

THE 2025 SIFTED AVP TRANSATLANTIC FOUNDER INDEX

Outlooks from both sides of the pond



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THE 2025 SIFTED AVP TRANSATLANTIC FOUNDER INDEX

Outlooks from both sides of the pond

This report compares and contrasts the European and US tech scenes through the eyes of its founders — from those just beginning their journeys to those that have led their companies to the public markets. Founders on both sides of the pond share their experiences starting and scaling their businesses, the challenges and risks to progress they face in 2025 and how they're feeling about the future.

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FOREWORD

Bridging the Atlantic divide in tech ecosystems

This report, sponsored by AVP, explores the contrasting yet increasingly complementary landscapes of the US and European tech ecosystems, through the lens of the entrepreneurs shaping them.

Why now? The tech world is often framed as two distinct ecosystems: the United States, with its culture of rapid scaling, deep venture capital pools and appetite for risk, and Europe, known for its diverse markets, measured growth and a growing focus on sustainability. Yet, as we look to the future, the divide between these two regions is narrowing.

At AVP, we've spent years investing in startups on both sides of the Atlantic. Our portfolio spans early-stage companies making their first breakthroughs, growth-stage businesses scaling rapidly and established firms pushing towards global expansion. In our work, we have witnessed firsthand the immense potential of both ecosystems — and the opportunities that come from bridging them.

Time and again we see that today's best tech founders aren't limiting themselves to one geography. They're scaling across borders, seeking funding from Silicon Valley, talent from Berlin and partnerships with Paris. They're navigating different regulatory environments and operating in markets that reward flexibility and adaptability.

They do this because the opportunities on both sides are immense. The US's "go big or go home" mentality has long driven rapid growth and bold risk-taking. Europe's more measured, sustainable approach offers vital lessons in resilience and long-term thinking. These models are not at odds. Increasingly, they complement each other — and the most successful founders are the ones who are learning to draw strength from both.

For investors like AVP, we believe that understanding the nuances of each ecosystem is essential. The future of tech will not be shaped by one region alone. It will be built by founders who can navigate both worlds, leveraging the strengths of each to create lasting, global companies.

In the pages that follow, you'll find a snapshot of the state of play in the US and European tech scenes — from funding environments to scaling challenges, talent dynamics to regulatory hurdles. We hope this report offers valuable insights for founders, investors and anyone looking to better understand the increasingly interconnected nature of the global tech landscape.

With markets more interconnected than ever, we at AVP believe the future belongs to those who can seamlessly operate across both powerful ecosystems. We are proud to support the entrepreneurs leading the way.



Francois Robinet
Managing partner, AVP

Through the eyes of founders in 2025

Relations between the US and Europe have abruptly shifted — from close cooperation to a more uncertain dynamic marked by mistrust and political divergence.

Against this backdrop, the inaugural Sifted AVP Transatlantic Founder Index was launched to check in with startup founders to understand how they're feeling. Sifted surveyed more than 250 founders — evenly split between Europe and the US — from March to early April 2025, spread across venture (pre-Series B), early growth (Series B and C) and growth (Series D to pre-IPO). We asked them about the biggest challenges they face, the risks they're navigating and the opportunities they see ahead.

The timing couldn't have been more charged. President Trump's return has thrown US markets and geopolitics into flux. Meanwhile, founders everywhere are contending with AI disruption, regulatory shifts, tighter funding conditions and a general sense of global instability.

And yet — optimism runs deep. Founders across both regions remain confident in their ability to grow. US respondents report feeling better supported by their ecosystems and more optimistic about accessing capital and talent. European founders tend to take a more measured view — they're more concerned about economic stagnation, more attuned to regulatory hurdles and more outward-looking in their collaborations.

At times, the data reflects striking differences. Americans are more likely to cite the rapid pace of tech advancement and supply chain disruptions as top concerns, while Europeans are focused on customer acquisition and funding gaps. But often, perspectives align: hiring remains difficult, regulation is a shared frustration and everyone is paying close attention to the rise of AI.

As we explore in this report, it can often seem like the grass is greener on the other side — but each region has its own challenges to contend with. What's clear is that this isn't a competition; the transatlantic tech relationship is a shared story, with founders navigating similar storms, even if they're coming at them from different angles.

Of course, culture plays a role too. American founders consistently rate their ecosystem more highly — handing out 10/10 scores for ease, optimism and future prospects far more frequently than their European counterparts. Is the environment really that much better in the US? Or is this cultural confidence part of the equation — a mindset that helps shape, and perhaps even drive, outcomes? That question sits beneath many of the findings and stories shared in this report, and it's one we'll continue to ask in the years ahead.

1

Founders companies by stage

VENTURE

Pre-revenue or initial revenue

EARLY GROWTH

Scaling operations and market presence

GROWTH

Established with significant market share, considering IPO or acquisition

Europe

53% 39% 8%

United States

18% 64% 18%

2

Founders companies by primary sector

B2B SAAS

CLIMATE

CONSUMER

DEEPTech

FINTECH

HEALTHTECH

OTHER

Europe

9% 11% 14% 26% 14% 16% 10%

United States

4% 10% 7% 43% 19% 6% 11%

Key survey findings

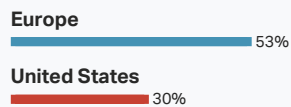
To test the temperature of the transatlantic tech ecosystem, over 250 startup founders in Europe and the US were surveyed from March to early April 2025, spread across venture (pre-Series B), early growth (Series B and C) and growth (Series D to pre-IPO). Their responses offer a snapshot of how founders are navigating 2025: where they're feeling confident, where pressure points lie and how regional differences are shaping strategy and mindset.

What follows are a few standout insights — drawn from the data and echoed in our interviews — that highlight the contrasts, commonalities and complexity of building on either side of the Atlantic. You can find the full survey questions and data visualisations throughout the margins of this report.



Capital is king

% citing capital access as top challenge to growth in 2025

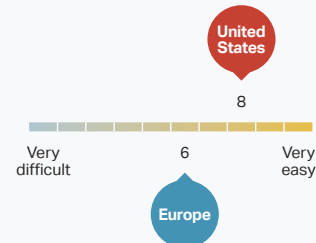


Access to funding is the biggest growth obstacle for European founders. Meanwhile, US founders are twice as likely to say capital is “very easy” to secure.



Talent Is tough — but tougher in Europe

Average rating of ease of accessing talent

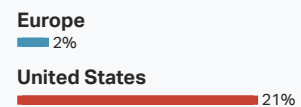


High salaries, visa issues and big tech competition pinch both sides — but US founders rate hiring significantly easier than their European peers.



Supply chains worry US founders; Europe's not bothered

% citing supply chain as top concern for growth in 2025

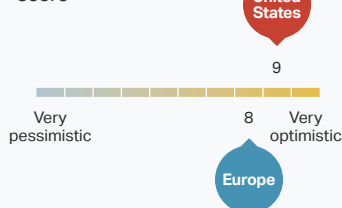


This divide is echoed in concerns specifically about hardware supply chain risks — nearly a third of US founders are very concerned, versus just 6% in Europe.



US optimism is still sky-high

Average optimism score

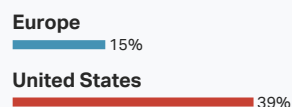


US founders consistently gave higher scores for ease of access to capital (7 vs 5), talent (8 vs 6) and ecosystem support (8 vs 5). In each case, the most popular US response was a perfect 10 — a score rarely seen among European founders.



Tech acceleration: US worried, Europe unfazed

% “very concerned” about rapid tech advancements

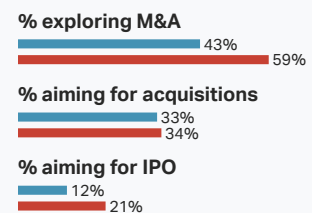


US founders are far more anxious about keeping up with the pace of tech change, while Europeans appear noticeably more relaxed.



Growth by deal: the US leads the charge

EUROPE UNITED STATES



Asked about future plans, both regions like the idea of acquisitions, but US founders are far more actively pursuing IPOs and M&A opportunities.

Chapter I

STATE OF PLAY IN EUROPE AND THE US



In March, Madan Park announced to his LinkedIn followers that he was leaving Brussels for San Francisco. “We waited for exits. You gave us paperwork. We wanted capital. You gave us compliance,” the founder of tech recruitment site Zatjob says. “I’m grateful. But a relationship needs two people.”

“We need to be in the room where it happens — and it happens in the Bay Area.”

*Zuzanna Stamirowska,
founder and CEO, Pathway*

Irish entrepreneur Will O'Brien moved his marine tech company Ulysses to San Francisco in 2024. Writing on X (formerly Twitter), he said: “For the past 200 years, Irish men and women have made the same journey for the same reason. They wanted to go to the place that best enabled their dreams to become a reality.”

US-based cybersecurity firm BforeAI started in France before flipping to the

States. The company specialises in cyberattack prevention — or what it calls “pre-crime”, a concept explored in the 2002 film *Minority Report*. “20th Century Studios didn’t trademark ‘pre-crime’, so we used it,” says founder and CEO Luigi Lenguato. The business, which has raised \$40m, makes 90% of its revenue in the US. “There’s a lot more appetite to work with smaller companies in the US compared to in Europe,” Lenguato adds.

Paris AI startup Pathway has also relocated to California. “We need to be in the room where it happens — and it happens in the Bay Area,” says CEO and cofounder Zuzanna Stamirowska.

GROWING DIVIDE?

These stories illustrate how the magnetic pull of the US for European startups is as strong as ever. Europeans who have made their tech fortunes in the US include Irish brothers John and Patrick Collison, the founders of Silicon Valley payments giant Stripe. Other big European exports in recent years include Romania’s UiPath, Ukraine’s Grammarly, France’s Hugging Face and Denmark’s Chainalysis.

That the US tech scene is much larger than Europe’s is no secret: US startups raise more than double the funding of their European counterparts, notes Brent Hoberman, cofounder of VC firm firstminute capital, writing in the *Financial Times*. Nowhere have ridiculous funding rounds become as routine as in the US. Some of the fundraising can have you rubbing your eyes — where else would a company bank a mammoth \$40bn in one go, as OpenAI recently did? Or raise a \$20bn investment fund, as VC firm Andreessen Horowitz is reportedly attempting.

3

How concerned are you about cybersecurity threats?

NOT SOMEWHAT VERY

Europe

29% 56% 15%

United States

16% 43% 41%

While most European founders fall into the *somewhat concerned* category, the data suggests a sharper sense of urgency around cyber risk in the US.

4

US startups raised more than double the funding of their European counterparts in 2024

EUROPE UNITED STATES

Number of rounds



4,719



9,400

Total funding



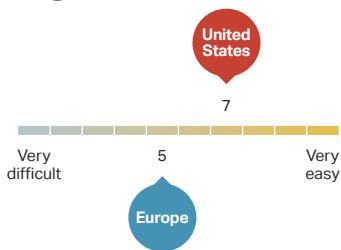
€75.6bn



€191bn

5

How would you rate the ease of accessing venture capital or other funding sources in your region?



Access to capital is clearly easier in the US — founders there scored the ease of access an average 7 out of 10 (10 being “very easy”), compared to 5 in Europe. Strikingly, over a quarter of US founders rated access a perfect 10, while just 4% of Europeans felt the same.

In Europe, optimism peaks more modestly: the most common score is 7, chosen by only 18% of founders.

In the first quarter of 2025, US startups raised \$85.5bn, according to Dealroom (OpenAI, we know, raised \$40bn of this sum). Whereas in Europe, the number (according to Sifted) was only \$13.5bn. A concentrated number of AI companies are hoovering up big rounds in both regions.

As a rule of thumb, Europe is strong in B2B companies, fintech, climate tech and deeptech, while the US advantage is in enterprise software (think B2B SaaS, but bigger), consumer tech, including social media, entertainment and ecommerce. American tech companies have a higher ceiling than their European peers. The seven largest US tech companies — Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla — are 20x bigger than Europe’s seven largest, while generating 10x more revenue, according to an analysis by VC firm EQT Ventures.

UK investor Ian Hogarth, an entrepreneur who cofounded early-stage investment firm Plural Platform, notes that the combined market cap of these seven has increased 1,620% over a 13-year period. “They’re a wealth engine to pay for other things a country might want to do,” he writes for the Financial Times. This reservoir of cash helps seed the next tech breakthroughs. “Google, for example, is investing billions in self-driving cars and quantum computing — technology that could take a decade before it makes money.”

The influence of US tech is far-reaching. European data is primarily stored on US cloud services, while European companies rely on Nvidia’s AI chips, along with subscriptions to American work tools such as Slack and Salesforce. European AI startups have also benefited from having Meta’s Llama model openly available for use as a basis for their own technologies.

A root cause of Europe’s failure to produce more heavyweight tech companies is a patchwork of regulations which makes it harder for companies to expand across the continent. In the US, there’s a single market of 330m people sharing the same language and harmonised regulations.

The US also has deeper capital markets whereas Europeans are relatively “timid investors”, writes J. Scott Marcus, a research associate with the Centre for European Policy Studies, a Brussels think-tank. “In the EU, 31% of household savings remain in currency or deposits, versus 12% in the US. So the EU has twice as much money in its banks as the US and only half as much in capital markets for stocks”.

A powerful stew of forces led to the creation of Silicon Valley but Marcus believes the most compelling driver was the tweak lawmakers made to US pension rules in 1974. “This unleashed a growing flood of pension fund money into venture capital funds. Without this, Silicon Valley as we know it today would’ve been unthinkable.” This may also help to explain the staggering number of active VCs in America, which hovers around 19,600 compared to just 7,800 in Europe, according to Dealroom data. Freeing pension funds from “overly restrictive member state investment rules” is the way forward for Europe, he argues.

66

[The seven largest US tech companies] are a wealth engine to pay for other things a country might want to do.”

*Ian Hogarth,
investor, Plural Platform*

EUROPE'S CAPITAL-EFFICIENT EDGE

This legacy of early capital mobilisation still shapes the funding landscape today — and helps explain why deal sizes, valuations, and scale ambitions often look very different across the Atlantic. In 2024, the average deal size in the US was \$20.4m — almost double Europe's \$11.8m, according to Dealroom data. America also saw nearly four times as many megarounds as Europe over the same period. The disparity is reflected at the very top end of the market too: the most valuable tech company in Europe today is Deutsche Telekom, valued at \$330bn, while Apple's valuation has soared to \$3.2tn.

But while Europeans patiently wait for the region's first trillion-dollar startup, they can content themselves with some mighty \$100bn-plus tech companies. These include Sweden's Spotify, the world's most popular audio-streaming subscription service with more than 615m users, and Dutch chipmaker ASML, a company whose absence would make it next to impossible to make cutting-edge chips for smartphones.

These success stories pay their way well into the future. In 2021, for example, Spotify founder Daniel Ek invested €100m in German AI defence startup Helsing “when there was no alternative investor standing in the wings — he was the only person willing to take this level of risk”, Hogarth notes. Helsing has now secured a series of major government military contracts. “That early investment substantially de-risked the business, allowing Helsing to raise more than \$830m from venture capitalists over the subsequent three years. It was a catalytic event of a kind that doesn't happen enough in Europe,” writes Hogarth.

But many of Europe's brightest founders don't overthink the fundraising gap with the US, either. Instead, they make a virtue of funding constraints. “We all know there's a lack of growth capital for deeptech; we don't have a Sequoia [VC firm], for example. But this forces you to think about how to play things differently,” says Théau Peronnin, founder of Paris-based quantum computing startup Alice & Bob.

“We've been extremely capital efficient and built a very lean and strong company. Investors see this; the market sees this.”

“**[The lack of growth capital for deeptech] forces you to think about how to play things differently.**”

*Théau Peronnin,
founder, Alice & Bob*

Alice & Bob raised a €100m Series B this year, one of the larger rounds for a quantum computing startup in Europe. Though European founders commonly need to look abroad to raise bigger sums, Peronnin's chunky round was led by AVP, Bpifrance and the Qatari-backed Future French Champions — meaning a lot of Alice & Bob's backing comes from within France itself.

6

What do you see as the greatest challenge facing your company's growth in 2025?

EUROPE UNITED STATES

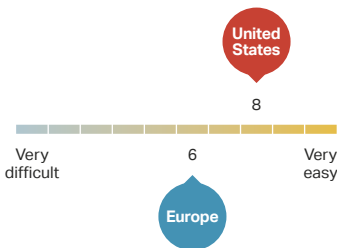


Access to capital is the standout growth challenge for founders on both sides of the Atlantic — but it's a significantly bigger concern in Europe, where over half (53%) of founders flagged it, compared to just 30% in the US.

From there, the two regions diverge: Europeans are more focused on customer acquisition (32%) and regulatory hurdles (20%), while US founders are far more preoccupied with the rapid pace of technological change (26%) and supply chain disruption (21%). Despite global instability, geopolitical risk doesn't top the list of concerns.

7

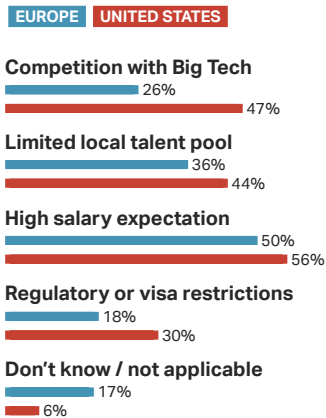
How would you rate the ease of accessing talent necessary to grow your business?



The most popular US response is an all-out 10. (24% US vs 3% EU), followed by 9 (20% vs 6% EU). Europeans are more moderate, clustering around 5 (18%) 6 (17%) and 7 (18%).

8

What are the primary challenges you face in hiring skilled talent?



Shallower funding pockets gives European companies a mindset that they need to do more with less, says Radha Vyas, CEO and cofounder of Flash Pack, which offers trips such as safaris and Antarctica treks to solo travellers in their 30s and 40s. “This makes us highly capital efficient and it’s why American VCs really chase us.” (more on this company and why it’s moving to the US in chapter 3).

This notion — that you don’t always need gigantic resources to go far — has recently energised Europe’s AI companies. For a while, the continent was turning gloomy on its chances in the global AI race, but that dramatically changed this year after Chinese startup DeepSeek showed the world it was possible to produce a powerful reasoning model for a fraction of the cost of leading American models.

The discovery has lit a fire under the Europeans: suddenly, no one is counting themselves out of the race. European startups to watch include Paris-based LLM developer Mistral AI, which is signing hefty business deals lately, and UK-based Synthesia, which makes uncannily realistic AI videos.

The DeepSeek approach to AI has lowered some of the barriers for European businesses, says Thomas McHugh, cofounder and CEO of Finbourne, a London company that helps finance firms manage their data. “But the cost of training reasoning models is still huge, into the billions — and we’ve seen ‘hyperscaler companies’ in other industries locking in insurmountable advantages. I don’t think Europe will have the money to produce the big AGI [artificial general intelligence] advances,” he adds.

But here’s an overlooked benefit of having fewer towering tech companies around: European startups have a freer run at the job market, argues Peronnin. “There’s less competition for talent, we don’t have ‘the Magnificent Seven’ companies actively building teams around our graduates. Also if you’re in the Bay Area, you will be forced to pay huge salaries.”

Like other founders Sifted chatted to, Florent Grosmaître raises the lack of growth capital as the key thing to address in Europe. But the CEO of Paris-based CryptoNext Security, which is developing encryption systems that can’t be compromised by the powerful quantum computers of the future, also said it’s good to keep things in perspective. “Compare the situation now and 15 years ago, it’s not the same story in Europe. As a startup, you can immediately think with more ambition, you have more support all around you. Sometimes we like to complain — but it’s a very positive point for us.”

The DeepSeek approach to AI has lowered some of the barriers for European businesses.

Thomas McHugh, cofounder and CEO, Finbourne

EU INC MOVEMENT SWELLS

In 2024, former Italian prime minister Mario Draghi explained that if Europe wants to boost its economy, it should focus less on the regulation of technology and more on building cutting-edge tech itself. Draghi's recommendation — laid out in a thick report — is that the EU spend some €800bn, favour strategic mergers and scaleups and create a European research agency to turbocharge innovation.

The Italian's call to go easy on the red tape was well received by Europe's tech world inhabitants. Founders routinely complain that they face more bureaucratic drag compared with their US peers.

Investor Brent Hoberman recently shared the frustrations of finalising a fundraising deal in Austria, which involved video calls with notaries to verify every signature and lawyers to read lengthy investment documents out loud. "Had we been investing in the UK or US, it would have taken minutes — sign digitally, wire the money, done. But in Austria? Weeks of legal acrobatics," he wrote in the Financial Times in March. "This isn't just an annoyance — it's an existential problem for Europe's scaleup ecosystem."

Paperwork is a real drag for Berlin-based startup founder Jérôme Bau.

"I go to notaries, there's a lot of paper, nothing is digital. There are things taped together. It all feels very ancient. It feels like I'm building a factory for metalworking in the 1800s," he told Sifted last year.

“
It feels like I’m
building a factory
for metalworking
in the 1800s.”

*Jérôme Bau,
cofounder, Cuinti*

Though Germany appears to be an extreme case — as a comparison, it takes less than 24 hours to set up a business in the UK — perhaps it's no surprise that the key instigators behind a plan to overhaul European red tape are, in fact, German. Berlin-based investors Andreas Klinger and Philipp Herkelmann are the ringmasters of a grassroots movement called "EU Inc" that wants Brussels to take a cleaver to excessive rules and create the continent's answer to a Delaware C corp. The pair launched EU Inc late last year, imploring officials to take reform seriously after years of complaints about the continent's fragmented markets.

The proposal has stirred up rare interest from techies and is backed by the founders of top tech companies such as Stripe, Supercell and Wise. Other demands include a unified stock options programme to help more people benefit from a startup's success; and digitalising the business incorporation process — moving it online and making it faster than it is today. "We want to have a very actionable approach for Brussels. We want to move the needle," says Herkelmann.

9

**How concerned
are you about
rapid technological
advancements
(e.g. AI) outpacing
your company's
adaptation?**

NOT SOMEWHAT VERY

Europe

45% 40% 15%

United States

25% 36% 39%

While many founders in both regions are somewhat concerned, the US data points to a higher perceived pressure to adapt quickly.

Chapter II

TRUMP, TARIFFS AND THE TECH TUG-OF-WAR



Donald Trump is lighting a fire under the Europeans. The US President's willingness to fracture the transatlantic alliance has added fresh urgency to European efforts to become more technologically "independent" or sovereign from the US. He even has some Europeans talking about MEGA — or "Make Europe Great Again".

This push for European tech sovereignty started during the first Trump presidency in 2017. Since then, money from the European Innovation Council has flown to strategic areas such as microchips, cloud platforms and AI applications. The European Commission also recently appointed its first-ever "technology sovereignty" chief, Henna Virkkunen.

The Trump effect has confronted Europe with demands for higher military spending, though some feel this pressure has some justification and could help Europe. "For European startups in defence tech, this isn't a detour, it's acceleration," says Daniel Carew, a partner at VC firm Join Capital. "The need for sovereign capabilities in computing, manufacturing and security infrastructure has never been more urgent or more investable."

The biggest unknown is how the tech industry will cope with the economic earthquake set off by Trump's tariffs, which at the time of writing were paused for 90 days for some countries in the face of a bond-market revolt. "The world order is getting re-negotiated over social media," says Greg Levesque, CEO of Strider Technologies, which helps companies to "proactively" respond to geopolitical threats. If they do take effect sometime in Europe in the future it'll be a drag on everything, industry figures say.

“**The world order is getting re-negotiated over social media.**”

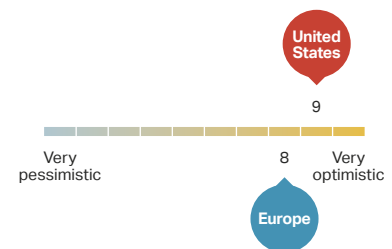
*Greg Levesque,
cofounder and CEO,
Strider Technologies*

When Sifted recently spoke to Maximilian Wühr, CEO of German car subscription company Finn, he remarked on his company's "serendipitous" strategy to focus on the German market, having realised years earlier that they needed to become profitable in Europe before trying to crack America.

The most direct impact of tariffs will be felt by startups selling physical products and hardware into the US — or by those that buy from companies heavily impacted. Peronnin says his company, Alice & Bob, didn't appear to be directly exposed to tariff pain. "But generally, it's tougher to do business when things are unstable; when you don't know what the rules of the game will be tomorrow."

10

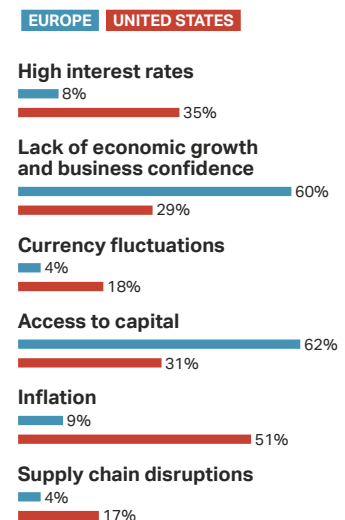
How optimistic are you about the future growth and success of your company?



Optimism is high on both sides of the Atlantic. American late stage companies are particularly upbeat: 62% of late-stage founders selected "10", as did 41% of growth-stage companies.

11

Which of the following economic challenges pose the biggest threat to your business in 2025?



European and US based founders face a different set of economic challenges.

12

How concerned are you about hardware supply chain issues?

NOT SOMEWHAT VERY

Europe

76% 18% 6%

United States

30% 34% 36%

Supply chain disruption is a far greater concern for US founders than for their European peers. This divide is echoed in concerns specifically about hardware supply chain risks — nearly a third of US founders are very concerned, versus just 6% in Europe. European founders feel less reliant on vulnerable hardware pipelines, or at least more insulated from global supply shocks.

13

What are your primary objectives for the next two years?

EUROPE UNITED STATES

Expanding product or service offerings

52% 62%

Increasing market share

45% 45%

Preparing for IPO or acquisition

8% 8%

Becoming a more profitable business

40% 45%

Entering new geographic markets

34% 29%

Both US and European founders are focused on expanding product offerings and increasing market share, with IPOs and exits taking a backseat for now.

Selina Tirtajana, cofounder and CEO of SØVN, a smart earbud company based in the Netherlands, tells Sifted her company expected most sales to come from the US this year, but tariffs could force some difficult decisions. “We’ll have to decide whether to pass the cost to consumers [if tariffs happen], which is against our mission of accessibility, or absorb the margin hit, which is difficult for a hardware startup whose margins are heavily scrutinised by potential investors,” she says. “We discussed having a US subsidiary and manufacturing in the US, but with all the political and economic instabilities there, we didn’t seriously consider it.”

The uncertainty is enough to put IPOs on ice. This year, Sweden could have its second major tech IPO candidate in 10 years — the first being Spotify — if fintech Klarna decides to float on the New York Stock Exchange. The fintech was preparing for this, but its plans abruptly changed after Trump’s tariff announcement cratered the stock market.

Klarna’s choice of a US listing has caused handwringing in Sweden, with prime minister Ulf Kristersson calling on the EU to address why European tech companies are choosing to go public in the US. Klarna’s US float, should it still happen, is an understandable move, says Mathias Wikström, cofounder and CEO of Stockholm fintech Doconomy. “If the prime minister is upset about this, maybe he should change a few things to help make it more attractive to IPO here.”

But this dearth of IPOs is not just a European problem: US public listings also came to a near standstill about three years ago in the face of high inflation and rising interest rates. Investors hope 2025 will be an improvement — or at least they hoped for this before Trump’s tariff blitz. US AI cloud company CoreWeave, which rents out access to Nvidia’s graphics processing units to other technology companies, opened on the public markets in March in the biggest venture-backed tech IPO for a US company since 2021.

It was supposed to be the first of many this year. Adam Kostyál, the Nasdaq’s head of listings in Europe, tells Sifted: “We had an incredibly good start to this year and we had, and still have, a strong pipeline. Now it’s going to become much more cautious,” he says.

66

We discussed having a US subsidiary and manufacturing in the US, but with all the political and economic instabilities there, we didn’t seriously consider it.”

*Selina Tirtajana,
cofounder and CEO, SØVN*

WILL FOUNDERS TAKE FLIGHT?

Europe could also see a flight of talent to the US as a result of tariffs. “Startups that work in some of the most affected industries like automobiles and pharmaceuticals will suffer and may consider relocating production and manufacturing facilities to the US,” Alvaro Alvarez del Rio, investor at Boost Capital Partners, tells Sifted.

For Philipp Werner, partner at German VC Project A, the prospect of US tech workers relocating to Europe because of Trump is “plausible”. However, he’s sceptical that Europe can hang onto any US talent that it poaches. “The US [has] more job opportunities and competitive compensation packages, particularly in Silicon Valley,” he says.

Inevitably, many Europeans will continue to feel the magnetic pull to the US, even if the current political tensions have introduced new levels of doubt and acrimony. According to a recent analysis, nearly half of America’s unicorn founders were born outside the US — the UK has provided 31 of these founders, followed by Germany (18), France (17), Ukraine (12) and Ireland (10).

“We’re in a state of flux,” says Luigi Lenguito, founder and CEO of cybersecurity firm BforeAI, on his family’s plans to relocate from Montpellier to the US, where the business is now based. “Things felt very doom and gloom for a while in Europe and I didn’t know if I wanted my kids to be exposed to this kind of pessimism. Everyone here was thinking the best days were behind them — I think it’s got a little better on this front recently.”

He adds: “The US is a frontier culture, super-optimistic. They always say the best days are still ahead. But tariffs and Trump are a big moment of disruption — the question is how long will the disruption last?”

And even if Europe was to attract and retain more talent, America would still have the edge: approximately 10.2m tech workers are employed in America, compared to just 3.5m in Europe, according to Atomico. These figures suggest that while America can afford for some of its talent to relocate, Europe feels each loss more keenly.

Trump’s threats to fracture ties with Europe may spur the continent to come together, says Peronnin, who likens the Trump presidency to an existential danger. “We saw something unexpected from Europe during the pandemic — there was an urgency to respond. I hope we’re going to see the same level of intensity in this context.”

14

Do you have a defined exit strategy for your company?

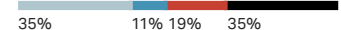
YES, AIMING FOR ACQUISITION

YES, AIMING FOR IPO

NO, PLANNING TO REMAIN PRIVATE

UNDECIDED

Europe



United States



15

Are you actively exploring (or plan to explore) the M&A market for opportunities?

YES

NO

UNDECIDED

Europe



United States



US companies are more M&A-oriented, with nearly 60% actively exploring deals, compared to just 42% in Europe.

Chapter III

WHAT CAN THE TECH SCENES LEARN FROM EACH OTHER?



Europeans say they'd love to bottle some of America's energy and tech optimism, while many Americans look longingly at Europe's work-life balance.

THE AMERICAN SPIRIT CAN BE HARD TO RESIST

There seems to be no shortage of examples of European founders drawn to America for its culture. Nessrine Berrama, Paris-based CEO of dotConferences, which organises events for international engineers in Europe, says that many engineers travel to San Francisco for "shots of AI energy." And Tao Tao, cofounder of German traveltech unicorn GetYourGuide, observes, "Almost everybody in the US has a side project and is trying to start a business. They cheer people on who start something new." His company, previously based in Berlin, moved to New York in January 2024. "There is just more of a spirit of building things in the US," he adds.

Delphine Groll, cofounder and COO of French AI company Nabla, says that when she moved to New York some months ago, she had an almost overwhelming number of people reach out to her offering help, advice and coffee dates — which is something she wasn't too familiar with living in France. "If someone is new in this country, everybody wants to help you. They invite you for a coffee, a drink. When you have children they send you five invitations for play dates. It's a very welcoming culture here," she adds.

“**[In the US] they cheer people on who start something new.**”

*Tao Tao,
cofounder and COO, GetYourGuide*

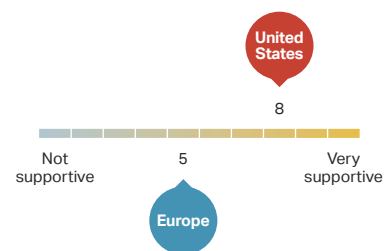
Other European founders heading for the US include the husband and wife team running Flash Pack, which offers trips such as safaris and Antarctica treks to solo travellers in their 30s and 40s. The company is relocating to Hoboken, New Jersey, this year. "It felt like things were shrinking in the UK. The US opportunity is huge, it's at least four times bigger for us. So it makes sense," says cofounder and CEO Radha Vyas. "We have three million customers in Brooklyn — one neighbourhood, imagine."

Vyas, adds that she's been won over by the US tech outlook. "If people like your mission, they'll really back you," she said. "People here are also so confident. You'll be talking to someone and it sounds like they have a billion-dollar business. Then you'll look them up later online and they have a newsletter." Her theory is that US early

education puts more emphasis on developing social skills. "A five-year-old can be made to get up and speak to the class," she says.

16

How would you rate the level of support* provided by your local tech ecosystem?



American founders are an optimistic bunch. The most popular US response is an all-out 10. (25% US vs 4% EU)

**E.g. access to mentors, networking opportunities, government initiatives.*

17

Do you have any plans to change headquarters to another country or region?

YES NO UNDECIDED

Europe



United States



Most founders aren't planning to move their headquarters — but US founders are far more likely to consider it. 26% of US founders say they have plans to relocate, compared to just 15% of European founders.

Among those who've already moved once, 70% of US respondents plan to move again. In contrast, nearly all European founders who have relocated before intend to stay put.

This mobility suggests US founders are more fluid — and possibly more aggressive — in their approach to scaling and accessing global markets.

EUROPE'S WORK-LIFE BALANCE — AMERICANS, TAKE NOTE

For all that Europe is an attractive landscape for American founders, it goes both ways. Plenty of Americans are jumping ship and moving over to escape the hustle that personifies America.

Indeed, when it comes to balancing life and work, European countries are widely perceived as masters. In the Nordics, for example, the out-of-office email replies start sometime in June and can last until the end of August. In the Netherlands, "There's not this live-to-work mentality — it seems they have better things to be doing," says Laura Winn, a Brit who moved to Amsterdam in 2019 to run Nothing Ventured, a non-profit that offers free consultancy to women founders. By contrast, in the US, 20 to 30 days of holiday per year is still uncommon for many Americans.

That's a main reason why is American entrepreneur Ashley Duque Kienzle, who worked at a string of big tech companies in New York, San Francisco and London before settling in Barcelona in her late 30s. She'd have moved there sooner were it not for visa issues. "I couldn't find sponsorship in Europe for a long time because I was working in AI and only a few companies were interested in it. How times have changed."

In her experience, "Spanish people are very well rounded; I love the friendliness of my neighbours. My parents live here now too, three floors above me. How Spanish is that?"

On matters tech, she says Europe got a lot better at fostering innovation since the pandemic. "There are more digital nomads and entrepreneur visas everywhere now."

Still, she'll encounter some gloom regarding Europe's progress in AI. "A woman told me 'Europe can't win on LLMs [large language models] so what's the point'. I said, 'you can't say that. You need to get behind Mistral and the other AI players in Europe.'" Kienzle has soured on the American Big Tech players and has divested from US tech stocks in protest. "I don't want to support these guys. I'm using Mistral," she says.

Overall, she loves the work-life balance in Barcelona, even if her after-work calendar is a lot less full than it was in London or New York. "I would have two events a night to choose between in London. But that's fine, I don't want to go to as many things these days anyway. I don't want to be 20 and hustling. People choose to live here because it has a slightly slower pace. I want to walk my dogs in the mornings and evenings. I don't want all the rush."

But the cliché that US workers have a stricter, productivity-driven focus is true in Luigi Lenguito's experience. The founder and CEO of BforeAI, a cybersecurity company that started in France but flipped to the US, says the average work ethic is much stronger in the US. Happily, he's imported the European sense of balance to his company. "We make sure all our employees use their 25 days of holiday."

Lenguito says he values the flexibility that most European companies still allow their workers, post-pandemic. By contrast, remote working "is regressing in the US", he says, with more offices ordering employees to show up to their desks five times a week.

FOR EUROPEANS, THE CALL TO RETURN HOME IS GETTING LOUDER

A growing number of European founders are making their way back across the Atlantic. In recent years, Europe has stepped up efforts to create a more welcoming environment for entrepreneurs — not just to retain local talent, but to attract its diaspora home.

One notable effort, launched in 2015 by a group of high-growth French startups, is the “Reviens Léon” (“Léon, come home”) initiative, aiming to attract French expatriates back to their homeland. The initiative offered practical support — from navigating French bureaucracy to finding housing and rejoining the local startup scene. Frédéric Mazzella, founder of BlaBlaCar and one of the campaign’s architects, argued that the ecosystem in France had evolved dramatically and was now ripe with opportunity for returnees.

One recent example is Julien Launay, cofounder and CEO of Adaptive ML, who returned from the US to launch a generative AI company in Paris. With a \$20m seed round behind it, Adaptive ML is developing enterprise-focused AI models and expanding its R&D presence in France — a sign that Europe is once again being seen as a viable base for ambitious tech innovation.

“

Sometimes you make a mistake with hiring, but you can correct this very quickly. In Europe, you may get stuck with a problem hire for a long time.”

*Luigi Lenguito,
cofounder and CEO, BforeAI*

These are the parameters Europeans have to play in; the bumpers are there. In the US, two weeks’ notice is a formality. It’s ‘here’s your stuff, adios’.”

Quicker hiring and firing is a key strength of US tech, argues BforeAI’s Lenguito. “Sometimes you make a mistake with hiring, but you can correct this very quickly. In Europe, you may get stuck with a problem hire for a long time.” At the same time, adds Flash Pack’s Vyas, recruitment in the US is “very, very, very expensive, and it takes double the amount of time compared to the UK. America could sink your company because it’s very expensive; you need to stay lean”.

HOW US HANDLES FRICTION

Europe is often criticised for piling a heavy administrative burden on tech companies. Europeans long for the relative ease of the US, where companies can raise capital and hire talent under one predominant legal framework.

If Europeans have a reputation for being more risk averse, it’s because of this admin, says Brieahan Burke, a general partner at Keen Venture Partners in Amsterdam. “What people forget is that letting go of employees here is not a formality. There’s a stronger social net, with severance packages to pay and longer notice periods.

18

How would you rate the impact of AI on your industry and business?

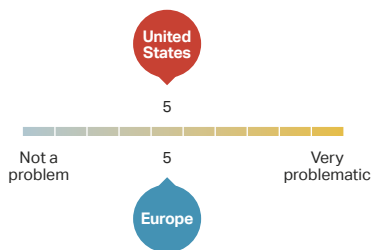
EUROPE UNITED STATES



AI is seen as a major force shaping both industries and individual businesses, with US founders rating its impact on their industry and business at 8/10, and European founders close behind at 7/10. Both groups view AI as a huge opportunity (8/10 on average), but the US sees more risk too — scoring AI’s potential as a threat at 6/10, compared to just 4/10 in Europe. The data suggests that while excitement is high across the board, US founders are approaching AI with a more cautious — or perhaps more competitive — mindset.

19

How much of a blocker are regional regulations to your business operations?



While regulation scores a 5 out of 10 on average as a blocker in both regions, it surfaces more frequently as a top concern among European founders, where 53% identified it as their biggest growth barrier, compared to 30% in the US.

The US is not magically free of friction or red tape, then. Securing a visa to work in the US can also be challenging. "I would have liked less paperwork and faster processing," says Nabla's Groll, who had to wait six months to secure a visa, having applied during the Paris Olympics which "paralysed US consular services for months". Getting social security numbers is also not easy, she adds. "You have to be in the US to apply for it, there are weeks of waiting and without it, it's difficult to open a US bank account or to get home insurance for instance."

It's well known that Europe's patchwork of rules slows down expansion — but there's also some friction in doing business across US states, says Lenguito. "It's 50 states, which means 50 different sales taxes and different labour laws in each state." But he highly rates the tech services available to help push through all the admin. "That middleware infrastructure to help you do your taxes and pay your VAT across European countries is not as advanced as it is in the US," he says.

66

It's 50 states, which means 50 different sales taxes and different labour laws in each state."

Luigi Lenguito, cofounder and CEO, BforeAI

Lenguito's one of the European entrepreneurs rallying behind the call for a pan-European legal framework for startups — dubbed "EU Inc" — which would standardise the administrative processes, from company formation to investment structures. "I have hope that it can clear up a lot of stuff, though my fear is that this regulation will be transposed into different laws in the 27 member states, and we'll have the same confusion."

PUBLIC CAPITAL HELPS EUROPE MAKE BOLDER BETS

Lenguito is also calling for Europe to adopt some of corporate America's willingness to take a punt on unproven technology. "Culturally speaking, there is a lack of appetite in Europe to work with small, upcoming companies," he says. "They're perceived as too much of a risk."

Helping with that cause are a number of powerful public institutions that have stepped in to plug Europe's funding gaps and de-risk innovation. Bodies like the European Investment Fund (EIF), Bpifrance and KfW in Germany have become major players in backing early-stage startups, anchoring venture capital funds and supporting deeptech and climate ventures that might otherwise struggle to attract private capital alone.

The EIF, for example, acts as a cornerstone investor in hundreds of VC funds across Europe, catalysing private investment into tech and innovation. Bpifrance has played a particularly active role in France — co-investing in startups, supporting seed-stage innovation and launching initiatives like the French Tech Seed Fund. KfW, meanwhile, supports Germany's startup economy through public-private partnerships and tailored loan programs.

Together, these institutions are forming a crucial backbone of European tech — helping founders scale in a more risk-averse investment climate and building resilience into the ecosystem from the ground up.

SUPPORT FOR EUROPE'S 'KEYSTONE SPECIES'

British investor Ian Hogarth agrees that Europe needs to bottle some of that encouragement culture that Vyas and other founders have experienced in the US. He wants to see a bigger fuss made over serial founders at home, who he calls “a keystone species” for the European economy. “Repeat entrepreneurs massively affect the overall health of a continent’s technology ecosystem,” he wrote recently in the Financial Times.

“We have a brilliant legacy of very successful founders,” agrees Mathias Wikström, cofounder and CEO of Swedish fintech Doconomy. “There’s

no lack of talent. We need to start digging where we stand” And with a bit of luck, he adds, “we’ll see some brain drain from the US”.

Alice & Bob’s Théau Peronnin, who we met earlier in the report, says, “We have all the key ingredients to build a very strong tech ecosystem. I’m bullish we can get it right.”

“**We have all the key ingredients to build a very strong tech ecosystem.”**

*Théau Peronnin,
founder, Alice & Bob*

20

Are you seeking or have you engaged in collaborations with companies or investors from other regions?

YES NO UNDECIDED

Europe

69% 31%

United States

58% 41% 1%

European founders are notably more outward-looking when it comes to cross-border collaboration. 69% say they are actively working with or seeking partners in other regions, compared to 58% of US founders. This reflects Europe’s more fragmented market landscape — where international expansion and cooperation are often built-in from the start — versus the US, where startups can grow domestically for longer before looking abroad.

CONCLUSION

Different strengths, shared ambitions

America may outnumber Europe's billion-dollar exits nearly 4 to 1, but one thing's certain: President Trump's tariff threats already have European founders thinking twice about expanding to the US.

Yet whatever President Trump does, it still feels highly likely that the US entrepreneurial track record will continue to be the envy of the world. America has produced a generation of mammoth tech companies that are hard to beat. "The kill or be killed mentality here means more volatility, but it also often means faster and bigger growth," says Michael Melia, head of go-to-market at New York-based Ethyca.

Survey data backs up that picture of US confidence. American founders rated their access to capital at an average of 7 out of 10 — compared to 5 in Europe — with a quarter of US respondents awarding it a perfect 10. US founders also feel better supported by their ecosystems and more optimistic about access to talent, while Europeans paint a more measured, capital-efficient picture of growth.

Talent, in particular, remains a friction point. Across the Atlantic, US founders rated the ease of hiring an average of 8 out of 10, compared to just 6 in Europe — a gap that plays out in real-world frustrations. As Stef van Grieken, founder of AI biotech Cradle, recalled: "I tried to hire a superstar ML [machine learning] engineer. When I told him that it'd take me eight weeks to get the offer ready because of visa processes, he laughed... and started working for OpenAI a few weeks later." These barriers, van Grieken noted, make operating in Europe "10% harder every single day."

Yet there's a growing determination to fix what's broken. Many see Cradle — which raised a chunky \$73m round in November 2024 — as one of the next big European success stories. And while van Grieken didn't land his star engineer this time, he's optimistic that Europe will do better on red tape and talent in the years ahead, "because there are a lot of smart people in national and European governments trying to solve [things]."

He underlines the urgency: "But if we want to continue to be competitive in the spaces [where] we still have a competitive edge, we need to get moving."

Despite the different paths they are taking, US and European founders share a common ambition: to build lasting, globally significant companies. The ecosystems are learning from each other more than ever — and the future belongs to those who can blend ambition with resilience and scale with purpose.

PREDICTIONS

The future of the EU & US ecosystems, according to experts...

UK holds the crown — for now



"Things are a bit mixed in the UK right now. We are the undisputed king of fintech but it feels like this may be under threat, with some government incentives being pared back and the income tax rate rising. But it's definitely still a great place for talent — and will remain so."

Thomas McHugh, cofounder and CEO, Finbourne

A long road for trade wars



"Europeans don't fully understand the credit crunch situation we're in: our deficit is the same as it was at the height of Covid. So when Trump looks at this and the trading deficit; and the weak industrial base; and the Chinese infiltration of key US industries; and the threats to Taiwan's sovereignty, the trade war has been coming for a long time — and has a long way to go."

Greg Levesque, cofounder and CEO, Strider Technologies

Trump's push is Europe's chance



"The tech sovereignty push in Europe is real now because of Trump: this isn't just lip service anymore, this is happening. I think there's a great opportunity for Europe to close the gap on AI and other key technologies."

Brieahan Burke, general partner, Keen Venture Partners

America's market will always tempt startups



"The US will remain the best place to start a tech company and tap into a large prospective customer base. Its culture will continue to encourage entrepreneurs to take risks by framing failure as a learning opportunity and offering the potential for outsized exits."

Alex Scherbakovsky, general partner, AVP

Europe has the money



"I'm not worried about Europe's future. The money's there for tech companies— there are just some solvable issues around logistics and how the money finds its way to startups."

Théau Peronnin, cofounder and CEO, Alice & Bob

US retreat on remote work is Europe's advantage



"US companies want their workers back in the office, whereas European companies are keeping their flexibility on this. I think the latter is the wiser move for the future."

Luigi Lenguito, founder and CEO, BforeAI

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Founder and CEO,
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Cofounder and COO,
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Cofounder and CEO,
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Leapsome

RADHA VYAS

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