# European tech funding soars with record deals and strategic acquisitions in 2025



This week in European tech funding, over 90 deals worth more than €1.5 billion were tracked, alongside a range of mergers, acquisitions, and industry news that underscore the region's growing innovation landscape.

Among the notable funding rounds, UK-based cloud banking services provider Thought Machine raised £45 million in July 2025 from existing investors to support its growth and product development. Despite this fresh capital injection, the company reported increased pre-tax losses, rising from £62.7 million in 2023 to £69.3 million in 2024. Thought Machine, valued at £2.2 billion in 2022, has high-profile clients including Lloyds and Standard Chartered. This recent funding round aligns with the company’s ongoing strategy to expand its footprint and enhance its cloud-native banking platform, following an earlier $160 million Series D funding round in 2022 that doubled its valuation to $2.7 billion.

In Italy, Lexroom, a Milan-based startup founded in 2023, secured a $19 million Series A round led by Silicon Valley's Base10 Partners, with participation from Acurio Ventures, View Different, and industry figures such as Riccardo Zacconi, founder of King (the developer behind Candy Crush). Lexroom’s AI-driven legal assistant platform uses generative AI to streamline legal research, drafting, and advisory services for lawyers and corporate legal teams. The company has seen rapid growth, reportedly tripling its client base within six months and doubling its team, while making strides towards international expansion with launches planned or underway in Germany and Spain. Lexroom aims to leverage its new funds to accelerate development and solidify its position as a transformative force in legal technology across Europe.

The UK government has also awarded £4.4 million in funding to startups focused on aviation and drone technologies, supporting innovation in this strategic sector. Meanwhile, mergers such as Dutch oncology firm Merus’s acquisition for €6.8 billion and other deals including UK-based Mews acquiring Flexkeeping demonstrate ongoing consolidation and strategic growth within the tech ecosystem.

Investor activity remains vibrant, with former Sequoia partner Miller launching a venture capital firm targeting B2B AI ventures, reflecting sustained optimism in the AI and tech sectors despite concerns. However, some prominent voices, including an OpenAI safety adviser, caution that many investors might not fully understand AI’s complexities and risks. Additionally, the rise of female founders in AI is gaining attention, with startups like Haut.AI leading by example and offering valuable lessons on diversity and leadership in technology.

This robust and multifaceted activity highlights Europe's dynamic tech landscape, where substantial funding, innovative startups, strategic acquisitions, and shifting investor sentiments are shaping the future trajectory of the industry.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://tech.eu/2025/10/03/eit-unveils-978m-4-4m-for-british-drones-and-eu-inc-racks-up-praise/)
* Paragraph 2 – [[1]](https://tech.eu/2025/10/03/eit-unveils-978m-4-4m-for-british-drones-and-eu-inc-racks-up-praise/), [[2]](https://tech.eu/2025/10/02/thought-machine-raises-ps45m-as-losses-increase/), [[4]](https://www.businesswire.com/news/home/20220518005023/en/Thought-Machine-Raises-160m-in-Series-D-Funding-Round-%E2%80%93-Doubling-Valuation-to-2.7bn-and-Accelerating-Plans-to-Bring-World%E2%80%99s-Banks-Onto-Cloud-Technology)
* Paragraph 3 – [[1]](https://tech.eu/2025/10/03/eit-unveils-978m-4-4m-for-british-drones-and-eu-inc-racks-up-praise/), [[3]](https://tech.eu/2025/09/29/italys-lexroom-secures-19m-series-a-to-redefine-legal-workflows-with-ai/), [[5]](https://www.thelegalwire.ai/lexroom-raises-19-million-in-series-a-to-scale-legal-ai-across-europe/), [[6]](https://www.finsmes.com/2025/09/lexroom-raises-19m-in-series-a-funding.html), [[7]](https://www.eu-startups.com/2025/09/italian-genai-legal-platform-lexroom-closes-e16-million-funding-round/)
* Paragraph 4 – [[1]](https://tech.eu/2025/10/03/eit-unveils-978m-4-4m-for-british-drones-and-eu-inc-racks-up-praise/)
* Paragraph 5 – [[1]](https://tech.eu/2025/10/03/eit-unveils-978m-4-4m-for-british-drones-and-eu-inc-racks-up-praise/)

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## Bibliography

1. <https://tech.eu/2025/10/03/eit-unveils-978m-4-4m-for-british-drones-and-eu-inc-racks-up-praise/> - Please view link - unable to able to access data
2. <https://tech.eu/2025/10/02/thought-machine-raises-ps45m-as-losses-increase/> - Thought Machine, a UK-based cloud banking services provider, raised £44.8 million in July 2025 from existing investors to finance growth and product development. Despite this funding, the company reported increased losses, with pre-tax losses rising from £62.7 million in 2023 to £69.3 million in 2024. The fintech firm, valued at £2.2 billion in 2022, serves clients like Lloyds and Standard Chartered. The funds aim to support the company's expansion and technological advancements.
3. <https://tech.eu/2025/09/29/italys-lexroom-secures-19m-series-a-to-redefine-legal-workflows-with-ai/> - Lexroom, an Italian startup founded in 2023, secured a $19 million Series A funding round led by Base10 Partners, with participation from Acurio Ventures, View Different, Riccardo Zacconi, and existing investors. The company plans to use the funds to accelerate international growth, expand its team, and enhance its AI-driven legal products. Lexroom provides a legal assistant platform for lawyers and corporate legal teams, utilizing generative AI for legal research, drafting, and advisory services.
4. <https://www.businesswire.com/news/home/20220518005023/en/Thought-Machine-Raises-160m-in-Series-D-Funding-Round-%E2%80%93-Doubling-Valuation-to-2.7bn-and-Accelerating-Plans-to-Bring-World%E2%80%99s-Banks-Onto-Cloud-Technology> - In May 2022, Thought Machine, a cloud-native banking technology company, raised $160 million in a Series D funding round led by Temasek, with participation from Intesa Sanpaolo and Morgan Stanley. This funding increased the company's valuation to $2.7 billion, doubling its previous valuation. The funds are intended to support the expansion of Thought Machine's core banking platform and its global expansion plans, particularly in markets with increasing demand for cloud-native technology.
5. <https://www.thelegalwire.ai/lexroom-raises-19-million-in-series-a-to-scale-legal-ai-across-europe/> - Lexroom, an Italian startup using generative AI to transform the legal sector, closed a $19 million Series A round led by Silicon Valley VC Base10 Partners. The round also saw participation from Spanish VC Acurio Ventures, View Different, and Riccardo Zacconi, founder of King (Candy Crush), along with other strategic angel investors. The company intends to use the funds to expand operations and its development efforts, aiming to accelerate international growth and build the future of the legal profession with AI at its core.
6. <https://www.finsmes.com/2025/09/lexroom-raises-19m-in-series-a-funding.html> - Lexroom, a Milan-based startup using generative AI to transform the legal sector, raised $19 million in Series A funding. The round was led by Base10 Partners with participation from Acurio Ventures, View Different, and Riccardo Zacconi, founder of King (Candy Crush), along with other strategic angel investors, as well as existing investors Entourage, Verve Ventures, and Joe Zadeh. The company intends to use the funds to expand operations and its development efforts.
7. <https://www.eu-startups.com/2025/09/italian-genai-legal-platform-lexroom-closes-e16-million-funding-round/> - Lexroom, the startup out of Milan using generative AI to transform the legal sector, has closed a €16.2 million Series A round in order to accelerate international expansion and further develop its legal AI platform. In the past six months, the startup has reportedly tripled its client base and doubled its team, with expansion already underway in Germany and an imminent launch in Spain. The round was led by Silicon Valley VC Base10 Partners.