

An aerial night photograph of a road winding through a dark, wooded area. The road is illuminated by a warm, golden light, creating a bright, glowing path that curves through the scene. The surrounding trees and vegetation are dark and silhouetted against the night sky. A yellow rectangular box is overlaid on the top left of the image, containing the title and subtitle text.

A sky full of Unicorns: German Tech start-ups shape the economy

Venture capital and start-ups
in Germany 2021



Building a better
working world

Contents

Venture



Funding volumes

in the German start-up ecosystem are increasing along with valuations already in early funding stages. 75% of today's German Unicorns have emerged over the last 12 months.

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The top 100 German start-ups

account for an accumulated funding of USD 25.3b in 2021, more than twice the funding in 2020 (on a like-for-like basis). Berlin and Munich remain the leading German start-up hubs.

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and start-up in Germany



Exits

Corporate investors

remain the key exit channel in 2021. More than two thirds of investors are coming from abroad. IPO as an exit channel is recovering, while also SPAC transactions have gained momentum.

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Investors

The money accumulated

by newly closed funds once again increased compared to the previous year. Domestic investors further strengthened their positions in the seed and early-stages, while foreign investors remained focused on late-stage funding rounds.

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Dashboard

Trending business models

Software & Analytics, FinTech, E-Commerce (Quick Commerce, E-Commerce aggregators)

Outlook for future trends

Accelerated deal cycles and streamlined processes; larger funding rounds and Unicorn valuations

Largest disclosed exits 2021

Acquisition of Signavio by SAP (DE) and Adjust by AppLovin (US)

Selected IPOs/ SPACs 2021

AUTO1 Group, About You, Sono Motors, Liliium (SPAC), HomeToGo (SPAC)

Top 100 start-ups'
accumulated funding
until end of 2021

USD
25.3b
(USD 10.7b in 2020)

Top 10 funding rounds
volume 2021

USD
7.4b
(USD 1.8b in 2020)

Selected new funds
in 2021

USD
9.6b
(USD 8.6b in 2020)

Largest fund raising
of a German VC fund
in 2021 ^(disclosed)

USD
1.2b



Introduction

Welcome

A sky full of Unicorns: German Tech start-ups shape the economy



Dr. Thomas Prüver
Partner, EY
Strategy and Transactions



Artyom Nikifarau
Manager, EY
Strategy and Transactions

“We expect huge funding rounds (...), which will boost the German Tech ecosystem up to levels never seen before” – this was the last sentence in the introduction to the 2020 Venture Capital Study. Today, one year later, we can confirm that the situation developed exactly as predicted.

The pandemic feels like a triggering event for the Tech ecosystem and acts as an accelerator for digital, tech-enabled business models. Changes in consumer behavior drive E-Commerce and FinTech business models to ever greater heights but at the same time also facilitate B2B business models in various sectors such as Mobility, Energy and Life Science. In addition, remote deal making has become widely accepted and further alleviated geographical or cultural barriers between Venture Capital, Growth Equity investors and the Tech ventures. We are seeing a significant increase in competition amongst investors to get access to the best founders and management teams.

Germany has 24 Unicorns as at December 2021, 18 of which have only emerged over the last 12 months, partly related to businesses younger than one year. We have seen 45 funding rounds exceeding USD 100m in 2021 – four times as many as in 2020. What are the key reasons for this? We have asked market participants and provide different views in this study. What can be stated in any case is that the German Tech ecosystem is systemically relevant: relevant for the German economy to transform, and relevant for the private and public capital markets, along with the proper allocation of available funds. Early-stage funding becomes key to get an entry ticket into the market, and we expect an even quicker pace of deal making at further increasing ticket sizes.

The higher the mountains, the deeper the valleys – not all big bets are likely to materialize as expected. VC and Growth Equity investors are risk takers and as such crucial to the economy. The quality and substance of the German Tech ecosystem is impressive: in particular the network of serial entrepreneurs and experienced investors combined with its ability to attract and retain international talent. In a few years from now, we expect to see some of today's Unicorns in leading stock market indices or as platforms acquired by corporates to transform their legacy businesses.

Breakdown of key terms

Venture

Investments

With investments we refer to (i) fundings and (ii) exits (IPOs and M&A deals), which relate to German start-ups operating a digital business model. Investments in life science, biotech or start-ups not operating a digital business model are not considered in this study. For this reason, deal numbers and deal volumes presented in the 2021 EY Startup-Barometer (1,160 deals totalling USD 20.6b) and in this study (1,102 deals totalling USD 19.5b) differ.



Funding

We define funding as equity capital provided to a German-based start-up (with a change in ownership below 50%) which operates a digital business model. In selected cases, debt funding is also included.

M&A

M&A activities comprise transactions with a change in ownership of more than 50%.

IPO/SPAC

We define an initial public offering as a public offering in which a German start-up sells shares for the first time – both IPO & SPAC.



Exit

and start-

in Germ

Key players



Investors (Corporate and Financial)

We define investors as market participants acquiring shares in a German-based start-up (>50% = M&A deal). A company is considered a 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 related to investing or financing.



Corporate

Financial

Start-up

Start-ups are companies younger than 10 years that operate a digital business model. Exceptions might apply for older companies showing very strong growth potential, or which have digitally transformed their business model during the last 10 years.

The digital sector comprises companies mainly focused on consumer products and services, software and analytics, financial technology, mobility, advertising technology/ media, digital health and property technology.

Trends

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Corona clearly supported the development of the ecosystem due to the increased focus on digital business models in general and even a boom in certain verticals such as Quick Commerce and E-Commerce platforms and aggregators. In addition, remote working and video conferencing not only facilitated the search for talent but also the interaction between Tech ventures and investors as well as corporates, which was another important driver.

Tim P. Jungblut, PhD
Eurazeo Smart City Venture Capital

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The pandemic accelerated the VC ecosystem due to the increased focus on digital business models and remote investing

General trends in the ecosystem

Large Funding Rounds

In 2021, total accumulated funding of the top 100 start-ups increased compared to 2020 on a like-for-like basis from USD 10.7b to USD 25.3b (136%). The growth was largely driven by an increase in average funding amount per round. In 2021, we saw 45 funding rounds exceeding USD 100m – four times as many as in 2020.

60% of total funding volume in 2021 was secured in the early-stage funding rounds ranging from pre-seed to series A. The heightened interest in early-stage ventures is an indicator of increased trust in the German Tech ecosystem.

Acceleration of Deal Cycles

The pandemic not only triggered a transformation of business models and accelerated digital trends, but also impacted the speed of deal activities in the ecosystem. Virtual meetings and remote work were adopted by a broad majority of industries where previously in-person meetings were a standard practice.

The speed and frequency with which deals were closed increased in the recent past. Furthermore, the boundaries to investment opportunities across borders diminished, as geographical proximity and personal contact on-site is no longer a prerequisite.

Trending business models

Quick Commerce

Corona's positive impact on digital business models is particularly noticeable in the E-Commerce sector. Despite only being founded within the last two years, Quick Commerce grocery ventures, such as Gorillas and Flink, are accumulating funding faster than any other company in Germany. Gorillas became the fastest Unicorn one year after its foundation in March 2020.

The Quick Commerce model is also being adopted by further product groups such as medicines (e.g. MAYD) or household and electronics (e.g. Arive).

E-Commerce aggregators

Similar to Quick Commerce, young companies that aggregate and develop E-Commerce brands, such as SellerX and the Razor Group, were able to secure large amounts of funding in a short period of time and joined the Unicorn league.

Even though the business model of E-Commerce aggregators has existed for longer than Quick Commerce, the former gained increased attention from investors during the pandemic.

E-Commerce aggregators leveraged the boom of online marketplaces that became the primary shopping venue in the world shaped by Covid-19.

Out of 24 German Unicorns as of December 2021, 18 emerged over the last 12 months

A Unicorn is a privately-owned young company that reached a valuation of over USD 1b. When the term Unicorn first became popularized by Aileen Lee in a TechCrunch article in 2013, such companies were still a rarity¹. Currently, various sources count between 800 and 1,000 Unicorns worldwide. Approximately half of these attained Unicorn status in 2021².

In Europe, 75 new Unicorns emerged in 2021 according to the *State of European Tech 2021* report, driving the total number of VC-backed USD 1b companies to 202 in Q4-2021³. The boom is particularly pronounced in the FinTech sector with Alan (France), Trade Republic (Germany), Scalable Capital (Germany) and Starling Bank (UK)⁴.

The German Venture Capital market is also setting new heights with the emergence of 18 new Unicorns in 2021. By the end of 2021, Germany accommodated 24 Unicorns – compared to 6 at the end of 2020 (on a like-for-like basis)⁵. Three Unicorns from 2020 – AUTO1 Group, Lilium Aviation and About You – went public in 2021.

The 24 German Unicorns account for 63% of the top 100 aggregated funding in 2021. 18 of 24 Unicorns are located in Berlin, followed by Munich (5) and Frankfurt a.M. (1). Germany follows the European trend with FinTech being the most represented sector among Unicorns (8 out of 24) and with 34% of aggregated funding. Mobility and E-Commerce follow FinTech with 4 Unicorns and approximately 20% of accumulated funding, each. In 2021, the Unicorn landscape in Germany became broader with Forto (Logistics), Agile Robots (Hardware), Contentful (AdTech/Media), EnPal (Energy), Infarm (AgTech), Flink, Gorillas, Razor Group and SellerX (E-Commerce) entering the Unicorn league⁶.

Additionally, the ticket size in the early-stage rounds increased, meaning that large funding rounds were no longer reserved for start-ups approaching the break-even point and preparing for an exit, but also became possible for very young companies at high valuations.

1 Welcome To The Unicorn Club, Ailen Lee at TechCrunch, 2013.

2 Crunchbase, CB Insights, Global Data.

3 State of European Tech 2021, atomico, 2021 (Data up to 15 November 2021).

4 A Record Number Of Start-ups Join Europe's Fintech Unicorn Herd, Crunchbase, 2021.

5 EY Research (excl. start-up older than 10 years and life sciences).

The significant increase in the number of Unicorns in 2021 was to a large extent fuelled by the high amount of dry powder in the market following the comparatively low funding volume in 2020. In Europe, total funding volume tripled in 2021 (USD 100b) compared to 2020, mainly driven by the large funding rounds above USD 250m that constituted 40% of the total investment volume⁷.

VC investors across Europe noted a significant increase in competition in 2021, the most cited impact of that being the perceived valuation inflation⁸. The low interest environment and inflation expectations further raised the attractiveness of alternative investment options.

Still, it is not just the macroeconomic environment that drives the Unicorn numbers. The professionalization of the European and German Tech ecosystem has grown significantly over previous years thriving on the network and capital of previously successful founders and investors. The experience from the previous ventures helps to secure the right early-stage investors and attract the best talents, mainly with the purpose of attracting the attention of large international VC and PE for later funding rounds.

It is no surprise that with new heights in funding volumes and the growing number of Unicorns a new term “Decacorn” has gained relevance in the venture capital scene. The term is attributed to start-ups that reached a valuation of USD 10b and more. As of November 2021, there are 52 Decacorns worldwide, of which 30 reached this milestone in 2021. Decacorns have mainly emerged in FinTech, E-Commerce and Cloud sectors⁹. In Germany, Celonis is the sole representative of the group having achieved a valuation of USD 10b in 2021. However, the other German Unicorns like N26, Trade Republic and Gorillas are already close to this mark based on their latest post-money valuations.

6 EY Research (excl. start-up older than 10 years and life sciences).

7 State of European Tech 2021, atomico, 2021 (Data up to 15 November 2021).

8 State of European Tech 2021, atomico, 2021 (Data up to 15 November 2021).

9 Decacorns are the new rare beasts roaming the start-up plains, Verdict, 2021.

The rise in the population of Unicorns and Decacorns indicates on the one hand the growing confidence of investors with a higher risk appetite and longer investment horizons. On the other hand, only a few business models among the Unicorns have proven that they are capable of generating sustainable profits over a longer period of time, and hence the reliance of investors on growth forecasts in

valuations remains very high. This creates substantial controversy around the billion-dollar valuations of Unicorns. Fuelled by large amounts of free capital available to private investors who fear further increasing inflation rates and missing alternative investment opportunities, the valuations in the VC market remain a key discussion topic.

Chart 1
Number of Unicorns and new funding volume per quarter

Source: EY Venture Capital Study 2020; Crunchbase, Start-up Insider, Company Homepage, Gründerszene, Press releases.

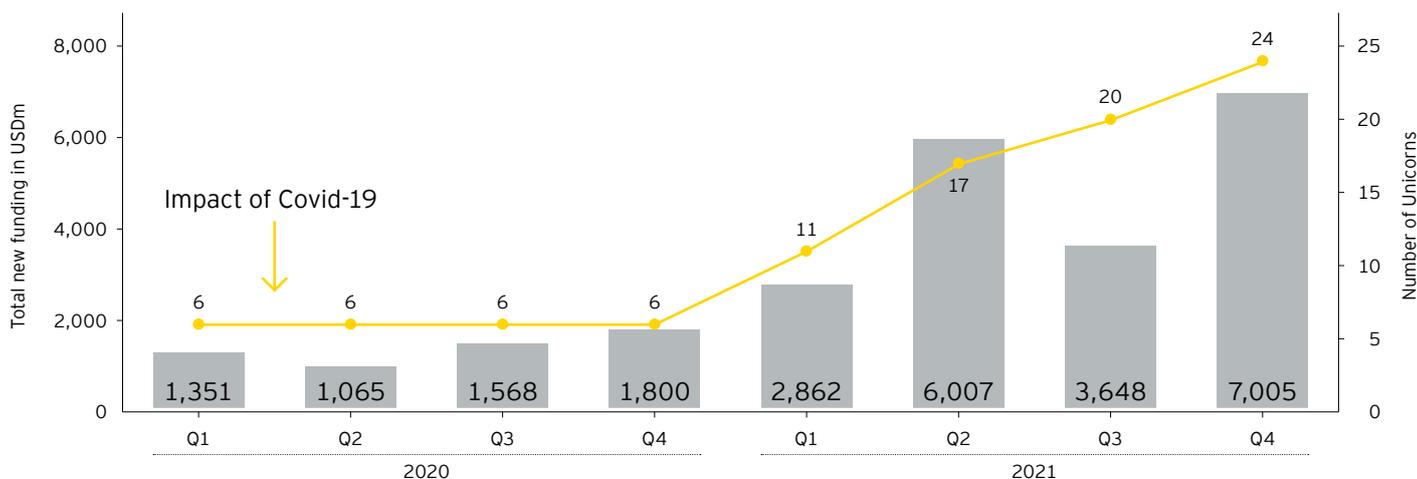
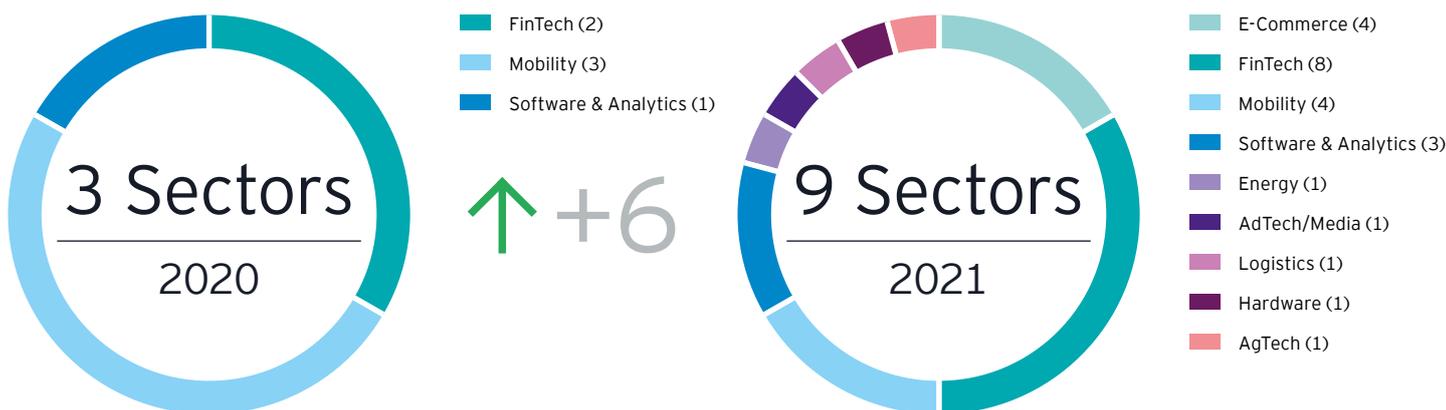


Chart 2
Unicorn sector distribution

Source: EY Venture Capital Study 2020; Crunchbase, Start-up Insider, Company Homepage, Gründerszene, Press releases.



1. Trends





Patrick M. Schaich

Managing Director
Tengelmann Ventures

Tengelmann Ventures is a Venture Capital firm providing funding from seed to early to growth stages. Its focus is on highly innovative companies along the consumer-related value chain (B2C, B2B) with forward looking products and services, disruptive business models and innovative technologies. Founded in 2009, Tengelmann Ventures has since then invested > EUR 400m in > 60 companies.

Market quotes on start-up valuations and Unicorns

Current portfolio companies include amongst others Scalable Capital, SumUp, Ottonova, Chronext, Coffee Circle, Masterplan, Compeon, CareerFoundry, #You. Noteworthy exits include amongst others Zalando, Westwing, Delivery Hero, dataArtisans.

How does the rise of Unicorns impact the venture capital ecosystem?

The strong growth in Unicorn exits has led to an evolution of the local ecosystem, observable from the emergence of a new set of investors raising large debut funds. An increase in fund sizes of established investors to be able to compete with international market entrants, providing liquidity across the entire early lifecycle.

"Quality of the local ecosystem" vs. "Macroeconomic factors": What has a stronger impact on the development of Unicorns?

Apart from the increased quality of the local ecosystem, the funding boom is primarily driven by the huge amount of dry powder of both VC and PE investors. As long as interest rates remain close to zero, the VC and PE ecosystem will continuously benefit from institutional investors which have to significantly increase their allocation to alternative investments.

Unicorn vs. impact investing: Are both possible at the same time?

Nowadays, most VC investors follow clear ESG guidelines – out of conviction or as they are required to by their institutional investors following the same principles. For start-ups, it is important to set up their business models in an ESG compliant way right from the outset in order to become "investable". Therefore, the question is rather whether it is possible to raise funds or exit at all if a start-up does not operate in line with the common ESG criteria.

Questions and answers



Market quotes on start-up valuations and Unicorns

Maximilian Kempken

Director
Verdane

Verdane is a specialist Growth Equity investment firm that partners with tech-enabled Northern European businesses to help them reach the next stage of international growth. Verdane can invest as a minority or majority investor, either in single companies or through portfolios of companies, and looks to deploy behind three core themes: the Digital Consumer, Software Everywhere and Sustainable Society. Verdane funds hold EUR 3.6b in total commitments and have

made over 135 investments in fast-growing businesses since 2003. Verdane's team of over 90 investment professionals and operating experts, based out of Berlin, Copenhagen, Helsinki, London, Oslo and Stockholm, is dedicated to being the preferred growth partner to tech-enabled businesses in Northern Europe.

What is your view on the general development of scale-up valuations over recent years?

Due to the performance of Growth Equity and Tech, the pool of capital is growing, leading to rising valuations for attractive assets. The European ecosystem has come of age. One must be disciplined in the investment process and be sure of the quality of the revenues as well as the growth projections.

With businesses increasingly spoiled for choice, successful GPs are those with relevant experience and who have built platforms offering active learning, networking and hands-on support to enhance value creation.

To what extent is Corona part of the development of Unicorns?

The pandemic accelerated all three megatrends we invest behind: the Digital Consumer, Software Everywhere, and Sustainable Society. These megatrends have recently produced more and more Unicorns that would have otherwise taken longer to emerge. Above all, the pandemic has underlined the requirements for resilience in businesses, and tech-enabled business models that have been able to benefit from the changed environment have come out on top. Overall, the digital acceleration has been beneficial for us as an investor in tech-enabled growth businesses.

"Quality of the local ecosystem" vs. "Macroeconomic factors": What has a stronger impact on the development of Unicorns?

The quality of the local ecosystem outweighs the macroeconomic factors.

Tech has become a career path. More talent creates better companies, which in turn attract world-class investors. Large outcomes fuel the flywheel with even more talent and capital. The quality of German scale-ups has significantly improved, and the ecosystem is now so mature, that a change in macroeconomic factors is unlikely to stall it.

Questions and answers



Funding

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We are seeing increasing valuation levels and sizes of funding rounds in Europe. In one of our recent investments we participated in a USD 95m series B round. In a series B, such a round would have been more challenging just a few years ago, at least in Germany or Europe.

Tim P. Jungblut, PhD
Eurazeo Smart City Venture Capital

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The top 100 German start-ups accumulate funding of USD 25.3b, which more than doubled compared to 2020 (USD 10.7b¹¹)

Top 100 start-ups by company age, 2021

Variable	Company Age				Total
	0-3 years	4-6 years	7-9 years	10+ years	
#Firms	25	32	34	9	100
Acc. Funding	6,652	6,874	7,278	4,502	25,306
New Funding ¹⁰	5,166	4,622	3,556	2,338	15,682
Acc. Average	266	215	214	500	253

Top 100 start-ups by headquarters location, 2021

Variable	Headquarters location						Total
	Berlin	Munich	Hamburg	NRW	Saxony	Other	
#Firms	61	22	6	3	4	4	100
Acc. Funding	17,007	6,376	562	262	643	457	25,306
New Funding ¹⁰	10,294	4,227	276	101	431	354	15,682
Acc. Average	279	290	94	87	161	114	253

Top 100 start-ups by business sector, 2021

Variable	Business sector					Total
	Mobility	E-Commerce	FinTech	Software & Analytics	Other	
#Firms	10	12	22	24	32	100
Acc. Funding	4,249	4,278	7,002	4,607	4,754	25,306
New Funding ¹⁰	2,014	3,668	4,314	2,939	2,748	15,682
Acc. Average	469	354	318	192	149	253

The improved robustness of the German start-up ecosystem, combined with catch-up effects from the pandemic year 2020 and backed by the worldwide macroeconomic environment in 2021 has laid the foundation for a particularly successful venture capital year. Investment activity in the ecosystem accelerated remarkably, and many digital ventures rode the momentum to raise new funding in previously unseen levels. In 2021, we observed unprecedentedly large funding rounds at high valuations, as well as a higher number of financing rounds overall and especially within the early-stage ventures.

The pandemic revealed a demand for faster and more convenience-oriented digital services, and the ecosystem adapted and reacted correspondingly. After the uncertainty about a potential long-term impact of Covid-19 on the market eased in Q4-2020, multiple German start-ups raised considerable funding in 2021, especially those operating digital business models in B2C oriented sectors, primarily in FinTech, E-Commerce and Quick Commerce.

During the second year of the pandemic, the investors' focus was not only limited to grown-ups like N26, Celonis or Trade Republic. Large funding rounds were closed by early-stage start-ups like Gorillas, Flink, SellerX or Helsing. In addition, start-ups focusing on environmentally sustainable business models such as IONITY, Enpal, Sunfire or Tier Mobility received funding above USD 100m, which confirms persisting attention to ESG considerations in the investment scene.

We analyzed the largest new funding rounds in 2021, and present the top 100 German start-ups in terms of total accumulated funding by the end of 2021, classified by company age, business sector, funding round and headquarters location. For comparison purposes, we adjusted the 2020 accumulated funding numbers for companies which are not included in the 2021 ranking (e.g. exited the market, or do not meet the definition of a start-up in 2021, etc. – like-for-like analysis).

This year's accumulated funding of the top 100 companies more than doubled and reached USD 25.3b compared to USD 10.7b¹¹ in 2020.

In 2021, Berlin and Munich collectively represent 92% of funding received while Berlin remained the main hub for start-ups based on accumulated funding (67%). Munich and surrounding area focus on Software & Analytics while Berlin remains the hub for FinTech, E-Commerce and Mobility.

The top 100 start-ups range from established market players like N26, Celonis, Trade Republic to young E-Commerce ventures such as Gorillas and Flink. With N26, Celonis, Flixbus, Gorillas and Flink, this year's list includes more start-ups with more than USD 1b accumulated funding than ever before, and the companies are dispersed across various sectors.

¹⁰ 78 of the top 100 start-ups in 2021 received new funding.

¹¹ Like-for-like adjusted.

Remark: Outlined funding volumes and averages are in USDm.

Source: Start-up Insider, Company Homepage, Crunchbase, Gründerszene, Press releases.

FinTech and E-Commerce ventures noticed increased investor attention in 2021

Investor attention to the German FinTech start-up landscape further increased in the second year of the pandemic. This sector represents 28% of accumulated funding of the top 100 start-ups. Despite the increased activity in the early-stage venture segment reflected by large funding rounds, considerable funding has also been invested into the FinTech industry. The majority of the FinTech ventures are located in Berlin and Hamburg.

B2C models dominate within FinTech, with the largest new funding rounds closed by N26 (USD 917m), Trade Republic (USD 900m), wefox (USD 650m) and Scaleable Capital (USD 178m), thereby confirming the investors' trust in the disruptive potential of these business models and the acknowledgement of their efforts to challenge the traditional institutions, such as banks or insurance companies.

As a result, the accumulated funding for further sectors such as Software & Analytics, E-Commerce and Mobility became relatively evenly distributed, with shares in the top 100 ranging between 17% and 19%. Other sectors (e.g. Health, Energy) represented no more than 3% of the total top 100 accumulated funding individually.

Within E-Commerce, two key trends have been observed. In addition to Quick Commerce, E-Commerce aggregator businesses, such as SellerX and Razor Group, gained momentum in 2021 and raised large amounts of funding of USD 649m and USD 161m, respectively.

The trend towards remote working has fuelled the demand for home delivery services and allowed early-stage Quick Commerce start-ups like Gorillas or Flink to achieve Unicorn status one year after their foundation, making Gorillas the fastest German Unicorn ever.

The Quick Commerce model is also being adopted by further product groups such as medicines (e.g. MAYD) or household & electronics (e.g. Arive).

Another noteworthy funding round of USD 828m was closed in the Mobility sector by IONITY. As a joint venture of several major international car manufacturers, the company is building and operating a high-power charging infrastructure network in Europe.

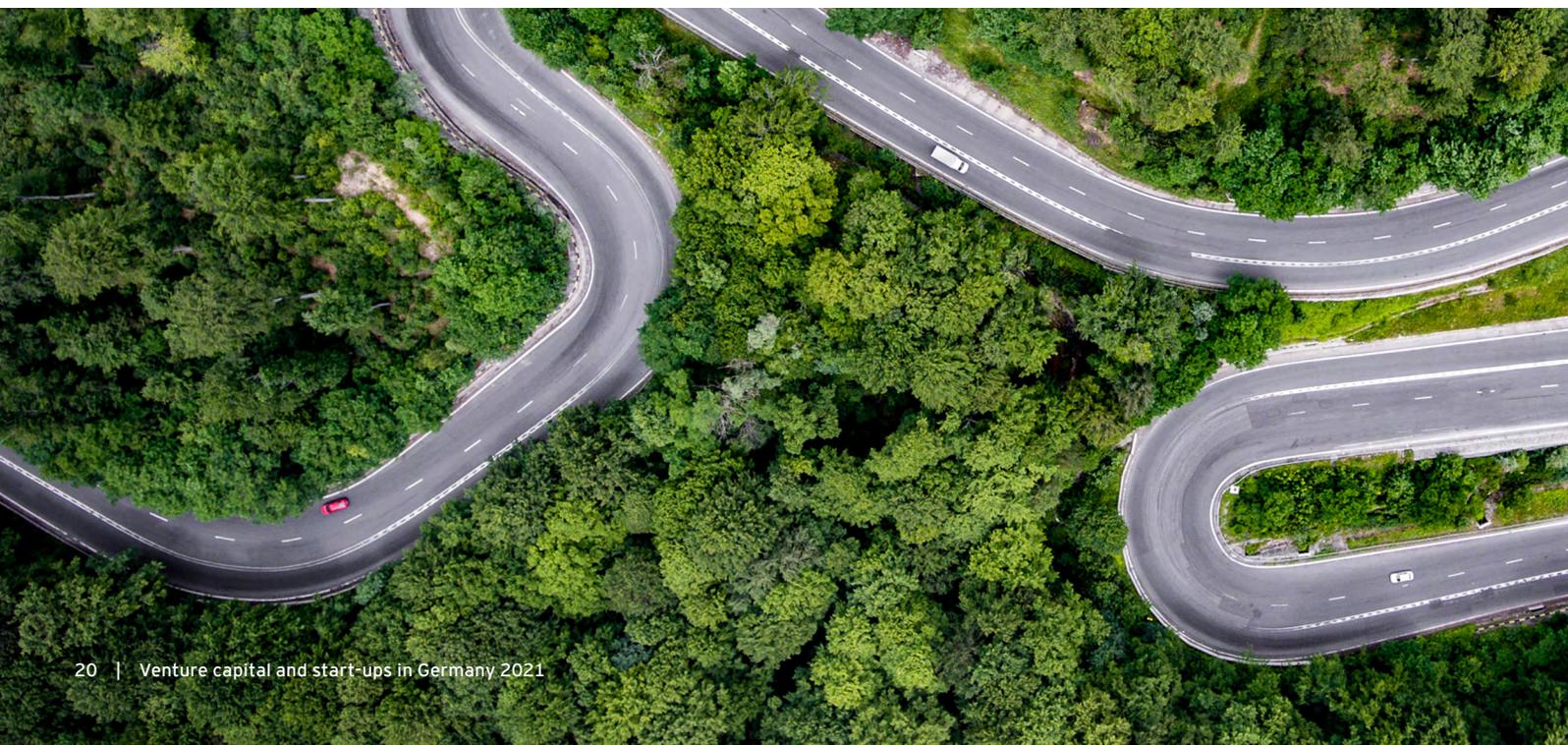
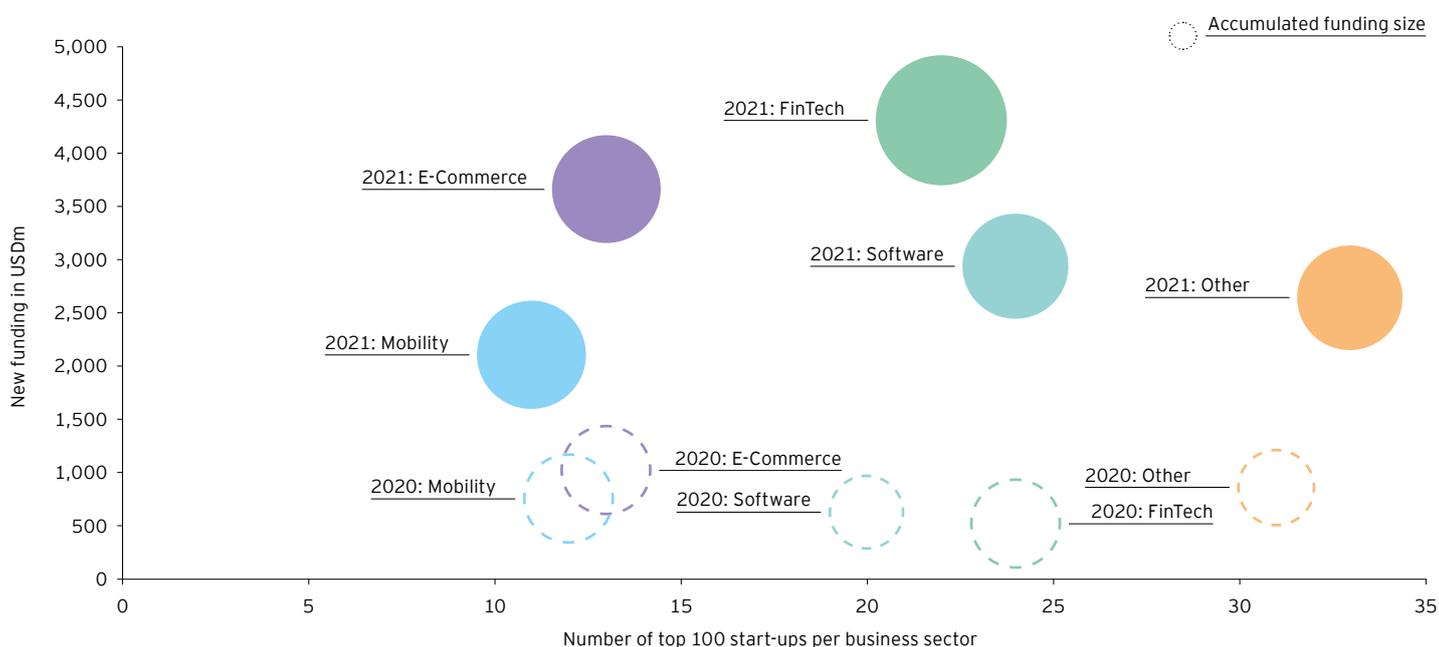


Chart 3

Top 100 start-ups per business sector: number of start-ups and new funding, 2021 vs. 2020¹²

Source: Start-up Insider, Gründerszene, Company Homepage, Crunchbase, Press releases



12 Not Like-for-like adjusted.



2021 vs. 2020¹² aggregated funding by top sector

Top sector	Year	
	2021	2020 ¹¹
Mobility	4,694	3,287
E-Commerce	4,249	3,024
FinTech	7,002	2,898
Software & Analytics	4,607	2,185
Other	4,754	2,327
Total	25,306	13,720

Average funding per round notably increased in earlier stages compared to previous years

In 2021, the 100 largest new funding rounds in the German start-up market more than tripled to USD 16b compared to the previous year (USD 4.5b). The total number of funding rounds increased from 730 in 2020 to 1,102 in 2021.

584 out of 1,102 funding rounds (53%) took place in the first half of 2021, thereby continuing the catch-up trend which was observed in Q4-2020 after the challenging first half of the year 2020. Although there were fewer funding rounds in the second half of 2021, the majority of the total funding volume (55%) was raised in H2, with a particularly strong Q4-2021 (USD 7b).

Contrary to last year, young companies below the age of 4 years raised the largest share of total new funding with 33%. Gorillas, Flink and SellerX, which were founded in 2020, made it to the top 10 list, each with different lead investors.

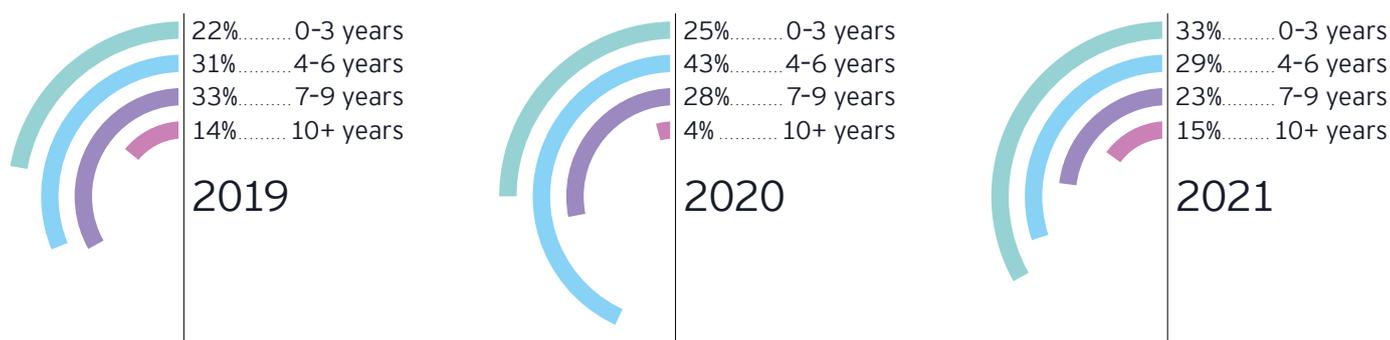
Early-stage ventures like Helsing, 1Komma5° and re:cap raised high tickets of around USD 115m while having only been established in 2021.

In general, the average funding per round has been increasing over the years. Looking separately at the average of the top 10 new fundings from 2020 (USD 177m), this grew to USD 743m in 2021.

Average new funding of the top 100 start-ups for seed series tenfolded compared to 2019 and reached USD 116m. In 2021, the average series A round financing amounted to USD 85m. This demonstrates investors' confidence in the continuous qualitative improvement of the German start-up ecosystem.

Chart 4
Share of new funding for top 100 start-ups per age

Source: Start-up Insider, Company Homepage, Crunchbase, Gründerszene, Press releases



Average new funding (USDm) for top 100 start-ups based on acc. funding¹³

Year	Funds						Total
	Seed	Series A	Series B	Series C	Series D+	not disclosed	
2021	116	85	135	251	317	144	201
2020 ¹⁴	77	77	44	78	71	68	68
2019 ¹⁴	12	40	48	77	243	n/a	87

¹³ Latest funding round of the corresponding start-up.

¹⁴ Not like-for-like adjusted.

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Investors have become a little more cautious, we think for companies with sustainable growth and margins any market correction in Tech will probably be mild and not comparable to the dotcom bubble.

Maximilian Kempken,
Verdane

Six new ventures joined the top 10 list in 2021

Gorillas

Established in 2020, the Berlin based on-demand grocery delivery company received funding of USD 45m in 2020 and USD 1.2b in 2021 making it the fastest start-up ever to reach Unicorn status in Germany in October 2021. With Delivery Hero as the lead investor for their recent funding round, Gorillas has chosen a strong and experienced strategic partner for a scalable and robust business infrastructure.

Flink

The Berlin based Quick Commerce company was established at the end of 2020 and raised an amount of USD 1.1b in 2021. In one of the latest funding rounds in June 2021, the company was able to attract a wide range of international investors such as Prosus, Bond and Mubadala Capital. Flink's new investor and experienced German retail company Rewe Group, will be a strategic partner.

Trade Republic

Founded in 2015, the Berlin-based online banking broker offers its customers various trading options for securities and cryptocurrencies via a mobile app. In its latest funding round in May 2021, Trade Republic raised an amount of USD 900m at a valuation of USD 4.4b. The funding was provided by both the existing investors including Accel, Creandum, Founders Fund (Peter Thiel) and Project A Ventures, as well as new investors Sequoia, TCV and Thrive Capital.

wefox

The Berlin based venture has been offering digital insurance policies through intermediaries since 2014 for the European market based on AI. The company has raised a total funding volume of USD 919m. In 2021, wefox collected USD 650m in series C from investors Target Global, Speedinvest, Salesforce Ventures and Victory Park Capital. Wefox works with digitally-enabled insurance advisors across Europe.

IONITY

Since 2017, IONITY has offered a Europe-wide network of 400 high-power-charging-stations for electric cars, mainly from renewable energy sources. The Munich-based originally joint venture of BMW Group, Ford Motor Company, Hyundai Motor Group, Mercedes Benz AG and Volkswagen AG with Porsche and Audi raised USD 828m funding in its latest venture round from BlackRock. IONITY plans to build a network of 7,000 charging points by 2025.

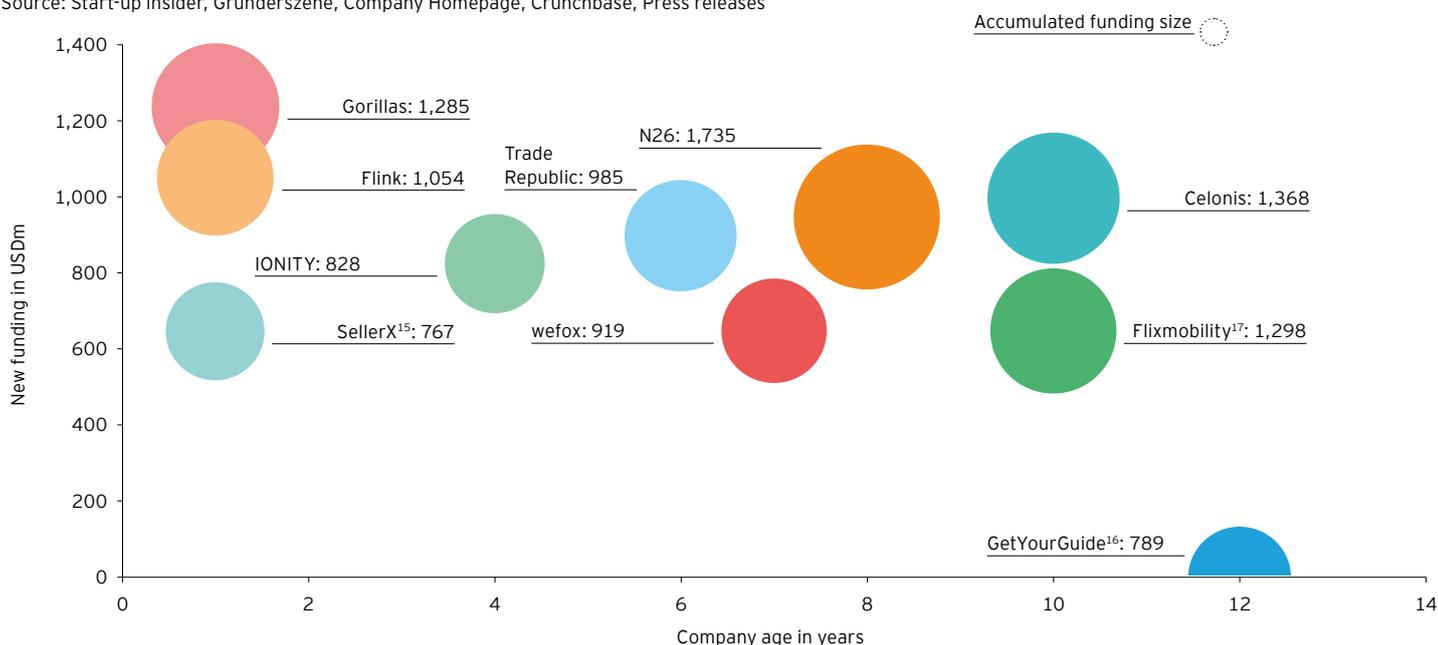
SellerX

Founded in Berlin, the retailer pursues a buy & build business model focusing on companies selling products via marketplaces, specifically Amazon. Since its foundation in 2020, the E-Commerce venture has received USD 767m funding. In 2021, the company had three funding rounds with a total of USD 649m of which USD 500m was raised in an undisclosed round in December from Sofina, BlackRock and Victory Park Capital. In August, the French-American growth fund L Catterton, 83North, Cherry Ventures and Felix Capital invested USD 100m.

Chart 5

Top 10 start-ups in Germany by accumulated funding: accumulated funding, new funding in 2021, company age

Source: Start-up Insider, Gründerszene, Company Homepage, Crunchbase, Press releases



15 Includes Private Equity and debt.

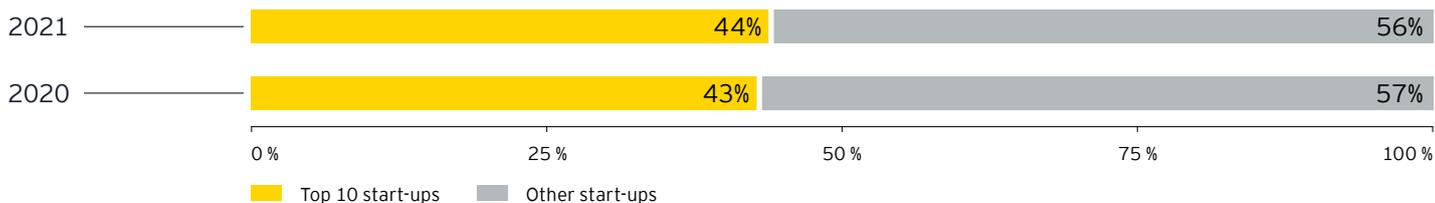
16 GetYourGuide did not receive any new equity funding in 2021. The debt financing of EUR 80m received in 2021 was not included.

17 Includes debt.

Chart 6

Accumulated funding top 10 vs. other start-ups, 2021 vs. 2020¹⁸

Source: Start-up Insider, Gründerszene, Company Homepage, Crunchbase, Mergermarket, Press releases.



18 Like-for-like adjusted.

New funding continues to be less sector concentrated compared to 2020

N26

The Berlin-based online banking company raised USD 952m in two rounds during 2021. USD 915m were raised in a series E, which was led by American investors Third Point Ventures and Coatue. Since its foundation in 2013, N26 has received total funding of USD 1.7b. The Unicorn decided to focus its business on the European market. With the latest post-money valuation of USD 9b, N26 is very close to becoming the next German Decacorn.

Celonis

Founded in 2011, the venture collected a total amount of USD 1.4b. The lead investors of Celonis are the US investment firms T. Rowe Price and Durable Capital Partners which invested collectively USD 1b in 2021. Today, the firm is a global leader in process-mining and execution management systems, and also the only Software & Analytics company in the top 10 list. Furthermore, it is the first and so far only German start-up company to reach a USD 10b valuation.

Flixbus

The Munich-based mobility company operates as a long-distance mobility provider. Since its foundation in 2011, the company has raised a funding volume of USD 1.3b. After no new funding rounds in 2020, Flixbus raised USD 650m in a series G with Canyon Partners as lead investor in 2021. The recent acquisition of Greyhound Lines for USD 78m is the 6th acquisition by Flixbus since its establishment.

GetYourGuide

Established in 2009, the tourism and online travel booking platform offers a variety of travel experiences through its global supplier network. The company did not raise additional funding in 2021 after the latest convertible note financing amounting to USD 665m which was led by Searchlight Capital Partners in October 2020. GetYourGuide plans to use the proceeds to introduce new solutions, among others, in the area of post-pandemic business travel.



The ventures which were able to raise the 10 largest accumulated funding amounts by the end of 2021 represent a diversified picture ranging from new to mature companies from four different sectors.

With 7 companies being founded in Berlin, the Capital is the hub for the top 10 start-ups mainly due to E-Commerce and FinTech.

Chart 7

Top 10 new funding rounds in 2021 (USDm)

Source: Start-up Insider, Gründerszene, Company Homepage, Crunchbase, Press releases.

Total top 10 funding
USD 7.4b

Company	Lead investors	New received funding in 2021	Company Age	Sector
Celonis	T. Rowe Price, Durable Capital Partners	1,000	10	Software & Analytics
Gorillas	Delivery Hero	950	1	E-Commerce
N26	Third Point Ventures, Coatue	917	8	FinTech
Trade Republic	Sequoia Capital	900	6	FinTech
IONITY	BlackRock	828	4	Mobility
Flink	DoorDash	750	1	E-Commerce
Flixbility¹⁹	Canyon Partners	650	10	Mobility
wefox	Target Global	650	7	FinTech
SellerX¹⁹	Victory Park Capital, Sofina, BlackRock	500	1	E-Commerce
Gorillas	Tencent, DST Global, Coatue	290	1	E-Commerce

19 Mix of equity and debt.

Chart 8

Top 10 new funding rounds in 2020 (USDm)

Source: Start-up Insider, Gründerszene, Company Homepage, Crunchbase, Press releases.

Total top 10 funding
USD 1.8b

Company	Lead investors	New received funding in 2020	Company Age ²⁴	Sector
AUTO1 Group²⁰	Farallon Capital, Baupost Group	301	8	E-Commerce
TIER Mobility²¹	SoftBank Vision Fund	290	2	Mobility
Lilium Aviation²¹	Tencent Holdings	275	6	Mobility
Grover²²	Varengold Bank	230	5	E-Commerce
Infarm	LGT Lightstone	170	7	AgTech
GetYourGuide²³	Searchlight Capital Partners	135	11	Travel
Spryker	TCV	130	6	Software & Analytics
SellerX	Cherry Ventures, Felix Capital, Triple Point Capital	118	<1	E-Commerce
N26	Tencent Holdings, Insight Partners	100	7	FinTech
Omio	Temasek Holdings	100	7	Travel

20 Convertible note financing.

21 Comprises two funding rounds.

22 Debt financing.

23 Convertible note financing.

24 Age as of 2020.

Never before have so many start-ups accumulated funding above USD 1b

Top 100 start-ups located in Germany (based on total accumulated funding volume until December 2021)²⁵

#	Target name	Area	Target profile	Founding year	Total accumulated funding volume, USDm ²⁶
1	N26	Berlin	Banking technology	2013	1,735
2	Celonis	Munich	Process mining software	2011	1,368
3	FlixBus	Munich	Long-distance mobility provider	2011	1,298 ²⁷
4	Gorillas	Berlin	Grocery delivery provider	2020	1,285
5	Flink	Berlin	Grocery delivery provider	2020	1,054
6	Trade Republic	Berlin	Online commission-free broker	2015	985
7	wefox	Berlin	Digital insurance broker	2014	919
8	IONITY	Munich	Charging network for cars	2017	828
9	GetYourGuide	Berlin	Tourist services platform	2009	789 ²⁸
10	SellerX	Berlin	E-Commerce holding	2020	767 ²⁷
11	Infarm	Berlin	Automated vertical farms supplier	2013	604
12	TIER Mobility	Berlin	Micro-mobility sharing platform	2018	584
13	Personio	Munich	HR management solutions for SMEs	2015	530
14	Mambu	Berlin	SaaS cloud banking platform	2011	458
15	Solarisbank	Berlin	SaaS banking platform	2016	419
16	Raisin DS	Berlin	Deposit brokerage platform	2021	413
17	Omio	Berlin	Travel search platform	2013	396
18	Volocopter	BW	Manned electric & air taxi provider	2013	377
19	Grover	Berlin	Consumer electronics rental	2015	371 ²⁷
20	Forto	Berlin	Digital logistics and freight	2016	367
21	Agile Robots	Munich	AI robot maker	2018	354
22	Sennder	Berlin	Digital freight forwarder	2015	340
23	Contentful	Berlin	Content publishing technology	2013	333
24	Enpal	Berlin	Solar energy as a service	2017	324
25	Scalable Capital	Munich	Digital investment service	2014	312
26	everphone	Berlin	B2B smartphone and tablet rental provider	2016	249
27	Moonfare	Berlin	Investment solutions in PE	2016	194
28	Staffbase	Saxony	Internal communications platform	2014	192
29	Isar Aerospace	Munich	Launch solutions for satellite constellations	2018	184
30	Razor Group	Berlin	E-Commerce aggregator	2020	175
31	Überall	Berlin	Marketing cloud services	2013	170
32	CoachHub	Berlin	Digital coaching provider	2018	164
33	Choco	Berlin	Messenger app for restaurants and suppliers	2018	164

²⁵ Like-for-like adjusted.

²⁶ Based on publicly available information; could include secondary market transactions and venture debt.

²⁷ Includes debt financing.

²⁸ Includes convertible note financing.

Source: Crunchbase, Deutsche start-ups, Gründerszene, Press releases.

The top 100 start-ups are getting younger on average compared to prior year



Top 100 start-ups located in Germany (based on total accumulated funding volume until December 2021)²⁹

#	Target name	Area	Target profile	Founding year	Total accumulated funding volume, USDm ³⁰
34	Ada Health	Berlin	Personalized health technology	2011	159
35	tado°	Munich	Smart climate control systems	2011	154 ³¹
36	Billie	Berlin	Factoring FinTech for B2B	2016	153
37	Spryker	Berlin	Commerce transaction management platform	2014	152
38	Branded	Berlin	E-Commerce aggregator	2020	150
39	LIQID	Berlin	Digital wealth management	2016	148
40	ottonova	Munich	Private health insurance	2015	148
41	McMakler	Berlin	Online real estate agent	2015	138
42	Pitch	Berlin	Presentation software	2018	138
43	FRIDAY	Berlin	Insurance platform for cars	2017	135
44	KONUX	Munich	Smart railroad sensor solutions	2014	132
45	Price f(x)	Munich	Price management and optimization	2011	131
46	Dreamlines	Hamburg	Platform for ship cruises	2012	126
47	CLARK	Hesse	Insurance platform	2015	125
48	Vay	Berlin	Carsharing with Tele-driver	2018	125
49	LeanIX	NRW	SaaS for IT Portfolio Management	2012	124
50	Helsing	Berlin	AI perception solutions software provider	2021	121
51	1Komma5°	Hamburg	Network of electrical installers	2021	118
52	Assembly	Berlin	IOTA's smart contract network	2015	118
53	re:cap	Berlin	Financing platform for companies with monthly recurring revenues	2021	113
54	parcelLab	Munich	Operations experience platform for E-Commerce	2015	112
55	Getsafe	BW	Mobile insurance company	2015	110
56	Taxfix	Berlin	Digital tax declaration assistant	2016	110
57	Holidu	Munich	Metasearch engine for vacation rentals	2014	109
58	Movinga	Berlin	Moving services	2015	105
59	Kaia Health	Munich	Digital therapeutics company	2016	103
60	Formo	Berlin	Animal-free dairy products developer	2018	101
61	Tourlane	Berlin	Personalized travel booking platform	2016	101
62	The Stryze Group	Berlin	Buy-and-build service for D2C brands	2020	100
63	NavVis	Munich	3D indoor spatial intelligence solutions for enterprises	2013	99
64	Vane	Berlin	Tech-enabled finance provider for digital media	2014	95
65	xentral	Munich	ERP and CRM software solutions for enterprises	2017	95
66	Helping	Berlin	Online booking platform for on-demand home services	2014	95

²⁹ Like-for-like adjusted.

³⁰ Based on publicly available information; could include secondary market transactions and venture debt.

³¹ Includes a corporate financing round.

Source: Crunchbase, Deutsche start-ups, Gründerszene, Press releases.

Berlin remains the hub for Software & Analytics alongside to Mobility, FinTech and E-Commerce

Top 100 start-ups located in Germany (based on total accumulated funding volume until December 2021)³²

#	Target name	Area	Target profile	Founding year	Total accumulated funding volume, USDm ³³
67	Urban Sports Club	Berlin	Flexible sports flatrate provider	2012	95
68	zeotap	Berlin	Customer data platform	2014	95
69	PlusDental	Berlin	Digital dentistry	2017	91
70	Sanity Group	Berlin	Medical cannabis research provider	2018	90
71	Taxdoo	Hamburg	Sales tax automation and management software	2016	89
72	Vivid Money	Berlin	Financial platform and mobile banking	2020	89
73	BRYTER	Berlin	No-code software for building digital applications	2018	88
74	Exporo	Hamburg	Crowdfunded real estate investments	2014	87
75	simplesurance	Berlin	Insurance platform	2012	86 ³⁴
76	Lingoda	Berlin	Online language classes	2013	82
77	Oviva	Brandenburg	Diet change tips for people with diseases	2014	80
78	Anydesk	BW	Remote desktop application	2014	80
79	Hydrogenious Technologies	Munich	Solutions for hydrogen storage	2013	78
80	CarOnSale	Berlin	Digital auction platform for B2B car leasing	2018	78
81	Global Savings Group	Munich	Commerce platform	2012	76
82	Scoutbee	Berlin	AI for procurement & supply chain experts	2015	76
83	Inkitt	Berlin	Digital publishing platform	2014	76
84	sevdesk	BW	Cloud-based accounting solution	2013	75
85	eGym	Munich	Provider for digital fitness products	2011	74
86	Sport Alliance	Hamburg	Software for gyms and fitness providers	2011	71
87	Homeday	Berlin	Online real estate agent	2014	70
88	Freeletics	Munich	Digital fitness company	2013	70
89	Wunder Mobility	Hamburg	Mobility services	2014	70
90	vivenu	NRW	Ticketing platform	2018	69
91	Schüttflifx	NRW	Digital marketplace for bulk construction supplies	2018	69
92	Seven Senders	Berlin	Delivery platform	2014	67
93	Tink	Berlin	E-Commerce for smart home products	2016	65
94	Cargo.one	Berlin	Digital air cargo booking platform	2017	64
95	Element Insurance	Berlin	Digital insurance solutions provider	2017	64
96	SimScale	Munich	Web-based 3D simulation platform	2012	61
97	Outfittery	Berlin	Personal shopping service	2012	60
98	Qwello	Munich	Charging infrastructure for the public spaces	2017	59
99	Twiner	Saxony-Anhalt	Used car damage detection via 360-degree-scan	2019	59
100	Zenjob	Berlin	Full-service staffing platform	2015	59

³² Like-for-like adjusted.

³³ Based on publicly available information; could include secondary market transactions and venture debt.

³⁴ Includes debt financing.

Source: Crunchbase, Deutsche start-ups, Gründerszene, Press releases.



Christophe Maire

Founder/CEO

Atlantic Labs, FoodLabs

With Atlantic Labs, Christophe invests in early-stage Tech companies in Digital Health, Future of Work, Applied Machine Learning, Fintech, Mobility, FoodTech, AgTech and ClimateTech. He has backed companies that are global category leaders today, including SoundCloud, GetYourGuide, Choco, Clue, Omio & Zenjob.

Market quotes on start-up valuations and Unicorns

In 2013, he also founded FoodLabs to invest in Food & Sustainability start-ups which saw the inception of Infarm, Formo, Gorillas, Mushlabs and Sanity Group. In 2021, FoodLabs launched a EUR 100m early-stage fund to back entrepreneurs who tackle some of the most pressing challenges of our time such as CO₂, Food Security and Human Health.

What is your view on the general development of start-up/scale-up valuations over recent years?

I see the recent boom of Unicorns as a logical consequence of the development in the European and German Tech ecosystem over the last 6 to 10 years. European tech assets are attractive for investors from the US and Asia as valuations remain lower compared to regions outside Europe at the same quality. A specific issue of the German VC ecosystem is the lack of large private institutional investors such as pension funds due to the public pension system.

“Quality of the local ecosystem” vs. “Macroeconomic factors”: What has a stronger impact on the development of Unicorns in your view?

Behind each Unicorn there is a great team driving an individual business model that disrupts traditional markets and industries. As such, the individual quality of the assets outweighs macroeconomic factors. Low interest rates and the booming economy clearly led to a lot of dry powder in the market but are not the key drivers for the Unicorn development, which is rather a result of the high quality ecosystem and acceleration of industrial transformation.

Unicorn vs. impact investing: Are both possible at the same time?

Being an entrepreneur is providing impact already. Fulfilling ESG criteria and acting in a sustainable way is a pre-condition for being a Unicorn in the long run. We believe the bigger the company, the higher the impact and we invest where we believe there is a high impact.

Questions and answers



Philipp Semmer

Earlybird UNI-X Partner
Earlybird

Market quotes on start-up valuations and Unicorns



Nina Rinke

Earlybird Digital West team
Earlybird

Earlybird is a venture capital investor focused on European technology companies. Founded in 1997, Earlybird invests in all growth and development phases of a company. Earlybird offers its portfolio companies financial resources, strategic support, as well as access to an international network and capital markets. Earlybird manages different funds focusing on digital technologies in Eastern and Western Europe, healthcare technologies and university spin-offs. With over EUR 2b under management, eight IPOs and 30 trade sales, Earlybird is one of Europe's most established and active venture capital firms.

How does the rise of Unicorns impact the venture capital ecosystem?

What we see today is the result of the development of the last few years with founders, who have successfully built Tech ventures, re-invested their money, and attracted further talent and investors. The quality of the European ecosystem (when looking at the number of new Unicorns p.a.) is on par with China and on its way to closing the gap to the US. In Europe, we see strong future potential in areas such as quantum computing, nuclear technology, and AI.

"Quality of the local ecosystem" vs. "Macroeconomic factors": What has a stronger impact on the development of Unicorns?

Both factors are key drivers for Unicorn development. The European Tech ecosystem has matured and yet despite its high quality, the relevance of macroeconomic factors such as low interest rates and expected inflation should not be underestimated.

To what extent is Corona part of the development of Unicorns?

Before the pandemic, the golden rule of investors was that no deal could be closed without both parties physically sitting around the table. However, more and more deals are being closed "from home", and, most importantly, this approach to deal-making is widely accepted. Remote work has also expanded the geographic boundaries for deals and the talent pool. All these factors have accelerated the deal cycle and created more activity in the market.

Questions
and answers



Exits

“

An increasing number of IPOs seems to be a logical consequence of the current development of Unicorns. However, very high valuations at early-stages set high expectations in later stages, which need to be balanced carefully.

Christophe Maire
AtlanticLabs

3

2021 saw a rebound in M&A activity driven by deals in Software & Analytics

Chart 9

Comparison of number of M&A deals and funding rounds (German based start-ups, based on disclosed data)

Source: Crunchbase, Deutsche start-ups, Gründerszene, Press releases.

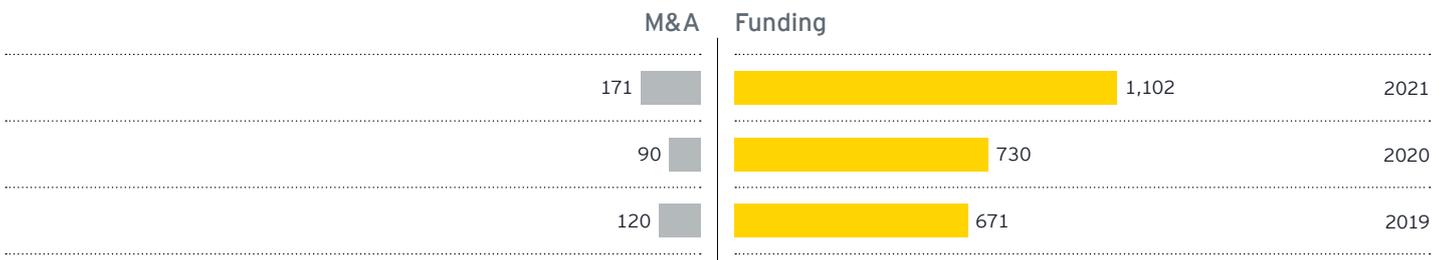
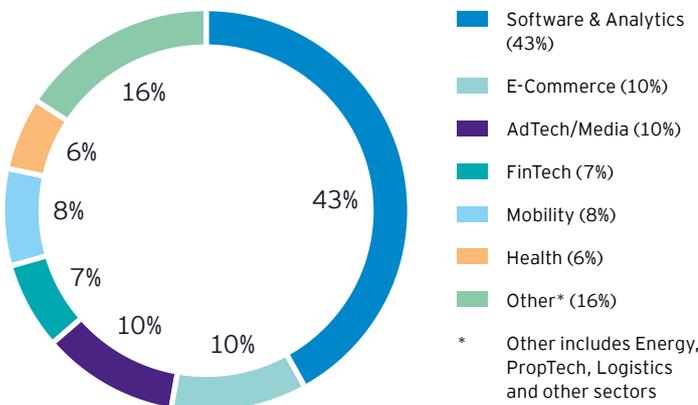


Chart 10

Target sector distribution

Source: Crunchbase, Deutsche start-ups, Gründerszene, Press releases.



Investment activity in Germany in 2021, including both funding and M&A, followed the general trend in the market and continued to increase at an accelerated pace reaching 1,273 deals in total³⁵. Compared to 2020, there has been a major rebound in M&A activity with the number of M&A deals almost doubling in 2021. M&A activity was fairly evenly spread across the year with slightly more deals closed in Q1-2021.

³⁵ Based on publicly available disclosed data; excluding investments in life science, BioTech or non-digital start-ups.

Among the key drivers behind the positive development are high volumes of dry powder accumulated in venture capital and private equity funds as well as the fear of rising inflation. Increased investor optimism after a turbulent 2020, coupled with the optimism arising from the change of the US government has further supported the deal activity.

Start-ups with a focus in Software & Analytics remained at the top of the list of preferred targets indicating continuing demand from investors for digital solutions.

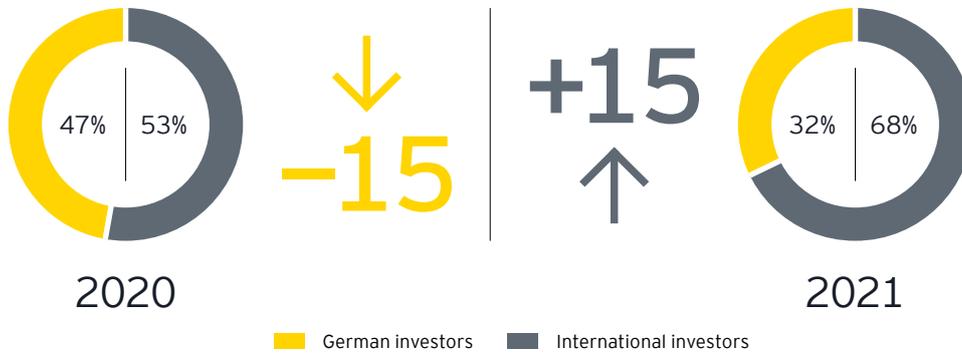
High-tech companies are followed by E-Commerce and AdTech/Media start-ups that were already favored by investors in 2020. M&A activity in the E-Commerce sector, however, decreased both in absolute and relative terms. With multiple E-Commerce start-ups raising 3-digit-million amounts in 2021 the time for sizable exits is yet to come.

Mobility gained special attention from investors in 2021 with companies seeking to implement the multi-modal approach by including more means of transportation in their current offering. One notable example was the acquisition of Nextbike by Tier Mobility.

More than two thirds of all M&A deals are done by foreign, mostly corporate investors

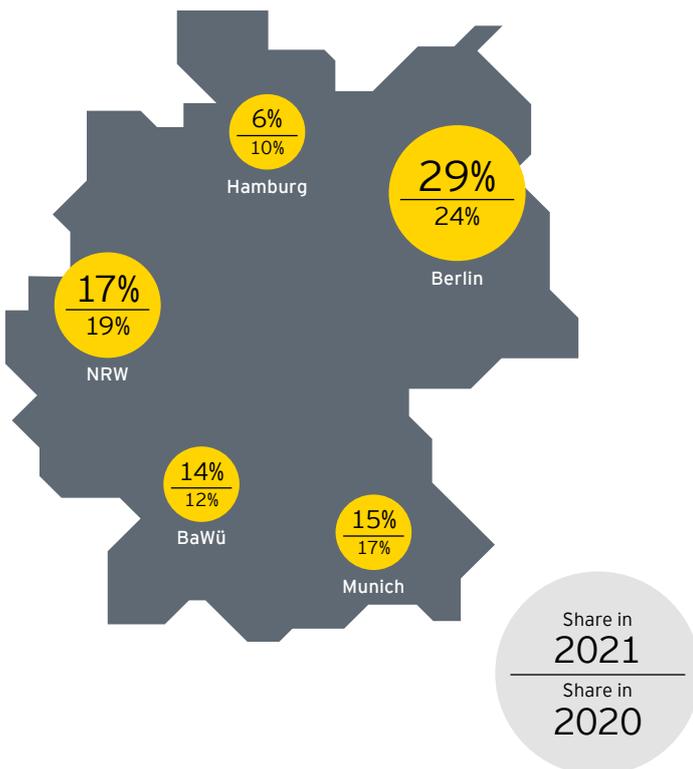
Chart 11
Percentage of exits by origin of investor
 (Germany and rest of the world; based on the number of disclosed deals)

Sources: Crunchbase, Deutsche start-ups, Gründerszene, Press releases.



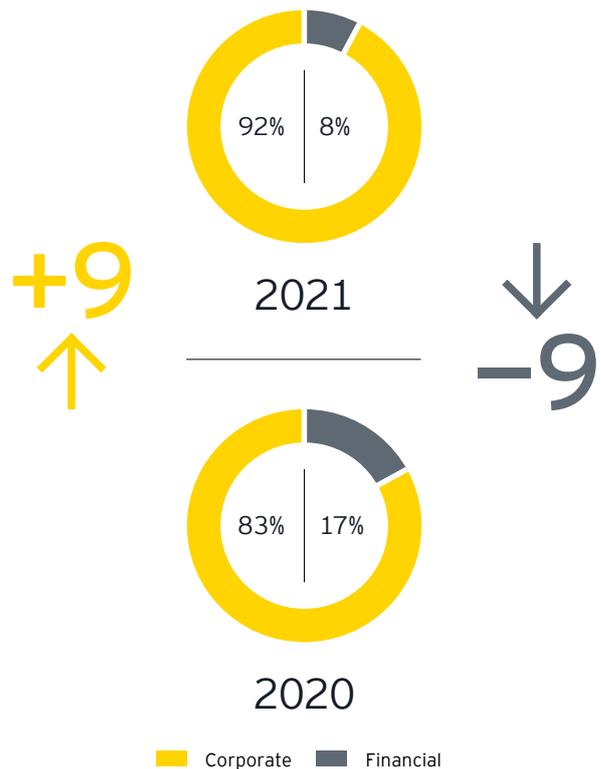
German investors by area

Remaining 19% comprise further various German cities in 2021 (19% in 2020)



Proportion of investor types

(corporate vs. financial)

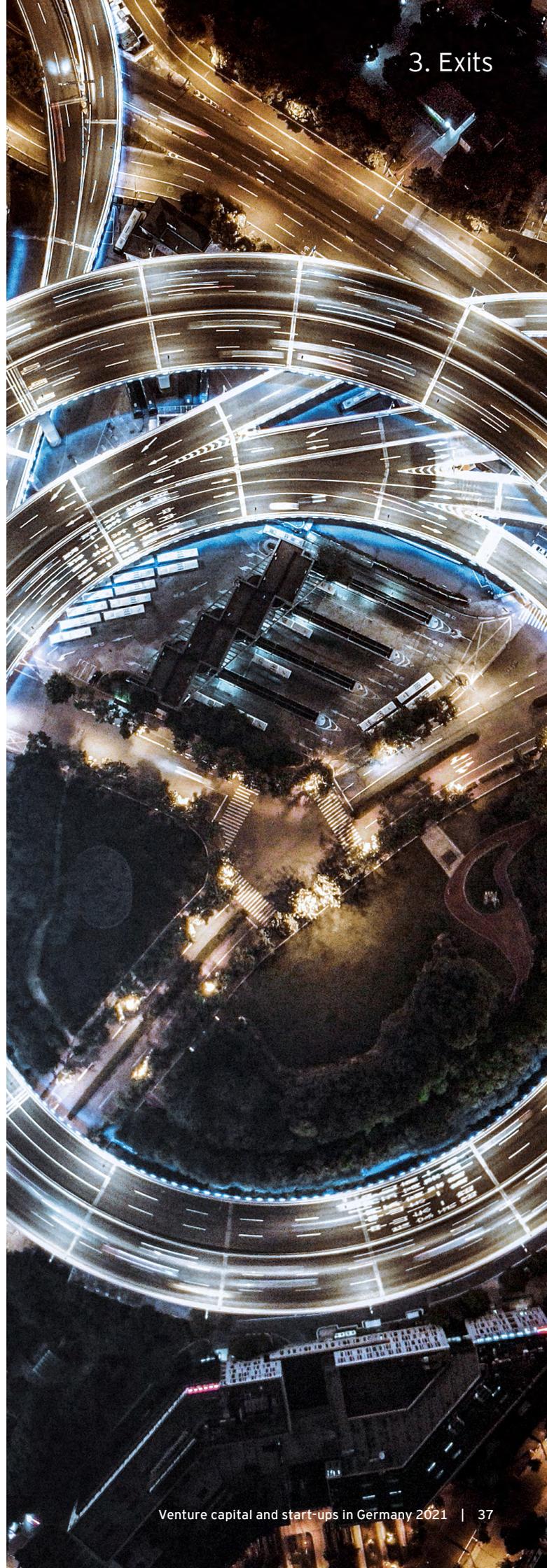


The deal activity of financial investors declined both in absolute and relative numbers in 2021, and the M&A landscape remains dominated by corporate investors. German and European PE funds favored Software & Analytics and E-Commerce. The most notable examples of deals closed by financial investors included the acquisition of fintus by AnaCap, Bikeleasing by Brockhaus Technologies and EyeEm by New Value.

The majority of M&A deals in 2021 were again led by foreign investors. Domestic investors closed more deals compared to 2021, however, their share decreased significantly in relative terms. German investors have shown interest in Software & Analytics, E-Commerce, AdTech/Media and PropTech businesses in 2021. A particularly noteworthy transaction was the acquisition of Signavio by SAP in 2021.

Market participants are expecting the increased M&A activity to persist at least until summer 2022. The primary driver behind this development is the high levels of cash accumulated by German corporates as a result of the strong business performance in multiple sectors over the last year.

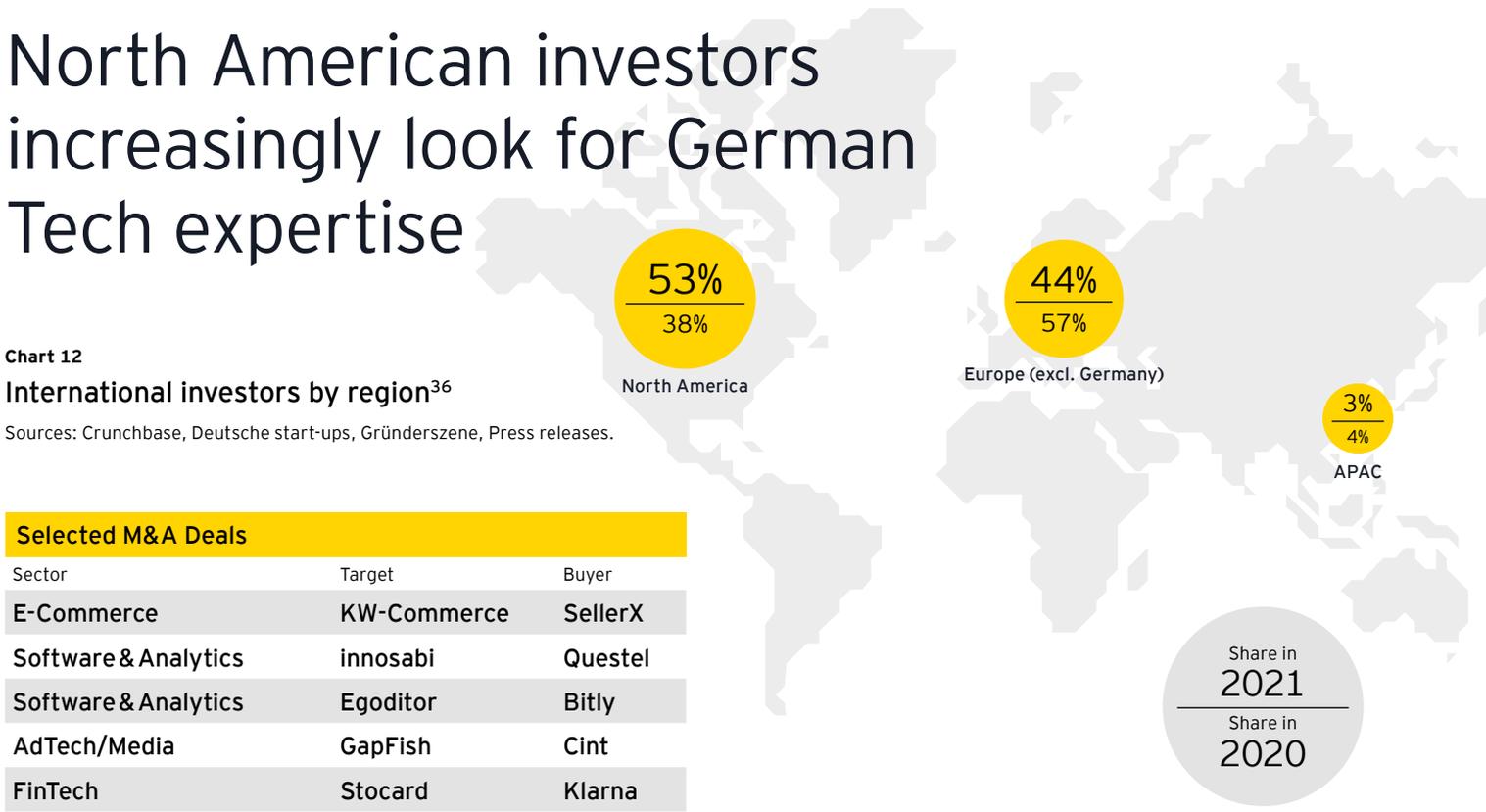
The geographic landscape of the German investors has not changed much compared to previous year. Berlin remained the hotspot and accommodated almost a third of all domestic investors that were active in the M&A scene.



North American investors increasingly look for German Tech expertise

Chart 12
International investors by region³⁶

Sources: Crunchbase, Deutsche start-ups, Gründerszene, Press releases.



Selected M&A Deals		
Sector	Target	Buyer
E-Commerce	KW-Commerce	SellerX
Software & Analytics	innosabi	Questel
Software & Analytics	Egoditor	Bitly
AdTech/Media	GapFish	Cint
FinTech	Stocard	Klarna

³⁶ Europe excl. German investors.

Investors from across the pond, which already accounted for a significant share in the German scene, have once again shown their increasing interest in the acquisitions of German start-ups. In 2021, North American investors closed around as many deals as their German counterparts (slightly below 60, each).

In contrast to the diversified sector landscape of German investors, North American investors showed a strong preference for Software & Analytics start-ups (64% of M&A deals) demonstrating their trust in German tech expertise to address the technological niche markets and speed up the development of new tools. The largest deal was the acquisition of Berlin based analytics platform Adjust by AppLovin.

Despite the decrease in relative share, the number of European investors who closed deals in Germany almost doubled in 2021 compared to the prior year. Acquisitions were mainly carried out by investors from Sweden, UK and Austria.

Right after securing a USD 500m funding round and gaining Unicorn status within just 16 months after foundation, SellerX acquired KW-Commerce, a private seller on Amazon. With the acquisition of KW-Commerce, the Unicorn collected more than 40 brands across Europe, US and Asia.

Innosabi, based in Munich, develops a platform that supports market innovations. The start-up was acquired by Questel, a French integrated IP solution, with the aim of strengthening its leadership in the European innovation management market. Another significant acquisition in the Software sector included the US-based Bitly, which offers a solution for creating custom URL links, acquiring a QR-code management solution Egoditor from Bielefeld. Egoditor's solution, which became even more widely used in the times of the pandemic, complemented the product offering of Bitly.

Berlin based GapFish, which engages in the market research in German-speaking countries, was acquired by a Swedish digital insights company Cint, mainly to get access to the customer base of the GSA region.

Another major acquisition by a Swedish corporate involved the FinTech company Stocard from Mannheim being acquired by the payment giant Klarna. The global customer base of Stocard paves the way for Klarna's global expansion.

IPO activity accelerated in 2021 and is likely to gain further relevance in the near future

In 2021, the IPO activity in the overall German ecosystem accelerated again after a turbulent 2020 and reached a peak in terms of both number of IPOs and issuing volume since 2000. Similar development was also observed in the German Tech scene. Previously, young ventures and VC investors often preferred trade sales as compared to IPOs. This is now changing. An attractive IPO environment is emerging in Germany in light of very liquid markets and investors' appetite for digital and tech business models.

The number of start-ups opting for an IPO is likely to keep growing together with the increasing start-up valuations, since a limited number of investors were able to sustain a trade sale at such high scale, leaving going public as the one of few exit channels available to highly valued companies.

In addition to the four "traditional" IPOs made by German ventures in 2021, five other start-ups went public through a SPAC (Special Purpose Acquisition Company). With SPACs providing a faster and comparatively easier way of going public, an increasing number of start-ups are likely to opt for this exit route in the near future.

“

Especially strategic trade sales seem to become a challenging exit route for Unicorns due to the absence of strategic buyers willing or even able to acquire at such high valuation levels. IPOs will become even more relevant for successful Unicorn exits but in many cases require a substantial organizational professionalization to achieve capital markets readiness, which is often underestimated.

Patrick M. Schaich,
Tengelmann Ventures

SPACs providing an alternative way of going public gained attention in 2021

IPOs of German start-ups

Company	Stock exchange
AUTO1 Group	Frankfurt Stock Exchange
Linus Digital Finance	Frankfurt Stock Exchange
About You	Frankfurt Stock Exchange
Sono Motors	Nasdaq

Sources: Crunchbase, Deutsche start-ups, Gründerszene, Press releases.

Selected IPOs

Auto1 Group

Established in 2012, Auto1 operates one of Europe's leading marketplaces for pre-owned vehicles. The venture went public in February 2021 and was valued at USD 14b at this time. Auto1 plans to use the IPO proceeds to finance its expansion strategy under the "Autohero" brand.

About You

The E-Commerce fashion retailer is part of the German Otto Group and was founded in 2014. The company became the first start-up Unicorn in Hamburg. In an IPO in June 2021, the venture raised USD 1b at a valuation of around USD 4b. About You plans to use the proceeds for further growth as well as the development of the technical infrastructure in Europe.

Sono Motors

The electric vehicle producer was established in 2016 in Munich. Sono Motors went public on the Nasdaq in November 2021. The company was valued at USD 1b and raised total proceeds of USD 150m. Sono Motors is currently working on its first vehicle with an integrated solar cell technology – Sion. The sale start is planned for the first half of 2023.

Listings via SPAC of German start-ups

Company	Stock exchange
Lilium	Nasdaq
Hometogo	Frankfurt Stock Exchange
Boxine	Frankfurt Stock Exchange
Tonies	Frankfurt Stock Exchange
Signa Sports United	NYSE

Selected SPAC listings

Lilium

The aerospace venture based in Wessling was founded in 2015 and gained the attention of the industry with the development of an electrically powered personal air vehicle. In September 2021, Lilium went public at Nasdaq through a merger with the US SPAC Qell. The start-up was valued at USD 3.3b. The proceeds from the IPO will be used to finance the long-term strategy targeting a commercial start in 2024.

HomeToGo

Established in 2014, the Berlin based venture operates a digital marketplace for vacation homes and apartments in Europe, America, Australia and the Asia Pacific region. In September 2021, HomeToGo went public through a merger with a listed SPAC, Lakestar SPAC I. HomeToGo was valued at USD 1.4b and received around USD 300m in additional capital.

Boxine

Founded in 2013 in Düsseldorf, the toy manufacturer gained recognition for the design and sales of the sound player "Toniebox", specifically designed for children. In November 2021, Boxine merged with the SPAC of the Berlin based VC 468 and went public under the name "Tonies". The venture was valued at around USD 1b. Management stated that the gross proceeds from the IPO of around USD 220m will mainly be invested in the expansion to the US market.

“

Today, successful serial entrepreneurs and super angels seem to be the catalyst behind successful start-ups. This group has proved being capable of identifying the right ideas, building great companies and strong teams, winning highly reputable investors and exiting successfully. As a result, a key driver for the emergence of Unicorns in Germany is the professionalization of the ecosystem and the signaling effects from successful funding rounds and exits.

Patrick M. Schaich,
Tengelmann Ventures

Investors

“

Along with the higher valuation levels, early-stage investors often close larger funds to remain competitive and also pay attention to very early (pre)seed investments, such as technology spin outs from universities.

Philipp Semmer, Nina Rinke
Earlybird

4

German VCs continue to focus on early-stage financing

In 2021, the volume of new funds closed by investors that are active in the German start-up scene reached USD 9.6b and once again surpassed the previous year by USD 1b. In addition, many of the funds that were announced this year are still accumulating funding with closing planned at a later date, these include Cherry Ventures, 468 Capital, 10x Group and Lakestar.

As in the previous year, the majority of the funds closed by domestic investors focus on the seed and early-stage with later stages being dominated by foreign investors. When it comes to the size of the funds, some early-stage funds are on par with their growth stage counterparts. New nine-digit volume funds were raised by Cusp Capital, UVC Partners, Greenfield One and FoodLabs. With funding rounds reaching nine-digit amounts already in the early-stages, investors require larger money pots to be in a position to participate.

The industries targeted by the new funds in 2021 ranged from those with high-tech focus like Blockchain, Deep Tech, AI and FinTech to currently those that are in vogue such as Food & Beverage, Sustainability and Impact investments.

Selected established VC players

Paris-based Partech has sealed a new USD 769m fund to support the new generation of European Tech start-ups. The current portfolio includes, amongst others, 12 ventures that are valued at above USD 1b. In 2021, Partech participated in the USD 110m funding round of the German talent development platform CoachHub.

The US-based investor Bessemer Venture Partners closed two funds in 2021 with a total volume of USD 3.3b. The VC plans to invest in multiple stages from seed through growth with a wide industry coverage. In 2021, Bessemer Venture Partners participated in several major funding rounds of German start-ups, including a USD 130m series D round of Mambu and a USD 100m series B round for Choco.

The German-Dutch investor Endeit Capital raised its third fund of USD 296m to focus on scale-ups, which are otherwise often picked up by the US VC funds. The geographical focus of the fund will cover GSA, Benelux and Nordics. The Endeit's portfolio currently includes 35 start-ups.

Munich-based venture capitalist UVC Partners topped up its third fund landing at USD 300m, almost doubling the initially planned fund volume. Using the extensive network of serial founders and family offices, UVC Partners aims to pave the way for the next generation of European Unicorns. The fund will support start-ups focusing on enterprise software, industrial technologies and mobility.

The UK VC firm Balderton raised two funds in 2021 focused on early and later stage, respectively. In 2021, Balderton participated in multiple funding rounds of German start-ups including Clue, Ory, vivenu, arrive and Finoa.

Selected new VC players

DX Ventures has been launched as a venture capital arm of Delivery Hero. With an initial capital of USD 59m, the venture has committed to invest globally into innovative F&B companies, on-demand services and other Tech areas.

Extantia Capital (former Beyond Black) is another newly established Berlin-based investor that backs innovative companies developing technologies to reduce CO2 emissions. Extantia Capital already raised USD 24m with a long-term goal to reach at least USD 300m.

Based in Essen, Cusp Capital will back early-stage Tech companies across Europe. The core topics are sustainability and improving access to financing for lower-income consumers. Cusp Capital already secured USD 361m. Among the LPs of the VC are European Investment Fund, KfW Capital, RAG Stiftung and NRW.BANK.

The total new fund volume is reaching a record of USD 10b

New institutional funds identified from January 2021 to December 2021³⁷

#	Investor	Fund name	Location	Volume (mUSD)	Announced
1	Bessemer Venture Partners	BVP XI	Redwood City	2,475	Feb 2021
2	Balderton	Balderton VIII	London	600	Nov 2021
3	Cusp Capital	Cusp Capital Fund	Essen	355	Apr 2021
4	UVC Partners	UVC Fund III	Munich	302 ³⁸	Nov 2021
5	UNIQA Ventures	UNIQA Ventures Fund	Vienna	177 ³⁸	Sep 2021
6	Greenfield One	Greenfield One Fund III	Berlin	160	Nov 2021
7	FoodLabs	FoodTech Fund	Berlin	118	Oct 2021
8	Earlybird	Earlybird Uni-X	Berlin	89	Oct 2021
9	Ananda Impact Ventures	Ananda Impact Ventures IV	Munich	71	Sep 2021
10	APX	APX Fund I	Berlin	65	Jan 2021
11	The Yield Lab Europe	Yield Lab Europe Fund II	Dublin	59	May 2021
12	AM Ventures	AM Ventures I	Starnberg	59 ³⁹	Mar 2021
13	DX Ventures	DX Ventures Fund	Berlin	59	Jan 2021
14	PropTech1 Ventures	PropTech1 Ventures Fund I	Berlin	59	Nov 2021
15	Multiple Capital	Multiple Fund II	Frankfurt	24	Oct 2021
16	Auxxo	Auxxo Female Catalyst Fund	Berlin	15	Nov 2021
17	Ant Financial	A&T Capital	Berlin	n/a ⁴⁰	Jan 2021
18	F-LOG Ventures	F-LOG Ventures I	Greven	n/a ⁴⁰	Apr 2021
19	Bessemer Venture Partners	BVP Century II	Redwood City	825	Feb 2021
20	ParTech	ParTech Growth II	Paris	750	Nov 2021
21	Balderton	Balderton Growth I	London	680	Jun 2021
22	Endeit Capital	Endeit Capital III	Hamburg	296	Apr 2021
23	Blue Horizon Ventures	Blue Horizon Ventures I	Zurich	216	Jan 2021
24	World Fund	Climate Change Fund	Berlin	207 ³⁹	Oct 2021
25	Speedinvest	Climate & Industry Opportunity-Fonds	Vienna	95	Nov 2021
26	Global Fintech Leaders	BIT Global Fintech Leaders	Berlin	73	May 2021
27	Futury Regio Growth Fonds (FRGF)	Futury Regio Growth Fonds	Frankfurt	71	Feb 2021
28	Zintinus	Zintinus Fund	Berlin	59 ³⁹	Aug 2021
29	Extantia Capital (ex. Beyond Black)	Beyond Black Pledge Fund I	Berlin	24	Feb 2021
30	Allianz	Allianz Global Diversified Infrastructure Equity Fund (AGDIEF)	Munich	1,183	Jan 2021
31	Orange Ventures	Orange Ventures II	Paris	414	Jan 2021

37 Foreign funds were included only if they participated in funding rounds of German start-ups totaling >USD 100m in 2021 or 2020 or in >5 smaller funding rounds (Crunchbase).

38 Increase in volume.

39 First close.

40 Amount not disclosed.

Sources: Crunchbase, Deutsche start-ups, Gründerszene, Press releases.



Tim P. Jungblut, PhD

Venture Partner

Eurazeo Smart City Venture Capital

Market quotes on start-up valuations and Unicorns

Eurazeo is a leading global investment group, with a diversified portfolio of EUR 27b in AUM and is one of the most active Venture and Growth Capital investors in Europe. The firm invests along the whole scope of investment strategies for companies to grow from seed to buyout. The Smart City Venture Capital activities focus on Sustainability and Digitalization, investing in Mobility,

Energy, Logistics, PropTech and Industrial Tech. Portfolio companies include e.g. Bird, Cubyn, Dance, DST, Electra, Forsee Power, Glovo, Grab, Immotor, OnTruck, Pyxo, Vay, Volta Charging, WeRide, and Witco.

To what extent do Unicorn valuations accelerate or limit the exit route of a scale-up company?

We see numerous opportunities for exits of Unicorns in our portfolio as we start to assess exit routes very early in the investment process and do have access to potential trade sale partners in addition to going public. Last year, 2021, we've exited five companies of our Smart City venture capital portfolio through public listings or acquisitions, with four Unicorns amongst them.

Public markets are very dynamic with certain windows of opportunities and somewhat more volatility as compared to private markets but are generally an excellent exit channel for highly valued Tech companies and their VC investors.

Unicorn vs. impact investing: Are both possible at the same time?

Our investment history shows that impact investments can deliver high IRRs. Purpose-driven entrepreneurs, focusing on sustainability and digitization, have been proving to be able to deliver excellent results. We monitor at due diligence stage ESG to identify any issue and monitor our portfolio companies every year on ESG matters. We believe that ESG performance is strongly related to financial performance and is something that must be tracked early on, as this is now a must-have for all kinds of professional institutional investors in later funding rounds or exits. Solutions to tackle e.g. climate change (reducing the carbon footprint, improving the usage of infrastructure and saving the environment) are of foremost relevance and are going to become more and more important.

Questions and answers

Key players active in the German start-up scene

Corporate Ventures

- ▶ ABN AMRO Ventures
- ▶ Archimedes New Ventures
- ▶ Axel Springer Digital Ventures
- ▶ BASF Venture Capital
- ▶ Bauwens Digital
- ▶ BCG Digital Ventures
- ▶ BMW i Ventures
- ▶ Boehringer Ingelheim Venture Fund
- ▶ Bonnier Ventures
- ▶ Chevron Technology Ventures
- ▶ CommerzVentures
- ▶ Co-pace Continental
- ▶ Deutsche Telekom Strategic Investments
- ▶ DX Ventures
- ▶ EnBW New Ventures
- ▶ Evonik Venture Capital
- ▶ Fielmann Ventures
- ▶ FLUXUNIT – Osram Ventures
- ▶ Future Energy Ventures
- ▶ G+J Digital Venture
- ▶ Henkel Ventures
- ▶ Katjes Greenfood
- ▶ M Ventures – Merck
- ▶ Maersk Growth
- ▶ Media + more venture
- ▶ Mediengruppe Klambt
- ▶ MOMENI Digital Ventures
- ▶ Mubadala Capital Ventures
- ▶ Müller Medien
- ▶ Next 47 (Siemens)
- ▶ NWZ Digital
- ▶ Peppermint Venture Partners
- ▶ Phoenix Contact Innovation Ventures
- ▶ Porsche Ventures
- ▶ Salesforce Ventures
- ▶ Samsung NEXT
- ▶ SAP.iO
- ▶ Scania Growth Capital
- ▶ SevenVentures
- ▶ Startup Intelligence – Daimler
- ▶ TRUMPF Venture
- ▶ Vorwerk Ventures

Incubators and Accelerators

- ▶ 1st Mover
- ▶ Accelerator Frankfurt
- ▶ Airbus Bizlab Accelerator
- ▶ Allianz Digital Accelerator
- ▶ APX
- ▶ Arena 42
- ▶ Arkley
- ▶ Axel Springer Plug and Play
- ▶ BASF New Business
- ▶ Betafabrik
- ▶ Bitrock Digital Partners
- ▶ Black Forest Accelerator
- ▶ BMW Startup Garage Incubator
- ▶ Breakthrough-Accelerator
- ▶ CoLaborator (Bayer)
- ▶ Co-pace Incubator – Continental
- ▶ Cyberlab Karlsruhe
- ▶ DB Mindbox
- ▶ Deutsche Bank Innovation Lab
- ▶ Digital Hub
- ▶ Digitalfabrik – Deutsche Bank
- ▶ EIT Digital Accelerator
- ▶ Entrepreneur First
- ▶ EON agile Accelerator
- ▶ ESA Business Incubation Centres
- ▶ Fantastic Mr. Fox Ventures
- ▶ Finconomy
- ▶ finleap
- ▶ FinTech Hub – Deutsche Börse
- ▶ Founder Institute
- ▶ Founders
- ▶ Founders Foundation
- ▶ Foundfair
- ▶ Fraunhofer Venture
- ▶ Free Electrons
- ▶ Gate Garching
- ▶ German Accelerator
- ▶ Google for Startups Accelerator
- ▶ Grants4Apps – Bayer
- ▶ Greenhouse
- ▶ Hafven Smart City Hub
- ▶ Hangar 51
- ▶ Hanse Ventures
- ▶ Heartbeat labs
- ▶ helios.hub
- ▶ hub:raum Incubator – Telekom
- ▶ Hubitation
- ▶ Hubraum
- ▶ Iconic Lab
- ▶ Ideation Hub – Volkswagen
- ▶ Incubator Music Worx
- ▶ InnoWerft
- ▶ Kraftwerk city accelerator Bremen
- ▶ leAD Sports Accelerator – Adidas
- ▶ LMU EC Accelerator
- ▶ Lufthansa Innovation Hub
- ▶ Magmatic Ventures
- ▶ Main Incubator
- ▶ Media Lab Bayern
- ▶ Merck Accelerator
- ▶ METRO Xcel
- ▶ Microsoft ScaleUp
- ▶ Next Big Thing
- ▶ Next Commerce Accelerator
- ▶ Next Logistics
- ▶ Pando Ventures (Taunusstein)
- ▶ Plug and Play Tech Center
- ▶ ProSiebenSat.1 Accelerator
- ▶ RainMaking
- ▶ Respond
- ▶ Retailtech Hub
- ▶ Rocket Internet
- ▶ RootCamp
- ▶ ScaleUp (Microsoft)
- ▶ Seedhouse
- ▶ SevenAccelerator
- ▶ Siemens Technology Accelerator
- ▶ SmartCityHouse
- ▶ SpinLab – The HHL Accelerator
- ▶ Startplatz
- ▶ Startport
- ▶ Startup Autobahn Accelerator
- ▶ StartupDock
- ▶ TechFounders
- ▶ Unibator
- ▶ Universal Home
- ▶ Venture Creator
- ▶ Venture Stars
- ▶ VentureVilla Accelerator
- ▶ Wattx
- ▶ Wayra
- ▶ Werk1
- ▶ Xcelentrepreneurs
- ▶ Zollhof



Investors

▶ 10x Group	▶ Cavalry Ventures	▶ F-LOG Ventures
▶ 32nd Floor	▶ Cherry Ventures	▶ Fly Ventures
▶ 3i Group	▶ Chromo Invest	▶ FoodLabs
▶ 42CAP	▶ Cipio Partners	▶ Force Over Mass Capital
▶ 468 Capital	▶ Circularity Capital	▶ Founders Fund
▶ 83North	▶ Claret Capital Partners	▶ Freigeist Capital
	▶ Coatue	▶ FRIBA Investment
▶ ABACON CAPITAL	▶ ColognInvest	▶ Frog Capital
▶ About:seed GmbH	▶ Compagnie Nationale a Portefeuille	▶ Frontline Ventures
▶ ACCEL	▶ Coparion	▶ FTTF
▶ Acton Capital	▶ Cowboy Ventures	▶ Futury Capital
▶ Alanda Capital Management	▶ CPT Capital	
▶ Alma Mundi Ventures	▶ Crane Venture Partners	▶ G+J Digital Ventures
▶ ALSTIN Capital	▶ Creandum	▶ GE Ventures
▶ Altos Ventures	▶ Creathor Ventures	▶ Gecoin GmbH
▶ Alven Capital	▶ Crosslantic Capital	▶ General Atlantic
▶ AM Ventures	▶ Crystalon Finanz	▶ General Catalyst
▶ Amino Collective	▶ Cusp Capital	▶ GENUI Partners
▶ Ananda Impact Ventures		▶ GGV Capital
▶ another.vc	▶ Dawn Capital	▶ Gimv
▶ AP Ventures	▶ Demeter Partners	▶ GL Ventures
▶ APEX Ventures	▶ Deutsche Balaton	▶ Global Brain Corporation
▶ Astutia Ventures	▶ Deutsche Invest Venture Capital (DIVC)	▶ Global Founders Capital
▶ Atlantic Labs	▶ Digital Currency Group	▶ GMPVC German Media Pool
▶ Atlantic Ventures	▶ Digital+ Partners	▶ Goldman Sachs
▶ Atómico	▶ Dima Ventures	▶ Golzern Holding GmbH
▶ Augmentum Fintech	▶ Discovery Ventures	▶ GPS Ventures GmbH
▶ Auxxo	▶ DLF Venture	▶ GR Capital
▶ Avala Capital	▶ DN Capital	▶ Grazia Equity
▶ Avid Ventures	▶ Dragoneer Investment Group	▶ Greenfield One
▶ Axivate Capital	▶ DST Global	▶ Greenoaks
	▶ DvH Ventures	
▶ b10 Venture Capital		▶ H14
▶ BackBone Ventures	▶ E.R. Capital Holdings	▶ Hanaco Venture Capital
▶ Baillie Gifford	▶ Earlybird Venture Capital	▶ Haniel
▶ Balderton	▶ eCAPITAL entrepreneurial Partners	▶ Hasso Plattner Ventures
▶ BayBG Venture Capital	▶ Egora Holding	▶ Headline
▶ BBQ Capital	▶ Elevat3 Capital	▶ Heal Capital
▶ Berlin Technologie Holding	▶ EMBL Ventures	▶ Heartcore Capital
▶ Berlin Technology Holding	▶ Emeram Private Equity	▶ Heliad Equity Partners
▶ Bessemer Venture Partners	▶ Emerge Education	▶ Helvetia Venture Fund
▶ better ventures	▶ Endeit Capital	▶ Hevella Capital
▶ BitStone Capital	▶ Engelhardt Kaupp Kiefer	▶ High Rise Ventures
▶ BlackRock	▶ ENIAC Ventures	▶ Highland Europe
▶ Blockchain Capital	▶ Entrée Capital	▶ High-Tech Gründerfonds
▶ Blue Horizon Ventures	▶ EQT	▶ Horizon 2020
▶ BlueYard Capital	▶ Eurazeo	▶ HOWZAT Partners
▶ bmp ventures	▶ Extantia Capital	▶ HPE Growth
▶ Bond		▶ HV Capital
▶ BonVenture Management	▶ Faraday Venture Partners	▶ HW Capital
▶ Born2grow	▶ Fasanara Capital	
▶ Boundary Holding	▶ Felicis Ventures	▶ Ilavska Vuillemoz Capital
▶ btov Partners	▶ Felix Capital	▶ Index Ventures
	▶ Fidelity International Strategic Ventures	▶ Initiative for Industrial Innovators
▶ Cadence Growth Capital	▶ Fifth Wall	▶ INKEF Capital
▶ Caesar Business Angels	▶ First Momentum Ventures	▶ Innovationsstarter Fonds
▶ Calm/Storm Ventures	▶ Firstminute Capital	▶ Insight Partners
▶ Capacura	▶ Five Seasons Ventures	▶ Interlink Ventures
▶ Capnamic Ventures	▶ FJ Labs	▶ Inven Capital
▶ Carcharodon Capital	▶ Flash Ventures	▶ Iris Capital

Public institutions, Platforms and Others

▶ Acequia Capital (AceCap)	▶ European Investment Fund	▶ L-Bank (Landeskreditbank Baden-Württemberg)
▶ Bayern Kapital	▶ Genius Venture Capital	▶ Mantro
▶ BayStartUP	▶ German Startups Group	▶ Mittelständische Beteiligungsgesellschaft Baden-Württemberg
▶ Berlin Partner für Wirtschaft & Tech.	▶ Green Alley Investment	▶ Mittelständische Beteiligungsgesellschaft Berlin-Brandenburg
▶ Berlin Startup Academy	▶ Grow – Bosch	▶ Mittelständische Beteiligungsgesellschaft Mecklenburg-Vorpommern
▶ BetaHaus	▶ Humboldt Innovation	▶ Neufund
▶ BM H Beteiligungs-Managementgesellschaft Hessen	▶ IBB Ventures	▶ NRW.BANK
▶ bm-t beteiligungsmanagement thüringen	▶ IBG Beteiligungsgesellschaft Sachsen-Anhalt	▶ Numa
▶ Brandenburg Kapital	▶ IFB Innovationsstarter	▶ Seedmatch
▶ BridgeMaker	▶ IFJ AG	▶ SHS Gesellschaft für Beteiligungsmanagement
▶ BTG Hamburg	▶ Initiativekreis Ruhr	▶ SIB Innovations- und Beteiligungsgesellschaft mbH
▶ Bundesministerium für Verkehr und digitale Infrastruktur (BMVI) mFund	▶ InnoEnergy (EIT)	▶ TakeOff VC Management
▶ Business Angels Agentur Ruhr	▶ Investitions- und Förderbank Niedersachsen (NBank)	▶ Techstars
▶ Business Angels Club Berlin	▶ Investitions- und Strukturbank Rheinland-Pfalz (ISB)	▶ TGFS – Technologiegründerfonds Sachsen
▶ Companisto	▶ Investitionsbank Berlin	▶ Wirtschaftsbank Hessen
▶ Decisive Capital Management	▶ Investitionsbank des Landes Brandenburg (ILB)	
▶ EASME – EU Executive Agency for SMEs	▶ ISB Rheinland-Pfalz	
▶ Enpact	▶ K Fund	
▶ European Innovation Council	▶ KfW Bankengruppe	
▶ European Investment Bank	▶ Kickstarter	
	▶ Kreos Capital	

“

We are seeing larger and later exits even when looking at trade sales of Tech ventures, indicating that founders and their investors are not looking for the quick exit anymore but instead have the ambition and aspiration to think big and build significant companies.

Philipp Semmer/Nina Rinke
Earlybird

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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The information in the study has been prepared for a certain target date, prior to the presentation. The main cut-off point for the research is 31 December 2021, with some exceptions relating to research and deals mentioned. Thus, the accuracy at the date of the presentation cannot be guaranteed. Any statement regarding future developments is not binding and merely represents an expectation. Stating a value does not constitute a valuation as defined by the Institute of Public Auditors in Germany ("IDW") in the generally accepted standards for valuation engagements.

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 rumours 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.

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 mainly focused on consumer products and services, software, financial technology, mobility, advertising technology/media, digital health, professional services, and property technology.

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

- ▶ **Mobility:** smart logistics, ride sharing, travel & leisure
- ▶ **FinTech:** mobile banking and insurance solutions
- ▶ **E-Commerce:** online B2C retailers. food and beverages (delivery)
- ▶ **Software & Analytics:** (mobile) applications, new digital technologies for industries or services, digitized professional services
- ▶ **Health:** digital solutions for healthcare system
- ▶ **AdTech/Media:** digital solutions focusing on marketing, communications, advertising
- ▶ **PropTech:** digital solutions in the real estate sector
- ▶ **Other:** any tech-related business activity not covered in the above classifications

Insights and events



INSIGHT 2021

EY Startup-Barometer

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.



INSIGHT 2021

EY Global IPO trends: Q1-Q4

EY Global IPO Trends report is released every quarter and looks at the IPO markets, trends and outlook for the Americas, Asia-Pacific and EMEA. The report provides insights, facts and figures on the 2021 IPO market year-to-date and highlights implications for companies planning to go public in the short and medium term.



INSIGHT 2021

2022 Global Private Equity Survey

In EY's 2022 Global Private Equity Survey 107 private equity COOs, CFOs, and financial executives provided feedback to the events of 2021 and future state of the global private equity industry. The document gives insights that will support stakeholders in making informed decisions as they continue to evolve into the private equity firms of the future.



EVENT | GERMANY

EY Start-up Academy

The EY Start-up Academy is a 6-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.

Contacts



EVENT | GLOBAL

EY Entrepreneurial Winning Women™

The EY Entrepreneurial Winning Women™ program is a one-year executive leadership program that identifies a select group of women entrepreneurs whose businesses show real potential to scale and helps them do it. The program provides year-round support to help women entrepreneurs scale and become market leaders through mentoring, learning and development, business development, and networking activities.



EVENT | GLOBAL

EY Entrepreneur of the Year™

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

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ED None



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