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KfW Venture Capital Dashboard
Q2 2026

KfW Research

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Overview

The German venture capital market in the second quarter of 2026

1

Deal volume in the German venture capital (VC) market in the second quarter of 2026 increased markedly, with several mega-deals involving German start-ups. The volume of venture capital invested in German start-ups rose significantly in the second quarter of 2026 to around EUR 3.4 billion. This was around EUR 1.8 billion more than in the first quarter of 2026 and around EUR 1 billion more than in the same quarter of the previous year. Deal volume was driven by seven mega-deals in excess of EUR 100 million, including one recorded AI billion deal. As a result, invested capital has shifted to later financing stages. In the seed segment, deal volume, at around EUR 187 million, was even noticeably lower than in previous quarters. Around EUR 787 million was invested in the start-up segment (Series A and B) and around EUR 2.5 billion in the scale-up segment (from Series C onwards) – largely on the back of the mega-deals.

2

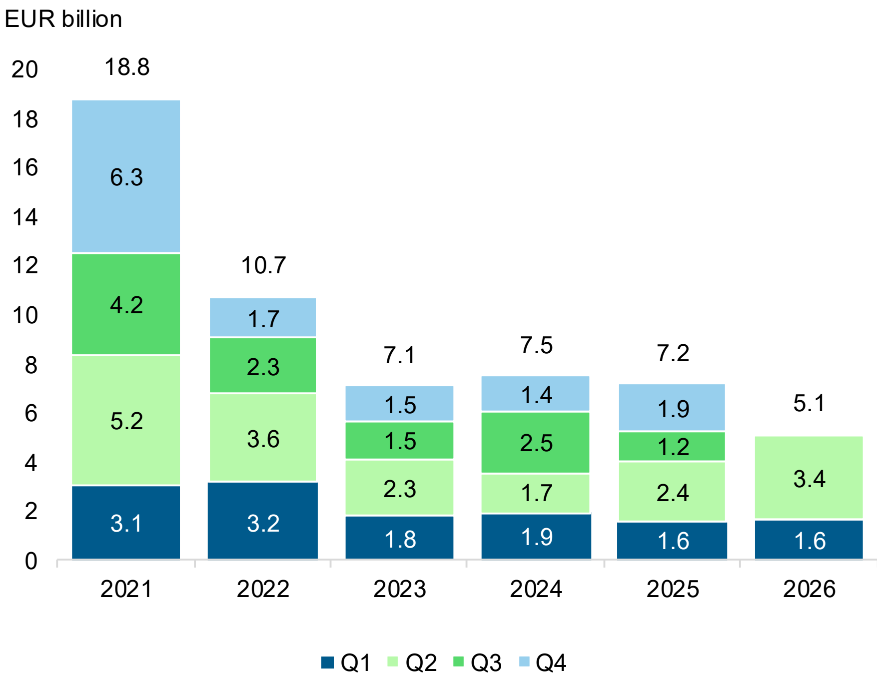
Further billion deals also in Germany's peer markets, AI record-breaking spree continues. In the first quarter of 2026, VC deal volume in Germany appeared relatively low in an international comparison because billion deals had already been financed in the key peer markets of the US, UK and France. In the second quarter, the picture now looks correspondingly better, particularly compared with France, where there was no new billion deal. However, it is once again evident that the VC markets in the UK and especially in the US are operating at entirely different levels. Whereas four AI companies in the US alone raised a total of USD 188 billion in the first quarter, there were again two AI companies in the second quarter that received a total of USD 77 billion. Such exceptional funding rounds illustrate how much easier it is for US companies in the capital-intensive technology race, even though they cannot serve as a benchmark for the market as a whole. Market developments in their full breadth across all stages and sectors must be kept in view.

3

Economic uncertainty was globally high in the second quarter of 2026. Oil prices, and thus energy prices overall, were highly volatile at an elevated level owing to the frequently changing news from the Middle East. It was only towards the end of the quarter that oil prices eased noticeably, returning to the levels seen just before the escalation of the Iran war at the end of February. In response to the second-round inflation effects that have already materialised, the ECB has moderately raised its key interest rate. Further slight rate hikes are expected, which is likely to make fundraising for VC funds more difficult and weigh on their investment activity across the broader market. Market developments are therefore likely to continue to be shaped by mega-deals in sectors of strategic or technologically outstanding importance.

Strong quarter in the German VC market: EUR 3.4 billion deal volume in Q2 2026

Deal volume



Source: Dealroom.co, KfW Research (as at 1 July 2026).

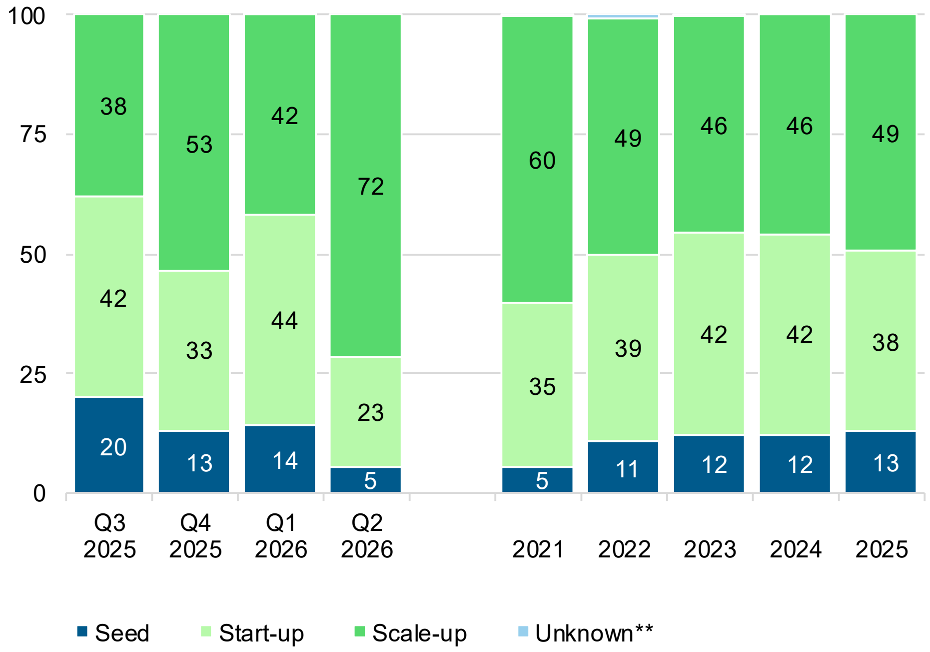
With a deal volume of EUR 3.4 billion, the German VC market recorded a strong second quarter in 2026. After the solid and uneventful Q1 2026, Q2 was therefore significantly more exciting. The high deal volume was the result of seven mega-deals of over EUR100 million, including an AI billion deal announced by Neura Robotics. In terms of absolute deal volume, Q2 2026 was thus the strongest quarter since Q2 2022.

The mega-deals contributed significantly to the increase in deal volume in the scale-up segment (from Series C onwards) to around EUR 2.5 billion, accounting for 72% of the quarterly volume. Even excluding the scale-up segment, invested capital shifted towards later financing stages. In the seed segment, deal volume amounted to only EUR 187 million and was therefore well below the levels of the preceding three quarters (EUR 234–254 million). In the start-up segment (Series A and B), EUR 787 million was invested, i.e. more than in the preceding three quarters (EUR 516–726 million). The above-average volume was supported by a Series A financing round in excess of EUR 200 million.

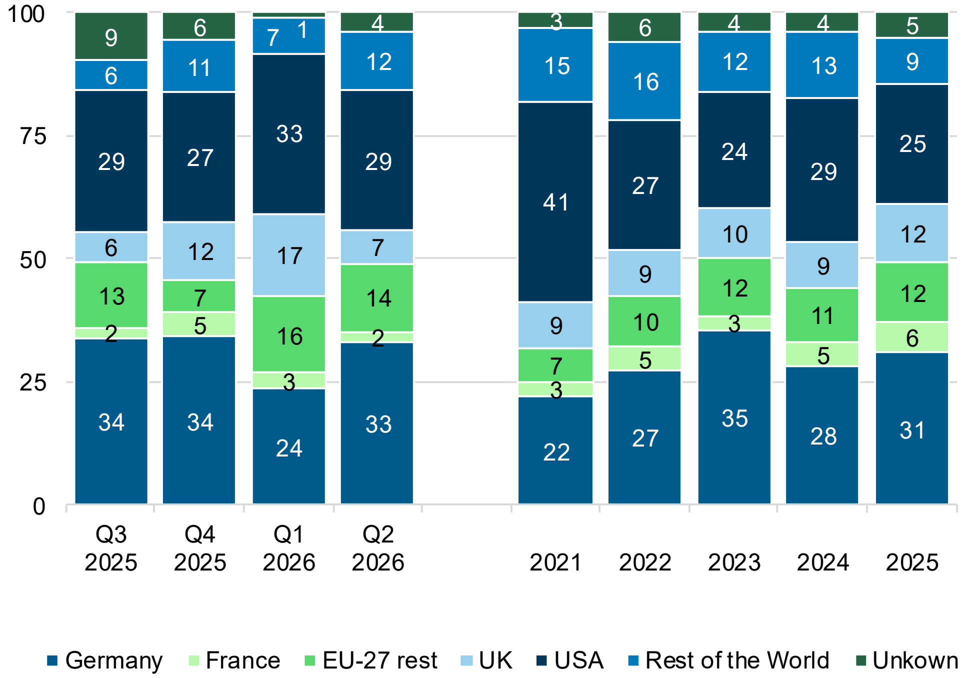
The regional distribution of capital origin in Q2 2026 paints a familiar picture. The largest shares came from investors based in Germany (33%) and the US (29%). In view of the fact that only few very large rounds take place without US investors, however, a higher US involvement would have been expected given the seven mega-deals, each with a volume of over EUR 100 million.

Mega-deals push scale-up share to 78% in Q2 2026, share of German investors at 33% despite seven mega-deals

Deal volume by stage (in per cent)



Deal volume by investor origin (in per cent)*

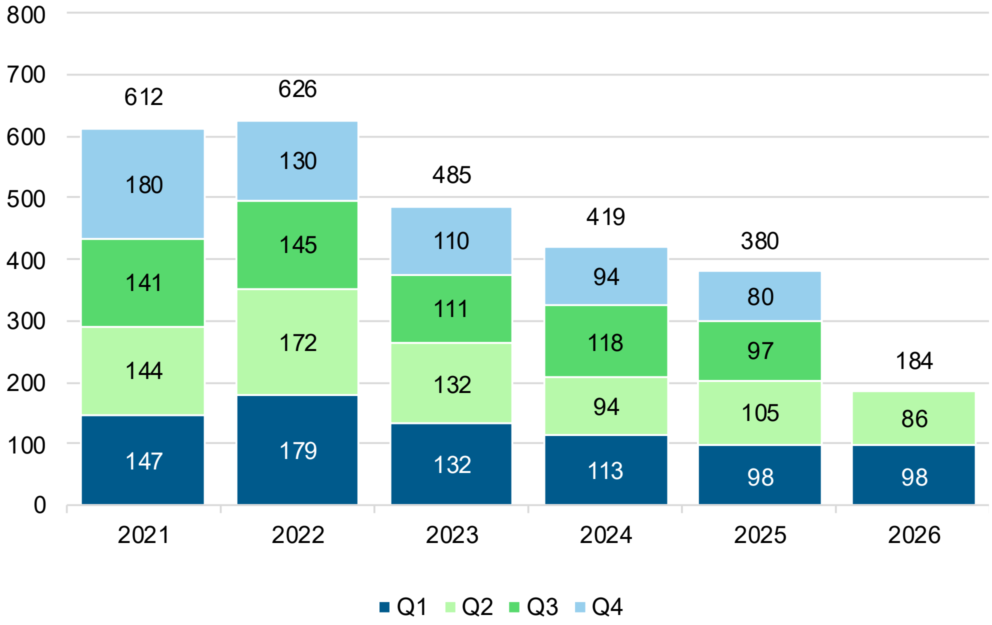


* Approximate, assuming investments are evenly distributed among all investors per deal.
Source: Dealroom.co, KfW Research (as at 1 July 2026).

Number of deals rather subdued, capital concentration rising

Number of deals

Deals with reported volume from EUR 1 million upwards



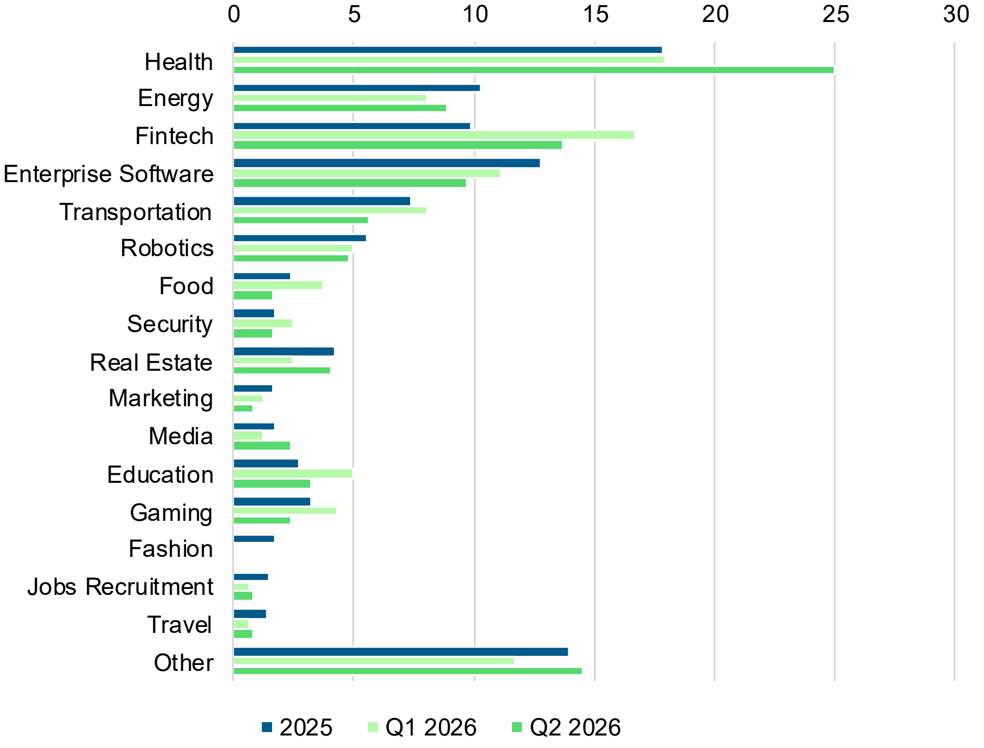
Source: Dealroom.co, KfW Research (as at 1 July 2026).

In terms of deal volume, seven recorded mega-rounds resulted in a strong Q2 2026. However, large-volume financing rounds are not representative of market developments across the board. On the contrary, they often obscure the view. The trend in the number of deals is rather negative. With regard to the number of deals with a recorded deal volume from EUR 1 million upwards, Q2 2026, with 86 deals, was the weakest second quarter in recent years. This also applies to the course of 2026 to date. With 184 deals of EUR 1 million or more, the half-year figure is below the threshold of 200, which had always been reached in previous years, albeit sometimes only narrowly.

Annual deal volume has been just above EUR 7 billion since 2023 but the number of deals has declined over this period. VC investments are thus being distributed across an ever smaller number of start-ups, even though more start-ups have been founded during this time. On average, start-ups that have been successful in fundraising have therefore been able to secure larger deals. Median volume per deal has risen from EUR 2.2 million (2023) to EUR 3.0 million (2024), EUR 4.0 million (2025) and EUR 5.0 million (H1 2026). By contrast, it appears that an increasing number of start-ups are failing to complete an initial or subsequent financing round.

One in four deals in Q2 2026 with health start-ups, apparently declining investor appetite for enterprise software

Share of deals by industry (in per cent)

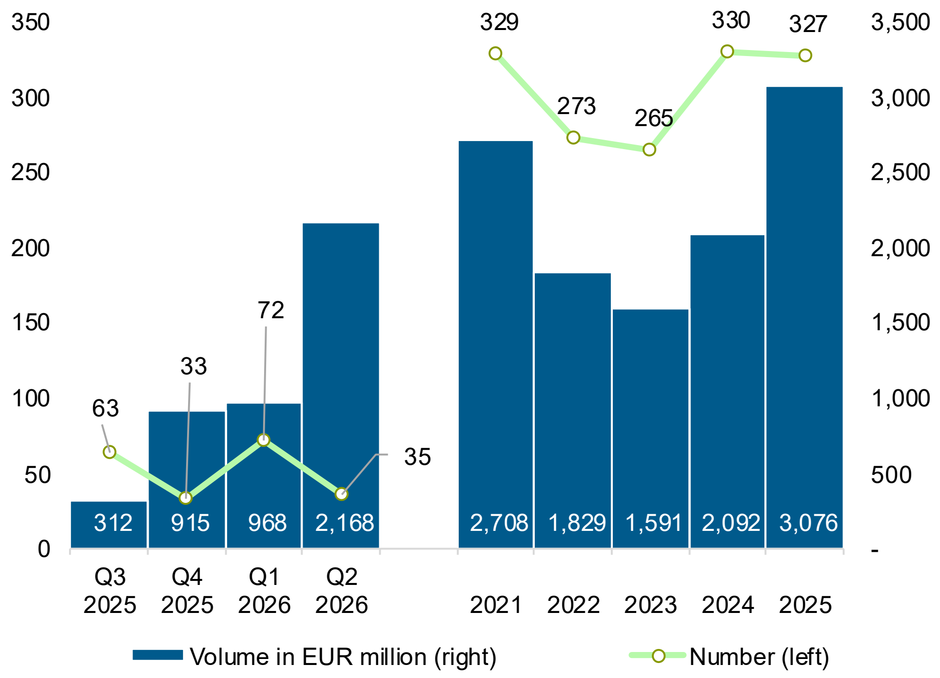


Source: Dealroom.co, KfW Research (as at 1 July 2026).

In the previous year, 2025, a large share of VC deals went to start-ups in the fields of health (medical devices and platforms, biotech, pharmaceuticals), enterprise software (analytics, productivity tools, no- and low-code software), energy (climate tech, batteries, grid, fusion) and fintech (payment, banking, crypto, insurance, wealth management etc.). Start-ups from these sectors have also been in greatest demand so far in 2026. Health start-ups are leading the way, accounting for as many as one in four deals (25%) in the second quarter of 2026. However, the attractiveness of the enterprise software and fintech sectors in the first half of 2026 appears to differ from the previous year. With 17 and 14% in the first and second quarters, a higher share of deals has so far been concluded in fintech than in 2025. By contrast, the shares of 11 and 10% in the enterprise software sector were lower than in the previous year. This may be related to emerging concerns about business models being disrupted by AI.

Focus Artificial Intelligence (AI)

Number of deals and deal volume



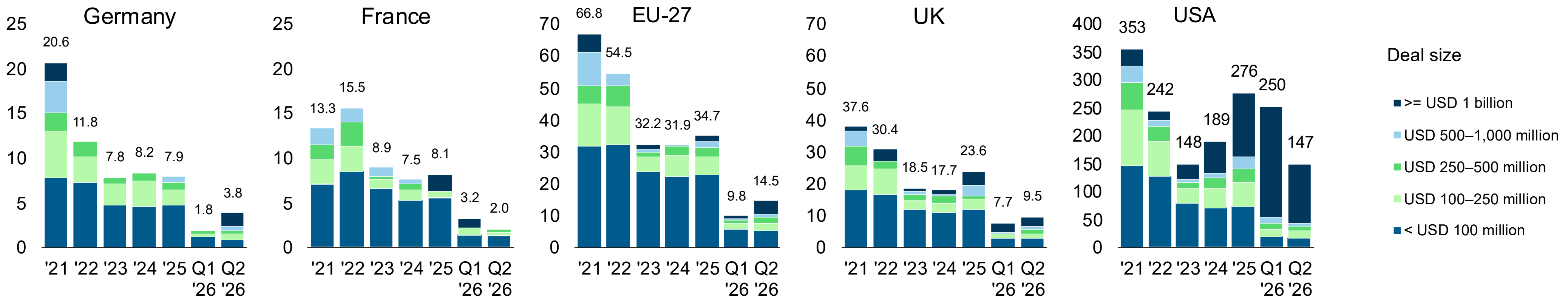
Artificial intelligence (AI) is increasingly becoming a general-purpose technology across the entire economy. AI is therefore a key technological building block in many business models. Its importance in the VC market is correspondingly rising. In addition, the high capital intensity involved in developing AI tools further drives up the AI share in overall deal volume. Since AI technologies also play an important role in the recorded mega-deals of the second quarter (in particular in the AI billion deal by Neura Robotics), AI deal volume has increased especially strongly. In Q2 2026, there were 35 VC deals with German AI-based start-ups, with a total deal volume of around EUR 2.2 billion. This corresponds to a share of 63% of total market volume.

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

Note: ** As there is no universally accepted definition, the figures reported here may differ from those in other sources.
Source: Dealroom.co, KfW Research (as at 1 July 2026).

AI record financings in the US continue in Q2 2026

VC deal volume in USD billion by deal size

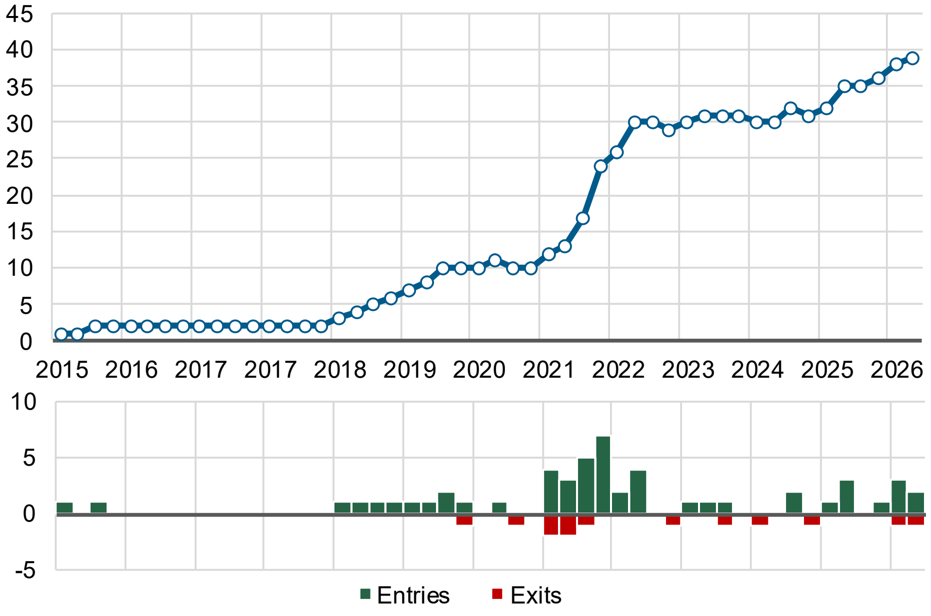


Following the exceptional start to the year on the international VC markets, the record-breaking spree continued in the second quarter of 2026, particularly in the US. While the German VC market, with quarterly volume of USD 3.8 billion and an AI billion deal, has returned to the international stage after such deals were still absent in the first quarter (quarterly volume of USD 1.8 billion), the deal volumes of exceptional funding rounds in the US are operating in entirely different spheres. Whereas four AI companies in the US alone were able to raise a total of USD 188 billion in the first quarter (with total quarterly volume of USD 250 billion), there were again two AI companies in the second quarter that together received USD 77 billion (with total quarterly volume of USD 147 billion). In 2026, investors have already provided USD 95 billion in VC funding to AI start-up Anthropic, plus an additional USD 36 billion in venture debt. Of the peer markets that are important for Germany, it was only in France that no billion deals were concluded in the second quarter, bringing quarterly volume there to USD 2.0 billion (after USD 3.2 billion in the previous quarter). In the UK, Europe's largest VC market, deal volume, by contrast, climbed to USD 9.5 billion in the second quarter, after USD 7.7 billion in the previous quarter. Similar to Q1 2026, two start-ups – Ineffable Intelligence and Isomorphic Labs – again raised a total of USD 3.2 billion there in Q2.The global billion rounds in AI growth financing constitute an unprecedented concentration of capital on a few companies within a single technology field and are not representative of the fundraising success of start-ups in other technology areas.

Source: Dealroom.co, KfW Research (as at 1 July 2026).

More new unicorns – number of unicorns in Germany rises to 39

Number of unlisted start-ups with a valuation of over USD 1 billion



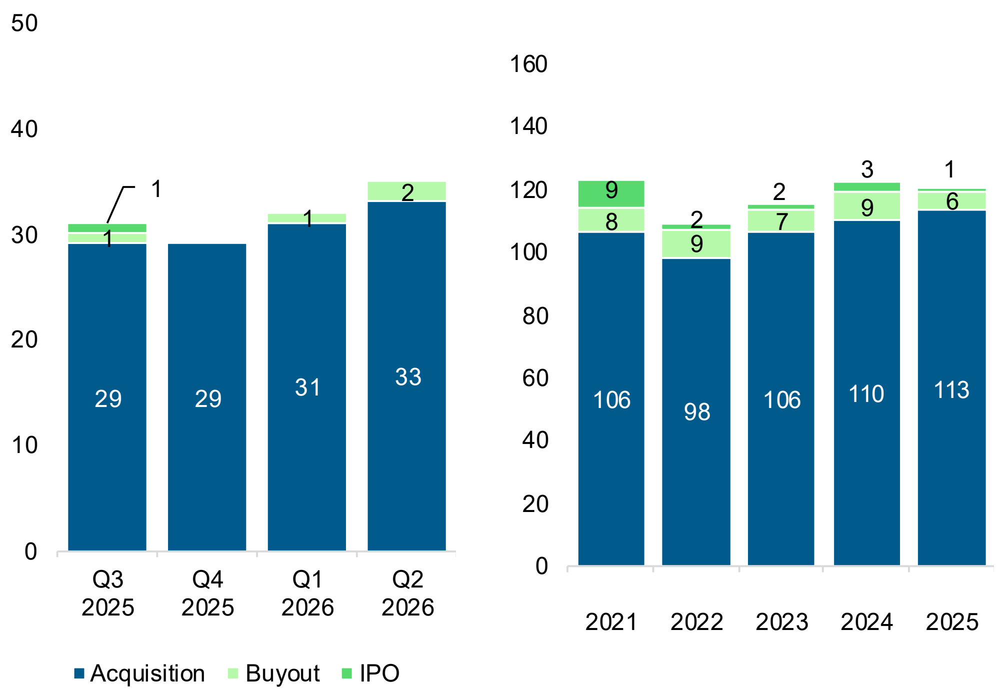
Source: CB Insights, Dealroom.co, Sifted Unicorns Ranking.

In Germany, two start-ups emerged as new unicorns in the second quarter of 2026. They are therefore assumed to have a company valuation of at least USD 1 billion. Together with the three new unicorns from the first quarter and the two departures due to M&A transactions, the stock of unicorns in Germany had thus grown to 39 start-ups by mid-2026.

Unicorns are unlisted start-ups with a valuation by investors of at least USD 1 billion. Start-ups are no longer counted as unicorns if they are liquidated, lose their independence or go public. For the timing, the decisive factor is the announcement of the financing round that resulted in the valuation of at least USD 1 billion (entry) or the completion of the exit (departure). At the time of entry, the company's head office must have been located in Germany. Only those start-ups are included in the statistics that are recorded as unicorns in at least two of the sources mentioned (CB Insights, Dealroom.co and Sifted Unicorns Ranking). Start-ups with unconfirmed down rounds remain in the statistics.

Exit activity picks up slightly again in Q2 2026 – number of exits of German start-ups in 2026 so far above average

Number of exits of 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. Similar to the first quarter, Q2 2026, with 35 exits, was slightly above the long-term quarterly averages. These exits comprised 33 acquisitions and two buyout transactions. If exit activity continues at this pace, 2026 could become the strongest exit year in the recent past.

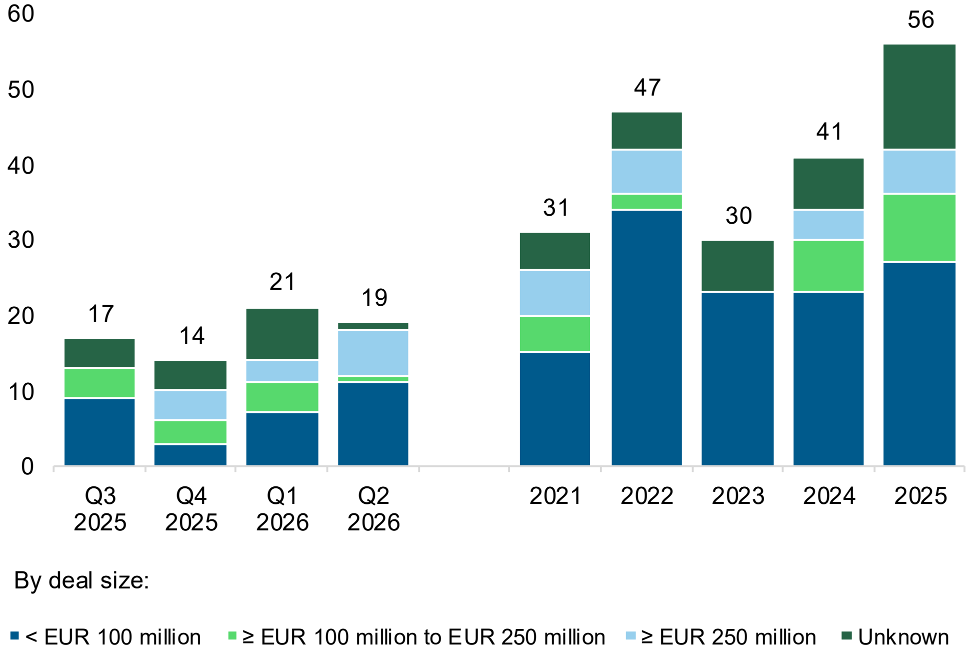
Despite the generally rising number of exits, investor sentiment regarding exit activity has been subdued in recent years. Much suggests that investors have been dissatisfied with the exit proceeds achieved. This is also due to the fact that, despite new record highs on the stock markets, there have only been few IPOs. The record stock market listing of SpaceX in the US is accompanied by the hope that the ice has been broken and that IPOs will now increase again, including from the portfolios of German VC funds.

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

Source: Dealroom.co, KfW Research (as at 1 July 2026).

Venture debt transactions also strong in Q2 2026 – highest transaction activity to date expected by year-end

Number of venture debt deals



In the German venture debt (VD) market, 19 financings were recorded in Q2 2026. Following the 21 VD financings of German start-ups in the first quarter, market developments are on a good track for 2026 to become the year with the highest transaction activity to date. VD financings are apparently becoming available to an increasing number of start-ups and are thus evolving into plannable financing alternatives.

Source: Dealroom.co, KfW Research (as at 1 July 2026).

Appendix

Appendix I

Deals

Total	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2021	2022	2023	2024	2025
Volume (EUR million)	1.227	1.945	1.646	3.429	18.760	10.700	7.079	7.490	7.172
Number	294	138	162	124	1.597	1.494	1.166	1.559	1.476
Deal size* (Ø, Mio. EUR)	9	19	14	37	20	11	9	12	14
Stages (EUR million)									
Seed	245	254	234	187	983	1.161	846	910	919
Start-up	516	650	726	787	6.506	4.177	3.004	3.149	2.711
Scale-up	467	1.040	686	2.454	11.259	5.278	3.224	3.431	3.542
Unknown**	-	-	0	-	12	84	5	0	-
Deal size (Number)									
< EUR 100 million	137	97	119	86	904	976	733	587	495
≥ EUR 100 million to EUR 250 million	1	3	-	4	30	19	13	15	12
≥ EUR 250 million	-	2	1	3	11	4	2	2	3
Unknown	156	36	42	31	652	495	418	955	966
Deal volume by investor origin (EUR million)* **									
Germany	417	666	390	1.131	4.134	2.930	2.506	2.115	2.224
France	24	93	52	77	506	525	195	358	435
EU-27 rest	165	130	256	473	1.356	1.074	859	819	876
UK	74	226	278	230	1.761	994	698	703	847
USA	354	516	535	978	7.608	2.866	1.682	2.191	1.764
Rest of the world	78	206	116	413	2.858	1.679	876	1.001	672
Unknown	116	108	20	127	537	632	263	303	355

Source: Dealroom.co (as at 1 July 2026).
Note: The analyses are based on Dealroom.co. The figures may differ from those in other data sources. The information is based on specific cut-off dates and may be revised retroactively as new data are added. Based on the Investment Round Types lt. Dealroom, the following transactions are classified as venture capital deals: in the seed segment, deals labelled “Angel” and “Seed”; in the start-up segment, deals labelled “Series A”, “Series B” and “Early VC”; in the scale-up segment, deals labelled “Series C”, “Series D”, “Series E” etc., “Late VC” and “Growth Equity VC”. This definition merely refines the definition used up to Q4 2025 but is identical in substance, i.e. the analyses in earlier issues of the KfW Venture Capital Dashboard remain unchanged.
* Only deals with information on deal volume; ** Rounded to zero if deals without stage classification are less than a total of EUR 500,000; *** Approximate, assuming investments are evenly distributed among all investors per deal;

Appendix II
Deals

Industries	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2021	2022	2023	2024	2025
Health	40	26	29	31	13%	14%	13%	15%	18%
Energy	27	14	13	11	14%	11%	11%	10%	10%
Fintech	29	15	27	17	10%	9%	10%	10%	10%
Enterprise Software	49	19	18	12	7%	8%	12%	10%	13%
Transportation	20	6	13	7	7%	8%	8%	6%	7%
Robotics	19	6	8	6	6%	7%	5%	5%	6%
Food	9	4	6	2	5%	5%	4%	4%	2%
Security	7	2	4	2	4%	4%	3%	3%	2%
Real Estate	9	4	4	5	4%	4%	4%	4%	4%
Marketing	5	-	2	1	2%	3%	2%	2%	2%
Media	7	2	2	3	3%	2%	2%	2%	2%
Education	8	4	8	4	2%	2%	2%	2%	3%
Gaming	9	5	7	3	3%	2%	3%	3%	3%
Fashion	7	7	-	-	2%	2%	2%	2%	2%
Jobs Recruitment	5	2	1	1	2%	2%	2%	2%	1%
Travel	5	1	1	1	1%	1%	2%	1%	1%
Other	39	21	19	18	16%	17%	16%	18%	14%

Source: Dealroom.co (as at 1 July 2026).
Note: The analyses are based on Dealroom.co. The figures may differ from those in other data sources. The information is based on specific cut-off dates and may be revised retroactively as new data are added. Based on the Investment Round Types lt. Dealroom, the following transactions are classified as venture capital deals: in the seed segment, deals labelled “Angel” and “Seed”; in the start-up segment, deals labelled “Series A”, “Series B” and “Early VC”; in the scale-up segment, deals labelled “Series C”, “Series D”, “Series E” etc., “Late VC” and “Growth Equity VC”. This definition merely refines the definition used up to Q4 2025 but is identical in substance, i.e. the analyses in earlier issues of the KfW Venture Capital Dashboard remain unchanged.

Appendix III

Deals (Artificial Intelligence)

Total	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2021	2022	2023	2024	2025
Volume (EUR million)	312	915	968	2.168	2.708	1.829	1.591	2.092	3.076
Number	63	33	72	35	329	273	265	330	327
Dealsize* (Ø, EUR million)	7	32	18	75	14	9	9	12	18

Source: Dealroom.co (as at 1 July 2026).
Note: The analyses are based on Dealroom.co. The figures may differ from those in other data sources. The information is based on specific cut-off dates and may be revised retroactively as new data are added. Artificial intelligence (AI) is a cross-cutting technology (vertical) that comprises both hardware and software and is developed and deployed across various industries. AI technologies include in particular machine learning, computer vision and natural language processing. Based on the Investment Round Types lt. Dealroom, the following transactions are classified as venture capital deals: in the seed segment, deals labelled “Angel” and “Seed”; in the start-up segment, deals labelled “Series A”, “Series B” and “Early VC”; in the scale-up segment, deals labelled “Series C”, “Series D”, “Series E” etc., “Late VC” and “Growth Equity VC”. This definition merely refines the definition used up to Q4 2025 but is identical in substance, i.e. the analyses in earlier issues of the KfW Venture Capital Dashboard remain unchanged.
* Only deals with information on deal volume

Appendix IV

Benchmarks

USD million	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2021	2022	2023	2024	2025
Germany	1.350	2.139	1.811	3.772	20.636	11.770	7.788	8.239	7.890
France	3.076	1.654	3.200	2.035	13.250	15.536	8.859	7.492	8.103
EU-27	9.182	9.128	9.756	13.273	66.783	54.475	32.183	31.931	34.699
UK	8.787	6.454	7.657	9.504	37.577	30.420	18.495	17.684	23.592
USA	77.321	66.479	250.393	146.800	352.796	242.499	148.410	188.611	275.520
% 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					0,38%	0,32%	0,17%	0,16%	0,17%
UK					1,20%	0,97%	0,55%	0,49%	0,63%
USA					1,49%	0,93%	0,54%	0,65%	0,91%

Source: Dealroom.co (as at 1 July 2026), IMF and own calculations.

Appendix V

Exits

	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2021	2022	2023	2024	2025
IPO	1	-	-	-	9	2	2	3	1
Buyout	1	-	1	2	8	9	7	9	6
Acquisition	29	29	31	33	106	98	106	110	113

Source: Dealroom.co (as at 1 July 2026).
Note: Due to methodological changes at data provider Dealroom.co, the figures shown here are not directly comparable with earlier issues of the KfW VC Dashboard. Acquisitions comprise takeovers and majority shareholdings (50%–100%); buyout: 30%–100% acquisition by private equity firms, or "buyout" explicitly mentioned in the transaction.

Venture Debt

	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2021	2022	2023	2024	2025
Total									
Volume (EUR million)	874	2.678	4.609	5.374	3.992	3.799	648	4.341	5.711
Number	17	14	21	19	31	47	30	41	56
Deal size* (Median, EUR million)	60	150	70	40	67	15	23	31	41
Deal size (Number)									
< EUR 100 million	9	3	7	11	15	34	23	23	27
≥ EUR 100 million to EUR 250 million	4	3	4	1	5	2	-	7	9
≥ EUR 250 million	-	4	3	6	6	6	-	4	6
Unknown	4	4	7	1	5	5	7	7	14

Source: Dealroom.co (as at 1 July 2026)
Note: The definition of venture debt follows Dealroom.co and SVB (2020): European VC Pulse Check H1 2022. It covers debt transactions by banks and non-banks directly to young growth companies. We exclude lending capital – loans to fintech and other platforms that are secured by assets (SME loans, real estate, etc.).
* Only deals with information on deal volume.

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