KPMG Private Enterprise

Venture Pulse Q4 2024

Global analysis of venture funding

January 15, 2025

Welcome message

Welcome to the Q4’24 edition of *Venture Pulse* the KPMG Private Enterprise’s quarterly report highlighting the key trends, challenges, and opportunities facing the VC market globally and in key jurisdictions around the world.

2024 was a particularly challenging year for the global VC market. Geopolitical conflicts and tensions, high interest rates, concerns about valuations, the extended exit drought, and significant elections in a number of major jurisdictions kept uncertainty very high throughout much of the year. VC investors continued to be very selective with their investments, focusing primarily on later stage deals and companies with clear paths to profitability.

The first three quarters of the year saw subdued levels of VC investment across the Americas, Europe and Asia. Q4’24, however, saw global VC investment rebound to a seven-quarter high. This uptick was driven in large part by eight $1 billion+ megadeals, which together accounted for over $36 billion in investment. AI-focused companies attracted the vast majority of these investments, including US-based Databricks ($10 billion), OpenAI ($6.6 billion), xAI ($6 billion), Waymo ($5.6 billion), Anthropic ($4 billion), and UK-based GreenScale ($1.3 billion).

At a regional level, the Americas saw VC investment rise significantly in Q4’24, reaching a high not seen since Q2’22; Europe also saw VC investment rise quarter-over-quarter, although the total remained relatively subdued compared to historical trends. The VC market in Asia remained very soft, with VC investment falling to record lows.

While there continues to be a significant degree of global geopolitical uncertainty, there is a feeling of cautious optimism in the VC market headed into Q1’25. In particular, there is growing confidence that the IPO door will open in 2025 as the level of uncertainty levels off in the wake of the US election. Already, a number of companies are positioning for IPO exits, although it could take a quarter or two before IPO numbers actually materialize. AI is also expected to remain a very hot area of investment, in addition to defense tech. Cybersecurity is also well positioned to see increasing investment heading into Q1’25.

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

- The extraordinary level of interest and investment in AI
- The fall-off in VC investment at Angel and Seed stages
- The growing optimism for exits heading into Q1’25
- The increasing focus on defense tech

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

Unless otherwise noted, all currencies reflected throughout this document are in US dollars.
The deal was a mix of debt, equity and grants, which ultimately due to the company’s stage, business model, industry and backing was determined by PitchBook to be best categorized as venture.

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KPMG Private Enterprise advisers in KPMG firms around the world are dedicated to working with you and your business, no matter where you are in your growth journey — whether you’re looking to reach new heights, embrace technology, plan for an exit, or manage the transition of wealth or your business to the next generation.

Conor Moore
Global Head, KPMG Private Enterprise, KPMG International & Partner
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Senior Director, Emerging Giants Global Network, KPMG Private Enterprise
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#Q4VC

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Globally, in Q4'24 VC-backed companies raised $108.6 billion across 7,022 deals

VC investment globally rises to seven-quarter high as AI interest skyrockets

VC investment globally rose to the highest level in seven quarters in Q4'24, driven primarily by the ongoing surge in interest in AI. During the quarter, the AI space accounted for the five largest deals of the quarter, led by a $10 billion raise by Databricks.

Americas attracts lion's share of VC investment, as investment in Asia slumps

At a regional level, the Americas accounted for a significant amount of VC investment in Q4'24, driven in large part by a several large deals in the US. While Europe saw VC investment rise quarter-over-quarter, the total level of investment in the region remained relatively soft compared to other recent quarters. The UK accounted for the largest share of VC funding in the region, driven by a $1.3 billion raise by AI-enabler data platform company GreenScale.

Asia continued to see very soft levels of funding during Q4'24. A $1.1 billion raise by China-based clean energy developer CNNP Rich Energy accounted for the largest deal in Asia during the quarter.

AI rakes in over $32 billion in $1 billion+ VC deals

The AI space globally attracted a major proportion of all global VC funding this quarter; Over $32 billion of this funding came from $1 billion+ deals, including Databrick's $10 billion raise, a $6.6 billion raise by OpenAI, a $6 billion raise by xAI, a $5.6 billion raise by Waymo, a $4 billion raise by Anthropic, and a $1.3 billion raise by GreenScale. The US attracted the vast majority of AI investment this quarter, although all regions saw robust interest in AI-focused companies.

AI model and infrastructure companies attracted many of the quarter's largest deals, as interest and competition in the space remained very hot. Startups focused on the application of AI to address specific challenges and industries also saw substantial interest from VC investors across regions during Q4'24. In addition to autonomous driving company Waymo's large raise, a number of companies raised significant rounds, including Turkey-based marketing platform Insider ($500 million), UK-based travel and hospitality platform Lighthouse ($370 million),and China-based Didi Autonomous driving ($298 million).

As election uncertainty stabilizes, cautious optimism takes hold

2024 was a year packed with elections, from the European Union parliamentary elections to major elections in the US, UK, France, India and Japan — among many others. Uncertainty related to the Q4'24 US presidential election was particularly high during the year, keeping many investors on the fence and likely contributing to the softness in the IPO market globally. While some uncertainty remains with respect to potential actions by the incoming US administration, particularly on the tariff front, and with respect to the ongoing conflicts in the Ukraine and Middle East, VC investors are cautiously optimistic about the future, with many expecting a resurgence in IPO and M&A activity — if not immediately in Q1'25, then in Q2'25.

Alternative energy continues to attract interest globally

In Q4'24, VC investors continued to show interest in alternative energy sources, including nuclear and hydrogen; during the quarter, the space saw several large raises, led by a $1.1 billion raise by China-based CNNP Rich Energy and a $900 million raise by US-based Pacific Fusion. Given the growing demand for electricity associated with areas like AI, generative AI, and blockchain and crypto, the need for more efficient and alternative energy sources to help address future energy requirements is becoming critical. As a result, the space will likely continue to attract solid levels of VC investment even if individual governments step back their support in the space.

Europe and Asia will likely continue to lead advancements in the cleantech space, driven by regulations in Europe and by the fact cleantech is a government priority in China.

Investment in Angel and Seed stage deals declines year-over-year

Globally, VC investment at the Angel and Seed stages both declined for the second straight year. This was not surprising given the uncertain macroeconomic environment over the course of the year and the extended exit drought. Many VC investors prioritized later stage deals and investments in companies with well-proven business models, commercial viability, and clear paths to profitability. The AI sector proved to be a singular exception, with AI-focused startups across all deal stages able to attract significant investment.

VC investment globally rises to seven-quarter high as AI interest skyrockets, cont'd.

Secondary funds raise record high

While VC fundraising was down considerably year-over-year, one area of fundraising really stood out. Interest in secondary funds — vehicles created to give investors liquidity as an alternative to M&A — shot up in 2024, with funds raised reaching a record high of over $100 billion[1]. Given the extended exit drought, interest in doing secondary transactions has grown quite considerably over the last couple of years.

Defense Tech sees record year of VC investment

During 2024, defense tech was very high on the radar of VC investors globally, attracting a record level of funding. With no end in sight for the conflicts in the Ukraine and the Middle East, and geopolitical tensions between other countries simmering, governments around the world have increasingly embraced working with defense tech companies, particularly those with AI-enabled defense tech solutions.

While historically there has been some stigma associated with defense tech companies, making it difficult for startups in the space to raise funds — particularly in Silicon Valley — times have changed in recent quarters. A number of defense tech companies have been quite successful in breaking preconceived notions about defense tech and raised major rounds. Niche funds have also emerged focused specifically on making defense tech investments.

Trends to watch for in Q1'25

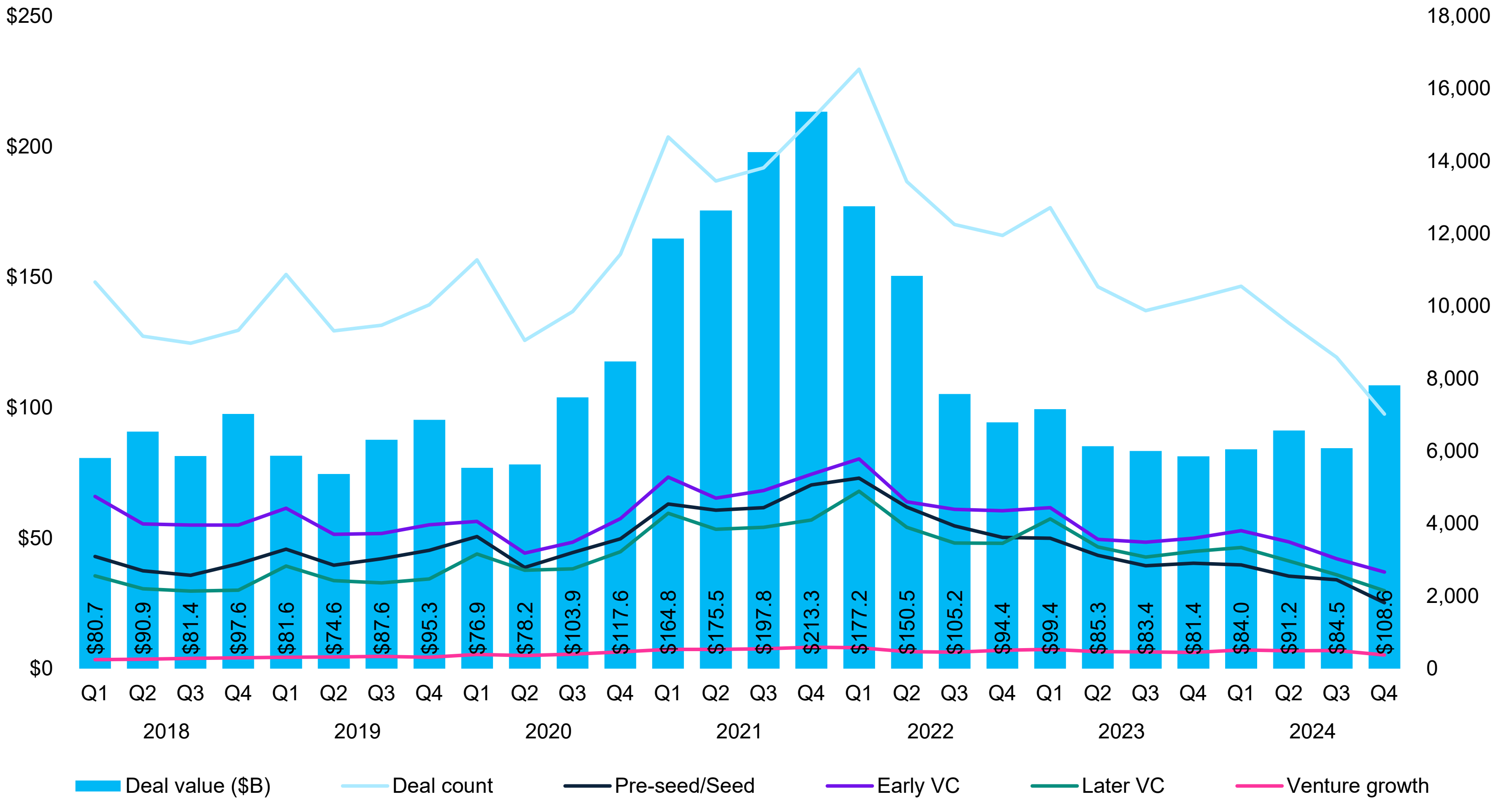
Heading into 2025, there is growing optimism that global VC investment will continue to pick up, particularly if interest rates continue to fall and the exit environment perks up. In Q1'25, all eyes will be on the IPO market; with the US election complete, market conditions improving, and the successful post-IPO performance of companies like Reddit, Rubrik and Astera Labs, there is growing optimism that the exit market will see a resurgence in 2025. While it could take some time, should IPO exits materialize, activity across the VC market will likely pick up considerably. VC investment in AI will likely continue to outpace investment in all other sectors heading into Q1'25, with investment continuing to broaden into a wider range of sub-sectors — such as industry solutions and AI-enabled robotics. Corporates will likely continue to drive a large share of AI funding as the large tech giants compete for prominence, and as industry players look to leverage AI to improve their operational efficiencies and provide more value to their customers. Areas like defense tech, health and biotech, cybersecurity, and alternative energy will likely also continue to attract interest from VC investors.

[1] https://pitchbook.com/news/articles/secondaries-funds-top-100b-in-all-time-high

The new normal sees a hint of optimism in mega-rounds

Global venture financing

2018–Q4'24



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

> "The level of investment into AI continues to be massive. That's not surprising. But I think people are now starting to become more discerning as to who the winners may be in the AI space — the companies with credible business models, creating highly disruptive solutions, as opposed to others who have put AI wrappers on existing solutions. The largest deals of this quarter underscore that — they're the companies that people have been putting their bets on through all the AI-hype."

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

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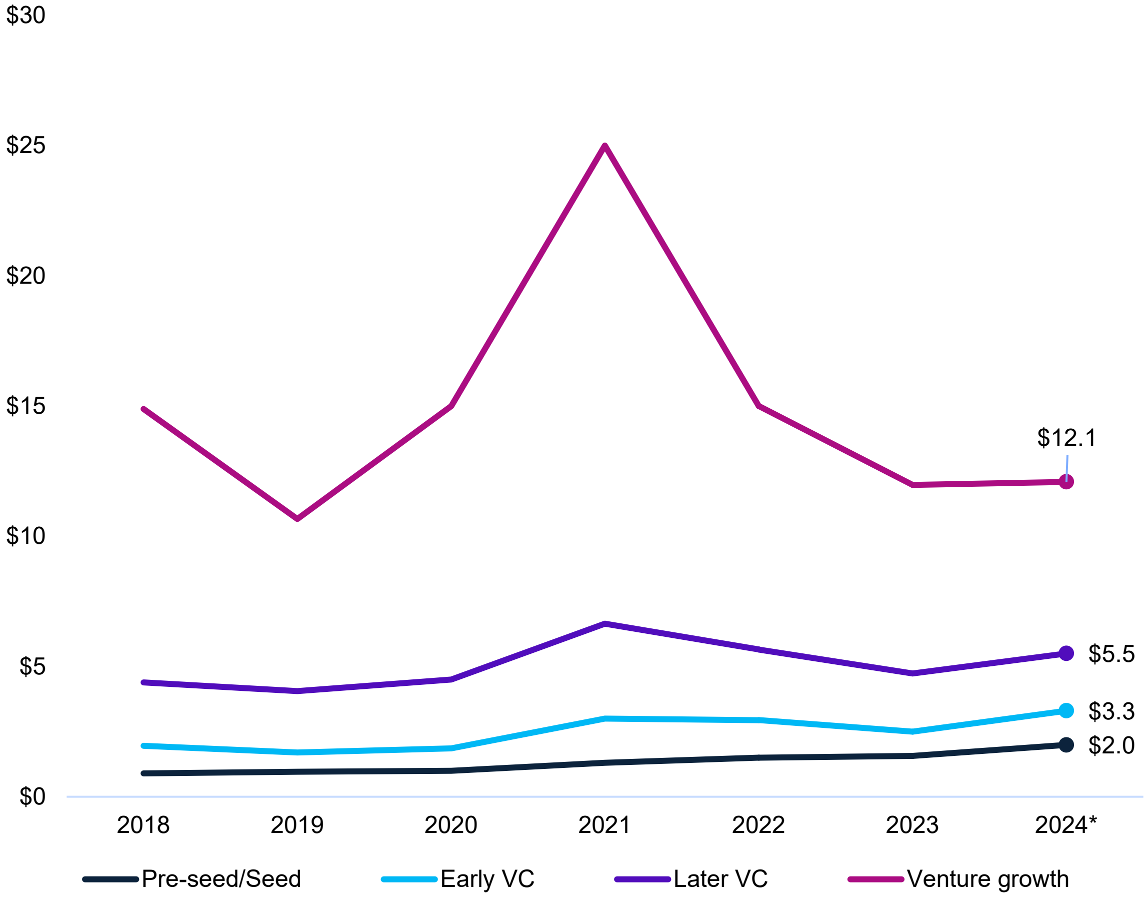
Down rounds maintain pre-boom proportions while medians hold steady

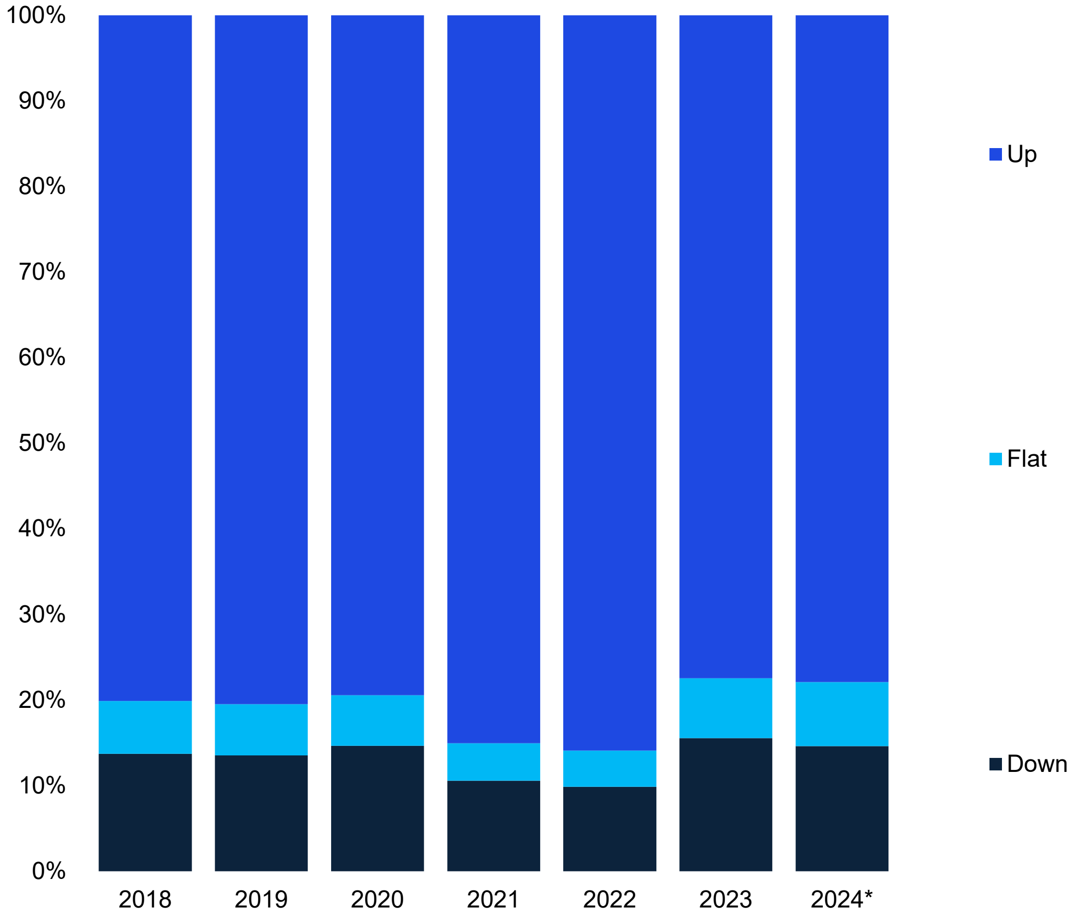
Global median deal size ($M) by stage

2018–2024*



Global up, flat or down rounds

2018–2024*

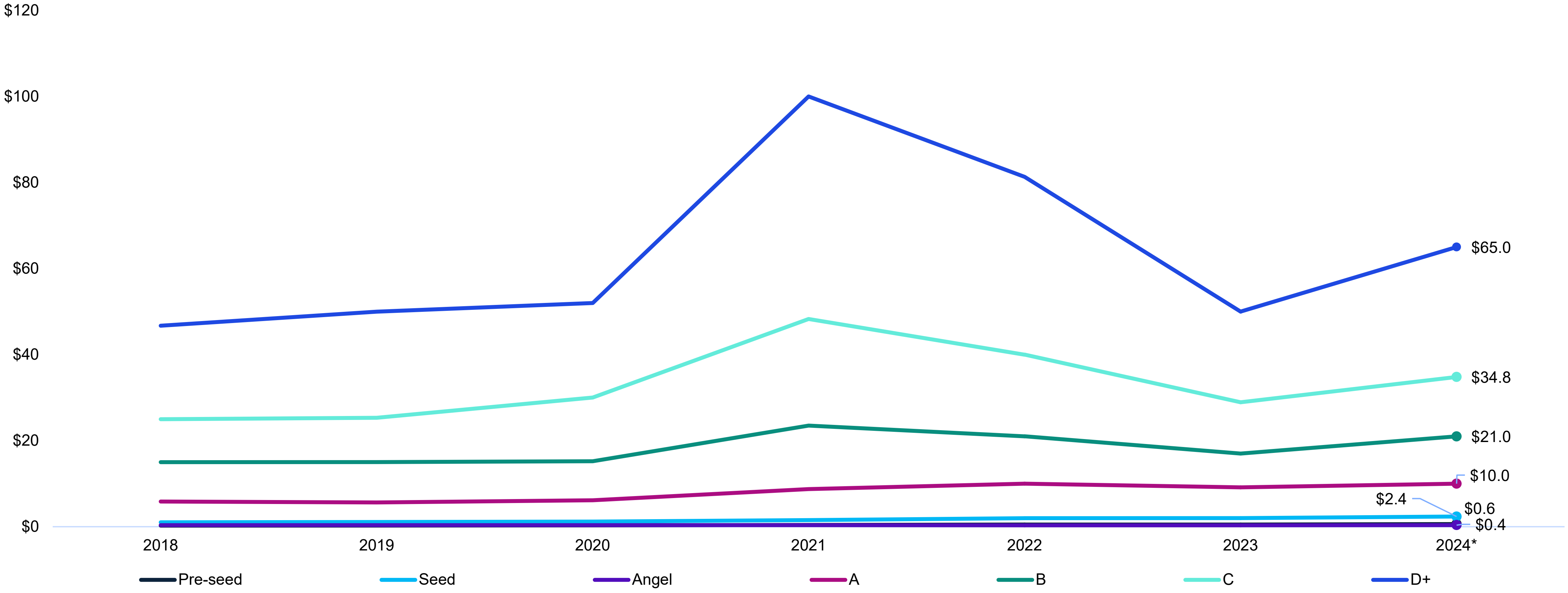


Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

Financing sizes continue to edge up

Global median deal size ($M) by series

2018–2024*

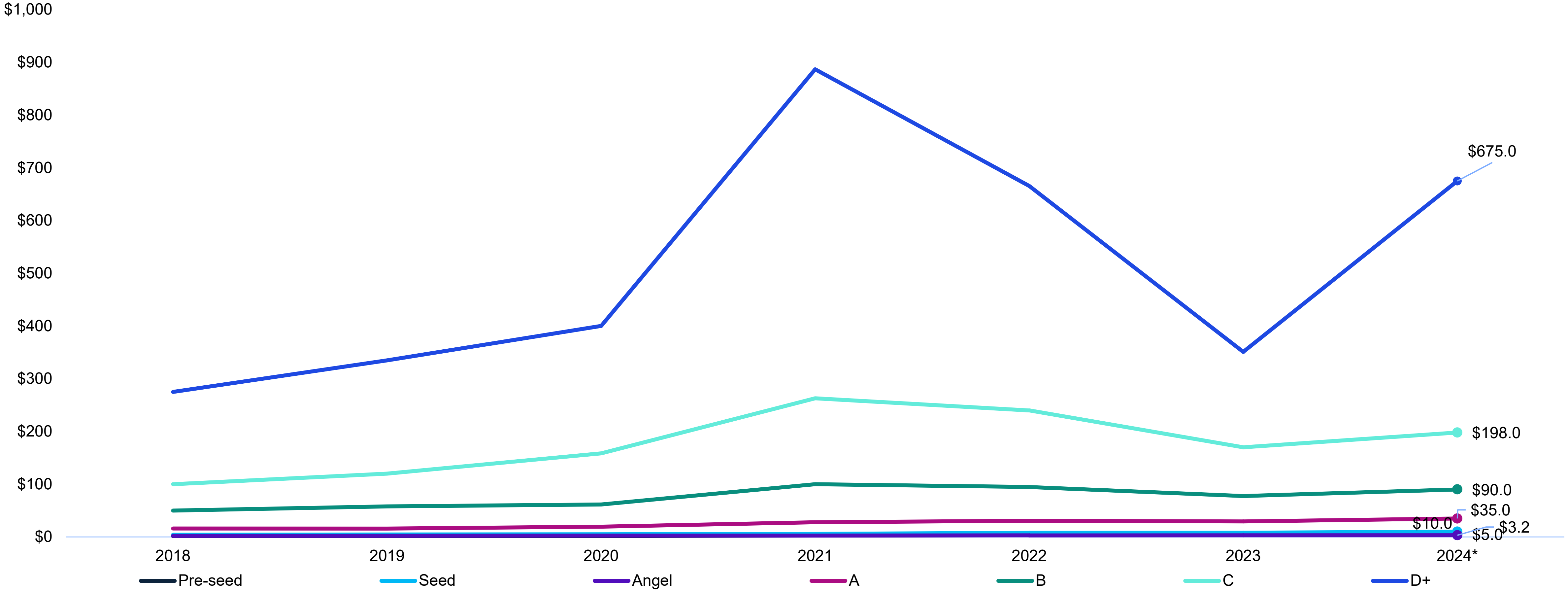


Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

Valuations rebound at the latest stage, hold steady elsewhere

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

2018–2024*

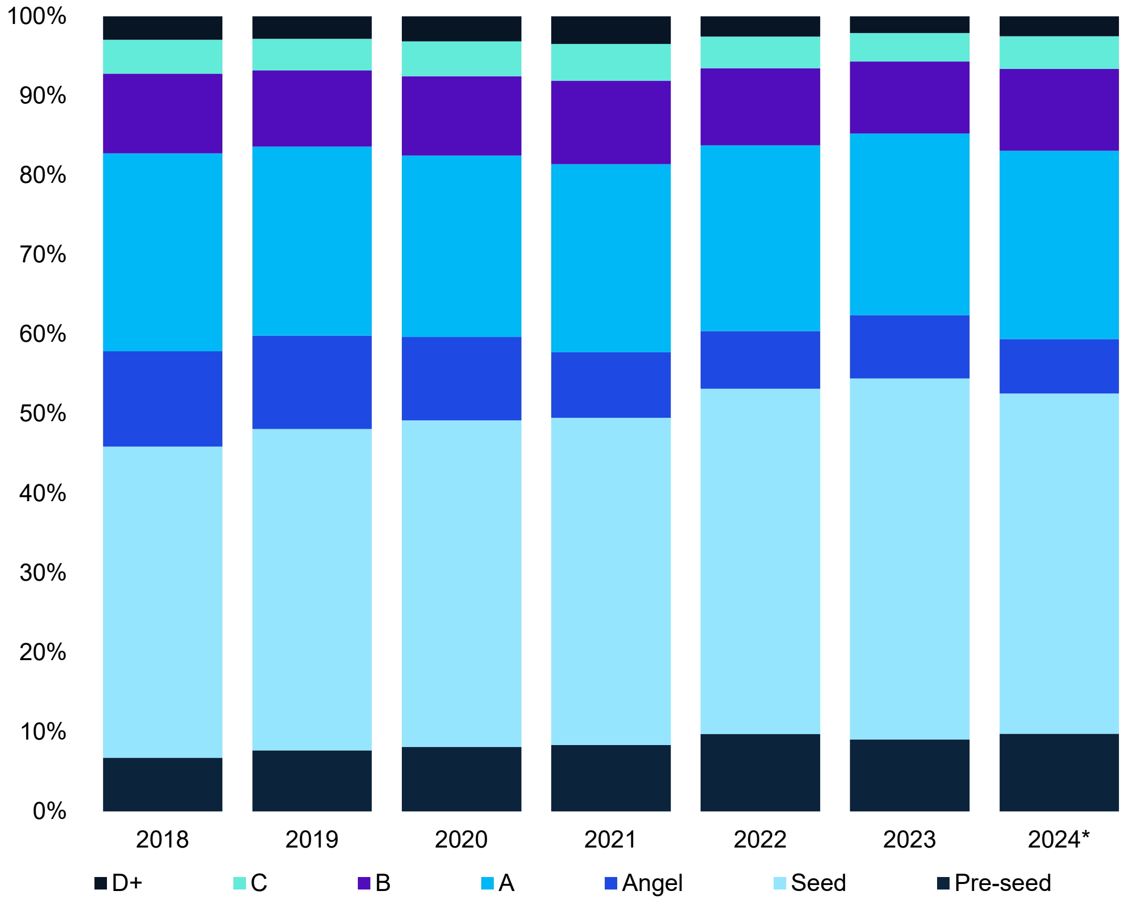


Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

Midstage rounds still dominate, but later rounds did see an uptick in VC invested

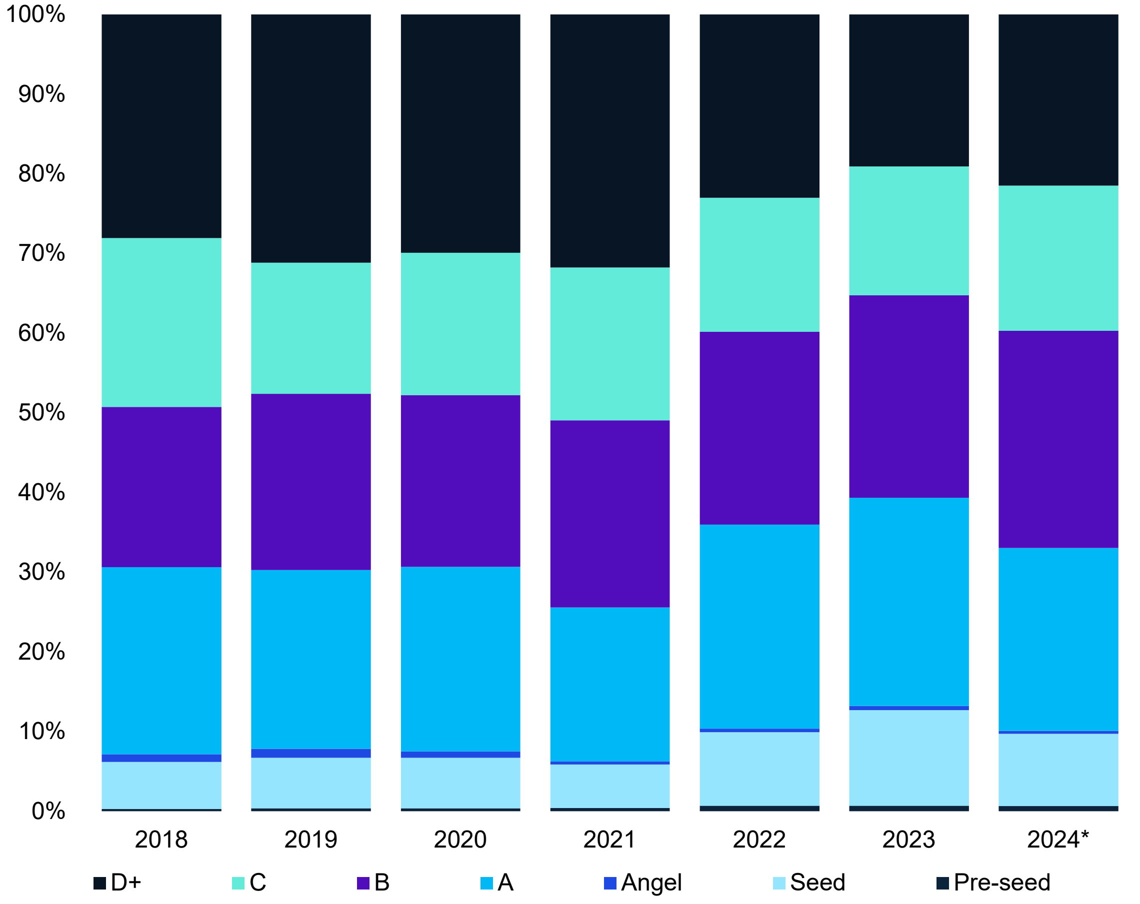
Global deal share by series

2018–2024*, number of closed deals



Global deal share by series

2018–2024*, VC invested ($B)

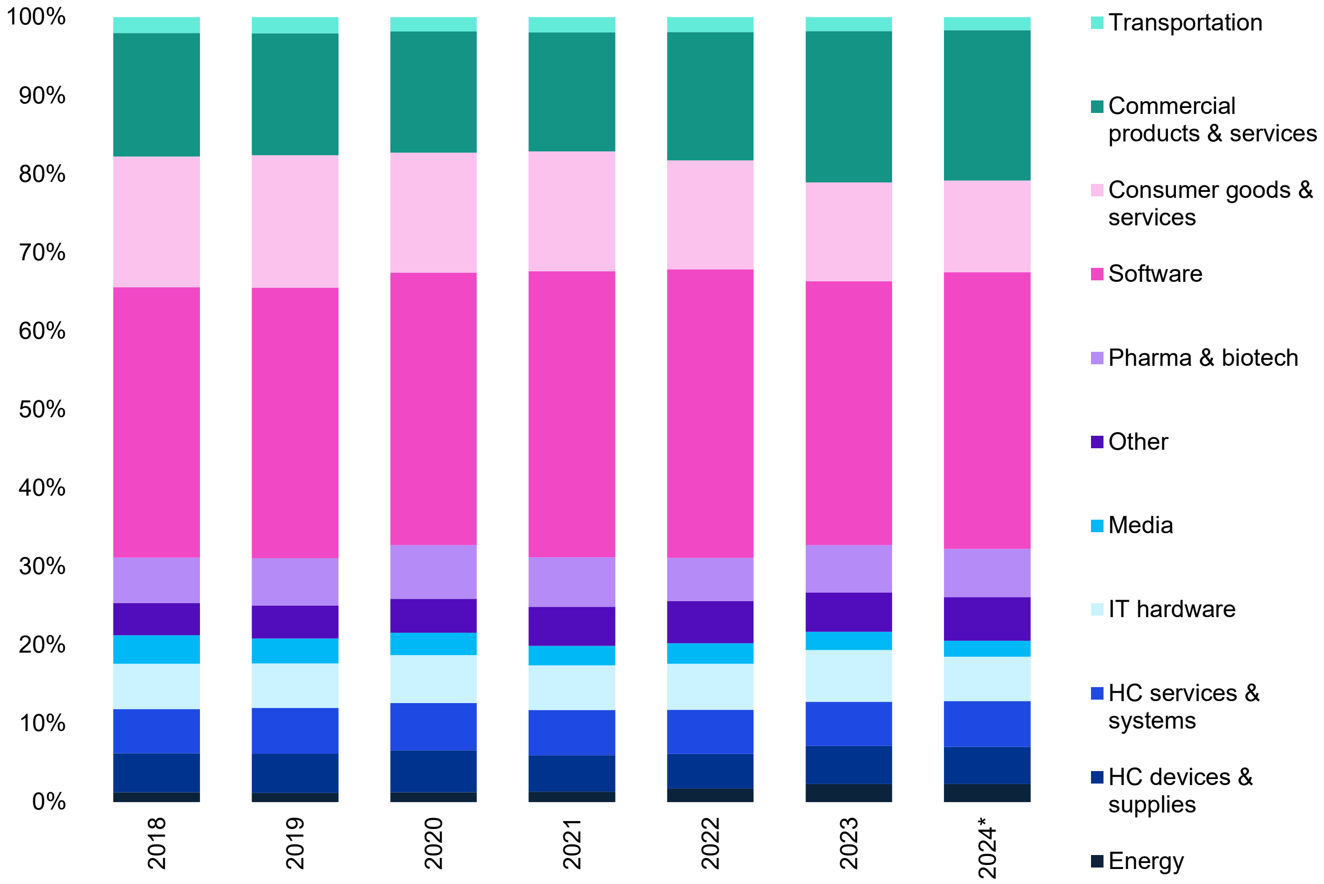


Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

Enterprise software & healthcare continue to draw capital

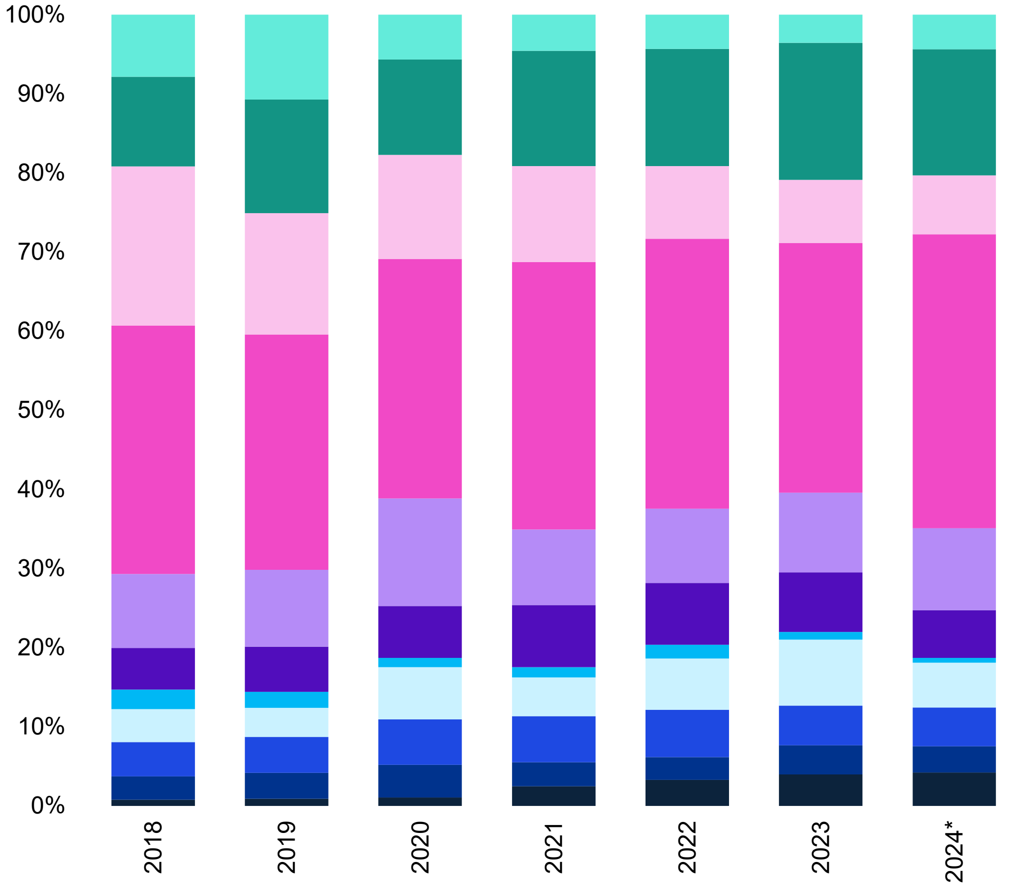
Global financing trends to VC-backed companies by sector

2018–2024*, number of closed deals



Global financing trends to VC-backed companies by sector

2018–2024*, VC invested ($B)

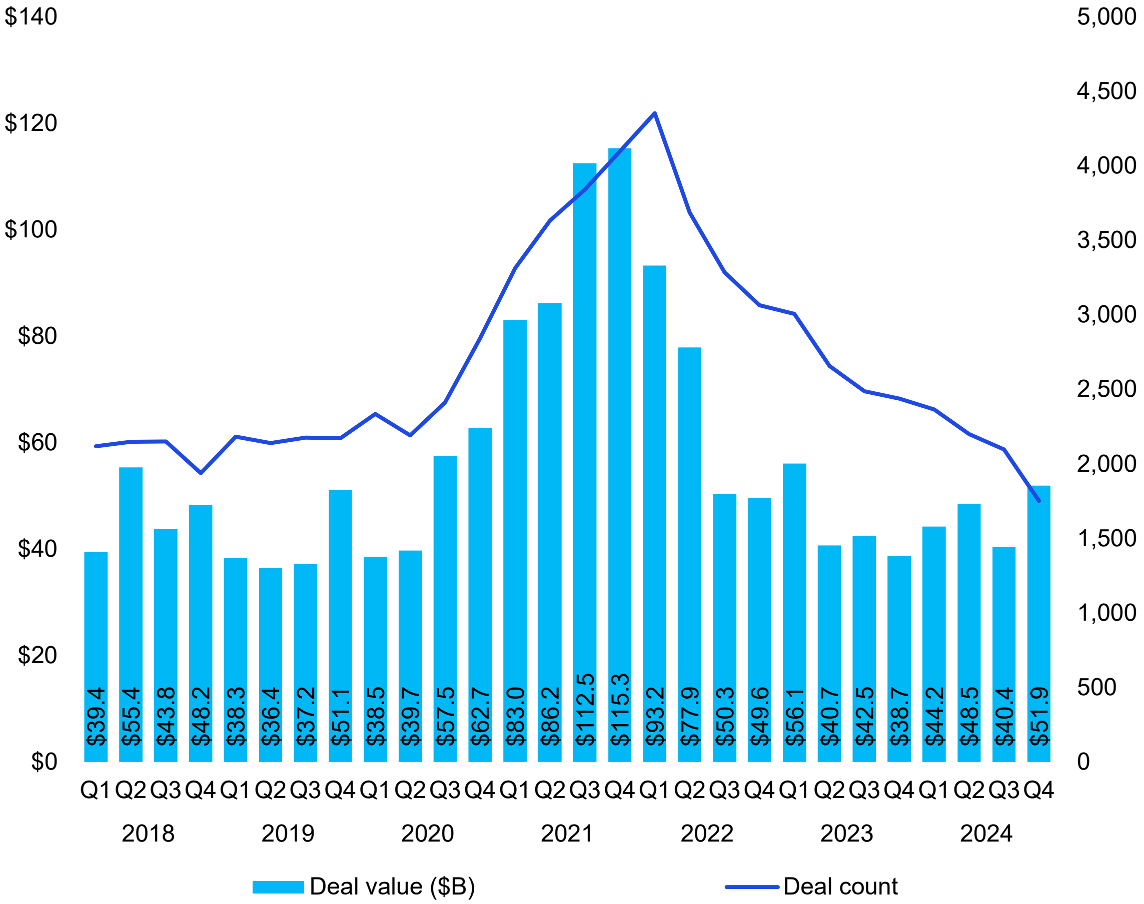


Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

First-time financings outpace 2023, just barely, in VC invested

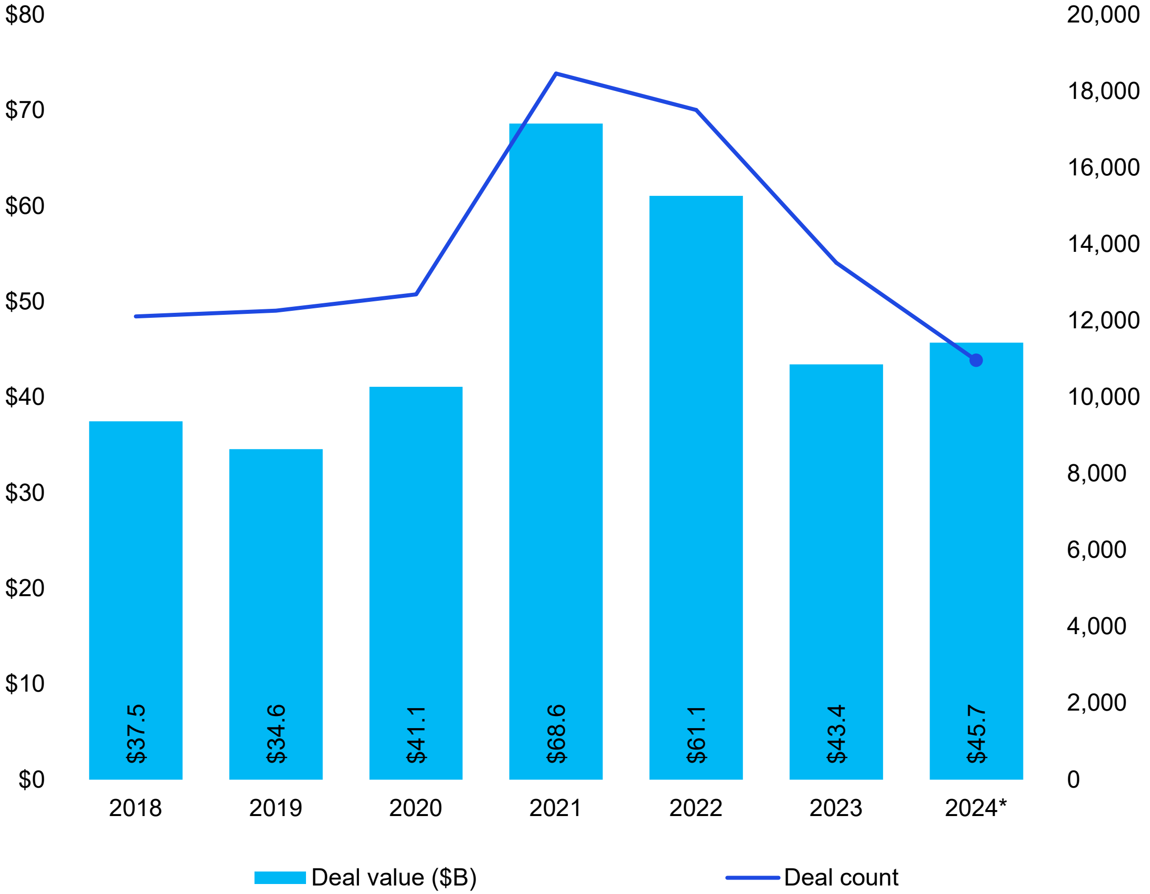
Corporate VC participation in global venture deals

2018–Q4'24



Global first-time venture financings of companies

2018–2024*

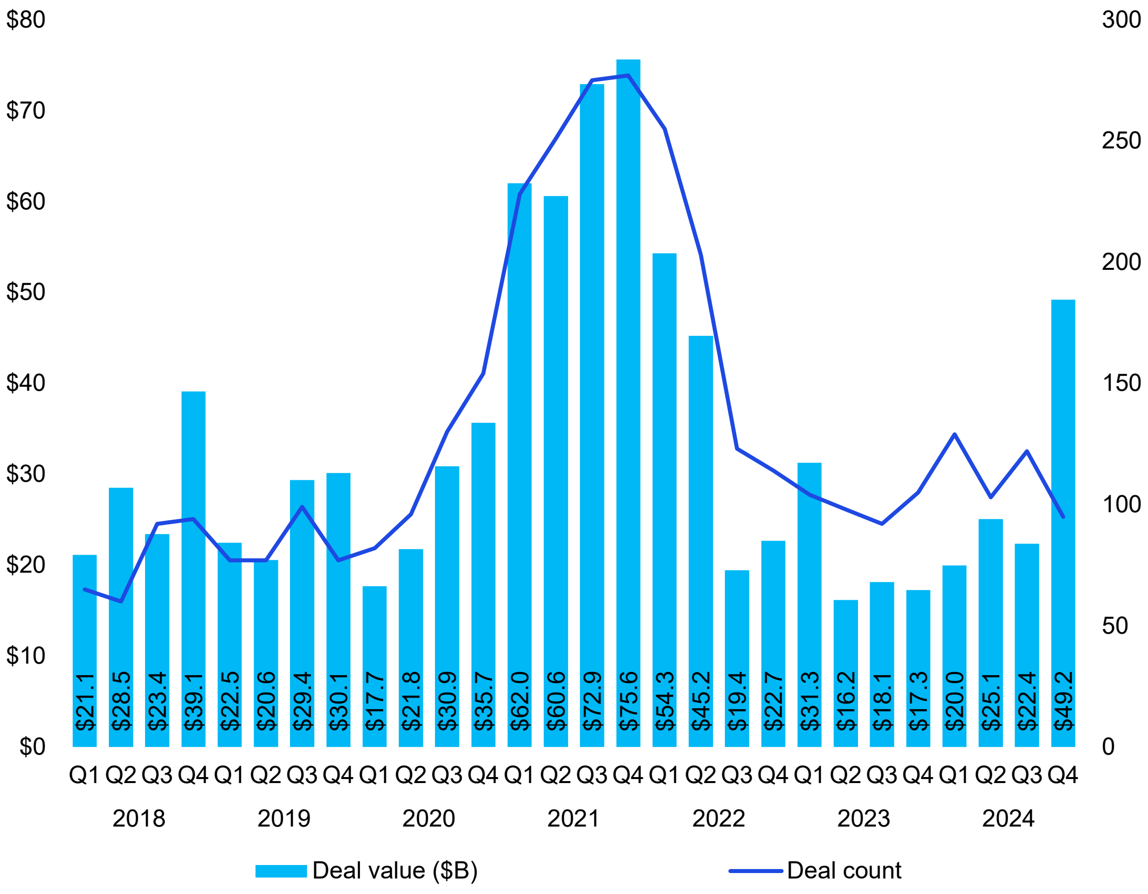


Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

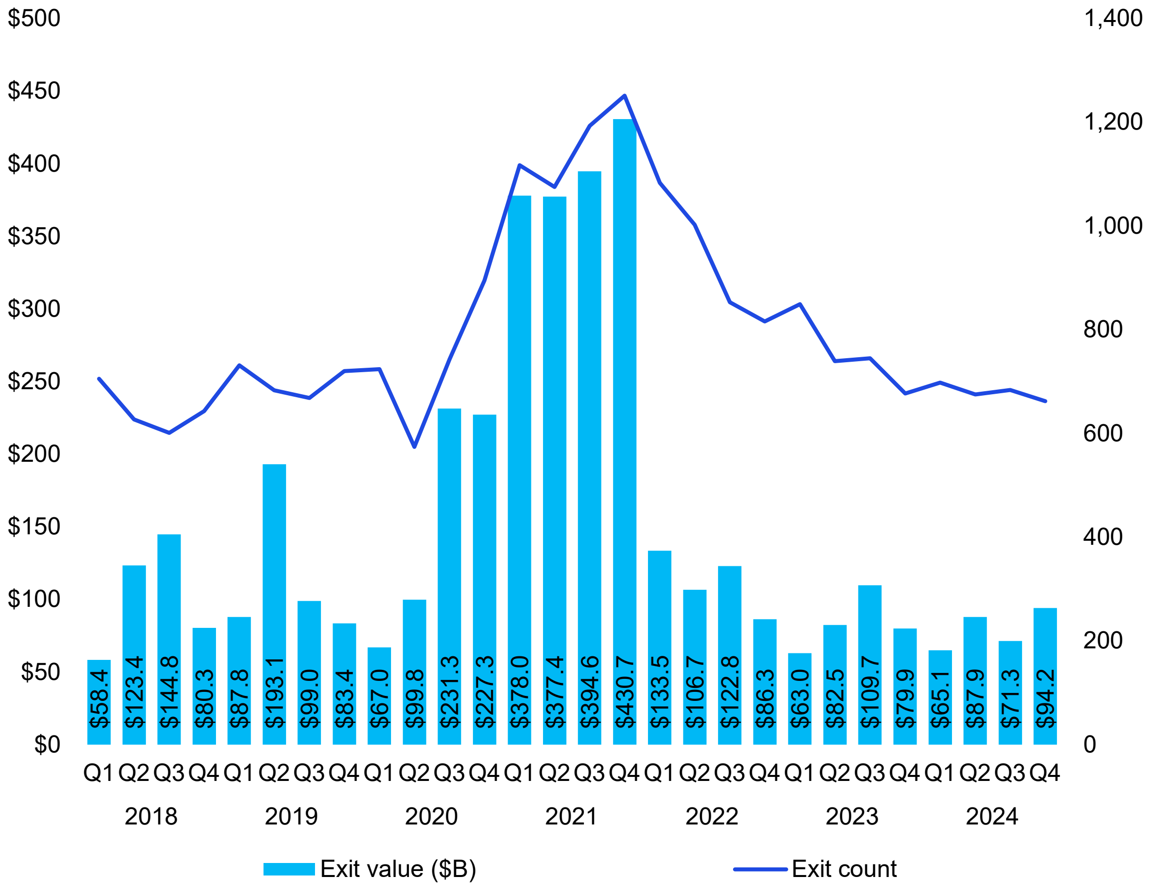
Note: The capital invested is the sum of all the round values in which corporate venture capital investors participated, not the amount that corporate venture capital arms invested themselves. Likewise, deal count is the number of rounds in which corporate venture firms participated.

Exits remain subdued, contributing to fundraising's sluggishness

Global unicorn rounds
2018–Q4'24



Global venture-backed exit activity
2018–Q4'24



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 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. For the Q1 2024 edition of Venture Pulse, under standard PitchBook venture methodology, Reddit's IPO would not be included given its backing status but it was included in the underlying exits data in this instance to better reflect its extensive previous VC-backed history. In January 2025, a new extrapolation for M&A exit values was also applied.

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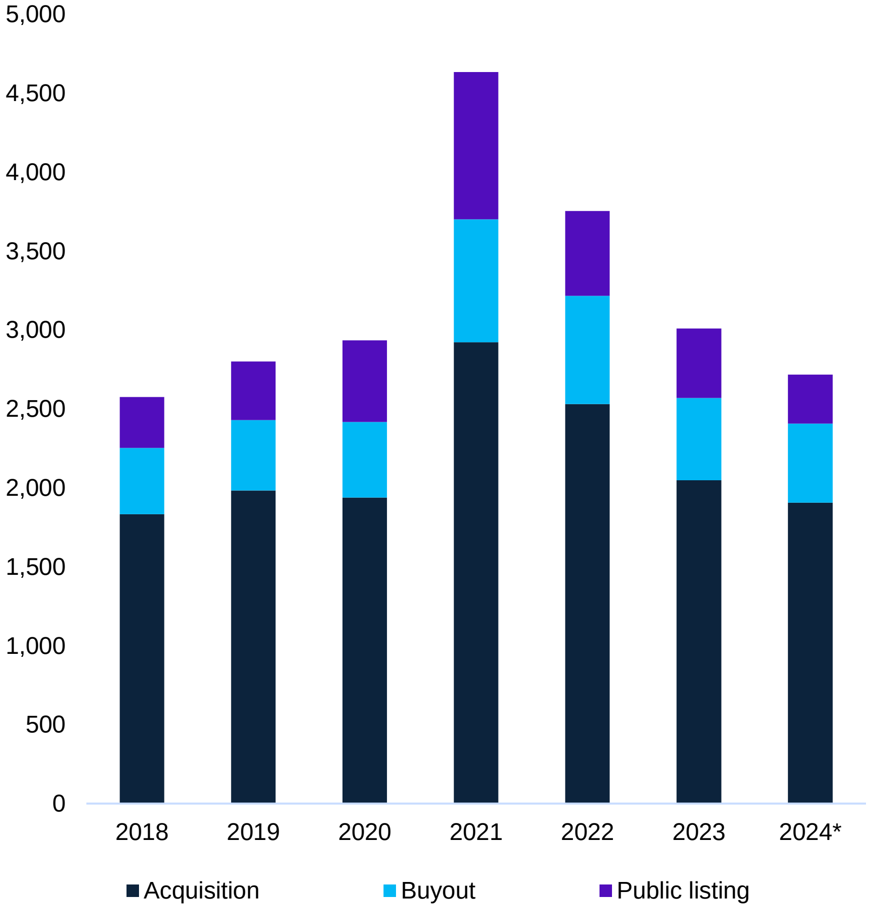
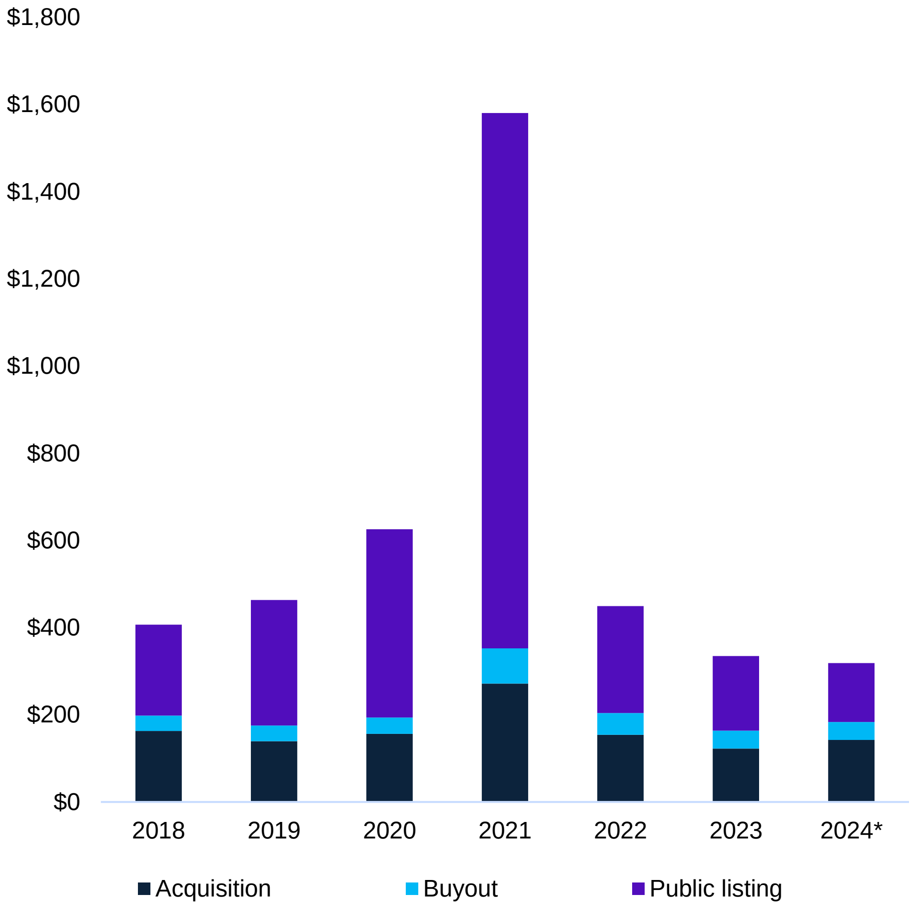
M&A remains the driver of counts, but IPOs have yet to boost exit value

Global venture-backed exit activity (#) by type
2018–2024*



Global venture-backed exit activity ($B) by type
2018–2024*



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

> "Everything will likely change very quickly in 2025. There is potentially going to be changes to rules, regulations, legislation. We're likely going to see businesses changing how they think about internal cost structures, how they deliver services, how they're protecting their organizations from cybersecurity risks. We're going to see a lot of investment in AI, in defense techs, in robotics. The attitude in the VC market heading into 2025 needs to be how can we adapt as quickly as possible to all the changes that are coming? because it looks to be a real year of transformation."

Francois Chadwick
Partner
KPMG in the US

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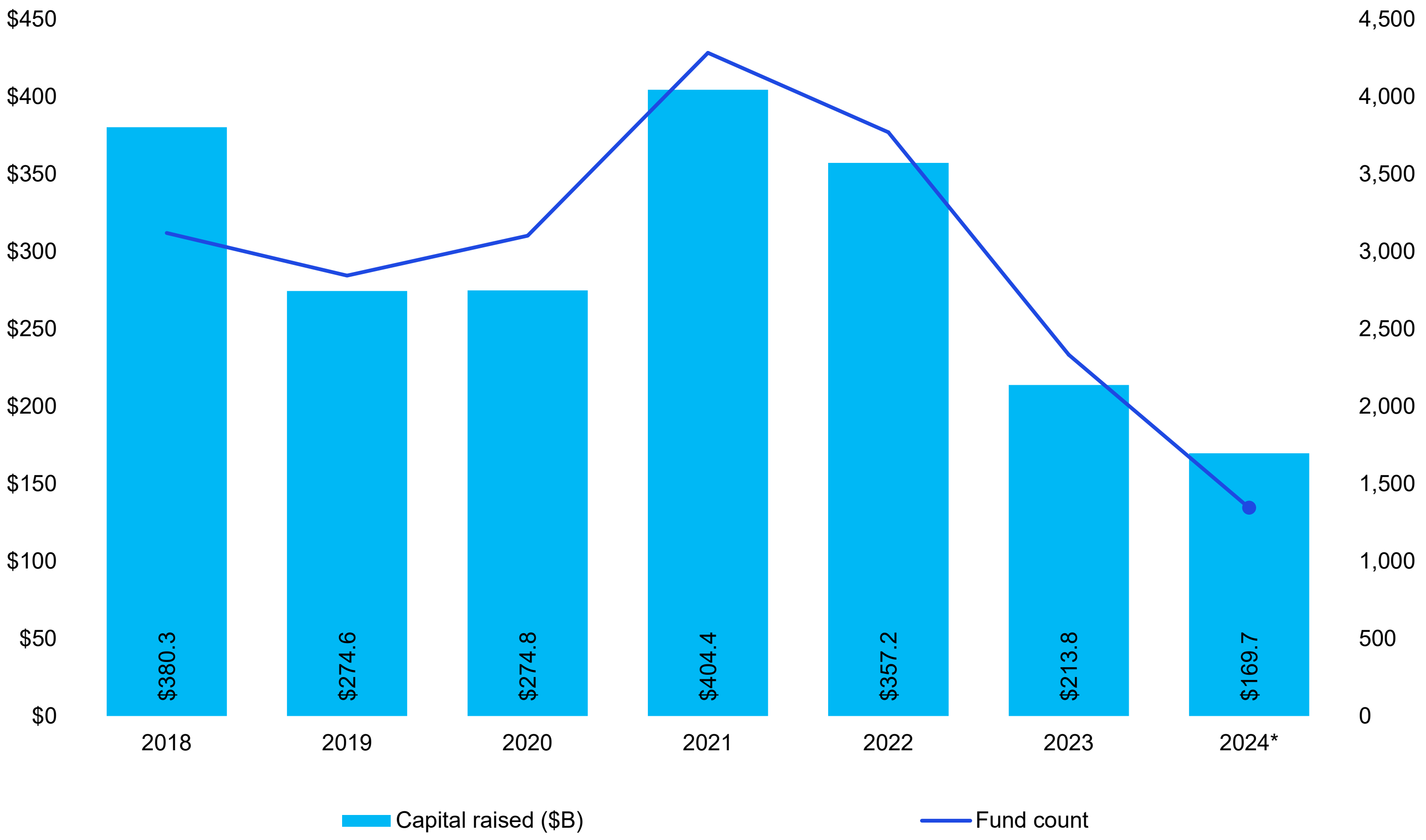
LPs backed some large funds to boost VC raised, but counts remain down

Global venture fundraising
2018–2024*



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

The denominator effect wherein equities' inexorable rise meant that allocators poured more capital into alternatives to keep portfolios balanced, dominated much of the 2010s. Yet even as equities have continued to rise, albeit with greater volatility, in the 2020s, venture allocations have slid in the past two years. This is likely due to the liquidity decline in the venture environment, wherein there simply often isn't the same rate of capital being returned for allocators to redeploy.

LPs seem to be remaining cautious or at least looking into alternative investment asset classes, **with fundraising now concluding 2024 at the lowest level seen in years.**

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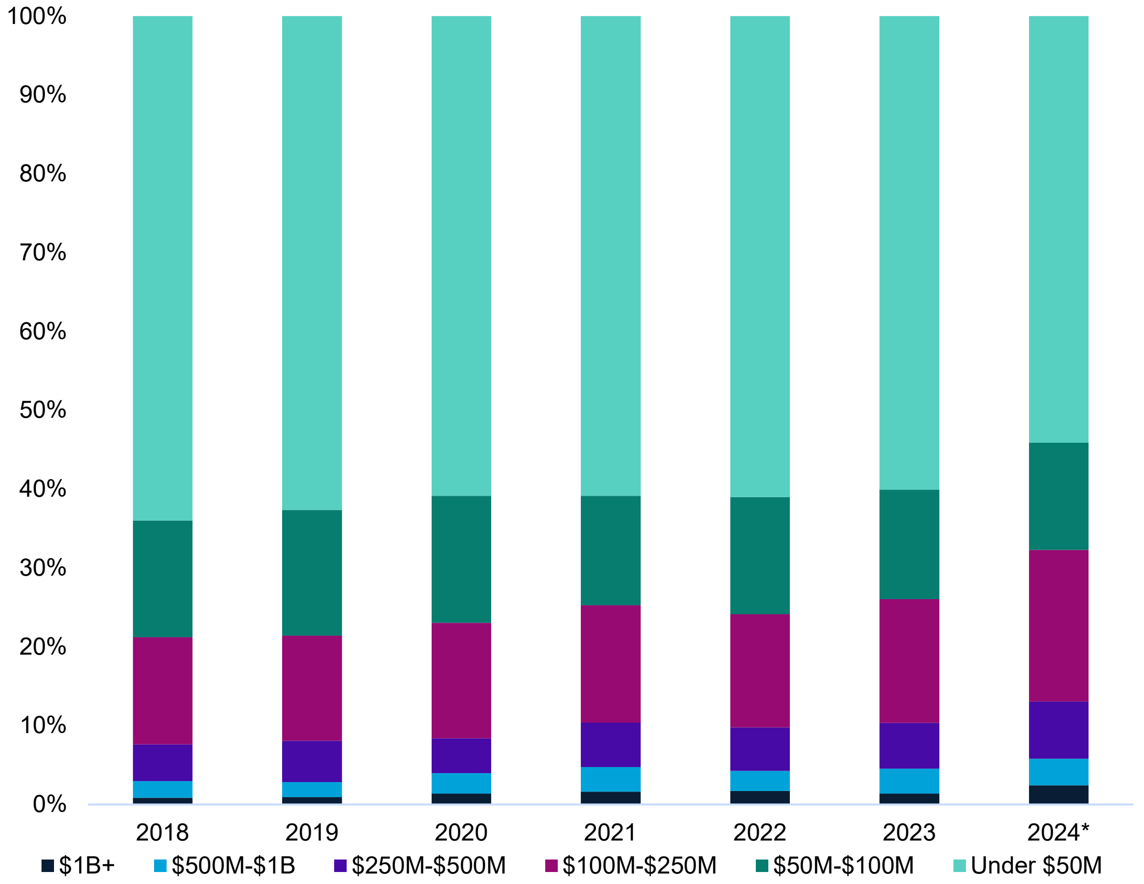
Fundraising tilted in count toward midsized vehicles

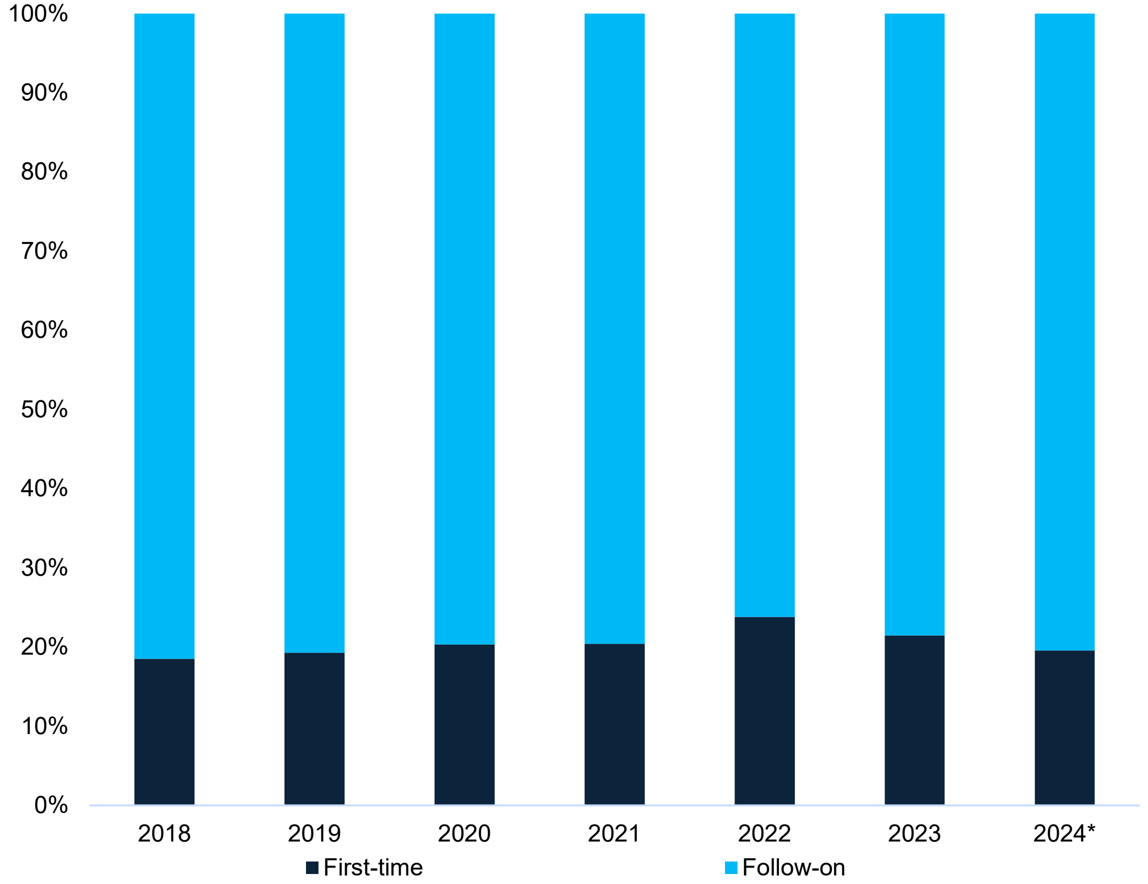
Global venture fundraising (#) by size

2018–2024*



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

2018–2024*



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

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AI & AI-driven platforms dominate, with a few exceptions

Top 10 global financings in Q4'24

1. **Databricks** — $10B, San Francisco, US — Business software — *Series J*
2. **OpenAI** — $6.6B, San Francisco, US — AI & ML — *Series B*
3. **xAI** — $6B, Burlingame, US — AI & ML — *Series C*
4. **Waymo** — $5.6B, Mountain View, US — Autonomous driving — *Series C*
5. **Anthropic** — $4B, San Francisco, US — AI & ML — *Late-stage VC*
6. **Juul Labs** — $1.98B, Washington DC, US — Consumer — *Late-stage VC*
7. **GreenScale** — $1.3B, London, UK — IT infrastructure — *Early-stage VC*
8. **CNNP Rich Energy** — $1.1B, Beijing, China — Cleantech — *Late-stage VC*
9. **Wonder Group** — $950M, New York, US — Restaurants — *Series C*
9. **Cohesity** — $950M, San Jose, US — Database software — *Series H*

Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise.
*As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

In Q4'24, US VC-backed companies raised $74.6B across 2,859 deals

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AI powers VC investment in the US in Q4'24

During Q4'24, the US saw total VC investment rise to its highest level since Q2'22 as interest and investment in AI continued to be red-hot. The sector accounted for more than half of the country's top ten deals, including the first $10 billion venture round ever seen in the US.

Deal volume remains subdued in US despite major increase in deal value

Despite the significant uptick in deal value in the US, the total number of VC deals remained subdued during Q4'24. VC investors continued to focus on quality over quantity given the ongoing uncertainties in the market, including global conflicts and geopolitical tensions, the US presidential election which occurred mid-way through the quarter, and the ongoing lack of exits.

Largest crop of multi-billion VC funding rounds ever in the US

Q4'24 was a banner year for multi-billion dollar VC deals in the US. Five companies raised VC rounds at or above $4 billion, including Databricks ($10 billion), OpenAI ($6.6 billion), xAI ($6 billion), Waymo ($5.6 billion), and Anthropic ($4 billion). All five companies are major players in the AI space, with OpenAI, xAI and Anthropic focused primarily on generative AI and Waymo focused on using AI to enable autonomous driving capabilities.

Well-established VC funds finding it easiest to raise funding

After dropping off considerably in 2023, fundraising by VC firms in the Americas remained steady year-over-year, driven primarily by fundraising activity in the US. Given the significant degree of macroeconomic uncertainty in the market, the high interest rate environment, and the lack of returned capital with which to invest, LPs have been very discerning about where to put their capital this year. First time general partners, micro funds, and investors without proven track records struggled to raise funds this year, even in the US. Well established VC funds with long track records had far less difficulty raising additional funds, although it has taken many longer to fully capitalize them. During Q4'24, for example, General Catalyst raised $8 billion for its XII Fund, which includes a number of initiatives and investments spanning a gamut from AI and defence to healthtech, climate and energy technologies, and fintech.[2]

Late stage deals on the rise, suggesting increasing confidence heading into 2025

In 2022 and 2023, a good number of late stage investments in the US were lifeline investments aimed at helping companies survive a period of significant uncertainty and the pushing out of the IPO market opening. In Q4'24, after a period of significant cost-cutting and looking for efficiencies, a number of later stage startups have turned their attention back to growth — raising fresh funding rounds to drive their short-term growth, improve their balance sheets, and position themselves for an IPO in 2025 or 2026.

Businesses evaluating opportunities and challenges related to incoming US administration

The completion of the US presidential election injected a view that the incoming administration will be more business friendly, although it also introduced a number of unknowns, including uncertainty as to what changes the incoming administration might make. The pending change is causing both VCs and investors to evaluate their operations and investments, in part to better understand potential opportunities and challenges that might arise over the coming term. The possibility of tariffs was one such concern, with many companies looking at how their manufacturing, global supply chain and global sales chains could be affected and whether they might need to reconsider their operations or — in the case of emerging tech companies — where to base certain activities, such as manufacturing facilities.

[2] https://www.generalcatalyst.com/stories/fundxii

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AI powers VC investment in the US in Q4'24, cont'd.

Successful post IPO performance of tech companies helping to fuel optimism for 2025

The combination of interest rate cuts, the easing of some uncertainty in the wake of the presidential election, the fact a number of tech companies have performed very well post-IPO in recent months — including Reddit, whose stock price rose 240 percent, and Rubrik and Astera Labs, whose stock prices have both climbed more than 100 percent — and even the excitement of VC investors for almost all things AI, has helped spark optimism for the IPO and M&A markets in the trailing months of 2024.[3] A significant number of companies are ready to go once the IPO door swings fully open; the big question is more a matter of exactly when in 2025 that will happen.

CVC investment in US very resilient over 2024

Over the course of 2024, CVC investment in the US remained quite solid, particularly compared to CVC investment in other regions of the world. Interest in AI likely had a role to play in this resilience, with many large US corporates choosing to make sizable investments in innovative and agile AI model and infrastructure companies rather than seeking to drive AI innovation in-house.

Trends to watch for in Q1'25

Heading into Q1'25, VC market participants will be watching the exit market in the US, with growing expectations that IPO activity will pick up significantly. While a major rise in IPO exits right out the gate may not be in the cards given the uncertainty associated with the forthcoming administration changeover, Q1'25 could see IPO filings and related activity heating up as companies position themselves for exits in Q2'25 and Q3'25. M&A activity is also expected to pick up in Q1'25, particularly if the US Federal Reserve continues to make cuts to interest rates.

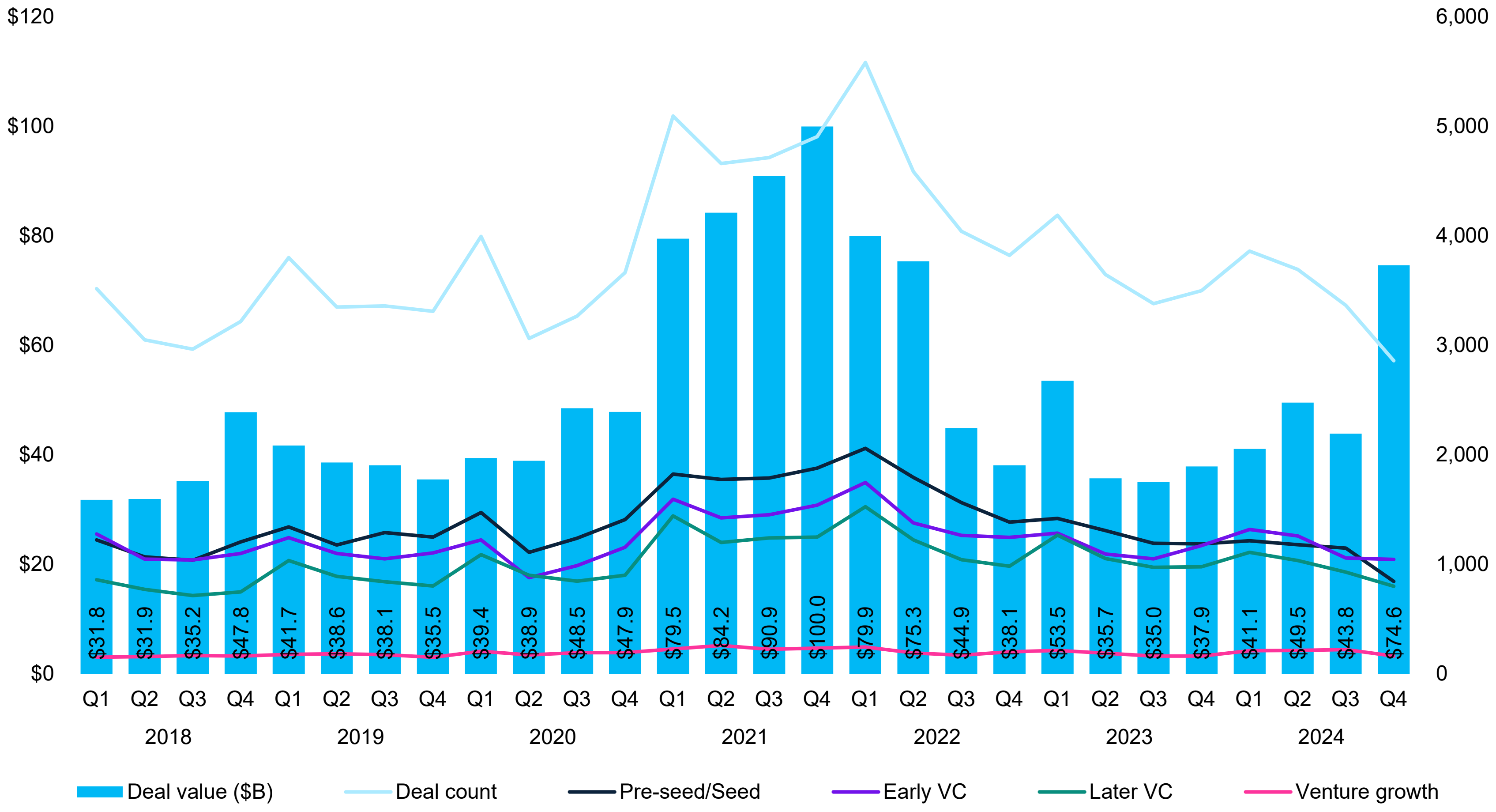
While AI is expected to remain the hottest ticket for VC investors in the US during Q1'25, a number of other sectors are also expected to see solid investment, including defense tech, cybersecurity and life sciences. Crypto could also see a resurgence in interest from VC investors given the change in administration.

[3] https://pitchbook.com/news/articles/vc-ipo-index-soars-to-heights-last-seen-in-2021

A huge surge in VC invested in Q4 signals guarded optimism

Venture financing in the US

2018–Q4'24



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VC invested levels in the US have climbed steadily, yet without distinct surges, since a nadir in mid-2023. It should be noted that the middle of 2023 still logged VC invested tallies that were similar to those of much of the later 2010s. Only the remarkable boom in 2021 and early 2022 led to the view of a big slump in venture dealmaking and a cooling of the venture environment in general as a result. Exits did slump sufficiently that many VCs did not re-raise funds, while others posted lower returns that meant such sky-high valuations were hard to still justify.

Since then, however, VC activity has rebounded somewhat, but the muted level of completed deals versus the surge in VC invested still suggests that a handful of companies are driving the resurgence in capital deployment by VCs, as also seen in the list of top deals in this report, with Databricks and OpenAI alone contributing billions to the Q4 tally of VC invested. Thus, the recovery is not quite market-wide yet.

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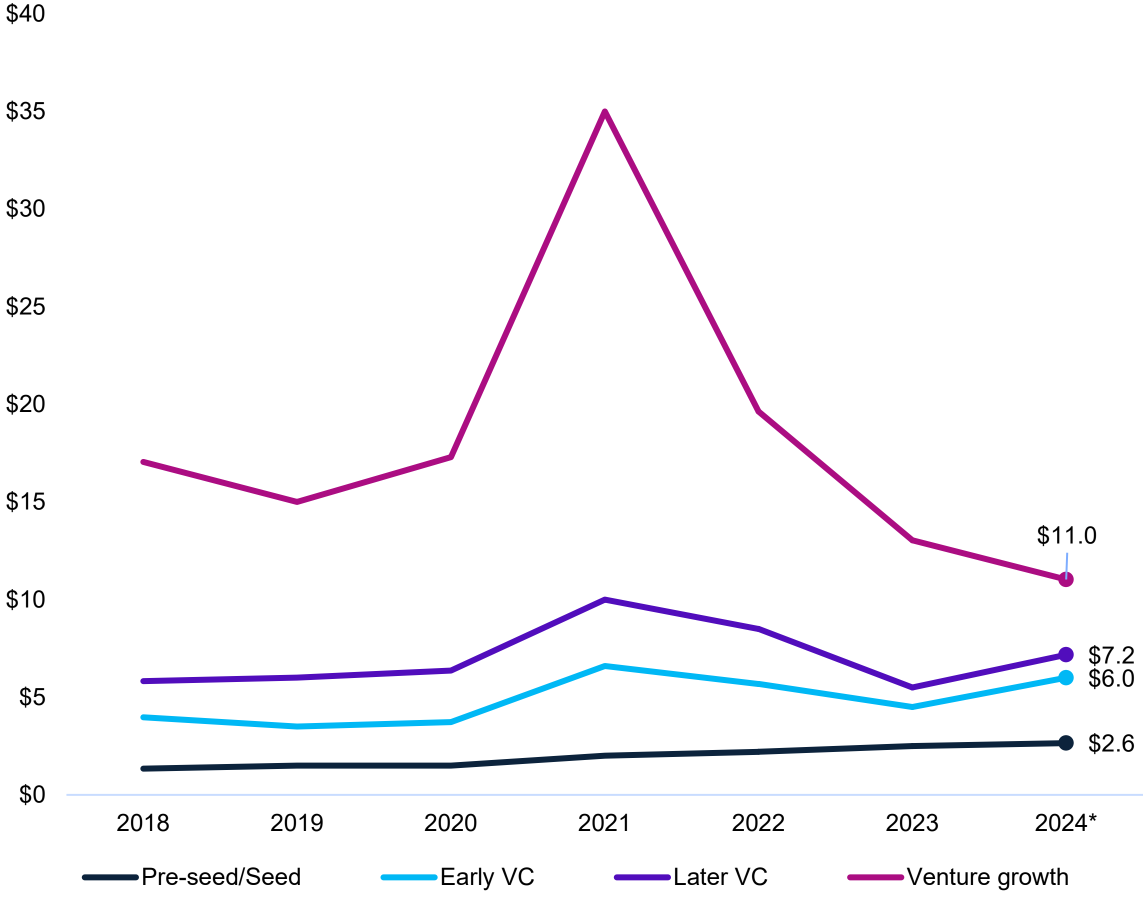
Down & flat rounds' proportions still suggest caution

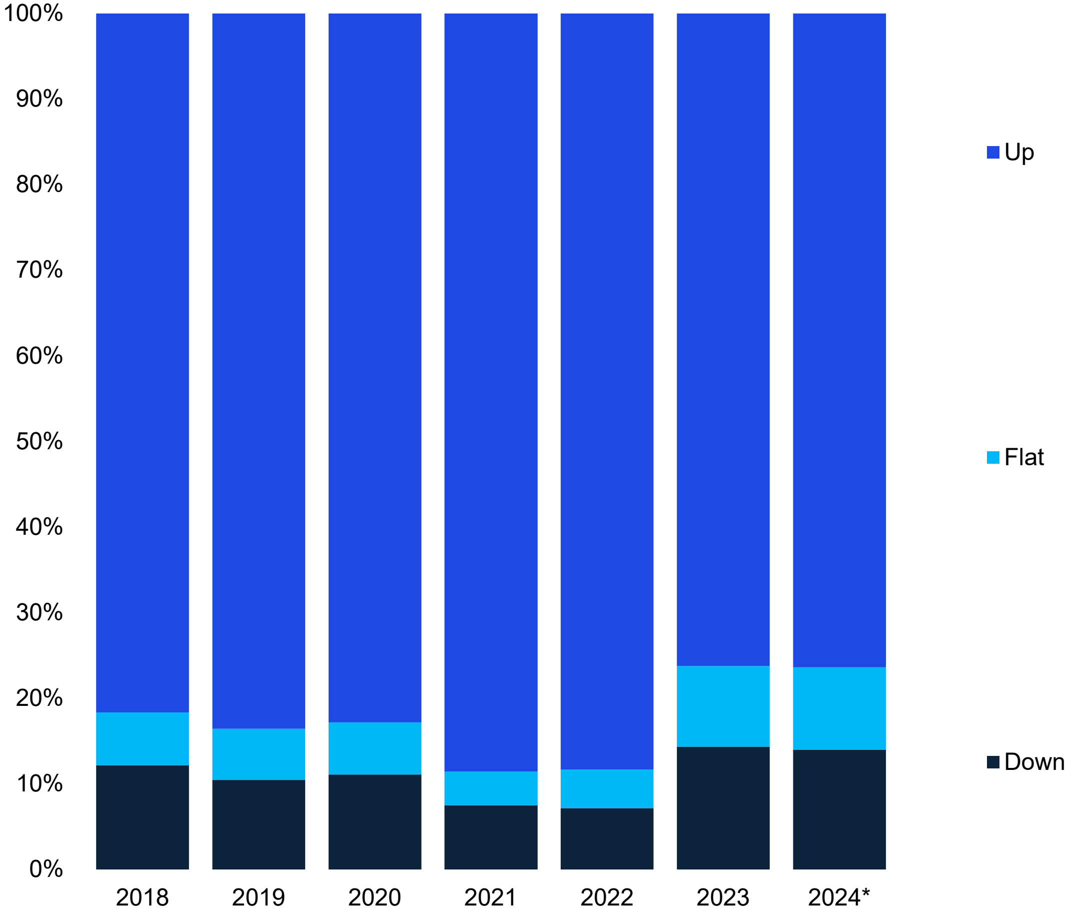
Median deal size ($M) by stage in the US

2018–2024*



Up, flat or down rounds in the US

2018–2024*

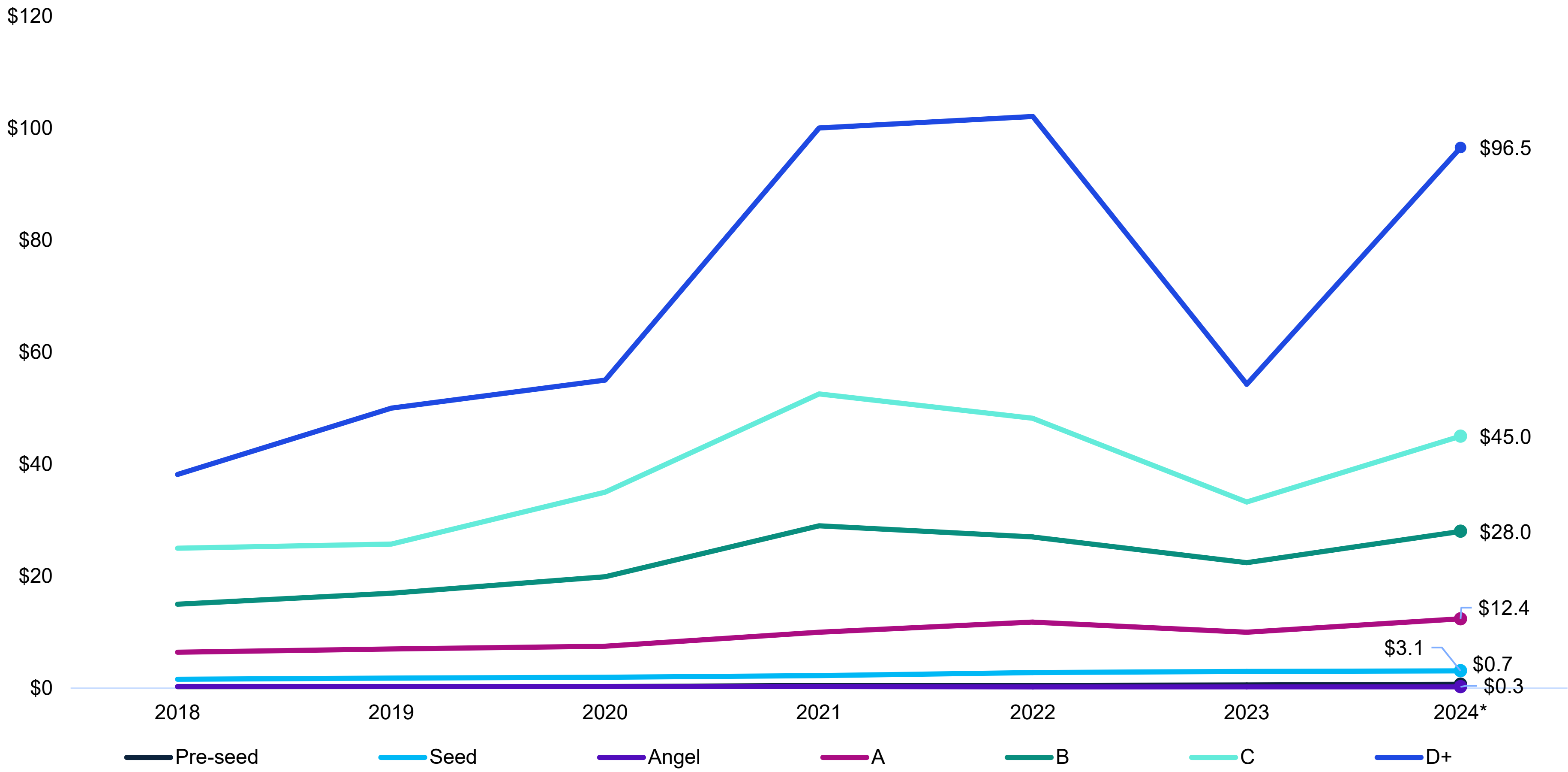


Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

Deal sizes bump upward, borne by a slew of Q4 mega-deals

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

2018–2024*



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.
Note: Figures rounded in some cases for legibility.

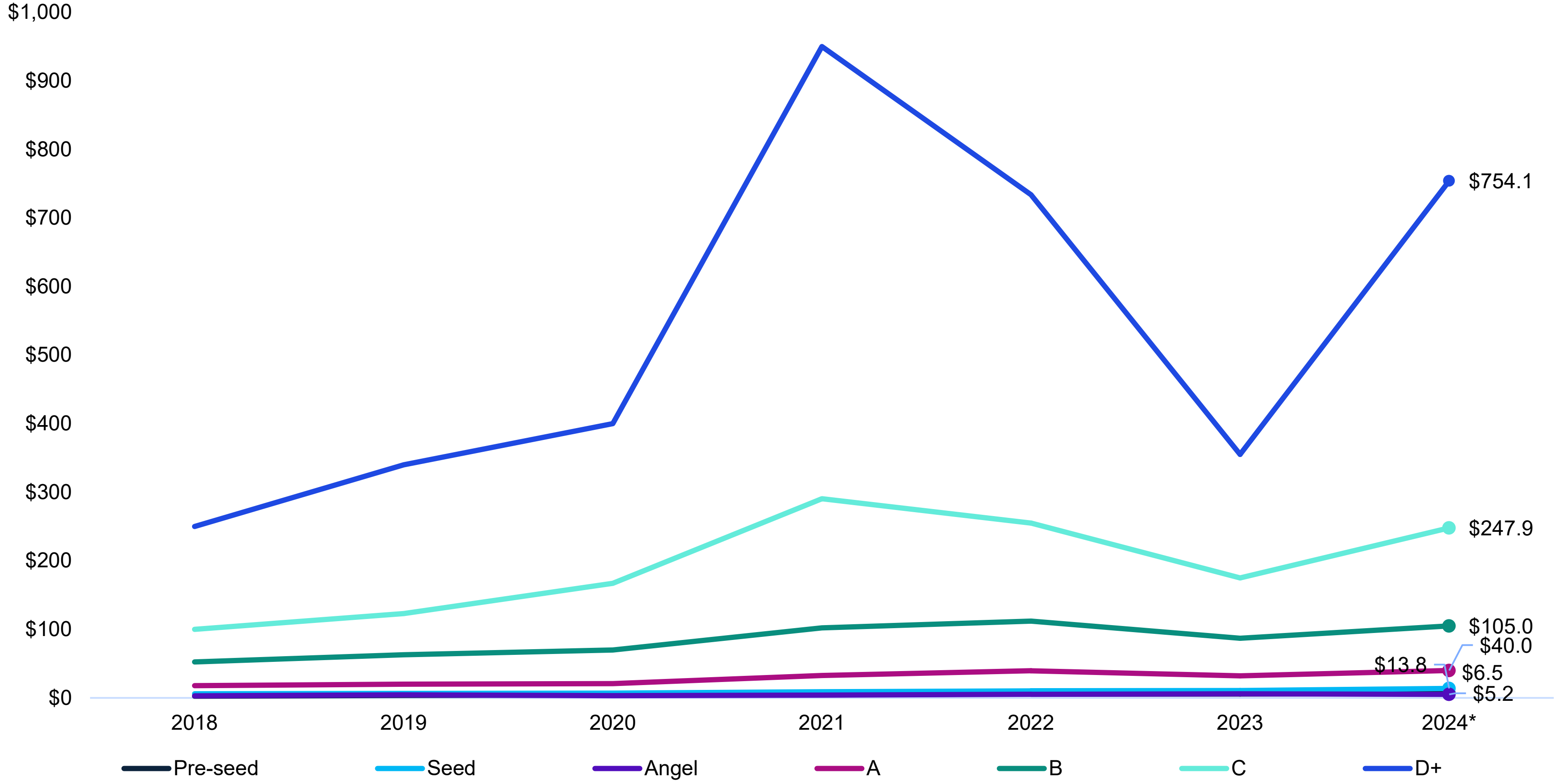
"There are a lot of hopes and expectations riding on the IPO market opening. However, we need one or more of the late-stage stalwarts to go out, have a great first day, sustain the positivity in the subsequent days, and then have solid numbers in their first quarter earnings post-IPO. There is a long list of companies that are ready to go, but many are a bit gun shy. It's likely going to take the larger companies displaying really successful results for others to decide to jump in the IPO pool."

Jules Walker
Managing Director
Business Development
KPMG in the US

A growing incidence of outlier deals keeps driving even medians higher

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

2018–2024*



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.
Note: Figures rounded in some cases for legibility.

"The certainty of a more business friendly environment is giving everyone a lot of confidence right now in the US. But there's still a lot of uncertainty. The negative economic impact of tariffs would hurt a lot of companies — industrial companies, consumer goods companies, manufacturers. That's still a big unknown. Looking out at Q1'25, some VC investors could hold back until we see exactly what's going to happen when the administration changes — and then make decisions from there."

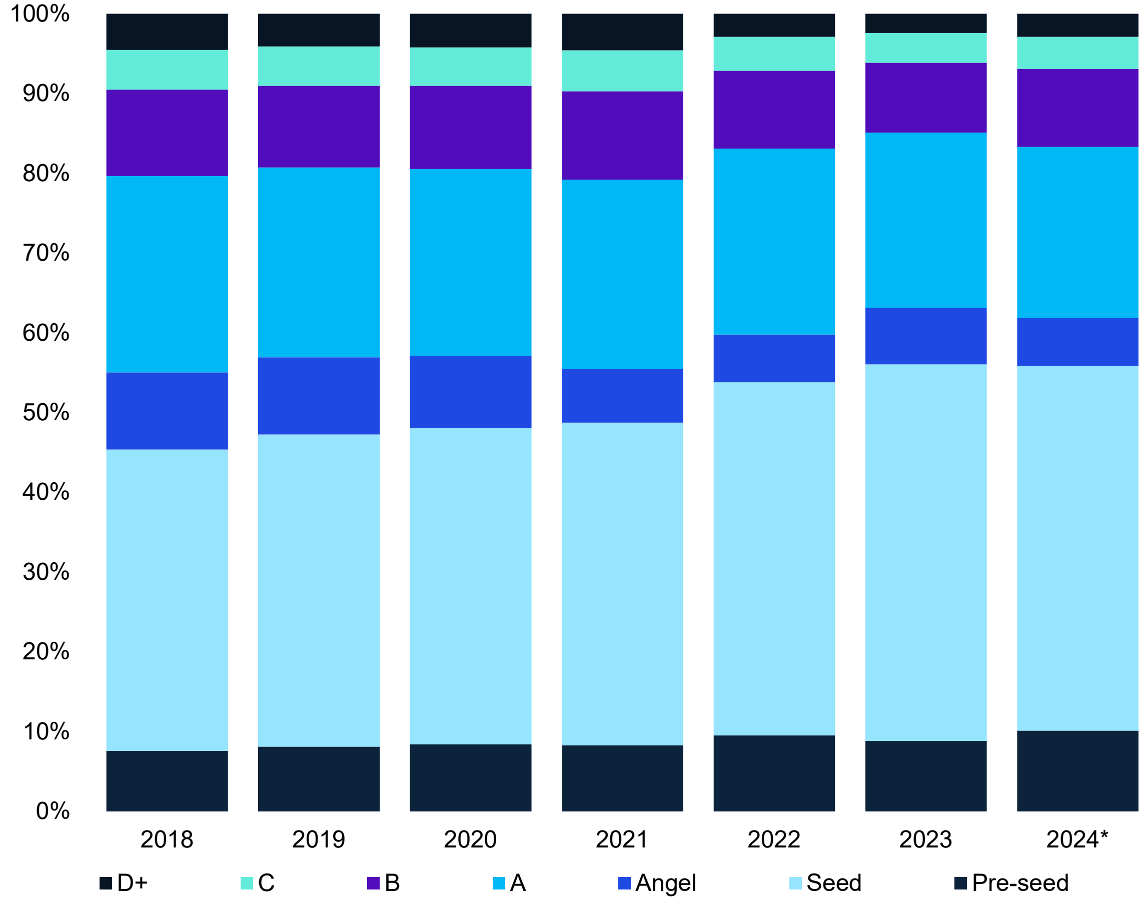
Sam Lush
Director, Private Equity Group
KPMG in the US

KPMG Private Enterprise

VC invested in mid-capital stack continues to swell

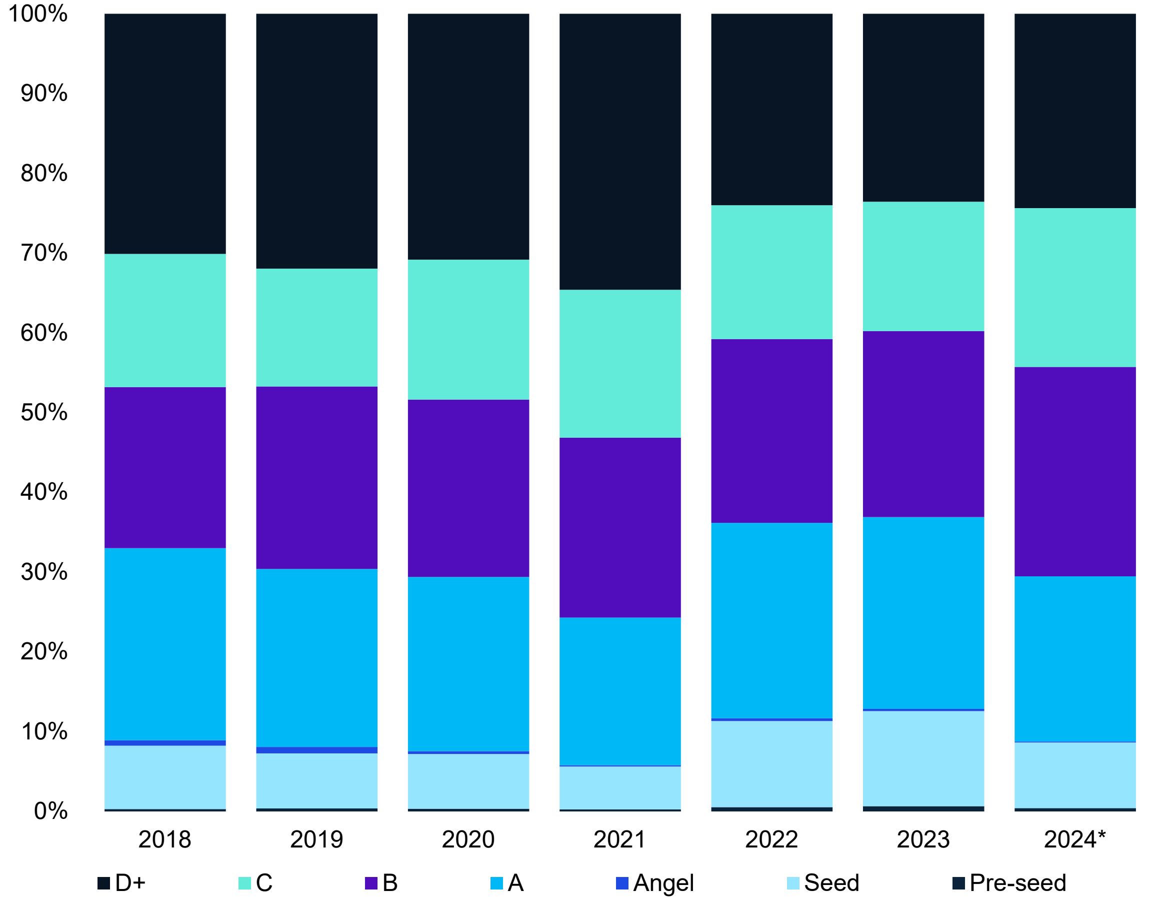
Deal share by series in the US

2018–2024*, number of closed deals



Deal share by series in the US

2018–2024*, VC invested ($B)

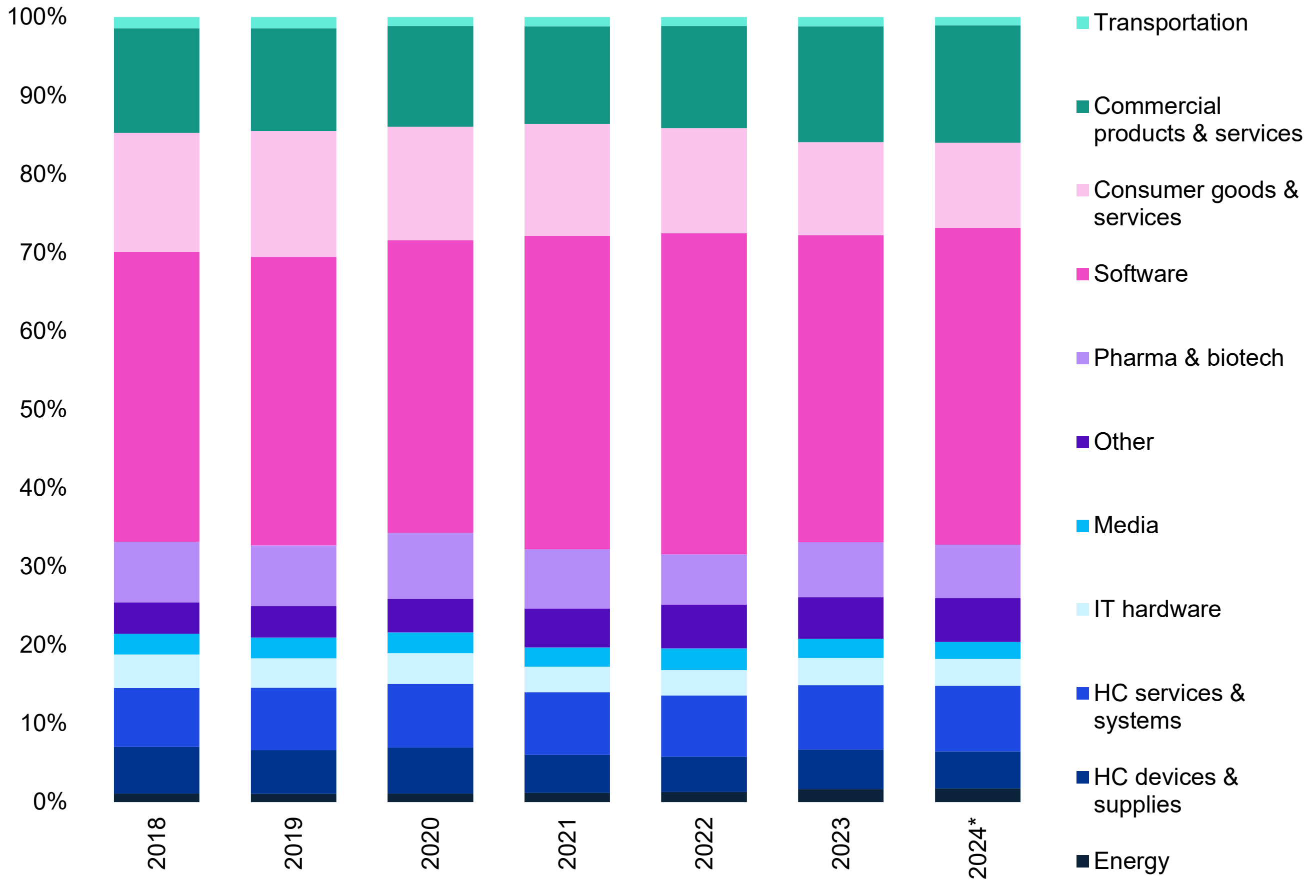


Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

Sector proportions hold steady, overall

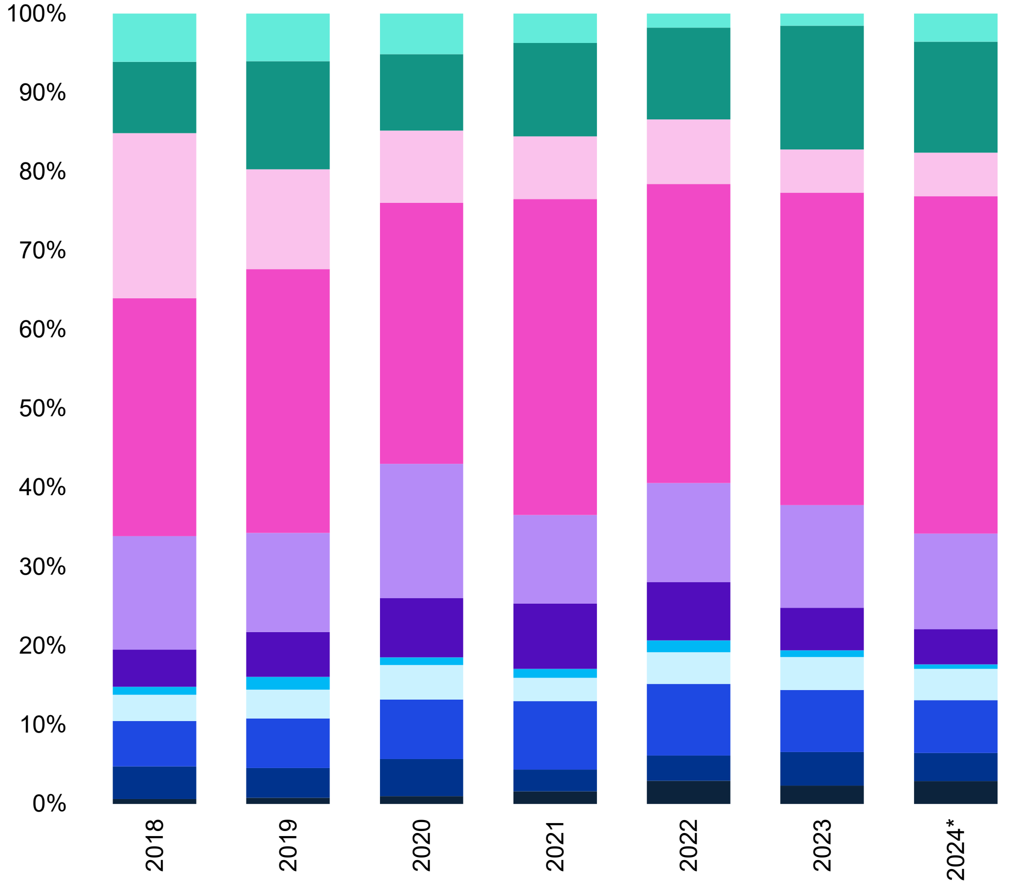
Venture financing by sector in the US

2018–2024*, number of closed deals



Venture financing by sector in the US

2018–2024*, VC invested ($B)

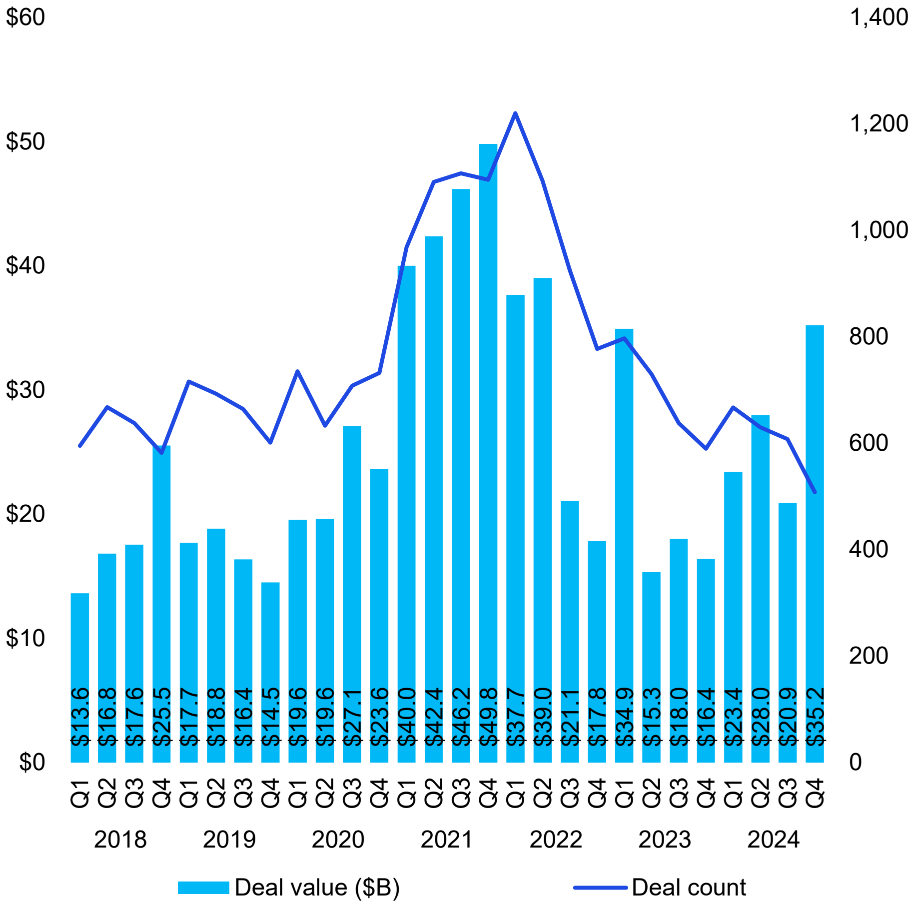


Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

2024 sees first-time VC invested resurge

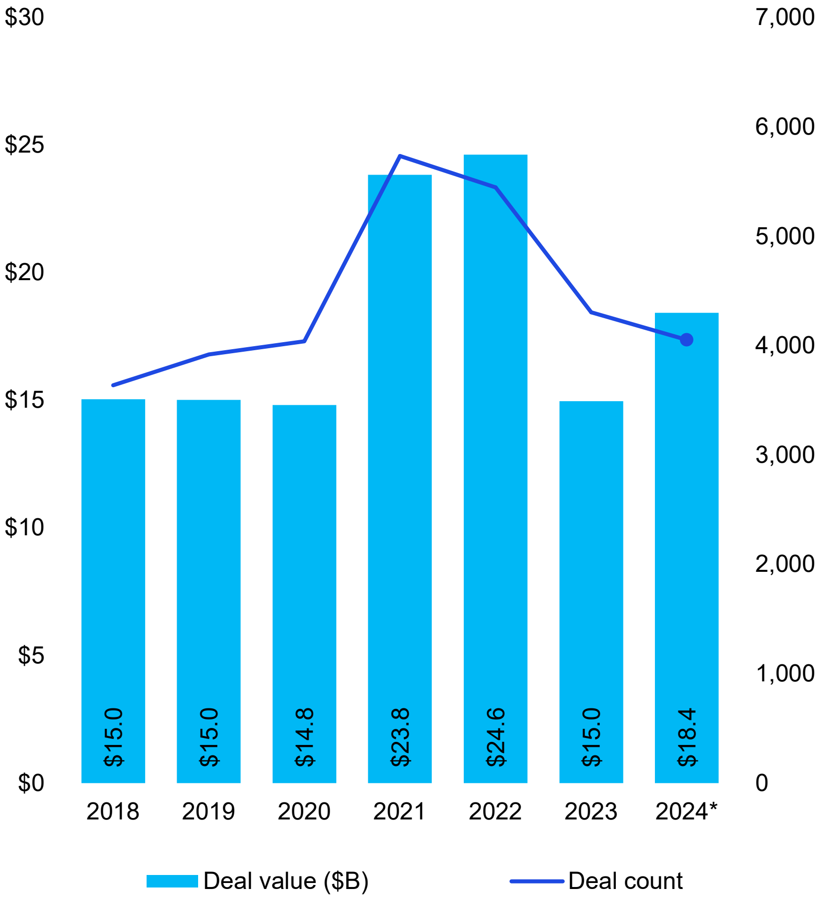
Corporate participation in venture deals in the US

2018–Q4'24



First-time venture financings of companies in the US

2018–2024*



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

"Venture capital in AI is experiencing a significant shift from initial broad sector exposure to a more focused approach. While last year the excitement was about getting in on 'the next big thing,' we're now seeing a maturation in the field. Investors are increasingly looking to build on foundational technologies, such as large language models, to create specialized applications in areas such as healthcare, space, and professional services. This next wave of AI investment is all about driving real-world revenue and profits, not just first-mover, participatory investment."

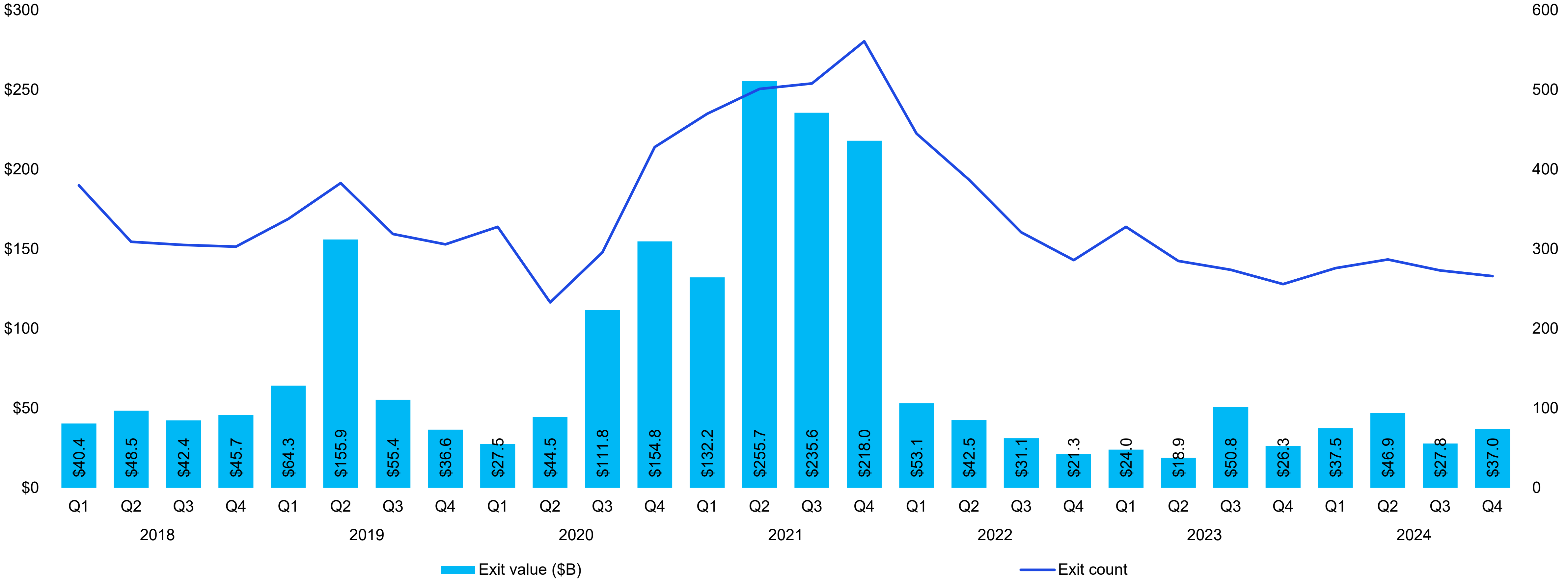
Scott Burger
Partner
KPMG in the US

KPMG Private Enterprise

Exits have evened out into a subdued pace, even compared to pre-2020

Venture-backed exit activity in the US

2018–Q4'24

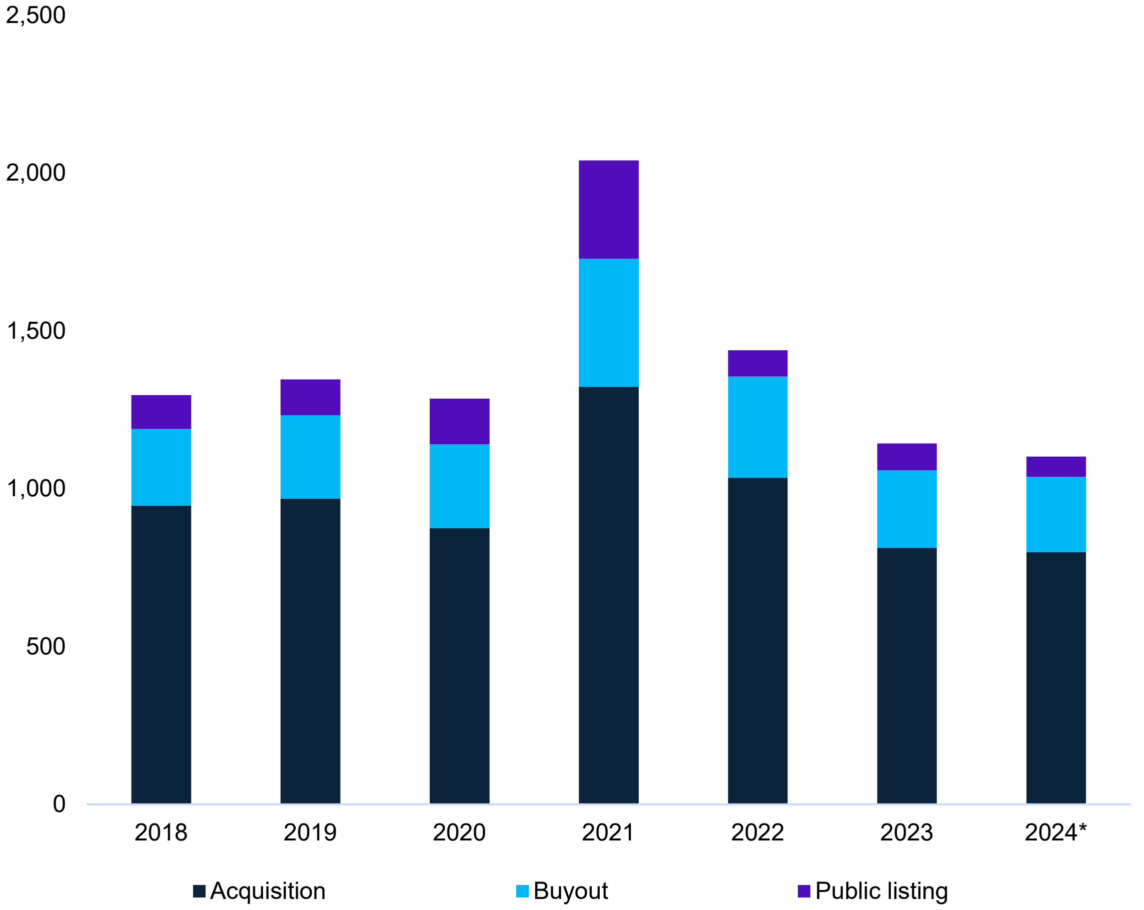


Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

M&A volume holds steady from 2023

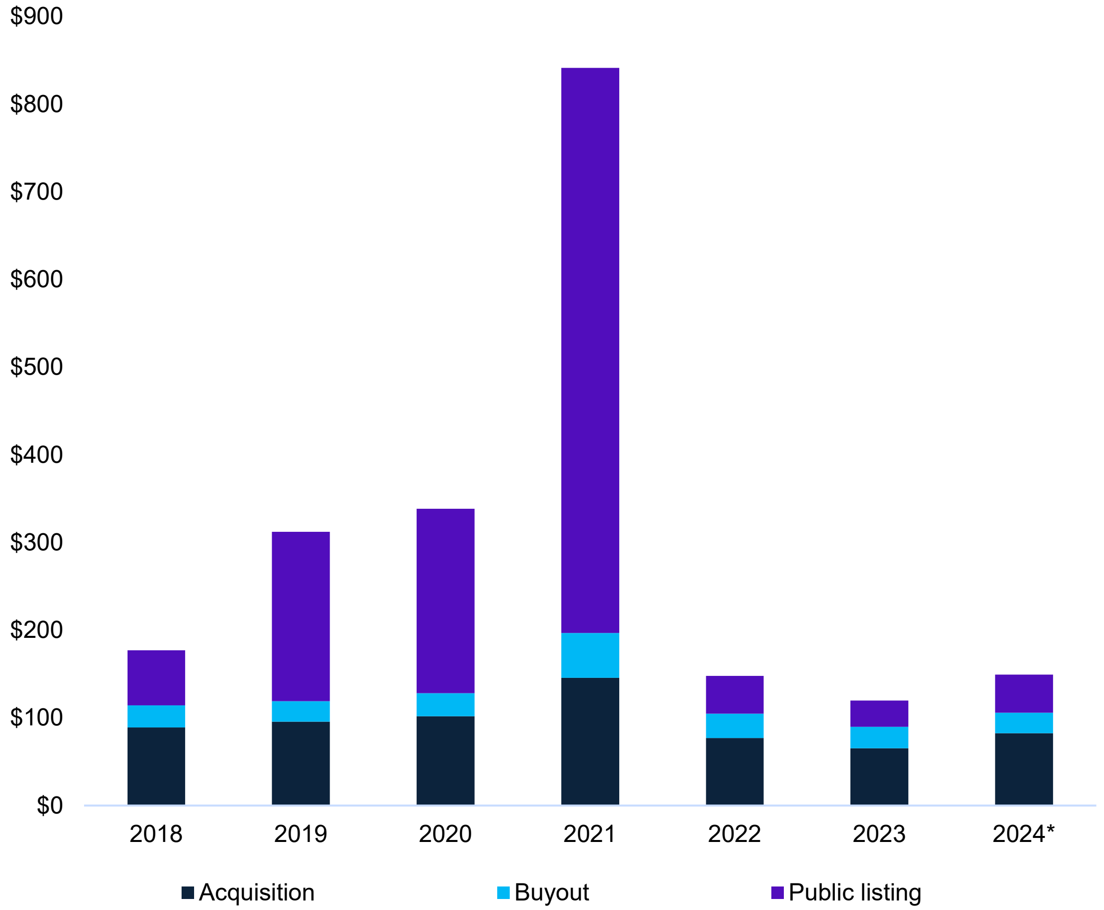
Venture-backed exit activity (#) by type in the US

2018–2024*



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

2018–2024*



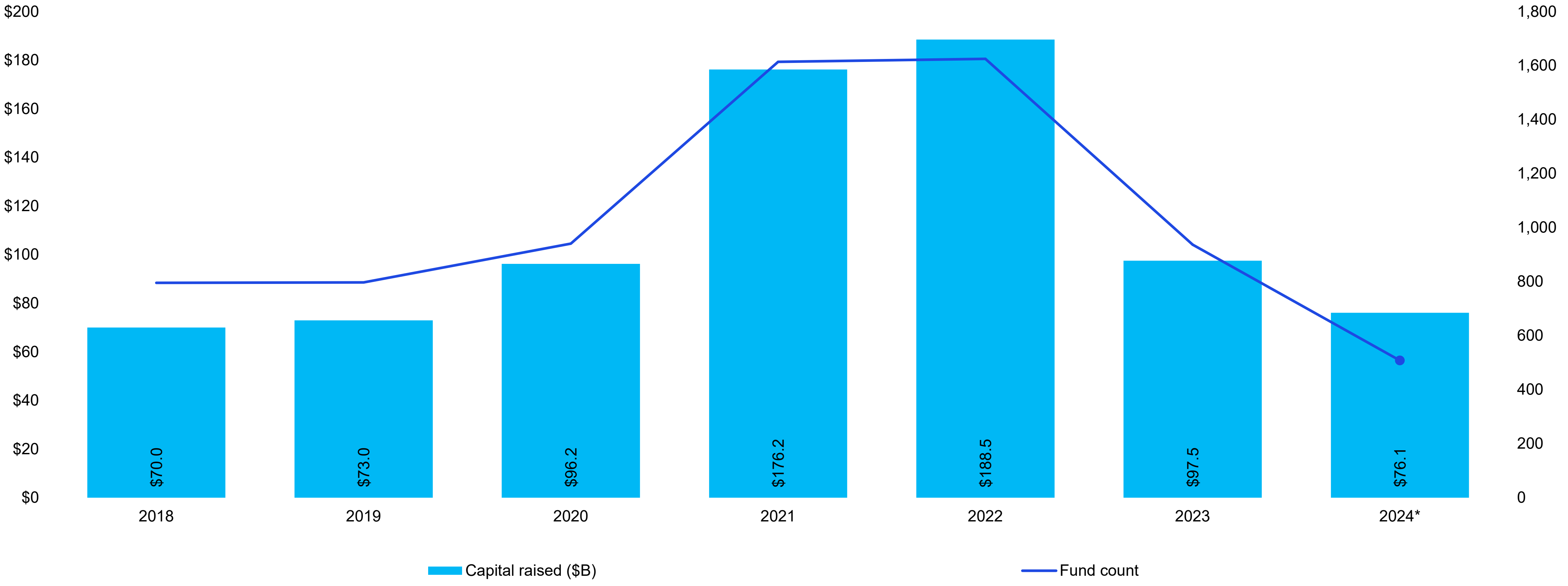
Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

KPMG Private Enterprise

Fundraising finishes 2024 down from the peaks of 2021-2022

US venture fundraising

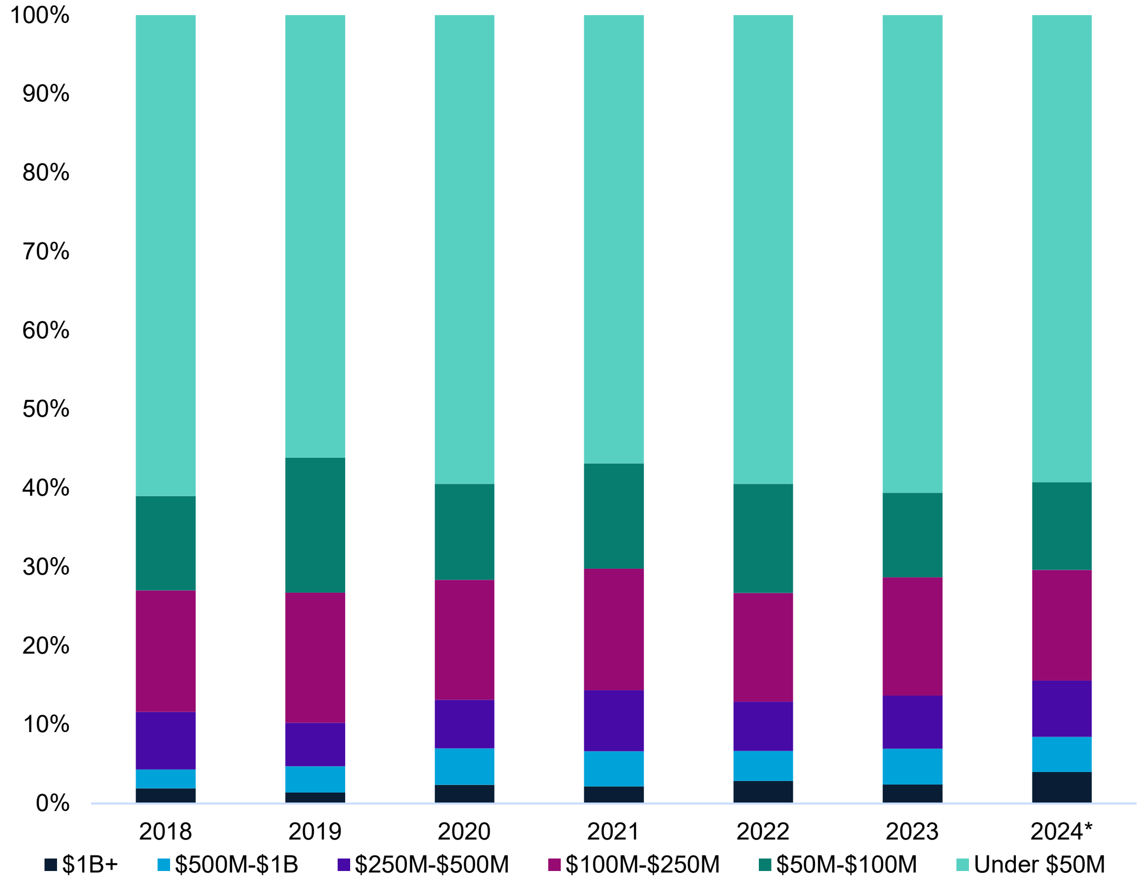
2018–2024*



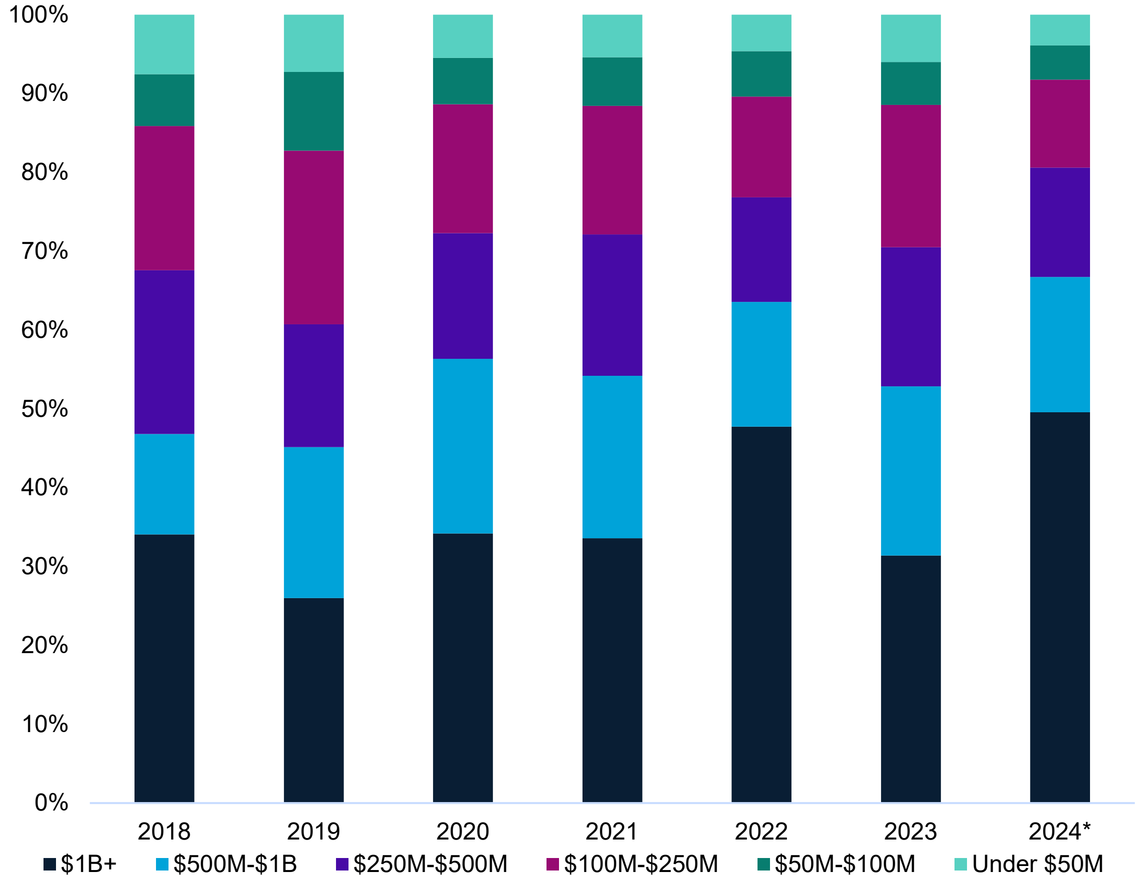
Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

The middle of the market sees volume hold, but $1B+ funds resurge

Venture fundraising (#) by size in the US
2018–2024*



Venture fundraising ($B) by size in the US
2018–2024*



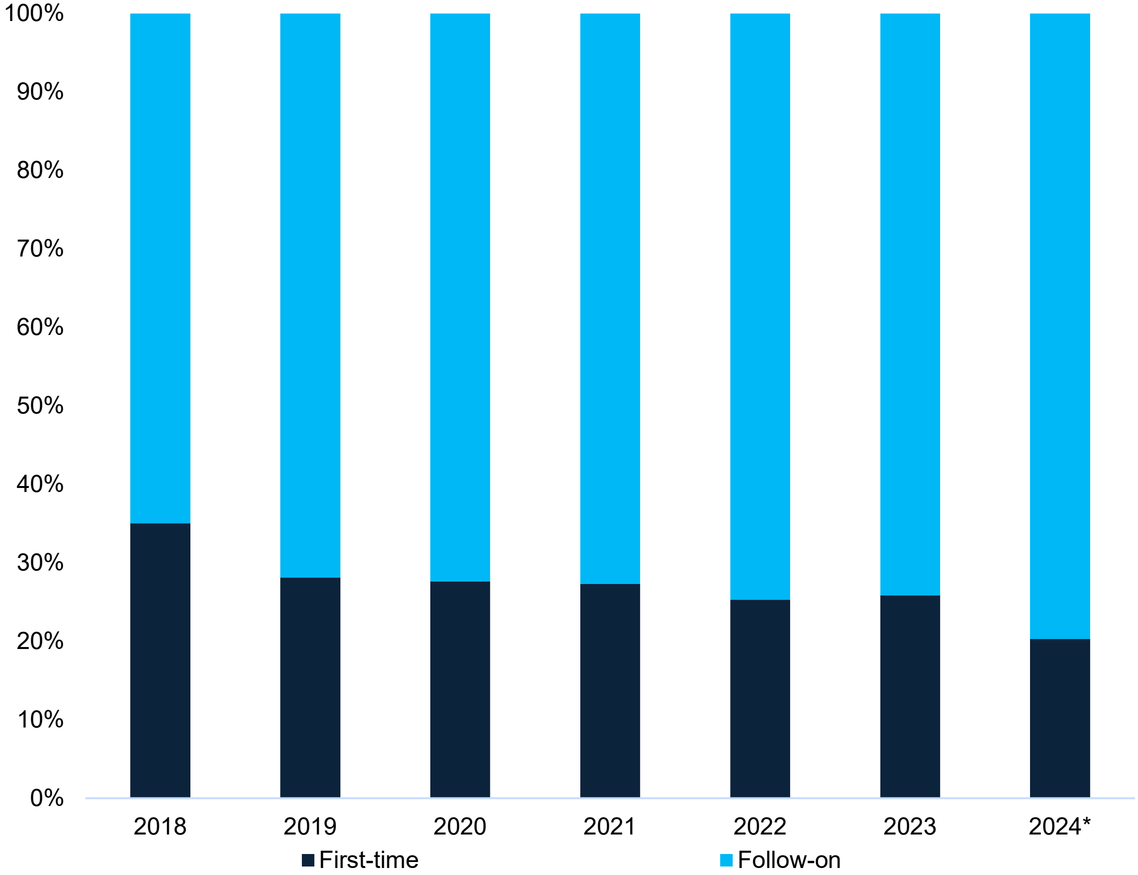
Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

KPMG Private Enterprise

Allocators favored follow-on funds significantly last year

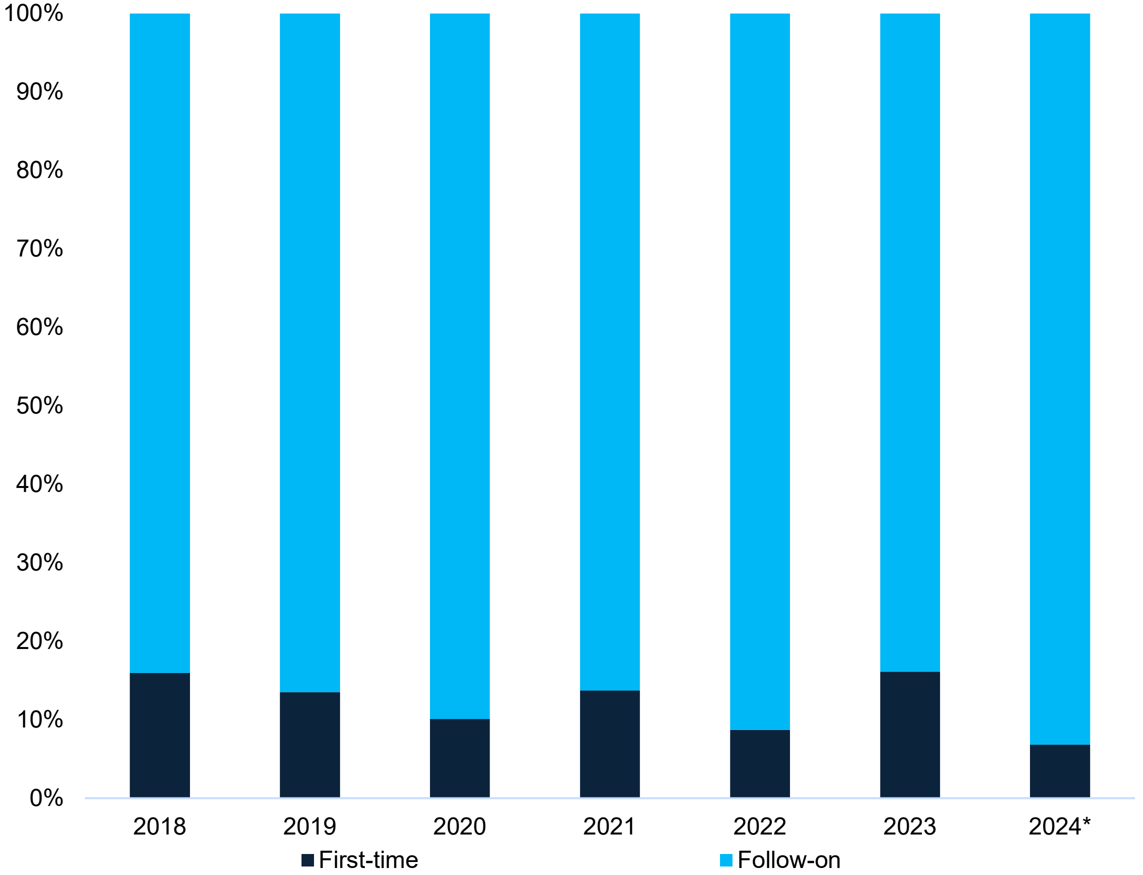
First-time vs. follow-on funds (#) in the US

2018–2024*



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

2018–2024*



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

In Q4'24, VC-backed companies in the Americas raised $78.7B across 3,178 deals

VC investment in the Americas reaches ten-quarter high

The Americas saw VC investment rise to a ten-quarter high in Q4’24. This investment was driven primarily by a substantial increase in VC investment in the US, led by a $10 billion raise by AI firm Databricks.

VC in Canada remains strong

After reaching a ten-quarter high in Q3’24, VC investment in Canada rose further in Q4’24, surpassing $2.5 billion for the first time since Q1, 2022. This increase was despite uncertainties related to the US presidential election in November and related concerns about potential changes that could be made by the incoming administration, including the possible introduction of tariffs.

VC investment in Brazil rises quarter-over-quarter

During Q4’24, VC investors in Brazil continued to focus their investments on startups with strong resilience given the challenging market conditions, and on those with proven market fit or that have managed to achieve profitability. While IPO exits have been dry throughout 2024, Brazil started to see M&A activity creep upwards during Q4’24, including companies beginning to position their organizations for potential sale in 2025.

Secondary market in US remains vibrant

While secondary transactions are not a new phenomenon in the US, the market has become particularly vibrant in recent quarters. Whereas eighteen months ago, buyers in the secondary market were getting significant discounts, now the gap has narrowed considerably. Some mature startups are making the strategic decision to conduct secondary transactions in order to alleviate the pressure to provide their early shareholders with liquidity so that they can remain private longer. This is particularly true of startups who are in a good financial position and don’t need the liquidity; secondary transactions are giving them an opportunity and flexibility to determine when they will seek an IPO.

Canada continues to make bets on AI and health and life sciences

The Canadian government continued to be highly supportive of innovation during Q4’24. During the quarter, it launched the Canadian Sovereign AI Compute Strategy, with plans to invest approximately $2 billion to support Canada’s competitiveness in the AI space by supporting the development of data centres and other computing infrastructure.[4] AI-focused Cohere received $240 million from this fund to support the development of a new data centre in Canada.[5] In Q4’24, the government also launched the Canadian AI Safety Institute to conduct research related to AI safety, develop AI risk assessment tools, and help with identifying risk mitigation activities.[6]

The Canadian government also continued to prioritize innovation in the health and life sciences sector; during Q4’24, the government announced a $40 million investment in vaccine developer Aramis Technologies.[7] The company also raised CAD$40 million in Series A funding during the quarter.[8]

[4] https://www.canada.ca/en/innovation-science-economic-development/news/2024/12/canada-to-drive-billions-in-investments-to-build-domestic-ai-compute-capacity-at-home.html
[5] https://www.canada.ca/en/department-finance/news/2024/12/deputy-prime-minister-announces-240-million-for-cohere-to-scale-up-ai-compute-capacity.html
[6] https://www.techpolicy.press/initial-takeaways-from-the-canadian-ai-safety-institute-launch/
[7] https://www.canada.ca/en/innovation-science-economic-development/news/2024/12/government-of-canada-announces-investment-in-quebec-based-aramis-biotechnologies.html
[8] https://aramisbiotechnologies.com/annonce-2/

VC investment in the Americas reaches ten-quarter high, cont'd.

Fintech remains key sector for VC investment in Brazil, although other areas also attracting interest

Fintech remained one of the strongest areas of VC investment in Brazil, with SMB financing company Asaas raising $149 million during Q4'24. The fintech market in Brazil has matured quite rapidly over the past five years — driving significant improvements in financial inclusion — a fact that is now leading some smaller fintechs to look at consolidation in order to improve their market share and financial viability and larger fintechs to look at expansion into other countries within Latin America. Outside of the fintech space, a number of other sectors also saw increasing attention from VC investors in Brazil during the quarter, including cleantech, biotech, and healthtech; all three are well positioned to remain trendy among VC investors heading into Q1'25.

VC investors in US making big bets on autonomous driving

The AI space in the US accounted for more than half of the largest VC funding rounds in the Americas during Q4'24. While a significant portion of the AI-focused startups raising large rounds were focused on generative AI and infrastructure (e.g., Databricks — $10 billion, OpenAI — $6.6 billion, xAI — $6 billion, Anthropic — $4 billion), Waymo's $5.6 billion raise highlights the lucrative nature of industry-focused AI solutions; the company leverages AI to power its robo-taxi service, which has already been introduced in several municipalities in the US, including Los Angeles, San Francisco, and Phoenix.[9] As the AI space continues to evolve and expand, such industry solutions are expected to be high on the radar of VC investors in the US.

Trends to watch for in Q1'25

Looking ahead to Q1'25, VC investment in the Americas is expected to remain very solid, propelled by the continued focus of investors on the AI space. The change in administration in the US could keep investors holding back early in the quarter — particularly in jurisdictions like Canada — until there is more certainty as to the direction the new administration will take.

With COP30 scheduled to be held in Brazil during Q4'25, climate change is expected to be a major focus over the next year; this will likely drive increasing interest and VC investment into the cleantech and climatetech spaces in 2025.

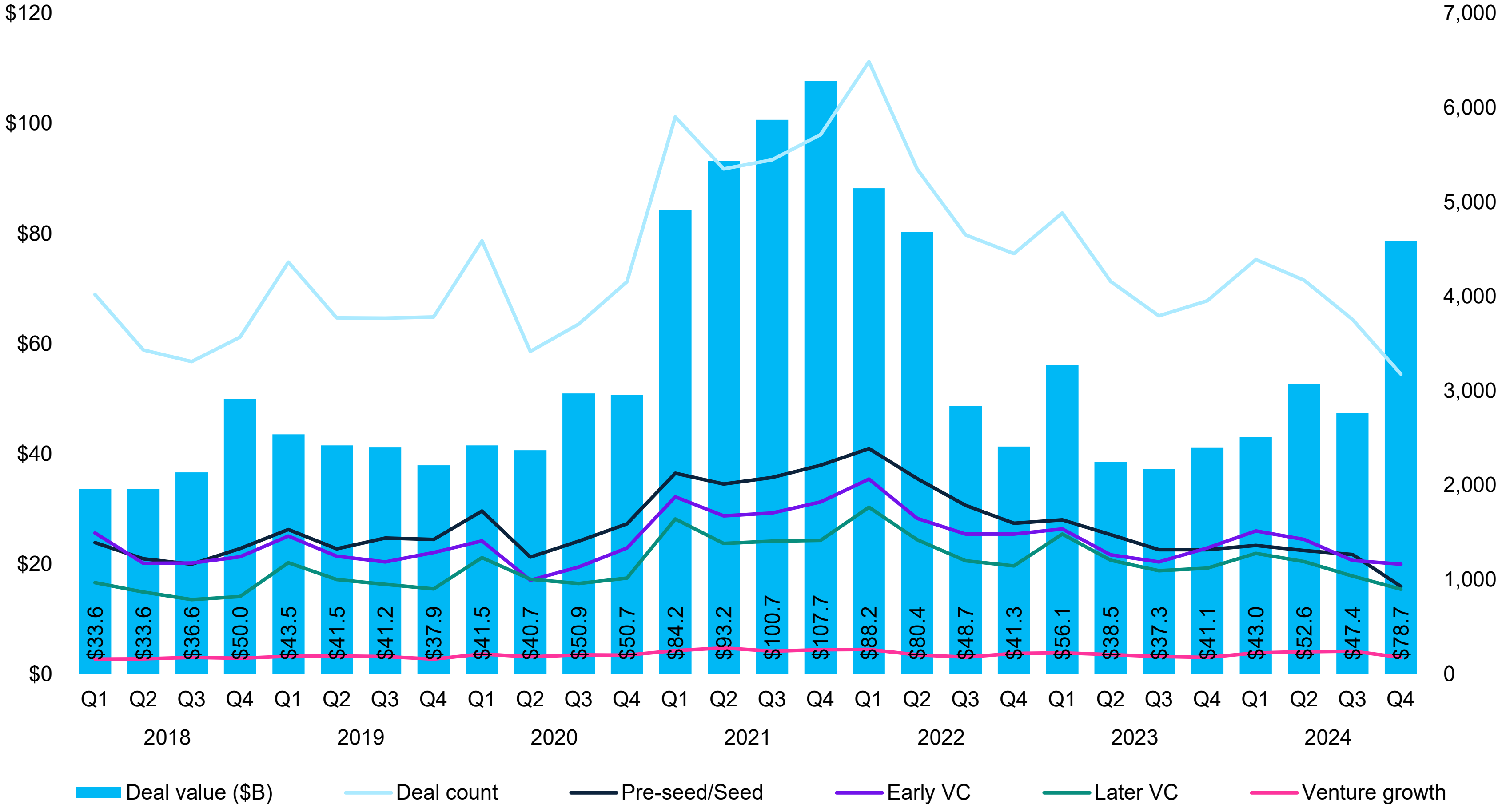
There is a lot of optimism for the IPO market in the Americas heading into 2025, with many eyes watching to see which companies move to exit first; while the US is drawing the most attention, the growing stable of strong and profitable Canadian tech startups suggests that Canada could also see a number of quality IPO exits over the next year or two once the market picks up.[10]

[9] https://techcrunch.com/2024/11/05/waymos-latest-funding-round-boosts-it-to-45b-valuation/
[10] https://www.theglobeandmail.com/business/article-canadian-tech-companies-worth-100-million/

Dealmaking has established a healthy if not historic level

Venture financing in the Americas

2018–Q4'24



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

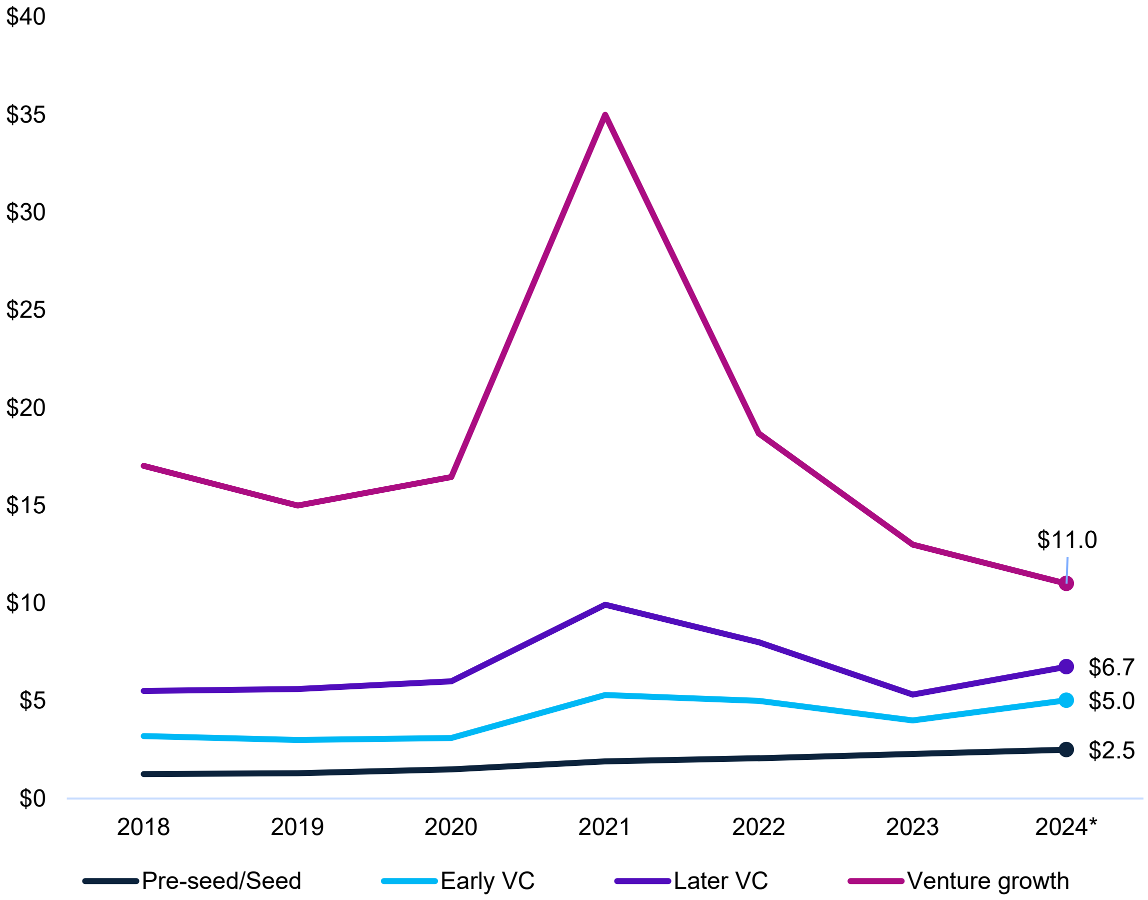
The final quarter of 2024 saw a bevy of mega-deals that saw VC invested resurge to levels unseen since the waning stages of the post-pandemic boom in early 2022. However, volume was still down, indicating that VC recovery narratives should be treated with caution.

… a single bumper quarter for VC invested may only signify the presence of several mega-deals, instead of a true overall recovery in VC dealmaking.

Dealmakers remain cautious, overall

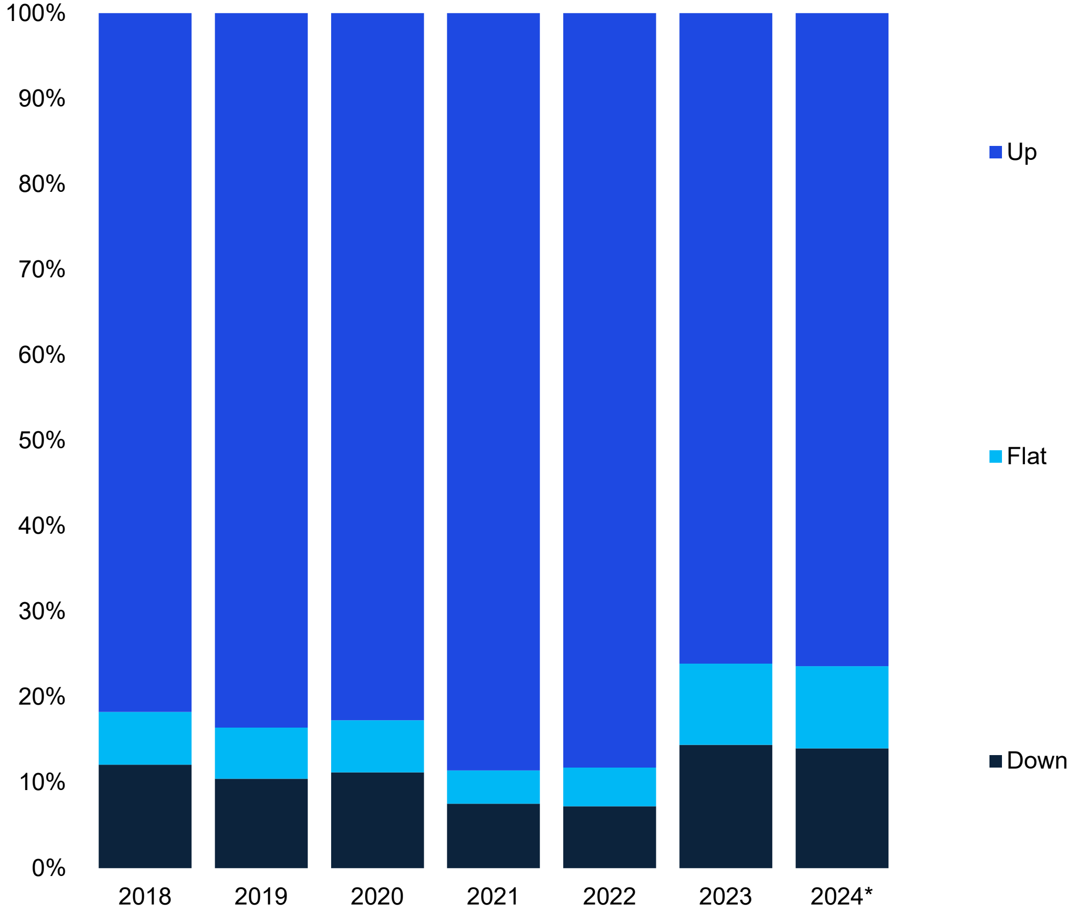
Median deal size ($M) by stage in the Americas

2018–2024*



Up, flat or down rounds in the Americas

2018–2024*

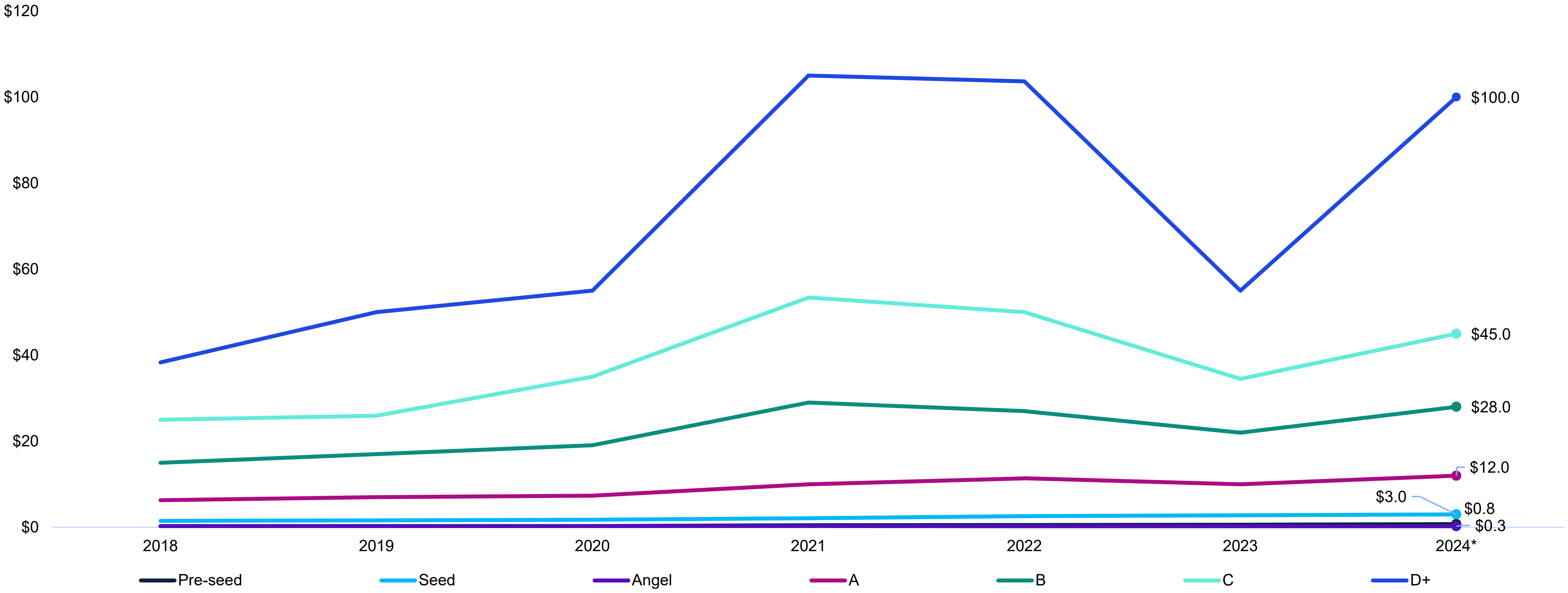


Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

Financing sizes stage a cautious recovery

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

2018–2024*

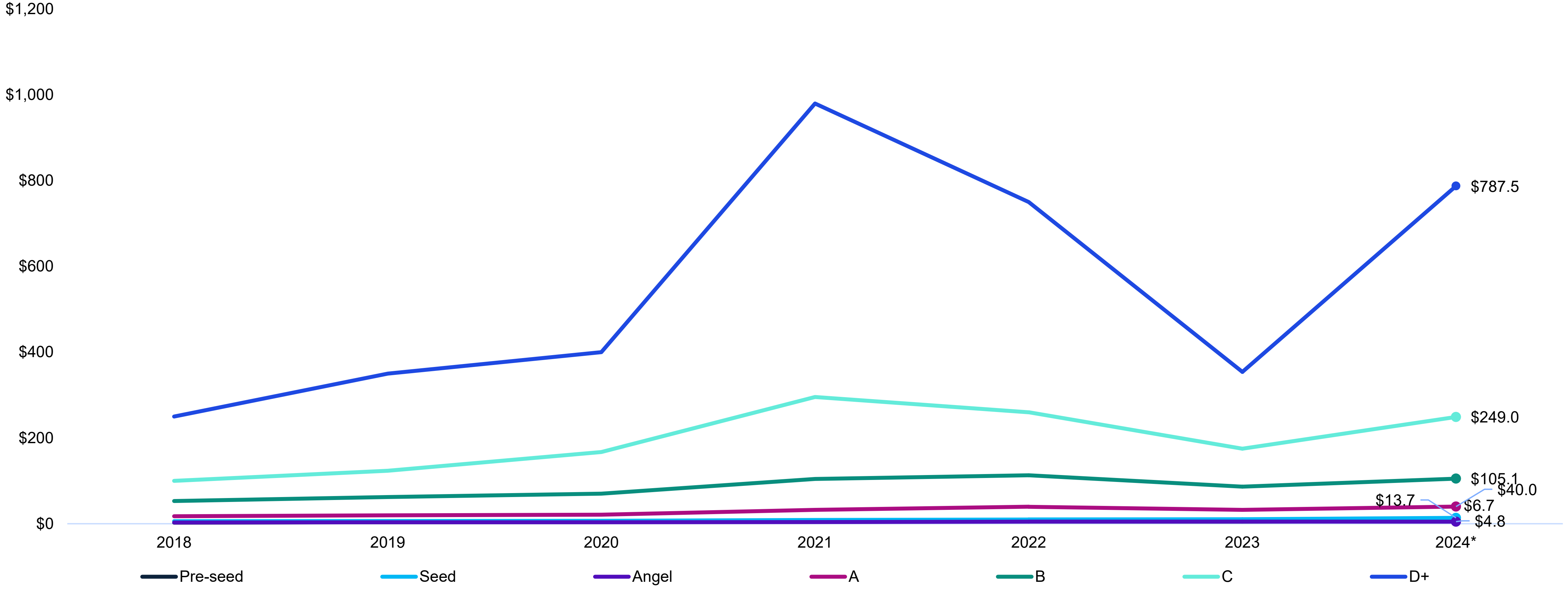


Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

Pockets of later-stage companies still skew valuations

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

2018–2024*

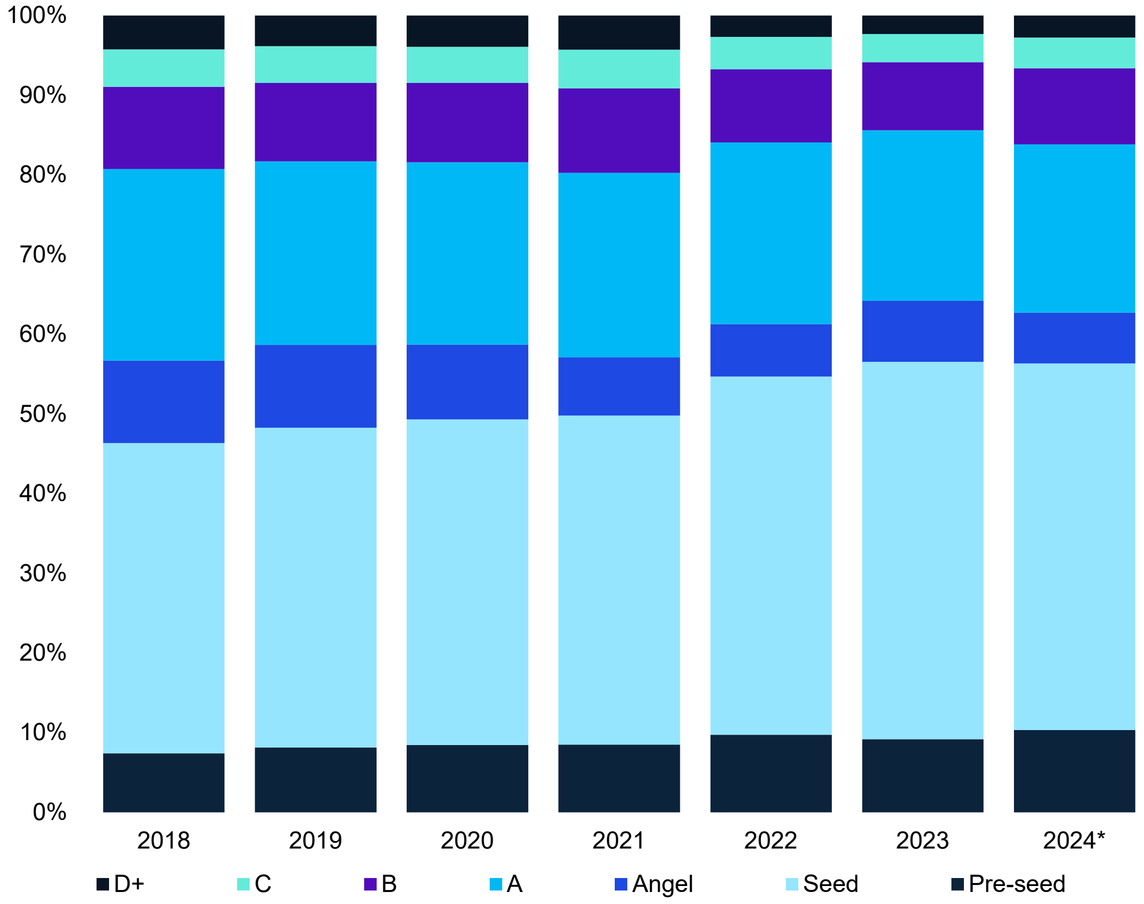


Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

Capital concentrates in midstage rounds still

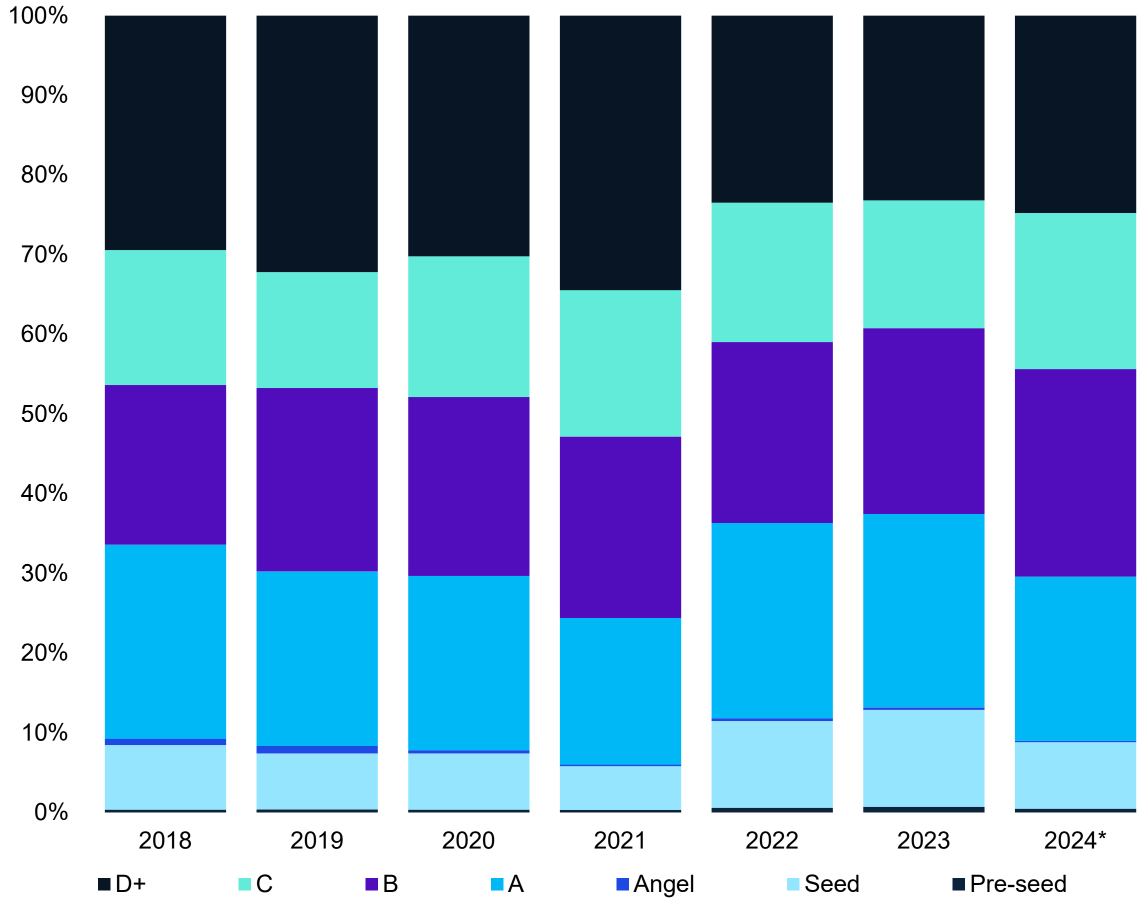
Deal share by series in the Americas

2018–2024*, number of closed deals



Deal share by series in the Americas

2018–2024*, VC invested ($B)

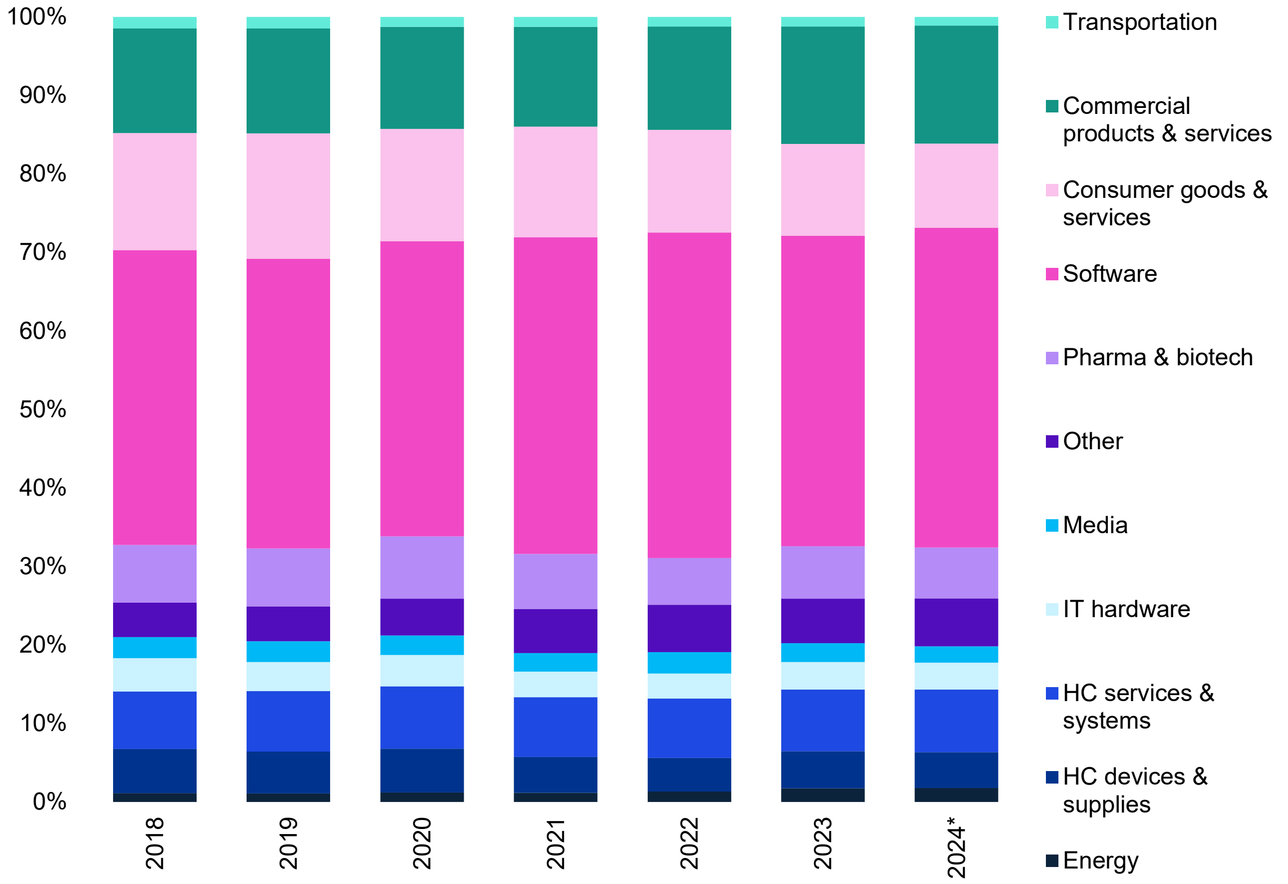


Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

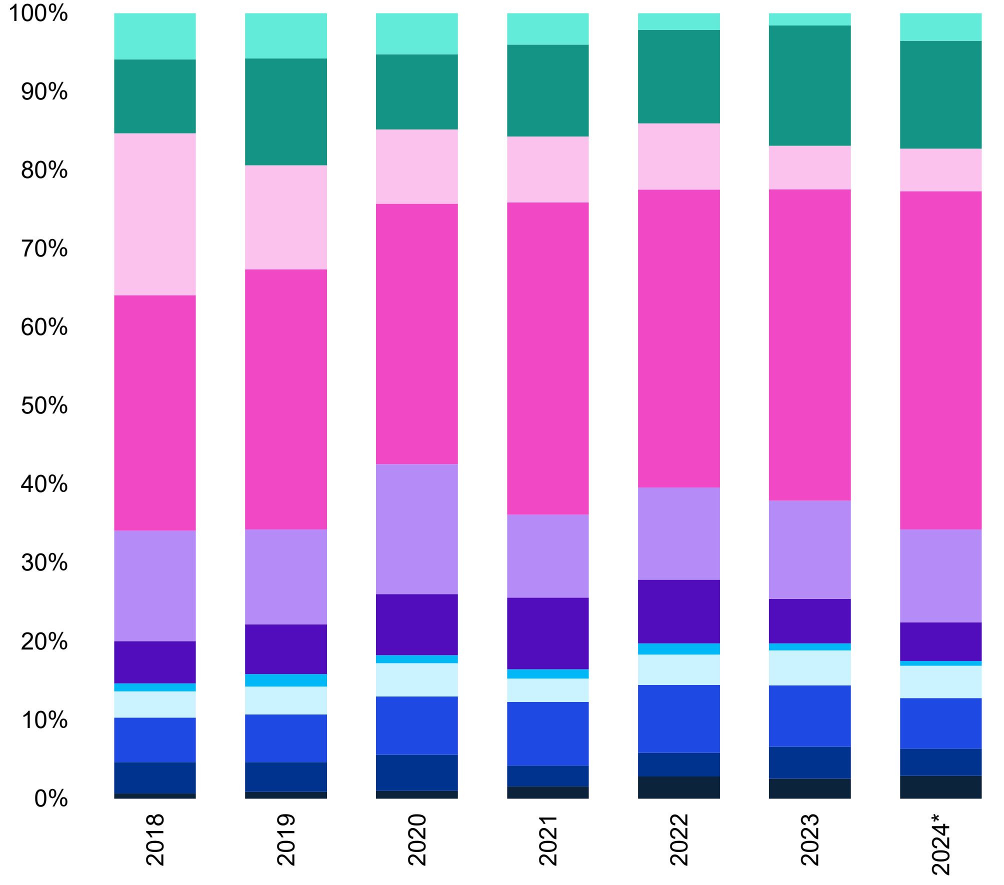
KPMG Private Enterprise

B2B stays strong as software booms off of AI resurgence

Venture financing by sector in the Americas
2018–2024*, # of closed deals



Venture financing by sector in the Americas
2018–2024*, VC invested ($B)

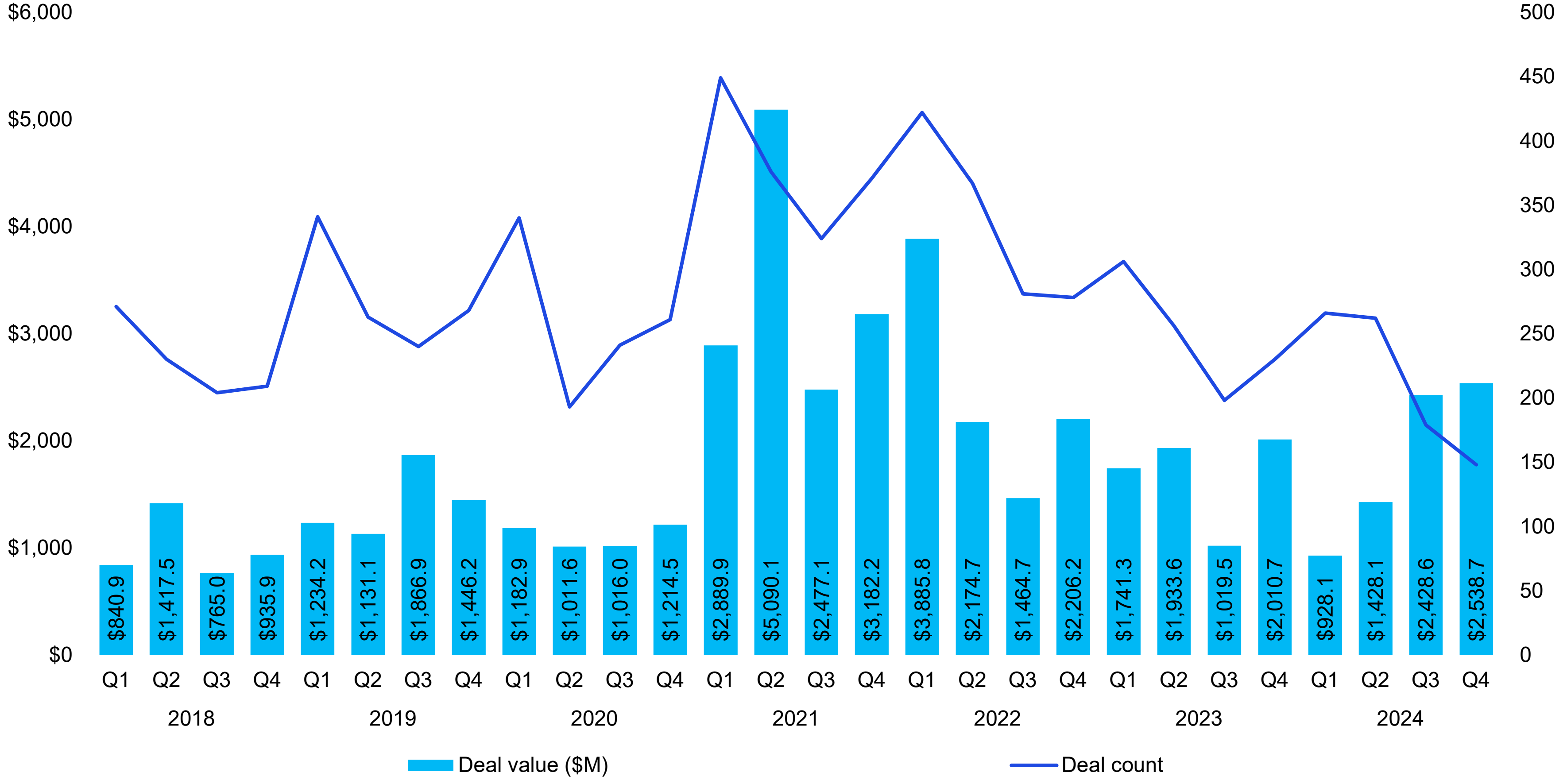


Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

Canada sees a big H2 to close 2024 strong

Venture financing in Canada

2018–Q4'24



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

"Q4'24 was a bit quiet for the VC market here in Canada given the uncertainty related to the changing of the guard in the US. VC investors will probably continue to hold off well into Q1'25, until they see how things will shake out once the new US president takes office. But where VC investors may have hit pause, the Canadian government did not. During the quarter, it double downed on its commitment to AI, launching the *Canadian Sovereign AI Compute Strategy* in order to help drive the competitiveness of AI companies in the country."

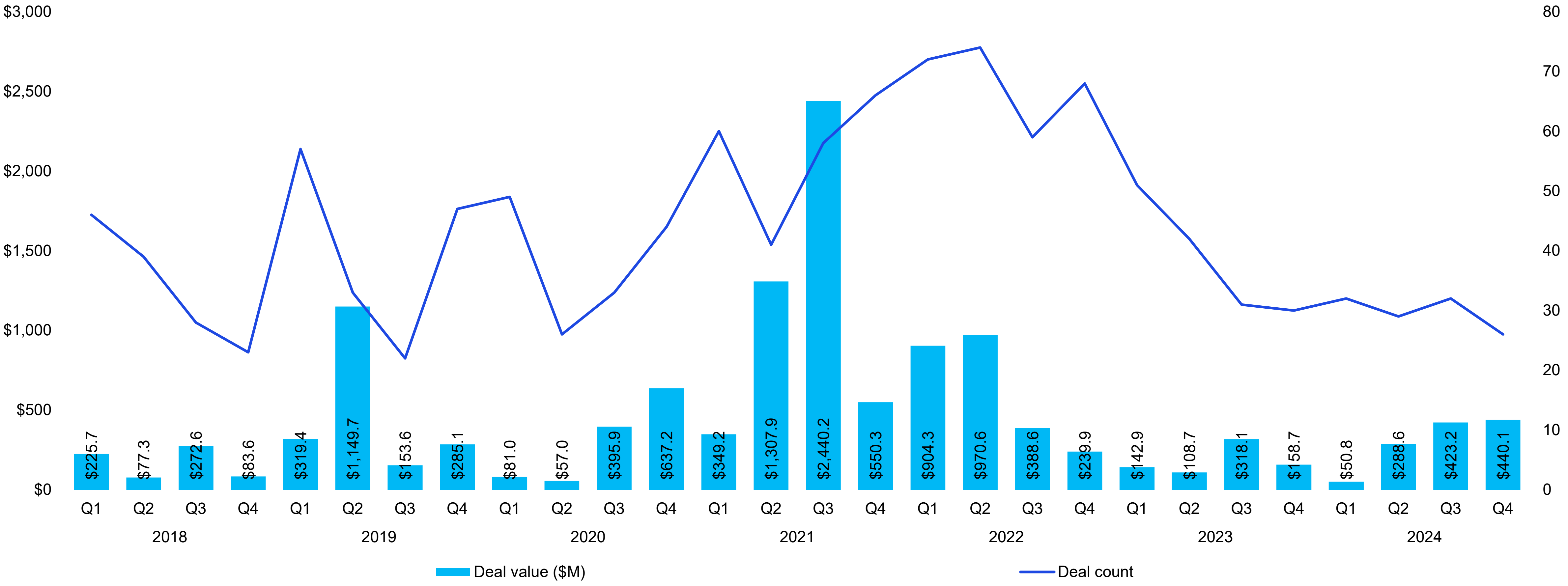
Ryan Forster
Partner
KPMG in Canada

KPMG Private Enterprise

Mexico sees a healthy back-to-back quarter in VC invested

Venture financing in Mexico

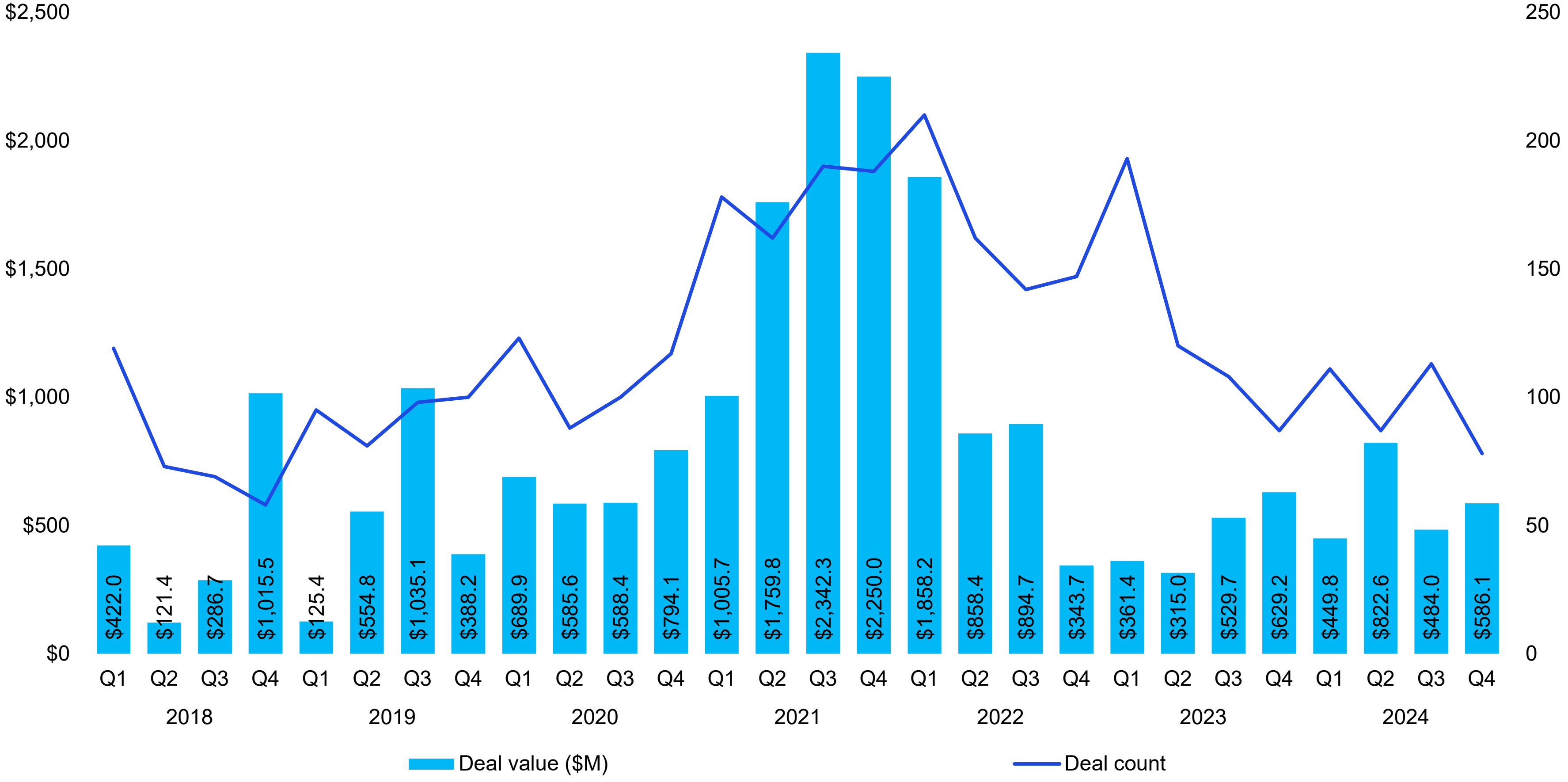
2018–Q4'24



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

Brazil sees VC activity hold steady after variability in VC invested

Venture financing in Brazil
2018–Q4'24



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

"2024 was not a particularly good year for the VC market in Brazil, but VC investment never stopped completely. VC investors just became more picky, focusing on startups with resilient business models, startups achieving break even, and startups that really bootstrapped proving that their businesses had the right product and market fit. Heading into 2025, there's a sense of cautious optimism on the part of startups and VC investors. The fact COP30 is being held here could be very good for investment, particularly in the ESG and climate tech spaces."

Carolina de Oliveiria
Partner, KPMG Private Enterprise
Leader in Brazil and South America
KPMG in Brazil

KPMG Private Enterprise

AI continues to draw in the bulk of all top deals

Top 10 financings in Q4'24 in Americas

1. **Databricks** — $10B, San Francisco, US — Business software — *Series J*
2. **OpenAI** — $6.6B, San Francisco, US — AI & ML — *Series B*
3. **AI** — $6B, Burlingame, US — AI & ML — *Series C*
4. **Waymo** — $5.6B, Mountain View, US — Autonomous driving — *Series C*
5. **Anthropic** — $4B, San Francisco, US — AI & ML — *Late-stage VC*
6. **Juul Labs** — $1.98B, Washington DC, US — Consumer — *Late-stage VC*
7. **Wonder Group** — $950M, New York, US — Restaurants — *Series C*
7. **Cohesity** — $950M, San Jose, US — Database software — *Series H*
8. **Pacific Fusion** — $900M, Fremont, US — Alternative energy — *Series A*
9. **Vuori** — $825M, Carlsbad, US — E-commerce — *Late-stage VC*

Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise.
*As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

In Q4'24, European VC-backed companies raised $15.6B across 1,671 deals

KPMG Private Enterprise

VC investment in Europe rises quarter-over-quarter; annual total falls shy of 2023 results

VC investment in Europe rose in Q4'24, although the total investment in the region for 2024 fell short of 2023 results, highlighting the significant challenges experienced in the VC space over the last twelve months. The number of VC deals remained very low in Q4'24 as investors placed more capital in a much smaller number of proven, high-quality companies.

The UK attracted the largest share of VC investment in the region during Q4'24 helped by a $1.3 billion raise by AI-enabler data platform company GreenScale. The UK also attracted the most investment during 2024 as a whole, followed by France and then Germany.

Countries across Europe attracting $100 million megadeals

Companies from a number of countries across Europe attracted $100 million+ megadeals during Q4'24; outside of the more traditional VC markets, Turkey-based Insider raised $500 million, Lithuania-based Vinted raised $374 million, Finland-based Ōura raised $200 million, and Switzerland-based Alentis Therapeutics raised $181 million.

AI attracting interest in Europe, but regulations causing some uncertainty

A number of the largest raises in Europe this quarter occurred in the AI space, including GreenScale's $1.3 billion raise, the $500 million raise by Insider, and a $370 million raise by UK-based Lighthouse.

With a number of laws and guidance under consideration — on top of the introduction of the EU's AI Act, which was enacted as of August 2024 — players in the AI space in Europe have faced some uncertainty with respect to the rules they might need to abide by in the future; this uncertainty has likely slowed down some of the VC investment into the AI space in Europe, particularly in comparison to jurisdictions like the US.

Venture debt getting more popular in Europe

The use of venture debt became more popular in Europe over the course of 2024, in part because of the high cost of equity, but also because of the disconnect between investors and startups as to the valuations of companies. Given the misalignment, many startups looked at raising venture debt instead, or a hybrid of both — particularly companies at later deal stages. Financial institutions in Europe have also gotten more on board with venture debt offerings, perhaps inspired by some of the big venture debt players in the US.

Caution continuing to drive VC investors in the UK

VC investment in the UK picked up considerably quarter-over-quarter, although much of the increase can be attributed to the $1.3 billion raise by AI-focused GreenScale. The Q4'24 UK government Budget announcements, such as the decision to increase to the UK's National Insurance Tax for employers, it is likely to further contribute to investor caution.

The fintech sector in the UK started to see some movement in the M&A space in Q4'24, including the pending acquisition of exchange platform Aquis by Six Group. The sector is well positioned to see additional activity heading into Q1'25. An increasing number of fintechs have also started down the path of IPO readiness, although many of these IPOs are not expected to materialize in the near term.

Very challenging quarter for VC investment in Germany

VC investment in Germany dropped to a 18 quarter low in Q4'24, driven by a range of economic challenges and other uncertainties, including the decision to call an early election. This pause will likely extend into Q1'25 as both startups and VC investors wait and see what the results of the election — scheduled for February 2025 — might mean for the innovation ecosystem.

Large deals were mostly absent in Germany in Q4'24; space technology company The Exploration Company attracted the largest deal in the country during the quarter ($160 million). While funding was limited in Q4'24, a number of sectors continued to see interest from VC investors in Germany, including B2B companies focused on enabling operational efficiencies, ESG reporting, and energy efficiencies, and companies focused on the semiconductors space.

With cost of capital high in Germany at the moment, some investors have also shifted their focus away from the VC market and towards safer alternative investments, while others have narrowed their focus to companies with proven track records or exceptional value propositions; this has led some startups to consider much less favorable terms in order to raise funds or to embrace alternative funding models, such as the use of venture debt.

VC investment in Europe rises quarter-over-quarter; annual total falls shy of 2023 results, cont'd.

VC activity in Austria picks up again in Q4'24

The first half of 2024 was a particularly challenging time for the VC market in Austria, with a number of startups struggling to survive. After picking up a bit in Q3'24, VC activity saw a more noticeable rebound in Q4'24, with bigger rounds, more Series A rounds, and even some later stage deals — a trend expected to continue heading into Q1'25. VC investors in Austria showed particular interest in AI use cases, in addition to crypto and B2B solutions.

Nordics region sees solid pick up in VC investment in Q4'24

It was a quiet year for VC investment in the Nordics region. The region received only $5.5 billion of capital this year — a third of the amount raised during its 2021 peak. Large rounds were in very short supply with only a few exceptions — some of which were the $200 million raise by smart-ring company Ōura and $158 million raise by spacetech company Iceye during Q4'24. While defense tech saw a good number of early-stage companies raising funding for both commercial and military applications (dual-use). The energy and ESG space also remained hot despite Northvolt's Q4'24 challenges; it is expected to remain a key sector of interest heading into Q1'25.

The Nordics continued to show its strength as a startup ecosystem; during Q4'24, Helsinki hosted the 16th edition of Slush, a very large event bringing record number of investors to meet entrepreneurs.

Ireland sees VC investment pick up in Q4'24

Year-over-year, VC investment in Ireland remained stable despite the challenging funding environment. Q4 ended strongly with several deals raising over $40 million each.VC investors continued to show interest in a wide range of sectors, from mature areas like health and biotech and fintech to emerging areas like AI applications. While interest in AI was quite high, deals in Ireland primarily occurred at the earliest deal stages during Q4'24; for example, Precision Sports Technology — a company focused on providing real-time feedback on exercise techniques — raised $1 million during the quarter.

Trends to watch for in Q1'25

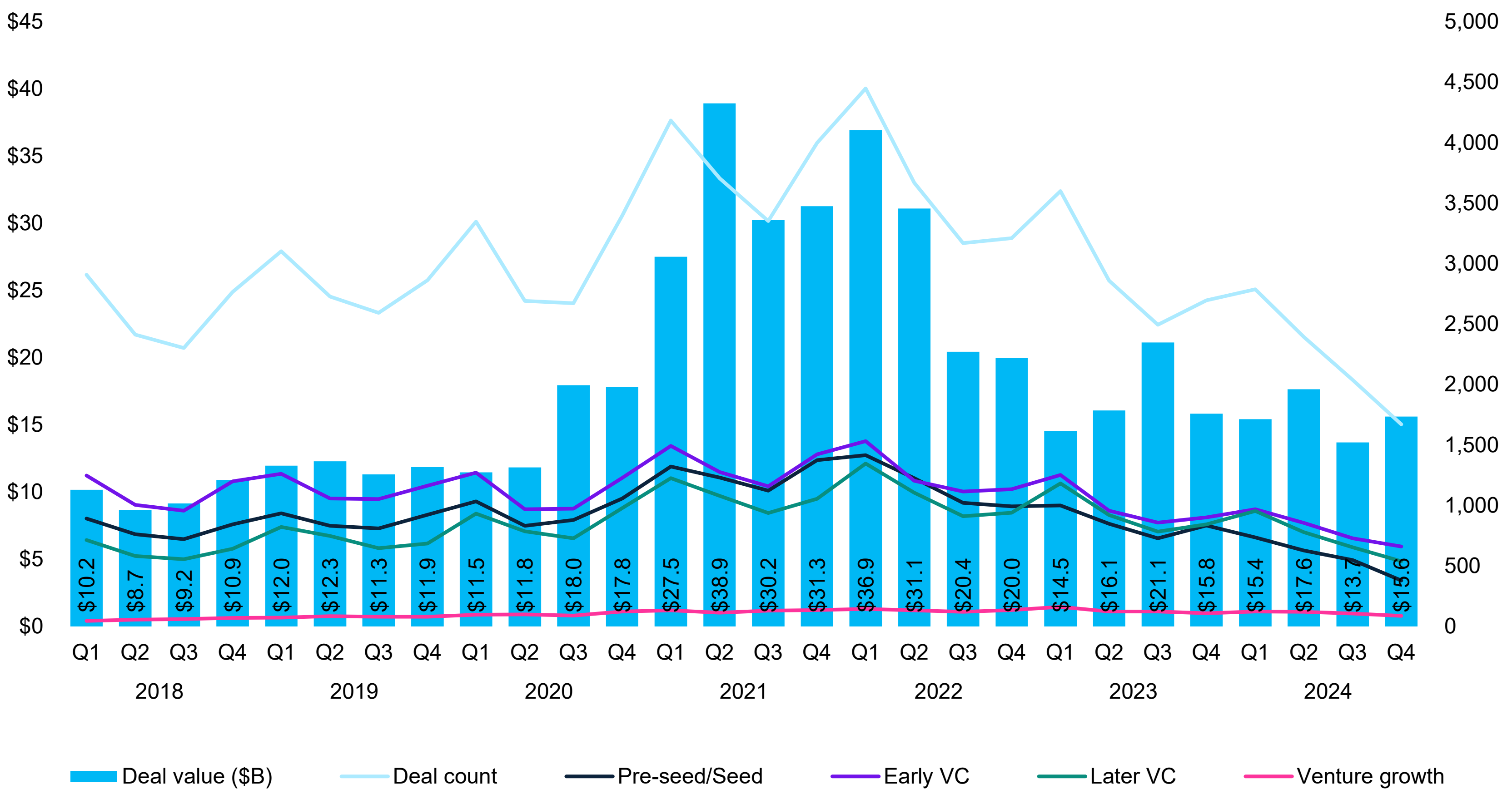
While there continues to be a significant degree of geopolitical uncertainty in Europe, market conditions have been improving. Cuts to interest rates have helped fuel more positive market activity, a fact seen as quite promising for VC deal-making heading into Q1'25. AI will likely be one of the hottest areas of VC investment in Europe, even with concerns about evolving regulations, in addition to defense tech, energy and energy storage, and health and biotech. Cybersecurity will likely also see growing investment, particularly as AI-enabled cyberattacks become more prevalent.

If there are no major geopolitical incidents, 2025 could see more IPOs in Europe, particularly among the large crypto firms and digital asset players.

Europe sees a steady level of VC activity continue

Venture financing in Europe

2018–Q4'24



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

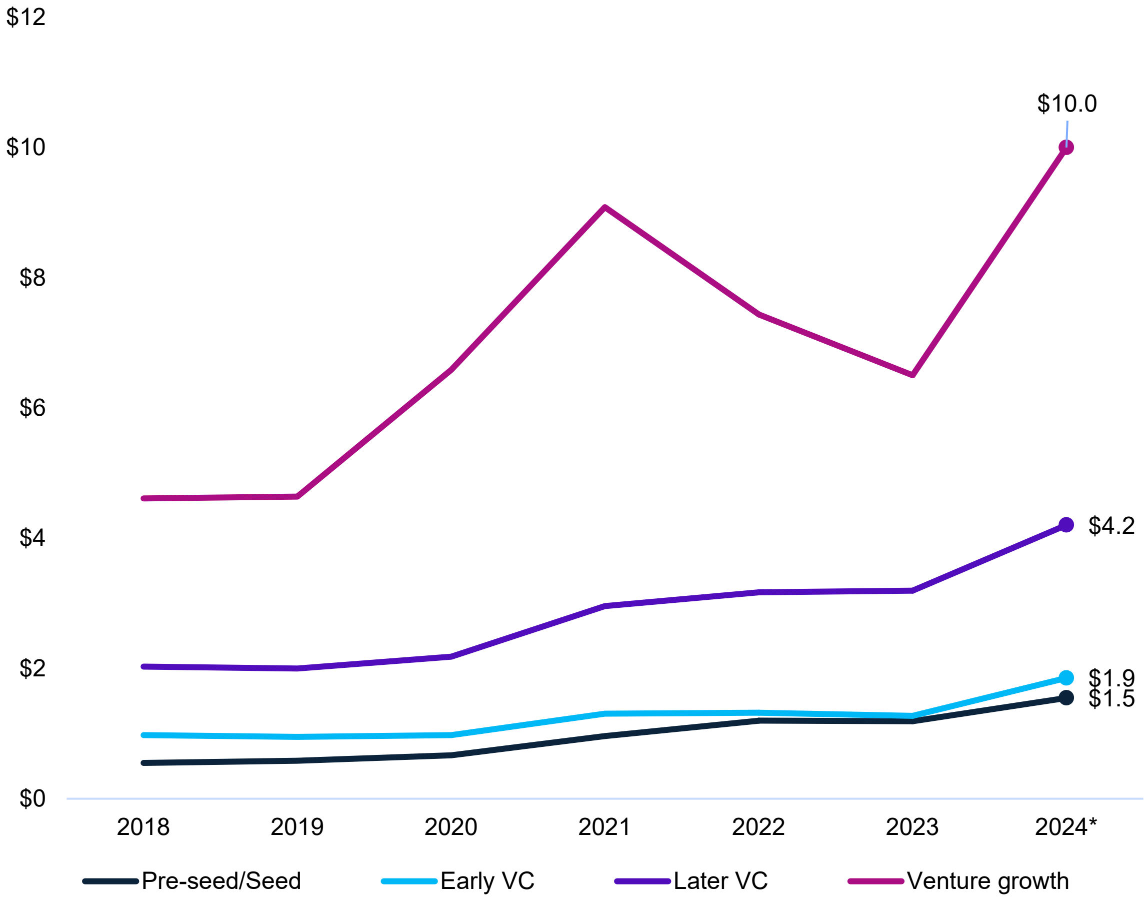
Despite a still-challenging environment for startup operations and macroeconomic backdrop, the European startup ecosystem continues to chug along, aided by a redoubling of government efforts across multiple nations to foster early-stage funding in hopes of producing easier conditions for more companies to ramp up further into larger enterprise valuations.

… as volatility continues, **European startup and VC players have adapted, by and large, producing a steadier stream of completed financings**…

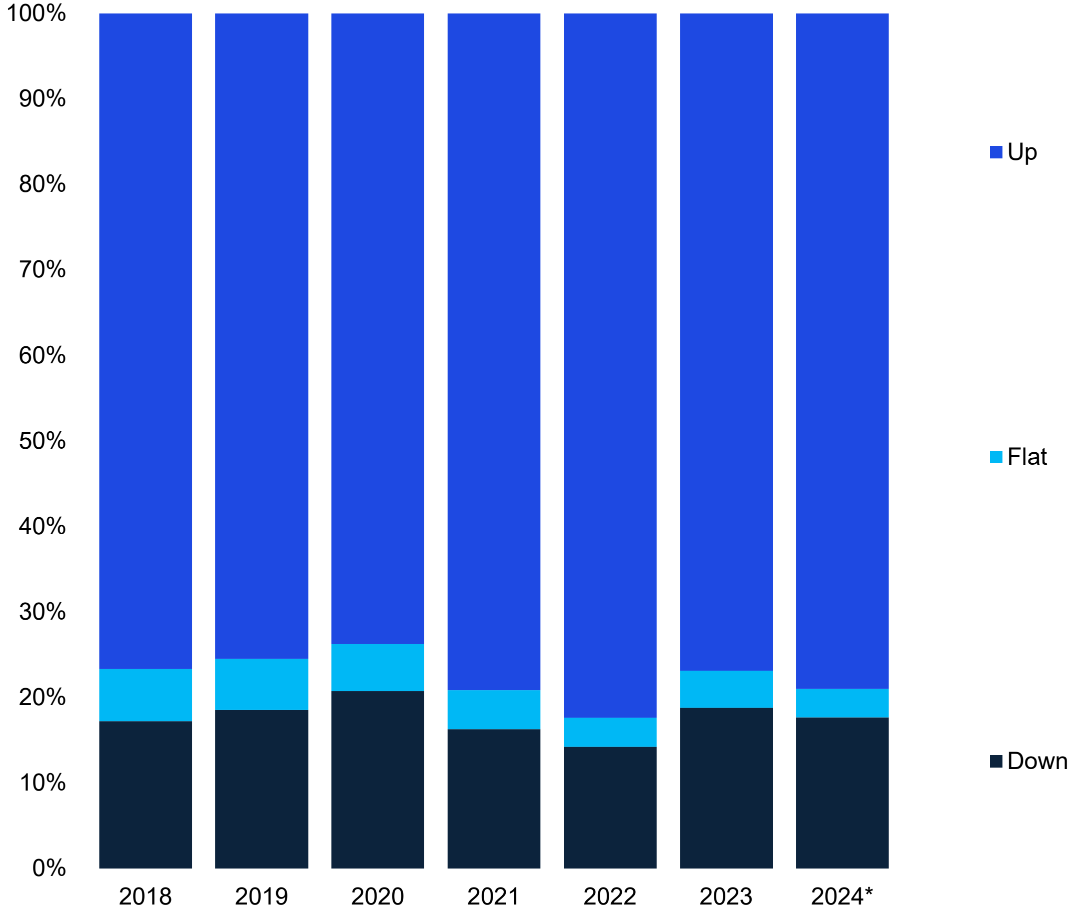
KPMG Private Enterprise

Deal metrics stay strong — but so do down rounds

Median deal size ($M) by stage in Europe
2018–2024*



Up, flat or down rounds in Europe
2018–2024*

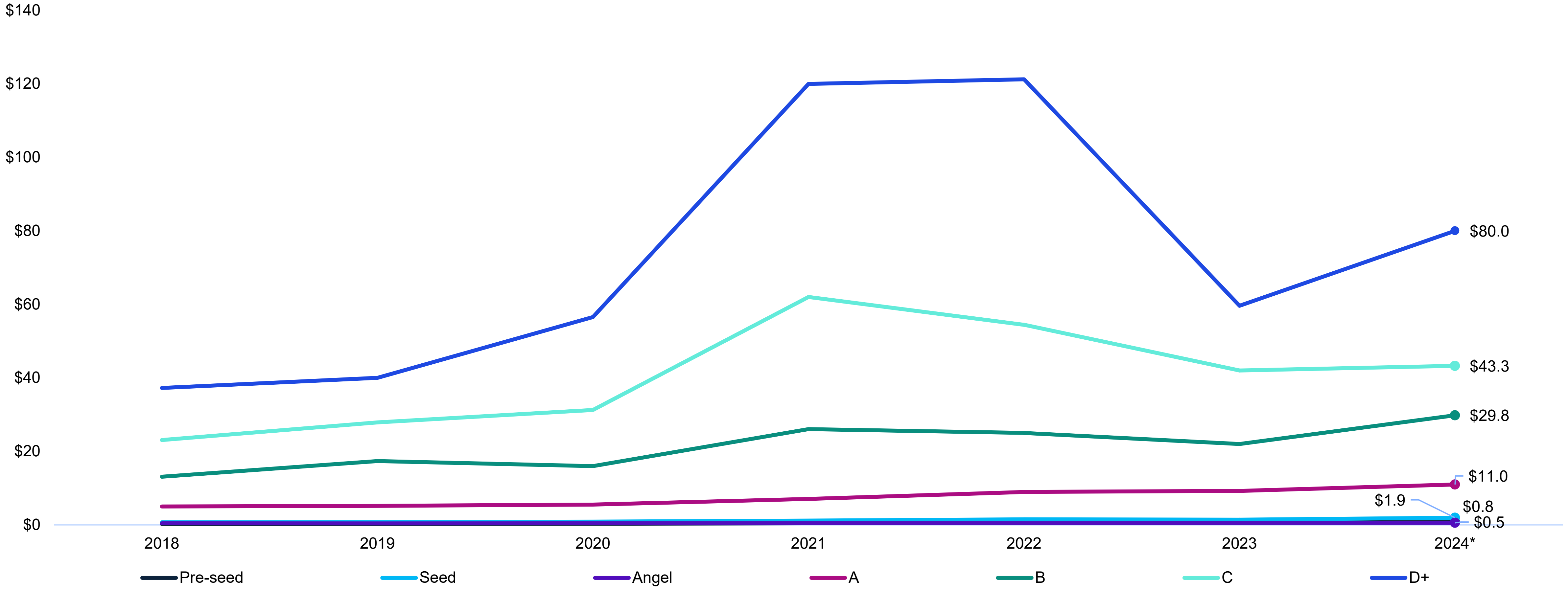


Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

Early to midstage financing sizes stay healthy or even grow

Median deal size ($M) by series in Europe

2018–2024*

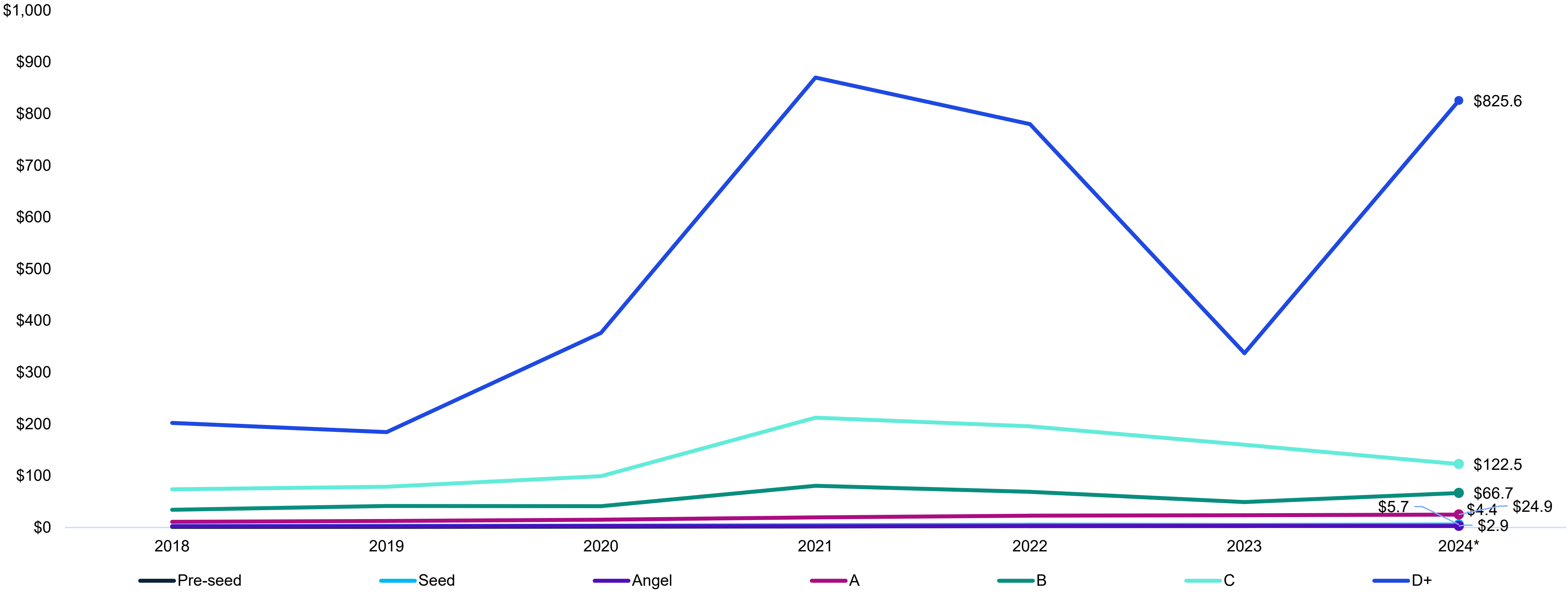


Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

Valuations regain ground in a couple of series

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

2018–2024*



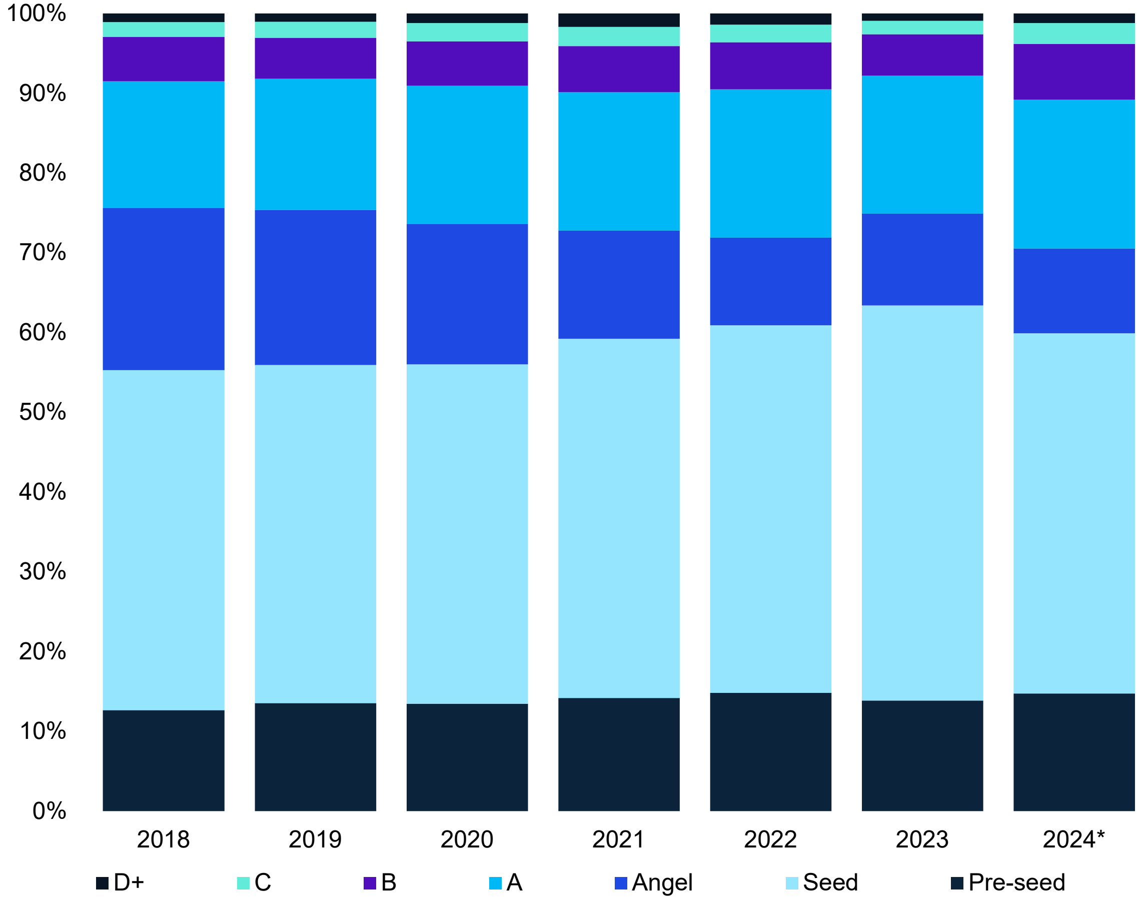
Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.
Note: The 2024* Series D+ figures are based on population sizes of n < 30.

KPMG Private Enterprise

VC invested concentrates in outsized Series A-C rounds

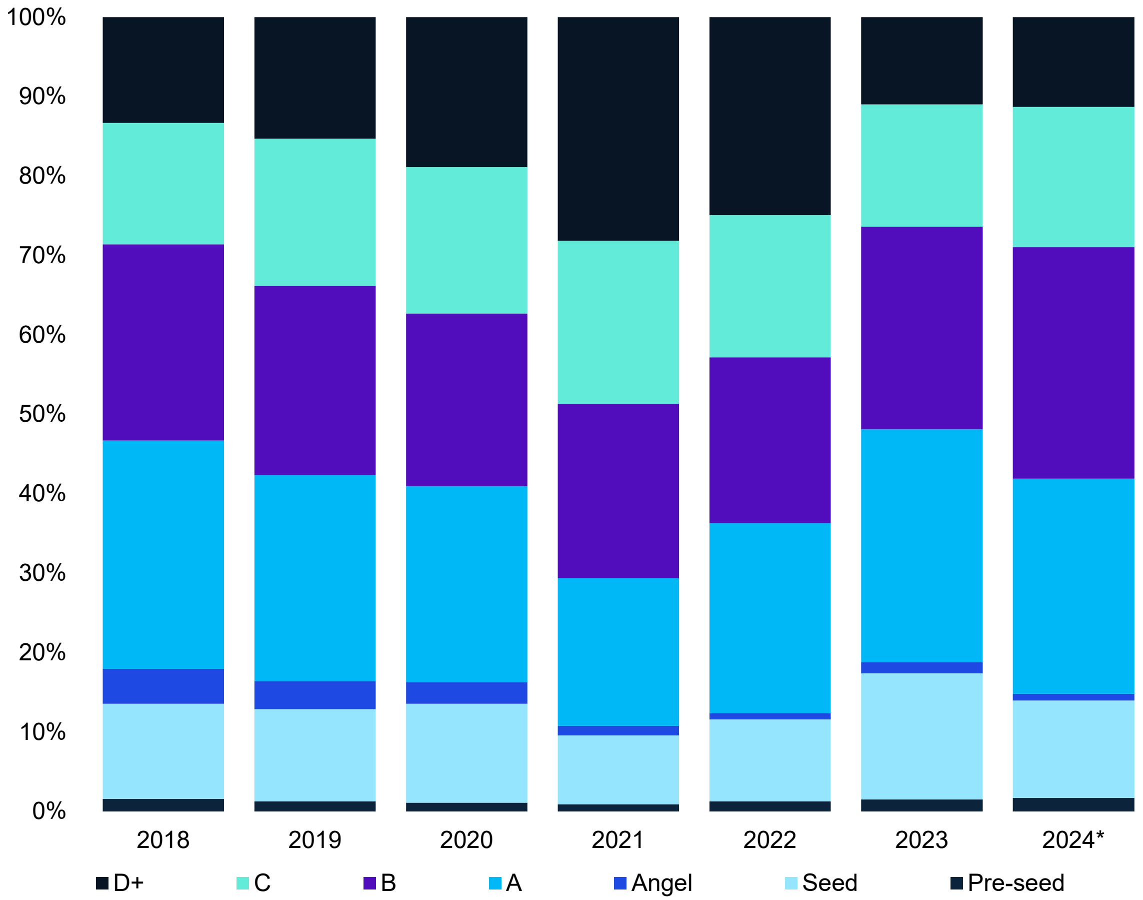
Deal share by series in Europe

2018–2024*, number of closed deals



Deal share by series in Europe

2018–2024*, VC invested ($B)



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

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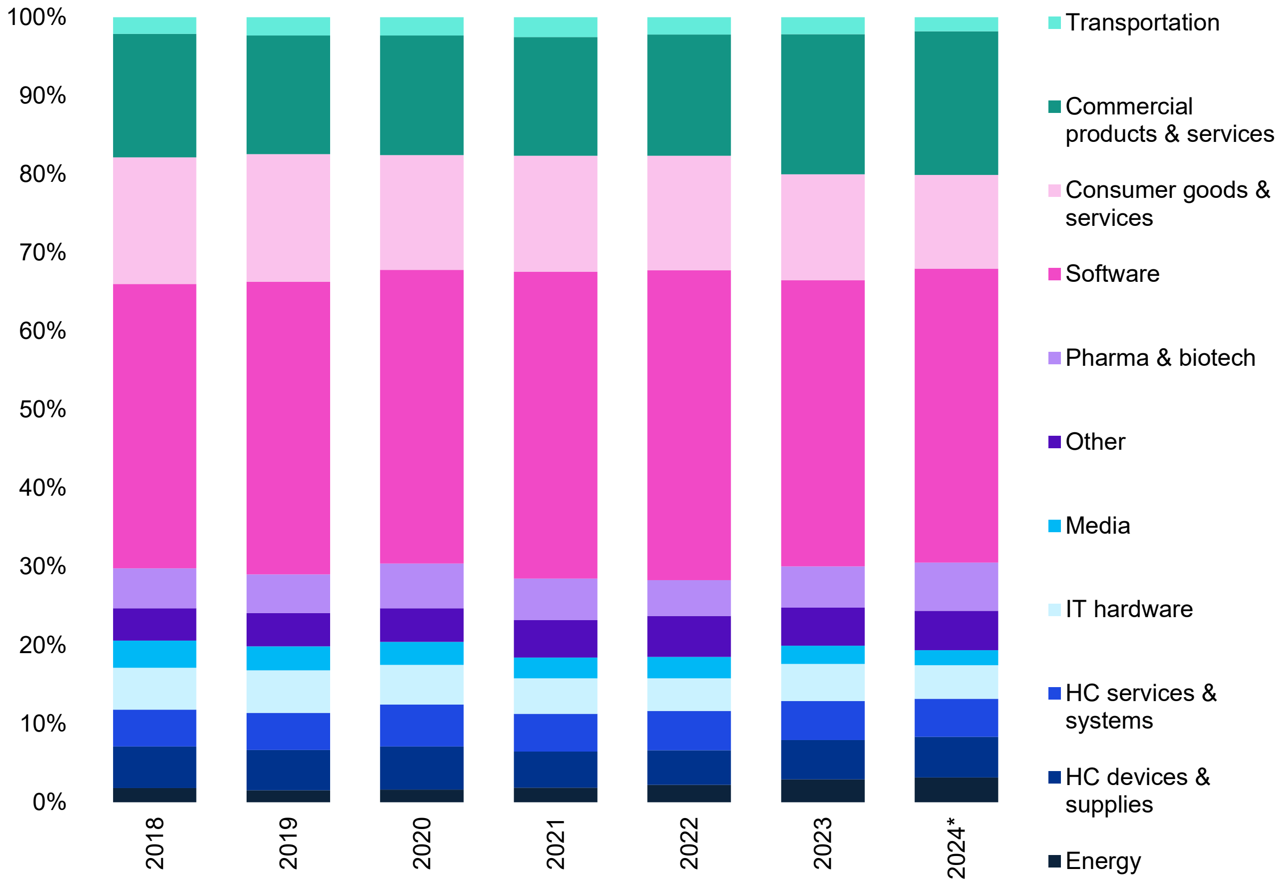
Enterprise continues to draw VC across multiple sectors

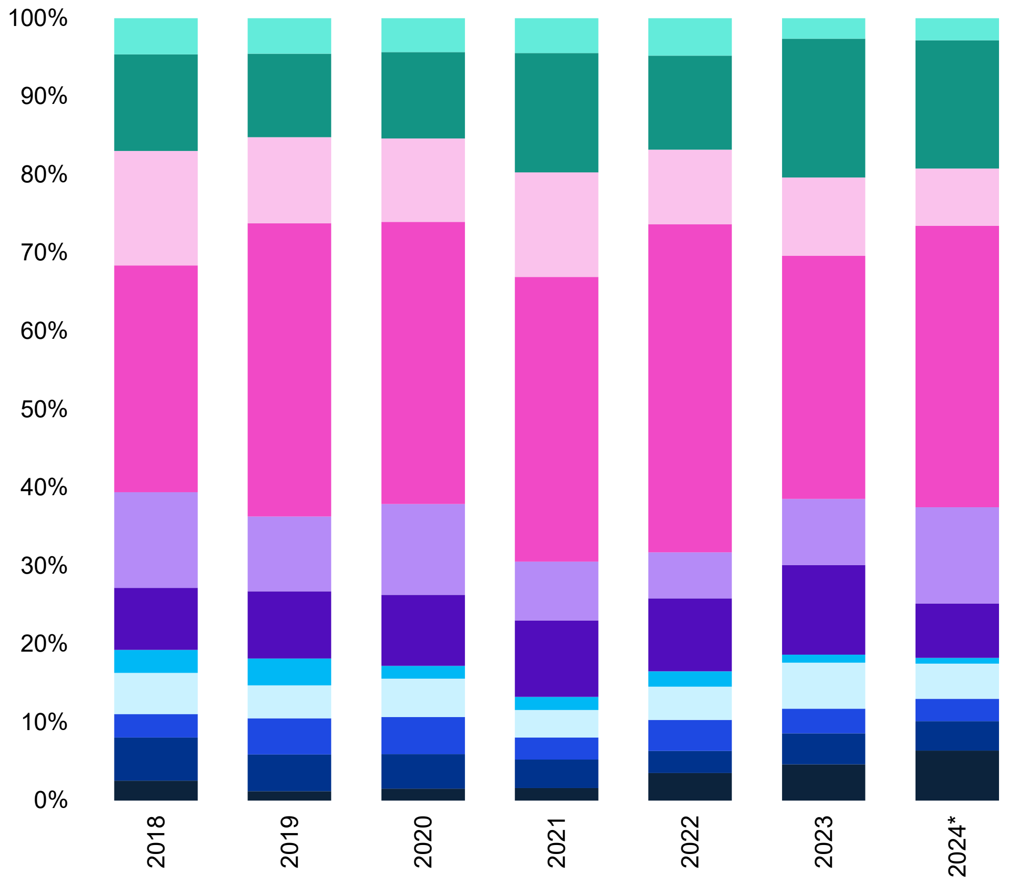
Venture financings by sector in Europe

2018–2024*, number of closed deals



Venture financings by sector in Europe

2018–2024*, VC invested ($B)

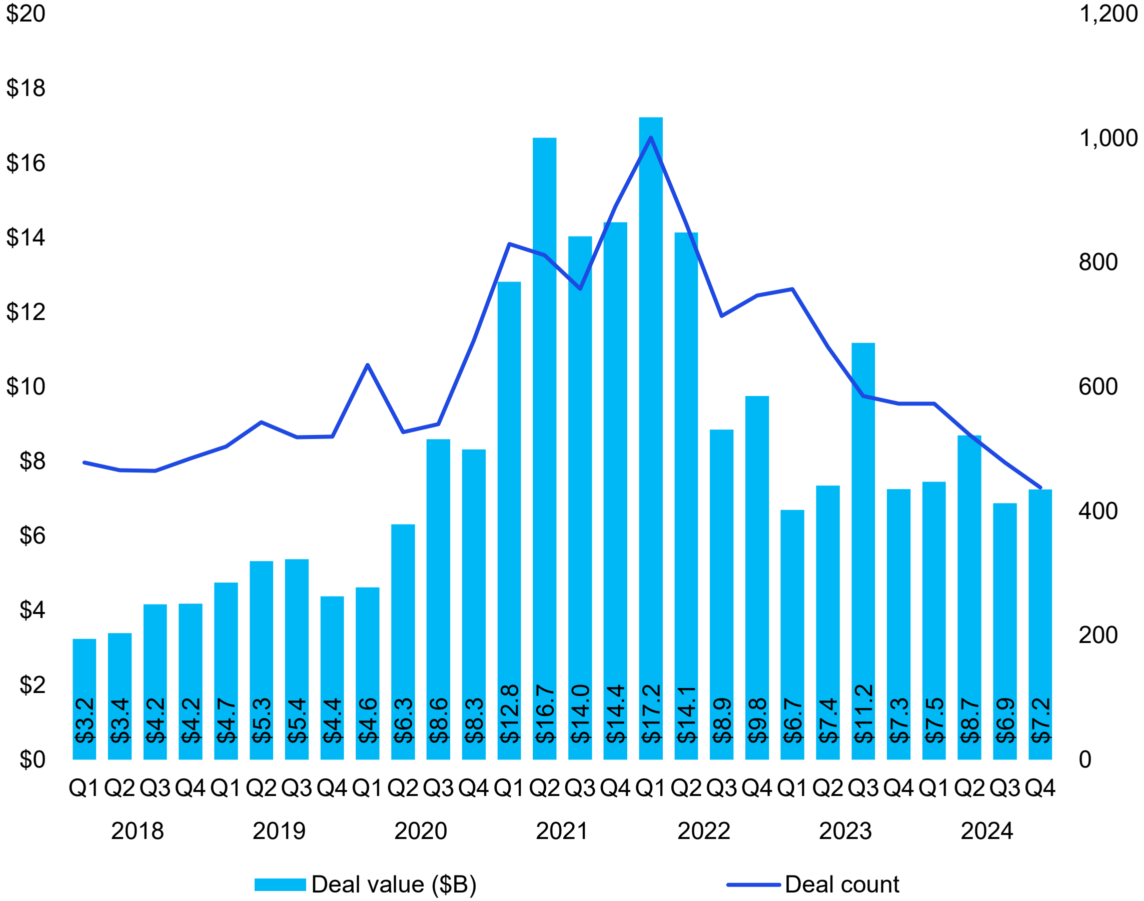


Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

First-time financings remain subdued in volume

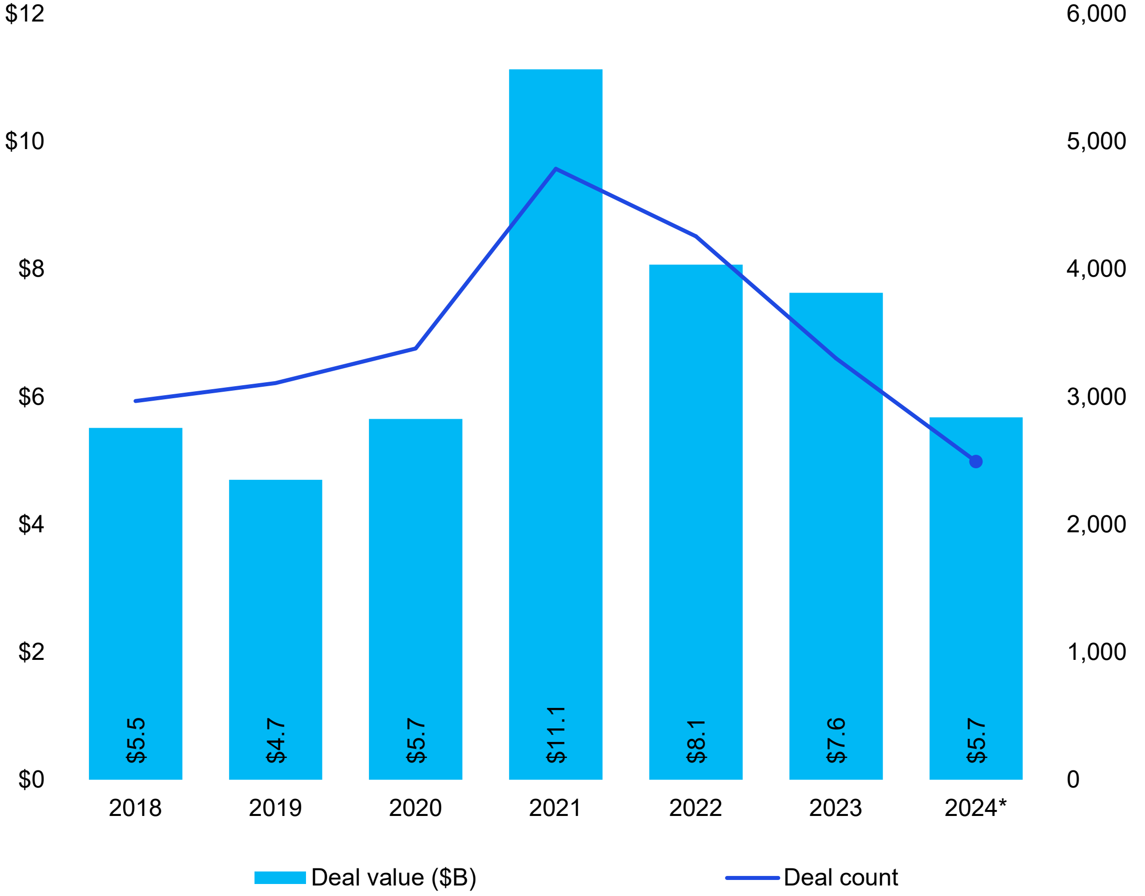
Corporate VC participation in venture deals in Europe

2018–Q4'24



First-time venture financings of companies in Europe

2018–2024*



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

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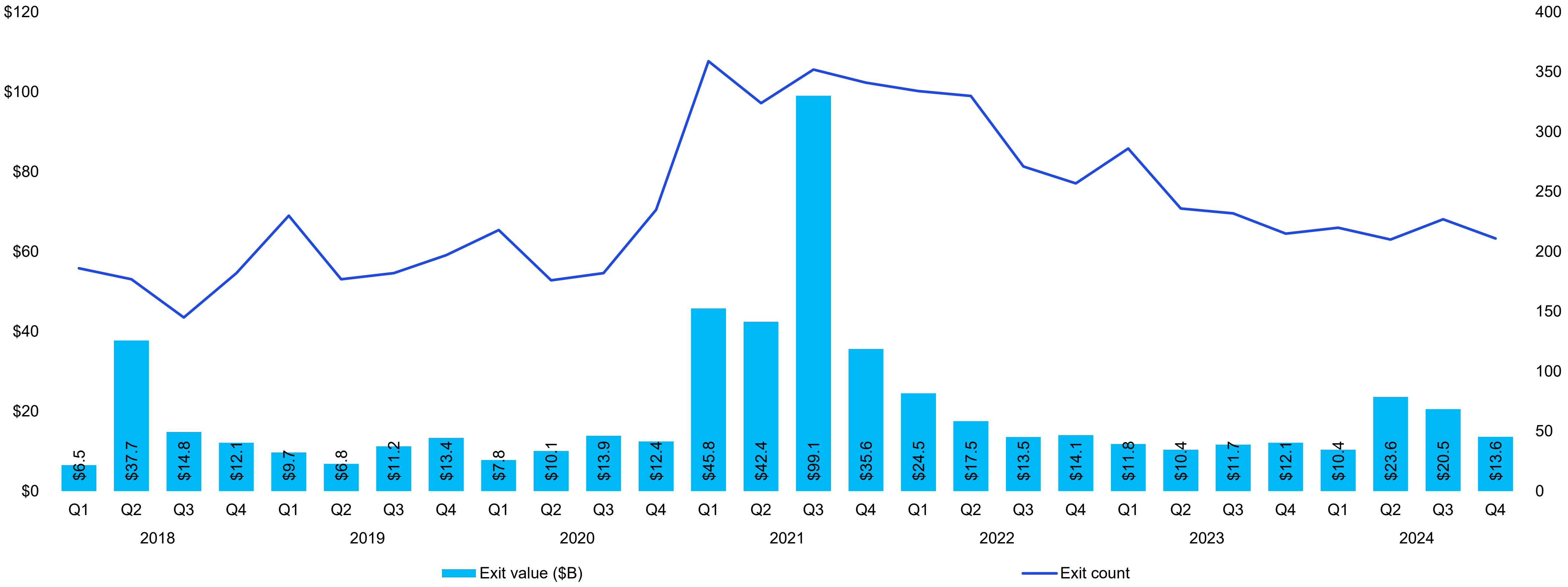
Private Enterprise

A robust middle of the year helped propel overall liquidity

Venture-backed exit activity in Europe

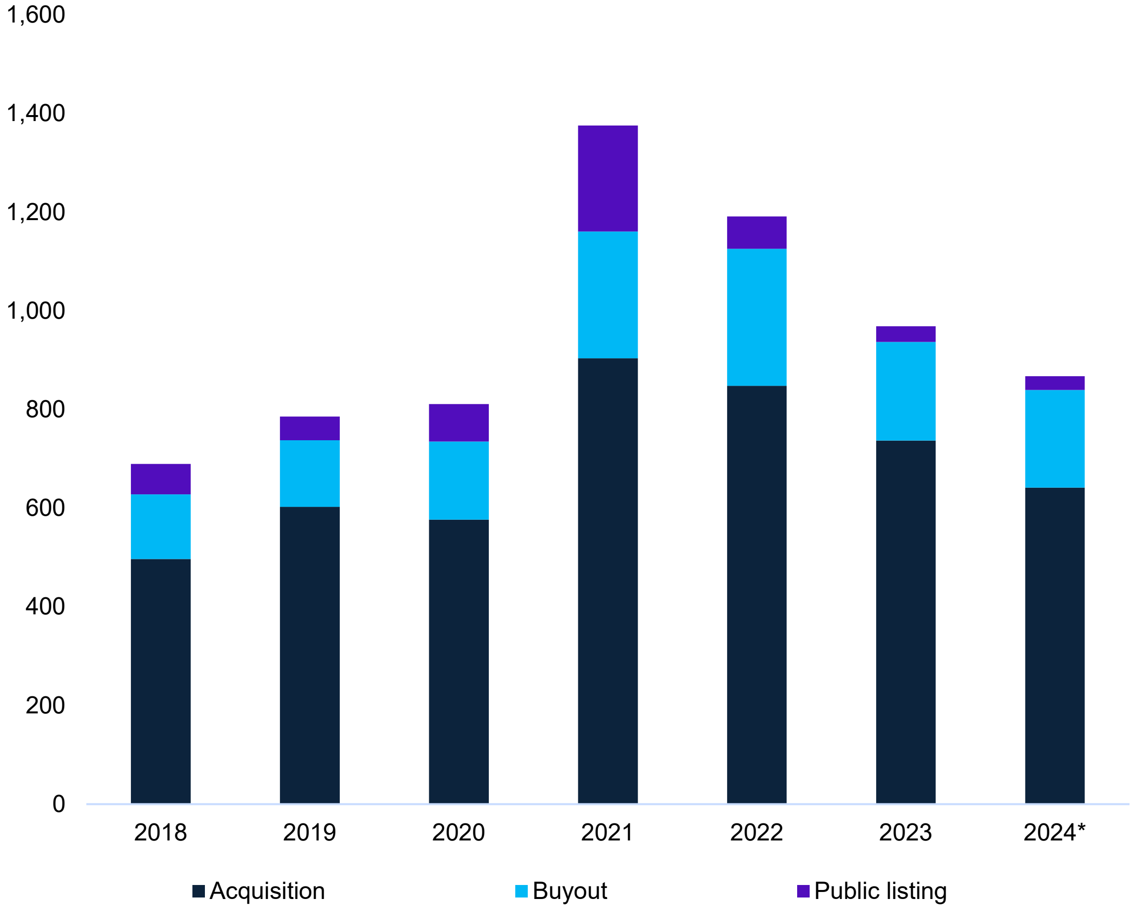
2018–Q4'24



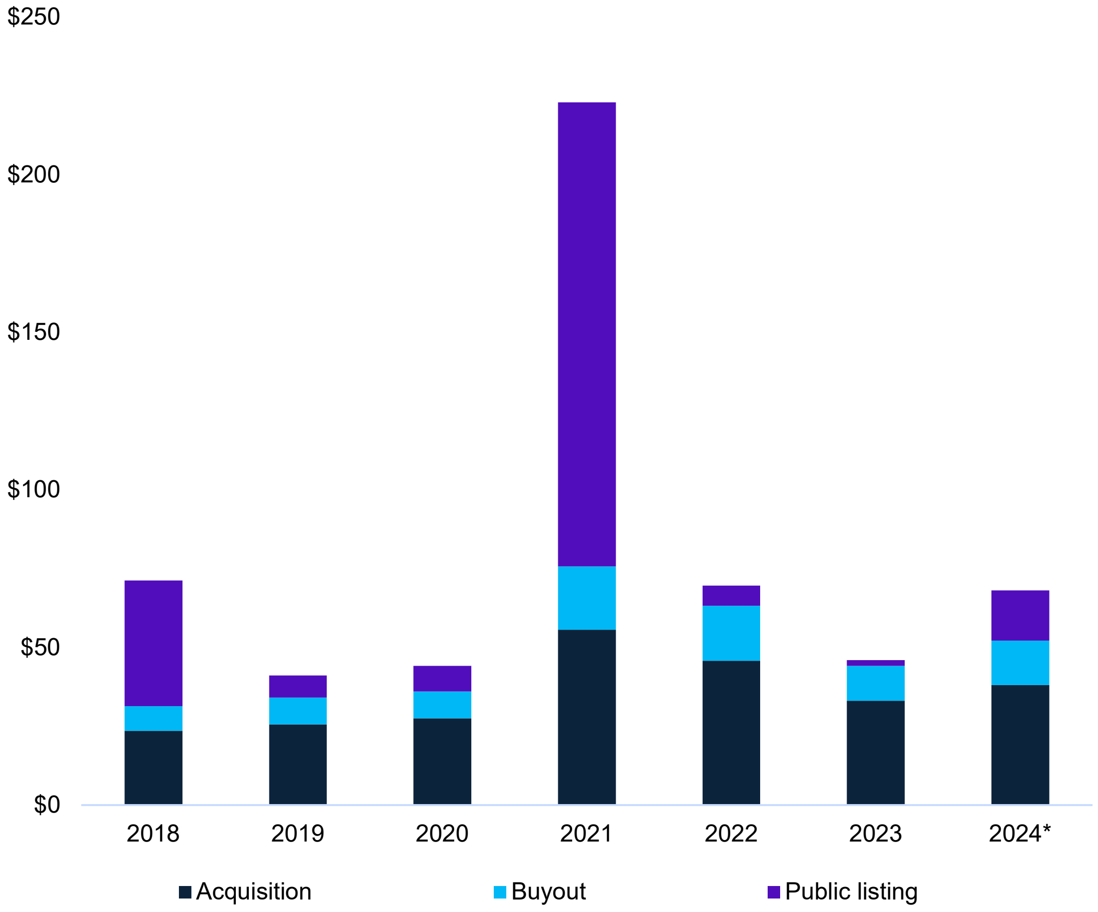
Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

A slight rebound in IPO exit value helps keep exit volume up overall

Venture-backed exit activity (#) by type in Europe
2018–2024*



Venture-backed exit activity ($B) by type in Europe
2018–2024*



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

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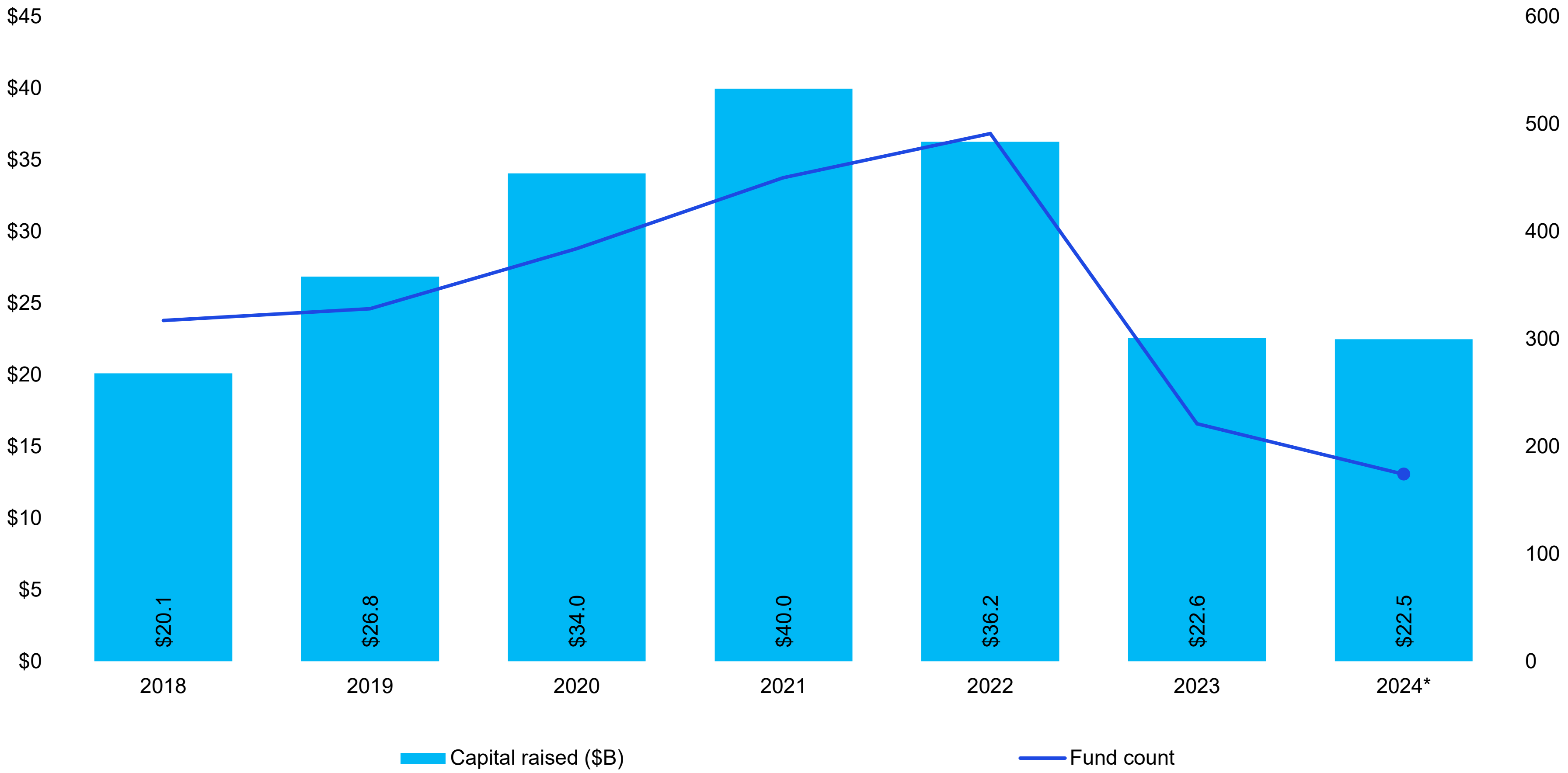
Fundraising rallies in overall capital commitments to match 2023

European venture fundraising

2018–2024*



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

"When targeting Series A fundraises and beyond, UK startups are having to focus much more on capital efficiency as most UK VC's are prioritising companies with a clear path to profitability. Businesses that are loss making in the medium to long term are still attracting a level of investment, but funds that want to pursue these opportunities are dramatically shrinking in number, and tend to have specialist mandates such as being a Deeptech or Biotech specific investor."

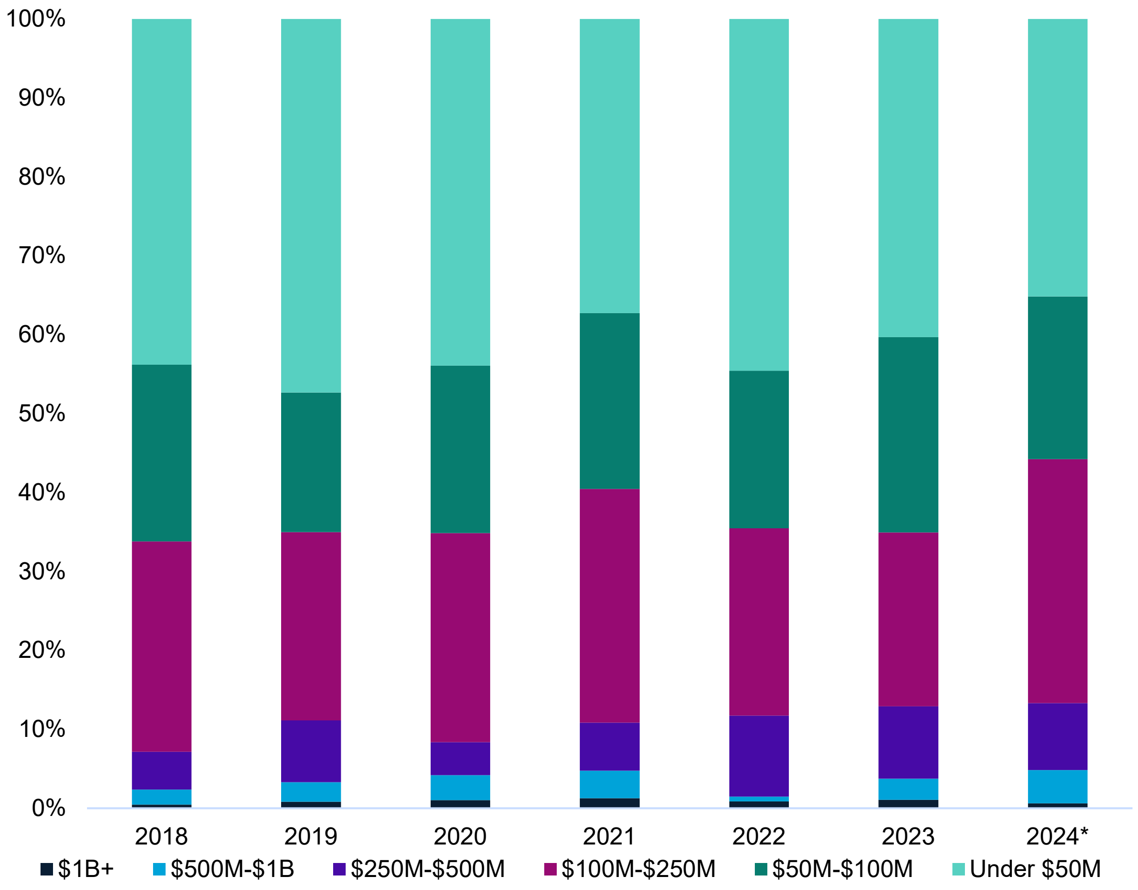
James Whyman
Associate Director, KPMG Acceleris
KPMG in the UK

KPMG Private Enterprise

First-time fundraising ticks up overall for the year

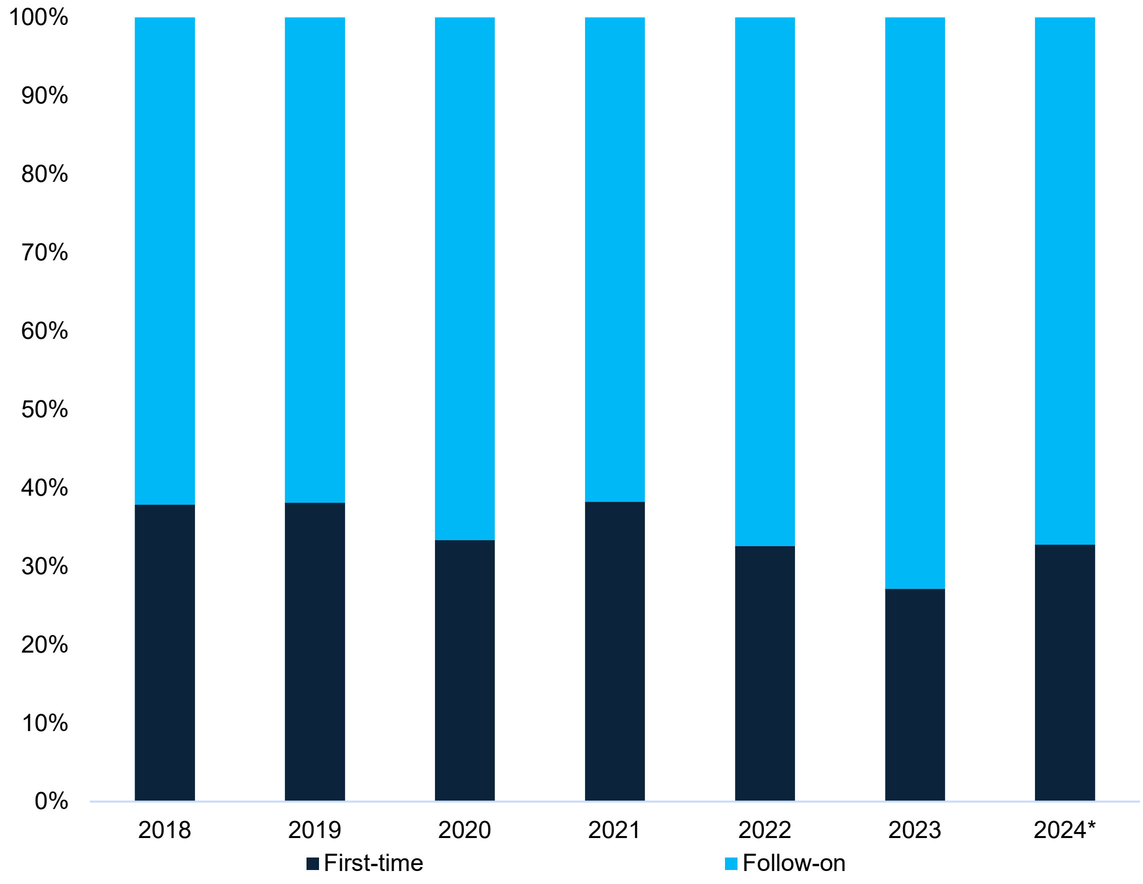
Venture fundraising (#) by size in Europe

2018–2024*



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

2018–2024*

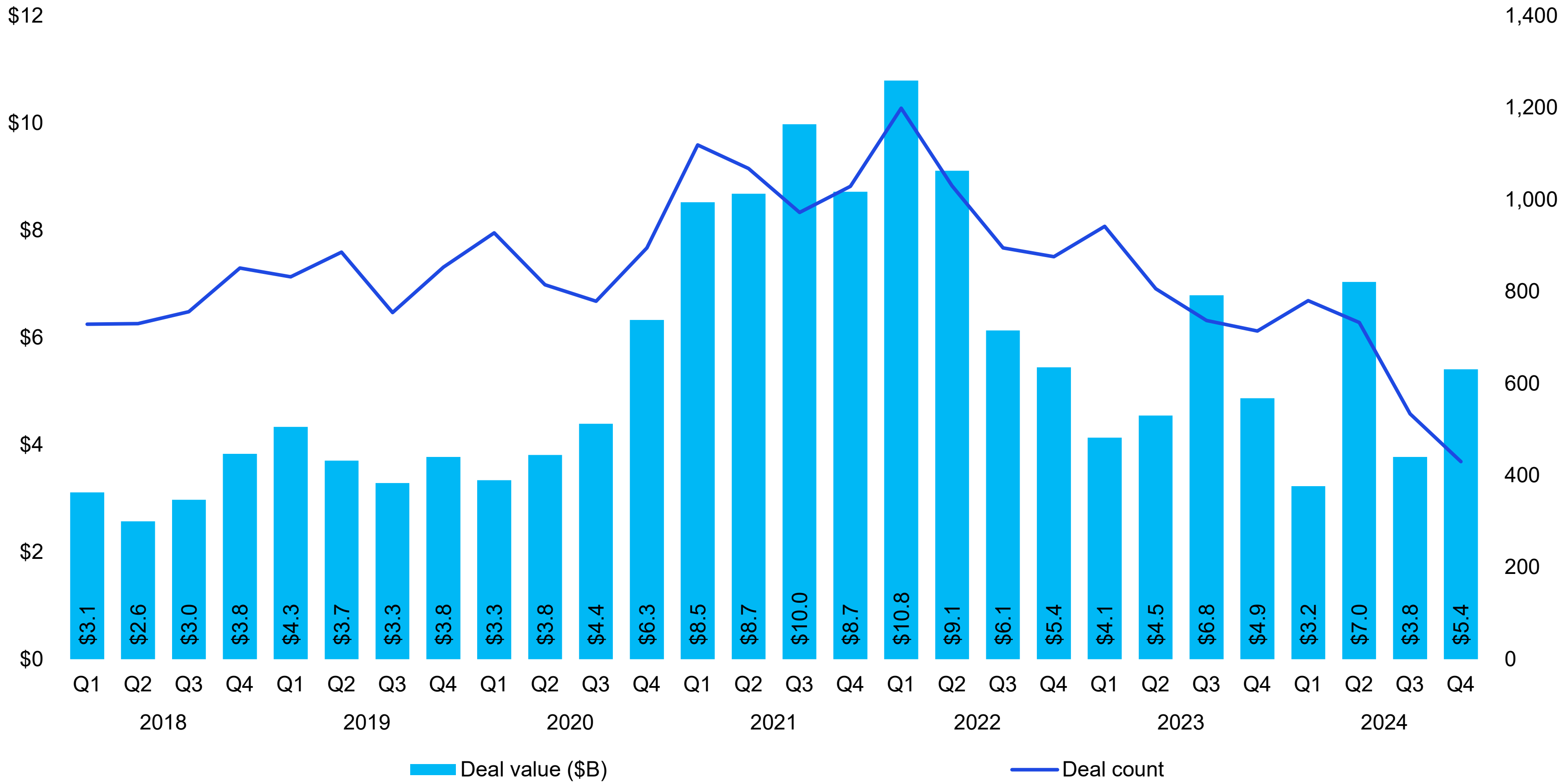


Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

A handful of larger deals ends 2024 on a good note

Venture financing in the United Kingdom

2018–Q4'24



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

"VC investment in consumer goods and services in Europe has seen a sharp decline since the post-COVID boom, dropping from a high of $17 billion in 2021 to just $4 billion this year. This downturn reflects a combination of factors, including the cost-of-living crisis and a shift in consumer interest. While other sectors have remained relatively stable, consumer goods have faced a significant drop, highlighting the challenges in the market today."

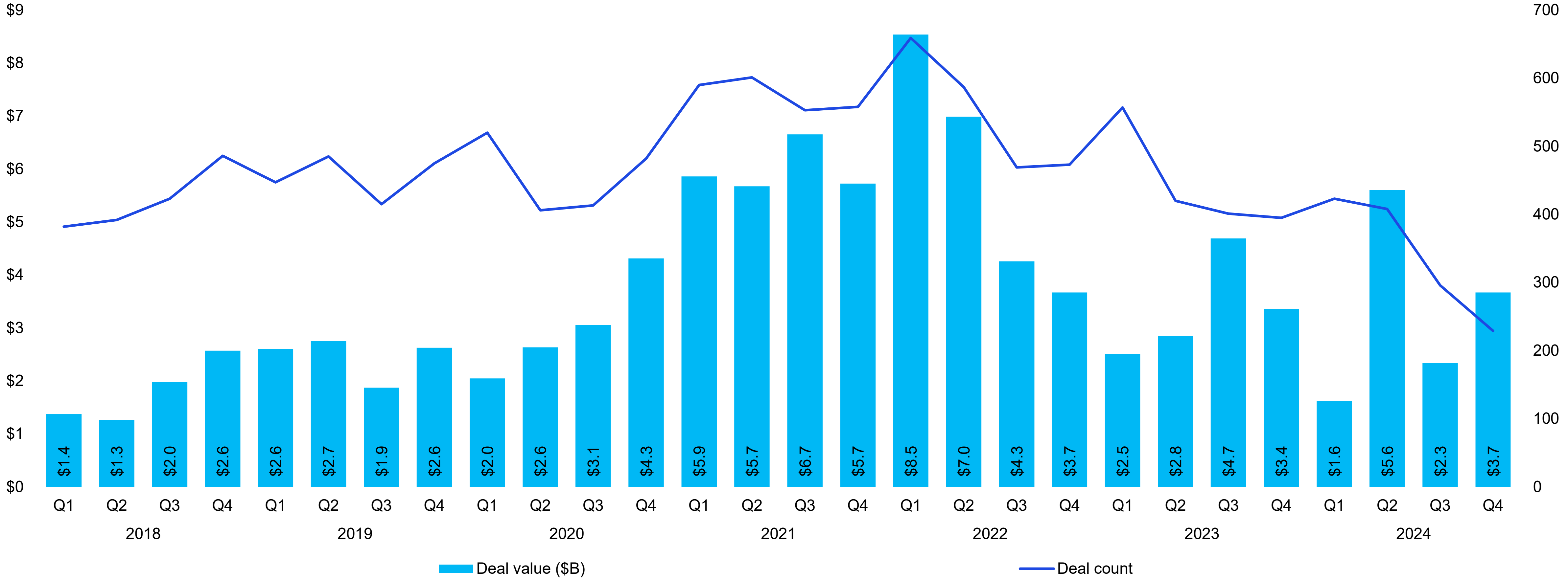
Nicole Lowe
UK Head of Emerging Giants
KPMG in the UK

KPMG Private Enterprise

London ecosystem sees a year-end surge

Venture financing in London

2018–Q4'24

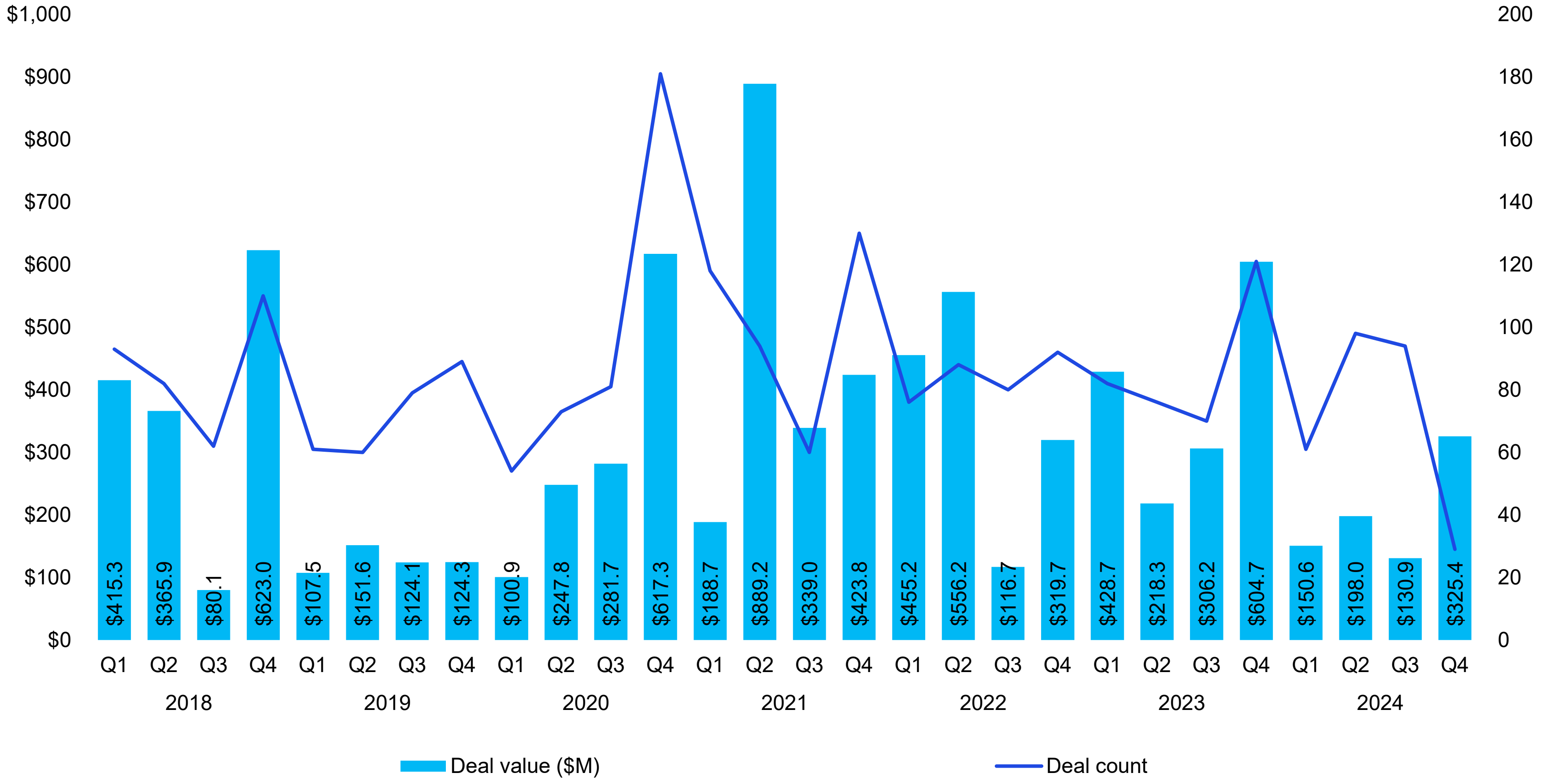


Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

A bumper Q4 ends 2024 on a positive note for Irish VC

Venture financing in Ireland

2018–Q4'24



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

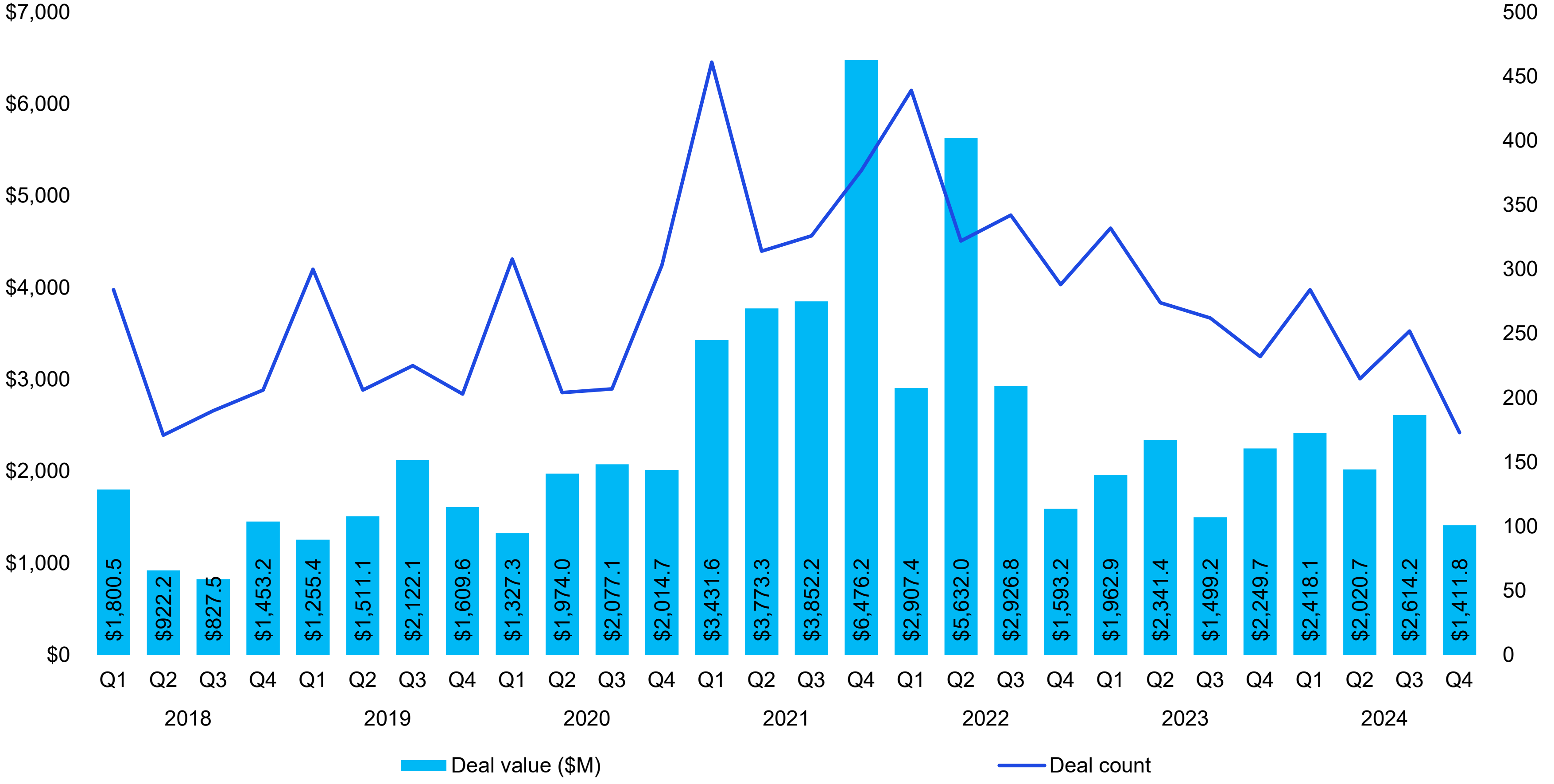
"Encouragingly, Q4 ended on a high note, with several deals exceeding $40 million, underscoring the resilience of Ireland's innovation ecosystem amidst global funding pressures. Health and biotech are still seeing interest. Fintech is still seeing interest. AI is really starting to attract interest — while the AI deal sizes are quite small here, it's an area likely to grow significantly over the next year. With the first set of requirements in the EU AI Act going into effect on February 2, 2025, companies will have to factor the provisions of this Act into how they develop AI products and services to be rolled out in the European market."

Anna Scally
EMA Region Head of Technology & Media, and Telecoms and Partner
KPMG in Ireland

Despite a down Q4, Germany sees a strong 2024 overall

Venture financing in Germany

2018–Q4'24



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

"We've seen the cost of capital in Germany increase, so now investors have other options for investing their capital safely. And our culture — not only in Germany, but in Europe — is more risk averse. So, it's not surprising that investors are choosing to make those safe bets at the moment — investing in proven companies or alternatives rather than in very early-stage companies. Investors continue to invest in early-stage startups that have a meaningful business case and a realistic market assessment. However, investors are scrutinizing more closely and are more interested in the profitability of the startups."

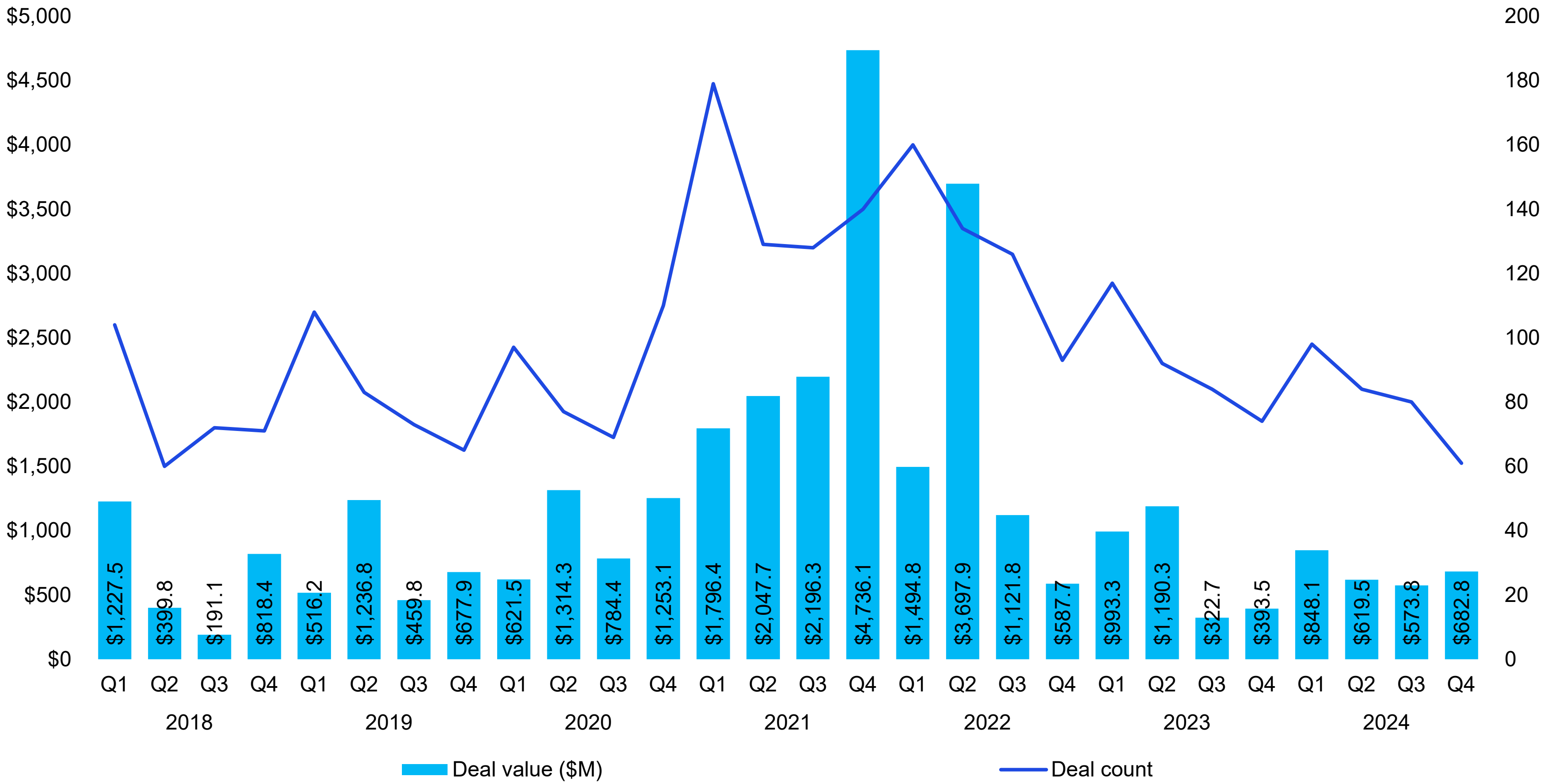
Heike Snellen
Director, Deal advisory
KPMG in Germany

KPMG
Private Enterprise

#Q4VC

Berlin sees a healthy if subdued 2024 on the whole

Venture financing in Berlin
2018–Q4'24



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

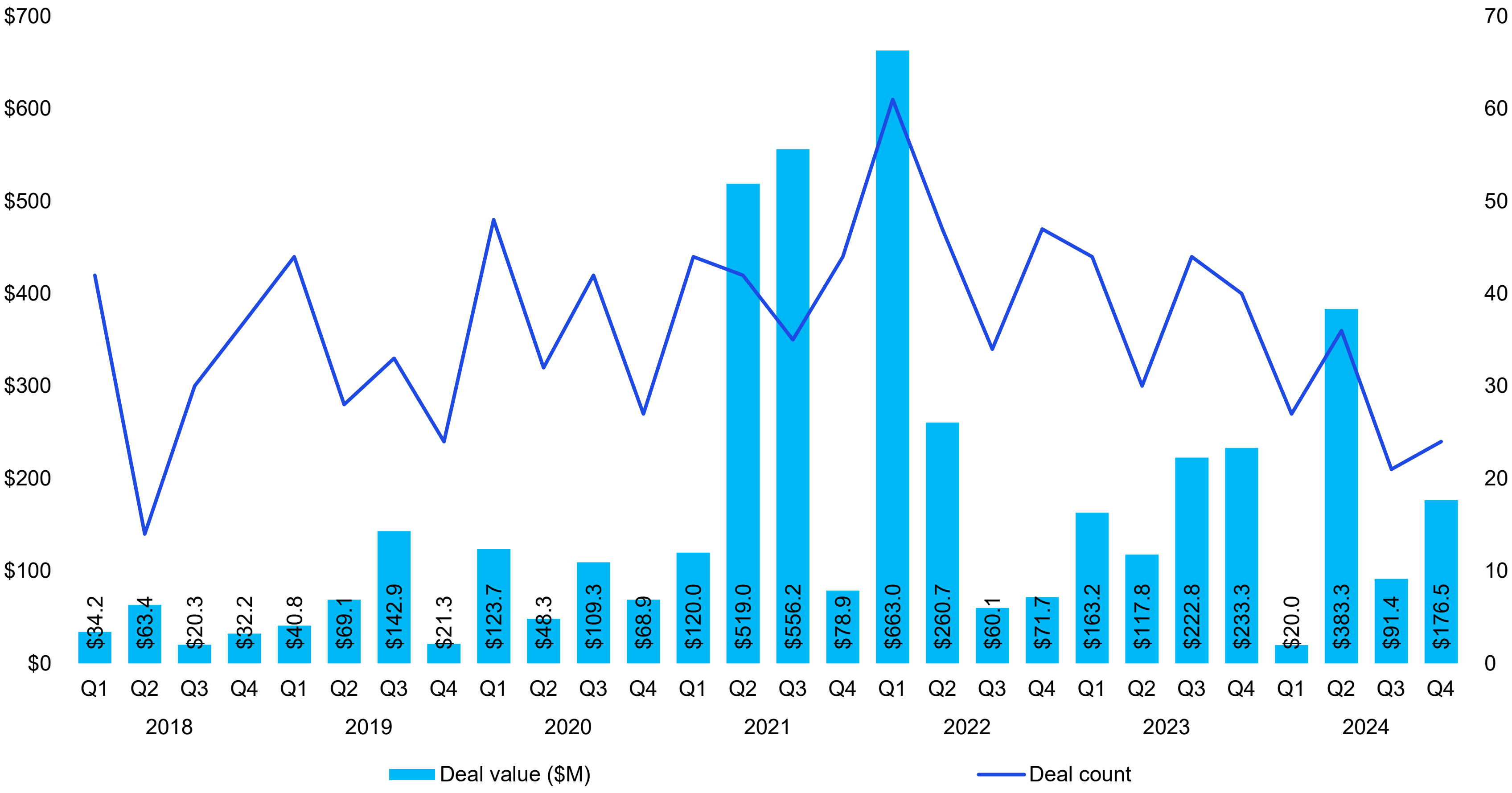
"What we're seeing in Germany are three types of startups. The first are the ones with a proven track record. They are still getting financing. Second are those that have an amazing product or management team. They are still getting offered financing, although investors are trying to save their investments by negotiating high multiples on the liquidation preferences. And third are the ones that don't have the track record or the exceptional business offering. They're really struggling and some simply aren't going to be able to raise additional VC funding right now."

Florian Merkel
Director of Tax,
Head of Venture Services
KPMG in Germany

KPMG
Private Enterprise

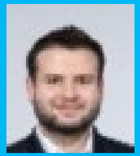
2024 concludes with healthy tallies in Q4

Venture financing in Austria
2018–Q4'24



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

> "It's been a tough year for startups in Austria. During the first half of the year, everyone was really just fighting to survive. The market picked up a bit in the third quarter, but it wasn't under Q4'24 that we finally started to see some bigger rounds again — more Series A raises and even some later stage deals. I think this means the worst is over now for startups and that we'll have a significantly better 2025."



Leonardo Peikoff
Head of Startups Manager
KPMG in Austria

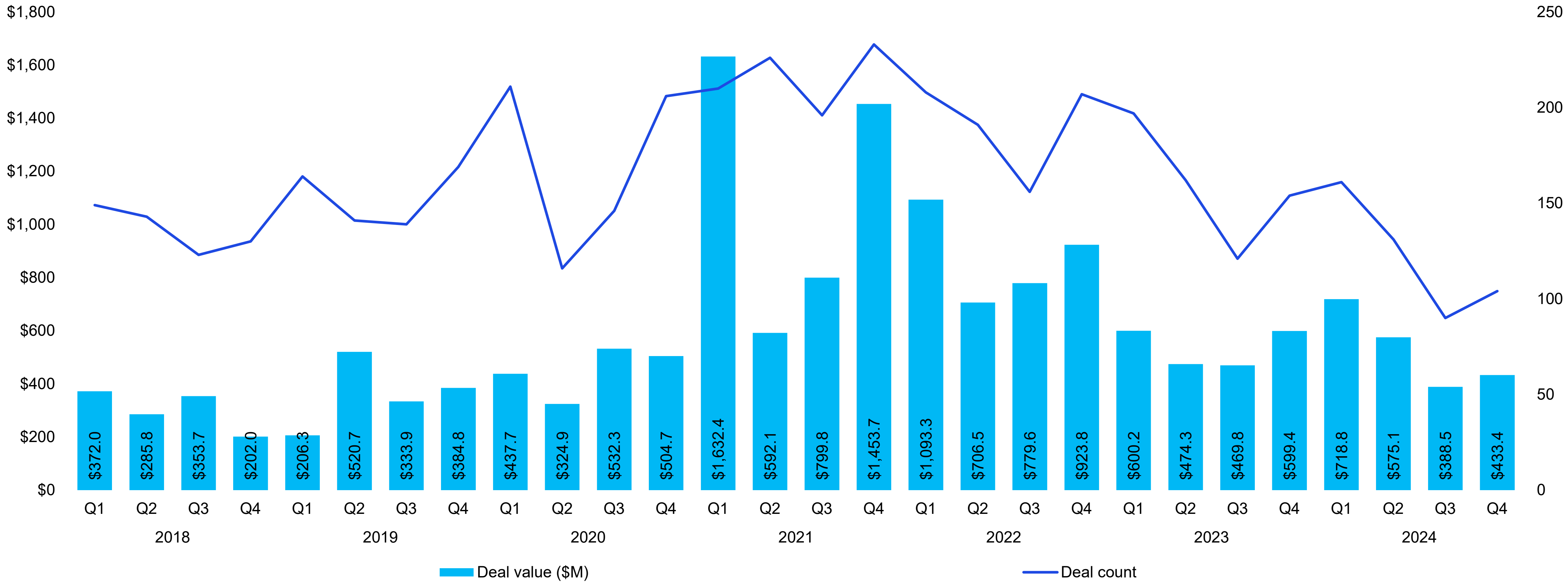
KPMG Private Enterprise

#Q4VC

Volume ticks up in Q4, but remains down from the previous three years

Venture financing in Spain

2018–Q4'24



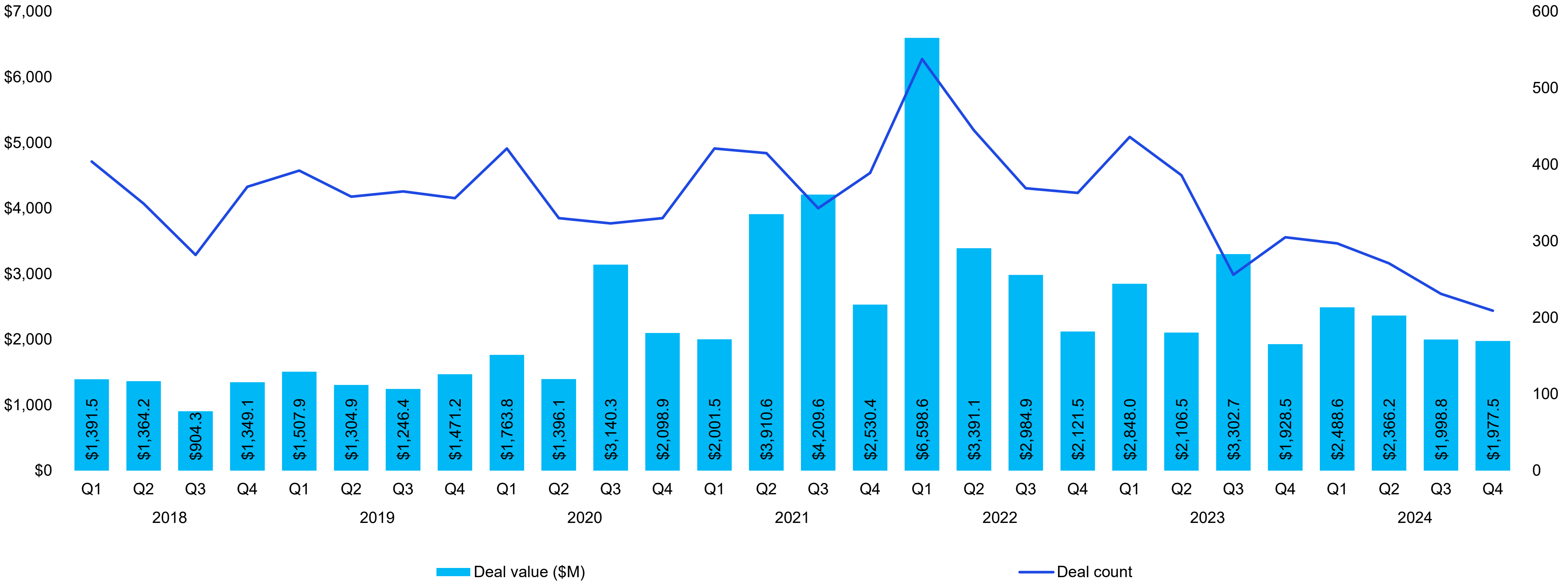
Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

KPMG Private Enterprise

France still sees a healthy plateau of activity through year-end

Venture financing in France

2018–Q4'24



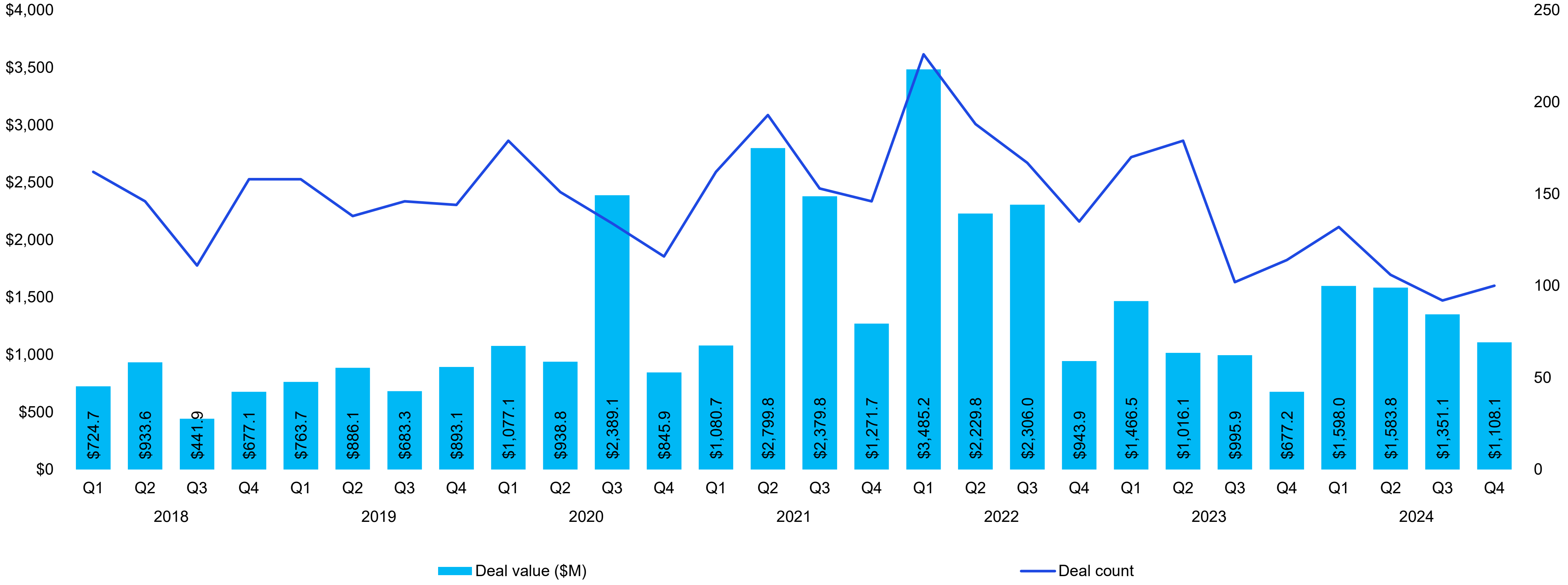
Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

KPMG Private Enterprise

Paris sees a robust level of VC investment for the year, overall

Venture financing in Paris

2018–Q4'24



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

KPMG Private Enterprise

VC invested logs another healthy average

Venture financing in the Nordics

2018–Q4'24

Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.
In the previous edition of Venture Pulse for Q1 2024, a mega-deal by H2 Green Steel was combined into one overall financing of $5.2 billion. Since, due to input by the company, that single round has been split into its separate components of a grant of nearly $270 million, project financing of $4.5 billion, and early-stage VC of $329.1 million.

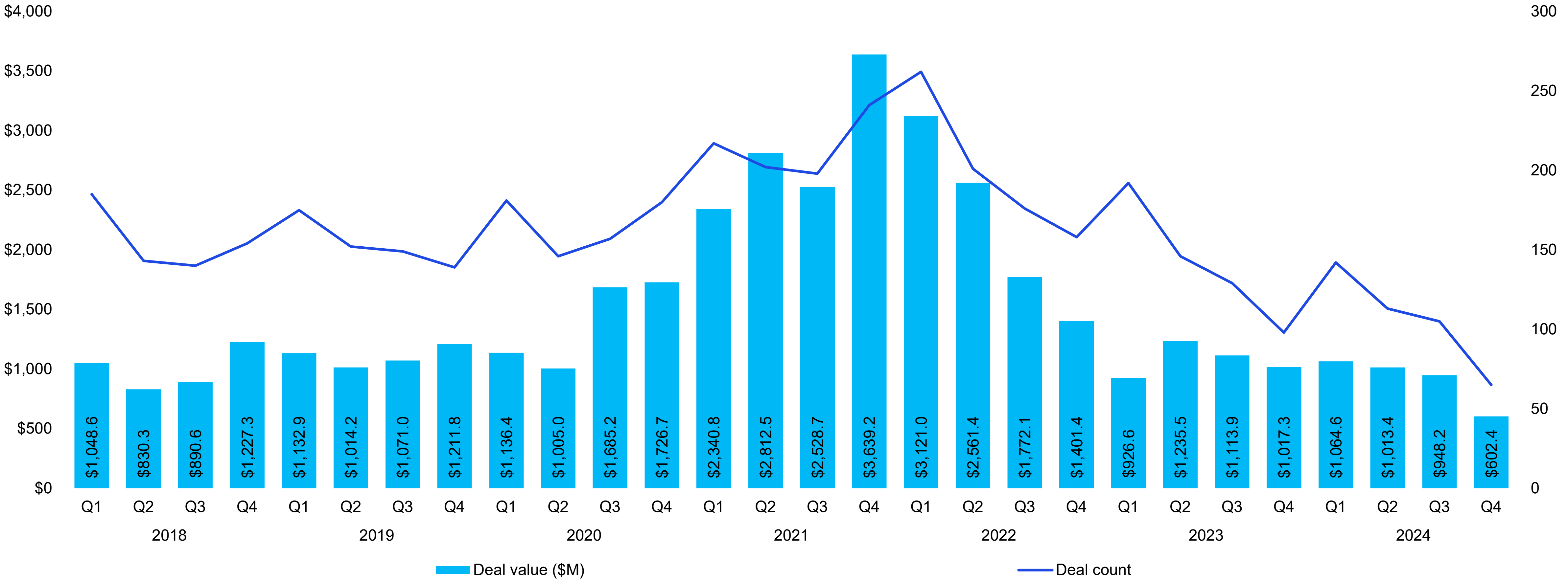
"While we haven't seen a lot of large raises in the Nordics region in 2024, a number of different sectors have attracted interest from VC investors. Defense Tech is a great example; it's still a fairly nascent space for innovation here, but it's been attracting a lot of early-stage investments. AI is also getting a lot more attention. According to my experience AI and defense tech were the hottest topics of conversation by far at Slush — the big startup event held in Helsinki — this quarter."

Jussi Paski
Head of Startup & Venture Services
KPMG in Finland

After a period of moderated VC activity, Q4 ends on a down note

Venture financing in Israel

2018–Q4'24



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

AI and spacetech surge in Q4 top deal rankings

Top 10 financings in Q4'24 in Europe

1. **GreenScale** — $1.3B, London, UK — IT infrastructure — *Early-stage VC*
2. **Insider** — $500M, Istanbul, Turkey — AI & ML — *Series E*
2. **Poolside** — $500M, Paris, France — AI & ML — *Series B*
3. **Vinted** — $374.2M, Vilnius, Lithuania — E-commerce — *Late-stage VC*
4. **Lighthouse** — $370M, London, UK — AI & ML — *Series C*
5. **Zepz** — $267M, London, UK — Fintech — *Late-stage VC*
6. **Oura** — $200M, Oulu, Finland — Wearables — *Series D*
7. **Alentis Therapeutics** — $181.4M, Allschwil, Switzerland — Life sciences — *Series D*
8. **The Exploration Company** — $160M, Munich, Germany — Spacetech — *Series B*
9. **Iceye** — $158M, Espoo, Finland — Spacetech — *Late-stage VC*

Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise.
*As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

KPMG Private Enterprise

In Q4'24, VC-backed companies in the Asia region raised $12.8B across 1,977 deals

VC investment in Asia falls to record lows

VC investment in Asia plummeted during Q4'24 as all key jurisdictions in the region saw investors pressing pause. While China continued to attract the largest share of investment in the region, including the quarter's largest VC deal — a $1.1 billion raise by alternative energy company CNNP Rich Energy — megadeals were in short supply in the country during the quarter. VC investment also fell in India and Japan, although the level of investment in Japan remained robust compared to historical trends.

VC investors in Asia focusing on AI applications

AI continued to attract a significant amount of interest from VC investors across Asia during Q4'24. During the quarter, China-based Didi Autonomous Driving raised a $298 million funding round. VC investors in Asia have embraced the applicability of AI to industry solutions, showing significant interest in startups able to apply AI to the challenges of different market sectors; for example, the use of AI to drive more efficient biotech research or the development of more efficient cleantech solutions.

Level of VC investment remains soft in China but interest growing among VC investors

VC investment in China remained very slow in Q4'24 as VC investors held back from deploying capital in the market given the challenging economic environment. Despite the soft level of investment, interest among VC investors in China has picked up in recent months as investors have shown increasing interest in opportunities in the AI space, including AI-related activities like robotics and autonomous driving.

Alternative energy, including electric vehicle manufacturing, has continued to be one of the most resilient areas of VC investment in China. There has been fierce competition among automotive startups in the country, both in the EV space and, more recently, on the autonomous vehicles front.

VC investment in India softens in Q4'24; market activity remains strong

VC investment was quite muted in India during Q4'24, despite relatively strong market activity. The slowdown in completed deals was likely more of a speed bump than a long term challenge, with some optimism that deals will materialize heading into Q1'25. Quick commerce remained a hot sector of investment during the quarter, evidenced by a $350 million raise by ten-minute delivery company Zepto.

An encouraging trend in India has been the increasing number of tech startups looking at IPO exit opportunities — either filing their listing paperwork or beginning the process to do so. Over the last eighteen moths, there has been growing acceptance of these companies by India's capital markets, stock exchanges, the retail public, and institutional investors. With more institutional investors subscribing to IPOs and more active trade happening, more startups are seeing IPOs as a real exit option.

VC investment in Japan remains solid

In Japan, venture capital (VC) deal value experienced a slight decline in Q4, following a robust Q3. Despite this dip, the overall VC deal value in 2024 exceeded the total for 2023. This increase was primarily driven by significant funding rounds, such as AI startup Sakana AI's $217 million Series A in Q3 and HR management platform SmartHR's $134 million Series

As more mature startups secure funding, the size of VC rounds has grown significantly. The average VC deal value reached a record $6.6 million as of Q3, up from $5.7 million in 2023.

The market more broadly has also continued to evolve, with a growing number of foreign VC firms looking to do business in the country; for example, recently US-based Anderson Horowitz announced plans to open an office in Japan.

VC investors in Japan have show interest in a diversity of sectors. The healthtech — particularly digital healthcare services — semiconductor, and aerospace and defence sectors have also gained a lot of traction among VC investors in Japan. Deeptech has also grown on the radar of VC investors, in part because of government efforts to encourage investment in the space. The government has been very active in supporting startups in Japan; it is currently in the latter half of its Startup Development Five Year Plan.

VC investment in Asia falls to record lows, cont'd.

Hong Kong's IPO market shows resilience

Stock market performance in both China and Hong Kong has improved somewhat, possibly helped by the announcement of a $1.4 trillion economic stimulus package by China's central government and by declining interest rates in Hong Kong. IPO activity in mainland China remained relatively quiet in Q4'24; one exception was the dramatic increase in REIT IPOs.

Hong Kong's IPO market ranked among the top 5 global IPO venues during 2024, despite a relatively slow first half of the year. IPO activity picked up in Q3'24, led by the IPO of China-based appliance giant Midea, which raised $4 billion in the HKSE's largest IPO in three years. Then, during Q4'24, China-based Horizon Robotics — a chip manufacturer for robots and autonomous vehicles — held a successful IPO on the HKSX, raising $696 million.[11] The HKSX also saw the return of biotech companies looking to IPO in Q4'24, although volume remained well below of historical peaks.

Favorable arrangements between Hong Kong and China contributed to a streamlined approval process for mainland China-based companies to list in Hong Kong; this has subsequently led to more applications for HKSX listings, which bodes well for the HKSE heading into Q1'25.

EV space seeing some consolidation in China

The EV space in China has matured rapidly in recent years. During Q4'24, the sector saw some consolidation in the space with the merger of China-based Zeekr with related brand Lynk & Co.[12] — both owned by China-based Geely — in order to avoid competition and product overlap. This is likely only the beginning for EV sector consolidation, with additional M&A expected over the next few quarters.

China and Hong Kong building connections in the Middle East

Over the last several quarters, both China and the Hong Kong government have worked to establish and build stronger connections with other regions and jurisdictions, most notably the Middle East. During Q4'24, Hong Kong Exchanges and Clearing Limited announced plans to open an office in the region in 2025 in order to help foster relationships between startups and investors within the two regions.[13]

Trends to watch for in Q1'25

VC investment in China and Hong Kong is expected to remain relatively soft in Q1'25, in part due to the timing of Chinese New Year. At a sector level, AI, robotics, cleantech and biotech are expected to remain on the radar of VC investors. In India, VC market activity is expected to pick up through 2025, with more pre-IPO rounds, more IPOs, and more exits in general. Quick commerce and gaming are expected to remain attractive to VC investors, while stock market trading platforms could also see increasing interest.

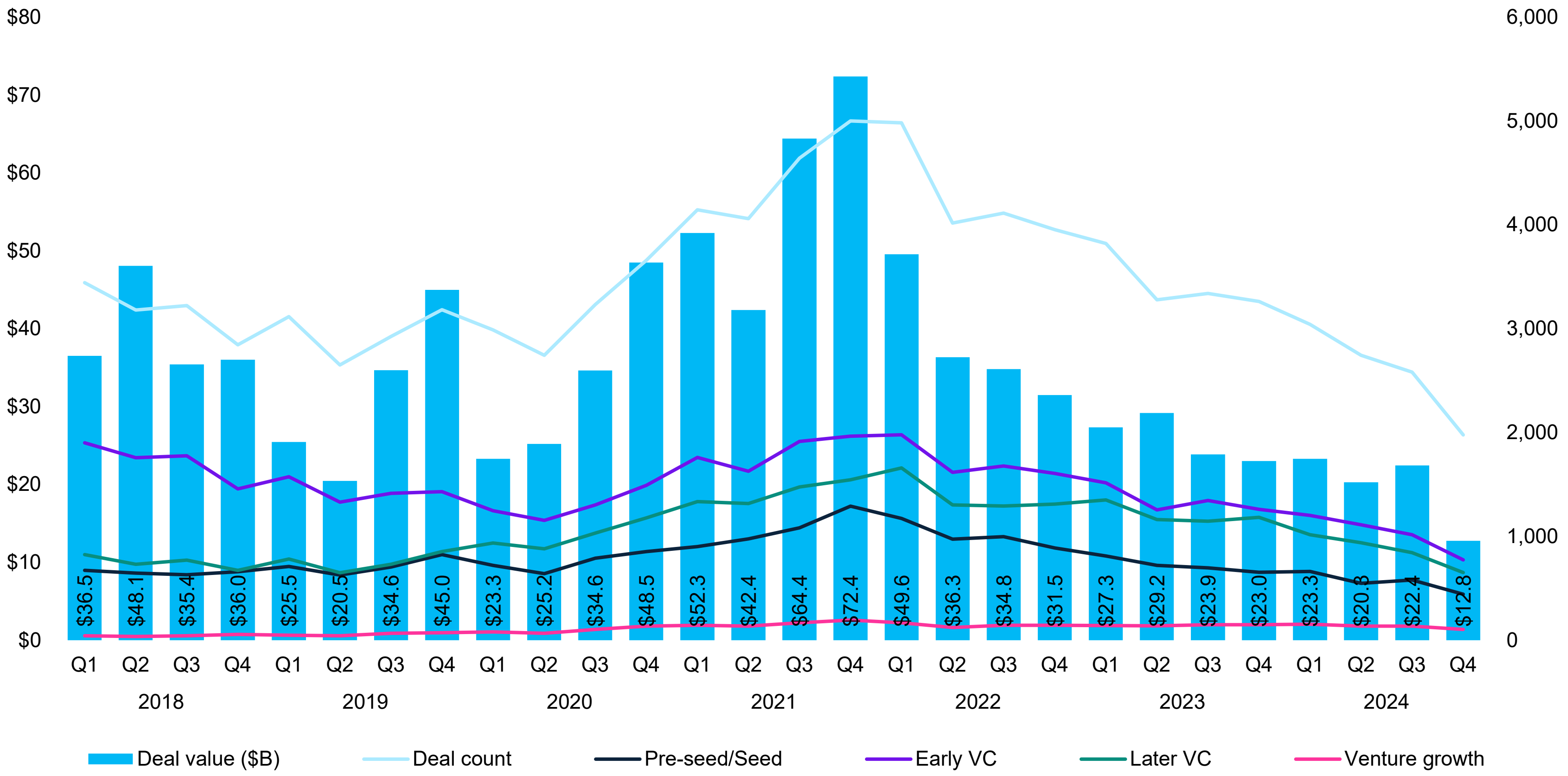
Many VC investors in Japan have shifted away from the idea of smaller scale IPOs; over the next few quarters, there will likely be a growing emphasis on accelerating startup growth and on scaling businesses to be globally competitive. Given the rising price of crypto assets, there could also be increasing activity in the crypto wallet and Web3 spaces heading into 2025.

[11] https://techstartups.com/2024/10/22/horizon-robotics-raises-696-million-in-biggest-hong-kong-ipo-of-2024/
[12] https://www.reuters.com/business/autos-transportation/chinas-zeekr-take-control-sister-brand-lynk-sources-say-2024-11-14/
[13] https://www.hkex.com.hk/News/News-Release/2024/241030news?sc_lang=en#:~:text=HKEX%20has%20continued%20to%20deepen,corporates%20between%20the%20two%20regions

After gradual declines in dealmaking, a plateau emerges

Venture financing in Asia

2018–Q4'24



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

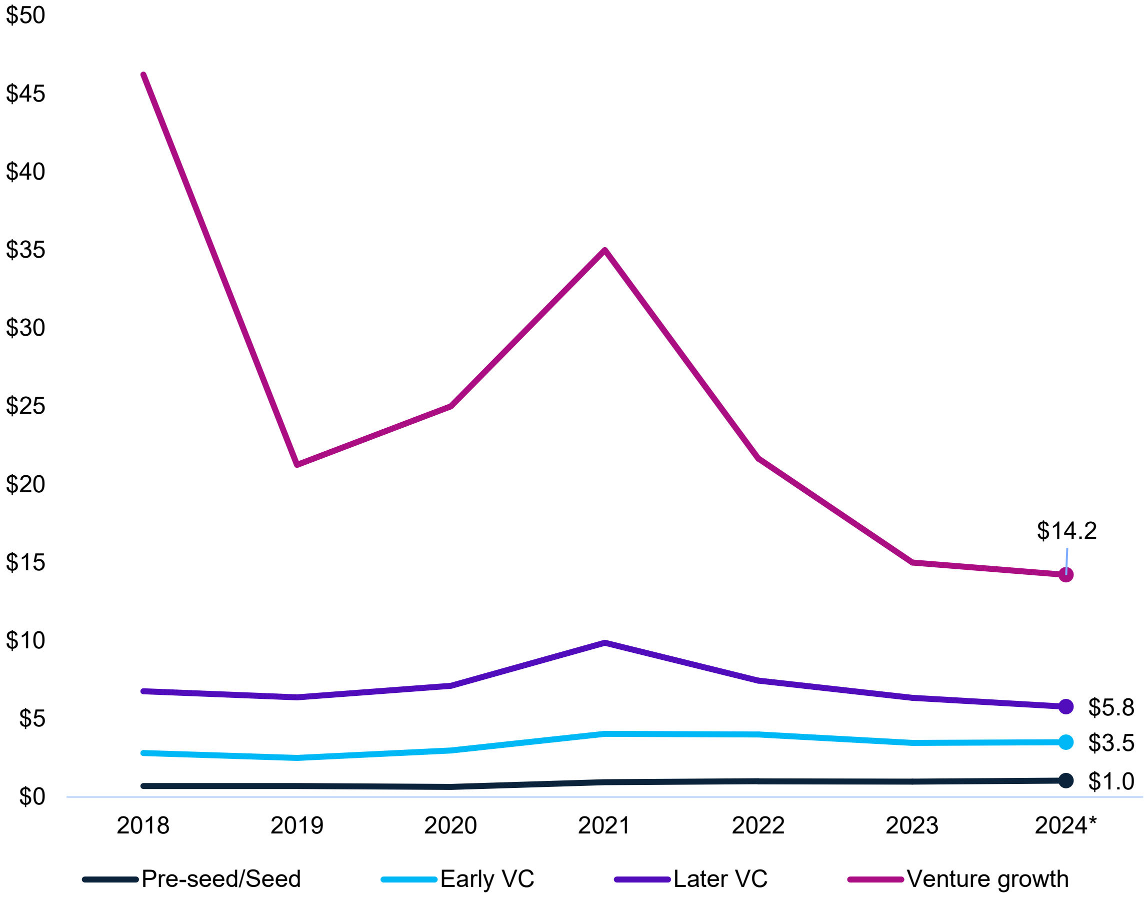
Asian startup ecosystems continue to see a steady decline in the tally of completed financings per quarter. However, the sum of VC invested in aggregate across the region has evened out to hold steady for the past two years, by and large. A decline in Q4 2024 is likely due to year-end volatility and valuation concerns; the averages of the past eight quarters are more likely to persist.

… as concerns around overvaluations and overall growth prospects persist, **there still is an emerging plateau of VC invested in quarterly averages**…

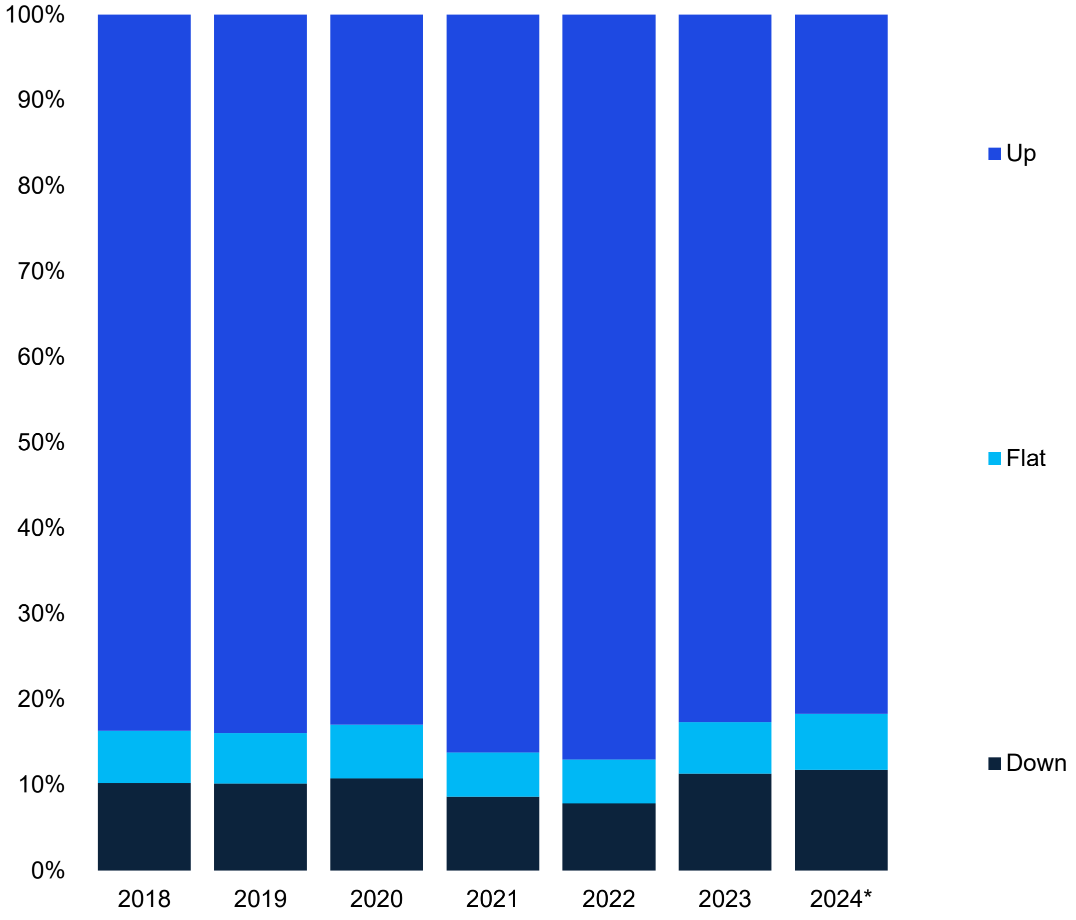
KPMG Private Enterprise

Down and flat rounds remain steady in terms of proportion

Median deal size ($M) by stage in Asia
2018–2024*



Up, flat or down rounds in Asia
2018–2024*

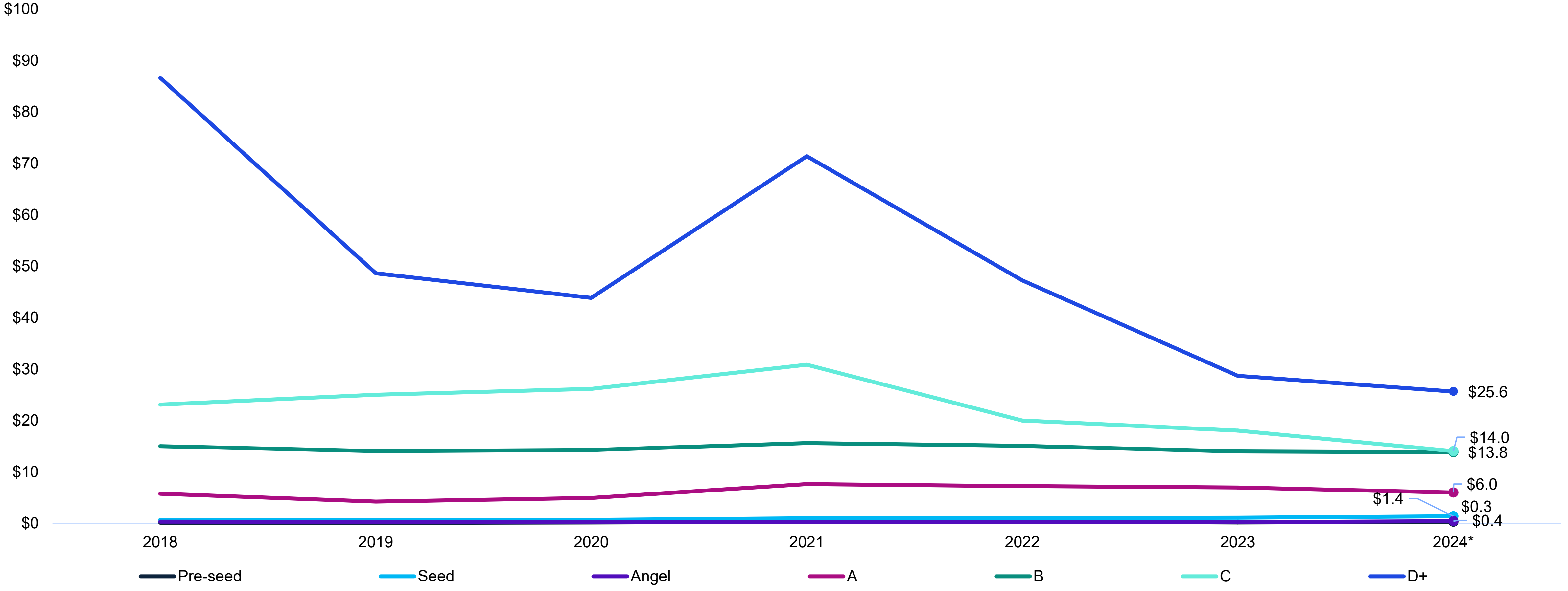


Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.
Note: The 2024* figures for down and flat rounds were below n = 30.

Some earlier-stage series hold steady, others still decline YoY

Median deal size ($M) by series in Asia

2018–2024*

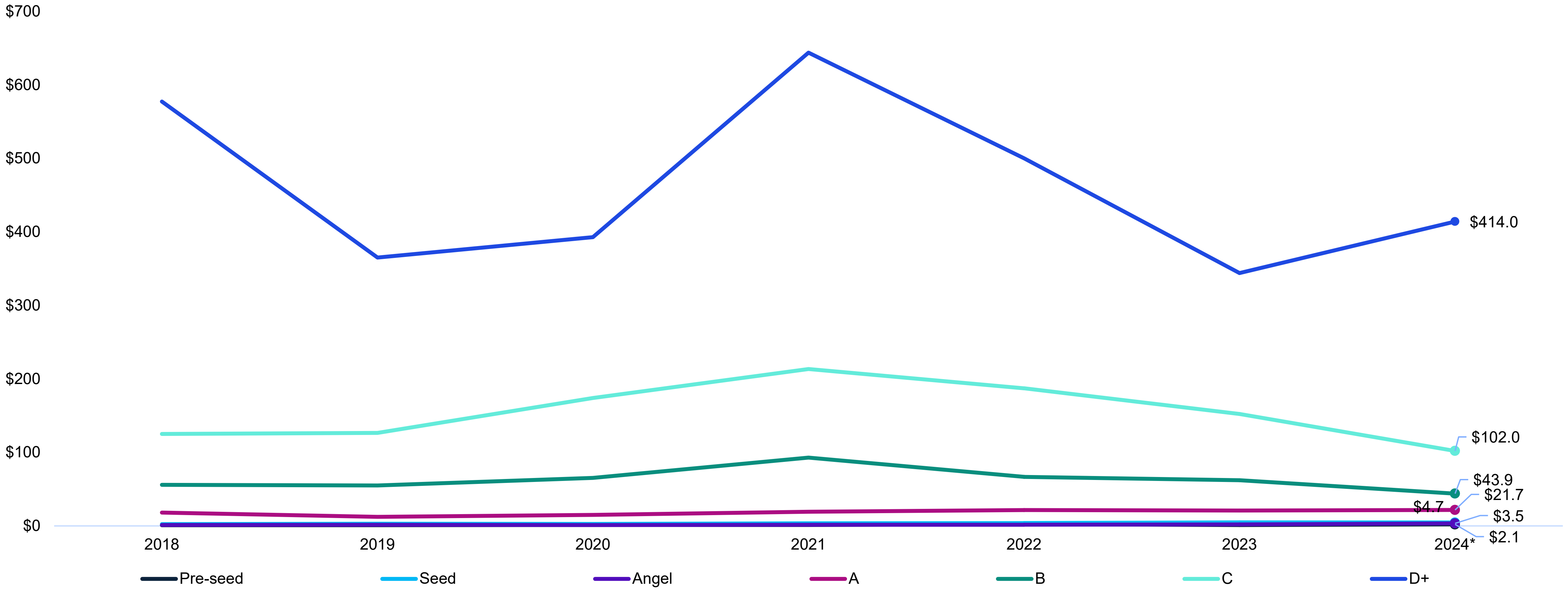


Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

Valuations are down in general

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

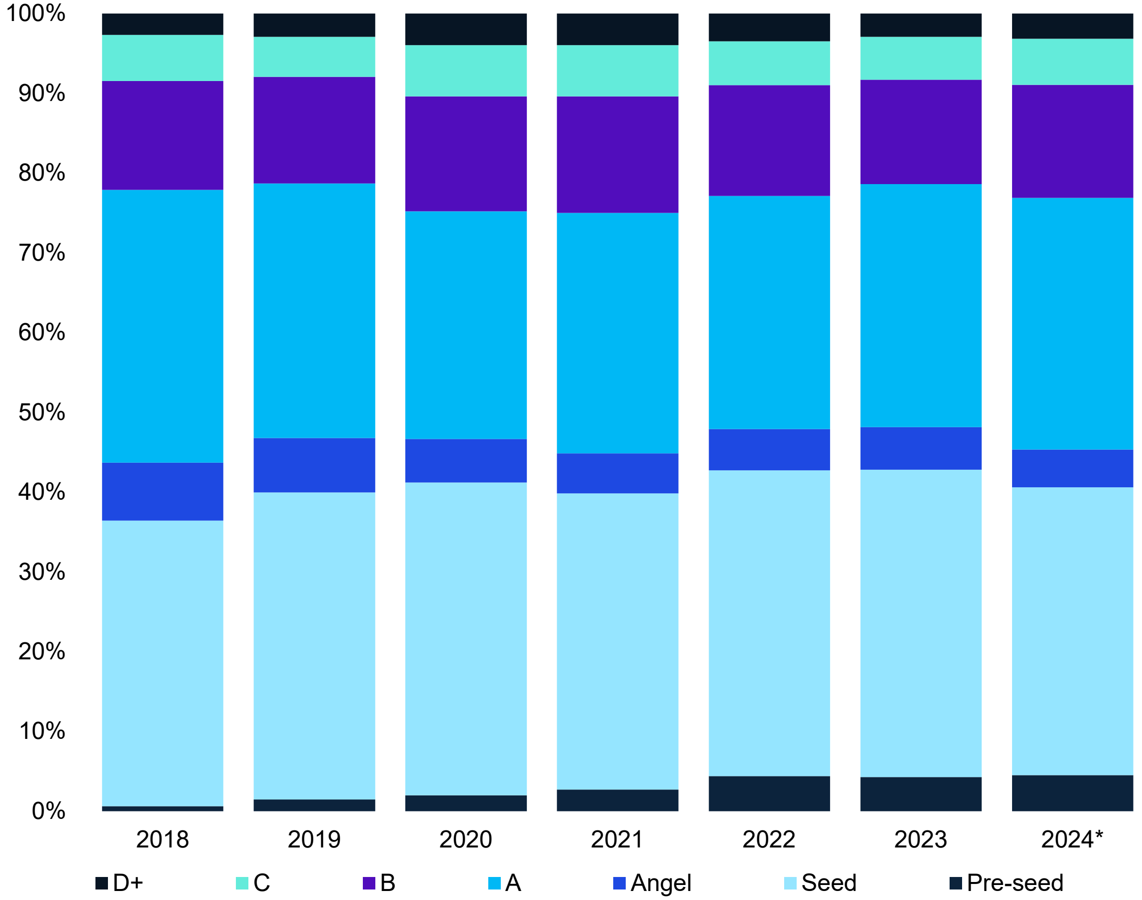
2018–2024*



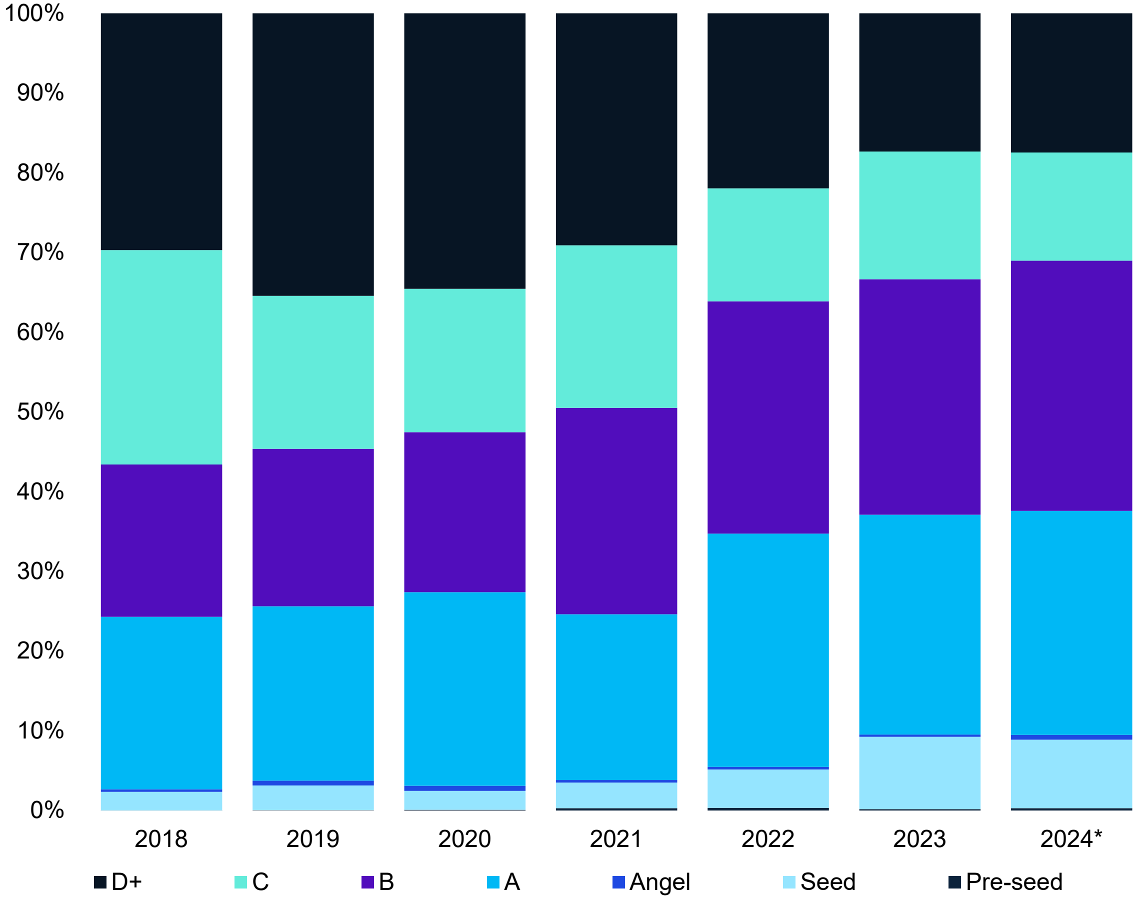
Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.
Note: The 2024* figures for pre-seed are based on population sizes < 30.

The midsize ranges of the market see the most deal flow

Deal share by series in Asia
2018–2024*, number of closed deals



Deal share by series in Asia
2018–2024*, VC invested ($B)

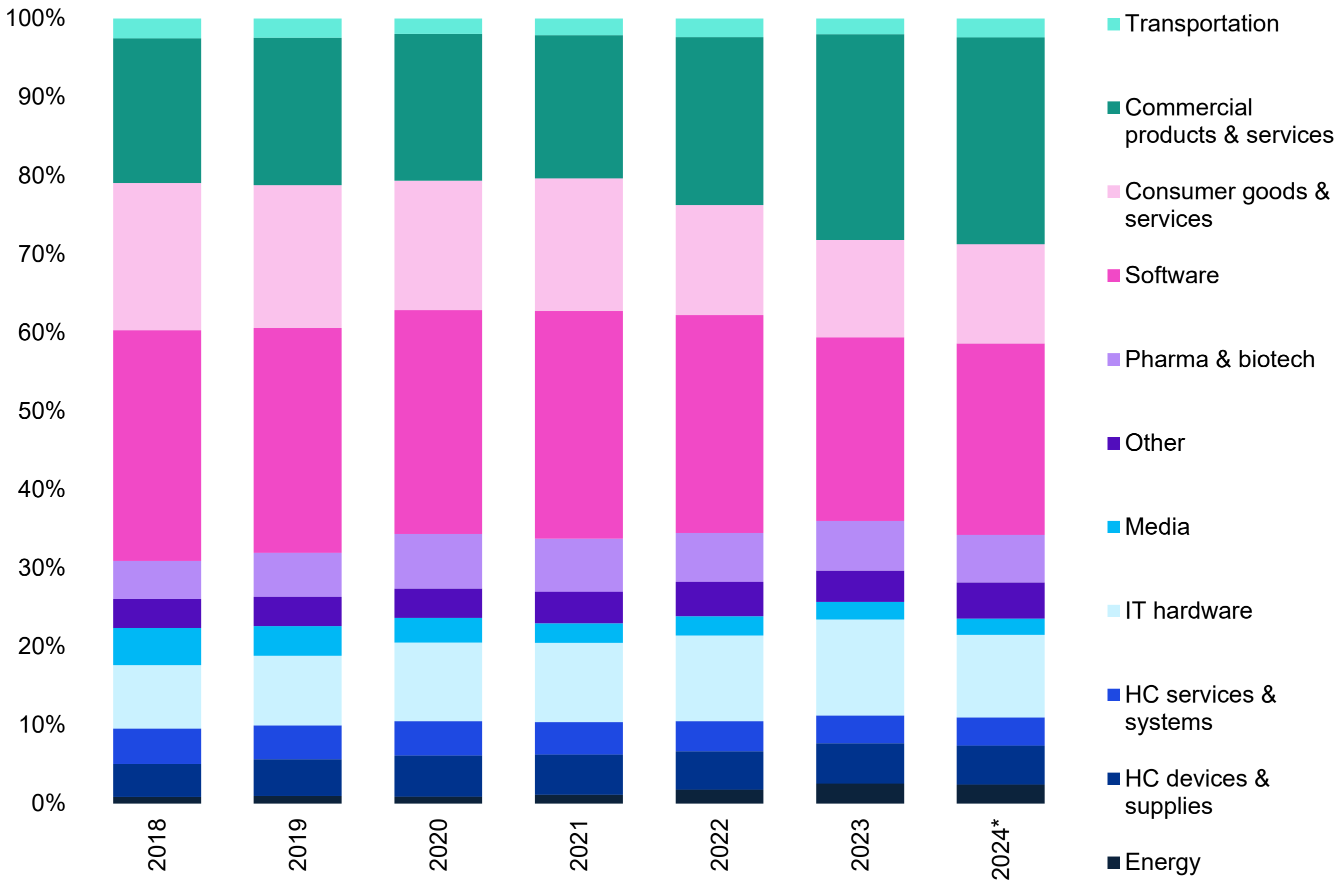


Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

Key sectors for domestic consumption and security remain draws

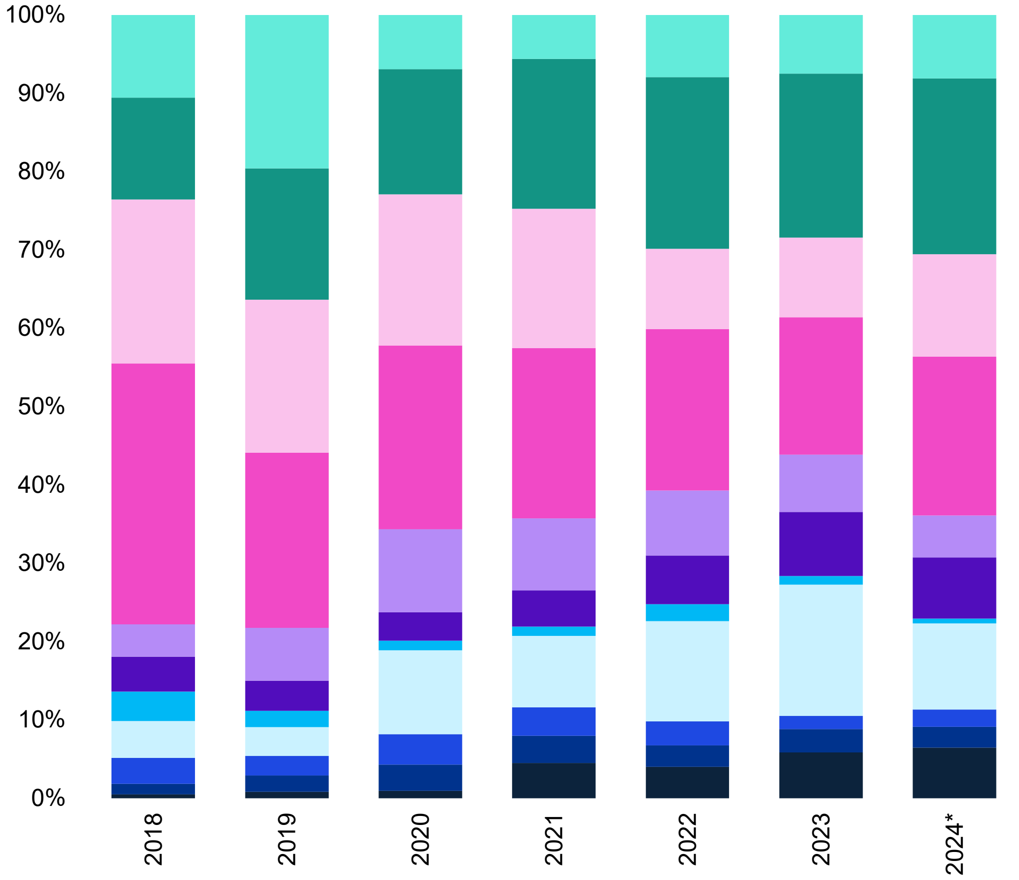
Venture financings by sector in Asia

2018–2024*, number of closed deals



Venture financings by sector in Asia

2018–2024*, VC invested ($B)

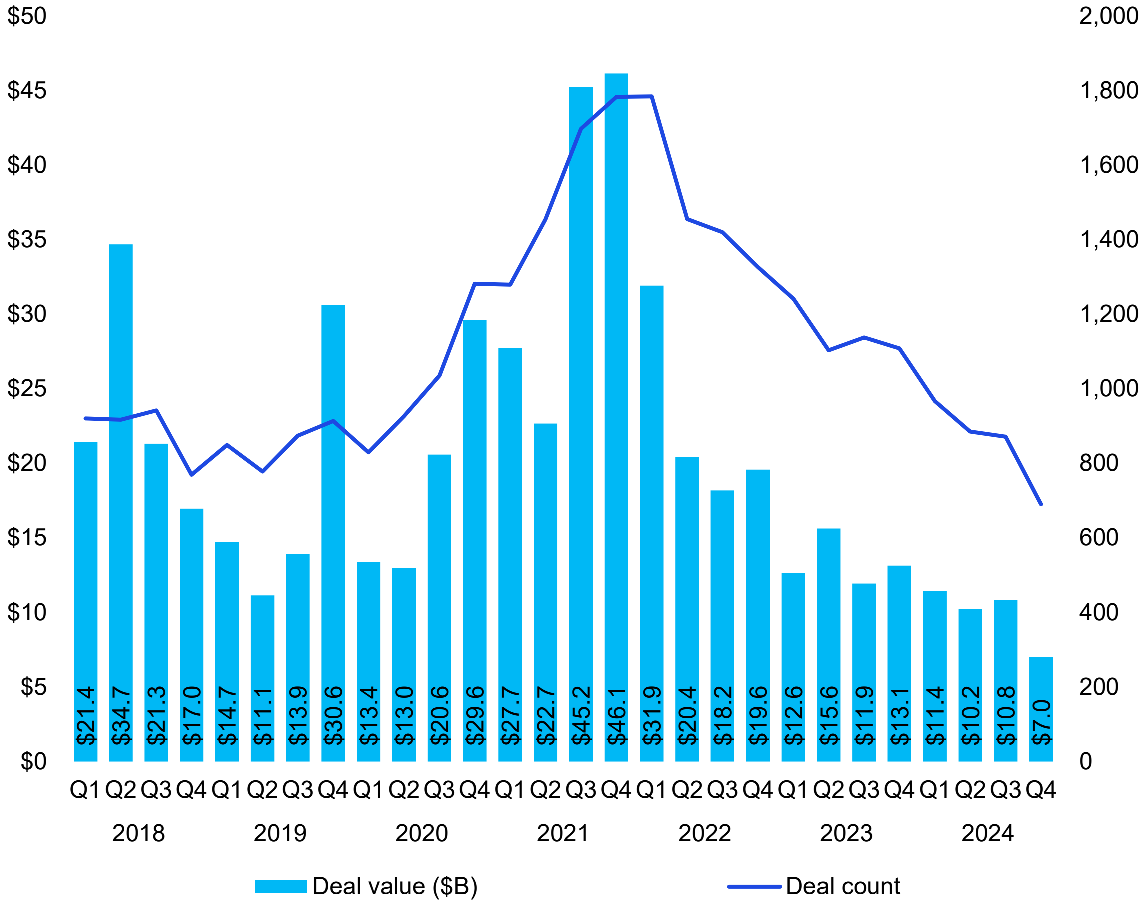


Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

First-time financings command a slight rebound in VC invested

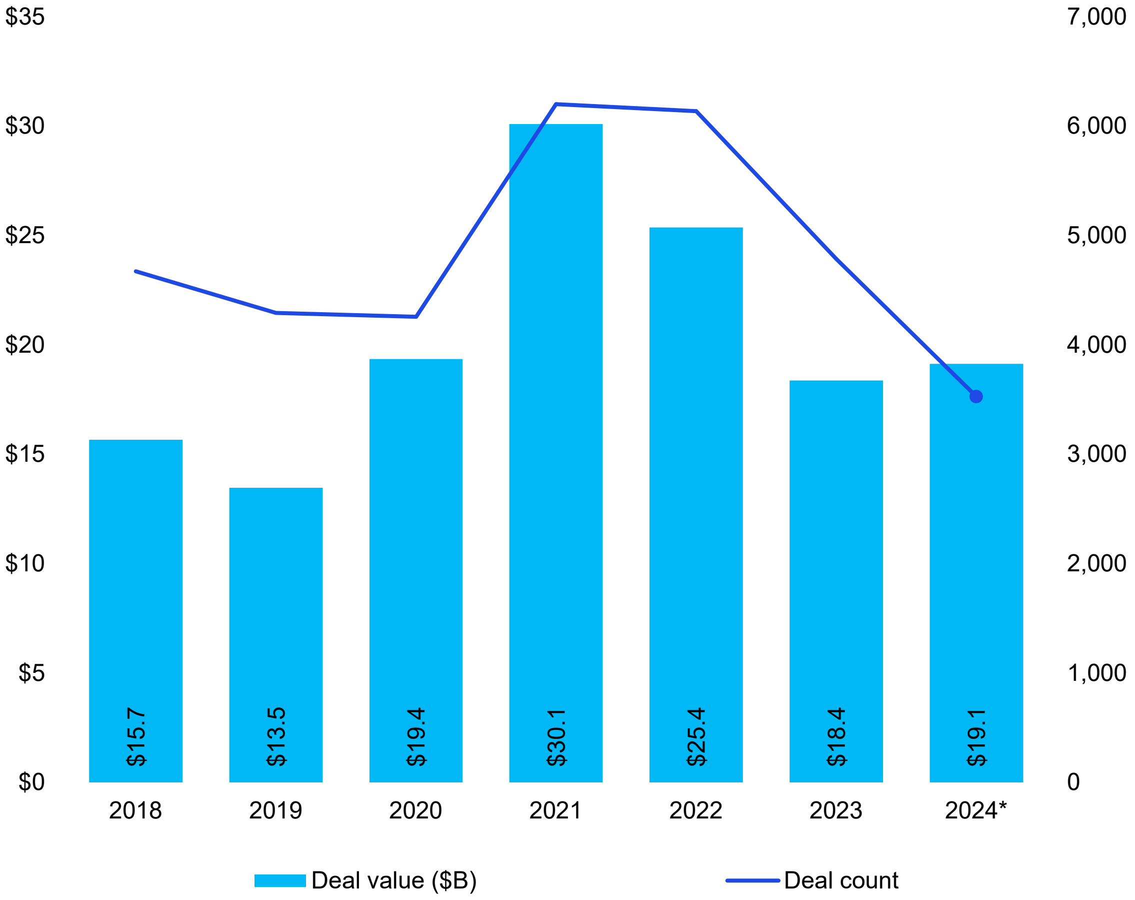
Corporate participation in venture deals in Asia

2018–Q4'24



First-time venture financings of companies in Asia

2018–2024*

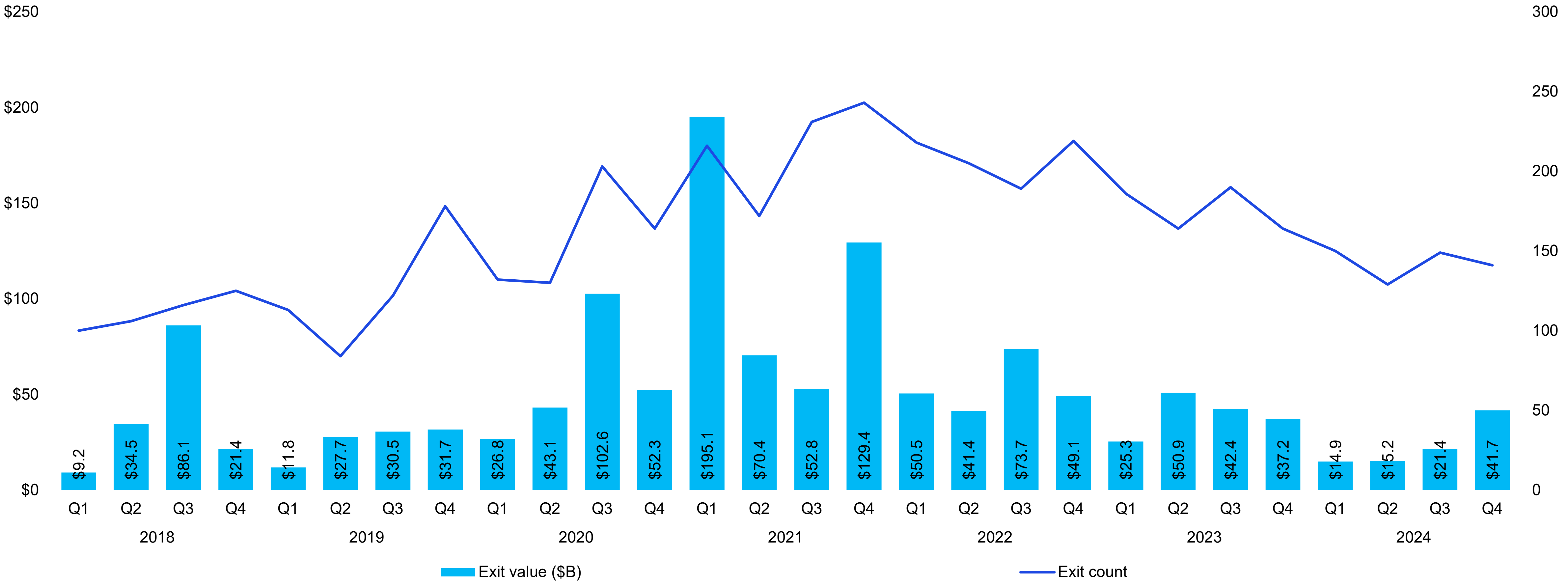


Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

The final quarter of 2024 sees exit value inch upward

Venture-backed exit activity in Asia

2018–Q4'24

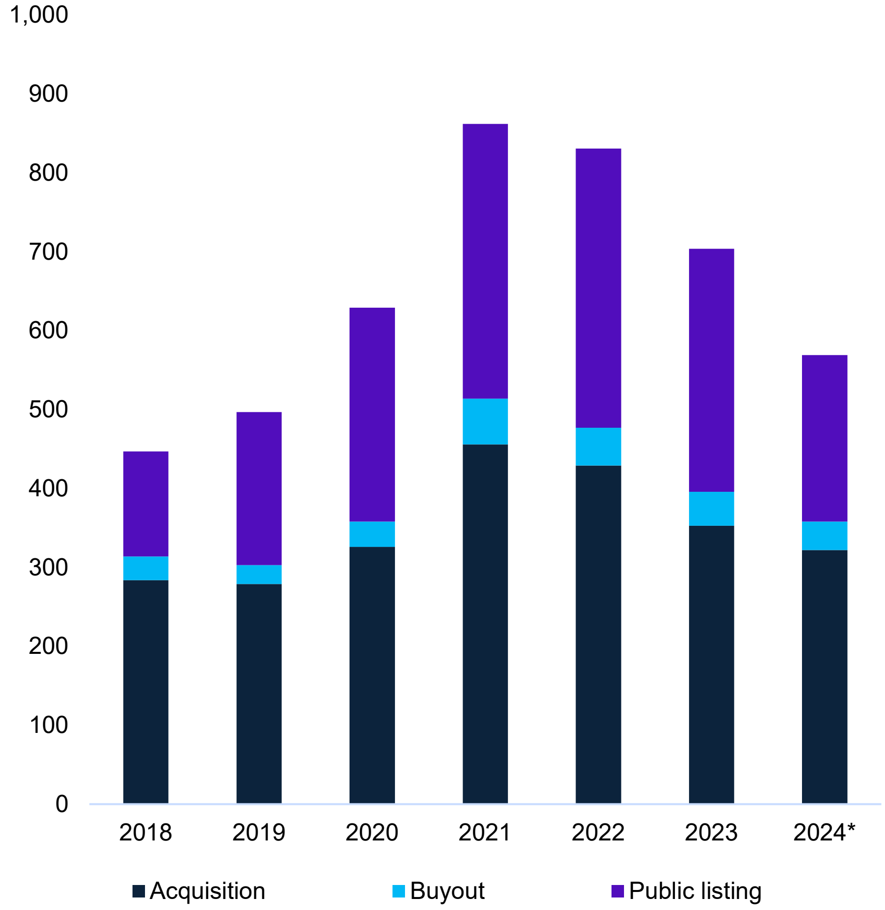


Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

IPOs propel the bulk of exit value as M&A returns to 2020 level in count

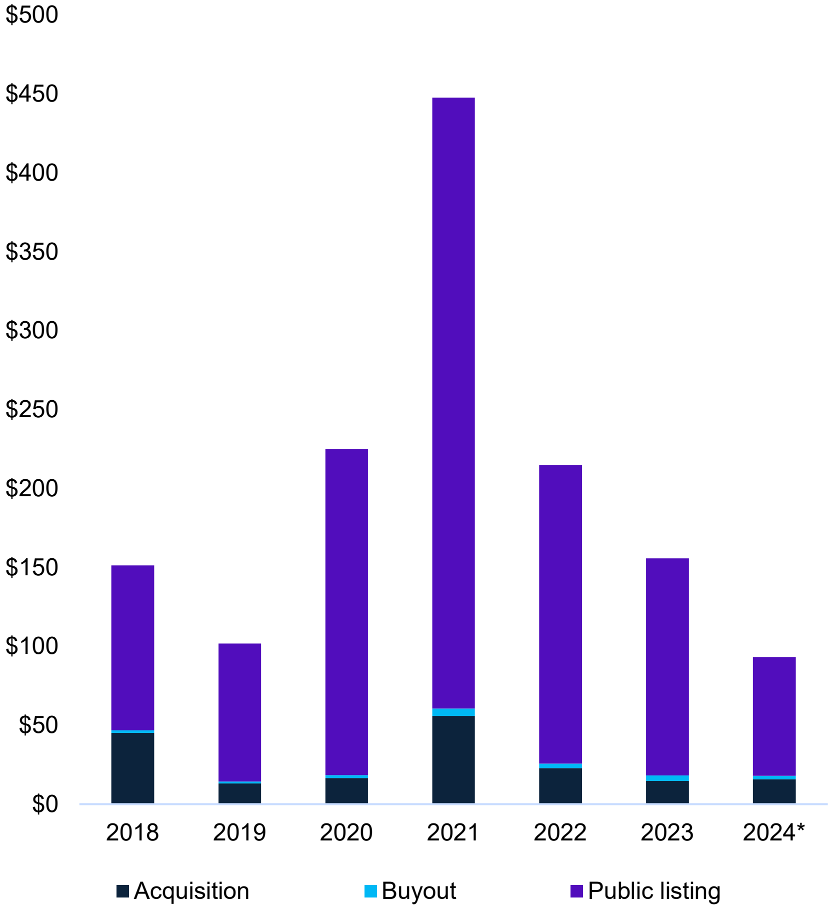
Venture-backed exit activity (#) by type in Asia

2018–2024*



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

2018–2024*



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

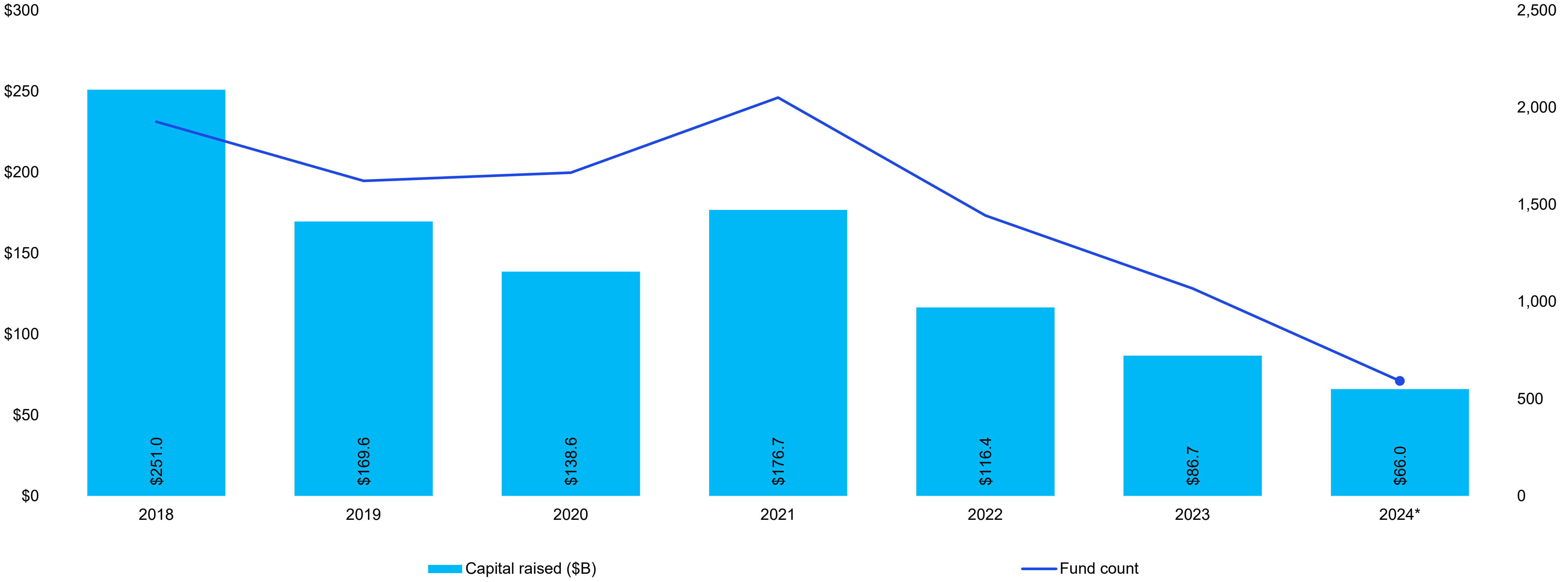
"Hong Kong's IPO market in the first half of 2024 was muted due to high interest rates and slowing global economic growth, but the second half showed a significant recovery, with HKD 69.5 billion raised across 33 deals, driven by the listing of several seizable deals in consumer markets, TMT and transportation and logistics sectors. Such momentum is expected to continue in 2025 which will start to trickle down to VC activity."

Irene Chu
Partner & Head of New Economy and Life Sciences, Hong Kong (SAR)
KPMG China

The fundraising cycle hits a new annual low

Venture fundraising in Asia

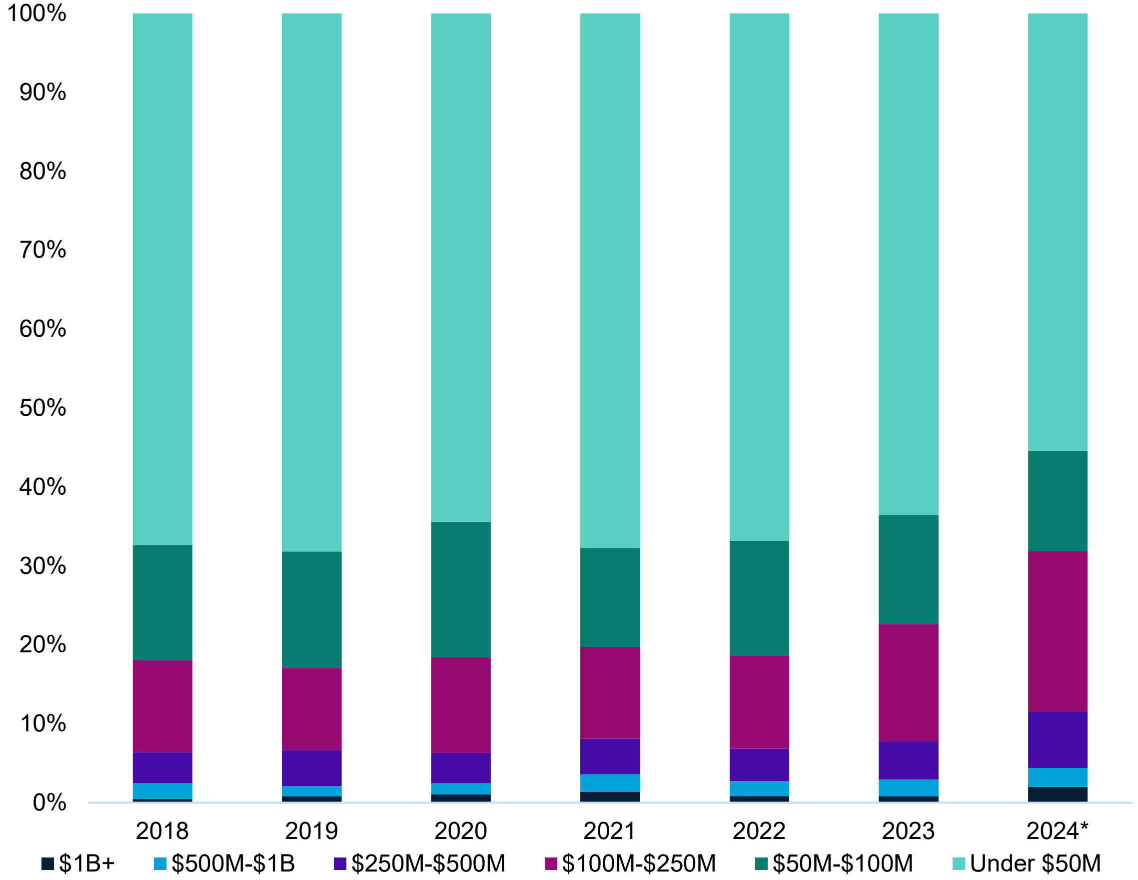
2018–2024*



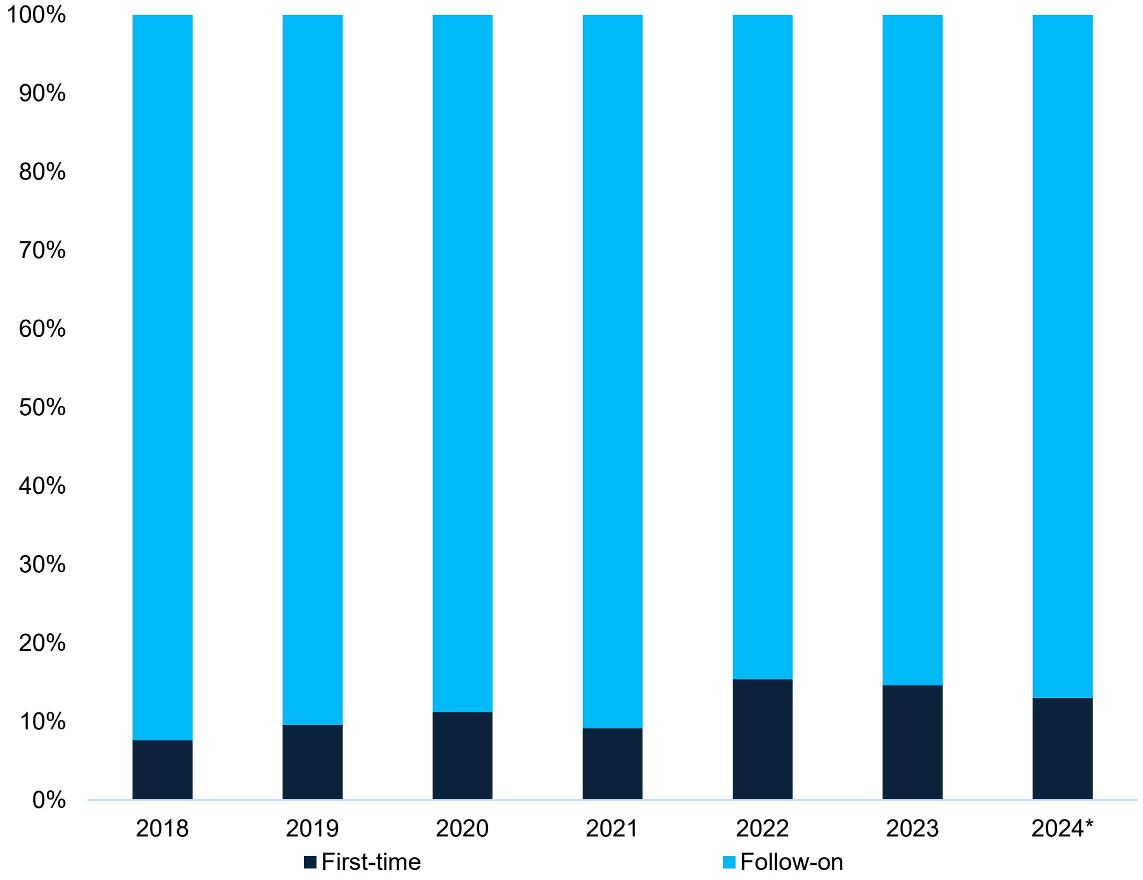
Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

In a sluggish market, midsized funds are a record proportion of count

Venture fundraising (#) by size in Asia
2018–2024*



First-time vs. follow-on venture funds (#) in Asia
2018–2024*

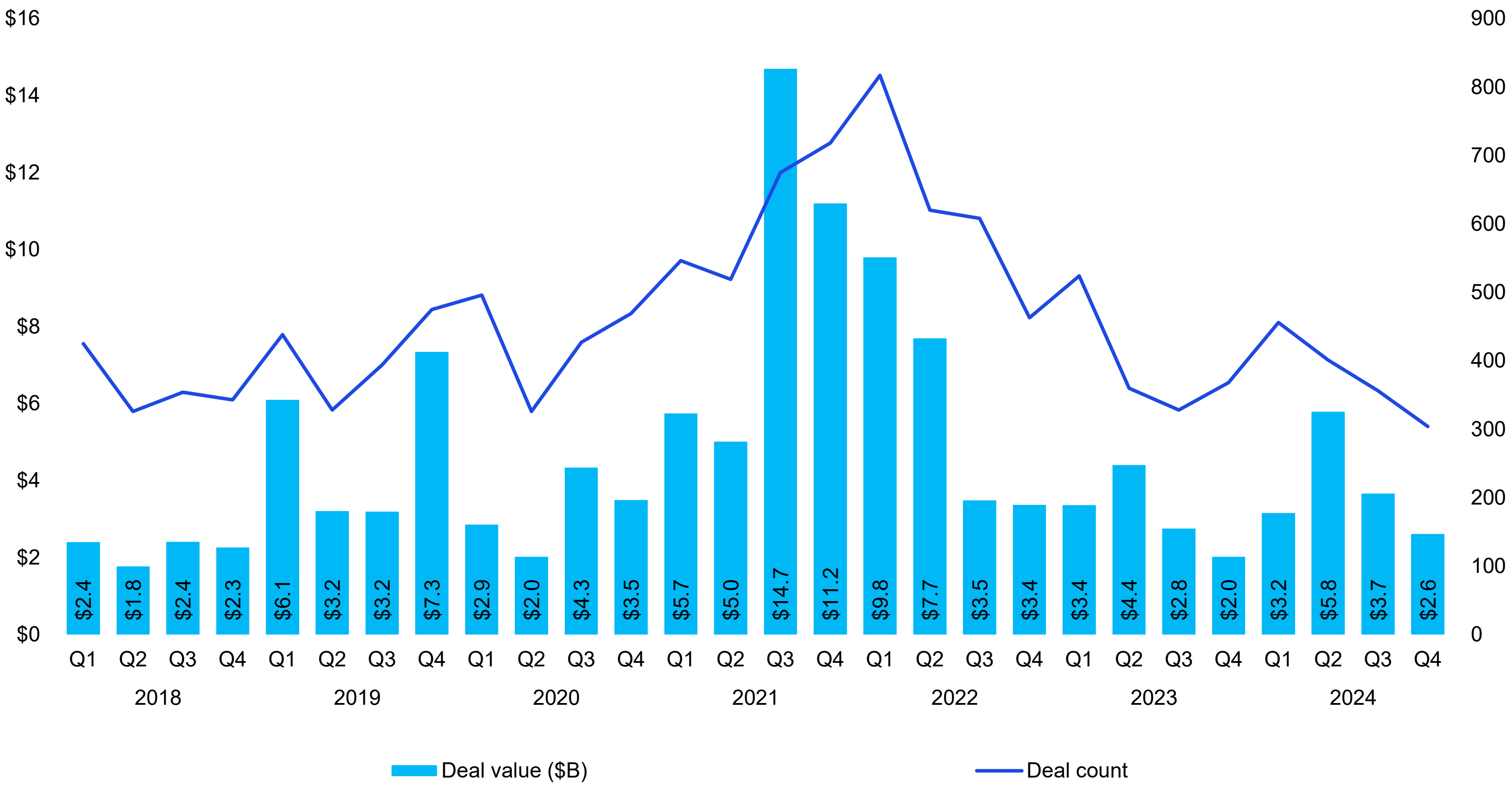


Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

India sees VC activity level out at pre-2021 averages

Venture financing in India

2018–Q4'24



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

"When you look at the results year-over-year, 2024 has been a much better year compared to 2023 for VC investment in India — and 2025 could be even better. While Q4'24 saw us hit a bit of a speed bump, we're still seeing a lot of activity in the VC market here, especially in the area of quick commerce. Over the last year, a few of these companies have held successful IPOs, which is giving VC investors confidence to make bolder bets given the expansion of potential exit routes."

Nitish Poddar
Partner and National Leader, Private Equity
KPMG in India

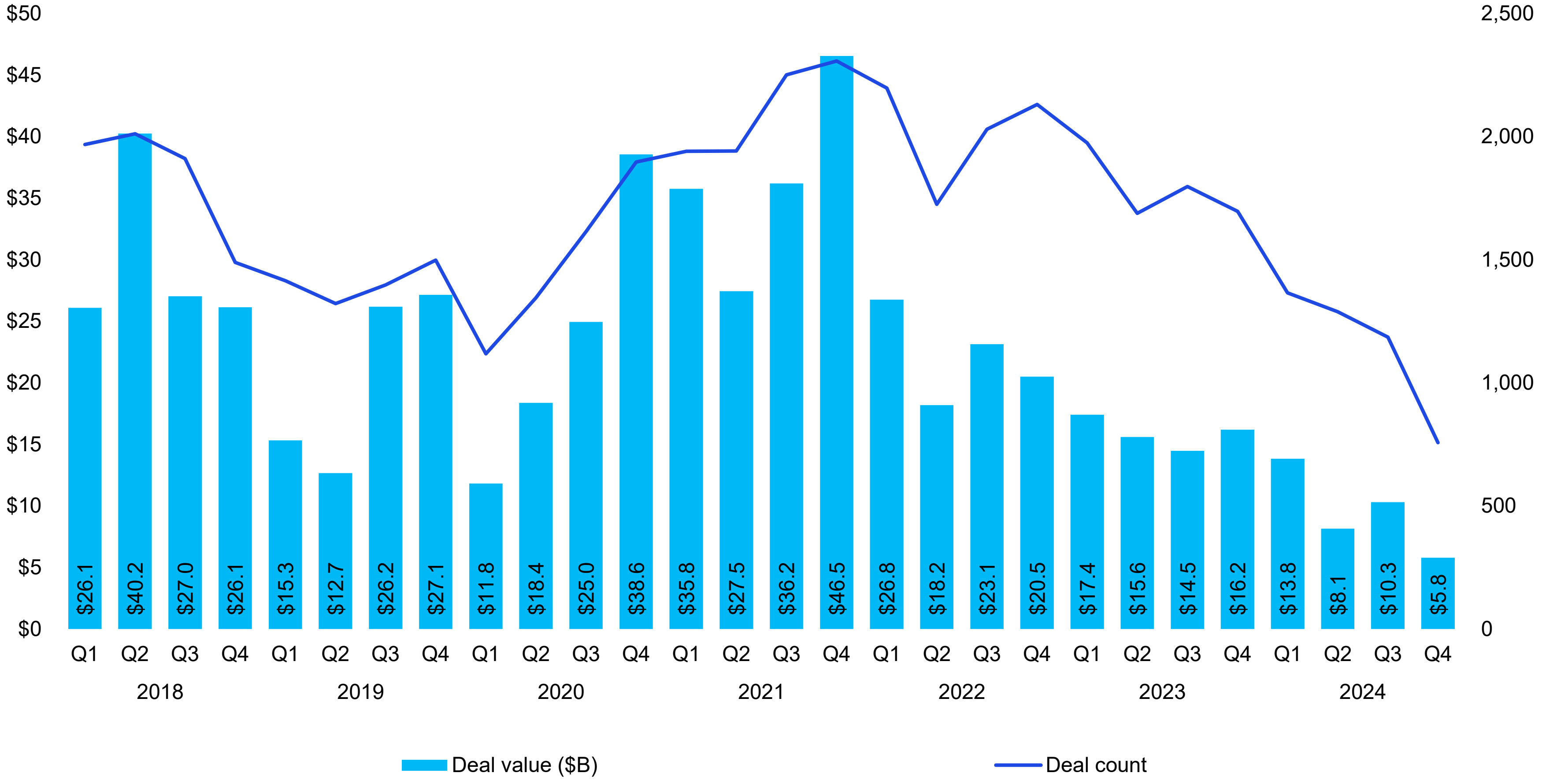
KPMG Private Enterprise

#Q4VC

VC activity slides to another low in count

Venture financing in China

2018–Q4'24



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

"AI is a very big focus for VC investors in China. But what we're seeing is that investors are a lot more focused on AI applications — on solutions that will have big implications on the operations of businesses. While we do have a couple of big model companies, most of the interest is going to the AI+ space — to companies showing how AI can really help companies to be more efficient, or more targeted or to drive better customer interactions."

Zoe Shi
Partner
KPMG China

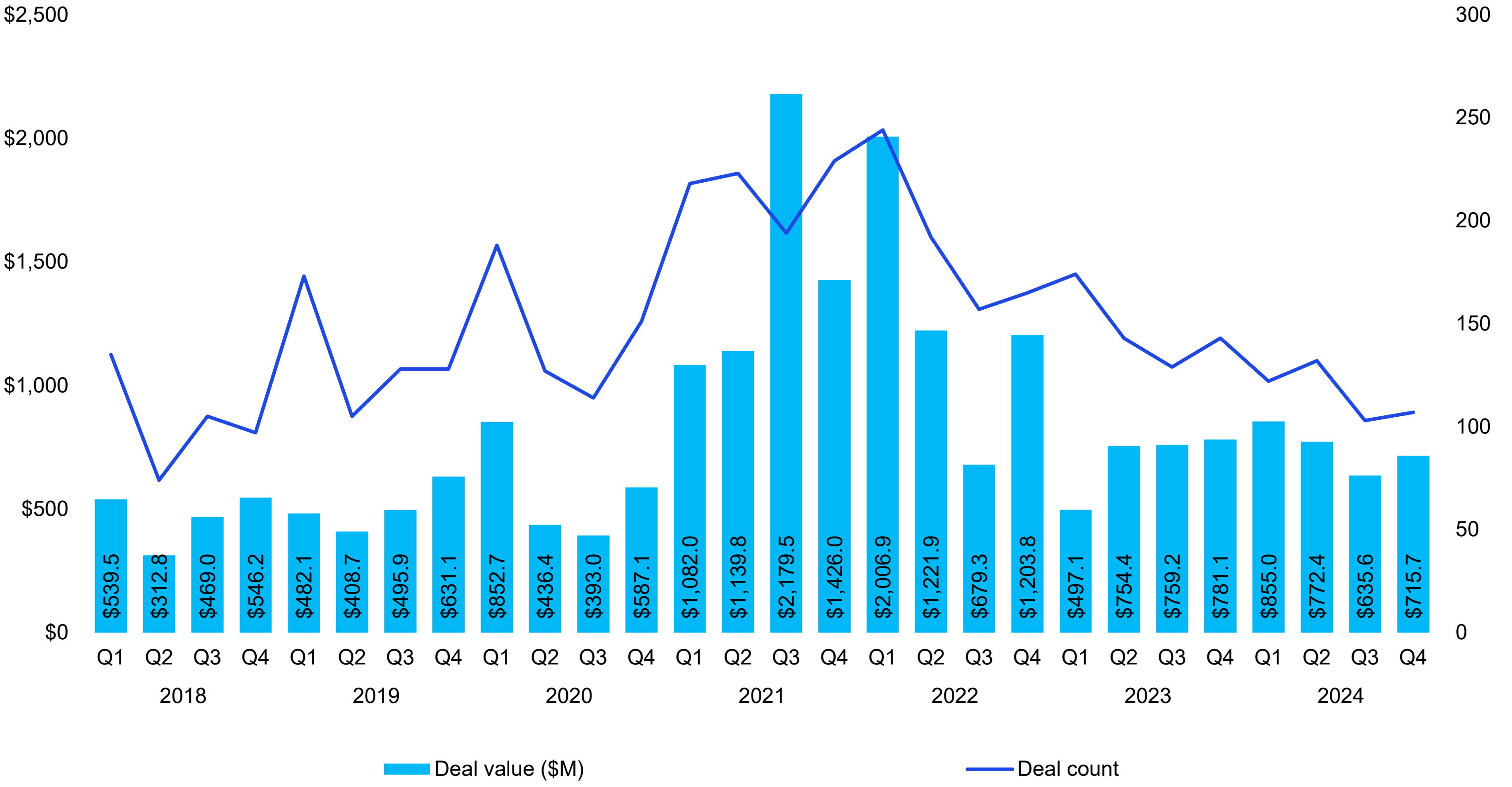
KPMG Private Enterprise

#Q4VC

Dealmaking holds at a healthy level

Venture financing in Australia

2018–Q4'24



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

"Total startup investment in Australian startups in 2024 rose 7 percent to $2.98 billion, reversing three years of decline. However, deal volume was at a six-year low, indicating that the capital environment remains constrained for early-stage ventures. As we move into 2025, there is cautious optimism in the market, with indications that VC firms are successfully attracting investment into new funds and will have fresh capital to deploy in the year ahead."

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

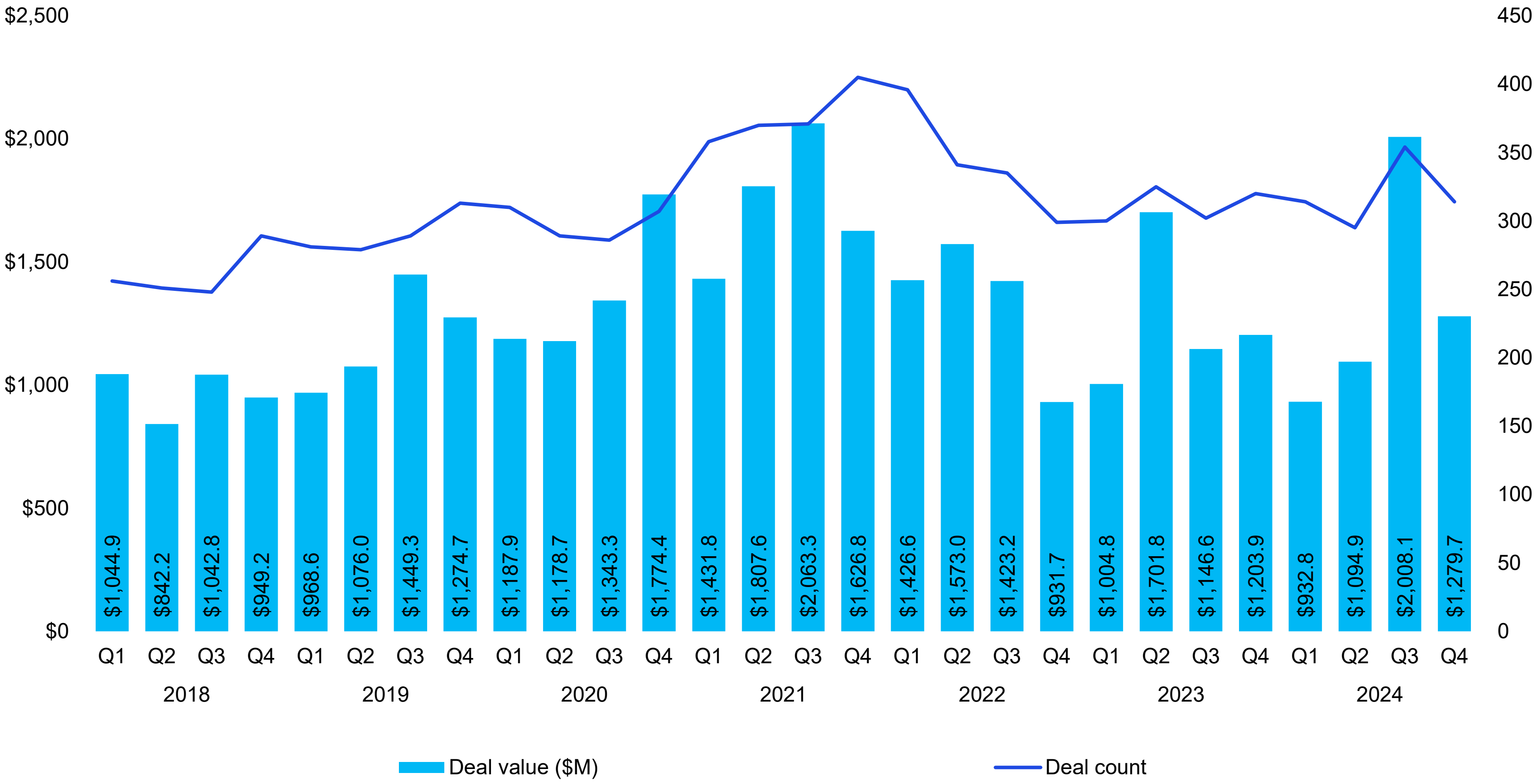
KPMG Private Enterprise

#Q4VC

After a near-record sum of VC invested, activity remained healthy

Venture financing in Japan

2018–Q4'24



Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

"The VC market in Japan is really starting to mature, particularly on the funding side. Early on, there wasn't much in the way of overseas VC funds looking into the space — there was a big funding gap between Japan and the rest of the world. Now, we're starting to see more foreign VCs looking to open offices here — Anderson Horowitz just being one. Over the next year, we expect to see more activity from foreign investors, which will be good for Japanese startups as they look to raise bigger rounds."

Hiroshi Abe
Executive Board Member,
Partner
KPMG in Japan

KPMG
Private Enterprise

#Q4VC

A broader array of platforms and sectors draw top deals

Top 10 financings in Q4'24 in Asia-Pacific

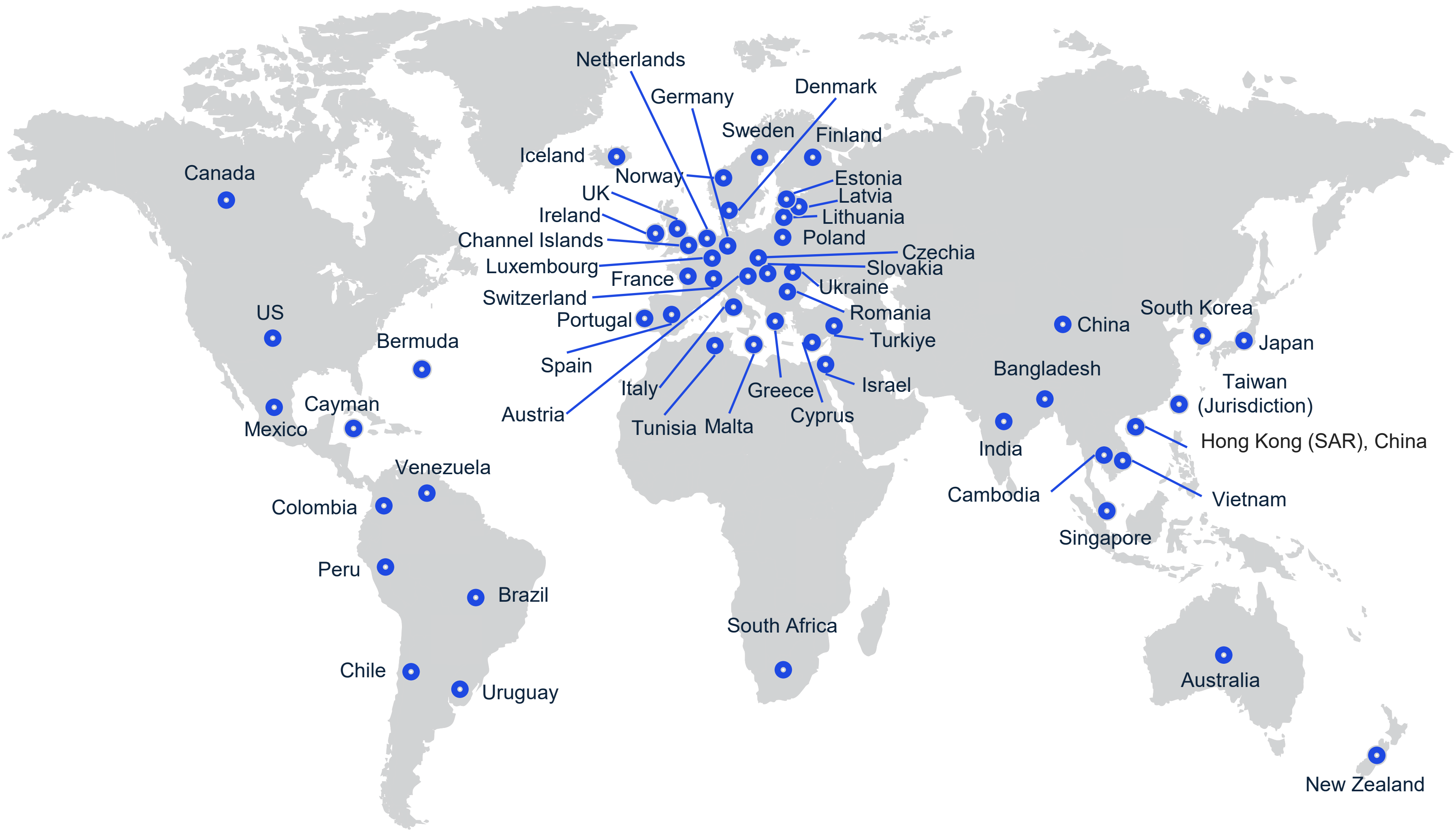
1. **CNNP Rich Energy** — $1.1B, Beijing, China — Cleantech — *Late-stage VC*
2. **Zepto** — $350M, Mumbai, India — E-commerce — *Late-stage VC*
3. **Didi Autonomous Driving** — $298M, Shanghai, China — Autonomous driving *Series C*
4. **Runhui Technology Development** — $229.05M, Foshan, China — Systems & information management — *Early-stage VC*
5. **Rebel Foods** — $210M, Mumbai, India — Foodtech — *Series G*
6. **Aerodyne** — $200M, Cyberjaya, Malaysia — Robotics — *Series C*
7. **Mintifi** — $180M, Mumbai, India — Fintech — *Series E*
8. **Hangzhou Avatar Optoelectronics** — $163.6M, Hangzhou, China — Manufacturing — *Late-stage VC*
9. **HealthKart** — $153M, Haryana, India — Consumer health — *Late-stage VC*
10. **Eruditus** — $150M, Singapore — Edtech — *Series F*

Source: Venture Pulse, Q4'24, Global Analysis of Venture Funding, KPMG Private Enterprise.
*As of December 31, 2024. Data provided by PitchBook, January 15, 2025.

KPMG Private Enterprise

KPMG Private Enterprise's Emerging Giants Network

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



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KPMG
Private Enterprise

About us

About KPMG Private Enterprise

You know KPMG. You might not know KPMG Private Enterprise. KPMG Private Enterprise advisers in KPMG firms around the world are dedicated to working with you and your business, no matter where you are in your growth journey — whether you're looking to reach new heights, embrace technology, plan for an exit, or manage the transition of wealth or your business to the next generation. You gain access to KPMG's global resources through a single point of contact — a trusted adviser to your company. It is a local touch with a global reach.

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

We acknowledge the contribution of the following individuals who assisted in the development of this publication:

- **Conor Moore,** Global Head, KPMG Private Enterprise, KPMG International
- **Amanda Price,** Head of High Growth Ventures, KPMG in Australia
- **Amy Burnett,** Head of KPMG Private Enterprise Access, KPMG in the UK
- **Anna Scally,** Partner, Head of Technology & Media, KPMG in Ireland
- **Carolina de Oliveiria,** Partner, KPMG Private Enterprise Leader in Brazil and South America, KPMG in Brazil
- **Diogo Garcia,** Venture Capital & Emerging Giants Business Development, KPMG in Brazil
- **Florian Merkel,** Director of Tax, Head of Venture Services, KPMG in Germany
- **Francois Chadwick,** Partner, KPMG in the US
- **Heike Snellen**, Director, Deal Advisory, KPMG in Germany
- **Hiroshi Abe,** Executive Board Member, Partner, KPMG in Japan
- **Irene Chu,** Partner & Head of New Economy and Life Sciences, Hong Kong (SAR) Region, KPMG China
- **James Whyman**, Associate Director, KPMG Acceleris
- **Jules Walker,** Managing Director, Business Development, KPMG in the US
- **Jussi Paski,** Head of Startup & Venture Services, KPMG in Finland
- **Lauren Taylor,** Associate Director, Fintech, KPMG in the UK
- **Leonardo Peikoff,** Head of Startups Manager, KPMG in Austria
- **Lindsay Hull,** Senior Director, Emerging Giants Global Network, KPMG Private Enterprise, KPMG International
- **Nicole Lowe,** Head of Emerging Giants, KPMG in the UK
- **Nitish Poddar,** Partner and National Leader, Private Equity, KPMG in India
- **Ryan Forster,** Partner, KPMG in Canada
- **Samuel Lush,** 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 2018.
- **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 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 special purpose acquisition companies (SPACs) and other reverse mergers. In January 2025, a new extrapolation for M&A exit values was also applied.

KPMG Private Enterprise

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