Q2 2026 Global Venture Capital: Mega-round Companies Fuel Growth Cycle in Investment and Exit Markets

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In Association with Deutsche Bank and Noerr

Executive summary

$213bn

Investment Volume

Global venture capital investment continues at an exceptionally high level in the second quarter of 2026 reaching to $212.9bn. This makes Q2 the second-highest quarter ever recorded, despite declining by 26% compared to the record-breaking first quarter of 2026.

2,566

Exit Market

The record-breaking SpaceX IPO fuelled the exit market in terms of volume, while overall activity remained subdued during Q2 2026. Total exits declined with 2,447 M&A transactions and 119 public offerings recorded globally.

81%

Investment Trends

In Q2 2026, mega-round of $100m or more accounted for 81% of all funding, with AI continuously being the main driver. In the same time number of deals declined continuing concentration the concentration of funding.

$21.8bn

EU / Germany

Total funding in Europe increased from $21.8bn in Q1 to $27.1bn in Q2, representing the strongest quarterly performance since 2022. Germany also recorded an exceptionally strong quarter with approximately $4.6bn, more than twice the level recorded in the previous quarter.

1. Investment Activity: Global venture funding remains exceptionally strong despite continued market concentration

Global venture capital investment remained at an exceptionally level in the second quarter of 2026, close to all-time high. Total funding reached $212.9bn, making Q2 the second-highest quarter ever recorded, despite declining by 26% compared to the record-breaking first quarter of 2026. With Q1 driven by OpenAI's record $120bn funding round, Q2 marks the second consecutive quarter in which global venture funding exceeded $200bn, underlining that venture investment has entered a new phase of significantly higher capital deployment compared to previous years.

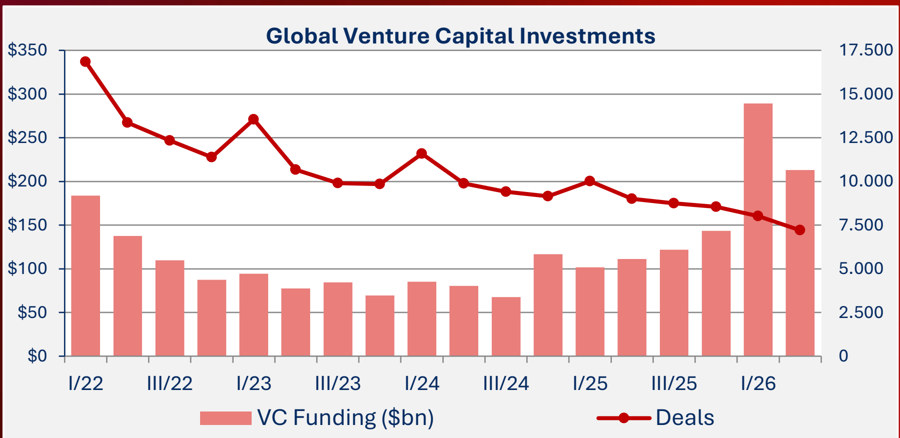


***Chart 1**: Global VC Investments in Terms of Volume and Deal Count, Source: CBInsights*

The headline investment volumes continue to mask a much more selective market environment. While funding remains near all-time high, global deal activity continues to decline for yet another quarter. The number of completed venture capital transactions fell to 7,086 deals, representing an 11% decline quarter-on-quarter and the lowest quarterly deal count in more than a decade. This widening gap between investment volume and transaction activity illustrates the continued concentration of venture capital in a limited number of mega-rounds rather than a broad-based market uplift.

In the second quarter, the top 10 global investment rounds amounting to $102.6bn accounted for nearly half of the total investment volume (see Annex 1). The concentration of capital is further reflected in the evolution of mega-round financing. In Q2 2026, 263 financing rounds of $100m or more were completed, matching the previous quarter in absolute numbers. These transactions accounted for approximately $172.8bn, equivalent to 81% of all venture funding worldwide. Although slightly below the record level of Q1, this remains one of the highest concentrations of capital ever observed in the venture capital market. At the same time, median deal size increased to $4.2m, up 5% compared to the previous quarter, indicating that investors continue to concentrate larger amounts of capital on a shrinking number of companies. Overall, market activity therefore remains characterised by a dual development: exceptionally high aggregate funding on the one hand, but declining breadth of investment activity on the other.

2. Investment Themes: AI continues to dominate while investment broadens across emerging technologies

Artificial intelligence remains the dominant investment theme in global venture capital. According to CB Insights data, AI companies attracted approximately $150bn in venture funding during Q2 2026, accounting for around 70% of total global venture investment. Although this represents a decline from the extraordinary level reached in Q1, when AI accounted for more than 80% of global funding, artificial intelligence continues to absorb the overwhelming majority of newly deployed venture capital.

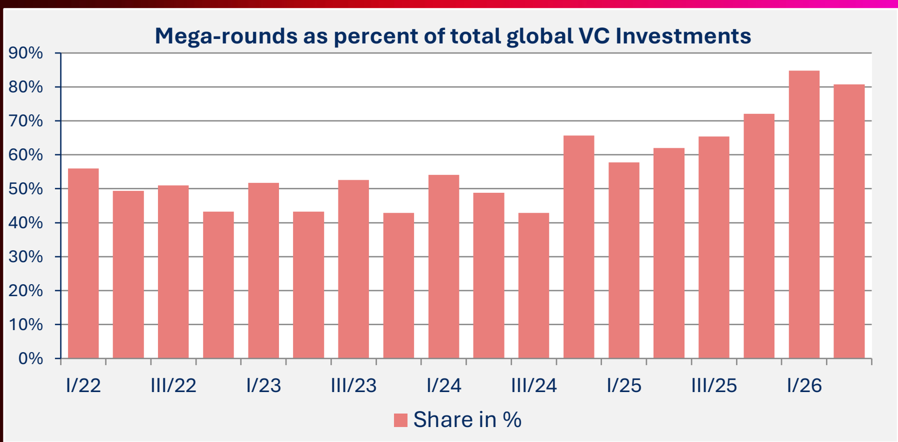


***Chart 2**: Mega-rounds as percentage of total funding, Source: CBInsights*

Similiar to previous quarter, which was dominated by OpenAI's historic financing round, Q2 was largely driven by Anthropic, whose financing rounds totalled $65bn during the quarter. According to CB Insights, Anthropic alone accounted for more than one-third of all mega-round funding worldwide, illustrating the extraordinary degree to which overall market statistics are currently shaped by a very small number of companies.

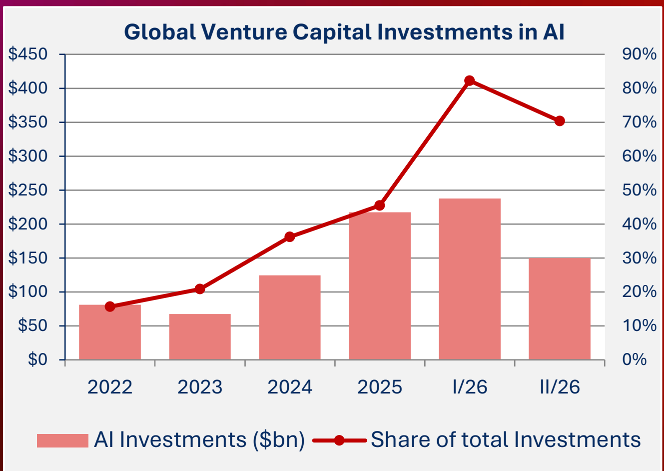


***Chart 3:** Global VC investments in AI, Source: CBInsights*

Beyond foundation model developers, venture investment increasingly extends across the broader AI ecosystem. Q2 saw particularly strong activity in AI agents, robotics, cloud GPU infrastructure, industrial automation and life-science AI applications. Interestingly, the highest deal activity was no longer recorded among large language model developers, but among industrial humanoid robotics, which led all AI segments with 20 transactions, followed by robot foundation models (15 deals) and both coding AI agents and legal AI agents with 13 transactions each.

These developments suggest that next venture capital wave will be moving from general-purpose foundation models towards commercial applications "Physical AI", combining advanced AI models with robotics and autonomous systems. While funding remains concentrated in a handful of late-stage and pre IPO AI developers, deal activity increasingly reflects a broader diversification across technologies enabling industrial automation, manufacturing, mobility and defence applications.

This broader investment landscape is also reflected in the largest financing rounds of the quarter. Alongside Anthropic, major investments included Project Prometheus ($12bn), DeepSeek ($7.5bn), Anduril ($5bn) and DayOne ($4.5bn), demonstrating that investors continue to deploy substantial capital not only into generative AI but also into defence technology, advanced infrastructure and strategic computing capabilities.

Overall, artificial intelligence remains the defining growth driver of global venture capital. At the same time, the continued concentration of funding among a very limited number of companies underlines that access to large-scale growth capital remains highly selective and increasingly focused on perceived global technology leaders.

3. Investor Trends: Venture capital becomes increasingly concentrated among investors

The concentration observed in global funding volumes is also reflected in the investor landscape. As financing rounds continue to grow in size while overall deal activity declines, an increasingly smaller group of established venture capital firms is responsible for a significant share of global investment activity. Access to the largest financing rounds remains largely confined to investors with substantial capital resources, deep sector expertise and global networks.

Globally, Andreessen Horowitz remained the most active venture capital investor worldwide during Q2 2026 with 47 completed transactions, followed closely by General Catalyst with 46 deals. Lightspeed strengthened its position with 39 investments followed by Hillhouse Investment and Accel entered the global top five with 35 and 34 transactions, respectively. The composition of the ranking illustrates that both established Silicon Valley firms and large international investors continue to dominate venture activity in the sectors attracting the highest levels of capital, particularly artificial intelligence and deep technology.

Although overall investment volumes remain exceptionally high, the continued decline in global deal count suggests that investors are becoming increasingly selective. Capital is concentrated on companies with proven technological leadership, strong commercial traction and the ability to become global market leaders. For earlier-stage companies and startups outside the most attractive technology sectors, fundraising conditions therefore remain considerably more challenging than aggregate investment volumes might suggest.

➔ ***to be continued on page 5***

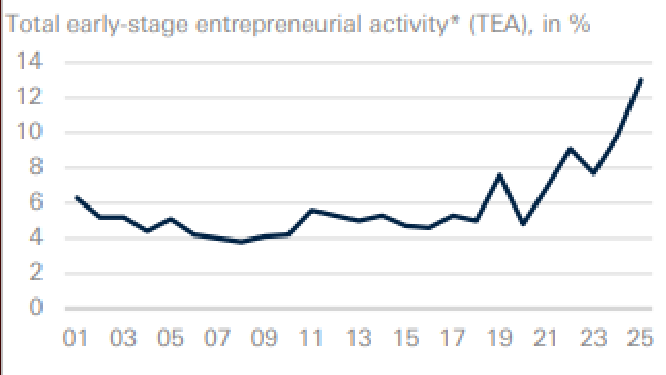
Expertise from Deutsche Bank Research

Germany's new Founder Boom

- After years of stagnation, one part of Germany's economy is showing remarkable momentum: entrepreneurship. The number of new businesses and startups is rising at a pace not seen for a long time.
- A record-high 3,053 startups were founded in Germany in the first half of 2026, 88% more than in the same period last year. The broader business creation rate reached 13% in 2025, continuing a five-year upward trend in early-stage entrepreneurial activity.
- Venture capital funding is recovering and the government is working on a more supportive policy framework, including the soon-to-be published new startup strategy. This could provide fertile ground for the numerous newly founded firms to grow.

After years of stagnation, elevated insolvencies and a weakening labour market, one part of Germany's economy is showing remarkable momentum: entrepreneurship. The number of new businesses and startups is rising at a pace not seen for a long time. Based on survey data, the total business creation rate reached 13% in 2025, continuing a five-year upward trend in early-stage entrepreneurial activity (see Figure 1). However, a growing share of new businesses is being launched on a part-time basis. Last year, 70% of new enterprises were started alongside existing employment.

Figure 1: Overall business creation in Germany is picking up significantly

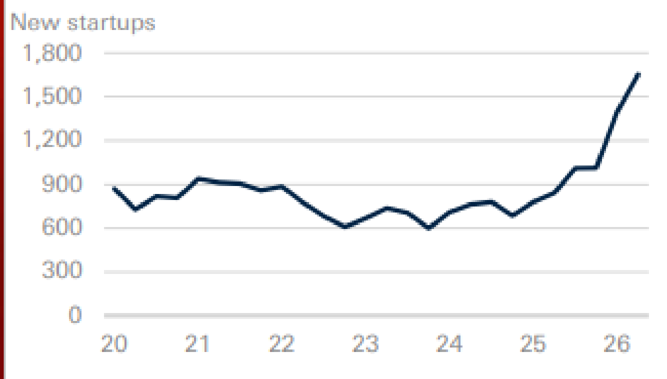


* Measures the proportion of 18-64-year-olds who have started a business in the last 3.5 years
Source: Global Entrepreneurship Monitor, Deutsche Bank Research

Looking only at startups, i.e. the small subset of new ventures built around innovative business models and high growth potential, the picture is even more striking. A record-high 3,053 startups were founded in Germany in the first half of 2026, 88% more than in the same period last year (see Figure 2, and for a detailed analysis of the German startup ecosystem, see here). Software is the dominant sector, accounting for 28% of all newly founded startups, followed by healthcare (9%) and food (6%).

Artificial intelligence appears to be a key driver of this development. One in three new startups now has an AI focus, up from roughly one-quarter in 2025. Moreover, AI could also enable founders to implement their ventures faster and more easily, possibly lowering initial costs. At the same time, a weaker labour market may encourage entrepreneurship, too. 62% of (future) German founders cite a lack of attractive job opportunities as a motivation for starting a business, according to the latest Global Entrepreneurship Monitor (GEM). This is up from 53% last year and only 41% in 2021.

Figure 2: Startup creation is surging as well



Source : startupdetector, Deutsche Bank Research

It is not all rosy, though. Corporate insolvencies have been on the rise since 2021 and were 7% higher in April 2026 than a year earlier. Startup failures have also increased in recent years. The overall number of self-employed persons has been shrinking for a prolonged time, from 4.5 m to 3.7 m between 2011 and 2025, while the number of employees grew substantially. This points to structural factors favouring paid employment over self-employment – a path that many, but not all, newly founded companies are likely to follow.

Nonetheless, taken together, the data suggests that Germany is currently experiencing a surge in new business formation, both technology- and labourmarket-driven. The shift may also reflect the economy's ongoing structural change, with new firms emerging as some traditional business models come under pressure. It will be crucial whether this translates into long-term economic gains.

A recovering funding environment for startups could provide some tailwinds. Venture capital investment reached EUR 5.8bn in the first half of 2026 (+44% yoy). This was driven by large scaleup funding rounds, including for example $1.4bn for Neura Robotics, EUR 0.5bn for drone manufacturer Stark, and EUR 0.3bn for Isar Aerospace. The second half of the year kicked off strongly as defence startups Helsing and Quantum Systems raised $1.8bn and $1.2bn, respectively, in July. The exit market is gaining momentum, too. Realised exit volumes, at EUR 7.3bn, have already surpassed the EUR 4.8bn achieved in all of 2025.

The government is also working to create a more favourable environment with an updated startup and scaleup strategy, which is expected to be published soon. It will probably include measures to accelerate startup formation, improve employee equity participation schemes, and speed up approval procedures for the spin-off support programme "Exit". Moreover, the volume of the WIN initiative, which mobilises VC investments from institutional investors, will be doubled to EUR 25bn. The initiative has made a solid start, raising EUR 2.6bn in its first 15 months.

In sum, an improving funding environment and more supportive policy framework could provide fertile ground for the numerous newly founded firms to grow. If only a fraction of them can scale successfully, this might become an important source of innovation, productivity growth, and ultimately employment.

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Source: Read the full Article here

Corporate venture capital continues to play an important role in supporting large financing rounds, particularly in AI infrastructure, semiconductors, advanced manufacturing and defence technologies. The strategic importance of these technologies increasingly attracts investors seeking long-term technological positioning in addition to purely financial returns.

4. Valuations and Unicorns: High-value companies continue to emerge despite a more selective funding environment

The number of newly created unicorns continued to increase during Q2 2026, indicating that strong investor appetite remains concentrated among the world's most promising technology companies and scale-ups. 57 new unicorns emerged during the quarter, compared with 52 in Q1 2026, representing the highest quarterly number in the current market cycle.

The largest newly created unicorns once again originated primarily from AI-related sectors. China's DeepSeek became the highest-valued new unicorn with a valuation of approximately $59.2bn, followed by Project Prometheus at $41bn. Other notable additions included VoltaGrid (USA), NEURA Robotics (Germany), and Hark (USA), highlighting that investor interest increasingly extends beyond foundation models into energy infrastructure, industrial automation and advanced robotics.

The emergence of NEURA Robotics is particularly noteworthy from a European perspective. Following its $1.4bn financing round, the German robotics company achieved a valuation of approximately $7bn, underlining Europe's growing ability to build globally competitive companies in industrial AI and robotics leveraging engineering capabilities. Together with other large European financing rounds, this demonstrates that Europe continues to generate globally relevant technology leaders, even if the region still captures only a comparatively small share of worldwide venture capital.

5. Exits: Landmark IPOs contrast with weakness in overall activity

Exit market presents a mixed picture. On the one side SpaceX completed the largest IPO in history at a valuation of approximately $1.78 trillion, providing a significant signal for global technology capital markets. Additional high-profile exits included the IPOs of Cerebras ($40.6bn, USA) and Arxis ($11.5bn, USA), as well as Qualtrics' acquisition of Press Ganey ($6.8bn, USA) and Gilead Sciences' acquisition of Tubulis ($5.0bn, Germany). Further high volume and high-profile IPOs are expected with OpenAI and Anthropic.

On the other side, overall exit activity remained subdued during Q2 2026, confirming that liquidity conditions have yet to recover despite exceptionally strong venture funding. Total number of exits declined for the second consecutive quarter, with 2,447 M&A transactions recorded globally, representing a 10% quarter-on-quarter decrease. IPO activity also softened modestly, falling to 119 public offerings, down 6% compared with the previous quarter. Overall exit activity amounted to 2,566 transactions, approximately 10% below Q1 2026.

Artificial intelligence also continued to dominate exit activity. AI-related companies accounted for 447 exits, making AI the most active technology sector for M&A and IPO transactions during the quarter.

Overall, the exit environment remains highly selective. While a limited number of globally leading companies can access public capital markets or achieve large strategic acquisitions, exit opportunities for the broader venture capital market remain comparatively limited. This continuing imbalance between record funding and subdued liquidity remains one of the defining characteristics of the current venture capital cycle and will continue to shape investor behavior in the coming quarters.

6. Regional Dynamics: US dominance continues as Europe and Asia record a strong quarter

Regional investment patterns in Q2 2026 continue to highlight concentration of global venture capital. The US remained by far the largest venture capital market, attracting $142.8bn, equivalent to around two third of global venture funding. Although this represents a decline compared to the outlier first quarter of 2026, the country continues to dominate global capital allocation, particularly in large-scale artificial intelligence financings.

Asia recorded a notable recovery during the quarter. Venture funding increased to approximately $35.0bn, almost doubling its share of global investment compared to the previous quarter. The growth in Asia was fueled mainly by large AI financing rounds, including China's DeepSeek ($7.5bn) and Moonshot AI ($2.0bn), underlining the region's continued importance in the global AI race. Fueled by these deals, Asia surpassed Europe in Q2 in terms of funding volume.

In Europe, total venture funding increased from $21.8bn in Q1 to $27.1bn in Q2, representing the strongest quarterly performance since 2022, which is assessed in greater detail in next chapter.

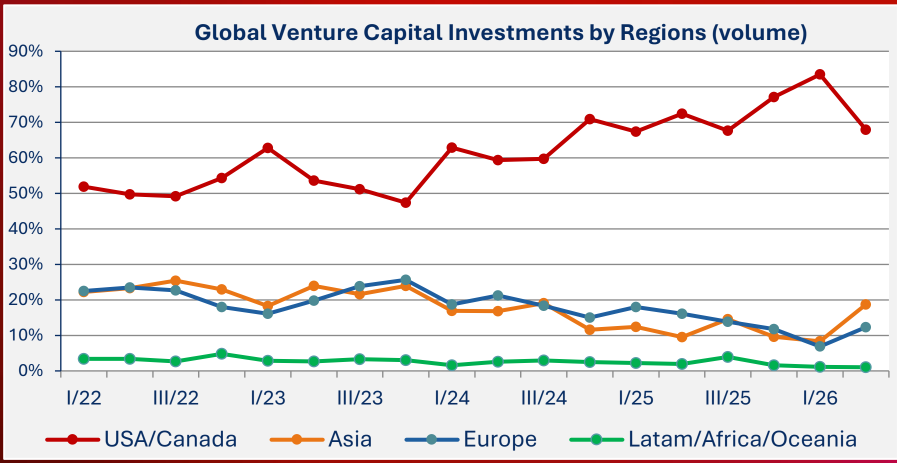

Chart 5: *Regional split VC investment volume, Source: CB Insights*

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Expertise from Noerr

Germany's New Startup and Scaleup Strategy: A Legal Framework for Growth

The Federal Government's Startup and Scaleup Strategy, adopted on 22 July 2026, goes beyond a catalogue of support programmes. Around 150 measures in eight fields cover financing; education, spin-outs and transfer; security and defence; bureaucracy; procurement and competition; talent; cooperation; and internationalisation. Compared with the 2022 strategy, the focus has shifted towards the growth and scaling phase. Germany's central challenge is no longer merely to produce new companies, but to enable promising businesses to finance industrialisation, to scale and expand internationally, while remaining anchored in Germany.

1. Looking back: What the 2022 strategy delivered — and what it did not

The new strategy does not start from scratch. By the second progress report of September 2024, the government assessed more than 80 per cent of the roughly 130 measures of the 2022 strategy as implemented. The most prominent result in legal terms is the Future Financing Act (Zukunftsfinanzierungsgesetz) of December 2023, which raised the tax-free allowance for employee shareholdings from EUR 1,440 to EUR 2,000 and extended deferred taxation under sec. 19a EStG to mitigate the dry-income problem. The Zukunftsfonds was built out with new modules such as the EUR 1 billion Wachstumsfonds Deutschland, the "WIN" initiative set a target of around EUR 12 billion of investment by 2030, and the reformed Skilled Immigration Act also dates from this period. Much of the unfinished part of the 2022 agenda returns in 2026: fully digital, once-only company formation, a statutory sandbox framework and IPO and secondary-market reforms were announced but not completed, and the EUR 100,000 procurement threshold entered into force only on 1 July 2026.

2. Looking forward: The 2026 agenda

The starting point is well-known: Germany has a well-developed early-stage ecosystem, but its capital market is not deep enough for large later-stage rounds. The strategy records about EUR 7.2 billion of venture investment in 2025, or just under EUR 90 per inhabitant, still below the United States and the United Kingdom. Large rounds are often led by foreign investors, IPOs remain rare and 92 per cent of startup exits are trade sales. Institutional investors are underrepresented as limited partners in venture and growth funds. Founders face fragmented administration, limited access to public customers, inconsistent technology-transfer practices and tax and regulatory rules that often do not fit high-growth companies. Regulation and funding must develop together: Europe's digital rulebook raises the fixed cost of founding and scaling, and without a capital stack able to absorb that cost it becomes an entry barrier.

The 2026 strategy is designed as a cross-departmental political work programme rather than a comprehensive reform act or a German "startup code". It is a mix of different elements: Some measures are already in force, some are financing instruments, and many are commitments to examine options, introduce legislation or seek change at EU level. Implementation is planned during the current legislative term, which runs until 2029, but is expressly subject to budgetary resources, staffing and EU State-aid law. The strategy's legal significance will depend less on the number of measures, and more on the speed and sequencing of their implementation. Annual progress reports are promised, as under the 2022 strategy.

3. Financing and capital mobilisation

The financing chapter contains the most significant proposals. Under the Deutschlandfonds umbrella, the government intends to continue the Zukunftsfonds beyond 2030, expand KfW-backed growth financing and use Scale-up Direct for public-private co-investments. Scale-up Direct co-invests alongside KfW Capital's portfolio fund managers, with tickets of up to EUR 50 million per company, making around EUR 1 billion available through 2030. Further instruments target first-of-a-kind industrial facilities, venture debt, deep tech, biotech and defence tech. The wider Deutschlandfonds is backed by about EUR 30 billion of public funds and guarantees and aims to mobilise about EUR 130 billion across several sectors, although these headline figures are not startup-only capital.

Beyond numbers, the mobilisation of private and institutional money is an important structural feature. The government wants to continue the "WIN" initiative and more than double private commitments to the VC and startup ecosystem to EUR 25 billion. It also refers to venture capital in tax-privileged private pensions, possible foundation investment, a successor to the Wachstumsfonds Deutschland and lower capital charges for qualifying long-term equity under the revised Solvency II rules, which apply from 30 January 2027. These measures acknowledge that public money alone cannot close the scaleup gap. Pension providers, insurers, foundations and other private capital allocators will invest only where fund structures, risk-return profiles, governance, valuation and liquidity are convincing.

4. Tax and capital markets

In the fields of tax and capital markets, the agenda addresses the investment cycle from reinvestment to exit.

The measures already adopted were delivered by the Location Promotion Act (Standortfördergesetz, StoFöG), in force since February 2026. They include:

- Roll-over relief (§ 6b para 10 EStG): The ceiling for tax-deferred reinvestment of gains from business-held shareholdings rises from EUR 500,000 to EUR 2 million, for gains arising in fiscal years beginning after 10 February 2026.
- One-cent shares (§ 8 para 7 AktG): Stock corporations may issue shares with a nominal or notional value below one euro, down to one eurocent, on the basis of a corresponding provision in the articles of association.
- English prospectuses (§ 21 paras 1 and 2 WpPG): Summaries of prospectuses and Annex IX documents may be drawn up in English.

The strategy also considers a shorter minimum holding period under § 6b EStG, modernised taxation of private-equity funds, improved preservation of tax losses after ownership changes and an "IPO ramp-on" with temporary relief for newly listed companies. The private-equity-fund item is only a review mandate, but a significant one: The tax treatment of asset-managing private-equity and venture-capital partnerships in Germany still rests partly on administrative practice rather than statute, and codified certainty would strengthen Germany as a fund domicile against competing European locations — a precondition for the institutional capital the strategy seeks to mobilise.

5. Bureaucracy: Faster founding

The bureaucracy chapter targets another structural weakness of the German ecosystem: Delay and bureaucratic burdens in the process of setting up a company in Germany. "Schneller Gründen" is intended to combine commercial-register, tax, social-security and trade-registration data in one digital process and apply the "once-only" principle. A draft Gründungsbeschleunigungsgesetz, or Founding Acceleration Act, is announced for the end of 2026, giving the 2022 digital-founding objective a statutory deadline. The government also supports the "EU Inc." proposal tabled by the Commission in March 2026 and plans to expand online notarisations, potentially including GmbH share transfers. This part of the agenda targets frictions, and, in no small measure, frustrations arising from GmbH venture practice: Notarised transfers, slow and staggered implementation of capital measures, complex employee participation structures. The effect would be procedural rather than substantive, since share classes and investor rights remain governed by existing German company law and established market practices, unless EU Inc. delivers a coherent framework built for venture practice.

6. IP transfer, sandboxes and talent

For research-based startups, the planned national IP strategy is particularly relevant. An IP toolbox combining and developing existing model agreements, checklists and guidance, together with an IP deal database, could reduce delays and conflicts in deep-tech transactions and promote more consistent IP transfer practices in the realm of universities and research institutions. This falls short of binding standardised spin-out agreements, but could still reduce transaction costs if widely adopted. Regulatory sandboxes and experimentation clauses may create controlled routes to market in regulated fields; the Bundestag adopted the Bundeserprobungsgesetz on 25 June 2026, although the legislative process is not yet complete. Employment and immigration measures address remote work, status determination and employee equity. Further changes to wage taxation, including possible deferral of social-security contributions, could make equity participation a more effective recruitment instrument. Visa and permit procedures remained an important practical bottleneck under the 2022 strategy, so faster administrative execution will matter as much as any statutory change when it comes to improving Germany's chances of attracting more international founders and talent for domestic tech businesses.

7. Public procurement and defence

In sectors prioritised by the national and European sovereignty agenda, namely defence and security, the state is often a major or lead customer. However, the chapter on procurement and competition of the 2026 agenda notes that in 2025 only 7% of German startups reported public-sector customers. Changes to public procurement therefore offer the clearest near-term market-access reform for start-ups active in these fields. Since 1 July 2026, a special EUR 100,000 direct-award threshold applies at the federal level to innovative procurement from startups in their first four years; a negotiated procedure with a single startup is also possible during its first eight years up to the applicable EU thresholds for supplies and services. The reforms can lower entry barriers, but the economic effect depends on contracting authorities using their discretion and accepting innovative solutions. In defence, dedicated financing is combined with faster procurement and export-control procedures, making the state investor, facilitator and customer.

8. Outlook

The overall approach of the government's new strategy to formulate a comprehensive agenda to improve the financing and regulatory framework for start-ups and scale-ups in Germany must be welcomed. Much of its success (or failure) will depend on the implementation, including a change of mindset of relevant stakeholders like institutional investors and public agencies. In the short term, the strategy can improve access to public contracts, enlarge existing co-investment capacities, simplify selected tax regimes and strengthen confidence among deep-tech and defence founders in the strength of the German ecosystem. Potential medium-term goals include deepening Germany's limited-partner base, strengthening support for larger domestically led rounds, speeding up spin-outs, improving employee participation schemes and helping to retain headquarters, IP and production capacities in the country. The breadth of the programme is also its main risk: Many measures remain reviews or statements of intent, some depend on the Federal States or EU legislation. This may make specific improvements through the legislative process hard to achieve if stakeholders pursue other, perhaps conflicting priorities, or shift their focus elsewhere. Annual reporting is useful, but measurable deadlines and rapidly achieving legal certainty will be decisive.

Throughout 2026, Noerr will present insights into the German and European VC landscape from a legal and regulatory perspective.

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7. Insights into Europe and a closer look at Germany: Continuous growth in a less concentrated market

The increasing venture funding to $27.1bn in Q2 is following a longer term trend of growing venture capital and growth capital in Europe, while it is (still) significantly punching below its weight. In Q2 Europe investment activities account for only 13% of global volume, which is significantly below its economic share.

The European investment landscape is less concentrated in terms of themes and size. From an investment themes perspective, the AI concentration is less dominant with Defense/ Security and DeepTech among key investment areas next to AI. In terms of size, top 10 European investments in Q2 accounted for 38% of the total investment volume, amounting to $10.4 billion (see Annex 2), versus 64% in the US and 47% in Asia.

The United Kingdom further strengthened its position as Europe's largest venture capital market, attracting $10.9bn, almost doubling its Q1 investment volume. Germany also recorded an exceptionally strong quarter with $4.6bn in venture funding, more than twice the level recorded in the previous quarter and the country's strongest quarterly result in several years. By contrast, funding in France declined to around $1.9bn, following an exceptionally strong first quarter. This indicates an overall upward trend across Europe, with Germany emerging as a key driver of this growth.

Several of Europe's largest financing rounds further illustrate the increasing maturity of the region's innovation and scale-up ecosystem. The United Kingdom produced the quarter's largest European transaction with Isomorphic Laboratories ($2.1bn), while Germany contributed two of Europe's largest financings through NEURA Robotics ($1.4bn) and n8n ($750m). In addition, the announcement of Helsing's $1.8bn Series E shortly after the quarter demonstrates Europe's growing capacity to finance globally competitive companies in strategically important sectors such as defence technology and artificial intelligence.

8. Outlook for the remainder of 2026

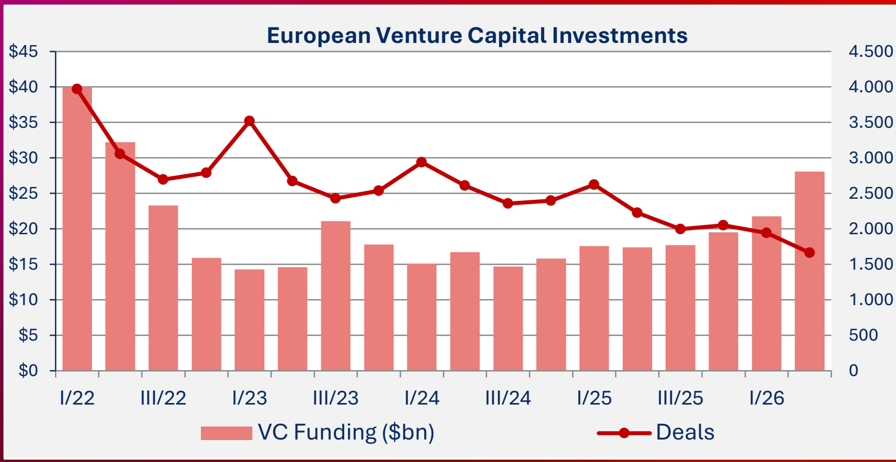

Chart 6: *European Venture Capital Investments, Source: CBInsights*

The structural challenges identified in previous reports remain with progress on Europe and Germany level. The announcement of Scale-up Europe Fund with a target volume between EUR 5-7bn is a visible example, which will add further fuel to close the scale-up gap, the so-wcalled "Valley of Death" in Europe next to other initiatives like German WIN initiative and European Tech Champions Initiative (ETCI) . Europe continues to generate world-class technology companies and increasingly succeeds in attracting billion-dollar in scale-up financing rounds. However, the availability of large-scale growth capital remains limited and concentrated in relatively few transactions. Europe continues to punch below its weight in global venture capital despite its strong scientific base and industrial capabilities reaching just 13% of global funding, while holding 24% in global GDP share.

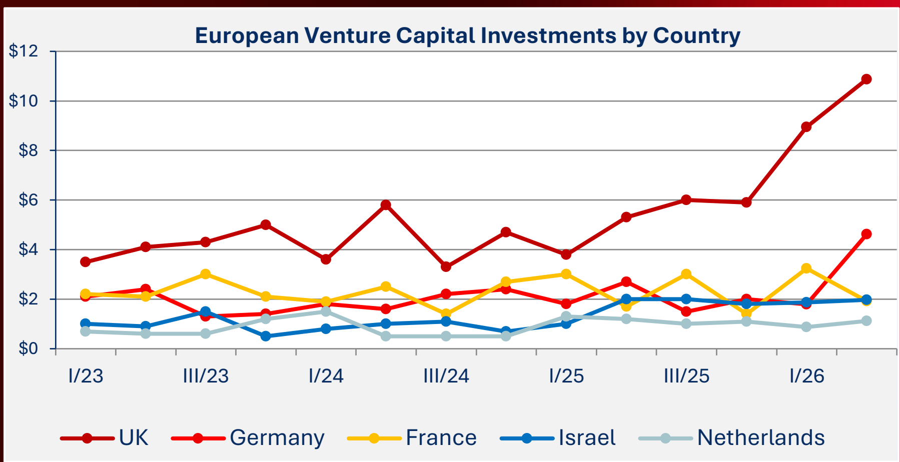

Chart 7: *European Venture Capital Investments by country, Source: CBInsights*

The second quarter of 2026 confirms that the global venture capital market remains on a strong growth trajectory. With more than $500bn invested during the first half of the year, the market is on track with our prediction made at the beginning of the year. While we expect market activity to remain strong, we anticipate that investment volume in H2 2026 will be below the level seen in H1 2026.

In Europe, the recent increase in investment activity to $27.1bn in Q2, combined with the political push e.g. in scale-up phase, is an encouraging signal. We expect this positive trend to continue, with Europe's share of global venture capital increasing from its current level of 13%. We believe European venture capital investment has the potential to exceed $100bn this year. Germany is expected to make a particularly strong contribution, with several large scale-up financings already announced or expected to close during the second half of the year.

Sources

- CB Insights "State of Venture Q2 2026" Report
- CB Insights Database
- Deutsche Bank Research

Appendix

***Annex 1**: List of largest rounds in Q2 2026, Source: CBInsights*

Company	Round amount in USD	Region	Industry
Anthropic	50	US	Internet Software & Services
Project Prometheus	12	US	Internet Software & Services
Anthropic	10	US	Internet Software & Services
DeepSeek	7.5	China	Internet Software & Services
Anthropic	5	US	Internet Software & Services
Anduril	5	US	Aerospace & Defense
DayOne	4.5	Singapore	Internet Software & Services
OpenAI	4	US	Internet Software & Services
Isomorphic Laboratories	2.1	UK	Internet Software & Services
Moonshot AI	2	China	Internet Software & Services

***Annex 2**: List of largest rounds in Europe in Q2 2026, Source: CBInsights*

Company	Round amount in USD	Region	Industry
Isomorphic Laboratories	2.1	UK	Internet Software & Services
Stegra	1.6	Sweden	Steel
NEURA Robotics	1.4	Germany	Machinery & Equipment
Ineffable Intelligence	1.1	UK	Internet Software & Services
Kpler	1	Belgium	Internet Software & Services
n8n	0.75	Germany	Internet Software & Services
Ebury	0.68	UK	Internet Software & Services
Recursive Superintelligence	0.65	UK	Internet Software & Services
Stark	0.57	Germany	Aerospace & Defense
OnlyFans	0.54	UK	Mobile Software & Services

Bundesverband Beteiligungskapital –
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