

Start-up-Barometer Germany

July 2019

Design of the Study

- ▶ The EY Start-up-Barometer Germany is being issued since 2014, effective 2015 twice per year
- ▶ Sources: Press releases of Start-ups or Investors, Press reporting, CB Insights

EY Contact

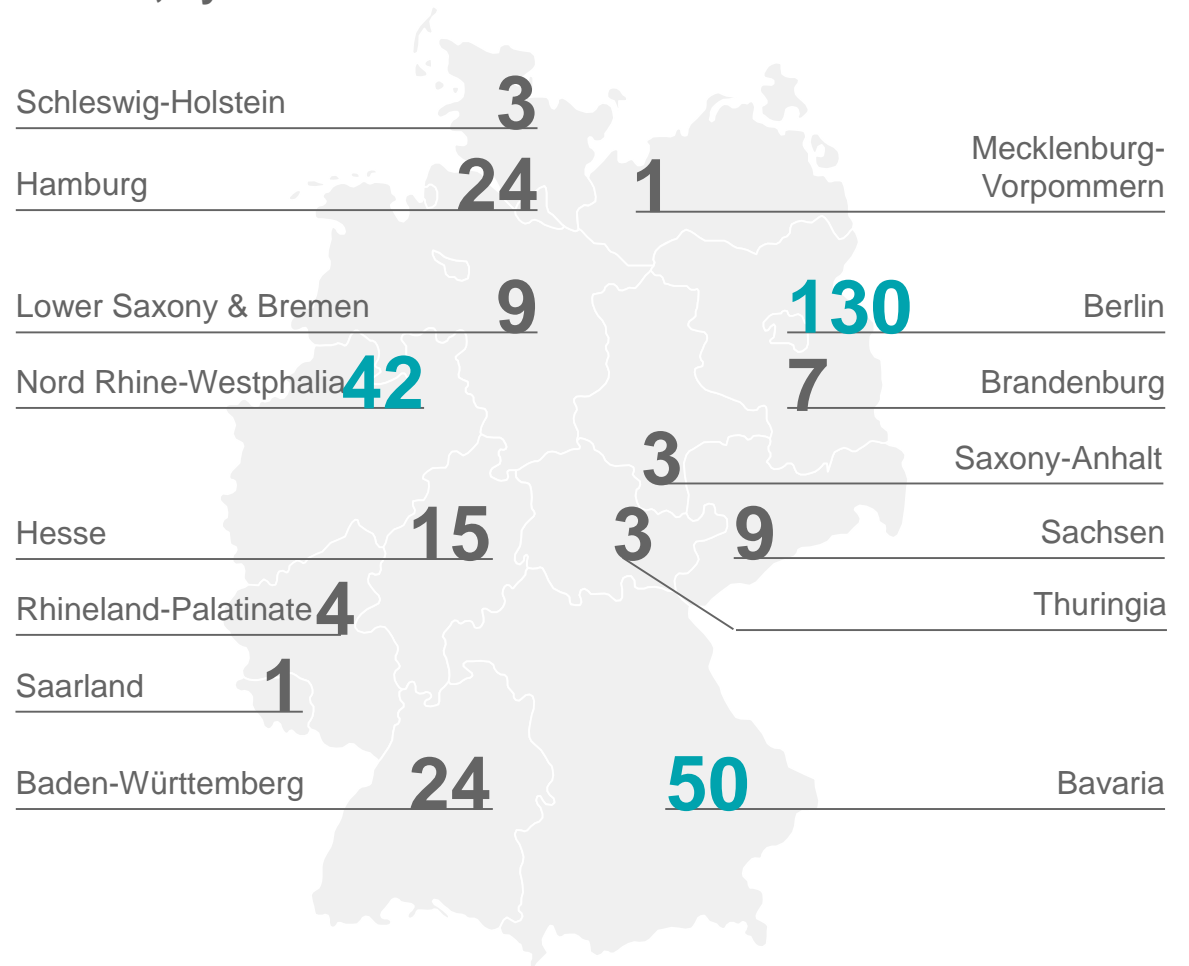


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Number of start-ups that received financing in the first half of 2019, by state



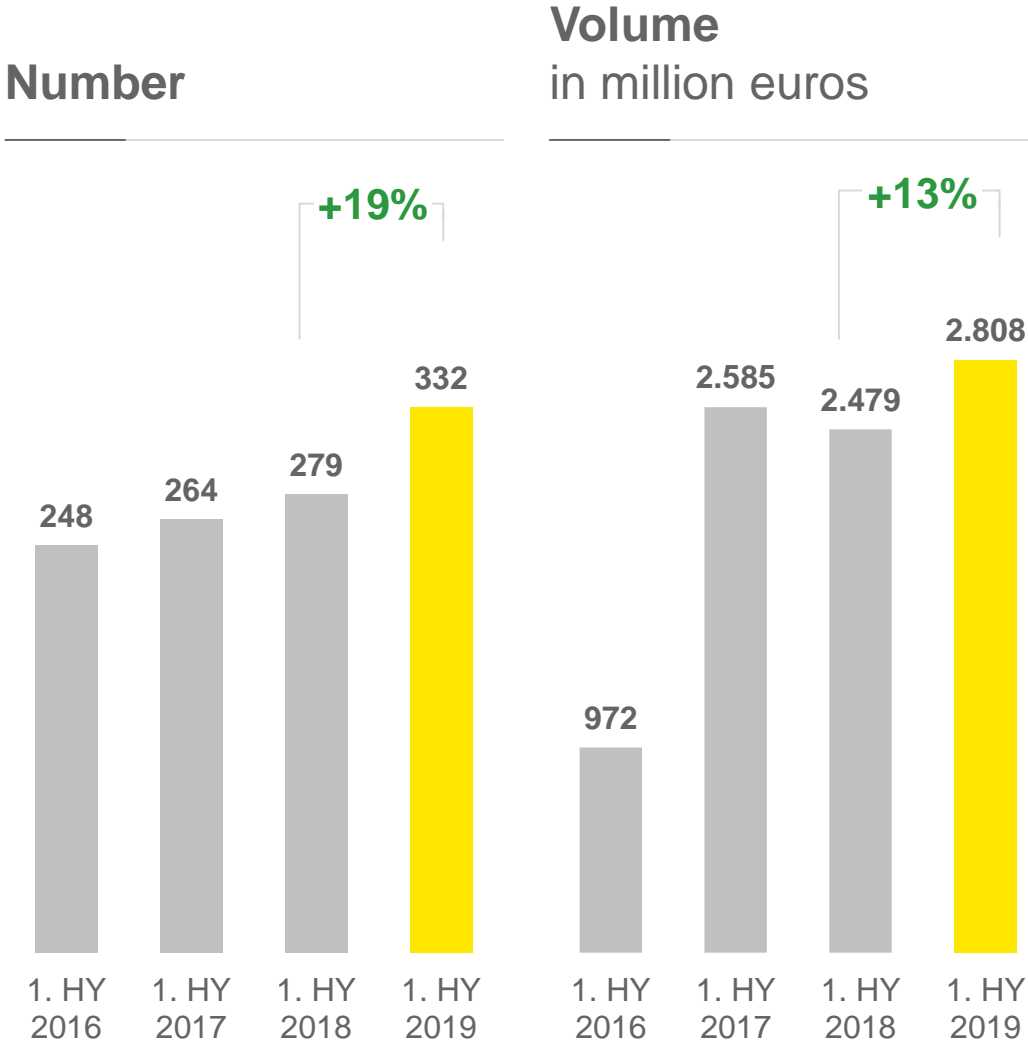
2019: Volume and number of deals increase significantly



Start-up financing in Germany, 2016 to 2019

First half of each year; number and value of financing rounds in Germany

- ▶ Throughout Germany, the number of financing rounds rose significantly in the first half of 2019 compared with the same period last year: by 19 percent to 332.
- ▶ The total value of these investments rose by a good 13 percent, or 329 million euros, year-on-year to around 2.8 billion euros, thus surpassing the previous record of the first half of 2017.



And: deal volume also reaches a new half-year high of 2.8 billion euros

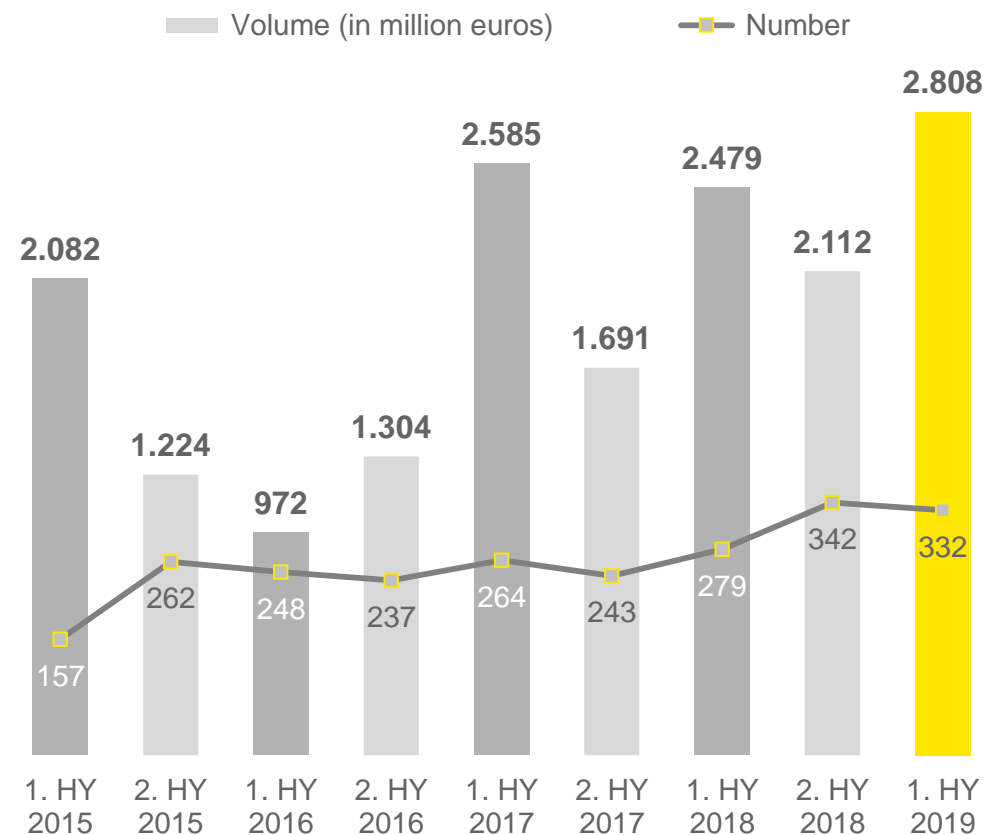


Start-up financing in Germany; 2015 to 2019

Number and Volumes (in million euros)

Number and value of financing rounds per half-year

- ▶ There has never been a half-year in which as much has been invested in German start-ups as in the first half of 2019. At a good 2.8 billion euros, the financing volume exceeded the previous record figure of the first half of 2017 by 223 million euros or almost nine percent.
- ▶ The number of deals also remained at a high level with 332 financing rounds and was only slightly below the record figure of 342 deals in the second half of the previous year.



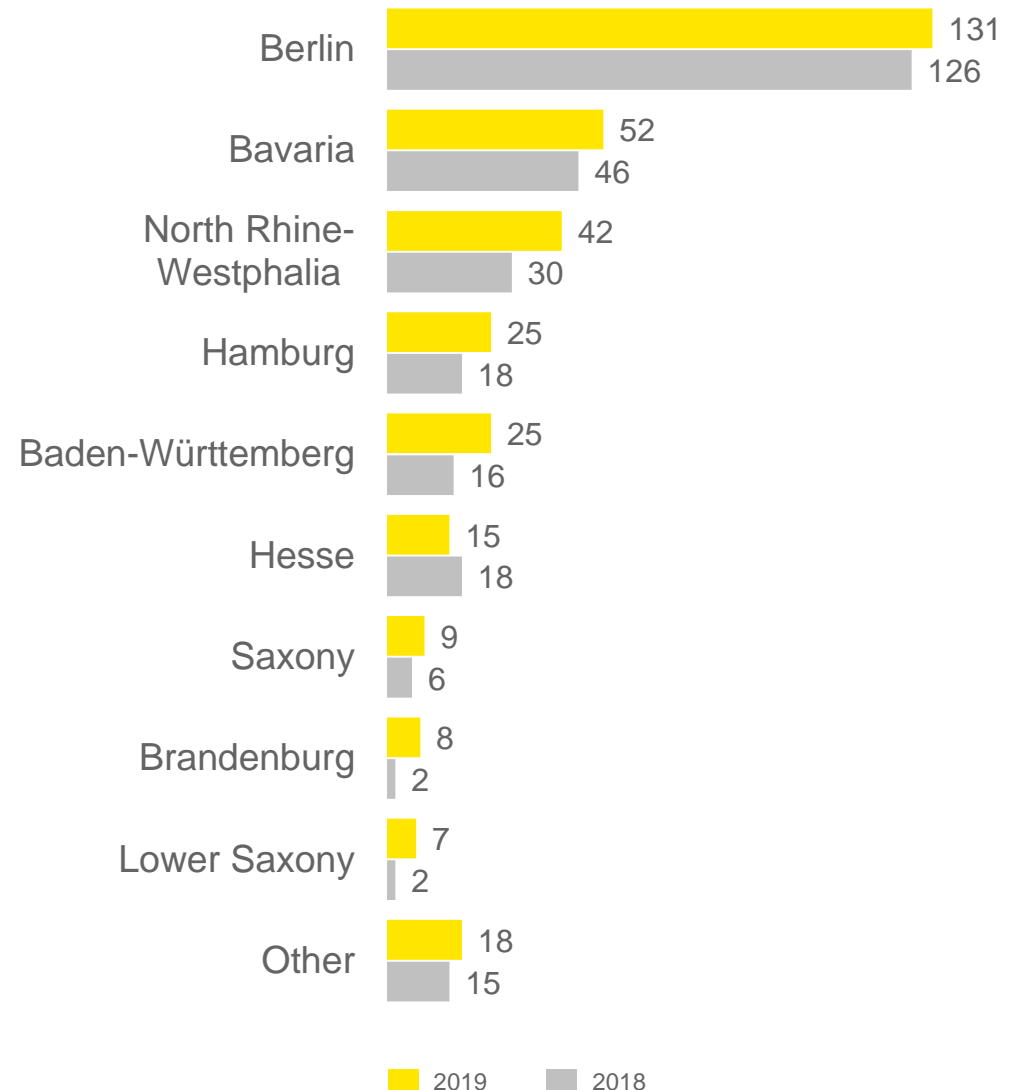
Berlin still well ahead of Bavaria and North Rhine-Westphalia in number of deals



Start-up financing in Germany 2019 and 2018

First half of each year; number of financing rounds by state

- ▶ Berlin will remain the hotspot of the German start-up scene in 2019: a good 40 percent of all financing rounds recorded here in Germany were accounted for by start-ups in the German capital.
- ▶ Start-ups from Bavaria achieved 52 financing rounds in the first half of 2019, followed by start-ups from North Rhine-Westphalia, which recorded 42 deals.
- ▶ All top 5 states recorded an increase in financing rounds in the first half of 2019.



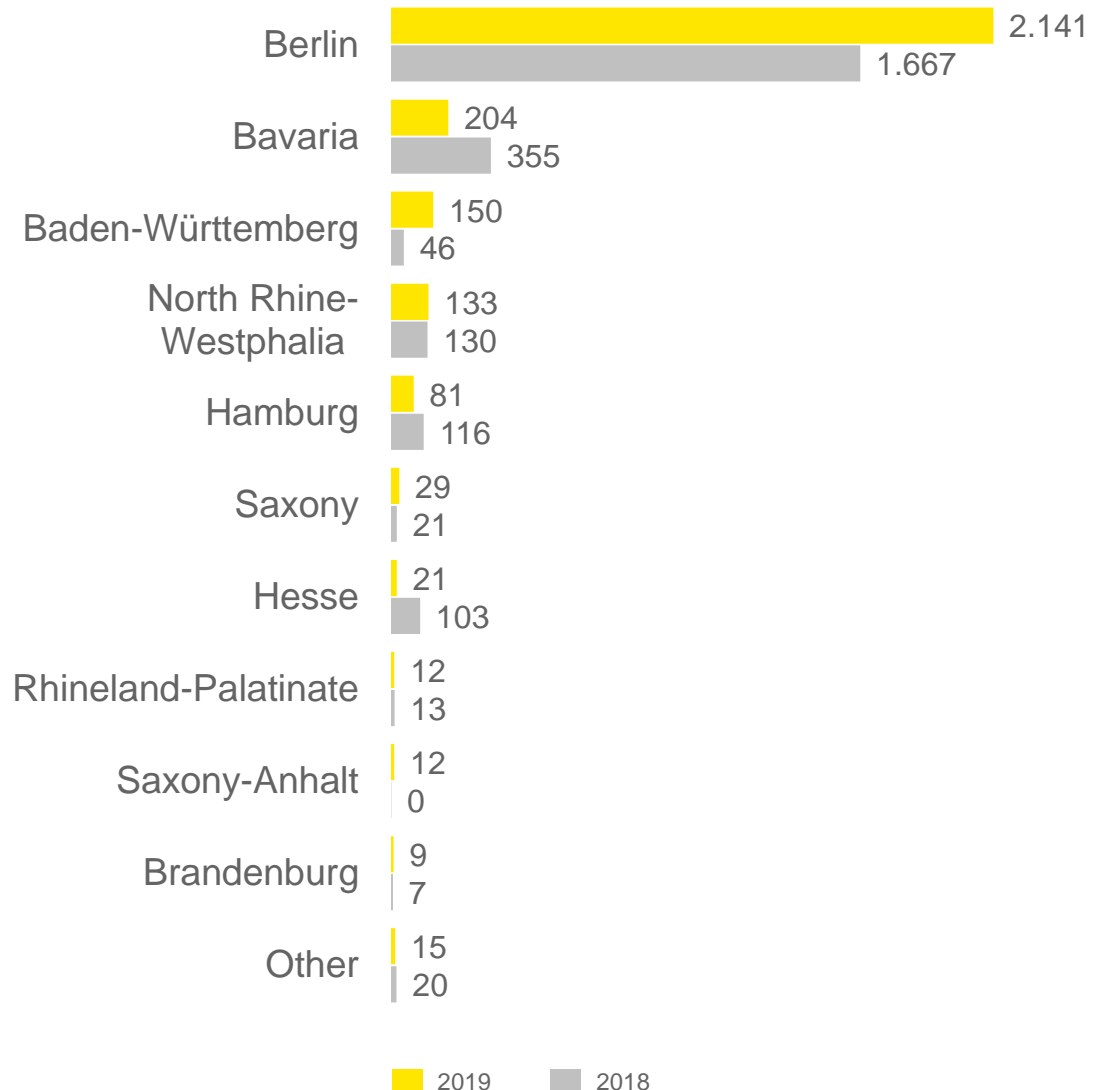
Berlin start-ups receive three quarters of the total investment volume



Start-up financing in Germany 2019 and 2018

First half of each year; financing amounts per state (in million euros)

- ▶ In the first half of 2019, Berlin start-ups received 76 percent of the total risk capital invested in German start-ups. In 2018 as a whole, the share was still 57 percent.
- ▶ Bavaria, with a market share of a good seven percent, ranks second ahead of Baden-Württemberg, which achieved a market share of a good five percent in the first half of 2019.



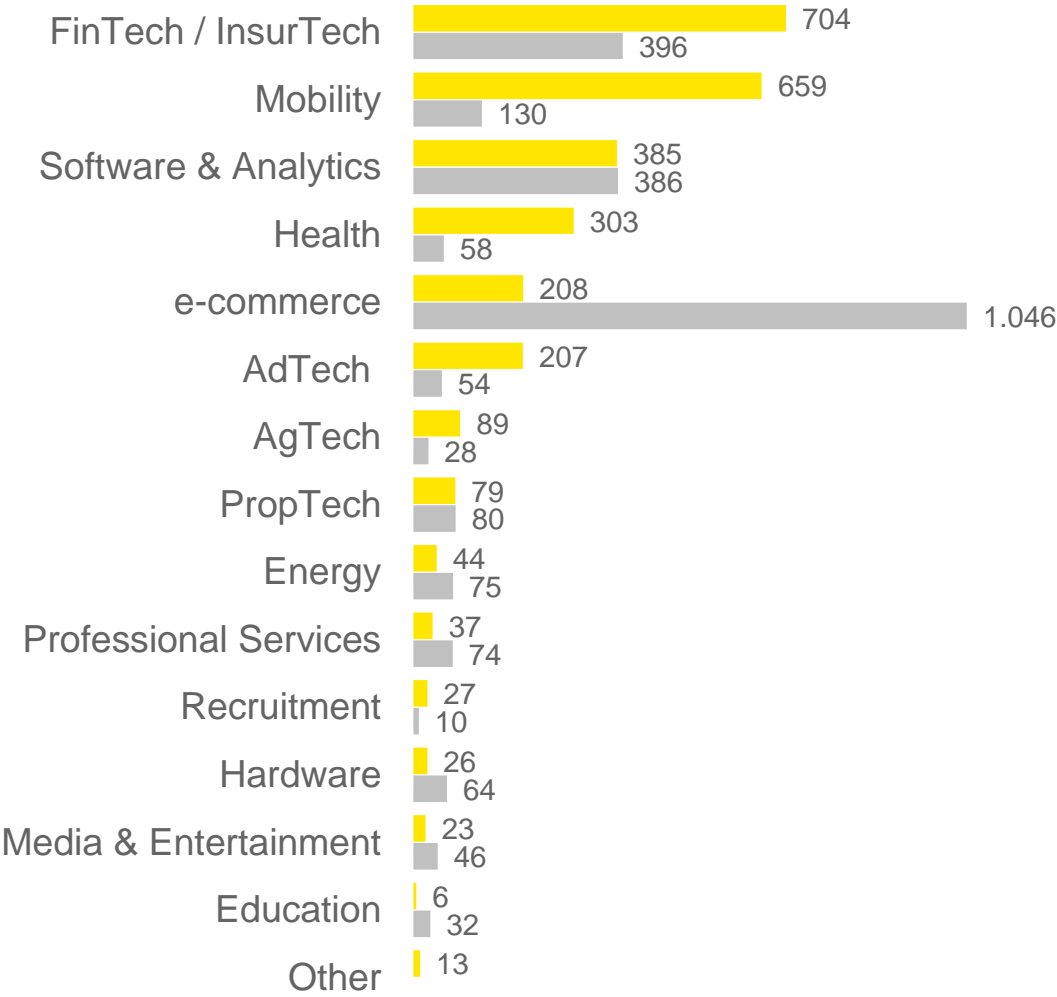
Industries: Most of the investment capital is invested in the FinTech/InsurTech and Mobility sectors.



Start-up financing in Germany 2019 and 2018

First half of each year; financing totals per sector (in million euros)

- ▶ Most of the money, 704 million euros, was invested in the FinTech/InsurTech sector in the first half of 2019, closely followed by the mobility sector, where 659 million euros flowed into. Both sectors received significantly more investment capital than in the same period last year. The Health segment also made substantial gains.
- ▶ By contrast, the leader of previous years, e-commerce, recorded a sharp decline in investment capital: from more than one billion euros to just 208 million euros.



2019 2018



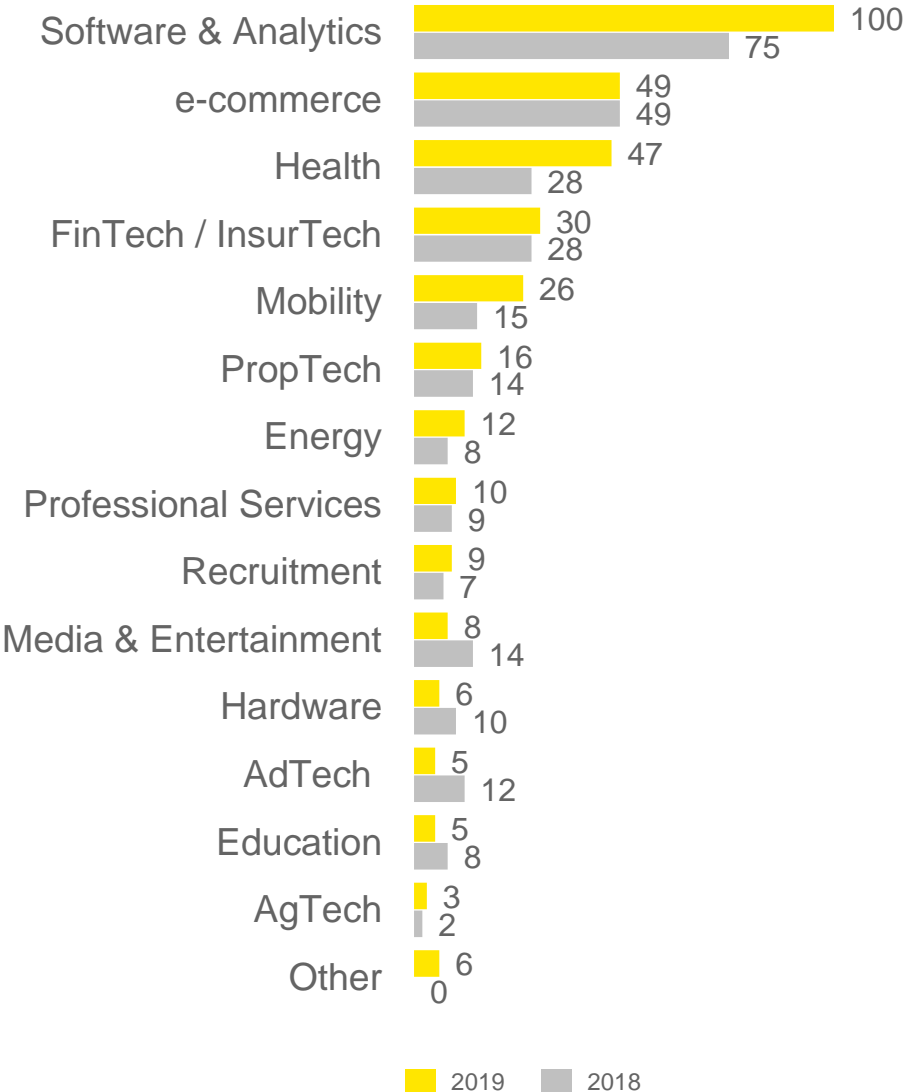
Most financing rounds again in the Software & Analytics segment



Start-up financing in Germany 2019 and 2018

First half of each year; number of financing rounds by sector

- ▶ As in the previous year, the Software & Analytics division accounted for the largest number of financing rounds in 2019: Compared with the first half of 2018, the number of financing rounds even increased significantly once again - despite the sharp decline in the financing volume. This segment includes SaaS, Artificial Intelligence, Virtual Reality, Blockchain, Cloud, Cyber Security and Data Analytics start-ups with new technologies.
- ▶ The e-commerce segment ranks second, followed by the health segment.



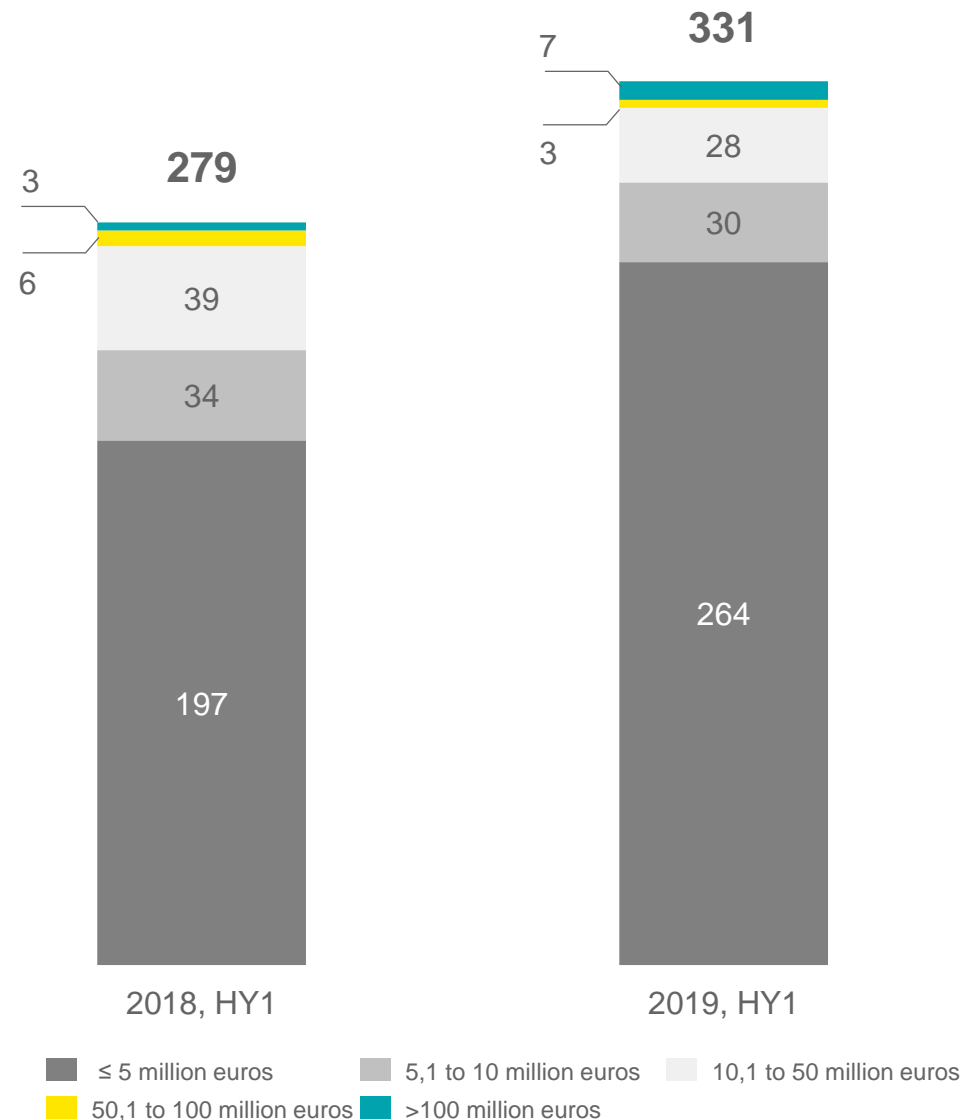
Significantly more small and very large financings



Start-up financing in Germany

By size class, number of financing rounds in the specified size class

- ▶ The number of small deals (up to 5 million euros) rose by a third year-on-year from 197 to 264, and the number of large deals by 133 percent from 3 to 7.
- ▶ On the other hand, the number of medium-sized financings in the range of 5.1 to 100 million euros fell from 79 to 61 deals.



GetYourGuide with the largest financing round

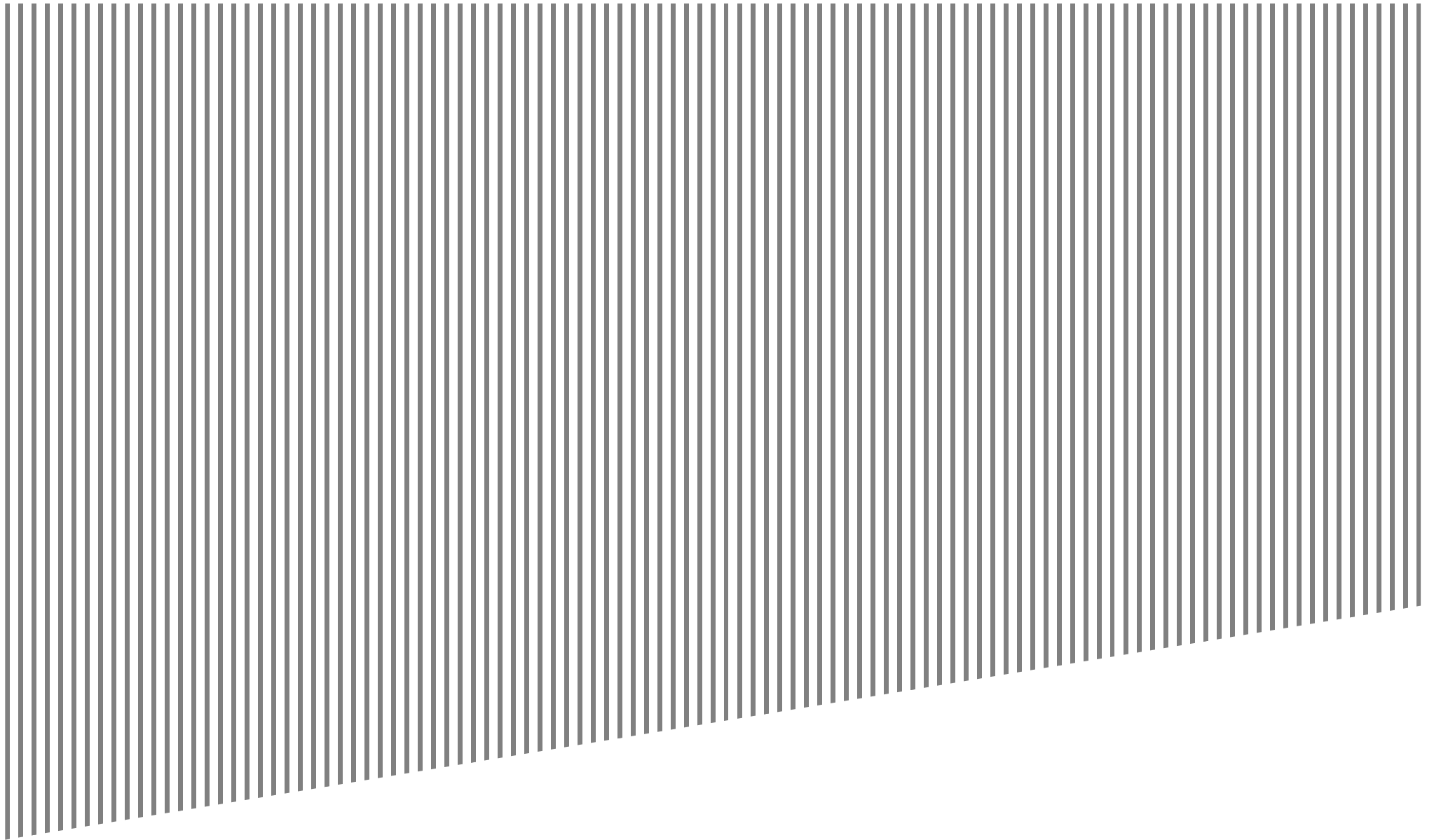


Top 5 financings in Germany in the first half of 2019

Company	Month	Financing amount in million euros	State
GetYourGuide	May	428	Berlin
N26	January	266	Berlin
Adjust	June	201	Berlin
Doctolib*	March	150	Berlin
Friday	March	114	Berlin

* Doctolib is a French-German company based in Paris and Berlin.

Focus on sectors and states



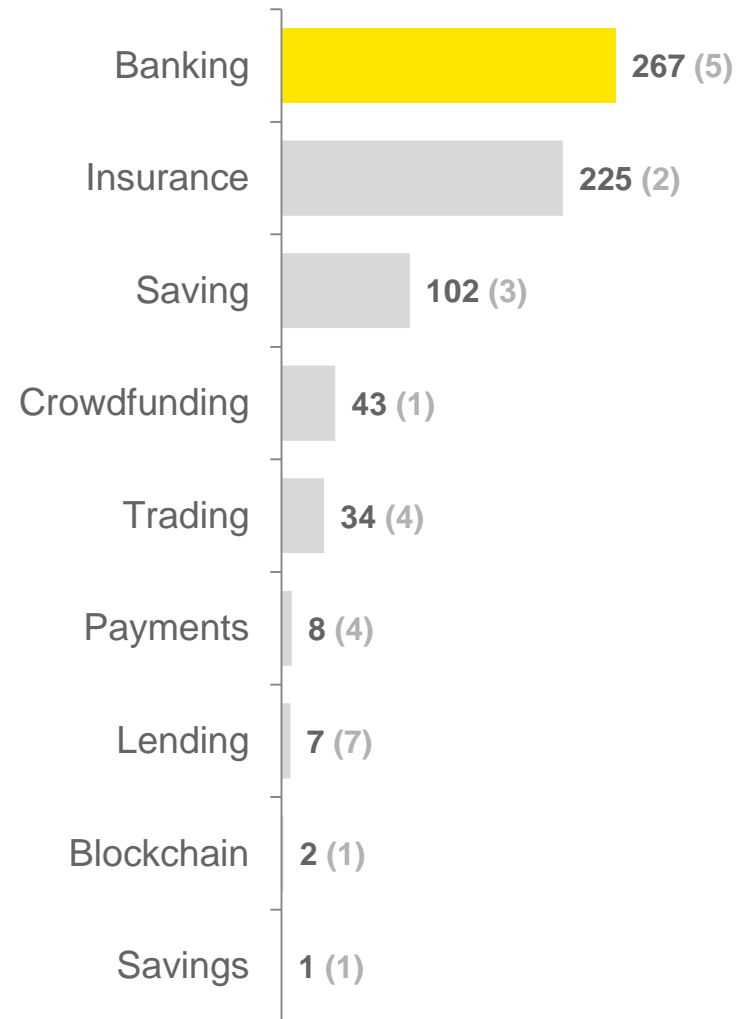
FinTech/Insurtech: Banking attracts most investment capital - before Insurance



Venture capital investments in FinTech; 1st half of 2019

Financing totals per sub-sector (in million euros); in brackets: Amount of financing rounds

- ▶ In FinTech, the Banking segment recorded the largest inflow of investment capital, followed by Insurance.
- ▶ In the Banking segment, however, a single deal was responsible for almost the entire financing volume (N26 with 266 million euros), in the Insurance segment two deals (Friday, Wefox) combined the entire sum.
- ▶ Most of the deals were in the lending segment.



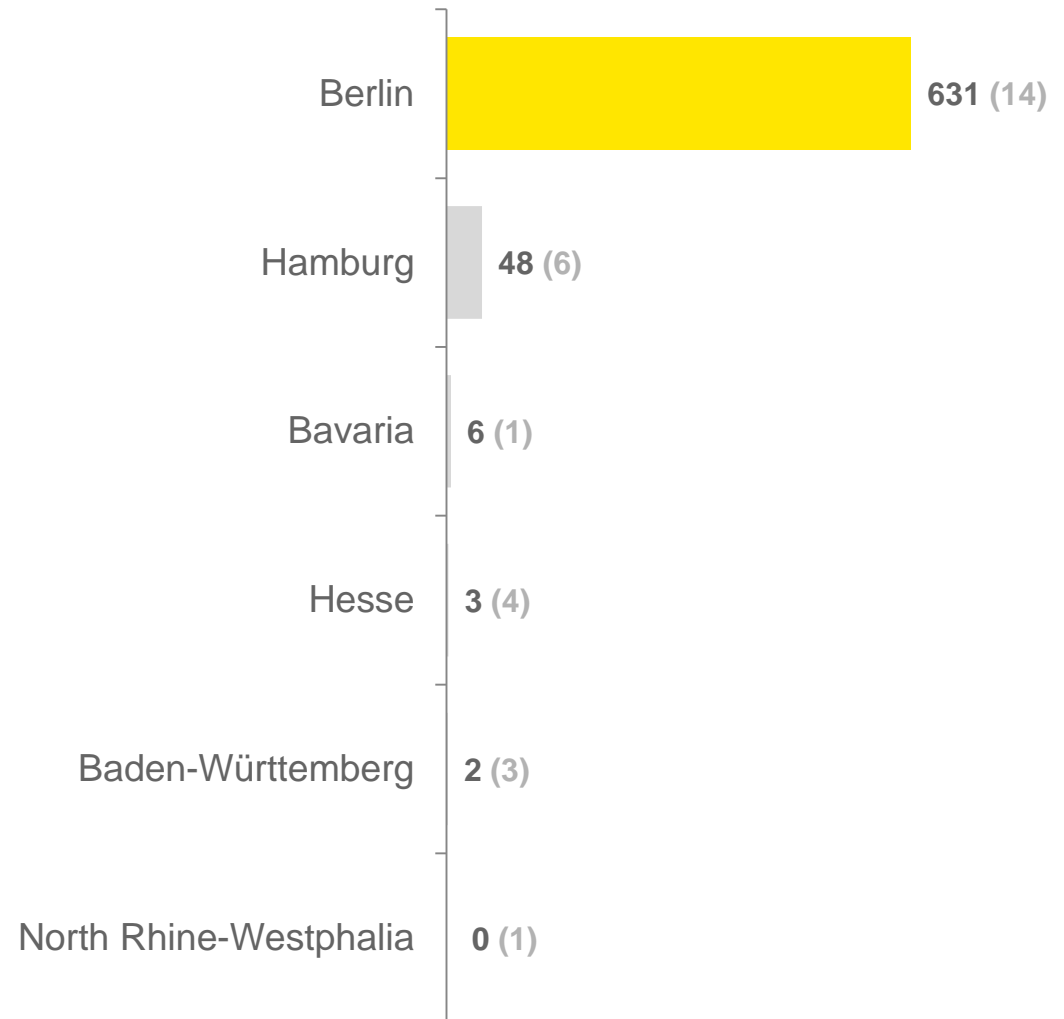
FinTech/InsurTech: Berlin still the hotspot - Hamburg left behind in second place



Venture capital investments in FinTech; 1st half of 2019

Financing totals per state (in million euros); in brackets: Amount of financing rounds

- ▶ In the FinTech/InsurTech area, Berlin start-ups received by far the most money in the first half of 2019: in 14 financing rounds, a total of 631 million euros in fresh capital flowed to capital city start-ups.
- ▶ Hamburg follows with a clear lead, whose FinTech/InsurTech start-ups collected 48 million euros in six financing rounds.



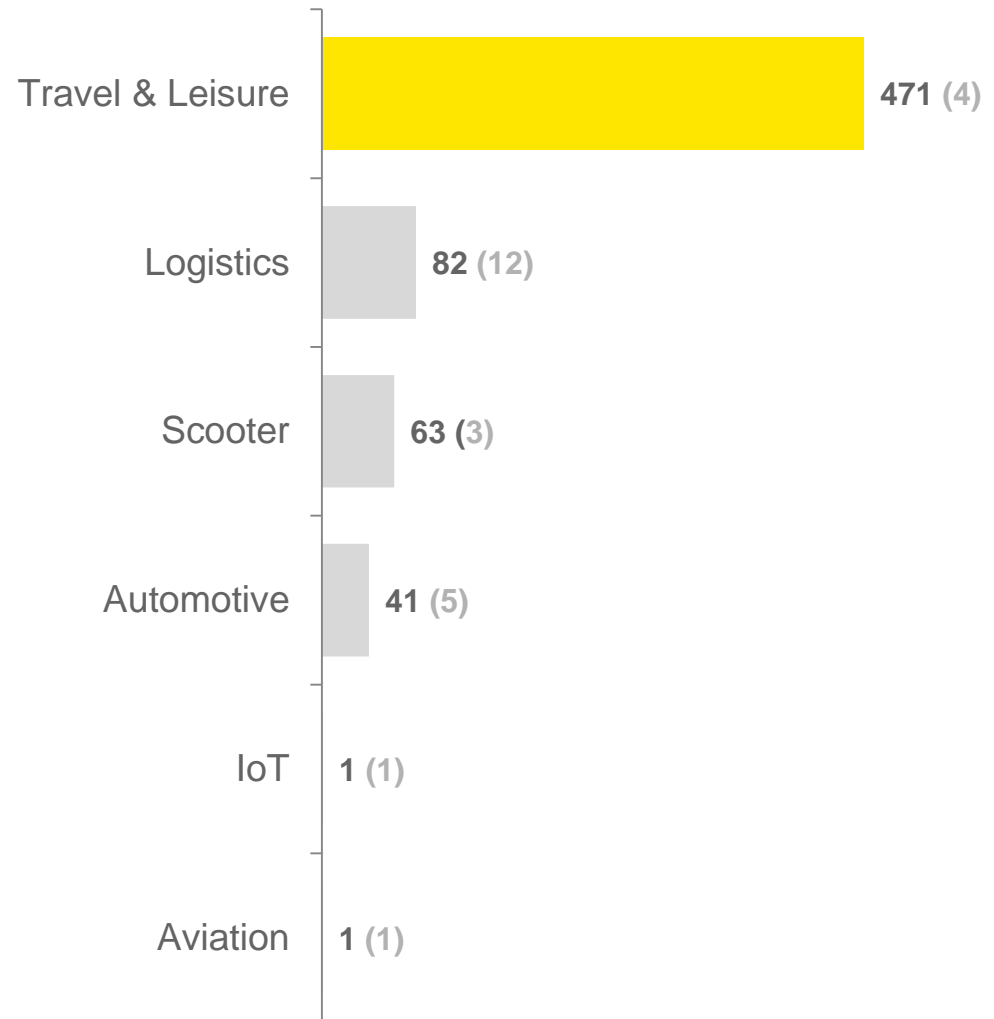
Mobility: Travel & Leisure far ahead of Logistics, Scooter and Automotive



Venture capital investments in Mobility in Germany; 1st half of 2019

Financing totals per sub-sector in Germany (in million euros); in brackets: Amount of financing rounds

- ▶ In the Mobility segment, 72 percent of the total invested capital was accounted for by the Travel & Leisure sub-sector, which also recorded the top deal of the first half of the year with 428 million euros (GetYourGuide).
- ▶ Second place went to Logistics, which accounted for the largest number of financing rounds with 12 deals.
- ▶ For the first time, the Scooter sub-sector received more investment capital than the Automotive sector in the first half of the year.



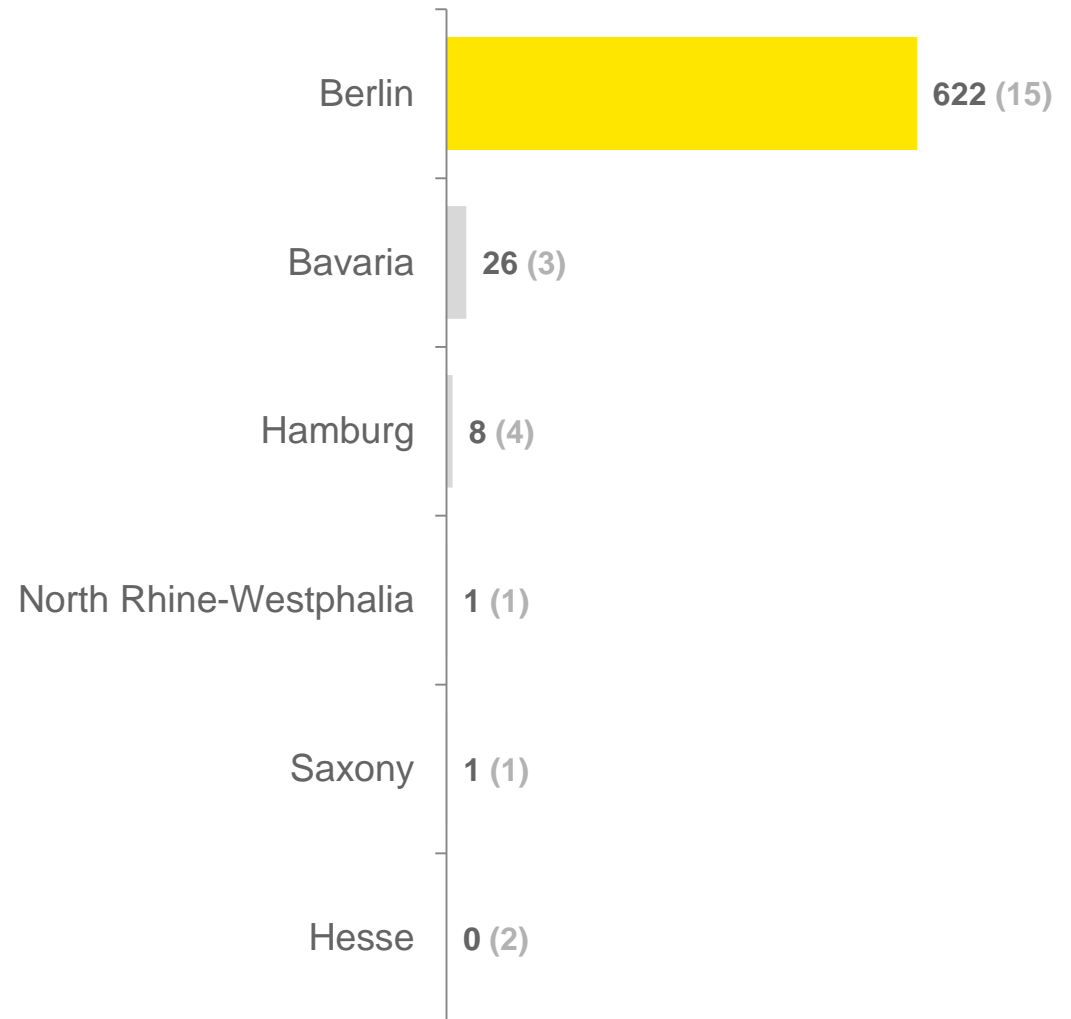
Mobility: 94 percent of investment capital goes to Berlin start-ups



Venture capital investments in Mobility in Germany; 1st half of 2019

Financing totals per state (in million euros); in brackets: Amount of financing rounds

- ▶ Berlin start-ups received 622 million euros in 15 financing rounds in the first half of 2019, representing 94 percent of the risk capital invested in Germany in the Mobility segment in the first half of 2019.
- ▶ Bavarian start-ups in second place achieved a market share of around four percent in three financing rounds with 26 million euros.



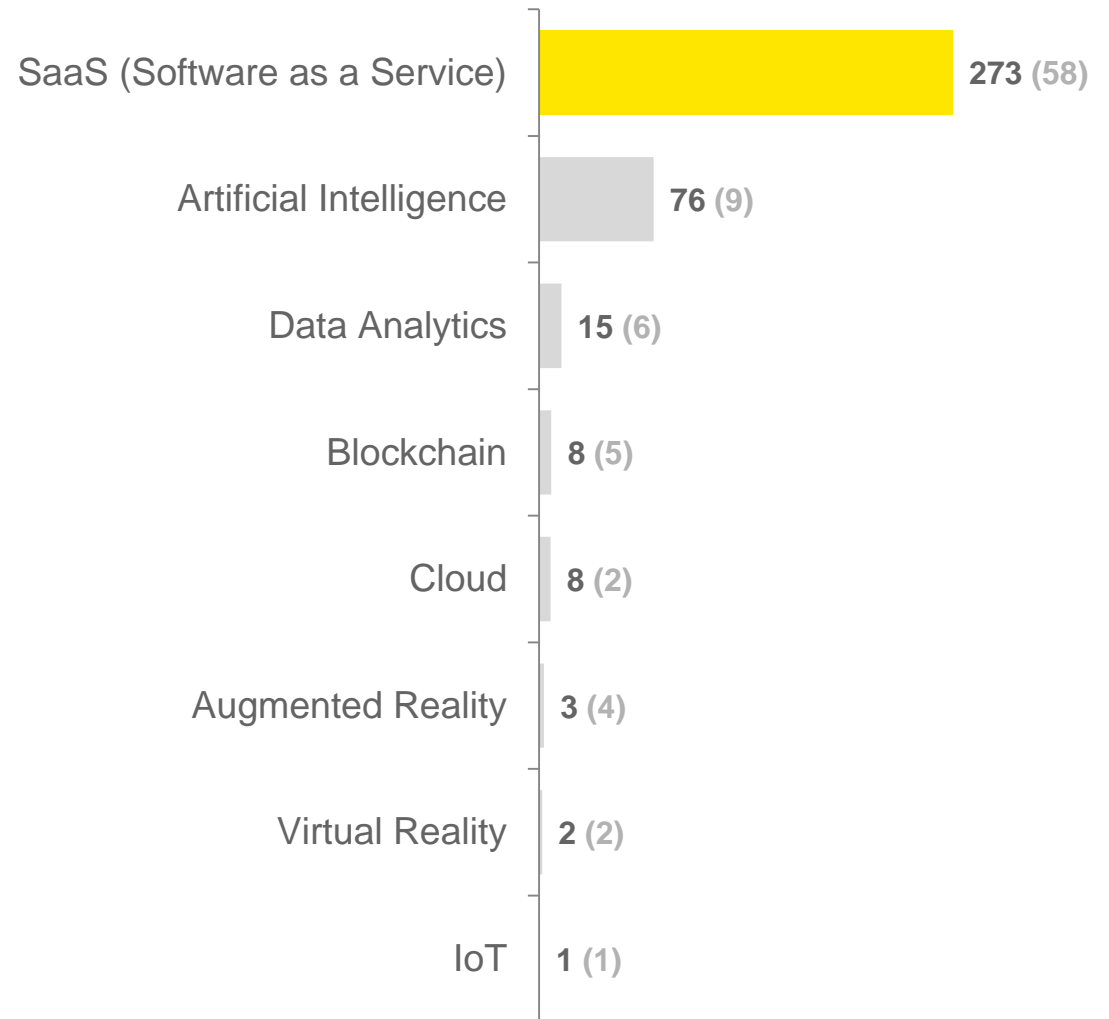
Software & Analytics: Software as a Service ahead of AI



Venture capital investments in Software & Analytics; 1st HY 2019

Financing totals per sub-sector in Germany
(in million euros); in brackets: Amount of
financing rounds

- ▶ Within the Software & Analytics segment, the Software as a Service segment recorded by far the highest number of deals, the highest investment volume and also the top deal within the sector (Powercloud, 100 million euros) in the first half of 2019 with 58 deals and 273 million euros.
- ▶ Second place is taken by Artificial Intelligence, which has nine deals and 76 million euros.



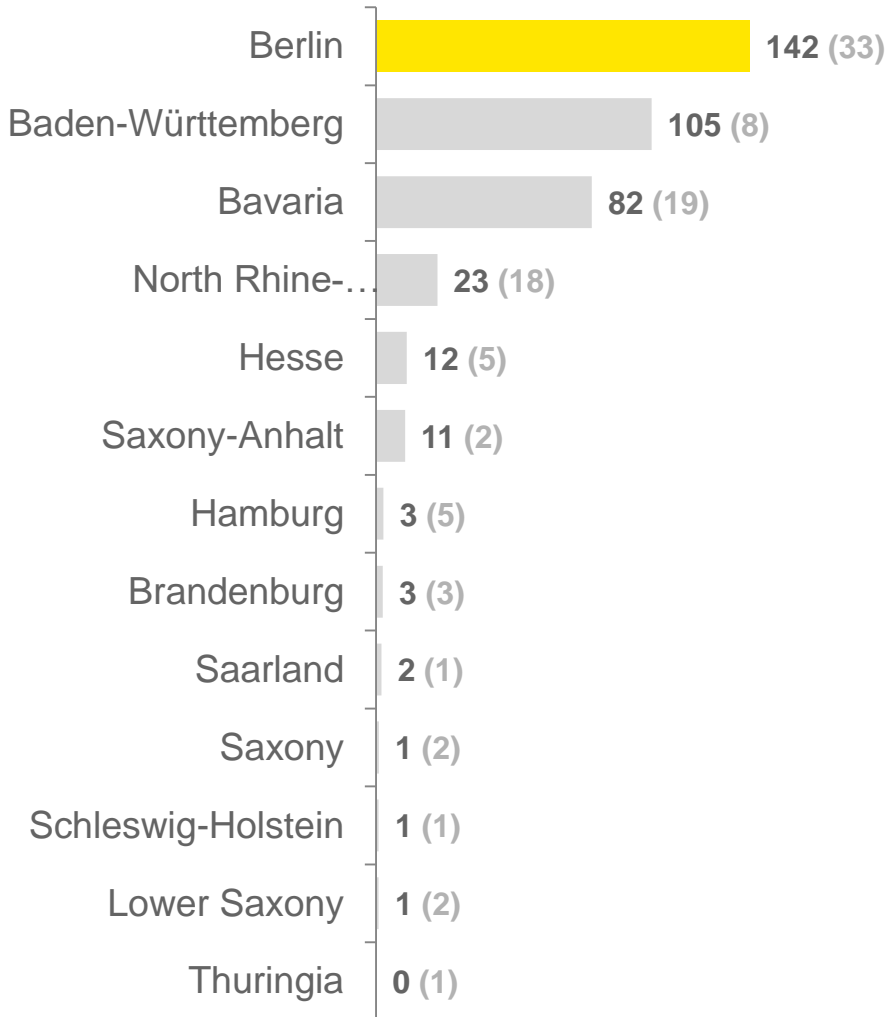
Software & Analytics: Berlin start-ups with competition from the South/Southwest region

Venture capital investments in Software & Analytics; 1st HY 2019



Financing totals per state (in million euros); in brackets: Amount of financing rounds

- ▶ Berlin start-ups also recorded the highest inflow of investment capital and the highest number of financing rounds in the Software & Analytics segment in the first half of 2019.
- ▶ However, the German states of Baden-Württemberg, whose start-ups were able to raise as much as 105 million euros in investment capital, and Bavaria, whose start-ups generated a financing volume of 82 million euros, followed closely behind.



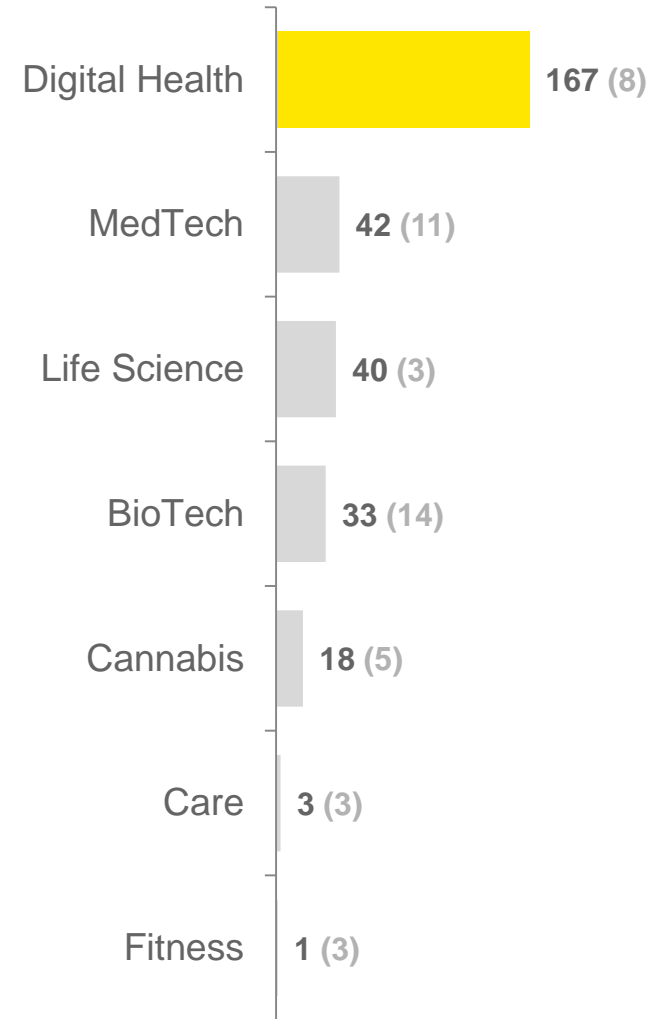
Health: Digital Health ahead of MedTech and Life Science



Venture capital investments in Software & Analytics; 1st HY 2019

Financing totals per sub-sector in Germany (in million euros); in brackets: Amount of financing rounds

- ▶ Within the Health segment, the Digital Health segment recorded the highest investment volume and the top deal in the first half of 2019 at 167 million euros (Doctolib, 150 million euros).
- ▶ Most of the financing rounds were counted in the BioTech sub-sector.
- ▶ In the still young cannabis sub-sector, five deals were recorded with a financing volume of around 18 million euros.



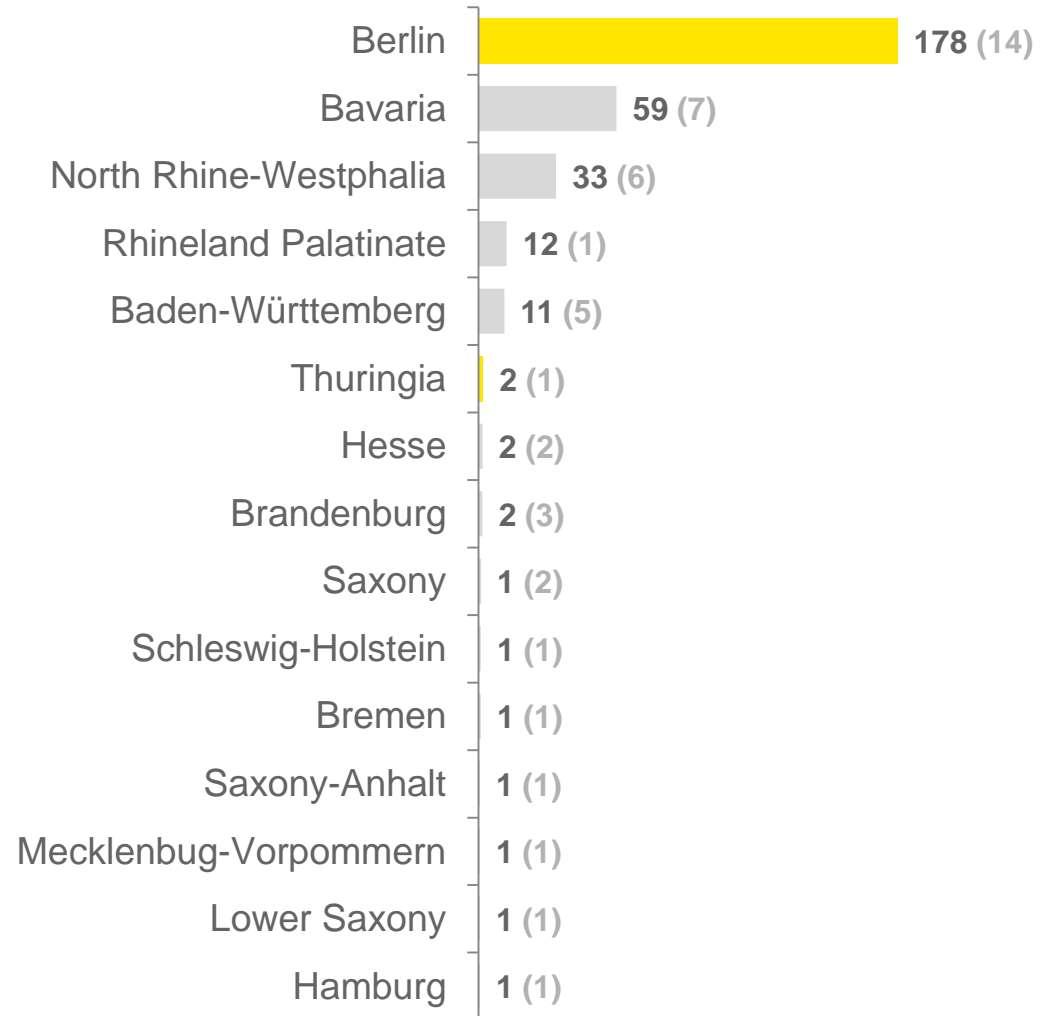
Health: Berlin start-ups receive the most - wide regional distribution of start-ups



Venture capital investments in Software & Analytics; 1st HY 2019

Financing totals per state (in million euros); in brackets: Amount of financing rounds

- ▶ In the health sector, Berlin start-ups also received by far the highest inflow of investment capital in the first half of 2019, at 178 million euros, and recorded the highest number of deals.
- ▶ However, start-ups in Bavaria, North Rhine-Westphalia, Rhineland-Palatinate and Baden-Württemberg also received double-digit million sums. With the exception of Saarland, financing rounds were also counted in all states.



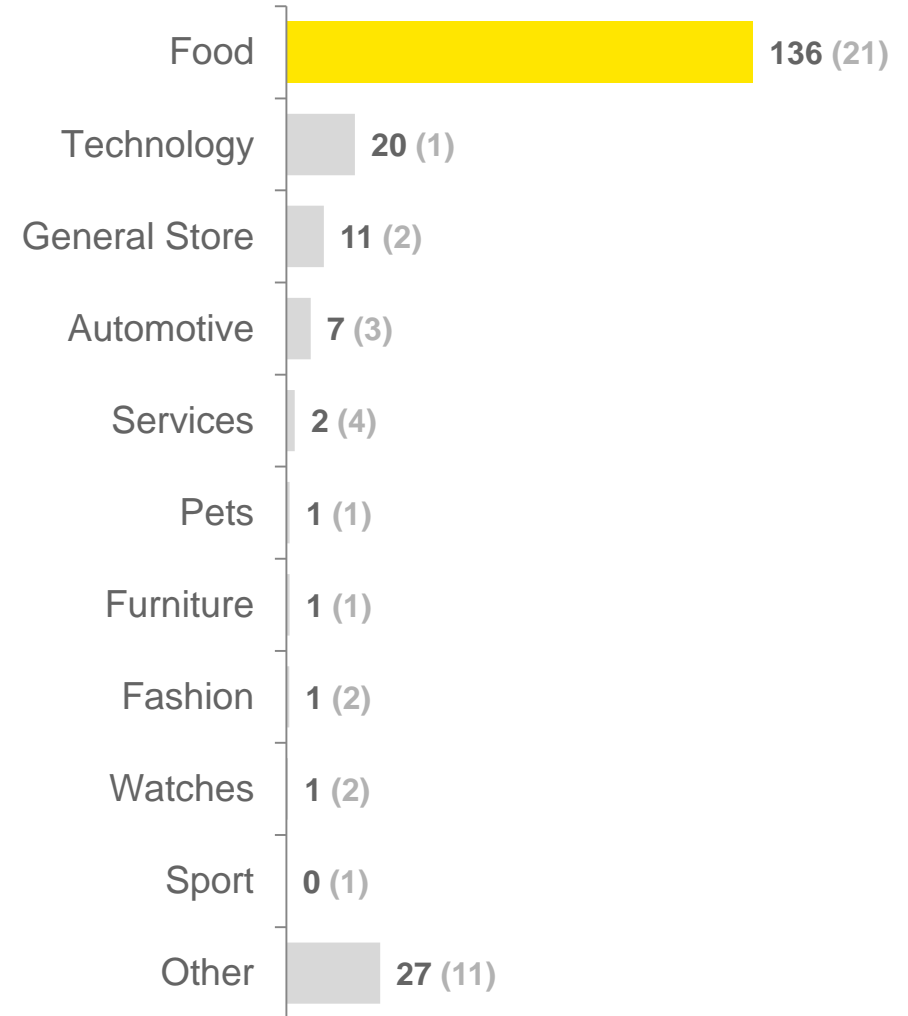
E-Commerce: Food receives the most investment capital



Venture capital investments in e-commerce; 1st half of 2019

Financing totals per sub-sector in Germany (in million euros); in brackets: Amount of financing rounds

- ▶ In the e-commerce segment, most of the money flowed into food start-ups in the first half of 2019: 136 million euros were invested in 21 financing rounds. The two top deals in e-commerce (Flaschenpost, MarleySpoon) alone accounted for 77 million euros.
- ▶ Second place went to the Technology sub-sector, in which only one deal was recorded (Grover).



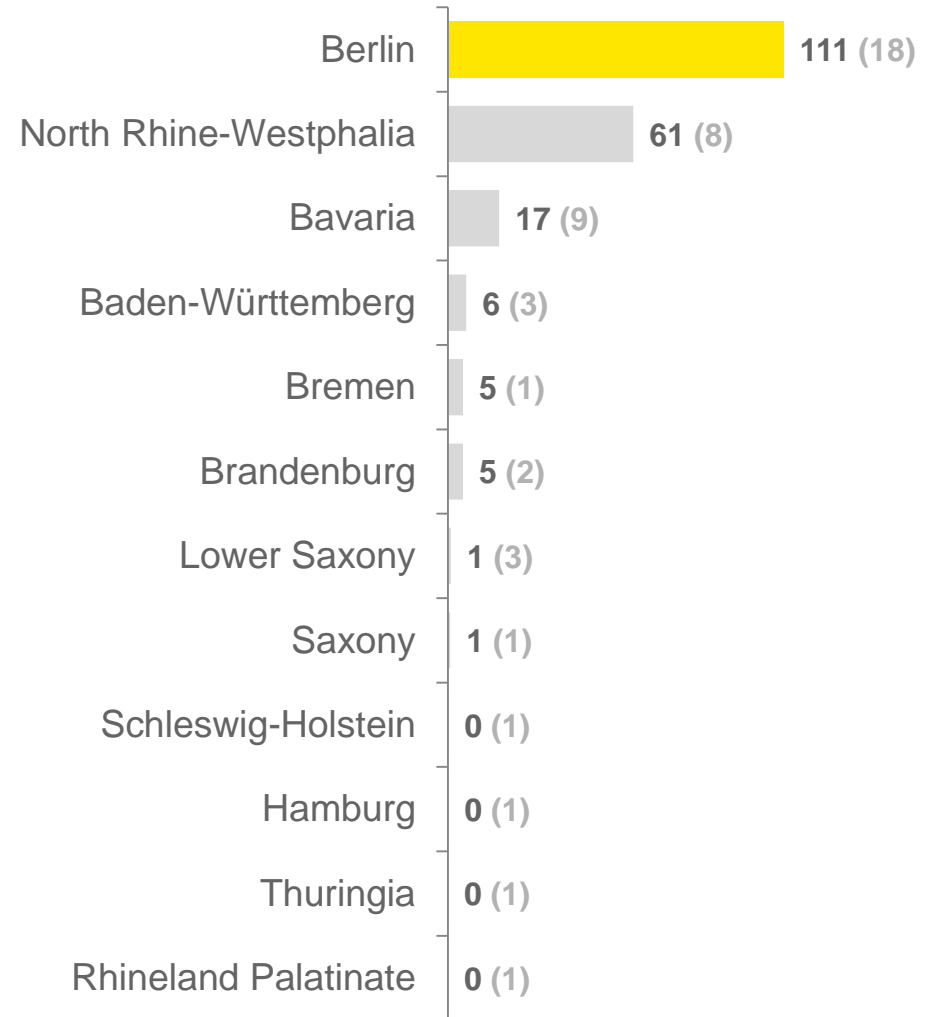
E-Commerce: More than half of the investment capital goes to Berlin start-ups



Venture capital investments in e-commerce; 1st half of 2019

Financing totals per state (in million euros); in brackets: Amount of financing rounds

- ▶ Berlin again recorded the highest number of deals and the highest financing volume in the e-commerce sector in the first half of 2019: at 111 million euros, around 54 percent of the total 208 million euros invested in e-commerce went to capital city start-ups.
- ▶ In addition to Berlin, only the start-up scene in North Rhine-Westphalia achieved a double-digit market share of around 30 percent.



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