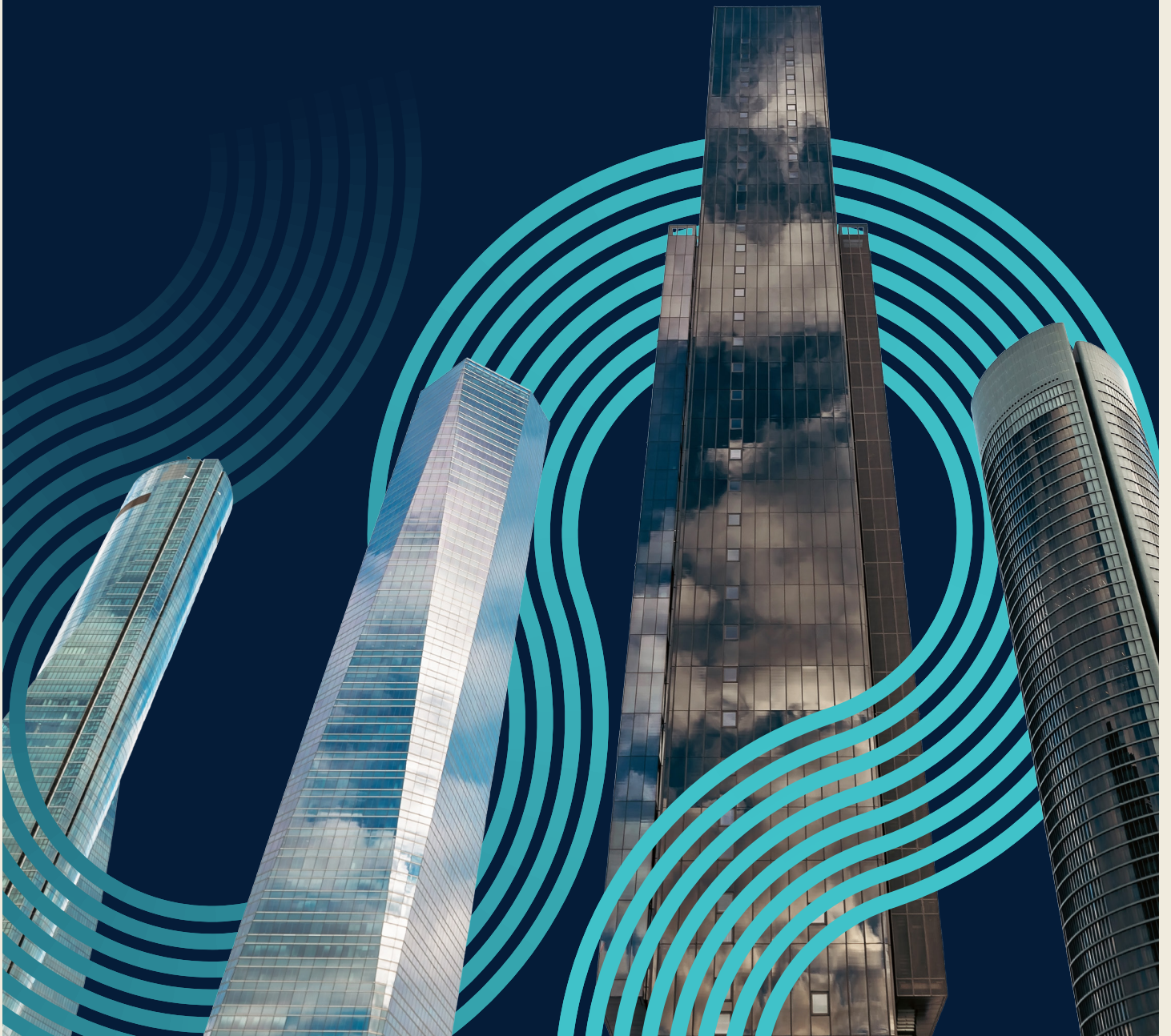


 EUROPEAN  
Venture Report



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# Introduction

AI penetration of European VC deal value reached an unprecedented 61.3% in Q1 2026, well surpassing the 50% threshold anticipated for the full year, with total deal value at €21.9 billion. A pronounced value-over-volume dynamic has taken hold, with deals above €25 million now comprising 79.2% of deal value, up from 67.1% in 2025. Landmark €1 billion-plus rounds from Nscale, NEURA Robotics, Wayve, and Clover underscored the scale of capital flowing into European AI. The AI effect is spilling into cleantech and advanced manufacturing, pacing 82.4% and 271.8% above 2025 run rates, whilst fintech lags with deal value on course for a 10% decline. DACH led regionally, whilst France, Israel, and Southern Europe paced below last year. Nontraditional investor participation reached an all-time high of 82.3% of deal value, with CVC investors involved in 59.2% of European deal value. Concentration risk remains a key concern should sentiment around AI valuations shift.

European venture debt reached €5.9 billion in Q1, implying 18.1% full-year growth, with average deal sizes surging to €90.5 million from €35.9 million in 2025. Early-stage companies gained ground, accounting for one-third of deal value. AI dominated by vertical at 56.9% of the total, with fintech and cleantech also prominent. Despite macroeconomic uncertainty and potential rate rises, the cost of debt is likely to remain below the cost of equity, preserving venture debt's appeal as a financing tool.

We also spotlight AI in Europe in this report. AI has firmly established itself as a structural force in European venture, with around 11,000 VC-backed companies representing nearly one-quarter of all startups. Deal penetration has already exceeded 50% in 2026, though the ecosystem

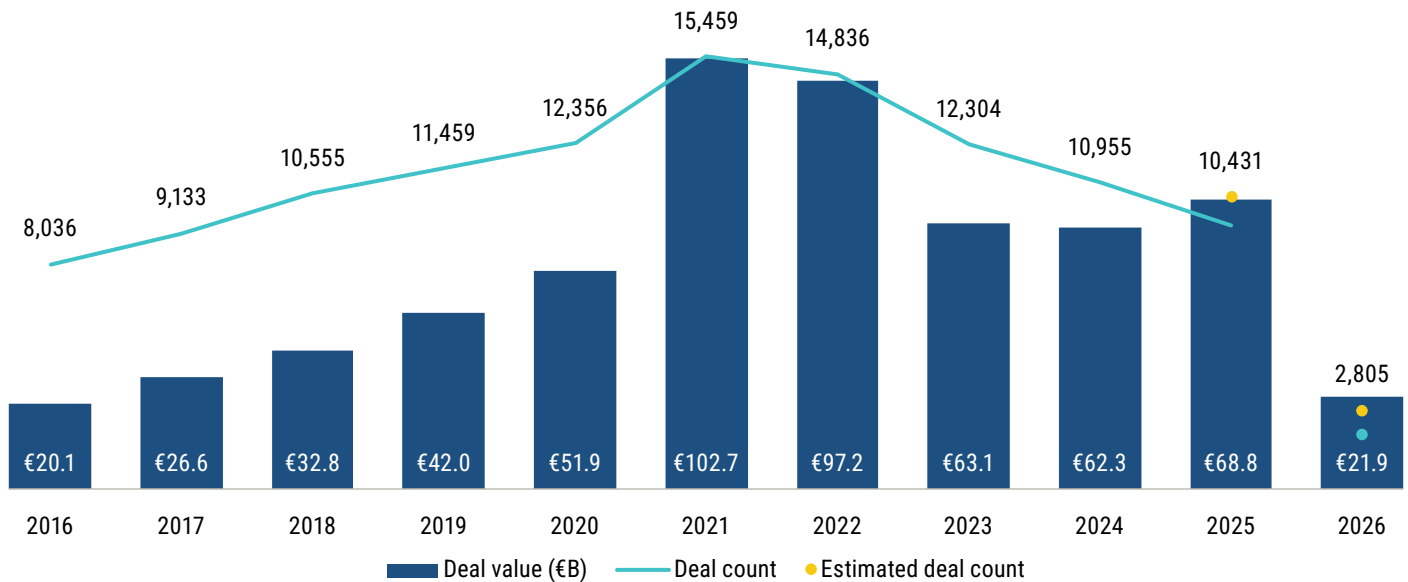
remains early stage, with consolidation ahead. Development is uneven—smaller markets like Israel and Portugal show higher AI penetration than core hubs, and sector concentration remains skewed towards SaaS. On exits, AI accounted for nearly half of European exit value in 2025, driven by M&A, with an IPO pipeline of 72 candidates lagging well behind US peers. Europe's focus on healthtech, robotics, and industrial AI presents an opportunity for cross-border investors despite the widening transatlantic gap. Our recent note [The State of European AI](#) dives deeper into this topic.

European VC exit value totalled €16 billion in Q1, implying an 8.2% YoY decline, though comparisons are challenging given the impact from Klarna's 2025 listing. IPOs provided the headline story, led by General Oceans' €3.5 billion Euronext listing, whilst acquisitions accounted for over half of deal value. AI and fintech exits lagged, with AI's share of exit value falling to 22.6% from 42.1%, whilst life sciences was a bright spot, pacing towards 29.2% growth. In direct secondaries, global deal value remained resilient at \$15.9 billion in 2025, with M&A as the dominant predicted exit route for the AI pipeline.

European VC fundraising showed encouraging signs of recovery in Q1, with €3.5 billion raised across 37 vehicles, implying 11.1% YoY growth. The largest close was OGCI Climate Investment's Decarbonization Acceleration Fund at €387.3 million, with three of the top five closes based in Paris. Strategy specialisation continued, with mandates spanning cleantech, skincare, space tech, and healthtech, whilst the median European fund size grew from €50 million to €85 million. The UK & Ireland reasserted regional dominance at 34.8% of fundraising, with DACH notably lagging at just 1.1%.

# Deals

## VC deal activity



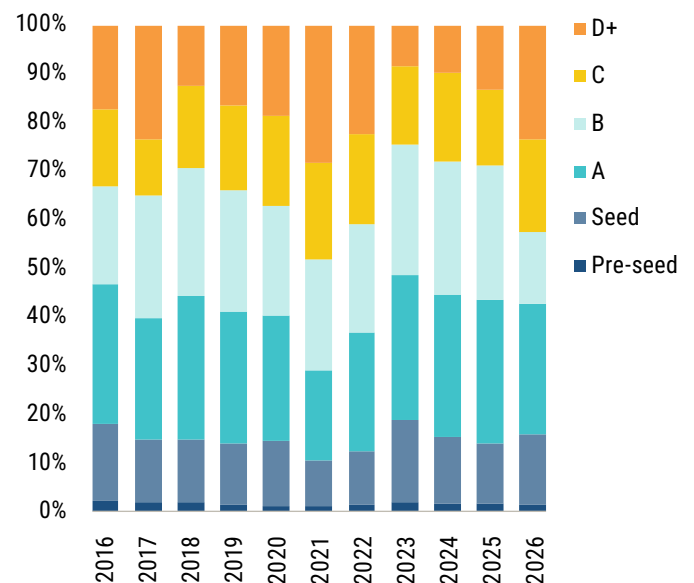
Source: PitchBook • Geography: Europe • As of 31 March 2026

### Unprecedented levels of AI penetration boost European deal value

The dominant theme of “sector bifurcation” in 2025 has continued into to the start of this year. If 2025 was marked by the increasing prevalence of an AI subset in the market, the concentration of this has significantly stepped up in 2026. At the end of last year, AI deal value penetration of the market sat at 37.7%. [Our view](#) was that we expected penetration to sit at least at 50% in 2026. As of Q1 2026, this has already been significantly surpassed, with 61.3% of total European deal value of the total €21.9 billion sitting in AI deals. There is a heightened value-over-volume dynamic playing out, where deal sizes have continued to inflate, driven by AI rounds. Deals in the highest size bracket we track—over €25 million—comprised 79.2% of deal value in Q1; this is up from a 67.1% share in 2025, as late-stage, Series D+ rounds gained share of investment mostly from Series B rounds, which saw the greatest decline in share of deal value YoY.

Top deals in Q1 2026 included €1 billion-plus rounds from Nscale, NEURA Robotics, Wayve, and Clover—cheque sizes that we have seldom seen in European markets. The only non-AI firm within the top 10 Q1 deals was cleantech French startup *newcleo*, which raised €260 million. With nine of the top 10 deals sitting in AI companies, it is clear that valuations and deal sizes continue to inflate across the continent. As

### Share of VC deal value by series



Source: PitchBook • Geography: Europe • As of 31 March 2026

discussed below in more detail, despite the growth in deal sizes in Europe, the gap between the continent and the US remains large, posing the question of how much more cheque sizes will need to grow to provide financing for rapidly scaling AI startups and the underpenetrated investment opportunities.

## Top 10 VC deals by value in Q1 2026

Company	Close date	Deal value (€M)	Deal type	Verticals	Country
Nscale	9 March	€1,698.2	Late-stage VC	AI, Big Data, cloudtech & DevOps	UK
NEURA Robotics	12 March	€1,500.0	Late-stage VC	Advanced Manufacturing, AI, e-commerce, IoT, robotics & drones	Germany
Wayve	25 February	€1,266.2	Late-stage VC	AI, autonomous cars, mobility tech, SaaS	UK
Clover	21 January	€1,044.5	Early-stage VC	AI, cleantech, fintech, LOHAS & wellness	Germany
Advanced Machine Intelligence	19 March	€883.3	Seed	Advanced manufacturing, AI, Big Data	France
Kraken Technologies	5 January	€853.1	Late-stage VC	AI, cleantech, climate tech, mobility tech	UK
Legora	10 March	€467.3	Late-stage VC	AI, Big Data, legal tech, SaaS	Sweden
Parloa	15 January	€298.7	Late-stage VC	AI, SaaS	Germany
Roark	27 January	€267.0	Early-stage VC	AI, robotics & drones	UK
newcleo	9 February	€260.0	Late-stage VC	Advanced manufacturing, cleantech, climate tech, industrials	France

Source: PitchBook • Geography: Europe • As of 31 March 2026

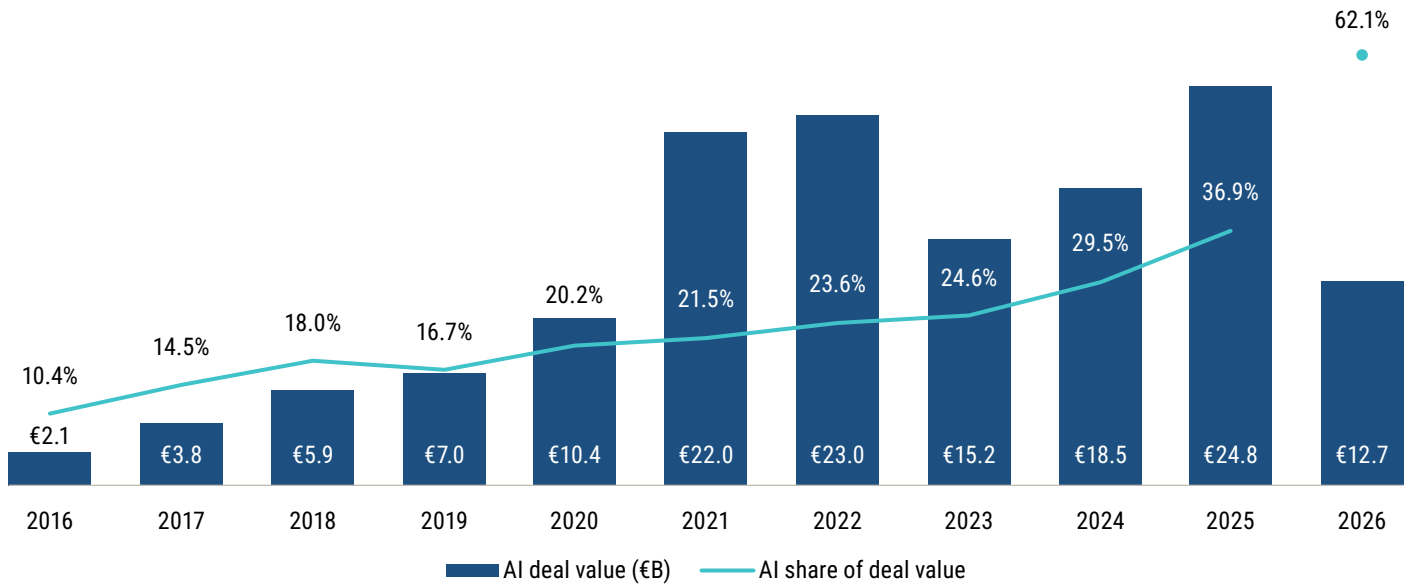
### The AI effect impacts many sectors but not all

AI continues to be the growing force in Europe. As explored in the [“Spotlight”](#) section’s deep dive into the state of European AI investment and the startup landscape, there are still many nuances to the European ecosystem with regard to sector and regional differences in various countries in absolute terms. €13.4 billion of AI investment has been seen in Q1 2026, already half the level of the whole of 2025. The “AI effect” is bleeding into other industries, with verticals such as cleantech and advanced manufacturing pacing significantly ahead of 2025. For instance, Q1 deal value run rates sit at €4 billion and €3.4 billion, respectively; these run rates imply deal value increases of 82.4% and 271.8% YoY if maintained for the rest of the year. A resurgence in activity within cleantech was driven by mega-rounds from Clover which raised over €1 billion, albeit only €22 million of the round was Series A equity and the remaining was debt. However, also within the space, Kraken Technologies raised significant financing with a €853.1 million round. These mega-rounds were followed by several €200 million-plus rounds, showing that despite the decline in cleantech investment activity

within the past few years, the sector is seeing a revival of investment in the space, even outside of AI where several of the top cleantech deals in Q1 sat outside of AI.

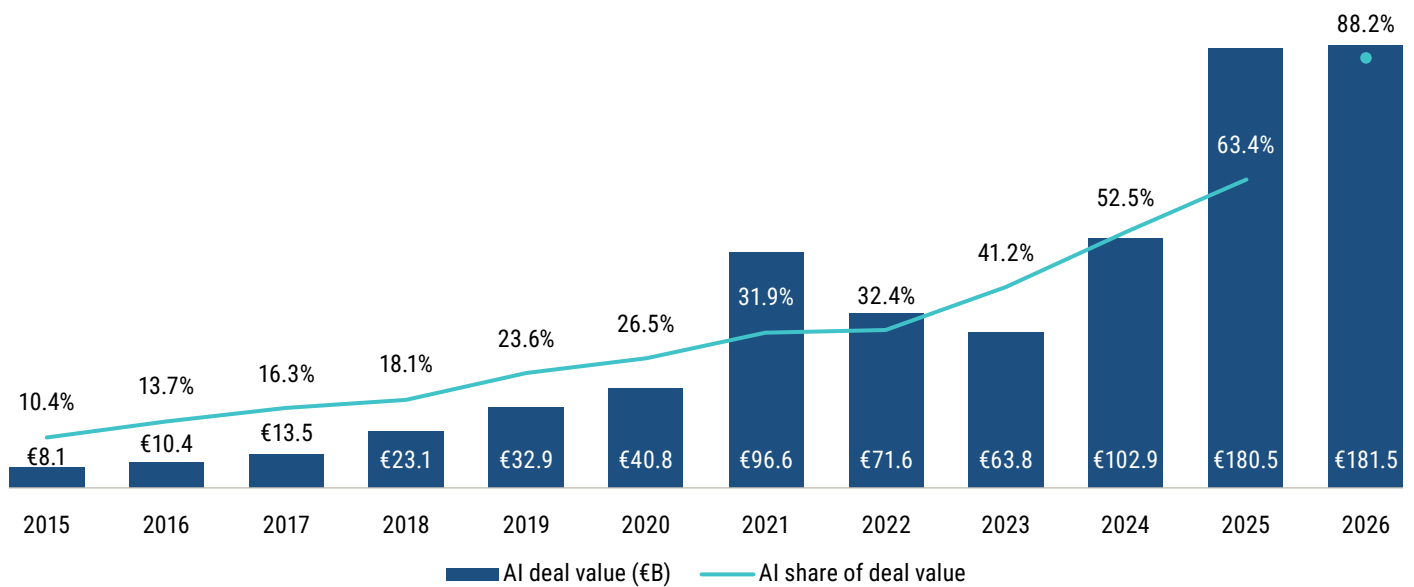
Whilst a similar impact is being seen across various verticals in Europe, such as mobility tech, robotics, and e-commerce, it is not a given. Investment in core European venture sectors, like fintech, sat at €2.8 billion in Q1, a run rate which implies a 10% YoY decline in investment. This has resulted in fintech falling to sixth place by investment from fourth place last year, overtaken by cleantech and advanced manufacturing. This is the first time the latter has ranked anywhere in the top 10 verticals by deal value. Advanced manufacturing’s increased position was driven by NEURA Robotics’ €1.5 billion mega-round led by Tether, Amazon.com, and Qualcomm Ventures, placing the company’s post-money valuation at €5 billion. This was followed by €1.3 billion raised by Wayve and €883.3 million raised by Advanced Machine Intelligence, evidencing the “AI effect” for these AI-associated companies. However, outside of this, “non-AI-associated” companies, such as newcleo and Equal1, still raised financing in the top 10 deals within the sector.

### AI VC deal activity as a share of all Europe VC deal activity



Source: PitchBook • Geography: Europe • As of 20 March 2026

### AI VC deal activity as a share of all US VC deal activity



Source: PitchBook • Geography: Europe • As of 20 March 2026

### Top 20 verticals ranked by 2026 deal value

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
AI	5	4	2	4	2	4	2	2	1	1	1
SaaS	1	1	1	1	1	1	1	1	2	2	2
Big Data	12	8	10	11	7	10	9	12	11	8	3
Cleantech	10	14	8	8	10	7	6	3	4	6	4
Advanced manufacturing	17	17	17	18	17	17	16	15	14	13	5
Fintech	4	3	5	3	3	3	3	5	5	4	6
Climate tech	11	15	13	10	8	8	5	4	7	9	7
Mobility tech	9	9	9	9	11	11	13	13	12	19	8
Cloudtech & DevOps	18	18	19	17	18	15	17	19	18	16	9
LOHAS & wellness	14	12	14	13	13	12	12	9	9	12	10
Robotics & drones	19	19	18	19	19	19	19	17	17	11	11
E-commerce	6	6	6	6	9	5	8	11	13	14	12
IoT	15	13	16	16	15	16	18	18	19	17	13
Life sciences	3	5	4	5	5	6	10	7	6	5	14
Autonomous cars	20	20	20	20	20	20	20	20	20	20	15
Healthtech	8	7	7	7	6	9	7	8	8	7	16
Mobile	2	2	3	2	4	2	4	6	3	3	17
Manufacturing	7	10	11	12	12	13	11	10	10	10	18
Cybersecurity	16	16	15	14	16	14	15	14	16	15	19
Industrials	13	11	12	15	14	18	14	16	15	18	20

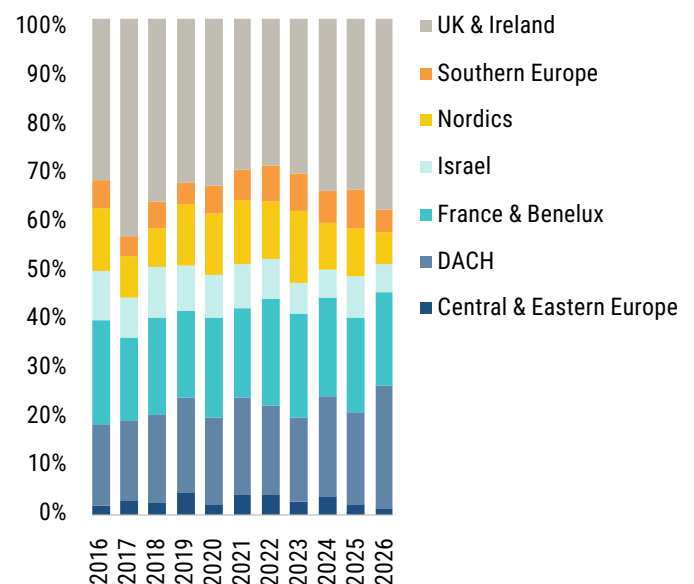
Source: PitchBook • Geography: Europe • As of 31 March 2026

Our views from last year are therefore playing out, where AI penetration continues to increase. The differences in sector penetration provides various opportunities in the developing market. The ecosystem remains delicately balanced, however, and increasing penetration only increases concentration risk. Any shift in sentiment towards AI valuations could reverberate across the broader venture landscape, testing the resilience of non-AI sectors that have only recently begun to regain momentum. We see this as a risk to our [outlook](#) for the development of the ecosystem in Europe going forward.

#### DACH leads as noncore regions lag

By region, investment in DACH is pacing the most above last year, at €5.4 billion, which is nearly half of 2025 totals already. This was driven by the mega-rounds in NEURA Robotics and Clover. Seamless Therapeutics also announced a deal for

#### Share of VC deal value by region



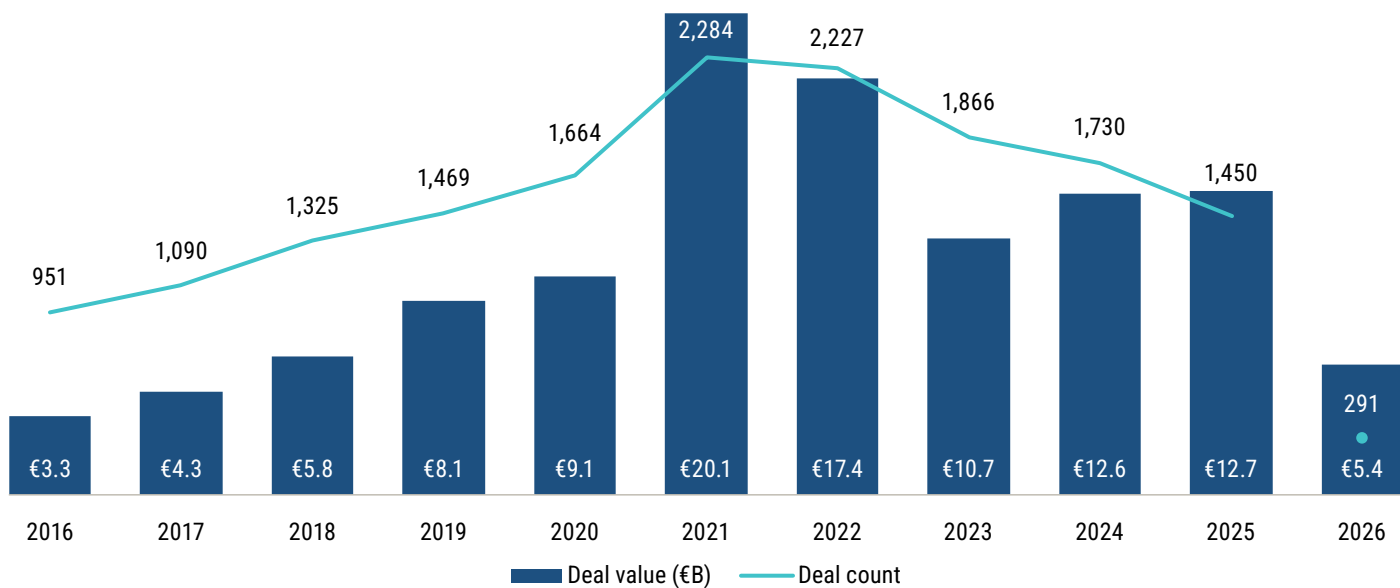
Source: PitchBook • Geography: Europe • As of 31 March 2026

€954.7 million, but given the announced nature of the deal, it is not currently captured in totals. Meanwhile, €200 million-plus tickets sat with German AI startup Parloa and Swiss cleantech firm terralayr. Although AI continued to dominate the top three largest rounds in the DACH region, half of the top 10 rounds did not sit in AI, showing that other areas are still seeing significant investment.

Elsewhere, regions that were strong in 2025, such as Israel and Southern Europe, paced below last year, alongside the

Nordics where YoY growth is more difficult given higher comparables. Q1 activity in France lagged, with only three of the top 20 deals coming from French companies. Other regional activity in top 10 deals came from Sweden, where one deal from Legora, at €467.3 million, made it into the top 10. In the Nordics, the share of Q1 European deal value was higher than Israel and Southern Europe, with top rounds from Lassie and Sensofusion, though at significantly smaller ticket sizes under €100 million.

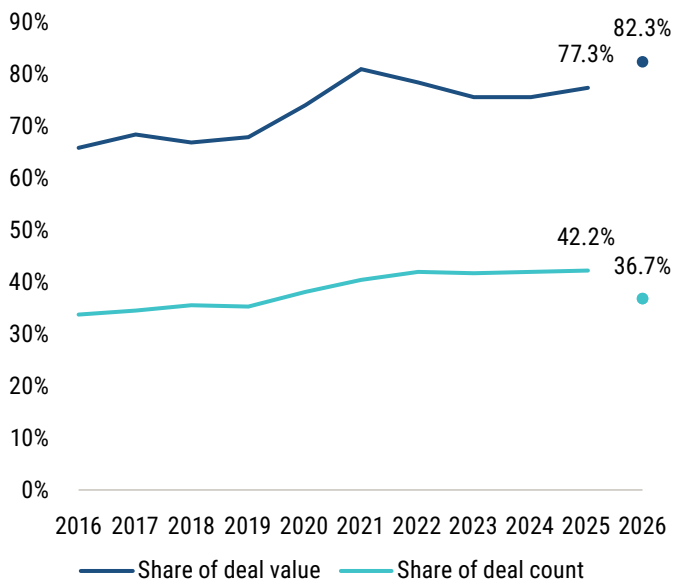
### DACH VC deal activity



Source: PitchBook • As of 31 March 2026

# Nontraditional investors

VC deal activity with nontraditional investor participation as a share of all VC deal activity

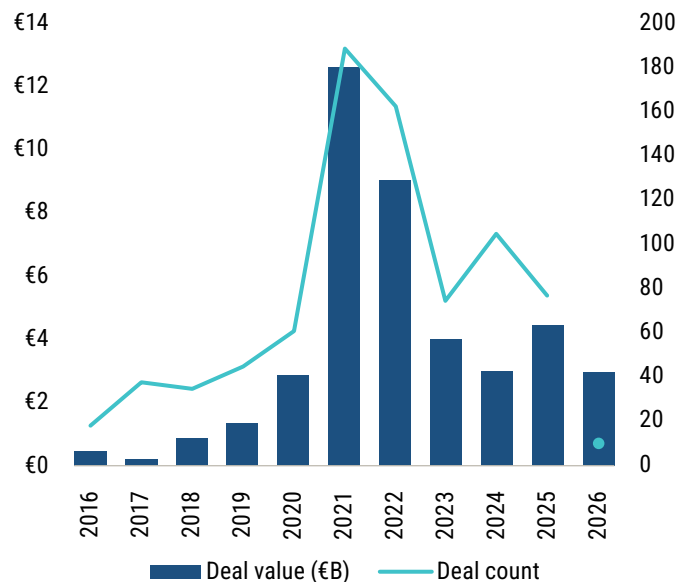


Source: PitchBook • Geography: Europe • As of 31 March 2026

## Nontraditional investor participation all-time highs

The proportion of VC deal value with nontraditional investor participation increased to 82.3% in Q1 2026 from 77.3% in 2025, as several financial stakeholders have increased their involvement in European venture markets, with support from large AI rounds. This level of interest in venture markets sits at an all-time high, however, nontraditional participation by deal count has in fact declined YoY. Therefore, the deal value that nontraditional investors sit on continues to be, on average, higher than deals without nontraditional involvement. In Q1 specifically, eight of the 10 largest deals had nontraditional investor participation, specifically CVC involvement.

VC deal activity with hedge fund investor participation

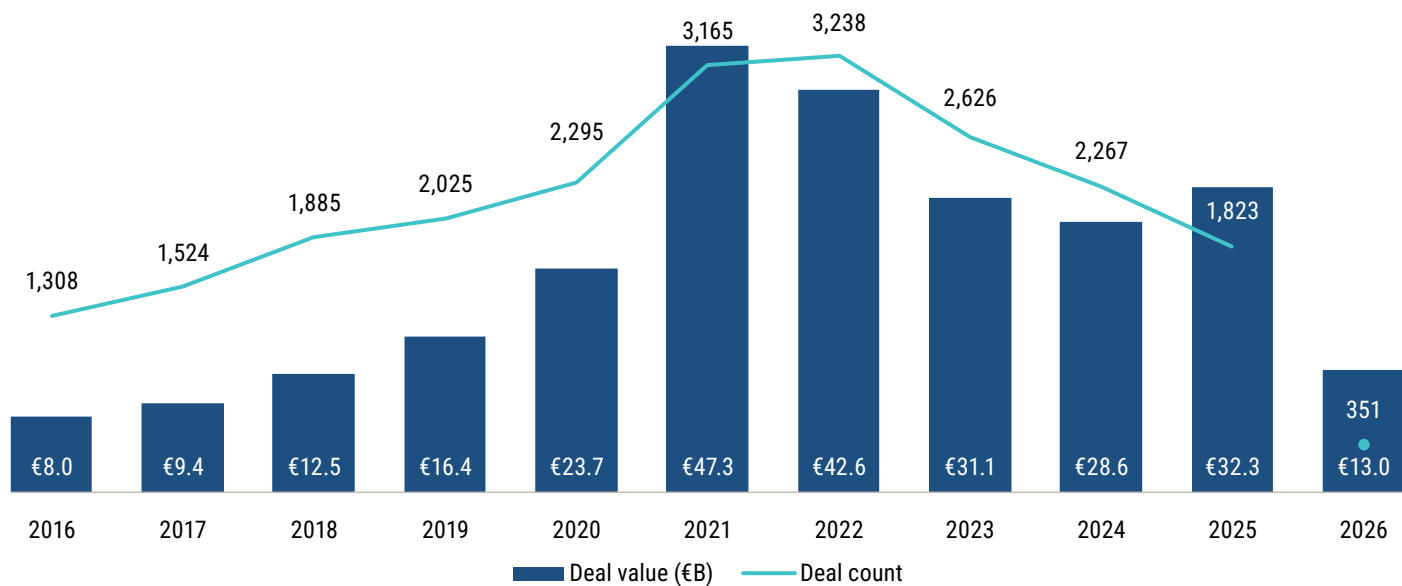


Source: PitchBook • Geography: Europe • As of 31 March 2026

## Hedge fund participation paces the most above last year

The nontraditional investor category covers various stakeholders in the market. So far this year, hedge fund investors have had the greatest growth in deal value, with €3 billion of investment already pacing near the full-year €4.5 billion total in 2025, a 13.6% share of total European deal value. However, their share still sat behind that of CVC and PE investors. The top participant, CVC investors, were involved in €13 billion of deal activity in Q1, reaching 59.2% of European deal value for the year and nearly doubling the presence it had last year. The large increase, however, was mainly driven by a value-over-volume dynamic, where the proportion of European deal count in CVCs was broadly flat YoY.

## VC deal activity with CVC investor participation



Source: PitchBook • Geography: Europe • As of 31 March 2026

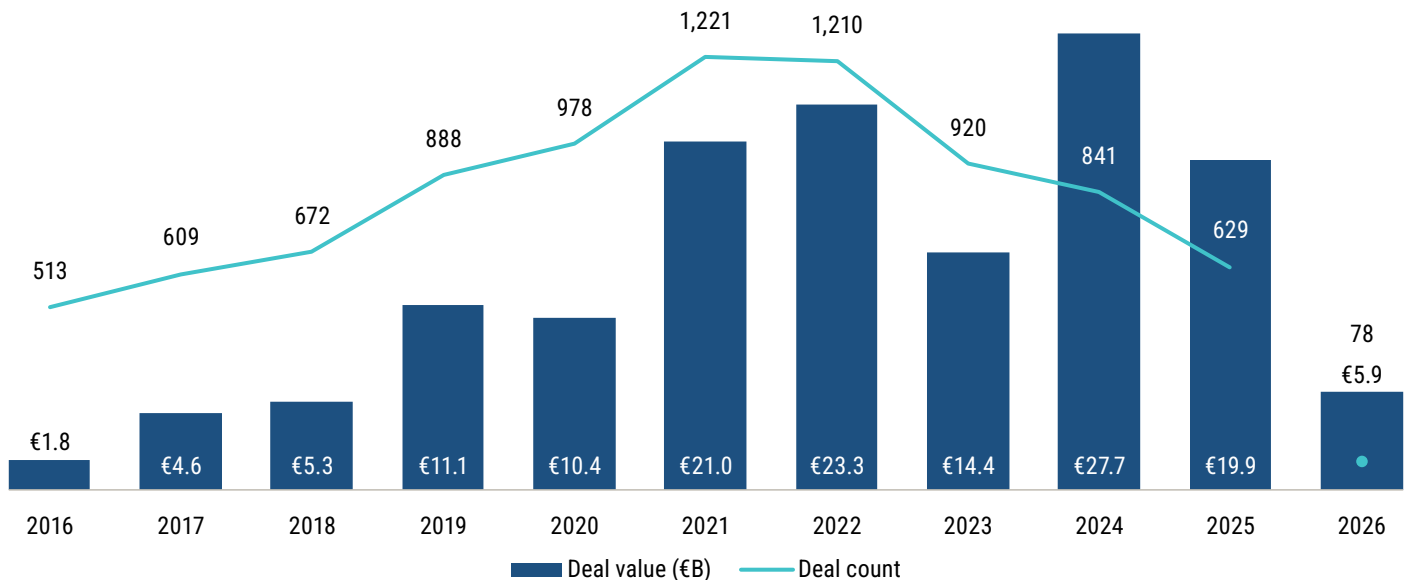
## Top 10 deals with CVC investor participation in Q1 2026

Company	Close date	Deal value (€M)	Deal type	CVC investor(s)	Country
Nscale	9 March	€1,698.2	Late-stage VC	Dell Technologies, Jane Street, Lenovo Group, Nokia, NVIDIA	UK
NEURA Robotics	12 March	€1,500.0	Venture growth	Amazon.com, Qualcomm Ventures, Robert Bosch Start-Up, Roland Berger, Schaeffler, Tether	Germany
Wayve	25 February	€1,266.2	Venture growth	Mercedes-Benz France, Microsoft, Nissan Motor, NVIDIA, Stellantis, Stellantis Ventures, Uber	UK
Clover	21 January	€1,044.5	Early-stage VC	Bosch Ventures	Germany
Advanced Machine Intelligence	19 March	€883.3	Pre-seed/seed	AC Ventures, New Legacy Ventures, NVIDIA, Samsung Electronics, Toyota Ventures	France
Kraken Technologies	5 January	€853.1	Late-stage VC	Origin Energy	UK
Legora	10 March	€467.3	Late-stage VC	Salesforce Ventures	Sweden
newcleo	9 February	€260.0	Late-stage VC	AIFI, Banca Patrimoni Sella & C., Cementir Holding, Danieli & C, Ingerop, Nextchem, Orion Valves, Viaro Energy, Walter Tosto	France
Tenpoint Therapeutics	28 January	€200.5	Late-stage VC	Eight Roads	UK
Kandou AI	23 March	€193.5	Venture growth	Alchip Technologies, Cadence Design Systems, Synopsys	Switzerland

Source: PitchBook • Geography: Europe • As of 31 March 2026

# Venture debt

## Venture debt deal activity

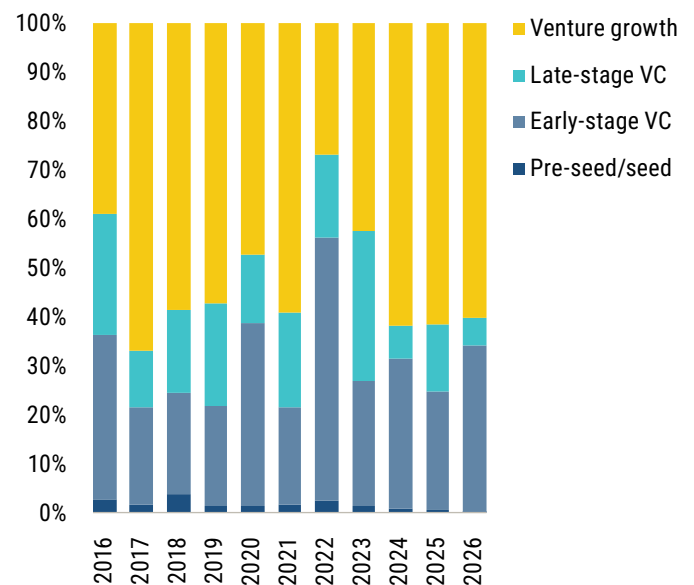


Source: PitchBook • Geography: Europe • As of 31 March 2026

### Strong start to the year for venture debt as the early stage gains share

Venture debt deal value came in at €5.9 billion, a run rate which paces 18.1% higher than 2025 totals. Deal sizes have continued to increase, with the average size now at €90.5 million—versus €35.9 million in 2025—and over 15% of deals in 2026 so far are more than €100 million, more than double the share in 2025. By stage, venture-growth share of capital raised was flat at 60% of deal value, with half of the deals coming from these later-stage companies in Q1 2026. Surprisingly, early-stage VC players gained the most share of deal value, now sitting at one-third of totals. Overall, top deals in the quarter included the large equity rounds from Nscale and Clover, as well as Mistral AI raising €717 million, followed by fintech startup Salary Finance closing €529 million in January.

### Share of venture debt deal value by stage



Source: PitchBook • Geography: Europe • As of 31 March 2026

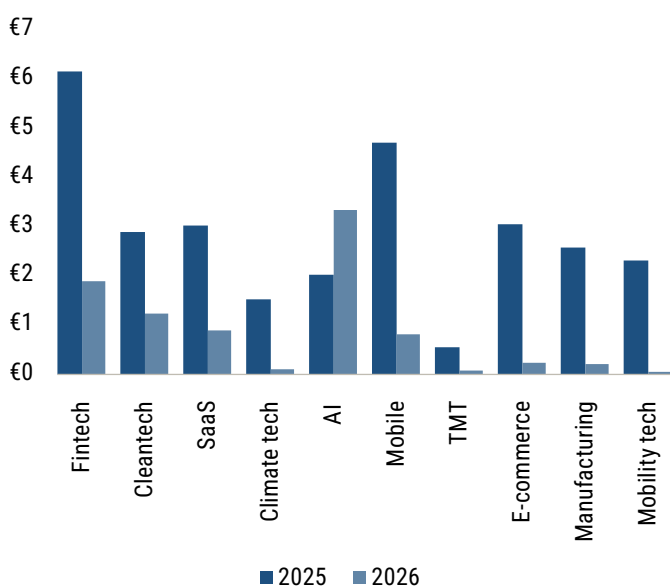
The outlook for credit markets is one of the most unclear and volatile, with concerns on credit quality, talks of interest rate hiking cycles after a dovish regime, and the repercussions of macroeconomic volatility—as discussed further in our [2025 Annual Global Private Debt Report](#). Whilst the venture debt space is not like-for-like to broader private debt markets, the dynamics seen in the latter should still be taken into account where credit markets act as a leading indicator of economic activity. From a venture perspective, despite the risk of increasing rates this year, the cost of debt will remain lower than the cost of equity, continuing the asset class's place as a favourable financing method for VC-backed startups.

### AI drives more than half of deal value

As AI companies also scale at unprecedented rates, venture debt instruments provide financing options in the sector. As noted in our [European AI note](#), the means for AI companies to raise finances through an IPO is limited; only 72 AI companies have a high probability of exiting via IPO, according to our [VC Exit Predictor](#). Companies are likely to stay private for longer as the financing rounds and valuations in private markets

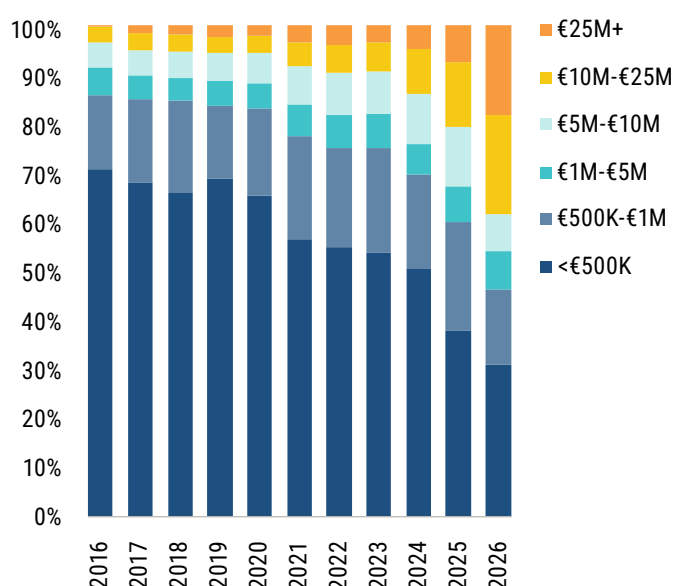
stay at multiples to public markets, especially when tech-related stocks have come under pressure since the start of the year. As a result, by vertical, Q1 2026 AI venture debt value amounted to €3.3 billion, or 56.9% of total deal value—a lower penetration compared with AI’s prevalence in equity deal activity. Other sectors with a high level of Q1 venture debt deal value include fintech and cleantech, with €1.9 billion and €1.2 billion of deal value, respectively—note our verticals are not mutually exclusive.

### Venture debt deal value (€B) by vertical



Source: PitchBook • Geography: Europe • As of 31 March 2026

### Share of venture debt deal count by size bucket



Source: PitchBook • Geography: Europe • As of 31 March 2026

### Top 10 venture debt deals by value in Q1 2026

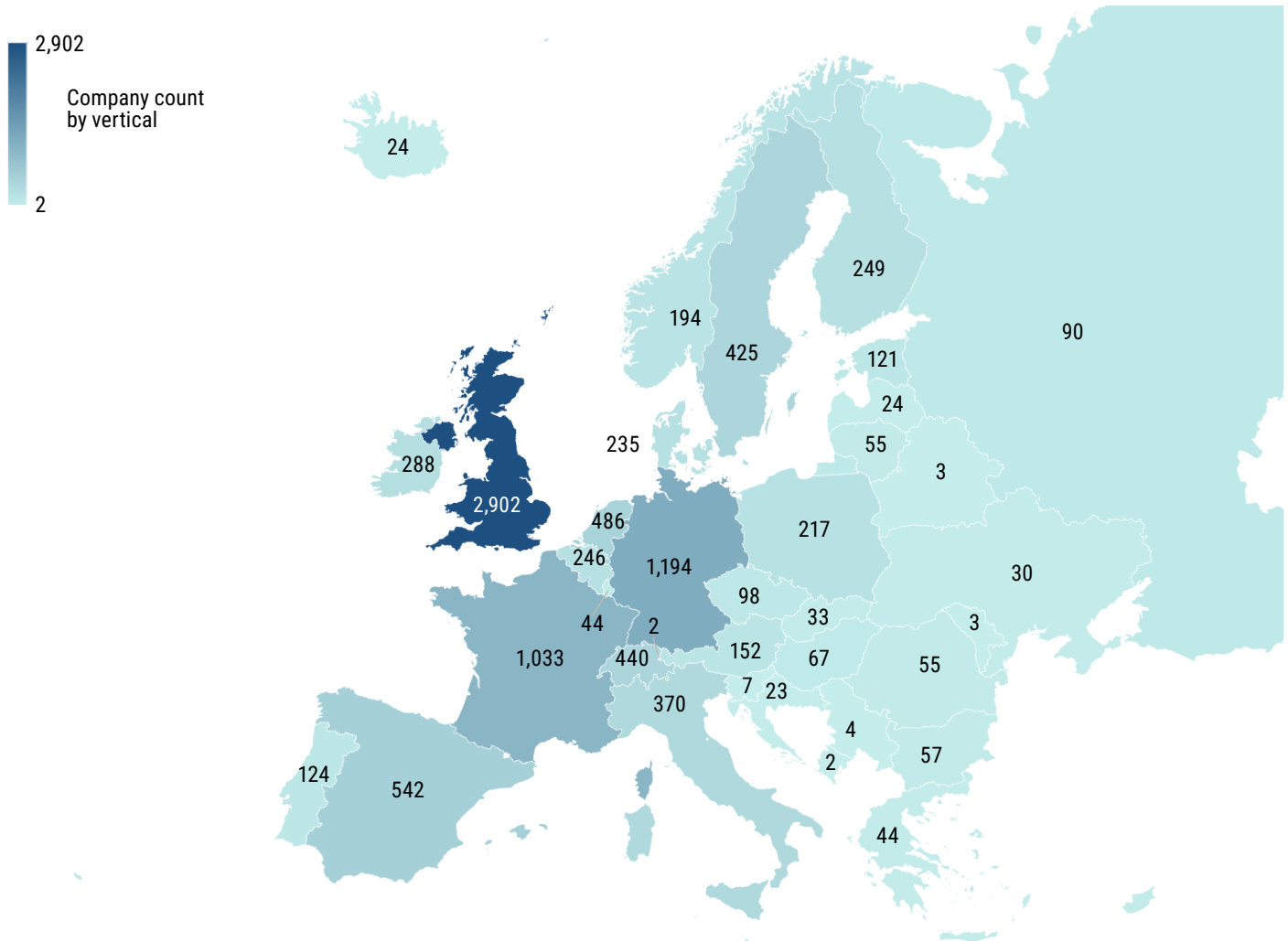
Company	Close date	Deal value (€M)	Vertical(s)	Country
Nscale	12 February	€1,187.0	AI, Big Data, cloudtech & DevOps	UK
Clover	21 January	€1,026.0	AI, cleantech, fintech, LOHAS & wellness	Germany
Mistral AI	30 March	€717.0	AI, mobile, SaaS	France
Salary Finance	21 January	€529.0	Fintech	UK
Storm Management	26 March	€330.0	Infrastructure	Belgium
Amarenco	20 January	€300.0	N/A	Ireland
EFOR Group	12 January	€280.0	Industrials	France
Wayflyer	18 February	€211.0	E-commerce, fintech, industrials	Ireland
Quantum Systems	12 February	€150.0	Advanced manufacturing, agtech, AI, robotics & drones	Germany
Tenpoint Therapeutics	28 January	€128.0	Healthtech, life sciences	UK

Source: PitchBook • Geography: Europe • As of 31 March 2026

SPOTLIGHT

# The State of European AI

## AI company count by country



Source: PitchBook • Geography: Europe • As of 31 December 2025

This section is abbreviated from our recent analyst note [The State of European AI](#).

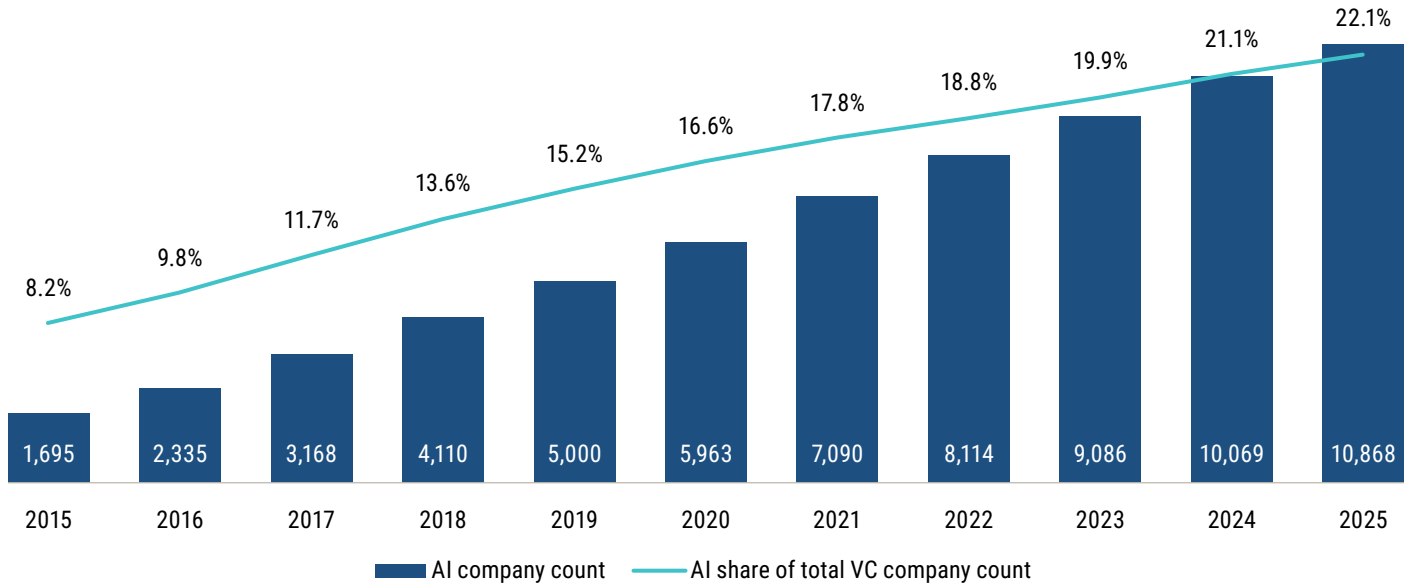
AI is rapidly embedding itself as a structural driver of European venture markets, representing nearly a quarter of all startups—around 11,000 VC-backed companies in Europe. Investment in the space has steadily been increasing, with a growing share of total deal activity, which we expect to increase this year to at least 50%. The penetration rate of 2026 deal value is already pacing above this. Growth has been particularly strong in recent years, with hundreds of new AI startups added annually, supported by rising participation from nontraditional investors. Despite this expansion,

the European ecosystem remains in an early phase, with continued company formation and likely consolidation as weaker players are absorbed or exit the market.

The development of AI startups across Europe remains uneven by both geography and sector, with smaller ecosystems such as Israel and Portugal showing higher penetration rates of AI startups than core markets. Penetration lags in larger hubs, with some of the lowest rates in France, despite producing some of the continent’s most valuable companies. At a sector level, AI startups remain concentrated in traditional software categories such as SaaS, Big Data, and mobile, whilst areas such as fintech,

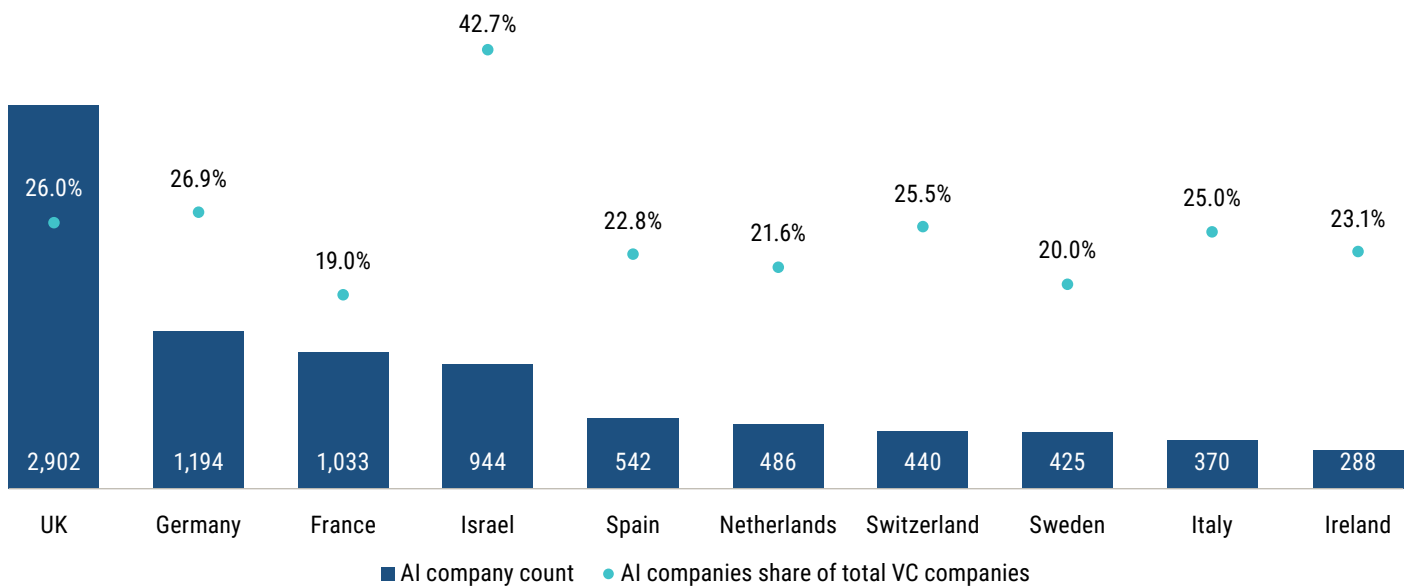
crypto, wellness, and even cleantech remain relatively underpenetrated. This imbalance highlights both structural biases in early adoption and significant runway for broader integration of AI across Europe’s core industries.

### AI VC company count and share of total VC company count



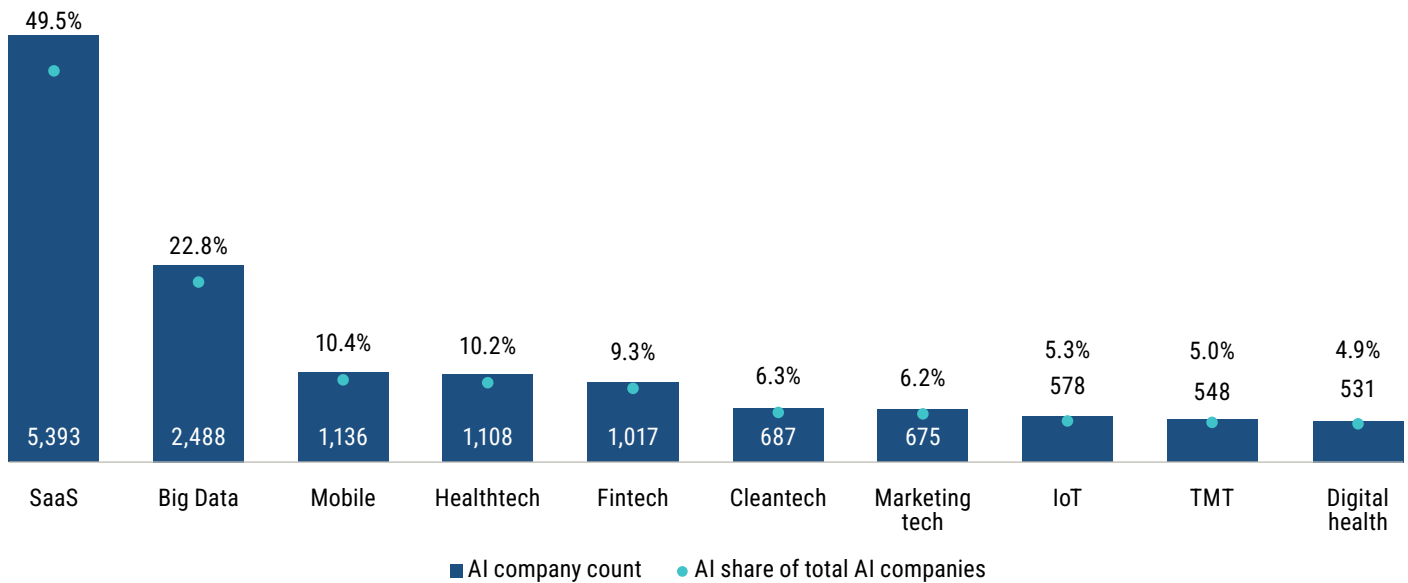
Source: PitchBook • Geography: Europe • As of 31 December 2025

### Top 10 countries by AI VC company count



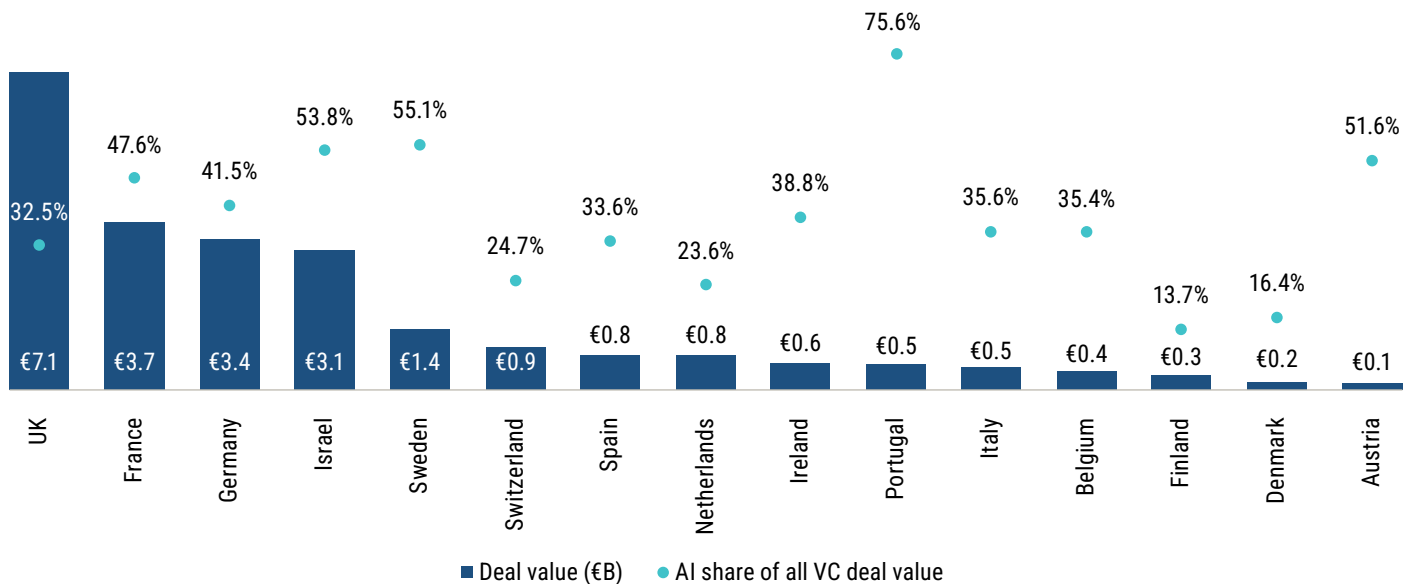
Source: PitchBook • Geography: Europe • As of 31 December 2025

### Top 10 verticals by AI share of total AI VC companies



Source: PitchBook • Geography: Europe • As of 31 December 2025  
 Note: Our vertical methodology is not mutually exclusive.

### Top 15 countries by 2025 AI VC deal value

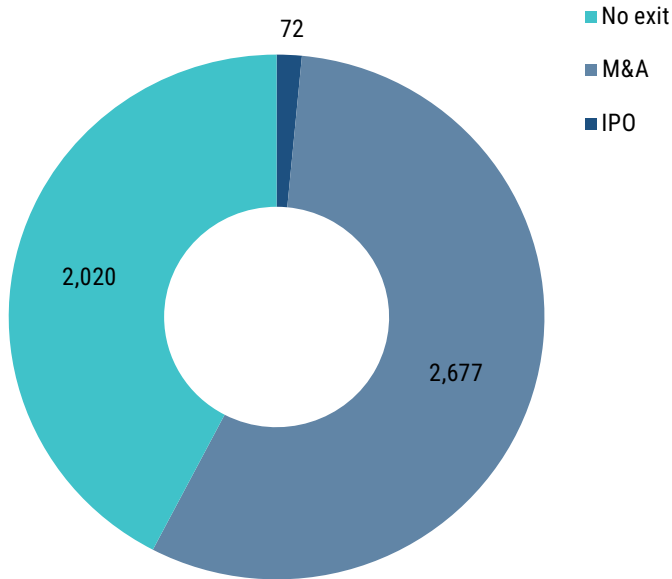


Source: PitchBook • Geography: Europe • As of 31 December 2025

On an investment basis, capital deployment across European AI remains concentrated in core markets such as the UK, Germany, and France, but growth dynamics are shifting. Italy has seen the strongest midterm expansion, with investment more than doubling over the past five years, driven by recent acceleration. In contrast, Nordic regions have experienced a short-term pullback in invested capital, although AI penetration remains high. Portugal leads by share of investment, followed by Sweden and Israel, where AI accounts for a significant proportion of deal value in 2025.

AI is contributing a disproportionate share of exit activity, accounting for nearly half of total exit value in 2025 and significantly outpacing its share of dealmaking. This dynamic reflects both elevated valuations and the increasing role of AI in driving strategic acquisitions, as incumbents seek to integrate new technologies into established business models. Exit activity is therefore skewed towards M&A rather than listings, with larger transaction sizes and growing consolidation signalling a transition from early-stage experimentation towards more mature commercialisation across sectors.

### Share of AI company count by highest probability exit strategy

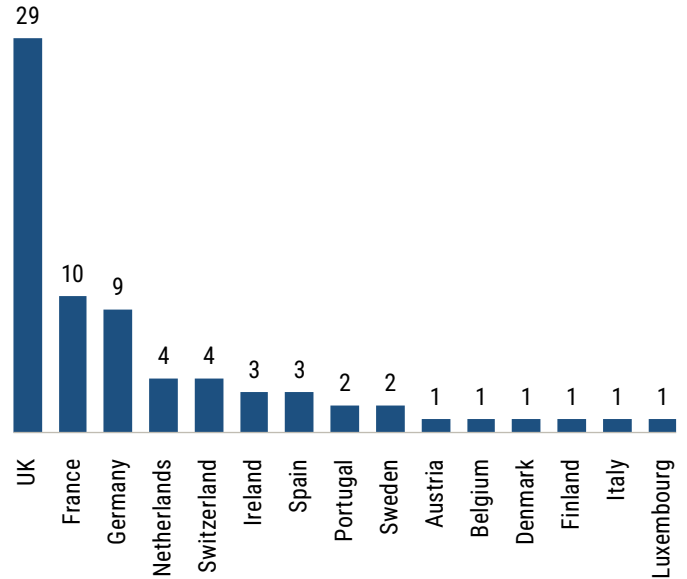


Source: PitchBook • Geography: Europe • As of 31 December 2025  
 Note: Probability data is based on [PitchBook VC Exit Predictor methodology](#).

Europe’s AI IPO pipeline is building, with 72 companies identified as potential listing candidates, but overall, estimated AI exits remain heavily skewed towards acquisitions. Whilst a number of late-stage European AI companies have a high probability of IPO according to our VC Exit Predictor, the scale of potential exits remains modest, with aggregate pipeline value significantly below that of US peers. As a result, even where listing activity emerges, it is likely to be concentrated in a small number of high-profile names.

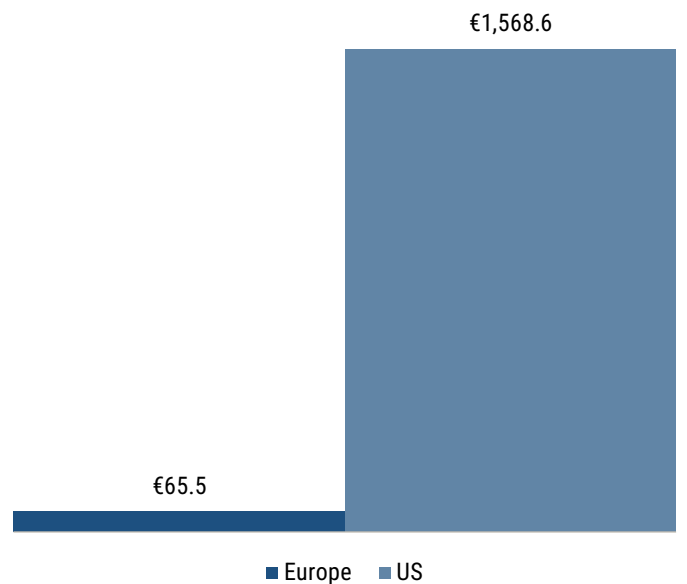
A widening transatlantic gap continues to define the AI landscape, with the US deploying significantly more capital, achieving higher valuations, and generating larger exits, whilst Europe remains comparatively underfunded and less mature. However, Europe’s lower capital saturation and differing sector focus, particularly in areas such as healthtech, robotics, and industrial applications, present a clear opportunity for cross-border investors to target underpenetrated verticals. As larger, US-style megadeals begin to emerge in Europe, early signs suggest the gap may narrow, although structural differences in liquidity and scale are likely to persist in the near term.

### Count of AI companies with highest IPO probability by country



Source: PitchBook • Geography: Europe • As of 31 December 2025  
 Note: Probability data is based on [PitchBook VC Exit Predictor methodology](#).

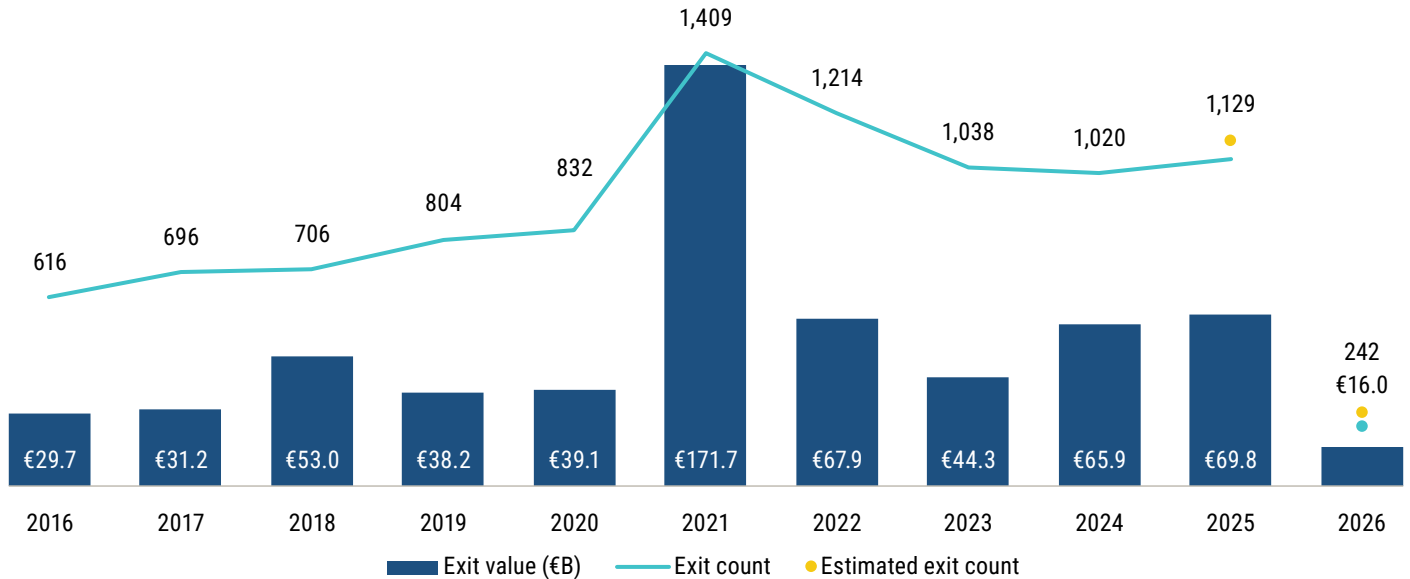
### Sum of top 10 AI IPO candidates’ post-money valuation (€M)



Source: PitchBook • Geography: Europe and US • As of 20 March 2026

# Exits

## VC exit activity



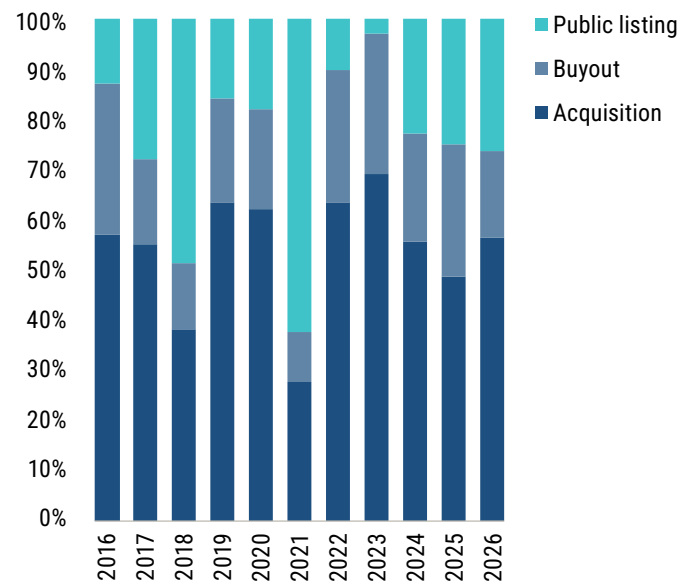
Source: PitchBook • Geography: Europe • As of 31 March 2026

### A modest start to the year for exits with IPO glimmers

Headline exit activity in Q1 2026 came in at €16 billion, a run rate which implies exit value would decline 8.2% YoY if maintained for the rest of the year. Activity was strong in 2025, given large listings such as Klarna, making YoY growth this year more difficult to achieve. However, on a quarterly basis, activity was broadly flat, suggesting that if activity picks up through the year, exit value could grow.

The largest exit in Q1 2026 was an IPO. By type, acquisitions grew share of exit value where public listing value was resilient. The latter was mainly driven by the IPO of marine tech startup General Oceans, which exited at €3.5 billion on Euronext Oslo Børs—a rarer listing on a European exchange. [We ended 2025 optimistic on the outlook for IPOs](#), where volatility and valuations appear at favourable levels for an IPO window. The optimism from these conditions have bled into the start of 2026, despite markets becoming more volatile, as several of the largest exits in the quarter sat within IPOs. Outside of General Oceans, other VC-backed listings included Agomab Therapeutics for €493.5 million, as well as defence tech firm SmartShooter, which exited at €191.1 million. Elsewhere, over half of deal value sat within acquisitions, where the number of exits by strategy stayed broadly flat. Q1’s second-largest exit was the acquisition of insurtech startup Inigo for €1.4 billion, followed by Mentee Robotics’ €767.6 million acquisition.

### Share of VC exit value by type



Source: PitchBook • Geography: Europe • As of 31 March 2026

### AI and fintech exits lag

By industry, mega-exits in the quarter skewed totals to specific sectors, with robotics, drones, and manufacturing ranking high amongst various verticals. However, on an absolute basis, even core sectors for European venture markets seem to be lagging. In areas such as fintech, only €1.4 billion of exit value was generated in Q1, a run rate

which paces below even the years prior to Klarna’s boost in 2025. The same is the case for AI, with €3.6 billion of deal value generated in the quarter, a run rate which paces 50% lower YoY. AI penetration of exits is therefore tracking below 2025 as well, with 22.6% of European exit value attributed to AI exits as of Q1 2026, compared with 42.1% in 2025. The declining prevalence contrasts with deals, where the same penetration has significantly increased YoY to 53.3%, compared with 37.7% in 2025. As stated in our latest deep dive on AI ecosystems in Europe, our VC

Exit Predictor estimates that 72 European AI companies have a high probability of exiting via IPO. Overall, the total pipeline of potential AI exits in Europe is still highly skewed towards M&A, with over half of the names predicted to exit via acquisition, with “no exit” predicted for the majority of the rest. Elsewhere during the quarter, life sciences was one of the few areas where exit value paced ahead of last year, with €1.6 billion raised in Q1 2026, a run rate which implies that exit value would increase 29.2% YoY.

### Top 10 VC exits by value in Q1 2026

Company	Close date	Exit value (€M)	Exit type	Industry sector	Country
General Oceans	26 March	€3,537.2	IPO	IT	UK
Inigo	2 February	€1,427.1	M&A	Financial services	UK
Mentee Robotics	6 February	€767.6	M&A	IT	Israel
Dark Blue Therapeutics	6 January	€716.4	M&A	Healthcare	UK
Wallapop	29 January	€600.0	M&A	B2C	Spain
Agomab Therapeutics	6 February	€493.5	IPO	Healthcare	Belgium
Wenrix	8 January	€255.8	Buyout/LBO	IT	Israel
Solynta	26 January	€250.0	M&A	Materials & resources	Netherlands
Daedlean	5 January	€193.0	M&A	IT	Switzerland
SmartShooter	5 March	€191.1	IPO	B2B	Israel

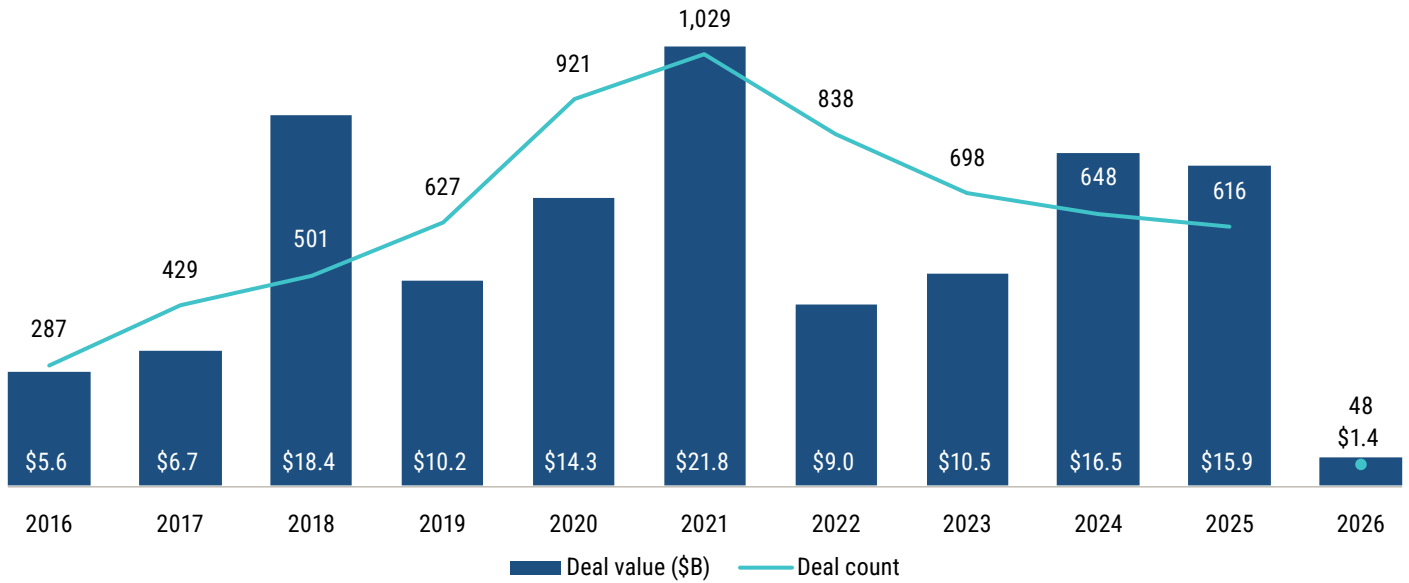
Source: PitchBook • Geography: Europe • As of 31 March 2026

### Top 20 verticals by VC exit value

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Robotics & drones	16	17	20	17	18	19	19	19	19	20	1
Manufacturing	9	6	8	6	7	9	8	8	12	11	2
AI	5	13	11	8	9	7	4	4	2	2	3
SaaS	4	5	4	2	3	2	2	1	1	1	4
Life sciences	2	4	6	3	2	6	5	5	3	9	5
Insurtech	18	15	19	18	17	20	20	17	20	19	6
Fintech	12	7	2	10	6	8	7	3	4	3	7
Oncology	3	8	10	5	5	15	17	14	13	15	8
Advanced manufacturing	20	18	17	20	20	18	18	18	16	18	9
E-commerce	7	3	5	7	8	3	6	10	10	13	10
Big Data	6	12	7	14	12	13	9	7	7	6	11
Mobile	8	2	3	4	4	5	3	6	5	4	12
Healthtech	13	9	12	13	13	14	10	11	8	7	13
Cleantech	10	11	15	9	11	10	12	13	9	10	14
Mobile commerce	17	20	9	19	19	11	11	20	14	5	15
LOHAS & wellness	15	16	16	11	14	16	14	9	11	12	16
Climate tech	19	19	18	12	15	12	15	16	15	16	17
Cloudtech & DevOps	14	14	14	16	16	17	16	12	18	17	18
TMT	1	1	1	1	1	1	1	2	6	8	19
Mobility tech	11	10	13	15	10	4	13	15	17	14	20

Source: PitchBook • Geography: Europe • As of 31 March 2026

### Institutional VC direct secondary deal activity



Source: PitchBook • Geography: Global • As of 31 March 2026

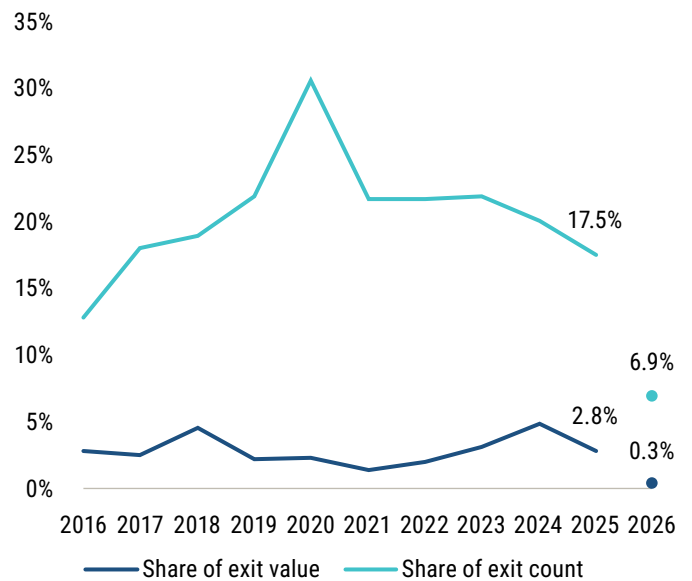
#### Direct secondaries deal value is resilient

[Our inaugural note on the direct secondaries market](#) that launched in 2025 took a deep look into the evolution of venture direct secondaries and how the strategy is becoming a more meaningful liquidity channel across global VC markets. Activity has shifted across regions, where we looked at the increasing role of institutional buyers and the factors shaping deal flow in Europe’s still-emerging ecosystem.

Secondaries’ significance has continued, reaching a peak penetration of VC exit value in 2024 globally. Since then, as exit markets have more broadly recovered, penetration has slightly decreased; however, absolute deal value stayed resilient at \$15.9 billion globally in 2025—of which 15% sat in Europe—broadly flat from the highs of 2024. Activity as of Q1 2026 is pacing below these levels, but given the lump nature of transactions, we do not extrapolate this quarter’s activity too much. Looking at aggregate direct secondaries transactions over the past 10 years by country, core regions are leading the way as expected, but penetration of the broader exit market is higher in smaller ecosystems. Within core regions, when looking at the UK over the past 10 years, 1.8% of exit value has come from direct secondaries—lower than areas such as Israel and Germany at 2.9% and 1.9%, respectively. Higher penetration is seen in ecosystems such as Belgium, where 4.3% of exit value has sat in secondaries in the past 10 years, but on a smaller base.

In our initial note, we also sized the European direct market, outlining how investor- and founder-led sales could develop

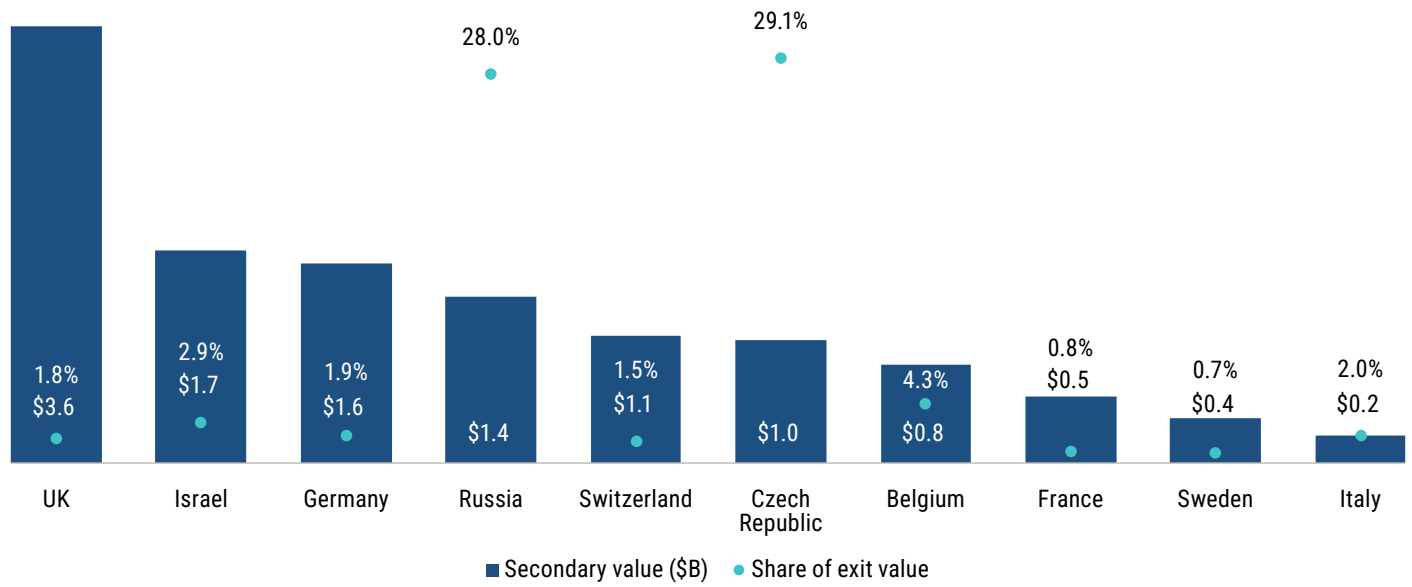
#### Institutional VC direct secondary exit value as a share of all VC exit value



Source: PitchBook • Geography: Global • As of 31 March 2026

under different market scenarios. In our base case, we estimated the European institutional VC direct secondaries market to be \$47.5 billion, equivalent to 7% of the aggregate market cap of the companies included in our data. We also looked at potential upside and downside scenarios by [flexing various inputs](#). Whilst there are barriers to market development—the structural frictions, governance constraints, and market infrastructure that will influence how quickly this segment matures—we believe that the asset class will continue to gain momentum in 2026 and beyond.

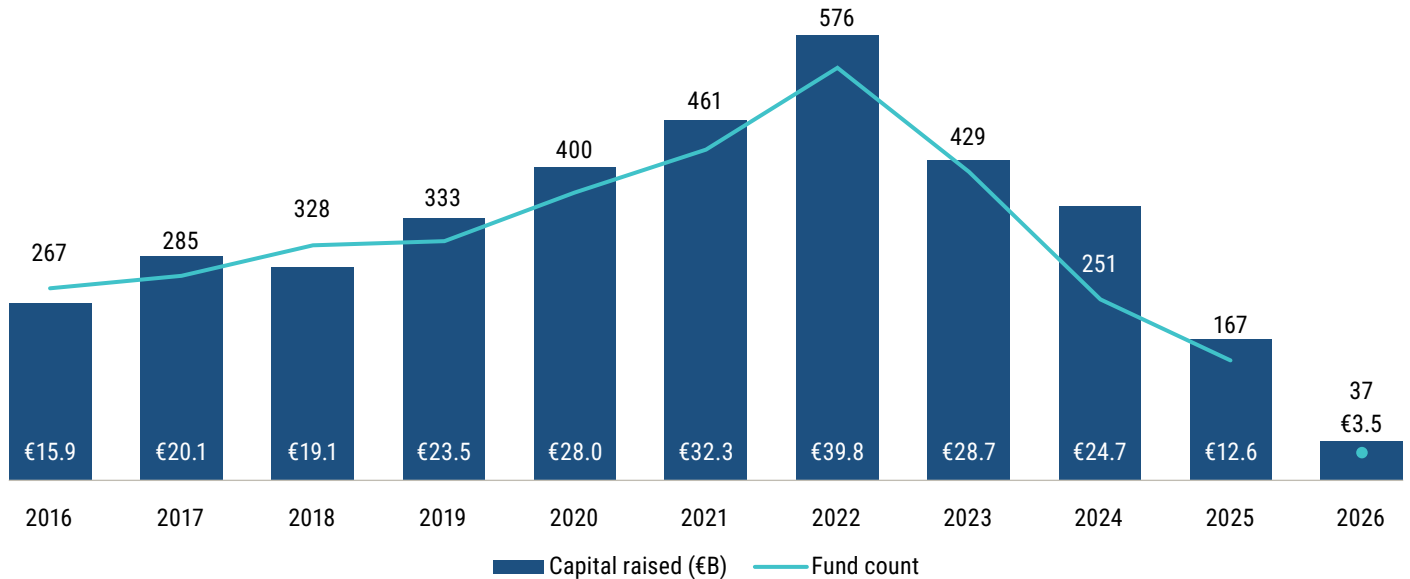
### Institutional VC direct secondary exit value as a share of all VC exit value by country (2016-2026)



Source: PitchBook • Geography: Europe • As of 31 March 2026

# Fundraising

## VC fundraising activity



Source: PitchBook • Geography: Europe • As of 31 March 2026

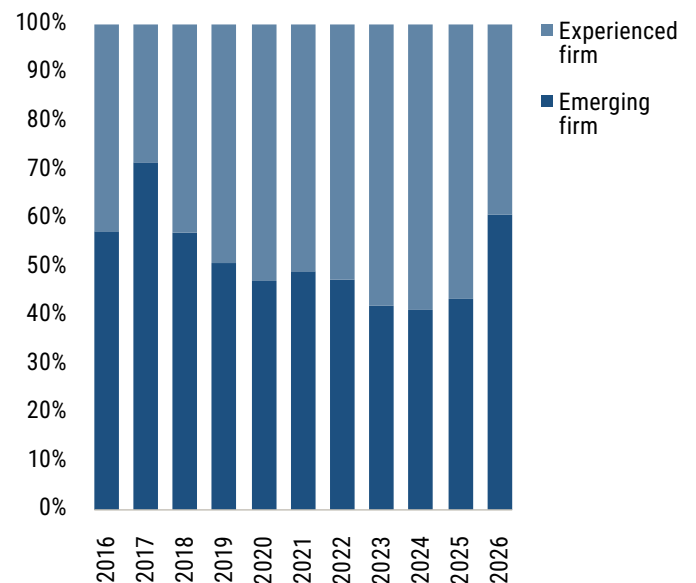
### Signs of revival for VC fundraising

Following a record low for VC fundraising in 2025, venture fundraising has had a strong start to the year. €3.5 billion of capital raised was closed in Q1, a run rate which implies that totals would grow 11.1% YoY if maintained for the rest of the year. Given the low base in 2025, growth appears to be more achievable this year, where the market will be looking forward for totals to exceed previous years given the record low. Capital raised closed over 37 vehicles, with the largest being OGCI Climate Investment’s Decarbonization Acceleration Fund, at €387.3 million. This was followed by two Paris-based funds, Partech Growth Impact Fund (€300 million) and Daphni Blue (€260 million). Three of the top five closes in the quarter were based in Paris.

### Strategy specialisation continues

Other cleantech/ESG-skewed funds were amongst the top 10 closes, continuing the theme of specialization that we have noted in European vehicles over the past few years. However, the breadth of strategies notably widened in Q1. Specific mandates within some of the top 20 closes in the quarter spanned areas including skincare, space tech, healthtech, and sports tech, evidencing that strategies within venture are becoming more specialised as the asset class matures, including participation from CVCs. We have also noted that such allows LPs to somewhat diversify their exposure even within venture, hedging their allocations to not be overly

### Share of VC capital raised by manager experience



Source: PitchBook • Geography: Europe • As of 31 March 2026

## Top 10 fund closes

Fund	Fund size (€M)	Close date	Fund type	Country
Industrial Strategy Challenge Fund	€6,305.2	28 November 2017	VC	UK
Keensight Nova VI	€2,300.0	19 October 2023	Late-stage VC	France
Index Ventures Growth VI	€1,686.7	22 July 2021	VC	UK
AVP Growth Fund I	€1,500.0	26 February 2015	Early-stage VC	France
Index Ventures Growth VII	€1,395.8	10 July 2024	VC	UK
Shell Energy Fund I	€1,207.4	3 November 2021	VC	Netherlands
EQT Ventures III	€1,100.0	9 November 2022	VC	Sweden
Index Ventures Growth V	€1,095.8	10 April 2020	Late-stage VC	UK
Atomico Start-up Fund	€1,040.1	19 November 2021	VC	UK
Allianz X Fund	€1,000.0	1 January 2016	VC	Germany

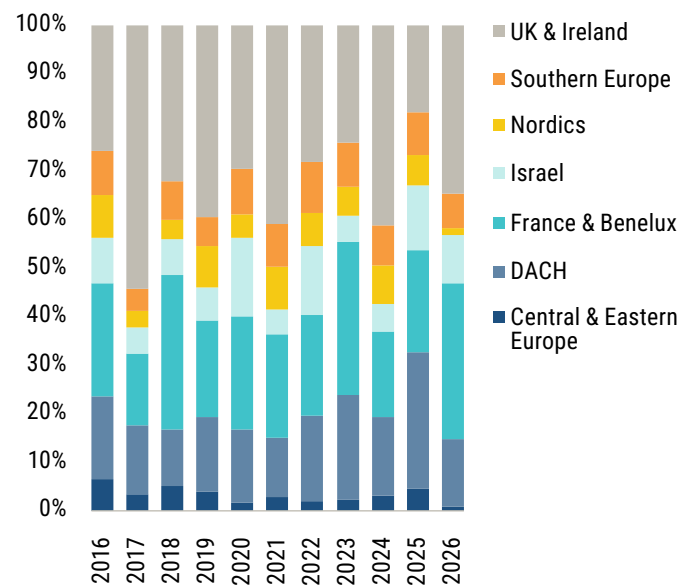
Source: PitchBook • Geography: Europe • As of 31 March 2026

exposed to specific verticals. Specialisation is occurring both amongst larger and smaller vehicles, and the rise of emerging managers in the continent is also contributing to this. As of Q1, emerging managers gained share of capital, but over less vehicles as fund sizes increased. The median fund size in Europe now sits at €85 million, compared with €50 million in 2025.

### UK & Ireland back on top

By region, capital raising trends returned to conventional dynamics, with the UK & Ireland holding the lion's share with 34.8% of fundraising in Q1. This was followed by a similar proportion from France & Benelux, whereas 2025 leader DACH regionally lagged with only a 1.1% share. Within the top 10 closes, only one—the Swiss b-to-v Fund V—sat in the DACH region; and despite more fund closes sitting in DACH, smaller sizes meant capital raised totals still lagged. The largest closes were mostly in Paris and London, bringing both wider regions into leading positions. On the other hand, some of the weakest activity was in the Nordics, where a negligible amount of capital raised in Q1, sitting at only a 1.4% of European totals, compared with 6.4% in 2025.

### Share of VC capital raised by region



Source: PitchBook • Geography: Europe • As of 31 March 2026



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Download the report [here](#)



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