

Open-source virtualization; Software-defined storage; Enterprise storage; Virtualization; VMware alternative; Virtualization migration; Interoperability; Open infrastructure; Infrastructure resilience; Funding rounds

PRESS RELEASE

Vates Accelerates North American Growth with New Funding as Enterprises Seek Freedom in Virtualization

For Immediate Release

October 6, 2026 (New York, NY) - [Vates](#), which grew for nearly a decade without external funding, the company behind Vates Virtualization Management Stack (Vates VMS) and the open-source virtualization platform XCP-ng, today announced a €30 million funding round from IRIS' Growth fund and Bpifrance, through its Large Venture fund. Already adopted by more than 1,000 customers across around 100 countries, Vates will use the investment to accelerate technology development, scale enterprise go-to-market capabilities and expand its global footprint, with a particular focus on North America.

North America already represents close to 50% of Vates' business, with longtime adopters including Harman, AMD and North Carolina State University, while 90% of the company's revenue is generated outside France. Vates grew more than 65% in 2025 and was included for the first time last month in the Gartner® Magic Quadrant™ for Server Virtualization Platforms. The funding is therefore not about entering the US market, but about accelerating growth in a region where Vates has already established meaningful customer and market traction.

The investment comes as enterprises reassess their virtualization strategies amid changing licensing models, increased vendor concentration and growing infrastructure complexity. Organizations are seeking greater choice, flexibility, cost predictability and control while reducing dependence on any single platform or vendor.

Vates addresses these priorities through an open-source virtualization platform that combines transparency and interoperability with enterprise-grade support, professional services and the operational capabilities required for business-critical workloads.

A changing virtualization market creates a strategic opportunity

Broadcom's acquisition of VMware has accelerated a transformation already underway across the virtualization market, prompting many organizations to reconsider how they structure and manage their infrastructure. In this environment, Vates offers organizations greater freedom over how they build and operate their virtualization environments, with an architecture designed to support interoperability, portability and long-term flexibility.

"We are not raising funds to change our strategy, but to accelerate the one we have pursued from the beginning. Today, we have the technology, the teams, an international presence and recognition. North America is already our largest market, and this funding gives us the resources to build on that traction and operate at an entirely different scale" says **Olivier Lambert, CEO and co-founder of Vates**.

€30 million to accelerate growth and customer adoption

This funding will enable Vates to focus its investments toward several key areas.

- Accelerating technology investments: particularly in the next generation of the Vates platform, with a strong focus on performance, storage, security, automation and the management of large-scale virtualization infrastructures, including support for evolving workloads and new requirements driven by AI.
- Scaling enterprise go-to-market capabilities, particularly in North America, by strengthening sales, marketing and customer-facing resources to expand Vates' presence among large enterprises, public-sector organizations and service providers, while increasing investment in channel partnerships and technology alliances.
- Scaling its partner ecosystem by strengthening its network of distributors, integrators, service providers and technology partners to accelerate platform adoption and support increasingly large transformation and migration projects internationally.

Vates' founders retain control of the company

Following the transaction, the co-founders will remain majority shareholders. The arrival of IRIS and Bpifrance will give Vates additional resources and expertise to scale its organization and international operations while preserving the strategic independence and customer-focused principles on which the company was built.

Open source remains central to the Vates model, with continued investment in interoperability, portability, transparency and customer freedom of choice. These principles are intended to deliver practical business benefits: greater architectural flexibility, reduced vendor dependency and the ability to adapt to infrastructure strategies over time.

Investing in Vates' global growth

IRIS and Bpifrance bring experience supporting technology companies through high-growth phases and international expansion.

"Vates demonstrates that open source can meet the highest requirements of the market. Its virtualization platform is now adopted by organizations of all sizes around the world, including large enterprises operating critical environments where security requirements are particularly demanding. We are proud to support Olivier and his team in this new stage of their development and to actively contribute to making Vates a global reference in virtualization," says **Nicolas Herschel, Partner at IRIS**

"The virtualization market is undergoing a profound transformation, and organizations are looking for trusted alternatives that offer greater flexibility, transparency and control. Vates has built a compelling enterprise-grade open-source platform that responds directly to these evolving customer needs. Its strong technology, premium level of support to customers and growing international footprint, particularly in North America, position the company to capture a significant opportunity in the global infrastructure software market. We are proud to support Vates in its ambition to become a world-class technology leader." explains **Cindy Ung, Investment Director, Large Venture, Bpifrance**.

With an established North American customer base, more than 1,000 customers globally and growing recognition in the enterprise virtualization market, Vates will use the investment to scale an existing business rather than build a new one from the ground up. The company plans to continue expanding globally as enterprises seek greater choice, flexibility and control over their virtualization infrastructure.

To learn more, visit vates.tech or follow on [LinkedIn](#) | X [@vatesfr](#) | YouTube [@vatestech](#)

For more information and interview requests, contact: Kori Mallett, ESCAL Consulting, 917.385.6444, kori@escalconsulting.com

Background materials and executive headshots available [[HERE](#)].

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About Vates

Founded in 2012 in Grenoble, France, Vates is a global company specializing in open-source virtualization and infrastructure management solutions for hybrid cloud environments. Its flagship technologies, XCP-ng and Xen Orchestra, provide a fully open-source alternative to proprietary virtualization platforms, enabling organizations to run business-critical workloads with greater control, cost predictability, interoperability and long-term flexibility.

Vates serves more than 1,000 customers worldwide across enterprise, public-sector, service-provider and research environments. Profitable for over a decade, the company delivers its solutions through a model centered on enterprise support, professional services and operational expertise, combining open-source transparency with production-grade reliability.

About IRIS

IRIS is a European venture capital and growth equity firm specializing in technology, investing from seed and Series A through late stage and growth. With teams in Berlin, Munich and Paris, IRIS combines in-depth knowledge of its markets with a powerful international network. The firm partners with promising scale-ups and future technology leaders, supporting them in expanding their visibility, commercial development and impact worldwide. IRIS has notably invested in Adjust, Braincube, Escape, Exotec, Kyriba, Jedox, Implicity, LeanIX, LumApps, Open-Xchange, pyck, Shift Technology, Spinergie, SurePay, Talend, Talon.one and Zeta Global. For more information, visit www.iris.vc.

About Bpifrance

Bpifrance's equity investments are operated by Bpifrance Investissement. Bpifrance finances companies at every stage of their development through loans, guarantees and equity investments. It supports companies in their innovation and international expansion projects and also provides export financing through a broad range of solutions. Advisory services, training, networking and acceleration programs for startups, SMEs and mid-sized companies are also part of Bpifrance's offering. Through Bpifrance and its 50 regional offices, entrepreneurs benefit from a local, single and effective point of contact to help them address their business challenges. More information: www.bpifrance.fr Press: <https://presse.bpifrance.fr>

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With €2.5 billion under management, Large Venture is Bpifrance's venture growth fund dedicated to high-potential technology companies, with the objective of supporting the emergence of French champions capable of becoming global leaders in their markets.

Since its creation in 2013, the fund has invested in more than 80 companies across healthcare and life sciences, digital technologies and greentech.