

\sifted/ Reports



Sifted AI 100

Europe's rising
startups in 2025

Sponsored by



Sifted AI 100

Europe's rising startups in 2025

Our first annual edition of the *Sifted AI 100* spotlights the European startups harnessing artificial intelligence to reshape industries — and perhaps the continent itself. From deeptech pioneers creating new materials to productivity platforms rethinking how we work, these companies embody the breadth and ambition of Europe's AI ecosystem.

Selected for their boldness, momentum and originality rather than funding alone, the ranking highlights the AI-native startups tackling complex challenges — from drug discovery to robotics — as well as those simplifying everyday tasks through smart applications of AI. Most are young, lean and fast-growing, with an average founding year of 2022.

Together, they capture the restless energy of an ecosystem racing to define what "European AI" really means.

Get in touch

Sponsor a Sifted report and put your brand at the centre of Europe's startup ecosystem, reaching founders, operators and investors.

Contact reports@sifted.eu.

Need sharper startup and market intelligence at your fingertips?
Visit sifted.eu/sifted-pro to learn how Sifted Pro can help.

Contents

3

Foreword

4

Introduction

5

Sifted AI 100 highlights

7

The Sifted AI Rising 100

14

The 50 best-performing investors

15

CHAPTER I

Europe's AI moment

21

CHAPTER II

Inside the AI startup

27

CHAPTER III

Meet the investors betting on them

31

CONCLUSION

Reflections and predictions

32

Methodology

Foreword

Across all industries, founders are challenging incumbents by building AI products at a speed and scale previously unimaginable. At N47, we are inspired by the work of AI-native founders in Europe and are honoured to sponsor the first annual *Sifted AI 100*.

Generative and agentic AI constitute a platform shift in the creation and delivery of technology. Advanced artificial intelligence can now be implemented at the core of products, calling into question prior assumptions that once constrained what could be built.

The impact is being felt in industries that, on their surface, could not have less in common — from the law with Legora and factories with Neura Robotics, to everyday productivity with Fyxxer AI and material discovery with CuspAI. The digitisation of what we once thought were distinctly human capabilities will leave few industries looking the same.

This velocity also means that the picks and shovels are being reimagined as new use cases emerge and scale. Companies building in this space are taking on a complex landscape. This includes incumbent hyperscalers and other infrastructure providers desperate not to miss out on the shift of compute workloads to AI. The model providers are also offering more of the stack to companies building on top of their technology. From startups like Encord helping enterprises operationalise their data for AI, to those like Harmonic Security ensuring we use the technology securely, those that successfully navigate this challenging field will become some of the most exciting and enduring businesses of the AI era.

Great entrepreneurs are emerging in key innovation hubs worldwide, and Europe has already produced world-leading AI businesses due to exceptional engineering talent, world-class research institutions, deep industrial heritage and a fast-spreading entrepreneurial mindset. Some of the world's most exciting AI companies with global ambitions are based in Europe, including Synthesia, ElevenLabs, Lovable and N8n (though their scale excludes them from the AI 100). We believe this is just the start and that the quality, diversity and ambition of the companies on this list give credence to the future strength of European AI.

The companies featured in this inaugural *AI 100* are united by more than their technology. They are led by dynamic, adaptable and resilient founders, many of whom are building lean teams that achieve outsized impact, often in sectors where software previously struggled to reach. They are navigating a fast-evolving, still-young technology landscape with agility and creativity, laying the groundwork for the next decade of innovation. The entrepreneurs on this list are not just participating in the AI transformation. They are leading it.



T.J. Rylander
General Partner, N47



Fred Ellis
Partner, N47

Introduction

We can't see the future, but we expect these 100 startups will affect European tech in a big way. Many of the companies you'll meet here have raised sackfuls of cash, but the metric isn't money. This ranking is all about boldness and originality (plus those unavoidably slippery qualities like potential, gut feeling and "vibes").

Our judges — which include Sifted's cofounder and editorial director John Thornhill, editor Amy Lewin and head of research Jonathan Sinclair — tended to favour startups tackling big challenges. Our top-rated startups are doing incredibly complex-sounding things, from magic-ing up entirely new materials to speedrunning drug discovery.

But it's not all lab coats and petri dishes: readers will meet startups that can help solve your overflowing inboxes and remove all the faff from editing photos.

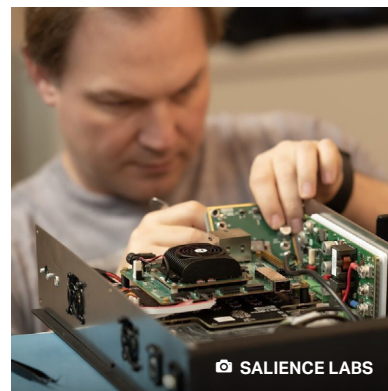
We excluded unicorns and focused instead on the challengers. The obvious risk of this? With AI unicorns

now popping up almost weekly, there was always a chance that a fresh fundraise would make one of our top picks ineligible. Talk about a nail biting wait until publish day.

Are there any trends to be discerned from the selection? Well, if European tech is a story of the haves and have-nots, with resources heavily concentrated in a few key spots, it's doubly the case with AI: there are only a handful of startup picks east of Munich.

And the (still) patriarchal nature of the tech industry does mean that we have (many) more male AI founders than female. The whys and wherefores of this deserves analysis in future Sifted articles.

In the end, we're aware that this ranking is — as all such rankings must be — the reflection of a fleeting mood. We had several disagreements while putting this list together and we're sure every reader would compile a different list — that's the point. We're here for a good debate.



Sifted AI 100 highlights



Cambridge-based **CuspAI**, a materials discovery platform, takes #1. Founded just a year ago, it now has 34 employees and raised a \$100m Series A in September 2025.



The companies have brought in a total of **€4.4bn** in funding. Average early-stage funding is **€28.4m**. Growth-stage companies average **€100m** in funding.



AI companies are generally lean on headcount: the average on this list is 75 employees. **Neura Robotics** leads with 1000 employees, then **PolyAI** and **Destinus**, which both employ 282. 18 companies have less than 20 employees. **Tracelight** (49 on the list) is the leanest, with 10 employees.



52 companies have raised funding so far in 2025, including a €189m Series B in June for **Multiverse Computing** and **Xelix**'s €137m Series B in July.



The cohort is young. The average launch year is **2022**. Six companies were founded this year (**2025**).



The **UK**, **Germany** and **France** make up the majority of the ranking (76%), with the UK leading with 36 companies.



Six companies have secured megarounds (funding rounds exceeding \$100m): **Multiverse Computing**, **Neura Robotics**, **PhysicsX**, **H Company**, **Xelix** and **SiPearl**.



While the AI 100 spans a variety of sectors, **industrial** and **defense & dual use** are the most dominant (eight companies each) followed by **biotech & drug discovery** and **enterprise agents** (six each).



London is home to 33 companies, followed by **Paris** with 15, **Berlin** with 12 and **Munich** with 6.



Only one company, London-based **Humanoid**, is bootstrapped. The robotics company launched in 2024.



A total of 716 investors have backed the 100 companies. **Seedcamp**, **Index Ventures** and **Y Combinator** are the most active investors in the ranking — backing 12, 10 and 10 companies respectively.



41 of the 100 exist on the **vertical application AI** layer, followed by 21 **infrastructure** startups and 11 **robotics & autonomous system** companies.



Without further ado...

The Sifted AI 100





cus.p.ai

1

MODEL ADVANCED MATERIALS



Computational chemistry platform for materials discovery

📍 Cambridge 📅 2024 👤 30

TOTAL FUNDING:
€119.6m
LATEST FUNDRAISE:
€92m Series A (Aug 2025)

PHYSICS X

2

APPLICATION INDUSTRIAL TECH



Simulation platform for complex industrial and engineering optimisation

📍 London 📅 2019 👤 188

TOTAL FUNDING:
€153.6m
LATEST FUNDRAISE:
€124.2m Series B (Jun 2025)

NEURA

3

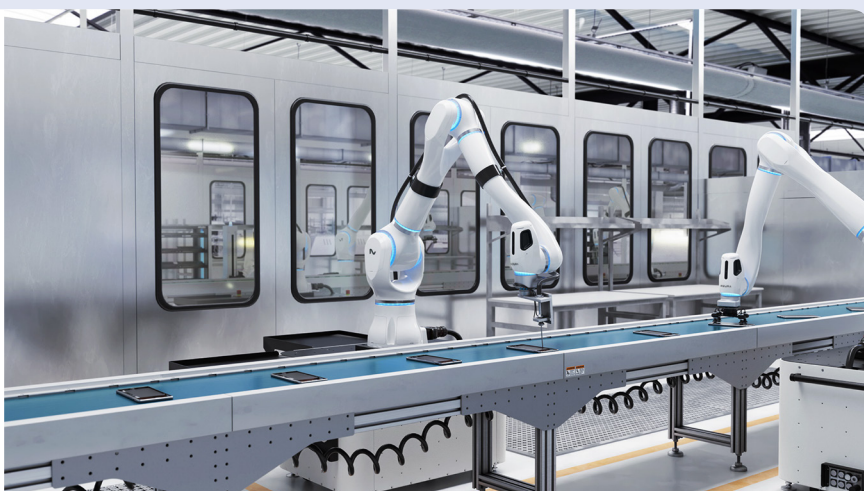
RAS INDUSTRIAL TECH



Cognitive humanoid robots for industrial and service environments

📍 Metzingen 📅 2019 👤 1000

TOTAL FUNDING:
€185m
LATEST FUNDRAISE:
€120m Series B (Jan 2025)



Black Forest Labs

4

MODEL CREATIVE TOOLS



Developer of generative models for image and video creation

📍 Freiburg 📅 2024 👤 38

TOTAL FUNDING:
€28.5m
LATEST FUNDRAISE:
€28.5m Seed (Aug 2024)

cradle

5

APPLICATION

BIOTECH & DRUG DISCOVERY

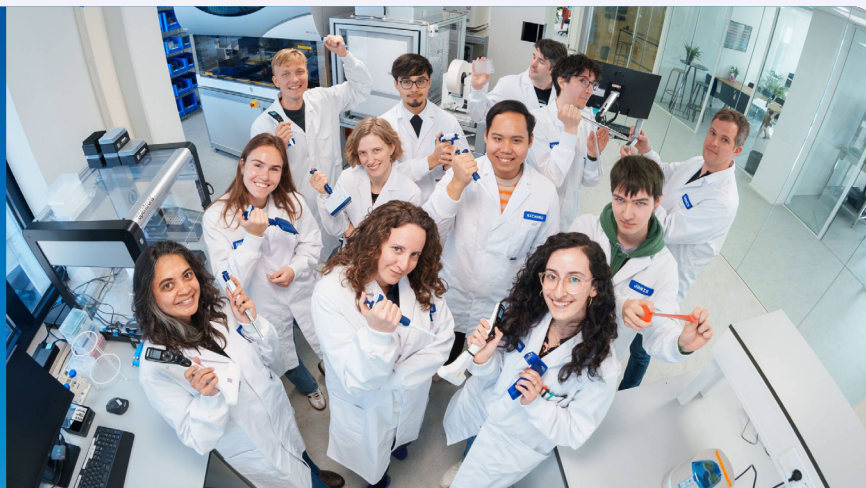


GenAI platform for
protein-based drug R&D

📍 Zurich 🏆 2021 👤 95

TOTAL FUNDING:
€94.8m

LATEST FUNDRAISE:
€67.2m Series B (Nov 2024)



PolyAI

6

APPLICATION

SALES & CUSTOMER SERVICE



Conversational voice
agents for customer service
automation

📍 London 🏆 2018 👤 282

TOTAL FUNDING:
€108.9m

LATEST FUNDRAISE:
€46m Series C (Apr 2024)

MULTIVERSE
COMPUTING

7

INFRASTRUCTURE

QUANTUM TECH



Quantum model compressor
for faster, cheaper and more
energy-efficient AI systems

📍 San Sebastián 🏆 2021 👤 185

TOTAL FUNDING:
€310m

LATEST FUNDRAISE:
€189m Series B (Jun 2025)

LEGORA

8

APPLICATION

LEGALTECH



Copilot for legal workflows
and document automation

📍 Stockholm 🏆 2023 👤 165

TOTAL FUNDING:
€105.8m

LATEST FUNDRAISE:
€73.6m Series B (May 2025)

Fyxxer.ai

9

APPLICATION

PRODUCTIVITY



Assistant for email
management, drafting and
meeting note-taking

📍 London 🏆 2023 👤 73

TOTAL FUNDING:
€37.3m

LATEST FUNDRAISE:
€27.6m Series B (Sep 2025)

granola

10

APPLICATION

PRODUCTIVITY



Meeting note-taker and
knowledge management tool

📍 London 🏆 2023 👤 33

TOTAL FUNDING:
€66.2m

LATEST FUNDRAISE:
€39.6m Series B (May 2025)

			HQ	Launch year	Employees	Total funding (€m)	Latest fundraising	Deal size (€m)
1	CuspAI	MODEL ADVANCED MATERIALS	Cambridge	2024	30	119.6	Series A	92
2	PhysicsX	APPLICATION INDUSTRIAL TECH	London	2019	188	153.6	Series B	124.2
3	NEURA Robotics	RAS INDUSTRIAL TECH	Metzingen	2019	1000	185	Series B	120
4	Black Forest Labs	MODEL CREATIVE TOOLS	Freiburg	2024	38	28.5	Seed	28.5
5	Cradle	APPLICATION BIOTECH & DRUG DISCOVERY	Zurich	2021	95	94.8	Series B	67.2
6	PolyAI	APPLICATION SALES & CUSTOMER SERVICE	London	2018	282	108.9	Series C	46
7	Multiverse Computing	INFRASTRUCTURE QUANTUM TECH	San Sebastián	2021	185	310	Series B	189
8	Legora	APPLICATION LEGALTECH	Stockholm	2023	165	105.8	Series B	73.6
9	Fyxr	APPLICATION PRODUCTIVITY	London	2023	73	37.3	Series B	27.6
10	Granola	APPLICATION PRODUCTIVITY	London	2023	33	66.2	Series B	39.6
11	Harmattan AI	RAS DEFENCE & DUAL-USE TECH	Paris	2024	47	25.5	Seed	25.5
12	H Company	APPLICATION ENTERPRISE AGENT	Paris	2024	75	202.4	Seed	202.4
13	Encord	INFRASTRUCTURE TRAINING DATA	London	2020	117	43.3	Series B	27.6
14	Peec AI	APPLICATION MARKETING & ADTECH	Berlin	2025	13	7.1	Seed	1.8
15	Wordsmith AI	APPLICATION LEGALTECH	Edinburgh	2024	37	27.6	Series A	23
16	Nabla	APPLICATION DIGITAL HEALTH	Paris	2018	80	103.7	Series C	64.4
17	FlexAI	COMPUTE ORCHESTRATION	Paris	2023	56	27.6	Seed	27.6
18	ARX Robotics	RAS DEFENCE & DUAL-USE TECH	Munich	2022	119	48.8	Series A	42
19	Basecamp Research	MODEL BIOTECH & DRUG DISCOVERY	London	2019	48	73.6	Series B	55.2
20	Tessl	INFRASTRUCTURE TRAINING DATA	London	2024	35	115	Series A	92
21	Tacto	APPLICATION SUPPLY CHAIN & LOGISTICS	Munich	2020	129	56	Series A	50
22	Photoroom	APPLICATION CREATIVE TOOLS	Paris	2019	120	58.3	Series B	39.6
23	Tandem Health	APPLICATION DIGITAL HEALTH	Stockholm	2023	80	54.7	Series A	46
24	Light	APPLICATION FINANCE TOOLS	London	2022	50	39.6	Series A	27.6
25	Bioptimus	MODEL BIOTECH & DRUG DISCOVERY	Paris	2023	25	69.9	Series A	37.7

			HQ	Launch year	Employees	Total funding (€m)	Latest fundraising	Deal size (€m)	
26	Sereact	RAS INDUSTRIAL TECH	 Stuttgart	2021	85	29.9	Series A	25	
27	Axelera AI	HARDWARE AI CHIPS	 Eindhoven	2021	223	184.5	Series B	62.6	
28	Salience Labs	HARDWARE PHOTONICS	 Oxford	2021	48	47.4	Series A	33.1	
29	Dust	APPLICATION ENTERPRISE AGENT	 Paris	2023	55	20.2	Series A	14.7	
30	Omnea	APPLICATION PROCUREMENT	 London	2022	105	69	Series B	46	
31	Humanoid	RAS INDUSTRIAL TECH	 London	2024	180	0	Bootstrapped		
32	Magentic	APPLICATION SUPPLY CHAIN & LOGISTICS	 London	2025	12	5.1	Seed	5.1	
33	Plancraft	APPLICATION CONSTRUCTION TECH	 Hamburg	2020	115	52.7	Series B	38	
34	Xelix	APPLICATION FINANCE TOOLS	 London	2018	123	151.8	Series B	137	
35	Emmi AI	APPLICATION INDUSTRIAL TECH	 Linz	2024	25	15	Seed	15	
36	Supersonik	APPLICATION SALES & CUSTOMER SERVICE	 Barcelona	2025	12	4.6	Seed	4.6	
37	Destinus	RAS DEFENCE & DUAL-USE TECH	 Hengelo	2021	282	53.7	Seed	26.7	
38	Cortea AI	APPLICATION FINANCE TOOLS	 Berlin	2024	14	2.8	Pre-seed	3	
39	Delian Alliance Industries	RAS DEFENCE & DUAL-USE TECH	 Athens	2021	50	19	Series A	12.9	
40	Murphy	APPLICATION DIGITAL LENDING	 Barcelona	2024	25	13.8	Seed	12.8	
41	Arondite	INFRASTRUCTURE DEFENCE & DUAL-USE TECH	 London	2018	23	11.3	Seed	11	
42	Dottxt	INFRASTRUCTURE MODEL TRAINING	 Paris	2023	17	13.4	Seed	8	
43	Langfuse	INFRASTRUCTURE MONITORING & GOVERNANCE	 Berlin	2023	12	3.7	Seed	3.7	
44	Taktile	APPLICATION HORIZONTAL FINTECH	 Berlin	2020	162	72.4	Series B	49.7	
45	Oriole Networks	HARDWARE PHOTONICS	 London	2023	70	46	Series A	20.2	
46	Memories.ai	INFRASTRUCTURE TRAINING DATA	 Cambridge	2025	15	7.4	Seed	7.4	
47	Solve Intelligence	APPLICATION LEGALTECH	 London	2023	26	13.8	Series A	11	
48	Orbem	APPLICATION FOODTECH	 Munich	2019	170	37.4	Series A	30	
49	Tracelight	APPLICATION FINANCE TOOLS	 London	2025	10	3.3	Seed	3.3	
50	Comand AI	APPLICATION DEFENCE & DUAL-USE TECH	 Paris	2023	26	11.7	Seed	8.7	

			HQ	Launch year	Employees	Total funding (€m)	Latest fundraising	Deal size (€m)
51	Monumental	RAS CONSTRUCTION TECH	Amsterdam	2021	68	23	Series A	23
52	Metaview	APPLICATION HR TECH	London	2018	56	45.6	Series B	32.2
53	VerticalCompute	COMPUTE GPU INFRASTRUCTURE	Leuven	2025	25	23	Pre-seed	20
54	Manex AI	APPLICATION INDUSTRIAL TECH	Munich	2023	25	9.2	Seed	8.6
55	Jack & Jill	APPLICATION HR TECH	London	2024	12	18.4	Seed	18.4
56	Aqemia	APPLICATION BIOTECH & DRUG DISCOVERY	Paris	2019	78	114.9	Series B	35
57	Lupa	APPLICATION PET TECH	London	2023	58	23	Series A	18.4
58	Fractile	HARDWARE AI CHIPS	London	2023	60	23	Seed	13.8
59	Qdrant	INFRASTRUCTURE DATABASE	Berlin	2021	98	35.6	Series A	25.8
60	SpAltial	MODEL EXTENDED REALITY	London	2024	14	12	Seed	12
61	DataCrunch	COMPUTE GPU INFRASTRUCTURE	Helsinki	2020	59	76.5	Series A	55
62	Deepset	INFRASTRUCTURE MODEL TRAINING	Berlin	2018	75	42	Series B	27.6
63	Project Q	INFRASTRUCTURE DEFENCE & DUAL-USE TECH	Munich	2023	PND	7.5	Seed	4.6
64	Rerun	INFRASTRUCTURE TRAINING DATA	Stockholm	2022	30	18.9	Seed	15.6
65	Latent Labs	MODEL BIOTECH & DRUG DISCOVERY	London	2023	18	46	Series A	36.8
66	Maki	APPLICATION HR TECH	Paris	2022	50	32.2	Series A	23
67	Paid	APPLICATION FINANCE TOOLS	London	2025	12	30.4	Seed	19.9
68	sensmore	APPLICATION CONSTRUCTION TECH	Berlin	2022	15	6.7	Seed	6.7
69	SiPearl	HARDWARE AI CHIPS	Paris	2019	173	138	Series A	130
70	Roofline	INFRASTRUCTURE MODEL DEPLOYMENT	Aachen	2024	20	2.5	Pre-seed	2.5
71	Synthesized	INFRASTRUCTURE TRAINING DATA	London	2018	30	24.1	Series A	18.4
72	UnlikelyAI	MODEL HORIZONTAL FINTECH	London	2018	35	23	Seed	4.6
73	Arago	HARDWARE PHOTONICS	Paris	2024	25	23.9	Seed	23.9
74	Adaptive ML	INFRASTRUCTURE MODEL TRAINING	Paris	2024	32	18.5	Seed	18.3
75	Langdock	APPLICATION ENTERPRISE AGENT	Berlin	2023	22	2.8	Seed	2.8

			HQ	Launch year	Employees	Total funding (€m)	Latest fundraising	Deal size (€m)
76	Dash0	INFRASTRUCTURE MONITORING & GOVERNANCE	Berlin	2023	35	40.9	Series A	32.2
77	Recycleye	RAS WASTE MANAGEMENT	London	2019	41	23.3	Series A	15.6
78	Autone	APPLICATION RETAIL	London	2021	45	21.4	Series A	15.6
79	Fernride	RAS SUPPLY CHAIN & LOGISTICS	Munich	2019	158	64.2	Series A	16.6
80	Weaviate	INFRASTRUCTURE DATABASE	Amsterdam	2019	111	62.3	Series B	46
81	Phoebe	APPLICATION MONITORING & GOVERNANCE	London	2024	14	15.6	Seed	15.6
82	Juna AI	APPLICATION INDUSTRIAL TECH	Berlin	2024	17	6.9	Seed	6.9
83	Orasio	APPLICATION SECURITY & SAFETY	Paris	2025	15	16.2	Seed	16
84	Ameba	APPLICATION SUPPLY CHAIN & LOGISTICS	London	2023	13	8.1	Seed	6.5
85	Duna	APPLICATION REGTECH	Amsterdam	2023	23	10.7	Seed	10.7
86	Maisa	APPLICATION ENTERPRISE AGENT	Valencia	2024	36	30.1	Seed	23
87	Biorce	APPLICATION BIOTECH & DRUG DISCOVERY	Barcelona	2024	38	8.6	Series A	5
88	V7	APPLICATION ENTERPRISE AGENT	London	2018	94	46	Series A	30.4
89	Harmonic Security	INFRASTRUCTURE MONITORING & GOVERNANCE	London	2023	51	23.9	Series A	16.1
90	TI;dv	APPLICATION PRODUCTIVITY	Aachen	2020	42	4.7	Seed	4.3
91	Voize	APPLICATION DIGITAL HEALTH	Berlin	2020	76	7.8	Seed	7.7
92	Lumai	HARDWARE PHOTONICS	Oxford	2022	20	12.7	Seed	9.2
93	Sunrise Robotics	RAS INDUSTRIAL TECH	Ljubljana	2025	25	7.8	Seed	7.8
94	Flower Labs	INFRASTRUCTURE MODEL TRAINING	Hamburg	2020	83	21.8	Series A	18.4
95	Hadrian	APPLICATION CYBERSECURITY	Amsterdam	2021	109	13.2	Seed	10.5
96	Orbital	APPLICATION LEGALTECH	London	2018	97	14.5	Series A	7.5
97	Otera	APPLICATION ENTERPRISE AGENT	Innsbruck	2019	77	15.6	Series A	11
98	Blackshark.ai	INFRASTRUCTURE DEFENCE & DUAL-USE TECH	Graz	2020	71	32.2	Series A	13.8
99	Doubleword	INFRASTRUCTURE MODEL DEPLOYMENT	London	2021	15	13.6	Series A	11
100	Cakewalk	INFRASTRUCTURE MONITORING & GOVERNANCE	Berlin	2023	25	11.5	Seed	6.9

The 50 best-performing investors

Investors were ranked by the number of portfolio companies that feature on the *Sifted AI 100* in the first instance, followed by the average company rank.

The full ranking is available online to [Sifted Pro](#) subscribers.

				AVERAGE RANK	
INVESTOR	TYPE	HQ	COUNT	TOP-RANKED COMPANIES	
1 Seedcamp	VC fund / Accelerator		12	61	Dust (#29), Murphy (#40), Dottxt (#42)
2 Index Ventures	VC fund		10	39	Cradle (#5), PolyAI (#6), Wordsmith AI (#15)
3 Y Combinator	VC fund / Accelerator		10	52	Legora (#8), Encord (#13), Photoroom (#22)
4 European Innovation Council	Public funding		9	58	Multiverse Computing (#7), Axelera AI (#27), Saliency Labs (#28)
5 Sequoia	VC fund		8	62	Tacto (#21), Dust (#29), Latent Labs (#65)
6 General Catalyst	VC fund		6	30	PhysicsX (#2), Black Forest Labs (#4), Legora (#8)
7 Firstminute Capital	VC fund		5	29	Granola (#10), Nabla (#16), Taktile (#44)
8 Lightspeed Venture Partners	VC fund		5	35	CuspAI (#1), Granola (#10), Langfuse (#43)
9 Bpifrance	Public funding		5	36	H Company (#12), FlexAI (#17), Bioprimus (#25)
10 Visionaries Club	VC fund		5	37	H Company (#12), Tacto (#21), Tandem Health (#23)
11 Motier Ventures	Family office		5	42	H Company (#12), FlexAI (#17), Dust (#29)
12 Creandum	VC fund		5	42	H Company (#12), Sereact (#26), Plancraft (#33)
13 HV Capital	VC fund		5	45	NEURA Robotics (#3), Nabla (#16), ARX Robotics (#18)
14 Cherry Ventures	VC fund		5	48	Tacto (#21), Cortea AI (#38), Phoebe (#81)
15 Frst Capital	VC fund		5	48	FlexAI (#17), Bioprimus (#25), Comand AI (#50)
16 Speedinvest	VC fund		5	54	ARX Robotics (#18), Emmi AI (#35), SpAltia (#60)
17 Hummingbird Ventures	VC fund		4	26	Legora (#8), Basecamp Research (#19), Bioprimus (#25)
18 Northzone	VC fund		4	29	CuspAI (#1), Tandem Health (#23), Murphy (#40)
19 Elaia	VC fund		4	32	H Company (#12), FlexAI (#17), Dottxt (#42)
20 Accel	VC fund		4	35	H Company (#12), Tessl (#20), Omnea (#30)
21 Balderton Capital	VC fund		4	38	Photoroom (#22), Taktile (#44), Deepset (#62)
22 Air Street Capital	VC fund		4	40	PolyAI (#6), Sereact (#26), Delian Alliance Industries (#39)
23 Eurazeo	VC fund / Private equity		4	43	H Company (#12), Comand AI (#50), VerticalCompute (#53)
24 Point Nine	VC fund		4	47	Sereact (#26), Rerun (#64), Omnea (#30)
25 GV	CVC		4	54	Tessl (#20), Metaview (#52), Deepset (#62)
26 MK Venture Capital	VC fund		4	56	Multiverse Computing (#7), Qdrant (#59), Deepset (#62)
27 Kindred Capital	VC fund		4	57	Cradle (#5), Fractile (#58), Latent Labs (#65)
28 Kima Ventures	VC fund		4	59	Dottxt (#42), Comand AI (#50), Maki (#66)
29 Plural	VC fund		4	60	Oriole Networks (#45), Monumental (#51), Metaview (#52)
30 Acequia Capital	VC fund		4	63	Tracelight (#49), Deepset (#62), sensmore (#68)
31 Plug and Play	VC fund / Accelerator		4	67	Taktile (#44), Qdrant (#59), Recycleye (#77)
32 Mehdi Ghissassi	Angel		3	11	CuspAI (#1), Cradle (#5), Sereact (#26)
33 Joel Hellermark	Angel		3	18	Legora (#8), Tandem Health (#23), Light (#24)
34 20VC	VC fund		3	23	Peec AI (#14), Solve Intelligence (#47), Fyxr (#9)
35 Cathay Innovation	VC fund		3	32	Nabla (#16), Bioprimus (#25), Aqemia (#56)
36 Simon Dawlat	Angel		3	37	Nabla (#16), Dust (#29), Maki (#66)
37 Thomas Wolf	Angel		3	41	Bioprimus (#25), Arago (#73), Light (#24)
38 Entrepreneur First	Accelerator		3	41	PolyAI (#6), Tracelight (#49), sensmore (#68)
39 Michael Wax	Angel		3	46	Tacto (#21), Orbem (#48), sensmore (#68)
40 Hanno Renner	Angel		3	48	Tacto (#21), Orbem (#48), Langdock (#75)
41 Guillermo Rauch	Angel		3	50	Granola (#10), Rerun (#64), Dash0 (#76)
42 Xpreneurs	Accelerator / University		3	51	Sereact (#26), Orbem (#48), Fernride (#79)
43 Amadeus Capital Partners	VC fund		3	55	PolyAI (#6), UnlikelyAI (#72), V7 (#88)
44 La Famiglia (merged with GC)	VC fund		3	55	Langfuse (#43), Orbem (#48), Langdock (#75)
45 University of Oxford	University		3	59	Saliency Labs (#28), Fractile (#58), Lumai (#92)
46 Redalpine	VC fund		3	60	Voize (#91), Synthesized (#71), Basecamp Research (#19)
47 Adriaan Mol	Angel		3	62	Cradle (#5), Duna (#85), Hadrian (#95)
48 Prototype Capital	VC fund		3	63	Dust (#29), sensmore (#68), Sunrise Robotics (#93)
49 Expeditions Fund	VC fund		3	65	Comand AI (#50), Project Q (#63), Orasio (#83)
50 Tiny VC	VC fund		3	66	Sunrise Robotics (#93), Cortea AI (#38), sensmore (#68)

CHAPTER I

Europe's AI moment

**Startups are rushing to claim their
piece of the global tech boom**



Online search, social media, smartphones and cloud computing: just some of the big tech moments that passed Europe by. Will AI be different?

You bet it will, say the founders of the 100 companies in Sifted's first AI ranking.

The continent is moving with speed to claim its piece of the global AI explosion. Tech giants such as SAP, Mistral and ASML have committed billions of euros to homegrown AI startups and services tailored to Europe. Meanwhile, heads of state are frantically ginning up resources to invest in massive data centres to power the AI beast.

Tidy sums are being raised everywhere. "It's fundraising in easy mode," says Nikola Mrkšić, cofounder and CEO of London-based PolyAI, which uses AI to create incredibly-human-like voices.

Pity the founders in other industries, who have a task this year to get attention from customers and investors. "What's fundamentally different about this moment is that once you've found product-market-fit, the market actively comes to you, asking for more AI everywhere," says Delphine Groll, cofounder and COO of French company Nabla, which has developed an AI tool that helps doctors cut down on admin.

“**Once you've found product-market-fit, the market actively comes to you, asking for more AI everywhere.**”

Delphine Groll, cofounder and COO, Nabla

Things are rosy in AI-land. "My last startup was a slog, five years of fighting against a wall; this time, everything has gone our way," says Christopher Pedregal, founder and CEO of AI notetaking app Granola.



'BLACK HOLE FOR TALENT'

N8n, Nscale, Lovable, Parloa and Isomorphic Labs are just some of the growing list of European startups that have reached the vaunted status of unicorn (aka billion-dollar valuations) in recent months. No doubt several ranked startups here will be rapping on the unicorn paddock door before the year is out.

Europe's brightest minds are shuffling into AI companies, taking equity that they hope will someday convert to riches. "I was told recently we're 'the black hole for talent' in Europe," says Chad Edwards, cofounder and CEO of CuspAI, which wants to unlock trillion-dollar materials breakthroughs "in months, not millennia".

The Cambridge-based company says that its founding group "is the most cited in the world". It certainly has an *Avengers* feel to it. "We have people who used to work at DeepMind, Isomorphic Labs and Meta to name a few," says Edwards. Then there's the board. So-called AI "godfather" Geoffrey Hinton — who won the physics Nobel Prize for formative work on the technology — has a seat, as does Meta's chief AI scientist Yann LeCun.

CuspAI came to life shortly after Edwards approached Max Welling, a distinguished scientist who worked at Microsoft, and suggested a venture together. Having only met Welling a couple of times before, it wasn't obvious that the answer would be yes.

But the pair discovered they were on the same page on nearly everything. "It was almost spooky," says Edwards. They agreed that humanity desperately needs

entirely new materials to solve climate challenges like capturing carbon, storing energy and replacing polluting chemicals. But discovering and testing these materials in the lab is slow, costly and full of dead ends.

So their solution is to use AI, deep learning and molecular simulation to power a highly specialised search engine. The way it works is that users describe the specific properties they'd like a new material to have, and the platform responds with a chemical makeup.

“

I was told recently we're 'the black hole for talent' in Europe.”

Chad Edwards, cofounder and CEO, CuspAI

“Max is the dream cofounder to be honest: Dutch, so extremely direct. He'll sometimes say, 'don't be British, tell me how it is'. Very useful,” says Edwards, who — with a master's in chemistry and a PhD in nuclear fission to go with an MBA — is no slouch.

The second-ranked startup also comes with a generous helping of academic heft. Giacomo Corbo's PhysicsX, based in London and New York, is building an AI software platform to quickly design parts for manufacturing projects in industries like defence and aerospace.

Corbo saw the potential that machine learning and AI can benefit a broad range of industries years ago, after he was approached by the Formula 1 racing team Alpine F1 (then named Renault F1) about using his research into algorithmic game theory and multi-agent systems to optimise race strategy.

The team needed to figure out the best time for a vehicle to pit stop for new tyres during a race: a decision that depends not only on tyre degradation, but also on when competing drivers may decide to do their own stop. Corbo took a year out from his studies at Harvard to help Renault and his research helped the team win double world championships in 2005 and 2006.

IN-DEMAND TOOLS

“One year ago we were three cofounders and an engineer, living in a hacker house.”

This was a recent LinkedIn post by Rich Hollingsworth, cofounder and CEO of UK-based Fyker AI, who was marveling that his company was the highest European startup on the annual a16z list of the most-used tools on the internet.

Fyker AI's pitch is among the simplest ones you'll ever read: the company's AI will tackle your overflowing email, “saving you one hour a day”. “We're for the people who find themselves in daily inbox hell,” says Hollingsworth.

It almost sounds too simple: what's to stop a big tech giant tackling this problem? We're told repeatedly by investors that so-called “horizontal AI” is less defensible than AI trained on niche topics. But Hollingsworth is bullish that “the advantage of the incumbents is gone. People said Google would dominate in this space but I don't know a single person that uses Google products for their email. We're capitalising on the sluggish giants”. And even if — or when — new AI email sorting competition does arrive, Hollingsworth adds that: “There are 2.3bn people in the world who use email, there's room for more than one player.”

So far, the real estate market provides 40% of Fyker AI's revenue. “In that job, the more meetings you do, the more money you earn. It's such a clear ROI [return-on-investment] that our tool rips through the industry.”

Another European company that made the influential a16z list, and ranked 22nd on our ranking, is Paris-based Potoroom, an AI tool for photo editing started by former Y Combinator alumni. “If you're a shopkeeper or a restaurant, today your shopfront is the internet,” says cofounder Matthieu Rouif. “Without good pictures, you're dead.”

The popularity of tools like Fyker AI and Potoroom has investors wondering if “Europe's AI application layer is quietly taking the lead”, says Laura McGinnis, principal at Balderton Capital. She tells Sifted that US accelerators including Y Combinator and Speedrun were “expanding slots and actively doing road shows across London, Berlin, Paris and Amsterdam” to scout AI talent.



'NON-HUB ADVANTAGES'

In Edinburgh, meanwhile, founder Ross McNairn has created an AI assistant tool for legal teams which he says is already being used by a third of Europe's unicorns.

Wordsmith AI, founded in 2023, is targeting in-house legal teams at large corporates rather than law firms: McNairn argues that the latter group are not serious about AI. "It's a threat to their business; law firms don't want clients to use AI either," he says.

McNairn took the unusual step of quitting his job as a lawyer some years ago and learning how to code. "Actually they're very similar skills: reading and remembering lots of stuff," he says. He quickly became very good at it, serving as CTO at three unicorns.

His is the only Scottish company in Sifted's ranking. "There are advantages to building in a 'non-hub'," he says. "No competitors. So you have your pick on hires."

But what does he think of the risk of AI making mistakes? Chatbots have been known to "hallucinate" — a very mild way to say they're prone to errors. What if the legal profession stumbles into an embarrassing AI-moment?

"Humans are good at making mistakes without AI," McNairn says. "This is rather like replacing a carpenter's saw with an electric version."

'DRIVEN BY FEAR'

Malte Landwehr is an expert on SEO (how companies can get more traffic from search engines). A few months ago, he decided to see what all the ChatGPT fuss was about. He set himself a challenge: ignore Google for a week and take his queries to the chatbot.

"I realised, shit, the AI change is bigger and faster than I thought. I got scared for my future to be honest," he says.

In his mild panic, Landwehr WhatsApp-ed the CEO of Peec AI, a Berlin startup that helps marketing teams analyse brand mentions across ChatGPT and other chatbots like Perplexity, Claude and Gemini. "I had been advising the company on recruitment and I just wrote: 'how about I recruit myself?'"

“

I think about the people who used to run phone switchboards in offices who lost their jobs to technology. Or how one day the car replaced the horse and carriage. I don't want to be a horse."

Malte Landwehr, CPO and CMO, Peec AI

Anxiety that AI will take your job is also one of the chief reasons many tech workers are opting for crazier hours: so-called 996 culture, or working 9am-9pm, six days a week, has become a badge of honour in those companies that have started warning about an "intense routine" in their job listings.

"There's really a feeling that AI can break into any business category: it's so exciting but it's also driving fear," says Landwehr. "I think about the people who used

to run phone switchboards in offices who lost their jobs to technology. Or how one day the car replaced the horse and carriage. I don't want to be a horse."

Nikola Mrkšić's PolyAI is creating AI voices that are replacing more than just receptionists: the technology is being adopted by customer service departments in huge companies.

66

With AI, you go away on holiday for two weeks and when you return, everyone's suddenly using new tools."

Nikola Mrkšić, cofounder and CEO, PolyAI

Mrkšić has also observed a shift towards more intense working weeks. "You're seeing people battling their own insecurities," he says. "It's a fear of obsolescence: people are coping by becoming more hardcore."

"It's no longer that there's a paradigm technological shift every two years. With AI, you go away on holiday for two weeks and when you return, everyone's suddenly using new tools."

AI HARDWARE HOLES

Yet even as buckets of money are being filled for Europe's AI startups, a nagging question persists: whether there's enough capital to compete with China and the US.

There are glaring holes in Europe's AI armoury. For one, the vast majority of European AI companies rely on American tech — namely models from OpenAI, Perplexity and Anthropic.

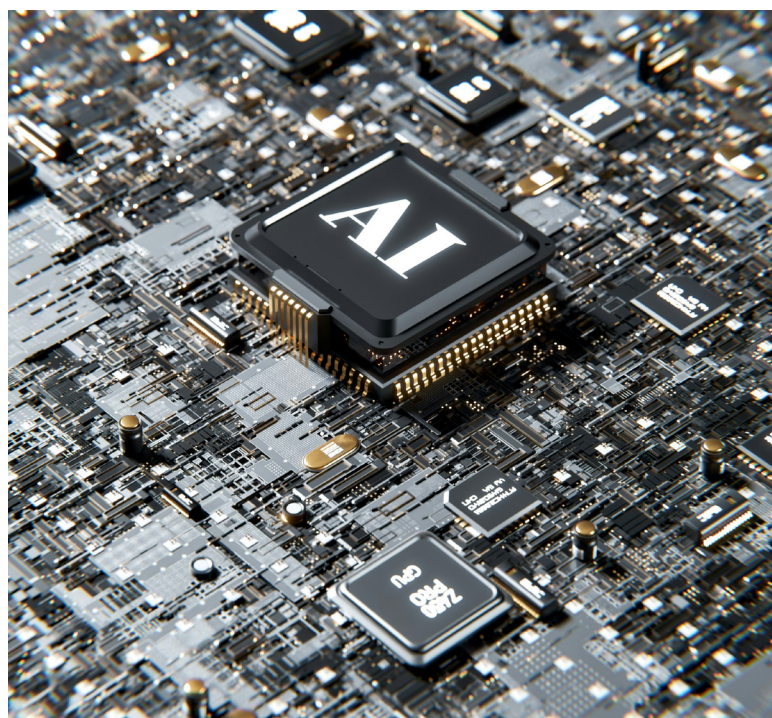
The continent is also miles behind on AI hardware. Even as distrust grows in Europe over the privacy and security of American services, both the UK and German

governments recently unveiled big AI infrastructure investment plans with American firms Nvidia, OpenAI and Microsoft: a bitter pill for champions of European "tech sovereignty".

Still, given the dizzy AI data centre spending plans of the world's biggest tech firms, nabbing even a fraction of the market would be a meaningful result for any company. "This is the biggest infrastructure build-out in history," says Walter Goodwin, a young Oxford PhD graduate, who is developing chips that he says will dramatically improve the speed of AI inferencing (i.e. the crucial step where AI models, after being trained, generate responses, which we see when using chatbots).

His startup Fractile, which raised a \$15m seed round in 2024, has attracted investment from luminaries of the chip world, including Hermann Hauser — who spun off Arm from Acorn Computers in 1990 — and former Intel CEO Pat Gelsinger.

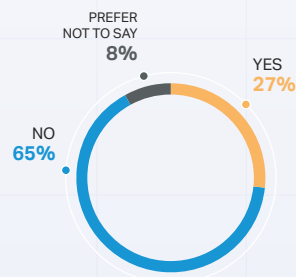
Europe has serious ground to cover in the AI chip race but Goodwin nominates one clear advantage to having a European base: "We don't have to look over our shoulders at the big Bay Area companies hiring people away from us."



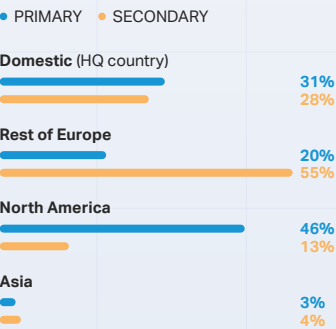
Survey findings

Three quarters of the cohort answered survey questions about their company's growth and growth plans.

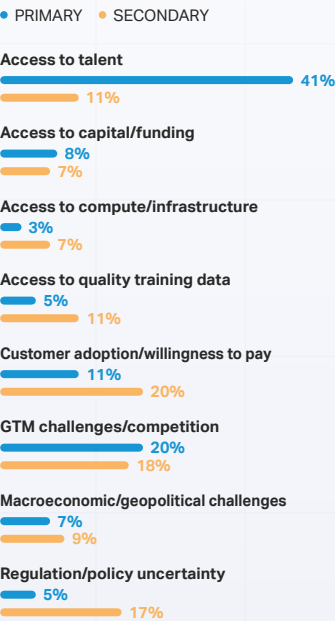
Has your company been approached by potential acquirers in the past 12 months?



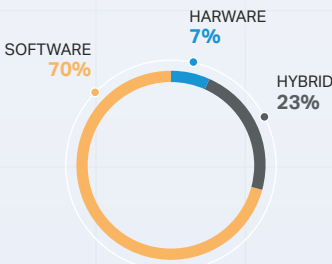
Rank your biggest markets (by share of revenue)



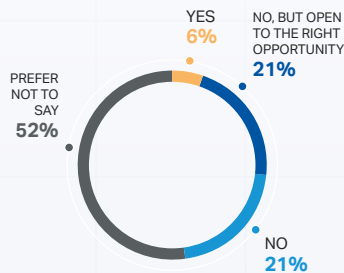
Rank these potential blockers to your company's growth



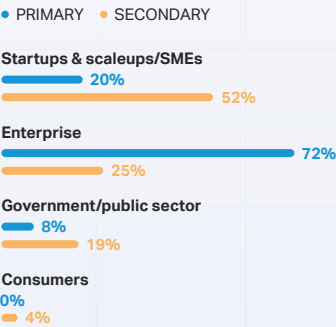
Are you an AI software company, hardware, or both?



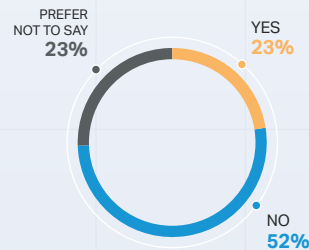
Is your company actively looking for M&A opportunities?



Rank your customer groups (by share of revenue)



Would you consider relocating your HQ to the US in the future?



CHAPTER II

Inside the AI startup

**The pace is relentless in the
"easiest-to-jump-on tech ride ever"**



The pace at AI companies? Breakneck. But few have described it as vividly as Max Junestrand, cofounder and CEO of AI legal tech Legora: “We wake up in the morning with that metallic taste of blood in our mouths, because we have to run faster.”

AI companies have become synonymous with intense working cultures. “My work-life balance is worse than in previous jobs,” says Landwehr, chief product officer at Peec AI. “I sometimes work on the weekend, yes, though no one tells you to.”

CuspAI boss Edwards says, “the pace of development is exponentially faster than at my previous companies. At a SaaS company, for example, you might release a new feature every three or four years; AI companies have to ship in months.”

Late evenings aren’t rare. Granola’s Pedregal almost winces when he recalls his company’s “week from hell”. “A huge software company copied our product and launched it so we had to prep our big launch the next day. Meanwhile, this thread went viral on X [formerly Twitter] of a security breach on our product, which turned out to not be true.

“I’ve never dealt with a PR situation like it: this was war-time mode, with everyone in the office until 11 pm.”

AI companies are in such a hurry, partly because this is the “easiest-to-jump-on tech ride ever”, says Gabriel Hubert, cofounder of Paris-based Dust, which makes AI agents for companies.

Competition is popping up all the time, confirms Edwards. “18 months ago, we were one of the first to enter the space; now there’s a new competitor every month — or maybe every two weeks.”

“

18 months ago, we were one of the first to enter the space; now there’s a new competitor every month — or maybe every two weeks.”

Chad Edwards, cofounder and CEO, CuspAI

WHICH CLIENTS TO CHASE

Faced with such intense competition, startups have to make quick decisions on which clients to chase.

Gautier Cloix, CEO of Paris-based AI agent-maker H Company, notes that Europe is a less forgiving market than the US. “US companies think it’s fine to spend €100k on new tech, even if it doesn’t end up working, because the risk is not spending €100k on something that’s going to completely create a competitive difference.”

Other founders confirm this. France-based Nabla, which has created a notetaking AI assistant for doctors, did something almost unique in European tech: the company ignored Europe and sold straight into the US market. “In Europe, getting a ‘let’s give it a try’ from a client is often really tough,” says cofounder Groll, who has relocated with the business to New York.



© GRANOLA TEAM

"In the US, people are quicker to take a chance. Everything runs through a business lens: free pilots are rare, even considered suspicious, while in Europe, there's almost no chance you could charge for a pilot."

Signing big enterprise deals takes 14 months in Europe, estimates Cloix. "We can't afford that time, so after two months of discussions, we say; 'Last meeting, if you want to work with us or not, okay'."

French-US startup FlexAI, which offers AI companies flexible cloud computing resources, is mainly targeting startups, universities and tech accelerators for now. "If I focused all my team on selling to enterprises, I would lose too much time," says COO Sundar Balasubramaniam.

By contrast, CuspAI's Edwards, who previously ran a quantum company in the UK, says he's happy selling to big clients. "I've been raised in this world and have had to get to grips with these behemoths before. True, they don't move super fast but they do realise machine learning and AI is going to fundamentally change their industries: so we see some acceleration," he says.

To help speed along orders for AI within the biggest companies, some startups are essentially seconding their human experts to work alongside the AI. These "forward-deployed engineers", as they're known, have become a key sales tactic.

"The main challenge with AI in the enterprise is that there isn't yet an established persona who's tasked to implement AI workflows, so the easiest way is to sell that person to the customer together with the tools," Alberto Rizzoli, cofounder and CEO of London-based AI agent maker V7, wrote on LinkedIn recently.

H Company's Cloix does this too. "If we need 60 AI researchers to go work on a problem at Charles de Gaulle airport tomorrow [for example], everybody goes, and we stay, maybe until midnight if needed."

This way of selling AI tools is "a useful crutch to develop traction in the short term", says Rizzoli. Longer term, however, companies run the risk of slacking on product upgrades, he argues. "The real risk is you build a high tolerance for software 'enshittification', because your own [forward deployed engineers] can tolerate it."

CAN YOU RAISE TOO MUCH?

A bursting warchest is a must-have for any AI startup facing well-funded rivals. There's also pressure to keep up with rising salaries: engineering roles have gone up 20-30% in the past year in Paris, for example, reports Balasubramaniam.

But overall, salaries for AI technical whizzes have risen slower across Europe than most people think, counters Elena Pantazi, partner at London VC firm Northzone. She recently polled her firm's portfolio companies — which includes a few household names like Klarna and Spotify — and found that around three quarters of AI engineering talent were earning less than \$150k.

A little surprisingly, Pantazi also reports that companies are increasingly interested in generalist software engineers who have upskilled their AI proficiencies, as opposed to those with a deep, specialist, AI background.

"Certain outliers are paid more eye-catching salaries — \$300k or above — but these certainly remain the exception, not the norm," she says. There's no European equivalent of Mark Zuckerberg, who has reportedly offered some AI heavyweights \$1bn pay deals to join Meta.

“

It felt way ahead of our company, I was like 'oh my god, why did we do this to ourselves?'

Christopher Pedregal, founder and CEO, Granola

And though it sounds like a nice problem to have, some founders feel the pressure of big fundraising cheques. Granola's Pedregal says that raising \$43m in May was distracting. "It felt way ahead of our company, I was like 'oh my god, why did we do this to ourselves?'"

"In my last company, we were 12 people, it was all about not spending much money, being really intentional with our hires."

At Granola, “I wanted to be an ostrich and stick my head in the sand. It took me longer than it should have to be okay with that,” he says. “But we had to accept the narrative that comes with the funding.”

CuspAI recently raised more than \$100m in a Series A round. “We’ve cautioned ourselves to not go crazy,” says Edwards. “I also think there’s a healthiness that comes from the pressure.”

66

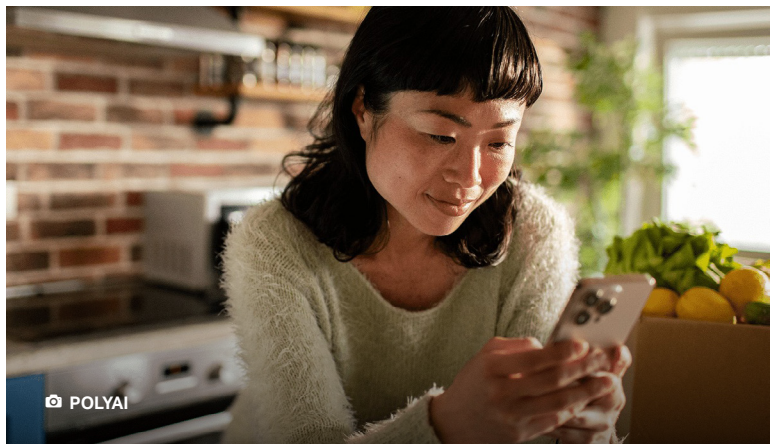
There’s a healthiness that comes from the pressure.”

Chad Edwards, cofounder and CEO, CuspAI

For the hardware (or “physical AI”) makers on our ranking, there is more of a necessity to raise big. Stuttgart-based robot developer Sereact was scrappy in the beginning, making do with used GPUs — the chips that can perform complex AI tasks — bought on eBay to power its tech. The business was profitable in 2024, but isn’t this year after investing in new technology, increasing compute costs — they make up roughly 30-40% of the company’s outgoings — and growing its team to more than 80 people.

Sereact raised a €25m Series A in January this year from investors including Creandum, Point Nine and Air Street Capital. Cofounder and CEO Ralf Gulde says he will require a “massive amount of capital going forward”, and that he and his cofounder Marc Tuscher are “constantly in touch with investors”. Its next round will be “substantial”, he adds, suggesting the company needs \$3bn in capital to reach its targets.

Sereact’s software won’t be powering complex, two-legged humanoids but lots of different industrial robots. “I used to think the AI revolution would be loud. Turns out, it’s happening in the back of warehouses where no one’s filming.” His robots are in fulfillment centres in Germany, the Czech Republic, the Netherlands and some other places, processing 500+ picks per hour.



FINDING AI’S FLAWS

Much of the time at AI companies is spent fixing wrinkles with the tech. For sure, AI’s nifty, but it’s not flawless.

Take voice AI: it’s never been better. Today’s tech far exceeds what voice assistants Siri and Amazon Echo can do. But while AI now sounds semi-indistinguishable from humans, it still has trouble understanding us. “ChatGPT will misunderstand one word and go on a comical side-quest,” says Mrkšić.

Matt Wilson is cofounder of London-based Jack & Jill, which is a developer of twin AI bots to help jobseekers land interviews and companies find hires. There are tasks AI still sucks at, he says. “Large language models seem to have a bias to not scrutinise their actions, which means they need supervisor models to make sure they’re not getting carried away with something.”

A good example at his company is using AI to source job candidates: agent Jill might uncover a promising person for a role but then identify red flags in their profile after doing some more research. “Undeterred by this, the agent will still want to present these would-be hires to the client unless we run a supervisor check,” Wilson says.

AI also has some trouble understanding time. For example, if a user asks Jack & Jill for “candidates fast please” that doesn’t mean “the agent should rush the research process we have told it to do — it means the user wants candidates as soon as possible without compromising on quality. Sometimes our agent tries to get around guardrails in the name of doing things fast.”

CHURN OBSESSION

AI companies are growing at a faster rate than any tech company ever has.

But growth is not the main thing your teams should be watching, says Fyxxer AI's Hollingsworth.

66

What we know is that 80% of the AI market value lies in just 20% of the companies. If your client retention rate is strong, you're in the 20%."

Rich Hollingsworth, cofounder and CEO, Fyxxer AI

"Revenue is a vanity metric: it's never been easier to grow ARR [annual recurring revenue]. There's so much market pull, everyone's dipping in and out of products," he says.

"But what we know is that 80% of the AI market value lies in just 20% of the companies. If your client retention rate is strong, you're in the 20%," he says. Around 90% of people who pay for Fyxxer AI are still using the product three months later, he adds.

Churn rates are closely watched in most companies, of course. "We're heavy on customer support to our clients," says Wordsmith AI's McNairn. "Lawyers want to be able to call on people. I would say 50-70% of our time is responding to our customers and 30% is building new features."

At Peec AI, "our financial numbers are completely transparent, whenever we lose a customer or win one, it's visible on a TV", says Landwehr. "And you can see that screen from the street, sometimes my friends send me pictures of it."

'REALLY THINKING = HALF THE JOB'

Talking to AI leaders, it's clear that while the pace is crazy, a lot of what happens in these startups applies to any office.

With stints at electric car maker Tesla and chip giant Intel, Balasubramaniam has some idea of what works and can take that knowledge to FlexAI. But really, he says, there's no special organigramme (organisational chart) that guarantees success: everyone just has to work smartly, he says.

"We do all the typical things, we dogfood [aka test our own product by using it], we vibe code, we run hackathons. But really thinking about the problem is half the job," he says.

Landwehr, on the other hand, says Peec AI is "completely different from my other jobs. I'm 39, the oldest here. In any other company I've worked at, I've always had the feeling I could do the job better than everyone (and I know I sound like an asshole here). But that hasn't happened here because half the people here have founded their own companies."

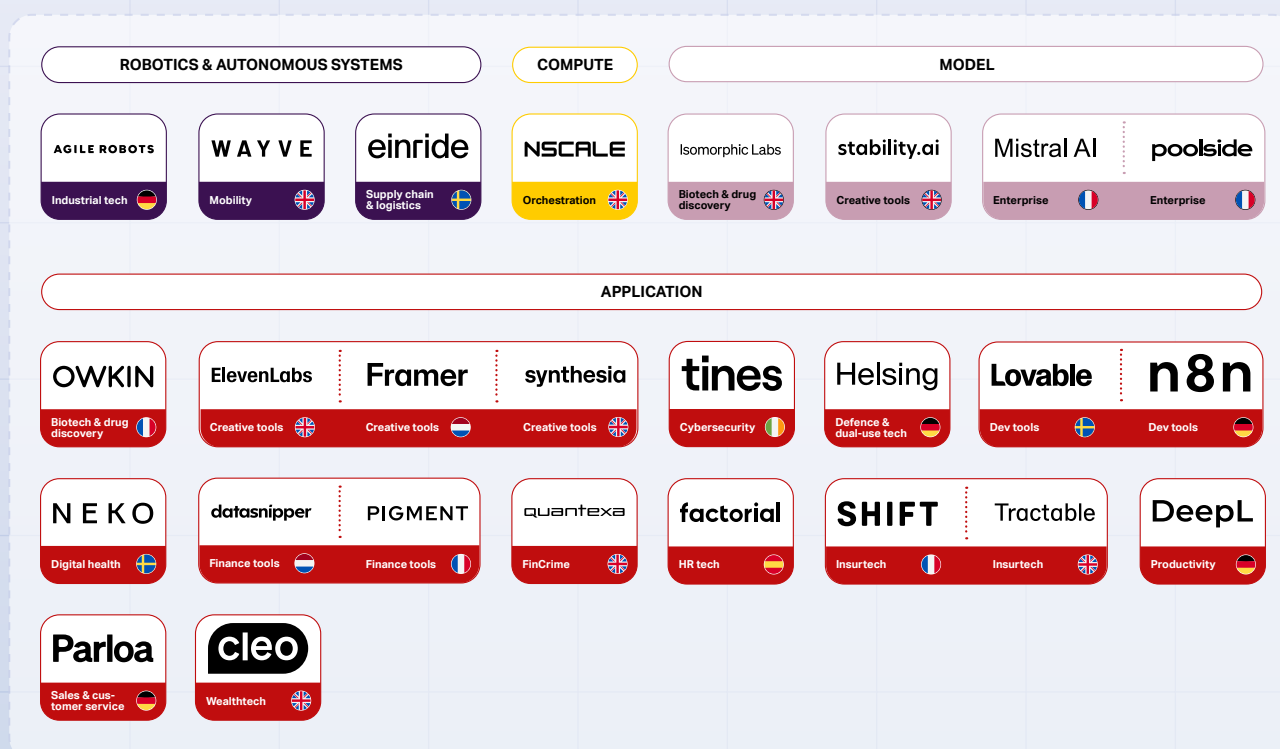
Granola's Pedregal, meanwhile, is learning to slow down a little in what has been the most manic market rush of all time. "I used to always work flat out, now I ask myself the question, if I work really hard now, will it make a difference? I'm very aware that my two kids are never going to be six and eight again. You can be a good CEO, a good parent, a good husband: but you can only be good at two of these things at any time."



AI companies that forged the trail...

Europe's AI boom didn't happen overnight. The groundwork was laid by a handful of trailblazers who scaled early, sold smart and showed global investors that European AI could punch well above its weight.

AI UNICORNS



M&A DEALS

STARTUP	FOUNDED	HQ	AI LAYER/FOCUS	ACQUISITION DATE	ACQUIROR	DEAL VALUE
Darktrace	2013	Cambridge	APPLICATION CYBERSECURITY	Apr 2024	Thoma Bravo	€4.8bn
Sana Labs	2016	Stockholm	APPLICATION PRODUCTIVITY	Sep 2025	Workday	€1bn
Cognigy	2016	Düsseldorf	APPLICATION SALES & CUSTOMER SERVICE	Jul 2025	NICE	€868m
Exscientia	2012	Oxford	APPLICATION BIOTECH & DRUG DISCOVERY	Aug 2024	Recursion Pharma	€626m
Silo AI	2017	Helsinki	APPLICATION AI AGENTS	Jul 2024	AMD	€604m
Graphcore	2016	Bristol	HARDWARE AI CHIPS	Oct 2024	SoftBank	€515m
Brightflag	2014	Dublin	APPLICATION LEGALTECH	May 2025	Wolters Kluwer	€425m
Lakera AI	2021	Zurich	APPLICATION CYBERSECURITY	Sep 2025	Check Point	€273m
Convergence	2024	London	APPLICATION ENTERPRISE AGENT	May 2025	Salesforce	€130-170m
Peak	2014	Manchester	APPLICATION RETAIL	Mar 2025	UiPath	Undisclosed

CHAPTER III

Meet the investors betting on them

AI startups aren't going to VCs. In this crazy market, it's the other way around



Raising money for your AI startup? It's a breeze. VCs have splashed almost \$200bn into AI startups so far this year — setting new global records. To quote PolyAI's Mrkšić from chapter I, this is “fundraising on easy mode”.

Deals are lightning-fast: the AI boom has compressed months and years of fundraising into sometimes days.

Fyxr AI did all its fundraising, across three rounds, in about 20 days overall. “We raised our pre-seed in 72 hours,” says Wordsmith AI's McNairn. London VC firm 20VC decided in less than a day to back Berlin AI company Peec AI. Some ranked startups — namely Fyxr AI, Granola, Peec AI, Omnea, Lupa and Dash0 — have raised more than once in the past 12 months.

The fundraising script has flipped: startups don't need to go to VC firms — in this furiously paced market, it's the other way around. Investors are pulling out all the stops to get in on the big deals. Sifted has heard tales of investors doorstepping founders or cold calling (one founder counted 70 investors that had got in touch in the last year alone).

Some VCs are even showing up at startups uninvited. One founder told Sifted that an investor waited outside

for two hours for his office to open. Some of the offers have even startled founders, who fear overindulging on capital at lofty valuations.

“

We raised our pre-seed in 72 hours.”

Ross McNairn, cofounder and CEO, Wordsmith AI

Stuttgart-based Sereact had intended to do its fundraising in the US. Instead, Sweden's Creandum led the company's Series A in January. The VC's passion won us over, says CEO Gulde.

“We did a bunch of meetings with European VCs to get our pitch game on point and then we wanted to fly to Silicon Valley to do the deal there. But first, we had dinner with Creandum. Next thing, I was getting missed calls from the team. I was told [the firm's partner] Jakob slept three days in the office to pull together materials for us. I said to them, ‘you're as crazy and hardworking as we are’. I like to see that.”



HOW VCS SEE THE MARKET

Beyond the broad founder-charm-offensive, Sifted wanted to know if VCs have tweaked their investment calculus in this market. Has the playbook evolved?

"No," says Alex Stöckl, founding partner of Zurich VC Founderful. "We stick to our investment criteria, which is quite simple: is this a) an outstanding founder team, b) a technology that is groundbreaking and of global relevance, and c) are they likely to succeed in building a global market leader in this space?"

Balderton Capital isn't tweaking its playbook for AI either, says McGinnis. "The bar is still product-market-fit, distribution and 'defensibility' — but we're also assessing whether AI gives the product a step change in capability or efficiency, rather than just a thin layer of novelty."

Saul Klein, founder of London-based VC group Phoenix Court, has backed a number of European AI companies, some of which appear on this ranking. To figure out which companies have real potential, Klein says there are some key questions to ask. "At the application layer, churn is an incredibly important question, but you can't really assess predictable churn for 12, 18, 24 months.

"I'm personally cautious of these companies that just spike," he says, adding that it's a debate currently going on at his firm. "If your price point is relatively low, the quality of your revenue can be very unpredictable."

Other questions to ask, he adds, include: "What are your costs of acquisition? What's your net promoter score? How close are you to an area the platform or foundational models might get into? Obviously as companies like OpenAI and Anthropic realise there's real value in their system, they're going to start crowding out companies in those areas."

It might not be long, he hints, before we see "platform" AI companies — like OpenAI and Anthropic — move into "adjacent" applications, and perhaps start limiting which third-party applications can exist in their ecosystem.

How the big AI model makers move is definitely on investors' minds. "You want to see a company building on top of those models but not at their mercy," says

Michael Stothard, principal at London-based VC Firstminute Capital (and former Sifted editor).

"There are so many areas that the foundational models will not touch because they're too niche and vertical — but anything too broad definitely becomes a target," he adds.

"Fragile wrappers" — a term describing a startup that's built its tech on another company's AI model — fall apart the moment OpenAI or Anthropic launch a similar feature, says McGinnis, who also pays attention to this question. "It's an ongoing debate and one that keeps getting harder as the pace of change accelerates."

Productivity software and vibe coding are obvious first areas for the platform companies to move into, says Klein. Like Stothard, "I'm a lot less worried about a vertical AI — like legal — built on top of deep domain expertise, possibly unique and/or proprietary data sets that are so far down the list for the platform companies that maybe they'll get to it three to five years from now. The core software tools they'll get to sooner."

McGinnis adds that the best founders can keep ahead of the models. "They have a deep understanding of what's shifting at the model level. They're building products that compound independently of it — could be through [building up] proprietary data or strong UX."

66

Our investment criteria is quite simple: is this a) an outstanding founder team, b) a technology that is groundbreaking and of global relevance, and c) are they likely to succeed in building a global market leader in this space?"

Alex Stöckl, founding partner, Founderful

'BEWARE OF INVESTING LIKE CRAZY'

It's been an exceptionally frothy year but some of the mania will cool, predicts Stöckl. VC is, after all, a long term game. "I think the quick ARR growth hype, for example, will fade quite quickly — building real economic value, no matter if it's with software or hardware, usually requires a long time."

Already, investors can see saturated areas. "Lots of things that are generic and horizontal feel heavily competed already," notes Stothard.

The furious pace of things is kindling fears of an "AI bubble", with some seasoned investors pointing to previous hype cycles that left many startups overvalued and unprepared for when economies fizzle.

66

Lots of things that are generic and horizontal feel heavily competed already."

Michael Stothard, principal, Firstminute Capital

Others argue that, even if this is a bubble, it might not be so bad. This group of people have taken inspiration from Jeff Bezos who, speaking at an Italian tech conference recently, said "some bubbles are good. This is real, the benefits to society from AI are going to be gigantic".

But founders in other industries are worried about an over-focus from investors on AI. Aurélien de Meaux, cofounder and CEO of Paris electric vehicle charger company Electra, probably speaks for a lot of the tech community with his advice. "Beware of investing like crazy into AI companies," he wrote recently on LinkedIn.

"Because 95% of the AI startups will disappear as this market will consolidate. And I fear that if VC performances are terrible because all have fallen into the trap of following the trend, as a result, investors' trust in tech will take a hit."



A EUROPEAN 'TECH COLONY'?

The big fear for European politicians, meanwhile, is that the continent's AI startups will get outmuscled by Chinese and American rivals. The risk of Europe becoming a "tech colony" is spoken about in Brussels and other capitals.

"I think this question is fascinating because perhaps it's easy to forget that DNS [aka the phonebook of the internet], among many of the protocols we use every day, are still very much US-centric at birth and for a long time after," says Carlos Eduardo Espinal, managing partner at early stage VC Seedcamp.

He adds: "I suspect AI will evolve in a similar way, as in it will take time for [European] models to be at the fidelity and speed of US models."

Europe's AI frontrunner, the closest thing the continent has to ChatGPT, is Paris-based Mistral, which received a massive boost in September when Dutch chip firm ASML took a leading stake in it — a development that revived hope that Europe is capable of developing a tech industry that can compete globally.

Still, it's fair to say that Mistral hasn't captured global attention like ChatGPT has. It was striking to hear Peec AI's Landwehr say that none of his company's 1000+ clients have asked how they can become more visible on Mistral searches.

Investors, on the other hand, are hardwired for positivity. "There are epic companies to be built here in Europe and we need to focus on playing our own game and not constantly hand-wringing about the US," says Stothard.

CONCLUSION

Reflections and predictions

As Europe's AI ecosystem accelerates, founders and investors are pausing to reflect on what building in this moment really feels like — the pace, the promise and the pressure. Here, a few of our experts share their parting thoughts on what lies ahead for European AI.

It's a marathon, not a sprint



"Building an AI company feels a lot like competing in an Ironman: you need endurance to last, precision to stay on track, speed to keep ahead. The hardest part is finding the right balance between scaling fast and executing very well."

Delphine Groll, cofounder and COO, Nabla

Aiming high



"Our ambition far exceeds becoming a unicorn. I want to dominate our market. I want to prove we are the best."

Rich Hollingsworth, cofounder and CEO, Fyxr AI

The awe of automation



"Knowing that there's something on a server that you've built that can do the work of 1000 people? It's crazy."

Nikola Mrkšić, cofounder and CEO, PolyAI

No FOMO for Europe



"Europe has missed past tech waves, but AI is different; it's a transformative technology perfectly suited to our industrial backbone."

Jeannette zu Fürstenberg, head of Europe, General Catalyst

AI is here, there, everywhere



"Physical AI, vision applications, diffusion models, reinforcement learning: there's this Cambrian explosion of AI use cases moving at pace at the same time. There's too many things to chase."

Eric Landau, cofounder and CEO, Encord

Nothing is sacred



"As well as unlocking new opportunities where software could not reach, AI compels us to re-imagine previous solutions. AI is not merely a feature, but a foundation-level change."

Fred Ellis, partner, N47

Methodology

The selection of the *AI 100* combines data-driven scouting with startup evaluation conducted by judges from our editorial and intelligence teams, as well as the ranking's sponsor N47.

THE LONGLIST

In August 2025, Sifted compiled a list of 734 AI-native startups headquartered in Europe from our proprietary database, as well as the external provider Dealroom, that met the following criteria:

- Launched in 2018 or later
- Estimated minimum valuation of \$25m
- Maximum valuation of \$999m (at time of publication)
- Independent, private and business-focused company (which is not a subsidiary or branch of any kind)

Sifted defines AI-native startups as those where AI is the core product, infrastructure or value proposition — rather than companies where AI is a background feature that improves existing functionality or an internal optimisation tool.

It's for those building:

- **AI-led products:** software applications powered by AI models, such as co-pilots, autonomous agents or generative tools

- **AI infrastructure:** tools and platforms that enable the development, training, deployment and scaling of AI — including model APIs, orchestration tools, vector databases and data tooling (e.g. labelling, monitoring, synthetic data)
- **AI hardware & compute:** the foundational systems powering AI workloads, including custom chips and purpose-built hardware for training and inference
- **Autonomous systems:** robotics and defence technologies where autonomy is driven by core AI capabilities

THE MIDLIST

To produce a midlist, we applied our scoring model, analysing investor strength and funding track records to cut the longlist down to 175 companies. Specifically, five metrics were applied:

1. **Strong investors (30%):** historical cap tables for each company were matched against Dealroom's Power Law investor ranking — which is calculated on dealmaking record and the number of unicorns in an investor's portfolio. Each investor was assigned a weight based on

its position on the ranking, with the top 10% of investors carrying 90% more weight than the bottom 10%, for example. Startups with no strong investors receive zero points.

2. **Total funding (25%):** funding data for each company was benchmarked against averages for their respective last round at the time it was raised. Startups above the median receive proportionally higher points. Funding benchmarks were calculated on thousands of historical data points ranging from 2018 to 2024.
3. **Last round (20%):** we evaluated the size of a startup's most recent funding round relative to both European and European AI average funding. Larger than average rounds receive higher points.
4. **Launch to first funding (15%):** measures the time (in years) between the startup's launch and its first funding round. Startups that received funding quickly after launch score higher points.
5. **Employee growth over the last 12 months (10%).**

QUALITY ASSURANCE AND DATA VERIFICATION

Data points were checked by Sifted analysts and standardised for analysis — including applicability of business models and official sources for all transactions. All currencies were standardised to EUR (€) according to the average exchange rate for the exact month of the transaction of interest. Once the 100 were selected, each company was contacted to verify their information and asked to complete a survey.

THE JUDGING PANEL

The judges scored the 175 companies from 1-10 in three categories: market opportunity, competitive differentiation and momentum. Scores were then tallied to give a total out of 30 for each judge, before being standardised (some judges naturally awarded higher scores than others). The companies that received the highest scores were selected — in rank order — for the AI 100.

John Thornhill



Founder and editorial director, Sifted

Besides founding Sifted, John is also the innovation editor of the Financial Times, where he writes a regular, award-winning column on the impact of technology, hosts the weekly Tech Tonic podcast, and is the founder and editorial lead for the FT125 forum for senior business executives.

Amy Lewin



Editor, Sifted

Amy leads Sifted's team of journalists, hosts our podcast, writes the weekly VC newsletter Up Round and regularly appears onstage at top tech events across the continent. She joined Sifted way back in 2018 as its first employee, and so has experienced the joys — and pains — of startup growth first-hand.

Kai Nicol-Schwarz



Senior reporter, Sifted

Kai covers AI and UK tech at Sifted, writing about AI infrastructure, the application layer, policy, funding rounds and M&A. He joined Sifted in 2021 and coauthors the AI and deeptech newsletter, covering the people, companies and trends shaping two of Europe's hottest sectors.

Jonathan Sinclair



Head of research, Sifted

Jonathan leads the Intelligence team at Sifted, developing and delivering research and data-driven insights that help readers better understand European tech, early stage startups and VC. He also writes a weekly newsletter for Sifted Pro subscribers on funding and M&A activity, and launched Sifted Leaderboards last year.

Federico Scolari



Senior intelligence analyst and data lead, Sifted

Federico leads on mapping the European startup ecosystem across Sifted's editorial and intelligence teams, working with AI to source and enrich data to power Sifted's content.

Acknowledgements

SUNDAR BALASUBRAMANIAM

COO, FlexAI

GAUTIER CLOIX

CEO, H Company

JACOMO CORBO

Cofounder and CEO, PhysicsX

AURÉLIEN DE MEAUX

Cofounder and CEO, Electra

CHAD EDWARDS

Cofounder and CEO, CuspAI

CARLOS EDUARDO ESPINAL

Managing partner, Seedcamp

JEANNETTE ZU FÜRSTENBERG

Managing director and head of Europe, General Catalyst

DELPHINE GROLL

Cofounder and COO, Nabla

WALTER GOODWIN

Founder and CEO, Fractile

RALF GULDE

Cofounder and CEO, Sereact

RICH HOLLINGSWORTH

Cofounder and CEO, Fyxr AI

GABRIEL HUBERT

Cofounder, Dust

MAX JUNESTRAND

Cofounder and CEO, Legora

SAUL KLEIN

Founder, Phoenix Court

ERIC LANDAU

Cofounder and CEO, Encord

MALTE LANDWEHR

CPO and CMO, Peec AI

LAURA MCGINNIS

Principal, Balderton Capital

ROSS MCNAIRN

Cofounder and CEO, Wordsmith AI

NIKOLA MRKŠIĆ

Cofounder and CEO, PolyAI

CHRISTOPHER PEDREGAL

Founder and CEO, Granola

ELENA PANTAZI READ

Partner, Northzone

DAVID REGER

Founder and CEO, Neura Robotics

ALBERTO RIZZOLI

Cofounder and CEO, V7

MATTHIEU ROUIF

Cofounder and CEO, Photoroom

ALEX STÖCKL

Founding partner, Founderful

MICHAEL STOTHARD

Principal, Firstminute Capital

MATT WILSON

Founder and CEO, Jack & Jill

This report was written by **ÉANNA KELLY**, research and data analysis by **JONATHAN SINCLAIR**, **FEDERICO SCOLARI**, **RUGGERO DI SPIGNA** and **HESSA ALABBAS**, edited by **BECCA LIPMAN**, subedited by **STEPH BAILEY**, designed by **GAÉTAN NIVON** and illustrated by **GEORGE CLAYTON**.

It was produced by **JONATHAN SINCLAIR**.

Additional photography provided by Igor Omilaev via Unsplash under CC licence.



N47 is a product-first venture firm. We invest when the product speaks loudest — before the buzz and the metrics, when the truest expression of potential is the product itself. That’s when we partner with bold builders, those who begin with insight and move with urgency, and help them grow from belief to scale. With offices in Silicon Valley, London, Munich and Tel Aviv, we back builders across the US, Europe and Israel.

If you're an AI builder in Europe, reach out to Fred Ellis and Viraj Bajpai from our London-based team.

Learn more at n47.com.

Disclaimer:

“Sifted AI 100” is an independently compiled analysis and report (“the report”) published by Sifted Intelligence, Inc (“Sifted”), October 2025.

N47, Inc. (“N47”) has acted as a financial sponsor of the analysis and report independently compiled and published by Sifted Intelligence, Inc (“Sifted”), November 2025 (“the report”), and has assumed financial costs associated with the report. N47 provides no endorsement, approval, or guarantee of either the information or results provided within the analysis prepared by Sifted. N47 assumes no responsibility to the accuracy or completeness of any information included within the report or otherwise utilised in connection therewith. The views and opinions presented within the report reflect the view of Sifted only. N47 provides no statement of agreement to any comment made and does not provide any opinions or beliefs related to the specific results or observations included within the analysis and report. Nothing presented within the report is intended to constitute investment advice made by N47, and under no circumstances should any information provided herein or therein be used or considered as an offer to sell or a solicitation of an offer to buy an interest in any investment fund managed by N47. Additionally, N47 does not solicit or make its services available to the public; such offerings may only be provided to accredited investors and qualified purchasers defined within the Securities Act of 1933 and the Investment Company Act of 1940.



Sifted is the only media and intelligence brand dedicated to Europe's startup and venture capital ecosystem. We deliver the clarity and context needed to navigate a fast-changing market.

Sifted Pro unlocks the full power of our expertise — equipping users with award-winning journalism, investment-grade research and market intelligence tools powered by analyst-verified, proprietary data to uncover opportunities and make smarter decisions.

Get in touch

Sponsor a Sifted report and put your brand at the centre of Europe's startup ecosystem, reaching founders, operators and investors. Contact [**reports@sifted.eu**](mailto:reports@sifted.eu).

Need sharper startup and market intelligence at your fingertips? Visit [**sifted.eu/sifted-pro**](https://sifted.eu/sifted-pro) to learn how Sifted Pro can help.