

BERLIN | MUNICH

General Market View



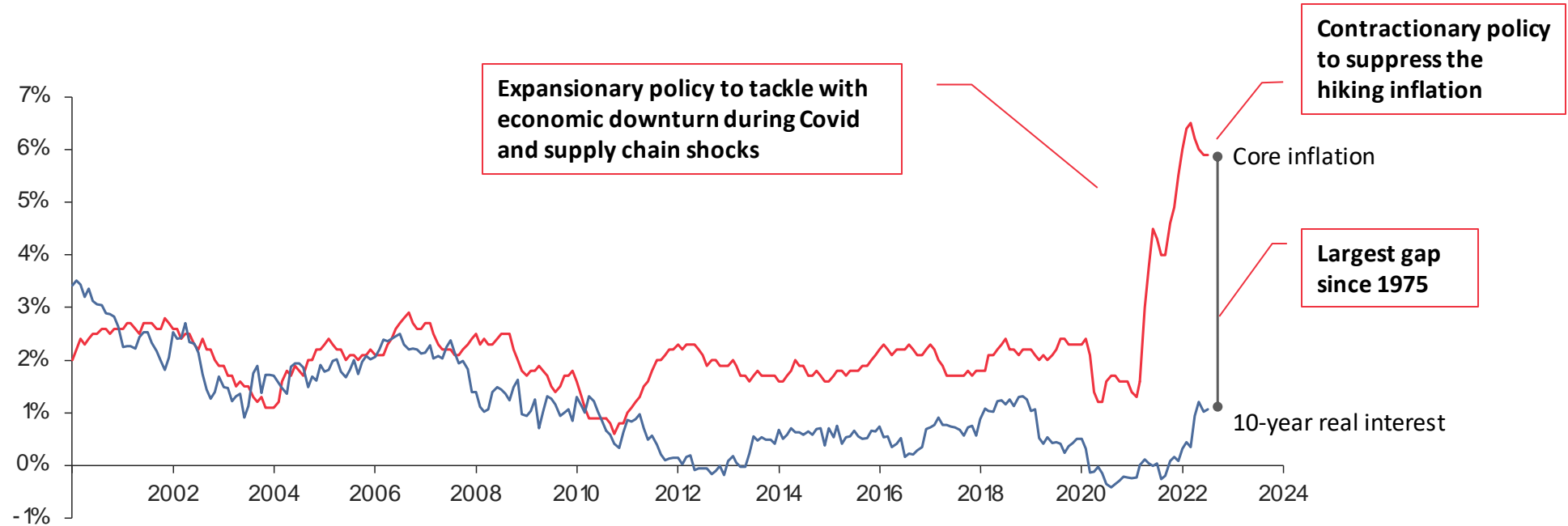
GENERAL VIEW & PERFORMANCE



MACRO

DARK CLOUDS, WITH RAYS OF SUNSHINE

INFLATION & RISING INTEREST RATES...

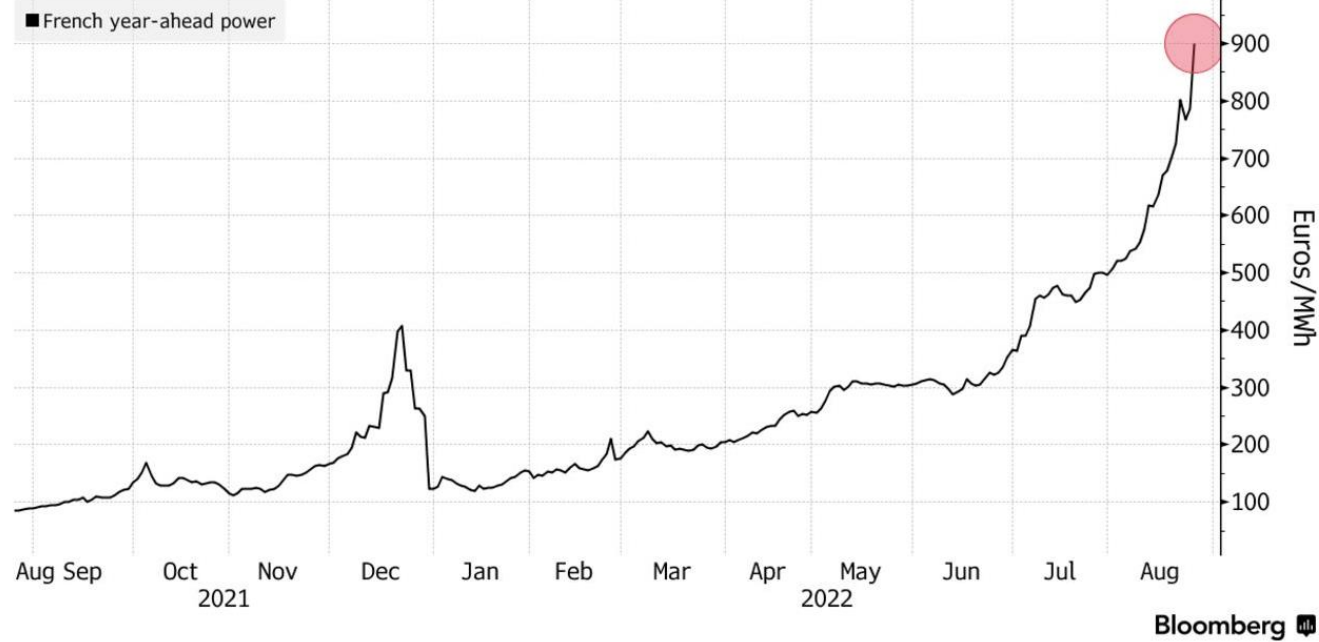


DARK CLOUDS, WITH RAYS OF SUNSHINE

...MAILY DRIVEN BY EXPLODING ENERGY PRICES...

French Pain

Power prices surged to a fresh record on further nuclear outages



DARK CLOUDS, WITH RAYS OF SUNSHINE

...CAUSED BY PROLONGED WAR – WITHOUT END? - ...

Russia-Ukraine War Russia Plans a Huge Increase in Size of Its Military, Signaling a Long Fight

Published Aug. 25, 2022 Updated Aug. 26, 2022, 8:30 a.m. ET

Leaders | Russia advances in Donbas

How to win Ukraine's long war

After doing well early in the war, Ukraine is losing ground. What next?



Interview: Why Ukrainian And Russian Forces Are
Preparing For A Long War

June 23, 2022 16:31 GMT By Reid Standish

POLICY MEMO

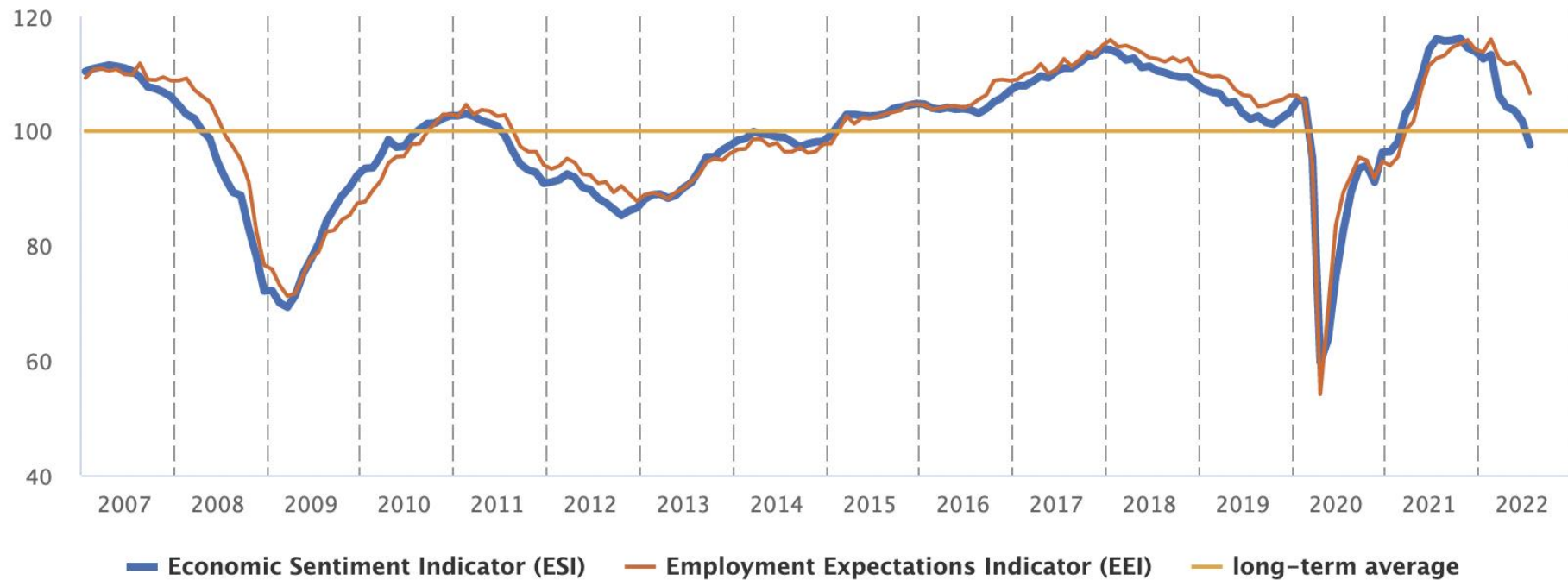
Prepare Ukraine for Victory in a Long War

BY LUKE COFFEY
Senior Fellow, Hudson Institute

July 2022

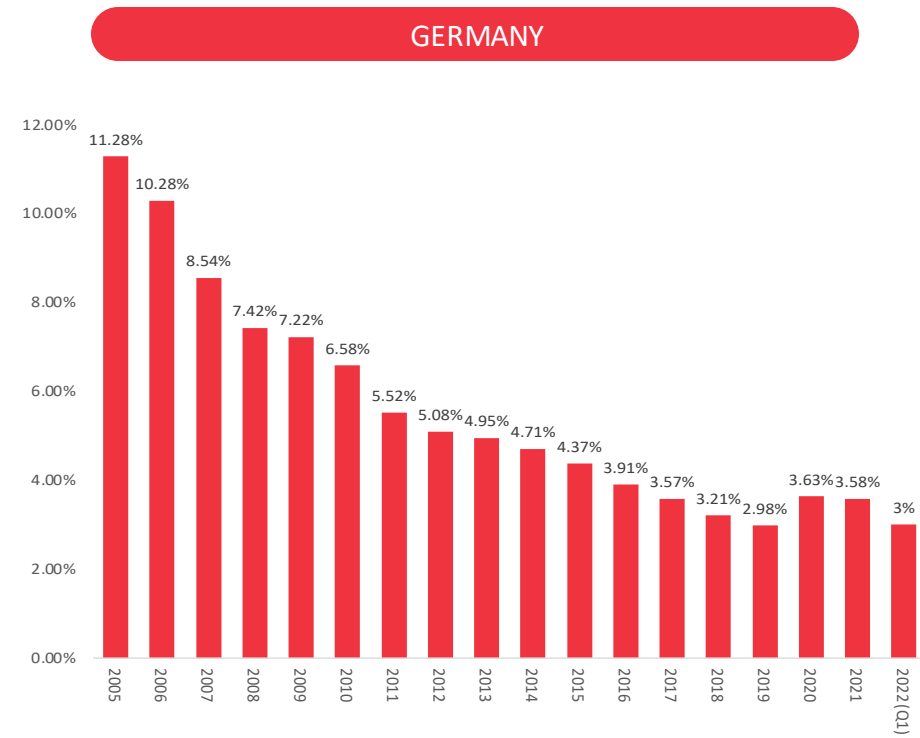
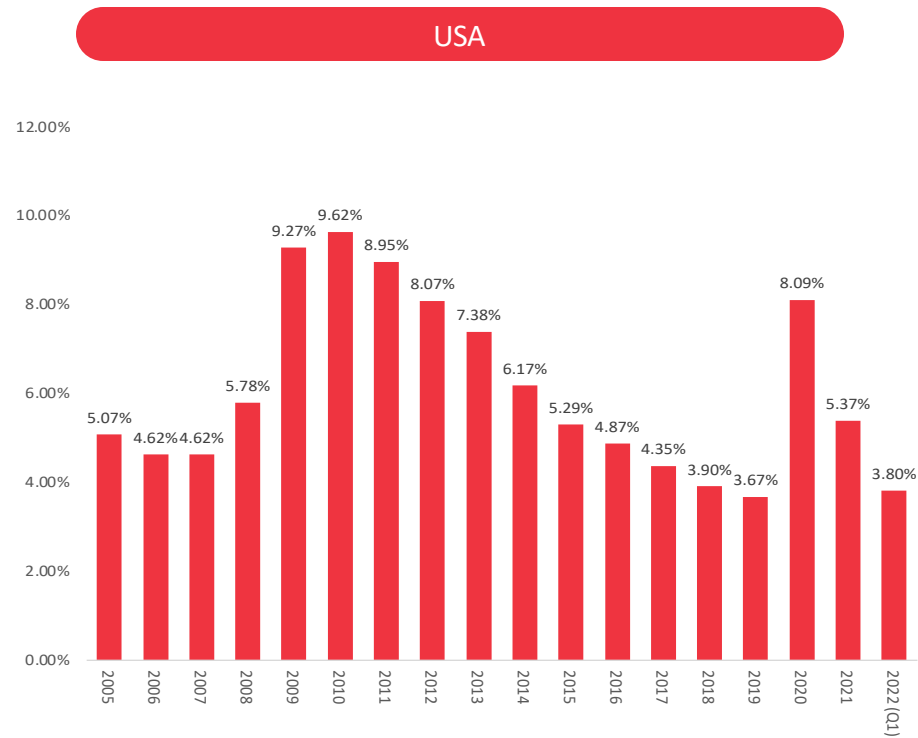
DARK CLOUDS, WITH RAYS OF SUNSHINE

...IMPACTING EU ECONOMIC SENTIMENT & EMPLOYMENT EXPECTATIONS...



DARK CLOUDS, WITH RAYS OF SUNSHINE

...BUT UNEMPLOYMENT RATE REMAINS AT HISTORICAL LOWS...



DARK CLOUDS, WITH RAYS OF SUNSHINE

...CONSUMER SPENDING REMAINS HEALTHY...

USA

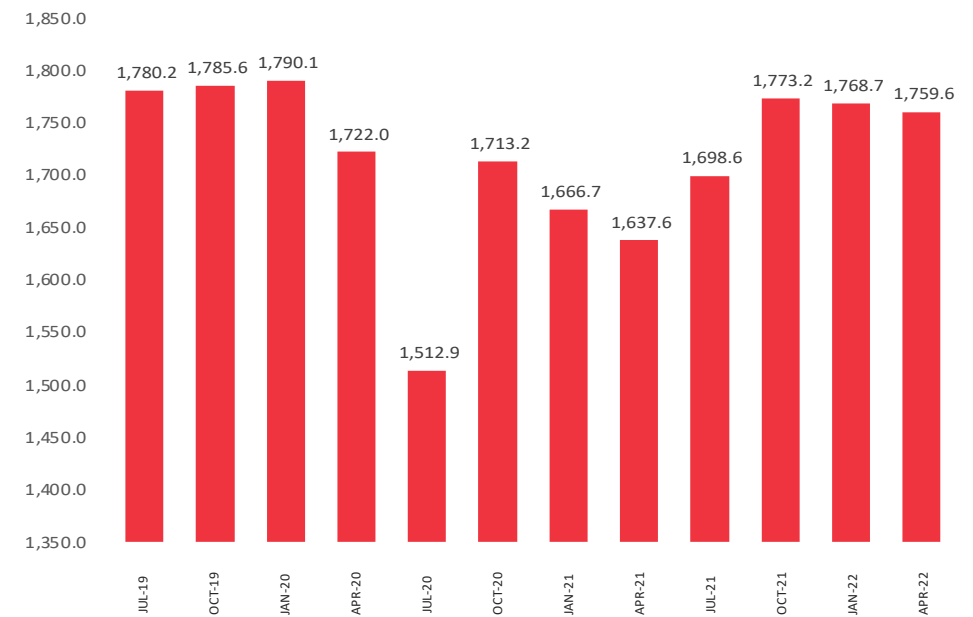
U.S. Services Spending Climbs to Pre-Pandemic Level

Change in personal consumption expenditures on goods and services in the U.S. since January 2020*



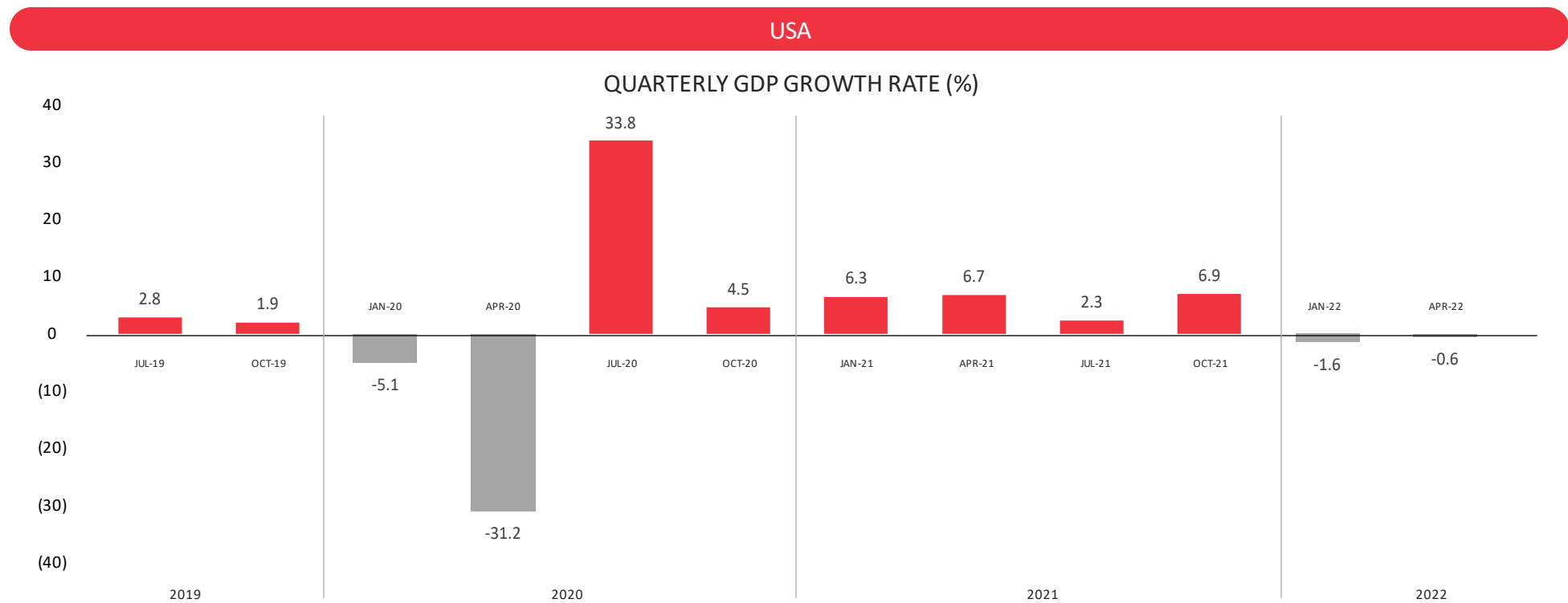
EU

QUARTERLY SPENDING IN €B



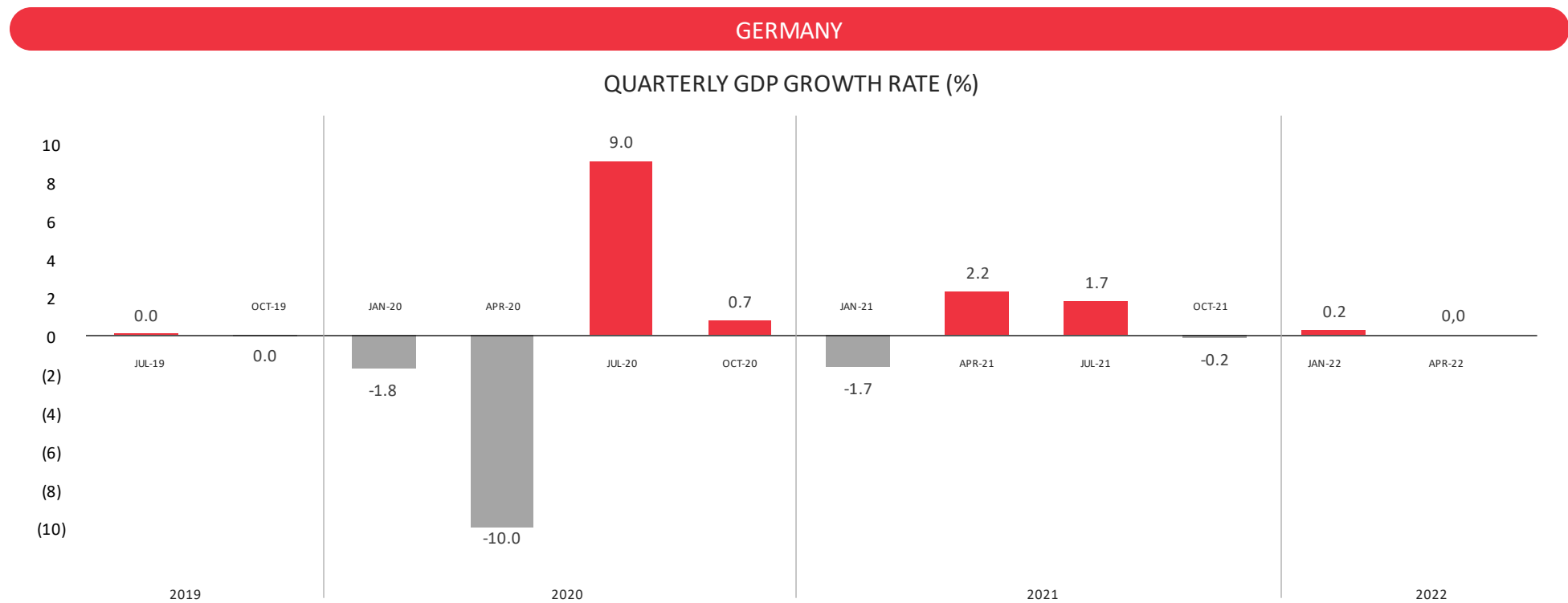
DARK CLOUDS, WITH RAYS OF SUNSHINE

...WHICH ALSO ALLOWS FOR STABLE GDP



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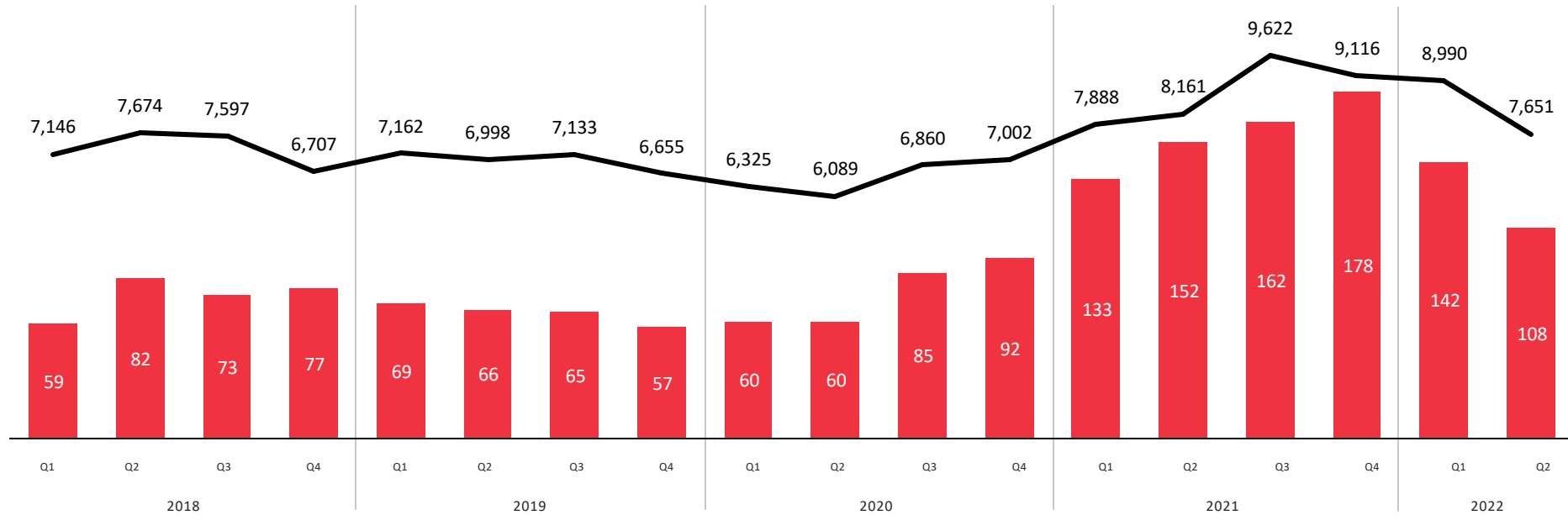


WHAT'S
HAPPENING IN VC?

GLOBAL HEADLINES FOCUSING ON 2021...

GLOBAL FUNDING DROPS BY >20% QoQ FOR 2nd QUARTER

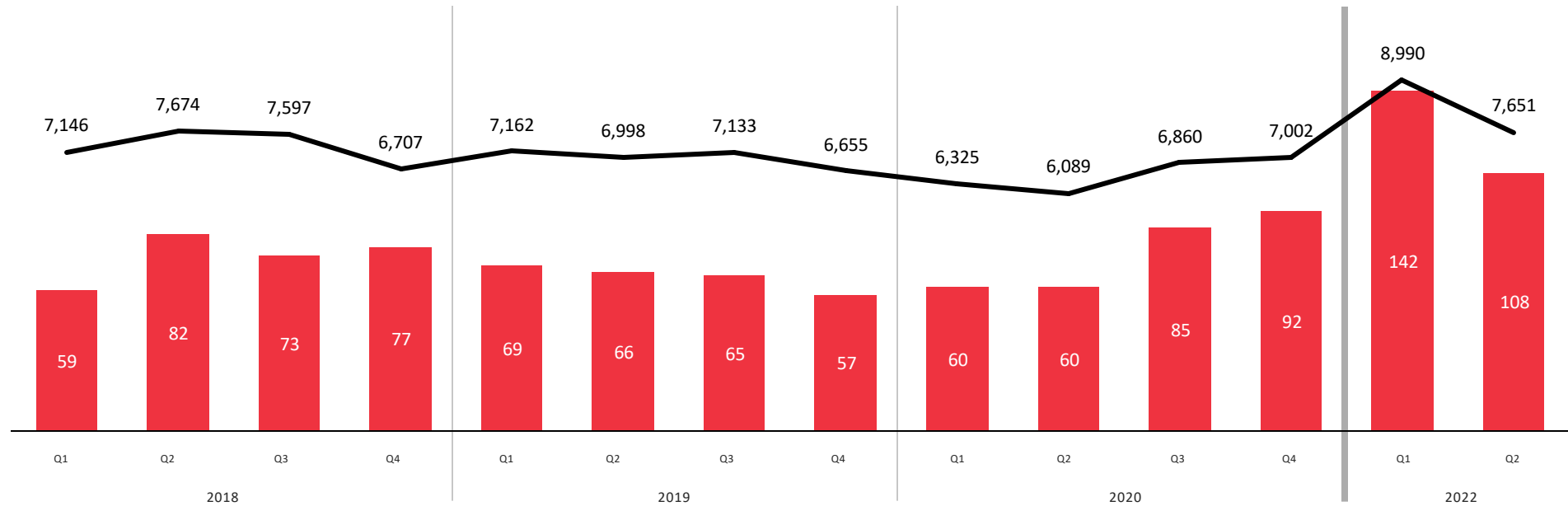
LEGEND



GLOBAL HEADLINES FOCUSING ON 2021...

2022 ON TRACK TO BE A RECORD YEAR!

LEGEND

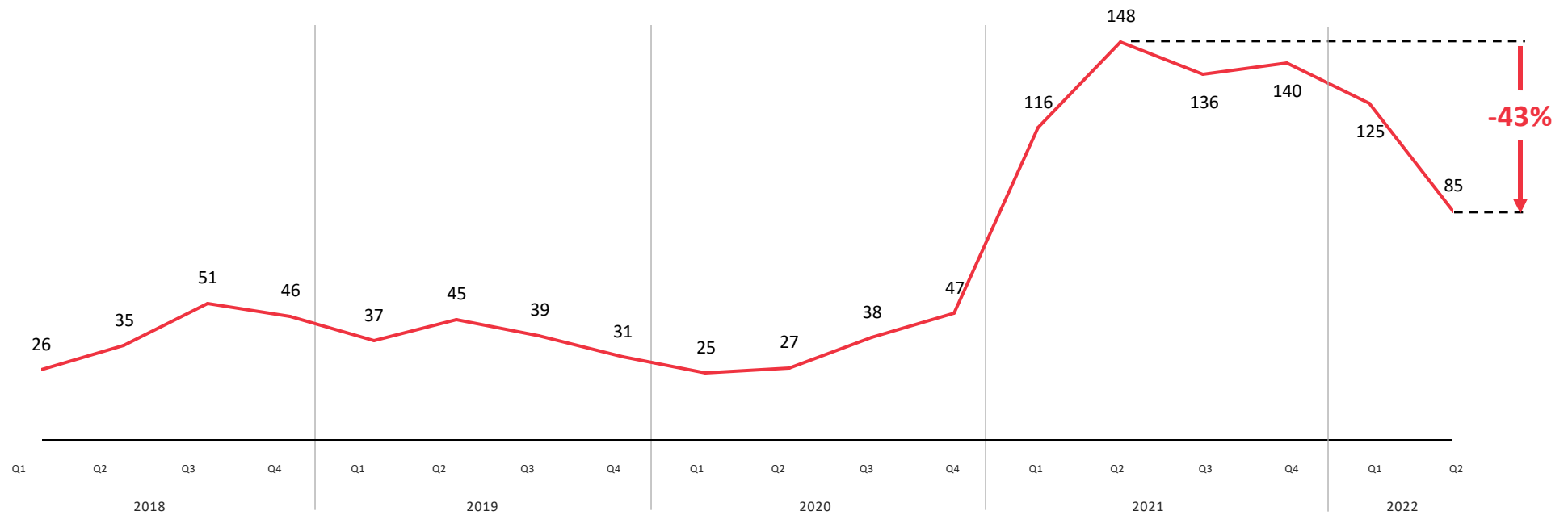


GLOBAL HEADLINES FOCUSING ON 2021...

NEW UNICORN BIRTHS

LEGEND


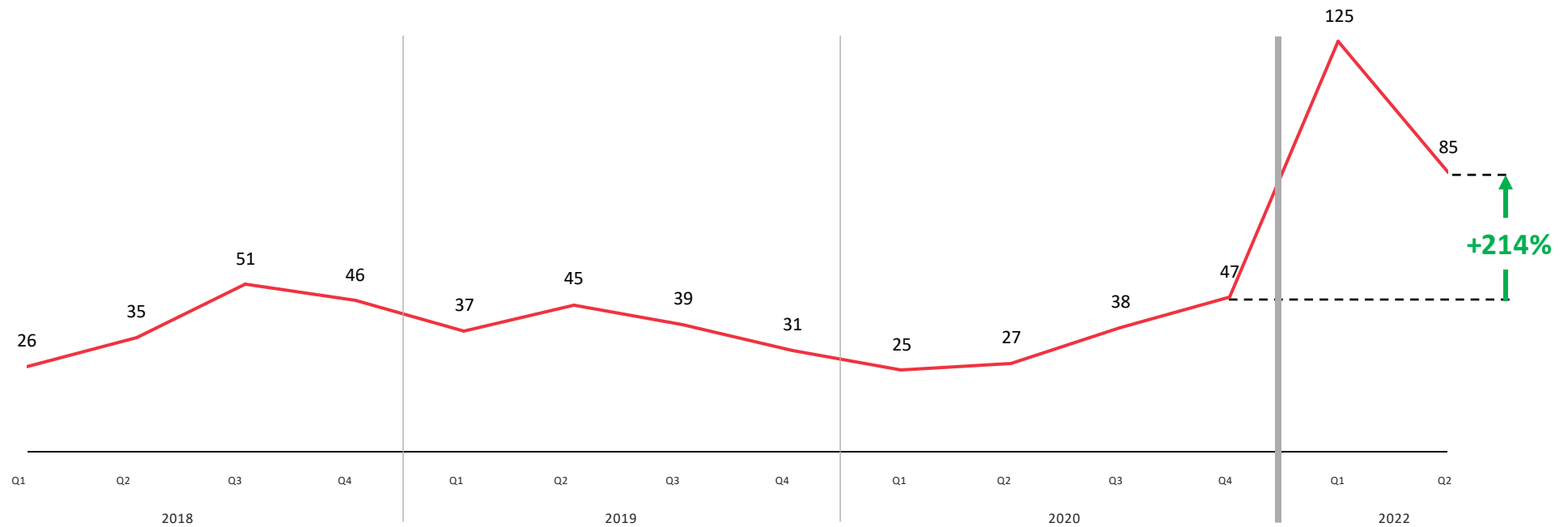
Number of new unicorns born



GLOBAL HEADLINES FOCUSING ON 2021...

2022 WELL ABOVE PREVIOUS YEARS


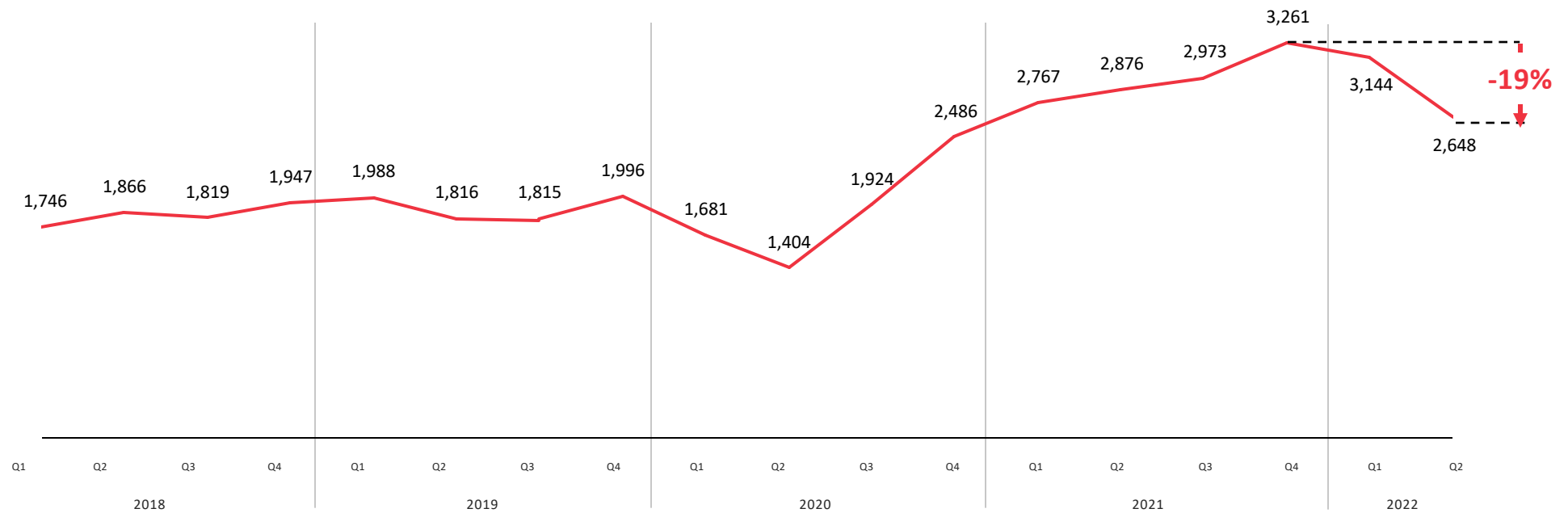
LEGEND

 Number of new unicorns born

GLOBAL HEADLINES FOCUSING ON 2021...

NUMBER OF EXITS


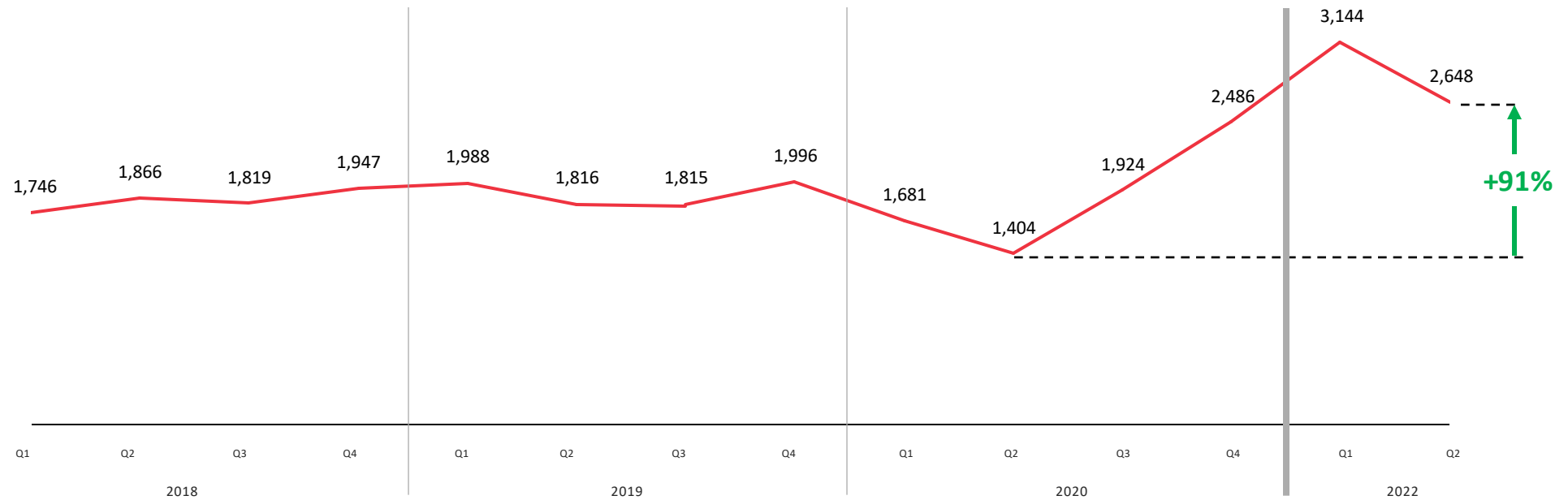
LEGEND

 Number of exits

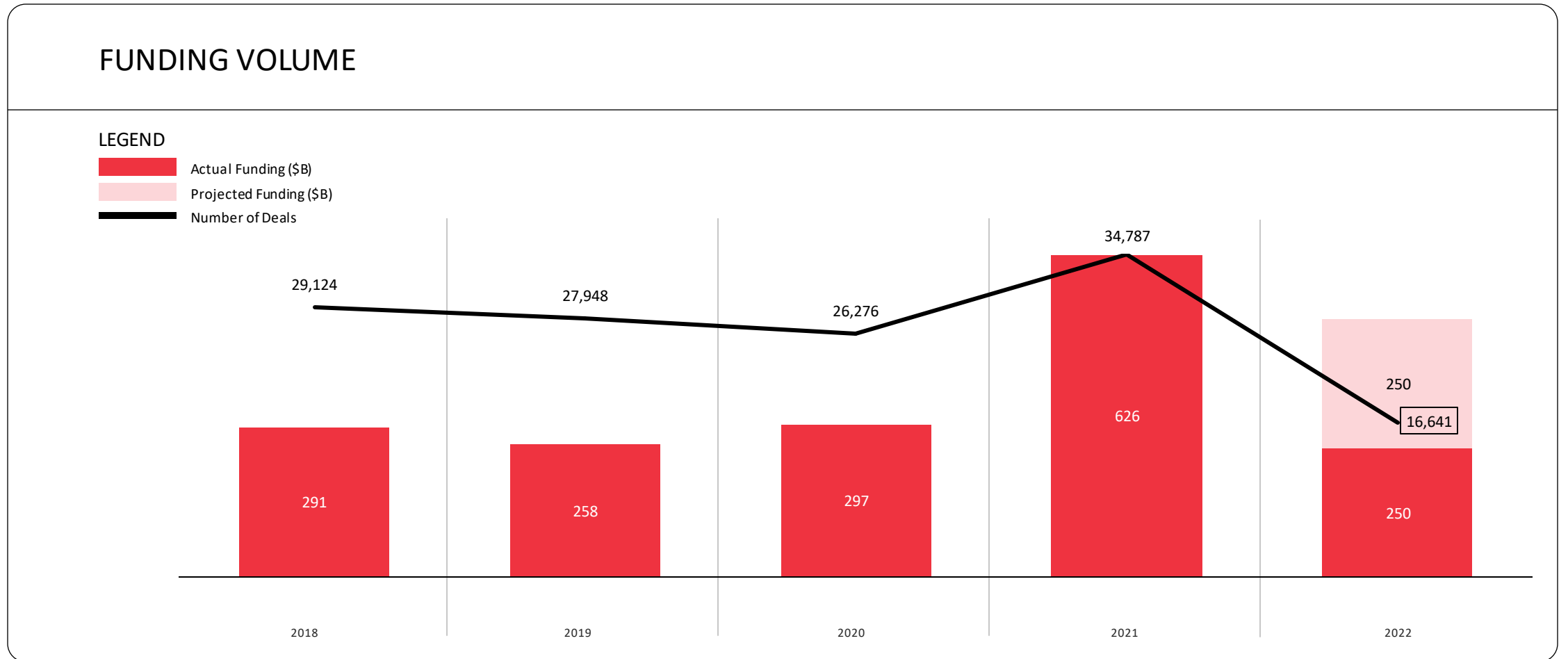
GLOBAL HEADLINES FOCUSING ON 2021...

2022 WELL ABOVE PREVIOUS YEARS

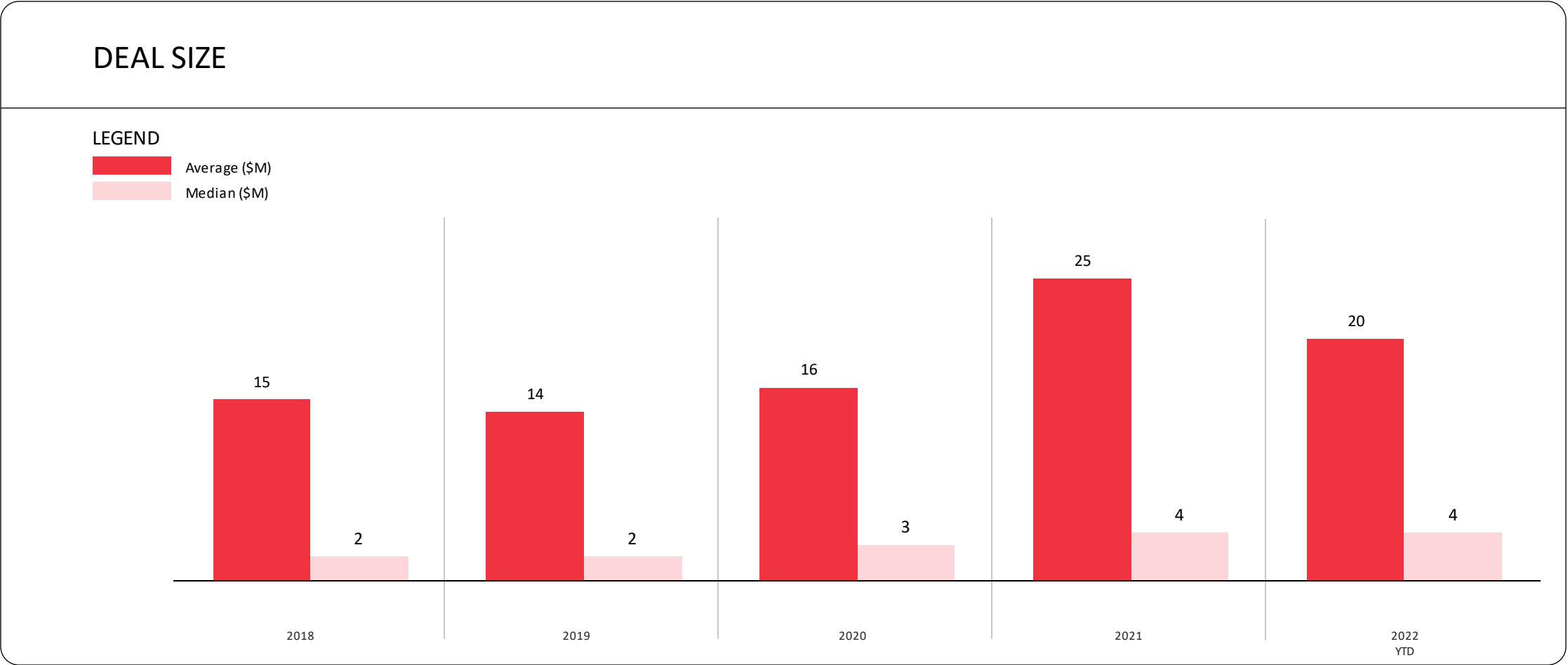
LEGEND

 Number of exits

YEAR-END PROJECTED GLOBAL FUNDING IS WELL-ABOVE 2020 LEVEL



GLOBAL DEAL SIZE IS ABOVE 2020 LEVEL TOO



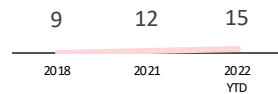
GLOBAL MEDIAN POST-MONEY VALUATIONS CONTINUE THEIR INCREASING TREND

POST-MONEY VALUATIONS

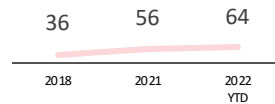
LEGEND

PMV (\$M)
PMV (\$B)

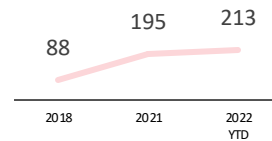
ANGEL / SEED



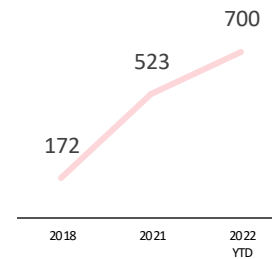
SERIES A



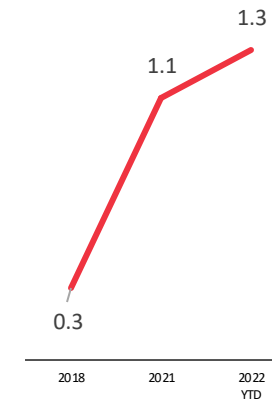
SERIES B



SERIES C



SERIES D



SERIES E+

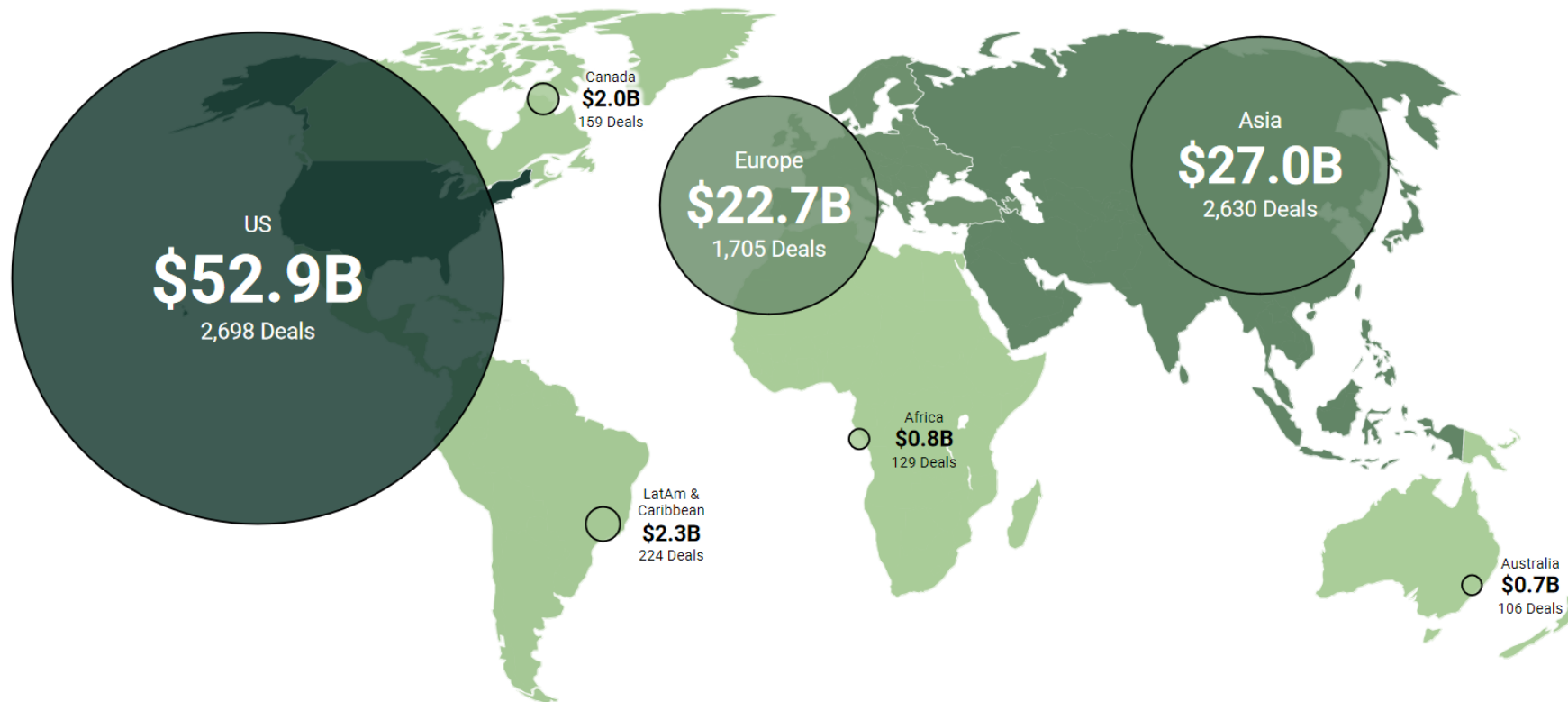




THE EUROPEAN PERSPECTIVE

EUROPE IS ATTRACTING A MEANINGFUL SHARE OF THE GLOBAL FUNDING

GLOBAL FUNDING Q2 2022



EUROPE HAS SEEN THE SMALLEST DROP IN FUNDING

GLOBAL FUNDING Q2 2022

State of Venture | Global Trends | Investment Trends

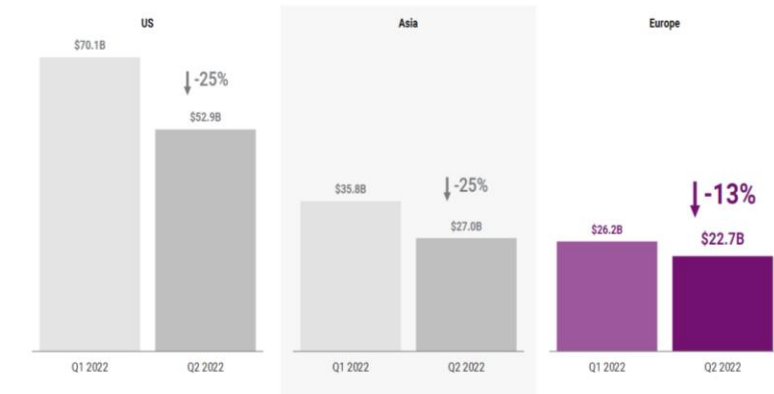
All major regions see funding drop QoQ in Q2'22



CBINSIGHTS

State of Venture | Global Trends | Investment Trends

Europe sees a 13% decrease in funding, the smallest dip among major regions



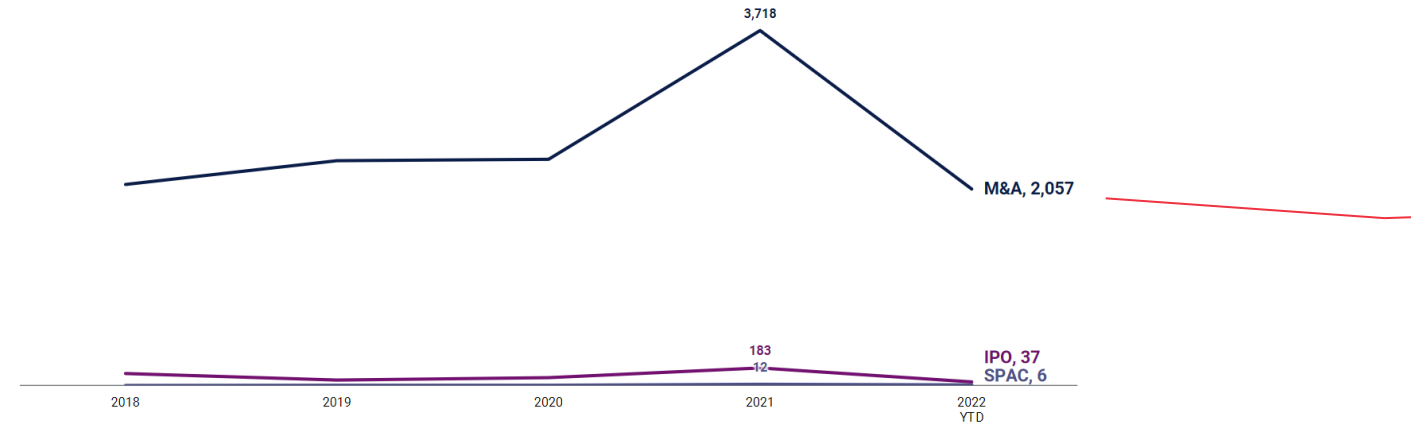
CBINSIGHTS

EUROPE: IPOS DOWN, M&A UP

GLOBAL FUNDING Q2 2022

State of Venture | Geographic Trends | Europe Trends

M&A exits in Europe are on pace to exceed 2021 total



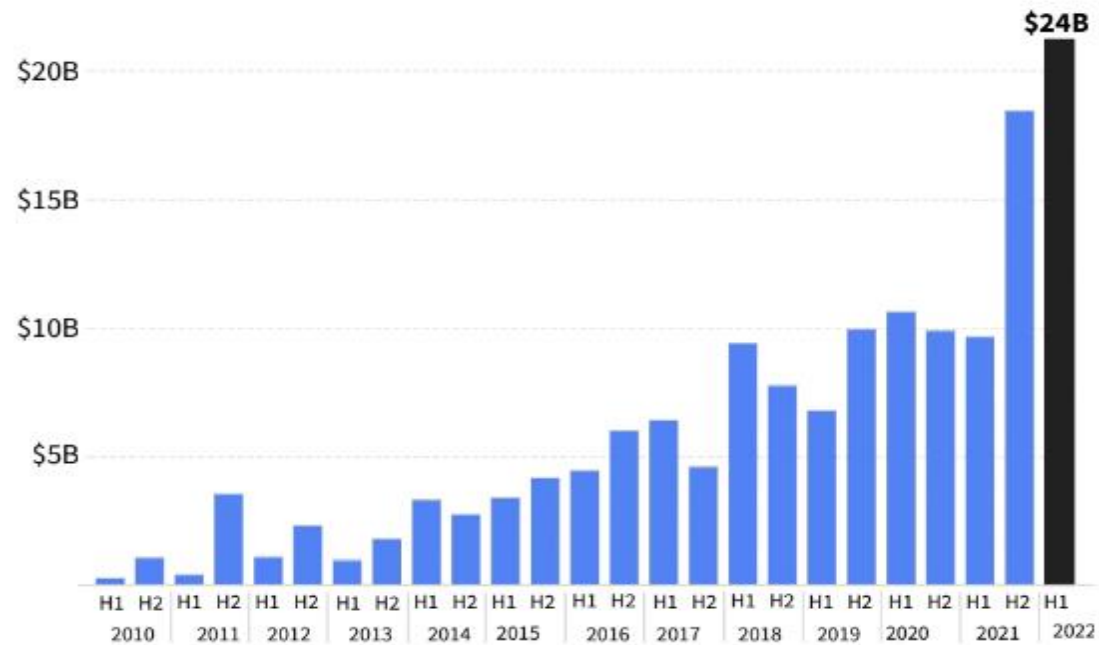
Vibrant M&A market in the first half of the year is pointing to continued strong exit activity in the continent. IPOs currently on hold for most late-stage private companies due to soft public markets

CBINSIGHTS

FUNDRAISING ACTIVITY IN EUROPE PROVIDES FRESH DRY POWDER

GLOBAL FUNDING H2 2022

New funds raised by EMEA investors



Substantial Dry Powder in EMEA points to healthy support for the startup ecosystem in the years to come

GERMANY AIMS FOR 30BN EURO INVESTMENT IN START-UP STRATEGY

STRONG GOVERNMENT SUPPORT

The government would aim to attract investment capital to Germany by granting venture capital funds sales tax exemptions. The plans also envisage a minimum investment quota for public and private pension schemes in venture capital funds.

TOGETHER WITH PRIVATE INVESTORS, THE GOVERNMENT WANTS TO MOBILIZE UP TO €30B IN PRIVATE AND PUBLIC CAPITAL FOR GERMANY AS A VC LOCATION



I want to make Germany a founding republic.

CHRISTIAN LINDNER
Finance Minister

KEY OBJECTIVES

- Strengthening financing for start-ups
- Simplify processes for start-ups that would allow them to attract talent, by making employee-shared ownership more attractive
- Igniting the start-up spirit
- Strengthening female start-up founders and making space for diversity in the start-up ecosystem
- Facilitating start-up spin-offs from academia
- Improving framework conditions for start-ups oriented towards public benefit
- Mobilising start-up competencies for public contracts
- Facilitating access to data for start-ups
- Facilitating access to laboratories for start-ups
- Putting start-ups at the center

LONG TERM BULLISH ON EUROPE

WHAT DOESN'T KILL YOU MAKES YOU STRONGER:

01 ECONOMIC EUROPE

- One currency
- Sovereign Debt Crisis
- Strengthened financial system and monetary tools

02 EUROPE OF HEALTH

- Covid19 Pandemic
- Converging economic structures and a common budgetary capacity

03 EUROPE OF DEFENCE

- Russian/Ukrainian war
- Coordination in national and European investments in defence
- Ramp up in Cybersecurity investments

04 EUROPE OF INDUSTRIAL SOVEREIGNTY

- Need to decouple from Russia
- Diversification of energy supplies and solidarity mechanism
- Digital technology, Hydrogen and Semiconductor investments
- **EUROPE OF GEOPOLITICAL POWER**

With each step towards unity (on many fronts) the VC case for Europe strengthens as startups will cater for the world's biggest economy (vs. a fragmented set of economies).

HUGE OPPORTUNITIES AHEAD

OPPORTUNITIES IN EUROPEAN INFRASTRUCTURE

01 FINTECH

- Digital infrastructure
- Shift away from cash payments
- Embedded financial products
- Cross border solutions

02 HEALTHCARE

- Digital infrastructure
- Telemedicine
- Digital therapeutics
- Biotech

03 SUPPLY CHAIN

- Digital infrastructure
- Route planning
- Streamlining supply chains
- Reduce logistics costs

04 CYBERSEC

- Part of defence spending
- Critical for the public and private sector
- Auto industry

05 CLIMATE TECH

- Electrification
- Energy conversion and storage
- FoodTech
- Fusion energy

06 OTHER...

- ...Numerous other opportunities