Berlin *Fokus*

Health meets tech – the interface between two future clusters

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Healthtech capital Berlin

Germany's capital city is one of the leading international locations for the healthcare industry, healthcare provision and life sciences. Leading scientists, internationally renowned clinics, innovative start-ups and specialised professionals from all over the world are working in Berlin, serving the regional and global healthcare market. The healthcare industry is one of the five innovative future clusters in Berlin and Brandenburg, alongside energy technology; transport, mobility and logistics; ICT, media and creative industries; as well as optics and photonics. Close to 24,000 companies employ 386,000 people in the healthcare future cluster, accounting for a total of EUR 27.5bn, or around 10.9%, of turnover generated in Berlin. Over the past twenty years, Berlin has also established itself as a vibrant centre of the German tech and start-up scene in the future cluster of ICT, media and creative industries. The capital city has attracted international founders and specialists, as well as substantial venture capital investment, thereby creating an environment that has spawned numerous innovative companies.

The interface between health and technology – where data meets diagnosis

The so-called healthtech sector forms the interface between these two important and, in terms of employment, largest future clusters. Healthtech start-ups are young, technology-driven companies that develop digital and medical technology innovations to transform the traditional healthcare sector. They combine state-of-the-art technologies such as AI, telemedicine, wearables and data-based approaches with medical expertise to optimise processes for diagnosis, prevention, treatment and patient data management. This will make medical care more efficient, accessible and patient-centred, while at the same time opening up new market potential, not only in Berlin, but also on a national and international scale.

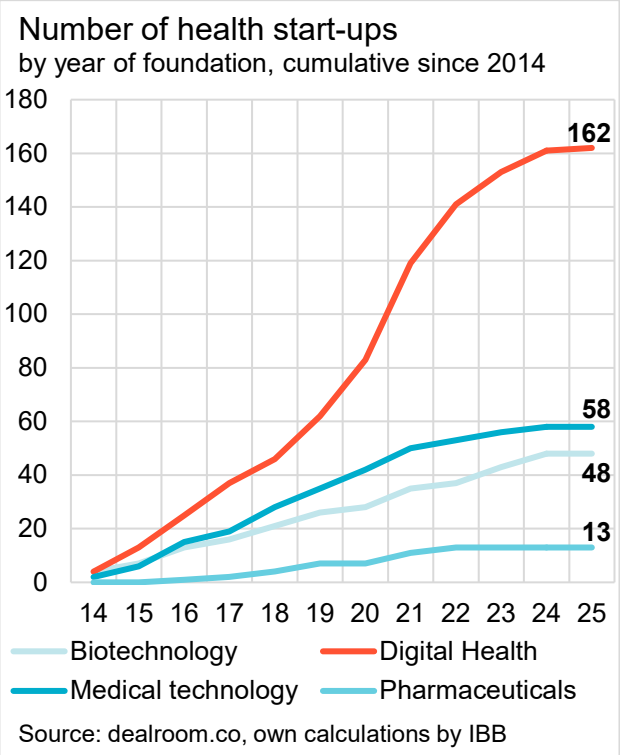
This study maps the rapid development of Berlin's healthtech scene since 2018. A dataset of 354 Berlin-based healthcare start-ups founded since 2014 has been compiled from the Dealroom database. In order to ensure high data quality, the authors examined the extent to which the respective purpose of the companies was sufficiently related to health, innovation and growth-orientation. The authors also considered whether the companies aim to fulfil safety, quality and conformity requirements for software and medical devices in the healthcare sector. Unbiased validation of these requirements was carried out using generative AI ChatGPT and its Deep Research function. Companies that are no longer active and companies whose business focus is not predominantly in the healthtech sector were excluded from the study by checking their homepage and social media presence. Of the 354 companies in the database, 281 start-ups were still identified as active healthtechs after this adjustment process. In the interest of a coherent methodological approach and data availability, companies that are not recorded in the Dealroom database are not included in this study.

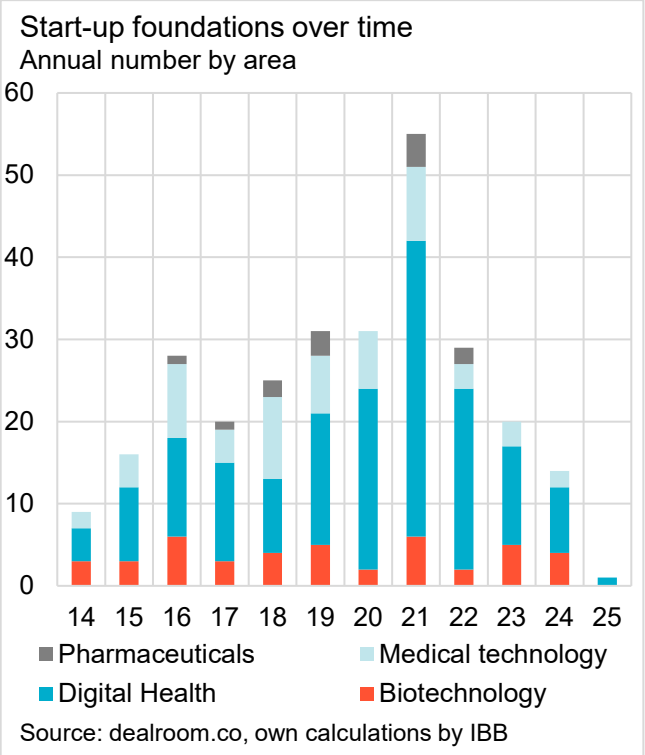
This analysis focuses on the number of companies, their employment figures, financing volumes and valuations. The healthtech sector is not a single monolithic block, but can be divided into four main categories:

- **Digital health**: Digital solutions to improve health, prevention, diagnostics, therapy or care – often through apps, wearables, AI or telemedicine.
- **Medical technology**: Development of new devices, systems and digital solutions to improve patient care and diagnostics.
- **Pharmaceuticals**: Research and development of new drugs and innovative therapeutic approaches.
- **Biotechnology**: Utilisation of biological processes for medical applications, including diagnostics and genomics.

Scope and structure of the healthtech industry

Since 2014, a total of 281 healthtech start-ups have been founded in Berlin in the categories of digital health (162), medical technology (58), biotechnology (48) and pharmaceuticals (13). This list does not include companies that have already been closed or sold.





Around 58% of the companies analysed operate in the digital health sector. In 2018, this share was still around 47%. In the pandemic years from 2020 alone, numerous new healthtech start-ups emerged that use digital technologies specifically to improve diagnostics, therapy, prevention or care. The pandemic acted as a catalyst for the acceptance and spread of digital health solutions, which is also reflected in the high number of start-ups and initial funding successes during this period. Four central focal points can be identified:

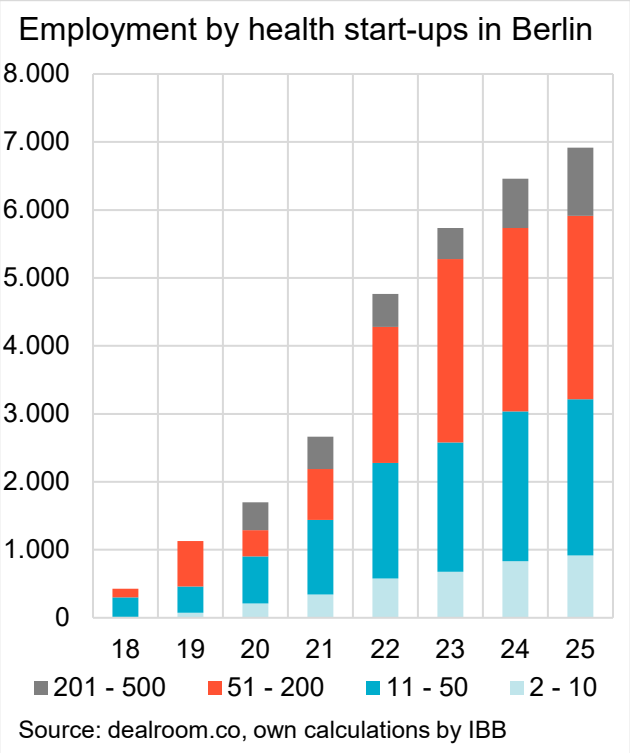
1. **Telemedicine**: New platforms have made digital visits to the doctor suitable for everyday use and enabled ongoing medical care even in times of lockdown.
2. **Mental health**: Start-ups developed low-threshold services such as apps for stress management, anxiety disorders and burnout prevention in response to increasing mental stress in the population.
3. **Digital practice management**: Tools for automating administrative processes help practices with registration, scheduling, billing and communication with patients.
4. **Personalised care and prevention**: New applications combine AI, wearables and health data to identify individual risks at an early stage and enable customised interventions.

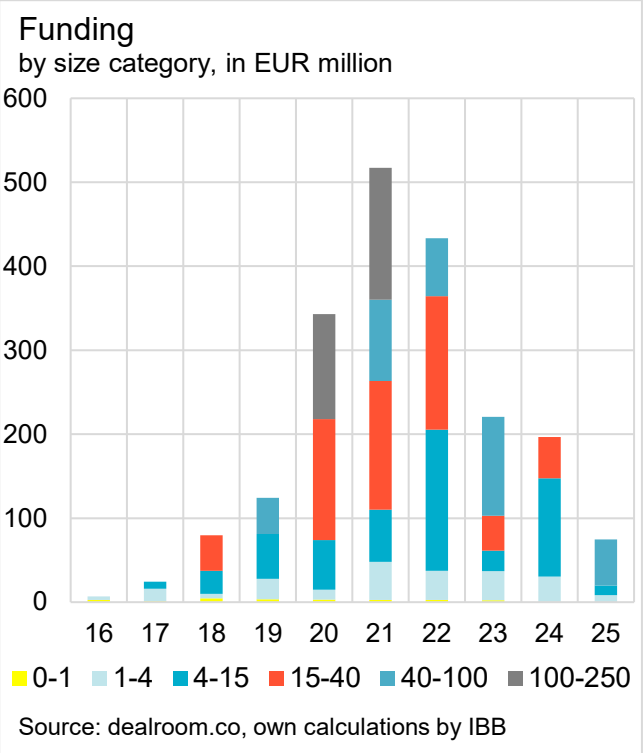
In the medical technology sector, which accounts for around 21% of the companies analysed, start-up momentum has slowed significantly since 2021. While the available data shows that a total of 50 medical technology start-ups were established in Berlin between 2014 and 2021, the number has only slightly increased since then. Start-ups in this healthcare sector are subject to strict approval processes and regulations. The Medical Device Regulation introduced by the EU in May 2021 places new and significantly stricter requirements on medical devices.

The innovation process in the biotechnology sector is also marked by strict regulation, a high degree of complexity and long development cycles. New approaches are often the result of many years of

basic research in molecular biology, genetics or cell biology. In the period under review, the annual number of biotechnology start-ups was therefore in the single-digit range.

The hurdles are even higher in pharmaceuticals, where long development cycles, very high costs and strict regulatory control mean that the number of start-ups has plateaued at a relatively low level. Developing new drugs involves extensive preclinical and clinical trials, which often take a decade or more and require billions in investment. In contrast to biotechnology, where academic spin-offs often emerge on the basis of new molecular biological findings, pharmaceutical innovations are more often achieved by established companies that have the necessary infrastructure and capital base. As a result, the annual number of new start-ups in the pharmaceutical sector is also in the low single-digit range.





An average healthtech start-up in Berlin currently employs around 21 people. Around 6,915 people in total are currently employed in Berlin's healthtech start-ups. Companies in the healthcare sector often hire people for jobs that call for a high level of skill. Meanwhile, companies with between 51 and 200 employees created the majority of new jobs (2,700 or 39.0%, resp.). Smaller companies with between 11 and 50 employees created a total of 2,300 jobs (33.3%). Micro-enterprises with 10 or fewer employees account for only 915 jobs (13.2%). Large companies with 201 or more employees also account for a smaller share of jobs (1,000 or 14.5%, resp.).

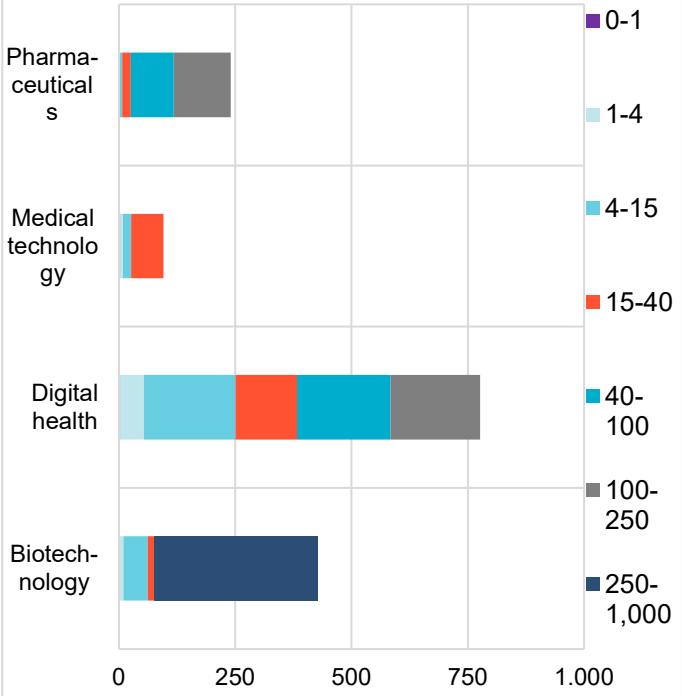
Funding and value of the healthtech industry

The start-ups included in the database received a total of EUR 2.02bn in funding over the entire period analysed since 2014. In 2021, as in most sectors of the economy, record levels of funding for start-ups were also recorded in the healthcare sector. This record year to date saw VC funds amount to EUR 517.2m. At EUR 157 million, funding was particularly high for companies requiring funding of between EUR 100m and EUR 250m, although companies requiring funding of between EUR 15m and EUR 40m were also able to raise a total of EUR 153m.

In 2022, the healthtech sector also recorded a high level of funding totalling EUR 433.3.m. At EUR 168 million (38.8%), companies requiring funding of between EUR 4m and EUR 15m accounted for the largest share. In the following years 2023 (EUR 220.8m) and 2024 (EUR 196.5m),

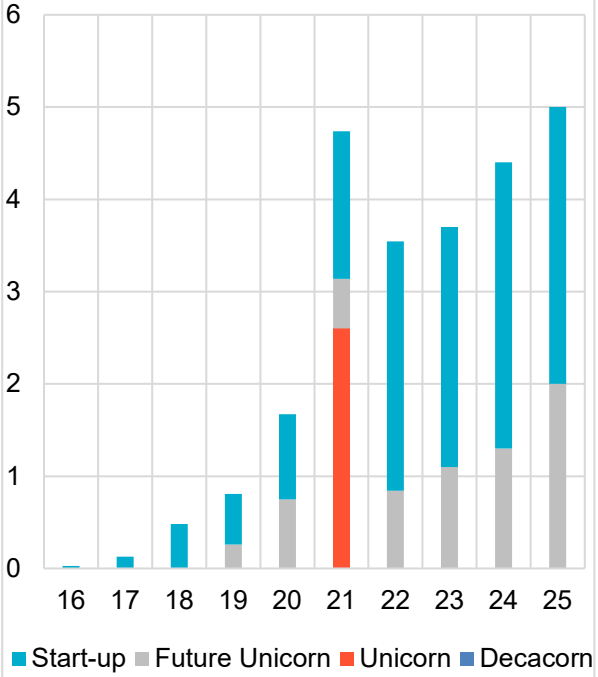
a downward trend in investments can be observed, just like in all VC areas. Funding amounting to EUR 74.7m has already been registered for the current year up to May 2025.

Health start-ups by sector and total funding in EUR million



Source: dealroom.co, own calculations by IBB

Company value
in EUR billion



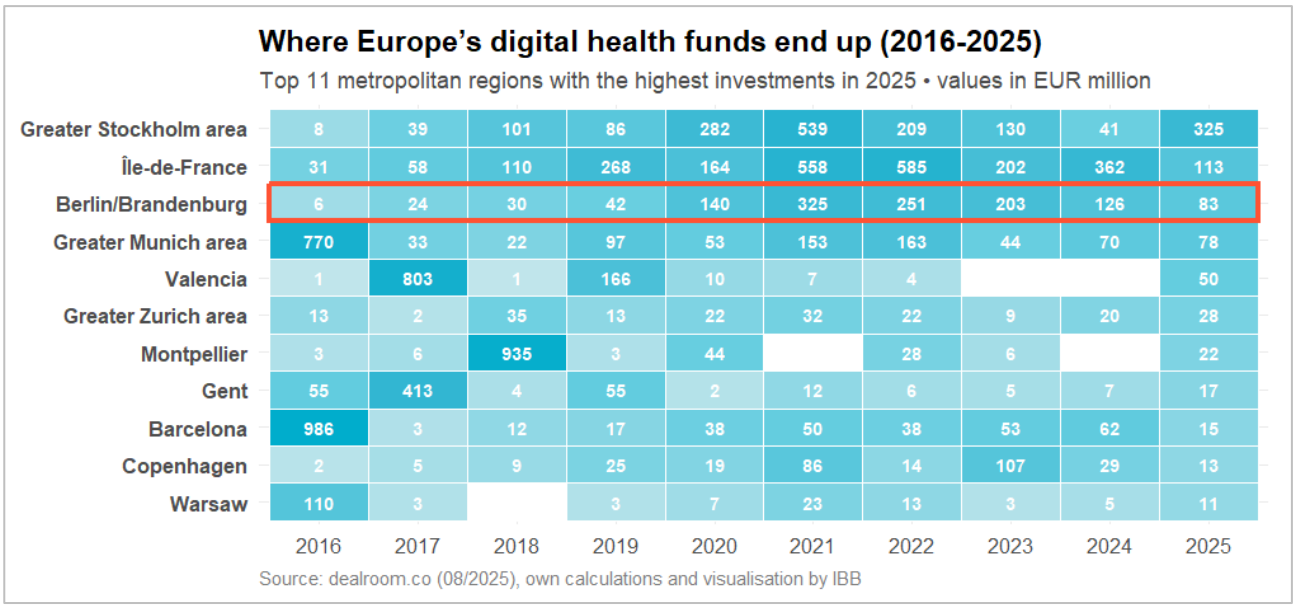
Source: dealroom.co, own calculations by IBB

A separate analysis of financing by category shows that in the period under review companies in the digital health sector received most of the VC, i.e. EUR 776.5m. Companies requiring funding of between EUR 40m and EUR 100m received the highest sums amounting to EUR 200.1m in total. Biotechnology start-ups also raised a considerable investment volume of EUR 430.4m, however, with a single company accounting for the lion's share, i.e. EUR 350.6m. Pharmaceutical start-ups were able to raise around EUR 240m, while the medical technology sector only accounted for EUR 95.9m.

Thanks to continuous VC investments in Berlin's healthtech sector, the total value of the start-ups included in the 2025 database has risen to a record high of EUR 5.0bn. In 2021, the total value had already increased by more than EUR 3bn compared to the previous year, reaching a total of EUR 4.7bn. The decline in valuations in 2022 compared to 2021 is primarily due to valuation adjustments of individual companies, which led to the only unicorn in Berlin's healthtech sector (valuation > EUR 1bn) being downgraded to the Future Unicorn category as a result of revaluation. In 2025, the valuation of the Future Unicorns totals EUR 2.0bn, while the market value of all other start-ups stands at EUR 3.0bn.

Funding in a European comparison – Berlin in 3rd place

In a European comparison of VC investments over the past 10 years, the digital health sector in the Berlin-Brandenburg metropolitan region is also well positioned. Having already achieved a funding volume of EUR 325m in the record year 2021, it is already in third place in the current year 2025 (up to July 2025) with EUR 83m behind Stockholm (EUR 325m) and Ile-de-France/Paris (EUR 113m). The Munich metropolitan region, the only other German region represented in the ranking, recorded lower funding volumes than the capital region both in 2021 (EUR 153m) and in the current year (EUR 78m).



Conclusion and outlook

Berlin's healthtech landscape shows a clear direction of development with the share of digital health start-ups rising from 47% in 2018 to today's 58%. Of the 281 healthtech companies founded since 2014, 162 belong to this sector and this growth was further accelerated by the pandemic.

While digital health is booming, developments in other segments vary. In medical technology (58 companies), start-up momentum has levelled off noticeably since 2021. Due to their complex development cycles and regulatory hurdles, biotechnology start-ups remain an important niche with only a few new start-ups each year.

This polarisation is likely to continue in the years to come. AI-based healthcare solutions are expected to continue to gain in importance but must fulfil the strict requirements for data protection and medical device approval. These requirements vary considerably depending on the geographical region of the world, which makes international scaling of a Berlin start-up even more difficult. Overall, European start-ups in the healthcare sector are at a competitive disadvantage internationally, as regulations and bureaucracy are often set much lower in the US or China.

Overall, however, Berlin benefits from its dual role as an established healthcare centre with 386,000 employees and as a vibrant tech ecosystem. This combination, reinforced by the research landscape and growing investor attention, has positioned the capital city well for the next development phase of the digital healthcare industry. The bio:cap festival planned for June 2026 underlines these ambitions and has the potential to draw further international attention to Berlin. This will open up the opportunity for policymakers, investors and researchers to further develop Berlin specifically as a leading location for digital health innovations.

In order to maintain or even expand this currently good position in the long term, further steps must be taken to promote the healthtech ecosystem in particular. The pre-seed fund set up by the Federal State of Berlin in 2025, which supports spin-offs from science in the very early stages, marks an important step in this direction. The establishment of regulatory sandboxes should also be promoted. They enable practical development and test environments for new technologies to be trialled under real-life conditions. The promotion of deep-tech incubators should also be facilitated further. These specialised hubs for AI, medical technology and biotechnology can be expanded as collaborations between universities and hospitals in order to bring basic research closer to product development.

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