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FT FINANCIAL TIMES

Pro/Briefings

Privacy tech

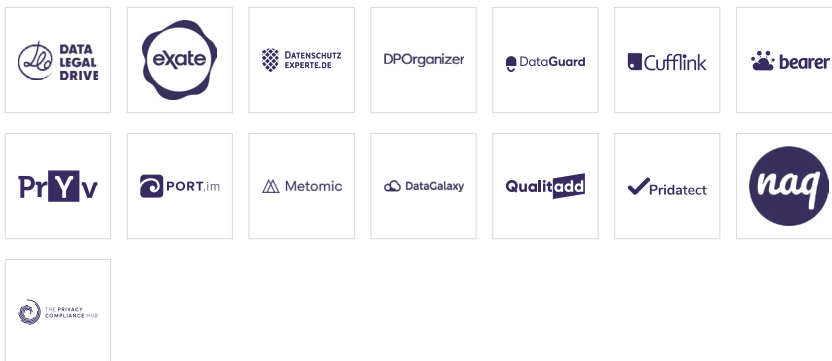The new secret service in Europe

Market 101

For companies, ensuring safe data collection and processing practices used to be primarily a matter of safeguarding their reputation from scandal: not quite an afterthought, but not a top priority either. Privacy tech was more of a pastime than a business idea, reserved for hopeless idealists tinkering away in internet forums rather than VC-backable startups — that is, until the EU introduced GDPR, the world's most comprehensive set of data protection rules, in 2018.

Now companies are concerned with safeguarding their reputation and avoiding fines of up to 4% of their annual global turnover for mishandling data. Meanwhile, consumers are slowly coming to grips with exercising their rights as "data subjects". In this new reality, startups are doing the essential work of explaining clunky data protection laws or engineering new ways of anonymising or encrypting data. Whether out of conviction or necessity, customers are lining up to pay.
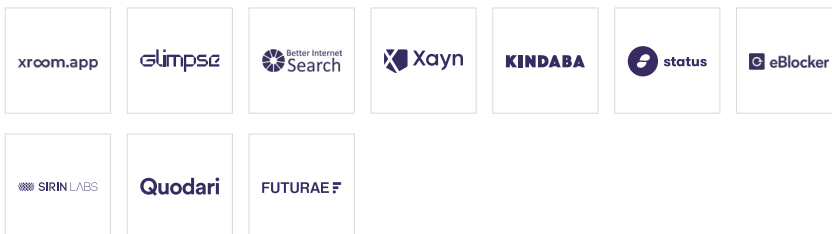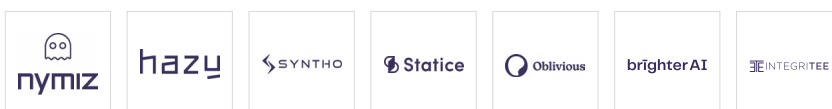
Early stage market map

Data governance & compliance

DATA LEGAL DRIVE	exate	DATENSCHUTZ EXPERTE.DE	DPOrganizer	DataGuard	Cufflink	bearer
PrYv	PORT.im	Metomic	DataGalaxy	Qualitadd	Pridatect	naq
THE PRIVACY COMPLIANCE HUB						

Privacy-first tools

xroom.app	Glimpse	Better Internet Search	Xayn	KINDABA	status	eBlocker
SIRIN LABS	Quodari	FUTURAE				

Data anonymisation

nymiz	hazy	SYNTHO	Statice	Oblivious	brighter AI	INTEGRITEE

Key stats

€746m

GDPR-related fine imposed on Amazon, the highest to date[1]
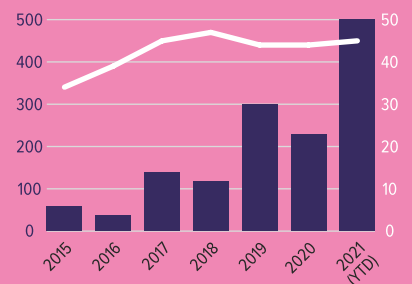
65

Percent of the world population that will have its personal information covered by modern privacy laws by 2022 (up from 10% today)[2]

€960m

size of the global data privacy market in 2020[3]

VC funding increased by almost 10x since 2015
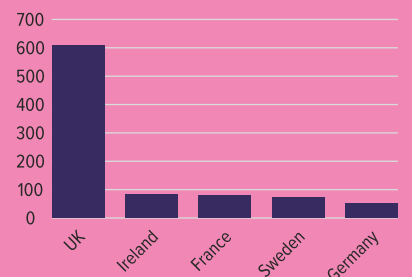VC funding into European data protection startups (€m) and number of funding rounds

Source: Dealroom \sifted/ FT

Leaders and laggards
Top countries for funding (€m), 2015-2021

Source: Dealroom \sifted/ FT

Trends to watch

1. Ensuring anonymity

→ GDPR does not apply to anonymised data, but ensuring that individuals cannot be re-identified is far from straightforward.

→ Startups are improving on various anonymisation methods, a popular one being synthetic data: computer-generated data with similar enough properties to act as a stand-in for real-world datasets.

2. Next-level encryption

→ While encryption has long been used to secure personal data, risks may arise when safely storing and processing decrypted data.

→ Using something called homomorphic encryption, it is possible to perform computations on encrypted data without decrypting it first. Due to the time and computing energy required this method is, for now, only applied to an organisation's most sensitive data.

3. The limits of automation

→ With the proliferation of privacy laws across the world, companies can use AI to keep track of any new developments and map their data accordingly.

→ While this may reduce certain repetitive, manual tasks, it's no silver bullet for fulfilling data subject requests or performing data protection impact assessments without human judgment.

4. Empowering data subjects

→ The rights of individuals as data subjects are central to GDPR, but consumers may not necessarily exercise them unless they are incentivised or it's easy for them to do so.

→ This has given rise to a data-rights-as-a-service industry which removes the hassle of automating individuals' access rights or removing their personal data from search engines.

Sifted take

Privacy tech requires an informed and concerned public to thrive, and raising awareness doesn't happen overnight. Introducing GDPR was a first crucial step, but one that is incomplete without proper enforcement. After a slow start, regulators are now demonstrating that the law does in fact have teeth — and with consumers and companies taking note, privacy tech startups stand to benefit.

32 startups tracked by Sifted

Subindustries

15/32: Data governance & compliance

10/32: Privacy-first tools

7/32: Data anonymisation

2017 Avg. launch year

1.3 years Avg. launch to seed

2.8 years Avg. seed to Series A

€1.8m Avg. seed funding

€10.3m Avg. seed valuation

€9.8m Avg. Series A funding

€36m Avg. Series A valuation

Investors by type

54%: VC fund

12%: Accelerator

12%: CVC

10%: Public funding

4%: Private equity

4%: Crowdfunding

2%: Angel

2%: Family office

Any other info you'd like us to track? Submit your suggestions here.

Early stage startups to watch

Our list of pre-Series A startups headquartered in Europe.

Metomic

Data governance & compliance > Data mapping

📍 London, United Kingdom   🚩 2018

TOTAL FUNDING (€)	LAST ROUND SIZE (€)
1.7m	3.5m
LAST ROUND STAGE	**VALUATION (€)**
Seed	8.5m (estimated)

RISING STAR

Offers software to categorise and secure sensitive data for automatic compliance with privacy regulations, as well as no-code integration between third party apps to share and classify company data securely.

Bearer

Data governance & compliance > Data mapping

📍 Paris, France   🚩 2018

TOTAL FUNDING (€)	LAST ROUND SIZE (€)
1m	950k
LAST ROUND STAGE	**VALUATION (€)**
Seed	5m (estimated)

RISING STAR

Offers privacy risk assessments for cloud-based applications without directly accessing companies' databases. By scanning source codes, Bearer can then automate data mapping processes and compliance documentation over time.

Syntho

Data anonymisation > Synthetic data

📍 Amsterdam, Nederland   🚩 2020

TOTAL FUNDING (€)	LAST ROUND SIZE (€)
1m	1m
LAST ROUND STAGE	**VALUATION (€)**
Seed	5m

RISING STAR

Automatically generates synthetic data by analysing sensitive datasets and creating data twins, which organisations can experiment with without facing any privacy risks.

Nymiz Software Company

Data anonymisation

📍 Bilbao, Spain 🚩 2020

TOTAL FUNDING (€)	**LAST ROUND SIZE (€)**
1m	600k

LAST ROUND STAGE	**VALUATION (€)**
Seed	3m

Oblivious AI

Data anonymisation

📍 Baile Atha Cliath, Ireland 🚩 2020

TOTAL FUNDING (€)	**LAST ROUND SIZE (€)**
909k	860k

LAST ROUND STAGE	**VALUATION (€)**
Seed	4.5m (estimated)

Integritee

Data anonymisation

📍 Zurich, Switzerland 🚩 2021

TOTAL FUNDING (€)	**LAST ROUND SIZE (€)**
1.8m	1.8m

LAST ROUND STAGE	**VALUATION (€)**
Seed	7.3m (estimated)

Hazy

Data anonymisation > Synthetic data

📍 London, United Kingdom 🚩 2017

TOTAL FUNDING (€)	**LAST ROUND SIZE (€)**
6.2m	3m

LAST ROUND STAGE	**VALUATION (€)**
Seed	16m

Exate Technology

Data governance & compliance > Data mapping

📍 London, United Kingdom 🚩 2015

TOTAL FUNDING (€)	**LAST ROUND SIZE (€)**
2.8m	2.8m

LAST ROUND STAGE	**VALUATION (€)**
Seed	14m (estimated)

Cufflink

Data governance & compliance > Data mapping

📍 Anglesey, Wales 🚩 2018

TOTAL FUNDING (€)	**LAST ROUND SIZE (€)**
770k	400k

LAST ROUND STAGE	**VALUATION (€)**
Pre-seed	3m

Datagalaxy

Data governance & compliance > Data mapping

📍 Lyon, France 🚩 2015

TOTAL FUNDING (€)	**LAST ROUND SIZE (€)**
2.2m	2m

LAST ROUND STAGE	**VALUATION (€)**
Seed	10m (estimated)

Pridatect

Data governance & compliance > Data mapping

📍 Barcelona, Spain 🚩 2017

TOTAL FUNDING (€)	**LAST ROUND SIZE (€)**
2.2m	1.2m

LAST ROUND STAGE	**VALUATION (€)**
Seed	6m (estimated)

Data Legal Drive

Data governance & compliance > GDPR Compliance

📍 Neuilly-sur-Seine, France 🚩 2018

TOTAL FUNDING (€)	**LAST ROUND SIZE (€)**
2m	2m

LAST ROUND STAGE	**VALUATION (€)**
Seed	10m (estimated)

Pryv

Data governance & compliance > GDPR Compliance

📍 Lausanne, Switzerland 🚩 2012

TOTAL FUNDING (€)	**LAST ROUND SIZE (€)**
2.9m	1.3m

LAST ROUND STAGE	**VALUATION (€)**
Seed	6m (estimated)

PORT.im

Data governance & compliance > GDPR Compliance

📍 Brighton, United Kingdom 🚩 2015

TOTAL FUNDING (€)	**LAST ROUND SIZE (€)**
750k	145k

LAST ROUND STAGE	**VALUATION (€)**
Seed	745k (estimated)

Qualitadd

Data governance & compliance > GDPR Compliance

📍 Paris, France 🚩 2016

TOTAL FUNDING (€)	**LAST ROUND SIZE (€)**
910k	910k

LAST ROUND STAGE	**VALUATION (€)**
Seed	4.5m (estimated)

Naq Cyber

Data governance & compliance > GDPR Compliance

📍 Amsterdam, Netherlands   🚩 2020

TOTAL FUNDING (€)
210k

LAST ROUND SIZE (€)
210k

LAST ROUND STAGE
Pre-Seed

VALUATION (€)
2.4m

Better Internet Search

Privacy-first tools > Alternative search engine

📍 Kirkcaldy, United Kingdom   🚩 2019

TOTAL FUNDING (€)
210k

LAST ROUND SIZE (€)
40k

LAST ROUND STAGE
Pre-seed

VALUATION (€)
1m

Quodari

Privacy-first tools > Alternative social network

📍 Rotterdam, Netherlands   🚩 2019

TOTAL FUNDING (€)
435k

LAST ROUND SIZE (€)
300k

LAST ROUND STAGE
Angel

VALUATION (€)
2m (estimated)

Glimpse

Privacy-first tools > Ad-tech platform

📍 London, United Kingdom   🚩 2019

TOTAL FUNDING (€)
1.5m

LAST ROUND SIZE (€)
1.5m

LAST ROUND STAGE
Seed

VALUATION (€)
6.5m

Europe's success stories

Who early stage startups are up against

Privitar

SERIES C

→ Europe's highest-valued privacy tech startup at €354m

→ Offers data management tools for large enterprise clients like Citi, HSBC and the NHS, including deidentification and data provenance tracking

InfoSum

SERIES B

→ Provides a platform that allows companies to connect to other organisations' customer records without moving or sharing their data

Qwant

LATE VC

→ Europe's first independent, privacy-first search engine

→ Notable features include the absence of tracking or storing queries or cookies, data encryption to avoid third-party interference and regular auditing from data privacy institutions

Sources

Data sources

Sifted proprietary data

Dealroom.co

News articles

[1] Why Amazon's £636m GDPR fine really matters | WIRED | August 2021

Defining Privacy Tech | Privacy & Technology | May 2021

Who's funding privacy tech? | TechCrunch | April 2021

The Problem with Automating Data Privacy Technology | Dark Reading | May 2020

[2] Gartner Predicts for the Future of Privacy 2020 | Gartner | January 2020

Market research

[3] Data Privacy Software Report 2021-2028 | Fortune Business Insights | June 2021

Research reports

Privacy technology: What's next? | KPMG | May 2021

2021 Privacy Tech Vendor Report | IAPP | September 2021

How would you rate this briefing?

0	1	2	3	4	5	6	7	8	9	10

bad   loved it

Cover image: Thomas Lefebvre

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