double-digit millions are evidence of the increasing maturity of the sector.
- UK is the European leader in terms of financing volume and number of deals. The DACH region, France, Spain, and the Nordics follow behind.
- The still relatively young PropTech sector has predominantly not yet reached the late stage, which is why the largest financings are still to come.
- The coming-of-age phase, in which PropTechs were playfully tried out, is over; the sector will increasingly have to convince with measurable efficiency gains in the real estate core business starting in 2020.
- Digital change does not happen overnight. However, a long-term innovation strategy for traditional real estate companies is without alternative & existential.
- Under the keyphrases "GretaTech", "Prefab Next Gen", "IT Spring Cleaning" and "Get Big or Get Out", we identify our trends for 2020 at the end of the study.

PropTech1 Research

PropTech1 Ventures, Germany's first venture capital fund focusing on European PropTech startups, employs a team of analysts who research and examine in detail the most important trends, key market developments and most promising European real estate startups.

We publish the essence of our research at irregular intervals, discussing different sub-segments of the PropTech market and thus shine a light on new and interesting trends that often question the traditional processes and power distributions within the real estate industry as well as opportunities and risks for incumbents.

In order not to miss any future Deep Dives, please enter your contact details here, and we will send you new editions as soon as they are released via e-mail.

Tracxn

Tracxn is one of the largest SaaS-based market intelligence platforms with in-depth coverage on private companies and emerging innovative sectors with a constantly expanding coverage with over 800k companies across 1000+ sectors and 150+ geographies as of today.

Tracxn was founded by ex-venture capitalists Neha Singh (Stanford GSB, IIT Bombay) and Abhishek Goyal (IIT Kanpur) in 2013. Tracxn is backed by eminent investors including Accel Partners, Sequoia, SAIF Partners amongst others.

Tracxn works with over 6000 subscribers in over 40 countries across the world. The clientele includes venture capitalists, private equity funds, M&A and innovation teams of Fortune 500 companies and investment banks. The Tracxn platform is also used by various governments, accelerators, incubators and universities for tracking innovative companies and sectors. Tracxn has featured in Forbes Top 100 Global Analytics Startup List (2015) and Fortune 40 under 40 (2018).

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1 FACTS

1.0 METHODOLOGY

Objective. With European PropTech Trends 2020 we aim to provide a comprehensive overview of the development in the European PropTech ecosystem. It was not our intention to fuel some kind of hype and present the PropTech segment as large as possible, but rather to take a sober, realistic look. The following criteria and cornerstones have been set accordingly:

- For the study, we consider all startups (companies younger than 10 years) with a PropTech focus (creation of innovation and digitalization in the real estate industry) with headquarters on the European continent (excluding Russia and Turkey).
- We do not follow the decision made at times to consider PropTech and ConTech (technologization of the construction industry) separately from each other. According to our definition, the PropTech segment deals with the entire life cycle of a property, including its construction process.
- On the other hand, we exclude two growth segments from this report which received particularly increased attention last year: co-working and co-living. In our opinion, these two sub-segments enable an innovative use of real estate, but their technological or digital added value is usually so small that they cannot be assigned to the PropTech sector.

Deviations from other studies. Accordingly, it is important to note that this decision may lead to significant differences from other PropTech studies, especially when considering the total financing volume, e.g. because of the exclusion of one major financing round from the statistics alone: the 1 billion euro investment in the co-living company Medici Living by the Corestate Capital Group.

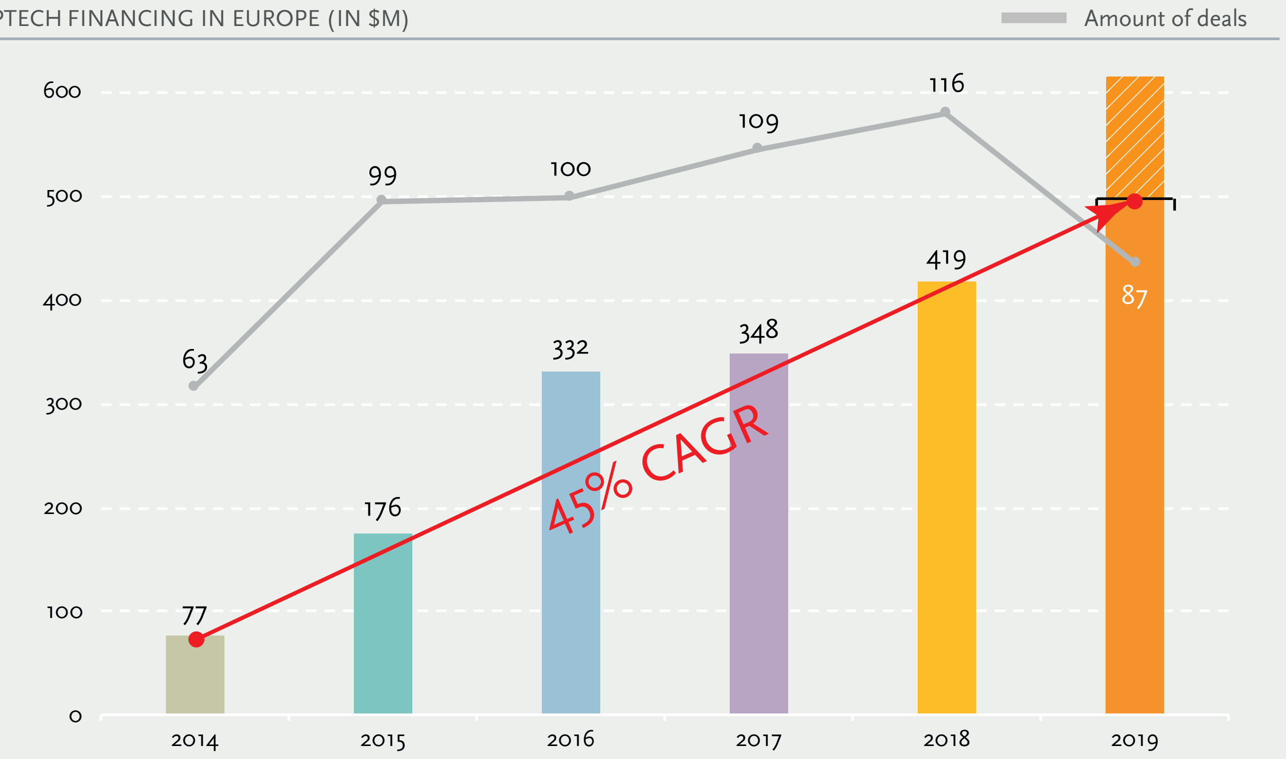
Sources. Especially in such a young sector as the PropTech segment is, the problem is the absence of a uniform data base, as different providers will offer sometimes vastly different data. Therefore, our goal was to use a "best of" set of sources. For the figures on the financing activity, we have chosen Tracxn, a research platform that compiles information for venture capitalists, private equity firms, investment banks, and corporations, as our main source. Other sources we have used include the historical key figures of the Google Keyword Planner, the Europe reports of Unissu for the number of PropTech startups, the CREtech platform for the financing volume, the PropTech.de overview to complete the German data, the ecosystem overview of the PropTech company Assetti for the Nordics region, as well as the PropTech event organizer Foro Inmotecnia Proptech for Spain.

1.1 FUNDRAISING OVERVIEW

Just as the word "PropTech" is still very young, the development of this tech subsegment is still at an early stage. Accordingly, we have seen strong growth in recent years worldwide and especially in Europe.

Whereas in 2014 only 77 million euros were invested in startups dedicated to the digitalization of the real estate industry, by 2019 this figure has risen to just under 500 million. Similarly, the number of announced financing rounds has grown steadily over the time horizon. The fact that there was a decrease in the number of deals in 2019 is presumably due to the fact that not all financing rounds have been recorded this early in 2020 [editorial deadline of this report: January 31, 2020]. Accordingly, it can be assumed that the financing volume for 2019 will be at an even higher level than the 499 million euros indicated here (displayed with hatched lines).

PROPTECH FINANCING IN EUROPE (IN $M)



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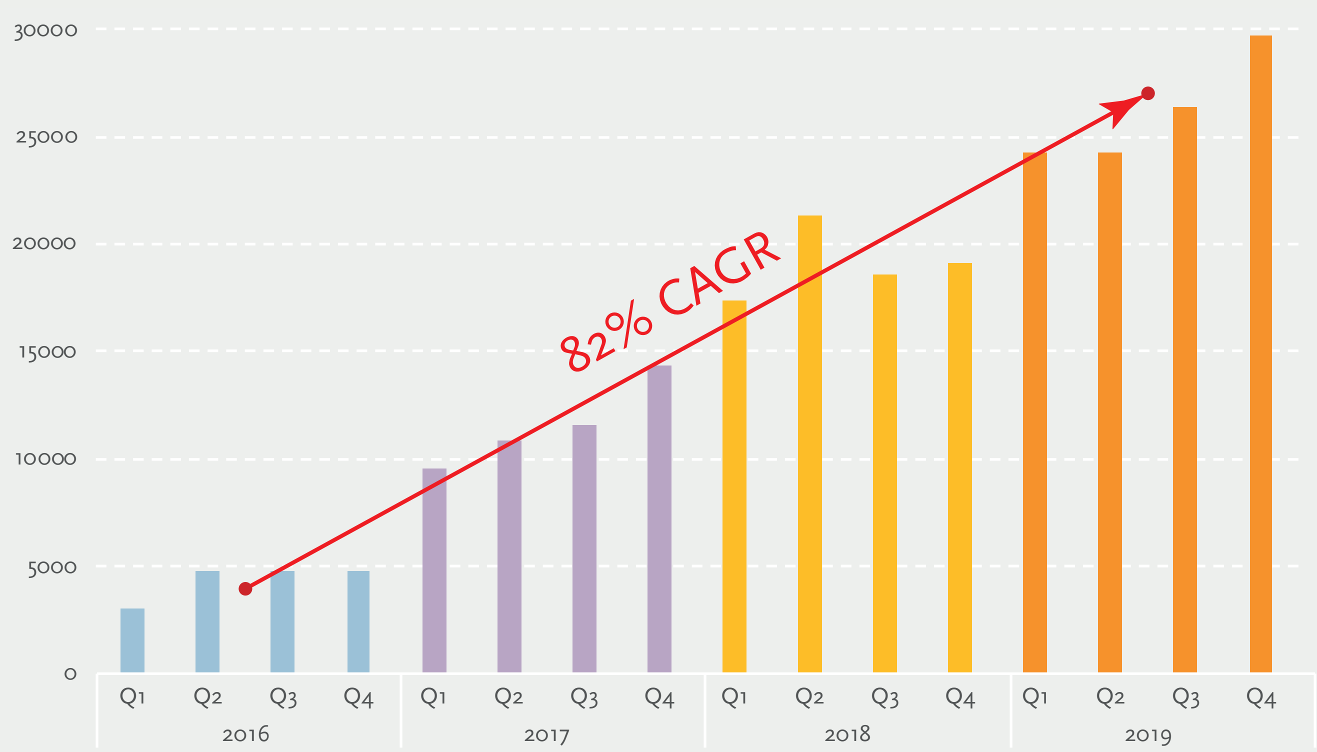
1.2 TREND DEVELOPMENT

Needless to say, the interest in a tech segment cannot be expressed in figures based on the financing volume alone. It is also worth taking a look at the general interest of the public. This can be made tangible by evaluating the number of Google queries for the search term "PropTech". The results show that the interest has increased continuously. This is in line with the perceived attention paid to the sector by articles and publications in startup media and real estate trade journals.

NUMBER OF GOOGLE QUERIES FOR THE SEARCH TERM „PROPTECH" IN EUROPE



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1.3 BEST-FUNDED STARTUPS

The map below provides a rough overview of selected PropTech startups that have accumulated the highest amounts of equity in their respective countries over the last five years. It should be noted that only equity financing is taken into account for which precise financing amounts have been published.

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1.4 TOP INVESTMENT ROUNDS

PropTech financing rounds have reached remarkable sizes. In addition to the cumulative financing volume, the size of individual PropTech financing rounds has been growing as well. The record funding in the PropTech sector in Europe to date amounts to almost $100 million. While this does not reach the magnitude of SoftBank's headline-grabbing investments in various US-American PropTechs such as the Construction-Tech startup Katerra or the iBuyer Opendoor, the investment levels are well within the expected range of European startup financings from other segments, even though PropTech must be, comparably, classified as a very young sector.

Online brokers over-represented. Striking, yet not surprising is the number of online brokers in the overview of the top investment rounds. Chronologically, the real estate broker segment was the first sector to be targeted by PropTech startups; accordingly, the segment's representatives are more "mature" and their financing needs are generally higher. At the same time, it is the sector most affected by consolidation.

Only a few countries generate several top investment rounds. Overall, it is noticeable that the United Kingdom, Germany, Spain, and France have emerged as the typical countries for top investment rounds.

Not considered. As already mentioned at the beginning, it must be pointed out again that we exclude co-living and co-working business models from this report, which is why neither the record financing of German Medici Living nor the Italian DoveVivo appear in this overview. Moreover, if a company had appeared in the overview several times as a result of large financing rounds, we have limited ourselves to the largest one. It should also be noted that financing rounds are often announced in the press in a somewhat misleading manner, with a cumulative amount of debt and equity. However, we have only taken the equity portion into account. We have also excluded financing events that took place after IPOs.

Startup	Financing amount ($)	Model	Lead Investor	Date	Round	Country
TopHat	98M	Modular construction	Goldman Sachs	April 2019	Series A	UK
STUDENT.COM	60M	Student living marketplace	VY Capital	Februar 2016	Series C	UK
McMakler	56.6M	Online broker	Target Global	Juni 2019	Series C	Germany
EXPORO	48.7M	Real estate crowdinvesting	partech	Juni 2019	Series B	Germany
nested	47.5M	House selling platform	Global Founders Capital	Oktober 2017	Series B	UK
Finalcad	40M	Software for construction project management	Draper Esprit	Dezember 2018	Series C	France
SPOTAHOME	40M	Mid-term rental marketplace	KPCB	Juni 2018	Series B	Spain

Startup	Financing amount ($)	Model	Lead Investor	Date	Round	Country
lendinvest	39.5M	P2P marketplace for mortgages	GP. Bullhound	September 2018	Series C	UK
easyProperty.com	37.7M	Online broker	Crystal Capital Partners	Dezember 2015	Series B	UK
Yopa	34.8M	Online broker	LSL Property Services	September 2017	Series A	UK
Plentific	32M	Marketplace for property managers and maintenance	a/o	November 2019	Series B	UK
Lamudi	31.4M	Real estate marketplace	Rocket Internet	Februar 2016	Series C	Germany
badi	30M	Marketplace for shared accommendation	Target Global	Januar 2019	Series B	Spain
CONDECO	30M	Solutions for room and workstation booking	Highland Europe	Juni 2016	Series A	UK
SPACEMAKER	25M	AI software for construction site planning	Atomico	Juni 2019	Series A	Norway
GasTag	24.4M	Software solution for gas	Waterland Private Equity Investments	Januar 2018	Series B	UK
uniplaces	24M	Mid-term rental marketplace	Atomico	November 2015	Series A	Portugal
housesimple	23.6M	Online broker	Freston Ventures	Dezember 2017	Series C	UK
HOMEDAY	23.2M	Online broker	Project A	Oktober 2018	Series B	Germany
Property Partner	22.6M	Real estate crowdinvesting	octopus ventures	März 2016	Series B	UK
PROPRIOO	22.5M	Online broker	Global Founders Capital	Mai 2019	Series B	France
CASAVO	21.9M	iBuyer	Greenoaks	Oktober 2019	Series B	Italy
blueground	20M	Mid-term rental marketplace	VentureFriends	März 2019	Series B	Greece
emoov	19.9M	Online broker	4L	Mai 2018	Series B	UK
Disperse	15M	AI software for construction site monitoring	Northzone	Oktober 2019	Series A	UK
ZENHOMES	14.5M	Software for property management	SIGNA	August 2019	Series A	Germany
klarx	13.8M	Construction equipment rental marketplace	B²C Industrie Holding	September 2019	Series B	Germany
Allthings	13.8M	Tenant management platform	Earlybird	Juli 2018	Series A	Switzerland
housell	13.4M	Online broker	aviv group	Juni 2019	Series A	Spain
PURPLE BRICKS	13.4M	Online broker	DN Capital	August 2014	Series A	UK

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1.5 MOST ACTIVE INVESTORS

Few investors with a dedicated PropTech focus. Investors who focus on PropTech either according to their own chosen investment thesis or based on their investment behaviour are still sparsely represented in Europe. According to our research, there are only thirteen investors who have made more than five PropTech investments on the European continent in the last five years.

We differentiate between venture capital investors - whether independent or as part of a corporate group with a strategic orientation – and accelerators/incubators, which support startups with office space and mentoring in a very early phase, but usually invest only five-digit sums in a startup and correspondingly make a higher number of deals.

We have prepared this overview with the help of the data provider Tracxn and complemented it with a portfolio screening of relevant PropTech investors. Since not all financing rounds are publicly announced and strategic rounds are not always classified as VC investments, this overview is expected to be incomplete. Accordingly, we would be pleased to receive information on investors that we might not have considered.

Germany is leading among the most active venture capital investors. Among the venture capital investors, Vito ONE, Viessmann's PropTech investment arm, is in first place. This is followed by three other VC investors from the DACH region: BitStone Capital, which started as corporate VC fund of Zech Group / Art-Invest, the independent VC PropTech1 Ventures, as well as SIGNA Innovations, the investment vehicle of the Austrian real estate group of the same name. The French angel investor Kima Ventures and the British corporate VC platform Concrete also account for eight PropTech investments each. Among the top 15 most active VC investors in Europe, eight are based in Germany.

The British are the most active accelerators. First place among the European accelerators has been easily secured by the British Pi Labs, which invests in the pre-seed and seed stage and has already supported almost 40 PropTechs since its foundation in 2014. Seedcamp, another British accelerator follows in second place, which takes a generalist approach, with only 18 of its over 300 investments stemming from the PropTech sector. The German PropTech accelerator blackprint already counts three batches of four startups among its alumni.

Venture capital investor	Number of portfolio companies
VITO ONE	15
BitStone CAPITAL	10
PROPTECH1	8
SIGNA	8
concrete	8
kima ventures	8
a/o	7
High-Tech Gründerfonds	7
STARTUP WISE GUYS	7
TARGET GLOBAL	6
HV HOLTZBRINCK VENTURES	5
GLOBAL FOUNDERS CAPITAL	5
octopus ventures	5
PICUS CAPITAL	5
EUROPEANFOUNDERS	5
passion capital	5
idinvest PARTNERS	5

Accelerator	Number of portfolio companies
pilabs	39
Seedcamp	18
blackprint Booster	12

1.6 GEOGRAPHIC DISTRIBUTION ACCORDING TO INVESTMENT VOLUME AND NUMBER OF COMPANIES FOUNDED

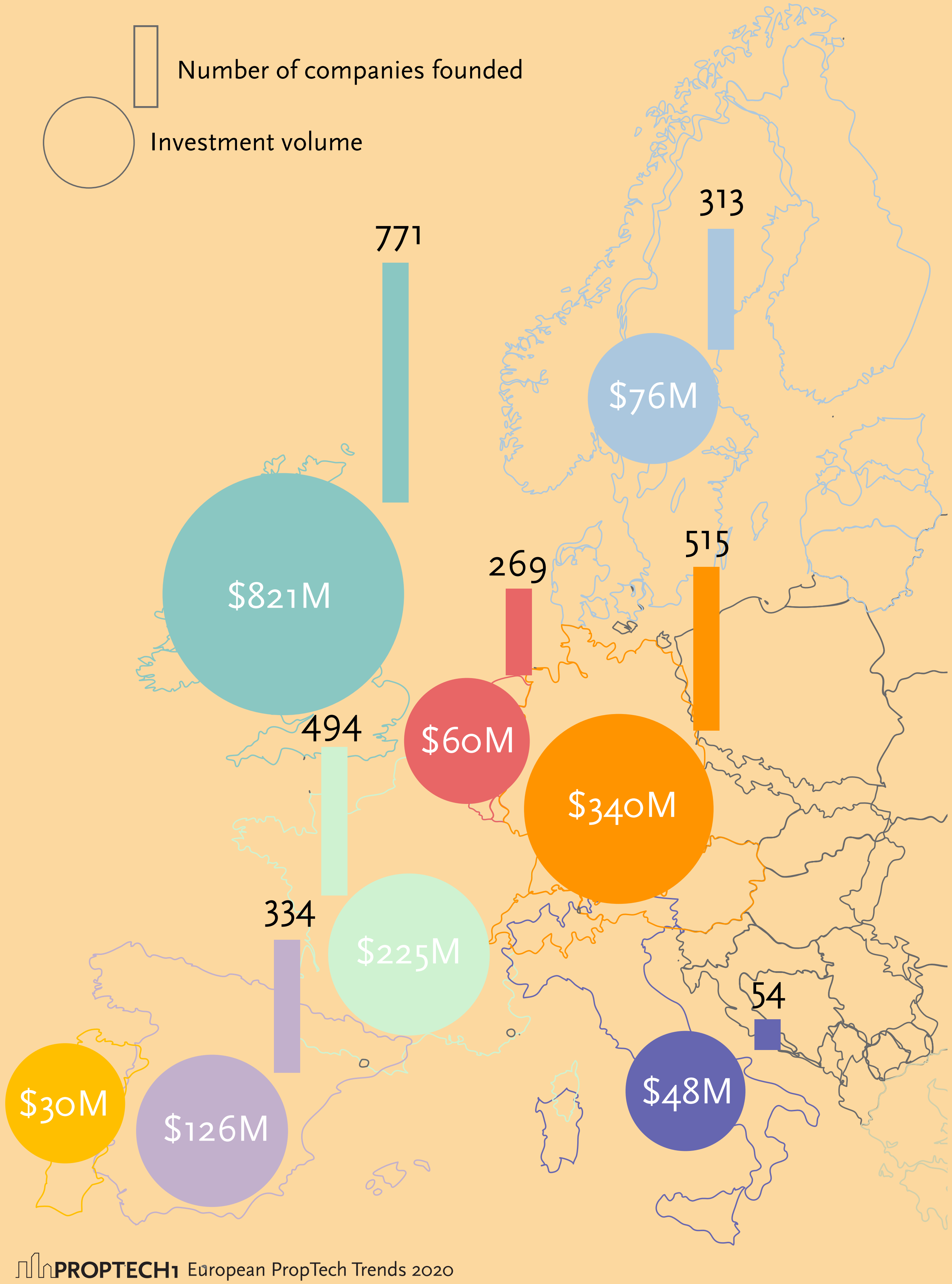
Cumulative figures over the last five years. On the map on the right, we would like to present a comprehensive overview of the investment volume distribution by European countries/regions. As this report is being published for the first time, we have decided to summarize the financing volume of the last five years broken down by country/region.

The United Kingdom takes the lead. In a direct comparison with other tech sub-segments, it is noticeable that the United Kingdom can claim an even higher share of the European total investment volume than is usually the case in the startup sector. It remains to be seen whether the Brexit will stop this trend.

Other more populated regions follow at some distance. The DACH region, i.e. Germany, Austria and Switzerland, is in second place, with France only in third place. Spain's relatively high share of the European PropTech financing volume is rooted in the last two years, during which the country has generated an unusually high number of top PropTech investment rounds when compared to the average Spanish investment levels of previous years.

Number of PropTech startups by region is more balanced. The number of PropTech startups presents a somewhat different picture: The United Kingdom, the DACH region, and France are again leading Europe, but are closer together when compared to the financing volume - closely followed by Spain and the Nordics region. In the Nordic countries, there is a large discrepancy between the volume of funding and the number of startups founded, which suggests that the ecosystem is pronounced, but still young.

Pan-European orientation is common. In addition to the regions already mentioned, the data available allows us to identify Italy (fueled by a recent top investment round of the Italian iBuyer casavo), Portugal, and the Benelux countries as further "PropTech hotspots". Overall, however, it should be noted that many PropTechs are founded with a pan-European focus and address different markets, so the mere location of the headquarters does not necessarily coincide with the business activity in the respective countries.



1.7 DISTRIBUTION ACCORDING TO COMPANY STAGE

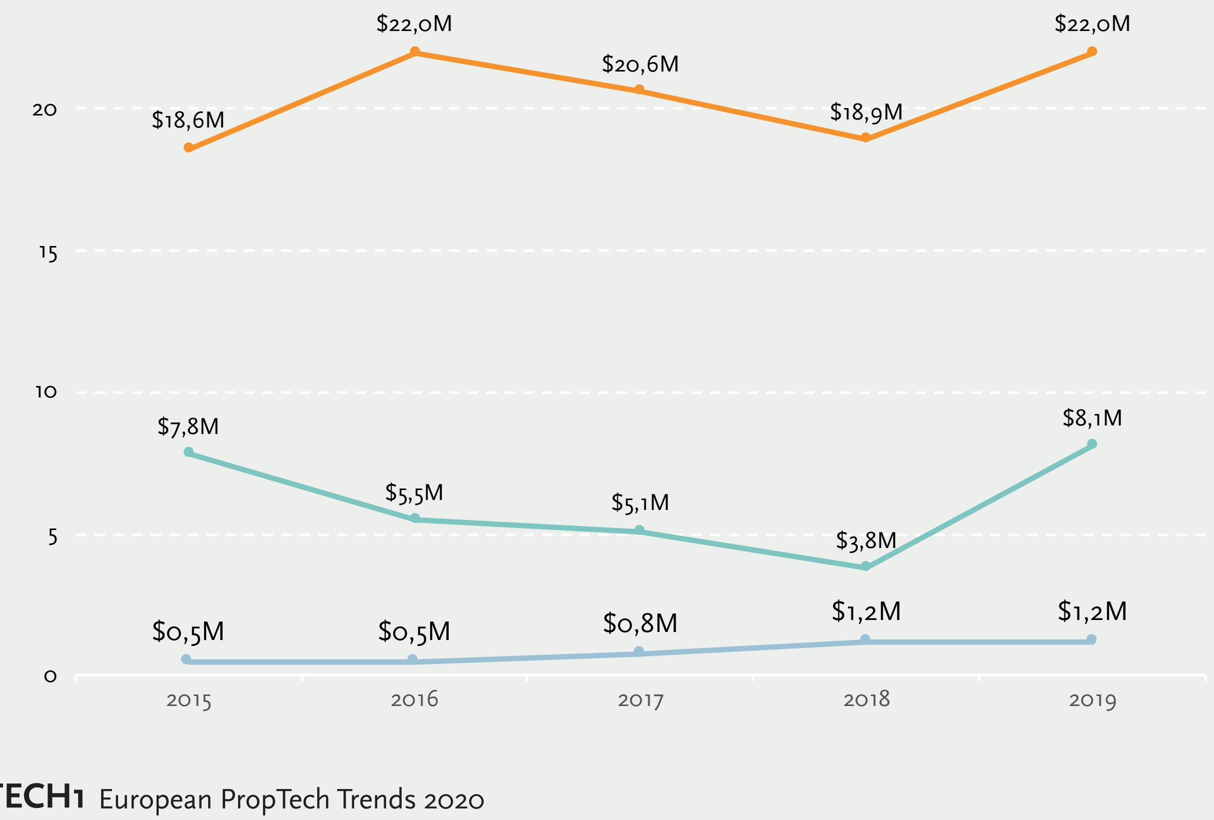
In order to gain a better understanding of the market maturity of European PropTech companies, it is worth taking a look at the distribution of the financing volume and the number of deals by company stage. We distinguish between seed, early, and late stage. In this respect, we categorize early angel, i.e. pre-seed and seed investments, as well as accelerator financings under the term seed. Early stages include all financing rounds titled Series A and Series B. All rounds exceeding that, i.e. Series C, D, E and whatever may come, are assigned to the late stage.

Although the average size of individual investment rounds has reached a record high over the past five years, the investment sizes per stage have remained on a relatively constant level.

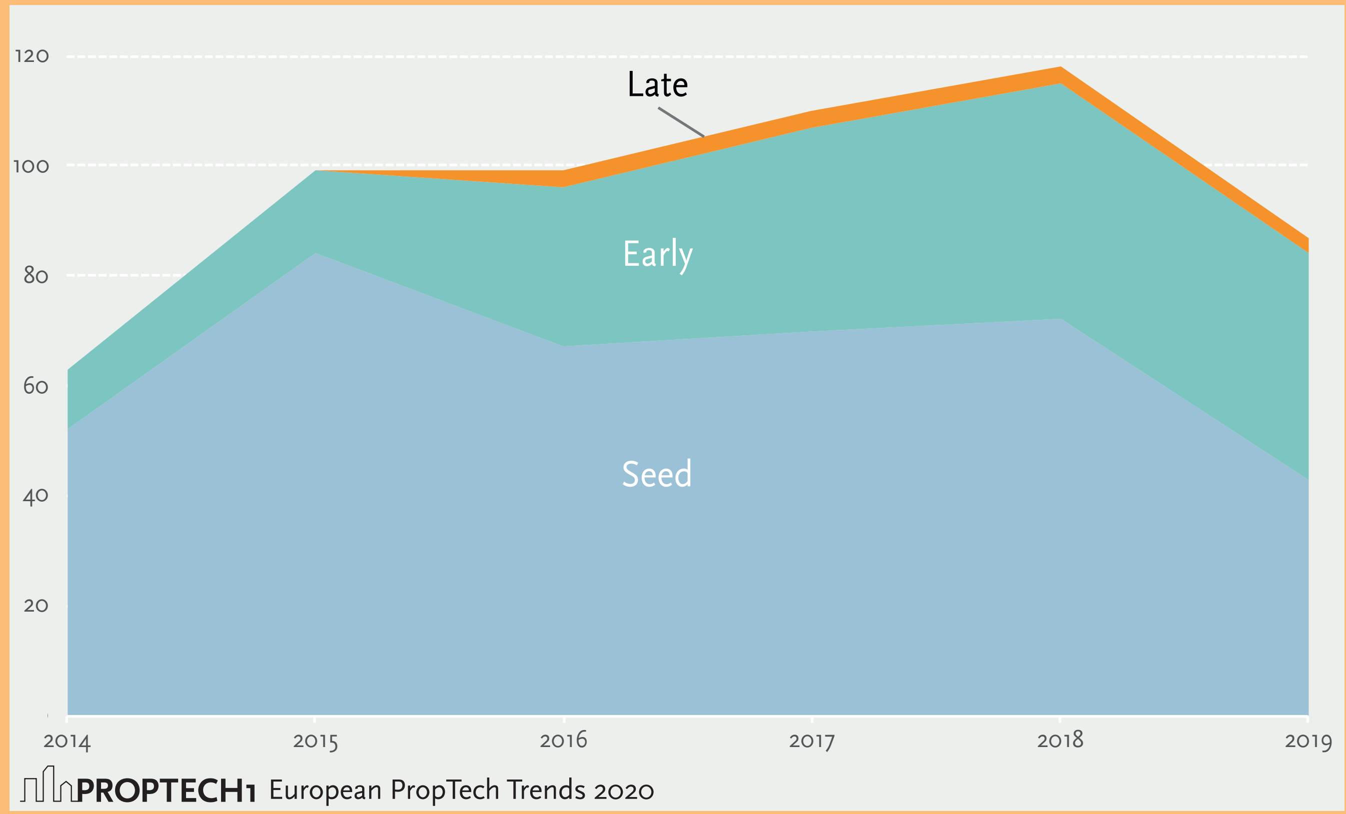
In terms of distribution according to the number of deals in the individual stages, late stage investments still account for a very small proportion and have only become noticeable since 2016. This is a further indication that PropTech is still a very young segment, especially as seed investments continue to account for a consistently large share of the number of deals.

When looking at the distribution of the investment volume, however, it becomes clear that investors are particularly keen to invest after the initial proof of concept has been provided. One can assume that these investors invest diversified very early in different ideas, but only write relevant tickets in the early stage when promising KPIs have already been generated. Naturally, the late stage is more noticeable in terms of investment volume than number of deals.

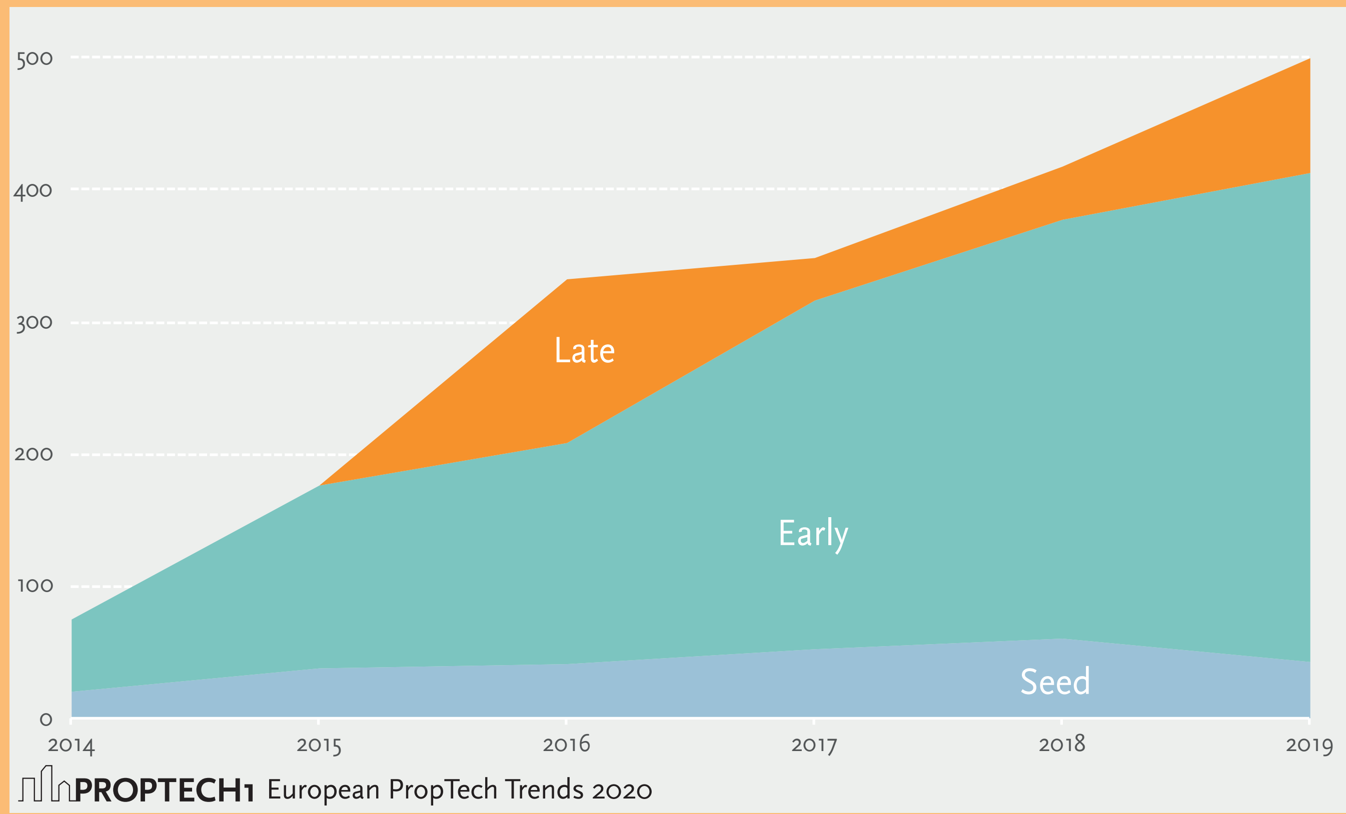
AVERAGE INVESTMENT TICKET SIZE OF EUROPEAN PROPTECH COMPANIES ACCORDING TO STAGE



NUMBER OF EUROPEAN PROPTECH FINANCINGS ACCORDINGT TO STAGE



FINANCING VOLUME OF EUROPEAN PROPTECH STARTUPS ACCORDING TO STAGE



2 OPINION

2.1 STATUS QUO OF THE-DIGITALIZATION OF THE REAL ESTATE INDUSTRY

It is no secret that the real estate industry has a strong potential for catching up, not only in terms of digitalization. PropTech1 has selected this sector for a reason since – as is always the case during an initial digital transformation of an industry (e.g. media, retail, or banking) – there will be a great redistribution of wealth within the real estate industry, away from old, traditional, sluggish systems towards young, agile players who see change as an opportunity.

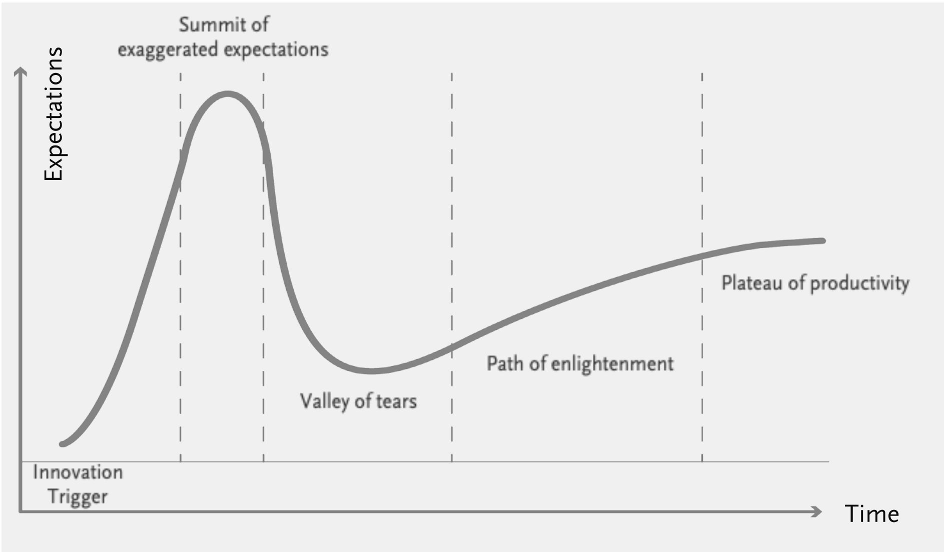
The extent to which the real estate industry lags behind other sectors in terms of innovation can be summed by revealing figures. A recent study by the ZIA showed that 58% of all real estate companies invest less than 3% of their total revenue in digitalization.[1] By comparison: Axel Springer, a prime example of successful digital transformation, invested on average 18% of its total revenue in digitalization measures in recent years.[2]

As an industry, we are still at the very beginning, but the changes will hit the "sleeping giant" all the more severely. For the past few years, PropTech, which is at the interface between real estate and innovation, has been on everyone's lips. At an increasing number of events, important executives from major real estate companies increasingly recognize – at least behind closed doors – their digital shortcomings, discuss innovative business models and their potential to disrupt current industry incumbents.

Yet, all that glitters is not gold: With all the promises made by technologies that are still as young as they are extravagant and often also completely misunderstood, such as augmented/virtual reality, blockchain solutions, or artificial intelligence – but also supposedly revolutionary models from the "New Work" sector – unrealistic expectations have often come to the surface. Looking across the pond to the US, which are still years ahead of Europe at least in terms of startup valuations, the exaggerated hopes that culminated in the astronomical valuation of WeWork were utterly crushed. WeWork's valuation dropped from $ 47 billion to $ 10 billion in less than six weeks after the publication of its IPO prospectus.[3]

This decline in valuation was no real surprise to industry experts. IWG (better known under the brand Regus), WeWork's largest competitor, had a market capitalization of only $ 4.5 billion at the time and even ran their co-working spaces at a profitable rate.[4] Considering the sparse use of technology and the lack of innovation (apart from offering fruit water) of this relatively traditional business model, it is not difficult to explain why the revenue multiples that technology companies are usually measured by could not apply to WeWork. Thus, contrary to popular belief, we excluded "co-working" and "co-living" projects from our definition of PropTech and consequently from our investment thesis.

1 “Gebaut auf Daten – digitale Immobilienwirtschaft:Vierte Digitalisierungsstudie von ZIA und EY Real Estate“
2 Annual Financials, Axel Springer; Investments by German Media Companies, LSP digital
3 "How WeWork spiraled from a $47 billion valuation to talk of bankruptcy in just 6 weeks", Business Insider
4 “Why WeWork doesn’t work yet", The Economist



The Gartner Hype Cycle, a popular model for explaining exactly this type of market expectation for emerging technologies, serves as an indicator for a possible future: The initial coming-of-age phase, in which many real estate companies and VC funds have put their money on "eye candy", e.g. tenant experience apps or remote apartment inspection via virtual reality, is over. The time has now come for PropTech to prove itself as sustainable and as substantially optimizing the real estate core business. Hence, we believe that startup companies need to demonstrate technology's potential in terms of cost savings or efficiency gains over traditional methods.

This often requires laying the groundwork first, e.g. by the basic act of scanning physical contracts, floor plans, and other documents that are still stored in piles in the basement. Only then can the real digital lever in the form of big-data analysis, fully interconnected IoT applications, and artificial intelligence be applied.

This often requires laying the groundwork first, e.g. by roughly scanning physical contracts, floor plans and other documents that are still stored in tons in the basement. Only then can the real digital lever in the form of big-data analysis, fully networked IoT applications and artificial intelligence be applied.

However, this should not be an obstacle. Given the immense economic power of the real estate industry, even incremental efficiency gains can generate enormous absolute returns. This "plateau of productivity" is destined to be reached by the real estate digitalization, just as other industries have already demonstrated. And market participants who miss out will find it increasingly difficult to keep up with the competition in the near future. Or as the US-American technologist and journalist Ray Wang has drastically put it: The digital revolution has wiped out over 50% of Fortune 500 companies in the US since 2000. So, to strive for sustainable innovation is not only a "nice-to-have" strategy, but sooner or later it is a question of survival.

2.2 TRENDS FOR 2020

1 "GretaTech"

Sooner or later, sustainability will become mainstream, even in conservative circles. Hence, we focus less on the viral distribution of new mentalities, but rather on the steering effect of public pressure and successive new market rules.

An unmistakable sign of this development: The first major investors and private equity companies are publicly positioning themselves for more climate protection. BlackRock – the world's largest investor, not only in coal projects – has even described the sustainability issue as a new core of corporate policy.[1]

This is no coincidence. For years the political power of green parties has been growing, both nationally and internationally. Corresponding regulations, such as CO2 pricing, set economic incentives or sanctions and are certainly only the tip of the iceberg. As a result, the need for action is growing in all sub-sectors of the real estate market. "Green bonds" are more popu-lar than ever before. Pioneers from modular construction show that challenges such as fire protection in high-rise buildings can also be mastered using sustainable materials such as wood. Further, the long-held belief that energy costs are just a transitory item that is passed on to tenants without a guilty conscience could soon be outdated.

As is so often the case, those market participants who see this unavoidable change as an opportunity early on are at an advantage. With speed being the strength of agile start-ups, we expect an entire generation of smart companies which will both produce an economically highly attractive business and generate a second ecological return.

2 Prefab Next Gen

What Bauhaus founder Walter Gropius described in 1923 with "construction kit on a large scale" appears more relevant than ever in times of scarce resources and increasing social pressure on construction costs and efficient use of space in metropolitan areas. At the same time, the typical construction site today is still a single project and thus, in terms of processes, closer to the processes of pyramid construction than to modern, IT-supported project management methods.

Delays are one of the main causes of conflicts during construction, along with construction defects. Chronic labour shortages and inadequate construction coordination are among the most frequent reasons for delays on construction sites.

In order to solve many of these problems, a standardized, industrialized, modular structure is emerging. Unlike the 1950s, new materials and digital technologies are now being used to improve design capabilities and variability, increase precision and productivity in manufacturing, and simplify logistics, including 3D printing on site.

This type of industrialized construction increases the planning reliability of construction projects and optimizes the use of resources and the construction time. As a result, (manpower) capacities are available more quickly for new projects. In addition, the current workforce shortage in the construction segment is being addressed by a strong shift from on-site to off-site activities.

Accordingly, startups that improve this methodical crisis and/or achieve scaling through modern production approaches will benefit the most.

1 "Fondsgesellschaft Blackrock und der Klimaschutz", Der Spiegel

3 IT Spring Cleaning

One could say that the real estate industry has fared too well in recent decades. To put it somewhat disrespectfully, even bad decisions were rewarded with disproportionate returns. Consequently, past success created sluggish systems, which were almost resistant to necessary improvements – not unlike the idiomatic frog in boiling water.

Accordingly, the real estate industry, like the banking industry 5-10 years ago, has an IT landscape that can only be described as blatantly backwards, if not medieval, according to modern criteria.

As a result, current technical solution used by industry incumbents are not able to perform fundamental actions: 15(!) years after the introduction of Google Maps, the visualization of real estate on a map is being marketed as an innovative new feature; “cutting-edge” software solutions are too "stupid" to recognize that two addresses of a city block on a street corner refer to the same object; paper-based floor plans must first be fetched from the basement with a wheelbarrow, dusted and scanned; processes for granting loans falter when a clerk goes on vacation because the substitute has no access to the other's e-mails.

Accordingly, one must first create the basis for a meaningful use of big data or even machine learning / artificial intelligence in order to benefit from the use of cloud services, central data storage, and thus real-time computing capabilities – as is already common in other industries.

The creation of a modern basic IT infrastructure and subsequently the first AI baby steps are therefore the short-term focus. Startups that understand the (poor) status quo and meet the industry at the point where it actually stands have better chances than ever.

4 Get Big or Get Out

As shown in the first part of this report, the PropTech sector is experiencing strong quantitative growth. Correspondingly, the number of industry events, congresses, matchmaking platforms, think tanks, and similar formats where property manager can find out about the brave new world is increasing almost daily. Nevertheless, we are constantly observing the phenomenon that real estate managers and acquirers are annoyed by the small-scale nature of current solution providers.

Obviously, a startup is well-advised not to immediately have the aspirations to offer a silver bullet, catch-all platform à la SAP or Siemens. A small company could neither deliver nor introduce the solution to the customer in one go due to the far-reaching implementation consequences. However, it is not a real process facilitation for a traditional company if a hodge-podge of 5-10 isolted PropTech solutions has to be implemented for a specific area of the company's business.

Accordingly, we consider 2020 to be the beginning of the consolidation of the PropTech landscape. We are not only talking about "more of the same", i.e. mergers of direct competitors to aggregate market shares, as already seen in the crowdfunding and the BrokerTech segment, but in particular about complementary mergers to form entire cluster companies and platforms, both via APIs and through M&A activities.

These mergers can then offer B2B customers not only a sufficient critical mass of features, but also (perceived) operational reliability in terms of size and ISO certification. As a result, even the most conservative buyers can be persuaded because "nobody gets fired for buying IBM.

3 ABOUT PROPTECH1

The first dedicated venture capital fund focusing on the untapped innovation potential of the European real estate industry

1 Utilize the digitalization potential of the real estate industry

PropTech1 Ventures has brought together Europe's largest group of real estate companies and entrepreneurs, serial entrepreneurs from the digital sector, and venture capital experts within a VC fund. The fund's focus is on the untapped innovation potential of the real estate industry in Europe.

2 Balanced portfolio of European PropTech startups

As an independent venture capital investor, we aggregate a qualitative and proprietary deal flow of PropTech startups in Europe. We create a portfolio with a balanced risk profile of minority stakes in what we consider to be the best companies after thorough analysis.

3 Added value for investors beyond a purely financial return

To its growing number of fund investors, PropTech1 offers access to highly focused deal flow, detailed market research, and proven venture capital methodology expertise. Furthermore, PropTech1 enables economic participation both through the fund and through direct co-investment opportunities. PropTech1 also provides a moderated exchange between innovation-oriented real estate companies and the PropTech startups.

4 Heightened smart money value for startups

In addition to independent capital, PropTech1 offers startups an extensive network in the traditional real estate industry, access to existing client bases and real estate portfolios as well as support in structuring future financing rounds, M&A activities, and exits.

CONTACT

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CURRENT PORTFOLIO

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