

Deals Report

May 2025

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Overview

May 2025 reveals a **startup ecosystem in transition**, with sector preferences shifting toward practical software solutions and geographic investment patterns realigning across Europe. The **record-high Seed funding** proportion (42.86%) indicates robust early-stage confidence but potentially signals future scaling challenges.

Dream Games' \$1.25B raise demonstrates that **mega-investments continue for exceptional companies**, while France's emergence as a near-equal to the UK suggests fundamental changes in European investment geography. The decreased late-stage funding combined with surging early-stage investment creates a potential bottleneck that may define the next quarter's landscape.



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Software overtakes AI

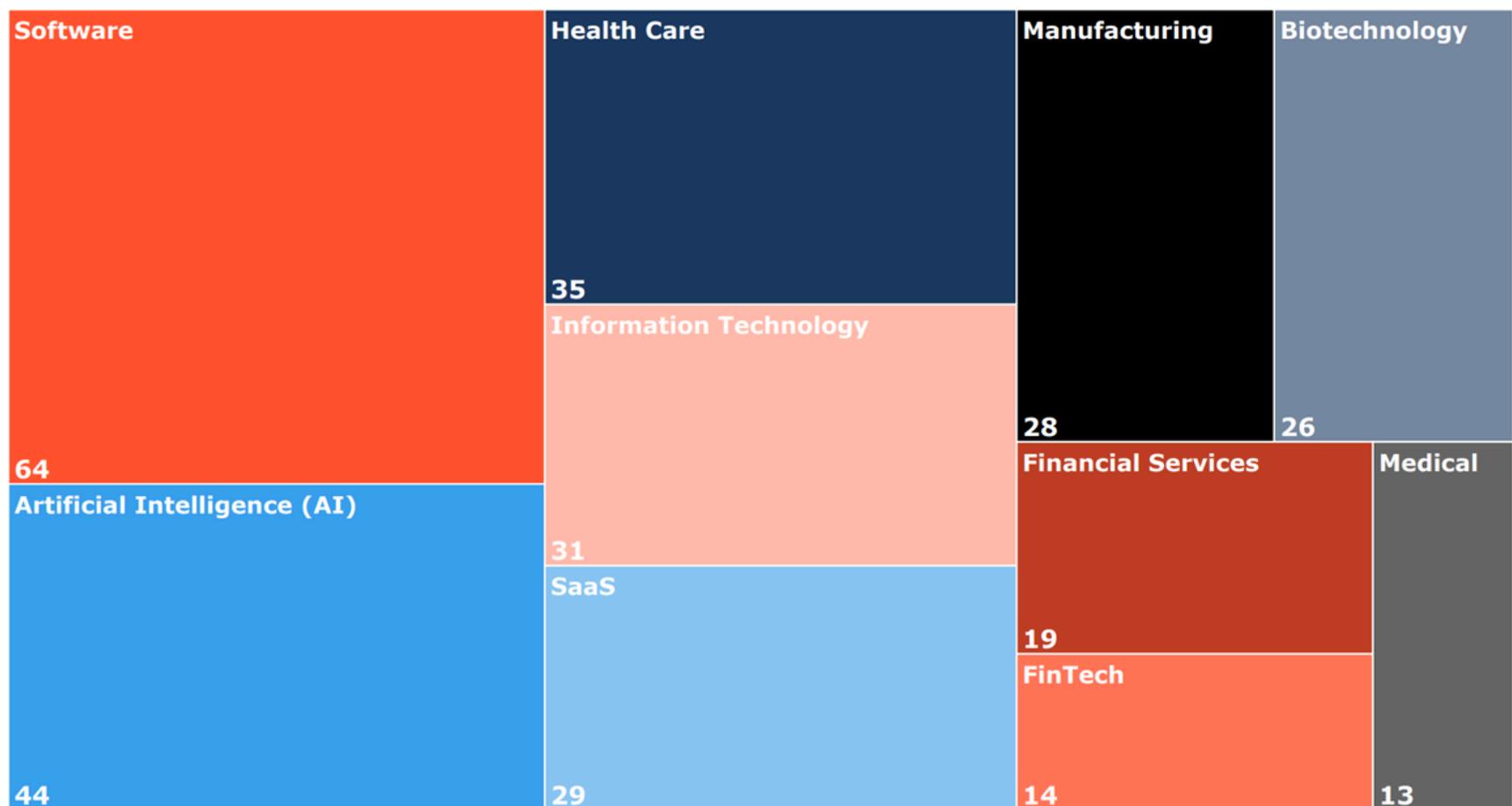


Table 1: Main Industries by Funding Rounds

Software dominates May 2025 with 64 funded companies, overtaking AI for the first time this quarter. This shift signals a market maturation where practical software solutions are prioritizing over experimental AI ventures. The sector's rise reflects enterprise demand for specialized productivity tools and digital transformation solutions.

AI maintains strong second position (44 companies) but shows signs of consolidation, with investors favoring AI applications integrated into software platforms rather than standalone AI ventures. **Health Care (35 companies)** demonstrates remarkable consistency, cementing its position as a recession-proof investment sector throughout the quarter.

The **Software/SaaS split** suggests investors are specifically targeting subscription-based models over traditional software licensing, indicating a fundamental shift toward predictable revenue streams in uncertain economic conditions.

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Surging Seed Rounds

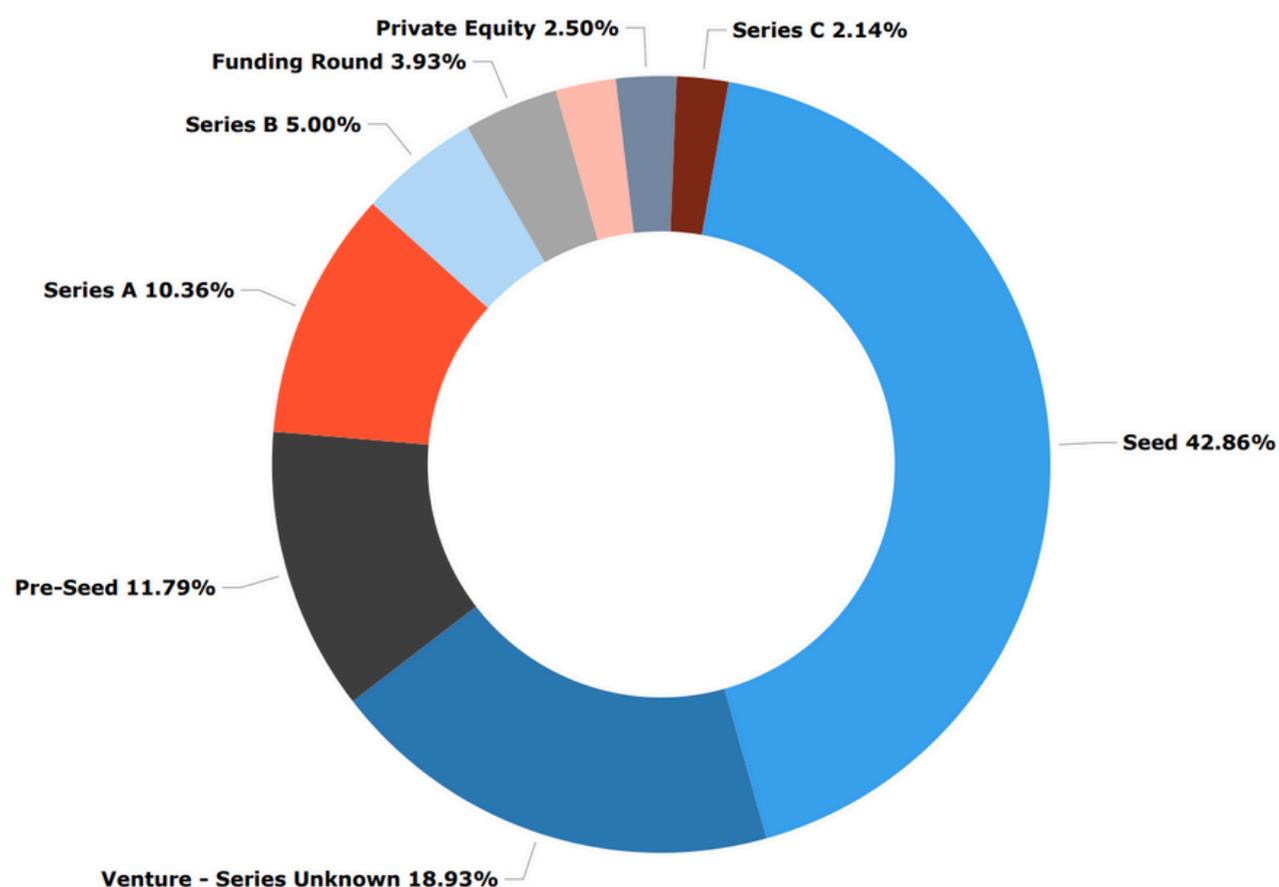


Table 2: Main Funding Rounds

May presents the quarter's most dramatic funding shift, with **Seed rounds reaching 42.86%**—the highest proportion observed. This surge from April's 34.08% indicates either exceptional startup quality or investor fear of missing early-stage opportunities in a competitive market. **Venture - Series Unknown (18.93%) and Pre-Seed (11.79%) both declined**, suggesting companies are progressing faster through initial stages.

Series A remains stable at 10.36%, but **Series B drops significantly to 5.00%**, indicating a potential "Series B crunch" where growth-stage companies struggle to secure scaling capital. Private Equity plummets to 2.50%—the quarter's lowest—suggesting limited exit opportunities and PE firms' hesitation toward later-stage investments.

The **inverse relationship between surging Seed funding and declining Series B** suggests a brewing bottleneck. Many startups may face scaling challenges in 6–12 months as they outgrow seed capital but struggle to access growth funding.

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The Corporate Funding Landscape

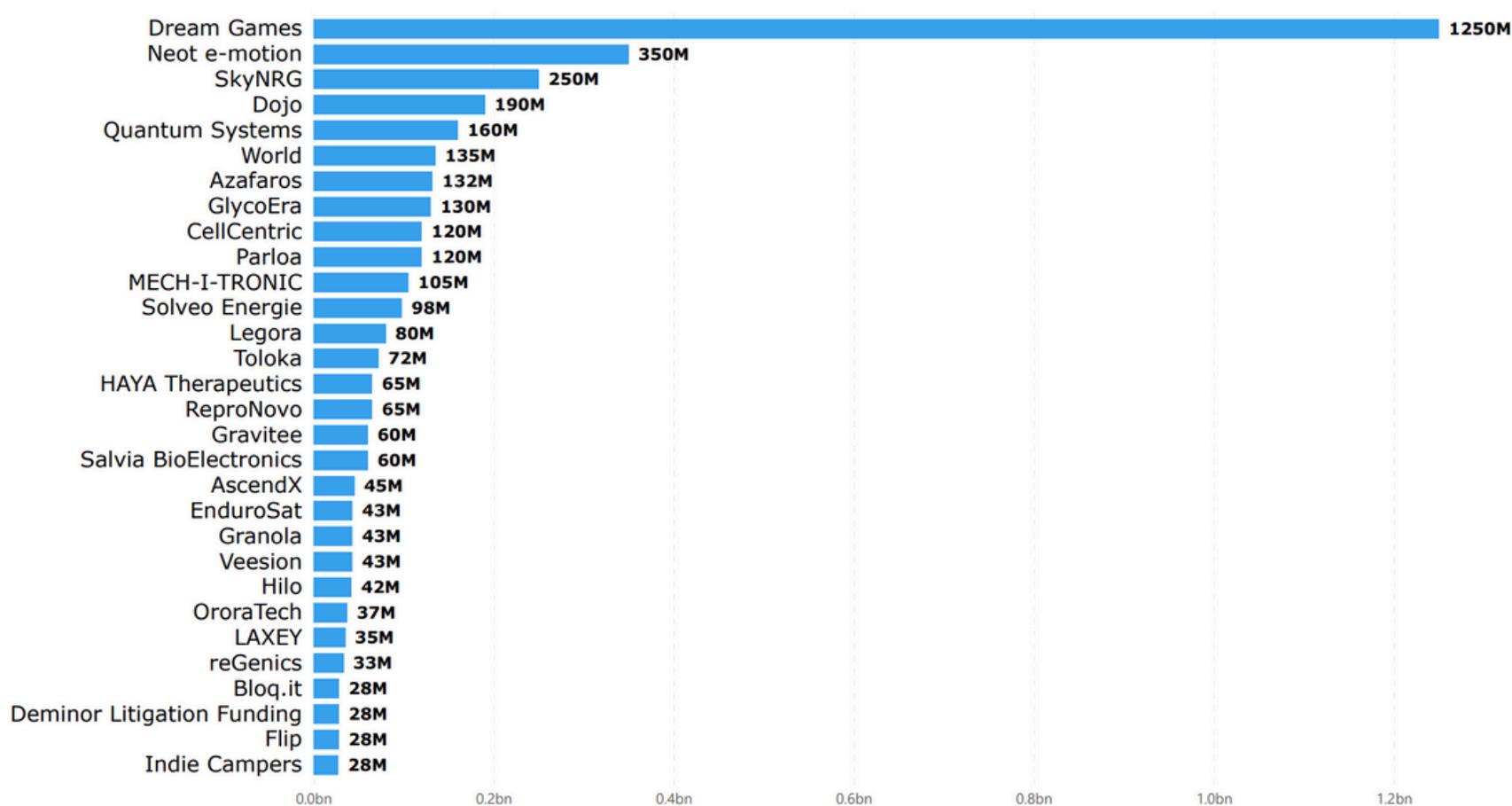


Table 3: Money raised by Company

Dream Games' \$1.25B mega-round dominates May, representing nearly 40% of total top-30 company funding. This gaming giant's raise approaches Binance's March levels, suggesting mega-rounds are becoming sector-specific rather than market-wide phenomena. The funding cliff after Dream Games is steep but more gradual than previous months. **Neot e-motion (\$350M) and SkyNRG (\$250M)** indicate strong mobility and clean energy investor appetite, while multiple companies clustering around \$120M-\$160M suggest a "sweet spot" for significant but not extreme funding rounds.

Gaming companies are attracting disproportionate mega-funding due to their proven scalability and global market potential. Dream Games' raise likely reflects investors hedging against economic uncertainty with entertainment—a traditionally recession-resilient sector.

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Geographic Distribution

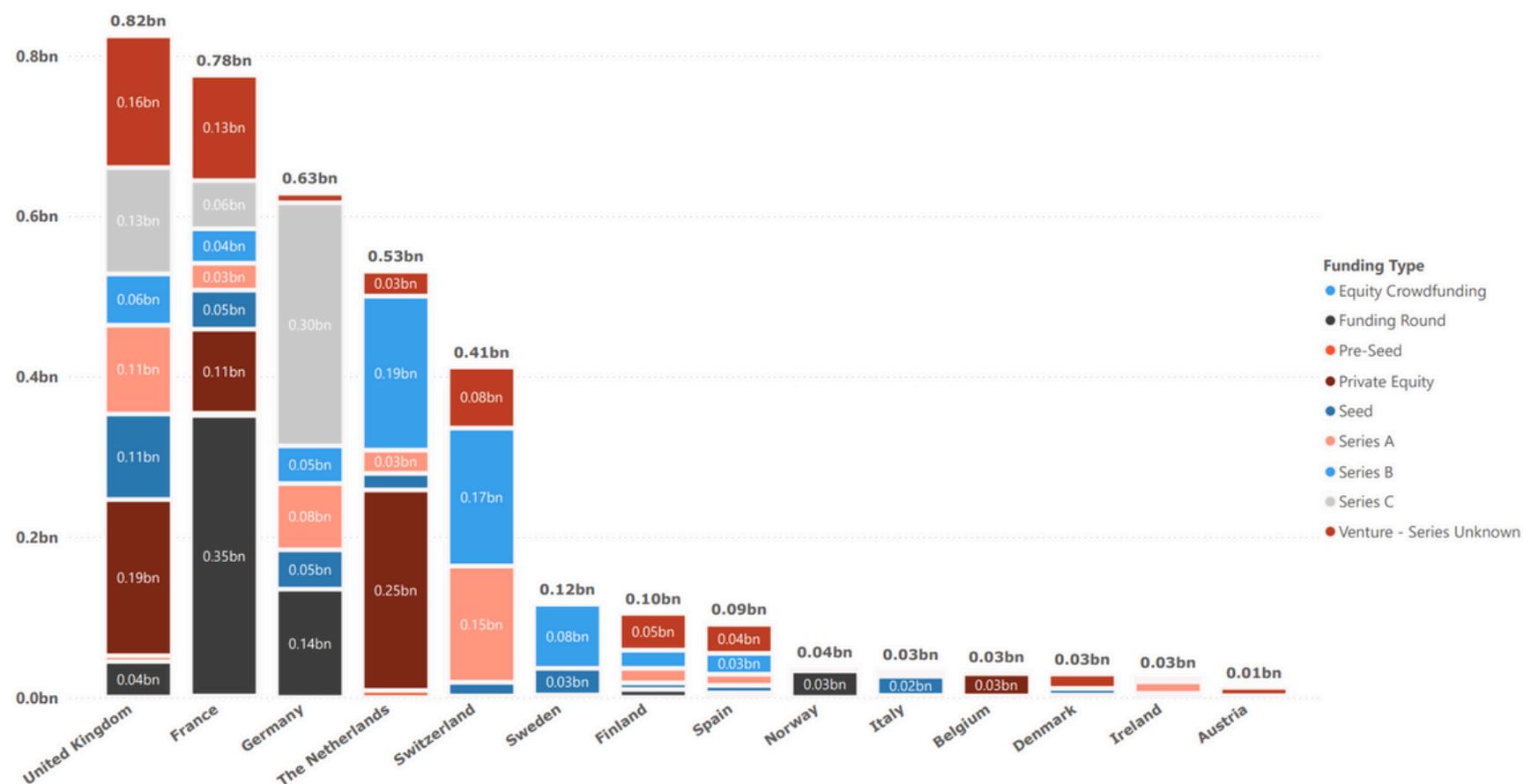


Table 4: Money raised by Country

France emerges as May's surprise winner with \$0.78B, nearly matching UK's \$0.82B and representing a dramatic increase from previous months. This surge suggests France's startup ecosystem is rapidly maturing, potentially driven by favorable government policies and tech talent concentration in Paris.

Germany maintains steady third position (\$0.63B), while Netherlands (\$0.53B) and Switzerland (\$0.41B) show consistent performance. The UK's relative decline from April's \$1.3B dominance indicates either investment normalization or capital flight to more competitive European markets.

France's sudden investment surge likely reflects strategic positioning as the EU's tech hub post-Brexit, with investors increasingly viewing Paris as London's continental alternative. This geographic arbitrage opportunity may continue throughout 2025.