

Startup Barometer Germany

January 2021

Design of the Study

The EY Startup Barometer Germany has been issued since 2014, effective 2015 twice per year.

Sources: Press releases of Start-ups or Investors, Press reporting, Dow Jones VentureSource

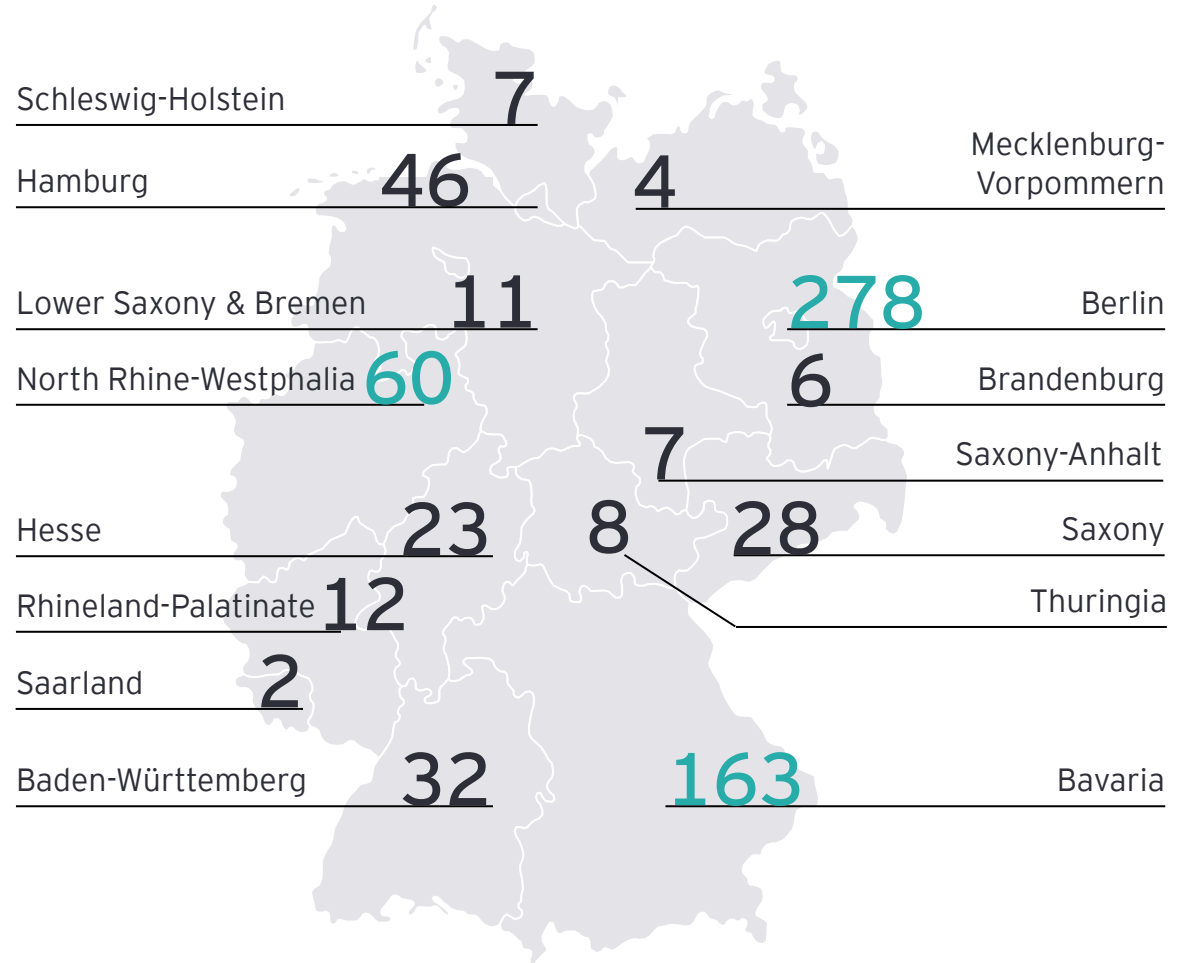


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Number of startups that received funding in 2020, by state
(not number of funding rounds)



Startup financing rounds 2020: Number at record level, but volume lower than previous year

Startup financing in Germany

Number and volume of financing rounds in Germany

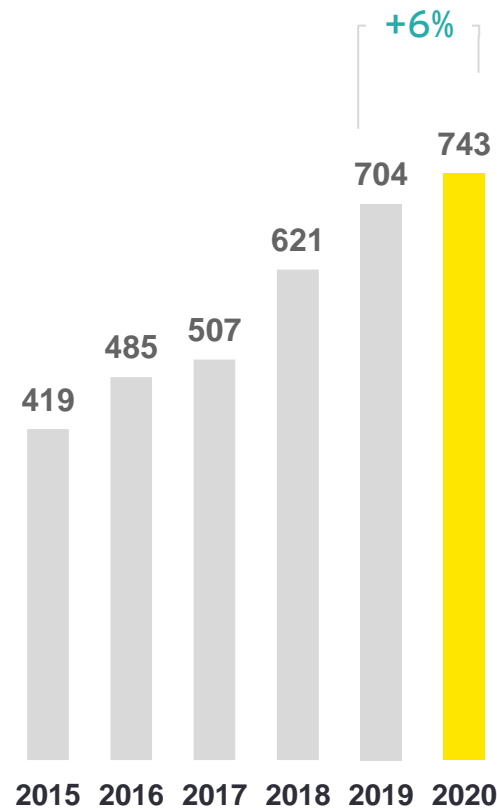
Across Germany, the number of financing rounds in 2020 again increased significantly compared to the previous year: by 39 deals or around 6 percent to a total of 743 deals.

Though this is a healthy mark, the total value of these investments declined: by 15 percent or 956 million euros to around 5.3 billion euros.

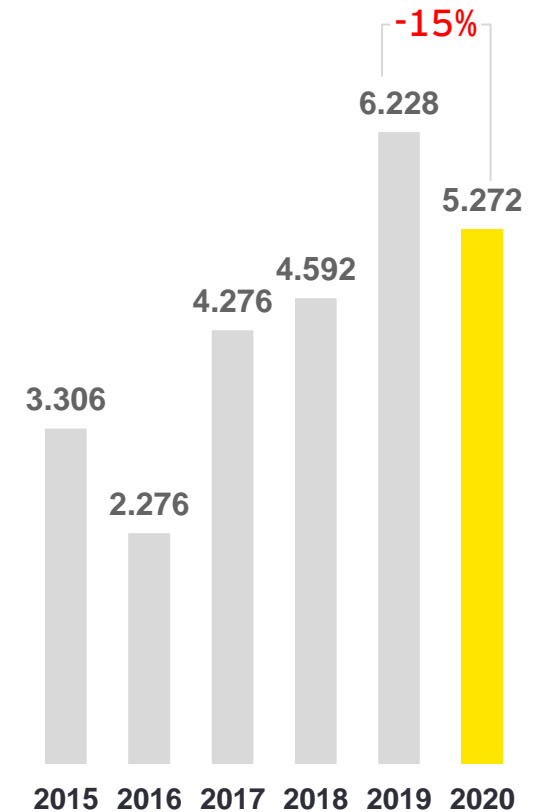
Nevertheless, this represents the second-highest total in the period under review.

The decline is attributable to the lower number of major deals worth at least 100 million euros: 8 such deals worth a total of 1,354 million euros were recorded in 2020, compared with 13 such deals worth 3,035 million euros in 2019.

Number



Volume in million euros



Startup funding rounds 2020 over the course of the year: Consistently high number of monthly funding rounds in the fourth quarter

Startup financing in Germany

Number and volume of financing rounds in Germany*

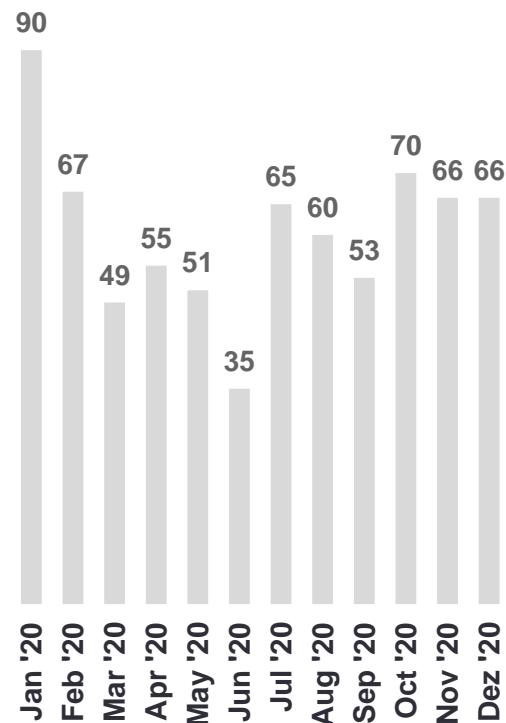
The number of deal closings showed a negative trend in the course of the first half of 2020, apparently due to Corona: In January, 90 financing rounds were counted, followed by 49 in March and only 34 in June.

In the second half of the year, the number of monthly deals stabilized and showed a consistently high value of at least 66 deals per month in the fourth quarter.

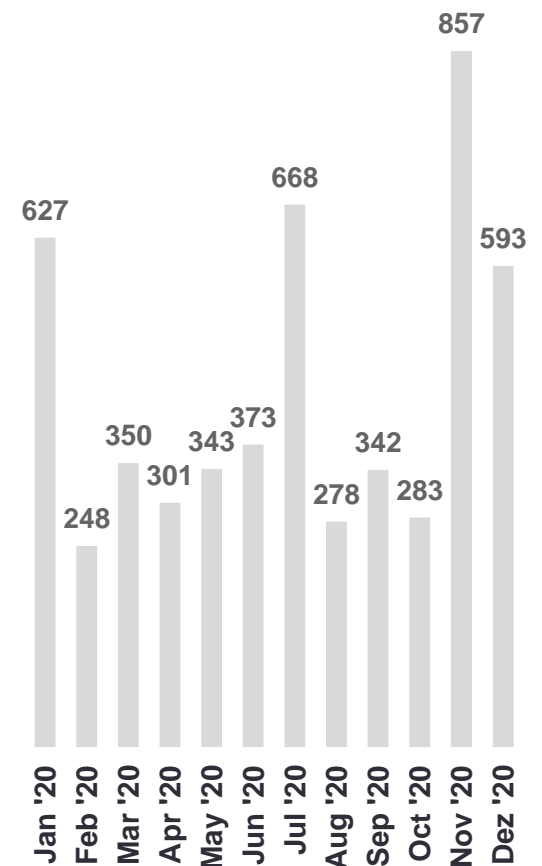
November was the month with the highest number of deals in terms of volume. December also showed an above-average total volume despite the extended holiday period.

* For 16 deals with a total volume of around EUR 9 million, no precise information is available on the date of completion. These were therefore not assigned to a month and are not included in the chart.

Number



Volume in million euros



2020: Number of deals in the second half of the year at a new high - Volume at 3 billion euros, second-highest half-year figure

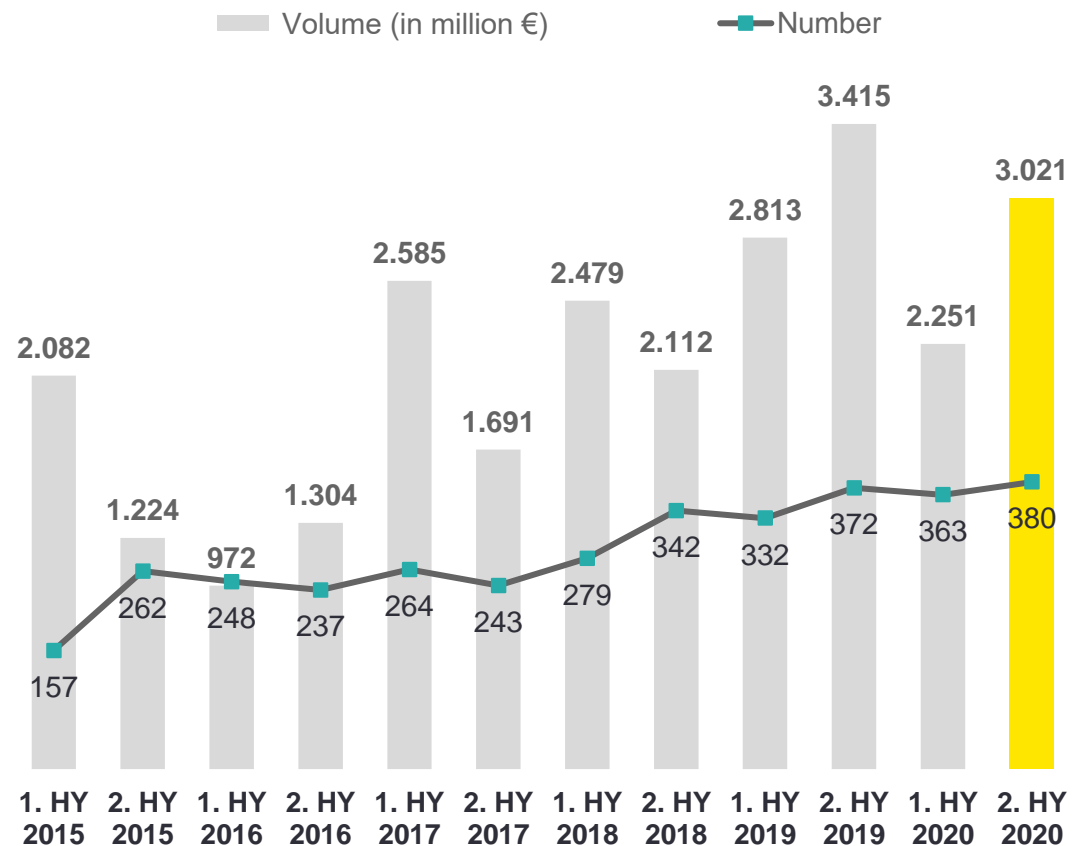
Startup financing in Germany 2015 to 2020

Number and Volume (in million euros)

Number and volume of financing rounds per half-year

In the second half of 2020, the number of deals registered rose to a new six-month high of 380. The previous high had been recorded in the second half of 2019 with a total of 372 deals.

The total financing volume realized in the second half of 2020 reached 3 billion euros, the second-highest figure ever. The financing volume was only even greater during the second half of 2019, at a level of 3.4 billion euros.



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

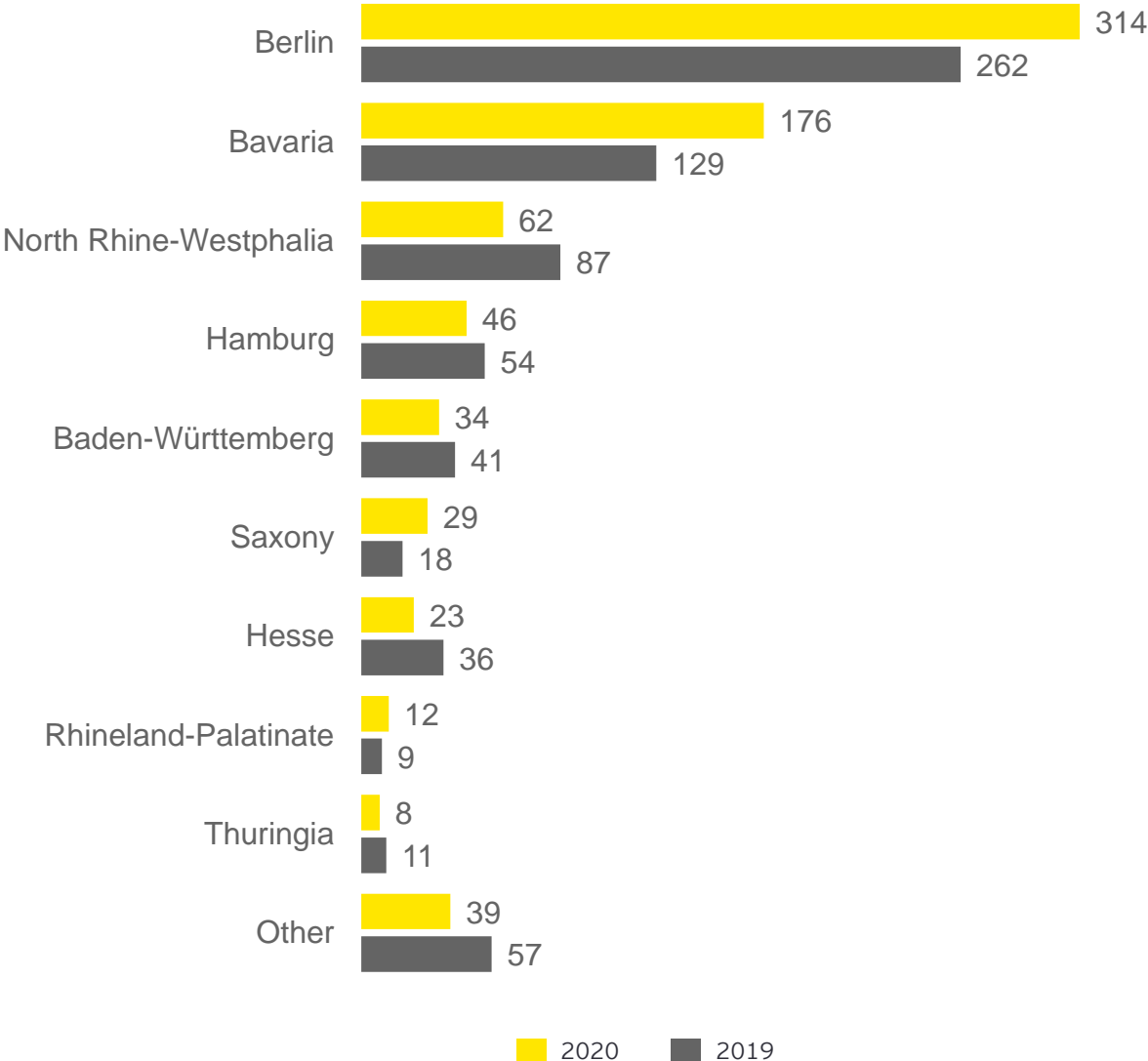
Startup financing in Germany 2020 and 2019

Number of financing rounds by state

Berlin was once again the hotspot of the German startup scene in 2020: With 314 financing rounds, startups in the German capital recorded 42 percent of all financing rounds counted in this country.

Bavaria saw even stronger growth in the number of deals: 176 deals were counted here, which is still 36 percent more than in 2019.

North Rhine-Westphalia and Hamburg in third and fourth place, as well as Baden-Württemberg in fifth place, each registered noticeably fewer deals than in the previous year.



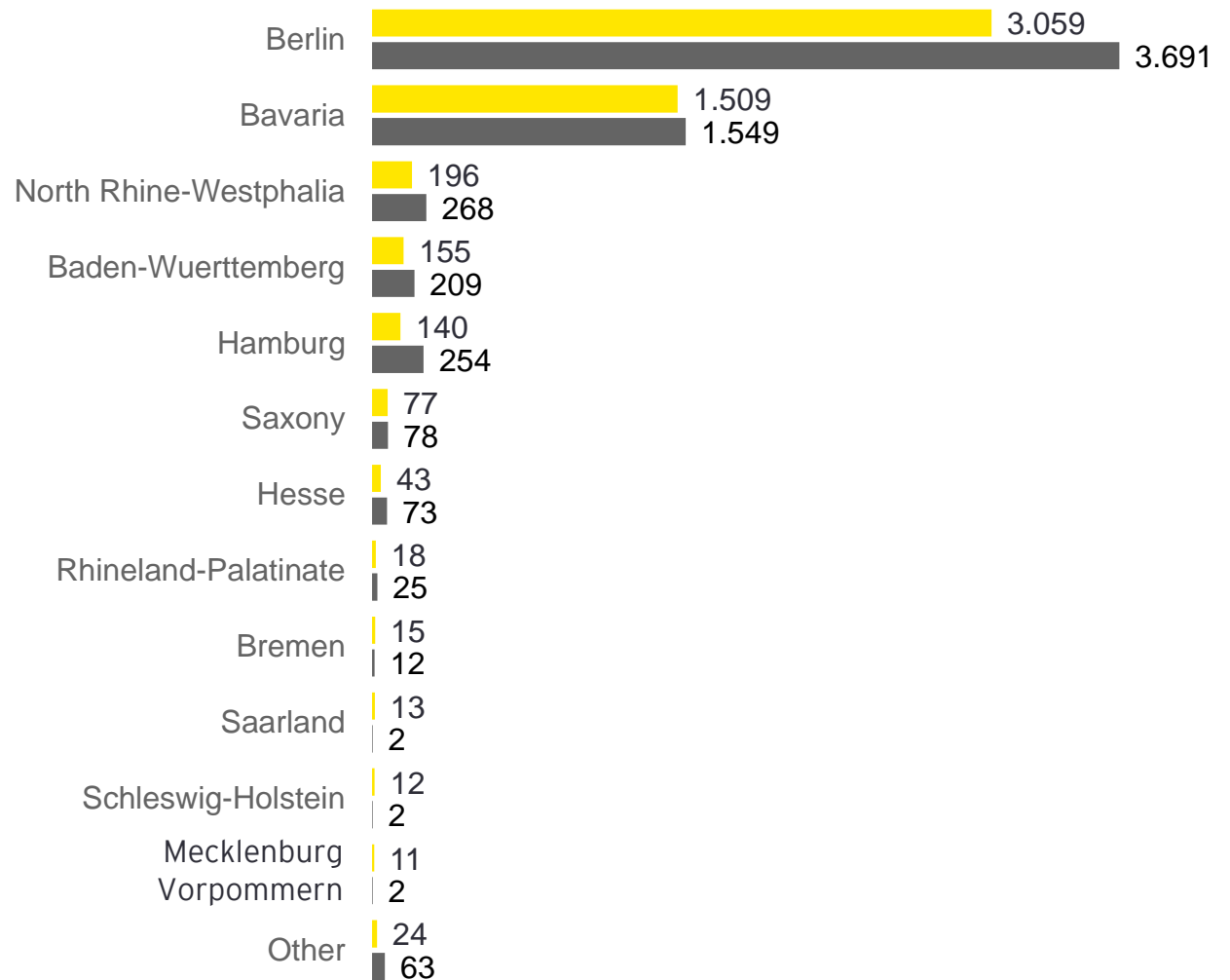
Berlin clearly ahead in deal volume despite decline - Bavaria unchallenged in second place

Startup financing in Germany 2020 and 2019

Financing amounts per state (in million euros)

In a comparison of the German states, Berlin startups were able to raise by far the most capital, as in previous years: Significantly more than half of the German euros invested in startups (58 percent) during 2020 were invested in Berlin.

With a market share of 29 percent, Bavaria ranks second, ahead of North Rhine-Westphalia, which has a market share of around 4 percent.



2020 2019

Sectors: Mobility and Software & Analytics attract the most investment capital with more than one billion euros each

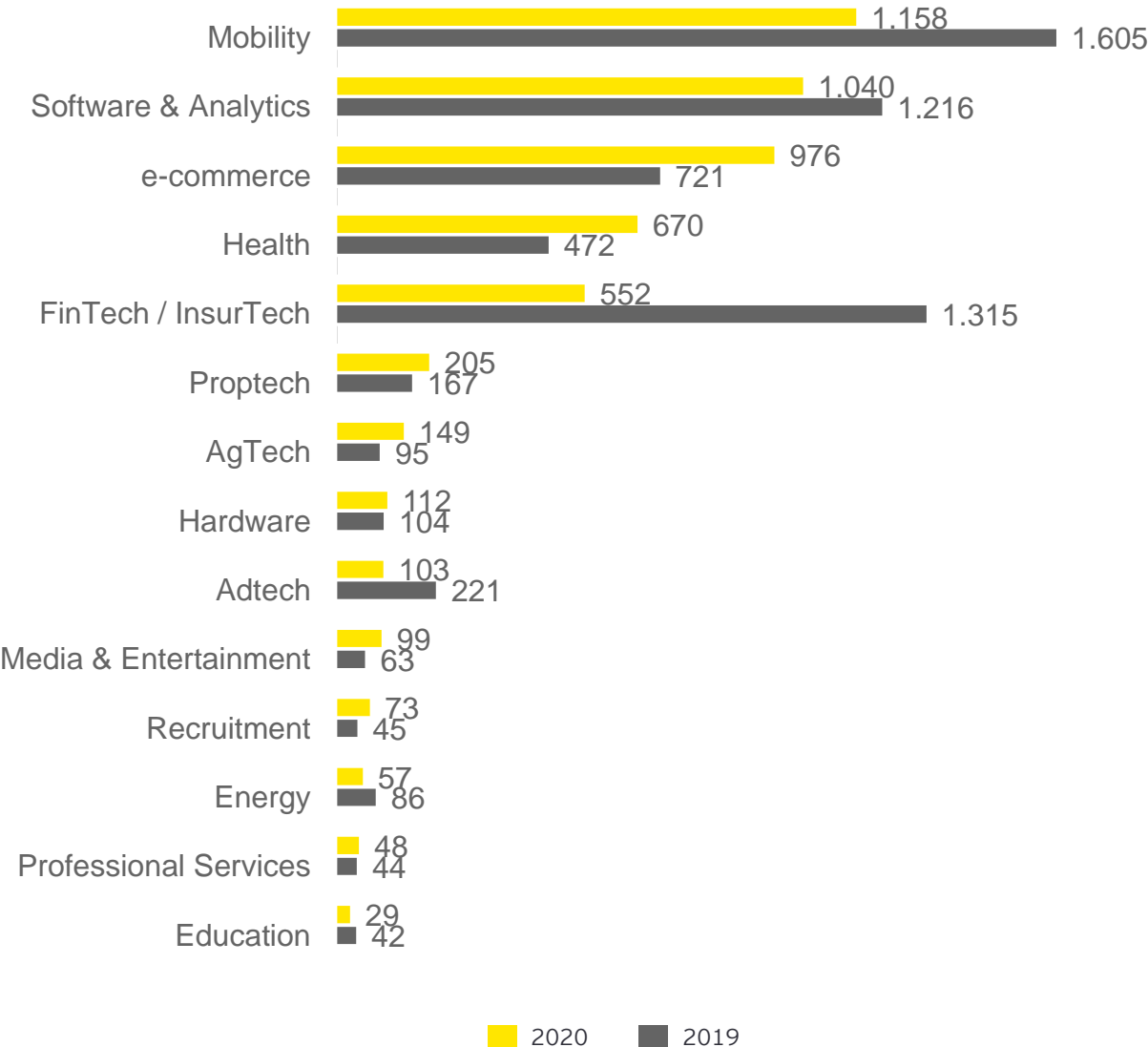
Startup financing in Germany 2020 and 2019

Financing totals per sector (in million euros) in Germany

As in the previous year, most money was invested in the Mobility sector in 2020. Three of the top 6 deals were recorded in this segment (Lilium, Tier Mobility, GetYourGuide).

Second is Software & Analytics, which also recorded an influx of more than one billion euros in investment capital, but with more financing rounds.

While Mobility and Software & Analytics each received less investment capital than in the previous year, the e-commerce and Health sectors in third and fourth place recorded significant growth compared to 2019.



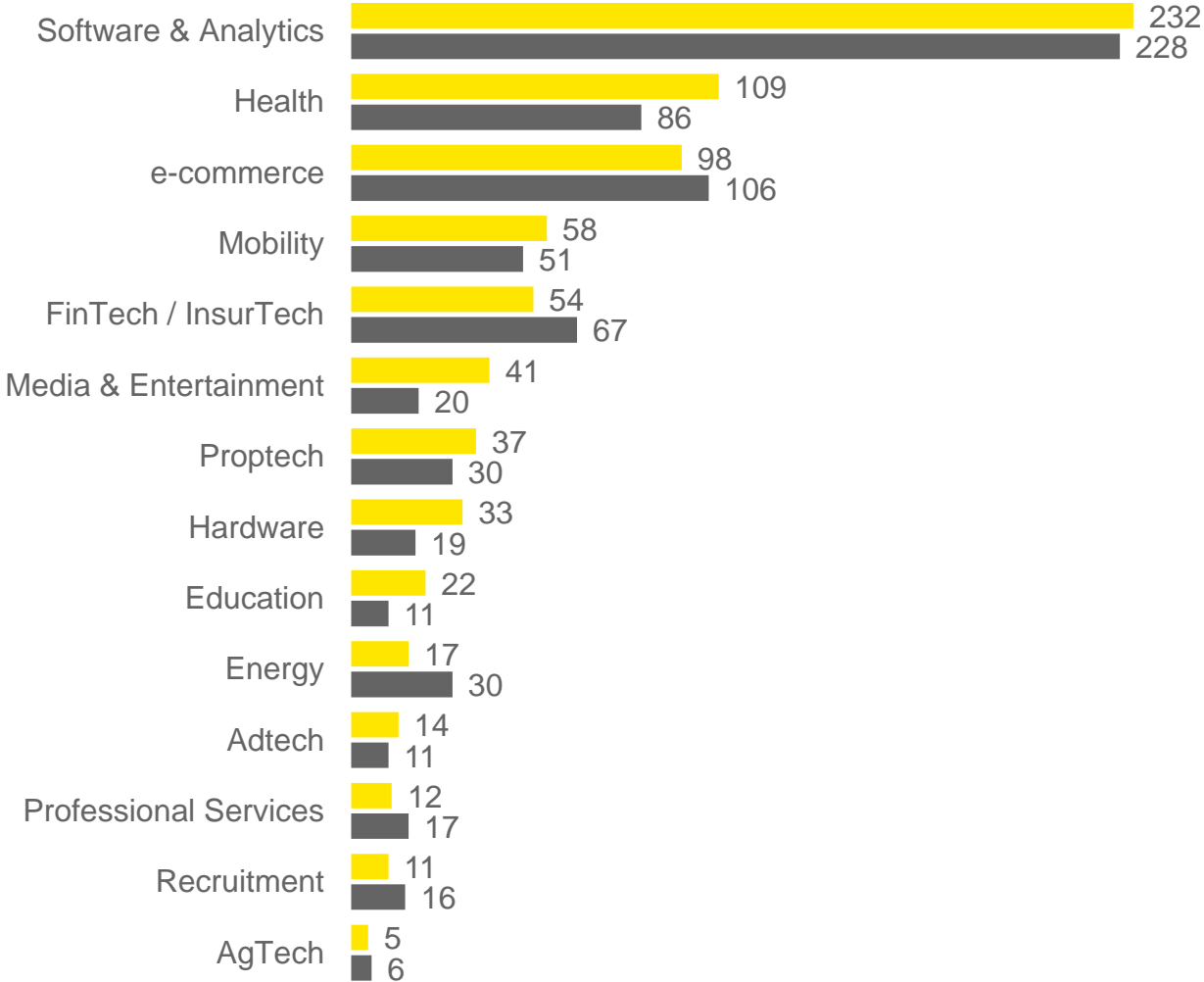
Software & Analytics with most financing rounds - ahead of Health and e-commerce

Startup financing in Germany 2020 and 2019

Number of financing rounds in Germany by sector

As in the previous year, Software & Analytics accounted for most of the financing rounds in 2020: The total number of deals were slightly higher than in 2019 at 232. With SaaS, artificial intelligence, virtual reality, blockchain, cloud, cyber security and data analytics, this area includes startups with new technologies.

The health sector, which recorded more financing rounds than in the previous year, was ranked second, ahead of the e-commerce sector.



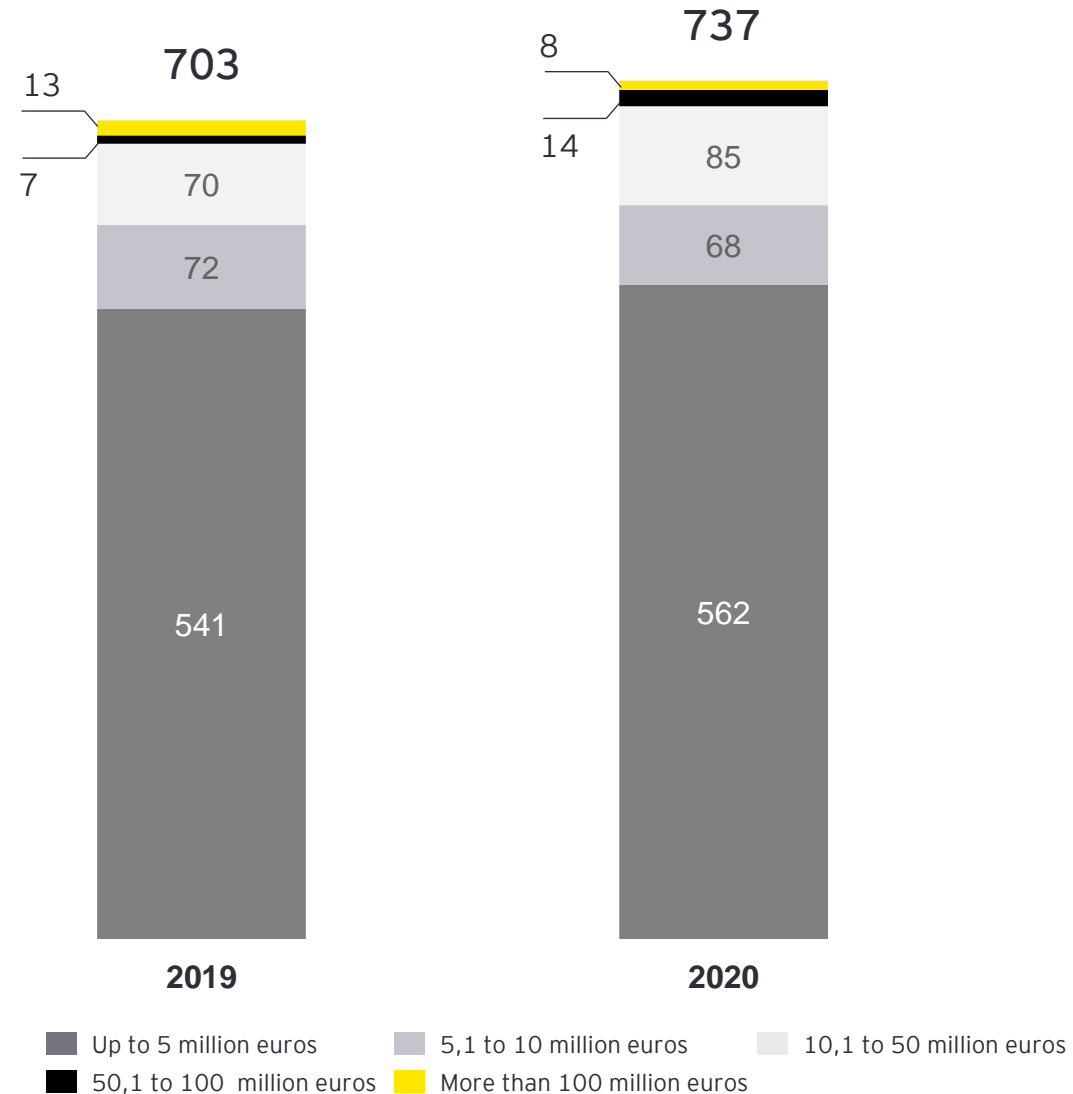
2020 2019

Fewer major deals of more than 100 million euros in 2020

Startup financing in Germany 2020 and 2019

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

2020 saw a total of 8 major deals worth more than 100 million euros, 5 fewer than in the previous year. At the same time, the number of deals in the size class from €50.1 to €100 million doubled from 7 to 14 deals.



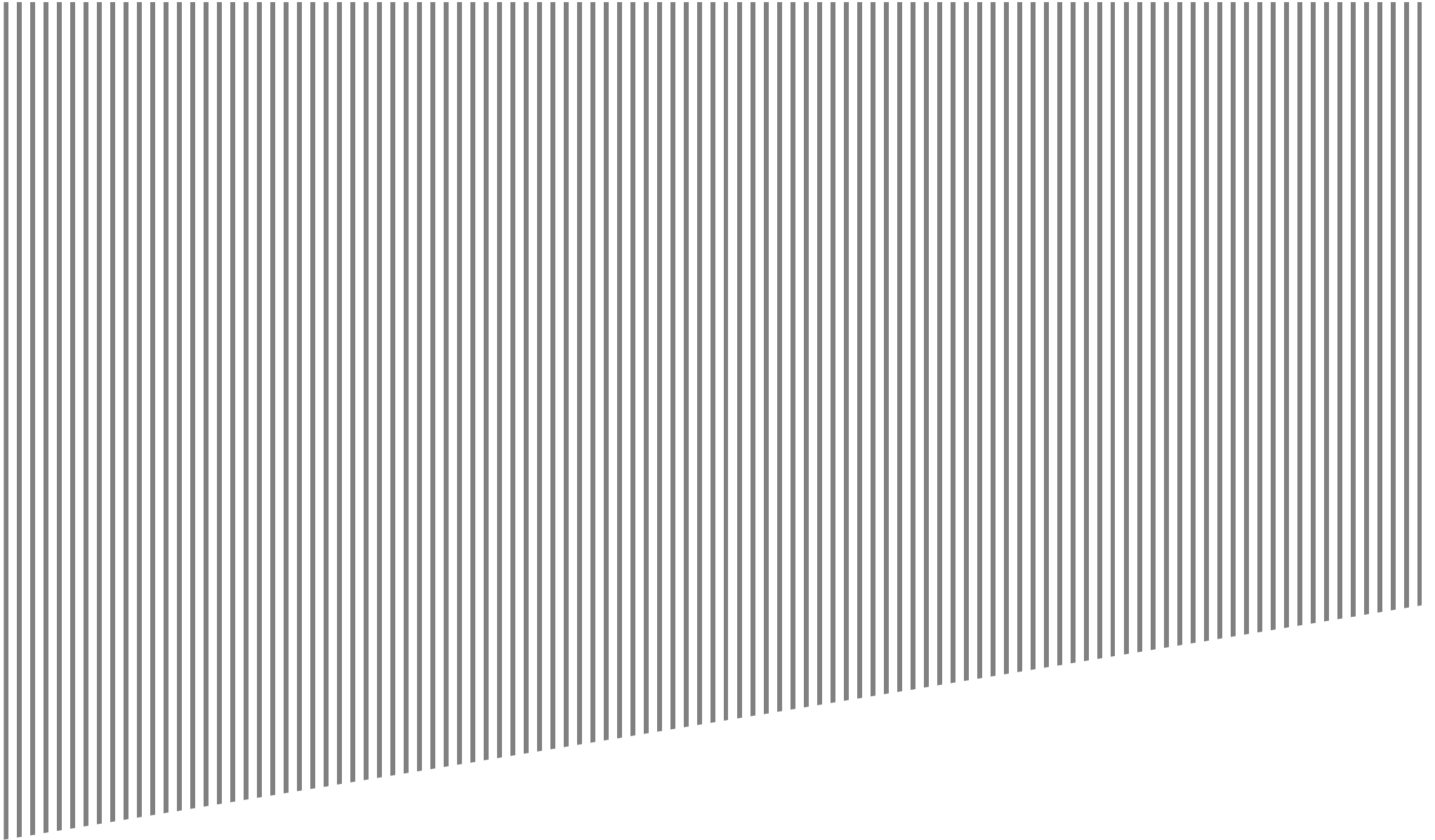
¹ A total of 743 (704) financings were counted in 2020 (2019), but only 737 (703) transactions have financing volume data.

Auto1 ahead of Liliium with largest financing round

Top 5 financings in Germany in 2020

Company	Month	Financing amount in million euros	State
Auto1 Group	July	255	Berlin
Liliium	March	218	Bavaria
Tier Mobility	November	212	Berlin
Grover	January	195	Berlin
Infarm	September	144	Berlin

Focus on sectors and federal states



Detailed analysis Mobility: Aviation with the largest investment sum ahead of Scooter, Travel & Leisure and Automotive

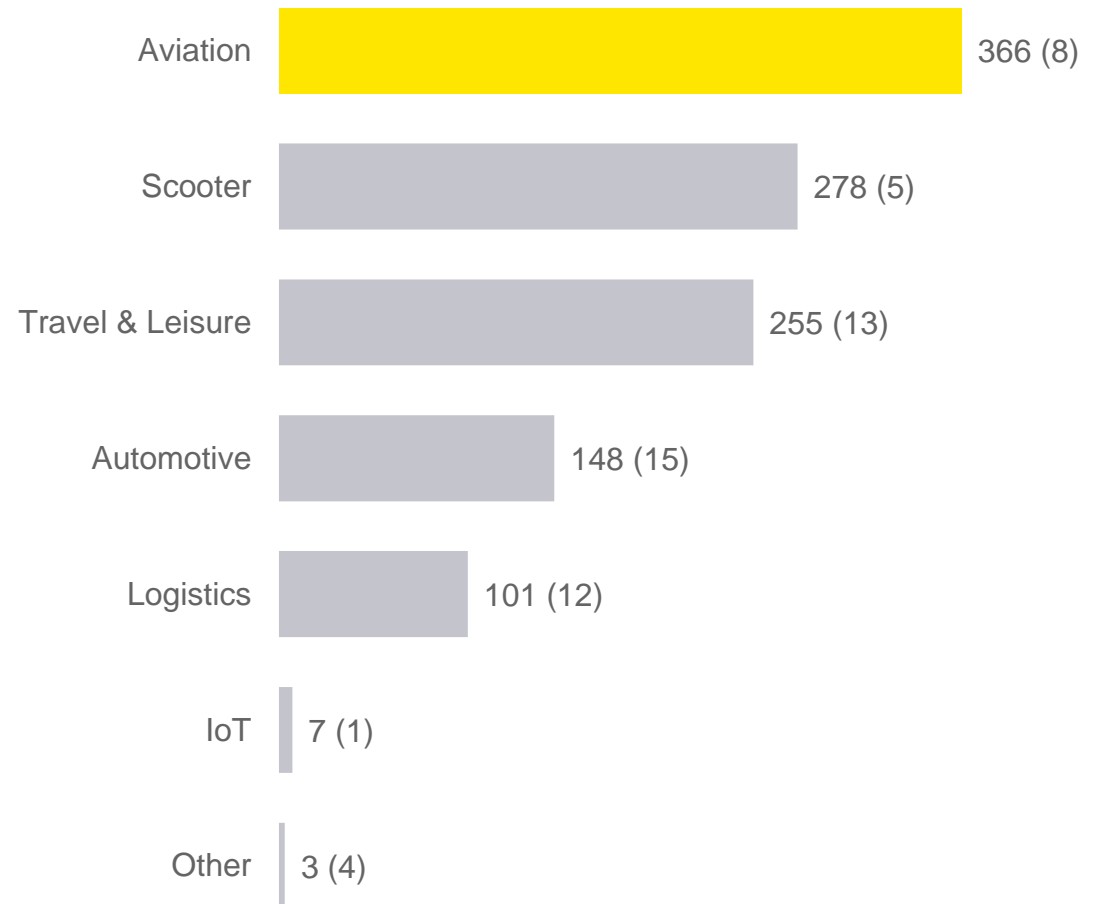
Financing in the area of Mobility 2020

Financing amounts per sub-sector in Germany (figures in million euros); in brackets: Number of financing rounds

In the Mobility sector, almost one-third (32 percent) of the total capital invested was in the Aviation subsector, which also recorded the top deal with Lilium.

Scooter, in second place, accounted for almost a quarter (24 percent) of the capital invested in the Mobility sector, followed by Travel & Leisure, which had a market share of 22 percent.

Startup	Month	Financing amount in million euros
Lilium	March	218
Tier Mobility	November	212
GetYourGuide	October	114



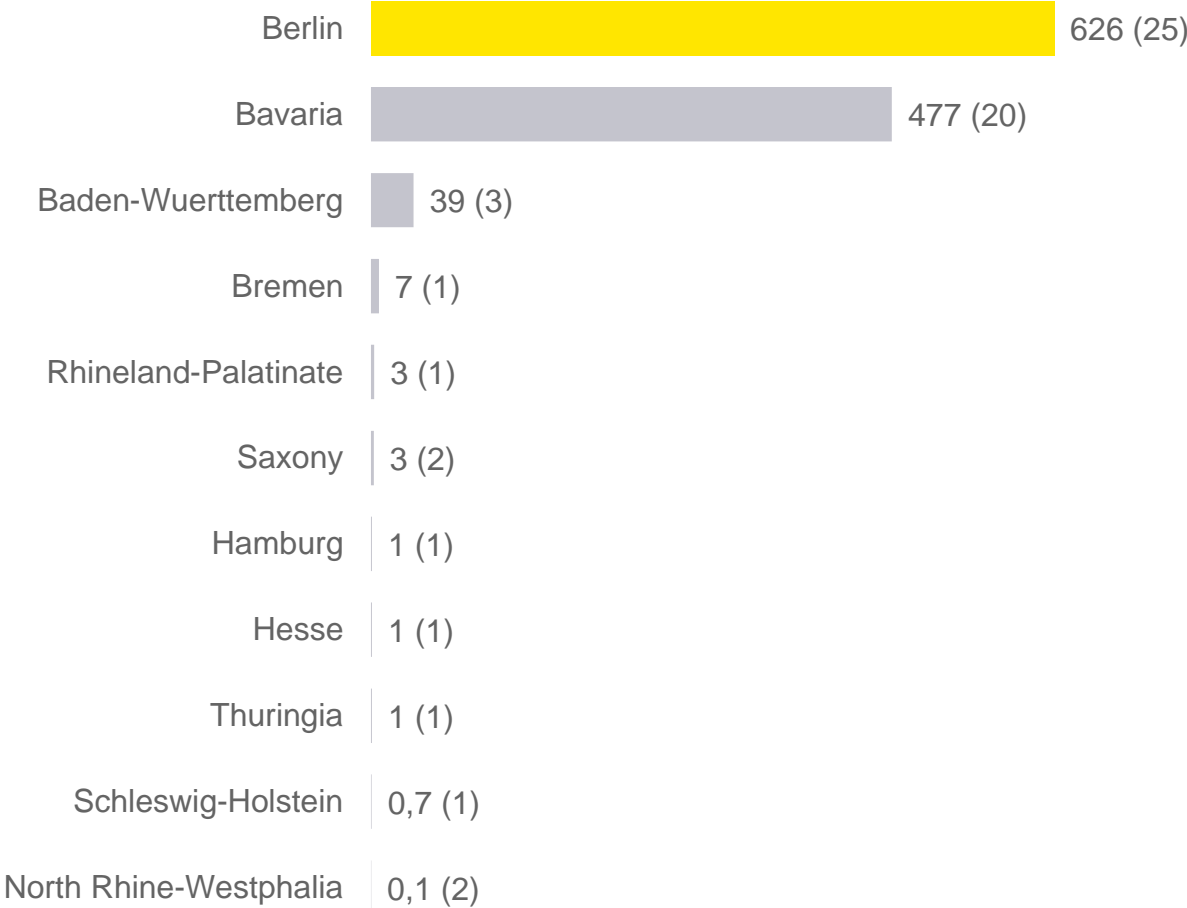
Mobility: Startups in Berlin and Bavaria receive 95 percent of invested capital

Financing in the area of Mobility 2020

Financing amounts per state in Germany (figures in million euros); in brackets: Number of financing rounds

In 2020, Berlin-based startups received more than half (54 percent) of the capital invested in the mobility sector in Germany and were able to secure four of the five top five deals.

Bavarian mobility startups came in second, with funding totaling 477 million euros and accounting for 41 percent of the total funding.



Detailed analysis of Software & Analytics: Software as a Service receives the most, followed by AI and Data Analytics

Financing in the area of Software & Analytics 2020

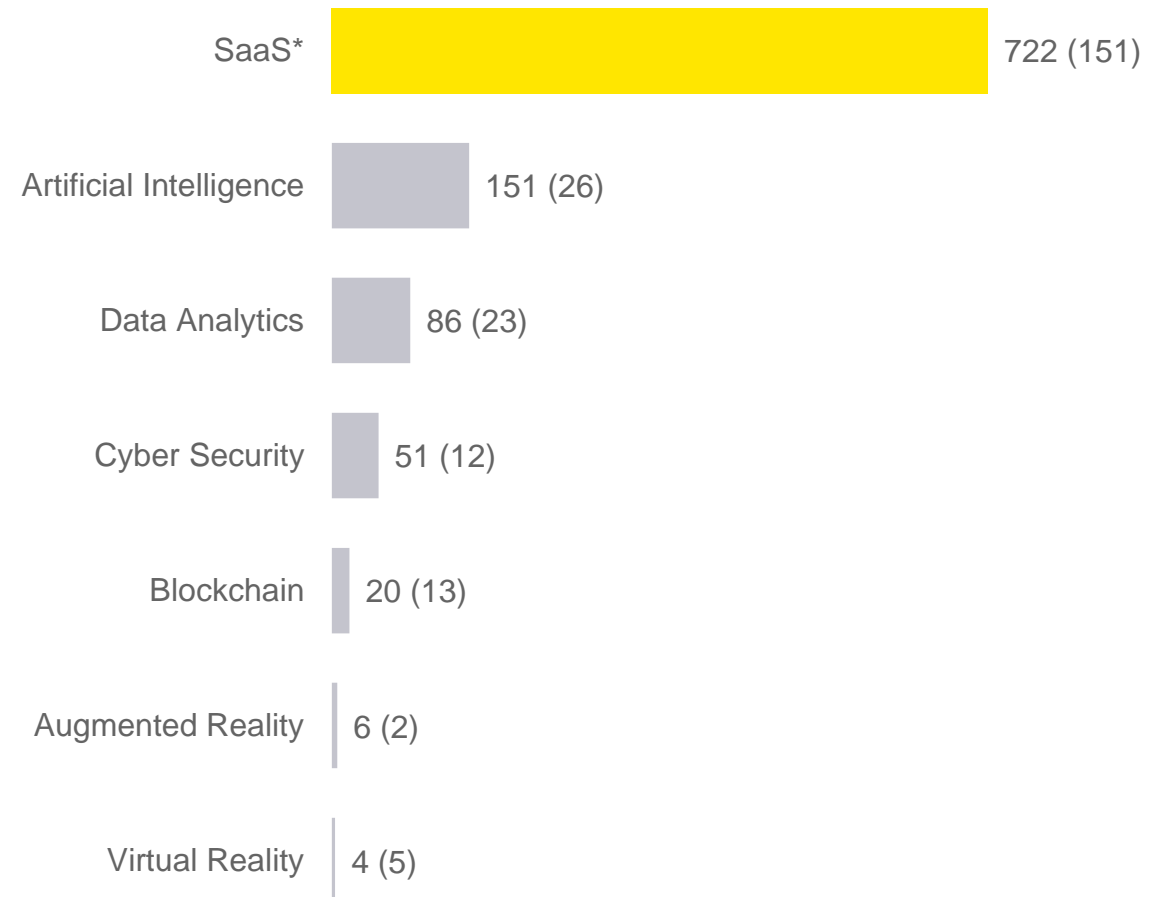
Financing amounts per sub-sector in Germany (figures in million euros); in brackets: Number of financing rounds

Within the Software & Analytics sector, the Software as a Service segment recorded by far the most deals, the highest investment volume, and the top four deals within the sector in 2020, with 151 deals and 722 million euros.

The AI subsector in second place was also still able to attract an investment volume of more than 100 million euros.

Startup	Month	Financing amount in million euros
Personio	January	68
LeanIX	July	68
Taxfix	April	59

*SAAS = Software as a Service



Software & Analytics: Berlin startups receive the most - closely followed by Bavarian startups

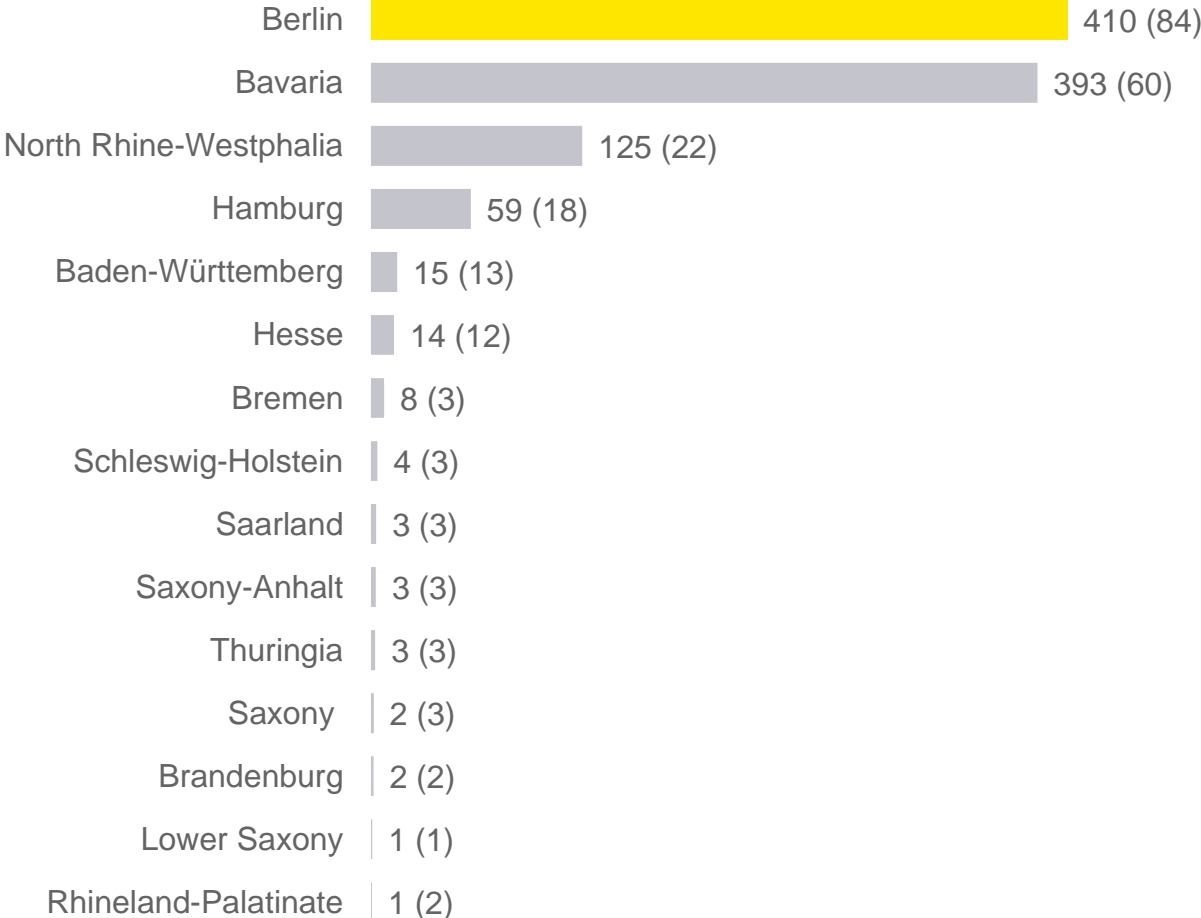
Financing in the area of Software & Analytics 2020

Financing amounts per state in Germany (figures in million euros); in brackets: Number of financing rounds

In 2020, Berlin startups recorded the highest inflow of investment capital and the most financing rounds in the software & analytics sector with 410 million euros and 84 deals.

Bavarian startups received a total of 393 million euros in 60 financing rounds.

Overall, Berlin and Bavarian startups accounted for a market share of around 77 percent in the software & analytics sector.



Detailed analysis of e-commerce: Technology ahead of automotive with the largest investment amount, food with the most financing rounds

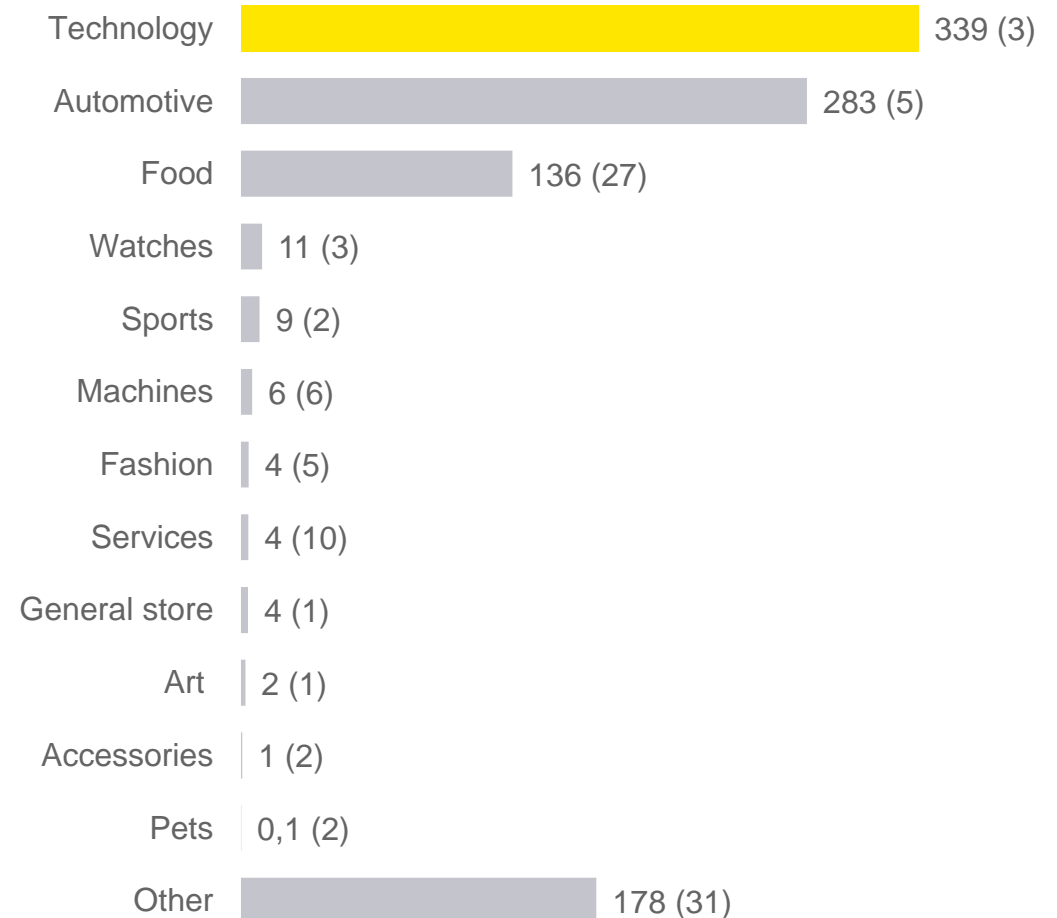
Financing in the area of e-commerce 2020

Financing amounts per sub-sector in Germany (figures in million euros); in brackets: Number of financing rounds

In the e-commerce sector, the Food 2020 sub-sector recorded by far the most financing rounds with 27.

However, most investment capital flowed into the Technology sector, followed by the Automotive sector. Four of the top five deals were in these two subsectors.

Startup	Month	Financing amount in million euros
Auto1 Group	July	255
Grover	January	195
Spryker Systems	Dezember	110



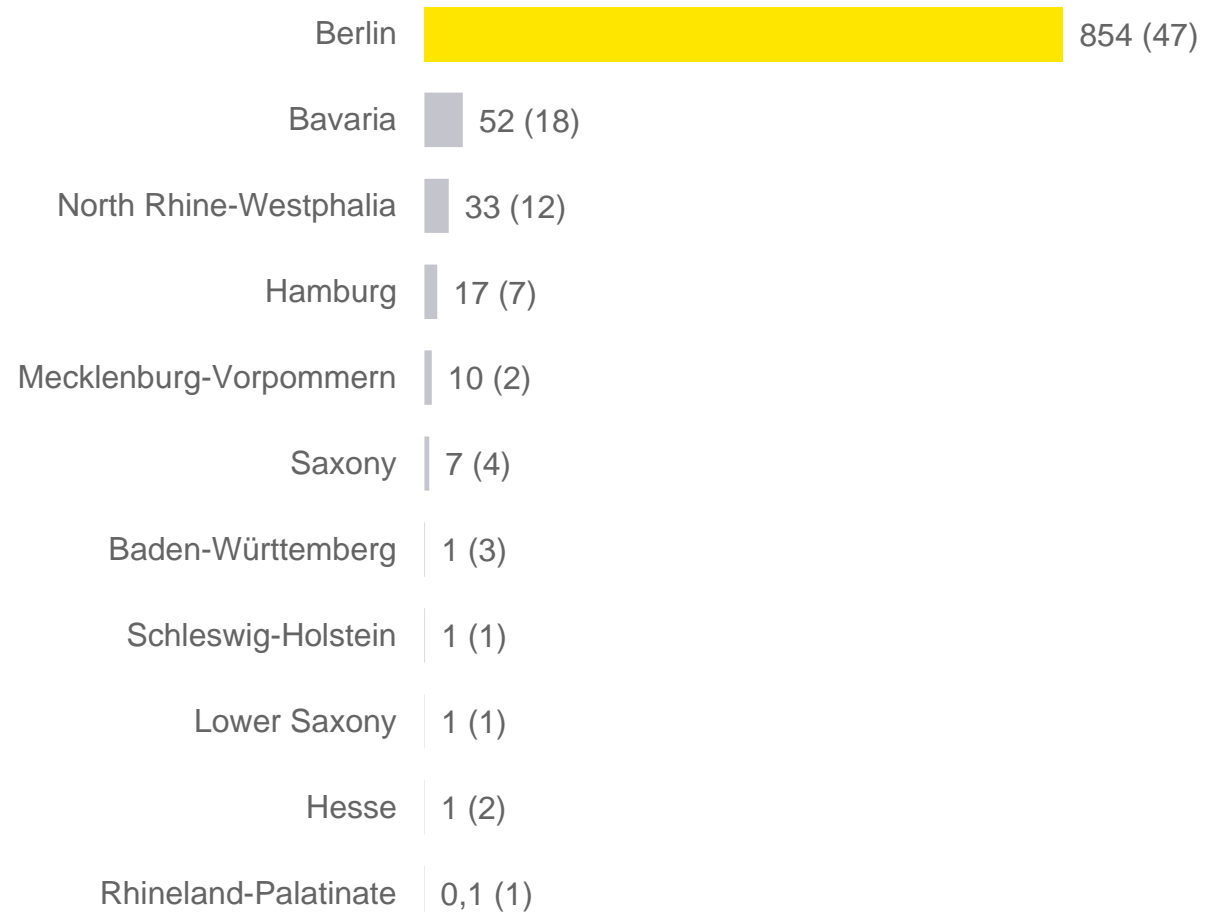
E-commerce: 88 percent of invested capital goes to capitol city startups

Financing in the area of e-commerce 2020

Financing amounts per state in Germany (figures in million euros); in brackets: Number of financing rounds

In 2020, Berlin-based startups again recorded the most deals and by far the highest financing volume in the e-commerce sector: With 854 million euros, 88 percent of the total 976 million euros invested in the e-commerce sector went to startups in the capital.

In addition to Berlin startups, startups in Bavaria (18) and North Rhine-Westphalia (12) also recorded a double-digit number of financing rounds.



Detailanalyse Health: BioTech vor Life Science und MedTech - Cannabis erhält 55 Millionen Euro

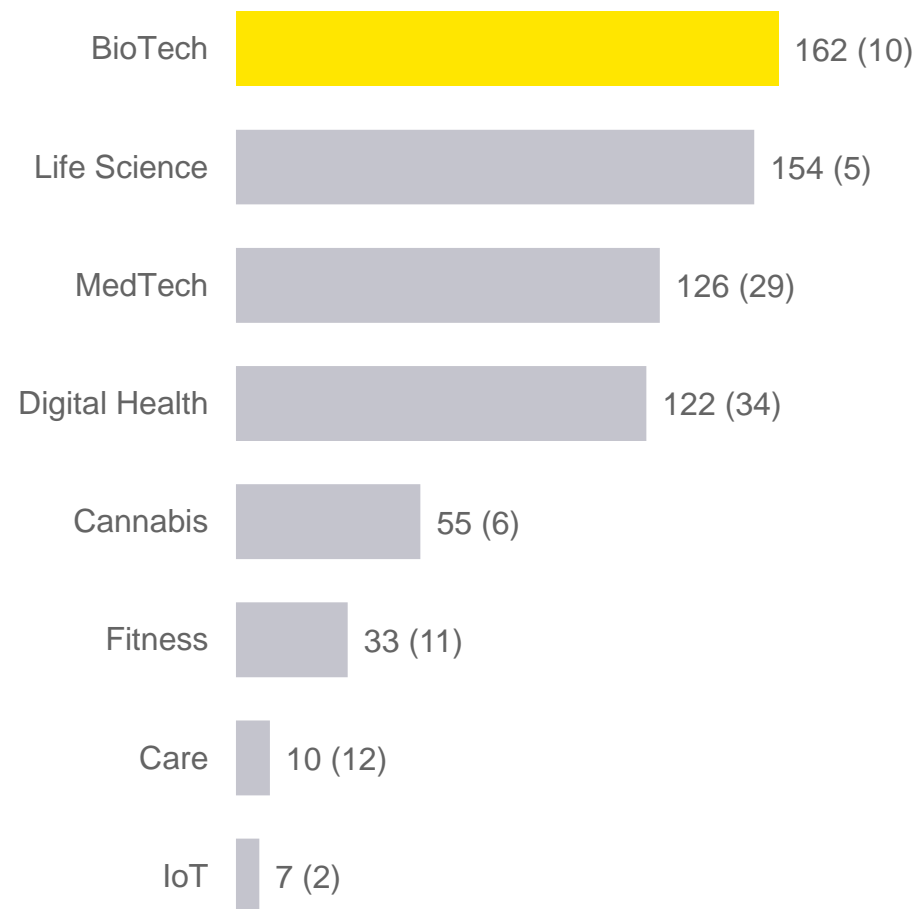
Financing in the area of Health 2020

Financing amounts per sub-sector in Germany (figures in million euros); in brackets: Number of financing rounds

Within the health sector, four segments recorded investment sums in the triple-digit millions. Most capital flowed into the BioTech area, followed by the Life Science area. The Digital Health segment, on the other hand, recorded the most deals, followed by the MedTech segment.

In the still young sub-sector Cannabis, 6 deals were counted with a financing volume of around 55 million euros.

Startup	Month	Financing amount in million euros
ATAI Life Sciences	November	106
T-knife	August	66
Catalym	November	50



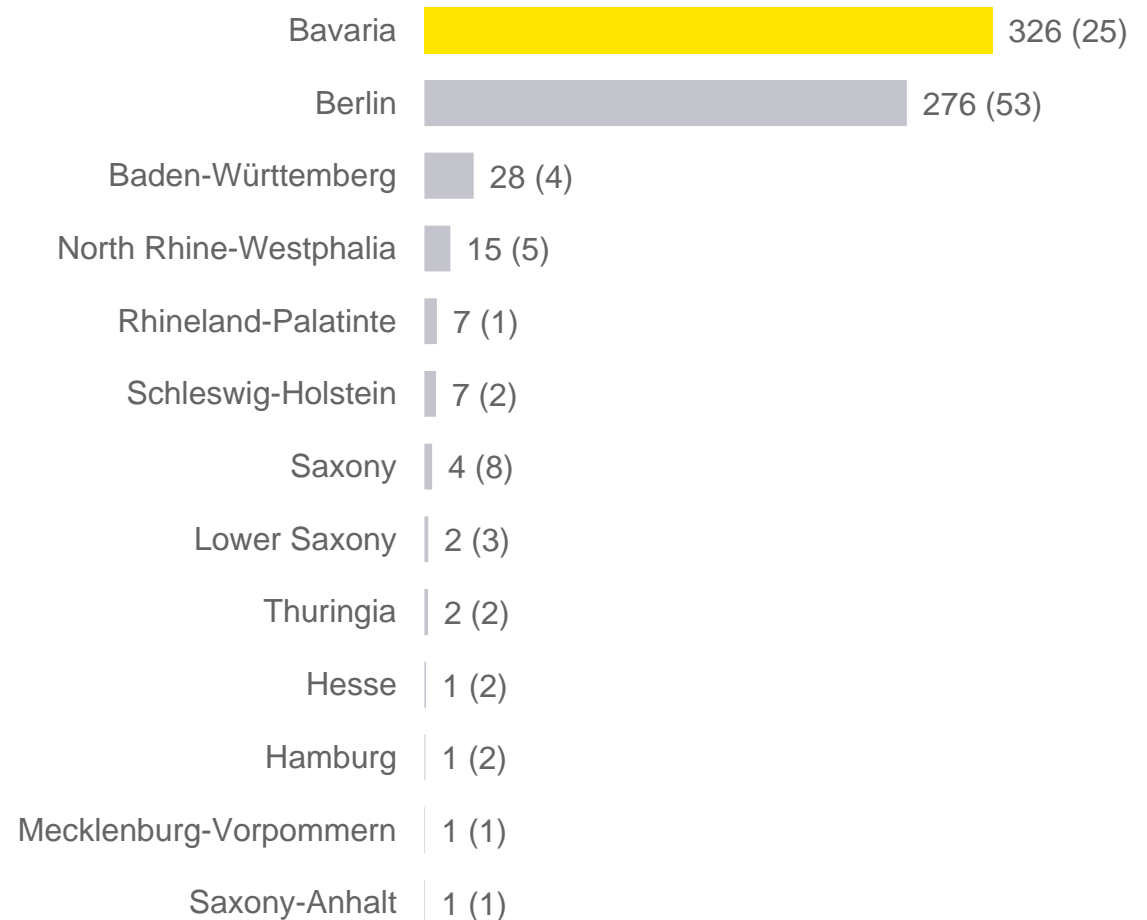
Health: Bavarian startups receive the most -Berlin startups with the most deals

Financing in the area of Health 2020

Financing amounts per state in Germany (figures in million euros); in brackets: Number of financing rounds

In 2020, Bavarian startups received the most investment capital in the health sector: In 25 financing rounds, they received a total of 326 million euros - 50 million more than Berlin startups, which, however, received twice as many financing rounds (53).

In total, 90 percent of the funding invested in the health sector in Germany went to start-ups from Bavaria and Berlin.



Detailed analysis FinTech/InsurTec: Banking receives most investment capital

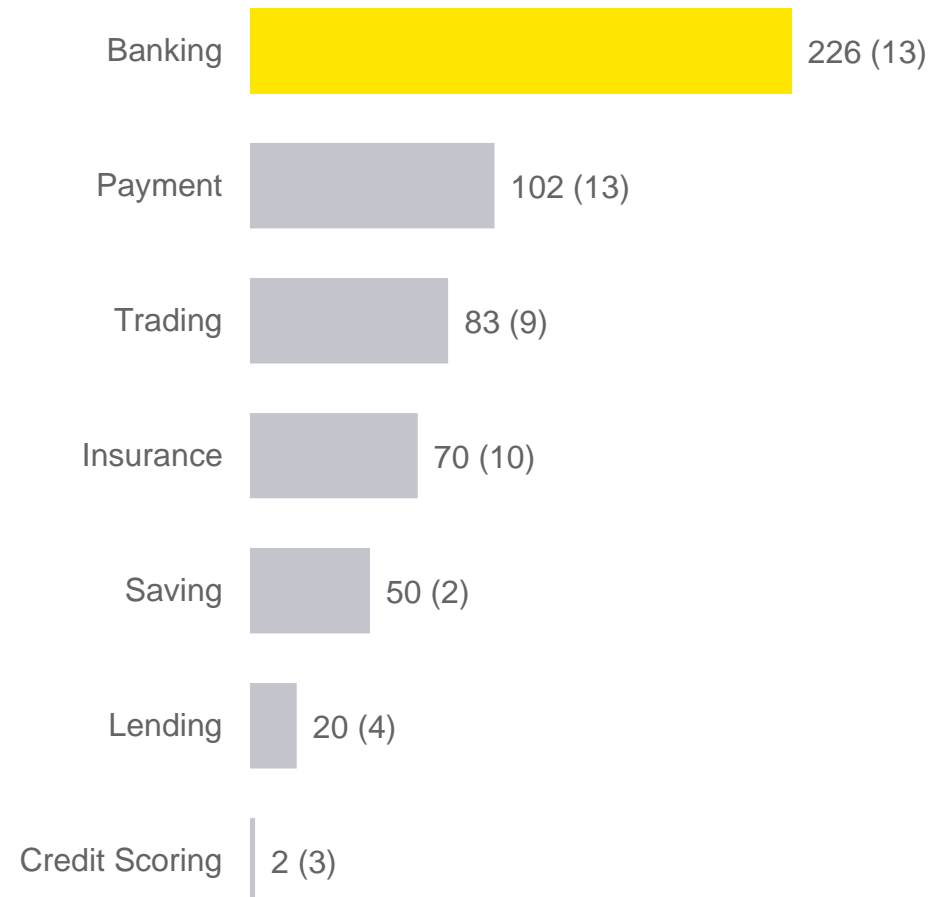
Financing in the area of FinTech/InsurTech 2020

Financing amounts per sub-sector in Germany (figures in million euros); in brackets: Number of financing rounds

In the FinTech/InsurTec Mobility sector, the Banking subsector accounted for 41 percent of total invested capital with 226 million euros and two of the top three deals (N26, SolarisBank).

In 2020, the payment and trading subsectors had a market share of 18 percent (payment) and 15 percent (trading).

Startup	Month	Financing amount in million euros
N26	May	91
Trade Republic	April	62
SolarisBank	June	60



FinTech/InsurTech: Berlin startups with a market share of over 80 percent

Financing in the area of FinTech/InsurTech 2020

Financing amounts per state in Germany (figures in million euros); in brackets: Number of financing rounds

In 2020, Berlin startups received 62 percent of the capital invested in the FinTech/InsurTech sector in Germany and recorded by far the most financing rounds.

