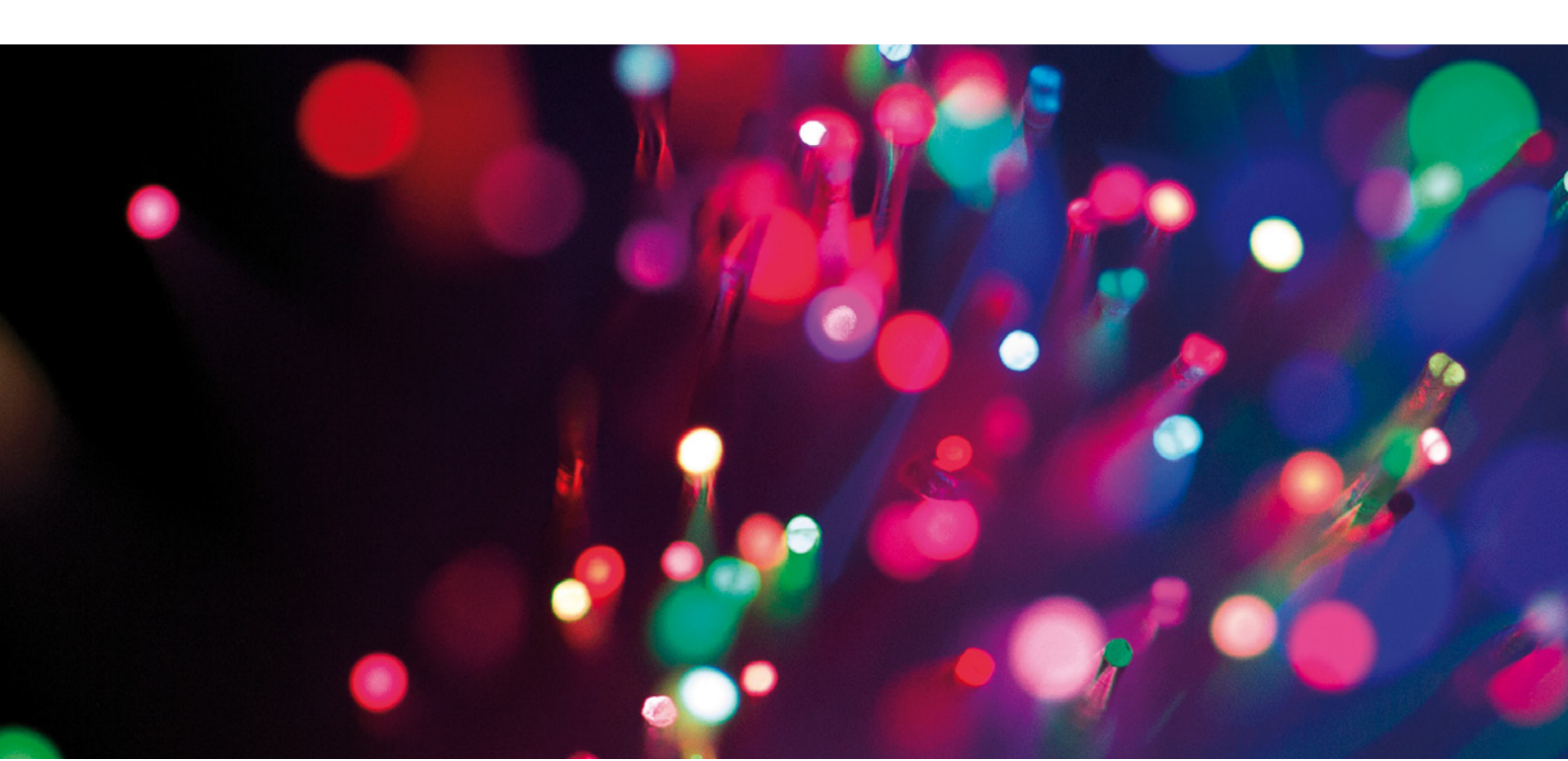




Funding, Growth and Profitability: Tech Start-ups finding the right balance

Venture Capital and Start-ups
in Germany 2016

VC Trends initiative by EY



Welcome



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Funding, Growth and Profitability

In 2016, the German Tech start-up industry evolved as an integral part of the national economy. Fast-growing companies are acting as pioneers of the digital transformation across the country.

After years of tremendous growth in funding, partly driven by a few young ventures, the German start-up ecosystem is becoming an own segment. We see a well-balanced supply of early-stage financing contributed by VC funds, family offices and business angels. Liquidity from recent success stories is coming back to the market and helping new ventures to develop.

We are observing a strong trend towards B2B business models and an increasing engagement of established Corporates in the ecosystem, acting as the key exit channel for founders and their early-stage investors. Going forward, a further enhancement of the later-stage funding environment in Germany will help to make successful ventures really big before being sold in rather early stages of the development.

We consider the market development in 2016 as healthy. The German ecosystem proved to manage upcoming challenges and is well on track to find the right balance between funding, growth and profitability.

Dr. Thomas Prüver

Partner | EY
Transaction Advisory Services

Markus Greif

Senior Manager | EY
Transaction Advisory Services



1

Funding

Top 100 German start-ups in terms of funding account for USD 5.9bn financing

Structure of Top 100 start-ups in terms of funding

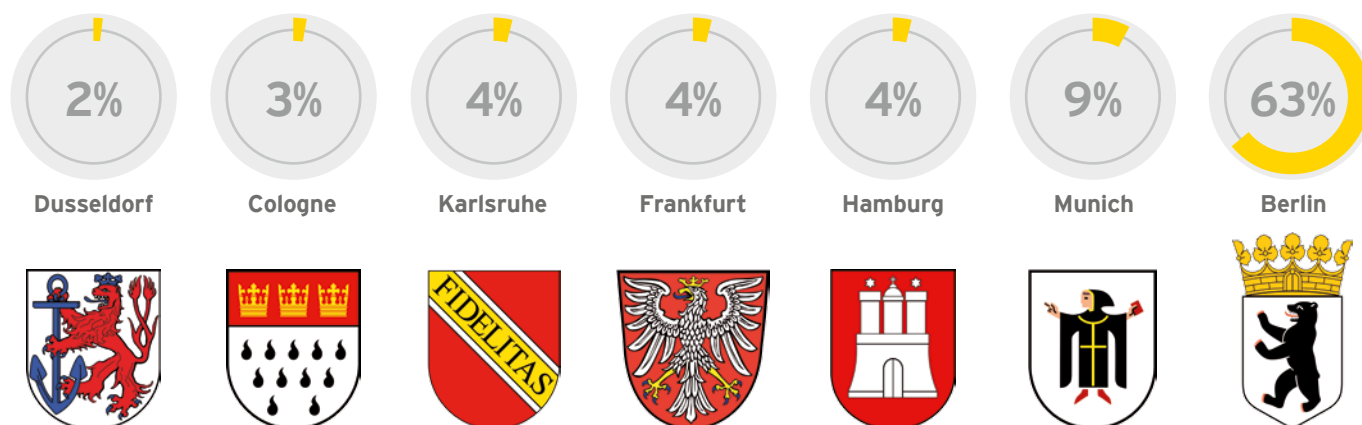
Variable	Top 100 - Founding Year				Total
	Before 2002	2003-2008	2009-2011	2012-2015	
# Firms	6	24	26	44	100
Funding	182	1,074	2,637	2,028	5,920
Average	30	45	101	46	59

Business model across Top 100 start-ups in terms of funding

Variable	Top 100 - Business Model						Total
	Food	Retail	Fin-Tech	Ad-Tech	Software	Other	
# Firms	3	30	16	8	16	27	100
Funding	1,783	1,608	802	190	528	1,009	5,920
Average	594	54	50	24	33	37	59

Remark: Outlined funding volumes and averages are in USDm

Key locations of Top 100 start-ups in terms of funding



Sources: Thomson One, Mergermarket, Crunchbase, Press Releases / Remark: The remaining 11% are linked to other cities in Germany

Not long ago, only a few large-sized ventures represented the German start-up scene in terms of funding volume. Lately, however, in the slipstream of these firms, a broad base has evolved in the national ecosystem. Fast-growing and innovative companies are operating successfully in mass-markets but also in newly established market niches. We have analyzed the Tech start-up ecosystem and have ranked the largest ventures in terms of total funding volume. The overview is based on public information, mainly from the Crunchbase venture database.

The Top 100 start-ups (before exit or IPO) have attracted a funding volume of more than USD 5.9bn since their foundation. This ranges from global food-delivery player Delivery Hero with USD 1.4bn funding to start-ups such as Scalable Capital, COBI or Smeet with ~USD 10m. From a long-term view, the German market has seen a strong push in creation of enterprises following the financial crisis in 2008. About 70% of the start-ups in our Top 100 list were founded in the period from 2009-2015 and have managed to gain market relevance.

The business models are diverse, but trend patterns can be observed. Market trends such as Food, Retail, FinTech or AdTech have been very prominent in the last years and translated into material funding rounds, fueling competition on European ground. Berlin remains the heart of the ecosystem. About two thirds of the Top 100 ventures are based in the German capital due to the high density of digital success stories (e.g. HERE or ImmobilienScout24), investors and other stakeholders. Munich, Hamburg and Frankfurt are next on the list.

Top 10 start-ups

located in Germany

The market has gone through a transition phase over the course of the last years. Funding volumes and individual tickets have increased steadily, with a lot of fresh money flowing into seed and early-stage companies. Growth and later-stage financing rounds are still led by international investors in most of the cases, indicating future potential in terms of the development of the German growth finance market.

The top list is characterized by portfolio firms linked to Rocket Internet, including Delivery Hero, HelloFresh, Westwing and Home24. In recent years, the company builder has acted as the driver for marketable digital ideas and as a nucleus for the Berlin ecosystem in terms of digital education and business execution. Other top ventures are backed by renowned international venture capitalists or investors such as DN Capital, DST Capital, Goldman Sachs, Index Ventures, J.C. Flowers & Co., Kleiner Perkins, TCV, Union Square Ventures, Victory Park Capital or Värde Partners.

The outlined development is promising and indicates that the German market is in a leading position in Europe. However, in the GP.Bullhound European Unicorn league table, the country is in third position, behind the UK and Sweden with five ventures valued more than EUR 1bn (Zalando, Delivery Hero, HelloFresh, Rocket Internet, AUTO1 Group), and emerging unicorns such as Check24, Kreditech and SoundCloud.

Top 10 start-ups

- **Delivery Hero:** Established in 2011, Delivery Hero has received USD 1.4bn in funding since its foundation. The company is operating in more than 47 countries and is among the candidates for an exit on a large scale, especially after the acquisition of local rivals pizza.de and Foodpanda.
- **HelloFresh:** Established in 2012, the firm is a food subscription company that sends its customers pre-portioned ingredients for weekly meals. With a total funding of USD 364m, the company plans to further grow in existing and new markets.
- **Westwing:** Established in 2011, the shopping club for home and living products has attracted millions of members. The firm operates globally, has more than 1,500 employees and a total funding of USD 237m.
- **Auxmoney:** Established in 2007, the firm is an online peer-to-peer loan marketplace. The company assesses the risk of borrowers by using its own algorithms. The firm has a total funding of USD 198m and operates in the same market as Smava in Germany or Lending Club in the US.
- **SoundCloud:** Established in 2007, the firm is a social networking service for music. Over the course of the last few years, the venture has raised USD 193m, with the latest cash injection of USD 70m coming from Twitter Ventures in 2016. Despite the maturity of the firm, SoundCloud is one of the flagships in the German digital scene, with a user base of roughly 175m active monthly users who are passionate about music.
- **Home24:** Established in 2009 and now with more than 1,000 employees, the firm has become one of the largest European online furniture stores. The venture has attracted a total funding of USD 173m.
- **Kreditech:** Established in 2012, the firm is a consumer finance technology group that uses big data to score the creditworthiness of customers. The FinTech venture has a total funding of USD 163m, with a major debt financing injection in 2015.
- **GoEuro:** Established in 2012, the travel planner and booking platform has become an established player in the European market. GoEuro's overall mission is to simplify longer-distance European travel. The firm received big cash injections in 2016 (EUR 70m) and 2015 (EUR 45m), and shows a total funding of USD 146m.
- **AUTO1 Group:** Established in 2012, the firm is an innovative venture that focuses on trading cars. The firm had been off the radar for most of the people in the national start-up scene but received a lot of attention after the announcement of a USD 118m funding in April 2015. The firm was valued at more than USD 1bn in the outlined financing round. According to a press article, the AUTO1 Group has secured a new investment in December 2016 based on a valuation of possibly up to USD 2bn.
- **Auctionata:** Established in 2012, the firm operates an online auction platform for luxury goods, art, antiques and collectibles, with a total funding volume of USD 96m. In 2016, the venture merged with UK-based Paddle8.

Venture ideas are diverse with business models mainly linked to Food, Retail, FinTech and AdTech

Top 100 start-ups located in Germany (based on total funding value in Q4 2016 before exit or IPO)					
#	Target name	Location	Target profile	Founding year	Total funding value in USD
1	Delivery Hero	Berlin	Food delivery service	2011	1,391 ¹ million
2	HelloFresh	Berlin	Food boxes	2012	364 million
3	Westwing	Munich	Retailer for furniture	2011	237 million
4	Auxmoney	Dusseldorf	Peer-to-peer lending	2007	198 million
5	SoundCloud	Berlin	Music streaming	2007	193 million
6	Home24	Berlin	Retailer for furniture	2009	173 million
7	Kreditech	Hamburg	Big data credit scoring	2012	163 million
8	GoEuro	Berlin	Travel search engine	2012	146 million
9	Auto1 Group	Berlin	Car retailing platform	2012	118 ² million
10	Auctionata	Berlin	Online auctions	2012	96 million
11	GetYourGuide	Berlin	Travel recommendations	2009	96 million
12	Blue Yonder	Karlsruhe	Big data technology	2008	75 million
13	Glossybox	Berlin	Service for beauty products	2011	72 million
14	Mister Spex	Berlin	Retailer for glasses	2007	70 million
15	Spotcap	Berlin	Lender for SME enterprises	2014	66 million
16	Smava	Berlin	Social lending platform	2005	63 million
17	Hoccer	Berlin	Messenger app	2009	64 million
18	Helpling	Berlin	Household services	2014	62 million
19	eGym	Munich	Fitness products	2010	60 million
20	Outfittery	Berlin	Personal shopping service	2012	60 million
21	Tado°	Munich	Heating application	2011	56 million
22	Lamudi	Berlin	Real-estate platform	2013	56 million
23	Arago	Frankfurt	Automation of IT operations	1995	55 million
24	N26	Berlin	Banking technology	2013	53 million
25	Dreamlines	Hamburg	Platform for cruises	2012	53 million
26	Brillen.de	Wildau	Retailer for glasses	2012	50 million
27	Movinga	Berlin	Moving services	2015	50 million
28	Navabi	Aachen	Fashion e-commerce	2007	45 million
29	SumUp	Berlin	Payment system technology	2011	44 million
30	Blacklane	Berlin	Driver services	2011	43 million
31	Open-Xchange	Nuremberg	Communication software	2006	43 million
32	EnOcean	Oberhaching	Sensor solutions provider	2001	41 million
33	FinanzCheck	Hamburg	Comparison platform	2010	38 million
34	NumberFour	Berlin	SaaS services	2009	38 million

Source: Crunchbase, December 2016

¹According to a press release by Rocket Internet in December 2016, another EUR 800m have been invested into Delivery Hero since 2015.

²According to a press article, the AUTO1 Group has secured a new investment in December 2016 based on a valuation of possibly up to USD 2bn.

Most of the Top 100 start-ups (regarding funding-volume) are based in Berlin, followed by Hamburg and Munich

Top 100 start-ups located in Germany (based on total funding value in Q4 2016 before exit or IPO)					
#	Target name	Location	Target profile	Founding year	Total funding value in USD
35	Orderbird	Berlin	iPad POS system	2011	37 million
36	Thermondo	Berlin	Heat and power technology	2012	37 million
37	relayr	Berlin	Internet-of-things platform	2013	37 million
38	Webtrekk	Berlin	Data intelligence solutions	2003	35 million
39	Azubu	Berlin	Media sports company	2011	35 million
40	Carmudi	Berlin	Car classifieds platform	2013	35 million
41	ResearchGate	Berlin	Knowledge network	2008	35 million
42	Signavio	Berlin	Business process management	2009	34 million
43	FinanceFox	Berlin	Insurance brokerage	2014	34 million
44	AEVI International	Paderborn	Cross-border payments	2015	34 million
45	Wooga	Berlin	Mobile games	2009	32 million
46	Raisin	Berlin	Deposit brokerage platform	2013	32 million
47	Babbel	Berlin	Language learning application	2007	32 million
48	Searchmetrics	Berlin	SEO	2007	32 million
49	Clue App	Berlin	Female health app	2013	30 million
50	SnapShot	Berlin	Hotel data and analytics	2013	30 million
51	HomeToGo	Berlin	Vacation rental platform	2014	30 million
52	Bettermarks	Berlin	Online mathematics platform	2003	30 million
53	BrandMaker	Karlsruhe	Marketing resource management	1999	30 million
54	adjust	Berlin	Analytics and BI platform	2012	29 million
55	Marley Spoon	Berlin	Food delivery service	2014	28 million
56	Celonis	Munich	Vacation rentals platform	2014	28 million
57	Netbiscuits	Kaiserslautern	Platform for app development	2000	27 million
58	Zimory	Berlin	Cloud technology	2007	25 million
59	Move24	Berlin	Professional moving platform	2015	25 million
60	Shopgate	Butzbach	Online retailer technology	2009	24 million
61	EyeEm	Berlin	Photography community	2011	24 million
62	Junique	Berlin	Art marketplace	2014	24 million
63	Lesara	Berlin	Online retailer	2013	24 million
64	Deposit Solutions	Hamburg	Fintech platform	2011	24 million
65	Simfy	Cologne	Music platform	2006	23 million
66	Chrono24	Karlsruhe	Luxury watches	2003	23 million
67	B2X Care Solutions	Munich	Customer care solutions	2007	23 million

Source: Crunchbase, December 2016

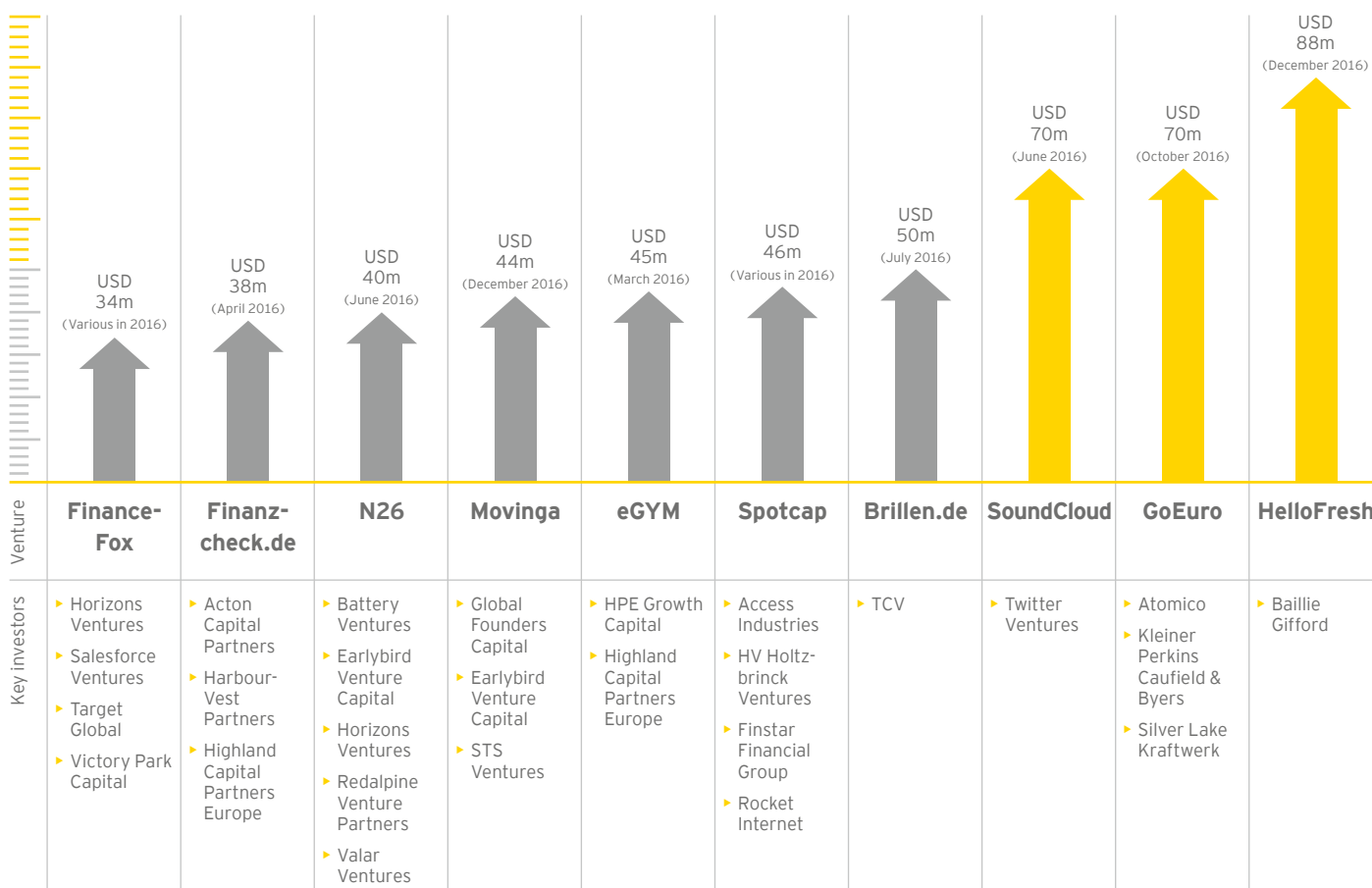
The tail of the top ventures – predominantly early-stage – has attracted at least a two-digit USDm funding volume

Top 100 start-ups located in Germany (based on total funding value in Q4 2016 before exit or IPO)					
#	Target name	Location	Target profile	Founding year	Total funding value in USD
68	Flare Games	Karlsruhe	Online games	2011	23 million
69	Mediakraft Networks	Cologne	Online television network	2011	22 million
70	Azeti Networks	Berlin	IoT and M2M	2006	21 million
71	Onefootball	Berlin	Football community	2008	20 million
72	AppLift	Berlin	App marketing platform	2012	20 million
73	Traxpay	Frankfurt	Financial payments	2012	19 million
74	Urbanara	Berlin	Home decoration	2010	18 million
75	Studitemps	Cologne	Students as temp workers	2008	17 million
76	Finanzchef24	Munich	Broker and comparison portal	2012	17 million
77	Watchmaster	Berlin	Luxury watches	2015	17 million
78	GameDuell	Berlin	Mobile games	2003	17 million
79	Contentful	Berlin	Content publishing technology	2013	17 million
80	Jedox	Freiburg	Cloud-based software	2002	16 million
81	Vaniday	Berlin	Beauty marketplace	2007	16 million
82	Dubmash	Berlin	Social media platform	2014	15 million
83	Friendsurance	Berlin	Cash back bonus services	2010	15 million
84	Trademob	Berlin	Mobile advertising	2010	15 million
85	Clark	Berlin	Insurance platform	2015	15 million
86	Spotted	Mannheim	Social discovery app	2009	15 million
87	Shopwings	Berlin	Groceries delivery services	2014	14 million
88	Shore	Munich	Solutions for local providers	2012	14 million
89	Mambu	Berlin	Cloud banking platform	2011	13 million
90	Nestpick	Berlin	Real-estate platform	2014	13 million
91	Spreadshirt	Leipzig	Customized fashion	2002	13 million
92	Brille24	Oldenburg	Retailer for glasses	2007	13 million
93	asgoodasnew	Frankfurt	Consumer electronics	2008	13 million
94	Govecs	Munich	Electric vehicle technology	2009	13 million
95	TVSmiles	Berlin	Mobile advertising technology	2013	13 million
96	Springlane	Dusseldorf	Retailer for cookware	2012	12 million
97	Medigo	Berlin	Medical travel platform	2013	12 million
98	Smeet	Berlin	3D-entertainment platform	2006	12 million
99	COBI	Frankfurt	Connected biking	2014	12 million
100	Scalable Capital	Munich	Digital investment service	2014	12 million

Source: Crunchbase, December 2016

The last 12 months have been very successful with material funding rounds by national and international investors

Top 10 funding volumes (disclosed funding volumes in 2016; before exit or IPO)



Note: FX conversion rate of EUR 1.0 vs. USD 1.1 | Sources: Mergermarket, OneSource, LexisNexis, EY Analysis

Various tech ventures have managed to raise capital on a large scale in 2016. This can be seen in the largest fundings in 2016, spanning from USD 34m (FinanceFox) to USD 88m (HelloFresh). The tickets are - in general - smaller than in 2015, when DeliveryHero collected

EUR 730m and various other firms collected more than EUR 200m each, including HelloFresh, FoodPanda (acquired by Delivery Hero in December 2016) or Zencap (acquired by Funding Circle in October 2015).



Start-up newcomers in Top 10 funding volumes

- ▶ **Spotcap:** Established in 2014, the firm is an online credit platform that provides short-term loans for SME companies. The firm is located in Berlin but the majority of operations focusses on the Spanish market, the Netherlands and Australia.
- ▶ **eGYM:** Established in 2010, the Munich-based start-up offers cloud-connected gym technology with supporting cloud software to connect gym equipment with an app for the fitness training market. It claims 1,000 of Germany's 6,000 gyms use its products and service.
- ▶ **N26:** Established in 2013, the online bank has more than 200,000 customers and wants to become a major consumer-facing bank in Europe. The company has already expanded to other European countries and partnered with Wirecard and TransferWise.

- ▶ **Finanzcheck.de:** Established in 2010, the firm is an online comparison site for personal loans and private financial products (with up to 35 banks). The start-up's platform aims to make the loan process in Germany more efficient and transparent.

FinanceFox: Established in 2014, the firm is one of a number of InsurTech start-ups who are attempting to digitalize insurance. FinanceFox offers insurance brokerage processes and enables users to store all insurance policies in a single app.

Other ventures with material funding in 2016

- ▶ **Tado°:** The intelligent home climate control provider was established in 2011. According to a study by Frost & Sullivan, the European smart thermostat market is forecast to reach USD 2.5bn by 2019.

- ▶ **HomeToGo:** Established in 2014, the vacation-rental search engine offers more than 6m rentals based on partnerships with more than 250 providers in over 200 countries. The platform aims to make it easy for users to select their accommodation and book through the best provider.

- ▶ **Junique:** Established in 2014, the marketplace for curated art has attracted funding at a large scale. The firm plans to use the cash for tech and product development.

- ▶ **Watchmaster:** Established in 2015, the marketplace for buying and selling luxury watches is growing fast. The company sources watches from both consumers and watch dealers and provides services.

- ▶ **Dubmash:** Established in 2014, the audio network for sharing videos with friends and family has become a viral hit over the last two years; also thanks to celebrities from the United States using the app in social media.

Market Quotes



While still underserved by global standards, early-stage financing in Europe and Germany has gone through a tremendous development during the past five years, to a well-balanced supply of liquidity in Seed and Series A rounds.

Pawel Chudzinski, Managing Partner at Point Nine Capital



In the light of low interest rates and the attractiveness of the German start-up and VC market, it might make sense to unlock liquidity from the private and governmental pension system and allow more alternative investments.

Nikolas Samios, Chief Investment Officer German Startups Group



Starting with Series B, Germany is still reliant on foreign investors who have the liquidity but also the experience in later-stage venture capital financing.

Otto Birnbaum, Principal at Partech Ventures



We observe different risk-taking attitudes between European and US investors, which have to be managed. A bit more risk appetite at the expense of short-term profitability would help the German ecosystem and facilitate the development of additional global players.

Tobias Streffer, CFO at Mister Spex



There is a lot of money in the market. Private Equity funds have set up designated teams who push into the venture scene for growth financing. We observe high investment pressure and a lack of investment alternatives for PE funds.

Thomas Taherkhani, CFO at Dreamlines



There exists a gap for growth financing in the German market. Companies looking for growth financing mostly rely on foreign, especially American, investors.

Sebastian Pollok, Founder & Managing Director at Amorelie



Thoughts on funding

Start-ups increasingly look for smart money. A broad international network, technological expertise and a strong track record in supporting successful businesses are key to becoming a trusted partner for the best start-ups and founder teams.

Friedrich Neuman, Founder & CEO at Makers

The market for early-stage financing in Germany is pretty well-developed with various investors and steadily growing experience. Starting with Series B and C financing rounds, however, German start-ups are still reliant on foreign investors' money. Fortunately, they are happy to come to Germany and fill the gap, which can also be considered proof of the attractiveness of the market.

Nikolas Samios, Chief Investment Officer German Startups Group

The market for early-stage financing in Germany is well-developed, with an increasing number of VC players. We observe more and more competitive deals in seed and series A, which sometimes lead to higher company valuations.

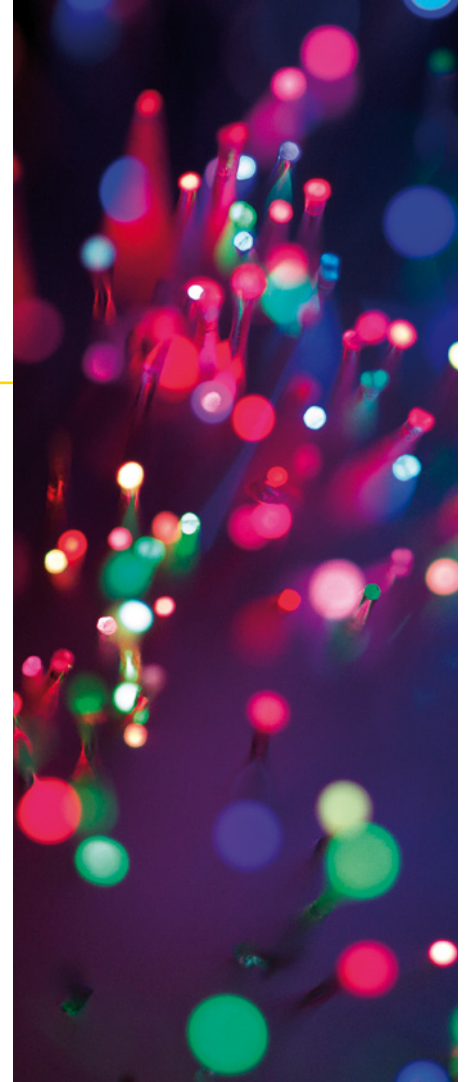
Otto Birnbaum, Principal at Partech Ventures

International financial investors ensure a professional financial management even at an early stage of the development. Getting the numbers right is key for them.

Thomas Taherkhani, CFO at Dreamlines

The increasing competition among Seed and Series A investors has led to increasing valuations in early-stage financing rounds. The supply of financing opportunities in Series B and Series C is much lower in Germany, forcing start-ups to raise money abroad.

Friedrich Neuman, Founder & CEO at Makers



The background of the slide is a vibrant red with a pattern of glowing fiber optic cables. The cables are thin, translucent, and radiate from various points, creating a sense of dynamic energy and connectivity. The light from the cables appears as bright, warm white and yellowish-orange points and streaks against the deep red background.

2

Investors

Germany remains highly attractive for the national and international VC scene

In the last 12 months, several new funds were announced by German and international VCs that are committed to young and dynamic technology companies in Germany. The volumes of funds or fund-of-funds total up to nine-figure USD amounts, as can be seen with key players such as Atomico, Accel, BMW, e.Ventures, EQT, KKR, Partech Ventures, Rocket Internet, Sapphire Ventures, Siemens or Verdane Capital.

National VC players and corporate vehicles

- ▶ Siemens, the largest engineering company in Europe, has set up a venture fund with a volume of EUR 1bn for a time period of five years. Focus areas for investments include artificial intelligence, autonomous machines, interconnected mobility, decentralized electrification and blockchain applications.
- ▶ BMW, the German automotive manufacturer, increased its venture capital fund BMW i Ventures from EUR 100m to EUR 500m. The fund is based in Mountain View (Silicon Valley) and focuses on electric mobility, autonomous driving, digitalization, cloud services, mobility services and artificial intelligence.
- ▶ High-Tech Gründerfonds, set up by the German government in 2005, revealed plans to raise EUR 300m. The money is intended to continue the start-up-backing strategy. The seed financing provided is designed to enable ventures to take an idea through prototyping and to market launch. Famous investments by the firm are 6Wunderkinder, Plista, Raumfeld, Tiramizoo or windeln.de.

- ▶ Rocket Internet Capital Partners has closed various funding rounds with a total commitment of USD 869m. The company has a strong portfolio and is currently managing European ventures such as HelloFresh, Westwing or Home24.
- ▶ The German Ministry for Economics, EIF and KfW launched instruments to raise more venture capital in Germany. The Coparion fund totals EUR 225m and is aimed at companies in the start-up and early growth phase.
- ▶ Cherry Ventures, a Berlin-based venture capital firm, raised a new fund worth about EUR 150m. The firm has bet on start-ups that include used-car marketplace AUTO1 Group and long-distance European bus service FlixBus. It also invested in restaurant-booking app Quandoo, sold for EUR 200m in 2015.
- ▶ Heilemann Ventures and Earlybird Venture Capital have merged their tech teams to launch the Earlybird Digital West Fund with a funding of EUR 150m. With more than EUR 700m under management, Earlybird is one of the most active VCs in Europe.
- ▶ Robert Bosch Venture Capital, the VC company of the Bosch Group, has set up another fund with EUR 150m. With the raised capital, the firm will continue to invest in innovative start-ups and in selected industry-specific venture capital funds in Europe, the US, Israel, and China.

Foreign players with VC operations in the German market

- ▶ EQT Ventures, a Swedish Private Equity player with investments in Booking.com, Uber, King, Spotify, Riskmethods or Holidu, raised USD 566m to support fast-growing tech-enabled companies across Europe throughout all stages of growth. In 2016, EQT Ventures led the funding round of Service Partner ONE in Berlin.
- ▶ Partech Ventures, a global investment firm, completed the final closing of its Partech Growth fund, with a total of EUR 400m. The firm is based in San Francisco, Paris and Berlin. The portfolio includes Auxmoney and CHRONEXT.
- ▶ Accel, a leading venture capital firm, announced Accel London V, a USD 500m fund raised to invest in ventures in Europe and Israel. Portfolio start-ups include price comparison service CHECK24 or food delivery business Deliveroo.
- ▶ Atomico, the venture capital firm started by Skype co-founder Niklas Zennström, has set out to raise USD 750m, to be invested in promising European start-ups. The firm has already invested in German players such as GoEuro or Hem.
- ▶ Sapphire Ventures, the independent venture-capital firm that spun out of SAP, said it closed on USD 1bn to invest in expansion-stage technology start-ups. For SAP's part, the fund provides insights into technologies and fosters start-up partnerships.

VCs with investment activities in the German market have disclosed funds with a volume of almost EUR 6.2bn in 2016

New institutional funds identified in 2016 (alphabetical order)					
#	Investor	Fund Name	Location	Volume	Announced
1	Accel	Accel London V	London	USD 500 million	April 2016
2	Allianz	Allianz X	Munich	EUR 430 million	December 2016
3	Atomico	Fund IV	London	USD 750 million	March 2016
4	BlueYard Capital	-	Berlin	USD 120 million	April 2016
5	BMW AG	BMW i Venture Capital Fund	Silicon Valley	EUR 500 million	November 2016
6	ILB	BFB Brandenburg	Potsdam	EUR 70 million	November 2016
7	Cavalry Ventures	-	Berlin	EUR 20 million	June 2016
8	Check24	Check24 Ventures	Munich	EUR 60 million	October 2016
9	Cherry Ventures	Cherry Ventures II	Berlin	EUR 150 million	May 2016
10	Creandum	Creandum IV	Stockholm	EUR 180 million	February 2016
11	Deutsche Börse Group	DB1 Ventures	Frankfurt	undisclosed	February 2016
12	e.Ventures	Early-stage Fund	Berlin	USD 150 million	May 2016
13	Earlybird & Heilemann Ventures	Earlybird Digital West Fund	Berlin	EUR 150 million	April 2016
14	EQT	EQT Ventures Fund	Stockholm	EUR 566 million	May 2016
15	BMW, ERP-Sondervermögen, KfW	Coparion	Cologne	EUR 225 million	March 2016
16	Fly Ventures	Early-stage Venture Capital	Berlin	EUR 30-50 million	October 2016
17	High-Tech Gründerfonds	HTGF II	Bonn	EUR 300 million	June 2016
18	HMW/MIG	MIG Fonds 14	Munich	EUR 100 million	August 2016
19	KKR	KKR Next Generation Tech.	New York	USD 711 million	December 2016
20	Merck Ventures	Merck Ventures	Amsterdam	EUR 150 million	June 2016
21	OHB SE	OHB Venture Capital	Munich	undisclosed	May 2016
22	Partech Ventures	Partech Growth	Berlin	EUR 400 million	June 2016
23	Porsche Digital	Porsche Digital Lab	Berlin	undisclosed	August 2016
24	Project A Ventures	-	Berlin	EUR 120 million	April 2016
25	rent24	rent24 Ventures	Berlin	EUR 20 million	November 2016
26	Robert Bosch VC	RBVC III	Stuttgart	EUR 150 million	April 2016
27	Rocket Internet	Capital Partner Fonds	Luxemburg	USD 869 million	November 2016
28	SAP	Sapphire Ventures	Palo Alto	EUR 1,000 million	September 2016
29	Siemens AG	next47	Munich	EUR 1,000 million	June 2016
30	Stadt Hamburg	Innovations-Wachstumsfonds	Hamburg	EUR 100 million	January 2016
31	TRUMPF GmbH + Co. KG	TRUMPF Venture	Ditzingen	EUR 40 million	September 2016
32	Verdane Capital	Verdane IX	Oslo, Stockholm	EUR 320 million	October 2016

Sources: Mergermarket, OneSource, LexisNexis, EY Analysis

The investor landscape has become more diverse with players across the different development stages

Investors categorized by typical funding size (selected examples)			
Incubators/Accelerators	Seed - Series A		Series B and later
<ul style="list-style-type: none"> ▶ Axel Springer Plug& Play ▶ Finleap ▶ GTEC ▶ HitFox Group ▶ Hub:Raum ▶ MAKERS ▶ Project A Ventures ▶ Rheingau Ventures ▶ Rocket Internet ▶ Techstars Metro Accelerator ▶ Venture Stars ▶ Warspeed Ventures 	<ul style="list-style-type: none"> ▶ b-to-v ▶ BlueYard Capital ▶ Capnamic Ventures ▶ Cavalry Ventures ▶ Cherry Ventures ▶ Creathor Venture ▶ e.ventures ▶ Earlybird VC ▶ Fly Ventures ▶ German Startups Group ▶ Holtzbrinck Ventures ▶ HTGF ▶ IBB 	<ul style="list-style-type: none"> ▶ Mangrove Cap. Partners ▶ Northzone ▶ Partech Ventures ▶ Paua Ventures ▶ Point Nine Capital ▶ Project A Ventures ▶ Redstone Digital ▶ Rheingau Founders ▶ SevenVentures ▶ Target Partners ▶ UnternehmerTUM 	<ul style="list-style-type: none"> ▶ Acton Capital Partners ▶ Global Founders Capital ▶ Index Ventures ▶ Kinnevik ▶ Kite Ventures ▶ Lakestar ▶ Phenomen Ventures ▶ Rocket Internet Capital Partners ▶ Scottish Equity Partners ▶ Target Global ▶ TCV ▶ Tengelmann Ventures

Source: EY Analysis

The national Venture Capital landscape in Germany has further developed in 2016, and the market has seen intense activities from established and new players alike. In the early-stage area, the frequency of funding has increased significantly, also fueled by state-controlled or private accelerator programs or specialized investment arms of banks. Despite the solid provision of funding in the seed phase, only a few national funds are able to make investments greater than EUR 5m. This accounts for the vehicles of Rocket Internet that have participated in the majority of the largest instances of national funding over the last years. Other investors with similar strength are Earlybird, Lakestar or Holtzbrinck. Funding rounds of over EUR 10m are usually led by foreign investors who are increasingly allocating time and resources to the German scene. Alternative funding includes Private Equity or family offices, who engage in early-stage but do also late stage investments.

In addition to the established firms that focus on start-ups across the different financing stages, there are new vehicles that have tapped into the market. Among them are corporates and serial entrepreneurs that have institutionalized their investment activities.

New VC players in 2015/2016 (selected examples)

- ▶ 32nd Floor
- ▶ Atlantic Food Labs
- ▶ Berliner Volksbank Ventures
- ▶ BlueYard Venture
- ▶ Building10
- ▶ Cavalry Ventures
- ▶ Cherry Ventures
- ▶ Davidson Technology Growth Debt
- ▶ DB1 Ventures (Deutsche Börse)
- ▶ Diehl Ventures
- ▶ Digital Health Ventures
- ▶ Digital Leaders Ventures
- ▶ Fly Ventures
- ▶ Hype Ventures
- ▶ Jochen Schweizer Venture

- ▶ Join Capital
- ▶ Key Partners Capital
- ▶ La Famiglia
- ▶ Littlerock
- ▶ MAKERS
- ▶ Motu Ventures
- ▶ Next47 (Siemens)
- ▶ Picus Capital
- ▶ Pioneers Ventures
- ▶ Porsche Digital
- ▶ Rocket Internet Capital Partners
- ▶ Saarbruecker21
- ▶ Seed & Speed
- ▶ Starstrike Ventures
- ▶ Think.Health Ventures
- ▶ Vito Ventures
- ▶ Warspeed Ventures



Key players that are active in the German start-up scene (1/4)

Area: Berlin and Potsdam

- ▶ 32nd Floor
- ▶ Ace Ventures
- ▶ Apollo Beteiligungsgesellschaft
- ▶ Asgard Capital
- ▶ Atlantic Food Labs
- ▶ Atlantic Internet
- ▶ Atlantic Labs
- ▶ Atlantic Ventures
- ▶ Avala Capital
- ▶ Axel Springer Digital Ventures
- ▶ Axel Springer Plug and Play Accel.
- ▶ BC Brandenburg Capital
- ▶ Bergfürst AG
- ▶ Berlin Hardware Accelerator
- ▶ Berlin Partner
- ▶ Berlin Startup Academy
- ▶ Berlin Technologie Holding
- ▶ Berlin Venture Partners
- ▶ Berlin Ventures
- ▶ Berliner Business Angel Fonds.
- ▶ Berliner Volksbank Ventures
- ▶ Betahaus
- ▶ BeYond GmbH
- ▶ BFB Beteiligungsfonds
- ▶ BFB Brandenburg
- ▶ BFB Frühphasenfonds Brandenburg
- ▶ BFB Wachstumsfonds Brandenburg
- ▶ BHF-BANK Aktiengesellschaft
- ▶ BlueYard Capital
- ▶ bmp media investors
- ▶ Brandenburg Ventures
- ▶ Bsy Invest
- ▶ Building10
- ▶ b-to-v Partners AG
- ▶ CALDONA Vermögensverwaltung
- ▶ Campus Venture Beteiligungsg.
- ▶ capiton AG
- ▶ Catagonia Capital
- ▶ Cavalry Ventures
- ▶ CCC Seed
- ▶ Cherry Ventures
- ▶ CoLaborator
- ▶ Companisto
- ▶ Covus
- ▶ Davidson Technology Growth Debt
- ▶ DB Accelerator
- ▶ Digital Health Ventures
- ▶ Earlybird Venture Capital
- ▶ ECONA
- ▶ Epic Companies
- ▶ estag | Capital AG
- ▶ Etventure
- ▶ EuropeanPioneers Accelerator
- ▶ eValue Group
- ▶ EyeFocus Accelerator
- ▶ FinLeap
- ▶ Flutz Ventures
- ▶ Fly Ventures
- ▶ Found Fair Ventures
- ▶ FoundersLink
- ▶ Funke Digital
- ▶ German Startups Group
- ▶ GMPVC German Media Pool
- ▶ GO:Incubator
- ▶ Grupo Intercom Berlin
- ▶ Gruschel Ventures
- ▶ GTEC
- ▶ Hasso Plattner Ventures
- ▶ Heilemann Ventures
- ▶ helios.hub
- ▶ HitFox Group
- ▶ hub:raum
- ▶ Hype Ventures
- ▶ IBB Beteiligungsgesellschaft
- ▶ IEG (Deutschland)
- ▶ join Capital
- ▶ K - New Media
- ▶ Kamran Capital
- ▶ K-Invest Beteiligungs GmbH
- ▶ KMB1 Beteiligung
- ▶ Königsindisch Venture
- ▶ Lakestar
- ▶ Leverage Media
- ▶ M Cube
- ▶ MAKERS
- ▶ MAMA
- ▶ MCUBATE Growth Experts
- ▶ Microsoft Ventures Accelerator
- ▶ MINE Innovation Engineering
- ▶ Mittelständische Beteiligungsgesellschaft Berlin-Brandenburg
- ▶ Möller Ventures
- ▶ Motu Ventures
- ▶ Mvc Unternehmensbeteiligungsg.
- ▶ Newton Ventures
- ▶ Next station
- ▶ Odeon Management-Partners
- ▶ Partech Ventures
- ▶ Paua Ventures
- ▶ Peppermint Venture Partners
- ▶ Picus Capital
- ▶ Point Nine Capital
- ▶ Porsche Digital
- ▶ Portus Corporate Finance
- ▶ Project A Ventures
- ▶ Project Flying Elephant
- ▶ Puchta Petersen
- ▶ Reber Capital
- ▶ Redstone Digital
- ▶ Rheingau Founders
- ▶ RI Digital Ventures
- ▶ Richmond View Ventures
- ▶ Rocket Internet
- ▶ Saarbruecker21
- ▶ Sapinda Group
- ▶ Seedcamp Berlin
- ▶ Siemens Technology Accelerator
- ▶ Sizzl
- ▶ Sky & Sand
- ▶ Sobera Capital
- ▶ Spreefactory
- ▶ Spree-Media.Net
- ▶ Springstar
- ▶ SSUV Assets
- ▶ Starstrike Ventures
- ▶ Startup Autobahn (Daimler)
- ▶ Startupbootcamp Berlin
- ▶ Target Global
- ▶ Team Europe
- ▶ Techstars METRO Accelerator
- ▶ UnitedArts Ventures
- ▶ Vattenfall Europe Venture
- ▶ VB-Business-Group
- ▶ VC Fonds Kreativwirtschaft Berlin
- ▶ VC Fonds Technologie Berlin
- ▶ VC-POINT GmbH
- ▶ Ventegis Capital AG
- ▶ Vogel Ventures
- ▶ Warspeed Ventures
- ▶ Wattx (Viessmann)
- ▶ WestTech Ventures
- ▶ XLHEALTH
- ▶ Yamas Ventures
- ▶ You is Now

Key players that are active in the German start-up scene (2/4)

Area: Greater area of Dusseldorf and Leverkusen

- agile Accelerator
- BASF Venture Capital
- Business Angels Agentur Ruhr
- Cresces
- Devario Assets
- Devexo
- ELS Fonds GmbH
- EnjoyVenture
- Grants4Apps
- Innogy Venture Capital
- Littlerock
- Madou Early Ventures
- NRW Bank Investment
- NRW Bank Kreativwirtschaftsfonds
- SeedCapital Dortmund
- Seven Miles
- Statkraft Ventures
- S-VentureCapital Dortmund
- TakeOff VC Management
- Tengelmann Ventures
- TEV Global Invest
- Triginta Capital

Area: Bonn and Cologne

- Betafabrik
- Brainweb Investment
- Burgey Business Group
- Capnamic Ventures
- CologneInvest
- Colonia Private Equity
- Crossventures
- Curtis newton labs
- Deutsche Post Ventures
- Deutsche Telekom Capital Partners
- Dieter von Holtzbrinck Ventures
- Dimensional Beteiligungsg.
- e42 Ventures
- Flossbach von Storch
- Founders Capital
- Greven Medien
- Guano
- High-Tech Gründerfonds
- Hitmeister
- ISteps App Ventures

- KlickVentures
- MairDuMont Ventures
- Media Investment
- Media Ventures
- Menden Ventures
- netSTART Venture
- Pecunalta
- Rewe Digital
- RTL interactive
- Schwetje Invest GmbH
- Startplatz
- STS Ventures
- The Angel Club
- TS Ventures
- Venista Ventures
- VHB Digital

Area: Frankfurt

- Accelerator Frankfurt
- Allianz Global Investors
- Baigo Capital GmbH
- Beyond Capital Partners
- Brockhaus Private Equity
- Commerzbank AG
- CommerzVentures
- DB1 Ventures
- DB Lab
- Deutsche Bank AG
- Deutsche Beteiligungs AG
- Econnoa
- ECM Equity Capital Management GmbH
- FS Vencube
- Gauly Dittrich van de Weyer Bet.
- HCS Beteiligungsgesellschaft
- Heliad Equity Partners
- HEP Beteiligungs
- HQ Trust
- HR Alpha Venture Partners
- KfW Bankengruppe
- KP TECH Corporate Finance
- Main Incubator
- Omnis Mundi
- P2C Private to Corporate
- Steadfast Capital
- Tempus Capital
- VCDE Venture Partners
- VR Equitypartner

- Whitestone Venture Capital
- Wirtschafts- und Infrastrukturbank Hessen

Area: Greater Munich

- 7Travel
- Acton Capital Partners
- Allgeier Gruppe
- Allianz Digital Accelerator
- Alternative Strategic Investments
- Ananda Ventures
- Arcus Capital
- Astutia Ventures
- Aurelius AG
- BambooVentures
- BayBG Bayerische Beteiligungsg.
- Bayern Kapital
- BayernLB Capital Partner GmbH
- BayTech Venture Capital
- BMW Ventures
- BonVenture Management
- Breed Reply
- Burda Digital Ventures
- Cartagena Capital
- Castik Capital Partners
- Cipio Partners
- Clover Venture
- Clusterfonds Innovation
- Cutback Ventures
- Deutsche Venture Capital
- Digital + Partners
- DLD Ventures
- Ecommerce Alliance
- Emeram Private Equity
- Equistone Partners
- Equity Gate
- European Founders Fund
- Extorel
- Forbion Capital Partners Germany
- Fraunhofer Venture
- Gimv
- Global Founders Capital
- Grey Corp
- Holtzbrinck Digital
- HV Holtzbrinck Ventures
- HW Capital
- Jochen Schweizer Ventures

- ▶ Kites Industriebeteiligungen
- ▶ La Famiglia
- ▶ Maxburg Capital Partners
- ▶ Mercura Capital
- ▶ Mic AG
- ▶ MIG Fonds
- ▶ Munich Venture Partners
- ▶ Muzungu Capital
- ▶ Next 47 (Siemens)
- ▶ NFQ Ventures
- ▶ Paragon Partners
- ▶ PINOVA Capital
- ▶ Prince Invest
- ▶ ProSiebenSat.1 Accelerator
- ▶ ProSiebenSat.1 Media
- ▶ Puccini Germany
- ▶ Reimann Investors Advisory
- ▶ Riverside Europe Partners
- ▶ Safia Corporate Finance
- ▶ S-Beteiligungsgesellschaft
- ▶ Senovo
- ▶ SevenVentures
- ▶ SevenOne Intermedia
- ▶ Siemens Venture Capital
- ▶ Sixt e-ventures
- ▶ Smac partners
- ▶ Smart digits
- ▶ SpaceNet AG
- ▶ Star Ventures Management
- ▶ Target Capital
- ▶ Target Partners
- ▶ Tech. Beteiligungsfonds Bayern
- ▶ TechFounders Accelerator
- ▶ Think.Health Ventures
- ▶ Tiburon Unternehmensaufbau
- ▶ Tomorrow Focus AG
- ▶ TVM Capital
- ▶ UnternehmerTUM Fonds
- ▶ V+ Beteiligungs GmbH
- ▶ Venture Stars
- ▶ VIO Management
- ▶ Vito Ventures
- ▶ W1 Forward InsurTech Accelerator
- ▶ Wayra Accelerator
- ▶ Wellington Partners
- ▶ XAnge Private Equity



Area: Hamburg

- ▶ Attia Ventures
- ▶ Aura Capital Management
- ▶ Bauer Venture Partner
- ▶ Beaufort Capital
- ▶ BTG Beteiligungsgesellschaft Hamburg
- ▶ CatCap
- ▶ Centuere Beteiligungs-AG
- ▶ Cinco Capital
- ▶ Cleanventure
- ▶ Deutsche Druck- und Verlagsg.
- ▶ Digital Pioneers Germany
- ▶ dpa-infocom
- ▶ e.ventures
- ▶ Equity Seven Beteiligungsg.
- ▶ eVentures Capital Partners
- ▶ Fat Locust Invest
- ▶ Fielmann Ventures
- ▶ FRW Bach Invest GmbH & Co.KG
- ▶ FundersClub
- ▶ Genui Partners
- ▶ GLG Green Lifestyle
- ▶ Gruner + Jahr AG
- ▶ H2 Investments
- ▶ HackFWD Capital
- ▶ Hanse Ventures
- ▶ IFB Innovationsstarter
- ▶ Innovationsstarter Hamburg
- ▶ iVentureCapital
- ▶ J.C.M.B. Beteiligungs GmbH
- ▶ J.F. Müller & Sohn AG
- ▶ Jahr Assetmanagement
- ▶ M.M. Warburg
- ▶ Neuhaus Partners
- ▶ Next Media Accelerator
- ▶ Pacama
- ▶ Parklane Capital
- ▶ Quotas Beteiligungsg.
- ▶ SCG Beteiligungs UG
- ▶ Schmidt von Ahlen Capital
- ▶ SGLB Beteiligungs- & Beratungsg.
- ▶ Shortcut Ventures
- ▶ Start 2 Ventures
- ▶ Stroer Digital
- ▶ Tivola Ventures
- ▶ TruVenturo
- ▶ VCmed AG

Key players that are active in the German start-up scene (3/4)

Area: Other areas

- ▶ Albatros Capital (Stuttgart)
- ▶ Alstin (Hannover)
- ▶ Arena42 (Stuttgart)
- ▶ AS Vantage Holding (Rohrbach)
- ▶ Axa innovation Campus (Stuttgart)
- ▶ BCM Bruker Capital (Bietigheim)
- ▶ Bertelsmann (Gütersloh)
- ▶ Beteiligungs GmbH (Steinfeld)
- ▶ Bilfinger Venture Capital (Mannheim)
- ▶ Black Forest Accelerator (Lahr)
- ▶ BLSW Seedfond (Wuppertal)
- ▶ bm-t Beteiligungsm. (Erfurt)
- ▶ Boehringer Ingelheim Venture Fund (Ingelheim)
- ▶ Born2grow (Heilbronn)
- ▶ CEWE Stiftung (Oldenburg)
- ▶ CFH Beteiligungsgesellschaft mbH (Leipzig)
- ▶ Chancenkaptalfonds der Kreis-sparkasse Biberach (Biberach)
- ▶ Corporate Counsellors (Melle)
- ▶ Creathor Venture (Bad Homburg)
- ▶ Crossinvest Venture (Boechingen)
- ▶ Crowd-Angel Venture (Hernstedt)
- ▶ Deutsche Balaton (Heidelberg)
- ▶ Diehl Ventures (Nuremberg)
- ▶ Dr. Engelhardt, Kaupp, Kiefer Beteili-gungsberatung GmbH (Stuttgart)
- ▶ DS Invest (Stapelfeld)
- ▶ DSA Invest (Aachen)
- ▶ eCAPITAL (Munster)
- ▶ EMBL Ventures (Heidelberg)
- ▶ ENECA (Regensburg)
- ▶ Engage Key Tech V. (Karlsruhe)
- ▶ Erste buw equity (Osnabrück)
- ▶ Evonik VC (Hanau)
- ▶ Familie Gräf Holding GmbH (Hürth)
- ▶ Forum Media Ventures (Merching)
- ▶ Freudenberg VC (Weinheim)
- ▶ FSF Beteiligungen (Leutenberg)
- ▶ Fundsters VC (Meerbusch)
- ▶ Genius Venture Capital (Schwerin)
- ▶ getInvest24 (Cottbus)
- ▶ Grazia Equity (Stuttgart)
- ▶ Grenke Bank AG (Baden-Baden)
- ▶ Gründerfonds Bielefeld (Bielefeld)
- ▶ Haas New Media (Mannheim)
- ▶ Hannover Beteiligungs f. (Hannover)
- ▶ Heidelberg Innovation Fonds Management GmbH (Heidelberg)
- ▶ HeidelbergCapital Private Equity Fund (Heidelberg)
- ▶ HR Ventures (Dreieich)
- ▶ IBG Beteiligungsg. (Magdeburg)
- ▶ InnoWerft (Walldorf)
- ▶ Intan Media-Service (Osnabrück)
- ▶ Investitions- und Strukturbank Rheinland-Pfalz (Mainz)
- ▶ ISB Rheinland-Pfalz (Main)
- ▶ Jaja Investment (Pogeez)
- ▶ Kabs Venture (Seevetal)
- ▶ KBBV (Oldenburg)
- ▶ KIZOO Tech. Capital (Karlsruhe)
- ▶ Klingel-Gruppe (Pforzheim)
- ▶ KSH Capital Partners (Lübeck)
- ▶ LBBW Venture Capital (Stuttgart)
- ▶ Leonardo Venture (Mannheim)
- ▶ Lidl Stiftung & Co. KG (Neckarsulm)
- ▶ MBG Baden-Württemberg (Stuttgart)
- ▶ Media + more venture (Heilbronn)
- ▶ Mediatum International (Heidelberg)
- ▶ Mediengruppe Klambt (Baden-Baden)
- ▶ Merck Serono Ventures (Darmstadt)
- ▶ Metacrew Ventures (Osnabrück)
- ▶ MGO Digital Ventures (Bamberg)
- ▶ Moacon Ventures (Neuss)
- ▶ Monkfish Equity (Leipzig)
- ▶ Müller Medien (Nuremberg)
- ▶ NABRU Ventures (Mettingen)
- ▶ Neue Medien Ulm (Ulm)
- ▶ Nextfatbusiness (Gröbenzell)
- ▶ Nord L/B (Hannover)
- ▶ NWZ Digital (Oldenburg)
- ▶ OVDL Vermögensv. (Dresden)
- ▶ PDV Inter-Media Venture (Augsburg)
- ▶ Priority AG (Herford)
- ▶ Publishers Partners (Edenkoben)
- ▶ Robert Bosch Venture Capital (Stuttgart)
- ▶ Röder & Uhl (Stuttgart)
- ▶ Saarländische Wagnisfinanzierungsg.
- ▶ SAP Startup Focus (Walldorf)
- ▶ SASPO Holding (Dreieich)
- ▶ SBG Sachsen-Anhalt (Barleben)
- ▶ Schlütersche Verlagsg. (Hannover)
- ▶ Schober Holding (Ditzingen)
- ▶ Seed & Speed (Hannover)
- ▶ Seed Fonds Aachen (Aachen)
- ▶ Seedmatch (Dresden)
- ▶ Semper fi Investment (Bremen)
- ▶ SIB Innov.-Beteilig. (Dresden)
- ▶ Sirius Venture Partn. (Wiesbaden)
- ▶ S-REFIT (Regensburg)
- ▶ Strategon (Lahnstein)
- ▶ Stuttgart Internet (Stuttgart)
- ▶ S-UBG (Aachen)
- ▶ Sympasis Innovation C. (Ettlingen)
- ▶ TAKKT Beteiligungsgesellschaft (Stuttgart)
- ▶ TechnologieContor (Gera)
- ▶ Technologiefonds MV (Schwerin)
- ▶ TFO (Bensheim)
- ▶ TGES - Technologiegründerfonds Sachsen (Leipzig)
- ▶ TowerVenture (Jena)
- ▶ Triangle Venture Capital (Bensheim)
- ▶ United Internet Ventures (Montabaur)
- ▶ VC Fonds BW (Stuttgart)
- ▶ Vogel Business Media (Würzburg)
- ▶ Vorwerk Ventures (Wuppertal)
- ▶ WagnisKapitalg. der Kreissparkasse Reutlingen (Reutlingen)
- ▶ YOSH Invest (Gerford)
- ▶ ZFHN (Heilbronn)

Area: International investors

- ▶ 17Capital LLP (UK)
- ▶ 360 Capital Partners (FR)
- ▶ 3i Group (UK)
- ▶ 500 Startups (US)
- ▶ 83North (IS)
- ▶ ACCEL (UK)
- ▶ Accel Partners (US)
- ▶ Access Industries (US)
- ▶ Advancit Capital (US)
- ▶ Advent Venture Partners (UK)
- ▶ Allen & Company (US)
- ▶ Altpoint Ventures (US)
- ▶ AME Cloud Ventures (US)
- ▶ Arkley (PL)
- ▶ Atlas Venture (US)
- ▶ Atlantic Bridge (US)
- ▶ ATMOS (IT)

Key players that are active in the German start-up scene (4/4)

- ▶ Atomico (US)
- ▶ Auden Capital (UK)
- ▶ Austria Wirtschaftsservice (AT)
- ▶ aws Gründerfonds (AT)
- ▶ Axivate Capital (NL)
- ▶ Baillie Gifford (UK)
- ▶ Balderton Capital (UK)
- ▶ Baque Populaire Caisse (FR)
- ▶ Battery Ventures (US)
- ▶ BBVA Ventures (US)
- ▶ BDMI Bertelsmann Digital Media Investments (US)
- ▶ Benchmark Ventures (US)
- ▶ Bessemer Venture Partners (US)
- ▶ Blumberg Capital (US)
- ▶ BPO Capital (US)
- ▶ Bridgepoint (FI)
- ▶ Bright Capital Digital (RU)
- ▶ Chernin Group (US)
- ▶ Cheyne Capital (UK)
- ▶ CL Ventures (CN)
- ▶ Columbia Lake Partners (UK)
- ▶ Creandum (SE)
- ▶ CSVJ Ventures Holding (CH)
- ▶ Demeter Partners (FR)
- ▶ DeNA (JP)
- ▶ Digital Currency Group (US)
- ▶ Digital Leaders Ventures (LX)
- ▶ Dima Ventures (US)
- ▶ DN Capital (UK)
- ▶ Doughty Hanson & Co (UK)
- ▶ Dragoneer Investment Group (US)
- ▶ DST Global (RU)
- ▶ Ecomobility Ventures (FR)
- ▶ Emerald Technology Ventures (CH)
- ▶ enchant.vc (SG)
- ▶ Endeit (NL)
- ▶ ENIAC Ventures (US)
- ▶ ESO Capital Group (UK)
- ▶ EQT Ventures (SE)
- ▶ Excellion Investment (LU)
- ▶ Exoscale (CH)
- ▶ Felix Capital (UK)
- ▶ Fidelity Growth Partners Europe (UK)
- ▶ Finstar Financial Group (RU)
- ▶ First Love Capital (AT)
- ▶ Frog Capital (UK)
- ▶ Frontline Ventures (IR)
- ▶ General Atlantic (UK)
- ▶ Gettylab (US)
- ▶ GGV Capital (US)
- ▶ GMT Capital (US)
- ▶ Goldman Sachs (US)
- ▶ Google Ventures (US)
- ▶ Grey Corporate Investments AG (CH)
- ▶ Greycroft Partners (US)
- ▶ Greylock Partners (US)
- ▶ Groupe Arnault (FR)
- ▶ Harbert European Growth Capital (UK)
- ▶ HarbourVest Partners (US)
- ▶ Hartford Steam Boiler (US)
- ▶ Highland Capital Partners (US)
- ▶ HOWZAT Partners (UK)
- ▶ Hoxton Venture (UK)
- ▶ HPE Growth Capital (NL)
- ▶ i5invest (AT)
- ▶ iEurope Capital (HU)
- ▶ IFJ Institut für Jungunternehmen (CH)
- ▶ Index Ventures (UK)
- ▶ Insight Venture Partners (US)
- ▶ Institutional Venture Partners (US)
- ▶ Intel Capital (US)
- ▶ Inven Capital (CZ)
- ▶ InVenture Partners (UK)
- ▶ J.P. Morgan Dig. Growth Fund (US)
- ▶ Jadeberg Partners (CH)
- ▶ K5 Ventures (US)
- ▶ Kennet Partners (UK)
- ▶ Kinnevik (SE)
- ▶ Kima Ventures (FR)
- ▶ Kite Ventures (RU)
- ▶ KK Incube (AT)
- ▶ KKR (US)
- ▶ Kleiner Perkins Caufield & Byers (US)
- ▶ Kreos Capital (UK)
- ▶ Kulczyk Investments (PL)
- ▶ leAD International Sports Accelerator (BF)
- ▶ Life.SREDA (SG)
- ▶ Lilli Ventures (US)
- ▶ Logan Capital AG (CH)
- ▶ London Venture Partners (UK)
- ▶ LOWERCASE Ventures (US)
- ▶ Luxor Capital Group (US)
- ▶ Macquarie Group (AU)
- ▶ Mangrove Capital Partners (LU)
- ▶ March Capital Partners (US)
- ▶ Marlin Equity Partners (UK)
- ▶ MCI Capital SA (PL)
- ▶ Menlo Ventures (US)
- ▶ Merus Capital (US)
- ▶ mojo.capital (LX)
- ▶ Mosaic Ventures (UK)
- ▶ Mountain Partners AG (CH)
- ▶ Mutschler Ventures AG (CH)
- ▶ NEO (NL)
- ▶ New Enterprise Associates (US)
- ▶ Nokia Growth Partners (FI)
- ▶ Northzone (SE)
- ▶ Octopus Ventures (UK)
- ▶ Odey Asset Management (UK)
- ▶ Omnes Capital (FR)
- ▶ OpenOcean (FI)
- ▶ Otium Venture (FR)
- ▶ Passion Capital (UK)
- ▶ Permira (UK)
- ▶ Phenomen Ventures (RU)
- ▶ Pine Hill Capital (US)
- ▶ Piton Capital (UK)
- ▶ PostFinance (CH)
- ▶ PROfounders Capital (UK)
- ▶ Radical Ventures (UK)
- ▶ Raine Ventures (US)
- ▶ Randstad Innovation Fund (NL)
- ▶ Recruit (UK)
- ▶ Redalpine Venture Partners (CH)
- ▶ Redpoint Ventures (US)
- ▶ Ribbit Capital (US)
- ▶ Rocket Internet Cap. Partners (LX)
- ▶ Ringier Digital AG (CH)
- ▶ Route66 Ventures (US)
- ▶ RTA Ventures (PL)
- ▶ Runa Capital (RU)
- ▶ ru-Net (RU)
- ▶ Russmedia (AT)
- ▶ Salesforce Ventures (US)
- ▶ Scentan Ventures (SG)
- ▶ Schlegel & Friends (UK)
- ▶ Scottish Equity Partners (UK)
- ▶ Seaya Ventures (ES)
- ▶ Sequoia Capital (US)
- ▶ SET Venture Partners (NL)
- ▶ Seventure Partners (FR)
- ▶ Sherpa Capital (US)
- ▶ Signa Retail (AT)
- ▶ Silver Lake Kraftwerk (US)
- ▶ Softbank (JP)

- ▶ SoftTech VC (US)
- ▶ Spark Capital (US)
- ▶ Speedinvest (AT)
- ▶ startup300 (AT)
- ▶ St.Galler Swiss Founders Fund (CH)
- ▶ Summit Partners (US)
- ▶ Sunstone Capital (DK)
- ▶ TA Associates (US)
- ▶ TA Ventures (UK)
- ▶ Taishan Invest AG (CH)
- ▶ Target Ventures (RU)
- ▶ Technology Crossover Ventures (US)
- ▶ Tenaya Capital (US)
- ▶ Tenderloin Ventures (CH)
- ▶ Texas Atlantic Capital (US)
- ▶ Thrive Capital (US)
- ▶ Time Equity Partners (FR)
- ▶ Time for Growth (FR)
- ▶ Transamerica Ventures (US)
- ▶ Trinity Ventures (US)
- ▶ Twitter Ventures (US)
- ▶ Union Square Ventures (US)
- ▶ Up to Eleven (BL)
- ▶ Valar Ventures (US)
- ▶ Vækstfonden (DK)
- ▶ Valessa Tech Holdings
- ▶ Värde Partners (US)
- ▶ Ventech (FR)
- ▶ Version One Ventures (CA)
- ▶ Vert Capital (US)
- ▶ Victory Park Capital (US)
- ▶ VM Digital (AT)
- ▶ Vostok New Ventures (BD)
- ▶ Warburg Pincus (US)
- ▶ Westcott (UK)
- ▶ Yabeo Capital
- ▶ Yuan Capital (HK)
- ▶ ZKB Start-up Finance (CH)

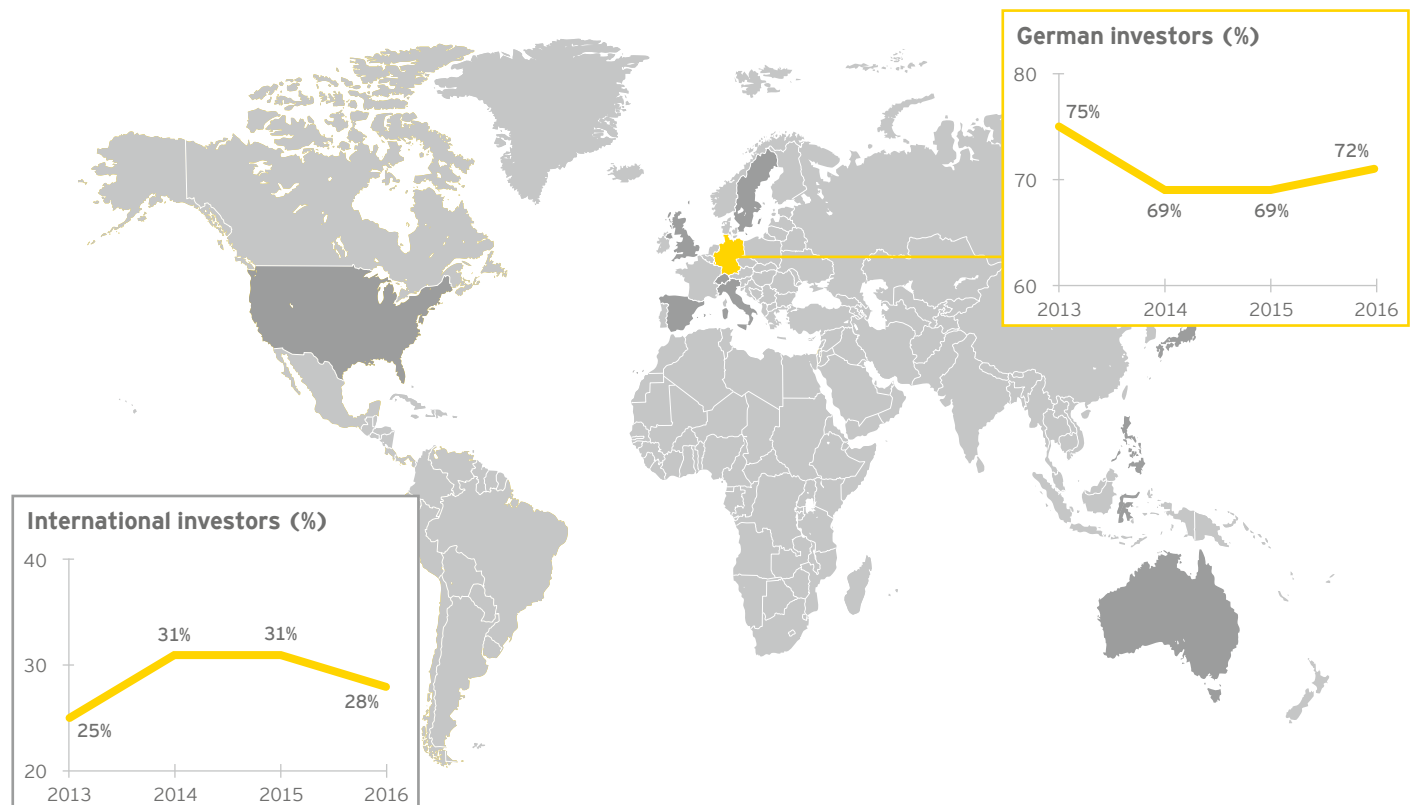


3

M&A Overview

Focused M&A activities in 2016 after peaks in prior years

Percentage of exits by origin of investor (Germany and rest of the world), based on disclosed deals



Source: EY Analysis based on 504 disclosed deals since 2013 where a majority share was acquired

After strong years of M&A activities in the German Tech start-up market, 2016 appears as a year with focused deal activities and a clear trend towards industry consolidation in certain areas of the start-up landscape.

Details on disclosed deals indicate that international investors are still a relevant exit channel for German Tech companies. Munich-based Fidor Bank, founded in 2009 and one of the pioneers of the German FinTech industry, has been acquired by the French banking group BPCE to foster the digital transformation.

Hamburg-based Gaming company Bigpoint has been sold to the Chinese investor Youzu Interactive at a rumored deal value of EUR 80m. Compared to previous valuations from financing rounds and the cumulated funding volume, the exit shows that the Tech start-up industry is facing the same challenges as other industries. In particular, the strong trend towards mobile internet can also affect rather young companies after years of successful growth.

Conject, a SaaS provider for the Construction and Real Estate industry based in Munich, has been acquired by the Australian investor Aconex. The firm was previously financed by the French VC investor SevenVentures and successfully showed an international buy-and-build strategy before the exit.

The examples can be considered as representative also for other international buy-outs. There is an ongoing interest from investors across the globe, which are keen to acquire German Tech assets as part of their global growth strategies.

Corporate trade sales are by far the most important exit channel, ahead of financial investors or MBOs

The M&A market is clearly dominated by Corporate investors, which represent by far the most relevant exit channel for German Tech Entrepreneurs and their VC partners. We note a strong interest from Private Equity investors acquiring young Tech companies. The spotlight is on and we expect a considerable increase in deal activities from financial investors in 2017.

So far, however, there are only a few financial investors active in takeovers of young German Tech companies; in particular, mid-cap PE funds from the UK and the US looking for buy-and-build strategies with a remarkable entrepreneurial background.

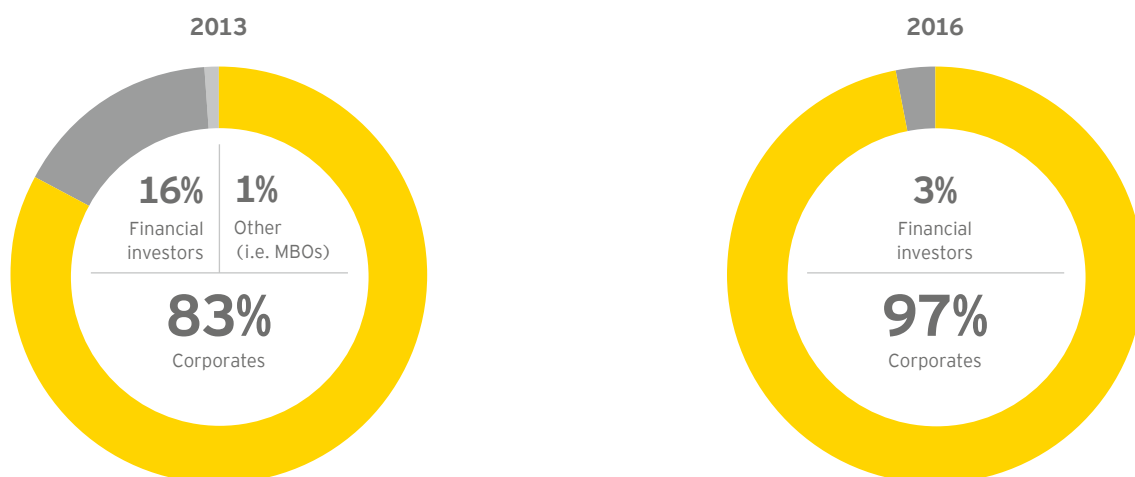
In our view, German entrepreneurs might not have fully realized the value potential of a professional financial investor. The market for digital business models is still very young and offers huge potential from proactive consolidation initiatives.

As per the German proverb, 'A bird in the hand is worth two in the bush', we are seeing a trend to sell businesses to Corporate investors at an early stage, rather than making it really big with the financial firepower of a Private Equity partner. Combining different tech businesses through a well-defined buy-and-build strategy is something we do not yet see on a larger scale.

Taking a broader view, this is also related to the fact that the German Tech start-up market is still missing a sufficient number of later-stage VC funds, apart from a handful of German players and selected VC funds from the UK and US, such as Index Ventures, TCV or Scottish Equity Partners, to name but a few.

Given the limited supply of late-stage VC financing and the fact that the large PE funds, especially, are struggling to engage in lower two-digit EURm trade sales, there is room for Corporate investors to invest in rather early stages.

Share of corporates and financials investors 2013 versus YTD September 2016 (based on disclosed deals)



Source: EY Analysis based on 504 disclosed deals since 2013 where a majority share was acquired

Strong financial investors are crucial to further develop the tech industry in Germany. Compared to Corporates, they act independently and can benefit from a well-diversified investment strategy. Corporates increasingly play an important role by engaging as limited partners in VC funds.

Otto Birnbaum, Principal at Partech Ventures

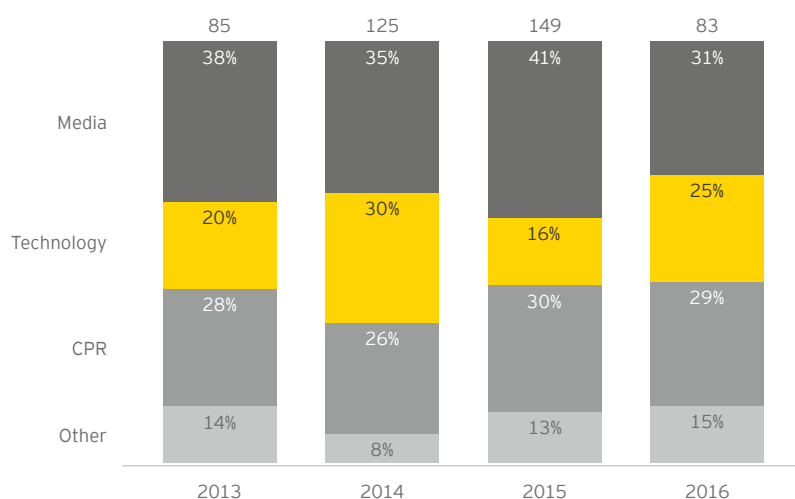
Media, Technology and Consumer Retail investors are still dominant

In terms of industry sectors, we are seeing a continued trend with Media and Technology at the top of the lists. The national media houses, especially, are still dominant players in acquiring digital assets, as evidenced by the M&A activities of Axel Springer, Funke Mediengruppe, Gruner+Jahr and ProSiebenSat1, and also other, smaller publishers and media companies. The level of digital transformation differs considerably within the German media landscape and we expect further investment activities, however, at a lower level compared to previous years as already indicated by the numbers in 2016.

After seeing a heavy consolidation in the AdTech market, we think that the key discussion points in terms of M&A activities in the media industry will focus on the strong dependence on Google with regard to classified business models and the strategic thrust to seek for global rather than only local reach. Tech takeovers are predominantly driven by takeovers of competitors or a strategic broadening of the service portfolio of existing Tech companies.

Consumer products and retail (CPR) still shows high M&A activity, though at a lower level in 2016, as most of the large CPR players have already implemented digital sales channels and enabling technologies. However, especially the further enhancement of E-Commerce technologies with same-day-delivery and IoT development will further drive investment activities in this sector. "Other" is mainly driven by Automotive, Life Science and Energy; though still at a low level, indicating the huge potential from these industry sectors in the next years.

Industrial sector distribution of corporates 2013 until YTD September 2016 (based on disclosed deals)



Source: EY Analysis based on 504 disclosed deals since 2013 where a majority share was acquired

German start-ups are getting more and more attention from Corporates. Apart from the German Blue-chips, especially, the "German Mittelstand" is strongly interested in cooperating with start-ups as a strategic move to adapt to the Digital Transformation.

Carsten Petzold, Founder & CEO Applicata

M&A activities are at high levels in 2016, but transaction deal volumes have dropped when comparing top acquisitions

Selected M&A deals in Germany (2016)						
#	Target Name	Location	Target Profile	Buyer Name	Country	Buyer Profile
1	Internetstores	Esslingen	E-Commerce bikes	Signa Retail	Austria	Retail
2	Parship, Elite Partner	Hamburg	Dating platform	ProSiebenSat.1	Germany	Media
3	Fidor	Munich	Banking	BPCE	France	Banking
4	Innogames	Hamburg	Online games	MTG	Sweden	Media
5	Bigpoint	Hamburg	Online games	Youzu Interactive	China	Technology
6	Conject	Munich	Online project management	Aconex	Austria	Technology
7	Smartclip	Hamburg	Online video advertising	RTL	Germany	Media
8	Gourmondo Food	Munich	Food online shop	Delticom	Germany	Retail
9	Stylefruits	Munich	Fashion products	Ströer	Germany	Media
10	FoodPanda	Berlin	Food delivery service	Delivery Hero	Germany	Food

Source: EY Analysis based on 504 disclosed deals since 2013 where a majority share was acquired

For 2017, we see major trends supporting the M&A development

1 Increasing share of national Corporate investors due to digital transformation of German industry

2 Increasing activities from Financial Investors and Private Equity-backed Buy-Outs

3 Increasing investment activities from industry sectors outside Media, Technology and Retail



Market Quotes



Corporates are crucial for the German start-up market as it is still the major exit channel. Success on both sides of the table depends on the way of integrating the young ventures into the corporate organization and reporting systems.

Tobias Streffer, CFO at Mister Spex



Traditional corporates are a key exit channel for start-ups. They show an increasing interest in takeovers as they are struggling to develop specific tech and digital expertise and to access new technology-driven markets as quickly and thoroughly as is possible through an acquisition.

Pawel Chudzinski, Managing Partner at Point Nine Capital



Corporates currently professionalize their activities in the start-up ecosystem. Experience from the first generation of various Accelerator, Incubator and Corporate VC projects is now being leveraged. Still, bridging the incumbent corporate world with agile start-ups is a tricky exercise with many pitfalls, especially the culture clash involved post any acquisition.

Nikolas Samios, Chief Investment Officer German Startups Group



Many corporates have literally ignored the shift to digital and are now trying to acquire digital expertise along with start-up mentality to close this gap. Corporates, on the other side, offer new market opportunities and have strong experience in doing sales and building relationships.

Thomas Taherkhani, CFO at Dreamlines



During the last 3 years, the start-up scene has gained more and more acceptance from Corporates. Business opportunities and cooperations are much easier to realize than in the past.

Carsten Petzold, Founder & CEO Applicata



Thoughts on corporate investors and technology

There are a lot of Tech Hubs in Germany, especially around our excellent Technical Universities. The technological know-how in Germany is absolutely comparable to the US. What's not comparable is the ability to create successful companies out of that. German technology companies will need to improve their sales and marketing skills to compete on a global level with other tech companies especially from the USA.

Otto Birnbaum, Principal at Partech Ventures

Germany is not lacking technological skills. We have excellent universities with a well-regarded level of engineering expertise. However, developers need to learn how to translate their skills into a scalable business idea. Technology is not an end in itself. It's about building profitable and scalable businesses and we are still behind the US in this regard.

Friedrich Neuman, Founder & CEO at Makers

Recently we saw quite some hyped start-ups in Germany that failed in the end. I expect more focus on quality and long term strategy instead of short term focus. This will be important for Germany (especially Berlin) to become one of the major start-up hubs in the world.

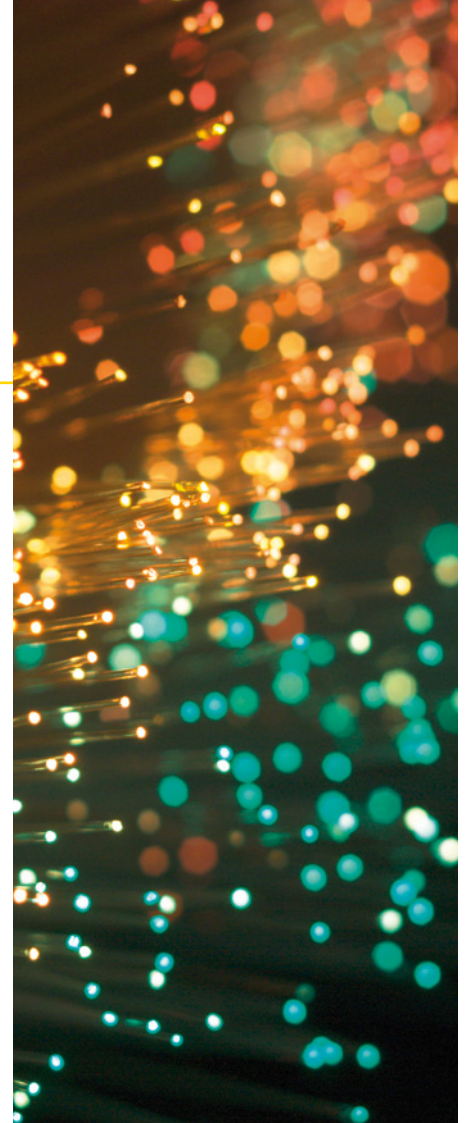
Ulrich Schacht, e-commerce/corporate finance consultant, former MD Elitepartner

Berlin's strong and active community is one of the leading in Europe and is globally known for its technological expertise in a number of areas, like consumer technologies, ad-tech or blockchain.

Pawel Chudzinski, Managing Partner at Point Nine Capital Startups Group

As complex tech-startups require investors that are more prone to take risks and are willing to be invested over longer times the German market is not yet fully capable to meet the requirements of tech-start-ups. However, Corporate Venture Capital is a sound financing source and might offer tech-start-ups in Germany the opportunity to grow.

Sebastian Pollok, Founder & Managing Director at Amorelie





4

Trends

In 2016, the market has experienced new digital trends – both sharp and disruptive

Over the past year, German startups hacked into every digital trend from Food, FinTech, Internet-of-Things, and PropTech to Social Media. There is no doubt that the wheel of innovation is accelerating, and latest funding rounds often give a good snapshot of the startup landscape and their innovative ideas.

- ▶ FinTech and InsurTech are poised to continue to be the hot area. There is a good reason to believe that both segments are heading down the path of disruptive innovation. We will see the generation below the age of 30 years as the first movers to adopt FinTech products and to put a big question mark to the traditional financial business, affecting everything from financial transactions, risk assessments to customer interactions.
- ▶ Personalized day-to-day services such as home cleaning, taxi rides or moving support have been a new playground for ventures. Raised VC capital has been used for user acquisition or to grow externally. Further consolidation is likely to come in segments where several ventures compete to become the No. 1 player.
- ▶ Augmented reality (AR) and virtual reality (VR) have been hyped technologies for some time but remain in central focus of a lot of ventures. In 2016, various technology firms have launched commercial VR headsets which may set the platform for other products or services by smaller start-ups.
- ▶ Internet of things (IoT) continues to merge the physical with the digital and affects all industry fields, including retail, health, utilities and telecommunication. A lot of ventures have introduced apps in an ecosystem of smartphones, retail stores, households, wearables and more. It can be expected that respective products will continue to mature and gain attractiveness for customers.
- ▶ The number of online travel bookings is growing steadily in Germany. Their potential to disrupt the traditional travel industry is still a big trend but far away from being a secret. Metasearch engines for travel bookings or holiday rentals but also specialized marketplaces (e.g. medical travels) are still of interest for customers and therefore for VC investors.
- ▶ Online platforms for art, collectibles and luxury products remain very popular. A group of start-ups have intensified their activities in the areas, due to strong demand by a bourgeoisie target group. A unique selling proposition over physical stores are curated services and a wider selection of offerings, enabling the customer to choose the best product.
- ▶ Another rising trend is PropTech, fueled by the booming property market in Germany. Online platforms are specialized in connecting tenants and landlords or providing agent support combining the traditional service with web-based technology.

What can the national Tech start-up scene expect in 2017?

- ▶ Self-driving cars: National automotive producers have placed their bets on self-driving technology. The HERE takeover in 2015 by BMW, Daimler and Audi for USD 2.8bn had been a strong wake-up signal to the global community. The focus of the consortium is on developing accurate mapping that will enable automated driving. It is foreseeable that national technology start-ups will take advantage of this momentum.
- ▶ eHealth: Digital healthcare is becoming big and it can be expected that this segment is going to continue to see activity in 2017. A lot of ventures have launched mobile apps or other digital services to bring in a new dimension to care giving. This ranges from medical doctor advices via phone to self-tracking tools to monitor health KPIs.
- ▶ Cyber Security: The area was frequently in the news in 2016, also due to turmoil's in global politics and data leakage of renowned tech companies. We anticipate that the segment will grow dynamically since there is a strong demand to manage and protect complex IT systems.

Some business models are very innovative in their market niche, other are rather modification of existing ideas

Top 10 Trends in Germany (2016)				
1: FinTech	2: InsurTech	3: Services	4: Food	5: IoT
Digital offers in the financial services industry Examples <ul style="list-style-type: none"> ▶ Auxmoney ▶ Kreditech ▶ N26 ▶ Raisin ▶ Spotcap 	Digital products focusing on the insurance industry Examples <ul style="list-style-type: none"> ▶ Clark ▶ FinanceFox ▶ Getsafe ▶ Friendsurance ▶ Moneymeets 	Professional support for day-to-day services Examples <ul style="list-style-type: none"> ▶ Blacklane ▶ Helping ▶ Move24 ▶ Movinga 	Online platforms to deliver food or related services Examples <ul style="list-style-type: none"> ▶ Bonativo ▶ Foodora ▶ Kitchen Stories ▶ Marley Spoon ▶ Shopwings 	Internet working of physical devices and other items Examples <ul style="list-style-type: none"> ▶ Azeti ▶ COBI ▶ High Mobility ▶ Relayr ▶ Tado°
6: Social Media	7: PropTech	8: Art and Luxury	9: Tourism	10: AR/VR
Online platforms to share information among people Examples <ul style="list-style-type: none"> ▶ DOJO Madness ▶ Dubmash ▶ Jodel ▶ Onefootball ▶ Readfy 	Technology and services linked to real estate Examples <ul style="list-style-type: none"> ▶ Coozzy ▶ McMakler ▶ Nestpick ▶ Realbest ▶ WunderAgent 	Trading platforms for art and luxury goods Examples <ul style="list-style-type: none"> ▶ Chrono 24 ▶ Junique ▶ Watchmaster 	Online platforms that innovate tourism services Examples <ul style="list-style-type: none"> ▶ Celonis ▶ GoEuro ▶ Medigo ▶ HomeToGo 	Technology to create a simulated environment Examples <ul style="list-style-type: none"> ▶ Itizzimo ▶ Metaio

Source: EY Analysis

In addition to the urban start-up hubs such as Berlin, Munich or Hamburg, a growing number of regional start-up scenes are emerging.

Two out of three start-ups support social engagement and more than half attach value to the sustainable development of their venture.

Digital offensive in Europe

France and Germany announced in December 2016 that they planned to set up a EUR 1bn fund to support start-ups in a bid to boost Europe's digital economy.

High attractiveness for internationals

According to the German Start-up Monitor 2016, 30% of German start-up employees are not German citizens. This is driven by Berlin with a 42% share.

Strong interaction in the ecosystem

About 70% of the start-ups cooperate with established companies and are aiming to gain market- or customer access, reputation as well as expertise.



5

Appendix



Methodology and Disclaimer

This study has been prepared by Ernst & Young GmbH Wirtschaftsprüfungs-Gesellschaft (hereinafter "EY") for the purpose of providing the public with information about developments in the venture capital and start-up sector.

EY points out that the study does not represent an adequate basis for a final decision about the information shown in the study. The study is not to be seen as comprehensive or complete in the sense of containing all the facts which might be of interest in connection with the information described.

The study has been prepared with the usual care and diligence required for such studies. Unless referring to EY itself, the information presented has not been reviewed by EY with regard to its accuracy or completeness. The information has been gathered by desktop research (incl. public sources, disclosed information and acknowledged databases) and interviews, complemented by our own market knowledge, but includes no confidential information in any sense - neither qualitative nor quantitative.

EY is not responsible for incomplete or false information. Thus, readers are recommended to examine all information prior to any decision. EY is not liable for any missing or false information and statements in this study or other oral or written remarks made in connection with the study.

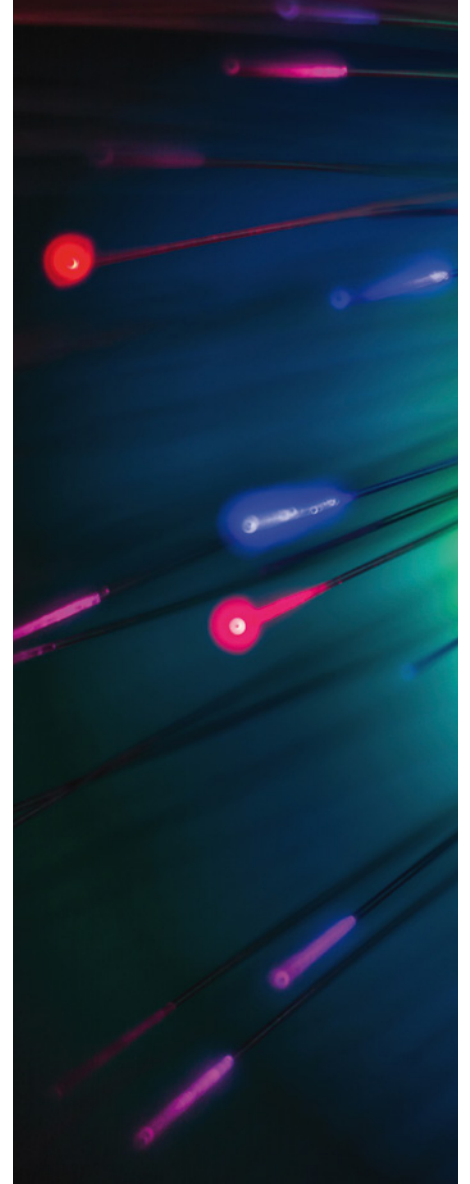
The information in the study has been prepared for a certain target date, prior to its presentation. The main cut-off point for the research is 31 December 2016, with some exceptions relating to research and deals mentioned. Thus, the accuracy at the date of presentation cannot be guaranteed. Any statement regarding future developments is not binding and merely represents an expectation. Stating a value does not represent a valuation as understood in IDW (Generally accepted standards for valuation engagements).

We define M&A activity as mergers and acquisitions in which the targets are German-based companies acquired by either German or foreign buyers (50% +1, with a few exceptions of minority investment with significant market relevance). Specifically, values and volumes used throughout this report are based on completion dates for transactions with a disclosed deal value and supplemented by additional independent research - sometimes based on rumors stated in public sources. We have used a standard exchange rate for EUR to USD of 1:1.1 for all conversions in this document if performed.

Information related to previous periods is updated periodically, based on new data collected for deals closed during previous periods but not reflected in previous data sets.

Information for start-ups, financing, funds and M&A activity includes information for companies which fall into one of the digital sectors. Certain adjustments have been made to the information to exclude transactions that are not specific to digital.

Accordingly, the digital sector comprises companies and information mainly focused on consumer products and services, computer software, IT services, media and entertainment, and retailing/distribution.



Insights



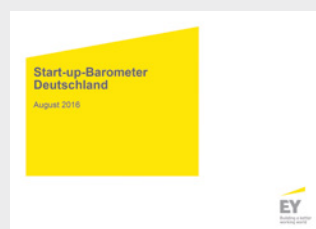
The Innovation Paradox: How can leading enterprises use corporate venture models to solve the innovation paradox? (2016)

The innovation paradox is that for a disruptive idea to take hold, to grow into an economic force, it has to transition from an invention into an executed reality. This EY study into corporate venture explores a rich variety of strategies, approaches and models. By interviewing some of the most dynamic drivers of corporate venture innovation in diverse sectors and geographies, we uncover the strategies that market leaders are using to survive and thrive.



Digital Deal Economy Study: Dealing in a Digital World (2016)

The Digital Deal Economy Study focuses on the impact of digitalization on business and on strategic options to transform business models and operational processes. The results of the 2016 survey, on which the study is based, come from more than 600 interviews with non-technology corporate executives. The research was conducted by the research and publishing arm of the Financial Times Group.



EY Start-up Barometer (2016)

EY and a market research institute ran a survey with a large number of start-up companies to gain representative insights into the current state of the German founders' scene. The publication includes insights on funding volumes as well as regional distribution and focus areas of investments.

For more information, please contact peter.lennartz@de.ey.com.



Digital Business Models in the Utility Sector (2016)

EY and BDEW, the German Association of Energy and Water Industries, published a comprehensive overview of digital business models with relevance for Germany, Switzerland and Austria. The review includes detailed descriptions of the drivers and the market potential linked to the ongoing transformation.

Events



EY VC Trends Get Together (Germany)

Each year, we host an inspiring and value-adding evening offering the opportunity to interact and delivering insights into the venture capital and start-up scene in Germany. Up to 100 participants from start-up companies, venture capital firms, corporate investors and relevant business associations consider this event a great success. Prominent keynote speakers give exclusive insights and share experiences.

For more information, please contact
thomas.pruever@de.ey.com.



Bits & Pretzels (Germany)

Bits & Pretzels is a 3-day event for founders, start-up enthusiasts, investors and business incubators. The event is considered the largest founders' breakfast in the world, with more than 5,000 participants, and guest speakers from Virgin, Airbnb, Evernote or Zendesk in 2016.

For more information, please contact
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EY Start-up Challenge (Germany)

The EY Start-up Challenge, located in Berlin, provides a unique platform for start-ups in the Internet of Things and Industry 4.0 to grow and scale their business. Winners receive the opportunity to exclusively present their company at topic-related international top-events.

For more information, please contact
peter.lennartz@de.ey.com.



EY Entrepreneur of the Year (Global)

The EY Entrepreneur of the Year awards are a global competition that encourages entrepreneurship, and brings together EY EOY country winners, game changers and government leaders. The program helps and supports entrepreneurs to build successful and sustainable businesses in over 60 countries.





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