

EUROPEAN Venture Report





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Introduction

2024 venture capital (VC) deal value lagged despite macroeconomic recovery and gains in venture growth.

Value over volume was the flavour of deal activity in 2024: Valuations improved, but declines in deal count were more pronounced as the move to quality and emphasis on profitability continued. Despite deal activity's inflection past trough levels, capital availability remained tight as the time between rounds continued to widen. Clarity on interest rates supported the recovery in valuations, but growth prospects remained mixed, contributing to a tone of cautious optimism throughout the year. As expected, artificial intelligence (AI) was a prevalent sector, which we expand upon in the ["Spotlight"](#) section in this report. However, growth in life sciences investment nearly matched the rate of uptick in AI.

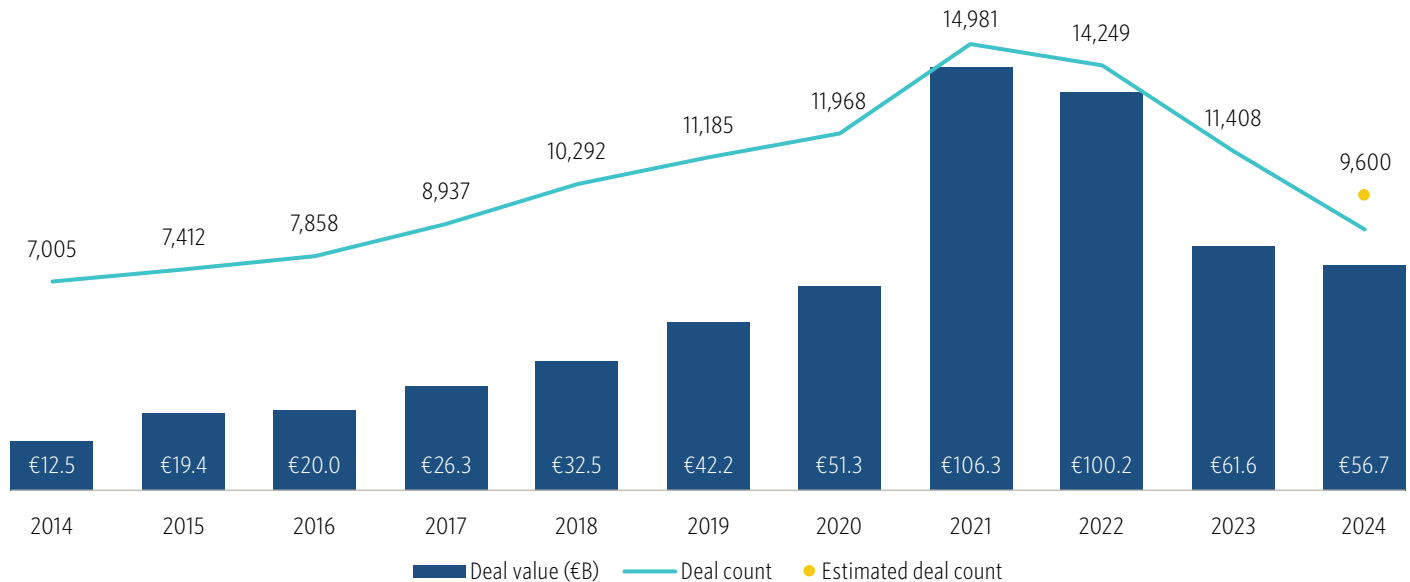
We continue to call out venture debt as a key theme in Europe. Annual venture debt deal value rose significantly year over year (YoY), supported by megadeals from venture-growth players. The absence of these deals in 2025 means we are more conservative in our growth outlook for the asset class this year, as outlined in our [2025 EMEA Private Capital Outlook](#).

2024 was the year of the exit comeback. Despite a quiet Q4, annual exit value increased nearly 24% YoY, even when excluding Puig's large listing. The recovery was concentrated in several large transactions, and the life sciences and AI sectors led in exit value. We expect key themes such as an initial public offering (IPO) window and secondaries to be seminal for exit activity in 2025. Regarding the latter theme, the discount rate appears to have narrowed significantly, with more funds setting up vehicles dedicated to VC secondaries.

Fundraising was flat YoY, in line with our 2024 outlook. Fund sizes increased, however, as megafund closes in the strategy supported totals. Several of these vehicles were located in the UK, increasing the region's share of European capital raised. However, Southern Europe also grew its share with large closes in Spain. Despite expanding closing times, we also saw emerging firms increase their share of fund count. Given the smaller nature of emerging firms and the likely absence of megafund closes in the coming year, we believe capital raised in the asset class will struggle to grow YoY in 2025.

Deals

VC deal activity



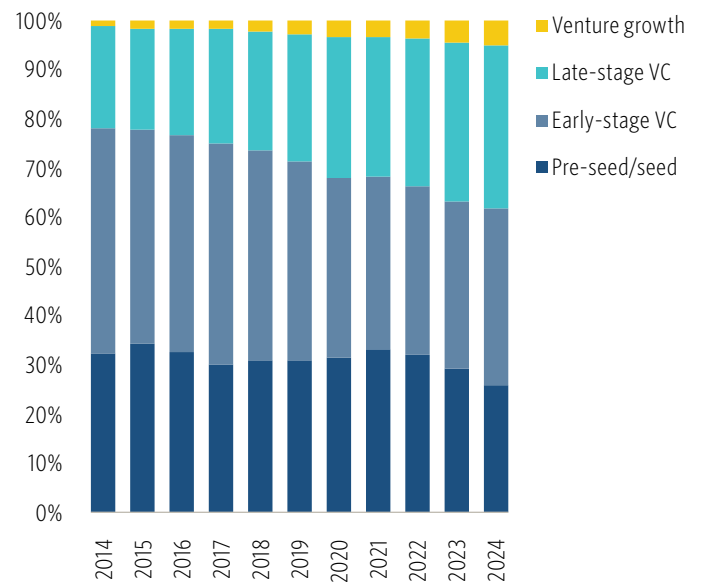
Source: PitchBook • Geography: Europe • As of 31 December 2024

2024 deal value lagged despite macroeconomic recovery and gains in venture growth

Although valuations recovered throughout the year, the uptick was not enough to grow deal activity YoY. Annual deal value declined 7.9% YoY, and count decreased by even more at 23.3%. The trend speaks to a value-over-volume and move-to-quality dynamic seen throughout the year, where fewer deals occurred but valuations were higher on average as better-quality companies secured funding in a more rationalised environment. The tone throughout 2024 remained one of cautious optimism as wider data points signalled a continued inflection past trough activity levels and peak rates, but capital availability remained notably tighter than in previous years. Follow-on deals continued to grow their majority of deal value as investors were more selective of the new tables they put their money on. The time between rounds also widened across all stages apart from venture growth, with the early stage seeing the biggest step-up to 1.5 years.

The wider macroeconomic environment also improved with the European Central Bank fulfilling expectations for a fourth interest rate cut in December. More cuts are expected in 2025, although growth expectations appear to be lower across several key geographies; the central bank cut its growth forecast for 2025 to 1.1% from 1.3%, and subsequent

Share of VC deal count by stage



Source: PitchBook • Geography: Europe • As of 31 December 2024

Top 10 VC deals in Q4 2024

Company	Close date	Deal value (€M)	Deal type	Vertical(s)	Country
GreenScale	12 November	€1,198.3	Early-stage VC	Artificial intelligence & machine learning (AI & ML)	UK
poolside	2 October	€450.0	Early-stage VC	AI & ML	France
Lighthouse	21 November	€344.7	Venture growth	AI & ML, software as a service (SaaS)	UK
Vinted	23 October	€340.0	Venture growth	E-commerce, mobile	Lithuania
ZEPZ	3 October	€240.3	Venture growth	Fintech, mobile, mobile commerce, SaaS	UK
Oura	19 November	€186.0	Venture growth	Digital health, Internet of Things, wearables & quantified self	Finland
Alentis Therapeutics	12 November	€167.6	Late-stage VC	Life sciences, oncology	Switzerland
ICEYE	18 December	€150.2	Venture-growth	Manufacturing, space tech	Finland
1KOMMA5	20 December	€150.0	Early-stage VC	Climate tech	Germany
The Exploration Company	22 November	€149.2	Early-stage VC	Space tech	Germany

Source: PitchBook • Geography: Europe • As of 31 December 2024

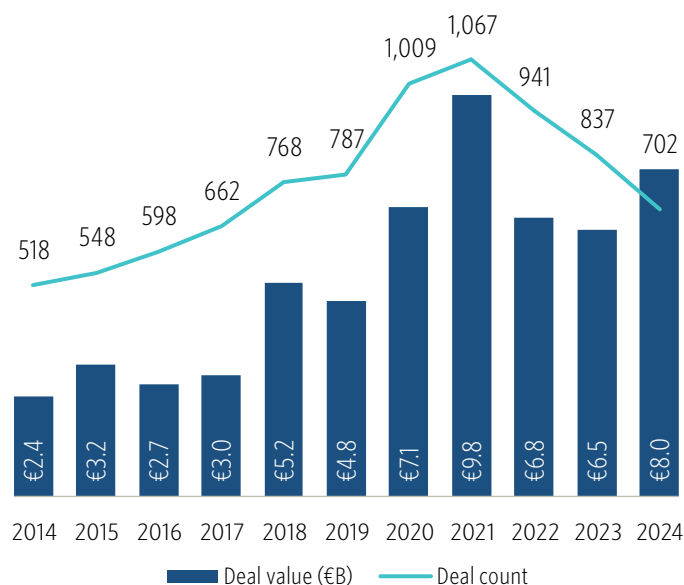
years also received downward revisions.¹ Revisions could continue as trade tariffs weigh further on the bloc's growth, although the prospect of such tariffs is still uncertain. Despite the weaker growth outlook, we see lower rates as the key factor in determining the health of the European venture ecosystem in 2025, as valuations, financing costs, the exit environment, and liquidity will be direct beneficiaries of lower rates.

As venture-growth deal activity recovered throughout 2024, larger deals gained share of count. 5% of European deals in 2024 were venture-growth deals, and overall, we saw larger deal size buckets grow in value as valuations recovered and the stage fell back into favour. Venture-growth companies suffered the most in 2023 as several tourist investors seen in the peaks of 2021 and 2022 stepped away from venture markets and the European region. In 2024, the venture-growth stage was the most resilient area of the ecosystem, being the only stage to grow its share of deal value, up 3.8% YoY.

Q4's top 10 deals skewed to AI and the venture-growth stage

Half of the top 10 deals in the last quarter of 2024 involved venture-growth players, with the top three from AI firms. The largest deal of the quarter, and of the year, was by UK datacentre platform GreenScale, which raised €1.2 billion from Digital Transformation Capital Partners. The size and nature of the transaction demonstrate the continued participation of nontraditional investors in venture markets

Life sciences VC deal activity



Source: PitchBook • Geography: Europe • As of 31 December 2024

and the capital resources that other strategies can bring to VC-backed companies, which traditional VC firms may struggle to finance. The next-largest deals in Q4 were by poolside, an AI platform designed to write software code, which raised €450 million, and Lighthouse, which closed a round for €344.7 million. Several megadeals throughout 2024 contributed to growth in larger deal size buckets. The year's second-largest deal was by AI mobility tech startup Wayve with a €958.4 million round, followed by early-stage fintech company Abound's €933.2 million deal.

¹: "ECB Cuts Interest Rates Again as Inflation Eases and Growth Falters," Politico, Johanna Treeck, 12 December 2024.

Life sciences growth nearly matches that of AI

It was of little surprise that six of the top 10 deals in Europe in 2024 were from AI companies. We examine the nuances to how AI has developed in Europe in the past year in the [“Spotlight”](#) section of this report. However, whilst the AI industry received notable funding in 2024, other verticals also experienced growth. Life sciences deal value increased 22.6%

YoY, closely following AI’s step-up. Oncology, mobility tech, and foodtech also saw increases in value. On the other hand, deal value in critical areas for Europe, cleantech and fintech, declined 26.5% and 19.8%, respectively, even though several fintech unicorns received valuation step-ups throughout the year. Despite the decline, both verticals remained in the top five for annual deal value. Climate tech fell to seventh place from second in 2023, and fintech climbed to fourth from fifth.

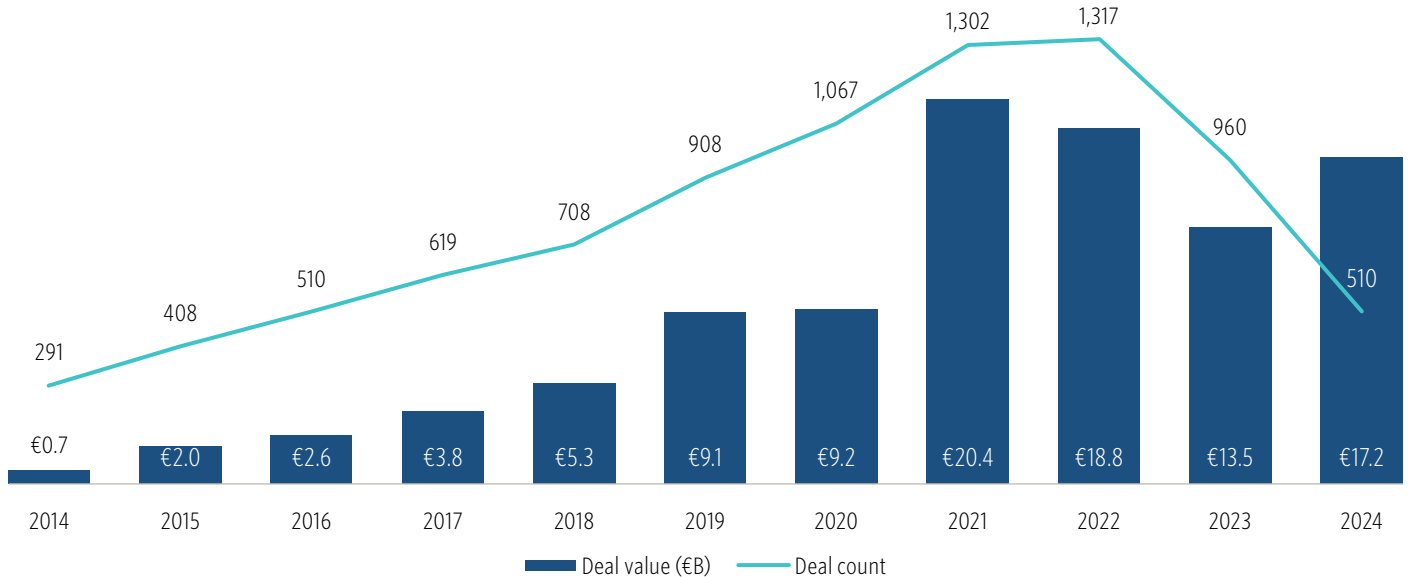
Top 20 verticals by VC deal value

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
SaaS	4	2	2	2	2	1	1	1	1	1	1
AI & ML	13	11	8	5	5	5	5	4	4	3	2
Cleantech	10	14	11	15	13	11	11	6	7	4	3
Fintech	6	6	5	4	6	4	3	2	2	5	4
Life sciences	3	5	4	6	4	6	6	8	12	8	5
Mobile	2	3	3	3	3	2	4	3	3	6	6
Climate tech	19	18	14	16	15	10	8	9	5	2	7
Manufacturing	8	10	7	9	10	12	10	15	8	7	8
Healthtech	15	13	12	11	8	8	7	10	9	11	9
TMT	1	1	1	1	1	3	2	5	6	9	10
LOHAS & Wellness	16	17	16	13	16	15	14	16	11	10	11
Oncology	9	9	13	17	14	14	17	20	20	17	12
Big Data	17	16	15	10	11	13	9	13	10	13	13
Mobility tech	7	7	9	8	9	9	13	14	13	16	14
E-commerce	5	4	6	7	7	7	12	7	14	12	15
Industrials	11	8	10	12	12	19	15	19	17	15	16
Cryptocurrency/blockchain	20	20	20	20	17	20	20	18	16	14	17
Supply chain tech	14	15	19	18	18	16	18	11	15	18	18
Foodtech	12	12	17	14	20	17	19	12	19	19	19
Mobile commerce	18	19	18	19	19	18	16	17	18	20	20

Source: PitchBook • Geography: Europe • As of 31 December 2024
Note: Verticals are ranked by 2024 deal value.

Venture debt

Venture debt deal activity



Source: PitchBook • Geography: Europe • As of 31 December 2024

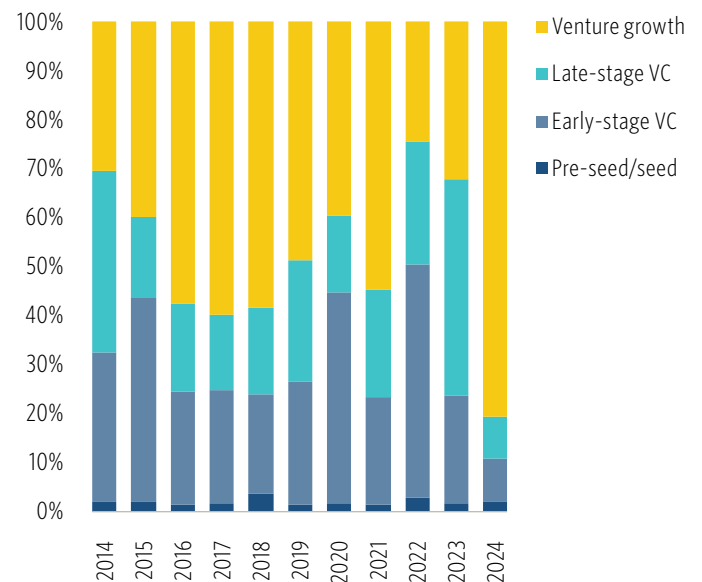
Venture debt will continue to be a key theme...

The rise of venture debt was a key trend in venture markets in 2024. Annual deal value rose 27.3% YoY to €17.2 billion as the cheaper cost of financing and increased funding opportunities for mature players led to several megadeals. The median debt deal size subsequently increased to an all-time high in Europe, sitting at €1.7 million, as 80.6% of debt value funded venture-growth companies.

...but our 2025 outlook is more conservative

Despite the run-up in deal value in 2024, we are more conservative in our expectations for venture debt in the coming year. The growing prevalence of the asset class in Europe led us to highlight it in our [2025 outlook](#), where we predict that European venture debt deal value will not match 2024 levels but will remain an important theme. The key driver of our view is the expected absence of the large megadeals seen in 2024, as these companies are unlikely to come back to the cap table in a year. We also note the absence of key contributor Northvolt, which declared bankruptcy at the end of 2024. The top venture debt lenders in Europe over the past decade include the European Investment Bank, TriplePoint Capital, and Bpifrance. We believe growing capital availability amongst less traditional lenders will also contribute to the asset class's growth as supply improves.

Share of venture debt deal value by stage



Source: PitchBook • Geography: Europe • As of 31 December 2024

Top venture debt lenders (2014-2024)

Lender	Lender type	2014 deal count	2015 deal count	2016 deal count	2017 deal count	2018 deal count	2019 deal count	2020 deal count	2021 deal count	2022 deal count	2023 deal count	2024 deal count	2014-2024 deal count	Country
European Investment Bank	Lender	1	3	7	12	10	12	21	19	21	15	17	138	Luxembourg
TriplePoint Capital	Lender	3	3	2	4	13	10	16	21	42	11	0	125	US
Bpifrance	Lender	5	13	8	10	10	10	19	9	6	10	3	103	France
TriplePoint Venture Growth BDC	Lender	3	3	1	4	13	8	7	11	20	5	0	75	US
Kreos Capital	Lender	3	3	1	2	4	0	6	5	31	1	0	56	UK
SVB Financial Group	Commercial bank	4	5	3	10	0	9	5	7	12	1	0	56	US
Fondation pour l'Innovation Technologique	Lender	2	4	4	6	4	4	4	8	8	2	0	46	Switzerland
The FSE Group	Lender	1	8	1	4	1	1	6	15	2	0	0	39	UK
Barclays	Commercial bank	1	4	3	11	2	3	0	0	2	3	7	36	UK
Western Technology Investment	Lender	2	0	0	2	1	6	2	3	9	8	1	34	US
BNP Paribas	Commercial bank	0	3	1	2	1	3	5	8	4	3	4	34	France

Source: PitchBook • Geography: Europe • As of 31 December 2024

A WORD FROM J.P. MORGAN

Our views on venture

Europe avoided recession in 2024, but economic trends remain muted

While the euro-area economy has avoided a downturn, the region has struggled to generate meaningful momentum, with Germany's underperformance remaining a notable drag. A silver lining of the slow-growth environment has been cooling inflation, putting the ECB in a position to lower rates. In December, the ECB cut its policy rate for the third consecutive meeting by 25 basis points to 3.0%, bringing the year's cumulative cuts to 100 basis points and signalling more cuts ahead. The ECB's latest quarterly projections revised down the outlook for economic expansion and inflation in 2025, citing risks to growth remaining tilted to the downside.

Adding further complexity to the picture, and possibly hindering a recovery, are US trade policy uncertainties following the November presidential election. The threat of tariffs could hang over the euro-area economy for several years. During the 2018 to 2019 period, trade uncertainty was estimated to have had a cumulative -1% impact to real gross domestic product, with effects more weighted towards Germany and Italy than France and Spain, according to J.P. Morgan Global Economic Research.

However, not all developments are cause for concern, and potential policy shifts in the US market could benefit Europe. There is general optimism that the change in administration will provide a more efficient and constructive framework for mergers & acquisitions (M&A). Regulatory oversight in the past few years, including antitrust scrutiny, has had a chilling impact on deal activity—not just in the US, but also in the UK, the rest of Europe, and Asia. If expectations are correct, the new administration could unlock more M&A activity globally.

The mood in private markets has improved

As public markets have recovered, private markets are following suit with a typical six-to-nine-month lag. Both companies and investors appear more optimistic, with companies more actively discussing capital raises and investor demand building. The conversation has shifted from "Let's touch base in six to 12 months" to "Let's put money to work over the next six months."

Importantly, the investor interest is coming from a deep pool. The investor base is expanding across not only high-



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growth investors, sponsors, sovereign wealth funds, family offices, and crossover investors but also global participants. Along with US-based investors, sovereign wealth funds out of Canada, Singapore, and the Middle East are coming back to Europe to invest in private rounds.

The tone on secondary activity is also sending positive signals throughout private markets. Two years ago, secondary deals were often contemplated as investors looked to recycle capital. This has since shifted, with investor demand now driving the dynamic. Many of these companies may not need primary capital given sufficient funds raised in 2021 and 2022; however, secondary deals provide the opportunity to clean up existing cap tables, paving the way for a simpler potential IPO.

2024 was a build-back year for European IPO activity

The past three years have not been homogeneous for the IPO market, driven by shifting market dynamics from both companies and investors. Deal activity has been growing steadily, with volumes up 3x from 2023, albeit from a low bar. Growth as an investment consideration has also started to come back into focus, further reigniting momentum for the space.

While investors still value profitability, the questions about long-term sustainable growth, maintaining profitability (or having a near-term path to it), and scalability have returned. This dynamic is also beginning to extend into the popular realm of AI. While understanding a startup's AI strategy

remains near the top of the list for investors, markets may become a bit more discerning in the depth and relevance of AI to the company story. This may build over time, so AI remains a valuable thematic for now.

As IPO markets reopen further, deciding where to list will be important. For European companies looking to list either domestically or in the US, it is important to choose the market that supports long-term success. In the early stages of 2025's reopening, there could be a preliminary shift to the US; however, the decision will ultimately be dependent on a broader set of factors, including the origin of revenues, customer base, competition, and market cap, as opposed to short-term valuation. Either way, Europe's ecosystem has built more global companies over the past five to 10 years than it did in the previous period, and regardless of listing location, this has been positive for innovation and research & development in the region.

Looking ahead, we expect IPO volumes to remain on a similar trajectory with 2025 outpacing 2024, and 2026 outpacing 2025.

AI remains a driving force in the ecosystem

The rise of AI is not something seen since the rise of the internet, with the whole technology industry hyperfocused on one category. In AI's relatively short run, it has had tangible impacts across the space. For some enterprise software investments, given AI's disruption among major

corporates, there has been a reallocation of technology budgets. Additionally, some companies have contemplated delaying their IPO until there is more visibility on the potential impact from AI. It is truly only the companies that have embraced AI from the beginning that have risen to the top and have often been rewarded via valuations.

Getting ready for public markets

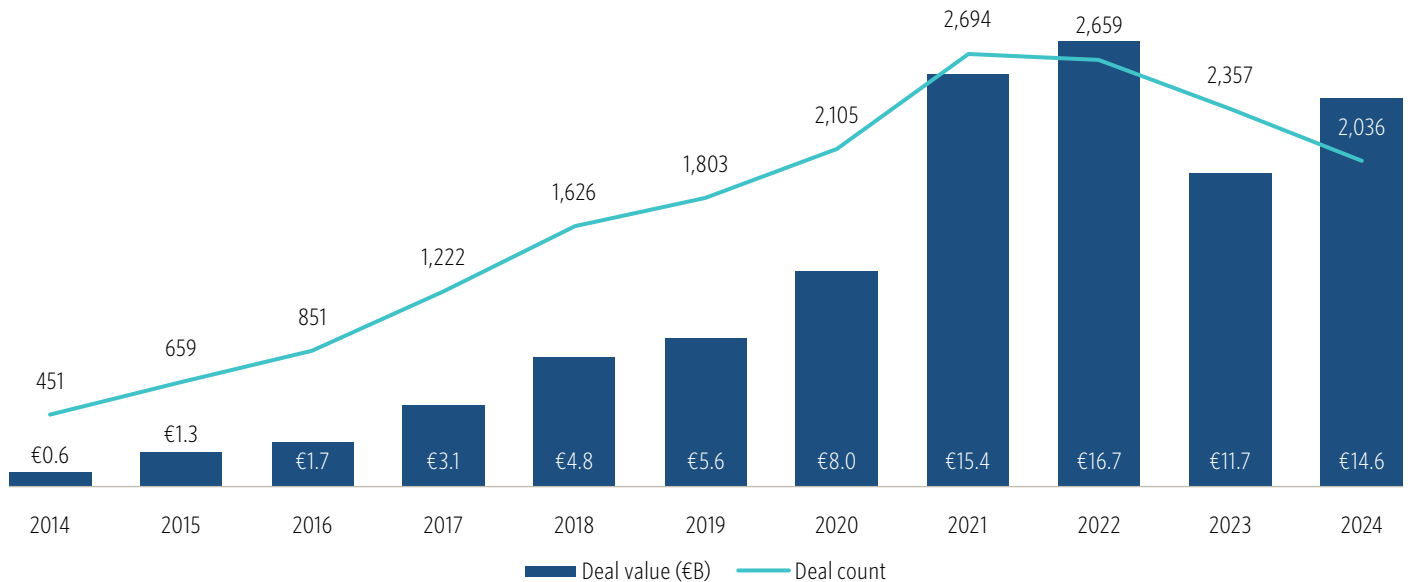
While conditions in venture markets have been challenging over the past couple of years, subtle signs of improvement in private markets and optimism surrounding the outlook for exits in 2025 could portend a pickup in activity. If private market conditions play out as we expect, including increased exit activity, we anticipate that a large majority of startups across the ecosystem will look to take advantage of positive momentum to raise capital.

The companies that will be best prepared, in what will likely be a still competitive environment, will have addressed or contemplated items that are top of mind for investors today. Outside of growth, profitability, and scale, these include developing a governance structure, establishing and delivering on key performance indicators, as well as building long-term relationships with the investment community. Those that put their best foot forward amid this backdrop will likely stand out.

SPOTLIGHT

AI in Europe in 2024

AI & ML VC deal activity

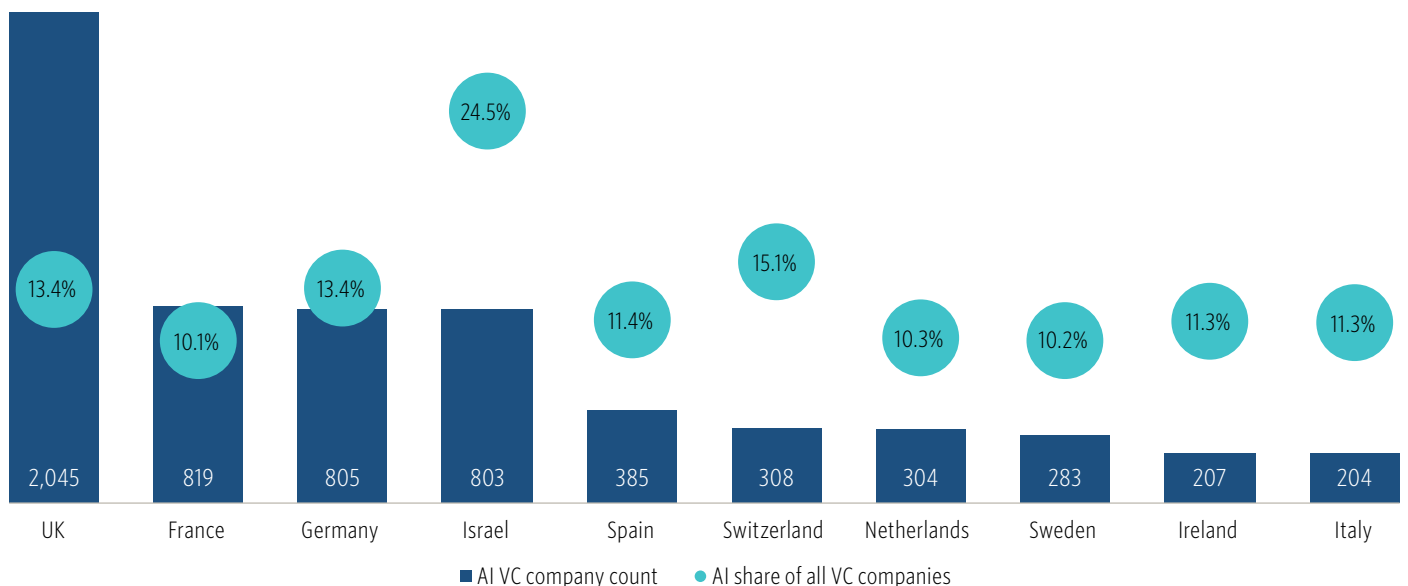


Source: PitchBook • Geography: Europe • As of 31 December 2024

2024 was the year of AI. The vertical no doubt dominated venture deal flow globally, including Europe. As we wrote throughout the year, a significant amount of activity was supported by the burgeoning industry. In aggregate, AI investment in the continent sat at €14.6 billion in 2024, representing a quarter of European deal value. As expected, the vertical was the fastest grower in Europe,

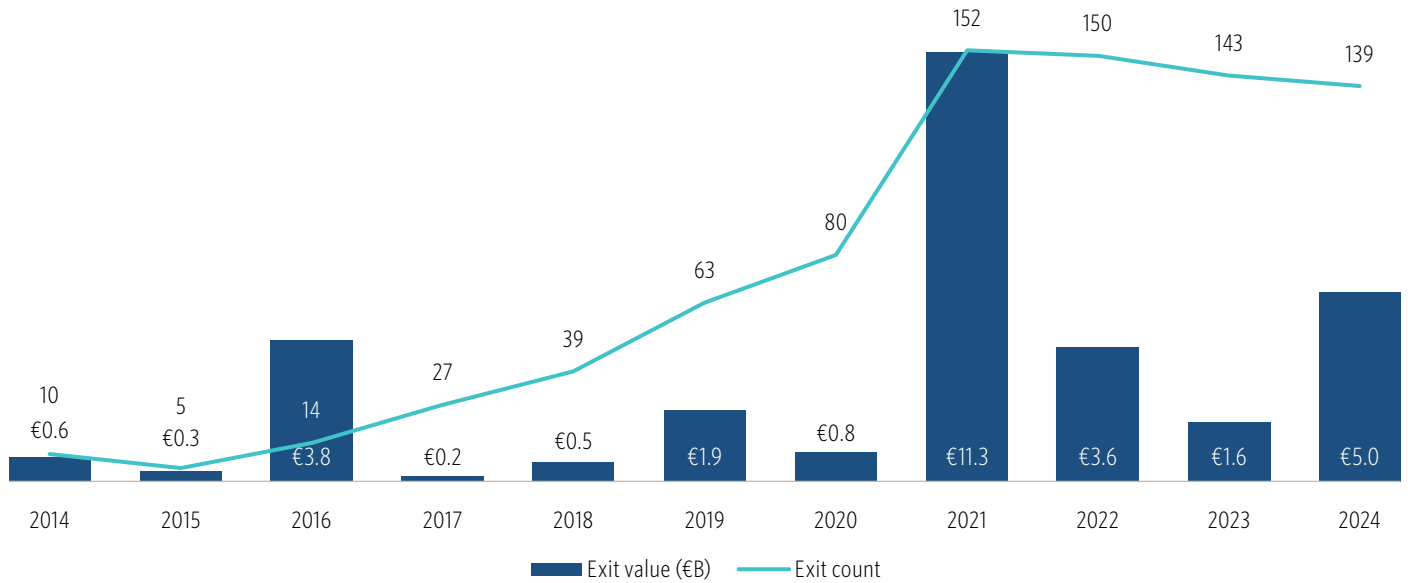
with deal value increasing 24.1% YoY. Top deals in the vertical spanned the UK, France, and Germany, featuring bellwethers such as Mistral AI, GreenScale with the year's largest deal, and Wayve with the year's second-largest deal for €958.4 million.

Top 10 AI VC company hubs



Source: PitchBook • Geography: Europe • As of 31 December 2024

AI & ML VC exit activity



Source: PitchBook • Geography: Europe • As of 31 December 2024

However, there are nuances across Europe. The largest ecosystem of AI companies continues to be the UK, by a wide margin. In 2024, over 2,000 AI companies sat in the country, around 13% of the base of VC-backed companies in the UK. Given the prevalence of the region in the wider venture ecosystem, this is to be expected, but its lead has grown since Q3 2024. The penetration of AI companies is the same in Germany as it is in the UK, but it is even higher in Switzerland. Other key ecosystems such as France and the Netherlands sit below the leaders in Europe in their penetration of AI companies.

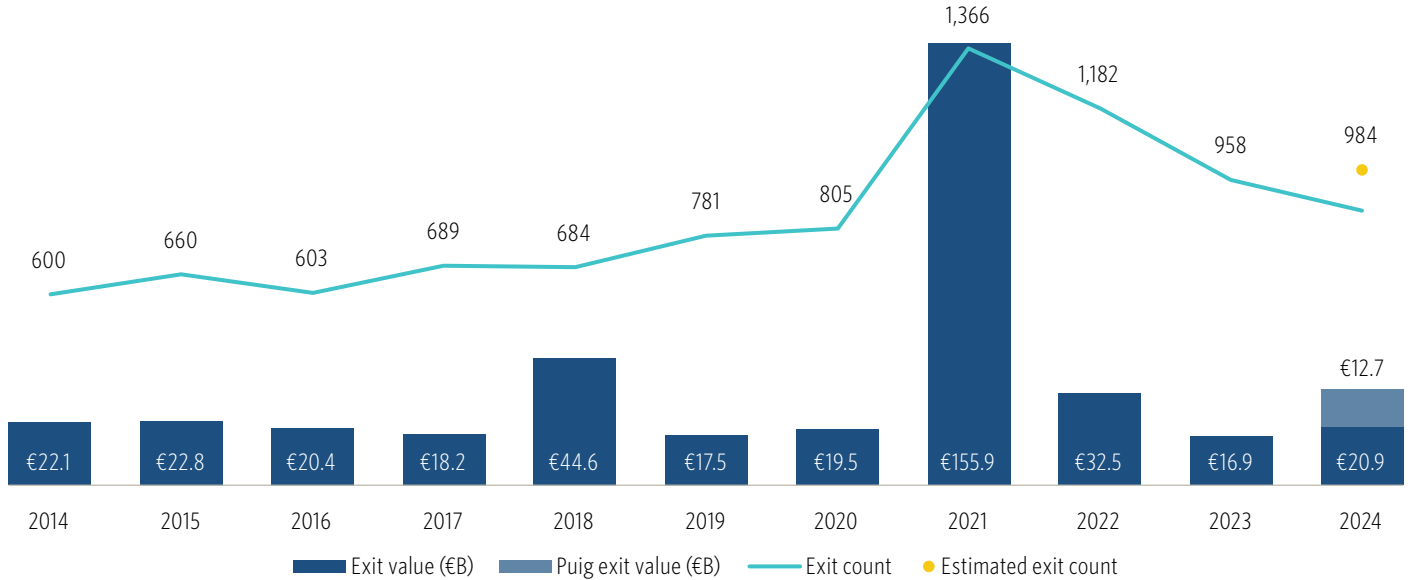
The sector's attractiveness has proven to be not only its high growth potential but also its ability to generate exits amidst a continued tough environment, which tends to

be harder to do for more nascent industries. AI exit value in 2024 sat at €5 billion, nearly 15% of total European exit value. The biggest AI exits were reverse mergers, with the top transaction being the reverse merger of Rezolve Ai for €1.7 billion. Otherwise, most exits were acquisitions.

Given its nascent nature, we anticipate the vertical to remain core to European venture activity in the coming year. However, valuations appear elevated, and it is less clear whether they require a rationalisation. The average AI valuation in 2024 remained lower than that of other verticals, such as mobile and fintech, which were boosted by companies such as Monzo and Vinted.

Exits

VC exit activity



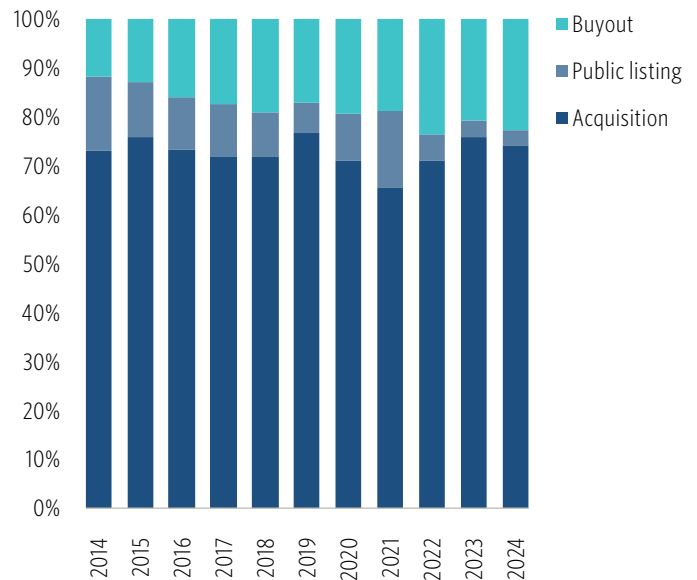
Source: PitchBook • Geography: Europe • As of 31 December 2024

Exits rebound despite a quiet Q4

2024 was the year of the exit comeback. In our [2024 outlook](#), we noted that exits were the weakest area of the VC ecosystem. Exits did not occur until the end of 2023, and they did so at distressed valuations. After a tepid recovery in the first half of 2024 where value and volume started to gain momentum, we noticed a change at the end of Q2, with momentum continuing into Q3. As valuations recovered throughout the year, several IPOs crept through the listings vent and supported activity; the Q2 2024 exit value of €14.9 billion was the highest quarterly level since Q1 2022. As we have noted before, most of this value was inflated by the public listing of Puig at €12.7 billion. However, upon looking at the full year, we noted that exit value still increased 23.7% YoY when excluding the Puig exit, as momentum in Q3 kept pace sequentially.

Activity in Q4 dipped due to the absence of the large transactions seen throughout the year. The recovery was therefore concentrated, with several mega-exits (more than €500 million in value) making up nearly 80% of annual exit value. Outside of the Puig listing, the second-largest transaction was the acquisition of ophthalmology biotech firm EyeBio for €2.8 billion, followed by the reverse merger of Rezolve Ai for €1.7 billion. The presence of mega-exits in both strategies led to their similar shares of exit value,

Share of VC exit count by type



Source: PitchBook • Geography: Europe • As of 31 December 2024

with public listings representing 43.5% of exit value despite fewer listings occurring than in 2023. As noted in our [2025 outlook](#), we expect the ongoing recovery in the exit market to continue to be concentrated and to be contingent on an IPO window opening in 2025.

Top VC exits in 2024

Company	Close date	Exit value (€M)	Exit type consolidated	Vertical(s)	Country
Puig	3 May	€12,670.0	Public listing	Beauty	Spain
EyeBio	11 July	€2,776.6	Acquisition	Life sciences	UK
Rezolve Ai	15 August	€1,661.3	Public listing	AI & ML, fintech, mobile, mobile commerce, SaaS	UK
V-Wave	9 October	€1,557.4	Acquisition	Healthtech	Israel
Cardior	25 March	€1,025.0	Acquisition	Life sciences	Germany
Amolyt Pharma	15 July	€968.3	Acquisition	Healthtech, life sciences, oncology	France
CellmAbs Biopharmaceuticals	18 July	€912.3	Acquisition	Life sciences, oncology	Portugal
Featurespace	19 December	€833.4	Acquisition	AI & ML, Big Data, cybersecurity	UK
WeTransfer	31 July	€700.0	Buyout	SaaS	Netherlands
BioCatch	29 August	€674.7	Buyout	Cybersecurity, SaaS	Israel

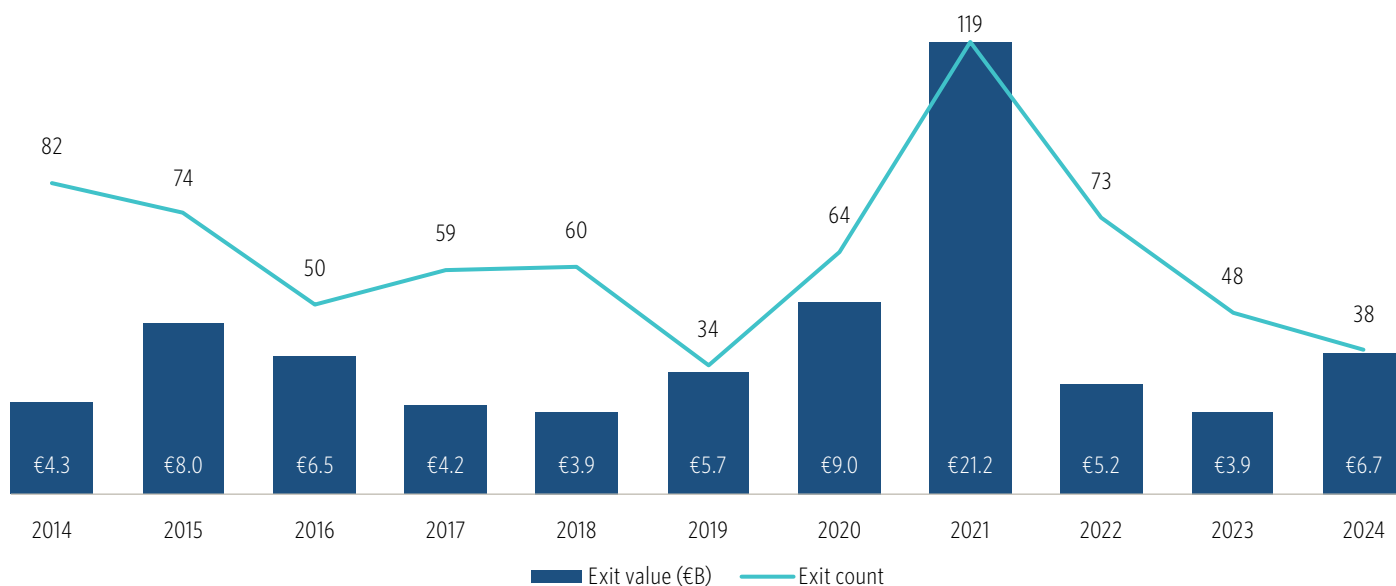
Source: PitchBook • Geography: Europe • As of 31 December 2024

Life sciences and AI lead

Puig's listing pulled beauty into the top vertical by exit value, ahead of software as a service. Life sciences sat in third place, followed by AI & ML and then oncology. Unlike other nascent technologies such as cleantech, AI firms have been able to find exit opportunities, with annual value comprising €5 billion, the highest level since 2021.

Elsewhere, life sciences exits nearly doubled with value sitting at €6.7 billion in 2024 versus €3.9 billion in 2023. Despite the signs of recovery seen in 2024, liquidity remains the primary concern across industries, and the landscape for the cleantech and fintech industries remains more challenged. Exit value in the latter has plateaued since 2022.

Life sciences VC exit activity



Source: PitchBook • Geography: Europe • As of 31 December 2024

Top 20 verticals by VC exit value

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Beauty	19	18	17	18	20	19	10	20	19	17	1
SaaS	4	3	7	8	6	6	9	2	4	1	2
Life sciences	3	2	2	5	7	1	1	5	3	2	3
AI & ML	9	15	4	15	14	5	12	13	6	6	4
Oncology	5	4	3	10	10	3	3	18	17	9	5
Mobile	6	7	12	1	4	7	4	6	2	12	6
Cybersecurity	12	10	15	12	13	14	15	17	14	3	7
Fintech	13	11	14	14	3	13	14	8	7	4	8
Mobile commerce	17	20	16	18	9	18	17	12	9	19	9
Big Data	10	13	5	16	8	15	16	15	11	7	10
TMT	2	1	1	2	1	2	2	1	1	5	11
Manufacturing	7	6	6	9	12	4	5	7	10	8	12
Cleantech	8	9	13	13	16	8	11	10	16	11	13
Industrials	11	8	9	11	11	11	7	9	18	16	14
Mobility tech	16	19	10	4	15	12	8	4	13	13	15
Climate tech	19	17	17	18	17	9	13	11	15	15	16
E-commerce	1	5	8	3	5	10	6	3	12	10	17
Foodtech	14	14	11	6	19	16	18	14	5	14	18
Audiotech	18	16	17	17	2	19	20	19	20	19	19
Restaurant tech	15	12	17	6	18	17	19	16	8	18	20

Source: PitchBook • Geography: Europe • As of 31 December 2024
Note: Verticals are ranked by 2024 exit value.

Secondaries continue to rise

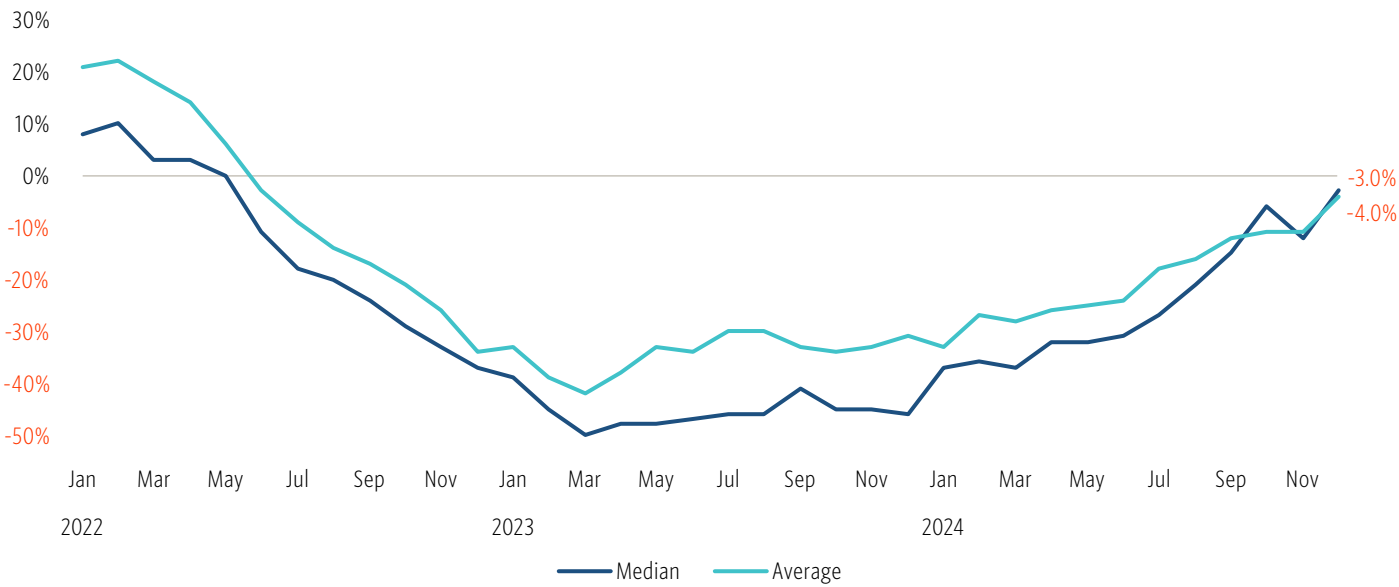
Whilst we do not track VC secondaries in our European data, we believe the strategy will continue to be a prevalent theme for venture in 2025. As is often the case, we have seen the strategy gather momentum in more developed ecosystems, such as the US and private equity. Comprehensive data collection is currently limited, especially in Europe, and we rely on third-party providers whose transaction data is skewed to US companies. Using Zanbato data, we found that the median discount on startup secondaries has been steadily narrowing from a trough of 50% in early 2023 to nearly flat at a -3% discount in December 2024. Whilst this data is weighted to the US, Atomico also noted in its State of European Tech 2024 report that growth-stage portfolios are seeing a higher share of less discounted offers, while earlier stages are seeing wider discounts.²

Across strategies, we have seen secondaries fundraising lead in attracting limited partner (LP) capital, with returns also leading those of other private asset classes. For VC specifically, 2024 saw key players such as StepStone close a new VC secondaries fund, raising \$3.3 billion for its sixth vehicle in the family, well beyond its \$2.6 billion target. This followed Index Ventures raising \$1.5 billion for its 10th venture secondaries fund at the end of 2023. Anecdotally, we have heard murmurs of an uptick in the use of secondaries in Europe, too, such as Molten Ventures' acquisition of a stake in Seedcamp Fund III in February 2024. As of its 2024 results, Molten states that its secondaries strategy returned 2.5x on invested capital to date.³ The firm made several other secondary investments as a key component of its strategy. We believe the asset class will remain resilient in Europe as it continues to develop, liquidity pressures linger, and the economics of investment discounts become more attractive to market participants.

2: "State of European Tech 24," Atomico, n.d., accessed 13 January 2025.

3: "Annual Report FY24," Molten Ventures, 11 June 2024.

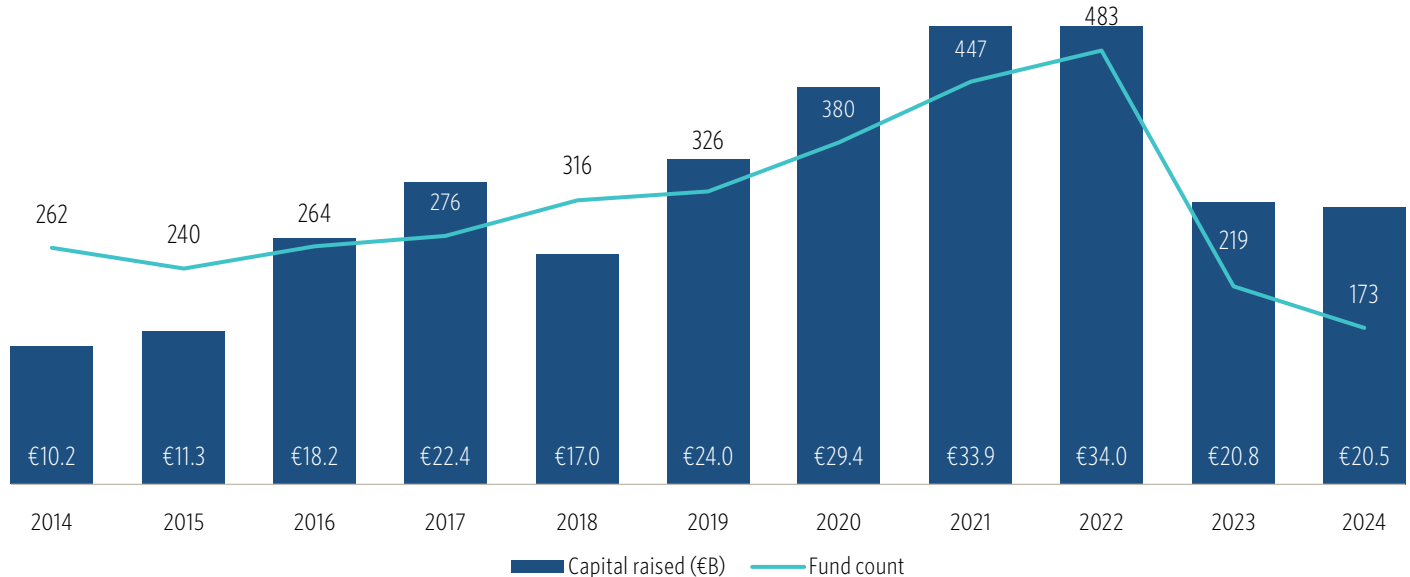
Median and average secondaries premium/discount to last VC round



Source: Zambato • Geography: Global • As of 31 December 2024

Fundraising

VC fundraising activity



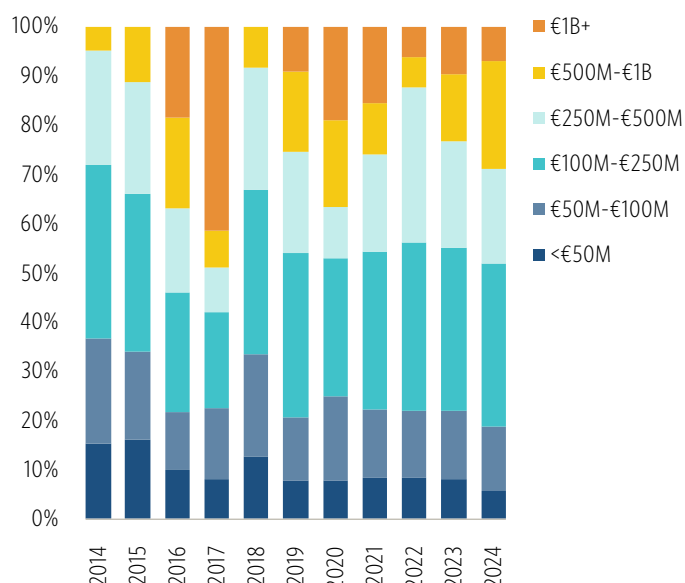
Source: PitchBook • Geography: Europe • As of 31 December 2024

2024 fundraising fulfils our outlook

In our [2024 outlook](#), we predicted that VC fundraising levels would at least match 2023 totals as recovery from trough levels began, supported by larger vehicles. This took place, as capital raised in 2024 sat broadly flat YoY at €20.5 billion. Fund sizes also increased as megafund closes supported totals. Top closes included Index Ventures Growth VII fund at €1.4 billion, followed by Forbion Ventures Fund VII at

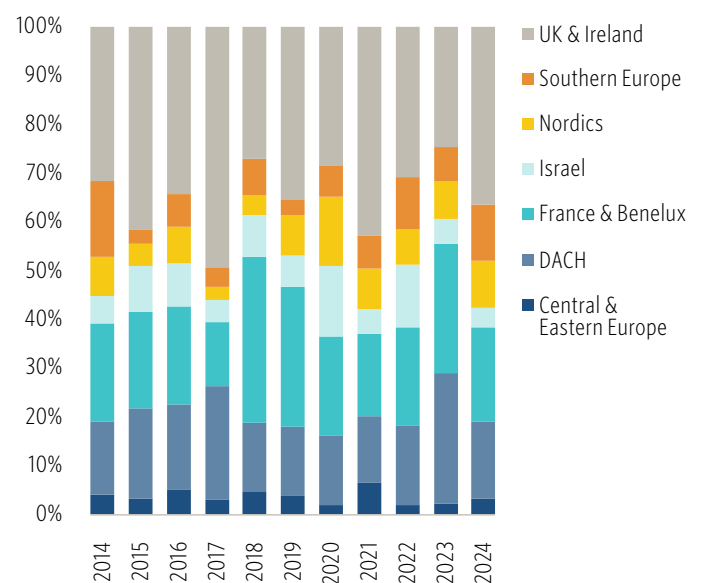
€890 million. The third largest was also an Index Ventures fund, an early-stage vehicle closing at €744.4 million. Overall, funds over €500 million represented 28.8% of capital raised, five percentage points higher than in 2023 despite fewer vehicles raising capital. The median fund size in Europe subsequently sat at €71.3 million, an all-time high. As deal sizes grow, larger investors with the capacity to write larger cheques are needed in Europe.

Share of VC capital raised by size bucket



Source: PitchBook • Geography: Europe • As of 31 December 2024

Share of VC capital raised by region



Source: PitchBook • Geography: Europe • As of 31 December 2024

UK fundraising strengthens while Southern Europe's grows

The UK regained its dominance in capital raised in 2024, holding 36.6% of the European total. The increase of more than 10 percentage points in the year was supported by the region's flurry of megafunds, where half of the top 10 closes were UK-domiciled vehicles. France accumulated the next-highest share of LP capital, and previously dominant region Germany, Austria & Switzerland (DACH) lost share

whilst maintaining third place. Other regions we track in Europe gained share of LP capital in 2024, with Southern Europe being the biggest gainer. Within the region, notable closes sat in Spain, with half of Southern Europe's 10 largest vehicles coming from the country. Seaya Andromeda Fund in Spain saw the largest close at €300 million, followed by Scientifica Fund 1 in Italy and Tresmares Growth Fund IV in Spain, both at €200 million.

Top 10 VC fund closes in 2024

Fund	Close date	Fund value (€M)	Fund type	Country
Index Ventures Growth VII	10 July	€1,395.7	VC	UK
Forbion Ventures Fund VII	15 October	€890.0	VC	Netherlands
Index Ventures XII	10 July	€744.4	Early-stage VC	UK
Atomico Growth VI	8 September	€681.3	VC	UK
Accel London VIII	14 May	€625.2	Early-stage VC	UK
Balderton Capital Early Stage Fund IX	12 August	€564.9	Early-stage VC	UK
Innovation Industries Fund III	15 May	€500.0	Early-stage VC	Netherlands
Creandum VII	3 June	€500.0	Early-stage VC	Sweden
Atomico Venture VI	8 September	€438.2	Early-stage VC	UK
Partech Venture Fund	9 January	€400.0	Early-stage VC	France
National Seed Fund 3	29 February	€400.0	Early-stage VC	France

Source: PitchBook • Geography: Europe • As of 31 December 2024

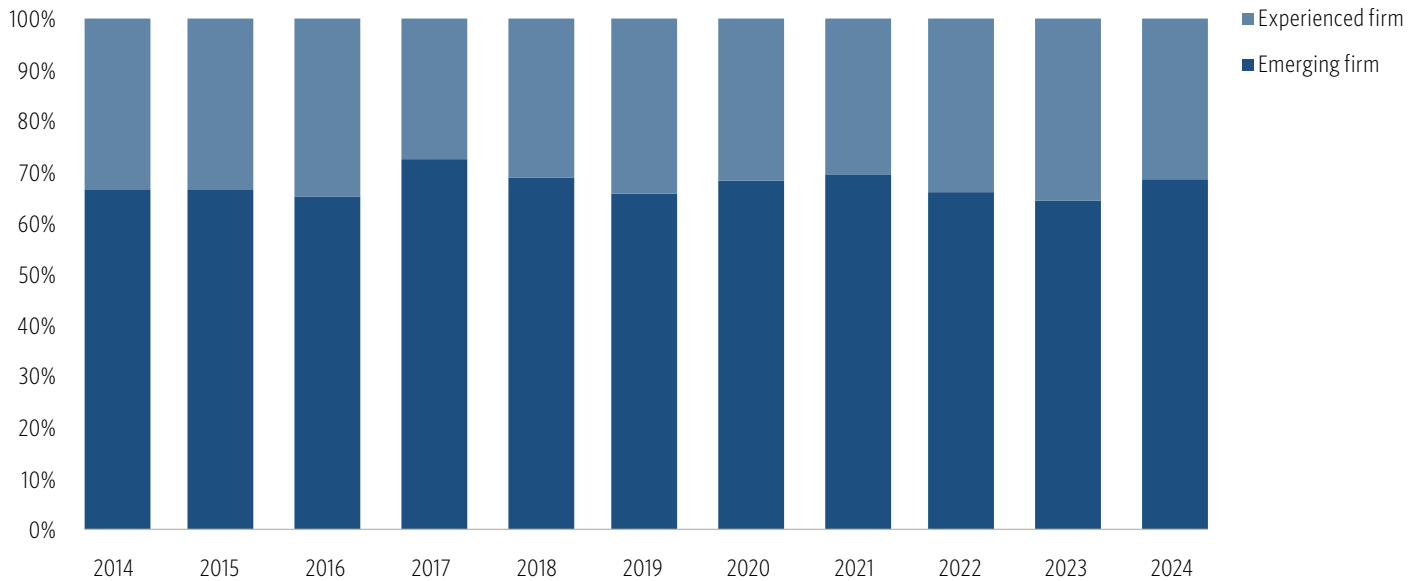
Actual capital raised and target capital (€B) by top 20 VC funds in 2023 versus 2024



Source: PitchBook • Geography: Europe • As of 31 December 2024

Note: "Target capital" implies targeted open capital going forward, as of the end of the specified year.

Share of VC fund count by firm experience



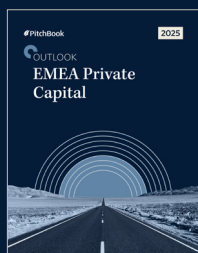
Source: PitchBook • Geography: Europe • As of 31 December 2024

Fundraising totals may dwindle, but emerging firms are recovering

In line with the increase in fund size, experienced firms gained share of capital raised in Europe in 2024. However, emerging vehicles grew their share of fund count. Despite first-time VC funding continuing to plateau, it is encouraging that LPs' aversion to less-experienced firms is dwindling as appetite for the strategy is regained. It is also likely that megafunds and experienced firms that raised in 2024 will not do so again in the near future. Therefore, we believe that fundraising totals in 2025 will struggle to grow YoY in the absence of large closes. Several large vehicles are currently open, but with the median time to close at 21 months, it is unlikely that they will close this year. The sum of the top 20 open funds sits at €15.1 billion, and roughly €5 billion of extra capital would need to close in the coming year to match 2024's total.

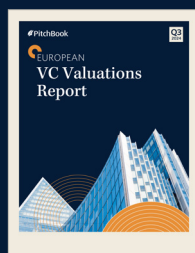
Additional research

European private markets



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