France And Europe Caught In H1 2025 Global VC Slump

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July 4, 2025 . 11:13 AM

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The French tech ecosystem is still feeling the funding squeeze, but it's hardly alone as the global venture capital numbers continued to slump in 2025.

According to Dealroom, French startups raised $3.5 billion in the first six months. That's on par with the last six months of 2024. But it's down sharply from $4.4 billion raised in the first half of 2024.

So far in 2024, only three French companies surpassed the symbolic €100 million threshold in H1: **Loft Orbital (€170M)** in newspace, **Powesco (€150M)** in energy, and **Alice & Bob (€100M)** in quantum computing.

Notably absent from this year's rankings is **Mistral AI**, whose blockbuster €600 million round in June 2024 had boosted previous-year totals. The absence of such a round this year partially accounts for the drop this year. If Mistral raises a $ billion round as rumored, the 2025 numbers could look quite different.

Perhaps more troubling is the drop in the number of deals. In H1 2025, 288 companies raised a round of funding, way down from the 586 startups that raised in H1 2024.

While the big late rounds have hit that pause button, the earlier stage is taking an even bigger hit. There have been 147 Pre-Seed and Seed rounds in 2025. That compares to 410 in the first half of 2024.

If there is a silver lining here, Q2 showed some improvement with $2.2

billion raised compared to $1.3 billion in Q1. That was boosted by rounds raised by Animaj (€75M), Nabla (€60M), and Zama (€49M).

Global VC Hits Multi-Year Low

To put those French numbers in perspective, let's pull back the lens.

According to PitchBook's *Q2 2025 Global VC First Look*, venture capital deal activity worldwide reached its lowest first-half total since 2018. VC deal value globally dropped to **$139.4 billion** in H1 2025 across **13,361 deals**, down sharply from **$183.4 billion** and **17,120 deals** in H1 2024. The pullback in investor appetite—driven by high interest rates, geopolitical tensions, and tighter LP commitments—has compounded a years-long cooling of the late-stage megadeal market.

Exit activity remains subdued as well, with global VC-backed exits totaling just **$24.6 billion**, the weakest H1 figure in over a decade. IPO markets remain virtually frozen, and M&A activity is tepid, leaving portfolios stuck in limbo and discouraging bold bets.

U.S. Venture Market Continues to Contract

The U.S. market may still be the dominant force in global venture, but it also continues to feel the weight of macro pressures. As detailed in the *PitchBook-NVCA Venture Monitor*, H1 2025 saw **$62.3 billion** invested across **5,876 deals**, a 15% decline in value and a 20% drop in volume year-over-year.

In contrast to France, seed-stage activity has proven resilient. But Series C and beyond have seen particularly sharp declines.

Moreover, the U.S. VC exit value for the first half stood at only **$11.9 billion**, compared to **$40.4 billion** in the first half of 2024. This stagnation is eroding confidence among fund managers, who face increasing pressure from LPs for liquidity.

European VC Slows Down

Europe, while not immune to the broader slowdown, has weathered the storm with relatively more stability, though not without its own pain. According to the *Q2 2025 European VC First Look from Pitchbook*, H1 funding totaled **€27.5 billion** across **3,742 deals**, down from **€32.7 billion** and **4,521 deals** in the same period in 2024.

European deal count declined more steeply than deal value, suggesting continued strength in larger rounds and sector-specific confidence, particularly in climate tech, deep tech, and defense-related startups. The UK, Germany, and France remain the top recipients of capital, but growth momentum is cooling across the board, according to Pitchbook.