QUARTERLY INTELLIGENCE BRIEFING · JULY–SEPTEMBER 2026

The Mistral Singularity

French Tech Q3 2026 Funding Report

€4.41B
RAISED IN Q3 2026

108
ROUNDS CLOSED

€3.0B
TO MISTRAL AI ALONE

OVERVIEW

Q3 2026 in Brief

French tech just raised its biggest third quarter in years. In Q3 2026, startups pulled in **€4.41 billion — up 46% on a year ago** and more than double the spring. By the headline, the scale-up the French ecosystem has promised for a decade has finally arrived.

It took one company. **Mistral AI, the Paris frontier-model lab, raised €3.0 billion in September** — the largest venture round in French history, and nearly two-thirds of everything raised all quarter. Strip it out, and French tech raised €1.4 billion — actually *down* on the spring.

That gap — between a record headline and a market thinning beneath it — is the story of Q3 2026. And it is no longer one quarter's quirk: *across all of 2026, a handful of giant AI rounds now do what hundreds of smaller deals used to.*

Q3 2026 AT A GLANCE

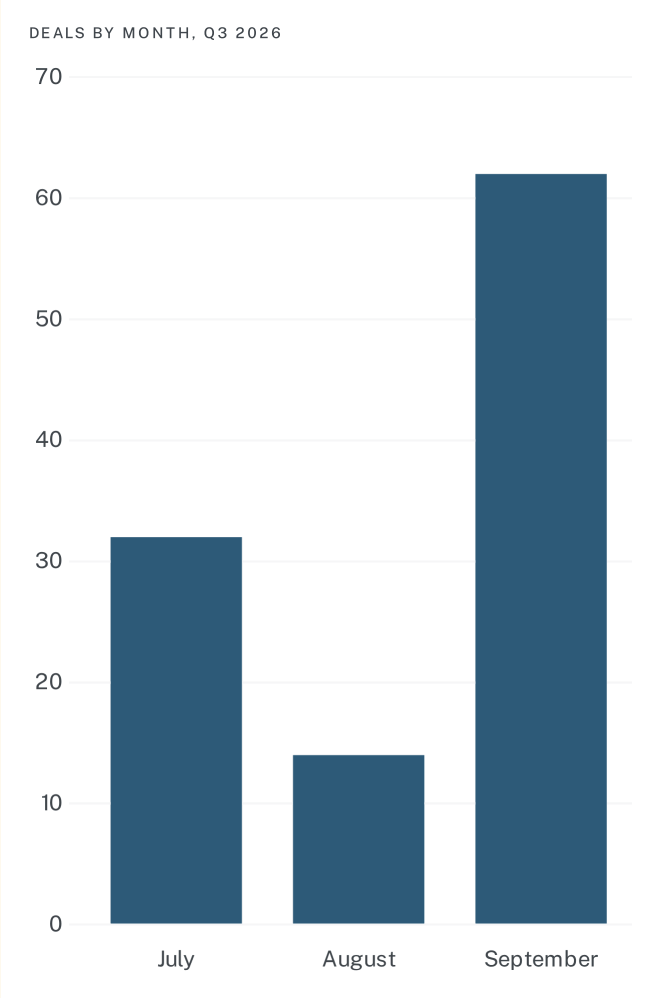
TOTAL RAISED	DEALS CLOSED	AVERAGE ROUND	MEDIAN ROUND	ROUNDS ≥ €100M
€4.41B	108	€44.0M	€4.4M	3
+46% vs Q3 2025	−14% · six-year low	+83% vs €24.1M	+47% vs €3.0M	Mistral, Exploration Co, Skello

MONTHLY RHYTHM

September Was the Quarter

September alone was €3.83 billion — 87% of the total — as Mistral, The Exploration Company and HighLife landed together. August was nearly dormant (€89M); July was a normal month (€485M, led by Skello's €150M).





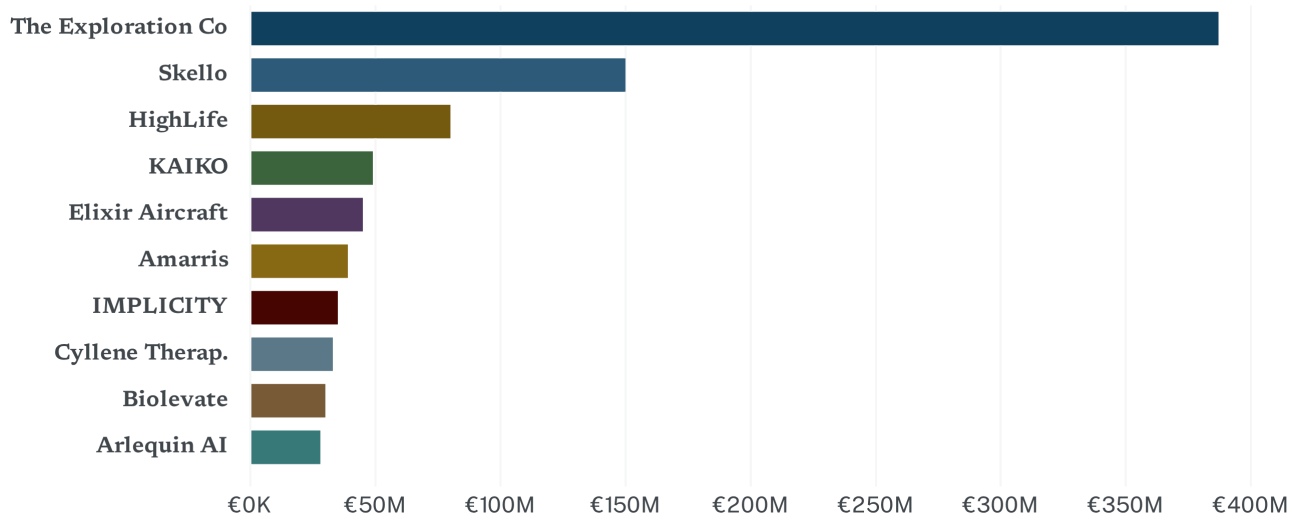
The August Lull, the September Surge

€89M in August against €3.83B in September — a 43× swing, the starkest monthly split in the six-year series. When a single September round is €3 billion, the quarter is whatever lands that month.

LANDMARK DEALS

The 15 Largest Rounds of Q3 2026

TOP DEALS BY AMOUNT (€M) · MISTRAL AI (€3,000M) OMITTED FOR SCALE



#	COMPANY	AMOUNT	ROUND	MONTH	CITY	SECTORS
1	Mistral AI	€3,000M	Series D	Sep	Paris	AI
2	The Exploration Company	€387M	Series C	Sep	Munich	SPACETECH
3	Skello	€150M	Growth	Jul	Paris	HRTECH SAAS
4	HighLife	€80M	Growth	Sep	Paris	MEDTECH
5	KAIKO	€49M	Series B	Sep	Paris	FINTECH DATA
6	Elixir Aircraft	€45M	Growth	Jul	La Rochelle	AEROSPACE
7	Amarris	€39M	Growth	Jul	Saint-Herblain	FINTECH
8	IMPLICITY	€35M	Growth	Sep	Paris	HEALTHTECH AI
9	Cyllene Therapeutics	€33M	Series C	Jul	Paris	BIOTECH
10	Biolevate	€30M	Series A	Sep	Paris	HEALTHTECH AI
11	Arlequin AI	€28M	Series A	Sep	Paris	AI
12	Gradium	€26.3M	Seed	Jul	Paris	DEEPTECH
13	Arrakis Technologies	€25.8M	Series A	Jul	London	WEB3
14	SYNTETICA	€25.8M	Series A	Jul	Reims	DEEPTECH
15	Chargepoly	€23M	Growth	Aug	Aix-en-Provence	CLEANTECH

The Mistral Asterisk

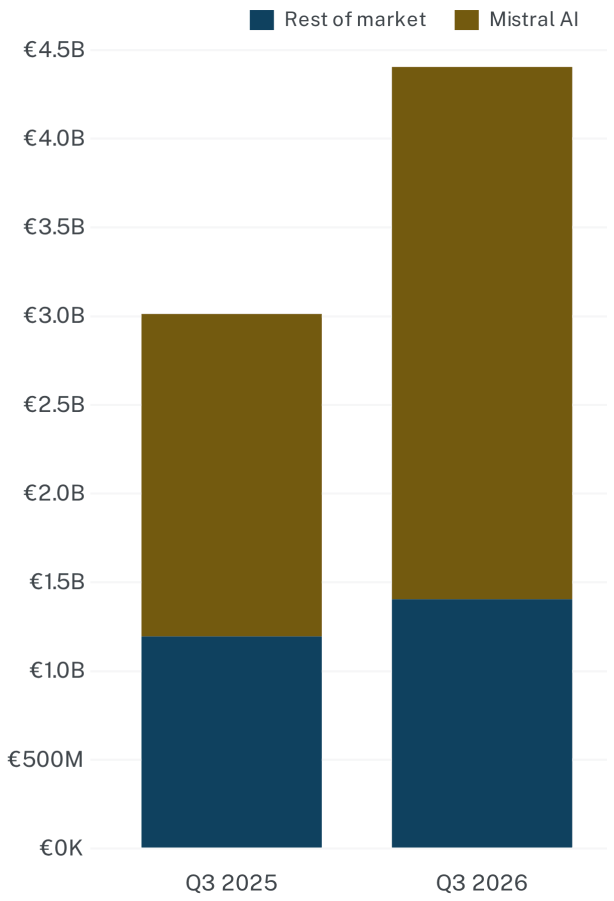
Mistral's €3.0B is **68% of the entire quarter** — the most dominant single deal in six years (vs Alan's 23% in Q2). After it, the table falls off a cliff: #2 is €387M, #4 is €80M, #15 is €23M. Read every number in this report twice — with Mistral, and without it.

THE OUTLIER

One Deal, Two-Thirds

Mistral's €3.0B is 68% of all Q3 funding. Strip it out and the quarter is €1.41B — up ~18% year-on-year, but *down ~14% on Q2*. Q3 2025 was *also* Mistral-topped (€1.82B), so even the annual comparison is a tale of two Mistral rounds.

Q3 FUNDING: REST OF MARKET VS MISTRAL (€M)



THE NUMBERS WITHOUT MISTRAL

Q3 2026 TOTAL (EX-MISTRAL)

€1.41B

+18% YoY · −14% on Q2

MISTRAL AS SHARE OF QUARTER

68.1%

highest single-deal share in six years

AVERAGE ROUND (EX-MISTRAL)

€14.2M

vs €44.0M with Mistral

Two Mistral Quarters Running

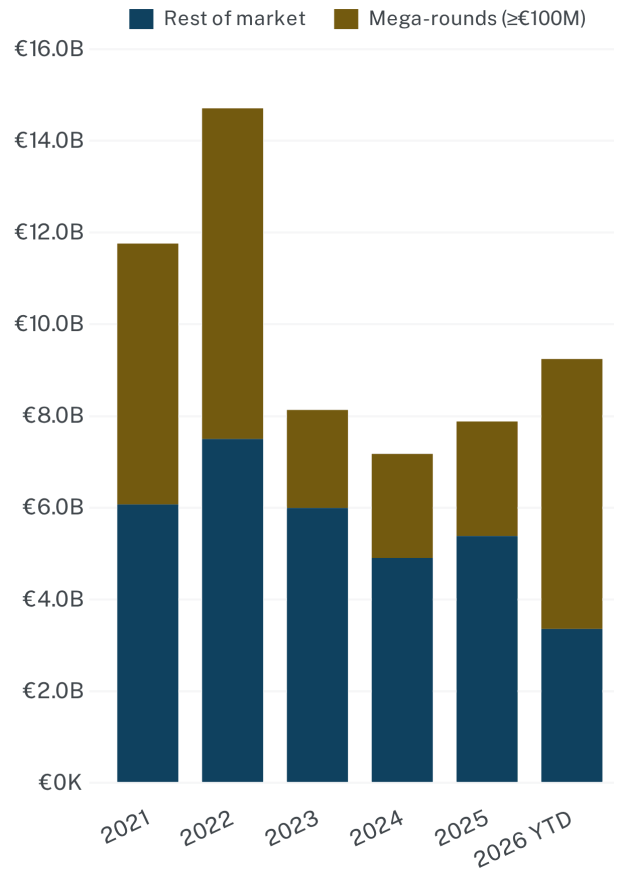
Mistral topped Q3 in both 2025 (€1.82B) and 2026 (€3.0B), its single-deal share climbing from 60% to 68%. The French funding headline now rises and falls with one company's fundraising calendar. Ex-Mistral, the market grew a modest ~18% in a year — and shrank from the spring.

THE MACRO VIEW

2026 Already Beat 2025 — With a Quarter to Spare

Through nine months, French tech has raised **€9.24 billion — already 17% above all of full-year 2025 (€7.88B)**, and above 2024. On any Q4 at all, 2026 becomes the strongest year since the 2022 boom.

ANNUAL FUNDING (€M) · MEGA-ROUNDS (≥€100M) IN GOLD · 2026 = JAN–SEP



2026 YEAR-TO-DATE

RAISED (JAN–SEP)

€9.24B

already +17% over all of 2025

FROM 12 ROUNDS ≥ €100M

64%

€5.89B of €9.24B, from 3% of deals

DEAL COUNT (JAN–SEP)

388

fewest on record (~515 annualized)

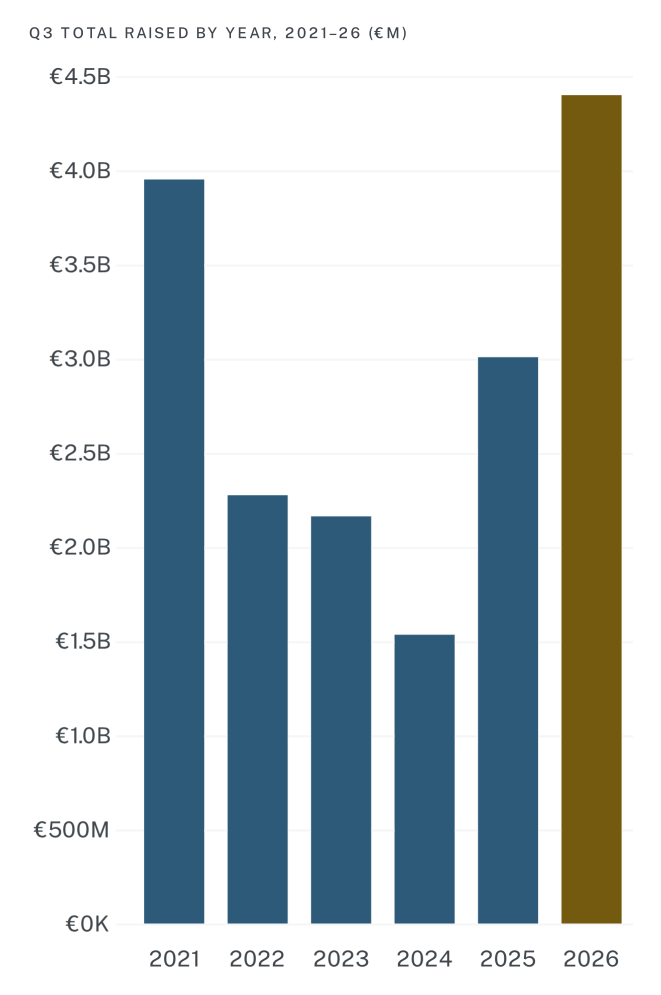
Bigger Year, Thinner Market

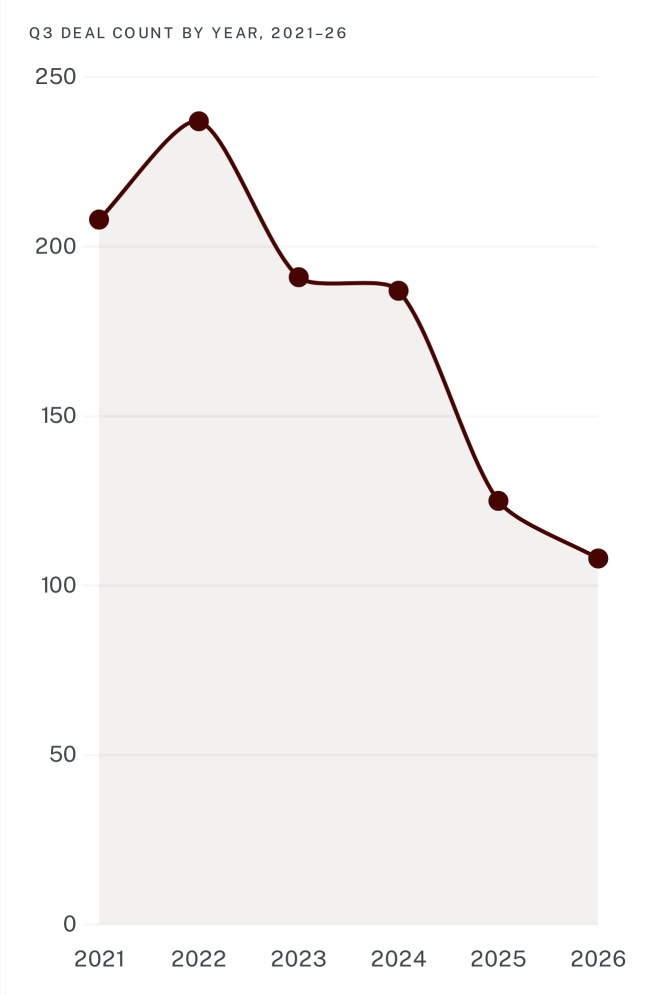
The record is three companies. **The top three — Mistral (€3.0B), AMI (€890M) and Alan (€480M) — are €4.37B, 47% of the year; Mistral alone is ~32%.** And the *rest* of the market — everything under €100M — is just €3.36B, the lowest in the six-year series. 2026 is a bigger year than 2025 built on barely half the deals: a handful of global-scale AI rounds doing what hundreds of smaller ones used to.

THE LONG VIEW

The Biggest Q3, on the Fewest Deals

At €4.41B, Q3 2026 tops even the 2021 boom-era Q3 (€3.96B) — yet deal count (108) is the lowest in six years, down from 237 in 2022. Record money, record-low breadth.





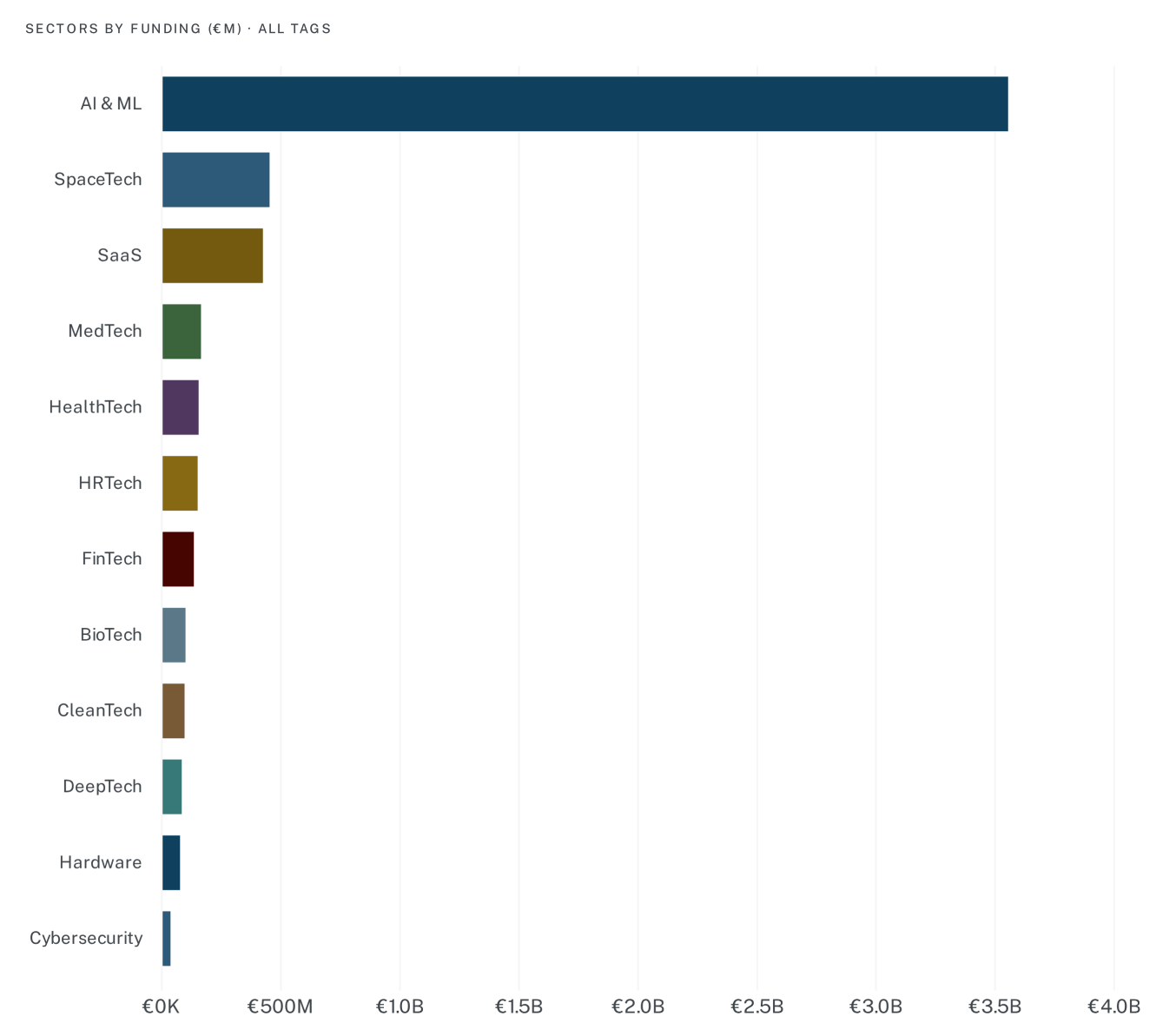
The Recurring Giant, Supersized

Every Q3 has a flagship round — Sorare, Contentsquare, Verkor, then Mistral and Mistral again. What changed is scale: Mistral's 68% share has no precedent in the series (the prior high was Verkor's 38% in 2023). The quarter no longer *has* a giant; it *is* one.

SECTOR INTELLIGENCE

€3.55 Billion Flowed to AI. €3B of It to One Lab.

Counting every sector tag, AI touched **€3.55B — 81% of the quarter**. But €3.0B is Mistral; ex-Mistral, AI (~€554M) is still France's largest sector and up ~22% YoY. (Totals overlap: deals carry multiple tags.)



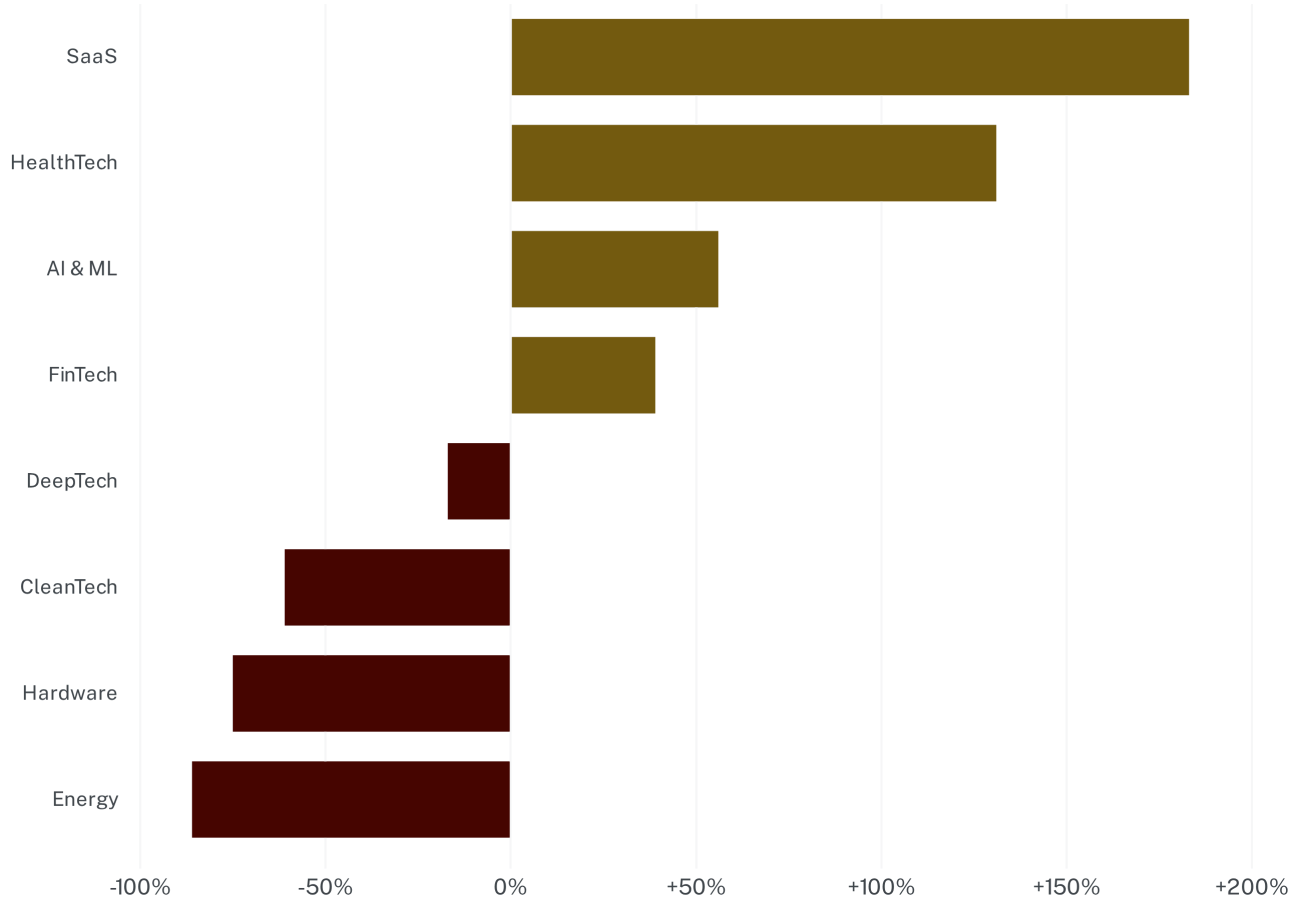
Beneath the Giant

Away from Mistral, the genuine movers are **SpaceTech** (The Exploration Company) and **health/medtech** (both up triple digits YoY); energy, cleantech and hardware all fell. AI still eats everything — it just ate more of it through one company.

SECTOR INTELLIGENCE · CONTINUED

Sector Highlights

SECTOR YOY CHANGE (%)



SECTOR HIGHLIGHTS

THE QUARTER

Artificial Intelligence

€3,554M

81% of all value

57 deals · €3.0B is Mistral; ex-Mistral ~€554M

SPIKE

SpaceTech

€453M

+521% YoY

6 deals · The Exploration Company €387M

REBOUND

SaaS

€425M

+183% YoY

37 deals · Skello + breadth

RECOVERING

Health cluster

~€420M

Health + Med + Bio

HighLife, IMPLICITY, Cyllene

COOLING

CleanTech

€96M

−61% YoY

8 deals

NEAR-ZERO

Energy

€33M

−86% YoY

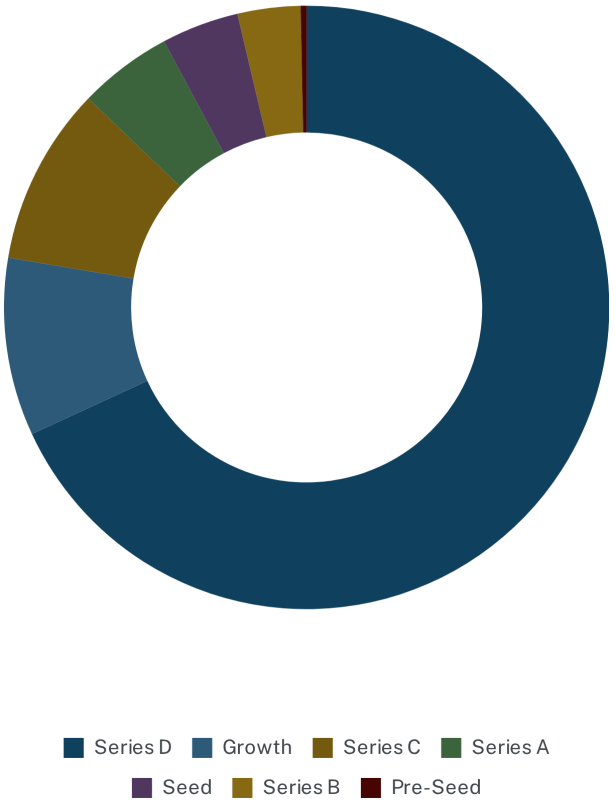
3 deals

STAGE STRUCTURE

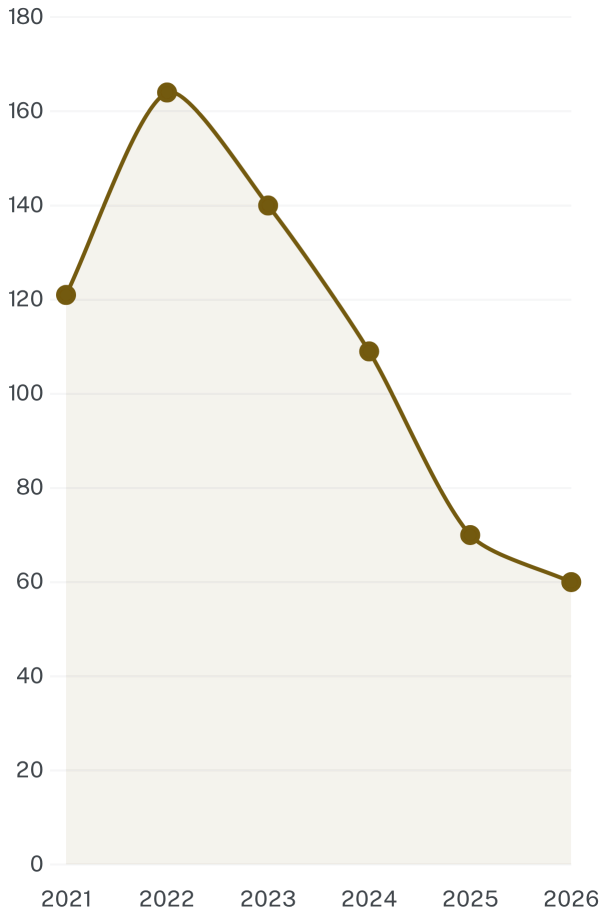
One Series D, Larger Than Everything Else

Mistral's €3.0B Series D — a stage absent from every prior Q3 — is bigger than all other stages combined. Beneath it, seed fell to 50 deals, a six-year low (from 61), and Series B more than halved in value.

STAGE DISTRIBUTION BY AMOUNT (€M)



SEED & PRE-SEED DEAL COUNT BY YEAR, Q3 2021–26



The Pipeline Problem, Still

Early-stage deal-making has halved since 2021 (121 → 60 seed + pre-seed in Q3). The funnel that should feed tomorrow's Mistrals is narrowing even as today's takes a record cheque. Top swelling, base eroding — the structural core of the whole 2026 story.

THE MAP & THE ECOSYSTEM

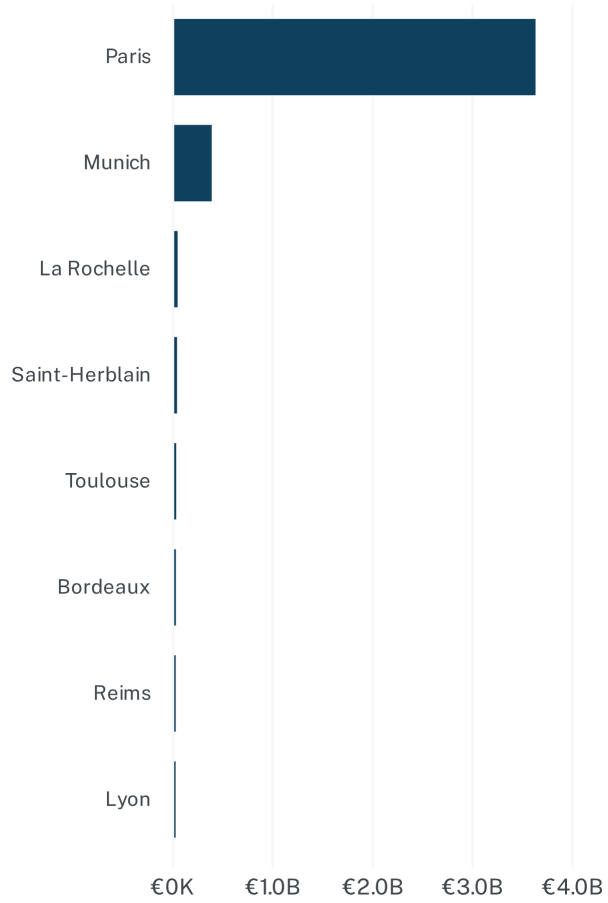
Paris Is Now 82% of the Money

Paris took 82% of value — almost all of it Mistral; ex-Mistral it still held ~45%. Regional activity was thin and small-cheque, with Grenoble (Q2's star) nearly silent. The notable non-Paris round came from Munich (The Exploration Company).

PARIS VS REGIONS / ABROAD (SHARE OF VALUE)



TOP CITIES BY FUNDING (€M)



The Public Backbone

Bpifrance touched **27 of 108 deals (25%)** — its highest share of the year — with Business Angels (23) and Kima Ventures (6) behind. As private institutional money concentrates into a few mega-rounds, the state increasingly funds the long tail of everything smaller.

FORWARD LOOK

The Full-Year Number — and Who Earns It

Does the Full Year Clear €10B?

With €9.24B banked by September, almost any Q4 sets a post-2022 record.

Where Does AI Settle Ex-Mistral?

Find the real, giant-free AI baseline (~€554M this quarter).

Is Mistral a One-Off or the New Normal?

Watch for a second €1B+ French round — a challenger, or Mistral's next raise.

Can a Second Hub Reappear?

Grenoble went quiet; watch for regional deeptech to return.

Does the Deal Count Stop Falling?

The single metric separating a cyclical dip from a structural one.

SpaceTech Follow-Through

Is The Exploration Company a cluster forming, or a one-quarter spike?

The Question the Fourth Quarter Answers

2026 will be French tech's biggest year since the boom. Whether that's a triumph or a warning depends on whether anyone else can raise like Mistral — or whether the French ecosystem is now one company and a very long tail.

Data: French Tech Funding Tracker · **frenchtechjournal.com** · Q3 2026 (July–September): 108 rounds, €4.41B raised across the French tech ecosystem.
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