



Allied For Startups' Reaction to the EU Defence Industry Transformation Roadmap

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Allied For Startups welcomes the publication of the *EU Defence Industry Transformation Roadmap: Unleashing Disruptive Innovation for Defence Readiness*. The document marks an important shift in EU defence thinking: it places **speed, agility and risk-taking** at the heart of Europe's future industrial model – and acknowledges that **startups and dual-use innovators are central to getting there**.

The Roadmap is grounded in the reality that the war in Ukraine and rapid advances in technologies such as AI, autonomy, cyber, quantum and advanced manufacturing are reshaping defence at a pace that traditional processes cannot match. With more than **230 defence tech startups founded in Europe since 2022**, the Roadmap rightly recognises that new entrants are already driving disruptive capability development and strengthening Europe's defence and industrial resilience.

Several elements are particularly welcome from a startup perspective:

1. A stronger bridge between Ukraine and the EU innovation ecosystem.

The EU Defence Innovation Office in Kyiv will evolve into an EU Defence Industry Office, which constitutes a practical step to ensure battlefield-driven innovation informs EU programmes and procurement.

2. A new scale-up pathway for defence innovators.

The Commission and the EIB will launch an **up to EUR 1 billion Fund of Funds** to provide growth capital for innovative companies. This directly addresses Europe's persistent late-stage financing gap.

3. Stronger Single Market tools, including 28th regime concepts.

Leveraging the 28th regime to reduce fragmentation and simplify scaling across borders aligns with AFS' long-standing call for a more coherent EU environment for fast-growing tech companies.

4. A future European Defence Data Space.

A trusted, interoperable data environment is essential for AI-enabled systems, digital twins, predictive maintenance and other dual-use capabilities in which European startups are active.

5. Closer collaboration between innovators and end-users.

The introduction of **EUDIS Tech Alliances** will bring together defence startups and armed forces around priority capability needs, improving transparency and shortening iteration cycles.

6. Procurement modernisation.

Encouraging Member States to dedicate 10% of procurement budgets to emerging and disruptive technologies, and revising the Defence Procurement Directive, are important steps toward a more open, innovation-driven demand environment.

7. A renewed focus on talent.

The Skills Guarantee pilot and the EU Defence Industry Talent Platform respond to a structural skills gap and can help dual-use and defence startups attract new talent.

Overall, the Roadmap signals a mindset shift: **defence readiness now depends on Europe's ability to unlock disruptive innovation – and startups are essential to that mission.** The challenge ahead is fast and effective implementation. AFS stands ready to support the Commission, Member States and the defence innovation community to ensure these measures translate into real opportunities for founders building Europe's next generation of critical technologies.