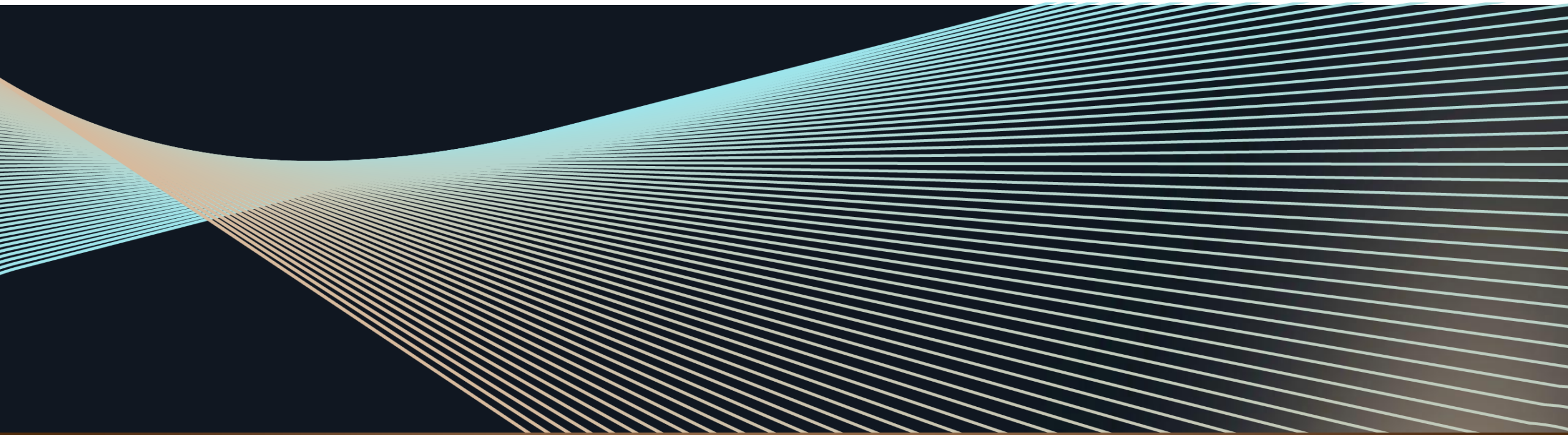


J.P.Morgan

The Innovation Economy Update: **Europe, the Middle East & Africa**

2025



Executive summary

2024 saw continued growth in the EMEA innovation ecosystem. The various macroeconomic headwinds heading into 2024 are now behind us, as we saw political conditions stabilise. Over 60 elections took place around the globe, including in the three largest European economies: the U.K., France and Germany. Regardless of political direction, the markets overall welcomed the end of political uncertainty, albeit there is an anticipated return of volatility under the new U.S. presidency. 13 unicorns emerged in EMEA in 2024 compared to seven in 2023. Not quite the heights of 69 unicorns seen in 2021, but the years 2021 and 2022 now seem to be outliers. Overall, EMEA investments in 2024 are up 37% above pre-COVID levels. The largest deals have been dominated by artificial intelligence and a resurgence in fintech.

U.K.- and U.S.-based funds remain the dominant venture capital investors in EMEA, with 17% from the U.K. and Ireland and 16% from U.S.-based funds. We expect this trend to continue into 2025 as U.S. funds search for comparable tech but at cheaper valuations than their U.S. counterparts. The U.K. market will continue to be a growth engine for AI and deep tech, with increased support from the government. According to the U.K. government, £200 million in private sector investment has been funneled into the U.K.'s AI sector every day since last summer. In January, the government announced its AI Opportunities Action Plan to further cement the U.K. as a global AI destination. We expect similar pronouncements from EU member states with upcoming AI summit in Paris.

Overall, we anticipate a positive mood shift and renewed confidence across the markets. We expect 2025 to be marked by three key themes. First, we expect further bifurcation between larger and niche/emerging funds, with further consolidation or wind-down at the smaller fund level. Secondly, we anticipate an increase in secondaries funds as the markets continue to structure alternative exits for founders, funds and LPs. Lastly, notwithstanding the rise in secondaries, we anticipate increased M&A activity this year, buoyed by lower interest rates, improved outlook for financing and increased need to recycle capital into newer vintages.

- J.P. Morgan Innovation Economy Team, EMEA

Authors:



Roshan Wijayarathna
Co-Head of Innovation
Economy, EMEA



Manuel Costescu
Co-Head of Innovation
Economy, EMEA



Alex McCracken
Head of Venture Capital
Relationships, EMEA

Contributors:



Nick Candy
Head of Innovation
Economy Insights



Vincent Harrison
Analyst,
Innovation Economy

Contents

- 01 Macroeconomic indicators
- 02 Venture investment
- 03 Investor breakdown
- 04 Women founders
- 05 Exits
- 06 Venture fundraising

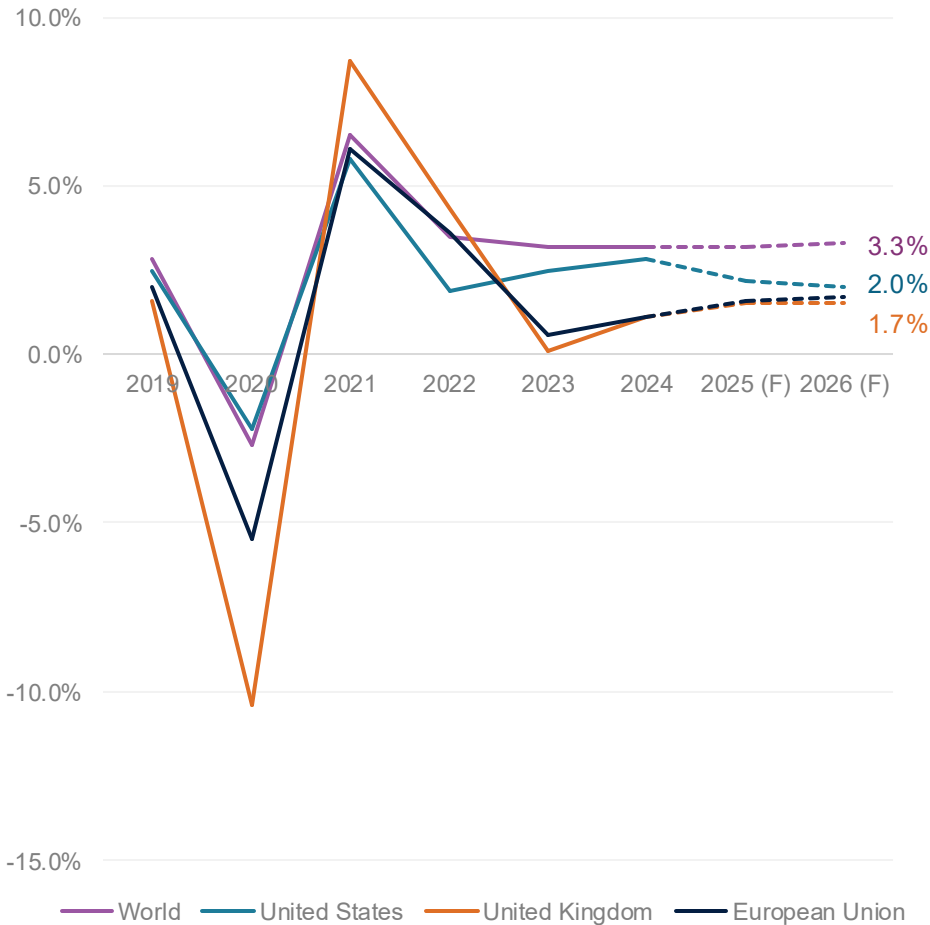
01

Macroeconomic indicators

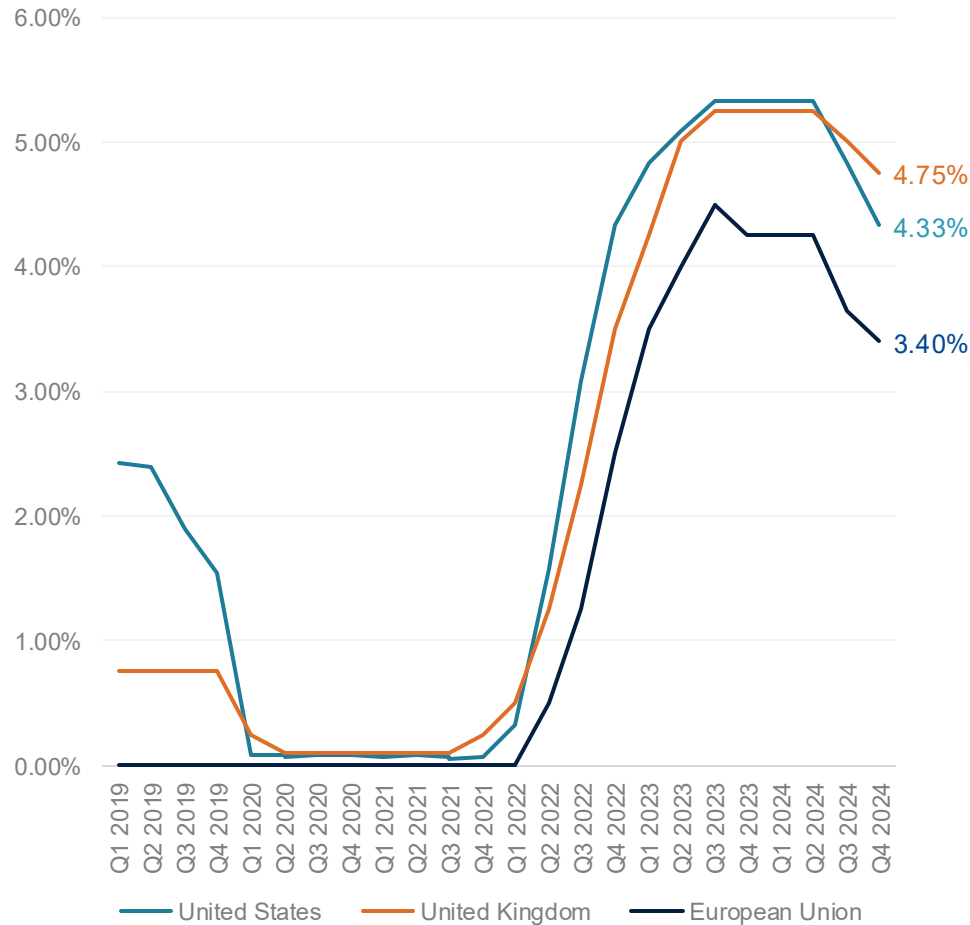


Macroeconomic factors starting to normalize

Real GDP Growth Rates for Select Countries/Regions



Central Bank Rates for Select Countries/Regions



Real GDP growth rates for the U.K. and EU are improving (and forecast to continue to do so) after trailing the U.S. following the COVID-19 pandemic.

The European Central Bank moved first to bring down interest rates, followed recently by the Bank of England and the Federal Reserve, as each contend with reducing inflation and a deteriorating employment landscape.

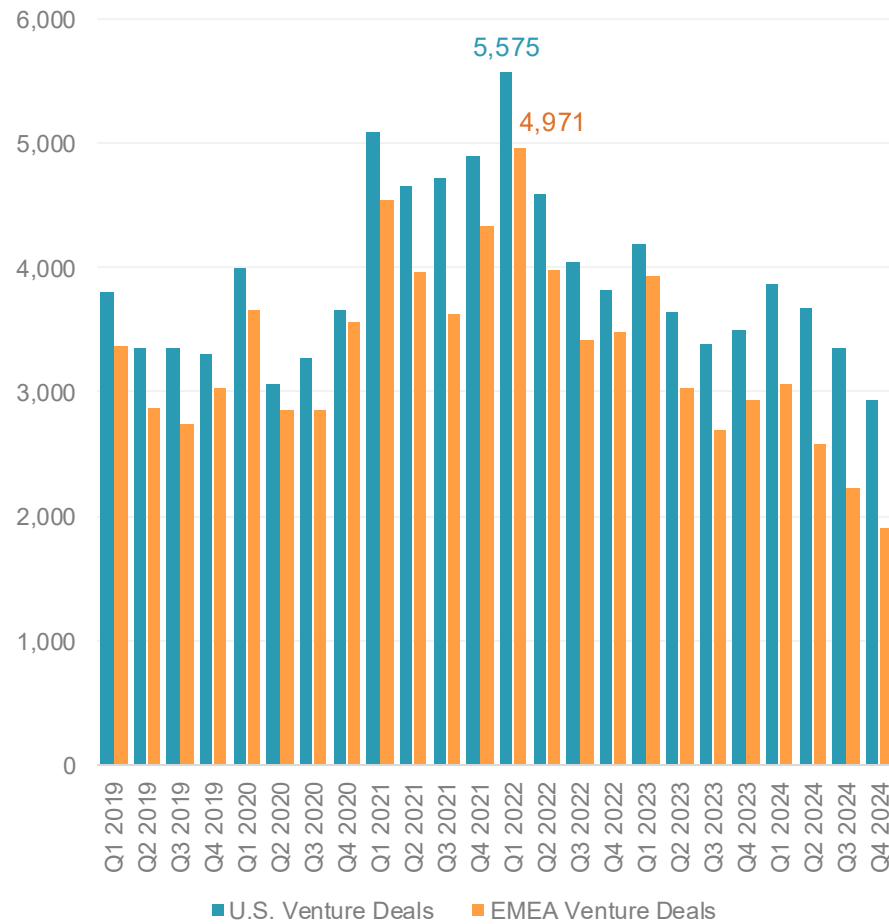
02

Venture investment

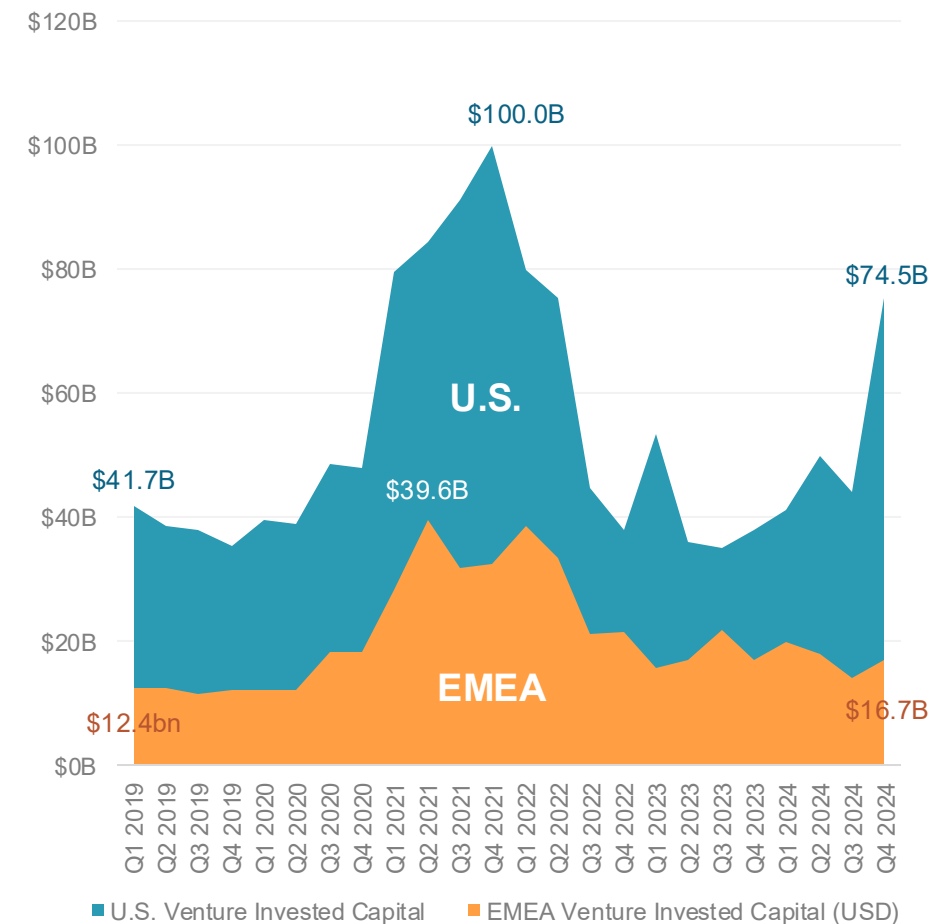


EMEA venture investment above pre-COVID levels

Venture Deal Volume Comparison: U.S. vs. EMEA



Venture Investment Activity Comparison: U.S. vs. EMEA



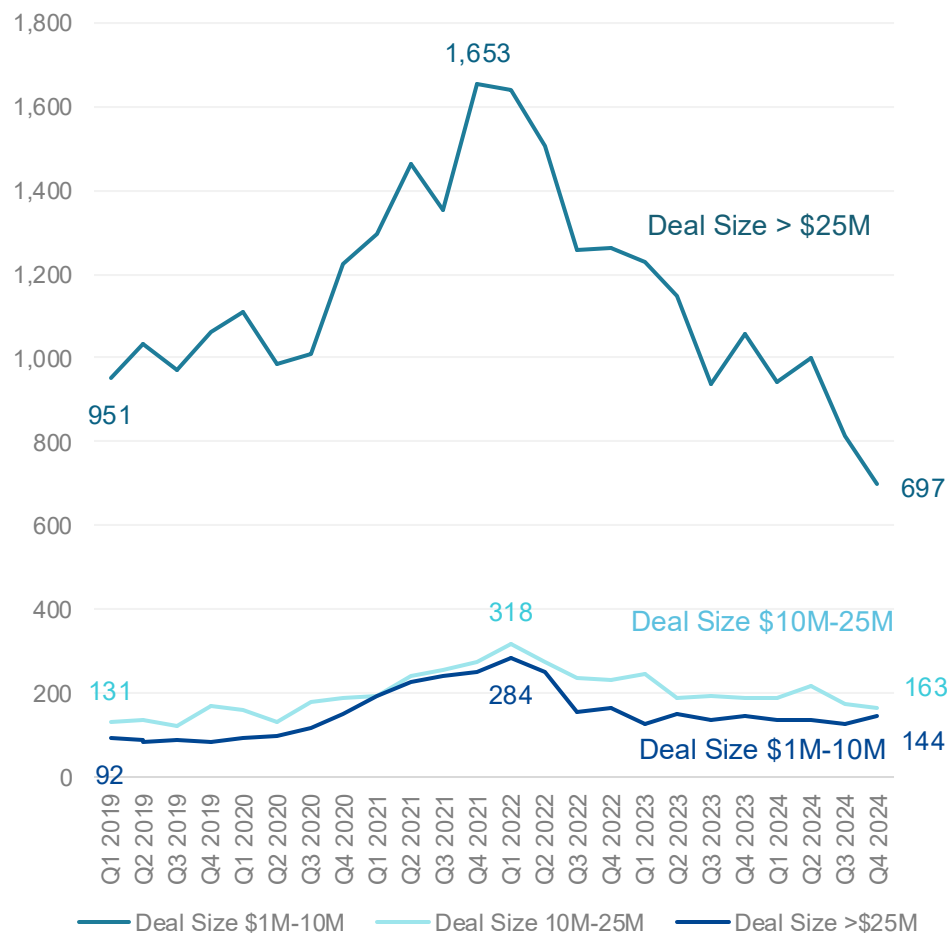
The number of venture deals in EMEA in 2024 is 71% of the number in the U.S., down from 86% in 2023.

The level of venture investment in EMEA in 2024 is 33% of the level of the U.S., down from 44% in 2023.

Six of the ten largest raises in 2024 were for AI companies.

Later-stage deals have slowed, but large rounds are still happening

Number of EMEA Venture Capital Deals by Size



Ten Largest Venture Deals in 2024

Company	Deal Size	Sector	HQ
Stegra	€2.4B	CleanTech	Stockholm, Sweden
GreenScale	£1.0B	Artificial Intelligence	London, U.K.
Wayve	£821M	Artificial Intelligence	London, U.K.
Abound	£800M	FinTech	London, U.K.
Tabby	\$950M incl. \$700M in debt	FinTech	Dubai, UAE
Mistral AI	€600M incl. €132m in debt	Artificial Intelligence	Paris, France
Monzo	\$621M	FinTech	London, U.K.
Insider	\$500M	Artificial Intelligence	Istanbul, Türkiye
Poolside	\$500M	Artificial Intelligence	Paris, France
Helsing	\$450M	Artificial Intelligence	Munich, Germany

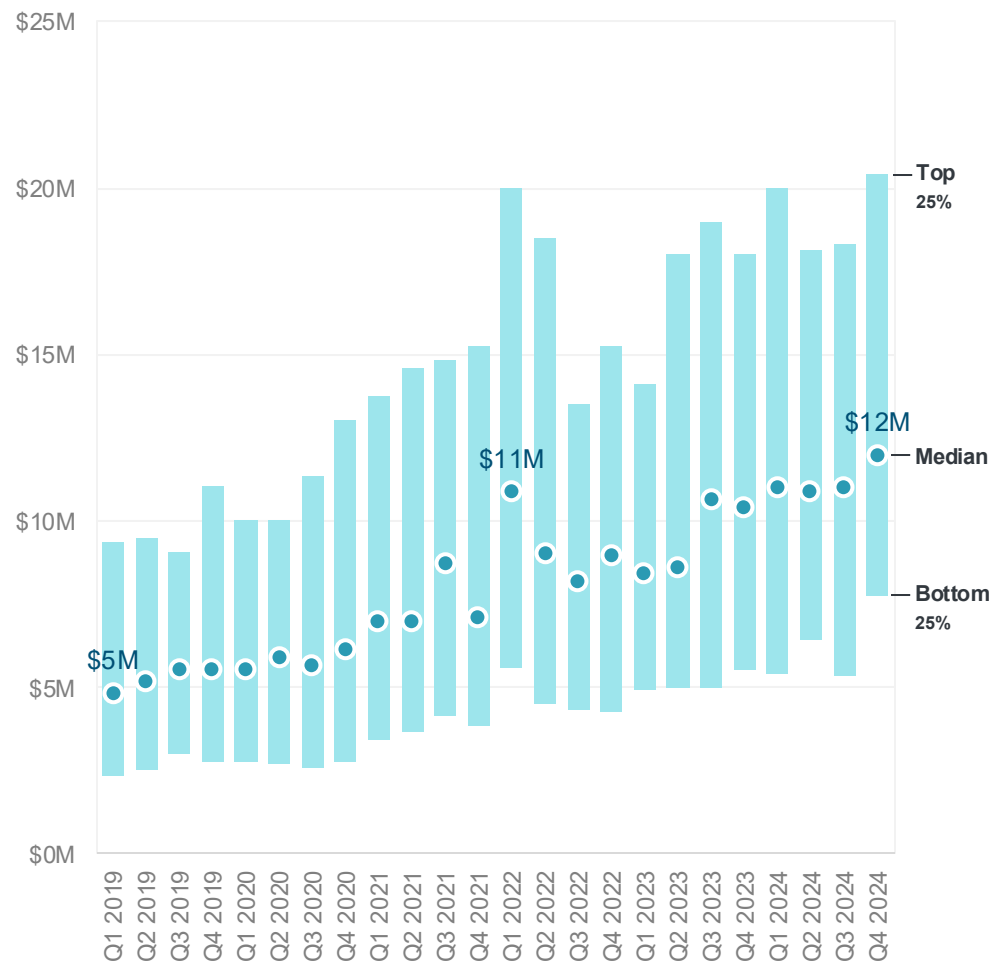
Large deal sizes (\$25 million or more) saw the greatest slowdown in deal volume since 2021.

However, larger rounds are still occurring across a range of different sectors and multitude of countries.

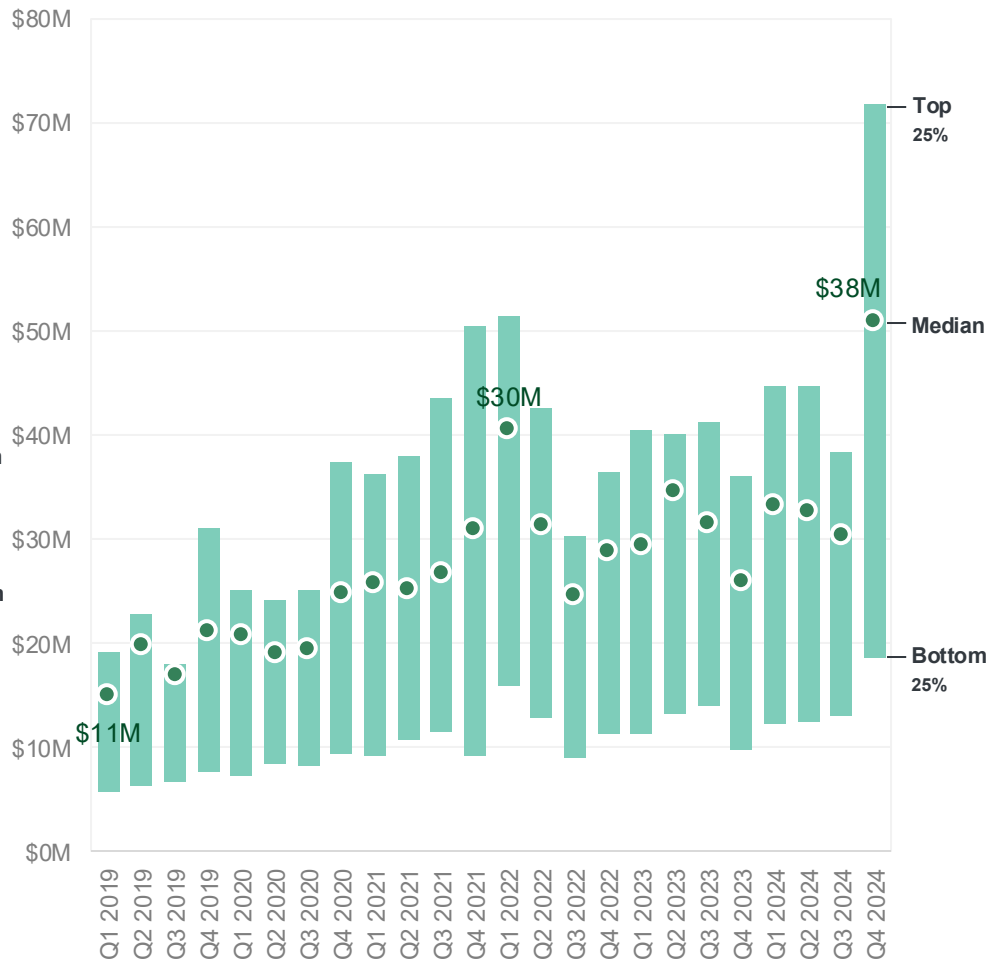
The top sectors for companies that raised over \$25 million were clean/climate tech, AI, fintech, life science and SaaS.

Series A deal sizes and valuations on an upward trajectory

EMEA Series A Deal Sizes
(Top/Median/Bottom Quartiles)



EMEA Series A Pre-Money Valuations (PMV)
(Top/Median/Bottom Quartiles)



Series A deal sizes and valuations continue to rise.

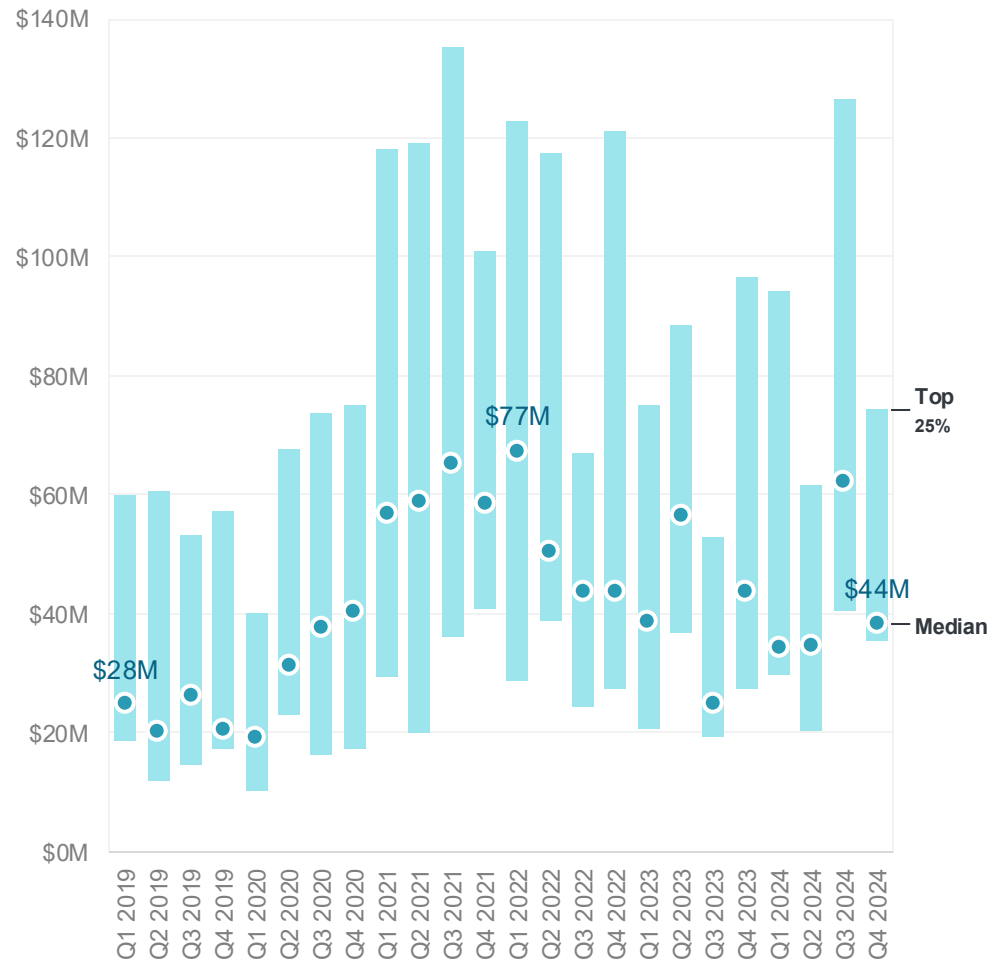
In 2024 top quartile companies achieved a \$47 million PMV at series A, compared to \$13 million for the bottom quartile.

The median valuation step-up in 2024 was 1.6x.

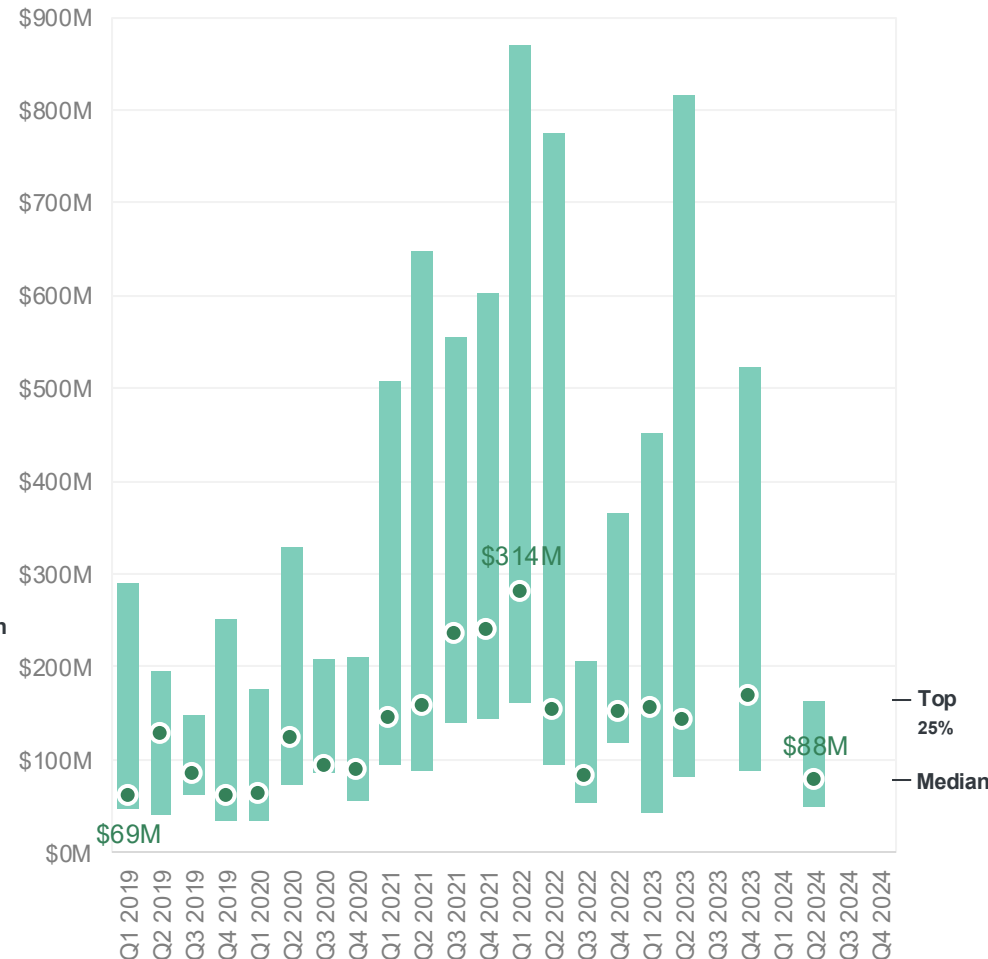
The median time between rounds in 2024 was 21 months, compared to 20 months in 2023 and 18 in 2022.

Top quartile series C deal sizes and valuations are still below 2021

EMEA Series C Deal Sizes
(Top/Median/Bottom Quartiles)



EMEA Series C Pre-Money Valuations (PMV)*
(Top/Median/Bottom Quartiles)



Series C deal sizes and valuations in line with 2020.

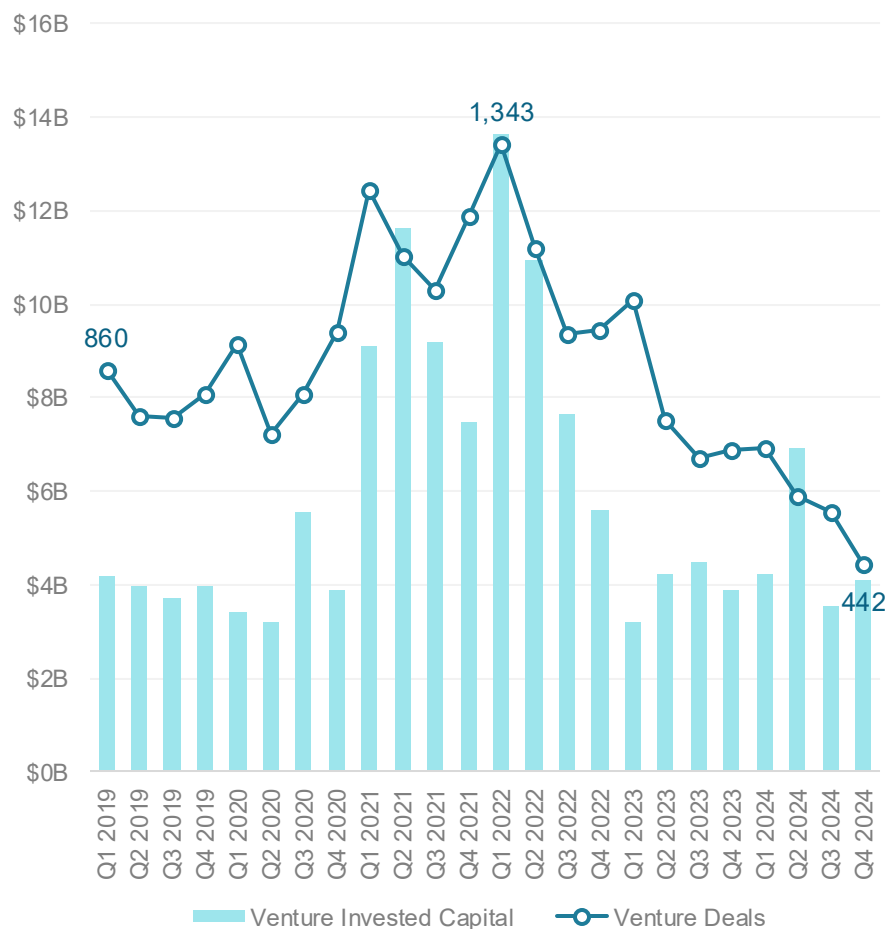
In 2024 top quartile companies achieved a \$184 million PMV at series C, compared to \$52 million for the bottom quartile.

The median valuation step-up in 2024 was 1.2x.

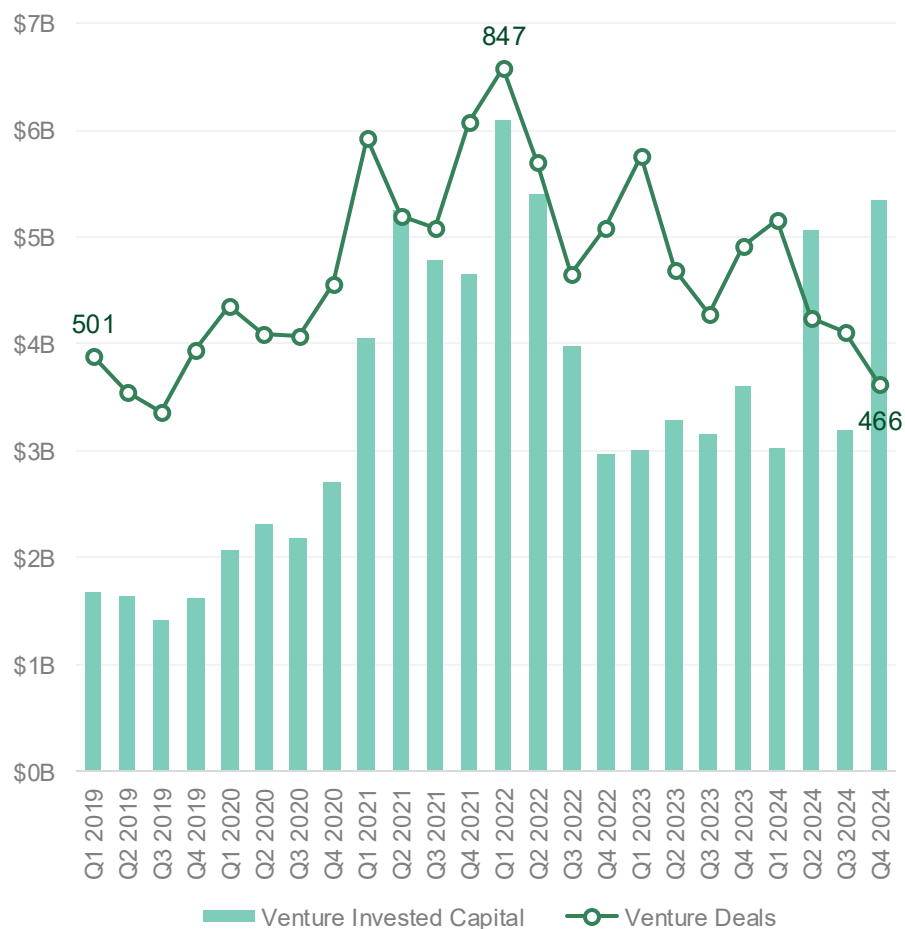
The median time between rounds in 2024 was 25 months, compared to 18 months in 2023 and 16 in 2022.

Sector spotlights: Software-as-a-service and artificial intelligence

EMEA Venture Deal Activity: Software as a Service (SaaS)



EMEA Venture Deal Activity: Artificial Intelligence (AI)



In 2024, the median SaaS deal was \$2.7 million, and the median pre-money valuation was \$11.0 million. Seed deals accounted for 27% of all SaaS deals. The countries with the most SaaS deals were (1) the U.K., (2) Germany and (3) France.

For AI, the median deal was \$2.5 million, and the median pre-money valuation was \$8.4 million. Seed deals accounted for 32% of all AI deals. The countries with the most AI deals were (1) the U.K., (2) France and (3) Germany.

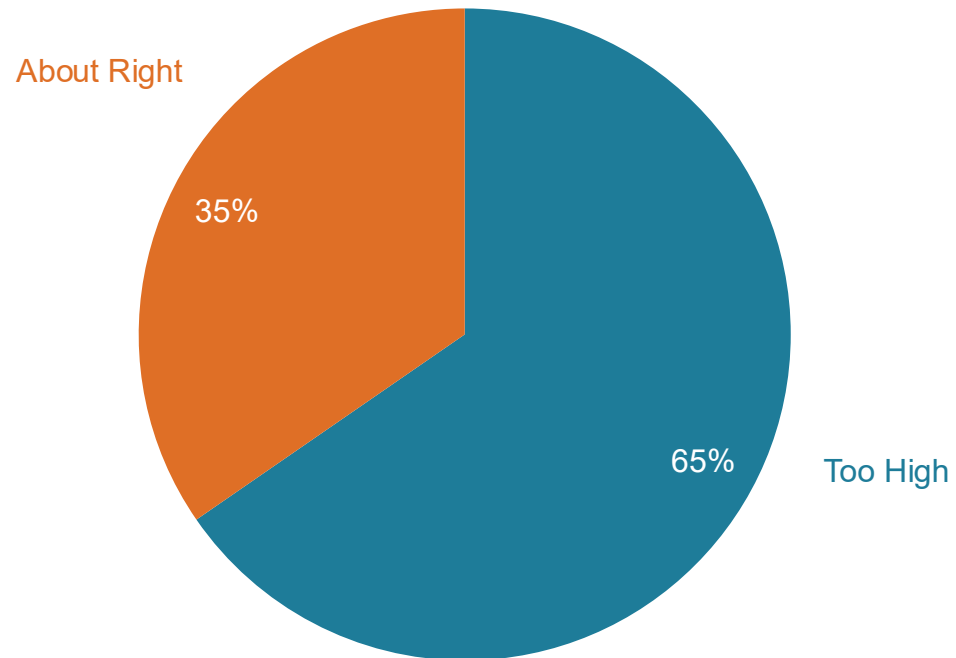
03

Investor breakdown

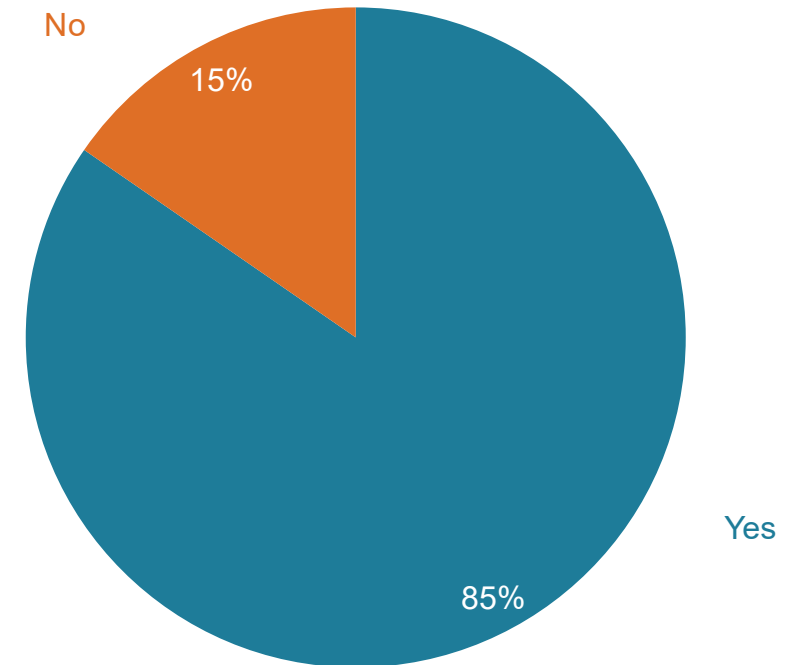


VC investors view

What do you think of the current valuations at series A?

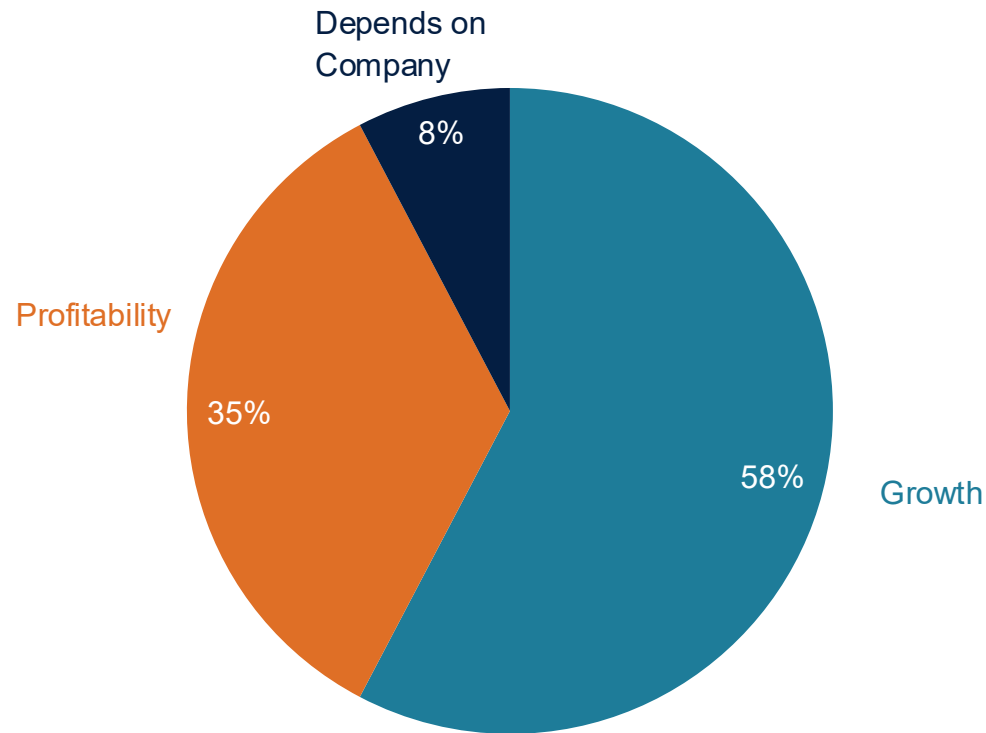


Is there enough capital at series C and later available to your best portfolio companies?

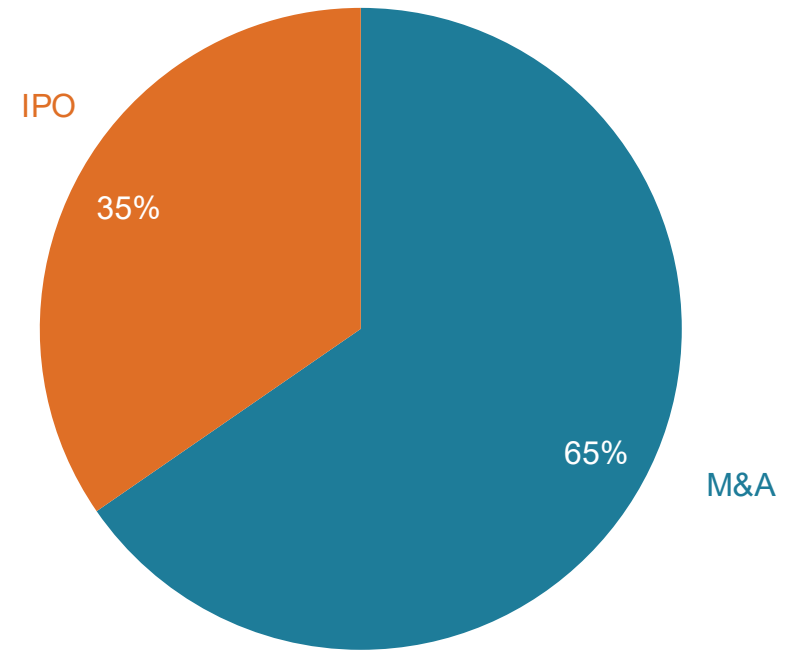


VC investors view

Are you recommending to your late-stage portfolio companies to push for Growth or Profitability?

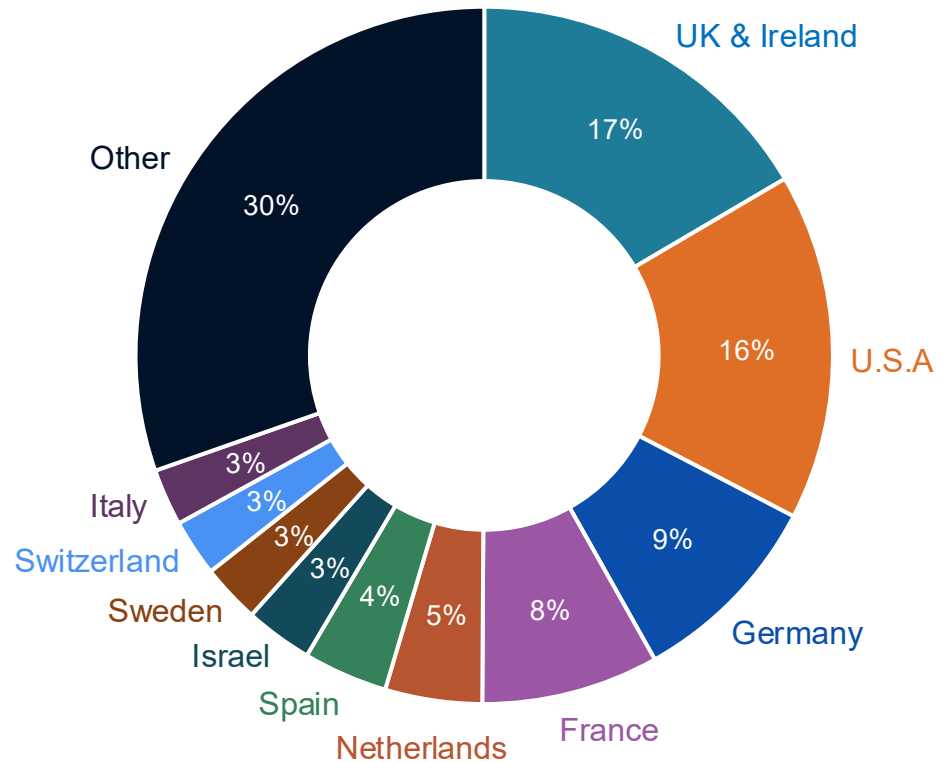


Are you recommending an IPO or M&A exit to your late-stage portfolio companies?

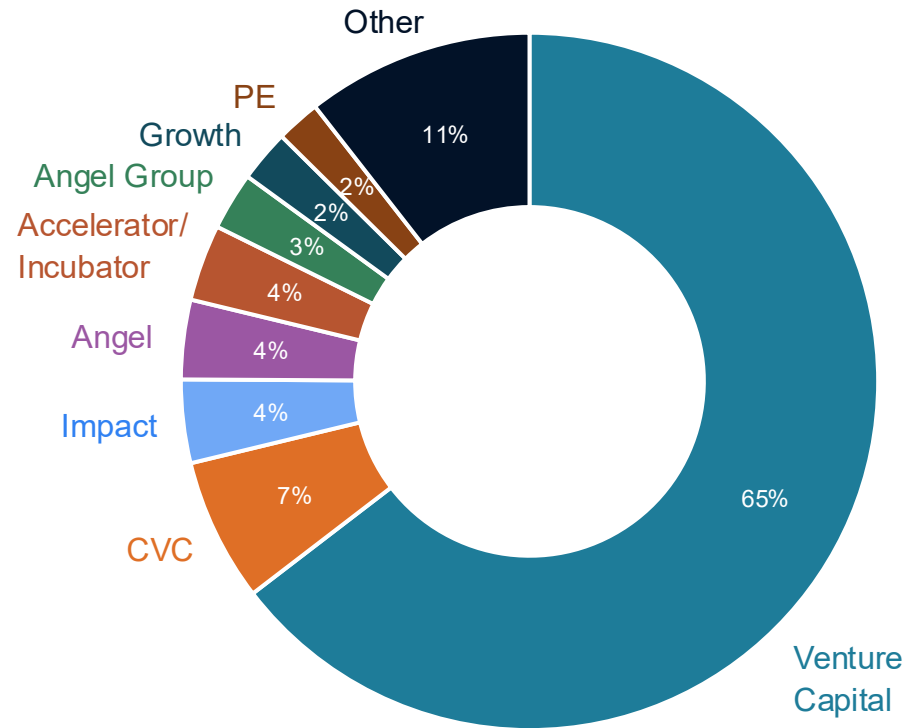


UK and US VCs still lead in the EMEA venture ecosystem

Investors in EMEA Venture Deals by Investor HQ in 2024*



Investors in EMEA Venture Deals by Investor Type in 2024*



Companies based in EMEA rely on investors based in the U.K., Ireland and the U.S.

Bar these regions, all other countries had a single-digit share; however, most were based in Europe. The most active investor was Enterprise Ireland.

The most common investor type was venture capital with 65%.

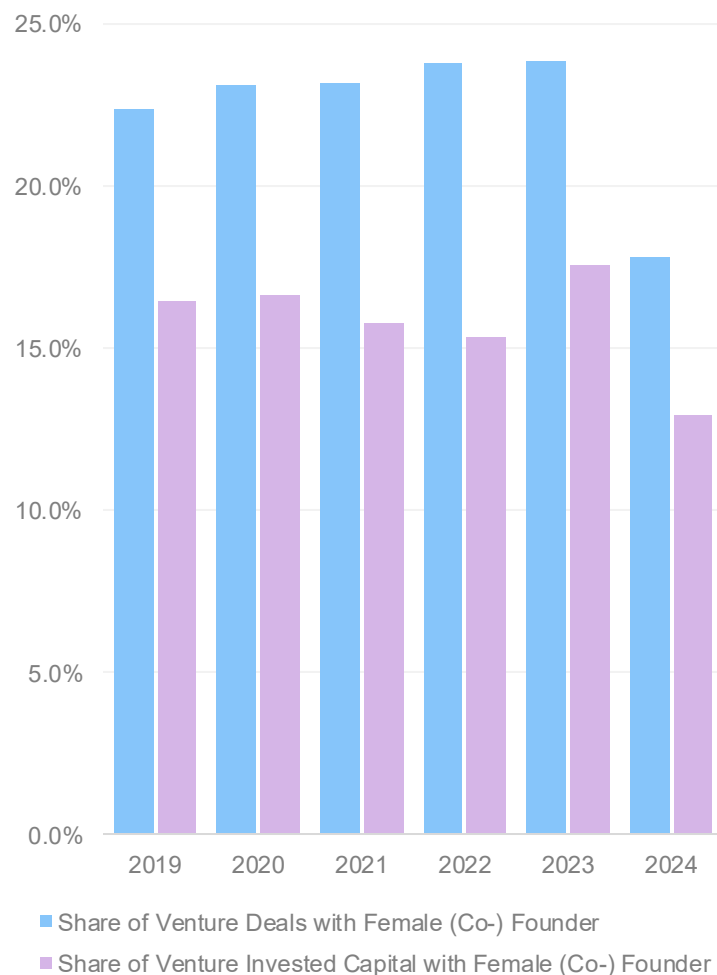
04

Women founders



Representation falls in 2024 for women founders

Women (Co-) Founders Share of EMEA Venture



Sectors Ranked by Number of Women (Co-) Founders

Rank	2019	2020	2021	2022	2023	2024
1	SaaS	SaaS	SaaS	SaaS	SaaS	SaaS
2	E-Commerce	AI & ML	AI & ML	AI & ML	AI & ML	AI & ML
3	Mobile	E-Commerce	E-Commerce	E-Commerce	E-Commerce	CleanTech
4	AI & ML	Mobile	Mobile	Mobile	HealthTech	LOHAS & Wellness
5	TMT	HealthTech	LOHAS & Wellness	LOHAS & Wellness	Mobile	HealthTech
6	HealthTech	LOHAS & Wellness	HealthTech	HealthTech	CleanTech	Life Sciences
7	LOHAS & Wellness	TMT	FinTech	FinTech	LOHAS & Wellness	E-Commerce
8	Life Sciences	Life Sciences	Life Sciences	Life Sciences	Life Sciences	Mobile
9	FinTech	FinTech	TMT	CleanTech	FinTech	Climate Tech
10	Big Data	CleanTech	CleanTech	Climate Tech	Climate Tech	FinTech

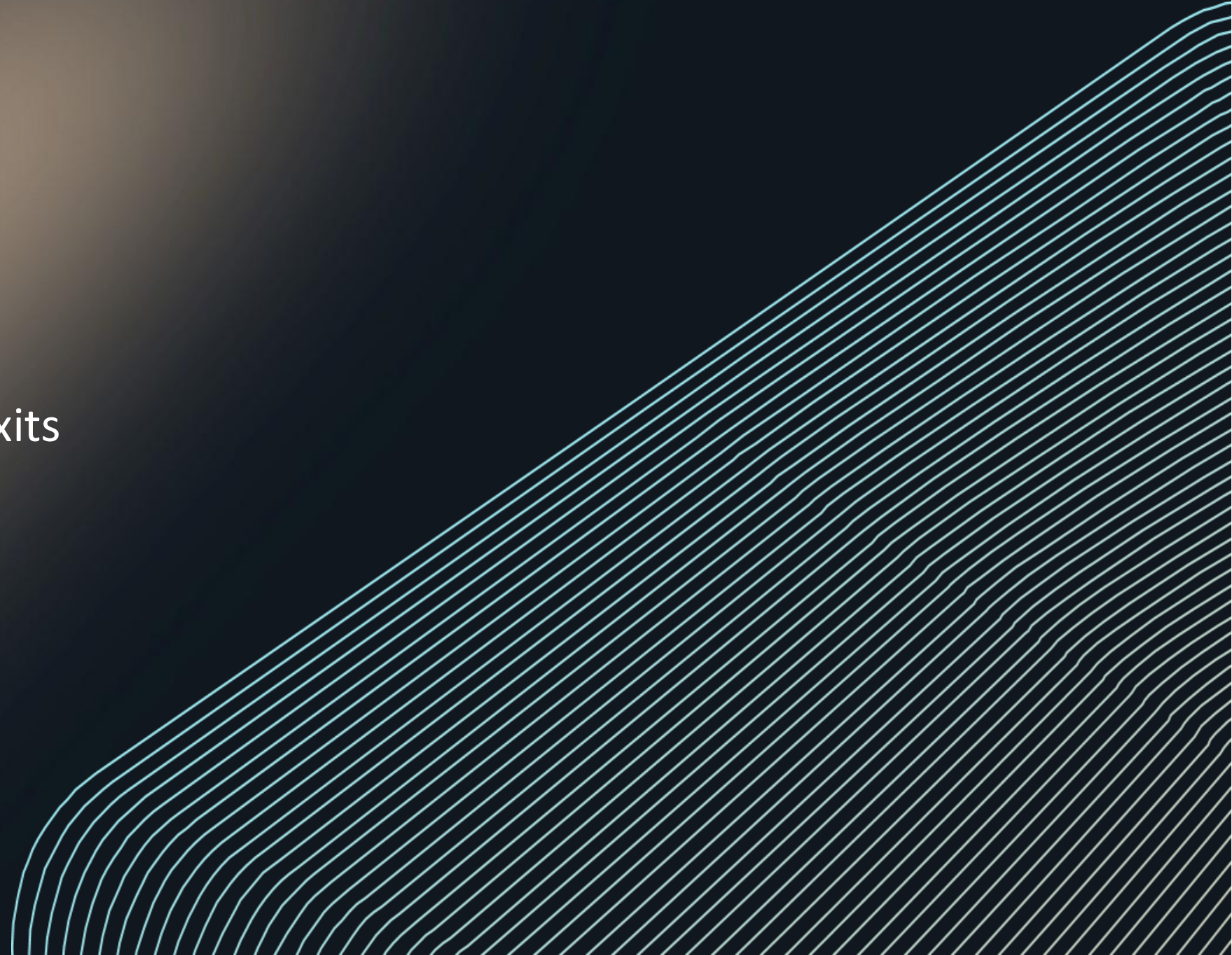
18% of venture deals in EMEA in 2024 had at least one-woman founder or co-founder.

The share of capital invested in women-led startups decreased to 13% in 2024.

SaaS remains the leading industry sector for women founders.

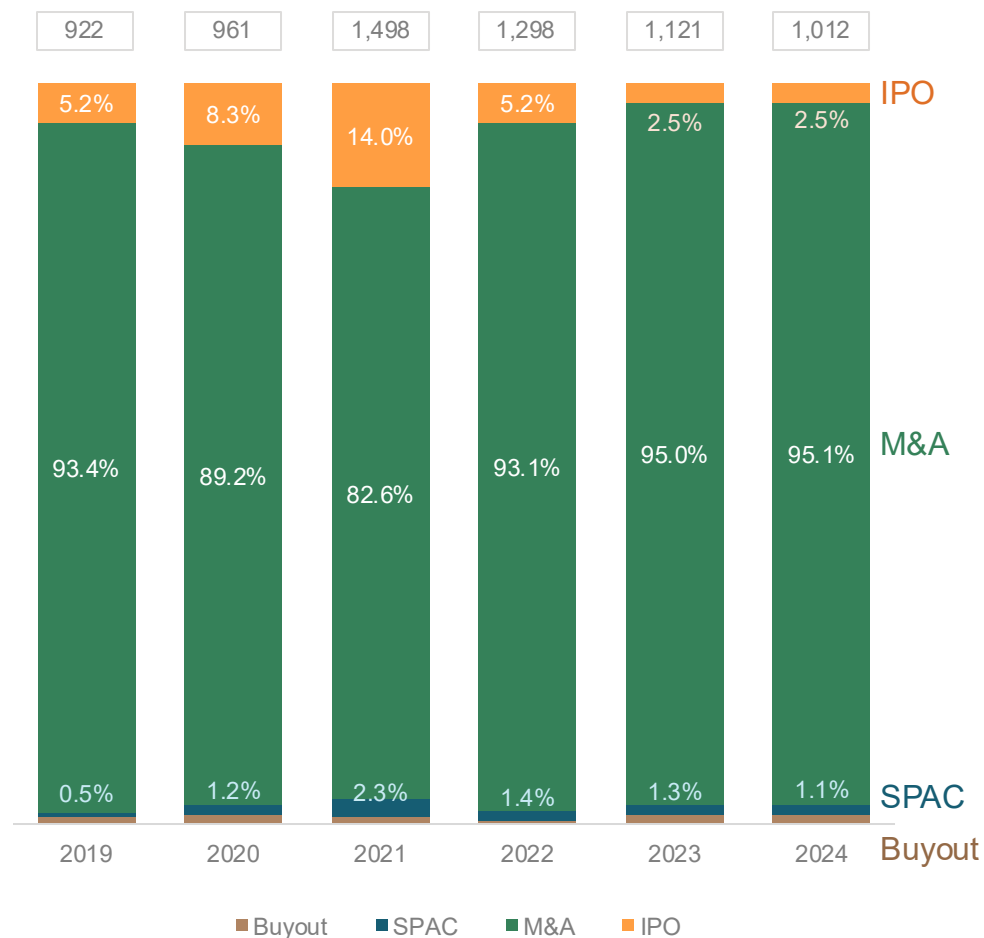
05

| Exits

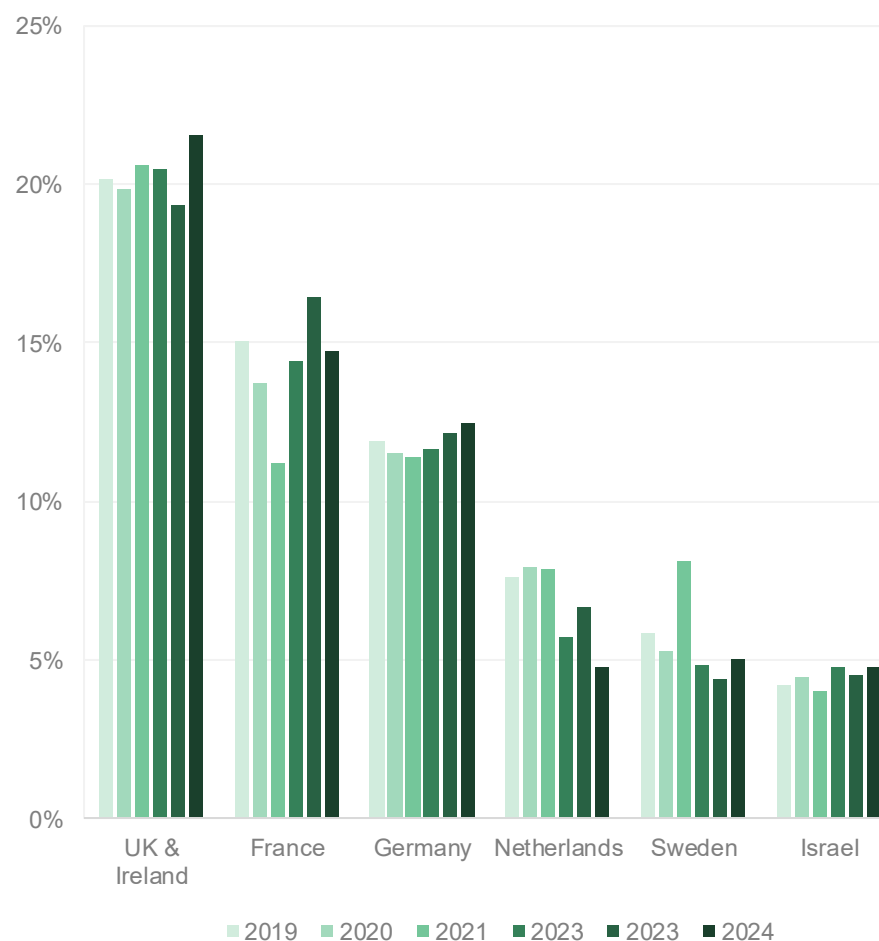


M&A increased in 2024 as IPO markets remained subdued

Venture-Backed, EMEA-Based Company Exits by Type



Share of Venture-Backed Company Exits by Select Countries



Typically, M&A represents around 91% of exits, which increases when the IPO market is challenged.

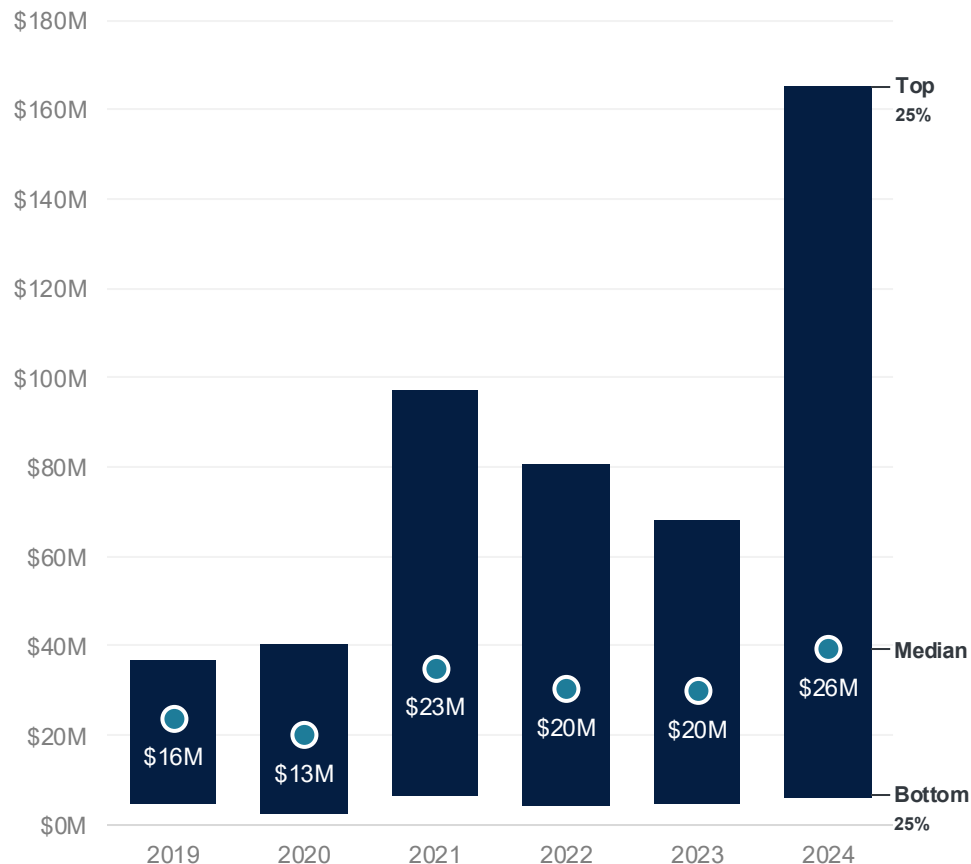
U.K.- and Ireland-based companies account for the largest number of exits.

The largest M&A transaction in 2024 was Portugal-based EZ4U, acquired by LINK Mobility (OSL: LINK) for €6.3 billion.

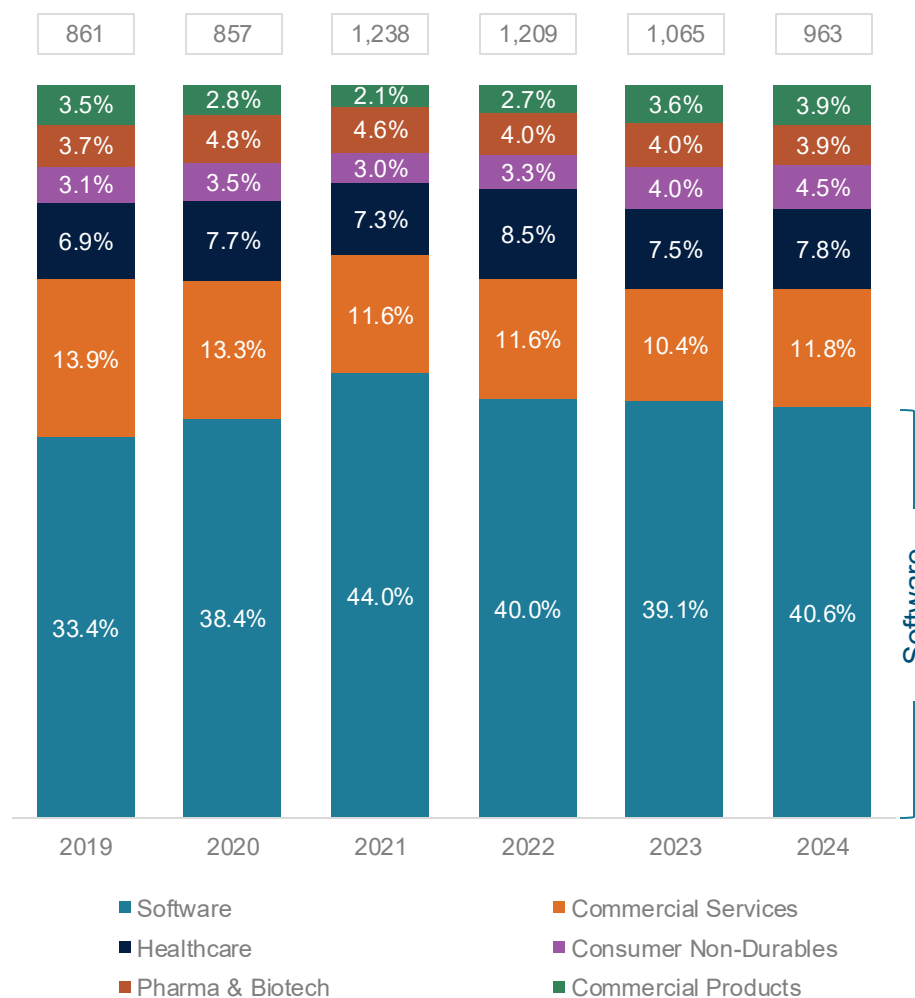
The largest IPO in 2024 was Puig (MAD: PUIG), valuing the company at €13.9 billion.

M&A deals sizes rose in 2024, due to more larger deals

EMEA-Based M&A (Target) Deal Sizes
(Top/Median/Bottom Quartiles)



Share of EMEA M&A by Industry



Top quartile acquisitions in 2024 exit for more than \$159 million.

The majority of M&A is in Software, 40.6% of deals in 2024.

Of the top 20 acquirers in 2024, 35% were U.S.-based, 20% France-based, and 10% Sweden-based.

Of the top 20 acquirers in 2024, 40% were VC-backed companies, and 30% were public companies.

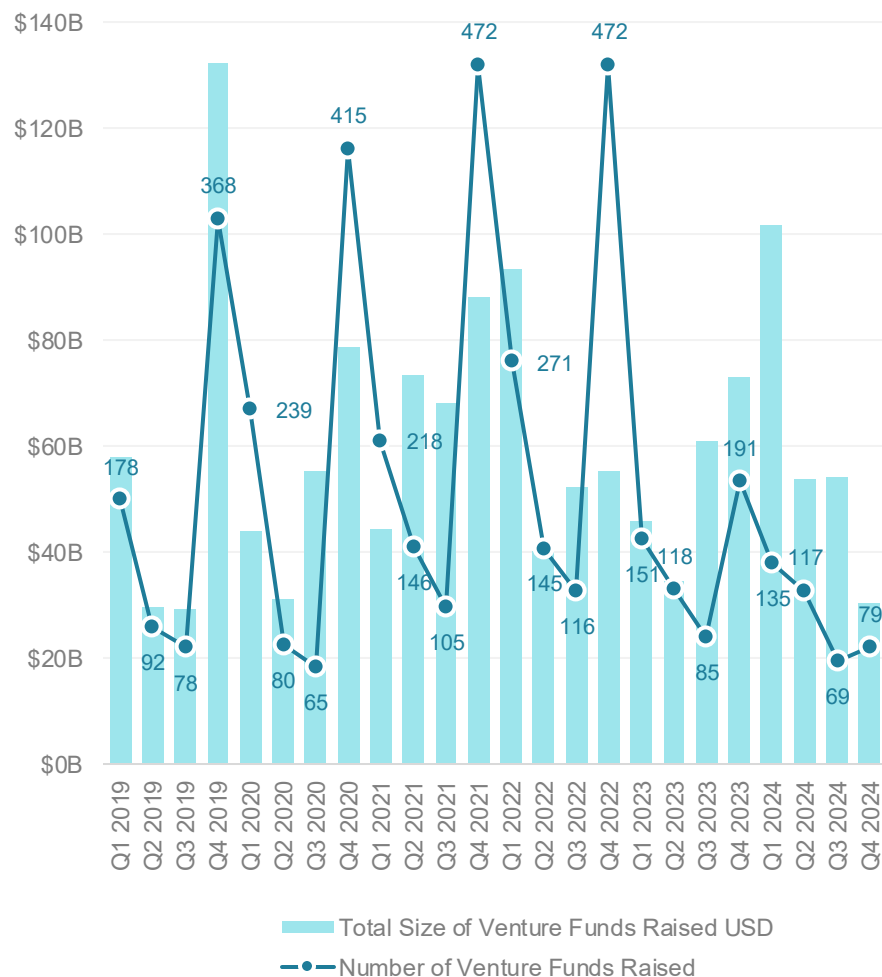
06

Venture fundraising

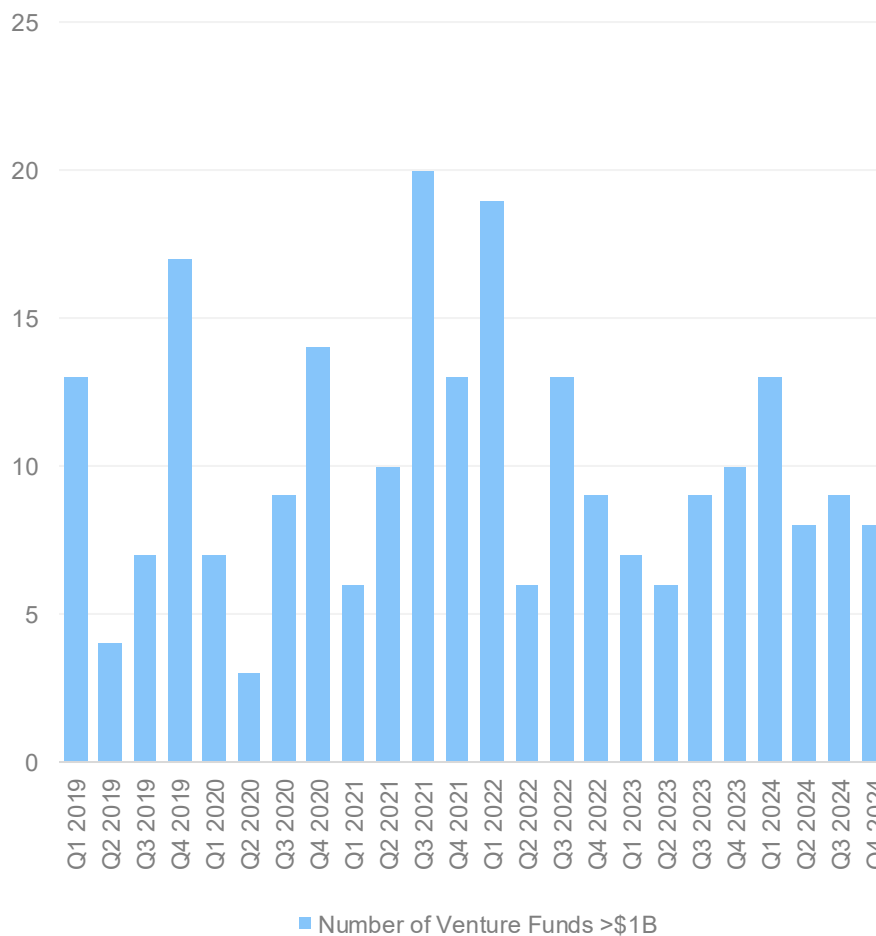


Fundraising by EMEA venture investors slowing

Fundraising Activity for EMEA-Headquartered Investors



EMEA “Mega-Fund” Fundraising \$1B+ Fund Sizes



The number of funds being raised has fallen since the beginning of 2023.

The number of “mega” venture funds (>\$1 billion) based in EMEA has been steady since the end of 2022.

The median fund size in 2024 was \$161 million, compared to \$114 million in 2023.

The average fund size in 2024 was \$240 million, compared to \$215 million in 2023.

Disclaimer

J.P. Morgan, JPMorgan, JPMorgan Chase and Chase are marketing names for certain businesses of JPMorgan Chase & Co. and its affiliates and subsidiaries worldwide (collectively, "JPMC", "We", "Our" or "Us", as the context may require). Securities, syndicated loan arranging, financial advisory, lending, derivatives and other investment banking and commercial banking activities are performed by the appropriately licensed subsidiaries and affiliates of JPMorgan Chase & Co. worldwide.

We prepared these materials for discussion purposes only and for your sole and exclusive benefit. This information is confidential and proprietary to our firm and may only be used by you to evaluate the products and services described here. You may not copy, publish, disclose or use this information for any other purpose unless you receive our express authorization. If accompanied by any oral briefing provided by JPMC, these materials are incomplete without reference to, and should be viewed solely in conjunction with, that briefing. These materials do not represent an offer or commitment by any JPMC entity to underwrite, subscribe for or place any securities or to extend or arrange credit or to provide any product or service. In preparing the information, we have relied upon, without independently verifying, the accuracy and completeness of publicly available information or information that you have provided to us. Our opinions, analyses and estimates included here reflect prevailing conditions and our views as of this date. These factors could change, and you should consider this information to be indicative, preliminary and for illustrative purposes only. This information is provided as general market and/or economic commentary. It in no way constitutes research and should not be treated as such. In addition, our analyses are not and do not purport to be appraisals of the assets, stock, or business of any entity.

These materials and any oral briefing provided by JPMC are not advice on financial, legal, tax, investment, accounting, regulatory, technology or other matters. You should always consult your own financial, legal, tax, accounting, or similar advisors before entering into any agreement for our products or services. JPMC makes no representations as to the actual results which may be achieved in connection with any transaction nor the legal, tax or accounting effects of consummating any transaction. In no event shall JPMC or any of its directors, officers, employees or agents be liable for any use of, for any decision made or action taken in reliance upon or for any inaccuracies or errors in, or omissions from, the information in these materials. We are not acting as your agent, fiduciary or advisor.

Our policies prohibit employees from offering, directly or indirectly, a favorable research rating or specific price target, or offering to change a rating or price target, to a subject company as consideration or inducement for the receipt of business or for compensation. We also prohibit our research analysts from being compensated for involvement in investment banking transactions except to the extent that such participation is intended to benefit investors.

The information in these materials does not include all applicable terms or issues and is not intended as an offer or solicitation for the purchase or sale of any product or service. Our products and services are subject to applicable laws and regulations, as well as our service terms and policies. Not all products and services are available in all geographic areas or to all customers. In addition, eligibility for particular products and services is subject to satisfaction of applicable legal, tax, risk, credit and other due diligence, JPMC's "know your customer", anti-money laundering, anti-terrorism and other policies and procedures.

Products and services may be provided by banking affiliates, securities affiliates or other JPMC affiliates or entities, and such affiliate or entity may or may not be the JPMC entity operating and regulated in your jurisdiction locally. In particular, securities brokerage services other than those that can be provided by banking affiliates will be provided by appropriate registered broker/dealer affiliates, which may include J.P. Morgan Securities LLC and J.P. Morgan Institutional Investments Inc. Any securities provided or otherwise administered by such broker/dealer affiliates are not deposits or other obligations of, and are not guaranteed by, any banking affiliate and are not insured by the Federal Deposit Insurance Corporation.

Changes to Interbank Offered Rates (IBORs) and other benchmark rates: Certain interest rate benchmarks are, or may in the future become, subject to ongoing international, national and other regulatory guidance, reform and proposals for reform. For more information, please consult: www.jp Morgan.com/IBOR.

JPMorgan Chase Bank, N.A. Member FDIC. Deposits held in non-U.S. branches are not FDIC insured. JPMorgan Chase Bank, N.A. is organized under the laws of U.S.A with limited liability.

For information on JPMC legal entities see: www.jp Morgan.com/disclosures. For information on JPMC's policies on data privacy see: www.jp Morgan.com/privacy.

© 2025 JPMorgan Chase & Co. All rights reserved.

Country-Specific Disclosures:

Canada:

Deposits with JPMorgan Chase Bank, N.A., Toronto Branch are not insured by the Canada Deposit Insurance Corporation.

Russia:

CB "J.P. Morgan Bank International" (LLC) is regulated by the Central Bank of Russia.

South Africa:

JPMorgan Chase Bank, N.A., Johannesburg Branch is an Authorized Financial Services Provider (FSP No. 7795)

United Kingdom:

JPMorgan Chase Bank, N.A. at its London Branch is a bank authorised and subject to supervision and regulation by the Office of the Comptroller of the Currency, and is also supervised and regulated with respect to certain matters by the Board of Governors of the Federal Reserve System, each in the jurisdiction of the United States of America. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. (Firm Reference Number: 124491).

Germany:

J.P. Morgan SE is authorised as a credit institution by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and jointly supervised by the BaFin, the German Central Bank (Deutsche Bundesbank) and the European Central Bank (ECB). For additional information on J.P. Morgan SE and its branches see: [EMEA Regulatory Disclosures](https://www.jp Morgan.com/global/disclosures/legal-entity-information). <https://www.jp Morgan.com/global/disclosures/legal-entity-information>

Regulatory disclosures of JPMorgan Chase Bank, N.A. branches in France, Spain and Italy, and other JPMC legal entities in EMEA:

Please see [EMEA Regulatory Disclosures](https://www.jp Morgan.com/global/disclosures/legal-entity-information). <https://www.jp Morgan.com/global/disclosures/legal-entity-information>

Regulatory Disclosures of JPMC legal entities in APAC:

Please see [APAC Regulatory Disclosures](https://www.jp Morgan.com/country/GB/en/disclosures/apac-legal-entity-information). <https://www.jp Morgan.com/country/GB/en/disclosures/apac-legal-entity-information>

Disclaimer

Chase, J.P. Morgan, JPMorgan, JPMorgan Chase, and Story by J.P. Morgan are marketing names for certain businesses of JPMorgan Chase & Co. and its affiliates and subsidiaries worldwide (collectively, "JPMC", "We", "Our" or "Us", as the context may require).

The information in this content (website, article, event invitation or other form) does not represent an offer or commitment to provide any product or service. The views, opinions, analyses, estimates and strategies, as the case may be ("views"), expressed in this content are those of the respective authors and speakers named in those pieces, and/or the JPMC departments that publish the content, and may differ from those of JPMorgan Chase Commercial Banking and/or other JPMC employees and affiliates. These views are as of a certain date and often based on current market conditions, and are subject to change without notice. Any examples used are generic, hypothetical and for illustration purposes only. Any prices/quotes/statistics included have been obtained from sources deemed to be reliable, but we do not guarantee their accuracy or completeness. To the extent indices have been used in this content, please note that it is not possible to invest directly in an index. This information in no way constitutes research and should not be treated as such. Any information related to cybersecurity provided is intended to help clients protect themselves from cyber fraud, not to provide a comprehensive list of all types of cyber fraud activities nor to identify all types of cybersecurity best practices.

Copying, re-publishing, or using this material or any of its contents for any other purpose is strictly prohibited without prior written consent from JPMorgan. In preparing this material, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information that was acquired from public sources. Any mentions of third-party trademarks, brand names, products and services are for referential purposes only and any mention thereof is not meant to imply any sponsorship, endorsement, or affiliation unless otherwise noted. Notwithstanding anything to the contrary, the statements in this material are not intended to be legally binding. Any products, services, terms or other matters described herein (other than in respect of confidentiality) are subject to, and superseded by, the terms of separate legally binding documentation and/or are subject to change without notice.

The information in this content is not advice on legal, tax, investment, accounting, regulatory, technology or other matters. You should always consult your own financial, legal, tax, accounting or similar advisors before making any financial or investment decisions, or entering into any agreement for JPMC products or services. In no event shall JPMC or any of its directors, officers, employees or agents be liable for any use of, for any decision made or action taken in reliance upon, or for any inaccuracies or errors in or omissions from, the information in this content. We are not acting as your or any client's agent, fiduciary or advisor, including, without limitation, as a Municipal Advisor under the Securities and Exchange Act of 1934. JPMC assumes no responsibility or liability whatsoever to you or any client with respect to such matters, and nothing herein shall amend or override the terms and conditions in the agreement(s) between JPMC and any client or other person.

The information in this content does not include all applicable terms or issues, and is not intended as an offer or solicitation for the purchase or sale of any product or service. Our products and services are subject to applicable laws and regulations, as well as our service terms and policies. Not all products and services are available in all geographic areas or to all customers. In addition, eligibility for particular products and services will be determined by JPMC, including satisfaction of applicable legal, tax, risk, credit and other due diligence, and JPMC's "know your customer", anti-money laundering, anti-terrorism and other policies and procedures. Credit is subject to approval. Rates and programs are subject to change. Certain restrictions apply.

Products and services may be provided by banking affiliates, securities affiliates or other JPMC affiliates or entities. In particular, securities brokerage services other than those that can be provided by banking affiliates will be provided by appropriate registered broker/dealer affiliates, including J.P. Morgan Securities LLC and J.P. Morgan Institutional Investments Inc. Any securities provided or otherwise administered by such brokerage services are not deposits or other obligations of, and are not guaranteed by, any banking affiliate and are not insured by the Federal Deposit Insurance Corporation. Certain financial products and services are required by law to be provided only by licensed representatives and affiliates. Inquiries regarding such products and services will be referred to a licensed representative or a licensed affiliate. The information in this content is not an offer to sell, or solicit an offer to purchase, any securities by anyone in any jurisdiction in which such offer or solicitation is not authorized, or in which JPMC or the person making such an offer is not qualified to do so, or to anyone to whom it is unlawful to make such an offer or solicitation, or to anyone in any jurisdiction outside of the United States. Nothing in this content constitutes any commitment by JPMC to underwrite, subscribe for or place any securities, or to extend or arrange credit, or to provide any other product or service. JPMC contact persons may be employees or officers of any JPMC subsidiary or affiliate.

Changes to Interbank Offered Rates (IBORs) and other benchmark rates: Certain interest rate benchmarks are, or may in the future become, subject to ongoing international, national and other regulatory guidance, reform and proposals for reform. For more information, please consult <https://www.jpmorgan.com/IBOR>. © 2025 JPMorgan Chase & Co. All rights reserved. JPMorgan Chase Bank, N.A. Member FDIC. JPMorgan Chase Bank, N.A., organized under the laws of the U.S.A. with limited liability. Deposits held in non-U.S. branches, are not FDIC insured.