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Venture Capital: On the Trail of the Future

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Abstract

Anyone who tracks the investments made by venture capitalists can gain important insights into which technologies and business models could shape the economy of tomorrow.

Zusammenfassung

Wer den Investitionen von Risikokapitalgebern folgt, erhält wichtige Hinweise darauf, welche Technologien und Geschäftsmodelle die Wirtschaft von morgen prägen könnten.



The Mistral is a cold, often strong north wind that blows through the Rhône Valley towards the Mediterranean. Mistral is also an iconic brand in the world of surfing. And Mistral is a French start-up that is succeeding with a business model based on artificial intelligence (AI) – at least judging by its valuation, which [stands at a good 21 billion euros](#) following its latest €3 billion funding round [led by the South Korean technology group Samsung](#). Mistral is regarded as Europe's great hope in the field of AI and is therefore attracting substantial sums of Venture Capital. However, the headlines are dominated by the US AI start-ups OpenAI (ChatGPT) and Anthropic (the Claude language model). Anthropic is reportedly preparing for a potential record-breaking IPO in November 2026. But which start-up could soon – or in the not-too-distant future – become a major player on the stock market or a key part of a corporate group?

Predicting the future with certainty is impossible, but following the clues is not. The clues lead to investors who provide Venture Capital to young companies. These are primarily Venture Capital funds and the Venture Capital divisions of established corporations. Venture Capital plays an important role in financial intermediation, providing capital to companies that might otherwise struggle to raise funds; these companies are generally small and young (Gompers and Lerner 2001). This is because loans are usually only available to young start-ups once they have reached a certain level of maturity.

The investments made by the Venture Capital arms of major corporations such as Samsung, as well as by influential Venture Capital firms such as Tiger Global Management, Sequoia Capital, Andreessen Horowitz (all US-based) and SoftBank (Japan), offer a glimpse into the economy of tomorrow. At present, in an era of AI disruption, a look at Venture Capital investments is particularly interesting.

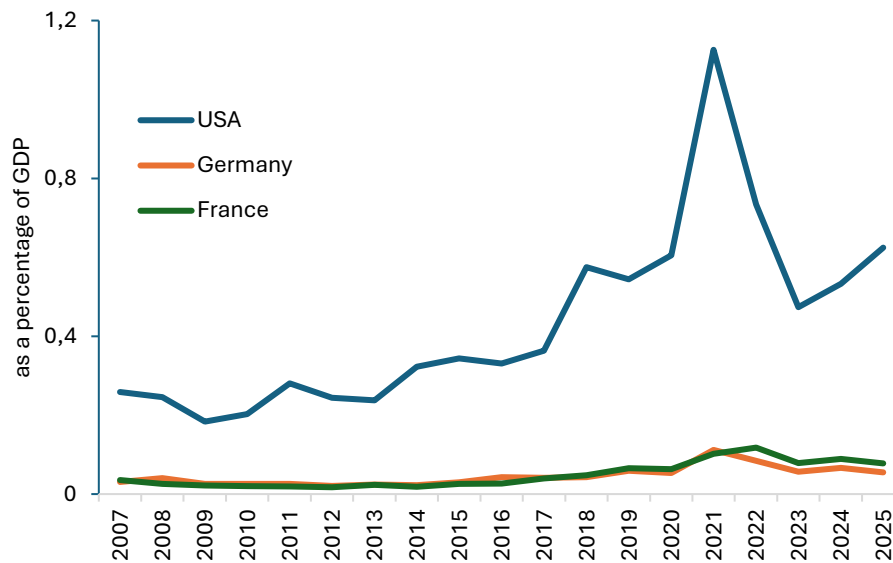
1. The US remains dominant

One thing is virtually certain: the US remains by far the largest market for Venture Capital. According to OECD figures, annual Venture Capital investment in the United States has more than quintupled between 2007 and 2025, rising from 37.4 billion to 192.1 billion dollars. In the core EU countries of France and Germany, investment has risen from a meagre 0.9 to 2.6 billion and from 1.1 to 2.8 billion dollars respectively.

Measured against gross domestic product, the US is eight times ahead of France and as much as eleven times ahead of Germany (Figure 1).



Figure 1: Venture Capital investment as a proportion of gross domestic product



Source: OECD, Flossbach von Storch Research Institute, as at October 2026.

The US has dominated Venture Capital in the past and present and is likely to remain its leading market – leaving China aside, whose investments in start-ups are also state-driven and therefore difficult to compare. Nevertheless, there are start-ups in China with high valuations. For example, [TikTok's parent company ByteDance currently has a valuation of 585 billion dollars](#), and the fintech firm Ant Group is valued at 79 billion dollars.

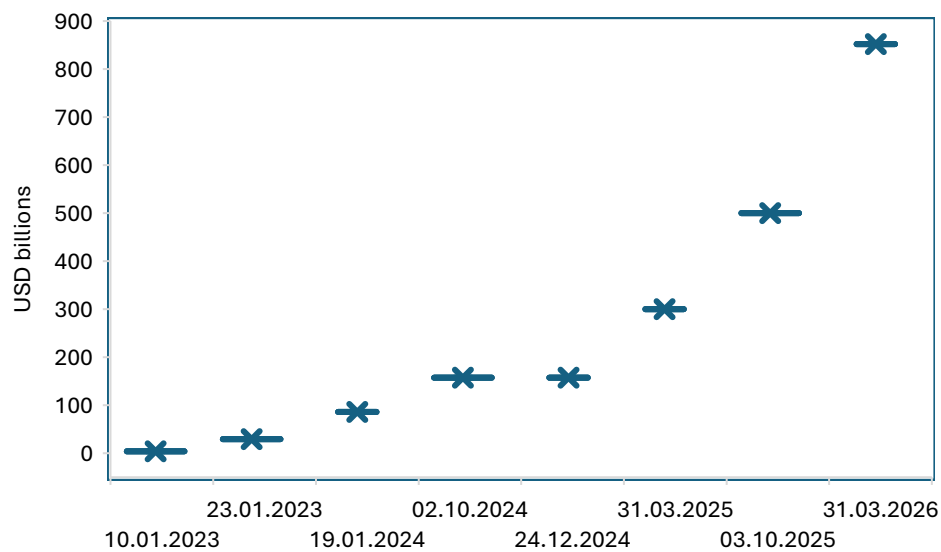
The most valuable start-ups in the Western Hemisphere are currently the US AI giants OpenAI and Anthropic. OpenAI is reportedly in talks to secure a further injection of capital from investors, which could see its valuation rise to 1.4 trillion dollars – [according to some media reports](#).

Anthropic is likely to stage a record-breaking IPO in November 2026 with a valuation potentially reaching two trillion dollars. This would see Anthropic instantly join the ranks of the ten largest listed companies in the world by market capitalisation.

Venture Capital investors have granted both AI firms rapid increases in valuation in recent years (Figures 2 and 3).

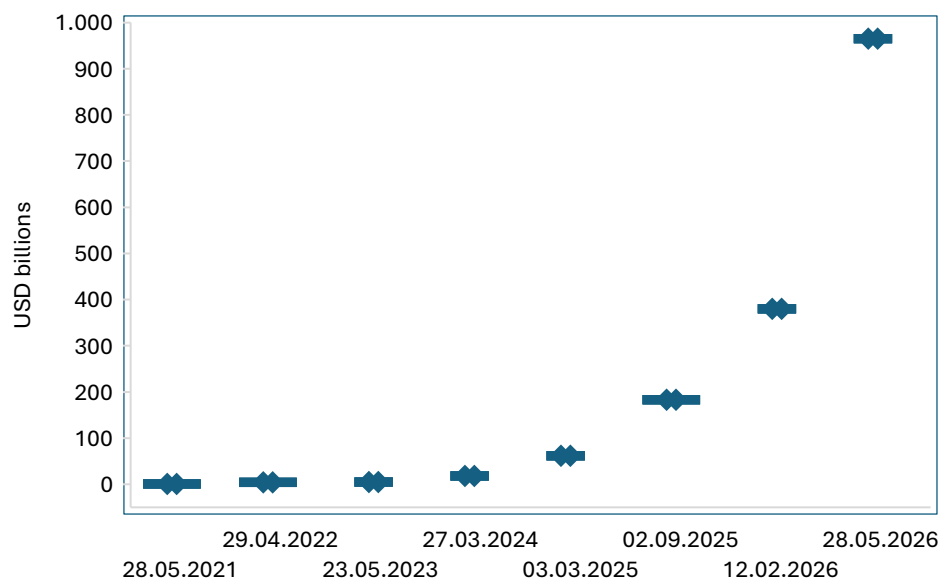


Figure 2: OpenAI's valuation



Source: Pitchbook, Flossbach von Storch Research Institute, as at October 2026.

Figure 3: Valuation of Anthropic



Source: Pitchbook, Forbes, Anthropic, Flossbach von Storch Research Institute, as at October 2026.

Important to note: 'Valuation' here does not refer to how much money a start-up has raised from investors, but rather to the total valuation of all shares following the most recent investment round. For example, if a start-up with 1,000 shares sells existing 100 shares at \$1,000 each in an initial funding round, its total valuation is one million dollars (technical term: post-money valuation). If, in a second round, the start-up issues a further 100 shares from its holding at \$2,000 each, its total valuation rises to two million dollars.



Anthropic's most recent capital injection in May 2026 amounted to \$65 billion, whilst the first funding round in 2021 raised a mere \$124 million. In total, the Claude developer has raised just over 120 billion dollars to date – the current valuation of 965 billion dollars is eight times that figure. However, these valuations are, at best, vague indicators that often significantly overestimate the economic value of the companies (Gornall and Strebulaev 2020).

2. Leading sectors in terms of scaling and in-house development

This makes it all the more important to ask whether AI will play a key role in the economy, thereby justifying substantial Venture Capital investment – and, if so, in which sectors? [According to the consultancy firm McKinsey, this is indeed the case.](#) The technology sector is leading the way in scaling up AI agents. 41 per cent of technology companies chose not to purchase external software solutions because they were able to build them in-house using AI coding tools. In the healthcare sector (healthcare payers and providers), 39 per cent of companies used AI to develop software independently. In professional services and energy & commodities, 38 per cent of respondents in each sector stated that they were replacing software purchases with their own AI developments, according to McKinsey. Companies in the consumer goods and retail sectors derived the greatest benefit from the targeted use of AI agents in marketing and sales; in advanced manufacturing, AI agents were used most effectively in the areas of supply chain, inventory management and production.

3. AI leads the way on unicorn lists

Consequently, the high relevance of AI to Venture Capital comes as no surprise. According to the [Morningstar Pitchbook Global Unicorn Tracker from August 2026](#), AI start-ups now account for 62 per cent of the total value of 8.2 trillion dollars and 40 per cent of all so-called unicorns. In the Venture Capital scene, a 'unicorn' refers to a start-up with a valuation of at least one billion dollars.

Alongside Anthropic, OpenAI and ByteDance, the US-Irish fintech Stripe, the US software company Databricks and the British fintech Revolut have recently achieved valuations in the hundreds of billions of dollars. By way of comparison, Germany's two most valuable unicorns – the defence start-up Helsing and the broker Trade Republic – are valued at 18 and 14 billion dollars respectively.

The Swedish vibe-coding start-up Lovable is also in this league, with a valuation of 13.3 billion dollars. According to a report in the **Financial Times**, the Swedish AI start-up Legora, which specialises in legal matters, is in talks regarding a funding round with a valuation of at least ten billion dollars. According to the latest Morningstar Unicorn Market Monitor, four of the five largest funding rounds in the second quarter of 2026 were completed by companies in the AI sector.

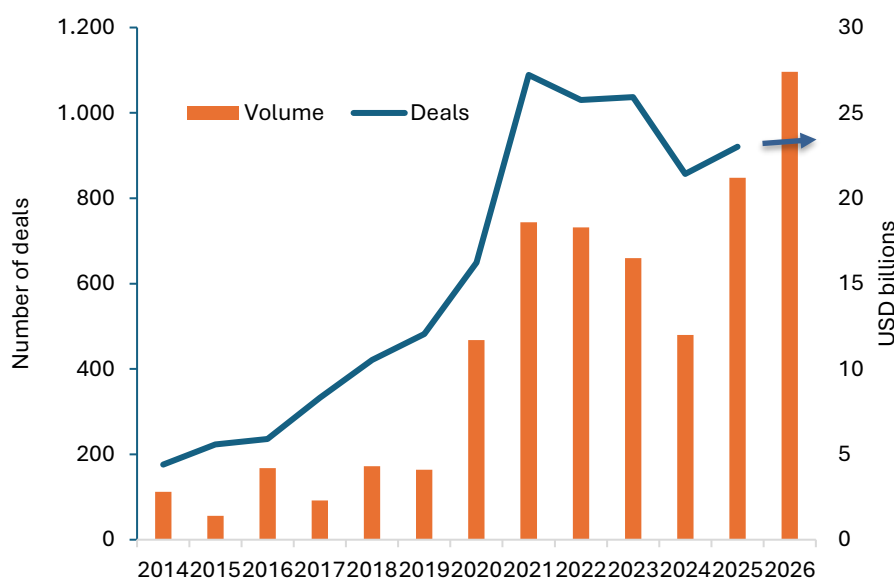


Alongside AI, the defence and armaments industry is an investment focus for Venture Capital. For example, according to a report by the British technology portal 'Sifted', the London-based drone specialist Uforce is in talks regarding a funding round with a valuation of more than four billion dollars.

4. Semiconductors in demand

Equity investors' enthusiasm for chip companies such as Nvidia, Micron and SK Hynix has cooled significantly over the summer of 2026. In the Venture Capital sector, however, a record is on the cards. According to data from Pitchbook, more than \$16 billion in Venture Capital had been invested in semiconductor companies by the start of August. At the current rate, total annual investment in semiconductor start-ups for 2026 is expected to be 30 per cent higher than the previous year's record (Figure 4).

Figure 4: Venture Capital investment in semiconductor start-ups



Volume 2026: Pitchbook forecast; deals 2026: own projection; source: Pitchbook, Flossbach von Storch Research Institute; as at October 2026.

The latest funding round for the Californian company Cerebras Systems, worth one billion dollars, was the largest Venture Capital transaction in the semiconductor sector so far this year and gave the company a valuation of around 23 billion dollars before it went public in May.

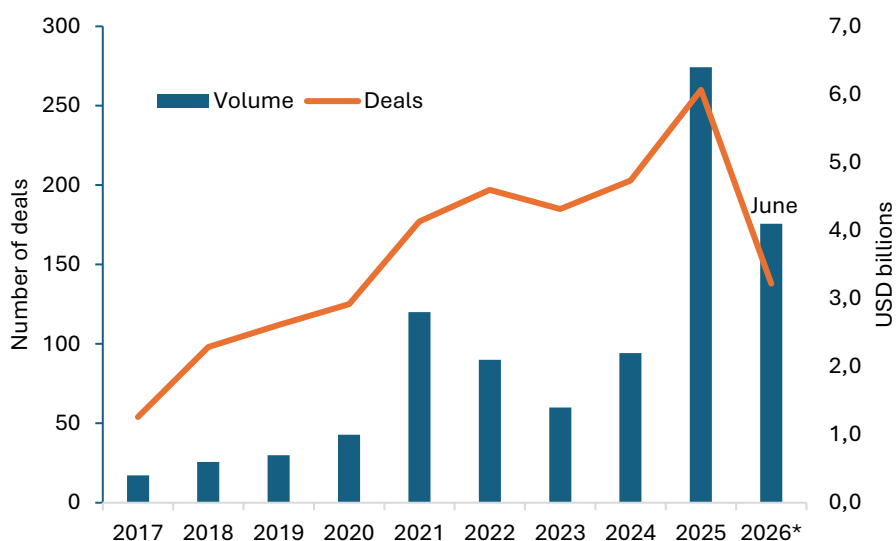
In Europe, too, the need to develop independent chip technology has led to even faster growth in the semiconductor industry. According to Pitchbook, the volume of funding in 2026 had already reached \$2.1 billion – almost double the figure for the previous year. In August 2026, the British company Olix completed Europe's largest chip funding round, raising \$312 million at a valuation of \$3.3 billion.



5. Quantum computing set for a boost

Venture Capital investment in the field of quantum computing has also experienced a further strong surge. According to data from Preqin, between 2017 and June 2026, a total of \$21.7 billion was invested worldwide in 1,549 funding rounds in quantum-related companies (Figure 5).

Figure 5: Venture Capital investments in quantum computing start-ups



*2026: as at June, source: Preqin, Flossbach von Storch Research Institute, as at October 2026.

The pace has accelerated: between early 2025 and June 2026 alone, \$10.5 billion flowed into quantum computing start-ups. This is partly attributable to the development of the quantum market, which, according to [McKinsey's 'Quantum Technology Monitor 2026'](#), is evolving from a 'research ecosystem into something closer to a scalable technology stack'. The management consultancy believes that quantum computing has reached a "commercial tipping point". According to its analysis, quantum companies could generate annual global revenue of \$4.4 billion by 2028, up from just over \$1 billion in 2025.

Paris-based company Pasqal and Aramco [announced Saudi Arabia's first quantum computer and the Middle East's first commercial 'Quantum Computing as a Service' \(QCaaS\) platform this summer](#). Pasqal raised 170 million euros in March. Vancouver-based Photonic, which has set itself the goal of building a quantum computer on a commercial scale, [has raised over \\$200 million in funding since January](#). London-based [Quantum Motion recently completed a \\$160 million funding round](#). The Dutch [company QuantWare most recently secured \\$178 million](#) in Venture Capital.



Conclusion

The future is shaped by AI. Investors are betting on this not only in secondary markets such as the stock market, but also in the primary Venture Capital market. Related technology sectors, such as the semiconductor industry, are also benefiting from this. At the same time, quantum computing is experiencing a significant surge in funding. The US remains by far the world's most important Venture Capital market, whilst Europe lags significantly behind. Current valuations of start-ups often exceed the market capitalisations of established companies. This naturally limits the scope for (further) significant increases in valuation should the start-ups be sold or go public. And a rough sketch never shows the whole picture. Technology trends can shift rapidly; unsuccessful investments are common in the Venture Capital market. The rule of thumb is that if one out of ten Venture Capital investments proves successful, this offsets the losses from the other investments. This is likely to be the case once again in the current AI investment cycle.



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