
Danish Entrepreneurs Abroad: New Evidence on Startup Relocation and Founder Migration

Jakob Binder, Nicolai Kaarsen and Anders Sørensen

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Address:

The ROCKWOOL Foundation Research Unit

Ny Kongensgade 6

1472 Copenhagen, Denmark

Telephone +45 33 34 48 00

E-mail: kontakt@rff.dk

en.rockwoolfonden.dk/research/

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Abstract

This paper studies the relocation of Danish startups and entrepreneurs abroad using a new multi-source dataset. Our starting point is large-scale text analysis of almost 700,000 articles from *Børsen*, Denmark's largest business newspaper, which we supplement with LLM-based web searches and an AI-extracted web database, to identify publicly known relocations. We then manually reconstruct the headquarters history of each candidate firm using a broad set of online sources and databases. Our final dataset contains 304 relocations of Danish entrepreneurs since 1999. Of these, 242 involve entrepreneurs who moved abroad before founding a firm, while the remaining 62 cases involve firms that relocated after being established in Denmark. This substantially broadens the existing literature, which focuses almost entirely on relocations of already established firms. Around half of the relocations are in tech and biotech, but these sectors account for the overwhelming majority of economic importance, including about 75 percent of employment and 90 percent of known acquisition value. The most economically important destinations are not spread broadly across countries, but concentrated in a small number of metropolitan startup hubs, above all San Francisco, London, and New York. These results also revise the picture given by the existing literature on relocating startups: while prior work emphasizes the overwhelming importance of the United States, our broader measure of entrepreneurial relocation shows that the United Kingdom is also an exceptionally important destination.

1. Introduction

Compared with the United States, Europe produces too few firms that scale from startup to global company. The Draghi report argues that Europe's core weakness lies less in startup creation than in scaling. Possible explanations include the greater integration of the U.S. market, deeper pools of growth finance, and stronger agglomeration forces in leading American tech hubs.

One manifestation of Europe's scale-up problem is that some of its most promising firms leave. Weik et al. (2024) show that venture-backed startups in Europe disproportionately relocate to the United States, and that foreign, especially U.S., venture capital is strongly associated with such moves. The Draghi report likewise states that between 2008 and 2021, close to 30 percent of unicorns founded in Europe relocated their headquarters abroad, with the vast majority moving to the United States.

While recent work has shown that relocation is economically important, providing a broad and systematic picture remains a central empirical challenge. There is no comprehensive register of all entrepreneurs and startups that move abroad, and no source that follows what they do once they have left. Existing work has therefore relied mainly on international venture databases, which are informative but only capture a subset of firms. We propose a new measurement strategy based on AI-assisted searches of business news articles and online sources, followed by manual validation and historical reconstruction. This approach does not produce an exhaustive census of relocations, since many cases are too small or too opaque to leave a public trace. However, we document that it broadens the scope of the existing literature, providing more relocations. Moreover, the relocations that matter most economically are much more likely to be visible on the web or in business news, which makes the method particularly useful for identifying the important cases.

To implement this strategy, we assemble data on relocations from four sources. First, we use large language models (LLMs) to read almost 700,000 *Børsen* articles and flag cases that directly or indirectly suggest firm relocations. Second, we use LLM-based web searches and reasoning to identify relocations of firms and entrepreneurs that were not captured in the newspaper step. Third, we use Diffbot, a service that systematically crawls websites to extract and structure information such as firm names and locations, to uncover further candidate cases. Fourth, we supplement this by a variety of additional sources such as a list of startups compiled by venture capital professionals. Together, these four sources generate a candidate list of relocations. We then manually review each candidate case using a range of sources, including LinkedIn, the Danish business registers, ORBIS, and current and archived versions of company websites. Cases are retained only when we can verify that they involve either a Danish firm relocating abroad or a Danish entrepreneur moving abroad and founding a firm there. We also exclude cases in which a firm's headquarters appear to move after a merger or

acquisition, since such changes reflect assimilation into the acquiring firm rather than an independent relocation of the original company. The end result is a dataset of manually verified relocations that includes both existing startups that relocate and entrepreneurs who migrate before firm formation.

Our main empirical result is that entrepreneurial outmigration is much broader than the existing startup-relocation literature suggests. We identify 304 relocations in total, of which 242 involve entrepreneurs who moved abroad before founding a company and 62 involve firms that relocated after being established in Denmark. In other words, most relocation takes place before firm formation rather than after. At the same time, founder relocation before firm formation is a much more heterogeneous phenomenon than the relocation of already established firms. It includes both small non-scalable businesses founded after personal migration decisions and highly ambitious startups established directly in major global hubs such as San Francisco or London. By contrast, firms that relocate after being founded in Denmark have typically already demonstrated commercial viability before moving abroad. This broader definition also leads to substantially larger estimates of the number of relocations. By comparison, Weik et al. (2024) identify 24 VC-backed startups relocating from Denmark to the U.S. and only 2 to the U.K., while Dansk Erhverv (2024) reports that 8 out of 12 Danish unicorns have moved their headquarters abroad, primarily to the United States. This is important because it implies that approaches based on databases of venture firms and startups are likely to miss a large share of the actual relocations.

A second result is that the economically important relocation cases are heavily concentrated in tech and, to a lesser extent, biotech. Roughly half of all relocations in our data are in tech and biotech, while the other half are spread across a broad range of other industries. Yet tech and biotech account for about 75 percent of total employment and 90 percent of known acquisition value. The economically most consequential outflow is therefore much more concentrated than the raw firm counts suggest. This pattern is consistent with the broader literature showing that high-growth young firms are unevenly distributed across sectors and disproportionately concentrated in high-tech and knowledge-intensive activities (Haltiwanger et al. (2017) and Vogelaar and Stam (2024)).

A third result is that the geography of relocation is highly concentrated. The most important destinations are not spread broadly across Europe or the rest of the world, but clustered in a small number of metropolitan startup hubs, above all San Francisco, London, and New York. San Francisco stands out as the main destination for tech firms, in line with the existing literature on venture-backed startup migration. At the same time, London and New York also play major roles, both in the number of firms they attract and in their economic importance. By contrast, the rest of the EU plays a much smaller role as a destination for the firms in our sample.

This last result revises the picture given by the existing literature. Prior work on relocating startups, especially VC-backed firms, tends to portray the United States as by far the dominant destination. Our broader measure of entrepreneurial relocation points to a more nuanced pattern. The U.S. remains the single most important destination, but the U.K. is also exceptionally attractive relative to its size and far more important than the venture-backed relocation literature would suggest. In that sense, the geography of entrepreneurial outmigration is better described as movement into a small set of Anglo-American startup ecosystems than as a purely U.S.-centered phenomenon.

The paper relates first to the literature on startup relocation. Cumming et al. (2009) investigate VC-backed firms in Asia-Pacific countries and find that they relocate more often to the United States when the local legal system or economic conditions are more adverse. Shi et al. (2024) assemble a longitudinal dataset from repeated VentureXpert downloads and show that international migration of venture-backed firms is rare overall but oriented toward places with deeper pools of venture capital and stronger investor connections. Weik et al. (2024) hand-collect headquarters histories for venture-backed startups in 17 European countries and show that about 6 percent relocate internationally, that 85 percent of movers go to the United States, and that foreign, especially U.S., venture capital is strongly associated with relocation. Our paper complements this literature by showing that the underlying phenomenon is substantially broader than the relocation of already venture-visible firms. In particular, a large share of entrepreneurial outmigration occurs before the firm is founded and therefore lies outside the scope of most existing datasets.

Second, the paper relates to the literature on entrepreneurial migration more broadly. Bryan and Guzman (2026) track the movement of high-potential startups across U.S. states and show that startup migration responds systematically to local conditions. Kerr and Kerr (2016) document the large contribution of immigrants to entrepreneurship in the United States and emphasize the difficulty of measuring immigrant-founded business activity using standard data. Chodavadia et al. (2024) update that evidence and show that immigrants are overrepresented among innovative and high-growth firms in the United States. Amornsiripanitch et al. (2023) show that universities are an important channel through which immigrant founders of VC-backed firms arrive in the United States. Anelli et al. (2023), by contrast, study the sending side and show, using Italian data, that emigration reduces firm creation in local labor markets of origin. Our paper contributes to this broader literature by documenting entrepreneurial outmigration itself: the recent movement abroad of both entrepreneurs and firms.

Third, the paper contributes to the growing literature that uses automated text analysis as a measurement tool in economics. Gentzkow et al. (2019) show how text can be used as data for economic research and provide the core framework for turning large corpora into structured information. More recently, Ash et al. (2024) argue that LLMs expand the scope for

economic measurement by allowing researchers to classify and interpret text in ways that were difficult with earlier methods. We build on that methodological shift, but use it in a way that is somewhat different from the traditional text-as-data application. Rather than treating newspapers only as a source of sentiment, topics, or word frequencies, we build a multi-stage automated process that combines structured text extraction, text classification, and rule-based filtering to identify candidate relocation events and then validate those candidates through manual historical reconstruction.

The broader implication is that Europe's scale-up problem should not be understood only as a question of mature firms moving their legal headquarters abroad. A large part of the outflow happens earlier, when entrepreneurs themselves relocate and found their firms abroad from the outset. The firms that matter most economically are concentrated in tech and biotech, and they sort into a small number of global startup hubs, especially San Francisco, London, and New York. For a small country such as Denmark, that distinction matters. If founder outmigration is quantitatively important, then standard firm- and VC-based measures will understate both the scale and the geography of entrepreneurial activity leaving the country.

The rest of the paper proceeds as follows. Section 2 describes the *Børsen* archive and the pipeline that produces the relocation dataset. Section 3 presents the main descriptive results. Section 4 concludes and discusses directions for future research.

2. Methodology

We construct the relocation dataset in three steps, illustrated in Figure 1. First, we use a combination of AI-based tools, business news articles, and online searches to collect candidate relocation cases and filter out obvious false positives. Second, we manually review each candidate case and reconstruct the location history of the relevant firms and founders. This allows us to distinguish genuine relocations from cases that were misclassified by the automated pipeline or remain too uncertain to code reliably, and to separate relocations of already established startups from firms founded abroad by Danish entrepreneurs already living abroad at the time of founding. Third, we enrich the validated cases with data on employment, acquisition value, and industry from international firm-level databases and other sources.

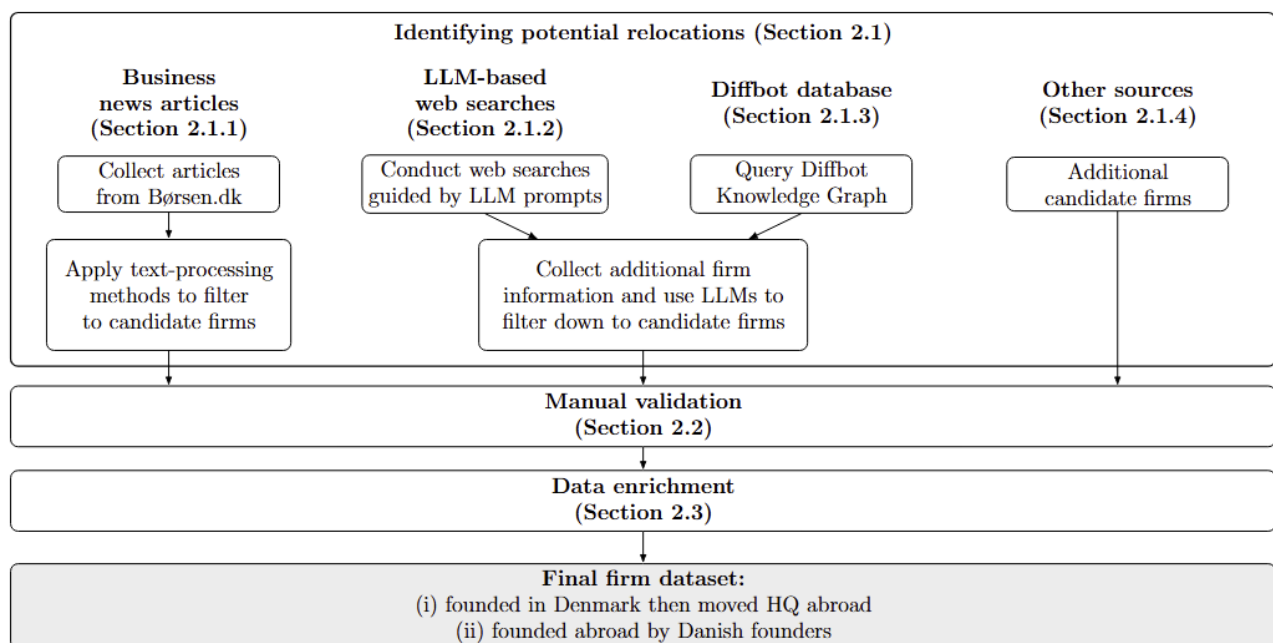
Following the existing literature on firm relocations, we define relocation by tracking the location of a firm's global headquarters over time. A firm is classified as having relocated if it was first headquartered in Denmark and later moved its global headquarters abroad. Likewise, a firm is classified as founded abroad if its earliest identifiable headquarters were located outside Denmark. We do not count firms whose headquarters are located in Denmark

today as relocation cases, even if they were headquartered abroad at some point in their history. The main reason is that the purpose of the paper is to shed light on the loss of entrepreneurial activity from Denmark. If a firm eventually returns its headquarters to Denmark, it is less relevant from that perspective.

An additional complication was that some firms remained classified as potential headquarters relocations throughout the automated stages of our pipeline, even though the apparent relocation merely reflected the firm being acquired or merged with another firm. Manual review shows that these cases reflect the acquired firm being absorbed into the acquiring company, with control effectively transferred to the acquirer's headquarters. We therefore do not count them as independent headquarters relocations.

The remainder of this section provides a brief overview of the data construction. The online appendix describes each step in greater detail.

Figure 1: Data construction



2.1 Identifying potential relocations

We identify relocations through four complementary search channels. The purpose of this stage is broad discovery rather than final validation. Candidate firms identified through any of the four channels are subsequently passed to the same manual validation procedure.

The first channel uses business news articles and focuses on headquarters relocations of established firms, while the remaining channels are designed to capture both such relocations and firms founded abroad by Danish entrepreneurs.

2.1.1 Business news articles

Our starting point is a large archive of online articles from *Børsen*, Denmark's largest business newspaper. We use *Børsen* because it provides extensive coverage of Danish firms, entrepreneurs, investment activity, and international expansion over a long period of time. Since headquarters relocations are relatively rare events and are often mentioned only indirectly, we aim to collect as broad an article universe as possible.

To do so, we build a web scraper that retrieves article titles, excerpts, full article text, and publication dates. This procedure yields 688,949 unique business news articles.

We process the article corpus using a multi-stage automated pipeline. The main challenge is that relocations are often not stated explicitly. An article may describe a firm as "Danish-founded" but now headquartered abroad or discuss an expansion into a foreign market without making clear whether this reflects a true headquarters relocation. The purpose of the automated pipeline is therefore to reduce the corpus to a manageable set of candidate cases while minimizing the risk of excluding relevant articles.

We begin by extracting structured firm-level information from article text. After experimenting with alternative approaches, we find that the most effective strategy is not to classify articles directly from titles or to search only for explicit headquarters relocations, but instead to identify all firms mentioned in each article and collect structured information on each firm. This includes, for example, whether a firm is portrayed as Danish and whether the article discusses internationalization, investment, or related activities. For this task, we use NuExtract, a model designed for structured information extraction to reduce hallucinations and ensure consistent structured outputs. We run three consecutive information extraction stages and apply rule-based filters after each stage, progressively reducing the set of firms to a candidate list of 6,022 potentially relocating firms. For instance, we ask the model to only keep relocations from Denmark to a foreign country and exclude expansions abroad of Danish multinationals.

In the next stage, we move from information extraction to direct text classification. Using GPT-4o, we apply a tailored classification prompt that explicitly defines which cases qualify as headquarters relocations, ask the model to classify each firm described in an article separately, and to provide a brief explanation for each classification. This reduces the dataset to 1,279 candidate firms.

In a final automated filtering step before manual validation, we collect information on firms' headquarters locations by asking an LLM to conduct web searches and combine this information with other external sources to screen out clear false positives. Additionally, we collect firm headquarters location data from Diffbot, a database created through AI-based

extraction of public information from the web. For example, if both Diffbot and the information collected through web searches indicate that a firm's current headquarters are in Denmark, we automatically remove the case. This leaves us with roughly 600 candidate relocations that are then passed to the manual validation stage.

2.1.2 LLM-based web searches

To complement the newspaper-based process, we instruct an LLM to conduct web searches to identify additional firms in both of our categories of interest: (i) firms founded in Denmark that later relocated their headquarters abroad and (ii) firms founded abroad by Danish entrepreneurs. Expanding the second subset of firms is especially important, since the newspaper-based pipeline is targeted mainly at post-establishment relocations.

The web search procedure begins from the set of firms identified in the *Børsen* pipeline and uses these as starting points for “snowball” searches. We implement this process using OpenAI's GPT-5-mini with web search enabled. The model is instructed to search not only for explicit phrases such as “moved headquarters,” but also for broader signals of relocation, including principal offices, executive leadership locations, group headquarters, re-domiciliations, and foreign parent structures. At this stage, the goal is broad discovery rather than precise classification, so we expect many false positives to be filtered out later.

The workflow then proceeds in three additional automated stages. First, we organize the discovered firms into structured candidate-firm records by standardizing names, removing duplicates, and consolidating repeated observations. Second, we prompt the model to collect additional information on each firm's founding history, founders, current headquarters, and acquisition activity, together with source links supporting the collected information. Third, we ask the model to evaluate whether the available evidence supports classifying the case as either a Danish firm that later relocated abroad or a firm founded abroad by Danish entrepreneurs. In this final stage, the model distinguishes true cases from acquisitions, foreign office openings, legal registrations abroad, and other related but substantively different events. Firms classified as true or unclear are then passed to the common manual validation step. All these stages are run automatically using agentic workflows built with OpenAI Codex, and we review the cases manually only in the final validation stage.

2.1.3 Diffbot database

Our third strategy to search for relocations uses Diffbot's knowledge graph. Diffbot is a commercial database that continuously crawls public websites and structures the collected information into linked entity records, including firms, people, and organizations. In contrast

to the LLM-based web search process, which begins with broad prompting and open web discovery, the Diffbot process begins with a pre-existing external database.

To construct a list of candidate firms from Diffbot, we apply a set of filters to the raw knowledge-graph data. Specifically, we retain entities classified as firms, firms founded in 1999 or later, firms for which at least one founder is identified as Danish, and firms whose reported headquarters are located outside Denmark. Applying these filters results in 124 candidate firms. After removing 18 firms already identified through the two preceding identification methods, 106 firms remain.

Diffbot provides information on firms' current headquarters locations, but not on their historical headquarters locations. As a result, it cannot be used to directly identify firms that were founded in Denmark and later relocated their headquarters abroad. However, the filtering procedure can find candidate relocations, since firms founded in Denmark that subsequently moved abroad would also satisfy the filtering criteria if at least one founder is identified as Danish. We distinguish between these cases and firms founded abroad by Danish entrepreneurs, in the subsequent manual validation stage. In practice, the Diffbot database did not contain any additional headquarters relocations beyond those already captured by the newspaper-based or LLM-based web search methods. Consequently, the approach exclusively contributes to the identification of firms founded abroad by Danish entrepreneurs.

After this preparatory step, the resulting candidate firms pass through the same information-collection, candidate-evaluation, and manual-validation stages used in the LLM-based web search process. In this way, the key difference between the two identification methods lies in the point of entry: the LLM-based process discovers firms through prompted web search, whereas the Diffbot process starts from firms already present in a database.

2.1.4 Other sources

A smaller number of relocations are identified through supplementary sources. The most important of these is a blog post by the venture capital professional Userovici (2016), which maps 140 startups founded in Copenhagen using a combination of online databases and input from people working in the Danish startup ecosystem. We use this source to identify additional candidate firms for validation. In addition, we include a limited number of extra relocation cases that emerged during the research process.

2.2 Manual validation

The final step is a manual close reading of each candidate case. All candidate firms identified through the various automated identification processes are reviewed in this common validation stage. We review the information generated during the automated stages and supplement it with manual searches in the Danish business register, ORBIS, company websites, LinkedIn, archived webpages from the Wayback Machine, and other online sources. For candidate cases identified through newspaper articles, we also review the original article alongside the collected supplementary information. To support this process, we also use Perplexity Sonar and OpenAI's GPT-5 in a question-answering format to collect additional contextual information on the firm's founding history, the relocation process, and the location of its current headquarters.

The purpose of the manual review is to assess whether the available evidence supports classifying a candidate case as a relocation. For cases identified through newspaper articles, we seek corroborating evidence from at least one additional source beyond the original article. For cases identified through LLM-based web searches or Diffbot, we do not base our validation decisions on the assessments produced by the models. Instead, we evaluate the underlying sources and information collected and make a classification based on this evidence.

The close reading allows us to classify cases into three groups: firms founded in Denmark that later relocate abroad; entrepreneurs who relocate abroad and then found a firm there; and false positives that do not involve the relocation of a Danish firm or entrepreneur. This classification is not always straightforward because the available evidence is often ambiguous or incomplete. In particular, business news articles often blur the distinction between headquarters relocation and other forms of internationalization. A foreign firm described as "Danish-founded" may either be a Danish firm that moved abroad or a foreign firm founded abroad by Danish entrepreneurs. Likewise, references to a firm "establishing itself" or "expanding" abroad may reflect either a true headquarters relocation or simply increased international activity while the firm's headquarters remain unchanged.

When sources conflict, or when they conflict with the original article, we collect additional evidence and code the case conservatively. If we cannot determine with confidence whether the firm is headquartered in Denmark or abroad at the relevant date, we remove it from the sample. This rule also covers firms with multiple claimed headquarters. These conservative coding principles reduce the risk of overstating the volume of relocations.

In a few cases, we can ascertain that a firm is established by Danish entrepreneurs, but its initial location cannot be determined. We code those cases as founded abroad. This includes born-global firms with early activities split across countries and very small firms with incomplete headquarters histories.

During manual validation, we also collect information on firms' founding dates and exclude firms founded before 1999. This ensures that the sample is limited to relatively young firms. It also reflects a practical data constraint: the online sources on which we rely become much sparser before the spread of the internet in the 1990s, making it substantially harder to reconstruct firms' location histories and other background information.

2.3 Enrichment

For all validated relocation cases, we collect additional information to characterize firms' economic activity and sectoral composition. First, we determine whether the firm is still active today and, if so, collect a measure of its current global employment. For this purpose, our primary source is LinkedIn, supplemented where necessary by ORBIS and other public sources.¹ LinkedIn information was collected during April and May 2026. We also collect information on employment in Denmark using the Danish firm register and international firm-level databases. An important caveat is that employment measures drawn from different sources are not necessarily fully comparable. The employment figures reported in the paper should therefore be interpreted as rough indicators of economic activity rather than as precise measures.

We next determine whether a firm has been acquired and, if so, collect information on the value of the transaction. This allows us to capture the economic importance of firms that are no longer active as independent entities but may nonetheless have created substantial value before being absorbed by another firm. To determine acquisition status and deal value, we rely primarily on ORBIS M&A data, supplemented by business news articles and other online sources. In many cases, the transaction value is not publicly disclosed. When that is the case, we use a publicly available lower-bound estimate whenever such an estimate exists. As a result, the acquisition values reported throughout the paper should be interpreted as lower-bound estimates.

Finally, we assign each firm to one of three broad industry groups: tech, biotech, and other. This distinction is useful because tech and biotech firms are more likely than firms in many other sectors to combine scalable business models with rapid technological change, making them especially relevant for understanding the economically important relocation cases. In assigning firms to these categories, we rely on a combination of official industry codes and

¹ A drawback of LinkedIn is that employment is self-reported and not consistently defined across firms. An alternative would be to rely on global firm databases such as ORBIS. However, many firms consist of several legal entities spread across different countries, and such databases do not typically provide a clean firm identifier that makes it possible to aggregate these entities consistently to the firm level. For the present purposes, LinkedIn employment figures therefore often provide a better approximation of activity at the level of the firm as it presents itself publicly.

our own assessment based on company descriptions and other online sources. We use a broad definition of tech that includes hardware and software producers, fintech firms, and software-as-a-service (SaaS) companies. Likewise, the biotech category includes both pharmaceutical and biotechnology firms and medical technology companies.

3. Results

In total, we identify 304 relocations, of which 62 involve firms that were already established in Denmark and later moved abroad, while 242 involve Danish entrepreneurs who moved abroad before founding a firm. Table 1 shows that most of these relocations are identified through *Børsen* or LLM prompting, whereas Diffbot and the remaining sources contribute only a small number of additional cases. *Børsen* and LLM prompting also account for the economically most important firms in the sample. Together, these two sources account for 84 percent of firms that were either acquired or remain active today, as well as 90 percent of both current employment among active firms and total known deal value among acquired firms. In terms of deal value, Diffbot contributes one additional major case: Moonbug, a digital media company founded by a Danish entrepreneur in London and acquired for around \$3 billion.

Table 1: Relocations by source

	Total	By source			
		Børsen	LLM	Diffbot	Other
<i>Founding place:</i>					
Denmark	62	36	19	0	7
Other country	242	65	138	33	6
<i>Status today:</i>					
Acquired	61	33	20	6	2
Active	177	32	116	22	7
Inactive	66	36	21	5	4
Total employment	22,327	9,378	10,829	769	1,351
Total deal value (\$bio.)	40.6	36.1	1.0	3.6	0.0

Notes: The table shows the number of startups founded in Denmark that later relocated their headquarters abroad and the number of startups founded abroad by Danish entrepreneurs. The columns divide relocations by data source. Each column reports the additional firms contributed by that source beyond those already identified by the sources listed to its left. The sample is restricted to firms founded after 1998. Total deal value includes publicly disclosed acquisition values as well as public lower-bound estimates when no exact value is available. Because employment and deal value are highly skewed, aggregate figures are heavily influenced by a small number of very large firms and transactions.

Our method does not guarantee a complete list of entrepreneurs who moved abroad. In particular, a case can only be identified if it leaves a trace in business news, on the web, or in the sources used in our search process. As a sanity check, we compare our results to the list of Danish unicorns relocating their headquarters abroad published by the employer organization Dansk Erhverv.² Of the nine firms on their 2024 list, eight appear in our relocation dataset. The ninth firm, SteelSeries, was identified earlier in our pipeline but removed during the manual review because its current headquarters location could not be determined with sufficient certainty.³ Taken together, this suggests that our method captures all of the largest and best-known relocation cases, even if it is unlikely to recover every smaller or less visible case.

3.1. Pre- and post-establishment relocations

Table 2 confirms the conclusion of the existing literature that a substantial number of economically important firms relocate abroad. At the same time, it adds a new insight: Founder relocation before firm formation is economically significant. Firms founded abroad by Danish entrepreneurs employ more than twice as many people as firms founded in Denmark that later relocated, but their total acquisition value is one third lower, despite having almost 80 percent more acquisitions. This implies that the average known acquisition value is considerably lower among firms founded after founder relocation than among firms that relocate only after being established in Denmark. One reason may be that entrepreneurial relocation before firm formation captures a highly heterogeneous set of activities. Some cases involve highly scalable technology startups founded directly in international startup hubs, while others reflect smaller businesses established after migration driven primarily by personal or family considerations. By contrast, firms that relocate after being founded in Denmark are likely to represent a more selected group that has already demonstrated commercial viability prior to relocation. One possible explanation is that relocation is more costly once a firm is already operating. If so, only the most promising established firms may choose to relocate, while less successful firms remain in Denmark. This would help explain both why pre-establishment relocations are more numerous and why they more often lead to firms with lower average acquisition values.

Pre-establishment relocations also differ sharply from post-establishment relocations in their sectoral composition. They are much more likely to occur outside tech and biotech. A related

² Unicorns are privately held startups valued at over 1\$ billion, usually determined through venture capital funding rounds.

³ We have confirmed by personal contact with one of the employees of the firm that the headquarters of SteelSeries today are shared between Chicago and Copenhagen.

explanation is that, in many non-tech sectors, relocating after establishment is especially costly. Many of the relocations outside tech and biotech are in hospitality, consulting, retail or personal services. These are industries in which firms often depend on physical proximity to a local customer base or on investments in location-specific physical capital such as restaurants, stores, or fitness centers. In such cases, it is often more attractive to move before establishing the business than to relocate an already operating firm. By contrast, tech firms - especially software firms - can more easily move after establishment because their customer base is more global and they rarely depend on a large, immobile physical capital stock.

The firms in our sample leave only a limited direct employment footprint in Denmark. This is reassuring for the quality of the data, since it suggests that the sample contains few economically important false positives whose headquarters are in fact still located in Denmark. It also indicates that the observed relocations are not merely administrative. Rather, the associated economic activity is, in most cases, primarily located abroad.

Table 2: Startups by founding location

	Founding place	
	Denmark	Abroad
Total number of firms	62	242
<i>By industry:</i>		
Tech	36	88
Biotech	11	19
Other	15	135
<i>Status today:</i>		
Acquired	22	39
Active	26	151
Inactive	14	52
Total employment	7,218	15,109
Employment in DK	407	438
Total deal value (\$bio.)	24.1	16.5

Notes: The table shows the number of startups founded in Denmark that later relocated their headquarters abroad and the number of startups founded abroad by Danish entrepreneurs. The sample is restricted to firms founded after 1998. Total deal value includes publicly disclosed acquisition values as well as public lower-bound estimates when no exact value is available. Because employment and deal value are highly skewed, aggregate figures are heavily influenced by a small number of very large firms and transactions.

3.2. Tech and the rest

While fewer in numbers, tech and biotech firms clearly dominate in terms of economic importance. Table 3 shows that roughly half of all relocations occur in industries outside tech

and biotech. Yet tech and biotech account for about 75 percent of current employment and 90 percent of total known acquisition value. The economically most important relocations are therefore heavily concentrated in these sectors.

This pattern is broadly consistent with the literature on sectoral differences in high-growth entrepreneurship. Haltiwanger et al. (2017) show that high-growth firms account for a disproportionately large share of activity in “high-tech” industries (a group mostly comprised of IT-related industries). More recently, Vogelaar and Stam (2024) document that 40 percent of unicorns worldwide are concentrated in just two sectors: “fintech” and “internet, software, & services”. One likely explanation is that many digital products are highly scalable because software can be replicated at close to zero marginal cost. Another is that industries with faster technological change are characterized by stronger creative-destruction dynamics, making it easier for young innovative firms to grow rapidly and displace incumbents.

Table 3: startups by industry

	Industry		
	Tech	Biotech	Other
<i>Founding place:</i>			
Denmark	36	11	15
Other country	88	19	135
<i>Status today:</i>			
Acquired	39	10	12
Active	61	17	99
Inactive	24	3	39
Total employment	15,782	560	5,985
Employment in DK	515	117	213
Total deal value (\$bio.)	34	3	4

Notes: The table shows the number of startups founded in Denmark that later relocated their headquarters abroad and the number of startups founded abroad by Danish entrepreneurs. The sample is restricted to firms founded after 1998. Total deal value includes publicly disclosed acquisition values as well as public lower-bound estimates when no exact value is available. Because employment and deal value are highly skewed, aggregate figures are heavily influenced by a small number of very large firms and transactions.

3.3. The Anglo-Saxon startup drain

The geography of relocation is highly concentrated. The U.S. and the U.K. account for a large share of all relocations in the sample, and an even larger share of the economically important ones. Together they host 79 tech firms and 24 biotech firms, compared with 20 tech firms and

5 biotech firms in the EU countries other than Denmark. The two Anglo-Saxon countries also account for most of the known acquisition value and most of the employment in the sample. Firms headquartered in the U.S. account for \$20.5 billion in known acquisition value and more than 10,000 employees, while firms in the U.K. account for a further \$13.3 billion and more than 4,500 employees. By contrast, firms headquartered in the EU account for \$6.5 billion and just under 4,000 employees.

Considering that the U.K. has only about one-fifth of the U.S. population, it appears to be a more attractive destination for relocating entrepreneurs. This revises the picture given by the existing literature, which focuses on relocating startups and therefore typically portrays the U.S. as by far the most important destination. For example, Weik et al. (2024) report that 24 VC-backed startups founded in Denmark relocated to the U.S., compared with only 2 that relocated to the U.K. By contrast, our broader definition of entrepreneurial relocation points to a much smaller gap between the two countries. In our data, the U.S. attracts only about twice as many relocating firms as the U.K., and this conclusion holds whether one looks at firm counts, employment, or acquisition value.

Table 4: Relocations by HQ location today

	Latest known HQ location			
	EU	UK	USA	Other
<i>Founding place:</i>				
Denmark	17	10	30	5
Abroad	40	47	85	70
<i>Industry:</i>				
Tech	20	24	55	25
Biotech	5	6	18	1
Other	32	27	42	49
<i>Status today:</i>				
Acquired	12	11	27	11
Active	39	28	66	44
Inactive	6	18	22	20
Total employment	3,941	4,540	10,775	3,071
Employment in DK	172	108	494	71
Total deal value (\$bio.)	6.5	13.3	20.5	0.4

Notes: The table shows the number of startups founded in Denmark that later relocated their headquarters abroad and the number of startups founded abroad by Danish entrepreneurs. The columns divide relocations by headquarters location, using the current headquarters location for active firms and the latest known headquarters location for firms that are acquired or inactive. The sample is restricted to firms founded after 1998. Total deal value includes publicly disclosed acquisition values as well as public lower-bound estimates

when no exact value is available. Because employment and deal value are highly skewed, aggregate figures are heavily influenced by a small number of very large firms and transactions.

The city-level results show that the economically most successful relocations are highly concentrated in a small number of metropolitan startup hubs. London, San Francisco, and New York stand out clearly as the three leading destinations. Together they account for 127 firms, including 66 tech firms, and they dominate both total employment and acquisition value. San Francisco is particularly important as a destination for tech firms, hosting 27 tech companies and accounting for by far the largest employment and acquisition value in the sample. This is in line with the existing literature, which highlights the San Francisco Bay Area as the leading global hub for venture-backed technology firms.

At the same time, the table shows that the geography of relocation is not purely a Silicon Valley story. London hosts even more firms than San Francisco and accounts for very substantial acquisition value, while New York also attracts a large number of firms, especially in tech. A second tier of hubs includes Los Angeles, Berlin, Zürich, Singapore, Boston, Shanghai, and Dubai, but these are much smaller in economic importance. Overall, the pattern suggests that the global geography of Danish startup relocation is shaped by a small number of metropolitan hubs with strong agglomeration economies, dense investor networks, and deep pools of specialized talent.

Table 5: Top 10 cities

HQ location	All firms	Tech firms	Global employment	Known deal value (\$bio.)
London	50	22	4,332	13.2
San Francisco	39	27	7,544	17.7
New York	38	17	2,325	< 1
Los Angeles	14	4	369	0
Berlin	11	8	560	0
Zurich	10	8	314	0
Singapore	7	2	97	0
Boston	7	1	183	< 1
Shanghai	7	1	72	0
Dubai	7	0	1,450	0
Other cities	114	34	5,081	8.6

Notes: The table shows the number of startups founded in Denmark that later relocated their headquarters abroad and the number of startups founded abroad by Danish entrepreneurs. The sample is restricted to firms founded after 1998. Total deal value includes publicly disclosed acquisition values as well as public lower-bound estimates when no exact value is available. Because employment and deal value are highly skewed, aggregate figures are heavily influenced by a small number of large firms and transactions.

4. Conclusion

This paper studies the relocation of Danish startups and entrepreneurs using a new multi-source dataset. By combining large-scale text analysis of almost 700,000 business news articles with LLM-based web searches, an AI-extracted web database and manual historical reconstruction, we identify 304 relocations of Danish firms and entrepreneurs since 1999. More broadly, the paper demonstrates how LLMs and automated text analysis can be used to measure economically important but otherwise difficult-to-observe phenomena.

Our main result is that entrepreneurial outmigration is substantially broader than the existing startup-relocation literature suggests. Most relocations in our data occur before firm formation rather than through the later relocation of already established firms. This implies that approaches tracking firm location over time are likely to miss a large share of entrepreneurial activity moving abroad.

At the same time, the economically most important relocations are heavily concentrated in tech and biotech and clustered in a small number of global startup hubs, especially San Francisco, London, and New York. These patterns suggest that entrepreneurial relocation is shaped by strong agglomeration forces, access to specialized talent, and deep pools of financial capital. They also revise the picture given by the existing relocation literature. While prior work emphasizes the overwhelming importance of the United States, our broader measure of entrepreneurial relocation shows that the United Kingdom is also an exceptionally important destination for Danish entrepreneurs.

More broadly, the results imply that Europe's scale-up problem should not be understood solely as a question of mature firms moving their headquarters abroad. A substantial part of the outflow occurs earlier, when entrepreneurs themselves relocate and build firms abroad from the outset. For a small country such as Denmark, this distinction matters because standard measures of startup relocation are likely to understate both the scale and the geography of entrepreneurial activity leaving the country.

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