

Startup Barometer Germany

July 2020



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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, Dow Jones VentureSource

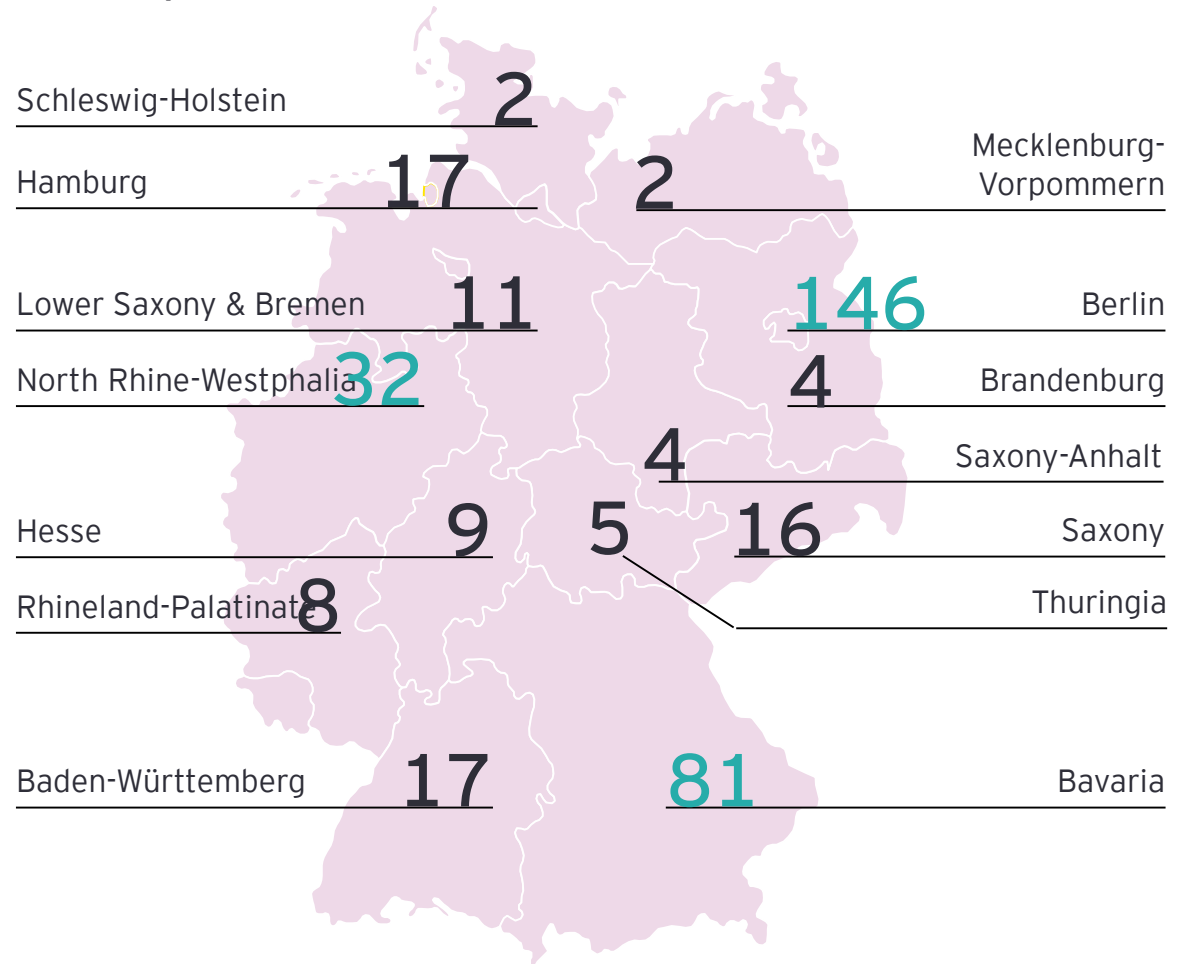


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Number of start-ups that received financing in the first half of 2020, by state



Start-up financing rounds 2020: number increasing, but volume significantly lower than in the same period last year

Start-up financing in Germany

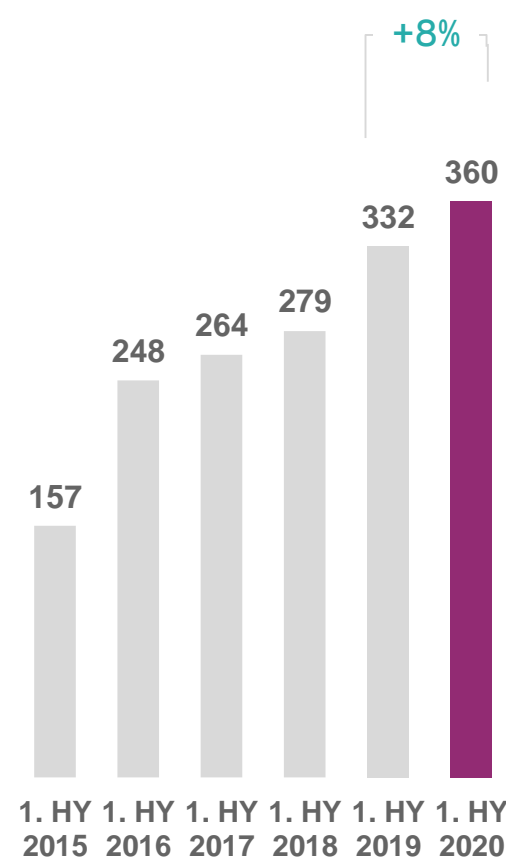
Number and volume of financing rounds in Germany; 1st half of each year

Across Germany, the number of financing rounds in the first half of 2020 again rose significantly compared to the same period of the previous year: by 28 or 8 percent to a total of 360 deals.

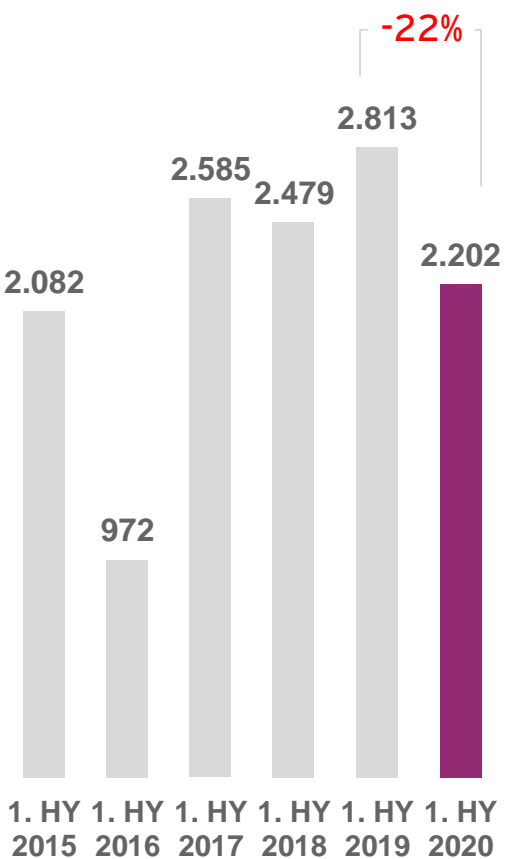
However, the total volume of these investments fell sharply: by 22 percent or a good 600 EUR million to around 2.2 EUR billion.

This decline is attributable to the significant decrease in the number of major deals worth more than 100EUR million: Only two such deals were recorded in the first half of 2020, compared with seven in the same period last year.

Number



Volume in EUR million



Start-up financing rounds 2020 in the course of the year: Declining trend in number of financing rounds

Start-up financing in Germany

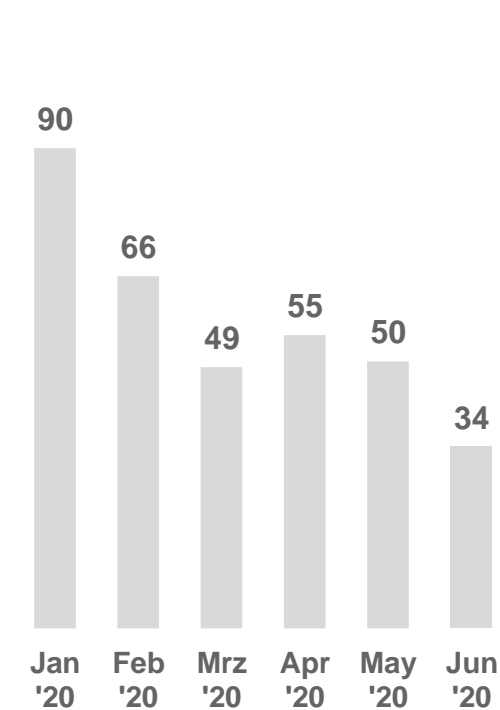
Number and volume of financing rounds in Germany*

The number of deals closed during the first half of 2020 shows a negative trend: In January, 90 financing rounds were counted, in March 49 and in June only 34.

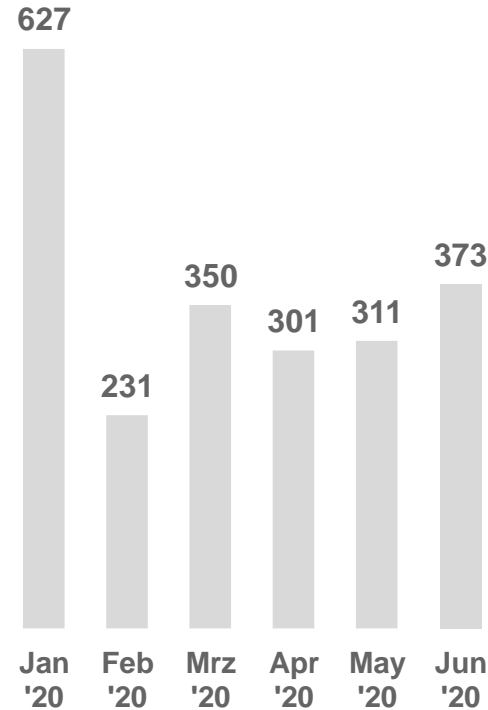
However, investment volumes remained fairly stable in the months March to June. Although they were each significantly below the January figure of 627 EUR million, they were each above the threshold of 300 EUR million and even rose again in the last two months.

* There are no exact figures available on the closing date for 16 deals totalling around 9EUR million in the first half of 2020. These were therefore not allocated to any month.

Number



Volume in EUR million



2020: Number of deals at second-highest half-year value - volume significantly below the value of the two half-years of the previous year

Start-up financing in Germany 2015 to 2020

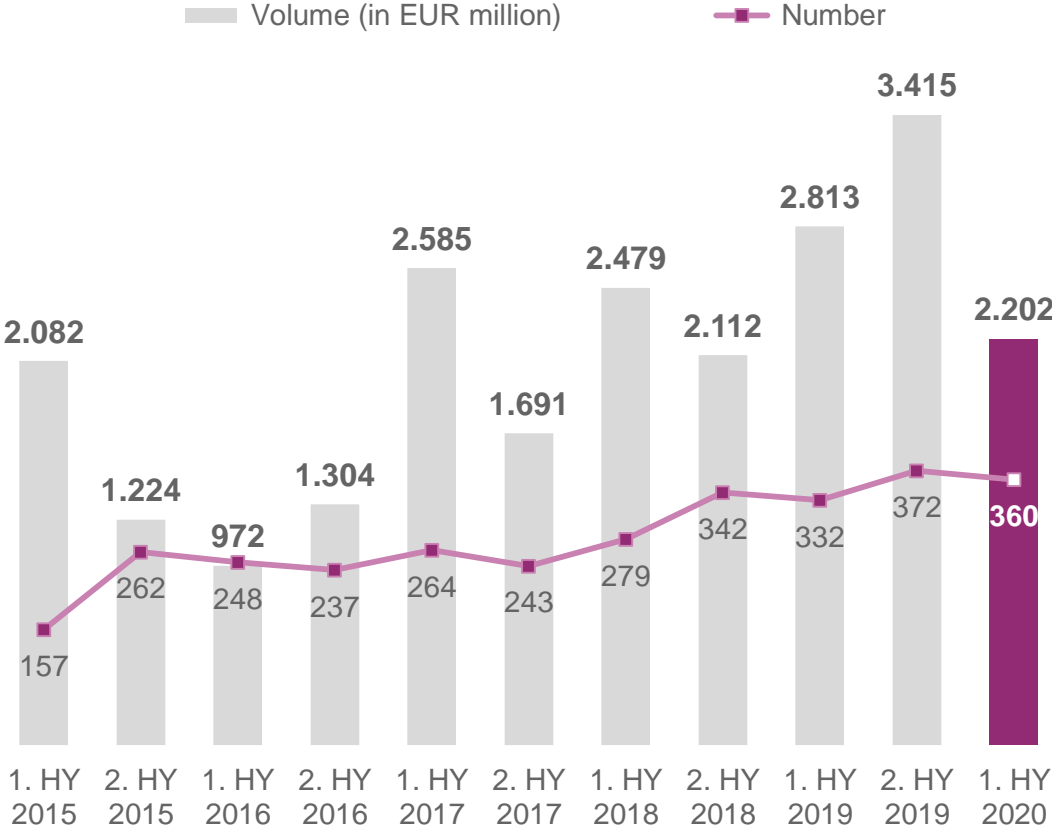
Number and Volume (in EUR million)

Number and volume of financing rounds in Germany by half-year

In the second half of 2019, both the number and total volume of start-up financing reached new record levels for a half-year.

In the first half of 2020, the total volume was significantly lower than in 2019, but 90 EUR million higher than in the second half of 2018.

The number of financing rounds in the first half of 2020 even reached the second-highest value recorded in the period under review.



Berlin 2020 with as many deals as Bavaria, North Rhine-Westphalia, Baden-Württemberg and Hamburg combined

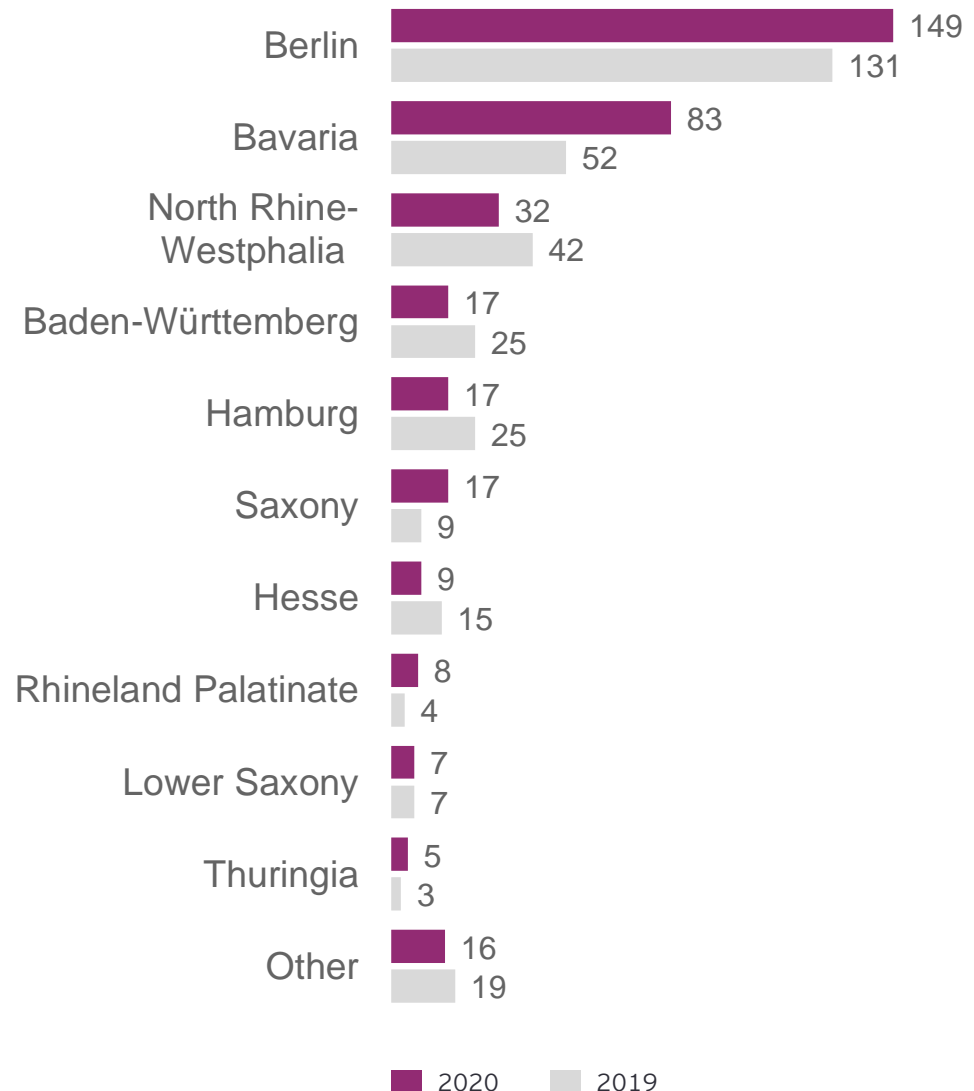
Start-up financing in Germany 2020 and 2019

Number of financing rounds by states; 1st half of each year

Berlin was once again the hotspot of the German start-up scene in the first half of 2020: with 149 financing rounds, start-ups in the German capital accounted for 41 percent of all financing rounds counted here - and 14 percent more than in the same period last year.

Bavaria was able to increase the number of deals even more strongly: In the first half of the year, 83 deals were counted here, which is 60 percent more than in the same period last year.

By contrast, North Rhine-Westphalia and Baden-Württemberg, in third and fourth place respectively, registered noticeably fewer deals than in the same period last year.



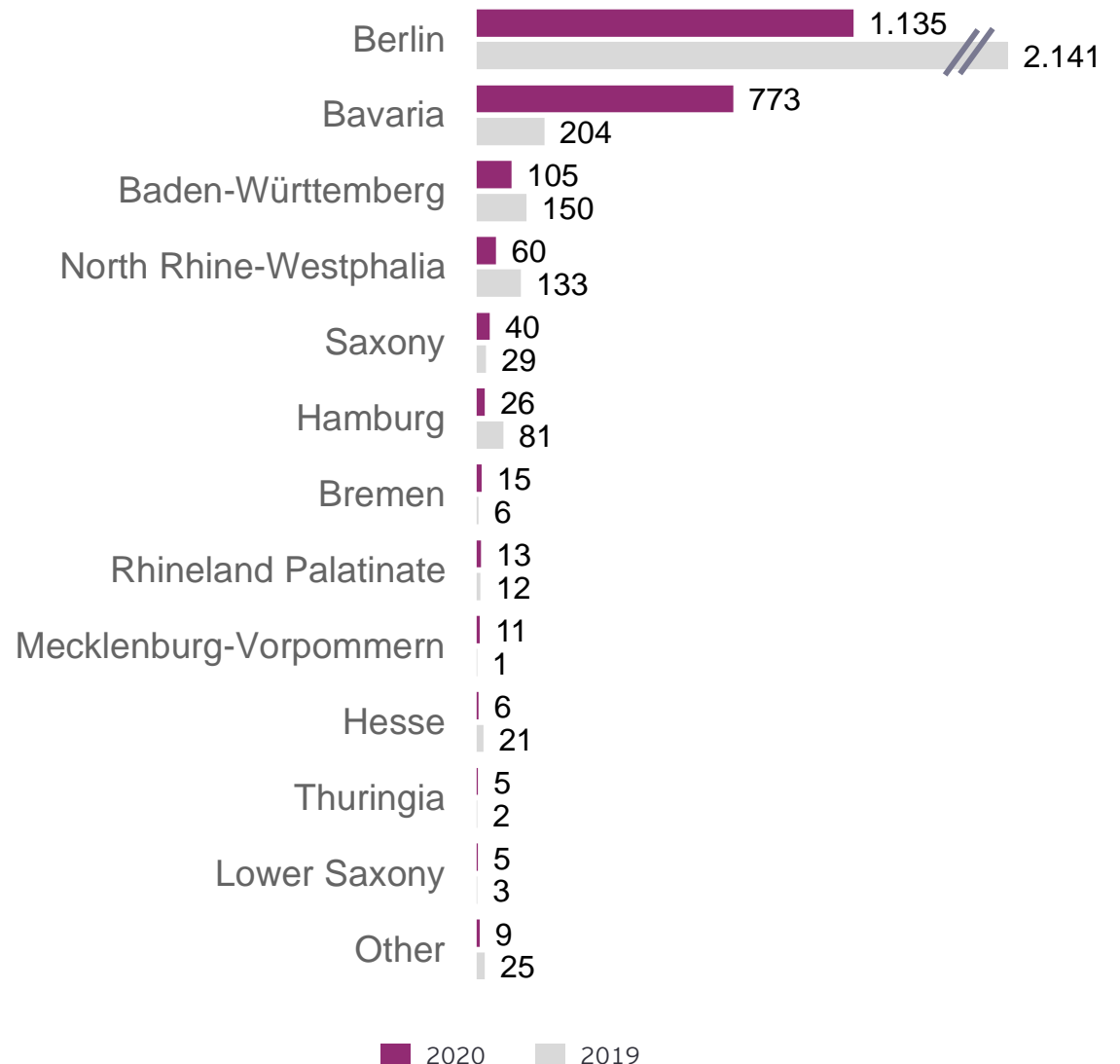
Berlin clearly ahead in terms of deal volume despite strong decline - Bavaria with strong increase makes up a lot of ground

Start-up financing in Germany 2020 and 2019

Financing totals per state (in EUR million); 1st half of each year

As in previous years, Berlin start-ups were by far the most successful in raising capital among the German states: More than every second euro invested in start-ups in this country (52 percent) was invested in Berlin start-up companies in the first half of 2020.

With a market share of 35 percent, Bavaria ranks second ahead of North Rhine-Westphalia, which, as in the same period last year, has a market share of around 5 percent.



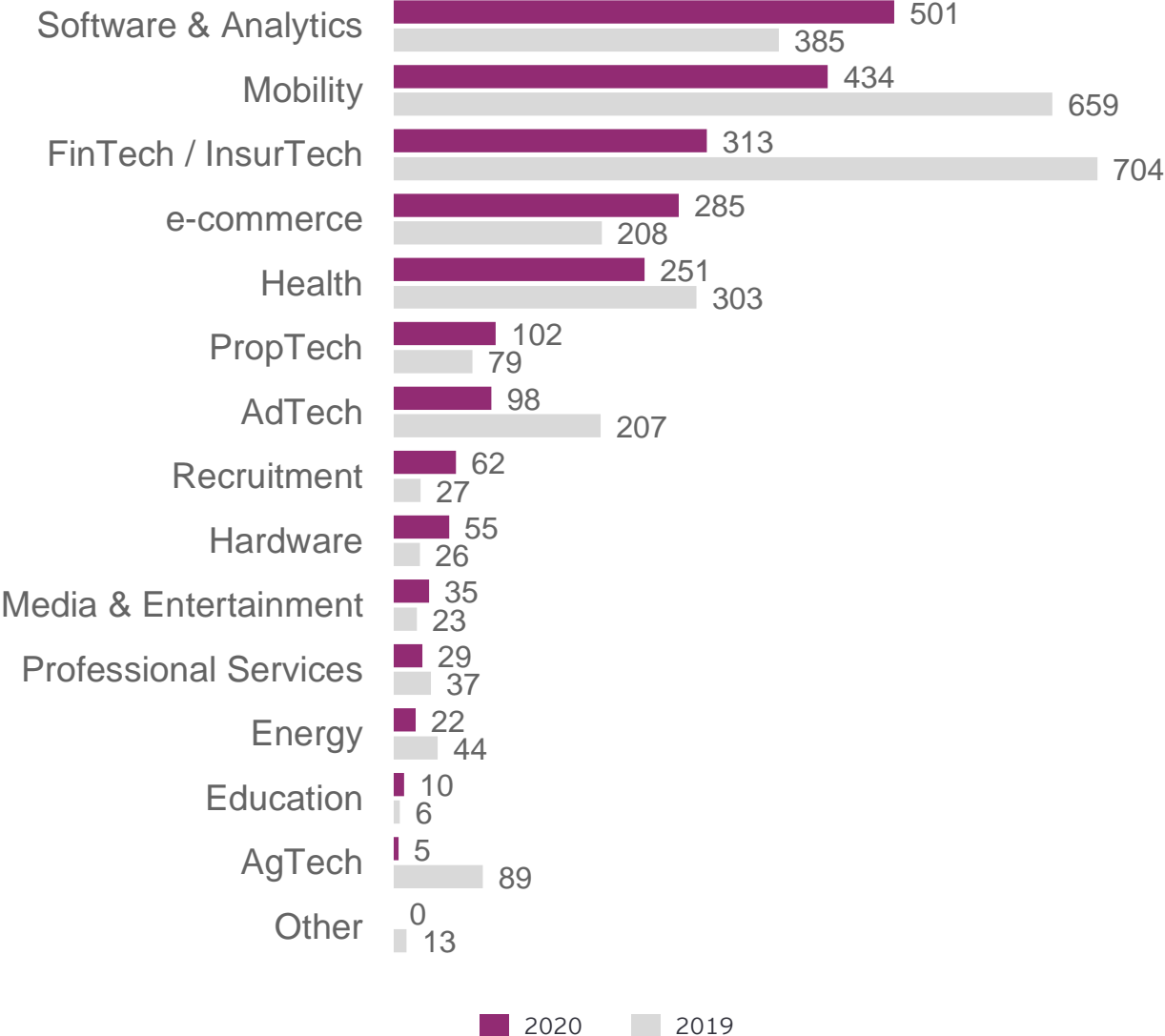
Industries: Software & Analytics attracts half a EUR billion in investment capital

Start-up financing in Germany 2020 and 2019

Financing totals per sector (in EUR million); 1st half of each year

Most of the money was invested in Software & Analytics in the first half of 2020 - 30 percent more than in the same period last year. Three of the top 10 deals were in this area.

Mobility and FinTech/InsureTech in second and third place, however, recorded a significantly lower inflow of investment capital than in the first half of 2019. In the Mobility division, which recorded the top deal of the half-year with Lilium, the volume fell by 34 percent, in the FinTech/InsureTech division even by 55 percent.

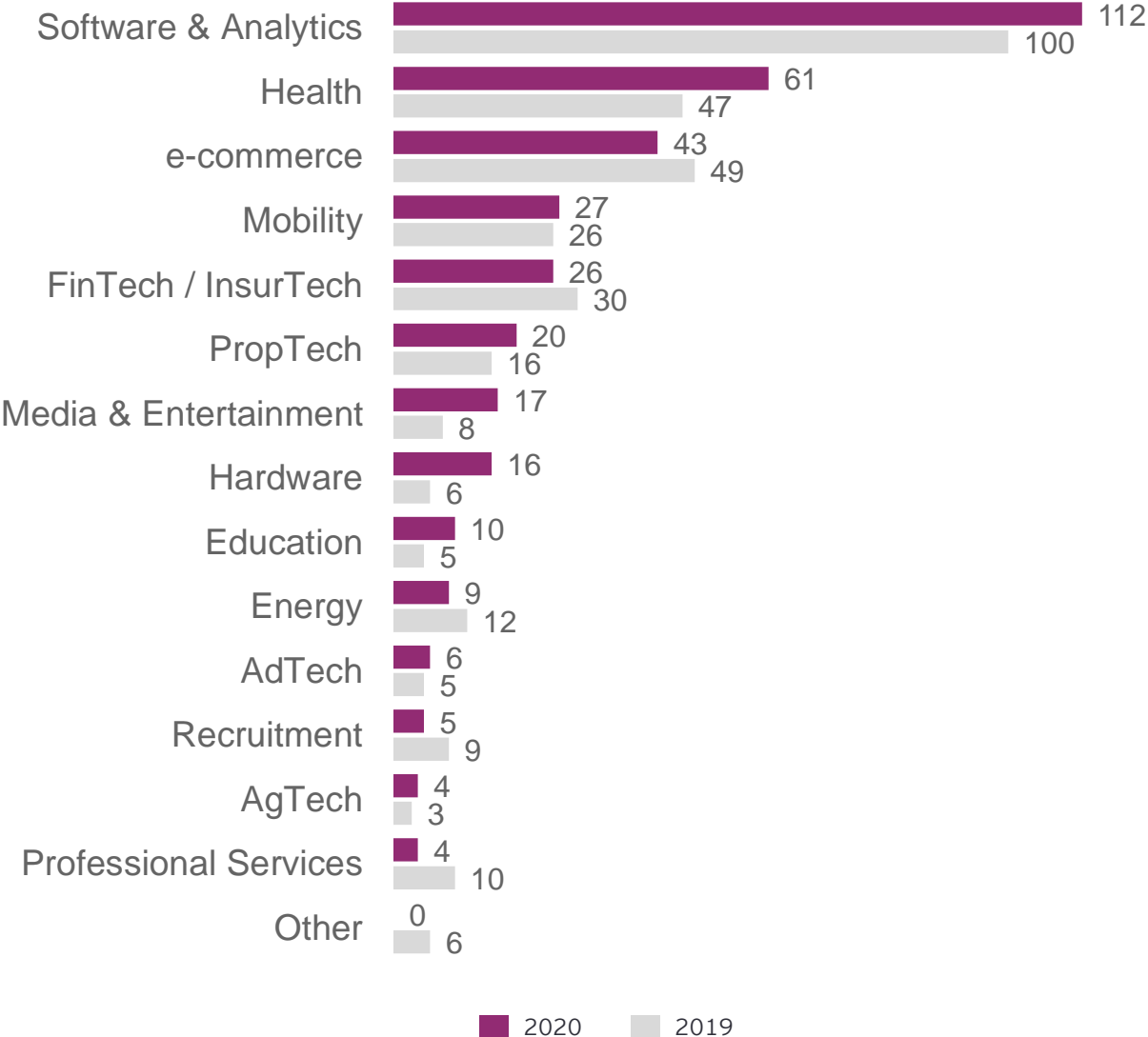


Software & Analytics with the most financing rounds - before health and e-commerce

Start-up financing in Germany 2020 and 2019

Number of financing rounds per sector in Germany; 1st half of each year

As in the same period last year, the Software & Analytics division accounted for the largest number of financing rounds in the first half of 2020: Compared to the first half of 2020, the number even rose by 12 percent to 112. With SaaS, Artificial Intelligence, Virtual Reality, Blockchain, Cloud, Cyber Security and Data Analytics, this division includes start-ups with new technologies. In second place is the health segment, which also recorded significantly more financing rounds than in the same period of the previous year, ahead of e-commerce.



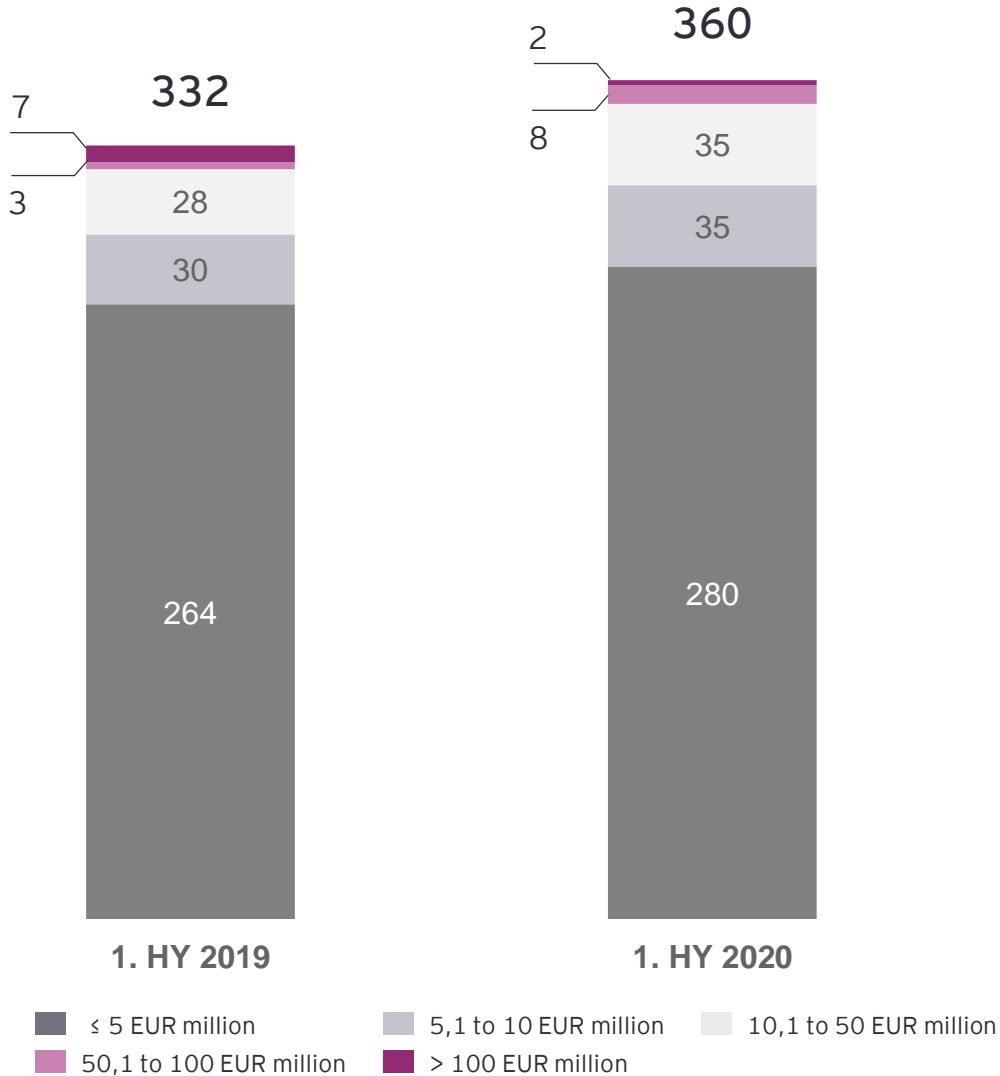
2020 significantly fewer large deals of more than 100 EUR million, but significantly more deals in all other size categories

Start-up financing in Germany 2020 and 2019

By size class, number of financing rounds in the size class mentioned; 1st half of each year


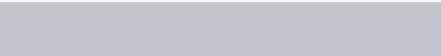
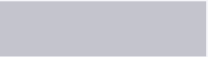
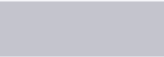
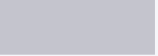
In the first half of 2020, only in the size category of large deals of more than 100 EUR million were fewer deals recorded than in the same period last year: their number fell from 7 to only 2.

In all other size classes, however, significantly more deals were recently recorded than in the first half of 2019.

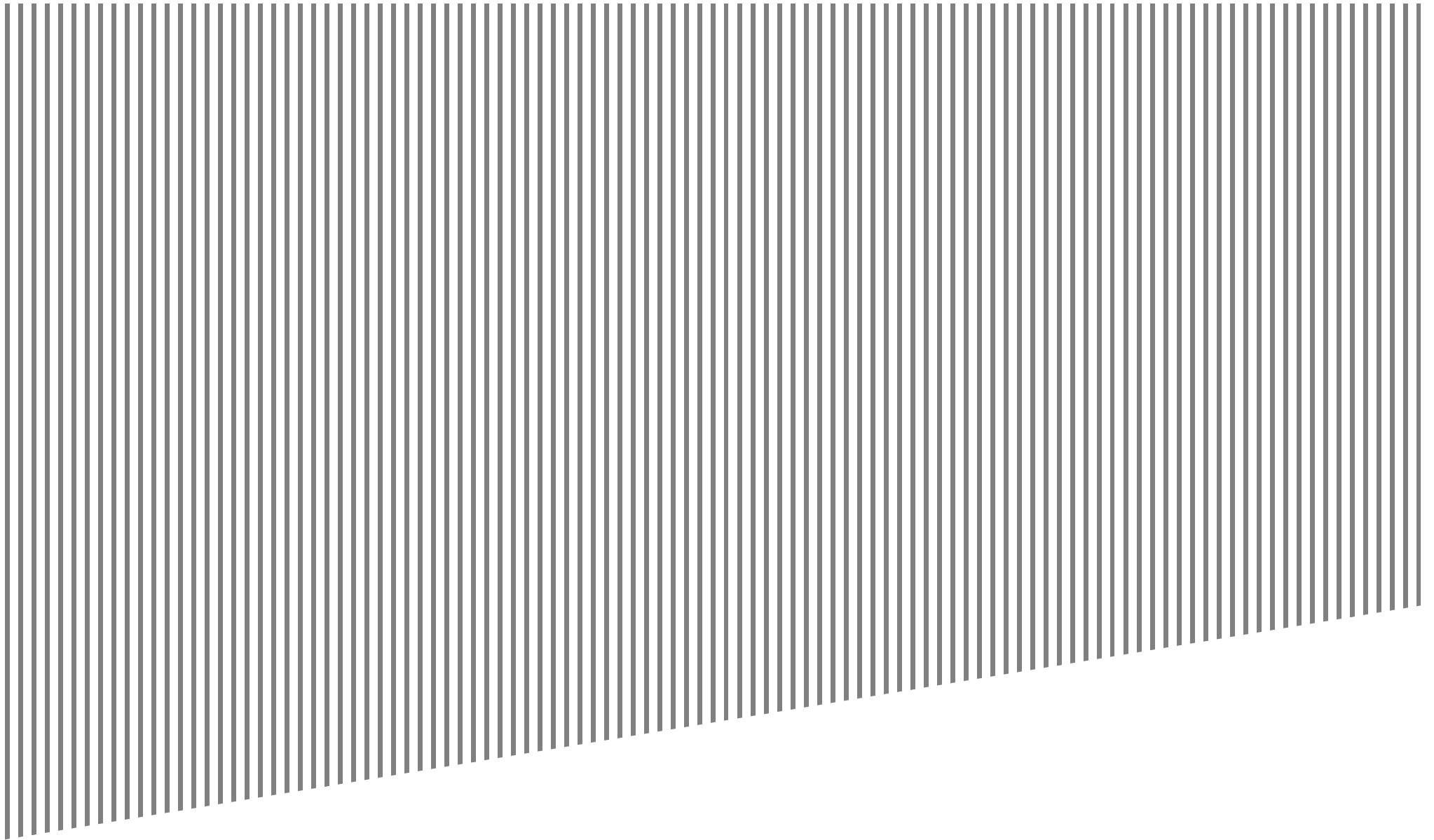


Lilium in front of Grover with the largest financing round

Top 5 financings in Germany in the first half of 2020

Company	Month	Financing Amount in EUR million	State
Lilium	March	 218	Bavaria
Grover	January	 195	Berlin
N26	May	 91	Berlin
Contentful	June	 73	Berlin
Personio	January	 68	Bavaria

Focus on sectors and federal states



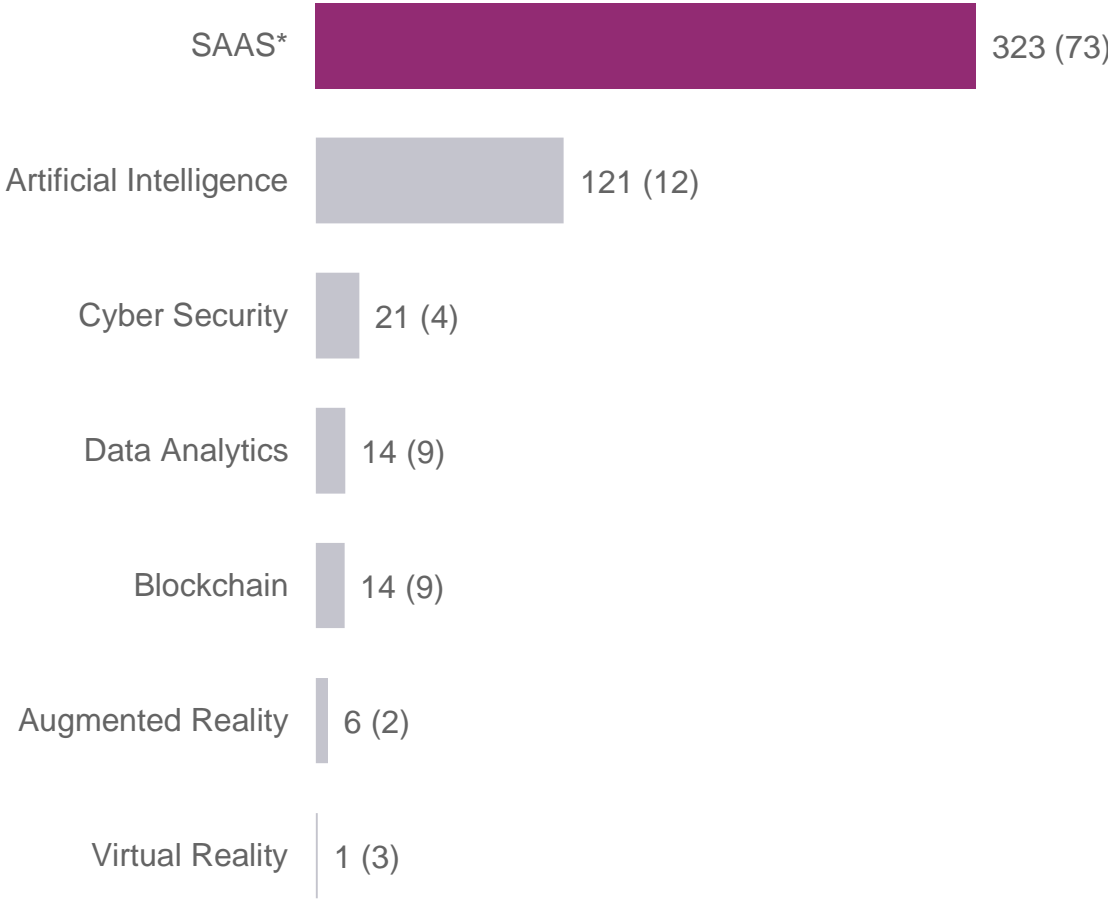
Detailed Analysis Software & Analytics: Software as a Service receives the most, followed by AI and Cyber Security

Financing in the area of Software & Analytics 2020

Financing amounts per sub-sector (in EUR million); in brackets: Number of financing rounds; 1st half of each year

Within the Software & Analytics division, the Software as a Service segment recorded by far the most deals, the highest investment volume and the two top deals within the sector (Personio, Taxfix) in the first half of 2020 with 73 deals and 323 EUR million. The sub-sector AI in second place was also able to attract an investment volume of more than 100 EUR million.

Start-up	Month	Financing Amount in EUR million
Personio	January	68
Taxfix	April	59
Scoutbee	January	54



*SAAS = Software as a Service

Software & Analytics: Bavarian start-ups receive the most - Berlin start-ups with the most financing rounds

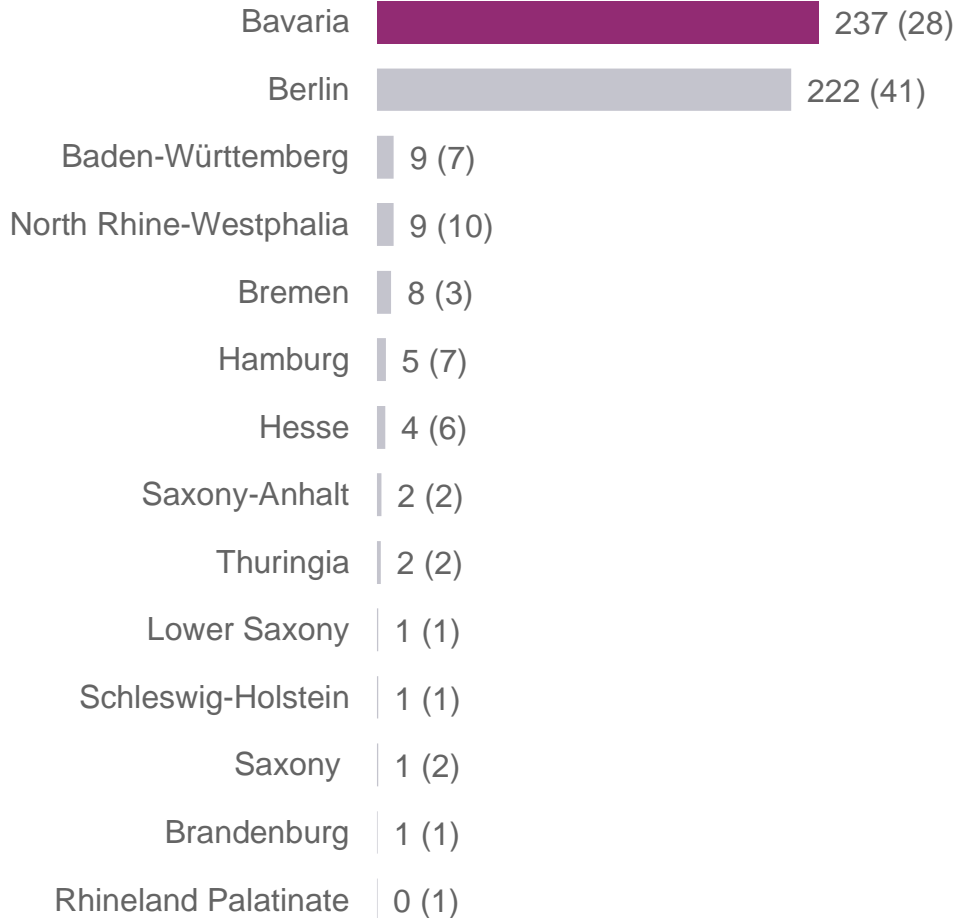
Financing in the area of Software & Analytics 2020

Financing amounts per state (in EUR million); in brackets: Number of financing rounds; in each case 1st half-year

In the first half of 2020, Bavarian start-ups recorded the highest inflow of investment capital and the second highest number of financing rounds in the Software & Analytics segment, at 237 EUR million.

Berlin-based start-ups registered significantly more financing rounds, but received slightly less capital than their Bavarian competitors.

In total, Bavarian and Berlin start-ups combined had a market share of around 92 percent in the Software & Analytics sector.



Detailed analysis Mobility: Aviation with by far the largest investment amount before Automotive and Scooter

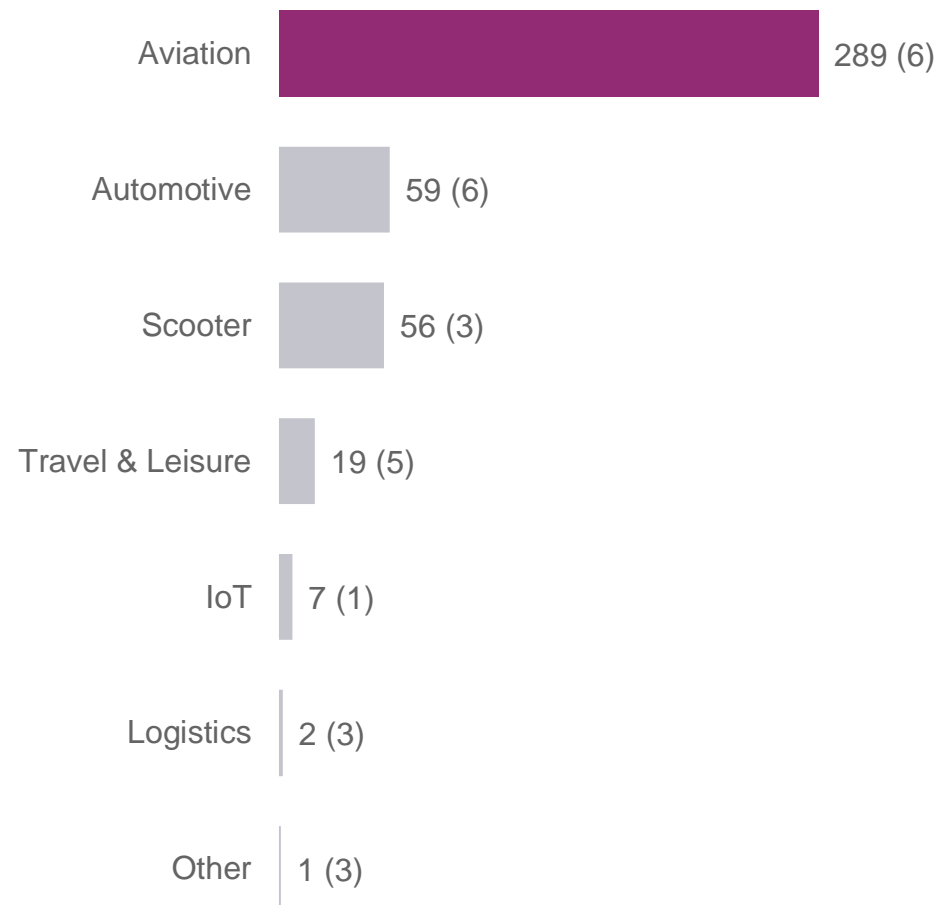
Financing in the Mobility 2020 sector

Financing amounts per sub-sector (in EUR million); in brackets: Number of financing rounds; 1st half of each year

In the Mobility sector, two thirds of the total invested capital was attributable to the Aviation sub-sector, which also recorded two of the three top deals (Lilium, Volocopter).

The Automotive sector in second place accounted for around 14 percent of the capital invested in the Mobility sector, followed by the Scooter sector, which accounted for a market share of around 13 percent.

Start-up	Month	Financing Amount in EUR million
Lilium	March	218
Sono Motors	January	53
Volocopter	February	37



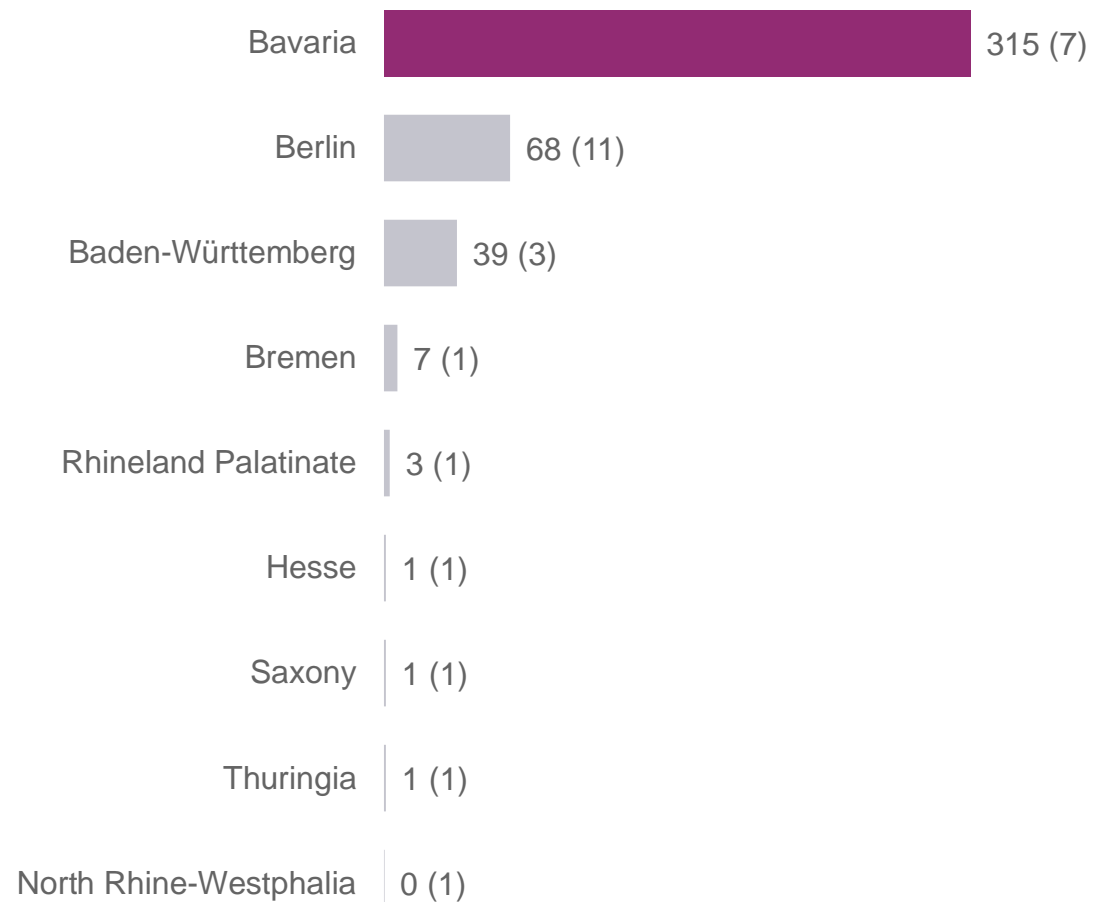
Mobility: Start-ups in Bavaria receive by far the most - Berlin start-ups with the most financing rounds

Financing in the Mobility 2020 sector

Financing amounts per state (in EUR million); in brackets: Number of financing rounds; in each case 1st half-year

In the first half of 2020, Bavarian start-ups received as much as 72 percent of the capital invested in Germany in the Mobility segment - primarily thanks to the two top deals (Lilium, Sono Motors) with a total volume of 271 EUR million.

Berlin start-ups only achieved a market share of 16 percent in the mobility sector, but recorded more financing rounds than the start-up scene in Bavaria.



Detailed analysis FinTech/InsurTec: Banking receives the most investment capital

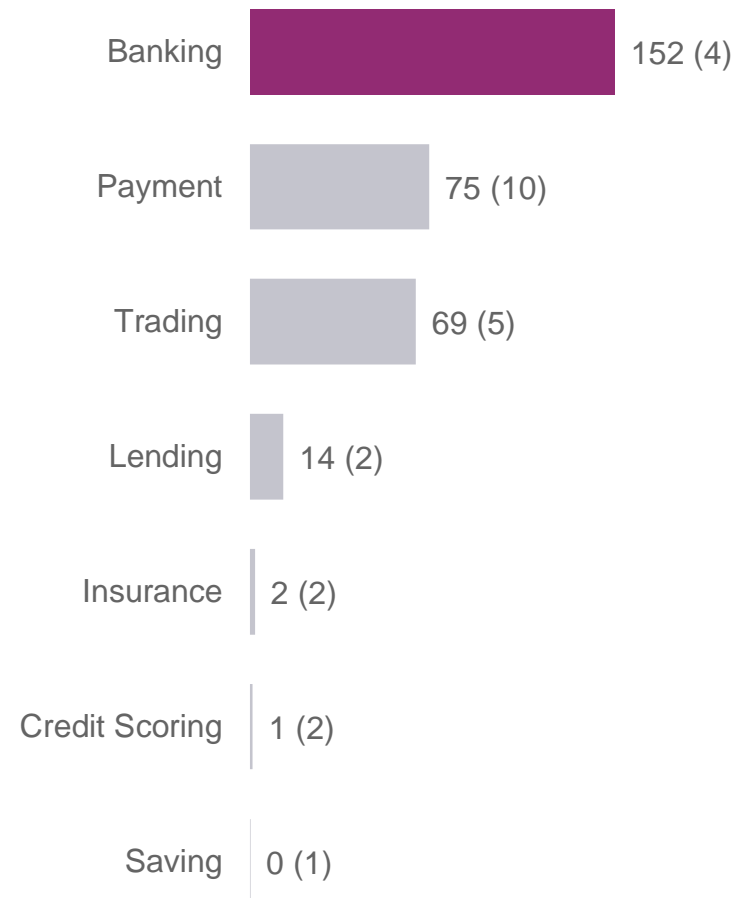
Financing in the FinTech/InsurTech 2020 sector

Financing amounts per sub-sector (in EUR million); in brackets: Number of financing rounds; 1st half of each year

In the FinTech/InsurTech Mobility sector, the banking sub-sector accounted for almost half (49 percent) of the total invested capital and two of the three top deals (N26, SolarisBank), with 152 EUR million.

In the first half of 2020, the sub-sectors Payment and Trading achieved a market share of 24 percent (Payment) and 22 percent (Trading) respectively.

Start-up	Month	Financing Amount in EUR million
N26	May	91
Trade Republic	April	62
SolarisBank	June	60



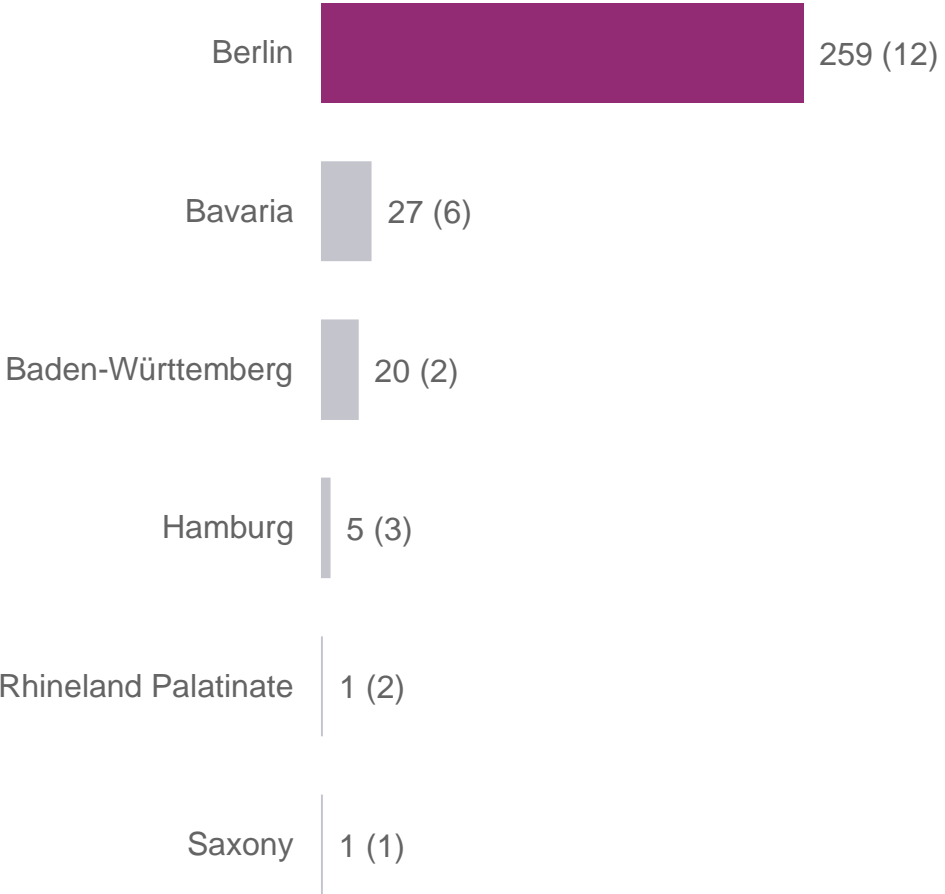
FinTech/InsurTech: Berlin start-ups with a market share of over 80 percent

Financing in the FinTech/InsurTech 2020 sector

Financing amounts per state (in EUR million); in brackets: Number of financing rounds; in each case 1st half-year

In the first half of 2020, Berlin start-ups received 83 percent of the capital invested in Germany in the FinTech/InsurTech sector and recorded by far the most financing rounds.

Start-ups in Bavaria achieved a market share of 9 percent, followed by start-ups in Baden-Württemberg, which had a market share of 6 percent.



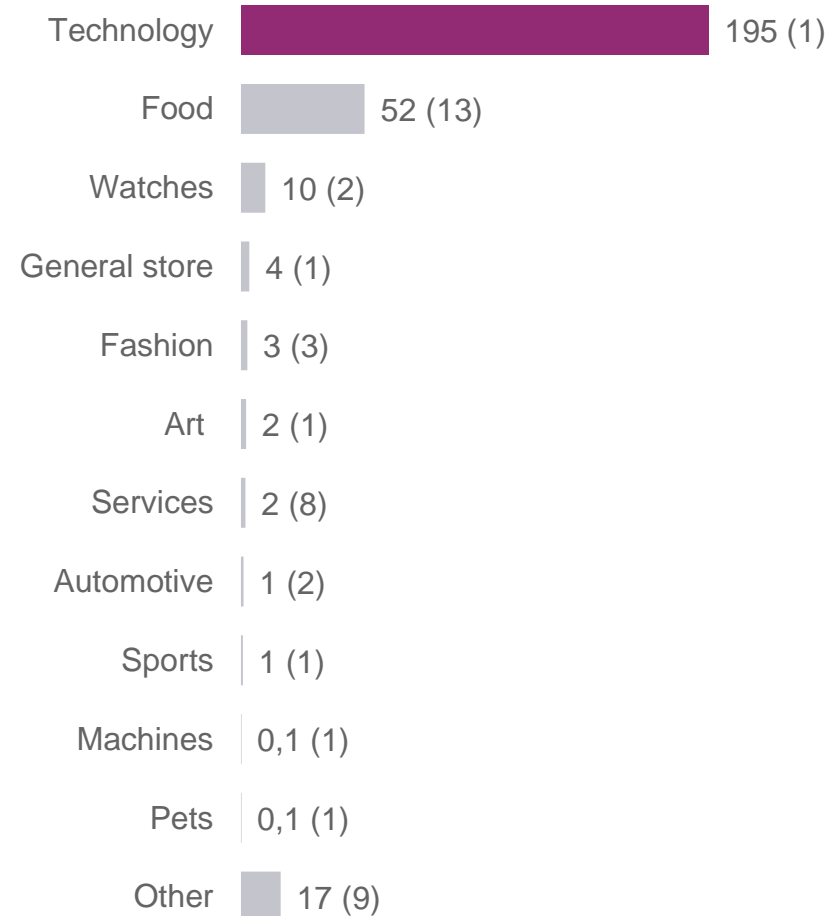
Detailed analysis e-commerce: Food with the most financing rounds

Financing in the field of e-commerce 2020

Financing amounts per sub-sector (in EUR million); in brackets: Number of financing rounds; 1st half of each year

In the e-commerce sector, the food sub-sector recorded by far the most financing rounds in the first half of 2020 and two of the top three deals (YFood Labs, JustSpices). By far the most investment capital, however, flowed into the technology sector in the form of a single deal (Grover).

Start-up	Month	Financing Amount in EUR million
Grover	January	195
YFood Labs	April	15
JustSpices	January	13



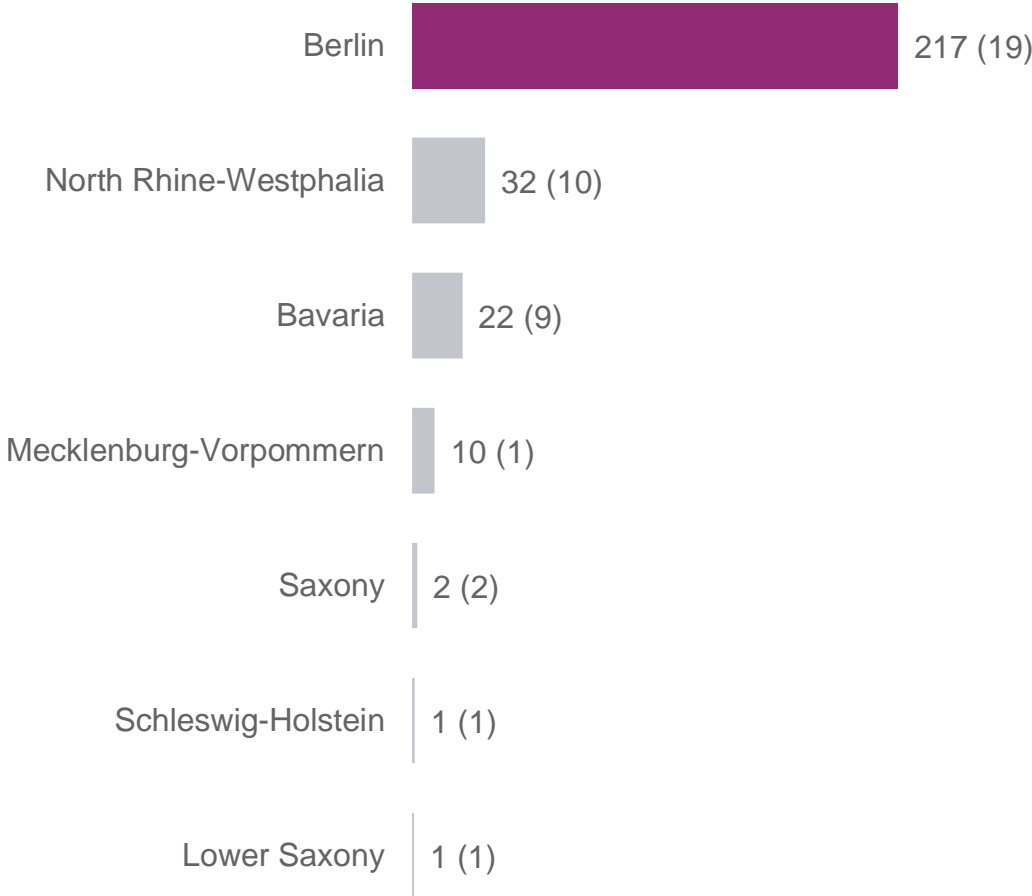
E-commerce: More than three quarters of the invested capital goes to capital city start-ups

Financing in the field of e-commerce 2020

Financing amounts per state (in EUR million); in brackets: Number of financing rounds; in each case 1st half-year

Berlin again recorded the highest number of deals and the highest financing volume in the e-commerce segment in the first half of 2020: With 217 EUR million, 76 percent of the 285 EUR million invested in e-commerce went to capital city start-ups.

Apart from Berlin, only the start-up scene from North Rhine-Westphalia achieved a double-digit market share of around 11 percent.



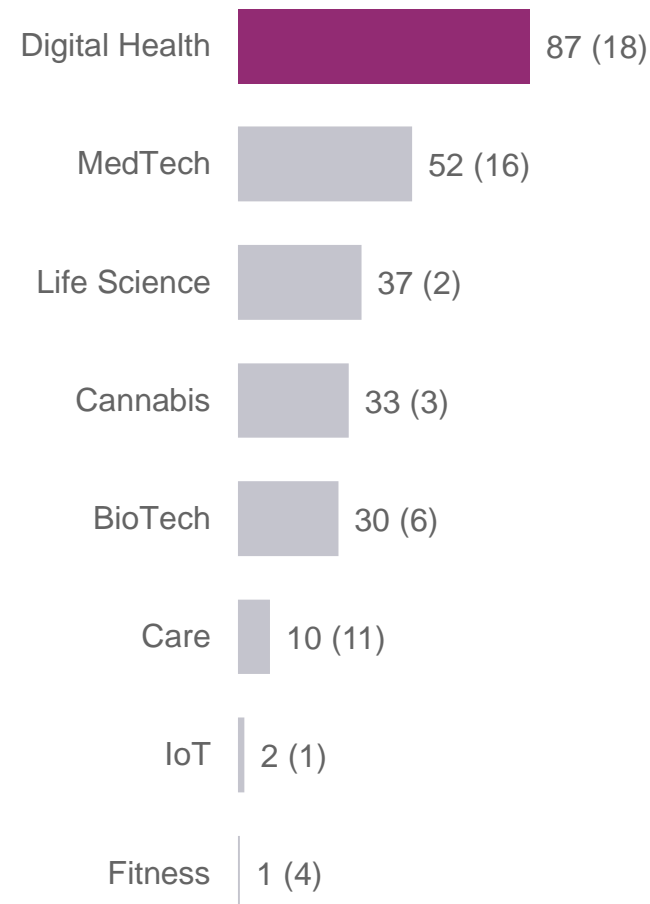
Detailed analysis Health: Digital Health ahead of MedTech and Life Science -Cannabis receives 33 EUR million

Financing in the field of Health 2020

Financing amounts per sub-sector (in EUR million); in brackets: Number of financing rounds; 1st half of each year

Within the Health segment, the Digital Health segment recorded the highest investment volume and the most financing rounds in the first half of 2020, at 87 EUR million.

In the still young cannabis sub-sector, three deals were recorded with a financing volume of around 33 EUR million, including two of the top 10 deals.



Start-up	Month	Financing Amount in EUR million
PlusDental	May	32
Kaia Health	June	24
ATAI Life Sciences	April	22

Health: Bavarian start-ups receive the most - Berlin start-ups with the most deals

Financing in the field of Health 2020

Financing amounts per state (in EUR million); in brackets: Number of financing rounds; in each case 1st half-year

As in the Software & Analytics and Mobility sectors, Bavarian start-ups also received the most investment capital in the Health sector in the first half of 2020, with 106 EUR million.

Berlin-based start-ups followed in second place, attracting 87 EUR million in investment capital, but more than twice as many investment rounds as Bavarian start-ups.

