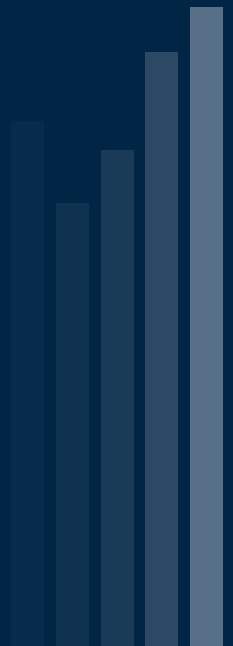

OPTION POOL DATA

JULY 2021



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Executive summary

In 2018, Index Ventures published [Rewarding Talent](#), a report on using equity to reward employees at startups. It was based largely on data from its portfolio of 73 companies.

Three years on, Capdesk presents data gathered from 140 customers who granted us permission to anonymise and share data regarding their option pools. We found the average option pool size is significantly higher than the 10% reported in Index Ventures' study.

All companies who contributed data to this report are either headquartered, or have the majority of their workforces, in the UK and Europe.

We hope this report will be a useful benchmark for founders and equity practitioners of all kinds to justify and leverage employee share schemes.

Methodology

Option pool data per company was calculated based on the percentage marked as part of the option pool, as a portion of the fully diluted equity on our platform.

All other data, such as number of employees, latest funding round, total funding amount and last funding data, was sourced from [Crunchbase](#).

To simplify categorisation, the industries pulled from Crunchbase were bucketed as follows:

1. Mobility tech
2. Retail tech
3. Ad/martech
4. Deeptech
5. HR/rec tech
6. Health and bio tech
7. Green tech
8. Fintech
9. SaaS and General IT
10. Ed tech
11. Proptech
12. Gaming



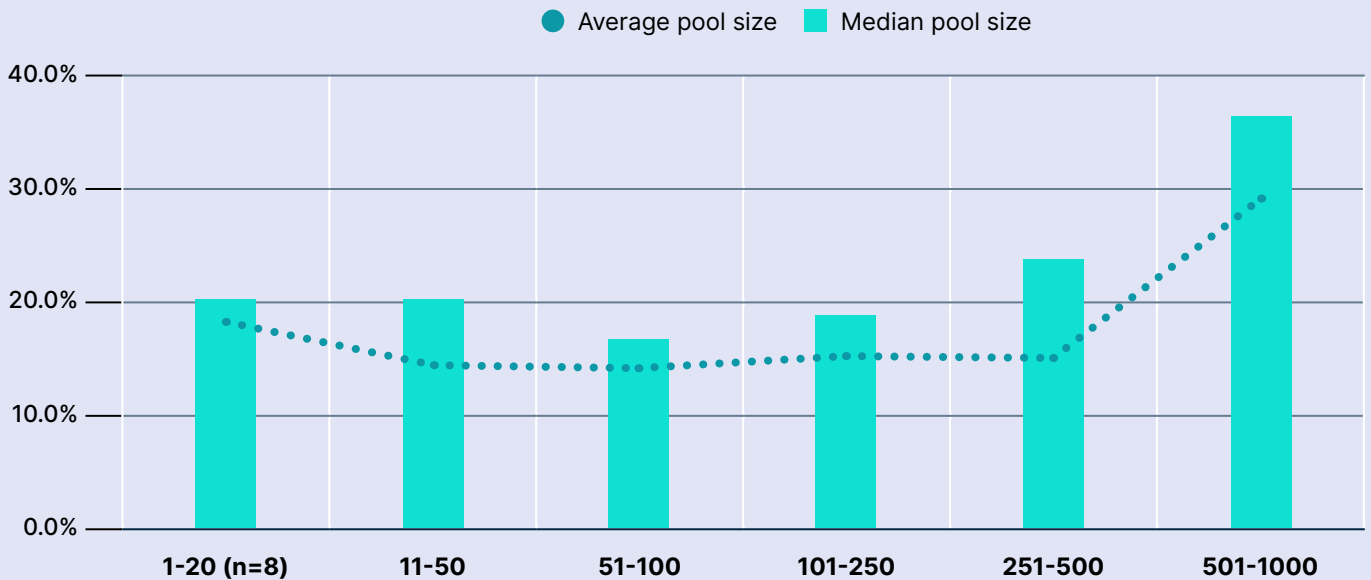
KEY TAKEAWAYS

- Option pool sizes are significantly larger than the 10% reported by Index Ventures. An average of 17.3% (median 19.9%) of the fully diluted equity was found to be dedicated to employee option pools. We believe this represents:
 - a. an evolution of the market, moving in line with the example set by American startups
 - b. a significant departure from popular belief – Index Ventures' 10% figure is often referenced by media outlets and other businesses, such as [Sifted](#) and [Seedlegals](#).
- A company's number of employees (grouped as 1-10, 11-50, 51- 100, 101-250, 251-500 and 500+) and last round of funding (Seed, Series A, B, C, D+) has no significant impact on its current option pool size. Nor does the stage of the company, in terms of year of last funding or total amount raised, influence option pool size. The figure fluctuates around the 15-20% mark.
- Companies identified as 'mobility tech' and 'retail tech' had the largest pool sizes, which challenges the popular notion that fintech is a leading sector in this regard.



Pool size does not change in line with company size

Number of employees vs. pool size



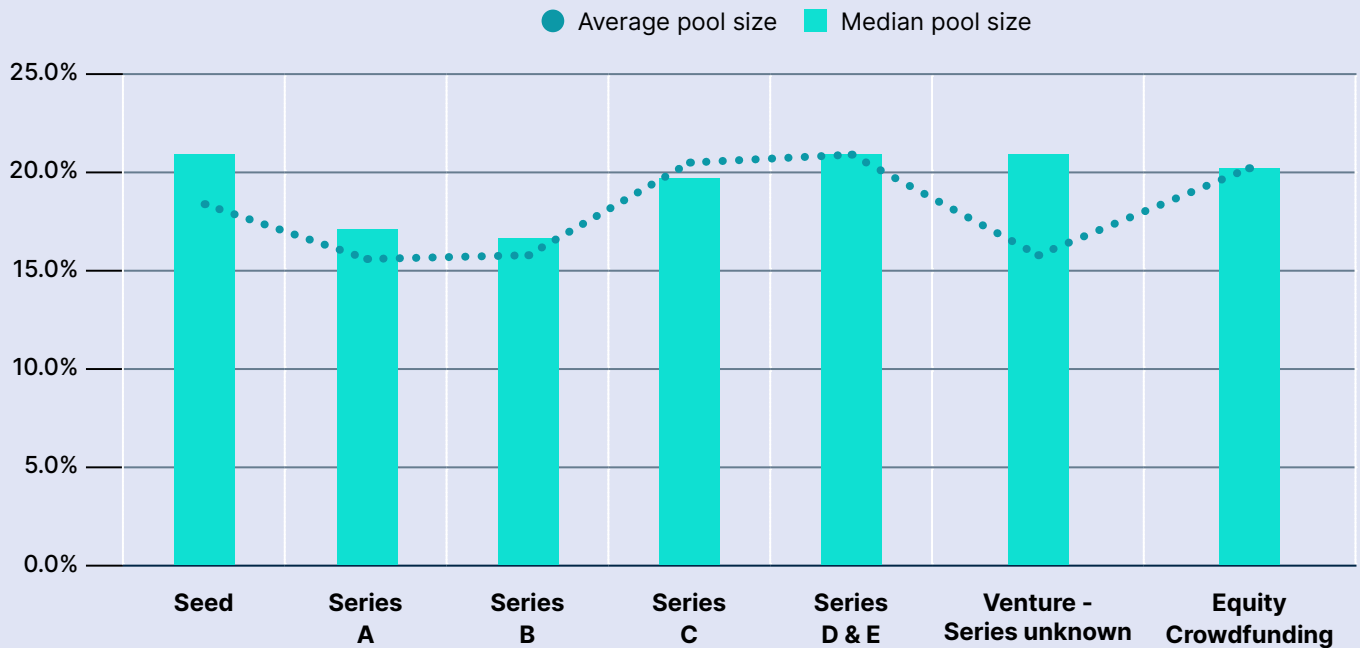
Number of employees	Average pool size	Median pool size	Count of companies
1-10	18.68%	20.27%	8
11-50	15.39%	20.25%	53
51-100	15.27%	16.69%	35
101-250	17.79%	18.88%	29
251-500	17.44%	23.81%	10
501-1000	29.10%	36.47%	5
	17.30%	19.91%	140

Pool size does not change significantly as company size changes, with an average of no lower than 17%. The 500+ employee range has too few data points to take into consideration.



Pool size increases slightly with later funding rounds

Latest funding type vs. pool size



Latest funding type*	Average pool size	Median pool size	Count of companies
Seed	18.3%	20.9%	10
Series A	15.6%	17.4%	37
Series B	15.5%	16.8%	15
Series C	20.5%	19.7%	10
Series D & E	20.9%	21.2%	5
Venture - Series Unknown	14.8%	21.7%	30
Equity Crowdfunding	20.3%	20.3%	5

The ten seed-stage companies in our sample have large option pools. For post-seed companies, pool size does not vary notably, besides increasing slightly with later funding rounds.

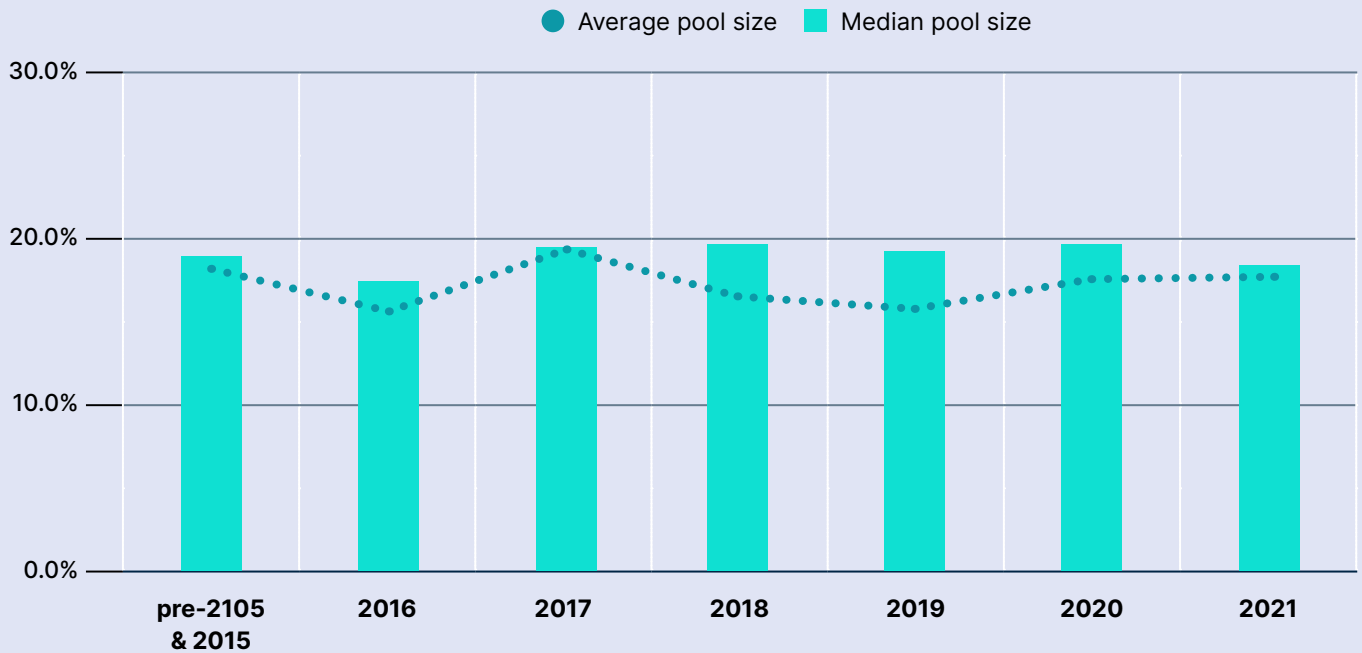


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**Only showing select funding types.*

Fundraising recency does not impact pool size

Last funding date vs. pool size



Latest funding year	Average pool size	Median pool size	Count of companies
pre-2015 & 2015	18.10%	18.90%	5
2016	15.8%	17.5%	4
2017	19.5%	19.4%	6
2018	16.6%	19.8%	15
2019	15.1%	19.7%	28
2020	17.8%	19.8%	49
2021	17.9%	18.6%	26
Unknown	15.9%	32.3%	7
Grand total	17.3%	19.9%	140

There were no major changes to median pool size data in relation to the last year of fundraising.



Total funding amount vs. pool size

Total funding amount	Average pool size	Median pool size	Count of companies
0-\$2M	13.94%	13.97%	7
\$2M-\$4M	17.81%	17.94%	13
\$4M-\$6M	20.91%	22.08%	7
\$6M-\$8M	17.58%	26.48%	11
\$8M-\$10M	17.31%	18.46%	8
\$10M-\$12M	10.49%	10.80%	4
\$12M-\$14M	12.98%	13.84%	7
\$14M-\$16M	18.67%	19.02%	6
\$16M-\$18M	20.83%	22.65%	5
\$20M-\$40M	16.48%	17.03%	22
\$40M-\$60M	15.18%	24.20%	9
\$60M-\$80M	17.44%	20.11%	7
\$80M-\$100M	14.36%	13.38%	5
\$100M-\$150M	16.98%	21.21%	5
\$150M-\$200M	22.24%	21.34%	7
\$200M+	20.77%	28.04%	5
Unknown	12.85%	27.28%	9



Fintech does not have above-average option pools

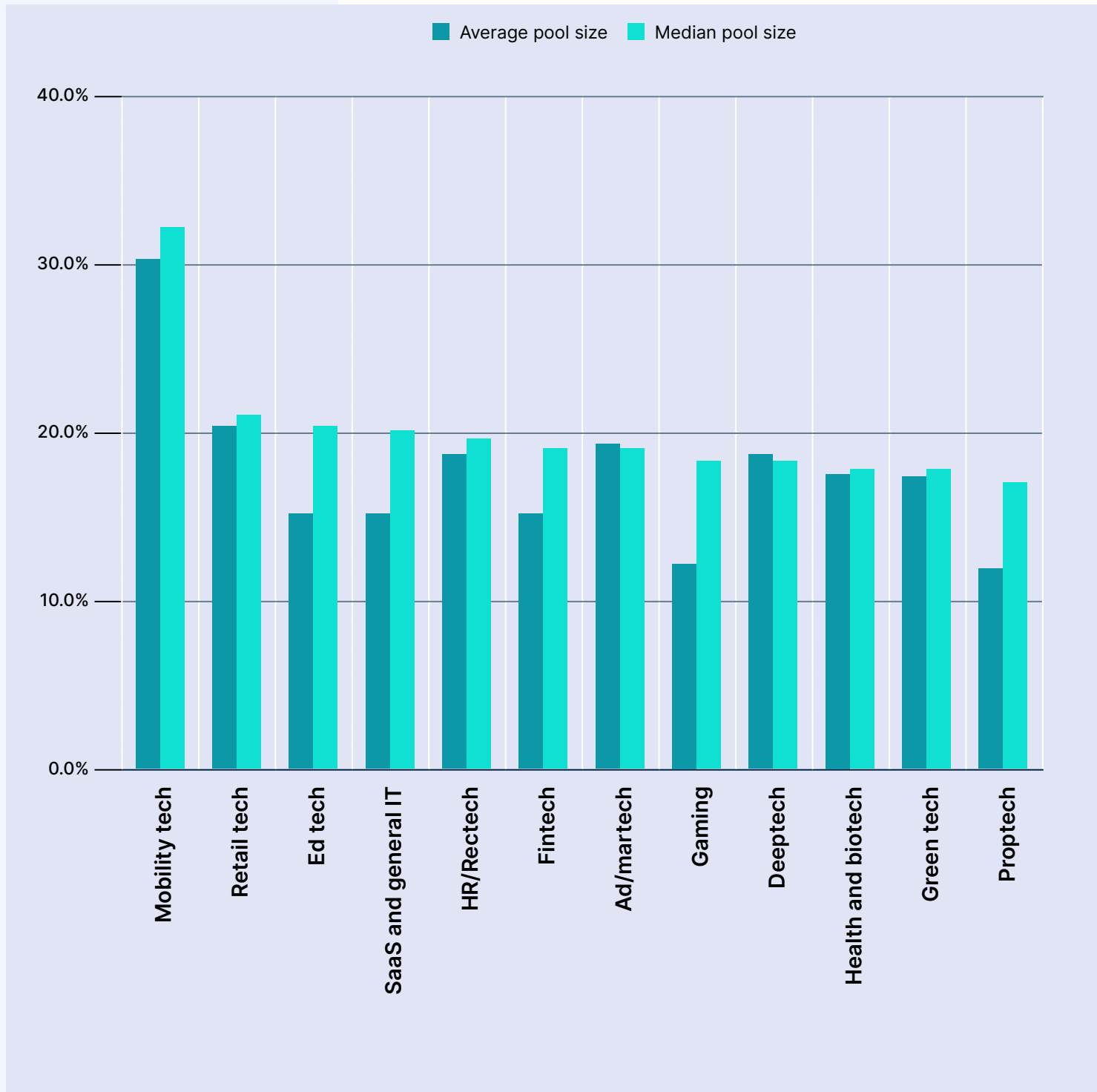
Industry	Average pool size	Median pool size	Count of companies
Mobility tech	31.0%	34.4%	4
Retail tech	21.1%	22.7%	17
Ed tech	15.1%	21.1%	5
SaaS and General IT	15.2%	20.5%	16
HR/Rectech	17.4%	19.2%	6
Fintech	15.3%	18.5%	39
Ad/martech	18.9%	18.3%	11
Gaming	12.8%	17.7%	3
Deeptech	17.9%	17.1%	11
Health and bio tech	16.7%	17.0%	18
Green tech	16.2%	16.6%	4
Proptech	12.8%	16.1%	5
Grand total	17.3%	19.9%	140

Fintech is often thought to be progressive in terms of its usage of equity.

While we can't comment on the usage of equity, our data here clearly shows that companies in other industries, such as retail tech, SaaS and general IT, have larger option pools.



Industry vs. pool size



EMPLOYEE EQUITY AND YOUR COMPANY

Whether you've got an option pool yet or not, we can help you understand and leverage the true value of employee equity.

Want to talk about why employee equity is worthwhile and how to go about it? Sign up to one of our [employee equity workshops](#) and talk it through with an equity expert.

Wondering how much equity to issue different employees? Take a look at pages 7-10 of our [employee equity guide](#)

Planning to launch your employee share scheme soon? Consult our [employee rollout checklist](#) to make sure your bases are covered.

Need help managing and issuing equity online? [get a demo](#) and see how Capdesk can help.



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