

700 Million for a Startup Without a Product: What World Models Mean

MANAGEMENT SUMMARY & CORE TAKEAWAY

DeepMind spinout Emulate is raising up to \$700 million in seed funding without a product, customers, or website. The bet is on world models—AI that simulates the physical world. For decision-makers, this signals a shift from chatbots to acting AI.

CONTEXT & EXECUTIVE RELEVANCE

Emulate was founded in August 2026 by Jack Parker-Holder, Matthew McGill, and Philip Ball—all former Google DeepMind researchers who worked on the Genie world-model project. The startup has no product, no customers, and no public website. Yet it is in advanced talks for a seed round of up to \$700 million, co-led by Index Ventures and Lightspeed Venture Partners, with Creandum participating. Reported valuations range from around \$3 billion (Bloomberg) to \$3.7 billion (Financial Times) pre-money. The capital is betting on a capability, not a shipped product.

A world model is an AI system trained to simulate and predict the behavior of physical or virtual environments—not just predict the next word like a language model. Genie, DeepMind's world model, generates playable, interactive 3D environments from a text or image prompt. Its January 2026 reveal reportedly wiped billions off the market value of game companies like Take-Two, Roblox, and Unity. NVIDIA already offers a commercial platform for Physical AI with World Foundation Models through Cosmos 3.

CORE ACTION ITEMS

- 01 Robots and autonomous processes cannot be physically tested tens of thousands of times—too slow, too expensive, too dangerous.
- 02 A world model runs thousands of scenarios in simulation before real deployment.
- 03 This reduces development time and risk.
- 04 The same logic applies to logistics, plant layout, and industrial vision systems.

SWISS COMPLIANCE & ARCHITECTURE GUIDELINES

- ☑ Full compliance with revised Swiss Data Protection Act (revDSG).
- ☑ Zero vendor lock-in on closed proprietary models.
- ☑ Seamless integration into Abacus, Bexio and M365 ecosystems.

Non-Binding Process Analysis

Let us review in 20 minutes where AI agents create immediate measurable efficiency in your workflows.

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