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The State of Defence Tech 2025

29th September 2025

Image Credit: Orqa FPV | www.orqafpv.com

Definitions

Defence, Security, and Resilience (DSR)

Companies that enhance military capability, protect critical infrastructure, and strengthen societies to withstand and recover from crises. Developed together with NATO Innovation Fund (NIF).

QUANTINUUM · black semiconductor · Proxima Fusion · isar aerospace · SPACE FORGE MAKING SPACE WORK FOR HUMANITY

Defence First

Core company focus are technologies applied for military use.

ANDURIL · Helsing · Frankenburg Technologies · Skydio · FORTERRA

Defence Applications

Companies working on different segments, one of the main one being defence.

Palantir · QUANTUM SYSTEMS · IMMERSIVELABS · ARMADA · MARITIME ROBOTICS

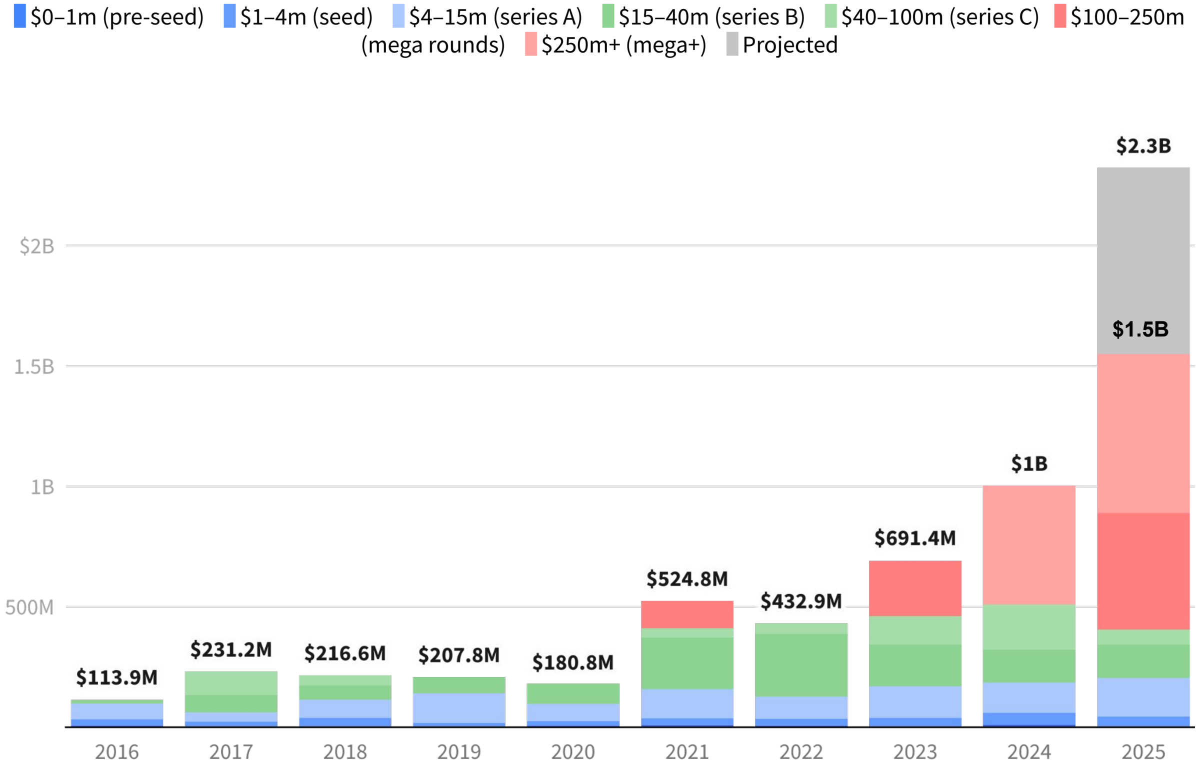
Source: Dealroom.co

Defence VC funding in Europe has already reached $1.5B in 2025, the most active year ever

Mega rounds, including the $600M funding by Helsing, made up over three quarters of the funding this year

Venture Capital investment in European defence and defence application tech startups

» view online



Source: Dealroom.co.
*Projected value by year end for VC based on VC investment up until Sep 2025

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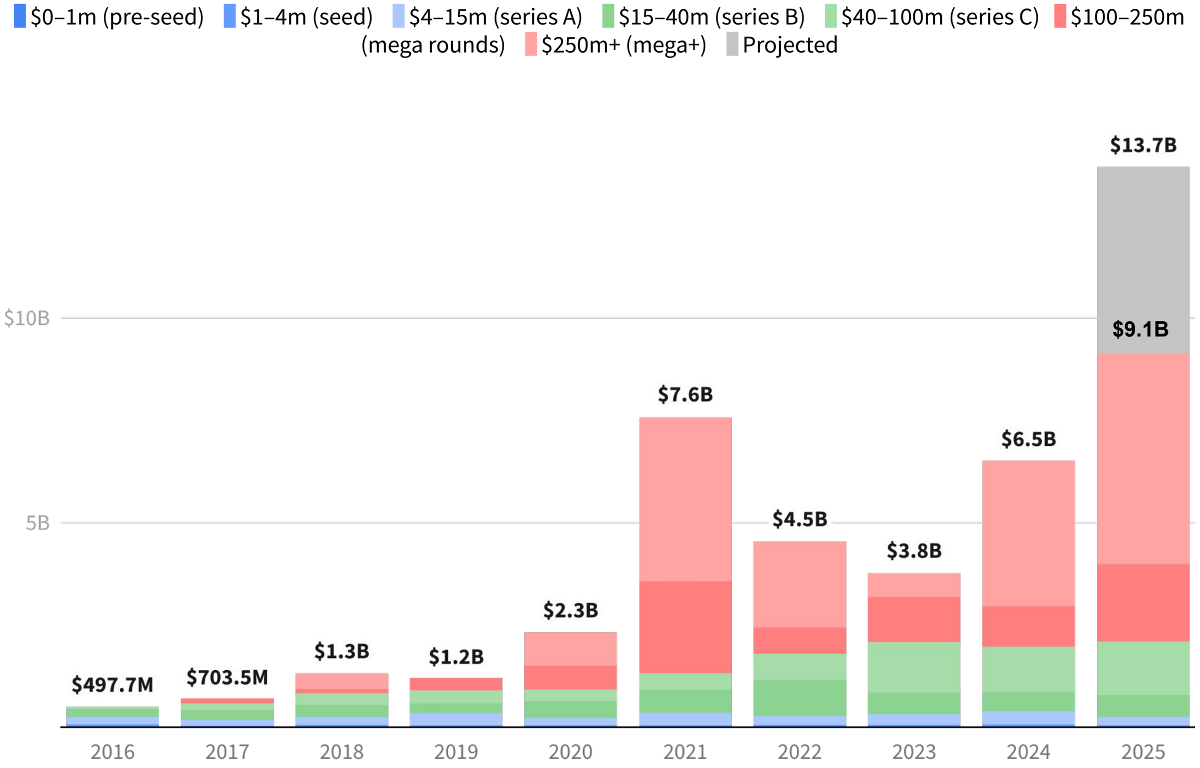
NATO has seen huge growth with $9.1B in VC funding raised in 2025 so far, already 1.4x more than in all of 2024

Fuelled by large rounds by Anduril, Saronic and Applied Intuition

Venture Capital investment in NATO defence and defence application tech startups
» view online



Source: Dealroom.co
*Projected value by year end for VC based on VC investment up until Sep 2025

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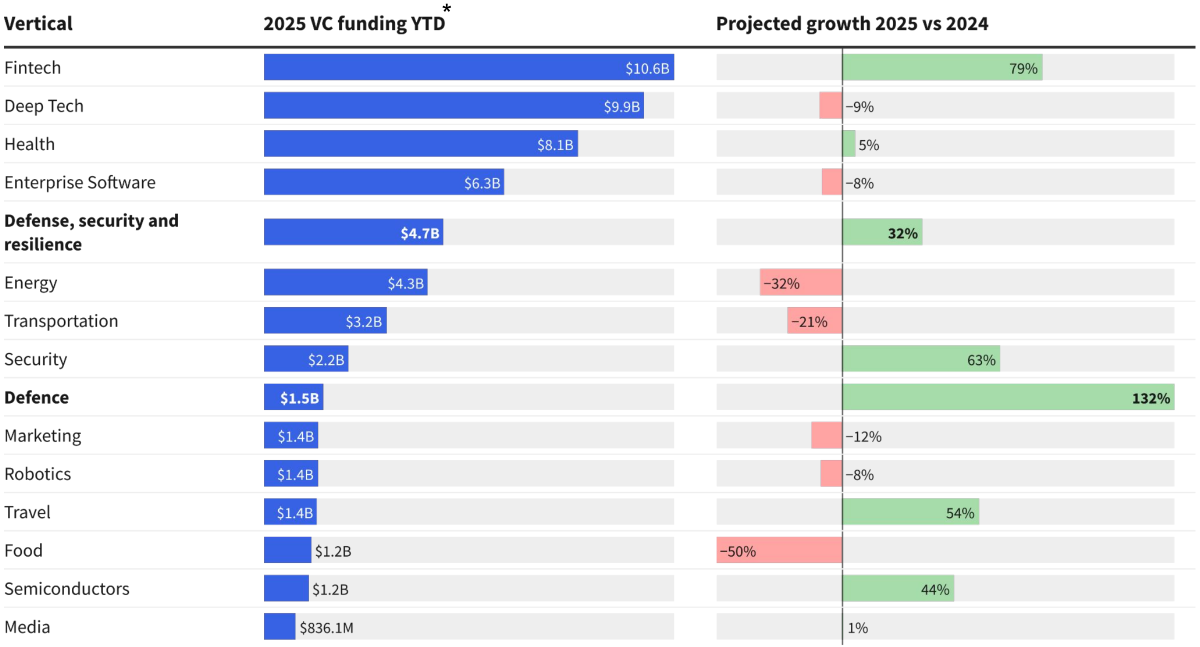
Defence is growing much faster than any other VC sector in Europe

It is projected to be the fastest growing segment in terms of European VC funding in the last year

Comparison of VC funding by selected sectors in Europe



Source: Dealroom.co
*YTD: Start of 2025 up until data cut off point of Sep 2025. Growth rates are based on the sector projected values for the end of 2025 based on the VC numbers as of Sep 2025

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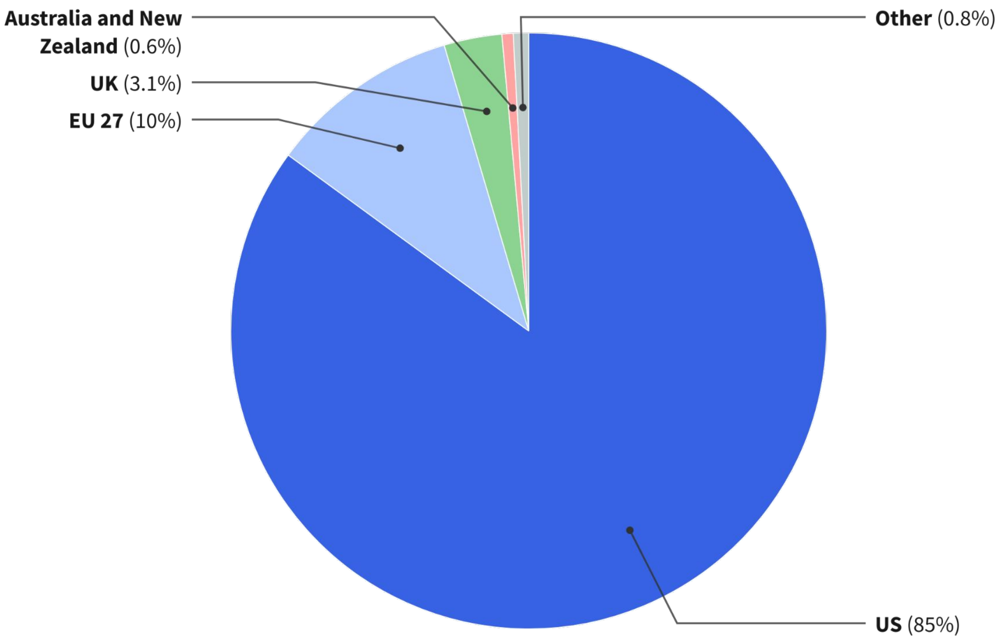
The US makes up 85% of defence tech VC funding among NATO allies since 2019, followed by EU27 with 10%

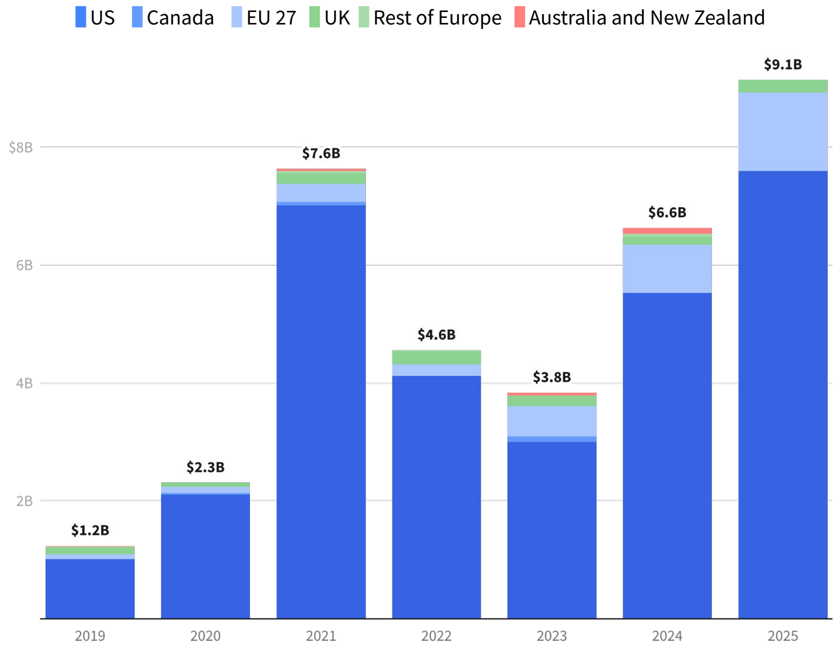
VC funding amongst NATO countries in defence and defence application startups since 2019



Source Dealroom.co

The US is still dominating defence funding in 2025, but EU 27 has grown notably in the last three years

VC investment into defence and defence application amongst NATO members



Top defence and defence application rounds amongst NATO members in 2025 » View online

Company	Amount	Round	Date	Country
ANDURIL	$2.5B	Series G	Jun 2025	United States
Helsing	$600m	Series D	Jun 2025	Germany
Applied Intuition	$600m	Series C	Feb 2025	United States
CHAOS	$600m	Series F	Jun 2025	United States
HADRIAN	$275m	Series C	Apr 2025	United States
EPIRUS	$260m	Series C	Jul 2025	United States

Source: Dealroom.co 2025 data as of 1st Sept 2025

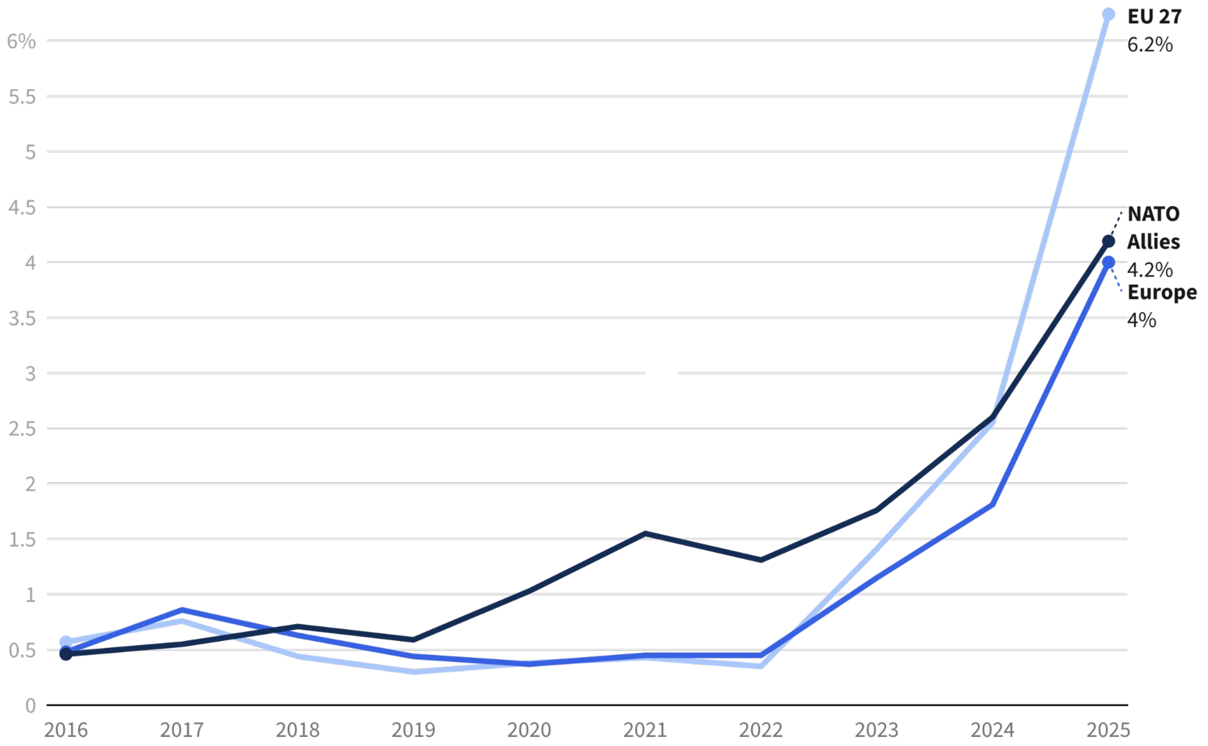
Defence Tech has grown to attract 4% of total European VC funding, up from 0.5-1% till 2020

Among all NATO allied countries Defence Tech is now making up 4.2% of all VC funding.

EU 27 reached an even higher 6.2% in 2025.

Defence expenditure in the EU is expected 2.1% of the GDP in 2025 according to EDA, crossing for the first time the historical 2% NATO target but still falling short of the new revised 3.5% target.*

Share of European and NATO Allies VC funding going to Defence tech



Source Dealroom.co 2025 data as of 1st Sept 2025 *Defence spending and procurement data from EDA

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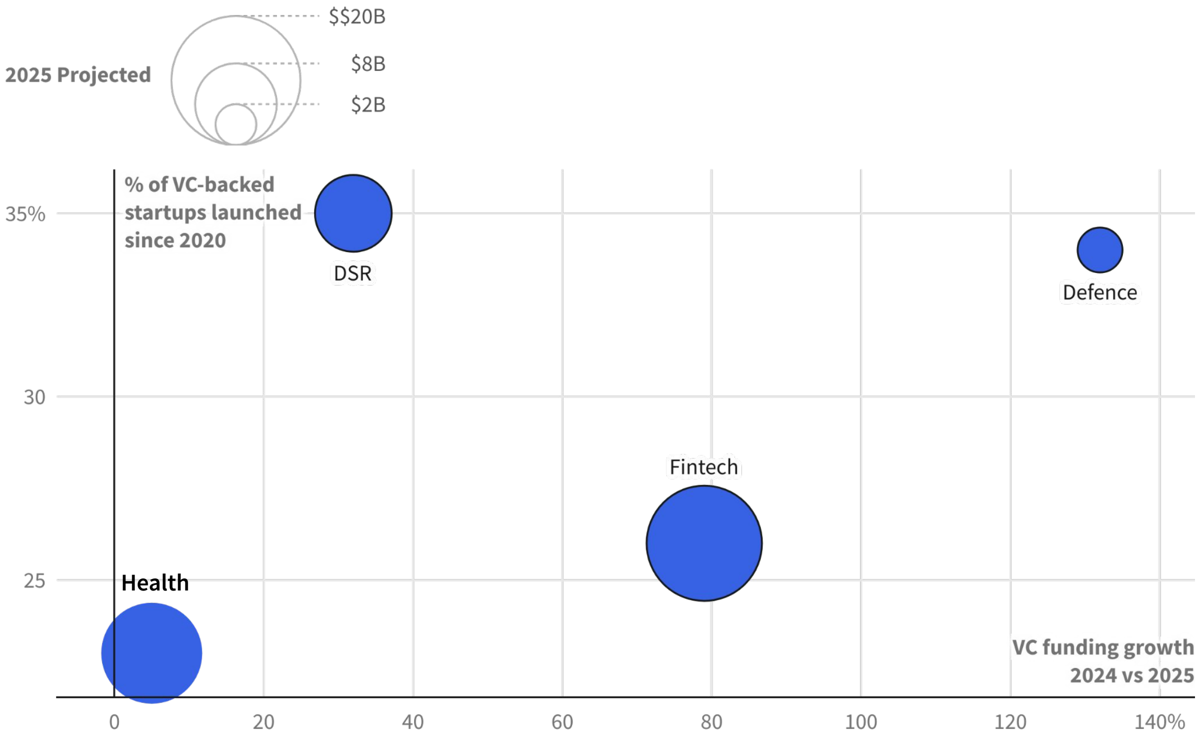
Defence Tech is still a relatively new sector in venture capital, with an emerging cohort of companies experiencing strong VC funding growth

Distribution of VC funding in Defence, Security, and Resilience segments in Europe



Source
Dealroom.co
Defence, Security, and Resilience (DSR) refer to deep tech solutions that enhance military capability, protect critical infrastructure, and strengthen societies to withstand and recover from crises. Developed together with NIF

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Germany is dominating defence tech funding, both in absolute terms and as a % of overall VC funding

Defence VC funding in Europe by region

	Defence VC funding (since 2019)	Defence VC funding (since 2024)	% of country total funding (since 2019)	% of country total funding (since 2024)
Germany	$2B	$1.5B	2.9%	10.7%
UK	$1B	$335.1M	0.7%	1.1%
Southern Europe	$465.5M	$343.9M	1.7%	4.4%
France	$428.1M	$144.7M	0.7%	1.2%
Rest of Europe	$211.4M	$43M	0.3%	0.3%
Nordics	$161.4M	$77.4M	0.3%	0.7%
CEE *	$89.5M	$62.9M	0.7%	1.9%

Source: Dealroom.co 2025 data as of 1st Sept 2025 *Likely underestimated due to lower transparency. Sources in the Ukraine ecosystem refer to an expected $100M funding for Ukraine defence startups by end of the year. These figure might not be exactly comparable cause referring to financing beyond pure venture capital, or companies with HQ outside Ukraine.

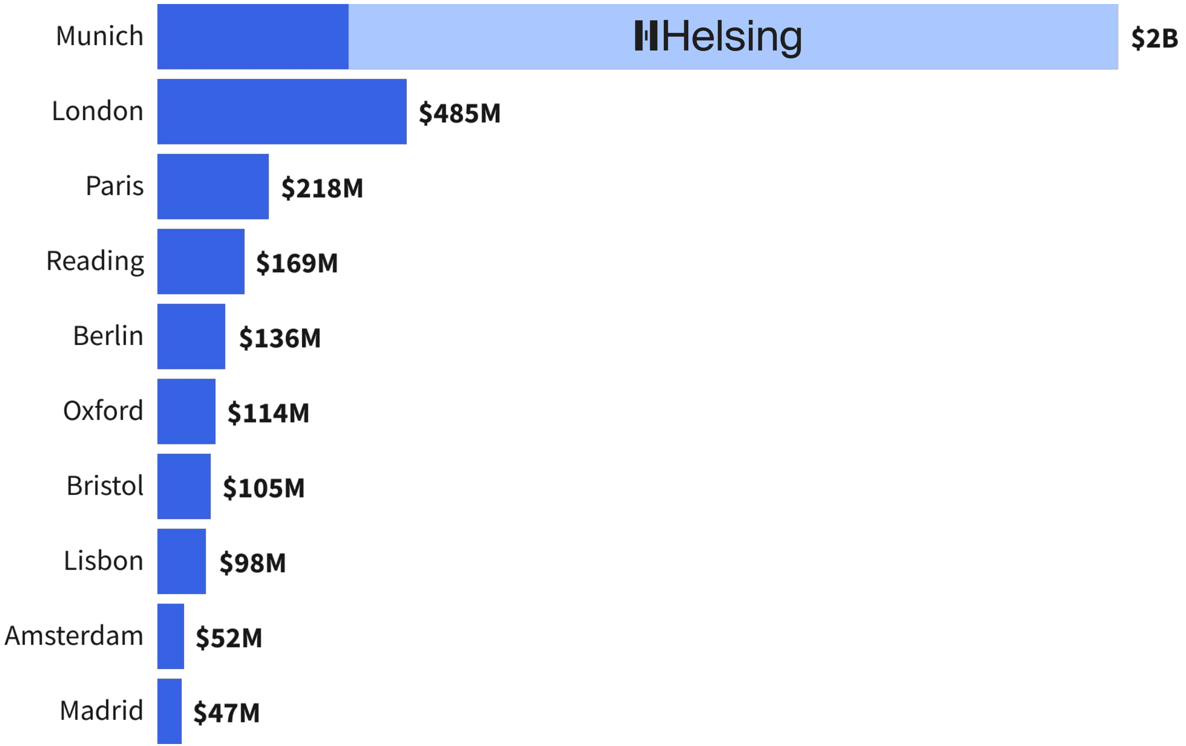
Munich has attracted the most VC funding in defence startups in Europe driven by Helsing

London and Paris follow.

Four of the top ten hubs are in the UK showing a distributed Defence Tech scene in the country.

Southern Europe hubs like Lisbon (e.g. Tekever) and Madrid make it in the top 10.

Top European cities for VC investment in Defence since 2019 » **view online**



Source Dealroom.co

AI x Defence is the most funded segment in European defence, driven by Helsing

Robotics & autonomous systems attracted by far the largest number of rounds, with many smaller players and consolidation coming.

Key Defence Tech segments in Europe*

Broader segment	Amount 2025	Amount since 2019	# rounds 2025	# rounds since 2019
AI x defence	$929M	$2.1B	12	84
Robotics & autonomous systems	$344M	$766.2M	30	138
Weapons/defence systems	$107M	$109.8M	3	7
Command and control - C4ISR	$49M	$427.1M	12	89
Training and Simulation	$33M	$55.1M	7	16
Advanced Sensing Technology	$26M	$98.3M	7	36
Cybersecurity and critical digital infrastructure	$12M	$169.8M	5	45
Hypersonic	$12M	$72.6M	2	12

Source Dealroom.co
* Selected segments. Some segments in manufacturing and space are not shown.
Tekever (UAVs maker) raised an undisclosed funding rounds “in the tens of millions of USD from existing investors” in 2025. The exact round amount was not disclosed and it’s not included here.

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UAVs have dominated investment activity in robotics & autonomous systems

Key Robotics & autonomous systems segments in European defence tech

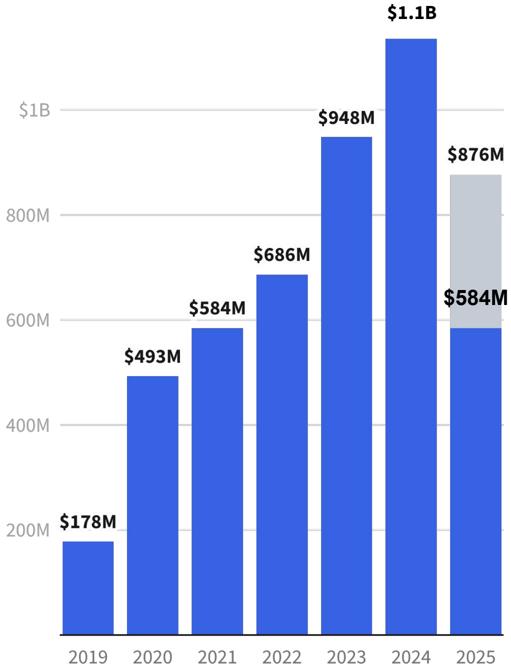
Autonomy segment	Amount 2025	Amount since 2019	# rounds 2025	# rounds since 2019
UAVs *	$267M	$603.7M	20	96
UGVs	$64M	$93.4M	6	15
Naval and Maritime Technologies	$19M	$64.6M	2	19
Anti-drone	$13M	$30.2M	4	14

Source Dealroom.co.
Tekever (UAVs maker) raised an undisclosed funding rounds “in the tens of millions of USD from existing investors” in 2025. The exact round amount was not disclosed and it’s not included here.

Key dual-use sectors like Space, Quantum and Semiconductors have also seen investment ramp up recently in Europe

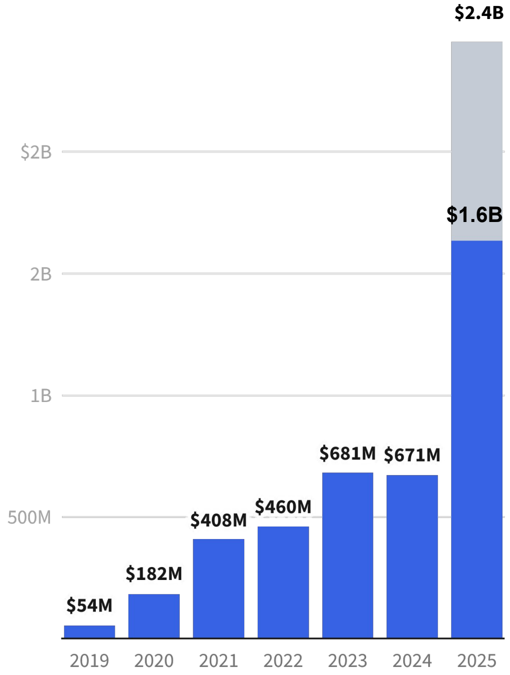
Space*

VC investment ('25 projected)



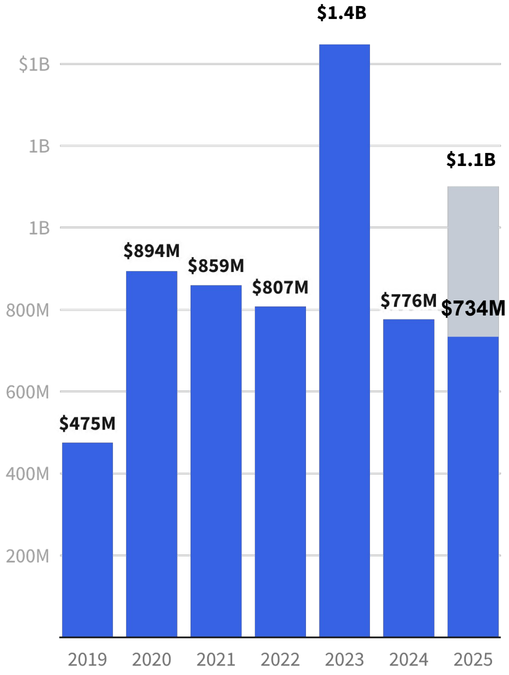
Quantum

VC investment ('25 projected)



Semiconductors

VC investment ('25 projected)



Source: Dealroom.co
*Excludes Oneweb
Projected value by year end for VC based on VC investment up until Sep 2025

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The European Quantum scene has grown massively with over 160 VC-backed startups and funding activity already surpassing $1.6B in 2025

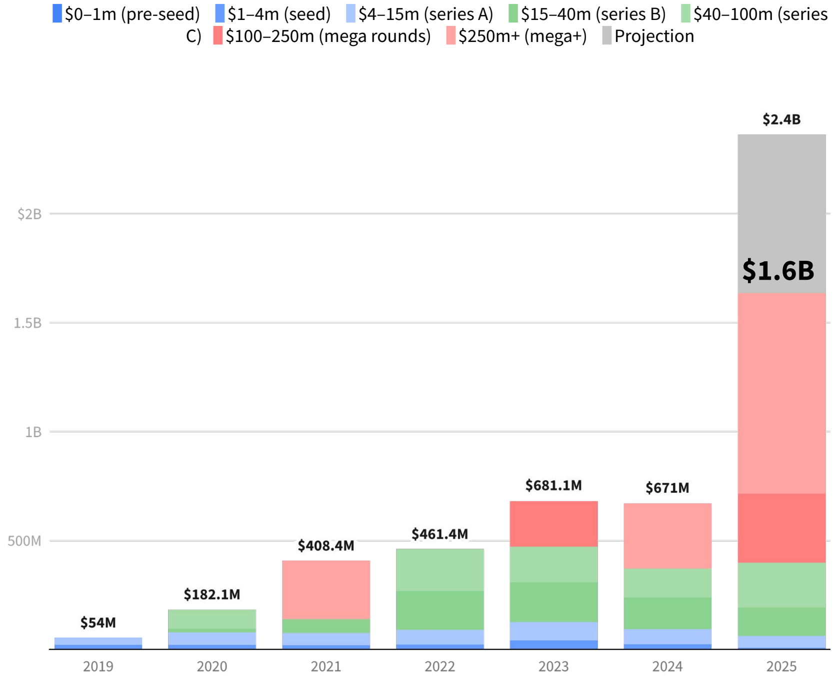
160+ VC-backed Quantum startups HQ-ed in Europe in segments such as quantum computers & processor, quantum computing software, quantum cryptography and communications, and quantum sensing.

Selected companies

- Planq
- IQM
- Alice & Bob
- Quandela
- Sparrow Quantum
- Quantinuum

VC investment and number of rounds in Europe's Quantum startups

» view online

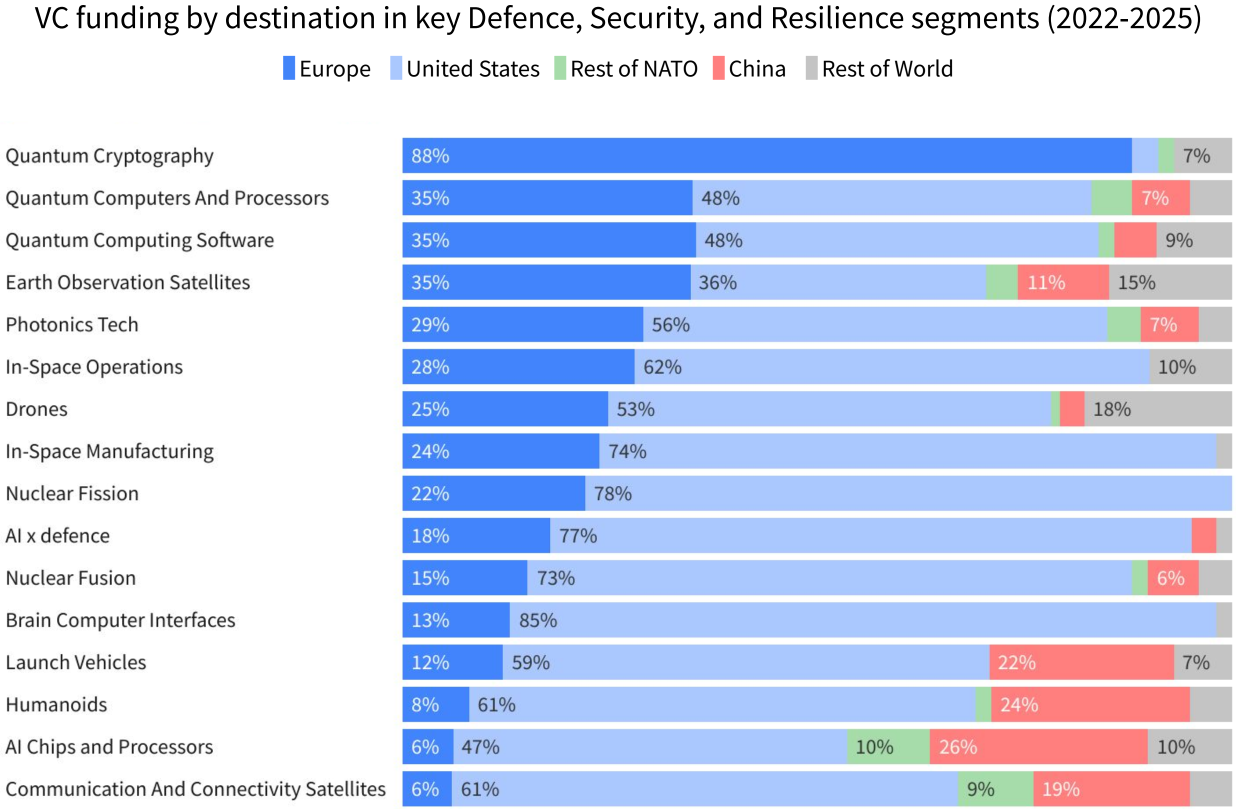


Source: Dealroom.co; Selection criterias: top funded, raised since 2019, founded after 2016, not closed or acquired.
*Number of unique investors is average between 2024 and 2025. VC investment and number of rounds projected as of September 2025.

Europe is very strong in Quantum cryptography and computing

It also fares well in Photonics, Space (EO satellites, In-Space operations & Manufacturing), and drones.

Simultaneously, the region trails far behind global leaders in AI chips and processors, Launch vehicles, Humanoids and Communication and connectivity satellites.



Source: Dealroom.co
2025 data as of 1st Sept 2025

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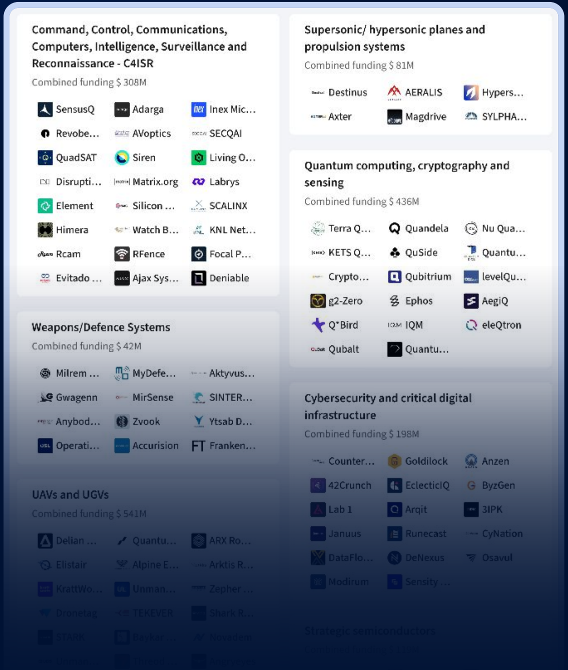
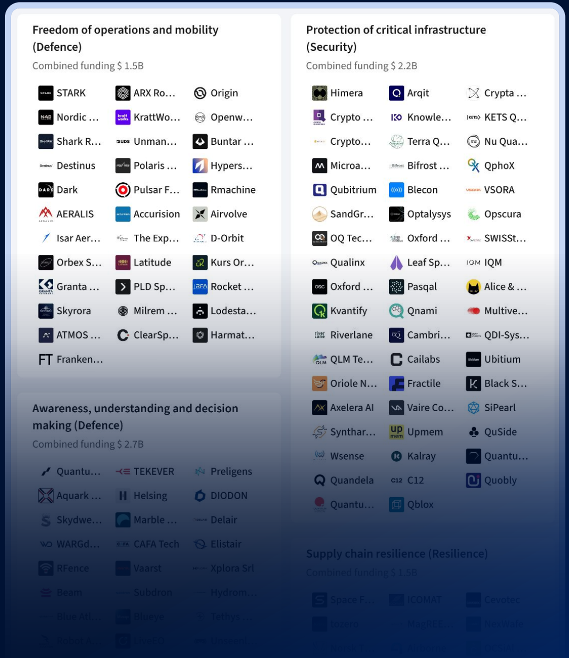


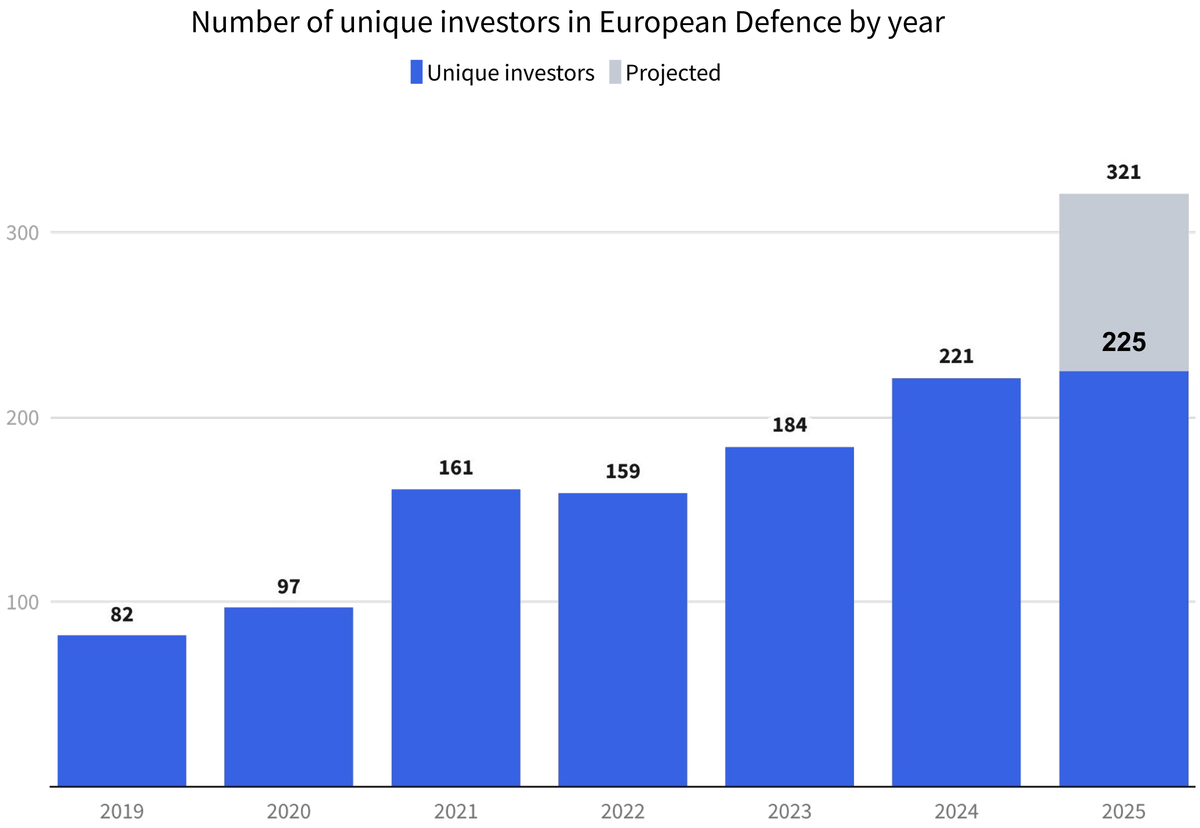


Defence and Dual-use tech startups in Europe

300+ promising Deep Tech DSR startups in Europe

More and more investors are becoming involved in European Defence

The number of investors active in at least one defence deal is projected to increase 3.9x since 2019



Source: Dealroom.co 2025 data as of 1st Sept 2025

Notable European Defence investors

Defence Focused

MD ONE Ventures, Double Tap Investments, Offset Ventures, Dark Star, Hyperion, FNX Ventures, Archangel, KEEN*, European Defence Fund, NATO OTAN, National Security Strategic Investment Fund, 201 Ventures, D3, Entropy Industrial Capital, Green Flag Ventures, expeditions, Scalewolf, SecFund, Twin Track Ventures, Pointman, Varangians, SevenCapital

Space Investors

Seraphim, Takeoff, Karista, Deep Ocean Capital, ctb, Einstein, Galaxia, promusventures, TLI Space, Alpine Space Ventures, Expansion Aerospace Ventures

Deep Tech investors with interest in Defence

Project A, 7percent Ventures, Prima Materia, MMC, Omnes, IQ Capital, Starquest, NIF, Blue Yard, Unruly Capital, Notion, b2venture, Silicon Roundabout. Ventures()

Generalists with interest in Defence

Cherry, USF Ukrainian Startup Fund, TSIC Tiny Supercomputer Investment Company, Coinvest Capital, HCVC, bpifrance*, Mosaic, 360 Capital, Lake Star*

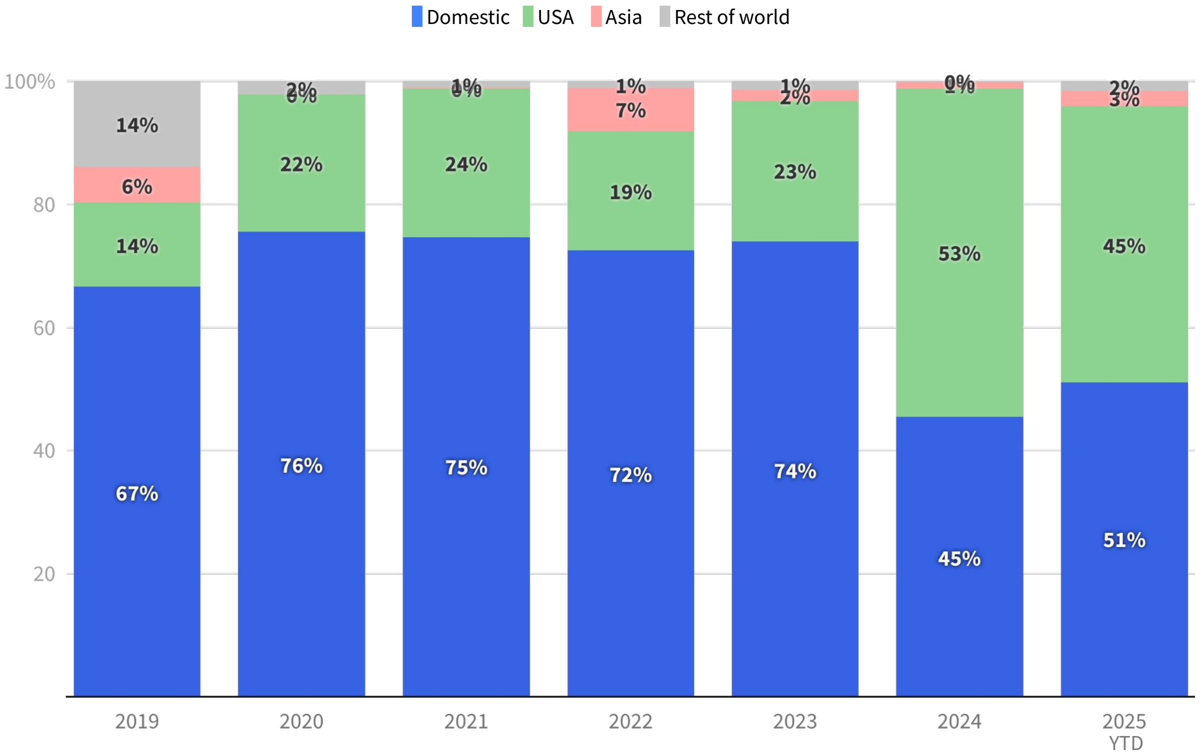
International Investors

andreessen. horowitz, Lux, Acequia Capital, EZMC, Insight Partners, Accel, DCVC, Decisive Point, iqt, Lightspeed, Founders Fund, NEA, General Catalyst, SDF صندوق تنمية القطاعات الاستراتيجية, Starburst

Source: Dealroom.co | Investors shown are not exhaustive for graphical reasons. Selection based on total number of investments in Defence and Defence Application. Explore the European Defence Investor landscape here. *Keen Venture Partners is raising a dedicated Deep Tech Fund with a €125M target size and announced €40M backing from EIF. Lakestar is raising a $300M defence fund. BPIFrance has a dedicated €200M Defence Innovation Fund.

US investors are driving the growing share of funding in European defence tech, now 40-50%, since the maturing sector is attracting larger rounds from overseas

European defence tech VC funding by investor HQ » **view online**



Source Dealroom.co

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The top investors in Defence in Europe in recent years are Defence and Security focused funds

In years prior it was generalists with interest in defence who invested more in the industry

Top Investors in Europe Defence and Defence application startups since 2024

Investor	Preferred Round	Rounds since 2024	Rounds since 2019
NATO Innovation Fund - NIF *	SERIES A	9	9
Project A	SEED	8	12
Expeditions Fund	SEED	7	8
ScaleWolf	SEED	7	7
Omnes Capital	SERIES A	4	8
HV Capital	SERIES A	4	5
Notion Capital	SERIES A	4	5
Frst Capital	SEED	3	5
MD ONE Ventures	SEED	3	5
Coinvest capital	SEED	3	4

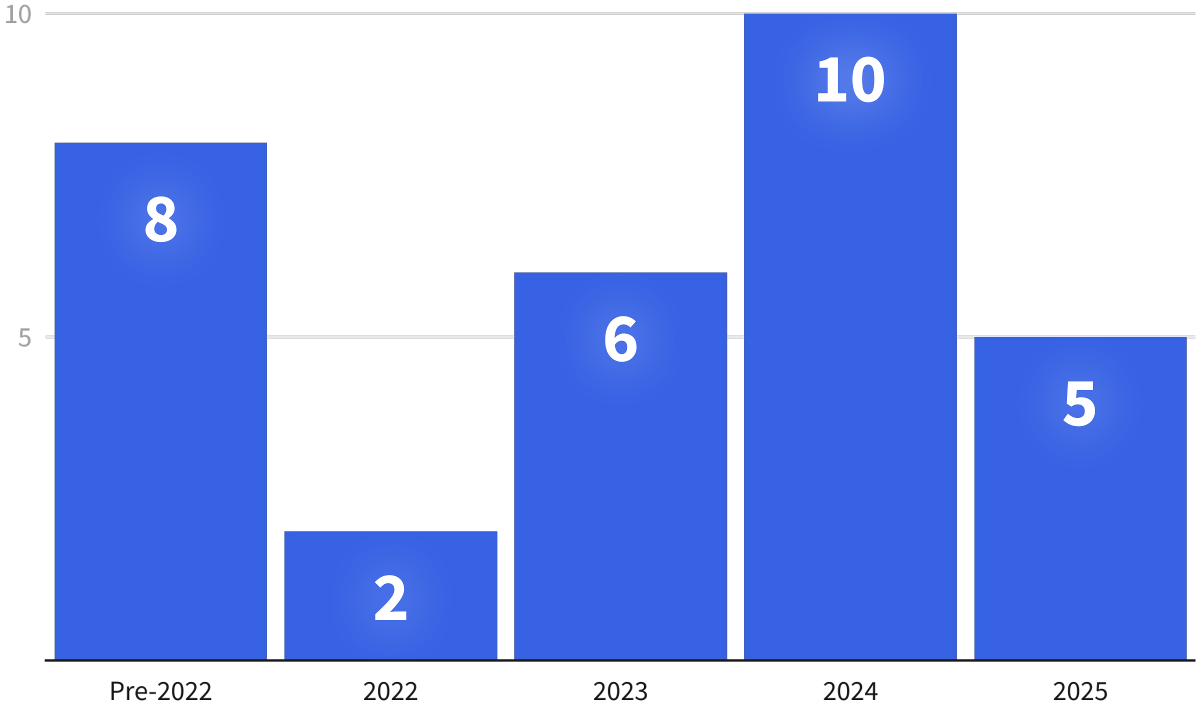
Specialists

Source Dealroom.co *Deep Tech fund focused exclusively on Defence, Security and Resilience (DSR), not Defence only

The last three years have seen many new dedicated Defence funds being launched

Such as ScaleWolf, Hyperion, D3 Venture, Darkstar, Green Flag Ventures, Keen Venture Partners, Double Tap investments, Pointman, Sec Fund, Defence Invest, FNX Ventures, Paralos, Archangel VC, Final Frontier…

New dedicated Defence funds by launch year in Europe



Source: Dealroom.co

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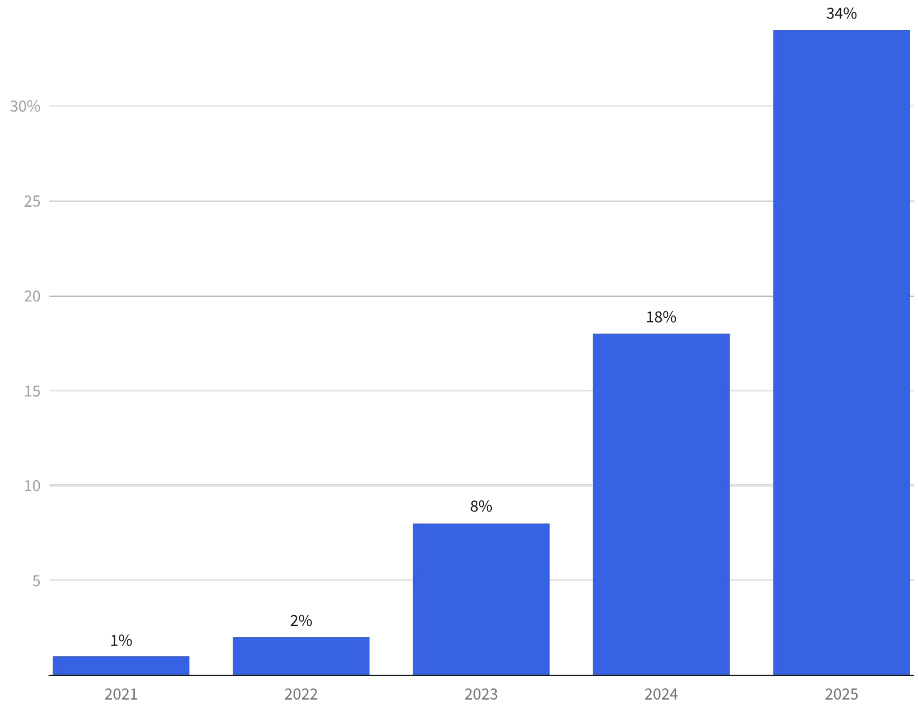
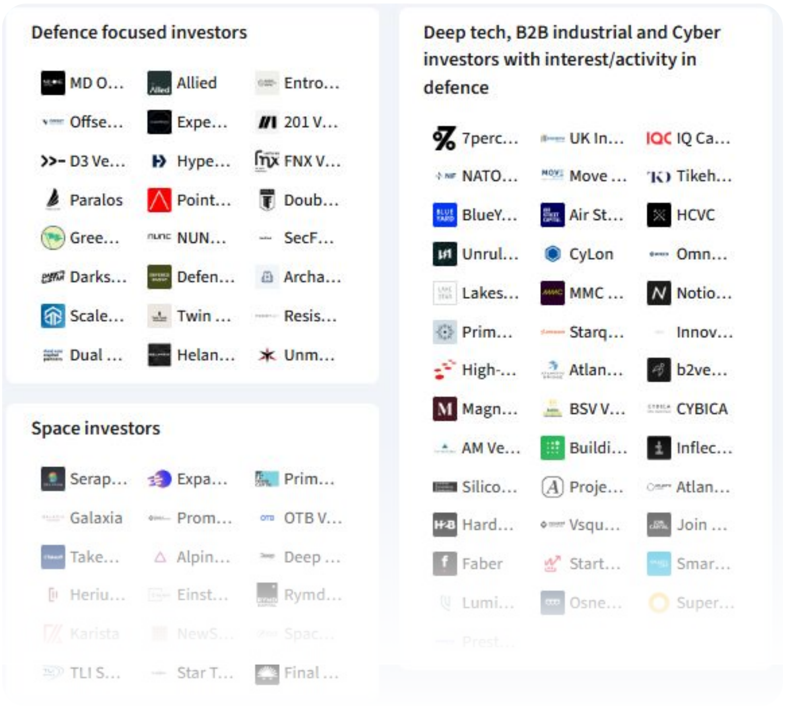
Defence specialist funds have been part of over one third of all defence rounds in Europe in 2025, nearly double last year's share and up from nearly nothing before 2022

% of defence rounds in Europe with participation from 1 or more defence specialist investor



Europe defence investors list **» view online**



Source: Dealroom.co

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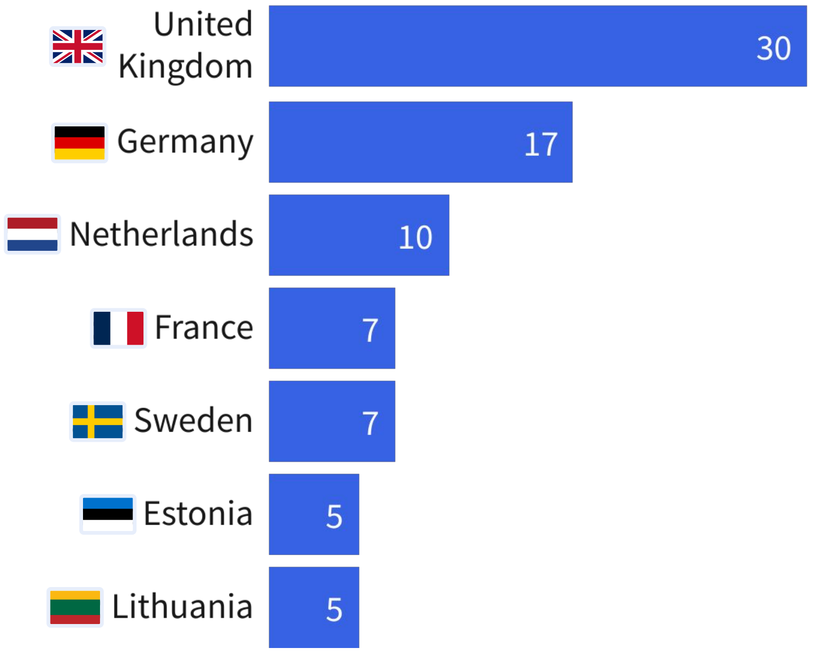
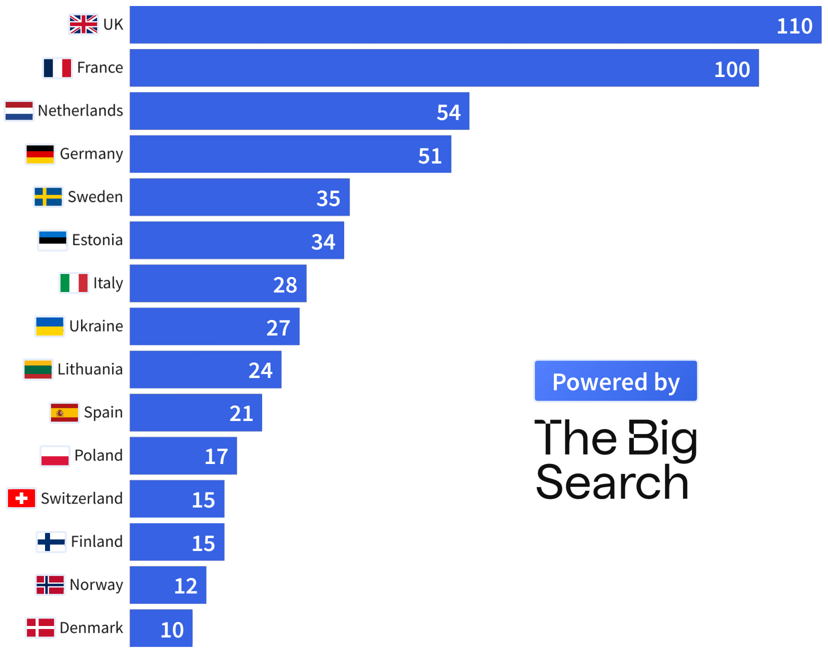
14% of Defence Tech founders have military or MoD experience, mostly from the UK, Germany and NL. 22% of the founders are of Eastern European nationality

The most represented military and MoDs amongst European Defence Tech startups founders



Nationality of European Defence Tech startup founders



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The Big Search

Source: The Big Search analysis of Dealroom company data and additional people information

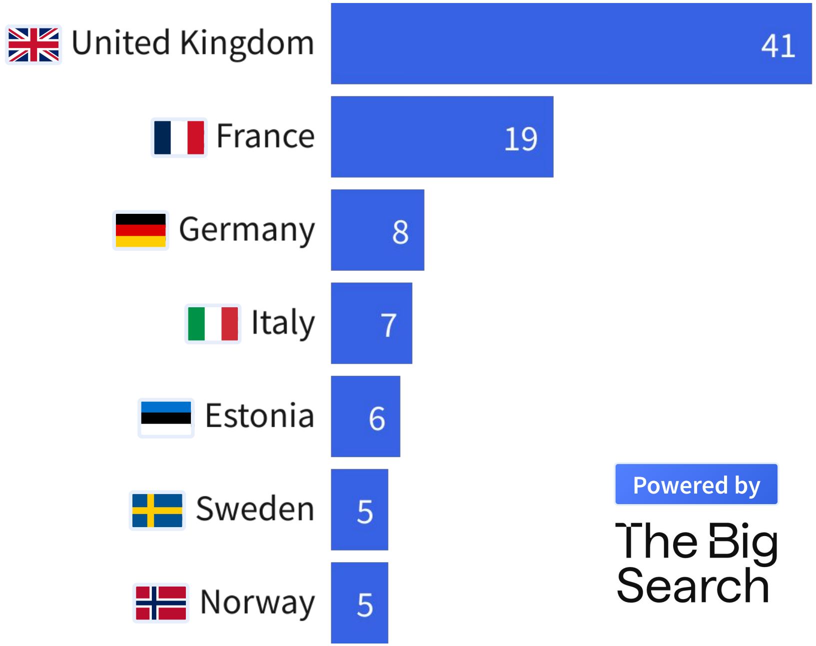
Over 12% of C-level leaders in European Defence Tech startups have military or MoD backgrounds, most commonly in CSIO and CSO roles

Number and % of C-level leaders of European Defence Tech startups with a military or Ministry of Defence (MoD) background

Title	Count	% of total
CEO	40	16.9%
Chief Scientist / CTO	21	14.5%
COO	14	11.7%
Commercial C-level	10	10.5%
Chief Strategic Intelligence Officer (CSIO)	9	25.7%
Chief Strategy Officer (CSO)	5	26.3%
CFO	3	2.4%
CPO	3	12%
Other C-level roles	7	10.6%

Overall average: **12.2%**

The most represented military or ministries of defence's nationalities amongst C-level leaders of European Defence tech startups



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Source: The Big Search analysis of Dealroom company data and additional people information
*Other C-level roles include: Chief Data Officer, Chief Legal Officer, Chief Innovation Officer, CHRO / CPeO, Chief Transformation Officer.

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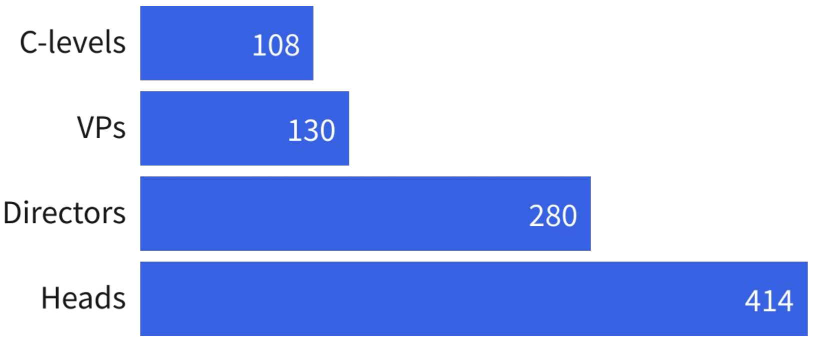
One-third of the analyzed defence tech startups have at least one commercial leader. Nearly half of these have at least one C-level commercial leader and several directors and heads. Sales, Commercial, and Business Development is by far the leading function.

Commercial leaders of defence tech startups by role

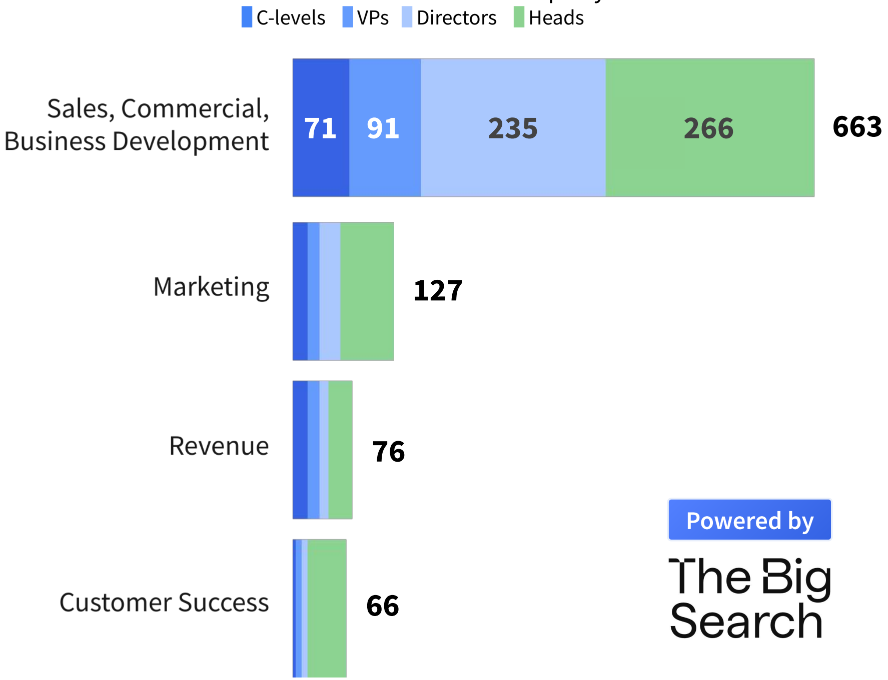


13.9%

of the commercial leaders have a **Defence/MoD** background

The most represented armies' and MoD's nationalities: UK (45), Germany (27), Sweden (17), Italy (12), France (9), Denmark (4), Netherlands (4), and Norway (4).

Commercial leaders of defence tech startups by function



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Source: The Big Search analysis of Dealroom company data and additional people information

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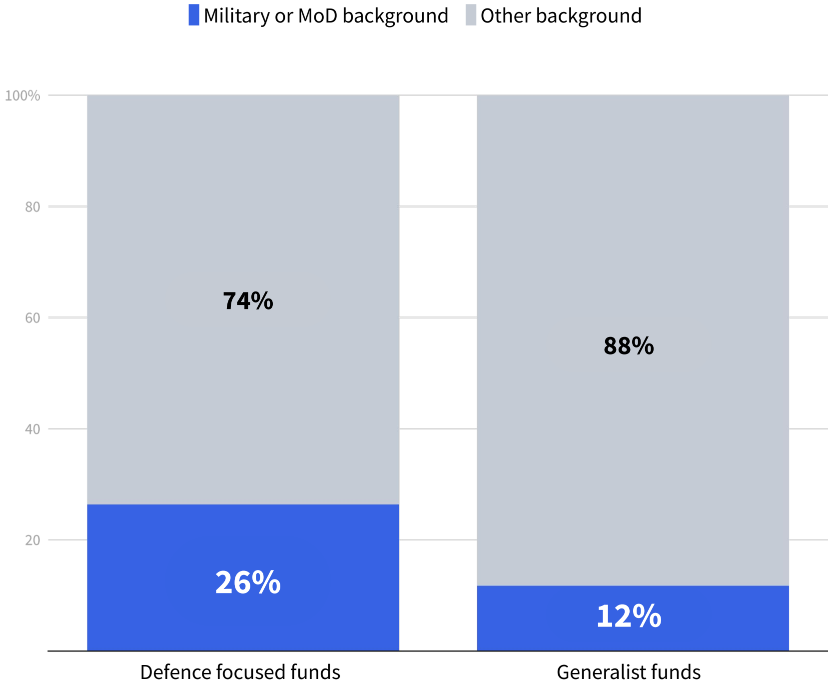
Defence tech specialist funds draw heavily on military expertise, with 26% of investors having military or defence ministry experience, compared to 12% in generalist funds

Investor backgrounds in defence tech and generalist fund



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The most represented funds are:

NIF
MD ONE
TIKEHAU CAPITAL
DEFENCE INVEST
expeditions

The most represented military or MoD's nationalities are:

United Kingdom | **France** | **USA** | **Finland** | **Germany**

Source: The Big Search analysis of Dealroom company data and additional people information

Methodology

What is a startup?

Companies designed to grow fast. Generally, such companies are VC-investable businesses. Sometimes they can become very big (e.g. $1B+ valuation). When startups are successful, they develop into scaleups (>50 people), grownups (>500 people) and result in big companies. Only companies founded since 1990 are included in this report.

What is a startup?

What is a unicorn?

Unicorns are (former) startups that reached US$ 1B valuation or exit at one point in time.

What is a Unicorn?

Underlying Data

Dealroom's proprietary database and software aggregate data from multiple sources: harvesting public information, user-submitted data verified by Dealroom, data engineering. All data is verified and curated with an extensive manual process.

The data on which this report builds is available via **app.dealroom.co**. For more info please visit dealroom.co or contact **support@dealroom.co**. Data for this report was completed by the 7th of September 2025.

Venture Capital, Investors

Investment are referred to by their round labels such as Seed, Series A, B, C, … late stage, and growth equity. VC investments exclude debt, non-equity funding, lending capital and grants.

Geographical scope

This report focuses primarily on Europe-based startups and company statistics are assigned based on their main HQ location. Comparison with rest of NATO) are also included.

Defence definitions and scope

This report focuses primarily on companies focused exclusively or strongly on defence, while most dual-use is excluded from the statistics, unless clearly stated.

Defence
Core company focus are technologies applied for military use.

Defence Application
Companies working on different segments and one important application is defence.

Defence, Security, Resilience (DSR)

Defence, Security, and Resilience refer to deep tech solutions that enhance military capability, protect critical infrastructure, and strengthen societies to withstand and recover from crises. Developed together with Nato Innovation Fund (NIF).
E.g Quantum computing, AI chips and processors and photonics, nuclear energy, energy storage, grid technology, space launch vehicles, in-space manufacturing, communication infrastructure.

Discover more in the Defence, Security, and Resilience report.

Source: Dealroom.co.

dealroom.co

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