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STATE OF EUROPEAN TECH 25

Europe must define its future on its own terms

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STATE OF EUROPEAN TECH '25

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The State of European Tech is brought to you by Atomico and made possible with the support of our valued partners. Here, we and our contributors reflect on what's next for European tech.

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Technology on our terms.

We're entering the most transformative decade in human history. Technology is no longer a sector, it's the force reshaping every part of our society: how we govern, defend, power our homes, manage our money, deliver healthcare, and more. Most importantly, we're still only at the beginning.

This next chapter will be written by those who can move fast and think long-term. Those who can build ambitious, global companies and do so with integrity, trust, and purpose. Europe is perfectly positioned to lead - if we choose to.

We have more founders starting companies in Europe than the US, and European founders are equally capable of turning investment into $1B+ outcomes. This isn't a 'catch-up' story anymore. In a world beset by volatility and economic fragmentation, Europe offers something unique: stability, purpose, and trust.

Trust has always been Europe's competitive advantage

In Europe we've built modern banking, medicine, and education. And today, we're setting the pace in responsible, sustainable innovation. It's a solid footing, but it is not enough and huge progress is still needed. To lead in the decades ahead, Europe must be ambitious and unified, with real risk appetite. That starts with owning our future.

We must be sovereign in our approach to building technology, self-sufficient in energy, dominant in health, and at the forefront of the climate transition. Because tens of trillions of euros in unrealised GDP is at stake and that value must flow back into the European economies by creating jobs, prosperity, and security.

We need to make Europe the best place in the world to build

That means fixing friction across multiple levers:

- **A simple, harmonised and dynamic regulatory environment.** We are making things too hard for ourselves. The playing field must be level for Europe to operate on a global stage and that starts with regulation which is fit for purpose. We need to remove regulatory fragmentation and cross-border barriers that limit founders' ability to build pan-European champions. A truly frictionless addressable, single market for European consumers, businesses, investors, and public sectors is non-negotiable.
- **A deep, liquid, risk-capital landscape.** Many scaleups still look across the Atlantic when it's time to scale. That's not because the talent isn't here, it's because the growth capital isn't. If we want Europe's next global leaders to be headquartered in Europe, then we must step up and build a true late-stage funding market here at home. We will continue to need to diversify and scale capital sources to build a fully liquid capital stack across all stages for our companies.
- **An agile market for the best talent.** Talented founders and operators still leave for regions with more flexible hiring rules and simple visa systems. We must make it easier to hire,

relocate, and retain global talent. This means simplifying cross-border mobility.

- **We must consciously build a risk culture.** A culture that recognises that bold, ambitious ideas are the key to progress. That means more investors with risk appetite and long-term conviction, who share founders' ambition to build global winners, not just safe returns. And moving beyond the cautious culture that tells regulators to overcorrect, and corporates to delay adoption. Safety is essential, but responsible innovation doesn't mean slowing down, it means building the right guardrails at speed.

What we are all experiencing right now is not just a generational shift

We're living through three once-in-a-century shifts at once. The rise of AI, reshaping industries — and soon our entire way of life — in a matter of months. The climate transition, which will define the competitiveness of our economies for generations. Finally, the future of healthcare, where breakthroughs in biotech and digital medicine are rewriting what's possible for millions.

These are not niche opportunities. They are trillion-euro challenges. Europe must wake up and acknowledge we have the chance to lead globally, if we are bold enough. Europe has the power to lead a new future. One where technology serves society. Where AI is deployed not just to extract value, but to solve real problems.

Entrepreneurs are the gamechangers who can unlock this

We must support them with purpose, conviction, and urgency — our collective future depends on it.

Let's build fast. Let's build responsibly. Let's build together. And let's build on our terms.

In Europe, we need to stop looking elsewhere for a blueprint and instead develop an ecosystem with the confidence to build technology on its terms, no matter the challenges thrown at it. This means urgently solving the core challenges around talent retention, the gap in growth capital and the over regulation in the operating environment. We must make Europe the destination of choice for the world's boldest founders — a place where ambition and appetite for risk fuel an ecosystem that others aspire to match. This is our moment to step up. To be unapologetically bold, and show the world what Europe is capable of. If we choose it, we can make it happen.

Niklas Zennström
CEO and Founding Partner at Atomico

About Atomico

Atomico is the founder-built European venture capital firm. We partner with the most ambitious entrepreneurs using technology to rewire the world, better. Skype co-founder Niklas Zennström launched Atomico in 2006 with the belief that entrepreneurs are the ultimate gamechangers for positive transformation across the most critical aspects of our society and economy.

Starting in Europe, the firm's mission is to further their global progress, with a platform offering unmatched support from the early stage to scale. Some of Europe's most ambitious founders have partnered with Atomico, including Aiven, Bird, DeepL, Hinge Health, Klarna, Neko Health, Pipedrive, Stripe, Supercell, TravelPerk and Wellhub.

Builders across Europe are proving that artificial intelligence can solve problems that were once limited by time, cost, or complexity.

They are using AI to improve healthcare, advance manufacturing, and accelerate scientific discovery, always with attention to safety, trust, and the people their work serves. This year's Atomico State of European Tech report shows that founders are building with renewed efficiency, creating more value with less capital, driven by a mindset of resilience and purpose. Amazon Web Services provides the foundation for that progress, offering secure, high-performance infrastructure that removes the undifferentiated heavy lifting so builders can focus on discovery and invention. When dependable compute, resilient storage, and trusted security come together, new ideas move quickly from prototype to production and from local ambition to global impact.

AWS builds and operates the infrastructure that powers this work

High-performance clusters and silicon such as Trainium and Inferentia make it possible to train and run advanced models faster and at lower cost. Simulation and digital twins, synthetic data pipelines, retrieval and knowledge systems, evaluation and safety tooling, and reinforcement learning give builders a full pre-production runway to test, ground, and safely optimise models before deployment at scale. These capabilities underpin much of the deep-tech and AI growth captured in this year's report enabling researchers and startups to move from theoretical breakthroughs to applied systems that create measurable value. For Europe's builders, this means they can innovate locally within their own regulatory environment while maintaining the performance, efficiency, and security they expect from AWS.

Europe's commitment to safety, privacy, and transparency has shaped global standards for AI and data governance. AWS builds to those expectations. The AWS European Sovereign Cloud, designed, operated, and secured within the European Union by EU residents under EU law, gives customers full operational control and data residency while maintaining the same range of AWS services. The first Region, in Brandenburg, represents an EUR 7.8bn investment and demonstrates AWS's longterm commitment to Europe. Local control and global capability can coexist. As the report highlights, Europe's leadership in trusted innovation will depend on partnerships between industry and regulation, and we are proud to help provide the infrastructure that makes those partnerships work in practice.

Across the continent, European builders are proving how responsible AI delivers tangible results when supported by that kind of infrastructure. In France, Orakl Oncology uses AWS high-performance compute to accelerate precision-medicine research and shorten the path to new cancer therapies, helping doctors tailor treatment to each patient faster. In Ireland, Jentic develops model-context-protocol catalogues and safety environments so enterprises can validate AI workflows before deployment, reducing risk and improving transparency in how AI systems behave. In Switzerland, Mimic Robotics applies reinforcement learning and simulation on AWS to improve the accuracy and safety of industrial robotics, raising productivity while keeping human operators out of harm's way. Each of these companies reflects Europe's ability to combine scientific depth with social purpose innovation that serves both people and progress.

Europe's deep-tech startups are also pushing the boundaries of applied AI

In Spain, Multiverse Computing combines quantum algorithms with machine learning on AWS to help companies access original and compressed AI models with greater speed and energy efficiency. In the UK, Fundamental builds AI-driven data-governance tools that allow enterprises to measure and manage model risk across their operations. Both companies show how Europe's scientific strength and regulatory discipline are shaping a new generation of commercially grounded, trustworthy AI businesses.

AWS is honored to support this innovation by contributing to programmes that help strengthen Europe's talent base and research community. The Atomico State of European Tech report highlights the continent's deep reservoir of skilled engineers and scientists. Through our Generative AI Accelerator (GAIA), we have the privilege of working alongside startups such as Jentic, Inephany, Lettria, Orakl Oncology, VidLab7, and Mimic Robotics sharing our experience in model optimisation, scaling, and deployment. Beyond the accelerator, we are collaborating with universities, research institutes, and public organisations to advance AI education and applied science. These partnerships help us play a small part in turning Europe's extraordinary talent advantage into a sustained innovation engine. These collaborations turn Europe's talent advantage into a sustained innovation engine.

We're privileged to collaborate with our partners Atomico and the visionary founders shaping Europe's next chapter of innovation. These are remarkable times for European technology, defined not just by speed, but by purpose. AWS remains committed to providing the trusted, efficient, and sovereign infrastructure and services that empowers innovators to build and scale securely on their own terms. We build so that others can build, equipping Europe's founders, researchers, and engineers with the performance, safety, and stewardship they need to transform ideas into impact.

About AWS

Amazon Web Services (AWS) is a leading cloud platform with 200+ services spanning compute, storage, databases, data and AI, and security. Startups use AWS to ship faster and scale on demand with pay-as-you-go pricing and global infrastructure, backed by programs like AWS Activate for credits, architecture guidance, and go-to-market support.

“

Europe’s commitment to safety, privacy, and transparency has shaped global standards for AI and data governance ... These are remarkable times for European technology, defined not just by speed, but by purpose.

Jafar Shameem
Global Head of Investor Managers at AWS

A pivotal moment for Europe's innovation economy

The State of European Tech 2025 captures a pivotal moment for Europe's innovation economy — one defined by maturity, momentum, and mission.

With a record 4.6M people employed in tech companies, Europe's tech workforce is expanding faster than the US and producing more investable companies than ever. Yet this growth now meets a new challenge: ensuring Europe's talent and innovation can scale — and stay — in Europe.

A few takeaways from this year's report:

- **Talent advantage:** Europe's tech workforce continues to outpace the US in growth and quality. Founders are increasingly mission-driven — over half say building in Europe is part of their purpose — and the region now rivals the US in startup creation. Europe remains a net gainer of global tech talent, with optimism returning and hiring conditions easing.
- **Investment resilience:** Despite tighter capital conditions, European startups are thriving. Total venture investment is projected at $44B in 2025, steady year-over-year, with 28 new unicorns emerging. The challenge is not founding new companies but funding their growth at scale.
- **Deepening capital pools:** Europe's venture model is proven. It now accounts for 17% of global enterprise value creation, delivering returns on par with US VC. Yet Europe remains underweight in patient capital — particularly pensions and endowments — representing a $210B opportunity if allocations matched US levels.
- **Sovereignty and the next frontier:** The center of gravity is shifting from consumer tech to digital infrastructure. Europe now leads globally in sustainability-focused investment, with 18% of venture capital flowing to climate and energy innovation. Meanwhile, deep tech, AI and defence are driving a new era of European strategic independence.

At Orrick, we're proud to partner with Atomico again

To showcase how far Europe's tech ecosystem has come — and where it's heading next.

From AI to climate, fintech to defence, the mission is clear: ensure the next generation of global champions can start, scale, and stay in Europe.

About Orrick

Orrick ranks No. 1 in Europe for venture capital (PitchBook) and has been the leader for each of the past nine years. We counsel venture-backed companies, as well as the most active funds, corporate venture investors and public tech companies worldwide.

Our advice is informed by working with nearly 5k high-growth tech companies globally (including hundreds of companies in emerging sectors, such as AI, Life Sciences & Healthtech, Energy Tech and Fintech), 13 of the 25 largest public tech companies, and more than 400 investors.

Our annual Deal Flow Report analyses the hundreds of transactions we help companies and investors close in Europe and shares insights gleaned from term sheets, industry trends, deal volume and more. Our 2024 report leveraged data from the 375+ transactions we closed for clients in Europe with an aggregate value of more than $7B and our 2025 report will launch in Q1.

Visit our Tech Studio, a self-service resource to help companies grow and thrive at all stages. With 50+ customisable forms and document generators, 300+ articles, videos and podcasts, and robust FAQ and glossary databases, it's our version of open source for the ecosystem. Learn more at OrrickTechStudio.com.

> Europe's tech workforce is expanding faster than the US and [is] producing more investable companies than ever. Yet this growth now meets a new challenge: ensuring Europe's talent and innovation can scale — and stay — in Europe.

Shawn Atkinson
Partner, Global Technology Companies Group and Member, Board of Directors, Orrick (London)

Europe is a rising force with real momentum

The data tells a compelling story – one that those of us in the European innovation ecosystem feel every day.

Europe is a rising force with real momentum, powered by talent, capital and ambition

Europe's tech workforce is now expanding faster than that of the US, with over 4.6M people employed in tech companies. Company creation continues to surge — up more than 35% year-on-year — driven by both first-time and repeat founders. Importantly, more than half of global founders see building in Europe as central to their mission, solving global challenges from a European base with worldwide reach. This optimism and confidence has not always been there, but Europe is making strides forward in being recognised as an attractive place to build and scale.

These numbers reflect a solid foundation: a deep pool of skilled talent, entrepreneurial energy and a growing sense of shared purpose that unites founders, investors, and institutions across borders. Europe is producing more investable, globally ambitious companies than ever — and celebrating success stories that transcend national lines.

The continent's sector strengths are also diversifying

What began with fintech leadership has evolved into momentum across digital infrastructure, semiconductors, security and energy. Deep tech and sustainability are rising fast and now attract 36% and 18% of funding, respectively. While the US still leads in total investment, Europe's AI ecosystem shows remarkable resilience and depth. We are leading in early-stage AI, and our AI talent is just as active as the US's, even with a smaller overall tech base.

But this progress comes with challenges. Scaling remains a critical pressure point. By Series C and beyond, more than 30% of repeat founders relocate their headquarters outside Europe — a signal that we must strengthen our late-stage infrastructure. Early-stage funding is accelerating, but later rounds are increasingly concentrated. This reflects investor confidence, yet it highlights the urgent need for deeper pools of long-term capital so that European innovation doesn't plateau — or migrate.

To lead in the decade ahead, Europe must close the late-stage funding gap, retain its best talent, and create a truly frictionless single ecosystem which rewards founders, investors and, importantly, provides an accelerant to European GDP. That means smarter regulation, cross-border harmonisation of equity schemes, and incentives that empower founders to scale and stay in Europe.

Achieving this will depend on collaboration – between founders, investors, long-horizon capital, governments and institutions

At HSBC Innovation Banking, our role is to stand beside them all: backing the people who build, connecting ecosystems and helping transform ambition into sustainable scale.

Europe has already proven that it can invent, build and grow. The next test is whether we can scale — whether we can hold onto our talent, channel our capital effectively and embrace a unified mindset of ambition. If we do, the 2030s won't be about Europe catching up. They'll be about Europe leading — on its own terms. I am certainly convinced.

Europe has already proven that it can invent, build and grow. The next test is whether we can scale — whether we can hold onto our talent, channel our capital effectively and embrace a unified mindset of ambition. If we do, the 2030s won't be about Europe catching up. They'll be about Europe leading — on its own terms.

Emily Turner
CEO at HSBC Innovation Banking UK

About HSBC Innovation Banking

HSBC Innovation Banking provides commercial banking services, expertise and insights to the technology, life science and healthcare, private equity and venture capital industries. HSBC Innovation Banking UK is a subsidiary of HSBC Group, benefiting from its stability, strong credit rating and international reach to help fuel its growth.

SLUSH

If you want to understand how the future is being built, look at European tech.

The way companies are built is changing: faster, leaner, and more globally from day one. The gap between idea and execution is closing, while expectations on founders keep rising. European tech feels more alive than it has in years, and this year's State of European Tech perfectly captures both how far we've come and what still needs work.

Europe is far from dead. Company creation is up 35% year-on-year, and talent is no longer a limiting factor. Europe's tech workforce is larger, more experienced and more ambitious than ever. Our universities and research institutions keep producing exceptional talent, and more repeat founders are returning to build again. On a per-dollar basis, European VC is now creating as much long-term value as its US counterpart. Still, the system breaks where scale begins. Europe continues to fall short on growth capital. A $375B gap stands between early momentum and long-term outcomes. Over one in four of repeat founders move their HQ outside Europe by the time they reach Series C. And in emerging technologies like AI, the capital gap is stark: $14B raised in Europe this year, compared to $146B in the US.

This isn't about a lack of ambition, innovation, or technical ability

It's about conviction, across capital, policy and the broader story we tell about what's possible to build here. It also means letting go of the underdog narrative and leaning into what's already true: Europe can be the best place to build and scale a company, if we choose to work toward that goal across society.

At Slush, we play a focused part in that journey

We exist to support early-stage founders and give them the tools, connections and platform they need to move forward. In 2025, we'll bring over $4T in assets under management to Helsinki, schedule more than 1k founder-investor meetings every hour for two days, and curate a week of over 600 side events, all with one goal: to help founders build generational companies.

About Slush

Slush is a not-for-profit organisation on a mission to help and create founders to change the world. Based in Helsinki, Slush annually hosts the world's leading startup event bringing together a curated crowd of European startups, world-class investors, and tech journalists. Slush stands by relevance over scale, bringing tangible value, and sharing actionable company-building advice. No fluff.

The way companies are built is changing: faster, leaner, and more globally from day one. The gap between idea and execution is closing, while expectations on founders keep rising. European tech feels more alive than it has in years, and this year's State of European Tech perfectly captures both how far we've come and what still needs work.

Aino Bergius
CEO at Slush

Executive Summary

The continent's tech ecosystem has reached a certain level of maturity, but long-term competitiveness depends on whether it can turn its promise into global strategic assets. Europe effectively stands at a crossroads. We don't lack talent or innovation — what Europe does lack is alignment between ambition and commitment.

Europe stands at a crossroads

Where are we going, Europe?

Our 2024 report charted Europe's remarkable rise over the past decade to become a maturing ecosystem built on deep foundations. Since 2015, investment levels have grown more than tenfold, our talent base has expanded sevenfold, count of $1B+ has more than tripled and we now boast five $100B+ firms and ambition across the continent has never been higher.

At the same time, we are entering the most transformative decades in human history. This next chapter will be written by those who can move fast and think long-term. Europe is perfectly positioned to lead, if we choose to. That choice requires speed, unity, and boldness.

So the question is: **what will define the next decade of European tech, and how do we take control of our future?**

We want to equip builders and decision-makers with more than insights — we want to amplify a shared narrative to drive meaningful change. This year's report does just that, focusing on the most urgent challenges and opportunities Europe must rally around today to define its future. Achieving these over the next decade could unlock trillions of dollars in GDP, millions of jobs, and even the future security of our continent.

Ambitions for European Tech

Fix the Friction

Make it faster to build across borders at scale

Empower Talent

Make Europe the home of choice for ambitious talent

Fund the Future

Build a full-stack capital markets fit for champions

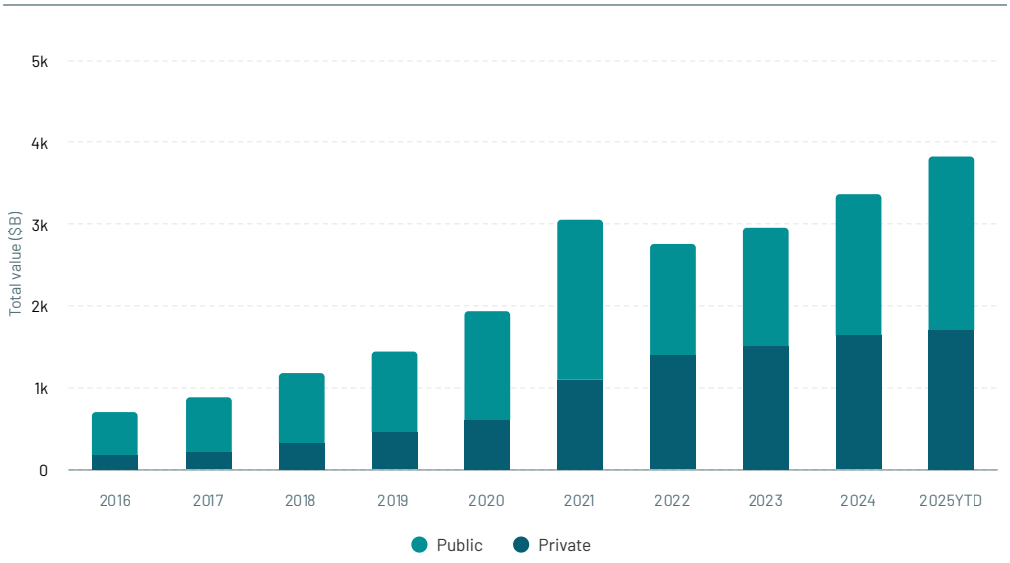
Champion Risk

Cement risk culture as foundational infrastructure

A decade of growth in Europe

Europe's tech ecosystem has taken a huge leap forward, from being valued at less than $1T a decade ago to being now worth around $4T. Yet, its true potential is waiting to be unlocked. Where else in the wider European economy are we adding a trillion dollars of value in less than two years?

Private and public markets ecosystem value ($B), 2016 to 2025YTD



Notes:
Private market data from Dealroom.co excludes the following: biotech, debt, and grants, as of 30 September 2025. Public markets data as per S&P Global Market Intelligence (Quantitative Research & Solutions), as of 24 October 2025, for illustrative purposes only. Values are based on companies headquartered in Europe.

Sources:
S&P Global Market Intelligence
dealroom.co

Europe's tech ecosystem represents

15%

of GDP, and has been trending upwards from 4% in 2016.

Sources:

S&P Global Market Intelligence

International Monetary Fund

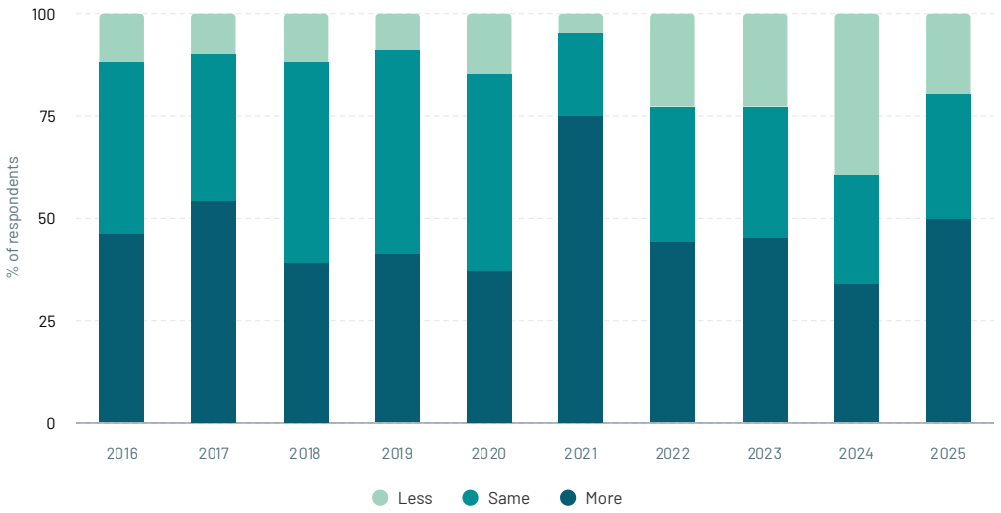
Long on tech, long on Europe

European tech has a lot going for it, and industry-wide sentiment reflects that. Over the years, the community has reported increasing levels of forward-looking optimism, with our 2025 survey showing that 50% of respondents feel more optimistic than 12 months ago, compared to 34% in 2024. These are among the highest levels of optimism seen over the past decade.

But still, 50% is far from 100%, and despite all the growth and progress over the past decade, the tech community at large still has mixed feelings about Europe's tech future.

This is a sign of something structural. Europe hasn't yet fully convinced its own stakeholders — founders, investors, and public and private funders — that it's the best place to build world-leading companies. Collective confidence matters, and without it, even the boldest ambitions can only go so far.

Compared to 12 months ago, are you more or less optimistic about the future of European technology?



Notes:
All respondents.

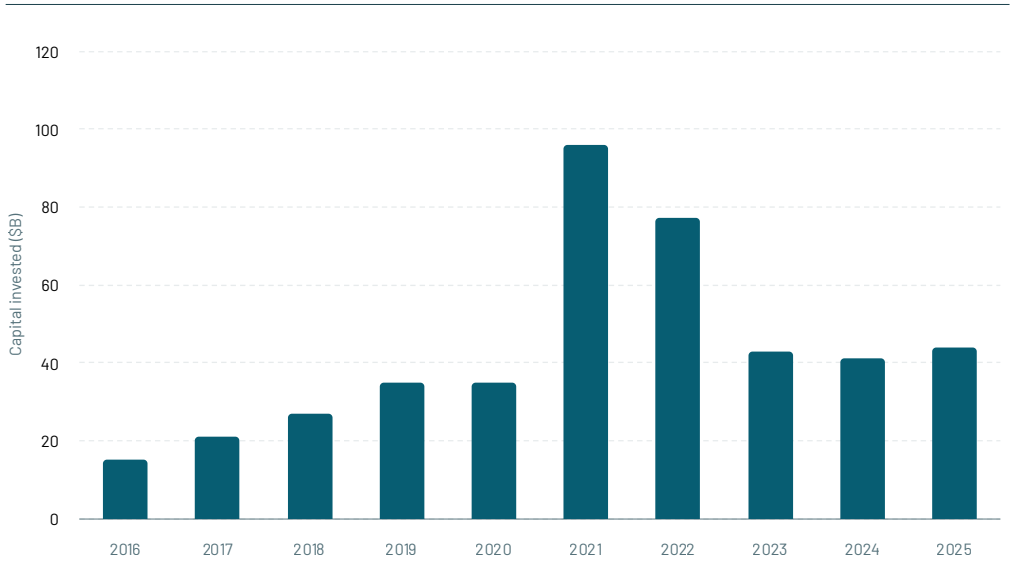
Sources:
STATE OF EUROPEAN TECH Survey

European investment levels are on the rise again

The global startup funding environment has had a turbulent few years, and Europe is no exception. Investment levels are now on the rise once again, even if they remain well below the peak figures seen in 2021. Current data shows investment in tech startups is on track to finish at around $44B, suggesting that 2024 was the year funding truly bottomed out in Europe.

As shown in the preceding charts, founder optimism and ambition continue to scale, but capital has yet to catch up to align firepower with global peers. Europe's private markets remain too shallow, especially at growth stages. Late-stage rounds are smaller, scarcer, and slower than in other major ecosystems, and when companies then reach maturity, they face fragmented public markets that lack the depth and liquidity to sustain global ambition. Europe now needs a step change in its ability to mobilise growth capital at speed and scale, or risk losing momentum just as it has been ignited.

Total capital invested ($B) in Europe, 2016 to 2025



Notes:
Data is as of 30 September 2025. Early-stage funding defined as rounds below $15M, late-stage funding refers to rounds of $15M and above. Full year 2025 extrapolated based on year to date data. Excludes the following: biotech, debt, lending capital, and grants.

Sources:
atomico Powered by dealroom.co crunchbase

Introducing the scorecard

We need to start measuring the ambition for European tech

A founder wouldn't run a business without monitoring its key health metrics, and the same approach should be taken to Europe's wider tech ecosystem. To that end, we have devised the European Tech Scorecard — a simple, visual snapshot of where Europe leads, where it lags, and where it needs to go.

While there are many indicators that matter, we've focused on four core drivers of long-term success that determine whether Europe is delivering on its tech promise, or leaving trillions in future, unrealised GDP on the table. Each metric is ambitious, measurable, and designed to be tracked year after year. The Scorecard is a tool to monitor progress, and see where collective action will have the greatest impact.

Ambitions for European tech

	Fix the Friction Simplify Europe's operating system	Empower Talent Home of choice for world-class talent
MEASURE	Share of founders finding the policy environment supportive	Share of startup creation globally
2030 TARGET	>75%	30%
CURRENT	18%	27%
TREND	DOWN vs 2024	FLAT vs 2024 FLAT vs 2016

	Fund the Future Full-stack capital markets fit for champions		Champion Risk Cement risk culture as core infrastructure
MEASURE	European VC investments as share of GDP	Europe's share of global exit value	Share of innovation procurement in Europe
2030 TARGET	1%	30%	>20%
CURRENT	0.17%	10%	9%
TREND	FLAT vs 2024 UP vs 2016	DOWN vs 2024 DOWN vs 2016	FLAT vs 2024

We cannot accept that our most talented may have to leave in order to thrive.

They must find the right soil to flourish here in Europe. I want Europe to be worthy of them. I believe that my job is to create the best conditions for talent to thrive, right here in our continent. This is the mission that drives me every day. I want the best of Europe to choose Europe. And I want the future of AI to be made in Europe.

Ursula von der Leyen
President, European Commission

Fix the friction

Europe's operating system is overdue an upgrade

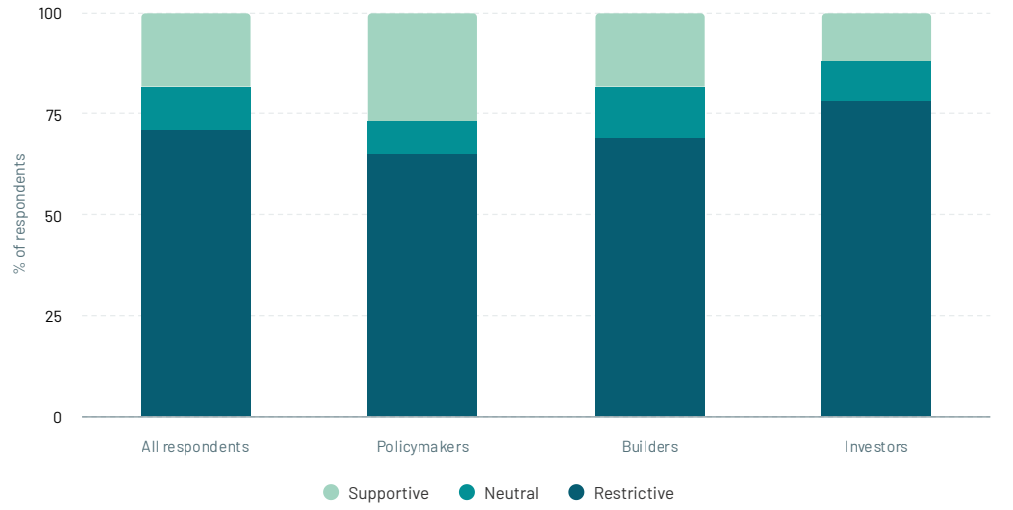
Europe's operating environment is too restrictive, say 70% of founders we surveyed. From Spain to the Netherlands to Germany, frustration is mounting as complexity holds back innovation and optimism alike.

Policymakers agree — but the pace of change is slow. The European Commission has promised to create a "28th regime" allowing startups to scale across the continent, but it's not yet confirmed if this will be a Regulation or a Directive. This is the difference between having teeth or not, with the latter representing a continuation of the status quo where rules can be interpreted country to country, instead of the uniformity tech companies need to thrive.

Thousands of founders, investors and ecosystem leaders have spoken up, with more than 15,000 people already having signed EU-INC's petition to get the Commission moving on its promise, joining consultations and organising pan-European awareness campaigns to call for a single, simple, framework that lets startups compete without legal friction.

Europe is now at a crossroads. The will is there, but can the legislation needed to fix the friction follow?

In your view, is the regulatory environment supportive or restrictive of European tech?



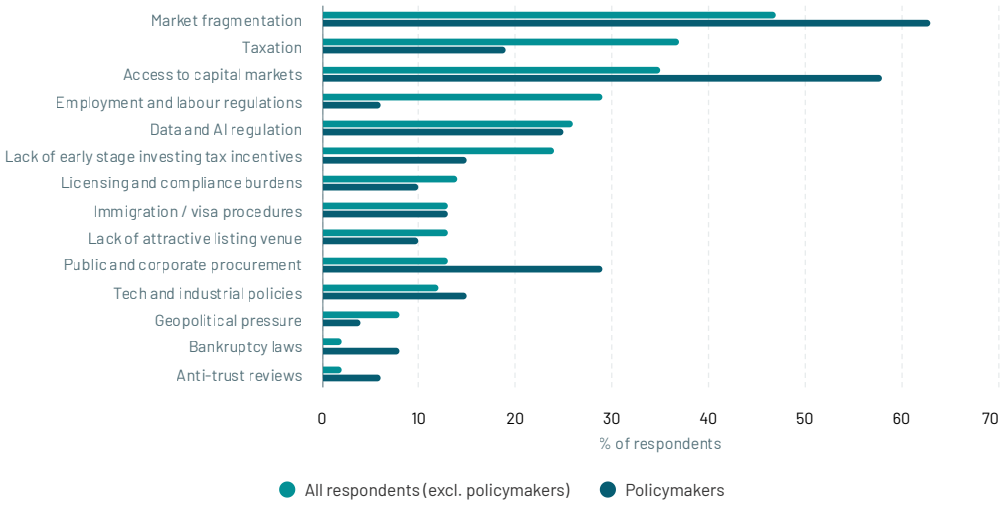
Notes:
Investors include LP, VC, and angel investors. Builders includes founders, co-founders, and operators at startups. Optimism refers to the response given to the question "Compared to 12 months ago, are you more or less optimistic about the future of European technology?".

Sources:
STATE OF EUROPEAN TECH Survey

The policy barriers holding the ecosystem back

It's overwhelmingly clear what the ecosystem needs. Fifty percent are calling for the end of the market fragmentation, unencumbered access to capital markets, and changes to taxation. Policymakers themselves are indexing strongly on the top two — but show less appetite to reform taxation and employment and labour regulations, even though nearly one in three respondents overall rank these as a high priority.

Thinking of the regulatory environment, which are the top three most significant barriers to starting and/or scaling a technology company from Europe today?



Notes:
All respondents excludes policymakers.

Sources:
STATE OF EUROPEAN TECH Survey

Empower talent

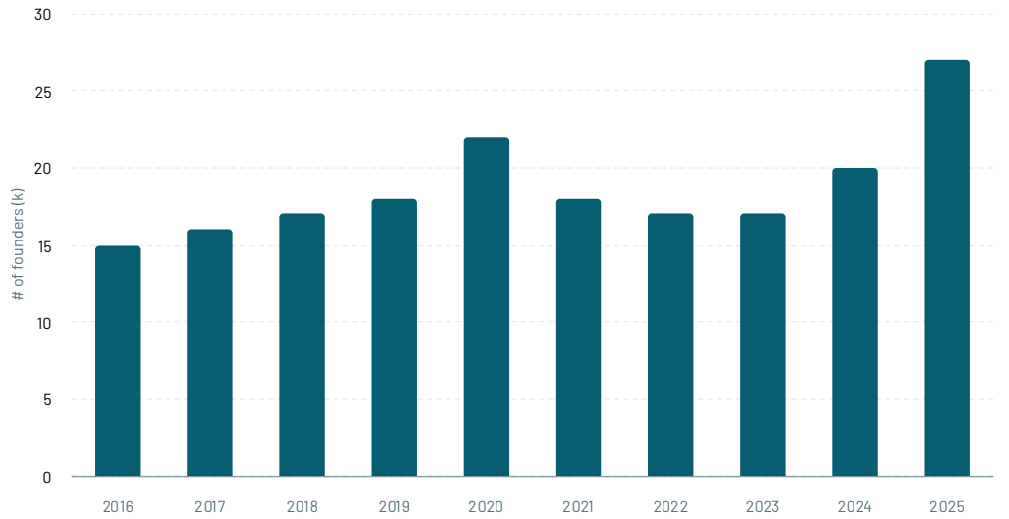
Entrepreneurial mindset is taking off globally

Europe has long been a launchpad for bold ideas and new founders. The race for innovation is accelerating everywhere, and in Europe it has exploded.

In 2025, almost 60% more people in Europe started companies than in 2023.

At 27,000+, this is the highest number of founders starting new ventures in Europe than any other year. Lower barriers to entrepreneurship — from no-code tools to stronger founder networks — have opened the door for a new generation of builders across all age groups.

Count of founders (k) starting new companies, 2016 to 2025



Notes:
Data is as of 30 September 2025. To adjust for lags in reporting, we compare snapshots of data at different points in time, which allows us to estimate future growth of current figures by extrapolating differences between time points. Both 2024 and 2025 data are forecasted by adjusting for reporting lag and by extrapolating data as of September 2024.

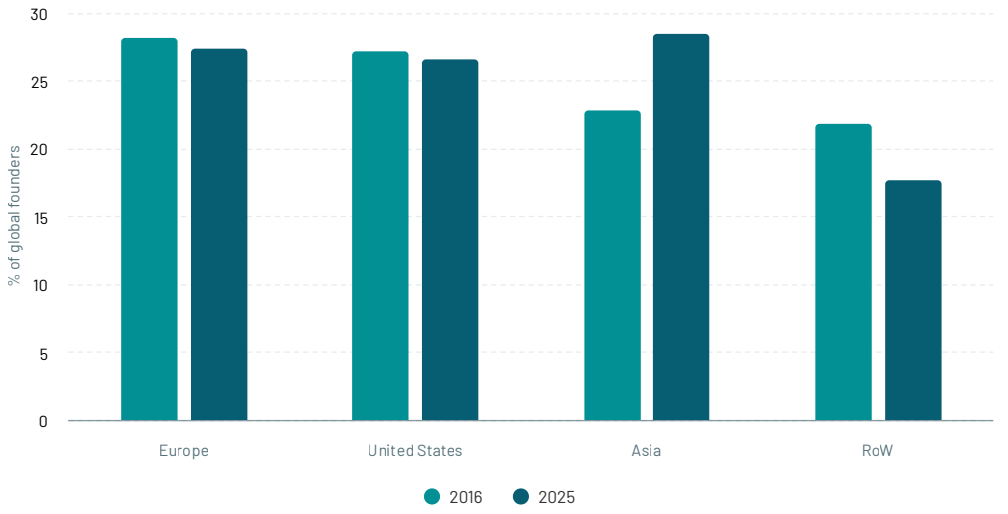
Sources:
atomico
Powered by revelio labs
dealroom.co crunchbase

The world is catching up fast

Europe still holds the edge when it comes to the total number of founders who call it home, but momentum is shifting. The continent remains just ahead of the US in terms of the share of the world's founders it contributes, while Asia has caught up to now host an equally large share (28%).

This is led by rising founder headcount in India and the UAE, both of which have more than doubled their founder bases in the past decade.

Share (%) of global founders starting companies by region, 2016 and 2025



Notes:
Data is as of 30 September 2025. To adjust for lags in reporting, we compare snapshots of data at different points in time, which allows us to estimate future growth of current figures by extrapolating differences between time points. 2025 data is forecasted by adjusting for reporting lag and by extrapolating data as of September 2025.

Sources:
atomico
Powered by revelio labs
dealroom.co crunchbase

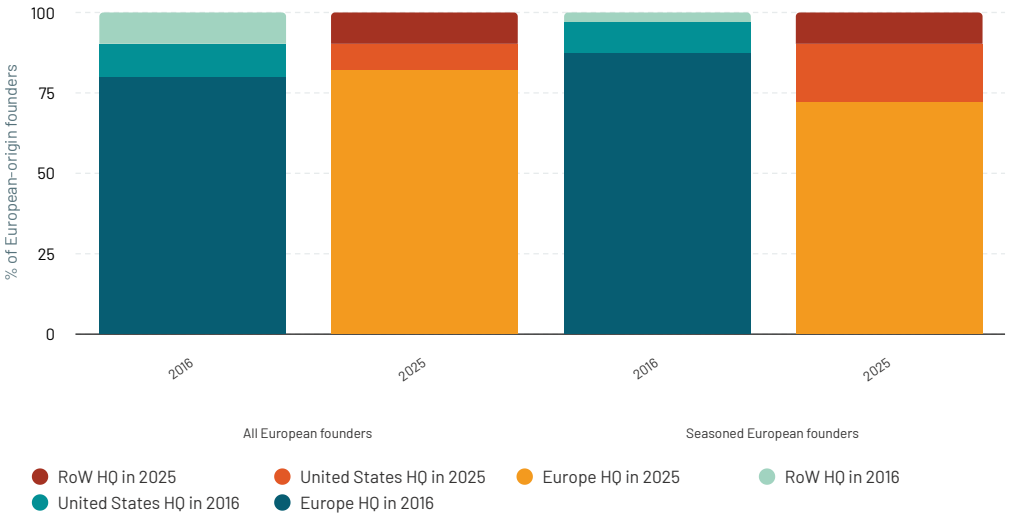
We need to stay competitive to retain future talent

Over the past decade, European founders have become more likely — not less — to build their companies from Europe. Today, around four in five European founders are building on home soil, a share that has trended positively since 2016, and even held firm in the past year. Among AI founders specifically, the share building on the continent has actually increased from 74% to 81%. Europe remains the launchpad of choice for the overwhelming majority of founders.

But sustaining that momentum requires focus. When we look more closely at European seasoned founders, defined based on their first work experience location being in Europe, an interesting picture emerges. Among those who started their companies in 2016, 10% of seasoned founders had headquartered their startups in the US. In 2025, this almost doubled to 18%. While this doesn't always mean they personally relocated, it does suggest at the very least an increased preference to incorporate in the US — where company formation is faster, cheaper, and often a gateway to US customers and investors. To counter that, Europe must become the most compelling place in the world to build a generational company. Every founder that leaves because they see brighter prospects outside of Europe is one too many.

Europe's next wave of outlier founders — from Synthesia, n8n, and Framer to Lovable, DeepL, and ElevenLabs — are showing that it can be done, proving that world-class innovation doesn't need to leave Europe to scale globally. But they shouldn't have to do it in hard mode.

Share (%) of European-origin founders by type, founded company's HQ region and founding year, 2016 to 2025



Notes:
Data is as of 30 September 2025. Founder origin is determined by their first country of employment. Seasoned founders are defined as those who have previously created companies or held C-suite positions at leading tech companies or raised significant amounts of capital in past ventures.

Sources:
atomico Powered by revelio labs

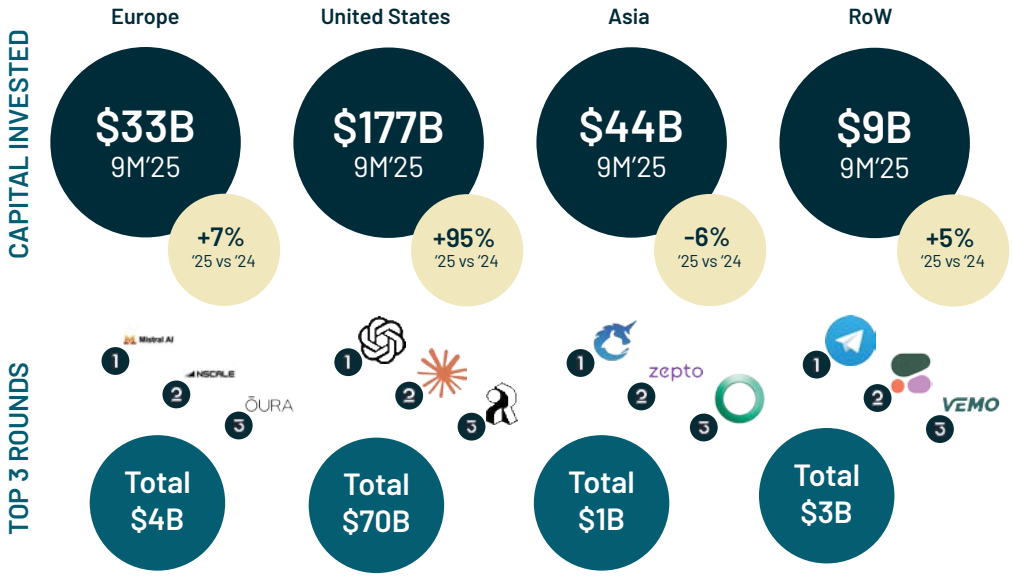
Fund the future

Firepower to fuel ambition

It's important to view European tech investment levels in the context of the global stage. 2025 has unquestionably been a year of US exceptionalism. Total private investment into US tech companies reached $177B in the first nine months of the year, almost double the level of the same period in 2024 and nearly on par with the 2021 peak. The US accounts for two thirds of all global private tech investment this year, driven largely by a remarkable concentration of capital flowing into a small number of private US AI giants including OpenAI, Anthropic, and xAI.

Beyond the US, however, investment patterns have been far more consistent. Europe, Asia, and the rest of the world all saw broadly stable levels of capital deployed, with year-on-year changes remaining in single digits in all three regions — an indication of markets that have moved steadily rather than surged, in contrast to the US.

Firepower to fuel ambition



Notes:
Data is as of 30 September 2025. Excludes the following: biotech, debt, lending capital, and grants

Sources:
atomico Powered by dealroom.co crunchbase

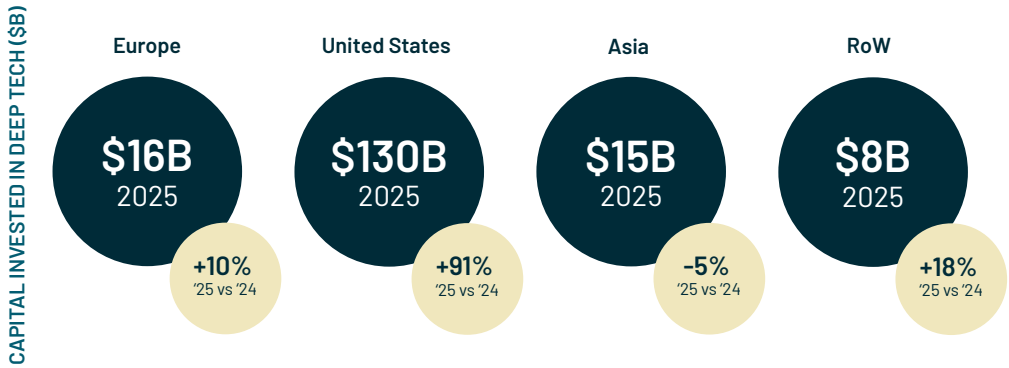
Deep tech drives investment levels

In 2025, 36% of European VC dollars went into deep tech companies, up from just 19% in 2021. The sector is producing standout moments — Helsing's $660M Series D, Isomorphic Labs' $600M raise after spinning out of DeepMind, or Proxima Fusion extending their Series A round to €200M.

Yet the overall scale still pales in comparison to the US, where rounds are routinely an order of magnitude larger. In the United States, OpenAI's $40B 'gigaround' and Anduril's $2.5B raise, with $1B alone coming from a single investor, illustrate the level of firepower available. Europe's deep tech ecosystem is expanding fast, but capital intensity at this scale remains largely out of reach.

That gap matters because tech follows power law dynamics, where a small number of outliers generate a disproportionate share of impact, jobs, and returns. To compete, Europe must build capital markets fit for those dynamics. It needs to recognise, fund, and retain the companies capable of bending the curve. This means stacking capital behind winners.

Deep tech drives investment levels



Notes:
Data is as of 30 September 2025. Full year extrapolated based on year to date data. United States total funding extrapolation excludes the 2025 OpenAI fundraise. Deep tech includes any technology that is based on tangible engineering innovation or scientific advances and discoveries applied for the first time as a product, often aiming to solve society's biggest issues. Excludes the following: biotech, debt, lending capital, and grants.

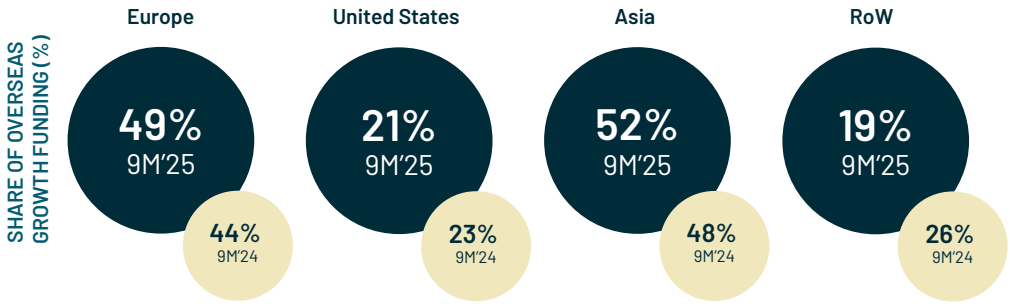
Sources:
dealroom.co

In Europe, deep tech bets are diversified across different technologies

Where the US concentrates bets on a few colossal AI labs, Europe has, to date, diversified across compute, quantum, defence, mobility, and climate tech. In 2025, $63B was invested in just two US companies — accounting for nearly a quarter of global VC. Europe, on the other hand, deployed $16B across dozens of deep tech themes, diversifying the allocation of capital across a range of strategic technology areas, but not yet displaying the same scale of capital concentration.

In September, NScale's $1.1B Series B became the largest in UK history. This was not a traditional funding round, and represented more of a new form of strategic partnership designed to accelerate scale in AI. A Norwegian industrial asset manager, Aker ASA, brought energy and infrastructure, while NVIDIA and Dell added compute power, and Finland's Nokia is on board as a strategic networking partner. Together, they signalled a coordinated effort to build a European AI infrastructure backbone. This shared characteristics with ASML's strategic partnership with Mistral, anchoring the AI model maker's $2B Series C round with a $1.5B commitment. Beyond these examples, many other European moonshot companies, such as Isar Aerospace, The Exploration Company, Paebbl or Iceye all raised sizeable funding rounds in 2025.

In Europe, deep tech bets are diversified across different technologies



Notes:
Data is as of 30 September 2025. Full year extrapolated based on year to date data. United States total funding extrapolation excludes the 2025 OpenAI fundraise. Deep tech includes any technology that is based on tangible engineering innovation or scientific advances and discoveries applied for the first time as a product, often aiming to solve society's biggest issues. Excludes the following: biotech, debt, lending capital, and grants.

Sources:
dealroom.co

There is a Swedish, and European, sensibility that creates a unique, and uniquely competitive approach to innovation.

We understand capital efficiency and we're motivated by having a positive impact on the world. There's a deep pride in quality and collaboration which leads to great products, tight teams, and a strong startup culture.

We've grown Lovable with world-class European talent and shown that like-minded, ambitious teams in Europe can become global category leaders. Europe has everything needed to build generational, trillion-dollar companies, and we are determined to prove it.

Anton Osika
Founder, Lovable

European pension funds are underweight

The path to greater firepower for emerging European champions lies in unlocking access to its deepest pools of capital. While US pension funds typically allocate 0.03% of AUM to venture, European counterparts invest a fraction of that at 0.01%. This varies across European regions, from 0.023% in France & Benelux to a strikingly low 0.001% in the UK & Ireland.

Matching US-level pension fund allocations alone could unlock an additional $210B for Europe's venture ecosystem over the next decade. This will truly move the needle, but it's also clear that this alone, while necessary, is not sufficient. Europe must continue to mobilise its own capital to build deep, liquid, full-stack markets that can finance growth from the first cheque to IPO, and beyond. If not, the region's strongest companies remain at risk of their ambitions being capped by shallow local capital pools or disjointed European listing venues.

US pension funds invest

3x

more into VC than their European peers. European pension funds only invested 0.009% of their total AUM into VC in 2024, while US pension funds invested 0.028%.

Sources:

atomico INVEST EUROPE

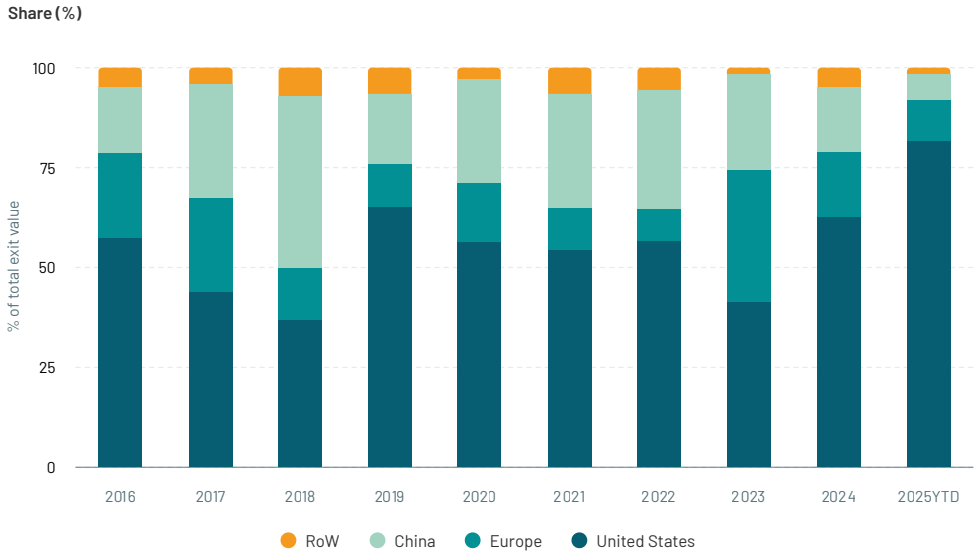
Global exits have started to pick up

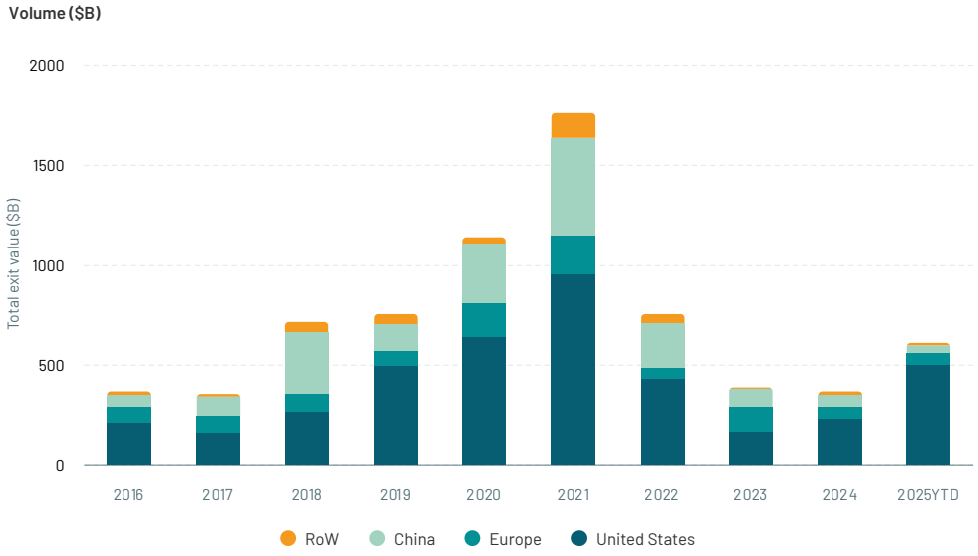
Liquidity is improving, creating conditions for greater recycling of capital back into the European tech ecosystem, a critical prerequisite to stimulate future investment at greater scale and consistency.

Global exit activity reached $608B in 2025, up sharply from $364B in 2024, and approaching 2018 levels. The US remained the global leader in exit activity, accounting for more than 50% of global exit value in 2025.

As momentum returns, Europe has an expanding pipeline of exit-ready startups, already representing hundreds of billions in unrealised value, and positioning the region to capture a larger share of global exit outcomes, and improving overall liquidity in its capital and talent markets.

Global exit value ($B) and share (%) by region, 2016 to 2025





Notes:
As per S&P Global Market Intelligence (Quantitative Research & Solutions), as of 24 October 2025, for illustrative purposes only. M&A transaction value at acquisition announcement date and tech IPO market cap by first trading date. Includes only completed M&A transactions for 2016 to 2023, includes both announced and completed M&A transactions for 2024 and 2025. Excludes any terminated or withdrawn transactions.

Sources:
S&P Global Market Intelligence

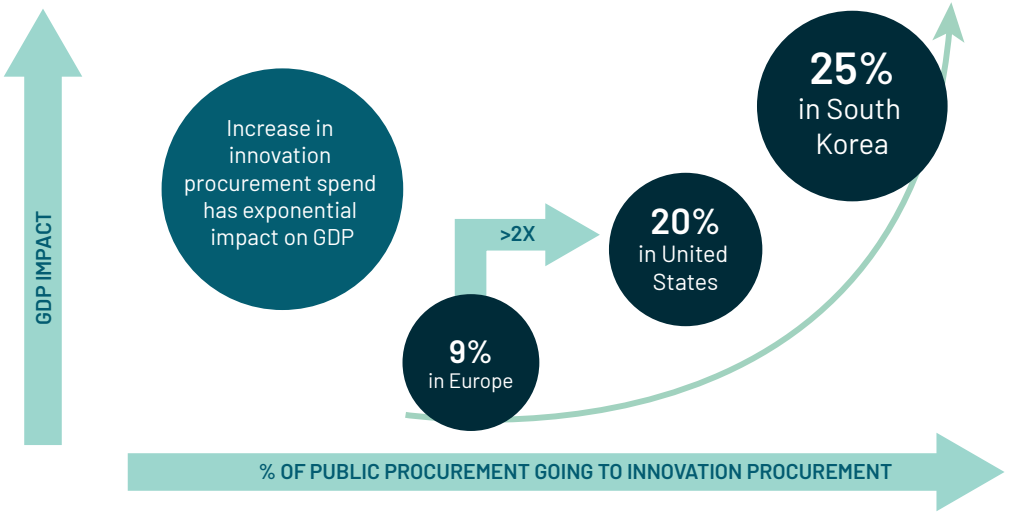
Champion risk

Stepping up to procure the future

The whole ecosystem needs to lean in to back and partner with European innovation. Government bodies could help change the trajectory by increasing the share of public procurement targeting innovation. This is especially important for companies developing moonshot technologies with longer timelines, where government contracts can bridge the gap between proof-of-concept and wider market adoption.

The data shows just how urgent it is to modernise procurement frameworks. Since 2021, just 9% of public procurement has targeted innovation in Europe — way off the 20% target the EU set itself in 2014. That's money left on the table: studies showing that even a modest one percentage-point rise could lift GDP per capita by roughly €6k or 15%, while a five percentage point addition has the potential to add more than €45k, or in other words double GDP per capita.

Share of public procurement going to innovation procurement, 2025



Notes:
Innovation procurement refers to public buyers using purchasing to spur development and early adoption of new solutions via PCP (R&D) and PPI.

Sources:
European Commission | PPMi Part of the Verian Group

Introducing Europe's Mighty 50

To understand which of today's startups might become Europe's global strategic assets, we've identified a set of companies that are at breakout global scale and stand out across a few dimensions.

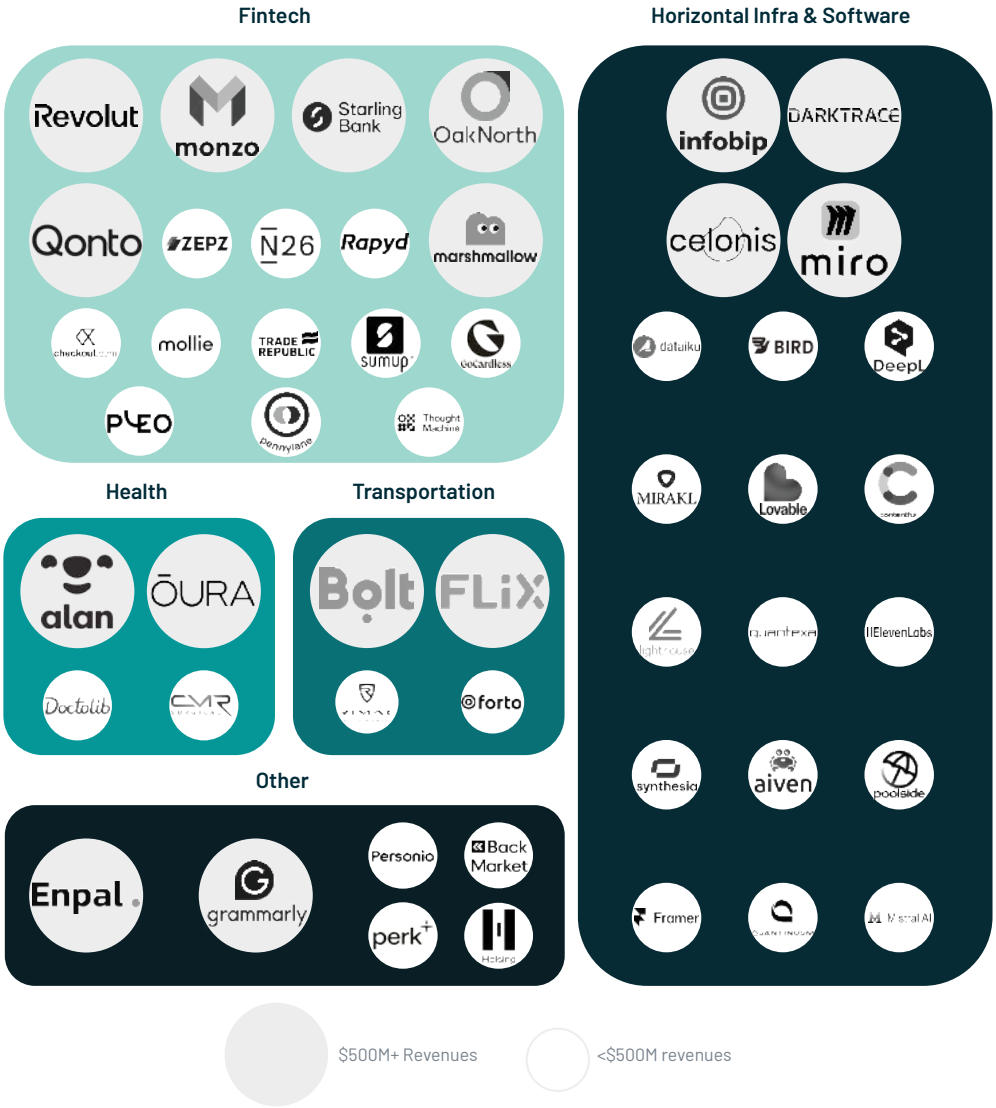
Tens of thousands of tech companies emerge each year, but only a handful go on to become era-defining companies like ASML, Spotify, or Stripe before them. So how can we spot which companies might be on that trajectory?

To answer that, we looked at companies founded since 2000 that have the most impressive revenue scale (median revenue is above $100M), are most valuable based on their latest round terms (the smallest being set at $2B), and are playing a significant role in shaping tech talent by employing at least 200 people (with some reaching 50x+ that level).

From fintech and enterprise software to food tech, transportation, health, and consumer tech, founders' bold ambitions give many of these companies their edge.

These fast-growing businesses have already surpassed significant milestones in Europe — achieving significant revenue milestones, like Oura being on track to triple its revenues in 2025 to reach $2B in sales, or Revolut servicing 65 million customers and setting its sights on 100M+ in the near future.

Europe's Mighty 50



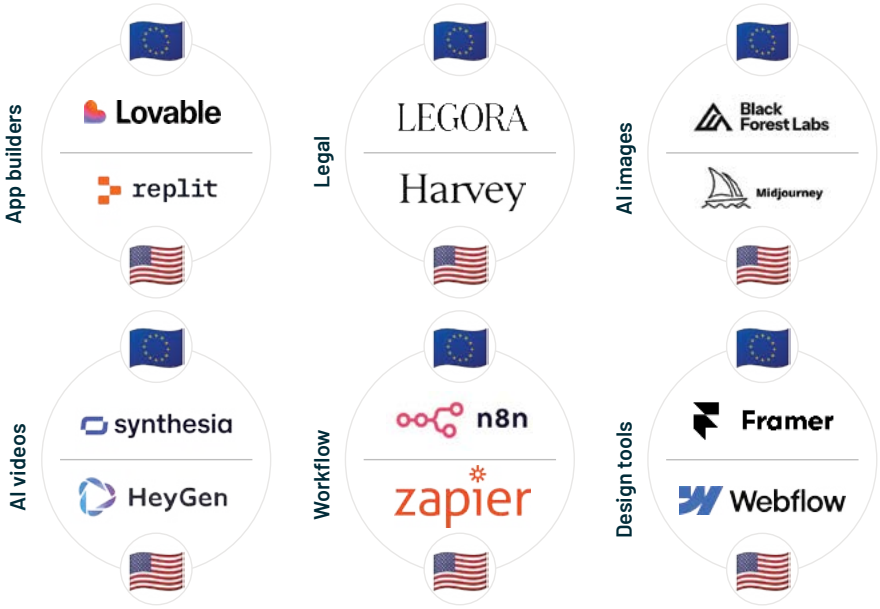
Notes:
Data is as of 30 September 2025. Based on revenues, headcount, enterprise value and/or capital raised since 2016.

Sources:
atomico Powered by dealroom.co crunchbase

European champions are going head-to-head on the global stage

One of the most telling signals of Europe's potential can be seen in how its companies now compete head-on with global peers. AI leaders are emerging across multiple verticals, and they're no longer described as the "European version" of an American success story. Lovable (Stockholm) and Replit (Silicon Valley) are both vying to dominate AI-powered coding platforms — and the former claims to have reached $100 million ARR faster than any software company before it, having got there in just eight months. AI workflow platform n8n is challenging Zapier in AI workflows, and Synthesia, the maker of AI video avatars often considered the gold-standard among enterprise AI video platforms.

European AI leaders emerging to compete across themes



Sources:
atomico

We must create the best possible framework conditions for innovators.

We must give them the opportunities they need to Choose Europe for developing their products and solutions, thriving in the Single Market and turning into global players.

Ekaterina Zaharieva
European Commissioner for Startups, Research and Innovation, European Commission

From vision to reality

Europe must be the champion of its own story

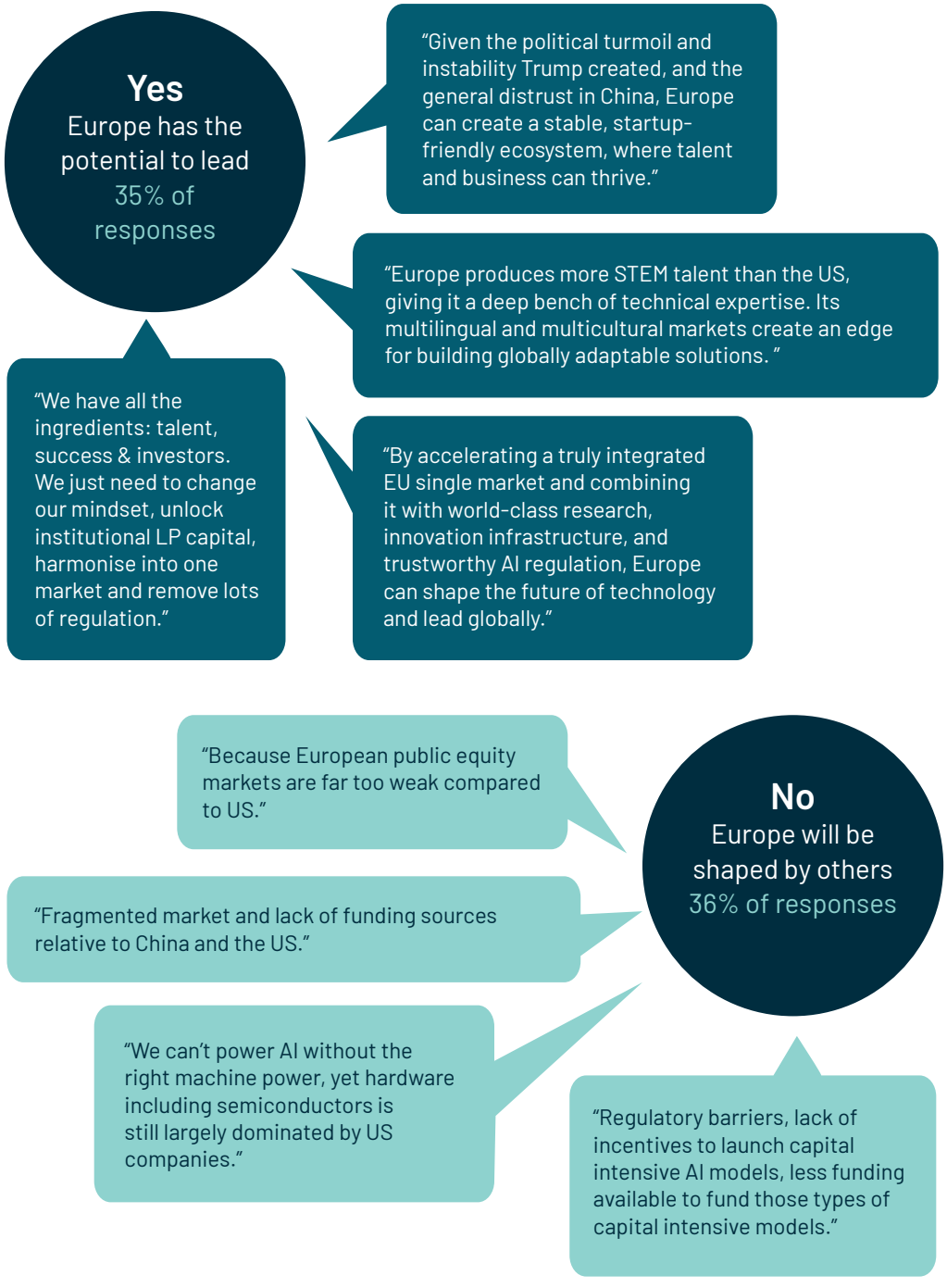
Can Europe write its own story in the AI era? On some level, it already is. Across a breadth of industries, companies are pushing boundaries and shaping the future. Europe is bringing its unique strengths to the table here, but although we have a story to tell, it's far too often understated.

Our survey reflects this. Respondents are split on whether Europe can define its own technological future in the age of AI, with as many people saying yes as no, and the remaining 29% saying it is too early to tell.

Europe's structural barriers to growth are real, but another risk is a wavering belief in the continent's ability to support entrepreneurial vision — despite a rich history of industrial transformation and abundant global ambition that validate the continent's role as a leader, not follower, of world-shaping innovation.

Conviction in Europe's ability to lead in AI is directly linked to optimism around the future of European tech as a whole. Those confident in Europe's AI leadership are also the most optimistic in general, and the most pessimistic are the ones who don't have faith in Europe becoming an AI power. Building AI leadership is therefore crucial for shaping sentiment, momentum and confidence in the broader European tech ecosystem.

Do you believe Europe can define its technological future on its own terms in the age of AI?



Notes:
All respondents.

Sources:
STATE OF EUROPEAN TECH Survey

Do you believe Europe can define its technological future on its own terms in the age of AI?

Notes:
All respondents.

Sources:
STATE OF EUROPEAN TECH Survey

Change is taking place

Europe's tech ecosystem has reached a defining crossroads. To turn a decade of remarkable into enduring and accelerated global leadership, Europe must remove the structural barriers that still slow its builders down. These barriers begin at incorporation, persist through scaling, and linger in the public markets.

That's why this year's State of European Tech defines four missions — founder-first calls to action designed to align the ecosystem around the change required to make Europe the best place in the world to start, build and scale.

This is not trying to reinvent the wheel. The challenges - and how to solve them - are already well known or in active discussion. But by amplifying the ideas and shaping reforms already in motion, this work can rally founders, investors and policymakers around a shared agenda.

Turning talk into well-designed action delivered with speed, simplicity and scale will not happen by chance; it requires coordinated engagement across the ecosystem to ensure the right voices are heard and acted on.

To this end, the agenda has been simplified into four missions that capture where founder-first reform can have the greatest impact. Each mission focuses on known challenges and practical solutions - building on existing progress, amplifying credible campaigns, and accelerating ideas already within Europe's grasp into action.

Together, they form a shared ambition to build an ecosystem that is faster, simpler, and more confident on Europe's own terms - one that turns technology into shared prosperity and leadership for generations to come. Full commentary on each mission is detailed in the chapters that follow.

Fix the Future

HOW WE GET THERE

Fix the Friction

EU-INC. One Standard, One Europe. A single, pan-European company entity.
Launchpad Europe. Simple policy that is crafted and tested like a great product.
Spinouts that Scale. Bridge the gap between research excellence and commercial impact.

Empower Talent

Reward Risk, Share the Upside. Provide fair and accessible employee ownership.
Magnet for Global Talent. Create a fast-track visa scheme for frictionless relocation.
Unlock Talent Mobility. Improve freedom to move within Europe without losing ownership or speed.

Fund the Future

European Capital Compact. Channel European pension, insurance, & sovereign assets to fund innovation.
Savings into Growth. Empower Europeans to put their savings to work, responsibly and productively.
One Listing, one Capital Market. A single, liquid European market for growth companies.

Champion Risk

Own the Narrative. Change how Europe talks ambition, success and risk.
Fail Better. Make insolvency and restructuring easier, faster and fairer.
Procure the Future. Faster, simpler, passportable routes for startups to sell to public & corporate buyers.

Political agenda for potential change is being set

The year ahead will be critical for Europe's startups and scaleups. Building on 2025's Startup and Scaleup Strategy, the European Commission's work programme for 2026 includes a large number of major initiatives proposed at improving the operating environment for startups and investors, from the 28th Regime for Innovative Companies, to the European Innovation Act, from Savings and Investment Union, to new Acts for Quantum, Cloud & AI development and Advanced Materials, as well as long overdue reform of Public Procurement.

In theory, these are all aimed at improving the conditions for founders to build and grow in Europe. But, in practice, what will matter most is the design, delivery and execution of these proposals. European founders and investors have seen before how landmark regulation, from GDPR to the AI Act, was shaped in ways that left startups feeling like an afterthought, and burdened by unintended consequences. This time, the ecosystem has a chance to try and avoid this by engaging early and often, helping to set the right priorities, ensuring the measures truly solve real problems for startups and scaleups, and pushing for speed, simplicity, and focus in implementation. Europe's startup ecosystem cannot afford to watch these initiatives take shape from the sidelines.

Overview of selected European Commission work programme initiatives for 2026

Initiative	Proposed timeline
28th Regime for Innovative Companies	Q1 2026
European Innovation Act	Q1 2026
Savings & Investment Union	Q1 2026
Cloud and AI Development Act	Q1 2026
Public Procurement Act	Q2 2026
Quantum Act	Q2 2026
Update of the European venture capital funds Regulation	Q3 2026

Notes:
Based on the European Commission work programme 2026.

Sources:
European Commission

Mobilising support for founder-first change

Across Europe, a growing network of founders, investors, and ecosystem leaders are mobilising to ensure that the next wave of EU and national policy delivers real results for startups and scaleups. From campaigns like EU-INC pushing for a single pan-European startup entity, to Not Optional calling for modern stock-option reform, the community is organising to rally support for practical, founder-first change. Alongside these issue-specific campaigns, European networks such as Allied for Startups, the European Startup Network, and national organisations from France Digitale to Startup Coalition and Bundesverband Deutsche Startups are giving Europe's startup community a stronger, more engaged voice in national capitals, Brussels, and beyond. By supporting their work and amplifying their campaigns, these initiatives and organisations offer practical ways to make an impact.

Selection of active issue-specific campaigns, national and European-level startups organisations

Type	Name	Short Description
Campaign	EU-INC	Campaign for a single pan-European startup legal entity ("28th Regime")
Campaign	Not Optional	Campaign to reform stock-option rules to attract and retain startup talent
Campaign	EU AI Champions Initiative	Campaign to unlock Europe's full potential in AI

Notes:
Email us at soet@atomico.com if you wish your organisation to be considered for inclusion.

Sources:
atomico

Selection of active issue-specific campaigns, national and European-level startups organisations

Type	Name	Short Description
European Startup Organisations	S9+ Coalition	A coalition of startup organizations from Europe's most digitally advanced countries
European Startup Organisations	Allied for Startups	Shaping Policy, Empowering Innovation for European startups
European Startup Organisations	European Startup Network	Umbrella of national startup associations across Europe
European Startup Organisations	EBAN	European Business Angels Network

Notes:
Email us at soet@atomico.com if you wish your organisation to be considered for inclusion.

Sources:
atomico

EU–INC is a call by the startup ecosystem to policymakers to tackle a once-in-a-lifetime opportunity.

Europe's multitude of countries is its unfair advantage – but also its weakness. Our startup scene is fragmented, with each country competing alone against the US and China.

EU-INC can change that. It's an opportunity to unite our startup ecosystems under one continental vision. But it needs bold policymakers willing to build for startups, with startups. If done right, EU-INC could lay the foundation for a truly European tech ecosystem. In many ways 2026 may well decide Europe's fate as an innovation powerhouse.

Andreas Klinger
Founder, PROTOTYPE Capital; Co-Initiator, EU-INC

Every individual action compounds across the community

Europe has the potential to be the best place in the world to start, build and scale a company. Simplifying the European operating system, improving access to capital at every stage, and building real liquidity are ambitious goals. However, even small, consistent actions across our community can add up to meaningful progress. Alongside these bigger objectives, we're encouraging everyone in the ecosystem to play their part in supporting and championing European tech.

How to be a part of the change Europe needs

1. Speak up	Share your story, perspective, or expertise so decision-makers hear real voices, not just statistics
2. Show up	Join discussions, roundtables, events where change is being shaped — presence matters
3. Write up	Contribute ideas or feedback in formal channels like consultations, letters, or policy surveys
4. Amplify	Spread and support credible campaigns, messages, and voices working toward the same goal
5. Connect	Bring people together — link allies, introduce new voices, and build the collective momentum for change
6. Embrace risk	Don't accept status quo, take the bold bet, fund the hard company, chase the audacious idea

02

Europe's Talent Engine

This chapter explores Europe's deep and dynamic tech talent base — one which is expanding fast, rich in technical excellence, and driven by founders who see building in Europe as part of their mission. Optimism is returning and the entrepreneurial pipeline is stronger than ever, but scaling friction and perception risk remain real. The task ahead? Turn Europe's talent advantage into an enduring global edge by making it the best place in the world to build and scale.

Talent continues to come to Europe

In 2024, we gained 26k new tech workers from overseas, but for senior talent we have trended down.

One founder relocating is too many

More than 82% of European founders build from Europe but the remaining 18% leave the continent.

2030 target: 30% of all new startups

Europe is on track and already contributing 27% of the world's new startups — a number that has remained stagnant in recent years.

Europe's talent has all the ingredients

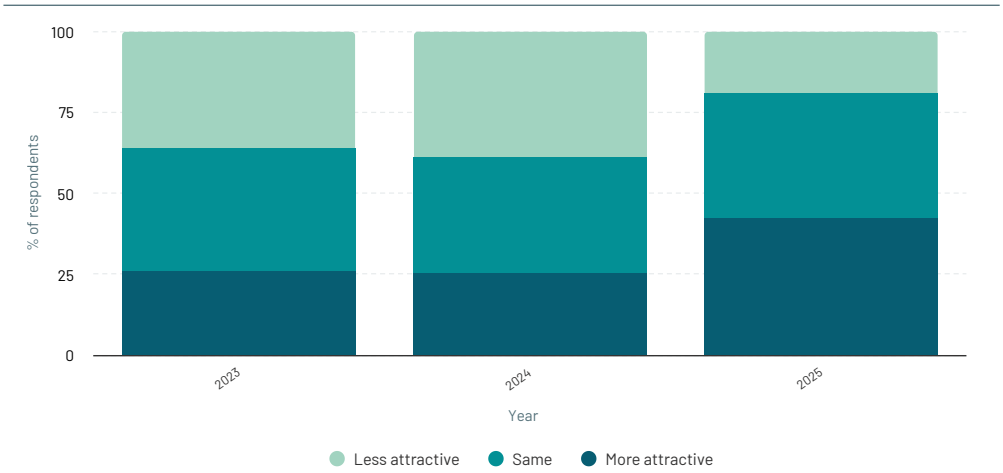
It's a good time to start a company in Europe

The conditions for starting a company in Europe are improving, say our survey respondents. When we asked how attractive it is to become a tech founder in Europe right now, 42% said it's more attractive today than a year ago.

This is a significant increase compared to previous times we have asked the same question. In both 2023 and 2024, only around a quarter of our survey respondents agreed that conditions for starting a company had improved, with more saying things were actually getting worse.

Optimism is highest among VCs and LPs, who typically have a bird's-eye view of the factors that smooth, or add friction to, the experience of entrepreneurship. Sentiment has materially improved among founders too, with the share of those feeling positive increasing from 25% to 33%, and the share of detractors falling by almost half.

How attractive do you think it is to become a founder of a European tech company now compared to 12 months ago?



Notes:
All respondents.

Sources:
STATE OF EUROPEAN TECH Survey

Europe's tech talent pool continues to expand

In this year's analysis, we looked specifically at employees based in Europe, regardless of their employer's headquarters location. This is a refinement of previous editions, which classified tech talent by their company's incorporation. The updated approach provides another view into Europe's tech workforce — where it actually sits and how much of it is contributing to locally headquartered startups and scaleups.

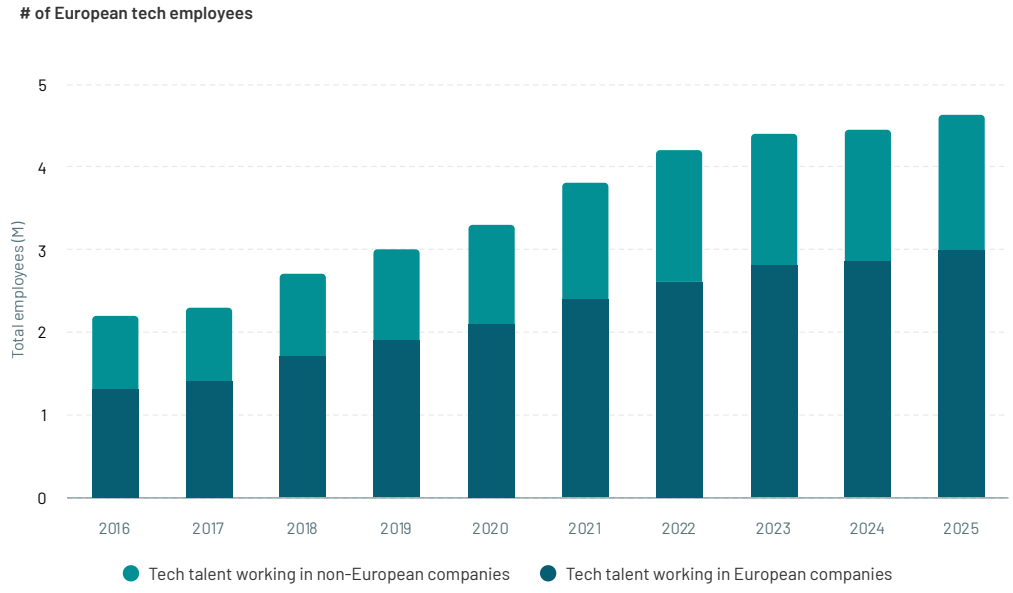
Our tech workforce is growing from a smaller base but catching up fast — more than doubling since 2016. Over the past decade, headcount has risen at a compound annual growth rate of 9.1% to reach 4.6M.

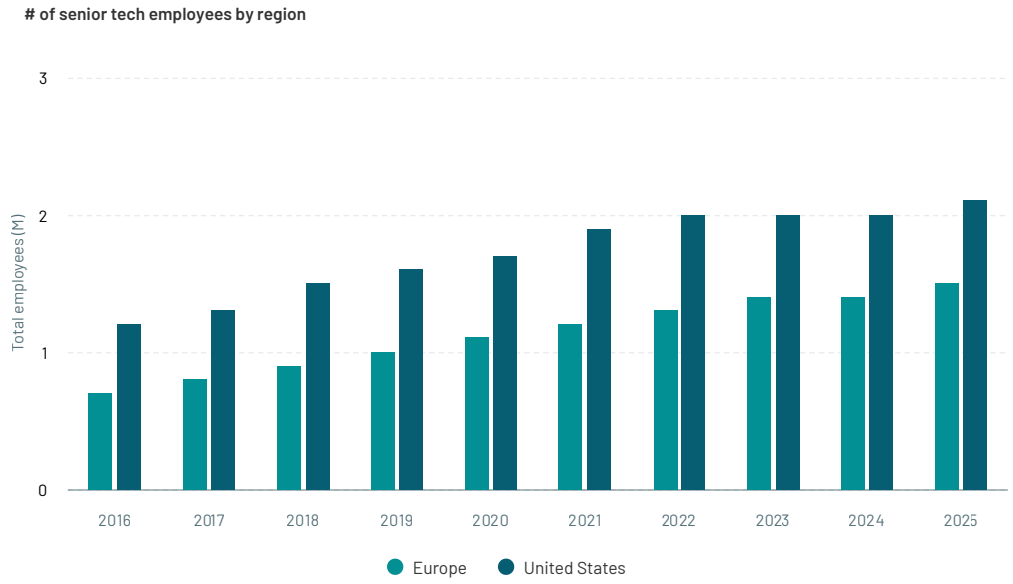
Interestingly, the Europe-based tech workforce is also increasingly working for European tech companies. It has now grown to around 3M, compounding at a rate of 10.1% annually over the past decade (versus 7.5% for non-European headquartered companies), and now represents 65% of the total European tech employee base. This is up from 59% in 2016 as the number and scale of homegrown champions has expanded across the region.

Senior talent — which includes those working as managers, team leads, and department or function heads — is scaling too. From 2016 to 2025, Europe's pool of senior tech employees has almost doubled, growing faster than the US from a smaller base. The US still has the larger bench, but the gap is narrowing as Europe's scaleups mature and digitising incumbents create more executive roles.

What's striking is that this expansion has continued despite heightened debate over AI-driven job disruption. Rather than shrinking, Europe's tech employment base keeps widening — reflecting strong demand for AI, data, and software talent across all industries.

Count of Europe-based and senior tech employees (M) by company HQ and region, 2016 to 2025





Notes:
Data is as of 30 September 2025. Location is based on where a person is based. Senior tech employees are defined as those who hold Leadership, VP/SVP, Director/Head of and Manager/Team Lead positions at tech companies.

Sources:
atomico
Powered by revelio labs
dealroom.co crunchbase

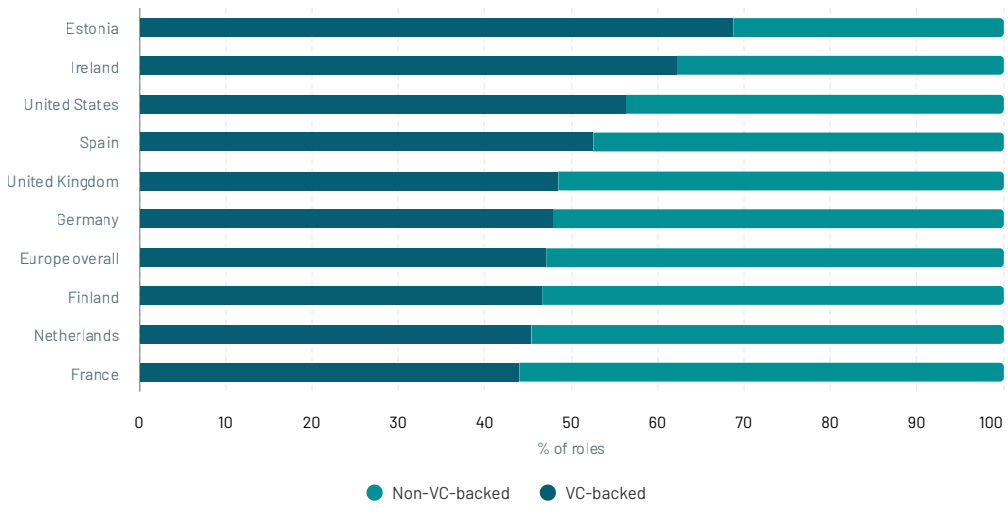
Getting more talent onto rocket ships

Startups and scaleups are Europe's engines of growth and innovation, capturing a growing share of the talent pool. Still, we do have a majority working elsewhere — in large corporates, consultancies or the public sector.

Europe's most mature ecosystems, such as the UK, France, and Germany, reflect decades of investment in tech and as such have created deeper talent pools. A few countries like Finland, Iceland, Ireland, and Estonia, for example, where VC-backed tech companies hire 50 to 65% of all roles, tend to have smaller, tighter tech scenes.

Overall, almost half (47%) of the roles working in European tech are based in VC-backed companies. This share has grown significantly over the last decade, from just 38% in 2016. We can expect this expansion to continue as more capital becomes available and as the current cohort of VC-backed companies matures.

Share (%) of roles in tech companies split by VC backing status for select countries and regions, 2025



Notes:
Data is as of 30 September 2025. Location is based on where a person is based.

Sources:
atomico Powered by revelio labs
dealroom.co crunchbase

European talent powering innovation

47%

of European tech employees now work for a VC-backed company (versus 38% in 2016).

Sources:

atomico Powered by revelio labs dealroom.co crunchbase

I spent a decade at Google in the Bay Area. When I came back to Europe, I expected hiring to be brutal. It wasn't.

Take Zurich — easily Europe's most underrated tech hub. Thousands of Big Tech engineers already live here. Google's here. OpenAI and Anthropic both have research hubs. ETH and EPFL pump out world-class talent. And the best part? The US talent pool is so hyper-competitive that comp differentials stretch startup runways 2 to 3x. Your burn rate in Zurich versus San Francisco is not even close. Retention is stronger too, which matters enormously in machine learning where effective onboarding takes nine to 12 months. For us as a biotech company, being a short train ride from Roche and Novartis doesn't hurt either. Is everything perfect? No. Finding experienced scale-stage executives is tough. But that's fixable. Europe has a talent advantage. Now we need to turn it into a real scaling edge.

Stef van Grieken
Co-founder & CEO, Cradle

Europe rivals the US on engineering talent

Europe may still employ fewer people in tech overall than the US, but it's closing the gap quickly. When it comes to technical talent — engineers, developers, data scientists, CTOs, and other core roles — the divide is even narrower than for the total tech employee base.

In 2025, Europe counts 2.7M technical or engineering employees, or 1M fewer than the US, and is in fact growing faster: 11.2% annually versus 8.2% across the Atlantic.

Europe boasts a strong technical DNA

8.5%

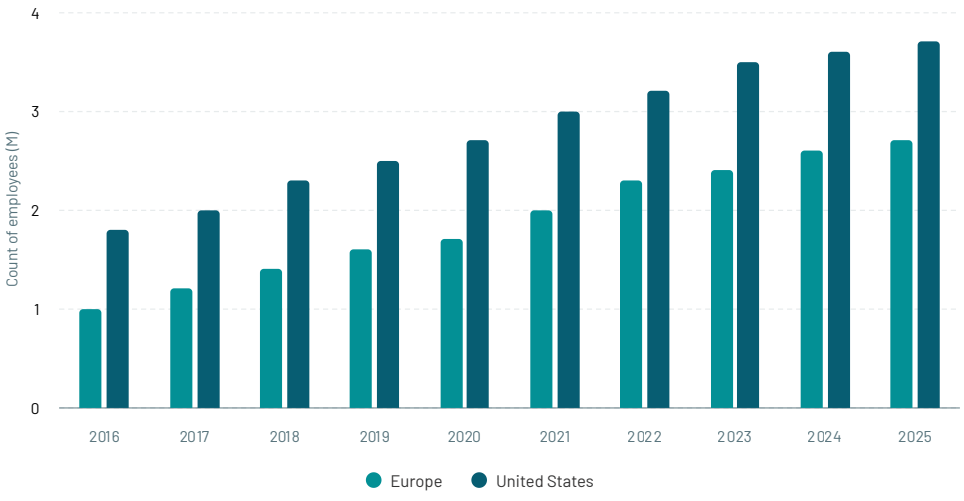
of engineers working for deep tech companies have a PhD — higher than the US (7.4%). Switzerland in particular stands out, peaking at 18%, reflecting its exceptional academic leadership in AI.

Sources:

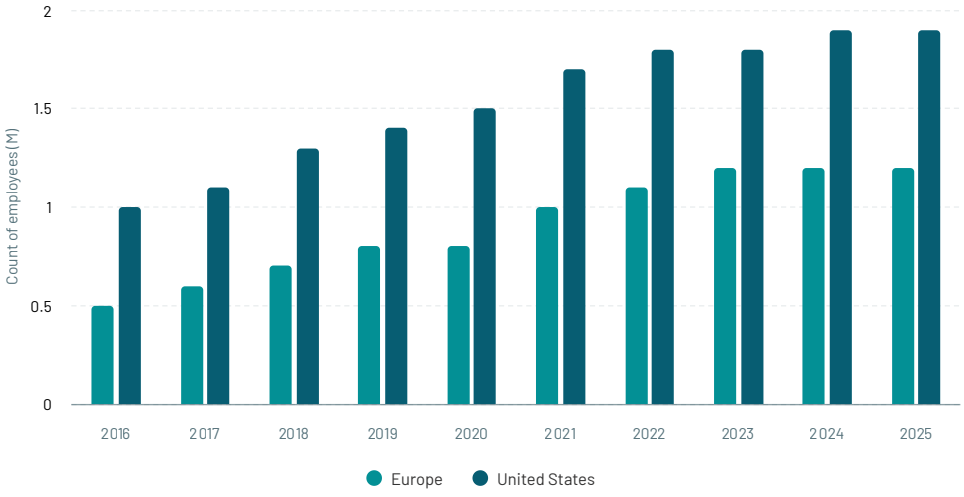
atomico Powered by revelio labs dealroom.co crunchbase

Count of technical and software engineering employees (M) working in tech or non-tech industries in Europe versus United States, 2016 to 2025

All companies (tech and non-tech)



Tech companies only



Notes:
Data is as of 30 September 2025. Location is based on where a person is based.

Sources:
atomico
Powered by revelio labs
dealroom.co crunchbase

Building from Spain has shown us that top global talent will come when the mission and the tools are world class.

As a company deeply rooted in Europe's innovation ecosystem, Multiverse Computing embodies the continent's values of collaboration and scientific excellence. Our partnership with AWS strengthens our ability to scale these principles globally showcasing how European startups can lead the world in building efficient, accessible, and sustainable AI models.

Enrique Lizaso
Co-founder and CEO, Multiverse

Entrepreneurial mindset is taking off again

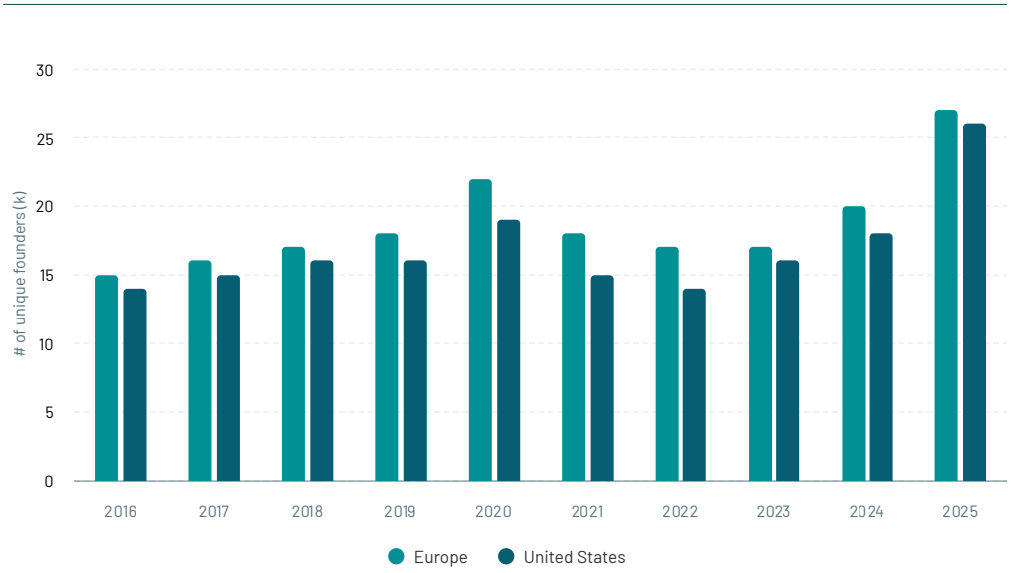
Entrepreneurship in Europe has surged over the past two years. The number of people starting companies in 2025 is nearly 59% higher than in 2023, surpassing even the highs of 2021.

Europe continues to lead globally in the number of new founders, even as the US sees its own wave of entrepreneurial growth, up 63% over the same period.

What we are witnessing is a global uptick in company building, fuelled by lower barriers to entry, from no-code tools and open-source infrastructure to stronger founder networks, and by a powerful market pull in the age of AI. Founders sense a paradigm shift that opens the door to building generational companies. The real test lies ahead. Europe has proved it can create companies at record pace. The question now is how many of these startups can scale into enduring businesses. That will require doubling down on the infrastructure that sustains growth: deeper pools of follow-on capital, cross-border mobility of talent, and smarter policy that makes scaling from Europe to the world easier.

This surge is not just a rebound — it is a window of opportunity. The momentum is there. Europe's challenge is to ensure this generation of founders has the runway to build globally competitive companies that last.

Count of unique founders (k) starting companies, 2016 to 2025



Notes:
Data is as of 30 September 2025. To adjust for lags in reporting, we compare snapshots of data at different points in time, which allows us to estimate future growth of current figures by extrapolating differences between time points. Both 2024 and 2025 data are forecasted by adjusting for reporting lag and by extrapolating data as of September 2025.

Sources:
atomico Powered by revelio labs

The global talent race is tightening

New hubs are emerging around the world, and the number of locations where it's viable to start and grow a global tech business is rising fast.

Europe has maintained a steady near-30% share of the world's founders over the past decade, underscoring that it has long proven its ability to create new companies. The challenge now lies not in starting them, but in scaling them to global success.

It's worth noting that China isn't included in our calculations due to the lack of reliable data — but even then, Asia's share has climbed to 28%, up from 22% a decade ago. Within Asia, India has seen the steepest rise: its founder base has grown at a 5% CAGR since 2016, now accounting for 58% of the region's total. The UAE is also contributing more founders than ever, with 10,000 more today than a decade ago, representing over 6% of Asia's founders — up from 3% in 2016.

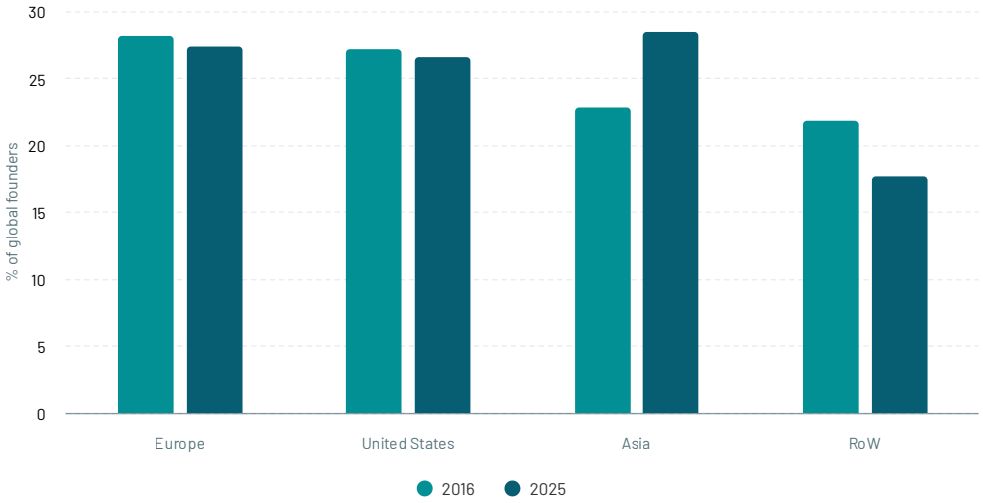
Competition is heating up — and Europe must move decisively if it wants to retain its position as one of the world's most attractive places to build.

Europe was the perfect place to start our company for many reasons.

The ecosystem has matured so much, and there is capital here. Most importantly, there is incredible talent here that's very unique in the world, specifically for robotics, for AI, for research on that side. Europe has an incredible talent pool. It's true that all these people don't all live in the same city, and that's totally fine, but the diversity of ideas, opinions, and stuff that has been built all over Europe was a key component of why we decided to [be based] here.

Tomaz Stolfa
Co-founder/CEO, Sunrise Robotics

Share (%) of global founders starting companies by region, 2016 and 2025



Notes:
Data is as of 30 September 2025. To adjust for lags in reporting, we compare snapshots of data at different points in time, which allows us to estimate future growth of current figures by extrapolating differences between time points. 2025 data is forecasted by adjusting for reporting lag and by extrapolating data as of September 2025.

Sources:
atomico
Powered by revelio labs
dealroom.co crunchbase

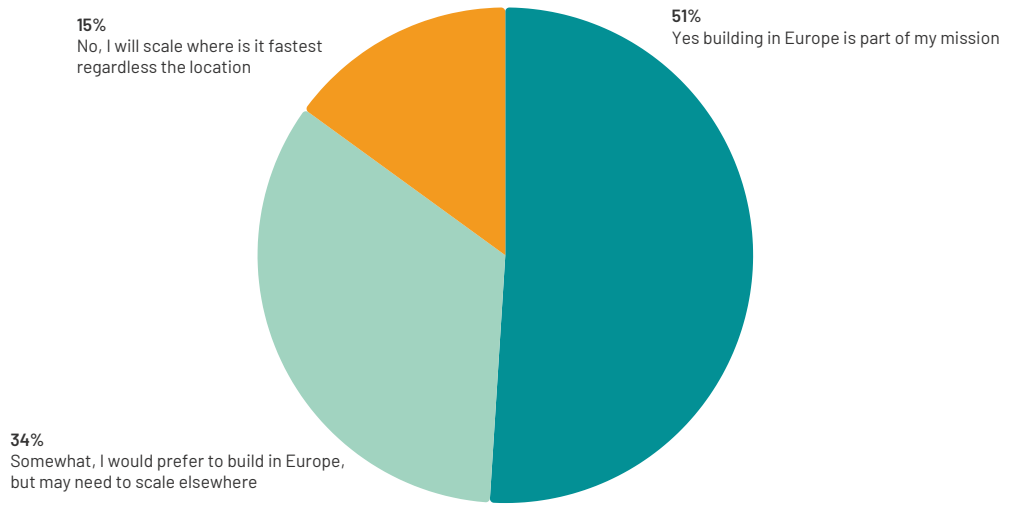
Building from Europe – a shared ambition

For most European founders, building a company is about more than the business itself. It is also about proving that world-class companies can be born and scaled in Europe.

In our survey, 51% say building in Europe is part of their mission. A further 34% prefer to build from Europe, while recognising their company's needs may require a move. Only 15% are geography-agnostic and focused solely on scaling wherever is fastest.

What these founders are telling us is clear. If Europe wants to keep its founders, it must make sure they do not feel constrained in their scaling journey by local operating conditions.

Do you feel a sense of mission to build and scale your company in Europe, even if it might be harder than elsewhere?



Notes:
Founder respondents only.

Sources:
STATE OF EUROPEAN TECH Survey

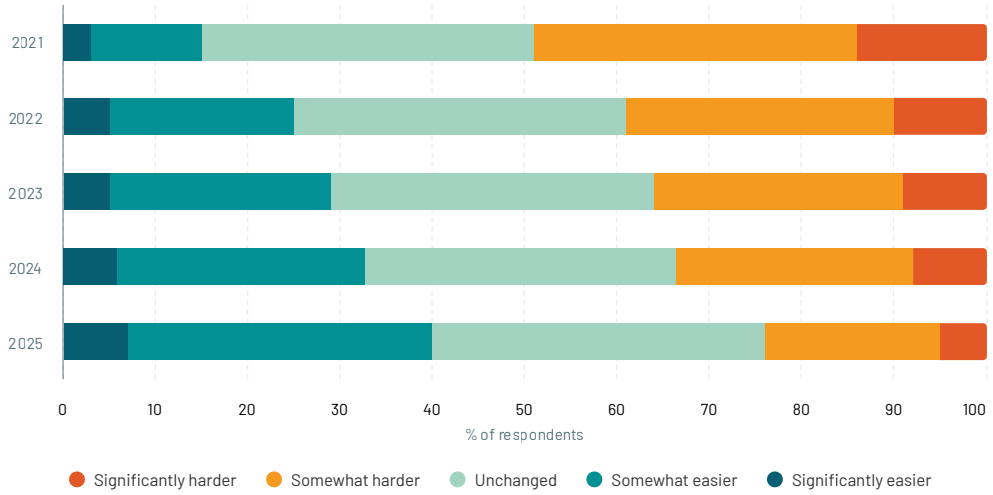
Talent market dynamics

Access to top-tier talent is improving

Positive sentiment towards entrepreneurship is rising throughout the ecosystem, making it easier for startups to attract experienced talent. Forty percent of respondents to our survey say it's become easier to recruit and retain top-tier talent over the past year — the highest level ever in the past five years.

It's been a tough few years for the talent market, as tech companies laid off staff following a period of market correction. As those pressures have eased, talent supply has rebounded and operator roles are once again seen as a smart career move.

In your opinion, is it easier or harder to recruit and retain top-tier talent in Europe than it was 12 months ago?



Notes:
Founder, co-founder, operator at a startup or scaleup respondents only. Respondents who selected "do not know / unable to comment" are excluded from the data. Numbers may not add up to 100 due to rounding.

Sources:
STATE OF EUROPEAN TECH Survey

The best European founders now see equity incentives as a strategic tool — not just a reward mechanism.

Getting incentive plans right is crucial to attracting and retaining the kind of talent that can scale globally from a European base. That means thinking early about alignment, transparency, and simplicity — ensuring employees understand both the value and the pathway to liquidity. We're helping more companies design plans that are competitive across borders, and it's clear that those who get this right create stronger, more committed teams for the long run.

Rebecca Servian
Partner, Orrick

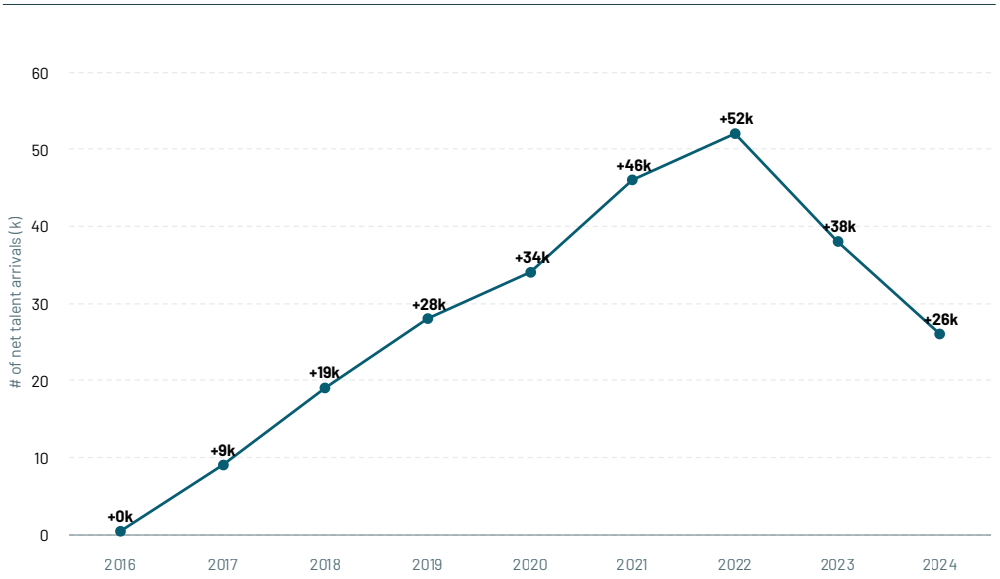
Europe continues to be a magnet for tech talent...

Europe is an attractive place to pursue a career in tech, as demonstrated by its continued ability to lure more tech talent from abroad than it loses. This has been a consistent feature of the ecosystem across the years covered by our data — but since 2022, the influx has started to flatten. While 52k more people arrived to work in European tech than left in 2022, that number is down to 26k in 2024.

This is not a uniquely European phenomenon: the US is experiencing a similar trend line, with net talent migration in 2022 at 48k while in 2024 it dropped to 29k. These slowdowns have been largely driven by a reduction in talent arriving from India, reflecting the country's smaller overall net migration outflows in 2024.

Breaking down net migration by country, Europe still loses more tech talent than it gains to the US, Canada, and Australia — its closest competitors for builders and innovators. Yet, the trend is beginning to shift. After hitting a low point in 2022, migration flows between Europe and the US are moving back toward parity, suggesting Europe's appeal as a place to build and scale is recovering.

Net talent inflow (k) migrating to work in European tech, 2016 to 2024



Notes:
Data is as of 30 September 2025. Location is based on where a person is based. Inflow measured as employees joining tech companies only, but could have previously worked at either non-tech or tech companies.

Sources:
atomico Powered by revelio labs

...but attracting and keeping senior talent is a critical battle

While Europe is a net beneficiary of talent overall, it is edging towards zero when zooming in on senior talent. In fact, we mapped nearly 1k senior employees leaving Europe moving abroad to work for Amazon, Google, Microsoft, Meta, and TikTok alone.

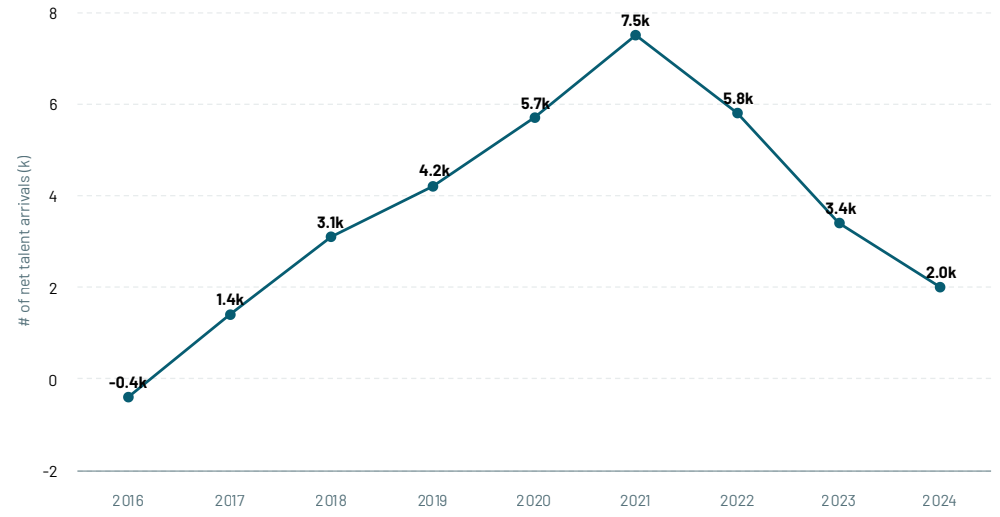
Many seasoned leaders are heading to the US and UAE in particular, the former having long lured senior talent with higher pay and generous equity schemes, and the UAE now increasingly positioning itself as a tax-free, business-friendly haven for executives. The US follows a similar downward trend from 2022, but in absolute terms it still ended net positive by roughly the same margin as Europe (3.5k versus 2k). Country composition-wise, the trends are strikingly similar — the top sources of senior talent migrating into the US are India, the UK (which is trending upwards), and Australia.

But with tightening visa policies, trade uncertainty, and political unpredictability in the US, senior leaders might be turning their attention back to Europe, creating a momentum that may well be reflected in the numbers for 2025.

Europe is losing precious know-how and networks that senior talent build up through their careers, which are essential for scaling globally competitive companies.

To capitalise on this opportunity, it must focus on retaining and attracting such leaders by offering comparable rewards — both financially and in terms of career-defining opportunities — to its global rivals.

Senior net talent inflow (k) migrating to work in European tech, 2016 to 2024



Notes:
Data is as of 30 September 2025. Location is based on where a person is based. Inflow measured as employees joining tech companies only, but could have previously worked at either non-tech or tech companies. Senior is defined by employees who are at levels of being Team Leads, Directors, Vice Presidents, to C-Suite / Founders. Excludes all China data.

Sources:
atomico Powered by revelio labs

Visa velocity: Europe's untapped advantage

One way for a country to expand its tech talent pool is through visa schemes designed to attract skilled workers. The US's H-1B visa is one well-known example, allowing companies to hire top talent who can bring their families with them when they relocate.

The US hands out 85k new H-1B visas per year and renews many more — but the introduction of a $100k application fee has opened the door for Europe and other tech hubs to attract talent now looking beyond the US.

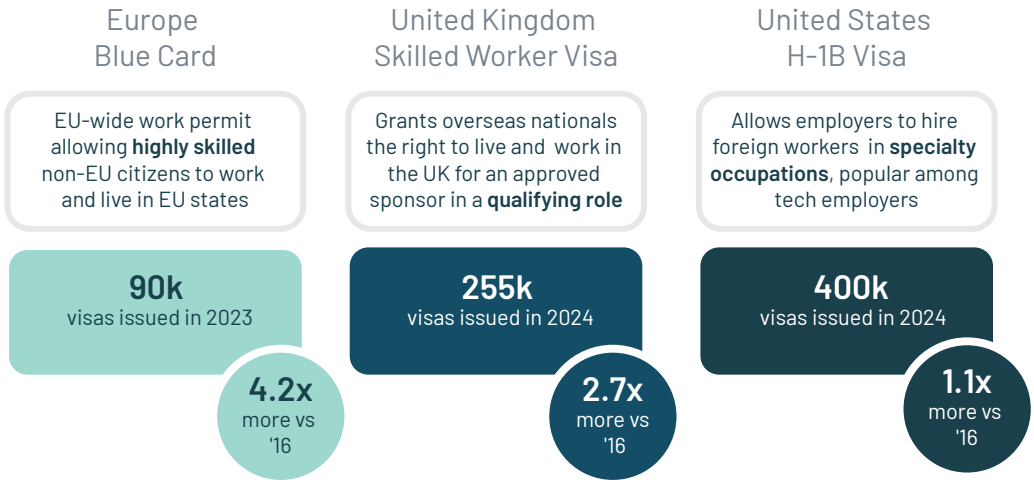
The UK has ramped up Skilled Worker visas, from around 100k annually before 2020 to nearly 500k by 2023, driven by a post-Brexit system where EU nationals must now get visas, as well as a wider reshaping of eligibility rules. Last year, 255k visas were issued after salary thresholds were increased. The UK's Global Talent visa, which allows highly skilled workers to apply without a job offer, has endorsed over 5.2k applicants since 2014 — with one in four being founders.

Other European countries, meanwhile, are still far behind the US and the UK in attracting global talent through flagship visa programmes. In 2024, the US issued 400k H-1B visas and the UK issued 255k Skilled Worker visas. In 2023 (the latest numbers available), Europe issued just 90k Blue Card visas, which targets skilled professionals wanting to live and work in EU member states (excluding Denmark and Ireland).

Still, Europe has made progress. Its Blue Card scheme issued 4.2x more visas in 2023 than it did in 2016. Visa issuance numbers also do not account for free movement within the EU, which allows skilled workers to relocate without needing a visa.

Visibility into how many of these visa holders work in tech is limited, but these schemes represent major channels for attracting international workers. As the global battle for talent heats up — particularly in sectors like AI, fintech, and deep tech — Europe will need to match the scale of visa programmes run in the UK or US.

Visa issuance (k) for key visa schemes



Notes:
Data is as of September 2025.
2024 data for Europe has not yet been disclosed, hence is not included in the charts.

Sources:
GOV.UK eurostat U.S. Citizenship and Immigration Services

The founder flight debate

Europe is losing some top founders to the US — but most stay

There is a common perception that most of Europe's best founders are leaving for the US — but the data tells a much more nuanced story. The strong majority of founders still choose to build and scale their companies from within Europe.

To better understand the underlying dynamics, we segmented the data into two subgroups. The first comprises seasoned founders — those who have held C-suite roles in a set of leading tech companies. The second focuses on AI founders, given the heightened competition for talent and capital in this sector.

Across all founders, more than 80% continue to build from Europe, a trend that has remained stable since 2016. In fact, the share of European founders who chose to headquarter their companies in the US has slightly declined — from 10% in 2016 to 8% in 2025. The trend is even more positive among AI founders, with 81% now building from Europe, up from 74% in 2016. Founders are betting on Europe — more so than a decade ago.

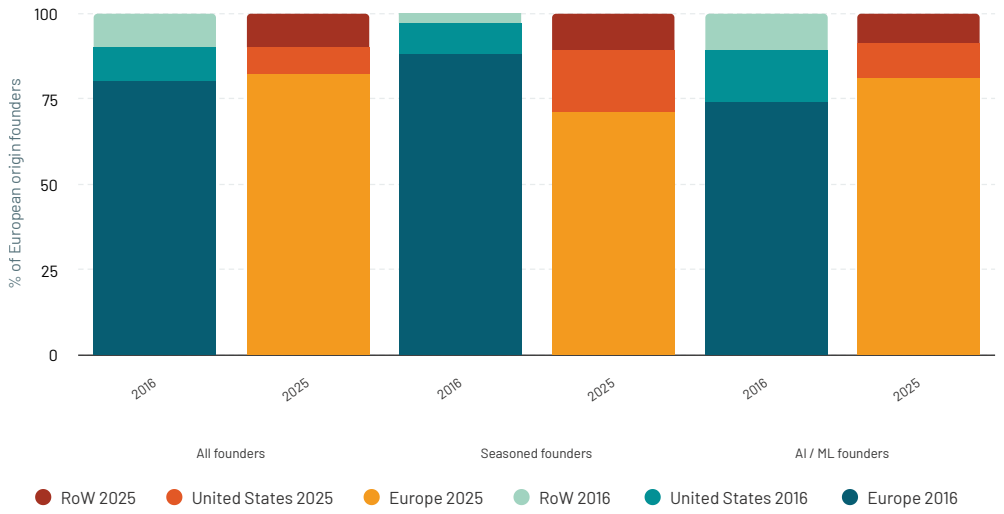
However, when we look more closely at European seasoned founders defined based on their first work experience location being in Europe, an interesting picture emerges. Among those who started their companies in 2016, 10% of seasoned founders had headquartered their startups in the US. In 2025, this almost doubled to 18%. While this doesn't always mean they personally relocated, it does suggest at the very least an increased preference to incorporate in the US — where company formation is faster, cheaper, and often a gateway to US customers and investors.

What's also worth noting is the hidden opportunity in these numbers. These founders had often left Europe long before. In fact, 42% of the 2016 cohort and 56% of the 2025 cohort had already been gaining experience abroad — often in the US — for more than a decade. Only 36% and 33% respectively (or 4% and 6% overall), are founders who have left Europe in the past three years. This distinction matters: it suggests that a meaningful share of the "outflow" of experienced founders reflects an older

generation who left when Europe's ecosystem was still maturing, not simply a recent exodus.

This highlights the challenge to retain founder talent, but the nuance also reframes the challenge as a latent opportunity. Europe now has a diaspora of highly skilled, globally connected founders who left when the ecosystem was still young — and who could play a catalytic role if attracted back. The goal should not only be to retain founders, but also to re-engage those who once left.

Share (%) of European-origin founders building companies in Europe versus abroad (by founder type), 2016 to 2025



Notes:
Data is as of 30 September 2025. Founder origin is determined by their first country of employment. Seasoned founders are defined as those who have previously created companies or held C-suite positions at leading tech companies or raised significant amounts of capital in past ventures.

Sources:
atomico Powered by revelio labs

The energy is back in Stockholm.

Momentum has been ramping up over the past 18 months and founders are more ambitious than we've ever seen. There's a genuine belief that generational companies can be built here in Sweden, especially in AI, and that's certainly getting us noticed. I think our founders have an approach to building products that is deeply rooted in our culture here: a balance of simplicity, good taste, and practicality that helps create products that people can care deeply about. Which is why I'm not at all surprised that we're witnessing yet another major technological leap where we have Swedish founders emerging as global leaders. I hope what's happening here gives confidence to founders across Europe. Even with more regulatory friction and less local growth stage capital than in comparison to the US, it's absolutely possible for European companies to compete — and win — on the global stage. More than 65 European cities are now home to at least business valued at one billion dollars or more, up from only three in 2010. Where you start now has much less of an impact on how far you can go.

Fredrik Cassel
General Partner, Creandum

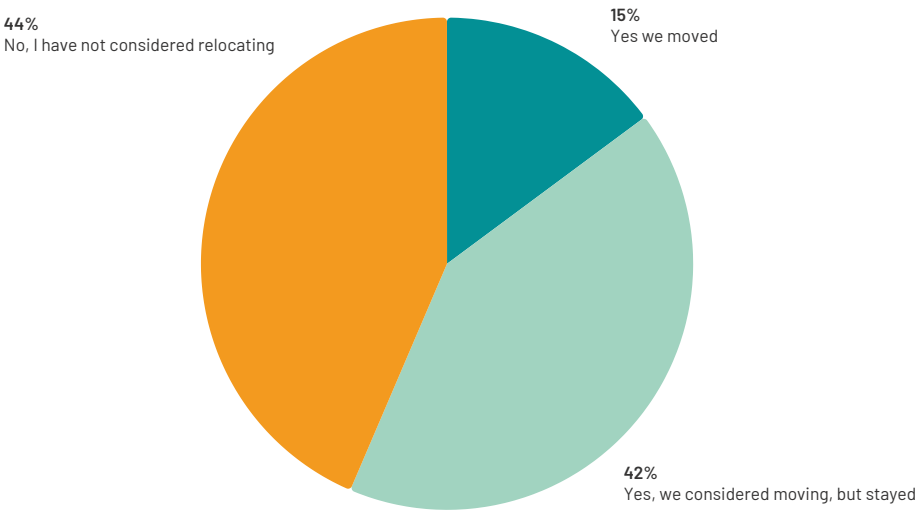
Most founders are staying put

To give another perspective, we posed the same question to founders taking this year's State of European Tech survey. From our survey respondents, only around 15% of founders have relocated, roughly aligned with our analysis in the chart above where 18% of founders were building their companies outside of Europe.

What is concerning is that over 40% of respondents said they have considered moving their business. Relocation tends to be concentrated among later-stage and more experienced teams. About 23% of Series B+ stage survey respondents and a similar share of repeat founders have moved, compared with just one in ten first-time or bootstrapped founders.

Perception plays a key role. Founders who view Europe's regulatory environment as restrictive are significantly more likely to move than those who see it as supportive. The data points to friction, not ambition, as the trigger — suggesting that it's regulation, access to growth-stage capital, and credible exit pathways that determine whether Europe's best companies stay and scale at home.

Have you ever moved — or seriously considered moving — your company's headquarters to another country?



Notes:
Founder respondents only.

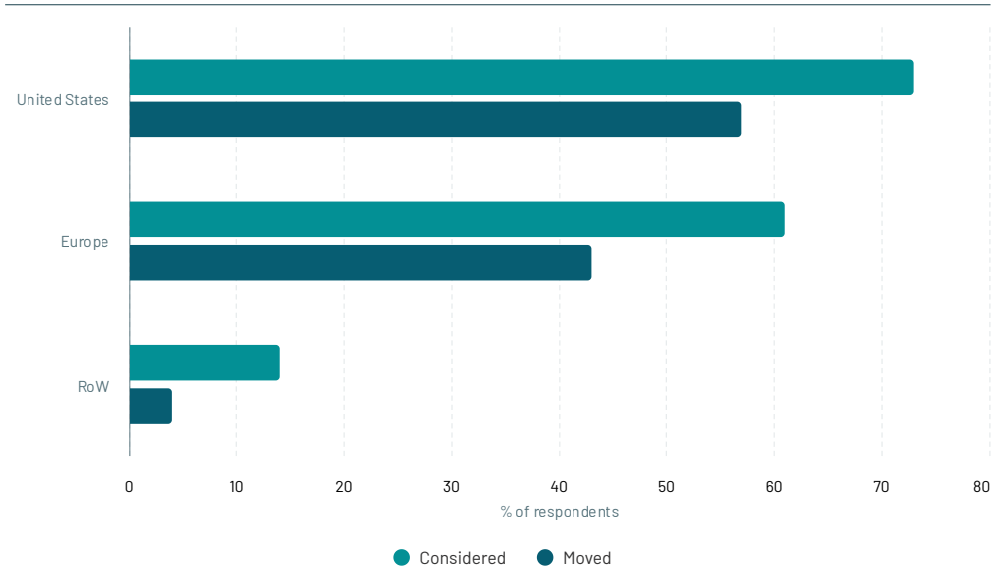
Sources:
STATE OF EUROPEAN TECH Survey

The US still has an allure for founders, but Europe is not far behind

We asked founders who have relocated or are considering relocating where their top destinations are, and when aggregating across its different regions and cities, the US comes out as the frontrunner, cited by over 70% respondents considering a move and also capturing the highest share of those who went through with it. The responses point not only to the funding gap between Europe and the US, but also to intra-European disparities that can hinder companies from reaching their potential.

Yet, founders are not ditching Europe. A continental move is almost equally attractive with 61% of respondents citing Europe as a destination they would consider moving their business to.

Which country or region did you move or consider moving to?



Notes:
Founder and co-founder respondents who either considered relocating or relocated only.

Sources:
STATE OF EUROPEAN TECH Survey

Access to capital is the strongest pull factor for relocating founders

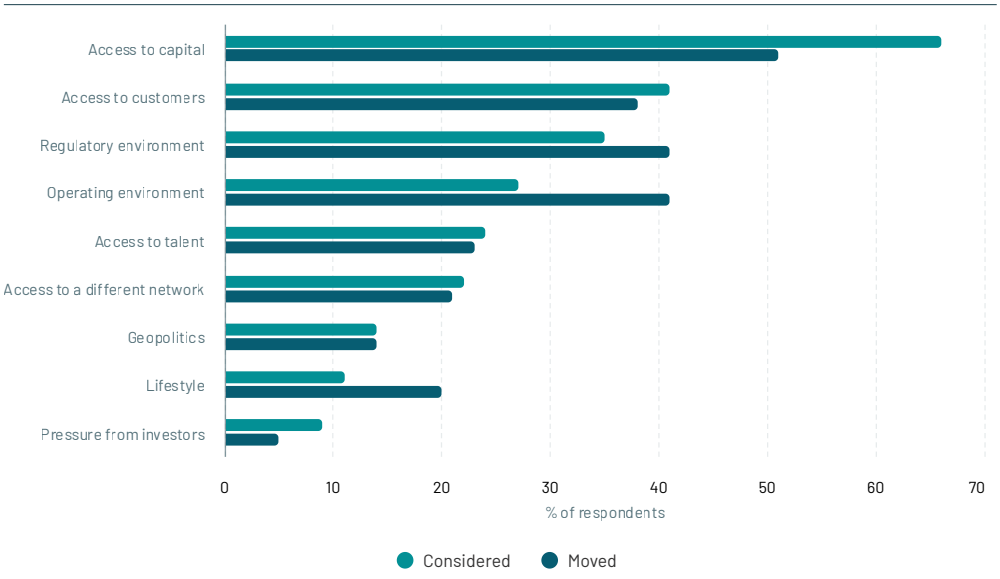
For founders who have relocated — or are considering doing so — there was a clear consensus on the main factor influencing that decision: access to capital.

Across the two groups, more than 60% of founders identified the need for greater access to funding as the primary driver behind relocation considerations, making it the most common response. This was even higher for founders considering a move, at 66%. Access to customers ranked second, with challenges related to the regulatory and operating environment following closely behind.

Digging a level deeper, the factors shaping relocation decisions vary according to a company's size and stage. Series B founders were significantly more likely to point to investor pressure as an influential factor than their bootstrapped or Series A counterparts. By contrast, earlier-stage founders were more likely to cite regulatory hurdles as a key concern.

Meanwhile, larger and later-stage companies were more vocal about access to talent — reflecting both their ambitions for international expansion and the increasing complexity of scaling beyond their home markets.

What were the biggest drivers for considering relocating your tech company?



Notes:
Founder and co-founder respondents who either considered relocating or relocated only.

Sources:
STATE OF EUROPEAN TECH Survey

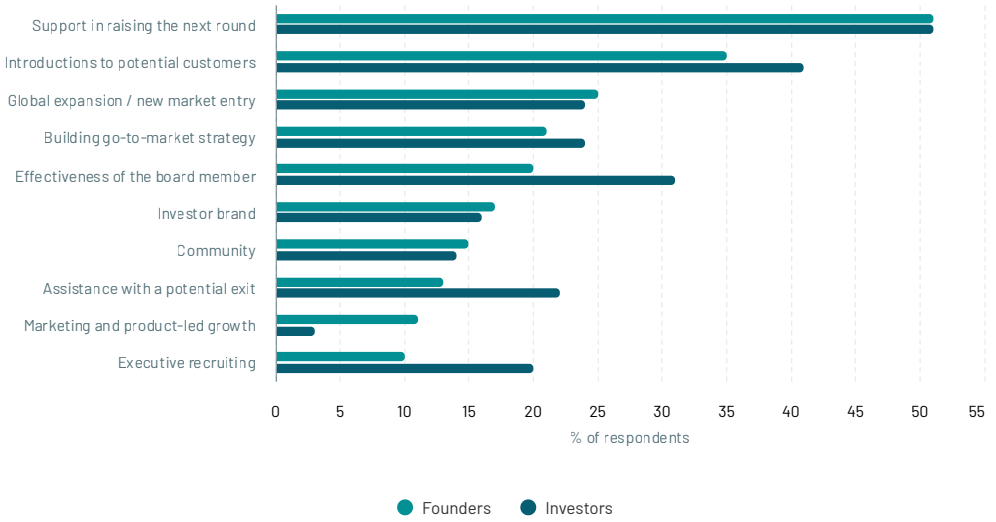
Startups want VCs to help them raise future funding

When asked where investors add the most value beyond capital, founders say support in raising their next round is what matters most. More than half of founder respondents identified this as their biggest need, reflecting how difficult it remains to secure follow-on funding as companies grow and their capital needs expand.

Investors largely agree, recognising next-round support as a key area where they can make the greatest difference. This alignment highlights the structural reality of a European market that is no longer about starting companies but about sustaining them through the scale-up phase.

That need extends beyond capital. Founders also highlighted the importance of introductions to potential customers and support in expanding into new markets. Scaling in Europe often requires looking beyond the continent, as startups face persistent challenges selling into large corporates or public-sector buyers at home. The most effective investors are those who can open both funding and customer pathways, helping founders secure the next cheque, the next buyer, and the next expansion market.

Beyond providing capital, what type of support from investors adds the most value to companies?



Notes:
Investors include venture capital, accelerator, angel, and growth tech investors. Showing top 10 responses only. Respondents were asked to select up to three options.

Sources:
STATE OF EUROPEAN TECH Survey

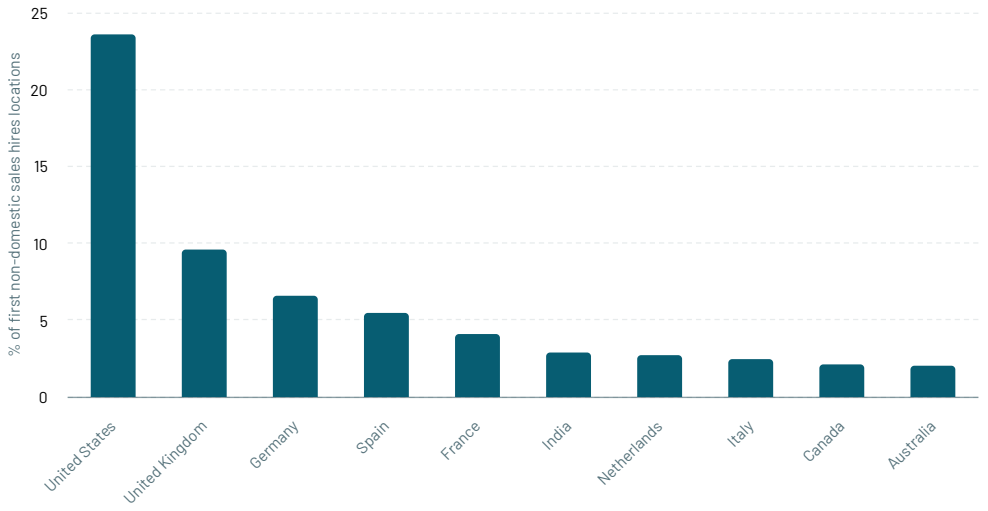
European startups head to the US first when scaling sales teams

When European startups scale their sales functions, the US remains their first and most important destination. A quarter of Series A companies hire their first non-domestic sales employee there, and nearly half of all non-local sales roles in later-stage startups are based in the US.

The pattern highlights both global ambition and constraint. Founders know they need to reach the US market early to scale revenue, but they also face structural hurdles at home, from a fragmented European market to low corporate appetite for buying from startups, despite more than $2T in annual IT spending across the continent.

For many founders, expanding internationally is not optional but essential to reach customers at scale. The US offers a single, high-value market and faster commercial adoption, making it the default launchpad for global growth for many European startups and scaleups. As Europe strengthens its access to capital, it must also work to strengthen access to demand, ensuring the next generation of European scaleups can build global sales engines from home, not just abroad.

Share (%) of first or all non-domestic sales employees hired by their location for European companies that have raised Series A since 2016, 2025



Notes:
Data is as of 30 September 2025.

Sources:
atomico Powered by revelio labs dealroom.co crunchbase

Scaling prompts European founders to expand abroad

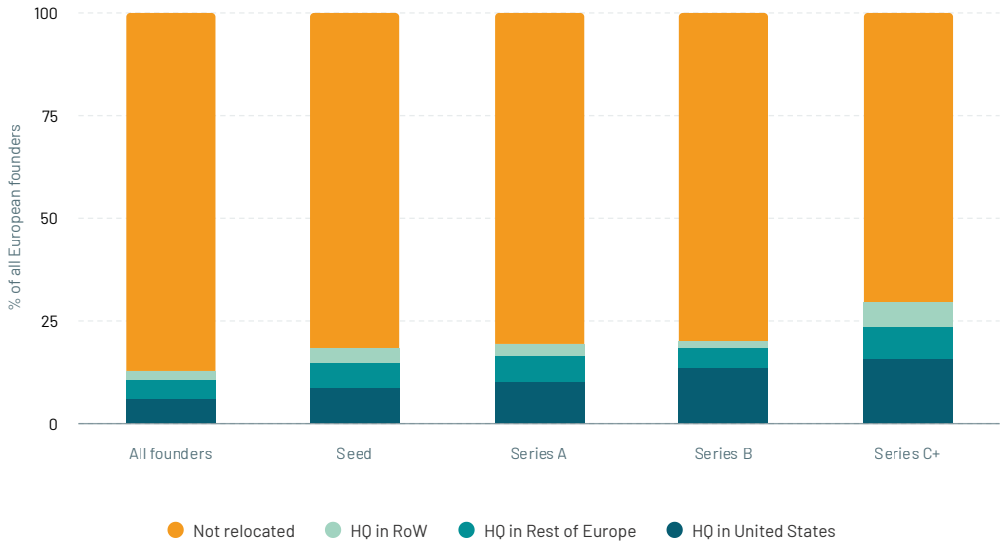
A minority of European founders choose to base their headquarters abroad, and among those that do, around half head for the US. It's a reflection of the country's enduring appeal as a large-scale market with deeper capital markets. Silicon Valley and New York account for almost half of European founders with company headquarters now in the US.

This is also reflected in the capital journey as relocations become more common as companies grow. Around 18% of European-founded Seed-stage tech companies are based outside of the continent's borders, but this number rises to around 30% by Series C and beyond.

Not all founders leap across the pond, though, with intra-Europe moves accounting for a large portion too. The UK is the second-most popular destination for founders looking to relocate (although still far behind the US), followed by a mix of smaller hubs across Europe, Asia, and the rest of the world.

Europe's most successful companies are thinking globally from day one. The challenge now is convincing them they can do it all from here — and that the continent can attract late-stage capital at comparable levels to what they might find elsewhere.

Share of European repeat founders that have moved their HQ location, by new HQ location and by stage of funding, 2025



Notes:
Data is as of 30 September 2025. Founder origin here is assumed based on their current location. Entries for founders are accepted when both their current location and company HQ location are disclosed.

Sources:
atomico
Powered by revelio labs
dealroom.co crunchbase

Most unicorns stay in Europe

87%

of European origin $B+ companies that are still headquartered in Europe today. Only 13% have relocated to the US during their scaling journey.

Sources:

dealroom.co

The European Commission rightly wants Europe to become the best place in the world to build and scale leading tech companies. But that vision won't be achieved with half measures.

This continent doesn't lack ambition or ideas, what it lacks is simplicity. For too long, founders have had to navigate 27 different systems just to raise capital, hire talent, and grow. To truly compete, we need to make it as easy to scale across Europe as it is in the US or China.

Sten Tamkivi
Partner, Plural

Europe has the talent, but still lacks the reflexes. Founders here think deeply, with too many still aiming for local parity instead of global leadership.

To build trillion-dollar companies, we need global ambition from day one, less fear of failure, and faster iteration in the open. The advantage we have is talent: deep technical skill, high ownership culture, and a privacy-first mindset that earns trust. The best teams treat constraints as design specs and use Europe's trust-centric values as an edge, not a brake. Clearer, more predictable regulation would help them move faster.

Mati Staniszewski
Co-Founder, ElevenLabs

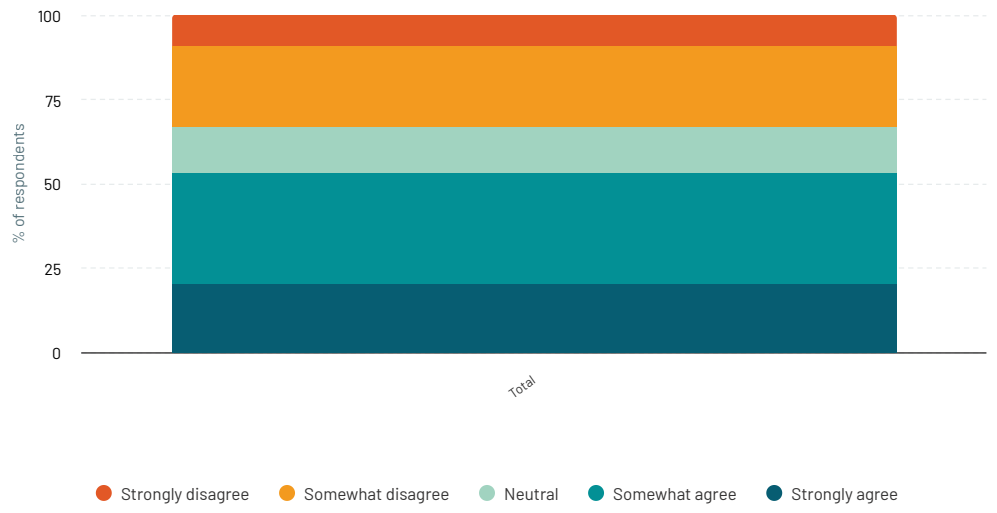
Europe's got what it takes to build $100B+ companies

Europe has a deep and growing pool of tech talent to call upon. Most founders tell us they would prefer to keep scaling on the continent rather than move abroad. The question is whether Europe can supply the people needed to make that ambition real.

On balance, founders think it can. Fifty-three percent agree that European startups can attract and retain the talent needed to build the next $100B company. Confidence rises with scale: 60% at late stage, compared with 55% at early stage, and 52% among bootstrapped teams.

Outlook and experience shape the picture. Sixty-nine percent of Europe optimists agree, versus 29% of pessimists. Founders who have relocated are less confident (41%) than those who stayed (50%). Taken together, the message is clear: confidence grows as friction falls, which points to deepening senior talent pipelines, easing cross-border hiring, and aligning incentives that help companies hire and keep the best people at scale.

Can European startups and scaleups attract and retain the talent needed to build the next $100B tech company in Europe?



Notes:
Founder and operator at a startup or scaleup respondents only. Segments are defined by survey items on (1) HQ relocation (moved/seriously considered moving), (2) optimism versus 12 months ago about European tech, and (3) perceived change in ease of raising VC in Europe.

Sources:
STATE OF EUROPEAN TECH Survey

Call to action

Europe's talent won't wait — nurture it now

Europe's tech talent base has never been stronger. It is deep, dynamic, and expanding faster than the US — driven by founders who see building in Europe as part of their mission. Optimism is returning, hiring conditions are improving, and the entrepreneurial pipeline is healthier than ever.

Yet too many founders and operators still face a system that slows them down. Europe remains harder to hire in, slower to relocate to, and more complex to move across than competing regions. Regulatory fragmentation and cross-border barriers make it too difficult to scale teams fluidly or to build truly pan-European champions.

The urgent task ahead is to turn Europe's talent advantage into an enduring global edge that makes Europe the home of choice for the world's most ambitious talent. This means building an agile, borderless market for talent that makes it easier to hire, relocate and retain the world's best builders, and by rewarding those bold enough to take the risk to stay and scale here.

How we get there:

- **Reward Risk, Share the Upside**
  Reward those bold enough to build the future. Deliver long-overdue stock-option reform with a simple, fair and accessible framework benchmarked to Not Optional gold standards — ensuring every employee can share in the value they create.

- **Magnet for Global Talent**
  Roll out the Blue Carpet for the world's best builders. Create a single, fast-track visa and relocation framework that makes it frictionless for founders, operators and their families to come, contribute and stay.

- **Unlock Talent Mobility**
  Make talent truly mobile across Europe. Give founders and operators the freedom to move, work and build within the continent without losing ownership, benefits or speed — by harmonising rules for tax, social security and recognition of experience.

Empowering Talent means giving people not just reasons to come, but reasons to stay, by rewarding risk, removing barriers, and making Europe the home of choice for the world's most ambitious builders.

Empower Talent

Make Europe the home of choice for the world's most ambitious talent

HOW WE GET THERE

Reward Risk, Share the Upside
Reward those bold enough to build the future, with simple, fair and accessible employee ownership, benchmarked to 'Not Optional' gold standards

Magnet for Global Talent
Roll out the 'Blue Carpet' for the world's best talent. Create a single, fast-track visa scheme that makes relocation frictionless, and staying obvious

Unlock Talent Mobility
Make talent truly mobile across Europe. Give founders and operators the freedom to move, work and build within Europe without losing ownership, benefits or speed

03

Startup Investment Trends

Europe is producing more investable companies than ever — but funding levels are still catching up to support their scaling journeys. In this chapter, we explore the flow of investment into European tech companies and highlight where opportunities remain to bridge funding gaps.

Europe crosses 400 unicorns

2025 saw a significant uptick in $1B+ company creation, with new unicorns emerging from 11 unique countries.

A lack of funding is holding Europe back

European startups are as likely to start strong as their US counterparts — but far less likely to keep scaling in growth stage.

2030 target: VC funding 1% of GDP

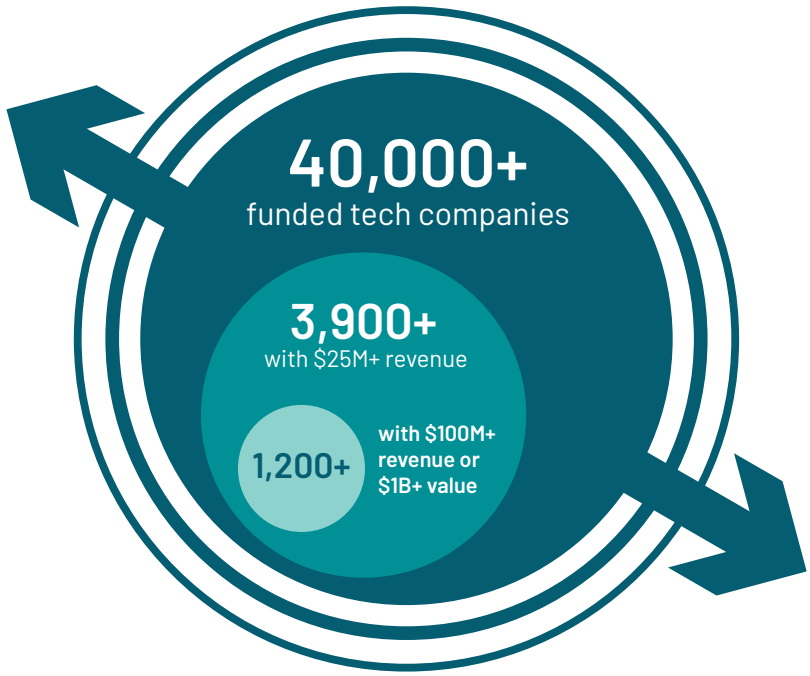
At 0.17%, funding raised as a share of European GDP is well below the US.

Snapshot of European tech funding

Europe's future is already here

Europe already boasts more than 40,000 funded tech companies. Close to 4,000 are generating more than $25M in annual revenues and 1,200k have revenues north of $100M and/or are at billion-dollar valuations. These are amazing outcomes and showcase how Europe has matured as a ecosystem — a decade ago, we had just 125 $1B+ valued companies. The opportunity now lies in turning this unprecedented base into the next generation of global winners.

Number of tech companies by stage in Europe, 2025



Notes:
Data is as of 30 September 2025. Excludes the following: biotech, debt, lending capital, and grants.

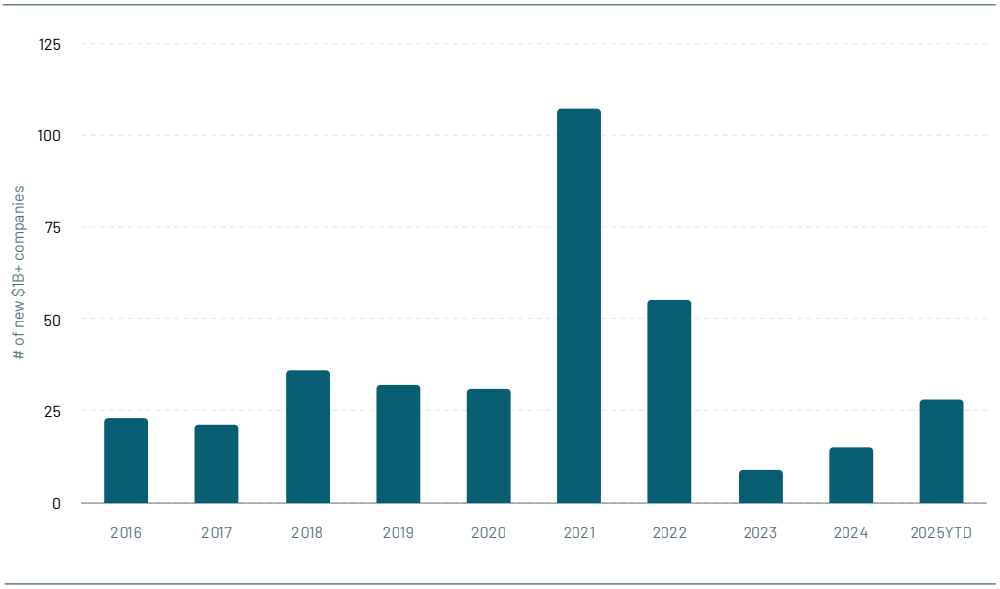
Sources:
atomico
Powered by dealroom.co

28 companies have already crossed the billion-dollar milestone this year

2025 marks a sharp increase in the number of new billion-dollar companies, on track to double that of 2024 — the strongest year since 2022 and a clear return to pre-pandemic levels of activity.

European startups are no longer competing only within national or continental boundaries — they are winning on a global stage. From Lisbon to Stockholm to Amsterdam, world-class leaders are emerging across the continent. Take Finnish quantum computing company IQM, whose $320M round in September became the largest Series B ever both in the Nordics and in the quantum space outside of the US. This shows that category-leading innovation can emerge from anywhere in Europe, not just traditional tech hubs.

Count of European companies crossing $1B valuation (#) for the first time, 2016 to 2025



Notes:
Data is as of 31 October 2025.

Sources:
atomico

Europe has the research excellence, talent, and industrial depth to lead in AI, but we risk hollowing out our economy unless we become strategic about capturing AI-driven productivity onshore.

The gap isn't in capability. It's in deployment at scale. We're witnessing the early signs of a European Renaissance: world-class talent returning from Silicon Valley, breakthrough companies like Mistral and Helsing emerging, and a generation of founders choosing to build transformative businesses here. But this momentum only compounds if European institutions and incumbents match that ambition by acting as early adopters of European AI.

AI is transformative, not disruptive. It doesn't replace our industrial backbone. It makes it more productive, resilient, and competitive. Europe's advantage lies precisely in sectors like manufacturing, energy, healthcare, and defence, where proprietary data and deep domain expertise create compounding returns. World-class innovation is already being built and deployed here.

When governments and companies jointly commit to scaling high-quality, competitive AI across strategic sectors, they boost productivity and ensure long-term economic resilience. The path forward is clear: align adoption, capital, and policy to transform Europe's research excellence into global market leadership. The Renaissance is underway. Now we build the conditions for it to compound.

Jeannette zu Furstenberg
Managing Director & Head of Europe, General Catalyst

Europe crosses 400 unicorns in 2025

The total number of billion-dollar European tech companies now stands at 413, up threefold in a decade from 127 at the end of 2016.

While a third of this year's cohort of new unicorns are from the UK, 2025 has seen new billion-dollar companies emerge from 11 different countries, once again highlighting that great companies are coming from all across Europe. These range from IQM, a Finnish leader in quantum computing, to Tekever, a defence tech company out of Portugal.

These examples also speak to the breadth of solutions being built from Europe beyond the headline grabbing AI-first companies. Even so, it's impossible to ignore how AI-driven solutions have enabled a new breed of $1B+ companies that have reached the unicorn milestone faster than ever. These include the Swedish AI coding platform Lovable, only founded two years ago in 2023, and Isomorphic Labs, a British AI drug-discovery company spun out of DeepMind that celebrated its fourth birthday this year.

The 2025 cohort of European $1B+ companies

Notes:
Data as of 31 October 2025. $1B+ companies are defined as those with a most recently reported valuation of at least $1B.

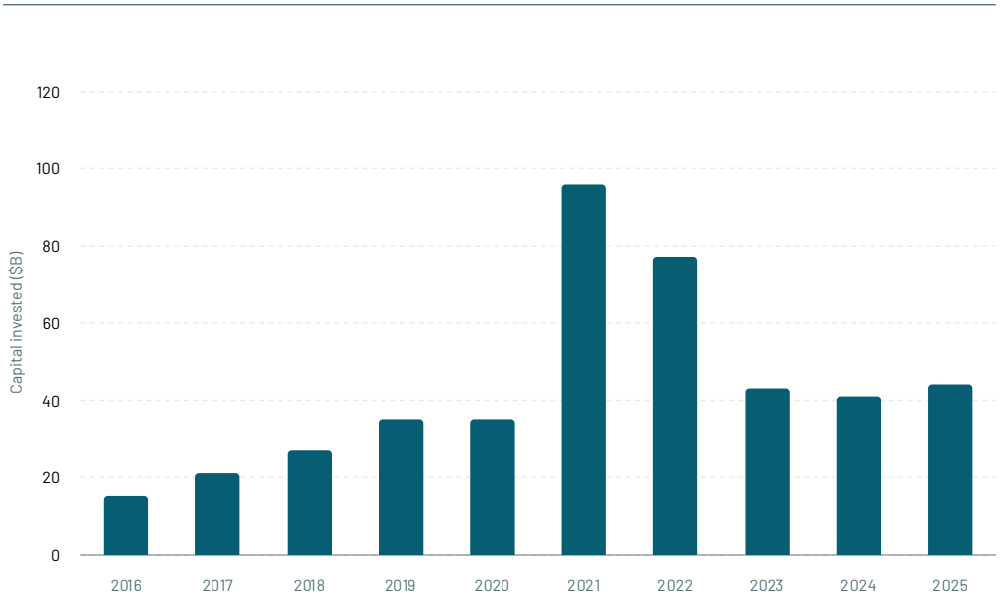
Sources:
atomico

Investment levels inching back to growth territory

Private European tech investment is on track to reach around $44B by the end of 2025. While still well below the record highs of the outlier period of 2021-2022, this 7% year-on-year increase suggests Europe may finally, if slowly, be returning to a growth trajectory in total capital invested.

Early-stage funding has remained remarkably resilient, holding roughly stable since 2018, and briefly surging by around 50% during the 2021 rally. This contrasts sharply with growth-stage investment, which more than tripled that year before sharply recalibrating. Encouragingly, growth-stage capital is now on track for its strongest year since 2022, a welcome sign given late-stage funding must accelerate to meet the global ambitions of Europe's expanding cohort of emerging growth-stage champions.

Total capital invested ($B) in Europe, 2016 to 2025



Notes:
Data is as of 30 September 2025. Early-stage funding defined as rounds below $15M, late-stage funding refers to rounds of $15M and above. Full year 2025 extrapolated based on year to date data. Excludes the following: biotech, debt, lending capital, and grants.

Sources:
atomico Powered by dealroom.co crunchbase

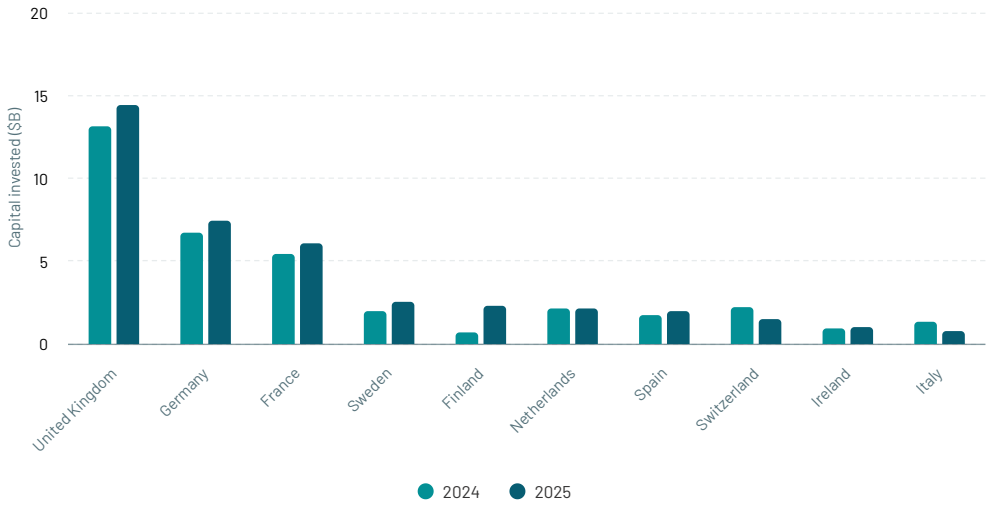
Tech funding trends vary across Europe

Zooming in at the country level reveals a mixed picture of European startup funding activity. The UK retained its number one spot, with a 22% year-on-year increase in funding levels to $14B in 2025, while Germany, Sweden, and Finland also saw strong year-on-year gains.

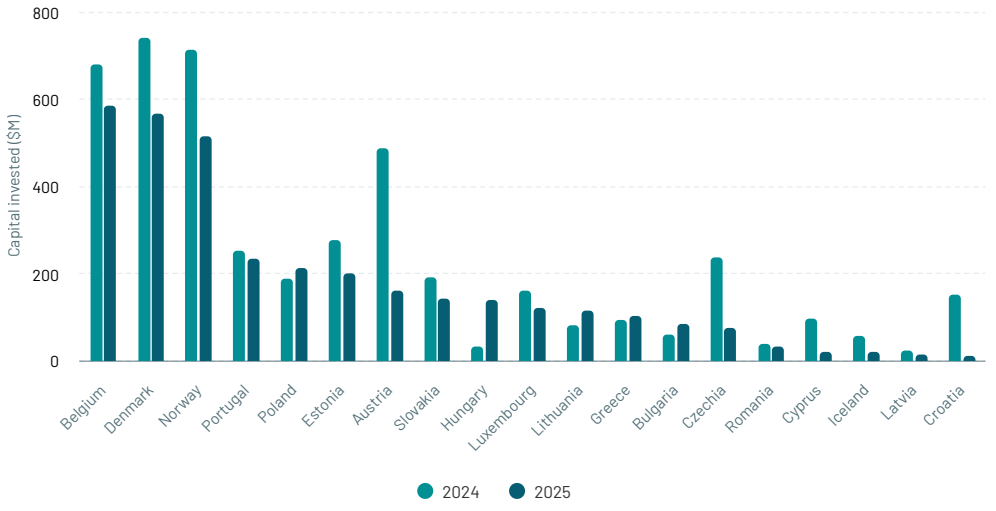
We also see a growing regional divide where all but three of the top 10 countries saw funding levels rise compared to 2024, while 76% of those lower in the rankings saw 2025 funding levels decline year-on-year.

One driver for this disparity is the uneven distribution of megarounds where a handful of breakout companies can materially swing the year-on-year trend for a country. For example, in France and Sweden, the top five deals account for more than 50% of overall funding levels. The equivalent goes up to 80% in the case of Finland, driven by Oura's megaround. The UK is the most diversified country, where the top five deals accounted for only 25% of total funding.

Capital invested ($B) in top 30 countries, 2024 versus 2025



Capital invested ($M) top 11-30 countries, 2024 versus 2025



Notes:
Data is as of 30 September 2025. Full year 2025 extrapolated based on year to date data. Excludes the following: biotech, debt, lending capital, and grants.

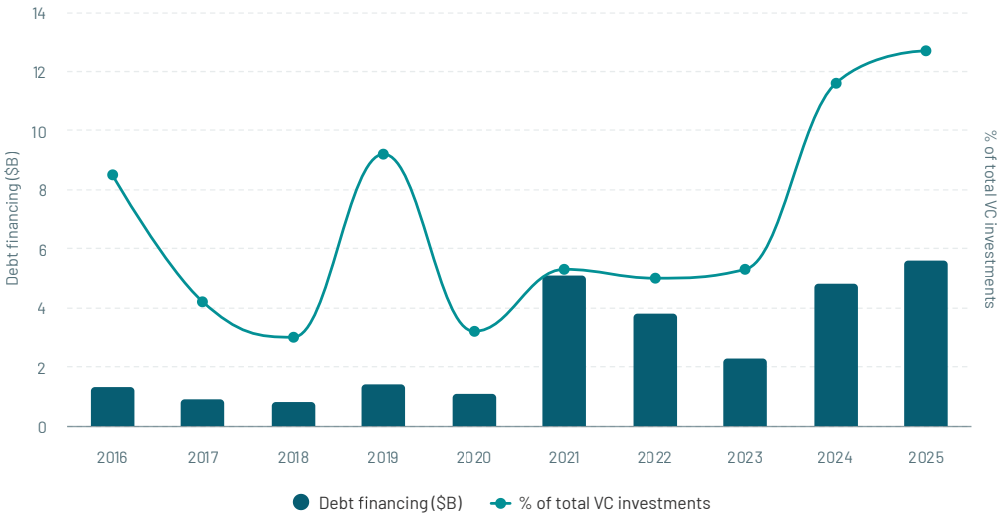
Sources:
atomico Powered by dealroom.co crunchbase

Venture debt continues on a high

Venture debt has become an established alternative source of funding for founders, allowing them to raise cash without giving up equity. Historically, it has represented the equivalent of around 5 to 10% of total venture funding in Europe, compared to 20 to 25% in the US. Last year marked a record high for venture debt in Europe at 12% of total capital invested. Tough fundraising conditions pushed founders to explore alternative sources of funding. However, as IPO markets reopen and founders once again gain access to traditional equity funding, the demand for venture debt may somewhat taper.

This year, total venture debt raised by Europe's tech companies is estimated to reach a total of $5.6B — a never before seen high for the region. It's also worth noting that reported figures likely understate the true scale of the venture debt market, given many banks, debt funds, and government-backed organisations do not make their transactions public. Venture debt activity also varies across Europe, with regions like the UK & Ireland, DACH, and France & Benelux having more robust ecosystems compared to the CEE and Southern Europe, where access to credit is more limited.

Debt financing ($B) and share of total VC investments (%) by year, 2016 to 2025



Notes:
Total debt transaction values for illustrative purposes only due to many transactions going unreported. Excluding biotech. Full year 2025 extrapolated based on year to date data. Extrapolation is excluding CityFibre's $1B venture debt round.

Sources:
dealroom.co

Venture debt in Europe is accelerating. After a record 2024, 2025 is set to surpass it with $5.6B in debt financing and growth built on solid foundations.

Founders are using debt strategically to extend runway, scale efficiently, and increasingly for M&A. Lenders remain active but disciplined, prioritising credit quality and long-term partnerships. Much like in the US, venture debt is now a core pillar of Europe's capital mix, smoothing equity cycles and sustaining innovation through volatility. Interestingly, use cases and debt structures are evolving beyond traditional SaaS funding into funding hardware build-out, digital infrastructure, and payment remittance credit lines. A more sophisticated ecosystem is emerging, better equipped to fund ambition at every stage. Today's momentum could mark a larger structural shift in how Europe finances innovation.

Simon Bumfrey
Head of Banking, HSBC Innovation Banking UK

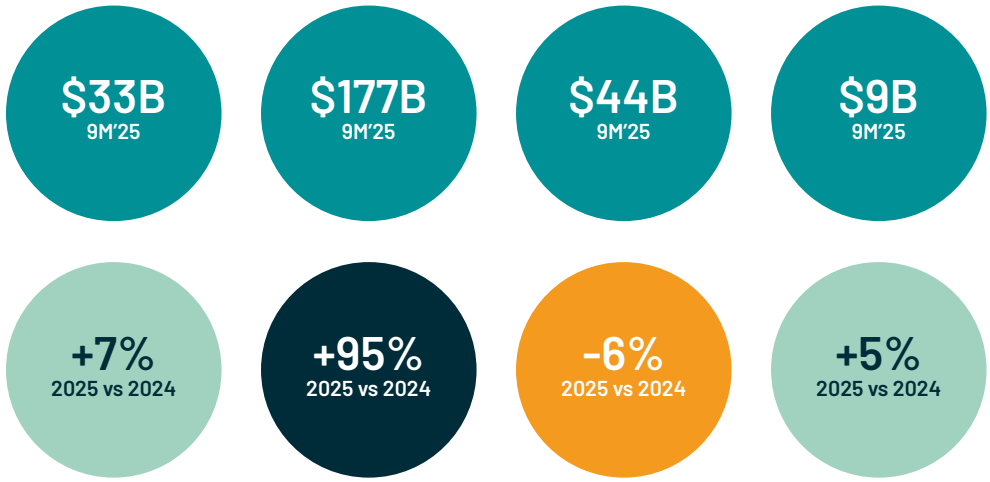
Global context

Global tech investment levels highlight US exceptionalism

It's important to view European tech investment levels in the context of the global stage. 2025 has unquestionably been a year of US exceptionalism. Total private investment into US tech companies reached $177B in the first nine months of the year, almost double the level of the same period in 2024 and nearly at par with the 2021 peak. The US accounts for two-thirds of all global private tech investment this year, driven largely by a remarkable concentration of capital flowing into a small number of private US AI giants, including OpenAI, Anthropic, and xAI.

Beyond the US, investment patterns have been far more consistent. Europe, Asia, and the rest of the world all saw broadly stable levels of capital deployed, with year-on-year changes remaining in single digits in all three regions — an indication of markets that have moved steadily rather than surged, in contrast to the US.

Capital invested ($B) and change in capital invested (%) by region, 9M'25 versus 9M'24



Notes:
Data is as of 30 September 2025. Excludes the following: biotech, debt, lending capital, and grants.

Sources:
atomico Powered by dealroom.co crunchbase

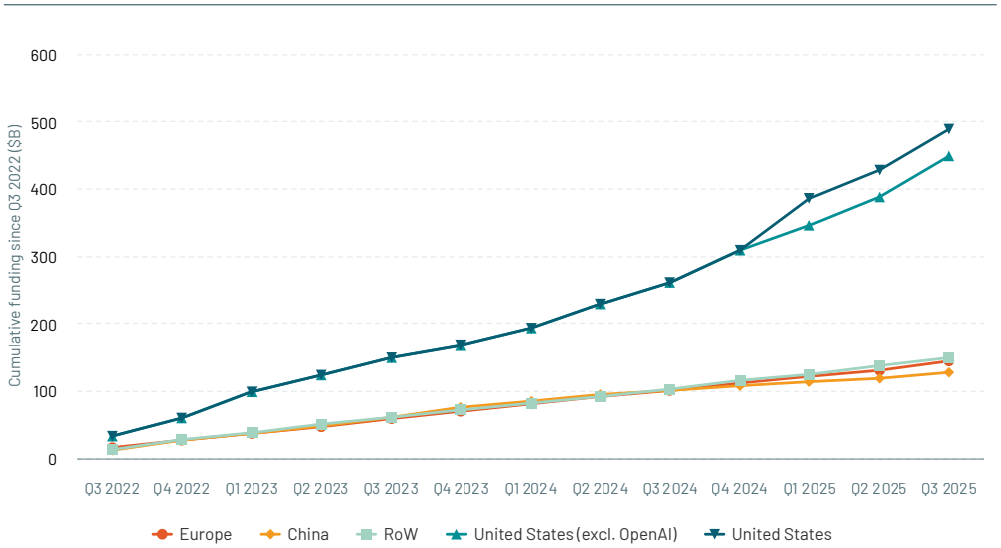
Europe's recovery is slower than other startup ecosystems

After the 2021-H1 2022 peak, a slowdown was felt across all regions. But from Q2 2024, the US has reaccelerated faster and at greater scale, ignited by the latest AI gold rush. Even excluding the $40B OpenAI deal, US cumulative funding levels would be significantly ahead of other global regions.

The reflects the exceptional depth and liquidity of the US's private capital markets, with vast dry powder across equity and credit combined with a sharp rebound in investor confidence and risk appetite as the US IPO window reopened. Strategic capital from US hyperscalers such as Microsoft, Amazon, and NVIDIA has further fuelled the surge in AI megarounds, reinforcing the US position as the global leader in AI investment. Trump Administration policy explicitly aimed at "sustaining and enhancing America's global AI dominance" has further underpinned this.

Europe's recent declining share of global funding underscores a widening gap in capital formation rather than company quality, and raises valid questions around what it takes to keep pace on global terms. In contrast to the US, Europe's recovery has been steadier but slower, constrained by shallower capital pools and smaller fund sizes, a more cautious investment cycle, and delayed liquidity. The challenge for Europe is less about the quality of its companies or ambition, but rather scale and velocity. The answer is to deepen local growth capital, accelerate deployment and recycling, and ensure Europe's leading tech companies can compete for capital and talent on equal terms globally.

Cumulative funding raised, Q3 2022 to Q3 2025



Notes:
Data is as of 30 September 2025. Excludes the following: biotech, debt, lending capital, and grants.

Sources:
atomico Powered by dealroom.co crunchbase

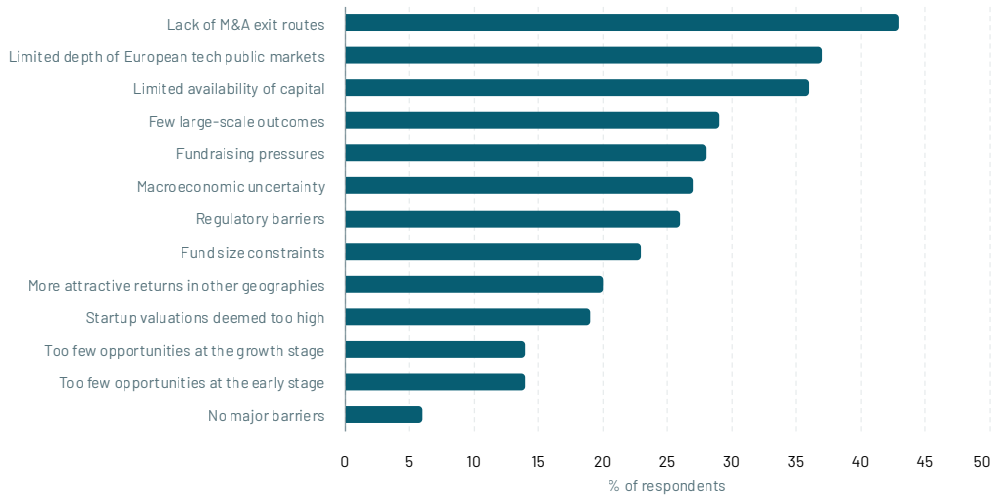
What holds European VCs back from investing more?

Unlocking greater volumes of venture capital across Europe requires understanding what constrains today's investors in the first place. The message from this year's survey is clear: it isn't a shortage of opportunities holding firms back, but a set of structural bottlenecks in Europe's capital markets and exit environment.

Across VC respondents, the lack of M&A exit routes and the limited depth of European public markets stand out as the two biggest barriers to deploying more capital. With fewer acquisition pathways or IPO-ready listings, realising liquidity remains a persistent challenge, reinforcing a structural feedback loop that constrains capital recycling and new fund formation.

By contrast, a perceived scarcity of early-stage or growth-stage opportunities rank among the least-cited obstacles, suggesting Europe's issue lies not in the creation of promising companies and investment opportunities, but in the mechanisms that allow investors to scale and exit them.

What are the biggest barriers holding European VC funds back from deploying more capital in Europe today?



Notes:
Respondents include venture capital, accelerator, and growth tech investors only.

Sources:
STATE OF EUROPEAN TECH Survey

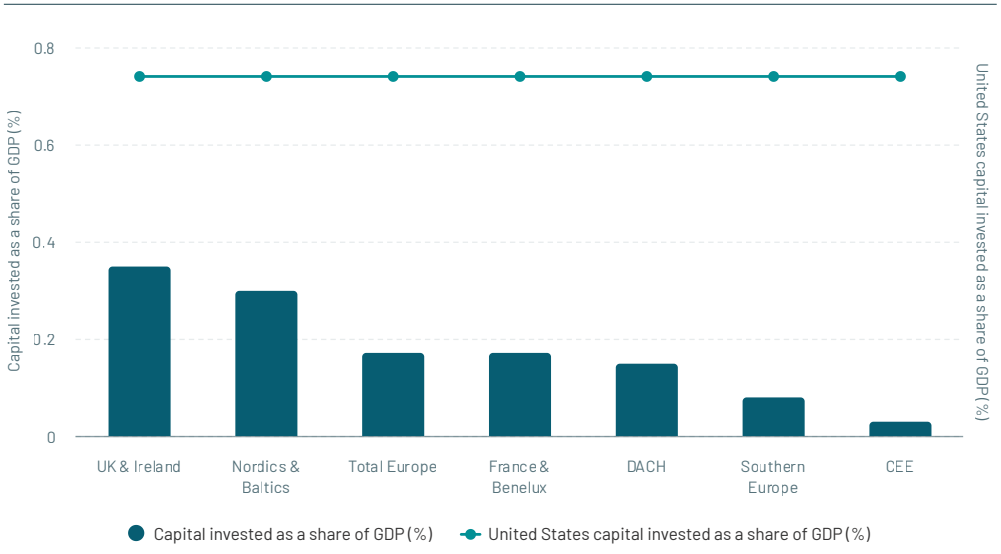
Comparing Europe and the US: The transatlantic tech funding gap

Earlier this year, OpenAI closed the world's largest-ever funding round at $40B, pushing US tech investment levels to 0.74% of GDP and further widening the tech funding gap with Europe.

But even when that outsized round is stripped out — putting the US's funding levels at 0.61% of GDP — the rate remains far greater than almost all European regions. The UK & Ireland stands closest at 0.35% of GDP, which is still less than half that of the US.

The comparison further highlights structural differences in the relative scale and liquidity of Europe's sub-regional ecosystems, while also setting a clear global benchmark to target.

Capital invested as a share of GDP (%) by region, 2025



Notes:
Data as of 30 September 2025. Full year extrapolated based on year to date data. United States is extrapolated from funding excluding the OpenAI's $40B fundraise. Excludes the following: biotech, debt, lending capital, and grants.

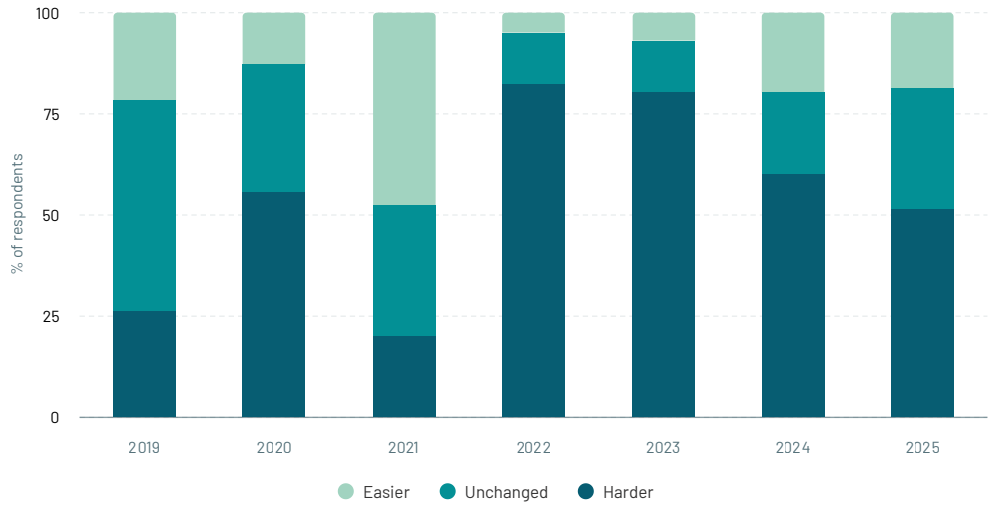
Sources:
atomico Powered by dealroom.co crunchbase

Founder sentiment suggests the funding tide may be turning

Founder sentiment on the fundraising environment tends to be a leading indicator for future investment levels, since today's fundraising efforts will later be reflected as announced rounds.

While the share of founders finding it easier to raise this year is still in the minority at 19%, the shrinking share of those who are finding it harder (51% this year versus 60% in 2024) sets an optimistic tone for what's to come. Since the 2022 the share of founders finding the funding environment difficult has been coming down and we are finally reaching the stage where tables might be turning back to the positive.

In your opinion, is it easier or harder to raise venture capital funding in Europe than it was 12 months ago?



Notes:
Founders and operators at startups or scaleups only. Respondents who selected "do not know / unable to comment" are excluded from the data. Numbers may not add up to 100 due to rounding. Early stage is defined as Series A and below. Late stage is defined as Series B and above.

Sources:
STATE OF EUROPEAN TECH Survey

Europe is producing world-leading innovation and investors continue to see European founders delivering in the next decade's defining sectors — AI, climate, health, automation.

However, without domestic capital at scale it risks becoming an exporter of innovation rather than an economic winner. Europe must build deep, patient pools of domestic capital to fund companies at scale, build resilience into funding markets, capture the value, and own the future that Europe is already creating.

Stephen Lowery
Head of Investor Coverage and Business Development, HSBC Innovation Banking UK

Round dynamics

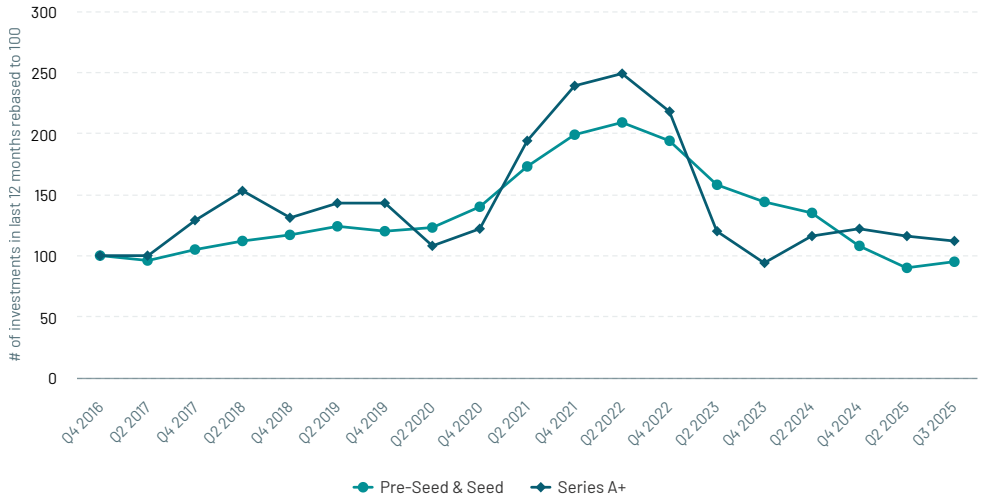
Top VC funds slow their pace

To better understand the underlying drivers of capital invested, we looked at a subset of both local and international funds that have been longstanding investors in European tech. The count of net new investments made by this cohort of investors reveals that while activity fluctuated in the years between, it's now settling back to pre-pandemic levels across both early and growth stage investors.

The flow of new investments is closely tied to fund cycles, and at the 2021 to 2022 peak when funds were making new investments at the fastest rate, they were also having to come back to market more quickly. As the fundraising environment has since changed, the deployment pace has reverted back to long-term averages with fewer rounds per year.

The most recent quarters hint at a recovery and potential accelerating of the investment pace. While the post 2022 correction was sharper for growth investors, the slowdown has since stabilised to just ahead of 2016's investment pace. Interestingly, the US investors active at European growth stage have picked up the pace more so than their European peers. And while early-stage peers are seemingly deploying at a slower pace, these rounds are most likely to be affected by the reporting lag, meaning the investment pace on the ground is likely underestimated currently in the data.

Number of new investments made (#) in the last 12 months for a cohort of investors rebased to 100, 2016 to 2025



Notes:
Data is as of 30 September 2025. Excludes the following: biotech, debt, lending capital and grants. Based on a select cohort of 66 Pre-Seed & Seed stage funds and 19 Series A+ funds (5 in Europe and 14 in the United States). Selected funds are longstanding investors in European tech, including a mix of both local and international / US funds.

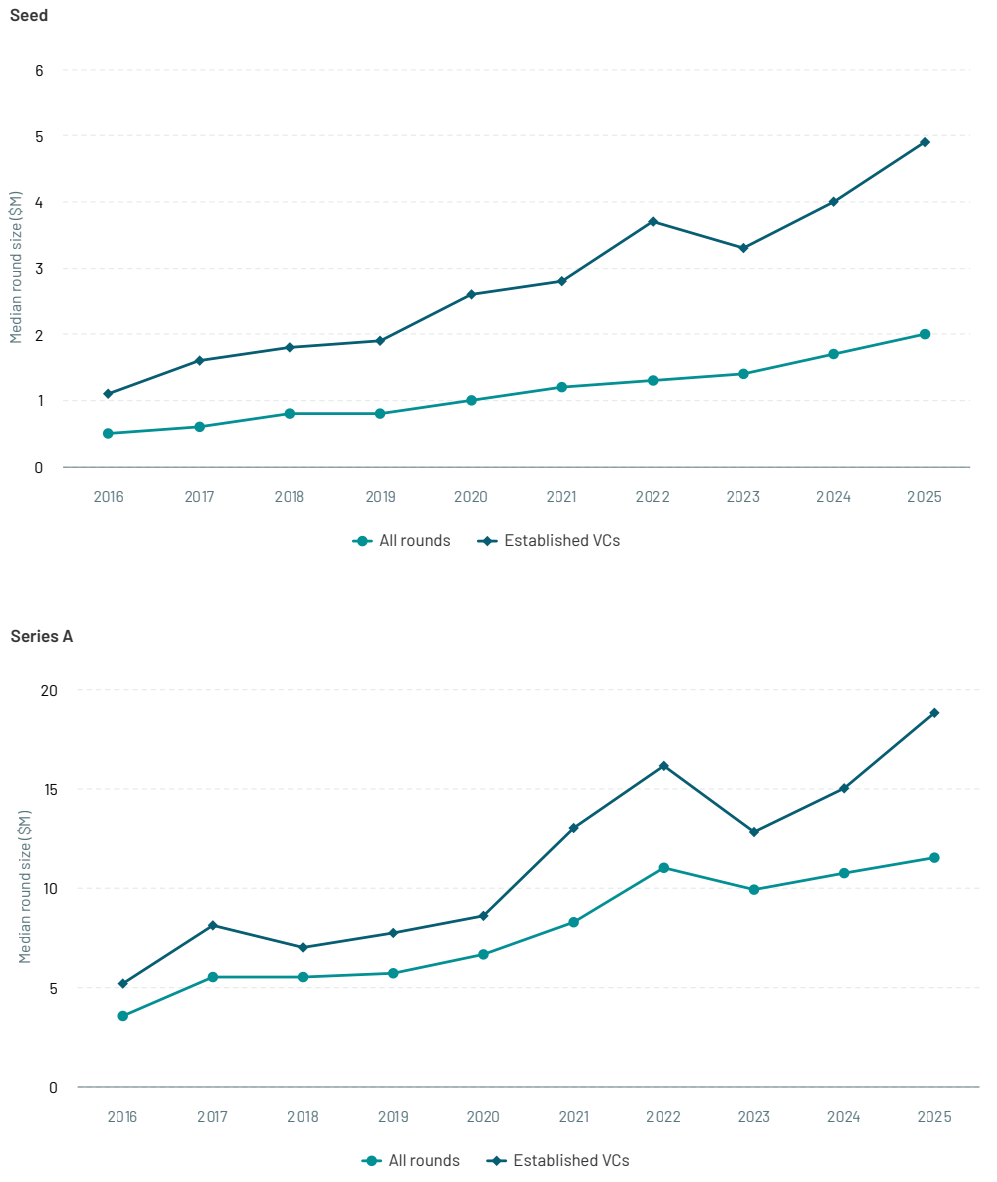
Sources:
atomico Powered by dealroom.co crunchbase

Funding rounds continue to expand in Europe

The median round sizes at the Seed and Series A stages have continued to climb year on year in Europe (23% and 25% respectively), meanwhile Series B and Series C rounds have continued their climb back close to the 2021 and 2022 peak years. With median Series B at $30M and median Series C at $50M, Europe is now on par again with its past peak levels.

Again, an additional lens is added by zooming in on the investment activity of a cohort of longstanding investors in European tech. As these funds have continued to raise larger funds, but deployed this across a similar number of startups each year, it's not a surprise to see the median round size increase faster than the median of all rounds.

Median round sizes ($M) in Europe by stage for all rounds and by investors type, 2016 to 2025



Notes:
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Sources:
atomico Powered by dealroom.co crunchbase

Median round sizes ($M) in Europe by stage for all rounds and by investors type, 2016 to 2025

Notes:
Data is as of 30 September 2025. Excludes the following: biotech, debt, lending capital and grants. Based on a select cohort of 66 Pre-Seed & Seed stage funds and 19 Series A+ funds (5 in Europe and 14 in the United States). Selected funds are longstanding investors in European tech, including a mix of both local and international / US funds.

Sources:
atomico Powered by dealroom.co crunchbase

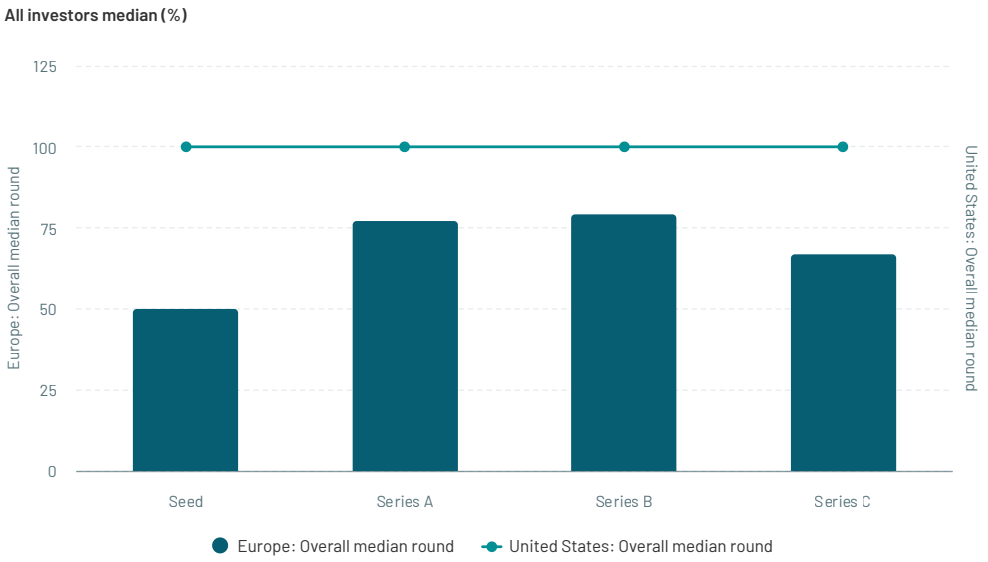
Established European VCs match US investors

Median round sizes in Europe continue to trail the US, with the discount steepest at Seed (50% of the US median) and narrowing by Series B (to 79% of the median). While that headline gap indicates European investors lead smaller rounds on average across stages, a granular look reveals a more nuanced picture among the most established firms.

When focusing on established investors (defined here as long-standing local and international VC funds active across multiple cycles at both early and growth stages in each region), Europe's top-tier firms are already competing at levels closer to global benchmarks. This cohort is leading rounds that are larger on average than the overall US medians and approaching parity with their established US counterparts on a stage-adjusted basis. Notably, however, the gap once again widens from Series B onwards, reflecting the disparity in growth stage capital availability.

In other words, Europe's funding gap is not uniform and reflects market depth rather than capability. The continent's leading funds are increasingly operating on terms closer to global benchmarks, while the broader ecosystem still lags on average.

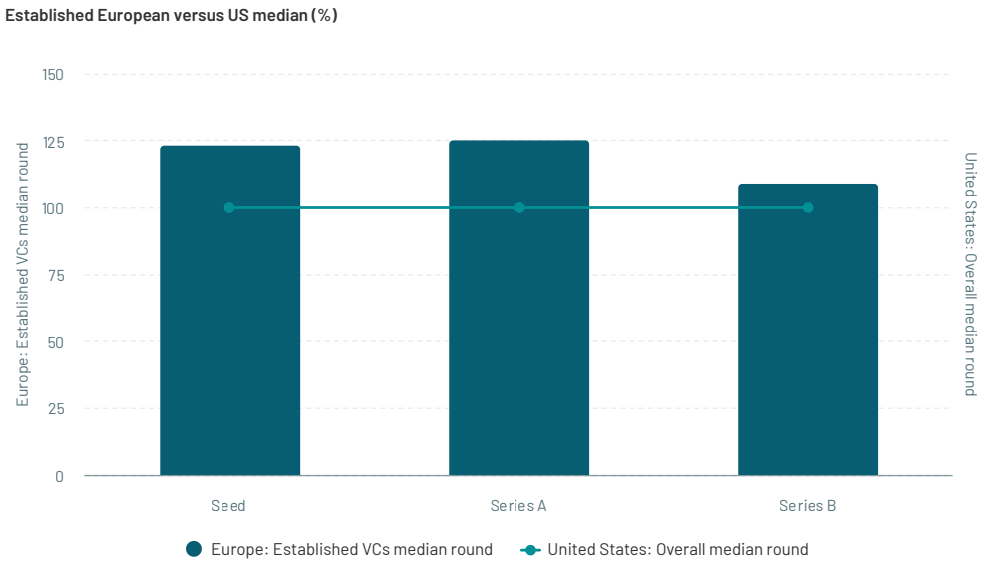
Median round size in Europe versus the United States (%) by stage and investor type, 2025

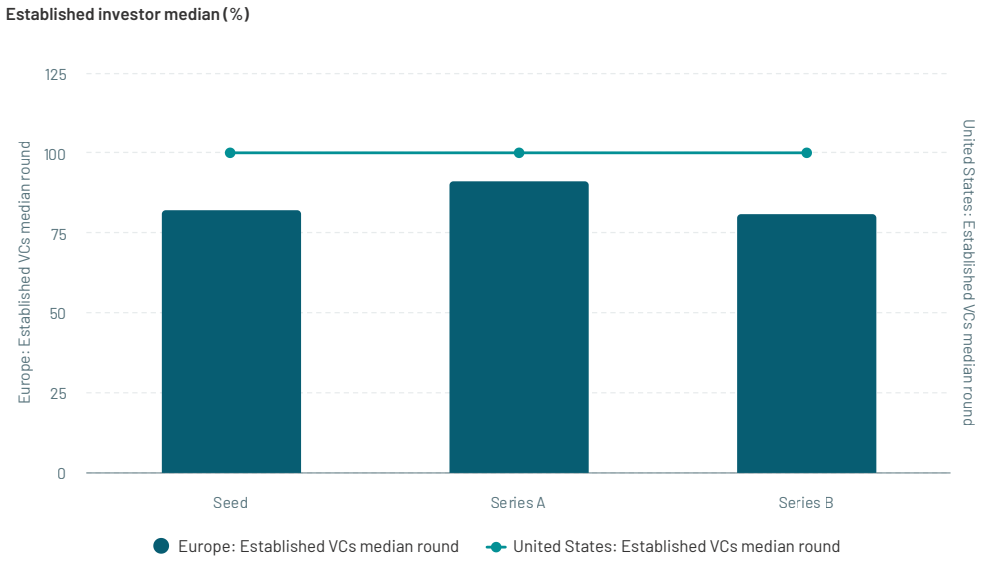


Notes:
Data is as of 30 September 2025. Excludes the following: biotech, debt, lending capital, and grants. Established investors refers to a selected list of international early stage and growth stage investors with longstanding participation in the given region. For Europe the list consists of 130 investors, for the United States it's 62 investors. Established investors excluded from Series C due to low sample size.

Sources:
atomico Powered by dealroom.co crunchbase

Median round size in Europe versus the United States (%) by stage and investor type, 2025





Notes:
Data is as of 30 September 2025. Excludes the following: biotech, debt, lending capital, and grants. Established investors refers to a selected list of international early stage and growth stage investors with longstanding participation in the given region. For Europe the list consists of 130 investors, for the United States it's 62 investors. Established investors excluded from Series C due to low sample size.

Sources:
atomico Powered by dealroom.co crunchbase

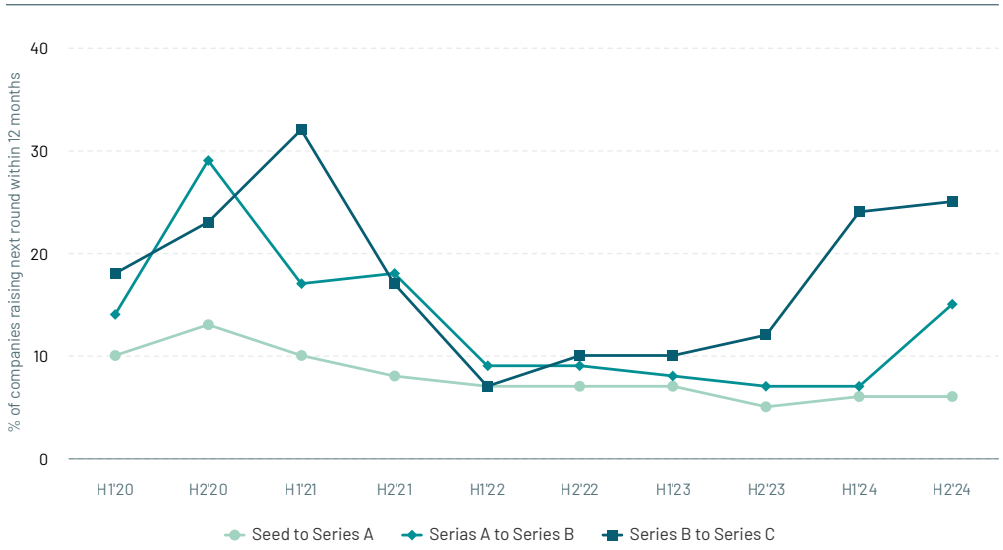
Startups fundraising journeys are reaccelerating

After several subdued years, Europe's later-stage startups are experiencing an acceleration in their funding journeys once again. Around one in four companies that raised a Series B during the first half of 2024 secured their next round within the following 12 months, while 15% of those that raised a Series A in H1'24 have done the same, roughly double the rate of the previous year's cohort.

This acceleration in raising a Series B in quick succession after the Series A is especially significant, as this stage is historically one of the hardest transitions for European startups, typically marking the shift from proving product-market fit to demonstrating signs of scalable go-to-market execution.

With late-stage funding volumes back in growth territory, Europe's growth-stage flywheel appears to be turning faster again. The rebound likely reflects both faster commercial adoption curves in leading AI companies, but also the shift in investor confidence and increase in capital velocity.

Share (%) of European companies raising the next round within 12 months by previous round raise period, H1'20 to H2'24



Notes:
Data is as of 30 September 2025. Excludes the following: non-tech, life sciences.

Sources:
atomico Powered by dealroom.co crunchbase

Later-stage European startup funding is stable, while early stage slows

Since 2022, the number of smaller, early-stage funding rounds in Europe has fallen by roughly 20% per year, driven primarily by a decline in sub-$1M rounds. The same dynamic is visible in the US, suggesting a global recalibration of early-stage activity rather than a uniquely European phenomenon. While some of the decline reflects reporting lags, structural factors are also at play.

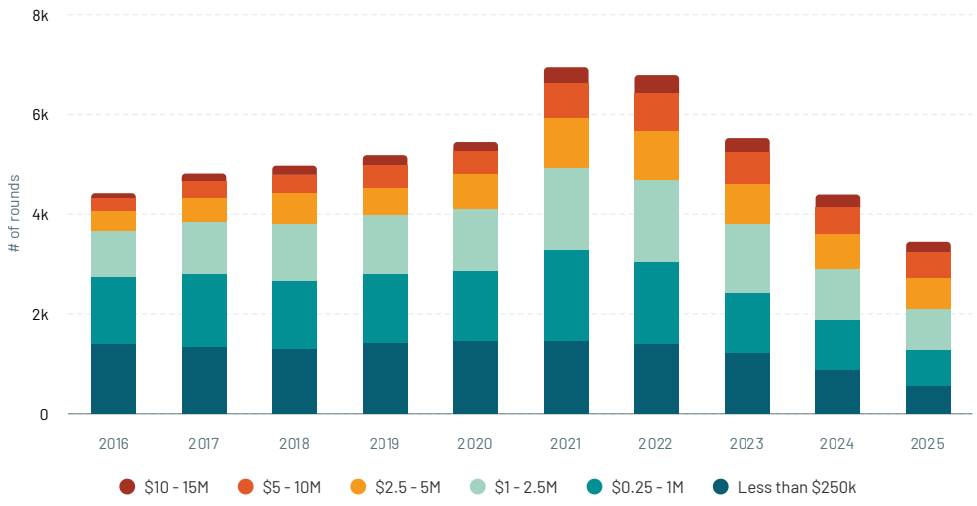
As funds have grown larger, fewer VCs now focus exclusively on investing in the smallest, earliest rounds, and those that do tend to write bigger cheques. The result is fewer, but larger, Seed and Series A rounds. As ticket and round sizes have risen materially, a portion of early-stage activity also now sits above the $15M threshold, outside the bounds of traditional "early-stage" analysis. At the same time, many founders have relied on bridge or extension rounds that aren't typically publicly disclosed (particularly in 2023, to avoid valuation resets), compressing what may otherwise have been separate fundraises into single, extended cycles.

Importantly, this is not necessarily a negative signal. Larger initial rounds can give founders the capital runway to test and iterate with the right-sized team and resources from day one. It's also not been a purely one-way trend, with new initiatives such as Project Europe, which is supported by more than 200 successful European entrepreneurs and invests €200k in founders at the idea stage, emerging.

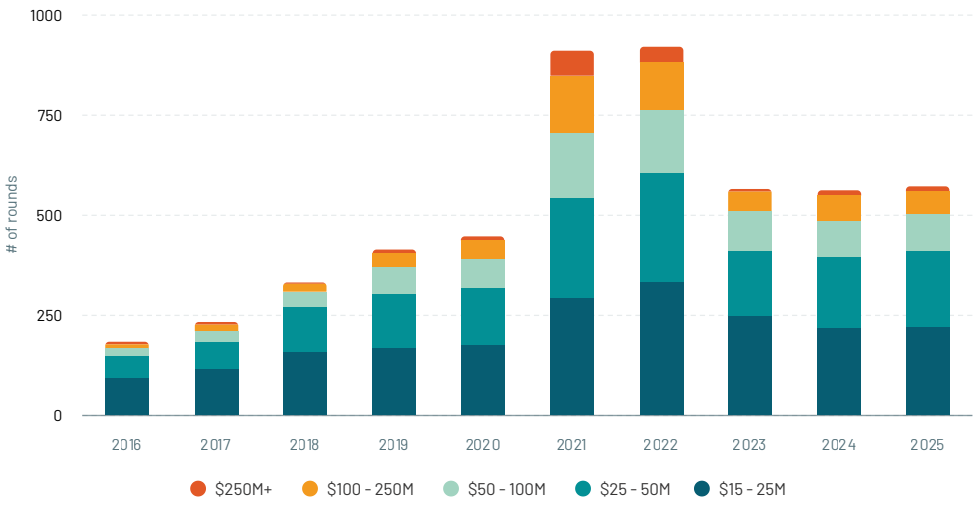
Meanwhile, later-stage deal counts have remained comparatively stable, buoyed by strong demand in sectors like deep tech and defence.

Number of rounds (#) by size and stage, 2016 to 2025

Less than $15M rounds



$15M+ rounds



Notes:
Data is as of 30 September 2025. Full year extrapolated based on year to date data. Excludes the following: biotech, debt, lending capital, and grants.

Sources:
atomico Powered by dealroom.co crunchbase

When they speak with one voice, Europe's founders can shape policy and deliver meaningful change.

From demands for stock option reforms pushed by Not Optional to calls for a single pan-European startup entity through EU-INC, and a unified European stock exchange, entrepreneurship is now at the centre of Europe's economic agenda.

The European Commission rightly wants Europe to become the best place in the world to build and scale leading tech companies. But that vision won't be achieved with half measures. This continent doesn't lack ambition or ideas, what it lacks is simplicity. For too long, founders have had to navigate 27 different systems just to raise capital, hire talent, and grow. To truly compete, we need to make it as easy to scale across Europe as it is in the US or China.

EU-INC is the once-in-a-lifetime opportunity to do exactly that. In just a year, it's gone from a bold idea with 18k supporters to the top of Brussels' agenda. But it will only deliver if we replace fragmentation with one coherent framework. Get that right, and Europe won't just keep up with global innovation, it will create the companies that lead it.

Jan Hammer
Partner, Index Ventures

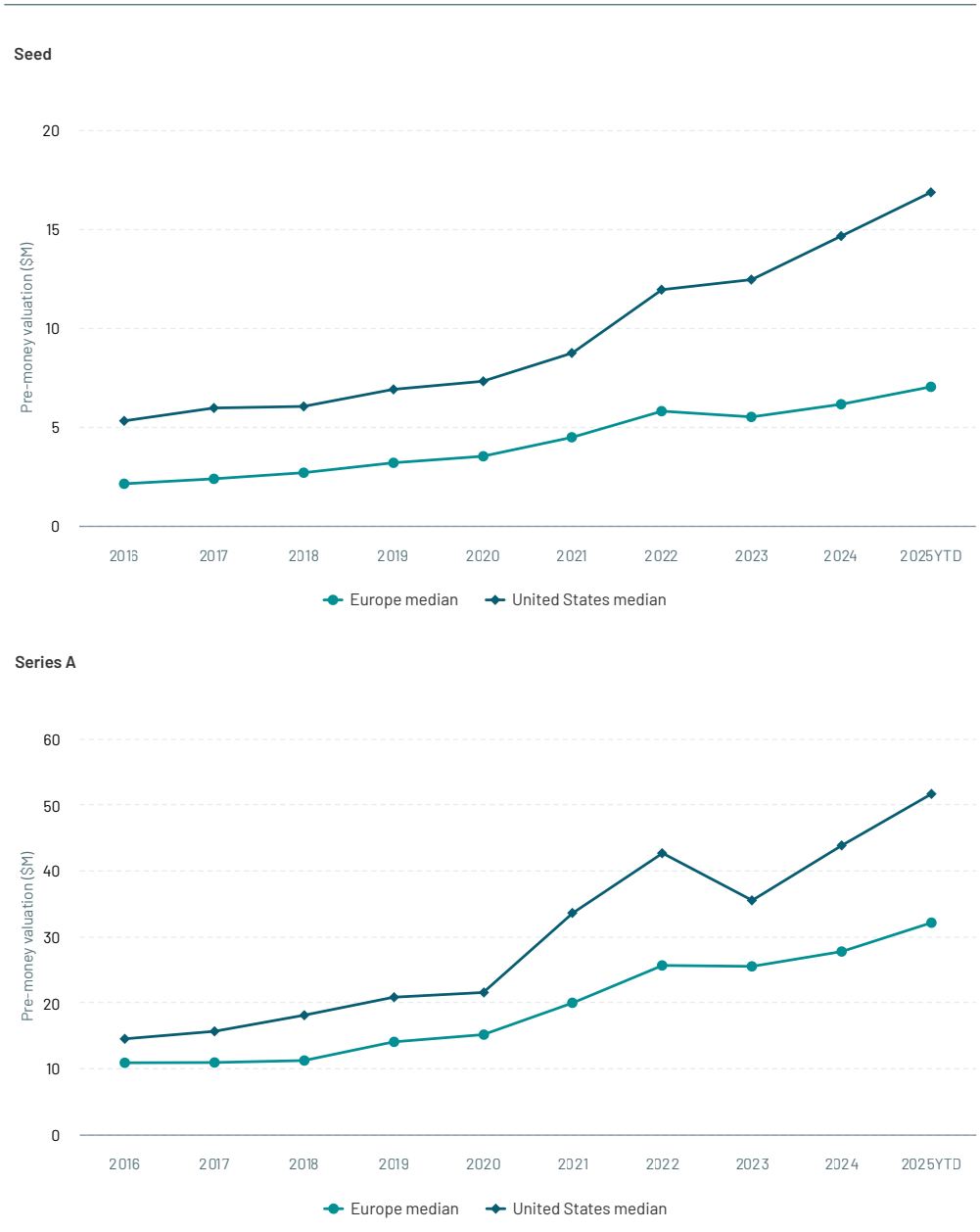
Top growth-stage companies are valued against global benchmarks

Valuations are climbing across the board, particularly at the later stages. Since the end of 2024, median valuations for European Series B and C companies have risen by more than 40%, while in the US they've surged as high as 69% at Series C. Not surprisingly, much of this uplift is driven by the high level of investment into AI-first companies that have raised capital at premium valuations.

Despite this rebound, European companies continue to trade at a discount to their US peers — a gap that's most pronounced at Seed, where median US valuations are more than double those in Europe. The differential narrows as companies scale, falling to around a 45% premium at Series B, but remains material across all stages.

This dynamic creates a dual reality. For global investors, Europe offers a compelling entry point at comparatively lower valuations. Yet for European VCs, staying competitive means being prepared to price on global, not local, terms, particularly at the growth stage, where competition to invest in emerging category leaders is fierce and valuations are set in a global context. For Europe's VCs, pragmatism on price is now a prerequisite for competitiveness. The next generation of European champions will be built by investors willing to pay global prices for global potential.

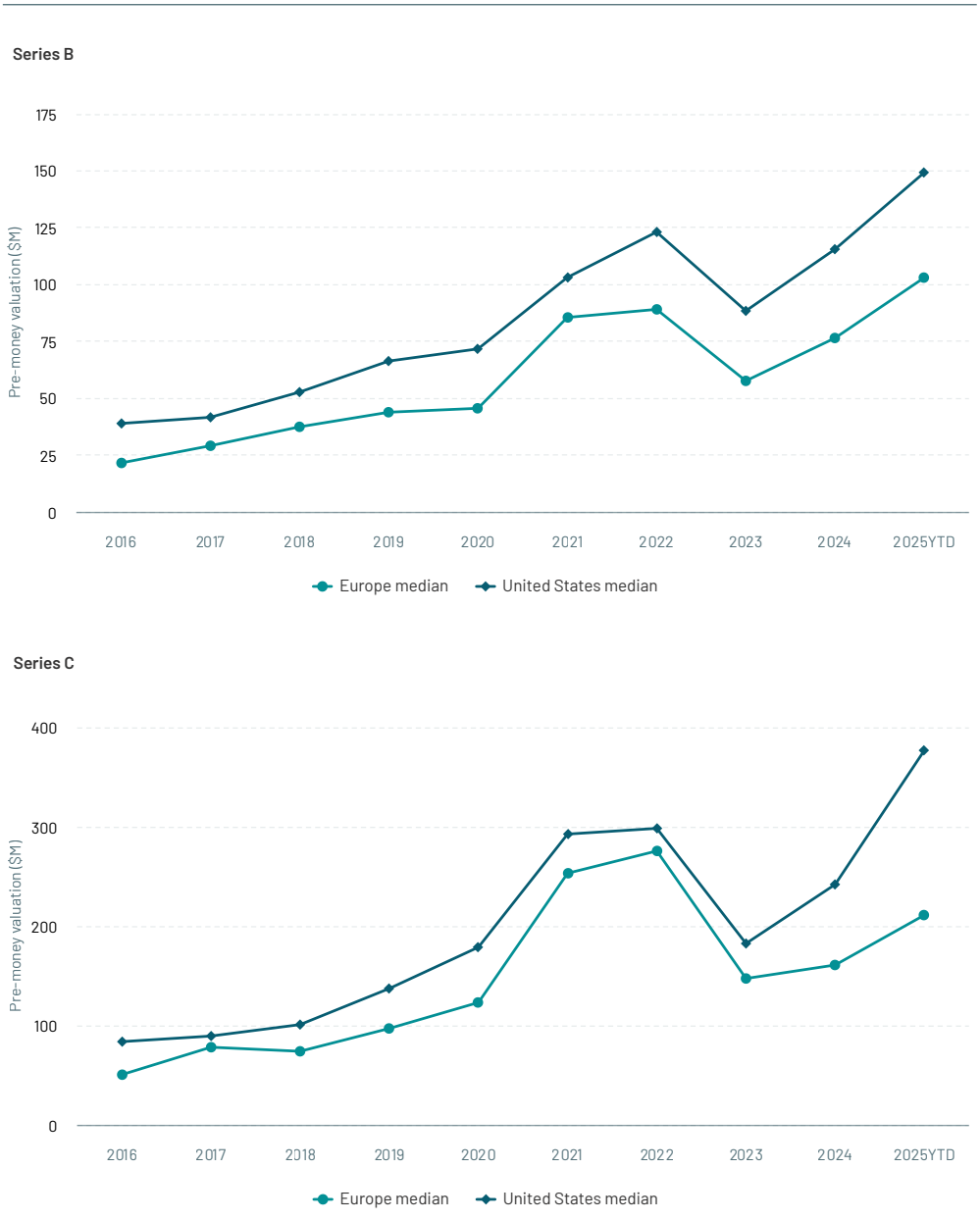
Median pre-money valuation ($M) by stage, 2016 to 2025



Notes:
Data is as of 30 September 2025. Excludes biotech and pharma firms.

Sources:
PitchBook

Median pre-money valuation ($M) by stage, 2016 to 2025



Notes:
Data is as of 30 September 2025. Excludes biotech and pharma firms.

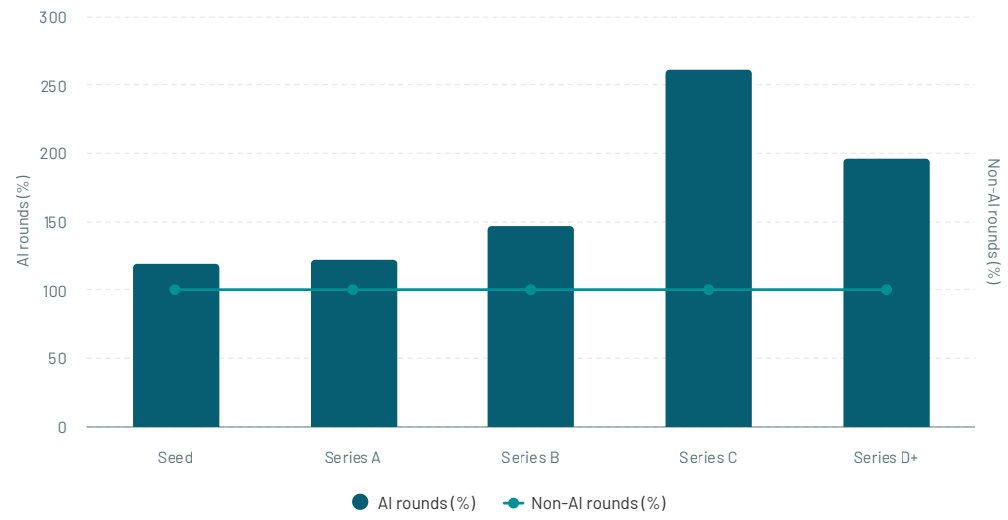
Sources:
PitchBook

Investors pay a premium for AI

European AI companies have seen a premium across all stages in 2025. While the gap between AI and non-AI is modest at the early stages — around a 20% higher valuation for AI companies at Seed and Series A — it widens in later rounds.

For Series B, AI startups have a 50% higher median post-money valuation than their non-AI counterparts. The difference becomes most pronounced in growth stage with AI Series C rounds valued at 2.6x, and Series D+ at 2x, relative to the median for non-AI rounds.

Median post-money valuation for European AI rounds as a percentage of non-AI rounds (%) by stage, 2025



Notes:
Data is as of 30 September 2025. Excluding healthcare.

Sources:
aumni

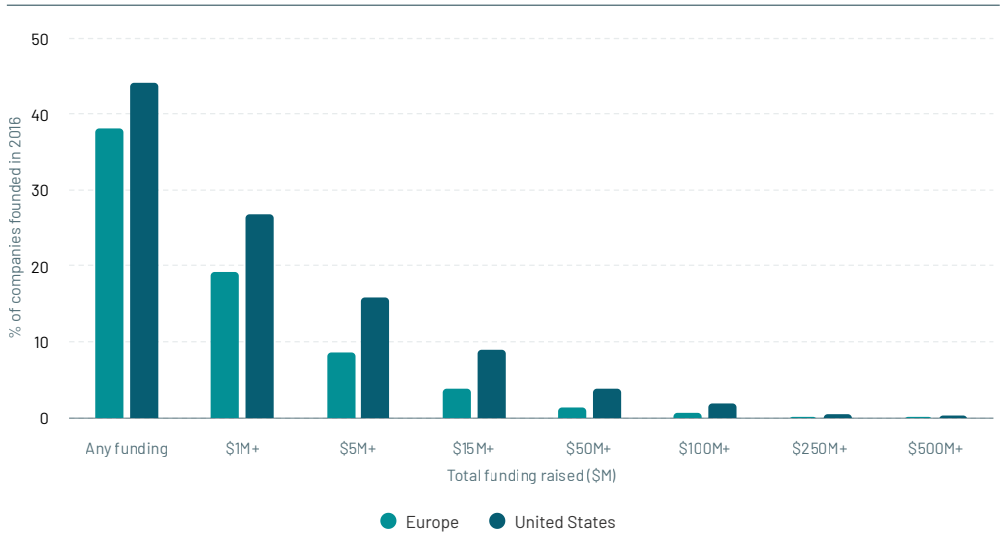
The European funding gap

It's harder to bridge Europe's startup funding 'valley of death'

Comparing how startups progress through funding milestones reveals one of the clearest illustrations of Europe's scale gap. Among companies founded in 2016, US startups are twice as likely to have raised $50M or more than their European counterparts, and more likely to have raised at every level of funding.

This divergence doesn't reflect weaker early-stage performance since European founders are nearly as likely to raise any form of initial investment. But, what follows is a systemic drop-off in capital availability as companies mature, limiting Europe's ability to consistently scale its most promising startups into global category leaders on equal terms.

Share of companies (%) founded in Europe and United States in 2016 that get funded by amount of funding they go on to raise, 2025



Notes:
Data is as of 30 September 2025. Excludes the following: biotech, debt, lending capital, and grants.

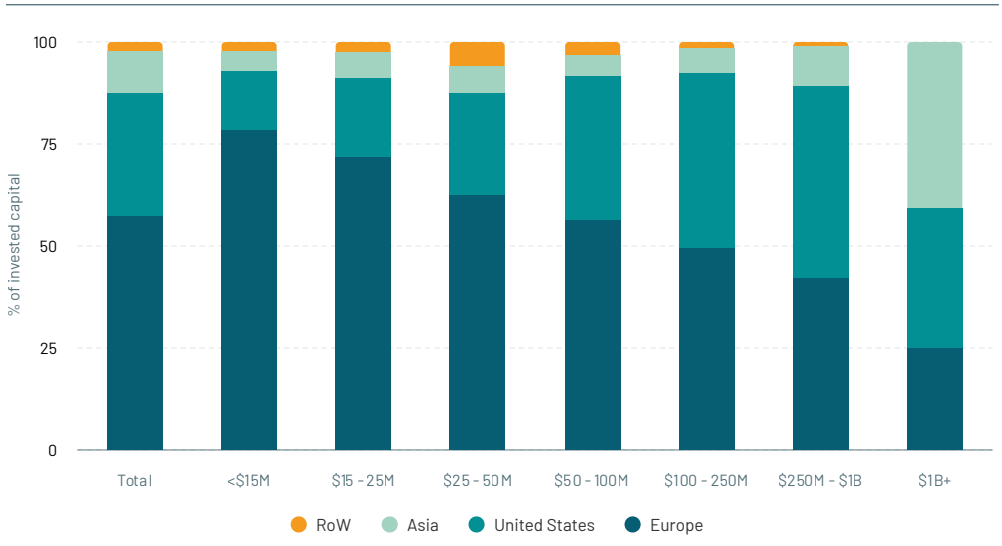
Sources:
atomico Powered by dealroom.co crunchbase

Late-stage startup funding grows in Europe — thanks to overseas investors

At the earliest stages, the majority of funding to European tech is coming from local investors, but Europe's late-stage startups continue to attract investors from the US and Asia. These regions have already provided $15B in funding in the first nine months of this year — almost as much as European investors have contributed themselves. The overseas investors really step up their game in the largest rounds, where local investors lack the same firepower.

Overseas investors are essential and valued contributors to Europe's tech growth story, and the current geopolitical climate is likely to position Europe as a preferred capital destination for years to come. Still it's key that local investors step up at the later stages as Europe's need for "ambition capital" continues to rise. The rewards are huge: companies can scale on their own terms while the continent reaps the benefits of housing key strategic assets with global reach — it's not just about returns, but job creation, and Europe having a firm seat at the table in a world that's increasingly influenced by large tech conglomerates.

Share of capital invested in Europe (%) by geographic source region, 2025YTD



Notes:
As of 30 September 2025. Europe includes both domestic investments and investments by other European investors. Data excludes the following: biotech, debt, and grants.

Sources:
dealroom.co

Funds built by entrepreneurs are much bolder than traditional financial funds, and I think this is something we really need to strengthen and continue in Europe.

Funds who know how hard it is to build a company, who know how important it is to be bold. I'm super happy to see these new types of funds growing very strongly in Europe. I think 10 years ago nobody would have invested in the Exploration Company but now we've been able to raise the biggest Seed, the biggest Series A, the biggest Series B ever by a space startup in Europe [thanks to these funds], so we're very well funded because this bold spirit is back and that's really great.

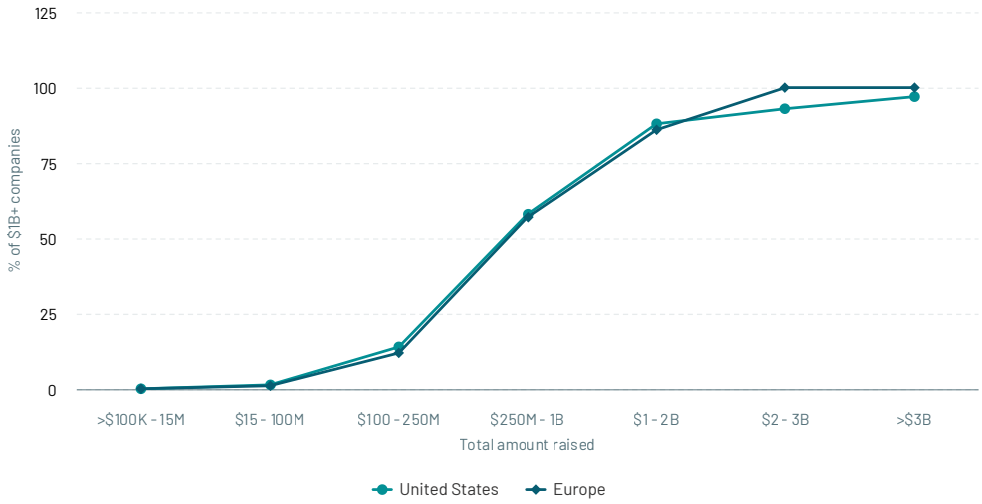
Helene Huby
CEO & Founder, The Exploration Company

Why firepower matters

Firepower shapes ecosystems. When we normalise the funnel from inception to $1B+ outcome and focus on the percentage of companies achieving these milestones, rather than just the raw count, we see that European companies are just as capital efficient as their US counterparts. In other words, while the US attracts more capital overall, European founders are equally capable of turning investment into $1B+ outcomes.

The gap is therefore not about skills or efficiency, but scale. If capital levels were matched, Europe would likely produce just as many $1B+ companies as the US. We already have plenty of potentially great startups waiting in the wings, but because funding lags, too few of them have the opportunity to truly compete — and win — on the global stage.

Share (%) of $1B+ companies from all companies by total amount raised, 2025



Notes:
Based on Dealroom.co data as of 2025.

Sources:
dealroom.co

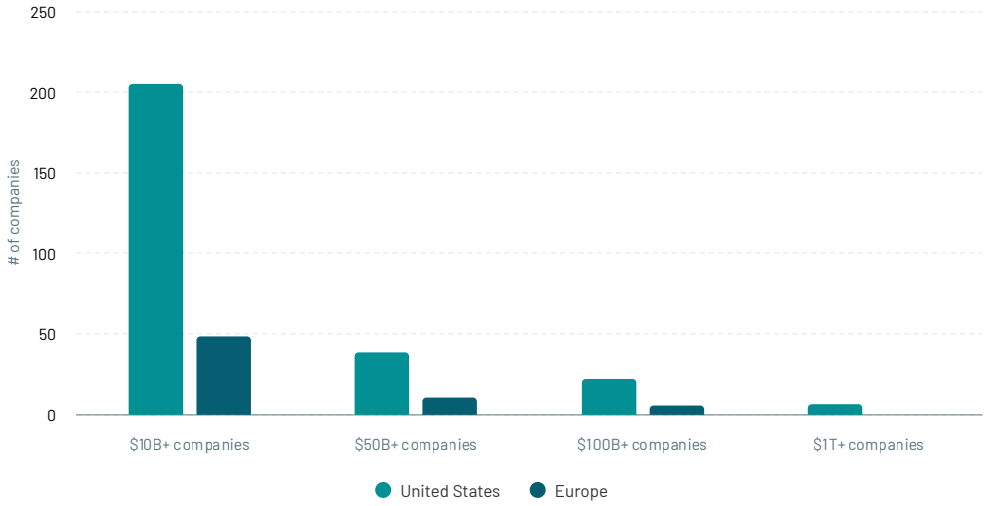
$100B+ outcomes are missing capital, a key ingredient of success

Europe has produced 48 tech companies valued above $10B, compared with 206 in the US. At the $100B+ level, the gap widens further. Europe counts just five — Arm, ASML, Booking.com, SAP, and Spotify — while the US has 23. The data illustrates both the depth of Europe's late-stage scaling challenge, but also how far the ecosystem has come. From billion-dollar to trillion-dollar companies, the bar simply keeps moving, and Europe must keep up.

More growth-stage capital is part of the solution, but not the whole answer. Creating more $100B+ champions will require an environment that combines deeper growth capital with stronger talent pipelines, greater domestic demand, more effective public markets, and fewer administrative barriers to operating at speed and scale. This demands coordinated action across policymakers, investors, corporates, and institutions.

The imbalance in outcomes also points to a deeper issue of value leakage. How much potential European innovation ends up captured elsewhere? Talent mobility is one visible symptom. Mira Murati, the Albanian-born former CTO of OpenAI, launched Thinking Machine Labs in San Francisco in 2025, raising $2B at inception — a round that would have been unprecedented in Europe. Europe's challenge is not just to start global companies, but to give them reasons to stay in the first place, and then scale from home.

Count of $10B+, $50B+, and $100B+ companies (#) by in Europe versus United States, 2025



Notes:
Data is as of 30 September 2025. Latest valuations taken from public sources. Excludes the following: biotech, debt, lending capital, and grants.

Sources:
atomico Powered by dealroom.co crunchbase

We've had incredible backing from UK and European investors.

Alongside that, to become the global leader in AI-driven materials discovery, solving critical challenges in climate, energy, and semiconductors, we knew from day one we'd need to build a truly global cap table. It's not just about the capital, it's about leveraging the networks and experience of the best investors across Europe, the US and APAC. Our $100M Series A (led by NEA and Temasek) and $30M Seed raised eyebrows as unusually large rounds for a British/European company. It's time that attitude changed. We want to prove you can build world-leading, high-impact AI companies from the UK and Europe, and we know we're not alone. We're part of a wave of renewed ambition from founders, operators, and investors alike.

Chad Edwards
CEO & Co-Founder, CuspAI

Capital concentration

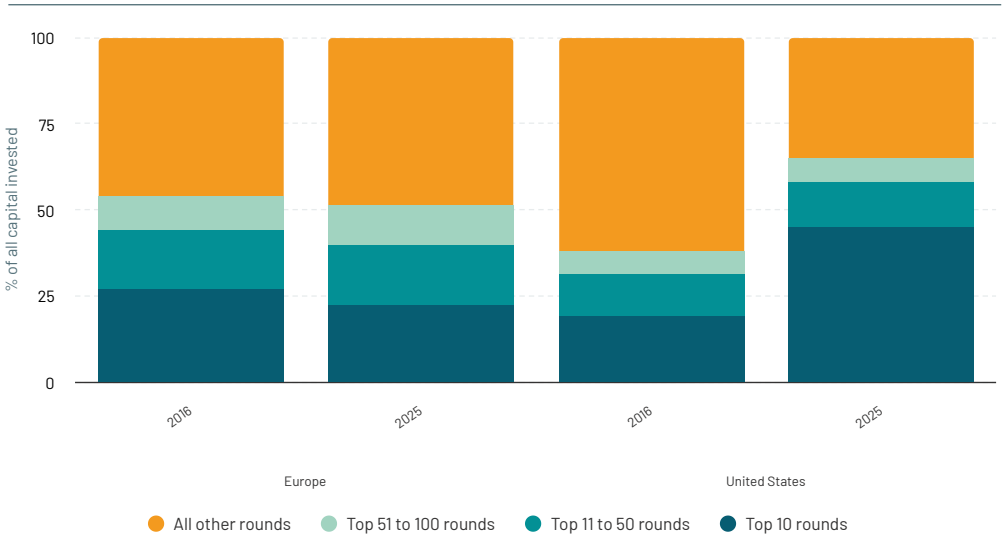
Two playbooks: US capital doubles down, Europe spreads its bets

An unprecedented number of megarounds have taken place in the US this year, from Anthropic's $13B Series F to Databricks' $1B raise in September. These outsized financings have propelled overall US investment levels even further ahead of Europe, but they've also driven extreme concentration. More than 40% of all US venture dollars in 2025 went to just four companies: OpenAI, Anthropic, Infinite Reality, and Anduril. In 2016, the top 10 rounds captured only 19%.

Europe has taken a different path. Over the past decade, funding has become more distributed across sectors and stages, representing both a potential strength and a constraint. A broader spread of capital supports diversity and resilience, but ultimately it also dilutes the scale of bets required to create true global category leaders.

The numbers bear this out. Europe's top 10 raised $7B in 2025 versus $4B in 2016 (a 79% increase), but their share of total funding fell from around 27% to 22%. By comparison, the amount raised in the top 10 US rounds increased by 600%, with their share of total investment more than doubling from 19% to 45%. While it's a slightly imperfect comparison, if the scale of funding in Europe's top 10 had grown at a similar pace, those rounds would have collectively raised an additional $10 billion.

Total funding split by funding raised by top rounds (%) in Europe versus United States, 2016 versus 2025



Notes:
Data is as of 30 September 2025. Excludes the following: biotech, debt, lending capital, and grants.

Sources:
atomico Powered by dealroom.co crunchbase

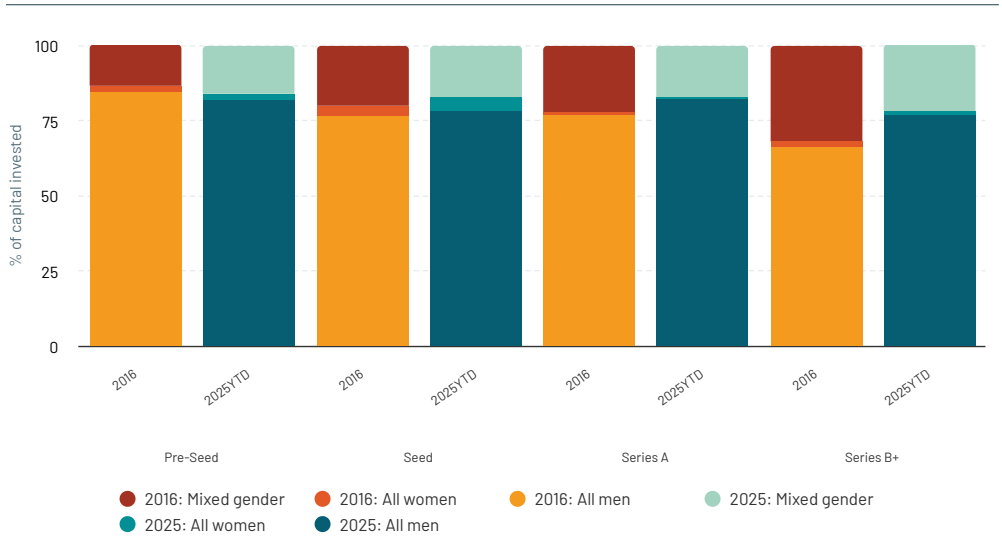
The diversity divide in European startup funding is growing

Over the past twenty years, the amount of companies founded by all-women teams has averaged roughly 6%, yet they capture a relatively smaller share of capital in all round types. The picture here looked very similar in 2016 as it does now, and presents yet another gap where a vast set of companies remain critically underfunded, as highlighted already in our report last year.

Where historical numbers have shown mixed-gender teams overperforming, their share has now dropped closer to their share of new companies founded, around 20%. This is most evident in later stages, as in 2016, where mixed-gender teams received 32% of Series B+ funding. For 2025 year-to-date, that share has reduced to 22%.

Going even bigger, out of the 10 largest rounds this year, only one had a mixed-gender founding team — German healthcare firm Amboss, which raised $264M. The largest all-female raise isn't even in the 50 largest rounds of 2025.

Share of capital invested (%) by funding round and team gender, 2016 versus 2025



Notes:
Data is as of 30 September 2025. Based only on funding rounds with available gender information. Excludes the following: biotech, debt, and grants.

Sources:
atomico
Powered by revelio labs
dealroom.co
crunchbase

Europe's VC landscape

Europe's VC base is strong, but it needs more allocators

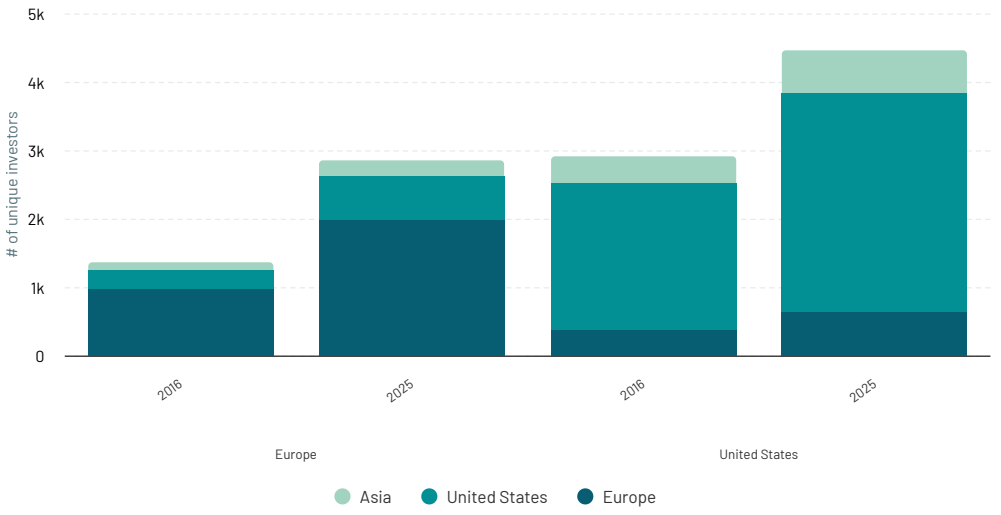
The number of active VC investors (those who have made at least one investment in rounds larger than $1M in the given region per year) has taken a significant step up in Europe since 2016. There are 2,850 investors from around the world now active in the region, up from 1,350 in 2016. The homegrown pool has also deepened significantly, doubling from just under 1k in 2016 to nearly 2k in 2025.

The conviction of overseas investors has also stepped up, with the count of US funds active in Europe more than doubling and the same holding for Asian investors. However, this interest is unevenly spread across the continent and, not surprisingly, UK & Ireland attracts the largest number of US investors, followed by DACH, with much fewer reaching tech hubs in CEE.

At the country level in Europe, there is room for improvement. While all European regions have seen increases in investor participation, some are outpacing others, with the DACH and France & Benelux regions making for a particularly interesting comparison. Ranked as the third-biggest investor region in 2016, DACH has seen a stronger increase in investor numbers, largely driven by the maturing Germany startup ecosystem and large scale initiatives like the €10B Future Fund launched in 2020. Today, DACH has overtaken France & Benelux by its count of unique investors.

Europe is also closing the gap with the US. Today, the US has around 56% more investors actively backing its companies, compared to 2016 when it had 115% more than Europe. But again, the US maintains a comfortable lead when looking at the later stages of $50M+ rounds, where there are three times as many unique investors than Europe.

Number of unique VC investors (#) investing in $1M+ rounds by investor HQ region, 2016 versus 2025



Notes:
Data is as of 30 September 2025 and extrapolated to full year based on share of realised investors by September last year. Excludes the following: biotech, debt, grants, and angel investors.

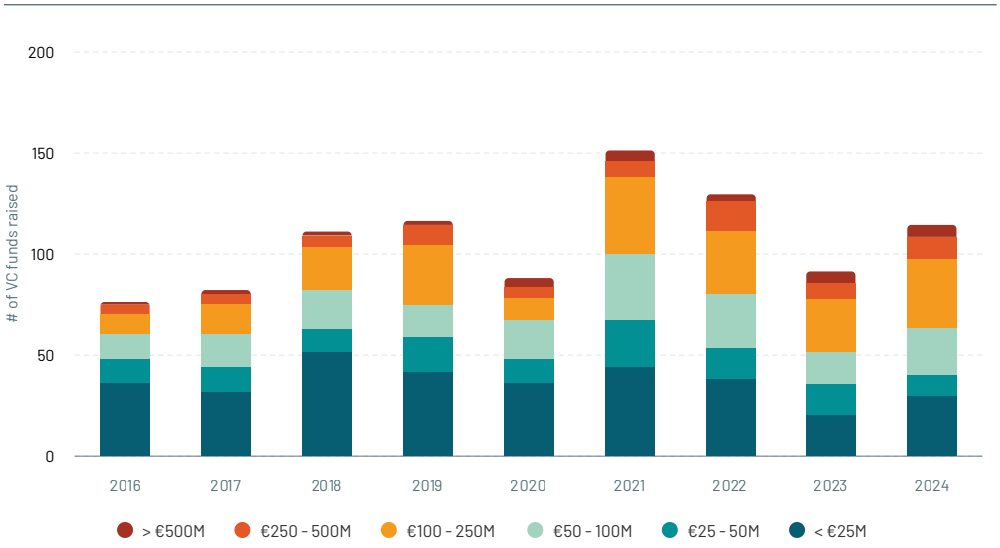
Sources:
atomico Powered by dealroom.co crunchbase

Number of larger-sized VC funds is on the rise in Europe

VC fundraising rebounded in 2024, with 114 new funds closed versus 91 in 2023, an indication that fundraising activity may have bottomed out after several challenging years. Beneath the headline, however, the composition of funds tells a more nuanced story. The number of vehicles sized at €100M or more has tripled since 2016, while the count of funds below €100M has remained flat, and those under €50M have declined.

The expansion of larger funds reflects a maturing ecosystem, with more investors now able to raise at greater scale. But both ends of the fund size spectrum matter. A thinner layer of sub-€100M funds also risks constraining Europe's earliest-stage funding sources, a critical part of the pipeline to fund new generations of potential future breakout companies. While the growth-stage capital formation rightly attracts significant focus, ensuring continued depth and sophistication at the Pre-Seed and Seed levels will also be essential if Europe is to sustain its progress.

Number (#) and share (%) of VC funds raised by fund size, 2016 to 2024



Notes:
Taken from the European Data Cooperative, developed by Invest Europe. The data shows final closing data only.

Sources:
INVEST EUROPE

European VC fund size triples over past decade

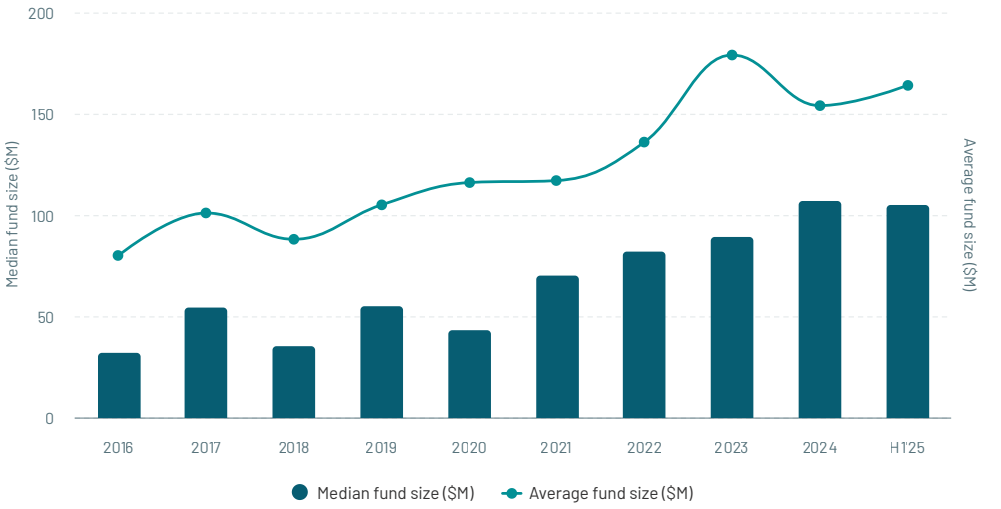
The median European VC fund has tripled in size since 2016, rising from $32M to $105M, a clear indicator of a maturing venture ecosystem with a more institutional foundation. The average fund size peaked in 2023 before easing slightly in 2024 amid ongoing LP headwinds, but both remain well above historic levels.

Median fund sizes across most European regions are converging toward the continental average, signalling greater consistency in scale. DACH stands out, with median fund sizes roughly 90% higher than the European median.

Still, this progress must be viewed in context. The typical European fund remains significantly smaller than its US counterpart, a key factor behind the persistent scale gap in overall investment between the regions.

Overall, the picture is one of growing maturity and deepening pools of capital across Europe, yet it still operates at a materially smaller scale than global peers. The venture ecosystem in Europe may no longer be defined by absolute scarcity, but it remains a significant distance from the firepower of the US.

Average and median fund size ($M) by region, 2016 to H1'25



Notes:
Taken from the European Data Cooperative, developed by Invest Europe. EDC data converted at EUR:USD of 1.1727, the rate on 30 June 2025. The data shows final closing data only.

Sources:
INVEST EUROPE

French and German VCs top the charts in 2025

In our 2024 report, London was the powerhouse of venture capital with eight of the top 10 VC funds raised in the UK, in 2025, though, we see broader geographic diversification. French and German VC firms dominate the rankings, taking all but three of the spots in the top 10 ranking.

This is a welcome development that shows how the broader European ecosystem is maturing, with more markets making ever-larger sums of capital available for tech investing, boosting growth-stage investing locally and across the continent.

Biggest VC funds raised in Europe in 2025

Rank	Name	Size of Fund	Fund Name	Previous Fund Name	Previous Fund Size	Fund Location
1	Cathay Innovation	$1B	Cathay Innovation Fund III	Cathay Innovation Fund II	$650M	Paris, France
2	Eurazeo	$770M	Eurazeo Growth Fund IV	Eurazeo Growth Fund III	$752M	Paris, France
3	Cherry Ventures	$500M	Cherry Ventures Fund V	Cherry Ventures Fund IV	$312M	Berlin, Germany
4	Lifeline Ventures	$470M	Lifeline Ventures Fund VI	Lifeline Ventures Fund V	$160M	Helsinki, Finland
5	Hitachi Ventures	$400M	Hitachi Ventures Fund IV	Hitachi Ventures Fund III	$300M	Munich, Germany
6	Evantic Capital	$400M	Evantic Capital Fund I	N/A	N/A	London, United Kingdom
7	Project A Ventures	$360M	Project A Fund V	Project A Fund IV	$375M	Berlin, Germany
8	ISAI	$330M	ISAI Expansion III	ISAI Expansion II	$165M	Paris, France
9	Picus Capital	$290M	Picus Venture Fund II	Picus Venture Fund I	$110M	Munich, Germany
10	Revaia	$275M	Revaia Growth II	Revaia Growth I	$295M	Paris, France

Notes:
Data is as of 30 October 2025. Only including funds that closed on or after 1 January 2025 and the fund location is Europe. Excludes pharma and life science funds.

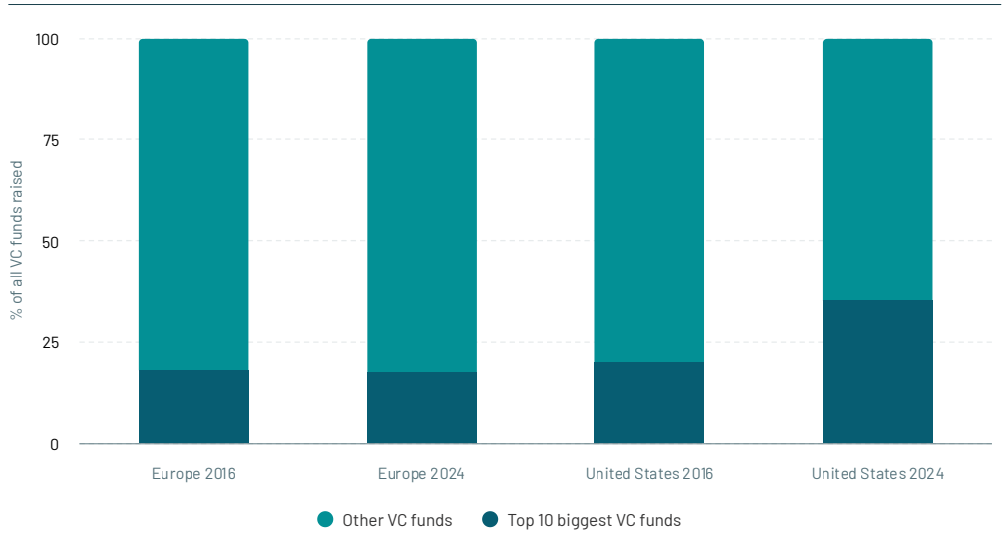
Sources:
atomico

VC capital is less concentrated in Europe

Another lens on Europe's VC landscape is how capital is distributed across funds. In 2024, the top 10 funds in the US captured more than a third of all capital raised, compared with just 17% in Europe, highlighting how a handful of the largest managers play an outsized role in shaping the US investment landscape.

In Europe, by contrast, capital remains more evenly distributed across the fund landscape. While the average size of the top 10 funds raised in Europe in 2024 has grown 5.5x since 2016 (versus 3.2x in the US), their share of total capital raised has barely changed. That diversity brings breadth and resilience, but it also limits the concentration of firepower needed to consistently back global, category-defining companies.

Share of funds raised (%) going to top 10 biggest funds raised in Europe versus United States, 2016 versus 2024



Notes:
Data is as of August 2025. Europe data is based on Atomico proprietary research and United States data is based on Pitchbook. Excludes pharma and life science funds.

Sources:
atomico PitchBook

Europe has everything it needs to build global, category-defining companies — iconic founders, world-class research and universities, a self-reinforcing talent flywheel, and numerous role models who've shown what's possible. Spotify, Supercell, UiPath — these are no longer exceptions.

What we need now is to help companies move faster. There's still too much friction — from fragmented regulation to uneven exit markets — that slows teams down just when they're ready to scale. The conviction and the capital are here; it's about creating an environment where ambition can consistently translate into global outcomes.

Sonali de Rycker
Partner, Accel

Call to action

European champions have a need for speed

Europe's tech ecosystem has never been stronger. We have world-class research, ambitious founders, and a new generation of global leaders emerging in AI, climate, and deep tech. But too often, rules built for the last century still govern the companies defining the next.

Nearly 70% of founders say Europe's regulatory environment is too restrictive, citing market fragmentation, capital markets, and labour regulations as the biggest barriers to scale. Only 18% describe it as supportive. For founders, this isn't theoretical — it's the difference between building a pan-European champion or moving abroad to scale one.

The challenge is clear. Europe must make it easier and faster to build, grow and sell across borders, at scale.

Political momentum is growing behind a truly unified European business environment, but speed and ambition are now critical. The task is to move at the pace of our most ambitious founders — to simplify, unify, and scale what works.

How we get there:

- **EU-INC. One Standard, One Europe**
  Create a single, pan-European company entity that lets founders incorporate digitally, raise capital, and operate seamlessly across borders in 48 hours — the first step toward a 28th Regime that finally delivers one standard and one Europe for startups and scaleups.

- **Launchpad Europe**
  Design policy like a world-class product. Test fast, learn faster, build trust, clear bottlenecks, and scale what works — transforming regulation into an engine for innovation, not an obstacle to it.

- **Spinouts that Scale**
  Bridge the gap between research excellence and commercial impact. Incentivise inventors to become founders, align spinout terms with global standards, and connect them directly to markets — turning Europe's science base into its next generation of global companies.

Fix the Friction means turning Europe from fragmented to frictionless — creating one rulebook, one market, and one standard that lets founders build fast, responsibly, and on Europe's terms.

Fix the Friction

Make it easier and faster to build, grow and sell across European borders, at scale

HOW WE GET THERE

EU-INC. One standard, One Europe
A single, pan-European company entity that lets founders incorporate digitally, raise capital, and operate across borders in 48 hours

Launchpad Europe
Policy must be crafted like great products. Test and learn fast, build trust, clear bottlenecks, and scale what works across Europe

Spinouts that Scale
Bridge the gap between research excellence and commercial impact. Incentivise inventors to become founders, align spinout terms with global standards, and connect to markets

04.

Unlocking Capital and Liquidity

Europe's venture model has matured, today delivering globally competitive returns and creating value at scale. A missing piece remains, though: institutional capital at scale. With growing LP appetite and liquidity finally easing, there has never been a stronger case to make for strengthening exit conditions and mobilising long-term European capital.

Mixed fundraising environment

VC fundraising has yet to fully bounce back, with 2024 ending on a very strong note at $15B, but followed by a lukewarm $6.4B in H1 2025.

17% of new global enterprise value

Europe is rapidly gaining share and now accounts for 17% of all VC-backed enterprise value created in the world, up from 1% in the ‘80s.

2030 target: 30% of global exit value

Europe today accounts for 10% of global exits by value, down from 16% in 2024.

Fundraising momentum is mixed

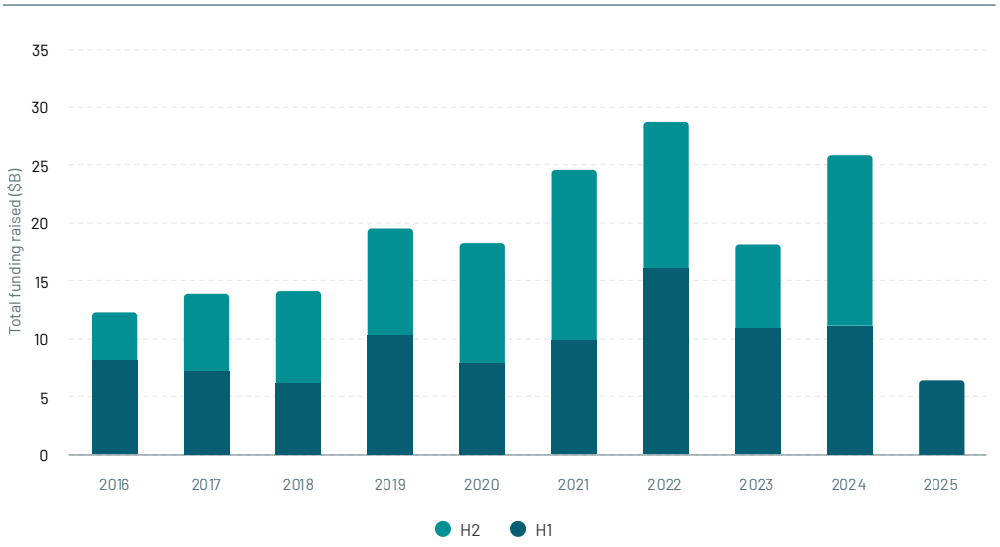
European VC is yet to pick up the pace

In the second half of 2024, VC funds raised more money than in almost any other half-year period over the past decade at just under $15B, putting it on par with H2 2021. This year paints a far more mixed picture. While fundraising data suffers from a degree of reporting lag, current estimates for H1'25 indicate a significant softening, with fundraising back down to $6.4B.

So far, though, the second half of 2025 indicates growing momentum, with new fund announcements from European VC firms continuing to roll in. Example span across the continent, from Prague-based Aspire11's inaugural €500M fund drawing from pension capital to the $470M raised by Finnish Lifeline Ventures and the $400M debut fund from Evantic Capital, a London-based firm launched by former Sequoia Capital partner Matt Miller.

The jury is still out on whether European VC fundraising is back on a growth trajectory. Combined with mixed sentiment from VC respondents in our annual survey, we can expect that European VC is not out of the woods yet.

Overall VC funds raised ($B), 2016 to H1'25



Notes:
Taken from the European Data Cooperative, developed by Invest Europe. EDC data converted at EUR:USD of 1.1727, the rate on 30 June 2025. The data shows incremental amounts in each year for venture funds. Incremental amounts include all direct private equity funds and structures, such as investment companies, closed-end fund managers, family offices (without a fund), private equity arms of banks, corporate private equity arms (without a fund), and evergreen fund managers.

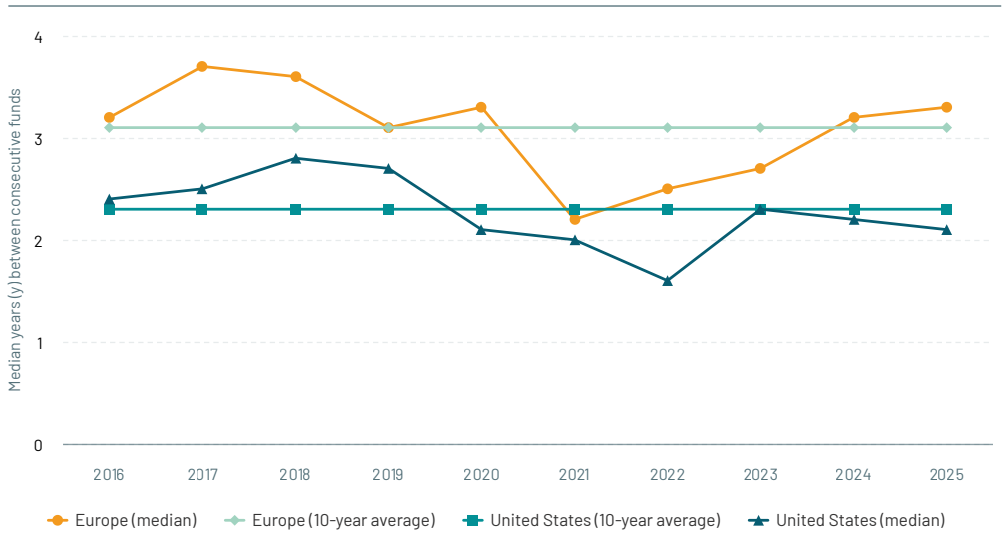
Sources:
INVEST EUROPE

Fundraising timelines are still hovering around historical averages

US venture funds continue to be quicker than their European counterparts in raising successive funds. The gap was narrowest during 2021, the speediest year on record for European funds, but has since started to widen again to more than a year today.

After a few tough years for VC fundraising globally, European VC funds have seen their fundraising timelines slow back to pre-pandemic levels. US funds have picked their pace back up, slowly but steadily, while mixed fundraising levels in Europe indicate that it will take longer for momentum to pick up.

Median years (y) between funds for European and United States VCs, 2016 to 2025



Notes:
Data as of 30 September 2025.

Sources:
PitchBook

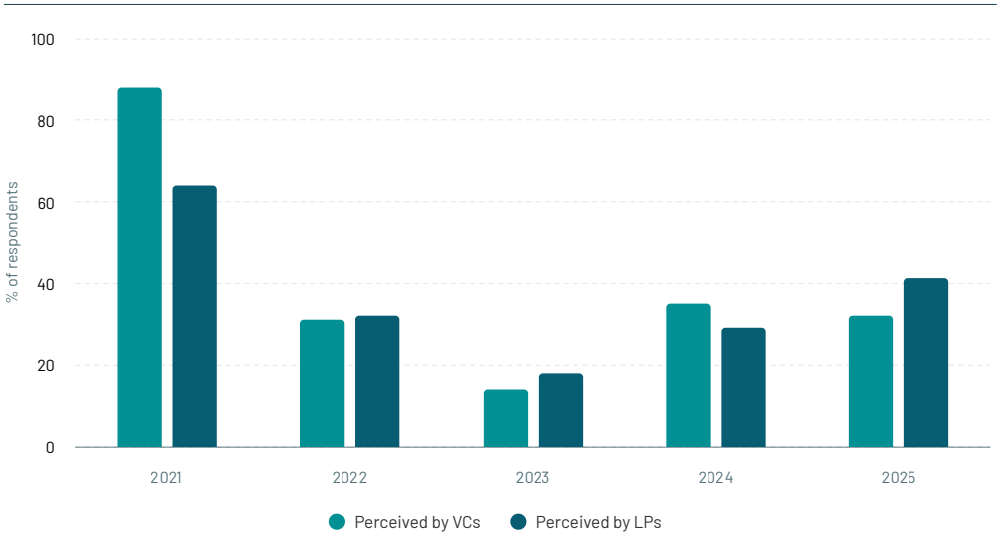
LP sentiment for European VC continues to grow stronger

European VCs are cautious when it comes to perceptions of LP interest in the asset class, with 34% of respondents reporting a decline in LP appetite, in line with the results from last year's survey. LPs are more optimistic, reporting growing appetites for VC investment.

This divergence can be explained several ways. For one, VCs naturally skew pessimistic on this question, given they typically hear "no" more often than "yes", even in the strongest markets. Also, although the liquidity window is easing, there is still an inherent lag before DPI materialises, which could be causing LPs to delay commitments despite their growing interest in the VC asset class.

Either way, LP appetite for backing European venture capital is undoubtedly on the rise once again, and can be seen as a positive leading indicator for future VC fundraising activity.

Compared to 12 months ago, to what extent has your fund/ organisation noticed an increase in appetite for European venture investment from LPs?



Notes:
VC and LP respondents only. Respondents who selected "do not know / unable to comment" are excluded from the data.

Sources:
STATE OF EUROPEAN TECH Survey

Two decades in venture investing — first at Industriens Pension and later at Novo Holdings — have shown me how far Europe has come. As the European venture ecosystem matured, its appeal grew steadily.

Strong technology and IP, together with repeat founders and experienced investors, have turned Europe into an increasingly attractive opportunity.

In the early years, investing in European venture was a lonely path. Many institutions struggled to secure management buy-in, often favouring shorter-cycle private assets with predictable returns. Venture, however, demands patience and visionary leadership — qualities not easily reconciled with quarterly benchmarking.

Today, many of those barriers are rapidly fading. Geopolitical tensions and the push for regional solutions are driving unprecedented political and institutional support. While some regulatory hurdles remain, innovation is now viewed as essential — and venture capital is its engine.

Europe has evolved from a fragmented market into a globally competitive ecosystem, consistently producing scaled winners such as Spotify, Adyen, UiPath, and Revolut — and nurturing the next generation of champions like Helsing, Mistral, Legora, Lovable, and n8n. The momentum is real, and Europe's venture story is only accelerating.

Søren Thinggaard Hansen
Senior Partner & Head of Private Equity, Novo Holdings

The patient capital gap

Sovereign funding is an important anchor for the ecosystem

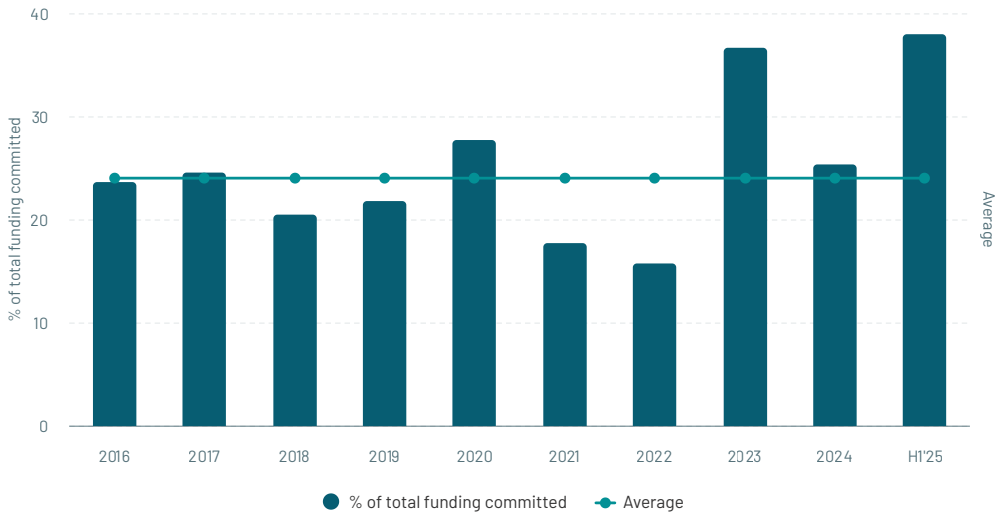
In 2021 and 2022 — peak years for VC investing — governments made up a smaller-than-usual share of the overall funding mix as 'tourist' investors (those who do not normally invest in VC, but were keen to chase the ecosystem's hype) piled in.

With those investors now retreating, government funding has once again taken a central role as an ecosystem anchor. This is particularly important in Europe, where VC investing can be perceived as riskier than in the US, and where government backing can give private investors the confidence to participate.

The largest contributor in this category by far is the European Investment Fund (EIF), which supports the ecosystem through initiatives like European Tech Champions, a fund-of-funds launched in 2023 to provide late-stage capital to European startups, alongside direct investments in VC funds. A new European Competitiveness Fund, due to launch in 2028 with a budget of €409B over six years, will provide further support to startups in sectors like defence, energy transition, and space, across different funding stages.

So far this year, government contributions are at their highest share since 2016, matching 2023 and signalling strong confidence in European VC.

Share (%) of government funding in total European funding, 2016 to H1'25



Notes:
Taken from the European Data Cooperative, developed by Invest Europe. EDC data converted at EUR:USD of 1.1727, the rate on 30 June 2025.

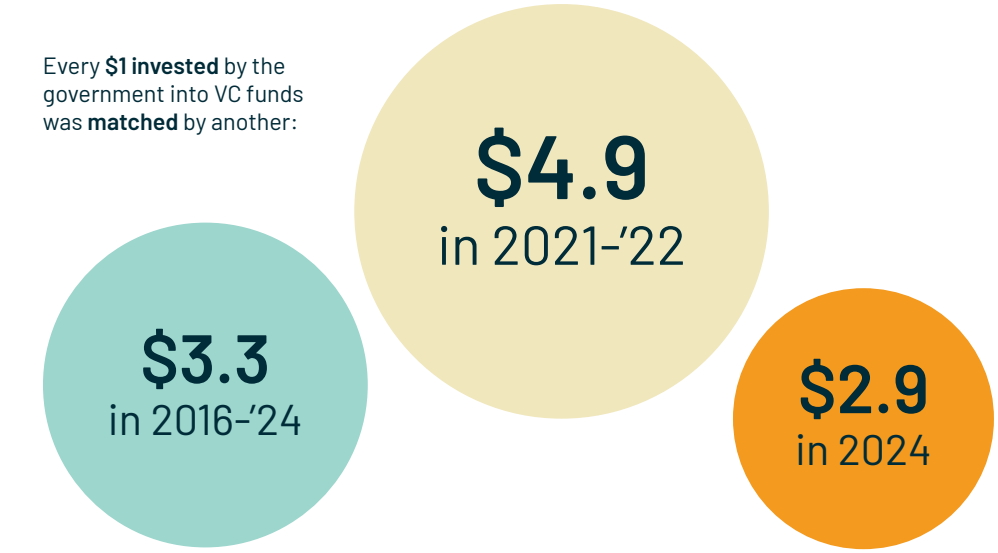
Sources:
INVEST EUROPE

Government funding acts as a multiplier

Government funding plays a crucial role in Europe's tech ecosystem — not only by providing capital to startups, but also by encouraging other LPs to invest. This can be through schemes explicitly designed to "crowd in" private funding, such as the European Innovation Council Fund, or simply by signalling a local ecosystem's credibility.

Last year, every $1 of government funding put into venture capital was matched by $2.9 elsewhere, almost in line with the long-term average of $3.3 between 2016 and 2024. During the peak funding years, the multiplier effect was the highest when every $1 invested by governments was matched with another $4.9 from other investors.

Government funding acts as a multiplier



Notes:
Taken from the European Data Cooperative, developed by Invest Europe. EDC data converted at EUR:USD of 1.1727, the rate on 30 June 2025.

Sources:
INVEST EUROPE

EIF investment activity hits its second-highest level since 2020

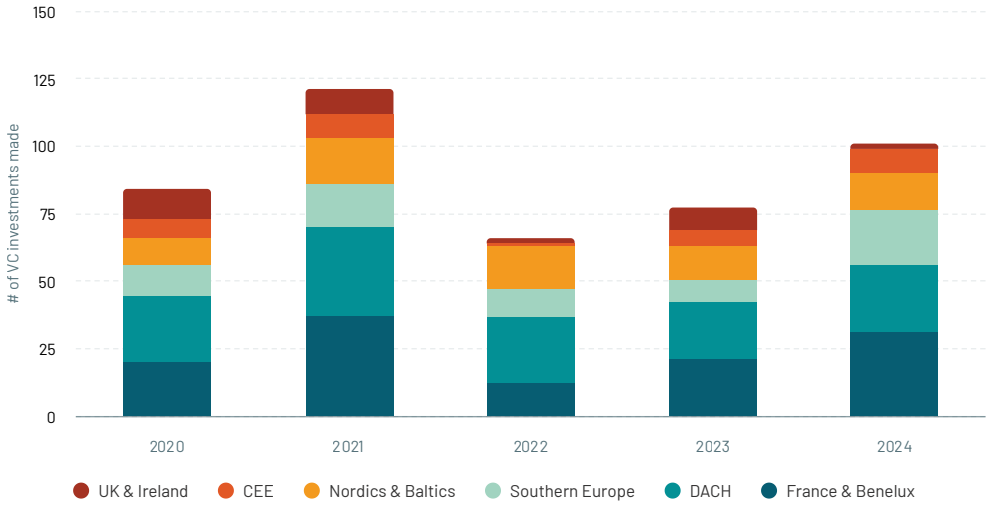
The European Investment Fund (EIF) launched in 1997 with a mandate to boost European tech investing and support the growth of a vibrant ecosystem — goals which have clearly come to pass. But its work is by no means slowing down. Last year, according to the fund's own annual report, it took part in more transactions than in any year since 2020.

In 2024, the EIF made over 100 investments into VC funds across all European regions, representing a 30% increase in transactions.

Since 2020, the EIF has invested in 29 unique countries across Europe, with Germany, France, the Netherlands, Spain, and Sweden receiving the most funding. In 2024, 33% of funding went to teams in France & Benelux, and 24% each to teams in the DACH and Southern Europe regions. Notable investments included a €30M commitment to Montis Climate and Sustainable Fund — the first greentech fund in Poland — and €35M to Germany's Project A. In 2023, the EIF's largest commitments included a $380M injection to Headline Global Growth Lux IV and $300M into Atomico's Growth VI fund.

Momentum is continuing into 2025. In May, defence tech fund Keen Ventures received €40M from the Defence Equity Facility, a collaborative scheme run by the EIF and the European Defence Fund. The EIF has also invested €30M in the second fund from Quantonation, a France-based VC firm targeting early-stage quantum and deep physics startups.

Commitments made by EIF by count (#) and value by region, 2020 to 2024



Notes:
Data as of April 2025. Countries and regions are classified by the location of funds, not by the markets where capital is deployed.

Sources:
European Investment Fund

Attracting private and institutional capital into European private markets is essential if we are to achieve sustainability, sovereignty in key sectors, and long-term security.

To get there, we need a more compelling narrative, one that not only highlights performance but also captures venture capital's broader impact on Europe's economy and society. We must demystify venture capital and strengthen the connection between institutional investors and private markets. By mobilising Europe's savings to fuel innovation and growth, we can reinforce our global competitiveness and build the foundations for a more resilient, sustainable, and secure Europe. This is about shaping tomorrow.

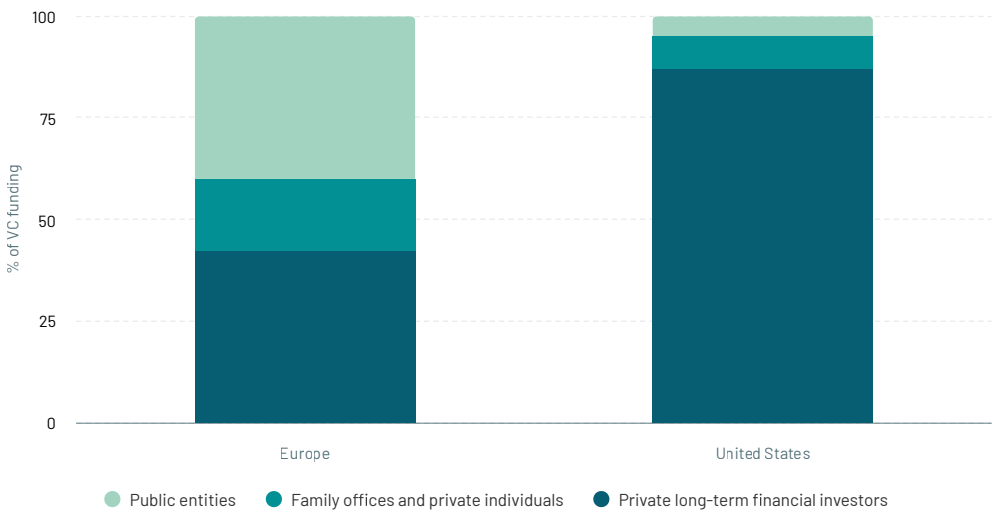
Marjut Falkstedt
CEO, EIF

Europe is underweight on private long-term investors

One big advantage the US holds over other tech ecosystems is its access to the world's largest university endowments — who are deep-pocketed and experienced investors actively targeting VC. Today, private long-term investors make up almost 90% of the investors backing US VC, compared to 42% in Europe.

Europe has no equivalent of Yale's $40B endowment to tap for funds. Instead, it relies more heavily on public entities, which make up 40% of the long-term investor pool compared to 5% in the US. Family offices make up the remaining 18% of the long-term investor base in Europe. While these have been instrumental in shaping the VC capital stack in Europe, they can also be more volatile and place restrictions on investment mandates, which isn't the case for endowment funds.

Share (%) of VC funds raised by investor type, 2024



Notes:
European data taken from the European Data Cooperative, developed by Invest Europe. United States data is based on working paper "Stepping Up Venture Capital to Finance Innovation in Europe". Total excludes undefined, 'Unclassified' or 'Other' investors.

Sources:
INVEST EUROPE
INTERNATIONAL MONETARY FUND

Patient capital misses out by not allocating more to VC

European pension funds, sovereign wealth funds, and other long-term investors often cite predictable DPI as a key hurdle to allocating more capital to venture — a concern that is understandable, but increasingly dated. Liquidity dynamics in European VC have evolved markedly in recent years, with funds becoming more proactive in managing distributions, and a growing secondary market providing new avenues for exits.

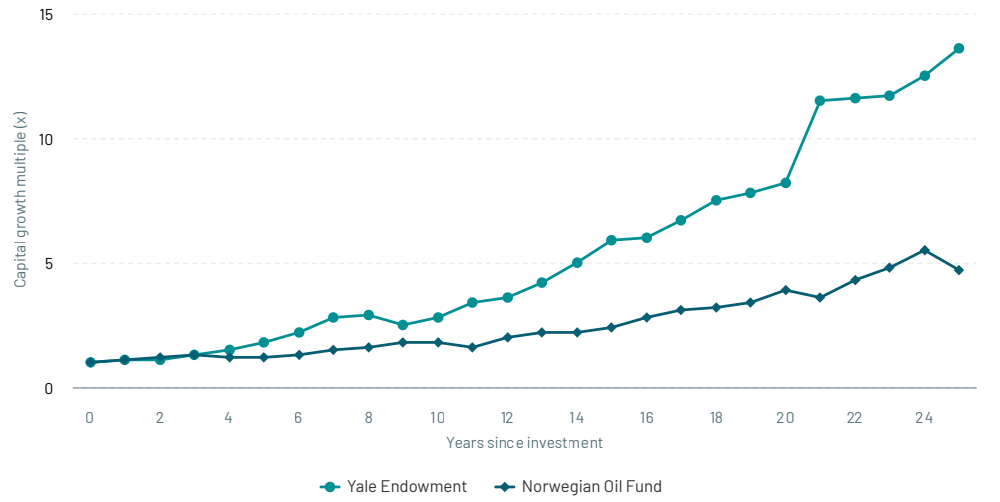
While US pension funds and endowments have embraced venture, most of Europe's institutional capital remains tied up in more conservative allocations, favouring fixed income strategies and public equities over high-growth alternatives like VC. The consequences are two-fold: these investors miss out on the upside of European tech, and the ecosystem itself misses out too, weakened by a lack of long-term domestic capital that causes success stories from home to leak abroad.

PlanRadar, an Austrian startup currently valued at $400M, illustrates this conundrum. European pension funds based in Germany and Austria own just 0.2% of the company today, while 8% is owned by US pension funds. When it exits, it is US investors, not Europeans, that will pocket the rewards of European innovation.

On the flipside, the performance of the Yale Endowment — which targets a 70% allocation to VC and private equity — shows just how returns can compound over time. Over a 25-year time horizon, it has generated return multiples 9.5x larger than the Norwegian Oil Fund, which focuses on listed equities and fixed income. Over the same period it also boasts an average 11% IRR, compared to the Norwegian Oil Fund's 6%.

With the right allocation shift, European pensions and sovereign wealth funds could capture far more of the upside generated by the next generation of European champions, while also growing their own funds. As the data shows, investing in the alternatives does not compare.

Comparative return multiples (x) between an endowment versus listed equities and fixed income strategy



Notes:
Data as of September 2025.

Sources:
European Women in VC

Unlocking pension funds

0.01%

The share of European pension fund AUM allocated to European VC in 2024. Between 2023 and 2024, the absolute amount rose by 55% from $650M to $1B.

Sources:

INVEST EUROPE

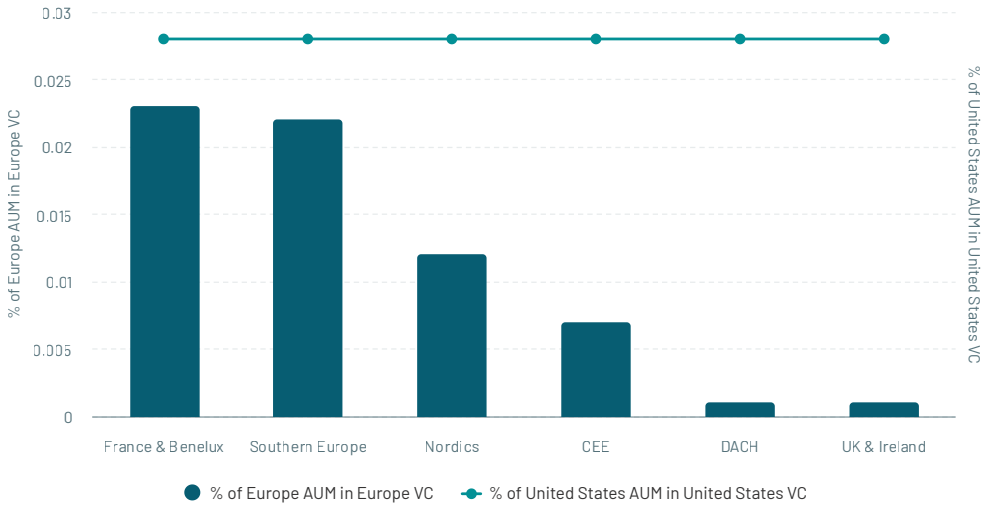
European pension funds are still underinvested in venture capital

European VCs are more reliant on public money than their US counterparts — and persuading private funders to increase their rate of investment has been a longstanding challenge for the ecosystem.

Pension funds in particular remain underweight on venture capital compared to their peers in the US, who typically allocate around 0.03% of AUM to venture capital. All European regions trail behind, with France & Benelux pension funds investing 0.023% on average, and UK & Ireland funds investing a staggeringly low 0.001%, after dropping commitments from €140M in 2023 to just €26M in 2024 — a decline of more than 80%.

This means they — and everyday pension savers — are missing out on the long-term growth potential that meaningful allocations to European tech can generate. What's more, this underinvestment leaves the door open for foreign investors to step in and capture the upside of Europe's innovation, or for companies to leave Europe to achieve their full potential abroad.

Share of pension funds' AUM annually committed (%) to VC by pension fund HQ region, 2024



Notes:
Annual investment into VC data taken from the European Data Cooperative, developed by Invest Europe. The data shows incremental amounts in each year for venture funds, not only final closing. AUM data includes Eurozone member states (based on ECB data) as well as national pension AUM data for the United Kingdom, Poland, Switzerland, Norway, Denmark, and Sweden (based on various local sources). United States AUM data based on FRED and investments into VC based on Dakota (2023 figures).

Sources:
atomico INVEST EUROPE

Pension fund potential

$210B

The additional capital that could be made available to Europe's venture ecosystem over the next decade if European pension funds matched investment levels of leading US pension funds.

Sources:

atomico dealroom.co

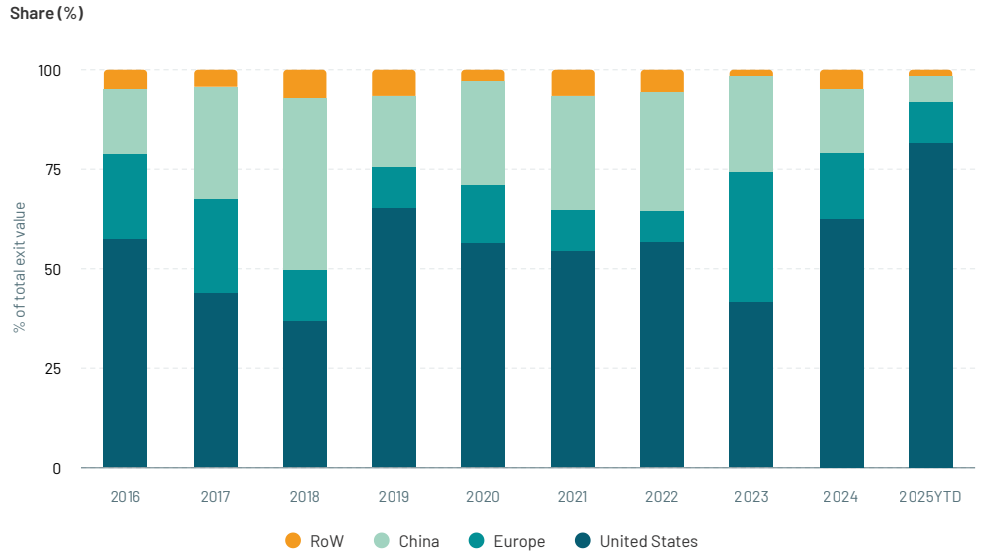
The tide is turning for the global exit markets

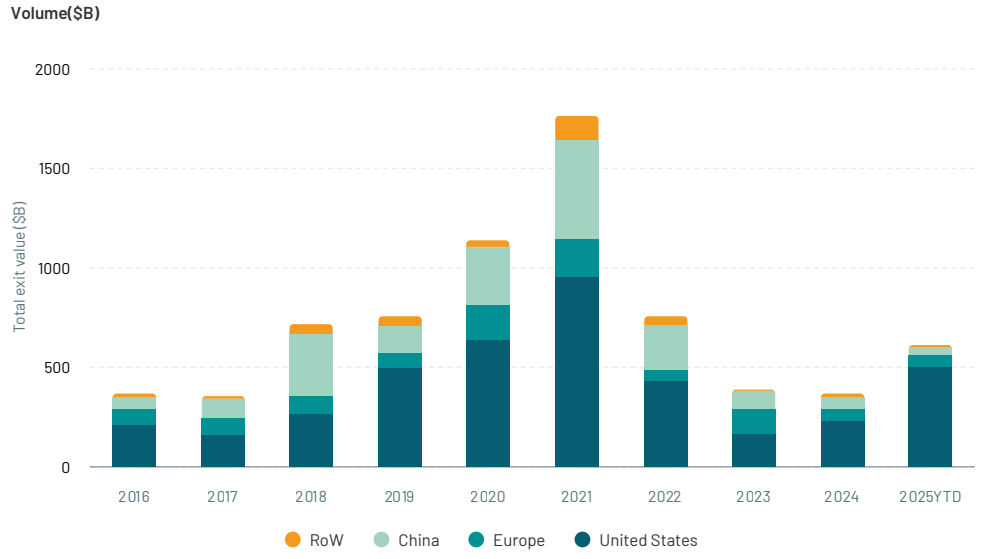
Global exits have started to pick up

Global exit activity is building up again, with $608B generated from IPOs and M&A in 2025 — a sharp rebound from 2024's low of $364B and creeping back up towards 2018 levels.

The US remains the dominant market, accounting for more than 80% of global exit value in 2025 and averaging around 55% over the past decade.

Global exit value ($B) and share (%) by region, 2016 to 2025





Notes:
As per S&P Global Market Intelligence (Quantitative Research & Solutions), as of 24 October 2025, for illustrative purposes only. M&A transaction value at acquisition announcement date and tech IPO market cap by first trading date. Includes only completed M&A transactions for 2016 to 2023, includes both announced and completed M&A transactions for 2024 and 2025. Excludes any terminated or withdrawn transactions.

Sources:
S&P Global Market Intelligence

IPO activity is showing signs of reacceleration

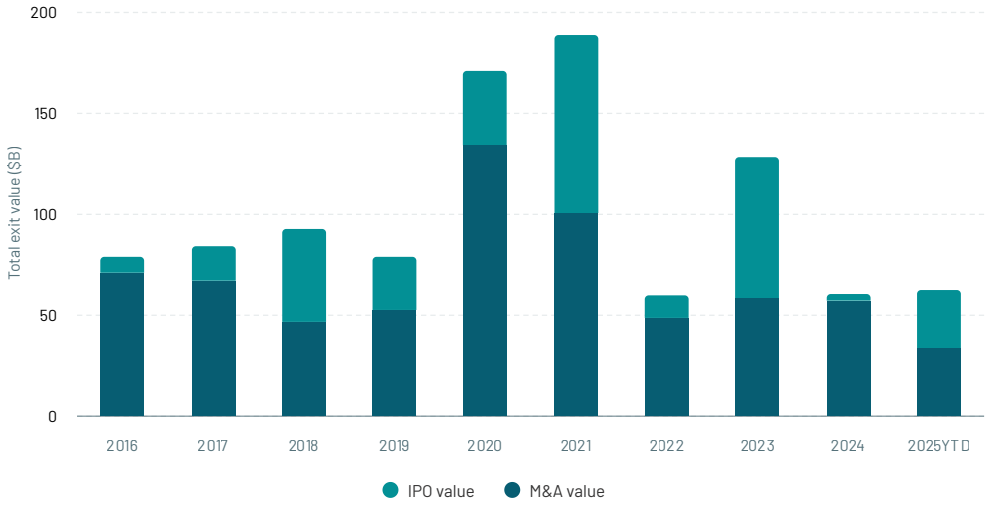
Could the IPO window finally be starting to open up for Europe's tech companies?

Klarna's recent IPO could be an important sign the tide is finally starting to turn after a few subdued years. It closed its first trading day at a $17B valuation on the NYSE in September, selling 34M shares, ending at $45.82 a piece. The exit is Europe's largest IPO of the year so far, and among one of the world's largest in 2025.

More broadly, exit activity has remained muted since 2022's market correction. Yet despite this, M&A and IPO transactions have consistently surpassed the $50B per year threshold over the past decade.

In Europe, large events like Klarna's IPO are what drives overall transaction value, no matter the year. In 2023, ARM's $65B listing accounted for 92% of that year's total IPO value, while the $45B IHS acquisition in 2020 represented 35% of that year's M&A activity.

European tech M&A transaction value and tech IPO market cap at close of first trading day ($B) by announcement date, 2016 to 2025



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Sources:
S&P Global Market Intelligence

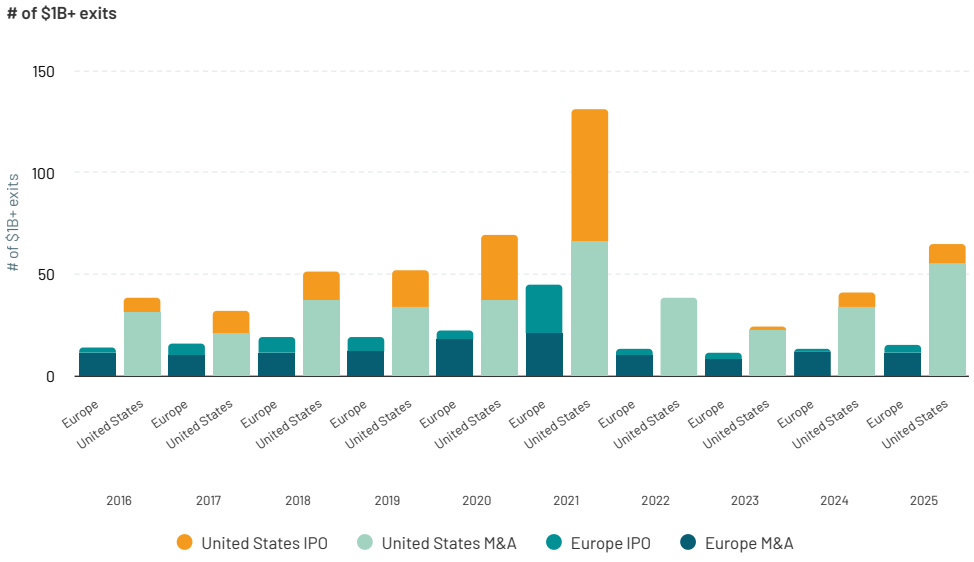
European billion-dollar exits remain scarce

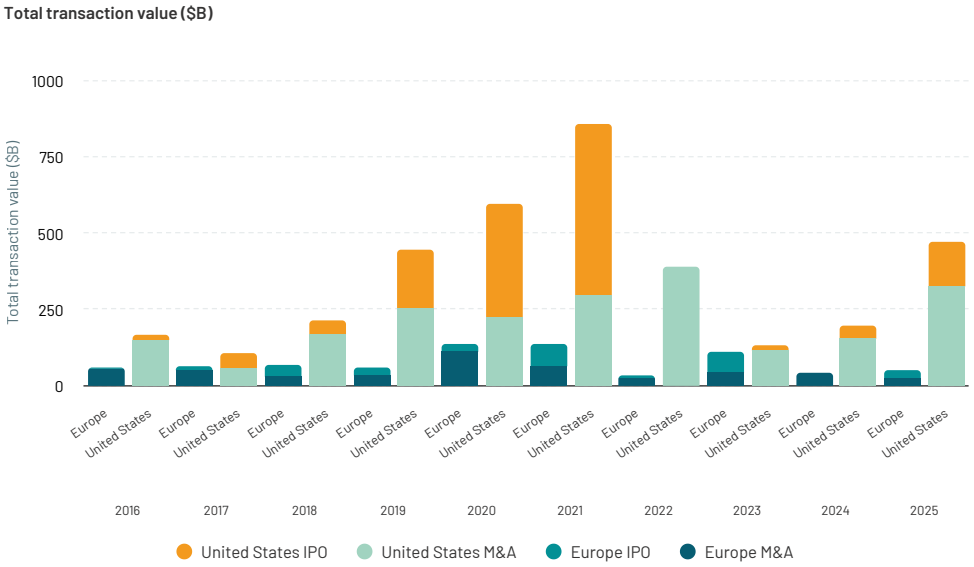
So far in 2025, 15 $1B+ transactions have taken place in Europe. This includes 11 M&A transactions, from acquisitions announced and closed within 2025 so far (such as Deliveroo and Oxford Ionics) to mergers yet to finalise (like Hornetsecurity and Adevinta's Spanish operations). Notably, Europe has had it's best IPO year since 2021, with Klarna, SMG Swiss Marketplace, HBX Group and Hacksaw listed on stock exchanges.

Transactions of this size are important for any ecosystem, but in Europe they are significant drivers of overall exit values. Over the past decade, $1B+ exits accounted for 86% of the value created by IPOs and 68% of value from M&A, despite only representing 13% and 0.7% of total deal count, respectively. Whether they do or don't happen, these transactions have a big impact on the ecosystem.

In the US, by contrast, $1B+ transactions are more common. They account for 98% of IPO value and 82% of M&A value, while representing 57% and 2% of all transactions, respectively.

Count of European and United States $1B+ exits and their total transaction value ($B) by exit type, 2016 to 2025





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Sources:
S&P Global Market Intelligence

Will more European companies step through the IPO window?

Klarna's IPO has nudged the window open, but how long it stays that way will depend on whether or not more companies decide to step through.

There's a strong pipeline of companies that are primed — or almost there — having paused IPO plans for a variety of reasons over the past few years.

Monzo is reportedly preparing for a £6B IPO, Revolut is weighing up a dual New York and London listing, and Estonian ride-hailing company Bolt has reportedly hired advisors to help it prepare for a market debut.

Potential exit-ready European tech companies

Revolut
London, UK
Latest valuation: $75B

Bolt
Tallinn, Estonia
Latest valuation: $8.1B

Personio
Munich, Germany
Latest valuation: $6.3B

monzo
London, UK
Latest valuation: $5.9B

Vinted
Vilnius, Lithuania
Latest valuation: $5.5B

FLIX
Munich, Germany
Latest valuation: $3.3B

zilch
London, UK
Latest valuation: $2B

rohlik.cz
Prague, Czechia
Latest valuation: $1.2B

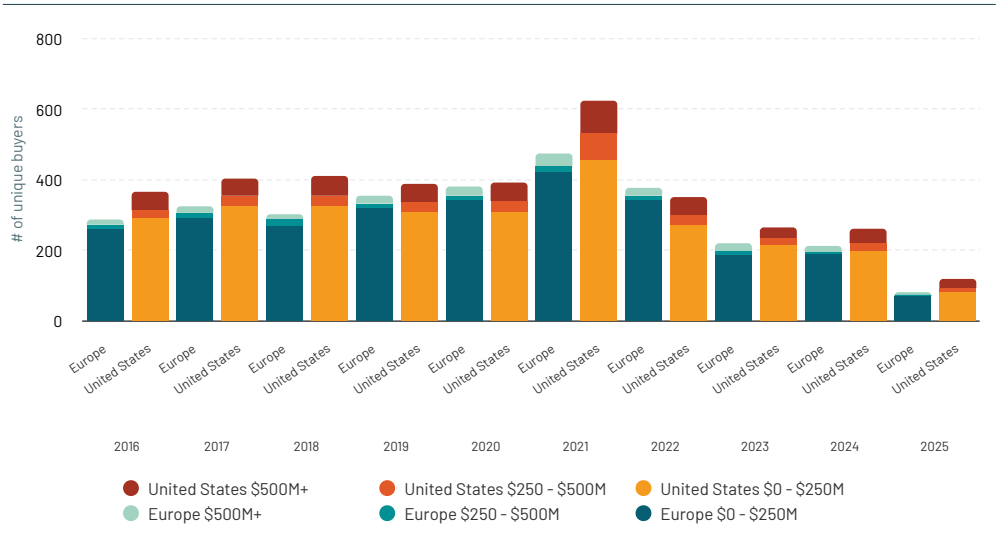
Few European buyers go big when making acquisitions

Europe has just as many global buyers active on the ground as the US does — only, not at quite the same scale. While there are plenty of buyers, there are few capable of carrying out deals valued over $250M.

In the US, there are three times as many buyers capable of leading deals valued at $500M or more, while Europe's pool of buyers is almost exclusively concentrated in transactions valued under $250M.

One of the largest acquisitions led by European buyers is the online classifieds group Adevinta's acquisition of US competitor eBay Classifieds for over $9B in July 2020, which created the world-leading, pure-play online classifieds leader, covering a population of 1B people. These sorts of transformative M&A deals are few and far between in Europe, though, presenting a structural constraint on Europe's ability to generate liquidity.

Count of unique buyers (#) by region and round size, 2016 to 2025



Notes:
As per S&P Global Market Intelligence (Quantitative Research & Solutions), as of 24 October 2025, for illustrative purposes only. Includes rounds with disclosed transaction size only.

Sources:
S&P Global Market Intelligence

Europe has a small pool of domestic big ticket buyers

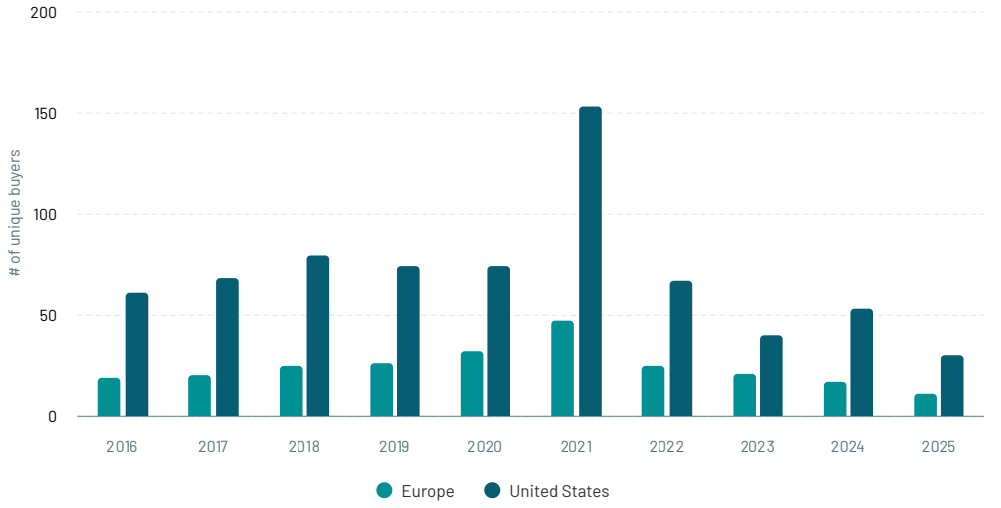
Buyers capable of carrying out blockbuster tech M&A deals are overwhelmingly concentrated in the US rather than Europe. While Europe does have a few notable local players, such as the private equity firm Permira and software company Worldline, European transactions above $250M are typically carried out by US buyers.

In 2025 so far, there were just 11 domestic buyers participating in European tech M&A valued at $250M or more. In the US, there were 30.

This reflects the scale and volume of the US's underlying startup ecosystem — there are simply more startups at the size and scale to generate these large acquisitions. As a result, private equity firms and corporates are more active at the top end of the market, making the US a hub for transformational deals.

The count of transactions per buyer is higher in the US, too. Thoma Bravo, the most prolific buyer in the US, has participated in 18 $1B+ deals over the past decade, six times more than in Europe, where it is also the largest buyer. The buyout firm, which specialises in software deals, recently announced it has raised a $2B fund specifically to target European tech.

Count of domestic unique buyers (#) by region and buyer type for transactions over $250M, 2016 to 2025



Notes:
As per S&P Global Market Intelligence (Quantitative Research & Solutions), as of 24 October 2025, for illustrative purposes only.

Sources:
S&P Global Market Intelligence

Europe's AI ecosystem has moved from promise to proof. Companies like Mistral show that Europe can produce world-class innovation and attract global capital on its own terms.

What's exciting is the growing confidence across the ecosystem — founders are building with conviction, investors are backing deep tech at scale, and we're seeing Europe carve out a distinct voice in the global AI narrative. The next decade will be about turning that leadership in research and talent into enduring global platforms.

Benjamin Cichostepski-Lesage
Partner, Orrick

Europe generated two of the largest tech IPOs of 2025

Europe may only be home to less than 10% of the world's IPOs, yet this year it has produced two of the world's 10 most valuable public debuts.

September saw Klarna's $17B IPO, the world's fourth-most valuable so far this year, while SMG's debut ranks 10th at $6B. The US dominates the rankings, while China has also contributed one IPO to the top 10 list.

Top 10 tech IPOs globally, 2025

Company	Market cap at IPO ($B)	Company region	Listing region	IPO date
Figma	56	United States	=	Jul-25
Coreweave	19	United States	=	Mar-25
Circle Internet Group	19	United States	=	Jun-25
Klarna	17	Europe	United States	Sep-25
Chime Financial	14	United States	=	Jun-25
SailPoint	12	United States	=	Feb-25
Beijing E-Town Semiconductor	10	China	=	Jul-25
Netskope	9	United States	=	Sep-25
StubHub	9	United States	=	Sep-25
SMG Swiss Marketplace	6	Europe	=	Sep-25

Notes:
As per S&P Global Market Intelligence (Quantitative Research & Solutions), as of 24 October 2025, for illustrative purposes only.

Sources:
S&P Global Market Intelligence

$1B+ listings in Europe

81%

Most, or 81%, of European $1B+ tech companies that went public since 2016 listed in Europe rather than the US. But evaluating it by market cap, Europe's share falls to 61% due to ARM's $65B US listing skewing the total.

Sources:

S&P Global
Market Intelligence

Europe's share of global startup value is rising, fast

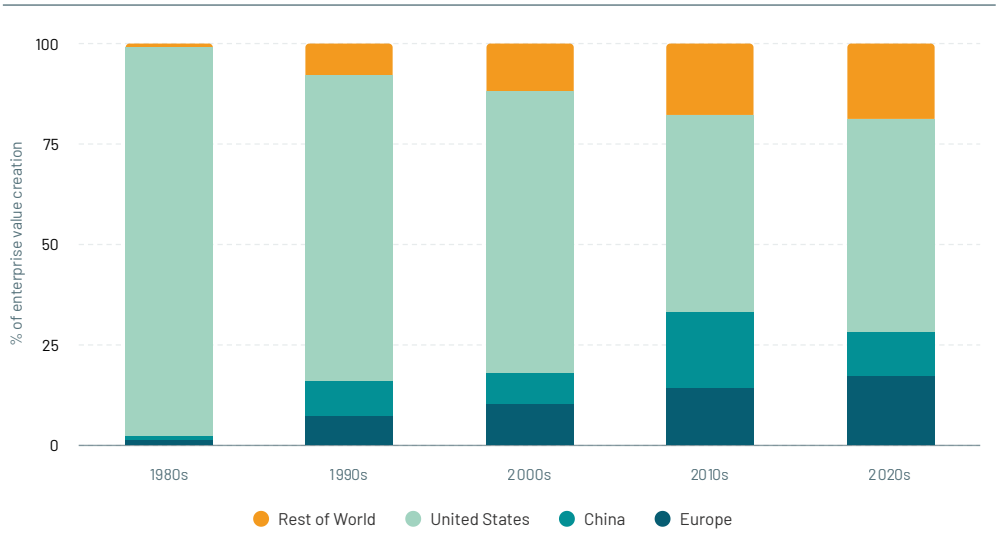
The gap between the US and European startup ecosystems is much discussed — but what's not always mentioned is just how quickly Europe is closing it.

Over the past five years, Europe's share of new global enterprise value has grown at a compound annual growth rate (CAGR) of over 7% to reach 17% of the world's total. The US, which held nearly 100% in the 1980s, now accounts for almost half that as other ecosystems catch up to it.

Europe is rapidly chipping away at the US's three-decade lead, not only outpacing its biggest rival in terms of the rate at which new value is created, but other regions, too. While China boasted a 19% share of all new enterprise value created in the 2010s, by the 2020s its share had shrunk by 8%, while Europe's went up 3%.

For investors building a diversified portfolio today, the case for Europe has never been clearer.

Share (%) of VC-backed global enterprise value creation by region and founding decade



Notes:
Based on Dealroom, "Accelerating Europe", The State of European Innovation and Why it Matters, 2025.

Sources:
dealroom.co

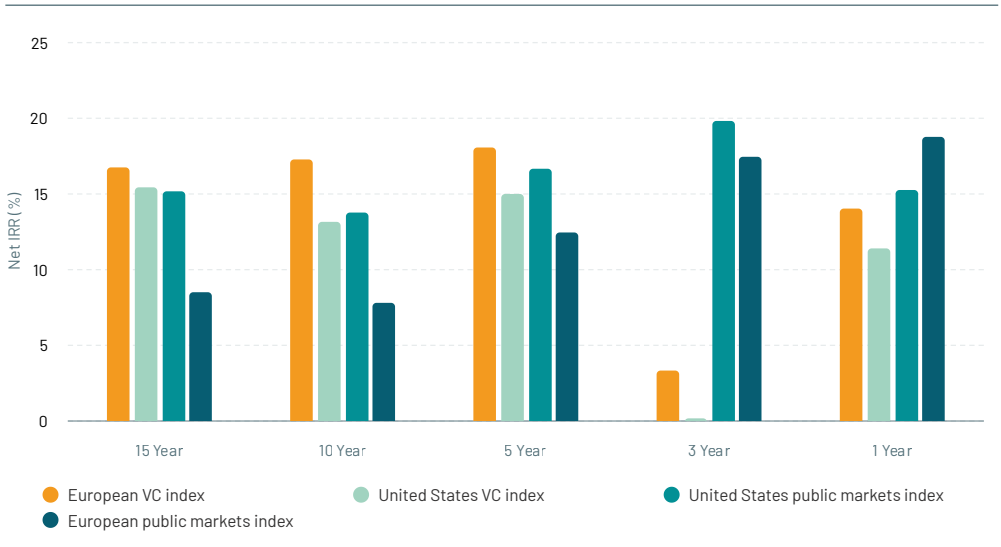
European VC provides attractive returns...

The case for investing in European venture capital is backed up by the numbers. Across public and VC markets, European VC outperforms not just US VC, but public markets in both regions, too.

Over a 10-year horizon, the European VC index returned 17.2% compared to 13.1% for US VC and 13.7% for US public equities. The gap narrows over a 15-year horizon, but European VC still leads with a return of 16.7%.

The three-year index is an outlier, starting in 2021 to 2022 and therefore capturing the years of peak valuations — and subsequent corrections — for both US and European startups. But even over this period, the European index suffered less than its US alternative at 3.3% compared to 0.1% for US VC, highlighting the resilience of European VC.

Horizon pooled return (net) by fund index, Q2 2025



Notes:
Data as of 30 June 2025. European public markets index (MSCI Europe) and United States public markets index (S&P 500) are derived from the CA Modified Public Market Equivalent (mPME), which replicates private investment performance under public market conditions.

Sources:
CAMBRIDGE ASSOCIATES

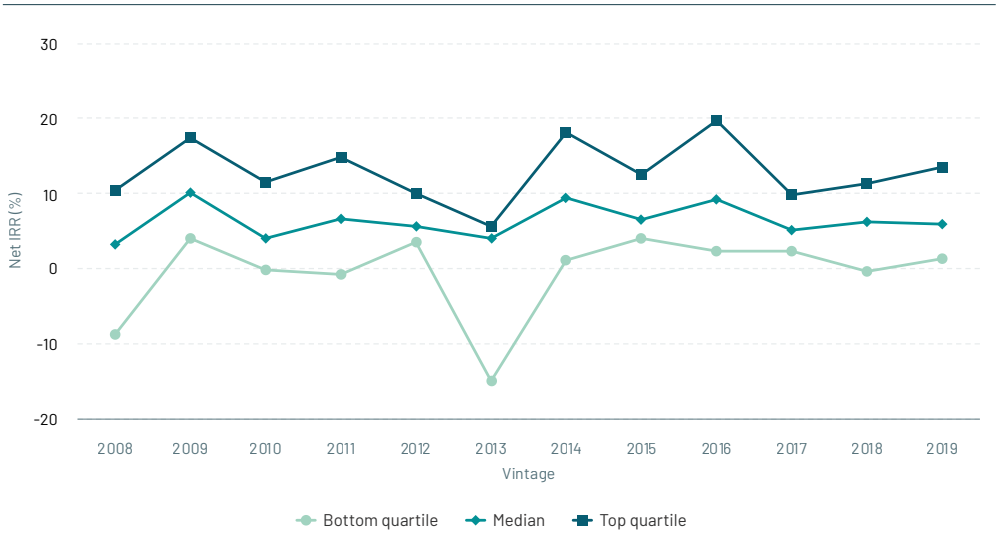
...as Europe's most established VC backer can confirm

The European Investment Fund (EIF) is the largest and most long-standing backer of European tech, serving as an anchor for the ecosystem. It's been active in European VC since 1994 and has €144B in assets under management today — as well as one of the deepest data sets on European VC performance.

Most mature vintages since 2008 — when the European VC market began to hit its stride — have produced positive net IRRs for the EIF. More recent vintages have lower figures, which is a reflection of the J-curve effect, where funds typically post negative returns in their first years before exits and gains begin to outweigh fees.

European VC returns aren't just theoretical — the EIF's track record proves that exposure to a broad portfolio of European VC funds, which in turn provide exposure to thousands of companies, is a powerful diversification strategy and not as risky as often assumed.

Net IRR (%) of EIF investments in European VC, 2008 to 2019



Notes:
Data as of 30 September 2024.

Sources:
European Commission | eFront a part of BlackRock

European VC performance is strong, but DPI takes time

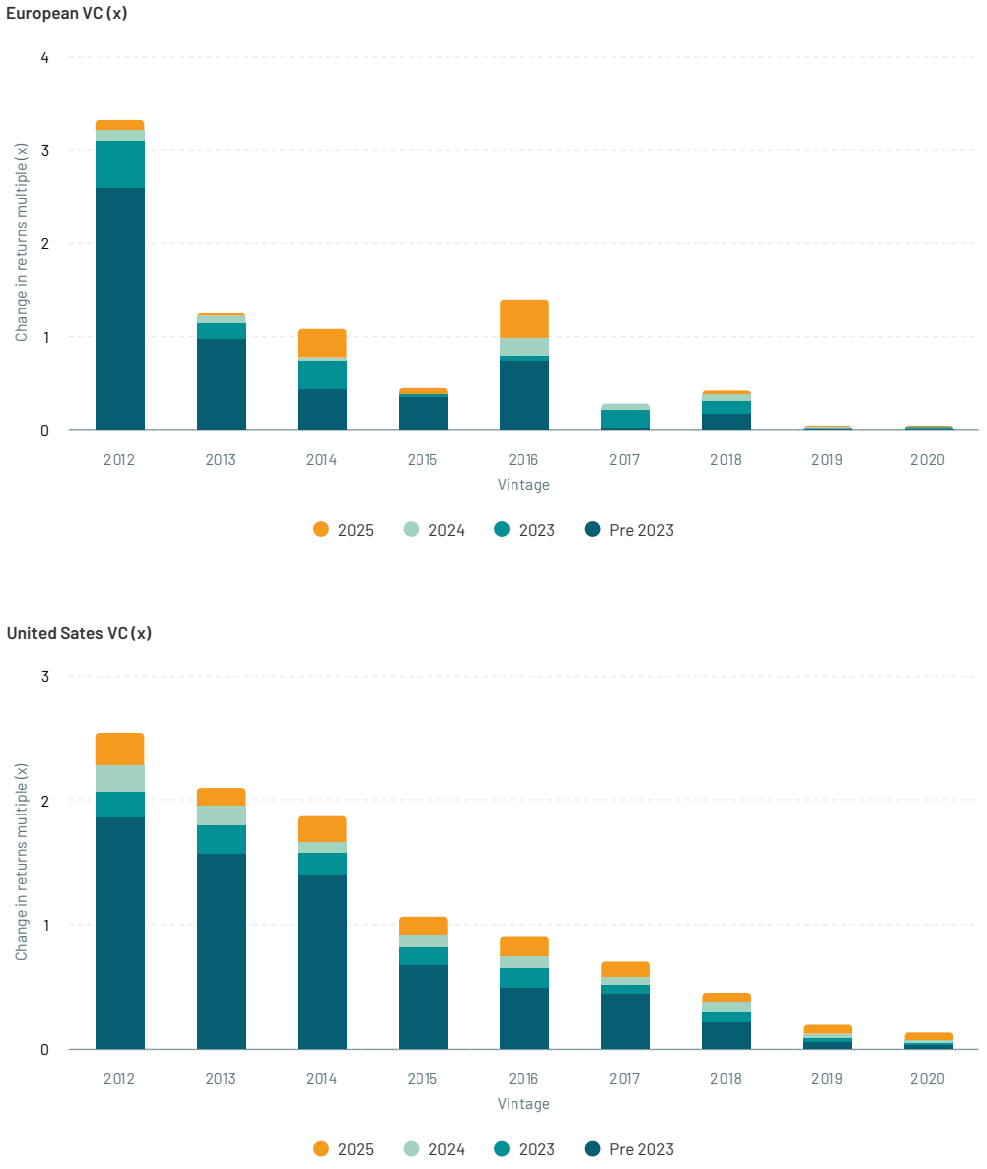
Europe's VC ecosystem has matured rapidly over the past two decades. But as global liquidity has slowed since 2021, the continent has felt the pinch more acutely than other regions. While European VC portfolios outperform the market on unrealised valuation, European funds underperform compared to the US on Distributed to Paid-In Capital (DPI). In other words, LPs aren't seeing their gains turn into real cash at the same cadence.

In the US, older vintages deliver the highest distributions thanks to their maturity, but newer vintages also produce smaller payouts, meaning investors are seeing some level of liquidity early on in the funds life. This creates a more stable DPI curve, where funds have added roughly equal portions of DPI each year over the past three years, and what feels like a more predictable source of cashflow.

European VC, by contrast, has not yet established the same level of consistency. Most European vintages have not provided meaningful distributions over the past two years. While 2023 was a strong year for returns, DPI gains were uneven across vintages.

This creates a ceiling. LPs who are investing in the US and enjoying more predictable distributions are less incentivised to increase allocations to Europe until liquidity improves. No matter how much fund sizes or company valuations grow, this will continue to limit the European ecosystem unless it's solved.

DPI by fund vintage year for European and United States VC funds, 2023 to 2025



Notes:
Data as of Q2 2025. Returns multiple is based on actual pooled dollar value instead of values for each vintage year and not individual fund averages.

Sources:
CAMBRIDGE ASSOCIATES

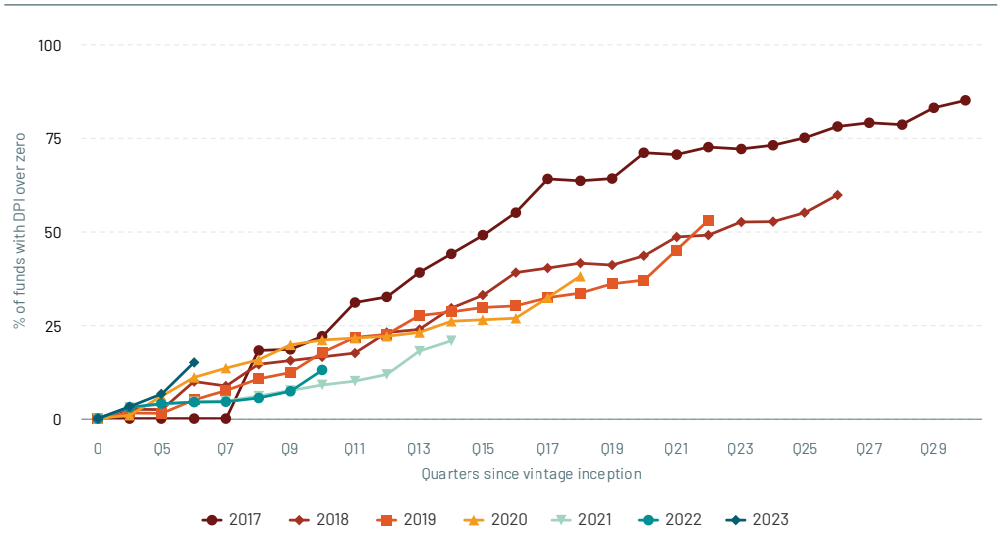
VCs got the message about DPI

European VCs are not the only ones who have struggled to provide distributions in recent years. Comparing fund vintages globally, we can see that 2021 and 2022 vintages were providing distributions at a slower rate than older ones did at the same age.

In the first eight to 12 quarters, very few funds return cash to investors. By the time a fund reaches three to five years old, the number providing DPI above zero can typically be expected to climb quickly.

Vintages from 2022 onwards are still too young to draw conclusions from, but we can see that there has been a recent acceleration, with 2023 outpacing any prior vintages. In Q2'25, Carta data shows that every vintage from 2017 through to 2023 has seen a noticeable jump as VCs aggressively seek ways to provide liquidity back to LPs.

Share (%) of funds with DPI over zero by quarters since inception, 2017 to 2023



Notes:
Data as of Q2 2025.

Sources:
carta

At Adams Street, we have been investing in European venture for 25 years. From our global purview, we have witnessed the top decile performance that Europe has delivered.

We have seen great companies and GPs emerge from Europe and establish themselves as global leaders. Today the market exhibits real depth, with multiple $10B+ companies founded in Europe and Israel, with the likes of Adyen, Celonis and Wise, and with line of sight to a $100B private VC-backed European company in Revolut, the landscape has never looked more promising or exciting. Europe is about 20 to 25% of the global market share and the opportunity set is continuing to proliferate. Lovable, ElevenLabs and n8n are just some of the current generation of European startups that are building bigger and faster.

This is a truly pan-European opportunity with acceleration across all ecosystems. Yes, despite the excitement within the ecosystem, European LPs are typically underweight with de minimis allocations to European VC.

We think this offers an untapped opportunity to capitalise on what is in front of us in our own backyard.

Ross Morrison
Partner, Adams Street Partners

Time to build value

VC needs long-term capital because great outcomes take time. While it's speedier for VC-backed companies to reach $1B+ IPOs — taking roughly 12 years on average over the last 10 years — the largest scale M&A transactions have taken closer to 18 years on average.

This timeline hasn't seen too much variation over the years, and even in 2021, when the market was most heated, the median timeline to a $1B+ IPO and M&A stayed in line with the long-term average.

We've identified

150+

European tech companies with $1B+ potential that are exit ready.

Sources:

atomico

Out of these

50+

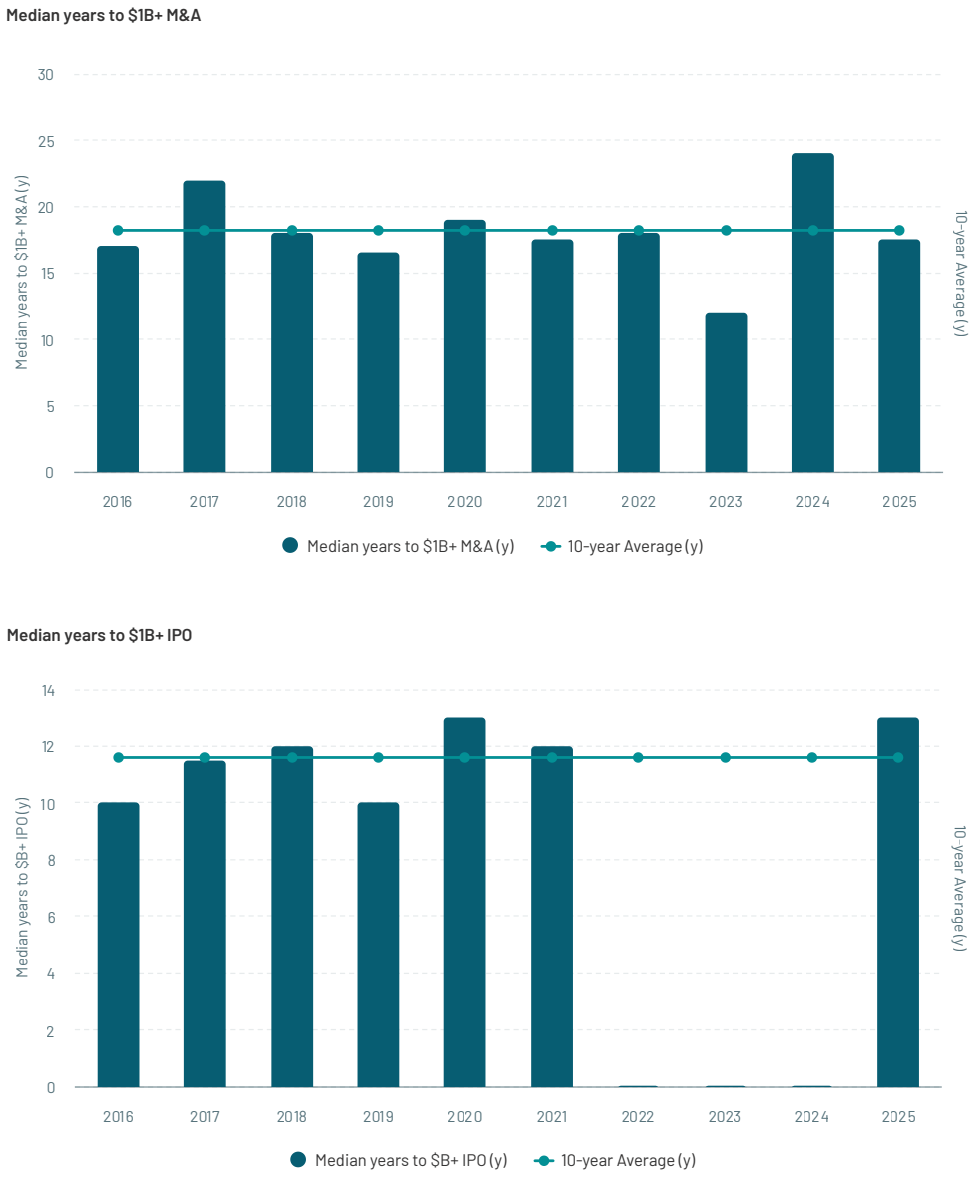
are above historical $1B+ IPO median revenues and ripe for an exit.

Sources:

S&P Global Market Intelligence

dealroom.co

Median time (y) from founding to $1B+ exit for VC-backed European and United States companies by exit route, 2016 to 2025



Notes:
As per S&P Global Market Intelligence (Quantitative Research & Solutions), as of 24 October 2025, for illustrative purposes only. IPO data for 2022 to 2024 was excluded due to low sample size (less than 10 per year).

Sources:
S&P Global Market Intelligence

We're seeing a resurgence of confidence in Europe's deal-making landscape.

M&A activity through 2025 is gaining momentum, with a wave of transactions already underway. Klarna's IPO demonstrated that global investors are ready to reengage, and market analysis shows over 150 private European companies — particularly in fintech and AI — positioned to follow. The next wave will showcase those companies that have spent the last two years strengthening fundamentals and building scale. If momentum holds, 2025 could mark a meaningful reopening of the exit market.

Jamie Moore
Partner, Orrick

European VC has the potential. The next move is yours

The European ecosystem is ripe for more big exits, with multiple companies waiting in line. We asked our survey respondents what needs to happen to unlock the next big outcomes.

What's the one change that would most increase your conviction in European venture as an asset class? Free text responses

Paths to liquidity and demonstrable returns

"Europe doesn't lack innovation, talent, or early-stage capital any more. What it lacks is a **reliable path to liquidity and scale."**

"Demonstrable outperformance, particularly compared to North American returns."

"Improved **cash return** from existing investments."

"Seeing continued, large-scale and broad-based **exit activity** of European VC-backed companies."

Unified and simplified regulation

"Getting th**e playing field sorted out** – for any European business, having to operate through 27 national laws/regulations slows things down."

"Simplified and harmonised rules/legislation.

"Unified regulation (EU Inc type initiatives)."

Notes:
LP respondents only.

Sources:
STATE OF EUROPEAN TECH Survey

What's the one change that would most increase your conviction in European venture as an asset class? Free text responses

More home runs and role models

"Showing to the world asap that **Europe can also create a trillion dollar tech company** now that we demonstrated the $100bn company creation ability with Spotify."

"Seeing **a greater number of tech winners** from VC portfolios — proportion is still too low to make overall returns work."

More backing from institutional investors

"European asset managers like pension funds, insurance companies, etc. making **significant contributions** to the European VC ecosystem or VC funds."

"More institutional capital flowing into VC."

Notes:
LP respondents only.

Sources:
STATE OF EUROPEAN TECH Survey

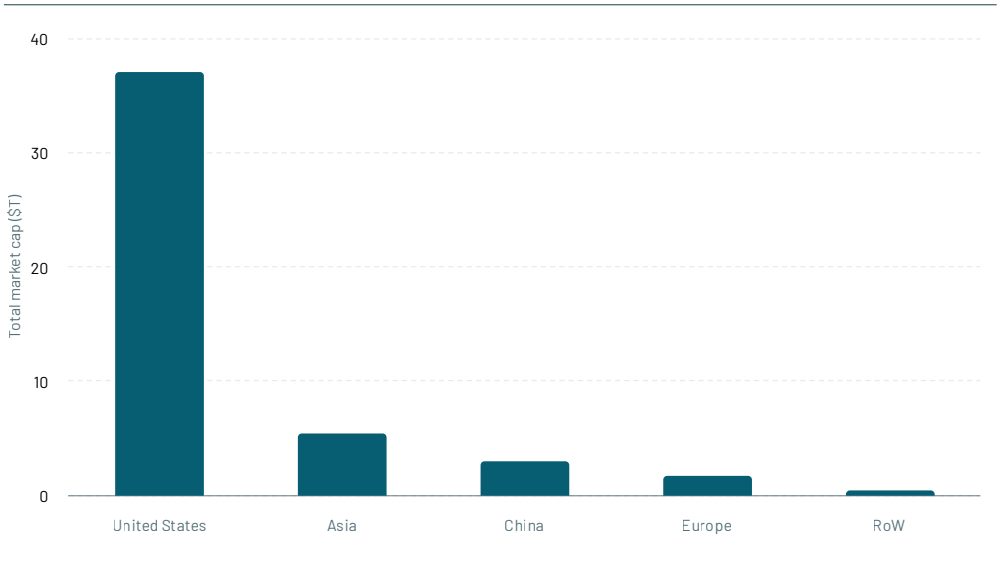
Diversification should be a key priority for investors

US exchanges dominate the tech world

Why are the US stock exchanges so attractive to European companies looking to exit? It's largely down to their size. The US stock exchanges dominate in terms of market capitalisation, with their combined $37T dwarfing the combined $10T the rest of the world contributes.

Because of its relative size, the US can rely not only on companies built within its borders, but also companies from abroad who are attracted by the depth of liquidity to continue boosting its market cap.

Total tech market cap ($T) by region or top 10 countries of listing, 2025



Notes:
As per S&P Global Market Intelligence (Quantitative Research & Solutions), as of 24 October 2025, for illustrative purposes only.

Sources:
S&P Global Market Intelligence

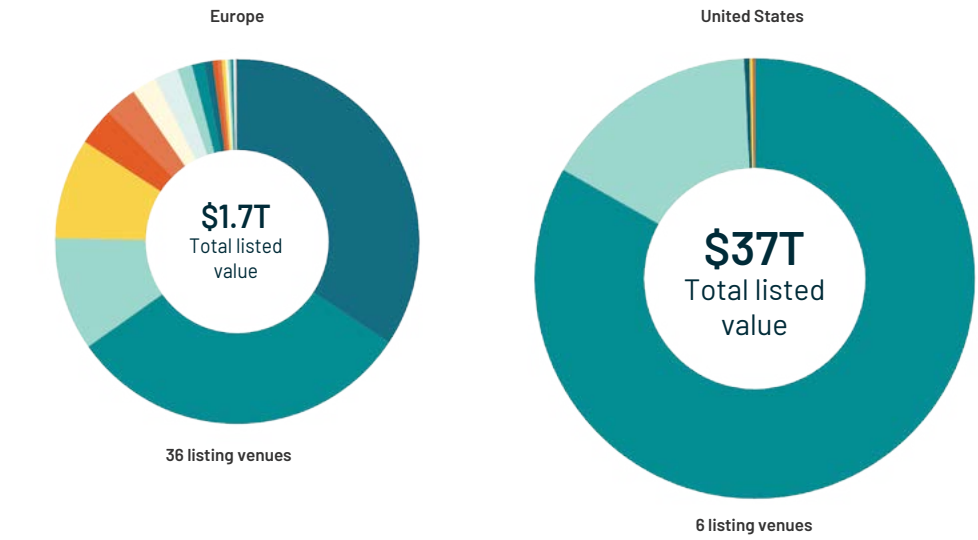
Europe's fragmented listing market

Europe's public tech market isn't just smaller than the US — it's also far more fragmented.

European listed tech companies are worth about $1.7T combined, just 5% of the US's $37T. Unlike the US, whose market is concentrated on two dominant stock exchanges, in Europe value is spread thinly across 36 different exchanges, diluting visibility and liquidity even further. If you simplistically take the average market cap per European exchange and apply that to the total US market value, you would end up with more than 400 stock exchanges. In other words: if the US was as fragmented as Europe, each US state could be home to eight stock exchanges. By contrast, Europe's entire tech market could fit into the NYSE three times over.

In the US, the Nasdaq and NYSE account for 99% of tech company public market value, meaning there are obvious destinations for investors and tech companies looking to trade equity. In Europe, no single exchange has reached that kind of critical mass. Value is scattered across the continent, making it harder to convince European firms that this is where they can continue building value.

Market cap per exchange, Europe and United States, 2025



Notes:
As per S&P Capital IQ Platform, as of 24 October 2025, for illustrative purposes only. Including listing venues with >$1M tech market cap only.

Sources:
S&P Global Market Intelligence

Too many, too small: Europe's struggle for a home tech exchange

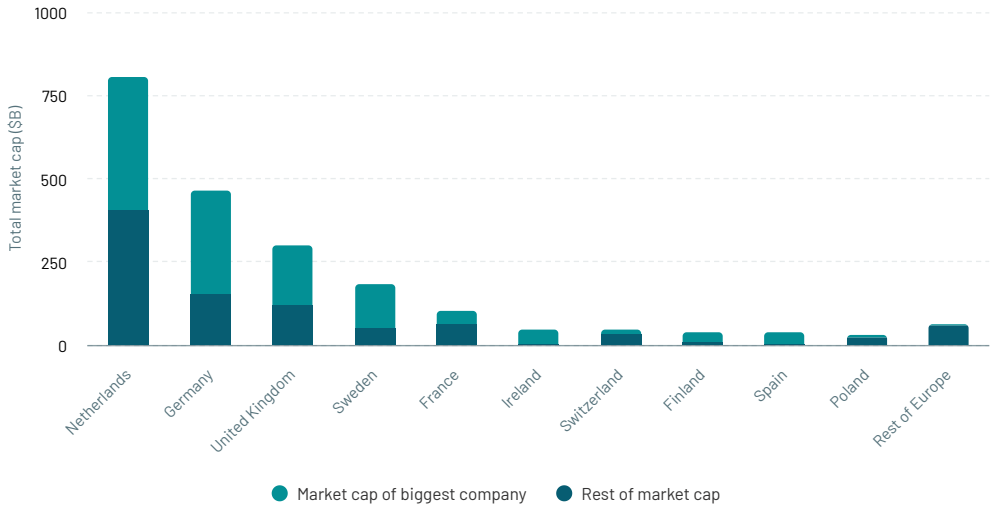
Europe's stock exchanges are a paradox: both fragmented across the continent, yet also highly concentrated at the country level.

There are a total of 36 stock exchanges with listed tech companies across Europe, but the top 10 countries by tech market cap account for 97% of the entire ecosystem. Within these markets, concentration runs deeper: in seven of the top 10 countries, one company represents more than half of the national tech market cap. In Germany, that's SAP at 68% of the overall value of publicly listed tech companies, Spotify with 72% in Sweden, and ARM in the UK, which holds a 60% share of value.

This is particularly extreme in Ireland and Spain, where each market has a single company driving over 90% of overall value — Experian in Ireland, and Amadeus in Spain.

This creates vulnerabilities. When value is dominated by a handful of companies, any sell-off can disproportionately impact the market as a whole. It also stifles network effects — Europe's patchwork of stock exchanges prevents any one venue from reaching the tipping point where liquidity encourages more listings, in turn generating further liquidity.

Total tech market cap ($B) by company's HQ country broken up by top company's market cap and listing region, 2025



Notes:
As per S&P Global Market Intelligence (Quantitative Research & Solutions), as of 24 October 2025, for illustrative purposes only.

Sources:
S&P Global Market Intelligence

Europe's public Tech Titans have historically been priced broadly on par with the NASDAQ tech giants

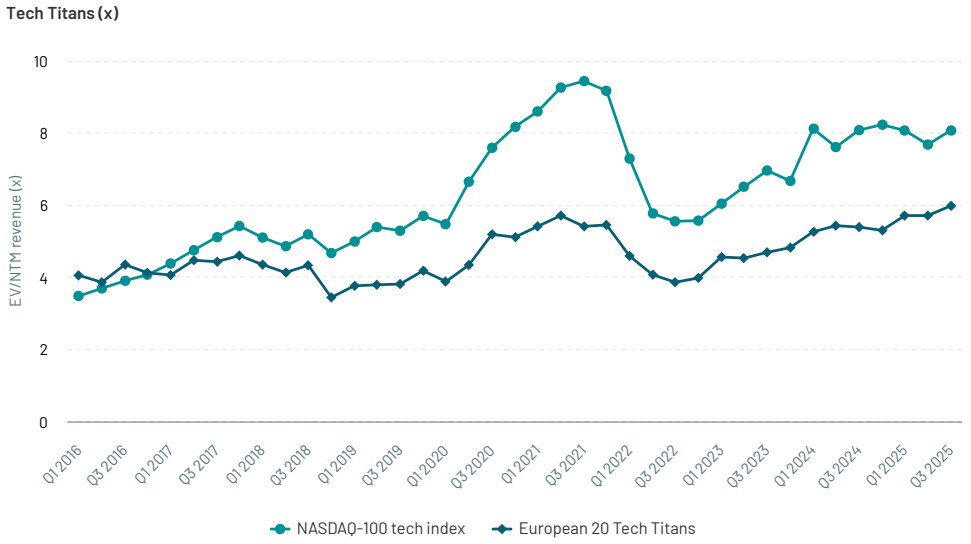
As European tech firms lack a destination listing on the home continent, they've ended up being listed across a number of stock exchanges, making it hard to form a unified view of their performance. This year, we aspire to fix this by introducing the European Tech Titans and European Emerging Leaders indexes. Thanks to our partnership with Multiples.vc, the European Tech Titans index is also available with a live view throughout the year .

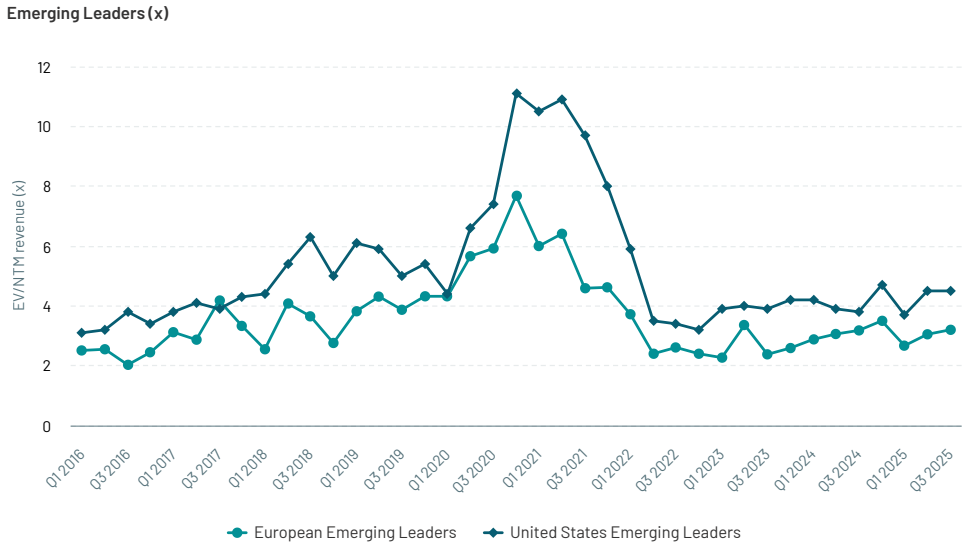
The 20 highest valued European tech companies (the Tech Titans) have been trading roughly on par to the NASDAQ-100 tech index, showcasing that Europe already has all the right ingredients to build global leaders. This includes giants like ASML, SAP, and Booking.com, and from the total 20 companies, five are listed on the NASDAQ, three elsewhere in the US, and 12 in Europe.

Some of these giants could be considered senior citizens of the European tech scene (the oldest, Sage Group, was founded back in 1981), so we also look at how the next generation of local leaders is faring with the Emerging Leaders index. This includes all VC-backed $1B+ valued local public tech players founded since 2000 to give a better overview of the type of valuations VCs can anchor on.

In Europe, the basket of 33 Emerging Leaders companies include, for example Adyen, Scout24, and Unity. They are again spread across eight listing locations, with six in the European continent. In the US, the equivalent basket contains 238 companies, with the largest names including the likes of Meta, Tesla, and Palantir among the largest VC-backed public companies globally. Here again, the side-by-side comparison reveals that the European names are trading very closely to their US peers.

EV/NTM revenue multiple (x) for basket of public tech companies by region, Q1'16 to Q3'25





Notes:
Data as per multiples.vc platform, as of 30 September 2025, for illustrative purposes only. European Tech Titans includes the 20 European HQ companies with highest EV value. The Emerging Leaders index includes 34 VC-backed European companies or 238 VC-backed US companies, founded since 2000 valued at $1B+ EV. The calculation is based on a simple median rather than weighted average.

Sources:
Multiples

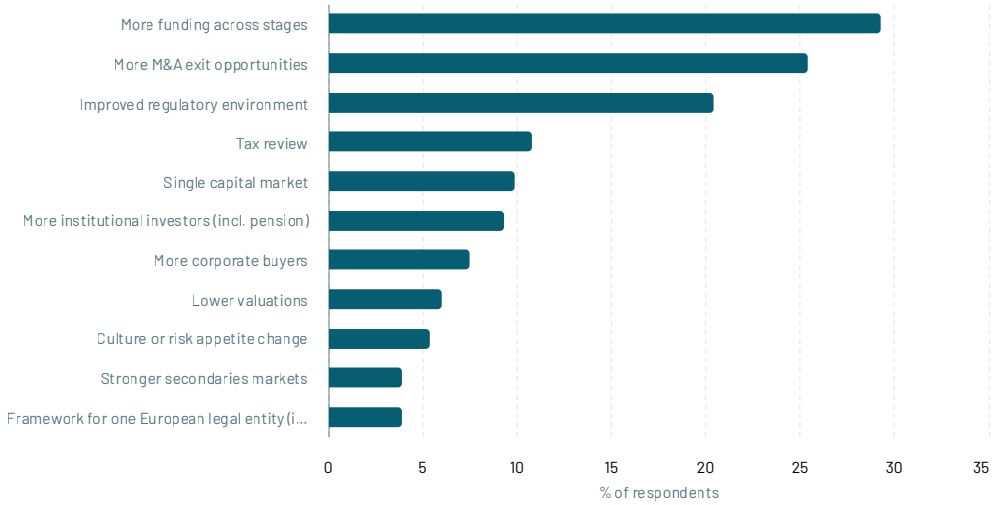
Unblocking the exit environment

When asking the ecosystem about how to improve the European exit environment, the most common answer was to have more funding across stages and more exit opportunities. This points to a persistent challenge in scaling European companies towards meaningful liquidity events. Respondents also highlighted regulatory reform and tax changes as key enablers of stronger exit dynamics.

Interestingly, when analysing responses by investor type (Angel, Emerging, Seed-Stage, and others), there was a clear positive correlation between the number of respondents in each group and the share who cited more pension investors as a leading factor. In other words, the more investors we heard from in a given subset, the more likely they were to identify increased institutional participation as essential to improving liquidity.

Together, these responses underscore that Europe's exit bottleneck is less about innovation or ambition, and more about the capital structures that sustain long-term growth and returns.

What is the single most important change that would improve the exit environment for European tech companies (IPO, M&A, or other)?



Notes:
VC respondents only.

Sources:
STATE OF EUROPEAN TECH Survey

Here is what respondents from this year's State of European Tech survey told us when asked to expand their thoughts on this topic. The responses we received we varied, from asks for more buyers to less regulation.

What are the most important changes that would improve the exit environment for European tech companies (IPO, M&A, or other)? Free text responses

More funding across stages

"We need to **close the late-stage funding gap** to make Europe a place where global winners can stay, scale, and list."

"Better appetite for risk **capital**, which means opening larger pools of capital, the largest one being edging **pension funds deploying more capital into venture** capital."

"Unlocking **more capital** to allow business to scale."

"Deepening European capital markets so late-stage funding and IPOs can actually happen at scale in Europe."

More M&A exit opportunities

"Europe doesn't lack innovation — it **lacks buyers**. Until large corporates learn to acquire startups early and integrate them effectively, the exit environment will remain weak. **What we need is a real industrial appetite for innovation,** not endless pilots and partnerships that never turn into acquisitions."

"Increased engagement between large corporate customers and start ups. This drives revenues which makes companies more attractive acquisition targets, but also puts companies directly within customers that could be potential acquirers."

Notes:
ILP respondents only.

Sources:
STATE OF EUROPEAN TECH Survey

What are the most important changes that would improve the exit environment for European tech companies (IPO, M&A, or other)? Free text responses

Improved regulatory environment

"Simplified regulatory and admin setup, as well as tax and other incentives for remaining in Europe."

"Less regulatory hurdles and **more planning security."**

"Common regulations across Europe.

Tax review

"Fix the taxation of stock options and capital gains, aligning them with liquidity events and **incentivising long-term investment."**

"Tax allowances for startup-related purchases / jobs / employees."

Notes:
ILP respondents only.

Sources:
STATE OF EUROPEAN TECH Survey

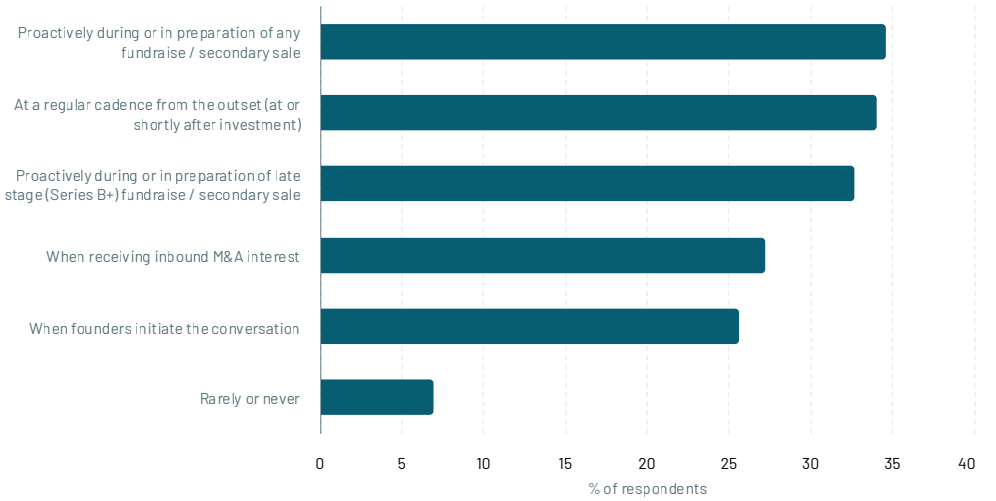
Investors and founders are working towards successful outcomes

Navigating the route to exit is rarely straightforward. For founders, it can be one of the most complex strategic decisions they'll face — and the best investors play an active role in helping them prepare for a range of possible outcomes, from secondary sales to public listings.

Around a third of VCs in our survey said they regularly discuss exit options with founders, not just once companies reach later funding rounds. This reflects a shift toward helping founders build optionality early — ensuring that, when the right moment comes, they have the flexibility and knowledge to choose the best path for their business.

And while only 7% of investors said they rarely or never discuss exit strategies, these conversations are ultimately about empowering founders — aligning investor and founder interests in long-term value creation, rather than forcing short-term liquidity.

When does your VC firm discuss exit or liquidity options with your portfolio companies?



Notes:
Venture Capital, Accelerator and Growth Tech investor respondents only.

Sources:
STATE OF EUROPEAN TECH Survey

Call to action

European champions need more firepower

Europe is producing more investable companies — and more global category leaders — than ever before. From semiconductors to health tech, AI, and climate innovation, European founders are building businesses that compete and win globally. But too many of these companies still face a structural funding gap at home.

Europe's private markets remain too shallow to provide the scale-up capital needed to turn promising startups into global leaders. Late-stage rounds are smaller, scarcer, and slower than in other major ecosystems. And when companies reach maturity, they encounter fragmented public markets that lack the depth, liquidity, and sophistication to support European champions with truly global ambitions.

Europe must mobilise its own capital to build deep, liquid, full-stack markets that can finance growth from the first cheque to IPO and beyond. Our strongest companies cannot have their ambitions capped by shallow local capital pools or disjointed listing venues.

How we get there:

- **European Capital Compact**
  Channel Europe's pension, insurance, and sovereign assets to fund homegrown innovation — scaling national models like Tibi, WIN, and Mansion House at a continental level.

- **Savings into Growth**
  Empower Europeans to put their savings to work — productively, responsibly, and confidently. Unlock Europe's €10T in household savings by advancing the Savings & Investment Union and treating financial literacy as core infrastructure, so citizens can share in Europe's growth and future prosperity.

- **One Listing, One Capital Market**
  Build a single, liquid European market for growth companies by harmonising disclosure, pooling liquidity, and strengthening analyst coverage — creating a true "European NASDAQ" to keep IPOs, ownership, and value in Europe.

Fund the Future means ensuring the capital created in Europe is reinvested in Europe, powering deep, connected capital markets that back founders from startup to scaleup to listed global champions.

Fund the Future

Mobilise Europe's own capital to power deep, full-stack markets fit for global champions

HOW WE GET THERE

European Capital Compact
Channel pension, insurance, and sovereign assets to fund European innovation, scaling national models like Tibi, WIN and Mansion House across Europe

Savings into Growth
Empower Europeans to put their savings to work — productively, responsibly, and confidently. Turn idle cash into an engine for innovation, growth, and future prosperity

One Listing, One Capital Market
A single, liquid European market for growth companies — harmonised disclosure, pooled liquidity, and shared analyst coverage to keep IPOs, ownership and value in Europe

05

Shaping Europe's Tech Future

Europe's innovation knows no borders. Once dominated by Consumer and Fintech, momentum is now shifting towards digital infrastructure, from data centres and semiconductors to security and energy. Sustained investment in strategic sectors like climate tech, AI, and defence will define Europe's next decade. Yet ambition still outpaces commitment: growth-stage funding gaps and weak public procurement continue to hold back progress. Closing this 'commitment gap' by scaling investment in frontier technologies would turn strategic independence into Europe's lasting competitive edge — and allow it to define the future on its own terms.

Defence is on the agenda

European defence tech investments have doubled from 2023, reaching a record high this year.

Ability to navigate AI will be crucial

Survey responses show that an ability to distinguish hype from opportunity and independent thesis-building will set VCs apart.

2030 target: 20% to innovation

Only 9% of public procurement spend in Europe goes on innovation, despite a target for 20% set years ago.

Europe's next innovation era

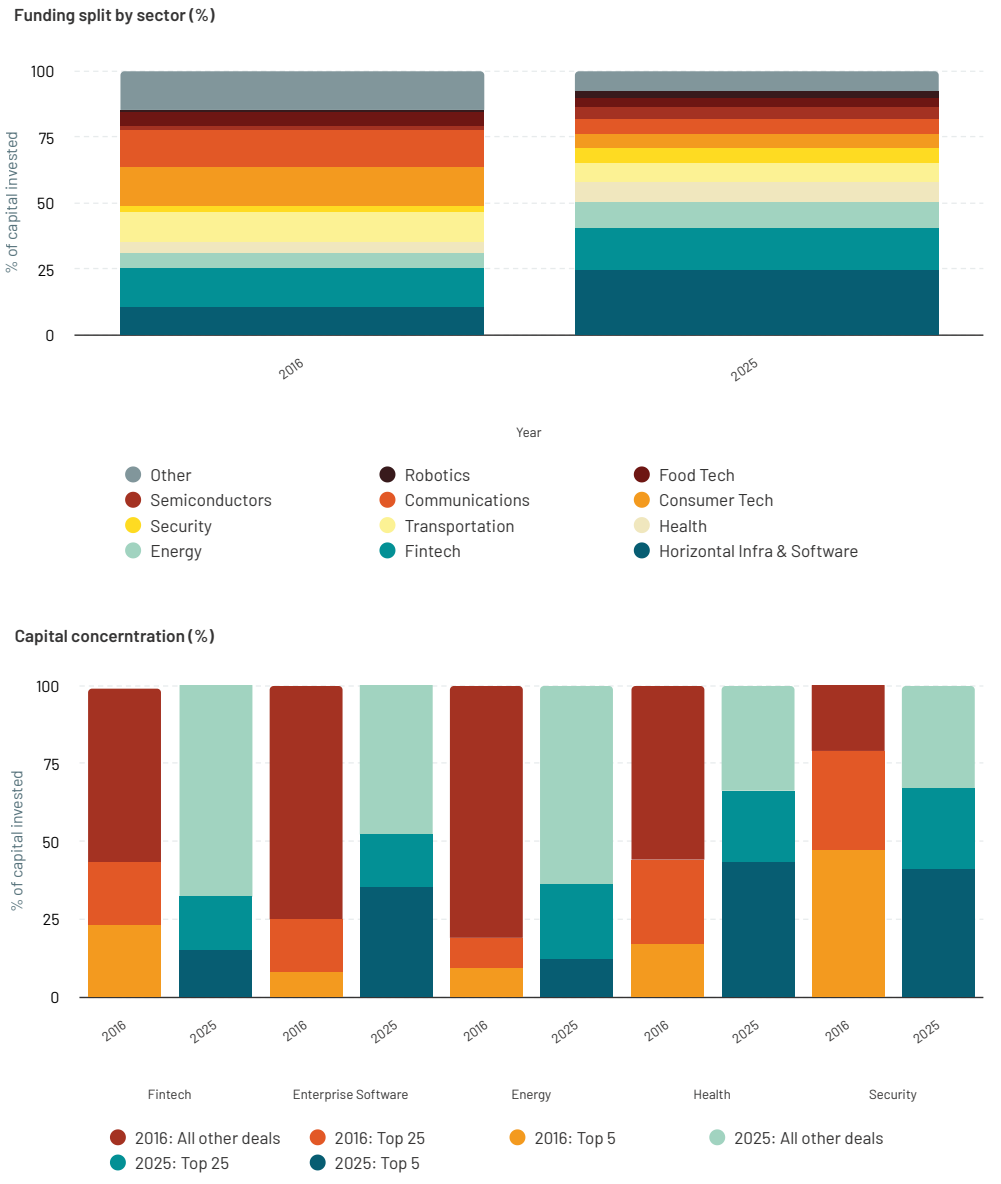
From software to systems, tech powers the economy

Tech innovation in Europe today extends far beyond the traditional boundaries of the "tech sector". Over the past decade, digital technologies have seeped deeper into every corner of the real economy — from manufacturing and mobility to healthcare, agriculture, and defence.

As this has happened, the foundations of innovation have shifted. Europe's funding landscape, once dominated by consumer tech, is increasingly tilting towards the infrastructure that powers this next wave — to AI models, semiconductors, clean energy systems, security, and compute infrastructure. These are the enabling layers that span sectors and use cases, upon which future breakthroughs will be built. Notable investments closed in 2025 include the $2B round announced by Mistral in September 2025, as well as the $1.1B Series B round announced by data centre startup Nscale. Fintech and horizontal infra and software (which also encompasses AI applications) have both seen their share of funding double since 2016. If the last decade was about SaaS "eating software", the next decade will be about AI "eating industries".

Further analysis also shows that capital is being concentrated into top deals across almost all industries — energy and fintech being the exceptions, with the largest energy deal coming in at $165M, raised by Swedish direct-to-consumer clean energy brand Aira. For fintech, the largest raise was fintech platform provider Rapyd's $500M Series F in March. Capital concetration is particularly stark in horizontal infra & software, where Mistral's raise is 30x larger than any other round in the sector that took place in 2016. Security is also attracting significantly higher funding levels, having grown 4x over the past decade. In 2025, the largest round in this space was Helsing's $660M; in 2016, it was Sirin Labs with just $72M.

Share (%) of total capital invested by industry in Europe, 2016 and 2025



Notes:
Data as of 30 September 2025. Excludes biotech, secondary transactions, debt, lending capital, and grants. Each company is categorised under one or two industries; if two industries apply, funding is divided equally between them.

Sources:
dealroom.co

The era of AI

31%

of all European funding raised in 2025 is going to companies building in AI / ML.

Sources:

atomico Powered by dealroom.co crunchbase

European capital aggregators

To understand which of today's startups might become Europe's global strategic assets, we've identified a set of companies that are at breakout global scale and stand out across a few dimensions.

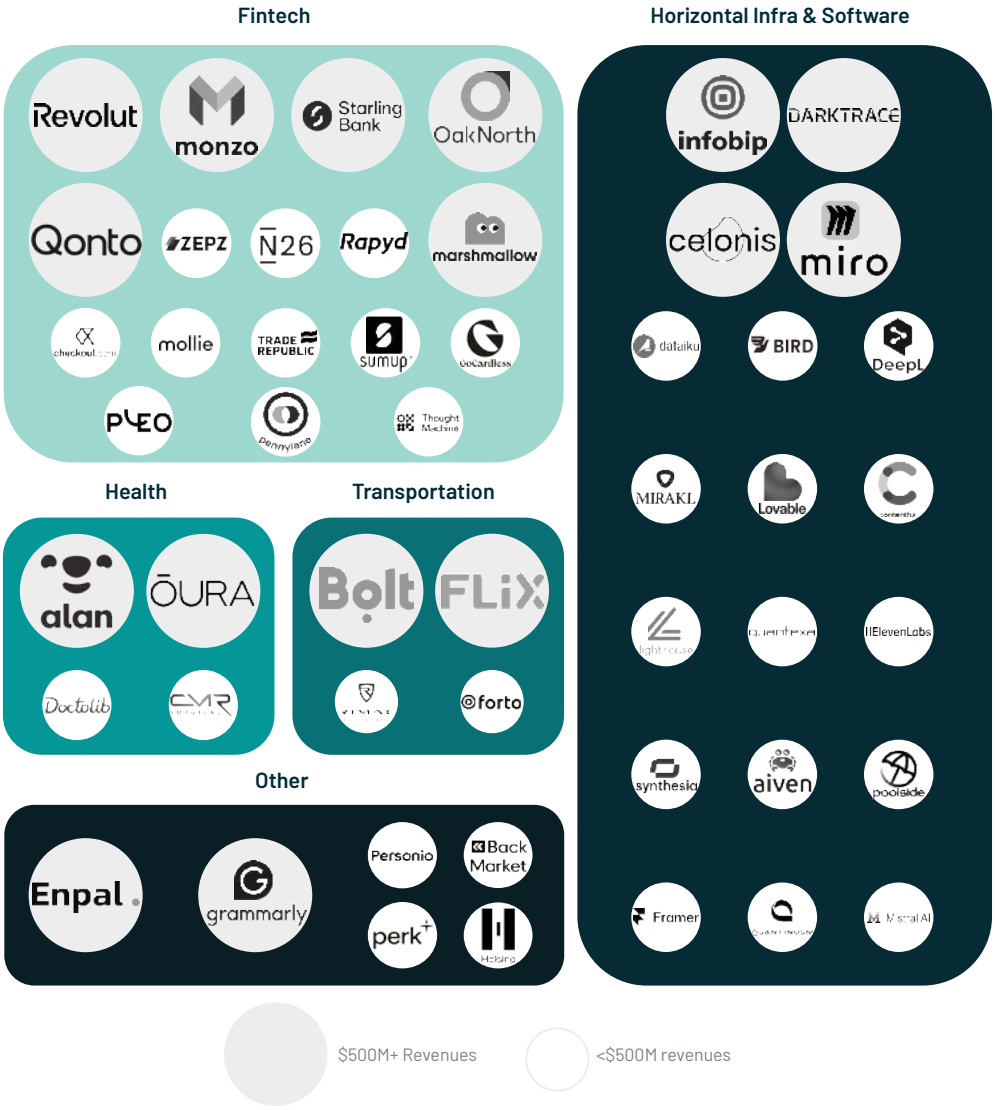
Tens of thousands of tech companies emerge each year, but only a handful go on to become era-defining companies like ASML, Spotify, or Stripe before them. So how can we spot which companies might be on that trajectory?

To answer that, we looked at companies founded since 2000 that have the most impressive revenue scale (median revenue is above $100M), are most valuable based on their latest round terms (the smallest being set at $2B), and are playing a significant role in shaping tech talent by employing at least 200 people (with some reaching 50x+ that level).

From fintech and enterprise software to food tech, transportation, health, and consumer tech, founders' bold ambitions give many of these companies their edge.

These fast-growing businesses have already surpassed significant milestones in Europe — achieving significant revenue milestones, like Oura being on track to triple its revenues in 2025 to reach $2B in sales, or Revolut servicing 65 million customers and setting its sights on 100M+ in the near future.

Europe's Mighty 50



Notes:
Data is as of 30 September 2025. Based on revenues, headcount, enterprise value and/or capital raised since 2016.

Sources:
atomico Powered by dealroom.co crunchbase

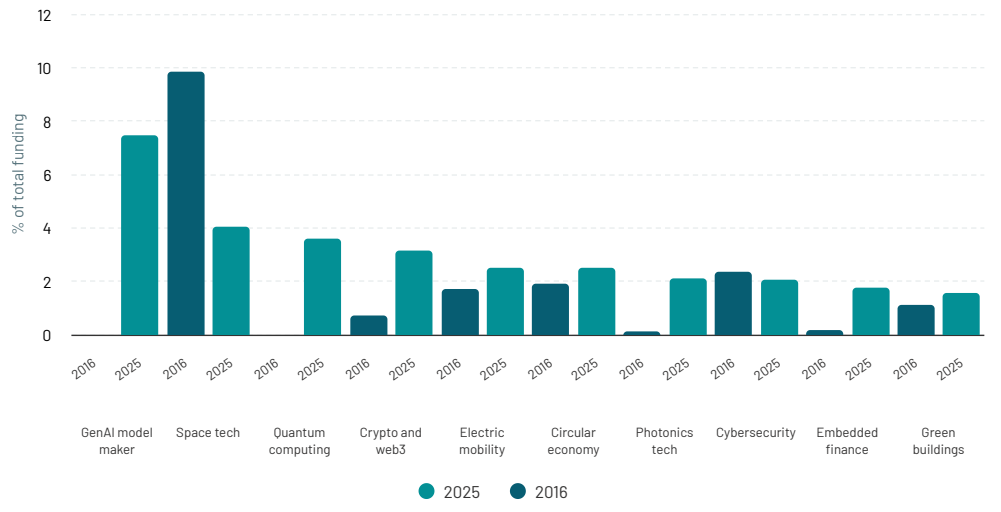
When themes trend, funding follows

The thematic flow of private tech investment tends to follow the innovation and entrepreneurial endeavours addressing the defining technological and societal priorities of each era. As compute intensity, climate urgency, and geopolitical competition reshape the global agenda, capital has increasingly concentrated around these themes.

Not surprisingly, generative AI model makers have scaled fastest, supercharged by accessibility and widespread adoption. The theme now attracts over 7% of all global funding, up from none back in 2016.

Climate tech related themes remain high on the agenda, with electric mobility (2.5%), circular economy (2.5%), and green buildings (1.6%) all breaking into the top 10. We can expect sustainability themes to continue to attract investment as they move from experimentation to larger-scale deployments.

Share (%) of European funding by top 10 technology themes, 2016 versus 2025



Notes:
Data is as of 30 September 2025. Excludes the following: biotech, debt, lending capital, and grants.

Sources:
dealroom.co

We chose to build Paebbl from Europe because we think that this is a great market to build technologies like this.

We have a supportive policy environment. We have an amazing scientific community. We have more and more talent that is world-class at Industry 4.0 and building technology. And we have features in the European ecosystem that make it a very stable environment to build. So this was definitely our choice number one.

Marta Sjögren
Co-Founder & Co-CEO, Paebbl

European champions are going head-to-head on the global stage

From developer tools to creative platforms, European AI companies are proving they can lead on the global stage across all themes.

Take Lovable and Replit, two rapidly scaling AI coding platforms — the former from Stockholm, the latter from Silicon Valley. While both are competing to define the future of building software, Lovable's trajectory suggests Europe is not simply keeping pace but setting the bar: in just eight months, the company hit a $1B+ valuation and became the fastest software firm ever to reach $100M in ARR.

Other European AI companies poised for global market leadership include AI workflow platform n8n which is competing with the US's Zapier, and Synthesia, the maker of AI video avatars often considered the gold-standard among enterprise AI video platforms.

European AI leaders emerging to compete across themes

Sources:
atomico

Compute power: Does Europe have what it takes?

Europe is home to some of the most ambitious AI companies of our time, but does it have the infrastructure to support them on their journeys to world domination?

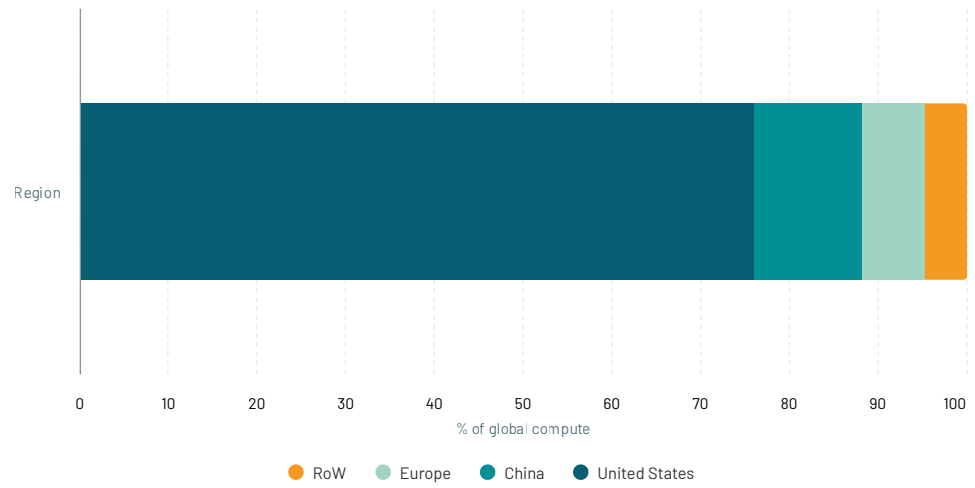
We're not just talking about funding, but GPU clusters; the physical backbone needed to distribute what will soon become as essential a resource as water or electricity — compute.

The US is currently home to most of the world's GPU clusters, accounting for 75% of the global total compute in H100 equivalents. Europe hosts only 7%, and China 12%. As demand for compute drives construction of supercomputers around the world, innovators are turning their focus to the infrastructure itself, figuring out ways to make them more efficient, both to reduce environmental impact and ease pressure on ageing energy grids. Others are rethinking chip design altogether, such as Axelera, a Dutch startup creating AI chips that accelerate workloads while using less energy and generating less heat. This is happening in parallel with the emergence of well capitalised European next-gen compute players, like Nebius, Nscale or Domyn, all going after the AI compute opportunity at speed.

Today, the majority of Europe's compute lies within Germany, Norway, France, Switzerland, and Finland, which account for over 70% of the European total. Germany already houses Europe's first European Exascale supercomputer Jupiter, and France is making major investments planning a $30B+ gigafactory financed in partnership with the UAE. Additionally, the EU has set up a €20B InvestAI fund to establish as many as five AI gigafactories, to fuel Europe's growing startup ecosystem.

As the race for compute is heating up, more commitments will be needed to power Europe's future. Europe needs to ensure more capacity, but also that it is competitive in terms of performance, cost, and accessibility to create options for the most ambitious AI companies to train and deploy on European compute.

Share (%) of global GPU cluster performance (H100 equivalents) by region, 2025



Notes:
The Epoch AI dataset covers an estimated 10–20% of existing global aggregate GPU cluster performance as of March 2025, making it broadly representative of global compute capacity across different geographies. Only including existing GPU clusters with certainty of "Likely" or "Confirmed". GPU cluster performance calculated as H100 equivalents.

Sources:
EPOCH AI

Europe's startups are building the next generation of intelligent work, from Physical AI to Cybersecurity.

With data, talent, and infrastructure rooted in Europe, they can innovate and scale quickly while maintaining control of where and how they build. To support that ambition, AWS continues to expand local infrastructure through new Regions and the AWS European Sovereign Cloud, and to make services such as Amazon Bedrock AgentCore available in-region giving founders the performance, proximity, and trust they need to move from experimentation to production.

Matthew Thomson
EMEA Director of Startups, AWS

Building global strategic assets

Building Europe's future on its own terms

'Sovereignty tech' has emerged as one of Europe's defining ambitions, yet its meaning is often vague or misunderstood. Too frequently, it's reduced to questions of data control or platform ownership. In practice, sovereignty in European technology should be defined by securing agency and optionality — building the capability, confidence, and capital to shape the future, while retaining the freedom to act independently and partner on Europe's own terms.

In that context, Europe's future shouldn't be built on imitation or isolation, but instead on winning through innovation and performance. This isn't about forcing a 'Eurostack' at all costs. The experience of Gaia-X, the EU's federated cloud project that has struggled to deliver tangible results, demonstrates the limits of purely defensive approaches. Competing globally requires doubling down on what Europe already does best while staying pragmatic about using the best technologies available, even if they originate elsewhere.

The goal is not to replicate global giants but to create our own strategic global assets, technologies so advanced and essential that they give Europe real leverage in shaping the future. ASML is the clearest example today. It's a company whose technological leadership underpins the global semiconductor industry and gives Europe true systemic influence. But Europe needs more ASMLs, and that means taking bigger bets on the next generation of outliers. This requires a combination of founders building at the frontier of science and technology, supported by investors and customers willing to back them with conviction, patience, and scale.

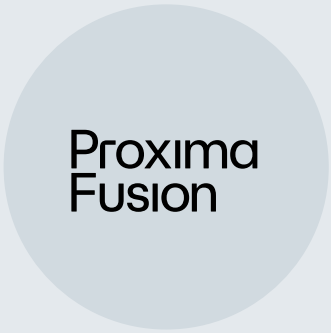
Europe's greatest opportunities lie where strategic strength meets technological depth — in energy, industry, healthcare, science, defence, and AI.

Across these sectors, new European champions are emerging. Helsing is redefining defence through AI. The Exploration Company is rewriting Europe's role in space. Proxima Fusion is pushing towards clean and abundant energy. IQM is bringing quantum computing into the mainstream. There are many others in satellites, robotics, cybersecurity, and compute.

Together, they point to what sovereignty really looks like in practice — not protectionism, but ambition. Europe's strength will come from bold founders building technologies the world comes to depend on.

Defence

Space



Energy

Quantum computing

Compute

Satellites

Robotics

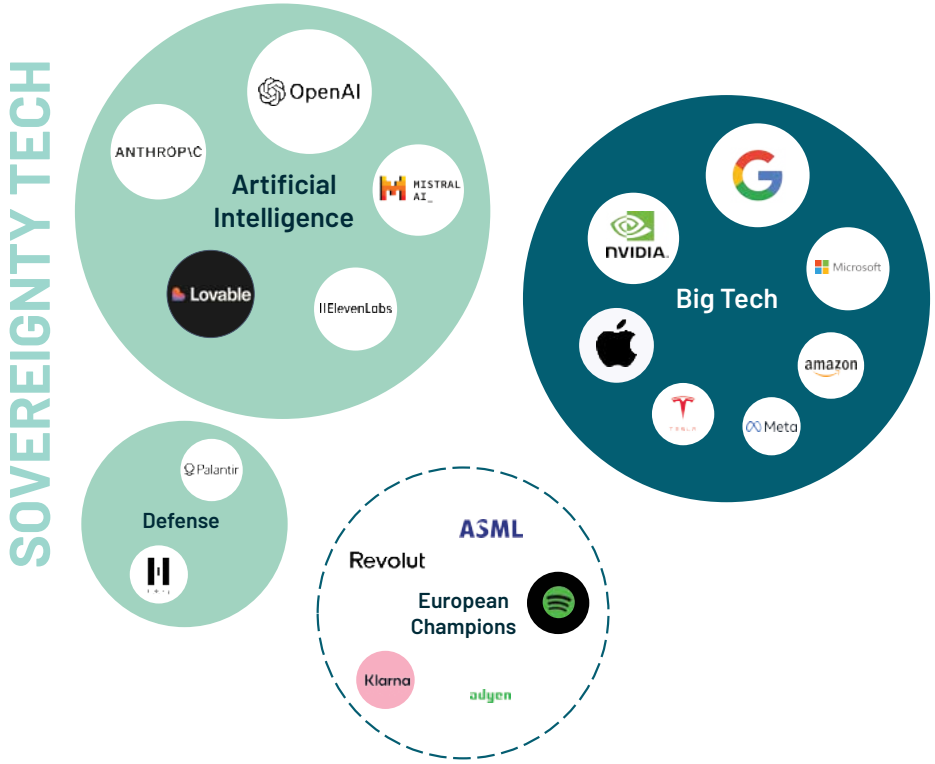
Cybersecurity

Where power lies today

When we asked founders which company in the world they would most want to partner with, their answers spoke volumes about where power lies today. The overwhelming pull is toward Big Tech and AI hyperscalers — Google, Microsoft, NVIDIA, OpenAI — the companies that are today the dominant leaders in infrastructure and AI, and which represent the strongest sources of power and leverage.

A smaller number of respondents highlighted European champions, but they understandably command less mindshare in a world where respondents are, in effect, attracted by said power and leverage. Companies such as ASML, Helsing and Mistral stand out as symbols of Europe's emerging capability to build the strategic global assets of the future.

If you could join forces with any company in the world today, who would it be?



Notes:
All respondents. Circle sizes represent volume of respondents.

Sources:
STATE OF EUROPEAN TECH Survey

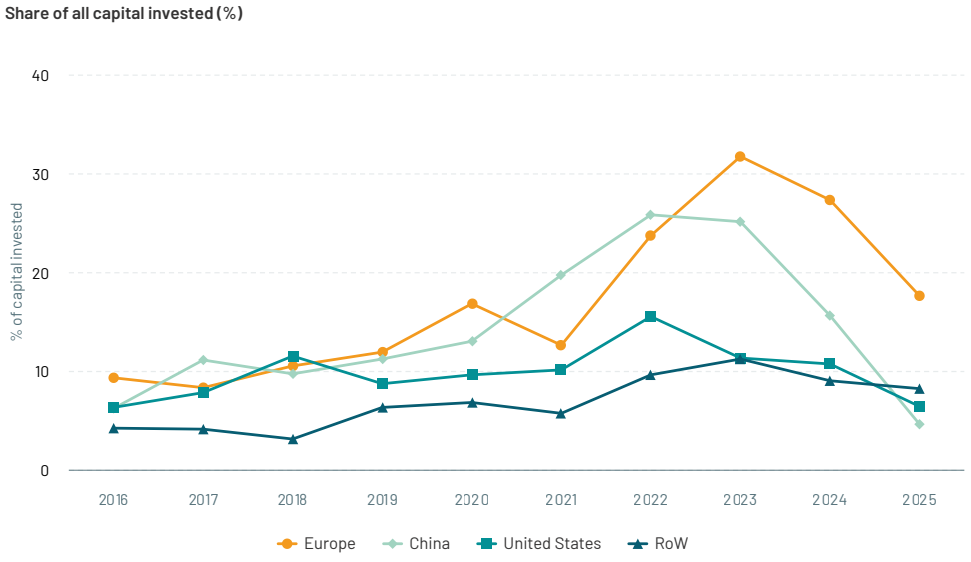
Europe continues to show leadership in climate tech

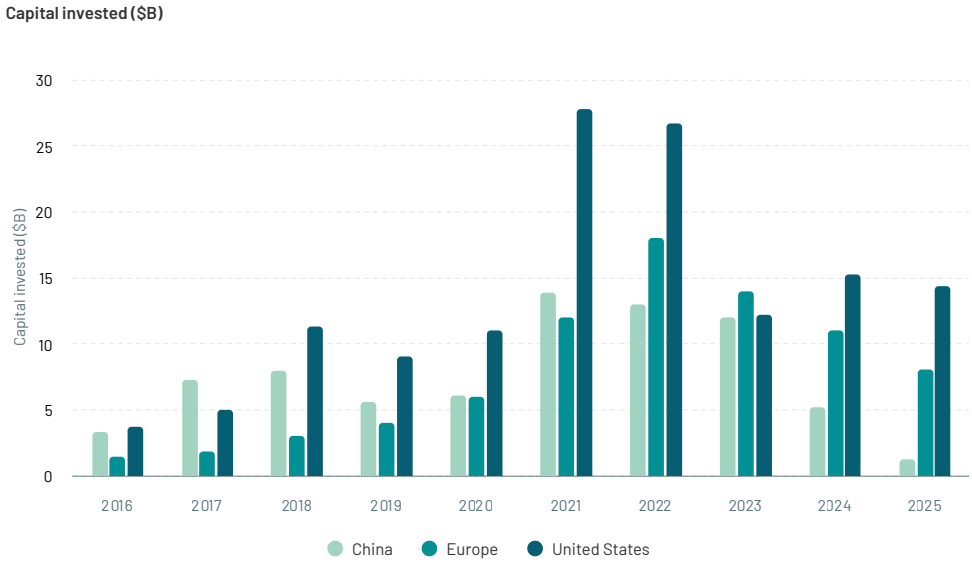
Europe leads the way with its continued commitment to funding climate tech — which we define as technologies that improve the planet, such as energy, carbon management, agritech, and more. This has become even more vital in recent years, with energy security now top of mind at an intergovernmental level following the Russia-Ukraine war, which spiked gas and energy prices in Europe.

In 2025 so far, 18% of all VC dollars invested in Europe went to planet positive companies. This is down from 2023's peak, when sustainability linked investments made up a 32% share in Europe.

China has been the closest competitor to Europe's lead for the past few years, driven by their heavy investments in solar panel and electric vehicle technologies, often with participation from China's government venture capital funds. Facing a changing macro and political backdrop, the share of these has been in decline since 2023, coming down to be on par with the US and rest of world.

Share of capital invested (%) and total invested ($B) into climate tech by region, 2016 to 2025





Notes:
Data is as of 30 September 2025. Excludes the following: biotech, debt, lending capital, and grants. Full year extrapolated based on year to date data.

Sources:
atomico Powered by dealroom.co crunchbase

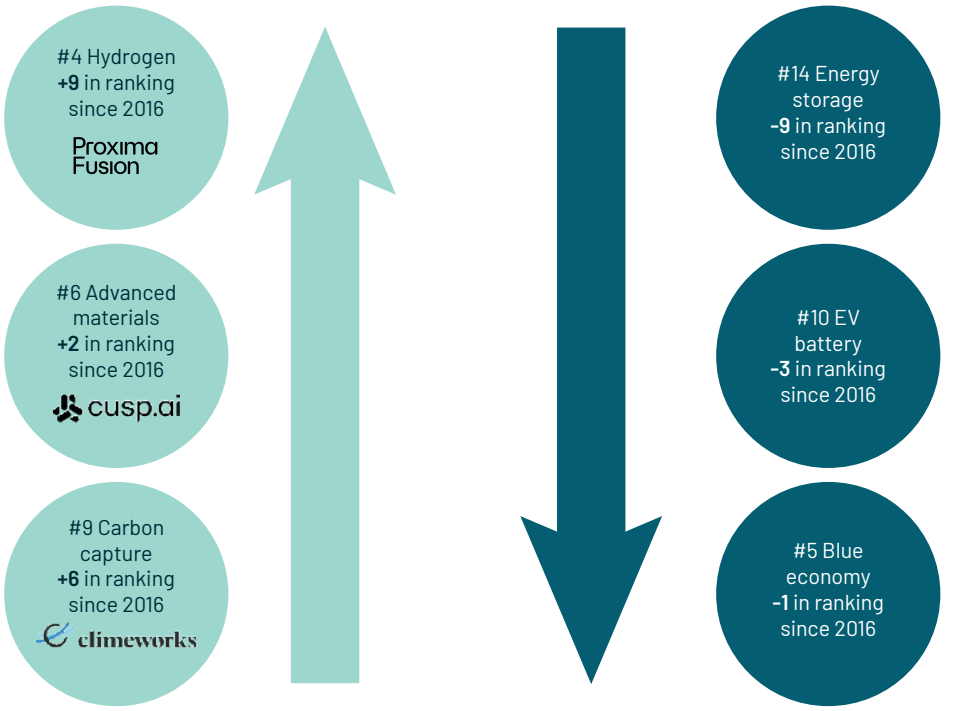
Shifting priorities in sustainability and climate

Ambition levels are scaling when it comes to delivering sustainability in Europe. Where we used to see carbon accounting companies dominate the funding landscape, we are now talking about a breadth of technological solutions spanning fusion, clean energy, batteries, and other high-tech solutions to fix the world's biggest challenges.

These are the strategic technologies that will be essential for making a cleaner world a reality. Without carbon capture, which has risen six places in the top sustainability themes rankings since 2016, industrial-scale decarbonisation is a non-starter. Without hydrogen, up nine spots in the rankings, abundant carbon-free energy remains out of reach.

This shift is reflected in the notable deals now taking place in this theme, which include a $150M Series A raised by German fusion power plant designer Proxima Fusion, and a $100M raise from CuspAI in September. The company is using AI to create advanced materials, a theme that has risen two places in the rankings since 2016.

Biggest movers by share of total sustainability investments, 2016 versus 2025



Notes:
Data is as of 30 September 2025. Total funding numbers exclude grants.

Sources:
dealroom.co

Defence tech

European defence tech is rallying

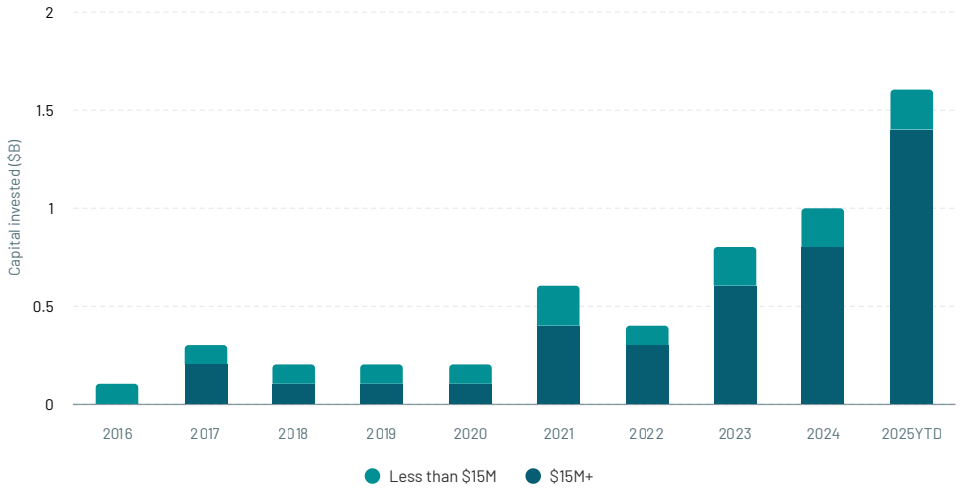
Local defence champions are vital for Europe's geopolitical sovereignty, and VCs and founders are leaning in, encouraged by government pledges to ramp up spending. In keeping with broader investment level trends, Europe leads globally on share of funding in smaller, early-stage rounds, but captures a much lower percentage of larger, growth-stage rounds.

A war on European soil and rising geopolitical tensions have highlighted the urgency of European tech sovereignty, and focused the minds of investors and founders working in the defence sector. EU government pledges to spend an additional €800B on defence by 2030, along with defence budgets rising to as much as 3.5% of GDP across Europe, have created a rapidly expanding market and bolstered the investment case.

While overall funding levels saw a small year-on-year rise in 2025, investment in defence startups surged. The sector has attracted $1.6B so far this year, up from around $1B in 2024 — a 55% jump already before full year figures close, and well above any level of investment this theme has seen in the past decade in Europe.

Helsing's mega round, which accounted for roughly a third of all European defence tech funding raised so far in 2025, shows how both builders and investors see the potential for next-generation technologies to transform the defence sector. The German company is applying AI to the battlefield, using its Lura model to power drones and submarines. Other large rounds for 2025 include Quantum Systems ($176M), Isar Aerospace ($165M), Cambridge Aerospace ($100M) and Roark Aerospace ($75M), while the past 18 month has seen Helsing, and unmanned drone makers Tekever and Quantum Systems, pass the $1B+ valuation milestone. In addition to generalist funds active in the defence space like Eurazeo, Plural, and Cherry Ventures, there is also a new breed of specialist investors emerging to back European defence — take, for example, Keen Ventures raising its new €125M fund.

Capital invested ($B) in European defence tech by round size, 2016 to 2025YTD



Notes:
Data is as of 30 September 2025. Excludes the following: biotech, debt, lending capital, and grants. Defence includes companies with a focus on technologies applied for military use and companies with multiple applications, with one of them being defence.

Sources:
atomico Powered by dealroom.co crunchbase

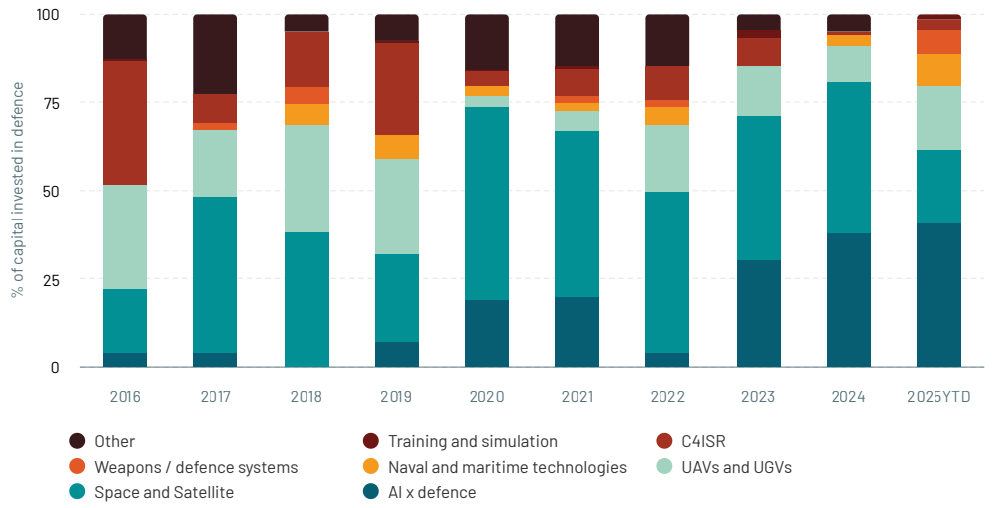
Drilling into defence

What kind of defence technologies are European investors backing?

By splitting the data to look at the share of capital invested per technology, we can see a showcase of European innovation, with a breadth of solutions that tech companies are developing. AI x defence has become the dominant segment of defence tech in the 2020s, representing 41% of all investment so far in 2025 — a sharp rise from just 4% in 2016. The majority of this year's total comes from Helsing's $660M raise.

Other notable deals include Quantum-Systems' $165M round, part of UAVs and UGVs, $165M for Isar Aerospace whose technologies fall under the space and satellite category, and Cambridge Aerospace's $100M, which sits under weapons / defence systems.

Share of capital invested (%) in European defence tech by technology, 2016 to 2025YTD



Notes:
Data is as of 30 September 2025. Excludes the following: biotech, debt, lending capital, and grants. Defence includes companies with a focus on technologies applied for military use and companies with multiple applications, with one of them being defence. C4ISR stands for command, control, communications, computers, intelligence, surveillance, reconnaissance.

Sources:
dealroom.co

Navigating AI and deep tech

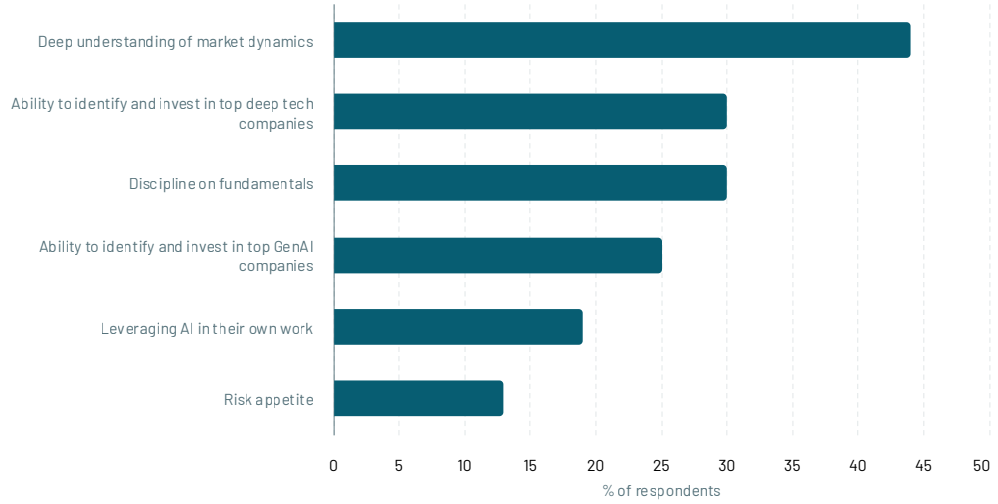
Ability to navigate AI will set top investors apart

In the everything-is-AI era, the ability to understand which opportunities have real commercial potential, and which are unlikely to move the needle, will be key for investors.

Among investors who mentioned AI or deep tech when asked what will differentiate the best in their field over the next decade, 44% said a deep understanding of market dynamics. Top investors will "cut through the AI hype and herd following and do first-principle reasoning," one respondent told us, while another said: "Instead of chasing hype cycles, they'll map how entire systems (such as energy, mobility, cities, supply chains, consumer behaviour) evolve."

Thirty percent of responses mentioning AI or deep tech also noted that discipline on fundamentals — such as coming to reasonable conclusions on valuations and understanding the metrics on which to best assess deep tech business models — will be another important quality for investors. An ability to leverage AI in their own work will be important too, like using AI to screen potential investments and predict future outliers, as cited by 19% of respondents.

In your view, what will set the very best investors apart in the next decade? (Respondents who mentioned AI or deep tech)



Notes:
Investor respondents and people who have made angel investments only.

Sources:
STATE OF EUROPEAN TECH Survey

Focus on fundamentals

As interest in topics like deep tech and AI continue to surge, investors believe that the GPs who are able to cut through the noise and make investments based on rigorous selection will emerge ahead of others. Here's what our survey respondents told us.

In your view, what will set the very best investors apart in the next decade?

Ability to identify and invest in top AI companies

"Ability to understand durability in the AI space. Applies to both revenues and quality founders"

"Being able to identify the real moat with enterprise adoption **for AI companies** and access to patient capital from LPs"

"Quick to **understand how and where AI will impact"**

"Those who are able to **ride the AI wave** while staying reasonable in terms of valuation to prevent the bubble effect."

Notes:
Investor respondents only.

Sources:
STATE OF EUROPEAN TECH Survey

In your view, what will set the very best investors apart in the next decade?

Ability to identify and invest in top deep tech companies

"Understanding the development time needed in deep tech (long investment span) and **not selling** the technologies **too early"**

"Investors who **focus on deeptech innovation** rather than opportunistic investments in various AI applications."

Deep understanding of market dynamics

"The very best investors will **understand how climate, tech, regulation, and demographics interlock.** Instead of chasing hype cycles, they'll map how entire systems (such as energy, mobility, cities, supply chains, consumer behavior) evolve."

"The era of "generalist tourists" is waning. Investors who really understand sectors,regulation, technology, customer pain points,etc, will have an edge. **Healthcare, climate, AI, and defense will all demand deep, non-superficial knowledge."**

Discipline on fundamentals

"Those that **stick to core investment principles,** stay away from hypes, and have a deep understanding of technology"

"They **cut through the AI hype** and herd following and do first-principle reasoning."

Notes:
Investor respondents only.

Sources:
STATE OF EUROPEAN TECH Survey

Early stage deep tech founders deserve board members with technical backgrounds, operational expertise, and founder experience.

The peanut butter and chocolate combo for a deep tech board member is to have technical depth sufficient to actually understand the novel technology, a decade of experience building relevant products, and the empathy for what it takes to do this as a small start-up. None of this can be read in an MBA textbook or derived from a spreadsheet. The best deep tech founders aggressively seek out people who can accelerate their ability to make durable decisions and see around corners. As alluring as shiny brands, networks of downstream investors, and political connections can be, nothing can compensate for the raw ability to be a meaningful thought partner to a deep tech founder transforming their novel technology into a first-of-a-kind product — and eventually, a globally dominant business.

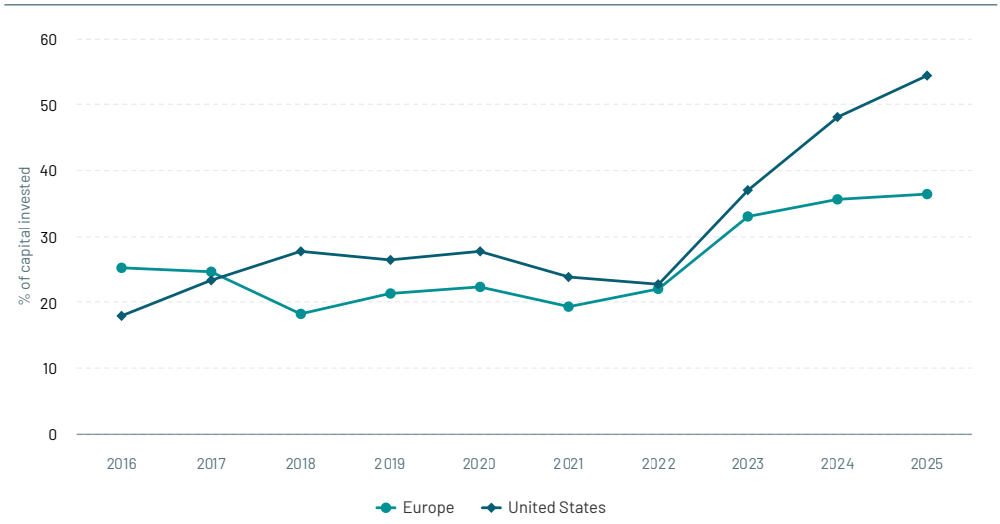
Steven Jacobs
Founding Partner, Drumbeat Capital

Deep tech investing gathers momentum

Deep tech is increasingly being seen as where the most strategic innovation bets lie, and funding levels have risen rapidly over the past four years as a result. In 2025, 36% of European VC dollars were invested in deep tech companies, compared to just 19% in 2021.

The largest rounds in Europe include Mistral's $2B Series C, Helsing AI's $660M Series D raise, and the $600M raised by drug discovery company Isomorphic Labs in its first funding round since spinning out from Google's Deepmind.

Share of capital (%) invested in deep tech in Europe and United States, 2016 to 2025



Notes:
Data is as of 30 September 2025. Full year extrapolated based on year to date data. United States total funding extrapolation excludes the 2025 OpenAI fundraise. Deep tech includes any technology that is based on tangible engineering innovation or scientific advances and discoveries applied for the first time as a product, often aiming to solve society's biggest issues. Excludes the following: biotech, debt, lending capital, and grants.

Sources:
atomico Powered by dealroom.co crunchbase

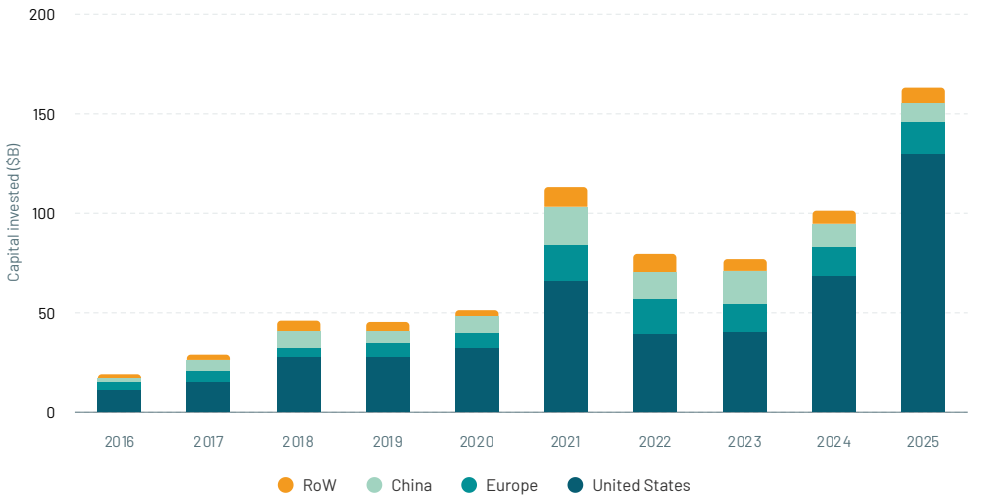
Europe has the world's strongest early-stage deep tech funnel

The US wins when it comes to the overall amount of VC dollars invested in deep tech at $130B to Europe's $16B, but Europe holds its own at the earliest, Pre-Series A stages. In fact, Europe has been in joint first place with the US here for the last three years.

This could suggest the continent is quietly amassing a significant pipeline of potential deep tech champions. However, it could also be explained by the fact the US is making bolder bets from the get-go, a pattern we are also seeing emerge in Europe. Take for example Isomorphic Labs, which raised $600M in its first funding round, skipping the smaller raises many companies accumulate first.

Bridging the growth-stage funding gap will be crucial for enabling these early-stage companies to scale into global players, and strengthen Europe's position in the race to become the next AI superpower.

Total capital invested in deep tech ($B) by region and round size, 2016 to 2025



Notes:
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Sources:
atomico
Powered by dealroom.co crunchbase

But is Europe falling behind in the AI race?

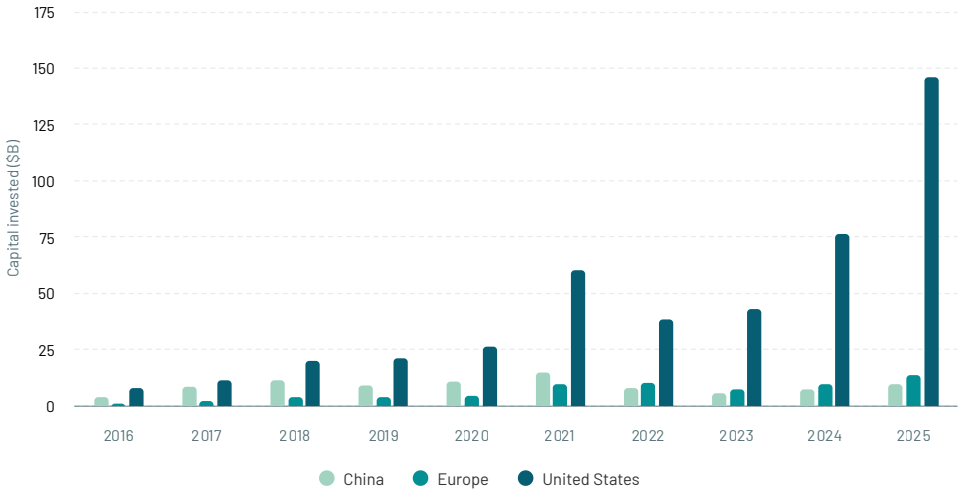
AI investment has surged globally, but the scale of US capital deployment is in a league of its own. In 2025, the US is set to invest around $119B in AI — more than 10 times the total private investment in either Europe or China. Much of this wave is concentrated at the infrastructure layer, where vast sums are being poured into the build-out of advanced compute capacity and the training of frontier models that underpin the next generation of AI capabilities.

By contrast, Europe's investment profile looks very different. Far less capital has gone into infrastructure and generalised, foundational models, and far more into applied and full-stack vertical AI in areas such as autonomous vehicles, healthcare, or industrial automation, where AI is embedded directly into products and workflows. This reflects both a constraint and a strength. Europe's ecosystem operates at a smaller scale, yet it competes with real breadth, focus on tangible deployment, and deep domain expertise rather than pure model competition.

Despite the vast gulf in relative investment, there are now signs of acceleration in Europe's AI infrastructure. Projects such as Nebius, Nscale, and Domyn are building high-density GPU clusters and European AI capacity at speed and scale, while Mistral's unprecedented raise adds further momentum.

Additionally, Europe is also proving that state-of-the-art performance doesn't always require the same magnitude of investment. Companies such as ElevenLabs, DeepL, and BlackForest Labs are demonstrating that world-class AI products and performance can be built in Europe with frontier research foundations, efficient architectures, and pragmatic scaling strategies. Together, they show that Europe can exploit genuine competitive advantages in combining scientific excellence with real-world application.

Capital invested ($B) in AI / ML companies by region, 2016 to 2025



Notes:
Data is as of 30 September 2025. Full year extrapolated based on year to date data. US extrapolation excludes OpenAI fundraise. Excludes the following: biotech, debt, lending capital, and grants.

Sources:
atomico
Powered by dealroom.co crunchbase

The European AI portfolio grows

Europe's AI landscape is expanding fast in the creation of commercially scaled, globally-relevant companies. From foundational model makers to applied AI specialists, a new generation of European firms is competing across the AI stack.

At the frontier, Mistral has become Europe's most valuable AI company, while DeepL, ElevenLabs, and Synthesia have each defined new global benchmarks in language, voice, and digital media. Wayve is pushing the limits of embodied AI and autonomous mobility, and Domyn is building AI gigafactories to power models for defence, finance, and advanced manufacturing.

This new wave also reflects Europe's geographic diversity. From Stockholm and London, to Paris, Milan, Heidelberg, Freiburg, Delft, or Copenhagen, world-class AI innovation is emerging across the continent.

Paris, France
Total raised: $2.9B

London, United Kingdom
Total raised: $1.7B

London, United Kingdom
Total raised: $1.3B

Milan, Italy
Total raised: $764M
(including $377M in debt)

Heidelberg, Germany
Total raised: $641M

Paris, France
Total raised: $626M

London, United Kingdom
Total raised: $550M

Dusseldorf, Germany
Total raised: $400M

London, United Kingdom
Total raised: $281M

Stockholm, Sweden
Total raised: $266M

Stockholm, Sweden
Total raised: $223M

Berlin, Germany
Total raised: $212M

Europe's strength in AI lies in its depth of research excellence, its entrepreneurial energy and its sense of responsibility.

France shows what is possible: world-class labs, vibrant founders, and growing investor confidence. The next step is alignment across Europe between capital, talent, and infrastructure, so ideas move from prototype to production faster. When those forces connect, Europe's distinctive approach to AI will become its global advantage.

Agnes Seuret
Specialist & AI Sales and Solution Architecture Leader for France, AWS

The next wave of AI applications

To find out what the next big sub-themes within AI are likely to be, we analysed how companies in the space describe themselves to see which ideas they are clustering around.

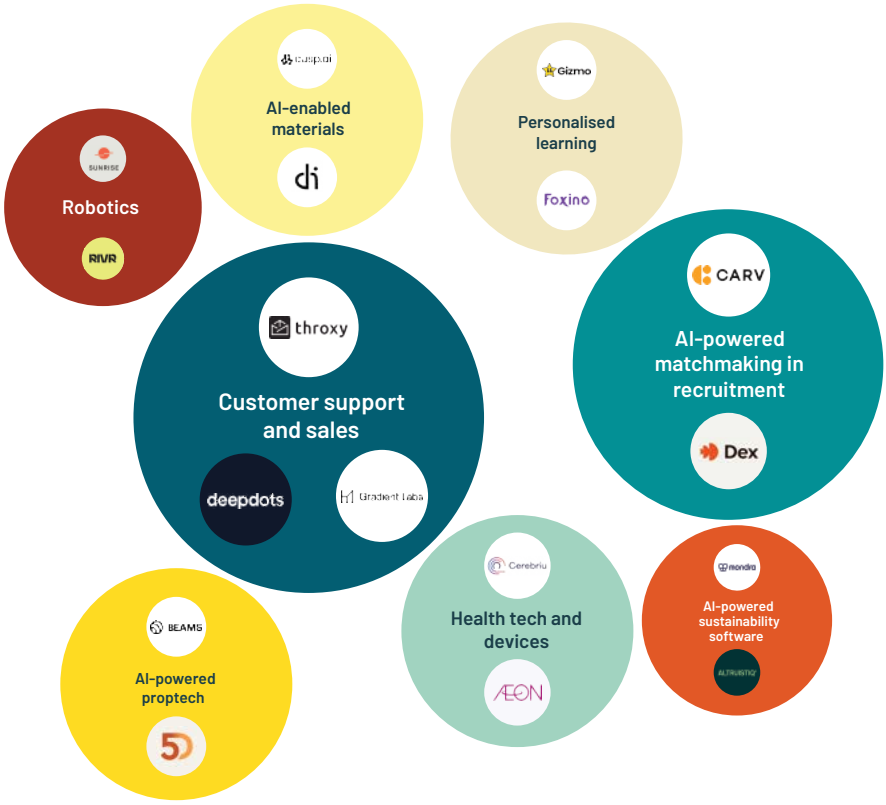
At the application layer — that is, the level where AI-powered tools are built for end users, downstream of the models themselves — founders are concentrating efforts on enterprise solutions for big and small companies alike.

A significant share of activity is happening in consumer support and sales — which features companies like

Throxy, which helps book meetings with prospects, and Gradient Labs, which makes AI agents for fintech. AI-powered matchmakers for recruitment is another key cluster, with 'zero admin' recruitment platform Carv and AI talent matchmaker Dex among emerging European players.

More complex applications for sectors like healthcare, education and advanced materials are also gaining traction. Cerebriu is building AI-powered tech to make MRI scans more efficient, while CuspAI, fresh from a $100M Series C raise, is using AI to speed up the discovery of new materials.

AI application layer clusters forming across Europe



Notes:
Data is as of 30 September 2025. Circle sizes represent volume of rounds in the last 12 months.

Sources:
atomico
Powered by dealroom.co crunchbase

The current wave of AI companies in the Nordics is less a sudden explosion, and more the natural compounding of a long history of excellence in computer science and applied ML.

It should come as no surprise that the region is now producing some of Europe's most ambitious AI founders.

Neil Murray
Solo GP

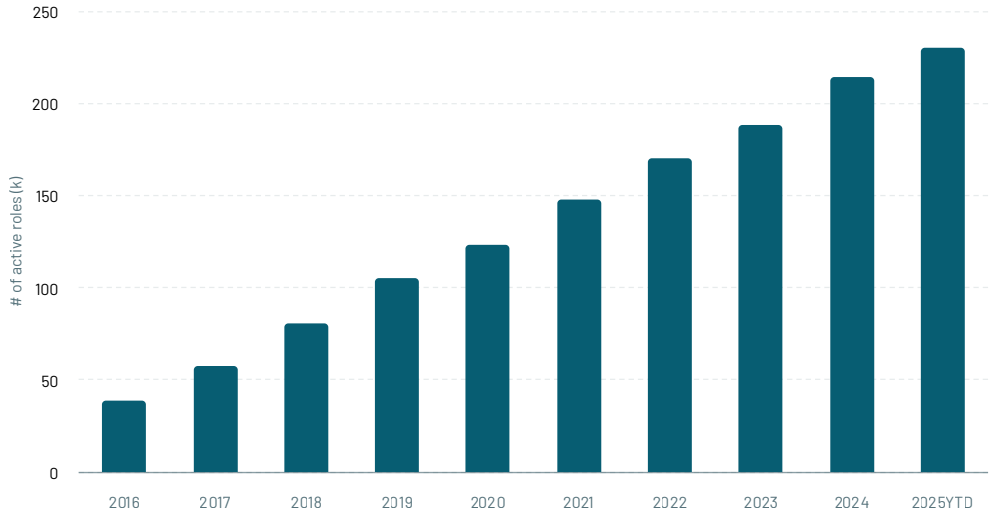
Europe's got (AI) talent

One of the most important ingredients for building the next generation of world-leading AI companies is the right talent. Europe is home to plenty of it with a rapidly expanding talent base, having grown at a 22% CAGR since 2016.

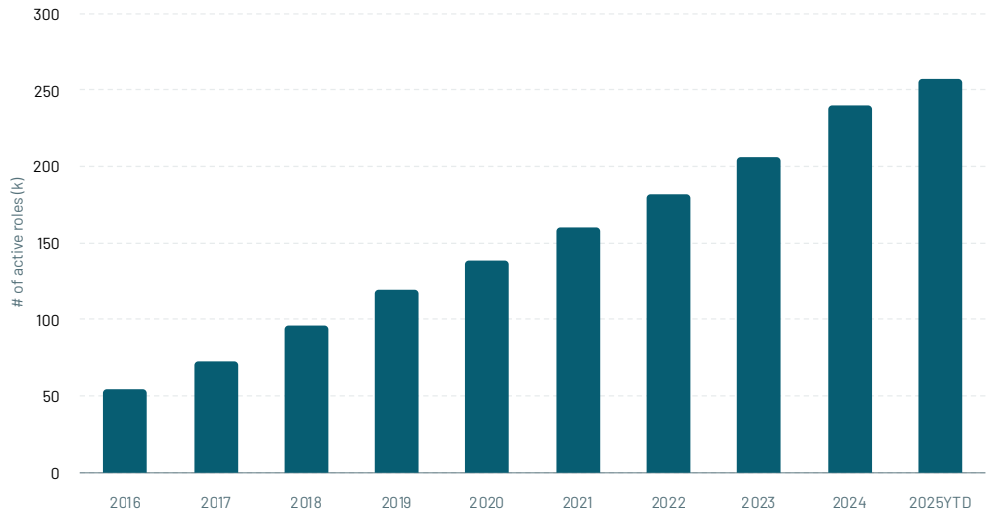
The old continent has long fostered world-renowned AI academic hubs — including Oxford University, the Max Planck Institute and ETH Zurich to name a few. Now, focus will need to shift to ensuring this amazing academic and research knowledge finds application in industry and, ultimately, commercial success.

Number of active AI roles (k), 2016 to 2025YTD

European AI roles (k)



United Sates AI roles (k)



Notes:
Data is a snapshot of the talent pool as of 30 September 2025. Data consists of all companies, including non-tech. Location is based on country of employment.

Sources:
atomico Powered by revelio labs

How can we back innovation?

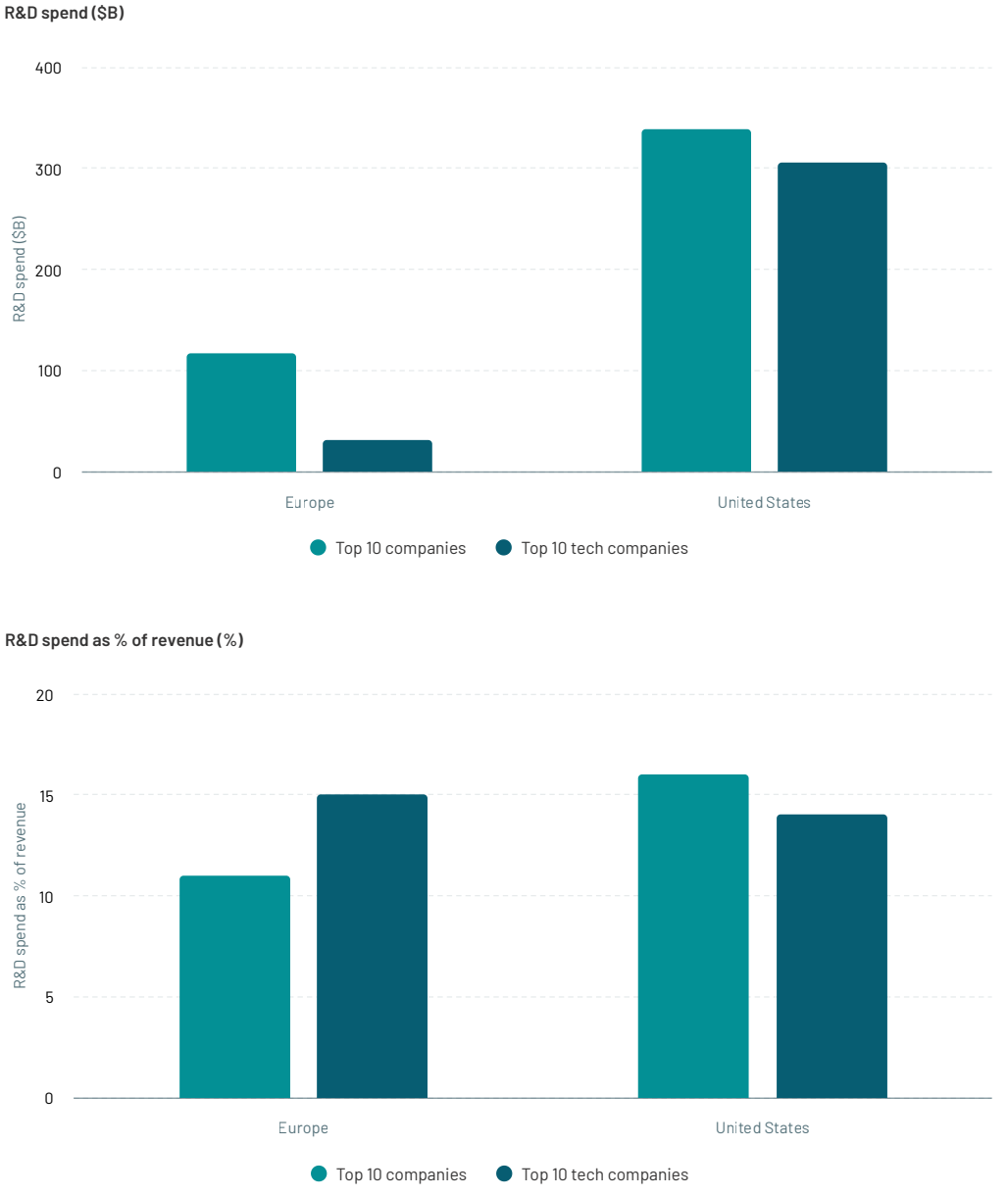
Scale, not appetite, drives the R&D gap

The gap in R&D spending between Europe and the US is driven less by appetite than by scale. In the US, tech giants sit alongside the world's largest R&D investors, with companies like Amazon and Apple investing at levels that dwarf Europe's entire tech sector. Apple alone spends more on R&D than the 10 largest European tech companies combined, while Amazon's budget is more than three times that figure.

Yet relative to revenue, Europe is not far behind. Companies in both regions dedicate roughly 14% of sales to R&D, reflecting a similar level of commitment to innovation. The difference lies in structure: Europe simply lacks firms with the revenue scale of the largest US tech platforms, and its biggest R&D investors are concentrated in industrial and manufacturing sectors rather than in software and AI.

This matters because it shapes where innovation happens. Europe's R&D base remains world-class, but too much of it is tied up in legacy sectors rather than digital infrastructure, compute, or deep tech capabilities.

R&D spending ($B) in 2025 by top 10 companies versus top 10 tech companies by R&D spend



Notes:
Data as of 30 September 2025. R&D spend & revenue of latest fiscal year.

Sources:
S&P Global Market Intelligence

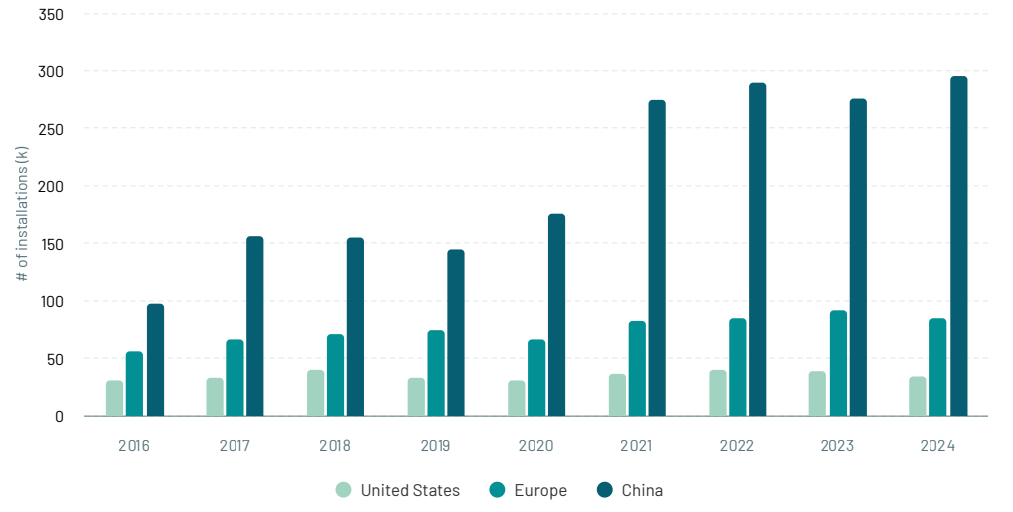
Europe gets silver in the global robot rivalry

Europe has a strong track record of modernising traditional industries through advanced automation and next-gen solutions. Europe is, after all, the continent that gave rise to the Industrial Revolution, swapping hand production for machines and bringing about a new era of growth.

In 2024, Europe installed 85k new industrial robots, compared to 56k in 2016. This underscores the region's broad and sustained embrace of automation across manufacturing sectors and practical leadership when it comes to putting new technologies to work on the factory floor.

Still, on a global basis China remains far ahead, with installations tripling from about 97k in 2016 to more than 290k by 2024 — more than double the installations of Europe and the US combined.

Annual installations of industrial robots (k) per region, 2016 to 2024



Notes:
Data taken from World Robotics reports from 2018, 2024 and 2025.

Sources:
IFR International Federation of Robotics

Choosing Europe to build a robotics company is quite controversial I would say, especially with people normally thinking about Asia as being the hub for anything to do with automation, robotics, and hardware.

The supply chain in this part of the world was quite limited as well. But that's evolved quite a lot I would say over the years. And I think the interesting part is also being based here in the UK. We have some fantastic addition industries that are really helping us with talent, with skills like automotive, obviously the military. It's quite an interesting hub when it comes to talents that you can easily bring over to the robotics side.

Oana Jinga
Chief Commercial and Product Officer
& Co-Founder, Dexory

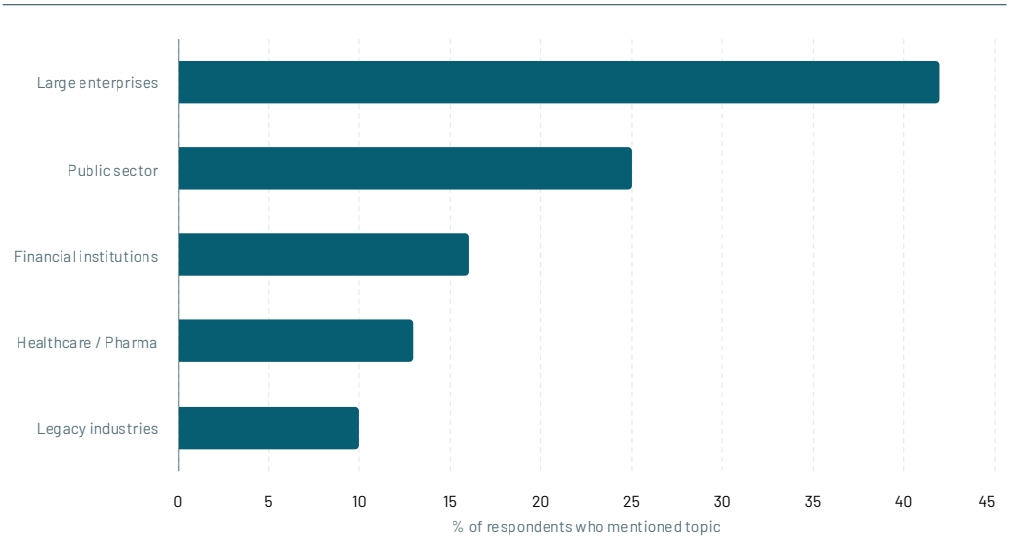
Deep tech is a tricky sell to some clients, and a no-brainer for others

Innovative technologies need a clear path to commercial viability to succeed, but the clients who stand to benefit most can sometimes be the hardest to reach.

We consistently hear founders say large enterprises and public sector organisations are the toughest customers to win. Putting this to the test in our annual survey, 42% of all respondents say they have struggled to sell to large enterprises and 25% say the same for the public sector.

This validates that more efficient procurement processes could significantly move the needle for European tech, but bridging the gap between interest and action will require greater education on both sides. Founders will also need to show willingness to find new ways of building cultural buy-in within organisations that aren't as nimble as a tech startup.

Which client types are the hardest for your company to sell to?



Notes:
Founder respondents only. Only includes respondents who stated a client type that is hard to sell to.

Sources:
STATE OF EUROPEAN TECH Survey

European corporates shy away from startups

20%

of European corporates actively engage with startups – in stark contrast to 50% in the US.

Sources:

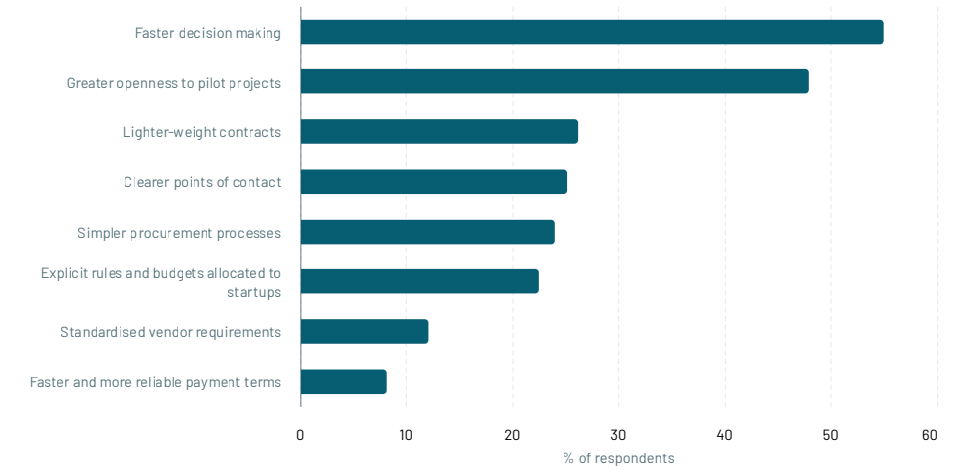
New tech calls for a change in mindset

Founders and operators building new technologies, products or services need customers who are open to sharing the risks (and rewards) of finding better ways of doing things.

In our survey, founders and operators said faster decision making and a greater openness to pilot projects would make it much easier to sell into large corporates or government bodies as complex technologies need a chance to show rather than tell customers their value. They also cited lighter-weight contracts, clearer points of contact, simpler procurement processes, and budgets that are explicitly dedicated to startups, with each selected by around 25% of respondents.

Interestingly, regulation barely registers as a concern here, with more standardised vendor requirements only getting 12% of the votes. This is likely because, even with the lightest regulatory burdens, progress still depends on corporates and governments being willing to try something new.

Which of the following changes would be most impactful in making it easier for your company to sell into large corporates and/or governments in Europe?



Notes:
Founder and operator respondents only.

Sources:
STATE OF EUROPEAN TECH Survey

European corporates and governments spend

$2T

per year on IT, mostly going to US vendors.

Sources:

dealroom.co

We're at a point in time where I think it's almost fashionable, especially here in Europe, to be a little bit gloomy, to be talking about stagnation.

And certainly we have a lot of structural headwinds in front of us. But there has never been a more exciting time to build here in Europe and also to think of technology as a way to be able to recover growth, to find growth again, to find wealth again here in Europe.

Jacomo Corbo
CEO & Co-Founder, PhysicsX

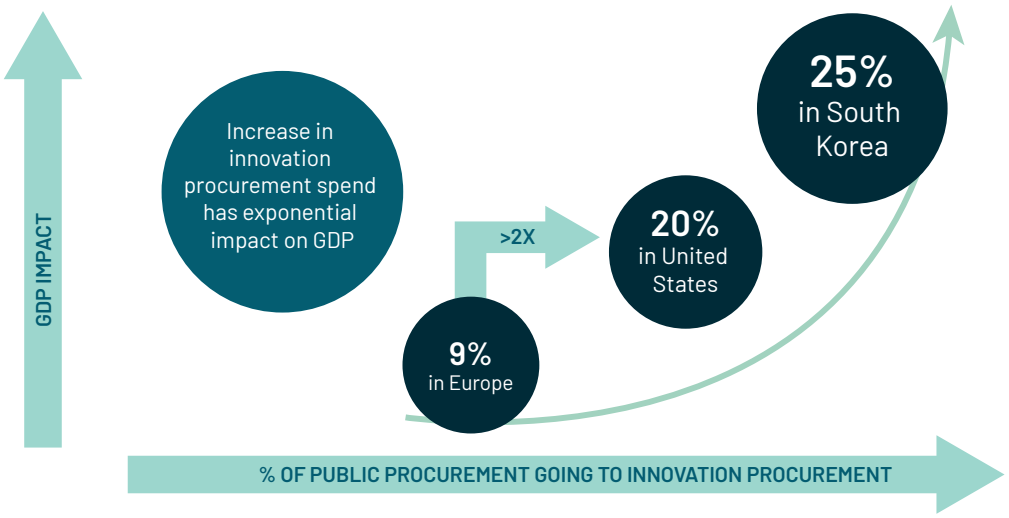
Public procurement is an untapped lever for innovation and growth

Public procurement is one of the most powerful tools governments have to stimulate innovation, but Europe has yet to fully use it. In 2014, the EU set a target for 20% of all public procurement to go toward "innovative solutions". A decade later, the figure has stalled at 9%, well below the 20% level of the US and 25% in South Korea, a global leader in innovation-driven public procurement.

Public demand has always been a catalyst for private innovation, while the economic case for change is also clear. Increasing the share of innovation-focused procurement delivers exponential returns: even a one percentage-point rise could lift GDP per capita by roughly €6k or 15%, while a five percentage point addition has the potential to add more than €45k, or in other words double GDP per capita.

Yet without a clear and well-designed strategy that translates ambition into execution — and tackles the barriers preventing procurement at speed and scale — Europe risks leaving this multiplier effect on the table.

Share of public procurement going to innovation procurement, 2025



Notes:
Innovation procurement refers to public buyers using purchasing to spur development and early adoption of new solutions via PCP (R&D) and PPI.

Sources:
European Commission | PPMi Part of the Verian Group

The European growth stage valley of death

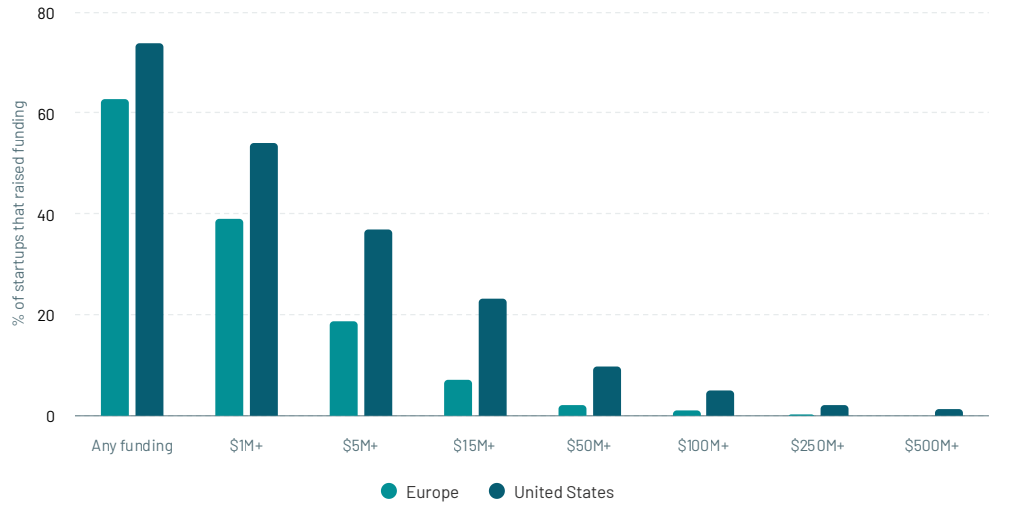
Not one European deep tech company founded in 2016 has passed the $500M funding milestone.

This is striking given Europe's deep talent pool and ambitious founders, and is yet another reminder of the continent's growth capital gap, which is particularly acute for deep tech companies given their capital intensive models. Companies founded since 2016 have exceeded the $500M funding milestone — Wayve, founded in 2017, raised $1B in 2024, while two-year-old Poolside raised $500M last year — but still not at a rate that is truly reflective of Europe's innovation pipeline.

By comparison, 40% more deep tech companies founded in 2016 based in the US have crossed the $1M funding threshold, and the share raising over $100M is nearly three times that of European companies.

If European companies cannot get financing locally, this could be what pushes them to relocate — meaning Europe risks losing important pieces of local sovereignty tech in the process.

Share (%) of deep tech startups founded in 2016 raising a minimum round size, United States versus Europe



Notes:
Data is of 30 September 2025. Excludes the following: biotech, debt, lending capital, and grants.

Sources:
atomico Powered by dealroom.co crunchbase

Placing bets on the AI race for dominance

Can Europe write its own story in the AI era? On some level, it already is. Across a breadth of industries, companies are putting their heads down and pushing boundaries, aiming to shape the future for the world, not just their own success.

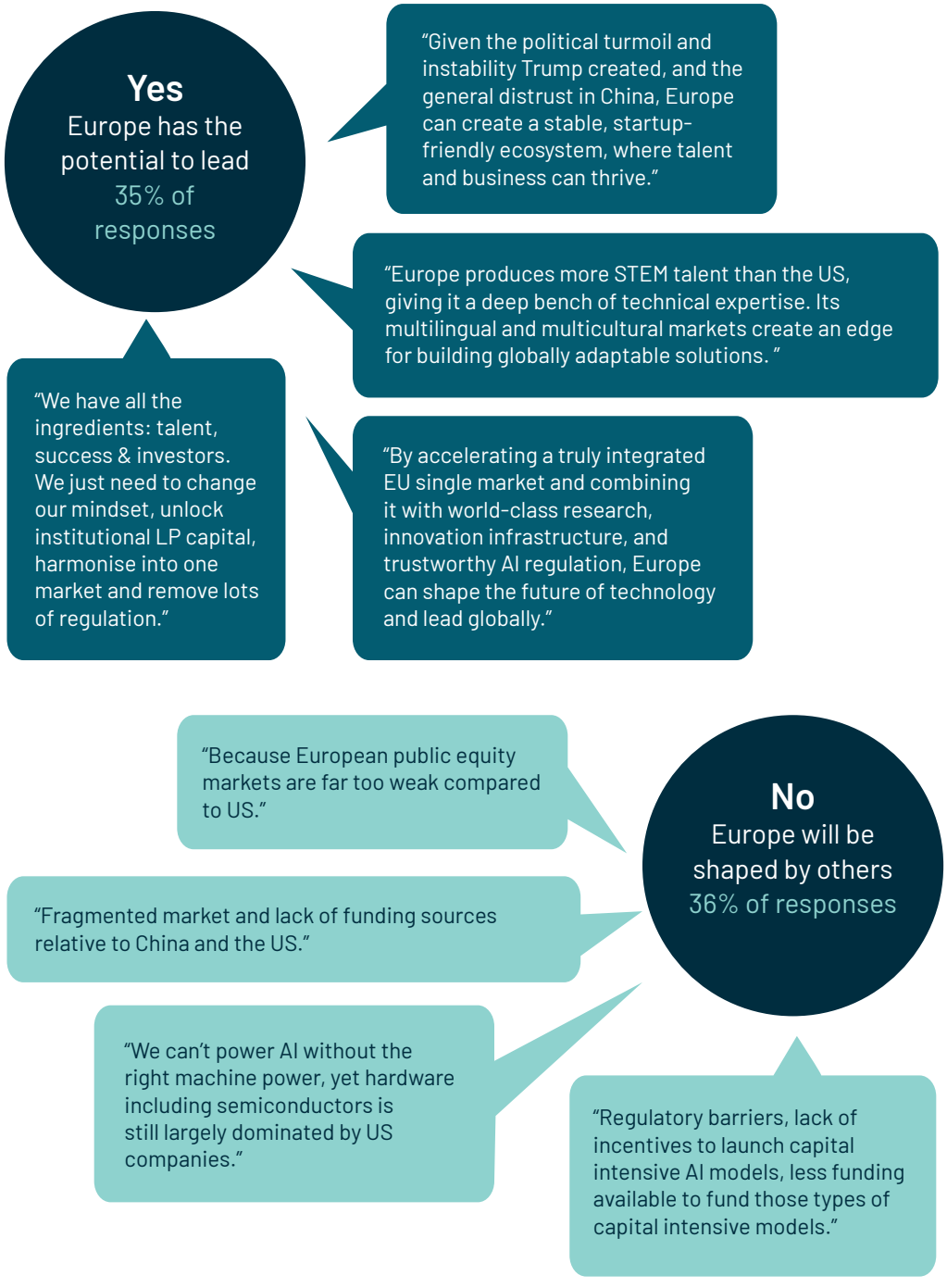
Did you miss it? That could be because, even though it's a story of ambition, it doesn't come with the fanfare seen elsewhere. Think blockbuster fundraises in the US, or Asian tech firms suddenly exploding onto the market. Europe's narrative is more understated, but no less ambitious.

Our survey reflects this. Respondents are split over whether Europe can define its own technological future in the age of AI, with as many people saying yes as no, and the remaining 30% saying it is too early to tell.

Belief in Europe's ability to lead in AI is directly linked to optimism around the future of European tech as a whole. Those confident in Europe's AI leadership are also the most optimistic in general, and the most pessimistic are the ones who don't have faith in Europe becoming an AI power.

Building AI leadership is therefore crucial for shaping sentiment, momentum and confidence in the European tech ecosystem.

Do you believe Europe can define its technological future on its own terms in the age of AI?



Notes:
All respondents.

Sources:
STATE OF EUROPEAN TECH Survey

Do you believe Europe can define its technological future on its own terms in the age of AI?

Notes:
All respondents.

Sources:
STATE OF EUROPEAN TECH Survey

It's time that Europe stops relying on its benevolent cousin in the US.

Europe has all that it takes — the talent, the research ecosystem, the funding — and now needs to bring it together into startups, into organisations that can move very fast, and that can create new European technology giants and redefine the way the European economy works. We can do all of that.

Francesco Sciortino
Co-Founder, Proxima Fusion

Call to action

Europe must dare to build

Progress doesn't happen without risk. Every founder, investor and operator knows the moment of choice: Do I start this company? Quit my safe job? Bet on the crazy idea that might just work? Choose the innovative new startup's product? Those who answer yes are the people who move Europe forward.

Over the past decade, that mindset has begun to take hold. Europe is building an entrepreneurial culture — bold thinkers and calculated risk-takers who believe that the regret of not trying outweighs the fear of failing. This shift is spreading across angels, venture capitalists, universities and operating talent — creating a more ambitious, resilient Europe.

Yet too often, risk is still managed away rather than rewarded. It's always easier to play it safe. To take the steady job, stick with the incumbent product, or regulate risk away. Meanwhile, failure still carries stigma. Incentives to take bold bets remain weak. Progress too often waits for perfection or permission, extending decision-making timelines.

Only 20% of European corporates actively engage with startups, compared to 50% in the US, and just 9% of public procurement goes to innovation — less than half the US benchmark. Companies that win with European corporates and governments are the ones that win globally.

The challenge is clear. Europe must strengthen risk culture as foundational infrastructure, as essential to our future as energy or capital. Safety is essential, but responsible innovation doesn't mean slowing down or not taking risks, it means building the right guardrails at speed, and treating failure as a system design feature, not a bug.

How we get there:

- **Own the Narrative**
  Change how Europe talks about risk. Celebrate ambition and experimentation, embrace both failure and success, and reframe entrepreneurship as progress, not recklessness.

- **Fail Better**
  Make it easier to start again. Modernise insolvency and restructuring rules so founders can wind up, reset and restart quickly and fairly — removing bureaucracy, stigma and lost time.

- **Procure the Future**
  Unlock Europe's demand-side firepower. Create one fast, trusted, passportable route for startups to sell to European public and corporate buyers willing to share risk, back innovation and bet on the future.

Championing risk means embedding courage into Europe's DNA, moving fast safely, rewarding ambition, and proving that progress and prudence can coexist. Because belief is the ultimate currency of progress — when people believe in what's possible, ambition flourishes and action follows.

Champion Risk

Strengthen risk culture as foundational infrastructure, as essential as energy or capital

HOW WE GET THERE

Own the Narrative
Change how Europe talks about risk. Invest in narrative to celebrate ambition, embrace failure and success, and reframe entrepreneurship and experimentation positively

Fail Better
Make it easier to start again. Make insolvency and restructuring easier, faster and fairer so founders can wind up, reset and restart without bureaucracy, stigma, or lost time

Procure the Future
One fast, trusted, passportable route for startups to sell to European public and corporate buyers willing to bet on innovation

06

SoET Community

Producing the State of European Tech is a team effort. We thank everyone across the tech ecosystem who spared their time, insights, and expertise so we could put together this year's report.

Data Partners

It's no small feat putting together the definitive take on the state of European tech

Every year, our partners make this possible by sharing their data, insights, and deep expertise. They not only open access to the rich datasets they collect across the ecosystem, but also collaborate with us to craft analysis that captures the true pulse of European tech. A huge thank you to our partners for their continued support and collaboration.

dealroom.co

Dealroom.co is the global intelligence platform for discovering and tracking the most promising companies, technologies and startup ecosystems. Dealroom is a trusted source of innovation data and predictive analytics, used by leading venture capitalists, corporates and governments, to discover the world's most promising companies.

INVEST EUROPE

Invest Europe is the association representing Europe's private equity, venture capital and infrastructure sectors, as well as their investors. We have over 650 members, split roughly equally between private equity, venture capital and limited partners – with some 110 associate members representing advisers to our ecosystem. Those members are based in 57 countries, including 42 in Europe, and manage 60% of the European private equity and venture capital industry's €1.247 trillion of assets under management. Businesses with private capital investment employ 11.2 million people across Europe, 5% of the region's workforce. For more information visit www.investeurope.eu

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At S&P Global Market Intelligence, we understand the importance of accurate, deep, and insightful information. Our team of experts delivers unrivalled insights and leading data and technology solutions, partnering with customers to expand their perspective, operate with confidence, and make decisions with conviction.

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crunchbase

Crunchbase is a predictive intelligence solution that forecasts private market movements using the unique combination of live private company data, AI, and market activity data from 80M+ users. It helps people operating in the private market — such as go-to-market (GTM) teams, investors, and wealth managers — move first and make more confident decisions. To learn more, visit crunchbase.com and follow Crunchbase on LinkedIn and X.

PitchBook is a financial technology company that provides data on the capital markets to help professionals discover and execute opportunities with confidence and efficiency. We collect and analyze detailed data on the entire venture capital, private equity and M&A landscape—including public and private companies, investors, funds, investments, exits and people. Our data and analysis are available through our suite of products (the PitchBook Platform), industry news and in-depth reports.

Revelio Labs is a workforce intelligence company. Founded in 2018, Revelio Labs absorbs and standardizes hundreds of millions of public employment records to create the world's first universal HR database. The company's team of data scientists, economists, and engineers deliver valuable workforce analytics to customers including investors, corporate strategists, HR teams, and governments, empowering them to make actionable, data driven decisions

Multiples.vc provides investors, finance teams, and corporate strategists with institutional-grade valuation data, simplifying how companies benchmark and analyse deal multiples. The platform aggregates and standardises data on over 15,000 public comparables and 65,000 private transactions across 200+ industries, offering key metrics such as EV/Revenue, EV/EBITDA, and forward-looking ("NTM") multiples. Used by venture capital, private equity, and corporate development teams, Multiples.vc helps users assess market valuations, validate pricing assumptions, and streamline financial modeling.

Aumni, a J.P. Morgan company, is a leading venture workspace for managing data and portfolios. Venture firms, Corporate VCs, fund admins, and law firms all rely on Aumni to analyze accurate private market data, manage their venture documents, monitor portfolios, report on portfolio company performance, and more. Whether you need to track KPIs, summarize LPA terms, conduct scenario modeling, obtain valuations, or use market insights for benchmarking, Aumni is here to help you do venture right.

SoET Champions

Behind the numbers

This year's report spans over 100 charts and more than 20,000 words of analysis — the result of months of collaboration. Huge thanks to everyone who turned data into insight, and insight into a finished product across web and print.

Tom Wehmeier

Tom is the founder of the State of European Tech, which means he's been banging the drum for Europe to own and shape a more ambitious and optimistic narrative for a long time. He's delighted that this has finally caught on and to see the proliferation of new voices and channels helping Europe to tell its story more effectively. It's about time.

Sarah Guemouri

Sarah is a Principal on Atomico's Intelligence team and co-author of the State of European Tech report. Now working on her seventh edition, she's known for pushing the boundaries — from interactive data storytelling to NFTs or now synthetic audiences — and is determined to one day have a Synthesia avatar deliver the report live at Slush.

Hanna-Stina Sonts

Hanna-Stina is co-author of the State of European Tech report and Associate in the Intelligence function at Atomico. The 2025 edition is her fifth report. As a native Estonian, she enjoying seeing Estonia top nearly every per capita chart year over year.

Vishruth Dhamodharan

Vishy is the current intern at Atomico, contributing to putting together the 2025 edition of the State of the European report. Alongside the 28 deepdives he's completed on all sorts of founders, his most satisfying moment was building the "Mighty 50" chart.

Santtu Vaalamo

Santtu is an Analyst & Researcher at Slush, and as part of our ongoing partnership, he worked on putting together this year's State of European Tech report. He's happy to see how well the Nordics are doing, especially in generating high-growth companies such as Lovable and Legora.

Sarah Drumm

Sarah is the copywriter for this year's State of European Tech report. For the second edition she has worked on, she wrote over 20,000 words on Europe's top trends and developed a mental thesaurus for the word "innovative".

Gareth Carless

Gareth works as a Data Scientist at Atomico and helps put together the data analysis for State of European Tech. This is his fourth year working on the report.

Charlotte McCrum

Charlotte is a communications specialist supporting Atomico on this year's State of European Tech report, drawing on over 15 years' experience in venture and growth fund storytelling.

atomico