

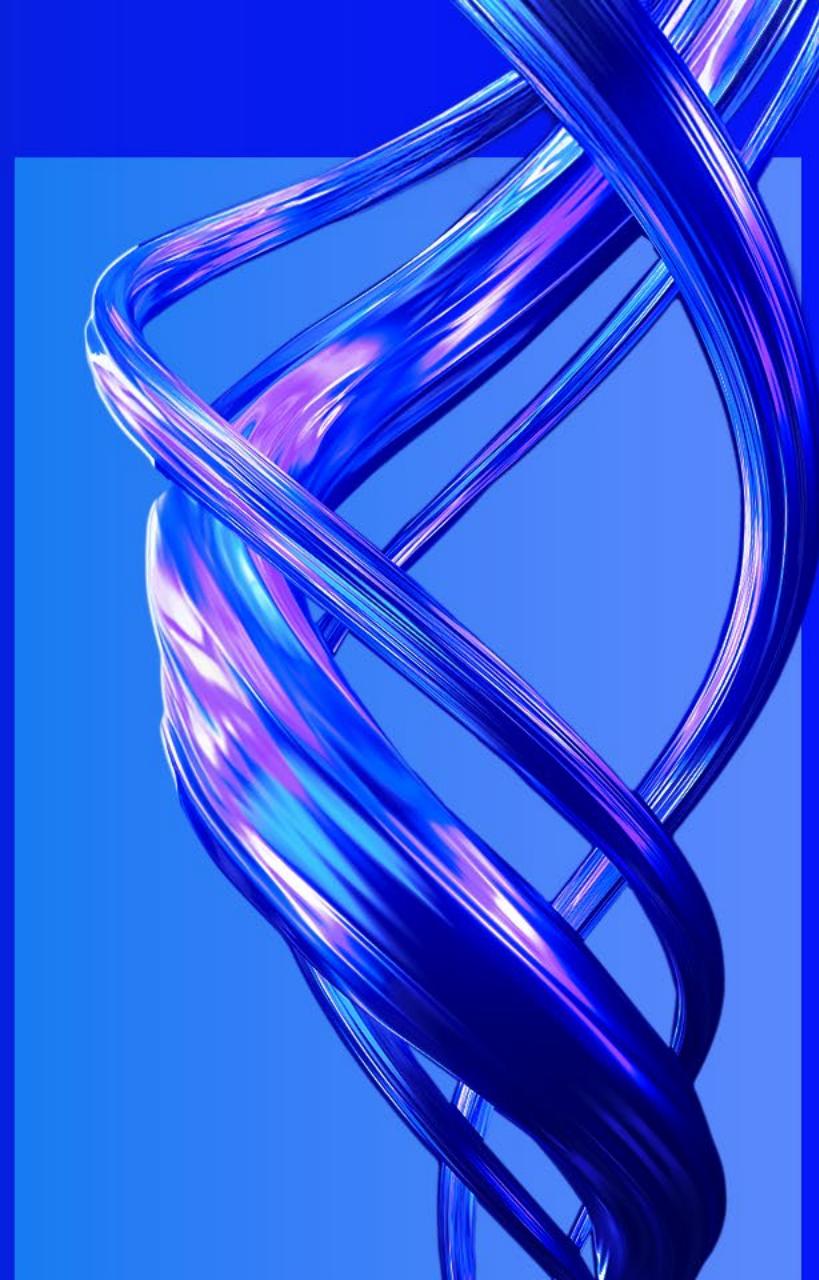


Venture Pulse

Q1 2025

Global analysis of venture funding

April 16, 2025



Welcome message

Welcome to the Q1'25 edition of KPMG Private Enterprise's Venture Pulse — a quarterly report highlighting the major trends, challenges, and opportunities facing the venture capital market globally and in key jurisdictions around the world.

Against a backdrop of geopolitical uncertainty and renewed concerns over tariffs and trade tensions, global VC investment rose from \$118 billion in Q4'24 to \$126 billion in Q1'25, fueled by a wave of megadeals — including eight \$1 billion+ transactions and a standout \$40 billion raise by OpenAI.

Despite the uptick in investment value, deal volume declined quarter-over-quarter as many VC investors paused to evaluate whether market shifts were temporary and to preserve capital in light of ongoing IPO exit delays. Deal-making also slowed as firms adapted to evolving investment considerations.

The Americas attracted the largest share of VC investment globally during the quarter. The US accounted for the bulk of this investment, including a \$40 billion standout deal by OpenAI, a \$4.5 billion raise by Anthropic (two closings) and a \$3 billion raise by Infinite Reality. VC investment in Europe remained flat quarter-over-quarter at \$18 billion, led by a massive \$2 billion deal by cryptocurrency exchange Binance, followed by Germany-based energy management proptech Reneo (\$624 million) and UK-based AI drug discovery firm Isomorphic Labs (\$600 million). VC investment in Asia fell from \$18.9 billion in Q4'24 to a record low \$12.9 billion in Q1'25. Singapore-based data center firm DayOne raised the largest VC deal (\$1.2 billion) of the quarter followed by Chinese cleantech SE Environmental (\$688 million) and India-based e-commerce company Meesho (\$550 million).

AI remained the hottest ticket globally. In addition to large raises by LLM-focused companies like OpenAI and Anthropic, companies focused on AI applications (e.g. augmented reality, autonomous

vehicles, robotics) and industry solutions — such as AI for mining tech company Kobold Metals (\$537 million) and AI preventative health company Cera (\$150 million)—also saw significant investments. Defense Tech and spacetech also continued to gain traction with VC investors.

While there had been optimism that Q1'25 could mark a rebound in IPO activity in the US, lingering market uncertainties led many startups to delay their public debut plans. US-based AI infrastructure firm CoreWeave went public late in the quarter, though its relatively muted performance — and unique business model—meant it wasn't seen as a reliable indicator for broader IPO sentiment. Sweden-based fintech Klarna had initially signaled plans for a Q1 IPO but ultimately postponed the offering. Its performance, should the IPO proceed in Q2, will be closely watched as a potential bellwether for other late-stage tech companies considering the public markets.

The current levels of geopolitical uncertainty will likely continue to affect the VC market heading into Q2'25, although areas like AI, defense tech, cybersecurity, and alternative energy will likely remain resilient.

In this quarter's edition of Venture Pulse, we examine these and a number of other global and regional trends, including:

- The increasing trade tensions and geopolitical uncertainties
- The expanding diversity of AI solutions attracting investments
- The growing attention being given to defense tech and spacetech
- The increasing involvement of governments in driving AI investments

We hope you find this edition of Venture Pulse insightful. If you would like to discuss any of the results in more detail, please contact a KPMG adviser in your area.

Unless otherwise noted, all currencies reflected throughout this document are in US dollars.

Data correct as of April 16 2025, and is subject to change.

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Conor Moore

Global Head, KPMG Private Enterprise,
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KPMG in the US



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Senior Director, Emerging Giants Global Network, KPMG Private Enterprise
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- Top five deals dominated by AI companies



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- Exit value rises yet remains relatively muted
- Strong start to the year for M&A value

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- Early-stage financings remain most resilient
- Fundraising falls further — with extremely weak start to the year
- Top five deals spread between Singapore, China, India and Australia

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- Investment remains steady in Europe — with \$18 billion invested across 1,883 deals
- VC invested concentrates on early-stage deals
- First-time financings have healthy start to year
- Fundraising has slow start to the year
- Top 10 deals spread across five countries

Globally, in Q1'25
VC-backed companies
raised \$126.3 billion
across 7,551 deals



Global VC investment falters amid fresh wave of uncertainty

VC investment globally increased between Q4'24 and Q1'25, driven in part by a large number of \$1 billion+ megadeals, including a standout investment of \$40 billion in OpenAI. Other big deals included Anthropic — \$4.5 billion (two closings), Infinite Reality — \$3 billion, Binance — \$2 billion, Groq — \$1.5 billion, DayOne — \$1.2 billion and X — \$1 billion.

US attracts over two-thirds of VC funding globally in Q1'25

VC investment in the Americas surged in Q1 2025, driven by a series of megadeals, while Europe saw more muted growth and Asia experienced another quarterly decline, reaching record low investment levels. Deal volume dropped across all regions, as investors remained cautious amid macroeconomic uncertainty.

The US retained its position as the top destination for VC funding, bolstered by several high-profile raises, including OpenAI's \$40 billion raise, Anthropic's \$4.5 billion raise (two closings), and Infinite Reality's \$3 billion raise in the augmented reality space. Europe ranked second in total VC investment, led by Binance's \$2 billion raise — the region's largest of the quarter — followed by German proptech firm Reneo, which secured \$624 million. Asia's VC market remained soft, with just three deals exceeding \$500 million. Singapore-based datacentre firm DayOne led with a \$1.2 billion raise, followed by China's cleantech company SE Environmental (\$688 million) and India-based e-commerce platform Meesho (\$550 million).

Hot AI space attracting diversity of deals across jurisdictions

AI plays continued to dominate the VC market in Q1'25. While the largest deals in the AI sector occurred in the US led, by OpenAI, Anthropic and Infinite Reality, other regions also saw robust AI investments. In Europe, AI-enabled industry solutions companies raised a number of \$100 million funding rounds, including Sweden-based preventative healthtech company Neko Health (\$260 million) and UK-based AI-powered video communications company Synthesia (\$180 million). Asia also saw a number of significant AI-focused raises, including China-based Neolix Technologies (\$137 million) and Univista (\$137 million), Australia-based Harrison.ai (\$111 million), Hong Kong (SAR) and Boston-based InSilico Medicine (\$100 million), and India-based Spotdraft (\$54 million).

Looking at the AI space more broadly, the launch of China-based DeepSeek's R1 AI model sent ripples across the globe in Q1'25. DeepSeek's launch was followed closely by new AI models by Chinese tech giants Tencent and Alibaba. The launch of the three models so close together — all purporting to be more energy efficient than others built to date — highlights the intense competition globally and regionally for market dominance in the large language model (LLM) space.

Geopolitical uncertainties and tensions driving VC investment into defense tech and spacetech

As competition heated up in the AI space worldwide, a number of governments made substantive moves in order to promote, encourage, and accelerate AI development. During the quarter, the US announced The Stargate Project, which aims to spend \$500 billion on developing next-gen AI infrastructure in the US.¹ This was followed by the European Commission's announcement of its InvestAI program² — a plan to drive \$206 billion into AI innovation, including the development of gigafactories — and France's announcement of \$112 billion in AI investment commitments.³ During the quarter, China also announced a \$138 billion national venture capital guidance fund to invest in a range of priority sectors, including AI and quantum computing.⁴

Alternative energy continues to attract interest globally

Interest in defense tech continued to grow in Q1'25, driven by ongoing geopolitical tensions. The US saw the largest defense tech deals during the quarter, including a \$600 million raise by Saronic Technologies, a \$240 million raise by ShieldAI, and a \$250 million raise by Epirus. Spacetech also continued to grow on the radar of investors. Japan in particular saw several deals during the quarter, including raises by ArkEdge Space (\$51 million) and Interstellar Technologies (\$45 million).

¹ <https://www.cnn.com/2025/01/21/tech/openai-oracle-softbank-trump-ai-investment/index.html>

² <https://digital-skills-jobs.europa.eu/en/latest/news/commission-launches-new-investai-initiative-mobilise-eu200-billion-investment-ai>

³ <https://www.reuters.com/technology/artificial-intelligence/details-110-billion-euros-investment-pledges-frances-ai-summit-2025-02-10/>

⁴ <https://www.reuters.com/world/china/china-set-up-national-venture-capital-guidance-fund-state-planner-says-2025-03-06/>

Global VC investment falters amid fresh wave of uncertainty, cont'd.

IPO market in US sees another setback amid new geopolitical uncertainties; HKSE sees some recovery

The hopeful optimism that characterized thoughts on the IPO market globally at the end of Q4'24 did not materialize in Q1'25. Concerns about tariffs and trade wars rose to the forefront of concerns, causing challenges across a number of stock markets globally, which likely contributed to caution on the part of IPO-ready companies. Late in the quarter, AI infrastructure firm CoreWeave held its IPO, although the company's relatively lackadaisical results were not expected to spur additional market activity. Sweden-based Klarna filed for an IPO during the quarter, but the offering was put on hold following a wave of market volatility triggered by the US administration's tariff announcements. Should Klarna move forward and perform well in a more stable environment, other companies — particularly well-positioned fintechs — could be encouraged to follow suit.

Hong Kong (SAR), China's IPO market got off to a relatively strong start in 2025, driven in part by the successful IPO of China-based bubble tea company Mixue. Given the challenges in the US, the HKSE appeared to benefit from Asia-based investors shifting their focus back to the Hong Kong (SAR), China market during the quarter.

Alternative energy and cleantech continue to see investment

Alternative energy and cleantech remained attractive areas of investment in many regions of the world during Q1'25, with a range of companies attracting investments. In the US, alternative energy was the largest ticket, likely driven by recognition of the need for new energy sources to support ever-growing demand. During the quarter, nuclear energy-focused X Energy raised \$700 million, and nuclear fission company Helion raised \$425 million.

In Europe and Asia, investments were more diverse, ranging from Germany-based real estate energy management company Reneo's \$624 million raise to Sweden-based long-term energy contracts firm Elvy's \$153 million raise, and from China-based smart EV maker Changan Kaicheng's \$274 million funding round to Australia-based sustainable vertical farming company Stacked Farm's \$150 million raise.

Trends to watch for in Q2'25

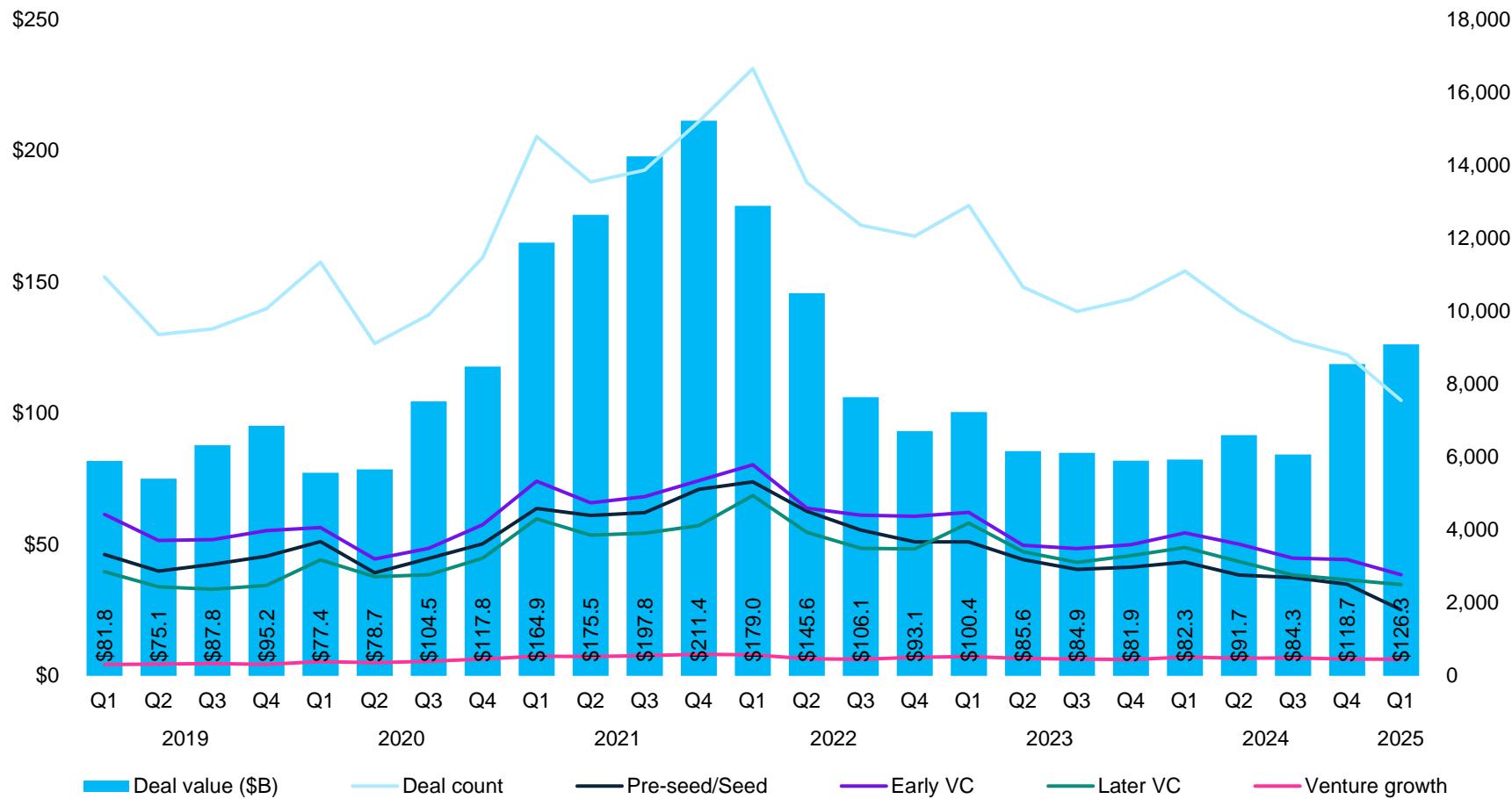
Heading into Q2'25, AI is expected to remain the primary driver of VC investment globally. Industry-focused AI solutions are likely to attract growing interest, alongside advanced robotics and enabling technologies such as LIDAR. Amid ongoing geopolitical tensions, sectors like defence-tech and cybersecurity are also projected to see increased VC activity.

However, VC investment may begin the quarter on a slower note as investors await greater clarity on the escalating global trade war and its potential economic ramifications. Global M&A activity could accelerate in Q2'25 and beyond, particularly in the AI space, as major tech companies seek to acquire promising startups before valuations rise further. The recently announced \$32 billion deal for Google to acquire Israeli cybersecurity firm Wiz — announced prior to the U.S. administration's tariff announcements — may serve as a catalyst for increased M&A activity, particularly within the cybersecurity and broader tech sectors. In the face of continued IPO uncertainty, M&A remains a compelling alternative for companies seeking strategic exits.

Mega-rounds drive a bounce-back in VC invested

Global venture financing

2019–Q1'25



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

“ We headed into Q1'25 with some cautious optimism around a renewed sense of business confidence, more investment and more exit activity. That optimism has now abated in the face of the uncertainty caused by various executive orders and the back and forth on tariffs and trade. With expectations for the recovery of the IPO market moving farther out again, we could see a shift in VC firms needing to reallocate investment priorities as some companies may need additional funding prior to a now more distant IPO.”



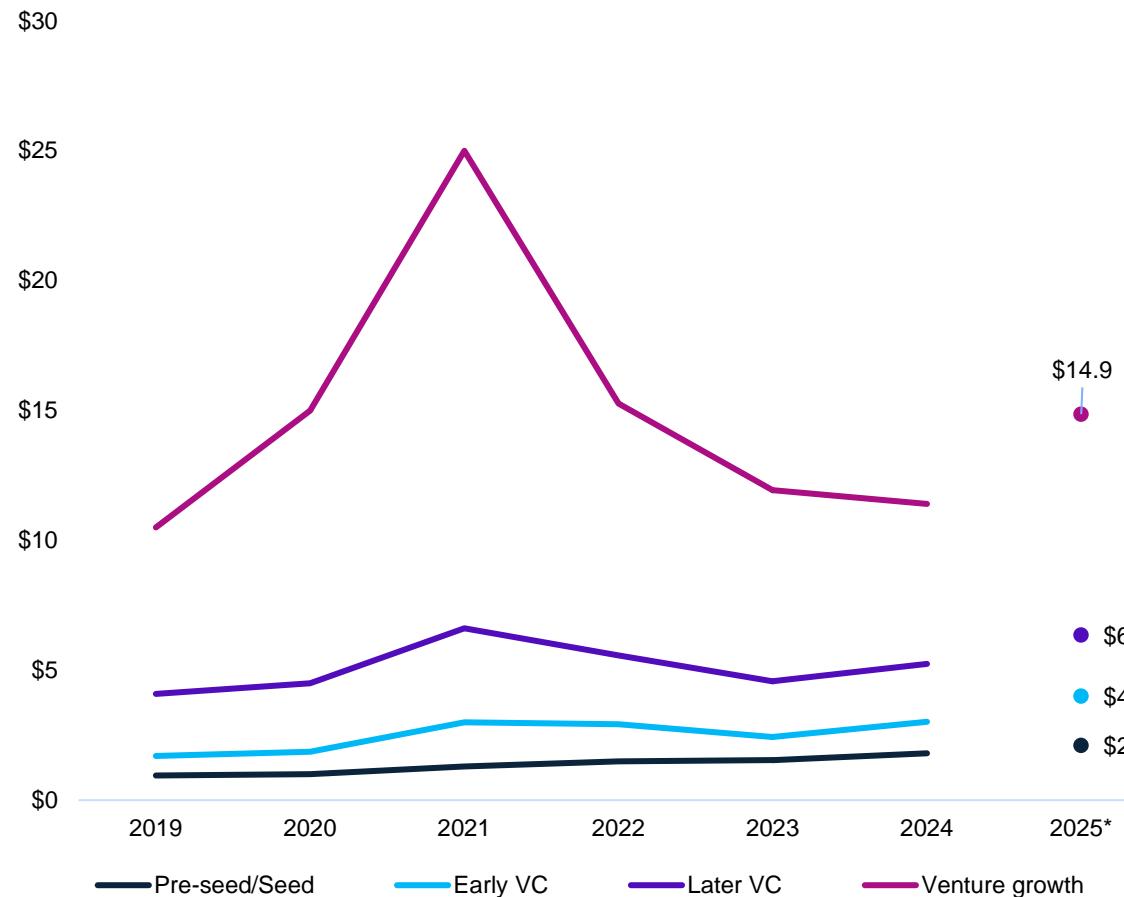
Conor Moore

Global Head, KPMG Private Enterprise,
KPMG International & Partner
KPMG in the US

Medians and down/flat rounds suggest tempered approaches

Global median deal size (\$M) by stage

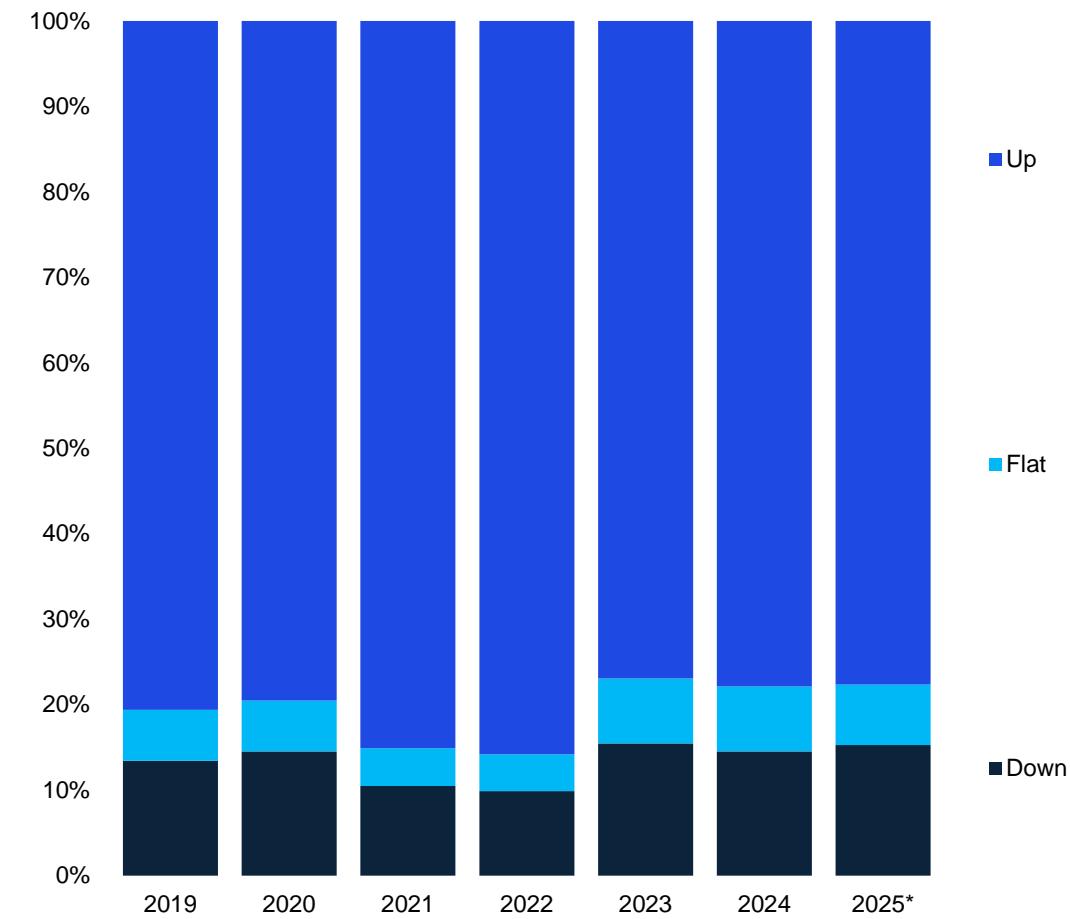
2019–2025*



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

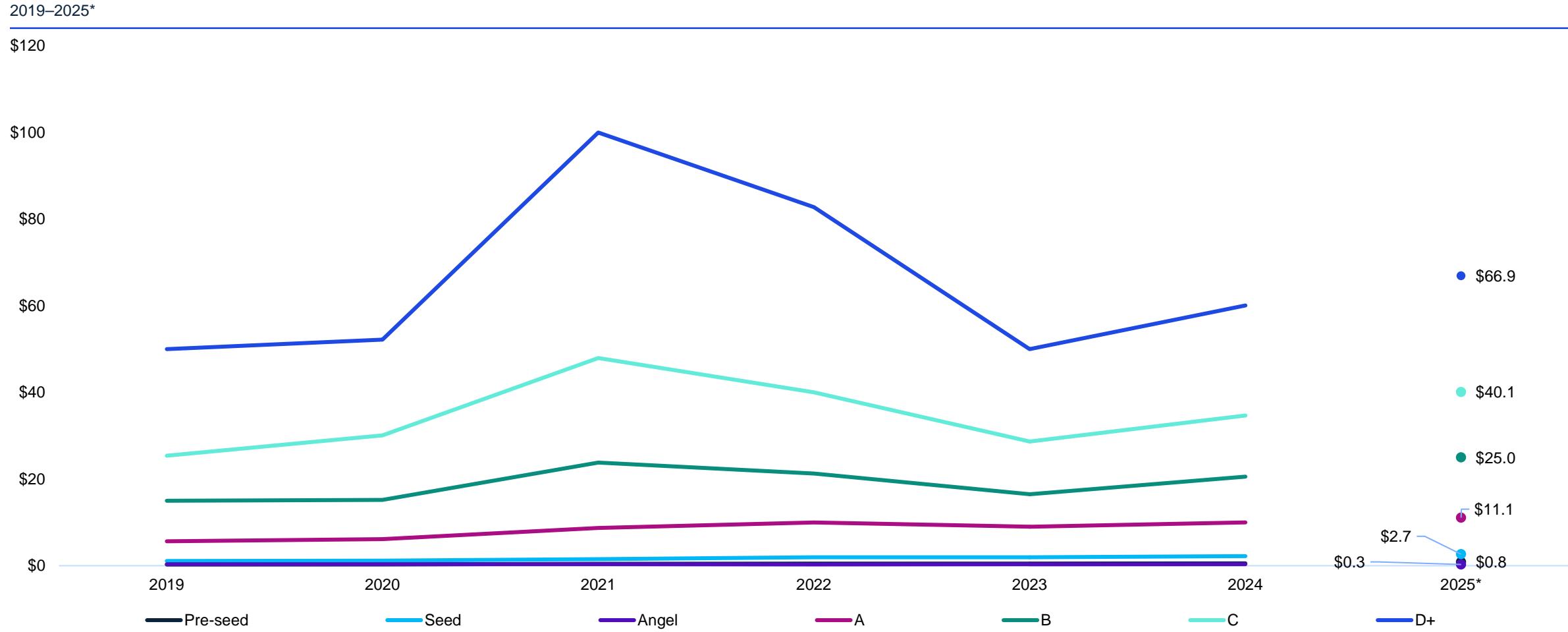
Global up, flat or down rounds

2019–2025*



Financing sizes continue to recover

Global median deal size (\$M) by series



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Valuations rebound at the latest stage, hold steady elsewhere

Global median pre-money valuation (\$M) by series

2019–2025*

\$1,200

\$1,000

\$800

\$600

\$400

\$200

\$0

\$1,050.0

\$280.0

\$109.1

\$41.9

\$12.3

\$2.7

\$5.4

Pre-seed

Seed

Angel

A

B

C

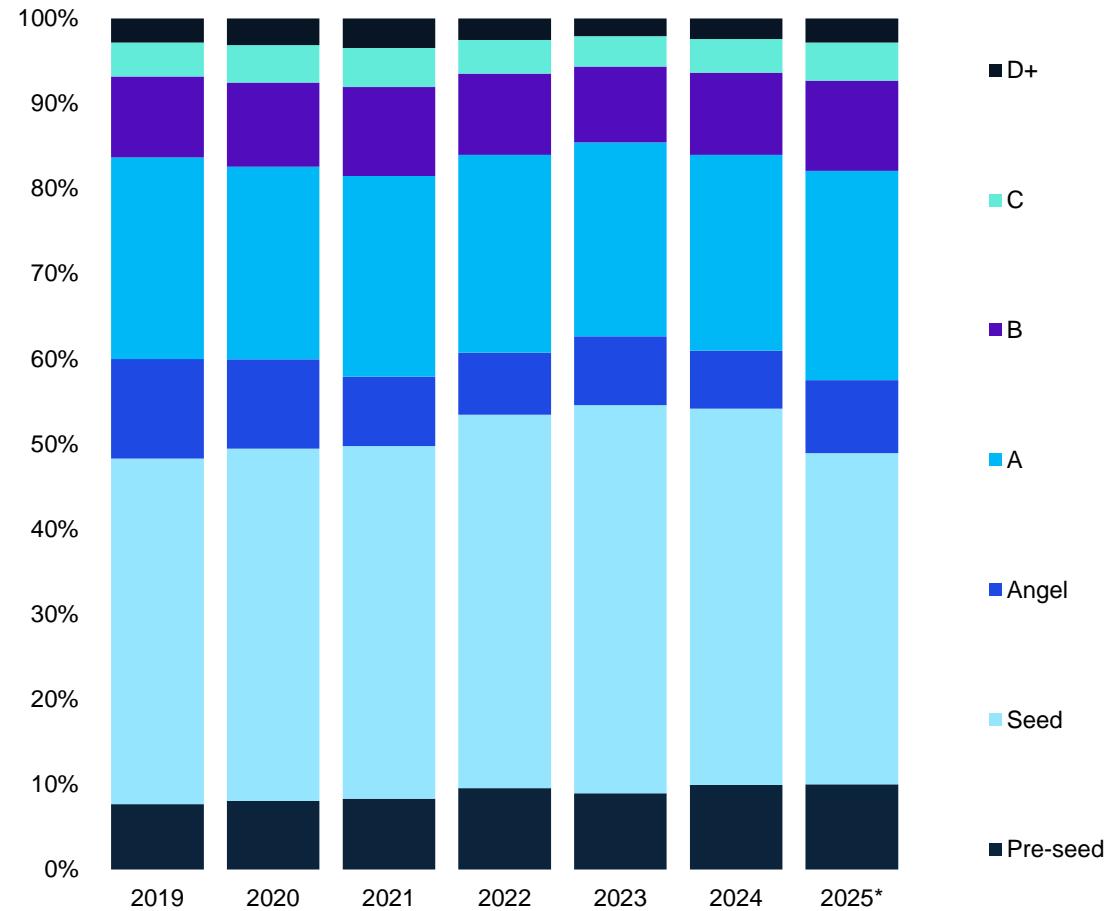
D+

Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Rounds tilt a bit larger amid uncertainty in markets

Global deal share by series

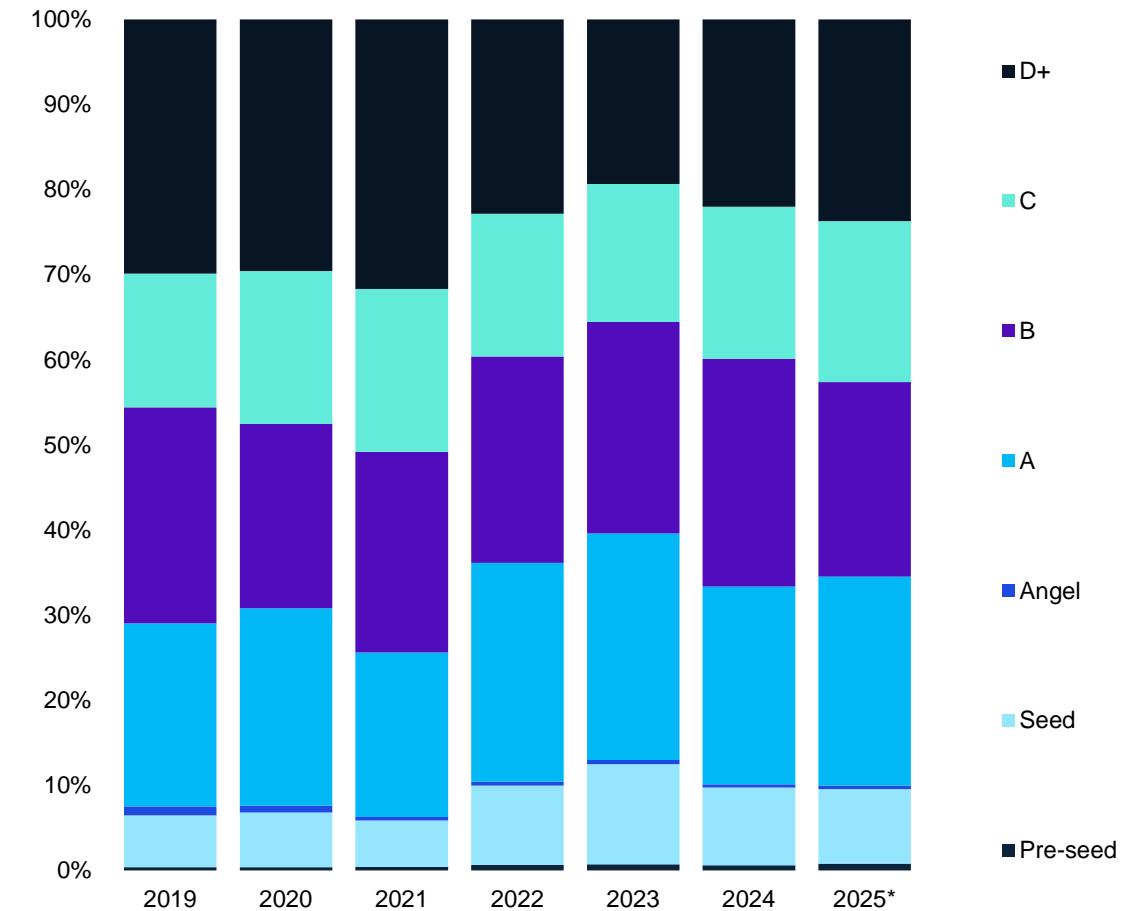
2019–2025*, number of closed deals



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Global deal share by series

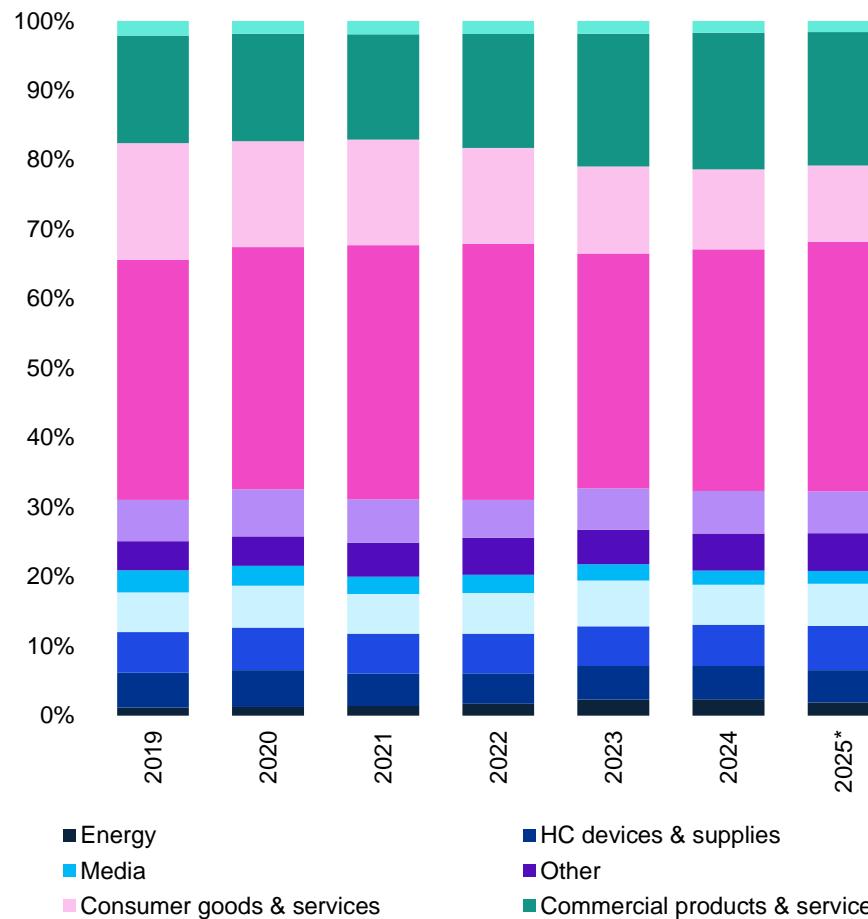
2019–2025*, VC invested (\$B)



Software booms off of AI surge

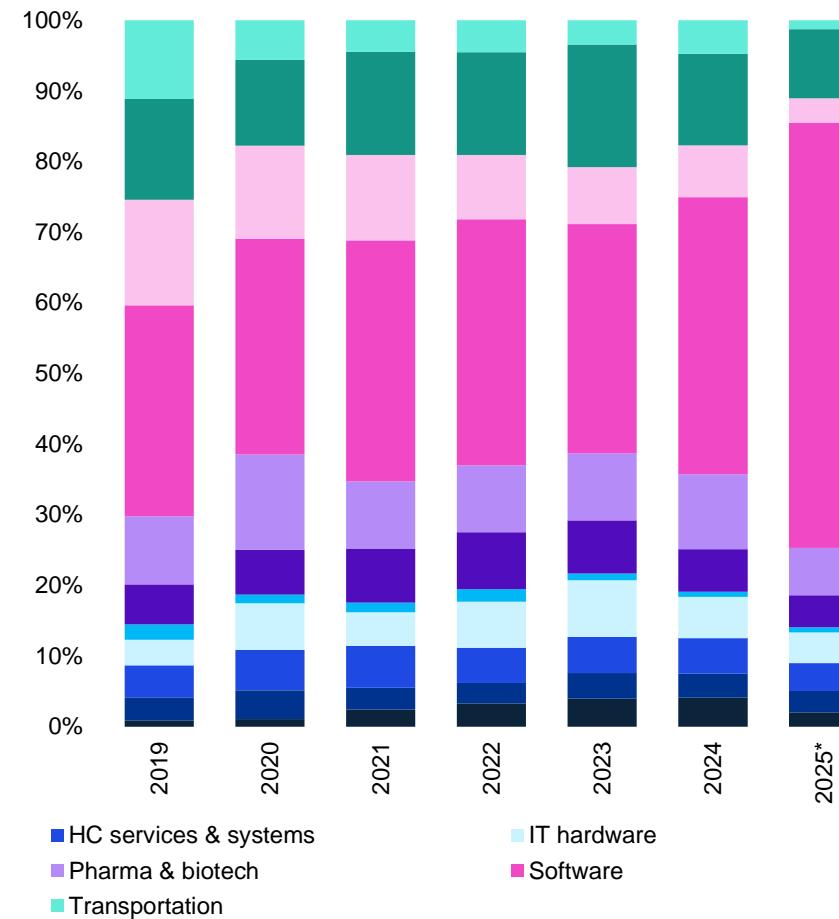
Global financing trends to VC-backed companies by sector

2019–2025*, number of closed deals



Global financing trends to VC-backed companies by sector

2019–2025*, VC invested (\$B)



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.



AI is going to drive a lot of diverse investment in the coming quarters. Large language models we have seen, but also small language models focused more on depth and relevance. Then there's AI infrastructure — chips and other hardware, even the electricity needed to power AI. Plus, there's the developments aimed at taking AI to the next level; right now, all the talk is about agentic thinking — so taking that and looking at how to translate it into the real world, into robotics, into manufacturing.

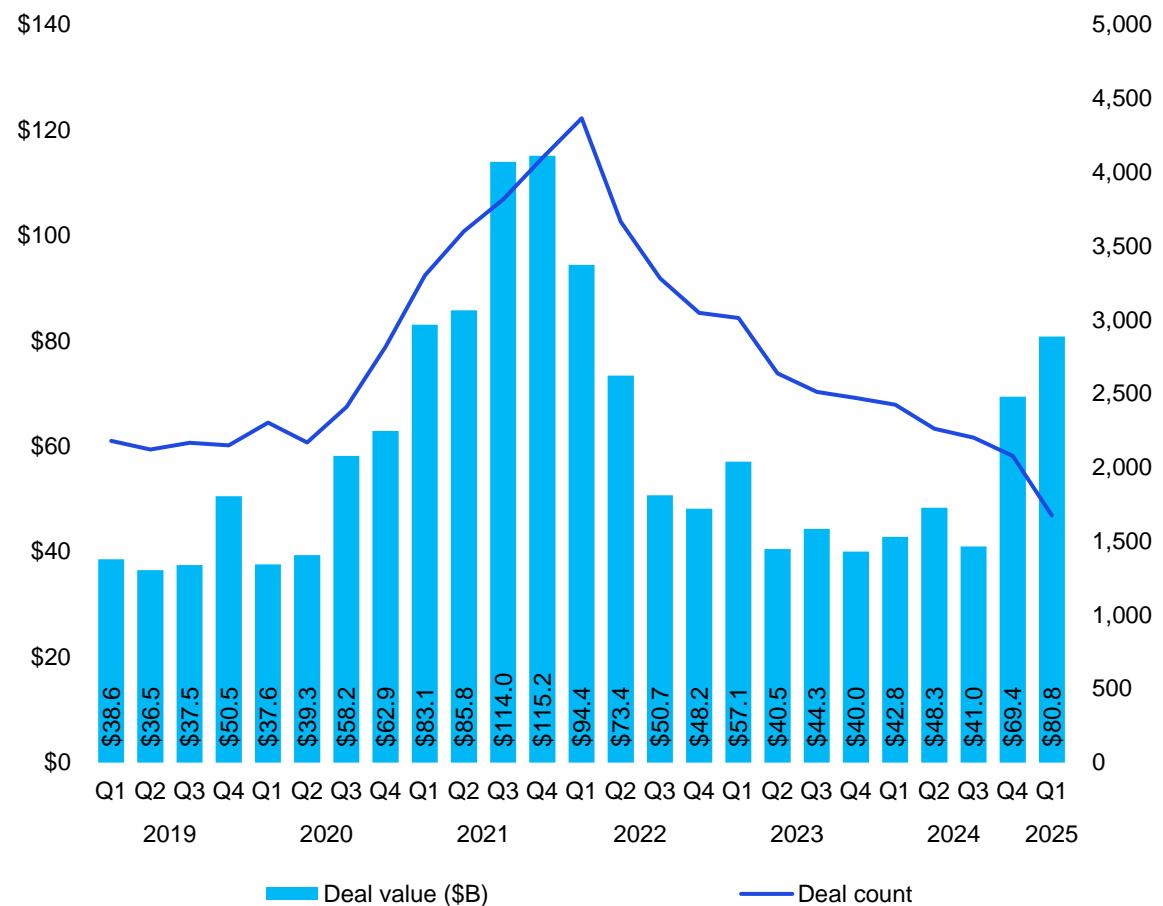


Francois Chadwick
Partner
KPMG in the US

Corporates join in mega-rounds once more

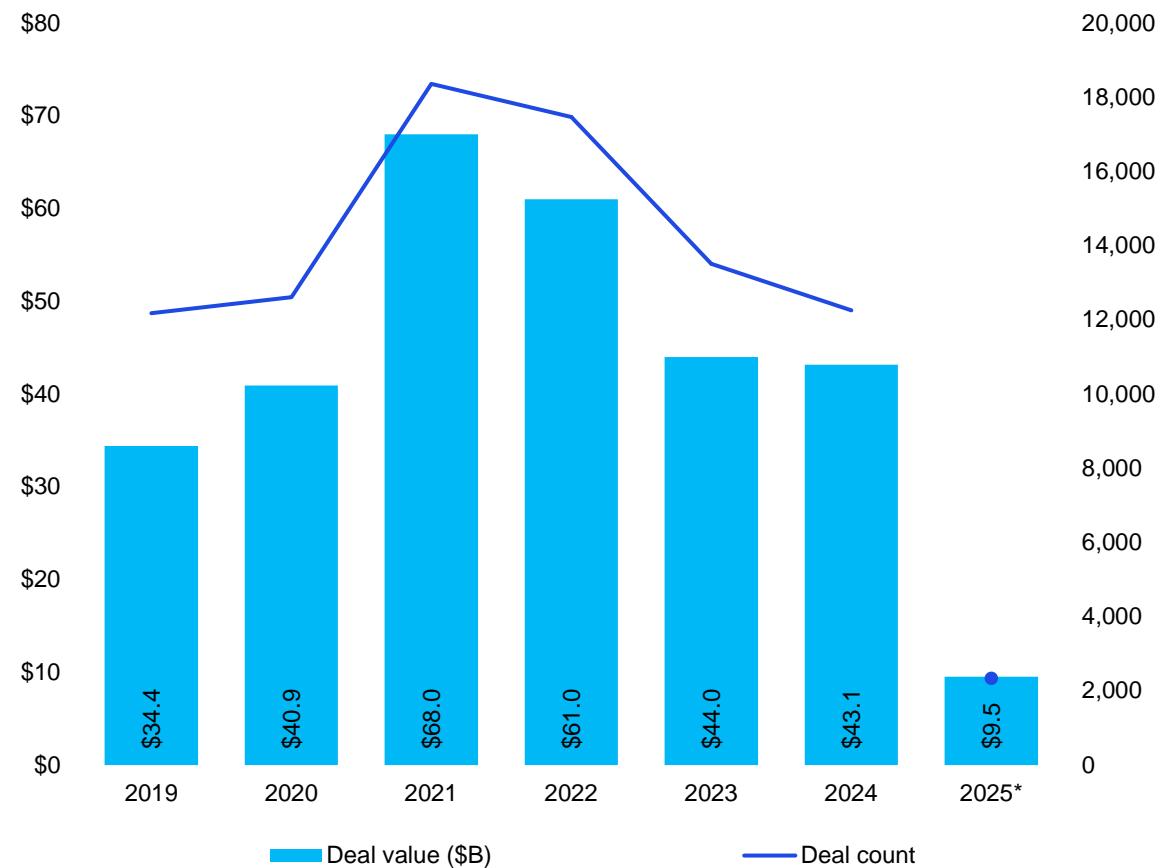
Corporate VC participation in global venture deals

2019–Q1'25



Global first-time venture financings of companies

2019–2025*



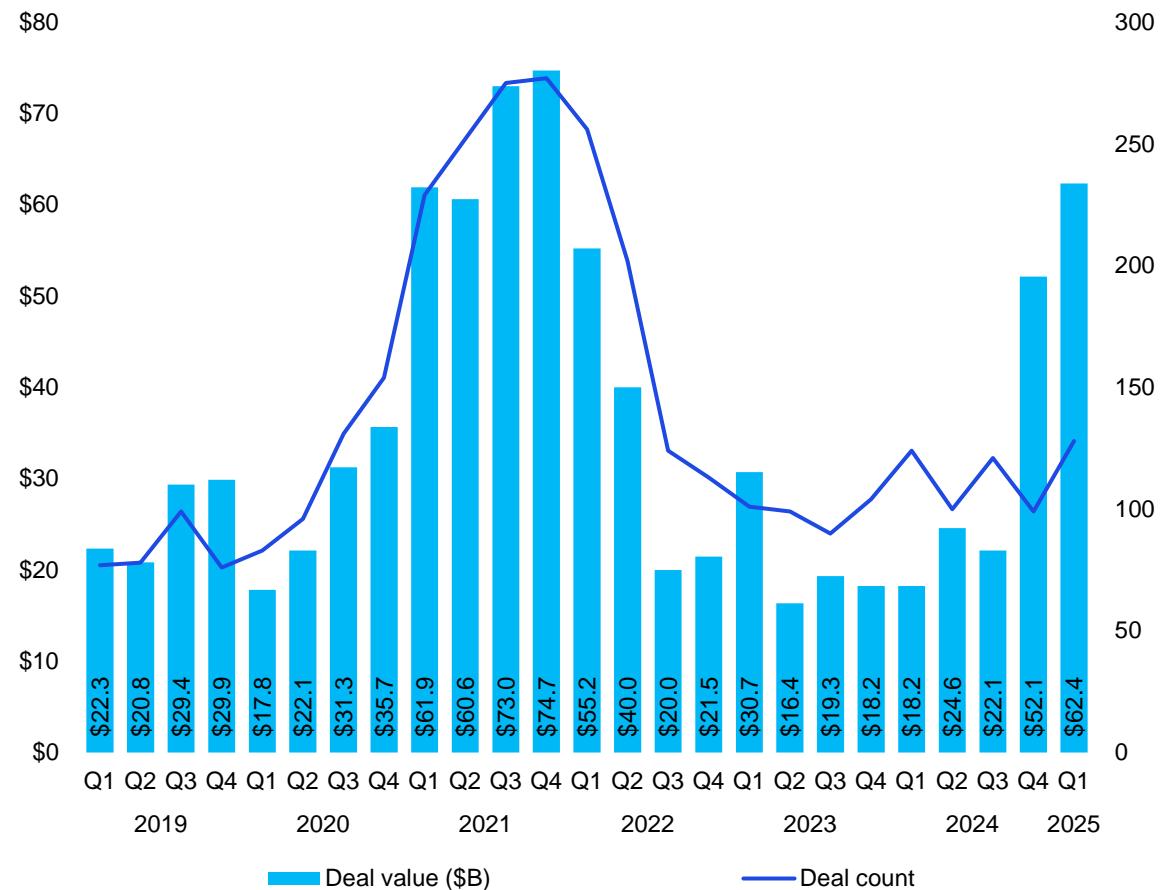
Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Note: The capital invested is the sum of all the round values in which corporate venture capital investors participated, not the amount that corporate venture capital arms invested themselves. Likewise, deal count is the number of rounds in which corporate venture firms participated. This applies to all subsequent datasets that are similar.

Unicorns keep raising while exits stay sluggish

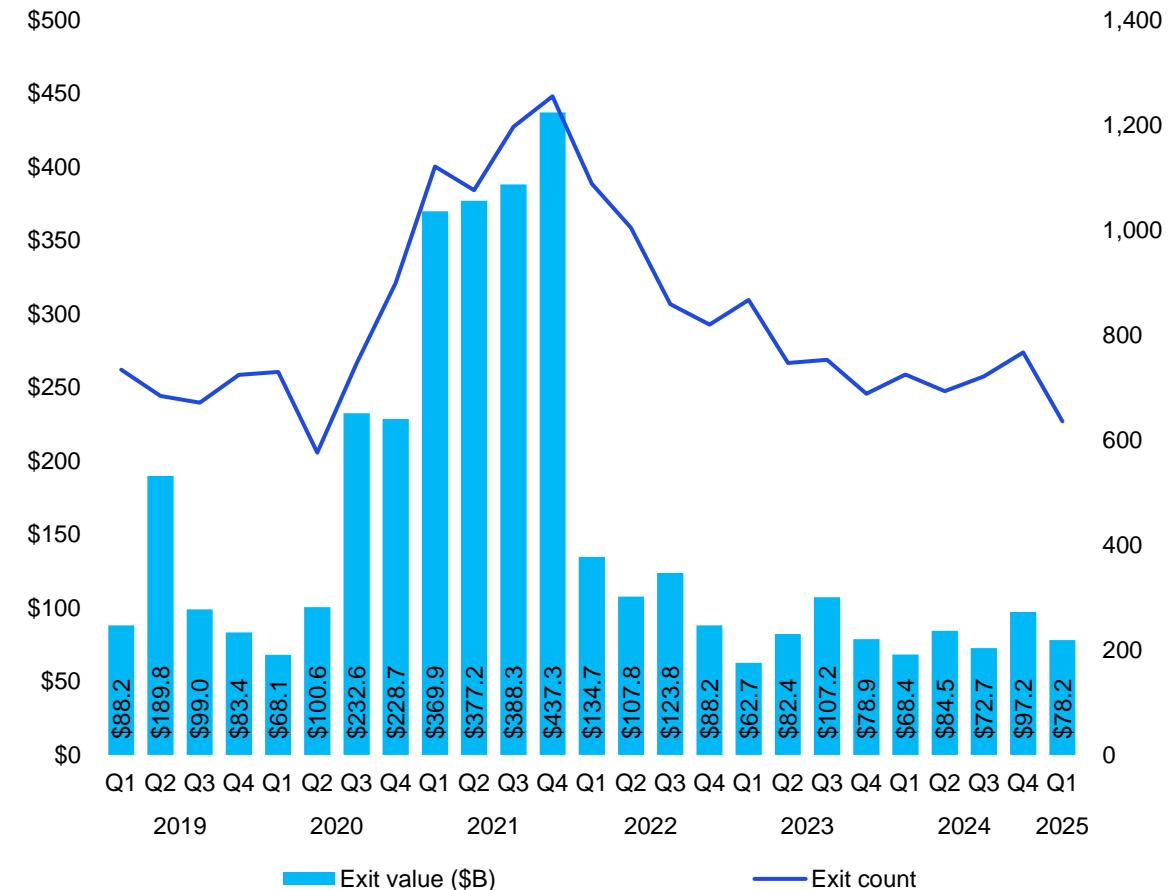
Global unicorn rounds

2019–Q1'25



Global venture-backed exit activity

2019–Q1'25



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

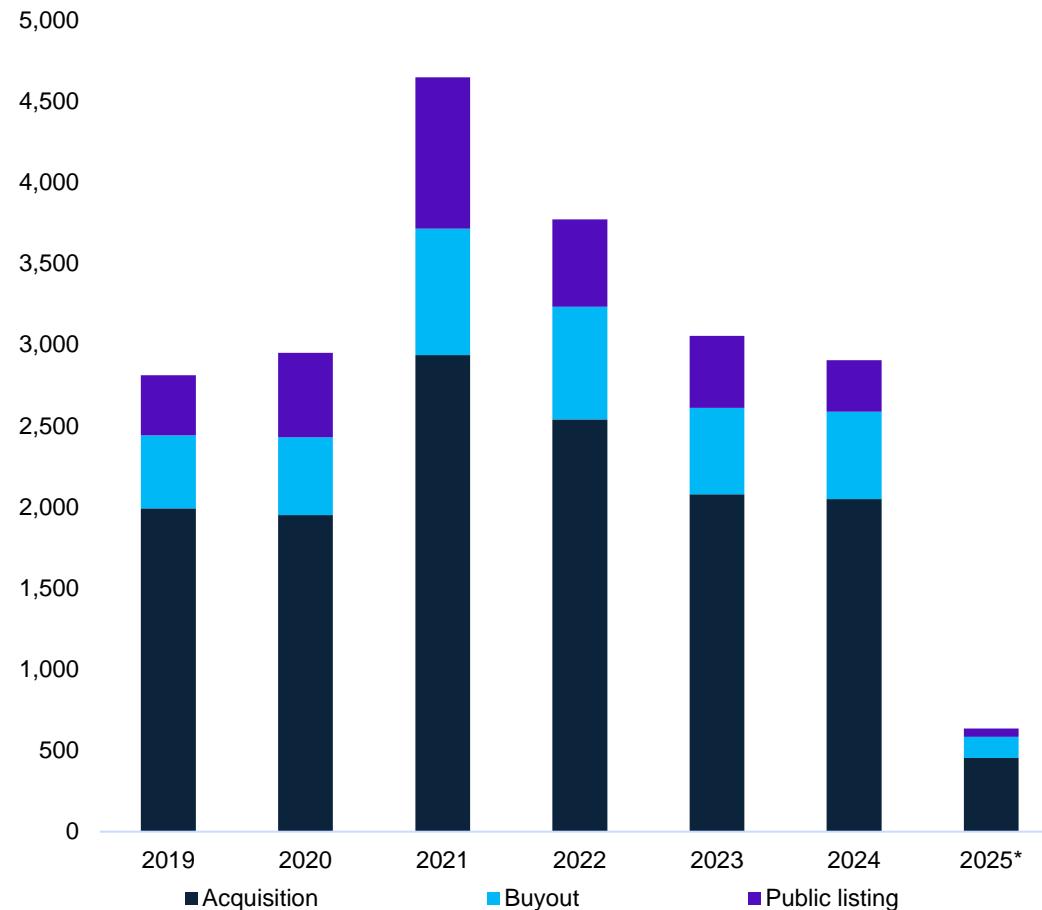
Note: PitchBook defines a unicorn venture financing as a VC round that generates a post-money valuation of \$1 billion or more. These are not necessarily first-time unicorn financing rounds, but also include further rounds raised by existing unicorns that maintain at least that valuation of \$1 billion or more.

Note: Exit value for initial public offerings is based on pre-IPO valuation, not the size of the offering itself. In January 2025, a new extrapolation for M&A exit values was also applied.

Will 2025 see the IPO window finally crack back open?

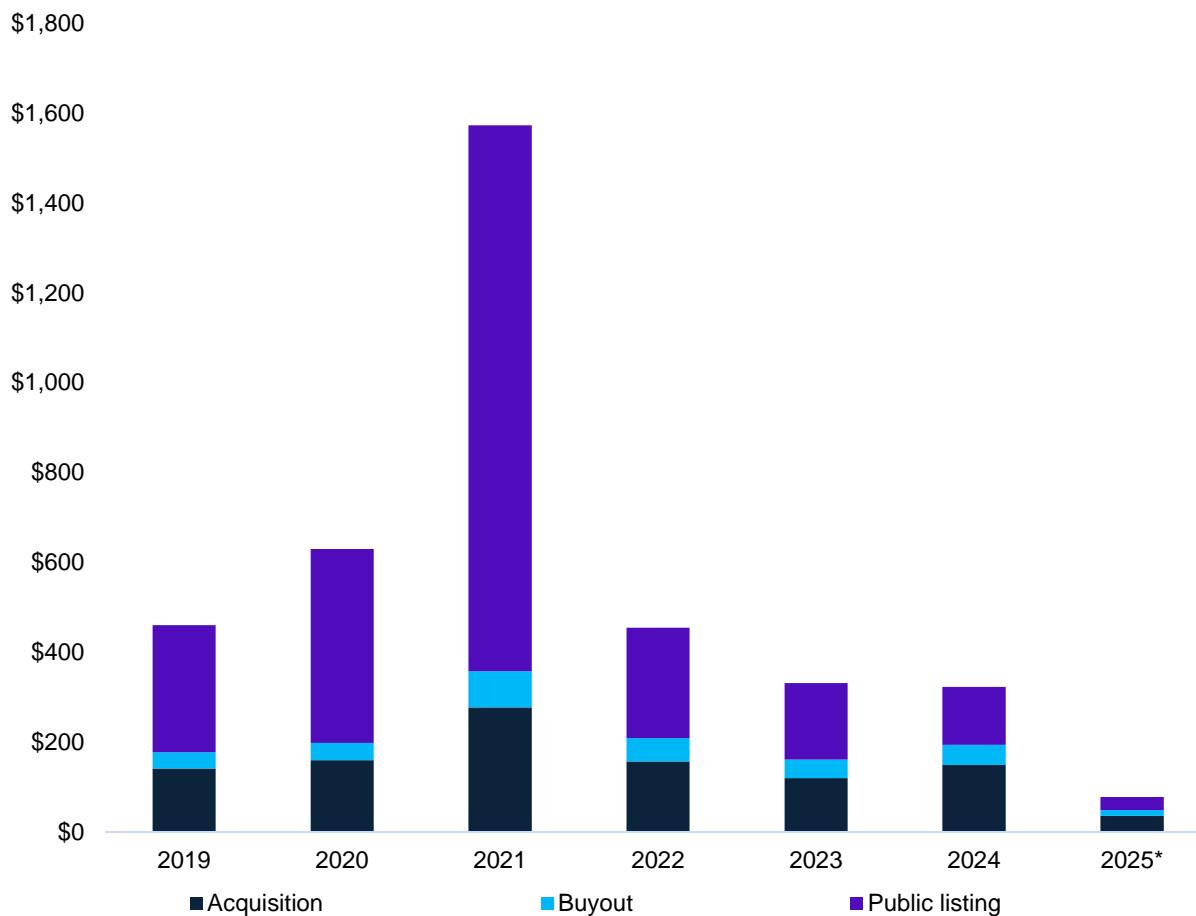
Global venture-backed exit activity (#) by type

2019–2025*



Global venture-backed exit activity (\$B) by type

2019–2025*

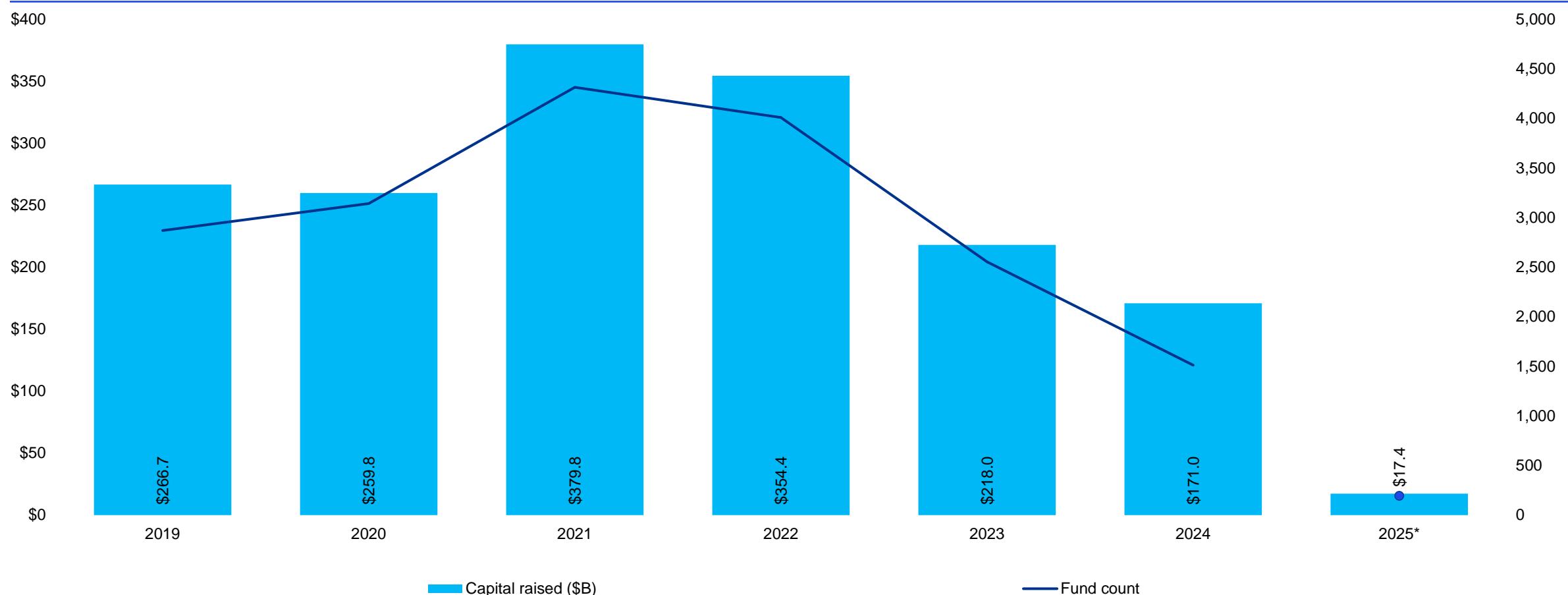


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

LPs remain shy at the start of the year

Global venture fundraising

2019–2025*

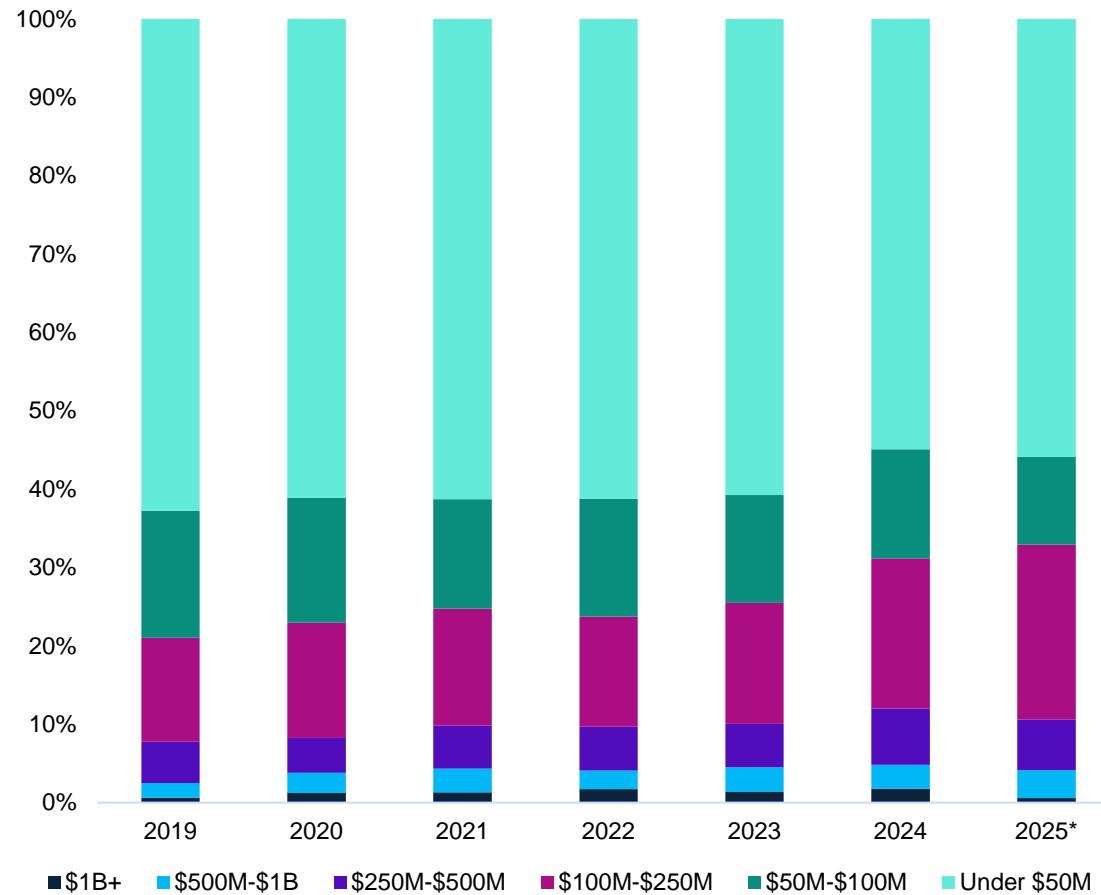


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Fundraising tilted in count towards midsized vehicles

Global venture fundraising (#) by size

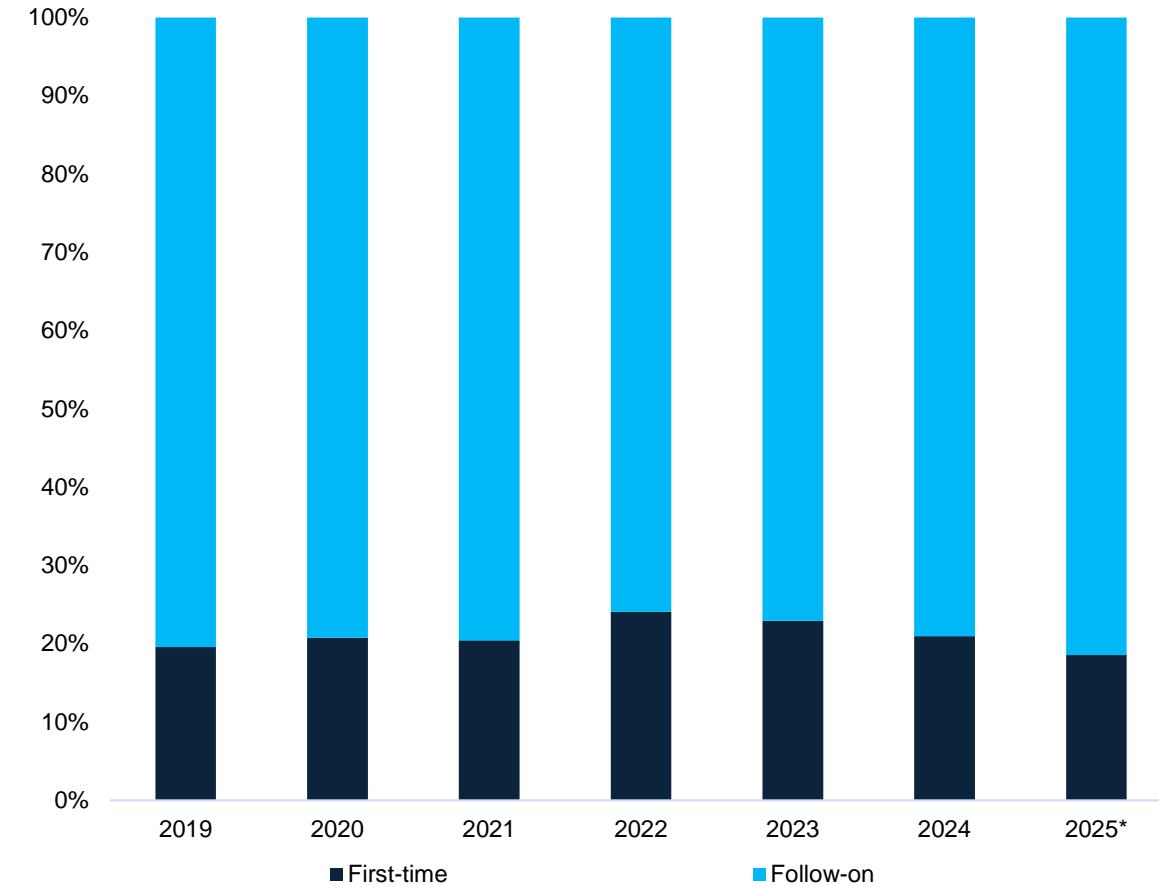
2019–2025*



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Global first-time vs. follow-on venture funds (#)

2019–2025*



AI & AI-driven platforms dominate to an even larger extent

Top 10 global financings in Q1'25



1. **OpenAI** — \$40B, San Francisco, US — AI & ML — *Late-stage VC*
2. **Anthropic** — \$4.5B (two closings), San Francisco, US — AI & ML — *Series E*
3. **Infinite Reality** — \$3B, Norwalk, US — AI & ML — *Late-stage VC*
4. **Binance** — \$2B, George Town, Malta — Crypto — *Late-stage VC*
5. **Groq** — \$1.5B, Mountain View, US — AI & ML — *Late-stage VC*
6. **DayOne** — \$1.2B, Singapore — Systems & information management — *Series B*
7. **X** — \$1B, Bastrop, US — Social/platform software — *Late-stage VC*
8. **SE Environment** — \$688M, Shenzhen, China — Cleantech — *Late-stage VC*
9. **X Energy** — \$682.4M, Rockville, US — Cleantech — *Series C1*
10. **Reneo** — \$624.3M, Hamburg, Germany — Real Estate Technology — *Series B*

Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025. The OpenAI deal, much like other deals such as those for Anthropic, are a unique mix of equity investment and contingent payouts plus debt financing, so ultimately was classified as a mega-round by PitchBook.

In Q1'25, US VC-backed companies raised \$91.5B across 3,003 deals



VC investment in the US increases slightly led by OpenAI megadeal

VC investment in the US increased between Q4'24 and Q1'25; however, deal volume declined for the fourth consecutive quarter as some VC investors remained measured in the face of new uncertainties related to the actions of the new US administration. Deal speed slowed somewhat as investors took a more cautious approach to deal-making — particularly in areas like manufacturing and retail.

AI space red-hot in the US

The AI space continued to account for many of the largest deals in the US during Q1'25, including a \$40 billion raise by OpenAI, a \$3.5 billion raise by Anthropic and a \$3 billion raise by augmented reality firm Infinite Reality. A diversity of other startups also attracted sizeable funding rounds in the AI space, including AI for mining exploration company KoBold Metals (\$537 million), AI development platform Lambda (\$480 million), and humanoid robotics company Apptronik (\$403 million). The US government showed firm commitment to development and support of the AI landscape during Q1'25 with the announcement of The Stargate Project — a \$500 billion project aimed at building AI infrastructure — funded by investors including OpenAI, SoftBank, Oracle, and MGX.

Defense Tech sees big raises in US during Q1'25

Defense Tech continued to move up the charts in the eyes of VC investors in the US during Q1'25. The quarter saw a number of large funding rounds in the space, including a \$600 million raise by autonomous marine vessel company Saronic Technologies, a \$240 million raise by autonomous drone company Shield AI, and a \$250 million raise by anti-drone tech firm Epirus. Relatedly, there has also been growing interest in spacetech — a very complementary area of investment to defense tech — as VC investors recognize the importance of securing assets in the stratosphere and beyond.

Venture debt continuing to give startups opportunities to delay funding rounds

Venture debt continued to expand its role in the VC ecosystem in Q1'25, particularly given that as overall exit markets have contracted, VC firms have become more selective with equity. This, paired with the expansion of private credit in general — venture and otherwise — has provided some startups the opportunity to push back new funding rounds given the economic and geopolitical uncertainties affecting the market. While the cost of venture debt can be high, it can be particularly attractive for startups that are at or close to profitability and believe they have the economics to handle the debt load and interest.

Fintechs positioning for exit — the question is when?

The US is home to numerous fintechs that are at the front of the line from a maturity perspective, which has made them good candidates to lead an IPO charge. During the quarter, Sweden-based Klarna made big moves towards a US-based listing, including forging a partnership with US-based OnePay to offer buy now, pay later offerings to Walmart customers⁵ and filing its intent to IPO on the NYSE with the SEC.⁶ However, following tariff announcements that sparked market volatility, Klarna put its IPO on pause, opting to wait for a more stable environment.

⁵ Klarna Announces Partnership with OnePay to Exclusively Power Installment Loans at Walmart in the U.S. | Klarna International

⁶ Klarna files registration statement for proposed Initial Public Offering | Klarna International

VC investment in the US increases slightly led by OpenAI megadeal, cont'd.

Alternative energy stays on the radar of US VC investors

Despite shifting government priorities, alternative energy solutions remained quite high on the radar of VC investors in the US during Q1'25, in addition to technologies focused on providing more efficient energy production or more efficient energy consumption. During the quarter, advanced nuclear energy developer X Energy raised close to \$700 million, while nuclear fusion-focused Helion raised \$425 million. Growing recognition of the need to meet rapidly rising energy demands will likely continue to spur investment in the alternative energy space heading into Q2'25.

Secondaries market continues to play positive role in providing liquidity

Given the extended drought in the IPO market, secondaries have continued to fill a void in the US in terms of providing liquidity to employees and early investors. The perception of secondaries has shifted significantly over the last 18 months; historically secondaries have been heavily discounted, while more recent secondary transactions have seen discounts narrow. This may reflect a number of trends, including companies choosing to stay private and using secondaries to provide employee and investor liquidity opportunities.

Trends to watch for in Q2'25

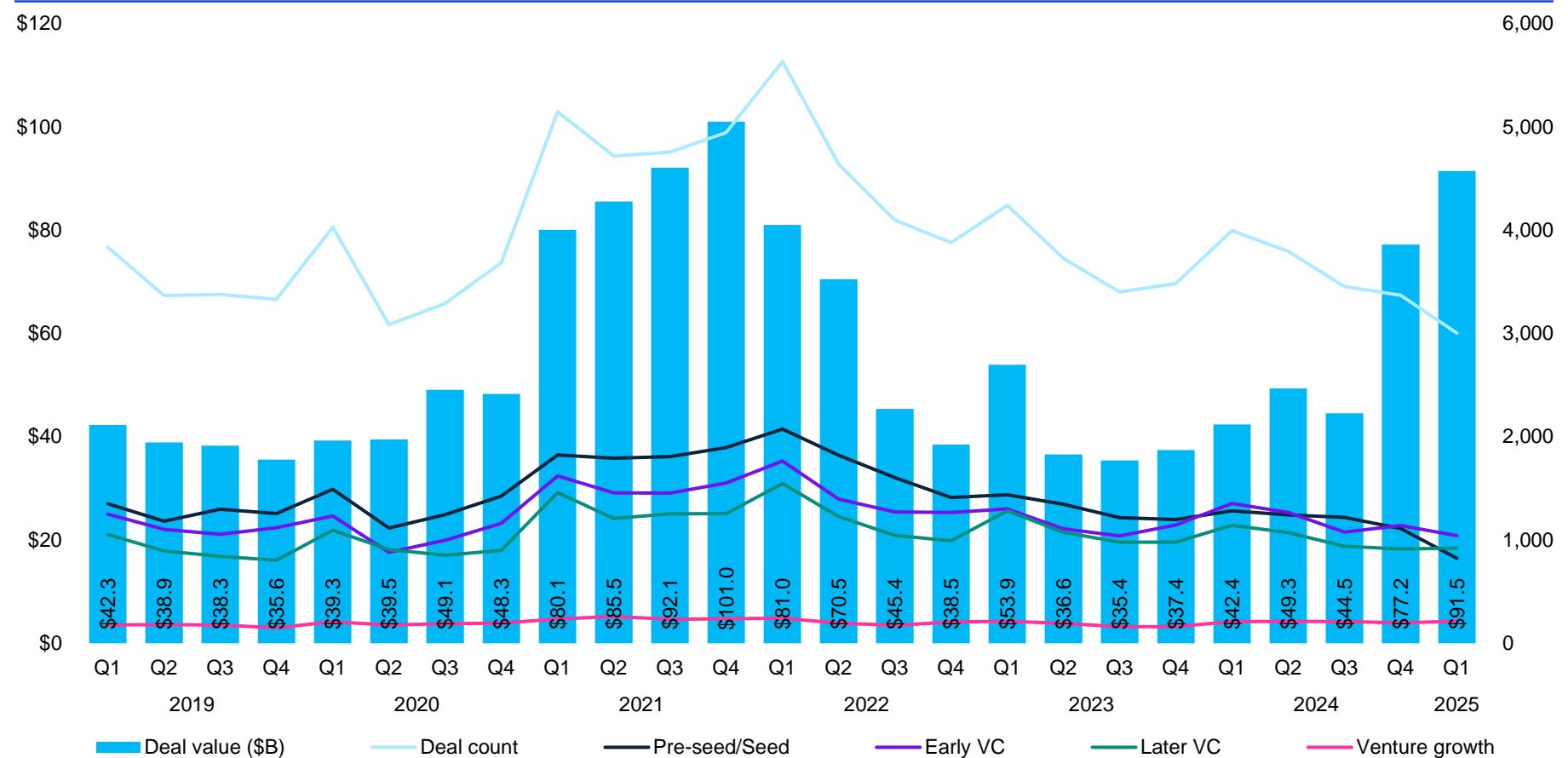
Heading into Q2'25, geopolitical tensions and economic concerns could keep some VC investors holding back given the amount of uncertainty in the market, in part because of the potential need to provide additional financing to existing portfolio companies as they navigate uncertain economic, supply chain and exit conditions. Investment in AI will likely continue to be the brightest light in the US, with investments expanding to include a broad variety of solutions from small language models, robotics, and agentic AI to AI-driven solutions for industries such as defense tech, health and biotech, and others.

M&A activity will be a key area to watch, as some companies may pursue strategic exits through acquisitions in response to ongoing market uncertainty. Attention will also remain fixed on the stock markets and whether volatility subsides enough to restore confidence in the IPO pipeline.

VC invested surges again – with \$40B in one round

Venture financing in the US

2019–Q1'25



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

“ The energy transition is happening — there's no turning back. While the pace may vary, investors are shifting from speculative R&D to proven business models in areas like nuclear and next-gen power. At the same time, there's renewed interest in traditional oil and gas, not as a step backward, but as a necessary part of a balanced, more efficient energy mix. The hype has cooled, but serious investors see this moment as a real opportunity. **”**

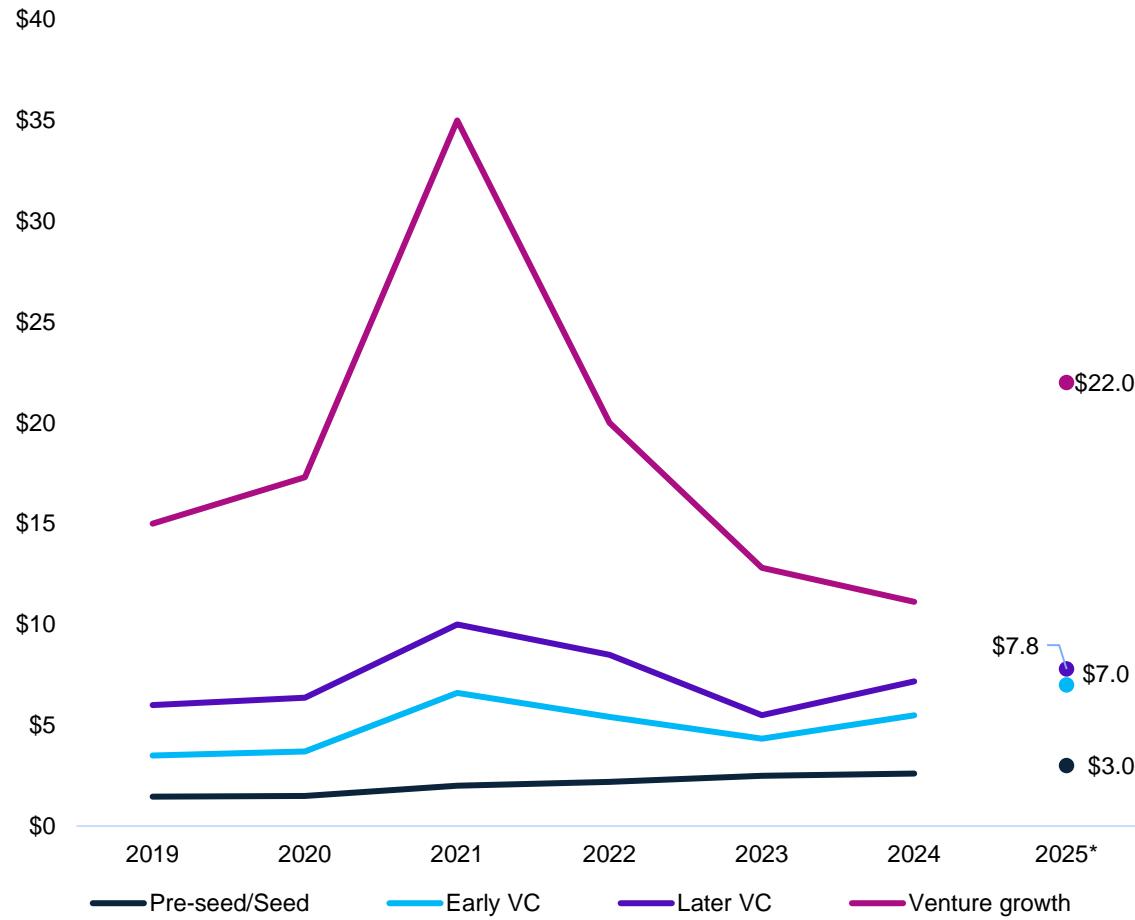


Samuel Lush
Managing Director, Private Equity Group
KPMG in the US

Down & flat rounds' proportions still suggest some caution

Median deal size (\$M) by stage in the US

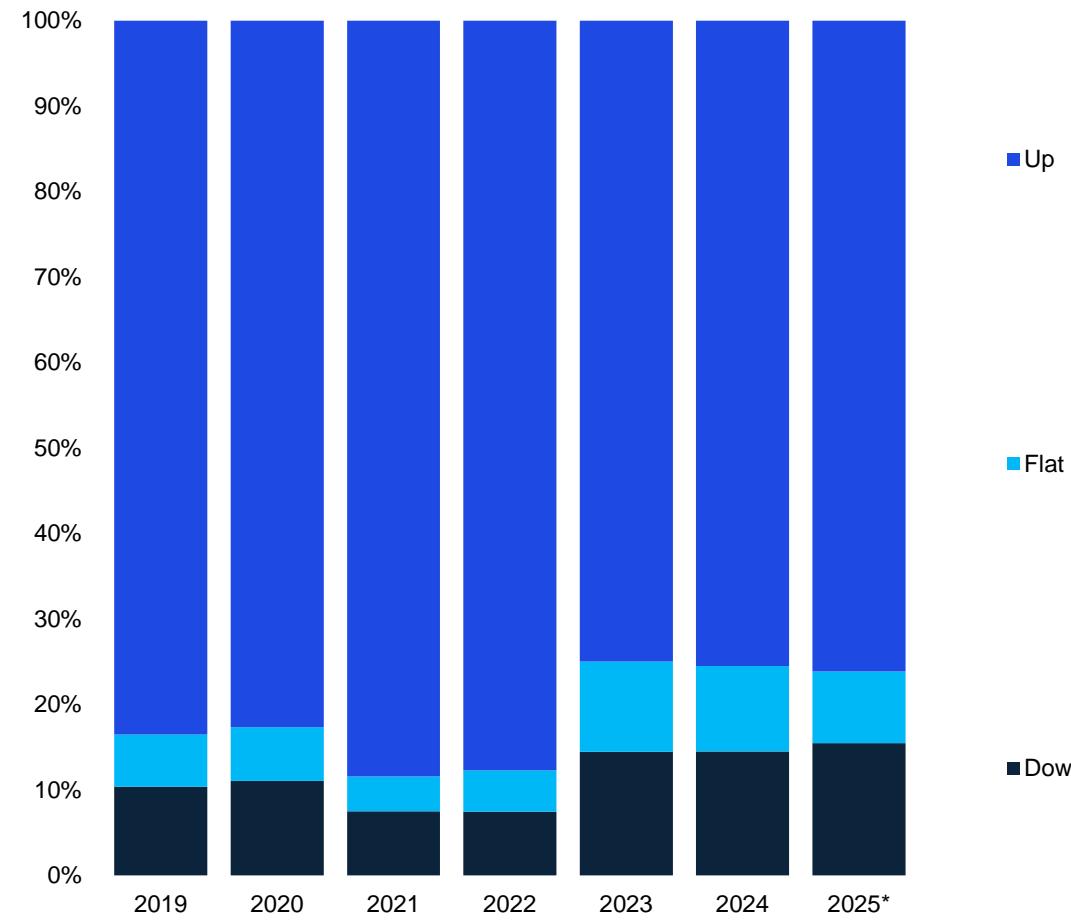
2019–2025*



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Up, flat or down rounds in the US

2019–2025*



Deal sizes are shifting upward again

Median deal size (\$M) by series in the US

2019–2025*

\$120

\$100

\$80

\$60

\$40

\$20

\$0

2019

2020

2021

2022

2023

2024

2025*

Pre-seed

Seed

Angel

A

B

C

D+

\$96.2

\$50.1

\$30.0

\$13.6

\$3.4

\$0.2

\$0.8

Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Note: Figures rounded in some cases for legibility.

Later-stage valuations are on the upswing

Median pre-money valuation (\$M) by series in the US

2019–2025*

\$1,200

\$1,000

\$800

\$600

\$400

\$200

\$0

\$1,025.0

\$335.0

\$114.0

\$45.1

\$8.3

\$14.3

\$1.2

2019

2020

2021

2022

2023

2024

2025*

Pre-seed

Seed

Angel

A

B

C

D+

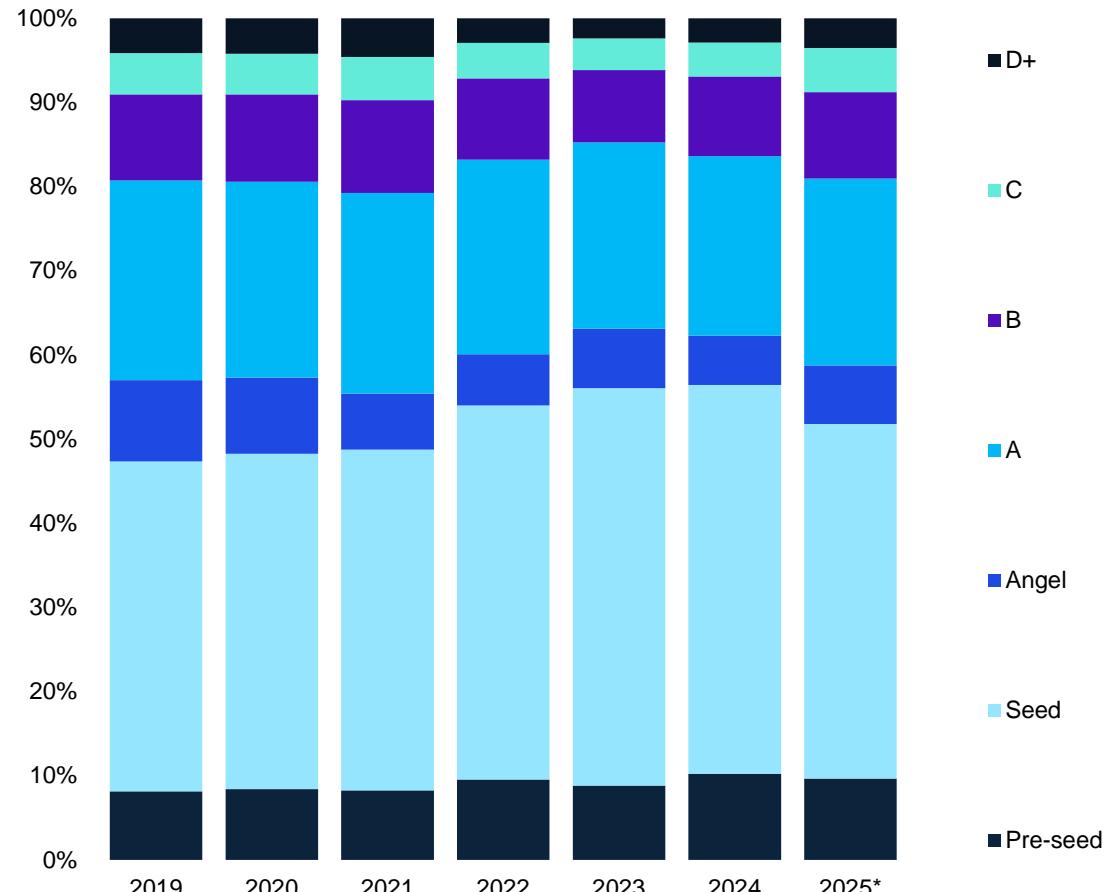
Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Note: The 2025* angel and pre-seed figures are based on population sizes n < 30.

VC invested in mid-capital stack shifts as mega-rounds return

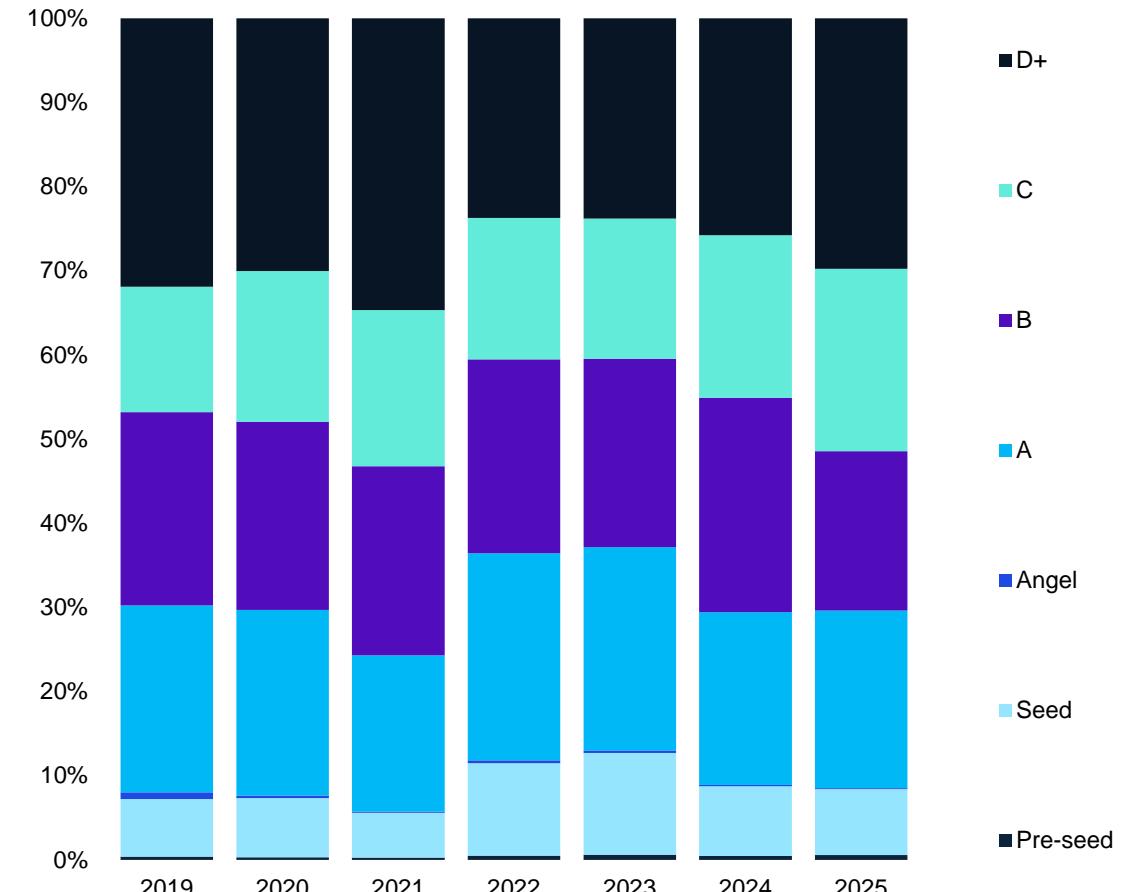
Deal share by series in the US

2019–2025*, number of closed deals



Deal share by series in the US

2019–2025*, VC invested (\$B)

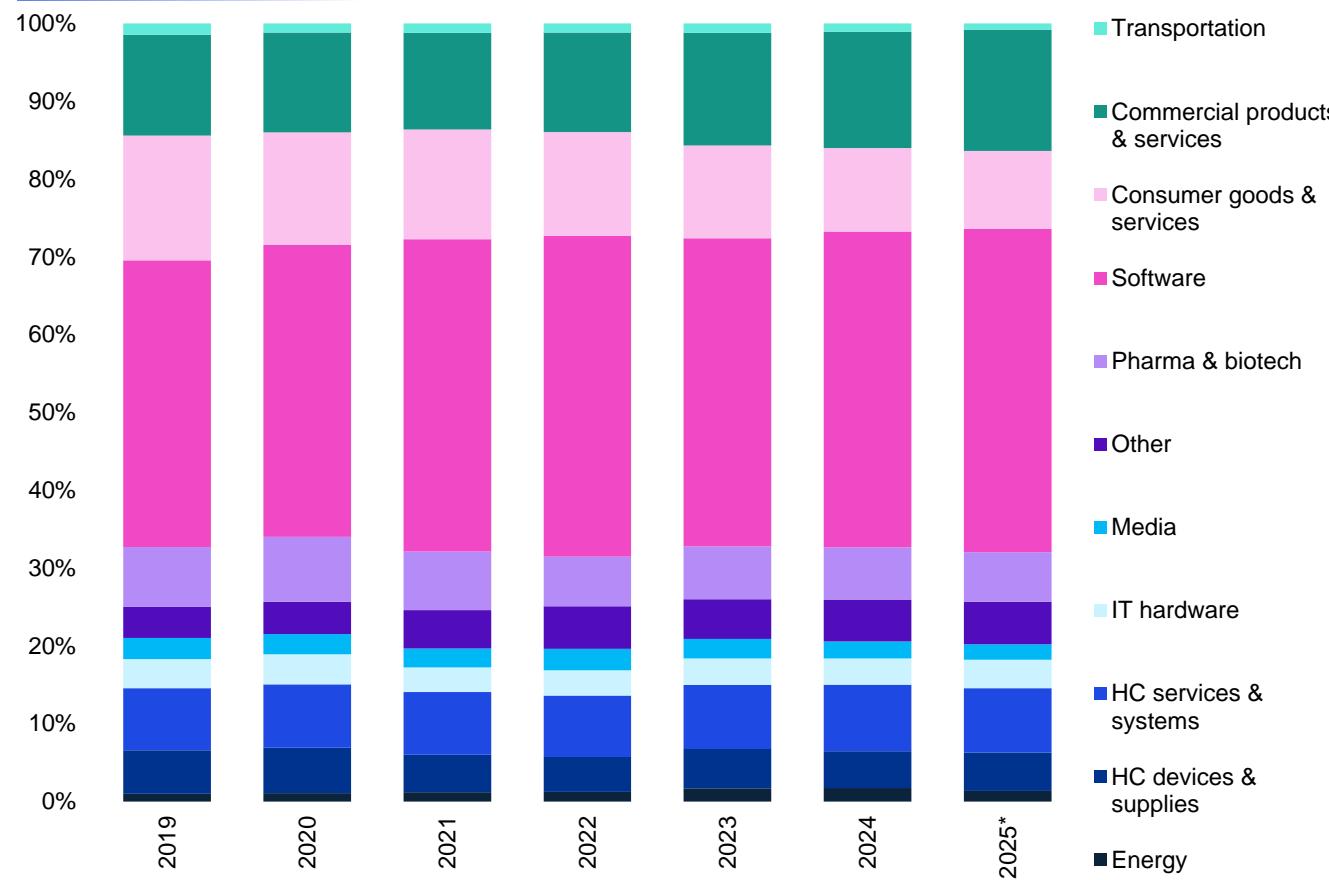


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

AI booms in Q1 2025

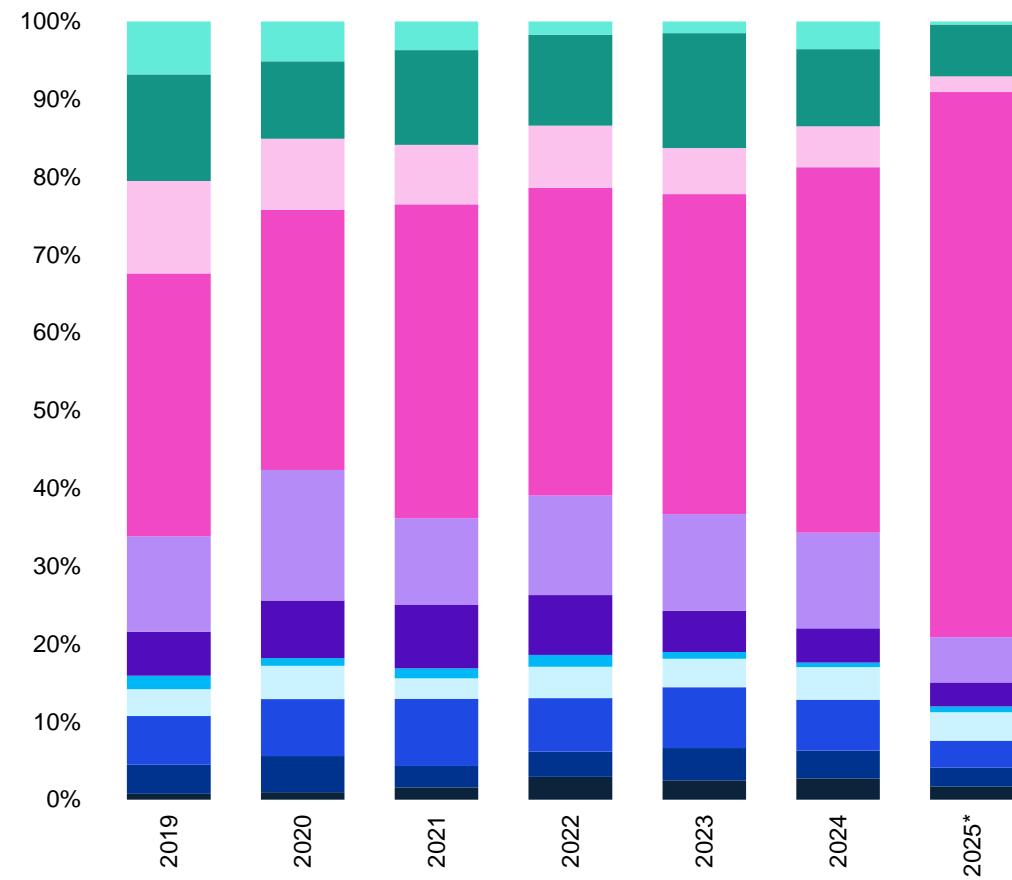
Venture financing by sector in the US

2019–2025*, number of closed deals



Venture financing by sector in the US

2019–2025*, VC invested (\$B)

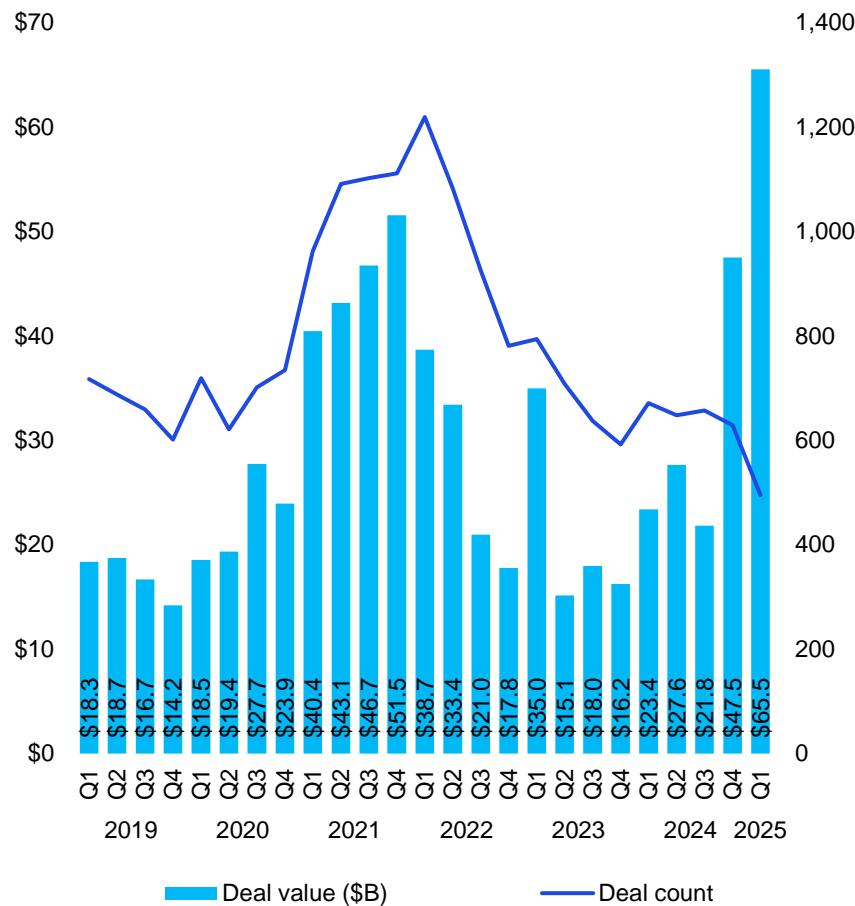


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

A healthy start to first-time VC invested amid record CVC effort

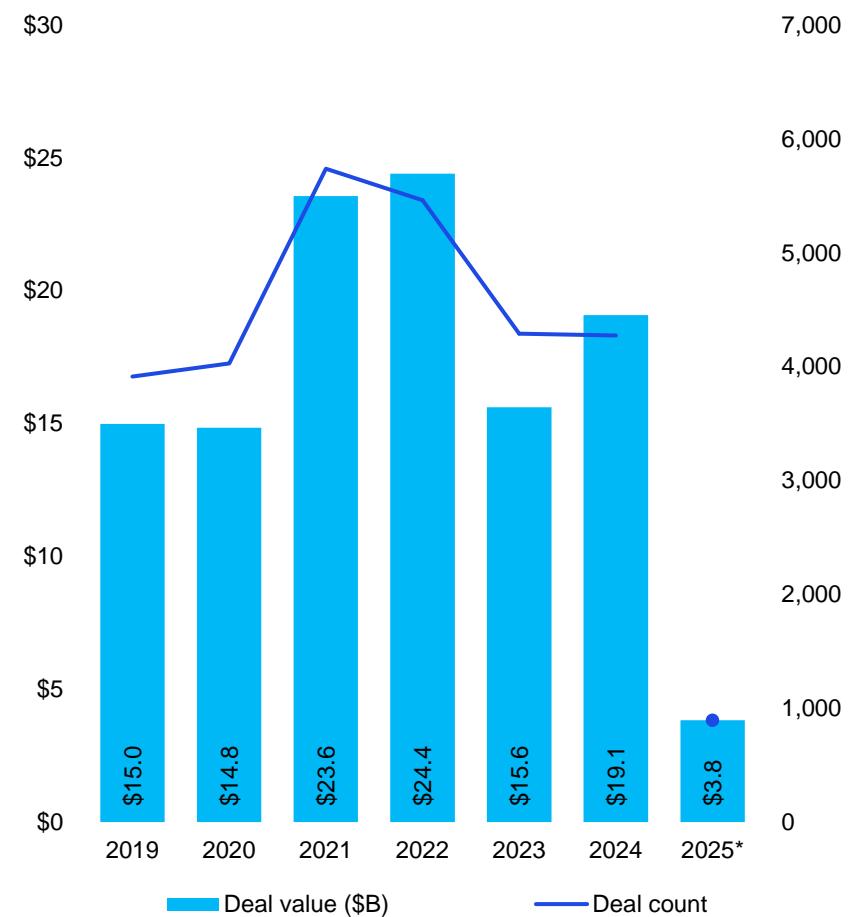
Corporate participation in venture deals in the US

2019–Q1'25



First-time venture financings of companies in the US

2019–2025*



Liquidity continues to be a priority for many investors in VC firms. This has led to a rapid rise in secondary transactions to meet the demand. Venture capitalists are also pushing for smaller exits through acquisitions rather than waiting for larger, long-term returns in older portfolios. Additionally, there's growing interest in continuity vehicles that allow VC funds to reset the investment timeline. This gives a fund's investors the option for immediate liquidity or the chance to stay in the portfolio for potential future gains, alongside new investors. Multiple firms are either implementing this strategy or considering it right now.



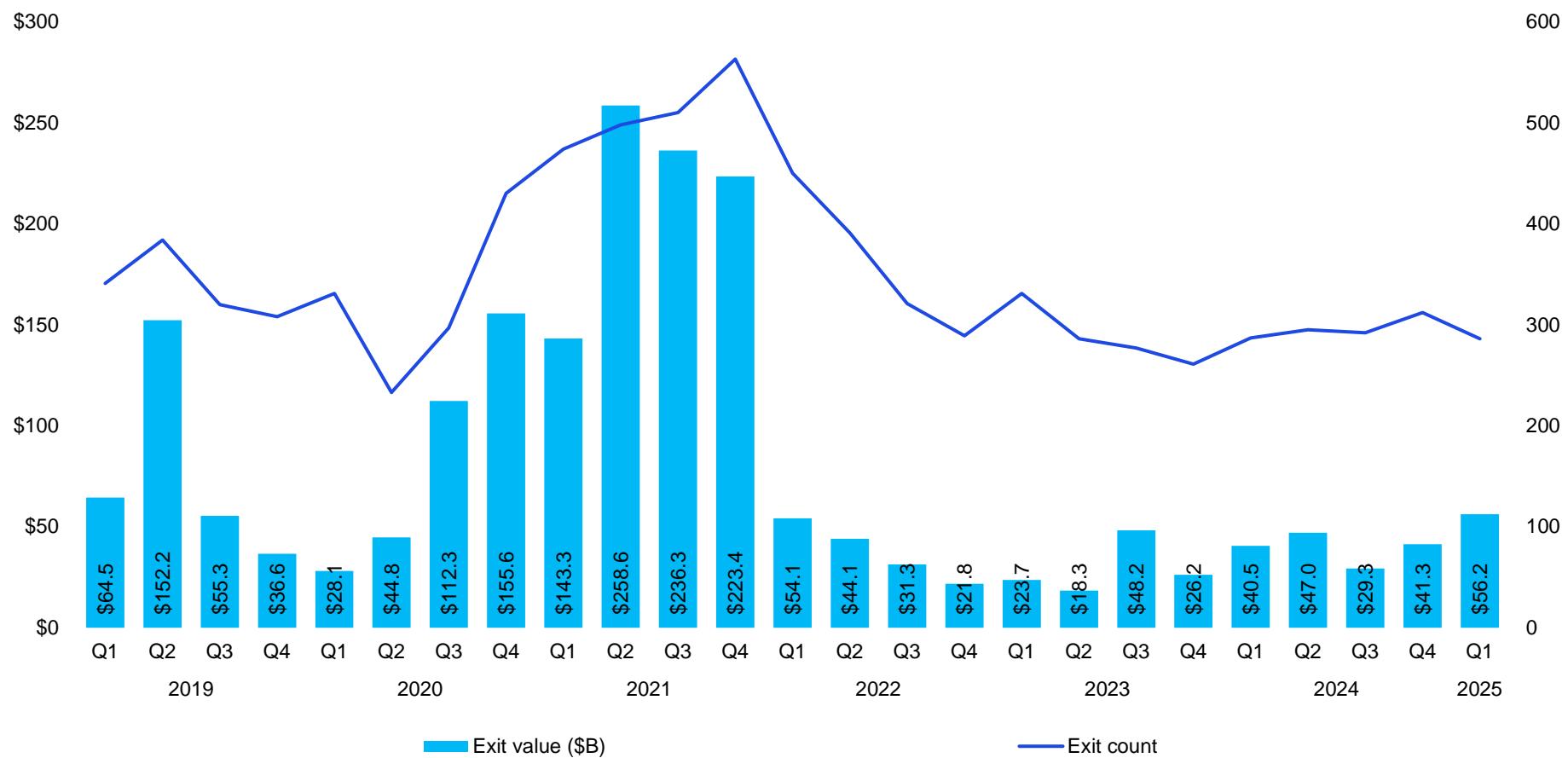
Scott Burger
Partner
KPMG in the US

Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

A minor uptick in exit value to start the year

Venture-backed exit activity in the US

2019–Q1'25



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

“ Markets don't like uncertainty, and the US administration is causing significant uncertainty with its new tariff policies. That reality, coupled with the fact that no one wants to be the first to ring the bell in case they fall flat, has put a bit of a drag on the IPO window. Unfortunately, several companies that had bravely declared their path to IPO like Klarna and StubHub, have had to pull back on their plans recently due to the uncertainty. Having said that, if things settle, I am cautiously upbeat about IPOs going forward. ”



Jules Walker
Managing Director
Business Development
KPMG in the US

M&A value starts off promisingly

Venture-backed exit activity (#) by type in the US

2019–2025*

2,500

2,000

1,500

1,000

500

0

■ Acquisition ■ Buyout ■ Public listing

2019

2020

2021

2022

2023

2024

2025*

Venture-backed exit activity (\$B) by type in the US

2019–2025*

\$1,000

\$900

\$800

\$700

\$600

\$500

\$400

\$300

\$200

\$100

\$0

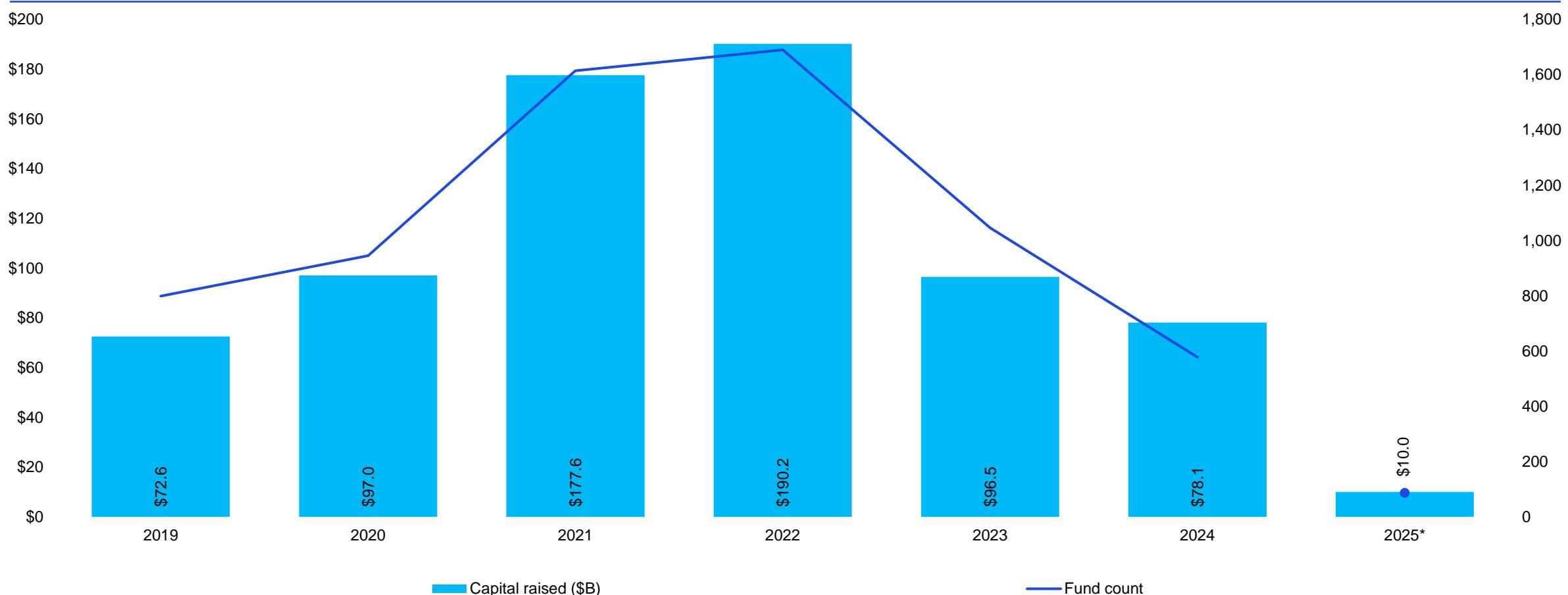
■ Acquisition ■ Buyout ■ Public listing

Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

The fundraising cycle is still slow

US venture fundraising

2019–2025*

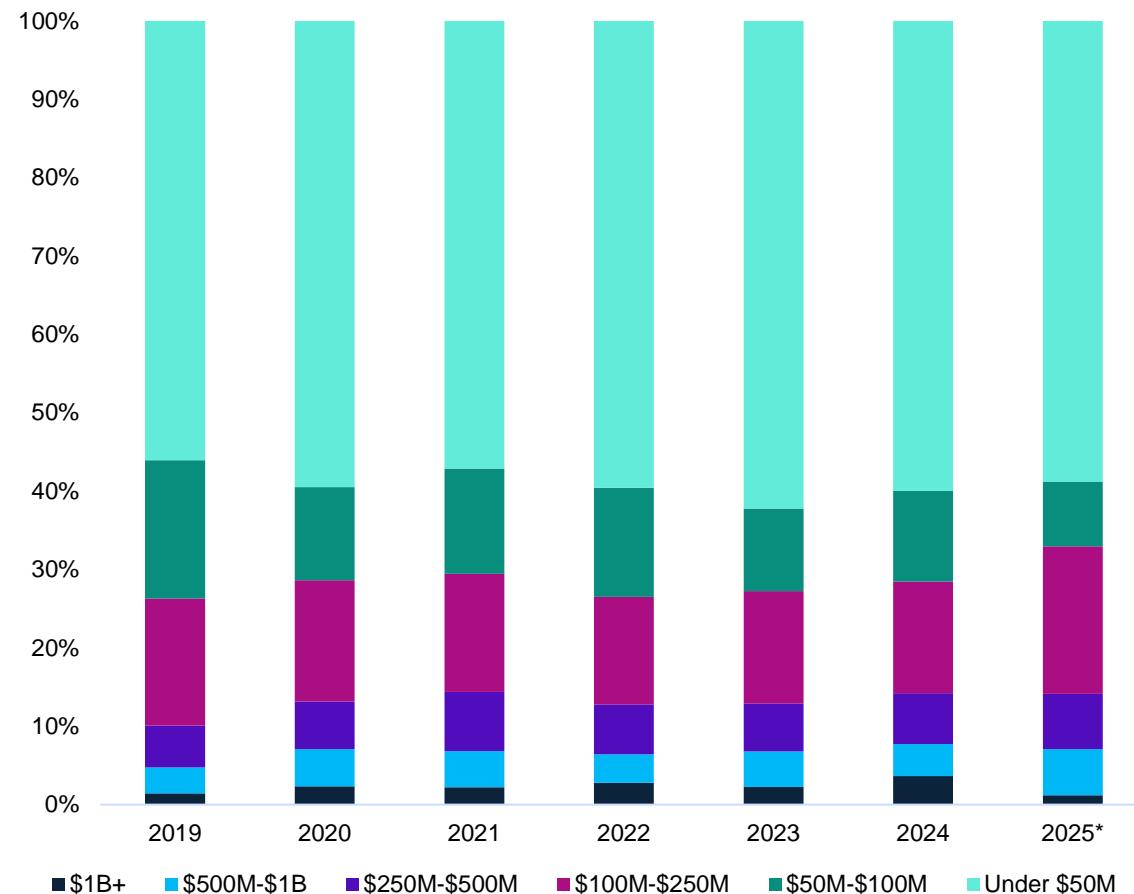


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

2025 sees the middle of the market remain healthy

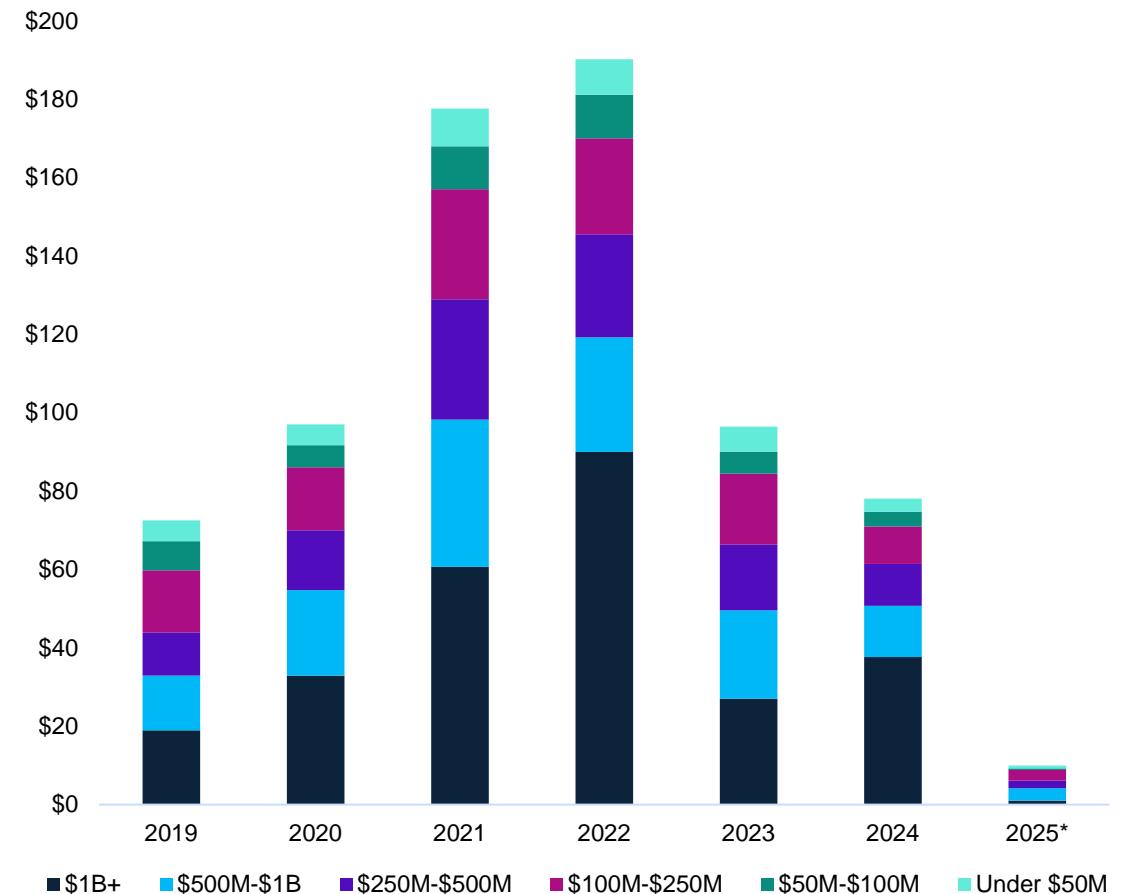
Venture fundraising (#) by size in the US

2019–2025*



Venture fundraising (\$B) by size in the US

2019–2025*

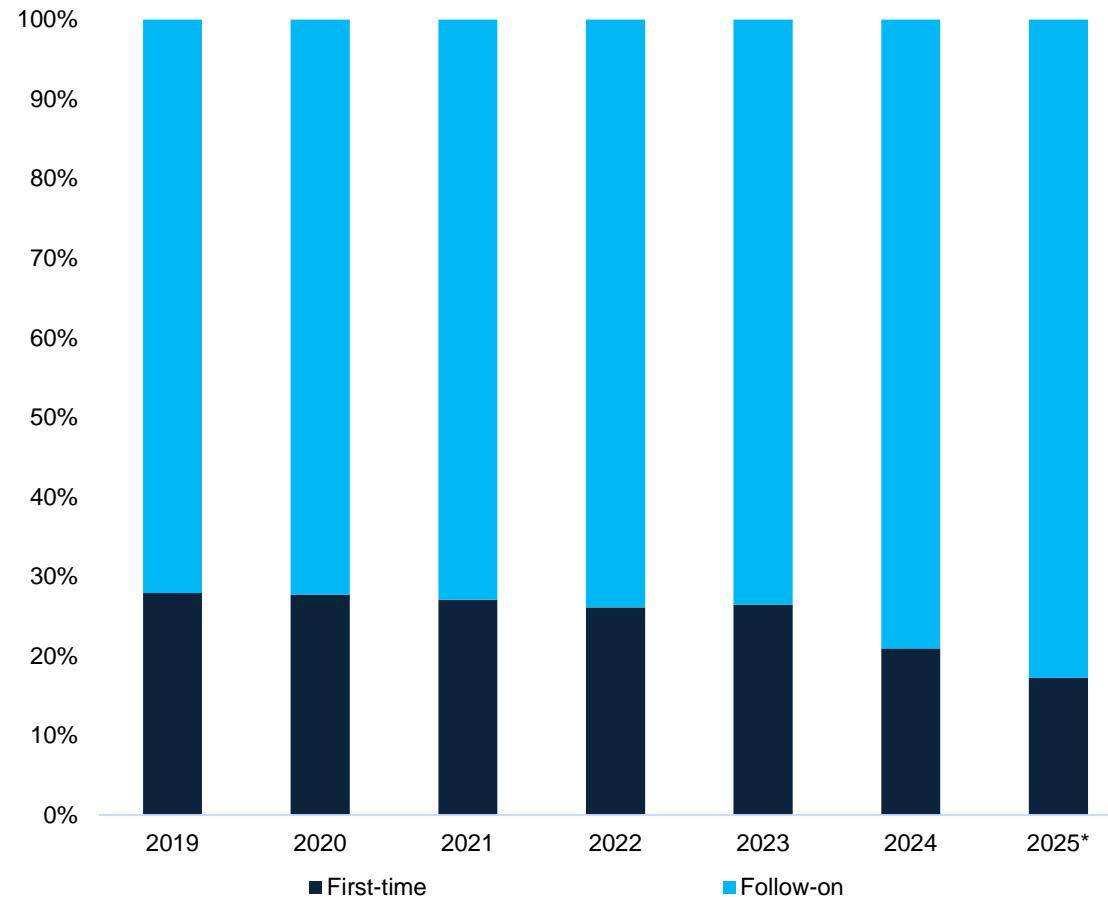


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

First-timers still have a hard time

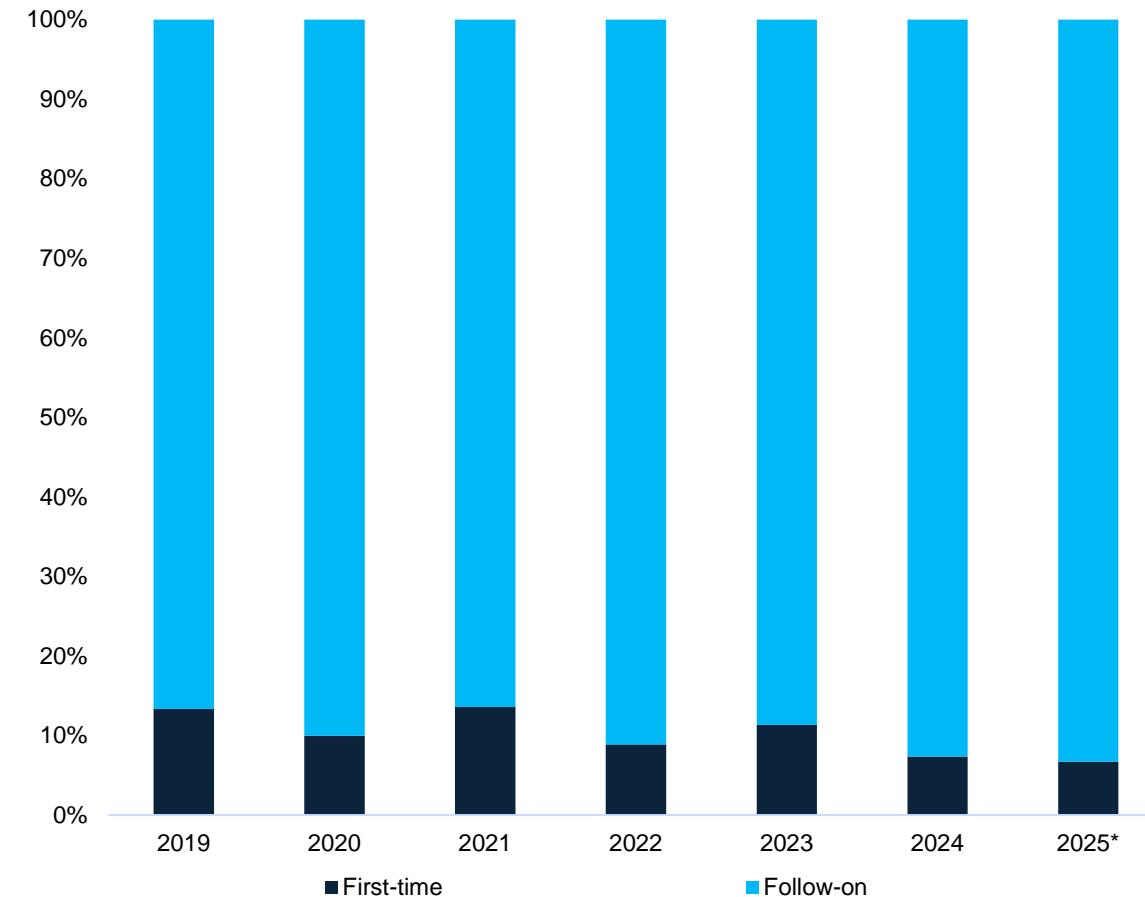
First-time vs. follow-on funds (#) in the US

2019–2025*



First-time vs. follow-on funds (\$B) in the US

2019–2025*



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

In Q1'25, VC-backed companies in the Americas raised \$94.5B across 3,331 deals

Americas sees VC investment rise, but deal volume continues decline

Venture capital investment in the Americas climbed to a 13-quarter high in Q1 2025, driven by a wave of megadeals in the large language model (LLM) space — though the total was significantly skewed by OpenAI's \$40 billion raise.

Despite the surge in deal value, deal volume declined for the fourth straight quarter, highlighting continued investor caution. The number of deals softened notably, as the region faced a rockier-than-expected start to the year. While optimism had grown following the US presidential election, renewed uncertainty around potential US tariffs prompted many VC investors to reassess and scale back their activity.

Uncertainties rattle stock markets, driving many US IPO exits farther out

Heading into Q1'25, there was positivity that with the lessening of uncertainty in the wake of the US election, IPO exits would begin to pick up after the extended dry spell. However, a fresh wave of uncertainty and related stock market turbulence driven by the announcement of various tariffs by the new US administration caused many IPO ready startups to push their US IPO exit plans out another 6-12 months. During Q1'25, US-based AI infrastructure company CoreWeave was the only large tech company to brave the uncertainty to hold an IPO. After downsizing its IPO, CoreWeave raised \$1.5 billion at a \$23 billion valuation, ending flat at the end of its first day of trading.⁷

VC investment in Canada hits multi-year low

Venture capital investment in Canada was notably subdued in Q1 2025, amid escalating concerns over a tariff war with the United States. Total VC investment reached just \$917 million across 148 deals — levels not seen since early 2018.

The muted activity was also likely influenced by the upcoming federal election in April, which caused many VC firms and corporate investors to hold off on major funding decisions. Among the largest Canadian deals of the quarter were a \$53 million raise by LemFi, a financial services platform for immigrants, and a \$50 million round by Clutch, an online automotive buy-and-sell platform.

In response to the burgeoning trade war with the US, Q1'25 saw the Business Development Bank of Canada announce \$500 million in capital for its Growth Venture Fund and \$450 million for its Growth Equity Partners funds in order to support Canadian growth-stage tech companies having difficulties raising funding given the difficult market conditions.⁸

VC investment in Mexico dries up in Q1'25 as trade concerns drive uncertainty

VC investment in Mexico fell quarter-over-quarter as trade tensions with the US caused uncertainty to rise to levels not seen in recent memory. Some VC investors held back from making investments in Mexico — and Latin America more broadly — while corporates with nearshoring plans and companies looking to potentially expand operations to Mexico also hit pause amid concerns and uncertainties related to announced and pending US tariffs. At a sector level, fintech continued to be the focus of VC investment in Mexico; during Q1'25, credit and BNPL company Plata raised \$160 million — earning it coveted unicorn status with a valuation of \$1.5 billion.⁹ Proptech has also seen some growth in Mexico, particularly related to short-term and vacation rentals.

⁷ www.reuters.com/markets/deals/nvidia-backed-coreweaves-shares-likely-open-up-25-above-ipos-price-2025-03-28/

⁸ <https://thelogic.co/news/bdc-venture-capital-funding-tariffs/>

⁹ <https://latamlist.com/plata-becomes-mexicos-newest-unicorn-with-160m-series-a/>

Americas sees VC investment rise, but deal volume continues decline, cont'd.

Canada not being left behind in AI space

While the US accounted for the vast majority of VC investment in AI — not only in the Americas, but globally — Canada has continued to grow its AI ecosystem and leadership in key areas, including AI-driven data analytics and AI enablement in areas like customer relations. In Q1'25, the Canadian government launched its \$300 million AI Compute Access Fund to provide affordable access to computing power for the development of AI solutions by Canadian small and mid-sized companies.¹⁰

Government of Mexico focused on building for the future

During Q1'25, Mexico released Plan México, a six-year economic development plan focused on building Mexico's economy in a number of strategic ways — from creating jobs in specialized manufacturing and promoting environmentally sustainable investments to producing more goods in Mexico and providing access to finance to more small and mid-sized businesses.¹¹ Looking forward, it is expected that this plan could spur activity in a range of sectors, including infrastructure, clean energy, and pharma and biotech.

Trends to watch for in Q2'25

Across the Americas, uncertainty will likely be a big theme heading into Q2'25 given the ongoing trade tensions between the US and other jurisdictions, including Canada and Mexico. IPO activity across the Americas is expected to remain relatively subdued in Q2, as investors stay cautious and wait for greater clarity on the economic outlook, stock market performance, and the evolving tariff agenda.

In the US, AI will likely continue to attract the largest share of VC investment. In Canada, there could be some additional consolidation among smaller startups in an effort to achieve scale. AI and cleantech will likely continue to attract interest from investors in Canada, although given the uncertain market, funding will likely remain muted over the next quarter. In Mexico, the fintech market could see some consolidation as the largest companies succeed and others look to consolidate in order to better compete or to keep from falling by the wayside. During the quarter, Mexico could also see investments moving forward related to Plan México, particularly in areas like infrastructure, energy, and biotech and pharma.

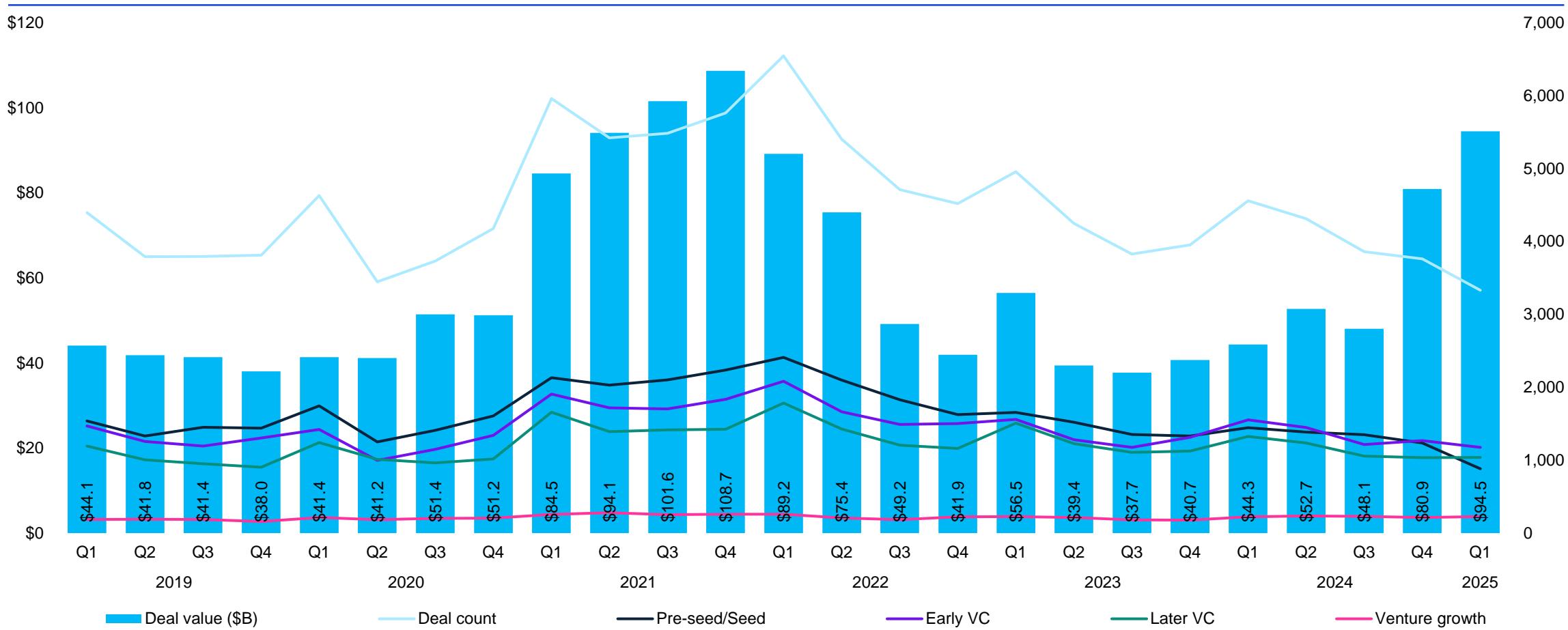
¹⁰ <https://www.canada.ca/en/innovation-science-economic-development/news/2025/03/government-of-canada-introduces-ai-compute-access-fund-to-support-canadian-innovators.html>

¹¹ <https://mexiconewsdaily.com/news/plan-mexico-world-10th-largest-economy-sheinbaum/>

US powers Americas to near-record level

Venture financing in the Americas

2019–Q1'25

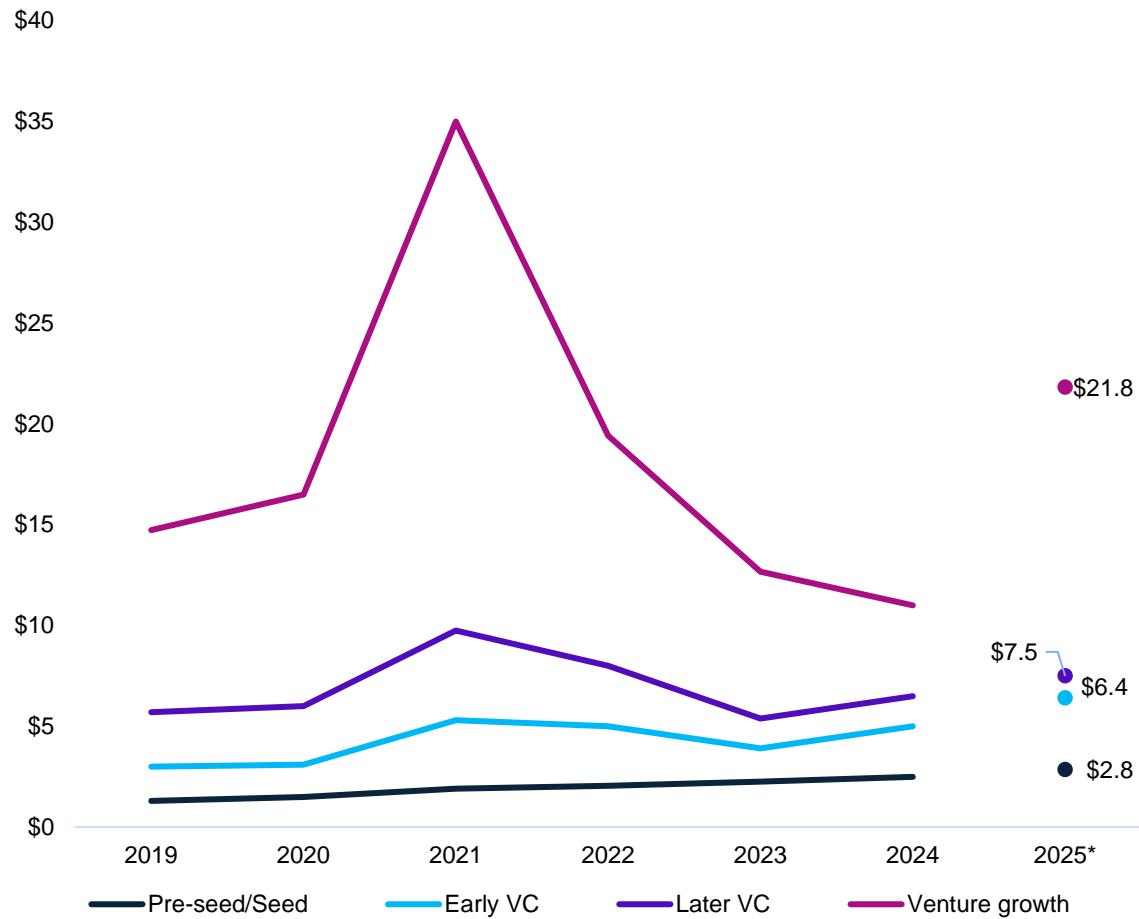


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Dealmakers remain wary

Median deal size (\$M) by stage in the Americas

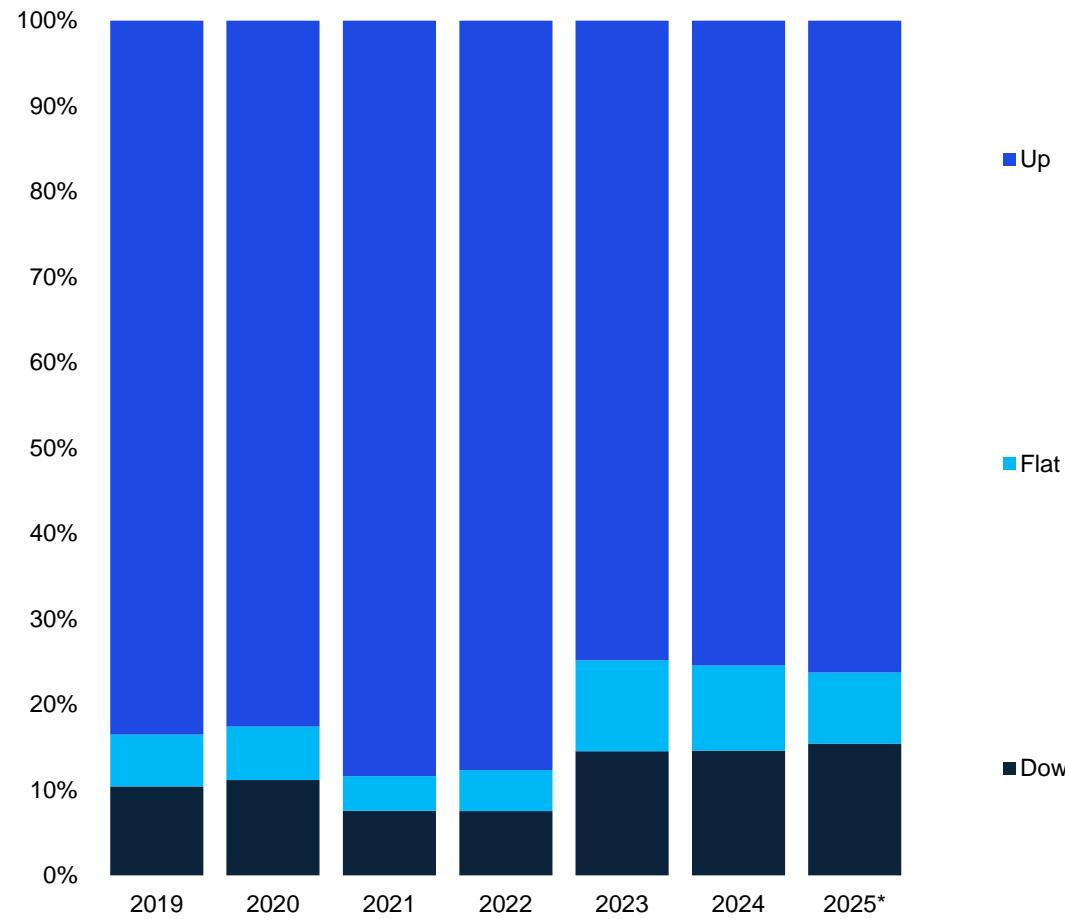
2019–2025*



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Up, flat or down rounds in the Americas

2019–2025*



Modest recovery in financing sizes keeps moving

Median deal size (\$M) by series in the Americas

2019–2025*

\$120

\$100

\$80

\$60

\$40

\$20

\$0

2019

2020

2021

2022

2023

2024

2025*

Pre-seed

Seed

Angel

A

B

C

D+

#Q1VC

39

Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Pockets of later-stage companies still skew valuations

Median pre-money valuation (\$M) by series in the Americas

2019–2025*

\$1,200

\$1,000

\$800

\$600

\$400

\$200

\$0

\$1,025.0

\$335.0

\$115.9

\$45.2

\$14.1

\$8.0

\$1.4

2019

2020

2021

2022

2023

2024

2025*

Pre-seed

Seed

Angel

A

B

C

D+

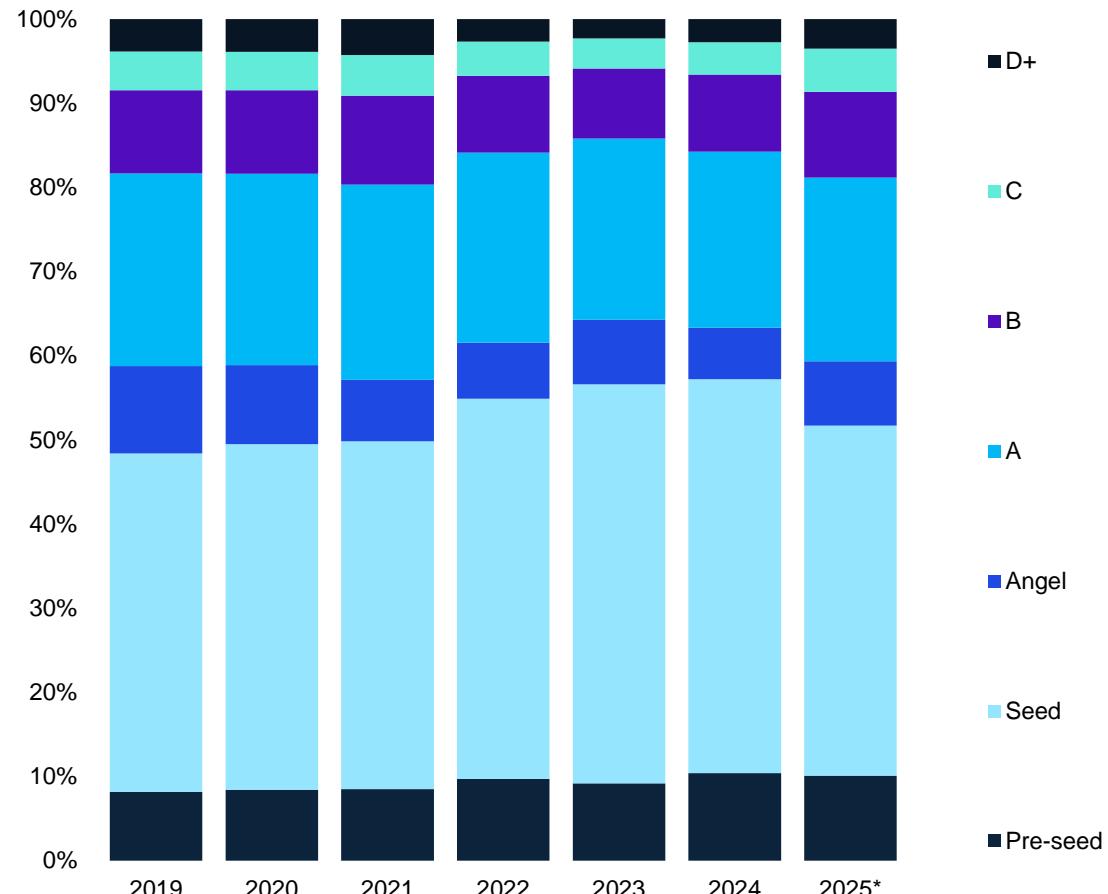
Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Note: The 2025* angel and pre-seed valuations are based on population sizes n < 30.

Mega-rounds return with a vengeance in Q1 2025

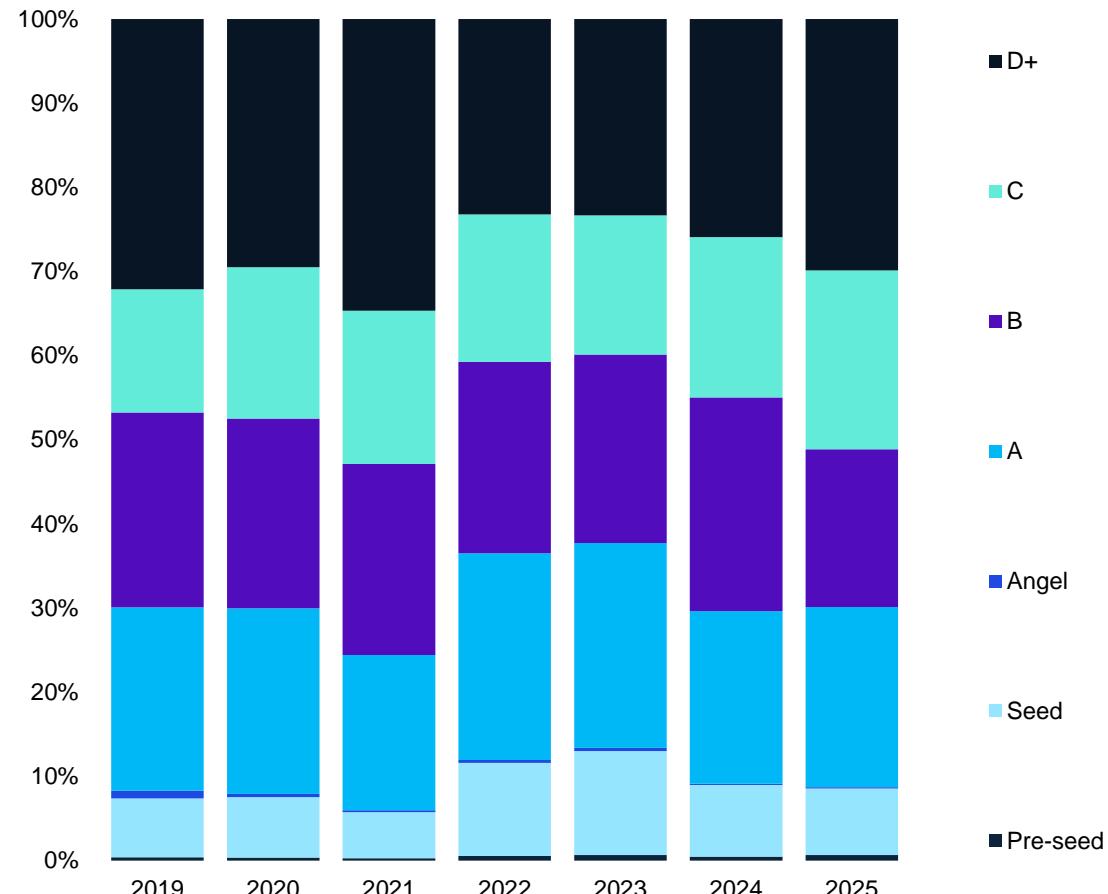
Deal share by series in the Americas

2019–2025*, number of closed deals



Deal share by series in the Americas

2019–2025*, VC invested (\$B)

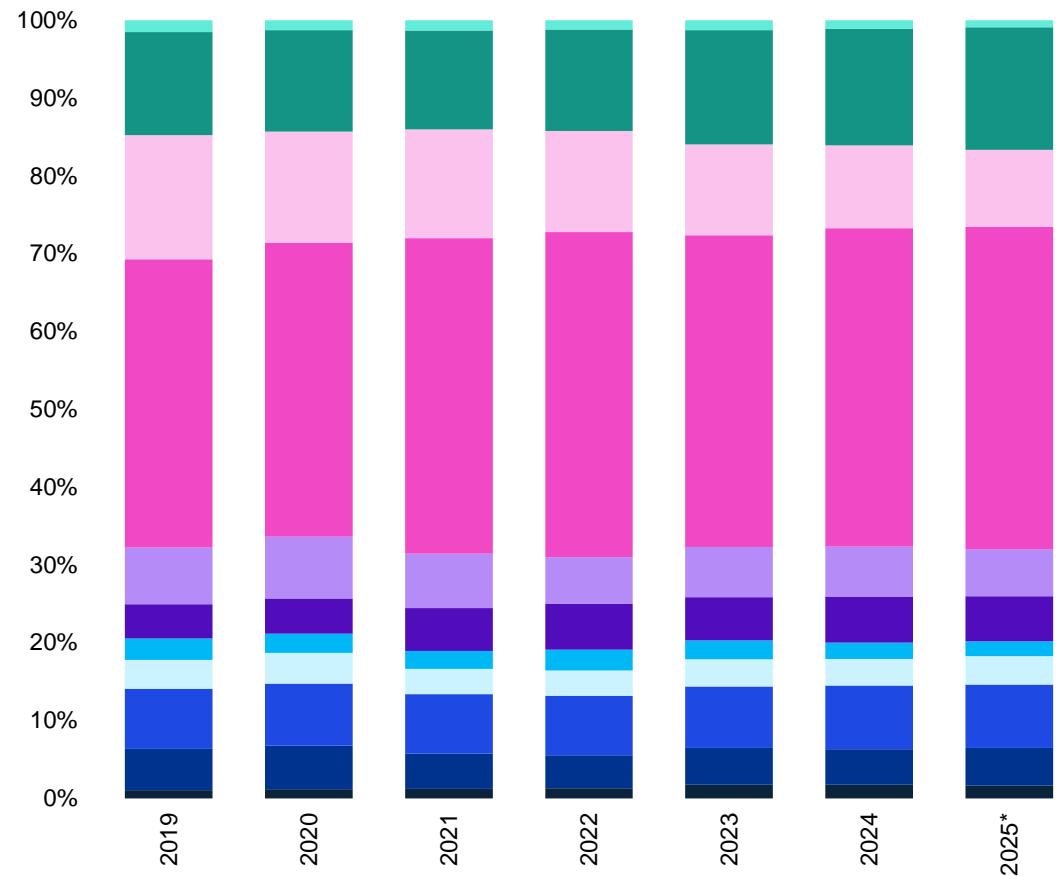


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

AI powers software to record heights

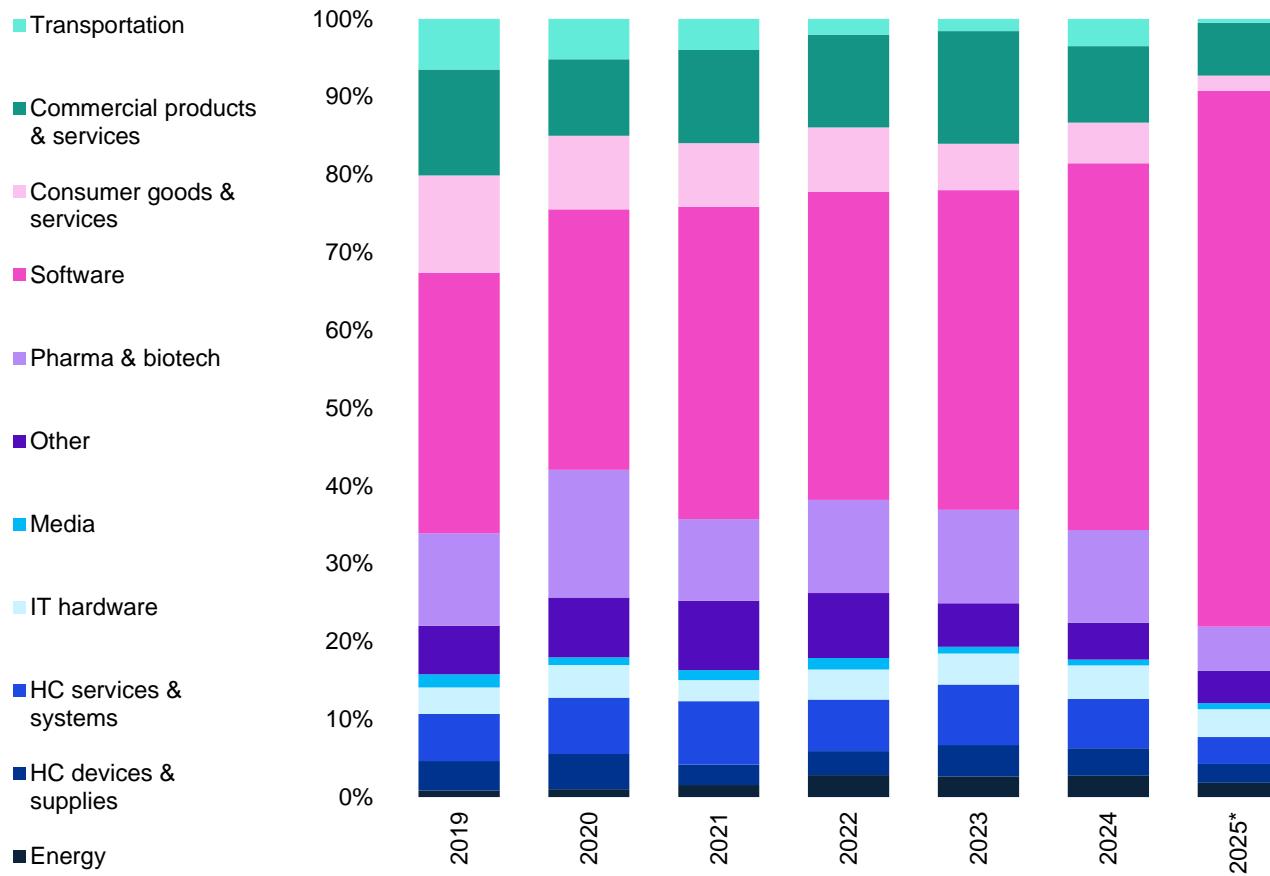
Venture financing by sector in the Americas

2019–2025*, # of closed deals



Venture financing by sector in the Americas

2019–2025*, VC invested (\$B)

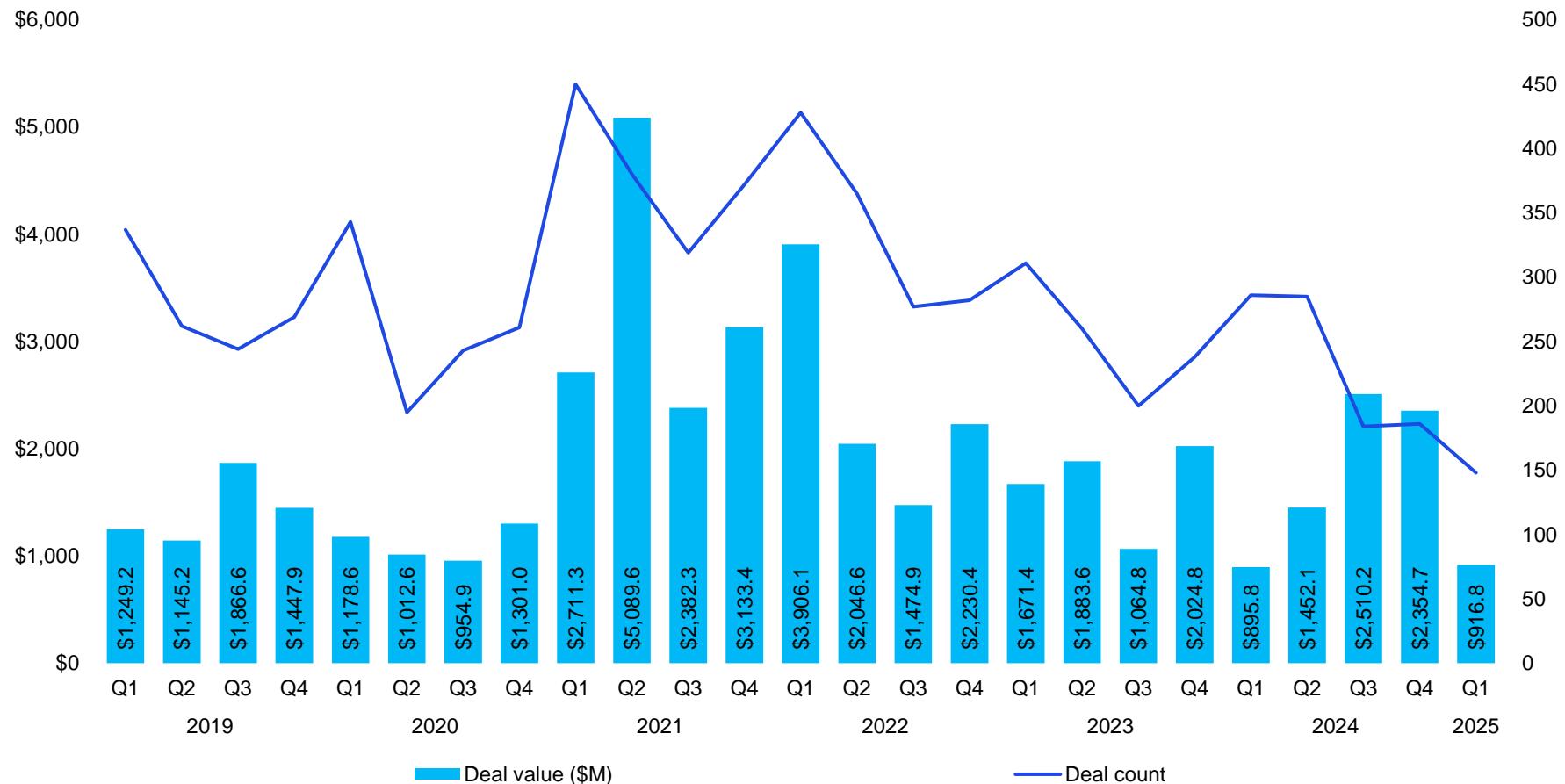


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

After a big H2, dealmaking slows

Venture financing in Canada

2019–Q1'25



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

In early 2025, we're seeing steady exit activity in Canada driven by consolidation, while VC investment remains cautious amid uncertainty around tariffs and the upcoming federal election. Despite this, Canada is doubling down on AI with major government funding for compute infrastructure, and we're seeing early signs of growth in clean tech, fusion energy, and deep tech. The overarching theme right now is uncertainty — but targeted investments in AI and sustainability show long-term optimism. JJ



Ryan Forster
Partner
KPMG in Canada

Mexico experiences steady flow of VC transactions

Venture financing in Mexico

2019–Q1'25



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

“ We are living in a completely uncertain environment — possibly the most uncertain we've ever faced. And that's affecting all business and economic spaces — not just VC. It's difficult to define the potential economic impact because there's no certainty yet. But even with the uncertainty, some sectors will continue to attract funding, including fintech and proptech. Sectors like clean energy, infrastructure, and pharma could also start to see more interest given the government's new economic plan. **”**

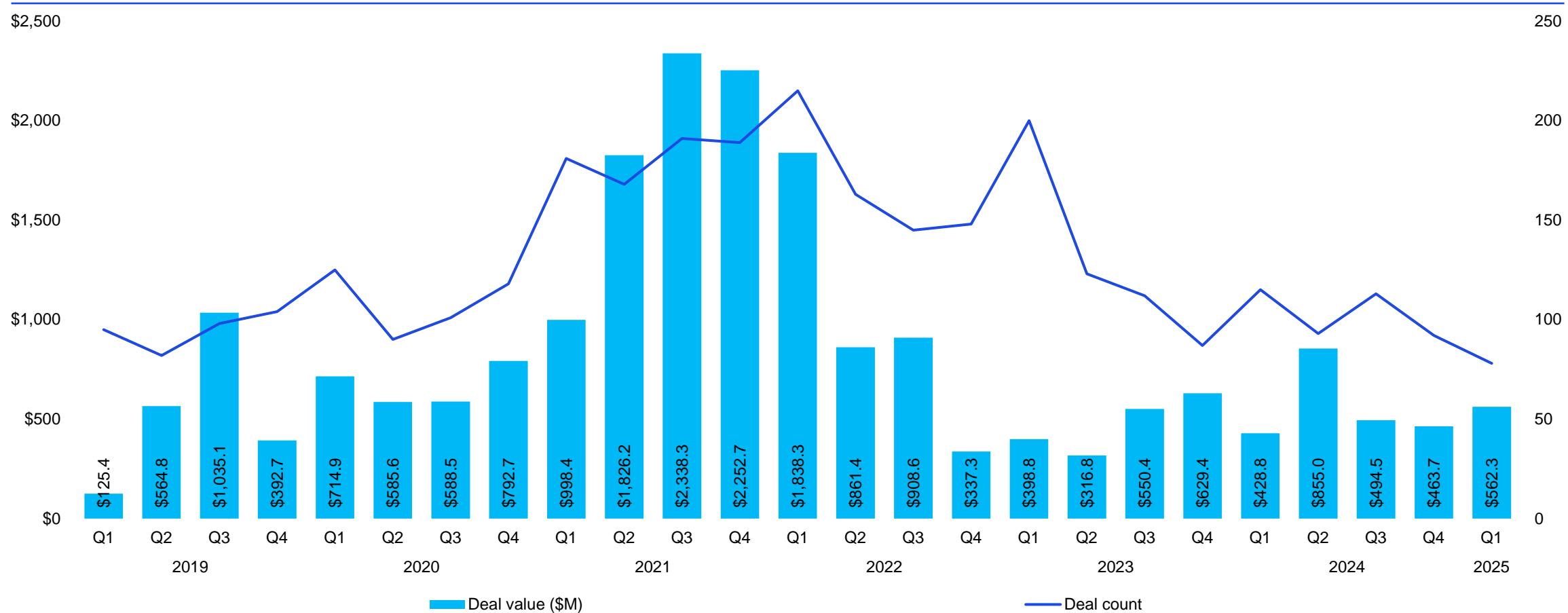


Ignacio Garcia de Presno
Head of Deal Advisory and Strategy,
Mexico and Central America
KPMG in Mexico

Brazil sees VC activity hold steady after variability in VC invested

Venture financing in Brazil

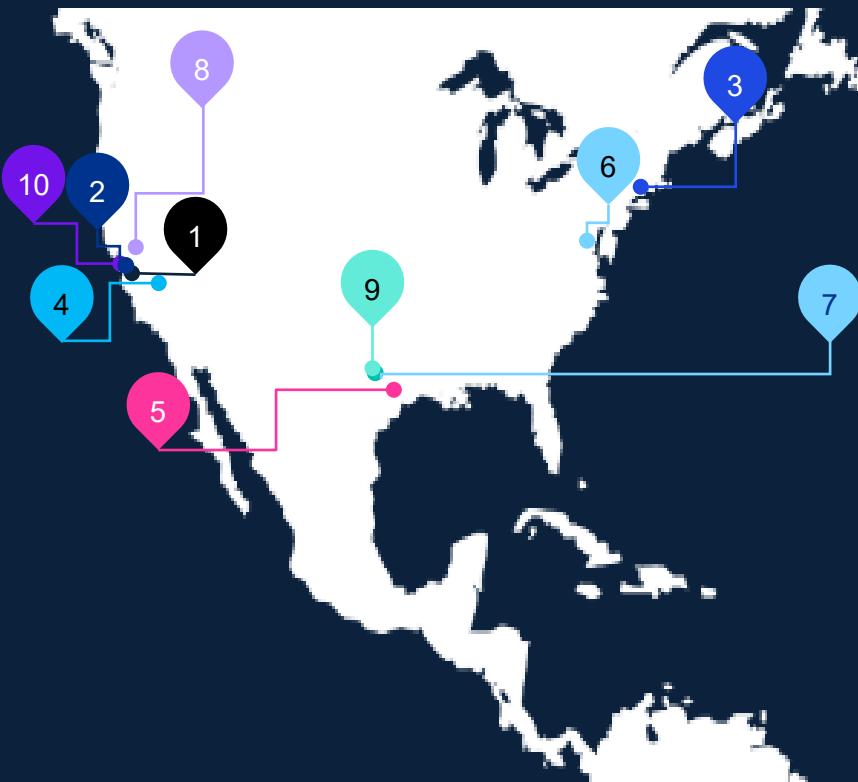
2019–Q1'25



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

AI dominates top deals for Q1

Top 10 financings in Q1'25 in Americas



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise.

*As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

1. **OpenAI** — \$40B, San Francisco, US — AI & ML — *Late-stage VC*
2. **Anthropic** — \$3.5B, San Francisco, US — AI & ML — *Series E*
3. **Infinite Reality** — \$3B, Norwalk, US — AI & ML — *Late-stage VC*
4. **Groq** — \$1.5B, Mountain View, US — AI & ML — *Late-stage VC*
5. **X** — \$1B, Bastrop, US — Social/platform software — *Late-stage VC*
6. **X Energy** — \$682.4M, Rockville, US — Cleantech — *Series C1*
7. **Saronic Technologies** — \$600M, Austin, US — Defense — *Series C*
8. **KoBold Metals** — \$537M, Berkeley, US — Materials — *Series C*
9. **NinjaOne** — \$500M, Austin, US — Business software — *Series C*
10. **Lambda** — \$480M, San Francisco, US — AI & ML — *Series D*

In Q1'25, European
VC-backed companies
raised \$18B across
1,883 deals



European VC investment holds steady, but deal volume falls

VC investment in Europe remained flat in Q1 2025, holding at \$18 billion, the same as in Q4 2024. However, deal volume declined significantly, with 1,883 deals recorded — down from 2,314 the previous quarter.

Despite the overall plateau in funding value, the number of megadeals increased, signaling a shift towards larger, later-stage investments. Q1 2025 saw five deals exceeding \$500 million, up from three in Q4 2024. On a country level, the UK led European investment activity with \$5.5 billion raised, followed by Germany at \$2.2 billion and France at \$1.7 billion.

Q1'25 deal volume drops to nine-year low amid geopolitical and economic uncertainty

Despite expectations that deal volume might begin to show a true rebound in Q1'25, the number of VC deals in Europe fell to a nine-year low amid a fresh wave of geopolitical and economic uncertainty driven in part by concerns related to the new US administration's announcement of various tariffs regimes.

AI space remains super hot as VC investors focus on industry applications

During Q1'25, VC investors in Europe continued to show significant interest in AI, although deal sizes were relatively subdued compared to previous quarters — partly due to the absence of big raises by LLM-focused companies. Startups focused on industry applications of AI saw the strongest interest in Q1'25, with companies in the health and biotech (Neko Health — \$260 million, Cera — \$150 million) and enterprise communications (Synthesia — \$180 million) spaces raising large rounds.

The European Commission showed very strong commitment to the evolution of AI in Q1'25 with the announcement of its \$206 billion InvestAI program,¹² including significant funding for the development of gigafactories. In Q1'25, France also announced \$112 billion in committed AI investments, including €20 billion from Canada-based investment firm Brookfield for AI-focused projects in the country.¹³

¹² <https://digital-skills-jobs.europa.eu/en/latest/news/commission-launches-new-investai-initiative-mobilise-eu200-billion-investment-ai/>

¹³ <https://www.reuters.com/technology/artificial-intelligence/details-110-billion-euros-investment-pledges-frances-ai-summit-2025-02-10/>

Health and biotech sector attracts numerous \$100 million+ VC deals

VC investment in the health and biotech sector was robust in Q1'25, with numerous \$100 million+ funding rounds across the region, including raises by UK-based Verdiba Bio (\$410 million) and Cera (\$150 million); Sweden-based Neko Health (\$260 million); Switzerland-based Windward Bio (\$200 million), Numab (\$194 million), CeQur Simplicity (\$120 million), and Ireland-based Fire1 (\$120 million). The diversity of investments across both geographies and focus areas (e.g. obesity therapeutics, oncology treatments, insulin delivery wearables, digital healthcare solutions, medical scanning) highlights the continued strength of investor interest in all areas of health and biotech, from health management and monitoring to medical devices, digital health, and disease prevention.

VC investment in the UK falls quarter-over-quarter

VC investment in the UK fell between Q4'24 and Q1'25 as VC investors continued to show a preference for proven startups given the uncertain market conditions and the ongoing lack of exits. While the health and biotech sector continued to attract robust investment during Q1'24 — led by a \$410 million raise by Verdiba Bio — some UK-based biotech companies requiring patient capital struggled to attract funding as VC investors focused on startups with quicker paths to profitability.

M&A activity started to pick up in the UK during Q1'25, although the uptick has not yet translated into deal value given slow deal speeds and the enhanced focus on due diligence. During the quarter, PE firms were much more active in the M&A market, both due to improving interest rates and the desire to make investments within a reasonable timeframe or risk taking themselves out of existence.

European VC investment holds steady, but deal volume falls, cont'd.

Germany sees VC investment rise

Despite an increase in VC funding in Q1'25, the total number of VC deals in Germany was incredibly low compared to historical norms, with many completed deals coming as follow-on investments from existing investors. Seed and pre-seed deals were particularly soft, driven in part by a pullback from VCs looking to derisk their investments. The federal election in February likely also had a subduing effect on deal activity as investors waited to assess the impact of shifting government priorities on the VC ecosystem.

Despite uncertainties, fintech, AI and deeptech, and defense remained quite attractive to VC investors in Germany. Real estate decarbonization firm Reneo raised the largest funding round in Germany during the quarter (\$624 million), followed distantly by medical education company Amboss (\$257 million). During Q1'25, a growing number of late-stage companies in Germany also focused on IPO readiness programs, with the hope of exit opportunities towards the end of 2025 and into 2026.

Nordic region sees dip in VC funding in Q1'25

VC investment in the Nordic region fell quarter-over-quarter, although investors continued to show interest in areas like healthtech and cleantech. During the quarter, Sweden-based preventative health technology company Neko Health raised \$260 million, sustainable energy services company Elvy raised \$153 million, and Finland-based low carbon hydrogen producer Hycamite raised \$45.8 million. Current geopolitical uncertainty, tariffs and trade tensions may prolong the stagnate state of the Nordic VC investment further down 2025.

VC investment in Ireland rises significantly on back of megadeals

Ireland experienced its strongest quarter of VC investment in several years in Q1'25, driven primarily by large megadeals, including a \$125 million raise by AI-powered productivity software company Tines, a \$120 million raise by medical device company Fire1, and a \$120 million raise by ocean data services company Xocean. Fintech and medtech sectors in Ireland continue to attract significant interest from VC investors given their robust innovation ecosystems and strong talent base, with AI solutions also receiving significant investment over the quarter. While positive coming into 2025, the sentiment of VC investors in Ireland was one of caution in the latter half of Q1'25 amid rising geopolitical uncertainties. The growing uncertainty could impact VC investment heading into 2025.

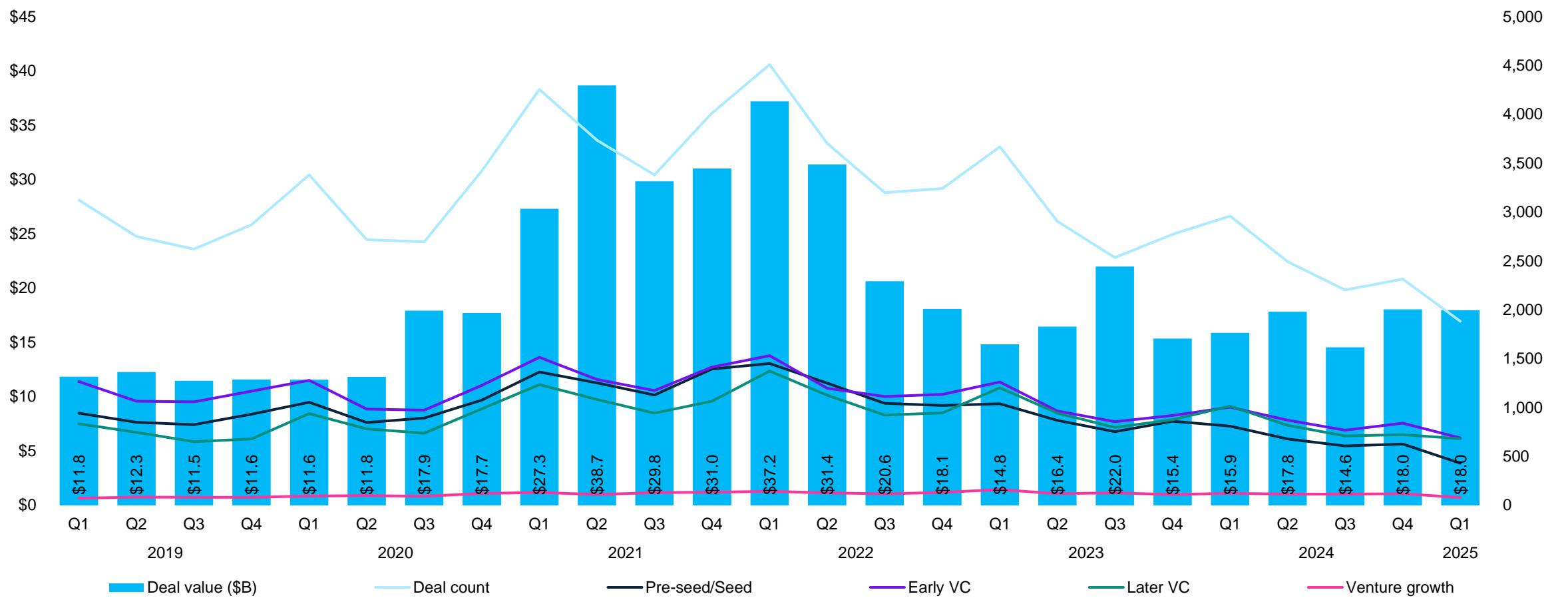
Trends to watch for in Q2'25

Heading into Q2'25, deal volume will likely remain subdued as investors in Europe remain very cautious amid trade tensions with the US. The implications associated with any US tariffs could be significant; both investors and startups are expected to be quite focused on assessing potential impacts on both general operations and potential cross-border expansion plans. Despite these uncertainties, areas like AI, defense tech, and cleantech will likely continue to attract significant megadeals in Europe.

VC flows remain steady to start the year

Venture financing in Europe

2019–Q1'25

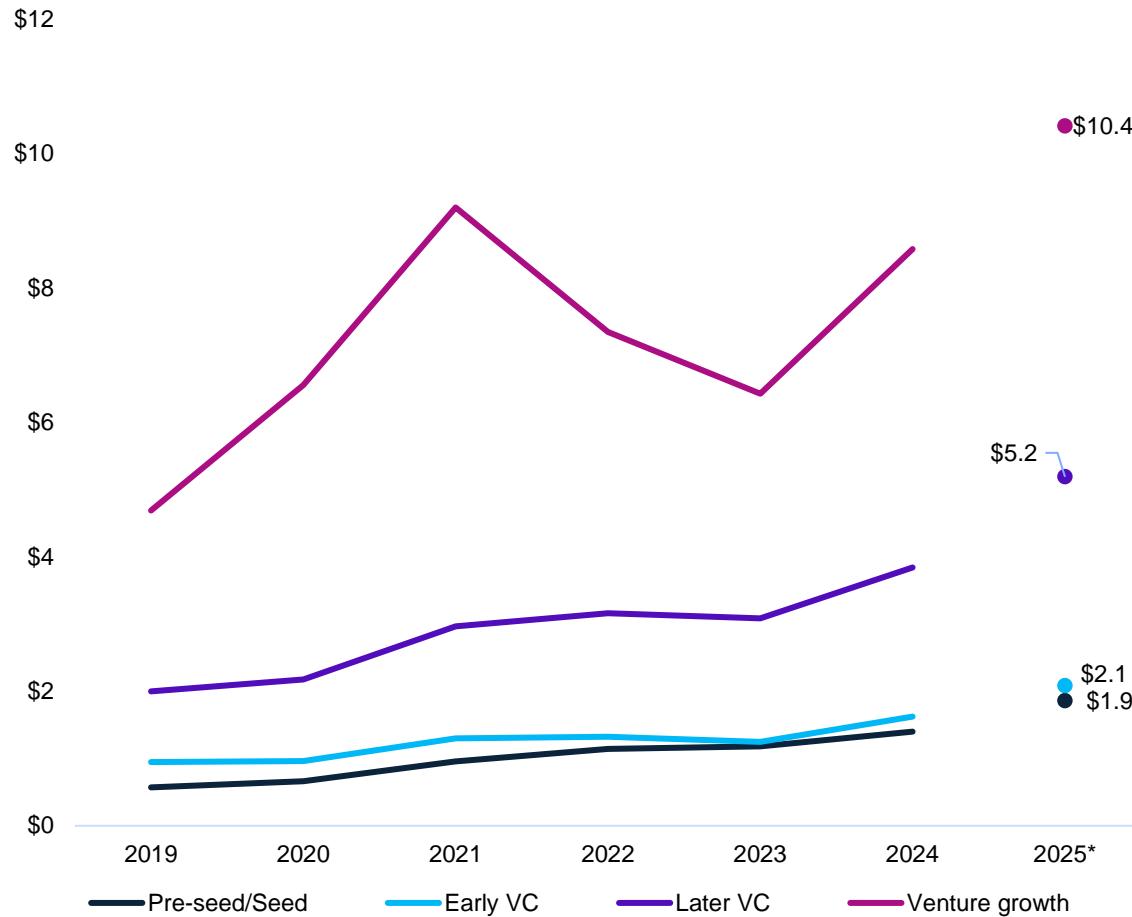


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Deal metrics stay strong – and down rounds decline

Median deal size (\$M) by stage in Europe

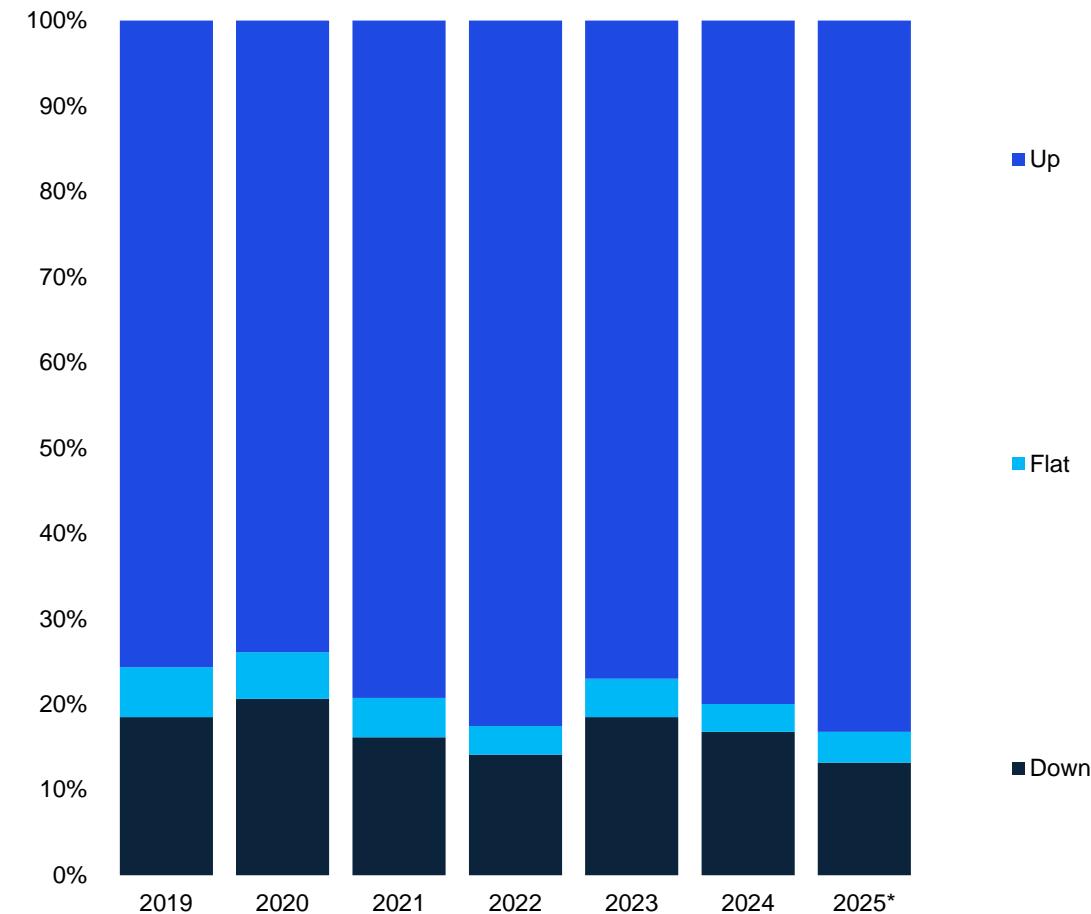
2019–2025*



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Up, flat or down rounds in Europe

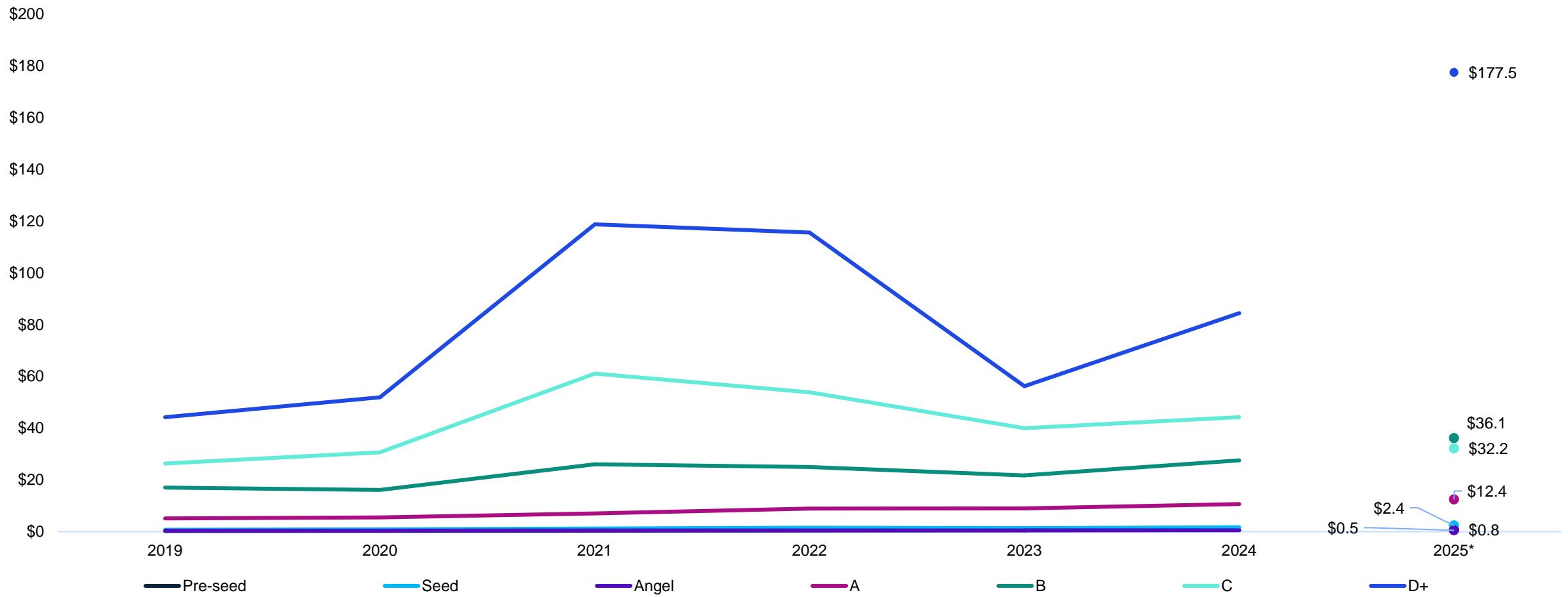
2019–2025*



Beyond the impact of mega-rounds, figures remain healthy

Median deal size (\$M) by series in Europe

2019–2025*



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise.

*As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Note: The 2025* Series C and D+ figures are based on population sizes n < 30.

Valuations regain ground in a couple of series

Median pre-money valuation (\$M) by series in Europe

2019–2025*

\$2,500

\$2,000

\$1,500

\$1,000

\$500

\$0

\$2,172.5

Pre-seed
—

Seed
—

Angel
—

A
—

B
—

C
—

D+
—



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise.

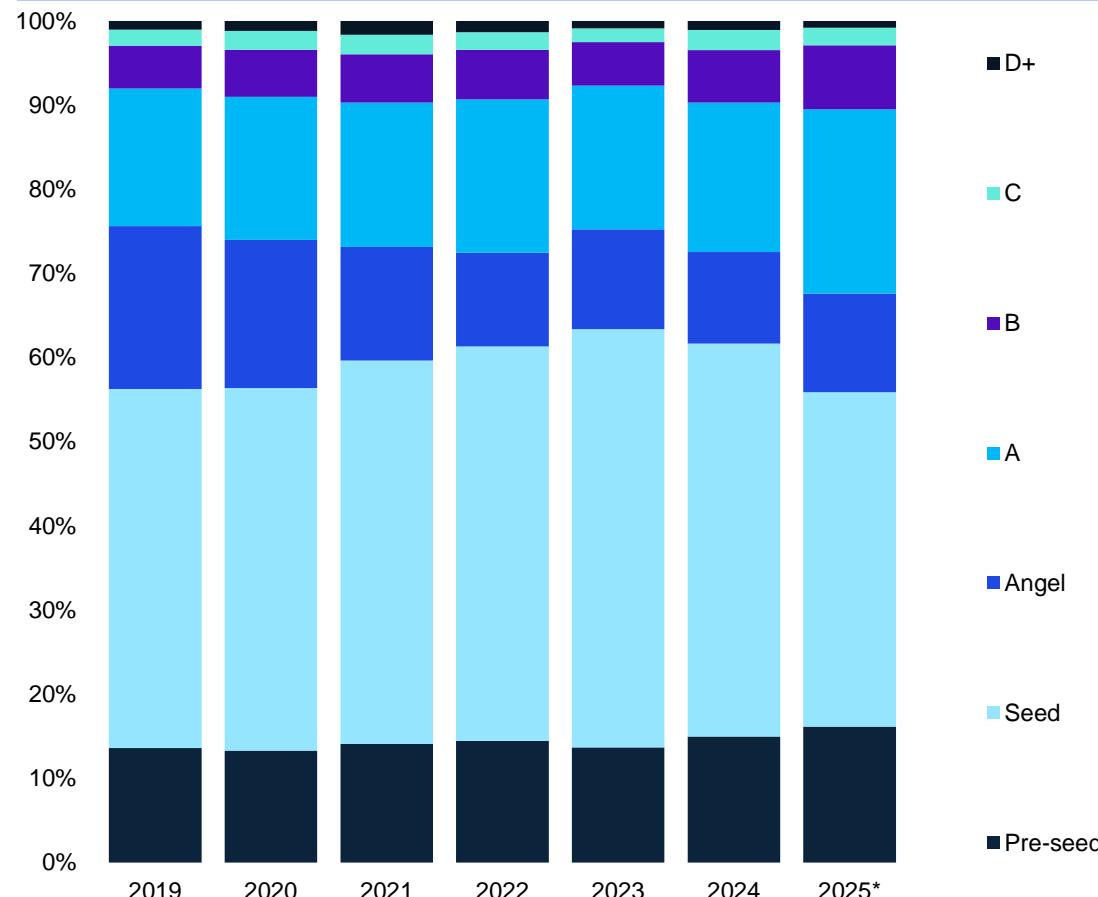
*As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Note: The 2025* angel, pre-seed, B, C, and Series D+ figures are based on population sizes of n < 30.

VC invested concentrates in Series A and B rounds

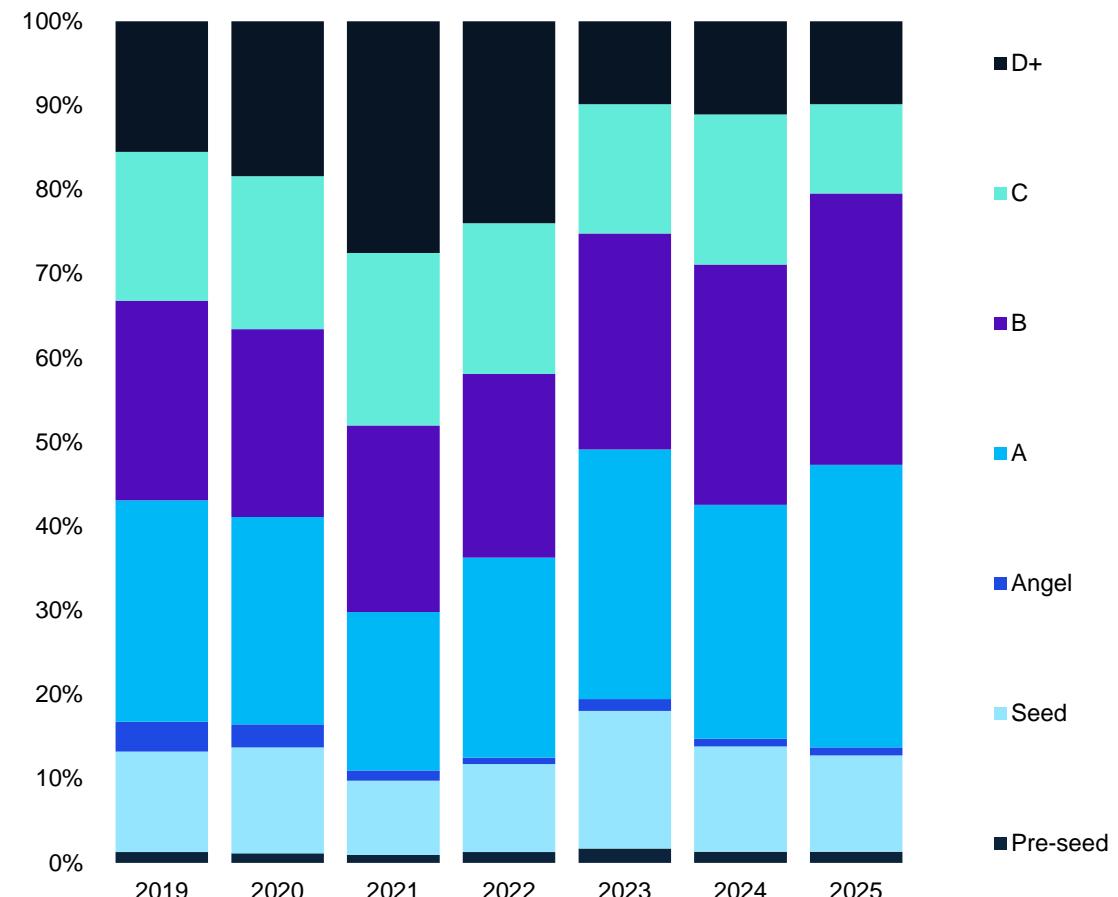
Deal share by series in Europe

2019–2025*, number of closed deals



Deal share by series in Europe

2019–2025*, VC invested (\$B)

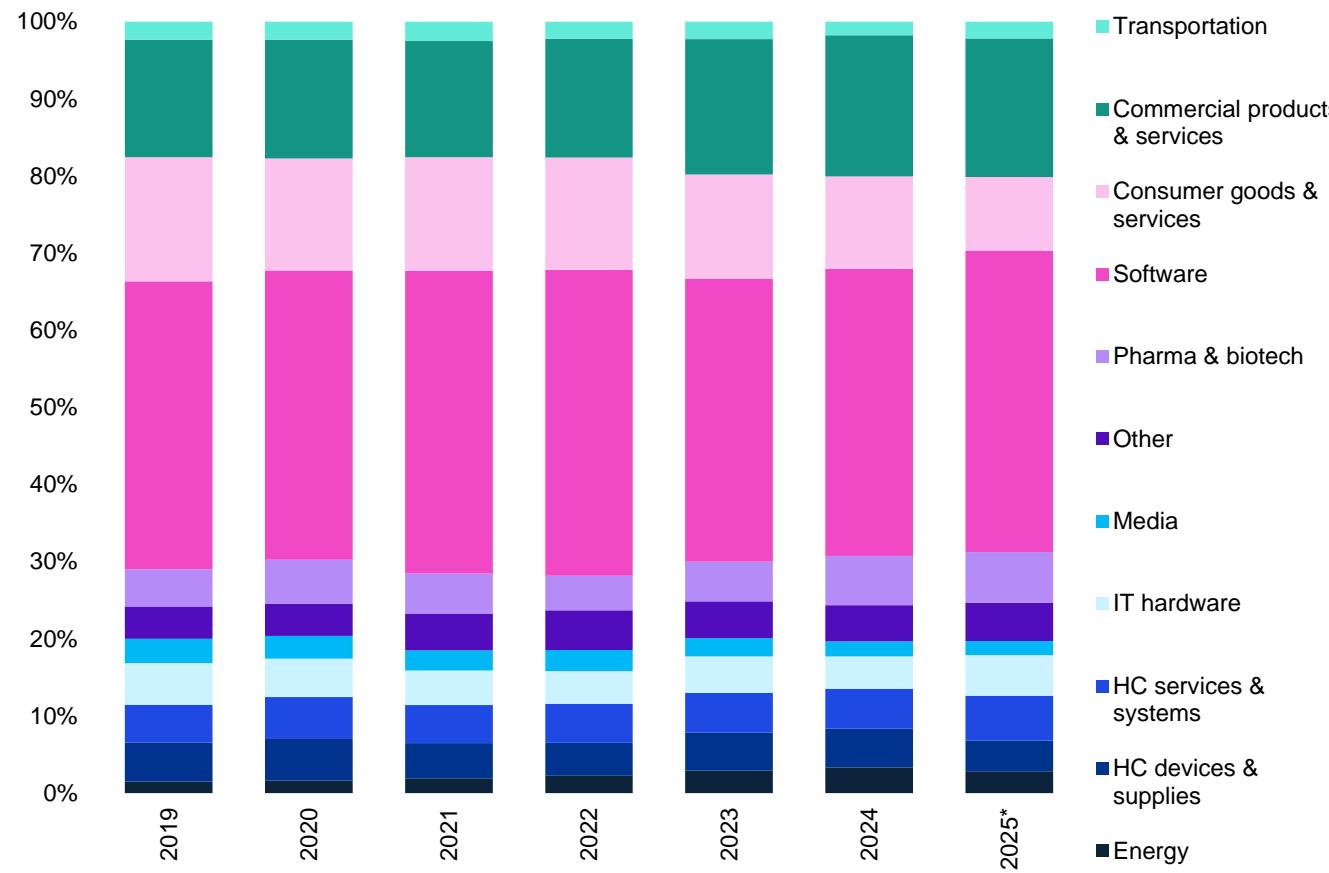


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

AI applications drive software to near-record proportion

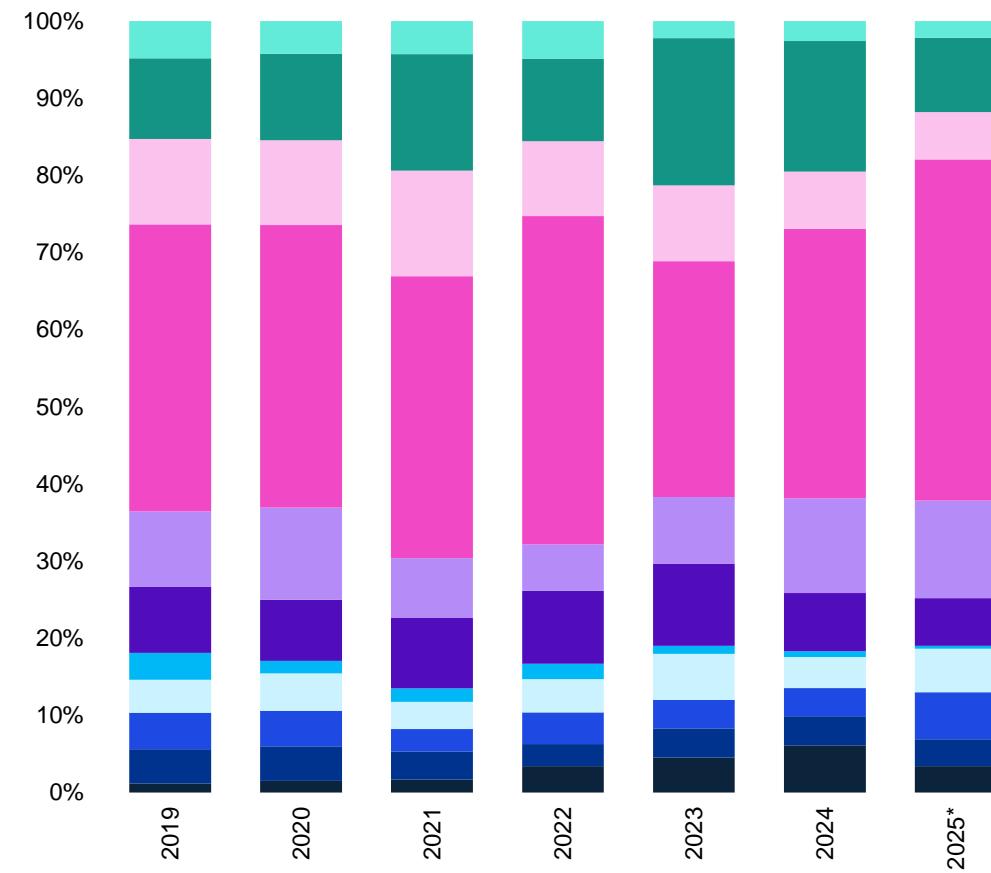
Venture financies by sector in Europe

2019–2025*, number of closed deals



Venture financies by sector in Europe

2019–2025*, VC invested (\$B)

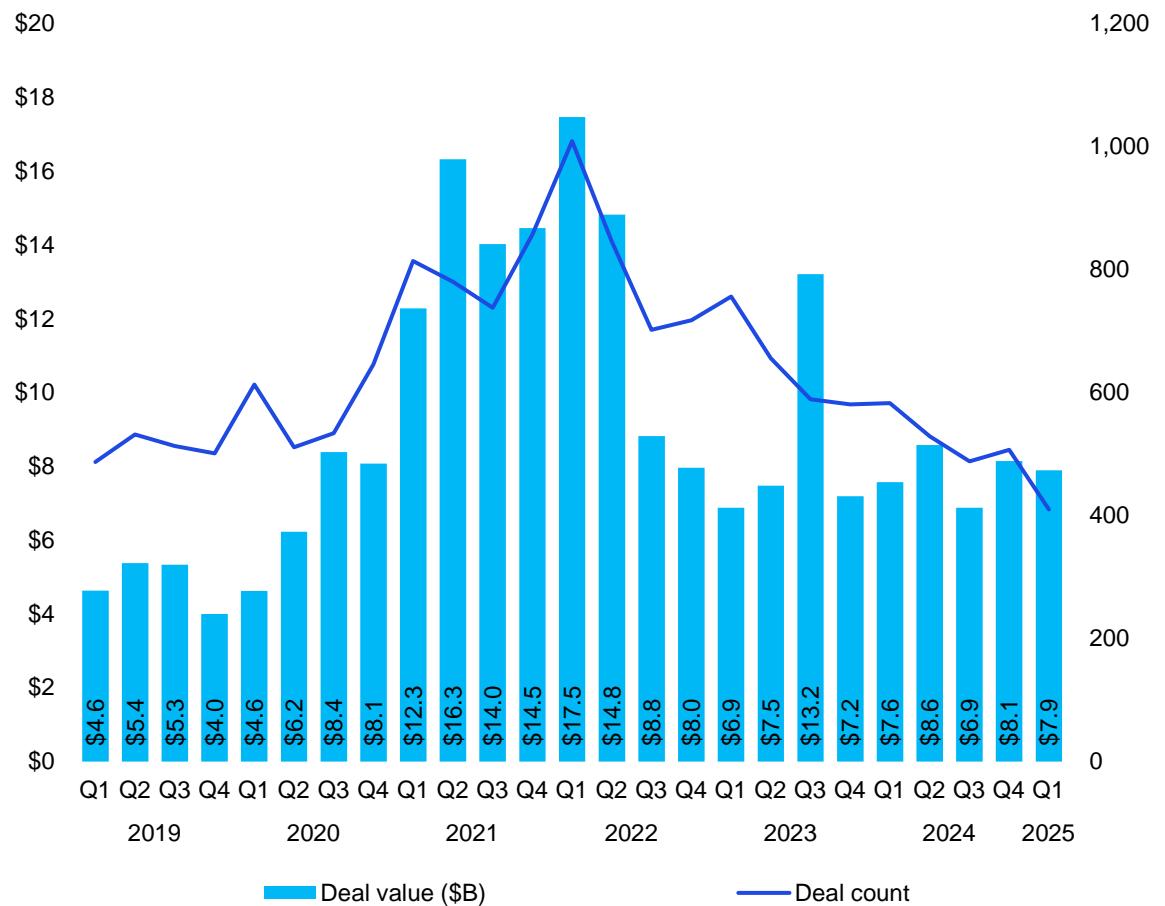


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

First-time raises surge in Q1 in terms of VC invested

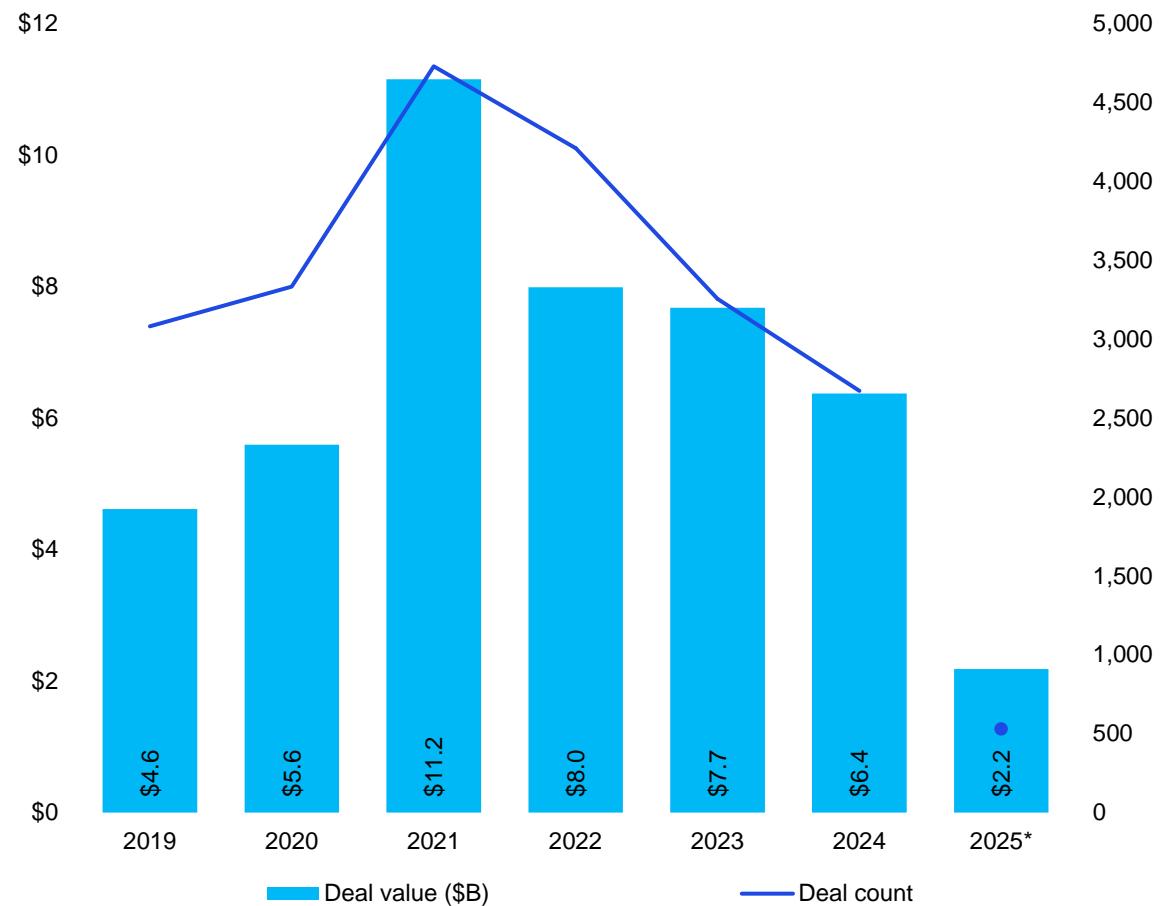
Corporate VC participation in venture deals in Europe

2019–Q1'25



First-time venture financings of companies in Europe

2019–2025*



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Exits continue to trickle along

Venture-backed exit activity in Europe

2019–Q1'25

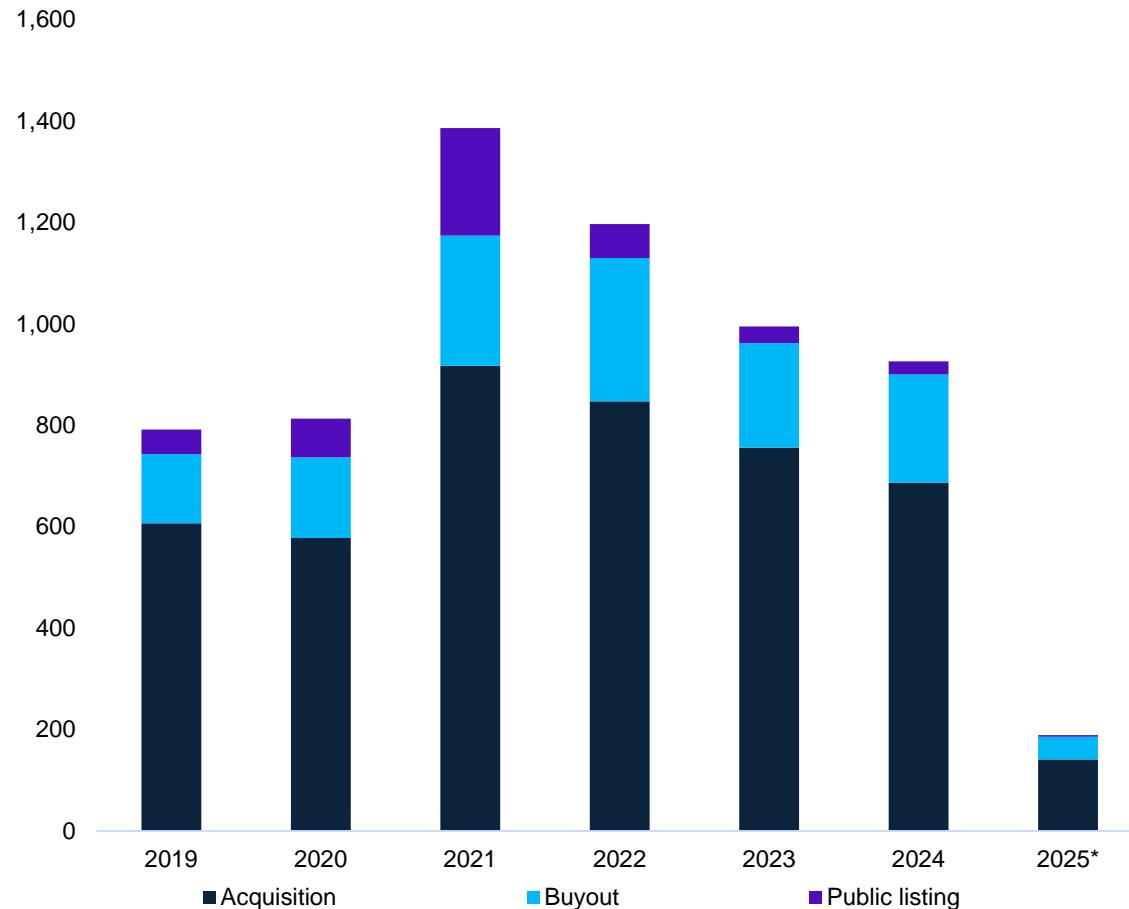


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

M&A continues to propel liquidity

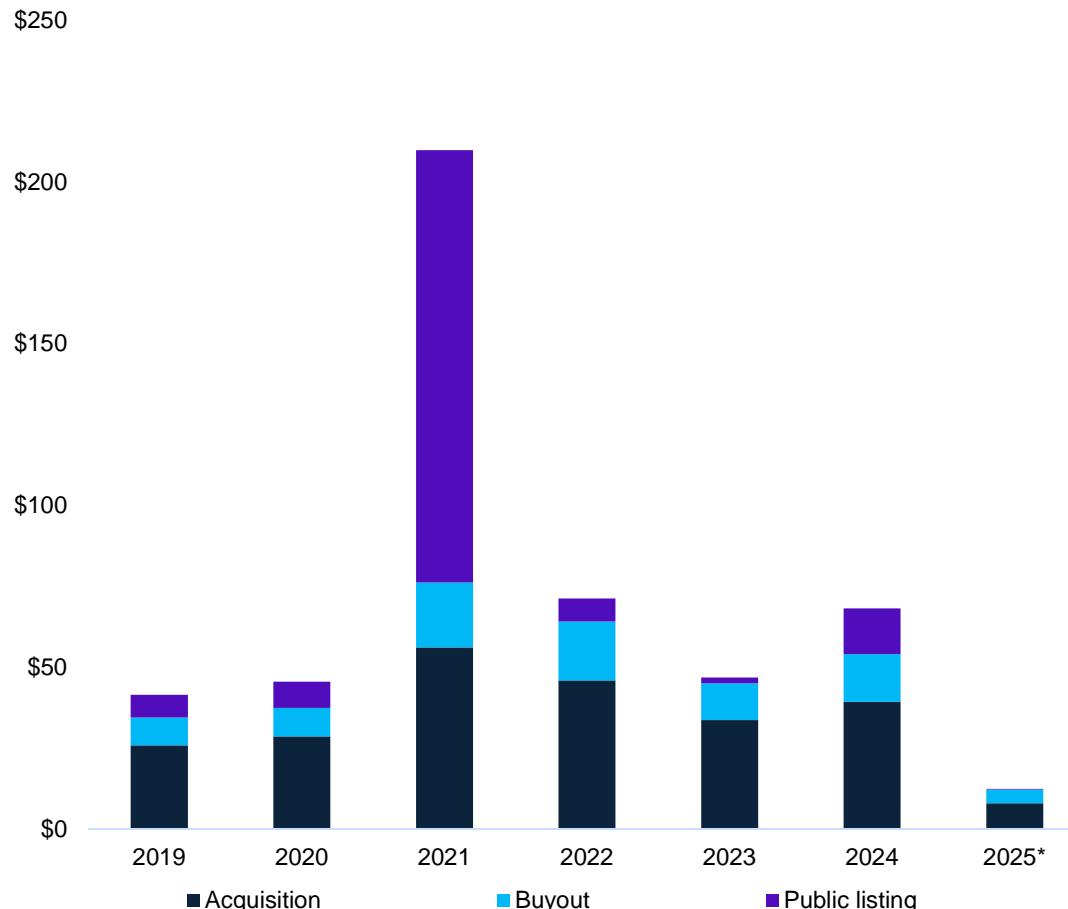
Venture-backed exit activity (#) by type in Europe

2019–2025*



Venture-backed exit activity (\$B) by type in Europe

2019–2025*

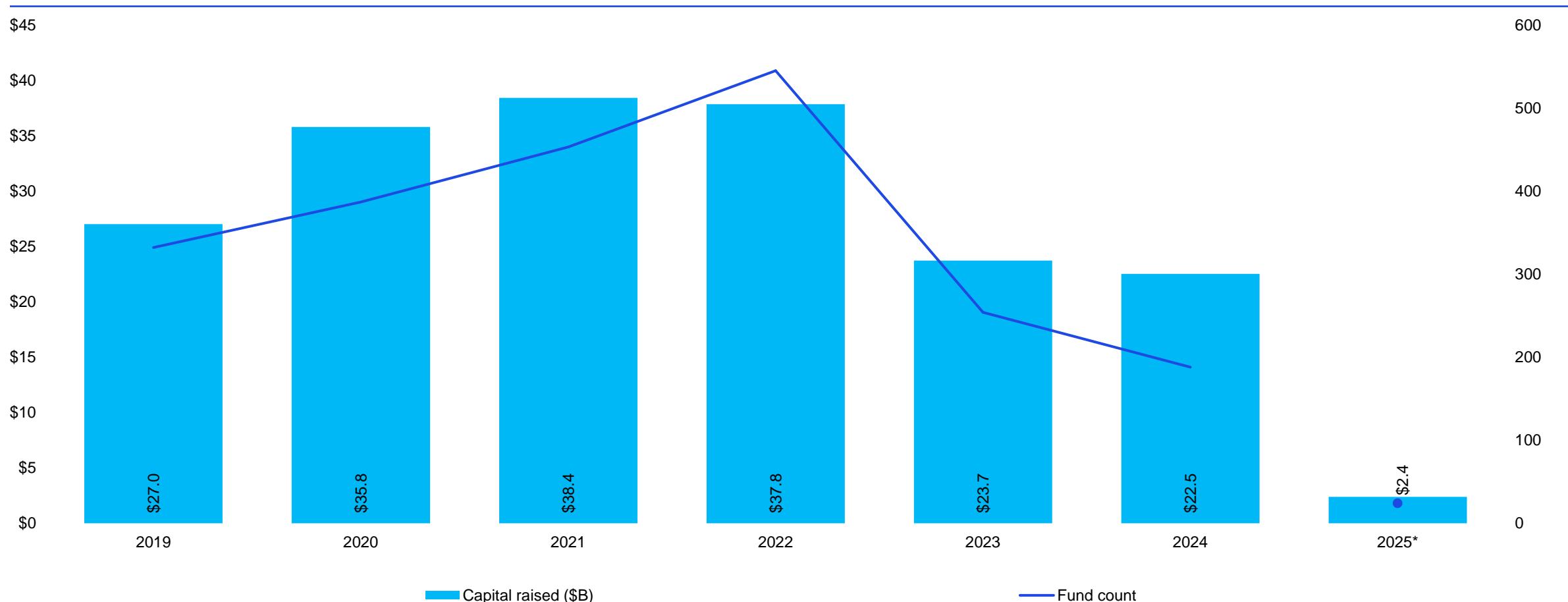


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Fundraising logs a slower start to the year

European venture fundraising

2019–2025*

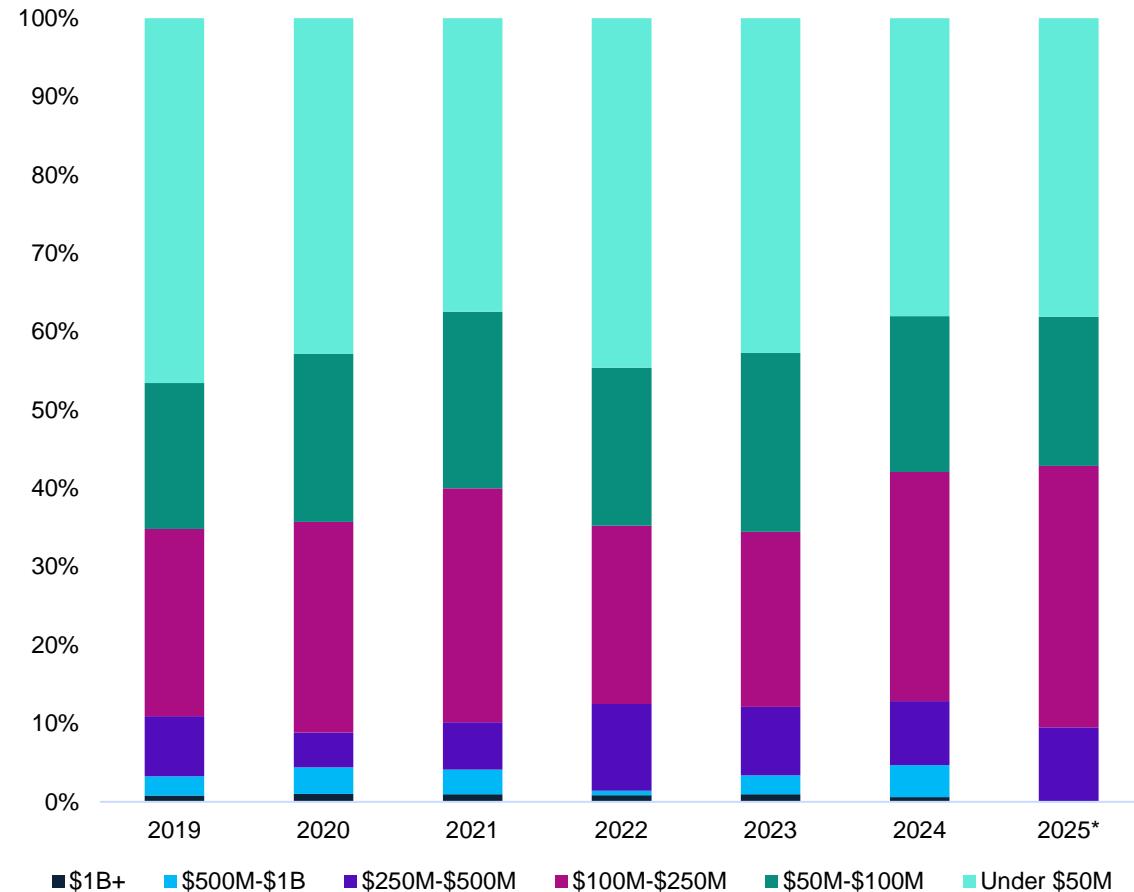


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

After a recovery, Q1 sees a slower start for first-time fundraisers

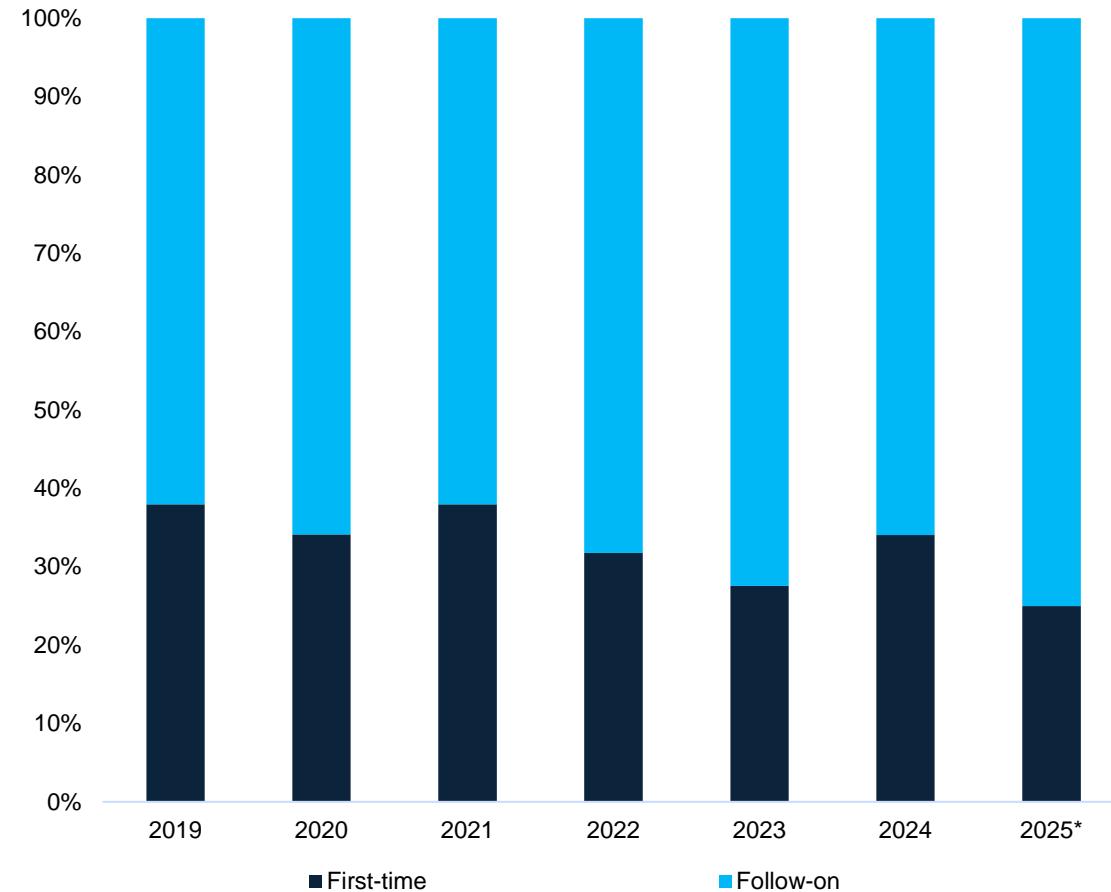
Venture fundraising (#) by size in Europe

2019–2025*



First-time vs. follow-on venture funds (#) in Europe

2019–2025*

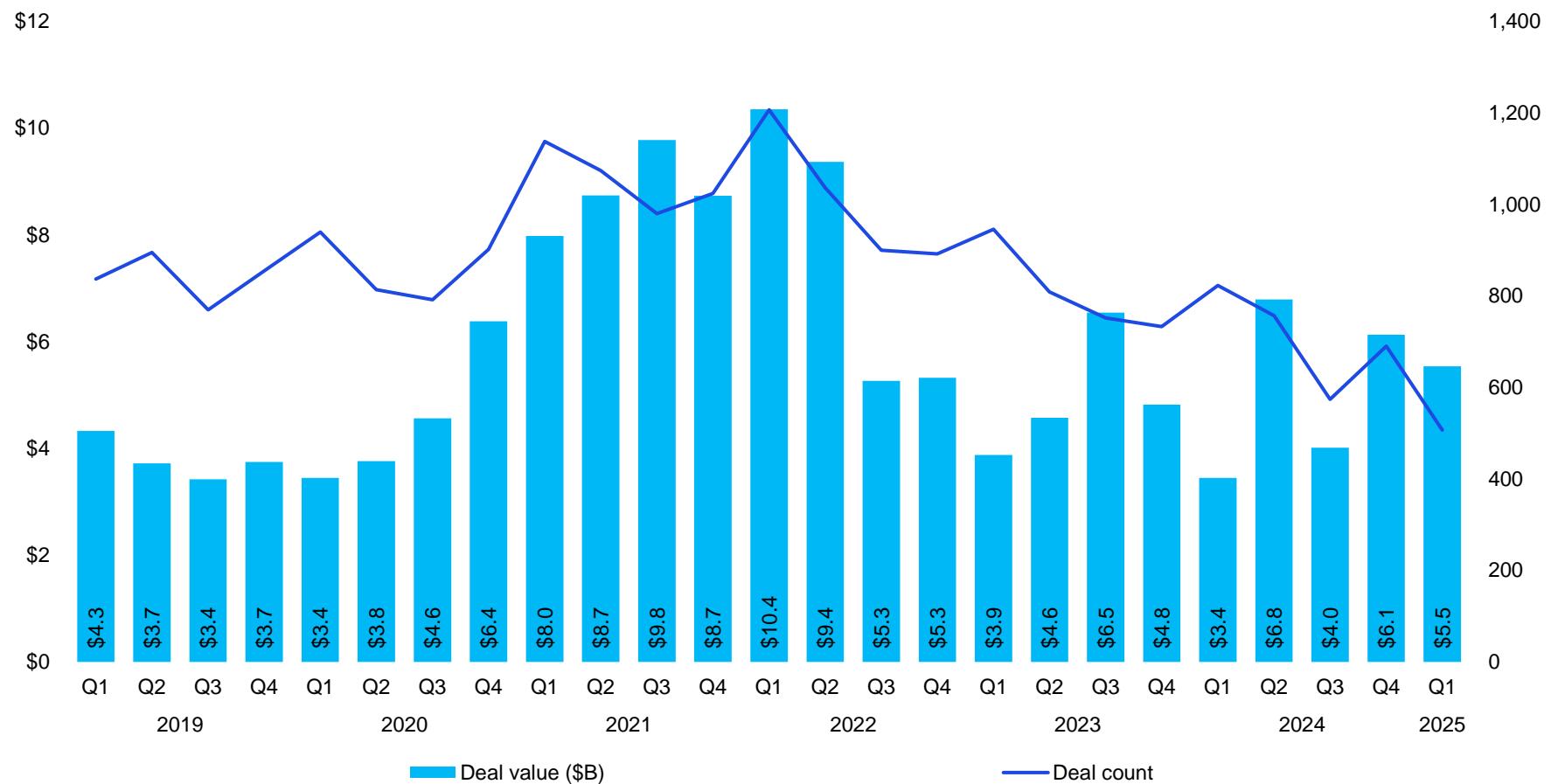


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

The UK hosts some large deals that aid in boosting Q1 tallies

Venture financing in the United Kingdom

2019–Q1'25



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

“ While we’re still seeing funds being deployed and funds being raised, deal volume continues to be lower than expected. This tells us a few things. There’s clearly huge confidence in certain sectors. AI, cleantech, fintech — they’re all still seeing megadeals. But what we’re not seeing is that higher cadence of Series A and Series B rounds come back. And maybe that’s a trend here to stay with investors writing bigger and longer lifecycle cheques — giving 3 years of runway rather than 18 months to hit certain milestones. ”



Patrick Molyneux
Partner, KPMG Acceleris
KPMG in the UK

London ecosystem records a solid but slow start to the year in VC invested

Venture financing in London

2019–Q1'25



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

“We're noticing that a lot of VC investors right now are looking for companies that are going to be relatively quick to profitability at the moment. In the UK, this has made it challenging for startups in IP-rich areas like biotech to attract sufficient funding. These kinds of companies require patient capital, which is not very favorable at the moment. It feels like a real shame given the innovative companies we have here in the UK and these IP-rich sectors are not getting the support that they might need. **”**

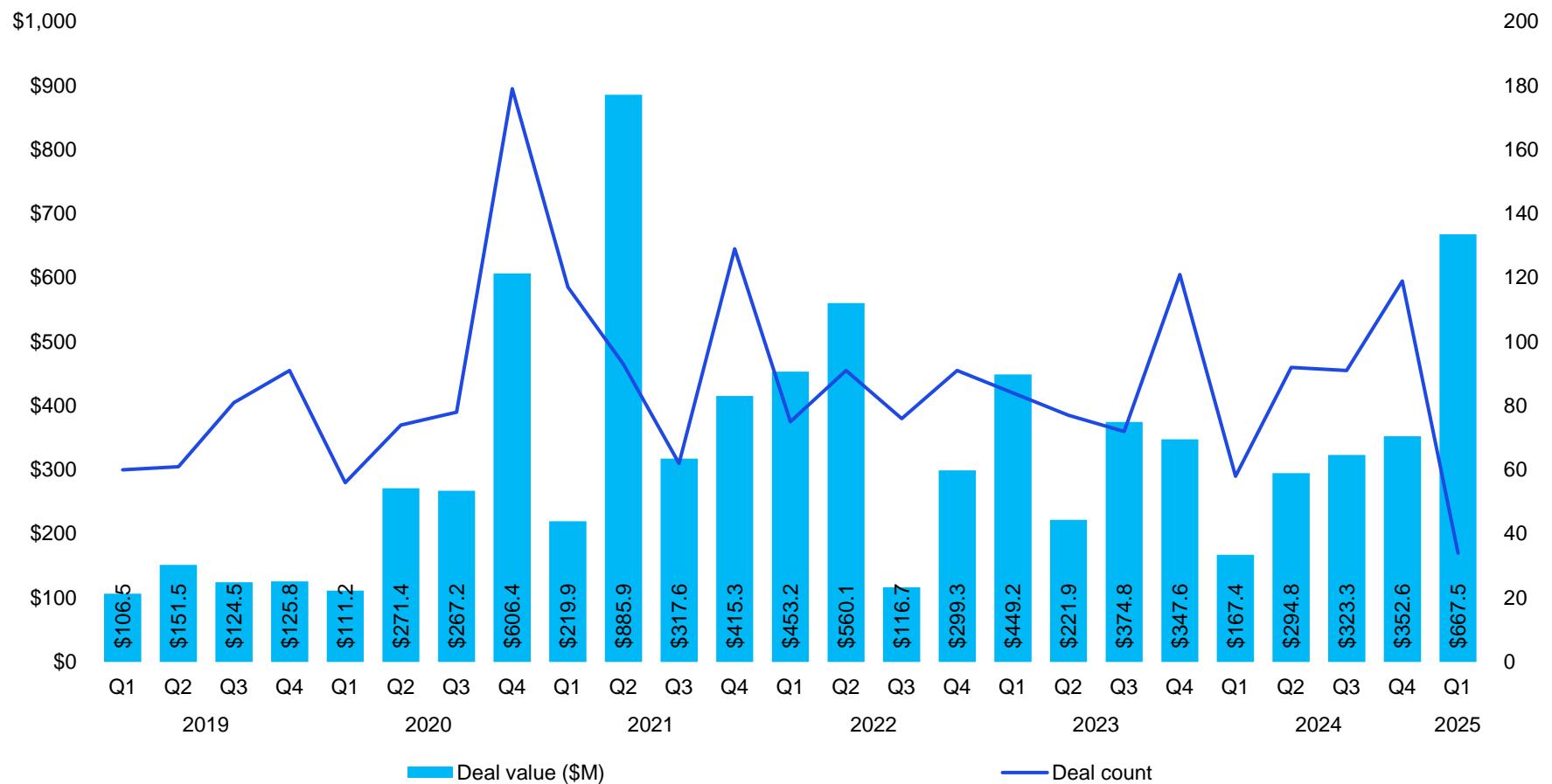


Nicole Lowe
UK Head of Emerging Giants
KPMG in the UK

Ireland sees a remarkably strong surge in VC invested

Venture financing in Ireland

2019–Q1'25



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

“ Irish VC fundraising was very strong in Q1'25 led by significant fundraises by Tines, XOcean and Fire1. The lower deal count quarter on quarter is reflective of a more cautious sentiment given broader geopolitical uncertainty since the turn of the year. Notwithstanding these challenges, VC investment in Ireland mirrored international trends with robust interest in the AI, big data and medtech sectors. ”

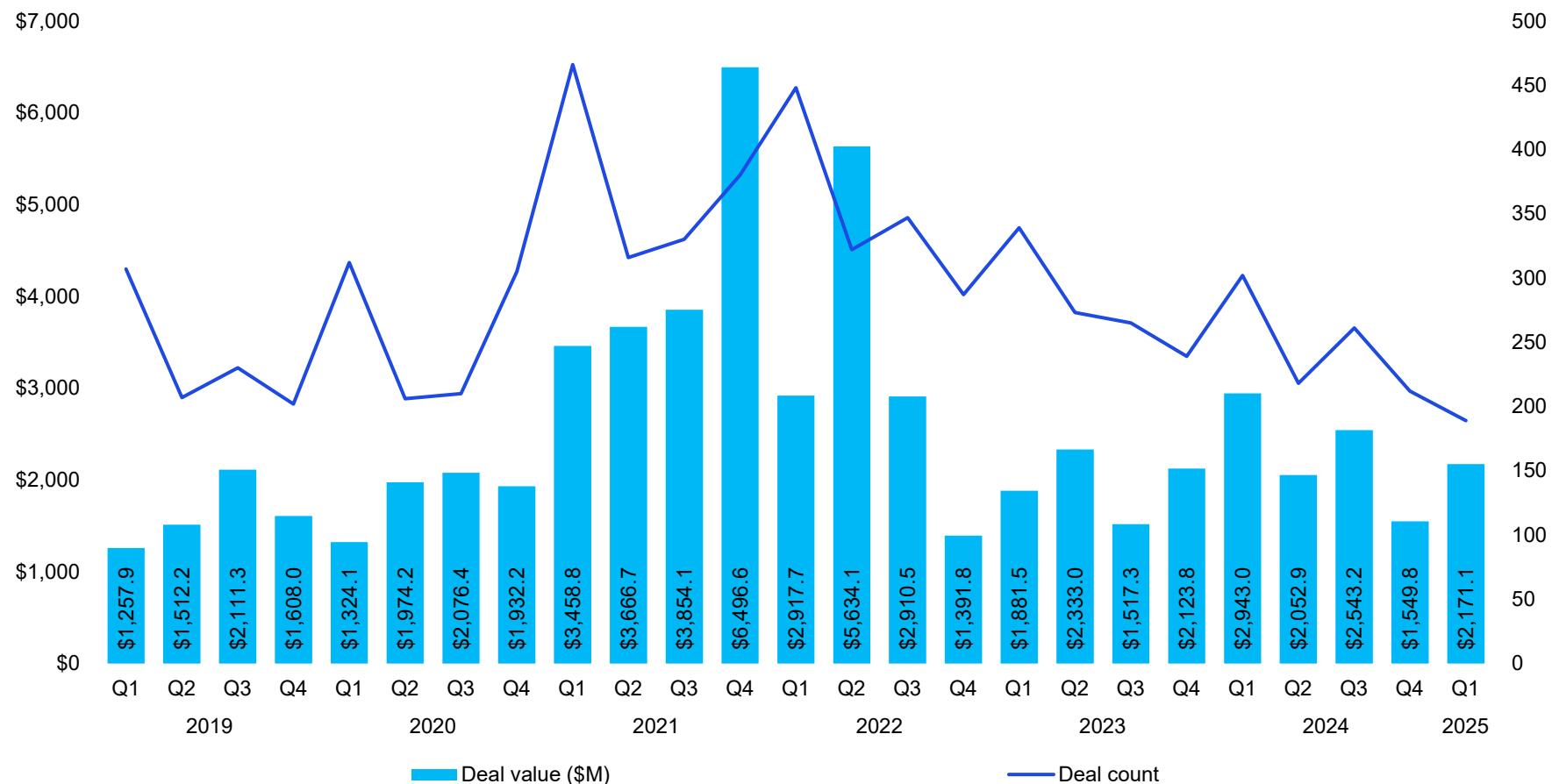


Gavin Sheehan
Partner, Deal Advisory
KPMG in Ireland

Amid volatility, VC invested continues to roll ahead

Venture financing in Germany

2019–Q1'25



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

“ The big investments in Germany right now are coming later-stage fintechs, and from AI and deeptech companies. We're also seeing interest in hardware startups focused on areas like chip development and some investment in drones and other defense-related startups. The focus on defense tech is a major change here in Germany — historically investors have been very shy about investing in the space. That's definitely changing. **”**

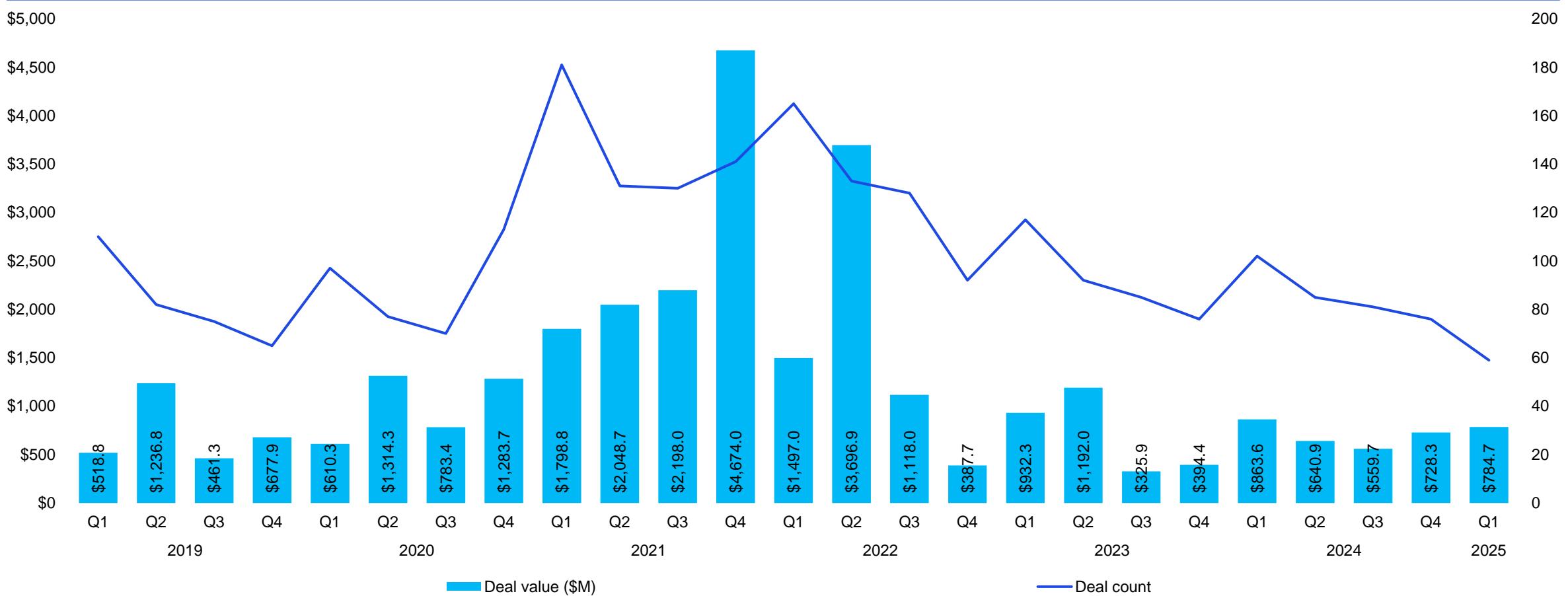


Stefan Kimmel
Partner
KPMG in Germany

Berlin continues to see healthy tallies

Venture financing in Berlin

2019–Q1'25

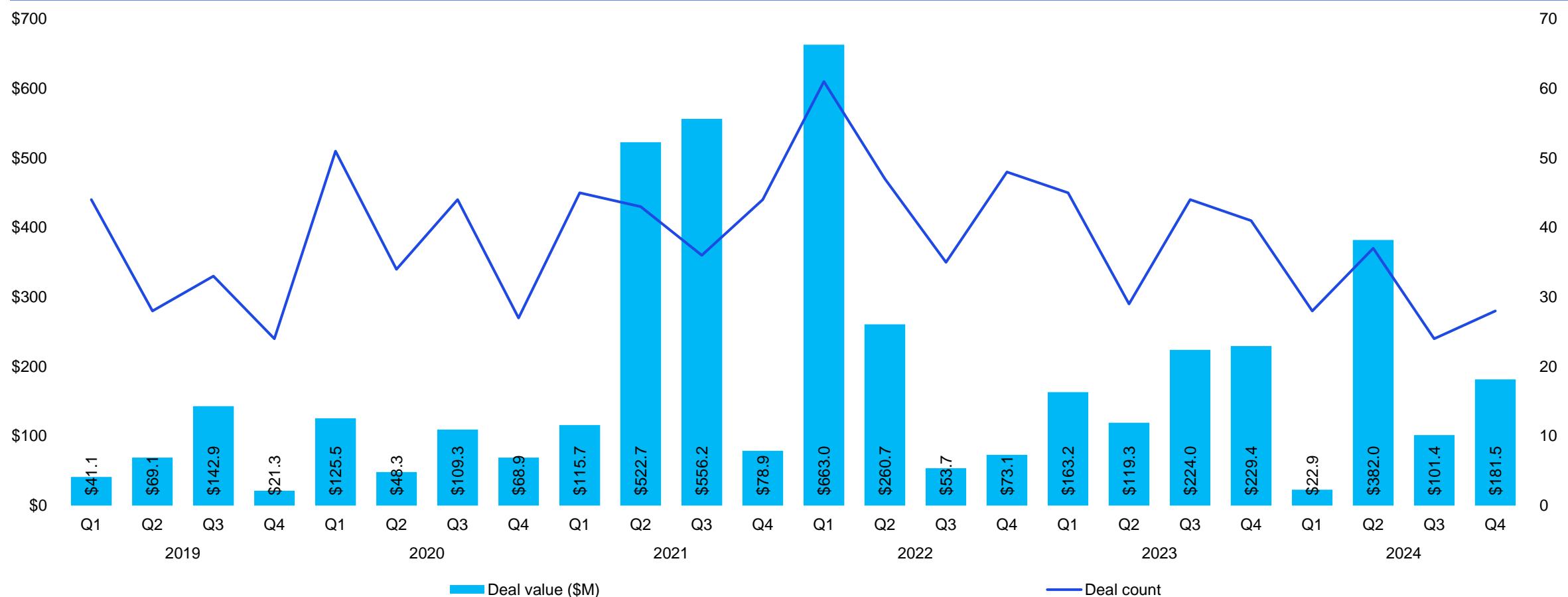


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

A cautious but stabilizing entry into 2025 for VC investments

Venture financing in Austria

2019–Q1'25

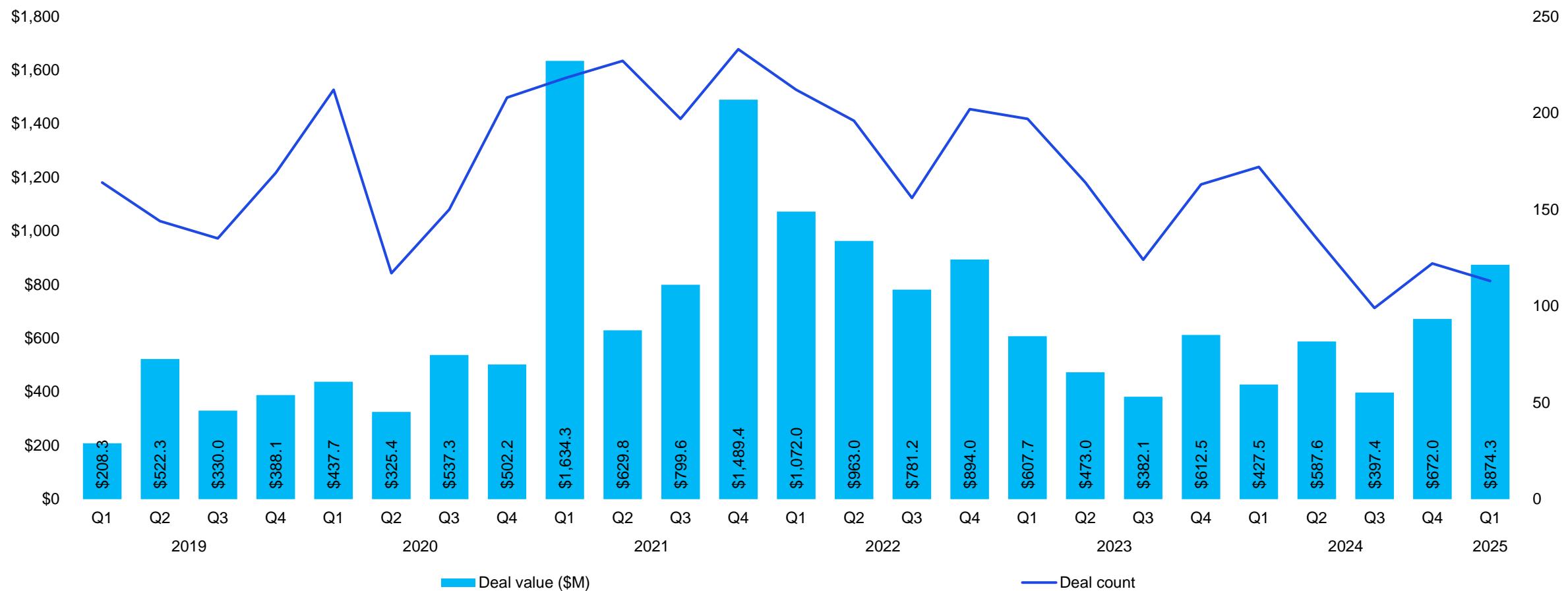


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

VC invested concentrates in fewer but larger rounds

Venture financing in Spain

2019–Q1'25

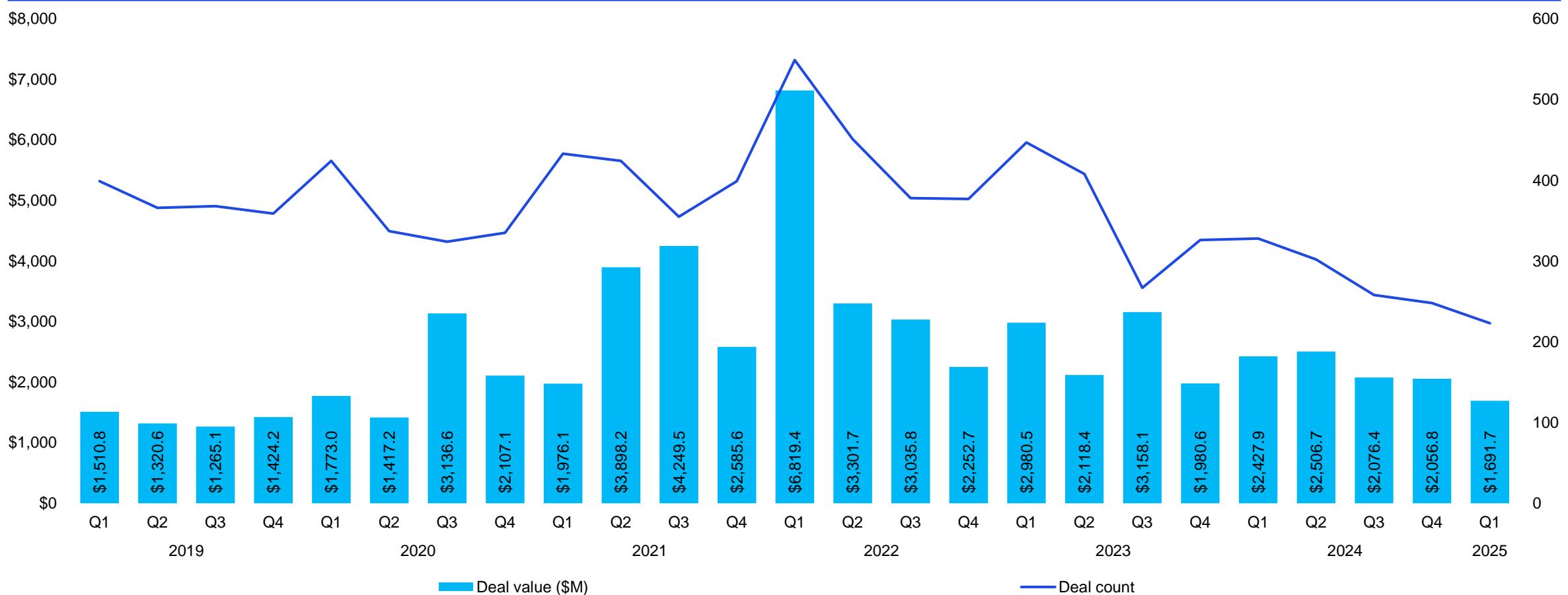


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Financing flows ebb lower

Venture financing in France

2019–Q1'25

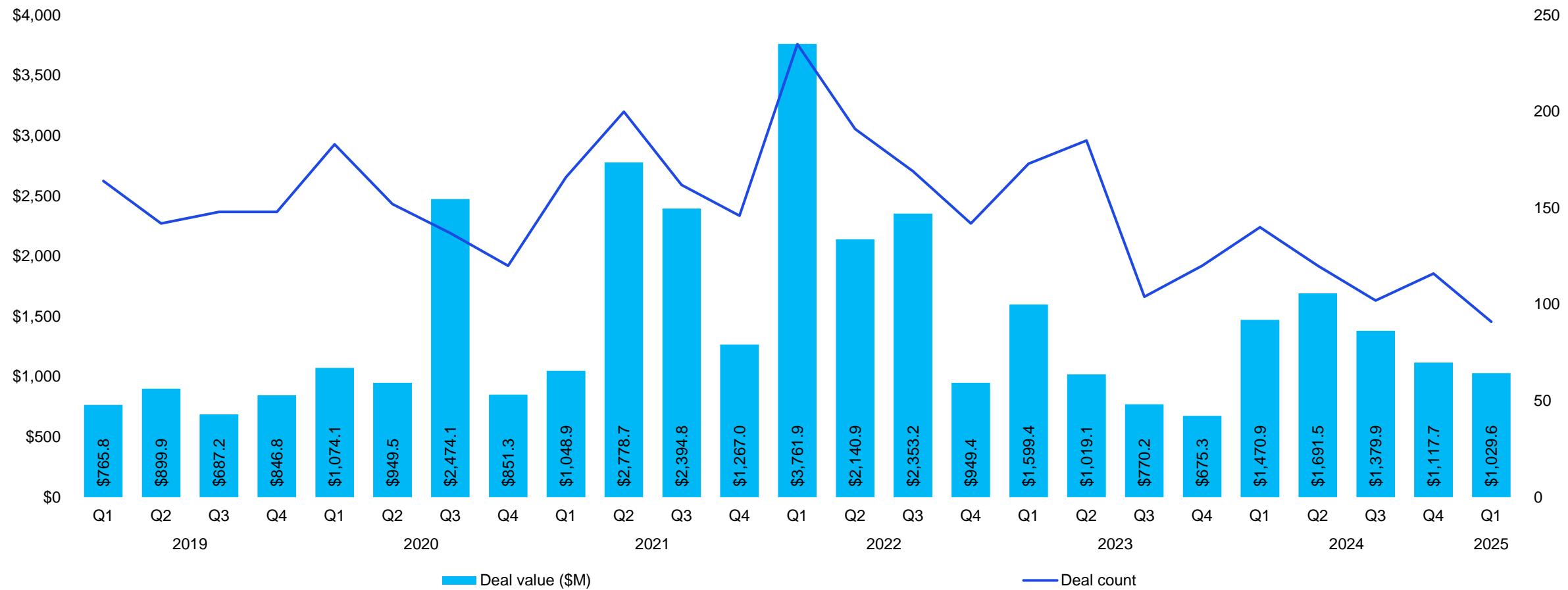


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Paris plays host to a healthy level of activity at the start of 2025

Venture financing in Paris

2019–Q1'25

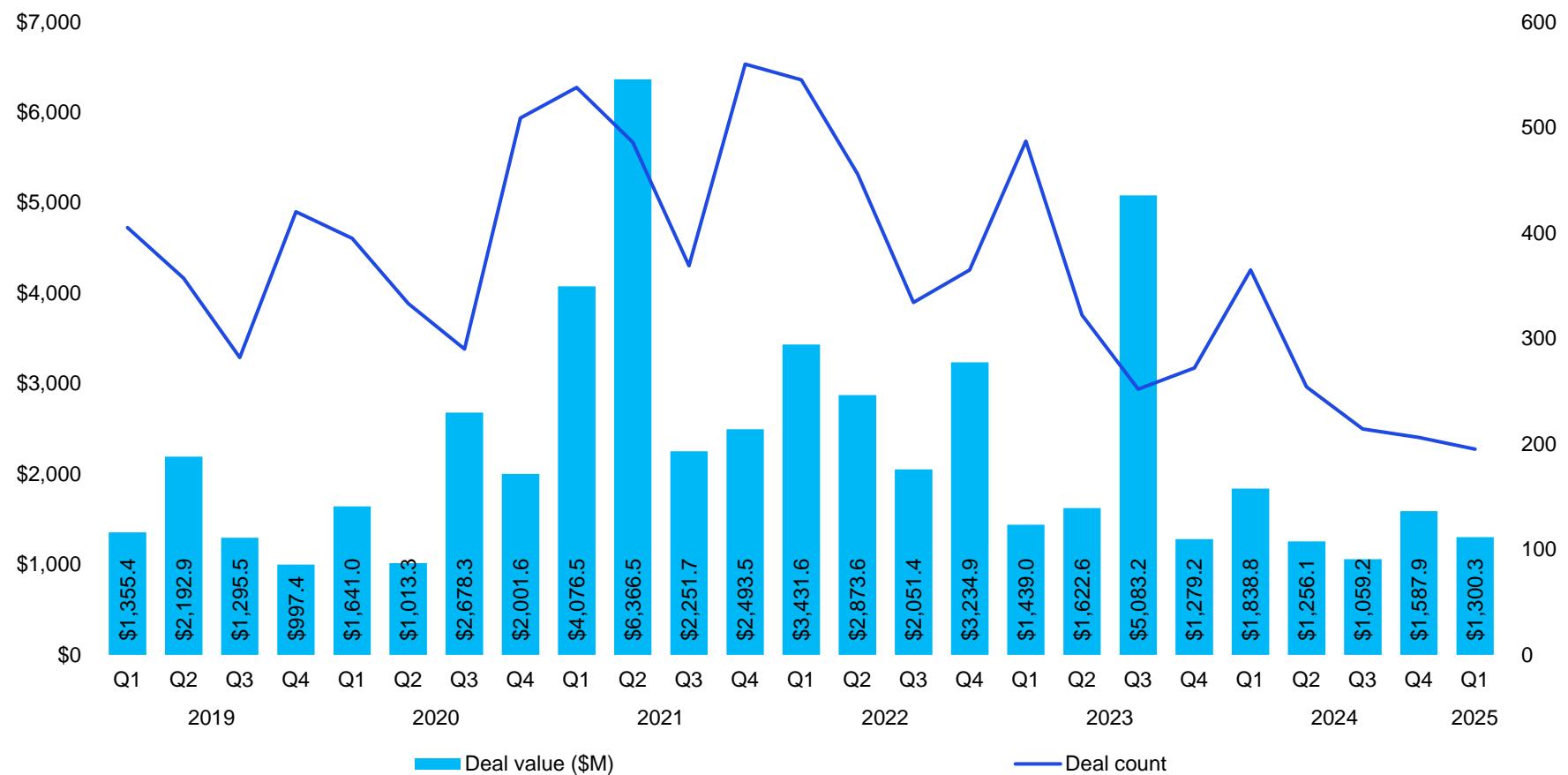


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

VC invested logs another healthy average

Venture financing in the Nordics

2019–Q1'25



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

“ There's been quite a boom and a lot of early-stage funding going into defense and dual-use companies recently. Going forward, I would expect that this will be a strong area of investment in the Nordics region given our background and the amount of companies being born and successfully raising money right now in the space. **”**

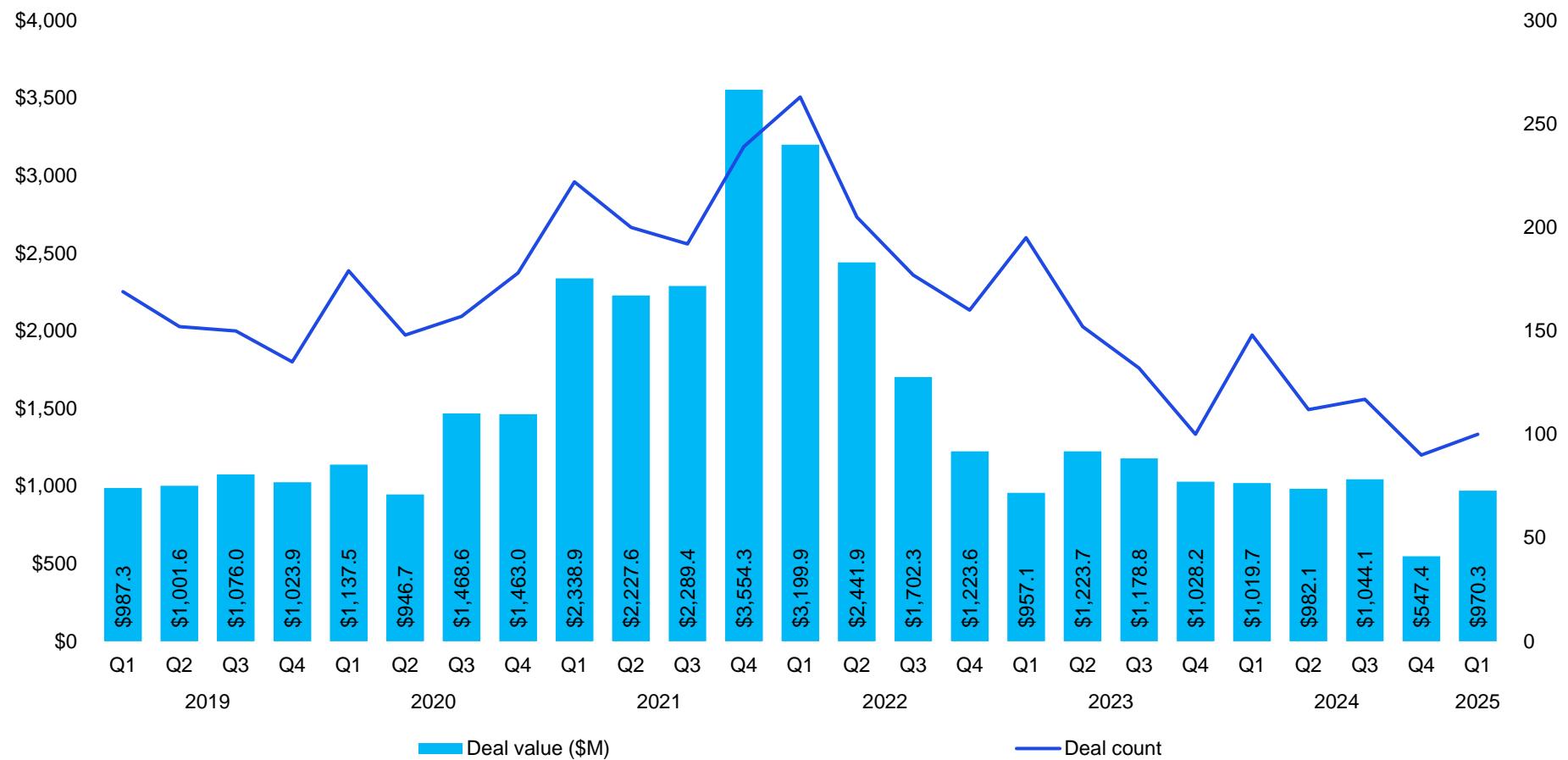


Jussi Paski
Head of Startup and Venture Services
KPMG in Finland

After a period of moderated VC activity, Q1 returns to par

Venture financing in Israel

2019–Q1'25



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

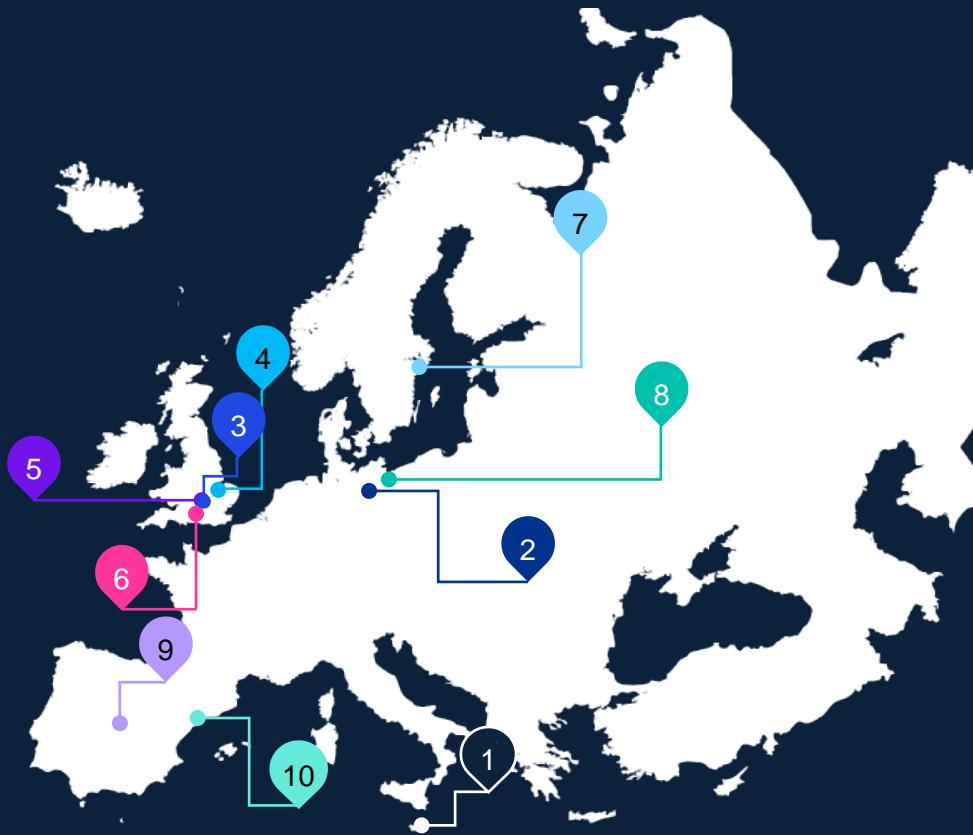
“ Q1'25 investment trends are consistent with that of previous 2024 quarters, with a gradual increase both in number and volume of deals. Over 60% of the deals are early stage (pre-seed to Round A), while later stage deals included five rounds of \$100M or more. 20 M&A deals took place in Q1, with seven deals of \$100M or more. We see a positive sentiment by leading foreign VCs, which established or strengthened their presence in Israel, banking on the current decline in companies' valuations. We expect the positive trend to continue into Q2 2025, with certain reservations pertaining to unforeseen circumstances due to current global economic instability. ”



Dina Pasca-Raz
Head of Technology and
Head of International Tax
KPMG in Israel

AI-powered applications and fintech surge in rankings

Top 10 financings in Q1'25 in Europe



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise.

*As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

1. **Binance** — \$2B, George Town, Malta — Crypto — Late-stage VC
2. **Reneo** — \$624.3M, Hamburg, Germany — Real estate tech — Series B
3. **Isomorphic Labs** — \$600M, London, UK — Biotech — Early-stage VC
4. **Rapyd Financial** — \$500M, Takeley, UK — Fintech — Late-stage VC
5. **Ori** — \$500M, London, UK — AI & ML — Late-stage VC
6. **Verdiva Bio** — \$411M, Guildford, UK — Biotech — Series A
7. **Neko Health** — \$260M, Stockholm, Sweden — AI & ML — Series B
8. **Amboss** — \$257.5M, Berlin, Germany — Healthtech — Late-stage VC
9. **Auro** — \$227.7M, Madrid, Spain — Automotive — Late-stage VC
10. **TravelPerk** — \$200M, Barcelona, Spain — Business software — Series E

In Q1'25, VC-backed companies in the Asia region raised \$12.9B across 2,149 deals



Asia sees VC activity decline amid regional headwinds

Both venture capital investment and deal volume declined in Asia during Q1 2025, with the region raising just \$12.9 billion across 2,149 deals — reflecting continued softness in the market. The downturn was largely driven by persistent challenges in China, including economic uncertainty and ongoing real estate sector issues, as well as heightened investor caution in India, amid broader geopolitical tensions. Singapore was the lone bright spot, bucking the regional trend thanks to a \$1.2 billion raise by data center company DayOne, which significantly boosted the country's quarterly totals.

AI space sees a lot of excitement in Asia during Q1'25, particularly in China

The AI space in Asia attracted a significant amount of attention in Q1'25, driven by the launch of China-based DeepSeek's R1 model. This was seen as a major win for China's AI sector, given the expectation that access to DeepSeek's open source model will help a lot of AI application companies further advance their own models and AI-driven solutions. During the quarter, two Chinese tech giants also launched major AI offerings — including Tencent, which launched the T1 reasoning model,¹⁴ and Alibaba, which released the Qwen 2.5 artificial intelligence model. This feverish level of activity highlights the highly competitive nature of the space and the quest for dominant market position.¹⁵

IPO market in Hong Kong (SAR), China shows strength in Q1'25

The IPO market and stock exchanges in Hong Kong (SAR), China got off to a strong start in Q1'25. The HKSE hosted a number of IPOs, including Mixue — China's largest bubble tea company — which saw shares rise 47 percent in first day trading.¹⁶ Given the degrading performance of the US stock exchanges over the quarter, there was a notable shift of Asia-based investors back to the HKSE, and growing interest from investors from Korea and Japan. The rise in transaction volume was particularly positive, prompting a sense of positivity heading into Q2'25. During Q1'25, Hong Kong also enhanced its efforts to market the HKSE as a place for IPO fundraising within other jurisdictions, including Saudi Arabia and Japan.

Quiet quarter of VC investment in China amid absence of largest deals

VC investment in China was muted in Q1'25, both as a result of a natural slowdown in deal activity related to Chinese New Year, and because of ongoing economic challenges. Following on trends seen

¹⁴ Tencent launches T1 reasoning model amid growing AI competition in China | Reuters

¹⁵ Alibaba releases AI model it says surpasses DeepSeek | Reuters

¹⁶ <https://money.usnews.com/investing/news/articles/2025-03-02/china-tea-drinks-mixue-shares-rise-nearly-30-in-hong-kong-trading-debut>

in recent quarters, much of the VC investment in China during Q1'25 occurred in areas considered to be major government priorities, including hard technologies, new energy, electric vehicles, and AI.

Cleantech company SE Environmental raised the largest deal in China during the quarter (\$688 million) followed by new energy vehicle company Changan Kaicheng (\$274 million), AI-powered autonomous van company Neolix Technologies (\$137 million), electronic design automation company Univista (\$137 million), and chip manufacturer InventChip Technology (\$136 million).

VC investors in China also continued to show interest in earlier-stage companies, evidenced by the popularity of pre-Series A deals during the quarter. This likely reflects a desire to invest in companies early in order to leverage the growth when their technologies are ready to be monetized in the market.

VC investment dips slightly in India as investors taking a wait-and-see approach to uncertainty

India saw VC investment drop slightly in Q1'25 as investors held back from making major investments given the rapidly evolving geopolitical situation. Capital markets also took a beating in India during the quarter amid concerns of overpricing. While markets recovered somewhat in the second half of Q1'25, the general trajectory was lower than initially expected in Q4'24.

E-commerce and quick commerce big winners in India in Q1'25

VC investors in India remained highly focused on consumer offerings in Q1'25, with areas such as e-commerce and quick commerce attracting the most significant attention; during the quarter social e-commerce platform Meesho raised \$550 million. Payments and lending also continued to be a key sector of investment in India, with Tonetag — a startup focused on voice-powered commerce and

Asia sees VC activity decline amid regional headwinds, cont'd.

Japan's VC market holds relatively steady amid regional declines

VC investment in Japan remained relatively strong in Q1 2025, reaching \$902 million across 290 deals, compared to \$1.1 billion on 318 deals in Q4 2024. In the context of broader declines across Asia, Japan's performance was notably stable. That said, the market faced headwinds, including ongoing softness in IPO activity, which limited perceived exit opportunities and dampened expectations for VC fund performance. Additionally, a growing number of startups struggled to secure follow-on funding during the quarter — a trend that may lead to increased sales or dissolutions heading into Q2 2025.

Government support for spacetech development in Japan

In Japan, AI, DeepTech and SpaceTech attracted the most attention from VC investors in Q1'25, in addition to drug discovery, ESG-related solutions, and SaaS IT solutions. Spacetech was particularly notable given the \$51 million raise by microsatellite company ArkEdge Space and the \$44 million raise by space transportation and satellite development company Interstellar Technologies. Government support for the space satellite sector, the ready availability of rocket launch locations in the country, and the expectation that Japan will increase its space-related defense budget will likely keep SpaceTech a hot area of innovation and investment heading into Q2'25.

Biotech seeing increasing interest in China as investors eye licensing-out opportunities

Historically, VC investors in China have been hesitant about investing in biotech because of the long timeframe required for returns. This trend shifted in Q1'25, in part because of the growth in licensing-out trends, which have led to developments in different regions and attracted fresh cash flows to China-based biotechs. During the quarter, VC investors showed increasing interest in biotechs with the potential to license out their pipelines.

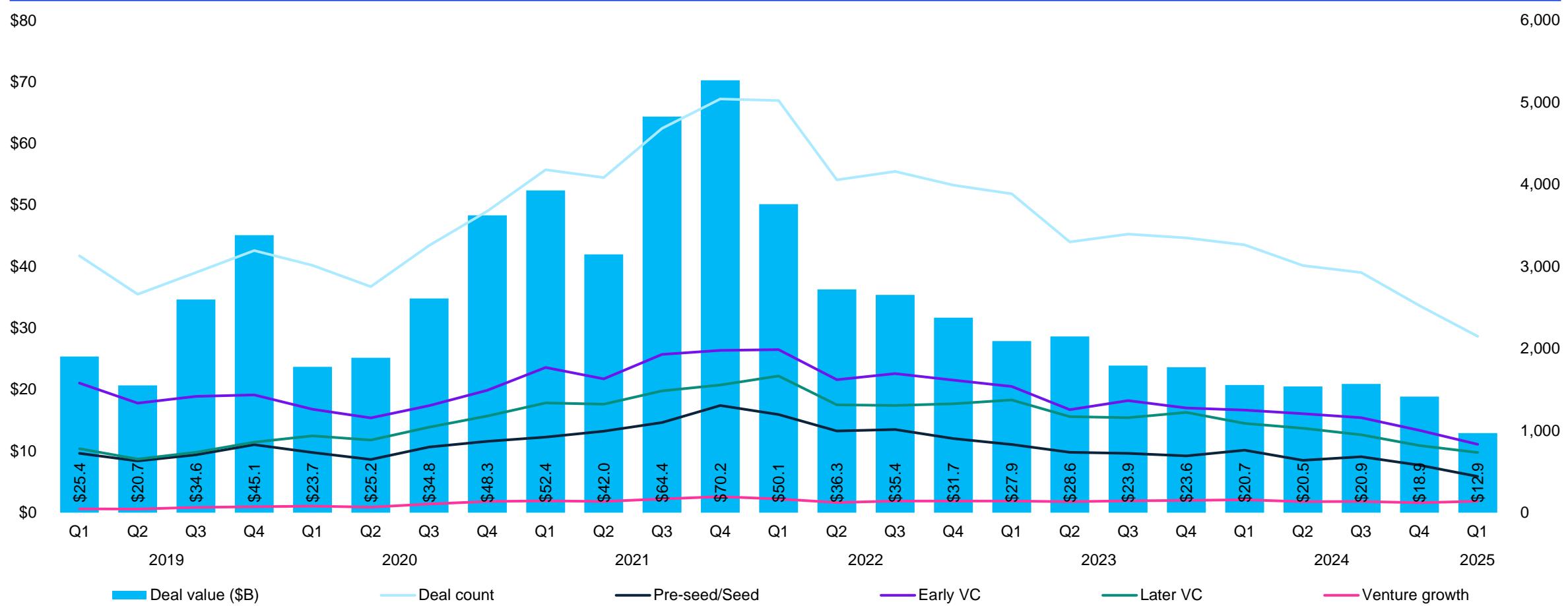
Trends to watch for in Q2'25

Heading into Q2'25, VC investment in Asia is expected to remain subdued, particularly giving geopolitical uncertainties. If China's central government moves to support the development of the private sector, it could spark improved confidence among VC investors and potentially drive an uptick in investment in China. VC investment in India could remain somewhat soft in Q2'25, although the long-term outlook remains positive given the country's strong macros. In Japan, corporate investment will be one area to watch in Q2'25, both in terms of direct VC investment and M&A activity.

2025 sees a sluggish start

Venture financing in Asia

2019–Q1'25

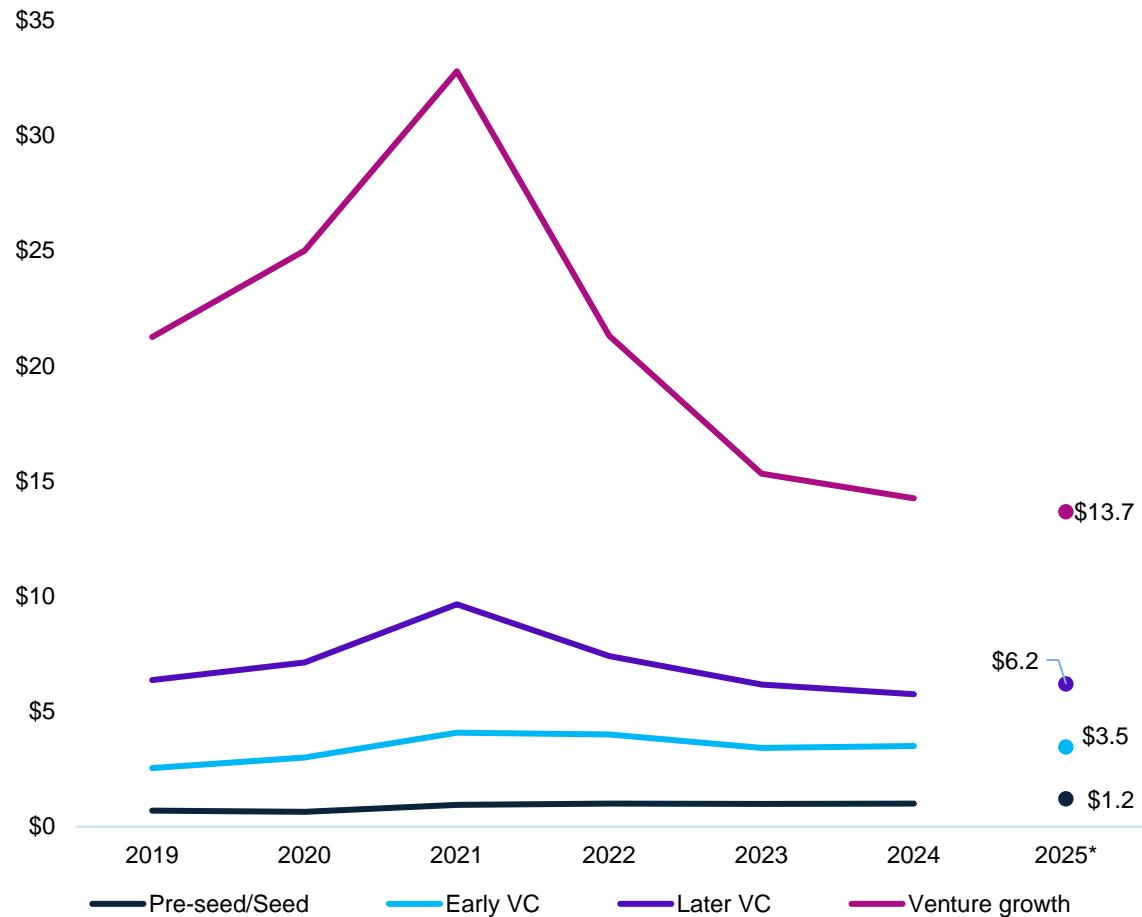


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Down rounds surge to start the year

Median deal size (\$M) by stage in Asia

2019–2025*

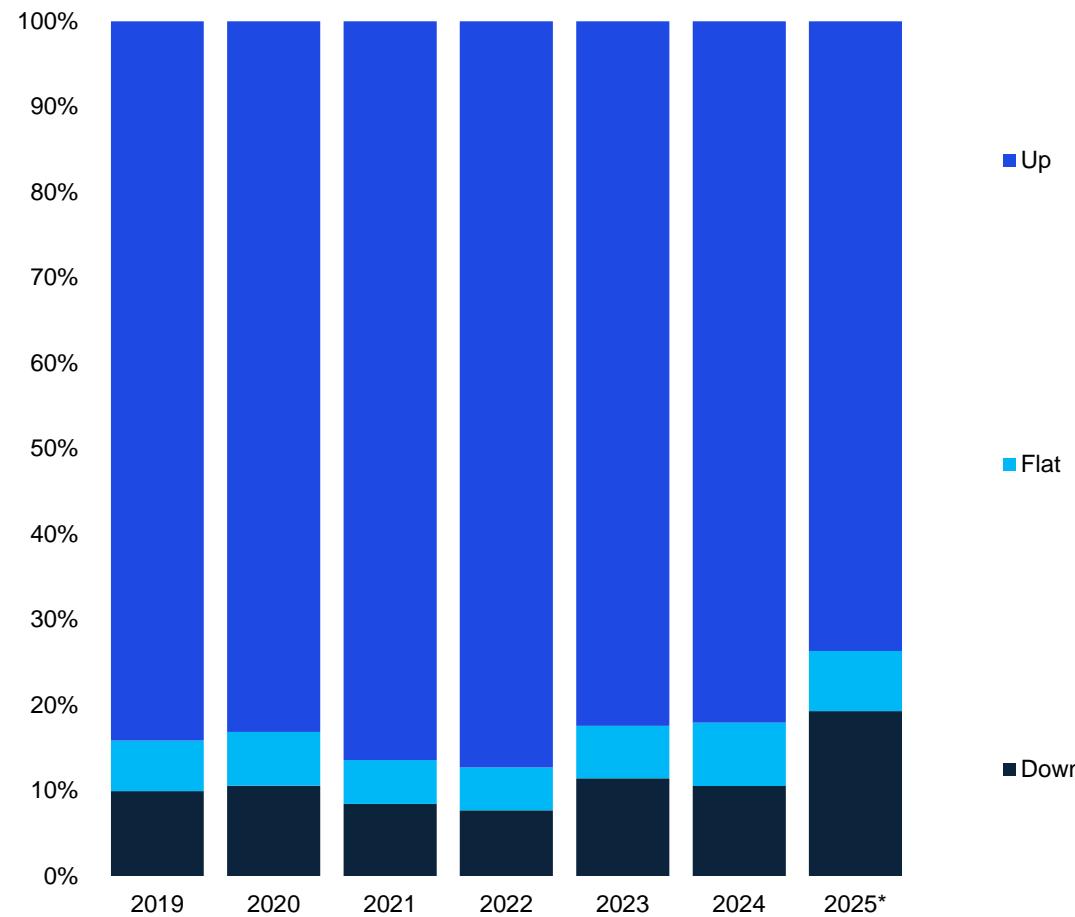


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Note: The 2025* figures for down and flat rounds were below n = 30.

Up, flat or down rounds in Asia

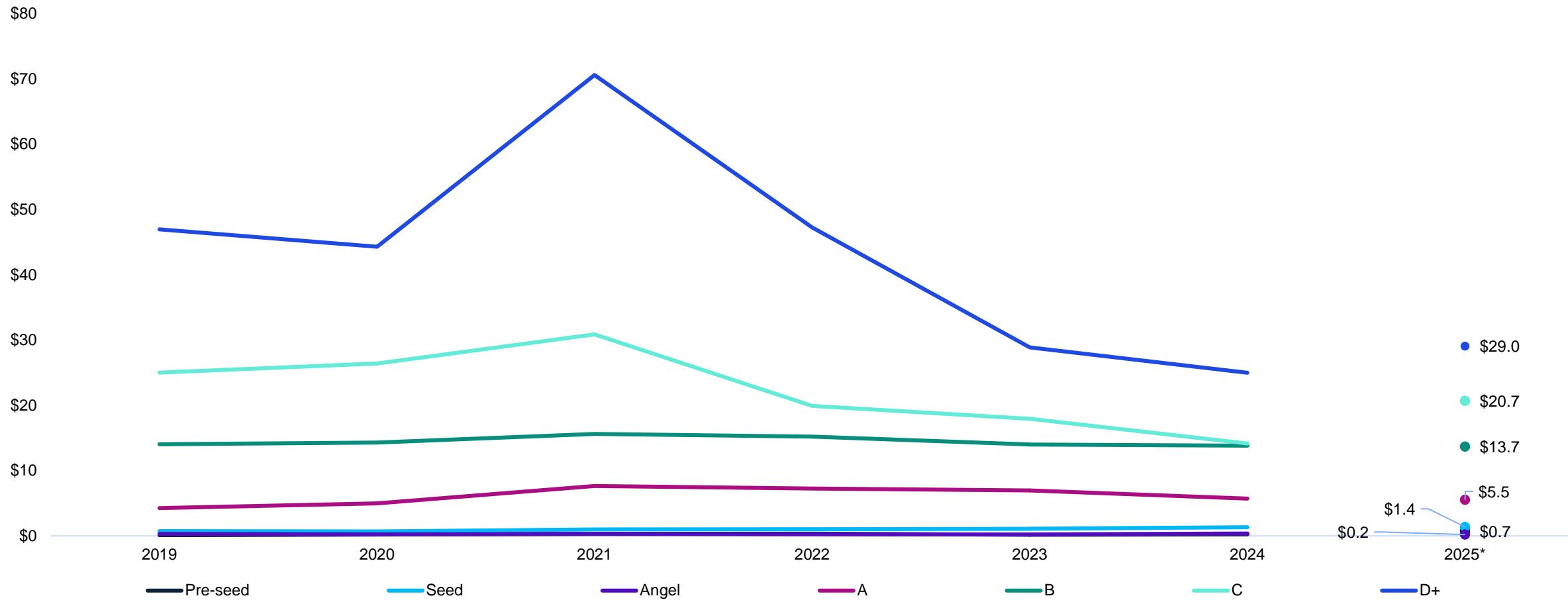
2019–2025*



Financing metrics hold steady in most cases

Median deal size (\$M) by series in Asia

2019–2025*



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Note: The 2025* Series D+ figures are based on population sizes n < 30.

Valuations slide further or stay down in large part

Median pre-money valuation (\$M) by series in Asia

2019–2025*

\$700

\$600

\$500

\$400

\$300

\$200

\$100

\$0

2019

2020

2021

2022

2023

2024

2025*

Pre-seed

Seed

Angel

A

B

C

D+

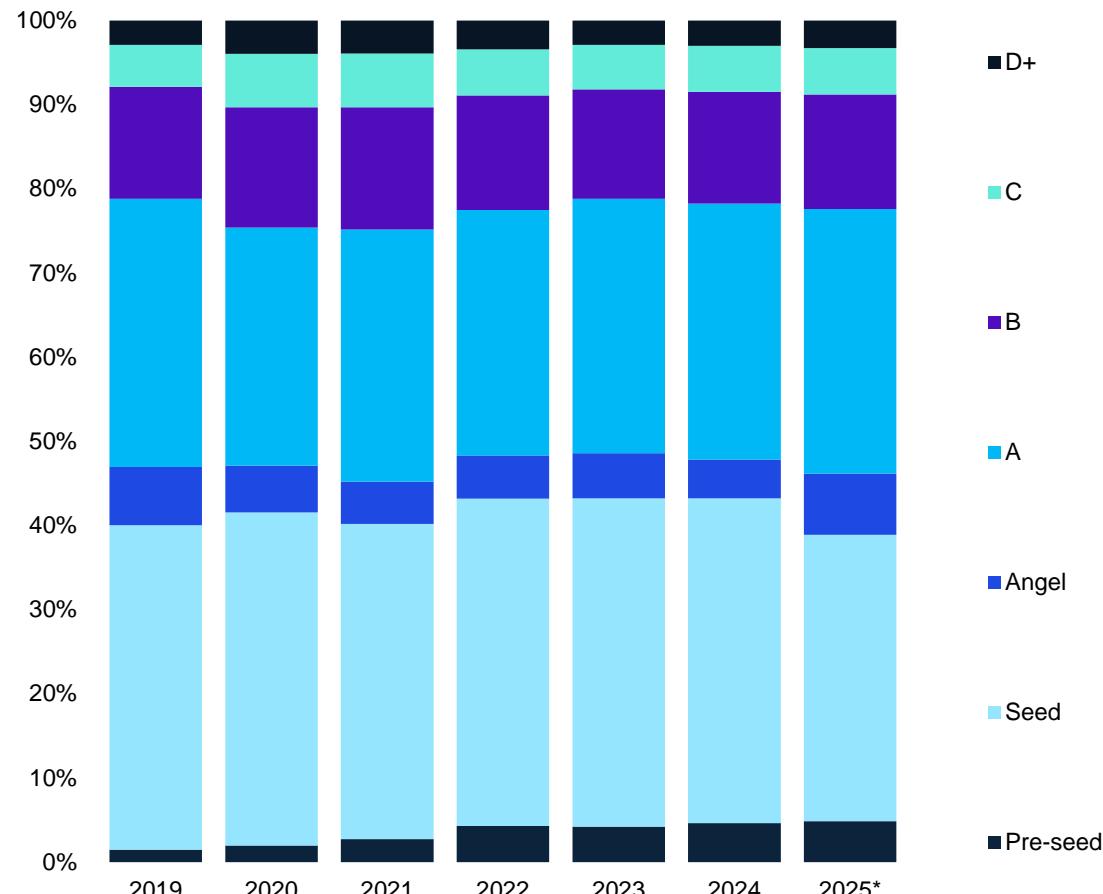
Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Note: The 2025* figures are based on population sizes < 30.

Earlier-stage financings remain most resilient

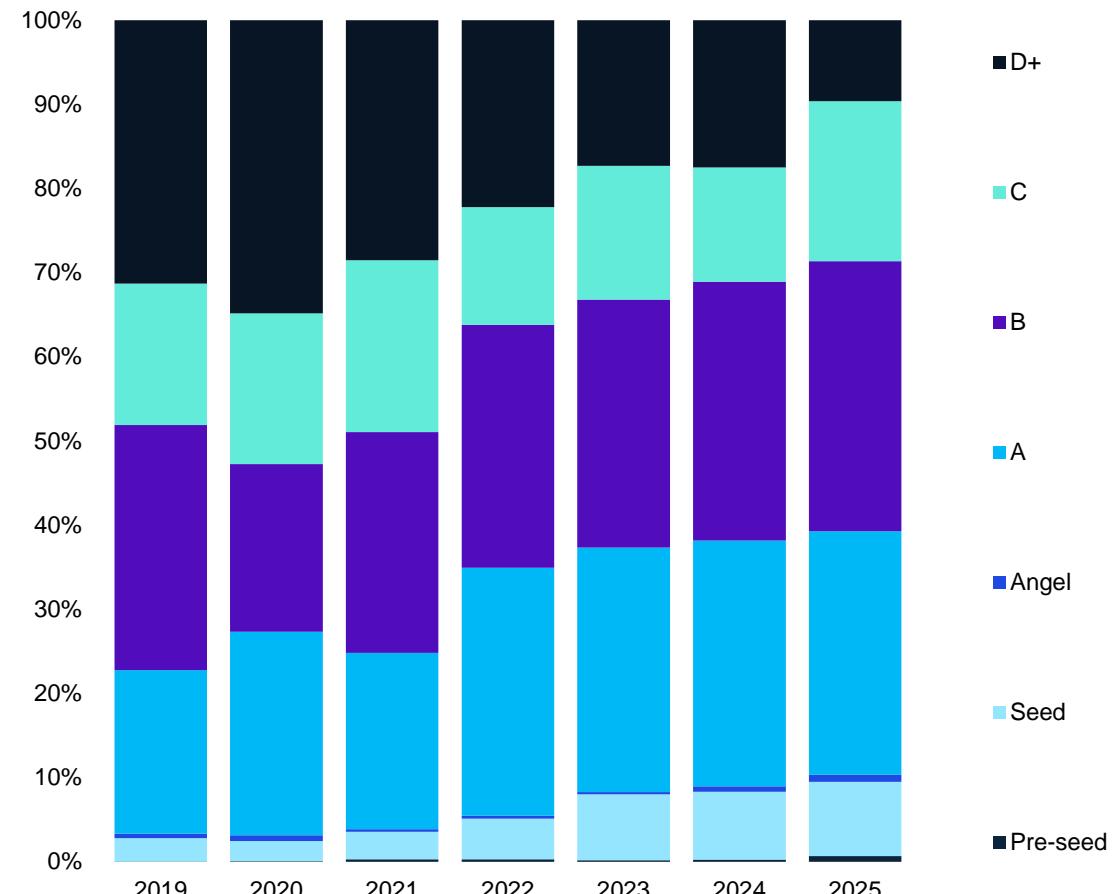
Deal share by series in Asia

2019–2025*, number of closed deals



Deal share by series in Asia

2019–2025*, VC invested (\$B)

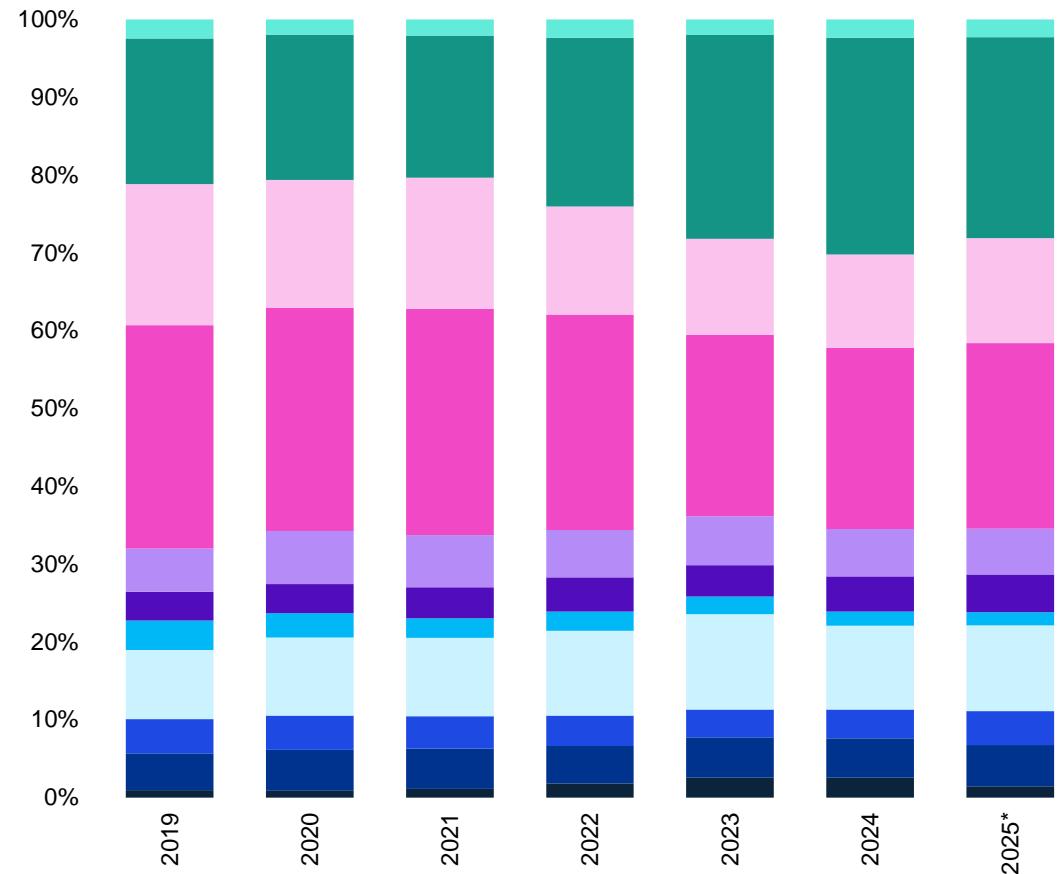


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Commercial surges as nations support domestic investment

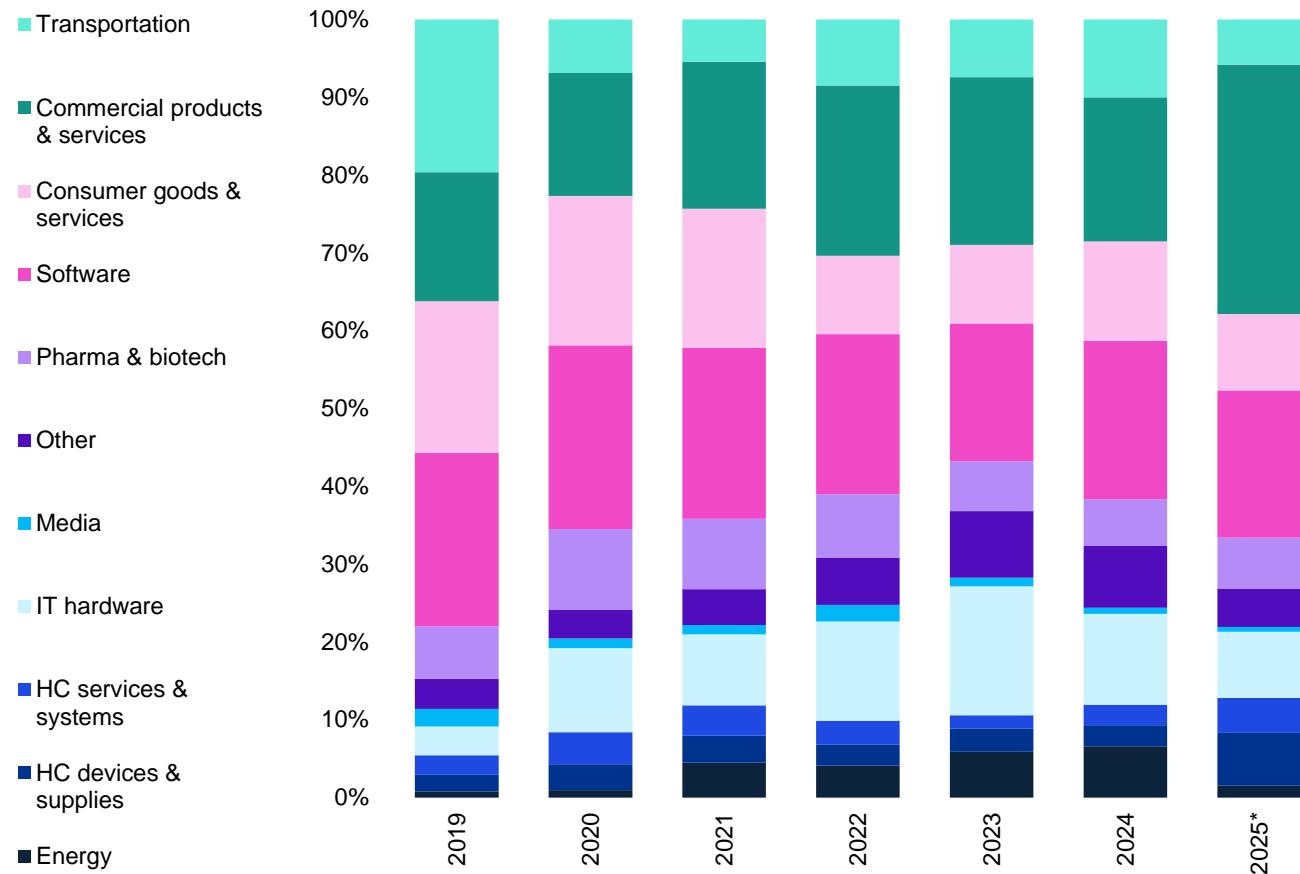
Venture financings by sector in Asia

2019–2025*, number of closed deals



Venture financings by sector in Asia

2019–2025*, VC invested (\$B)

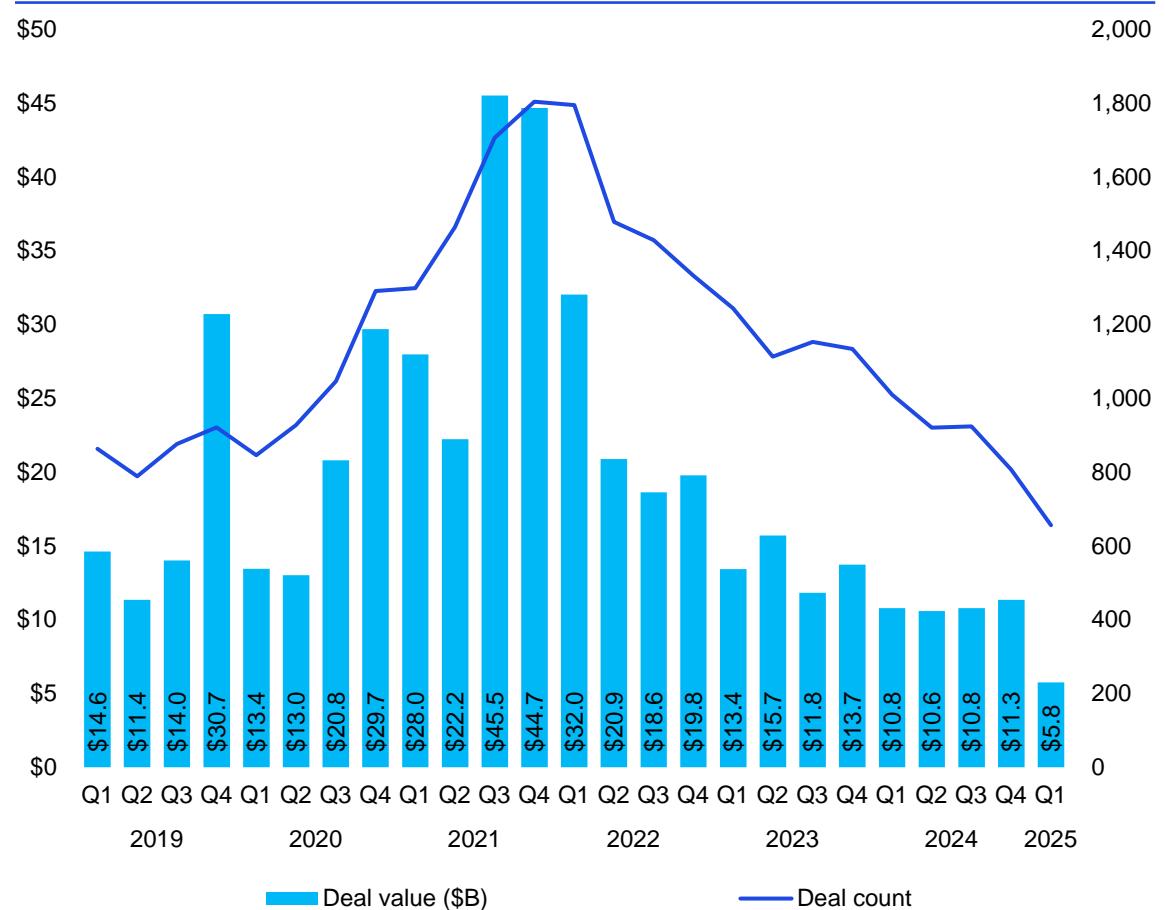


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

CVCs and first-time financiers pull back

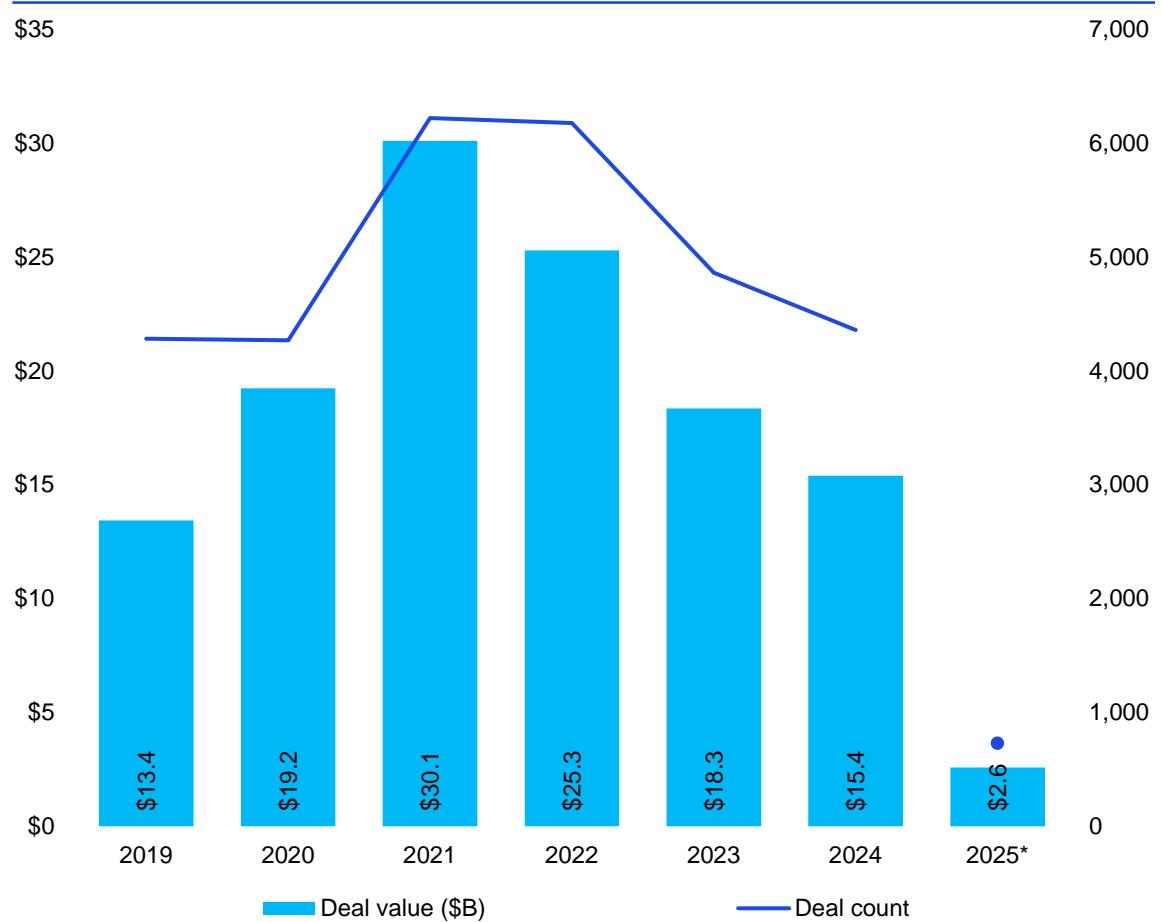
Corporate participation in venture deals in Asia

2019–Q1'25



First-time venture financings of companies in Asia

2019–2025*

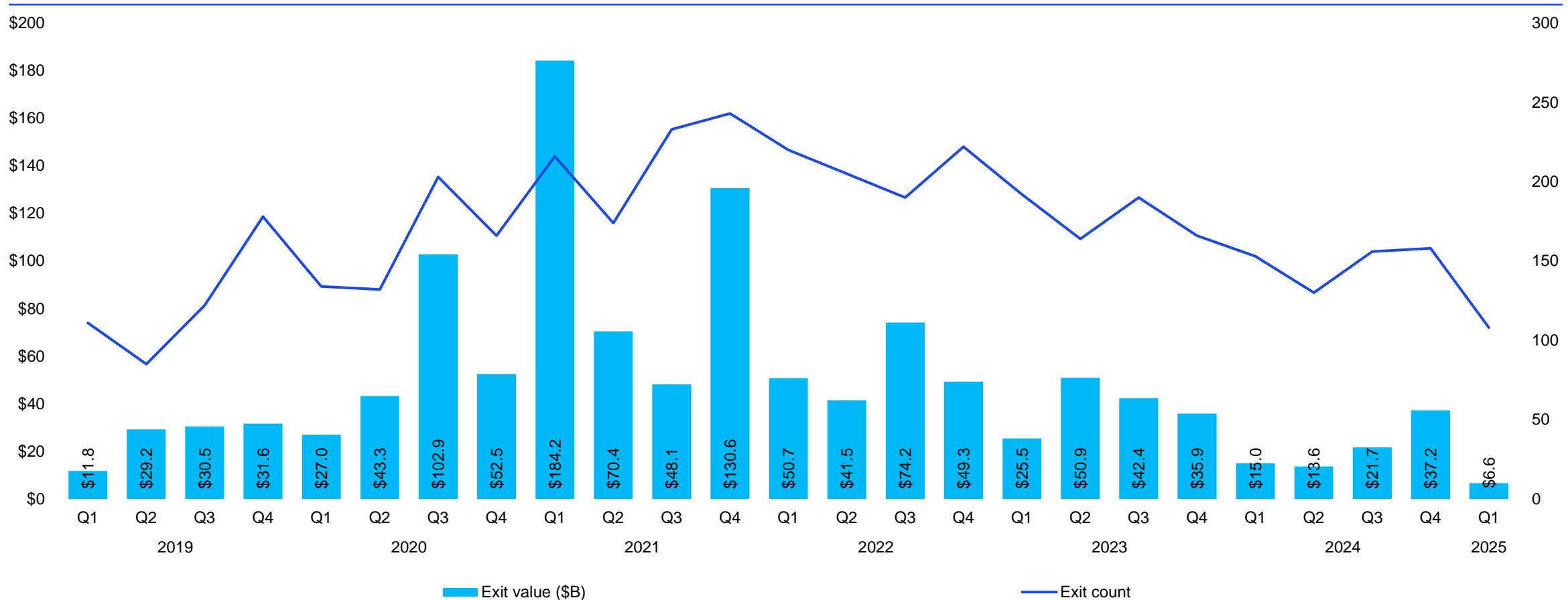


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

A slow Q1 after a mild uptick to close 2024

Venture-backed exit activity in Asia

2019–Q1'25

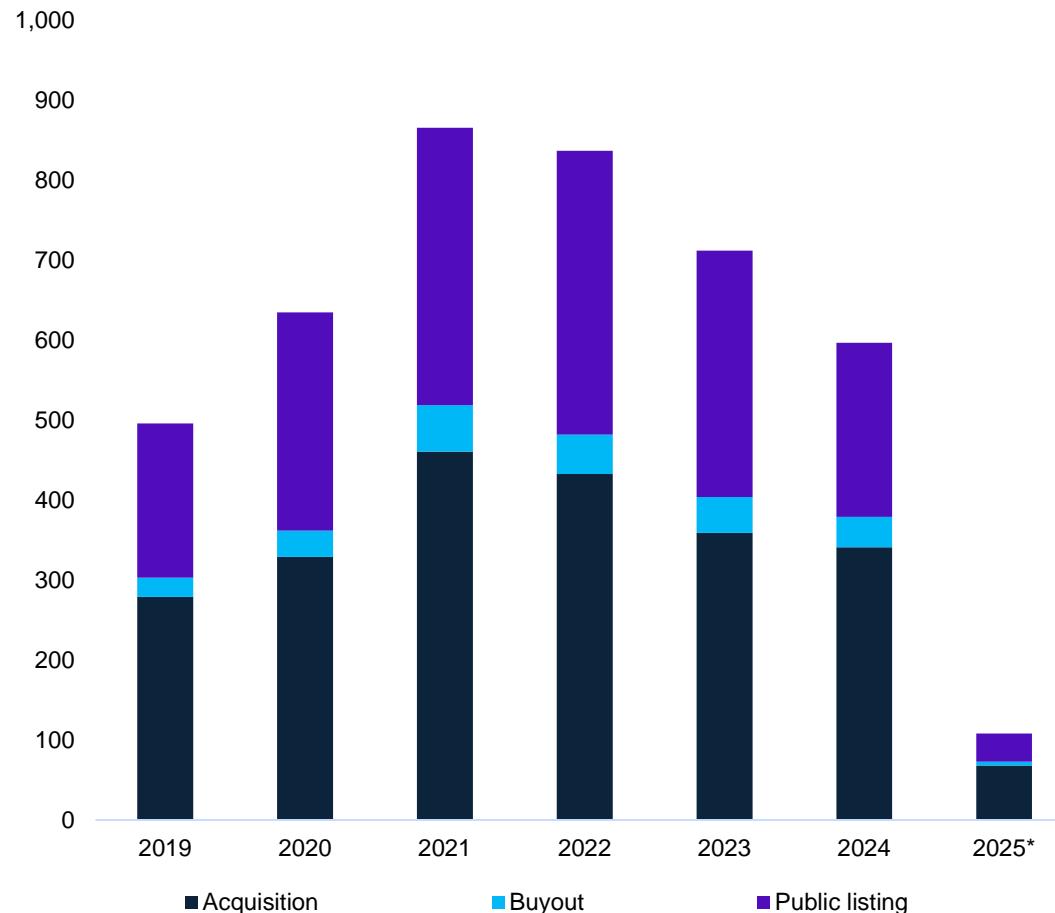


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Exits stagnate, apart from a handful of listings

Venture-backed exit activity (#) by type in Asia

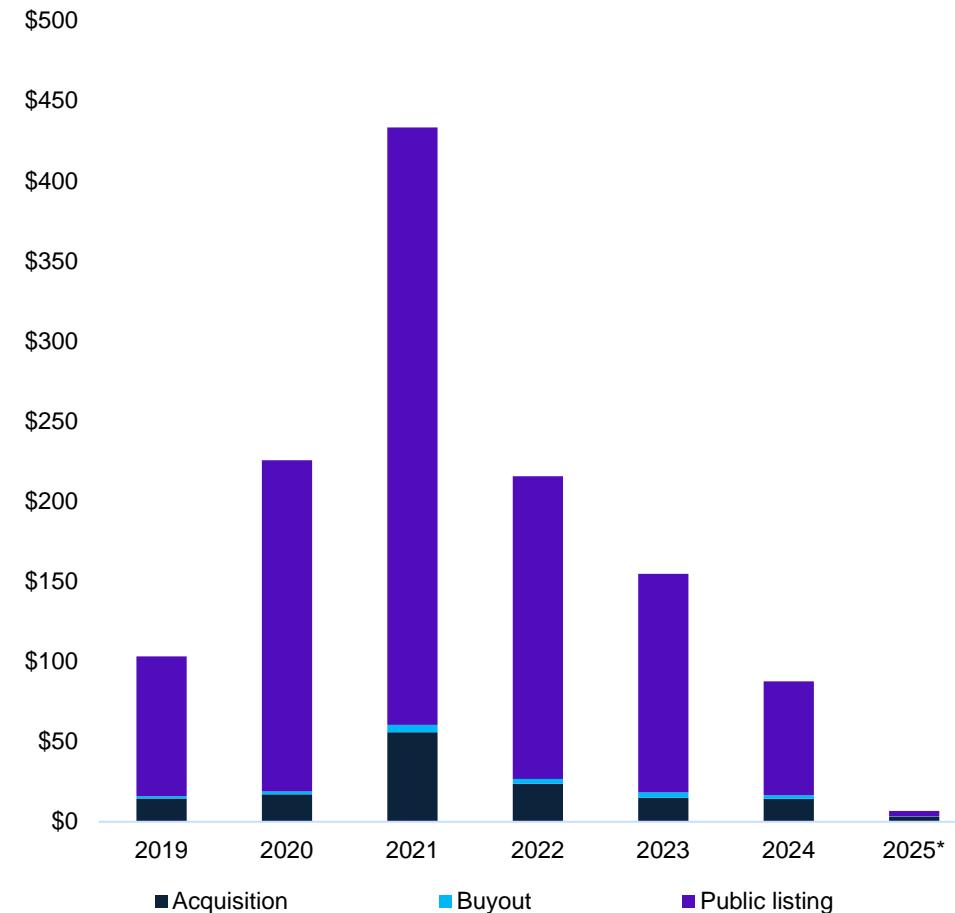
2019–2025*



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Venture-backed exit activity (\$B) by type in Asia

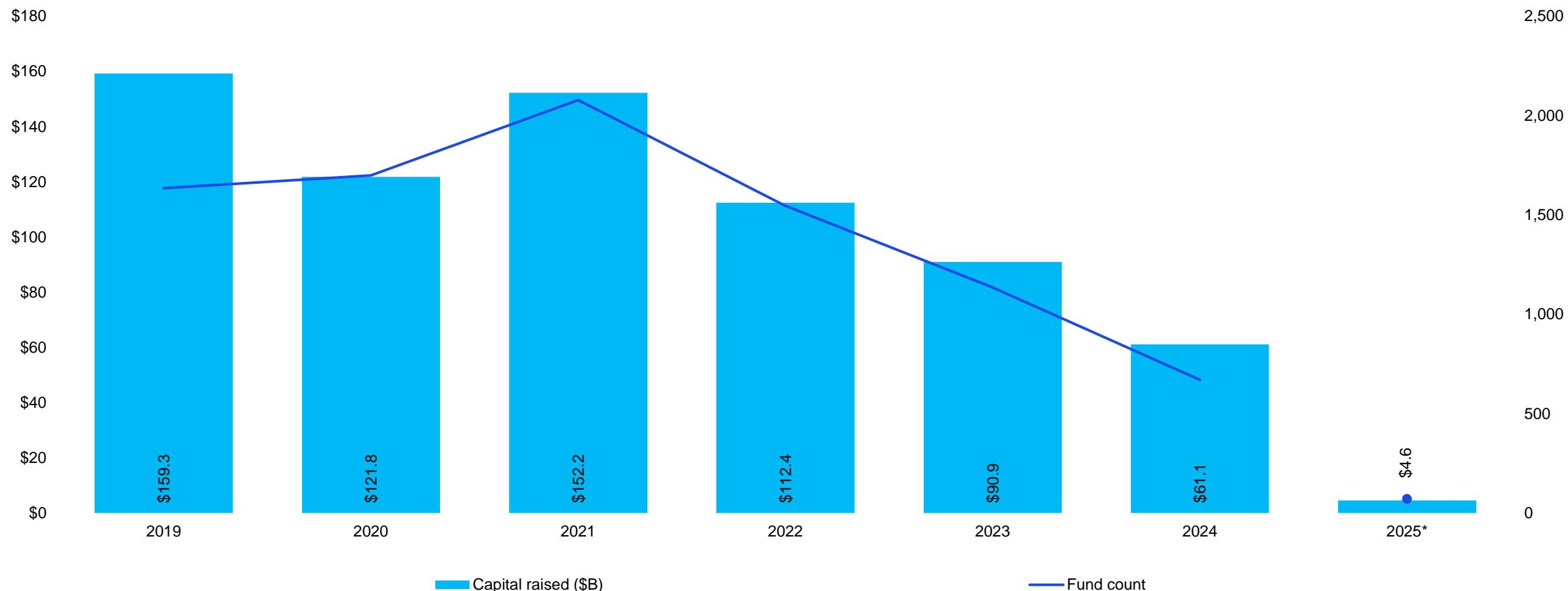
2019–2025*



The fundraising cycle shifts into even lower gear

Venture fundraising in Asia

2019–2025*

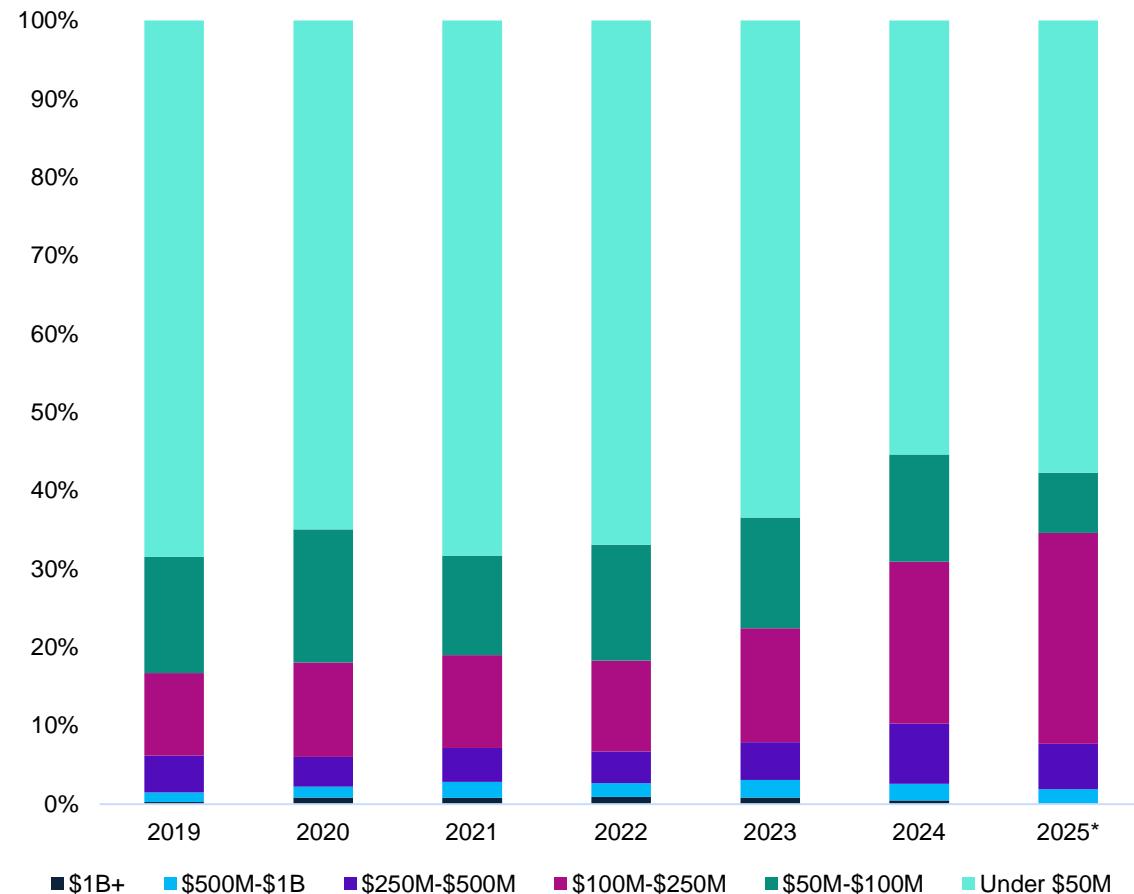


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

Some small funds still close, as government vehicles get in action

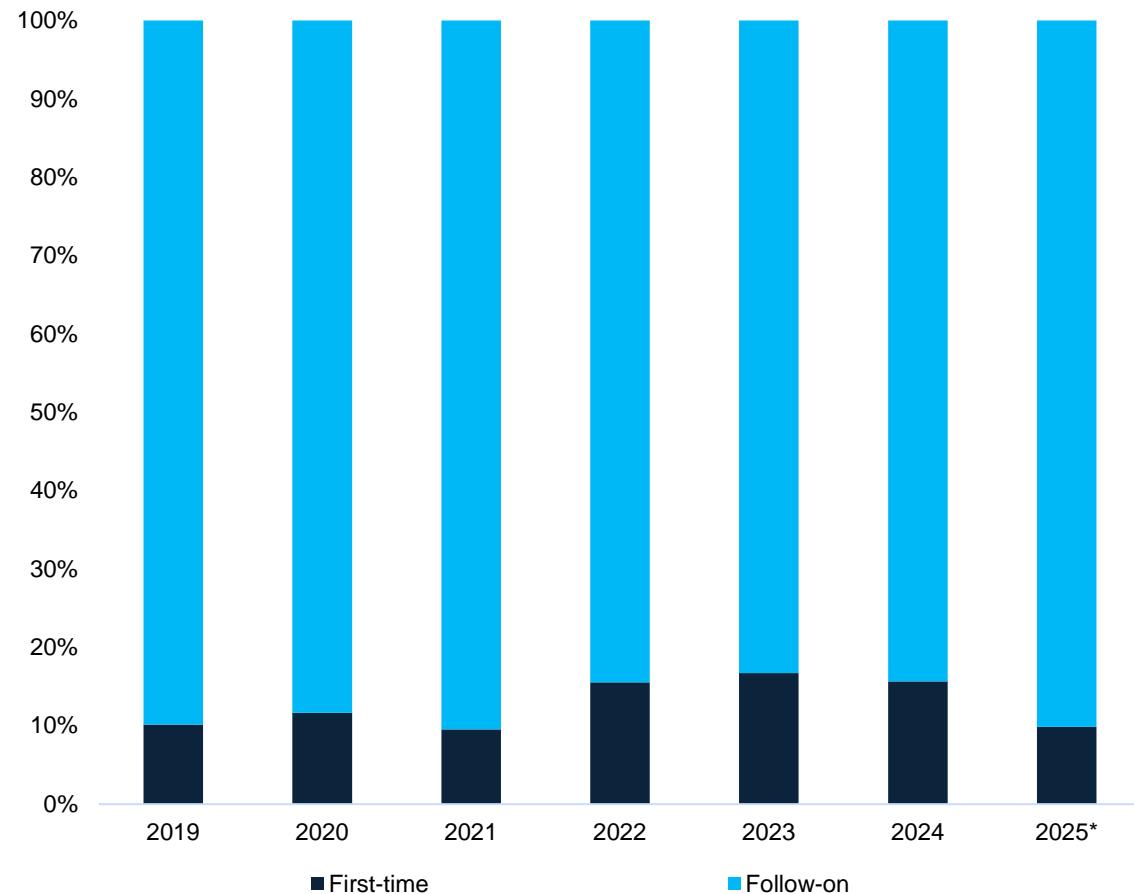
Venture fundraising (#) by size in Asia

2019–2025*



First-time vs. follow-on venture funds (#) in Asia

2019–2025*

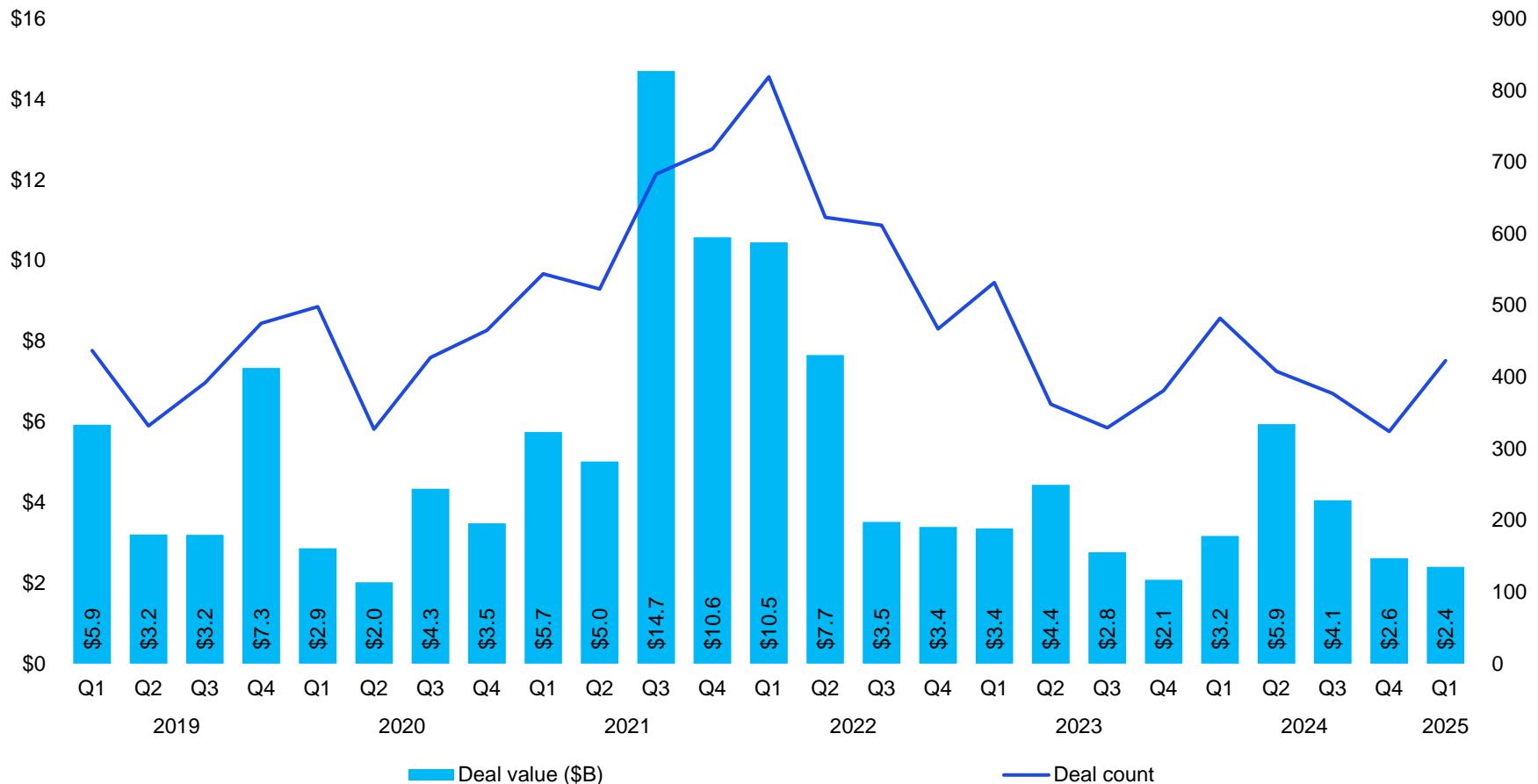


Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

India records a moderate uptick in closed deals

Venture financing in India

2019–Q1'25



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

“ The most important thing in India right now is that the macros are intact. Nothing fundamentally has changed. The money has started coming back to India. There are certain large IPOs of startups that have been announced, which should hit the market over the next one or two quarters. I think we are back in business — and what we're seeing now is really just a minor impediment — a speedbump. ”



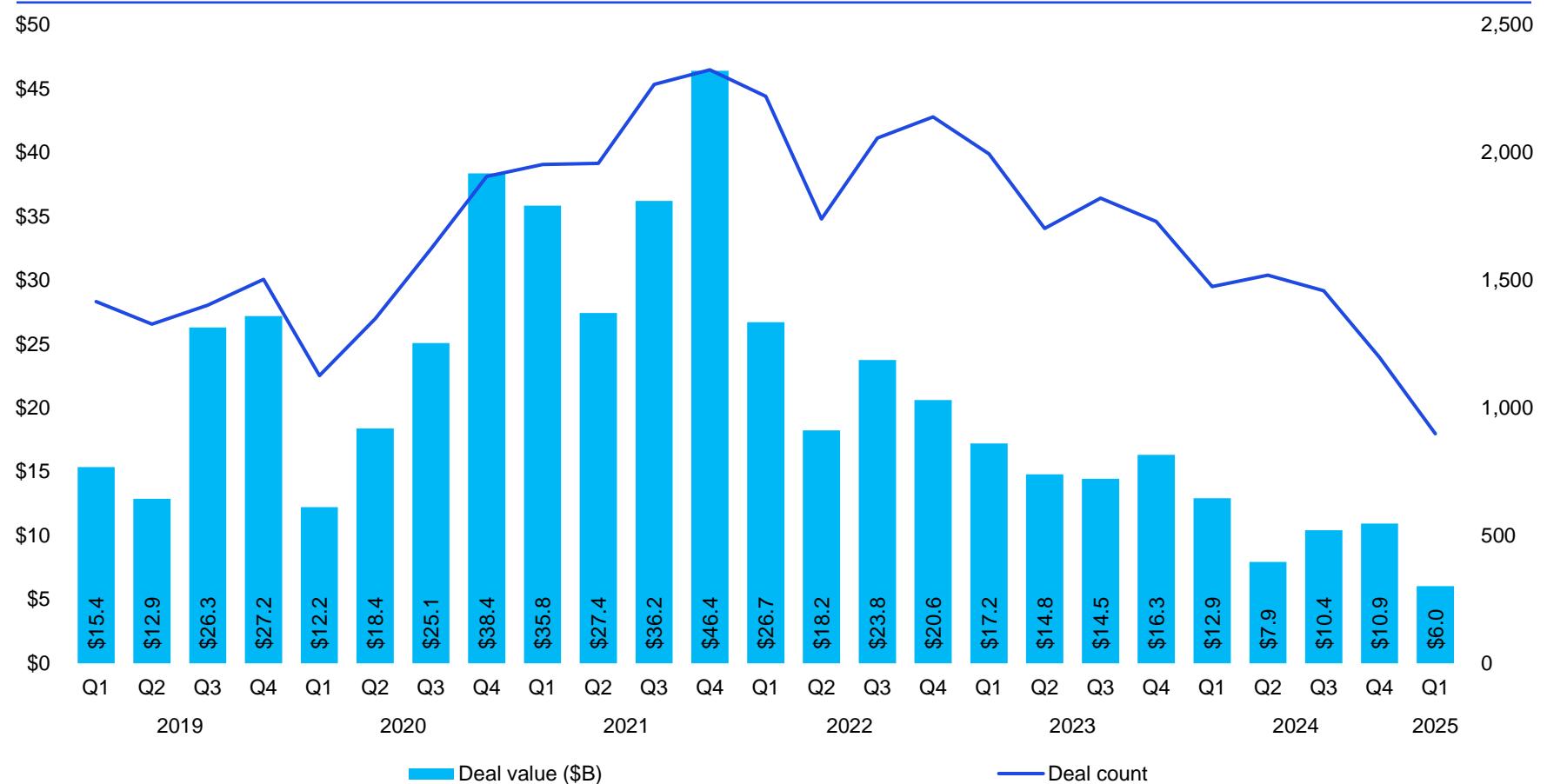
Nitish Poddar

Partner and National Leader,
Private Equity
KPMG in India

VC activity slides to another low in count

Venture financing in China

2019–Q1'25



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

“ Everything that has happened in the AI space here in China this quarter — in terms of the launch of DeepSeek, Tencent, and Alibaba’s different AI models — gives me a lot of confidence in this sector and the investment possibilities that will occur over time. These advancements will not only spur the development of other AI offerings, but the more players that there are, the more healthy competition there will be in the market. ”

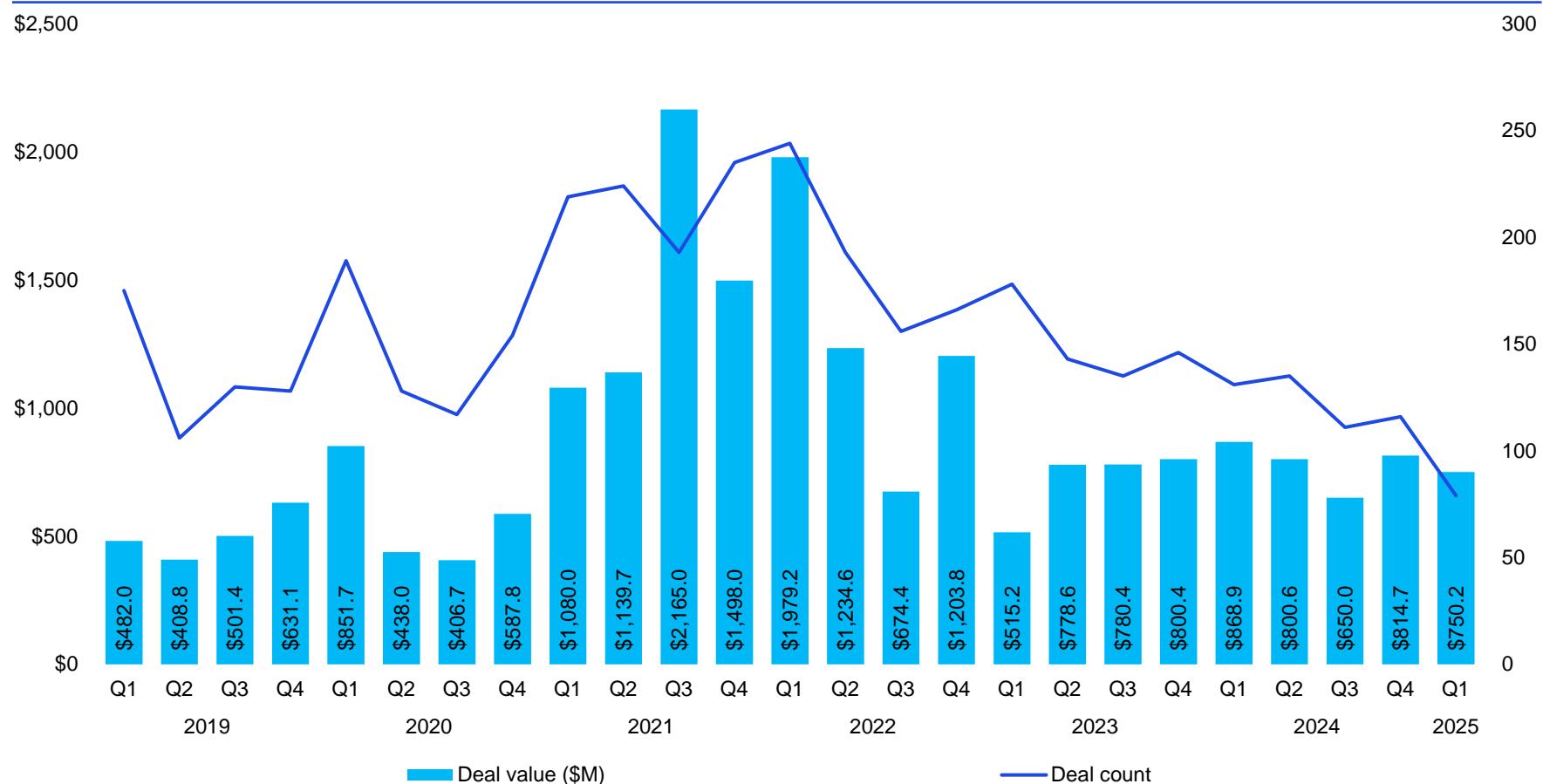


Zoe Shi
Partner
KPMG China

Dealmaking holds at a healthy level

Venture financing in Australia

2019–Q1'25



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

“ Venture capital flows to Australian startups remained steady during the first quarter of the year. Global economic uncertainty may temper some of the cautious optimism we saw at the start of 2025, but we are still seeing investor interest in AI and greentech innovation as well as an uptick of activity in sectors such as defence and space. ”



Amanda Price
Partner & Head of KPMG
High Growth Ventures
KPMG Australia

Japan continues to see healthy sums invested

Venture financing in Japan

2019–Q1'25



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

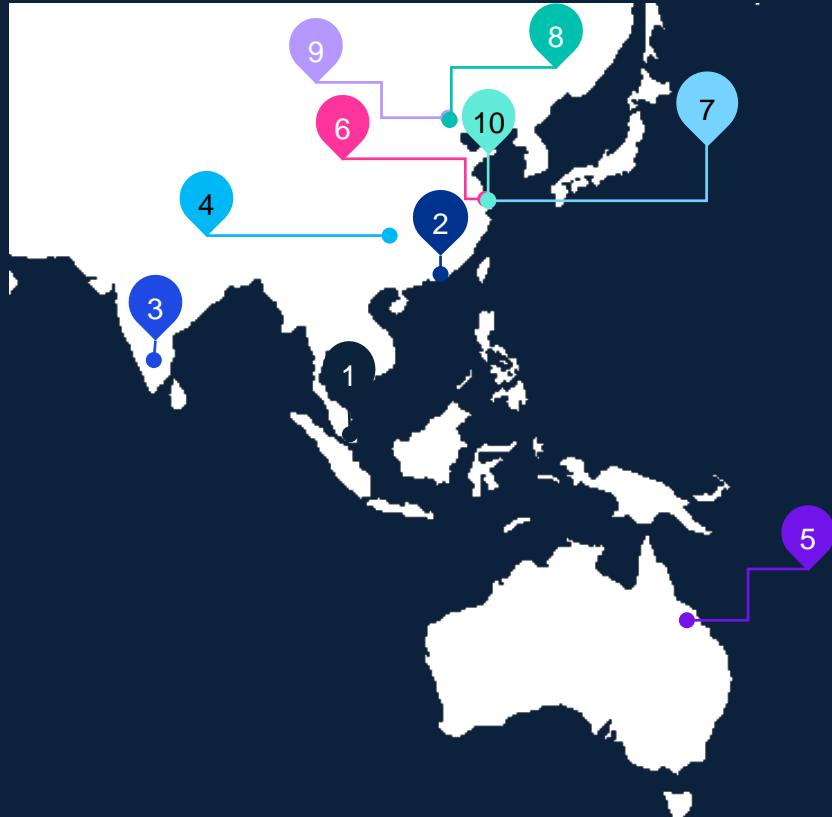
“Corporates here in Japan have continued to show a good appetite for VC investment, although we are seeing some narrow their focus — supporting companies with synergies to their own business strategy rather than investing more broadly, likely with future M&A or business alliances in mind.”



Hiroshi Abe
Executive Board Member,
Partner
KPMG in Japan

A broader array of platforms and sectors draw top deals

Top 10 financings in Q1'25 in Asia-Pacific



Source: Venture Pulse, Q1'25, Global Analysis of Venture Funding, KPMG Private Enterprise.

*As of March 31, 2025. Data provided by PitchBook, April 16, 2025.

1. **DayOne** — \$1.2B, Singapore — Systems & information management — *Series B*
2. **SE Environment** — \$688M, Shenzhen, China — Cleantech — *Late-stage VC*
3. **Meesho** — \$550M, Bengaluru, India — E-commerce — *Late-stage VC*
4. **Changan Kaicheng** — \$274.6M, Chongqing, China — Automotive — *Series A*
5. **Stacked Farm** — \$150M, Arundel, Australia — Agtech — *Late-stage VC*
6. **TARS** — \$150M, Shanghai, China — Robotics — *Seed*
7. **EverBridge Medical** — \$137.9M, Shanghai, China — Healthcare devices — *Series A*
8. **Neolix Technologies** — \$137.9M, Beijing, China — Automotive — *Series C1*
9. **Zhipu AI** — \$137.7M, Beijing, China — AI & ML — *Late-stage VC*
10. **Univista** — \$137.2M, Shanghai, China — Semiconductors — *Series A*

KPMG Private Enterprise Emerging Giants Network

From seed to speed, we're here throughout your journey



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About KPMG Private Enterprise

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KPMG Private Enterprise's global network for emerging giants has extensive knowledge and experience working with the startup ecosystem. Whether you are looking to establish your operations, raise capital, expand abroad, or simply comply with regulatory requirements — we can help. From seed to speed, we're here throughout your journey.

About the report

Acknowledgements

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- **Nicole Lowe**, Head of Emerging Giants, KPMG in the UK
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- **Ryan Forster**, Partner, KPMG in Canada
- **Samuel Lush**, Managing Director, Private Equity Group, KPMG in the US
- **Scott Burger**, Partner, KPMG in the US
- **Zoe Shi**, Partner, KPMG China

About the report

Methodology

KPMG uses PitchBook as the provider of venture data for the Venture Pulse report

Please note that the MESA and Africa regions are NOT broken out in this report. Accordingly, if you add up the Americas, Asia-Pacific and Europe regional totals, they will not match the global total, as the global total considers those other regions. Those specific regions were not highlighted in this report due to a paucity of datasets and verifiable trends.

In addition, particularly within the European region, the Venture Pulse does not contain any transactions that are tracked as private equity growth by PitchBook. As such rounds are often conflated with late-stage venture capital in media coverage, there can be confusion regarding specific rounds of financing. The key difference is that PitchBook defines a PE growth round as a financial investment occurring when a PE investor acquires a minority stake in a privately held corporation. Thus, if the investor is classified as PE by PitchBook, and it is the sole participant in the recipient company's financing, then such a round will usually be classified as PE growth, and not included in the Venture Pulse datasets. However, as of the Q4 2022 edition, a new stage for venture that was invented by PitchBook to account for growth at late-stage VC will be included, defined as venture growth. That same edition saw some minor updates to the wording of the methodology on this page.

Also, if a company is tagged with any PitchBook vertical, excepting manufacturing and infrastructure, it is kept. Otherwise, the following industries are excluded from growth equity financing calculations: buildings and property, thrifts and mortgage finance, real estate investment trusts, and oil & gas equipment, utilities, exploration, production and refining. Lastly, the company in question must not have had an M&A event, buyout, or IPO completed prior to the round in question.

Fundraising

PitchBook defines VC funds as pools of capital raised for the purpose of investing in the equity of startup companies. In addition to funds raised by traditional VC firms, PitchBook also includes funds raised by any institution with the primary intent stated above. Funds identifying as growthstage vehicles are classified as PE funds and are not included in this report. A fund's location is determined by the country in which the fund's investment team is based; if that information is not explicitly known, the HQ country of the fund's general partner is used. Only funds based in the United States that have held their final close are included in the fundraising numbers. The entirety of a fund's committed capital is attributed to the year of the final close of the fund. Interim close amounts are not recorded in the year of the interim close.

Deals

PitchBook includes equity investments into startup companies from an outside source. Investment does not necessarily have to be taken from an institutional investor. This can include investment from individual angel investors, angel groups, seed funds, VC firms, corporate venture firms, corporate investors, and institutions, among others. Investments received as part of an accelerator program are not included; however, if the accelerator continues to invest in follow-on rounds, those further financings are included. All financings are of companies headquartered in the US, with any reference to "ecosystem" defined as the combined statistical area (CSA). PitchBook includes deals that include partial debt and equity.

Pre-seed/seed: The pre-seed stage encompasses a collection of emergent startups receiving the first check from at least one institutional investor to fuel their development growth. For global startups, we reclassify angel deals depending on institutional investors' prior deal participation. Deals that have been tagged as "angel" due to the company's investor base

consisting solely of individual investors will now be recategorized into the early-stage or late-stage VC deal category based on stage methodologies in place. For startups headquartered in the US and Europe, we define pre-seed as a round of financing for a company founded less than two years ago that has not yet received institutional investor support. This update was made in the Q4 2023 edition of Venture Pulse and all subsequent editions.

- **Early-stage:** Rounds are generally classified as Series A or B (which we typically aggregate together as early-stage) either by the series of stock issued in the financing or, if that information is unavailable, by a series of factors including: the age of the company, prior financing history, company status, participating investors, and more.
- **Late-stage:** Rounds are generally classified as Series C or D or later (which we typically aggregate together as late-stage) either by the series of stock issued in the financing or, if that information is unavailable, by a series of factors including: the age of the company, prior financing history, company status, participating investors, and more.
- **Growth:** Financings tagged as Series E or later or deals involving companies that are at least seven years old and have raised at least six VC rounds will be included in this category, as of the Q4 2022 edition of Venture Pulse released in January 2023.
- **Corporate:** Corporate rounds of funding for currently venture-backed startups that meet the criteria for other PitchBook venture financings are included in the Venture Pulse as of March 2019.
- **Corporate venture capital:** Financings classified as corporate venture capital include rounds that saw both firms investing via established CVC arms or corporations making equity investments off balance sheets or whatever other non-CVC method is employed.

Exits

PitchBook includes the first majority liquidity event for holders of equity securities of venture-backed companies. This includes events where there is a public market for the shares (IPO) or the acquisition of majority of the equity by another entity (corporate or financial acquisition). This does not include secondary sales, further sales after the initial liquidity event, or bankruptcies. M&A value is based on reported or disclosed figures, with no estimation used to assess the value of transactions for which the actual deal size is unknown. IPO value is based on the premoney valuation of the company at its IPO price. One slight methodology update is the categorical change from "IPO" to "public listings" to accommodate the different ways we track VC-backed companies' transitions to the public markets. To give readers a fuller picture of the companies that go public, this updated grouping includes IPOs, direct listings, and reverse mergers via special purpose acquisition companies (SPACs).

In the edition of the KPMG Venture Pulse covering Q1 2019 and all ensuing, PitchBook's methodology regarding aggregate exit values changed. Instead of utilizing the size of an IPO as the exit value, the prevaluation of an IPO, based upon ordinary shares outstanding, was utilized. This has led to a significant change in aggregate exit values in all subsequent editions yet is more reflective of how the industry views the true size of an exit via public markets. In the edition of the KPMG Venture Pulse covering Q1 2021 and all ensuing, the IPO exit type was updated to include all types of public listings, including SPACs and other reverse mergers. In January 2025, a new extrapolation for M&A exit values was also applied.



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