

Public Equity Financing in Germany

Certain business situations call for, or even require, an injection of equity capital instead of debt capital. Equity is the owner’s capital and therefore represents capital at risk. A solid equity capital foundation increases the company’s flexibility in executing its objectives and opens up access to other sources of financing on better terms.

Start-ups and technology companies are often financed with a high proportion of equity capital. However, equity capital also represents an efficient method of financing for all industry sectors. Depending on a company’s development stage and industry sector, different amounts of equity capital will be needed. In Germany, equity from public sources is available from a number of different channels.

National Level Activity

The KfW Group supports Germany’s venture capital market through KfW Capital and other promotional financing activities. On behalf of the German Federal Government, KfW Capital invests in German and European venture capital funds that finance high-growth companies in Germany. As of 2025, KfW Capital was invested in 153 venture capital funds, supporting approximately 2,900 start-ups and innovative technology companies. KfW Capital can invest up to EUR 50 million per fund. Through these investments, public equity capital is provided indirectly via a broad network of venture capital funds and investment vehicles, including HTGF, coparion, and the DeepTech & Climate Fund (DTCF).

Germany’s Public Venture Capital Platform: HTGF and DTCF

The High-Tech Gründerfonds (HTGF) is one of Germany’s leading seed investor funds for technology-driven start-ups. Since its launch in 2005, HTGF has financed more than 770 innovative companies. HTGF typically provides an initial seed investment of up to EUR 1 million and can invest up to EUR 4 million per company through follow-on financing rounds. Beyond capital, start-ups benefit from extensive sector expertise, hands-on support, and access to a broad network of corporate partners, venture capital investors, and technology experts. Since 2026, HTGF has expanded its role within Germany’s public venture capital landscape through the integration of the DeepTech & Climate Fund (DTCF) into a joint public-private investment platform. The combined platform is designed to provide innovative technology companies with a more continuous financing pathway from seed funding to scale-up growth.

coparion GmbH & Co. KG

Coparion GmbH & Co. KG offers young companies in the start-up and early growth phases direct access to funds of up to EUR 15 million in several rounds. The fund invests in technology companies across a broad range of sectors and is not limited to any specific industry. Coparion invests in companies headquartered in Germany together with private investors subject to the same conditions and amounts. With a fund volume of total EUR 275 million, coparion has the flexibility required to invest in promising businesses.

DeepTech & Climate Fund (DTCF)

Established in 2023, the EUR 1 billion DeepTech & Climate Fund (DTCF) supports deep-tech and climate-tech companies with high capital requirements and validated business models. The DTCF acts as a co-investor alongside private investors with investment focus on computing, climate, industry and life sciences. The initial investment totals EUR 1 million with a maximum investment level of EUR 50 million per enterprise together with private co-investors.

SPRIND

SPRIND GmbH (Federal Agency for Disruptive Innovation) is driving groundbreaking innovations on behalf of the federal government. Its mission is to support high-potential innovators from universities, research institutions, and industry through funding and expertise.

Public Private Equity Capital Provider Conditions

	coparion GmbH & Co. KG	High-Tech Gründerfonds (HTGF)
Foundation	2016	2005
Available investment volume per start-up	max. EUR 15 million	max. EUR 4 million
Investment amount	EUR 0.5-8 million	EUR 1 million in the seed phase
Focus	Start-up and early growth phase	Seed financing
Type of investment	Co-investment (pari passu)	Autonomous investment

Federal State Level Activity

Public Venture Capital Companies

Venture capital (VC) companies in the federal states offer equity financing to young and innovative enterprises. These VCs act as subsidiaries of the business development banks of the federal states and support companies actively by providing risk capital as well as management and industry knowledge for their further development. The investment focus is on innovation and mainly on industry sectors including ICT, life sciences, and new materials. Subject to the regulations of the individual venture capital company, financing volumes of around EUR 10 million are achievable.

Public-Private Equity Companies

For established companies seeking to finance further growth, as well as for start-ups, 15 MBGs (*MBG: Mittelständische Beteiligungsgesellschaften* – “Public-Private Equity Companies for Small and Medium-Sized Enterprises”) are available as financing partners in the federal states. Acting as independent institutions, they are supported by the federal states. These MBGs operate primarily through silent participation by providing subordinated capital. The investment focus is not limited to special industry sectors. Companies seeking equity-like financing may obtain funding of up to EUR 3 million, depending on the applicable MBG instrument. It is characteristic that the individual MBGs are only active in their respective federal state. They do not operate to maximize profits primarily. A further advantage is that an MBG investment is recognized as economic capital and thus improves the company's rating. With an improved rating, a company has easier access to bank financing.

European Level Activity

EIC Accelerator (European Innovation Council)

As a funding program under Horizon Europe (see R&D), the objective of the EIC Accelerator is to develop and to scale up innovations to disrupt existing markets or to develop new ones. The EIC Accelerator supports highly innovative companies with projects typically at Technology Readiness Levels (TRL) 5-9. Subject to company size, company phase and TRL level reached, the EIC Accelerator offers grants, direct investment and blended finance. National contact points provide valuable information and assistance.

European Investment Bank (EIB)

The European Investment Bank (EIB) offers a wide range of financing solutions. Equity financing from the EIB is provided for SMEs and mid-cap companies among others through equity funds. The equity funds that the EIB has invested in are published on the EIB website. Venture debt from EIB provides liquidity for terms of five or more years to fast growing early-stage enterprises backed by equity investors.

At a Glance

Public equity companies at national, European level and federal state level

- Access to attractive pari passu co-investment volumes
- Capital available for companies in different life cycle stages

Germany's Private Equity & Venture Capital Market

> 500 private
equity & venture
capital firms

> 897
companies
financed in
2025

> 6,500 portfolio
companies

EUR 320 bn
portfolio
company
revenue

EUR 15.7 bn
invested in
2025

EUR 79.3 bn
invested
between
2021-2025

Source: BVK Statistics 2025

As a long-term investor, the EIB aligns its investment activities with the strategic objectives of the European Union.

Choosing Appropriate Equity Providers

Germany provides public equity financing across several stages of company development. Germany Trade & Invest's financing experts help investors in identifying potential equity partners.

- ➔ For further information please contact our financing experts at: invest@gtai.de