

# KfW Venture Capital Dashboard

Q3 2024

KfW Research

Dr Steffen Viete, Dr Georg Metzger

# Contents

Overview	3
Market development	4
Benchmarks	8
Unicorns	9
Exits	10
Venture Debt	11
Annex	12

# Overview

## The German venture capital market in Q3 2024

1

**In Q3 2024, the quarterly volume of investment in German start-ups exceeded the threshold of EUR 2 billion again for the first time in more than a year.** Overall, German start-ups raised some EUR 2.5 billion from investors in 280 funding rounds. With a view not just to the number of deals (+40% QoQ) but total deal volume (+50% QoQ), investment activity in the German VC market thus picked up on the previous quarter.

2

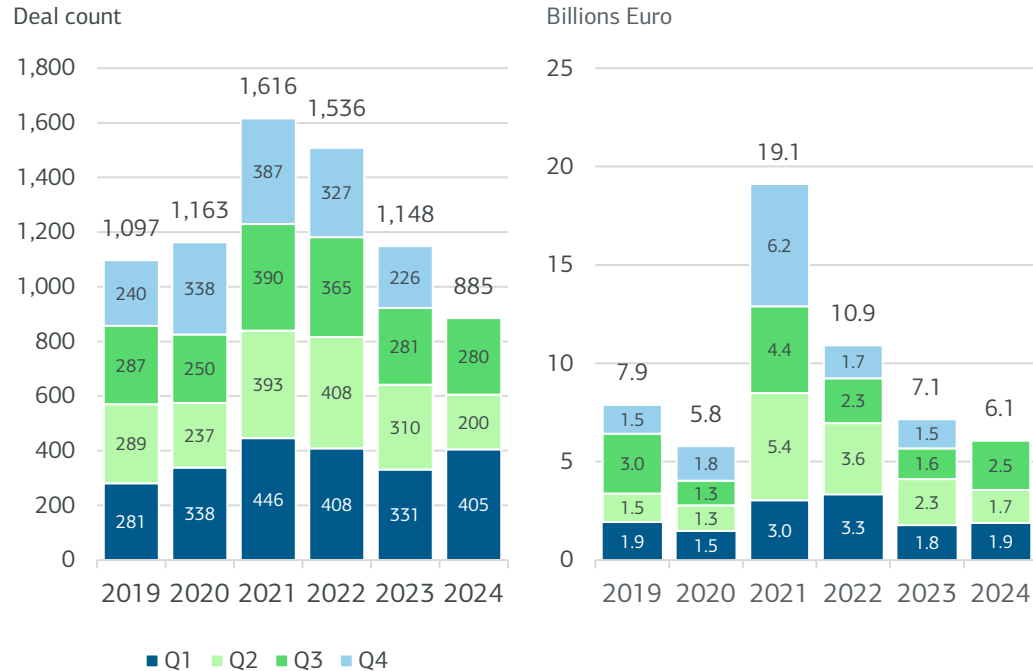
**A total of five mega rounds contributed to the deal volume in the German market – each with deal volumes of EUR 100+ million.** These particularly large funding rounds were realized by German growth companies in the technology sectors of AI, security, health, enterprise software and food delivery. In four out of five cases, these were uprounds, i.e. funding rounds at higher valuations. This indicates that the current market environment for valuations is now much friendlier than in the previous year. These large-volume funding rounds in Q3 2024 took place with a high level of participation from US investors.

3

**Going into the second half of the year, the German VC market sent out a positive signal, giving hope for a strong conclusion to the year in the coming quarter.** To be sure, a bright VC summer in Germany should not yet be overrated. But the VC market environment has clearly improved with the ECB's further key interest rate cuts and the Fed's very noticeable initiation of the interest rate reduction cycle in the US in September. The surges in publicly listed US tech stocks that followed the Fed decision show that falling interest rates benefit valuations. This should also be felt in the private markets with a delay. Further key interest rate cuts are to be expected on both sides of the Atlantic this year. They may provide the next important stimulus to support investor confidence in the VC market.

# German VC market broke through the EUR 2 billion threshold in Q3 2024 – increase in number of funding rounds and deal volume

## Number of deals and deal volume



In the third quarter of 2024, German start-ups raised around EUR 2.5 billion in 280 funding rounds. This shows that there were increases in both the number of concluded VC deals (+40% QoQ) and deal volume (+50% QoQ). Thus, after four quarters with smaller deal volumes, the EUR 2 billion mark was surpassed again for the first time.

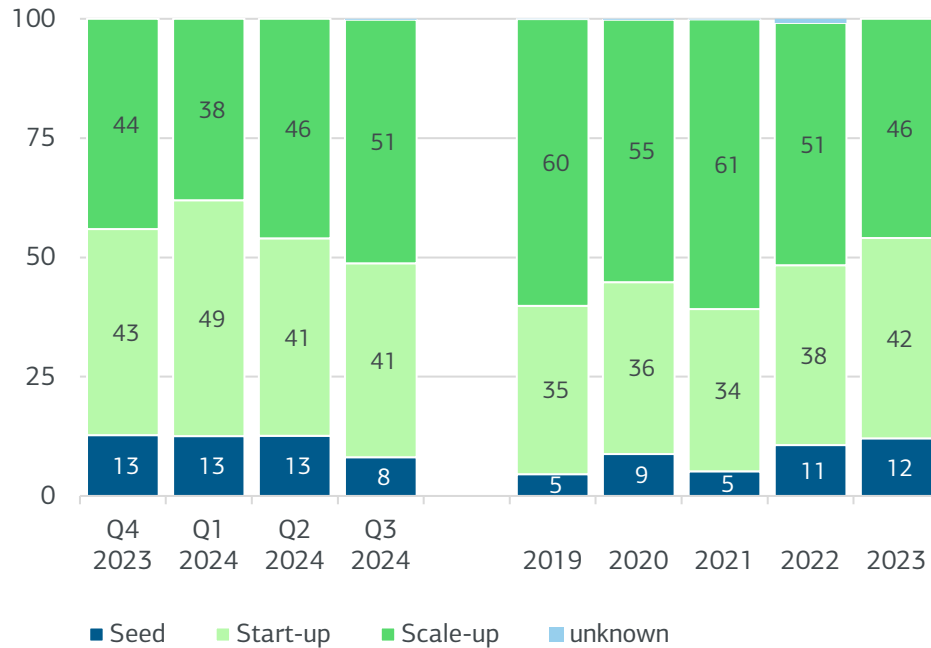
Particularly in the scale-up segment, German start-ups raised noticeably more funds to finance their growth than in the preceding quarter. Deal volume here rose by around 67% (QoQ) to more than EUR 1.2 billion. Five mega rounds with 100+ million euros contributed to the solid deal volume in the market.

Overall, 885 VC deals with start-ups in Germany were recorded for the first three quarters of the year. As a result of the retroactive entries of older deals that have now become known, the number of deals increased in the first quarter of 2024 in particular.

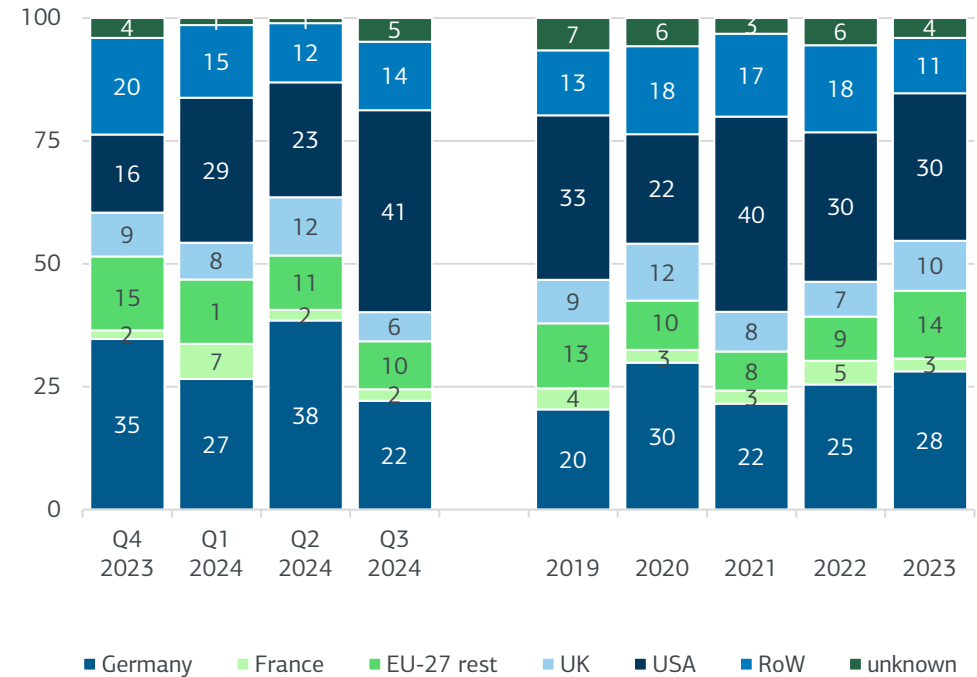
Source: Dealroom.co, KfW Research (current as at 2 October 2024).

# Scale-up investments post a solid quarter – strong investor interest from the US in Q3 2024

Deal volume by phases (in per cent)



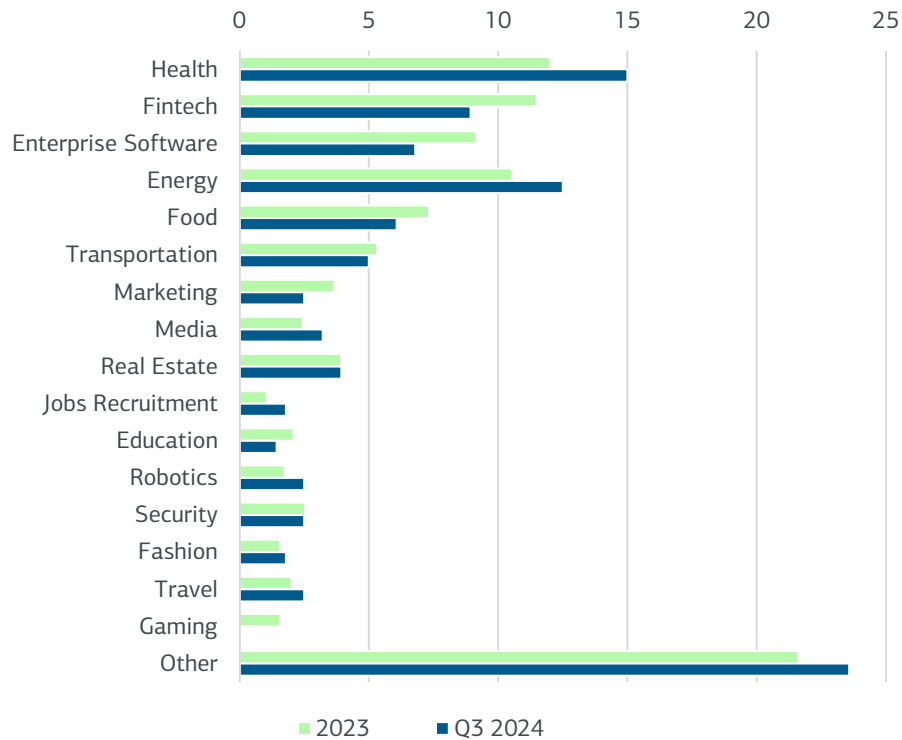
Deal volume by investor origin (in per cent)



Source: Dealroom.co, KfW Research (current as at: 2 October 2024).

# Most deals in Q3 2024 were in the health and energy sectors

Share of deals by industry (in per cent)



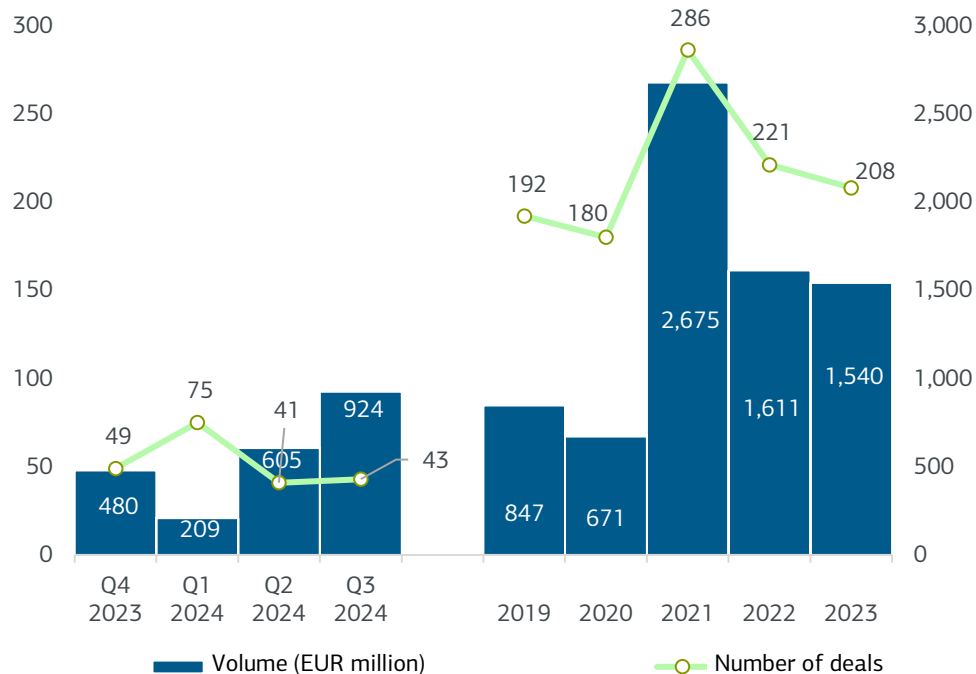
With a total of 42 completed funding rounds, start-ups in the health sector accounted for the largest share of deals (15%) in the German VC market in Q3 2024. This sector comprises start-ups in the life sciences sector that develop digital healthcare applications and new medicines and work on innovations with living organisms in the field of biotechnology.

The second most important sector in Q3 2024 was energy, with 35 deals and a market share of 13%. It comprises start-ups that work on sustainable and more efficient energy generation and recycling and waste treatment solutions.

Source: Dealroom.co, KfW Research (current as at: 2 October 2024).

# Fokus Artificial Intelligence

## Number of deals and deal volume



German start-ups that are active in the field of artificial intelligence (AI) raised EUR 924 million in 43 funding rounds in Q3 2024. Compared with the already high-volume second quarter, the market segment of AI picked up yet again in terms of deal volume.

A substantial contribution to the deal volume of AI start-ups in Q3 2024 was made by a mega round in the scale-up segment (Series C) of the AI security and defence company Helsing, with a ticket of EUR 450 million. The investment activities in the preceding quarters had already demonstrated that German AI start-ups are currently able to successfully complete mega rounds to finance their growth on a regular basis.

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

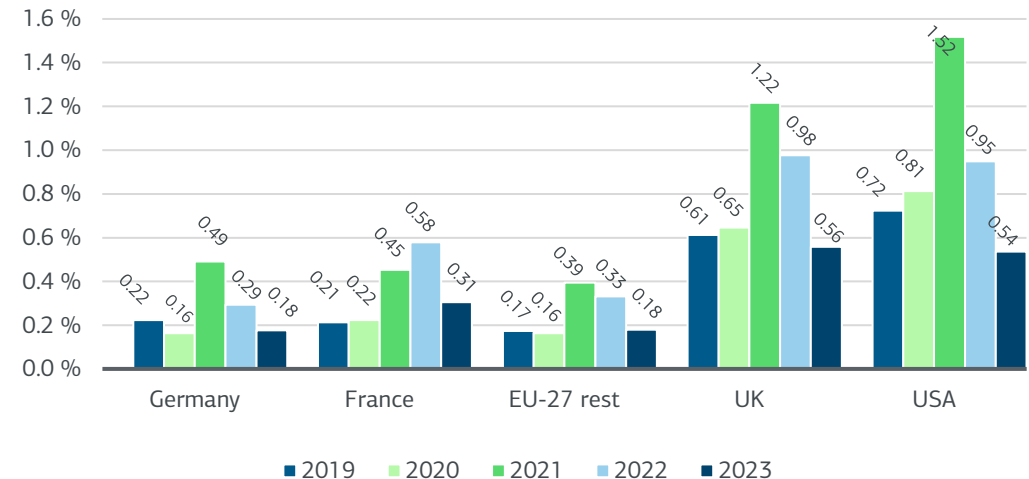
Note: \* Since there is no generally accepted definition, the figures reported here may differ from those of other sources.  
Source: Dealroom.co, KfW Research (current as at 2 October 2024).

# Among benchmarks, German market is only one posting growth in deal volume in Q3 2024

Deal volume in USD million

	2023 Q4	2024 Q1	2024 Q2	2024 Q3
Germany	1,632	2,076	1,835	2,761
France	2,334	1,773	2,917	1,662
EU-27 rest	7,896	8,328	8,515	7,735
UK	4,881	3,850	5,653	3,065
USA	27,611	37,916	42,784	40,174

Deal volume in per cent of GDP



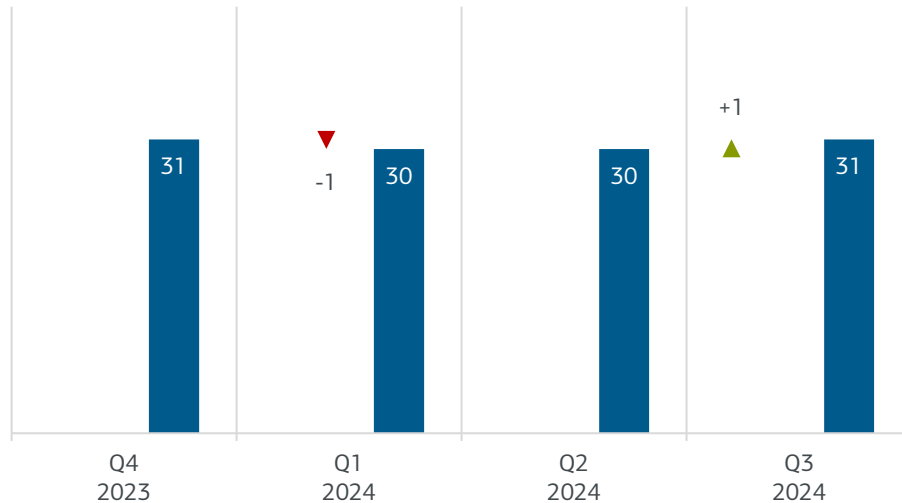
The German VC market posted the only growth in deal volume on the previous quarter compared with the most important international peers in Q3 2024. Overall, however, it was found that deal volume in the individual international markets has been oscillating around the relevant level on which markets had settled after consolidating for around one and a half years now. Should the trend from the first three quarters of the year continue in Q4, investment activity in Germany and the US would be slightly higher than in the previous year. In the UK, the EU market as a whole and France, however, assuming investment speed remained unchanged, deal volume up until the end of the year would be slightly lower than the previous year.

Source: Dealroom.co (current as at: 2 October 2024), IMF and own calculations



# Another German start-up achieved unicorn status

## Number of unlisted start-ups with valuation in excess of USD 1 billion

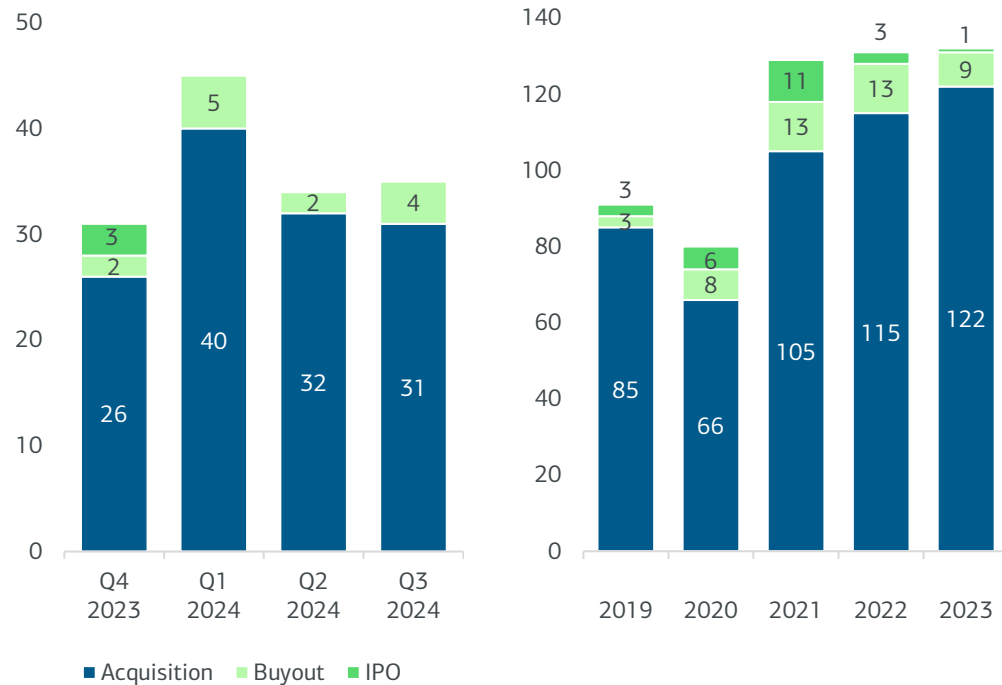


The Unicorn Tracker of CB Insights currently lists 31 active unicorns domiciled in Germany. The latest change was the addition of EGYM in the third quarter of 2024. The Munich-based provider of smart solutions for the fitness industry achieved unicorn status with a financing round in September 2024.

Source: CB Insights, [The Complete List Of Unicorn Companies](#), accessed on 4 October 2024, own research.

# Number of exits on a par with the previous quarter

## Number of exits of VC-funded start-ups from Germany



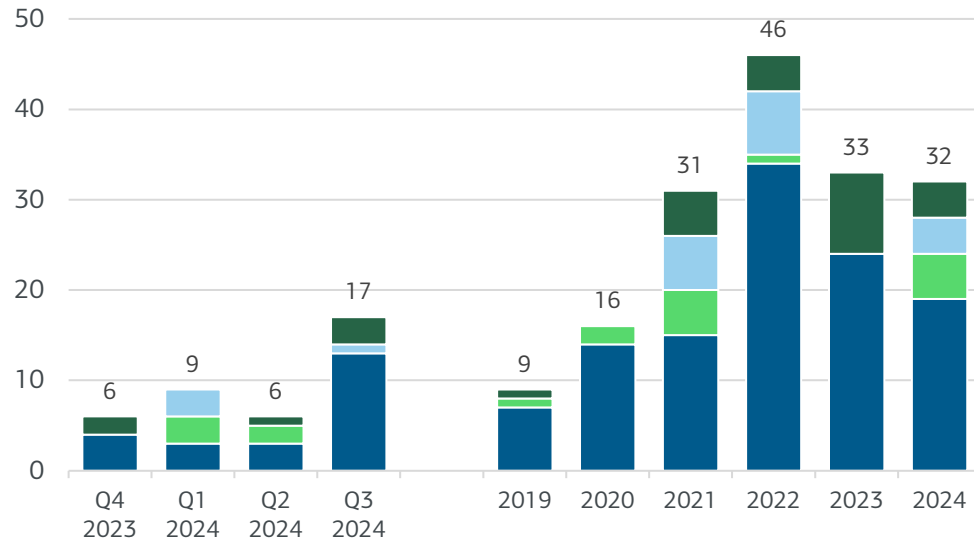
Successful exits from ownership stakes generate returns to VC funds and their limited partners. Such liquidity events occur when portfolio companies are taken over by other enterprises (acquisitions), from buyouts, for example by other private equity investors, or from initial public offerings (IPOs). Investors regard the latter as the most lucrative exit pathways.

As was already the case in the preceding quarters, Q3 2024 saw mainly acquisitions (31) and individual buyout transactions (4) generating returns to existing investors of German start-ups. That means no exit in the form of an initial public offering of a German start-up has yet been recorded this year either. However, as conditions for IPOs have become more favourable in the course of the year, individual IPOs may be upcoming. In the medium term, more movement in the exit market will become important to keep the funding cycle in the VC market going.

Source: Dealroom.co, KfW Research (current as at: 2 October 2024).

# Lively activity in venture debt finance in Q3 2024

## Number of deals



By deal size:

■ <100 EUR million 
 ■ 100–250 EUR million 
 ■ >= 250 EUR million 
 ■ unkown

According to the data provider Dealroom.co, German start-ups reported 17 debt finance transactions in Q3 2024. This shows that Q3 2024 was a strong quarter for the venture debt market, with more deals than in the entire first half of 2024. Thus, the past quarter is exemplary of the continuous development of the German venture debt market. With the 32 deals now already realised in the first three quarters, this year the German venture debt market will confirm and most likely even exceed its level of activity from the previous year.

Source: Dealroom.co, KfW Research (current as at: 2 October 2024).

# Appendix

# Appendix

## Deals

	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2019	2020	2021	2022	2023
<b>Market overall</b>									
Volume (EUR million)	1,484	1,887	1,668	2,510	7,891	5,789	19,110	10,917	7,149
Number of deals	226	405	200	280	1,097	1,163	1,616	1,536	1,148
Deal size* (Ø, EUR million)	10	12	14	16	13	9	20	11	10
<b>Stages (EUR million)</b>									
Seed	189	237	210	203	359	509	977	1,161	860
Start-up	641	933	691	1,021	2,786	2,086	6,512	4,119	3,003
Scale-up	654	718	767	1,282	4,743	3,184	11,605	5,546	3,285
unknown	-	-	-	5	3	10	15	92	-
<b>Mega-deals (count)</b>									
<100 EUR million	146	146	119	155	606	639	910	972	724
≥ 100 - 250 EUR million	3	5	3	4	7	7	30	20	13
≥ 250 EUR million	-	-	1	1	8	1	12	4	2
unknown	77	254	77	120	476	516	664	540	409
<b>Deal volume by investor location (EUR million)**</b>									
Germany	515	501	642	556	1,607	1,729	4,115	2,782	2,009
France	26	136	36	59	343	152	515	523	189
EU-27 rest	223	247	185	244	1,041	581	1,512	981	985
UK	131	142	198	148	698	670	1,541	771	725
USA	236	556	390	1,032	2,638	1,287	7,591	3,324	2,145
RoW	292	279	201	350	1,043	1,039	3,219	1,934	807
unknown	60	27	17	121	522	331	615	601	289

Source: Dealroom.co (current as 2 October 2024).

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

## Deals

Industries	Deal count				Share of deals (%)				
	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2019	2020	2021	2022	2023
Health	31	53	24	42	13 %	13 %	13 %	14 %	12 %
Fintech	28	41	22	25	12 %	12 %	14 %	11 %	11 %
Enterprise Software	22	46	21	19	10 %	10 %	9 %	8 %	9 %
Energy	24	39	18	35	6 %	5 %	7 %	8 %	11 %
Food	14	22	10	17	6 %	6 %	7 %	7 %	7 %
Transportation	9	20	13	14	7 %	7 %	6 %	7 %	5 %
Marketing	6	13	7	7	4 %	5 %	5 %	5 %	4 %
Media	3	11	6	9	3 %	4 %	3 %	4 %	2 %
Real Estate	13	19	6	11	5 %	4 %	4 %	4 %	4 %
Jobs Recruitment	3	5	1	5	2 %	2 %	2 %	3 %	1 %
Education	5	4	7	4	3 %	3 %	3 %	2 %	2 %
Robotics	6	7	3	7	2 %	3 %	2 %	2 %	2 %
Security	2	9	5	7	4 %	3 %	3 %	2 %	3 %
Fashion	1	2	5	5	2 %	1 %	1 %	2 %	2 %
Travel	5	4	3	7	3 %	2 %	1 %	2 %	2 %
Gaming	5	3	3	-	3 %	1 %	1 %	1 %	2 %
Other	49	107	46	66	15 %	18 %	18 %	20 %	22 %

Source: Dealroom.co (current as 2 October 2024).

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

## Deals (Artificial Intelligence)

	2023	2024	2024	2024	2019	2020	2021	2022	2023
Market overall	Q4	Q1	Q2	Q3					
Volume (EUR million)	480	209	605	924	847	671	2,675	1,611	1,540
Number of deals	49	75	41	43	192	180	286	221	208
Deal size* (Ø, EUR million)	12	5	23	31	7	6	16	11	10

Source: Dealroom.co (current as 2 October 2024).

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

## Benchmarks

	2023	2024	2024	2024	2019	2020	2021	2022	2023
USD million	Q4	Q1	Q2	Q3					
Germany	1,632	2,076	1,835	2,761	8,680	6,368	21,021	12,009	7,864
France	2,334	1,773	2,917	1,662	5,836	5,932	13,403	16,094	9,257
EU-27 rest	7,896	8,328	8,515	7,735	27,096	25,028	67,943	55,332	32,823
UK	4,881	3,850	5,653	3,065	17,485	17,453	38,200	30,284	18,659
USA	27,611	37,916	42,784	40,174	155,809	173,367	357,954	244,195	146,795
<b>as share of GDP (%)</b>									
Germany					0.22%	0.16%	0.49%	0.29%	0.18%
France					0.21%	0.22%	0.45%	0.58%	0.31%
EU-27 rest					0.17%	0.16%	0.39%	0.33%	0.18%
UK					0.61%	0.65%	1.22%	0.98%	0.56%
USA					0.72%	0.81%	1.52%	0.95%	0.54%

Source: Dealroom.co (current as at: 2 October 2024), IMF and own calculations.

## Unicorns

	2023	2024	2024	2024	2019	2020	2021	2022	2023
	Q4	Q1	Q2	Q3					
increase	-	-	-	1	5	1	18	5	3
decrease	-	1	-	-	1	1	5	1	1
total	31	-	-	31	12	12	25	29	31

Source: CB Insights (accessed on 4 October 2024)

Note: Unicorns are start-ups not publicly listed that are valued by investors at USD 1 billion or more. Start-ups are not counted as unicorns anymore when they are liquidated, lose their independence or go public. The date of the financing round through which the valuation of at least USD 1 billion came about (entry) or the exit was completed determines the date from which they are no longer included.



# Appendix

## Exits

	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2019	2020	2021	2022	2023
IPO	3	-	-	-	3	6	11	3	1
Buyout	2	5	2	4	3	8	13	13	9
Acquisition	26	40	32	31	85	66	105	115	122

Source: Dealroom.co (current as at: 2 October 2024).

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

	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2019	2020	2021	2022	2023
<b>Market overall</b>									
Volume (EUR million)	148	2,215	289	1,109	246	793	3,986	5,198	674
Number of deals	6	9	6	17	9	16	31	46	33
Deal size* (Median, EUR million)	39	100	18	18	11	30	67	15	24
<b>Mega-deals (count)</b>									
<100 EUR million	4	3	3	13	7	14	15	34	24
≥ 100 - 250 EUR million	-	3	2	-	1	2	5	1	-
≥ 250 EUR million	-	3	-	1	-	-	6	7	-
unknown	2	-	1	3	1	-	5	4	9

Source: Dealroom.co (current as 2 October 2024).

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 collateralised by assets (SME loans, real estate, etc.).

\* Only deals that specify deal volume.

**Published by:**

KfW Group

Economics Division

Palmengartenstrasse 5-9

60325 Frankfurt am Main, Germany

Phone +49 69 7431-0, Fax +49 69 7431-2944

[www.kfw.de](http://www.kfw.de)

**Authors**

Dr Steffen Viete

Telephone +49 69 7431-68019

Dr Georg Metzger

Telephone +49 69 7431-9717

**Disclaimer**

This paper contains the opinion of the authors and does not necessarily represent the position of KfW.

All Research contributions are made available to the public exclusively for the purpose of information and merely reflect the assessment of KfW at the time of their publication. All underlying figures were carefully researched and conscientiously compiled. However, KfW cannot accept any liability for the accuracy and completeness of the information unless an inaccuracy or incompleteness is the result of intent or gross negligence on the part of KfW. In all other respects, we refer to our general disclaimer.

This publication is based on data from Dealroom.co. All use and interpretation of this data and conclusions are of KfW's authorship, for which it is solely responsible.