Australian Government

Australian Trade and Investment Commission

Practical Market Entry Guide

For Australian Deep-Tech Companies Entering European Markets

Prepared by

DEVELOP MINDED

AUSTRALIA

Foreword

From Austrade

Austrade connects Australian businesses with opportunities across Europe—one of the world's most competitive environments for deep-tech innovation. Europe's strong research ecosystems, ambitious climate and digital agendas coupled with demand for partnerships in AI, quantum, advanced manufacturing, and cybersecurity make it a key market. With globally recognised research institutions and proven commercialisation capabilities, Australia is well positioned to support Europe's priorities in security, decarbonisation, energy, and productivity. Following free trade agreements, plus closer defence and research ties, Austrade and DevelopMinded present this guide to help businesses explore, expand, and grow in Europe. It offers practical market information to support your global growth journey.

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Australian Trade and Investment Commission (Austrade)

Foreword

From DevelopMinded

Europe is entering a new era of technological sovereignty, resilience, and strategic investment. For Australian deeptech companies, this presents a significant window of opportunity to consider entering the European market.

When it enters into force, the new EU–Australia Free Trade Agreement will lower barriers and provide easier access to one of the world's largest and most advanced markets. Europe's demand for deep-tech solutions across key sectors further increases opportunities for innovative Australian technologies.

This guide offers a practical overview of key considerations for entering the European market, including market selection, partnerships, funding, and regulatory requirements. While not exhaustive, it provides a foundation for an informed, strategic entry into the European ecosystem.

Lennaert Jonkers
Managing Director,
DevelopMinded

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Acronyms and Abbreviations

AB - Aktiebolag (Swedish private limited company)

ADEME - Agence de la transition écologique (French ecological transition agency)

AI - Artificial Intelligence

ALTUM - Development Finance Institution of Latvia

AMOLF - Advanced Research Center for Nanophotonics (Netherlands)

ANFF - Australian National Fabrication Facility

ApS - Anpartsselskab (Danish private limited company)

ARC - Australian Research Council

ARENA - Australian Renewable Energy Agency

ARIA - Advanced Research + Invention Agency (UK)

ASCA - Australian Space and Capability Authority

ASML - Advanced Semiconductor Materials Lithography (Netherlands)

B2B - Business-to-Business

BACB - Business Angels Berlin Brandenburg

BAND - Business Angels Deutschland

BANN - Business Angels Networks Netherlands

BAS - Business Acceleration Services (EIC programme)

BMBF - Bundesministerium für Bildung und Forschung (German Federal Ministry of Education and Research)

BMWE - Bundesministerium für Wirtschaft und Klimaschutz (German Federal Ministry for Economic Affairs and Climate Action)

BOAMP - Bulletin Officiel des Annonces des Marchés Publics (French public procurement bulletin)

BOM - Brabant Development Company (Netherlands)

BV - Besloten Vennootschap (Dutch private limited company)

CE - Conformité Européenne (European Conformity marking)

CEA - Commissariat à l'Energie Atomique et aux Energies Alternatives (French energy and atomic research organisation)

CEFC - Clean Energy Finance Corporation (Australia)

CII - Crédit d'Impôt Innovation (French innovation tax credit for SMEs)

CIR - Crédit d'Impôt Recherche (French R&D tax credit)

CNES - Centre National d'Etudes Spatiales (French space agency)

CNRS - Centre National de la Recherche Scientifique (French national scientific research centre)

CQC2T - Centre for Quantum Computation and Communication Technology (Australia)

CSIRO - Commonwealth Scientific and Industrial Research Organisation (Australia)

CVC - Corporate Venture Capital

CVP IS - Central Public Procurement Information System (Lithuania)

DACH - Germany (Deutschland), Austria (Österreich), Switzerland (Confoederatio Helvetica) - regional grouping

DanBAN - Danish Business Angel Network

CDR - Consumer Data Right (Australia)

DE-CIX - Deutscher Commercial Internet Exchange

DESY - Deutsches Elektronen-Synchrotron (German electron synchrotron research facility)

DGA - Direction Générale de l'Armement (French defence procurement agency)

DLR - Deutsches Zentrum für Luft- und Raumfahrt (German Aerospace Center)

DPA - Data Processing Agreement

DPO - Data Protection Officer

DSIT - Department for Science, Innovation and Technology (UK)

DSTG - Defence Science and Technology Group (Australia)

DTCF - DeepTech & Climate Fund (Germany)

DTU - Danmarks Tekniske Universitet (Technical University of Denmark)

DVG - Digitale-Versorgung-Gesetz (German Digital Healthcare Act)

EDA - European Defence Agency

EDF - European Defence Fund

EIC - European Innovation Council

EIF - European Investment Fund

EIFO - Export and Investment Fund of Denmark

EIS - Enterprise Investment Scheme (UK)

EIT - European Institute of Innovation and Technology

EMDG - Export Market Development Grants (Australia)

EPC - Engineering, Procurement and Construction

ESG - Environmental, Social and Governance

ESS - European Spallation Source

ESTEC - European Space Research and Technology Centre

EU - European Union

FTMC - Center for Physical Sciences and Technology (Lithuania)

FTA - Free Trade Agreement

GDP - Gross Domestic Product

GDPR - General Data Protection Regulation (EU Regulation 2016/679)

GenAI - Generative Artificial Intelligence

GmbH - Gesellschaft mit beschränkter Haftung (German private limited liability company)

HPC - High Performance Computing

HTGF - High-Tech Gründerfonds (Germany)

ICT - Information and Communications Technology

IHI - Innovative Health Initiative (EU)

INRIA - Institut National de Recherche en Informatique et en Automatique (French digital science research institute)

INSERM - Institut National de la Santé et de la Recherche Médicale (French medical research institute)

IoT - Internet of Things

IP - Intellectual Property

ITAR - International Traffic in Arms Regulations (US)

ITER - International Thermonuclear Experimental Reactor

JU - Joint Undertaking (EU)

KDT JU - Key Digital Technologies Joint Undertaking (EU)

KfW - Kreditanstalt für Wiederaufbau (German state development bank)

KPI - Key Performance Indicator

KTH - Kungliga Tekniska Högskolan (Royal Institute of Technology, Sweden)

LatBAN - Latvian Business Angel Network

LIAA - Investment and Development Agency of Latvia

LitBAN - Lithuanian Business Angel Network

LORCA - London Office for Rapid Cybersecurity Advancement (UK)

MAX IV - Maximum IV Laboratory (synchrotron radiation facility, Sweden)

MDR - Medical Device Regulation (EU Regulation 2017/745)

MESA+ - Institute for Nanotechnology, University of Twente (Netherlands)

MQV - Munich Quantum Valley

NAIC - National AI Centre (Australia)

NATO - North Atlantic Treaty Organization

NCSC - National Cyber Security Centre (UK)

NFIA - Netherlands Foreign Investment Agency

NHMRC - National Health and Medical Research Council (Australia)

NIF - NATO Innovation Fund

NRF - National Reconstruction Fund (Australia)

NSSIF - National Security Strategic Investment Fund (UK)

ONERA - Office National d'Etudes et de Recherches Aérospatiales (French aerospace research centre)

PCP - Pre-Commercial Procurement

PIANOo - Professional and Innovative Tendering, Network for Government Contracting Authorities (Netherlands procurement advisory body)

PLACE - Plateforme des Achats de l'État (French public procurement platform)

PoC - Proof of Concept

PRV - Patent- och registreringsverket (Swedish Intellectual Property Office)

QuTech - Quantum Technology research centre (TU Delft / TNO, Netherlands)

R&D - Research and Development

RISE - Research Institutes of Sweden

RVO - Rijksdienst voor Ondernemend Nederland (Netherlands Enterprise Agency)

SaaS - Software as a Service

SAS - Société par Actions Simplifiée (French simplified joint-stock company)

SEIS - Seed Enterprise Investment Scheme (UK)

SGPI - Secrétariat Général pour l'Investissement (French government investment secretariat)

SKI - Statens og Kommunernes Indkøbsservice (Danish public procurement service)

SME - Small and Medium-sized Enterprise

TED - Tenders Electronic Daily (EU public procurement portal)

TNO - Nederlandse Organisatie voor Toegepast Natuurwetenschappelijk Onderzoek (Netherlands Organisation for Applied Scientific Research)

TRL - Technology Readiness Level

UAB - Uždaroji Akcinė Bendrovė (Lithuanian private limited company)

UCL - University College London

UKAEA - UK Atomic Energy Authority

UKRI - UK Research and Innovation

VC - Venture Capital

VIRAC - Ventspils International Radio Astronomy Centre (Latvia)

Vinnova - Sweden's national innovation agency (Verket för innovationssystem)

WACQT - Wallenberg Centre for Quantum Technology (Sweden)

WBSO - Wet Bevordering Speur- en Ontwikkelingswerk (Dutch R&D payroll tax credit scheme)

WEHI - Walter and Eliza Hall Institute of Medical Research (Australia)

Foundations

PART 1

1. How To Use This Guide

This guide helps Australian deep-tech companies understand the key considerations for expanding into Europe before committing significant resources. It provides an overview of European markets and innovation ecosystems, highlights important decisions, and outlines relevant questions. The guide explains the complexities of entering a region often viewed as a single market but composed of diverse ecosystems. Whether you are considering expansion or preparing for market entry, this guide will clarify what to expect and how to proceed. While it does not offer a universal solution, it addresses key decisions such as identifying suitable markets, evaluating entry models, exploring funding options, and comparing major countries.

This guide is particularly valuable for companies established in their home market, but it is also relevant for those moving from technology development to commercialisation, as most insights apply across various stages of growth.

The guide consists of three parts:

Part 1 - covers key strategic considerations, including selecting your initial market, structuring your entry, and navigating regulatory requirements. It also offers guidance on defining an effective market-entry approach.

Part 2 - provides country-level snapshots of key European markets and the UK, highlighting their strengths, ecosystems, and entry considerations.

Part 3 - outlines the follow-on support offered by Austrade and DevelopMinded to help companies progress from exploration to execution.

2. Why Europe?

Australia's deep-tech sector is at a pivotal moment. While it benefits from strong research capabilities and a supportive innovation environment, scaling now depends on global expansion. Europe (European Union and UK) stands out as a key destination, offering not only a large and diverse market but also a coordinated innovation ecosystem shaped by policy, funding, and geopolitical priorities. For Australian deep-tech companies, Europe's combination of talent, capital, industrial partners, and aligned policy frameworks offers a strong opportunity to accelerate growth, reduce risk, and engage in the next wave of globally significant technologies.

Options to scale & Access to talent

Expanding into international markets is essential for Australian deep-tech firms seeking to scale. Europe is increasingly attractive due to its solid deep-tech funding ecosystem, including significant non-dilutive public funding and blended finance options. In addition, Europe provides direct access to industrial partners and pilot environments. Access to specialised scientific talent, including large pools of PhDs, applied researchers, and strong university-industry collaboration, is another important factor for market entry in Europe.

Geopolitics & Policy alignment

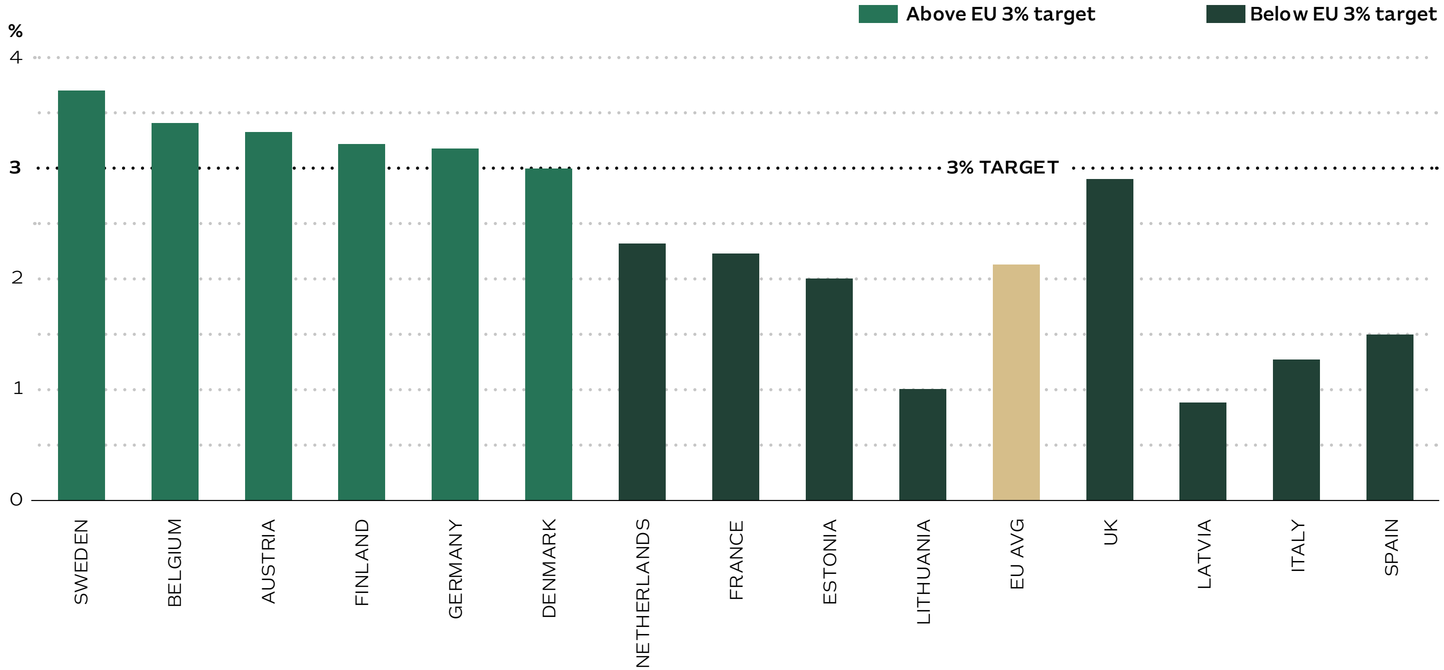
Geographic and strategic diversification is essential for resilience, growth, and market access. Australian deep-tech companies can face challenges even in traditional markets across Asia and the Americas, such as supply chain disruptions and export controls. Diversifying into Europe offers a third geographic and political pillar, reducing risk concentration and providing access to both Western and emerging markets. European governments are increasingly prioritizing trusted partners for critical technologies, and supply chains are being restructured based on political alignment rather than cost alone. As the EU and UK reduce their relience on China and the US, Australian deep-tech companies are well-positioned to benefit.

Initiatives like the European Chips Act, the Critical Raw Materials Act, and the EU's defence industrial strategy aim to rebuild capabilities in strategically important technologies, materials, and supply chains. This shift makes Europe an increasingly attractive market and ecosystem for Australian deep-tech companies, offering a significant opportunity beyond traditional exports. In sectors such as critical minerals, clean energy, advanced materials, defence, semiconductors, and other dual-use technologies, Australian strengths align with Europe's priorities. Geopolitical changes are transforming EU+UK into a strategic technology bloc, creating a rare convergence of advantages for Australian deep-tech companies: strong political trust, economic demand, industrial opportunities, and unprecedented access to funding.

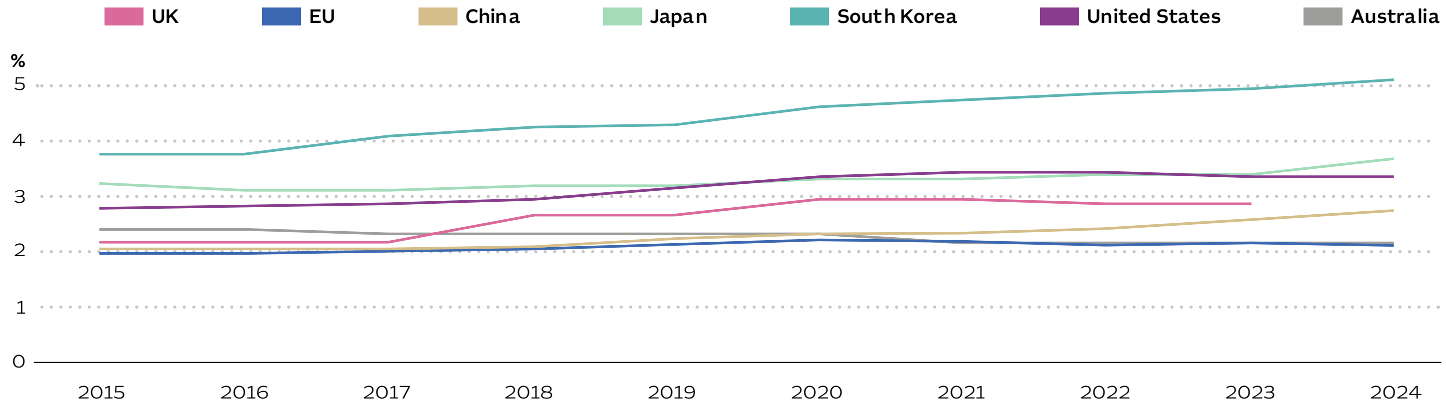
R&D Investment Across the European Union

The European Union invested €403.1 billion in R&D in 2024, underlining the scale of its innovation economy[1]. But that investment is unevenly distributed. A small group of countries account for a disproportionate share of EU's research intensity, private capital, and industrial capability, while others are building momentum from a lower base. Several of the markets highlighted in this guide sit around or above the EU average, while smaller ecosystems, including parts of the Baltics, are growing quickly. For companies, this creates both opportunity and complexity: the ability to choose a market that aligns closely with your technology, but also the need to navigate different ecosystems, funding structures, and entry pathways across countries. Globally, the EU still trails the most R&D-intensive economies, but it remains one of the world's largest and most coordinated research and innovation systems. For Australian deep-tech companies, that matters. The European Union offers deeper pools of public and private R&D funding, stronger research infrastructure, and more established pathways for collaboration than typically available at home.

R&D Expenditure as % of GDP, 2024 - Selected European countries
Source: OECD Data; Gross Domestic Spending on R&D (GERD). 2023 for the United Kingdom; 2024 for all other countries. *Data for 2024 for the UK is not available at the time of publication; therefore, the 2023 figure is reported.



Gross domestic expenditure on R&D, 2015-2024 (% of GDP)
Source: Eurostat, 2024 provisional data for EU; OECD MSTI Database, March 2025 edition. For Australian data: Australian Bureau of Statistics. *Values are carried forward where annual data is unavailable due to reporting cycles or publication lags; this applies in particular to Australian data, which is reported biennially by the ABS.



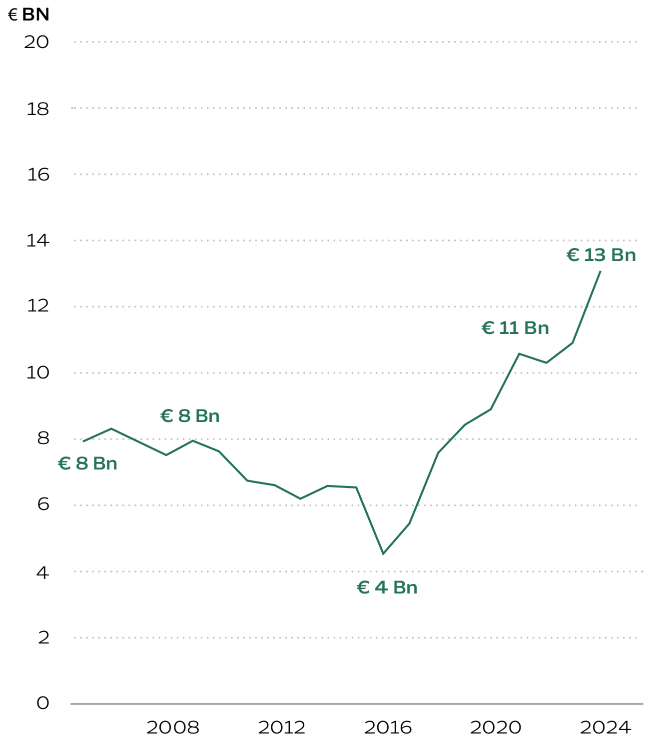
The EU Defence & Dual-Use Opportunity

Since 2022 the EU has significantly strengthened its defence posture in response to Russia's invasion of Ukraine, heightened security volatility, and concerns about long-term military readiness. Defence is now a top priority, with governments allocating substantially more funding to capability, procurement, and technology. According to the latest European Defence Agency data, total EU defence spending reached €343 billion in 2024 and is projected to rise to €381 billion in 2025[2]. A larger share of this funding is directed toward new capabilities. Defence investment reached a record €106 billion in 2024 and is expected to approach €130 billion in 2025[2]. Procurement spending grew 39% year-on-year to €88 billion, and defence R&D increased to €13 billion[2]. Collaborative defence Research & Technology is also expanding, with EU cooperative Research & Technology spending exceeding €500 million in 2024 [2]. This demonstrates a stronger focus on joint research, dual-use innovation, and cross-border capability development.

This positions the EU alongside the US as a major and increasingly active defence market, with significant capital directed toward developing, testing, and procuring new defence and dual-use technologies. At the same time, access to this market is becoming more structured, with a growing number of national and EU-wide platforms connecting companies directly with defence needs, pilot environments, and procurement pathways.

For Australian deep-tech companies, this presents significant new opportunities. The EU member states are not only increasing defence budgets but also modernising and retooling its their industrial base, which is driving demand for technologies that can be rapidly deployed, adapted, and integrated. The growth in procurement, increased R&D, and focus on joint European programmes are creating openings for dual-use and deep-tech solutions, particularly in autonomous systems, cyber, sensing, quantum, and maritime capabilities.

Defence R&D
Source: European Defence Agency (EDA), Defence Data 2024-2025, 2025.



Why Now?

On 24 March 2026, the EU and Australia concluded FTA negotiations, announced a new EU-Australia Security and Defence Partnership, and agreed to launch formal negotiations on Australia's association with Horizon Europe. These steps significantly strengthen geopolitical, trade, security, and research ties between the EU and Australia as the EU prioritises economic security, critical minerals, cyber, emerging technology, and defence-industrial resilience. Australian deep-tech companies should consider market entry in Europe now, given the convergence of the following three key developments.

1. The Newly Signed Australia and EU Free Trade Agreement

Australia and the EU finalized a landmark Free Trade Agreement in March 2026. The agreement removes over 99% of tariffs on goods traded between the two regions, including environmental products such as lithium batteries and solar components, resulting in €1 billion in annual tariff savings [3]. For deep-tech founders, the FTA offers three key benefits upon entry into force: annual entry quotas for 2,000 Australian researchers and 1,000 trainee engineers to support talent exchange; equal access to EU government procurement contracts for Australian firms; and removal of tariffs on critical minerals exports, which strengthens supply chain integration in batteries, clean energy, and semiconductors [3].

Australia-United Kingdom Free Trade Agreement (A-UK FTA)

The recent EU-Australia Free Trade Agreement, the Australia-UK Free Trade Agreement, which took effect on 31 May 2023, further strengthens the case for market entry into Europe. (A-UK FTA includes removal of tariffs on over 99% of Australian goods exports to the UK, access to UK government procurement, improved digital trade rules, and new visa options for innovators. The UK often serves as a gateway to the broader European market [78].

2. The Security and Defence Partnership

Alongside the FTA, Australia and the EU signed a Security and Defence Partnership that positions Australian innovation as strategically significant to Europe [4]. The partnership strengthens cooperation in the defence industry, cybersecurity, and emerging disruptive technologies such as AI and quantum. It also facilitates joint investment projects to integrate Australian and EU value chains, particularly in critical minerals and clean energy, opening pathways to co-investment that did not previously exist.

3. Horizon Europe Association

Australia and the EU have agreed to launch formal treaty negotiations for Australia's association with Horizon Europe, the world's largest pooled research and innovation funding program, valued at A$155 billion [6]. Australian organisations are expected to be eligible to apply for Horizon Europe research calls from early 2027 [6]. Once associated, Australian deep-tech companies and research institutions will be able to lead and participate in joint projects in areas such as critical technologies, advanced computing, clean energy, health, and critical minerals. More than 20 countries, including Canada, New Zealand, the UK, and South Korea, have already joined and reported significant returns [5].

Why this matters

For Australian founders, legal and strategic barriers to entering the European market have been significantly lowered. Australian deep-tech companies are now seen as strategic partners in the EU's pursuit of sovereignty and resilience.

3. Choosing The Initial European Market To Enter

Selecting the right initial market is essential for successful European expansion. While larger or more familiar markets like Germany or the UK may seem attractive, they do not always offer the best strategic fit. Instead, prioritize markets where your technology meets a clear need and allows for rapid validation, direct access to decision-makers, and early commercial traction. The right choice helps establish reference customers, local partners, and valuable market intelligence, laying the groundwork for broader European growth.

Key Considerations

Evaluate each country across five key dimensions to guide your market entry priorities. Adjust the weighting of these dimensions based on your technology and capital position. For instance, hardware companies should focus on cluster strength, while those with limited capital should prioritize funding access. Review all five dimensions before deciding, as few markets excel in every area. Markets with strong funding and innovation programs may offer faster pilot opportunities, even if commercial potential is limited. Larger markets can provide greater scale but often require more resources and time. Align your choice with your current priorities, such as early validation, access to partners or pilots, or long-term growth. For example, a deep-tech company seeking validation may prioritize accessible pilot environments and co-funding, while a mature company may accept longer timelines for larger contracts and repeat business. To make informed decisions, go beyond surface-level research by engaging with potential buyers, understanding procurement processes, and assessing the practical accessibility of opportunities. Local validation efforts are often essential to gather sufficient evidence for decision-making.

While the questions listed under each key consideration may look straightforward, answering them properly usually requires validated (local) insights, access to the right stakeholders, and an understanding of how each market actually operates in practice. Consider engaging the right in market support and expertise to help you test assumptions, access the right networks, and avoid costly missteps early.

1

Demand & Buyer Access

Is there active demand for your technology, with identifiable buyers, funded programmes, and clear procurement need?

Can you reach the right decision-makers within two to three months, or is buyer access slow and hard to unlock?

A market may look attractive on paper, but if you cannot get in front of buyers early, expansion will move slowly.

2

Cluster Strength & Partner Availability

Are there relevant innovation clusters, research centres, and anchor corporates in your domain?

Are there credible local partners, distributors, or integrators who can help you enter the market and shorten the path to revenue?

A strong local ecosystem can accelerate validation, partnerships, and commercial progress.

3

Competition and Differentiation

How large is the opportunity, and is it meaningful enough to justify entry? Who already serves this need, and how entrenched are they?

Is there a clear gap your technology can fill, or are you likely to face a crowded market with limited room to stand out?

The biggest market is not always the best place to start if the competition is hard to displace.

4

Regulatory and Compliance Fit

How complex is the regulatory pathway for your product?

What will be required to meet CE marking, MDR, AI Act alignment, or other sector-specific obligations?

Some European markets are significantly easier to enter than others, even within the same sector.

5

Strategic Value & Funding Access

Beyond the immediate commercial opportunity, does this market give you a strong base for broader European expansion?

Are there national or EU grants, bilateral programmes, innovation incentives, or co-investment mechanisms that could reduce the cost and risk of entry?

A smaller market can still be the right starting point if it offers strategic positioning, funding access, or a smoother path into the wider region.

Common Mistakes in Market Selection

Prioritizing familiarity instead of strategic fit

Choosing familiar or English-speaking markets instead of those with real demand, funding alignment, or strong use cases. Familiarity reduces friction, but is not an indicator of success.

Overextending resources across multiple markets

Entering several countries at once dilutes focus. Each market requires distinct relationships, regulations, and processes. Spreading too early slows traction and increases costs.

Underestimating export execution after market selection

Choosing the right market does not guarantee successful entry. Logistics, contracts, (well-performing) partners, and post-sale support must be in place early to avoid delays and weak conversion to revenue.

Overlooking regulatory timelines and complexity

Regulatory requirements such as CE marking, MDR compliance, or sector-specific approvals can delay revenue generation by 12 to 24 months and often vary significantly by country.

Confusing early interest with real demand

Positive signals (pilots, conversations) don't equal real demand. Validate budget, urgency, and procurement pathways.

Equating market size with attainable opportunity

Large markets are not always optimal. Smaller markets may provide quicker access, pilot opportunities, and early traction, which can support broader expansion.

Validation Before Commitment

For Australian deep-tech companies entering Europe, market entry is typically a staged process. It begins by identifying the most promising opportunities, followed by validation, early commercial proof, and then broader expansion. Each phase reduces uncertainty and provides a clearer foundation for subsequent decisions. Instead of overcommitting early, the goal is to build confidence incrementally and use market evidence to guide investment decisions.

In practice, it is important to define the purpose of each phase. Initially, the priority is to identify which markets warrant serious attention and whether the opportunity is accessible. As the process advances, the focus shifts to engaging buyers, partners, and ecosystem participants who can validate assumptions and facilitate pilots, funding, or partnerships. By the pilot stage, the objective should be to determine whether the pilot can drive an actual buying decision, not just technical validation. Companies that follow this approach use time and capital more effectively, avoid premature commitments, and are less likely to pursue activities that do not lead to traction. Before committing meaningful time or capital to a new market, test your assumptions through the following phases:

PHASE 1

Initial Market Entry Hypothesis
4 - 6 weeks

- Identify target buyer segments and relevant use cases.
- Analyse demand indicators, ecosystem alignment, and regulatory considerations.
- Evaluate available funding and procurement channels.
- Assess the competitive landscape and market entry barriers.
- Select 2 to 3 priority markets for further evaluation.

Output: A ranked shortlist of target markets and an initial market entry hypothesis for each.

PHASE 2

Market Opportunity & Entry Validation
6 - 12 weeks

- Validate the market opportunity's feasibility and accessibility.
- Engage with buyers, partners, and key ecosystem stakeholders.
- Confirm access to pilot programs, procurement processes, and funding sources.
- Test assumptions regarding pricing, market positioning, and entry strategy.
- Confirm or adjust the initial market entry hypothesis as needed.

Output: A validated beachhead market, a refined entry hypothesis and clear evidence on buyer access, partner fit, and pilot potential.

PHASE 3

Market Uptake Validation
3 - 12 months

- Secure an initial pilot, proof of concept, or commercial agreement.
- Establish key performance indicators and decision criteria in advance.
- Demonstrate evidence of market adoption and customer intent to purchase.
- Develop an initial reference case.
- Define a clear path to contract execution.

Output: A pilot, proof of concept or initial commercial agreement with a defined procurement or contracting pathway.

PHASE 4

Market Acquisition Acceleration & EU Expansion
Ongoing

- Convert validation into repeatable customer acquisition
- Strengthen local partnerships and distribution channels.
- Utilize pilot projects, reference cases, and funding to enhance credibility.
- Determine the approach for scaling into additional EU and UK markets.
- Refine the market entry model to support long-term expansion.

Output: A repeatable go-to-market model in the beachhead market and a defined approach for expansion into additional European markets.

4. Different Ways To Enter European Markets

There is no single “best” way to enter the European market. The most viable approach depends on your technology, stage, available capital, and level of control you need over commercialisation. For Australian deep-tech companies, the priority is to choose an entry model that fits current objectives, whether that is learning, customer access, validation, or scaling. In practice, entry models should be assessed as trade-offs across speed, cost, control, credibility and access. The sections below outline the main approaches and where each is most effective.

Entry Models Comparison

Each entry approach balances speed, cost, control, and risk differently.

- Lower-commitment models such as remote-first or partner-led entry allow faster and cheaper market access, but usually provide less control and weaker access to funding or procurement.
- Higher-commitment models such as a local entity offer greater credibility, control, and market access, but require more time, capital, and operational effort
- Hybrid approaches are common in deep-tech, especially where commercial activity is combined with R&D partnerships or licensing.
- Remote-first and partner-led models allow for rapid, low-cost market entry but limit control. Consortium and licensing approaches provide funding, partnerships, and scalability, though they reduce ownership and require more time. Establishing a local entity ensures full control and credibility, but demands greater time, capital, and expertise.

For example, remote-first entry enables quick, low-cost demand testing but makes it harder to build trust or secure larger contracts without a local presence. In contrast, establishing a local entity takes more time and capital but significantly improves credibility, procurement access, and long-term customer relationships. These characteristics are not fixed and depend on factors such as technology type, target customer, and market. A partner-led model may suit a climate-tech company selling to utilities through integrators, but may be less effective for a software company seeking direct customer ownership.

Many successful companies use these models sequentially rather than in isolation. A company may start with remote-first outreach to test demand, then work through a partner or consortium to build traction and credibility, and establish a local entity once there is sufficient evidence to support deeper commitment. As a general rule, start with the lightest entry model that still allows meaningful validation, then increase commitment as market evidence, customer traction, and local credibility strengthen.

IP Protection First

Before sharing sensitive information, file patents in target EU countries or via the European Patent Office—especially for consortium and licensing discussions where early disclosure and limited control are common. Once a European patent is granted, consider a Unitary Patent for cost-effective coverage across 18+ EU countries. Define foreground and background IP in all agreements, and conduct a freedom-to-operate analysis for target markets.

Common Market Entry Approaches

Each card below summarises a model with its key advantages (✓) and risks (✕). Viewing all five side by side allows you to evaluate them as trade-offs rather than a linear progression. Australian deep-tech companies often enter the market without an established network, local references, or familiarity with procurement systems. As a result, approaches that rely on local credibility, such as direct enterprise sales or public procurement, are more challenging in the early stages. This increases the importance of partnerships, pilots, and ecosystem positioning in your entry strategy. When comparing these options, consider how quickly you need to enter the market, the level of control you want over sales and customer relationships, the importance of local credibility, and the capital and time you are willing to commit upfront.

Remote-First

Remote-first is ideal for early exploration and initial commercial validation. This approach enables you to test demand, engage prospects, and secure early pilots without significant resource commitments or a local presence. It is especially effective for software, AI, and digital solutions where remote engagement is feasible. Teams can build an early pipeline, validate use cases, and identify target customers before investing capital. However, this model becomes restrictive when trust, procurement, or delivery requires a local presence, particularly in sectors such as healthcare, defence, or industrial systems where proximity and credibility are essential. Remote-first provides the fastest and lowest-cost entry into Europe, but offers limited local credibility and procurement access. It enables rapid demand testing compared to partner-led or local entity models, yet converting pilots into contracts is more difficult, particularly in enterprise and public-sector markets. While revenue control is high and IP risk is low, progress beyond early validation often slows without a local presence.

Partner-Led

Partner-led entry offers a balance of speed and market access. It activates as quickly as remote-first models but provides greater local credibility

REMOTE-FIRST	PARTNER-LED	CONSORTIUM ENTRY	LICENSING & IP TRANSFER	LOCAL ENTITY
Sell from Australia via remote sales processes.	**Local distributor handles sales and support.**	**Join EU R&D consortia as partner.**	**License IP to EU company for local commercialisation.**	**Set up EU subsidiary (BV, GmbH, SAS, Ltd).**
✓ Lowest cost ✓ Fast to start ✓ Full pricing control ✓ Easy to exit ✕ Limited local trust ✕ Hard to run pilots ✕ Time zone challenges	✓ Fast market access ✓ Local knowledge ✓ Lower cost than subsidiary ✕ Shared margins ✕ Limited control ✕ Partner dependency	✓ Funded access to ecosystem ✓ Build network quickly ✓ Credibility by association ✕ Longer timeline ✕ Complex governance ✕ IP sharing required	✓ Scalable revenue ✓ Low operational overhead ✓ Leverages partner scale ✕ Less control ✕ Revenue depends on partner ✕ IP protection critical	✓ Full control ✓ Maximum local trust ✓ Govt contract access ✓ Grant eligible ✕ Highest cost ✕ Needs local management ✕ Long commitment

and customer reach. While it requires less capital and time than establishing a local entity, it reduces control over pricing, positioning, and customer relationships. Revenue is shared, and success depends on the quality of partners. For Australian deep-tech companies, this approach is often more effective than a remote-first approach for navigating procurement and building trust, though it can create dependencies that are difficult to reverse. This model suits sectors where buyers prefer established vendors or require integration with existing systems. The main trade-off is reduced control over product positioning, pricing, and sales, and increased reliance on partner performance. The primary risk is over-reliance on a single partner without sufficient visibility into the sales process. Australian deep-tech companies may also be ineligible for pan-European or national funding schemes.

Consortium Entry (R&D Partnerships)

Consortium participation is especially relevant in Europe, where large-scale public funding and collaborative programmes like Horizon Europe are available. This approach helps build credibility, expand networks, and integrate technology into European innovation ecosystems. It provides access to research institutions, corporates, and government stakeholders, often with non-dilutive funding. However, it does not generate immediate revenue and involves navigating complex governance, extended timelines, and intellectual property arrangements. Consortium entry takes longer to initiate than commercial models but offers strong credibility and access to funding and networks. Unlike partner-led or remote-first approaches, it focuses on long-term positioning and validation rather than immediate revenue. For Australian deep-tech companies, this model can accelerate access to the European ecosystem, but it requires efforts in relationship-building to join strong consortia.

Licensing & IP Transfer

This model suits technologies that integrate into existing products, platforms, or supply chains. It enables scaling through established partners, leveraging their distribution, customer base, and infrastructure without requiring a full commercial presence. This approach is highly capital-efficient, allowing revenue generation with minimal operational investment. Success relies on careful partner selection, strong IP protection, and aligned incentives. While you gain reach, you give up control, and growth depends on the licensee's performance. Licensing offers rapid geographic expansion, especially in Europe, but limits direct customer access and market feedback. IP risk is higher and requires careful management. For Australian deep-tech companies, this model helps overcome distance and scaling challenges, but sacrifices long-term strategic control for speed and efficiency.

Local Entity (Subsidiary)

Establishing a local entity is most appropriate when there is clear market validation and a need for deeper integration. This approach enhances credibility, enables direct customer engagement, and provides access to public procurement and funding unavailable to foreign companies. It offers full control over commercial strategy, hiring, and partnerships, but involves significant costs, operational complexity, and long-term commitment. This model is typically justified only when there is strong demand and a clear path to scale. A local entity offers the highest control, credibility, and access to procurement and funding, but demands significant investment of time, capital, and management resources. It is slower to establish and carries greater operational risk than other models, yet allows direct ownership of customer relationships and full market participation. Intellectual property risk is minimized, and revenue control is maximized. In practice, companies often use these models sequentially, moving from lower-commitment approaches toward deeper market integration as evidence, traction and local credibility increase.

5. Deep-Tech Commercialisation In Europe

Commercialising deep-tech in the EU follows a structured process from orientation and validation to procurement and contracting. Early commercial success depends on generating demand and navigating a system where buyers require evidence, stakeholders must align, and procurement is formalised. For both local and Australian deep-tech companies, the main challenge is not entering pilots but progressing beyond them. In Europe, early interest and technical validation do not guarantee budget approval, procurement, or deployment. Many companies encounter a pilot-to-procurement gap, where a proven solution is not yet positioned, integrated, or justified enough to secure a commercial contract.This section outlines the practical steps from initial buyer contact to signed agreements and identifies key factors for turning market interest into revenue. Many companies lose momentum at this stage. To advance beyond proof-of-concept, pilots must be designed with procurement, scalability, and internal decision-making in mind.

The European Union is different from Australia in multiple ways and understanding these is not just a matter of awareness. They should directly shape your approach to market entry, resource planning, and commercial strategy. Some of these differences relevant for deep-tech commercialisation are:

1. EU is larger, and more complex

Not a single market, as each country differs in culture, procurement practices, and regulations. Successful expansion strategies typically focus on one "beachhead" market before scaling regionally.

2. Sales cycles are longer and more structured

Enterprise and public sector buyers typically require validation through pilots or proof of concepts. Anticipate extended timelines, involvement of additional stakeholders, and strong evidence requirements.

3. Regulation is a core part of the commercial process

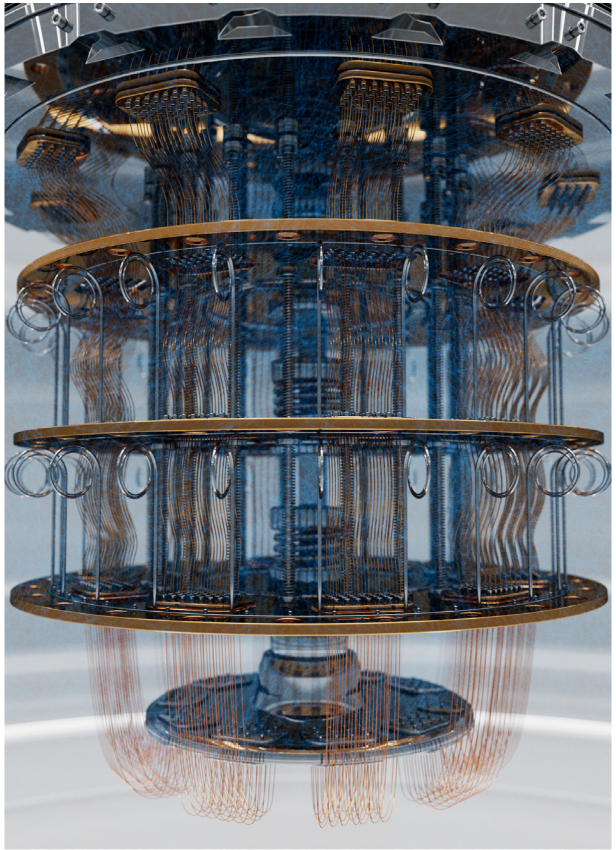
Compliance (e.g. GDPR, CE, AI Act) is a prerequisite that impacts product, deployment, and contracts. Early alignment accelerates entry.

4. Trust and credibility are built locally

Risk aversion is higher. Establishing a local presence through partners, pilots, or entities, along with strong references and certifications, is essential for credibility.

5. Funding and support structures are more extensive - but more complex

Europe offers significant public funding (e.g. Horizon Europe, EIC), but accessing it requires navigating consortia, eligibility rules, and longer timelines.



Australia vs. EU
What are the differences?

Expanding into the EU involves more than entering a larger market; it requires adapting to a more fragmented operating environment with different regulatory, procurement, and commercial conditions. Australian deep-tech companies are often accustomed to a fast-moving, centralised, English-speaking commercial environment. In contrast, Europe is shaped by cultural and linguistic diversity, regulatory fragmentation, longer commercial cycles, and a stronger focus on standards, compliance, and risk mitigation.

The following table highlights the areas where these differences are most pronounced and where companies most frequently encounter friction during market entry.

DIMENSION	AUSTRALIA	EU
Market size	Single national market, ~27.7M people	EU single market of 27 member states and 450M people, alongside additional European markets such as the UK, each with distinct regulatory and commercial conditions.
Language	English only	English is often workable in early commercial conversations, especially in Northern Europe, but local language capability is frequently important in procurement, contracting, and operations.
Sales cycles	3 - 9 months typical for enterprise	6 - 18 months. Pilots and proof-of-concept stages are the norm
Standards	AS/NZS; TGA for medical devices	CE marking mandatory; EN standards; Notified Body for regulated products
Data regulation	Privacy Act 1988; CDR	GDPR (strict, extraterritorial); new AI Act (risk-based); sector-specific rules
Funding landscape	Funding sources include CSIRO, ARC, state grants, and a relatively small venture capital ecosystem.	Horizon Europe (€95.5B), EIC (€1.4B in 2026), and national programmes provide significant funding. Europe also has a large and expanding VC ecosystem focused on deep-tech, along with strong CVC players and robust industry programmes.[10]
Culture	Relatively more unified as a domestic business environment, with fewer structural differences in regulation, procurement, and commercial practice across the national market.	More fragmented across countries and sectors, with greater variation in business culture, procurement norms, regulatory interpretation, and stakeholder expectations.

Know Your Stakeholders

European buying decisions require alignment among multiple stakeholders. Early interest alone is insufficient; deals must satisfy procurement, legal, finance, and technical teams, each with distinct priorities and approval criteria. Success depends on understanding the entire decision network rather than focusing solely on individual titles. Roles differ by organisation and country. In smaller firms, one individual may oversee budget, sponsorship, and vendor management. In larger organisations or public bodies, these responsibilities are distributed among decision-makers, validators, and gatekeepers, which increases complexity.

In public procurement, ecosystem actors such as industry associations, clusters, and advisors can shape demand before tenders are issued. As organisations grow, complexity increases, and alignment across teams, geographies, and reporting lines is required. Identify the stakeholders involved, the key roles, and who holds influence at each stage early. Mapping this network enables you to set the appropriate strategy, timeline, and resources. This step is essential for converting interest into pilots and contracts.

*The stakeholder descriptions below outline the key roles typically involved in European deep-tech deals, from initial interest through pilot and procurement.

STAKEHOLDER ROLE	THEIR ROLE IN THE PROCESS	EXAMPLES OF TITLES / FUNCTIONS
Business Owner	Owns the problem, the value proposition, and often the internal budget considerations. Determines whether the opportunity is significant enough to pursue.	Business Unit Lead, Operations Director, Asset Manager, Clinical Lead
Technical Authority	Assesses whether the technology is credible, deployable, and relevant in the operating environment. Often highly influential in deep-tech decisions.	CTO, Chief Engineer, R&D Director, Head of Engineering, Principal Scientist
Operational Owner / End User	Determines whether the solution works in practice and can be adopted in day-to-day operations. Often critical in pilot success.	Plant Manager, Process Engineer, Field Operations Lead, Radiologist, Operations Manager
Commercial & Process Gatekeepers	Controls whether the company can actually buy, contract, and justify the solution. It may well be the case that larger enterprises are locked into existing contracts. Timing of entry, and at what stage of the procurement cycle, is another reason why strong pilots stall.	Procurement Manager, Legal Counsel, Contracts Manager, Finance Business Partner, Controller
Regulatory / Quality Stakeholders	Assesses whether the solution meets sector-specific regulatory, certification, quality, or safety requirements.	Regulatory Affairs Manager, Quality Lead, Safety Engineer, Certification Manager
Executive Sponsor	Provides top-level backing, resolves internal friction, and gives the project enough priority to move across functions.	Chief Innovation Officer, COO, CEO, Division President
External Delivery Partner	Supports implementation, integration, rollout, or scale-up after pilot stage. Often important in industrial or infrastructure-heavy sectors.	System Integrator, EPC Partner, Implementation Partner, Value-Added Reseller
Public / Institutional Stakeholder	Shapes adoption through public procurement, grants, innovation programmes, or regulated sector frameworks.	Public Buyer, Innovation Agency Manager, Hospital Procurement Board, Municipal Innovation Lead

INITIAL CONTACT	DISCOVERY & QUALIFICATION	TECHNICAL VALIDATION	PILOT / POC	PROCUREMENT & CLOSE
• Trade events, referrals • Austrade introductions • Online presence • Conference meetings	• Technology fit assessment • Stakeholder identification • Champion building • Initial requirements	• CTO deep dives • Site visits, references • Standards compliance check • Integration assessment	• Defined KPIs agreed • Joint steering committee • Regular reporting • Decision-grade evidence	• Tender/negotiation • Legal & data review • Contract signature • Deployment planning

Sales cycles in Europe

Australian deep-tech companies should anticipate that European sales cycles are longer, more structured, and focused on validation. Deals usually progress through technical assessment, stakeholder alignment, pilots, procurement, and legal review, particularly in energy, health, defence, and industrial systems. Timing depends on sector, technology readiness level, regulation, and funding stage.

Enterprise software contracts may close in 6 to 12 months. Regulated or hardware-based sectors often require 12 to 24 months or more, due to certification, pilots, procurement, and approvals. Deep-tech solutions are capital-intensive and high-risk, demanding strong evidence of performance, integration, compliance, and long-term support, especially in critical or regulated environments.

In practice, success in European deep-tech relies less on speed at the outset and more on managing the process: engaging the right stakeholders, building evidence through pilots, and establishing a clear path to procurement and scale. Progress is cumulative, with each step strengthening the case for adoption and repeatable traction.

Pilots/PoCs that convert into commercial traction

In Europe, pilots and PoCs are essential for validating technology and reducing investment risk. Effective pilots must provide technical, operational, financial, and compliance evidence, along with clear success criteria and a defined path to procurement. Conversion is not guaranteed. Even after a successful pilot, companies must build a business case, align stakeholders across technical, commercial, procurement, and legal functions, and secure necessary approvals. Buyers need to confirm budget, value, scalability, and compliance before moving forward. Deep-tech companies that prepare early by aligning pricing, documentation, security, legal requirements, and stakeholders before the pilot concludes are more likely to convert validation into revenue.

Key considerations when establishing pilots or proof of concepts:

In Europe, pilots function as technical tests and also strengthen the internal case for purchase, influencing contract decisions.

Define clear and measurable KPIs at the outset.

Agree on measurable technical, operational, and financial metrics (e.g. cost savings, efficiency, revenue). Without this, buyers struggle to justify decisions.

Begin with a focused and controlled scope.

Limit the pilot to one department, one site, or one use case. A focused pilot is easier to manage, delivers results more quickly, and is more likely to yield clear outcomes. A broad scope can increase complexity and cause delays.

Structure the pilot as a collaborative project.

Where possible, align incentives through co-investment, whether financial, resource-based, or both. Buyers who contribute to the pilot are usually more engaged and motivated to ensure its success.

Design the pilot to secure internal buy-in, not just technical validation.

Ensure the pilot provides evidence for all stakeholders, including technical, business, and procurement teams. Identify decision-makers early.

Work toward a defined decision point.

Establish clear success criteria and a specific decision point. Avoid open-ended pilots that do not result in contracts.

Prepare procurement readiness artefacts before the pilot ends.

Ensure all key materials, including security, data terms, liability, and pricing, are prepared before the pilot concludes to expedite contract conversion.

Practical Tip

Once a pilot demonstrates conversion potential, consult legal or regulatory advisers with EU and country-specific expertise in your sector. Deep-tech contracts often involve complex issues such as data protection, intellectual property, liability, sector regulation, and procurement compliance. Getting expert advice early can prevent delays and reduce risk once negotiations begin.

Public vs. Private Procurement

In Europe, commercial engagement typically follows two paths: public-sector procurement and private or enterprise sales. Both can lead to significant contracts, but each has distinct dynamics. Identifying the appropriate channel and adapting your approach is essential. Misaligned expectations often delay European expansion.

Public Procurement

Public-sector procurement is formal, regulated, and process-driven. EU rules ensure transparency and competition but add administrative complexity. Large tenders are published on Tenders Electronic Daily (TED) and follow structured stages (qualification, technical, commercial). Decision-making is distributed across procurement and technical evaluators. Timelines are long (typically 12–24 months), and awards are based on "best value," not just price. Deep-tech companies may access early-stage opportunities through PCP and PPI programmes. However, entry is often challenging for foreign firms, as many tenders require or prefer EU-based entities or consortia.

Tip

Register on TED, set up alerts, partner with an EU-based prime contractor, and engage experienced bid writers. Prioritise tenders where you can enter through a local prime, research partner, or consortium rather than bidding alone, especially if you lack an EU footprint.

Private / Enterprise Sales

Private-sector sales are more flexible but still structured. Deals typically take 6–18 months and involve validation (pilots/PoCs) and internal approvals. Multiple stakeholders are involved (business, technical, procurement, finance), requiring alignment. Pricing is negotiable, allowing for phased deals or co-funded pilots. Private sales are often a more accessible entry point, particularly in the early stages. Access is typically through innovation programmes, pilots, or corporate venture arms.

Tip

Build relationships early, as EU buyers typically prefer in-person meetings. In initial discussions, identify the business sponsor, technical validator, and budget owner. Present a pilot-ready offer and secure a clear internal champion. Enterprise deals progress more quickly when technical validation, business value, and stakeholder ownership are established early.

6. Regulation And Compliance

Early understanding of the regulatory landscape is essential for effective planning. European Union regulations are typically more prescriptive than those in Australia, and non-compliance may lead to significant penalties, market exclusion, or lost contracts. However, the requirements are well-documented and manageable with appropriate guidance. This chapter outlines the five key regulatory areas most relevant to Australian deep-tech companies. Consider these as essential pillars to evaluate before allocating resources to any EU market.

Five Regulatory Pillars

Each pillar affects your technology and target market differently. The table below outlines key considerations and recommended actions.

1

GDPR & Data Handling

Data protection, processing agreements, DPO requirements, 72-hour breach notification

2

CE Marking & Product Safety

Conformity assessment, testing, technical files, notified body requirements

3

Enterprise Security

ISO 27001, SOC 2, vendor onboarding, pen testing, supply chain security

4

Sector-Specific Rules

Medical devices (MDR), defence (export controls), energy (grid codes), AI (AI Act)

5

IP & Trade Secrets

Patent strategy, trade secret protection, NDA frameworks, Unitary Patent

EU REGULATION	DISCOVERY & QUALIFICATION	WHO IT AFFECTS	PILOT / POC
GDPR (2016/679)	Protection of personal data relating to individuals in the EU/EEA. Can apply from the point a company processes covered personal data, including during pilots.	Any company processing personal data of individuals in the EU/EEA	Prepare DPA; appoint EU representative (Art. 27); implement 72-hour breach notification
CE Marking	Product conformity for goods placed on the EU market	Hardware, electronics, machinery, medical devices	Identify applicable directives; budget 3 - 24 months for assessment
EU AI Act (2024/1689)	Risk-based regulation of AI systems, phased enforcement from 2025	Any company deploying AI	Classify risk level; document intended use and limitations; prepare conformity assessment
MDR 2017/745	Medical device regulation with clinical evidence requirements	Medical device companies	Engage Notified Body 12+ months before market entry; budget €100 - 500K based on the class of device being used. 16] Class I devices (non-sterile, non-measuring) can self-certify and typically do not require a Notified Body.
Export Controls	Dual-use and defence technology restrictions	Defence, security, dual-use tech	Check EU Reg 2021/821; assess ITAR implications for US-origin components [15];

Below you find links to official EU pages for information on key regulations:

- **GDPR (2016/679):** https://gdpr.eu/
- **CE Marking:** https://europa.eu/youreurope/business/product-requirements/labels-markings/ce-marking/index_en.htm
- **EU AI Act (2024/1689):** https://artificialintelligenceact.eu/
- **MDR 2017/745:** https://health.ec.europa.eu/medical-devices-sector/new-regulations/guidance-mdcg-endorsed-documents-and-other-guidance_en
- **Export Controls:** https://policy.trade.ec.europa.eu/help-exporters-and-importers/exporting-dual-use-items_en

7. Positioning Your Technology Within EU Frameworks

Australia and the European Union have set critical technology priorities that guide investment, regulation, and industrial policy. Recognising where these priorities align offers direct commercial benefits. It can affect your eligibility for funding, enhance your position in procurement, and increase your attractiveness as a partner to governments, corporations, and research institutions.

Describing your technology using European language, frameworks, and programme priorities positions you as a credible strategic partner aligned with national and regional goals. This approach can significantly improve your market access, relevance, and traction.

AU CRITICAL TECH FIELD	KEY AU PROGRAMMES	EU EQUIVALENT FRAMEWORK	KEY EU PROGRAMMES
Advanced materials & manufacturing	NRF; Future Made in Australia; CSIRO Manufacturing.	Key Enabling Technologies; Horizon Cluster 4	European Chips Act; EIT Manufacturing
AI, computing & communications	National AI Centre (NAIC); AI Adopt Program; NRF (Enabling Capabilities)	Digital Europe Programme; EU AI Act	Digital Europe; EIC Accelerator
Biotech & gene technology	NRF (Medical Science); MTPConnect; Biomedical Translation Fund	Horizon Cluster 1 (Health); Bioeconomy Strategy	Horizon Europe; IHI; EIC Pathfinder
Energy & environment	ARENA; CEFC; Net Zero Economy Authority; Hydrogen Headstart	EU Green Deal; Horizon Cluster 5 (Climate)	Innovation Fund; Clean Hydrogen JU; Batteries JU
Quantum technologies	National Quantum Strategy; Critical Technologies Challenge Program	EU Quantum Flagship; national programmes	Quantum Flagship (€1B); NL, DE, FR programmes
Defence, space & robotics	ASCA; Australian Space Agency; Defence Trailblazer	European Defence Fund; EU Space Programme	EDF; Copernicus; Galileo; NATO Innovation Fund
Sensors, electronics & photonics	S3B; ANFF; NRF (Advanced Integrated Circuits)	European Chips Act; KDT JU; PhotonDelta	Chips JU; Horizon Europe; ECSEL/KDT JU

Key Considerations

Correctly positioning your technology is essential for engaging with European Union funding, procurement, and partners. In the EU, technologies are evaluated based on their compliance with policy priorities, industrial strategies, and programme objectives. Deep-tech companies that clearly connect their solutions to these frameworks are more likely to secure funding, form partnerships, and achieve commercial success. Do not just describe your product; specify which EU priority it addresses, such as energy security, industrial resilience, digital sovereignty, defence capability, or decarbonisation. This framework helps integrate your technology into existing policy, funding, and procurement agendas. Clearly articulate your technology's relevance in the European context, whether it relates to regulation, infrastructure, industrial policy, energy transition, or supply chain resilience. A localised example is typically more persuasive than a general global case.

8. Public Funding And Eu Programmes

The European Union provides one of the world's most advanced public innovation funding environments. For Australian deep-tech companies, this support can be a key driver for successful market entry. Opportunities are set to grow as Australia negotiates an association with Horizon Europe, the EU's flagship research and innovation programme, which is expected to open to Australian organisations from early 2027. Securing the right grant can fund initial EU pilots, reduce market-entry risk, and enhance credibility with local buyers, partners, and investors. It can also extend your runway as you build traction, navigate regulations, and establish a European presence. In addition to capital, the EU funding provides access to international consortia, leading research and industry partners, and large-scale projects.

PROGRAMME	FOCUS	FUNDING	ACCESS PATHWAY
EIC Pathfinder	Breakthrough research (TRL 1 - 4)	€0.5 - 3M	Via EU consortium partner
EIC Transition	Tech validation (TRL 3 - 6)	€0.5 - 2.5M	Via EU consortium partner
EIC Accelerator	Scale-up (TRL 5 - 9)	Up to €17.5M	EU entity required (can be new)
Horizon Europe	Multi-partner R&D	€2 - 10M	AU as associated partner
Digital Europe	AI, cyber, HPC deployment	€1 - 10M	Via EU consortium partner
Innovation Fund	Climate & clean energy	€2.5 - 100M+	EU-based project required

EU-Level Programmes

Horizon Europe is the EU's primary R&D and innovation funding programme, supporting technologies from early research to commercial deployment. This is especially relevant for deep-tech with long development cycles. Unlike smaller, decentralised Australian programmes, Horizon Europe operates at a larger scale and integrates research, industry, and commercialisation through consortium-based funding. Companies, universities, and public actors collaborate to develop and validate technologies. For Australian deep-tech firms, this provides access to larger funding pools and a structured entry into European ecosystems, pilots, and partnerships, although the process is more complex.

The EIC provides funding and commercialisation support, offering capital and direct access to investors, corporates, and advisory services. This approach creates a clear path from innovation to market. Through Business Acceleration Services (BAS), companies receive curated introductions, investor exposure, and access to corporate, public, and sector networks across the European Union. These connections would otherwise take years to establish.

From 2027, Australian organisations are expected to become eligible, providing more direct access to EU research consortia, industrial partnerships, pilot environments, and public funding. Horizon Europe offers not only non-dilutive capital but also supports Australian deep-tech companies in building partnerships, establishing validation pathways, and strengthening their market presence for commercialisation in the EU.

Horizon Europe

Horizon Europe is structured into three pillars, each supporting a different stage of innovation:

Pillar I: Excellent Science funds early-stage research, talent development, and infrastructure. While less commercially focused, it is relevant for university spinouts and academically driven deep-tech. It is comparable to ARC, CSIRO, and NHMRC in Australia.

Pillar II: Global Challenges and European Industrial Competitiveness supports applied deep-tech through thematic clusters such as health, digital, climate, and energy. It funds collaborative research and development with industry, academia, and public sector partners. For companies seeking validation, pilots, or system integration, this is often the most practical entry point. It is comparable to ARENA, NRF, CRCs, and mission-driven programmes.

Pillar III: Innovative Europe focuses on scaling and commercialisation through the European Innovation Council (EIC), which funds high-risk, high-potential deep-tech. Unlike in Australia, there is no single equivalent that matches its scale or integration of funding, commercialisation, and market access.

The European Innovation Council (EIC)

For Australian deep-tech founders, the EIC is a key institution in the EU innovation landscape. Beyond funding, it supports breakthrough technologies that are too early, complex, or risky for traditional private capital. The EIC also helps deep-tech companies establish partnerships, validate their solutions, and access EU markets. It operates through three main instruments:

EIC Pathfinder - Supports early-stage, high-risk research (TRL 1-4), often in collaboration with research institutions. This instrument is suited for novel scientific or technological concepts still undergoing validation.

EIC Transition - Focuses on advancing technologies from research to application (TRL 3-6). It bridges the gap between lab results and early commercial use, supporting prototyping, validation, and business case development.

EIC Accelerator - Supports deep-tech companies ready to scale (TRL 5-9) with grants and equity funding up to €17.5M. It is one of the few EU programmes designed specifically for both early- and later-stage deep-tech companies. Unlike most Horizon programmes, it requires an EU-based entity, which can be newly established. [17]

National Programmes

Each EU member state offers national innovation programmes that are often more accessible than EU-level funding. These programmes typically feature lower competition, faster decisions, and easier access for foreign deep-tech companies with local operations. For Australian firms, establishing a European entity can provide access to these domestic funding sources. National programmes are well suited for funding localized pilot projects or hiring your first EU-based engineering team.

Fundraising Tips

Public funding in Europe typically rewards thorough preparation, strong positioning, and credible partnerships. For most companies, it is most effective when integrated into a broader market entry strategy rather than pursued as a standalone funding exercise.

- **National programmes often provide a practical starting point.**
  National funding schemes are often more accessible than EU-level programmes, offering faster decisions and clearer alignment with early-stage needs such as pilots, hiring, or localisation.
- **Early engagement can strengthen credibility for larger applications.**
  Pilot results, local partnerships, and smaller grants help demonstrate progress and enhance the credibility of subsequent EU-level applications.
- **Building relationships with European partners is important well before calls open.**
  Many EU programmes require consortium-based applications, so research institutions, corporates, and experienced grant partners are often involved early in the process.
- **Australian deep-tech companies should begin preparing for Horizon Europe before formal access is finalised.**
  If Horizon Europe becomes accessible in 2027, it is advisable to start building relationships with relevant EU institutes and consortium partners in advance.
- **Joining experienced local partners in a consortium can make the process easier to navigate.**
  Organisations familiar with EU funding structures can help interpret programme requirements, strengthen proposals, and avoid common mistakes.

Below, are useful online resources for the main EU funding programmes and Horizon Europe:

EUROPEAN INNOVATION COUNCIL (EIC)

- **https://eic.ec.europa.eu/eic-funding-opportunities/eic-2026-work-programme_en**

HORIZON EUROPE

https://commission.europa.eu/funding-tenders/find-funding/eu-funding-programmes/horizon-europe_en

9. Private Funding In Europe

$690bn	$20.3bn	32%	70%
total enterprise value of European Deep-Tech	invested in European Deep-Tech in 2025	of all European VC, up from 15% in 2015	of large-scale late-stage funding from non-European investors

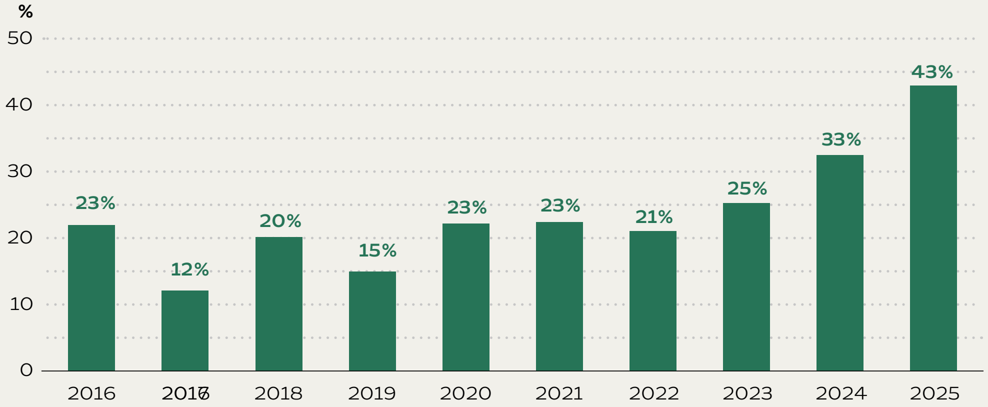
Private capital has become increasingly important for deep-tech companies in Europe over the past decade. Deep-tech now accounts for 32% of all European VC investment, up from 15% in 2015, with funding reaching $20.3 billion in 2025 [25]. Deep-tech funding has also shown greater resilience than the broader market, standing only 4% below its 2021 peak, while regular tech is down 54%. However, the market remains uneven [25]. Early-stage funding is relatively robust, but growth-stage capital is less available than in the US. European deep-tech companies face an estimated $4 to $24 billion annual funding gap, and about 70% of late-stage funding comes from non-European investors. As a result, Europe is a strong environment for raising early capital, but larger rounds often require international syndicates [25].

European venture capital operates differently from what many Australian founders may expect. The market is more fragmented across countries, more risk-averse, and typically requires stronger validation before investment. Compared to the US, funding rounds are often smaller, take longer to close, and involve more co-investors. Fundraising in Europe focuses less on speed and momentum, and more on building conviction through technical validation, pilot projects, and engagement with the ecosystem.

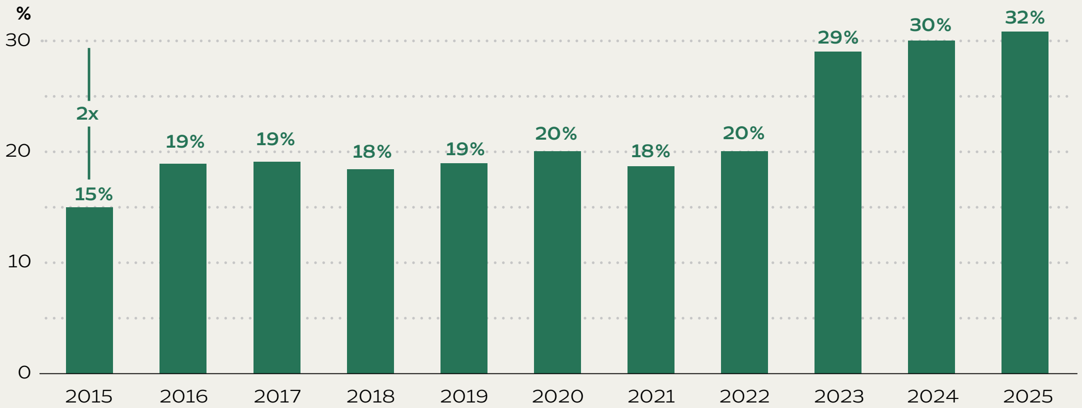
European investors value not only technical innovation but also a company's alignment with broader strategic priorities. Sectors such as AI, semiconductors, defence, robotics, energy, and advanced materials attract attention because they support European goals for industrial resilience, security, and competitiveness. Founders who position their companies within these themes are generally more successful in securing funding than those focused solely on technical achievements. The ecosystem is maturing, with European deep-tech enterprise value reaching $690 billion, 125 unicorns, and a growing number of breakout and scale-up companies. For Australian deep-tech companies, European fundraising is most effective when integrated with a broader European strategy, such as engaging customers, pilots, partnerships, or local ecosystem relevance, rather than as a standalone capital-raising effort.

For many companies, navigating the European investor landscape requires more than outreach. It demands a clear understanding of which ecosystems, investors, and funding structures align with your technology and stage. Local insight and network access often make a significant difference.

Share of European deep-tech VC funding going to defence, security and resilience startups
Source: "Defence, Security and Resilience in Europe Report 2026 by Dealroom, and Nato Innovation Fund (NIF)"



Deep-tech share of total VC funding in Europe
Source: Dealroom, Lakestar, and Walden Catalyst, The European Deep-Tech Report 2026.



How Fundraising Works in Practice

Fundraising in Europe is typically relationship-driven and time-intensive. Unlike more centralized markets, there is no single hub. Activity is distributed across ecosystems such as London, Paris, Munich, Zurich, and the Nordics, each with distinct investor networks and sector strengths. Building investor relationships often begins well before a formal raise, through introductions, events, or ecosystem engagement.

Rounds are often syndicated across multiple investors, especially in deep-tech. A lead investor may anchor the round, but additional investors, including corporates, public funds, or international VCs, are usually needed to complete it. This approach increases complexity but also enhances resilience by sharing risk among investors.

Timelines are generally longer than in Australia or the US. European deep-tech rounds often take six to nine months from initial conversation to close, especially at Series A and beyond. Early planning and maintaining a steady pipeline of investor conversations are essential.

Country Snapshots

PART 2

The Netherlands

€1.1T GDP	18.0M Population	#6 Global Rank For Deep-Tech Ecosystem	#4 Regional Rank For Deep-Tech Ecosystem	#10 Rank per Capita For Deep-Tech Ecosystem	1,400+ Deep-Tech companies	2.3% R&D / GDP

Key Ecosystem Players

- **Notable Corporates / Industrial Anchors:** ASML, NXP, Philips, Shell, DSM-Firmenich
- **Notable Scaleups / Emerging Leaders:** Mosa Meat, Meatable, Lightyear, Nearfield Instruments, QuantWare
- **Research:** TNO, TU Delft, TU Eindhoven, WUR, AMOLF, Holst Centre, QuTech, University of Amsterdam, Vrije Universiteit Amsterdam, Erasmus Centre
- **Clusters:** Brainport, Holland High Tech, PhotonDelta, Food Valley, Health Valley, Quantum Delta NL, The Hague Security Delta, Port of Rotterdam
- **Accelerators:** HighTechXL (Eindhoven), YES!Delft, Rockstart, ACE Incubator
- **Government:**RVO, Invest-NL, NFIA, BOM, Oost NL, InnovationQuarter
- **Sector Specific Infrastructure:** ESTEC / NL Space Campus , Port of Rotterdam

Why This Market

The Netherlands serves as a key entry point for deep-tech in Europe, supported by robust research, industrial capacity, and a favourable policy environment. Major sectors include semiconductors, photonics, quantum, medtech, agrifood, and industrial climate technology, with hubs in Eindhoven, Delft, Wageningen, Leiden, Amsterdam, and Enschede.

The Dutch market is distinguished by strong collaboration among research, industry, and government. Applied research organizations such as TNO, leading technical universities, regional development agencies, and corporates are linked through established innovation networks. This structure gives companies access to research, pilot environments, public support, and industrial partners. For Australian companies, this integration can facilitate the transition from technical validation to pilots, partnerships, and early commercial traction.

The Netherlands has strong fundamentals, with 2.3% of GDP invested in R&D, over 1,400 deep-tech companies, more than €950 million in deep-tech venture capital, and approximately €116 billion in annual public procurement [26][29].

The Dutch are global leaders in flood management, water treatment, and coastal engineering, maritime and port logistics (the Port of Rotterdam is Europe's largest port and a major testbed for logistics innovation), medtech and medical imaging.

Procurement Landscape

Dutch procurement sits within the wider EU framework, but many of the practical steps are national. At EU level, public contracts follow common rules on transparency, competition, and non-discrimination, and above-threshold tenders are published through TED. In the Netherlands, those rules are applied through TenderNed and supported by PIANOo.

For Australian deep-tech companies, the legal framework is broadly consistent across the EU, but the Dutch system reflects national priorities such as circularity, climate impact, and innovation procurement. As a result, the Netherlands can serve as a strategic entry point for companies in energy, agritech, advanced materials, and industrial systems, particularly where pilots and innovation partnerships are key to market entry [28].

In the private sector, procurement is less about EU-wide rules and more about the requirements of major industrial buyers.

Investment Landscape

The Dutch deep-tech funding landscape combines public capital, specialist venture funds, and corporate investors. Most Dutch VC funds prioritise companies integrated into the national innovation ecosystem, often through connections with TU Delft, Eindhoven, or Twente. Non-EU companies typically require a Dutch or EU entity, local operations, or active participation in the ecosystem to raise capital effectively.

Capital availability also varies by stage. The Netherlands offers robust early-stage support, with active seed and Series A funding from venture capital and public co-investment. Later-stage capital is more limited. Dutch participation in Series B rounds has declined in recent years, with international investors leading larger rounds. Cross-border syndication is often required for scale-up.

Most deep-tech capital goes to compute-related technologies, especially semiconductors and photonics, reflecting the Netherlands' industrial strengths and companies like ASML. Medtech and biotech are mainly funded by specialised investors and programmes, with greater emphasis on scientific validation and regulatory alignment [32]. Public and quasi-public capital is vital to the ecosystem. Corporate venture capital is also significant. For Australian companies, capital access relies more on ecosystem integration than standalone fundraising. Early-stage funding is available through public co-investment and specialist VCs, while later-stage growth typically requires international investors and cross-border syndicates.

LAYER	TYPICAL STAGE	AVERAGE TICKET SIZE	INSIGHT	KEY PLAYERS
Government	Pre-seed - Series C	€100K – €10M	Focused on societal transitions; provides the massive patient capital required for semiconductors and national climate goals.	Invest-NL, RVO, EIF, Brabant Dev Co. (BOM)
Deep-Tech VC	Seed - Series B	€500K – €10M	Specialist Hardware-first investors; deeply integrated with the technical universities (TU Delft, Eindhoven, Twente).	Innovation Industries, SET Ventures, FORWARD.one
Corporate VC	Series A - Series C	€2M – €20M	Often acts as the Standard Setter; an investment here usually signals that a company is ready for global supply-chain integration.	ASML Ventures, Shell Ventures, Philips Health Tech
Angel Investors	Pre-seed - Seed	€25K – €500K	Often former founders or industry execs; they provide the smart money needed to navigate the Dutch Living Lab environment and secure first pilots.	Arches Capital, Leapfunder, BANN (Business Angels Networks Netherlands), Graduate Entrepreneur Fund.
Generalist VC	Seed - Series B	€1M – €15M	Focuses on capital-efficient scaling; the primary engine for the Netherlands' high-growth SaaS and Fintech sectors.	Peak Capital, Keen Venture Partners, Volta Ventures

Key Considerations and Ecosystem Fit

The Netherlands stands out in deep-tech ecosystems such as semiconductors and photonics, where competition is intense and buyers typically have established suppliers. Clear differentiation is therefore essential. Early-stage funding is strong, but later-stage capital is less concentrated than in larger European markets, so larger funding rounds often require international investors or cross-border syndicates. For many companies, the Netherlands serves best as a base to access broader European partners, customers, and funding networks.

The market is organized around industry-led clusters that bring together multinational firms, private investment, and leading technical universities. Key hubs such as ASML, the High Tech Campus Eindhoven, and initiatives like Quantum Delta NL link research with commercial opportunities, offering technical credibility and access to talent and customers.

Australian deep-tech companies benefit from efficient execution in the Netherlands. Company setup is straightforward, English proficiency is high, and connections between research, funding, and industry are strong. The Netherlands is a reliable entry point for technical validation and early commercial engagement, especially for IP-intensive hardware companies moving from prototype to industrial supply chains.

BEST-FIT DEEP-TECH DOMAIN	ECOSYSTEM STRENGTH & RATIONALE
Integrated Photonics	Australia's photonics sector, anchored by hubs like ANU and the University of Sydney, is strong in Lidar, optical sensing, and quantum communications, but faces challenges in scaling fabrication. The Netherlands provides complementary infrastructure with integrated photonics pilot lines and a mature ecosystem around PhotonDelta, TNO, and ASML (TNO; PhotonDelta).
Quantum Computing	Australia's quantum sector, led by the Sydney Quantum Academy and CQC2T, is globally competitive in qubits and sensing. The Netherlands offers a robust applied ecosystem in Delft, through QuTech, TU Delft, and Quantum Delta NL, supporting system integration and early industrial deployment.
Synthetic Biology	Australia's biotech and synthetic biology ecosystem, supported by CSIRO and state initiatives, excels in discovery and early-stage development. In Europe, the Netherlands provides a mature life sciences cluster in Leiden, with clinical research infrastructure and connections to European regulatory pathways.
Cellular Agriculture	Australia has strengths in precision fermentation and alternative proteins in cellular agriculture, led by the University of Queensland. The Netherlands, particularly Wageningen University & Research, provides applied research, pilot-scale facilities, and industry partnerships for food-tech scale-up.
Vertical & Industrial AI	Australia's AI sector, supported by the National AI Centre, is expanding in enterprise and industrial applications. The Netherlands, through Amsterdam, provides opportunities in logistics, fintech, and enterprise systems, supported by active corporate innovation programs.
Micro-Nano Systems	Australia has strong capabilities in sensing, robotics, and advanced instrumentation. The Netherlands complements these through Twente and Enschede, with strengths in micro-nano fabrication, precision engineering, and applied research linked to the University of Twente and MESA+.

Practical Tips

Entity: Besloten Vennootschap (BV): The standard limited company. Registration via a notary typically takes 2-5 days once the deed is signed. Minimum share capital is symbolic (€0.01).

Tax: 19% - 25.8%: Tiered corporate tax. 19% for profits under €200,000; 25.8% for profits above this threshold. An Innovation Box reduces the rate to 9% for qualifying R&D profits.

R&D Credit: WBSO (R&D Tax Credit): Covers a portion of wage costs. For companies, it offers a 36% reduction in payroll tax for the first €391,020 of R&D wage costs and 16% thereafter, acting as an immediate monthly payroll tax reduction [71].

Innovation: Funding via RVO (Innovation Credit 10 - 30M), Invest-NL (scale-up capital), and the Seed Capital Scheme for high-tech companies. [71]. Early-stage "Proof-of-Concept" loans of up to €450k are available.

Visa: Startup Visa: A 1-year permit for innovative founders (requires a local "facilitator"). Fast-track entry leads to a Self-Employed permit after year one. An Essential Personnel scheme allows companies to quickly hire 5 experts.

Resources

- **RVO (Netherlands Enterprise Agency)**
  english.rvo.nl
  National Agency
- **WBSO**
  english.rvo.nl/subsidies-programmes/wbso
  R&D Tax Credit
- **Innovation Box**
  https://business.gov.nl/subsidies-and-schemes/innovation-box/
  Tax Incentive
- **Invest-NL**
  invest-nl.nl
  Impact Investment
- **Regional Development Agencies (ROMs)**
  rom-nederland.nl
  Regional Support
- **Invest in Holland**
  https://investinholland.com/
  Market entry
- **TenderNed**
  https://www.tenderned.nl/
  Procurement
- **TNO**
  https://www.tno.nl/en/
  Research / industrial

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United Kingdom

€2.5T GDP (2024)	69.5M Population	#3 Global Rank For Deep-Tech Ecosystem	#2 Regional Rank For Deep-Tech Ecosystem	#15 Rank per Capita For Deep-Tech Ecosystem	5,700+ Deep-Tech companies	2.6% R&D / GDP

Key Ecosystem Players

- **Notable Corporates / Industrial Anchors:** ARM, BAE Systems, Rolls-Royce, BP, GSK, AstraZeneca, Vodafone, Oxford Instruments
- **Notable Scaleups / Emerging Leaders:** Darktrace, Synthesia, Oxford Nanopore, Tokamak Energy, Quantum Motion
- **Research & Applied R&D:** University of Oxford, University of Cambridge, Imperial College London, UCL, UKRI, Catapult Centres, Alan Turing Institute
- **Clusters / Ecosystem Platforms:** Cambridge Cluster, Oxford Science Cluster, Harwell Science & Innovation Campus, London Tech / AI ecosystem, Midlands Engine, Scotland's Data & AI Cluster
- **Accelerators / Venture Builders:** Entrepreneur First, Deep Science Ventures, Zinc VC, Founders Factory, Cambridge Enterprise, Oxford Science Enterprises
- **Government / Public Players:** UKRI, UK Export Finance, Department for Science, DSIT
- **Sector-Specific Infrastructure:** Harwell Campus, National Quantum Computing Centre

Why This Market

The UK is one of Europe's most commercially mature deep-tech markets, with strong positions in advanced materials, quantum, life sciences, space, energy transition, and industrial AI. Those strengths are anchored in major hubs such as London, Cambridge, Oxford, Harwell, Bristol, and Manchester.

The UK stands out for its dense commercialisation infrastructure. Leading universities such as Oxford, Cambridge, Imperial, and UCL work closely with specialist funds, venture builders, Catapult centres, and corporate partners. For Australian companies, the UK offers not only a customer market but also access to capital, translational infrastructure, research partnerships, rapid commercial scaling and experienced deep-tech investors from pre-seed to larger growth rounds [34][35].

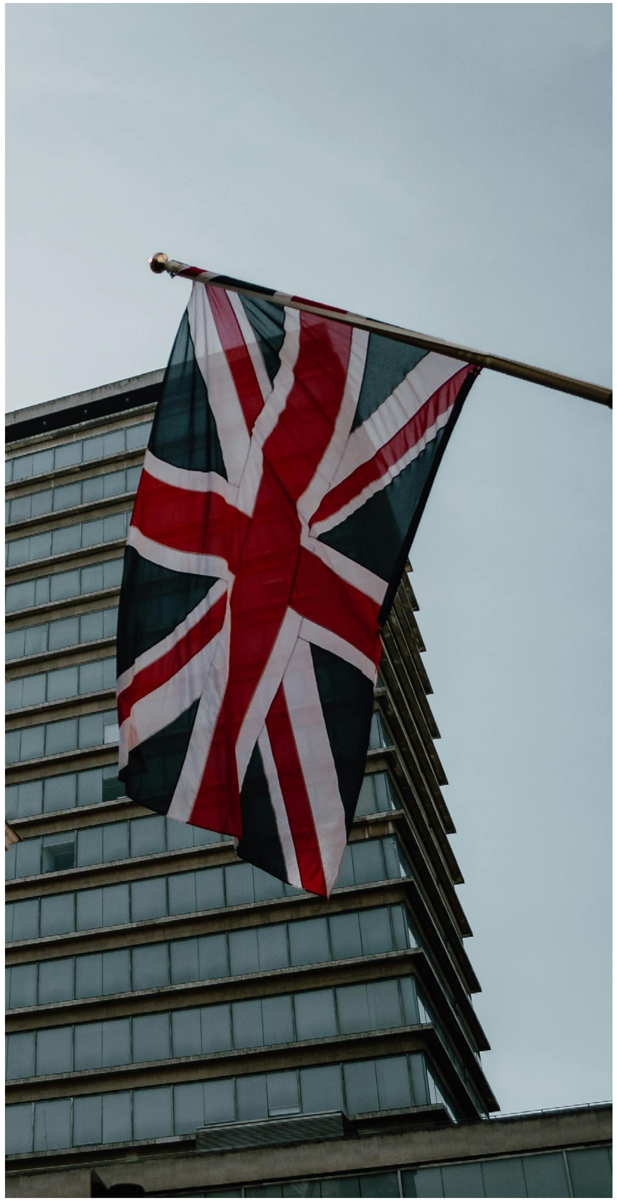
The scale of the ecosystem is significant. The UK is Europe's largest venture market, with the Golden Triangle of leading universities and research institutions located in the southern English cities of Oxford, Cambridge, and London accounting for 77% of UK deep-tech VC funding since 2020. The country also invests heavily in research, with R&D expenditure at 2.64% of GDP in 2023, supported by Innovate UK, ARIA, UKRI, Catapult centres, and R&D tax relief schemes [34][35][37].

Procurement Landscape

The UK's procurement system operates independently of the EU framework and is governed by the Procurement Act 2023, effective from 24 February 2025. Public opportunities are published on Find a Tender. The new regime emphasizes transparency and streamlines processes for suppliers. Contracting authorities are encouraged to consider broader strategic outcomes, such as innovation and public value, rather than focusing solely on lowest-cost purchasing.

For Australian deep-tech companies, the UK's legal framework differs from the EU's, though many practical considerations remain similar. Buyers continue to seek evidence of technical performance, delivery capability, and compliance. The UK offers a valuable entry point for companies in defence, digital infrastructure, health technology, clean energy, and advanced industrial systems, especially where procurement aligns with public priorities like innovation, resilience, and strategic capability. However, successful access requires navigating buyer-specific requirements and establishing credibility with public-sector stakeholders.

In the private sector, procurement is less rule-bound than in the public sector, but still often structured around technical validation, internal approvals, and risk review.



Investment Landscape

The UK deep-tech funding landscape combines public capital, specialist venture funds, and corporate investors. It is one of Europe's largest markets, ranking third globally with $23.6 billion in venture capital investment in 2025 [39].

Access to capital depends on ecosystem integration. London leads in deal volume, while Oxford, Cambridge, and Harwell excel in spinout formation and deep-tech value creation, especially from university ecosystems [32]. Corporate venture capital is also significant, with organisations like AstraZeneca, BP Ventures, and BAE Systems investing strategically to integrate emerging technologies into global supply chains [40].

Capital availability varies by stage. The UK has strong early-stage support, driven by angel-syndicates and tax-efficient schemes such as SEIS and EIS, alongside public funding from Innovate UK and UKRI. However, later-stage rounds are typically led by international investors, particularly for capital-intensive sectors.

Investment is concentrated in a small number of sectors, with life sciences, climate tech, AI, and quantum technologies attracting a significant share of capital.

For Australian deep-tech companies, capital access depends on a UK presence and engagement with local research and industry networks. Early-stage funding comes from public programmes and specialist investors, while scaling typically requires international syndicates.

LAYER	TYPICAL STAGE	AVERAGE TICKET SIZE	INSIGHT	KEY PLAYERS
Government	Pre-seed - Series C	€100K – €10M	National gatekeeper; de-risks R&D for private VCs via non-dilutive grants.	Innovate UK, British Business Bank, UKRI, NSSIF
Deep-Tech VC	Seed - Series A	€500K – €10M	Science-first specialists; PhD-led teams prioritizing IP moats over revenue.	Amadeus Capital, IQ Capital, Airstreet, Cambridge Innovation Capital
Corporate VC	Series A+	€2M – €20M	Strategic test-beds; bridges the gap between lab proof and supply chain integration.	AstraZeneca, BP Ventures, Barclays, Lloyds
Angel Investors	Pre-seed - Seed	€25K – €500K	Driven by the world-class SEIS/ EIS tax schemes; UK angels are increasingly organized into "syndicates" that lead rounds and provide the governance required for global scaling.	Cambridge Angels, Archangels, SFC Capital, Angel Academe, 24Haymarket.
Generalist VC	Series A+	€1M – €15M	Growth-driven; pivots toward deep-tech once commercial "product-market fit" is proven.	Index Ventures, Balderton Capital, Octopus, LocalGlobe

Key Considerations and Ecosystem Fit

The UK is highly competitive in AI, life sciences, and advanced engineering, though operating costs are higher than in many continental European markets. Since the UK is outside the EU Single Market and Customs Union, a UK base does not offer direct access to EU procurement or regulatory pathways. However, association with Horizon Europe maintains links to the broader European research system. The UK deep-tech ecosystem is concentrated in clusters including London, Cambridge, Oxford, and Harwell, with strong pathways from research to commercialisation. These hubs are particularly strong in quantum, advanced materials, life sciences, space, energy transition, and industrial AI.

Australian companies usually enter through specific clusters rather than at the national level, using the UK mainly for investor access, research partnerships, and commercial scaling, rather than as a gateway to EU procurement or regulation [36].

BEST-FIT DEEP-TECH DOMAIN	ECOSYSTEM STRENGTH & RATIONALE
Space Tech and Informatics	Australia excels in remote sensing and ground systems but has limited capacity in satellite manufacturing and downstream data applications. The UK, especially Edinburgh and Harwell, provides a mature space ecosystem with established strengths in satellite applications, testing, and commercialisation.
Fusion Energy	Australia is advancing in superconducting materials and plasma science but lacks large-scale fusion testing infrastructure. The UK, particularly Oxford and Culham, leads globally through UKAEA and UKRI, offering robust facilities, companies, and funding for fusion development.
Robotics & Autonomous Systems	Australia has strong expertise in robotics for mining and remote operations. The UK, especially Bristol and the West of England, complements this with strengths in robotics, aerospace, and applied research and development for industrial and high-performance settings.
Cybersecurity & Trust Tech	London is a global cybersecurity hub, anchored by the NCSC and a leading European venture capital market. Australian firms excel in sovereign encryption and identity management but often require a trusted pathway into Tier-1 financial institutions. The UK offers this access through Plexal and accelerators such as LORCA, making London an ideal base for securing pilots and scaling security solutions.
Advanced Materials	Manchester, home to the National Graphene Institute, is a global centre for 2D materials research. Australian firms lead in mineral processing and advanced composites but often face challenges moving from laboratory discovery to manufacturing. The UK bridges this gap through the Graphene Engineering Innovation Centre, which supports prototyping and pilot-scale production, making Manchester a strong base for commercialising sustainable materials.
Agritech & Food-Tech	Cambridge combines leading life sciences and AI capabilities, with strengths in CRISPR and precision agriculture through NIAB. Australian innovators excel in drought-resilient crops and broad-acre automation but often lack access to deep-tech venture capital and European regulatory networks. The UK provides a strong science-to-market pathway through Cambridge Science Park, supporting firms in validating genomic and AI-based food technologies and building international credibility.

Practical Tips

Entity: Private Limited Company (Ltd): Standard vehicle. Digital registration in 24-48 hours. No minimum share capital required (£1 common)

Tax: ~19% - 25%: Tiered corporate tax. 19% for profits under £50k; 25% for profits over £250k.

Merged R&D Scheme: 20% tax credit on qualifying R&D spend. Loss-making SMEs can receive up to €27 cash back for every €100 spent.

Innovation: Funding via Innovate UK (grants €50k-€2M+), British Business Bank (start-up loans), and UKRI (sector-specific research).

Visa: Innovator Founder Visa: 3-year permit for scalable ideas. Fast-track to Permanent Residency (Settlement) after 3 years.

Support: Department for Business and Trade (DBT): Export/investment; Innovate UK Business Connect: Networking; UKRI: Research funding.

Resources

- **Innovate UK**
  https://www.ukri.org/councils/innovate-uk/
  Public funding
- **British Business Bank**
  https://www.british-business-bank.co.uk/
  Public finance
- **Department for Business and Trade**
  https://www.great.gov.uk/
  Market entry
- **UKRI**
  https://www.ukri.org/
  Research funding
- **Catapult Network**
  https://catapult.org.uk/
  Research / industrial
- **Alan Turing Institute**
  https://www.turing.ac.uk/
  Research
- **Find a Tender**
  https://www.find-tender.service.gov.uk/
  Procurement
- **Entrepreneur First**
  https://www.joinef.com/
  Ecosystem

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France

€2.9T GDP	68.6M Population	#2 Global Rank For Deep-Tech Ecosystem	#1 Regional Rank For Deep-Tech Ecosystem	#12 Rank per capita For Deep-Tech Ecosystem	2,200+ Deep-Tech companies	2.2% Total R&D / GDP

Key Ecosystem Players

- **Notable Corporates / Industrial Anchors:** Airbus, Safran, Thales, STMicroelectronics, Soitec,Dassault Systèmes, Naval Group, Orange
- **Notable Scaleups / Emerging Leaders:** Mistral AI, Pasqal, Verkor, Exotec, Alice & Bob, Helsing France, Quandela, C12 Quantum, Cailabs, Kalray, Wandercraft
- **Research & Applied R&D:** CEA, CNRS, INRIA, INSERM, Institut Polytechnique de Paris, ONERA.
- **Clusters / Ecosystem Platforms:** Systematic Paris-Region, Minalogic, Aerospace Valley, MINATEC, Pôle d'Excellence Cyber, Nuclear Valley
- **Accelerators / Venture Builders:** Entrepreneur First, Agoranov, Creative Destruction Lab Paris
- **Government / Public Players:** Bpifrance, SGPI, CNES, DGA, ADEME
- **Sector-Specific Infrastructure:** Synchrotron SOLEIL, Jean Zay Supercomputer, European XFEL ,ITER, ESA BIC Sud France, Paris-Saclay Nano-Innovation Center.

Why This Market

France is among Europe's most state-supported and strategically organized deep-tech markets, with strengths in quantum, AI, semiconductors, aerospace, advanced materials, energy transition, and industrial technologies. These capabilities are concentrated in clusters such as Paris-Saclay, Grenoble, and Toulouse, where research institutions, corporations, and translational infrastructure are closely linked [43].

The French model relies on strong public coordination. Institutions such as CEA, Inria, and CNRS anchor the research base, while Bpifrance serves as the main funding gateway through the Deeptech Plan and France 2030. These initiatives provide over €2 billion to support deep-tech and industrial startups, as well as targeted funding to boost spinouts and scale-up capacity [44].

France has one of the EU's largest scale-up financing systems. The Tibi Initiative has raised nearly €30 billion to support late-stage growth, with deep-tech as a core investment priority (French Treasury). Public funding helps de-risk early and mid-stage development, allowing companies to advance from research to industrial scale.

For Australian companies, France provides access to a large domestic market and serves as a gateway to the EU. Bilateral ties are robust, with $14.4 billion in two-way trade in 2024 and significant cross-border investment (DFAT) [72]. The Australia - France roadmap prioritises clean energy, climate, critical minerals, and research collaboration, offering strong strategic alignment for Australian firms in energy systems, advanced manufacturing, space, and other R&D-intensive sectors.

Procurement Landscape

France's procurement system is state-coordinated and closely linked to industrial policy and innovation. The Code de la commande publique governs public procurement, with opportunities published on PLACE, BOAMP, and TED.

Public procurement represents approximately 13 - 15% of GDP, positioning France among Europe's largest procurement markets [26]. Much of this activity is focused on strategic sectors including defence, energy, infrastructure, and advanced manufacturing. Major industrial groups such as Airbus, Thales, Safran, EDF, TotalEnergies, and Dassault Aviation lead private procurement. They usually engage suppliers through joint development, technical pilots, and phased integration into larger industrial programmes. France stands out in Europe for the close connection between procurement, public research, and industrial strategy.

For deep-tech firms, this creates entry points through innovation-focused public programmes, R&D-linked tenders, and pilot environments linked to institutions such as CEA, ONERA, and Inria.

Key Considerations and Ecosystem Fit

France provides robust public funding and industrial policy support, but its market is more structured and institution-led than other European ecosystems. Organizations such as Bpifrance, CEA, and regional clusters coordinate funding, partnerships, and commercial opportunities. Companies are expected to participate in formal programs and engage with public-sector stakeholders, which results in more formal processes, longer timelines, and less flexibility than in market-driven environments. Major hubs, including Paris-Saclay, Grenoble, Toulouse, Lyon, Rennes, and Marseille, bring together research, industry, and translational infrastructure.

For Australian companies with strong IP and research capabilities, France offers an effective entry point in sectors that require public-private coordination and long development cycles. These sectors include quantum technology, advanced manufacturing, aerospace, climate technology, cybersecurity, and life sciences.

BEST-FIT DEEP-TECH DOMAIN	ECOSYSTEM STRENGTH & RATIONALE
Artificial Intelligence & Advanced ICT	Australia's AI ecosystem, supported by CSIRO Data61 and leading universities such as UNSW Sydney, excels in applied AI, analytics, and enterprise systems. In France, Paris integrates top AI research through Inria and CNRS, startup infrastructure like Station F, and a strong corporate and VC presence, making it one of Europe's most accessible AI ecosystems.
Quantum Technologies	Australia's quantum sector, led by UNSW Sydney and the University of Sydney, is globally competitive in computing and sensing but has limited access to large-scale engineering and industrial infrastructure. France provides strong quantum capabilities through Paris-Saclay and Grenoble, where CEA, CEA-Leti, and companies such as Pasqal and Quandela support system integration and hardware development within a coordinated national ecosystem.
Advanced manufacturing & Materials	Australia has strong capabilities in advanced materials, mineral processing, and applied manufacturing research but often lacks large-scale pilot production. Grenoble addresses this gap, with CEA-Leti and companies such as STMicroelectronics offering integrated capabilities in semiconductors, prototyping, and advanced materials engineering.
Autonomous Systems & Aerospace	Australia has strengths in autonomy, remote operations, and defence-related systems through organizations such as DSTG and leading universities. Toulouse hosts one of Europe's largest aerospace ecosystems, anchored by Airbus, CNES, and ONERA, with strong capabilities in aerospace systems, space technologies, and autonomous platforms.
Cybersecurity & Defence / Dual-Use	Australia has strong capabilities in cybersecurity and trusted systems through the Australian Cyber Security Centre and university-led research. In France, Rennes and Paris are leading centers for cybersecurity and dual-use innovation, closely connected to defence institutions, sovereign capability priorities, and national programs.
Climate Tech & Energy	Australia has strengths in clean energy, hydrogen, and industrial decarbonization through ARENA and CSIRO. France offers a strong industrial base in Paris, Grenoble, and Marseille, with capabilities in hydrogen, batteries, nuclear energy, and large-scale energy infrastructure, supported by major companies such as EDF and TotalEnergies.
Biotech & Life Sciences	Australia has strong biomedical research capability through institutions such as WEHI and the Garvan Institute but more limited access to large clinical networks and EU regulatory pathways. France brings scale through Paris and Lyon, where companies such as Sanofi and bioMérieux sit alongside dense hospital networks and clinical research infrastructure.

Investment Landscape

France operates a state-led deep-tech funding ecosystem, anchored by Bpifrance and national programmes such as France 2030 (€54B), which prioritise strategic sectors including artificial intelligence (AI), semiconductors, energy, defence, and quantum technologies. Public capital plays a central role in early and mid-stage development and is complemented by specialised venture funds such as Quantonation and Supernova Invest, as well as corporate investors including Airbus Ventures. Funding in France follows a structured progression. Early-stage companies receive grants such as the Bourse French Tech (€90K) and maturation funding ranging from approximately €500K to €2M. Venture capital investment generally begins at the Seed to Series A stages (Bpifrance).

Capital allocation is aligned with national priorities, with substantial funding directed toward artificial intelligence, semiconductors, energy, defence, and quantum technologies. France has committed approximately €1.8B to quantum technologies. Broader European programmes, such as the EU Chips Act (€43B) and the EU Innovation Fund (€38B), further support semiconductor and climate-related investments [44][69].

LAYER	TYPICAL STAGE	AVERAGE TICKET SIZE	INSIGHT	KEY PLAYERS
Government	Pre-seed - Series C	€100K – €10M	Dominant actor; Bpifrance as central gateway, tightly aligned with France 2030	Bpifrance, Caisse des Dépôts, France 2030
Deep-Tech VC	Seed - Series A	€500K – €10M	Strong presence, but typically co-invests with public capital rather than leading independently	Quantonation, Supernova Invest
Corporate VC	Series A+	€2M – €20M	Critical in France due to a strong industrial base (aerospace, energy, manufacturing)	Airbus Ventures, TotalEnergies, Orange Ventures
Angel Investors	Series A+	€1M – €15M	More cautious in deep-tech	Partech, Alven, Serena
Generalist VC	Pre-seed - Seed	€25K – €500K	Important for first capital and local market entry; often syndicate deals and provide access to broader investor networks; useful entry point for international founders	Upscalers, Polymatter Invest, SFINE

Practical Tips

Entity: SAS (Société par Actions Simplifiée) is the most common structure for companies and foreign investors and can typically be established within a short timeframe.

Tax: France applies ~25% corporate tax, supported by the CIR (Crédit d'Impôt Recherche) providing up to 30% R&D tax credit, alongside an IP regime with reduced rates on qualifying intellectual property income.

Innovation: Support is available through Bpifrance (grants, loans, equity), the CII (innovation tax credit for SMEs), and the France 2030 investment programme targeting strategic sectors.

Visa: The French Tech Visa provides a fast-track residence pathway for founders, employees, and investors in innovative companies.

Support: Key support bodies include Bpifrance, Business France, La French Tech, and Austrade (Paris office).

Resources

- **Bpifrance**
  https://www.bpifrance.com/
  Public funding
- **France 2030**
  https://www.info.gouv.fr/grand-dossier/france-2030
  National programme
- **Business France**
  https://www.businessfrance.fr/
  Market entry
- **La French Tech**
  https://lafrenchtech.gouv.fr/
  Ecosystem
- **CEA**
  https://www.cea.fr/
  Research / industrial
- **Inria**
  https://inria.fr/en
  Research (AI / digital)
- **PLACE**
  https://www.marches-publics.gouv.fr/entreprise
  Procurement
- **Station F**
  https://stationf.co/
  Ecosystem hub

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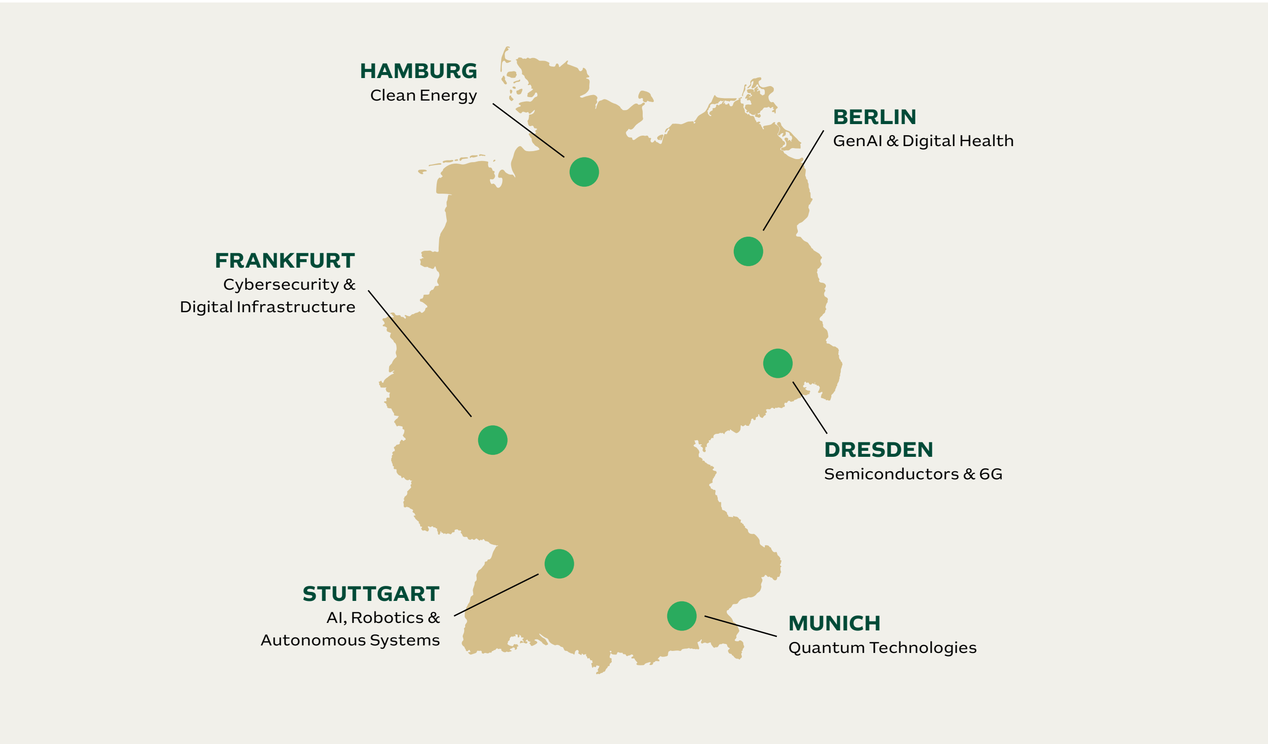
General Enquiry Form:
https://www.austrade.gov.au/en/contact-us/general-enquiry-form

Germany

€4.3T	83.6M	#4	#3	#22	3,500+	3.1%
GDP	Population	Global Rank For Deep-Tech Ecosystem	Regional Rank For Deep-Tech Ecosystem	Rank per capita For Deep-Tech Ecosystem	Deep-Tech companies	R&D / GDP



Key Ecosystem Players

- **Notable Corporates / Industrial Anchors:** Bosch, Siemens, Siemens Energy, Infineon, Trumpf, Airbus, SAP, BASF, Bayer
- **Notable Scaleups / Emerging Leaders:** Helsing, Isar Aerospace, Sunfire, Quantum Systems
- **Research & Applied R&D:** Fraunhofer-Gesellschaft, Max Planck Society, Helmholtz Association, Leibniz Association, RWTH Aachen, KIT, TU Dresden.
- **Clusters / Ecosystem Platforms:** Silicon Saxony, Munich Quantum Valley, Cyber Valley, Arena2036, Science Park Adlershof.
- **Accelerators / Venture Builders:** UnternehmerTUM, Creative Destruction Lab, Siemens Technology Accelerator, SpinLab, CyberLab, Merantix.
- **Government / Public Players:** BMBF, BMWE, SPRIND, High-Tech Gründerfonds, KfW Capital, DeepTech Future Fund, DLR sites, Jülich Supercomputing Centre.
- **Sector-Specific Infrastructure:** DESY, European XFEL.

Why This Market

Germany represents Europe's foremost industrial deep-tech market, demonstrating significant expertise in advanced manufacturing, automotive systems, semiconductors, clean energy, and industrial artificial intelligence. Key activities are concentrated in hubs including Munich, Stuttgart, Dresden, Berlin, and Hamburg, where engineering expertise, industrial demand, and research excellence are closely integrated.

A distinguishing feature of Germany is the integration of deep-tech commercialisation within established industrial systems. Applied research institutes, such as Fraunhofer, collaborate extensively with corporations, suppliers, and regional clusters, facilitating the transition from technical development to pilot environments, industrial validation, and supply-chain engagement. For Australian companies, this structure provides a practical entry point into the European industrial landscape, particularly when the objective is to form partnerships with manufacturers, energy sector participants, or engineering-focused customers rather than pursuing independent market entry.

Germany's strong research and development, broad public support for innovation, and supportive policy framework drive industrial transformation in areas such as climate technology, semiconductors, and strategic capability development [26]. As a result, the German market is well-suited for Australian firms providing hardware, systems, or process technologies that need industrial partners and long-term commercial adoption.

Procurement Landscape

Germany maintains a decentralised procurement system, distributing responsibilities among federal, state, and municipal authorities. Public procurement is regulated by both national and European Union frameworks and is valued at approximately €500 billion annually, representing about 15% of GDP. This positions Germany as one of the largest procurement markets in Europe [26].

In contrast to more centralised systems such as that of France, German procurement is characterised by regional fragmentation and state-level priorities. In the deep-tech sector, procurement is often associated with applied research, pilot initiatives, and innovation programmes. In addition to public procurement, industrial purchasing represents a significant route to market.

For Australian deep-tech companies, Germany offers opportunities for industrial validation and long-term supply chain integration; however, market entry generally depends on establishing regional partnerships and demonstrating proven performance in operational contexts.

Key Considerations and Ecoystem Fit

Germany is highly competitive in core industrial sectors, especially manufacturing, automotive, and engineering-driven technologies. Buyers often rely on established supplier networks, so market entry requires clear technical differentiation and alignment with industrial priorities. The ecosystem is relationship-driven, and access to customers, partners, and pilot opportunities typically requires local engagement with industrial firms, research institutes, or cluster networks. This process can extend timelines. The deep-tech landscape is organised around decentralised, industry-led clusters in hubs such as Munich, Stuttgart, Dresden, Berlin, and Hamburg. These ecosystems bring together large industrial players, applied research institutes, and specialised SMEs, with a strong focus on applied research, co-development, and integration into existing industrial systems. This model is well suited to sectors such as autonomous systems, clean energy, advanced manufacturing, and hardware-intensive AI, where engineering validation and industrial partnerships are essential.

For Australian companies with strong technical capabilities, Germany offers an effective base for industrial collaboration, validation, and supply-chain integration, especially for IP-intensive hardware and systems technologies seeking long-term partnerships within Tier 1 industrial ecosystems.

BEST-FIT DEEP-TECH DOMAIN	ECOSYSTEM STRENGTH & RATIONALE
Clean Energy	Hamburg is Germany’s Hydrogen Capital, anchored by the Renewable Energy Hamburg cluster and the H2Global foundation. It leads in offshore wind integration and green hydrogen value chains, hosting pioneers like 1.5° Ventures and HH2E. AU firms can enter via the Energy Campus Bergedorf, accessing the H2-Flagship projects and significant federal subsidies for decarbonization, targeting the region’s massive aviation and maritime industrial base.
Quantum Technologies	Munich is the heart of Munich Quantum Valley (MQV), anchored by Max Planck Institute and TU Munich. It is a world-class cluster for quantum computing and sensing, birthing ventures like planqc and Quantum Systems. AU firms can scale through the MQV Entrepreneurship Hub, tapping into the é2B High-Tech Agenda Bavaria funding and a corporate network including BMW and Siemens seeking quantum-ready encryption and simulation.
Cybersecurity/ Space Tech	Frankfurt/Darmstadt hosts ATHENE, Europe’s largest IT security research center, and the European Space Operations Centre (ESOC). The hub specializes in cryptography and secure cloud infrastructure, producing leaders like QuoVadis. AU companies can enter via the Digital Hub Frankfurt, leveraging the city's status as a financial capital and its dense data-center infrastructure (DE-CIX) to secure contracts in fintech and satellite communications.
Advanced Robotics	Stuttgart is a global leader in Smart Systems, anchored by the Fraunhofer IPA and Cyber Valley, Europe’s largest AI research consortium. It specializes in industrial automation and 5G-enabled robotics, home to innovators like NEURA Robotics. AU firms can land at ARENA2036, a flexible factory campus, accessing the massive R&D budgets of the German Mittelstand and automotive giants like Mercedes-Benz and Porsche.
Semiconductors & 6G	Dresden is the core of Silicon Saxony, Europe’s largest microelectronics cluster, anchored by GlobalFoundries, Infineon, and TU Dresden. It is a global leader in 6G and tactile internet research. AU firms can enter through the Silicon Saxony network, accessing the European Chips Act funding and high-spec cleanrooms, with strong demand from the continent's automotive and industrial IoT supply chains.
GenAI and Digital Health	Berlin is a premier hub for Digital Health, anchored by the Charité - Universitätsmedizin (one of Europe’s largest hospitals) and the Berlin Institute of Health. It blends GenAI with clinical diagnostics, fostering companies like Ada Health and Merantix. AU firms can scale via the Digital Health Hub, accessing the German Digital Healthcare Act (DVG) for reimbursement pathways and the city's vibrant VC scene to target the EU’s largest healthcare market.

Investment Landscape

Germany's deep-tech funding landscape integrates public capital, venture funds, and corporate investment, maintaining a strong emphasis on industrial and engineering-driven innovation. Public funding is central, especially during early and mid-stage development. Initiatives such as the High-Tech Gründerfonds (HTGF) and the DeepTech & Climate Fund (DTCF) offer early-stage investment and growth capital, frequently in conjunction with private venture capital funds including UVC Partners and HV Capital [50][51]. The Forschungszulage R&D tax incentive supports eligible research and development expenditure, with annual limits of up to €3.5 million per company [73]. The INVEST grant further incentivizes angel investment (German Federal Government). Funding pathways are frequently organized as co-investments between public and private entities. Corporate venture capital is also significant. Industrial groups including Bosch, BMW, and Siemens Energy invest through dedicated venture arms that align with their strategic technology priorities and supply chains.

For Australian companies, capital access is closely tied to integration within the German ecosystem. Early-stage funding is accessible through public programs and co-investment, whereas later-stage growth typically involves corporate partners and international investors.

LAYER	TYPICAL STAGE	AVERAGE TICKET SIZE	INSIGHT	KEY PLAYERS
Government	Pre-seed - Series C	€500K – €30M	Now a unified platform (HTGF + DTCF); acts as the national anchor for sovereign tech like semiconductors and fusion.	HTGF, DTCF, KfW Capital, Coparion
Deep-Tech VC	Seed - Series B	€500K – €10M	PhD-led specialists focusing on hard-to-replicate IP; moving toward multi-stage support with new growth vehicles.	UVC Partners, Vsquared, Alpine Space, Atlantic Labs
Corporate VC	Series A+	€2M – €20M	The Strategic Gateway to the German Mittelstand provides pilot customers and supply chain integration.	Bosch Ventures, BMW i Ventures, Siemens Energy, Next47
Angel Investors	Pre-seed - Seed	€25K – €500K	Heavily incentivized by the INVEST grant (20% tax-free refund on investment); angels often act as a trust signal for the larger Mittelstand to begin corporate pilots.	BAND (Business Angels Deutschland), AngelInvest, Business Angels Berlin Brandenburg (BACB), BayStartUP.
Generalist VC	Series A+	€1M – €15M	Financial powerhouses that step in once the deep-tech risk is replaced by execution risk.	HV Capital, Earlybird, Cherry Ventures, Lakestar

Practical Tips

Entity: GmbH (Gesellschaft mit beschränkter Haftung) - typically 2-8 weeks to establish, with minimum share capital of €25,000; AG (Aktiengesellschaft) - similar to a plc; and UG (Unternehmergesellschaft) - a start-up-oriented form with no comparable minimum capital requirement.

Tax: ~30% effective corporate tax rate. Berlin (~30%) is generally more tax-competitive than Munich (~33%) for capital-intensive firms.

R&D Credit: (Forschungszulage) may be applicable, giving deep-tech firms potential claim against cap of €12 million in eligible annual expenses.

Innovation: Funding through SPRIND (disruptive innovation), HTGF (pre-seed/seed), and the DeepTech & Climate Funds (DTCF)

Visa: Opportunity Card (Chancenkarte) & Fast-Track for Skilled Workers, a streamlined immigration system launched in 2024 and 2026 to accelerate residency for founders, researchers, and tech talent

Support: Germany Trade and Invest (GTAI), Baden-Württemberg International (bw-i), Bayern International / Invest in Bavaria, Berlin Partner for Business and Technology, NRW.Global Business, Hamburg Invest, Saxony Economic Development Corporation (WFS)

Resources

- **DTCF**
  https://www.dtcf.de/
  Growth funding
- **Germany Trade & Invest**
  https://www.gtai.de/en/invest
  Market entry
- **Fraunhofer**
  https://www.fraunhofer.de/en.html
  Research
- **SPRIND**
  https://www.sprind.org/en/
  Innovation agency
- **UnternehmerTUM**
  https://www.unternehmertum.de/en/
  Ecosystem
- **TED**
  https://ted.europa.eu/
  Procurement
- **Silicon Saxony**
  https://www.silicon-saxony.de/en/
  Cluster

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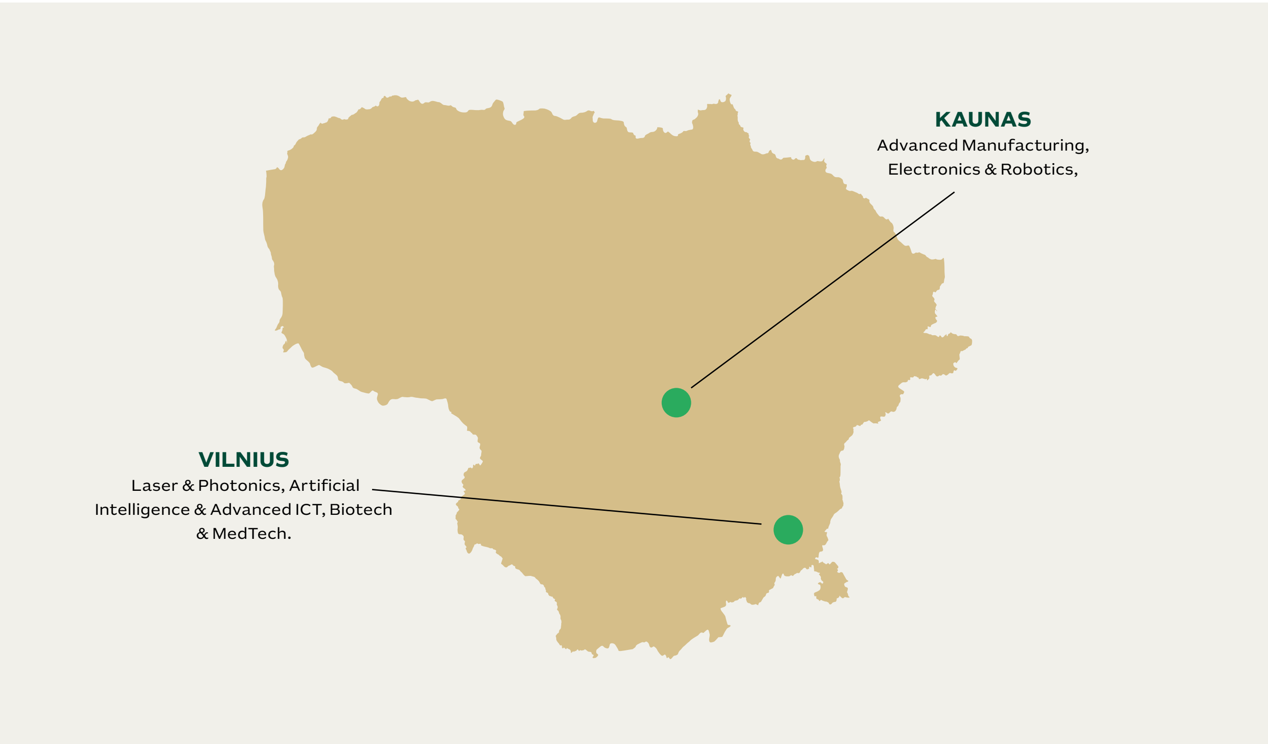
https://www.austrade.gov.au/en/contact-us/general-enquiry-form

Lithuania

€78B GDP	2.9M Population	#37 Global Rank For Deep-Tech Ecosystem	#20 Regional Rank For Deep-Tech Ecosystem	#20 Rank per capita For Deep-Tech Ecosystem	140+ Deep-Tech companies	1.0% R&D / GDP



Key Ecosystem Players

- **Notable Notable Corporates / Industrial Anchors:** Teltonika, Thermo Fisher Scientific Baltics,Orlen Lietuva, Neo Group, Light Conversion
- **Notable Scaleups / Emerging Leaders:** Brolis Sensor Technology, Light Conversion, Ekspla, Atrandi Biosciences, CasZyme, Lendurai
- **Research & Applied R&D:** Center for Physical Sciences and Technology, Vilnius University, Kaunas University of Technology, Lithuanian Energy Institute.
- **Clusters / Ecosystem Platforms:** Lithuania Laser Association, BioCity, Vilnius Innovation District, Santara Valley.
- **Accelerators / Venture:** Baltic Sandbox, Tesonet, Sunrise Tech Park.
- **Government / Public Players:** Innovation Agency Lithuania, Invest Lithuania, Ministry of Economy and Innovation, LitAI Centre, GovAI.
- **Sector-Specific Infrastructure:** Sunrise Valley, National Open Access Centers, Telia Data Centre, High-Tech Hill, Visoriai Information Technology Park.

Why This Market

Lithuania represents a specialised deep-tech ecosystem with international recognition in photonics and laser technologies, supported by a robust research and commercial base in Vilnius. The country has established a leading position in high-precision optical systems and related hardware, with capabilities that are notably concentrated given the market's size. Additional emerging activity is evident in life sciences, defence technologies, and digital innovation. Lithuania is distinguished not by the scale of its ecosystem, but by its specialisation and operational efficiency. In comparison to larger European markets, Lithuania provides a lower-cost and more agile environment for early-stage research and development, prototyping, and technical validation, particularly in optics, sensing, and advanced instrumentation.

For Australian companies, Lithuania is relevant in contexts where niche technical capabilities and early European market positioning are prioritized over immediate market scale.

Procurement Landscape

Lithuania's public procurement system aligns with European Union standards and is fully digitised via the CVP IS platform. Foreign suppliers may participate directly, provided they meet Lithuania's legal, documentation, and qualification requirements. For deep-tech firms, early engagement through research partnerships, GovTech Lab Lithuania, or other public-sector challenge initiatives may be more effective than immediate participation in formal tenders.

Private procurement in Lithuania is relatively open and less concentrated compared to larger Western European markets. Demand spans sectors including ICT, fintech, energy, manufacturing, and shared services.

Key Considerations and Ecosystem Fit

Lithuania's deep-tech ecosystem is smaller and more specialized than those in major European markets, with limited domestic demand, fewer large industrial buyers, and less later-stage capital. Consequently, it is best suited for early-stage development, specialist collaboration, and initial EU market entry rather than large-scale commercial expansion. The ecosystem is concentrated in Vilnius and Kaunas, with established strengths in photonics and growing expertise in life sciences, AI, and advanced manufacturing. It is highly competitive in niche hardware segments and maintains a strong export focus.

Lithuania offers a cost-efficient technical talent base, especially in engineering and digital fields, making it a practical location for R&D, prototyping, and early validation. For Australian deep-tech companies, it is most effective for early-stage development, while later-stage growth usually requires connecting to larger European markets for customers, partners, and scale-up capital.

BEST-FIT DEEP-TECH DOMAIN	ECOSYSTEM STRENGTH & RATIONALE
Laser & Photonics Technologies	Australia demonstrates significant expertise in photonics, sensing, and quantum-related optics, supported by institutions such as the Australian National University and the University of Sydney. Lithuania provides a globally recognized ecosystem in Vilnius, known as Laser Valley, anchored by FTMC, Vilnius University, and companies including Light Conversion and EKSPLA, with particular strengths in ultrafast lasers and export-oriented niche hardware.
Advanced Manufacturing, Electronics & Robotics	Australia possesses capabilities in robotics, sensing, and applied engineering, with particular emphasis on mining and automation. Lithuania contributes a cost-efficient hardware ecosystem in Kaunas, where Kaunas University of Technology and local manufacturers support electronics, Internet of Things (IoT), and industrial systems.
Artificial Intelligence & Advanced ICT	Australia has a rapidly expanding artificial intelligence ecosystem, led by CSIRO Data61 and major universities. In Lithuania, artificial intelligence and information and communication technology activities are concentrated in Vilnius, supported by a robust digital sector, a significant fintech presence, and companies such as Nord Security and Tesonet, making the region relevant for applied artificial intelligence and digital services.
Biotech & MedTech	Australia demonstrates strong biomedical research capabilities through institutions such as the Walter and Eliza Hall Institute (WEHI) and the Garvan Institute. Lithuania offers a developing life sciences cluster in Vilnius, anchored by Vilnius University and companies such as Atrandi Biosciences and Ligence, with strengths in diagnostics, medical technology, and early-stage biotechnology development.

Investment Landscape

Lithuania's venture capital landscape is characterized by its small size and early-stage focus, with public co-investment playing a more significant role compared to larger European markets. The ecosystem demonstrates the highest activity from pre-seed to Series A stages, whereas later-stage capital remains comparatively scarce [32][53]. In 2025, Lithuanian startups secured €220 million in funding from 77 distinct investors [53]. Public capital plays a central role in the Lithuanian VC ecosystem. Coinvest Capital, the sovereign co-investment fund of Lithuania invests alongside angel investors and other venture capital funds. Private venture capital activity is increasing; however, the market remains relatively limited in scale.

For Australian companies, Lithuania is most relevant for early development, technical validation, and initial EU ecosystem integration rather than later-stage scaling.

LAYER	TYPICAL STAGE	AVERAGE TICKET SIZE	INSIGHT	KEY PLAYERS
Government	Pre-seed - Series C	€100K – €10M	Dominant early-stage driver; funding delivered via co-investment schemes and EU-linked instruments rather than a single centralised actor	Innovation Agency Lithuania, Coinvest Capital
Deep-Tech VC	Pre-Seed - Series A	€500K – €5M	Limited but growing; often co-invests with public capital and focuses on capital-efficient deep-tech niches	Iron Wolf Capital, Practica Capital
Corporate VC	Seed - Series A+	€1M – €10M	Smaller role vs Western Europe; driven by local tech firms rather than large industrial incumbents	Teltonika, Tesonet
Generalist VC	Pre-seed - Series A	€500K – €5M	Active at an early stage, but with limited capacity for large follow-on rounds, creating a scale-up gap	Open Circle Capital, Practica Capital
Angel Investor Networks	Pre-seed - Seed	€25K – €250K	Important entry point for founders; provides early traction and local network access, often co-investing alongside public schemes	LitBAN (Lithuanian Business Angel Network), NGL VC

Practical Tips

Entity: UAB (Private Limited Company) is the standard vehicle for foreign investors and can typically be established relatively quickly. Minimal capital requirement is €2,500.

Tax: Lithuania applies a 17% corporate tax rate, with reduced rates for qualifying small companies, a 3x R&D deduction, and a 7% patent box regime for qualifying IP income.

Innovation: National support is available through Innovation Agency Lithuania and co-investment mechanisms such as Coinvest Capital, with additional relevance for dual-use and defence technologies.

Visa: Startup Visa Lithuania provides a streamlined pathway for innovative non-EU founders, supported by an employee visa route for specialist talent.

Support: Key support bodies include Innovation Agency Lithuania, Invest Lithuania, Startup Lithuania, and Austrade (Baltics).

Resources

- **Innovation Agency Lithuania**
  https://innovationagency.lt/
  Public support
- **Coinvest Capital**
  https://www.coinvest.lt/
  Funding
- **Invest Lithuania**
  https://investlithuania.com/
  Market entry
- **FTMC**
  https://www.ftmc.lt/en
  Research
- **Vilnius University**
  https://www.vu.lt/en/
  Research
- **GovTech Lab**
  https://govtechlab.lt/
  Public innovation
- **Baltic Sandbox**
  https://www.balticsandbox.eu/
  Accelerator
- **Startup Lithuania**
  https://www.startuplithuania.com/
  Ecosystem

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https://www.austrade.gov.au/en/contact-us/general-enquiry-form

Latvia

€40B GDP	1.9M Population	#31 Global rank For Deep-Tech Ecosystem	#19 Regional Rank For Deep-Tech Ecosystem	#7 Ranked per capita For Deep-Tech Ecosystem	150+ Deep-Tech companies	0.9% R&D / GDP

Key Ecosystem Players

- **Notable Corporates / Industrial Anchors:** HansaMatrix (High-tech electronics), SAF Tehnika (Microwave data transmission), Eventech (High-precision timing), Groglass (Functional coatings), Light Guide Optics International.
- **Notable Scaleups / Emerging Leaders:** Eventech, Groglass
- **Research & Applied R&D:** Institute of Solid State Physics, Riga Technical University, University of Latvia, Institute of Organic Synthesis (IOS), Ventspils International Radio Astronomy Centre (VIRAC).
- **Clusters / Ecosystem Platforms:** Deep-Tech Atelier, Latvian Photonics Cluster, Smart Materials and Technologies Cluster, Space Technologies Cluster.
- **Accelerators / Venture Builders:** Commercialization Reactor, Buildit Accelerator, UniLab.
- **Government / Public Players:** LIAA (Investment and Development Agency of Latvia), ALTUM (Development finance), Digital Accelerator of Latvia.

Why This Market

Latvia is a compact deep-tech ecosystem with a high concentration of science-driven companies for its size. Its strengths include photonics, smart materials, ICT, telecom-linked technologies, and selected space and dual-use applications. Most activity is concentrated in Riga and is supported by a strong technical research base. In 2026, Latvia ranked 7th globally for deep-tech startups per capita, highlighting the density of its science-based innovation ecosystem.

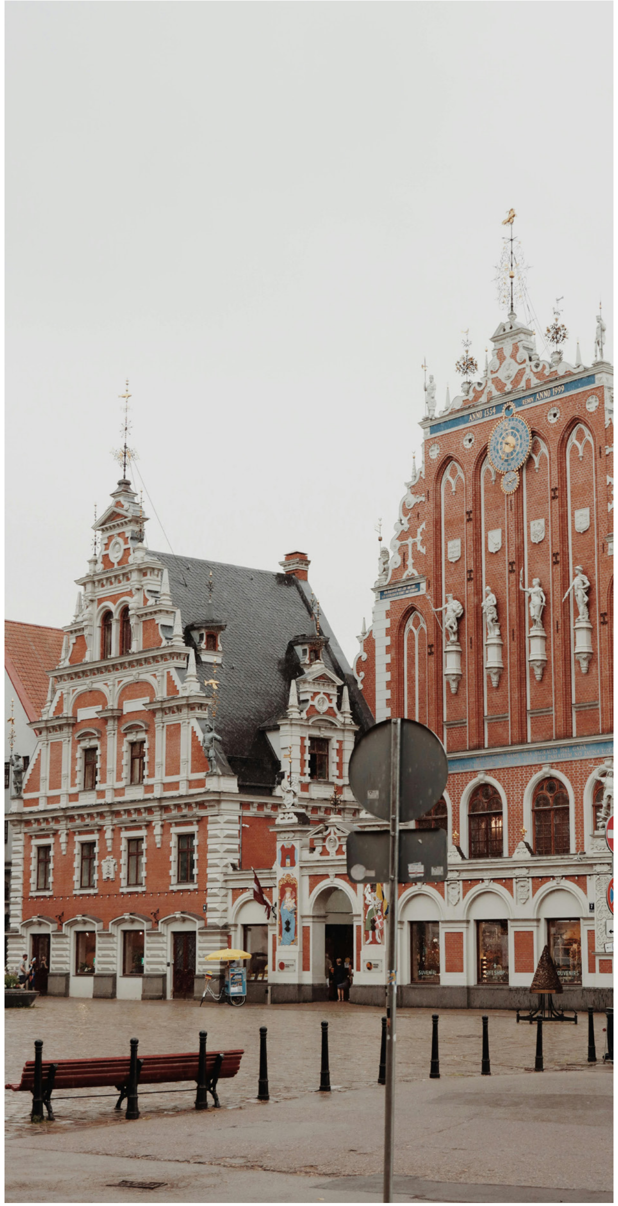
Latvia's relevance lies in its specialisation, research intensity, and efficiency rather than market scale. The ecosystem is centred on universities, research institutes, and a few technically strong firms, making it well suited for early-stage development, prototyping, and technical collaboration. For Australian companies, Latvia is most valuable where niche engineering capability, lower operating costs, and access to EU research and innovation networks are more important than immediate commercial scale.

For Australian deep-tech companies, Latvia is most valuable where niche engineering capability, lower operating costs, and access to EU research and innovation networks are more important than immediate commercial scale. Latvia provides a practical base for early European market entry.

Procurement Landscape

Latvia's public procurement system complies with EU requirements for transparency, competition, and non-discrimination, and is managed nationally through a centralised digital platform. For deep-tech companies, procurement is most relevant when it supports innovation, digitalisation, energy, or public-sector modernisation. Early opportunities are likely to come from research-linked tenders, challenge-based programmes, and pilot public initiatives, rather than standard price-driven procurement.

Private sector procurement in Latvia is less regulated than in the public sector, but usually involves technical validation, internal approvals, and risk assessment. For Australian deep-tech companies, Latvia offers opportunities for early validation and small-scale market entry. Larger commercial prospects generally require expansion into wider European markets.



Key Considerations and Ecosystem fits

Latvia's deep-tech ecosystem is smaller than most Western European markets, with limited domestic demand, fewer large industrial buyers, and less later-stage capital. Consequently, it is better positioned for R&D, specialist collaboration, and early market entry rather than large-scale commercial growth. The ecosystem is centered in Riga, where research institutions, startups, and technical talent are closely clustered. Latvia's main strengths include photonics, smart materials, AI, ICT, space technologies, and selected dual-use applications, supported by a compact system that fosters strong connections between research and commercial activity. Latvia also offers cost-competitive technical talent, particularly in engineering, ICT, and applied science, making it a practical base for early-stage development and technical validation.

For Australian deep-tech companies, Latvia is most effective as part of a broader European strategy, especially in science and engineering-led fields where niche technical capability is more important than immediate market scale.

BEST-FIT DEEP-TECH DOMAIN	ECOSYSTEM STRENGTH & RATIONALE
Artificial Intelligence & Advanced ICT	Latvia's AI and advanced ICT sector is centred in Riga, led by the University of Latvia, Riga Technical University, and LMT. The ecosystem excels in applied AI, digital systems, and telecom innovation, offering opportunities for Australian companies with expertise in AI, data systems, and communications technologies.
Photonics & Laser Technologies	Australia is strong in photonics, sensing, and optics through institutions such as ANU and the University of Sydney. Latvia has a specialised ecosystem in Riga, led by the Institute of Solid State Physics, University of Latvia, and companies such as Eventech, with recognised expertise in photonics, smart materials, and precision timing technologies (Research Latvia; Latvia.eu; Eventech).
Space Technologies	Latvia's space sector is based in Ventspils, where VIRAC offers infrastructure for radio astronomy, satellite communications, and signal processing. This positions Latvia as a specialist in space engineering and downstream technologies, creating opportunities for Australian companies in satellite data, communications, and related systems (VIRAC; Latvia Space).
Cybersecurity & Defense / Dual-Use	This ecosystem is based in Riga, where Latvia's ICT sector is increasingly connected to cybersecurity and dual-use applications. Key participants include LMT, active in EU and NATO defence projects, and Riga Technical University, which supports research in cybersecurity and digital systems (LMT Defence; Riga Technical University).

Investment Landscape

Latvia has a small but increasingly structured deep-tech funding ecosystem, with public capital playing a larger role than in most major European markets. Funding is concentrated at the pre-seed to Series A stages, supporting early technical development, validation, and initial commercialisation rather than later-stage scale-up. In 2025, three new ALTUM-backed early-stage VC funds began investing, adding over €60 million in capital for early-stage companies. The ecosystem remains limited beyond early growth. Later-stage capital is scarce, and larger rounds are typically led by international investors rather than local funds. As a result, Latvia is better suited to TRL 2 - 6 development, prototyping, and technical validation than to independent scaling.

For Australian deep-tech companies, Latvia is most relevant when public support, early-stage co-investment, and access to technical talent can help establish an initial European base. Companies seeking larger follow-on rounds or broader commercial scaling typically need to access wider European capital markets and customer networks.

LAYER	ROLE IN ECOSYSTEM	AVERAGE TICKET SIZE	INSIGHT	KEY PLAYERS
Government	Primary funding engine (grants, co-investment)	€50K – €5M	Central driver; funding delivered via national and EU-linked programmes rather than a large centralised institution	LIAA, ALTUM
Deep-Tech VC	Early validation & first institutional capital	€250K – €5M	Small but specialised; focus on niche areas such as photonics and hardware, often co-investing with public capital	Imprimatur Capital ,Buildit VC, Expansion Capital
Corporate VC	Early commercialisation & sector partnerships	€1M – €10M	Limited scale and reach; driven by local telecom and electronics firms rather than large industrial corporates	LMT, Mikrotikls, SAF Tehnika
Generalist VC	Early-stage funding	€500K – €5M	Active in early-stage tech, but limited capacity for follow-on rounds, reinforcing scale-up gap	Change Ventures, BADideas.fund
Angel Investor Networks	First capital & founder validation	€25K – €250K	Small but important layer; provides early traction and local connections, often co-investing alongside public funding schemes	LatBAN (Latvian Business Angel Network)

Practical Tips

Entity: SIA (Private Limited Company) is the standard vehicle for foreign investors and can typically be established within a short timeframe.

Tax: Latvia applies a 20% corporate tax on distributed profits (0% on reinvested earnings), supported by R&D incentives and an IP regime for innovation-driven companies.

Innovation: National support is delivered through LIAA and financial instruments via ALTUM, including loans, guarantees, and co-investment mechanisms.

Visa: Latvia offers a startup visa and residence pathways for non-EU founders and key employees in innovative companies.

Support: Key support bodies include LIAA, ALTUM, Startup Latvia, and Austrade (Baltics).

Resources

- **LIAA**
  https://www.liaa.gov.lv/en
  Public support
- **ALTUM**
  https://www.altum.lv/en/
  Public finance
- **Startin Latvia**
  https://www.startin.lv/
  Ecosystem
- **Institute of Solid State Physics**
  https://www.cfi.lu.lv/en/
  Research
- **RTU**
  https://www.rtu.lv/en
  Research
- **EIS procurement**
  https://www.eis.gov.lv/EKEIS/Supplier
  Procurement
- **Commercialization Reactor**
  https://commercializationreactor.com/
  Accelerator
- **Deep-Tech Atelier**
  https://deeptechatelier.com/
  Ecosystem

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General Enquiry Form:
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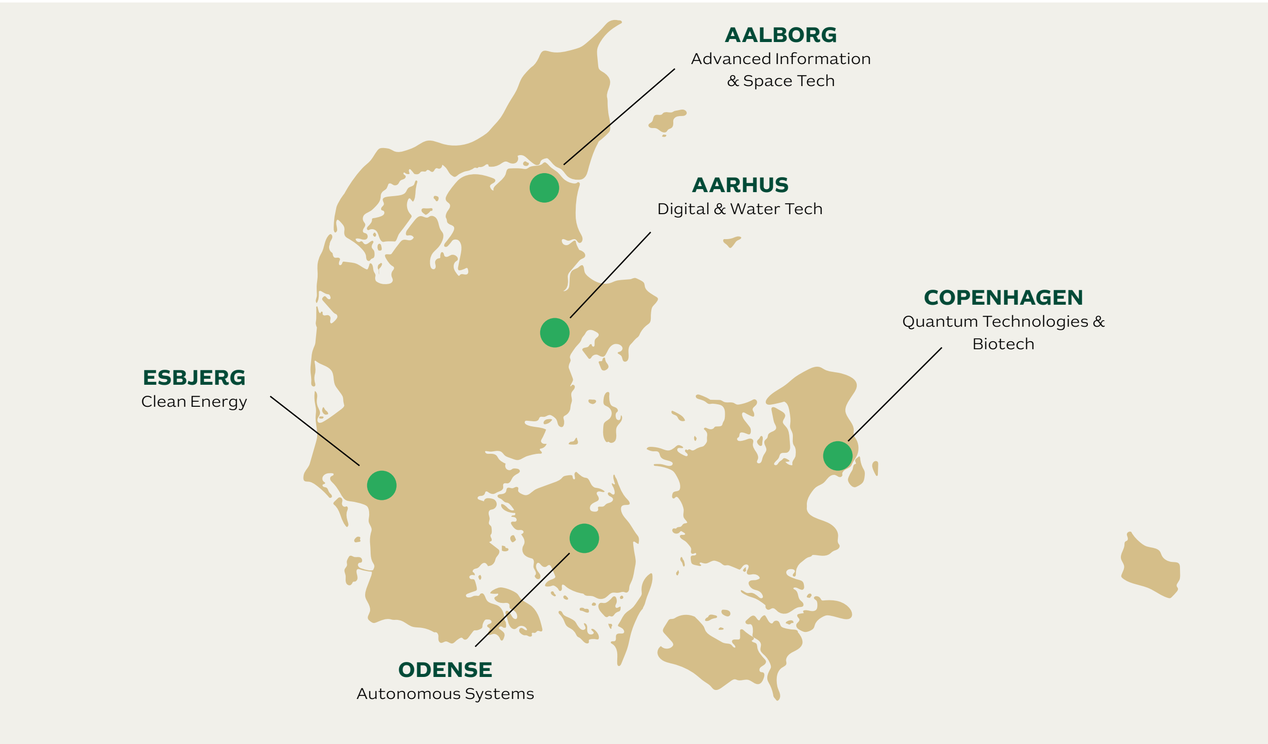
Denmark

€392B GDP	6.02M Population	#17 Global Rank For Deep-Tech Ecosystem	#10 Regional Rank For Deep-Tech Ecosystem	#9 Rank per capita For Deep-Tech Ecosystem	1,000+ Deep-Tech companies	3.0% R&D / GDP



Key Ecosystem Players

- **Notable Corporates / Industrial Anchors:** Novo Nordisk (Biotech), Vestas, Ørsted, Danfoss), Grundfos, Novozymes, Topsoe
- **Notable Scaleups / Emerging Leaders:** Universal Robots, MiR, GomSpace, Genmab, Corti
- **Research & Applied R&D:** DTU, Niels Bohr Institute, University of Copenhagen, Aarhus University, Aalborg University, Statens Serum Institut
- **Clusters / Ecosystem Platforms:** Odense Robotics,Medicon Valley Alliance, Energy Cluster Denmark, Danish Life Science Cluster, UAS Denmark.
- **Accelerators / Venture Builders:** BioInnovation Institute, DeepTech Alliance, DTU Skylab, Futurebox.
- **Government / Public Players:** EIFO , Innovation Fund Denmark, Invest in Denmark.
- **Sector-Specific Infrastructure:** Danish Quantum Community, National Space Institute, Lindø Offshore Renewables Center, National Genome Center, European Energy Test Centre, Gefion AI Supercomputer.

Why This Market

Denmark is a specialised deep-tech ecosystem with strong global positions in life sciences, clean energy, advanced manufacturing, and robotics, supported by hubs in Copenhagen, Aarhus, and Odense [55]. Its significance comes from high-quality research, strong industrial demand, and a clear national focus on sustainability and applied innovation, rather than market size. The Danish model features close collaboration among research institutions, industry, and government, especially in pharmaceuticals, wind energy, and automation. This enables clear pathways from research to commercialisation, particularly in health technologies, energy transition, and industrial systems. For Australian deep-tech companies, Denmark provides a practical environment for technical validation, pilot deployment, and early European market entry in impact-driven sectors [26][56]. Denmark benefits from a highly international and accessible business environment. English is widely spoken, digital infrastructure is robust, and the compact geography allows easy access to key stakeholders. Public incentives, such as R&D tax schemes and targeted innovation funding, help reduce early-stage development costs and support collaboration with local partners [26][55].

Procurement Landscape

Denmark's procurement system is transparent, digital, and relatively centralised by Nordic standards. Public procurement amounts to approximately 16% of GDP, and key framework agreements are coordinated through SKI (Statens og Kommunernes Indkøbsservice), which helps standardise purchasing across the public sector [26][62]. Compared to more fragmented EU markets, Denmark places strong emphasis on innovation, sustainability, and lifecycle value in public procurement.

Private procurement is also significant, particularly among large companies such as Novo Nordisk, Maersk, Ørsted, and Danfoss. Market entry usually involves technical validation, pilot collaboration, and integration into established value chains, rather than participation in one-off tenders. For Australian deep-tech companies, Denmark provides a compact, high-trust market well suited for early validation, co-development, and entry into the Nordic region. [55][60].

Key Considerations and Ecosystem Fit

Denmark is a competitive market, especially in life sciences, energy, and robotics. Its small domestic market means that access to customers and pilot opportunities often requires strong relationships with local partners and established clusters. For Australian deep-tech companies, Denmark serves best as a base for early validation, sector-specific collaboration, and entry into the Nordic market, rather than as a standalone market for scaling. Significant commercial growth usually requires expansion into broader European markets, while leveraging Denmark's strengths in research, sustainability, and applied innovation.

BEST-FIT DEEP-TECH DOMAIN	ECOSYSTEM STRENGTH & RATIONALE
Clean Energy	Australia excels in solar, hydrogen, and large-scale renewable systems, but has limited experience with offshore wind and integrated energy systems. Denmark leads in wind energy, Power-to-X, and energy systems integration, supported by strong industrial demand and extensive project deployment in the North Sea (Danish Energy Agency; Invest in Denmark).
Quantum Technologies	Australia is globally competitive in quantum computing and sensing, led by institutions such as the Sydney Quantum Academy. Denmark offers a robust research ecosystem in Copenhagen, anchored by the Niels Bohr Institute and significant Novo Nordisk Foundation funding, which supports the transition from research to applied quantum systems (Niels Bohr Institute; Novo Nordisk Foundation).
Biotechnologies	Australia has strong biomedical and biotech research capabilities but faces challenges with EU regulatory pathways and clinical validation. Denmark offers an integrated life sciences ecosystem in Medicon Valley, connecting research, clinical infrastructure, and industry to support drug development and diagnostics (Medicon Valley Alliance; Invest in Denmark).
Digital and Water Tech	Australia is strong in water management, agri-tech, and environmental monitoring. Denmark provides an applied environment in Aarhus, where digital infrastructure, smart city systems, and water technology clusters enable deployment of sustainable, data-driven solutions (State of Green; Aarhus Municipality).
Advanced Information and Space	Australia's expanding space and telecommunications sectors, including satellite systems and sensing, align with Denmark's expertise in 5G/6G, satellite communications, and wireless systems, particularly at Aalborg University and associated research networks (Aalborg University; Invest in Denmark).
Autonomous Systems	Australia has strong expertise in robotics and automation, especially in mining and agriculture. Denmark offers a complementary ecosystem in Odense, one of Europe's leading robotics clusters, specializing in collaborative robotics, drones, and industrial automation (Odense Robotics; Invest in Denmark).

Investment Landscape

Denmark's deep-tech funding landscape features state-backed capital, private foundations, specialist investors, and corporate participation. Public actors such as EIFO and Innovation Fund Denmark are central to early-stage de-risking, while private investors are particularly active in life sciences, climate and energy technologies, and advanced industrial solutions [56]. Early-stage support defines the ecosystem. Innovation Fund Denmark funds research, knowledge-based innovation, and entrepreneurship. EIFO provides loans, equity, and invests in funds on a syndicated basis to attract private capital [55]. Denmark excels where funding aligns with national strengths, particularly in life sciences, health technology, green transition, and advanced technologies. For Australian deep-tech companies, Denmark offers strong opportunities for early validation, strategic partnerships, and Nordic market entry. However, later-stage scale-up capital is more selective than in larger European venture markets.

LAYER	ROLE IN ECOSYSTEM	AVERAGE TICKET SIZE	INSIGHT	KEY PLAYERS
Government	De-risking & Strategic Grants	€100K – €10M	Acts as the Strategic Bridge; provides massive non-dilutive funding for high-risk R&D and green transition projects.	EIFO, Innovation Fund DK, BII, Innomissions
Deep-Tech VC	Technical validation & Sector Depth	€500K – €10M	Specialist funds with deep ties to the Danish research base (DTU/KU); focusing on hard IP in Life Science and Quantum.	Novo Holdings, Sunstone, Lundbeckfonden, PSV
Corporate VC	Industrial Scaling & Global Export	€2M – €20M	The Industrial Engine leverages Denmark's global leadership in maritime, water, and circular economy for market entry.	A.P. Moller Holding, Lego Ventures, Yara, Grundfos
Generalist VC	Public-Private Bridge & Pilot Catalysts	€25K – €500K	Acting as the gatekeepers to the Innobooster grant system; Danish angels prioritize high TRL (Technology Readiness Level) and ESG alignment.	DanBAN (Danish Business Angels), ByFounders (Collective), Ugly Duckling Ventures, Nordic Makers.
Angel Investor Networks	Growth Execution & Capital Velocity	€1M – €15M	Focused on high-speed commercial scaling; the primary driver for Denmark's high-performing B2B SaaS and Fintech clusters.	Seed Capital, byFounders, Heartcore, Dreamcraft

Practical Tips

Entity: ApS (Anpartsselskab) Can be established in days via the online portal with a minimum share capital of DKK 20,000 (~€2,700) [75].

Tax: ~22% effective corporate tax rate

R&D Credit: (Skattekreditordningen) may be applicable for innovation-heavy ventures to claim a 22% refund on R&D losses, with a maximum annual refund of ~€3.35M.

Innovation: Funding through Innovation Fund Denmark (Innobooster grants), EIFO (equity/loans), and the BioInnovation Institute (convertible loans).

Visa: Startup Denmark Visa & Fast-track Scheme. Denmark offers a streamlined residency process for founders and highly skilled tech talent, with a specific focus on certified growth companies.

Support: Innovation Fund Denmark, Digital Hub Denmark, and the Ministry of Foreign Affairs[55].

Resources

- **EIFO**
  https://eifo.dk/en
  Public funding
- **Innovation Fund Denmark**
  https://innovationsfonden.dk/en
  Public funding
- **Invest in Denmark**
  https://investindk.com/
  Market entry
- **DTU Skylab**
  https://www.skylab.dtu.dk/english
  Research
- **BioInnovation Institute**
  https://bii.dk/
  Research
- **SKI**
  https://www.ski.dk/english
  Procurement
- **Odense Robotics**
  https://www.odenserobotics.dk/
  Cluster
- **Digital Hub Denmark**
  https://digitalhubdenmark.dk/
  Ecosystem

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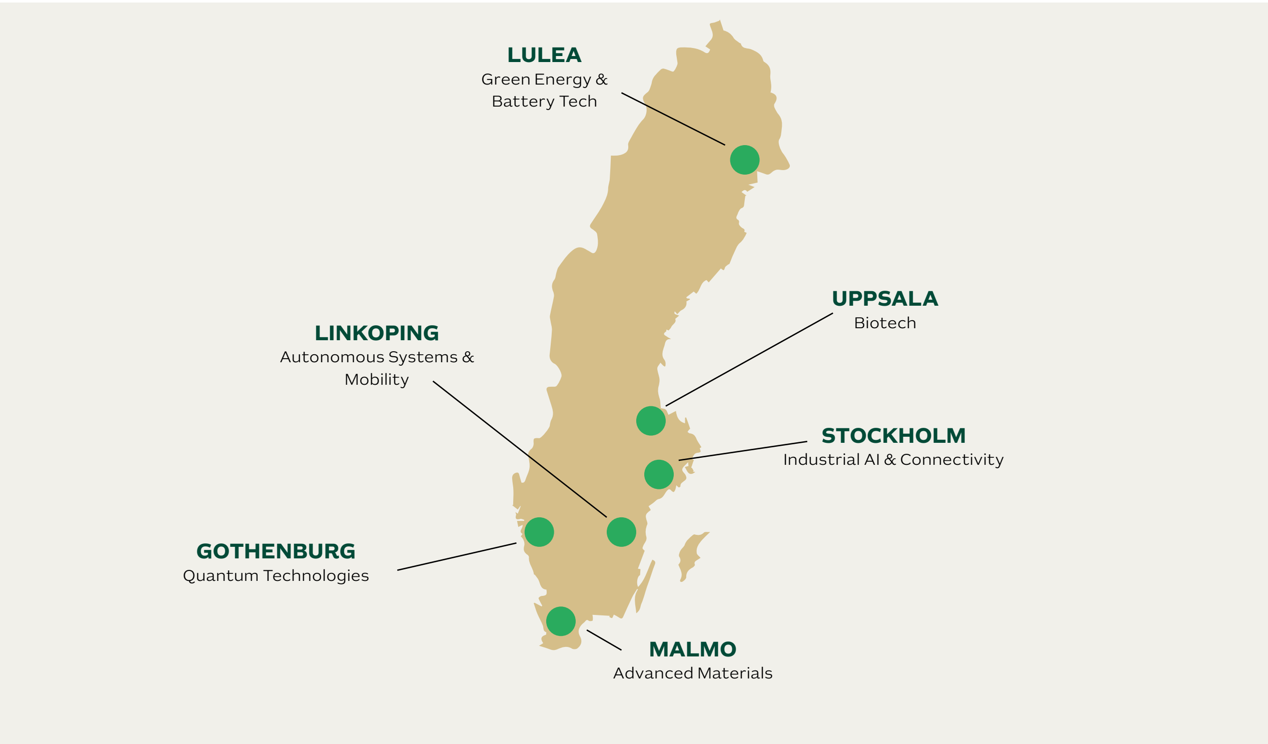
https://www.austrade.gov.au/en/contact-us/general-enquiry-form

Sweden

€558B GDP	10.61M Population	#11 Global Rank For Deep-Tech Ecosystem	#7 Regional Rank For Deep-Tech Ecosystem	#8 Rank per capita For Deep-Tech Ecosystem	1,200+ Deep-Tech companies	3.6% R&D / GDP



Key Ecosystem Players

- **Notable Corporates / Industrial Anchors:** Volvo Group, Ericsson, AstraZeneca, Saab, Sandvik, ABB
- **Notable Scaleups / Emerging Leaders:** Einride, Graphmatech, Modvion
- **Research & Applied R&D:** KTH Royal Institute of Technology, Chalmers University of Technology, Lund University, Karolinska Institutet, RISE, MAX IV Laboratory, ESS , Wallenberg Centre for Quantum Technology.
- **Clusters / Ecosystem Platforms:** Kista Science City, Lindholmen Science Park, Ideon Science Park, Sahlgrenska Science Park (Health Tech), Automation Region, AI Sweden.
- **Accelerators / Venture Builders:** Sting, Norrsken Accelerator, Lead , MobilityXlab.
- **Government / Public Players:** Vinnova, Almi Invest, Swedish Agency for Economic and Regional Growth (Tillväxtverket), PRV.
- **Sector-Specific Infrastructure:** AstaZero, SciLifeLab, SEEL, Onsala Space Observatory, MAX IV / ESS complex (Lund).

Why This Market

Sweden is a leading deep-tech market in Europe, with strengths in industrial automation, clean energy, advanced materials, life sciences, and next-generation connectivity. Its innovation system benefits from high R&D investment, strong industrial demand, and a proven ability to scale science- and engineering-led companies from a small domestic base. Sweden invests about 3.6% of GDP in R&D, ranking among Europe's top investors. Public agencies such as Vinnova actively support innovation, industrial transformation, and the green transition [26][64]. The "professor's privilege" (lärarundantaget) allows university researchers to retain ownership of their inventions and research IP, fostering a strong, deep-techs spinout culture by providing clear incentives and pathways for commercialisation. Sweden offers a practical route from technical validation to international growth. The market is highly internationalised, English is widely used in business, and companies often adopt a global outlook early. For Australian firms, Sweden can serve as a valuable base for initial European engagement, particularly for building partnerships, validating technology in demanding industrial environments, and scaling into broader Nordic and EU markets. Sweden is especially relevant when commercialisation depends on strong research combined with industrial adoption, especially in electrification, advanced manufacturing, health technologies, and digital infrastructure [63].

Procurement Landscape

Sweden's procurement market is decentralised and digitally managed. Annual public procurement exceeds SEK 900 billion, or just over one sixth of GDP, making it one of the largest in the Nordics (Government of Sweden) [63][69]. However, practical access still requires meeting Swedish and EU procurement requirements and navigating the decentralised system [69].

In deep-tech, Sweden is attractive where procurement and commercial adoption align with public missions such as decarbonisation, digital infrastructure, healthcare, and transport. France, Sweden's distributed model spreads opportunities across national, regional, and municipal buyers instead of concentrating them through a single state-led pathway. Private procurement is also significant, especially through corporations like Volvo, Ericsson, and Scania. Market entry often depends on technical validation, pilot collaboration, and integration into existing industrial systems. For Australian deep-tech firms, Sweden is most relevant as a market for industrial testing, co-development, and long-term commercial adoption.

Key Considerations and Ecosystem Fit

Sweden is a sophisticated, competitive market with operating costs generally higher than in much of continental Europe. Success often relies on strong local partnerships and active engagement with the ecosystem, rather than a standalone entry. Sweden's deep-tech ecosystem operates as a distributed network of specialised regional clusters, with key strengths in Stockholm, Gothenburg, Lund, and Northern Sweden. The market is especially strong in industrial digitalisation, clean energy, mobility, advanced materials, and precision health, where commercialisation aligns with long-term industrial and innovation priorities.

For Australian deep-tech companies, Sweden is best suited as a base for advanced validation, industrial collaboration, and longer-term scale-up, while also offering a strong platform for partnerships and expansion across the Nordic region and Europe [63][64].

BEST-FIT DEEP-TECH DOMAIN	ECOSYSTEM STRENGTH & RATIONALE
Green Energy & Battery Tech	Australia excels in renewables, battery materials, and industrial decarbonisation, but often lacks large-scale deployment opportunities. Northern Sweden offers a complementary environment, with battery production, fossil-free steel, and industrial electrification forming a concentrated ecosystem for energy-intensive innovation and validation.
Quantum Technologies	Australia is globally competitive in quantum computing, sensing, and enabling hardware, supported by institutions such as the Sydney Quantum Academy and leading universities. Sweden offers a strong applied environment in Gothenburg, anchored by Chalmers and the Wallenberg Centre for Quantum Technology (WACQT), with connections to industrial applications in mobility, telecoms, and advanced systems.
Biotechnologies	Australia demonstrates strong biomedical and translational research capabilities through institutions such as WEHI and the Garvan Institute. Sweden provides a robust life sciences environment in Uppsala and Stockholm, where infrastructure like SciLifeLab supports bioprocessing, diagnostics, and advanced research closely connected to healthcare and industry.
Advanced Materials	Australia is strong in advanced materials, mineral processing, and applied manufacturing research. Sweden offers a complementary environment in Lund and Malmö, where major research infrastructure such as MAX IV and the European Spallation Source support materials science, enabling advanced characterisation and industrial applications.
Industrial AI & Connectivity	Australia's AI ecosystem is growing in enterprise, industrial, and data-driven applications. Sweden provides a strong environment in Stockholm, with expertise in digital systems, connectivity, and industrial AI, supported by an international tech ecosystem and advanced telecom and digital infrastructure.
Autonomous Systems & Mobility	Australia is strong in robotics, remote operations, and autonomous systems, especially in mining and industrial contexts. Sweden is well positioned in Gothenburg and Linköping, where mobility, industrial automation, and advanced transport systems are closely connected to automotive, aerospace, and engineering innovation.

Investment Landscape

Sweden has one of the most advanced venture ecosystems in the Nordic region, with a strong record of scaling technology companies from early-stage development to global markets. The ecosystem brings together private venture capital, public funding, and corporate investment, with Stockholm serving as the main centre for venture activity [63][66]. Unlike more state-led ecosystems, Sweden is primarily venture-driven, with much of its capital coming from private funds and experienced operators reinvesting after previous exits. This has resulted in a mature investment environment from Seed to Series C, especially in climate tech, industrial technologies, life sciences, and advanced digital systems [66][68]. Public funding remains important at early stages. Organisations such as Vinnova offer grants and co-funding for research, pilot projects, and industrial innovation. Almi Invest also co-invests alongside private investors (Vinnova; Almi).

LAYER	ROLE IN ECOSYSTEM	AVERAGE TICKET SIZE	INSIGHT	KEY PLAYERS
Government	Pre-seed - Series A	€100K – €10M	The Institutional Catalyst provides essential early-stage R&D funding and ensures capital flow to regional hubs like Luleå and Linköping.	Almi Invest, Vinnova, Saminvest, EIF
Deep-Tech VC	Seed - Series C	€500K – €10M	High-conviction specialists with massive dry powder; increasingly focused on Sovereign Tech like Defense and Climate-tech hardware.	EQT Ventures, Northzone, VNV Global, Picus Capital
Corporate VC	Series A+	€2M – €20M	The Industrial Backbone leverages Sweden's legacy in automotive and automation to provide companies with global supply chain entry.	Volvo VC, ABB Technology, SEB VC, H&M CO:LAB
Angel Investors	Pre-seed - Seed	€25K – €500K	Driven by a "pay-it-forward" culture from exited founders; Swedish angels provide high-signal backing that often unlocks state co-investments from Almi Invest.	Hampus Jakobsson, Sophia Bendz, DanBAN (Cross-border), DHS Ventures (SSE Alumni), Sting.
Generalist VC	Late-Seed - Series B	€1M – €15M	Growth-driven funds that dominate the Unicorn Factory; currently pivoting heavily toward B2B SaaS and high-measurable Impact Tech.	Creandum, Pale Blue Dot, Spintop, Luminar Ventures

Practical Tips

Entity: AB (Aktiebolag) - The standard limited company. Can be registered in 7 - 10 days once share capital is deposited. Requires a minimum share capital of SEK 25,000 (~€2,300).

Tax: ~20.6% flat corporate tax rate [76].

R&D Credit: (Forskningsavdrag) may be applicable to innovation-heavy ventures to claim a 20% reduction in employer social security contributions for R&D staff, applied directly to monthly payroll, capped at SEK 2M (~€138,000) per month in tax savings [77].

Innovation: Funding through Vinnova (R&D grants up to SEK 5M), Almi Invest (seed equity/loans), and Saminvest (venture capital fund-of-funds).

Visa: Sweden Startup & Self-Employment Visa. streamlined 2-year permit for founders and tech talent. Includes a priority “Fast-Track” for high-skill roles (18-day average decision time in 2026).

Support: Business Sweden (Invest & Export), Vinnova (Innovation Agency), and AI Sweden (National hub for AI implementation).

Resources

- **Vinnova**
  https://www.vinnova.se/en/
  Public funding
- **Almi Invest**
  https://www.almi.se/almi-invest/
  VC funding
- **Business Sweden**
  https://www.business-sweden.com/
  Market entry
- **RISE**
  https://www.ri.se/en
  Research
- **AI Sweden**
  https://www.ai.se/en
  Research
- **Tendsign**
  https://www.tendsign.com/
  Procurement
- **Sting**
  https://sting.co/
  Accelerator

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About Austrade & DevelopMinded (Author)

PART 3

11. About Austrade

Trade Services

The Australian Trade and Investment Commission (Austrade) is the Australian Government's international trade promotion and investment attraction agency. Our trade services help Australian businesses expand in overseas markets. We help businesses assess market potential, develop export strategies, and find valuable contacts overseas. We have advisers in Australia and in our international offices who deliver our services.

For further information, see
https://www.austrade.gov.au/en/how-we-can-help-you/programs-and-services/trade-services

GETTING READY TO EXPORT	MAKING THE RIGHT CONNECTIONS	PROVIDING SUPPORT IN-MARKET
We provide specific advice to help businesses prepare for export, including: ✓ Determining export readiness ✓ Developing an export strategy ✓ Assessing market potential	*We help businesses understand their target markets using our extensive global network, including:* ✓ Introductions to in-market service providers (law, tax, accounting) ✓ Facilitating business matching ✓ Organising in-market experiences	*We offer hands-on support in response to specific client needs, including:* ✓ Practical assistance (visa letters, certification of documents) ✓ Promotional activities to raise client profile ✓ Troubleshooting market access barriers

Financial Assistance

Export Market Development Grants (EMDG) help Australian small and medium enterprises start and grow their exports. EMDG provides grants to market and promote goods and services globally, and undertake export training.

Export Finance Australia (EFA) is the Australian Government's export credit agency. EFA helps businesses overcome financial barriers when expanding overseas, working directly with exporters and their banks to provide loans, guarantees, bonds and insurance products.

For further information, see
https://www.exportfinance.gov.au/

Austrade Contact

General Enquiry Form: www.austrade.gov.au/en/contact-us/general-enquiry-form
Phone Austrade Direct: 13 28 78 (within Australia only)

12. About Developminded (Author Of The Guide)

1,000+ Ventures supported	**€379M+** Funding raised by clients public & private combined	**€131M+** Public funding raised for clients directly	**100+** Strategic pilots launched

DevelopMinded is an execution-focused partner supporting deep-tech companies and consortia to commercialize and scale breakthrough technologies in Europe. We accelerate market entry and reduce risk by turning EU funding, partnerships, and pilots into commercial traction. DevelopMinded has a proven track record in deep-tech commercialisation in Europe, having supported over 1,000 ventures, raised more than €379 million in public and private funding for clients, and helped launch over 100 strategic pilots across Europe. Acting as an extension of your team, we provide sector-specific expertise to deploy, adopt, and scale critical technologies. For foreign companies, we offer a direct entry point into Europe, connecting you with the ecosystem and key players. We guide companies through each stage of internationalization, from innovation to sustained commercial success. Our core strength is bridging the gap between technology and market needs.

We support deep-tech companies entering Europe through two complementary models:

1. EU Market Entry Partner

We partner with you to prepare and execute every aspect of your European market entry, from funding strategy and regulatory navigation to partnership development and early commercial traction

2. HE Programme & Consortium Partner

We provide you with access and enable you to strategically position yourself within Europe's largest R&D ecosystem by establishing the right collaborations early, ahead of Australia's full participation.

1. EU Market Entry Partner

Market Intelligence & Go-to-Market Strategy

We provide market insights and the strategic clarity needed to enter Europe with confidence. This covers sector and competitive analysis, demand validation with real buyers, go-to-market strategy and customer segmentation, market sizing, ecosystem and partner mapping, and pricing experimentation - giving you a rigorous, evidence-based foundation for every commercial decision in Europe

EU Funding, Grants & Market Access

We guide companies through the European funding landscape, helping companies build investor-ready materials and financial models, set up equity and cap tables, find and apply for the right EU grants, and review the financial terms of partnerships and joint ventures. If your company is expanding internationally, we also offer fractional CFO support to help your financial governance keep up with your growth.

Regulatory Strategy & Market Access

We turn complex EU regulatory frameworks into clear, step-by-step plans that help companies avoid costly delays with pilots, procurement, and partnerships. Our services include mapping the regulatory landscape, creating technology-specific roadmaps, outlining compliance needs for market entry, guiding you through standards and certification like CE marking, screening for dual-use and export controls, and supporting regulatory due diligence for investors or partners.

Scaling & Operational Readiness

Building a European operation requires the right people, structure, and governance to make it work. We help companies with organisational design, capability and gap analysis, talent and hiring strategy, leadership coaching, equity and compensation frameworks that fit EU standards, and setting up entities in key markets. If your team is at a turning point, we can also offer part-time CHRO or COO support.

2. Horizon Europe Programme & Consortium Partner

Proposal Development & Coordination

We guide or assist with the entire proposal development and submission process, working with you to shape the impact, exploitation, and go-to-market sections along with the technical narrative. We focus on building a strong commercial case by connecting your project to pilots, validation steps, and clear outcomes that meet the needs of both evaluators and future users. When needed, we can also act as coordinator, handling consortium assembly, workplan design, and managing the submission from start to finish.

Consortium Builder

We support deep-tech companies in finding and joining the most suitable Horizon Europe call. We are active within the EU deep-tech ecosystem and can connect you with the right partners and consortia. Our team identifies relevant funding calls, positions you effectively within consortia, and provides access to a pan-European innovation network. Our services include mapping current and upcoming calls, identifying the best strategic fit, and guiding your company to the appropriate entry point.

Get in touch with us

Website: www.developminded.com
Email: expand@developminded.com

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