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H1 2025 review

A braver, bolder Europe emerges

H1 highlights

EQUITY FUNDING:

Investment in H1 totalled €23.8bn from 2,143 funding rounds — an 11.5% fall compared to H1 last year but up on H2 2024 by 21%..

ROUND SIZES:

The median seed and Series A round size is up 5.3% and 2.1% respectively, but at Series B and C, there's been a 25.3% and 13.6% fall.

MEGAROUNDS:

46 rounds of \$100m+ were announced in H1. So far, the year is on track to match the 94 megarounds in 2024.

BIGGEST DEALS (EQUITY):

German defence tech Helsing scored the largest round of €600m (Series D), led by Spotify founder Daniel Ek's Prima Materia.

BIGGEST DEAL (DEBT):

Romanian sports betting platform Superbet has raised 2025's biggest debt facility to date: €1.3bn led by HPS Investment Partners and Blackstone.

DEBT:

Venture debt financing in H1 reached €7.1bn across 104 deals, a steep fall from H1 2024 (€21.4bn over 173 deals) but, again, up 63% on the previous half.

CITIES:

Munich, Barcelona and Madrid have all grown their funding levels by over 100% since H1 last year. London and Paris are both experiencing drops in funding: the gap between the latter and Munich in H1 was only €348m.

AI HUBS:

Berlin (17.4%) and Amsterdam (16.7%) were home to the highest proportion of AI-native funding rounds compared to the total deal count in their cities, followed by Paris (12.8%) and Dublin (12.5%).

VERTICALS:

Healthtech attracted the highest investment (€5.7bn) in H1 — a 10.3% increase over last year. Deeptech came in a close second, with €5.2bn. Climate tech funding has fallen 40%.

SECTORS:

Drug discovery took centre stage in H1 (€2.2bn raised), just as it did in H1 2024 (€2.6bn). AI agents is Europe's fastest-growing sector, with deal count climbing 226% YoY — raising €1.7bn in total.

COUNTRIES:

Spain drastically increased their YoY H1 total funding by +132%, but the UK still holds the crown for most funding: €6.7bn. Ireland's funding is up 60%.

M&A:

433 M&A deals were tracked in H1. That holds steady with 2024 H1's count of 420. The highest concentration of activity is in B2B SaaS (189), consumer (59) and fintech (56). Only 30 had a disclosed deal value, totalling €5.7bn.



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Deals Tracker

Startup Name	Deal Size	Lead Investors	Sectors



Deeptech10.02.2025

AI agents (2025)

Licence to kill SaaS startups



Equity funding

Confidence returned in H1, despite a 11.5% YoY funding dip

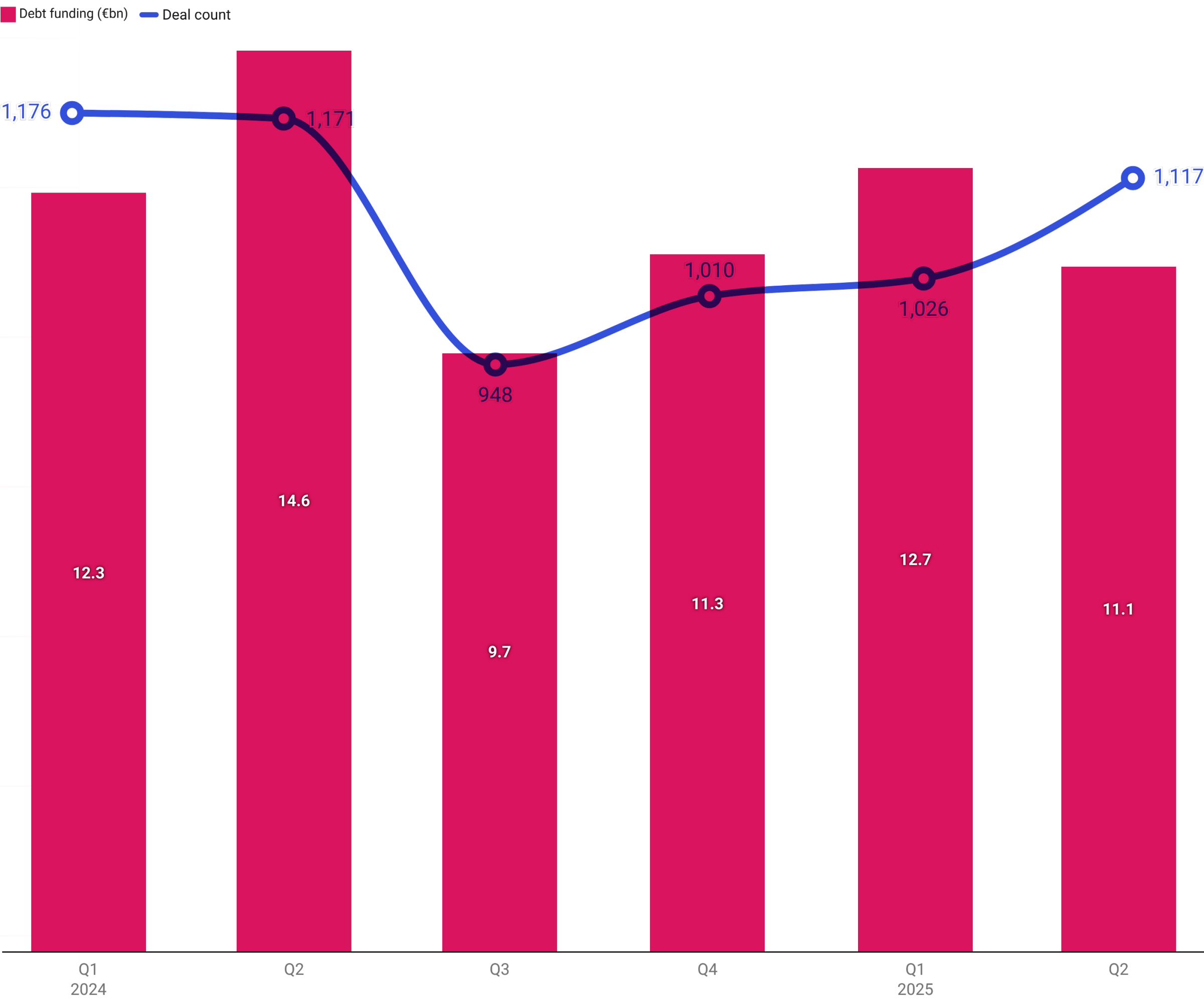
European tech hit the ground running in Q1 — as it did last year — raising €12.7bn. And despite a slower Q2 (€11.1bn), deal count in Q2 was the highest it's been in a year. Looking around Europe, it feels like there's a lot happening. The buzz is palpable.

“Europe has never looked so good. The year started with announcements like Stargate in the US and Deepseek in China leaving Europe. Fortunately, there was a sharp turnaround, starting with the AI Action Summit in France and the massive €109bn investment that followed. Amid geopolitical uncertainty, tighter immigration policy in the US and hostility towards science and universities, the impact of DOGE and more, Europe is looking better than ever. Now, instead of criticising itself, as Europe so famously does, it's time for the region to roll up its sleeves and power ahead.”



Roxanne Varza, director, Station F in Paris

Equity funding by quarter, Q1 2024 - Q2 2025 (€bn)



Source: Sifted

Growth and late stage funding rebound, *slightly*

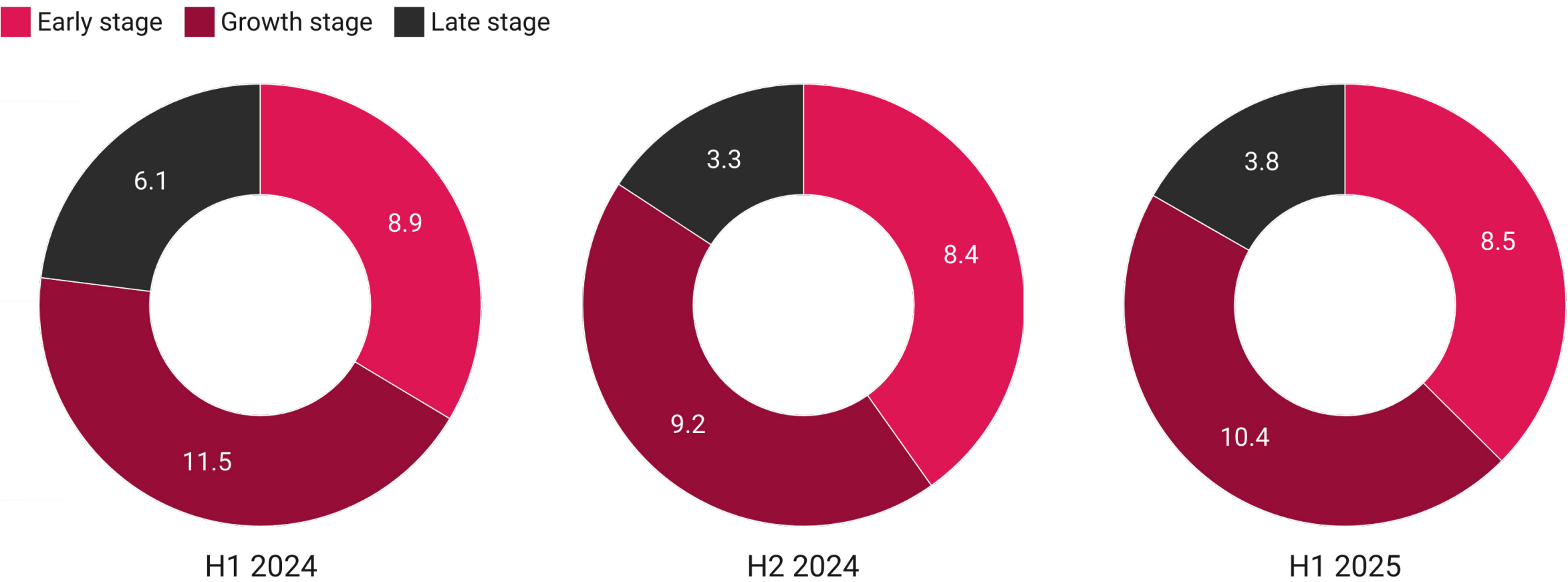
Late stage funding (Series D to pre-IPO) bottomed out in the second half of 2024 — a mere 15 deals made it one of the snooziest summers on record. It has looked better between Q4 2024 and Q2 2025, with 28, 27 and 27 late stage deals per quarter. A €600m Helsing Series D certainly helps. Across the board, deal count was down 8.7% YoY in H1, but growth-stage activity has bucked the trend: the number of rounds is actually up 5%.

“The number one request in every tech scene across Europe: more growth stage capital, please. Well, the numbers have a positive story to tell here. And the psychological impact of a few big rounds in a given geography? Huge.”

Éanna Kelly, contributing editor



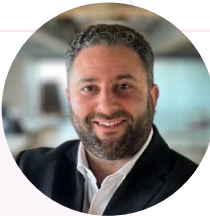
Equity funding by stage, H1 2024 - H1 2025 (€bn)



Source: Sifted
Sifted defines early stage as up to and including Series A, growth stage as Series B and C and late stage as Series D up to but excluding IPO.

More deals at Series B and C

Deal volumes at Series B and C saw modest spikes in H1, increasing by 4% and 7% year-on-year respectively. Bumper Series Bs this year include Poland’s biggest deal so far in 2025, the \$44m raised by robotics startup Nomagic, and San Sebastián-based Multiverse Computing’s huge \$215m round, which keeps Spain in the AI race. Voice AI unicorn Eleven Labs took home the biggest Series C: a \$180m Series C led by US investors ICONIQ and Andreessen Horowitz.



“Seed rounds saw a small 1.6% bump too. The post-2021 slump has made some investors more cautious and founders more pragmatic. Instead of one big seed round, capital is being spread across leaner raises, and founders are seed-strapping more and more.”

Jason Druker, chief commercial officer, SFC Capital

Equity round distribution, H1 2025

Round (or equivalent)	H1 2025 deal count	YoY % change (vs. H1 2024)
Pre-seed	879	-16
Seed	752	2
Series A	297	-13
Series B	128	4
Series C	60	7
Series D+	27	-27

Funding distribution per round or equivalent, H1 2024 (%)

	€0-5m	€5-10m	€10-25m	€25-50m	€50-75m	€75-100m	€100m+	Typical interval
Pre-seed	99.7	0.1	0.1	0	0	0	0	€0m - €1.5m
Seed	87.9	8.7	2.3	0.8	0	0.1	0.3	€1.5m - €5.5m
Series A	7.9	51	35.4	4.2	1	0.5	0	€5.5m - €17.5m
Series B	0.6	1.8	43.4	39.2	6.6	3.6	4.8	€17.5m - €40.5m
Series C	0	3.6	10.7	44.6	17.9	14.3	8.9	€40.5m - €61.5m
Series D+	0	0	0	0	15	35	50	€61.5m+

Funding distribution per round or equivalent, H1 2025 (%)

	€0-5m	€5-10m	€10-25m	€25-50m	€50-75m	€75-100m	€100m+	Typical interval
Pre-seed	98.9	1	0.1	0	0	0	0	€0m - €3m
Seed	65.4	29.4	4.8	0.4	0	0	0	€3m - €10.5m
Series A	10.1	17.5	58.2	11.1	1	0.1	1.3	€10.5m - €28m
Series B	2.3	7	27.3	46.1	10.2	2.3	4.7	€28m - €50m
Series C	3.3	3.3	6.7	23.3	41.7	10	11.7	€50m - €125m
Series D+	3.7	0	3.7	3.7	3.7	3.7	81.5	€125m+

Source: Sifted
Where rounds do not have a specified round type e.g. Series A, rounds are modelled on typical quintile analysis.
Excludes funding rounds where the deal value is undisclosed.

The gap between Series As and Bs is narrowing

Median round sizes at both seed and Series A have increased by 5.3% and 2.1% respectively since H1 in 2024. Series Bs, however, are moving up in the opposite direction: over the course of the past year, the median deal size has dropped from €39.6m to €35m to €29.6m — a 25.3% decrease year-on-year.

“Round sizes for AI have ballooned — these companies are seeing disproportionately high valuation inflation and there’s a lot of competition between investors to back early-stage, high-profile breakout stars, who are inundated with term sheets. Small increases at Series C and D reflect an emerging cohort of European startups with huge capital requirements.”

Ruggero Di Spigna, senior analyst



Median equity round sizes, H1 2024 v H1 2025 (€m)

Round (or equivalent)	H1 2024 median (€m)	H2 2024 median (€m)	H1 2025 median (€m)	YoY % change (vs. H1 2024)
Pre-seed	1	1	0.9	-9.1
Seed	4	4.4	4.2	5.3
Series A	13.8	12.9	14.1	2.1
Series B	39.6	35	29.6	-25.3
Series C	64.5	68.9	55.8	-13.6
Series D+	117	138.7	140	19.7

Source: Sifted
Where rounds do not have a specified round type e.g. Series A, rounds are modelled on typical quintile analysis.

Defence, data centres, drug discovery claim top deals

A sign of the precarious times we live in that the biggest round so far this year was for defence tech Helsing. It’s also no surprise to see a data centre player here, amid the rush to meet the seemingly insatiable demand for AI compute capacity. EcoDataCenter, the startup in question, has plenty of money coming in the door: one of its major customers is AI giant CoreWeave, one of only a handful of tech companies to IPO in 2025 so far.

“Europe’s biggest VC rounds in H1 point to a deeper shift. Against a backdrop of geopolitical tension and capital rotation, Europe is quietly winning in high-barrier, high-impact sectors like defence, biotech and quantum. Unlike in the past, Europe is now well-positioned relative to the US. We see the complex regulatory landscape and country-specific dynamics not as hurdles, but as moats, creating the conditions for large, parallel champions to emerge across markets. Think SpaceX France, SpaceX Germany..., as governments push for greater technological and industrial autonomy.”

Laura McGinnis, principal, Balderton Capital



Top 10 biggest disclosed equity funding rounds, H1 2025

<div>HealthtechClimate techDeeptechFintechB2B SaaSConsumer</div>									
Company	HQ	Country	Founded	Sector	Month	Deal size (€m)	Round (if disclosed)	Lead investor(s)	
Helsing🦄	Munich		2021	Defence & dual-use tech	June	600	Series D	Prima Materia	
Isomorphic Labs	London		2021	Drug discovery	March	556		Thrive Capital	
EcoDataCenter	Falun		2019	Data centres	March	450			
Green Flexibility	Kempton		2023	Energy storage	January	400		Partners Group	
Verdiva Bio	London		2024	Drug discovery / Longevity	January	395	Series A	General Atlantic, Forbion	
SkyNRG	Amsterdam		2009	Aviation	May	300		APG	
Neko Health🦄	Stockholm		2018	Digital health	January	250	Series B	Lightspeed Venture Partners	
AMBOSS	Berlin		2012	Medtech	March	240		KIRKBI, M&G, Lightrock, Burda Principal Investments	
Auro	Spain		2017	Mobility	February	220		Uber	
TravelPerk🦄	Spain		2015	Travel	January	193	Series E	Atomico, EQT	

Source: Sifted
🦄 Denotes official unicorn status

Big early healthtech bets

Early-stage drug discovery and biotech startups were big raisers in H1 (they do need a lot of money for R&D after all). It’s noteworthy to see two climate techs on this list. It’s a very tricky year for the vertical — “a climate tech graveyard”, is how one publication described it — but investors still gathered €130m for Proxima Fusion, the largest ever funding round for a European fusion startup, and €60m for three-year-old French startup GravitHy, which aims to slash CO2 emissions at steel plants.

“Investor appetite for GLP-1-focused obesity biotechs shows no signs of stopping, as Verdiva’s blockbuster Series A shows. Weight loss market leaders Wegovy (Novo Nordisk) and Zepbound (Eli Lilly) are still only capturing a fraction of the estimated \$130bn market, with less than \$5bn sales clocked for the two drugs in 2023. There’s room for more companies to compete.”

Hessa Alabbas, data analyst



Top 10 biggest disclosed early-stage equity funding rounds, H1 2025

<div>HealthtechClimate techDeeptechFintechB2B SaaSConsumer</div>									
Company	HQ	Country	Founded	Sector	Month	Deal size (€m)	Round type	Lead investor	
Verdiva Bio	London		2024	Drug discovery / Longevity	January	395	Series A	General Atlantic, Forbion	
Windward Bio	Basel		2024	Drug discovery	January	193	Series A	OrbiMed, Novo Holdings, Blue Owl Capital	
Proxima Fusion	Munich		2023	Nuclear energy	June	130	Series A	Balderton Capital, Cherry Ventures	
Draig Therapeutics	Cardiff		2024	Drug discovery / Neurotech	June	122	Series A	Access Industries	
Orbis Medicines	Copenhagen		2024	Drug discovery	January	90	Series A	NEA	
Augustine Therapeutics	Leuven		2019	Neurotech	March	78	Series A	Novo Holdings, Jeito Capital	
Maxion Therapeutics	Cambridge		2020	Biotech	March	69	Series A	General Catalyst	
GravitHy	Marseille		2022	Carbon tech	March	60			
BLK Global	Glasgow		2018	Materials	February	59		Nimbus Capital	
HAYA Therapeutics	Epalinges		2017	Biotech	May	58	Series A	Earlybird Venture Capital, Sofinnova Partners	

Source: Sifted
Sifted denotes early stage as funding rounds up to and including Series A

Germany, Spain & Ireland had big H1s

German tech attracted €4.3bn in equity investment in the first half of 2025, up 16% YoY — particularly impressive when compared against the performance of the UK (-23%) and France (-29%). Not far behind was Spain, which has seen funding levels explode by 132% (yes, you read that right!) to €1.9bn. Like Spain, Ireland was also the recipient of four megarounds (headlined by new cybersecurity workflow automation unicorn Tines), which contributed to the 60% growth in H1.

“Germany continues to gain serious momentum. Companies like Aleph Alpha in Heidelberg, eleQtron in Siegen, and thingsTHINKING in Karlsruhe, which was recently acquired by Aleph Alpha, are examples of the range of innovation. These cases demonstrate Germany’s deep expertise in fields such as AI, industrial automation, and frontier technology. Yet to fully unlock this potential, the ecosystem still needs greater access to growth capital, especially beyond the traditional centres.”

Hendrik Brandis, partner, Earlybird



Comparing equity funding within key European countries, H1 2024 - H1 2025 (€bn)

Country	H1 2024	H2 2024	H1 2025	YoY % change (vs. H1 2024)
UK 🇬🇧	8.7	6.2	6.7	-23
Germany 🇩🇪	3.7	3.5	4.3	16
France 🇫🇷	4.3	2.8	3.0	-29
Spain 🇪🇸	0.8	0.9	1.9	132
Netherlands 🇳🇱	1.7	0.9	1.6	-4
Sweden 🇸🇪	1.4	0.9	1.4	1
Switzerland 🇨🇭	1.5	1.3	1.2	-19
Ireland 🇮🇪	0.5	0.3	0.8	60
Italy 🇮🇹	0.7	0.5	0.4	-37
Finland 🇫🇮	0.4	0.3	0.4	4
Belgium 🇧🇪	0.5	0.6	0.3	-31
Denmark 🇩🇰	0.6	0.4	0.3	-46

Source: Sifted

Italy & Belgium soar; Denmark & Switzerland tumble

The UK and France saw the biggest tumble in deal volume between H1 and H2 last year. The UK saw more of an uptick in the first half of 2025, whereas there’s a ‘new normal’ feeling within France that it may not back the breadth of startups that it used to. Italy stands out with a 41% YoY increase, yet only 11 of its 116 H1 deals surpassed the €10m mark, reflecting the early-stage skew in this country. The biggest deal was Milan-based HR and payroll platform Jet HR’s €25m raise.

“When I raised my pre-seed for Jet HR in 2023, I talked to Italian and foreign funds. All the foreign funds ended up declining. Italy was this unknown thing to them. Our latest round was led by a US fund [Base10 Partners], this is a strong sign of change.”

Marco Ogliengo, CEO and cofounder, Jet HR



Comparing no. of equity funding rounds within key European countries, H1 2024 - H1 2025

Country	H1 2024	H2 2024	H1 2025	YoY % change (vs. H1 2024)
UK 🇬🇧	616	486	557	-10
Germany 🇩🇪	226	223	233	3
France 🇫🇷	319	224	229	-28
Spain 🇪🇸	155	117	201	30
Netherlands 🇳🇱	147	111	136	-7
Sweden 🇸🇪	128	94	116	-9
Italy 🇮🇹	82	93	116	41
Switzerland 🇨🇭	124	106	84	-32
Belgium 🇧🇪	40	56	55	35
Finland 🇫🇮	44	46	49	11
Ireland 🇮🇪	56	51	47	-16
Denmark 🇩🇰	70	48	40	-43

Source: Sifted

Ireland’s on a roll

Median deal sizes are largely on the up and up, but Ireland stands out for doubling theirs from €1.5m to €3m in a year. The jump reflects a flurry of standout fundraises, from deeptech players like Xoceen to drone delivery startup Manna Air Delivery, and a growing reputation for capital-efficient, B2B startups. While Ireland’s ecosystem still faces headwinds — from housing availability to capital access — ambition and deal momentum are accelerating.



“What works well in Ireland? Honestly, any founder here can speak to anyone else. I’ve lived and worked in the US, the UK and other European ecosystems and the same dynamic is there — but these places can be a little more competitive and closed off. Here it’s completely open — there’s a real sense of paying it back once you’ve had even a modicum of success.”

DC Cahalane, partner, Sure Valley Ventures

Comparing median deal sizes within key European countries, H1 2024 - H1 2025 (€m)

Country	H1 2024	H2 2024	H1 2025	YoY % change (vs. H1 2024)
France	4.0	4.0	5.9	48
Germany	4.5	4.5	5.0	11
Switzerland	3.4	3.4	3.9	15
Ireland	1.5	2.0	3.0	100
Denmark	3.0	3.5	3.0	0
Sweden	2.3	3.2	2.9	26
Finland	3.0	2.9	2.6	-13
Netherlands	2.0	2.8	2.5	25
UK	2.8	3.9	2.4	-13
Belgium	6.0	2.0	2.1	-65
Spain	1.0	1.6	1.8	80
Italy	1.0	1.6	1.6	60

Source: Sifted

Munich’s killing it

A strong H2 in 2024 wasn’t a flash in the pan for either Munich or Barcelona. The momentum has carried into 2025: Munich startups raised €1.6bn in H1, only €348m behind Paris (€1.9bn) — a 115% YoY increase. For the second consecutive half, Munich has attracted more capital than Berlin, even though close to twice as many funding rounds were secured in the capital.



“Investors in 2025 are all in on “resilience”, a sprawling term covering a wide range of industries from energy and defence to supply chain — and where better to find these companies than in Bavaria. The Technical University of Munich and its UnternehmerTUM accelerator are pumping out early stage technical startups. Last year, 120 new startups sprung out of UnternehmerTUM; the accelerator’s alumni network also attracted €2bn in funding.”

Miriam Partington, senior reporter

Equity funding for key European tech hubs, H1 2024 - H1 2025 (€m)

City	H1 2024	H2 2024	H1 2025	YoY % change (vs. H1 2024)	
London	5,955	4,374	4,868	-18	
Paris	2,920	1,954	1,957	-33	
Munich	747	1,544	1,609		115
Berlin	1,196	1,117	1,384		16
Amsterdam	763	337	905		19
Stockholm	1,033	622	789	-24	
Barcelona	336	732	747		122
Madrid	309	113	710		130
Dublin	435	137	656		51
Cambridge	1,076	455	375	-65	
Oxford	335	145	278	-17	
Zurich	338	396	273	-19	
Copenhagen	421	317	268	-36	
Milan	310	274	231	-25	

Source: Sifted

Soaring Spain

Madrid (+46% YoY) and Barcelona (+31%) both had a stellar H1 for deal count; the Spanish capital more than doubled its tally on H2 2024. Milan saw growth of 81%, while Helsinki (+40.9%) has overtaken Copenhagen (-43.8%) and Oslo (-31%) as the second biggest Nordic hub behind Stockholm.

“The Spanish mentality has completely changed, literally in the last six months: rounds are bigger and faster. I’m seeing way more ambition. Spanish founders are reaching out to big investors because they want better terms than Spanish VCs offer. Here, the valuation for a pre-seed company might be €3m, whereas in London it could be €10m. That gap is starting to close.”



Borja Solé Fauria, founder of Barcelona-based Murphy AI

Comparing no. of equity funding rounds within key European tech hubs, H1 2024 - H1 2025

City	H1 2024	H2 2024	H1 2025	YoY % change (vs. H1 2024)
London	359	290	345	-4
Paris	159	126	142	-11
Berlin	85	85	89	5
Stockholm	80	56	70	-13
Barcelona	52	49	68	31
Madrid	39	28	57	46
Amsterdam	46	50	53	15
Munich	43	52	47	9
Milan	26	35	47	81
Dublin	42	29	35	-17
Helsinki	22	25	31	41
Zurich	33	42	29	-12
Copenhagen	48	28	27	-44
Tallinn	25	12	26	4
Cambridge	26	29	20	-23
Oxford	18	7	12	-33

Source: Sifted

Flight to quality most evident in Paris

Both investment and the number of startups raising capital in Paris is falling, but for those that do get it, they’re getting more of it. There were more growth-stage rounds (Series B and C) in H1 (30) than in H1 2024 and H2 2024 (24 and 15 respectively). Fewer startups are receiving funding at early stage but the median Series A is up 20% over the past 12 months, from €12.5m to €15m.

“It’s been much quieter for French tech so far this year, with funding levels and deal counts sinking pretty dramatically. But there is still a strong desire to exist on the global stage, particularly in AI — whether through government-sponsored projects for large-scale AI infrastructure, hosting a global ‘AI Action Summit’, or showing unwavering presidential support for the sector’s poster child Mistral.”

Daphné Leprince-Ringuet, senior reporter



Top European tech hubs by median deal size, H1 2025 (€m)

Rank	Tech hub	H1 2024 median deal size (€m)	H1 2025 median deal size (€m)	YoY % change (vs. H1 2024)
1	Oxford	17.1	10.1	-41
2	Paris	4.8	7.3	45
3	Berlin	5.0	6.4	29
4	Munich	4.0	6.1	53
5	Utrecht	1.0	6.0	500
6	Lyon	3.9	5.0	28
7	Cologne	5.0	5.0	0
8	Eindhoven	5.0	4.8	-6
9	Zurich	3.6	4.8	32
10	London	2.8	3.1	11

Source: Sifted
Only includes tech hubs with 10+ equity funding rounds in H1 2025

Berlin & Amsterdam have highest density of AI activity

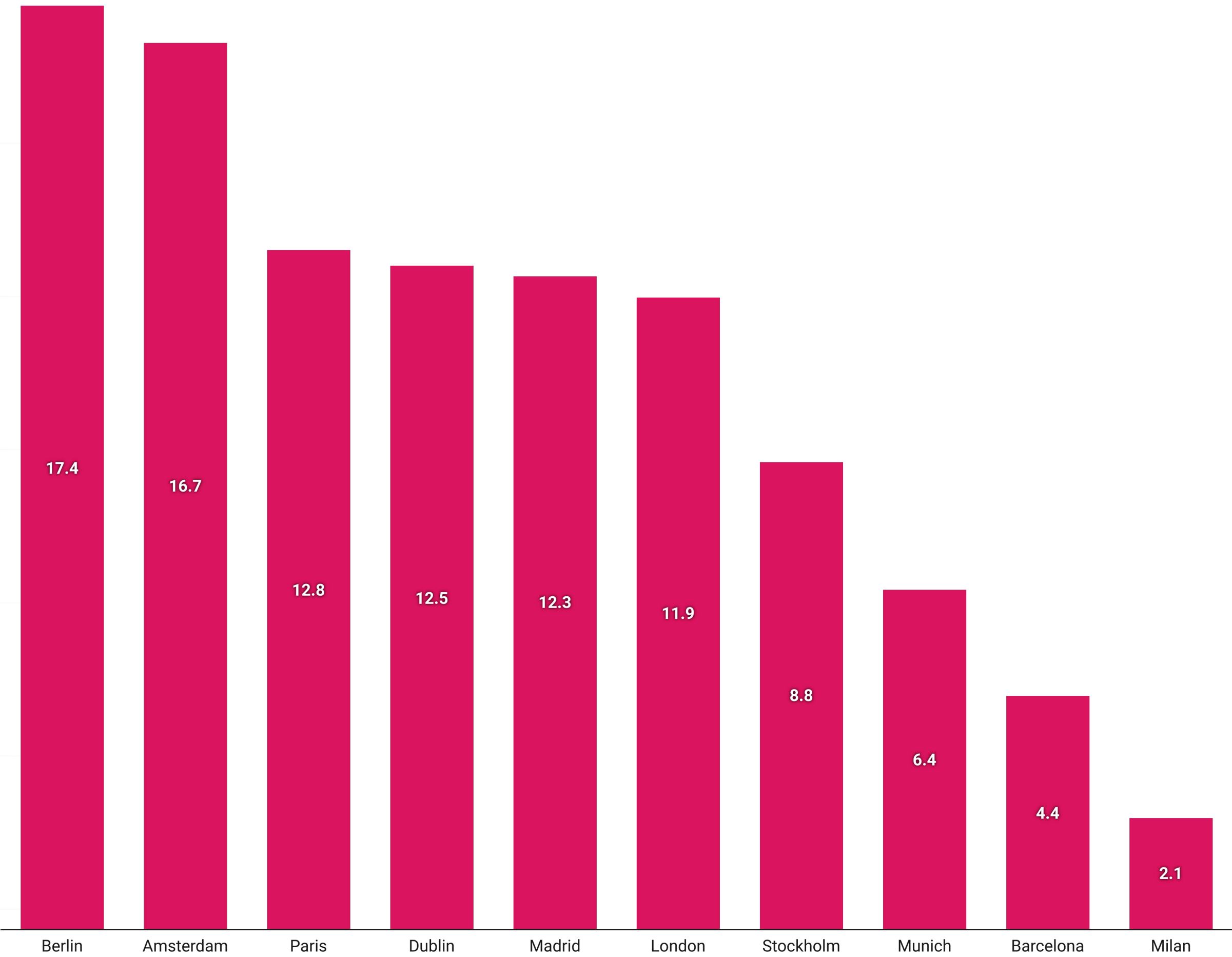
17.4% and 16.7% of funding rounds raised in Berlin and Amsterdam respectively in H1 were by AI-native startups — that’s a bigger proportion than in Paris (12.8%), London (11.9%) and Stockholm (8.8%), which are considered Europe’s three big AI hubs. AI talent clusters are forming all over Europe, and investors are increasingly looking across borders to find the next big thing.



“We might have been off to a slower start, but we have always been a very relevant player in AI, thanks to fantastic technical universities, virtually no language barrier and talent clusters forming around ‘hot’ companies like Cusp AI, Cradle and Monumental. Even our (notoriously tricky) regulatory environment is moving in the right direction to make it a tiny bit more startup friendly. So yes, activity is up (and has never been gone really)”

Bas Rieter, investor, Dutch Founders Fund

Leading European tech hubs by % of AI-native funding rounds, H1 2025



Source: Sifted

Climate tech cools

Equity funding for European climate tech fell 40% in the first half of the year, compared to the same period in 2024, though early-stage investing remains relatively isolated from the drop off. In Q2 alone, only consumer tech fared worse for funding. The sector has faced mounting pressures, with industry leaders like Northvolt collapsing while the White House under Donald Trump has sought to undermine green initiatives in favour of fossil fuels.

“The hype eye of Sauron has left climate behind and is now looking at industrialisation, rearmament, manufacturing and robotics. But anecdotally, I’ve not felt a slowdown as we’re a pre-seed/ seed investor, and it feels like we’re seeing the same number of climate tech deals.”

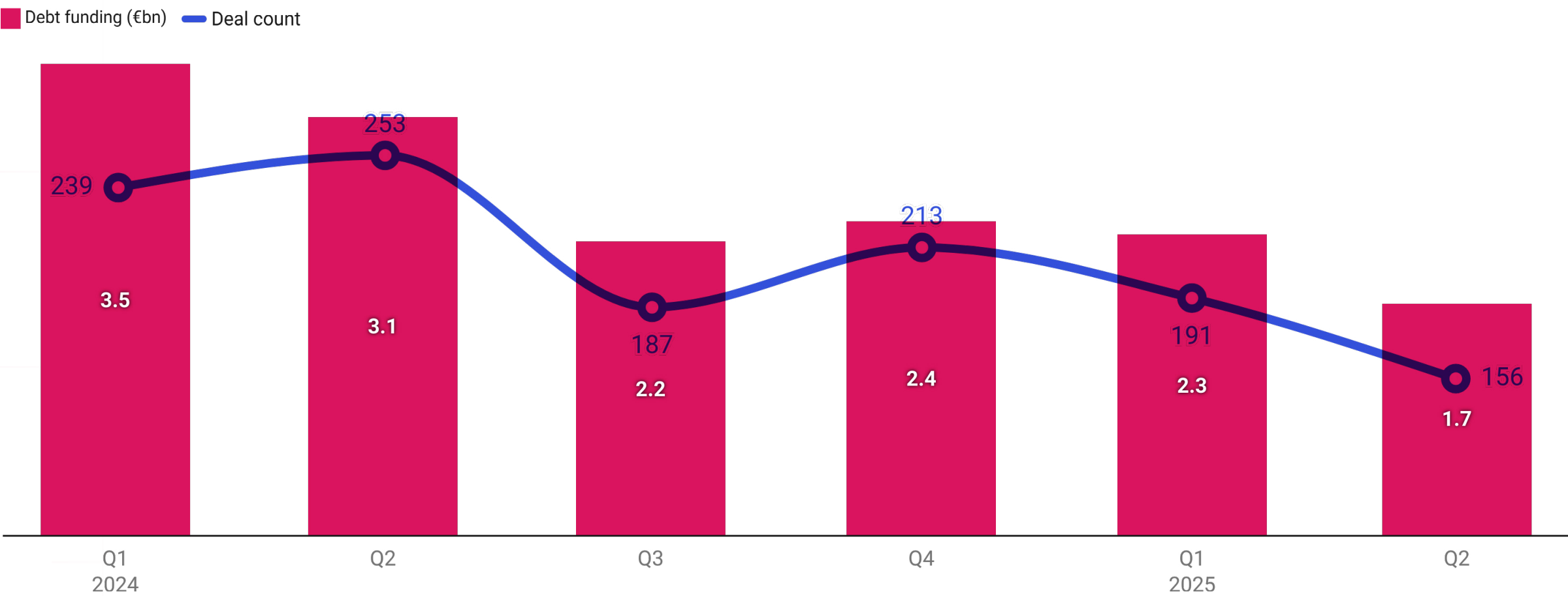
Burhan Pisavadi, investor, PT1 Ventures



Equity funding by vertical, H1 2024 - H1 2025 (€bn)

Vertical	H1 2024	H2 2024	H1 2025	YoY % change (vs. H1 2024)
B2B SaaS	4.8	5.2	5.2	9
Fintech	4.6	3.0	3.7	-20
Climate tech	6.7	4.6	4.0	-40
Healthtech	5.1	4.7	5.7	10
Deeptech	5.8	3.5	5.2	-10
Consumer	2.9	2.3	1.7	-41

Climate tech equity funding by quarter, Q1 2024 - Q2 2025 (€bn)



Source: Sifted

B2B SaaS’s the only vertical that hasn’t suffered a fall in deals

Fewer deals are being closed across most verticals, with the exception of B2B SaaS, which has seen a slight uptick in deal volume (+3% YoY) primarily due to the agentic AI surge. The second most active vertical in H1, healthtech, has only experienced a 6% fall. The fintech dry spell is most pronounced at early stage (-19%) whereas at Series B and C, fintech deal count is up 15%.

“While these fintech figures don’t indicate a dramatic collapse in investor interest, they also fall short of a return to form for the sector. The numbers reflect a pervading sentiment among VCs that many of the leading players in fintech have reached a level of maturity that would make it challenging for a new entrant to break through. UK neobanks such as Monzo, Revolut and Starling, for instance, have millions of users and have all reported consecutive years of profitability.”

Tom Matsuda, fintech reporter



Comparing no. of equity funding rounds by vertical, H1 2024 - H1 2025

Vertical	H1 2024	H2 2024	H1 2025	YoY % change (vs. H1 2024)
B2B SaaS	646	560	668	3
Healthtech	426	349	401	-6
Climate tech	492	401	363	-26
Deeptech	346	283	310	-10
Fintech	322	220	275	-15
Consumer	335	264	264	-21

Source: Sifted

Deeptech’s attracting bigger round sizes

The median deal size in deeptech reached €4.4m in H1 — higher than any other vertical, and 40% higher than the same period in 2024. Deeptech startups generally require more capital than their peers given the complexities of the technology they are developing, often with hardware systems in sectors like quantum computing, spacetech, robotics and defence tech.

“European tech is quietly solving deep, real-world problems in the domains Europe was always strong in — drug discovery, agriculture, materials science. But you can’t just ride the AI hype cycle. Progress in applied AI comes from feedback loops grounded in reality. That’s what I’m seeing across deeptech: AI that’s built to work, not just to demo. There’s a growing culture of pragmatic, long-term investment supporting rigorous, compliant and integrated solutions over hype cycles. That mindset is fast becoming a competitive advantage for the region.”

Stef van Grieken, CEO and cofounder, Cradle



Comparing median deal sizes by vertical, H1 2024 - H1 2025 (€m)

Vertical	H1 2024 (€m)	H2 2024 (€m)	H1 2025 (€m)	YoY % change (vs. H1 2024)	
Deeptech	3.2	3.0	4.5		40
Fintech	3.1	4.5	4.2		38
Climate tech	3.0	4.2	3.5		17
Healthtech	3.4	3.7	2.8	-17	
B2B SaaS	1.7	2.5	2.2		31
Consumer	1.2	2.3	1.8		50

Source: Sifted

Healthcare & AI the best-funded sectors in H1

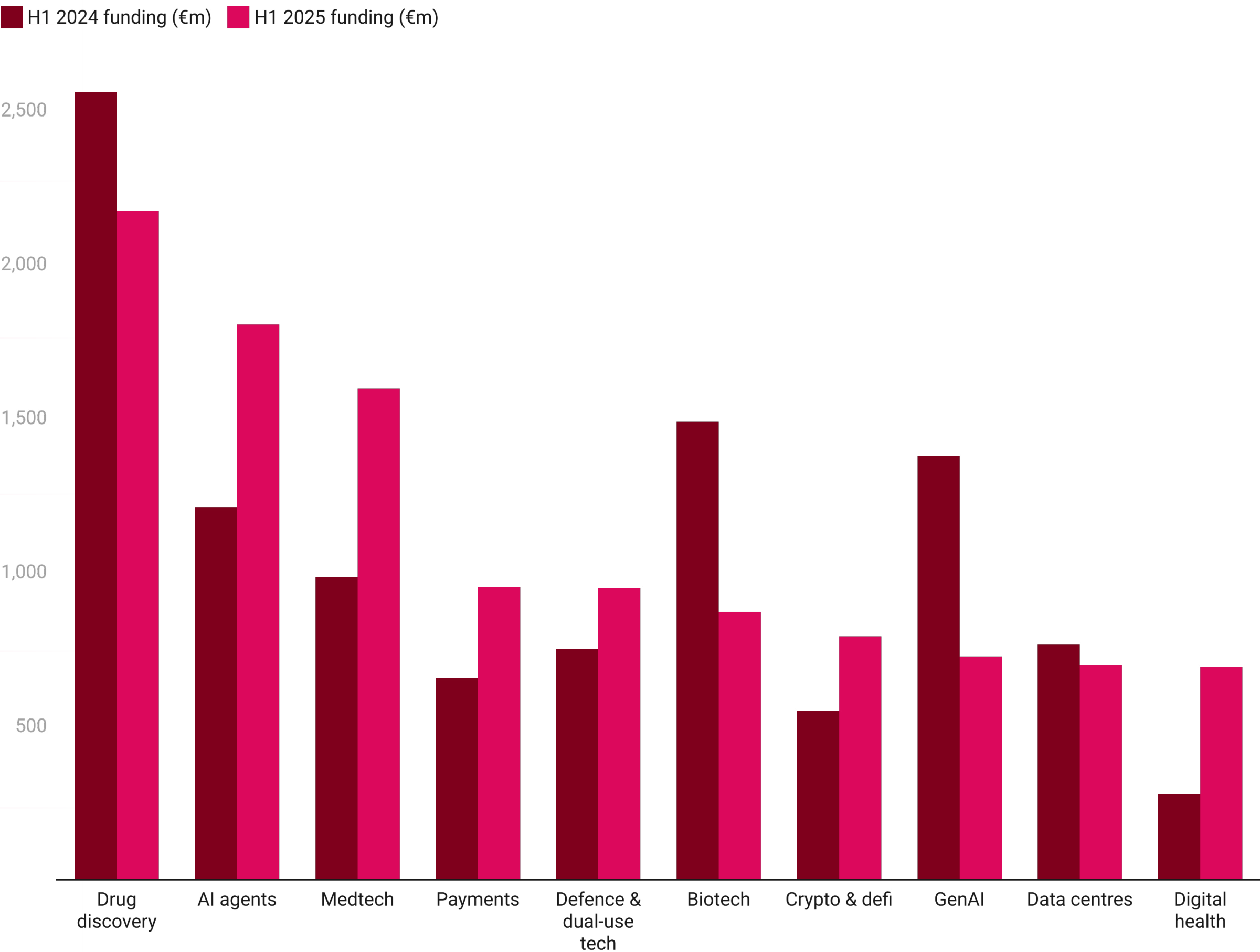
Drug discovery once again sits at the top of the sector tree, attracting close to €2.2bn in investment in H1 2025 (marginally) down 15% on the €2.6bn raised in H1 2024. It secured more megarounds (6) than any sector, headlined by DeepMind spinout Isomorphic Labs’ \$600m deal. What does success look like for Isomorphic Labs, which hopes to have AI-designed drugs in clinical trials by the end of 2025? “Solving all disease”, according to its website. Defence tech, up 26% YoY, enters the top five for the first time thanks to the biggest equity round of the half (Helsing’s €600m Series D) and deal count shooting up 45%.

“Defence has become a downright buzzy sector, and VCs are starting to put real money to work: two drones startups, German Quantum Systems and Portuguese Tekever, became unicorns earlier this year; meanwhile AI defence firm Helsing recently saw its valuation rise to €12bn — making it one of the most valuable European startups, full-stop.”

Anne Sraders, senior reporter



Top 10 sectors by equity funding, H1 2025 (€m)



Source: Sifted
Only sectors with 10+ funding rounds in each time period were considered to remove outliers

Agentic AI is Europe's fastest-growing sector

2025 will go down as the year of agentic AI.130 startups offering both horizontal and vertical agents raised funding in H1 — an increase of 226% — amounting to €1.7bn in investment, the second highest-funded sector. Other breakout sectors Sifted has been tracking the growth of in H1 include energy management, industrial tech and water & maritime tech, and of course, defence tech.

“The biggest thing this year has been the surge of AI-enabled service companies. Rather than just building software for fragmented industries like lettings, accountancy, or wealth management, founders are increasingly going full-stack — delivering the entire service experience, just better and more efficiently. Some are pursuing buy-and-build strategies while others are building from scratch, but the thesis is identical: use AI to radically transform service industries. It’s a fundamental shift from enabling these sectors with software to replacing them entirely.”



Michael Stothard, principal, firstminute capital

Sectors with highest YoY % change in deal count, H1 2024 vs. H1 2025

Sector	YoY% change in deal count (vs. H1 2024)	H1 2025 deal count	H1 2025 funding (€m)
AI agents	226	140	1,804
Energy management	179	53	350
Wellbeing	75	21	37
Hospitality	63	26	275
Business intelligence	53	29	193
Industrial tech	49	58	548
Defence & dual-use tech	45	32	946
Water & maritime tech	44	46	347
Marketing & adtech	40	42	128
Cybersecurity	31	51	323

Source: Sifted
Only sectors with 10+ funding rounds in each time period were considered to remove outliers

Climate tech sectors see biggest drops in activity

Carbon accounting (-59% YoY) tools and the circular economy sector (-53%) have been worst affected by the climate tech slowdown, along with climate intelligence (-52%) and electric vehicles. One startup that did secure funding, London-based carbon ratings platform BeZero Carbon, secured a €31m Series C in January — €11m lower than the median Series C and a far cry from what these types of startups were raising in 2021 and 2022, many of which haven’t raised since.

“The signals we’re getting, looking at Q1 and Q2 data, is that there’s a pause in the US. Some companies are now not advertising what they’re doing on sustainability. The vocabulary is changing and we may not see companies talking about sustainability or ESG as much anymore. Still: the transition to a low-carbon world is more important than the transition to AI.”

Rachel Delacour, cofounder and CEO, Sweep



Sectors with highest YoY % fall in deal count, H1 2024 vs. H1 2025

Sector	YoY% change in deal count (vs. H1 2024)	H1 2025 deal count	H1 2025 funding (€m)
Carbon accounting & ESG tech	-59	15	91
Circular economy	-53	28	272
Climate intelligence	-52	14	248
Assistive & caretech	-52	14	70
Extended reality	-45	16	76
Aviation	-45	16	402
Electric vehicles	-44	32	319
Music & audio	-42	14	196
Data & analytics	-41	53	635
Creative tools	-40	12	244

Source: Sifted
Only sectors with 10+ funding rounds in each time period were considered to remove outliers

8 unicorns grew horns

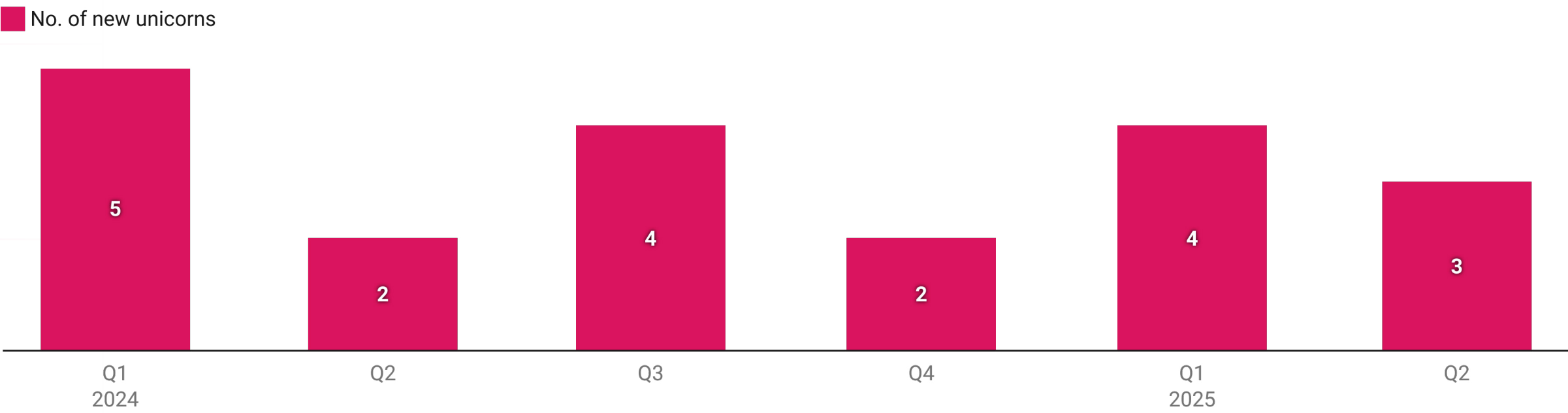
Eight new unicorns were minted in Europe in H1 — comparable with the seven minted in H1 and six in H2 last year. Tekever and Quantum Systems are Europe’s second and third defence tech unicorns after Helsing. Daniel Ek’s body scanning startup Neko Health, valued at \$1.7bn, joined the party too this year.



“There’s a reason why we have achieved that unicorn status — and a lot of reasons lie in Ukraine. The ultimate goal is to make Quantum as big as possible. Quantum is the one, and if that takes 15 years to build — we are in year 11 now — then so be it. If it takes 18 years, so be it; if it takes 12 years, and we IPO next year and I’m getting asked to leave, then so be it.”

Florian Seibel, founder, Quantum Systems

No. of new unicorns minted per quarter, Q1 2024 - Q2 2025



New unicorns in Europe listed chronologically, H1 2025

Legend: Healthtech Climate tech Deeptech Fintech B2B SaaS Consumer						Last funding (€m)
Month	Name	HQ city	HQ country	Founded	Sector	
January	Sygnum	Zurich		2018	Crypto & DeFi	57
January	Loft Orbital	Toulouse		2019	Spacetech	170
January	Neko Health	Stockholm		2018	Medtech	249
February	Tines	Dublin		2018	Business intelligence, No code	120
May	Quantum Systems	Munich		2015	Defence tech, Aviation	160
May	Parloa	Berlin		2017	AI agents, Sales & customer service	106
June	MUBI	London		2007	Media & entertainment	87

Source: Sifted
Sifted defines unicorns as private and independent tech companies launched after 2005 that are publicly disclosed to be valued at €1bn+.



Venture debt

Venture debt picks back up

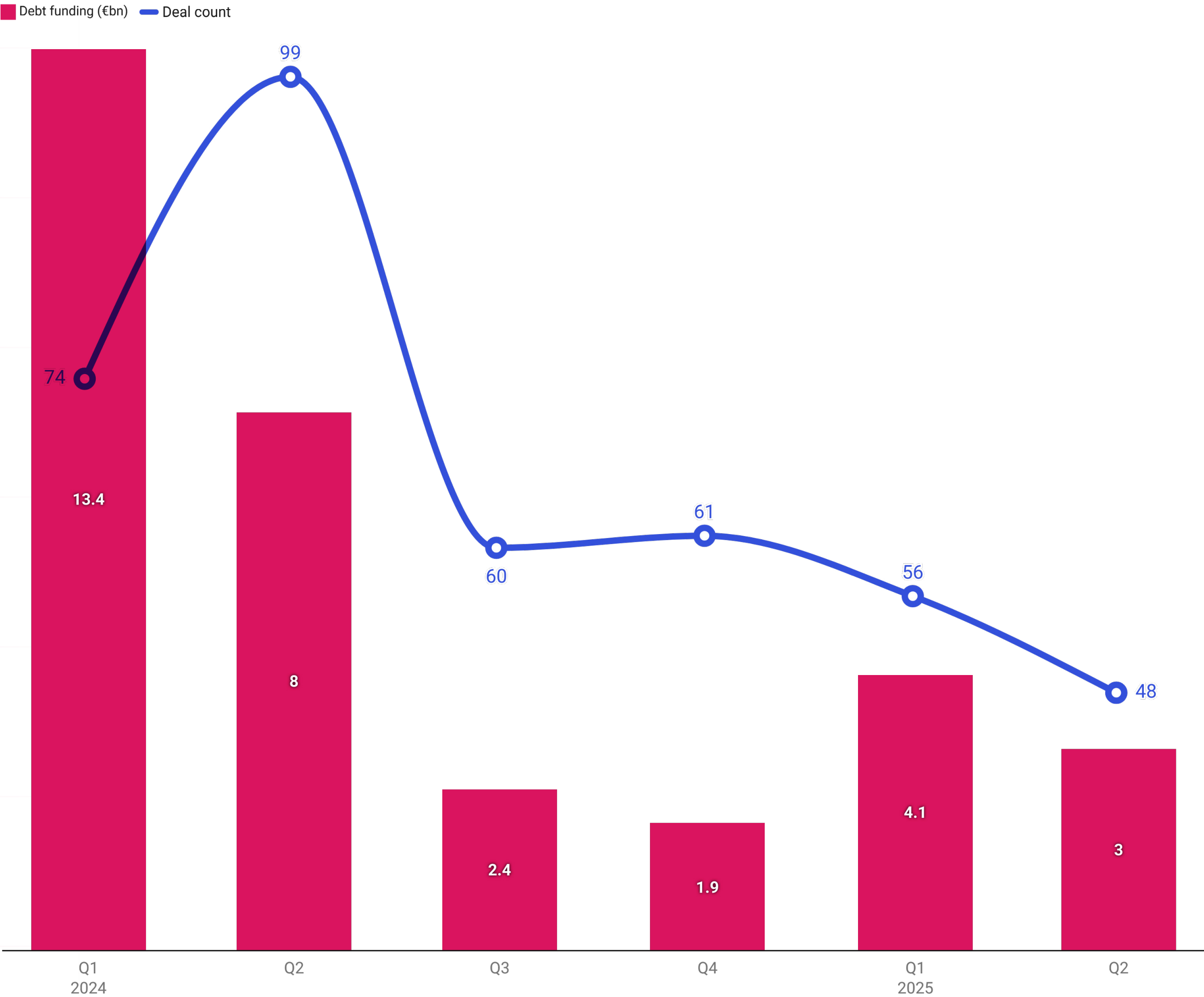
€7.1bn of venture debt financing was made available to European startups in H1 — an increase of 63% on H2 2024. H1 last year now looks like a crazy outlier; if you recall, climate techs Stegra (€4.2bn), Verkor (€1.3bn), Enpal (€1.1bn) and the now bankrupt Northvolt (€5bn) raised €11.6bn between them. Sums that size now feel like a thing of the past, but it’s a positive sign that banks and investment firms are getting braver again.

“Q2 was one of the busiest periods for new loan requests we’ve seen — and we expect demand for debt funding to remain strong for the rest of the year, based on conversations we’re having with CEOs, CFOs and VCs.”



Sonya Iovieno, head of venture & growth, HSBC Innovation Banking

Debt funding by quarter, Q1 2024 - Q2 2025 (€bn)



Source: Sifted

Fintech overtakes climate tech for debt financing, but it’s consumer on top

Three London-based fintechs — Wagestream (£300m), Carmoola (£300m) and Abound (£250m) — all feature in the top ten biggest financing agreements secured in the first half of 2025, helping fintech (€2.1bn) overtake climate tech (€1.9bn). Consumer ranks top due to two outlier deals: €1bn for the fastest-growing startup in Germany, car subscription company Finn, and €1.3bn for Romanian sports betting platform Superbet. Watch the B2B SaaS (€988m) figure starting to rise too. General Catalyst has now made three “go-to-market investments”: debt funding that can only be used for customer acquisition, repaid from the revenue from new customers.

“We’re lucky to be in an industry where there is a lot of change happening. And close to 100% of our revenue is in Germany: it’s this focus that explains why we’ve grown so strongly. The more focus you have, the easier it is to produce results.”

Maximilian Wühr, CEO and cofounder, Finn



Debt funding by vertical, H1 2024 - H1 2025 (€m)

Legend: Healthtech Climate tech Deeptech Fintech B2B SaaS Consumer					
Vertical	H1 2024 (€m)	H2 2024 (€m)	H1 2025 (€m)	YoY % change (vs. H1 2024)	
Consumer	668	667	2534		279
Fintech	5179	1488	2087	-60	
Climate tech	14443	1458	1929	-87	
B2B SaaS	274	558	964		252
Healthtech	1111	278	349	-69	
Deeptech	540	207	156	-71	
AI-native	147	7	26	-82	

Source: Sifted

Two-thirds of debt financing went to the UK, Germany and Netherlands

66.% of debt financing made available in H1 went to the UK, Germany and Netherlands, and without the €1.3bn Romanian SuperBet outlier, that figure rises to 82%. Looking at the active debt investors, it’s the big country banks that are simply more comfortable investing in high-growth startups than elsewhere across Europe. With the exception of BNP Paribas, French financiers are keeping their distance.

“The UK and Germany are the two largest markets; France ought to be third, but there are some complications with lending into French companies. We only focus on northern Europe: not all lenders want to go too far east, because they don’t understand all the rules and regulations for lending in this part of Europe. Plenty still to do to develop this market.”

Sean Duffy, managing director, CIBC Innovation Banking (UK & Europe)



Comparing debt funding within key European countries, H1 2024 - H1 2025 (€bn)

Country	H1 2024	H2 2024	H1 2025	YoY % change (vs. H1 2024)
UK 🇬🇧	5.7	1.1	2.2	-62
Germany 🇩🇪	1.7	0.5	1.9	8
Netherlands 🇳🇱	0.2	0.2	0.6	173
Spain 🇪🇸	0.6	0.8	0.3	-60
Sweden 🇸🇪	9.8	0.2	0.2	-98
France 🇫🇷	1.7	0.3	0.1	-94
Italy 🇮🇹	0.6	0.1	0.0	-100

Source: Sifted

Not all doom & gloom for climate tech

There was a big H1 dropoff in climate tech debt financing: €14.4bn was made available in H1 2024, compared to €1.9bn in H1 2025. But there were still some sizeable climate deals to report, accounting for five of the ten biggest debt facilities — the largest being a €500m round for German company Bees & Bears founded in 2023, which provides domestic energy tech solutions.

“We see the last 12 months as a bit of a hangover for big deals in the space but in the background we are continuing to see availability of venture debt and asset backed lines for companies with solid revenues and strong equity raises.”


Reid Carroll, investor, SFV



Top 10 biggest disclosed debt funding rounds, H1 2025

Company	HQ	Country	Founded	Sector	Month	Deal size (€m)	Lead investor(s)
Superbet	Bucharest		2008	Gaming	April	1,300	HPS Investment Partners, Blackstone
FINN	Munich		2019	Mobility	February	1,000	Citi, Jefferies
Bees & Bears	Berlin		2023	Digital lending / Green energy	January	500	
Believ	London		2019	Electric vehicles	June	356	Zouk Capital, Liberty Global
Wagestream	London		2018	Payments / HR tech	May	352	Citi
Carmoola	London		2021	Digital lending / Mobility	June	352	
Lion Storage	The Hague		2021	Energy storage	February	350	
Abound	London		2020	Digital lending	March	299	Deutsche Bank
Sunfire	Dresden		2010	Solar energy	January	200	Commerzbank
Elvy	Stockholm		2024	Energy management	February	146	Marginalen Bank

Source: Sifted



M&A

Steady, if unspectacular, M&A action

Acquisition activity is slightly up by 1% in Europe compared to H1 last year, with B2B SaaS (+17% YoY), deeptech (+11%) and climate tech (+4%) seeing little bumps. M&A deals are much livelier than startups’ other big exit option, IPOs, which remain virtually nonexistent.

“AI is driving deals across Europe as it pervades a wide range of industries. With adoption surging, we’re seeing companies buy rather than build, using strategic cross-border M&A to add capabilities and innovate at speed. This high-stakes environment creates increased complexity, as companies grapple with soaring valuations, compressed deal timelines, new technologies and an evolving regulatory framework.”



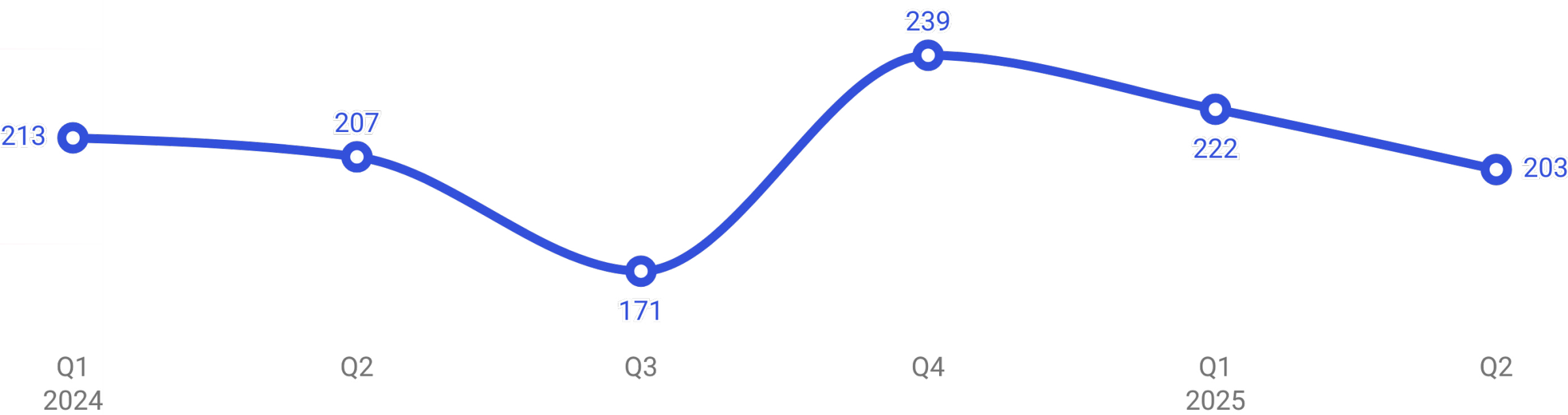
Josef Fuss, partner and co-lead of the technology, media & communications group, Taylor Wessing

No. of M&A deals involving European startup exits by vertical, H1 2024 - H1 2025

Vertical	H1 2024	H2 2024	H1 2025	YoY % change (vs. H1 2024)
B2B SaaS	162	168	189	17
Consumer	75	65	59	-21
Fintech	60	57	55	-8
Climate tech	50	45	52	4
Healthtech	55	54	46	-16
Deeptech	19	19	21	11
AI-native	8	5	8	0

No. of M&A deals involving European startup exits by quarter, Q1 2024 - Q2 2025

Deal count



Source: Sifted
Some transactions have multiple vertical tags, resulting in overcounting

European startups are being targeted

Serial acquirers UiPath were back in H1, snapping up highly rated Manchester startup Peak. This deal set off a debate on LinkedIn: was this another promising startup throwing the towel in early? The latest example of the UK’s scaling problem? There were just as many voices arguing that this was the country’s latest success story and another exit to recycle fresh cash into the scene.

“Salesforce buying one-year old Convergence is an eye-popper. The London company, which raised Europe’s biggest pre-seed round in 2024, has an AI agent which it claims is outperforming agents tested by leading AI companies like OpenAI and Anthropic. The deal was reportedly in the \$150-200m range. Many AI founders will be mulling similarly big purchase offers this year.”

Ruggero Di Spigna, senior analyst



Prominent acquisitions of European startups, H1 2025

<div>HealthtechClimate techDeeptechFintechB2B SaaSConsumer</div>							
Company	HQ	Country	Founded	Sector	Month	Deal size	Acquiror
Yokoy	Zurich		2019	CFO tech stack	January	Undisclosed	TravelPerk
Freetrade	London		2016	Wealthtech	January	£160m	IG Group Holdings Plc
TTTech Auto	Vienna		2018	Mobility	January	€568m	NXP Semiconductors
Ravelin	London		2014	Cybersecurity	February	Undisclosed	WorldPay
Napier AI	London		2015	Regtech	February	Undisclosed	Marlin Equity Partners
Wild Cosmetics	London		2019	Beauty	February	€259m	Unilever
EsoBiotec	Mont-Saint-Guibert		2020	Drug discovery	March	€386m	AstraZeneca
Araris Biotech	Wädenswil		2019	Drug discovery	March	€363m	Taiho Ventures
IDnow	Munich		2014	Security & safety	March	€268m	Corsair Capital
OrderYoyo	Copenhagen		2013	Hospitality	March	€114m	Pollen Street Capital
Peak	Manchester		2014	Data & analytics	March	Undisclosed	UiPath
Lyst	London		2010	Fashion	April	€140m	ZOZO
FreeNow	Hamburg		2009	Mobility	April	€179m	Lyft
Brightflag	Dublin		2014	Legal & privacy tech	May	€425m	Wolters Kluwer
Convergence	London		2024	AI agents	May	Undisclosed	Salesforce
Dice	London		2014	Events	June	Undisclosed	Fever

Source: Sifted



Investors

Record numbers of investors flock to AI & deeptech

The number of investors that have made at least one investment in an AI-native European startup in Q2 (342) is nearly 3x that of Q1 2024 (128). Deeptech’s moving in the same direction too. High capex requirements and uncertain exit horizons don’t seem as offputting now that some of these “critical technologies” — defence, quantum and robotics to name a few — are of heightened importance to the EU. Just look at new defence tech unicorn Quantum Systems’ €160m Series C — the round led by Balderton Capital featured 13 investors. French spacetech unicorn Loft Orbital had nine for its €170m Series C.

“The main story of H1 is that the AI opportunity is overwhelming; every day you’re learning about new businesses that can be disrupted by the tech. It’s a firehose of opportunities. Backing [vibe coding startup] Lovable is one of the greatest things we’ve done, this company shows us that Europe can create global tech leaders.”

Johan Brenner, general partner, Creandum



No. of tracked investors active in European tech by vertical, Q1 2024 - Q2 2025



Source: Sifted
“Active” denotes at least one investment in a European startup within the quarter
Some funding rounds have multiple vertical tags, resulting in overcounting

13 investors made at least 20 investments in H1

Investor confidence in Europe has returned: 13 investors backed at least 20 startups with fresh or follow-on capital in H1, rising to 50 for 10+ investments. Tier 1 US VCs are more bullish on Europe: General Catalyst (19) and NEA (4) for example, leaders of some of the biggest rounds in H1, have already made more investments in the first half of 2025 than they did in the whole of 2024. Looking at the top 20 equity funding rounds, 12 featured a lead US investor. Europe’s public funds are doubling down too: the EIC, CDP Venture Capital and CDTI are all more active than they were this time last year, and Bpifrance aren’t far behind.

“We’re a global company, and we want to do it as much in Europe, with the same sort of genuine desire to make the region successful, like we do in the US. We want to be aggressive, we want to win. The intersection of global resilience and AI is ultimately where we think the opportunity is — and the opportunity is about transforming industries.”

Hemant Taneja, CEO, General Catalyst



The most active investors in equity funding rounds, H1 2025

Full investor rankings are available on the Sifted platform — exclusive to Sifted Pro.

Investor	Country	Type	Deal count	vs. H1 2024	
SFC Capital		VC fund	63	-15	
European Innovation Council		Public funding	61		9
Bpifrance		Public funding	54	-5	
CDP Venture Capital		Public funding	41		22
HTGF High-Tech Gründerfonds		VC fund	39		2
CDTI		Public funding	31		14
Fuel Ventures		VC fund	29		20
Antler	Global	Accelerator	29	-53	
Y Combinator		Accelerator	27	-8	
Haatch		VC fund	22		14
Kima Ventures		VC fund	22	-1	
Seedcamp		VC fund	21		8
Vento Ventures		Accelerator	21		14

Source: Sifted

Deal counts reflect publicly announced funding rounds and those confidentially disclosed to Sifted.

Excludes crowdfunding platforms.

Fewer active debt providers — but they’re signing more cheques

Venture debt financing rebounded in H1 to €7.1bn from €4.3bn in H2 2024, despite a 14% fall in deal count (39.9% decline compared to H1 2024). Sifted tracked 125 active debt providers in the first six months of 2025, down from 180 the year prior — a 30.6% decrease. Yet, for those at the top, Europe’s leading financiers are signing more cheques — signalling a more concentrated, maturing debt market.

“We issued over 20 term sheets in order to win our eight deals. So there’s very healthy competition, definitely more so than when we landed here three years ago. On net, Silicon Valley Bank’s blow up in 2023 was good for the market: CFOs were forced to talk to more providers. The phoenix of this bad thing was a more educated market.”

Sean Duffy, managing director, CIBC Innovation Banking (UK & Europe)



The most active debt providers, H1 2025

Full investor rankings are available on the Sifted platform — exclusive to Sifted Pro.

Investor	Country	Type	Deal count
Venture Kick		Investment firm	27
HSBC Innovation Banking		Bank	22
kickfund		Accelerator	16
Claret Capital Partners		Debt provider	12
Columbia Lake Partners		Investment firm	12
Plug and Play		Accelerator	11
CIBC Innovation Banking		Bank	8
European Investment Bank		Public fund	7
Santander		Bank	6
Atempo Growth		Debt provider	5

Source: Sifted
Deal counts reflect publicly announced funding rounds and those submitted to Sifted

Foreign investors edge back into Europe

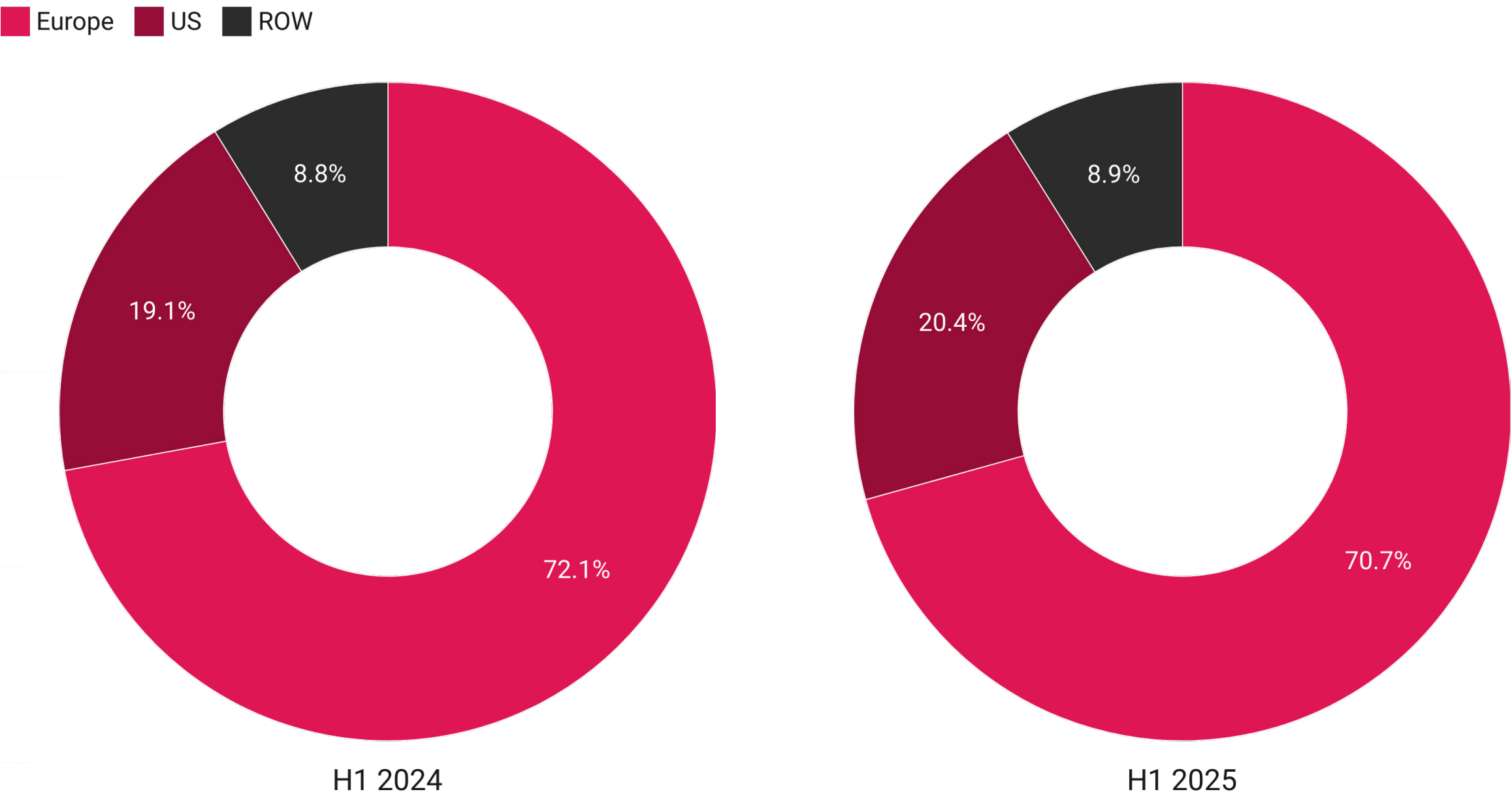
US investor activity ticked up in H1 — a small but telling reversal after a year of retreat. Appetite is returning selectively, though: the largest increases in foreign investment activity were concentrated in AI and deeptech, where global firms may feel better positioned to underwrite the technical risk and spot breakout potential.

“Europe’s AI application layer is quietly taking the lead. YC, Speedrun and other US accelerators are expanding slots and actively doing road shows across London, Berlin, Paris, and Amsterdam, drawn by a wave of breakout companies like Granola, Eleven Labs, Fyxr, and Modal. These founders match their US peers in ambition and execution, but benefit from more rational valuations. Many of these founders are spending 3-6 months in California, before returning to Europe — perhaps a sign that Silicon Valley’s glamour is wearing off.”



Laura McGinnis, principal, Balderton Capital

No. of tracked investors active in European tech, H1 2024 - H1 2025



Source: Sifted
“Active” denotes at least one investment in a European startup within the quarter

Taxonomy

Sifted tracks funding rounds raised by European startups and scaleups operating in the technology sector founded in or after 2005. Reasonable exceptions apply.

Stages

- Early-stage: Pre-seed, seed and Series A
- Growth stage: Series B and C
- Late-stage: Series D+

Verticals

- Climate tech
- Fintech
- Healthtech
- Deeptech
- B2B SaaS
- Consumer

Sifted currently tracks 104 different sectors e.g. electric vehicles within these six verticals.

The funding data compiled by Sifted does not claim to be exhaustive as some deals are kept confidential.