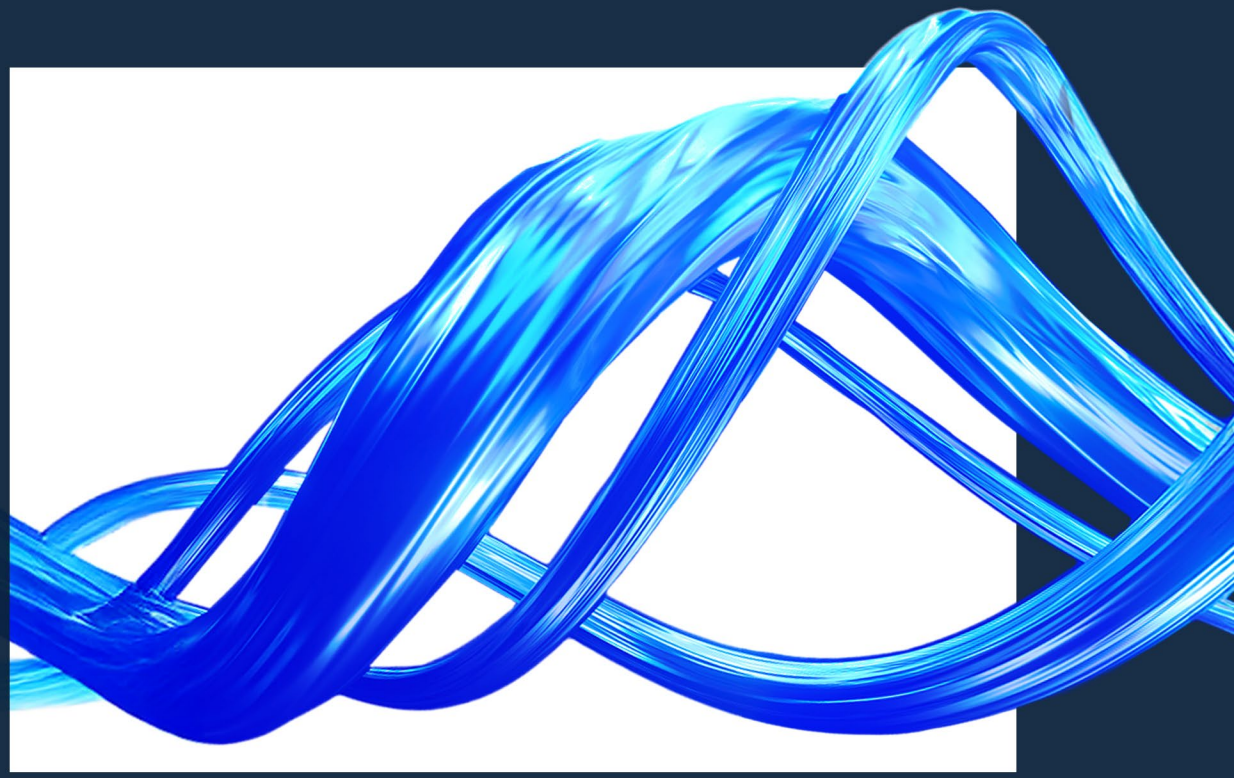
KPMG Private Enterprise

Venture Pulse Q2 2025

Global analysis of venture funding



KPMG. Make the Difference.

July 16, 2025

Welcome message

Welcome to the Q2'25 edition of KPMG Private Enterprise's Venture Pulse — a quarterly report highlighting the major trends, challenges, and opportunities facing the venture capital market globally and in key jurisdictions around the world.

VC investment globally fell from $128.4 billion in Q1'25 to $101.05 billion in Q2'25. Recognizing the outlier $40 billion raise by OpenAI drove deal value up significantly in Q1'25, however, uncovers a more positive story — one that shows the strength and resilience of the VC market in the face of evolving US tariff and trade policies and ongoing geopolitical tensions and conflicts.

The US attracted almost 70 percent of global VC investment in Q2'25, including all six $1 billion+ funding rounds this quarter. The AI, defencetech, and spacetech sectors accounted for the five largest deals, including Scale AI ($14.3 billion), World View ($2.6 billion), Anduril Industries ($2.5 billion), Thinking Machines Lab ($2 billion), and Safe Superintelligence ($2 billion raise). AI-driven defencetech companies also attracted the two largest deals in Europe during the quarter, including Germany-based Helsing ($683 million) and Portugal-based Tekever ($500 million). In Asia, China-based AI-driven autonomous logistics vehicles company Zelos Tech raised the largest funding round ($300 million).

While defencetech and AI were the hottest sectors of investment during Q2'25, fintech also saw a fresh surge in interest. During the quarter, US-based Plaid raised $575 million, UK-based XY Miners raised $300 million, Germany-based Scalable Capital raised $174 million, and Brazil-based expense management firm Clara raised $80 million. The fintech sector also saw several successful IPO exits in the US during Q2'25, including Circle — issuer of the USDC stablecoin, digital bank Chime, and mobile investment platform eToro.

Heading into Q3'25, VC investors globally are expected to remain cautious given the continued delay in exits across many sectors, rising geopolitical tensions, and ongoing uncertainties related to tariffs and other global trade policies. AI will likely remain the hottest sector of VC investment — particularly as governments continue to introduce large-scale funding programs to attract AI startups and drive ecosystem development and technology sovereignty — in addition to defencetech and spacetech, fintech, and healthtech.

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

- The impact of tariff uncertainties on VC investment
- AI investments increasingly targeting vertical solutions
- The increasing attractiveness of the defencetech sector
- The growing interest in fintech

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

Unless otherwise noted, all currencies reflected throughout this document are in US dollars.
Data correct as of April 16 2025, and is subject to change.

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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 and Partner
KPMG in the US



Francois Chadwick
Global Lead for Emerging Markets and Partner
KPMG in the US



Lindsay Hull
Senior Director, Emerging Giants Global Network, KPMG Private Enterprise
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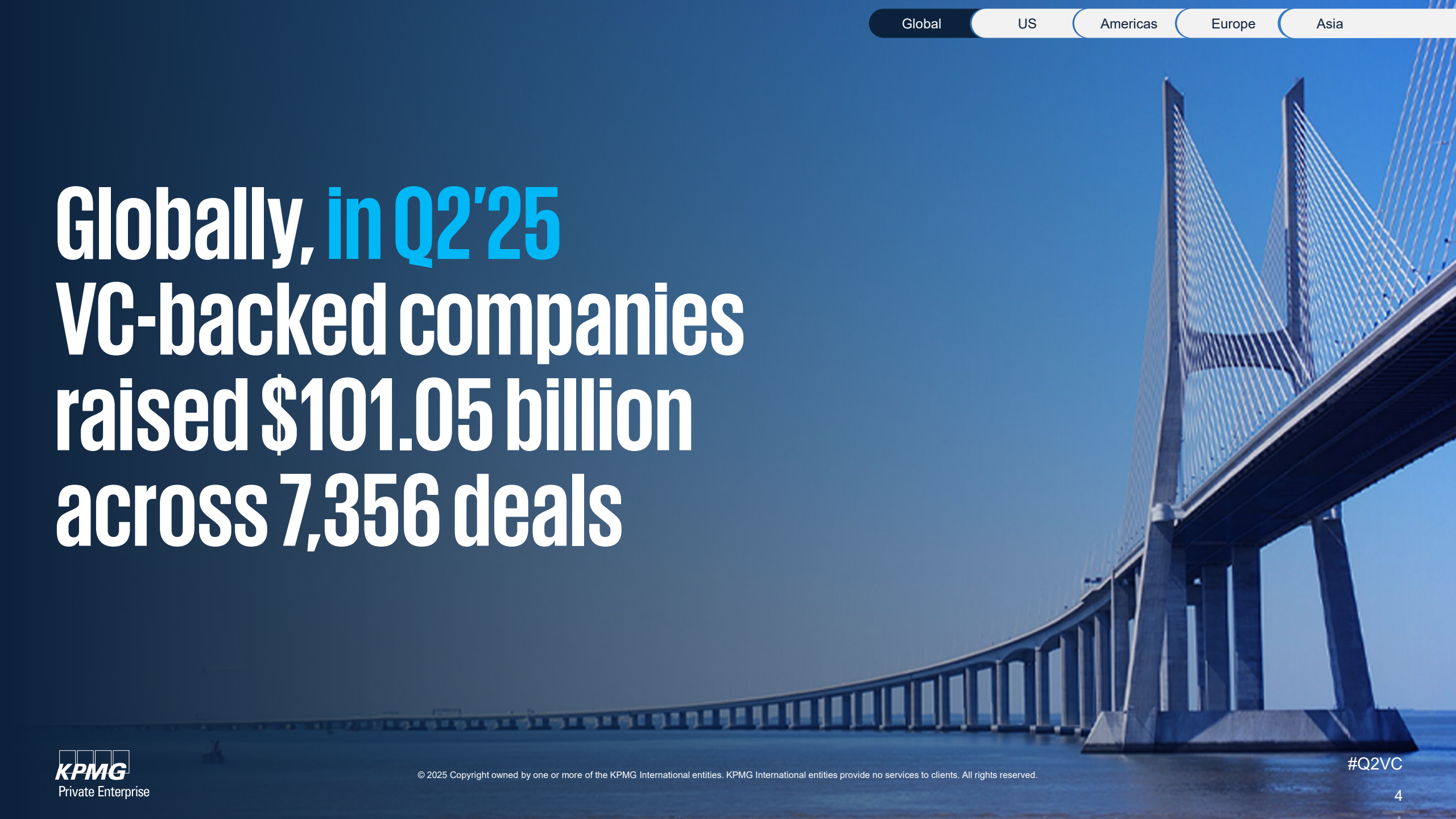
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Globally, in Q2'25 VC-backed companies raised $101.05 billion across 7,356 deals



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#Q2VC

VC investment globally falls in Q2'25 as largest deal sizes come down

While global VC investment fell from $128.4 billion in Q1'25 to $101.05 billion in Q2, the decline was largely due to OpenAI's $40 billion megadeal in the previous quarter. Excluding that outlier, Q2'25 activity remained relatively strong, reflecting steady investor interest across AI, defencetech, and spacetech sectors. Factoring out this outlier deal suggests a more positive, more resilient, VC market given the market headwinds.

US market accounts for nearly 70 percent of VC investment globally

Q2'25 was a relatively strong quarter for venture capital investment in the Americas, with $72.7 billion raised across 3,425 deals. While this marked a decline from $98.5 billion and 4,048 deals in Q1, the comparison is skewed by OpenAI's $40 billion raise in the previous quarter. Excluding that outlier, Q2 reflected sustained investor momentum — particularly in AI, defencetech, and spacetech. The US accounted for $70 billion of the Americas' investment total — and for nearly 70 percent of all VC investment globally.

In Europe, VC investment showed resilience quarter-over-quarter, dipping only slightly from $16.3 billion across 2,358 deals in Q1'25 to $14.6 billion across 1,733 deals in Q2'25. Meanwhile, VC investment in Asia remained at near-record lows — with $12.8 billion invested across 2,022 deals in Q2'25 compared to $12.6 billion across 2,663 deals in Q1'25 — driven largely by a slowdown in China, where VC investment fell to its lowest level in over 10 years ($4.7 billion).

Despite significant headwinds and cautious investors, VC investment persists

The VC market globally continued to experience significant headwinds in Q2'25. The US's Liberation Day tariff announcements on April 2, 2025 were particularly impactful, deepening concerns about global trade, supply chains, and industries highly exposed to tariff risks. While VC investors showed increasing caution in the face of these headwinds, they also showed keen persistence and a willingness to invest in companies in critical sectors like AI and in companies less exposed to tariff and trade risks.

AI remains red-hot, with growing focus on vertical integration

AI continued to power a large wave of VC investments globally in Q1'25. The US attracted the largest deals in the space, including a $14.3 billion raise by Scale AI, a $2.5 billion raise by AI-powered defencetech Anduril Industries, $2 billion raise by AI development company Safe Superintelligence, a $2 billion seed round by Thinking Machines Lab, and a $900 million raise by Anysphere — the startup behind the Cursor coding assistant.[1]

In Europe, AI-focused defencetech companies raised significant rounds, including Germany-based Helsing ($683 million), Portugal-based Tekever ($500 million) and Germany-based Quantum Systems ($177 million). In Asia, China's autonomous vehicles space continued to attract sizeable investments, including a $300 million raise by autonomous logistics vehicles firm Zelos Tech ($300 million) and a $178 million raise by mobility platform and smart mobility and robotaxi firm Saic Mobility.

During the quarter, VC investors across regions showed increasing interest in companies developing solutions for specific verticals — such as defence, health and biotech, legal services, and accounting services — particularly companies with robust plans and a roadmap that considers both current and future applications.

[1] https://techfundingnews.com/meet-cursor-how-anyspheres-mit-born-ai-startup-hit-a-9-9b-valuation-in-3-years/

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VC investment globally falls in Q2'25 as largest deal sizes come down, cont'd.

Fintech sees surge in global VC deal activity, including several IPO exits in US

During Q2'25, VC investment in fintech saw a resurgence, driven by a number of significant deals in a diversity of jurisdictions, including the US (Plaid — $575 million), India (Groww — $200 million; IKF Finance ($172 million), the UK (XY Miners — $300 million), Germany (Scalable Capital — $175 million), China (Fosun Health Insurance — $111 million), Brazil (Clara — $80 million), and Canada (Keep — $76 million). The growing interest likely reflects both VC investors and fintechs becoming more comfortable with what the regulatory environment for fintechs will likely look like in the future — particularly in the US, where the SEC recently dropped a number of investigations in the crypto and fintech sectors.

Several fintechs also held successful exits during Q2'25, likely contributing to growing momentum and interest in the space. In May, mobile crypto investment platform eToro raised $620 million in a successful IPO on the Nasdaq.[2] In June, USDC stablecoin issuer and peer-to-peer payments company Circle held a very strong IPO on the NYSE, raising $1.1 billion, with its share price rising 168 percent in first day trading.[3] Digital Bank Chime followed quickly on Circle's heels, raising $864 million in its IPO on the Nasdaq.[4] The success of these IPOs could see other mature fintechs following in their footsteps, both to take advantage of a potential window of opportunity and to gain a larger voice in future regulatory discussions.

Continuation funds and hands-on assistance becoming more common among VC investors

Following on recent trends, continuation funds were a key vehicle for VC funds looking to dissipate the pressure to exit an investment at an inopportune time during Q2'25; given global uncertainties, the lack of liquidity, and some desire to hold off exits in order to give startup valuations time to regain previous highs, they will likely remain a key strategic choice for some time to come.

Increasingly, VC investors have also shown a desire to get more involved in the operations of their portfolio companies, shifting their approach from simply making investments to taking a more hands-on role in helping companies identify changes in order to enhance their value. This has been particularly true for aging funds looking to give their investors more comfort when using continuation funds.

Defencetech continues to gain interest and acceptance

Defencetech remained high on the radar of VC investors globally in Q2'25, given intensifying geopolitical tensions, the ongoing conflict between Russia and Ukraine, and the evolving conflict in the Middle East. During the quarter, US-based sensing and command and control platform developer Anduril Industries raised $2.5 billion, Germany-based software and drone maker Helsing raised $682 million, and Portugal-based marine surveillance company Tekever raised $500 million.

While historically many defencetech startups found it difficult to gain traction given the strong emphasis of many governments on large defence contractors, the sector has experienced a major turnaround in recent quarters, with rapidly growing interest in a wide range of specialty areas, including defence software, drones, and AI-powered defence solutions. VC investors have been particularly interested in startups with both retail and defence orientated solutions.

Spacetech attracting increasing attention and larger deal sizes

Building on a strong Q1'25, spacetech continued to see robust investment during Q2'25; the sector attracted one of the largest VC deals of the quarter globally — a $2.5 billion raise by US-based remote sensing and exploration company World View. While deal counts in the sector have remained relatively soft in 2025, total VC investment in spacetech is well-positioned to meet or exceed 2021's record high, highlighting the maturation of the sector and the growth in deal sizes.[5] The increasing interest in defencetech among VC investors has likely contributed to the complementary rise in interest in spacetech given the high degree of synergy between the two sectors.

[2] https://finance.yahoo.com/news/etoro-surges-ipo-debut-pushing-171136855.html
[3] https://techcrunch.com/2025/06/05/circle-ipo-soars-giving-hope-to-more-startups-waiting-to-go-public/
[4] https://www.reuters.com/business/finance/chime-set-long-awaited-market-debut-after-864-million-us-ipo-2025-06-12/
[5] https://pitchbook.com/news/articles/vcs-shoot-for-the-stars-send-space-tech-funding-on-course-for-new-record

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VC investment globally falls in Q2'25 as largest deal sizes come down, cont'd.

Trends to watch for in Q3'25

Heading into Q3'25, VC investment globally is expected to remain relatively subdued as VC investors continue to be cautious given uncertainties related to US tariff policies. Changes proposed in the new US tax bill could also drive a fresh wave of uncertainty over the next three-to-six months, particularly for global companies; should it be ratified, investors and startups will need to evaluate potential implications and incorporate them into their operations and deal-making processes.

AI is expected to remain a very hot sector of VC investment, with an increasing range of vertical solutions attracting attention. Defencetech, healthtech and fintech are also well positioned to see steady levels of investment in Q3'25, while sectors more susceptible to evolving US tariff policies could see VC investors holding back until those policies are stabilized.

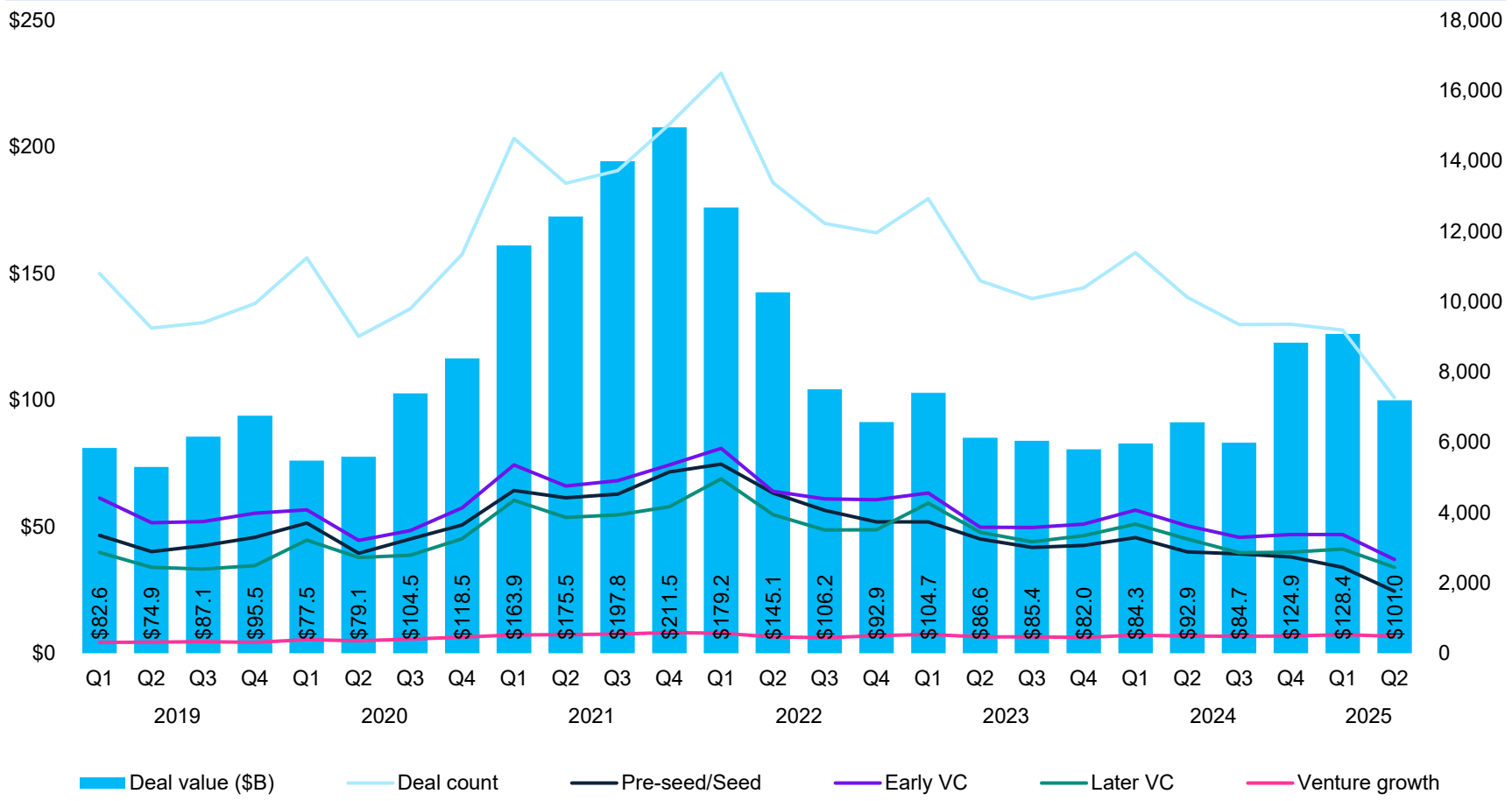
In the wake of the successful fintech IPOs during Q2'25, the IPO market will be critical to watch to see whether other mature fintechs or VC-backed companies move to exit.

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Mega-rounds drive a bounce-back in VC invested

Global venture financing

2019–Q2'25



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

> "VC investors have become very familiar with uncertainty over the last few years. While the latest wave — tariffs, counter tariffs, rising tensions in the Middle East — has caused some pullback in activity in exposed sectors, the incredible robustness of other sectors, like AI and defencetech, has kept VC investment quite resilient quarter-over-quarter. Despite the headwinds, VC investors are making deals; they're simply focusing their efforts on more proven businesses and hot sectors."



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

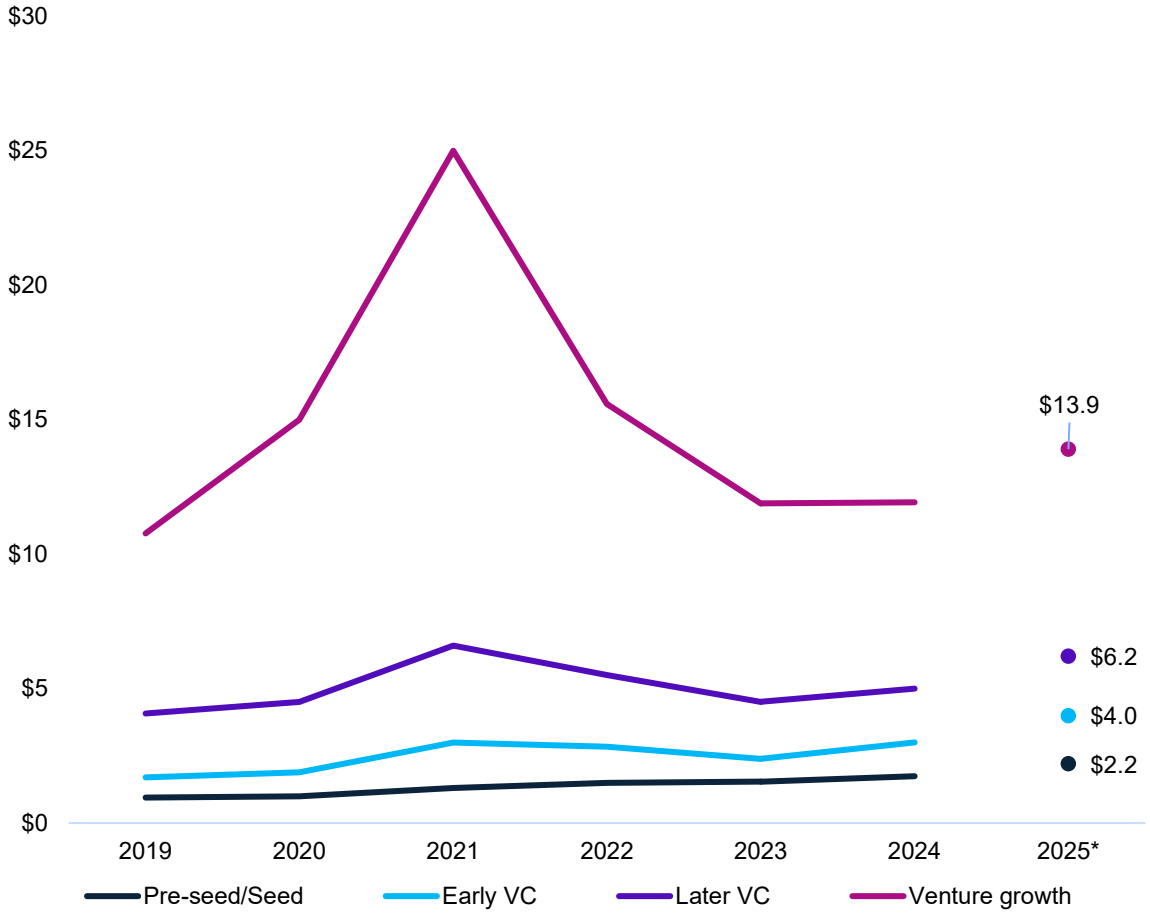
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Investors remain cautious in part, but willing to back safer deals

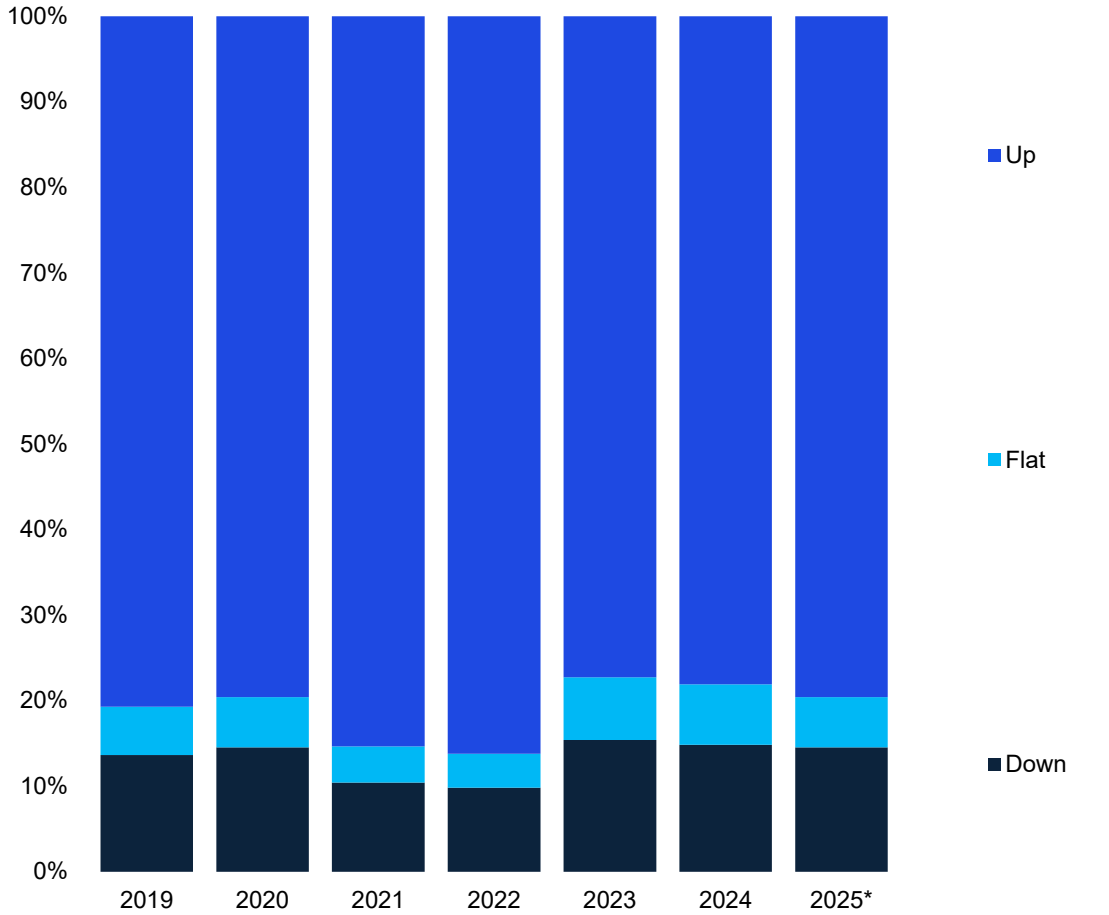
Global median deal size ($M) by stage

2019–2025*



Global up, flat or down rounds

2019–2025*



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

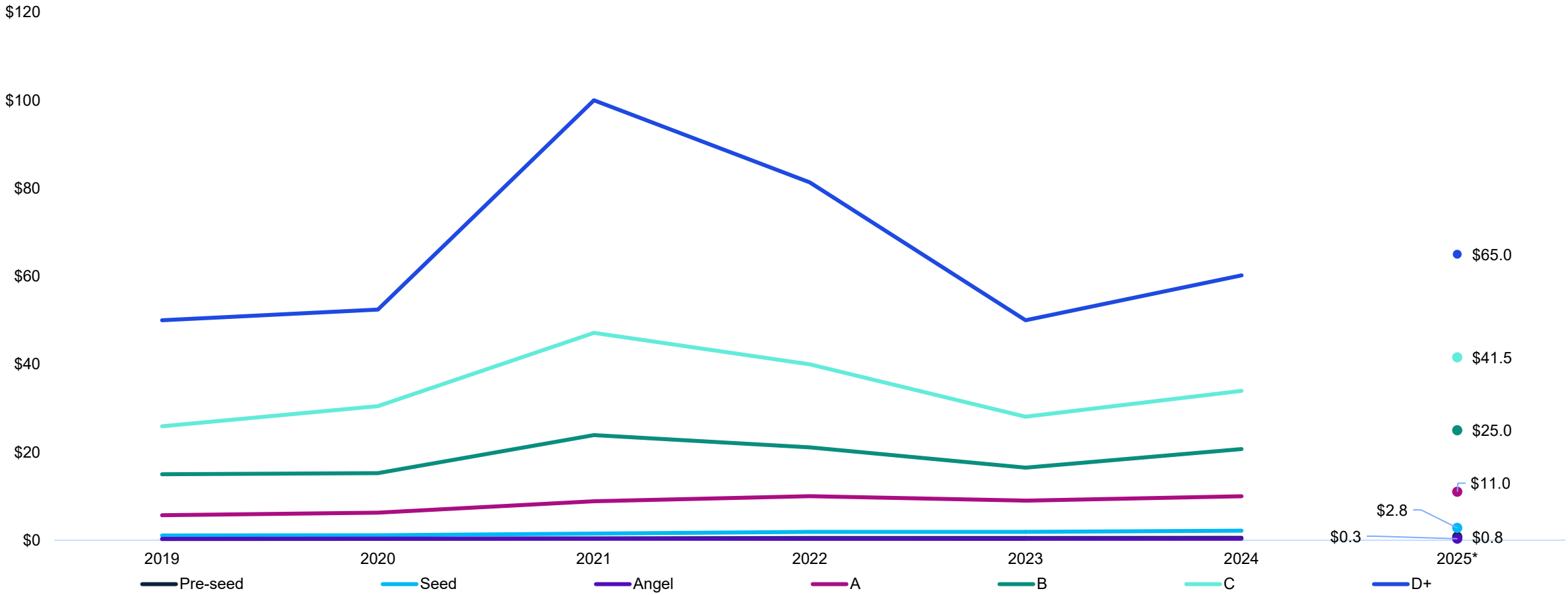
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Financing sizes continue to recover

Global median deal size ($M) by series

2019–2025*



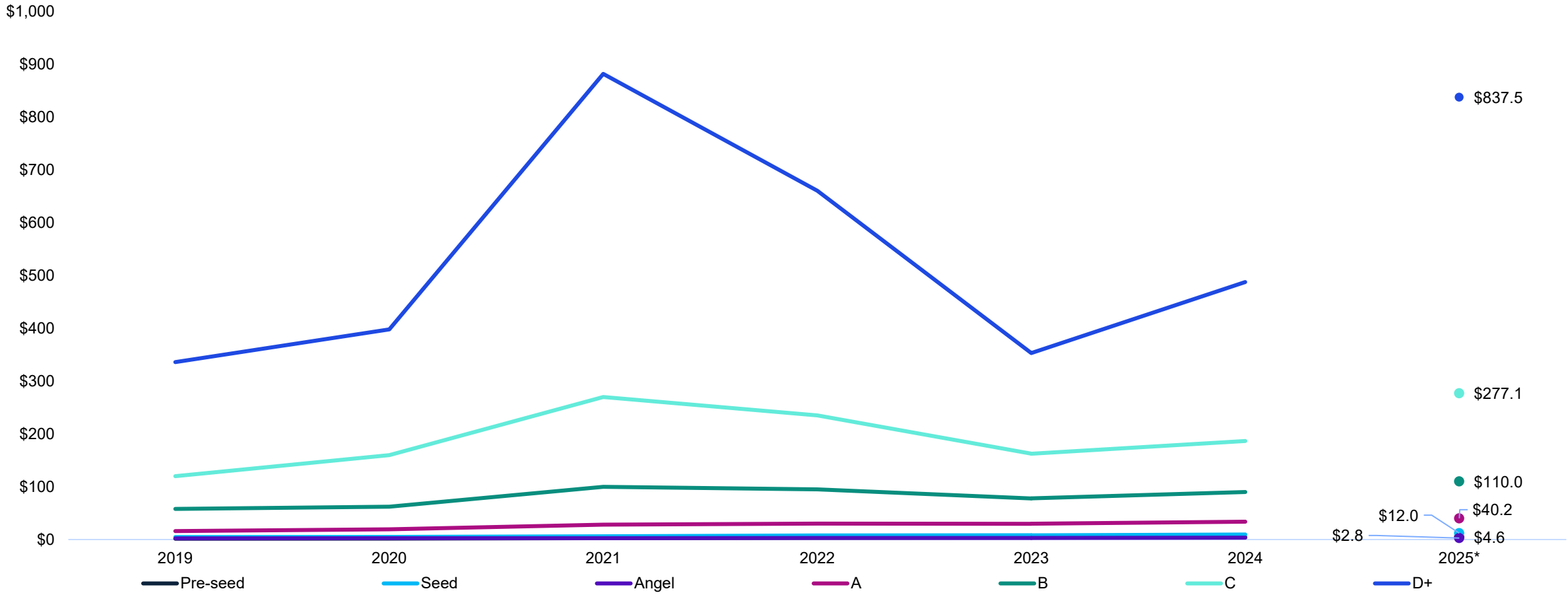
Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

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Valuations rebound or remain steady

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

2019–2025*



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

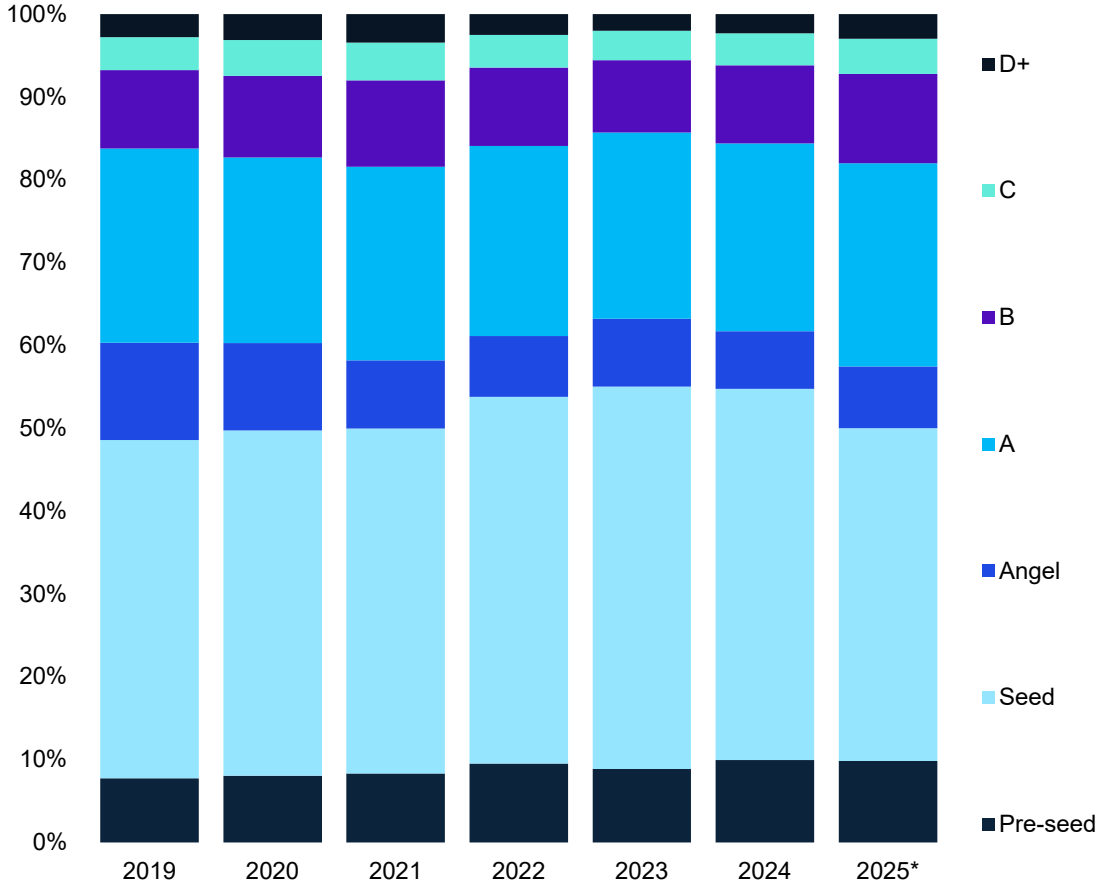
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Rounds tilt a bit larger amid uncertainty in markets

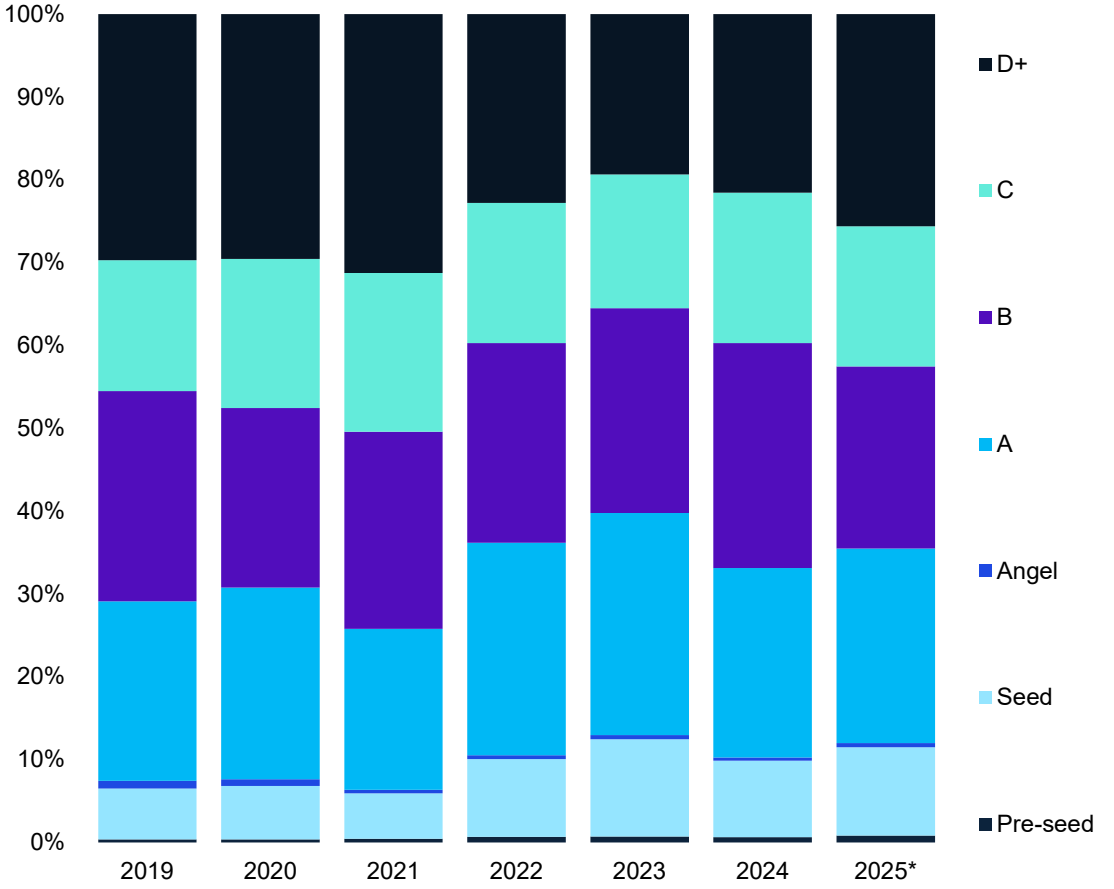
Global deal share by series

2019–2025*, number of closed deals



Global deal share by series

2019–2025*, VC invested ($B)



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

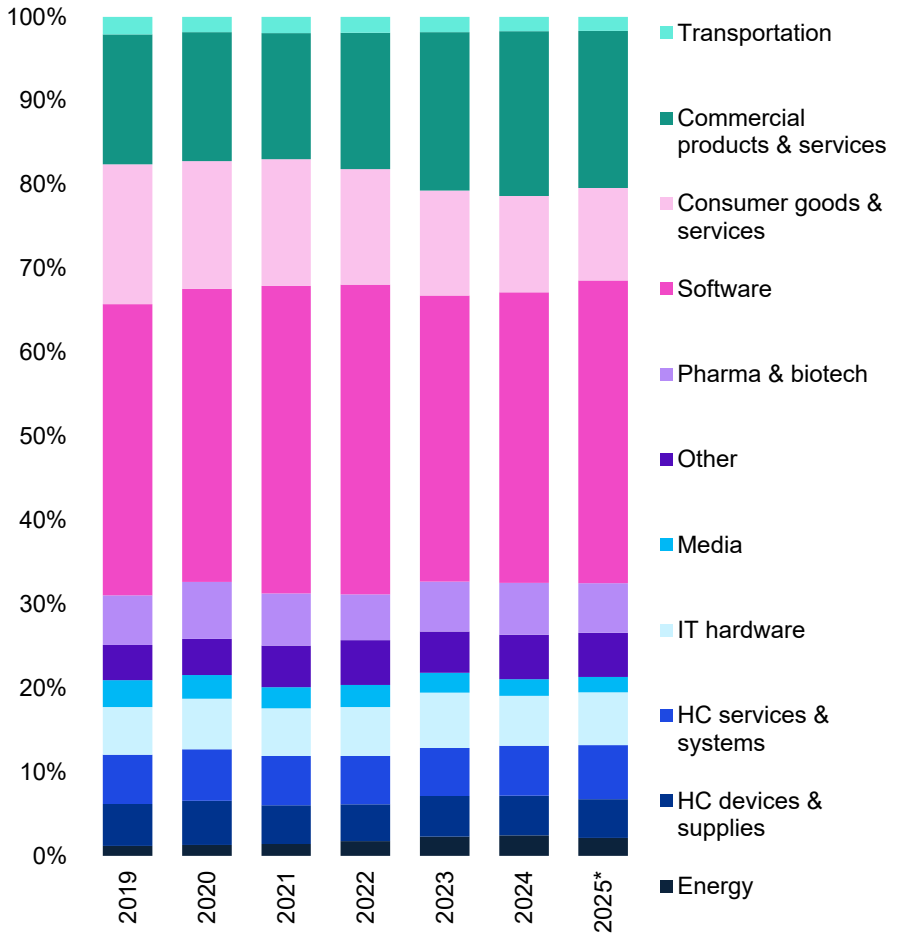
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Software booms off of AI surge

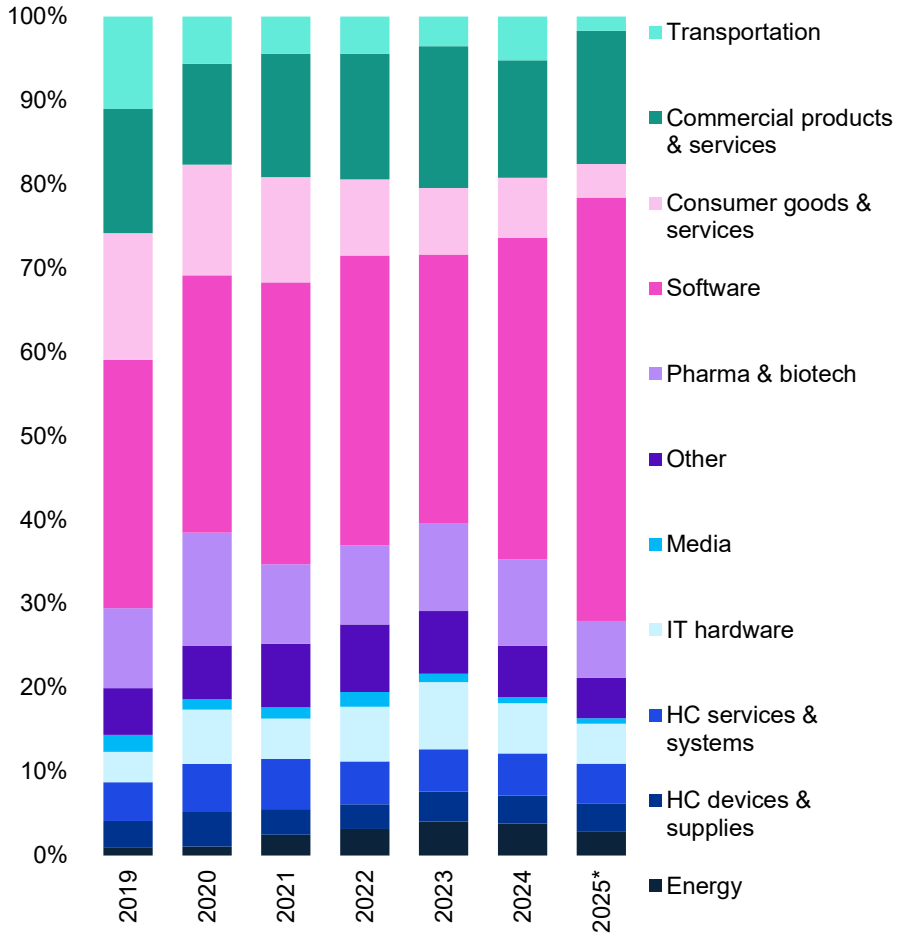
Global financing trends to VC-backed companies by sector

2019–2025*, number of closed deals



Global financing trends to VC-backed companies by sector

2019–2025*, VC invested ($B)



> "The AI space globally has been very hot — and Q2'25 was no exception. What we're starting to see, however, is a lot more focus on vertical AI companies. While big model companies are still raking in significant funding rounds, we're seeing a lot more investment in companies focused on vertical-focused AI solutions. While defense-focused solutions attracted the lion's share of investment in Q2'25, a diversity of other verticals have also started to see AI-focused investments — from biotech and healthtech to accounting and legal services."



Francois Chadwick
Global Lead for Emerging Markets and Partner
KPMG in the US

Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

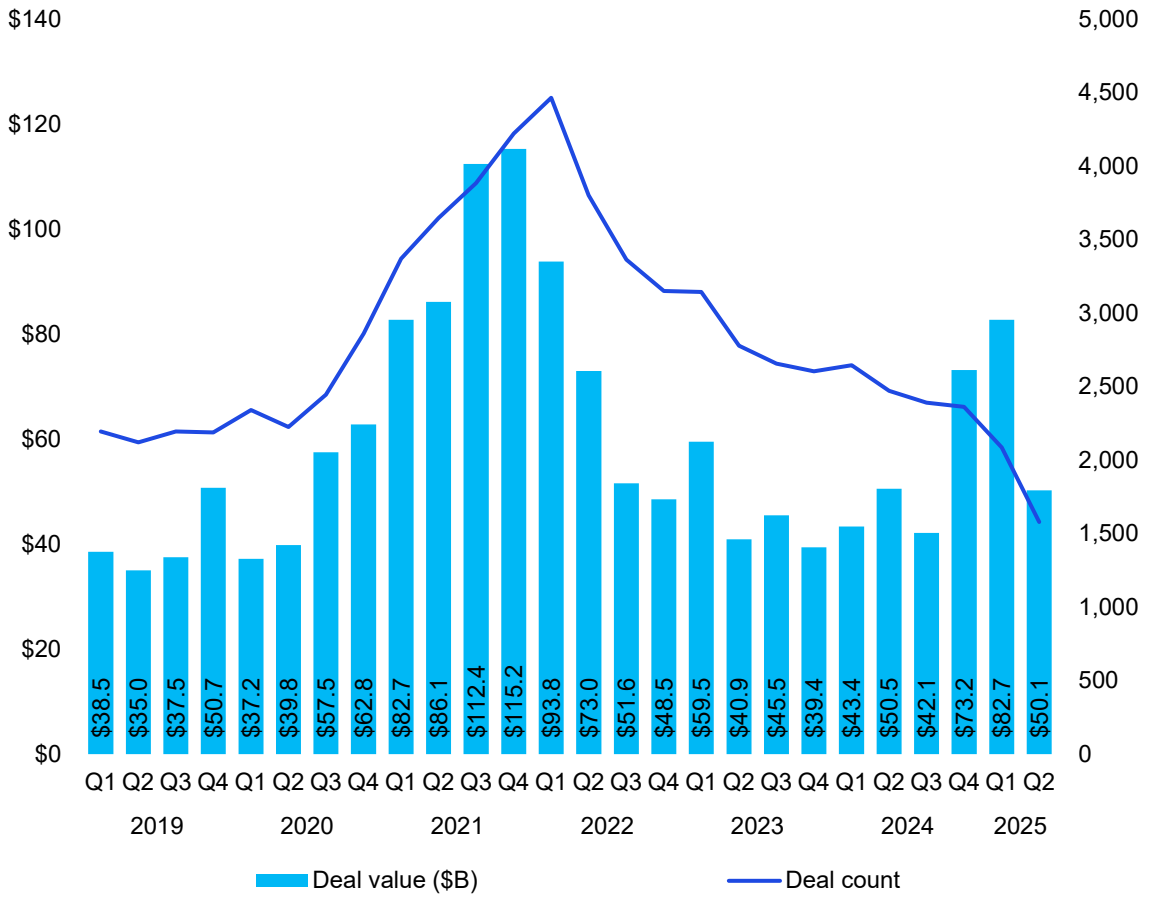
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Corporates and first-time fundraising are healthy

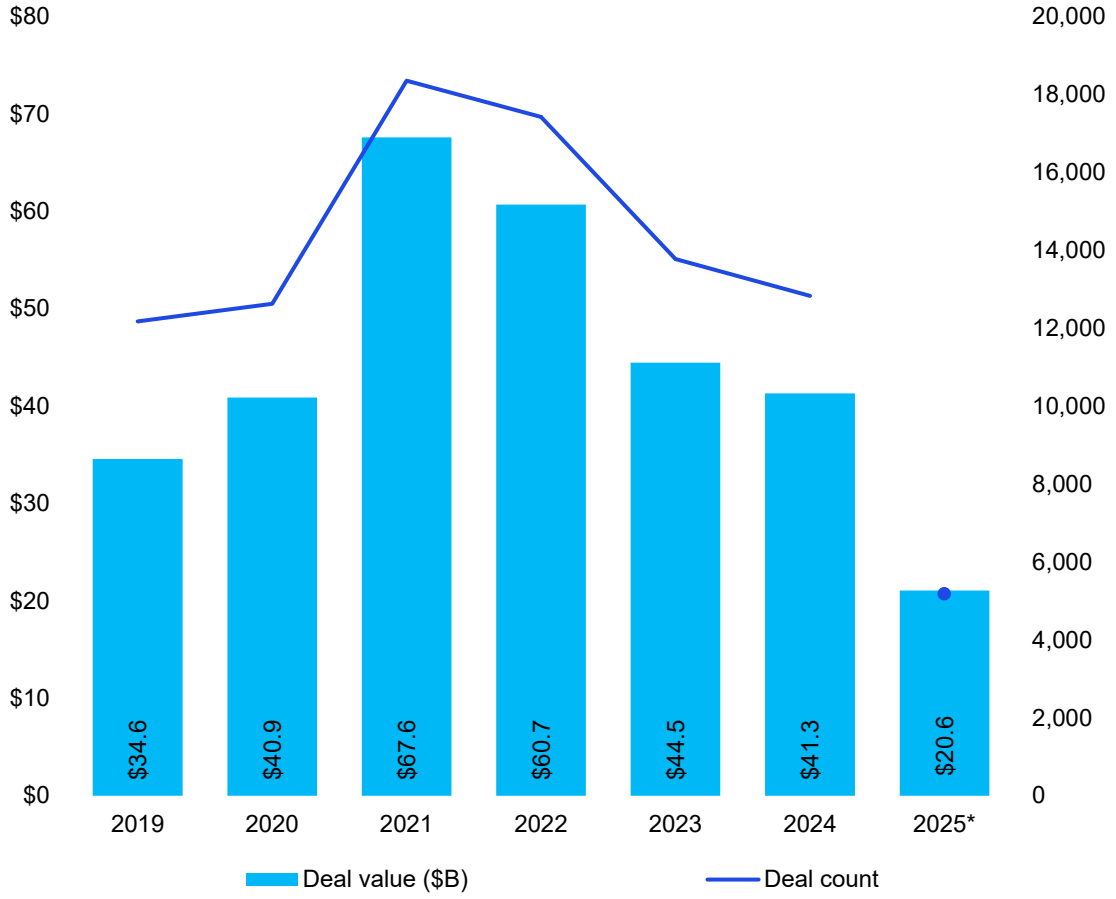
Corporate VC participation in global venture deals

2019–Q2'25



Global first-time venture financings of companies

2019–2025*



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

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

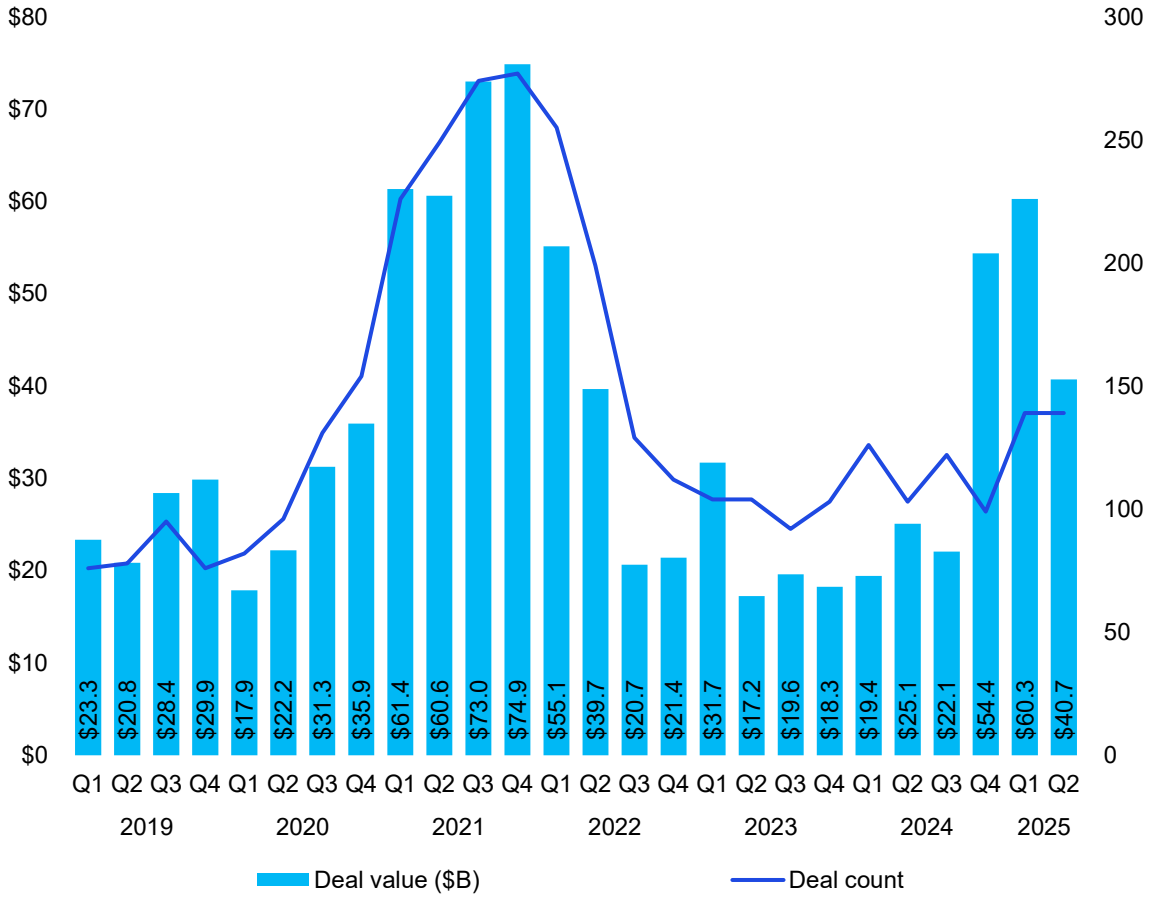
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Unicorns keep raising while exits stay sluggish

Global unicorn rounds

2019–Q2'25

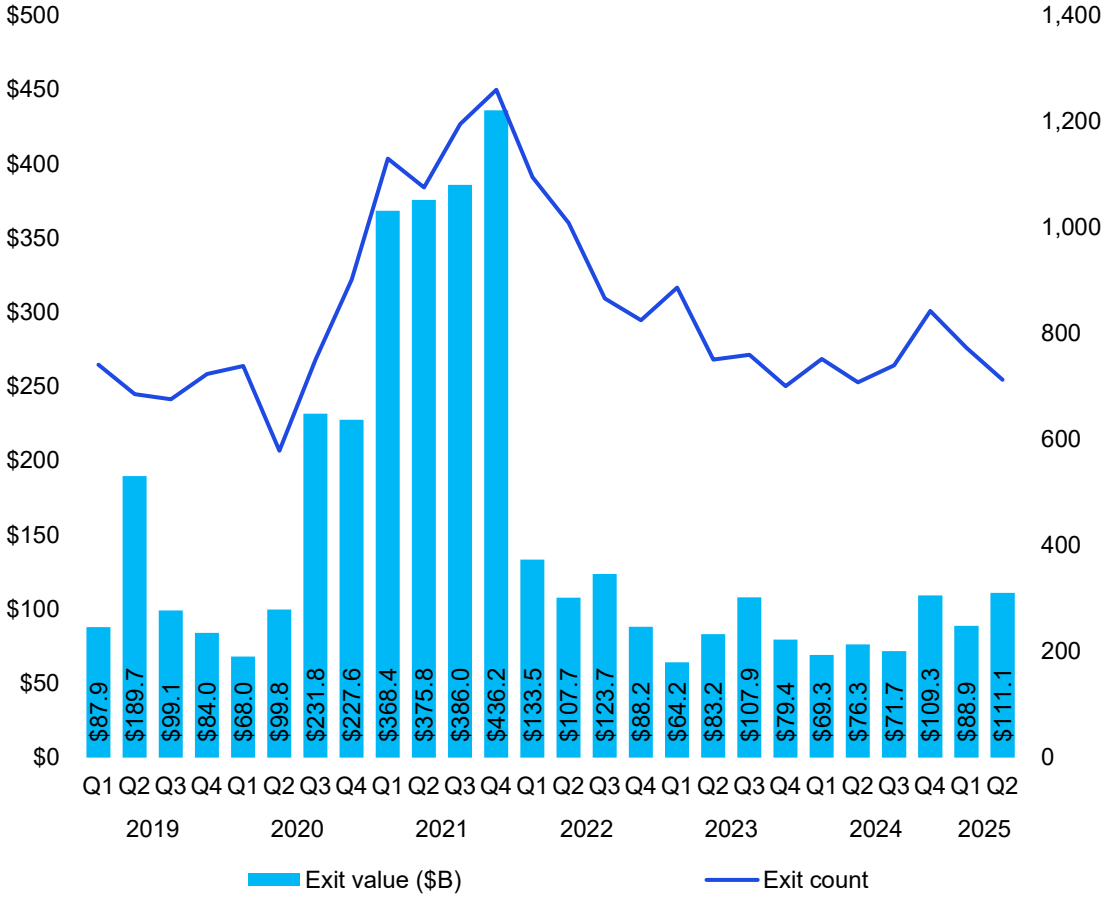


Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

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

Global venture-backed exit activity

2019–Q2'25



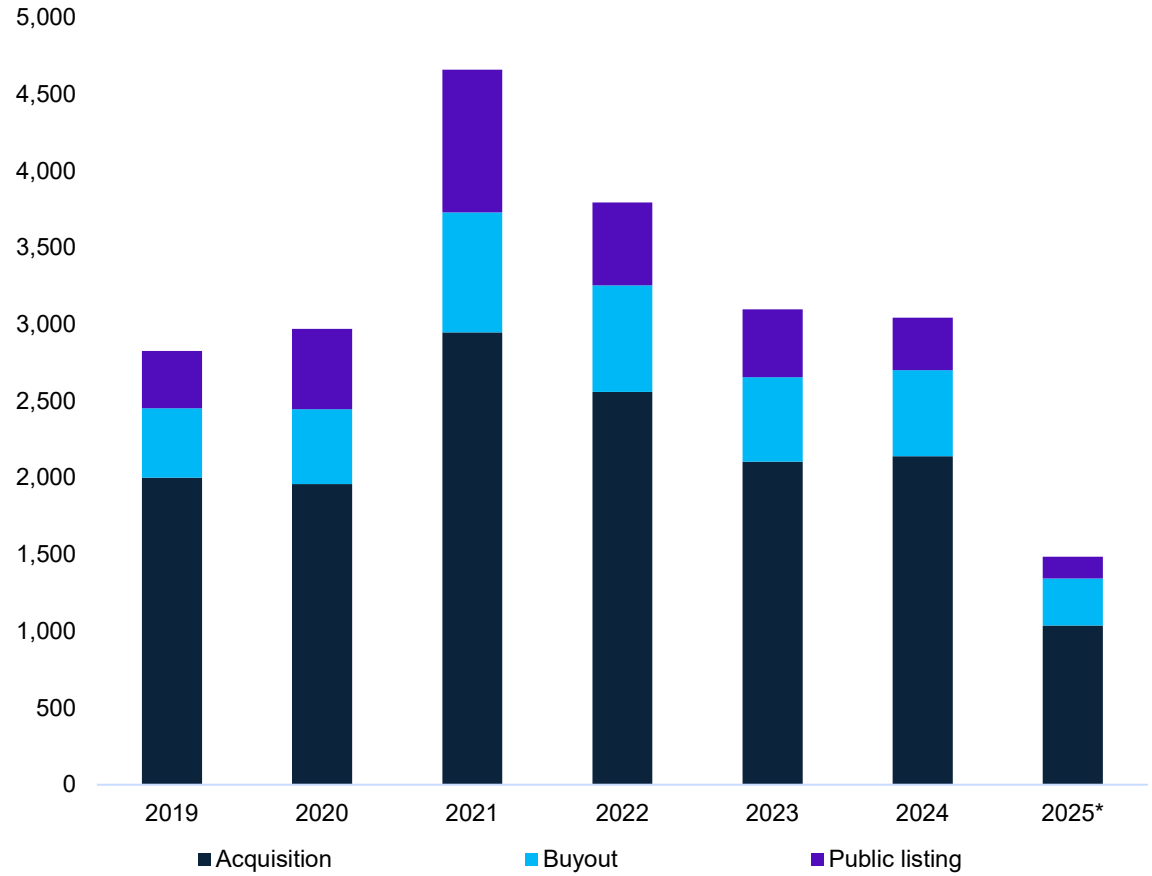
Note: Exit value for initial public offerings is based on pre-IPO valuation, not the size of the offering itself. In January 2025, a new extrapolation for M&A exit values was also applied.

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2025 exit values improve, but modestly

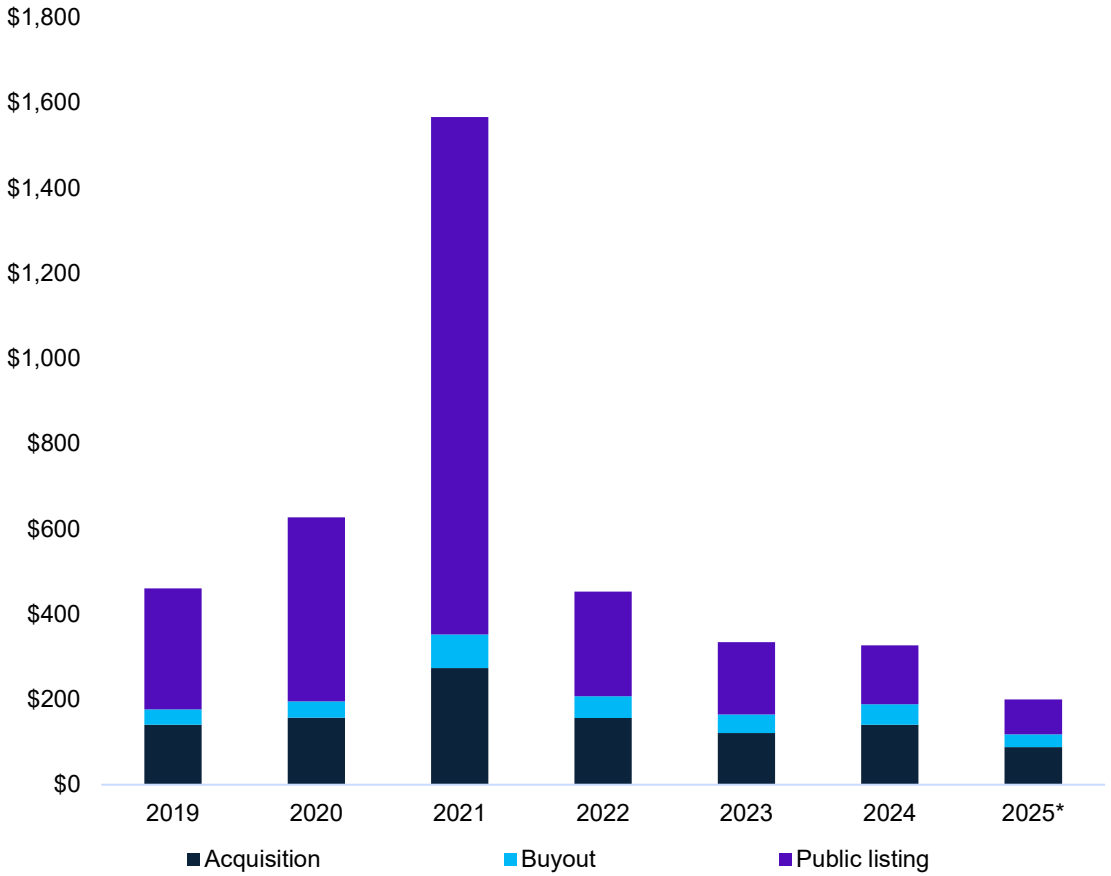
Global venture-backed exit activity (#) by type

2019–2025*



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

2019–2025*



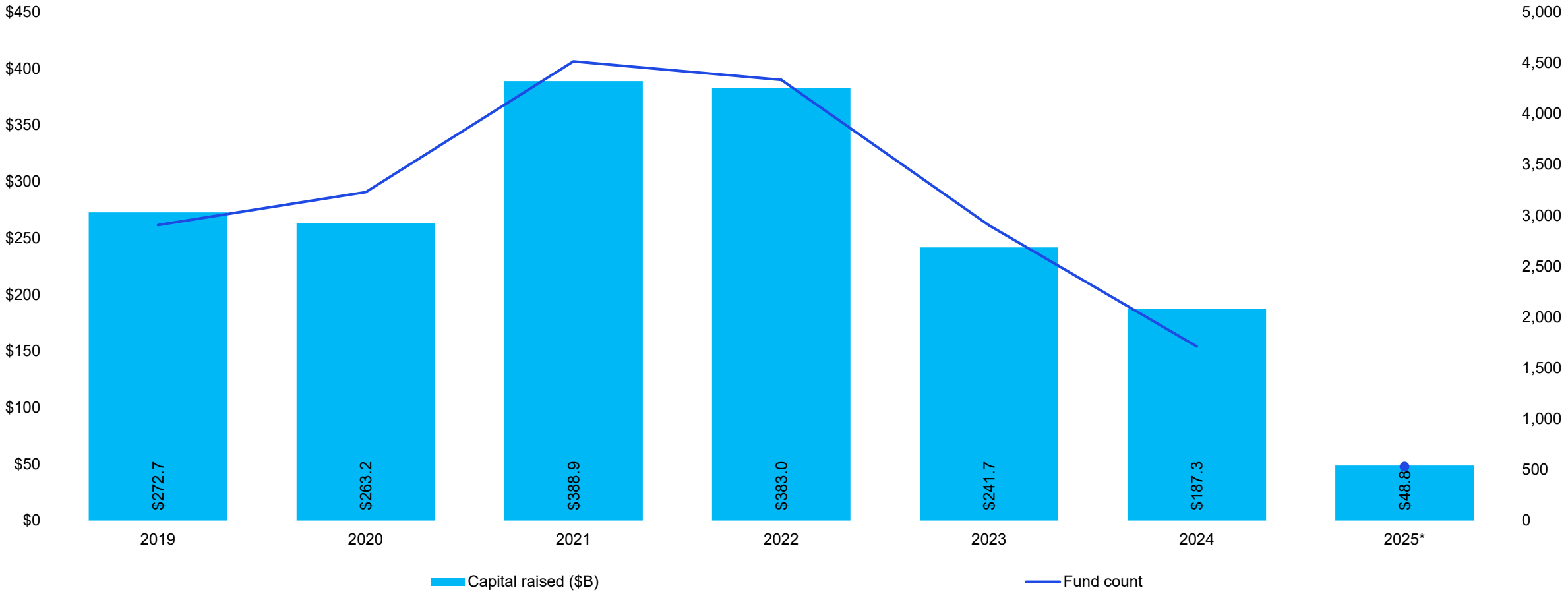
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LPs continue to wait for improved cash returns

Global venture fundraising

2019–2025*



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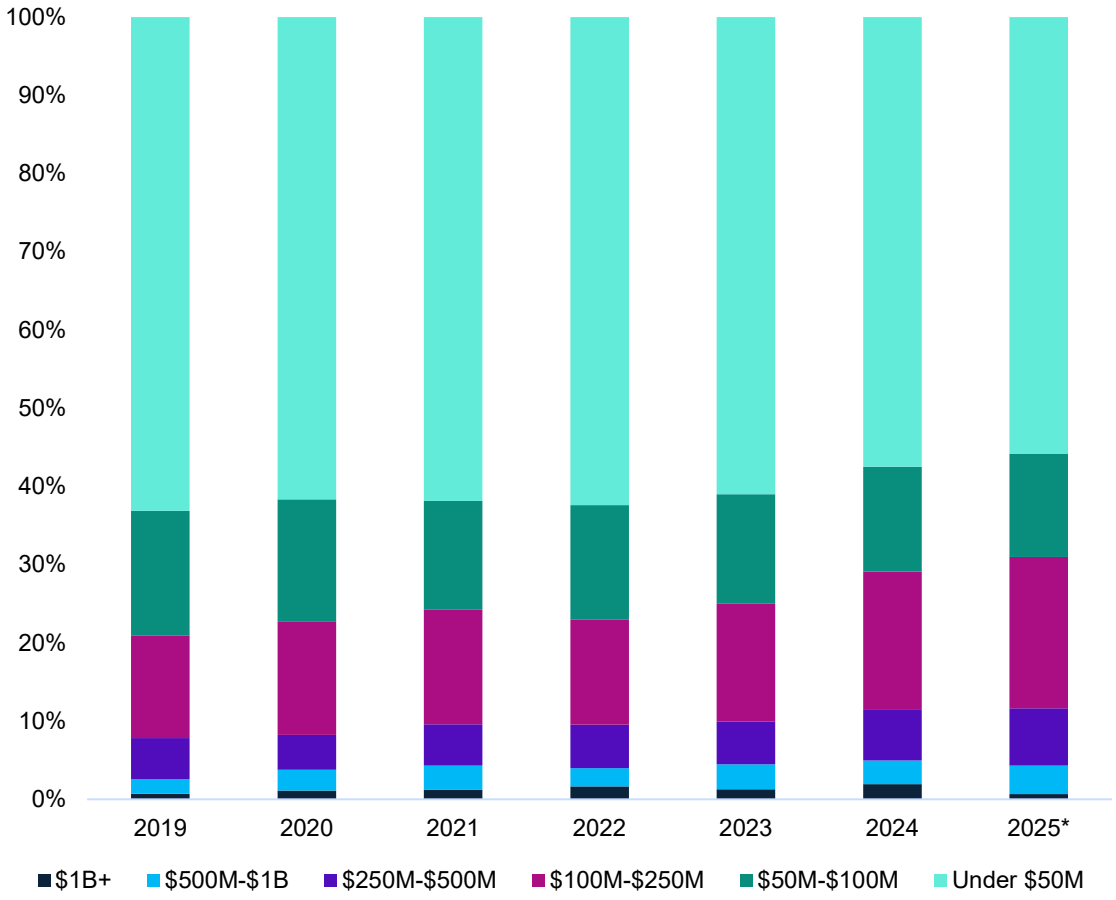
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Fundraising continues tilt toward midsized vehicles

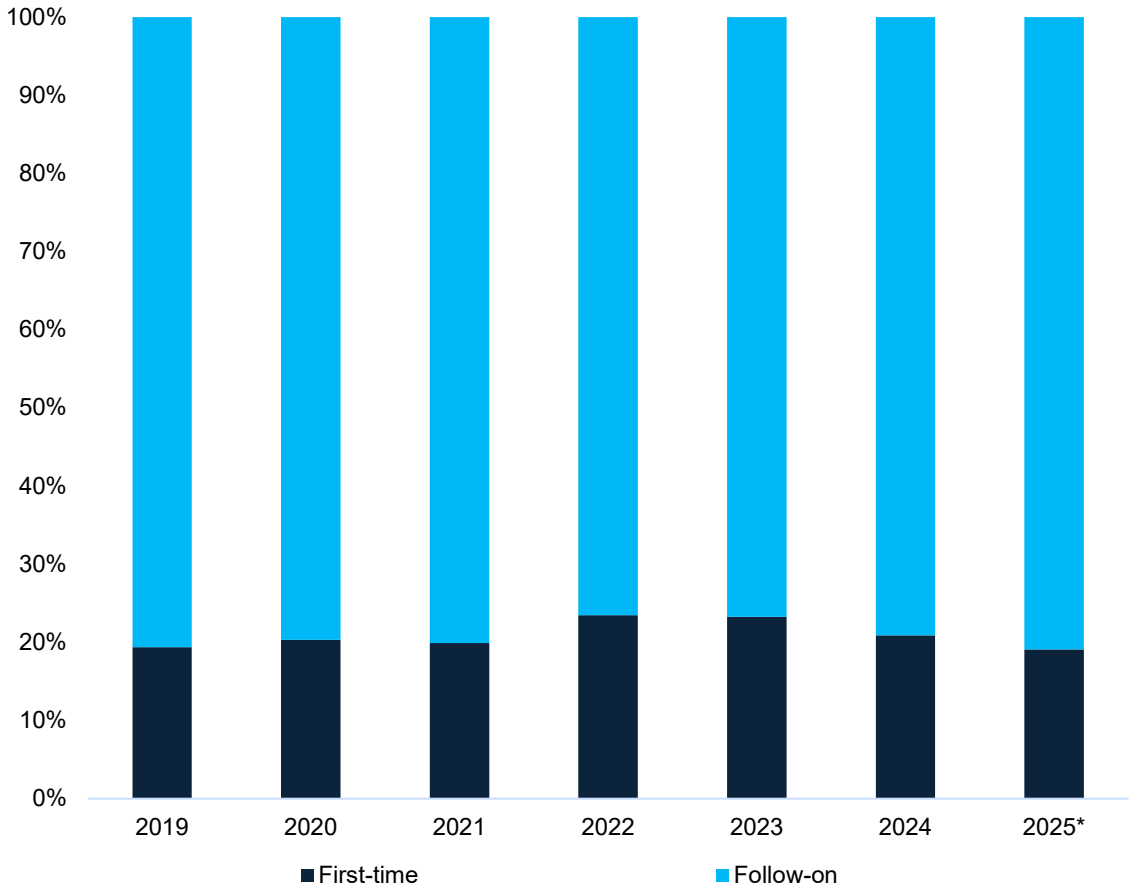
Global venture fundraising (#) by size

2019–2025*



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

2019–2025*



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

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AI & AI-driven platforms account for nearly every top deal

Top 10 global financings in Q2'25



1. **Scale AI** — $14.3B, San Francisco, US — AI & ML — *Late-stage VC**
2. **World View** — $2.6B, Tucson, US — Aerospace & defense — *Series D*
3. **Anduril** — $2.5B, Costa Mesa, US — Defensetech — *Series G*
4. **Thinking Machines** — $2B, San Francisco, US — AI & ML — *Seed*
5. **Safe Superintelligence** — $2B, Palo Alto, US — AI & ML — *Early-stage VC*
6. **Grammarly** — $1.15B, San Francisco, US — AI & ML — *Late-stage VC*
7. **Anysphere** — $900M, San Francisco, US — AI & ML — *Series C*
8. **Helsing** — $682.95M, Munich, Germany — Defensetech — *Series D*
9. **Econic Partners** — $656.05M, Los Angeles, US — B2B — *Early-stage VC*
10. **Neuralink** — $650M, Fremont, US — Healthtech — *Series E*
10. **TerraPower** — $650M, Bellevue, US — Cleantech — *Late-stage VC*

Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025. In the past, OpenAI deals, much like other deals such as those for Anthropic, are a unique mix of equity investment and contingent payouts plus debt financing, so ultimately was classified as a VC mega-round by PitchBook. The Scale AI transaction in Q2 2025 was classified similarly, given its minority interest and roster of investors.

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In Q2'25, US VC-backed companies raised $70 billion across 3,073 deals

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Despite drop in total VC funding, defencetech and AI sectors remain very hot in US

VC investment in the US fell in Q2'25, despite several $1 billion+ megadeals, including a $2.6 billion raise by World View, a $2.5 billion raise by Anduril Industries, and a $2 billion raise by Safe Superintelligence.

Q1'25's $40 billion outlier deal drives steepness of decline in VC investment in Q2'25

VC investment in the US declined in Q2'25, driven in part by a fresh surge of uncertainty powered by concerns over the impact of evolving tariff policies. Some VC investors chose to pull back from making major investments in sectors particularly exposed to tariff risks — such as manufacturing and durable and consumer goods — until policies get stabilized. The quarter-over-quarter decline in US-based VC investment, however, was over-emphasized by the record $40 billion raise by OpenAI in Q1'25 — a deal that exceeded the combined total of VC investment in both Europe and Asia during Q1'25.

AI continues to drive significant VC investment in the US, although frenetic pace may be slowing

AI remained a hot ticket for VC investment in the US during Q2'25; among the deals completed during the quarter, AI-powered defencetech Anduril Industries raised $2.5 billion, AI system developer Safe Superintelligence raised $2 billion, AI-empowered coding assistant company Anysphere raised $900 million, AI-native data security firm Cyera raised $500 million, and robotics firm Skild AI raised $540 million. While still an incredibly robust quarter of AI investment, Q2'25 did not have the same frenzied pace of mega-dealmaking compared to other recent quarters. This likely reflects a combination of VC investors wanting to see how specific AI-focused business models pan out and investors shifting their focus from capital-intensive model development to more emergent areas of AI, including high potential, vertical-focused solutions.

US IPO market sees spur of activity in later half of Q2'25, led by mature fintechs

The end of Q1'25 and beginning of Q2'25 saw significant volatility in the US stock markets, driving a number of companies to delay or postpone their planned IPO exits. Over the remainder of the quarter, however, markets stabilized and rebound relatively quickly. Several companies were quick to take advantage on this perceived sense of stability, including a number of mature fintechs. In May, Israel-based online broker and crypto-focused firm eToro raised $620 million in its IPO on the Nasdaq, giving it a $5.6 billion valuation.[6] In June, blockchain-based infrastructure company and stablecoin issuer Circle raised $1.1 billion in its debut on the NYSE, with its share price jumping 168 percent in first day trading; while it is still early days, Circle's shares have jumped considerably since its IPO.[7] US-based digital bank Chime also held an IPO in June, raising $864 million in its debut on the Nasdaq.

Outside of the fintech sector, the healthtech also saw a number of solid IPOs during the second half of Q2'25; most notably, virtual physical therapy company Hinge Health raised $437 million in its IPO in May, while digital health provider Omada Health raised $150 million in its IPO in June. While the IPO activity seen in the US during Q2'25 was positive, it remained shy of predictions made in late 2024.

[6] https://www.reuters.com/markets/israeli-trading-platform-etoro-gains-over-34-bumper-nasdaq-debut-2025-05-14/
[7] https://www.ccn.com/news/business/circle-stock-soars-ipo-fueling-stabssslecoin-market-surge/

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Despite drop in total VC funding, defencetech and AI sectors remain very hot in US, cont'd.

Fundraising activity in the US remains dry

At mid-year, fundraising by VC funds in the US was down substantially, even compared to the subdued year that was 2024. The dearth of fundraising likely reflects a combination of factors, including the uncertain market, the lack of liquidity resulting from the challenging exit environment, and the availability of lower-risk investment alternatives

New SPACs may be positioning for future AI deals

In the first half of 2025, the US saw a number of new SPAC listings, helping buoy listing activity in the US. While SPAC mergers have not been particularly prominent in the US market over the last several quarters, the upswing in activity may reflect investors laying the groundwork for accelerating the ability of AI-focused startups to go public over the next few years.

Trends to watch for in Q3'25

Heading into Q3'25, the cautious optimism that permeated the market in Q3'24 and Q4'24 prior to the change in administration appears to have returned, particularly on the exit front. Given the successful fintech IPOs in Q2'25, other mature startups could take advantage of the perceived stability in the markets in order to head for the door — particularly in areas like fintech, healthtech, and cybersecurity. While IPO exit activity may pick-up compared to recent quarters, the uncertainty around trade policies, supply chain relationships, global demand, and both potential inflation and interest rate impacts will likely push any major resurgence in IPO activity into 2026.

AI and defencetech are expected to remain key areas of VC investment over the next few quarters. In the AI space, M&A activity is also expected to pick up as some corporates target acquisitions as a mechanism to acquire much needed AI talent and others look to bring innovative AI products into their own platforms and solutions.

> "A number of fintechs have been ready to go public for some time. The business models were there. The revenues were there. The profitability or paths to profitability were there. The biggest concern was that regulation would come along that would significantly impact fintech business models. Now, there's a view that this isn't going to happen. That's likely a part of what gave Chime, Circle and eToro the confidence to IPO this quarter — along with a view that markets are going to be more stable going forward. And I think there's more to come when it comes to fintech exits."



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

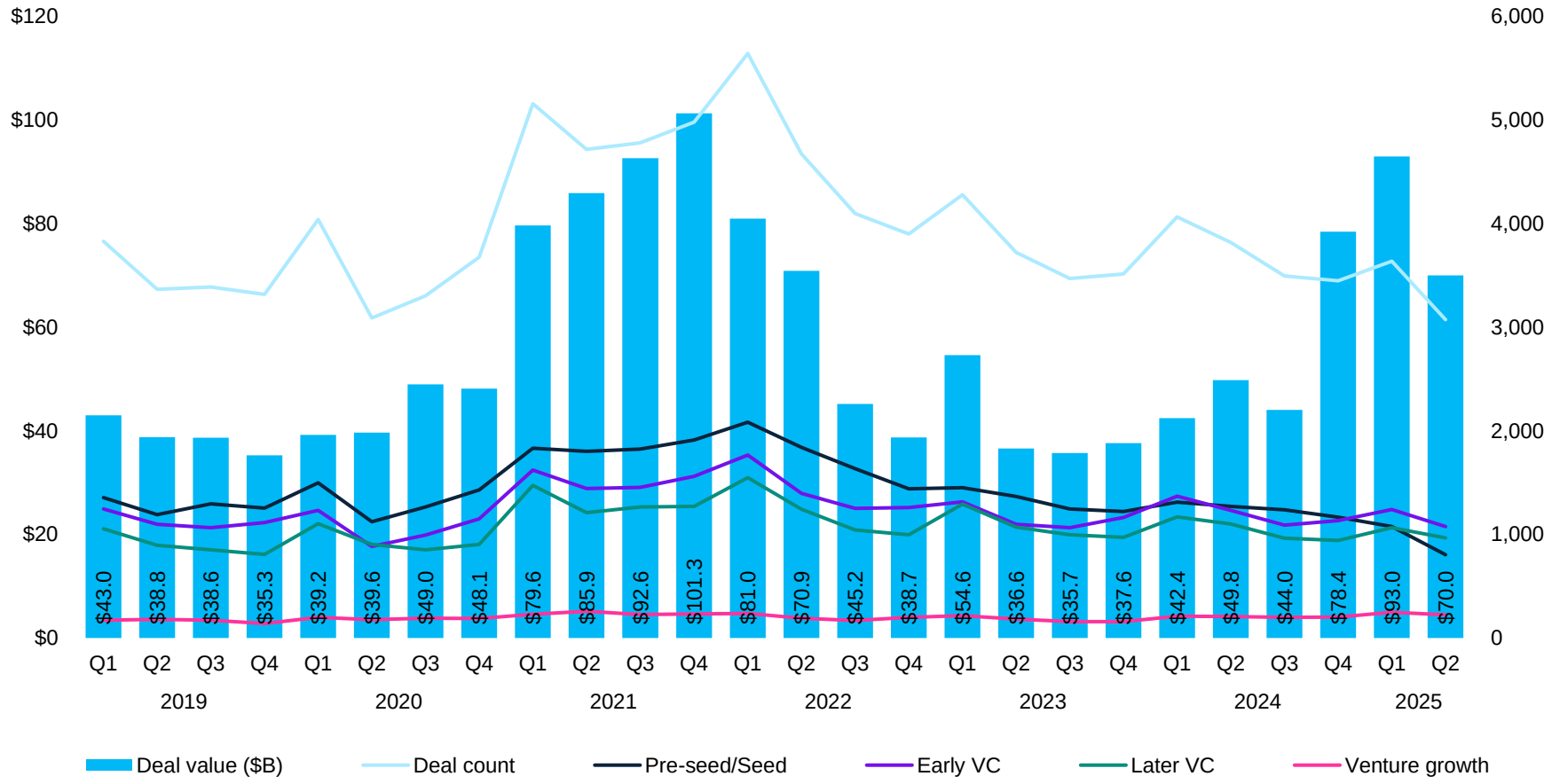
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Billions in AI investment continue to flow

Venture financing in the US

2019–Q2'25



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

> "The tariff announcements injected uncertainty into the market, including whether tariffs may drive inflation or pop interest rates higher. Due diligence times have expanded — particularly for healthcare and biotechs. Corporates have also been spending a lot more time considering deals and acquisitions, even for straightforward equity rounds of financing. While some sectors were hit particularly hard this quarter — transportation being a good example — other sectors continued to see a lot of activity and momentum. There is still appetite for deals; there's just more caution and focus on due diligence."



Scott Burger
Partner
KPMG in the US

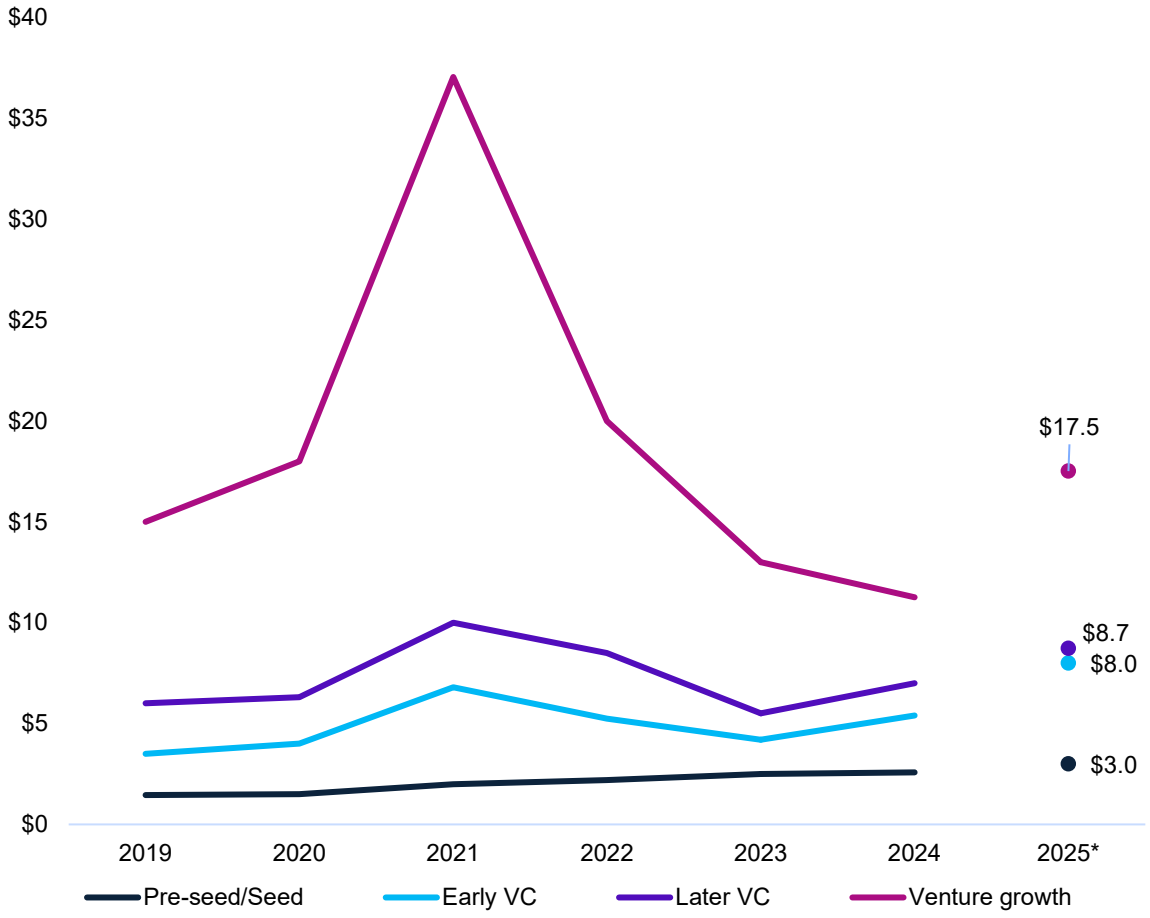
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Beyond AI-fueled pockets, caution still is prevalent

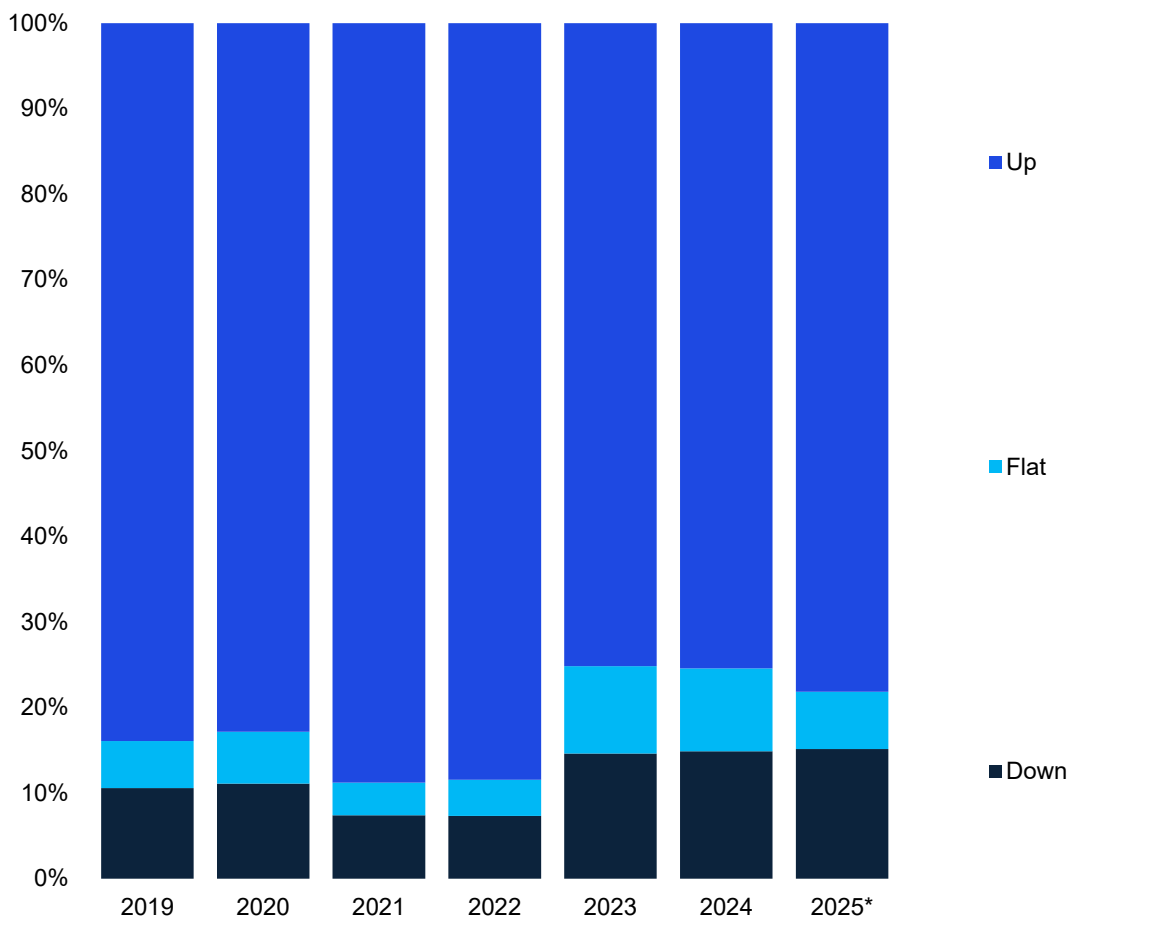
Median deal size ($M) by stage in the US

2019–2025*



Up, flat or down rounds in the US

2019–2025*



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

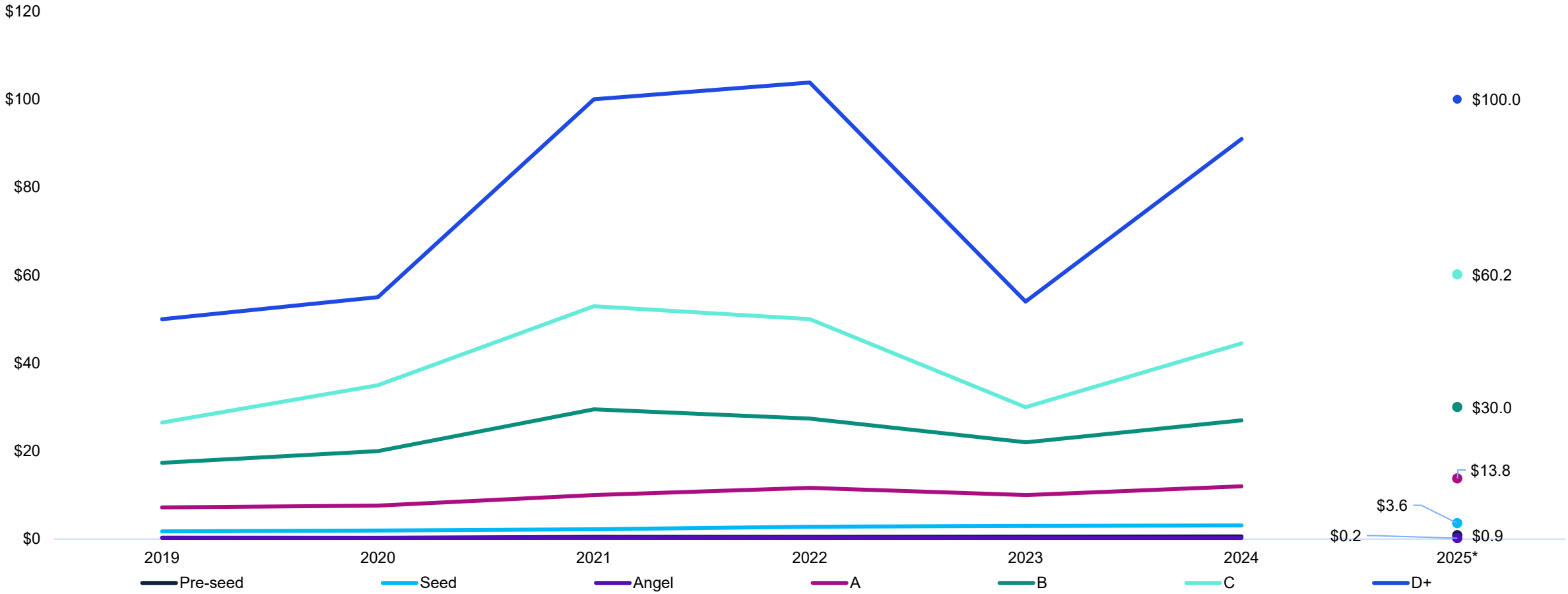
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Deal sizes continue a climb

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

2019–2025*



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.
Note: Figures rounded in some cases for legibility.

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Later-stage valuations are on the upswing

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

2019–2025*



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.
Note: The 2025* angel and pre-seed figures are based on population sizes n < 30.

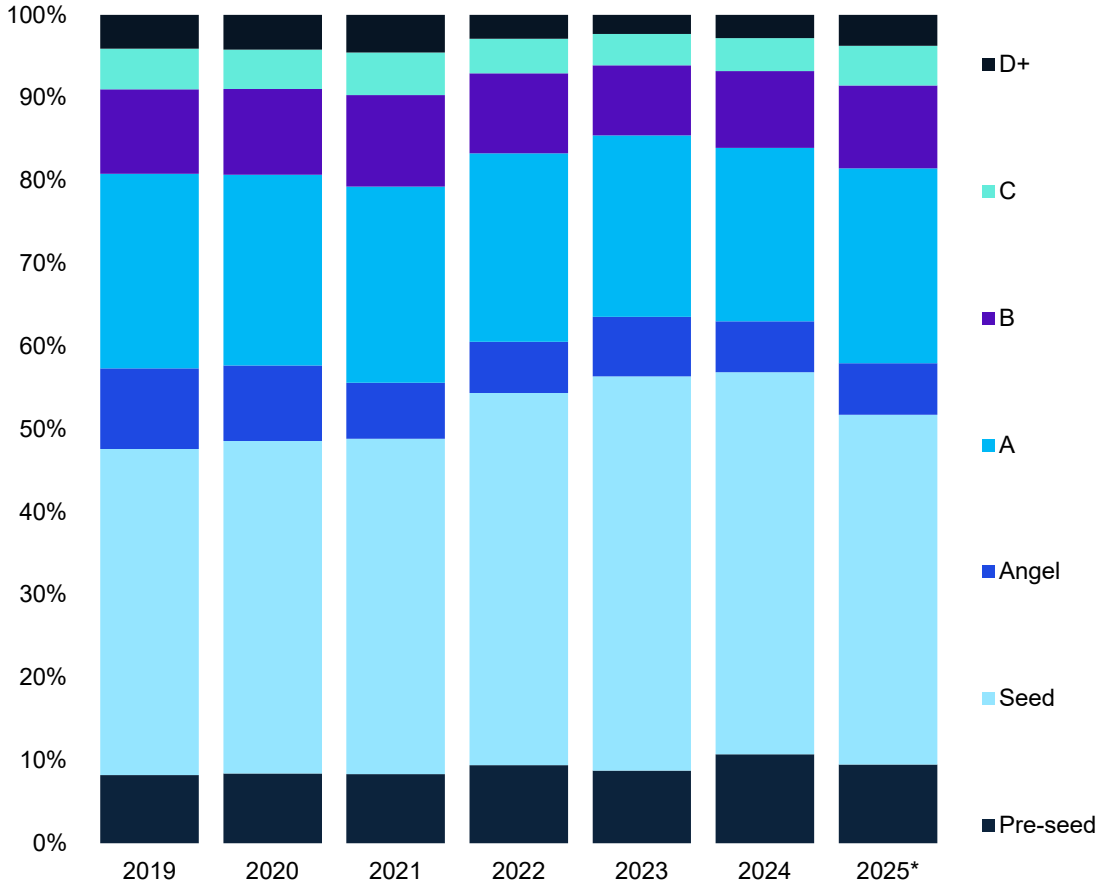
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Late-stage mega-rounds persist

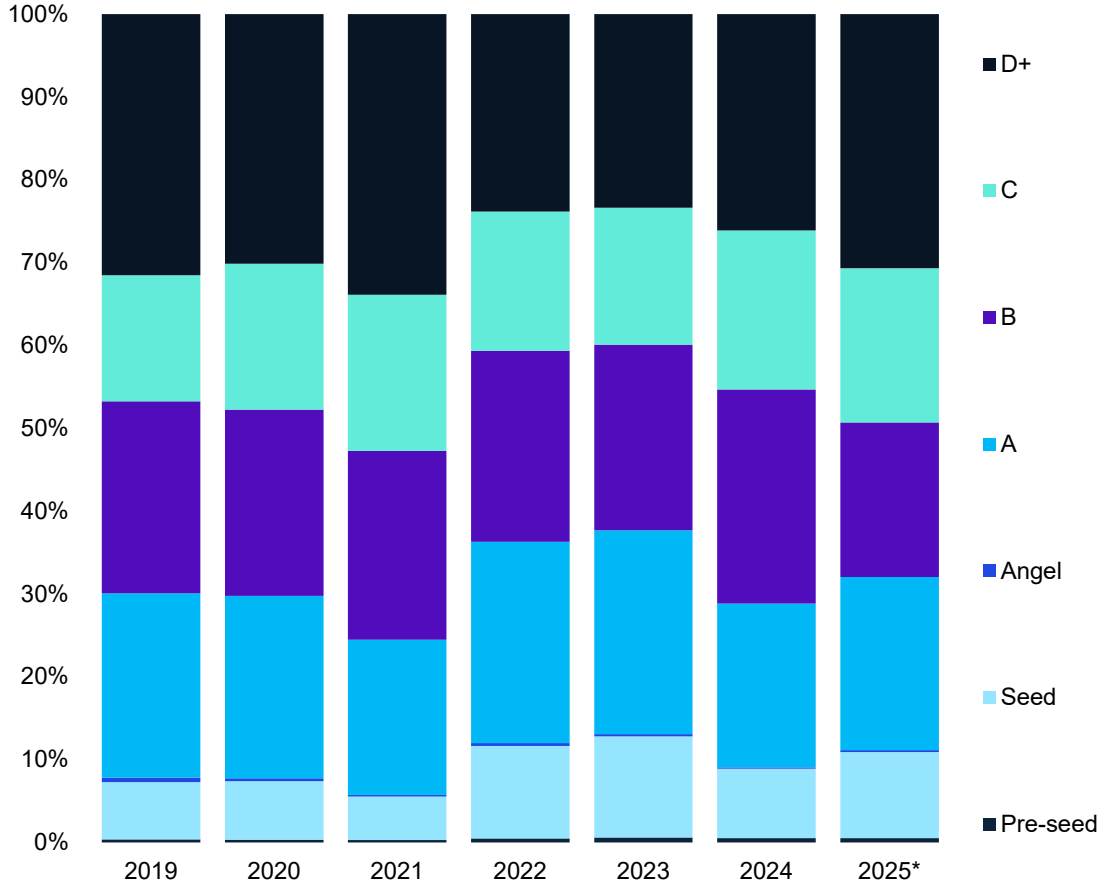
Deal share by series in the US

2019–2025*, number of closed deals



Deal share by series in the US

2019–2025*, VC invested ($B)



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

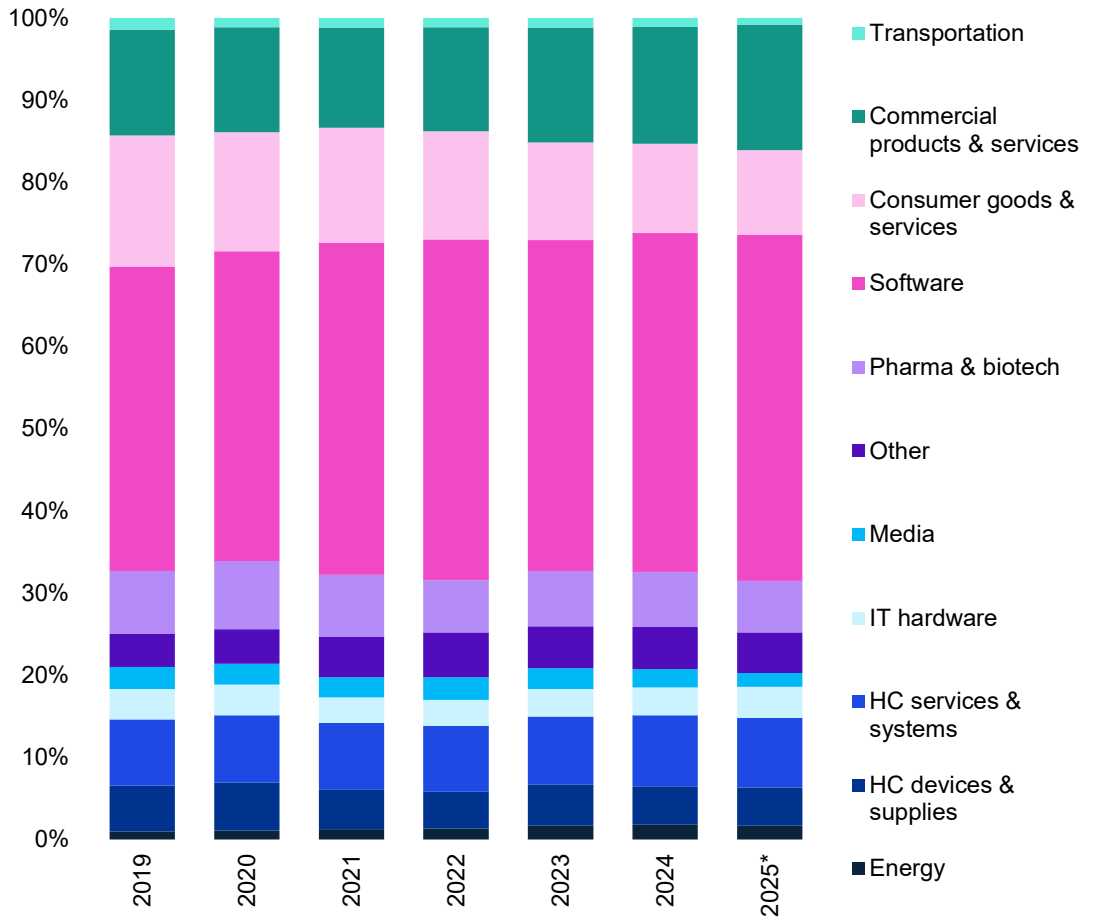
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The AI boom continues unabated

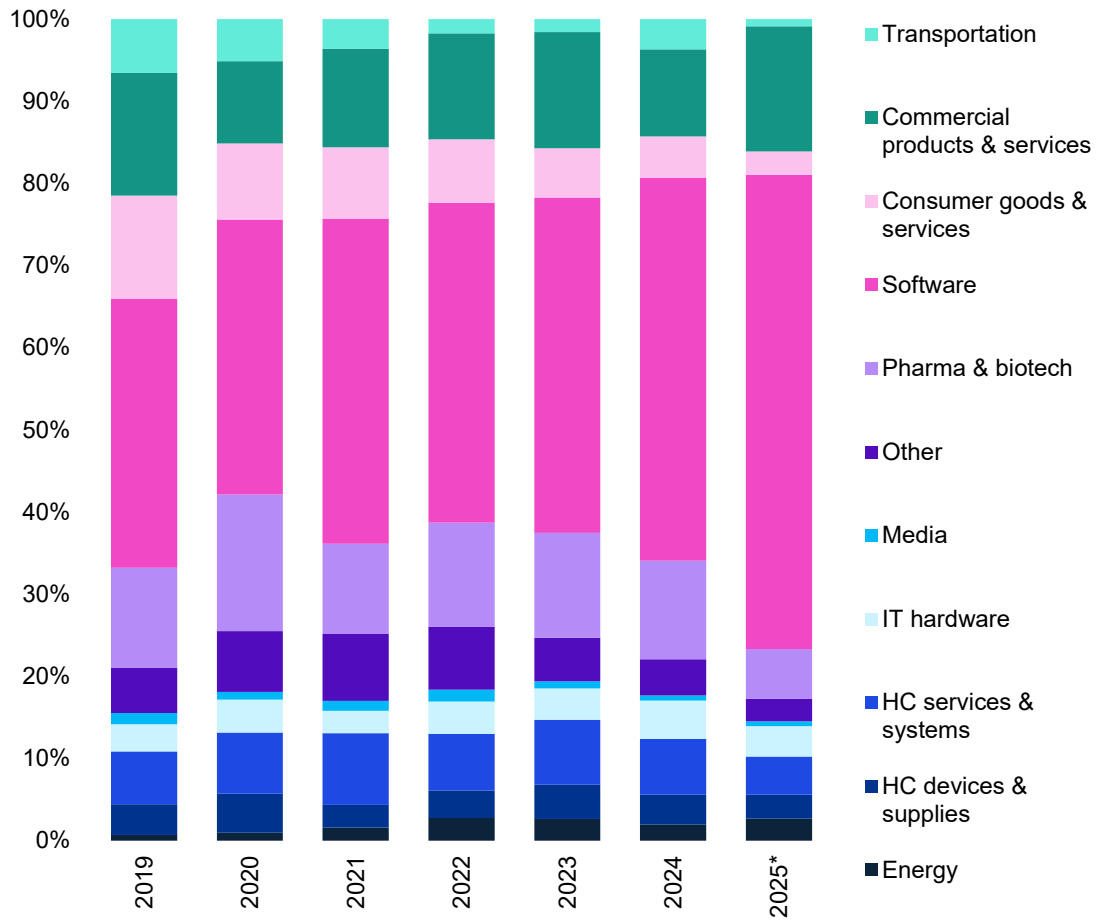
Venture financing by sector in the US

2019–2025*, number of closed deals



Venture financing by sector in the US

2019–2025*, VC invested ($B)



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

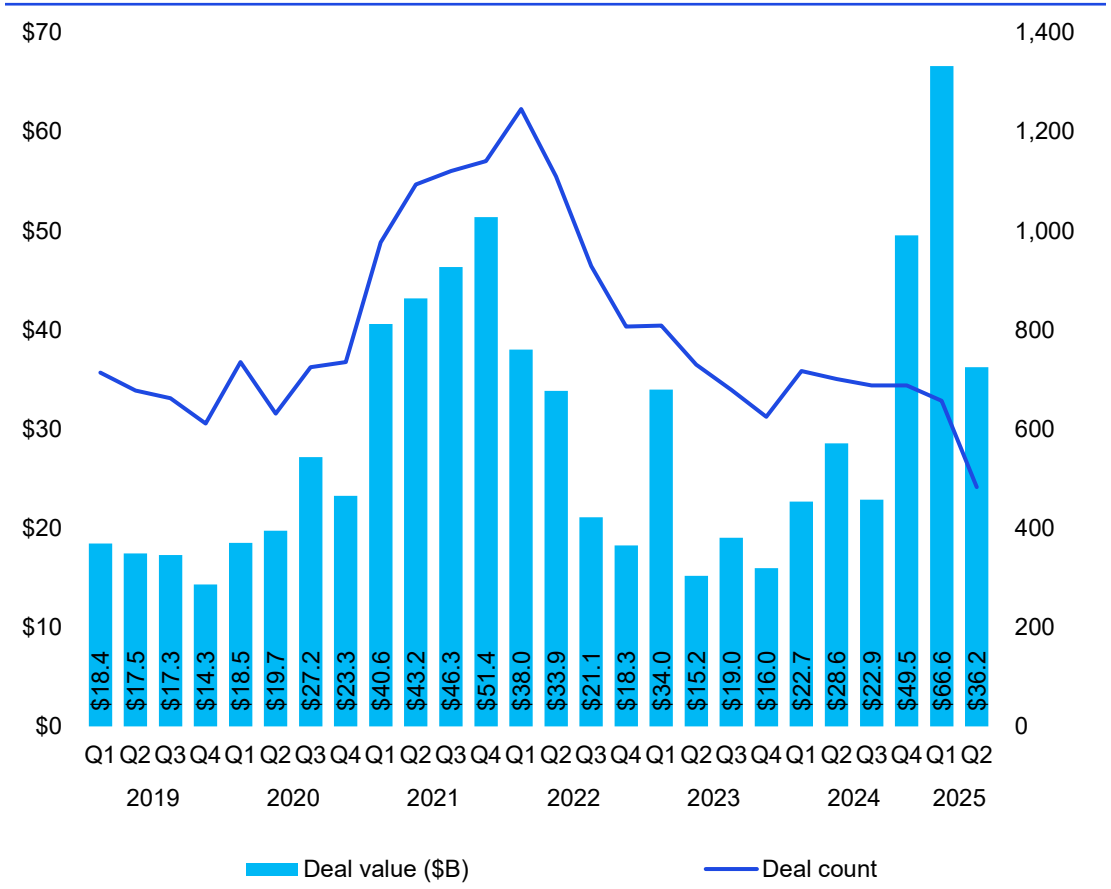
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VC invested still floods into first-time financings

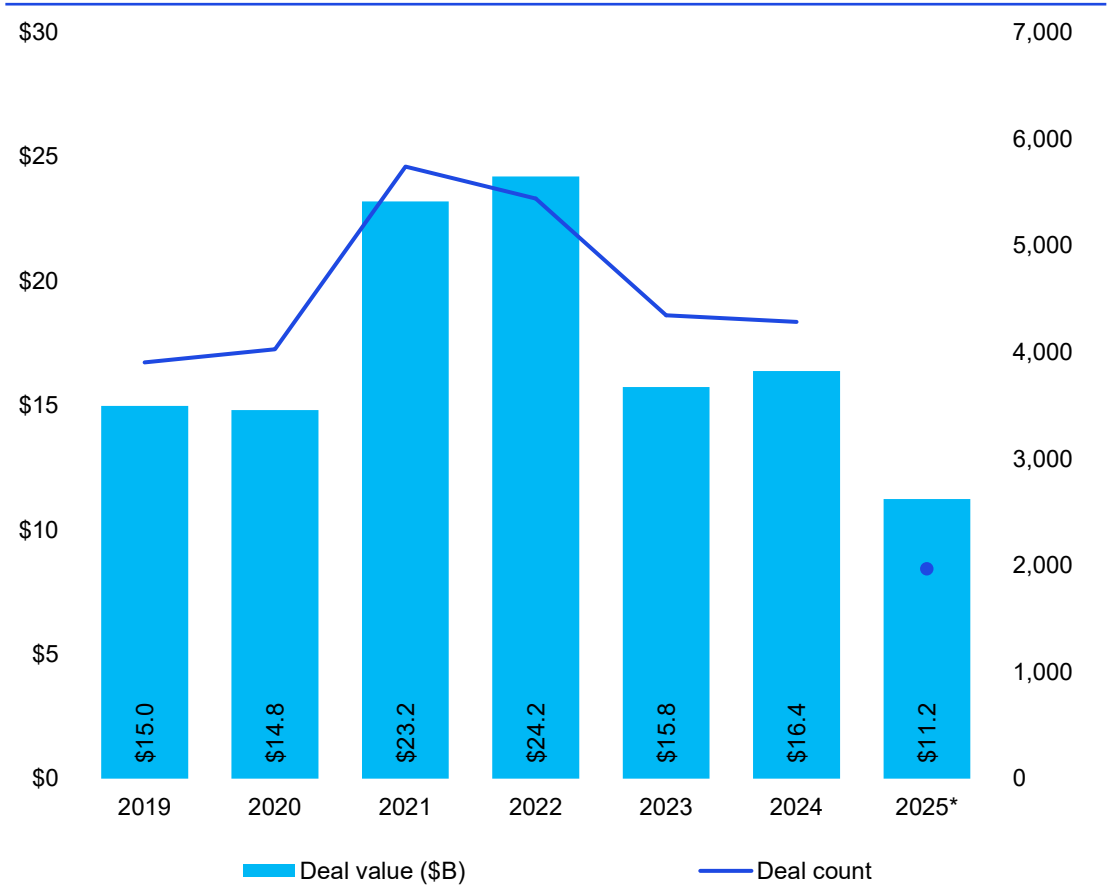
Corporate participation in venture deals in the US

2019–Q2'25



First-time venture financings of companies in the US

2019–2025*



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

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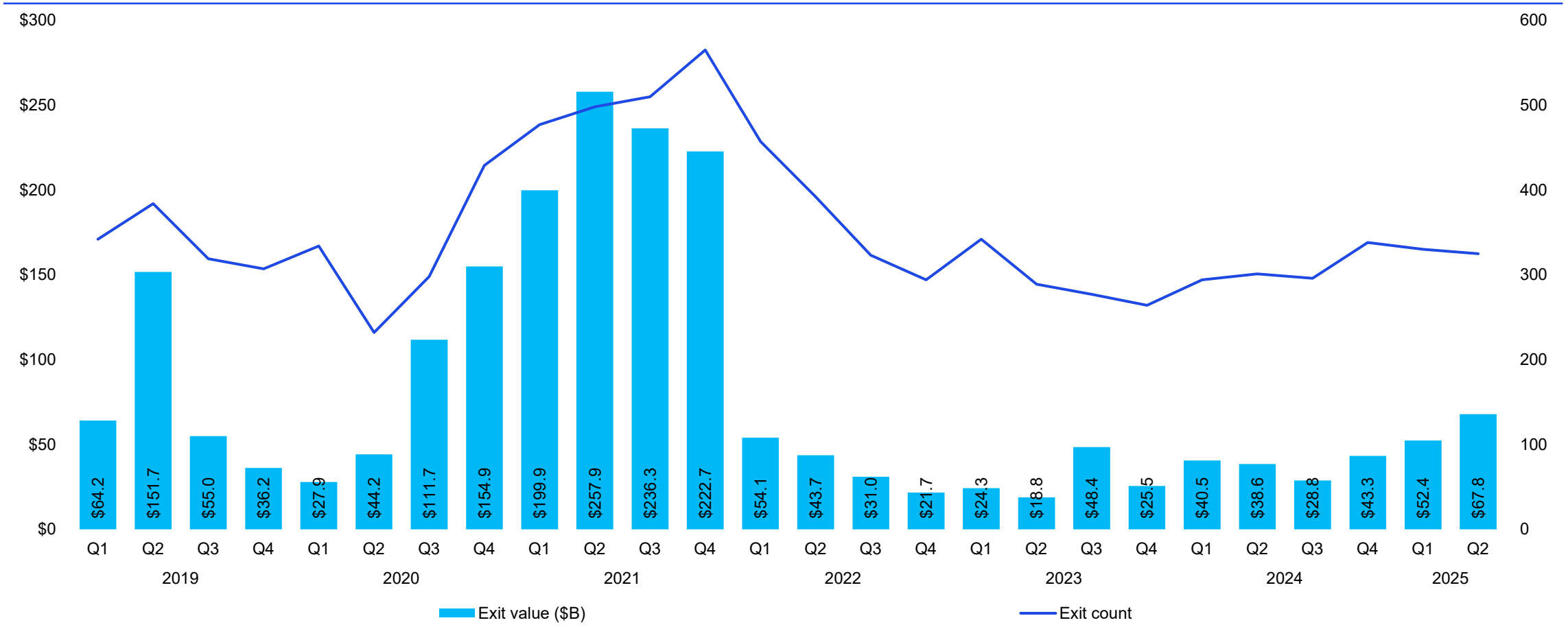
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#Q2VC

Q2 2025 quietly logs the highest exit value since Q4 2021

Venture-backed exit activity in the US

2019–Q2'25



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

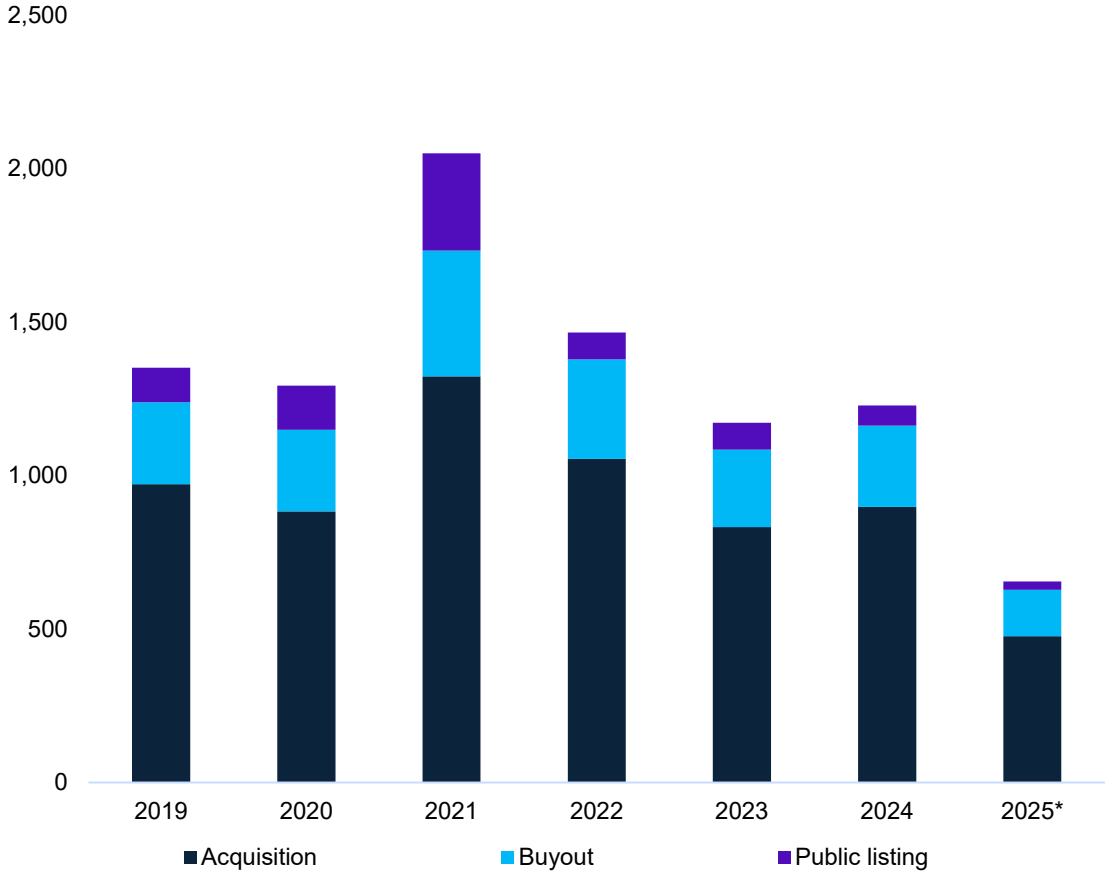
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Relative to 2022-2024, exit values are improving

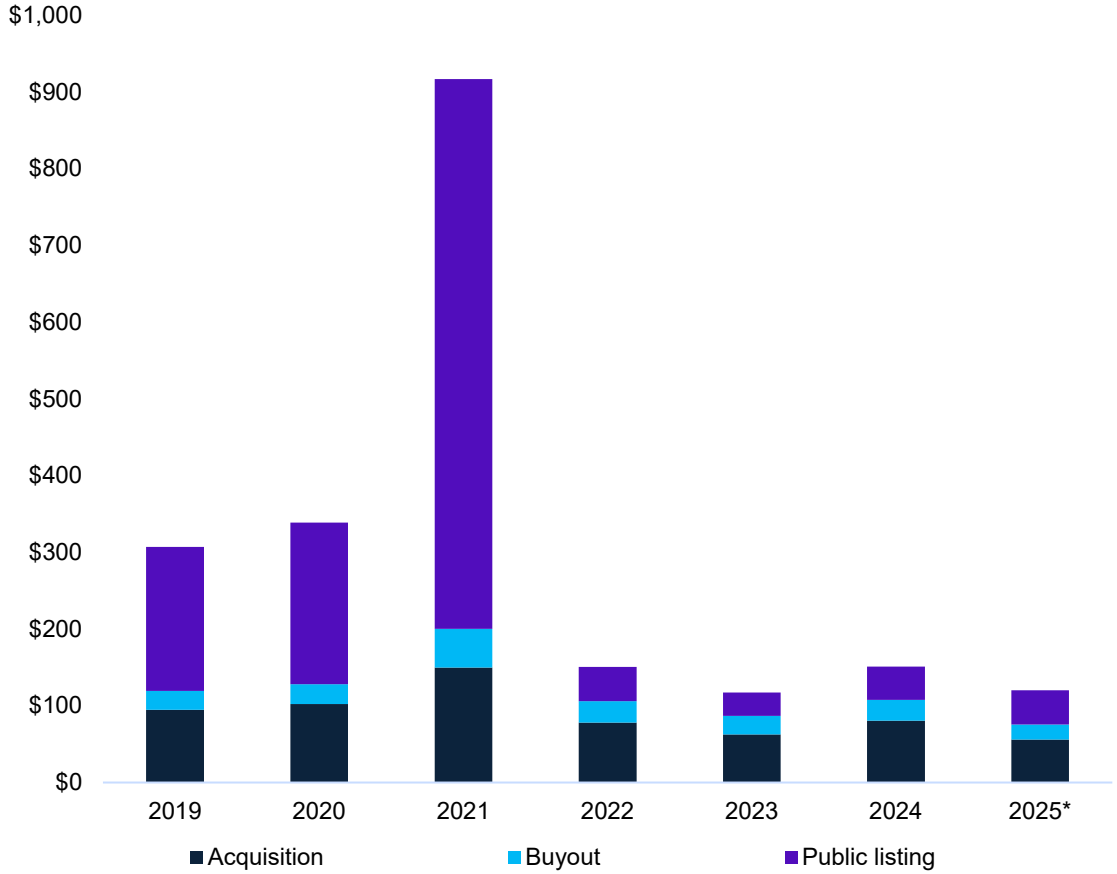
Venture-backed exit activity (#) by type in the US

2019–2025*



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

2019–2025*



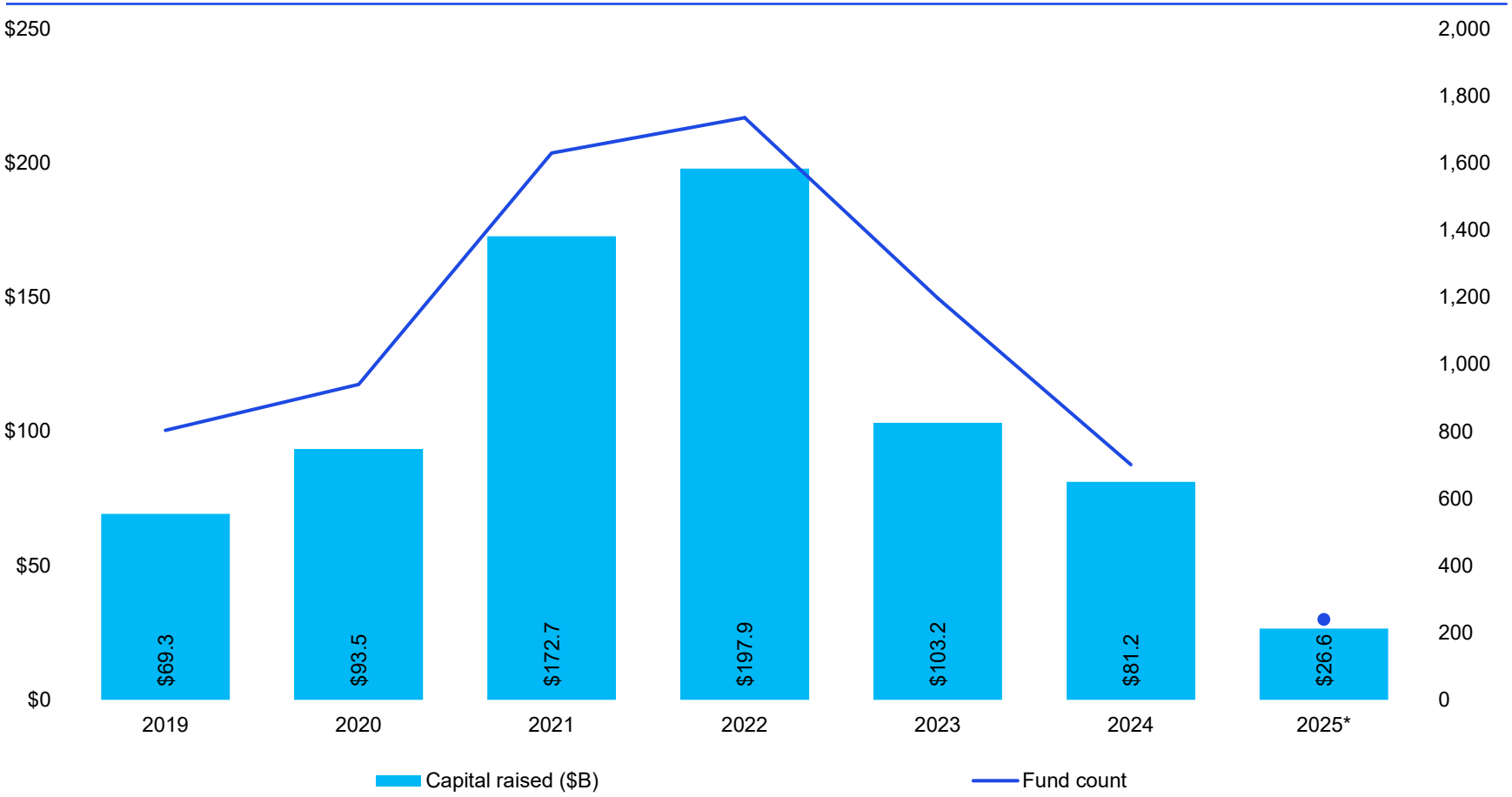
Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

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The fundraising cycle is stuck at a lower gear

US venture fundraising

2019–2025*



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

"Fundraising by VCs is well off last year's pace so far this year — a likely reflection of the broader environment. With limited exits and increased uncertainty, LPs are being cautious. Investors are thinking hard about liquidity, runway, and return timelines — and right now, many don't see a clear path to near-term outcomes. It's not a lack of interest in innovation, but rather a hesitation to lock up capital in a market where the exit window is largely shut and macro conditions remain volatile."



Shivani Sopory
Audit Partner
KPMG in the US

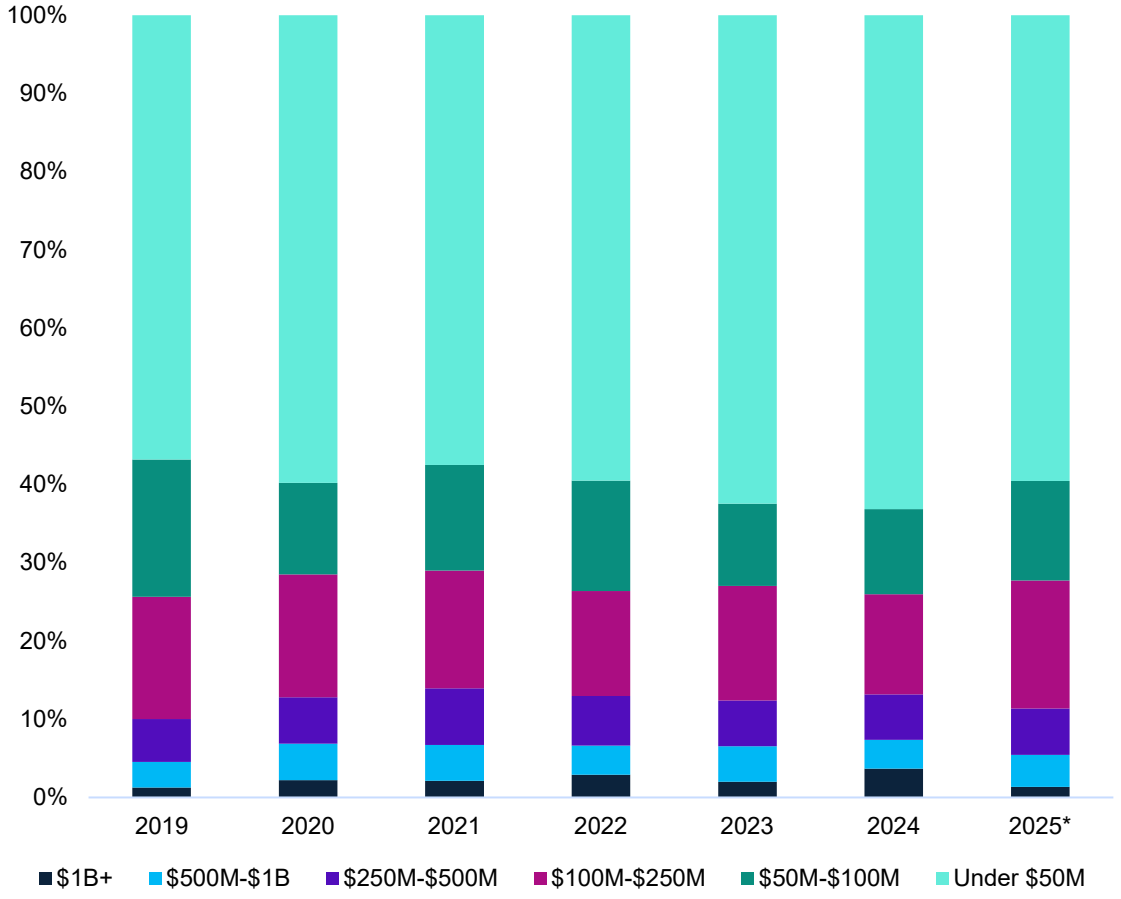
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LPs flock to the middle of the market

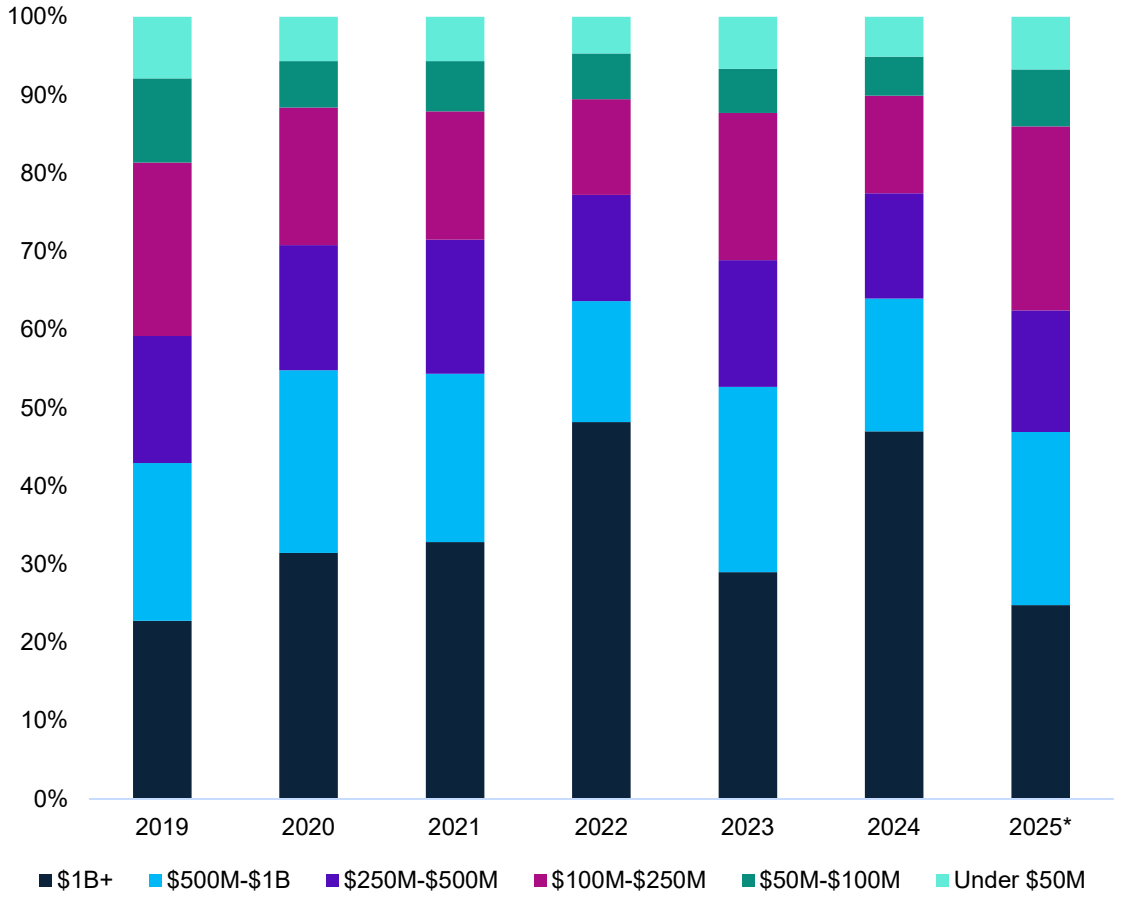
Venture fundraising (#) by size in the US

2019–2025*



Venture fundraising ($B) by size in the US

2019–2025*



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

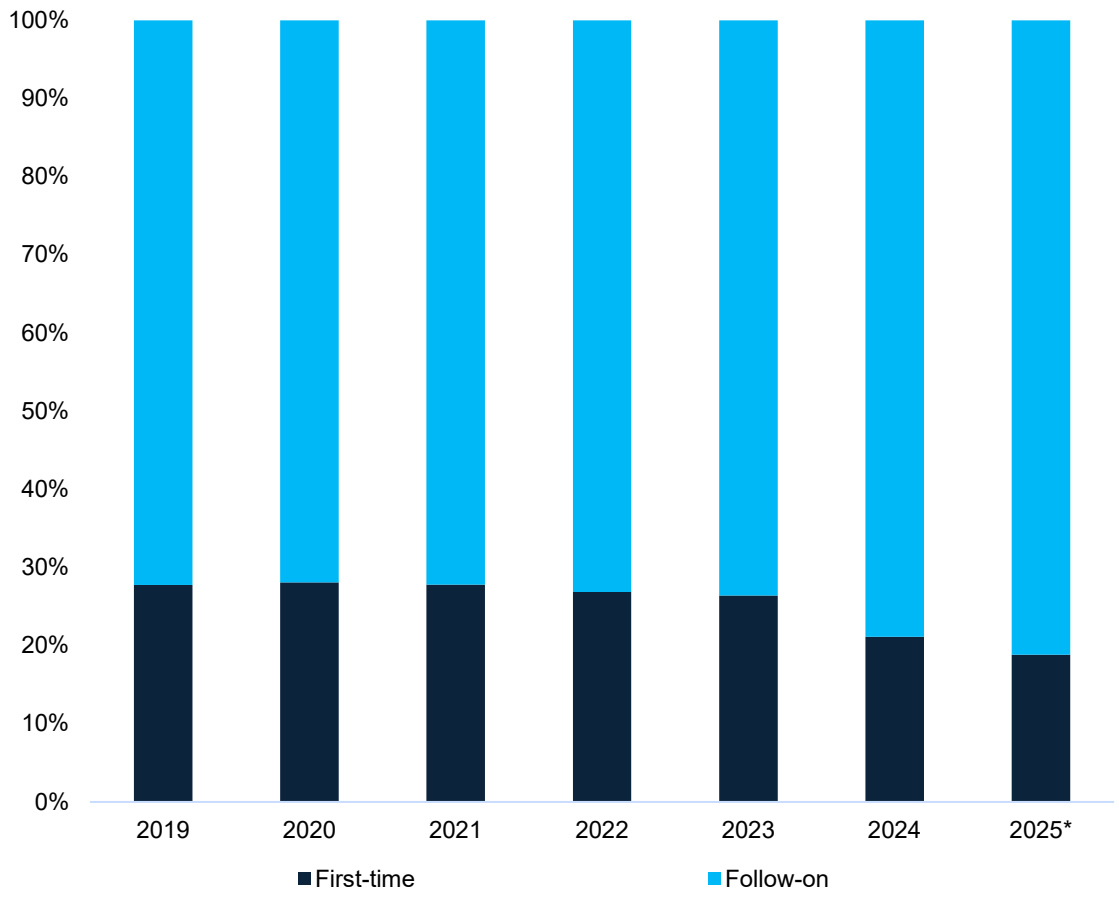
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Follow-on funds command LP confidence

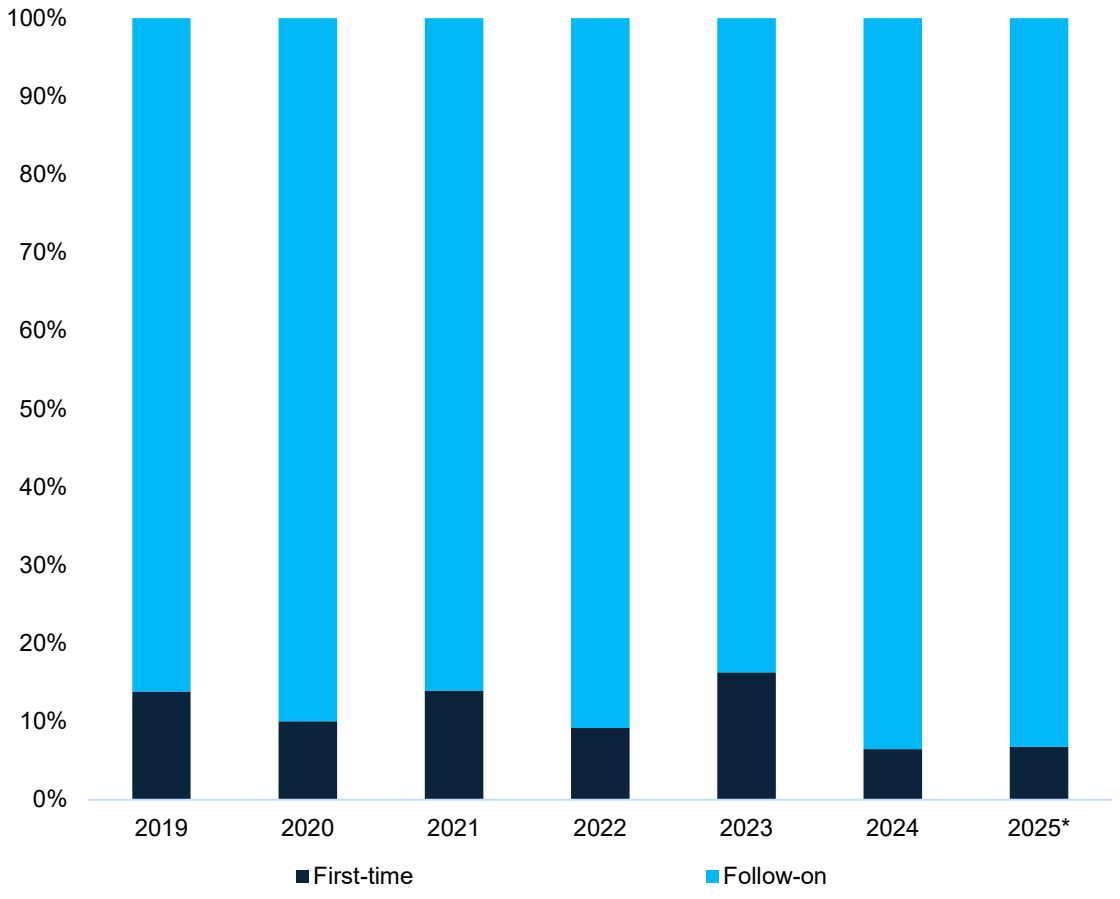
First-time vs. follow-on funds (#) in the US

2019–2025*



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

2019–2025*



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

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In Q2'25, VC-backed companies in the Americas raised $72.7 billion across 3,425 deals

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VC investment down across Americas as VC investors take a pause

Both VC investment and the number of VC deals fell in the Americas during Q2’25.

The US attracted the largest deals in the Americas during Q2’25, including large raises by Anduril Industries ($2.5 billion), World View ($2.6 billion), and Safe Superintelligence ($2 billion). Outside of the US, the largest deals of the quarter included a $160 million raise by Canada-based network security enabler Tailscale, a $127 million raise by Mexico-based used car sales platform Kavak, and $80 million raises by Brazil-based corporate expense management firm Clara and Canada-based mineral recovery cleantech Destiny Copper.

Uncertainty driving caution among VC investors

VC investors in the US were more cautious with their capital in Q2’25, driven in part by uncertainties, including shifting US tariff policies, potential exposure to counter tariffs by other jurisdictions, the economic impact of major headcount reductions within the federal government, and rapidly evolving geopolitical conflicts and tensions. Deal speeds slowed considerably as some VC investors — particularly corporates — extended their due diligence processes or decided to hold back from making major investments until the market becomes more predictable. Seed and early-stage deals saw the biggest slowdown in activity during Q2’25 as VC investors focused heavily on the profitability and growth trajectories of potential target companies.

Americas sees some bifurcation in terms of VC investments

Within the Americas, there was some bifurcation of investment trends in Q2’25, with startups in a number of sectors feeling a lot more pressure than others. This was most prominent in the US, where sectors viewed as critical to the national benefit — including defencetech and AI infrastructure — continued to attract robust levels of VC investment, while sectors like electronics, automotive manufacturing, and consumer goods saw much more of a funding pinch.

Canada sees relatively steady quarter of VC investment in Q2’25

The level of VC investment in Canada held steady quarter-over-quarter, helped by a diversity of investments, including the $160 million raise by Tailscale, the $80 million raise by Destiny Copper, and a $76 million raise by small-business finance platform Keep; medtech company Lungpacer also raised $75 during Q2’25. VC investors in Canada were quite conservative with their capital in Q2’25, focusing heavily on cash management, cost management, and late-stage companies within reach of breaking even or becoming cash flow positive.

During Q2’25, fintech, cleantech, healthtech, and alternative energy remained the most attractive sectors for venture capital investment in Canada. Interest in defence technology is also gaining momentum, as Ottawa and allied nations prepare to boost military spending in response to America’s new isolationist foreign policy stance. The Canadian government also continued with its efforts to enable AI development; during the quarter, it opened applications for the AI Compute Access Fund — a $300 million fund aimed at making it more affordable for small and medium sized businesses in Canada to access the computing power needed to develop AI applications.[8]

Muted quarter of investment in Mexico

Within Mexico, VC investment was very quiet in Q2’25. Car sales platform Kavak was one notable exception; the company raised $127 million during the quarter, although the raise was a down round which saw its valuation cut sharply from $8.7 billion (in 2021) to just $2.2 billion.[9] VC deal volume was also weak in Q2’25 as VC investors showed great reluctance to invest in Mexico given the amount of geopolitical volatility, uncertainties related to US tariffs, and concerns relating to judicial reforms within the country.

[8] https://www.newswire.ca/news-releases/government-of-canada-opens-applications-for-the-ai-compute-access-fund-875863402.html
[9] https://www.contxto.com/en/funding/kavak-raises-127-million-round-and-ends-up-with-75-lower-valuation/

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VC investment down across Americas as VC investors take a pause, cont'd.

Fintech sector continues to attract investments across the Americas; interest in crypto on the rise

The fintech sector saw a significant amount of attention in the Americas during Q2'25, with fintechs across the region raising solid funding rounds, including US-based open-banking platform Plaid ($575 million), Brazil-based corporate expense management firm Clara ($80 million), and Canada-based small business finance platform Keep ($76 million).

Within the fintech sector, there was also a noticeable uptick in interest in crypto during Q2'25, helped by the successful US-based IPOs of stablecoin issuer Circle and crypo investment platform eToro. The US also saw continued movement to build out and institutionalize the crypo ecosystem, driven in part by the new administration's pro crypto stance and by regulators moving to provide clarity around the definition of securities, the treatment of stablecoins, and the accounting rules related to the holding of digital assets.

Trends to watch for in Q3'25

Heading into Q3'25, geopolitical and trade uncertainties are expected to remain a major consideration for VC investors in the Americas. Sectors more susceptible to tariff uncertainties — like manufacturing and consumer goods — could see VC investors holding back until tariff policies stabilize.

AI and defencetech are expected to remain very hot sectors of VC investment in the Americas during Q3'25, driven primarily by activity in the US. In both the US and Canada, healthtech is also expected to remain attractive to VC investors, driven by the demand for more efficient and effective healthcare solutions and by changing consumer behaviors, including a growing interest in data driven health analytics and solutions.

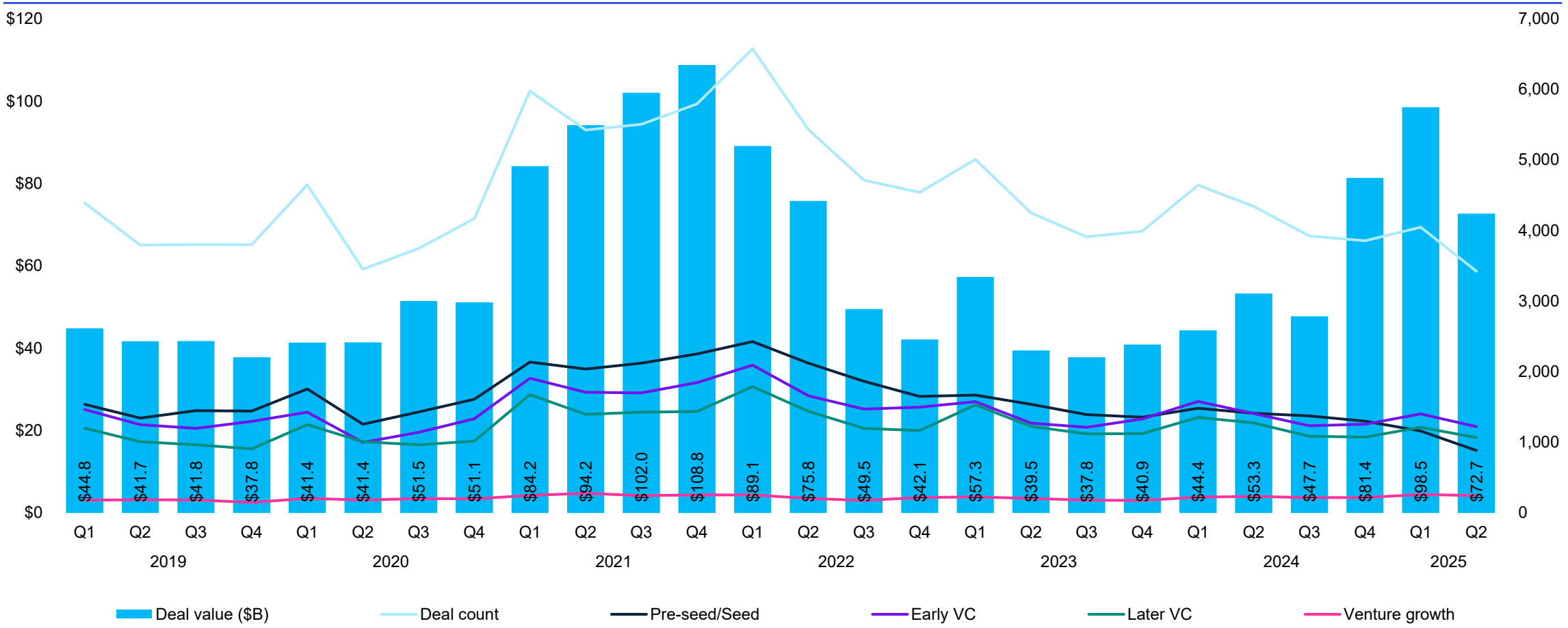
VC investment in Mexico is expected to remain dry well into Q3'25, with many VC investors waiting to see whether judicial system changes set to take place in August work as desired. Eyes are also on the National Bank of Mexico to see whether it might halt future interest rates cuts in order to rein in the appreciation of the peso. Across Latin America more broadly, fintech is expected to remain the most attractive area of VC investment given the significant perceived opportunities in the space.

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2025 records another strong tally of VC invested

Venture financing in the Americas

2019–Q2'25



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

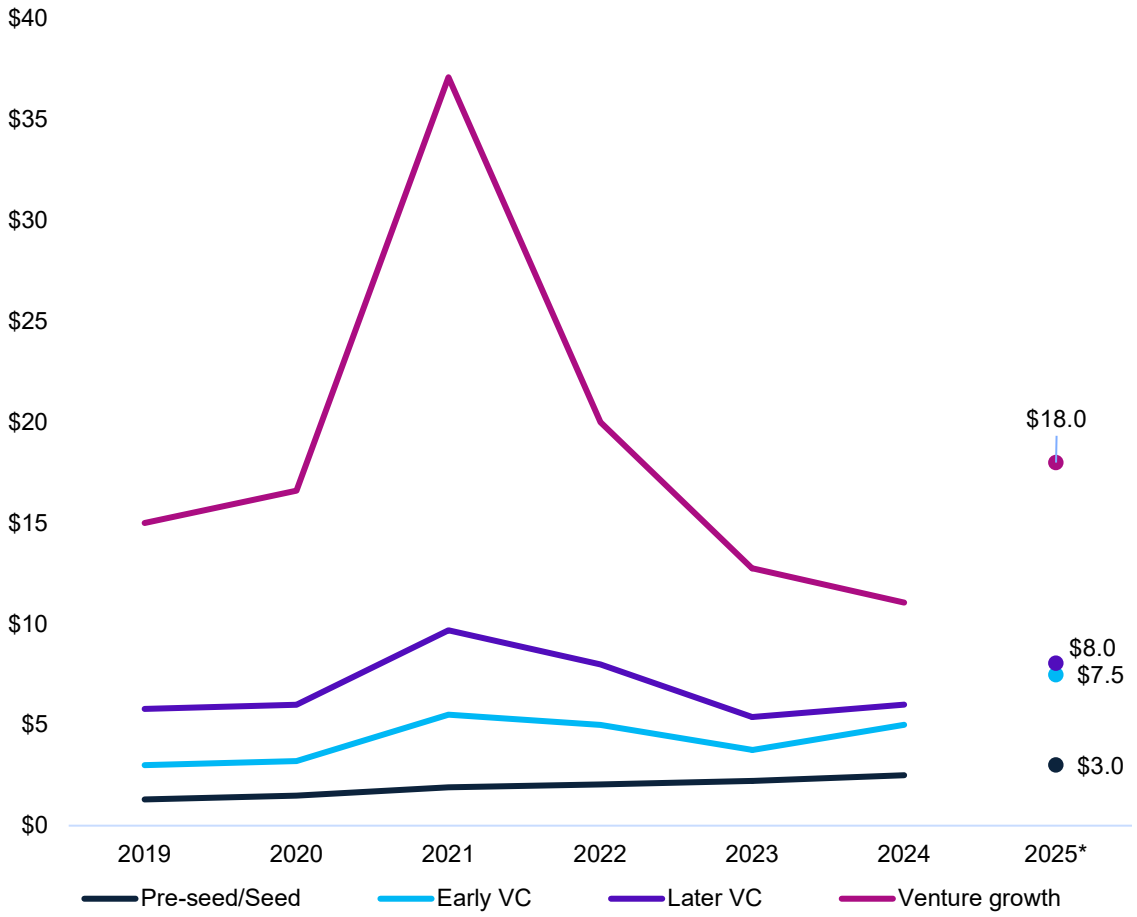
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Up rounds stage a comeback

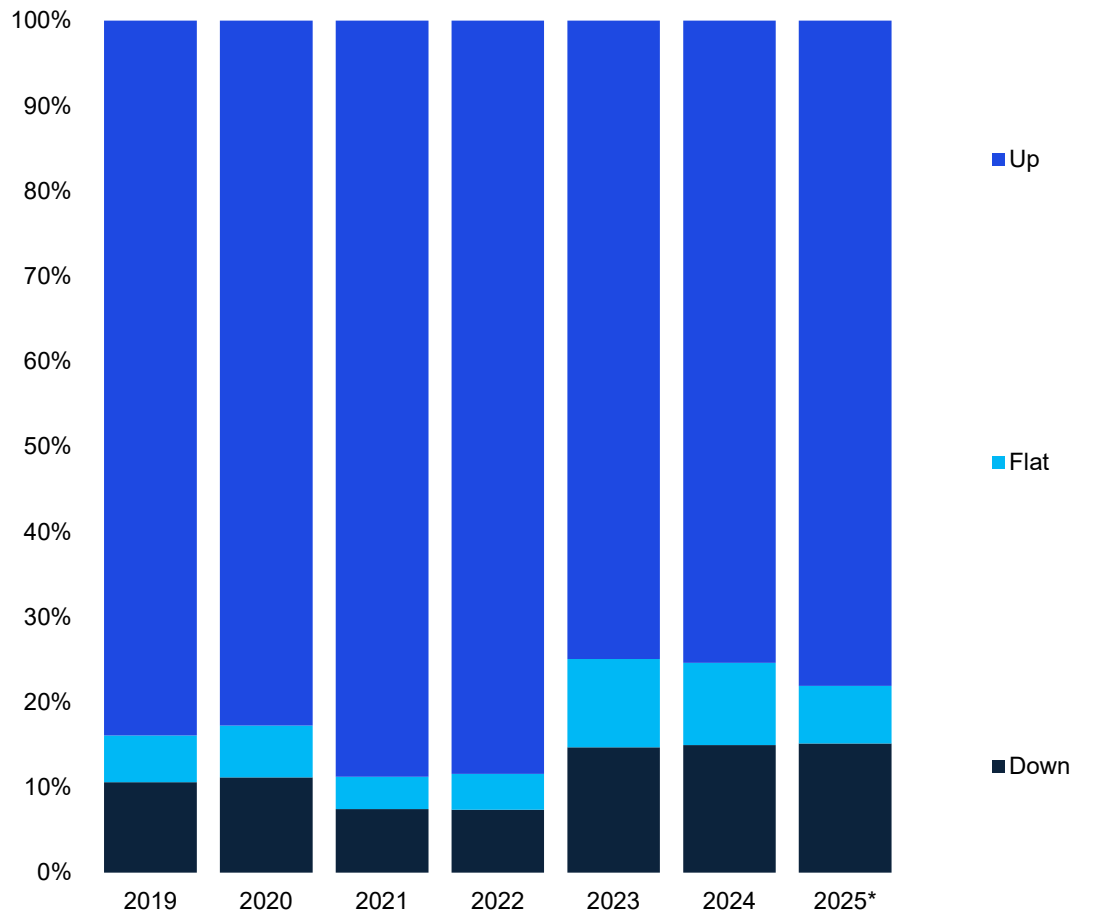
Median deal size ($M) by stage in the Americas

2019–2025*



Up, flat or down rounds in the Americas

2019–2025*



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

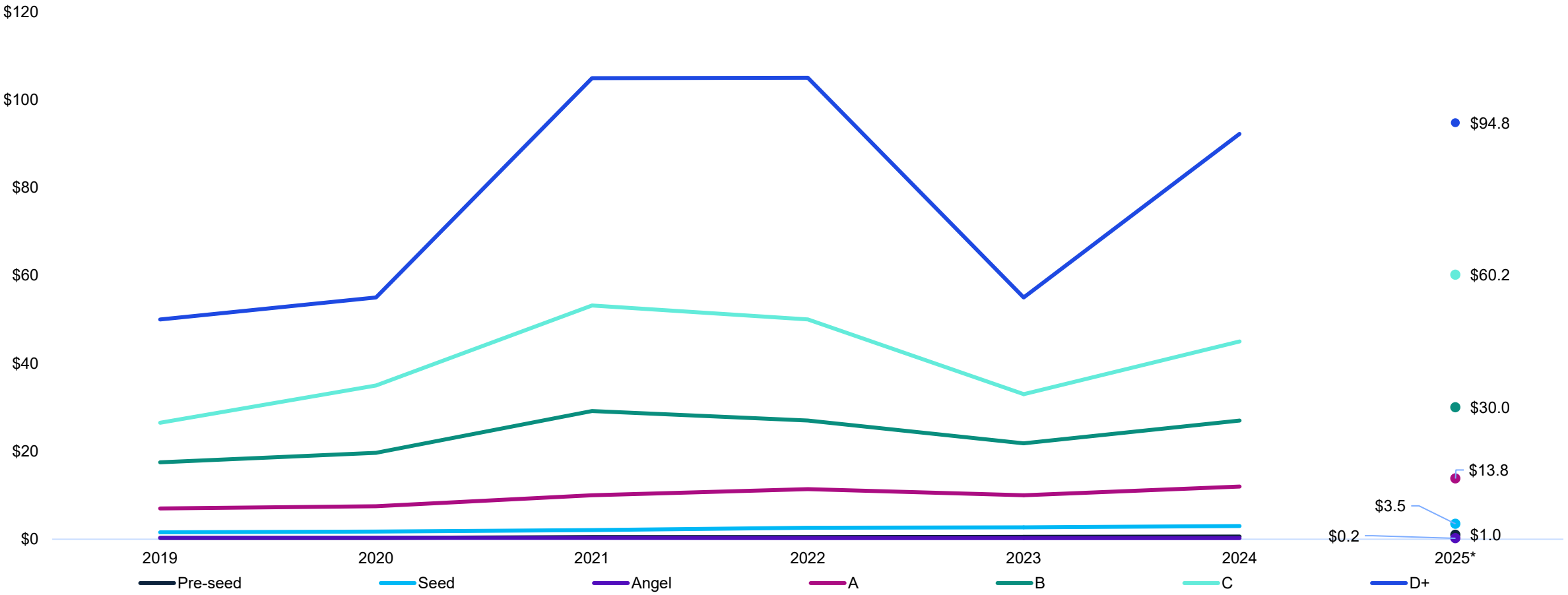
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Financing metrics remain strong

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

2019–2025*



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

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Pockets of later-stage companies still skew valuations

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

2019–2025*



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.
Note: The 2025* angel valuation is based on population size n < 30.

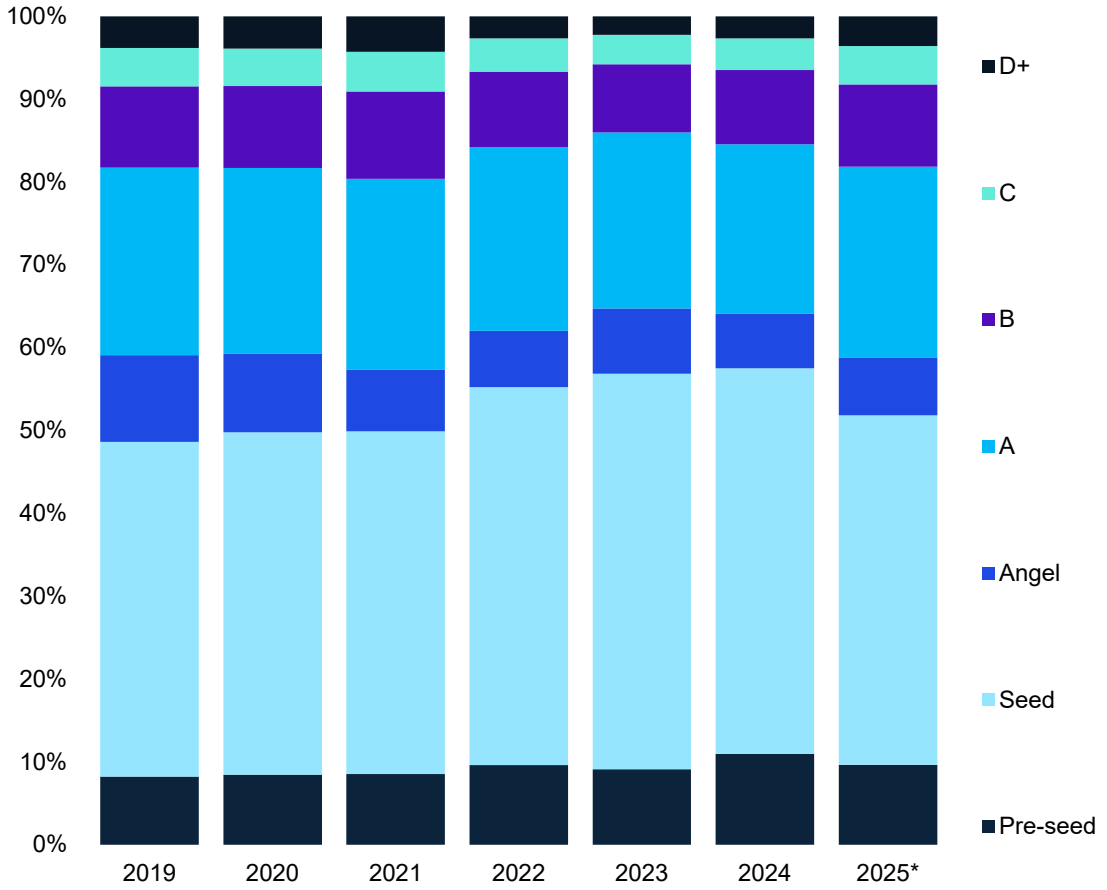
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Mega-rounds' resurgence continues

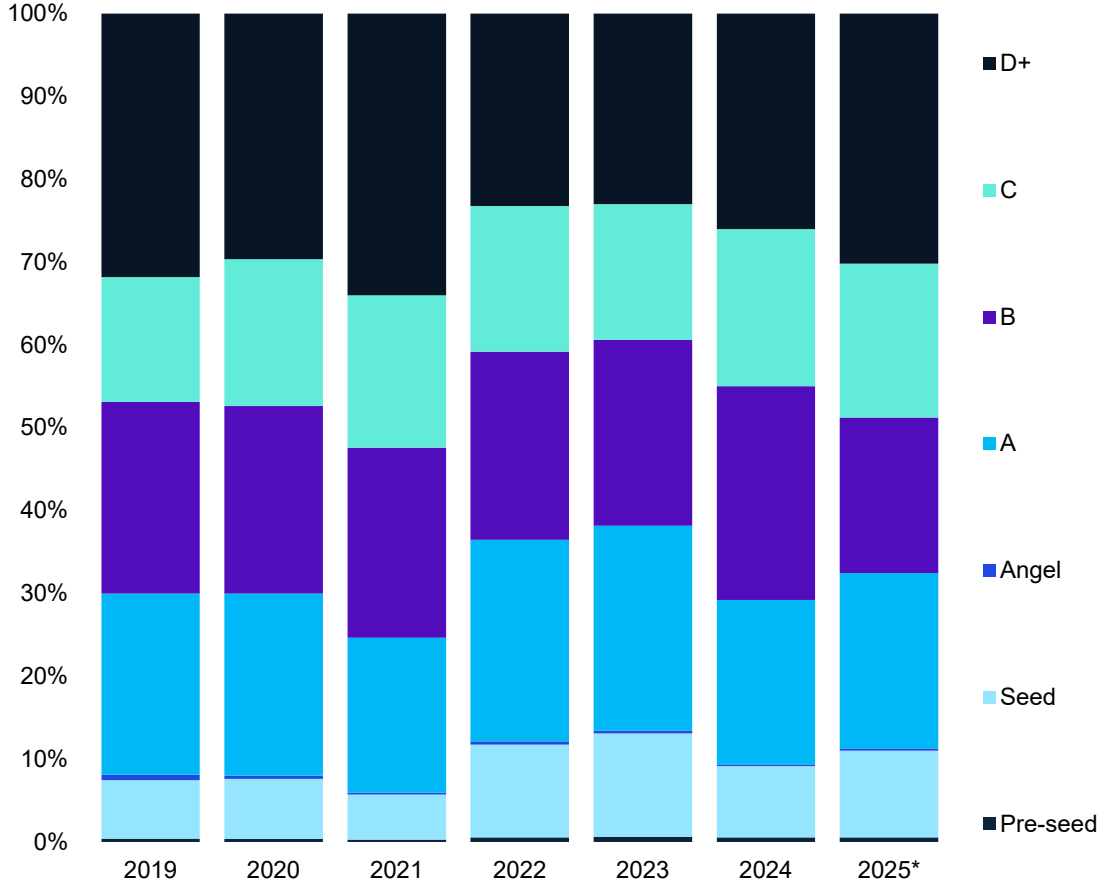
Deal share by series in the Americas

2019–2025*, number of closed deals



Deal share by series in the Americas

2019–2025*, VC invested ($B)



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

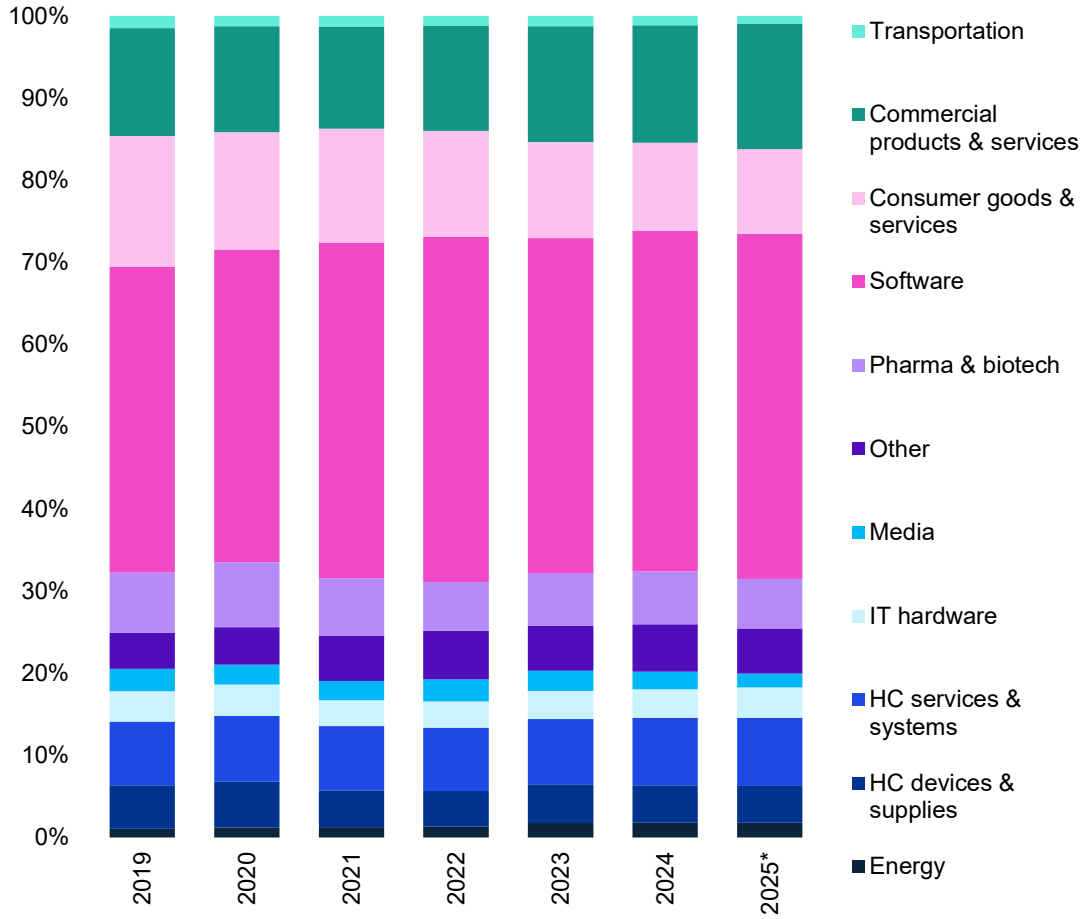
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AI powers software to record heights

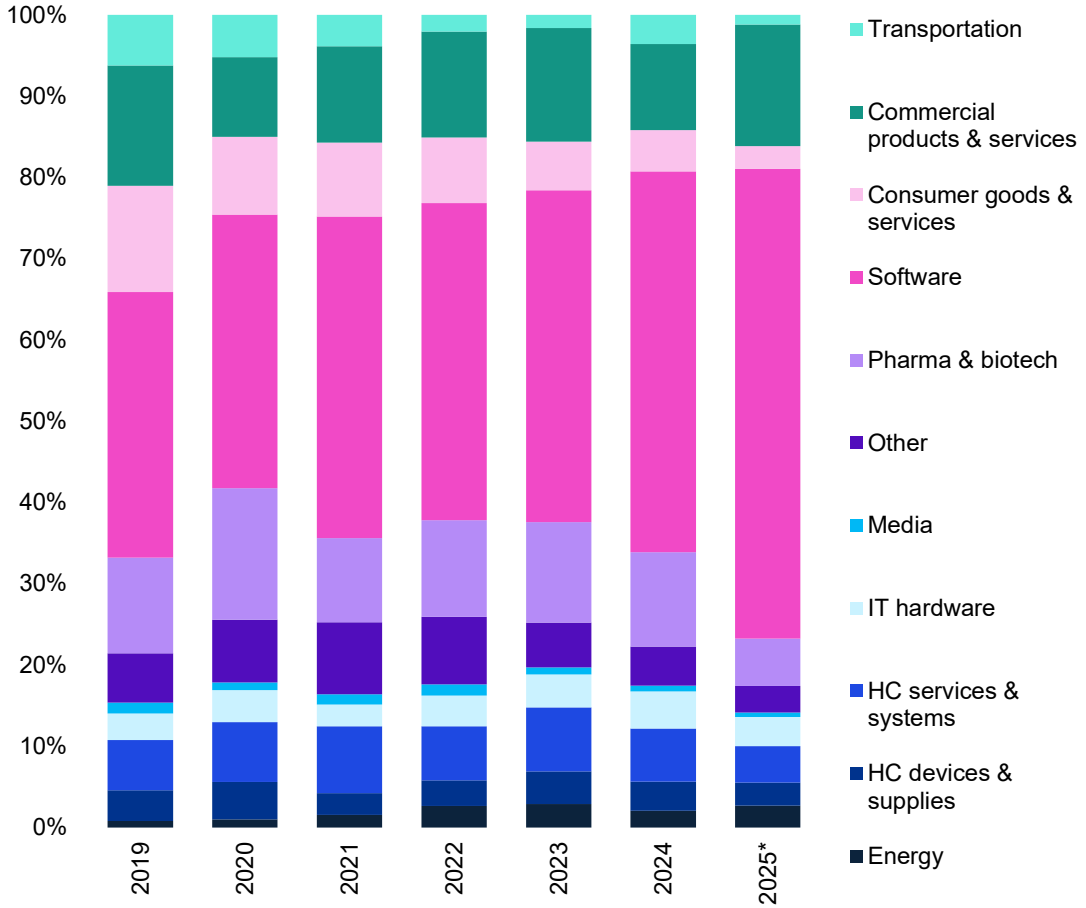
Venture financing by sector in the Americas

2019–2025*, # of closed deals



Venture financing by sector in the Americas

2019–2025*, VC invested ($B)



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

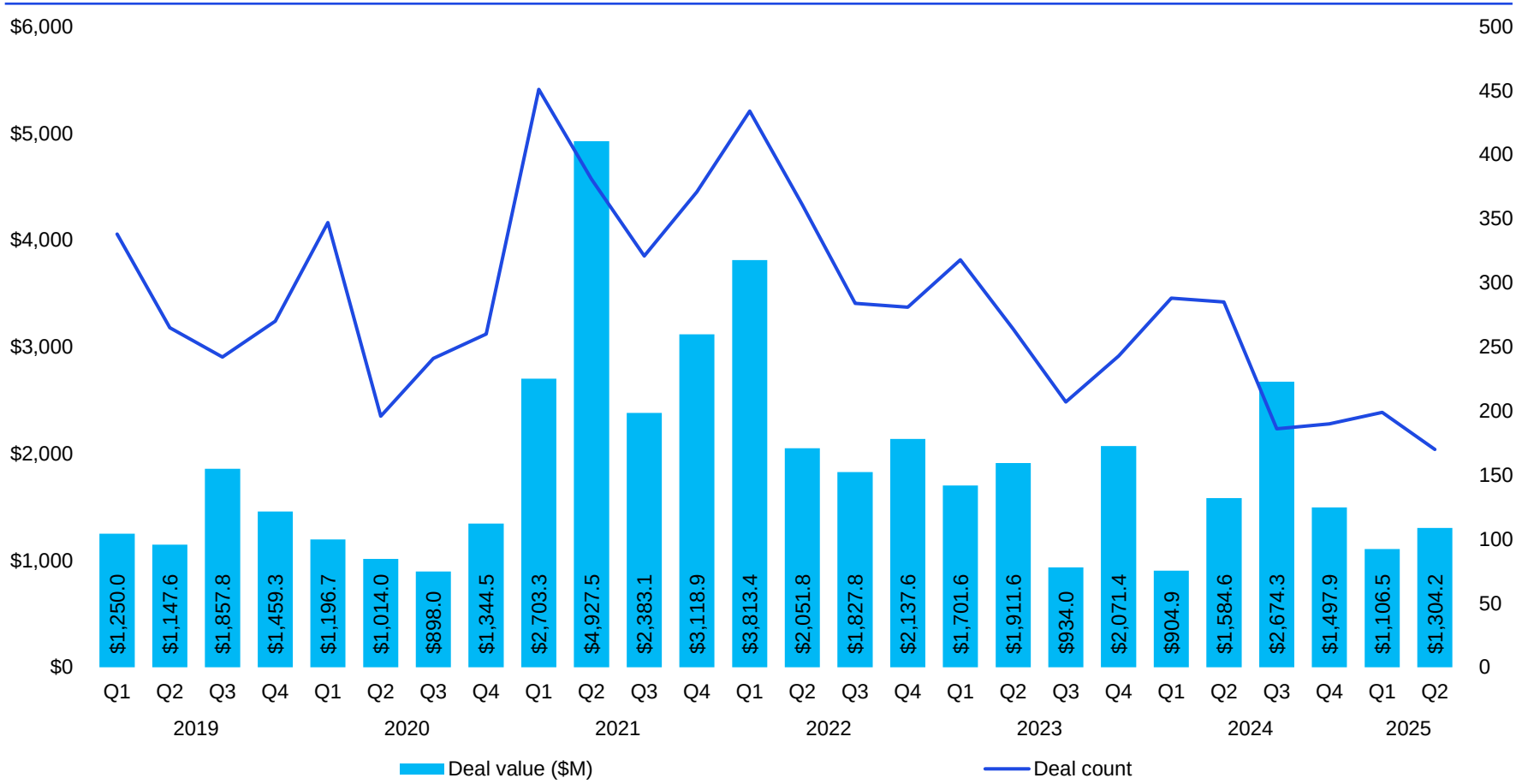
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VC invested slows somewhat, but not significantly

Venture financing in Canada

2019–Q2'25



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

> "The big thing to keep an eye on heading into Q3'25 is the Canada-US relationship. It will be interesting to see over the remainder of the year and into 2026 whether Canada can pivot to more Canadian-based investments into Canadian companies, shifting away from the foreign reliance that has been such a mainstay of supporting Canada's innovation ecosystem in the past."



Ryan Forster
Partner
KPMG in Canada

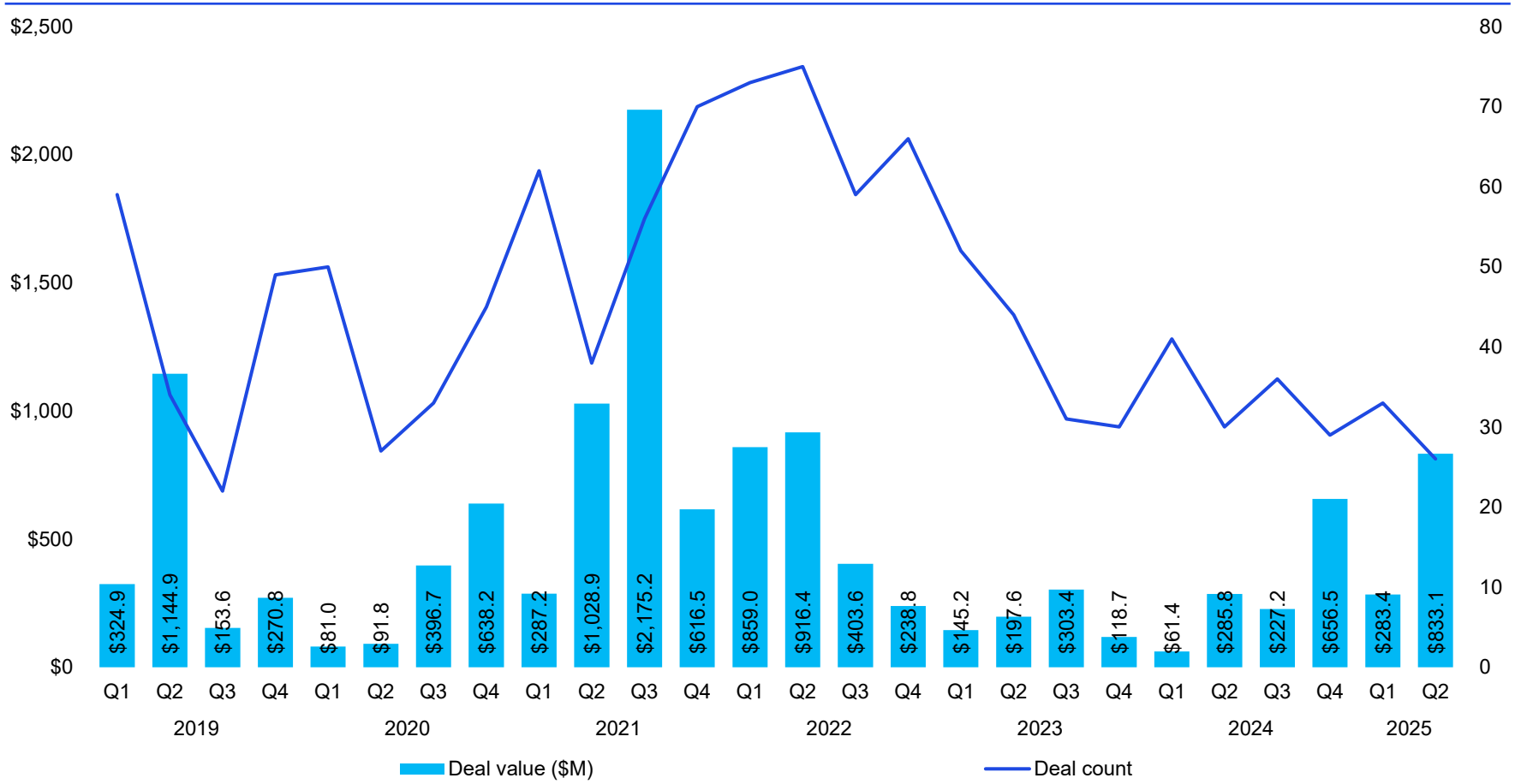
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Mexico sees strongest tally of VC invested in years

Venture financing in Mexico

2019–Q2'25



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

> "Because of all the volatility in the market and the geopolitical tensions with the US, VC investors are quite reluctant to put their money into Mexico right now. The same is true for M&A transactions. Although fintech is a bit of an exception. It's still attracting some attention and investments because of the significant opportunities investors see there. If I have to bet, I'd say fintech will see more investment over the next couple of quarters."



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

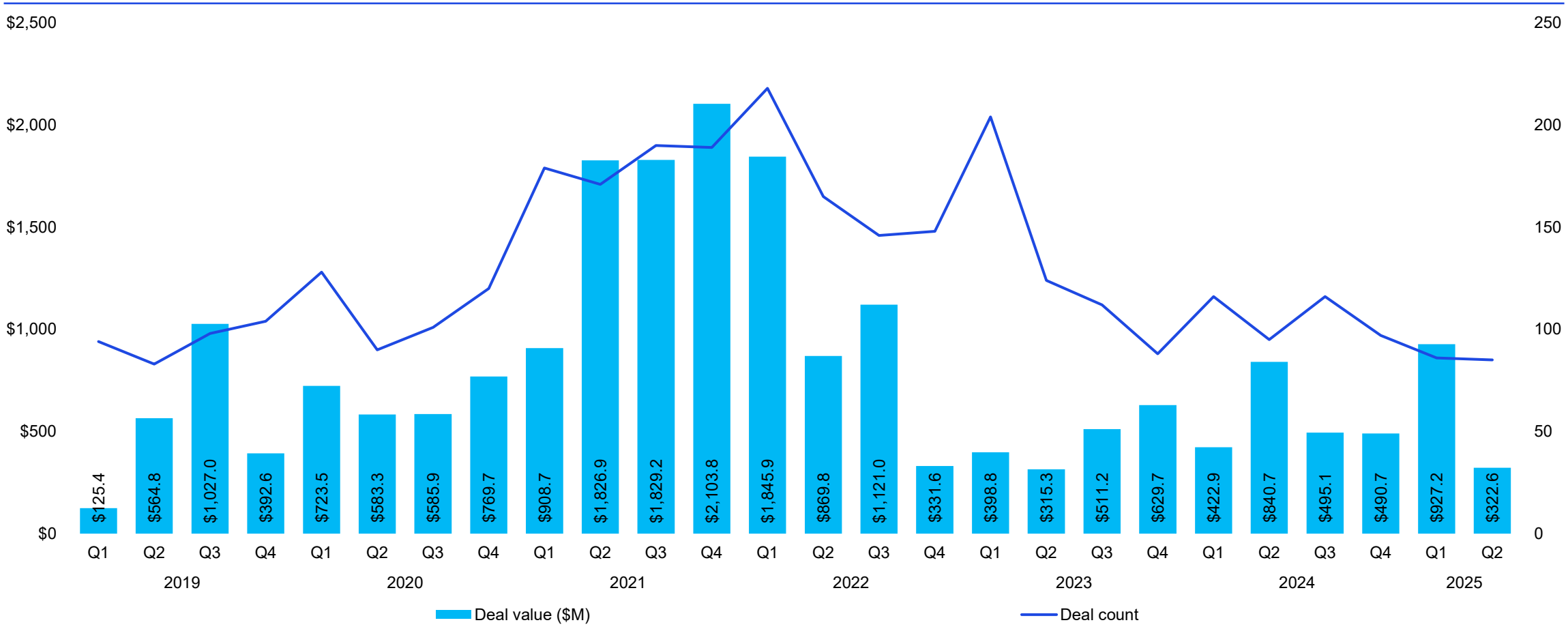
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After a strong Q1 2025, VC invested subsides

Venture financing in Brazil

2019–Q2'25



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

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AI continues to dominate

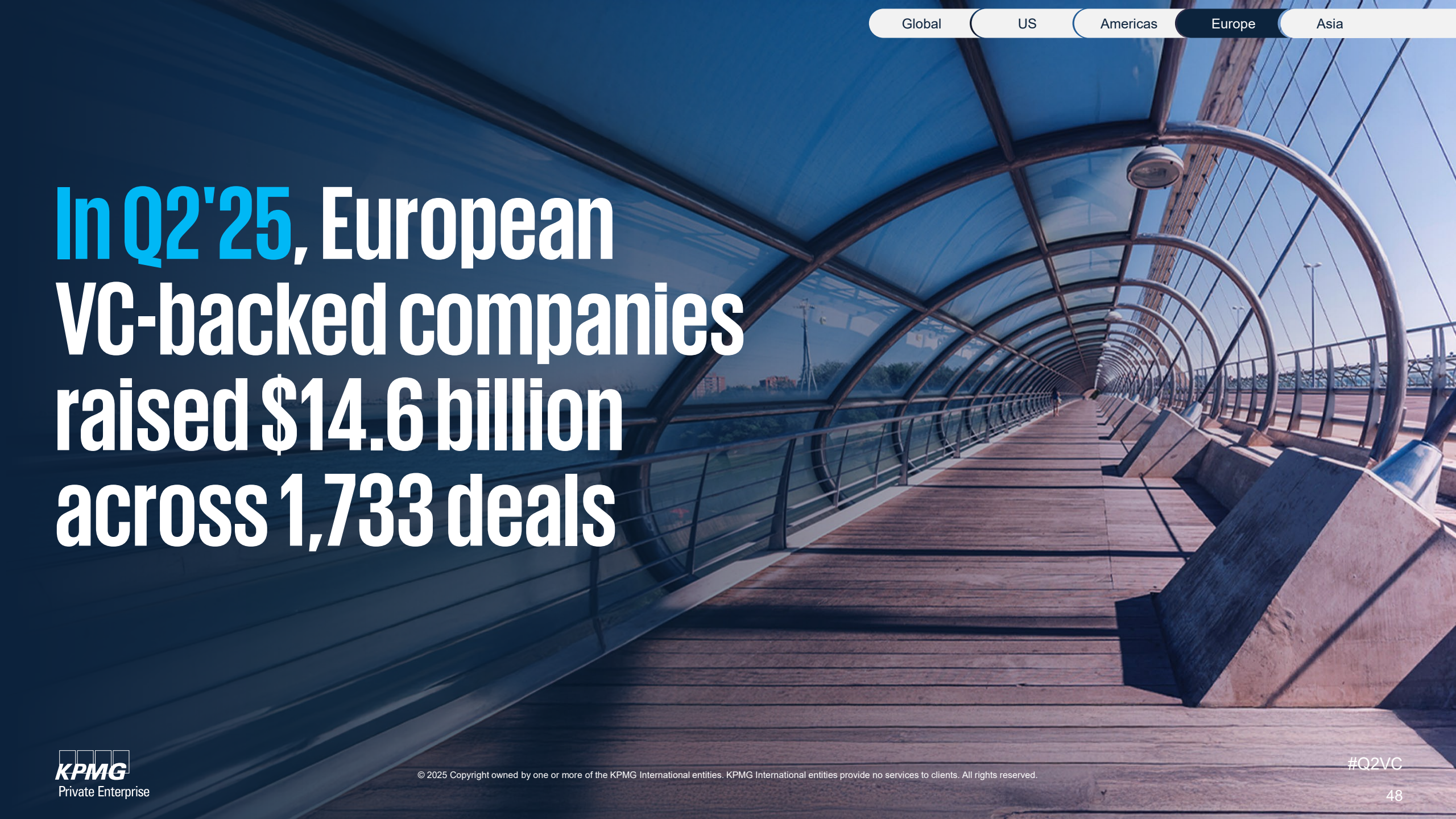
Top 10 financings in Q2'25 in Americas



1. **Scale AI** — $14.3B, San Francisco, US — AI & ML — *Late-stage VC*
2. **World View** — $2.6B, Tucson, US — Aerospace & defense — *Series D*
3. **Anduril** — $2.5B, Costa Mesa, US — Defensetech — *Series G*
4. **Thinking Machines** — $2B, San Francisco, US — AI & ML — *Seed*
5. **Safe Superintelligence** — $2B, Palo Alto, US — AI & ML — *Early-stage VC*
6. **Grammarly** — $1.15B, San Francisco, US — AI & ML — *Late-stage VC*
7. **Anysphere** — $900M, San Francisco, US — AI & ML — *Series C*
8. **Econic Partners** — $656.05M, Los Angeles, US — B2B — *Early-stage VC*
9. **Neuralink** — $650M, Fremont, US — Healthtech — *Series E*
10. **TerraPower** — $650M, Bellevue, US — Cleantech — *Late-stage VC*

Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise.
*As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

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In Q2'25, European VC-backed companies raised $14.6 billion across 1,733 deals

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VC investment in Europe dips slightly as investors show more caution

VC investment in Europe dipped slightly from $16.3 billion in Q1'25 to $14.6 billion in Q2'25; deal volume fell more significantly over the same period — from 2,358 deals to 1,733 deals as VC investors in the region showed some reticence towards dealmaking given the uncertain geopolitical and trade environment.

Q2'25 spotlights geographic diversity of VC deals in Europe

The strong geographic diversity of VC investments in Europe was on display in Q2'25, with companies from five different jurisdictions attracting the largest deals in the region during the quarter, including Germany-based Helsing ($683 million), Portugal-based Tekever ($500 million), Israel-based Cato Networks ($359 million) and UK-based Believ ($339 million). Several other jurisdictions in the Europe and Middle East also saw $100 million+ funding rounds, including Spain, Iceland, the UAE, Switzerland, and Latvia.

Intersection of defencetech and AI winning big with VC investors in Europe

The AI space continued to be a very attractive sector for VC investment in Europe during Q2'25. While startups focused on developing AI models and AI infrastructure attracted sizeable funding rounds — including Israel-based AI21 Labs, which raised $300 million — the hottest segment of AI investment in Europe was the intersection of AI and defencetech. During the quarter, Germany-based battlefield AI and intelligent drone developer Helsing raised $683 million, Portugal-based unmanned aerial solutions firm Tekever raised $500 million, Germany-based drone manufacturer Quantum Systems raised $178 million, and Israel-based military technology platform Kela Technologies raised $88 million.

The robust deal sizes reflect the keen interest of VC investors in the application of AI to defence technologies, particularly given shifting norms around investing in defence companies, growing concerns related to geopolitical tensions and conflicts, and the rapid maturation of AI-powered startups in the space.

EU commits major funds to startup development in bid for technology sovereignty

In recent quarters, Europe has seen both regional and jurisdictional governments make substantial moves to support critical technology development capabilities in order to enhance technology sovereignty in the region and decouple ecosystems from the US and China. Following on its Q1'25 announcement of a $206 billion InvestAI program, the European Commission launched a new EU Startup and Scaleup Strategy in Q2'25 to encourage companies to start and scale in the region in order to boost technology independence and sovereignty.[10] To support this strategy the Commission announced a new public-private partnership investment fund valued at a minimum of €10 billion to support the growth and expansion of EU-based technology companies in areas like AI, cybersecurity, and cleantech in order to narrow the innovation gap between the EU and the US and China.[11]

Germany sees small increase in VC investment as VC investors focus on later stage deals

VC investment in Germany picked up from $2.4 billion in Q1'25 to $2.7 billion in Q2'25, despite a small decline in deal volume as VC investors prioritized late-stage deals and shied away from making seed and early stage investments. At a sector level, defencetech was a particularly bright light during the quarter, led by a $682 million raise by Helsing and a $178 million raise by Quantum Systems, with VC investors showing particular interest in AI and remote sensing technologies. Many other sectors in Germany struggled during Q2'25 as VC investors pulled back from making deals given the uncertain geopolitical and trade environment globally. The quarter did see a number of corporate spin-offs, with the resulting companies now co-financed by VC investors.

During Q2'25, Germany's government also announced a new €500 billion Defence and Infrastructure Fund;[12] with one-fifth of it dedicated towards facilitating the energy transition and supporting climate protection activities. The creation of this fund is well positioned to spark further investments in cleantech over the next few quarters.

[10] https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1350
[11] https://www.ainvest.com/news/eu-launches-10-billion-euro-fund-boost-tech-innovation-2505/
[12] https://www.eversheds-sutherland.com/en/germany/insights/germanys-historic-500bn-defence-and-infrastructure-fund-implications-for-the-german-economy

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VC investment in Europe dips slightly as investors show more caution, cont'd.

UK VC investment slows in Q2'25, but AI momentum builds

VC investment in the UK dropped to $3.5 billion in Q2'25 — down from $5.2 billion in Q1 and marking the slowest quarter since early 2020. The decline was driven largely by a pullback in corporate venture capital activity.

Despite the dip, artificial intelligence remained a dominant investment theme, with growing confidence in AI innovation across sectors. The UK government has reinforced its commitment to AI, pledging to create 13,000 jobs and strengthen national computing capacity by 20x. At London Tech Week, Prime Minister Starmer and Nvidia CEO Jensen Huang announced a £1.5 billion investment aimed at positioning the UK as an "AI maker, not an AI taker," boosting the country's fast-growing AI startup ecosystem.[13]

Notable Q2 megadeals included Believ ($338 million, EV charging), XY Miners ($300 million, cloud computing), and CMR Surgical ($200 million, healthtech). In H1 2025, healthtech narrowly edged out fintech as the UK's top-funded sector, followed closely by enterprise software.[14]

Irish VC investment slows post strong Q1'25, with caution reflective of macro environment

After a robust quarter of investment in Q1'25, including a number of outsized deals, Ireland saw VC investment drop in Q2'25. This decline likely reflects both a natural pause given the significant investment seen in the previous quarter and the general state of uncertainty in the broader macroeconomic and geopolitical environment. Investor sentiment and outlook for H2'25 remains cautiously positive, in part because Ireland's VC ecosystem has a strong focus on software companies, which have less direct exposure to US tariff risks causing so much uncertainty globally, but also because of the strength of Ireland's innovation ecosystem and the positive valuations that have been garnered by Ireland-based startups in recent months.

Fintech continued to attract a significant amount of VC investment in Ireland during Q2'25, with NomuPay and Wayflyer raising $40 million and $35 million respectively.

Q2'25 VC investment in the Nordics region falls to five-year low

VC investment in the Nordics region fell to $899 million in Q2'25 — a low not seen since Q3'19 — driven primarily by regional and global challenge and uncertainties, including evolving US tariff policies, the tensions in Middle East, and a stagnating exit market. Large deals were generally absent in the region during Q2'25, with some later stage companies avoiding the need for raises by adjusting their operating models or finding non-dilutive funding options — including venture debt. At a sector level, VC investors in the region continued to show robust interest in defence tech and dual-use solutions. AI and deep tech also continued to see traction; during the quarter, Legora — which provides a collaborative AI platform for Lawyers — raised $80 million.[15]

[13] https://uk.finance.yahoo.com/news/uk-vc-investment-storms-ahead-181425766.html
[14] https://ffnews.com/newsarticle/fintech/ai-venture-capital-uk/
[15] https://www.businesswire.com/news/home/20250521743643/en/Legora-Attracts-%2480-Million-Series-B-Funding-as-Top-Global-Law-Firms-and-Legal-Teams-Rush-to-Adopt-Its-Collaborative-AI

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VC investment in Europe dips slightly as investors show more caution, cont'd.

Trends to watch for in Q3'25

Looking forward to Q3'25, VC investors in Europe will be looking for US tariff policies stabilize so that they can better understand what the new world of business will look like so that they better factor tariff considerations into their decision making. Should uncertainties extend into Q3'25 and beyond, VC deal volume could remain subdued outside of very hot sectors like AI and defencetech.

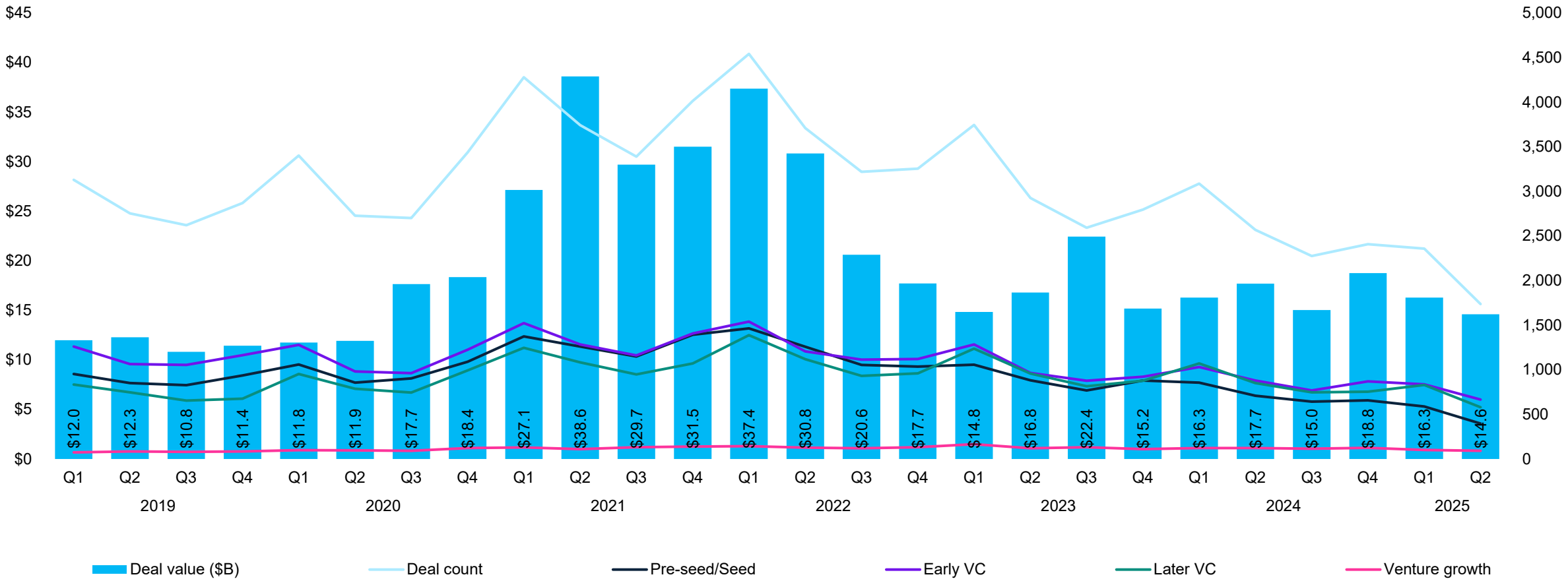
Both the EU and a number of large jurisdictions in Europe will likely continue to push forward with initiatives aimed at decoupling critical industries from both the US and China, funding capacity building activities and programs to scale and grow startups.

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VC flows remain steady to start the year

Venture financing in Europe

2019–Q2'25



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

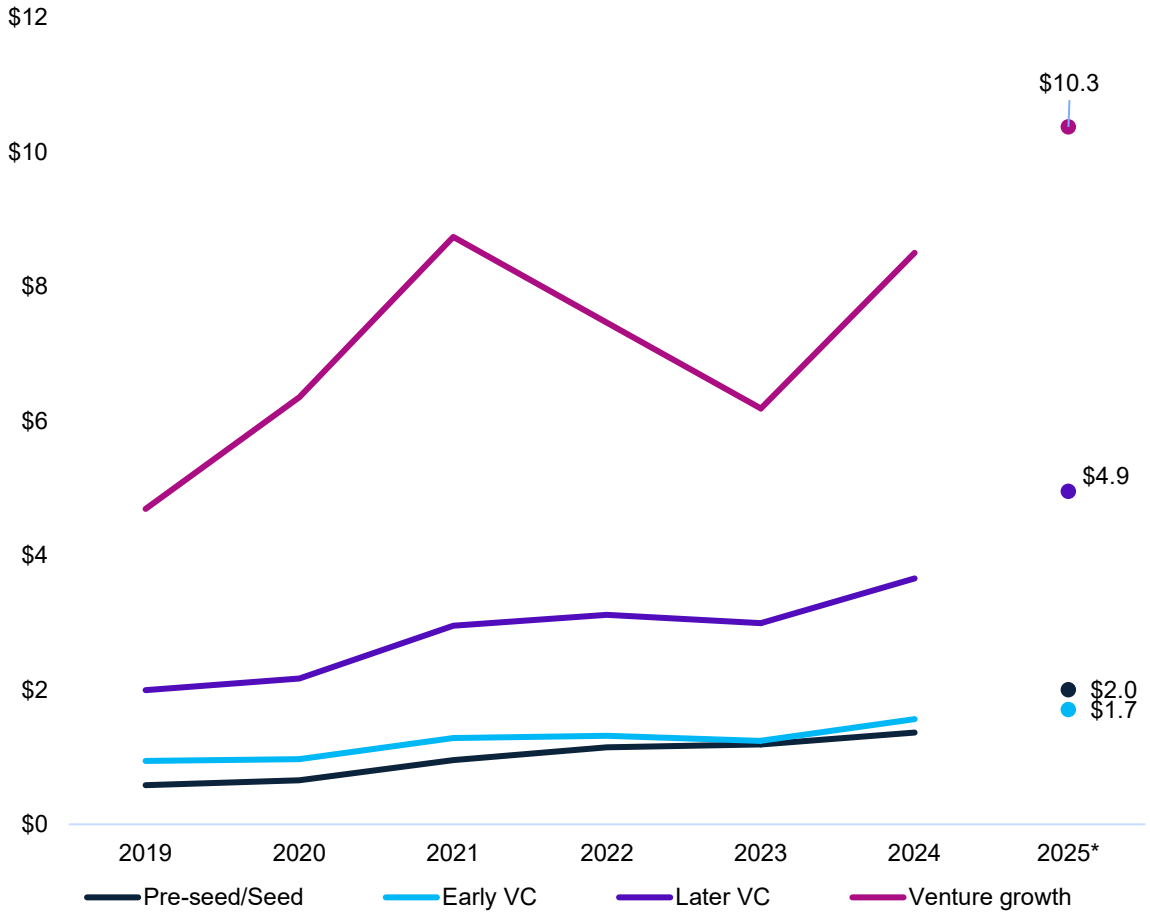
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Down rounds shrink amid robust financing figures

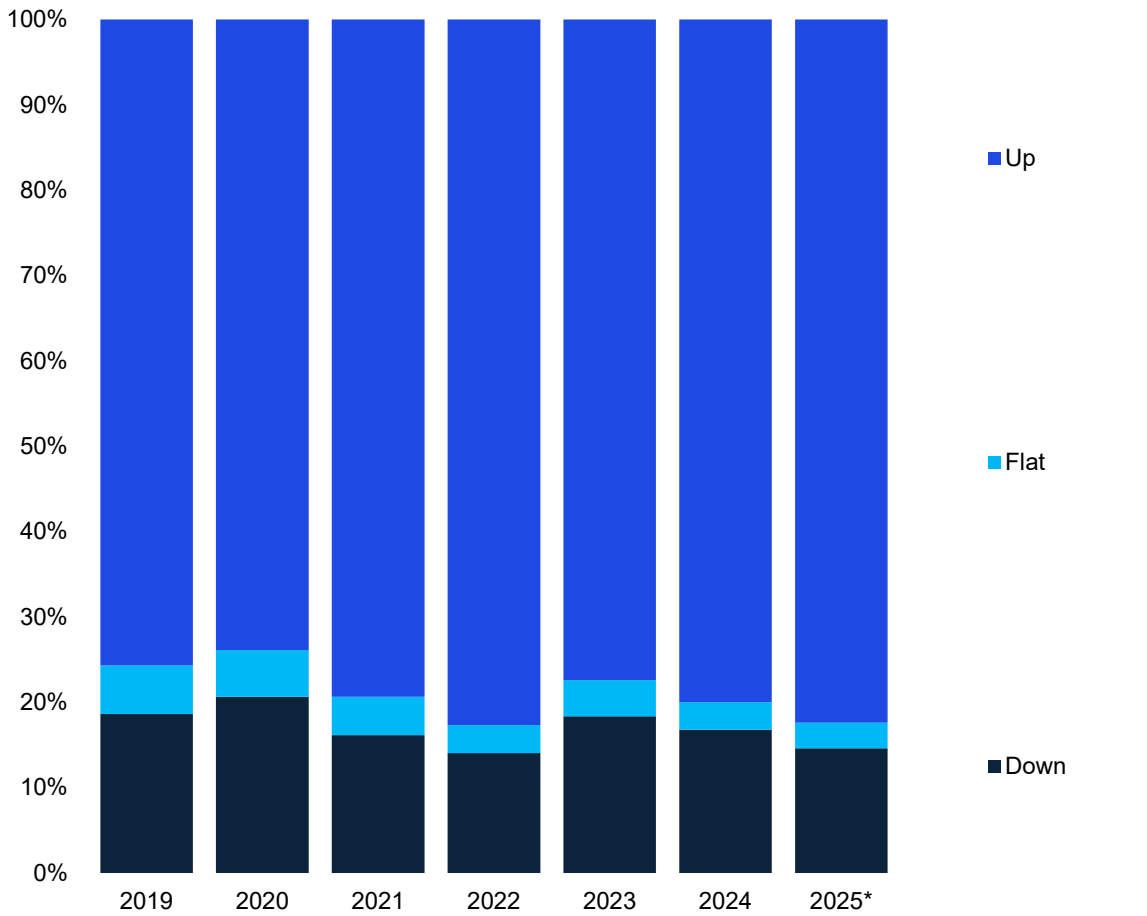
Median deal size ($M) by stage in Europe

2019–2025*



Up, flat or down rounds in Europe

2019–2025*



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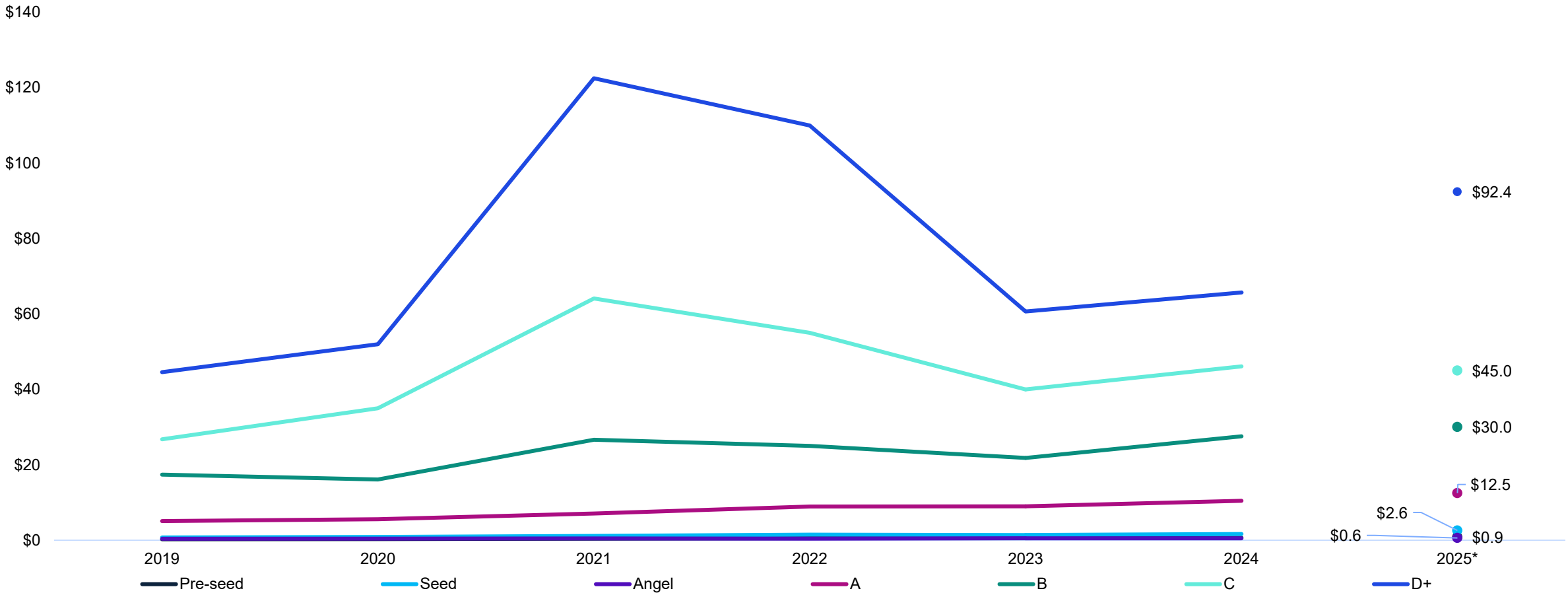
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Beyond the impact of mega-rounds, figures remain healthy

Median deal size ($M) by series in Europe

2019–2025*



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.
Note: The 2025* Series D+ figures are based on population sizes n < 30.

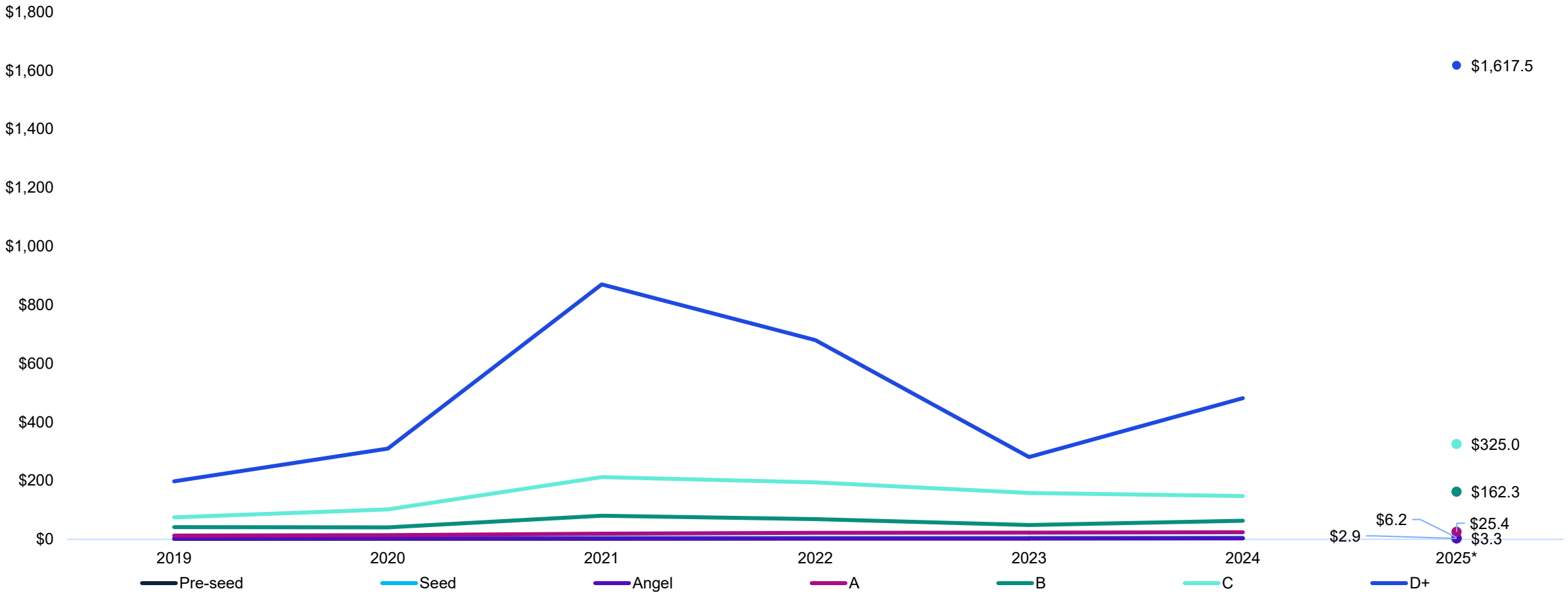
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Late-stage valuations persist at a higher level

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

2019–2025*



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.
Note: The 2025* Series C and D+ figures are based on population sizes of n < 30.

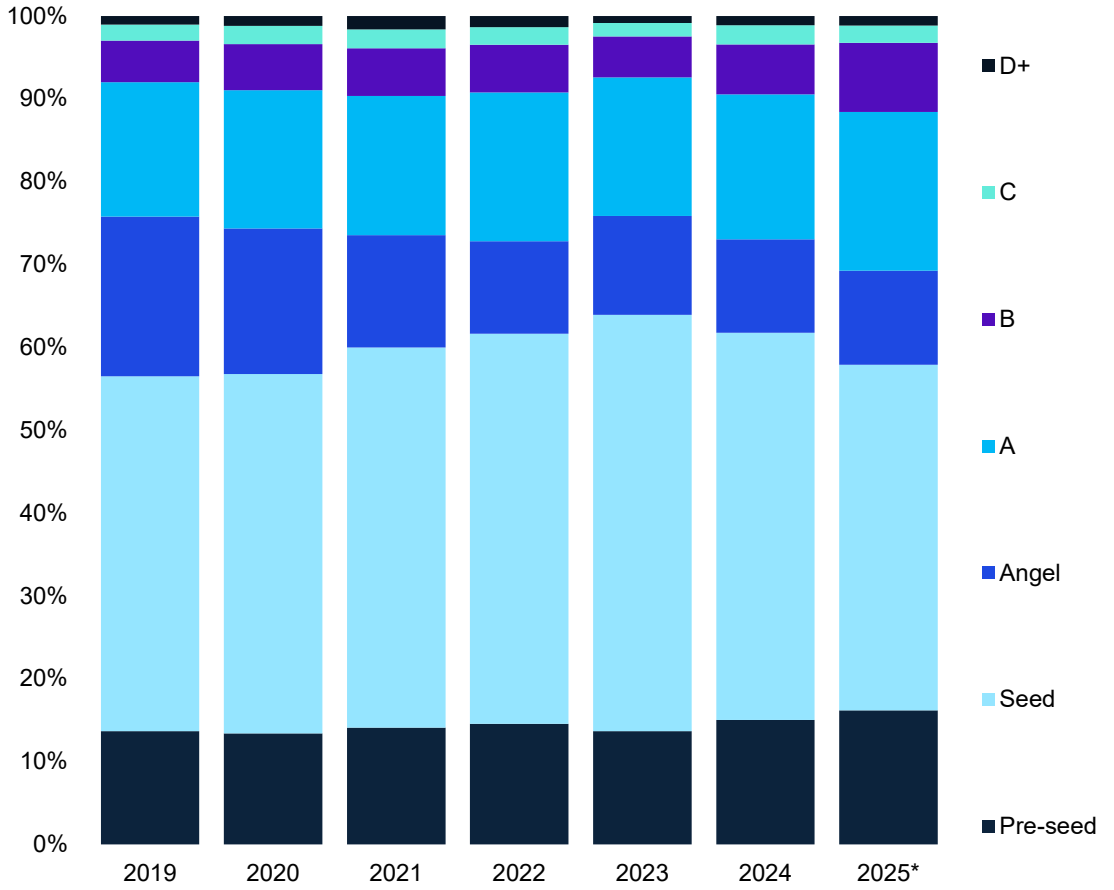
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Series A and earlier rounds retain hefty proportion of VC invested

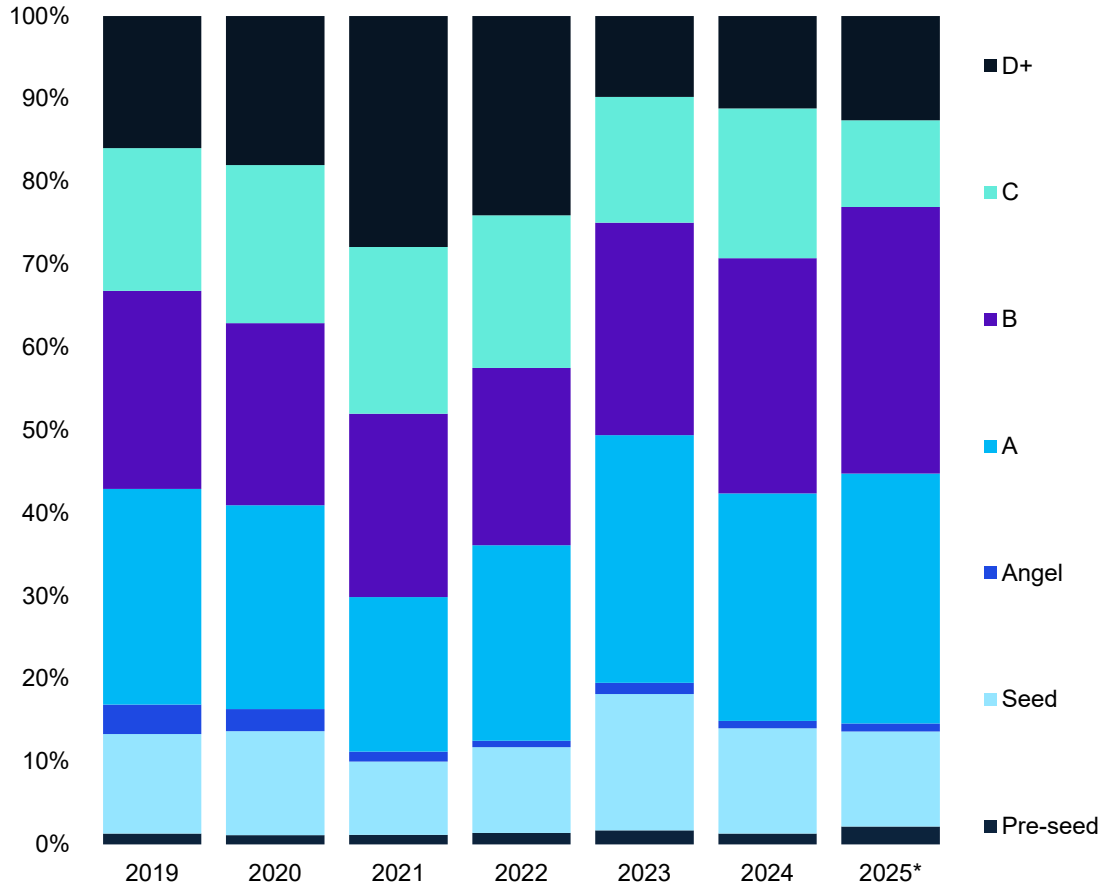
Deal share by series in Europe

2019–2025*, number of closed deals



Deal share by series in Europe

2019–2025*, VC invested ($B)



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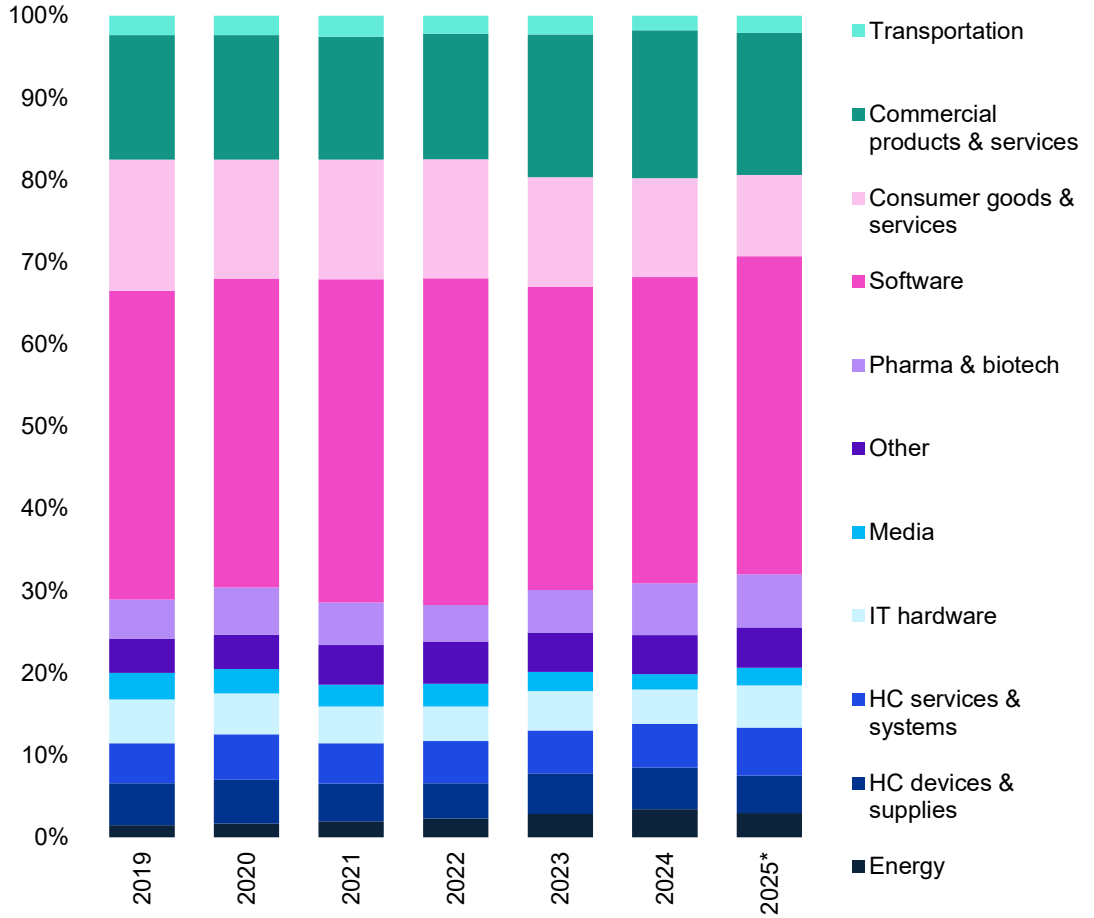
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AI applications drive software to record proportions

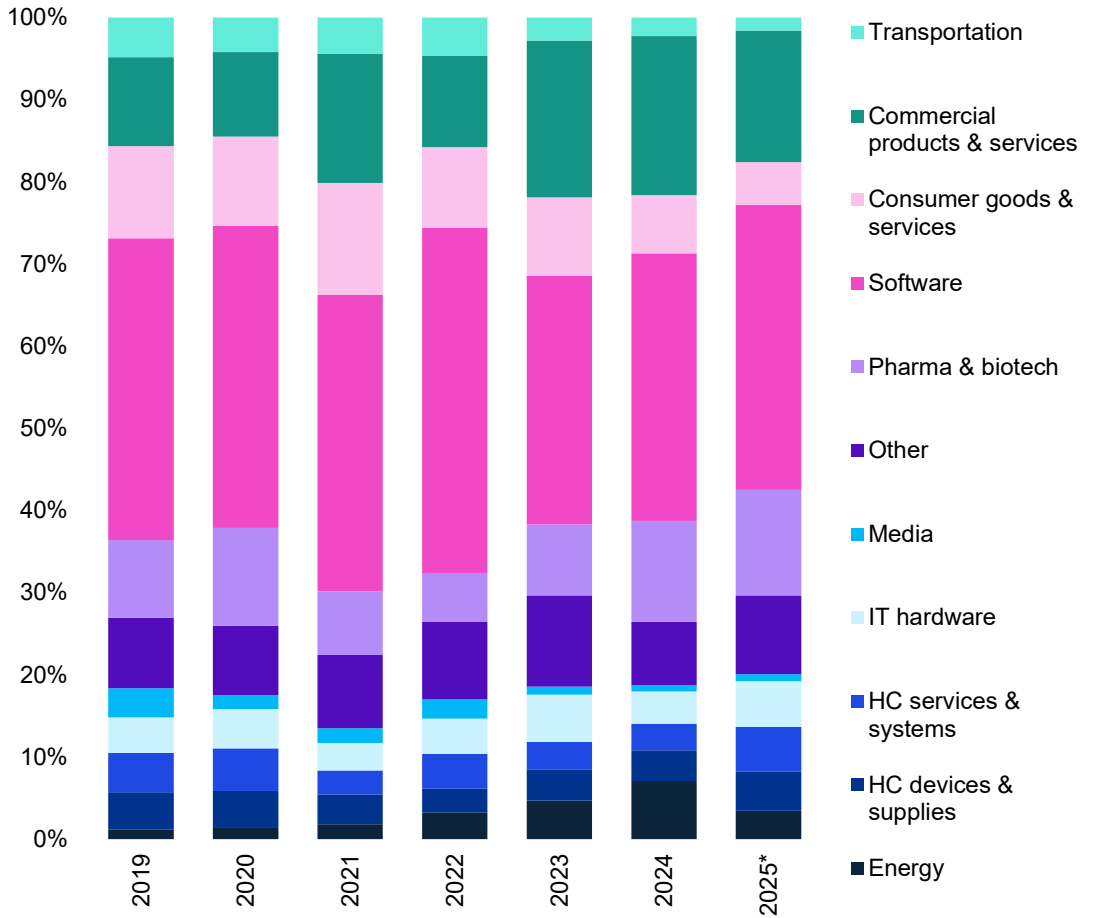
Venture financings by sector in Europe

2019–2025*, number of closed deals



Venture financings by sector in Europe

2019–2025*, VC invested ($B)



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

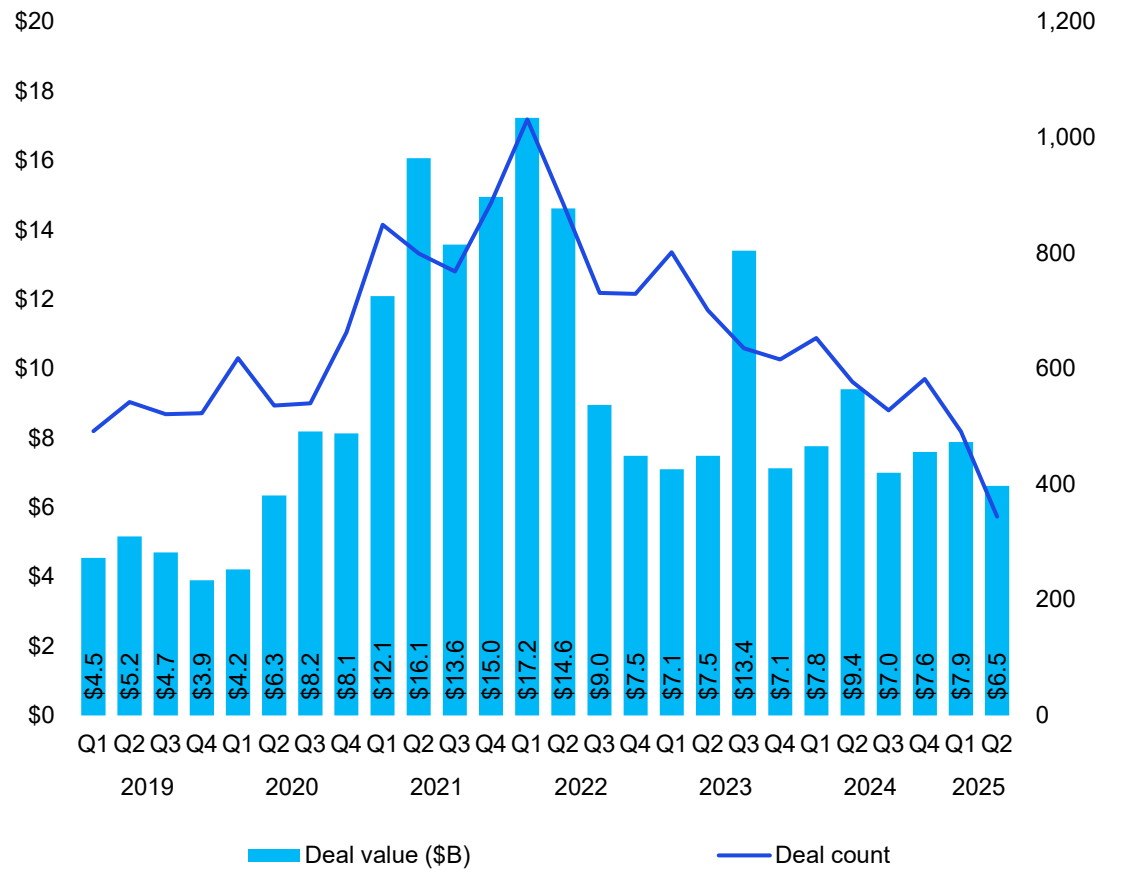
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First-time raises maintain a surge in VC invested

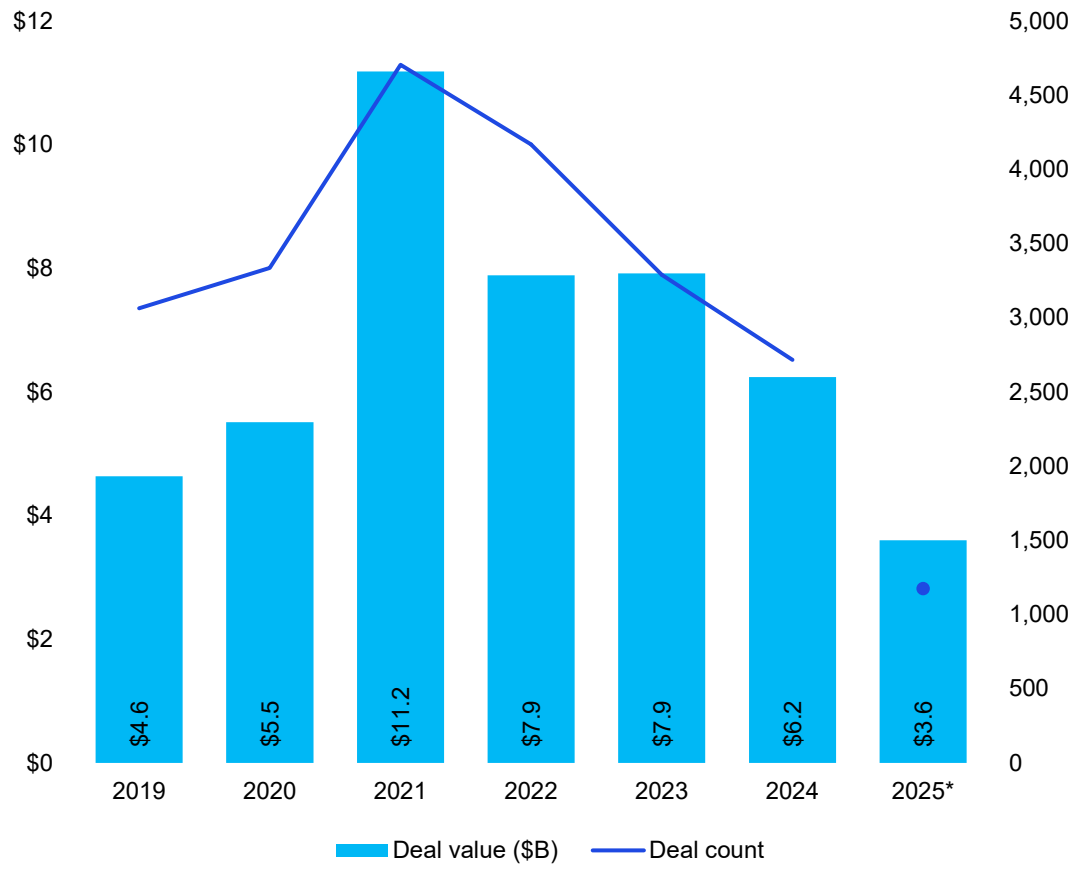
Corporate VC participation in venture deals in Europe

2019–Q2'25



First-time venture financings of companies in Europe

2019–2025*



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

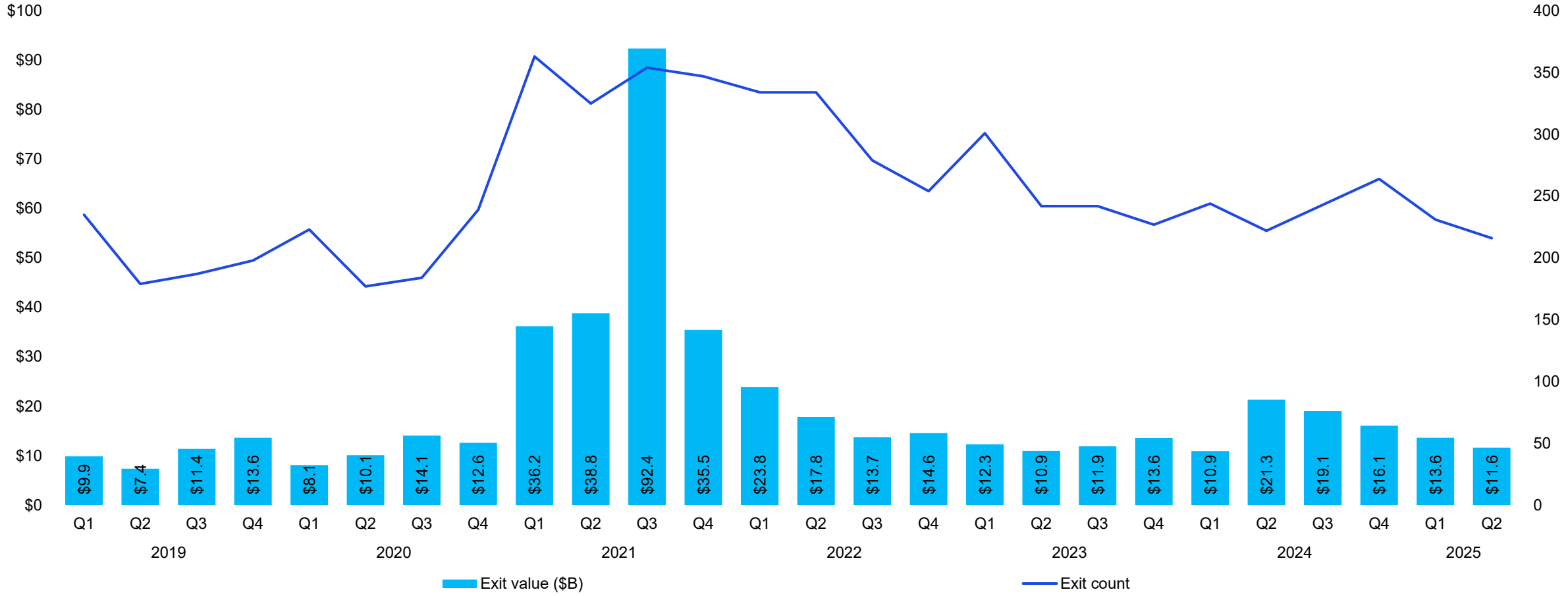
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Exits continue at a subdued pace

Venture-backed exit activity in Europe

2019–Q2'25



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

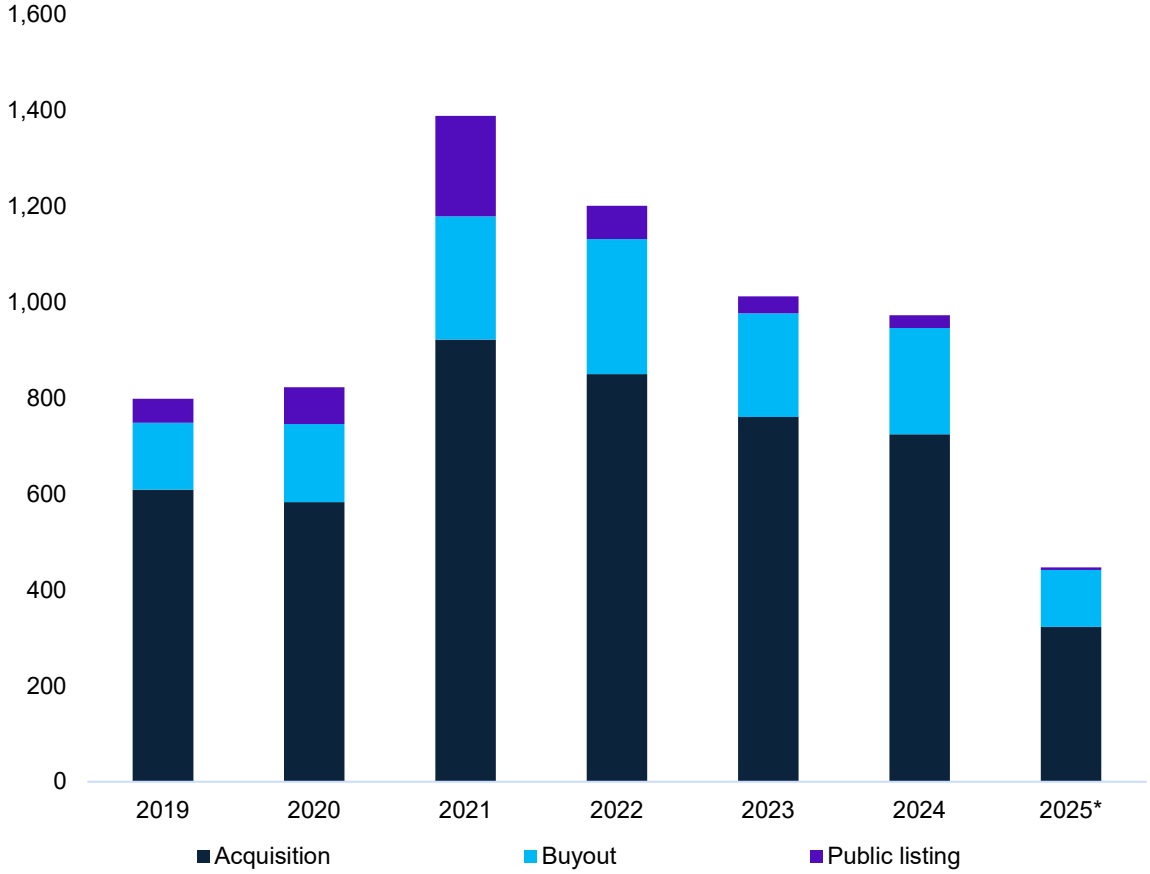
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M&A continues to propel liquidity

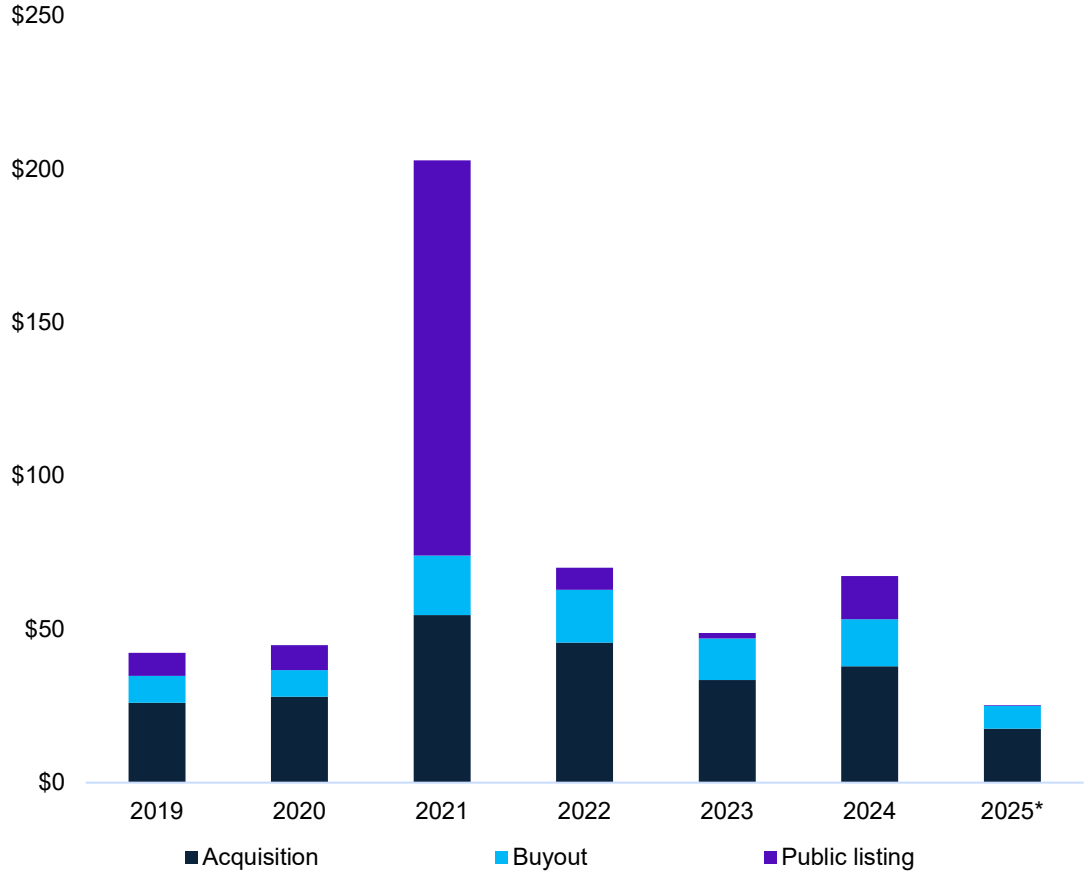
Venture-backed exit activity (#) by type in Europe

2019–2025*



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

2019–2025*



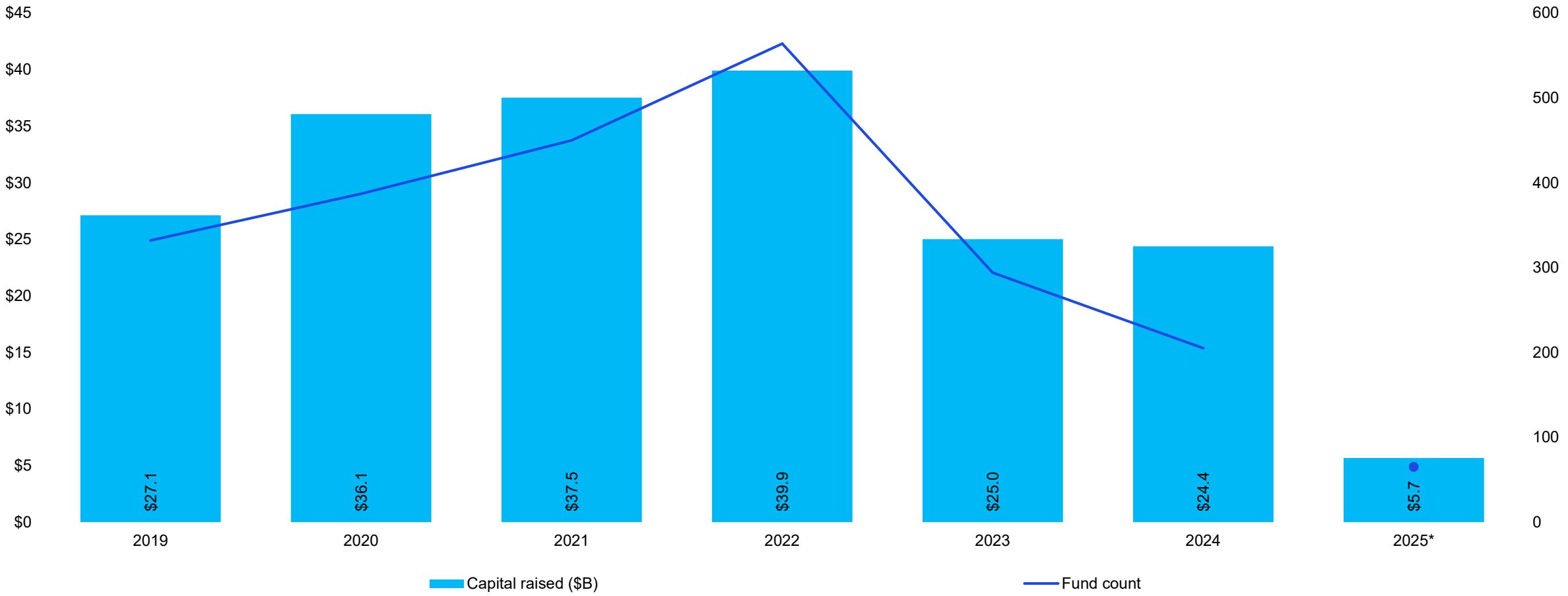
Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

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Fundraising remains significantly muted thus far

European venture fundraising

2019–2025*



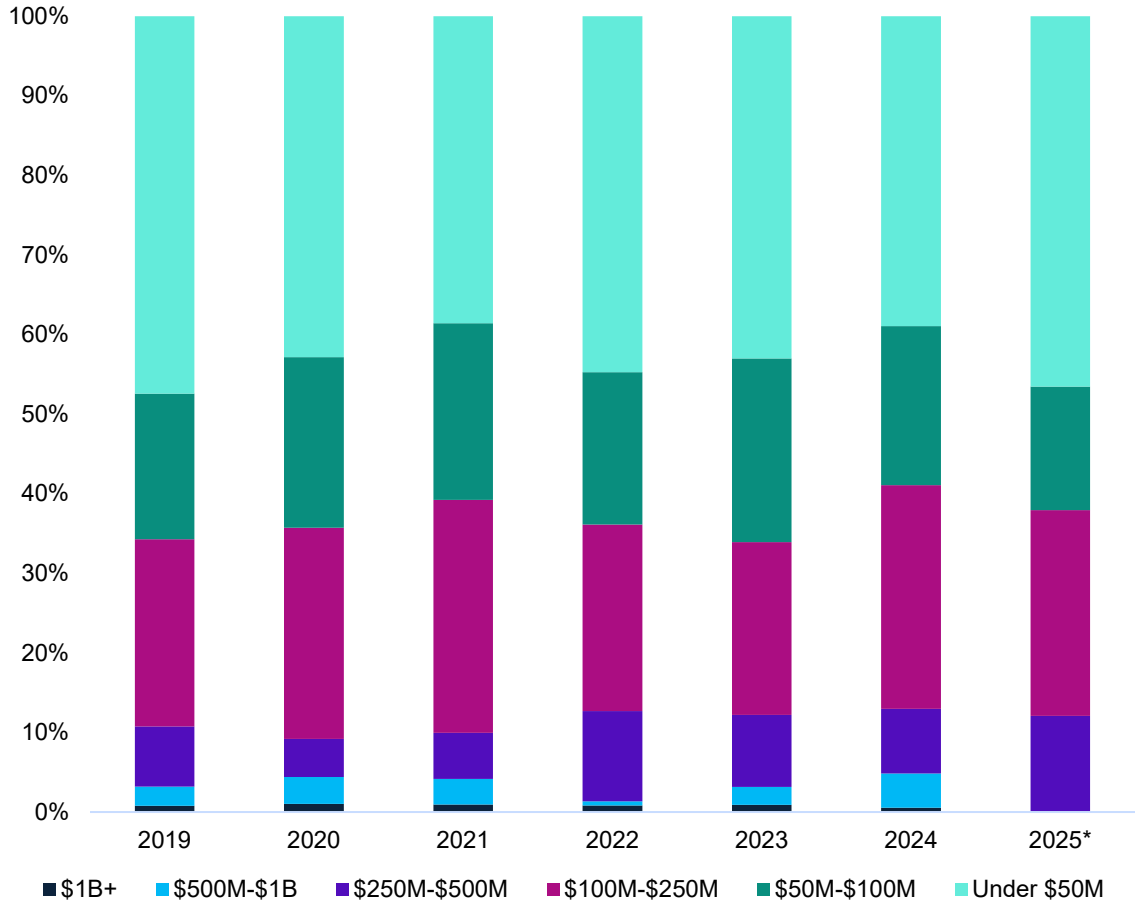
Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

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Fundraising breakouts hold steady compared to historical trends

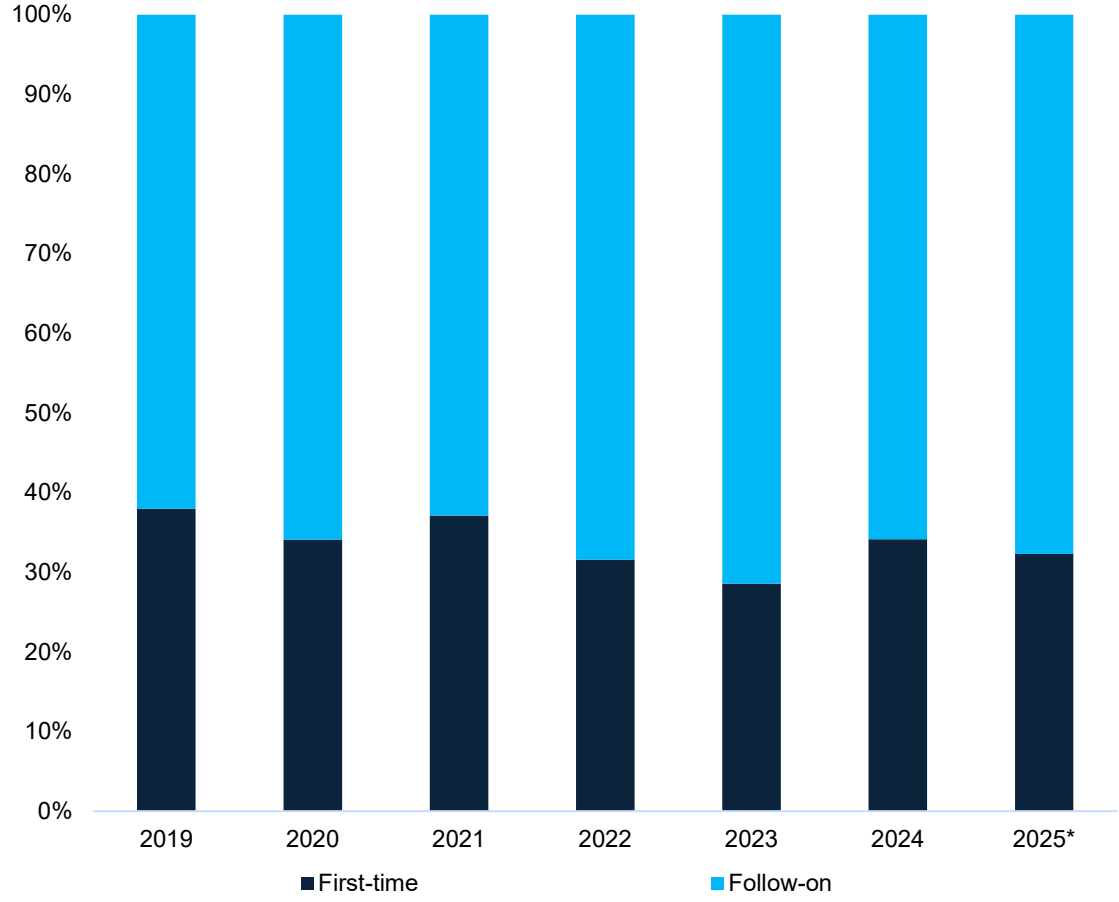
Venture fundraising (#) by size in Europe

2019–2025*



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

2019–2025*



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

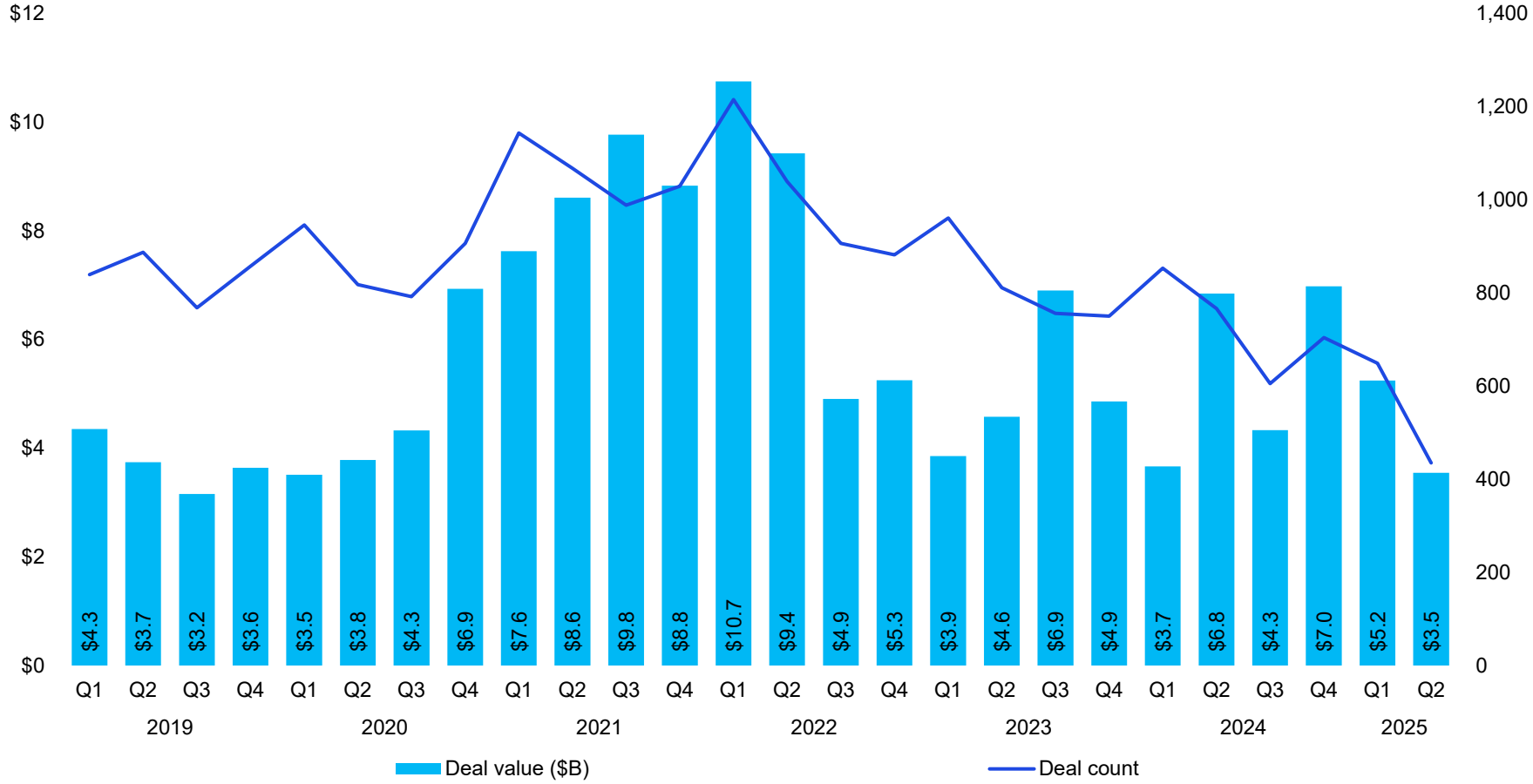
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After a more robust Q1, volume contracts

Venture financing in the United Kingdom

2019–Q2'25



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

"While Q2'25 marked the slowest quarter for UK venture capital since early 2020, the long-term outlook remains strong, particularly in artificial intelligence. We're seeing growing confidence from investors in the UK's innovation ecosystem, and the government's significant AI-focused commitments, including job creation and infrastructure investment, signal a clear intention to position the country as a global leader in next-generation technologies."



Nicole Lowe
UK Head of Emerging Giants
KPMG in the UK

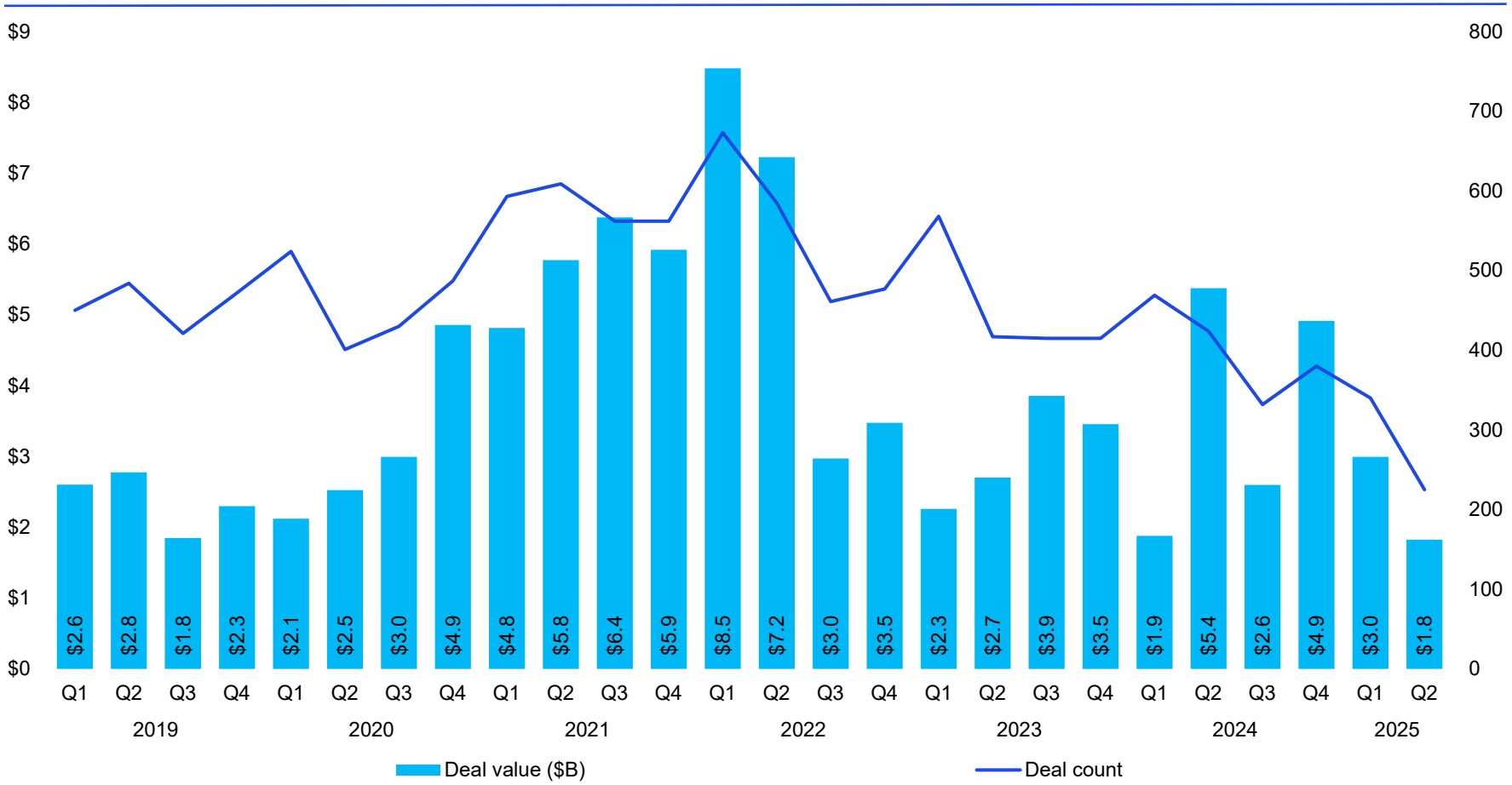
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Q2 2025 sees a slump in VC activity

Venture financing in London

2019–Q2'25



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

"While London's venture activity saw a dip in Q2'25, the city's fundamental strengths as a global financial and innovation hub remain undimmed. Notably, in H1 2025, healthtech narrowly edged out fintech as the UK's top-funded sector, followed closely by enterprise software. We continue to see robust investor appetite for groundbreaking ventures here, especially those driving the AI and deep tech revolution, positioning London for a strong rebound underpinned by these high-growth areas."



Patrick Molyneux
Partner, KPMG Acceleris
KPMG in the UK

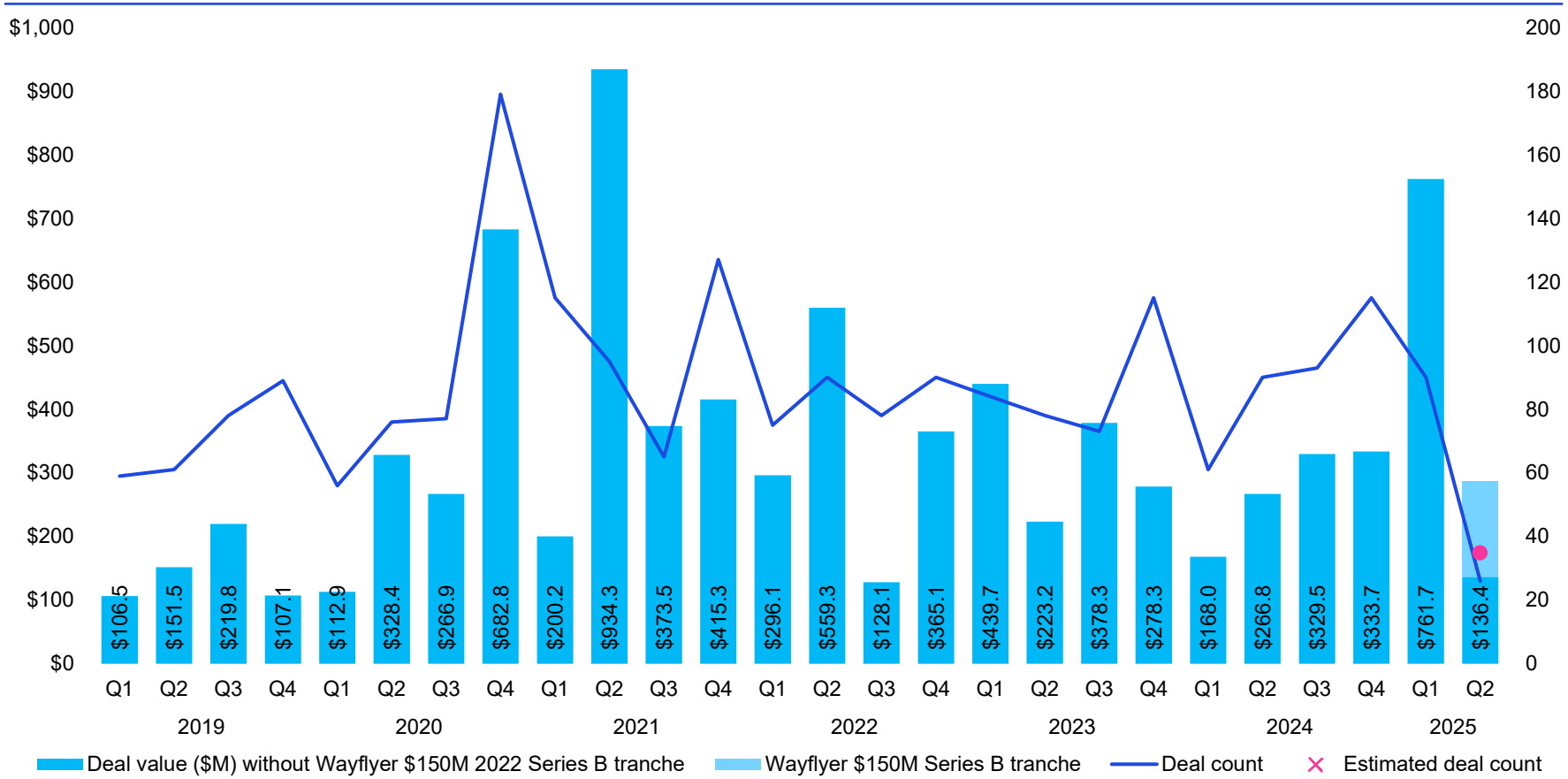
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Following a strong Q1'25, Irish VC investment trends lower in Q2

Venture financing in Ireland

2019–Q2'25



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

Note: Due to PitchBook's standard venture methodology, Wayflyer raised a $35 million Series B extension tranche in Q2 2025 that thereby resulted in the entire $185 million Series B close date being in Q2 2025, whereas the first installment of Series B funds of $150 million that Wayflyer raised was in 2022. As a result, the chart above depicts the impact of the $150 million Series B tranche on total deal value for Q2 2025. An additional estimated deal count for Q2 2025 was provided for this edition due to lags in confirming deals from a variety of investors.

> "Here in Ireland — like many markets — we are experiencing a slow down in venture capital investment during Q2'25 while investors await greater certainty at a macro level particularly in respect of US tariff policy. Having said that, Irish start ups, particularly in the fintech space, have continued to successfully raise capital during the quarter and we continue to see growing interest in start ups developing AI led solutions particularly where applications drive industry specific solutions."



Gavin Sheehan
Partner,
Deal Advisory
KPMG in Ireland

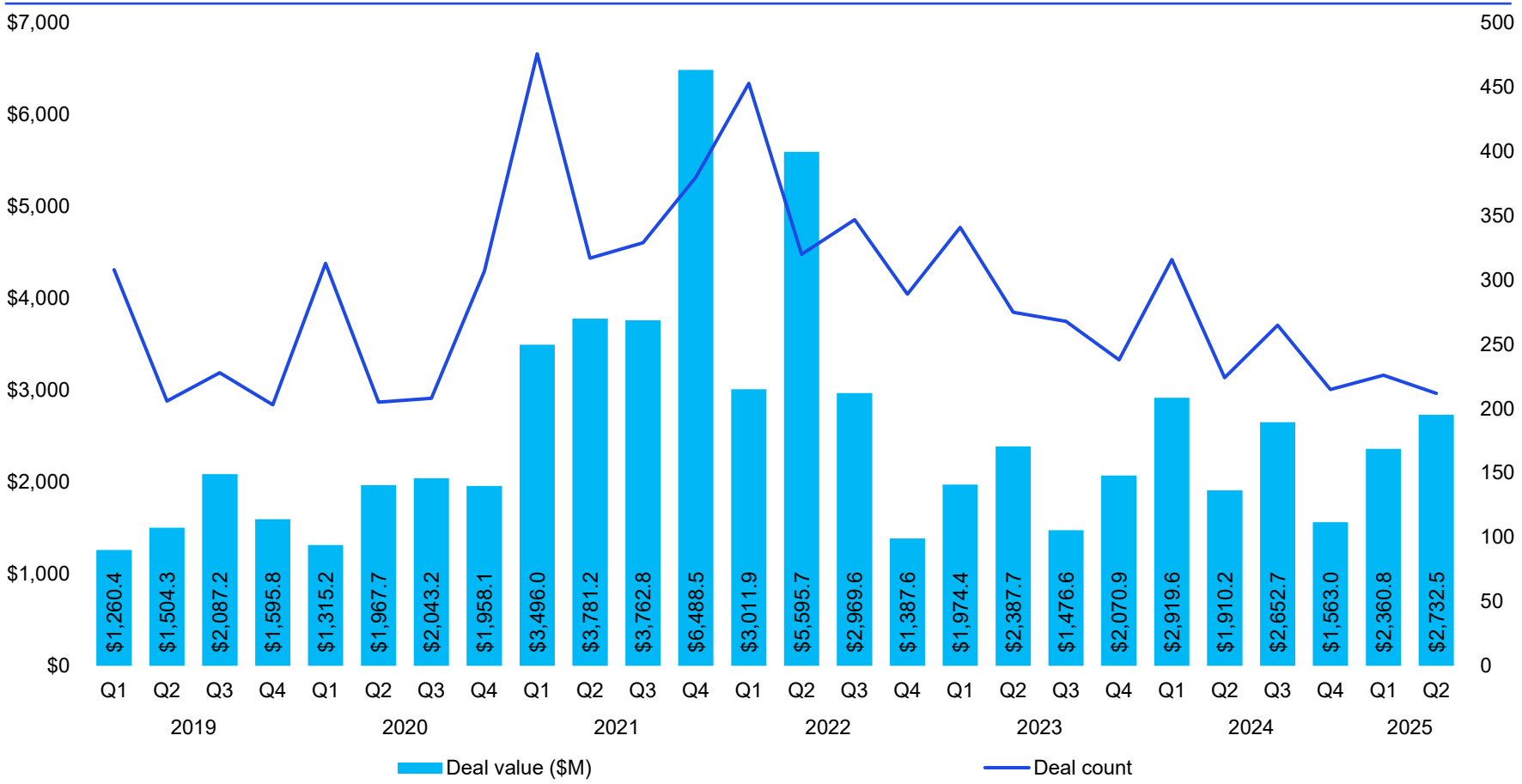
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VC activity remains stubbornly robust

Venture financing in Germany

2019–Q2'25



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

> "We're seeing a lot of reticence from VC investors in Germany for the moment. We have some investors who have stopped doing transactions altogether. We have others focusing only on later stage transactions. We're not seeing much at all on the seed and early stage deal side of things. And these trends are quite reflective of the current market environment, I think. Most investors are being very careful around all their investments — with the exception of AI and defence. Those are getting a lot of attention, in part because of a growing sense that the US may not be as stable a defence partner in the future as it has been over the past many years."



Stefan Kimmel
Partner
KPMG in Germany

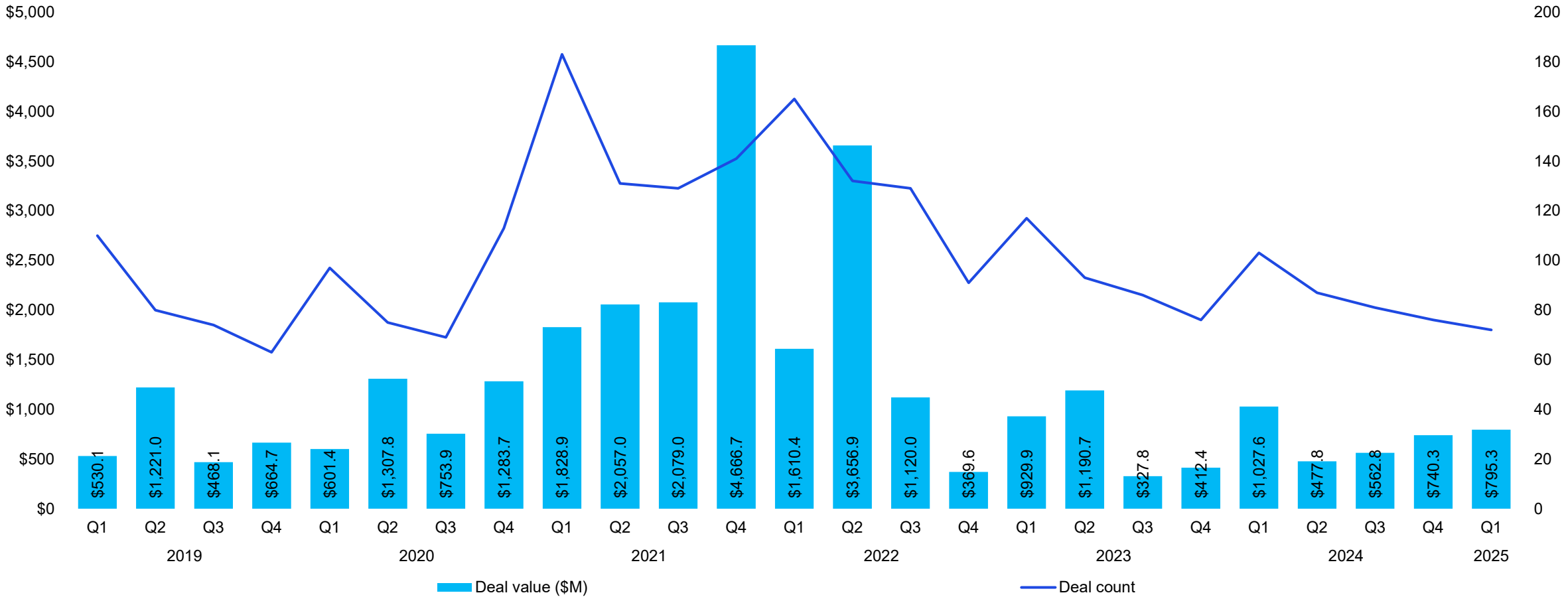
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Berlin continues to see relatively healthy tallies

Venture financing in Berlin

2019–Q2'25



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

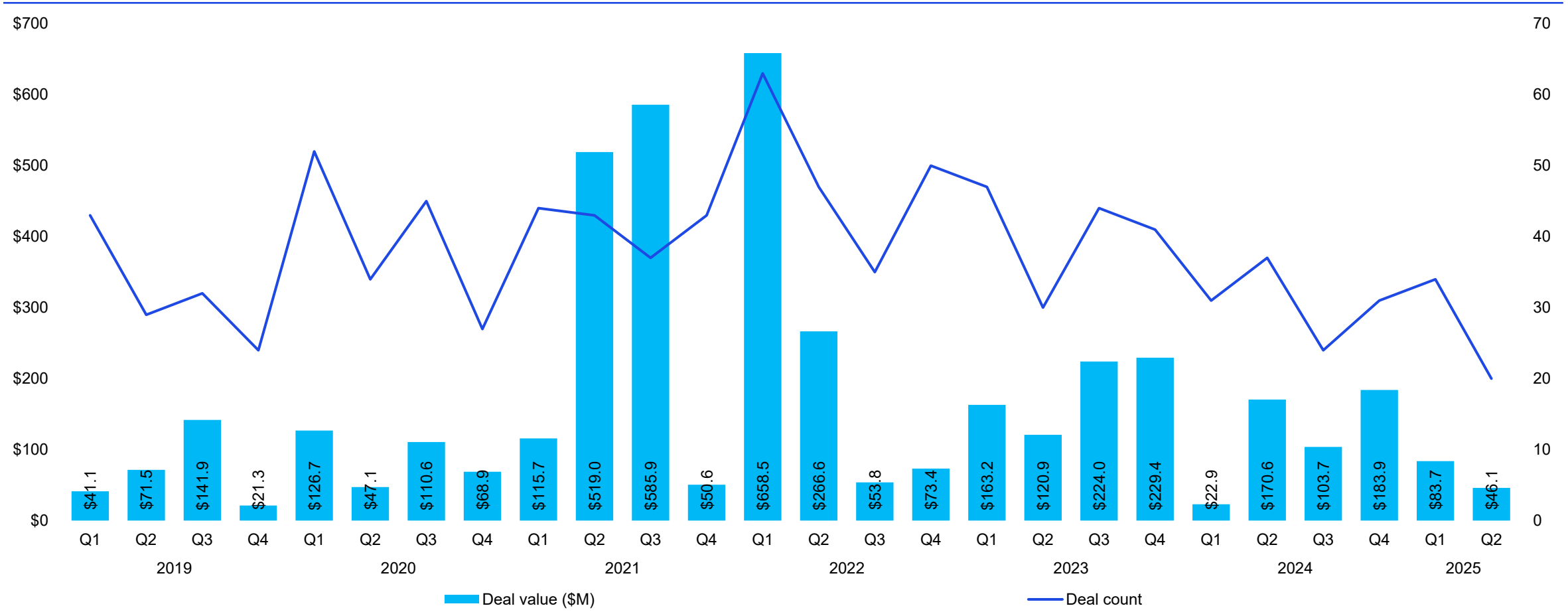
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VC activity ticks back up

Venture financing in Austria

2019–Q2'25



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

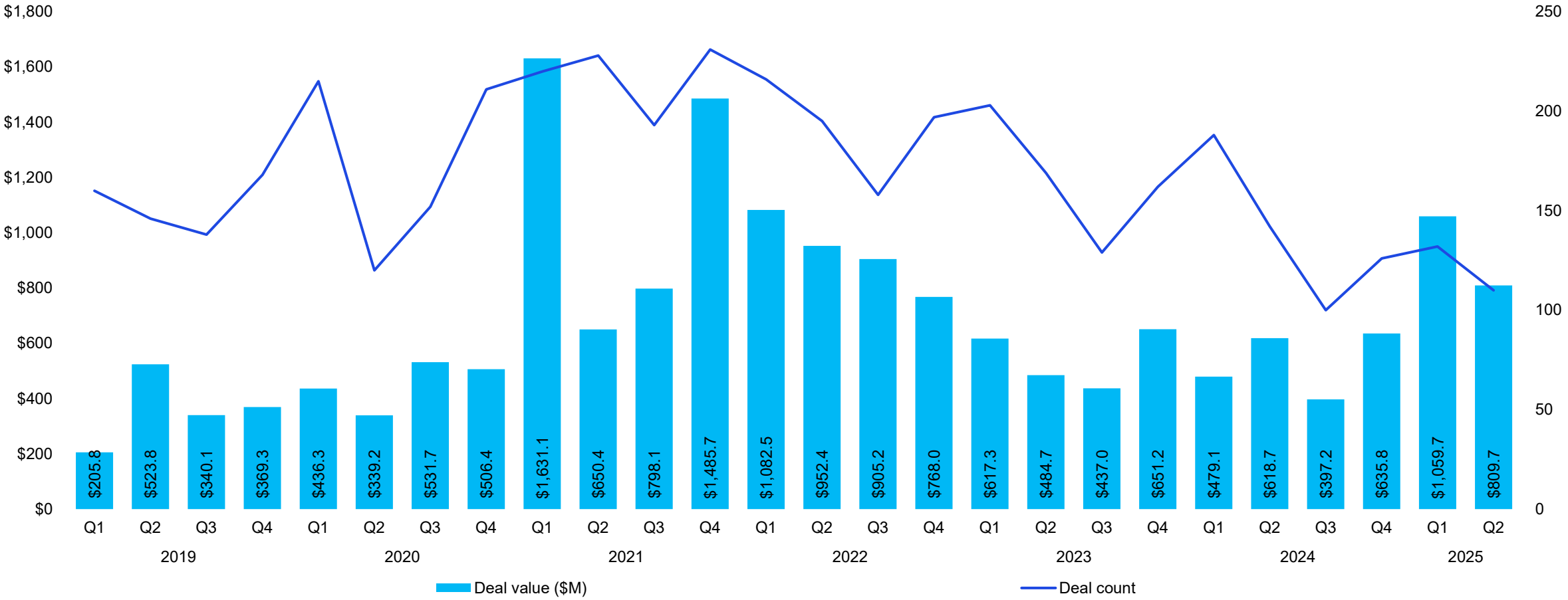
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VC invested spikes from a handful of mega-deals

Venture financing in Spain

2019–Q2'25



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

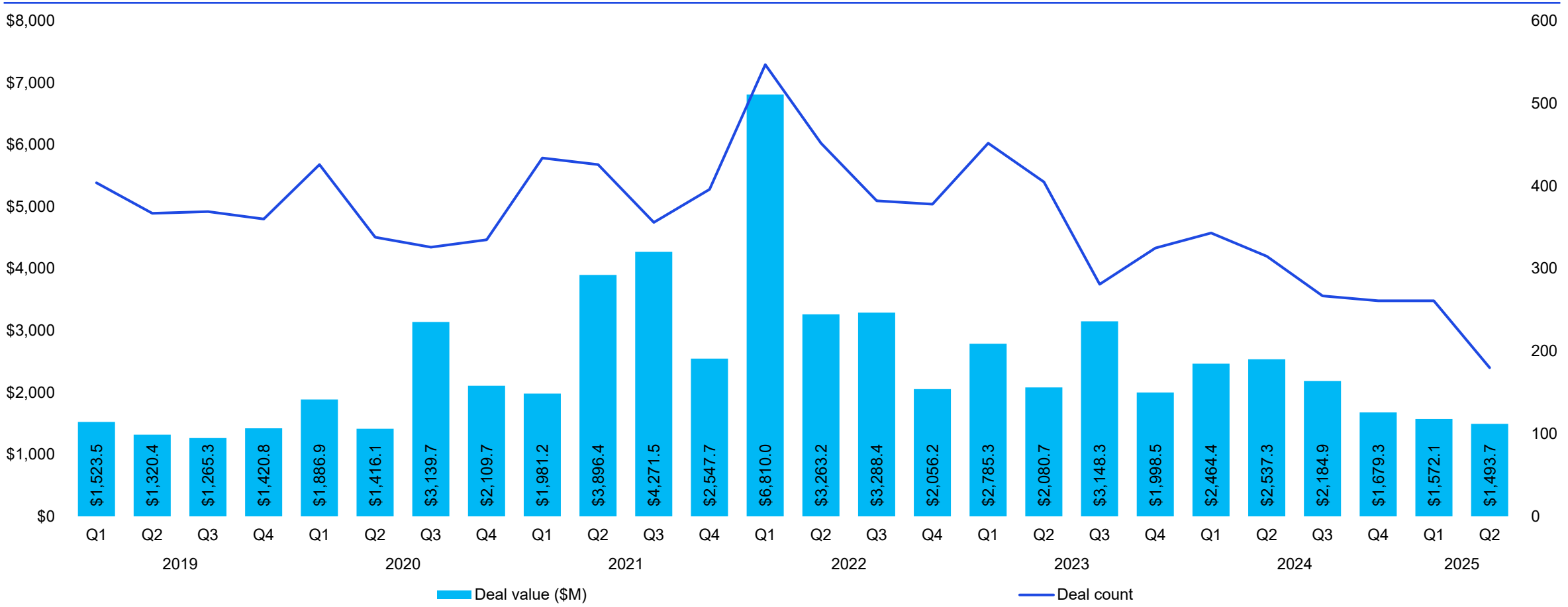
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VC tallies are likely to persist at a lower level, for now

Venture financing in France

2019–Q2'25



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

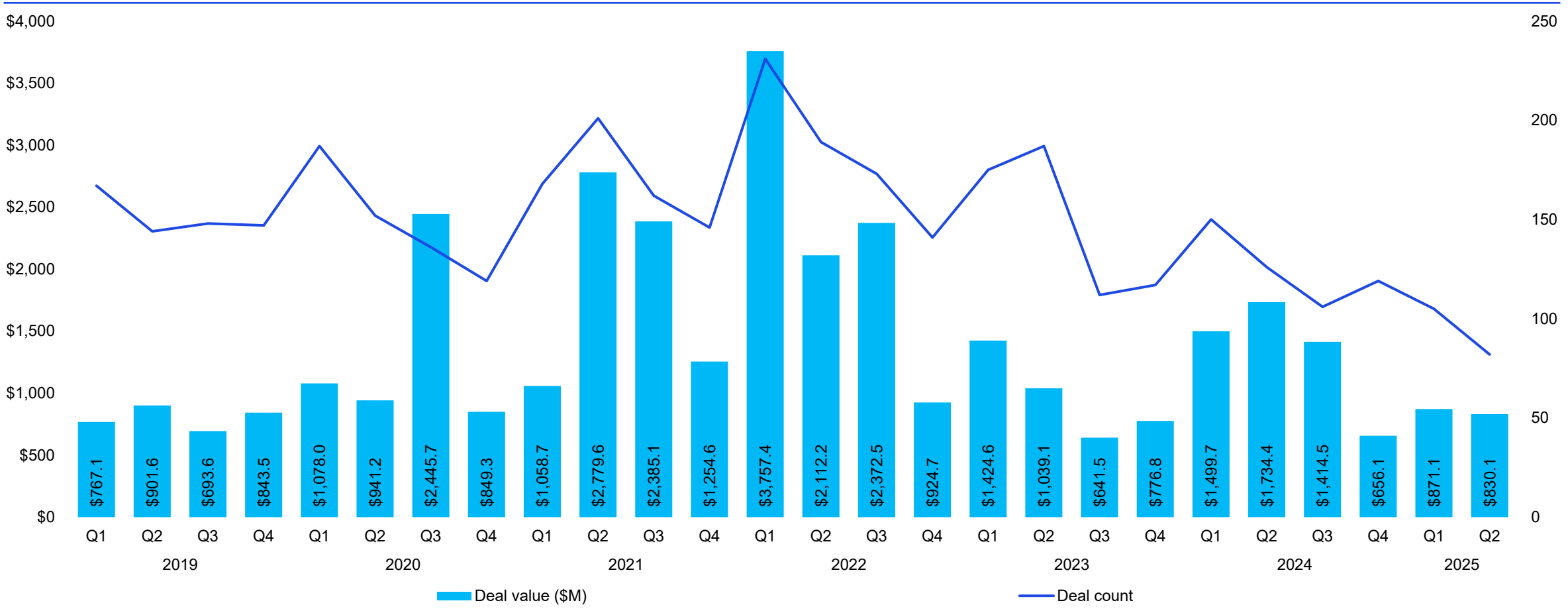
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VC activity remains subdued

Venture financing in Paris

2019–Q2'25



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

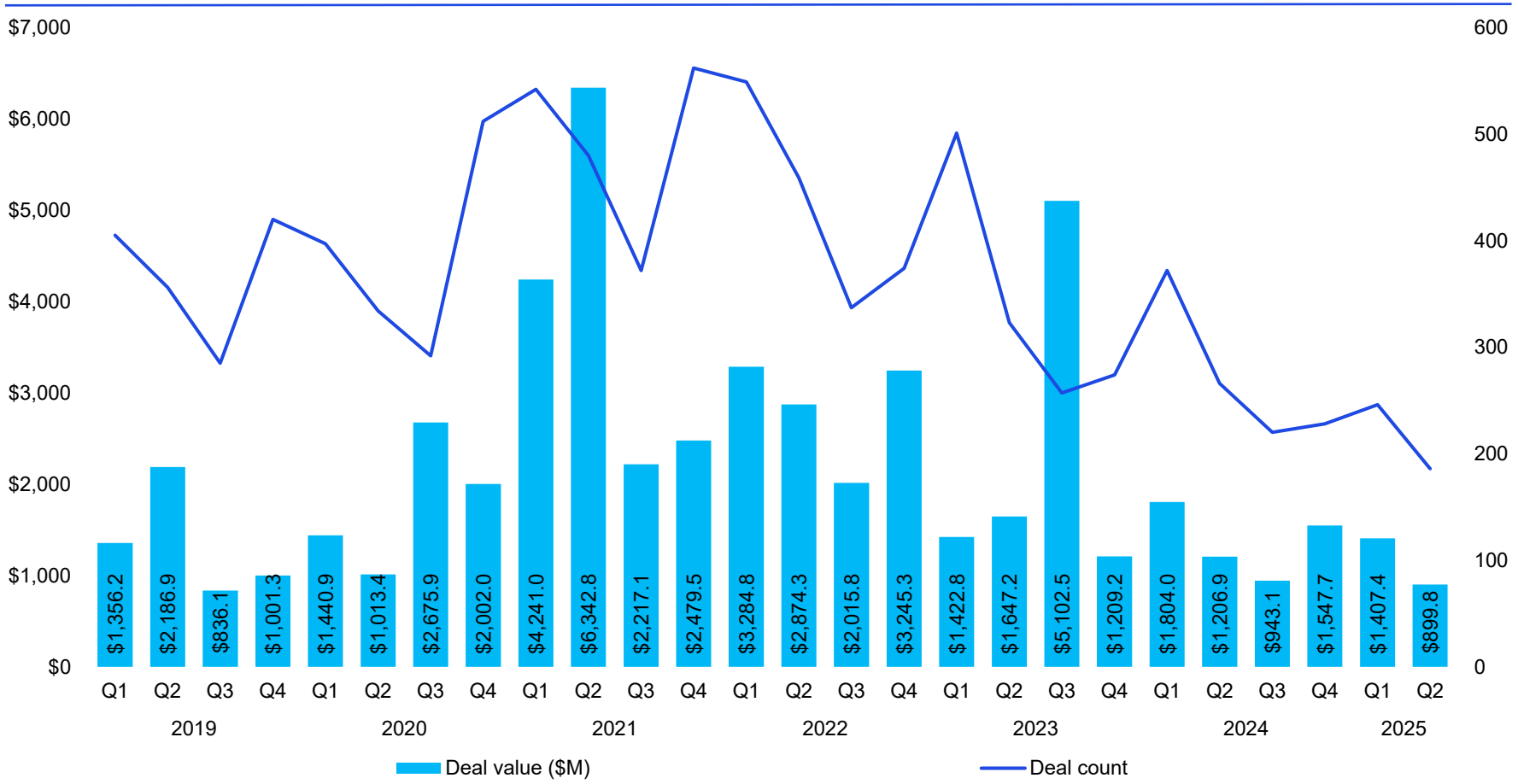
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Nordics continue to record sluggish VC activity

Venture financing in the Nordics

2019–Q2'25



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

> "Q2'25 was a very soft quarter for VC investment here in the Nordics. In addition to evolving global geopolitical issues, such as US tariffs and tensions in the Middle East, stagnation in later-stage funding and the exit/IPO market has also posed significant challenges. If these issues begin to stabilize, we can expect increased exit and IPO activity. Greater liquidity would likely follow, gradually strengthening the later-stage venture capital environment as well."



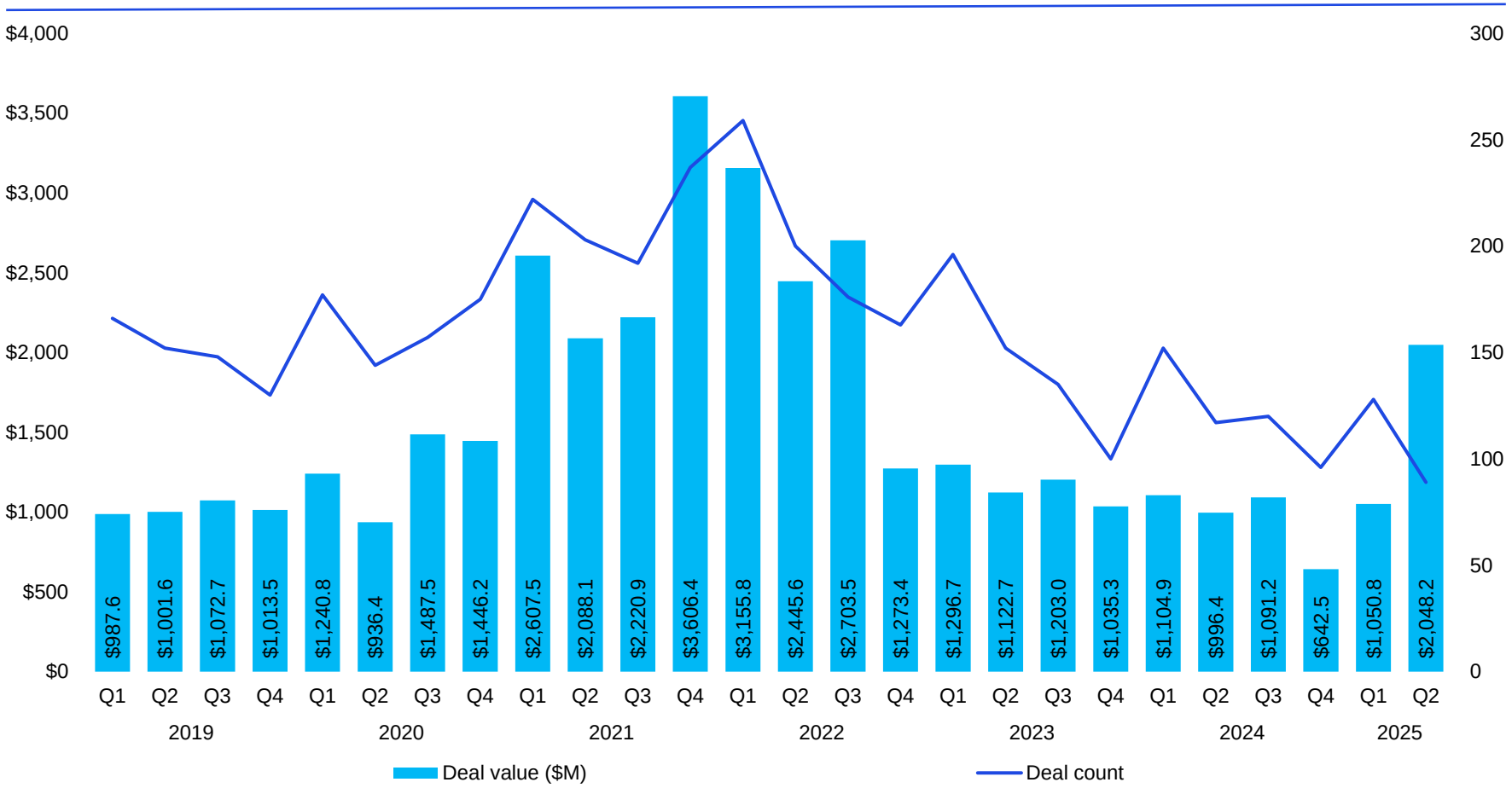
Jussi Paski
Head of Startup and Venture Services
KPMG in Finland

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Large deals underpin a surge in VC invested

Venture financing in Israel

2019–Q2'25



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

"Nearly 100 tech companies successfully completed funding rounds in Q2 2025. Israeli-founded and Israeli-based companies attracted substantial investments, bringing total capital raised to Q2-Q3 2021 levels. Seed and Round A still dominate, with more than $600M capital raised. In later stages, Safe Super intelligence's $2B Round B funding stands out high above other noticeable rounds, such as Cyera ($540M), AI21 ($300M) and Cato Networks ($239M). IPOs returned after a halt of 6 months — eToro (NASDAQ) and RP Optical Lab (TASE) — and more than 30 Israeli startups were acquired. Looking ahead, we see the Israeli tech maintaining its resilience in spite of regional hurdles, continuing to deliver as always."



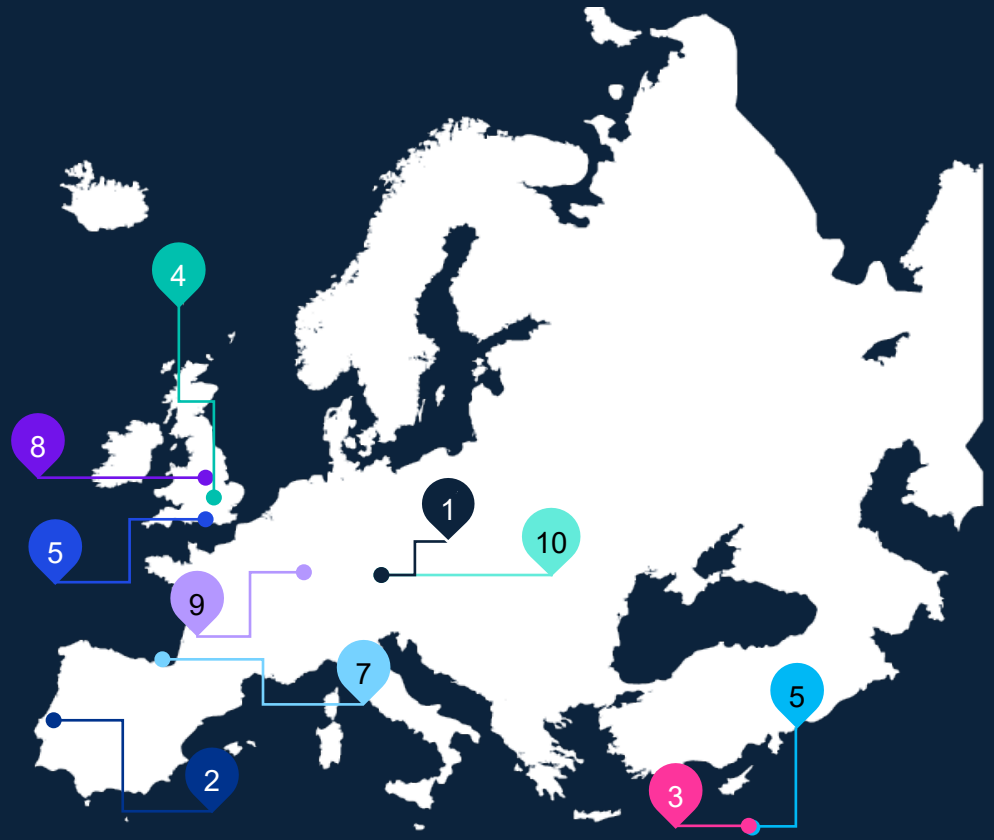
Dina Pasca–Raz
Head of Technology and Head of International Tax
KPMG in Israel

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AI predominates but multiple other sectors attract top deals

Top 10 financings in Q2'25 in Europe



1. **Helsing** — $682.95M, Munich, Germany — Defensetech — Series D
2. **TEKEVER** — $500M, Lisbon, Portugal — AI & ML — Late-stage VC
3. **Cato Networks** — $359M, Tel Aviv, Israel — Cybersecurity — Series G
4. **Believ** — $388.7M, London, UK — Cleantech — Late-stage VC
5. **AI21 Labs** — $300M, Tel Aviv, Israel — AI & ML — Series D
5. **XY Miners** — $300M, Brighton, UK — Crypto — Series B
7. **Multiverse Computing** — $214.2M, San Sebastian, Spain — AI & ML — Series B
8. **CMR Surgical** — $200M, Cambridge, UK — Healthtech — Late-stage VC
9. **Quantum Systems** — $178M, Gilching, Germany — Defensetech — Series C
10. **Scalable Capital** — $174.9M, Munich, Germany — Fintech — Late-stage VC

Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

Note: Due to the Wayflyer tranching being over a period of multiple years, although its extension in Q2 2025 per PitchBook methodology would have resulted in its $185 million being included in this quarter's top deals, it was omitted as $150 million in separate tranches occurred in 2022.

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In Q2'25, VC-backed companies in the Asia region raised $12.8 billion across 2,022 deals



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VC investment in Asia remains very subdued, despite slight uptick in Q2'25

VC investment in Asia rose from $12.6 billion across 2,662 deals in Q1'25 to $12.8 billion across 2,022 deals in Q2'25; despite the minor increase, the level of VC investment in Asia remained very subdued — the second lowest quarter of investment seen in over a decade. Deal sizes were relatively muted this quarter; the largest deals of the quarter included a $300 million raise by Zelos Tech and a $219 million raise by Yangtze Memory — both based in China, in addition to a $218 million raise by PB Healthcare in India.

VC investment trends vary across Asia as some jurisdictions see an increase and others a decline

Across the region, VC investment trends were quite mixed during Q2'25. China and Australia both experienced drops in VC investment — from $6.4 billion to $4.7 billion and from $672 million to $483 million respectively quarter-over quarter. Meanwhile, India, Japan, and Singapore each experienced significant upticks in investment. VC investment in India rose from $2.8 billion to $3.5 billion, while in Japan it rose from $927 million to $1.5 billion, and in Singapore it rose from $525 million to $1.3 billion.

China sees VC investor caution amplified in Q2'25 amid geopolitical and trade tensions

VC investment in China fell to $4.7 billion across 813 deals in Q2'25 — levels not seen in over a decade. The pullback reflects a perfect storm of uncertainties, including geopolitical tensions, constantly shifting tariff policies with the US, and less than ideal domestic market conditions. Given these uncertainties many VC investors in China held back from making major deals this quarter, particularly in sectors focused on cross-border trade, traditional energy, and transportation.

VC deals that were completed in China during Q2'25 primarily focused on companies with real revenue streams and startups with operations aimed primarily at the domestic market given their relative isolation from global trade policies. During the quarter, AI-enabled autonomous logistics vehicles company Zelos Tech raised $300 million, semiconductor manufacturer Yangtze Memory raised $219 million, and smart mobility company SAIC Mobility raised $178 million.

Japan sees both VC investment and deal volume increase in Q2'25

Japan continued to stand out among VC markets in Asia in Q2'25; during the quarter, it was the only major jurisdiction to see deal volume increase, albeit modestly — from 299 deals in Q1'25 to 333 deals in Q2'25. VC investment in Japan also rose over the same period, from $927 million in Q1'25 to $1.5 billion in Q2'25. AI and deeptech attracted the most attention from VC investors in Japan in Q2'25, who also showed increasing interest in applied AI solutions in areas like healthcare, robotics, and automotive.

During Q2'25, there was some tightening of funding at the later deal stages, likely driven by investor caution given the uncertainty in the VC market globally. Startups in a strong position to win in their industries continued to raise funds successfully, while others have found it more difficult. This has led to some flat and down rounds.

VC investment in India sees solid uptick in Q2'25

VC investment in India rose from $2.8 billion across 456 deals to $3.5 billion across 355 deals quarter-over-quarter. A $218 million seed round raise by PB Healthcare — a startup focused on developing a tech-enabled health delivery platform — was India's largest VC investment of Q2'25, followed by $200 million raises by on-demand logistics company Porter and investment platform Grow. Fintech remained one of the hottest sectors of investment in India.

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VC investment in Asia remains very subdued, despite slight uptick in Q2'25, cont'd.

VC investment in AI shifting towards industry solutions in the Chinese Mainland and Hong Kong (SAR), China

While companies like Deep Seek and China's technology giants — like Alibaba and Tencent continued to invest in and push their AI activities forward, VC investment in AI model and infrastructure companies cooled down somewhat in China during Q2'25; instead, VC investors and corporates have increasingly focused on more practical applications of AI, such as AI-driven industry solutions.

In Hong Kong, for example, the financial services sector has been quick to embrace AI solutions; many financial institutions in Hong Kong have already incorporated AI into some of their real time activities, including customer service response. It is also increasingly being applied to more complex areas — such as data analysis and compliance checks.

Japan's VC investment ecosystem evolves as market conditions evolve

Over the last couple of quarters, the Japan VC ecosystem has experienced some changes; while large VC funds with proven track records have been able to establish funds of ¥10 billion or more, smaller VC funds have struggled — causing some polarization on the funding front. At the same time, there has been an increasing focus on open innovation by corporates and capital and business alliances.

During Q2'25, the announcement of tariffs by the US drove a shift in funds away from export-oriented companies to firms focused on the domestic market. This shift in focus helped lift the TSE's Growth 250 index to its highest level in over a year.

Window opening on exits in Hong Kong

The exit market in Hong Kong reopened somewhat during Q2'25 as market conditions turned more favourable, interest rates remained relatively low, and the IPO market continued to experience growth. These factors, combined with a growth in valuation multiples has increased the attractiveness of Hong Kong as an IPO destination; during Q2'25, there was a robust lineup of companies intending to go public in Hong Kong, in addition to a number of companies listed in the Chinese Mainland looking to host secondary listings in Hong Kong.

Trends to watch for in Q3'25

Heading into Q3'25, VC investment in Asia is expected to remain quite subdued given the uncertainties related to US tariffs; at a jurisdictional level, there will likely continue to be a divide, with some jurisdictions feeling the impact of tariffs and investor caution more deeply than others.

In China, domestic-focused businesses will likely continue to attract a greater share of VC investment in Q3'25, in addition to companies focused on AI applications. The EV space will likely continue to see consolidation given the oversaturation of the market and the increasing focus on price-based competition.

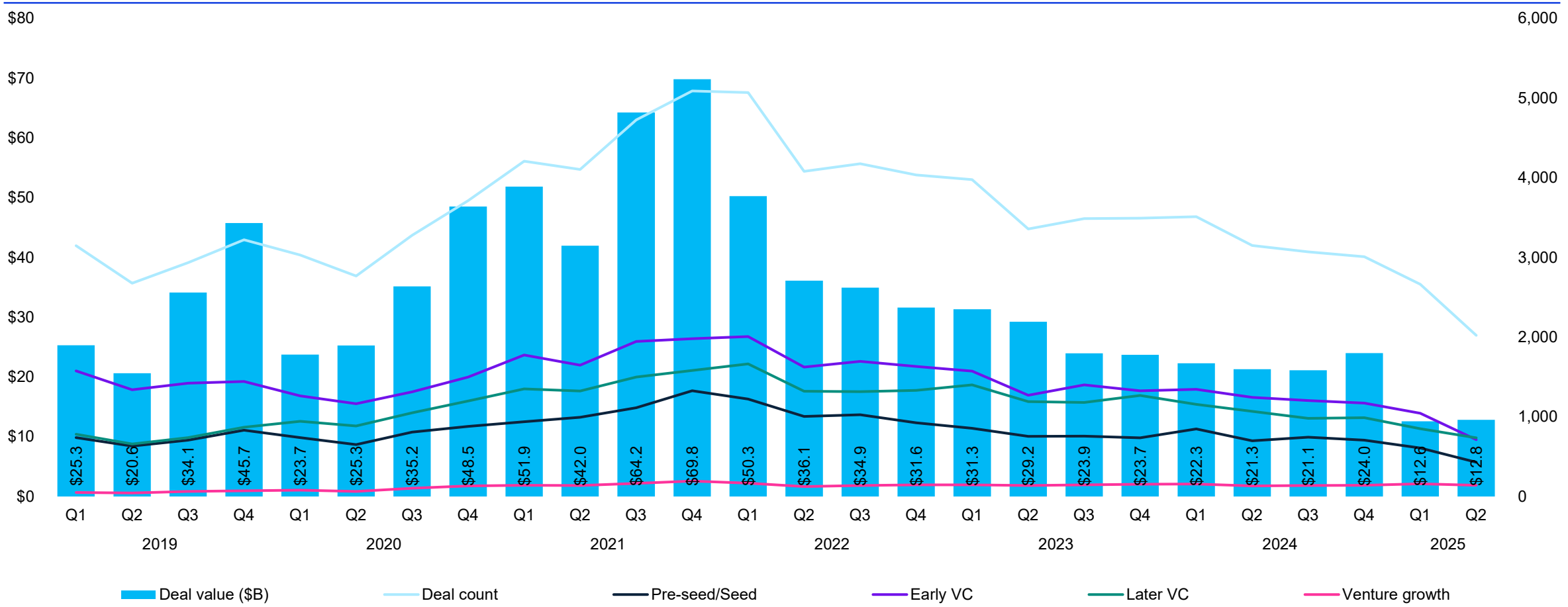
In Japan, VC investment is expected to remain quite buoyant in Q3'25, particularly in sectors like AI, deeptech, spacetech, and cybersecurity. Corporates are expected to increase focus on investments in startups that emphasize synergies; this could lead to overseas VCs investing in such companies in order to deepen their ties with large Japanese corporates.

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2025 continues to see sluggish VC activity

Venture financing in Asia

2019–Q2'25



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

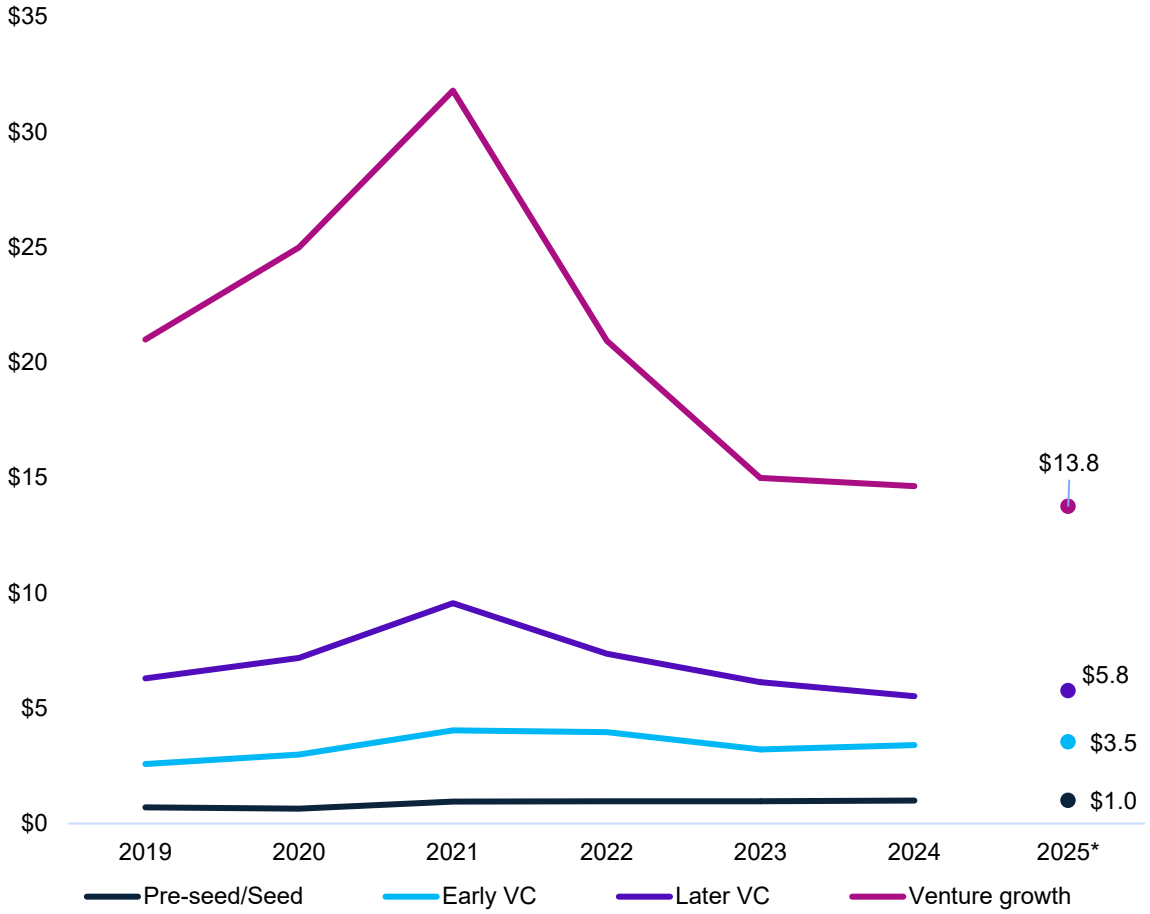
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Down rounds continue at a similar clip

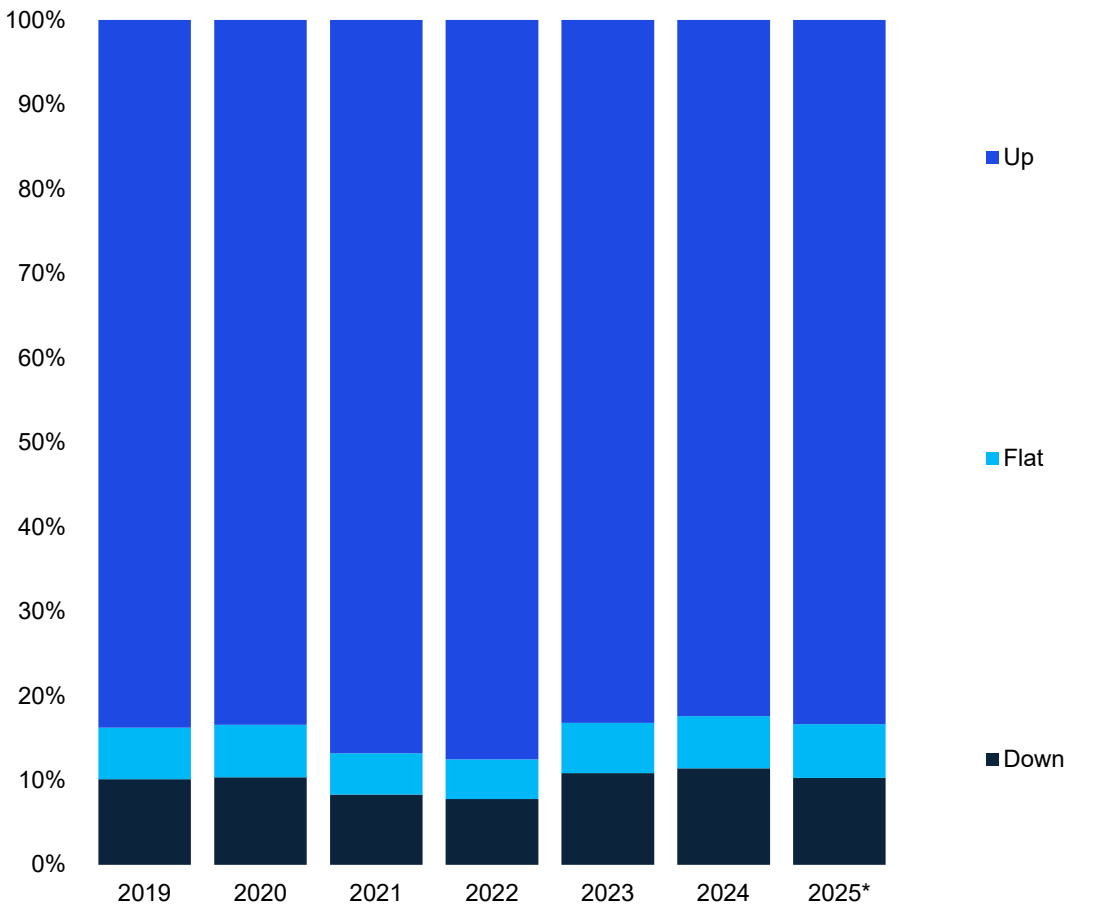
Median deal size ($M) by stage in Asia

2019–2025*



Up, flat or down rounds in Asia

2019–2025*



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.
Note: The 2025* figures for down and flat rounds were below n = 30.

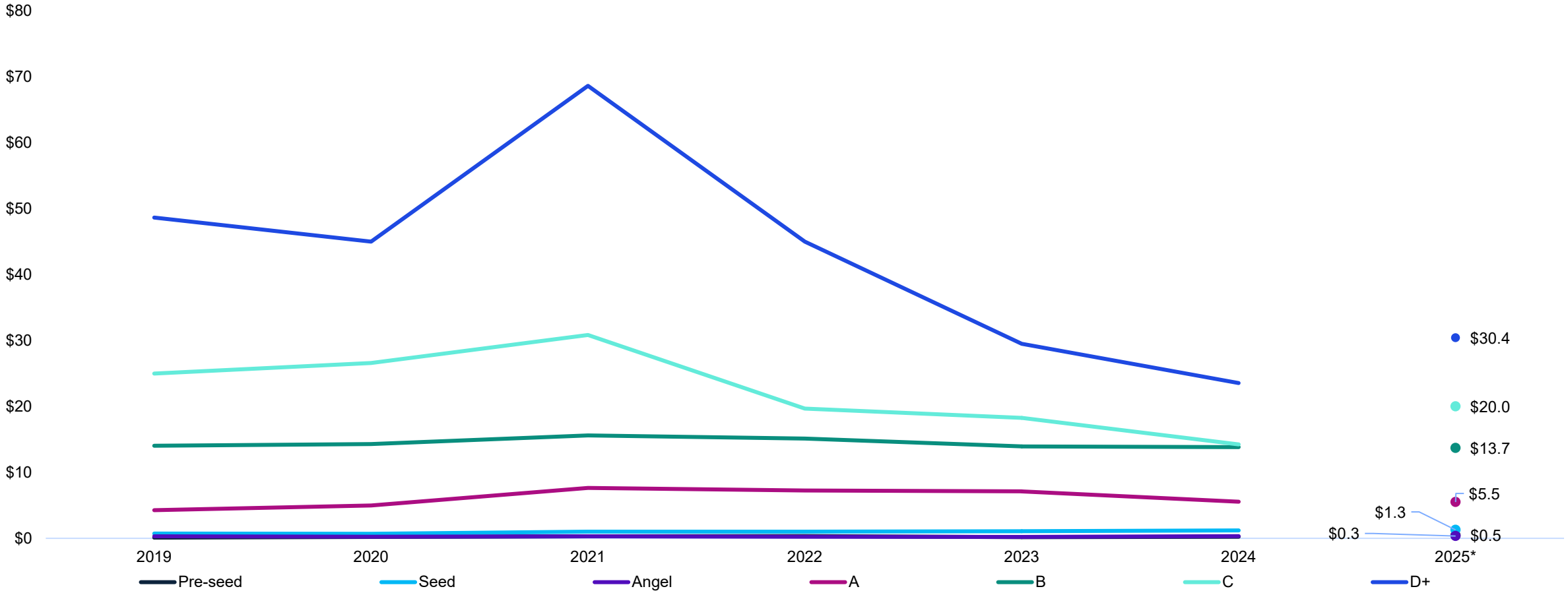
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Financing metrics hold steady or inch up marginally

Median deal size ($M) by series in Asia

2019–2025*



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.
Note: The 2025* Series D+ figures are based on population sizes n < 30.

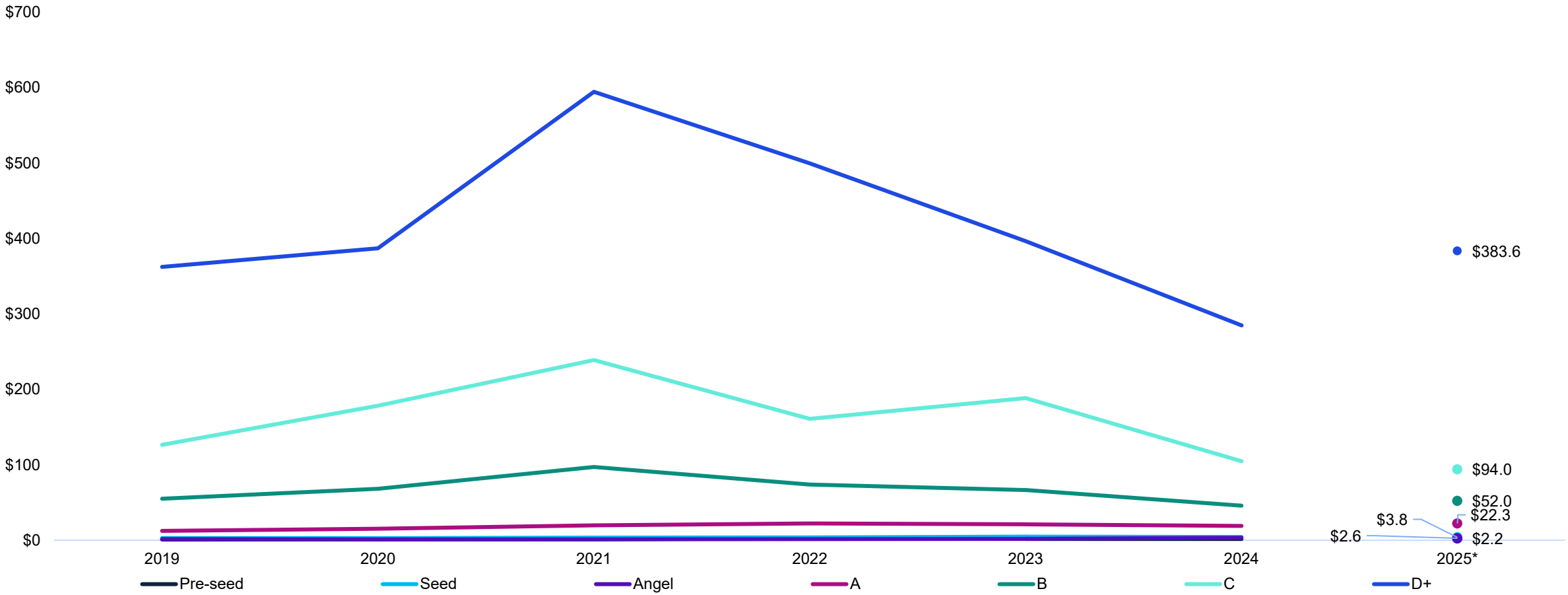
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Valuations hold steady, by and large

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

2019–2025*



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.
Note: The 2025* pre-seed, Series C and D+ figures are based on population sizes < 30.

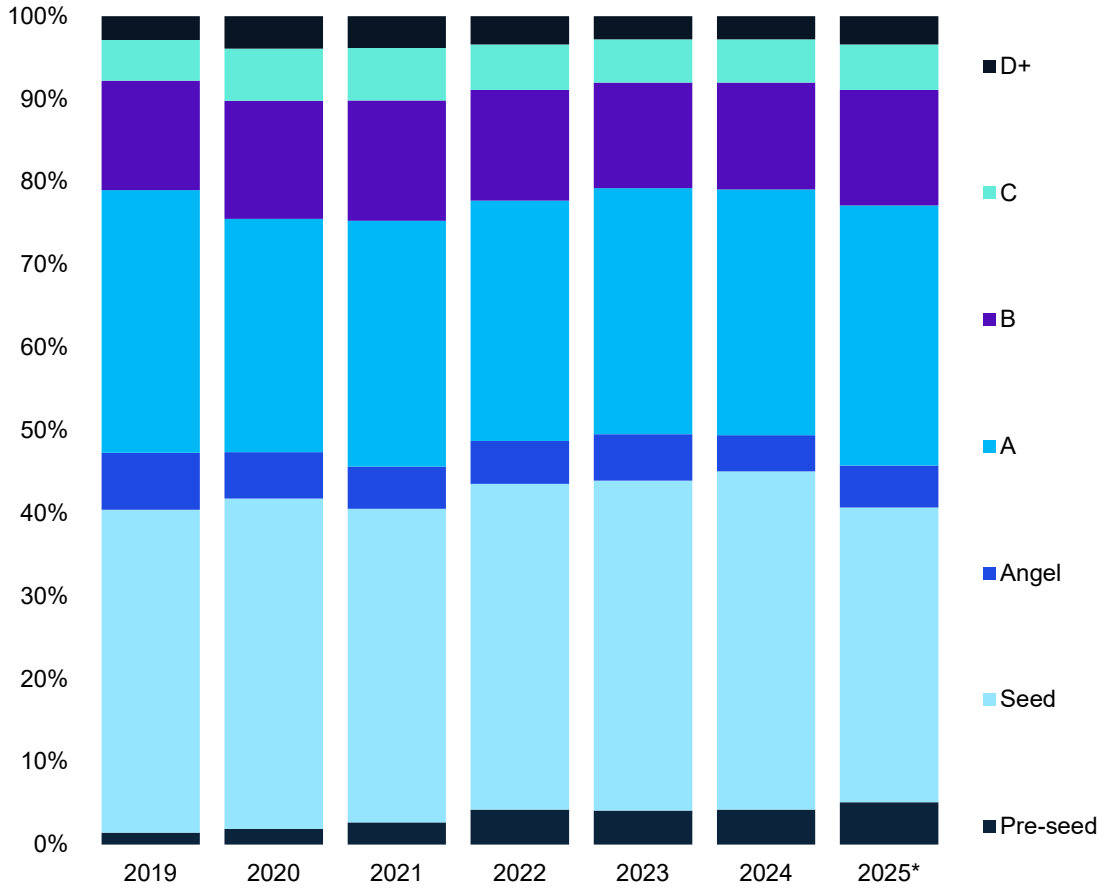
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Earlier-stage financings remain most resilient

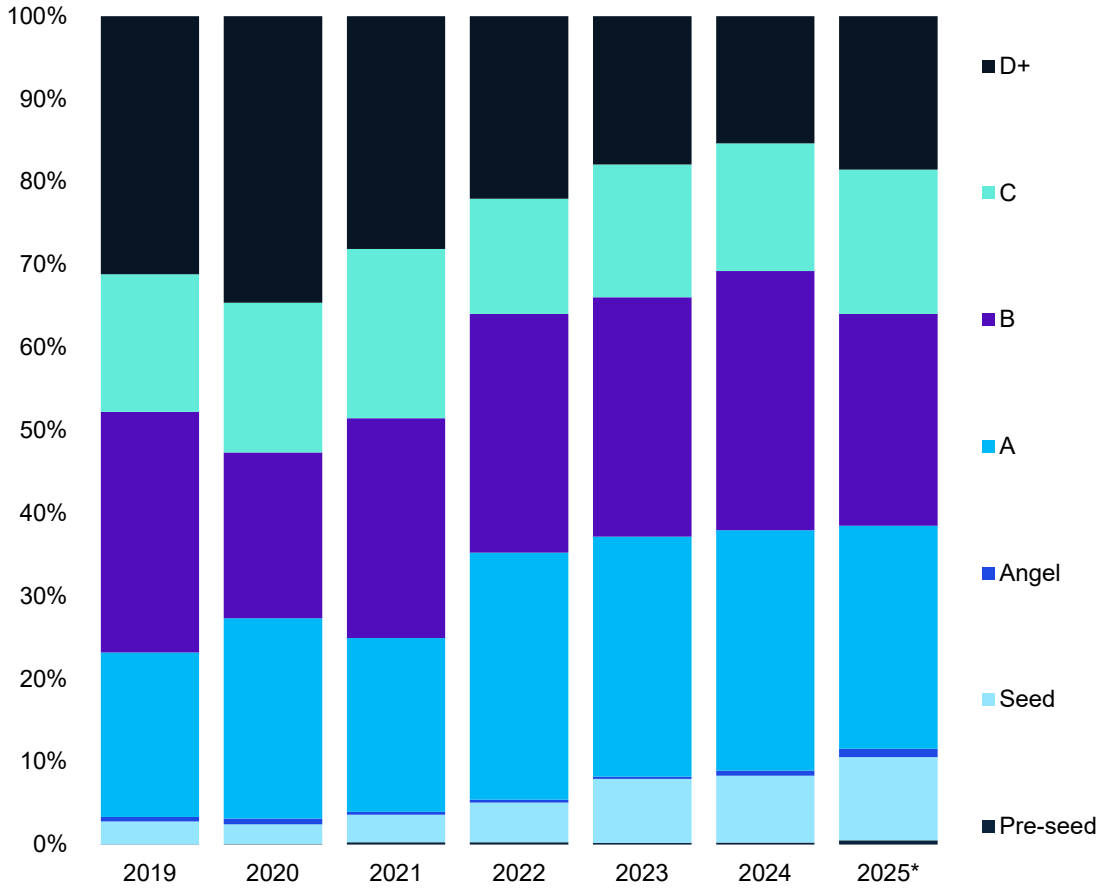
Deal share by series in Asia

2019–2025*, number of closed deals



Deal share by series in Asia

2019–2025*, VC invested ($B)



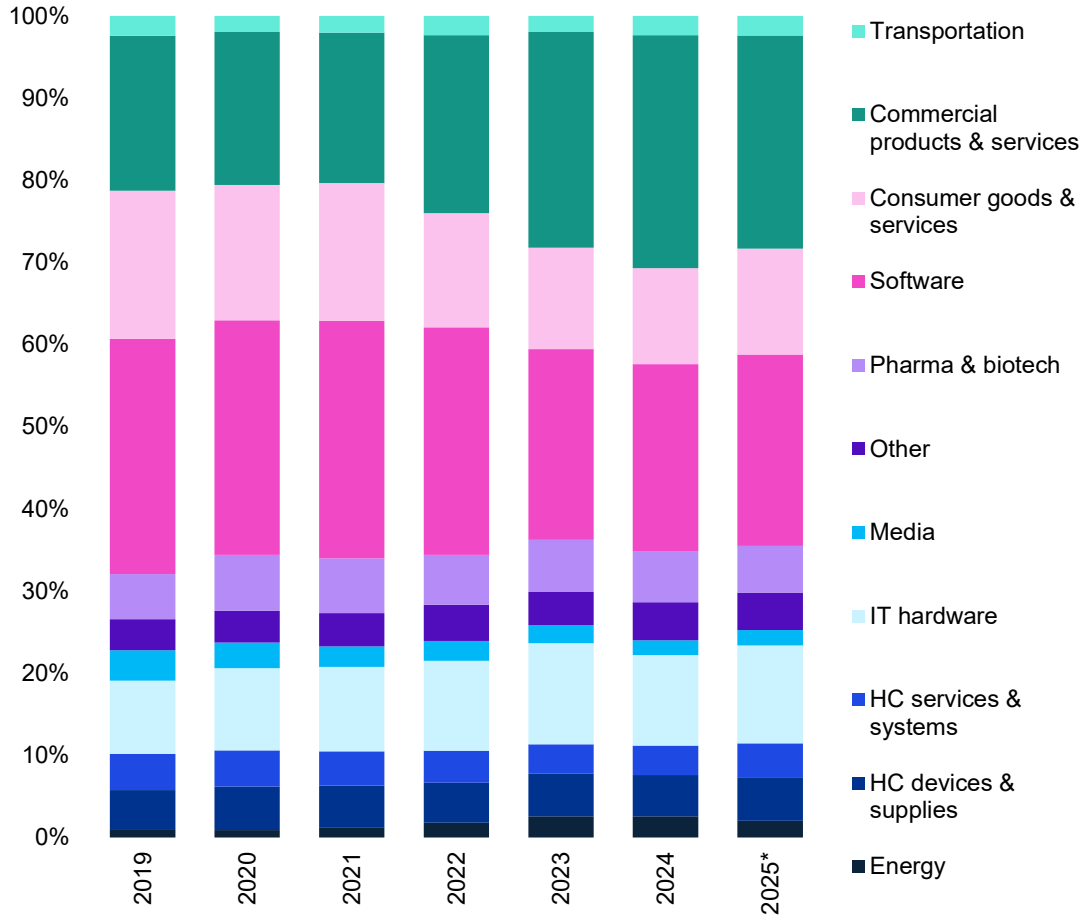
Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

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B2B and healthcare boost investment

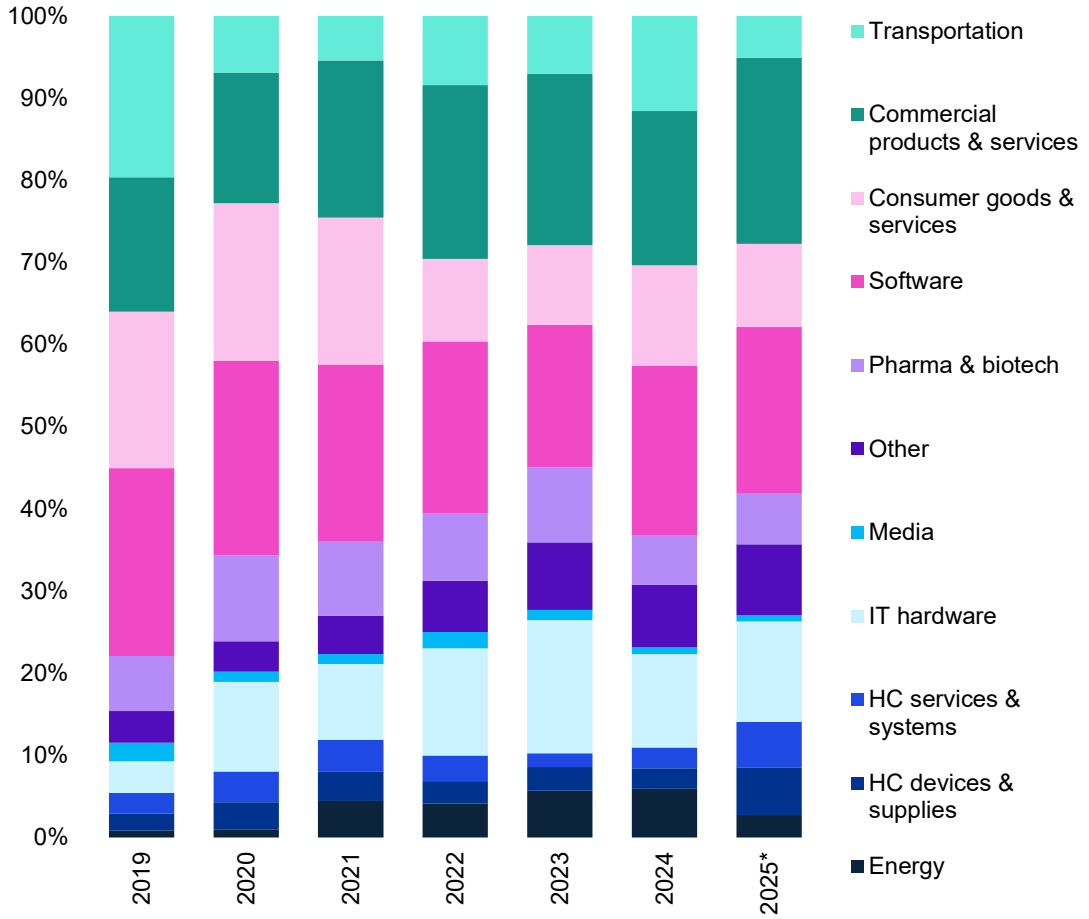
Venture financings by sector in Asia

2019–2025*, number of closed deals



Venture financings by sector in Asia

2019–2025*, VC invested ($B)



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

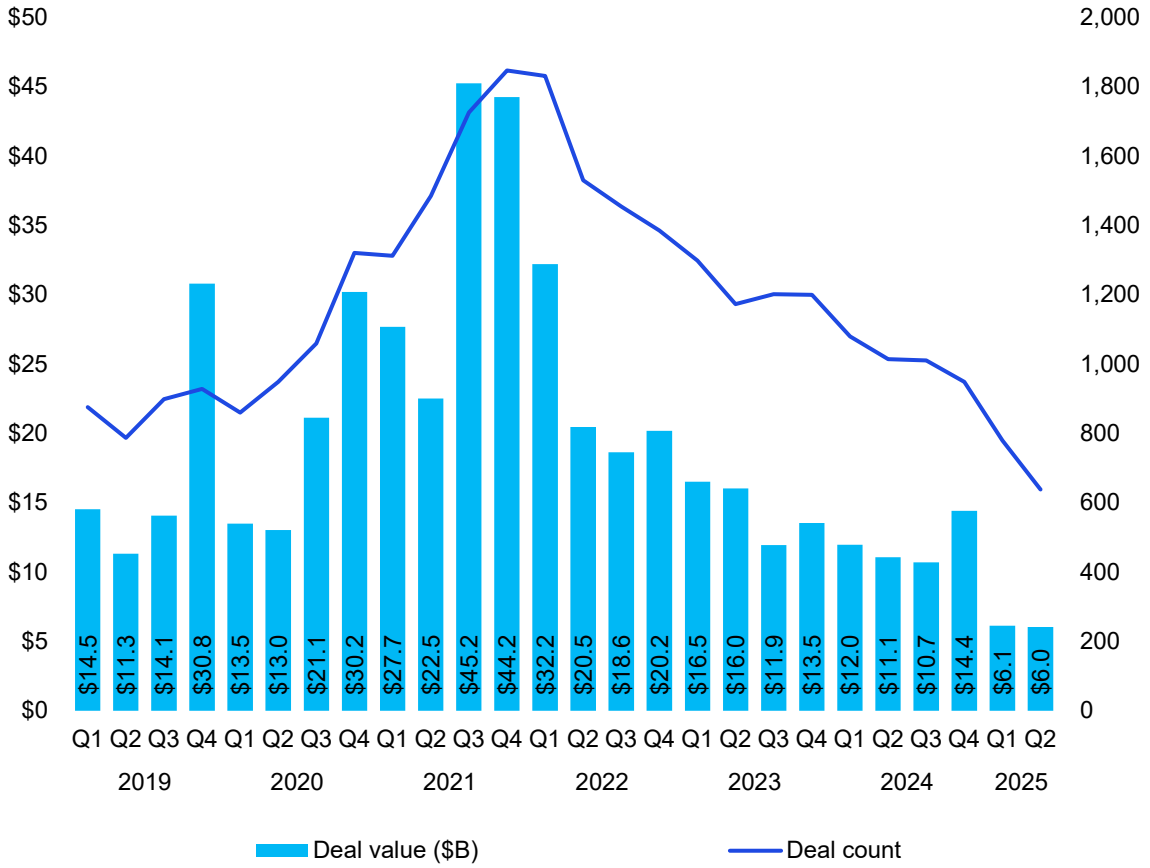
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Corporates and first-time financings decline

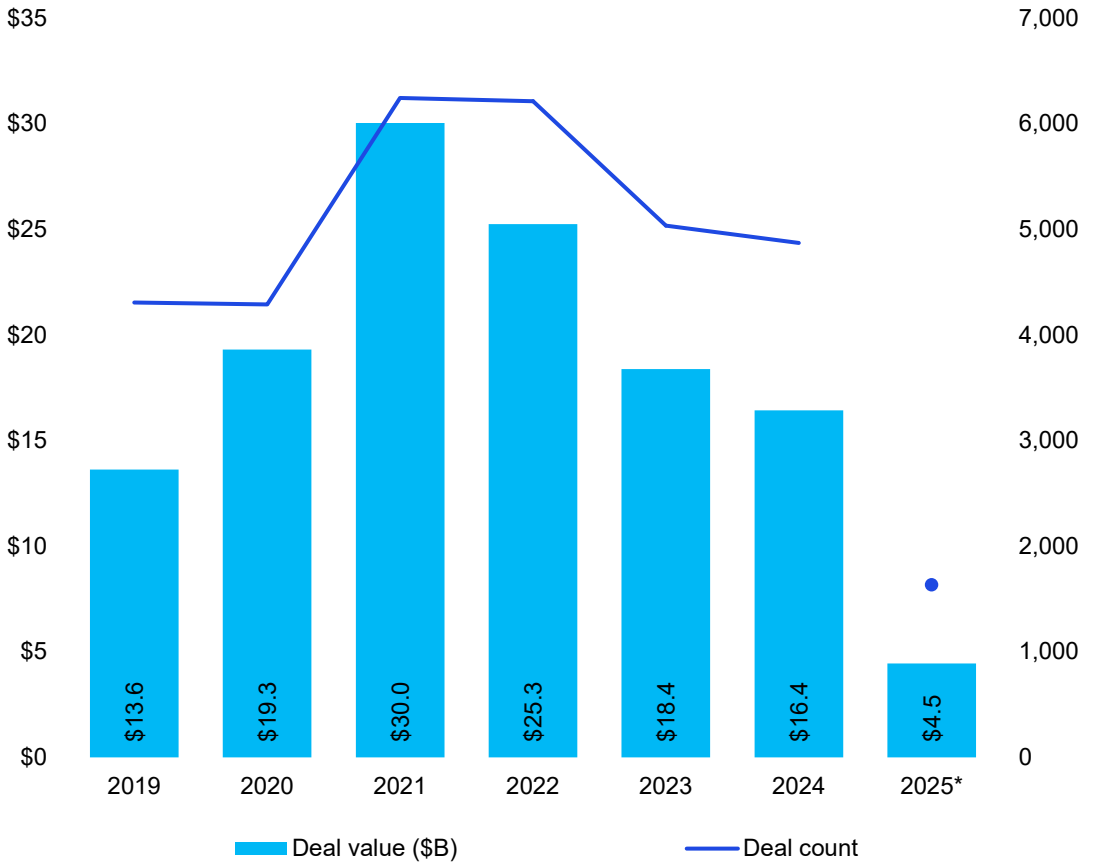
Corporate participation in venture deals in Asia

2019–Q2'25



First-time venture financings of companies in Asia

2019–2025*



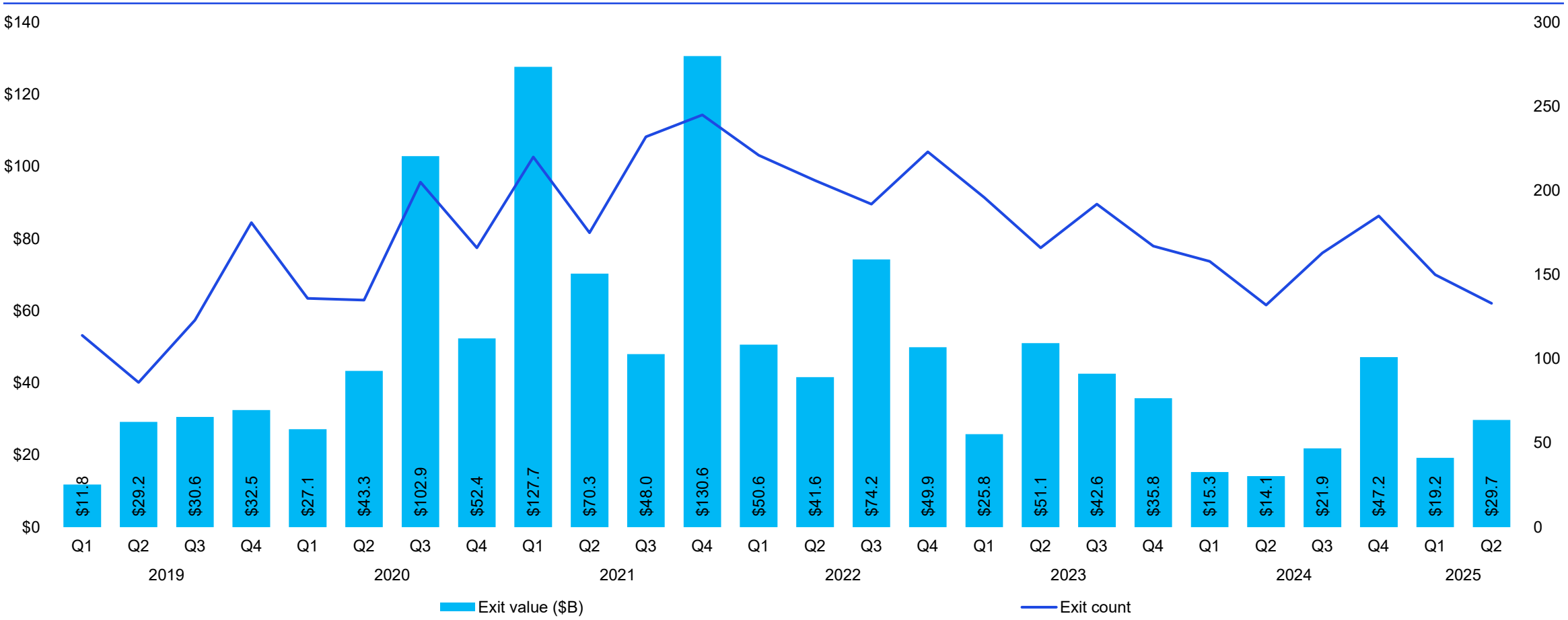
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Exits remain subdued but persist in Q2 2025

Venture-backed exit activity in Asia

2019–Q2'25



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

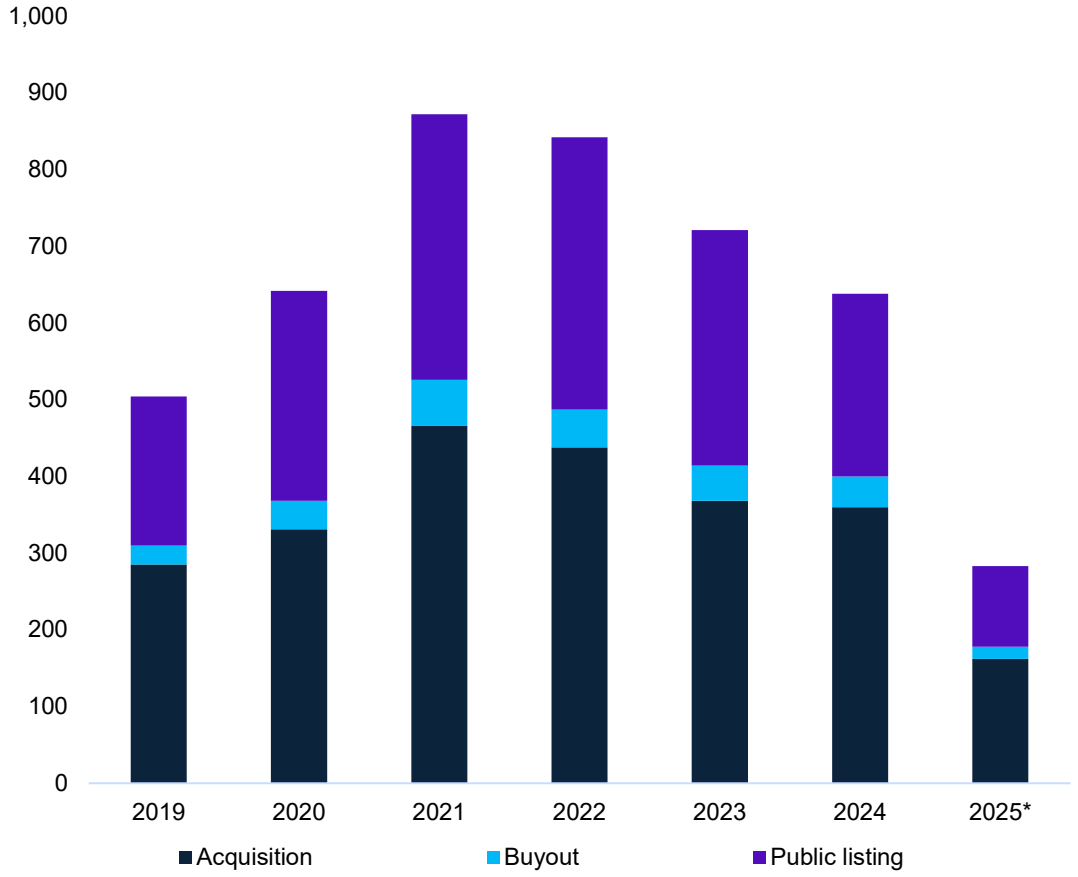
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Public listings continue to propel exit value the most

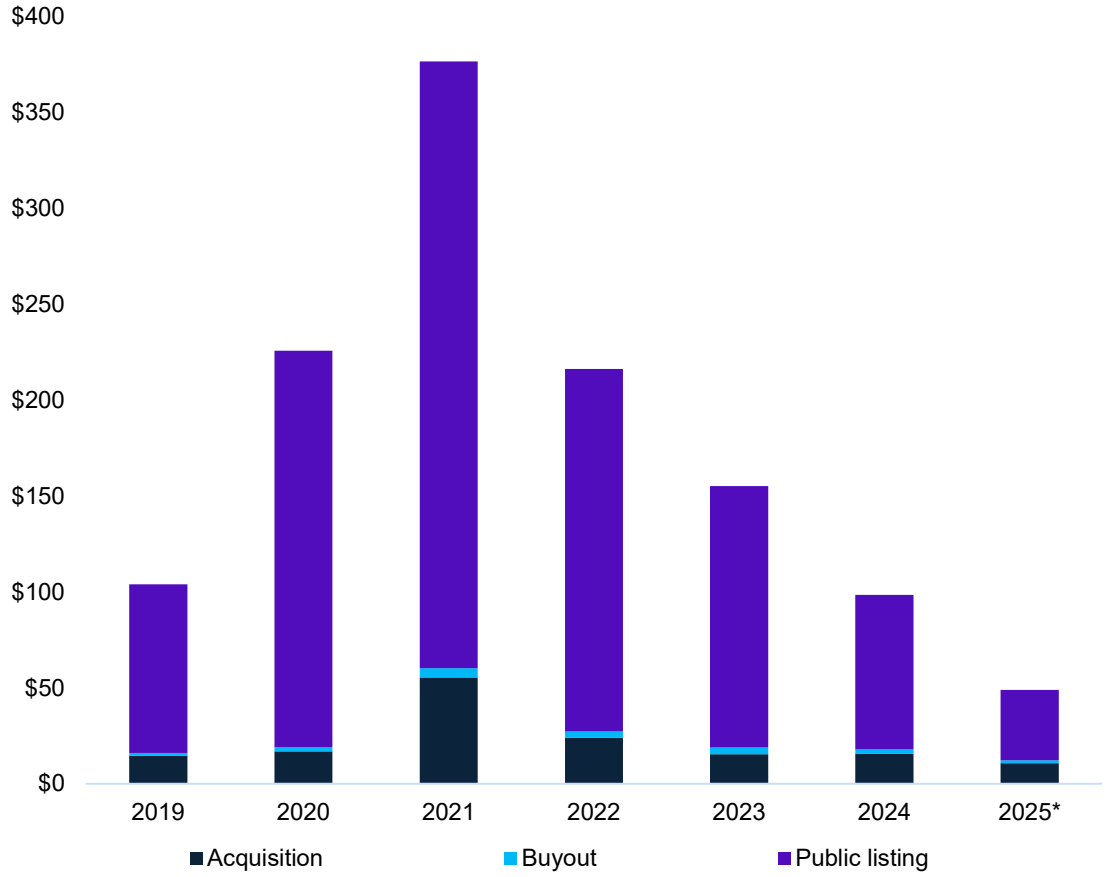
Venture-backed exit activity (#) by type in Asia

2019–2025*



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

2019–2025*



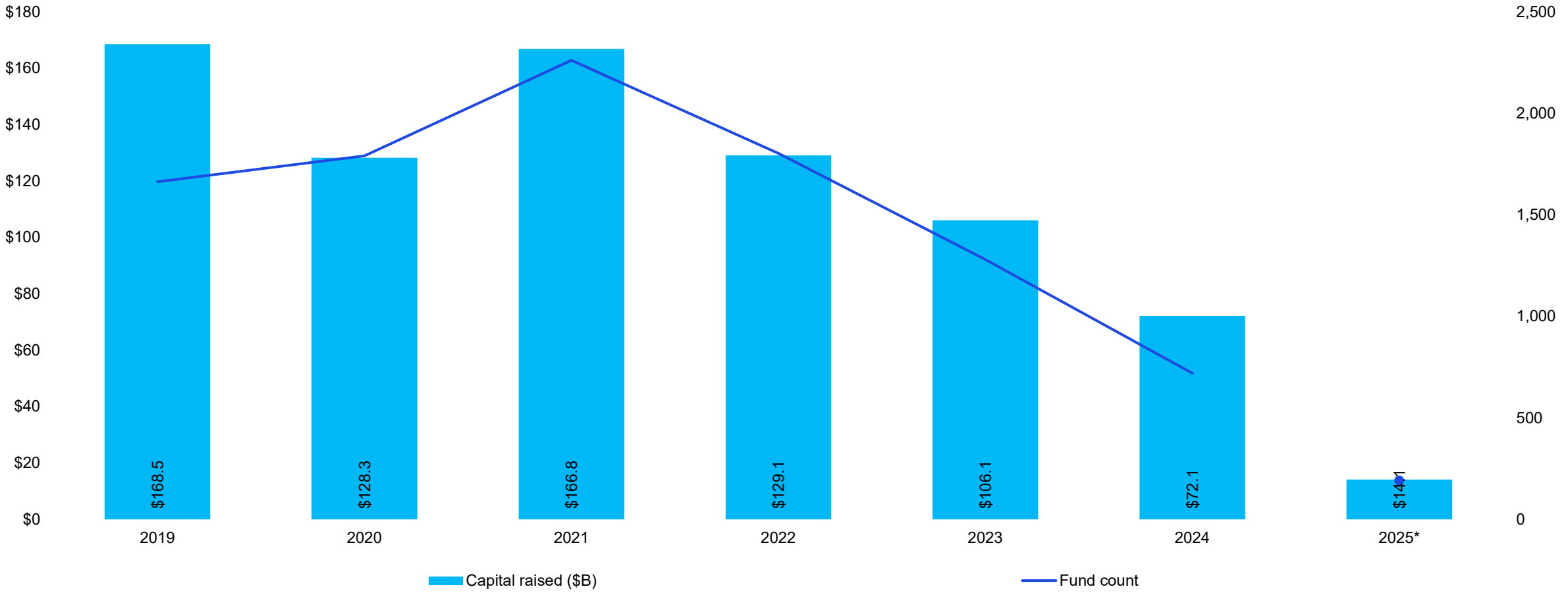
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2025 sees sluggish fundraising thus far

Venture fundraising in Asia

2019–2025*



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

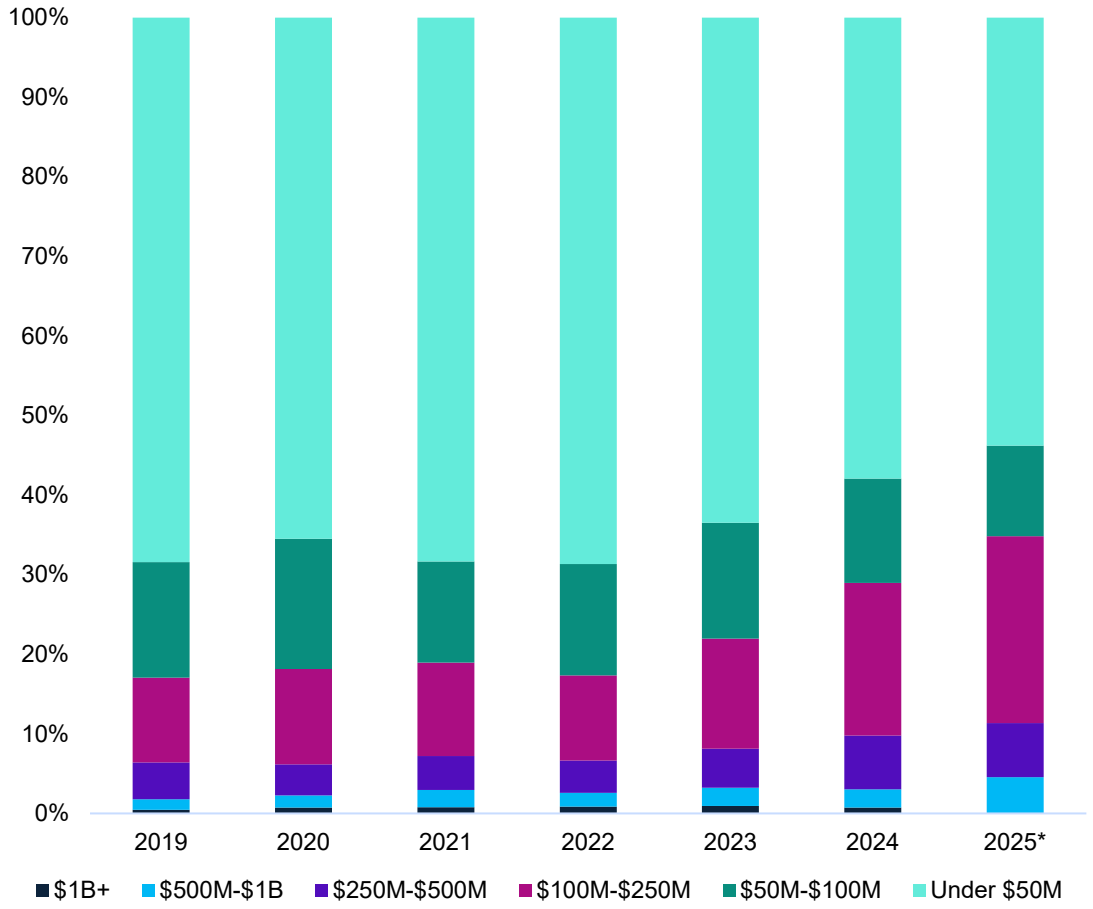
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Smaller to midsized funds grow in share of volume

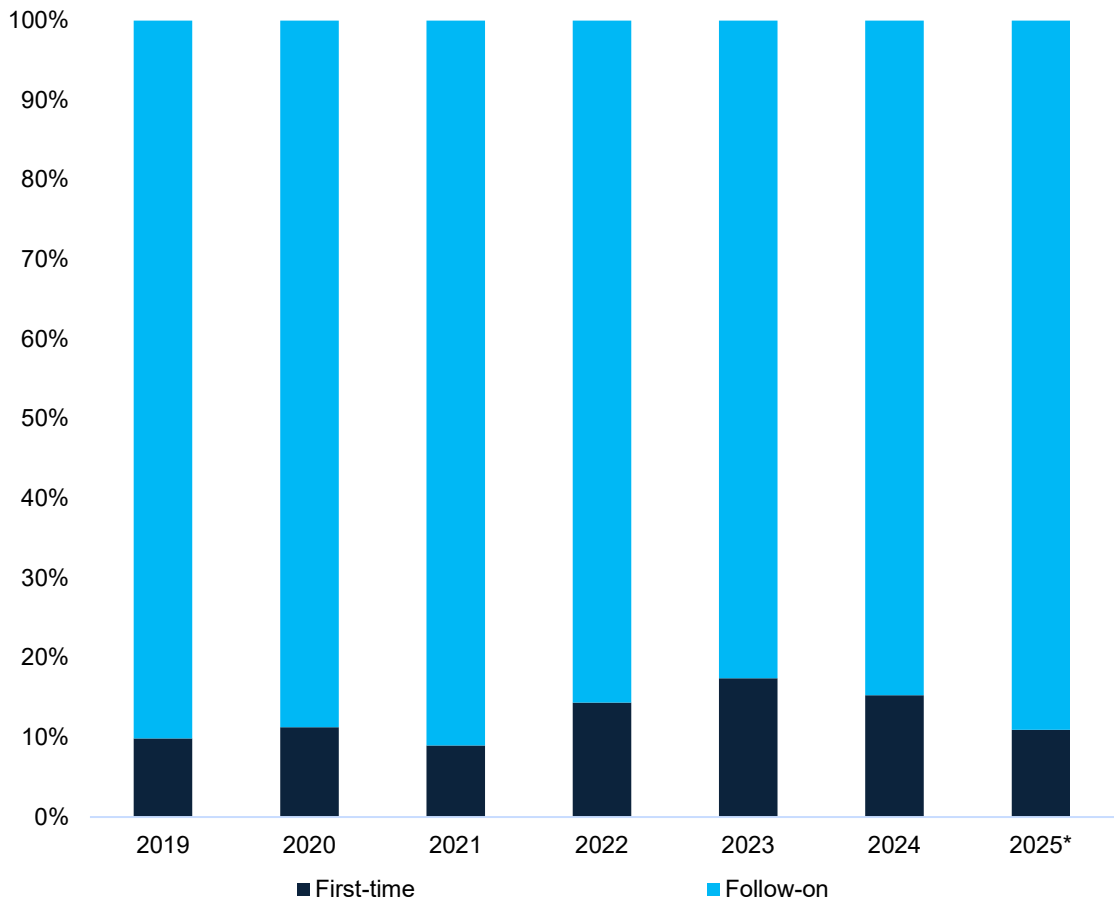
Venture fundraising (#) by size in Asia

2019–2025*



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

2019–2025*



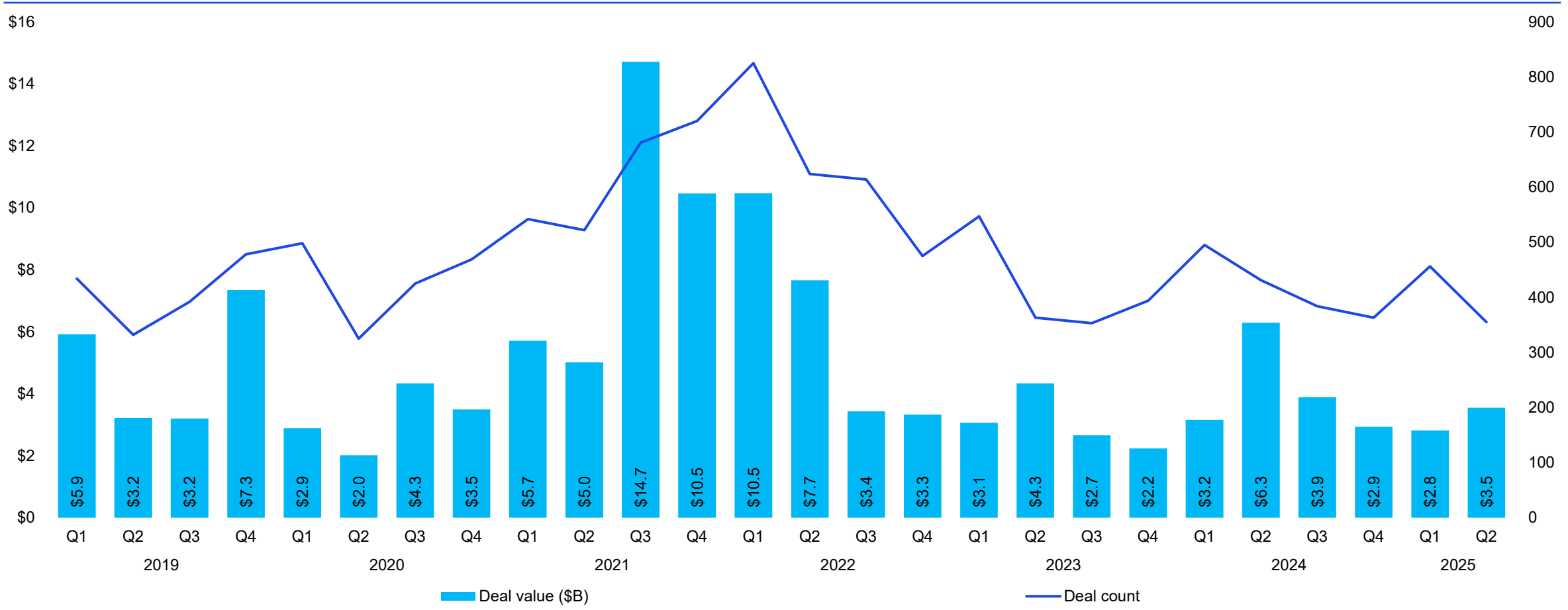
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India sees consistent VC activity tallies

Venture financing in India

2019–Q2'25



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

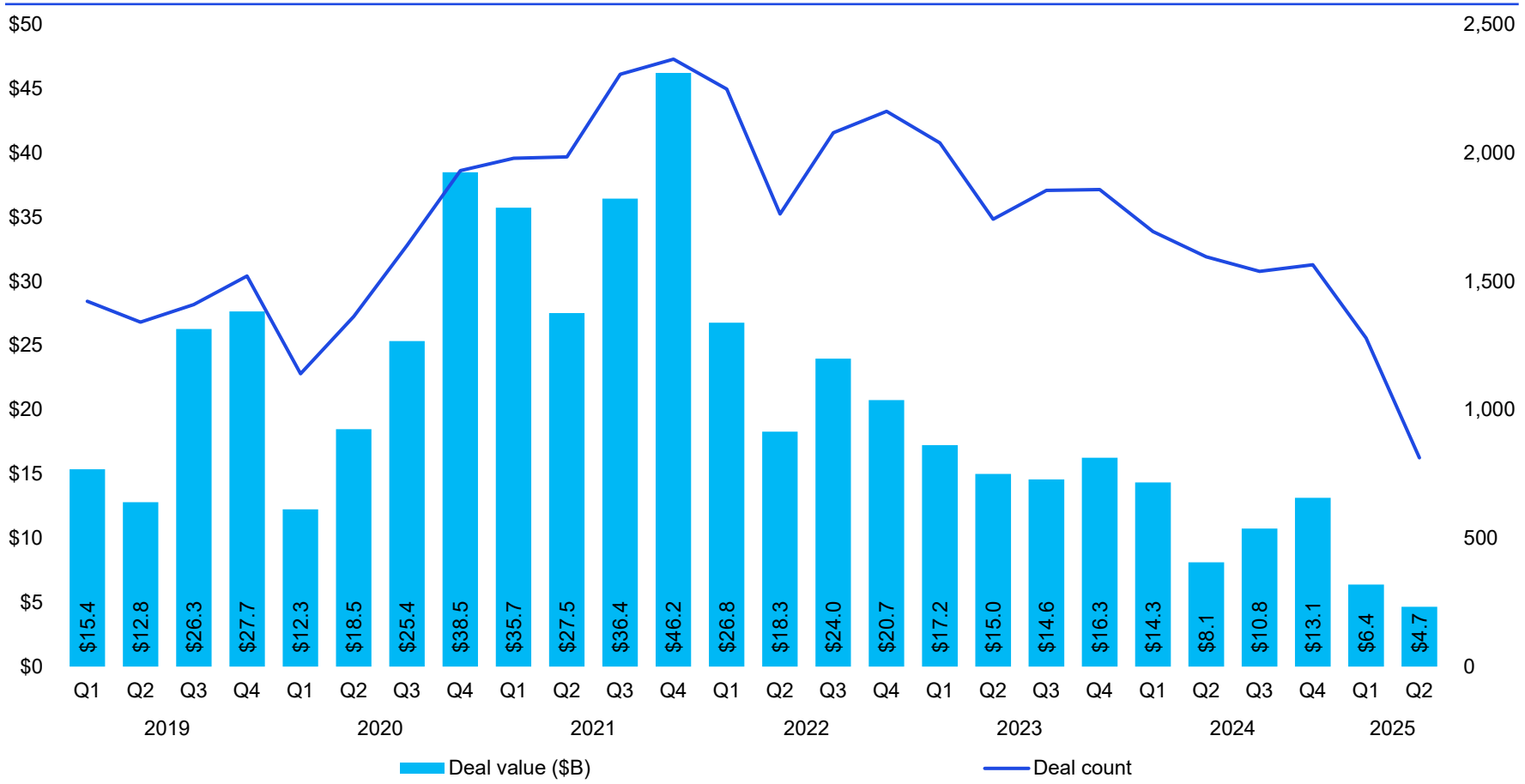
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VC activity slides to another low in count and value

Venture financing in China

2019–Q2'25



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

> "The geopolitical tensions with the US over trade tariffs. Challenging local market conditions. Broader economic trends. These have all combined to really amplify the concerns of VC investors this quarter. That's led many to pull back from dealmaking or to focus on safer bets — late stage companies and those with established revenue streams. We've also seen some investment in domestic-focused industries — like healthcare and renewable energy — because they're more insulated from trade policies and geopolitical tensions."



Angela Chiu
Partner
KPMG China

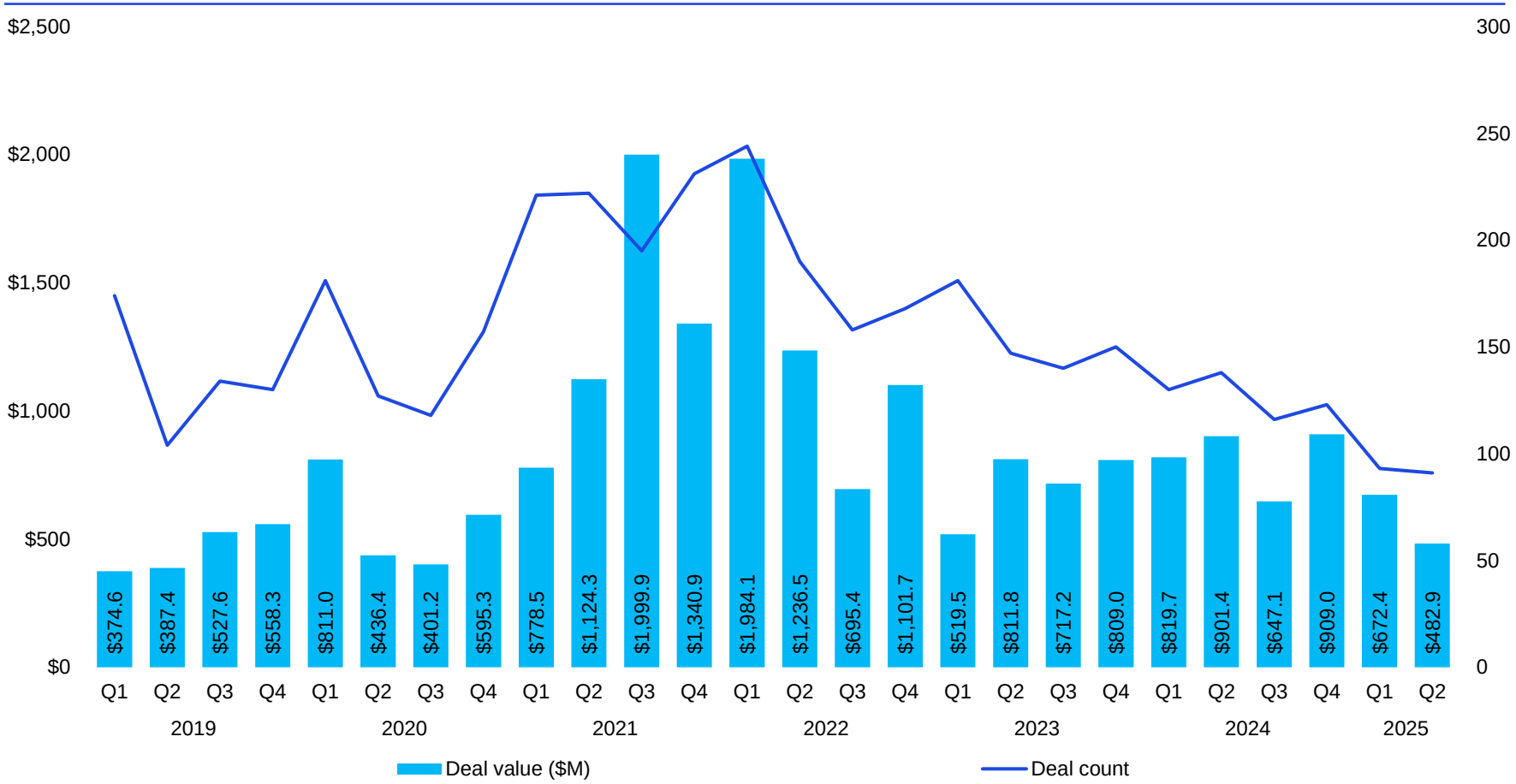
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Dealmaking ebbs lower

Venture financing in Australia

2019–Q2'25



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

"Australian startup investment remained subdued in the past quarter, with many VCs continuing to focus on their current portfolios rather than backing new ventures. There is still dry powder within the ecosystem, but with global and local economic uncertainty amidst a worldwide AI race, expect further investor caution as we move into the second half of the year. That said, there are some bright spots such as deep tech in the defence and space sectors that have the potential to defy this trend."



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

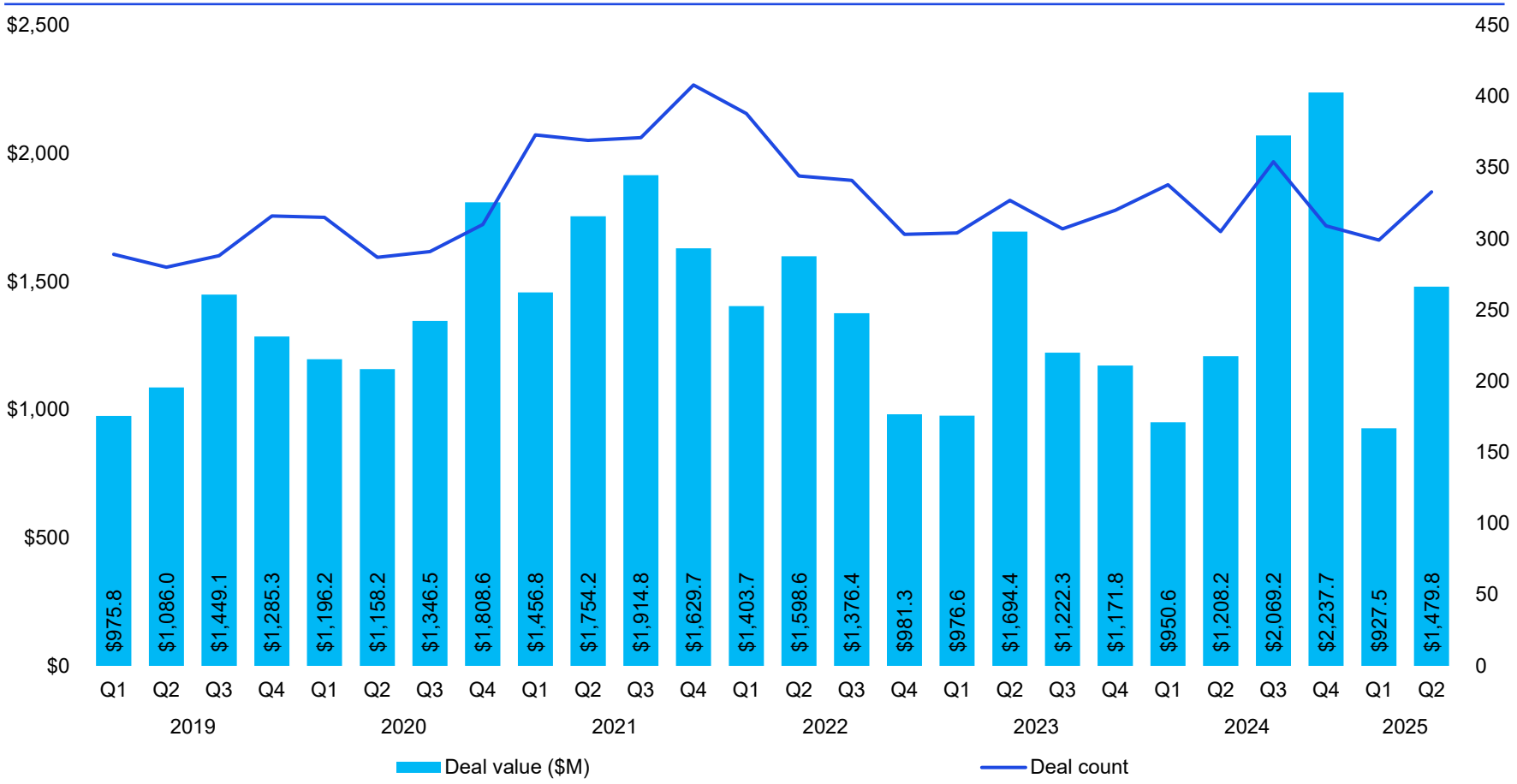
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Japan sees a rebound in VC invested

Venture financing in Japan

2019–Q2'25



Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of June 30, 2025. Data provided by PitchBook, July 16, 2025.

> "While we saw a good level of VC investment in Japan in Q2'25, we also saw some challenges, including smaller VC funds struggling to raise funds and some hesitation on the part of VC investors to invest in new startups due to concerns about future uncertainty and market stability. But there are a number of sectors that have seen very strong interest and continued investment — particularly deeptech, spacetech, and healthtech."



Hiroshi Abe
Executive Board Member,
Partner
KPMG in Japan

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A wide variety of sectors draws top deals

Top 10 financings in Q2'25 in Asia-Pacific



1. **Zelos Tech** — $300M, Suzhou, China — AI & ML — *Series B*
2. **Yangtze Memory** — $219M, Wuhan, China — Manufacturing — *Late-stage VC*
3. **PB Healthcare** — $218M, Gurgaon, India — Healthtech — *Seed*
4. **Porter** — $200M, Bengaluru, India — Mobility — *Series F*
5. **Groww** — $200M, Bengaluru, India — Fintech — *Series F*
6. **SAIC Mobility** — $178.3M, Shanghai, China — Mobility — *Series C*
7. **IKF Finance** — $171.8M, Vijayawada, India — Fintech — *Late-stage VC*
8. **Spinny** — $170M, Gurugram, India — E-commerce — *Series F*
9. **Preferred Networks** — $165M, Tokyo, Japan — AI & ML — *Late-stage VC*
10. **GalBot** — $152.9M, Beijing, China — Robotics — *Early-stage VC*

Source: Venture Pulse, Q2'25, Global Analysis of Venture Funding, KPMG Private Enterprise.
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From seed to speed, we're here throughout your journey



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

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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 Australia
- **Amy Burnett,** Head of KPMG Private Enterprise Access, KPMG in the UK
- **Gavin Sheehan,** Partner, KPMG in Ireland
- **Carolina de Oliveira,** Partner, KPMG Private Enterprise Leader in Brazil and South America, KPMG in Brazil
- **Stefan Kimmel,** Partner, KPMG in Germany
- **Francois Chadwick,** Global Lead for Emerging Giants and Partner, KPMG in the US
- **Hiroshi Abe,** Executive Board Member, Partner, KPMG in Japan
- **Angela Chiu,** Director, Hong Kong (SAR), KPMG China
- **Patrick Molyneux,** Partner, KPMG Acceleris, KPMG in the UK
- **Guillermo Goni,** Partner, KPMG in Mexico
- **Ignacio Garcia de Presno,** Head of Deal Advisory and Strategy, Mexico and Central America, KPMG in Mexico
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- **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,** Managing Director, Private Equity Group, KPMG in the US
- **Scott Burger,** Partner, KPMG in the US
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- **Zoe Shi,** Partner, KPMG China

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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. An additional estimated deal count for Q2 2025 was provided for this edition due to lags in confirming deals from a variety of investors. The estimate was based on PitchBook's existing venture deal count estimation methodology which utilizes a running calculation based on differences between previous editions' final figures and changes on a quarterly basis, i.e., the delta between final figures pulled at the end of Q1 2025 versus Q2 2025, but for the same timeframe. Then, that percentage change is applied to the current quarter's count to attempt to account for any potential lag given the opacity of private markets.

Fundraising

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

Deals

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

Pre-seed/seed: The pre-seed stage encompasses a collection of emergent startups receiving the first check from at least one institutional investor to fuel their development growth. For global startups, we reclassify angel deals depending on institutional investors' prior deal participation. Deals that have been tagged as "angel" due to the company's investor base consisting solely of individual investors will now be recategorized into the early-stage or late-stage VC deal category based on stage methodologies in place. For startups headquartered in the US and Europe, we define pre-seed as a round of financing for a company founded less than two years ago that has not yet received institutional investor support. This update was made in the Q4 2023 edition of Venture Pulse and all subsequent editions.

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

Exits

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

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

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