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VC FUNDRAISING

## Has European VC fundraising already hit rock bottom?

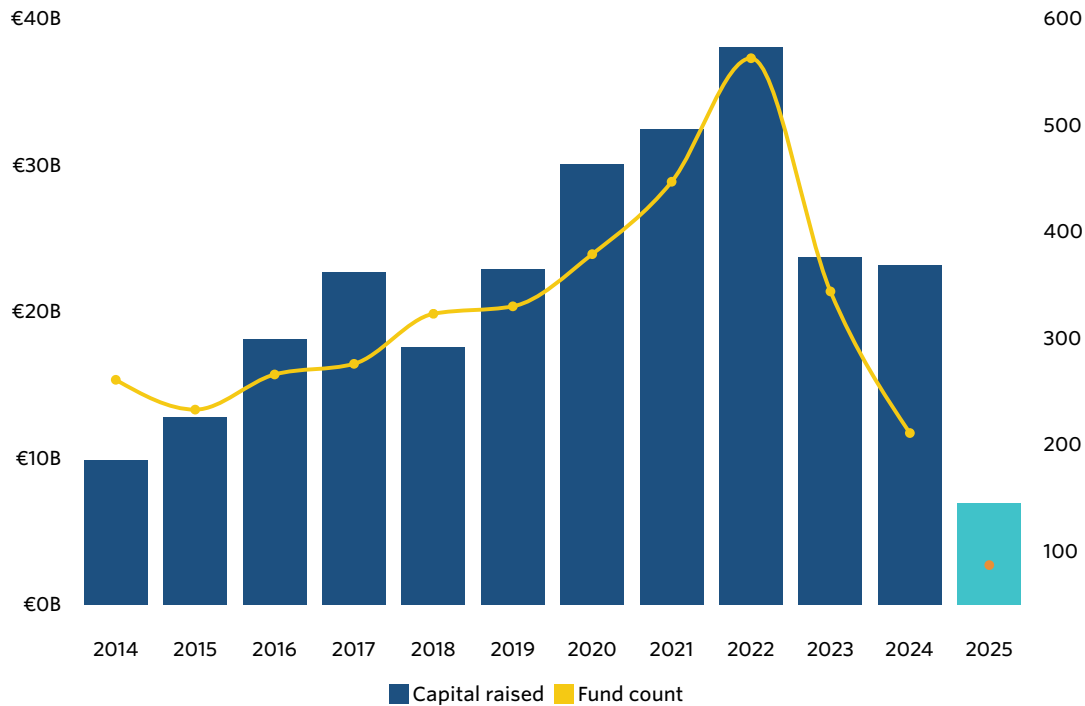
By [Leah Hodgson](#)

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Europe is on track for one of its worst years for VC fundraising, but a slew of new launches and closes signals that the tide may be turning.

European VC fundraising has been on a steady decline since 2022, when record amounts of capital were funneled into the strategy, but this year's fundraising environment has been particularly harsh.

## Europe struggles with VC fundraising



Source: PitchBook • As of Oct. 1, 2025

According to PitchBook data, €6.9 billion (about \$8 billion) has been raised across 87 VC vehicles in 2025. At the current pace, fund count and capital raised for the year would be at their lowest levels in a decade and less than half of 2024's annual totals.

However, since Sep. 15, a dozen new funds have either been launched or closed, giving Europe's VC market cause for optimism.

This week alone, London-based VC [Notion Capital](#) closed its third growth fund on \$130 million, while pre-seed investor [Concept Ventures](#) raised \$88 million for its second vehicle. Paris-based [Serena](#) announced a €200 million first close for its fourth flagship fund, while defense-focused [Expeditions](#) pulled in over €100 million for its planned €150 million second capital pool.

Although 2025's numbers are unlikely to improve by much, the launch of new funds may indicate that GPs are returning to the market and gearing up for a more active 2026.

The signs of life in the fundraising market coincide with a more optimistic exit market. The lack of exits following 2022's inflation and interest rate hike was a primary driver of fundraising weakness as GPs struggled to return capital to LPs.

However, [Klarna](#)'s successful IPO has demonstrated that listings are feasible again, although the [US government's shutdown](#) has put the market on hold again. European exit value, which currently stands at €52.9 billion, is projected to surpass last year's total.

Another positive sign for the fundraising climate is that many of the recent fund closes have been for emerging managers, a sharp contrast to the last few years, when LPs concentrated mostly on established brands. The median fund size this year has fallen from €66.6 million to €48.7 million, suggesting that smaller and newer managers are raising again.

Globally, emerging managers are accounting for a higher percentage of LP commitments

this year, as LPs turn to smaller firms for returns.

*Featured image by Tyler Sayre/Getty Images*

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About [Leah Hodgson](#)

Leah Hodgson is a London-based senior reporter for PitchBook, covering the venture capital ecosystem across Europe and the Middle East. Leah, who joined PitchBook in 2018, graduated from the University of Surrey with a BA in international politics with French. She has previously been a radio reporter in France. She later turned to financial journalism, covering the wealth management industry.

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