FINANCING TECH IN GERMANY & FRANCE 2025

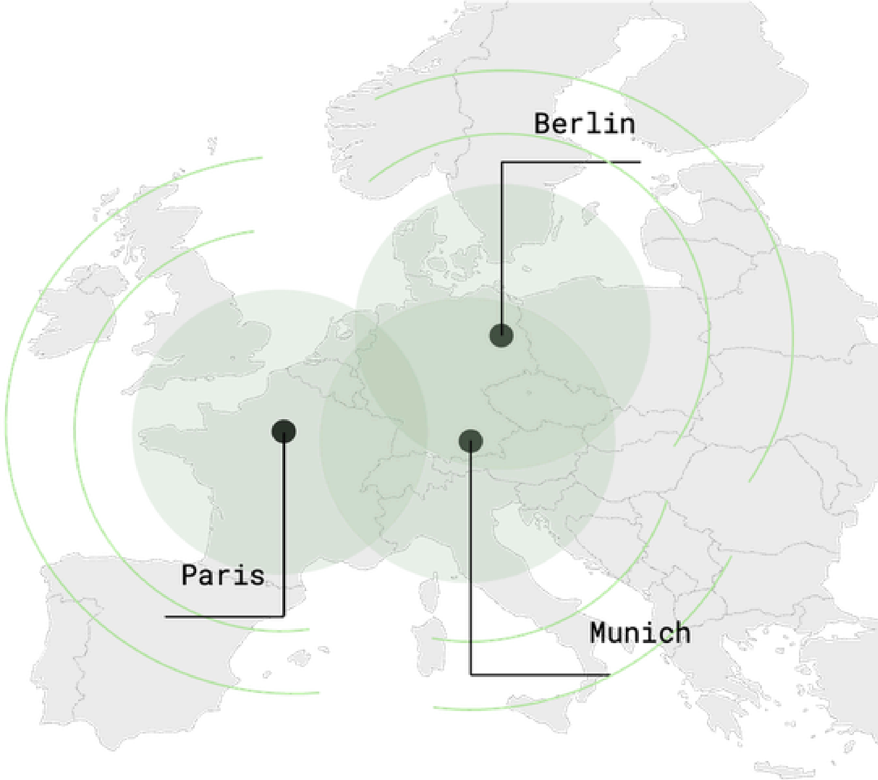
IRIS

ABOUT IRIS

IRIS

IRIS is a European Venture Capital and Growth equity firm investing exclusively in technology, with tickets from €1M to €30M in tech companies in seed, Series A and B in Venture, and from Series C onward in Growth.

Based in Berlin, Munich and Paris, IRIS primarily invests in Europe across Enterprise Software, Cloud computing and AI infrastructure, Data platforms and Cybersecurity, Industrial and manufacturing technologies, Supply chain and Logistics software, Fintech and Insurtech, and sustainability.



Our investment team:


JULIEN-DAVID NITLECH
Managing Partner


CURT GUNSENHEIMER
Managing Partner


ERIK DE LA RIVIÈRE
Managing Partner


ITZIAR ESTEVES
Partner


NICOLAS HERSCHTEL
Partner


THORBEN ROTHE
Partner

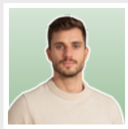

ANAÏS MONLONG
Principal


JAKOB BANHARDT
Principal


FRANÇOIS KERGERAVAT
Sr Associate


VIKTOR STOLL
Investment Manager


BRUNO DE BREUIL
Sr Associate


PAUL TARDIVEAU
Associate

Adaptive ML · adomik · Arango · ARMIS · DIGITRIPS · ESCAPE · EXOTEC
forto · GETSAFE · helu · Hopia · iAdvize · jedox. · jobvalley
kovalee · Lookout · nala · OX · popsink · pyck · Qovery
QUANTFIND · rebuy · RED POINTS · SCALITY · SECRET DOUBLE OCTOPUS · SHIFT · spinergie
Talon.One · WEEFIN · WORKPATH · yodo1 · yubo · ZEOTAP · ZETA

Acknowledgement

This report draws on data primarily sourced from Dealroom, completed by publicly available information, including press releases, and proprietary insights.

Our analysis involves structuring and interpreting this data to surface key trends across investment volume, investor profiles, and geographic distribution. Funding rounds have been classified using a consistent internal framework while categorizations and trend interpretations reflect our best understanding of the available data.

As with any market analysis, the findings are subject to data limitations and reporting lags. This report does not claim to capture every single transaction, but it aims to deliver a clear, structured, and meaningful perspective on tech investment activity in Germany and France in 2025.

While every effort has been made to ensure the accuracy of the information presented, the nature of private market data, particularly around internal transactions, down rounds, and confidential deals, means that some information remains incomplete or undisclosed. This report is provided for informational purposes only and should not be used as the sole basis for investment or strategic decisions

Contributors

We would like to thank Patrick Brandmaier, Managing Director of the French-German Chamber of Commerce and Industry (CFACI), for his insights to this report.

PATRICK BRANDMAIER
MD at CFACI

The French-German Chamber of Commerce and Industry, part of the global network of German Chambers abroad with 150 offices in 93 countries, has been fostering business relations between France and Germany for nearly 70 years.

Table of Contents

FOREWORD

Last year, we argued that growth equity capital was the missing link in Europe's tech journey. Unfortunately, nothing in the 2025 data has changed our mind. If anything, the case has grown stronger as Series A and above rounds declined sharply on both sides of the Rhine. Although the pipeline of scale-ups is there, the structures to carry them through the next stage are not. Or still not enough.

On the surface, France and Germany have never looked more alike. Similar volumes of capital were deployed, with comparable levels of AI investment and a compression in deal activity paired with larger, more selective rounds. Both ecosystems are clearly moving through the same transition: from software-led dynamics toward a hollistic transformation centered on AI. But the way each market concentrates capital tells a very different story.

France is placing significant bets on a handful of category-defining platforms while Germany is spreading conviction across its industrial base, embedding technology into manufacturing, energy, defence and logistics.

One bets on building infrastructure to scale while the other builds for depth and diffusion across industries.

Strip away the largest rounds on both sides, and the economic values look strikingly similar. Beneath the headline dynamics, both ecosystems are running on the same engine, and facing the same structural default.

That bottleneck is no longer about producing great technology. Europe does that well, consistently turning deep research from world-class institutions into products that deliver strong, lasting value to customers. What remains underbuilt is the capacity to scale these companies to global leadership, with the right capital, the right talent, and the right organisational depth to sustain growth over time.

In 2025, the line between companies built on durable value and those built on the appearance of scale became harder to read. Milestones that once required years and large teams can now be reached in months. But speed is not proof of substance: the companies that endure it, not just achieve it, will define the years to come.

JULIEN-DAVID NITLECH
Managing Partner

CURT GUNSENHEIMER
Managing Partner

TECH FUNDING IN 2025

In 2025, both Germany and France reinforced the structural **shift toward fewer funding rounds and higher capital concentration**, with artificial intelligence capturing an increasing share of investor conviction.

Germany's total investment remained stable at €7.46B (flat year on year), while deal count declined slightly to 1426 (-3%). Scaling remained the key pressure point, with Series A and above falling to 255 (-23.9%). AI diverged from this trend: AI rounds increased to 283 (+7.8%), and AI funding surged to €3.03B (+38.3%), reflecting larger checks into fewer, high-conviction companies.

France experienced a sharper drop in activity, with 591 rounds (-24%) and 191 Series A+ rounds (-22%), but total capital still rose to €7.21B (+2%), driven by concentration at the top. AI mirrored this pattern, with fewer rounds (118, -23.7%) but higher investment (€3.0B, +21%).

Across both ecosystems, only **four rounds exceeded €250M**: one in France, driven by **Mistral AI's €1.7B** financing, and three in Germany, totaling €1.2B. A further **18 rounds fell in the €100M–€250M** range, with five transactions in France (€575M) and thirteen in Germany (€1.8B), confirming Germany's strength in large-ticket activity below the mega-round threshold. Capital concentration shows itself when looking at the top ten rounds accounting for **31% of total capital in Germany** (€2.34B of €7.46B) and **37% in France** (€2.58B of €7.21B).

Some mixed primary and secondary transactions that do not appear in our dataset further amplified this dynamic, notably **Brevo's €500M** financing or **Trade Republic's €1.2B transaction** at a €12.5B valuation.

GERMANY

Funding Rounds
1426 -3%
compared to 2024

AI Invested Amounts
€3.03B +38%
compared to 2024

Invested Amounts
€7.46B 0%
compared to 2024

AI Rounds
283 +8%
compared to 2024

Series A+ rounds
255 -24%
compared to 2024

FRANCE

Funding Rounds
591 -24%
compared to 2024

AI Invested Amounts
€3.0B +21%
compared to 2024

AI Rounds
118 -24%
compared to 2024

Invested Amounts
€7.21B +2%
compared to 2024

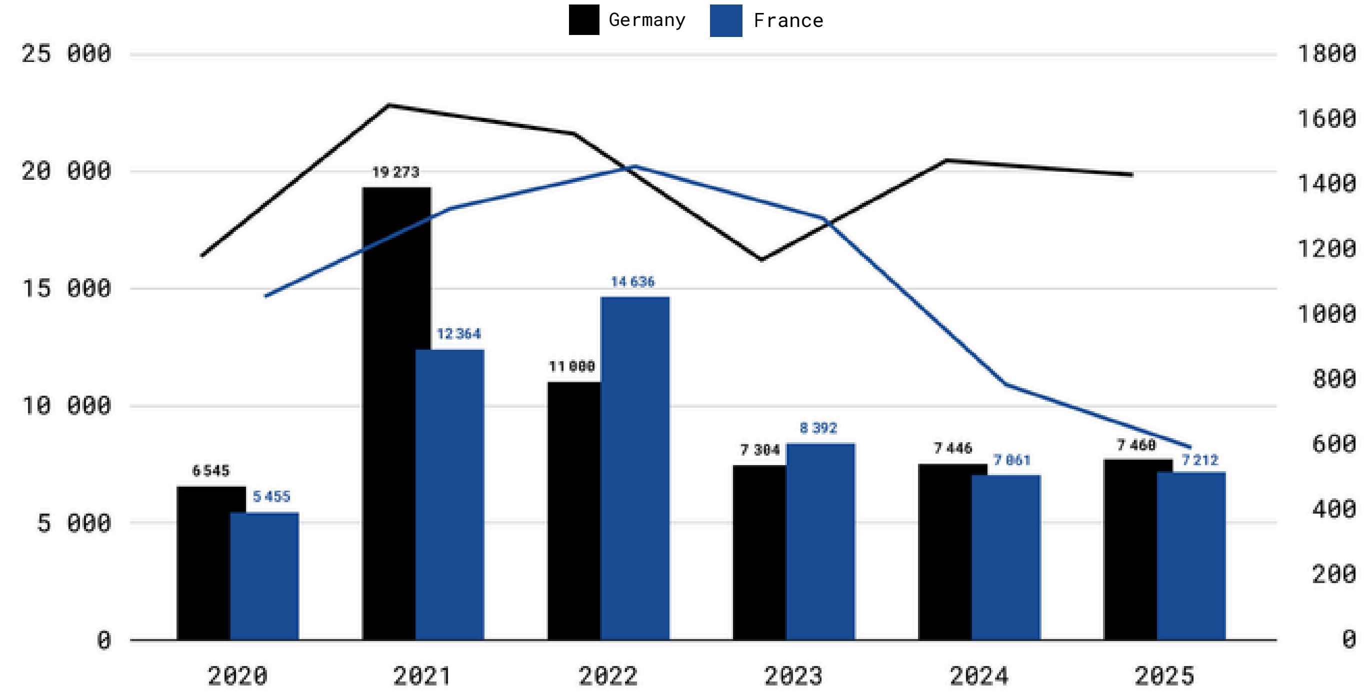
Series A+ rounds
190 -22%
compared to 2024

Analysis made by IRIS using Dealroom Data

It is now time to act. We must now significantly boost the funding capacity of French and German startups - an essential condition for innovative projects to scale and enhance Europe's competitiveness in the international innovation race.
Late-stage financing is indeed crucial for supporting startups in their scale-up phase. However, Series A+ fundraising has declined by 22% in France and 24% in Germany.

PATRICK BRANDMAIER
MD of CFACI

Funding amount in €M and number of rounds since 2020



Analysis made by IRIS using Dealroom Data.

Deal activity in 2025 continued to favor value over volume, with a clear slowdown at the scale-up stage. Investors concentrated capital into fewer rounds, raising expectations around traction, operational efficiency, and credible paths to profitability. Funding consolidated into a smaller group of high-confidence companies, as the market shifted away from experimental bets toward proven teams, differentiated technology, and visible commercial traction.

European tech funding remains well below the 2021–22 peak, but the reset is now structural. Growth alone is no longer sufficient as investors are underwriting durable moats, capital discipline. AI continues to attract the largest checks, with capital flowing into fewer, more defensible leaders.

The capital concentration across both markets, especially in AI, begs the question: are they capturing enough of the current wave, or are they leaving ground for others to grab?

Looking at the 10 most prolific tech markets in Europe by invested amounts, something is striking. The total grew to €52.8B in 2025, up €11B from 2024, a clear sign of broad market recovery. But that growth was far from evenly distributed. The UK alone accounts for most of the gain, jumping €6.7B to €21.4B in a single year. France and Germany held virtually flat.

Europe's most active market in invested amounts in €B in 2025

1	United Kingdom	21.4B
2	Germany	7.5B
3	France	7.2B
4	Switzerland	3.3B
5	Netherlands	2.9B
6	Spain	2.8B
7	Sweden	2.8B
8	Finland	2B
9	Italy	1.6B
10	Denmark	1.3B

Analysis made by IRIS using Dealroom Data.

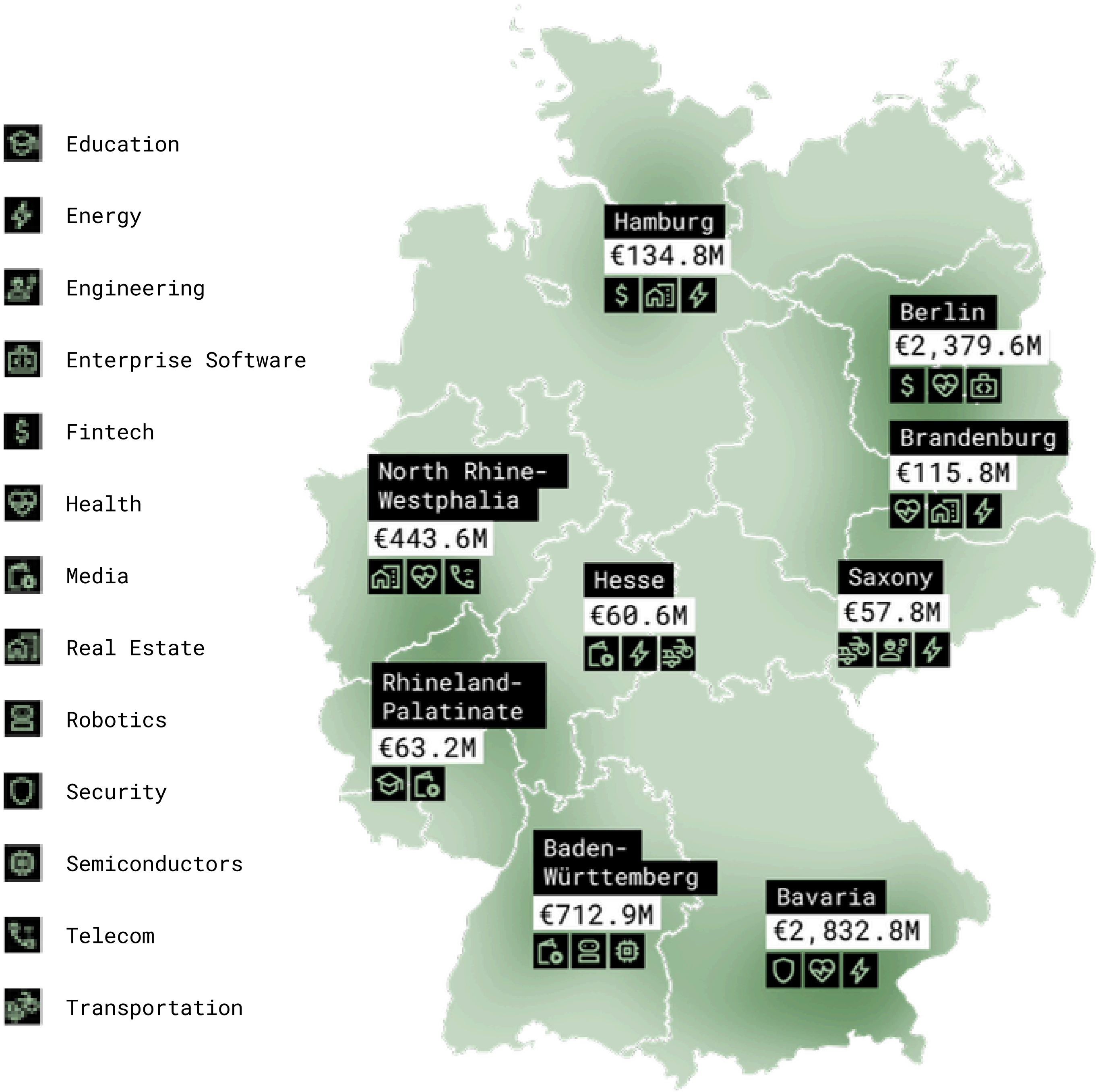
CLOSER LOOK AT TOP LÄNDERS

Germany's investment map stays decentralised, that is structural. But two trends are worth noting in 2025.

The hubs are sharpening their identities: Berlin on enterprise software (**n8n**) and health (**AMBOSS**), Munich becoming the clear home of defense (**Helsing**) and energy. And the regional spread is no longer background noise: Cologne (**empact**) and Freiburg (**Black Forest Labs**) are backing tech that is native to their industrial base.

France tells the opposite tale. Paris alone accounted for **€4.3B** (**roughly 60% of 7.1B invested in 2025**) a centralisation that reflects the structural economic split when it comes to funding innovation.

Investments by top Länder in €M in 2025



Analysis made by IRIS using Dealroom Data

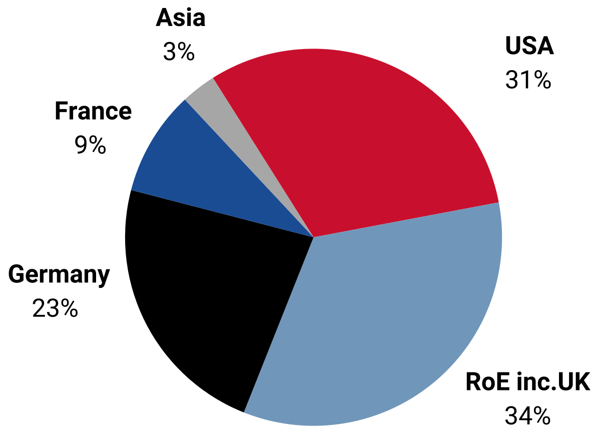
SIGNALS FROM BIGGEST ROUNDS

GERMANY	*AI companies in bold*
Helsing	€600.0M
Tubulis	€308.0M
Black Forest Labs	€272.7M
Amboss	€240.0M
Quantum Systems *Extension*	€180.0M
N8n *Series C*	€163.6M
Quantum Systems *Series C*	€160.0M
Scalable Capital	€159.0M
Isar Aerospace	€150.0M
Solaris	€140.0M
Proxima Fusion	€130.0M
Talon.One	€122.7M
NEURA Robotics	€120.0M
Marvel Fusion	€113.0M
Enpal	€110.0M
Parloa	€109.0M
empact	€100.0M
Noxtua	€80.7M
wefox	€80.2M
Ferroelectric Memory Company	€77.0M
Limehome	€75.0M
CarOnSale	€74.6M
Aily Labs	€72.7M
Q.ant	€65.4M
FTAPI Software	€65.0M
Sdui	€60.0M
Makersite	€60.0M
STARK	€56.3M
4TEEN4 Pharmaceuticals	€55.0M
N8n *Series B*	€55.0M

Germany's 30 largest rounds in 2025 totaled €4.05 billion, with AI taking a noticeably bigger slice (40%) than before quickly catching up with French investment trends. Together, they represented €1.93 billion across 12 transactions. Half of these companies are building their product with AI at its core, while the other half integrate it as a feature of their value proposition.

The companies leading on AI as a core product are concentrated in security, robotics, and deeptech with Helsing and Quantum Systems as textbook examples: combining AI with physical assets, autonomy, and real-world deployment.

Origin of lead investors of top 30 rounds of 2025



Analysis made by IRIS using Dealroom Data.

Looking at who led these rounds, European funds based outside Germany came first with 34%, followed by US and then German investors. Domestic participation has picked up compared to previous years, but remains relatively modest. French investors led just 9% of top rounds, which confirms Germany's strong appeal to global capital and suggests plenty of room for more cross-border activity between the two countries.

The broader picture is clear: Germany's startup ecosystem is industrially rooted and internationally funded. AI generates plenty of excitement among founders but whether it ultimately becomes the product or remains an enabler for industrial expertise is still an open question. The investor base clearly showed a more engaged domestic scene while relying heavily on international actors.

> Investors are increasingly doubling down on proven performers. AI remains a core theme at growth stage, but with more selectivity. The strongest traction is in companies with clear, scalable use cases, particularly in vertical applications. US and UK investors continue to dominate larger growth rounds, typically entering from Series B onwards, while domestic capital remains more limited.

ITZIAR ESTEVES
Partner - Growth

SIGNALS FROM BIGGEST ROUNDS

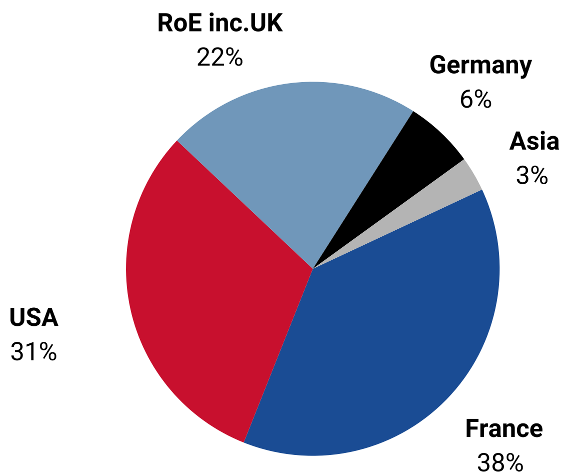
FRANCE	*AI companies in bold*
MISTRAL AI	€1700.0M
Loft Orbital	€170.0M
Adcytherix	€105.0M
Knave	€100.0M
WAAT	€100.0M
Alice & Bob	€100.0M
Genesis AI	€95.4M
Pennylane	€75.0M
Didomi	€72.0M
INTACT	€70.0M
Wandercraft	€68.2M
UBI Solutions	€63.6M
Nabla	€63.6M
Gradium	€63.6M
Gravithy	€60.0M
SkillCorner	€54.5M
Upway	€54.5M
Filigran	€52.7M
Zama	€51.8M
73 Strings	€50.0M
Scintil Photonics	€50.0M
Accro	€49.0M
Vibe	€45.5M
NEXSTUN	€45.0M
LATTICE MEDICAL	€43.0M
Swan	€42.0M
VSORA	€41.8M
GenoMines	€40.9M
Tinubu Square	€40.9M
Infinite Orbits	€40.0M

France's largest tech rounds in 2025 totaled €3.68B, with AI structurally embedded at the top and a financing profile that is notably less inward-looking than in prior years. Like in Germany, 40% of top 30 rounds were AI-related, with capital concentrated in a small number of high-conviction deals.

Across 11 tech companies, €2.34B were invested in AI with 64% of the startups positionning AI as their core product and 36% embedding it as a feature, mainly in SaaS, enterprise, and vertical software.

Mistral AI remains the French central gravity point, alongside emerging AI-native players such as Genesis AI and Gradium. Their outsized funding rounds reshaped capital allocation toward foundation models, compute, and sovereign AI infrastructure.

Origin of lead investors of top 30 rounds of 2025



Analysis made by IRIS using Dealroom Data.

Looking at the lead investors origins, France still is the main contributing nation to large rounds, followed by US investors. Europeans and for some, German investors, are next, while only 3% of top rounds were led by Asians funds.

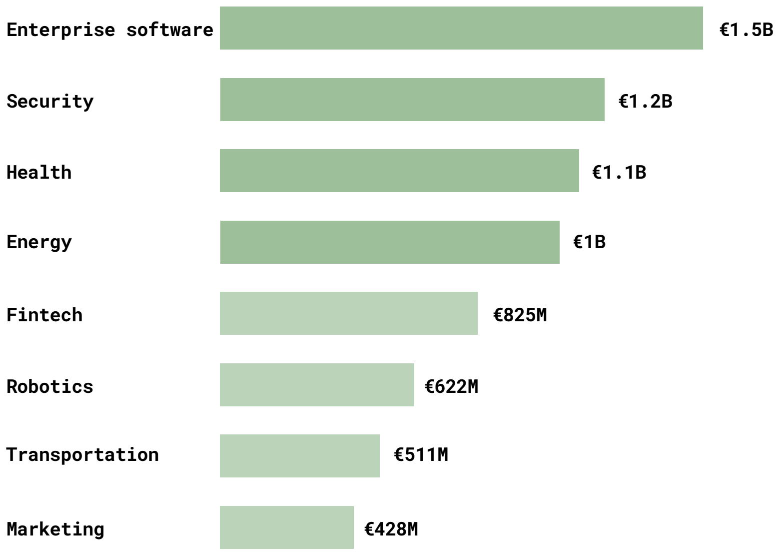
Two finance its own leaders, or France still struggles to attract international investments towards la French Tech.

> AI is redefining the investment landscape. Beyond often overvalued pure-play AI companies, compelling opportunities are emerging across SaaS, where AI is no longer optional but must be embedded at the core to create durable competitive advantage.

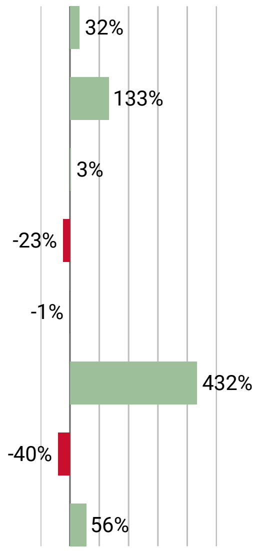
NICOLAS HERSCHTEL
Partner - Growth

GERMANY

Top funded sectors in Germany in 2025



% growth 2025 vs 2024



Analysis made by IRIS using Dealroom Data.
Disclaimer: companies may be tagged under multiple industries. Analysis focused on biggest shifts rather than exact breakdown.

ROBOTICS +432%

Robotics saw one of the sharpest accelerations in 2025, with its **deal count tripling from 7 to 23**. Funding was concentrated in several rounds, notably Quantum Systems, NEURA Robotics' Series B and STARK's fundraising, highlighting the growing synergy between robotics and security. Germany's deep-rooted industrial heritage clearly provided the perfect fertile ground for this maturing investment focus.

ENTERPRISE SOFTWARE +32%

The sector reaccelerated in 2025, with **deal count rising from 83 to 112**. Growth was driven by **Black Forest Labs mega round** and **n8n 2 large rounds,** alongside Talon.One and **Parloa**, reinforcing workflow automation as core infrastructure.

TRANSPORTATION -40%

Deal count **fell from 80 to 52** in 2025 on a continued downward trends, despite **CarOnSale's €75M** and **Vay's €55M** rounds. Without a single €100M round, much of 2024's momentum was lost.

SECURITY +133%

Security saw a massive investment shift and focus, due to the recently restaured investments in security and defense but also strong capital concentration. **Helsing (€600M)** and **Quantum Systems (€340M across two rounds)** accounted for most of the total volume raise, despite a **deal count dropping from 36 to 21.**

ENERGY -23%

While Energy tagged deals **dropped from 122 to 79,** it still is a leading sector in Germany, especially with notable investments in companies such as **Proxima Fusion** and **Marvel Fusion**, that represent a clear jump in fusion related tech, but also **Enpal** and **empact** at the intersection of energy and real estate.

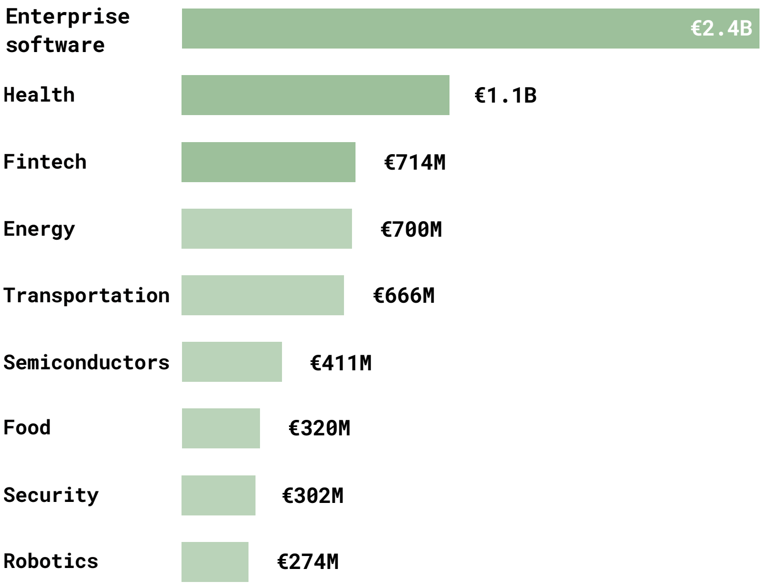
> We are seeing a sharp rise in start-up activity in the field of robotics. This development is being driven on the one hand by technological progress, particularly in the field of AI, which is massively expanding the possible applications of traditional robotics, and on the other hand by a sharp rise in demand from the markets.

THORBEN ROTHE
Partner - Venture

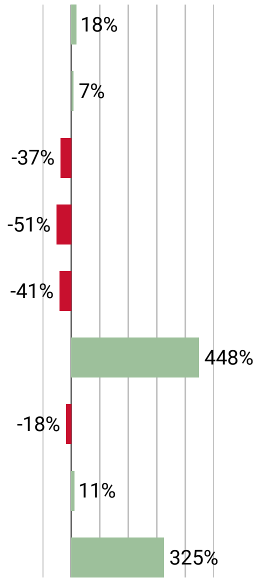
SECTOR TRENDS IN FRANCE

FRANCE

Top funded sectors in France in 2025



% growth 2025 vs 2024



Analysis made by IRIS using Dealroom Data.
Disclaimer: companies may be tagged under multiple industries. Analysis focused on biggest shifts rather than exact breakdown.

ENTERPRISE SOFTWARE +18%

With just **89 deals**, it still ranks as the most capital-attractive sector in France. Funding was highly concentrated at the top, led by **Mistral AI's €1.7B** round, alongside AI platforms such as **Nabla (€64M)** and **Gradium (€63M)**, reinforcing a clear winner-takes-most dynamic.

FINTECH -37%

Deal count held steady at **62 rounds**, but total capital declined due to the absence of last year's mega-rounds. In 2025, funding focused on a smaller set of established players, including **Pennylane (€75M)**, **Zama (€52M)**, **73 Strings (€50M)**, **Swan (€42M)**, **Tinubu Square (€41M)**, **Flowdesk (€38M)**, and **Deblock (€30M)**.

ENERGY -51%

Without standout rounds like Electra's €304M in 2024, and with the number of **deals falling from 110 to 56**, overall activity declined in 2025. Most of the capital went to a few companies, including **WAAT (€100M)** and **GenoMines (€41M)**,

ROBOTICS +325%

Across just **20 deals**, the robotics sector drew substantial capital, concentrated in a handful of standout rounds. **Genesis AI (€95M)** set the pace with a major seed round, followed by **Wandercraft (€68M)** at Series D. Further financings for **Néofarm (€30M)** and **Robeauté (€27M)** confirm strong appetite for robotics across healthcare, industrial automation, and autonomous systems.

SEMICONDUCTORS +448%

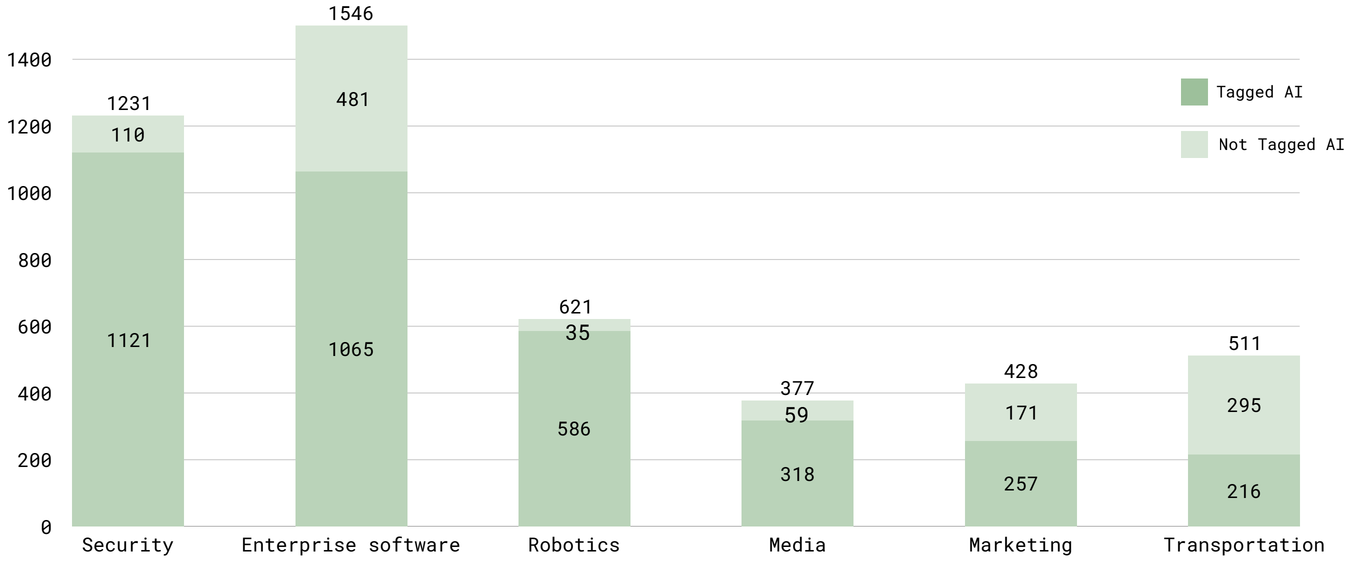
The fastest-growing sector in 2025, driven by a small number of large rounds across just **17 recorded deals**. **Alice & Bob (€100M)** led the surge, followed by **Scintil Photonics (€50M)** in photonics and quantum hardware. A cluster of mid-sized rounds, including **VSORA (€42M)**, **Zadient Technologies (€35M)**, **SiPearl (€32M)** highlights renewed interest in sovereign, next-generation semiconductor and deeptech platforms.

> We are seeing a sharp rise in start-up activity in the robotics field. This development is almost equally driven by technological progress, particularly in AI, which is massively expanding the possible applications of traditional robotics, and by a sharp rise in demand from the global markets.

ANAÏS MONLONG
Principal

GERMANY

Ratio of German AI investments in top industries in €M (2025)



Analysis made by IRIS using Dealroom Data.
Disclaimer: companies may be tagged under multiple industries. Analysis focused on biggest shifts rather than exact breakdown.

AI investment in Germany remains broadly distributed across verticals, consistent with its industrial DNA. But the signal is strengthening: AI funding reached €3.03B in 2025, up 38% from €1.87B in 2024. AI still acts primarily as a complement to industrial strengths rather than as the defining engine of the ecosystem, but the gap is narrowing.

Two verticals stand out: first, security made the most dramatic move, with AI-tagged funding jumping from €68M to €1,121M and penetration rising from 13% to 91%. Helsing's Series D anchored the shift alongside Quantum Systems. From near-zero government investment in security tech, Germany has emerged as a European model for defence innovation.

Second, Enterprise software tells an equally significant story: AI investment rose from €424M to €1,065M, the tech share climbing from 36% to 69%. n8n and Black Forest Labs anchor the category, with Parloa and Talon.One confirming that enterprise automation is now a mainstream thesis, not a frontier one. SaaS is not dead yet.

At smaller scale, media, legal, and marketing are also transitioning to AI, while transportation now sees 42% of AI penetration, up from 5% in 2024. Health, fintech, and energy remain AI-light at 11-15%, where AI functions as an optimization layer within sectors shaped by regulatory complexity and legacy infrastructure.

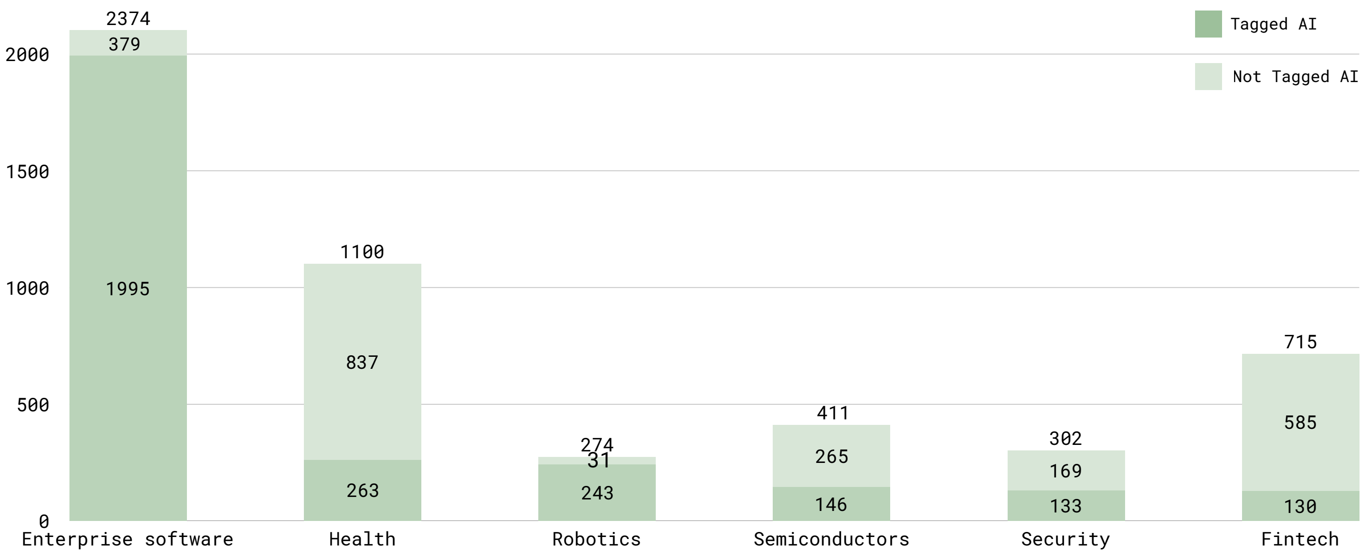
91% **of security investments are AI tagged**

> Artificial intelligence has massively expanded its footprint in 2025 and will continue to do so. Every company, regardless of industry, must now address AI and its impact on existing business processes and models.

THORBEN ROTHE
Partner - Venture

FRANCE

Ratio of French AI investments in top industries in €M (2025)



Analysis made by IRIS using Dealroom Data.
Disclaimer: companies may be tagged under multiple industries. Analysis focused on biggest shifts rather than exact breakdown.

AI investment in France is heavily concentrated, with €3B deployed in 2025, up 41% from €2.48B in 2024. That concentration is most visible at the top: Mistral AI's €1.7B round dominated the category and reshaped it around foundation models and sovereign AI infrastructure.

Unlike Germany's diffuse distribution, France is betting on fewer high-conviction verticals where AI is the product, not a feature. Beyond Mistral AI, platforms like Nabla and Gradium show capital flowing to scaled, defensible AI products rather than early-stage bets.

Robotics tells the other side of the story. With 89% of sector funding AI-tagged and Genesis AI's €95M seed anchoring the category, France is building conviction in physical AI at the frontier. Media follows similar logic at 96% AI penetration, as AI has become the business model.

Health is moving in the right direction, with AI accounting for €263M of €1.1B invested and capital flowing into clinical automation and diagnostics, though regulatory complexity tempers the pace. Fintech is selectively re-platforming at 18%, concentrated in fraud detection and compliance where AI directly improves unit economics.

Transportation and energy remain clear exceptions, with AI functioning as an optimization layer rather than core value proposition.

France is concentrating it deliberately, and the gap between AI-native and AI-adjacent sectors widens each year.

57% **of French AI capital was captured by Mistral AI alone**

> In 2025, the market has seen deals arising from the profound reshuffling of 2023, post the introduction of ChatGPT. Companies broke up and reformed throughout 2023 and 2024, and are now fully set up and gaining traction as that transition period is over. As a result, most companies at venture stage are now AI-native

ANAÏS MONLONG
Principal

EXIT OUTLOOK

Breakdown of documented operations by types in 2025

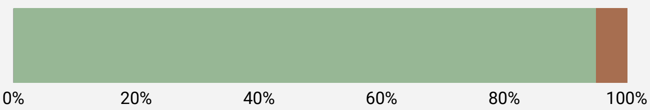
Analysis made by IRIS using Dealroom Data.

ACQUISITIONS · BUYOUT · IPO/SPAC

GERMANY

€ 6.23B

on **163** documented operations



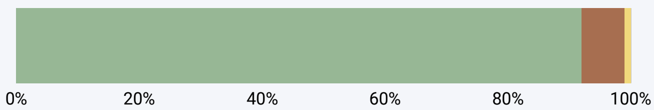
Notable exits in **Germany**:

CureVac	by BioNTech	**€1.14B**
HornetSecurity	by Proofpoint	**€909M**
Cognigy	by NICE	**€868M**
Nothern Data	by Rumble	**€697M**
Urban Sports Club	by Wellhub	**€545M**
Bike Leasing	by Decatlhon Hub	**€525M**
Like Molecular Imaging	by Lantheus	**€318M**

FRANCE

€ 1.14B

on 159 documented operations



Notable exits in **France**:

ImCheck Therapeutics	by Ipsen	**€350M**
Amplitude	by Zydus Lifesciences	**€257M**
Stilla Technologies	by Bio-Rad Lab	**€205M**
Younited	IPO	**€153M**
Greenbids	by Perion	**€59M**
PrestaShop	by Cyber_Pixel	**€55M**
Linkurious	by Nuix	**€20M**

Germany's exit activity in 2025 concentrated in software infrastructure, cybersecurity, and biotech, with a +60% increase in disclosed exit value. The rebound is driven by several large strategic transactions rather than a single outlier.

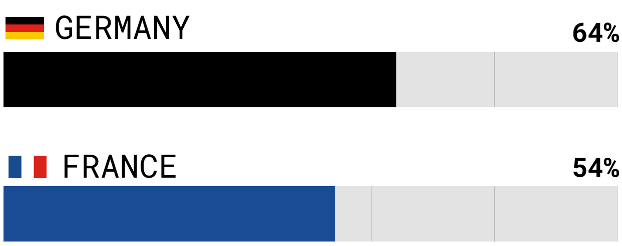
The leading transactions confirm Germany's ability to produce multiple scale-ups reaching meaningful exit size across different sectors.

With only 12 disclosed transactions, France's exit market recorded a sharp -85% compared to 2024. Exit value is concentrated in biotech, fintech, and specialized deeptech, driven almost entirely by corporate buyers. The largest deals highlight France's ability to turn advanced research and regulated platforms into strategic assets.

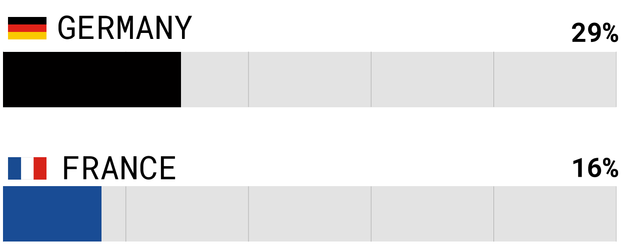
Worth noting that Younited's €152.6M IPO stands out as a rare public-market outcome.

Founding window of company exited in 2025 by country

Founded in the last **10 years**



Founded in the last **5 years**



IRIS