

Growth Equity Update

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- **‘The Scaleup Europe Fund responds to the urgent need for Europe to boost investments in scaleups and close the gap with global leaders’** says the EU which launched the Scale Up Europe Fund in June 2026 with c€5bn funding. It’s a late-stage and growth fund, investing in promising European companies in strategic tech areas from Series B onward, with investments of c€100m. The aim is to catalyse funding rounds of several hundred € millions and to fill the much-identified funding gap for European companies as they scale up from seed and Series A.
- **Off to a strong start.** With EQT acting as manager of the fund, Scale Up Europe has already co-led the \$3.5bn Mistral Series E, the \$450m Series F for Finland’s ICEYE, the \$450m Series C of German space business the Exploration Company, Lovable of Sweden’s \$400m Series C, and the \$100m Series B of Sweden’s Tandem Health.
- **Like buses:** You wait for ever for a \$3bn + European raise and then two come along at once. We reviewed Mistral’s \$3.5bn raise last month. This month we look at data centre operator Nscale’s \$3.36bn raise which followed a couple of weeks later. Founder Josh Payne observes *‘AI...is leading to the largest infrastructure buildout in human history. Nscale is leading this buildout. We are building this foundation that the market sits on, the engine of superintelligence.’*
- **Remarkable nine months in US fundraising:** Q3 US fundraising of \$67.6bn brings the ytd total to \$440bn, 2.7x the amount raised at 9m 2025. 71% of the fund raising is in AI. 58% of it is in just six companies – Open AI, Anthropic, xAI, Prometheus, Databricks and Safe Superintelligence.
- **Europe strong as well:** European saw \$28bn of raises in Q3, 2.1x Q3 2025 meaning after nine months the total is \$66.9bn, 1.9x 2025 at the same stage. The key is the bigger number of \$1bn+ deals. At 9m 2025 there were just two \$1bn + deals – at 9m 2026 there are twelve. It’s a big step up – across the three years 2023-5 there were just five deals in total of that size.
- **Sectors with momentum:** On both sides of the Atlantic **Defense**, (\$14.8bn raised ytd in the US, \$5.7bn in Europe) is riding the wave of AI derived new technologies, heightened political tension and a renewed emphasis towards defense spending. The allied field of **Space** (\$6.5bn US, \$1.2bn in Europe) has grown sharply yoy. AI related sectors – **Robotics** (\$7.7bn, \$ 2.3bn) and **Semiconductors** (\$5.85bn, \$2.4bn) have good momentum. In Europe the private markets are seeing a strong uplift in **Quantum** raises (\$1.74bn ytd).

Scaling up Europe's investments

The EU's new €5bn commercial Scale Up Europe fund run by EQT is off to a strong start with investments in Mistral, Lovable, ICEYE, the Exploration Company and Tandem Health.

In her 2025 State of the Union Address, the EU Commission President Ursula von der Leyen announced the Scale Up Europe Fund as a key initiative aimed at making major investments in fast-growing companies in strategic tech areas, so that *"the best of Europe can choose Europe"*.

The Scale Up Europe Fund emerged into being at the start of June 2026 as a c€5bn fund under the auspices of the European Innovation Council. It is a late-stage and growth fund aimed at investing in the most promising European companies in strategic tech areas. EQT is acting as the manager of the fund. It has highlighted AI, quantum, semiconductors, robotics and autonomous systems, energy, space, biotech, medical, advanced materials, and agritech, as key areas of focus.

The Scaleup Europe fund will directly invest in strategic technology companies from Series B onward, with investments in the range of €100m. The aim is to help catalyse funding rounds of several hundred millions and critically to fill the much-identified funding gap that exists for European companies once they start to scale up from seed and Series A. As the EIC says.

'The Scaleup Europe Fund responds to the urgent need for Europe to boost investments in scaleups and close the gap with global leaders.'

The European Innovation Council's Horizon Europe programme will provide €1bn of funding. Alongside the EIC the group of founding investors in the Fund includes Novo Holdings, EIFO (Export and Investment Fund of Denmark), CriteriaCaixa, Santander/Mouro Capital, Fondazione Compagnia San Paolo/ Intesa Sanpaolo/Fondazione Cariplo, APG Asset Management, Wallenberg Investments and Allianz. EQT, which has been chosen to run the fund will also commit a 'significant' amount of its own capital to the fund. The initial target for funding was €5bn. The FT reported Per Franzén of EQT saying in early July that investor interest has been *'beyond what we had anticipated'* leaving the group *'very, very comfortable about our ability to quickly and efficiently raise at least €5bn.'*

One of the aims of the EU Scale Up Fund, perhaps not surprisingly, is to ensure that important technologies remain based in Europe. It will give preference to European exits, as well as maintaining economic security safeguards in the fund's investment guidelines. The EIC observes

"When implementing investments, the Scaleup Europe Fund will ensure that supported companies retain the majority of their value creation, including intellectual property, within the EU or Horizon Europe associated countries."

The fund will thus invest across all parts of Europe with its scope covering EU Member States and countries associated with the Pillar III of Horizon Europe. These 'associated countries' include non-EU states that have signed association agreements with Horizon Europe, such as Norway, Iceland, Israel, Switzerland and the United Kingdom.

Commenting on the UK, which has not yet committed funding to Scale Up Europe, Keith Sequeira, head of the European Innovation Council has said that up to 5% of the fund's capital can currently be invested in the UK although, subject to negotiation, this amount could eventually become unlimited.

The fund is a commercial entity. The intention is that the fund invests on commercial, merit-based terms with EQT taking investment decisions independently from the Commission and the fund's other investors.

The Scale Up Europe fund, as its name suggests, is a step up from existing EIC activity in stimulating funding for growth companies. Up to now, the EIC's largest equity investments were aimed at early stage and accelerator companies and were capped at €30m. The EIC Accelerator, run by Alter Domus of Luxembourg, remains the EU's funding entry point for smaller companies.

The Scaleup Europe Fund has got off to a flying start. Having launched at the start of June it has already participated in a number of substantial rounds for emerging European tech businesses.

- **Mistral:** Alongside Samsung Electronics and PSG Equity the Scaleup Europe Fund was one of the three leads in the biggest European growth equity raise ever, the \$3.5bn early September 2026 raise for the French LLM business Mistral, valuing the company at \$24bn.

Mistral is offering a full stack alternative likely to appeal to governments and businesses in Europe that are sensitive to sovereignty issues. To accomplish this Mistral is moving beyond the production of LLM models to provide the data centres and infrastructure that a sovereignty offer requires. It has announced substantial plans to develop its own datacentres, focused on France and Sweden. In France Mistral has a 10MW datacentre at Les Ulis due to open by the end of 2026 and is developing a 40MW cluster in France in partnership with the Scaleway arm of Iliad. Mistral signed an agreement earlier this year to invest \$1.4bn to build new datacentres with 23MW of computing power in Sweden. Overall Mistral plans to have 200MW of computing capacity available to it in Europe by the end of 2027.

Other investments so far by the fund include:

- **Lovable:** The Scale Up Europe fund co-led with Menlo Ventures the \$400m Series C round in Swedish vibe-coding business Lovable announced in August. As EQT pointed out:

‘Europe has no shortage of exceptional founders, breakthrough technology or global ambition. The challenge comes when its most successful companies reach the scale-up stage.

At that point, European companies have historically relied heavily on US growth capital. Global capital is an important part of building global companies, and Lovable's new investor base reflects that. But Europe also needs investors with the scale and ambition to continue backing its best companies as they grow. That's the gap the Scaleup Europe Fund was established to help address.

The objective isn't to keep European companies focused on Europe. It's to give founders greater choice: the ability to remain independent, continue taking risks and build global category leaders while maintaining strong roots in Europe.’

- **The Exploration Company:** Scale Up Europe co-led the \$450m Series C by The Exploration Company which operates out of Germany, France, Luxembourg, Spain, and Italy and offers a reusable heavy lift space launcher to compete with SpaceX. The other co-leads were Bessemer and Atomico. It was the largest-ever Series C announced by a European space company and the largest funding round ever secured by an EU-headquartered company led by a female founder and CEO. The Series C will accelerate the development of Storm, Europe's first reusable high-thrust rocket engine using oxygen and methane as propellants. Storm will provide the propulsion foundation for a future reusable European super-heavy launcher capable of placing up to 40 tons into low Earth orbit. Alex Ferrara, Partner at Bessemer Venture Partners commented “*Space sovereignty is increasingly critical for Europe's national security, particularly as space becomes the infrastructure layer that the modern economy runs on. Europe cannot rent its way to owning that access*”.
- **Tandem Health:** Sweden's Tandem Health offers a complete AI Medical Assistant that supports clinicians before, during and after a patient visit. It prepares patient summaries ahead of appointments, provides clinical decision support during the consultation, and automatically handles the documentation, coding and task management that follows. It is used by 10,000 care organisations across 14 European markets. Scale Up Europe led the company's \$100m Series B in September.
- **ICEYE:** The Scale Up Europe fund co-led the €450m Series F by ICEYE announced in June which valued the business at €10bn. ICEYE, based in Finland, owns and operates the world's largest synthetic aperture radar satellite constellation. It enables users to monitor activity on Earth continuously and in all weathers with high resolution imagery down to centimetre level in all conditions. Originally focused on civil uses it has a clear capability for defence purposes, and it now provides sovereign space-based reconnaissance and tactical monitoring for national governments and NATO partners. It currently delivers end-to-end sovereign systems for seven European governments.

The Nscale \$3.36bn raise

Nscale's \$3.36bn raise at the start of September is the second largest in the history of European growth equity, behind only Mistral's \$3.5bn raise in the same month.

Nscale raises \$3.36bn: September was a remarkable month for European growth equity fundraising. The month started with the largest European growth equity raise ever, the \$3.5bn Series D by Mistral valuing the company at \$13.9bn. We covered this in September's Growth Equity Update. Hot on its heels came the announcement of Europe's second largest growth equity raise, the \$3.36bn convertible loan note round for the UK data centre company, Nscale.

Nscale describes itself as the *'engine of superintelligence' with 'full stack infrastructure powering the world's most powerful systems from ground to cloud.'*

The business was originally part of a crypto mining company, Arkon Energy founded in Australia in 2019 by the current CEO of Nscale, Josh Payne. The core activities of a crypto mining company – which builds and operates data centres, preferably in areas of low energy cost has obvious cross over with the building blocks of an AI oriented data centre business. Nscale was spun out of Arkon and incorporated in the UK in May 2024.

It raised \$30m in seed funding in December 2023 and a year later, in December 2024, raised a \$155m Series A led by Sandton Capital Partners with participation from Kestrel 0x1, Blue Sky Capital Managers, and Florence Capital.

Nscale declared that it *'develops sustainable AI-ready data centres, deploys massive-scale GPU infrastructure, and delivers high-performance AI cloud services. This unique full-stack approach enables Nscale to co-design the data centre and GPU supercluster infrastructure to deliver unrivalled speed, performance, and efficiency on AI workloads.'*

The company announced that since May 2024 it had built its pipeline of greenfield data centres across Europe and North America from 300MW to 1.3GW, with 120MW planned for 2025 to support large supercluster deployments for global hyperscalers and LLM platforms.

In early 2025 Nscale announced plans to invest \$2.5 billion in the UK's data centre industry over three years with its first data centre to be sited in Loughton, equipped to support 50 MW of AI and HPC capacity and due to go live in Q4 2026.

In September 2025 Nscale made a number of UK oriented commitments:

- Nscale and Microsoft announced they had entered a commitment to deliver the UK's largest AI supercomputer on Nscale's Loughton campus. The site is intended to deliver 50MW of AI capacity, scalable to 90MW, and will initially house 23,040 NVIDIA GB300 GPUs delivered in Q1 2027 to power Microsoft Azure services. A delay to securing a power supply to the site has pushed back its planned launch until after 2030 and led Microsoft to withdraw from its Loughton commitment in October 2026.
- Nscale, OpenAI and NVIDIA established Stargate UK, an infrastructure platform with a focus on sovereign workloads. OpenAI was to 'explore' offtake of up to 8,000 NVIDIA GPUs in Q1 2026 with the potential to scale to 31,000 NVIDIA GPUs over time.
- Nscale committed to deploy 4,600 NVIDIA GB300 GPUs in partnership with NVIDIA DGX™ Cloud, including for the DGX Lepton Marketplace, to support AI developers across the country.

In March 2025 Nscale and InfraPartners, a builder of prefabricated AI data centres, announced a partnership to redevelop the existing 30MW data centre in Glomfjord in Norway to create a 60MW AI data centre with the facility set to go live in Q2 2025.

In July 2025 Nscale, Aker and OpenAI pledged to establish Stargate Norway, a 100,000 Nvidia GPU AI gigafactory powered by renewable energy in Narvik in northern Norway. Stargate Norway is designed to provide secure, scalable, infrastructure for sovereign AI workloads across Europe. The facility will deliver 230MW of capacity, with ambitions to expand by an additional 290MW.

In September 2025 the Aker-Nscale joint venture and Microsoft signed a customer agreement with a contract value of approximately \$6.2bn, securing Microsoft's access to AI compute capacity to be delivered in staged deployments beginning in 2026.

A critical part of Nscale's success is its ability to source key components, in particular Nvidia GPUs. Nvidia has invested over \$2bn in Nscale and has a \$1.2bn deal to lease capacity from it.

In October 2025 Nscale signed an expanded deal with Microsoft to supply approximately 200,000 Nvidia GB300 GPUs. Nscale will deliver approximately 104,000 NVIDIA GB300 GPUs to be deployed in a ~240MW hyperscale AI campus in Texas, supporting the phased delivery of NVIDIA AI infrastructure services to Microsoft from Q3 2026. The site is leased from Ionic Digital with Nscale planning to scale its footprint to 1.2GW over time. Microsoft holds an option on a second phase of 700MW starting in late 2027.

It was announced in the same month that Nscale would deploy 12,6300 Blackwell Ultra GPUs at the SIN01 Data Centre in Sines, Portugal owned by Start Campus. Using this capacity Nscale will deliver NVIDIA AI infrastructure services to Microsoft while providing European customers with sovereign AI solutions within the EU.

In April 2026 Nscale expanded its agreement with Microsoft adding 30,000 Vera Rubin GPUs to the 230 MW Narvik campus. In May 2026 it announced the deployment of 66,000+ NVIDIA Rubin GPUs, starting in late 2027 at the Start Campus in Portugal. In total the value of contracts signed with Microsoft is reported to be c\$44bn.

In November 2025 Nscale announced a planned 16MW facility in Iceland in partnership with Verne deploying 4,600 NVIDIA Blackwell Ultra GPUs.

Financing – Series B and beyond: In September 2025 Nscale raised what it dubbed the **largest Series B in European history, a \$1.1bn raise** led by Aker ASA and supported by existing shareholders, including Sandton Capital, Blue Owl Managed Funds, Dell, FMR, G Squared, Nokia, Nvidia, Point72 and T.Capital. Aker led the round with \$285m of funding and payment in kind, a portion of its Narvik land portfolio in northern Norway. Aker received a 9.3% stake in Nscale whose implied valuation was c\$3bn.

The company indicated it would use the proceeds to accelerate its deployment of large-scale AI infrastructure across Europe, North America and the Middle East, enabling the rapid rollout of the company's AI factory, data centres for projects like Stargate UK and Stargate Norway, and the expansion of its vertically integrated AI cloud platform.

The Series B was followed a month later with a **\$433m pre-Series C SAFE offering**. A SAFE is a financing contract in which an investor supplies capital immediately in exchange for the right to receive company shares later, usually after another financing round or IPO. The raise was backed by Blue Owl Managed Funds, Dell, Nvidia and Nokia, along with some of the Series B and new investors.

Using GPUs as collateral, Nscale announced a **\$1.4bn Delayed Draw Term Loan** in February 2026 backed by PIMCO, Blue Owl, and LuminArx Capital Management allowing Nscale to use debt for capex spend associated with multiple GPU clusters for customers with executed contracts.

In March 2026 Nscale announced its **\$2bn Series C** valuing the company at \$14.6bn. The round was again led by Aker joined by 8090 Industries and supported by Astra Capital Management, Citadel, Dell, Jane Street, Lenovo, Linden Advisors, Nokia, Nvidia, and Point72. The \$2bn included the proceeds from the \$433m SAFE – making it \$1.56bn of fresh funds. Alongside the fund raise Sheryl Sandberg —former Chief Operating Officer of Meta, Susan Decker former President of Yahoo, Inc and Nick Clegg former UK Deputy Prime Minister joined the board of the company.

With the Series C Nscale announced that the Aker Nscale joint venture would move to being fully under the control of Nscale. In March 2026 Nscale announced the acquisition of American Power and Intelligence Corporation including a 2,250 acre site in Mason County, West Virginia known as the Monarch AI site. Nscale signed a letter of intent with Microsoft to provide 1.35 gigawatts of AI compute capacity at the Monarch campus deploying Nvidia Vera Rubin NVL72 GPUs, although a full contract has not yet been confirmed. Nscale has estimated the Monarch campus will cost \$70bn to build and equip fully. Anthropic is reported to have signed a deal to rent 460MW of capacity at the Monarch site worth c\$45bn over six years.

The Nscale expansion involves substantial capital commitments. The company is making additional investment of €230m in shared infrastructure and €465m in a second 200MW building at the SINES Data Campus.

In May 2026 it received **\$790m of bank financing** to fund a 115MW expansion of the Narvik AI data centre. A \$900m RCF followed in July 2026 to provide flexible liquidity to accelerate its AI data center build-out and capital deployment across the US, Europe, and APAC.

Nscale has signed **\$3bn in loan facilities** to support its 200MW Ward County, Texas campus and its 40MW Madison, North Carolina site.

As a result, at the start of October 2026 Nscale was able to announce that it now has over 50,000 GPUs in operation powering production workloads across six active data centres in five countries

This was the precursor to the announcement of the **\$3.36bn raise via convertible loan notes** made up of an initial \$2.36bn tranche and a \$1bn commitment from Nvidia. The loan notes are convertible into ordinary shares (non-voting in the case of Nvidia) automatically upon completion of an IPO by Nscale.

The round was led by Third Point and supported by Nvidia, Apollo, Citadel, Hudson Bay Capital, Abu Dhabi Investment Council, and 8090 Industries. Other investors participating included Davidson Kempner, Qube Research & Technologies (QRT), Context Capital Management, Longaeva Partners, Wellington, Castleknight, Ghisallo Capital, LionTree, L.P., Javelin Venture Partners, and Irving Investors.

According to press reports (FT September 18, 2026) Nscale had 55MW of active computing power operating at the end of August, consisting of 7MW in its own data centres and 48MW running in rented data centre space. These are supplying contracts worth \$2.6bn. It has a further 1.3GW of capacity in the pipeline to fulfil a further \$101bn of contracts not yet started. Actual revenues were \$33m in 2025, 73% of which were from a single customer. In H1 2026 revenues jumped to \$141m.

As CEO Josh Payne commented at the time of the Series C raise

‘Over the next 5 years, Artificial Intelligence will be integrated into every industry, every product, and every job. ... This is leading to the largest infrastructure buildout in human history. Nscale is leading this buildout. We are building this foundation that the market sits on, the engine of superintelligence.’

Remarkable nine months in US fundraising

Q3 fundraising of \$67.6bn brings the ytd total to \$440bn, 2.7x the amount raised in the same period in 2025. 71% of the fund raising is in AI. 58% of it is in just six companies – Open AI, Anthropic, xAI, Prometheus, Databricks and Safe Superintelligence.

It has been a remarkable first nine months of 2026 for US growth fundraising with \$440bn raised across just over 500 deals of \$100m or more. The amount raised is more 2.7x the 9m 2025 total of \$161bn and more than 7x the \$62bn total for 9m 2024. Indeed, the top two fundraisers of the first nine months of 2026 (OpenAI \$122bn and Anthropic \$80bn) each raised more than the entire US growth equity fundraising of the first nine months of 2025.

Q3 2026 is the smallest quarter year to date with \$67.6bn raised (Q1 was \$247bn, Q2 \$126bn). Nevertheless, it was still 1.6x bigger than the already buoyant Q3 2025 total of \$42.2bn.

The next Exhibit breaks down year to date fundraising by sector. It is no surprise that **AI** has dominated fundraising year to date in 2026. AI has seen \$311bn raised across 122 deals absorbing 71% of total funds raised in the US.

The big LLMs did their fundraising in the first half with OpenAI, Anthropic, xAI and Prometheus raising \$240bn between them. In Q3 they were joined by Safe Superintelligence which raised \$5bn. The most notable raises outside this group came from Databricks, the data warehouse and engineering business with a total of \$12bn, a \$7bn raise in February followed up with a \$5bn raise in August.

Together these six companies raised \$257bn in the first nine months of the year, 58% of total growth fundraising and 83% of the AI total in the first nine months.

The next largest category is **Autonomous Vehicles** – a closely related sector to AI – where a \$16bn raise by Waymo in February meant that it took 4% of fundraising in the first 9 months.

The standout mover year on year in terms of sector is **Defense** which is in third position after nine months (sixth in FY2025) with \$14.8bn raised (3.4% of the total) with substantial deals from Anduril (\$5bn), ShieldAI (\$2bn) and Saronic (\$1.74bn). Keeping up the momentum in Q3 Castellion raised \$800m and Mach Technologies \$600m. The sector is riding the wave of AI derived new technologies in drone and battlefield command and control systems, heightened political tension and a shift towards defense spending by countries that had previously thought themselves under a larger shield of US defense assurance.

Perhaps surprisingly **Climate Tech** remains well positioned in fourth position by sector funding (fifth in 2026). The sector was buoyed by a couple of big deals in Q3. Commonwealth Fusion Systems, which is using revolutionary high temperature superconducting magnets developed in collaboration with MIT to build smaller and lower-cost tokamak fusion systems, raised \$1bn in July. Valor Atomics is looking to build small modular nuclear reactors using helium as a coolant instead of water, a method yet to be approved by the US Nuclear Regulatory Commission. These flexible power plants could be used to power AI datacentres, providing an AI link to the Climate Tech revival. It raised \$1bn in August.

Despite the vicissitudes of the SaaS Apocalypse, and reflecting the revival of public company software stocks, **Software** was the fifth biggest fundraiser in the first nine months (albeit down from second place in 2025) with its \$10.6bn total representing 2.4% of funds raised. The largest software raise ytd was in Q3 with Temporal Technologies, a software business providing infrastructure to enable AI agents to work reliably, having a \$550m Series E in September.

US - \$440bn of growth equity raises after 9m of 2026 – 71% in AI

Sector	Amount Raised				Number of raises				Biggest raises			
	\$m	\$500m +	\$100m+	Total	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
AI	311,257	38	84	122	OpenAI	122,000	Anthropic	50,000	Anthropic	30,000		
Autonomous Vehicles	16,200	1	1	2	Waymo	16,000	Gatik	200	-	-		
Defense	14,801	7	15	22	Anduril	5,000	Shield AI	2,000	Saronic	1,750		
Climate Tech	11,551	6	32	38	Commonwealth Fusion Systems	1,000	Valor Atomics	1000	Maxwell Power	750		
Software	10,584	2	51	53	Temporal Technologies	550	Rightsline	500	inKind	450		
Biotech	9,033	0	50	50	Chai Discovery	400	Advancell	315	Olin Biosciences	330		
Robotics	7,692	4	14	18	Atoms	1,700	Skild AI	1,400	Appteronik	935		
Space	6,510	4	18	22	Stoke Space	1,000	Sierra Space	550	K2 Space	500		
Healthcare	6,479	1	31	32	MiRus	1,500	Function	450	NewLimit	435		
Semiconductors	5,762	5	12	17	Sambanova	1,000	Etched	700	Fab2	500		
Data Centres	5,540	2	5	7	Crusoe	3,900	Grroq	350	Starcloud	170		
Industrial	5,215	2	4	6	The Boring Company	3,000	Hadrian	1370	Sila	300		
Fintech	4,823	1	24	25	Ramp	750	Vestwell	385	Airwallex	320		
Energy	3,987	3	2	5	Joulent	1,750	VoltaGrid	1000	Base Power	1000		
Cybersecurity	2,803	0	15	15	Cyera	300	Upwind Security	300	Horizon3	250		
Communications	2,345	2	3	5	Vertical Bridge	1,500	Vero Broadband	500	Eliyan	145		
Blockchain/Crypto	1,890	0	8	8	Ionic Digital	400	Crypto.com	400	Digital Asset	355		
Advanced Materials	1,476	1	5	6	Kobold Metals	537	Mariana Minerals	310	Principal Mineral	280		
Consumer	1,405	1	4	5	Whoop	575	Cloaked	375	Medici Brands	250		
Prediction Markets	1,200	1	1	2	Kalshi	1,000	Kalshi	200	-	-		
Drones	1,020	1	3	4	Zipline	600	Zipline	200	Performance Drone Works	110		
Media	1,000	1	0	1	AppsFlyer	1,000	-	-	-	-		
Marketplace	870	1	2	3	Whatnot	545	Whop	200	Kindred	125		
LegalTech	870	1	2	3	Harvey	550	Harvey	200	NormAI	120		
Quantum	869	0	5	5	Oratomic	300	Photonic Inc	200	Sygdry	139		
Life Sciences	851	0	3	3	Lila Sciences	350	Varda Space Industrie	251	Precision Neuroscience	250		
eCommerce	680	1	1	2	Quince	500	Cart.com	180	-	-		
Electric Vehicles	650	1	0	1	Slate Auto	650	-	-	-	-		
Food Delivery	650	1	0	1	Wonder	650	-	-	-	-		
Data	406	0	2	2	Open Evidence	250	Socure	156	-	-		
Cloud	300	0	2	2	Oxide Computer	200	Render	100	-	-		
Edtech	280	0	2	2	Preply	180	LearnVector Inc	100	-	-		
Transport	270	0	2	2	Glydways	170	Zum	100	-	-		
Entertainment	200	0	1	1	Beast Industries	200	-	-	-	-		
Micromobility	200	0	1	1	Also	200	-	-	-	-		
Sports	200	0	2	2	Premier Lacrosse League	100	Unrivaled	100	-	-		
Professional Services	160	0	1	1	Hubble Network	160	-	-	-	-		
Agri	150	0	1	1	Olshi	150	-	-	-	-		
Games	150	0	1	1	Nex	150	-	-	-	-		
Medical Devices	100	0	1	1	GT Medical Technologies	100	-	-	-	-		
Social Media	100	0	1	1	BlueSky	100	-	-	-	-		
Virtual Reality	100	0	1	1	Viture	100	-	-	-	-		
Total	440,629	88	413	501								

Source: Rothschild & Co

The sectors with noticeable momentum relative to 2025 are:

Robotics moved from 12th position in 2025 to seventh position after nine months of 2026 with the \$7.7bn raised easily exceeding the 2025 full year total of \$3.8bn. Robotics is a key extension of AI techniques. H1 saw the \$1.4bn Series C for SkildAI led by Softbank and NVentures for its ‘omni bodied’ brain to operate any robot for any task. Appteronik raised \$935m for its Apollo humanoid robots in a Series A in February backed by Google and Mercedes Benz. The largest robotics raise ytd was though the \$1.7bn raise for Atoms led by a16z. Atoms is led by Uber founder Travis Kalanick, incorporates his automated kitchens venture Cloud Kitchens and is expanding into heavy industries like mining and construction.

Space was in 16th position in 2025 with \$1.6bn raised. After nine months of 2026 it is in eighth position with \$6.5bn raised. There is interest in defence applications with companies like Sierra Space. Civil

applications also remain prominent. The biggest raise ytd is the \$1bn Series E of Stoke Space which is developing a heavy launcher to rival that of Space X.

Semiconductors, another sector fuelled by AI interest and one that is hot in the public markets as well has climbed from 20th place in fundraising in 2025 to tenth position after nine months of 2026 with \$5.85bn raised. Sambanova has developed AI inference chips and racks to support AI models. It raised \$1bn in July. Etched which also builds AI inference clusters and which is supplying systems to Jane Street raised \$700m at a \$21bn valuation in August and is already said to be receiving inbound investor enquiries at twice that valuation.

US - \$68bn of growth equity raises Q3 2026 – by sector

	\$m	\$500m +	\$100m+	Total		\$m		\$m		\$m
AI	26,262	11	29	40	Databricks	5,000	Safe SuperIntelligence	5,000	Cognition	2,000
Climate Tech	5,107	4	10	14	Commonwealth Fusion Systems	1,000	Valor Atomics	1,000	Form Energy	750
Industrial	4,670	2	1	3	The Boring Company	3,000	Hadrian	1,370	Sila	300
Data Centres	4,370	1	2	3	Crusoe	3,900	Groq	350	TAR	120
Semiconductors	3,874	3	7	10	Sambanova	1,000	Etched	700	Fab2	500
Software	3,098	1	15	16	Temporal Technologies	550	inKind	320	Kahua	250
Biotech	2,673	0	13	13	Chai Discovery	400	Advancell	315	Enveda	311
Robotics	2,565	1	5	6	Atoms	1,700	Walden Robotics	300	Generalist AI	200
Space	2,508	2	4	6	Stoke Space	1,000	K2 Space	500	Impulse Space	308
Defense	1,935	2	3	5	Castellon	800	Mach Industries	600	Neros Technologies	250
Fintech	1,515	0	10	10	Ridgeline	250	Felix	200	Augustus	180
Healthcare	1,414	0	8	8	Function	450	Sonablate Corp	200	Rightway	155
Energy	1,117	1	1	2	Base Power	1,000	Parallax	117	-	-
Cybersecurity	1,098	0	5	5	Upwind Security	300	Horizon3	250	Cylake	245
Legaltech	670	1	1	2	Harvey	550	NormAI	120	-	-
Food Delivery	650	1	0	1	Wonder	650	-	-	-	-
Blockchain/Crypto	635	0	3	3	Crypto.com	400	Gauntlet Networks	125	Jeeves	110
Marketplace	545	1	0	1	Whatnot	545	-	-	-	-
Life Sciences	501	0	2	2	Vara Space Industries	251	Precision Neuroscienc	250	-	-
Consumer	455	0	3	3	Medici Brands	250	Blank Space	105	Points Kash	100
Advanced Materials	443	0	2	2	Mariana Minerals	310	Hertha Metals	133	-	-
Data	406	0	2	2	Open Evidence	250	Socure	156	-	-
Quantum	300	0	1	1	Oratomic	300	Sygaldry	139	-	-
Autonomous Vehicles	200	0	1	1	Gatik	200	-	-	-	-
Professional Services	160	0	1	1	Boddie & Associates	160	-	-	-	-
Games	150	0	1	1	Nex	150	-	-	-	-
Communications	145	0	1	1	Eliyan	145	-	-	-	-
Sports	100	0	1	1	Unrivaled	100	-	-	-	-
Edtech	100	0	1	1	LearnVector Inc	100	-	-	-	-
Total	67,666	31	133	164						

Source: Rothschild & Co

Europe – Strengthening through the year

European Growth Equity had a strong Q3 which saw \$28bn of raises, 2.1x the level of Q3 2025. This means that after nine months the total has risen to \$66.9bn, 1.9x the level of 2025 at the same stage. By volume there were 500 deals of \$20m or more in 9m 2026 versus 472 in the same period in 2025. Average volume size has thus increased from \$74m to \$134m.

The main reason for this is the much bigger number of \$1bn+ deals thus far in 2026. After nine months of 2025 there were just two \$1bn + deals, a \$2bn raise for Mistral and a \$1.1bn raise for Nscale, both in September 2025. In the first nine months of 2026 there have been twelve such deals. This is a substantial step up – across the three years 2023-5 there were just five deals in total of that size.

The exhibit shows that six of these deals are AI related. There are three LLMs, the \$3.5bn raised for Mistral in September, the \$1.1bn for Ineffable Intelligence in April and the \$1.03bn for Advanced Machine Intelligence Labs in March. There are two substantial raises for the AI data centre business Nscale, \$2bn in March 2026 and a further \$3.4bn in September. Isomorphic Labs uses AI models to advance drug discovery – it raised \$2.1bn in May.

A couple of the raises are in industries closely aligned with AI. The German humanoid robotics business Neura Robotics raised \$1.4bn in June. Autonomous vehicles business Wayve raised \$1.5bn in February.

There are a couple of notable Defence raises, both in Germany in July, the \$1.8bn Series E for Helsing in July and the \$1.2bn Series D for Quantum Systems.

The group is rounded out by one Climate Tech deal, the \$1.6bn round to secure the future of Stegra (formerly H2 Green Steel) as part of a restructuring to allow it to complete the construction of its hydrogen-based green steel plant in Boden, Sweden.

Europe – 12 deals of \$1bn+ year to date

Country	Date	Company	Stage	Amount \$m	Valuation \$m	Sector	Investors	What it does
France	Sep-26	Mistral	Series D	3,500	13,800	AI	Samsung, the EU's Scaleup Europe Fund , PSG Equity	LLM
UK	Sep-26	Nscale	Convertible	3,360		AI-Data centres	Third Point, Nvidia, Apollo, Hudson Bay, Citadel	Data Centres
UK	May-26	Isomorphic Labs	Funding	2,100		AI-Drug Discovery	Thrive Capital, GV, Alphabet, MGX, Temasek, Capital G	AI based drug discovery
UK	Mar-26	Nscale	Series C	2,000	14,600	AI - Data centres	Aker, 8090 Industries, Citadel, Jane Street	AI data centres
Germany	Jul-26	Helsing	Series E	1,800	18,000	Defence	Dragoneer, Lightspeed	AI software/hardware for European militaries
Sweden	Apr-26	Stegra	Funding	1,610		Climate Tech - Nuclear	Wallenberg Family Temasek, IMAS, Altor, Hy24 ,Just Climate.	near-zero emission steel using green hydrogen
UK	Feb-26	Wayve	Funding	1,500	8,600	Autonomous Vehicles	Softbank, Nvidia , Uber	Autonomous vehicles
Germany	Jun-26	Neura Robotics	Funding	1,400	7,000	Robotics	Tether, Qualcomm, Amazon and Nvidia	Humanoid Robots
Germany	Jul-26	Quantum Systems	Series D	1,200	8,000	Defence	Advent International, Blackstone, Noteus Partners, Airbus	unmanned air, land, sea platforms
UK	Apr-26	Ineffable Intelligence	Seed	1,100	5,100	AI	Sequoia and Lightspeed Venture Partners	AI superintelligence frontier lab
France	Mar-26	Advanced Machine L	Seed	1,030	3,500	AI - Lab	Cathay Innovation, Bezos Expeditions, Temasek, SBVA, Nvidia.	world models"
UK	Jan-26	Kraken	Funding	1,000	8,650	Software - Utility	D1 Capital, F.L., Teachers Ventures	Utility-Grade AI™ supports 70m+ accounts
Total				21,600				

Source: Rothschild & Co

Looking at the breakdown of deals by sector in the first nine months of 2026

- AI leads the way with \$14.1bn, 21% of the total raised, boosted by the substantial deals for the three big AI labs, Mistral, Ineffable Intelligence and Advanced Machine Intelligence Labs.
- Software retains a strong second position with \$7.2bn raised, 11% of the nine-month total led by Kraken, HR Path and Lovable.
- The two substantial raises for Nscale plus \$300m for the emerging Volta pushes Data Centres into the third slot with \$6bn, 9% of the total.
- Defence surges up the list. Ninth in FY 2025 with \$1.7bn raised it is fourth with \$5.7bn raised after nine months of 2026, a testimony to the surge in interest in defence post the JD Vance address at the Munich Security Conference in February 2025.
- The top five is rounded out by Climate Tech with \$4.7bn raised, 7% of the total.

There are four sectors with notable momentum

- **Space** (11th in FY 25 with \$1.02bn raised) which has moved to ninth with \$2.8bn raised after 9m 2026. There is interest in the civil applications of Space but also increasing interest in the crossover into defence and security applications, as with the ICEYE \$520m raise.
- **Semiconductors** rise from 12th place in 2025 to tenth after 9m of 2026 with \$2.4bn raised versus \$953m in 2025 – it is a function of the strength seen in the sector on the back of AI applications.
- **Robotics**, again AI related, rises from 15th place and \$684m raised in FY2025 to 12th and \$2.3bn after 9m 2026.
- **Quantum** is seeing accelerating appetite both for developers of quantum computing like Multiverse Computing and Oxford Quantum Circuits and for the applications and tools layers. Ytd Quantum has seen \$1.74bn raised, already ahead of the \$1.4bn total for the whole of 2025.

Europe - \$67bn raised across 500 deals of \$20m or more in first nine months of 2026

Sector	Amount Raised		Number of raises				Biggest raises				
	\$m	\$500m +	\$100m+	Sub \$100m	Total						
AI	14,144	9	12	35	57	Mistral	3,500	Isomorphic Labs	2,100	Ineffable Intelligence	1,100
Software	7,234	2	15	63	80	Kraken	1,000	HR Path	590	Lovable	400
AI/DataCentres/Cloud	6,022	2	3	2	7	Nscale	3,360	Nscale	2,000	Volta	300
Defence	5,692	4	5	12	21	Helsing	1,800	Quantum Systems	1,200	Tekever	580
Climate Tech	4,723	1	7	39	47	Stegra	1,610	Proxima Fusion	472	Focused Energy	240
Fintech	3,846	3	7	28	38	Ebury	742	Alan	552	FNZ	450
Cybersecurity	3,362	1	12	18	31	Cyera	600	Cyera	400	Upwind	300
Biotech	3,309	0	8	43	51	Cellcentric	220	Windward Bio	165	Bionyra	165
Space	2,802	1	8	7	16	Icye	520	The Exploration Com	450	Open Cosmos	345
Semiconductors	2,412	0	8	10	18	Nearfield Instruments	380	Olix	312	Axelera AI	250
Healthcare	2,300	1	4	22	27	Neko Health	700	Oviva	234	CeQur	100
Robotics	2,284	1	4	6	11	Neura Robotics	1,400	Gravis Robotics	200	Humanoid	152
Autonomous Vehicles	1,913	1	2	1	4	Wayve	1,500	Moove	250	Oxa	103
Quantum	1,741	1	5	7	13	Multiverse	500	Oxford Quantum Circuits	350	Quantware	178
LegalTech	930	1	1	5	7	Legora	550	Noxtua	115	Wordsmith	70
Blockchain/Crypto	669	0	6	1	7	Morpho Labs	175	GSR	150	Ellipic	120
AgriTech	379	0	1	8	9	Tropic	105	Innovafeed	59	Solar Foods	45
Games	340	0	0	3	3	Blacknut	215	Grand Games	70	Telemonster Games	30
eCommerce	284	0	2	2	4	Nordic Knots	100	Swap	100	Zyg	58
Leisure	277	0	1	1	2	Fever	250	Unit 1 Studio	27		
Marketplaces	257	0	0	7	7	Bizay	55	Partly	51	Andercore	40
Medtech	230	0	0	7	7	Leo Cancer Care	65	FineHeart	41	Tissium	35
Mobility	151	0	1	1	2	FINN	115	Forest	36	-	-
Energy	143	0	1	1	2	Fintoil	120	Nomos Energy	23		
Consumer	138	0	1	1	2	Waterdrop	115	Reformed	23	-	-
Aerospace	135	0	1	0	1	Hynaero	135	-	-	-	-
Media	122	0	1	1	2	Shortical	100	Holywater	22	-	-
Construction	117	0	1	0	1	Gropys	117	-	-	-	-
Edtech	115	0	0	3	3	Multiverse	70	Gizmo	23	Loora	22
Online Grocery	100	0	1	0	1	Flink	100	-	-	-	-
Manufacturing	100	0	0	2	2	Orbital Industries	50	Isembard	50	-	-
Sensors	86	0	0	2	2	Eyso	46	SatVu	40	-	-
Surveillance	85	0	0	2	2	Frame Security	50	Vizzia	35	-	-
Electric Vehicles	84	0	0	3	3	Magnax	41	Advanced Electric Machi	22	Superlight	21
Sports	63	0	0	1	1	King's League	63	-	-	-	-
DeepTech	59	0	0	2	2	UniverCell	35	Keiron	24	-	-
Travel/Leisure	56	0	0	1	1	WeRoad	56	-	-	-	-
Data	49	0	0	2	2	Greyparrot	29	Stirling X	20		
Virtual Reality	40	0	0	1	1	Eva	40	-	-	-	-
Life Sciences	35	0	0	1	1	Bioelevate	35	-	-	-	-
Gambling	35	0	0	1	1	Midnite	35	-	-	-	-
Minerals	25	0	0	1	1	Lithosquare	25	-	-	-	-
Total	66,888	28	118	353	500						

Source: Rothschild & Co

Europe - \$28bn raised in Q3 2026

Sector	Amount Raised		Number of raises			Biggest raises	\$m	\$m	\$m	\$m	
	\$m	\$500m +	\$100m+	Sub \$100m	Total						
AI	6,023	3	6	10	19	Mistral	3,500	Wonderful	550	Eleven Labs	500
Defence	4,219	3	2	5	10	Helsing	1,800	Quantum Systems	1,200	Tekever	580
AI/DataCentres/Cloud	3,879	1	2	1	4	Nscale	3,360	Volta	300	Verda	189
Software	3,049	1	9	20	30	HR Path	590	Lovable	400	Xsight Labs	300
Cybersecurity	1,827	0	10	6	16	Cyera	400	Upwind	300	Exein	270
Climate Tech	1,398	0	5	10	15	Proxima Fusion	472	CorePower	200	Reverion	177
Healthcare	1,275	1	2	7	10	Neko Health	700	Penelope Health	100	Tandem	100
Space	1,252	0	4	2	6	The Exploration Company	450	Open Cosmos	345	Endurosat	205
Biotech	839	0	2	12	14	Vaderis Therapeutics	152	Basecamp Research	140	Breye Therapeutics	77
Semiconductors	699	0	2	3	5	Olix	312	Euclid	230	Quantum Diamonds	91
Robotics	626	0	3	3	6	Gravis Robotics	200	Humanoid	152	Sereact	116
Fintech	604	1	0	6	7	FNZ	450	Cellpoint	34	FintechOS	28
Quantum	526	1	0	1	2	Multiverse	500	ZuriQ	26		
Leisure	277	0	1	1	2	Fever	250	Unit 1 Studio	27		
Autonomous Vehicles	250	0	1	0	1	Moove	250				
Games	240	0	0	1	1	Blacknut	215	Circle Games	25		
Blockchain/Crypto	224	0	3	1	4	Kaiko	110	Space Labs	50	Velocity	38
Energy	143	0	1	1	2	Fintoil	120	Nomos Energy	23		
Marketplaces	120	0	0	3	3	Bizay	55	Jack & Jill	40	Fleek	25
LegalTech	115	0	1	0	1	Noxtua	115				
Media	100	0	1	0	1	Shortical	100				
Medtech	89	0	0	2	2	Leo Cancer Care	65	Xeltis	24		
AgriTech	50	0	0	2	2	Moa Technology	30	The Protein Brewery	20		
Data	49	0	0	2	2	Greyparrot	29	Stirling X	20		
Life Sciences	35	0	0	1	1	Bioelevate	35				
DeepTech	24	0	0	1	1	Keiron	24				
Consumer	23	0	0	1	1	Reformed	23				
Edtech	22	0	0	1	1	Loora	22				
Electric Vehicles	22	0	0	1	1	Advanced Electric Machines	22				
Total	27,999	11	55	104	170						

Source: Rothschild & Co

Public markets – "I've been expecting you, Mr. Bond"

The period from the start of September to mid-October (13th, date of writing) saw strong performance in US tech stocks with the SOX semiconductor index up 6%, the Magnificent 7 up 8.5% and the S&P Software index holding its own, up 1%. This rally has come despite mixed news in AI as OpenAI ARR appeared to shrink to c\$50bn from c\$70bn and appears to be in expectation of a strong Q3 tech earnings season.

Year to date to October 13 this means that NASDAQ is up 17% and the S&P 500 14%. Less tech and more oil exposed the FTSE100, and Euro Stoxx have both retreated in the last six weeks and are now both up just over 7% for the year. Reflecting the strength of tech stocks, the FTSE Venture Capital Index rose 16% in the last six weeks and has finally edged above its start of year levels, up 4% ytd.

At present the markets are weighing up the reality of higher bond yields, uncertainty into the November mid-term elections and the expectation of rising interest rates with anticipation of a strong Q3 earnings season and growing optimism over the outlook for earnings in 2027.

Since the end of August bond markets have been weak, driving US bond yields higher with the yield on ten-year US Treasury bonds up from 4.6% at the start of August and the recent low of 4% at the end of February to 5.2% in mid-October. US bond yields were last this high in 2001 albeit prior to that US 10-year bond yields were consistently above 5.4% from 1967-2001. French and German bond yields are also around their 15-year highs.

There are all sorts of reasons why bond yields have been rising –inflation prospects caused by Iran War led higher oil prices, the prospect of higher US interest rates for longer, the impact of AI businesses and their massive capital needs tightening the market through competition for capital (SpaceX is currently looking to raise \$40bn of loans and bonds to purchase Nvidia chips, Coreweave’s 2032 debt is on a yield of near 15%) and growing sensitivity around high government deficits around the world (the IMF recently urged ‘*major advanced economies with high debt need concrete measures anchored in credible medium-term plans and realistic assumptions. This is essential to put debt on a sustainable path.*’).

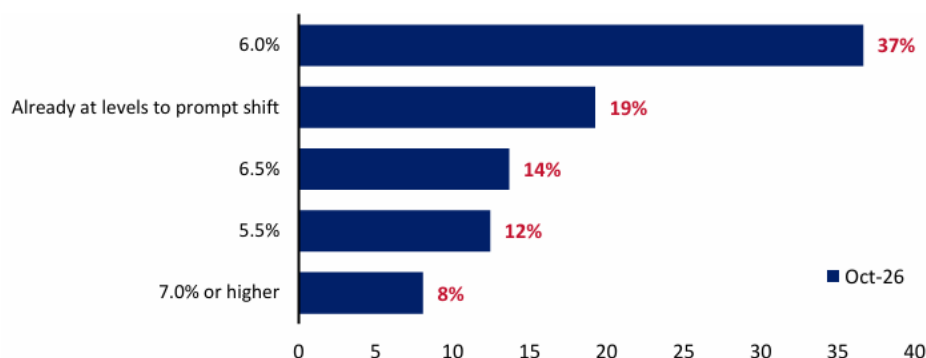
Rising bond yields should slow corporate profitability and make it harder for equities to outperform. Yet we have seen that even as bond yields have risen the US equity market has performed strongly with the S&P 500 up 1.6% in the last six weeks and NASDAQ up over 3%.

The drivers behind d this relatively sanguine approach from investors are captured by the latest Bank of America global fund Manager survey.

Critically this suggests that fund manager relative optimism on equities can be sustained even with bonds at these and higher levels. Commentators had looked at a 5% US Treasury yield as a potential moment of capitulation for equity investors, but the BoA survey suggest that their tolerance is much higher than that. When surveyed 59% of respondents would need bond yields at 6% or above (37% at 6%, 14% at 6.5%, 8% at 7% or higher) to induce a switch away from equities. Only 19% think the present levels of just above 5% are sufficient to cause such a shift.

Investors think 10 Year Treasuries at 6% would be needed to induce a shift from equities to bonds

At what 10-year Treasury yield would you consider shifting your allocation from stocks to bonds?



Source: BofA Global Fund Manager Survey

Why are investors so confident? A mix of factors.

A key one is that sentiment on the bond market appears to be turning, with an expectation that bond yields will fall from here. In turn this is linked to an expectation that oil prices may fall back to c\$80 per barrel. WTI crude topped \$100 in mid-September but has fallen back to around \$95.

The next Fed meeting is on October 28th. At the previous meeting in mid-September the Fed raised rates by 25bps to 3.75%-4% with Fed Chair Kevin Warsh saying that it was a 'responsible decision' reflecting that "inflation is too high and has been for too long." Immediately post the decision there was an expectation that interest rates would be held at the next Fed meeting on October 28th and this is the expectation reflected in the responses to the BoA survey.

This rosy picture was then disturbed by the September inflation number, released in mid-October which saw inflation rise to 3.7% against expectations of 3.6% and the August figure of 3.4%. Core inflation rose from 2.4% to 2.6%. It was the first rise in US inflation since May. The market expects no rate rise at the October Fed meeting but by the last meeting of the year – December 9th – only 11% of commentators expect rates still to be at 3.75%-4% with 76% looking for a 25bps rise and 13% for 50bps.

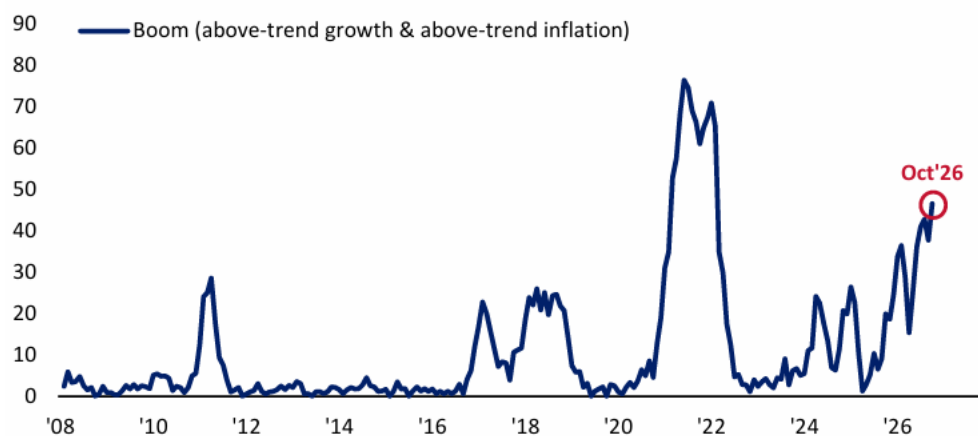
Inflation expectations fall to lowest since January 2025



Source: BofA Global Fund Manager Survey

At the same time the bullishness of investors is expressed by the BoA survey 'boom indicator' with a net 47% of investors expecting above trend growth and inflation, the highest level since February 2022.

"Boom" expectations highest since Feb'22



Source: BofA Global Fund Manager Survey

Earnings growth in the US is Q3 is expected to hit 29.6% according to FactSet which would be the third straight quarter of more than 25% growth. Growth is expected to be driven by the Energy sector

(+120% yoy) and technology (+65%) driven by AI expansion. Significantly the market is positive into next year with 2027 S&P 500 earnings growth currently expected, despite the tough comp, at around 16%-17%. European earnings are expected to grow c20% in 2026 and c9% in 2027.

Meanwhile European inflation accelerated sharply again in September up to 3.8% versus the August read of 3.2% driven by energy inflation, up 18.8% compared with 14.3% in August. It was the highest read since September 2023. Core inflation rose modestly from 2.4% to 2.5%.

The ECB raised rates by 25bps to 2.25% in June, its first-rate increase since August 2023, held at 2.25% in July, but with the renewed energy shock, raised in early September by a further 25bps to 2.5%. The market expects rates to be held in October but for them to rise by 25bps by the end of the year and to hold that 2.75% rate through 2027.

UK inflation was 3.1% in August 2026, the highest in five months, albeit in line with market expectations. It was up from 2.9% in July. Core inflation, which excludes food and energy, held steady at 2.6%.

The Bank of England again held rates steady at 3.75% in September with the vote again 6-3 to leave rates unchanged. The BoE in a change of tone signalled that rates may need to rise as the effects of the Iran War on oil prices persist, the governor Andrew Bailey stating, *'The longer this volatility persists, the bigger the impact it will have on inflation, and the more likely it is that we will need to raise the bank rate to ensure that inflation falls back to our 2 per cent target.'*

There are two more BoE meetings this year, on November 5th and December 17th and the market is firmly expecting a 25bps rise at the first of these and potentially another rise in December.

The views of Rothschild & Co's strategists Kevin Gardiner and Victor Balfour on the current market outlook are summarised in the Exhibit.

	GROWTH Positive	Resilience persists Despite the revival in energy prices, activity momentum accelerated through third quarter, with survey-based indicators showing renewed vigour through September. Higher energy costs may eventually start to undermine this robust story, but a big setback feels neither likely nor imminent. The US is growing briskly, underpinned by resilient consumer demand and rising investment; even energy-insecure Europe remains remarkably resilient, with economic data continuing to surprise positively
	INFLATION Negative	Renewed pressure Ongoing escalation, coupled with higher oil prices, threatens to reverse the recent improvement in headline inflation, but with energy prices still below spring-time levels, May's peak is unlikely to be revisited. The prospect of another 'big wave' seems unlikely. However, if economic activity revives from here, and real wages rebound, then that pre-war inflationary "stickiness" could persist, keeping core inflation above target for longer
	POLICY Negative	Higher for longer Money markets quickly priced-in higher levels of interest rates in anticipation of oil-driven inflation risk. While those hawkish expectations may now be erring on the high side, the US Federal Reserve has shifted back into tightening mode, and the ECB has hiked twice. While this probably does not presage the start of another big tightening cycle – not least because monetary policy is not excessively loose to begin with – sticky inflation seems poised to keep interest rates 'higher for longer'
	GEOPOLITICS Negative	Fragile 'peace' The earlier agreement has proved less durable than hoped. Renewed US-Iran hostilities, and disruption around the Strait of Hormuz and Bab el-Mandeb have put energy supplies back in focus. A negotiated settlement remains possible, but the terms, timeframe, and other regional parties point to difficult diplomacy ahead. That said, the latest rise in oil prices still leaves the level of prices looking unremarkable in real (inflation-adjusted) terms
	VALUATIONS Neutral	Headroom intact? Global stock valuations remain elevated on a long-term view (CAPE ratios for example), but more conventional forward-looking PE ratios appear manageable. AI buildout (rather than AI adoption) remains the big driver of buoyant earnings (and prices), but expectations are being raised across other sectors too. Meanwhile, government bond valuations are looking steadily more attractive as yields have risen to fresh cycle highs – but with inflation risk rising, we are not yet at levels that are outright compelling
	MARKET DYNAMICS Neutral	Narrow leadership returns Signs of a broadening equity rally have faded, with AI-linked stocks once again assuming market leadership in September. Government bonds continue to weaken in the face of higher oil prices, but this need not derail risk appetite if economic resilience persists. Elsewhere, reported stress in private debt markets continues, but with little feed-through to public markets or the banking system

Source: Rothschild & Co

US fundraising in September – Solid

Another \$20bn+ month in US growth equity

There were 69 raises of \$100m or more in the US in September, by volume the largest month in three years. By value, at \$26.7bn, it was only the sixth biggest month of a remarkable year in which \$441bn has been raised in the 9 months to end September. The September total was up just 1% yoy. The ytd total is up 2.7x yoy.

AI and related sectors once again dominated with total funds raised of \$13.3bn being 50% of the total. There were no super-sized raises although there were four raises of \$1bn and above. The largest raise

in the month was for the AI datacentre operator Crusoe. Its \$3.9bn raise valued the company at \$30.9bn and was supported by Atreides, Mubadala, Valor, Founders Fund and, of course, Nvidia. Crusoe comments.

'With over \$140bn in total contracted value across its vertically-integrated platform, the additional capital will help Crusoe scale its existing programs and support the build out of its own AI factories, from large-scale, vertically-integrated campuses to modular Crusoe Spark units, fuelling the rapid growth of Crusoe Cloud. Operating the entire value chain enables Crusoe to serve customers across the AI ecosystem at the speed the market requires and has come to expect from Crusoe's execution'

So far Crusoe has 1GW of gross capacity delivered and operational. It has 6GW of gross contracted capacity across data centres and cloud.

Cognition raised a \$2bn Series E at a \$48bn valuation led by Andreessen Horowitz, Accel, Founders Fund, General Catalyst, and Avenir. Its valuation has almost doubled since its last raise a \$1bn Series D in May, just four months previously, at a valuation of \$25bn.

Cognition is developing Devin, an AI coding agent and software engineer that helps developers build better software faster. The user prompts Devin in natural language and the agent generates a plan and develops the code. Rapid take up means that Cognition is claiming annual run rate revenues of \$900m up from \$492m in May. Counterpart Cursor had ARR of \$2bn when it was bought by Space X for \$60bn in April this year. That was a multiple of 30x ARR versus the c53x that has just been paid in the latest Cognition round. The Information reports that the cash burn at Cognition is running at \$800m pa, reflecting the size of the Nvidia cluster that it runs. It explains the requirement to raise more cash as well as Nvidia's presence on Cognition's cap table.

The General Catalyst Customer Value fund offers non-dilutive financing to start ups. It works by funding sales, marketing and customer acquisition costs for maturer businesses treating the customers acquired as assets and being repaid from the money generated by the specific customer cohorts it has financed. It has appeared occasionally in the ranks of our monthly monitor. Motive provides AI based cameras used for monitoring professional driver performance including phone use, fatigue and distance travelled. The company has around 100,000 customers across trucking, construction, energy, field service, manufacturing, and agriculture and is at \$600m of ARR growing 30% pa.

The rise of Instinct has been remarkable. The company has developed an AI powered personal assistant which is designed to manage everyday tasks. In late August it raised \$350m at a \$2.5bn valuation in a round co-led by Index Ventures and Benchmark. A month later it has raised \$1bn in a Series C at a \$10bn valuation in a round led by Sequoia, Benchmark Capital, and Coatue. This enthusiasm for Instinct has come despite the launch in between the two rounds of Meta's app based personal assistant Muse

Raises in AI related sectors included \$550m for the legaltech Harvey, led by Diffusion and Lightspeed, \$250m for the healthcare data assistant Open Evidence led by a16z and Byers Capital and \$100m for Maven Robotics, led by RoboStrategy and LocalGlobe. There was a total of \$930m raised for semiconductor businesses led by the \$500m for Fab2 which builds and mass produces small chip fabs.

Elon Musk's The Boring Company which builds safe, fast-to-dig, low-cost transportation, utility and freight tunnels and which operates the Vegas Loop transportation system has raised \$3bn in a Series D led by the UAE where it is contacted to build the Dubai Loop. Other backers included Human Capital, Vy Capital, Valor Equity Partners, Sequoia, a16z, Temasek, Shamal Holding, and Baron Capital.

Software raises were, as usual, well represented with nine raises for a total of \$1.85bn led by the \$550m at a \$12.5bn valuation for Temporal Technologies in a Series E round led by Lightspeed, Wellington and Goldman Sachs Alternatives. Temporal is an open-source platform powering AI applications. Kahua which develops enterprise software for the construction sector raised \$250m from Bain Capital.

Looking at two of the fast-developing sectors of 2026 there were three raises in Space and one in Defence. Stoke Space raised a \$1bn Series E led by Point72 Ventures and Spark Capital. The company is preparing its Nova Pathfinder rapidly reusable launch vehicle for its first flight in early 2027. The higher capacity Nova Block 2 vehicle is already under development and aims to deliver fifteen metric tons to low Earth orbit. Its first launch is targeted for 2029. The company is (or will be) a director competitor to SpaceX. Impulse Space raised \$308m for its in-space mobility solutions – its vehicles move payloads between orbits with 137 Ventures, BANNER and Lux Capital supporting the raise. The Hubble Network is a low earth satellite network platform which tracks assets using Bluetooth devices. The \$200m funding led by Smith Point Capital with Seraphim, Carthona Capital, Earthshot Ventures, RPM Ventures, and Y Combinator will enable Hubble to expand its fleet from six satellites to 60 by end 2029.

In Defense Mach Industries raised a \$600m Series C+ led by Ribbit Capital. It produces a range of autonomous systems including the Viper vertical take-off attack drone, the Pike long distance equivalent, the Glide high altitude- low-cost drone and the Dart kinetic interceptor for counter drone operations.

US – 69 raises of \$100m+ in September for a total of \$26.7bn

Country	Date	Company	Stage	Amount	Valuation	Sector	Investors	What It does
				\$m	\$m			
US	Sep-26	Cruace	Series F	3,900	30,900	AI - Data centres	Atreides, Mubadala, Valor, Founders Fund, GIC, NVIDIA,QIA, Radical Ventures, TPG.	AI infrastructure provider, tunnel excavation
US	Sep-26	The Boring Company	Series D	3,000	23,000	Industrial	UAE	
US	Sep-26	Cognition	Series E	2,000	48,000	AI	a16z, Accel, w Founders Fund, General Catalyst, and Avenir.	AI infrastructure and autonomous software engineering
US	Sep-26	Motive	Funding	1,300		AI	General Catalyst's Customer Value Fund (CVF).	an AI platform for physical operations
US	Sep-26	Stoke Space	Series E	1,000		Space	Point72 Ventures and Spark Capital.	Nova reusable rocket
US	Sep-26	Indict	Series C+	1,000		AI	Sequoia Capital, Benchmark Capital, and Coatue.	personal agent for everyday life
US	Sep-26	Positron	Series C	875		AI	NEA, Atreides Management, Valor Equity Partners, Andra Capital	AI inference hardware platform
US	Sep-26	Mach Industries	Series C+	600	3,700	Defense	Ribbit Capital, Infinite Capital, Bedrock Capital, Sequoia	advanced autonomous systems
US	Sep-26	Honey	Funding	550	15,500	Legaltech	Diffusion, Lightspeed	legaltech
US	Sep-26	Temporal Technologies	Series E	550	12,550	Software	Lightspeed, Wellington Management, Goldman Sachs Alternatives, Tiger Global, Thoreau	open-source durable execution platform, Health focused models
US	Sep-26	Ortel	Funding	500		AI - Health	Fundomo, Corner Capital, Paradigm, Maverick Silicon	builds and mass-produces small chip fabs
US	Sep-26	Faiz2	Series A	500		Semiconductors	Evaluation, Pryem Capital, Sequoia, Coatue, Cyberstarts, Insight Partners, JP Morgan	agentic control plane and Enterprise Browser platform
US	Sep-26	Island	Series E	400	6,400	AI	Goldman Sachs Alternatives	data and identity security platform
US	Sep-26	Cyera	Series G+	400	12,000	AI - Security	Goldman Sachs Alternatives	workflow automation platform for property management
US	Sep-26	EliseAI	Funding	350	4,000	AI-Agentic	a16z Bessemer, Ontario Teachers' Pension Plan, Sapphire Ventures, Navitas Capital.	AI data platform and agentic data factory
US	Sep-26	Shohei AI	Series C	350	3,500	AI	Insight Partners and S32	AI platform for drug discovery
US	Sep-26	Ernedo	Series E	311		Biotech	Catalso Capital Management , Durable Capital Partners, ICONIQ, Lightspeed	AI platform for drug discovery
US	Sep-26	Impulse Space	Series D +	308		Space	137 Ventures, BANNER VC, DFJ Growth, Linse Capital, Lux Capital, Valor	in-space mobility solutions
US	Sep-26	Gimlet Labs	Series B	300		AI Infrastructure	a16z, Sapphire Ventures, Menlo Ventures	multi-silicon inference software
US	Sep-26	Upwind Security	Series C	300		Cybersecurity	Bessemer, TCV	cybersecurity for artificial intelligence and cloud applications
US	Sep-26	Celero	Series C	280	3,000	Semiconductors	Atreides Management, CapitalG, Valor Equity Partners	advanced coherent DSP technology for AI infrastructure
US	Sep-26	Encoded	Series F	275		Biotech	GV, ARCH, Braidwell, Farallon	gene therapy for Dravet syndrome
US	Sep-26	SMT Energy	Funding	268		Climate Tech	Climate Adaptive Infrastructure	Battery storage
US	Sep-26	Vanta Space Industries	Series D	251		Life Sciences	Lux Capital and Natural Capital	microgravity-enabled life sciences
US	Sep-26	Kahua	Funding	250		Software	Bain Capital	enterprise software for the construction sector.
US	Sep-26	Open Evidence	Funding	250	15,000	Data	Andreessen Horowitz and Byers Capital	Medical knowledge platform
US	Sep-26	Precision Neuroscience	Series D	250		Life Sciences	Perching Square	Brain implants
US	Sep-26	Medici Brands	Series B	250		Foodtech	Greenoaks and Valor Equity Partners	'healthy' consumer brands for packaged foods
US	Sep-26	Ridgeline	Series E	250		Fintech	Motley Fool Ventures, Smead Capital Management,	Investment management platform
US	Sep-26	Cykal	Funding	245		Cybersecurity	Lightspeed Venture Partners, Picture Capital, and Redpoint Ventures.	cybersecurity platform for operational sovereignty
US	Sep-26	Autonomous Solutions	Funding	225		Software	SoftBank	industrial vehicle automation
US	Sep-26	Solstice Oncology	Series A	225		Biotech	RACapital Management	Porostobart, a Neoadjuvant Immuno-Oncology Therapy
US	Sep-26	GMI Cloud	Funding	223		AI	ARCHV, NVIDIA, DSC Investment, Trend Micro	GPU infrastructure and inference services
US	Sep-26	General Intuition	Funding	220	6,200	AI Infrastructure	Valor, Atreides, 776, Point72, Khosla Ventures, General Catalyst.	congestion-free data center networking systems
US	Sep-26	Cornelis Networks	Funding	205		AI - Networks	IQG Capital Partners.	networking solutions for AI and HPC workloads
US	Sep-26	Factory	Funding	200	5,000	Software	Blackstone, Khosla Ventures, Sequoia Capital, Insight Partners, Evantix Capital	self-improving software development platform
US	Sep-26	Angie Health	Series C	200	2,700	Software	Vitruvian Partners ,Town Hall Ventures ,Blumberg Capital, Portage Ventures	healthcare benefits platform provider
US	Sep-26	Hubble Network	Series C	200	1,600	Space	Smith Point Capital, Seraphim, Carthona Capital, Earthshot Ventures,	satellite network platform for Bluetooth LE devices
US	Sep-26	Profound	Series D	180	1,800	AI	Sequoia Capital and Kleiner Perkins	AI marketing platform for marketers t
US	Sep-26	Lyte	Series C	165	1,650	AI - Robotics	Maverick Silicon, FMR Atreides Management, Key1 Capital	physical AI perception
US	Sep-26	Rightway	Funding	155		Healthtech	Not disclosed	healthcare navigation and pharmacy benefits management platform,
US	Sep-26	TabiPay	Funding	155		Fintech	FTV Capital	money movement platform
US	Sep-26	Simba.ai	Series C	150		AI	FMR, Amplify, Alter Venture Partners, Dell Technologies Capital, Maverick	agentic software environment for Physical AI models,
US	Sep-26	Aroce AI	Series B	150		AI	Vista Equity, Cambium Capital, Emergence Capital	developer of open-weight AI models,
US	Sep-26	Foris	Series C	150	3,000	Healthcare	Bain Capital Ventures, Thrive Capital, General Catalyst, Accel, Redpoint,	Network for medicine
US	Sep-26	Brahma AI	Funding	150		Games	Multiple Alternate Asset Management, United AI Sager Group, DNEG.	operating system for enterprise audiovisual content
US	Sep-26	Nex	Series E	150		Games	Baillie Gifford, BAI Capital	family-oriented digital games
US	Sep-26	Ayar Labs	Funding	150		Semiconductors	Winywn, Alchip, AMD, Intel, MediaTek, and NVIDIA.	co-packaged optics (CPO) solutions,
US	Sep-26	CScale	Series C	145		AI Infrastructure	Atreides, Valor, Premij Invest, Sutter Hill , Maverick Silicon, NVIDIA, Intel Capital.	optical interconnect technology for AI scale-up systems
US	Sep-26	Quartermaster	Series B	100		Software - data	Insight Partners, Overmatch	maritime intelligence technology
US	Sep-26	Mazama Energy	Series B	135		Climate Tech	Certaunus, Doerr Capital	superhot rock geothermal power
US	Sep-26	Hepha Metals	Series A	123		Materials	Khosla Ventures , Doerr Capital, CEV, Pear Ventures, Gates Frontier	Steel
US	Sep-26	SplitPay	Series B	125		Fintech	Khosla Ventures, Thrive Capital, New York Life Ventures	consumer fintech and billing orchestration platform
US	Sep-26	Thyme Care	Series E	125		Healthcare	Morgan Health, Humana and CVS Health Ventures,	Oncology support
US	Sep-26	Sling Therapeutics	Series C	123		Biotech	TPG Life Sciences Innovations, Investor Sectoral Asset Management.	small-molecule therapy for thyroid eye disease
US	Sep-26	TAR	Series A	120	1,000	AI - Data Centers	Spark Capital, Buckley Ventures, Align Fund	off-grid power systems for AI data centers
US	Sep-26	Parallax	Series A	117		Energy-Data Centres	Greylock Partners, General Catalyst	data-centre gas turbines
US	Sep-26	Branchid Bio	Series A	116		Biotech	Seattle Children's and WRF Capital.	therapies to treat tumors in the central nervous system
US	Sep-26	Clay	Funding	115	7,100	Software	Wellington, Sequoia, a16z	Marketing software
US	Sep-26	Jeeves	Funding	110		Crypto	CoinFund, AllianceBernstein, Andreessen Horowitz, Coinbase Ventures,	stablecoin-native banking platform
US	Sep-26	Thatch	Funding	108		Software	The General Partnership, Index Ventures, General Catalyst, Andreessen Horowitz	Health benefits platform
US	Sep-26	Ventora	Funding	100		Software	Silverninth	AI-native ventures inside essential industries
US	Sep-26	Rainmaker	Series B	100		Climate Tech	NOA VC, Upfront Ventures, DCVC, Lowercarbon Capital,	cloud seeding technology platform
US	Sep-26	Numerai	Series C	100		Fintech	Insight Partners, Salesforce Ventures, Geodesic, Benchmark	sales tax compliance platform
US	Sep-26	Maven Robotics	Series A	100		Robotics	RobotStrategy, LocalGlobe, Vine Ventures, and XTX Ventures,	General purpose robotics for industrial work
US	Sep-26	Kairos Power	Funding	100		Climate Tech	Samsung C&T	nuclear engineering and clean-energy infrastructure
US	Sep-26	Savvy	Series C	100	600	Fintech	Halo Experience Company,	Investment adviser
US	Sep-26	Hiddenlayer	Series B	100		AI	Delta-v Capital, Ten Eleven Ventures, Morgan Stanley, M12, Microsoft's Venture Fund	security platform for agentic, generative, and predictive AI applications
US	Sep-26	Delos Data	Funding	100		AI	Matrix Partners, Playground, Socratic Partners, Capricorn's Technology Impact Fund,	AI Inference
Total				26,688				

Source: Rothschild & Co

Europe – Records shattered

Europe bursts through the \$10bn barrier - \$14.4bn raised in September.

Until September 2026 Europe had never seen a month in which the \$10bn mark for growth equity raises was breached. It came tantalisingly close in July with growth equity fundraising of \$9.86bn, itself a record breached the \$8.3bn of June 2026. For context the largest monthly total of raises in 2025 was

September's \$7.1bn, in 2024 it was January's \$4.3bn, in 2023 September's \$6.9bn and in 2022 the \$5.1bn of June.

September 2026 blasted through the \$10bn barrier with a total of \$14.4bn raised across 62 deals of \$20m+. Almost half of this came in two big AI raises. French LLM Mistral raised \$3.5bn in its Series D led by Samsung, the EU Scale Up Fund and PSG Equity valuing the company at \$13.8bn. The UK data centres business Nscale announced a \$3.36bn raise via convertible loan notes, led by Third Point and supported by Nvidia, Apollo, Citadel, Hudson Bay Capital, Abu Dhabi Investment Council, and 8090 Industries. Nscale's full stack AI cloud platform serves hyperscalers, frontier model labs, AI natives, and enterprises building and scaling AI and has \$103bn in total contracted value. We covered the Mistral raise extensively in last month's Growth Equity Update and the Nscale raise is reviewed in this edition.

There were another 22 raises of more than \$100m in the month including three more of \$500m or above. In total that is 24 raises of \$100m or above, again a monthly record beating the 21 such raises seen in July.

Four of the top five were AI related. Apart from Mistral and Nscale, Wonderful and Eleven Labs both came in at the \$500m mark. Wonderful of the Netherlands raised a \$550m Series C at a valuation of \$5.5bn in a round led by Insight, Salesforce and Index Ventures. Six months ago, in March, it raised \$150m in its Series B at a valuation of \$2bn also led by Insight. The Wonderful AI OS Platform is designed to coordinate agents, workflows, and AI applications with companies' own data, context, and existing integrations and works with any AI model and tech stack.

The AI voice start up Eleven Labs raised \$500m at an \$11bn valuation, a threefold valuation increase in a year. The new raise will see it focus on its enterprise platform for voice and conversational AI, to support customer experience, sales and marketing, and internal workflows with interactive voice agents. The round was led by Sequoia Capital with a16z, ICONIC, Lightspeed Venture Partners, Evantic Capital, and BOND participating. Rapid enterprise adoption meant that Eleven Labs closed 2025 with ARR of over \$330m.

The final \$500m+ raise came from Defence company Tekever, which raised \$580m in a Series D at a \$6.4bn valuation. The round was led by Baillie Gifford and UC Investments. The drone company was recently selected by the UK Ministry of Defence to deliver CORVUS, the British Army's new surveillance capability, under a programme worth up to a potential £400m over the next ten years. Tekever says this *'reinforces the company's position as a long-term strategic capability partner for Europe, able to develop, industrialize and continuously evolve sovereign defence technologies at scale.'*

Buoyed by the two \$3bn+ raises AI was the leading sector in Europe in June with a total of \$8.4bn, 58% of the total. Space was second with four raises for \$1.06bn. These included a \$450m Series C for The Exploration Company led by Bessemer, Atomico and the Scale Up Europe Fund. The Exploration Company develops reusable space transportation systems, including spacecraft and rocket engines, for public and commercial space operators. It has raised to date c\$680m alongside more than \$2bn in contracts globally, including projects with the European Space Agency and NASA.

Satellite manufacturer Open Cosmos raised \$345m from Lightrock and ETF Partners. It has announced that 192 satellites will form the core of its connectivity backbone, ConnectedCosmos, a low Earth orbit constellation. It is aiming to launch 96 low earth orbit satellites by 2028, growing to 192 by 2030.

Endurosat raised \$205m in funding from Riot Ventures, Atreides, the European innovation Council, Google Ventures and Founders' Fund. The Bulgarian company is building standardized, software-flexible satellites and a streamlined constellations-as-a-service model.

Cybersecurity was again well represented in September’s raises with \$1.01bn raised across four deals. The two largest were the Series G+ by Cyera which saw Goldman Sachs Alternatives add to the \$600m initial Series G raise led by Evolution Partners. The new cash injection valued the company at \$12bn. Upwind, the Israeli cloud security company raised \$300m at a \$3.8bn valuation. Its \$250m Series B earlier this year came at a valuation of \$1.5bn. Italy’s Exein raised \$270m at a \$1.7bn valuation for its security layer for physical AI protecting robots, drones and other autonomous machines.

Fintech saw five rounds raising a total of \$560m with the majority coming from the \$450m raised for the UK wealth management platform provider FNZ. Software had nine raises amassing a total of \$542m with \$160m for the UK’s HiBob global HR system backed by Salesforce and Farallon being the largest followed by the \$130m raised for the Israeli construction intelligence platform developer, Buildots.

Europe – 62 \$20m+ deals raised a record \$14.4bn in September

Country	Date	Company	Stage	Amount \$m	Valuation \$m	Sector	Investors	What it does
France	Sep-26	Mistral	Series D	3,500	13,800	AI	Samsung, the EU's Scaup Europe Fund , PSG Equity	LLM
UK	Sep-26	Nscale	Convertible	3,360		AI -Data centres	Third Point, Nvidia, Apollo, Hudson Bay , Citadel, 8090 Industries Abu Dhabi IC	Data Centres
Portugal	Sep-26	Tekever	Series D	580	6,400	Defence	UC Investments, Baillie Gifford	Battlefield drones
Israel	Sep-26	Wonderful	Series C	550	5,000	AI	Insight , Salesforce, Index Ventures, VP, Vine Ventures, YYards, Bessemer	AI operating system for the enterprise
UK	Sep-26	Eleven Labs	Series D	500	11,000	AI	Sequoia,Andreessen Horowitz ,ICONIQ	AI text to speech model
Germany	Sep-26	The Exploration Company	Series C	450		Space	Bessemer, Atomico, Scale Up Europe Fund	reusable space transportation systems
UK	Sep-26	FNZ	Funding	450		Fintech	La Caisse, CPP Investments, Generation Investment Management,Motive Partners.	wealth-management platform provider
Israel	Sep-26	Cyera	Series G+	400	12,000	Cybersecurity	Goldman Sachs	security layer around enterprise autonomous AI agents
UK	Sep-26	Open Cosmos	Funding	345		Space	Lightrock, ETF Partners	satellite manufacturer
Israel	Sep-26	Upwind	Funding	300	3,800	Cybersecurity	Bessemer, TCV	cloud security
Italy	Sep-26	Exein	Funding	270	1,700	Cybersecurity	Headline , Sofina, Goldman Sachs and Balderton Capital	security layer for physical AI
Spain	Sep-26	Fever	Series C	250		Leisure	EQT, Point 72, Baillie Gifford	live events and experiences
Netherlands	Sep-26	Eucyd	Series A	230		Semiconductors	EU Scale Up Fund , Samsung, Somerset Capital Partners, Innovation Industries	semiconductor systems for foundation AI models
Bulgaria	Sep-26	Endurosat	Funding	205		Space	Riot Ventures, Atrides , European Innovation Council , GV Founders Fund	software-flexible satellites and constellation-as-a-service
Finland	Sep-26	Verda	Series B	189		AI Infrastructure	Emergence Capital, Supermicro, MUFG Innovation Partners, Varma Mutual Pension	data centers, compute infrastructure, and cloud software
Germany	Sep-26	Reverion	Series B	177		Climate Tech	Kembara,Allianz, KfW Capital, Aurum Impact, Carbon Equity,	modular power plants that generate electricity from gas
UK	Sep-26	HiBob	Funding	160	3,200	Software - HR	Salesforce, Farallon	people management platform for businesses
UK	Sep-26	Basecamp Research	Series C	140		Legaltech	Singular	biological data and AI platform
Israel	Sep-26	Buildots	Series C	130		Software	OG Venture Partners	construction intelligence platform developer
Spain	Sep-26	IPronics	Series B	125		AI - Infrastructure	Maverick Silicon,Light Street Capital, NVIDIA, Triatomic Capital, Bosch Ventures	optical switches for AI data centres
Germany	Sep-26	Noxtua	Series C	115		Legaltech	C.H.BECK and MANZ	streamlines legal processes
France	Sep-26	Kaiko	Funding	110		Crypto	S&P Global	crypto data services provider
UK	Sep-26	enelope Health	Funding	100		Healthtech	Thoreau, Berleismann Healthcare Investments (BHI), and Seedcamp.	digital solutions for healthcare managementproviders,
Sweden	Sep-26	Tandem	Series B	100		Healthtech	EU Scale Up Fund , Kinnevik, Northzone	AI medical assistant
France	Sep-26	HighLife	Series B	92		Healthtech	Sofinova Partners, Andera Partners, Supemova Invest and Mérieux Equity	replacement heart valves
Israel	Sep-26	Pi-Cardia	Funding	80		Healthtech	Medtronic	valve-in-valve TAVR
Denmark	Sep-26	Breye Therapeutics	Series A	77		Biotech	Mission BioCapital and Novo Holdings	oral therapies targeting eye diseases
Sweden	Sep-26	hgrid Capacity	Funding	75		Climate Tech	Mirov	battery energy storage
Turkey	Sep-26	HuX	Series A	75	1,200	Software	Point72 Private Investments.	mobile utilities and D2C software applications
Sweden	Sep-26	AnaCardio	Series B	72		Biotech	Novo Holdings , Ljungström family , Helsinn, Pureos Bioventures, Sound Bioventures	therapies for heart failure
UK	Sep-26	MetaView	Series C	60		AI	Insight Partners , GV, Intrepid Growth Partners, Seedcamp	agentic recruiting platform
Germany	Sep-26	Hymnpulse	Series A+	58		Space	JOIN Capital and Ace Capital Partners,	Satellite launch services
Spain	Sep-26	Anaconda Biomed	Funding	56		Healthcare	Omega Funds, FOCO (managed by COFIDES), Asabys	thrombectomy catheters
UK	Sep-26	Xapien	Series B	56		Software	Spectrum Equity, YFM Equity Partners.	counterparty due diligencetask research for compliance
Belgium	Sep-26	Conveo	Series A	50		AI	DST Global Partners, Balderton , Visionaries, 6 Degrees Capital, Y Combinator.	multimodal AI video interviewer
Slovenia	Sep-26	Space Labs	Funding	50		Blockchain	Windsor Capital.	blockchain infrastructure,
Italy	Sep-26	Aptadir Therapeutics	Seed	46		Biotech	48IO Capital	RNA inhibitor-based therapeutics for intractable cancers
Netherlands	Sep-26	Morphotronics	Series B	46		Semiconductors	InvestNL	nanoscale lithography platform developer
Israel	Sep-26	Altan	Funding	41		Defense - Robotics	Deep33 and Del Technologies	Robotic Sovereignty-as-a-Service platform
Israel	Sep-26	Guardio	Funding	40	1,100	Cybersecurity	ION Crossover Partners, Union Tech Ventures, Vintage Investment Partners,	consumer cybersecurity
Germany	Sep-26	Limetax	Funding	40		Software	Motive Partners, Aclivart,Hellad	Agentic tax platform
UK	Sep-26	Implicity	Funding	40		Healthcare	IRIS and Five Arows	remote cardiac monitoring solutions
UK	Sep-26	Jack & Jill	Series A	40		Marketplace	Air Street Capital	marketplace for job recruitment
Sweden	Sep-26	Tavlon	Funding	39		Climate Tech	Letimoff and Oberon Capital	battery energy storage parks
France	Sep-26	Bioelevate	Series A	35		Life sciences	RAISE France and Orange Ventures	software to analyse life sciences scientific evidence
Germany	Sep-26	Ethris	Funding	35		Healthcare	European Investment Bank	platform for RNA therapeutics and vaccines
Finland	Sep-26	Kasvu Therapeutics	Series A	34		Biotech	Hadean Ventures, Tesi , Innovator Life Science, Finnish Drug Discovery Center	neuroplastogens for neuropsychiatric disorders
UK	Sep-26	Cellpoint	Funding	34		Fintech	Toscafund	payments platform for airlines and hospitality
France	Sep-26	Arlequin AI	Series A	32		AI	Redalpine and OTB Ventures	topological neural network technology
Switzerland	Sep-26	NovoGo Therapeutics	Series B	30		Biotech	Neurimmune and Pureos	anti-Nogo-A biologics for central nervous system
UK	Sep-26	FintechOS	Funding	28		Fintech	Bak Ventures, FFC, Ciplo Partners, and Molten Ventures,	agentic platform for unified product operations,
UK	Sep-26	Ryft	Series B	27		Fintech	Gresham House	payments
UK	Sep-26	Unit 1 Studio	Funding	27		Leisure	Balderton with participation from Mercuri	end-to-end avatar concert production platform
Turkey	Sep-26	Circle Games	Series A	25		Games	Tencent, e2VC, BITKRAFT	publishes online multiplayer games
Germany	Sep-26	Nomos Energy	Funding	23		Energy	Index Ventures	white-labelled energy contracts via an API
Spain	Sep-26	HVR Energy	Series A	23		Climate Tech	Sandton ,Barents Re and Langur.	operates hydrogen refuelling stations
Israel	Sep-26	Loora	Series B	22		Edtech	Union Tech Ventures ,games, Emerge, Hearst Ventures, OP Ventures.	AI-powered English language learning platform
Belgium	Sep-26	Spott	Series A	21		Software	Balderton	recruitment platform
Germany	Sep-26	Integral	Series A	21		Fintech	Mosaic Ventures, Cherry Ventures, General Catalyst,	fintech and automated compliance platform for SMEs
Germany	Sep-26	Resilae	Series A	20		Software	Singular, Redpoint	drurable infrastructure developer
UK	Sep-26	CloudNC	Funding	20		Software	Nimble Ventures	software solutions for precision manufacturing
Romania	Sep-26	Veridion	Series A	20		Software	Hoxton Ventures	business intelligence
Total				14,346				

Source: Rothschild & Co

Fundraising outlook: c\$61bn of impending raises

Pipeline is c\$55bn in impending US deals and c\$5.5bn in Europe

Our list of impending US raises rises again, from c\$35bn at the end of August to \$56bn at end September.

The jump in value marks a number of big, completed deals offset by one major new potential one.

The new entrant is OpenAI which has formally announced that it will not IPO in 2026 having previously filed for a listing in June this year. Instead, it is reported that the company is seeking to raise \$30bn in a new funding round at a valuation of \$1.4 trillion. The company has already raised \$122bn ytd in 2026. The company estimates its likely cash burn at \$280bn to the end of 2030 with negative free cash flow of \$278bn in the five years 2026-30. OpenAI forecasts spending c\$850bn on computing power and

infrastructure by end 2030. It also anticipates revenues of \$350bn pa by 2030, up from the current run rate of \$36bn.

Otherwise, we mainly have removals from the list. Amongst these are the Boring Company, which raised \$3bn instead off our projected \$4bn, Crusoe which raised \$3.96bn rather than the \$3bn we had pencilled in, Cursor which was taken over by SpaceX, Instinct which raised \$1bn, legaltech Harvey which raised \$550m and Elise AI which raised \$350m.

After the projected \$30bn for OpenAI the list is led by Jeff Bezos' space rocket venture Blue Origin. The company is reported to be looking to raise \$10bn at a \$130bn pre money valuation supported by Coatue with Jeff Bezos contributing c\$2bn.

US Growth Equity – c\$55bn in reported upcoming raises

Company	Country	Sector	Amount \$m	Valuation \$m	What it does	Comments
Open AI	US	AI	30,000	1,400,000	LLM	Interim funding
Blue Origin	US	Space	10,000	130,000		Coatue
Lambda	US	AI Infrastructure	3,000	12,000	specialized GPU cloud computing for AI	NVIDIA
Switch	US	Data Centres	2,000	50,000		Digital Bridge, a16z
Reflection AI	US	AI	2,500	20,000	Sovereign AI	NVIDIA
Erebor	US	Fintech	1,500	8,000	Neobank for start ups	Lux Capital, Andreessen Horowitz and SV Angel
Polymarket	US	Betting	1,000	20,000	Prediction marketplace	
Physical Intelligence	US	Robotics	1,000	11,000	General purpose AI models	Founders Fund, Lightspeed
Positron	US	AI	750	5,000	AI inference hardware	
Fluidstack	US	AI	700	7,000	Cloud computing GPUs for data centres	Google
Mercor	US	AI	500	20,000	Recruitment	
Foundation Future	US	Robotics	500	3,000	Humanoid robotics	
Tensor Auto	US	AVs	400		Self driving cars	
X Light	US	Semiconductors	350		advanced laser for semiconductors	
Applied Compute	US	AI	350	3,250	Elad Gil	
Aetherflux	US	Space/Climate	300	2,000	space solar power	
Fal	US	AI - Video	300	8,000	AI video platform	
Wispr AI	US	AI - Dictation	260	2,000	AI dictation	Series B - Menlo Ventures
Modal Labs	US	AI - Infrastructure	0	15,000	AI inference	
Perplexity	US	AI	0	30,000	AI search engine	NVIDIA
Total			55,410			

Source: Rothschild & Co; press reports

In Europe the total of identified impending raises has shrunk from c\$8bn to \$5.5bn.

The main reason for the fall is the completion of the \$3.5bn raise for the French LLM business Mistral. Defence business Tekever which raised \$550m in September, Eleven Labs which raised \$500m and Bulgarian satellite company Endurosat also come off the list. The Exploration Company, which raised \$450m rather than the expected \$300m and semiconductor business Euclid which raised \$230m are also removed.

UK AI lab Emulate, founded in the summer of this year by three former Google DeepMind researchers is believed to be close to raising a \$700m seed round at a \$3.7bn valuation, led by Index Ventures and Lightspeed. It's a talent raise. At the moment the business has no product and does not appear to have a website. UK defence company UForce is said to be raising \$500m at a \$5bn valuation having raised \$50m at a \$1bn valuation as recently as March. It builds autonomous platforms, counter-drone systems, strike drones, uncrewed surface vessels, and battlefield management software and has seen its equipment deployed extensively in Ukraine.

The size of the impending Legora raise is now becoming clearer. It is looking like an additional \$300m. Its US counterpart Harvey raised \$550m in September. The former head of robotics at Mistral, Olivier Duchene, is said to be raising \$230m for a robotics start up called Ora

European Growth Equity – c\$5bn in reported upcoming raises

Company	Country	Sector	Amount Valuation		What it does	Comments
			\$m	\$m		
Agile Robots	Germany	Robotics	800		industrial robotics	
Emulate	UK	AI	700		AI Lab	Index, Lightspeed
Fractile	UK	Semiconductors	600	6,500	Semis	
Syre	Sweden	Textiles	600		Textiles	H&M
UForce	UK	Defence	500	5,000	Autonomous systems	
Aire	UK	AI	400		AI Research lab	
Legora	Sweden	Legaltech	300	8,500	Legaltech	
Destinus	Netherlands	Defence	235		Drones	
Robotics start up	France		230		Robotics	Oliiver Duchenne
Pyra	UK	Defence	200			
Giotto.ai	Switzerland	AI	200	1,000	AI	Artificial General intelligence
Wandercraft	France	Robotics	115	860		
Natural Cycles	Sweden	Healthcare	55		hormone-free birth control solution	Lauwera Capital
Total			4,935			

Source: Rothschild & Co; press reports

Our views on the state of the venture capital markets

This revival of the growth equity market has been led by the US and by a surge of interest in artificial intelligence model providers and for companies using AI to transform a range of underlying industries.

At the same time the venture industry has re-adopted strong underlying approaches to investment with companies in most sectors striving to achieve a better balance of growth, profitability and cash flow. The underlying quality of the cohort of VC backed companies has improved.

Our summary of the outlook

- There is substantial interest in venture capital to fund artificial intelligence, both the foundation LLM models and the applications of AI and industries (data centres, quantum, semiconductors, new energy sources like nuclear and fusion) supporting the development of AI.
- The influence of AI is percolating through many other industries such as drug discovery, defence, robotics, legaltech, autonomous vehicles, and cybersecurity fuelling a broader advance in the growth equity market.
- Overall, the VC market is regaining confidence with the strength of interest with fintech, blockchain/crypto and biotech reviving strongly.
- There is a burgeoning interest in defence industries from investors with both the tense geopolitical political environment, the advances in AI applications and the experience of the combat in Ukraine contributing to investor focus. By contrast, ClimateTech, while still a substantial sector has become less prominent both as a result of some high-profile failures and being less favoured politically in the US under the current administration.
- Fund raising for venture capital firms remains subdued. Fund raising is concentrating into larger, established firms. US VC fundraising in 2025 was concentrated in larger firms and at near decade lows.
- The speed of the investment process has slowed down since 2021-22. The level of diligence on deals has stepped up. This is true even in the 'hot' parts of the market like AI. Outside these areas it is marked – processes take time, downside protection is sought.
- Valuation priorities have shifted with investors having moved away from a pure emphasis on revenue growth and revenue multiples. There is a sharp focus instead on the combination of growth and profitability (or a rapid path to it) and on free cash flow.

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