

DENMARK: A UNICORN FACTORY

But Why Do They Leave?



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DENMARK: A UNICORN FACTORY

All major business endeavors start with a good idea and a lot of hard work. This realization is as true today as ever before.

Yet as we stand on the doorstep of a new technological revolution – let's call it the Age of AI – I am particularly optimistic about what can be achieved when modern technology is put in the hands of passionate and talented individuals.

Entrepreneurship and innovation are critical for Denmark. Not only for our future economic vitality at a time where Europe's competitiveness is lacking behind the US and China. Also, for solving some of the most pressing societal and environmental challenges we face – in Denmark and globally.

Despite our modest size, Denmark has already produced a number of successful unicorns. However, one significant challenge remains: how can Denmark not only foster the growth of these promising startups but also retain them as they mature?

The journey to becoming a unicorn continues to be fraught with challenges, from securing talent and funding to navigating complex regulation and taxation rules. Yet, the potential rewards are significant, not just for the founders but for Danish economy and society as a whole.

It is crucial for Denmark to significantly enhance its efforts in fostering new startups and establishing a strong foundation to retain them. By ensuring the right framework conditions, we can support the growth of innovation and enable it to flourish. It's positive that the Danish government has introduced new initiatives to eliminate barriers and invest into the Danish ecosystem. Building on this, more could and should be done.

Looking towards the future, it is evident that unicorns will require a concerted effort from all stakeholders in the Danish tech ecosystem. This report provides some ideas for where to focus – from access to foreign and local talent, to finance, tax incentives and collaboration with both universities and the public sector. Moreover, AI and digital tools hold the potential to elevate Danish innovation, entrepreneurship and exports to whole new levels provided we embrace the opportunity and let our talented individuals put it to good work.

In short, every aspect of the ecosystem must be aligned with the goal of nurturing these high-value companies. It is only through collaboration and a shared vision that Denmark can become a true unicorn factory.

Happy reading!

Mette Kaagaard
General manager/CEO
Microsoft Denmark and Iceland



KEY FIGURES

2.0 unicorns per capita (million) have been founded in Denmark. This is higher than both the UK (1.8) and Finland (1.3).

Eight out of 12 unicorns founded in Denmark have moved their headquarters out of the country.

In Sweden, a total of 31 unicorns have been founded. In Denmark it is only 12.

67 pct. of unicorns have moved out of Denmark, while only 6 pct. have moved out of Sweden.

Denmark has 7.7 rising unicorns per capita (million). That is higher than Norway (6.7), Sweden (7.2), and Finland (4.5).

6.6 pct. of Danes aged 18-64 are new entrepreneurs. This is lower than Norway (6.9 pct.) and Sweden (9.3 pct.).

Better access to foreign talent and better opportunities for warrants rank as most crucial to foster new unicorns.

Better access to foreign talent and better conditions for IPO's rank as most crucial to keep unicorns in Denmark.

DENMARK IS GREAT AT CREATING UNICORNS...

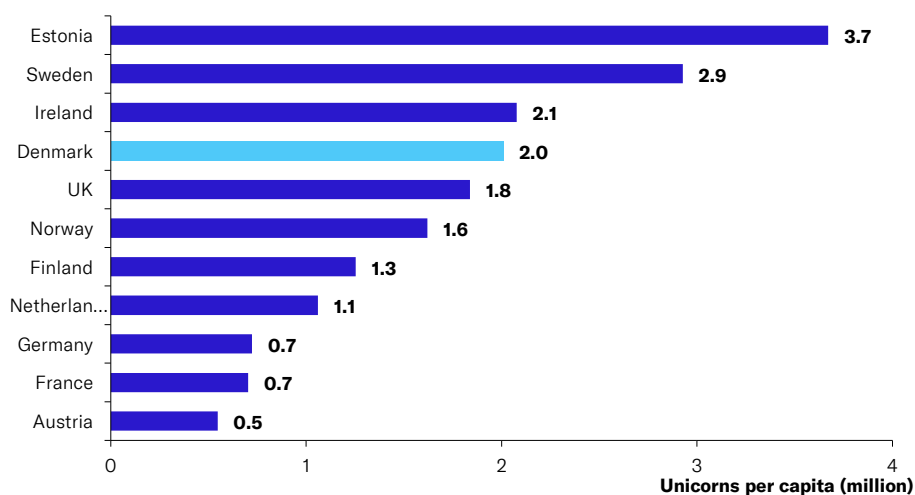
When startups grow big rapidly, they are often referred to as unicorns. In this report, the mythical term covers companies founded from 2000 and onwards that have reached a valuation of 1 bn USD or more based on a funding round, acquisition or an IPO (realized).

Denmark does not lack good ideas. In fact, Denmark is well-positioned when it comes to the number of unicorns originally founded in the country. Data from Dealroom shows that 2 unicorns per one million capita has been founded in Denmark since year 2000, see figure 1. This means that Denmark is well-positioned compared to several other European countries (and UK).

Denmark is also blessed with free education, resulting in a well-educated population that has been culturally encouraged to think creatively and critically. This could be some of the reasons behind the high number of unicorns produced per capita in Denmark.

Unfortunately, a vast majority of these unicorns have moved out of Denmark – often before achieving their unicorn status.

Figure 1: **Unicorns founded since 2000 in selected countries, per capita (million)**



Source: Unicorn data from Dealroom (August 2024). Population data from the World Bank (2024).













Note: Unicorns sorted by "founding" from Dealroom. Unicorn definition: have been or are currently valued at 1 bn USD (exit). This does not necessarily mean that they still maintain the same valuation.

...BUT TERRIBLE AT MAKING THEM STAY

Despite Denmark's ability to foster unicorns, many of them end up moving their headquarters out of Denmark. This means Denmark misses out on job creation, tax revenue, and innovation. Denmark is ahead of the UK, Norway, Finland, the Netherlands, Germany, France and Austria in terms of the number of unicorns founded per capita, but far behind when looking at how many of the companies that stay.

Since 2000, Denmark has been the birthplace of 12 unicorns according to Dealroom. But eight of them have relocated their headquarters out of Denmark, often to the US, see table 1. This accounts for nearly 70 percent of the total number of unicorns founded in the period from 2000 to 2024. Many unicorns move to countries with better regulatory frameworks to scale.

Table 1: **Danish Unicorns founded since year 2000**

Company	Founded	Employees	HQ
 SteelSeries <i>Moved</i>	2001	371 (0 pct. in DK)	US
 Just Eat <i>Moved</i>	2001	15,860 (2.5 pct. in DK)	UK
 Veloxis Pharmaceuticals <i>Moved</i>	2002	121 (0 pct. in DK)	US
 Unity Technologies <i>Moved</i>	2004	6,963 (4 pct. in DK)	US
 Trustpilot	2007	981 (30.3 pct. in DK)	DK
 Zendesk <i>Moved</i>	2007	6,517 (1.7 pct. in DK)	US
 Ascendis Pharma	2007	923 (53.6 pct. in DK)	DK
 Tradeshift <i>Moved</i>	2009	510 (5.3 pct. in DK)	US
 Bending Spoons <i>Moved</i>	2013	486 (0 pct. in DK)	IT
 Chainalysis <i>Moved</i>	2014	784 (3.7 pct. in DK)	US
 Pleo	2015	981 (19.7 pct. in DK)	DK
 LUNAR	2015	590 (73.7 pct. in DK)	DK

Source: Dealroom (August 2024). Employees is collected from LinkedIn or the company's website (August 19, 2024).

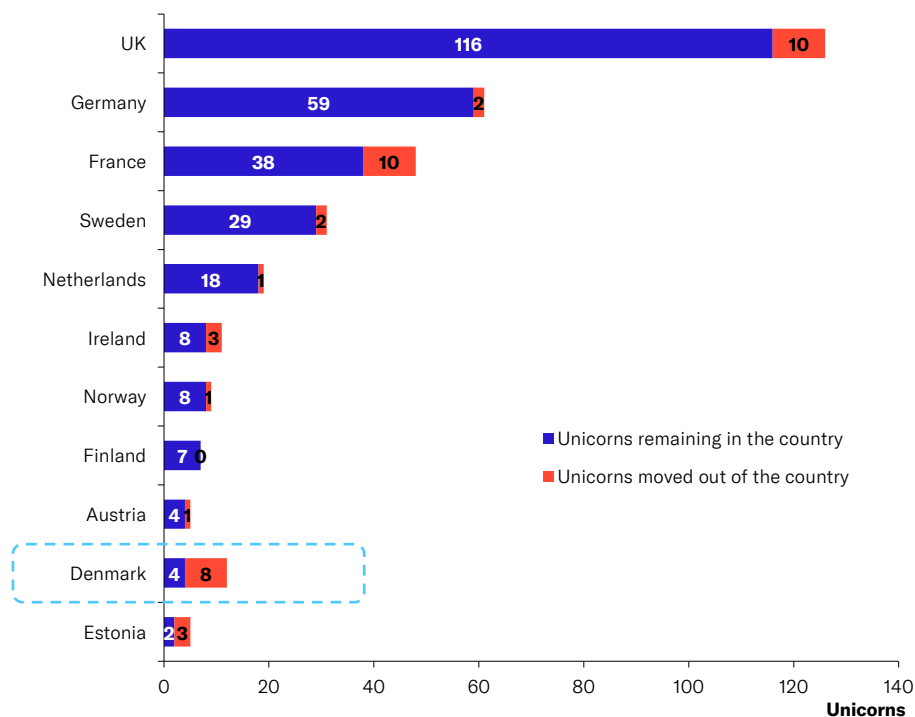
Note: Danish unicorns founded since 2000 are based on data from Dealroom. Dealroom defines a unicorn as a rapidly growing company that has reached a valuation of 1 billion dollars based on a funding round, acquisition, or an IPO (realized). This does not necessarily mean that they still maintain the same valuation. The following Danish unicorns founded before 2000 have been omitted: Saxo Bank (1992), Bavarian Nordic (1994), Zealand Pharma (1998), Sitecore (1999), and Genmab (1999).

”31 unicorns

have been established in Sweden compared to only 12 in Denmark.”

Sweden shows a completely different trend than Denmark. Despite similarities in culture, market size, and welfare system between Sweden and Denmark, there is a significant difference in their ability to foster and keep unicorns. Sweden has established a total of 31 unicorns, and only two of them have moved out of the country. On the contrary, 8 out of 12 unicorns founded in Denmark have relocated, as shown in figure 2.

Figure 2: **Unicorns founded since 2000 in selected countries that have remained in the country and moved out of the country, respectively**



Source: Dealroom (August 2024).

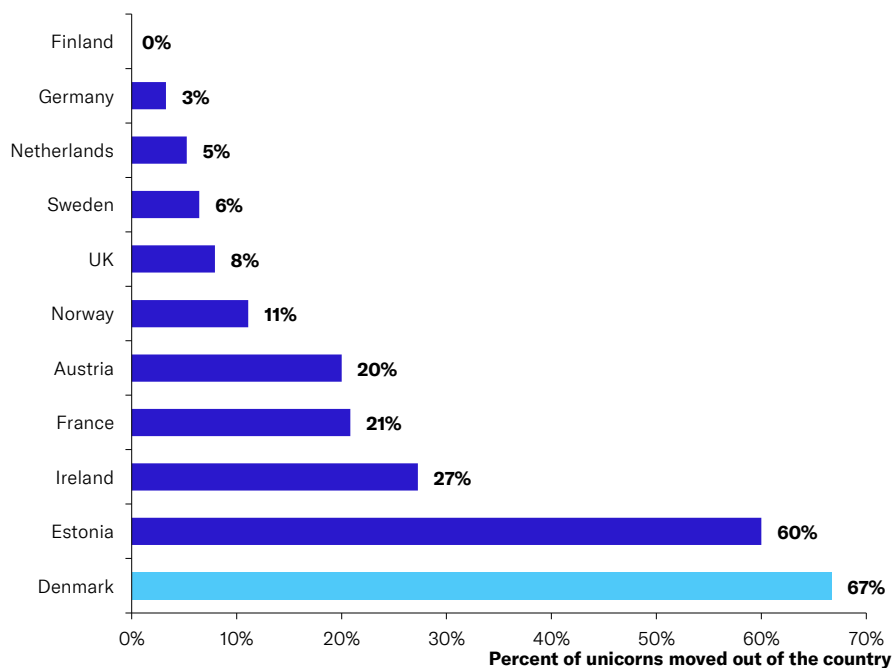
Note: Unicorns sorted by "founding" from Dealroom. Unicorn definition: have been or are currently valued at 1 bn USD. This does not necessarily mean that they still maintain the same valuation. If the unicorn is no longer headquartered in the founding country, we say that it has moved out.

”67 percent

of unicorns have moved from Denmark. Only 6 percent have moved from Sweden.”

67 percent of unicorns founded in Denmark have moved out. In comparison, it is only 6 percent in Sweden, 5 percent in the Netherlands and 0 percent in Finland, even though all three countries are small economies with a small market size like Denmark, see figure 3. This shows that unicorns do not solely relocate due to the size of the domestic market and that other small economies have been able to retain their successful startups by creating competitive framework conditions and incentives to stay.

Figure 3: **Percentage of unicorns founded since 2000 in selected countries that have moved out of the country**



Source: Dealroom (August 2024).

Note: Unicorns sorted by "founding" from Dealroom. Unicorn definition: have been or are currently valued at 1 bn USD. This does not necessarily mean that they still maintain the same valuation. If the unicorn is no longer headquartered in the founding country, we say that it has moved out.

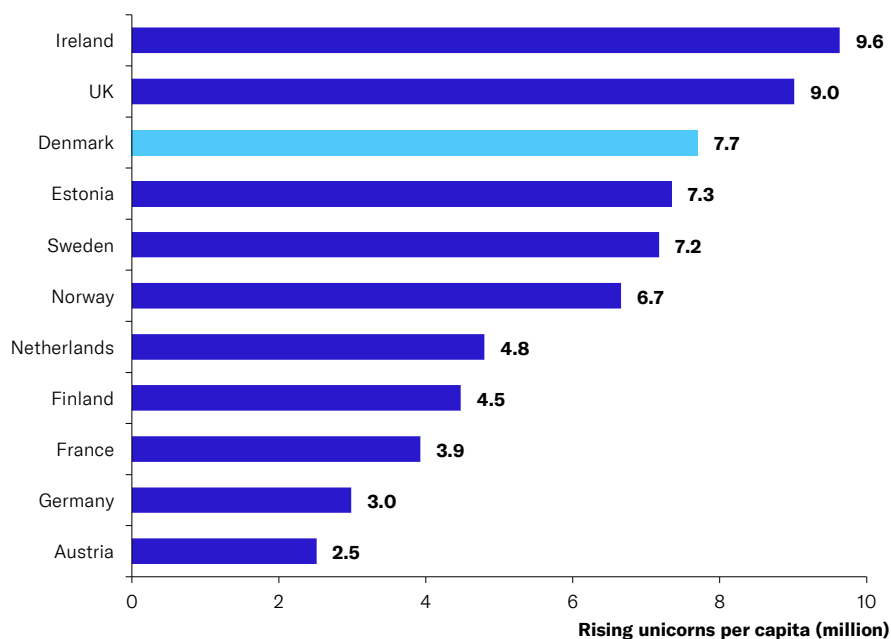
THE NEXT GENERATION OF UNICORNS IS RISING

Denmark has a substantial number of companies that have a strong potential to evolve into unicorns in the future. We call these companies “rising unicorns”.

Denmark has a noteworthy number of rising unicorns, 7.7 per million capita, see figure 4. That is more than other small Nordic economies like Sweden (7.2), Norway (6.7) and Finland (4.5). This indicates a potential for Danish founded unicorns in the future.

There are many ways of defining a rising unicorn, e.g. by looking at valuation, employee count, or capital raised. In this report, rising unicorns are defined as companies founded since 2000 that have raised at least 50 million US\$ in capital.

Figure 4: **Rising unicorns founded since 2000 in selected countries, per capita (million).**



Source: Dealroom (August 2024).

Note: Rising unicorns sorted by "founding" from Dealroom. Rising unicorn definition: have raised at least 50 million US\$ in capital. Companies already marked as unicorns are excluded. There may be companies, that inevitably live up to the criteria, who is not included in Dealrooms database.

WHO ARE THE DANISH RISING UNICORNS?

According to Dealroom, Denmark has 46 rising unicorns in total. Three of these have already moved their headquarters abroad, see table 2.

Table 2: Rising unicorns founded in Denmark

Company	Total funding (US\$ M)	HQ
Symphogen	338.65	DK
Ageras	234.7	DK
IO biotech	226.8	DK
Podimo	220.84	DK
Vivino	218.8	US
Hemab Therapeutics	190	DK
Minervax	176.11	DK
NMD Pharma	166.13	DK
Dixa	157.64	DK
Labster	150.7	DK
Again	148.92	DK
NORNORM	145.21	DK
Everfuel	143.76	DK
Monta	142.97	DK
Templafy	121.15	DK
Veo	116.58	DK
ADCendo	107.8	DK
Simple Feast	101.52	DK
Blue Ocean Robotics	99.75	DK
Corti	95.9	DK
OnRobot	94.86	DK
21St.Bio	94.6	DK
FRVR	94.3	PT
Lenus eHealth	84.51	DK
Agreena	81.1	DK
Santaris Pharma	78.44	DK
Muna Therapeutics	77.9	DK
eloomi	77.45	DK
BLAST	76.68	DK
Too Good To Go	75.3	DK
Peakon	73.44	US
Leapwork	72	DK
ViaBill	71.67	DK
NIL Technology	70.25	DK
Acesion Pharma	69.71	DK
SNIPR Biome	68.62	DK
Flatpay	67.35	DK
HAY A/S	66	DK
Miinto	64.01	DK
Orphazyme	59.4	DK
MedTrace	58.72	DK
Planday	56.3	DK
ENORM	55	DK
Siteimprove	55	DK
kompasbank	54.81	DK
Blue World Technologies	52.8	DK

Source: Dealroom (August 2024).

Note: We define rising unicorns as companies founded from year 2000 that have raised more than 50m USD in capital. Companies marked as unicorns are excluded. The list is based on publicly available data from Dealroom.

ALL UNICORNS WERE FOALS ONCE

To foster the creation of unicorns, a country must establish a funnel of new, ambitious entrepreneurs. In Denmark, the number of new entrepreneurs per capita falls well below the OECD-average.

The presence of a thriving entrepreneurial ecosystem holds the potential to foster more unicorns. Although there is no direct link between a high number of entrepreneurs and high numbers of unicorns, it is still important for a country to create an entrepreneurial culture to have a pipeline for new unicorns to be made.

Denmark currently falls well below the OECD-average when it comes to the proportion of new entrepreneurs. 6.6 percent of Danes aged 18 to 64 are new entrepreneurs, see figure 5. This is below the OECD-average of 11.6 percent. Although Denmark has previously had a slightly higher ratio of new entrepreneurs compared to neighboring countries, such as Sweden and Norway, Denmark is now (2024), the Nordic country with the lowest percentage of new entrepreneurs, see figure 5.

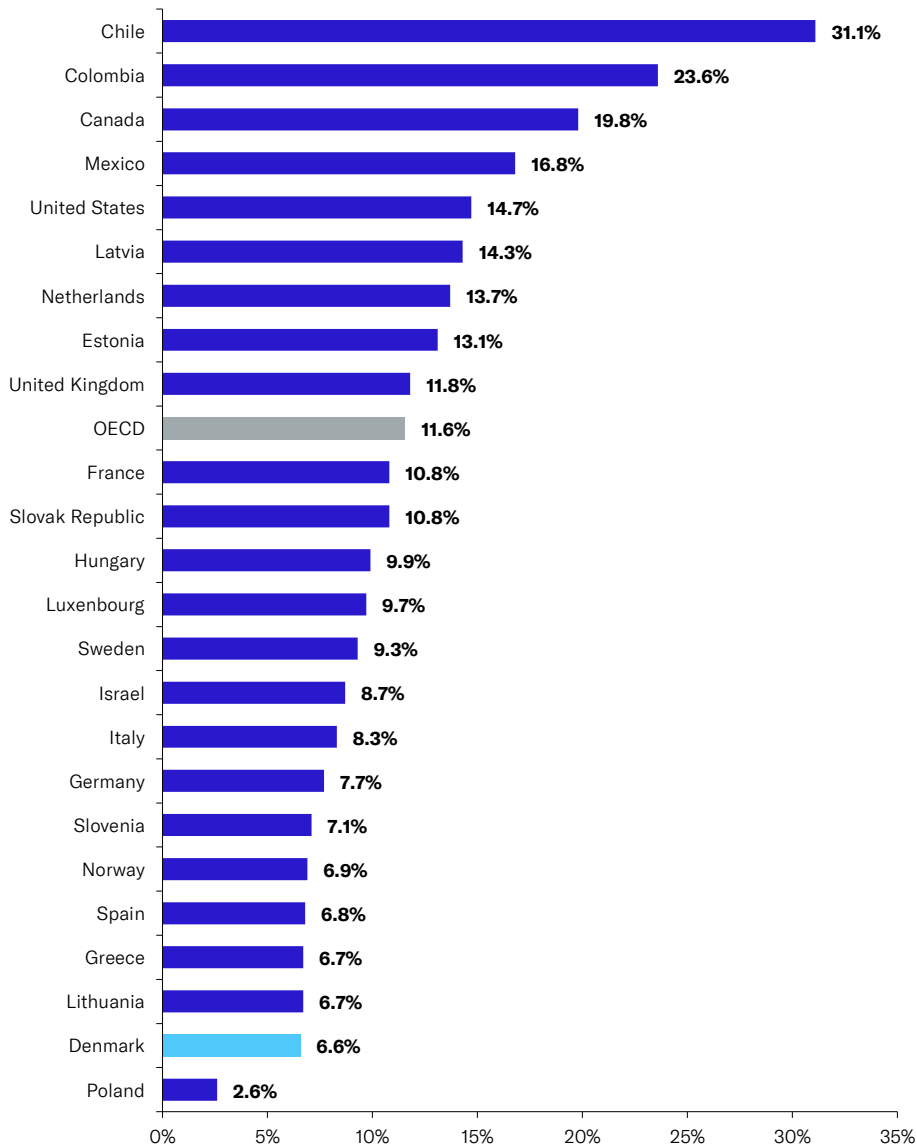
The number of new entrepreneurs in 2023/2024 is significantly lower than in 2022/2023. Last year, 9.8 percent of people aged 18 to 64 were new entrepreneurs in Denmark, but this percentage has dropped by 3.3 percentage points in just one year. Last year, Denmark was in the middle of the ranking, placed 14th out of 27 countries (but below the OECD-average), regarding the proportion of new entrepreneurs among those aged 18 to 64. Now, Denmark is at the lower end of the scale, with only Poland having a lower percentage of new entrepreneurs, see figure 5.

Fundamentally, the importance of entrepreneurs is crucial for all countries. As such, it is essential for countries to provide the optimal framework conditions for entrepreneurs to establish and grow their businesses. The following chapters will explore how Denmark can enhance the conditions for startups.

”6.6 percent

of Danes are new entrepreneurs, which is well below the OECD average and a significant decrease from the previous year.

Figure 5: **The percentage of the population aged 18-64 who are new entrepreneurs, by country within the OECD cooperation, 2023/2024**



Source: GEM (Global Entrepreneurship Monitor) report 2023/2024 and Norstat for Dansk Erhverv, march 2024.

Note: The definition of new entrepreneurs is that they are either in the process of starting a new business or have started a new business within the last 42 months. The number of respondents varies across countries. The OECD average is calculated based on the countries included in the figure. All countries are equally weighted.

”We must be the world's best country to do business in – to become the world's best country to live in.

Freja Brandhøj, Head of Entrepreneurship, Danish Chamber of Commerce

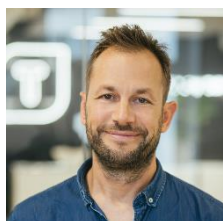


**HOW TO
FOSTER
MORE
UNICORNS
AND
HOW TO
MAK THEM
STAY**

ASKING THE EXPERTS

Creating a thriving entrepreneurial ecosystem is crucial if a country wants to foster and keep more unicorns. In 2024, we consulted 9 experts to identify the essential framework conditions that needs to be in place for a country to foster more unicorns, as well as the necessary conditions to keep them from moving out of the country.

And by experts we are of course referring to individuals with firsthand experience. We've proudly handpicked 9 people who have either founded a unicorn, a rising unicorn, or a new promising startup.



Templafy

Christian Lund
Co-founder



Zensai

Rasmus Holst
CEO



Leapwork

**Christian Brink
Frederiksen**
Co-founder & CEO



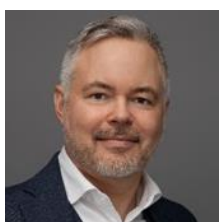
Swiipe

Anders Riis
Founder & CPO



Pleo

Jeppe Rindom
Co-Founder & CEO



SITECORE

Lars Fløe Nielsen
Co-Founder



affle.ai

Suzanne Lauritzen
Co-Founder & CEO



Radiobotics

Stine Mølgaard Sørensen
Co-Founder



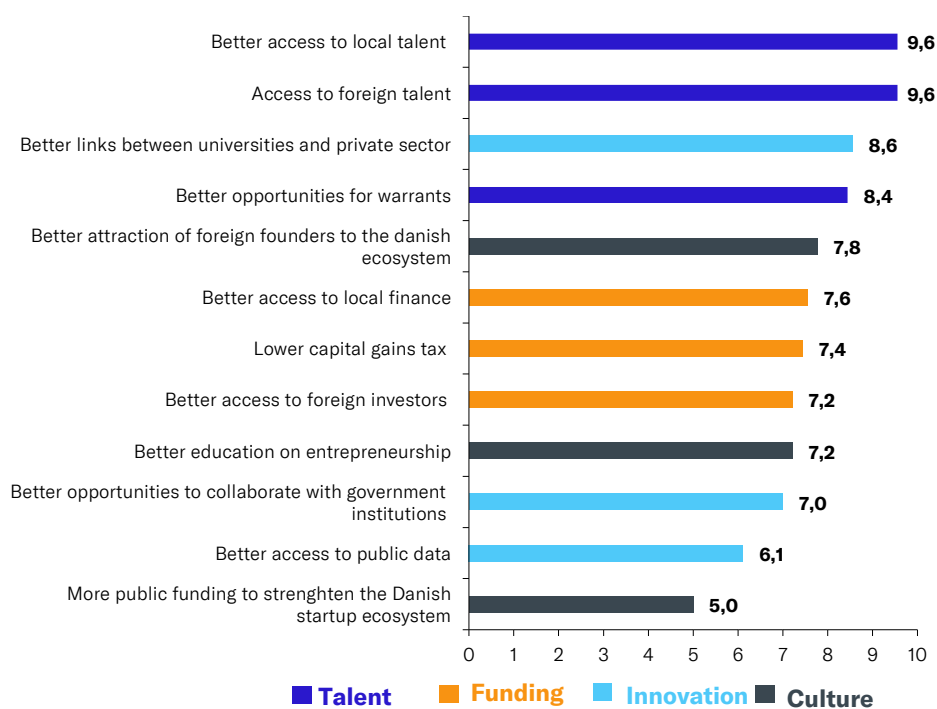
Penneo & Estaldo

Jakob Neua Nørgaard
Founder

HOW DO WE FOSTER MORE UNICORNS?

The 9 experts have ranked the most crucial framework conditions they believe must be in place to foster more unicorns, see figure 6. It illustrates that better access to local and foreign talent is the two most crucial framework conditions if Denmark wants to foster the creation of more unicorns with a score of 9.6 out of 10. Better links between universities and private sector rank as the third most crucial condition, with an average score of 8.6 out of 10.

Figure 6: **To create more unicorns (fostering), how important are the following (from 1 to 10)**



Source: Dansk Erhverv based on interviews with unicorn founders and founders of rising unicorns, 2024.

Note: n = 9. Average scores on each indicator.

STINE MØLGAARD SØRENSEN, CO-FOUNDER, RADIOBOTICS

'PAY IT FORWARD CULTURE' IS KEY

It is crucial to foster a 'pay it forward' culture to establish a high-performing startup ecosystem. Spotify in Sweden show how much a single company can contribute to the entire ecosystem by creating new startup talent and tech investors. It is also essential to make sure that universities and public institutions contribute and collaborate with the startup ecosystem. Universities and researchers need to have incentives to prioritize practical research and commercialization to support a high-performing startup ecosystem.



JEPPE RINDOM, CO-FOUNDER & CEO, PLEO

ATTRACTING THE RIGHT TALENT

Denmark has an underdeveloped capital market, both in terms of private investments and for listed companies. The tax system makes it less attractive to invest in companies compared to countries like Sweden and the UK. It is important that a small country like Denmark ensures favorable conditions for IPOs to make unicorns stay. Attracting foreign talent is also crucial to scale a business and for this, the option to reward employees with warrants is key. The rules for warrants are unfortunately way too complex in Denmark today.



ANDERS RIIS, FOUNDER & CPO, SWIPE

TALENT IS NO. 1 MOST CRUCIAL THING

Attracting talent to tech startups is extremely challenging. It is crucial to be able to attract employees with specific skills such as IT engineering and sales, and there is a high demand for them. It can be difficult for small companies to compete on salary and in Denmark we have a rigid warrants system, which makes it challenging to incentivize with anything other than that.



JAKOB NEUA NØRGAARD, FOUNDER, PENNEO AND ESTALDO

CUTTING THROUGH THE RED TAPE

We need to make sure regulations don't hold back new startups. Navigating all the rules can be tough for small businesses - for example figuring out the new maternity policies, which took me days to fully understand. We support our team's family aspirations but administrative burden and cost implications are significant, and feels like hitting road-blocks at every turn.

Here's an idea for the government: Why not have a small team start a company and face these challenges themselves? Their job would be to find real, practical ways to make things easier. It might even be a better use of the 4 billion we're currently spending on state aid. Just a thought!



LARS FLØE NIELSEN, CO-FOUNDER, SITECORE

KEY FACTORS INFLUENCING THE RELOCATION OF DANISH COMPANY HEADQUARTERS

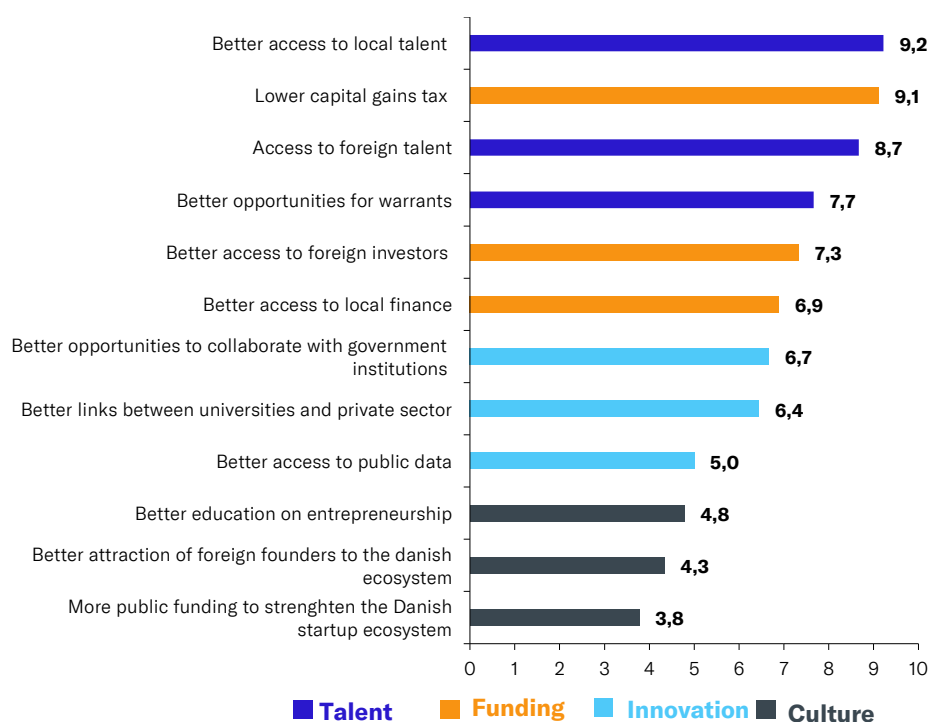
Unlike in the past, foreign investors, particularly from the US, are becoming more used to operating with companies based in Denmark. As a result, the pressure to transfer headquarters to the US occurs later in the company's lifecycle, allowing for a longer period of maintaining headquarters in Denmark. However, this is only feasible with greater access to local funding and talent. There are three main factors that drive companies to move out of Denmark: early funding - the earlier foreign investors gain control, the sooner the headquarters may be relocated; talent - as high unemployment rates and limited access to talent may force companies to outsource or move their headquarters early; and tax incentives - Denmark may not be the most attractive place to invest from a foreign investor's perspective.



HOW DO WE MAKE THE UNICORNS STAY?

The 9 founders have also provided insights into what they believe are the most necessary framework conditions to make unicorns stay in Denmark, see figure 7. Better access to local talent is the most important condition, with an average of 9.2 out of 10. It is closely followed by "lower capital gains tax" as the second most important condition with an average rating of 9.1 out of 10 and "access to foreign talent" as the third most important condition. Descriptions of the framework conditions are unfolded in more detail in the following chapter.

Figure 7: **To make unicorns stay (keeping), how important are the following (from 1 to 10)**



Source: Dansk Erhverv based on interviews with unicorn founders and founders of rising unicorns, 2024.

Note: n = 9. Average scores on each indicator.

CHRISTIAN LUND, CO-FOUND TEMPLAFY

INCENTIVES TO STAY LOCAL HAS TO BEAT THE STRONG ALTERNATIVES TO LEAVE

Except from an overheated competition for talent, we already have a near-perfect playground for fostering businesses that can move markets, attract international funding and talent - and ultimately grow into unicorns. However, to fix the talent issue the Danish ecosystem should accelerate ongoing efforts to remove barriers for female talent joining tech companies and unlock the enormous potential much faster.

Unfortunately, reaping the long-term benefits from keeping the most successful businesses here has proven much harder. Denmark is almost by default too small to be a key market geography for any unicorn company. At the same time, the available pool of local talent that is equipped to run late stage/post-IPO companies is extremely slim. So, although founders will often go a long way to defend a Danish HQ to preserve culture, it often comes down to the economic incentives to stay vs. the currently more attractive alternatives that comes with leaving. This gap will probably need to close before the trend flips and the great businesses that are grown out of Denmark also stays and contributes as they mature.



RASMUS HOLST, CEO, ZENSAI

ATTRACTING GLOBAL TALENT AND INVESTMENT

To foster a thriving startup environment, Denmark must create better synergies between international talent and funding and the startups in Denmark. We need a setup where both international talents and co-founders easily can come and work for Danish Startups. Further we also need to ensure that they are incentivized by a tax infrastructure that rewards outcome for both founders and investors. Finally, building partnerships with international investment ecosystems, like in Silicon Valley, is vital to develop vehicles for them to make Danish startups more attractive - we have the talent we lack the scaled funding infrastructure.



SUZANNE LAURITZEN, CO-FOUNDER & CEO, RAFFLE.AI

THE EDUCATION SYSTEM TO POWER STARTUPS

Education plays a huge role in shaping the future of startups in Denmark. We should start teaching kids about entrepreneurship right from kindergarten. It's both about making the idea of starting a business less intimidating, but also about giving them the tools and inspiration they need to become tomorrow's innovators. Further, we need to make it easier for universities and startups to collaborate. Imagine if professors could use their expertise to help startups grow and create more value for the society. Right now, the rules are too rigid and complicated when it comes to who owns IP, and that's holding back a lot of potential partnerships between professors and startups.



CHRISTIAN BRINK FREDERIKSEN, CO-FOUNDER & CEO, LEAPWORK

TO BUILD AND KEEP MORE UNICORNS IN DENMARK, SOME WILL NEED TO MOVE OUT

Denmark has a unique foundation for creating new startups, with equal access to the educational system and a strong social security system. However, building unicorns require more.

To support startups in accelerating to their full potential, some may need to move out of Denmark, to grow faster and gain a competitive edge in the global market. Access to large markets like the US is essential and provides multiple levels of leadership talent with Unicorn scale-up experience that Denmark currently lacks. Provided we can foster and develop Danish talent in that scenario, they will be able to lead the next generation of successful startups rooted in Denmark, supported by founders with financial backing, experience and international network. This strategy has enabled Israel to produce 10% of the world's unicorns with a population of only 8 million.



FRAMEWORK CONDITIONS

The most important framework conditions for fostering and keeping unicorns can be divided into the categories: Funding, Talent, Innovation and Culture. These framework conditions hold a range of specific policy recommendations that will be unfolded in this chapter. By implementing these recommendations to the regulatory framework, a country like Denmark will be able to not only foster more unicorns, but also make them stay.

Funding

Lower capital gains tax

Denmark has one of the world's highest capital gains tax rates at 42 percent - even compared to the other Scandinavian countries Sweden (30 percent) and Norway (31.7 percent). This makes it less attractive for Danish investors to invest in companies compared to other assets such as real estate. Lowering the capital gains tax level to 27 percent will make investment in startups more attractive for local investors in Denmark and create a stronger investment culture among Danes.

Better access to local finance

The presence of local investors and investment funds is underdeveloped in Denmark compared to many other European markets. This is partially due to low economic incentives for investors to invest in startups and scale ups. Many other European countries have implemented ambitious tax incentives to encourage investments in startups. However, this is not the case in Denmark. Denmark should look towards incentive structures in other European countries such as Sweden and the UK. Moreover, we need to strengthen the Capital Markets Union within the EU, early stock market listings and strengthen the collaboration with state institutions like EIFO etc.

Attract foreign investments

As a small country with a limited amount of later stage funds, Danish tech startups are dependent on attracting foreign investments to scale their business. Foreign investors can also help startups connect with new markets. Denmark should establish strong networks and relationships that can attract foreign investors to Denmark.

Talent

Better access to local talent

It is important for Danish startups to have the right talent available. Consequently, the educational programs at Danish universities and schools in general should align with the actual demands of the private sector and we need to strengthen the collaboration in general. There should be sufficient enrollment in IT programs at the universities, incentives to sell patents and IP-rights and expand the selection of English-language education programs.

Better access to foreign talent

Danish tech startups often need to hire specialists from outside Europe, but strict rules make it time-consuming and bureaucratic for startups to process visas for foreign talent. Scaleups often hire hundreds of new employees a year, and a smooth process is crucial. Denmark should make the Supplementary Pay Limit Scheme permanent and should include eg. stock options as valid part of the salary and even more ease bureaucracy for foreign talent in startups and scaleups to insure a quick and agile growth.

Culture

Better education on entrepreneurship

It is crucial that Danes become acquainted with entrepreneurship early in life, so that more individuals recognize how entrepreneurship can be an alternative to being employed in a company, organization or in the public sector. Education in entrepreneurship can also teach students about economics, innovation, and resourcefulness in general. To ensure quality entrepreneurship education in schools, it's crucial to set clear goals and provide the right conditions for external contributors to participate. Skilled organizations, entrepreneurship programs, and passionate individuals should get better conditions to enhance learning through workshops, competitions, and other initiatives.

Better attraction of foreign founders to the Danish ecosystem

Foreign founders can bring new knowledge and talent to the Danish startup ecosystem. By attracting more international founders and startups to Denmark, Danish startups will benefit from the presence of their foreign counterparts and their contributions to the startup ecosystem.

Innovation

Better opportunities to collaborate with government institutions

When a Danish startup develops a new product targeted at public institutions such as municipalities or hospitals, it is crucial whether the company can test or sell its solution to a Danish public partner. This can validate the company's product or solution and make it much more attractive in the global market. The government, regions and municipalities ought to set specific goals to ensure that the share of public procurements from SMEs is growing.

Better access to public data

There is a significant potential in collecting more public data that can be used by citizens and businesses to make informed choices – for instance, towards a green transition. Additionally, Denmark needs to improve the access to public data to ensure that it is as easy as possible for citizens and businesses to gain an overview of publicly available datasets.

DENMARK: A UNICORN FACTORY

Denmark is great at producing unicorns, but terrible at making them stay. With a population of less than 6 million people, Denmark has done incredibly well when it comes to producing tech companies with a valuation above 1 bn USD– so-called unicorns. 12 unicorns in total have been founded in Denmark, but many of them have moved their headquarters abroad.

Innovative minds in Denmark repeatedly demonstrate their ability to deliver world-class solutions to global challenges. This goes back many years - developing new ways of learning with Lego and treating diabetes with Novo Nordisk – and into the future. Since the year 2000, Denmark has produced 12 new unicorn companies, but unfortunately Denmark has seen over half of them relocating their headquarters to other countries. Consequentially, Denmark misses out on jobs, tax revenue, and innovation.

Unicorns should be able to grow and operate a global business from a small economy like Denmark. Other small economies like Sweden and the Netherlands have not only fostered more unicorns than Denmark but have also created regulatory environments that encourage these unicorns to stay.

Denmark is an attractive place to live, with great international connections and a high level of security. Denmark should leverage these benefits to create a global startup hub. Unfortunately, the regulatory framework for scaling a company in Denmark is not globally competitive. When founders are forced to move their company out of Denmark to scale, Denmark does not only lose jobs today, but also future job creation and creativity.

In this report we interview 10 founders of unicorns, rising unicorns, and promising startups to unfold their perception of the most crucial barriers in Denmark when it comes to foster new unicorns and keeping unicorns in Denmark. The founders emphasize the necessity of regulatory changes to ensure access to talent, funding, innovation, and the cultivation of a strong entrepreneurial culture. These recommendations will be unfolded in this report.

I am grateful for all the contributions from members and unicorns from all over Denmark, I hope that you stay!

Brian Mikkelsen
CEO
Danish Chamber of Commerce

ABOUT THIS PAPER

About this report

This report was completed on 28 August 2024.

Data uncertainty

Data in this report is based solely on data from Dealroom unless otherwise stated. This is associated with some uncertainty. One point of uncertainty is the fact that both Netlify, Synthesia and Sitecore were listed as Danish unicorns in Dealroom in our data extraction in 2023, but they are not included in the current data extraction. For Synthesia and Netlify, the founding location is now empty in Dealroom's database and for Sitecore, the founding year is now before 2000. Unfortunately, further explanation of this change in Dealroom's database is not available. Additionally, we at The Danish Chamber of Commerce are surprised that Netcompany is not registered as a unicorn company in Dealroom. There is also no further explanation for this. These inconsistencies may also affect data for other countries mentioned in the report. The uncertainties are important to note, but the data is considered sufficiently stable for the conclusions of the report to be based on it.

About The Danish Chamber of Commerce's reports:

The Danish Chamber of Commerce continuously produces analyses which are compiled into reports. The ambition is to provide a qualified and useful basis for decision-making in relation to significant and current challenges in all areas that are important for Danish businesses and the socio-economic development. It is permitted to quote from The Danish Chamber of Commerce's reports with clear reference to The Danish Chamber of Commerce.

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At The Danish Chamber of Commerce, we work every day on behalf of 18,000 member companies and more than 100 industry associations. We are a business organization and employer association for one of the world's most effective business communities.

We offer advice on employee and company relations, as well as political impact. Our efforts are based on the active participation of our members in networks and committees.

At The Danish Chamber of Commerce, we work every day to make Denmark the best country in the world to do business in. This benefits jobs, prosperity, and Denmark's progress.

We work for a Denmark with cohesion and effectiveness.

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