KfW Venture Capital Dashboard
Q1 2026

KfW Research

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Contents

Overview

The German venture capital market in Q1 2026

1

In a turbulent world, the German VC market has made a muted start to 2026. In the first quarter of 2026, German start-ups raised a total of around EUR 1.7 billion – broadly a sideways movement compared with Q1 of the previous year (+ 6%) but below the level of the previous quarter, Q4 2025 (-15%). Deal volume was driven by a solid level of investment across the breadth of the market: roughly similar amounts were invested in the start-up segment (Series A and B), at around EUR 726 million, and in the scale-up segment (from Series C onwards), at EUR 714 million. Very large transactions played only a minor role: Q1 2026 recorded one confirmed mega-round (deals > EUR 100 million).

2

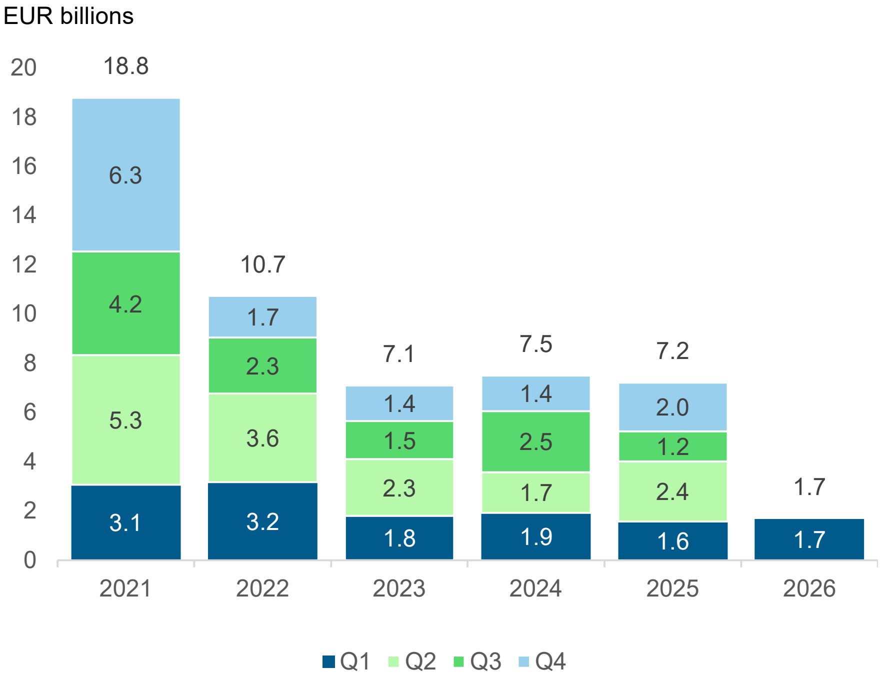
Global VC financing activity in Q1 2026 was characterised by AI giga-deals (deals > EUR 1 billion) at volumes not seen before. In the US in particular, four market leaders in AI raised a combined USD 188 billion. These deals accounted for around three quarters of the entire market volume there. In aggregate, US deal volume in Q1 2026 already amounts to almost 90% of the volume for the whole of the previous year. In the UK and in France, individual AI start-ups also recorded billion-scale financing rounds. The development of the German VC market thus continues to lag significantly behind its benchmarks; however, outlier financings should not set the benchmark for a solid development across the breadth of the market. Nevertheless, Q1 2026 makes it clear that AI companies in other countries currently enjoy financing advantages, particularly in the US but also within the EU. In terms of investment, France is currently establishing itself as an important AI hub within the EU.

3

The global market environment remains challenging at the start of Q2 2026. The energy price shock as a result of the war in Iran is weighing on the global economy. Compared with other asset classes, VC investments benefit in this environment from their long-term horizon and their focus on future technologies, which are gaining strategic importance geopolitically. In the medium term, however, new interest rate-related challenges for fundraising and valuations are likely to emerge: the currently strained inflation environment makes policy rate increases in the euro area and a "higher for longer" scenario in the US foreseeable over the course of the year. Bargaining power in the VC market currently lies more with investors – both for LP commitments to VC funds and for start-up investments. Apart from possible individual large financing rounds, a renewed trend increase in investment across the breadth of the German VC market in the coming months is unlikely.

German VC market with sideways movement after the 2021/2022 “boom and bust” – 2026 also off to a solid start: Q1 at EUR 1.7 billion

Deal volume



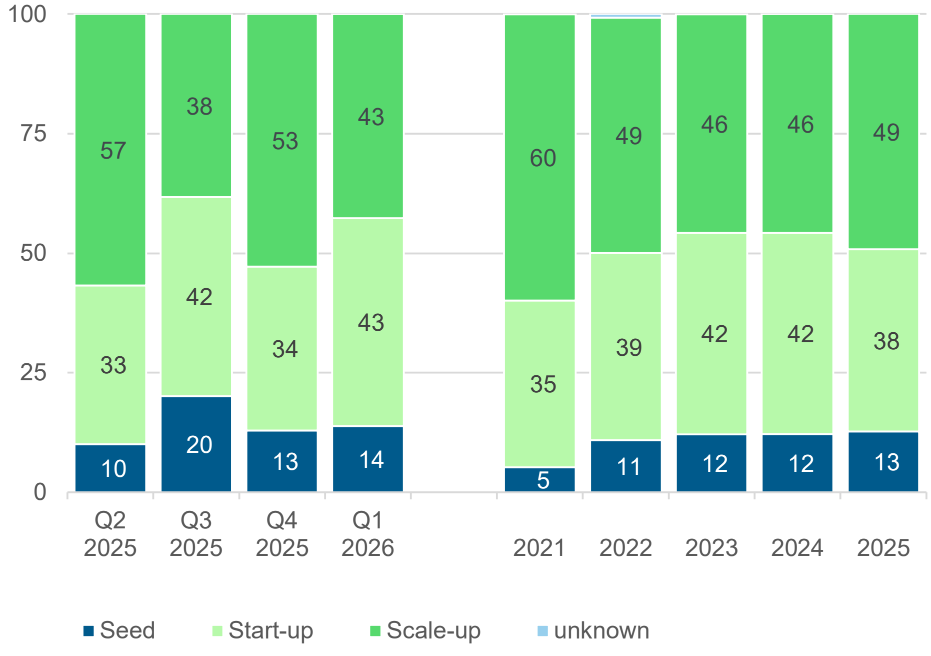
Quelle: Dealroom.co, KfW Research (as at: 13.04.2026).

In the first quarter of 2026, German start-ups raised around EUR 1.7 billion in venture capital. The year has thus started in a low-key manner: the first quarters of the past three years were each at a similar level (EUR 1.6 to 1.9 billion). Investment volume in Q1 was less driven by individual mega-deals and instead reflects a solid development across the breadth of the market. This is evidenced by the fact that the median deal size rose again. On the flipside, the German VC market recorded only one mega-deal in Q1 2026 (deals > EUR 100 million). The start-up and scale-up segments thus account for roughly equal shares of market volume (each around 43%).

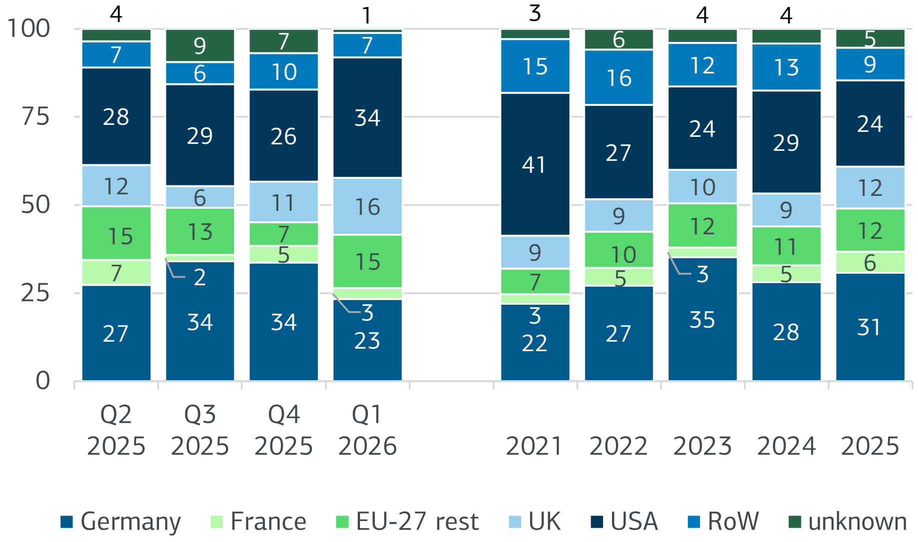
In the first quarter of 2026, the share of international investors in Germany was again higher than in the previous quarters. Over three quarters of the funds invested in German start-ups came from abroad – compared with around two thirds in each of the two preceding quarters. Investors from the US were the most important source of capital. The persistently strong interest from abroad is not a given in view of ongoing trade and geopolitical risks. The strong foreign participation reflects both the high investment activity of US investors and the continued confidence of international capital providers in Germany as a technology and start-up location. Moreover, geopolitical tensions have curtailed US engagement in China since 2021. European locations, including Germany, are likely to benefit from this. However, the higher share of international investors also reflects the fact that German investors invested less in the first quarter of 2026 than in previous quarters. Here, current global and economic policy events appear to have led to greater caution

Start-up and scale-up segments in Q1 2026 with equal market share – more than one third of investment volume from US investors

Deal volume by phases (in per cent)



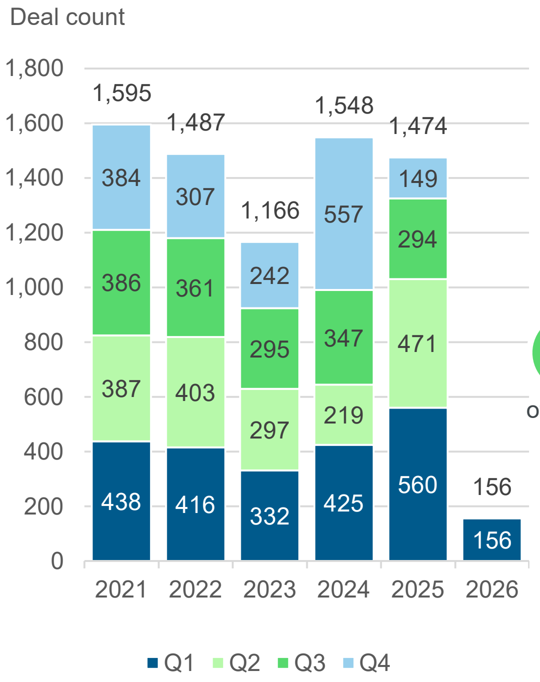
Deal volume by investor origin (in per cent)

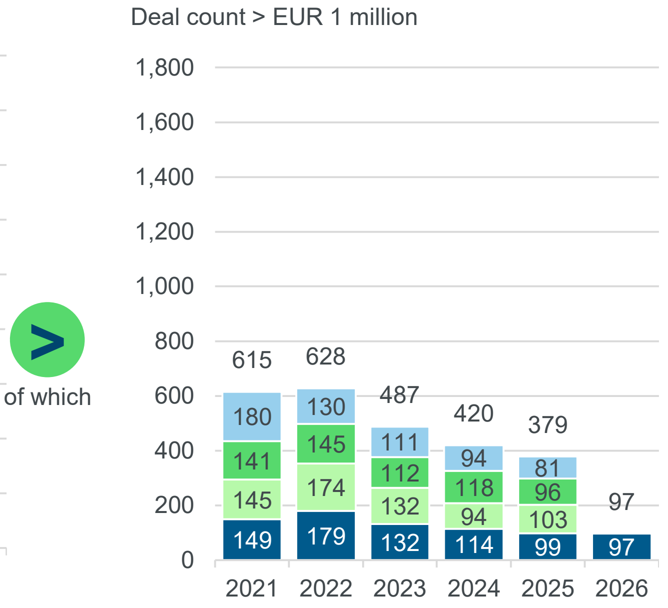


Quelle: Dealroom.co, KfW Research (as at: 13.04.2026).

Number of deals with a volume of at least EUR 1 million also at the previous year's level

Number of deals



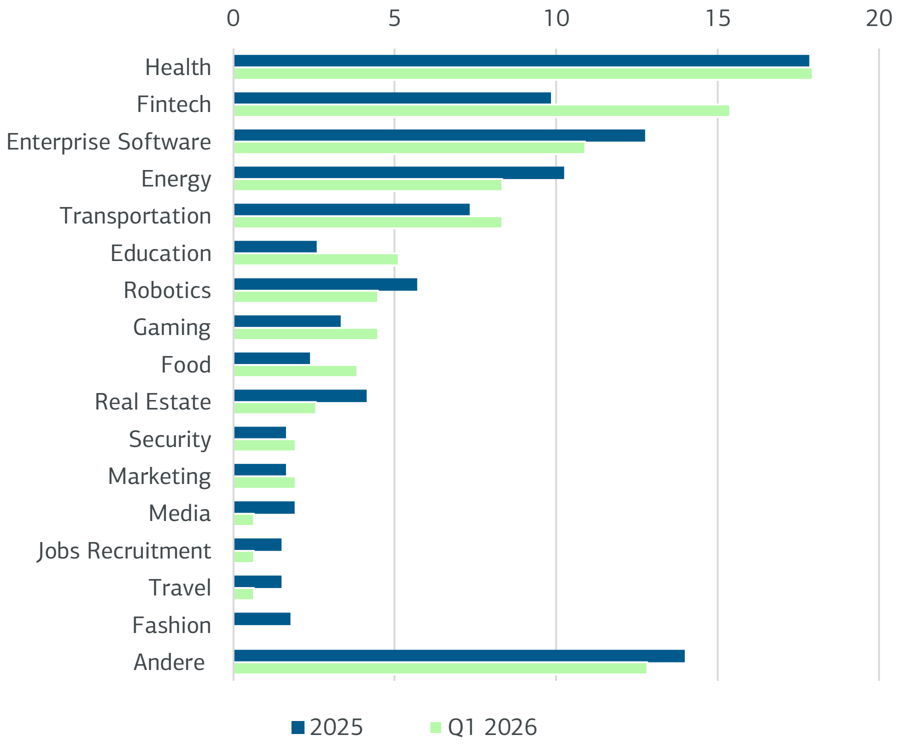


As at the reporting date, the number of recorded deals in Q1 2026 stood at 156 and was thus significantly below the figure for the same quarter of the previous year. However, the deal count is often affected by subsequent reporting, particularly for smaller transactions with low individual volumes that are regularly published with a delay. By contrast, larger deals with a disclosed volume of at least EUR 1 million are considerably less sensitive to subsequent reporting and capture the actual trend in deal numbers more promptly. As at the cut-off date, 97 such transactions were known in Q1 2026. On this measure, the German VC market is also at the previous year's level in terms of the number of deals.

Quelle: Dealroom.co, KfW Research (as at: 13.04.2026).

Health and fintech start-ups each with over 15% of deals in Q1 2026

Share of deals by industry (in per cent)

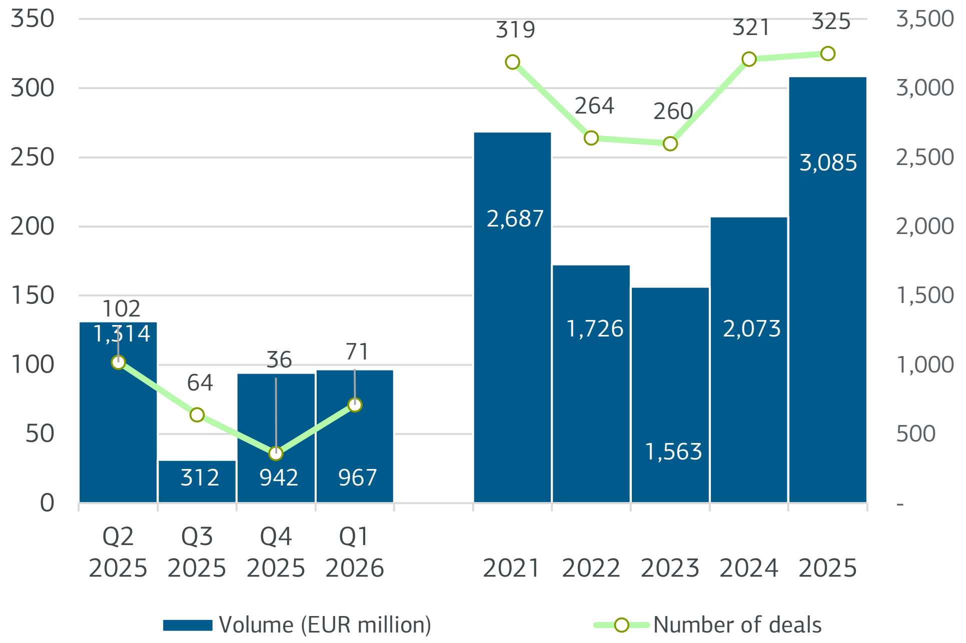


Source: Dealroom.co, KfW Research (as at: 13.04.2026).

Health start-ups (medical devices and platforms, biotech, pharmaceuticals) have traditionally accounted for a high share of VC financing. In Q1 2026 they again accounted for the largest share of deals in Germany, at 18%. Fintechs (payment, banking, crypto, insurance, wealth management, etc.) accounted for just over 15% of all deals, a higher share than the previous year's average.

Focus on artificial intelligence

Number of deals and deal volume



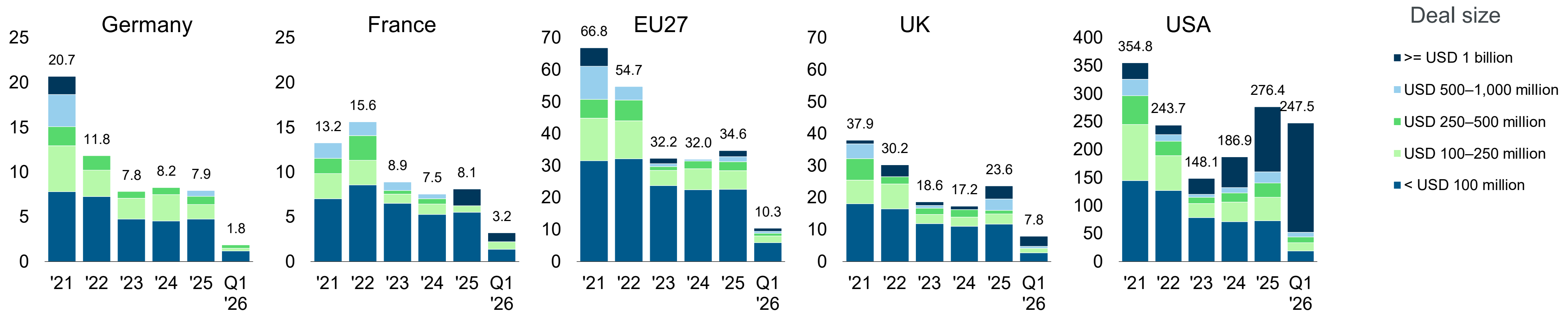
Note: **Since there is no generally accepted definition, the figures reported here may differ from those of other sources.
Source: Dealroom.co, KfW Research (as at: 13.04.2026).

Artificial Intelligence (AI) remains the market-defining technology field in Germany at the start of 2026, in line with global developments. One reason is that AI is increasingly recognised as a general-purpose technology across the entire economy: the vast majority of digital applications developed by start-ups now use AI in some form. The high investment volume also reflects the capital required to scale such applications and the persistently high return expectations among investors. In Q1, German start-ups with AI-based applications raised around EUR 967 million in 71 rounds. With a share of 58% of total market volume, the AI share in Q1 2026 clearly exceeds the previous year's average of around 43%. However, this positive development cannot obscure the fact that young AI companies currently appear to have a financing advantage in other VC markets. This is suggested by the AI giga-deals in the first quarter in the US and France.

AI is a cross-cutting technology (vertical) that is developed and applied across various industries. According to the classification by the data provider Dealroom.co, AI technologies include hardware and software in the application areas of machine learning/deep learning, generative AI, computer vision and natural language processing.**

International AI mega-deals in Q1 2026 decoupled from the rest of the VC market

VC deal volume in USD billion by deal size



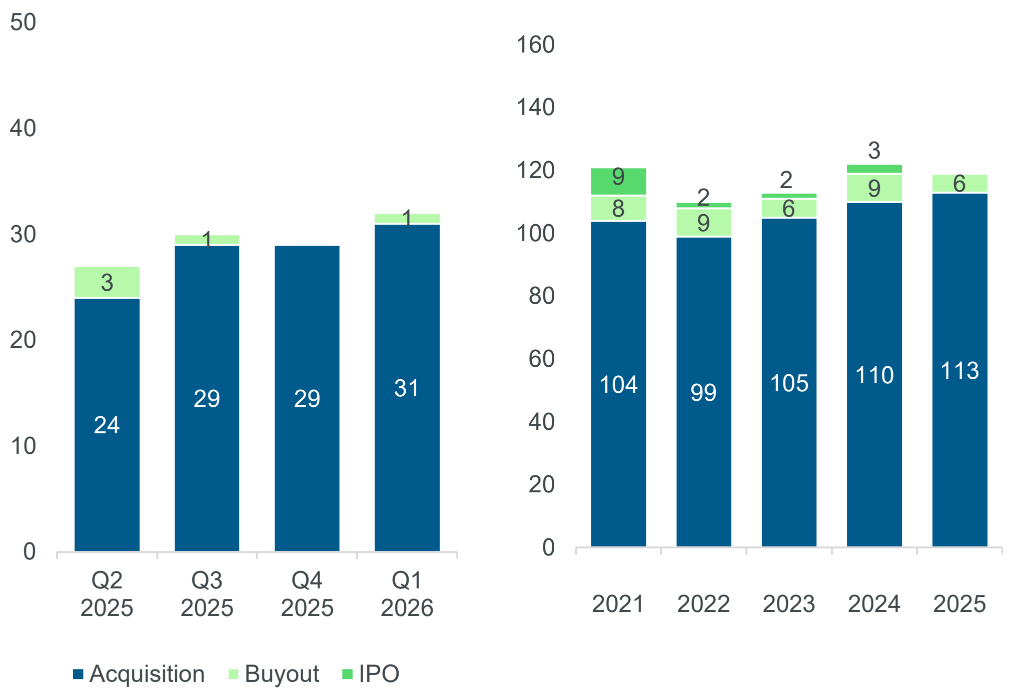
The start to the year on the international VC market was shaped by special factors: a clustering of exceptionally large financing rounds by individual companies – particularly in the field of artificial intelligence – set the tone. These record rounds often involved non-traditional VC investors such as corporates or hedge funds. In the US, the AI software companies OpenAI (USD 122 billion), Anthropic (USD 30 billion) and xAI (USD 20 billion) as well as the AI mobility developer Waymo (USD 15 billion) together raised around USD 188 billion in four late-stage financing rounds. These four financings thus account for around three quarters of US VC market volume in Q1 2026. Driven by these deals, the US market reached a deal volume of over USD 247 billion in Q1 2026, already equivalent to almost 90% of the volume for the whole of the previous year. In the United Kingdom, the hyperscaler Nscale focused on AI applications (USD 2 billion) and the AI mobility developer Wayve (USD 1.2 billion) completed two late-stage financings totalling USD 3.2 billion. In France, the new venture of Meta's former head of AI, Yann LeCun, raised the largest registered seed financing round to date, with a volume of USD 1 billion.

The AI giga-deals in growth financing that occurred worldwide in Q1 2026 follow a logic of their own, decoupled from the rest of the VC market, and are accompanied by an unprecedented concentration of investment on a few companies. However, such outlier financings should not be the benchmark for the sustainable development of a VC market – not least since the involvement of non-traditional VC investors, which decisively shaped the recent AI mega-rounds, is typically pro-cyclical and opportunistic. Across the breadth of the market – i.e. excluding the giga-deals – developments in VC markets are very similar overall. Nevertheless, the sums, particularly in the US, show that local AI start-ups currently have a clear locational advantage in accessing capital. Within the EU, France is currently developing into a central AI hub in terms of funds raised.

Source: Dealroom.co (as at: 13.04.2026), IMF and own calculations

Number of exits of German VC-funded start-ups solid at the start of the year

Number of exits in VC-financed German start-ups



The number of exits from investments in German start-ups has been fluctuating between 110 and just over 120 transactions per year for several years. Q1 2026, with 32 exits – of which 31 acquisitions and one buy-out transaction – is slightly above this level. Exit activity at the start of the year is therefore solid. However, there has still been no initial public offering (IPO); there has been a lull here since Q3 2024.

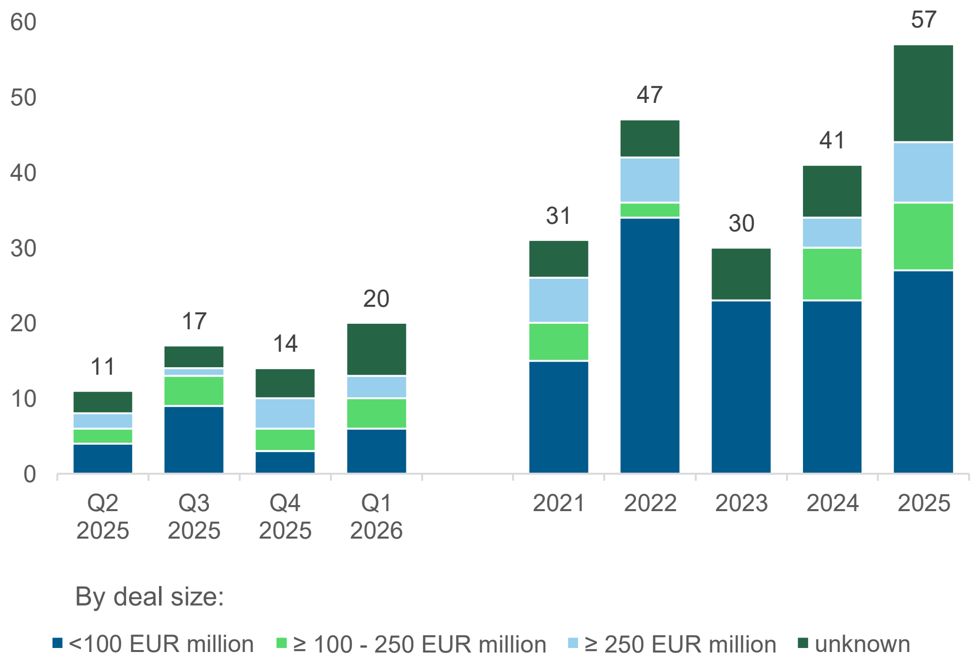
In 2026, too, successful exit transactions remain central to the financing cycle of the VC market. Macroeconomic stability that calms capital markets and increases the predictability of exits is an important precondition for this. Given their signalling power, the IPOs of US market leaders in AI currently under discussion in the second half of the year could send an important signal, including to the European market.

At the start of 2026, the definition of relevant exit transactions at the data provider Dealroom.co was changed: previously, exits of all companies in which investors were involved that are themselves active in the VC market were recorded. Currently, only exits of start-ups are counted for which at least one prior financing was a confirmed VC round. The exit count shown here is therefore no longer directly comparable with older versions of the VC dashboard.

Source: Dealroom.co, KfW Research (as at: 13.04.2026).

German venture debt market builds on strong market development from the previous year

Number of venture debt deals



In the opening quarter of the year, the venture debt market recorded 20 financings of German start-ups using debt instruments. This means Q1 2026 saw more financings than the 2025 average, which to date was the strongest year for this market. In parallel, at the start of the year, private credit markets – particularly in the US – came under pressure after larger US private credit funds had to absorb substantial investor redemptions. Even though venture debt cannot be compared one-to-one with the broader private credit market, the financing activity in Q1 2026 is all the more a reflection of the sustained strength that has characterised the German venture debt market for some time.

Source: Dealroom.co, KfW Research (as at: 13.04.2026).

Appendix

Appendix I

Deals

Market overall	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2021	2022	2023	2024	2025
Volume (EUR million)	2.437	1.220	1.972	1.671	18.774	10.728	7.086	7.490	7.200
Number of deals	471	294	149	156	1.595	1.487	1.166	1.548	1.474
Deal size* (Ø, EUR million)	18	9	20	15	20	11	9	13	14
Stages (EUR million)									
Seed	243	245	254	231	984	1.160	857	910	912
Start-up	811	508	678	726	6.543	4.204	2.983	3.149	2.746
Scale-up	1.383	467	1.040	714	11.235	5.278	3.241	3.431	3.542
unknown	-	-	-	0	12	84	5	0	-
By deal size (count)									
<100 EUR million	132	135	96	114	906	976	733	582	491
≥ 100 - 250 EUR million	5	1	3	-	30	19	13	15	12
≥ 250 EUR million	1	-	2	1	11	4	2	2	3
unknown	333	158	48	41	648	488	418	949	968
Deal volume by investor location (EUR million)**									
Germany	666	415	665	390	4.132	2.917	2.497	2.106	2.218
France	174	22	93	52	499	530	194	358	434
EU-27 rest	371	164	131	253	1.368	1.105	882	827	880
UK	284	74	226	269	1.760	981	673	699	852
USA	676	354	516	572	7.615	2.882	1.679	2.190	1.763
RoW	180	77	206	116	2.862	1.683	878	1.001	669
unknown	86	115	135	19	539	631	282	308	385

Source: Dealroom.co (as at: 13.04.2026).
Note: The evaluations are based on Dealroom.co. The figures may differ from other data sources. They are based on the cut-off date and may even change retroactively through the addition of new data. The following financing stages/occasions are counted as venture capital deals: Angel and seed (phase: 'seed'), Series A / Round 1, Series B / Round 2 and early VC (phase: 'start-up'), Series C+ / Round 2+, growth, late VC and megarounds+ (phase: 'scale-up') and deals with unknown financing round. Grants, support programmes, media for equity and venture debt are not included.
* Only deals that specify deal volume; ** approximated under the assumption that investments are equally distributed among all investors in each deal.

Appendix II

Deals

	Deal count				Share of deals (%)				
	2025	2025	2025	2026	2021	2022	2023	2024	2025
Industries	**Q2**	**Q3**	**Q4**	**Q1**					
Health	77	40	32	28	13 %	14 %	13 %	15 %	18 %
Energy	55	27	14	13	14 %	11 %	11 %	11 %	10 %
Fintech	52	30	15	24	10 %	9 %	10 %	10 %	10 %
Enterprise Software	61	48	19	17	7 %	8 %	12 %	10 %	13 %
Transportation	29	20	9	13	8 %	8 %	8 %	6 %	7 %
Robotics	29	20	6	7	5 %	7 %	5 %	5 %	6 %
Food	9	9	4	6	5 %	5 %	4 %	4 %	2 %
Security	12	6	2	3	4 %	4 %	3 %	3 %	2 %
Real Estate	21	9	4	4	4 %	4 %	4 %	4 %	4 %
Marketing	6	5	-	3	2 %	3 %	2 %	2 %	2 %
Media	11	7	2	1	3 %	3 %	2 %	2 %	2 %
Education	15	7	4	8	2 %	2 %	2 %	2 %	3 %
Gaming	16	10	5	7	3 %	2 %	3 %	3 %	3 %
Fashion	5	7	7	-	2 %	2 %	2 %	2 %	2 %
Jobs Recruitment	5	5	2	1	2 %	2 %	2 %	2 %	1 %
Travel	6	5	1	1	1 %	1 %	2 %	1 %	1 %
Other	62	39	23	20	15 %	16 %	16 %	18 %	14 %

Source: Dealroom.co (as at: 13.04.2026).
Note: The evaluations are based on Dealroom.co. The figures may differ from other data sources. They are based on the cut-off date and may even change retroactively through the addition of new data. The following financing stages/occasions are counted as venture capital deals: Angel and seed (phase: 'seed'), Series A / Round 1, Series B / Round 2 and early VC (phase: 'start-up'),Series C+ / Round 2+, growth, late VC and megarounds+ (phase: 'scale-up') and deals with unknown financing round. Grants, support programmes, media for equity and venture debt are not included.

Appendix III

Deals (Artificial Intelligence)

	2024	2025	2025	2026	2021	2022	2023	2024	2025
Market overall	**Q2**	**Q3**	**Q4**	**Q1**					
Volume (EUR million)	1.314	312	942	967	2.687	1.726	1.563	2.073	3.085
Number of deals	102	64	36	71	319	264	260	321	325
Deal size* (Ø, EUR million)	28	7	32	18	14	9	9	12	18

Source: Dealroom.co (as at: 13.04.2026).
Note: The evaluations are based on Dealroom.co. The figures may differ from other data sources. They are based on the cut-off date and may even change retroactively through the addition of new data. Artificial intelligence (AI) is a cross-cutting (vertical) technology that comprises both hardware and software and is developed and used in a range of industries. AI technologies mainly include machine learning, computer vision and natural language processing. The following financing stages/occasions are counted as venture capital deals: Angel and seed (phase: 'seed'), Series A / Round 1, Series B / Round 2 and early VC (phase: 'start-up'),Series C+ / Round 2+, growth, late VC and megarounds+ (phase: 'scale-up') and deals with unknown financing round. Grants, support programmes, media for equity and venture debt are not included.
* Only deals that specify deal volume.

Appendix IV
Benchmarks

USD million	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2021	2022	2023	2024	2025
Germany	2.681	1.342	2.169	1.838	20.651	11.801	7.794	8.239	7.920
France	1.747	3.075	1.654	3.190	13.248	15.603	8.862	7.516	8.072
EU-27 rest	8.567	9.164	9.097	9.688	66.789	54.655	32.226	31.950	34.645
UK	3.661	8.869	6.376	7.842	37.908	30.205	18.605	17.233	23.581
USA	45.432	77.611	67.494	247.516	354.831	243.674	148.103	186.859	276.426
as share of GDP (%)									
Germany					0,47%	0,28%	0,17%	0,17%	0,16%
France					0,45%	0,56%	0,29%	0,24%	0,25%
EU-27 rest					0,38%	0,32%	0,17%	0,16%	0,17%
UK					1,21%	0,97%	0,55%	0,48%	0,63%
USA					1,50%	0,94%	0,53%	0,64%	0,91%

Source: Dealroom.co (as at: 13.04.2026), IMF and own calculations.

Appendix V

Exits

	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2021	2022	2023	2024	2025
IPO	-	-	-	-	9	2	2	3	-
Buyout	3	1	-	1	8	9	6	9	6
Acquisition	24	29	29	31	104	99	105	110	113

Source: Dealroom.co (as at: 13.04.2026).
Note: Due to methodological changes at the data provider Dealroom.co, the figures presented here are not directly comparable with previous editions of the KfW VC Dashboard. Purchases and majority shareholdings (50-100%) are counted as acquisition; buyout: mentioned as 30%-100% takeover by private equity firms, or as 'buyout' in the transaction.

Venture Debt

	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2021	2022	2023	2024	2025
Market overall									
Volume (EUR million)	1.890	1.328	2.678	4.569	3.992	3.799	648	4.341	7.166
Number of deals	11	17	14	20	31	47	30	41	57
Deal size* (Median, EUR million)	80	65	150	100	67	15	23	31	46
By deal size (count)									
<100 EUR million	4	9	3	6	15	34	23	23	27
≥ 100 - 250 EUR million	2	4	3	4	5	2	-	7	9
≥ 250 EUR million	2	1	4	3	6	6	-	4	8
unknown	3	3	4	7	5	5	7	7	13

Source: Dealroom.co (as at: 13.04.2026)
Note: The definition of venture debt follows Dealroom.co and SVB (2020): European VC Pulse Check H1 2022. It captures debt capital transactions of banks and non-banks to young growth-oriented enterprises. We exclude lending capital –loans to FinTech and other platforms collateralized by assets (SME loans, real estate, etc.).
* Only deals that specify deal volume.

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