Fast growth beyond borders: Tech start-ups reshaping the economy

Venture Capital and start-ups in Germany 2018
Welcome
Fast growth beyond borders: Tech start-ups reshaping the economy

After years of strong growth, 2018 has set again a new milestone in the development of the German Tech start-up ecosystem. The scene has grown up and is attracting investor’s interest from all over the world.

Funding of German Tech start-ups becomes more and more sustainable and diversified. The pipeline of top-funded ventures is no longer driven by a few large-size companies in e-commerce and marketplaces but shows a well balanced mix of innovative ideas in FinTech, Mobility, Smart Logistic, PropTech and HR related solutions. Berlin is the main hub in Germany, driven by its internationality and diversity. Despite some players exiting the market, the overall start-up ecosystem in the capital has strengthened after selected companies were taken public.

Top fundings are driven by international investors with only a few German funds able to participate in Series B+ rounds. Among the traditional global VC funds investing in Germany, we increasingly see sovereign wealth funds and private equity players competing for investment opportunities in the German Tech market. After years of incubator and accelerator initiatives with mixed results, corporate investors have gained further significance in the funding market due to the continued lack of local growth VC funds.

In terms of M&A, corporates remain the most relevant exit channel for start-up founders and their VC investors. German ventures are sold in rather early stages, whereby the majority of corporate investors are headquartered outside Germany. Apart from corporate buy-outs, market consolidation evolves as a key M&A driver in various verticals. Sub-scale ventures are acquired by market leaders to accelerate growth, reduce competition and realize synergies, primarily in marketing. Besides a few large-size IPOs especially in e-commerce, the stock exchange has not been a relevant exit channel for the majority of German Tech ventures despite favorable macroeconomic conditions.

The German Tech ecosystem is well positioned, relevant to the economy, and sufficiently strong to absorb potential setbacks as a result of political uncertainty and a changing macroeconomic environment. We consider technological expertise and talent as key competitive factors in developed economies and look forward to the next growth level.

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EY  
Transaction Advisory Services

Max Turner  
EY  
Transaction Advisory Services
German start-ups are full of innovative ideas seen in such areas as FinTech, Mobility, Smart Logistics, PropTech and HR related solutions.

As at December 2018, Top 100 German start-ups account for an accumulated funding of USD8.1b, which is 43% more than in the year before (on a like-for-like basis). Berlin accounts for 58 out of top 100 start-ups in terms of funding and represents the leading Tech hub in Germany.

Trade sales to international corporations still provide the most common exit channel for German Tech start-ups. Since the stock exchange works only for a few large-size ventures, it is not yet a relevant exit channel for the majority of German Tech start-ups.

Still underserved by global standards, early stage funding has impressively developed in Germany with well balanced liquidity supplies in Seed and Series A rounds. We observe a clear trend towards growth stage investors, including corporates and financial investors.
## Dashboard

<table>
<thead>
<tr>
<th>Trending business models</th>
<th>Outlook for future trends</th>
</tr>
</thead>
<tbody>
<tr>
<td>FinTech, Mobility, Smart Logistics, PropTech and HR</td>
<td>AI seen as key disruptive technology applied in all industry verticals</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Top 100 start-ups’ accumulated fundings until 2018</th>
<th>Top 10 start-ups’ new funding volume 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD8.1b</td>
<td>USD1.7b</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cross-border transactions still provide the main exit channel for German start-ups</th>
<th>Outlook for future IPOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross-border transactions still provide the main exit channel for German start-ups</td>
<td>We do not expect a significantly increasing IPO market in Germany for ventures valued below USD500m</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New funds in 2018</th>
<th>Biggest fund raise of a German VC fund in 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD6.4b (disclosed)</td>
<td>USD0.4b</td>
</tr>
</tbody>
</table>
Venture Capital and start-ups in Germany 2018
Breakdown of key terms

1. Investments

With investments we refer to fundings, M&A deals and IPOs, which involve German start-ups, operating a digital business model. Investments in life science, BioTech or non-digital start-ups have not been considered in this study. For this reason, investments presented in the 2018 EY Start-up Barometer (619) and in this study (594) are different.

- **Funding**
  We define funding as equity or debt financing with a change of ownership below 50% provided to a German-based start-up that operates a digital business model.

- **M&A**
  M&A activity comprises acquisitions of German start-ups with a change in ownership of more than 50%.

- **IPO**
  We define an initial public offering (IPO) as a public offering in which a start-up founded in Germany sells shares for the first time.

2. Exit

3. Key Player

- **Investors (Corporate and Financial)**
  We define investors as market participants acquiring shares in German-based start-ups in course of either funding or M&A. A company is considered corporate when its primary business is non-finance related, e.g. industry or service provision. We define an investor as a financial investor when its primary activities are investing or financing related.

- **Start-up**
  Start-ups are companies generally younger than 10 years that are operating digital business models. Exceptions might apply for older companies that have digitally transformed their business model during the last 10 years.

  The digital sector comprises companies mainly focused on the sectors consumer products and services, software, IT services, media and entertainment or retailing/distribution.
Trends
Trending industry clusters appear similar to prior year, now even more accelerated by ML/AI technology

<table>
<thead>
<tr>
<th>FinTech</th>
<th>Mobility</th>
<th>Smart Logistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>FinTech start-ups have been evolving to offer a comprehensive set of services, ranging from tax and accounting to B2B online banking services and Blockchain-enabled solutions. Foreign competitors start to expand into the German market, which will drive consolidation. The InsurTech segment exhibits the need to come up with innovative B2C products as different Tech trends converge (e.g. IoT and HealthTech).</td>
<td>Business models offering last mile transportation, mobility-as-a-service and smart parking attracted the attention of early-stage venture capital investors in 2018. Key disruptive trends such as autonomous driving, electrification and smart mobility are ready to kick-off. German digital and mobile infrastructure, which lag behind other leading countries, has slowed the development of these trends.</td>
<td>Smart logistics are gaining attention, ranging from digitalization of supply chains to the introduction of new technologies. Drones and smart sensors are being implemented into processes like inventory management and shipment tracking. In the future, an even more pronounced focus on further implementation of machine learning is expected to lead to innovations in risk management solutions along with a further streamlining of the supply chain process.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PropTech</th>
<th>Human Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>A growing number of start-ups is keen to improve the transparency in the real estate sector by managing property availabilities and prices. Online platforms are putting old-school real estate brokerages to the test by providing similar services for free. In addition, co-living and co-working solutions have continued to be in the public spotlight and gained significant VC attention.</td>
<td>Start-ups have tackled diverse segments of the recruiting process – acting either as a platform (broker model), or offering selected services, such as applicant sorting services or providing proofed referrals. Especially, recruiting platforms engaging in specific occupational fields such as medical, IT, legal and logistics received significant VC funding in 2018.</td>
</tr>
</tbody>
</table>

Artificial Intelligence

Machine Learning (ML)/Artificial Intelligence (AI) remains the driving force behind more and more start-ups, aiming to facilitate innovations or optimize processes.

The German government is showing interest in establishing the country as a hub for ML/AI. A joint master plan is driven by renowned research institutes such as the German Research Center for AI and the AI arm of the Fraunhofer Institute (IAIS).
German start-ups draw attention with a pipeline full of innovative digital ideas and new business models

Selected national ventures

<table>
<thead>
<tr>
<th>FinTech</th>
<th>Mobility</th>
<th>Smart Logistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coya</td>
<td>Ceverciti</td>
<td>Blik</td>
</tr>
<tr>
<td>FinCompare</td>
<td>Cluno</td>
<td>Cargo.one</td>
</tr>
<tr>
<td>Grover</td>
<td>Tier Mobility</td>
<td>doks.innovation</td>
</tr>
<tr>
<td>omni:us</td>
<td>Wind Mobility</td>
<td>ParcelLab</td>
</tr>
<tr>
<td>Penta</td>
<td>Wirelane</td>
<td>Sennder</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PropTech</th>
<th>Human Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Casavi</td>
<td>Bunch</td>
</tr>
<tr>
<td>Inreal Technologies</td>
<td>HeavenHR</td>
</tr>
<tr>
<td>PROJECTS</td>
<td>Loopline Systems</td>
</tr>
<tr>
<td>Store2Be</td>
<td>Talentry</td>
</tr>
</tbody>
</table>

1Selection for illustrative purpose only
The founders’ main focus is expected to shift towards the implementation of AI/ML in all areas of business and social life. We do not see AI/ML as an own industry cluster but consider it as the key technology driver behind all disruptive business models.
In recent years, the German start-up funding was skewed by considerable investments in a few large-size ventures, such as HelloFresh, Delivery Hero and Auto1. This development has rather tended towards a much more diversified and balanced funding ecosystem in 2018. We have analyzed the top 100 start-ups in terms of funding and classified these companies by maturity and business model.

Top 100 German start-ups account for USD8.1b accumulated funding as at December 2018.

However, the composition of the top 100 list has significantly changed. The Rocket Internet backed companies Delivery Hero, HelloFresh, Westwing and Home24, which previously received considerable funding, went public in recent years and are, therefore, not considered as start-ups within our 2018 top 100 list. For comparison purposes, we adjusted previous year accumulated funding figures for these cases (a so called like-for-like analysis). On this basis we observed an increase of total accumulated funding by significant 43% comparing to 2017.

In addition, a large number of new rising stars gained investors’ attention and attracted fresh money. Similar to previous years, innovative German companies still operate a wide variety of business models, albeit an investment focus on mature FinTech and e-commerce start-ups can be observed. Later stage FinTechs received fundings that exceeded USD60m per entity in 2018.

Berlin is still Germany’s start-up hotspot, albeit other cities, such as Munich, are gaining attractiveness, especially with regard to Deep Tech.
The composition of top 10 start-ups shows a lower concentration compared to last year’s list

In comparison to last year’s top 10 list, funding is less concentrated as at December 2018 after Delivery Hero, HelloFresh, Westwing and Home24 went public and, thus, are not included in the 2018 list.

The 2018 top 10 list is characterized by a wide group of companies, mainly operating in FinTech, e-commerce, or online travel business models. For the first time of this study series (since 2015), none of the top 10 companies is primarily funded by Rocket Internet.

Growth and later-stage financing rounds are still led by international investors, (e.g. Softbank, Sequoia, Accel, New Enterprise Associates, Kleiner Perkins, Vitruvian Partners or Temasek). However, we observe a trend that a growing number of corporate investors participate in larger German funding rounds (e.g. Tencent, Allianz, Otto or Shell).

Funding of rising stars continues to soar, albeit it seems questionable whether this development will persist in the light of increasing interest rates and political uncertainty.

### Auto1 Group
Established in 2012, Auto1 operates Europe’s leading marketplace for pre-owned vehicles today. With a funding round of USD128m in April 2015, Auto1 gained the attention of the start-up scene. Further investments in 2017 (EUR396m equity and debt financing lead by Princeville Global) and 2018 (USD560m from Softbank, valuing the firm at EUR2.9b) followed. As of today, Auto1 is one of the highest valued unlisted start-ups in Europe.

### SoundCloud
Founded in 2007, the firm operates a music network platform. Over the last several years, the venture has raised USD468m funding. In Q3/2017, the cash injection of USD170m was led by Temasek and The Raine Group.

### About You
The e-commerce fashion retailer is part of the German Otto Group and was founded in 2014. In 2018, the company received USD300m funding, which was led by the strategic investor Bestseller Fashion Group. With a valuation of USD1b, the company became the first start-up unicorn in Hamburg.

### Kreditech
Established in 2012, the FinTech company operates as an online platform offering financial products to consumers by using machine-learning technologies and online data. Kreditech received a total funding of USD299m, excluding a debt injection (EUR200m in 2015, led by Victory Park) and including an equity funding (EUR110m in 2017, led by PayU).

### GoEuro
Founded in 2012, the Berlin-based venture acts as a meta search tool to compare and book travels by train, bus, plane and car in Europe. In 2018, the company raised a funding of USD150m, led by Kinnevik, Temasek and Hillhouse. With a total funding of about USD300m, GoEuro is now one of the highest funded travel start-ups in Europe.

### N26
The Berlin-based online banking provider received an investment of USD160m from Tencent and Allianz X in 2018. N26 announced to reach break even short or mid term, depending on how much the company wants to invest into growth. It is driving the international expansion with focus on the UK and US market.

### Auxmoney
Established in 2007, the company acts as an online peer-to-peer loan marketplace, assessing the creditworthiness of borrowers by using machine learning algorithms. Auxmoney received an accumulated funding of USD198m as at December 2018. The competitor landscape comprises the German start-up Smava and the Lending Club (US).

### GetYourGuide
Established in 2009, the tourism and travel booking platform offers a variety of travel experiences through its global supplier network. In 2017, the company received a funding of USD75m led by Boston-based Battery Ventures. With a total funding of USD171m, GetYourGuide is considered as a potential IPO candidate in the near future.

### Sonnen
Founded in 2008, the lithium based energy storage start-up received a Series E funding of USD71m from Shell Ventures and existing shareholders in 2018. The total funding accounts for USD168m.

### Frontier Car Group
Founded in 2016, the Berlin-based company received a funding of USD130m in 2018. The venture develops, launches, and operates pre-owned vehicles marketplaces within emerging market economies such as Nigeria, Mexico, Chile, Pakistan, and Indonesia. Amongst others, investors are Balderton Capital, Partech Ventures, Naspers, TPG Growth.
Top fundings in 2018 were once again driven by foreign investors

| Top 10 accumulated funding volumes (disclosed funding volumes in 2018; before Exit) |
|-----------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|                                  | SolarisBank                   | Sonnen                        | Design Offices                | Deposit Solutions             | Frontier Car Group            | GoEuro                        | N26                           |
| Source: Crunchbase, Mergermarket, Deutsche Start-ups, Gründerszene, Deutsche Börse Venture Network, Press Releases, December 2018 |

Includes two funding rounds
Top 5 fundings in 2018 account for USD1.3b, up by 30%

Top 5 funding volumes\(^3\) 2018 vs. 2017 (disclosed funding volumes; before Exit; on a like-for-like basis)

<table>
<thead>
<tr>
<th>Company</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto1</td>
<td>396</td>
<td>560</td>
</tr>
<tr>
<td>Soundcloud</td>
<td>239</td>
<td>300</td>
</tr>
<tr>
<td>Lampenwelt</td>
<td>132</td>
<td>160</td>
</tr>
<tr>
<td>Kreditech</td>
<td>121</td>
<td>150</td>
</tr>
<tr>
<td>Lilium Aviation</td>
<td>90</td>
<td>130</td>
</tr>
</tbody>
</table>

Source: Crunchbase, Mergermarket, Deutsche Start-ups, Gründerzene, Deutsche Börse Venture Network, Press Releases, December 2018

Based on publicly available information; could include secondary market transactions
Total accumulated funding increased by USD2.5b to USD8.1b as at December 2018

<table>
<thead>
<tr>
<th>#</th>
<th>Target name</th>
<th>Location</th>
<th>Target profile</th>
<th>Founding year</th>
<th>Total funding value USDm</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>AUTO1 Group</td>
<td>Berlin</td>
<td>Car retailing platform</td>
<td>2012</td>
<td>1,084</td>
</tr>
<tr>
<td>2</td>
<td>SoundCloud</td>
<td>Berlin</td>
<td>Music streaming</td>
<td>2007</td>
<td>468</td>
</tr>
<tr>
<td>3</td>
<td>About You</td>
<td>Hamburg</td>
<td>E-commerce (fashion)</td>
<td>2014</td>
<td>300</td>
</tr>
<tr>
<td>4</td>
<td>Kreditech Holding</td>
<td>Hamburg</td>
<td>Big data credit scoring</td>
<td>2012</td>
<td>299</td>
</tr>
<tr>
<td>5</td>
<td>GoEuro</td>
<td>Berlin</td>
<td>Travel search engine</td>
<td>2012</td>
<td>296</td>
</tr>
<tr>
<td>6</td>
<td>N26</td>
<td>Berlin</td>
<td>Banking technology</td>
<td>2013</td>
<td>213</td>
</tr>
<tr>
<td>7</td>
<td>Auxmoney</td>
<td>Dusseldorf</td>
<td>Peer-to-peer lending</td>
<td>2007</td>
<td>198</td>
</tr>
<tr>
<td>8</td>
<td>GetYourGuide</td>
<td>Berlin</td>
<td>Travel recommendations</td>
<td>2009</td>
<td>171</td>
</tr>
<tr>
<td>9</td>
<td>Sonnen</td>
<td>Wildpoldsried</td>
<td>Lithium based energy storage</td>
<td>2008</td>
<td>168</td>
</tr>
<tr>
<td>10</td>
<td>Frontier Car Group</td>
<td>Berlin</td>
<td>Used-automotive marketplace</td>
<td>2016</td>
<td>152</td>
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<tr>
<td>11</td>
<td>Deposit Solutions</td>
<td>Hamburg</td>
<td>Open Banking platform</td>
<td>2011</td>
<td>144</td>
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<td>12</td>
<td>Smava</td>
<td>Berlin</td>
<td>Lending platform</td>
<td>2007</td>
<td>133</td>
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<tr>
<td>13</td>
<td>Lampenwelt</td>
<td>Schlitz</td>
<td>E-commerce (lamps)</td>
<td>2004</td>
<td>132</td>
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<tr>
<td>14</td>
<td>Dreamlines</td>
<td>Hamburg</td>
<td>Platform for ship cruises</td>
<td>2012</td>
<td>126</td>
</tr>
<tr>
<td>15</td>
<td>Spotcap</td>
<td>Berlin</td>
<td>Lender for SME enterprises</td>
<td>2014</td>
<td>113</td>
</tr>
<tr>
<td>16</td>
<td>SolarisBank</td>
<td>Berlin</td>
<td>Banking platform</td>
<td>2016</td>
<td>111</td>
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<td>17</td>
<td>eGym</td>
<td>Munich</td>
<td>Fitness products</td>
<td>2011</td>
<td>109</td>
</tr>
<tr>
<td>18</td>
<td>Tado</td>
<td>Munich</td>
<td>Heating application</td>
<td>2011</td>
<td>109</td>
</tr>
<tr>
<td>19</td>
<td>Lilium Aviation</td>
<td>Gilching</td>
<td>Electric vertical take-off and landing jet</td>
<td>2014</td>
<td>101</td>
</tr>
<tr>
<td>20</td>
<td>Lesara</td>
<td>Berlin</td>
<td>Online retailer</td>
<td>2013</td>
<td>100</td>
</tr>
<tr>
<td>21</td>
<td>Movinga</td>
<td>Berlin</td>
<td>Moving services</td>
<td>2015</td>
<td>93</td>
</tr>
<tr>
<td>22</td>
<td>ResearchGate</td>
<td>Berlin</td>
<td>Knowledge network</td>
<td>2008</td>
<td>88</td>
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<tr>
<td>23</td>
<td>Blacklane</td>
<td>Berlin</td>
<td>Driver services</td>
<td>2011</td>
<td>82</td>
</tr>
<tr>
<td>24</td>
<td>Contentful</td>
<td>Berlin</td>
<td>Content publishing technology</td>
<td>2013</td>
<td>78</td>
</tr>
<tr>
<td>25</td>
<td>Celonis</td>
<td>Munich</td>
<td>Process Mining Software</td>
<td>2014</td>
<td>78</td>
</tr>
<tr>
<td>26</td>
<td>Blue Yonder</td>
<td>Karlsruhe</td>
<td>Big data technology</td>
<td>2008</td>
<td>75</td>
</tr>
<tr>
<td>27</td>
<td>Design Offices</td>
<td>Nuremberg</td>
<td>Working spaces solutions</td>
<td>2008</td>
<td>74</td>
</tr>
<tr>
<td>28</td>
<td>Helpelling</td>
<td>Berlin</td>
<td>Household services</td>
<td>2014</td>
<td>73</td>
</tr>
<tr>
<td>29</td>
<td>Thermondo</td>
<td>Berlin</td>
<td>Heat and power technology</td>
<td>2012</td>
<td>72</td>
</tr>
<tr>
<td>30</td>
<td>Mister Spex</td>
<td>Berlin</td>
<td>E-commerce (glasses)</td>
<td>2007</td>
<td>70</td>
</tr>
<tr>
<td>31</td>
<td>Ada Health</td>
<td>Berlin</td>
<td>Personalized health technology</td>
<td>2011</td>
<td>69</td>
</tr>
<tr>
<td>32</td>
<td>Hoccer</td>
<td>Berlin</td>
<td>Messenger app</td>
<td>2009</td>
<td>69</td>
</tr>
</tbody>
</table>

Source: Crunchbase, Mergermarket, Deutsche Start-ups, Gründerszene, Deutsche Börse Venture Network, Press Releases, December 2018

4 Comparison to previous year on a like-for-like basis
5 Based on publicly available information; could include secondary market transactions and venture debt
6 Adjusted for USD215m debt payments in comparison to last year’s list
7 Excluding USD300m funding in January 2019
8 Adjusted for USD59m debt payments in comparison to last year’s list
Median funding size among top 100 start-ups increased from USD34m to USD46m

<table>
<thead>
<tr>
<th>#</th>
<th>Target name</th>
<th>Location</th>
<th>Target profile</th>
<th>Founding year</th>
<th>Total funding value USDm³</th>
</tr>
</thead>
<tbody>
<tr>
<td>33</td>
<td>Simplesurance</td>
<td>Berlin</td>
<td>Insurance platform</td>
<td>2012</td>
<td>68</td>
</tr>
<tr>
<td>34</td>
<td>Raisin (Weltsparen)</td>
<td>Berlin</td>
<td>Deposit brokerage platform</td>
<td>2013</td>
<td>68</td>
</tr>
<tr>
<td>35</td>
<td>Open-Xchange</td>
<td>Nuremberg</td>
<td>Communication software</td>
<td>2005</td>
<td>68</td>
</tr>
<tr>
<td>36</td>
<td>Outfittery</td>
<td>Berlin</td>
<td>Personal shopping service</td>
<td>2012</td>
<td>60</td>
</tr>
<tr>
<td>37</td>
<td>Native Instruments</td>
<td>Berlin</td>
<td>Audio production and DJing</td>
<td>1996</td>
<td>59</td>
</tr>
<tr>
<td>38</td>
<td>Huuuge Games</td>
<td>Berlin</td>
<td>Mobile games</td>
<td>2014</td>
<td>57</td>
</tr>
<tr>
<td>39</td>
<td>Instana</td>
<td>Solingen</td>
<td>Performance management software</td>
<td>2015</td>
<td>57</td>
</tr>
<tr>
<td>40</td>
<td>Lamudi (Now Jumia House)</td>
<td>Berlin</td>
<td>Real estate platform</td>
<td>2013</td>
<td>56</td>
</tr>
<tr>
<td>41</td>
<td>Arago</td>
<td>Frankfurt</td>
<td>Automation of IT operations</td>
<td>1996</td>
<td>55</td>
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<tr>
<td>42</td>
<td>Market Logic Software</td>
<td>Berlin</td>
<td>Market research software</td>
<td>2006</td>
<td>55</td>
</tr>
<tr>
<td>43</td>
<td>Uberall</td>
<td>Berlin</td>
<td>Marketing cloud services</td>
<td>2012</td>
<td>55</td>
</tr>
<tr>
<td>44</td>
<td>XOLUTION</td>
<td>Munich</td>
<td>Reclosable beverage container solution</td>
<td>2011</td>
<td>53</td>
</tr>
<tr>
<td>45</td>
<td>Signavio</td>
<td>Berlin</td>
<td>E-Business process mgmt.</td>
<td>2009</td>
<td>53</td>
</tr>
<tr>
<td>46</td>
<td>WeQ</td>
<td>Berlin</td>
<td>Mobile AdTech</td>
<td>2018</td>
<td>50</td>
</tr>
<tr>
<td>47</td>
<td>BrilIen.de</td>
<td>Wildau</td>
<td>E-commerce (glasses)</td>
<td>2012</td>
<td>50</td>
</tr>
<tr>
<td>48</td>
<td>Navabi</td>
<td>Aachen</td>
<td>E-commerce (plus-size fashion)</td>
<td>2009</td>
<td>46</td>
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<tr>
<td>49</td>
<td>Scalable Capital</td>
<td>Munich</td>
<td>Digital investment service</td>
<td>2014</td>
<td>46</td>
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<tr>
<td>50</td>
<td>NavVis</td>
<td>Munich</td>
<td>Visualization software</td>
<td>2013</td>
<td>46</td>
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<tr>
<td>51</td>
<td>Carmudi</td>
<td>Berlin</td>
<td>Car classified platform</td>
<td>2013</td>
<td>45</td>
</tr>
<tr>
<td>52</td>
<td>Freeletics</td>
<td>Munich</td>
<td>Digital fitness company</td>
<td>2013</td>
<td>45</td>
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<tr>
<td>53</td>
<td>LIQID Investments</td>
<td>Berlin</td>
<td>Digital wealth management</td>
<td>2015</td>
<td>44</td>
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<tr>
<td>54</td>
<td>Clark</td>
<td>Berlin</td>
<td>Insurance platform</td>
<td>2015</td>
<td>44</td>
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<tr>
<td>55</td>
<td>Dedrone</td>
<td>Kassel</td>
<td>Drone detection technology</td>
<td>2014</td>
<td>43</td>
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<tr>
<td>56</td>
<td>Global Savings Group</td>
<td>Munich</td>
<td>Commerce platform</td>
<td>2012</td>
<td>41</td>
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<tr>
<td>57</td>
<td>Coya</td>
<td>Berlin</td>
<td>Digital insurances</td>
<td>2016</td>
<td>40</td>
</tr>
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<td>58</td>
<td>LeaniX</td>
<td>Bonn</td>
<td>SaaS for IT Portfolio Management</td>
<td>2012</td>
<td>40</td>
</tr>
<tr>
<td>59</td>
<td>Searchmetrics</td>
<td>Berlin</td>
<td>Online marketing</td>
<td>2007</td>
<td>39</td>
</tr>
<tr>
<td>60</td>
<td>KONUX</td>
<td>Munich</td>
<td>Sensor solutions</td>
<td>2014</td>
<td>39</td>
</tr>
<tr>
<td>61</td>
<td>Enfore (NumberFour)</td>
<td>Berlin</td>
<td>SaaS services</td>
<td>2009</td>
<td>38</td>
</tr>
<tr>
<td>62</td>
<td>Orderbird AG</td>
<td>Berlin</td>
<td>iPad POS system</td>
<td>2011</td>
<td>37</td>
</tr>
<tr>
<td>63</td>
<td>Volocopter</td>
<td>Bruchsal</td>
<td>Manned electric &amp; air taxis</td>
<td>2012</td>
<td>37</td>
</tr>
<tr>
<td>64</td>
<td>Price f(x)</td>
<td>Pfaffenhofen</td>
<td>Price management and optimization</td>
<td>2011</td>
<td>37</td>
</tr>
<tr>
<td>65</td>
<td>EnOcean</td>
<td>Oberhaching</td>
<td>Sensor solutions provider</td>
<td>2001</td>
<td>36</td>
</tr>
<tr>
<td>66</td>
<td>reBuy</td>
<td>Berlin</td>
<td>Online reselling platform</td>
<td>2009</td>
<td>36</td>
</tr>
</tbody>
</table>

Source: Crunchbase, Mergermarket, Deutsche Start-ups, Gründereszene, Deutsche Börse Venture Network, Press Releases, December 2018

*Based on publicly available information; could include secondary market transactions and venture debt
62% of top 100 start-up’s funding volume is related to Berlin

<table>
<thead>
<tr>
<th>#</th>
<th>Target name</th>
<th>Location</th>
<th>Target profile</th>
<th>Founding year</th>
<th>Total funding value USDm</th>
</tr>
</thead>
<tbody>
<tr>
<td>67</td>
<td>B2X Care Solutions</td>
<td>Munich</td>
<td>Customer care solutions</td>
<td>2007</td>
<td>35</td>
</tr>
<tr>
<td>68</td>
<td>AEVI International</td>
<td>Paderborn</td>
<td>Cross-border payments</td>
<td>2015</td>
<td>35</td>
</tr>
<tr>
<td>69</td>
<td>Cynora</td>
<td>Bruchsal</td>
<td>High-efficiency OLED technology</td>
<td>2008</td>
<td>35</td>
</tr>
<tr>
<td>70</td>
<td>Blinkist</td>
<td>Berlin</td>
<td>E-books technology</td>
<td>2012</td>
<td>35</td>
</tr>
<tr>
<td>71</td>
<td>Inform</td>
<td>Berlin</td>
<td>Farm equipment supplier</td>
<td>2012</td>
<td>34</td>
</tr>
<tr>
<td>72</td>
<td>Tourlane</td>
<td>Berlin</td>
<td>Personalized travel</td>
<td>2016</td>
<td>34</td>
</tr>
<tr>
<td>73</td>
<td>EyeEm</td>
<td>Berlin</td>
<td>Photography community</td>
<td>2011</td>
<td>34</td>
</tr>
<tr>
<td>74</td>
<td>Wefox (FinanceFox)</td>
<td>Berlin</td>
<td>Insurance brokerage</td>
<td>2014</td>
<td>34</td>
</tr>
<tr>
<td>75</td>
<td>CupoNation</td>
<td>Munich</td>
<td>Coupons</td>
<td>1912</td>
<td>33</td>
</tr>
<tr>
<td>76</td>
<td>Babbel</td>
<td>Berlin</td>
<td>Language learning application</td>
<td>2007</td>
<td>33</td>
</tr>
<tr>
<td>77</td>
<td>Foodspring</td>
<td>Berlin</td>
<td>Fitness and sports nutrition</td>
<td>2009</td>
<td>33</td>
</tr>
<tr>
<td>78</td>
<td>Watchmaster</td>
<td>Berlin</td>
<td>Luxury watches</td>
<td>2015</td>
<td>32</td>
</tr>
<tr>
<td>79</td>
<td>Stocard</td>
<td>Mannheim</td>
<td>Digital wallet provider</td>
<td>2012</td>
<td>31</td>
</tr>
<tr>
<td>80</td>
<td>Tier Mobility</td>
<td>Berlin</td>
<td>E-scooter sharing platform</td>
<td>2018</td>
<td>31</td>
</tr>
<tr>
<td>81</td>
<td>Finiata</td>
<td>Berlin</td>
<td>Automated micro-factoring</td>
<td>2016</td>
<td>31</td>
</tr>
<tr>
<td>82</td>
<td>Webtrekk</td>
<td>Berlin</td>
<td>Data intelligence solutions</td>
<td>2003</td>
<td>31</td>
</tr>
<tr>
<td>83</td>
<td>BrandMaker</td>
<td>Karlsruhe</td>
<td>Marketing resource management</td>
<td>2008</td>
<td>30</td>
</tr>
<tr>
<td>84</td>
<td>Wunder Mobility</td>
<td>Hamburg</td>
<td>Mobility services</td>
<td>2014</td>
<td>30</td>
</tr>
<tr>
<td>85</td>
<td>Cleverciti Systems</td>
<td>Munich</td>
<td>Intelligent parking management</td>
<td>2012</td>
<td>30</td>
</tr>
<tr>
<td>86</td>
<td>Clue</td>
<td>Berlin</td>
<td>Female health app</td>
<td>2013</td>
<td>30</td>
</tr>
<tr>
<td>87</td>
<td>Grover</td>
<td>Berlin</td>
<td>Consumer electronics rental</td>
<td>2015</td>
<td>30</td>
</tr>
<tr>
<td>88</td>
<td>Geld-für-Flug</td>
<td>Dusseldorf</td>
<td>LegalTech</td>
<td>2016</td>
<td>30</td>
</tr>
<tr>
<td>89</td>
<td>ottonova Holding AG</td>
<td>Munich</td>
<td>Private health insurance</td>
<td>2015</td>
<td>30</td>
</tr>
<tr>
<td>90</td>
<td>McMakler GmbH</td>
<td>Berlin</td>
<td>Real estate agency</td>
<td>2015</td>
<td>29</td>
</tr>
<tr>
<td>91</td>
<td>Adjust</td>
<td>Berlin</td>
<td>Analytics and BI platform</td>
<td>2012</td>
<td>29</td>
</tr>
<tr>
<td>92</td>
<td>Camunda</td>
<td>Berlin</td>
<td>Workflow automation</td>
<td>2008</td>
<td>28</td>
</tr>
<tr>
<td>93</td>
<td>Shopwings</td>
<td>Berlin</td>
<td>Groceries delivery services</td>
<td>2014</td>
<td>28</td>
</tr>
<tr>
<td>94</td>
<td>Jimdo</td>
<td>Hamburg</td>
<td>Website creation platform</td>
<td>2007</td>
<td>28</td>
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<tr>
<td>95</td>
<td>xBav</td>
<td>Munich</td>
<td>Digitizing private pensions</td>
<td>2008</td>
<td>27</td>
</tr>
<tr>
<td>96</td>
<td>Element</td>
<td>Berlin</td>
<td>Insurance products</td>
<td>2017</td>
<td>27</td>
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<tr>
<td>97</td>
<td>Netbiscuits</td>
<td>Kaiserslautern</td>
<td>Platform for app development</td>
<td>2000</td>
<td>27</td>
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<tr>
<td>98</td>
<td>Omnibus</td>
<td>Berlin</td>
<td>AI-powered insurance technology</td>
<td>2015</td>
<td>27</td>
</tr>
<tr>
<td>99</td>
<td>HomeToGo GmbH</td>
<td>Berlin</td>
<td>Vacation rental platform</td>
<td>2014</td>
<td>27</td>
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<tr>
<td>100</td>
<td>Bettermarks</td>
<td>Berlin</td>
<td>Online mathematics platform</td>
<td>2008</td>
<td>27</td>
</tr>
</tbody>
</table>

Source: Crunchbase, Mergermarket, Deutsche Start-ups, Gründer szene, Deutsche Börse Venture Network, Press Releases, December 2018

Based on publicly available information; could include secondary market transactions and venture debt
Exits
We identified three key developments, which describe the 2018 M&A start-up environment in Germany.

1. Foreign investors are predominantly from other European countries, while investors from Asia and the Middle East are increasingly emerging from the shadow of US investors.

2. Acquisitions by corporates remain by far the most important exit channel for innovative and young companies.

3. Market consolidation evolves as a key driver for M&A activities in Germany.

Outlook

Numerous large-size exits can be expected in 2019 due to the commercial success of ventures that have attracted the interest of incumbent market participants, and the strong pipeline of start-ups with material funding.

We expect another year of continued M&A activity, however, still at a lower level compared to the US and the UK. Early stage money increasingly helps German start-ups to gain scale before being sold to corporates in rather early stages.

Despite favourable macroeconomic conditions, we do not expect an increasing IPO market in Germany for ventures valued below USD 500m.

Selected M&A deals in Germany (2018)

<table>
<thead>
<tr>
<th>Target name</th>
<th>Target location</th>
<th>Target description</th>
<th>Buyer name</th>
<th>Buyer country</th>
<th>Buyer description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery Hero (German business incl. Foodora, Pizza de and other)</td>
<td>Berlin</td>
<td>Food delivery services</td>
<td>Takeaway.com</td>
<td>The Netherlands</td>
<td>Food delivery services</td>
</tr>
<tr>
<td>FINANZCHECK.de</td>
<td>Hamburg</td>
<td>Credit comparison</td>
<td>Scout24</td>
<td>Germany</td>
<td>Comparison portal</td>
</tr>
<tr>
<td>Relayr</td>
<td>Berlin</td>
<td>IoT middleware</td>
<td>Munich Reinsurance</td>
<td>Germany</td>
<td>Reinsurance</td>
</tr>
<tr>
<td>Parfumdreams</td>
<td>Miltenberg</td>
<td>Parfum e-commerce</td>
<td>Douglas Holding</td>
<td>Germany</td>
<td>Parfum retail</td>
</tr>
<tr>
<td>Priori Data</td>
<td>Berlin</td>
<td>Mobile data intelligence</td>
<td>appScatter</td>
<td>UK</td>
<td>SaaS app platform</td>
</tr>
<tr>
<td>Brainloop</td>
<td>Munich</td>
<td>Corporate collaborations</td>
<td>Diligent</td>
<td>US</td>
<td>Enterprise governance</td>
</tr>
<tr>
<td>Softgarden</td>
<td>Berlin</td>
<td>E-recruiting</td>
<td>Investcorp</td>
<td>Bahrain</td>
<td>Investor</td>
</tr>
<tr>
<td>Blue Yonder</td>
<td>Karlsruhe</td>
<td>Data science</td>
<td>JDA Software</td>
<td>US</td>
<td>ERP/SC software</td>
</tr>
</tbody>
</table>

Source: Crunchbase, Deutsche Start-ups, Gründerszene, Press Releases
Recent trends indicate that M&A activities are diminishing comparing to VC funding

Number of investment activities (German-based start-ups, based on disclosed data)

<table>
<thead>
<tr>
<th>Year</th>
<th>Funding/IPOs</th>
<th>M&amp;A</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>453</td>
<td>155</td>
</tr>
<tr>
<td>2017</td>
<td>481</td>
<td>138</td>
</tr>
<tr>
<td>2018</td>
<td>594</td>
<td>129</td>
</tr>
</tbody>
</table>

Source: Crunchbase, Deutsche Start-ups, GründerSzene, Press Releases

In recent years, investment activities in the start-up scene have increased steadily, reaching an all-time high in 2018. Both financial investors and corporates consider investments in German start-ups to be an effective vehicle to lever growth potentials and gain rapid access to disruptive technologies in order to keep up with the global competition in the technology sector.

The trend of declining numbers of M&A deals continued in 2018. Furthermore, it becomes apparent that M&A deals are diminishing relative to new fundings, which indicates that start-ups are more keen to fuel their burn rate with VC funds instead of striving for strategic investors.

Acquisitions by corporates remain by far the most important exit channel for start-ups. Approximately 87% of all exits (non-IPO) in 2018 are related to corporates, which represents a similarly high level as in the previous year (88% corporate exits in 2017). We see that corporate acquisitions continue to target young companies from the technology sector, particularly FinTech and Software solution start-ups.

Two examples which underpin this trend are Lendico and Blue Yonder.

Lendico, a Berlin-based Rocket Internet backed peer-to-peer lending platform, was acquired by ING Diba. The deal received wide media coverage and has been referred to as a triggering event regarding the market consolidation between the banking industry and rising FinTechs.

Blue Yonder, a Karslruhe based specialist in AI SaaS solutions for the retail sector, was acquired by JDA Software for an undisclosed amount. The media landscape often refers to the deal as a landmark event and an indicator showing AI’s progress in the retail industry.
There are again a number of prominent examples of start-up exits which related to insolvency cases of young businesses. Based on public information, 7 out of 129 M&A deals in Germany in 2018 can be attributed to an event of insolvency. However, in our view this number can be even higher as a lot of M&A deals in fact likely relate to an insolvency and start-ups are not as successful as it is published. It can be observed that in spite of business failures, employees or intangible assets (e.g. trademark rights or customer bases) often represent a value added for investors, which can be acquired at a relatively low price.

The following examples substantiate this trend:

**Movinga acquired major parts of the Move24 business.** After Move24 (established in 2015) had to announce its insolvency in February 2018, Movinga took over trademark rights, domains and a part of the 200 employees. With the takeover, Movinga primarily aimed to push ahead with its international expansion by benefiting from existing employees and structures.

**Epay acquired the insolvent payment start-up Lendstar.** The company had to file for insolvency in August 2018. Subsequently, Lendstar was acquired by Epay, a provider of voucher systems, corporate incentives and payment solutions. Epay took over the company’s assets, such as Lendstar’s platform, which will continue to be operated.
Cross-border transactions still provide the main exit channel for German start-ups

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

Similar to previous years, the share of international investors (corporates and financial investors) remains slightly higher compared to national investors. This implies that cross-border transactions at European or worldwide level still provide the most common exit channel for German start-ups.

The multitude of investors are domiciled in European countries, although investors from Asia and the Middle East are stepping into the spotlight with increasing frequency. We expect that this trend will continue over the next few years and both Asia and Middle East may act as key players in the start-up M&A market.

So far, the investor landscape has been led by Berlin as the main location for German investors (21% of German investors were located in Berlin in 2017). In 2018, further major German cities such as Munich and Hamburg have caught up strongly.

Source: Crunchbase, Deutsche Start-ups, Gründerszene, Press Releases

11 Europe excl. German investors
Acquisitions by corporates remain by far the most important exit channel

Share of corporates and financial investors 2017 versus 2018 (based on disclosed data)

Exemplary transactions of corporate investors

<table>
<thead>
<tr>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>12%</td>
<td>13%</td>
</tr>
<tr>
<td>88%</td>
<td>87%</td>
</tr>
</tbody>
</table>

Corporate investors | Financial investors

<table>
<thead>
<tr>
<th>Corporate investors</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial</td>
<td>Munich Re ➔ relayr</td>
</tr>
<tr>
<td>FinTech</td>
<td>Scout24 ➔ Finanzcheck</td>
</tr>
<tr>
<td>E-commerce</td>
<td>Douglas ➔ Parfum-dreams</td>
</tr>
</tbody>
</table>

Source: Crunchbase, Deutsche Start-ups, Gründerszene, Press Releases

The M&A market is still dominated by corporate exits. Many of these corporates expect innovative start-ups to be the driving force of their digitalization and related growth potentials. At the same time, there is no evidence of a material increase in M&A activities by financial investors. Only a handful of financial investors such as Arcus Capital, Capital D or Equistone Partners Europe were involved in start-up exits this year.

There is still a lack of late stage VC funding in Germany, albeit we see increasingly sovereign wealth funds and private equity players competing for investment opportunities in the German Tech market.

We still see the trend that a material share of young businesses is sold to corporates at an early-stage, rather than leveraging the business with the financial power of a private equity partner. We also observe that the consolidation of Tech businesses through a well defined buy and build strategy is not a common practice in Germany at the moment.

German entrepreneurs still appear to be discouraged by the involvement of a private equity investor and might not see the potential or scaling opportunities a consolidation of businesses may provide.
In 2018, 5 start-ups raised USD0.4b through IPOs

Overview of two biggest IPOs in Germany in 2018

Home24
Valuation at IPO: c. USD705m
Profile: Furniture e-commerce
Foundation: 2009

Westwing
Valuation at IPO: c. USD618m
Profile: Furniture e-commerce
Foundation: 2011

In 2018, five start-ups raised USD0.4b through IPOs. The following profiles provide some details on the companies that went public:

**Home24** (money raised: USD177m), the IPO of this Rocket Internet backed company intended to obtain the required capital to expand the marketing approach and foster the company’s business growth.

**Westwing** (money raised: USD155m), the Rocket Internet backed furniture and interior design online platform planned to repay debt and to further invest in technology and marketing with its IPO proceeds.

**Marley Spoon** (money raised: USD52m) offers a cook-at-home meal kit service. The company went public at the Sydney Stock Exchange, supported by the fact that Australia is one of its strongest markets.

**Capsensixx** (money raised: USD15.5m) is a Frankfurt based small cap. Through various subsidiaries the company offers risk management, reporting, monitoring, and administration services in the financial sector.

**Creditshelf** (money raised: USD18.8m) provides an online credit marketplace lending platform for German small- and medium-sized companies.
Outlook for the German IPO market

A number of German start-ups are currently considered as next IPO candidates. However, we do not anticipate an increasing IPO market in Germany for ventures valued below USD500m.
New investment funds focused on the German market have been set-up by national and international players

A number of new funds have been announced by both, German and international VCs, which are targeting German technology companies. The volumes of new funds remained at a ten-digit but slightly lower level compared to the all-time high in 2017.

Among other German players with new nine-digit funds, Earlybird, Digital + Partners, Holtzbrinck or Lea partners demonstrated a successful track record over the past years.

**Selected national VC players**

**Rocket Internet**, a Berlin-based investor, has been developing and investing in market leading businesses that satisfy basic consumer needs across sectors such as marketplaces, e-commerce, travel and FinTech. The latest venture fund “Rocket Internet Capital Partners Fund” raised USD1b in 2016. Moreover, the firm intends to raise a new fund with a total amount between USD1-2b.

**Digital + Partners**, a venture capital firm with offices in Frankfurt and Munich, has closed its “Digital Growth Fund I” with a total volume of USD413m. The fund is directed on established business models in the FinTech and Industrial sector.

**High-Tech Gründerfonds (HTGF)**, a German-based venture capital firm, is investing in early-stage business-models with a focus on high-potential Tech start-ups. The latest fund “HTGF III” totaled to USD374m.

**Holtzbrinck**, one of the largest independent early-stage venture funds in Europe, has closed its fund “HV Holtzbrinck VII” with a total amount of USD361m. Investments are usually made in both early and seed-stage companies.

**Lea Partners**, a venture capital and private equity firm based in Germany, has a broad investment profile in terms of venture maturity stage. The firm has raised a single fund of USD236m which is primarily targeting B2B Tech companies in German-speaking countries.

**Earlybird** is a Berlin-based venture capital investor, prioritizing European early-stage technology companies. With its fund “Earlybird Digital West (Fund VI)” the company has built-up an investment vehicle of USD207m. Target industries comprise Deep Tech start-ups in German-speaking countries as well as Western- and Southern-Europe.

**UVC Partners**, a Munich-based early-stage venture capital firm, has launched its second fund with USD97m for European technology-based B2B start-ups.

**Index Ventures**, an international venture capital fund with offices in London and San Francisco, invests in companies with a focus on FinTech, e-commerce, mobility and AI. In 2018, the firm has raised more than USD1.6b with two funds: USD650m will be invested in early-stage companies; USD1b will be invested in growth-stage start-ups.

**Lakestar**, a Zurich based venture capital firm, invests in early and growth-stage business models. Founded by Klaus Hommels, the fund has been involved in company exits, such as Spotify, Facebook or Skype.

**Mosaic Ventures**, a venture capital firm based in London, mainly participates in Series A rounds. In 2018, the VC closed a USD150m fund.

**Lead Edge Capital**, a New York based investment fund, raised USD520m. The investments will be focused on software and consumer-facing internet products in the US and Europe. The start-up portfolio includes the carpooling platform BlaBlaCar and the food delivery start-up Delivery Hero.

**Corvigla Capital Fund** is a global FinTech fund, which currently strives to close a USD500m fund. The fund aims on ticket sizes up to USD50m, focusing on RegTech, AI, cybersecurity and FinTech business models.

**DN Capital**, a global early-stage venture capital firm, focuses on both seed and Series A investments in Europe and North America. The firm has closed its latest fund “Global Venture Capital IV” with a total amount of c. USD236m.

**SoftBank Investment Advisers**, a London-based venture capital firm, specializing in growth and late-stage start-up investments. SoftBank holds USD100b at its disposal to lever investments in business models such as AI, IOT, robotics, BioTech or FinTech industry. SoftBanks vision funds is currently the largest VC funds on a global level.
The table below covers new venture capital and public funds active in the German start-up market\textsuperscript{12}

<table>
<thead>
<tr>
<th>#</th>
<th>Investor</th>
<th>Fund name</th>
<th>Location</th>
<th>Volume (USDm)\textsuperscript{13}</th>
<th>Announced</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Index Ventures</td>
<td>Index Ventures Growth IV</td>
<td>London, Geneva</td>
<td>1000</td>
<td>Jul 2018</td>
</tr>
<tr>
<td>2</td>
<td>Lakestar</td>
<td>European VC Fund</td>
<td>Zurich</td>
<td>800</td>
<td>Jul 2018</td>
</tr>
<tr>
<td>3</td>
<td>Index Ventures</td>
<td>Index Ventures IX</td>
<td>London, Geneva</td>
<td>650</td>
<td>Jul 2018</td>
</tr>
<tr>
<td>4</td>
<td>Lead Edge Capital</td>
<td>Lead Edge Capital IV</td>
<td>New York</td>
<td>520</td>
<td>Aug 2018</td>
</tr>
<tr>
<td>5</td>
<td>EU</td>
<td>VentureEU</td>
<td>n/a</td>
<td>484</td>
<td>Apr 2018</td>
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<tr>
<td>6</td>
<td>Digital + Partners</td>
<td>Digital Growth Fund I</td>
<td>Frankfurt, Munich</td>
<td>413</td>
<td>Jul 2018</td>
</tr>
<tr>
<td>7</td>
<td>HTGF</td>
<td>HTGF III</td>
<td>Bonn</td>
<td>374</td>
<td>May 2018</td>
</tr>
<tr>
<td>8</td>
<td>Holtzbrinck</td>
<td>HV Holtzbrinck Ventures Fund VII</td>
<td>Munich, Berlin</td>
<td>361</td>
<td>Jan 2018</td>
</tr>
<tr>
<td>9</td>
<td>Corviglia Capital Fund</td>
<td></td>
<td>Luxembourg</td>
<td>250</td>
<td>Oct 2018</td>
</tr>
<tr>
<td>10</td>
<td>KIW Capital</td>
<td>KIW Capital</td>
<td>Berlin</td>
<td>236</td>
<td>Oct 2018</td>
</tr>
<tr>
<td>11</td>
<td>LEA Partners</td>
<td>LEA Mittelstandspartner</td>
<td>Karlsruhe</td>
<td>236</td>
<td>May 2018</td>
</tr>
<tr>
<td>12</td>
<td>DN Capital</td>
<td>Global Venture Capital IV</td>
<td>London</td>
<td>236</td>
<td>Jan 2018</td>
</tr>
<tr>
<td>13</td>
<td>Early Bird</td>
<td>Earlybird Digital West (Fund VI)</td>
<td>Berlin</td>
<td>207</td>
<td>Jul 2018</td>
</tr>
<tr>
<td>14</td>
<td>Mosaic Ventures</td>
<td>Mosaic Ventures II</td>
<td>London</td>
<td>150</td>
<td>Oct 2018</td>
</tr>
<tr>
<td>15</td>
<td>Target Global</td>
<td>Target Global Transportation Fund</td>
<td>Berlin</td>
<td>100</td>
<td>Jun 2018</td>
</tr>
<tr>
<td>16</td>
<td>UVC Partners</td>
<td>UVC Partners Fund II</td>
<td>Munich</td>
<td>97</td>
<td>Apr 2018</td>
</tr>
<tr>
<td>17</td>
<td>Five Seasons Ventures</td>
<td>Five Seasons Ventures Fund I</td>
<td>Paris</td>
<td>71</td>
<td>Mar 2018</td>
</tr>
<tr>
<td>18</td>
<td>Ananda Impact Ventures</td>
<td>Ananda Impact Fund III</td>
<td>Munich</td>
<td>59</td>
<td>Oct 2018</td>
</tr>
<tr>
<td>19</td>
<td>Speedinvest</td>
<td>SpeedInvest x, SpeedInvest f, SpeedInvest i</td>
<td>Wien</td>
<td>59</td>
<td>Jun 2018</td>
</tr>
<tr>
<td>20</td>
<td>ABN Amro Bank</td>
<td>ABN AMRO Digital Impact Fund</td>
<td>Amsterdam</td>
<td>47</td>
<td>Mar 2018</td>
</tr>
<tr>
<td>21</td>
<td>42Cap</td>
<td>42CAP II</td>
<td>Munich</td>
<td>35</td>
<td>Jul 2018</td>
</tr>
<tr>
<td>22</td>
<td>NRW Förderbank</td>
<td>Seed Fund III Aachen</td>
<td>Aachen</td>
<td>24</td>
<td>Apr 2018</td>
</tr>
<tr>
<td>23</td>
<td>Hessische Landesregierung</td>
<td>Futurey Venture Fonds</td>
<td>Wiesbaden</td>
<td>19</td>
<td>Jun 2018</td>
</tr>
<tr>
<td>24</td>
<td>ERF Schleswig-Holstein</td>
<td>ERF SH</td>
<td>Kiel</td>
<td>5</td>
<td>Feb 2018</td>
</tr>
<tr>
<td>25</td>
<td>PropTech1 Ventures</td>
<td>n/a</td>
<td>Berlin</td>
<td>undisclosed</td>
<td>Mar 2018</td>
</tr>
<tr>
<td>26</td>
<td>Wilo</td>
<td>Wincubator</td>
<td>Berlin</td>
<td>undisclosed</td>
<td>Jul 2018</td>
</tr>
</tbody>
</table>

Source: Crunchbase, Deutsche Start-ups, GründerSzene, Press Releases

\textsuperscript{12} Accelerator programs are not included

\textsuperscript{13} Represents approximate amounts converted from Euro
The investor landscape has become more mature, resulting in even lower barriers for early-stage funding.

### Key players active in the German start-up scene categorized by predominant funding stage (selected examples)

<table>
<thead>
<tr>
<th>Incubators and Accelerators</th>
<th>Seed and Series A</th>
<th>Series B and later</th>
</tr>
</thead>
<tbody>
<tr>
<td>BASF New Business</td>
<td>Atlantic Labs</td>
<td>IBB</td>
</tr>
<tr>
<td>Deutsche Bahn Mindbox</td>
<td>BlueYard Capital</td>
<td>IMK Venture Capital GmbH</td>
</tr>
<tr>
<td>HitFox Group</td>
<td>b-to-v Partners</td>
<td>Partech Ventures</td>
</tr>
<tr>
<td>Hub:Raum</td>
<td>Capnamic Ventures</td>
<td>Paua Ventures</td>
</tr>
<tr>
<td>Lufthansa Innovation Hub</td>
<td>Cavalry Ventures</td>
<td>Point Nine Capital</td>
</tr>
<tr>
<td>METRO Accelerator</td>
<td>Cherry Ventures</td>
<td>Project A Ventures (Otto Group)</td>
</tr>
<tr>
<td>Microsoft ScaleUp</td>
<td>Creathor Venture</td>
<td>Redstone Digital</td>
</tr>
<tr>
<td>Next Big Thing</td>
<td>Earlybird Venture Capital</td>
<td>Rheingau Ventures</td>
</tr>
<tr>
<td>Next Media</td>
<td>Fly Ventures</td>
<td>Seven Ventures (ProSiebenSat.1)</td>
</tr>
<tr>
<td>Project A Ventures</td>
<td>Freigeist Capital</td>
<td>StarStrike Ventures</td>
</tr>
<tr>
<td>Rheingau Ventures</td>
<td>German Startups Group</td>
<td>Target Partners</td>
</tr>
<tr>
<td>ProSiebenSat.1 Accelerator</td>
<td>HTGF</td>
<td>TA Ventures</td>
</tr>
<tr>
<td>SAP.IO Foundry</td>
<td>HV Holtzbrinck Ventures</td>
<td>UnternehmerTUM VC Partners</td>
</tr>
<tr>
<td>Startplatz</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TechBoost (Deutsche Telekom)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TechFounders Accelerator</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Crunchbase, Deutsche Start-ups, Gründerzene, Press Releases

In comparison to previous years, the investor landscape has reached a certain maturity. Investments in Tech start-ups have evolved from a pure VC territory to a market segment in which investment banks and corporates are engaged to an increasing extent.

Seed-stage investments have not solely been driven by business angels or governmental-backed VC companies, but also by a number of incubators and newly institutionalized VC companies from successful former entrepreneurs.

US investors still dominate growth and later-stage funding rounds due to their superior financial power. As a result, the sweet spot for German investors remains the investment area below EUR10m. In this segment, German investors with the largest funds are the vehicles of Rocket Internet as well as Earlybird or Holtzbrinck.

### Corporate accelerator programs: Market observations

The vast majority of the largest German corporations aim to institutionalize innovations in their companies with in-house accelerator programs. The total number of accelerators in Germany almost doubled in the past two years since almost all leading German corporates launched new programs.

Activities of large corporations in the start-up scene are mostly driven by the search for business ideas which could add value to their core business. However, there are certain differences between corporate cultures of start-ups and large enterprises. In addition, high risk aversion and long decision-making processes of corporates represent obstacles to cooperations between both.

### Selected accelerator programs launched in 2018

<table>
<thead>
<tr>
<th>Accelerator</th>
<th>Target industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Axel Springer &amp; Porsche Accelerator (APX)</td>
<td>Life style, mobility, travel, FinTech, media, health</td>
</tr>
<tr>
<td>Next Logistics</td>
<td>Logistics</td>
</tr>
<tr>
<td>Universal Home</td>
<td>Smart home &amp; living, intelligent buildings</td>
</tr>
<tr>
<td>Wayra (re-launch)</td>
<td>IoT, Data analytics, Cyber security, AI</td>
</tr>
</tbody>
</table>

Venture Capital and start-ups in Germany 2018
Key players active in the German start-up scene (1/5)

Corporate Ventures
- Allianz Ventures
- Axa Innovation Campus
- Bauer Venture Partner
- BCG Digital Ventures
- Bertelsmann Investments
- Bilfinger Venture Capital
- BMW i Ventures
- Boehringer Ingelheim Venture Fund
- Burda Digital Ventures (by Acton)
- Burda Principal Investments
- CommerzVentures
- Co-pace Continental
- DB1 Ventures - Deutsche Börse
- Deutsche Bahn Digital Ventures
- Deutsche Telekom Capital Partners
- Diehl Ventures
- EnBW New Ventures
- Evonik VC
- Fiellmann Ventures
- FLUXUNIT - Osram Ventures
- Forum Media Ventures
- Freudenberg Venture
- Gruner + Jahr AG
- Haas New Media
- Hasso Plattner Ventures
- Henkel Ventures
- HR Ventures
- Hydra ventures - Adidas
- Innogy Ventures
- K - New Media (K-Invest)
- K-Invest Beteiligungs GmbH
- Lidl Stiftung & Co. KG
- Lufthansa Digital Fund
- Media + more venture
- Mediengruppe Klamt
- Mobile Ventures
- MS Ventures
- Next 47 (Siemens)
- NWZ Digital
- Oetker Digital
- Peppermint Venture Partners
- Porsche
- ProSiebenSat.1 Media
- Robert Bosch Venture Capital
- SAP Startup Focus
- SAP.IO
- Scouting & Coinvestments - E.ON
- Microsoft Ventures Accelerator
- MundiLAB Accelerator - Munich RE
- Next Big thing
- Next Commerce Accelerator
- Next Logistics
- Next Media Accelerator
- NFQ Capital
- Pando Ventures (Taunusstein)
- ProSiebenSat.1 Accelerator
- RainMaking
- Retailtech-Hub (MediaMarktSaturn)
- Rocket Internet
- SAP.IO Foundry
- Siemens Technology Accelerator
- ScaleUp (Microsoft)
- SpinLab - The HHL Accelerator
- Startplatt
- Startup Autobahn Accelerator
- Startupbootcamp Berlin
- StartupDock
- TechFounders Accelerator
- Universal Home
- Venture Stars
- VentureVilla Accelerator
- W1 Forward InsurTech Accelerator
- Wattx
- Wayra Accelerator (Telefonica)
- Xantera Venture Capital

Incubators and Accelerators
- Accelerator Frankfurt
- agile Accelerator - E.ON
- Allgeier Innovation Lab
- Allianz X Accelerator
- APX
- Atlantic Food Labs
- Atlantic Ventures
- Axel Springer Plug and Play
- BASF New Business
- Berlin Hardware.Co Accelerator
- Betafabrik
- Black Forest Accelerator
- BMW Startup Garage Incubator
- Breakthrough-Accelerator
- Colaborator (Bayer)
- Co-pace Incubator - Continental
- DB Accelerator
- Deutsche Bahn Mindbox
- Deutsche Bank Innovation Lab
- Digitalfabrik – Deutsche Bank
- EuropeanPioneers Accelerator
- Fantastic Mr. Fox Ventures
- Finconomy
- FinLeap
- FinTech Hub - Deutsche Börse
- Fraunhofer Venture
- Grants4Apps - Bayer
- Hanse Ventures
- Heartbeat labs
- helios.hub
- hub:raum Incubator - Telekom
- Ideation Hub – Volkswagen
- Inncurator Investments GmbH
- InnoWerft
- IoAD Sports Accelerator - Adidas
- Liquidlabs
- Lufthansa Innovation Hub
- Magmatic Ventures
- Main Incubator
- Merck Accelerator
- METRO Accelerator
- Microsoft Ventures Accelerator
- MundiLAB Accelerator - Munich RE
- Next Big thing
- Next Commerce Accelerator
- Next Logistics
- Next Media Accelerator
- NFQ Capital
- Pando Ventures (Taunusstein)
- ProSiebenSat.1 Accelerator
- RainMaking
- Retailtech-Hub (MediaMarktSaturn)
- Rocket Internet
- SAP.IO Foundry
- Siemens Technology Accelerator
- ScaleUp (Microsoft)
- SpinLab - The HHL Accelerator
- Startplatt
- Startup Autobahn Accelerator
- Startupbootcamp Berlin
- StartupDock
- TechFounders Accelerator
- Universal Home
- Venture Stars
- VentureVilla Accelerator
- W1 Forward InsurTech Accelerator
- Wattx
- Wayra Accelerator (Telefonica)
- Xantera Venture Capital

Investors
- 2 Welten Investment
- 20 Scoops Venture Capital
- 32nd Floor
- 42CAP
- Alist
- AM Ventures
- Ananda Ventures
- Asgard Capital
- Asturia Ventures
- Atlantic Labs
- Aurelius AG
- Avaia Capital
- b10 Venture Capital
- Bamboo Ventures
- BASF Venture Capital
» BayBG
» Berlin Metropolitan Ventures
» Berlin Technologie Holding
» Berlin Venture Partners
» Berlin Ventures
» Bitkraft eSports Ventures
» BlueYard Capital
» bmp media investors
» BonVenture Management
» Born2grow
» Brockhaus Private Equity
» b-to-v Partners
» building10 Servicegesellschaft
» Burgey Business Group
» Caesar Business Angels
» capiton
» Capnamic Ventures
» Catagonia Capital
» Cavalry Ventures
» CD-Venture
» CFH Beteiligungsgesellschaft mbH
» Cherry Ventures
» ColognInvest
» Colonia Private Equity
» Coparion
» Creathor Venture
» Crossventures
» Cumberland VC
» Curious Capital
» Deutsche Balaton
» Deutsche Beteiligungs AG
» Deutsche Handelsbank
» Deutsche Invest Capital Partners
» Digital + Partners
» Digital Health Ventures
» Digital Pioneers Germany
» Don Ventures
» DS Invest
» Earlybird Venture Capital
» eCAPITAL Partners AG
» ECM Equity Capital Mgmt.
» Econnoa
» Egora Holding
» Elite Startups
» EMBL Ventures
» Emeram Private Equity
» Engage Ventures
» Engelhardt Kaupp Kiefer
» EnjoyVenture
» Enxium
» Equistone Partners
» Equity Seven
» eVentures Capital Partners
» Extorel GmbH
» Finlab
» Finparx
» Fly Ventures
» Follow the Rabbit Ventures
» Found Fair Ventures
» Freigeist Capital
Key players active in the German start-up scene (3/5)

Investors (continued)

- Fresenius Medical Care Ventures
- FTR Ventures
- FundersClub
- German Ventures
- GLG Green Lifestyle
- Global Founders Capital
- GMPVC German Media Pool
- GoBeyond
- Grazia Equity
- Guano
- HCS Beteiligungsgesellschaft
- HeidelbergCapital
- Heilemann Ventures
- Heliad Equity Partners
- HitFox Group
- HR Alpha Venture Partners
- HV Holtzbrinck Ventures
- HW Capital
- Ideenhaus Invest
- Ilmenau Business Angels
- InsurTech.vc
- iv Venture Capital
- J.C.M.B. Beteiligungs GmbH
- J.F. Müller & Sohn AG
- Jaja Investment
- June Fund
- Kamran Capital
- Katjesgreenfood
- KIZOO (Karlsruhe)
- Kraut Capital
- La Famiglia
- LAFAM Holding
- Lakestar
- LBBW Venture Capital
- LEA Partners
- Leonardo Venture
- Lindan Capital
- Littlerock
- MaierDuMont Ventures
- Maxburg Capital Partners
- Media Ventures
- Menden Ventures
- Mercura Capital
- Metacrew Ventures
- MGO Digital Ventures
- MIG AG
- MK Venture Capital GmbH
- Moacon Ventures
- Möller Ventures
- MoTu Ventures
- Munich Alliance
- Müller Medien
- Munich Venture Partners
- Mutschler Ventures AG
- Muzungu Capital
- NABRU Ventures
- Neuhaus Partners
- Newten Ventures
- Nextftbusiness
- Nordwind Capital
- OHB Venture Capital
- Omniscend
- Paue Ventures
- Perpetual Ventures
- PINOVA Capital
- Plutos Group
- Point Nine Capital
- Priority AG
- Project A Ventures
- Project Flying Elephant
- PropTech1 Ventures
- Redstone Digital
- Reimann Investors
- Rheingau Founders
- RI Digital Ventures
- Richmond View Ventures
- Saarbruecker21
- SABIC Ventures
- Santo Venture Capital
- SBG Sachsen-Anhalt
- Schlegel & Friends
- Seed & Speed
- Seed Fonds Aachen
- Senovo Capital Mgmt.
- Seven Miles
- Shortcut Ventures
- SHS
- Signais VC
- Sirius Venture Partners
- Smac partners
- S-REFIT
- Star Ventures Management
- Starstrike Ventures
- Start 2 Ventures
- Statkraft Ventures
- Steadfast Ventures
- S-UBG
- S-VentureCapital Dortmund
- TA Ventures
- Target Global
- Target Partners
- Team Europe
- TechnologieContor
- Tengelmann Ventures
- THI Investments
- Think.Health Ventures
- Tiburon Unternehmensaufbau
- Triangle Venture Capital Group
- Triginta Capital
- TruVenturo
- TVM Capital
- Unternehmertum VC Partners
- UVC Partners
- VCDE Venture Partners
- Venista Ventures
- Vito One
- Vito Ventures
- Vogel Ventures
- Vorndran Mannheims Capital
- VR Equitypartner
- Wawayaro GmbH
- WeFund
- Wellington Partners
- WestTech Ventures
- Whitestone Communication Networks
- WOLFMAN.ONE
- XAnge
- Yesss CAPITAL
- ZFHN

Public institutions, platforms, communities

- Bayern Kapital
- BC Brandenburg Capital
- Bergfürst AG
- Berlin Partner für Wirtschaft & Tech.
- Berlin Startup Academy
- BetaHaus
- Beteiligungsmanagement Thüringen
- Black Chili
International

- ABN Amro Bank (NL)
- 360 Capital Partners (FR)
- 3M New Ventures (US)
- 500 Startups (US)
- 83North (IL)
- ABC Accelerator (SI)
- ACCEL (US)
- Advancit Capital (US)
- Advent Venture Partners (UK)
- A-Grade Investment (US)
- Allen & Company (US)
- Altos Ventures (US)
- Alpont Capital (US)
- Alven Capital (FR)
- AME Cloud Ventures (US)
- Arkley (PL)
- Asia Pacific internet Group (SG)
- Atlantic Bridge (IE)
- Atlas Venture (US)
- Atomico (UK)
- aws Gründerfonds (AT)
- Axivate Capital (NL)
- Baillie Gifford (UK)
- Balderton Capital (UK)
- Battery Ventures (US)
- Benchmark Ventures (US)
- Bessemer Venture Partners (US)
- BIP Investment Partners (LU)
- BlackRock (US)
- Blumberg Capital (US)
- Boost Heroes (IT)
- Boundary Holding (LU)
- Breed Reply (UK)
- Bridgepoint (UK)
- Bright Capital Digital (RU)
- CareVentures (LU)
- Cascara Ventures (BE)
- Chernin Group (US)
- Cipo Partners (LU)
- Corviglia Capital Fund (LU)
- CME Ventures (US)
- Collier Capital (UK)
- Columbia Lake Partners (UK)
- Connect Ventures (UK)
- Creadum (SE)
- Dawn Capital (UK)

Demeter Partners (FR)
DeNA (JP)
Digital Currency Group (US)
Dimo Ventures (US)
DN Capital (UK)
Dragoneer Investment Group (US)
Draper Esprit (UK)
DST Global (HK)
e.ventures (US)
EchoVC Partners (NL)
Ecomobility Ventures (FR)
Eight Roads Ventures (UK)
Emerald Technology Ventures (CH)
enchant.vc (SG)
Endeit Capital (NL)
ENIAC Ventures (US)
Entrée Capital (UK)
EQT Ventures (SE)
ESO Capital Group (UK)
Felix Capital (UK)
Finstar Financial Group (RU)
Five Seasons Ventures (FR)
FJ Labs (US)
FLOODGATE (US)
Fosun Group (CN)
Four Rivers Group (US)
Frog Capital (UK)
Frontline Ventures (UK)
GE Ventures (US)
General Atlantic (US)
General Catalyst (US)
Generis Capital Partners (FR)
German Accelerator Tech (US)
Gettylab (US)
Gimv (BE)
Global Growth Capital (UK)
GMT Capital (US)
Goldman Sachs (US)
Google Ventures (US)
Greycroft Partners (US)
Greylock Partners (US)
Groupe Arnault (FR)
Harbert Europ. Growth Capital (UK)
Harford Steam Boiler (US)
Helvetia Venture Fund (CH)
Highland Capital Partners (US)
Hiventures Investment Fund (HU)
HOWZAT Partners (UK)
### International (continued)

- Hoxton Venture (UK)
- HPE Growth Capital (NL)
- Hummingbird Ventures (UK)
- iEurope Capital (HU)
- IFJ AG (CH)
- Index Ventures (US)
- Innova Memphis (US)
- Insight Venture Partners (US)
- Institutional Venture Partners (US)
- Intel Capital (US)
- Inven Capital (CZ)
- InvVenture Partners (RU)
- J.P. Morgan Digital Growth (US)
- Jadeberg Partners (CH)
- KS Ventures (US)
- Kennet Partners (UK)
- Kickstarter (US)
- Kima Ventures (FR)
- Kinnevik (SE)
- Kite Ventures (RU)
- KKR (US)
- Kleiner Perk. Caufied & Byers (US)
- KPN Ventures (NL)
- Kreos Capital (UK)
- Larnabel Ventures (RU)
- Lead Edge Capital (US)
- LeAD Int. Sports Accelerator (BF)
- Life.SREDA (SG)
- LifeScience iHUB - Bayer (US)
- Lightspeed Venture Partners (US)
- Lilly Ventures (US)
- London Venture Partners (UK)
- LOWERCASE Ventures (US)
- Mangrove Capital Partners (LU)
- March Capital Partners (US)
- Marlin Equity Partners (UK)
- MCI Capital SA (PL)
- Menlo Ventures (US)
- Merck Ventures (NL)
- Merus Capital (US)
- Morgan Stanley Exp. Capital (US)
- Mosaic Ventures (UK)
- Mountain Partners AG (CH)
- MPCI (UK)
- M-V.C Europe Ltd. (UK)
- Naspers (SA)
- New Enterprise Associates (US)
- NGP (FI)
- Nordic Alpha Partners (DK)
- North-East Venture (DK)
- Northzone (UK)
- Numa (FR)
- Octopus Ventures (UK)
- Omnes Capital (FR)
- OnePeak Partners (UK)
- OpenOcean (FI)
- Otiunm Venture (FR)
- Partech Ventures (FR)
- Permira (UK)
- Pine Hill Capital (US)
- Plug and Play (US)
- PMatx Incubator - Merck (IL)
- PostFinance (CH)
- Princeville Global (US)
- PR0founders Capital (UK)
- Promus Ventures (US)
- Q Capital Ventures (AT)
- Radical Ventures (UK)
- Randstad Innovation Fund (NL)
- Redalpine Venture Partners (CH)
- Redpoint Ventures (US)
- Ringier Digital AG (CH)
- Route66 Ventures (US)
- RTA Ventures (PL)
- Runa Capital (RU)
- ru-Net (RU)
- Russmedia (AT)
- Salesforce Ventures (US)
- SamsungNext Ventures (US)
- Sapinda Group (NL)
- Scottish Equity Partners (UK)
- Sequoia Capital (US)
- SET Ventures (NL)
- Sevenventure Partners (FR)
- Shell Tech Ventures (NL)
- Sherpa Capital (US)
- Silver Lake Kraftwerk (US)
- Softbank (JP)
- Spark Capital (US)
- Speedinvest (AT)
- St.Galler Swiss Founders Fund (CH)
- startup300 (AT)
- Summit Partners (US)
- Sycamore Partners (US)
- Tech. Crossover Ventures (US)
- Techstars (US)
- Tenaya Capital (US)
- Tenderloin Ventures (CH)
- Texas Atlantic Capital (US)
- The Macquarie VC Studio (AU)
- Thrive Capital (US)
- Tiller Partners (US)
- Time for Growth (FR)
- Transamerica Ventures (US)
- Trinity Ventures (US)
- Troy Capital Partners (US)
- Twitter Ventures (US)
- Uncork Capital (US)
- Unilever Ventures (UK)
- Union Square Ventures (US)
- UNIQA Ventures (AT)
- Up to Eleven (AT)
- Värde Partners (US)
- Ventech (FR)
- VentureEU (EU)
- Version One Ventures (CA)
- Victory Park Capital (US)
- Vitruvian Partners
- Vostok New Ventures (SE)
- VP Capital (RU)
- Warburg Pincus (US)
- Warsaw Equity Group (PL)
- Westcott LLC (US)
- Y Combinator (US)
- Yuan Capital (HK)
- ZKB Start-up Finance (CH)
Appendix
Methodology and Disclaimer

This study has been prepared by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft ("EY") with 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 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 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 complemented by our own market knowledge (but includes no confidential information in any sense), as well as qualitative and quantitative research.

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We define fundings as equity or debt financing provided to a German-based start-up (with a change in ownership below 50%) that operates in one of the digital sectors (e.g. consumer products and services, software, IT services, media and entertainment or retailing/distribution). Investments (including M&A deals and IPOs) in start-ups falling into the life science sector or non-digital business models have been excluded. This explains the difference between the number of deals presented in the EY start-up Barometer in 2018 (619) compared to the number of investments presented in this study (594).

M&A activity comprises acquisitions of German start-ups with a change in ownership of more than 50%. 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 1:1.18 for all conversions in this document if performed.

We define initial public offering (IPO) as a public offering in which a German-based start-up sells stocks for the first time.

We define investors as entities that are acquiring the majority of shares in a German-based start-up in course of either funding or M&A. A company is considered a corporate when its primary business is non-financing related, e.g. industry or service provision. We define an investor as a financial investor when its primary activities are investing or financing related.

Start-ups are companies generally younger than 10 years old. Exceptions might apply for older companies that have digitally transformed their business model during the last 10 years.

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 belonging to 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.

The activities according to which we sector-clustered the start-ups and investors are as follows:

- **Media**: (digital) marketing; (online) television; (online) advertising; (electronic) entertainment.
- **Technology**: software; (mobile) applications; new (digital) technologies for industries or services.
- **CPR**: (online) B2C retailers; e-commerce.
- **Other**: any (Tech-related) business activity not covered by the above classifications.
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.

EY Global IPO trends report is released every quarter and looks at the IPO markets, trends and outlook for the Americas, Asia-Pacific, Japan and EMEIA regions. The report provides insights, facts and figures on the 2018 IPO market year-to-date and analyzes the implications for companies planning to go public in the short and medium term.

The EY Germany FinTech study (Germany FinTech Landscape) is a flagship annual publication that gives insights into the key developments, trends and perspectives in the German FinTech market. The report covers topics such as investment flows, largest FinTech deals, banks’ response to FinTech activity, inter-FinTech cooperations and development of FinTech-based ecosystems.

Based on market research and interviews with executives in the European private equity sector, this study addresses key opportunities, challenges and pitfalls throughout the end-to-end private equity investment life cycle, identifies industry best practices and pinpoints the capabilities that support the efforts of private equity firms to achieve the maximum possible return from their portfolio companies.
The EY Start-up Academy is an 8-week program in which selected start-ups are given the unique opportunity to improve their business model and its main components through structured help and advice from EY experts. The program is aimed at Tech or FinTech start-ups that have already completed the alpha phase, already have a Minimum Viable Product or a proof of concept and are looking for financing within the next 12 months.

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

Meet EYnovation™ is a partnership program to guide founders from the foundation of a business to market leadership. EYnovation™ is a tailor-made subscription, with all EY services a founder needs to grow his or her business. And it offers direct access to EY’s worldwide network.

The NKF Summit is one of the leading events in Germany on the subject of inspirations for digital transformation. The conference is a bridge that connects both worlds with an inspiring program, best practices, and matching sessions: Category leaders or outstanding start-ups that you can get to know on stage, in the Expo or in a 1:1 matchmaking session.
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GSA Agency
BK R 1902-184
ED None

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