Porsche provides start-up investor APX with additional capital

21/01/2021 Porsche is expanding its role in the growing digital start-up sector. Together with media and tech company Axel Springer, the two are significantly increasing the total investment amount available to their joint venture, APX.

With the additional capital, the Berlin-based investor will now be able to fund new and existing portfolio companies with a volume of 55 million euros. This allows APX to invest up to 500,000 euros in portfolio start-ups even before a Series A. With its new investment strategy, APX moves away from having an accelerator programme to being a very-early-stage investor. The aim is to leave an even stronger footprint in the venture capital ecosystem and support the most ambitious pre-seed start-ups in Europe and beyond as their long-term partner.

Sports car manufacturer Porsche and media and tech company Axel Springer reiterate their commitment to the startup ecosystem by increasing the dynamic funding for APX, the early-stage investor supporting the most ambitious founding teams and their startups, to 55 Million EUR.

Expanded investment model

The significantly increased funding allows APX to expand its investment model and increase the number of yearly initial investments in ambitious pre-seed start-ups with digital business models. It will also increase its follow-on commitment. While the total investment amount per start-up remains uncapped, APX will focus particularly on the earliest stages, deploying up to 500,000 EUR in portfolio start-ups even before they reach the Series A stage. So far, APX has invested in more than 70 fledgling companies since launching in early 2018, and its ambition is to create a portfolio of close to 200 start-ups by 2022. These plans make APX one of Europe's most active early-stage investors.

Lutz Meschke, Deputy Chairman of the Executive Board and Member of the Executive Board responsible for Finance and IT at Porsche AG, comments: "We are convinced that, despite COVID-19 and precisely because of the fast transformation of our and other industries, it is important to invest massively in innovative technologies. The increase in our engagement in APX is a testament to the confidence we have in its mission to support the most promising start-ups. We are also convinced that we can gain many valuable insights for the further development of our own Corporate Venture ecosystem at Porsche."

Julian Deutz, Chief Financial Officer at Axel Springer SE, says: "It is an integral part of Axel Springer's strategy as a tech company to support early-stage start-ups to promote innovative digital ideas. Our additional investment in APX ensures that they are able to identify and invest in the best digital start-ups to an even greater extent and actively support the founders on their way to success. At the same

time, it shows our confidence in the proven team around Jörg and Henric."

APX 2021 – long-term partner, no longer an accelerator programme

APX launched in 2018 as a tailor-made accelerator programme. It succeeded the Axel Springer Plug and Play Accelerator, which from 2013 to 2017 was the first investor in more than 100 start-ups, including fintech unicorn N26. With its new investment strategy, APX moves away from having an accelerator program to being a very-early-stage investor with an ambition of leaving an even stronger footprint in the venture capital ecosystem. Not being a typical VC, APX will keep its current capital structure with Axel Springer and Porsche as investors and without having additional limited partners or a closed fund behind it. APX's existing 100-day programme will be replaced with unlimited venture development for its portfolio, reflecting the long-term commitment to start-ups that also includes a pledge to join future market-standard financing rounds alongside external investors.

"We have always worked closely with our portfolio companies, even after 100 days. Therefore, having a fixed-term programme made less and less sense to us. We are already a long-term partner in action with a strong network of hundreds of mentors, experts, portfolio companies and co-investors," says Jörg Rheinboldt, Managing Director of APX.

Henric Hungerhoff, Managing Director of APX, on the new venture development strategy: "Our insights gained from venture development, for example on team dynamics or execution, are unique. Rather than singular observations in time, we continuously identify patterns based on manifold touchpoints with the founders across a large portfolio. Going forward, we will leverage this knowledge even more: to accommodate founders' needs further and to commit to more substantial follow-on investments."

The new APX office

To better address start-ups' challenges across different industries, APX will leverage its entire staff's diversity and expertise, ensuring even closer support of each founding team. Although in-person presence is no longer a requirement for investment, APX will be offering its portfolio companies the opportunity to work at its brand new Berlin office when it is again possible. The carbon-neutral office space has areas dedicated to the various challenges of every-day work, such as collaboration, experience exchange, learning, focus, events and meetups, and it will be a community hub for the APX startups.

About APX

APX is a very-early-stage start-up investor. Based in Berlin and backed by Porsche and Axel Springer, APX supports and partners with the most ambitious founding teams and their pre-seed start-ups from Europe and beyond – often as their first investor. Since 2018, APX has invested in more than 70 start-

ups across more than 20 industries with founders from more than 20 countries together with more than 100 co-investors.

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