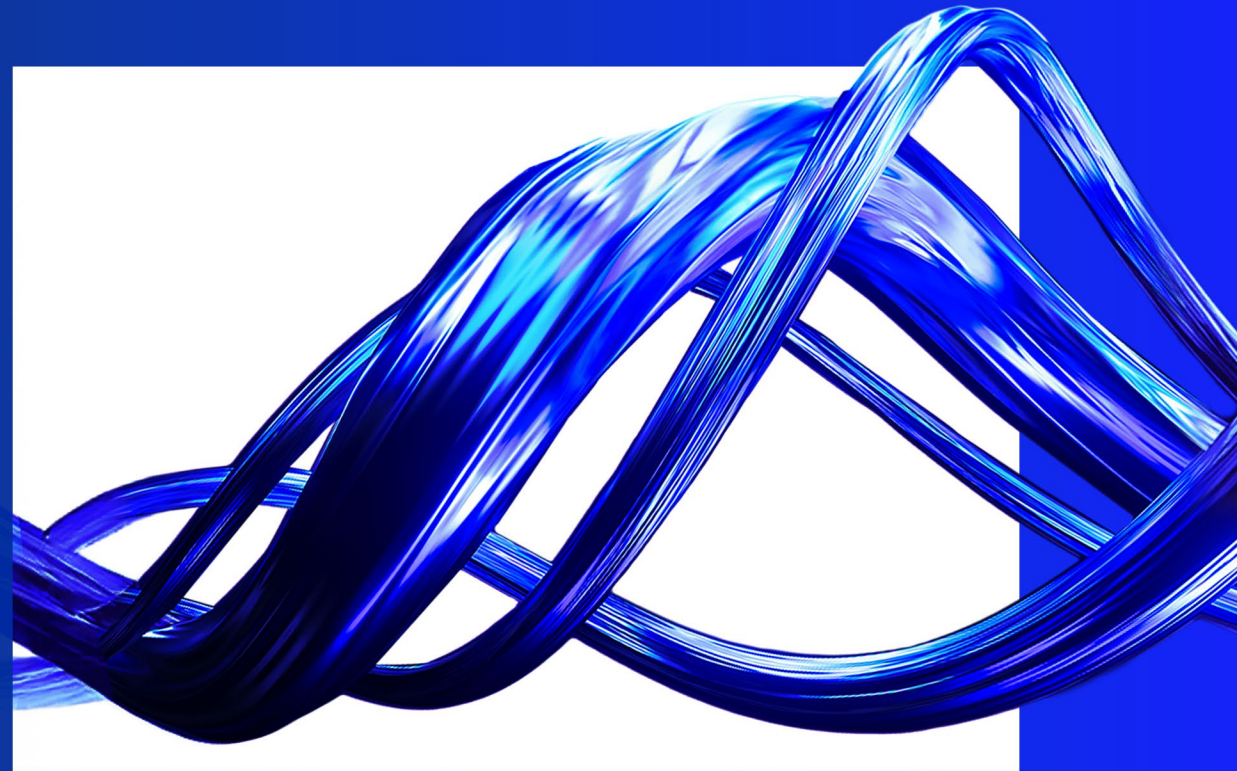




Venture Pulse

Q3 2025

Global analysis of venture funding



Welcome message

Welcome to the Q3'25 edition of KPMG Private Enterprise's Venture Pulse — a quarterly report highlighting the major trends, opportunities, and challenges across the venture capital market globally and in key jurisdictions around the world.

With VC investment rising in Q3'25, optimism continued to build across the global venture market—driven by growing confidence that the door to the US IPO market has now fully reopened. During the quarter, a number of high-profile startups held successful IPO exits in the US, including collaborative design software firm Figma, digital asset exchange Bullish, and Sweden-based buy now, pay later firm Klarna. It is expected that other mature startups will follow in their footsteps over the coming quarters.

The Americas accounted for the largest share of VC investment this quarter — driven primarily by VC investment in the US — followed by Europe and Asia. This quarter, we also started to highlight VC investment trends in Africa — a region expected to see burgeoning VC investment over the coming years.

At a sector level, artificial intelligence (AI) continued to see red hot levels of VC investment globally in Q3'25 — led by three \$1 billion funding rounds Anthropic — \$13 billion, xAI — \$10 billion, and France's Mistral — \$1.5 billion. In addition to pouring money into these large AI model companies, VC investors globally showed

significant amount of interest in a broad range of AI-driven applications and industry focused solutions. Outside of the AI space, defenstetech also garnered a significant amount of attention from investors, in addition to healthtech, quantum computing, and alternative energy.

Despite ongoing geopolitical challenges and conflicts and continued concerns about US tariff policies — including whether negotiated agreements will stick — there's a solid sense of positivity in the market heading into Q4'25.

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

- The dominance of AI from an investment perspective
- The opening of the IPO door in the US
- The increasing investment in hardware-based startups
- The growing focus on VC investment in Africa
- The rise in M&A activity

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.

You know KPMG. You might not know KPMG Private Enterprise.

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



Conor Moore

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

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.

Contents



Global

- VC investment reaches \$120.7 billion across 7,579 deals
- Financing sizes remain on the upswing
- Corporate VC has another strong quarter
- Exit activity grows for the third consecutive quarter
- US home to 8 of the top 10 global deals



US

- VC deal value posts a solid \$80.9 billion across reduced deal volume
- Late-stage valuations on the upswing
- AI continues to attract massive deals
- Exits continue a slow, steady climb
- AI boom shows no signs of slowing
- Fundraising remains extremely muted



Americas

- VC-backed companies raise \$85.1 billion across 3,474 deals
- Up-rounds stage a comeback
- AI keeps driving late-stage valuations up
- Canadian deal value sees strongest results in since 2022
- Mexico posts slower quarter after strong Q2
- VC invested in Brazil surges to highest level since Q3'22



Europe

- VC investment rises slightly, reaching \$17.5 billion across 1,625 deals
- Late-stage valuations continue to climb
- Pre-seed ekes out higher share of deal volume
- First time venture financings strengthen further
- Exit activity increases for 3rd consecutive quarter



Africa

- After a surge, Africa's VC Market Enters a Pause in Q3
- Fintech Dominates overall VC investment
- Climate and Agtech continue to emerge as next growth frontiers



Asia

- VC investment remains muted at \$16.8 billion across 2,310 deals
- Venture growth median deal sizes drop YoY
- VC investment into IT hardware surges
- Exits increase powered by public listings
- Chinese companies attract 7 of 10 largest deals

Globally, **in Q3'25**
VC-backed companies
raised \$120.7 billion
across 7,579 deals

AI continues to power the VC market globally

Global VC investment rose to \$120 billion in Q3 2025, up from \$112 billion in Q2, underscoring the fourth consecutive quarter of robust global growth. While overall deal volume eased slightly — reflecting a seasonal lull in activity across the Americas and Europe — the broader trajectory of the market remained positive. Investor sentiment improved steadily throughout the quarter, fueled by renewed optimism around liquidity pathways.

One of the most encouraging developments was the rebound in IPO activity, which provided long-awaited exit opportunities after years of limited options. These successful listings not only validated valuations in select sectors but also bolstered confidence that the exit window for VC-backed companies is finally reopening. For investors, this combination of sustained capital deployment and signs of healthier exit markets points to a more constructive environment for venture capital globally heading into 2026.

Americas attracts largest share of VC funding in Q3'25

The Americas once again attracted the lion's share of global VC investment in Q3'25, underscoring the region's continued dominance in late-stage funding. Notably, three of the five largest deals worldwide were U.S.-based: a \$13 billion raise by Anthropic, a \$10 billion round by xAI, and a \$1.5 billion raise by GeneSys. These outsized transactions highlight the ongoing appetite for transformational bets in artificial intelligence and next-generation technologies, even as broader deal activity in the region moderated slightly due to seasonal factors.

In Europe, VC investment inched higher on a quarter-over-quarter basis, buoyed by two billion-dollar-plus financings that demonstrate the region's growing role in frontier tech. France's Mistral secured \$1.5 billion to accelerate development of its AI platforms, while the UK's Nscale raised \$1.5 billion in a sign of investor confidence in European scale-ups capable of competing on the global stage. Together, these deals contributed to Europe's steady, if measured, momentum in Q3.

By contrast, Asia continued to see relatively muted VC flows, reflecting a more cautious funding environment. The largest deals of the quarter included a \$462 million raise by Chinese automaker FAW Bestune, a \$348 million round by logistics and industrial real estate group GLP, and a \$335 million raise by Chinese aerospace startup Galactic Energy. While sizeable, these transactions fall well below the mega-rounds taking place in the Americas and Europe, underscoring the regional disparity in capital deployment.

AI remains the top priority for VC investors

VC investors globally continued to double down on AI in Q3'25, with companies developing AI models and platforms attracting many of the largest funding rounds of the quarter. In addition to the blockbuster \$1 billion-plus raises by Anthropic, xAI, and Mistral, New York-based Reflection AI secured \$1 billion, reinforcing the sustained appetite for transformative AI bets.

The surge in AI investment was not confined to the U.S. and Europe. In Canada, Cohere raised \$600 million, while in China, MiniMax AI closed a \$300 million round. Beyond these headline transactions, numerous AI-focused startups across regions secured meaningful growth capital. Highlights included U.S.-based Sierra (\$350 million), a developer of AI-powered customer service agents; China-based GLP (\$348 million) and Runhui Technology Development (\$256 million), both focused on AI-driven data center development; Sweden-based Lovable (\$200 million), which enables AI-enhanced web and app development; and Canada-based Blue J (\$122 million), a legal research platform leveraging AI.

Together, these transactions illustrate that AI remains the defining theme in global VC, attracting capital at scale across geographies and use cases — from foundational models and infrastructure to applied vertical solutions. The intense interest in AI solutions has created a highly competitive environment for AI talent across regions; this has led a number of corporates looking to modernize their activities to consider acquiring AI-focused startups in order to gain access to their highly skilled talent.

AI continues to power the VC market globally, cont'd.

Defensetech continues to attract attention globally

Amid ongoing geopolitical conflicts and rising global tensions, it is no surprise that defensetech remained a priority for VC investors in Q3'25. The quarter's largest deal in the sector was a \$469 million raise by U.S.-based BETA Technologies, a developer of electric vertical takeoff and landing (eVTOL) aircraft. Other major deals included Castelion (U.S., \$350 million), Galactic Energy (China, \$334 million), Hadrian (U.S., \$260 million), and XPeng Aeroht (China, \$250 million).

Investor interest has increasingly concentrated on dual-use technologies — solutions with both commercial and military applications — reflecting a shift toward scalable innovations that can address multiple markets. With governments across jurisdictions accelerating efforts to modernize defense infrastructure and strengthen domestic capabilities, defensetech appears well-positioned for sustained, long-term growth in the global VC landscape.

Hardware gains some traction among VC investors globally

Over the past five years, many VC investors in China have remained focused on hardware-related opportunities, a trend closely aligned with the strategic priorities of the country's central government. That emphasis persisted in Q3'25, with several notable raises underscoring the momentum. In addition to the \$348 million round by GLP and the \$256 million raise by Runhui Technology Development — both centered on data center infrastructure — flying car manufacturer XPeng Aeroht secured \$250 million, while EV and hybrid truck maker Farizon raised \$200 million.

Together, these transactions highlight how China's hardware-driven innovation ecosystem continues to attract significant capital, particularly in advanced mobility and infrastructure plays positioned at the intersection of commercial and strategic national interests.

Over the last few quarters, VC investors in other regions have also increased their attention on hardware-centric startups. In part, this trend has been driven by interest in the infrastructure required to support the delivery of AI capabilities, such as semiconductors, data centers, and energy generation. Jurisdictions looking to reduce their reliance on imports of critical components given current geopolitical and trade tensions have likely also contributed to the increasing investment in hardware.

¹ <https://techfundingnews.com/figma-68b-valuation-record-first-day-ipo-gains/>

² <https://coincentral.com/peter-thiel-backed-bullish-breaks-barriers-1-11b-ipo-soars-past-expectations/>

³ <https://www.cnbc.com/2025/09/10/klarna-klar-stock-soars-after-us-ipo.html>

Quantum computing starting to attract sizeable funding rounds

Quantum computing drew a wave of large VC investments in Q3'25, underscoring the sector's growing prominence in the eyes of investors. The U.S. continued to lead in terms of deal size, with PsiQuantum raising \$1 billion and Quantinuum securing \$594 million — two of the largest quantum-related rounds to date.

Europe, however, is emerging as an equally important hub, not just for single landmark raises but for the breadth and consistency of activity across the region. The \$320 million raise by Finland-based IQM in Q3 was only the latest in a string of substantial financings in 2025. Earlier in the year, Spain-based Multiverse Computing raised \$215 million to advance its quantum-inspired compression technology, while France-based Alice & Bob closed a \$104 million round to further its fault-tolerant quantum computing research.

Taken together, these investments signal that quantum computing is rapidly maturing from frontier research into a globally competitive sector attracting sustained late-stage VC capital. The combination of U.S. mega-rounds and Europe's steady pipeline of \$100 million-plus financings reflects both growing investor confidence and rising expectations that quantum breakthroughs will generate commercial impact in the near to medium term.

IPO activity in Americas and Asia growing

The IPO market globally continued to pick up steam in Q3'25, with the Americas already at a four-year high in terms of IPO exit value and Asia well positioned to achieve a three-year high by the end of Q4'25. During Q3'25, the US in particular showed all the signs of the IPO door swinging open. Several diverse companies raised more than \$1 billion in their US-based IPOs; these included US-based collaborative design firm Figma — which raised \$ 1.2 billion and reached a valuation of \$68 billion;¹ US-based digital asset exchange Bullish — which raised \$1.1 billion and reached a valuation of \$5.4 billion,² and Sweden-based fintech Klarna — which raised \$1.3 billion and reached a valuation of \$17 billion.³

AI continues to power the VC market globally, cont'd.

In Asia, India experienced a banner quarter for exits in Q3'25, with exit value surging to a high not seen in at least seven years. Hong Kong (SAR), China also continued to see a rebound in IPO activity — with both listings and exit value both well above 2024's results at the end of Q3'25.

Unicorn births on the rise

While the number of new unicorns remains well below the surge of 2020–2021, the pace of creation at the close of Q3'25 outstripped levels seen in both 2023 and 2024. Much of this momentum has been fueled by the rapid ascent of AI startups, which accounted for a substantial share of new unicorns during the quarter.

Yet crossing the \$1 billion valuation threshold is only the beginning. For many of these companies, the harder task now lies ahead: proving they can deliver on ambitious growth targets, scale revenues, and translate market excitement into sustainable business models. In today's environment, unicorn status is less an endpoint than a proving ground for whether emerging leaders can secure long-term success.



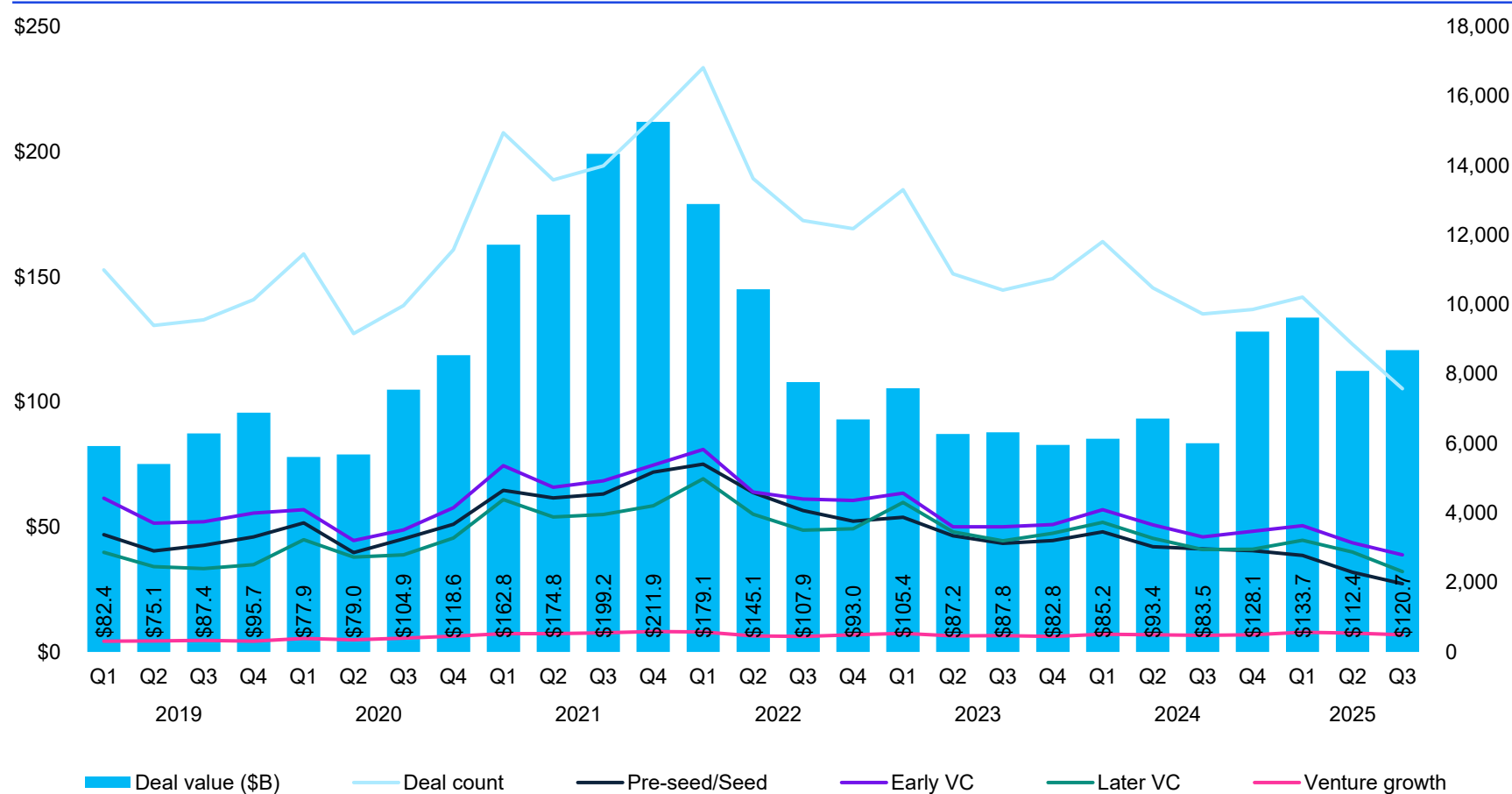
Trends to watch for in Q4'25

Looking forward to Q4'25, global VC investment is expected to remain relatively steady, driven largely by continued investment in AI models, industry-focused AI solutions, and AI infrastructure. Robotics is also expected to gain additional traction over the coming quarter. Given AI's dominance, companies without AI-driven solutions could struggle to attract funding, although in regions like Africa, Latin America and Southeast Asia, fintech will likely remain the top investment priority. Exit activity is expected to grow globally in Q4'25, with a more substantive pickup expected heading into 2026 as more mature startups look to take advantage of the improving IPO environment in the US.

Another robust quarter for VC activity

Global venture financing

2019–Q3'25



Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

“The cautious optimism we saw last quarter has shifted to genuine optimism. Companies that IPO'd earlier are performing well, and more recent listings have also delivered strong results. Overall, the outlook feels very positive. Sector-wise, little has changed — AI remains the hottest vertical, defensetech continues to attract strong interest, and fintech has had an excellent year, well beyond crypto. Looking ahead to Q4'25 and into 2025, all indicators point to continued strength.”

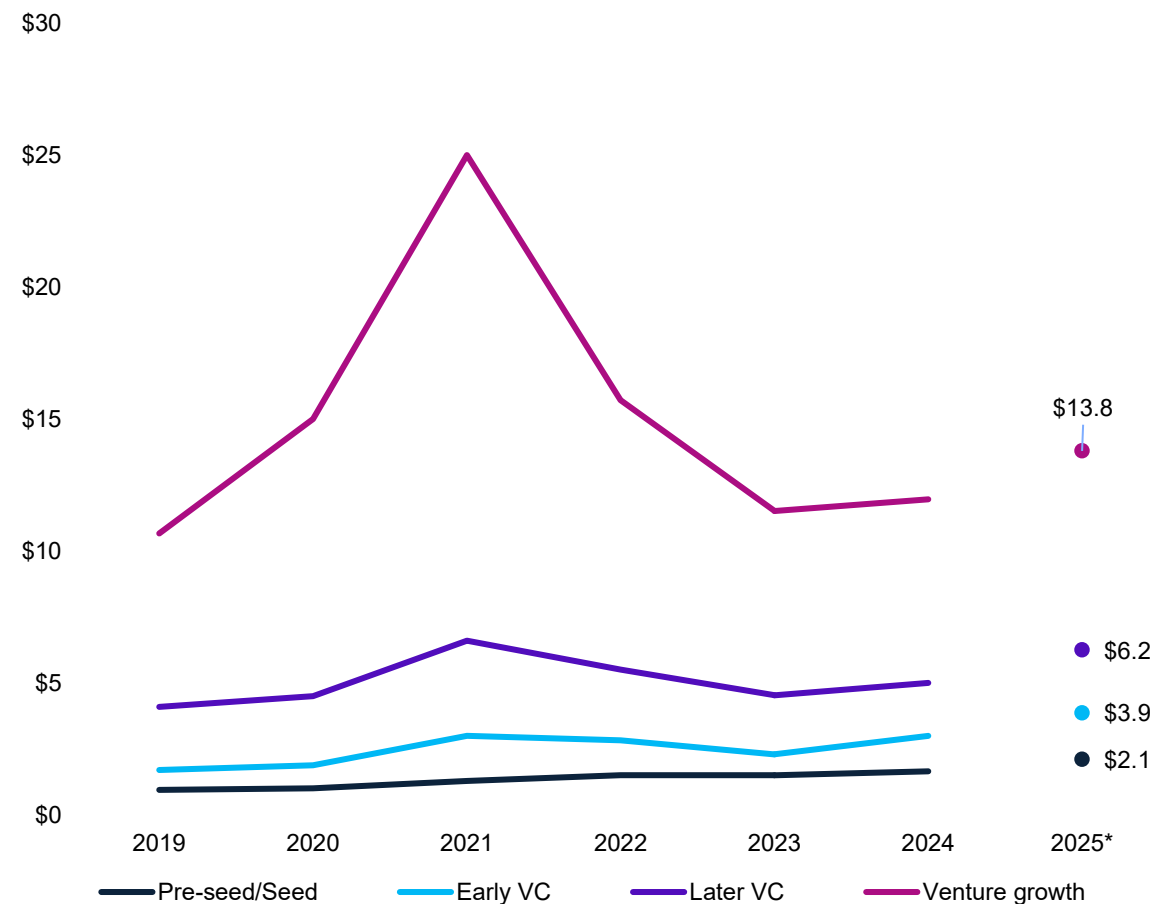


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KPMG in the US

Guarded optimism remains paramount

Global median deal size (\$M) by stage

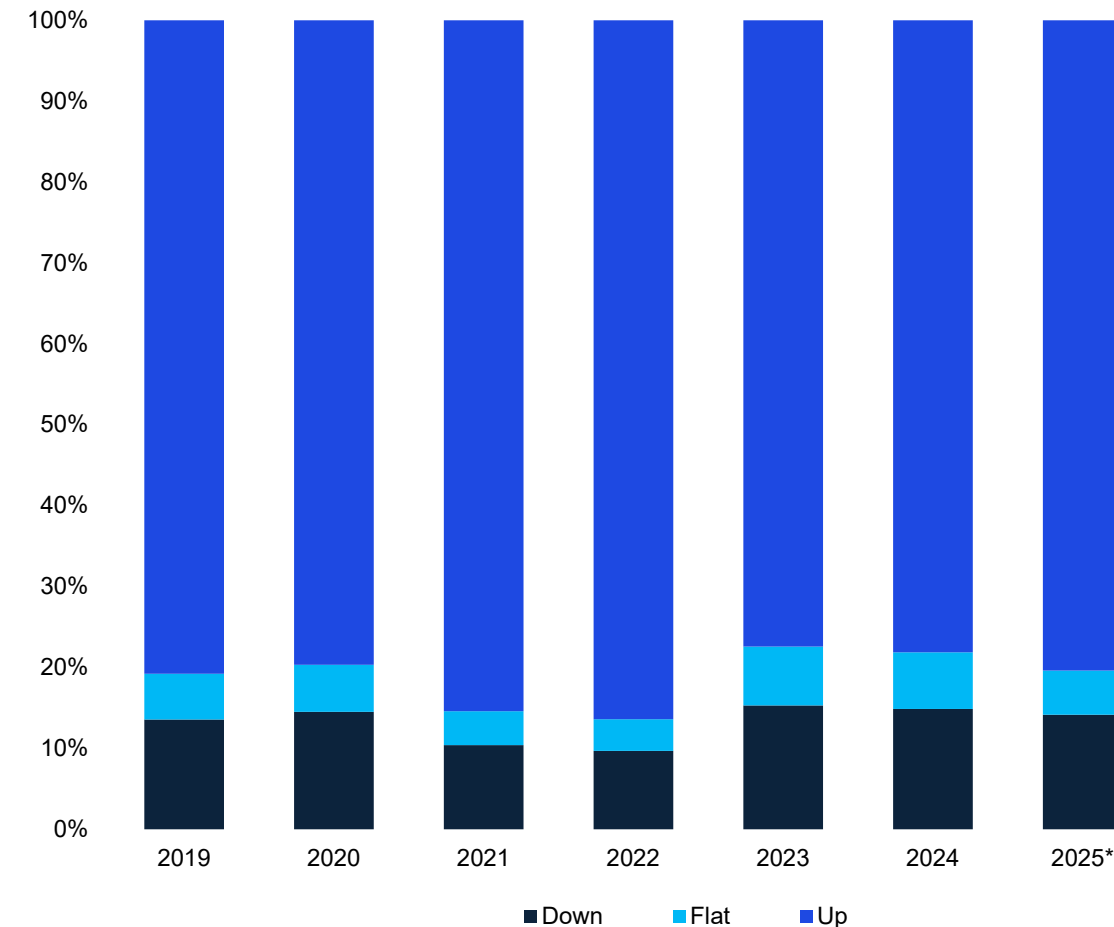
2019–2025*



Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Global up, flat or down rounds

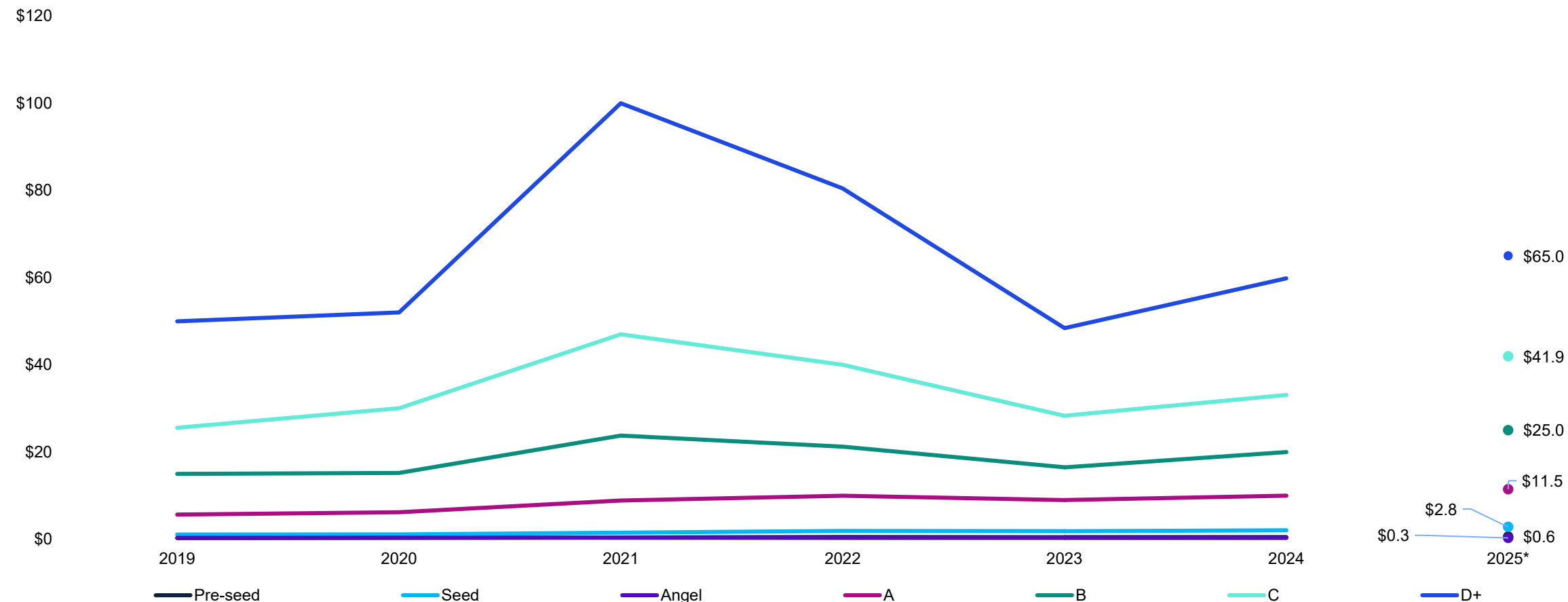
2019–2025*



Financing sizes remain on the upswing

Global median deal size (\$M) by series

2019–2025*

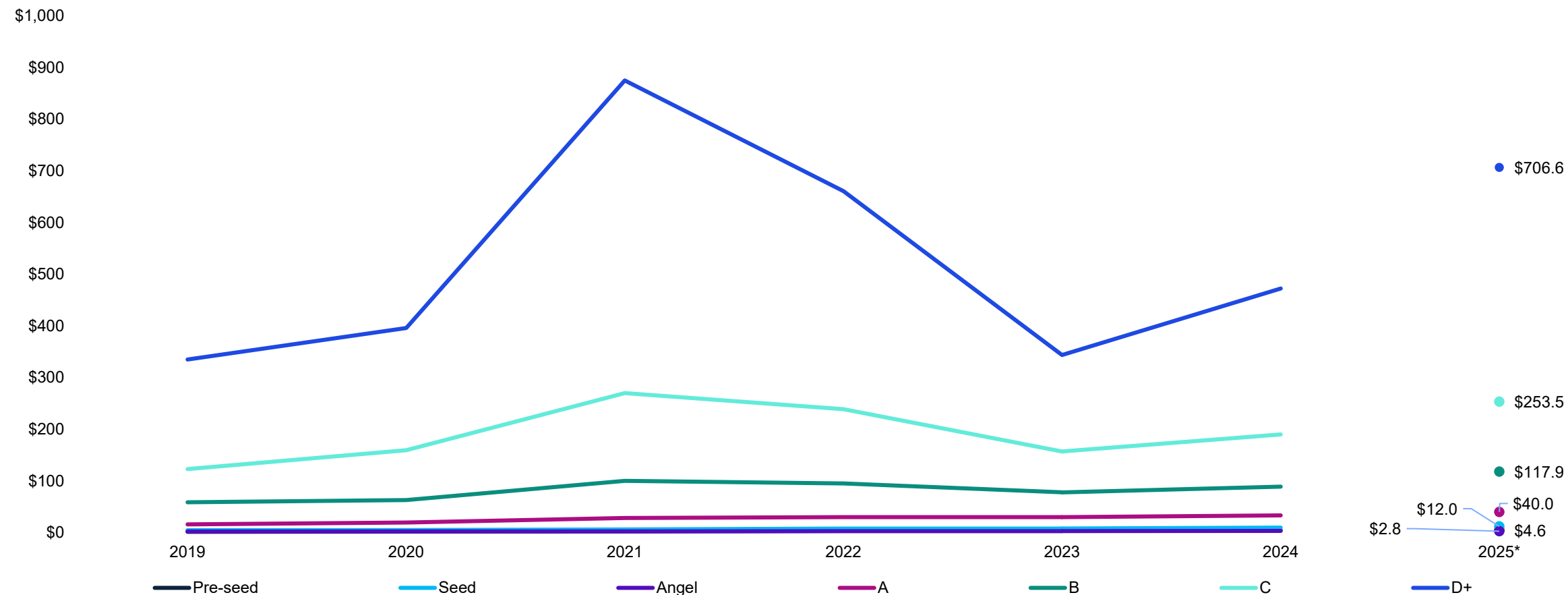


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Valuations remain healthy at minimum

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

2019–2025*

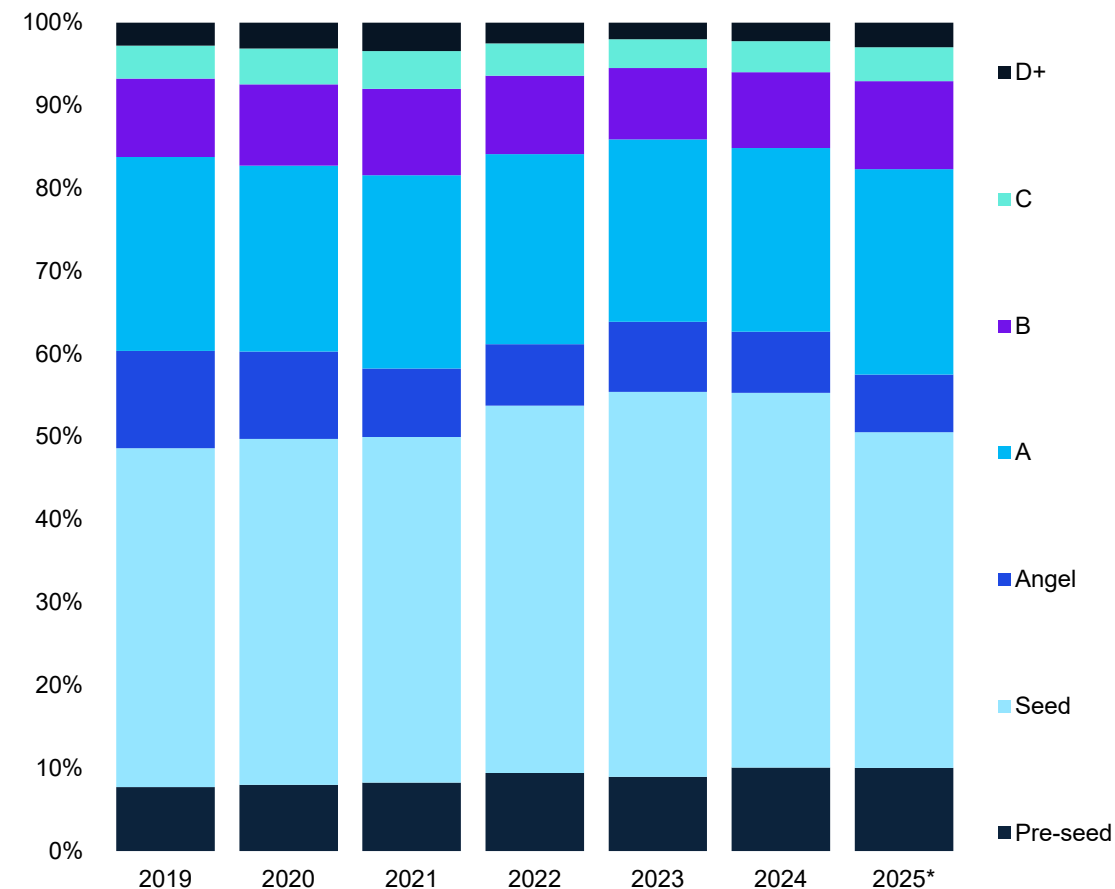


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Growth-stage deals continue resurgence

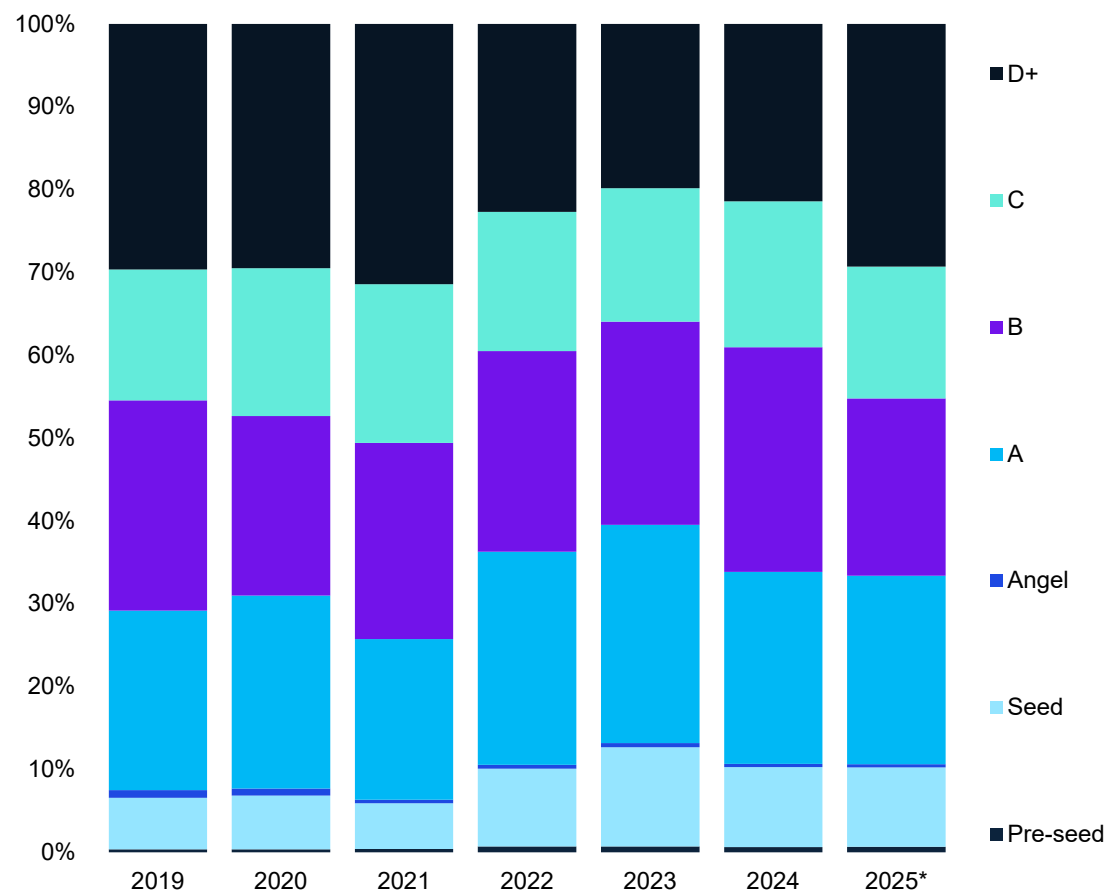
Global deal share by series

2019–2025*, number of closed deals



Global deal share by series

2019–2025*, VC invested (\$B)

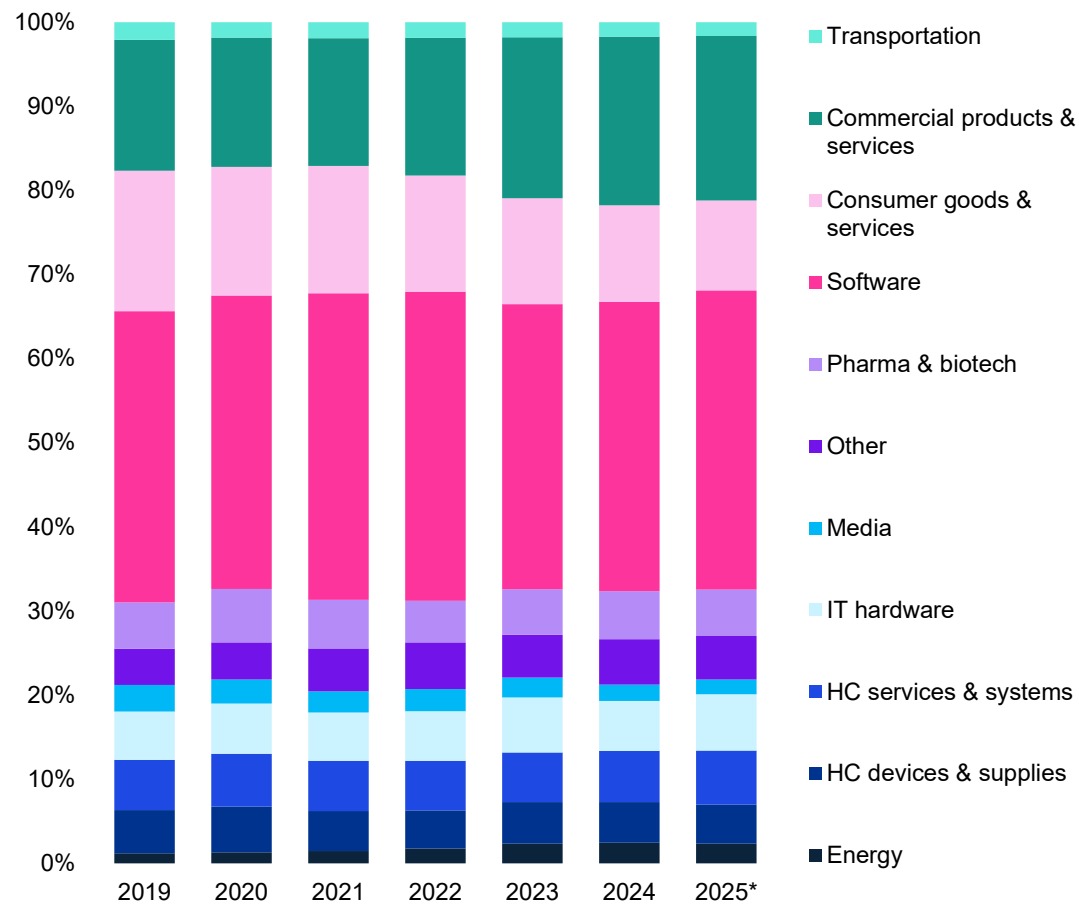


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

AI remains the primary growth engine

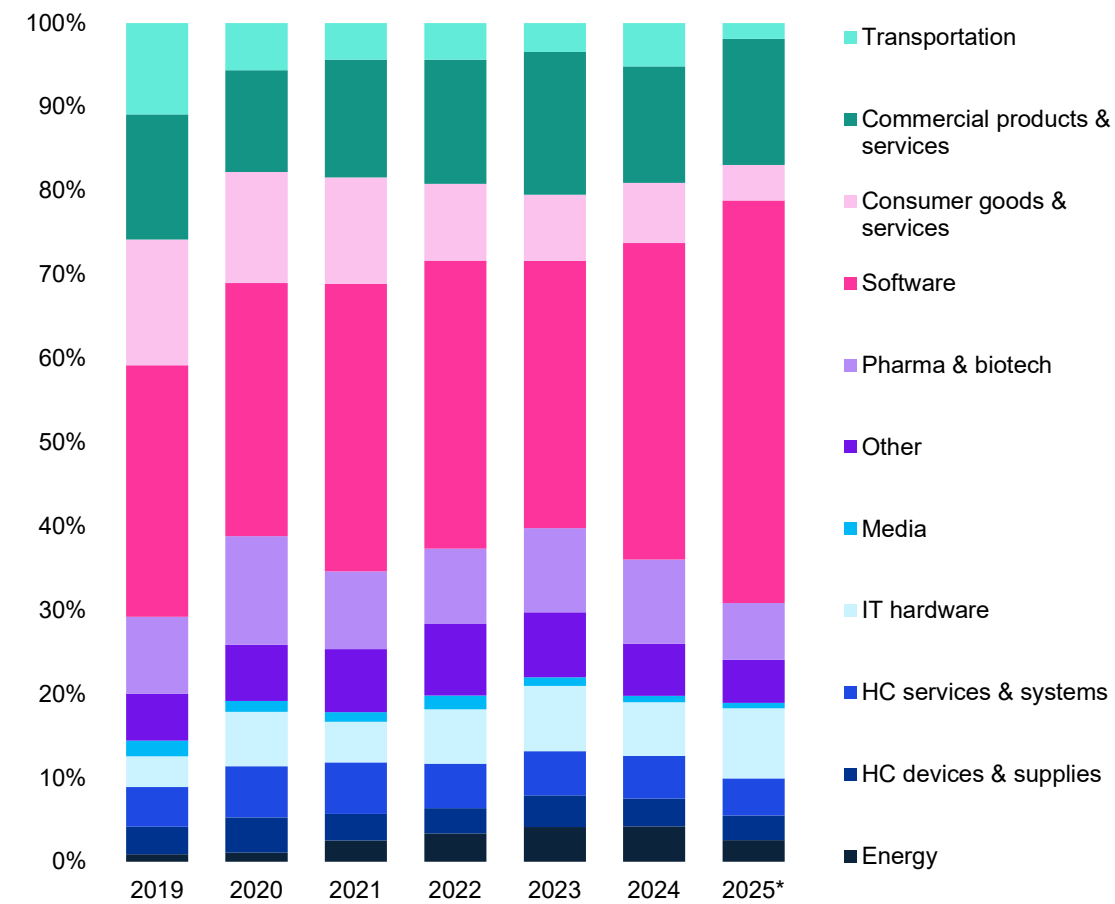
Global financing trends to VC-backed companies by sector

2019–2025*, number of closed deals



Global financing trends to VC-backed companies by sector

2019–2025*, VC invested (\$B)

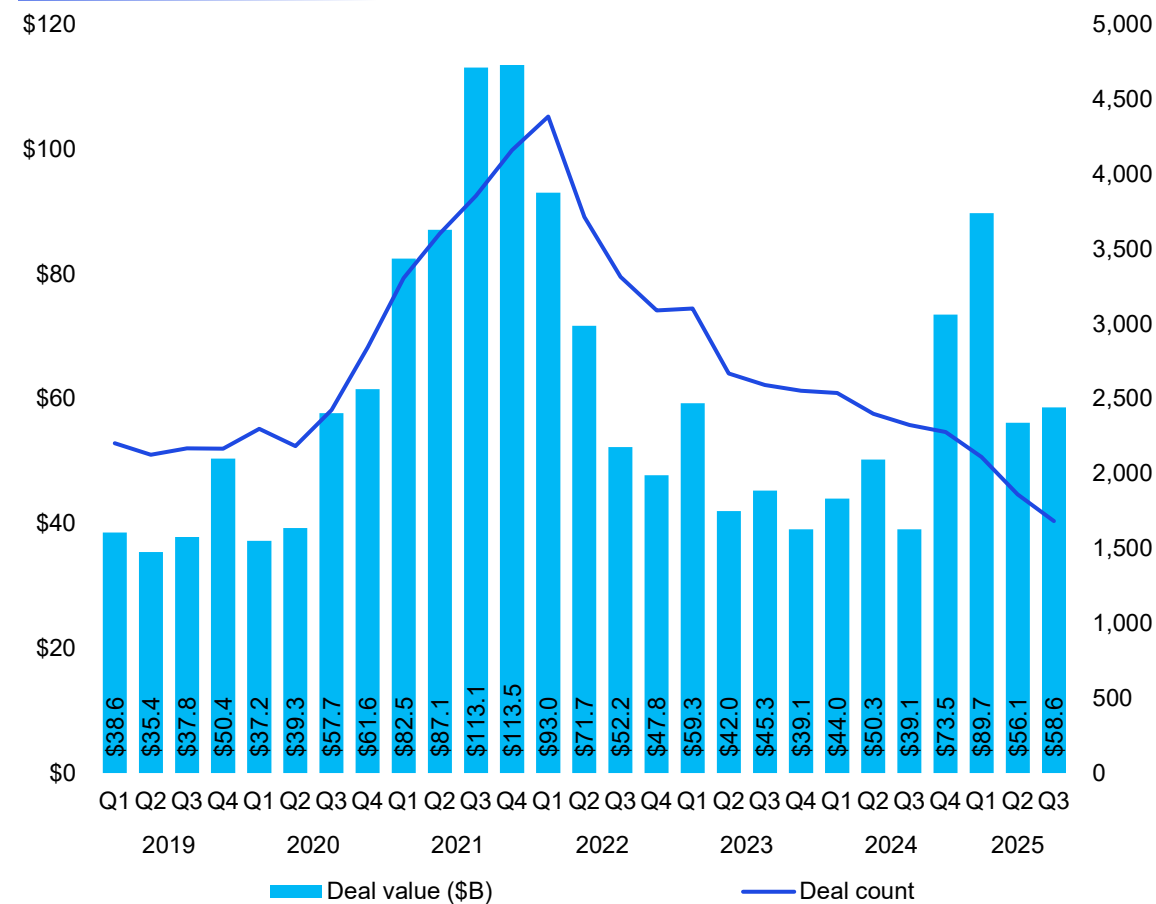


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Corporates remain active

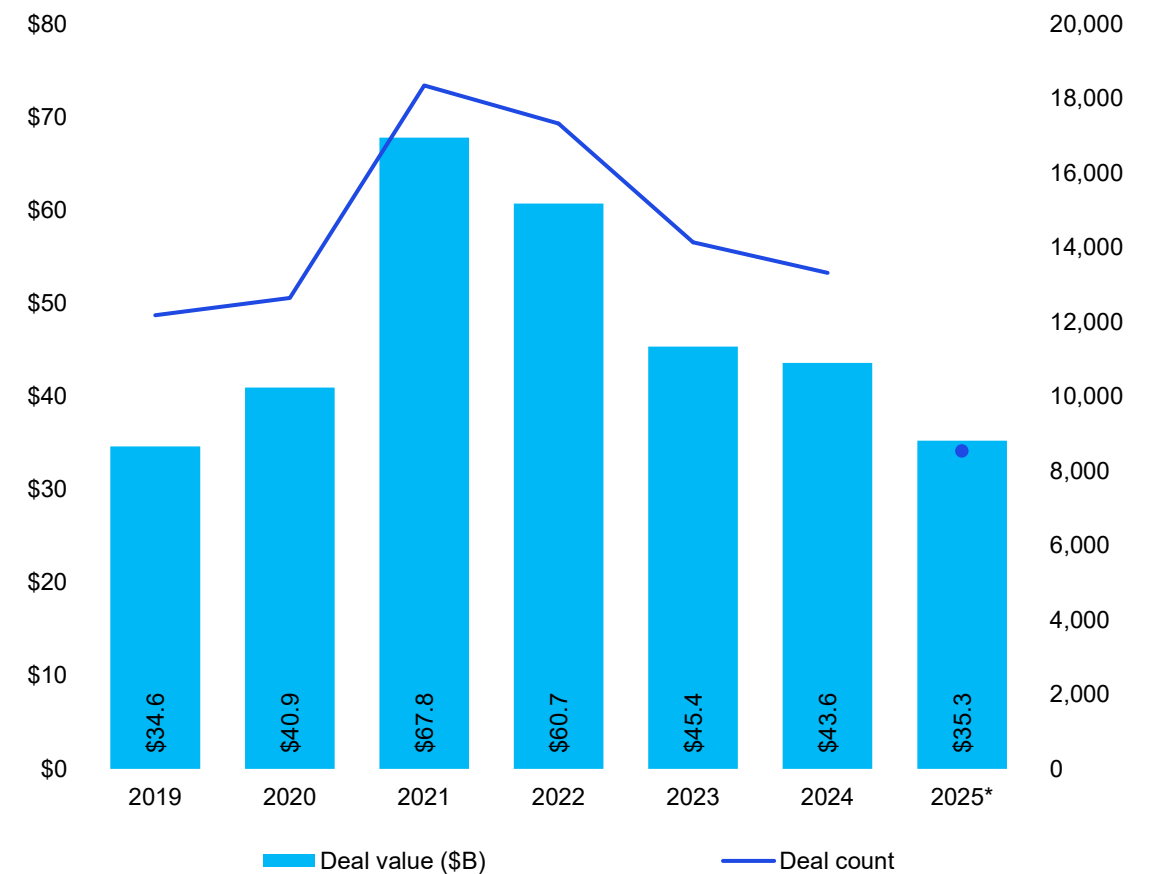
Corporate VC participation in global venture deals

2019–Q3'25



Global first-time venture financings of companies

2019–2025*



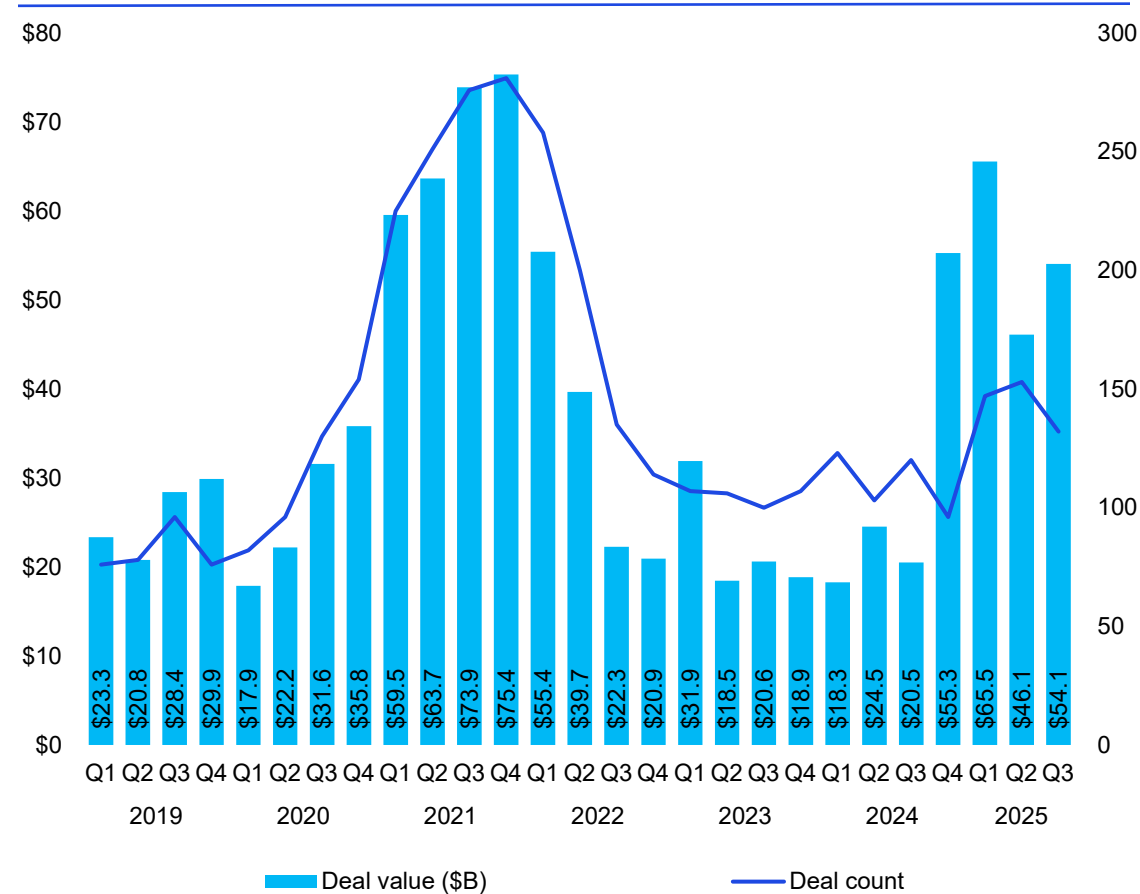
Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

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

Exits continue a slow climb out of a sluggish period

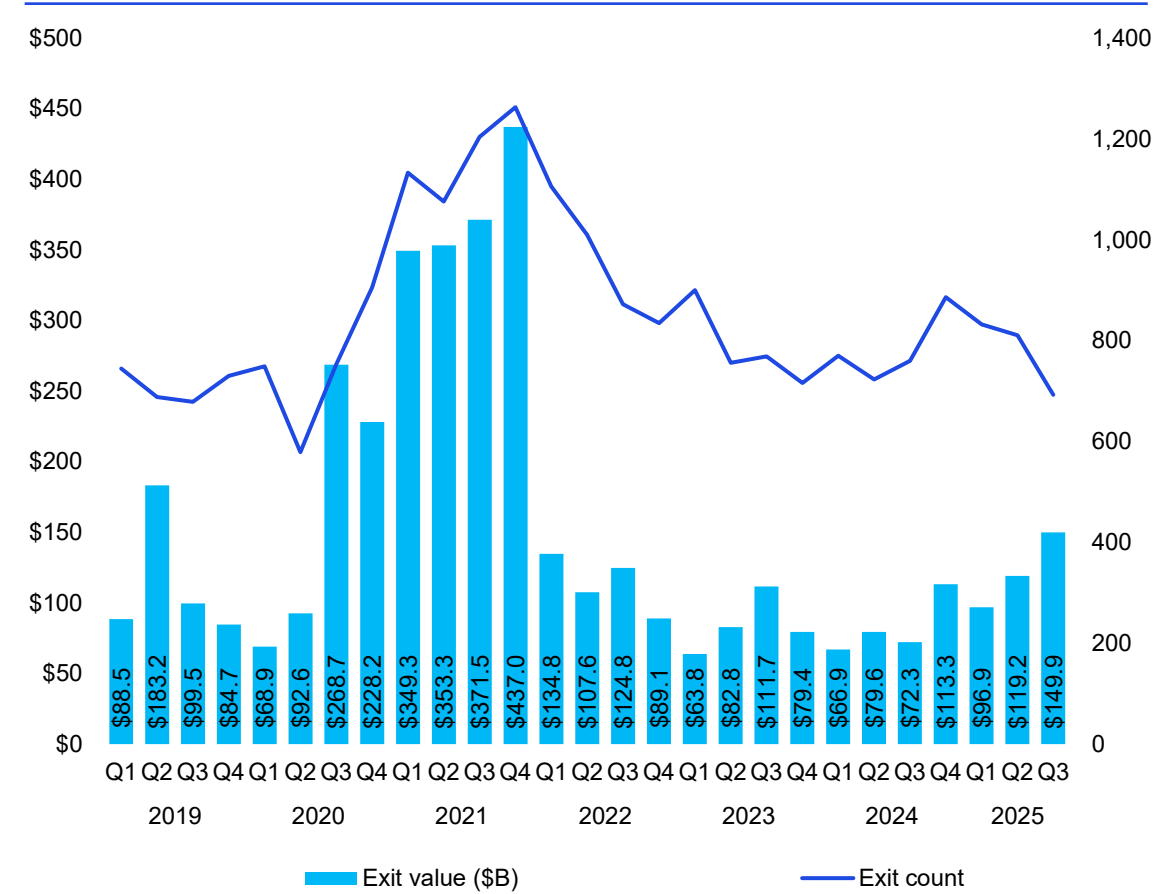
Global unicorn rounds

2019–Q3'25



Global venture-backed exit activity

2019–Q3'25



Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

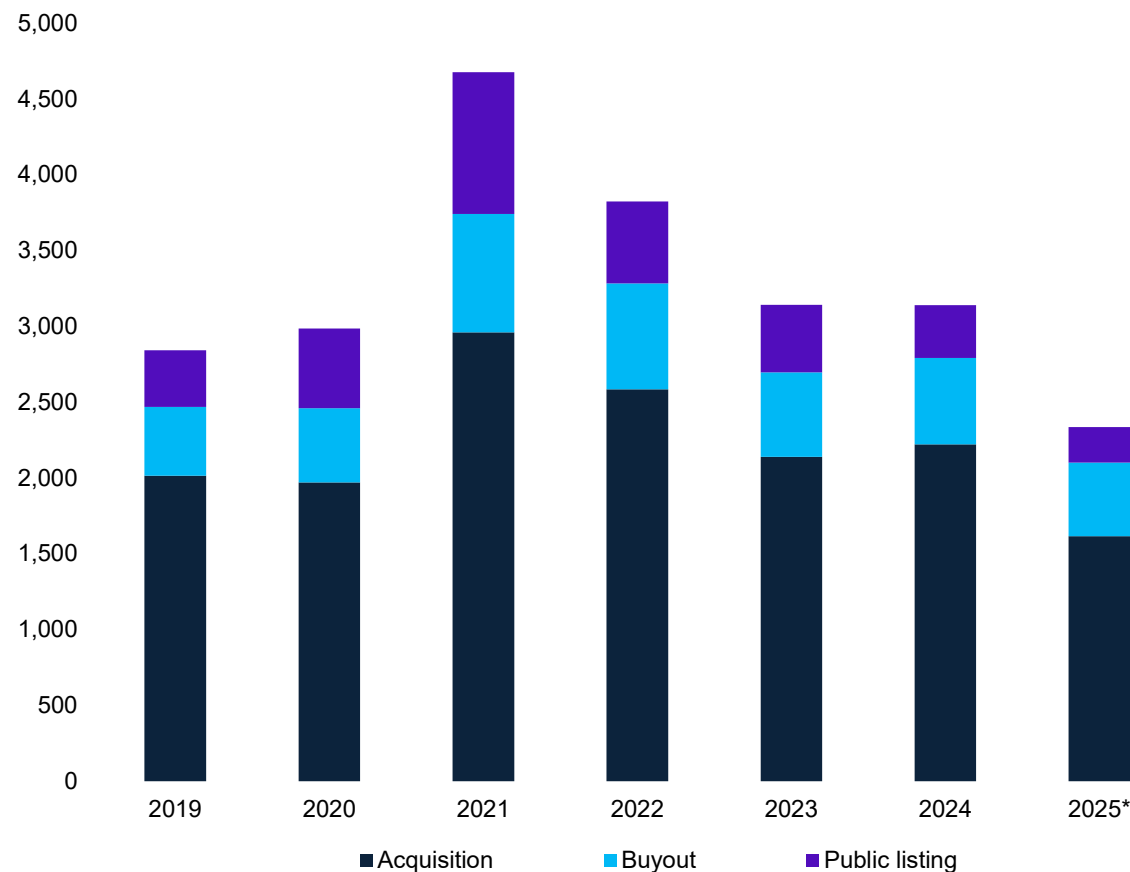
Note: PitchBook defines a unicorn venture financing as a VC round that generates a post-money valuation of \$1 billion or more. These are not necessarily first-time unicorn financing rounds, but also include further rounds raised by existing unicorns that maintain at least that valuation of \$1 billion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

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

2025 exit value total surpasses 2024, barely

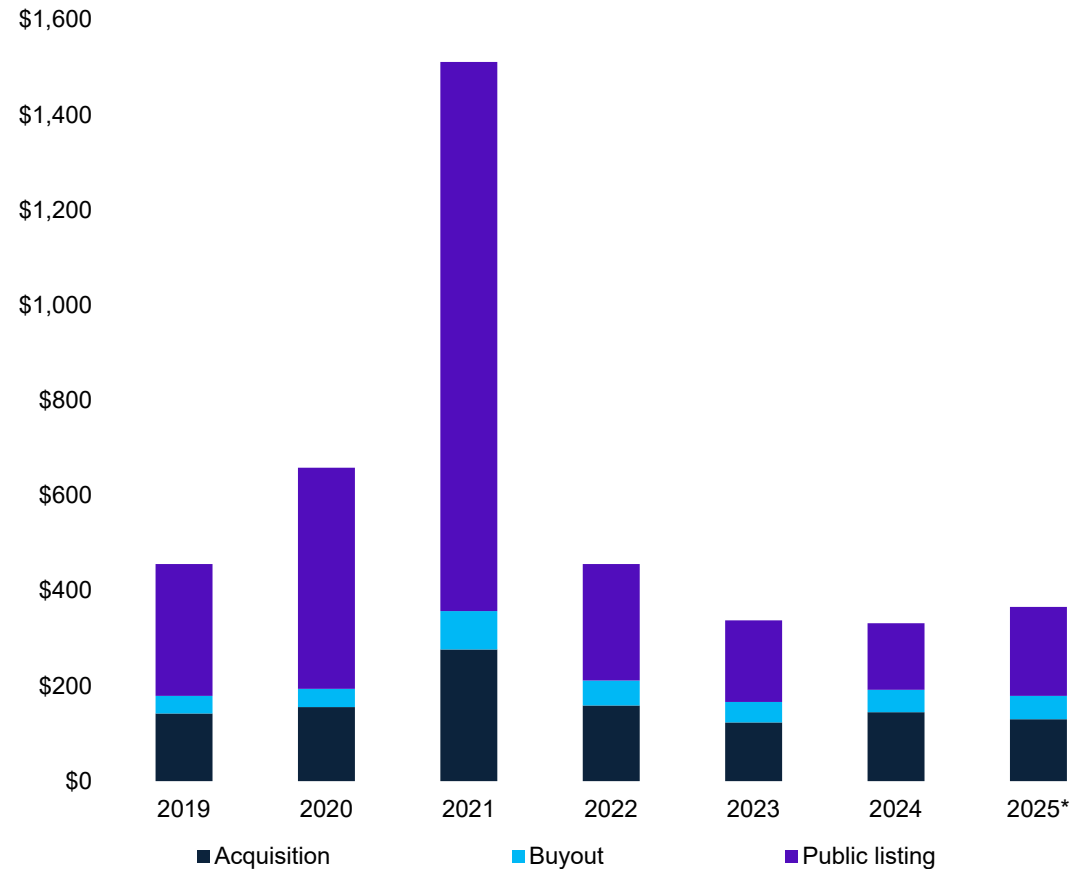
Global venture-backed exit activity (#) by type

2019–2025*



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

2019–2025*

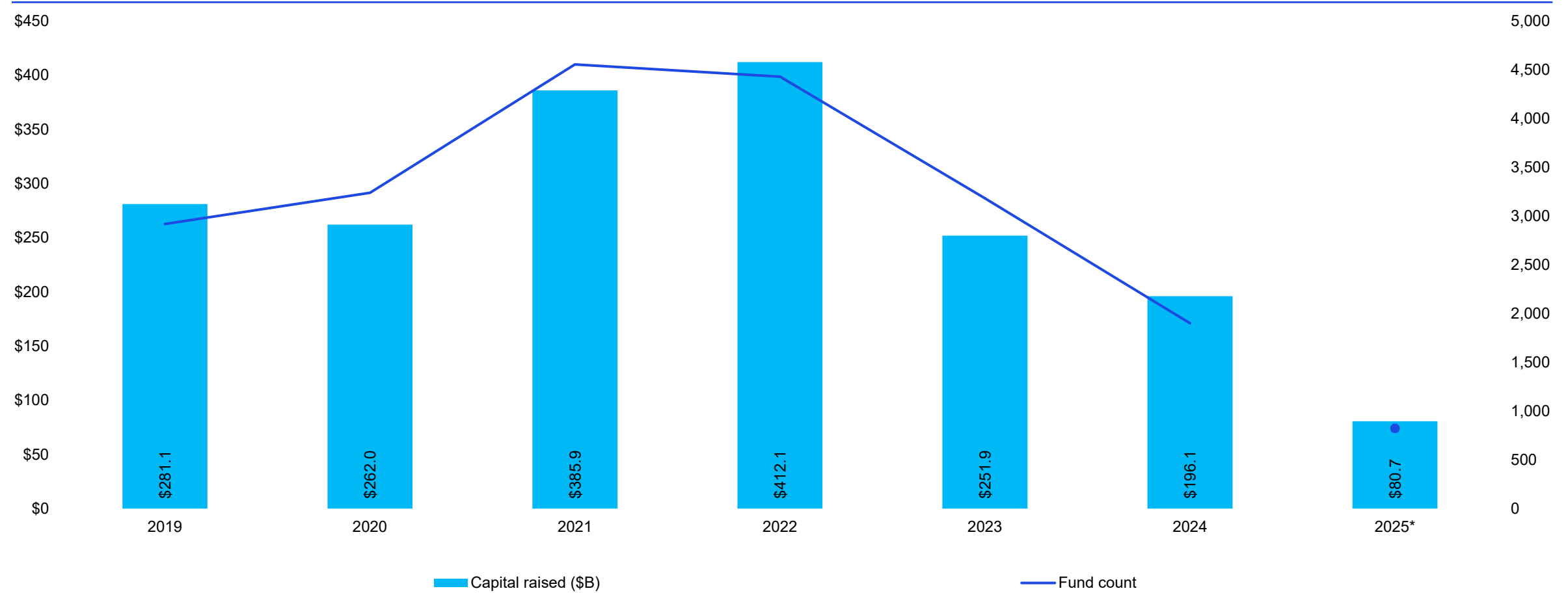


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

LPs hold steady

Global venture fundraising

2019–2025*

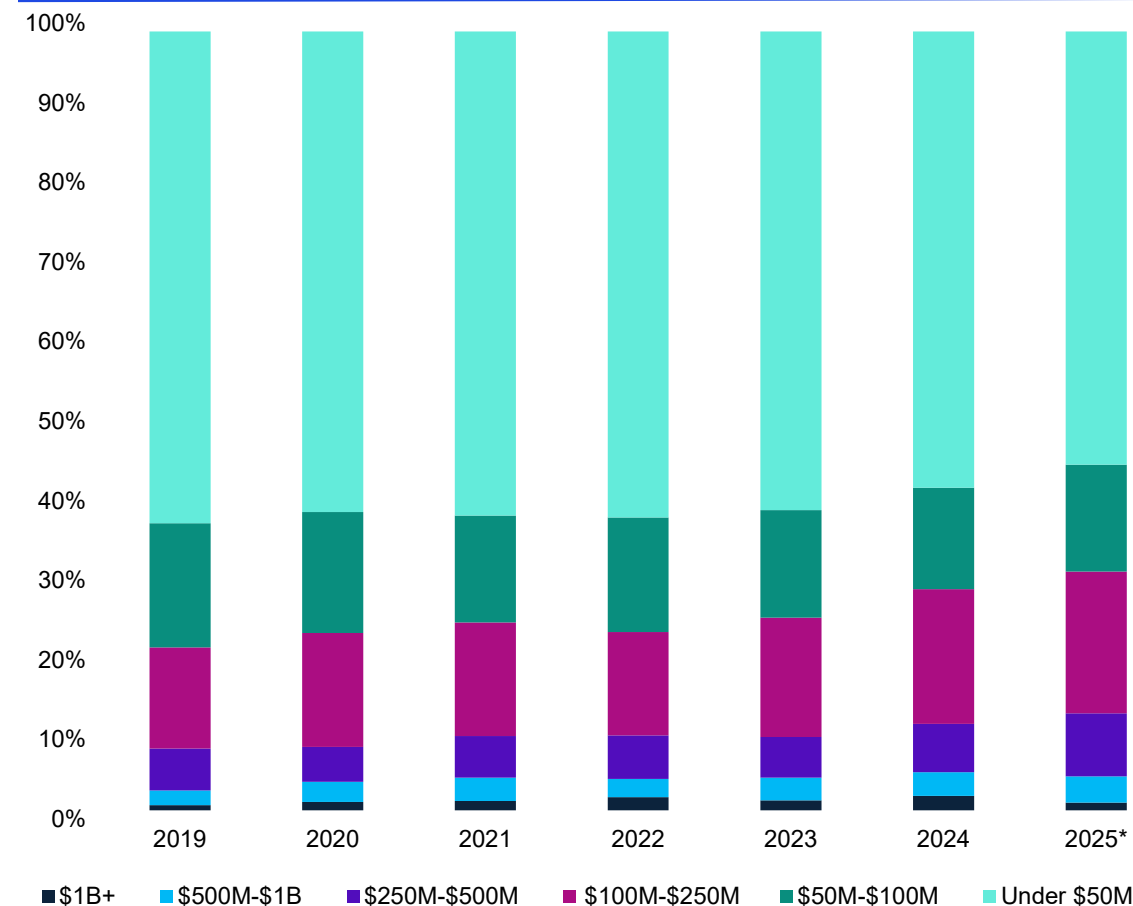


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

LPs emphasize midsize & experienced

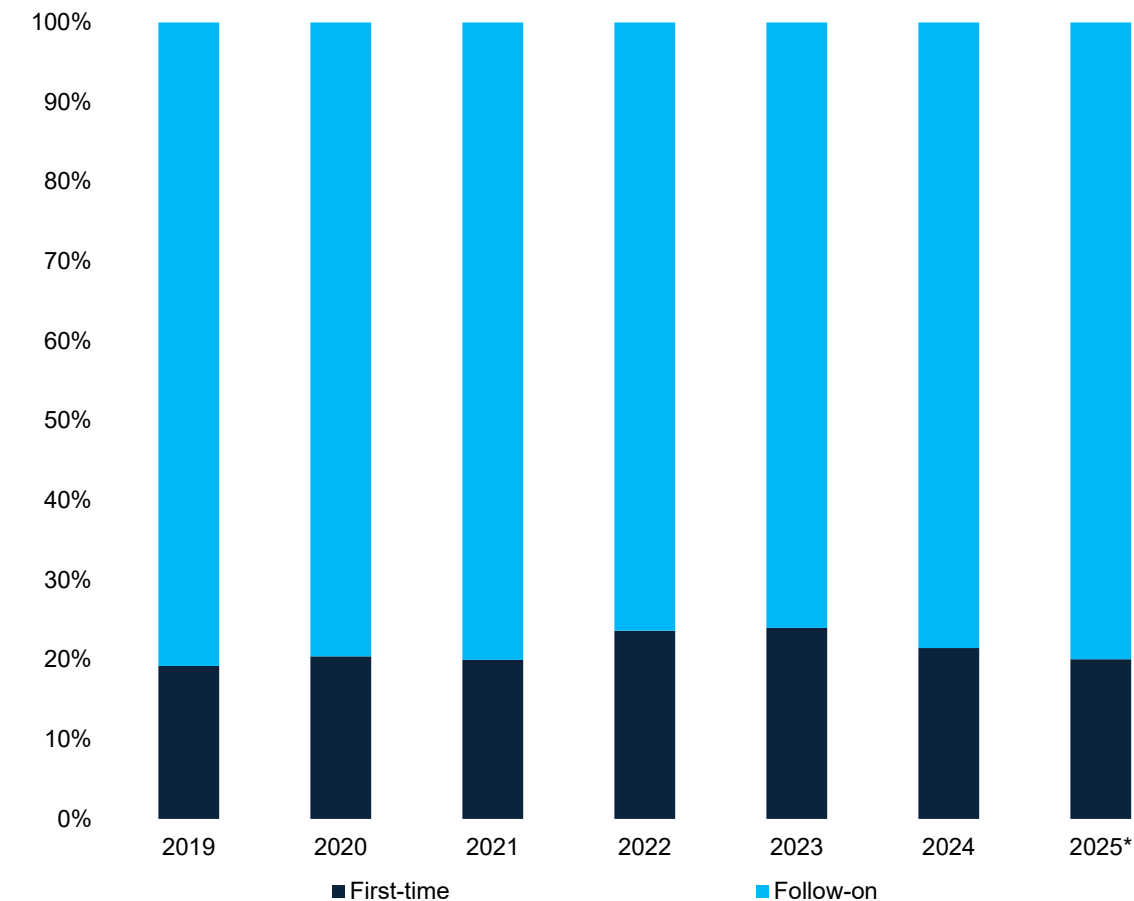
Global venture fundraising (#) by size

2019–2025*



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

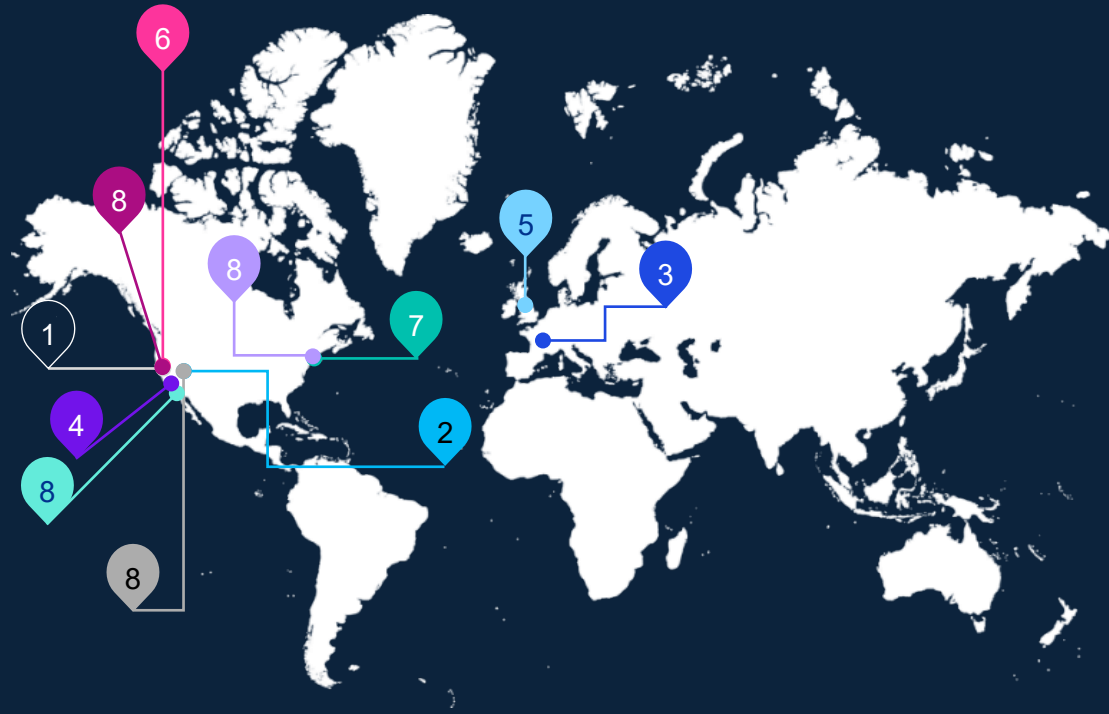
2019–2025*



Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

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

Top 10 global financings in Q3'25



1. **Anthropic** — \$13B, San Francisco, US — AI & ML — *Series F*
2. **xAI** — \$10B, Palo Alto, US — AI & ML — *Late-stage VC*
3. **Mistral AI** — \$1.52B, Paris, France — AI & ML — *Series C*
4. **Genesys** — \$1.5B, Menlo Park, US — Enterprise software — *Growth*
5. **Nscale** — \$1.49B, Knutsford, UK — AI & ML — *Series B*
6. **Grammarly** — \$1.3B, San Francisco, US — AI & ML — *Late-stage VC*
7. **Wonder Group** — \$1.1B, New York, US — Consumer — *Late-stage VC*
8. **Cerebras** — \$1B, Sunnyvale, US — Semiconductors — *Series G*
8. **Reflection AI** — \$1B, New York, US — AI & ML — *Early-stage VC*
8. **PsiQuantum** — \$1B, Palo Alto, US — Computing — *Series E*
8. **Databricks** — \$1B, San Francisco, US — Business software — *Series K*

Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

An aerial photograph of San Francisco, California, showing the city's dense urban landscape with numerous skyscrapers and buildings. The Golden Gate Bridge is visible in the background, spanning the water. The text is overlaid on the left side of the image.

**In Q3'25, US VC-backed
companies raised
\$80.9 billion across
3,175 deals**

Optimism taking hold in the US VC market as IPO market opens

A renewed sense of optimism began to take hold in the U.S. VC market during Q3'25, fueled by a pickup in IPO exits, rising valuations across stages, and an exceptionally active investment climate for a wide range of AI-driven solutions.

US sees largest seed round ever amid red hot investment environment for AI

The U.S. remained the epicenter of AI investment in Q3'25, capturing the vast majority of the jurisdiction's largest deals. AI system and LLM developers dominated the quarter, led by landmark raises from Anthropic (\$13 billion) and xAI (\$10 billion), along with a \$1 billion round by Reflection AI, a fast-rising entrant in the space.

Beyond foundational model players, the broader AI ecosystem also secured substantial late-stage financing. Notable raises included Databricks (\$1 billion) and Groq (\$750 million), both key players in AI infrastructure, as well as Magic (\$550 million), an emerging AI application company. Other major rounds included Perplexity AI (\$600 million), which is redefining AI-powered search and Ramp (\$514 million), leveraging AI to transform expense management in fintech, and Cognition AI (\$500 million), advancing AI-driven coding solutions.

Together, these transactions reinforce the depth and breadth of capital flowing into AI, from infrastructure and core models to applied solutions across verticals — cementing the sector's position as the defining growth driver of U.S. venture capital.

IPO market seeing increasing activity

After a cautiously optimistic Q2'25, the U.S. IPO market decisively reopened in Q3'25, marked by a string of high-profile and successful listings. The quarter began with the blockbuster debut of Figma, the collaborative design platform, which raised \$1.2 billion in its July IPO. Shares soared 250% on the first day of trading, setting a bullish tone for subsequent listings.⁴

This was followed by the IPO of Bullish, the first digital asset exchange to list on the NYSE. The company raised \$1.1 billion, with shares closing up 84% on Day One, signaling strong investor appetite for regulated digital asset platforms. Adding to the momentum, Sweden-based Klarna completed its long-anticipated offering, raising \$1.4 billion⁵, with shares climbing 15% in initial trading.⁶

⁴ <https://techfundingnews.com/figma-68b-valuation-record-first-day-ipo-gains/>

⁵ <https://techcrunch.com/2025/09/10/klarnas-ipo-pops-raising-1-4b-with-sequoia-as-the-biggest-winner/>

⁶ <https://www.cnbc.com/2025/09/10/klarna-klar-stock-soars-after-us-ipo.html>

The spate of IPO exits in Q3'25 suggests that the IPO market in the US has firmly reopened. Given the length of the protracted IPO drought, there are numerous mature startups well-positioned for an IPO exit in the US; should market conditions remain relatively stable, this could mean quite a significant march of IPO activity over the coming quarters.

M&A activity in US rising reaches four-year high at end of Q3'25

M&A activity in the U.S. continued to build momentum in Q3'25, with annual exit value already reaching a four-year high — with a full quarter still remaining in the year. Supportive rulings from the Department of Justice have contributed to this resurgence, fueling a sense of cautious optimism that larger-scale transactions are once again viable.

Across industries, established players are increasingly aware of the need to accelerate technology adoption to keep pace with rapid advances and avoid competitive erosion. This urgency has translated into renewed M&A appetite, particularly for startups that can deliver immediate innovation and scalability.

At the same time, there has been a marked rise in acquisitions, as corporates move to secure scarce technical talent. This trend is especially pronounced in the AI sector, where demand for highly skilled engineers and researchers far outstrips supply. Together, these dynamics suggest that M&A will remain a key strategic lever for growth and competitiveness in the quarters ahead.

Optimism taking hold in the US VC market as IPO market opens, cont'd.

Secondary VC transactions still seeing interest

Even as the IPO market in the US has started to open up, secondary VC transactions in the country have continued to be quite solid. While the number of secondaries could dip somewhat as IPO activity gains strength, there is not expected to be a dramatic shift given the number of private companies with little interest in going public in the near future; these companies will continue to be ripe for secondary — and tertiary — transactions.

VC investors still focused on profitability, making it difficult for early-stage startups

Beyond the AI sector, U.S. venture capital investors continue to prioritize companies that not only demonstrate rapid growth but also exhibit strong business fundamentals and a clear, credible path to profitability. This has

created some pressure at the early deal stages, making it more challenging for companies without a clear line of sight to profitability to attract funding.

Fintech space beginning to see consolidation

Within the US, a growing number of fintechs have found it difficult to find a good market fit or achieve the scale needed to grow and have run out of capital. As a result, the fintech market is starting to see the long-predicted wave of consolidation as struggling firms have been swept up by their larger counterparts.



Trends to watch for in Q4'25

Heading into Q4'25, there is a real sense of optimism in the VC market. AI, defensetech, and spacetech are expected to continue to attract significant levels of VC investment, while fintech could continue to see a rise in exit activity given the successful exits of Chime in Q2'25 and Klarna in Q3'25. Should market conditions remain steady, IPO exit activity more broadly will likely also continue to gain momentum over the next quarter and into 2026 as mature startups look to take advantage of the market reopening to exit.



We've seen encouraging momentum in the IPO market, along with DOJ rulings that are bringing cautious optimism to M&A activity. While AI continues to attract massive rounds, we're also seeing sizable investments in defensetech and other sectors. Early-stage activity remains steady, but there's been a clear flight to quality — investors are prioritizing startups that demonstrate strong traction and a clear path to profitability, even at the earliest stages.

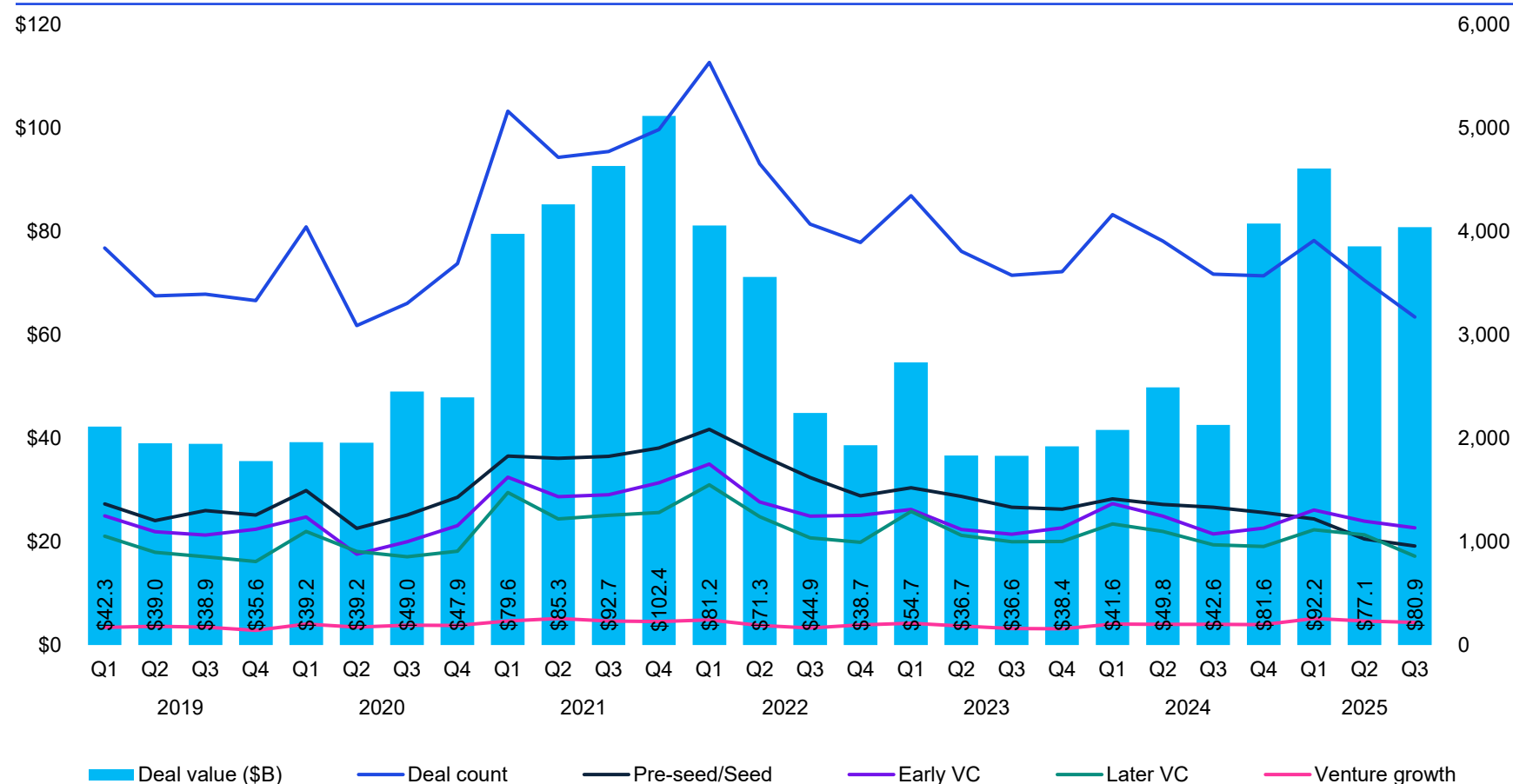


Samuel Lush
Managing Director,
Private Equity Group
KPMG in the US

Billions in AI investment flow in a capex-heavy cycle

Venture financing in the US

2019–Q3'25



“There’s still a significant amount of dry powder in the market both within the venture ecosystem and private equity. While primary activity is slowly picking up, we’re also seeing a number of sponsor-to-sponsor transactions and continuation vehicles to give investors liquidity opportunities. All that is driving a huge amount of secondary activity in the absence of a lot of primary deals. I don’t see these kinds of secondaries going away. In fact, we’re seeing a number of institutional structures being put into place to continue to facilitate secondary transactions.”



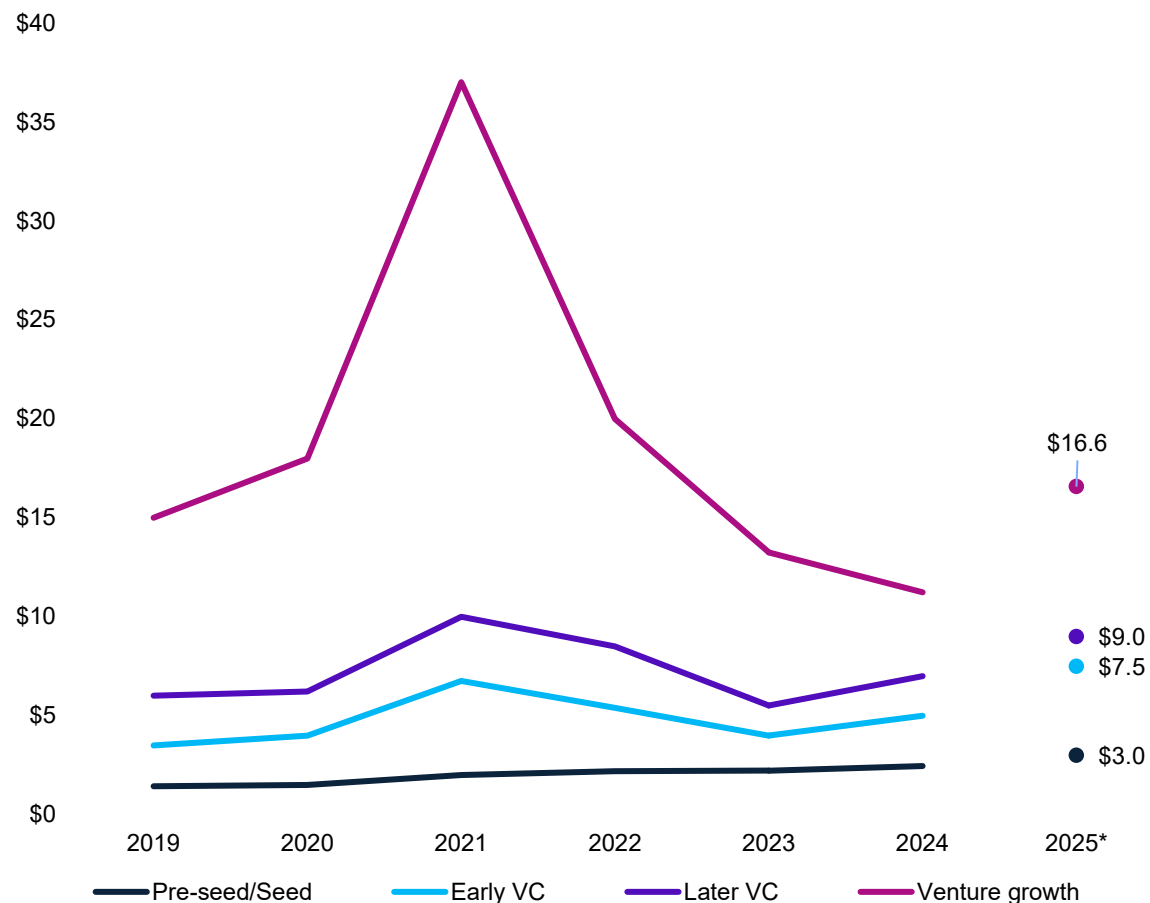
Scott Burger
Partner
KPMG in the US

Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

AI-driven optimism may be bleeding over into the general market

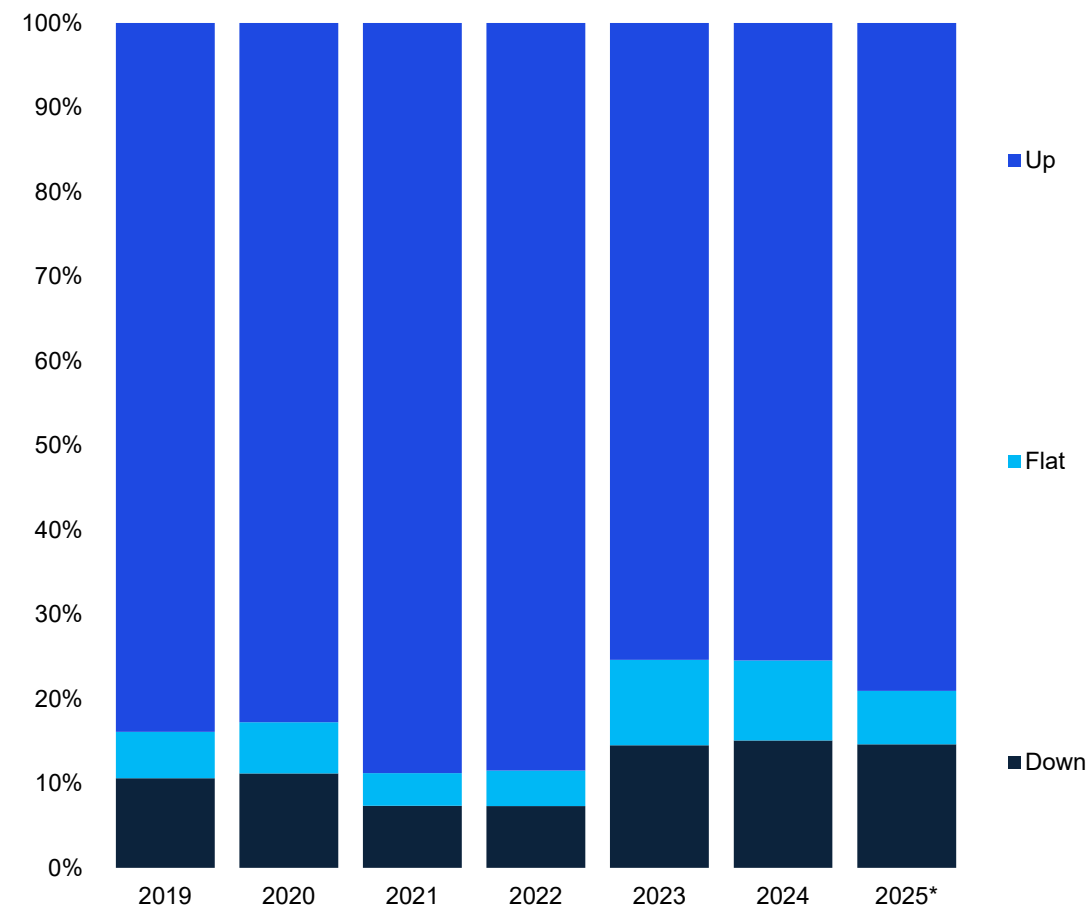
Median deal size (\$M) by stage in the US

2019–2025*



Up, flat or down rounds in the US

2019–2025*

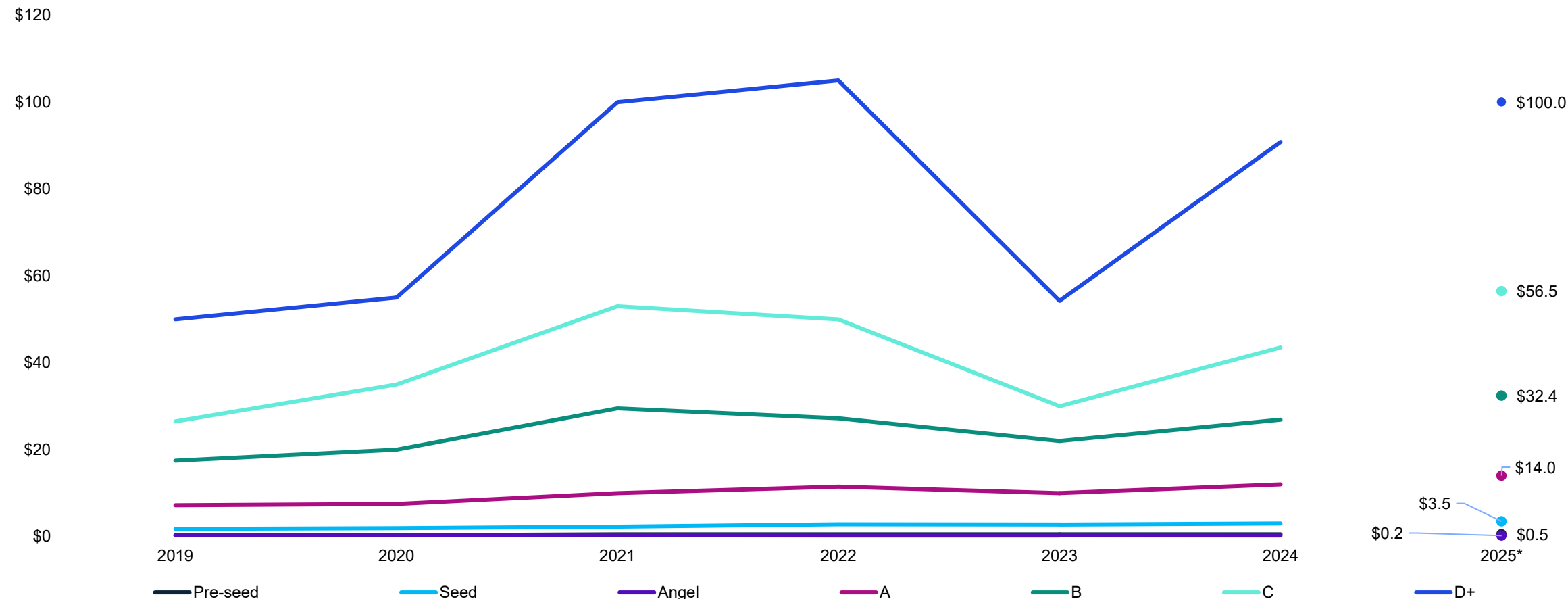


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Deal sizes continue to exhibit steady growth

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

2019–2025*



Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Note: Figures rounded in some cases for legibility.

Later-stage valuations are on the upswing

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

2019–2025*



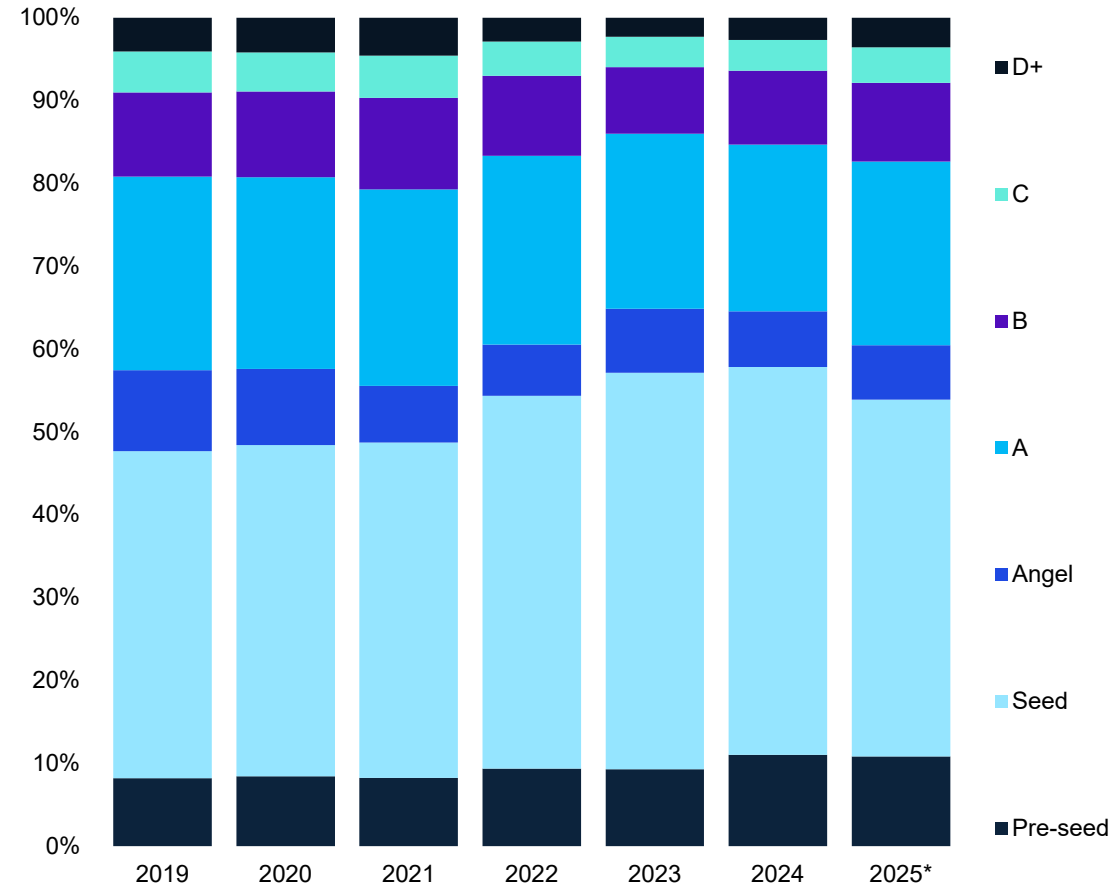
Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

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

AI mega-rounds keep shifting VC invested proportions

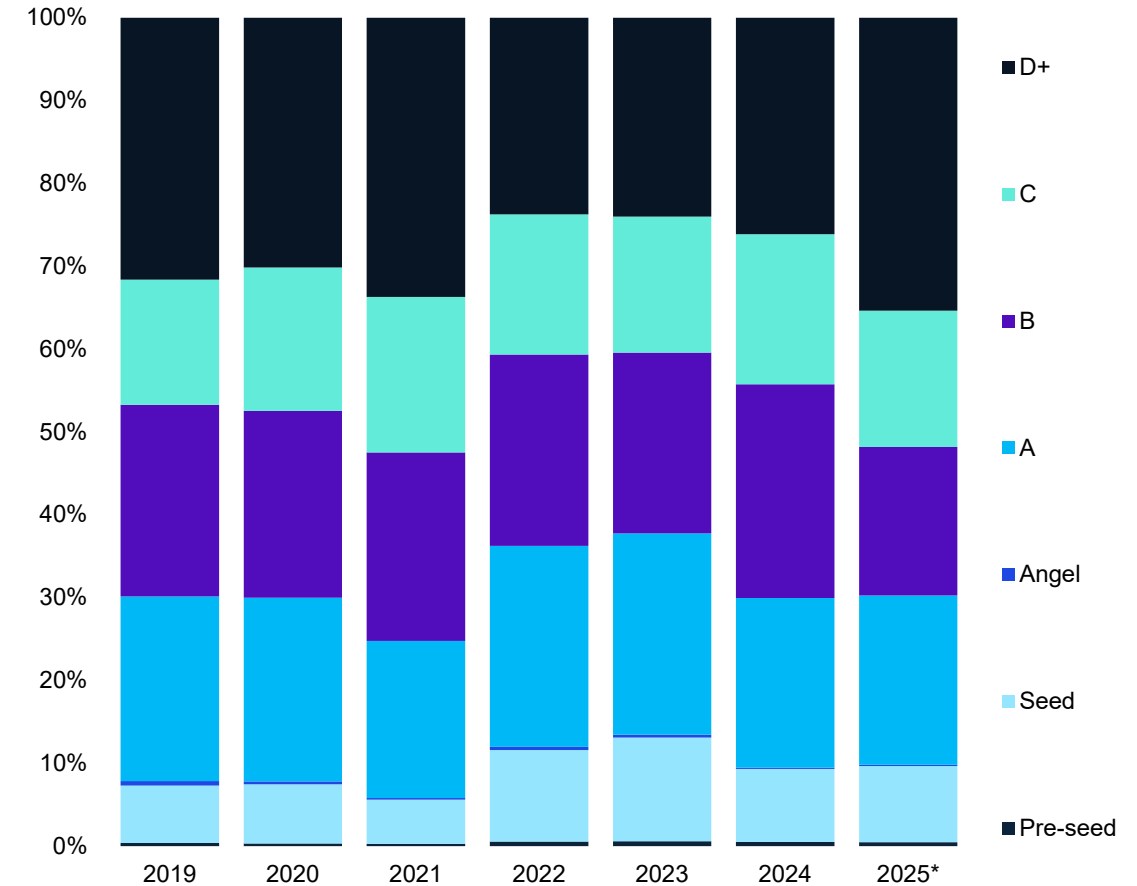
Deal share by series in the US

2019–2025*, number of closed deals



Deal share by series in the US

2019–2025*, VC invested (\$B)

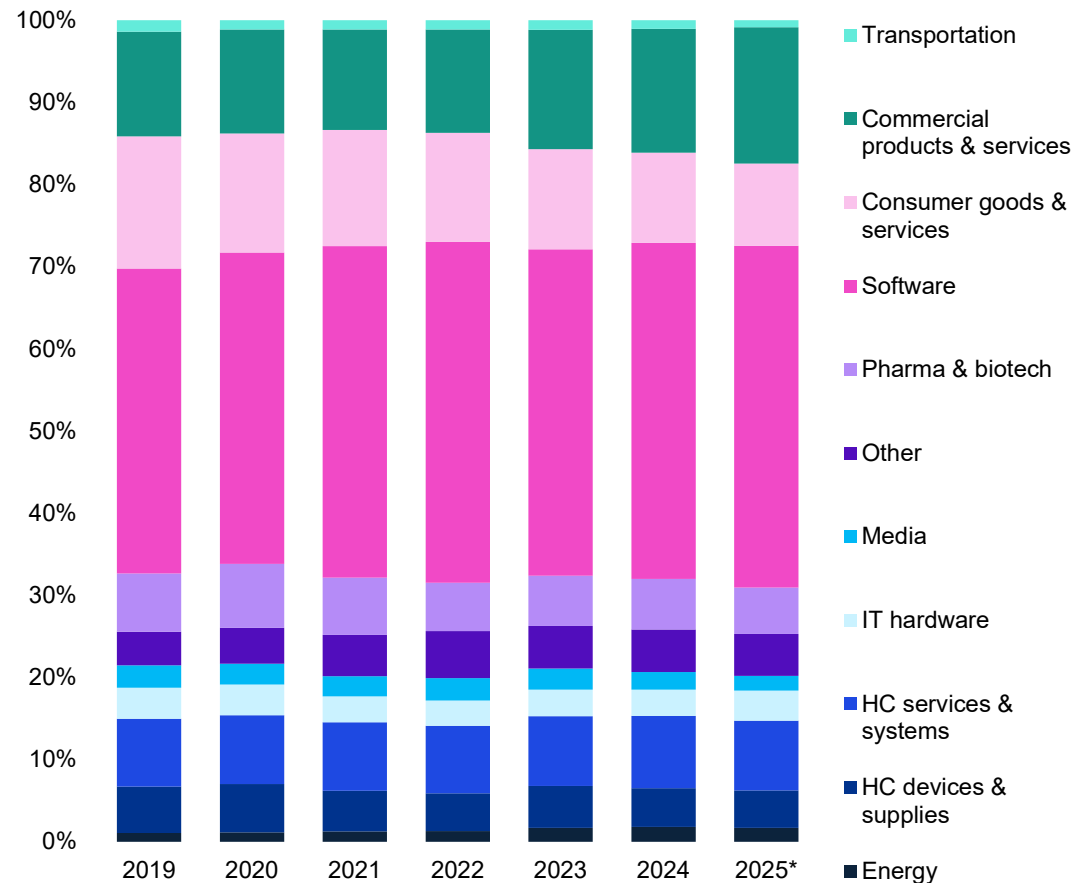


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

AI continues to skew software tallies

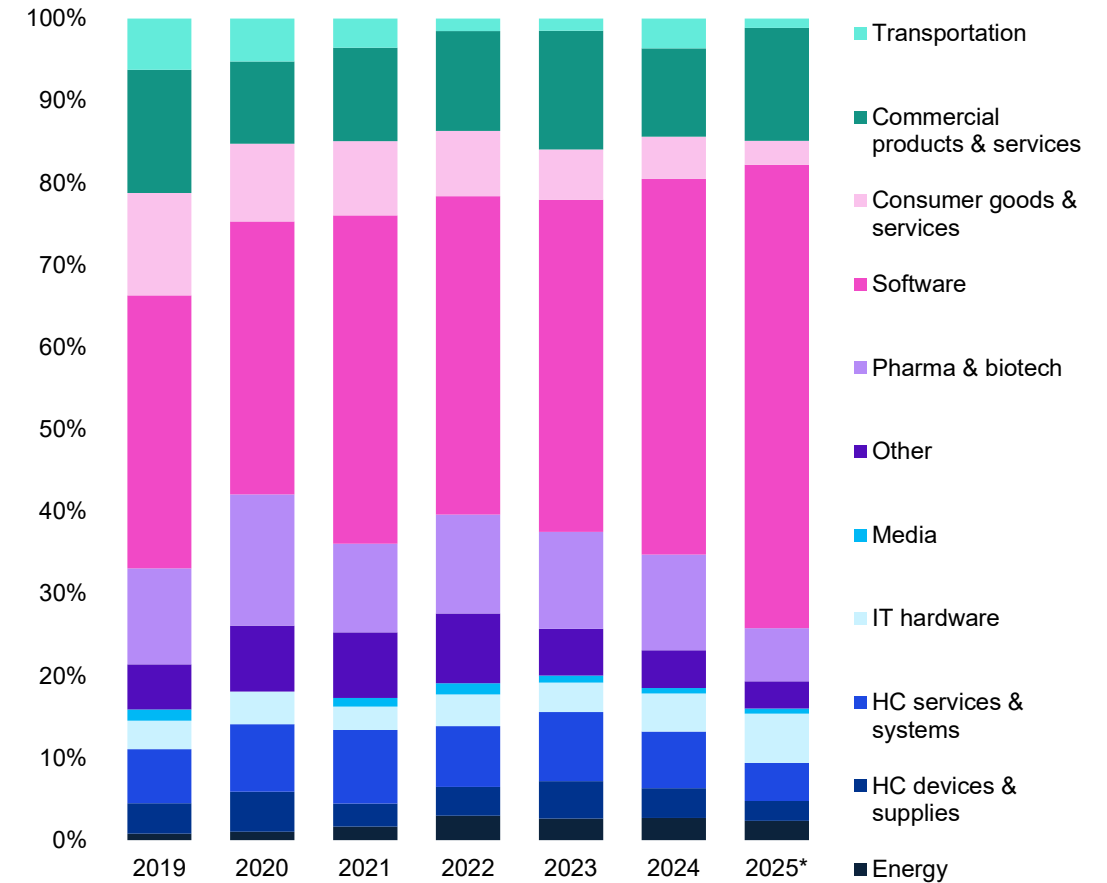
Venture financing by sector in the US

2019–2025*, number of closed deals



Venture financing by sector in the US

2019–2025*, VC invested (\$B)

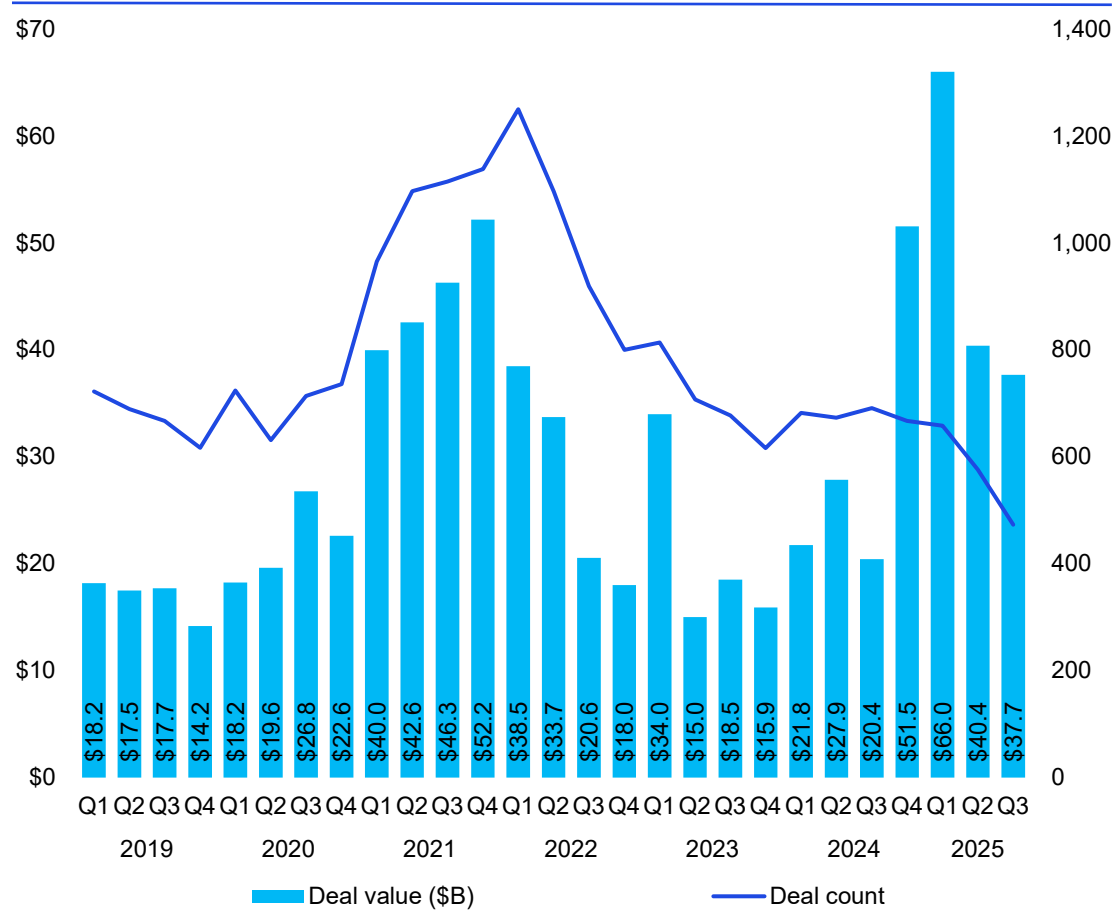


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

VC invested still floods into first-time financings

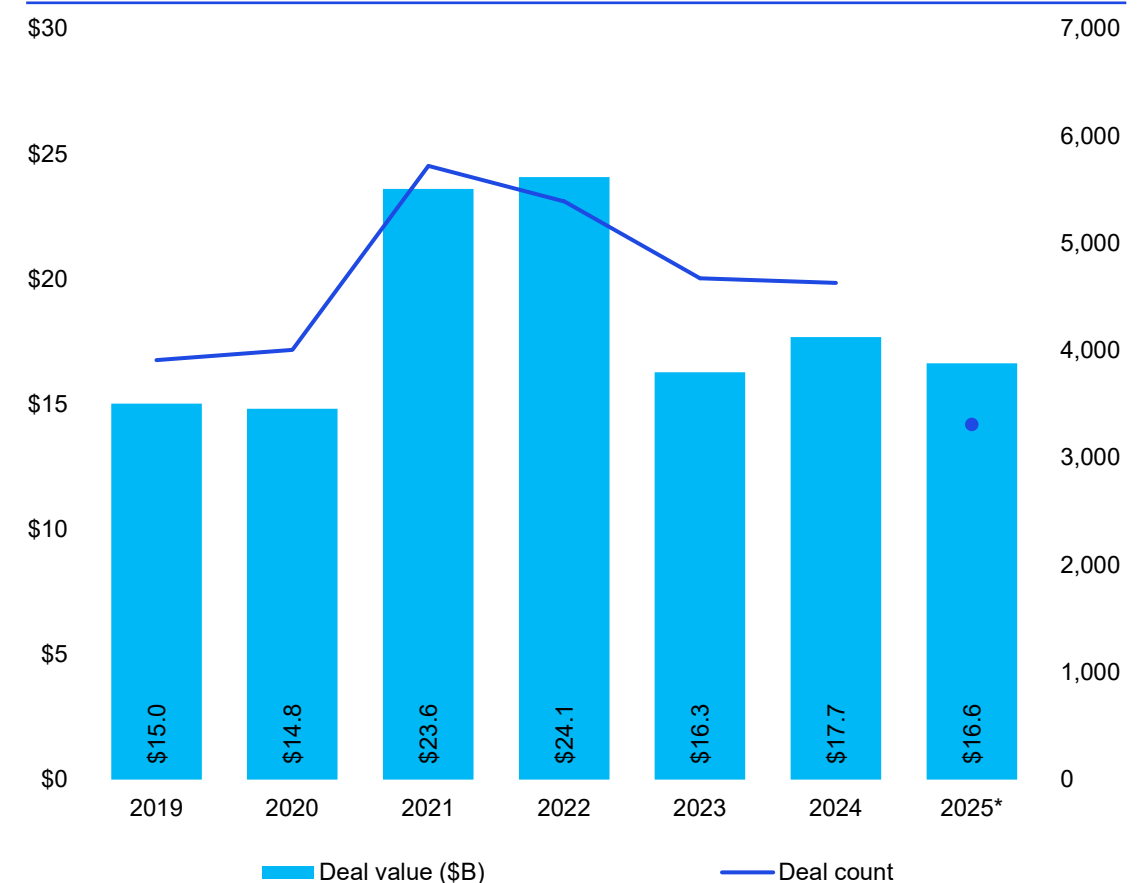
Corporate participation in venture deals in the US

2019–Q3'25



First-time venture financings of companies in the US

2019–2025*

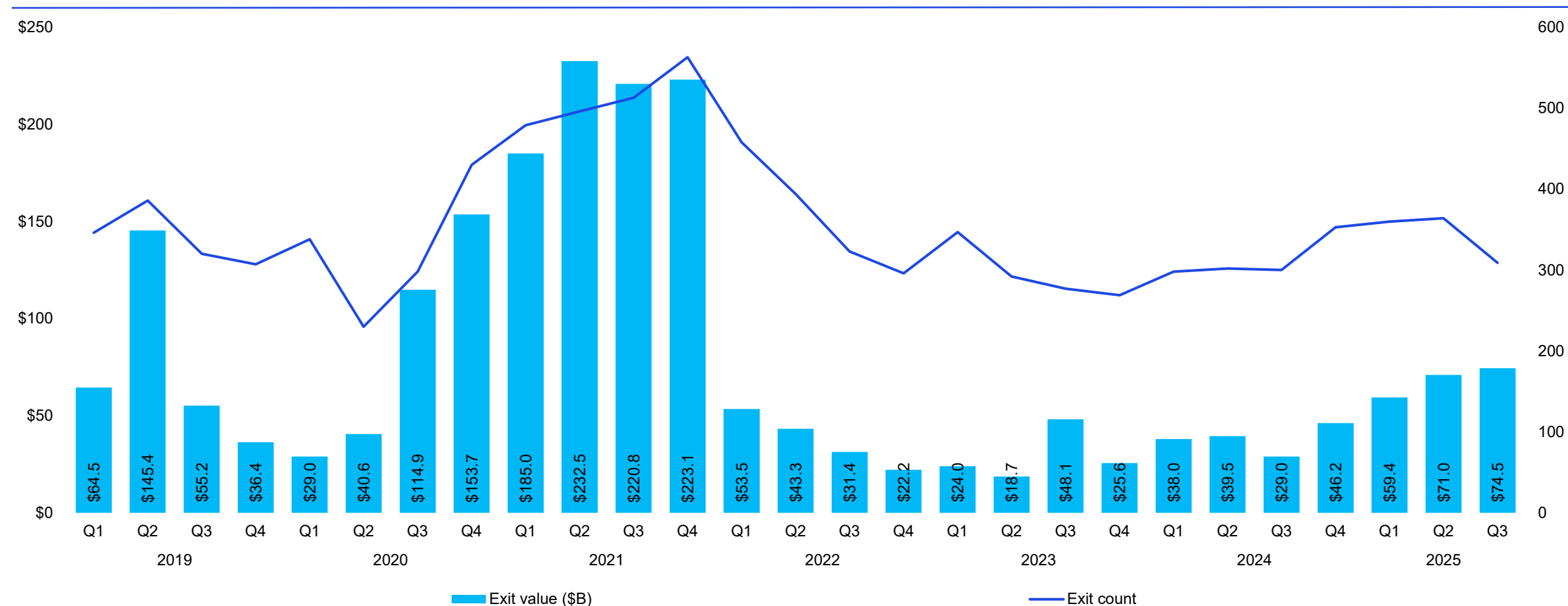


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Q2 & Q3 combine for best exit tallies in a few years

Venture-backed exit activity in the US

2019–Q3'25



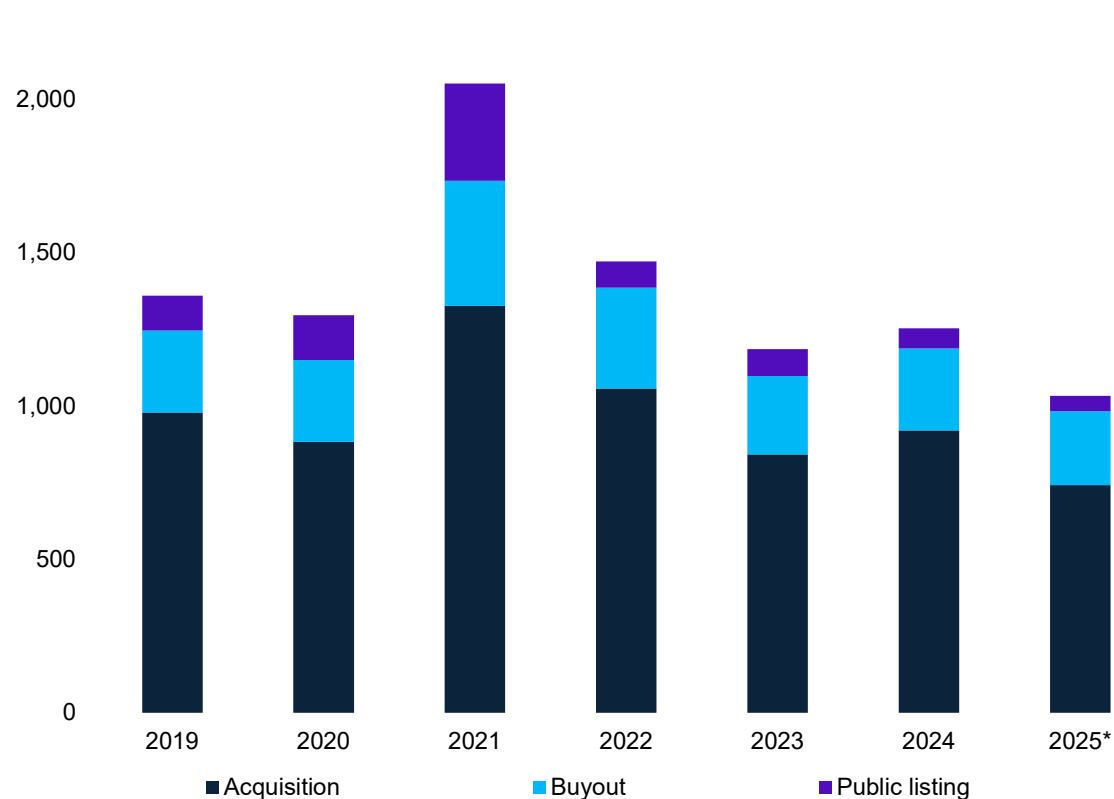
Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Exits continue a slow, steady climb back up

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

2019–2025*

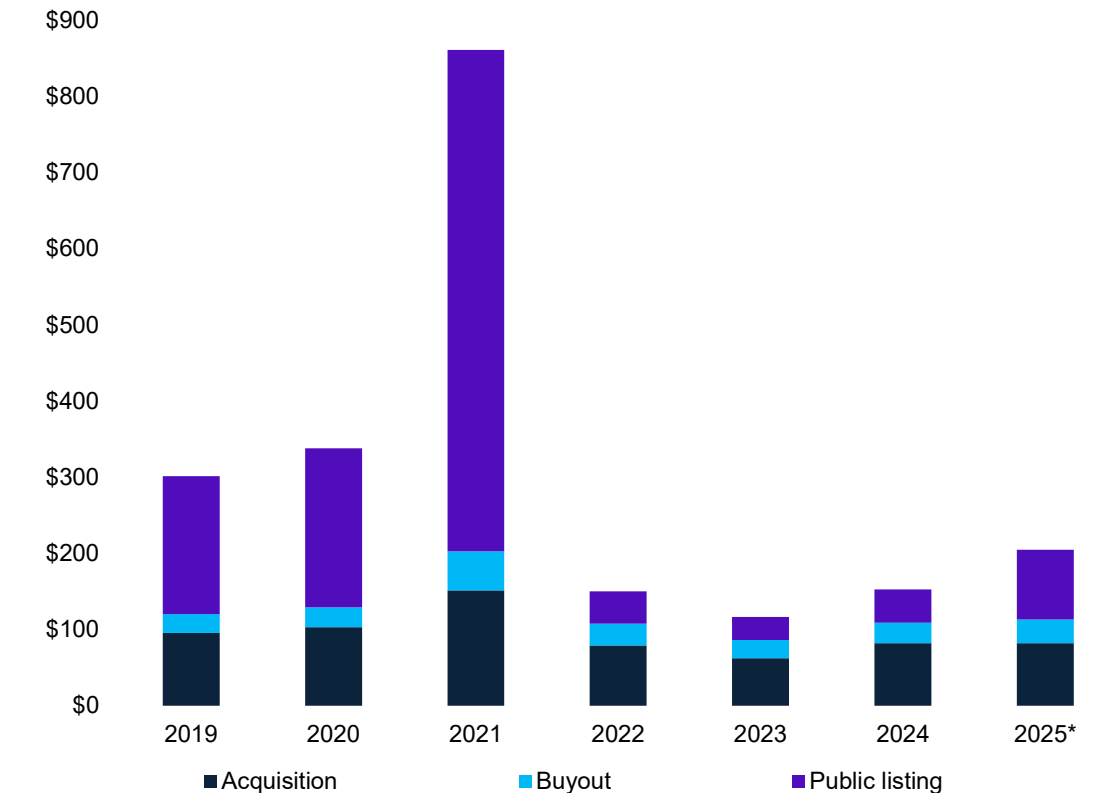
2,500



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

2019–2025*

\$1,000

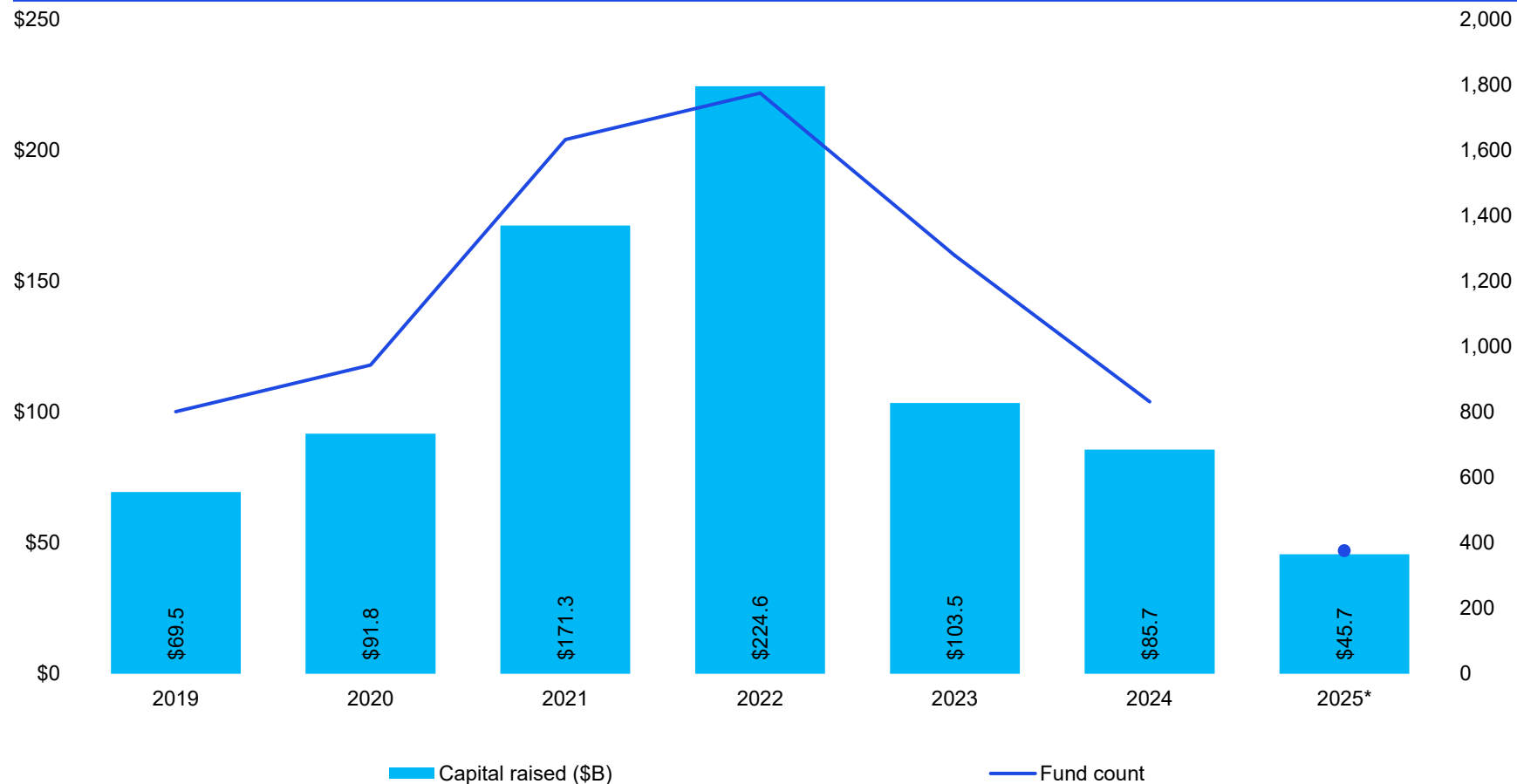


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

The fundraising cycle remains at a lower ebb

US venture fundraising

2019–2025*



“AI is driving the vast majority of funding in the US. And I think part of that is just due to the fact we’re seeing an AI funding surge where startups need a lot of money to generate compute power and they need a lot of money to hire the right talent. I think some of these investments are reflective of that — investors making large bets into companies so they can really push these two items to get the right people to generate the right products, and to give the companies enough bandwidth to do what they’re intending to do.”



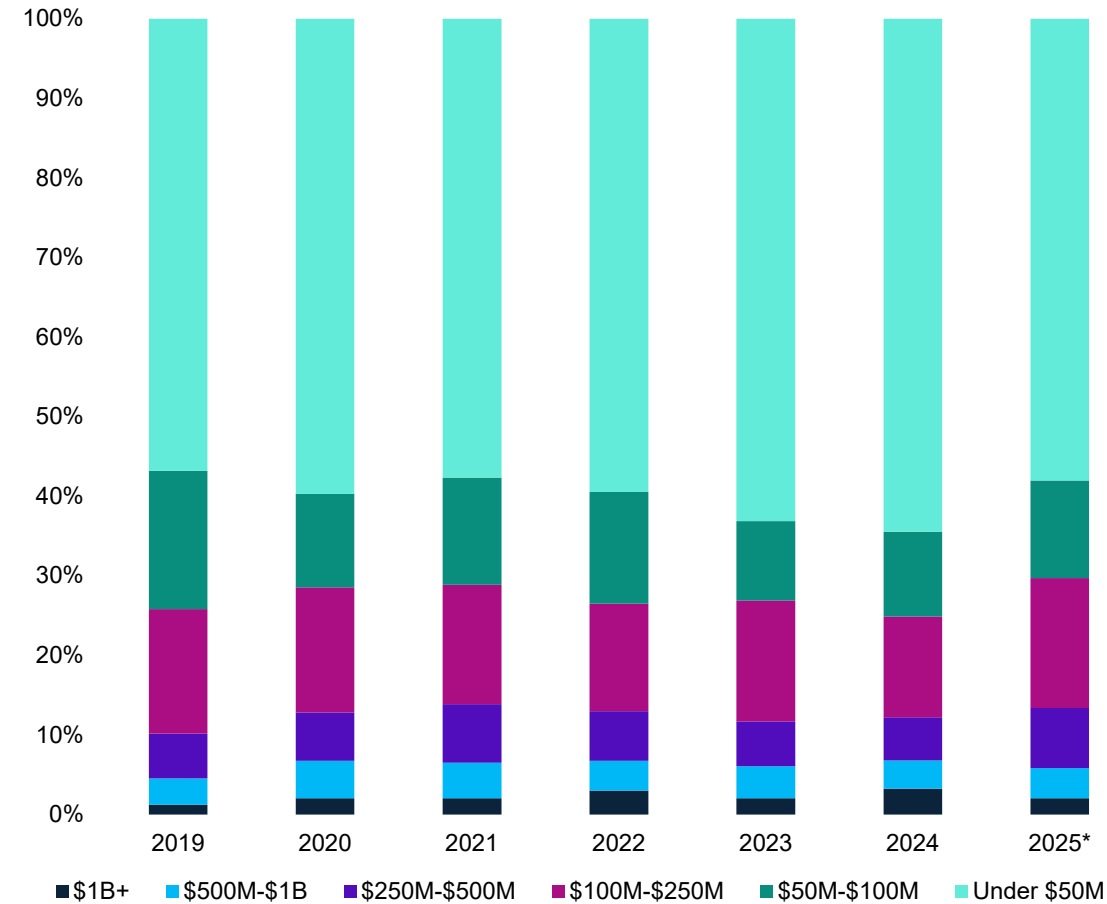
Shivani Sopory
Audit Partner
KPMG in the US

Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

LPs keep pushing into the middle of the market

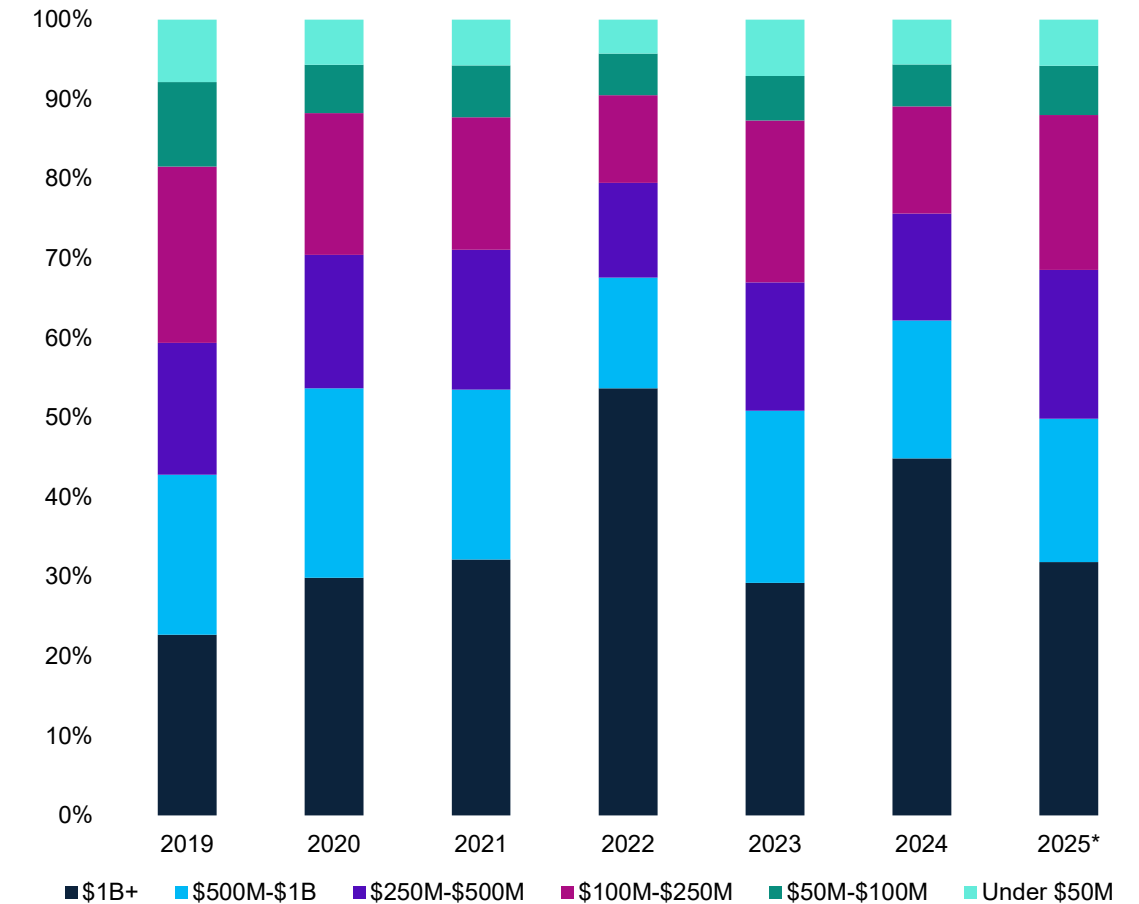
Venture fundraising (#) by size in the US

2019–2025*



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

2019–2025*

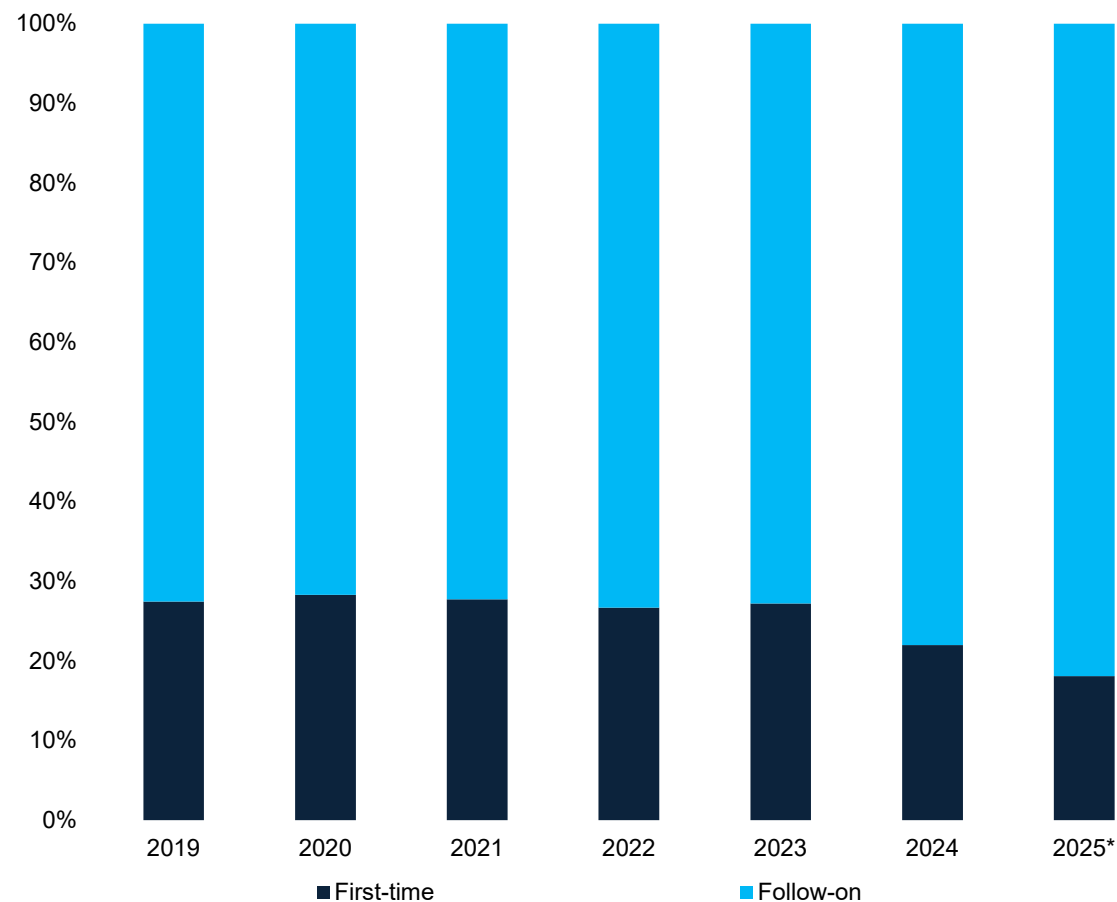


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Allocators focus on follow-ons still

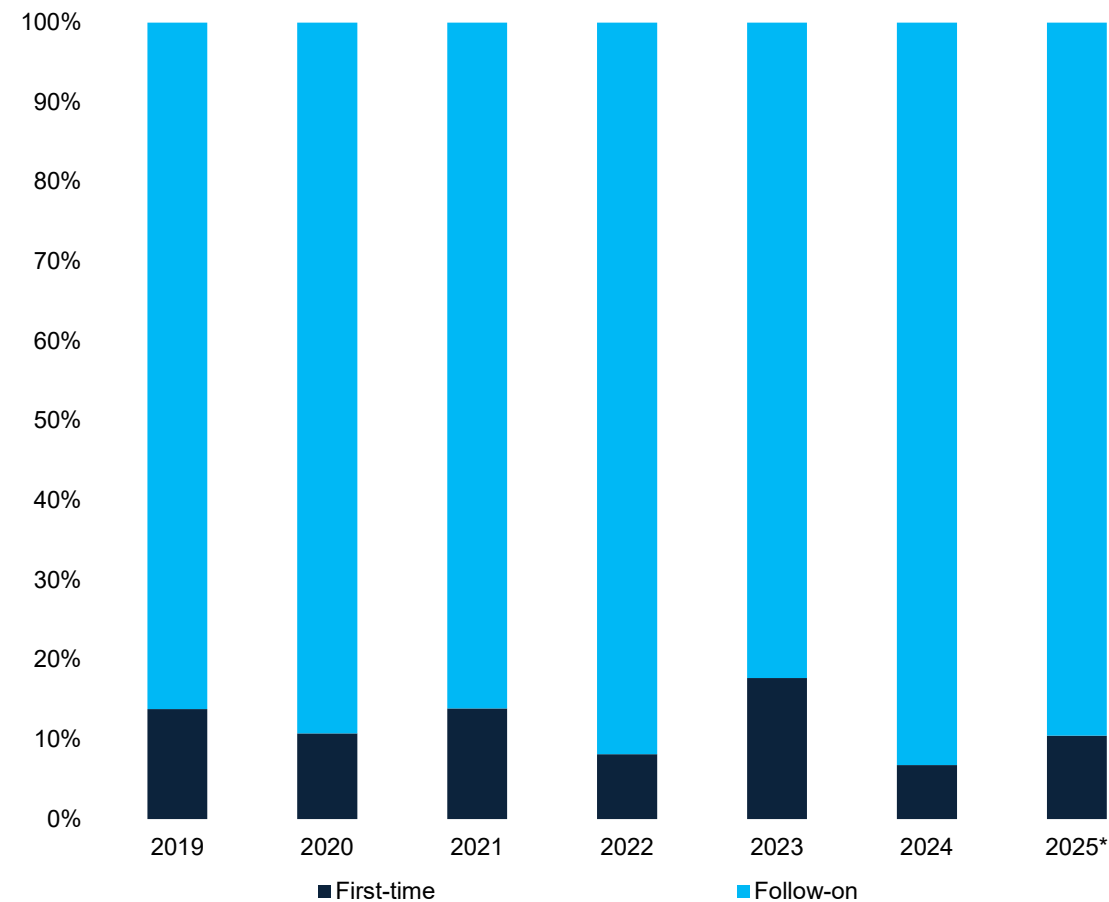
First-time vs. follow-on funds (#) in the US

2019–2025*



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

2019–2025*



Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

**In Q3'25, VC-backed
companies in the
Americas raised
\$85.1 billion across
3,474 deals**

VC investment in Americas holds steady in Q3'25

VC investment across the Americas held relatively steady in Q3'25, rising from \$80 billion in Q2 to \$85 billion in Q3, even as overall deal volume declined. The U.S. remained the dominant driver of activity, accounting for the vast majority of capital deployed. The quarter's largest raises were concentrated in the AI space, led by Anthropic (\$13 billion), xAI (\$10 billion), and Genesys (\$1.5 billion).

Outside the U.S., several notable transactions underscored continued investor interest across the region. In Canada, Cohere raised \$600 million, marking the largest non-U.S. deal of the quarter. In Latin America, Brazil-based QI Tech secured \$313 million, while Mexico-based VEMO raised \$250 million (in a PE growth round), reflecting the growing depth of fintech and mobility-focused innovation in emerging markets.

Volume of deals remains subdued outside of AI space as investors remain focused on profitability

The number of VC deals in the Americas dropped to a new multi-year low in Q3'25, continuing a trend of muted transaction activity. While some of the slowdown can be attributed to the seasonal lull in U.S. and Canadian dealmaking — as many investors step back during the summer months — it also reflects ongoing caution in the face of geopolitical, trade, and broader macroeconomic uncertainties.

Outside of the AI mega-rounds that dominated headlines, many VC investors in the region shifted their focus toward startups demonstrating profitability or a clear, near-term path to it. This more selective approach has led to fewer transactions overall, but with larger deal sizes across stages. By the end of Q3, the annual median deal size had risen across pre-seed, early-stage, and late-stage rounds, suggesting that while investors remain cautious, they are willing to deploy meaningful capital into companies with stronger fundamentals.

Fintech remains hot in Latin America; growing fintechs in Mexico look to acquire banking licenses

Fintech attracted the largest share of interest from VC investors across much of Latin America during Q3'25, accounting for the largest VC deals in both Brazil (QI Tech — \$313 million, Neon — \$131 million) and Mexico (Kapital Bank—\$100 million). In Brazil, ERP solution provider Omie also raised \$157 million, underscoring growing investor interest in SaaS platforms supporting the region's expanding SMB ecosystem.

In Mexico, the fintech space has continued to evolve and mature in recent quarters, with a number of growing fintechs looking to extend their service offerings beyond the credit card issuance space and into banking services. Given the lengthy process to obtain a new banking license in the country, many of these fintechs have targeted strategic acquisitions in order to obtain access to existing banking licenses. During Q3'25, for example, Mexico-based fintech Klar agreed to acquire digital bank Bineo from Grupo Financiero Banorte.⁷

Strong quarter for Canada

VC investment in Canada gained momentum in Q3'25, supported by several high-profile raises, even as broader economic headwinds — including ongoing trade tensions with the U.S. — persisted. The standout was Cohere's \$600 million raise, which reinforced Canada's position as a leading hub for AI model development.

Beyond Cohere, a diverse set of industry-focused AI and automation startups also attracted capital, highlighting the breadth of innovation across the Canadian ecosystem. Notable rounds included Blue J (\$122 million), focused on AI-driven tax research; Geologic AI (\$44 million), applying AI to mining exploration; and 4ag Robotics (\$29 million), advancing robotics for agriculture.

Together, these transactions underscore that Canada's VC market remains resilient and increasingly anchored by AI and automation, with investors backing both foundational technology players and specialized applications across traditional industries.

⁷ <https://www.retailbankerinternational.com/news/klar-bineo-digital-bank-acquisition/>

VC investment in Americas holds steady in Q3'25, cont'd.

VC market activity very slow in Mexico

VC investment activity in Mexico slowed sharply in Q3'25, with only \$150 million deployed across 17 deals — the country's weakest quarter in several years. Even so, there is cautious optimism that ongoing bilateral trade negotiations with the U.S. around tariffs could provide a near-term boost to market sentiment.

Despite the overall pullback, the quarter still saw notable highlights. The cleantech sector delivered the largest deal, as EV taxi operator VEMO raised \$250 million (in a PE growth round), underscoring growing investor appetite for sustainable mobility solutions. At the same time, fintech remained the most active area of VC activity. Digital banks Klar (\$190 million) and Kapital Bank (\$100 million) both secured major rounds, with Kapital Bank's raise pushing its valuation to \$1.3 billion, earning it coveted unicorn status. Kapital also announced plans to acquire Intercam's banking, brokerage, and asset management operations, a move that positions it for greater scale and market reach.

Taken together, these developments suggest that while headline investment totals in Mexico slowed in Q3'25, sector-specific bright spots in cleantech and fintech continue to drive the country's long-term VC growth story.⁸

AI accounts for largest deals in both the US and Canada

Artificial intelligence continued to be the primary engine of VC activity in the Americas during Q3'25, driving many of the region's largest deals. In the U.S., beyond the blockbuster rounds by Anthropic (\$13 billion), xAI (\$10 billion), and Reflection AI (\$1 billion), several high-growth AI companies also secured substantial funding. These included Perplexity AI (\$600 million), advancing AI-powered search; Ramp (\$514 million), leveraging AI to disrupt expense management in fintech; and Cognition AI (\$400 million), focused on AI-enabled coding solutions.

AI also dominated Canada's VC landscape in Q3. The largest raise was Cohere's \$600 million round, reinforcing its position as a global LLM leader, followed by Blue J (\$122 million), an AI-driven tax research platform. The sector's momentum is being amplified by growing government support, with Canadian policymakers increasingly focused on initiatives to retain top AI talent and scale domestic champions, ensuring that the country maintains a competitive edge in the global AI race.

Together, these developments highlight how AI is not only driving outsized deal activity in the Americas but also shaping national innovation strategies, underscoring its role as the defining growth theme for VC investors in the region.

⁸ <https://www.reuters.com/en/fintech-kapital-becomes-mexicos-latest-unicorn-with-13-billion-valuation-2025-09-02/>

VC investment in Americas holds steady in Q3'25, cont'd.



Trends to watch for in Q4'25

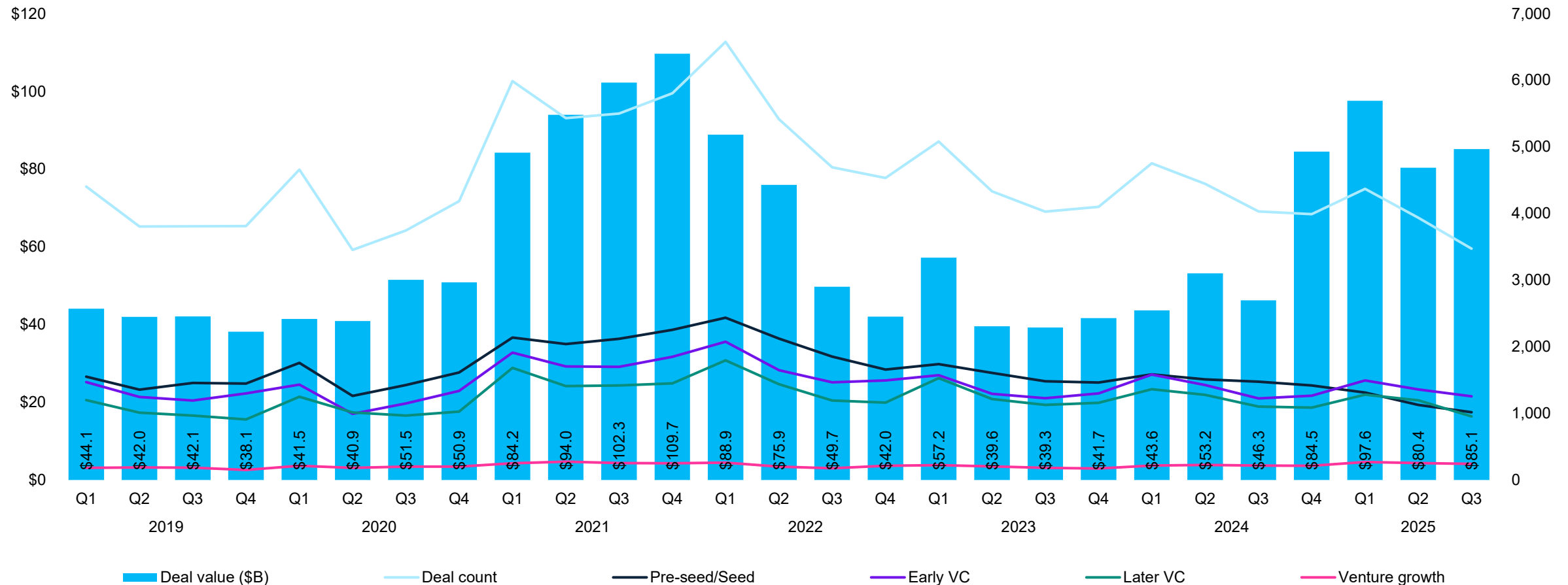
Heading into Q4'25, optimism across the VC market in the Americas is on the rise, buoyed in large part by the resurgence of the U.S. IPO market. AI is expected to remain the hottest area of investment in both the U.S. and Canada, while fintech and healthtech are positioned to attract strong interest across the broader region. In Canada, a key area to watch will be potential reforms to the government's Scientific Research and Experimental Development (SR&ED) tax credit program. Enhancements to the program could prove especially impactful for early-stage startups, improving capital efficiency and accelerating innovation pipelines. In Mexico, investor sentiment is improving amid expectations that tariff negotiations with the U.S. will be resolved. Should this play out, it could catalyze additional foreign investment late in Q4 and into 2026. Fintech is likely to remain the country's most attractive VC segment, with significant whitespace still available for digital financial services.

Taken together, these dynamics point to a constructive outlook for the Americas VC market in Q4'25, with AI fueling outsized activity in North America and fintech continuing to anchor investor interest further south.

2025 maintains its course

Venture financing in the Americas

2019–Q3'25

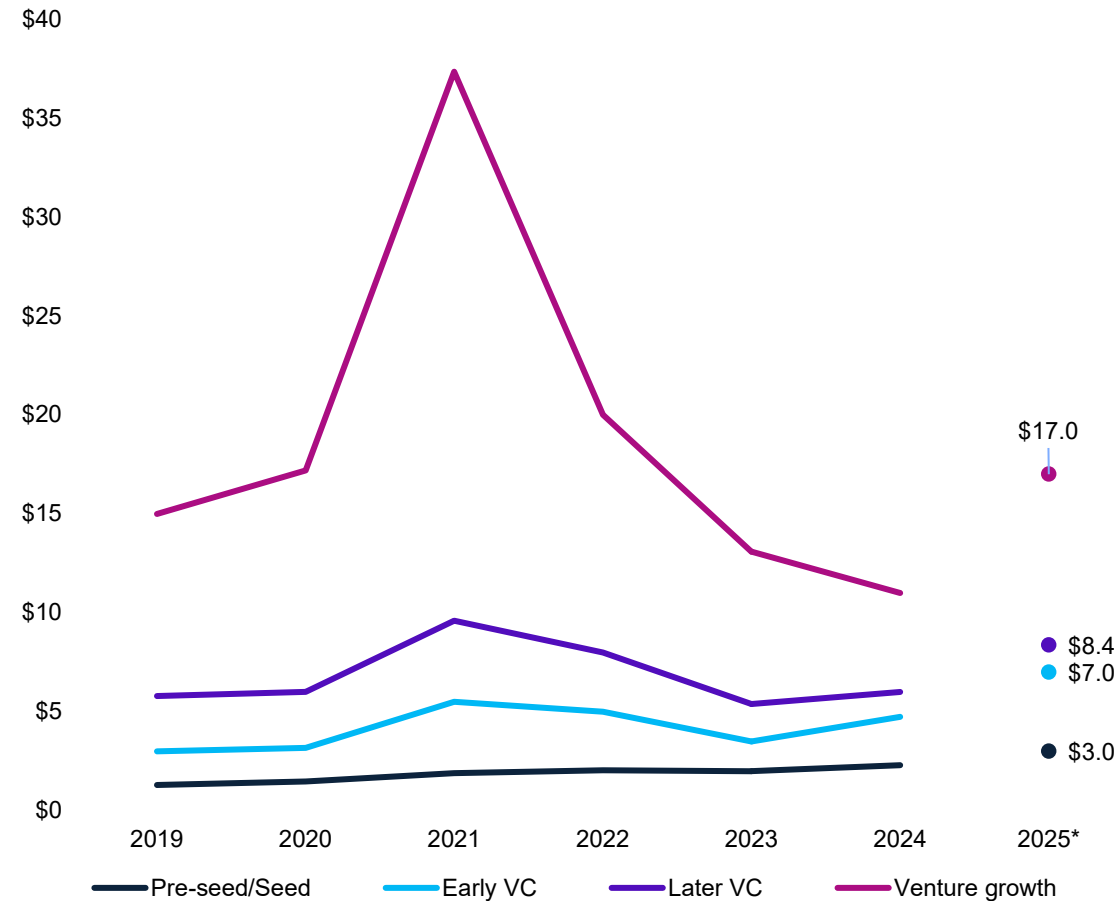


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Up rounds stage a comeback

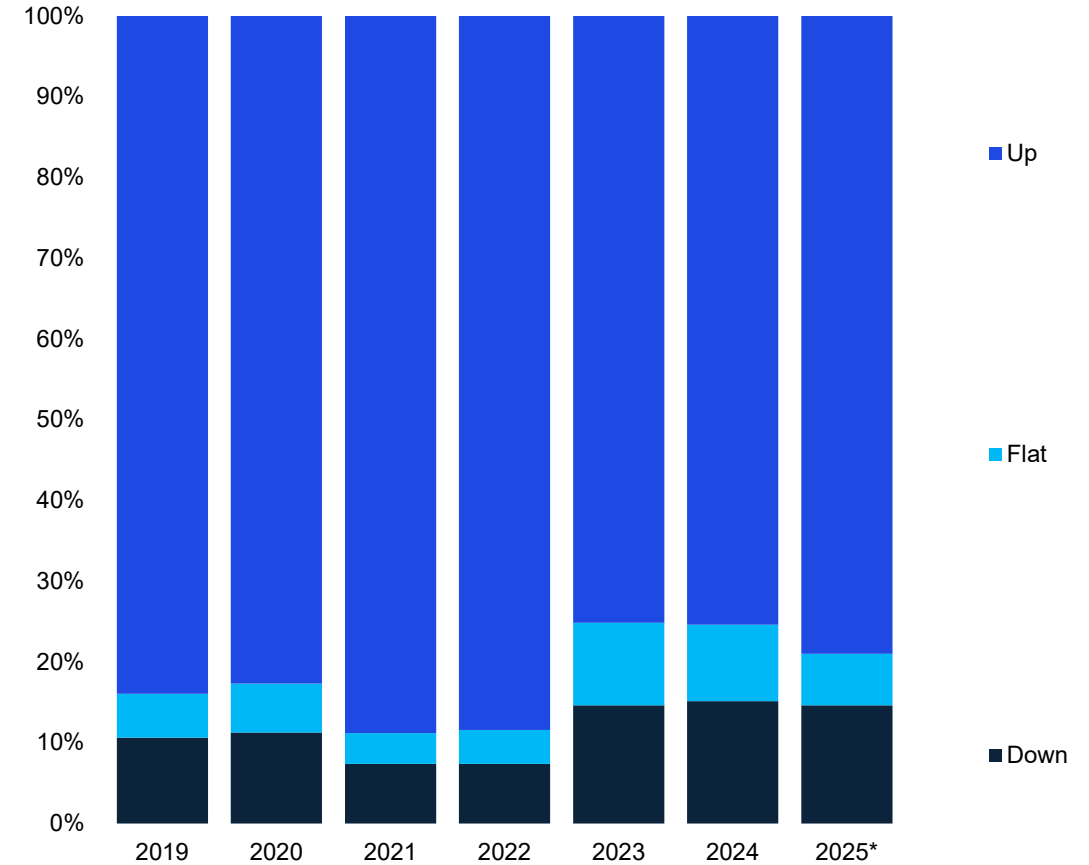
Median deal size (\$M) by stage in the Americas

2019–2025*



Up, flat or down rounds in the Americas

2019–2025*

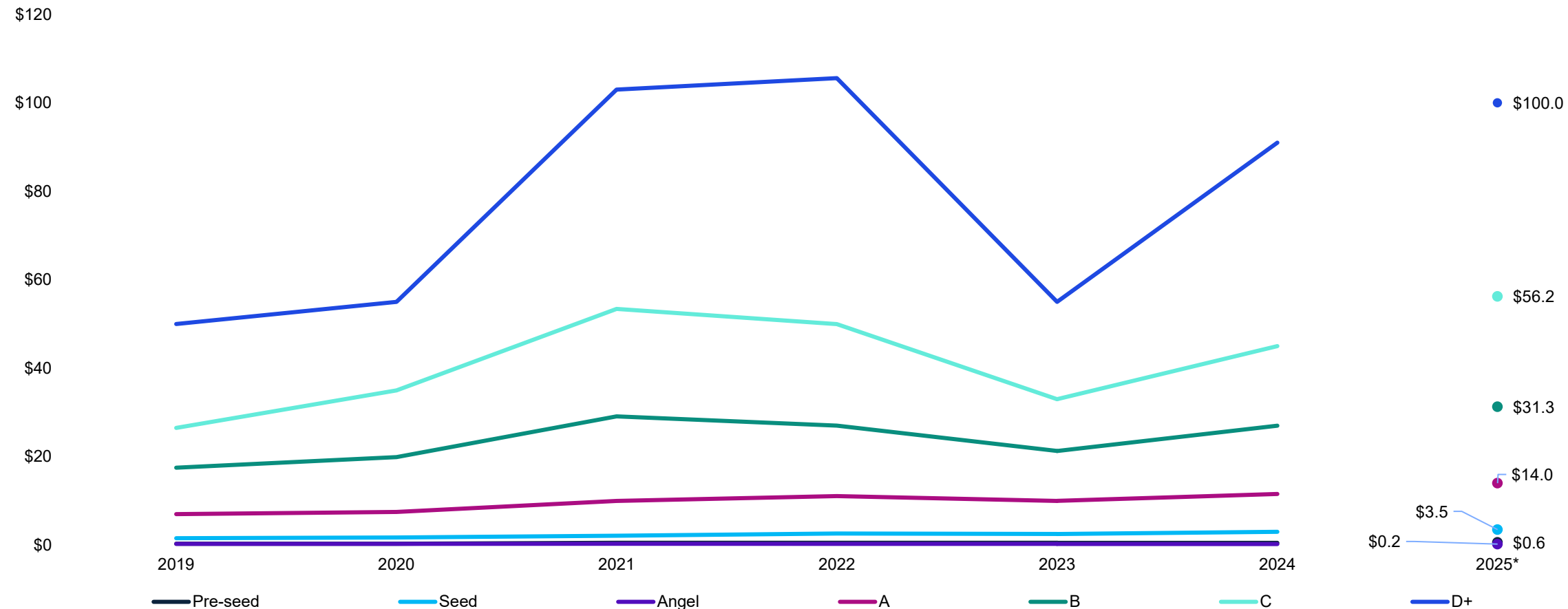


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Financing metrics remain strong at all stages

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

2019–2025*

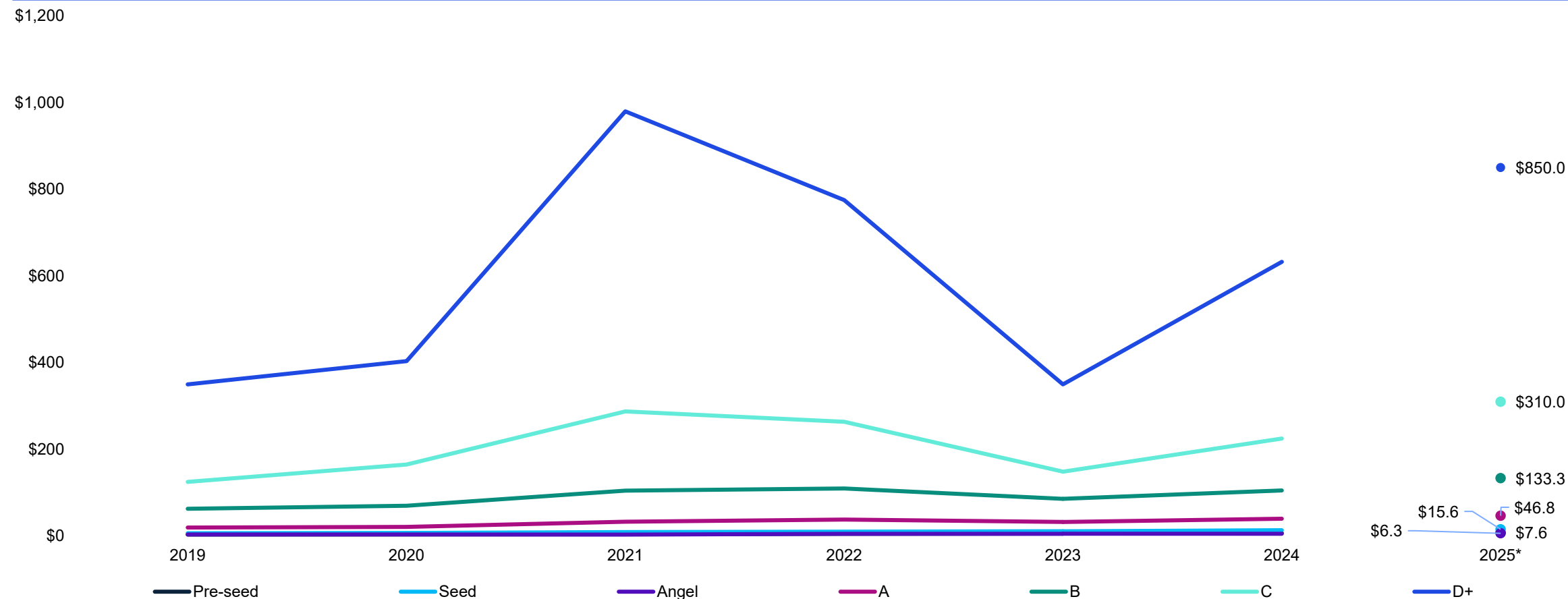


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

AI keeps driving late-stage valuations up

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

2019–2025*



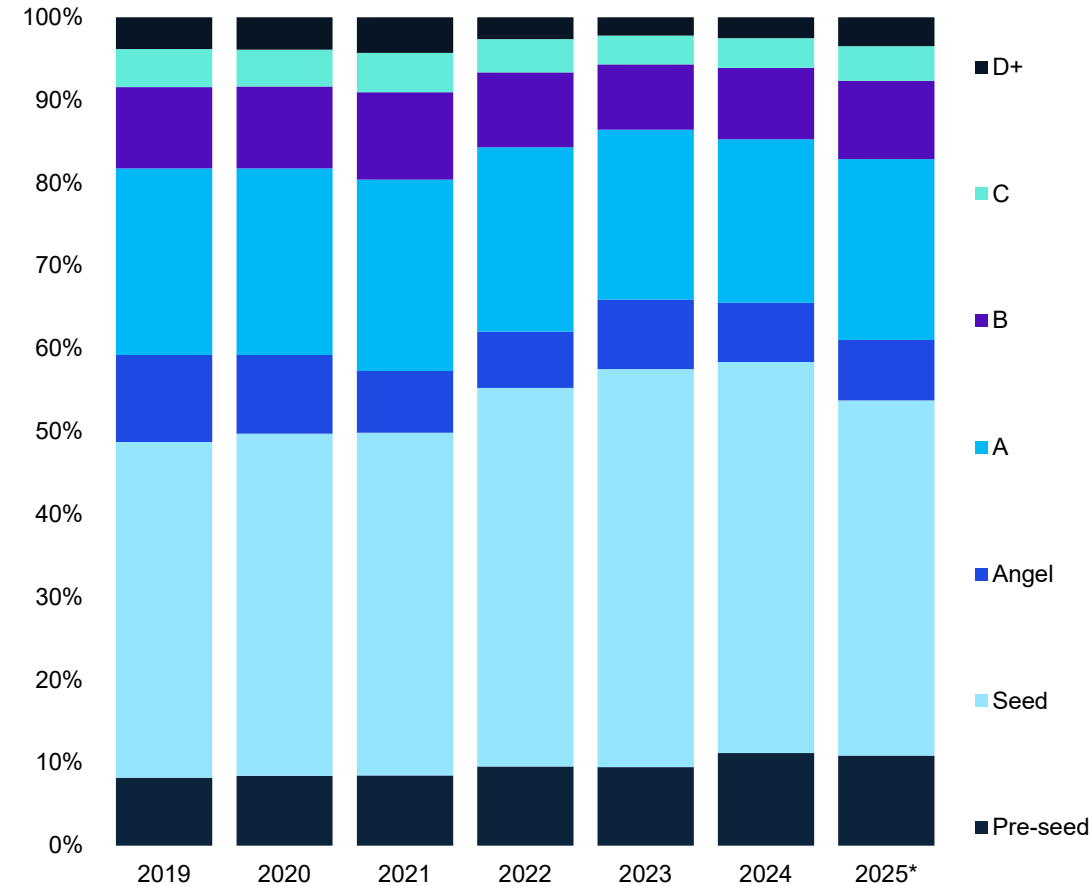
Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Note: The 2025* angel valuation is based on population size n < 30.

Mega-rounds' staying power is evident

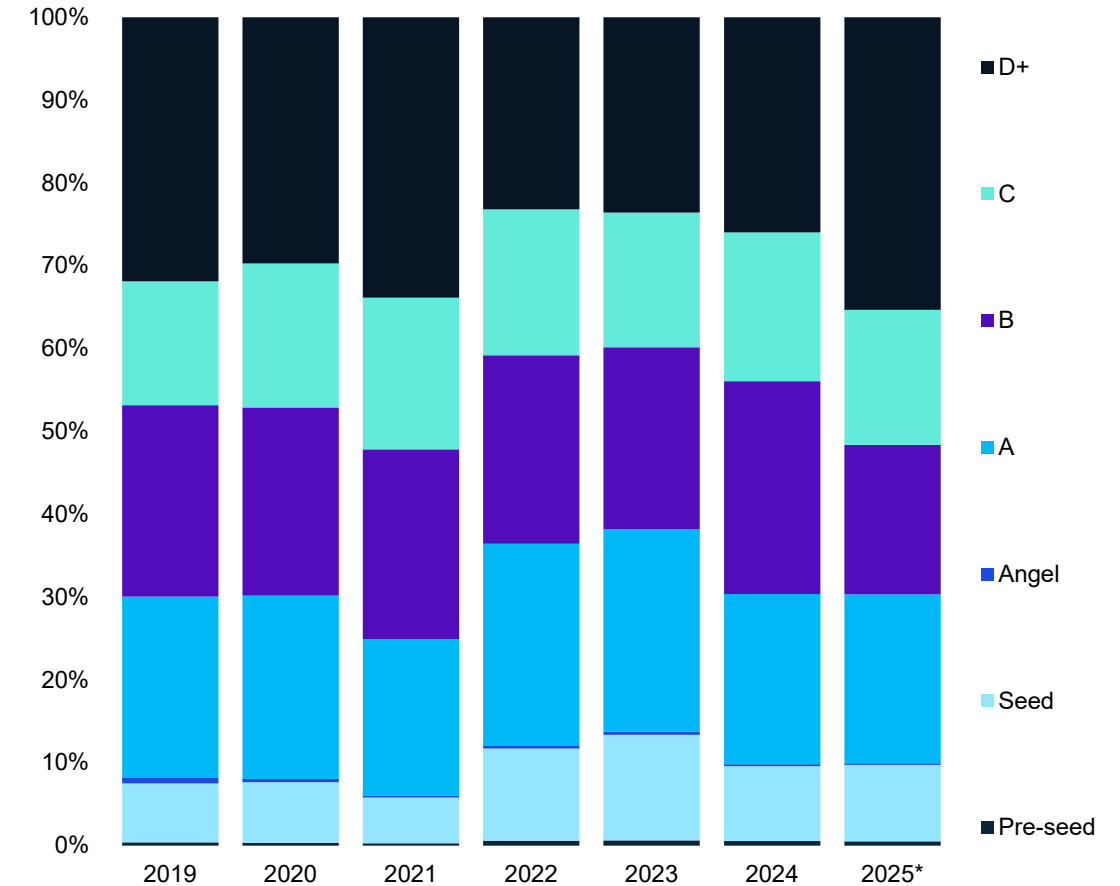
Deal share by series in the Americas

2019–2025*, number of closed deals



Deal share by series in the Americas

2019–2025*, VC invested (\$B)

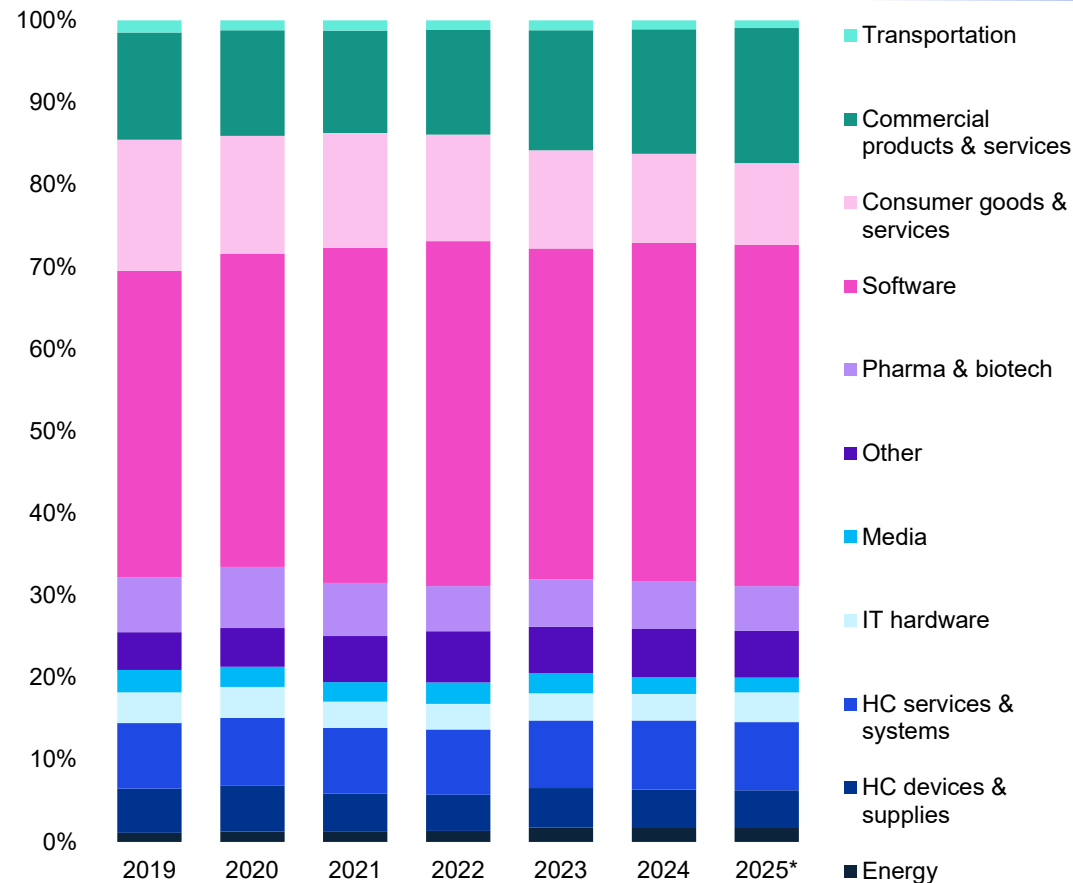


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

AI powers software to record heights

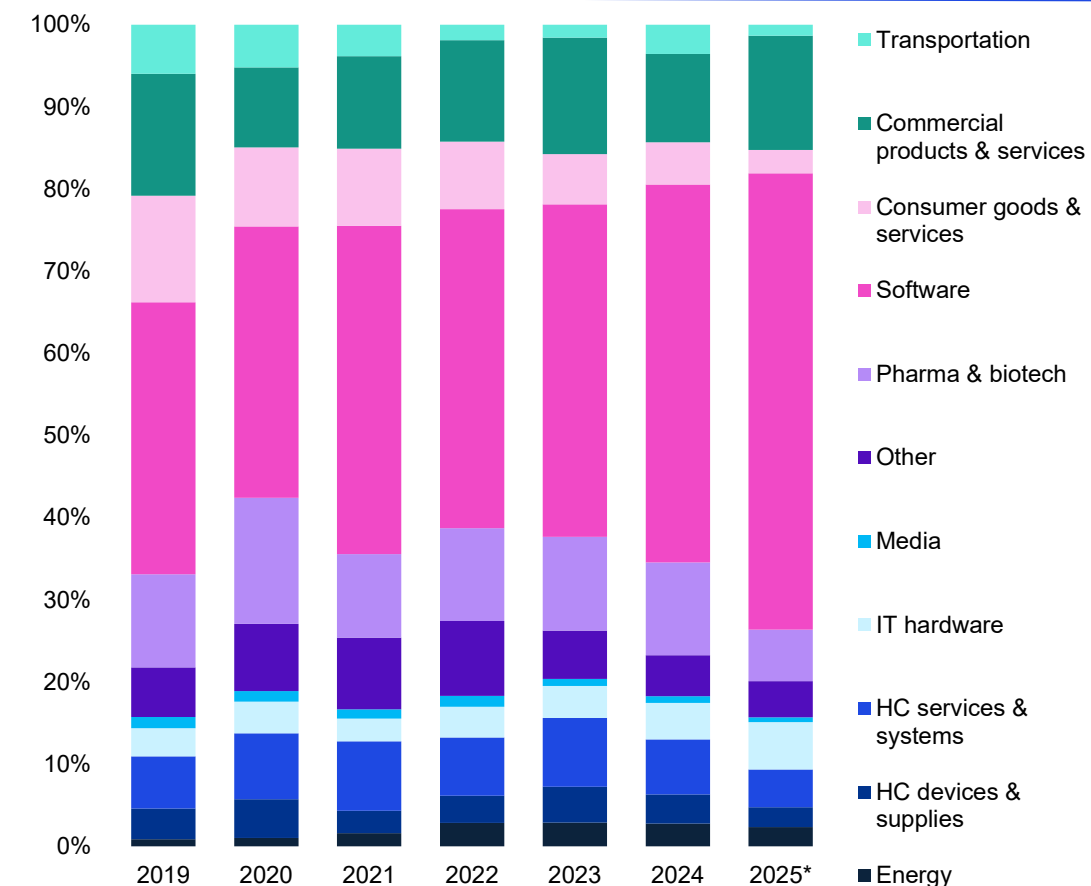
Venture financing by sector in the Americas

2019–2025*, # of closed deals



Venture financing by sector in the Americas

2019–2025*, VC invested (\$B)

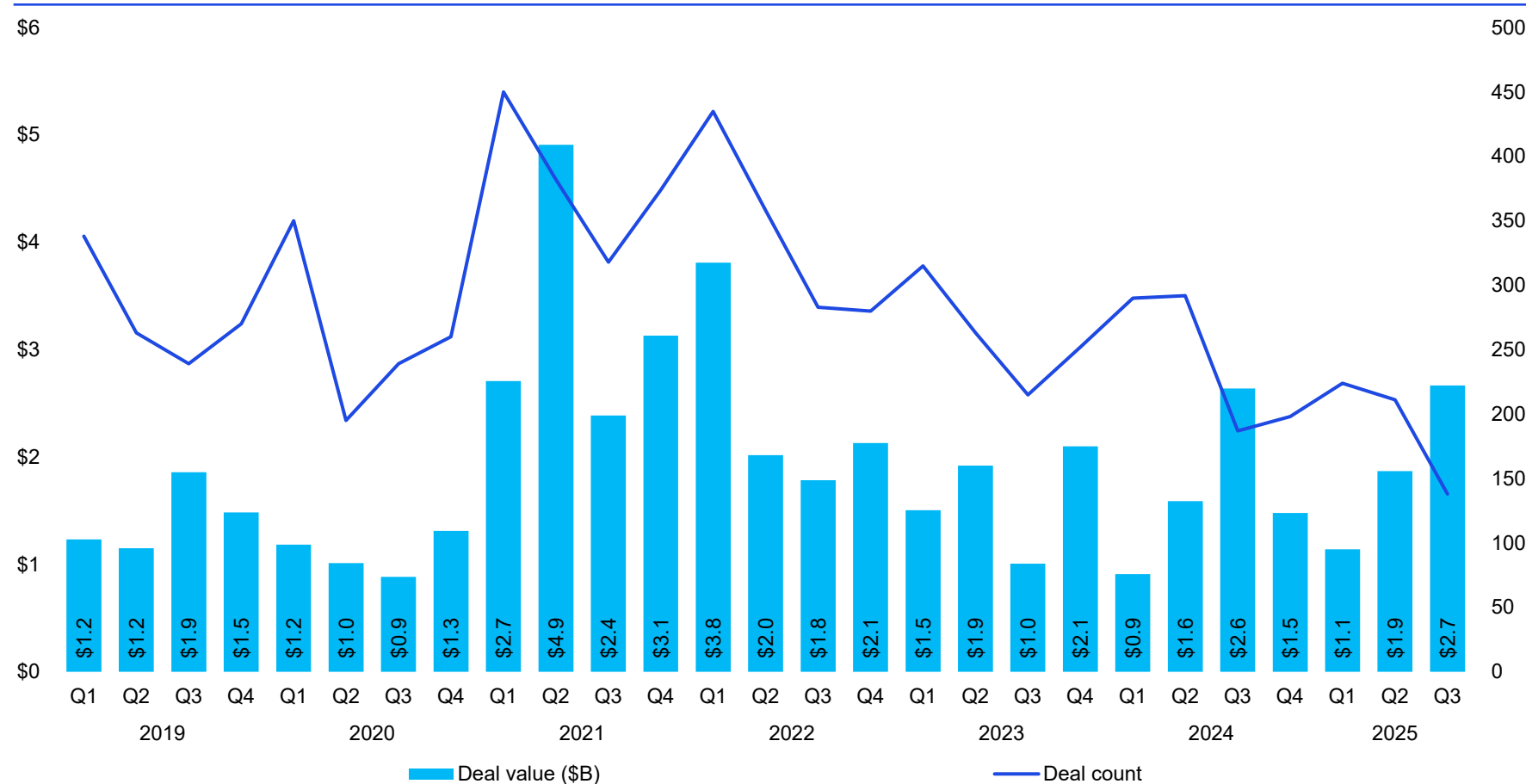


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

VC invested increases yet again

Venture financing in Canada

2019–Q3'25



Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

“AI will remain a major driver of substantial deals in Canada. We’re seeing strong interest in AI across industries, with a particular focus on its intersection with robotics. Canada is positioning itself as a leader in this space — and in AI more broadly — making it an area to watch closely over the next few quarters.”

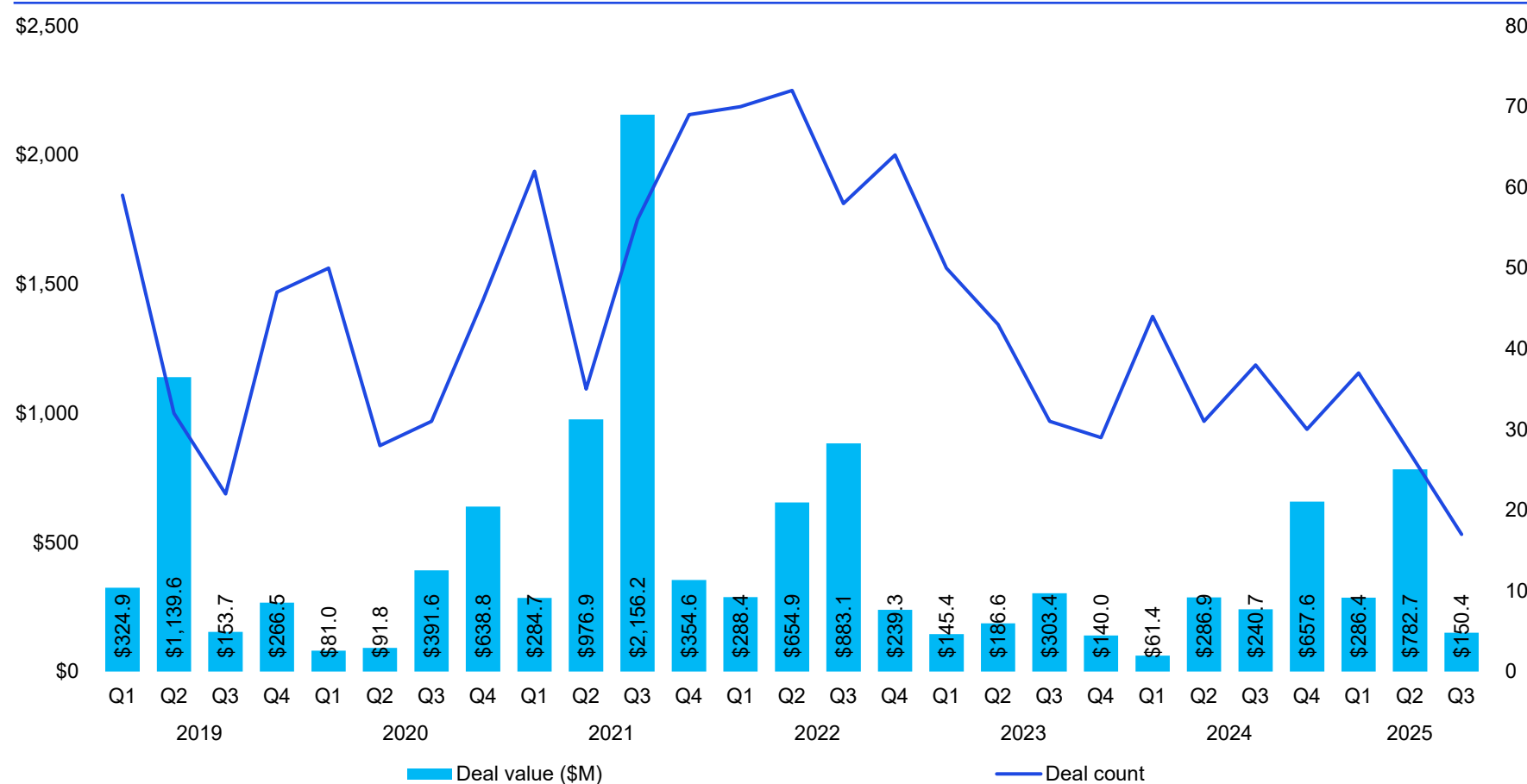


Ryan Forster
Partner
KPMG in Canada

A slower quarter after bump in VC invested

Venture financing in Mexico

2019–Q3'25



Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

“ Here in Mexico, we are quite confident that we'll continue to see strong investment in the fintech space. VCs continue to see a big opportunity, particularly around startups focused on the democratization of the access to credit in Mexico. We're also seeing fintechs themselves doing deals — with several moving to acquire legacy banks in order to obtain a banking license. ”

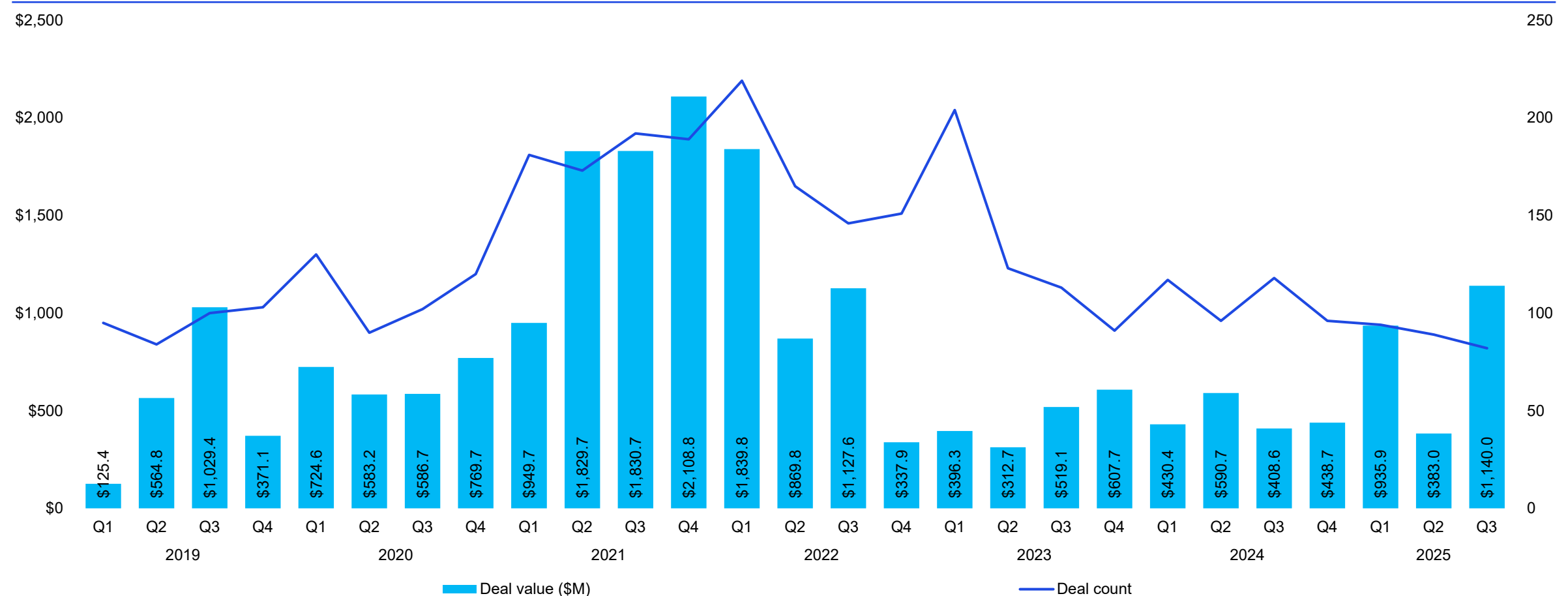


Guillermo Goñi
Partner
KPMG in Mexico

VC invested surges to highest level since 2022

Venture financing in Brazil

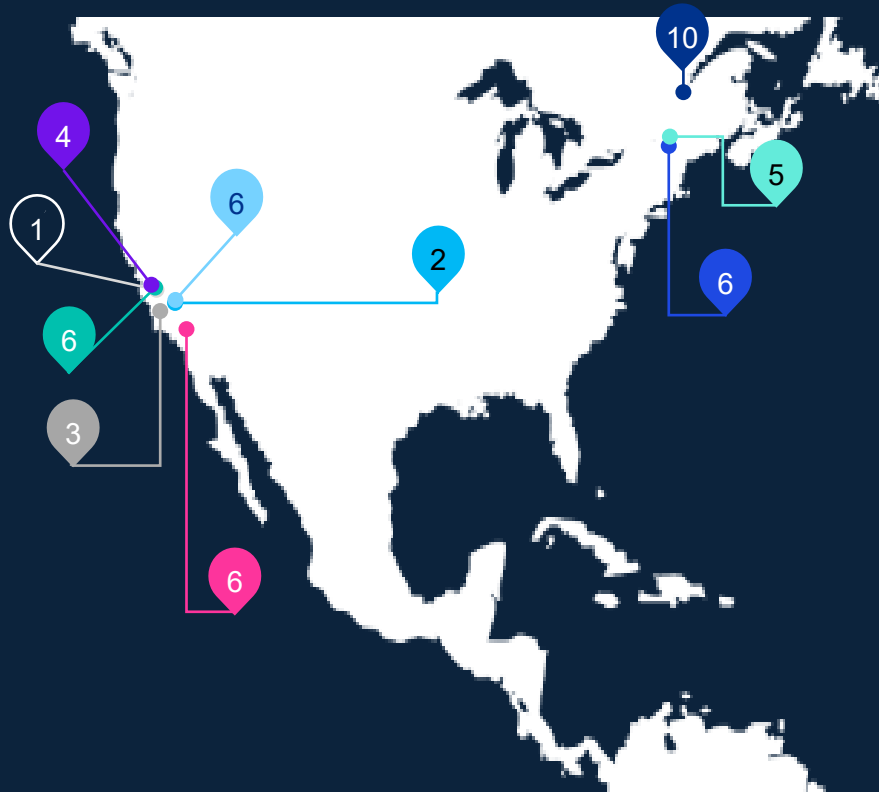
2019–Q3'25



Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

AI continues dominant streak

Top 10 financings in Q3'25 in Americas



1. **Anthropic** — \$13B, San Francisco, US — AI & ML — *Series F*
2. **xAI** — \$10B, Palo Alto, US — AI & ML — *Late-stage VC*
3. **Genesys** — \$1.5B, Menlo Park, US — Enterprise software — *Growth*
4. **Grammarly** — \$1.3B, San Francisco, US — AI & ML — *Late-stage VC*
5. **Wonder Group** — \$1.1B, New York, US — Consumer — *Late-stage VC*
6. **Cerebras** — \$1B, Sunnyvale, US — Semiconductors — *Series G*
6. **Reflection AI** — \$1B, New York, US — AI & ML — *Early-stage VC*
6. **PsiQuantum** — \$1B, Palo Alto, US — Computing — *Series E*
6. **Databricks** — \$1B, San Francisco, US — Business software — *Series K*
10. **Terrion** — \$912M, Montreal, Canada — Enterprise — *Early-stage VC*

Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise.

*As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

**In Q3'25, European
VC-backed companies
raised \$17.5 billion
across 1,625 deals**

VC investment steady in Europe

VC investment in Europe remained steady in Q3'25, totaling \$17.4 billion, up from \$15.2 billion in Q2, though overall deal volume continued to lag. The quarter was defined by a handful of mega-deals in the AI sector, including Mistral AI in France (\$1.5 billion) and Nscale in the UK (\$1.5 billion), which together accounted for a substantial share of regional activity.

Beyond AI, Europe also saw several sizable — though more modest — transactions across fintech and deep tech. These included Rapyd Financial in the UK (\$500 million), crypto and cloud Infrastructure firm PS Miner in the UK (\$350 million), and Finland-based IQM (\$320 million), a quantum computing company.

Overall, while deal flow remained muted, the resilience of large-ticket financings in AI, fintech, and quantum computing underscores Europe's growing strength in next-generation technologies, even as investors remain selective in deploying capital.

Investors remain bullish on Europe, but dealmaking taking longer amid uncertainty

At a macro level, VC investors are still very bullish on Europe, but given the current macroeconomic and geopolitical environment, dealmaking in the region is taking much longer than it has in recent quarters; VC investors are conducting much stronger due-diligence, while startups themselves have continued to focus on extending their runway by cutting costs and maximizing efficiencies in order to reduce their need to go to the market for capital. Startups have also increasingly reevaluated their go-to-market strategies in light given the increasing importance of having clear pathways to profitability in order to attract investors.

Cleantech continues to see VC investment in Europe

Despite a general decline in interest globally — driven partly by shifting government priorities in the US — Europe continued to see robust interest in the cleantech space. During Q3'25, a diversity of cleantech startups raised \$100 million+ funding rounds, including Iceland-based land-based sustainable aquaculture company Laxey (\$183 million), Germany-based home energy management company 1KOMMAS (\$175 million), Sweden-based heat pump developer Aira (\$174 million), Switzerland-based carbon removal focused ClimeWorks (\$162 million), and UK-based accessible solar power company Sunsaver (\$152 million). Alternative energy continued to be a significant driver of cleantech investment given the strategic focus on the energy transition across the region.

Governments focusing on supporting critical infrastructure

Given current geopolitical tensions, both the EU and individual governments across Europe have increased their focus on funding critical infrastructure in order to keep both the financing for startups and the startups themselves within specific jurisdictions or within the region. For example, manufacturing of semiconductors has gained increasing importance on Europe as jurisdictions look to reduce their reliance on China or US built critical components.

UK VC rebounds in Q3'25 despite persistent macro headwinds

UK VC investment picked up in Q3'25 after a weak second quarter, totaling \$6.2 billion. While deal volume remained low, the quarter marked a relative rebound as investors cautiously re-engaged despite persistent headwinds ranging from geopolitical conflicts and trade concerns to slower-than-expected economic growth.

The longer-term outlook for UK VC remained constructive, underpinned by the market's attractiveness to U.S.-based investors. Many see UK startups as a cost-efficient entry point into globally scalable companies, making the UK a strategic hub for cross-border capital flows.

Fintech continued to be the strongest magnet for investment, with several high-profile raises: Rapyd Financial (\$500 million), offering payments, mobile wallets, money transfers, card issuing, and fraud protection; PS Miner (\$350 million), an AI-driven cloud mining company; and Xelix an AI-powered accounts payable software developer (\$160 million). Beyond fintech, energy, defense tech, and health/biotech also drew investor attention, though at more modest levels.

VC investment steady in Europe, cont'd.

Germany's VC market consolidates, favoring proven players over startups

Germany's VC market slowed sharply in Q3'25, attracting only \$1.3 billion in investment — an eight-quarter low. The period reflected an ongoing consolidation of the venture ecosystem, as investors concentrated on mid- to late-stage deals and companies with proven management teams, clear market traction, and strong alignment with current economic priorities.

This shift away from early-stage financings has created headwinds for startups that raised seed or pre-seed rounds two to three years ago, many of which are now struggling to secure follow-on capital to support growth.

The quarter's largest deal in Germany was a \$175 million raise by insurtech firm Wefox, underscoring continued investor appetite for established players with differentiated offerings, even as overall activity softened.

Quantum computing attracts significant attention in the Nordics region

After an extended drought, VC investment in the Nordics showed clear signs of recovery in Q3'25, with funding reaching \$1.8 billion — a seven-quarter high. The region experienced a solid pickup in deal activity, highlighted by three \$100 million-plus rounds: Finland-based IQM (\$320 million) in quantum computing, Sweden-based Lovable (\$200 million) in AI-driven web and app development, and Sweden-based Aira (\$174 million) in alternative energy. Another notable trend in the region lately has been the increase of direct investments in growth companies by Pension Insurance companies, aiming to support innovation and long-term economic development.

The quarter also featured one of Europe's most anticipated exits: Sweden's Klarna raised \$1.3 billion in its U.S. IPO, with shares climbing 15% on day one, signaling renewed investor appetite for Nordic scale-ups.

Quantum computing has emerged as a standout theme, with Espoo, Finland increasingly viewed as a hub of innovation and investment in the space. At the same time, AI deal flow remained robust, exemplified by Workday's announced acquisition of Sweden-based Sana, an enterprise AI solutions provider.⁹

VC investment in Ireland remains soft in Q3

VC investment in Ireland took a bit of a breather in Q3'25 as investors continued to pause in the face of geopolitical tensions and concerns regarding potential impacts tariffs may have on the broader economy. Post the EU-US Trade agreement in August there was some hope that investor sentiment will pick up again before the end of the year. Despite the relatively slow investment environment, there was continued interest across medtech and AI businesses, with Proverum and Nory AI two of the larger raises towards the end of the quarter.

⁹ <https://newsroom.workday.com/2025-09-16-Workday-Signs-Definitive-Agreement-to-Acquire-Sana>

VC investment steady in Europe, cont'd.



Trends to watch for in Q4'25

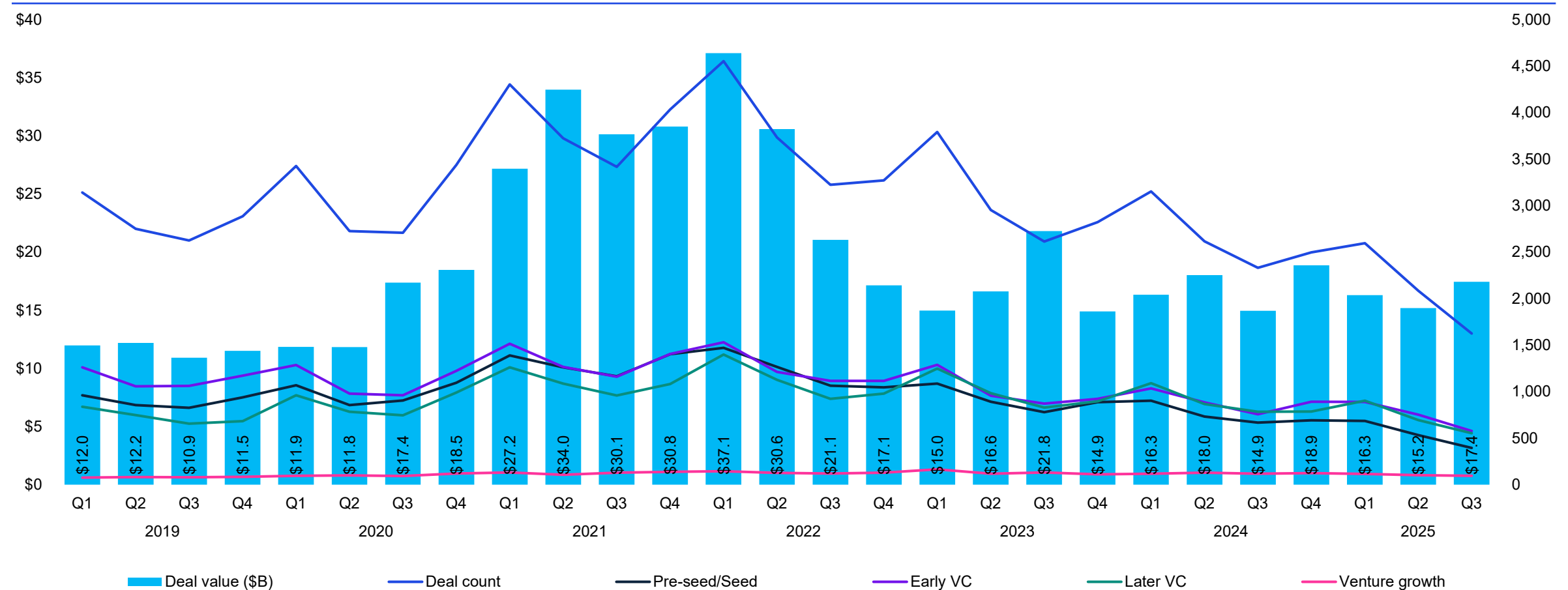
Heading into Q3'25, there is cautious optimism that VC investment will start to pick up in Europe now that a trade agreement between the EU and US has been reached and some uncertainty has been taken out of the market. While there is some concern the trade agreement won't stick, only time will tell for certain.

While the ESG narrative might see a pullback, VC investment in cleantech — particularly in the alternative energy space is expected to remain robust in Europe given the strong commitment to the climate change action and the energy transition in the region. AI — particularly AI applications for the health care sector — and defensetech are both expected to remain dominant investment themes in Europe during Q4'25, while quantum computing and deeptech are expected to attract increasing attention.

VC flows are on pace to remain healthy for the year

Venture financing in Europe

2019–Q3'25

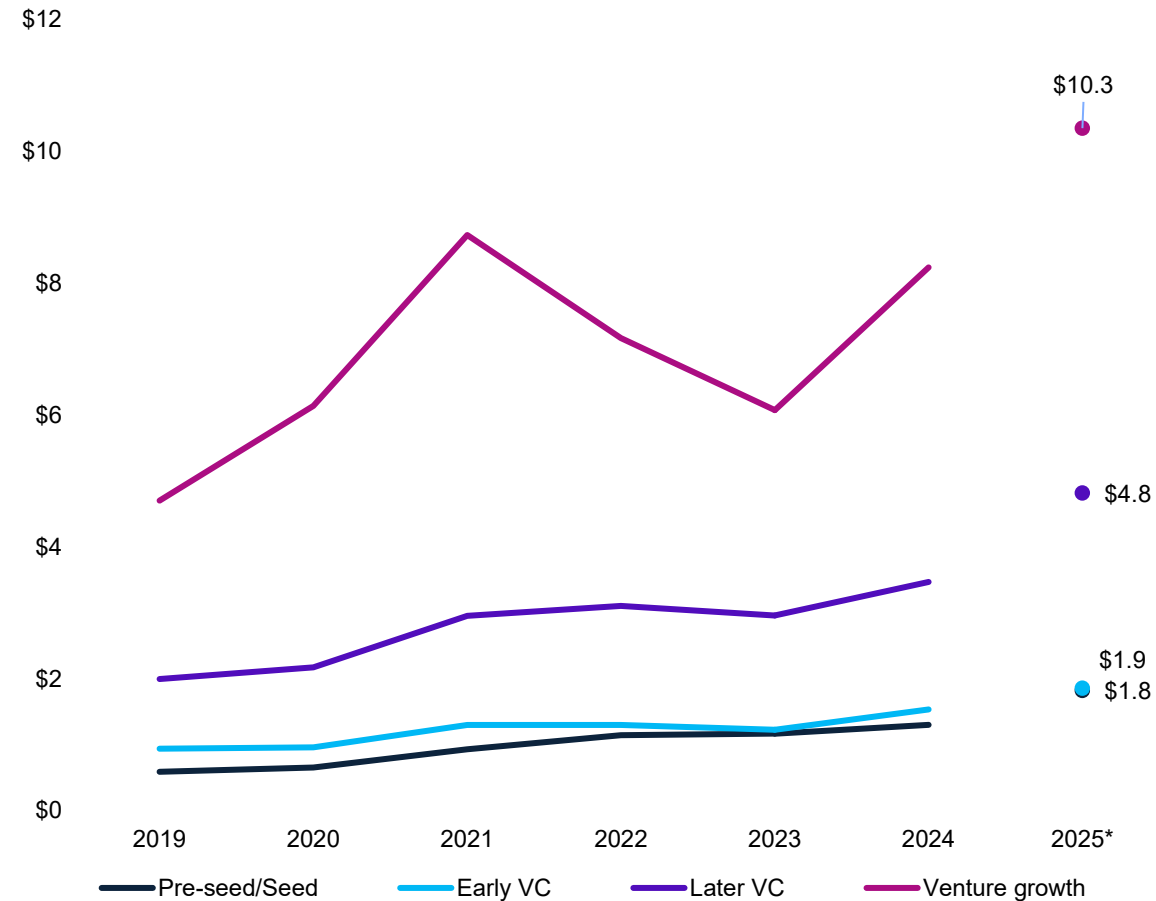


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Down rounds stay subdued

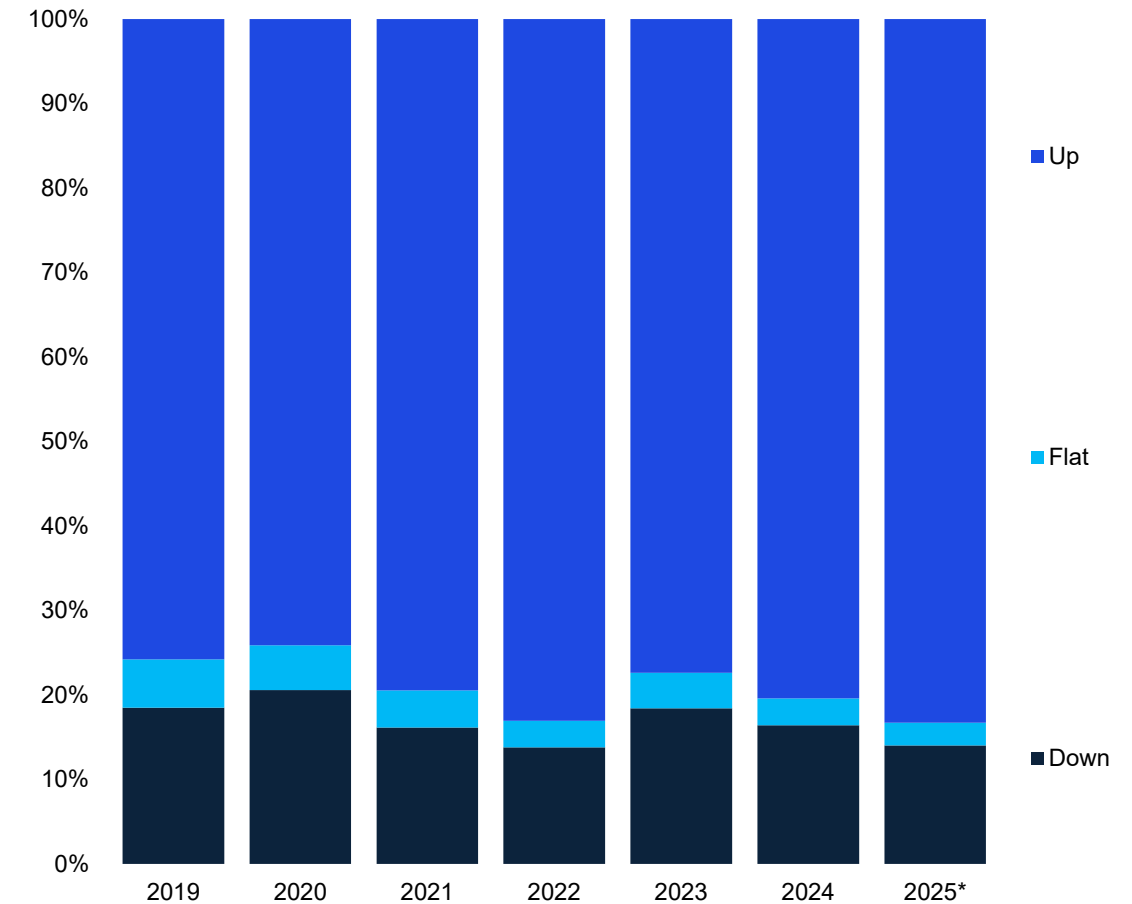
Median deal size (\$M) by stage in Europe

2019–2025*



Up, flat or down rounds in Europe

2019–2025*

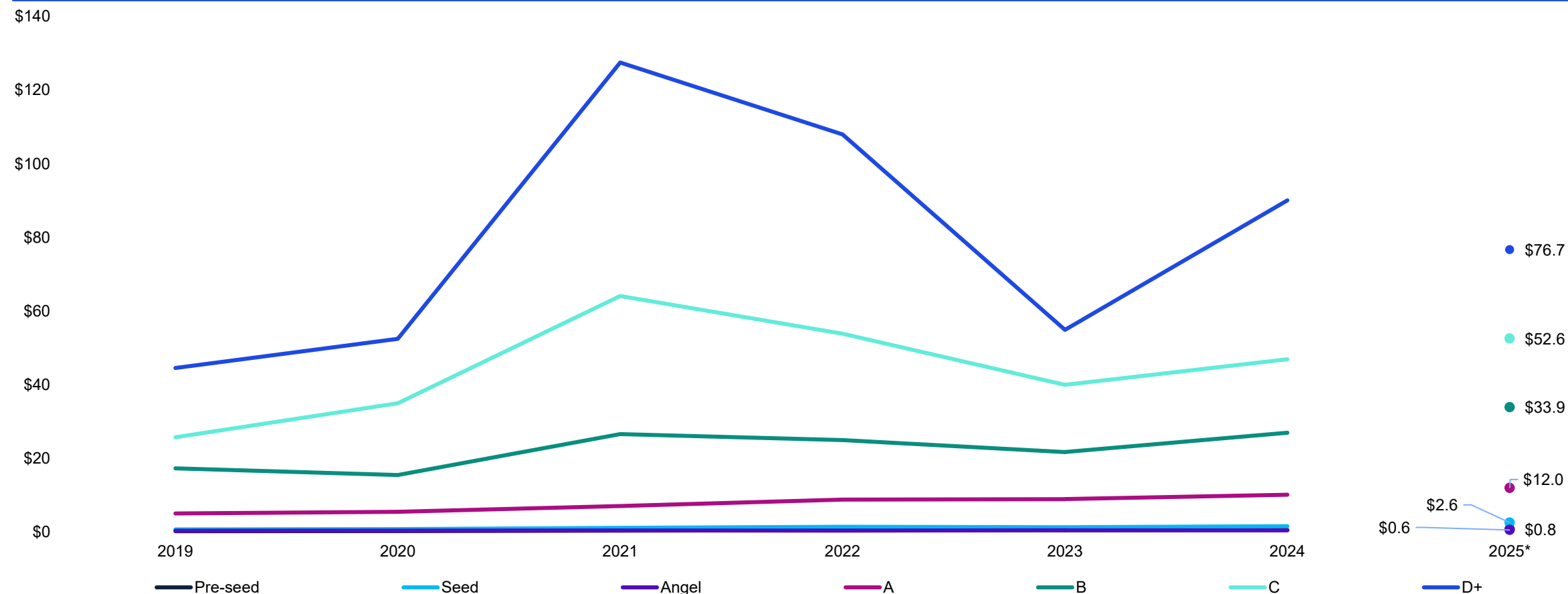


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Across every series, figures remain healthy

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

2019–2025*



Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

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

Latest-stage valuations are climbing

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

2019–2025*

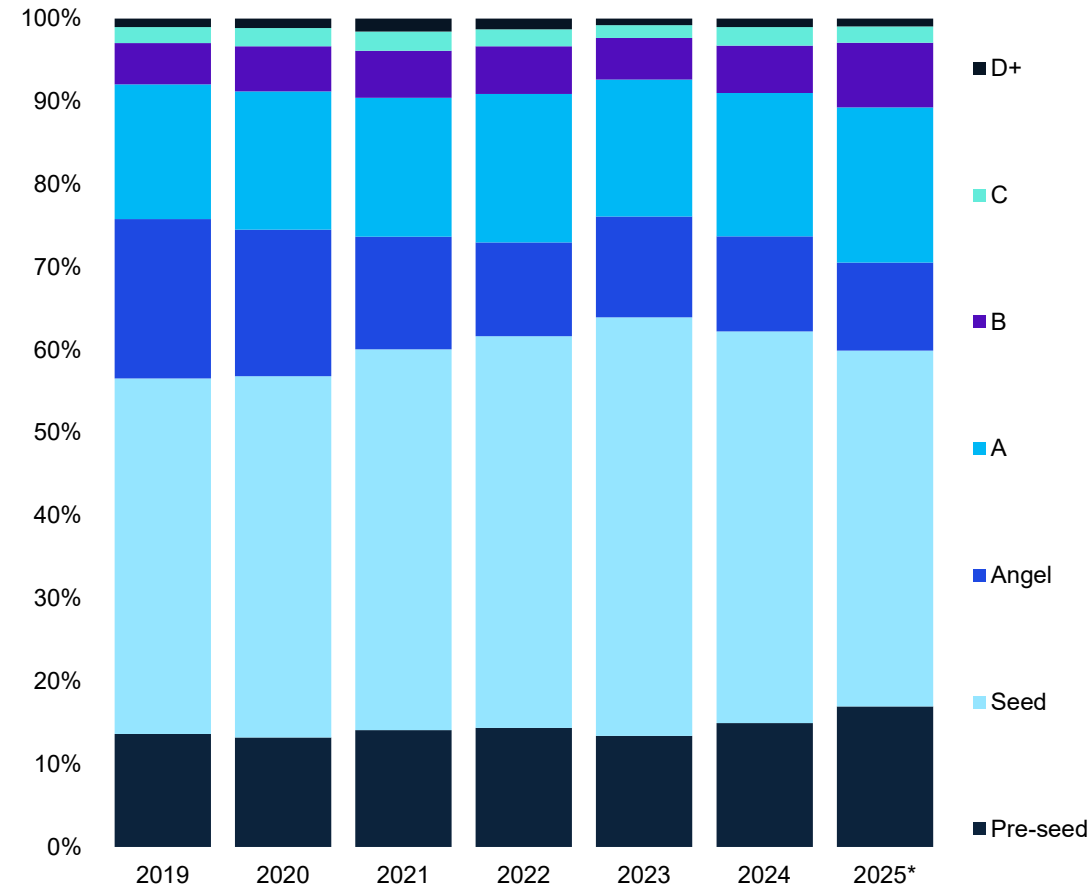


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.
Note: The 2025* Series C and D+ figures are based on population sizes of n < 30.

Pre-seed ekes out a higher share of deal volume

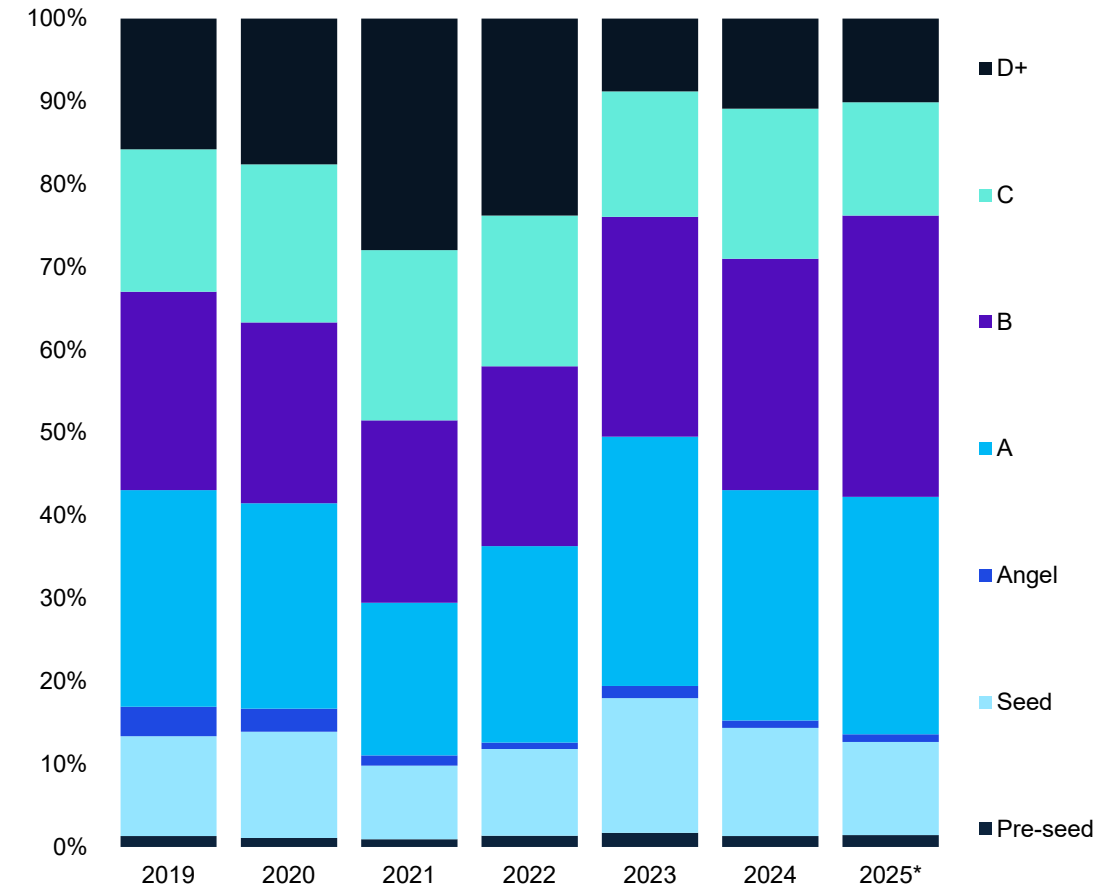
Deal share by series in Europe

2019–2025*, number of closed deals



Deal share by series in Europe

2019–2025*, VC invested (\$B)

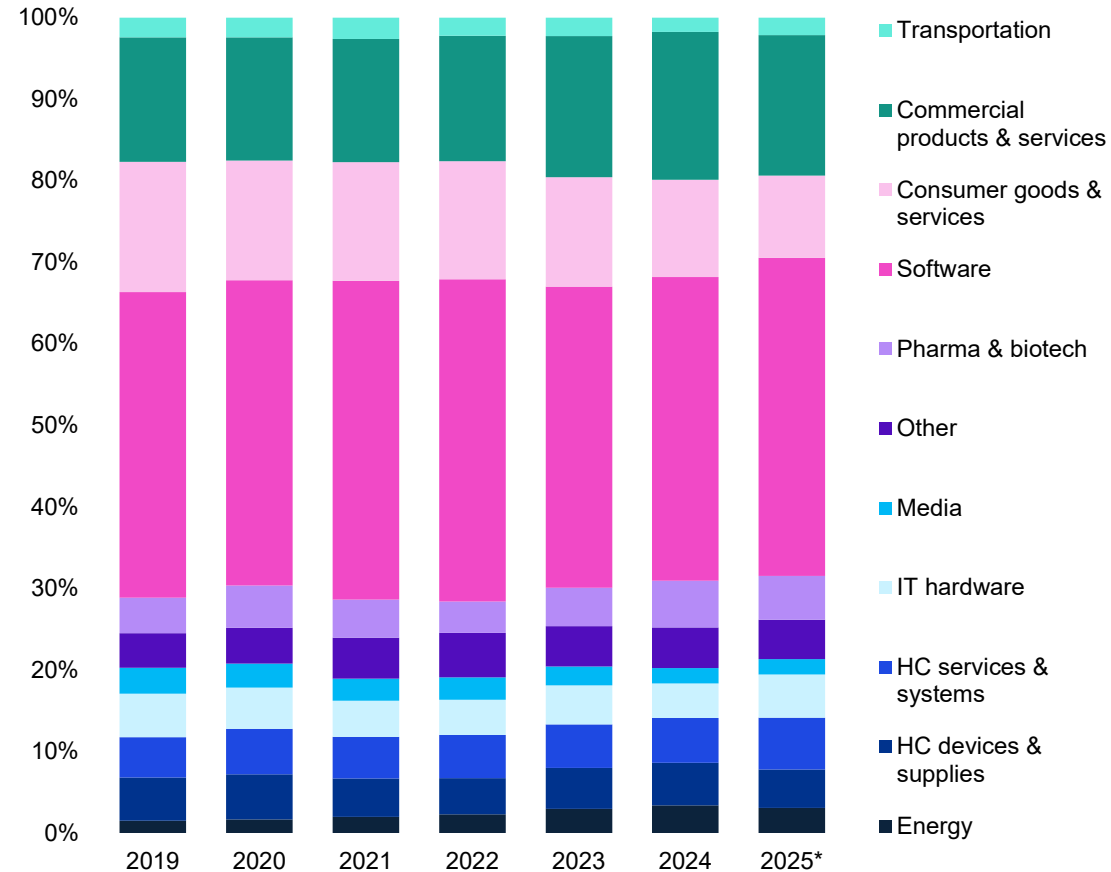


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

AI applications drive hardware, software, to highs

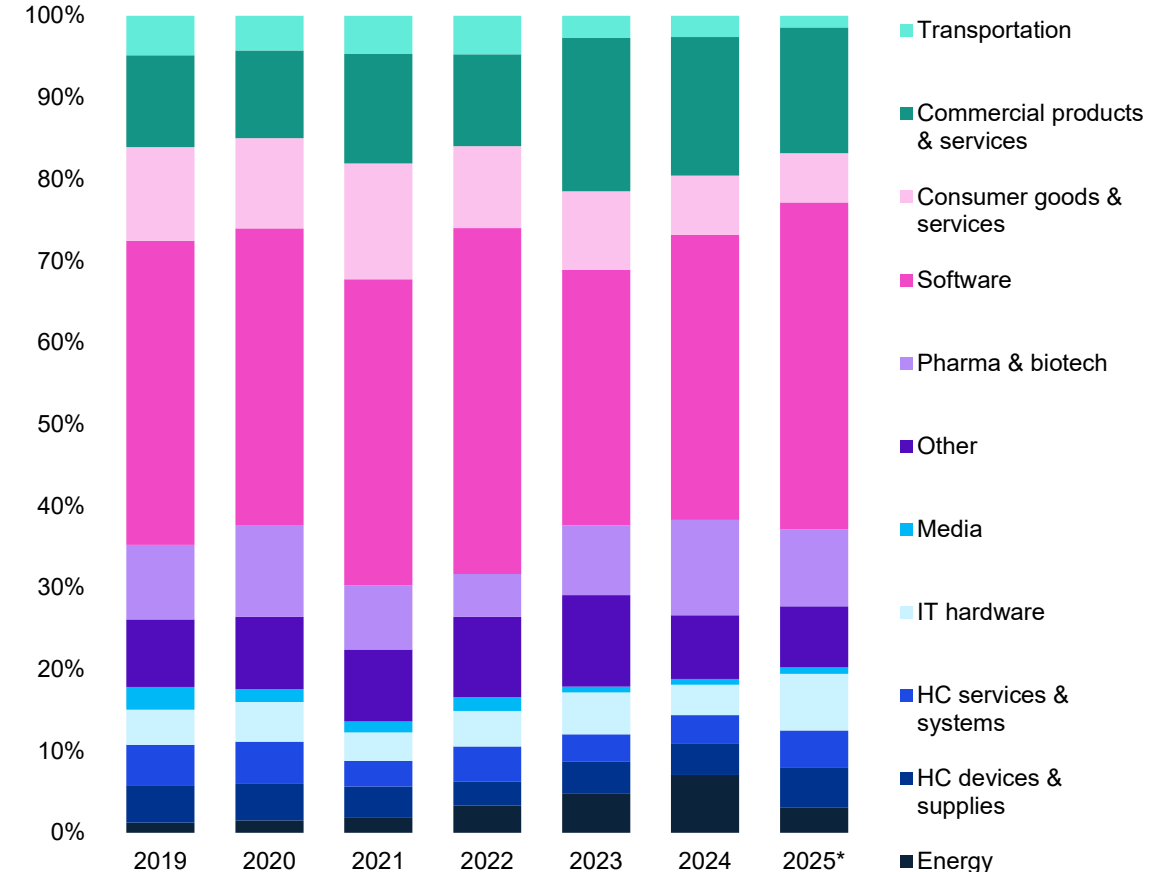
Venture financings by sector in Europe

2019–2025*, number of closed deals



Venture financings by sector in Europe

2019–2025*, VC invested (\$B)

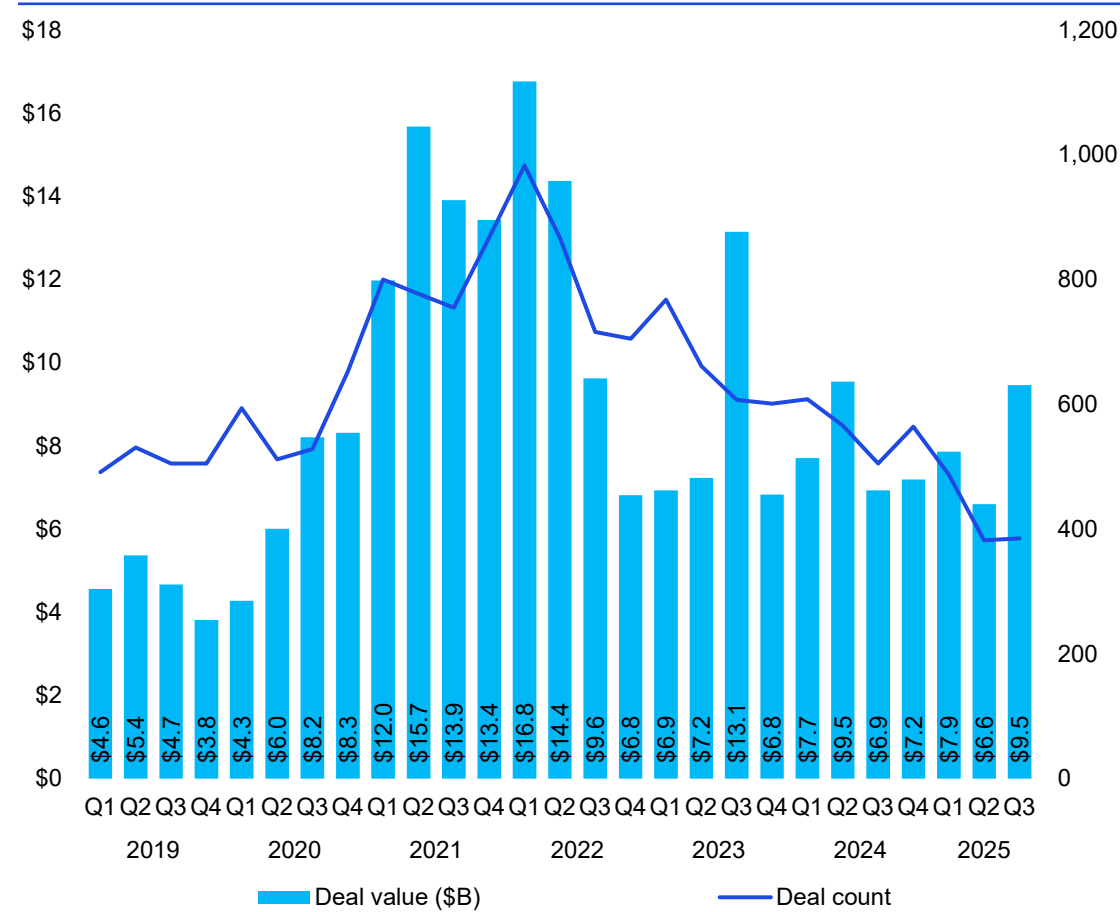


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

First-time VC invested on pace to beat 2024 level

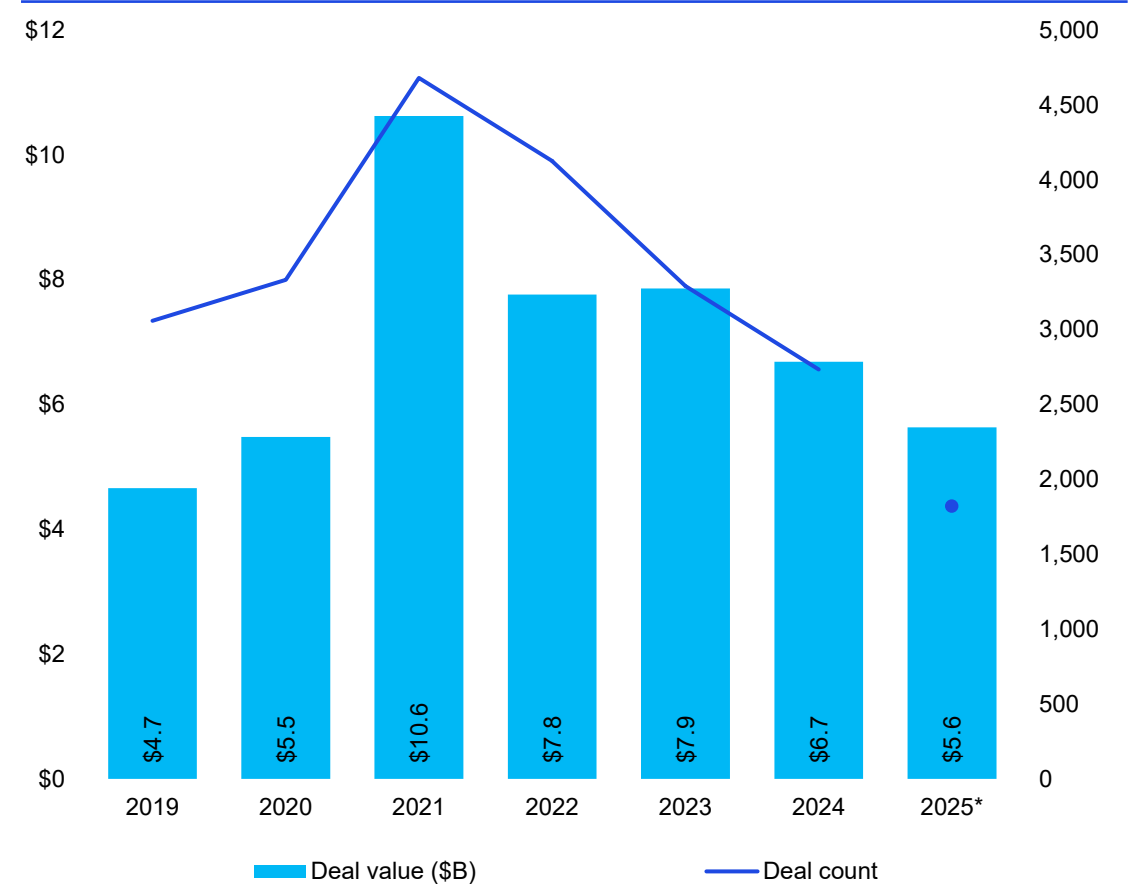
Corporate VC participation in venture deals in Europe

2019–Q3'25



First-time venture financings of companies in Europe

2019–2025*

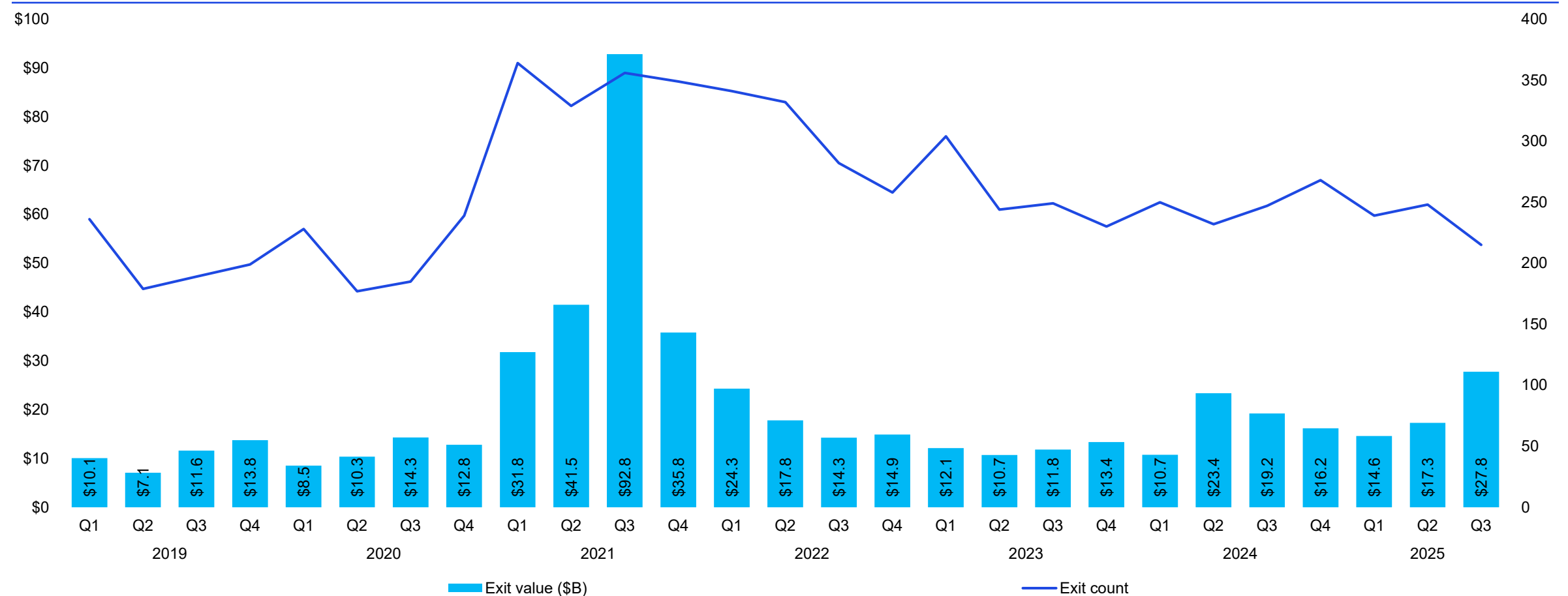


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Q2 sees biggest exit value tally since 2021

Venture-backed exit activity in Europe

2019–Q3'25

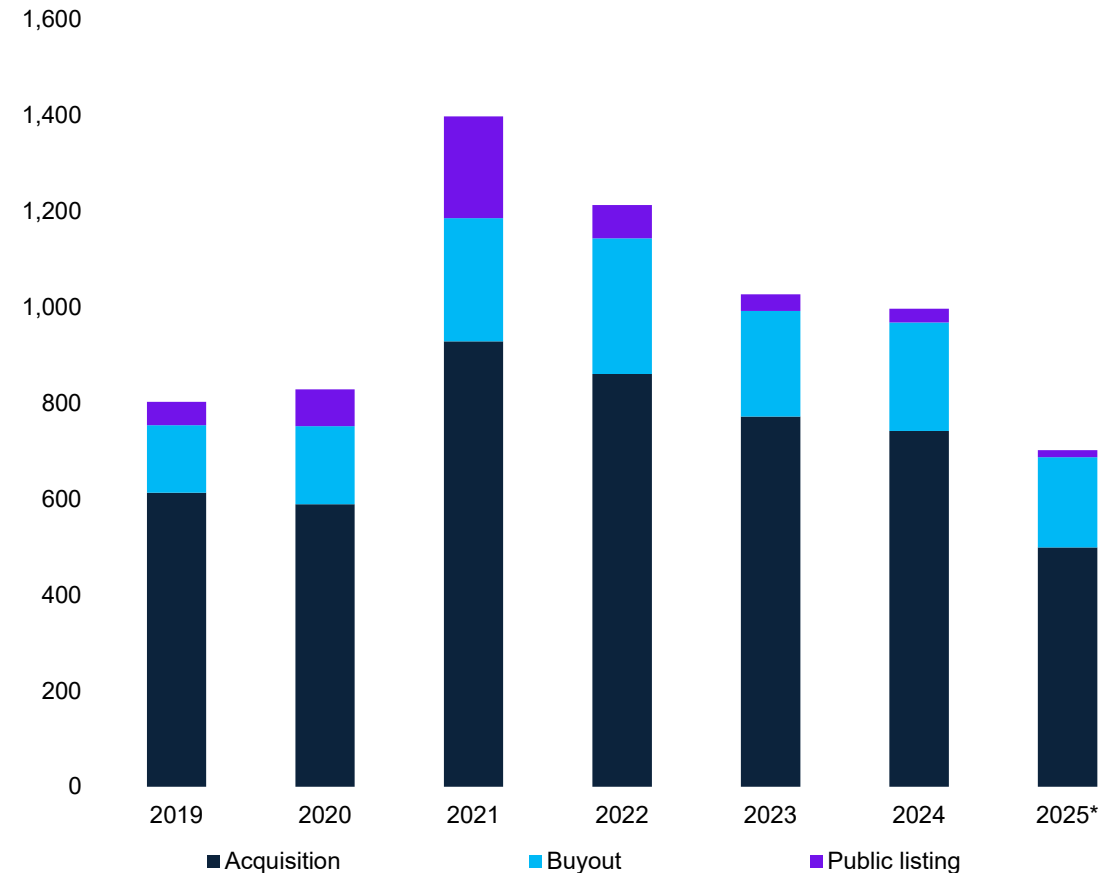


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Exit value could overtake 2024

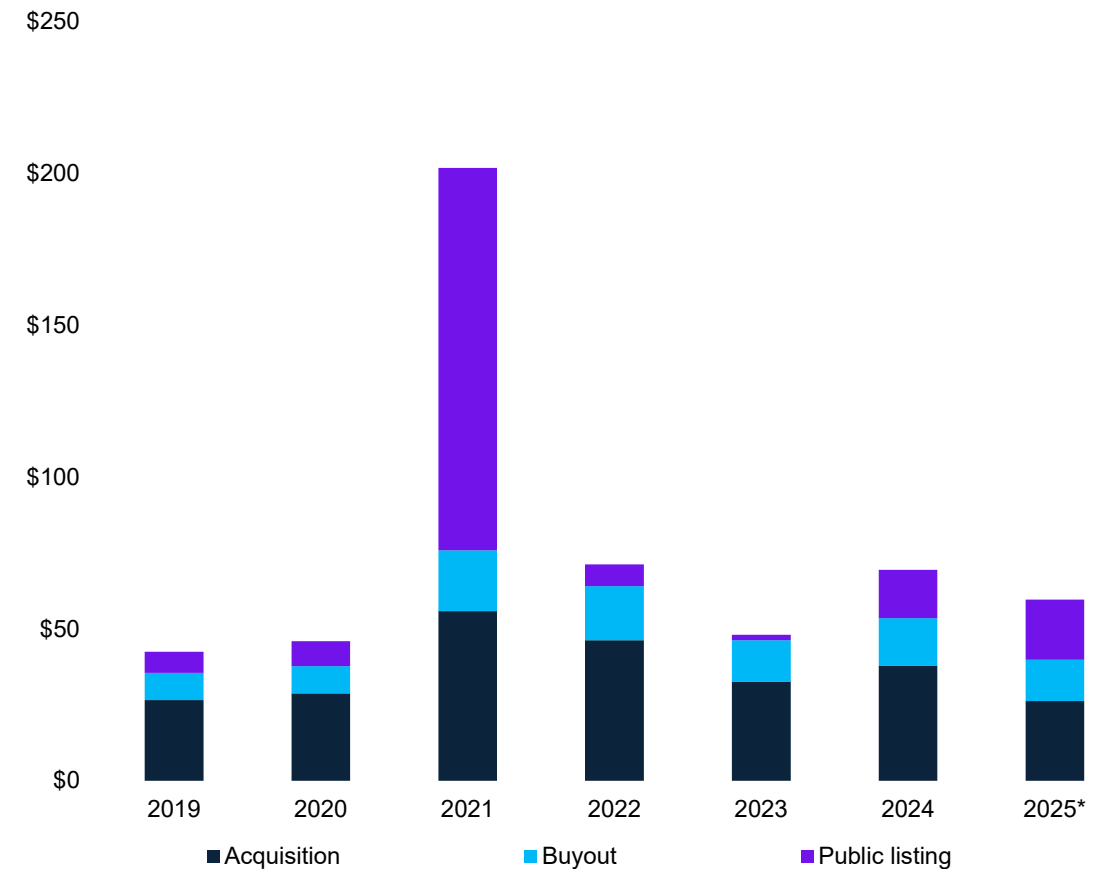
Venture-backed exit activity (#) by type in Europe

2019–2025*



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

2019–2025*

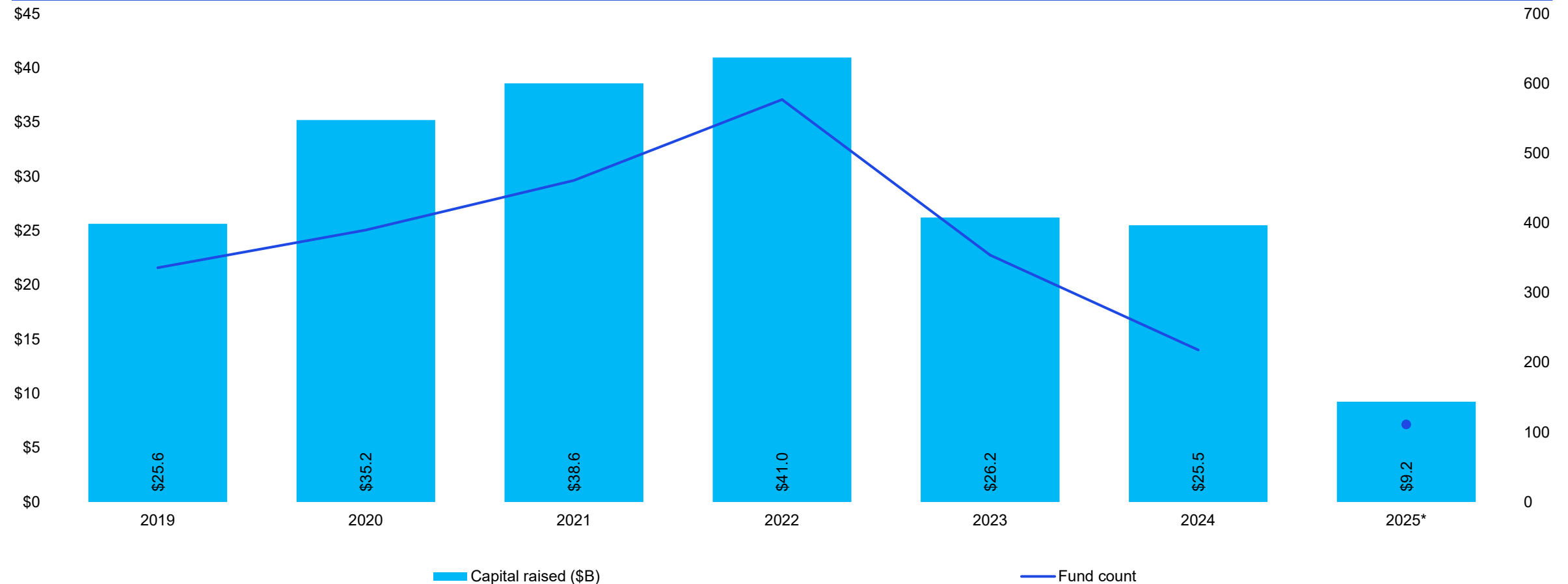


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Barring a year-end surge, 2025 could set a new low

European venture fundraising

2019–2025*

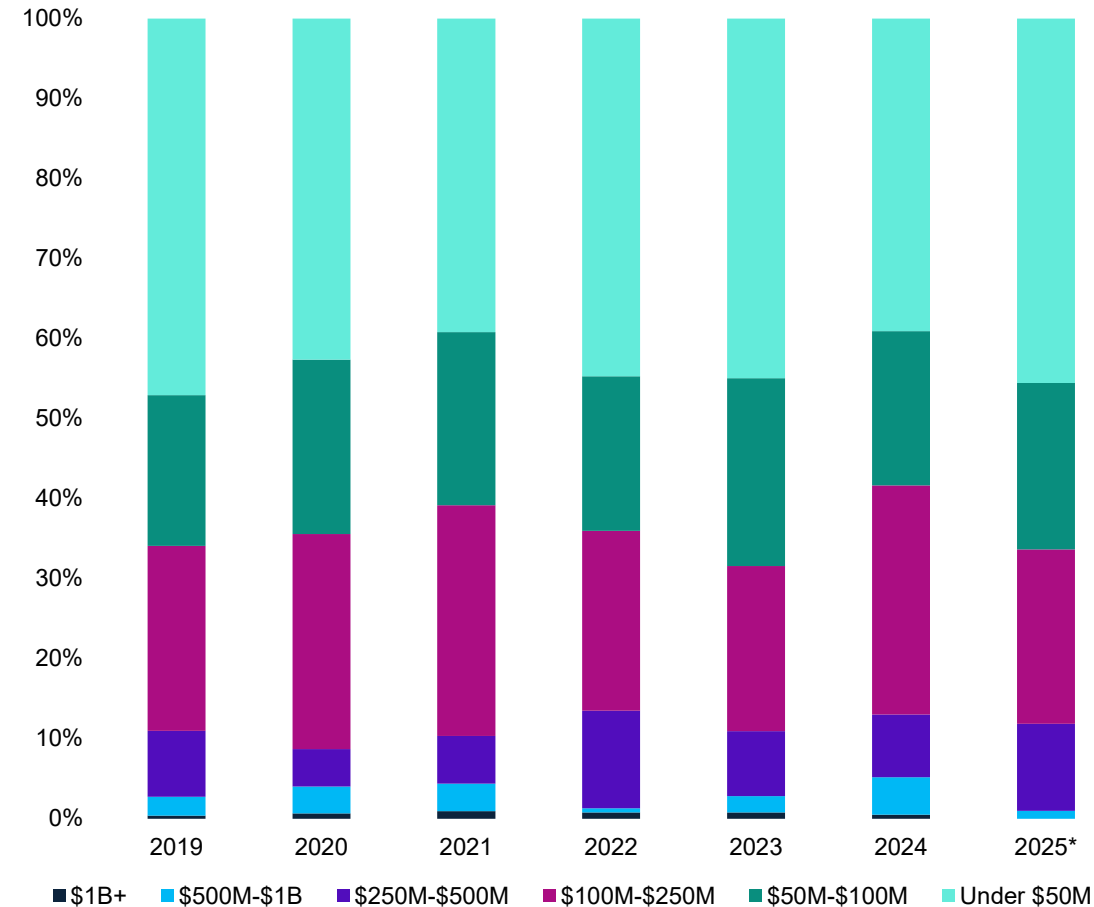


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Fundraising proportions hold steady

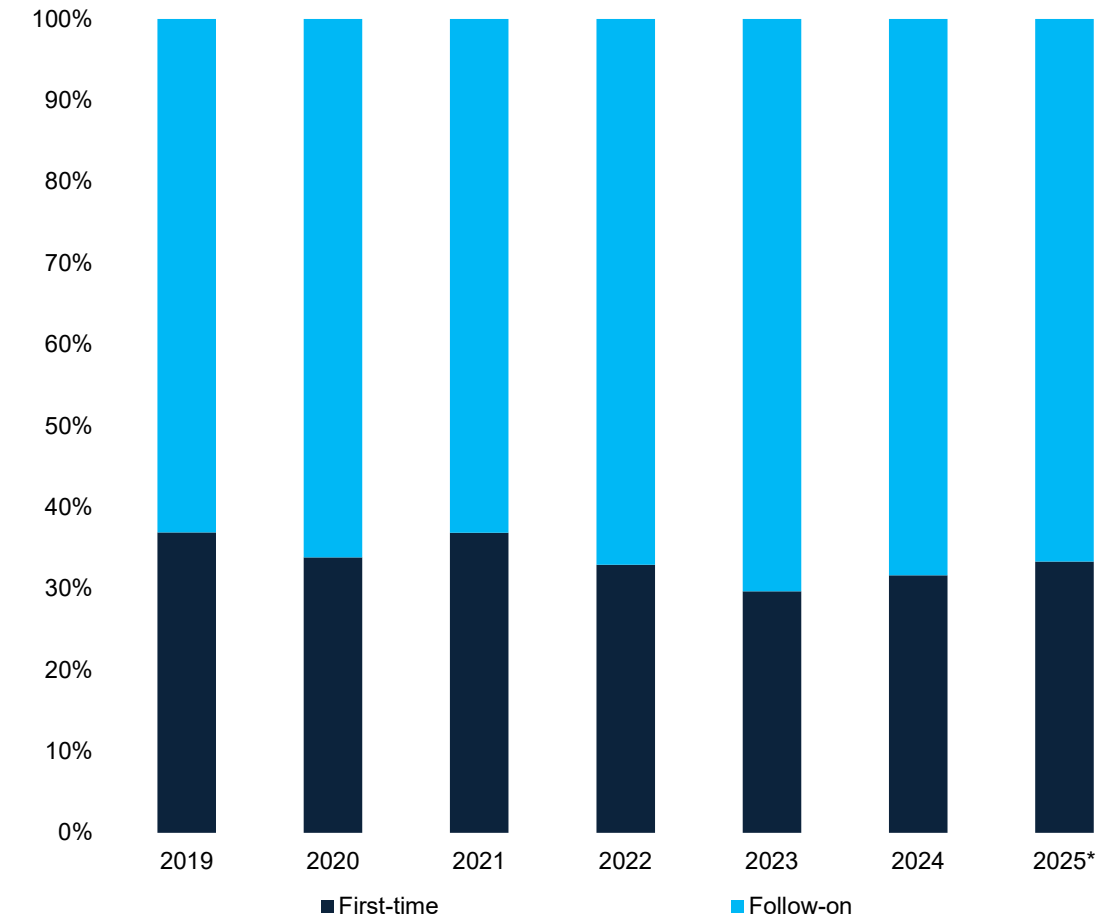
Venture fundraising (#) by size in Europe

2019–2025*



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

2019–2025*

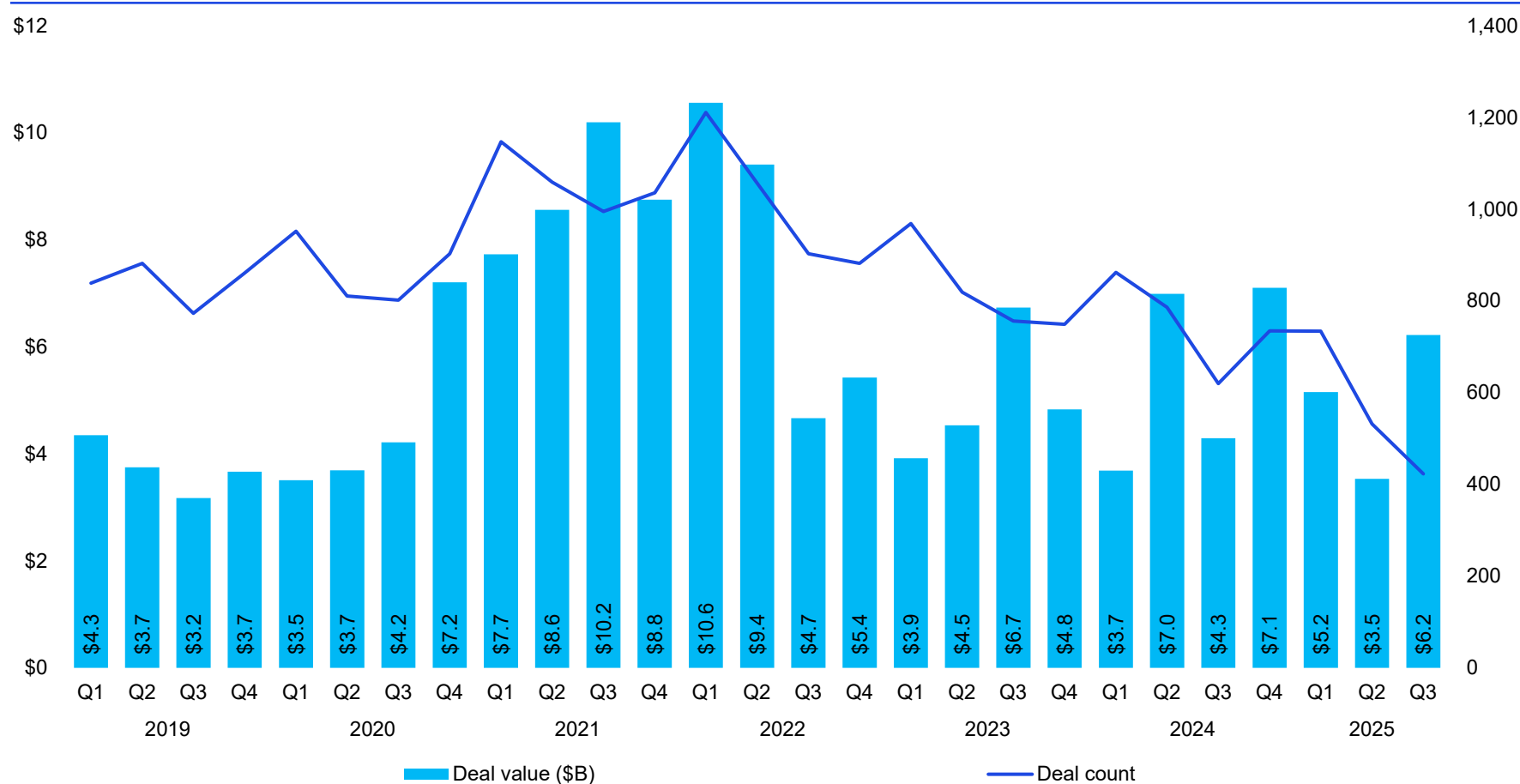


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Large AI deals contribute to spike in VC invested

Venture financing in the United Kingdom

2019–Q3'25



Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

“ The crypto and digital assets space continues to grow in interest in the UK — and elsewhere. Specifically, stablecoins have been a really hot topic of conversation over the last six to twelve months or so from a UK perspective. Draft legislation from a crypto perspective is expected to land in 2026, so I think that will really drive a renewed interest in this space. ”

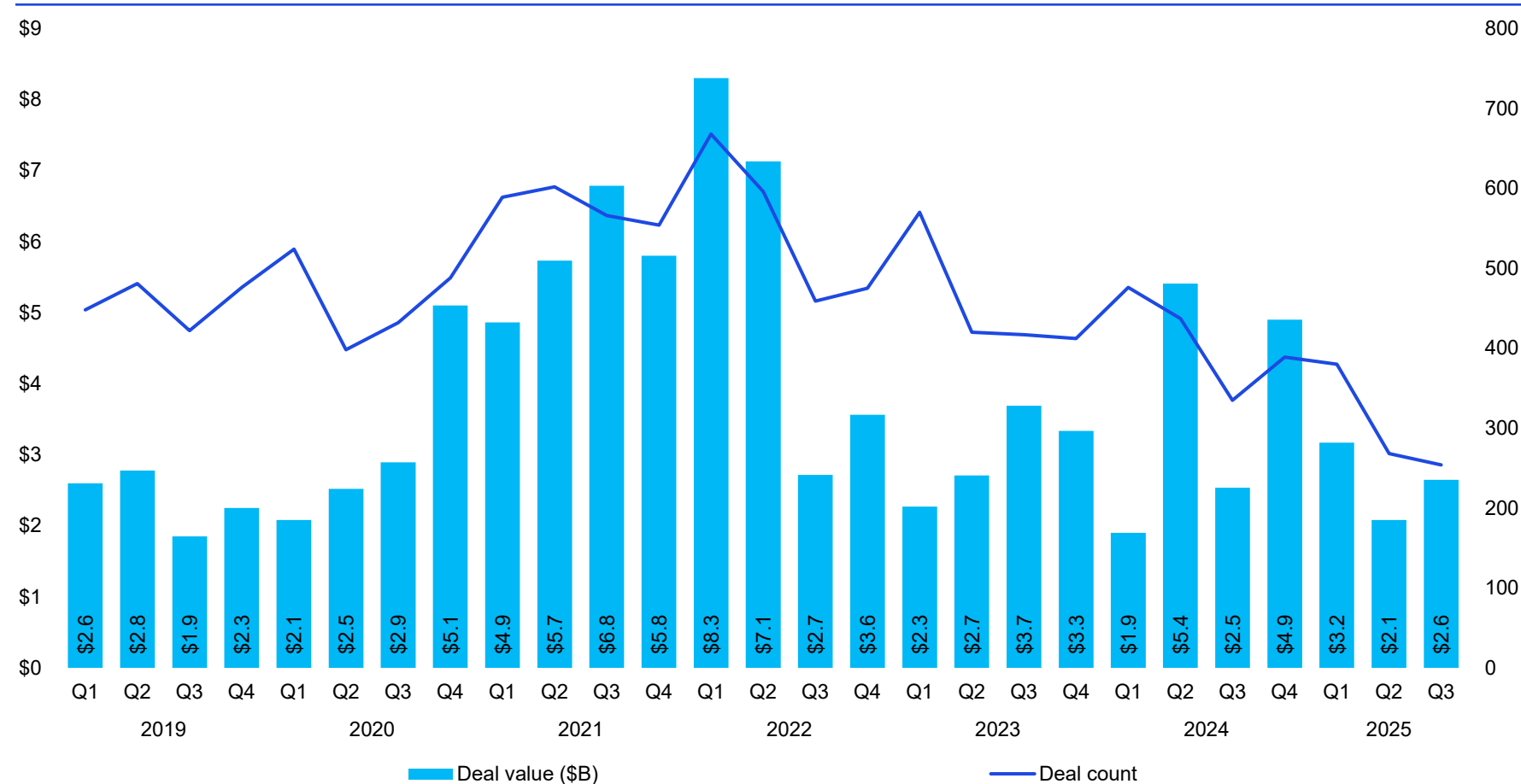


Nicole Lowe
UK Head of Emerging
Giants
KPMG in the UK

VC activity trudges along in London

Venture financing in London

2019–Q3'25



Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

“ The bullish overall sentiment toward European markets is being met with a measured and diligent investment process that appears to be here to stay. Due diligence is taking much longer, a trend reflecting the rising importance of financial and operational scrutiny. This new pace is also driven by companies prioritizing cost-cutting to extend their runways, which naturally delays new market entrants. Investors, in turn, are dedicating more time to evaluating potential deals and recalibrating their long-term investment strategies and criteria for portfolio companies. ”

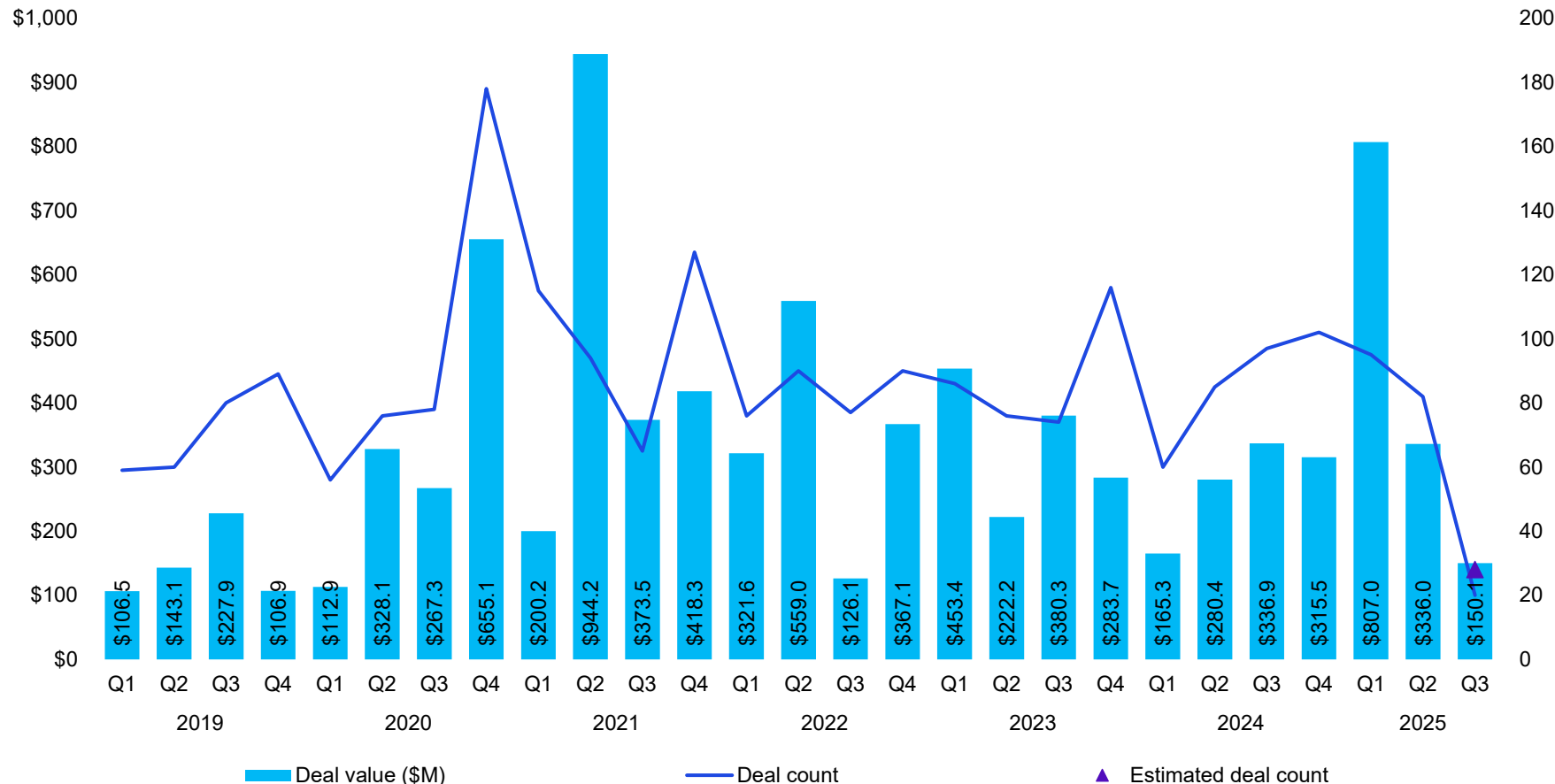


Sam Luckett
Head of Investor
Relations,
KPMG Acceleris
KPMG in the UK

Ireland sees a slower Q3 after a robust first half

Venture financing in Ireland

2019–Q3'25



“After a strong start to the year, Q2 and Q3 2025 have been more challenging quarters for Irish venture capital fundraising given broader geopolitical tensions. Having said that fintech, medtech and AI software businesses have continued to attract investment and given the emergence of a more positive global outlook, investor sentiment is cautiously optimistic as we move towards the end of the year and into 2026.”



Gavin Sheehan
Partner,
Deal Advisory
KPMG in Ireland

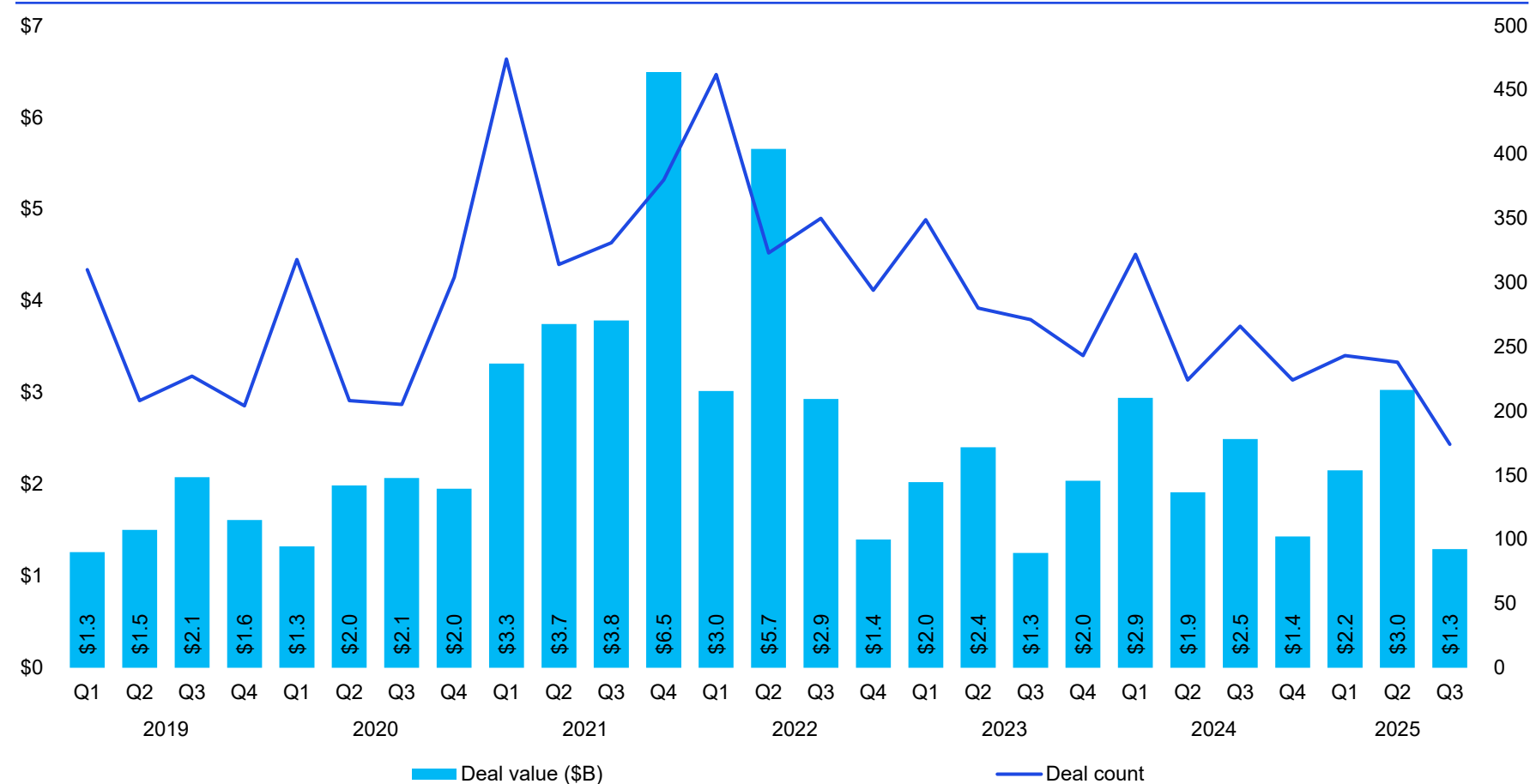
Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

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.

A pullback after a robust Q2 tally

Venture financing in Germany

2019–Q3'25



Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

“ AI will significantly increase global energy demand over the next 10-15 years. Unlocking more computational power with less energy will therefore be a defining challenge for economic growth. This dynamic is a key driver behind the rising investor focus on deeptech — particularly quantum computing, advanced semiconductors, and energy technologies. These sectors are positioned to capture substantial funding not only in the coming quarters, but also over the longer horizon. ”

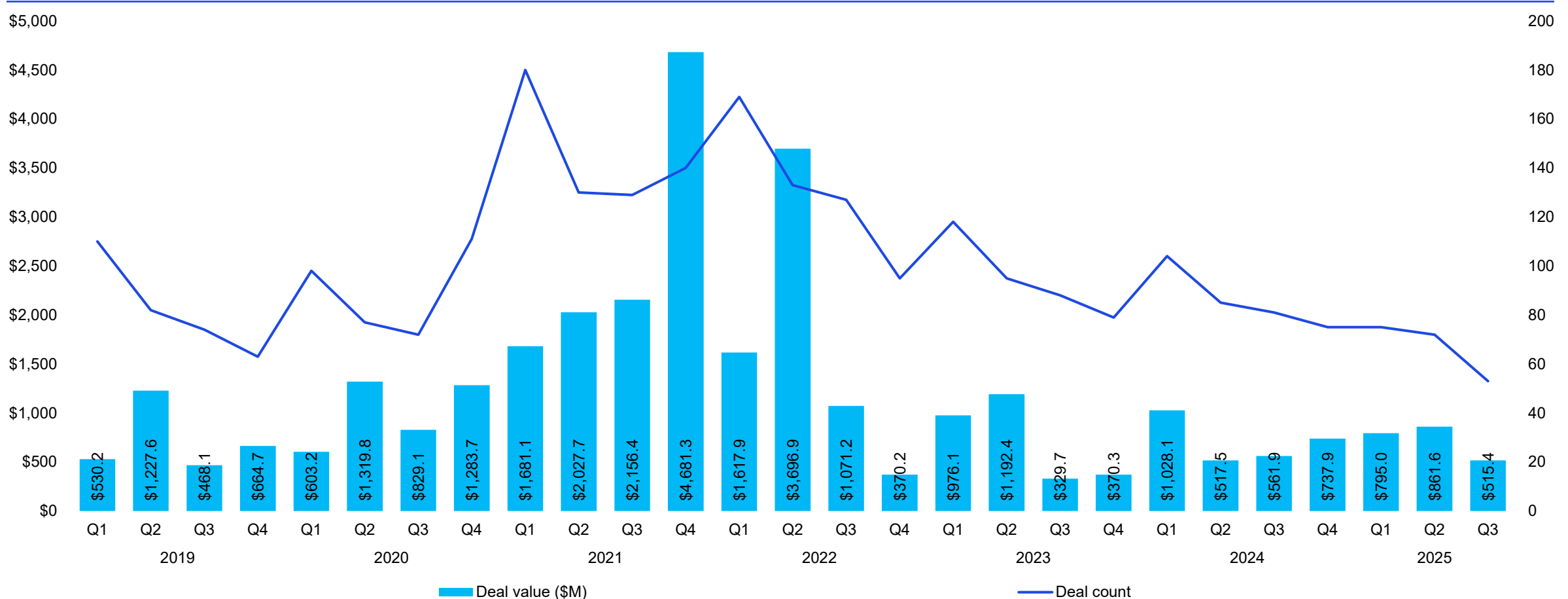


Florian Merkel
Director of Tax,
Head of Venture
Services
KPMG in Germany

After a steady stretch, VC invested slips

Venture financing in Berlin

2019–Q3'25

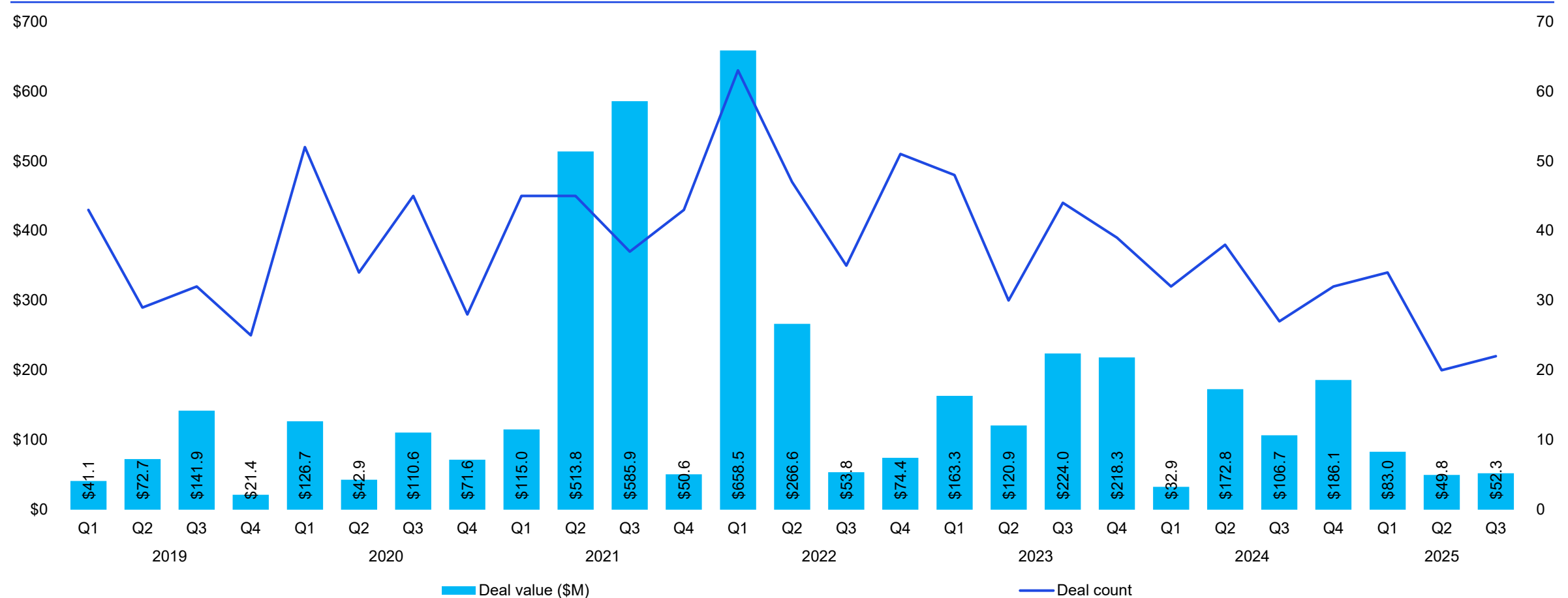


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

VC flows remain slow heading into the back half of 2025

Venture financing in Austria

2019–Q3'25

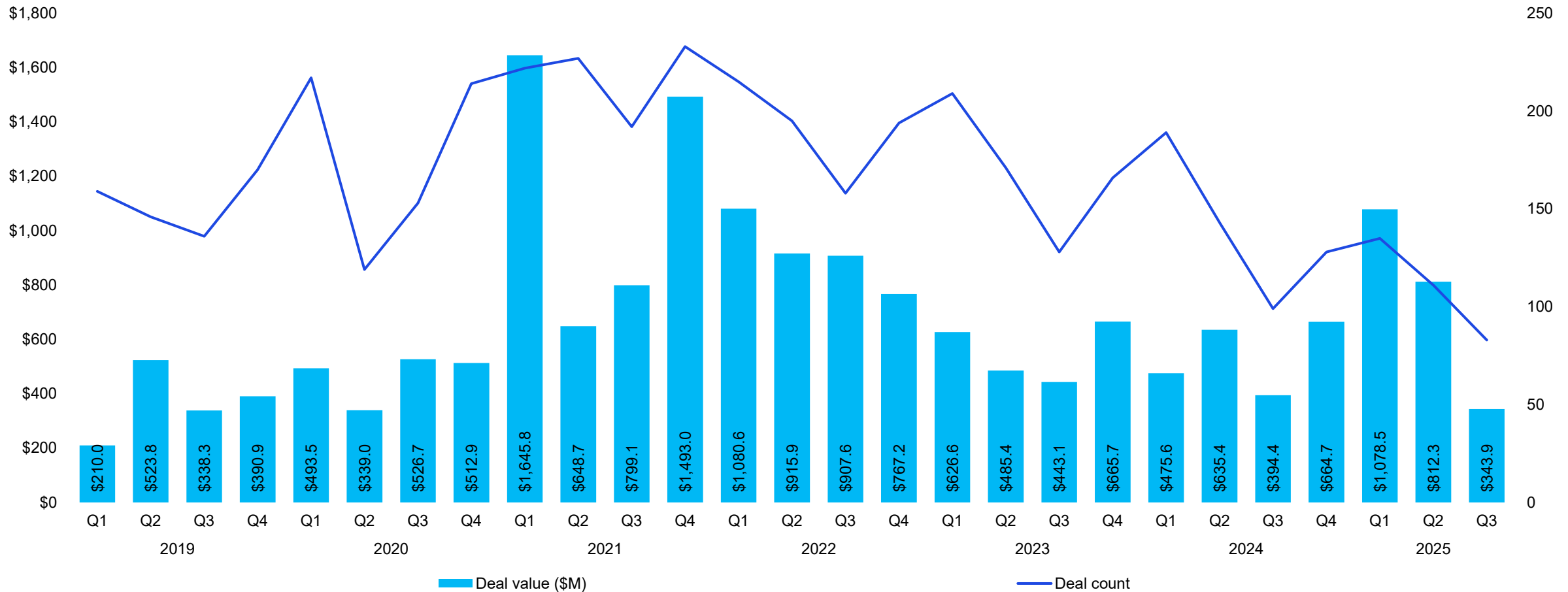


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

After a spate of mega-deals, a quieter Q3

Venture financing in Spain

2019–Q3'25

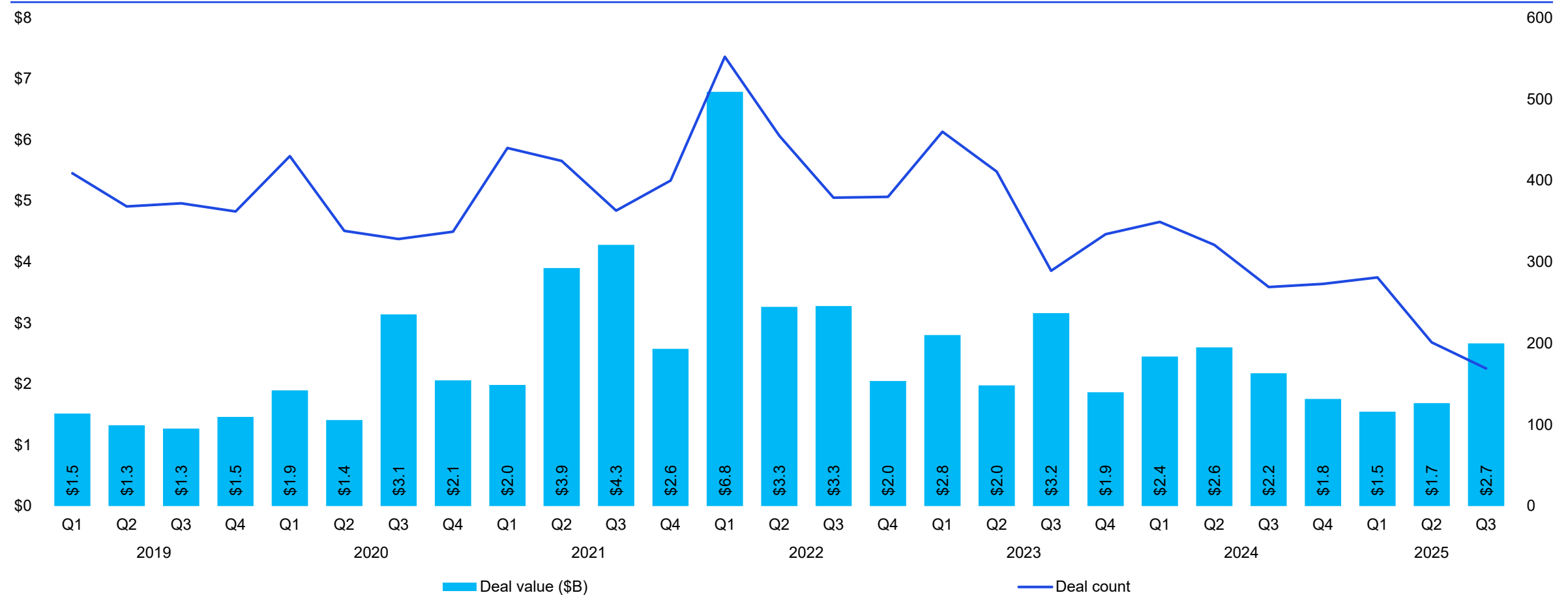


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Overall deal count remains soft

Venture financing in France

2019–Q3'25

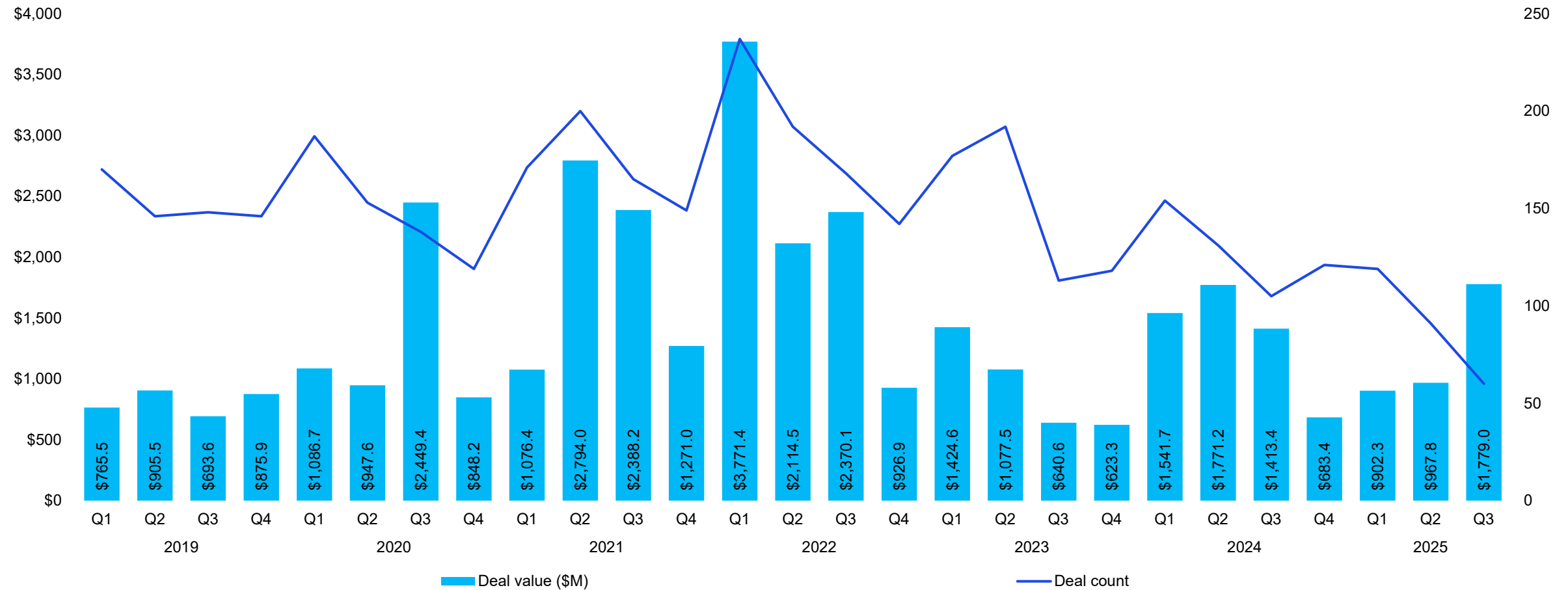


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Mistral continues to drive Paris VC invested tallies

Venture financing in Paris

2019–Q3'25

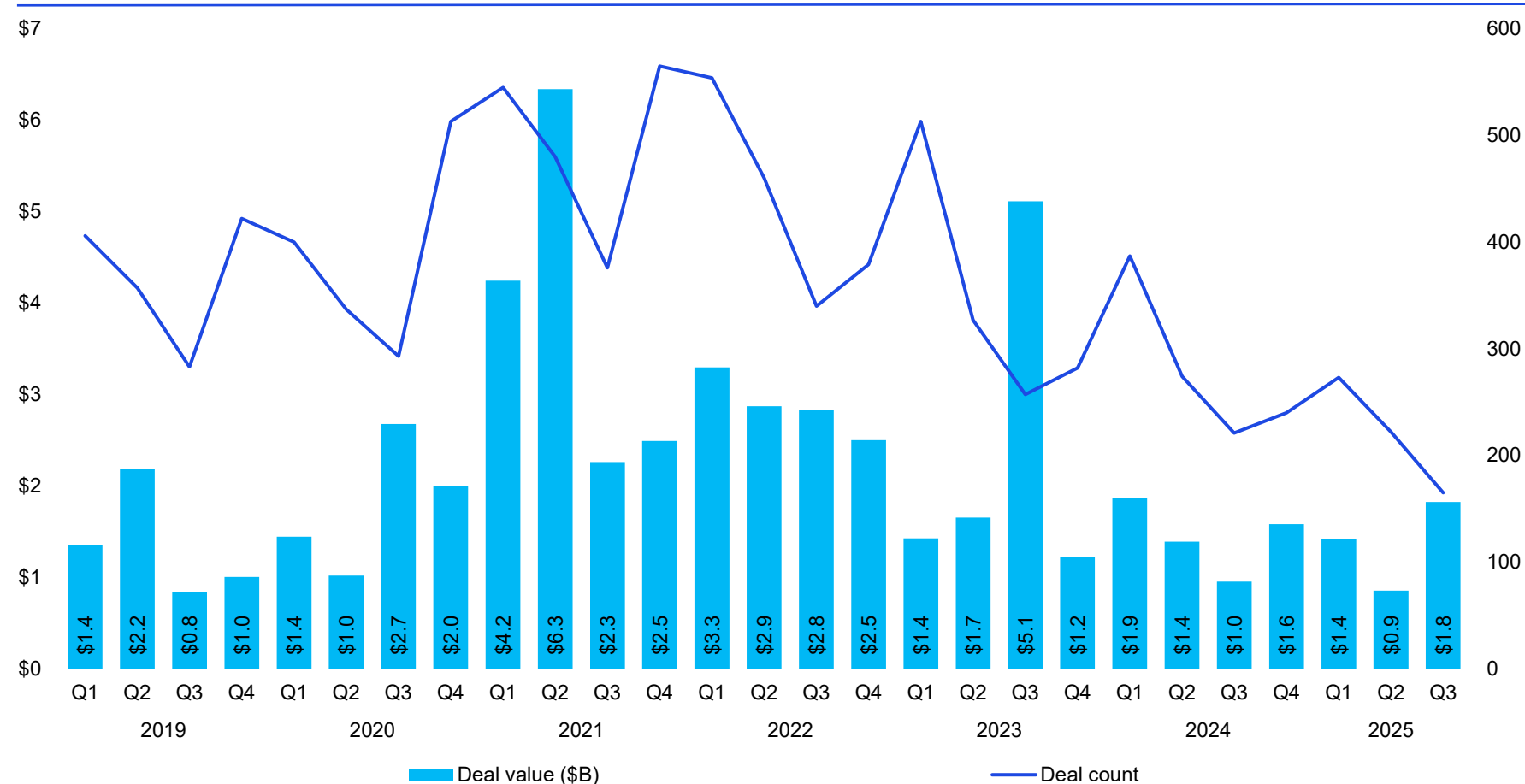


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Nordics see spurts of investment but remain sedate

Venture financing in the Nordics

2019–Q3'25



Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

“It’s been quiet in terms of growth rounds in the Nordics for a while, but there’s light at the end of the tunnel. This quarter, we saw Klarna’s IPO in the U.S., along with major funding rounds for IQM and Lovable and others, all very positive signs. The quantum sector also looks strong for the long term. Finland is emerging as the Nordic quantum hub, with many startups establishing themselves, experimenting, and growing. IQM represents just the first wave — many smaller companies are sure to follow.”

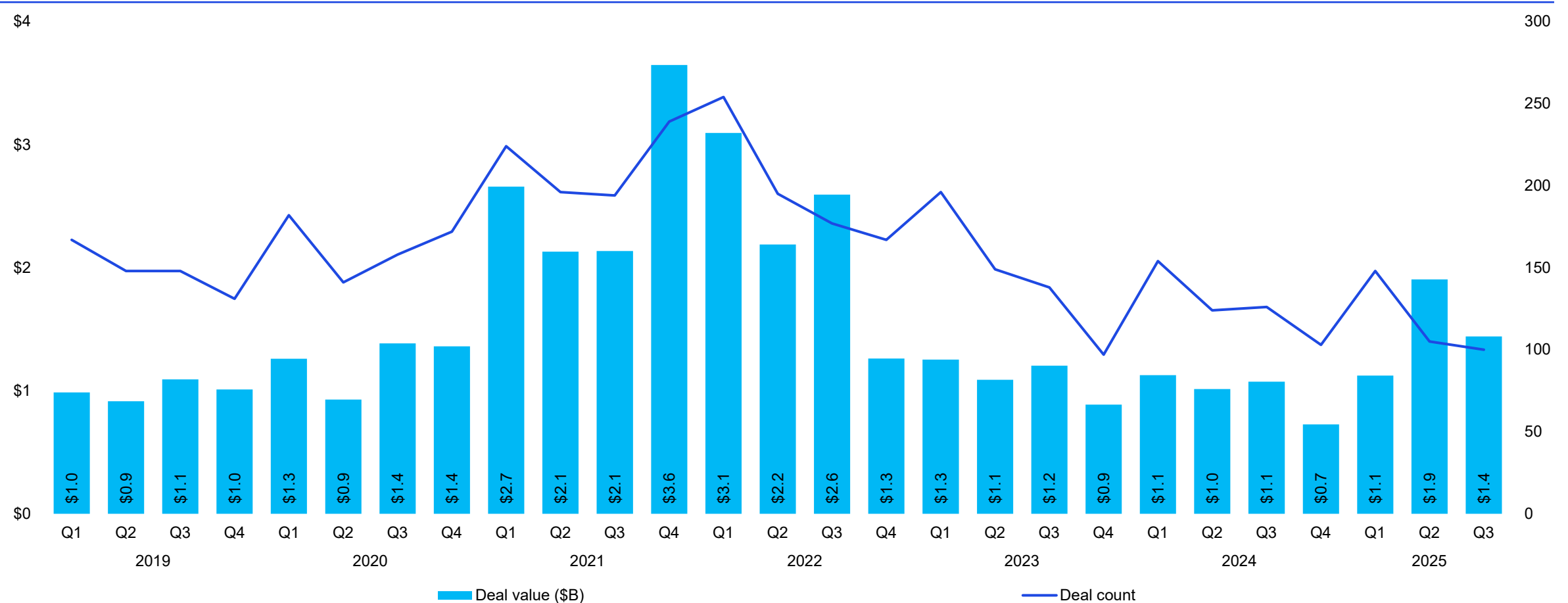


Jussi Paski
Head of Startup and
Venture Services
KPMG in Finland

Large deals continue to bolster overall deal flow

Venture financing in Israel

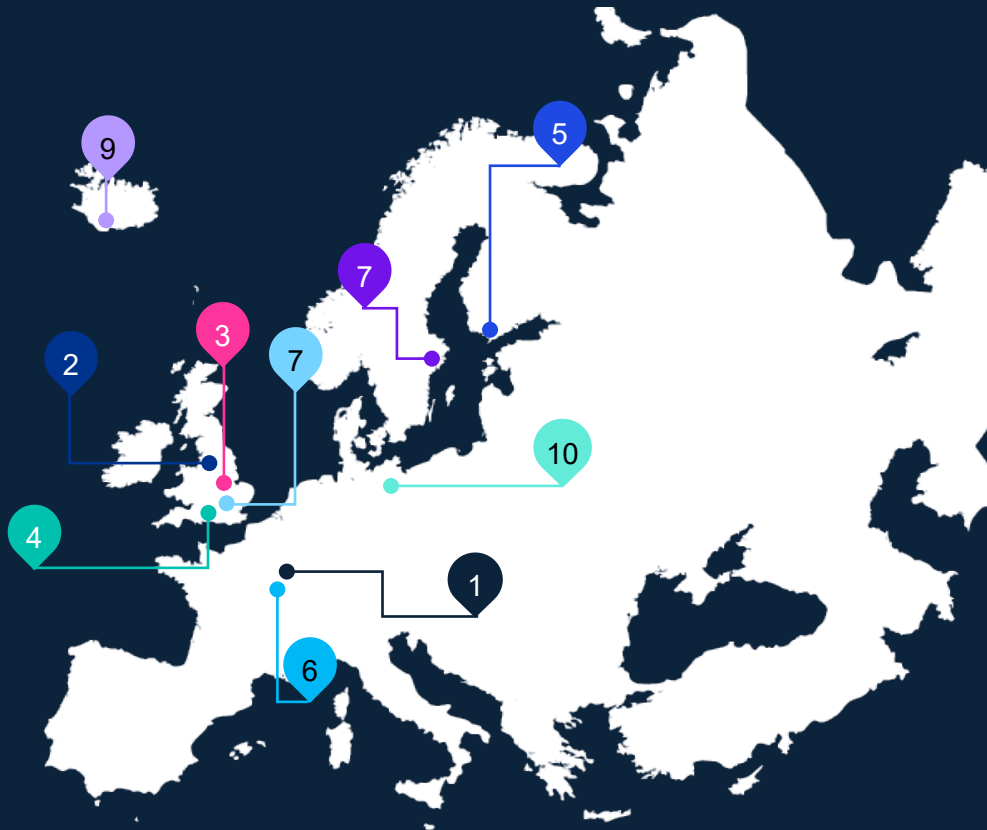
2019–Q3'25



Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

AI remains a focal point

Top 10 financings in Q3'25 in Europe



1. **Mistral AI** — \$1.52B, Paris, France — AI & ML — *Series C*
2. **Nscale** — \$1.49B, Knutsford, UK — AI & ML — *Series B*
3. **Rapyd Financial Network** — \$500M, Takeley, UK — Fintech — *Series F*
4. **PS Miner** — \$350M, Eastleigh, UK — Crypto — *Series B*
5. **IQM** — \$320M, Espoo, Finland — Hardware — *Series B*
6. **Sirius AI** — \$235M, Geneva, Switzerland — AI & ML — *Early-stage VC*
7. **Nothing** — \$200M, London, UK — Electronics — *Series C*
7. **Lovable** — \$200M, Stockholm, Sweden — AI & ML — *Series A*
9. **Laxey** — \$182.7M, Vestmannaeyjar, Iceland — Cleantech — *Late-stage VC*
10. **Wefox** — \$175.2M, Berlin, Germany — Fintech — *Late-stage VC*

Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

**In Q3'25, Africa
VC-backed
companies raised
\$156 million across
86 deals**

VC investors increasingly looking for investment opportunities across Africa

Over the last five years, VC investments in Africa have been steady and stagnant and to some extent dropped. While the number of VC deals seen in different parts of the continent have come down from highs seen in 2022 — mirroring broader global VC market trends — VC investors have increasingly looked to different jurisdictions across the region for potential VC investment opportunities.

Fintech a major focus for VC investors in Africa

The fintech sector continues to be the most active sector of VC investment across Africa, with VC investors showing particular interest in the payments space. Kenya is seen as the regional leader in the payments space given it gave birth to M-PESA — a payments platform that has expanded its reach across Africa.

While the fintech sector across Africa is still growing and evolving, it is the most mature sector of VC investment in the region. Over the past five years, it has given birth to all three of Africa's new unicorn companies: Nigeria-based one-stop banking platform OPay and Senegal-based mobile payments company Wave in 2021 and Nigeria-based micro-financing bank Moneypoint in 2024.

VC investors expanding interest across sectors

As the VC ecosystem continues to emerge in different areas of Africa, VC investors are putting significant focus on startups able to harness innovation no matter the sector. While fintech continues to be the frontrunner for VC investment, other sectors are also starting attract attention, including agtech, climatetech, and healthcare. VC investors in the region are focusing heavily on the innovation element, with the bulk of interest going to startups with unique and innovative technology or AI-enabled solutions.

Family offices becoming active in VC space

In recent years, a number of successful African families have recognized the opportunity to create family offices. In many cases, they have exited businesses they've had for many years and used the proceeds to set up family offices able to make investments in other businesses. These new family offices are increasingly playing a role in the VC market in different parts of Africa.



Trends to watch for in Q4'25

Heading into Q4'25 and into 2026, Africa is expected to continue to grow on the radar of VC investors, with increasing deal activity and investment. VC investors are also expected to take a more active role in terms of helping their portfolio companies in Africa build capacity so that they can grow successfully. At a sector level, fintech is expected to remain the largest area of VC investment in Africa, followed by agtech, climatetech, and other unique industry-focused solutions.

Looking forward, a number of philanthropic foundations active in Africa are also expected to convert their funds to investments in the near future.

“As the content navigates the uncertainty and funding dynamics, we are seeing funds go beyond traditional PE, VC, and angel investors. Many African families are now recognizing the value of establishing family offices and diversifying investments by investing in other businesses, often, after exiting businesses they've owned for decades or generations.

We also note a rise in emerging funding, including blended finance and increased private sector participation, such as sovereign funds, pensions, funds, CVC, and DFIs, enabling sustainable investment.”

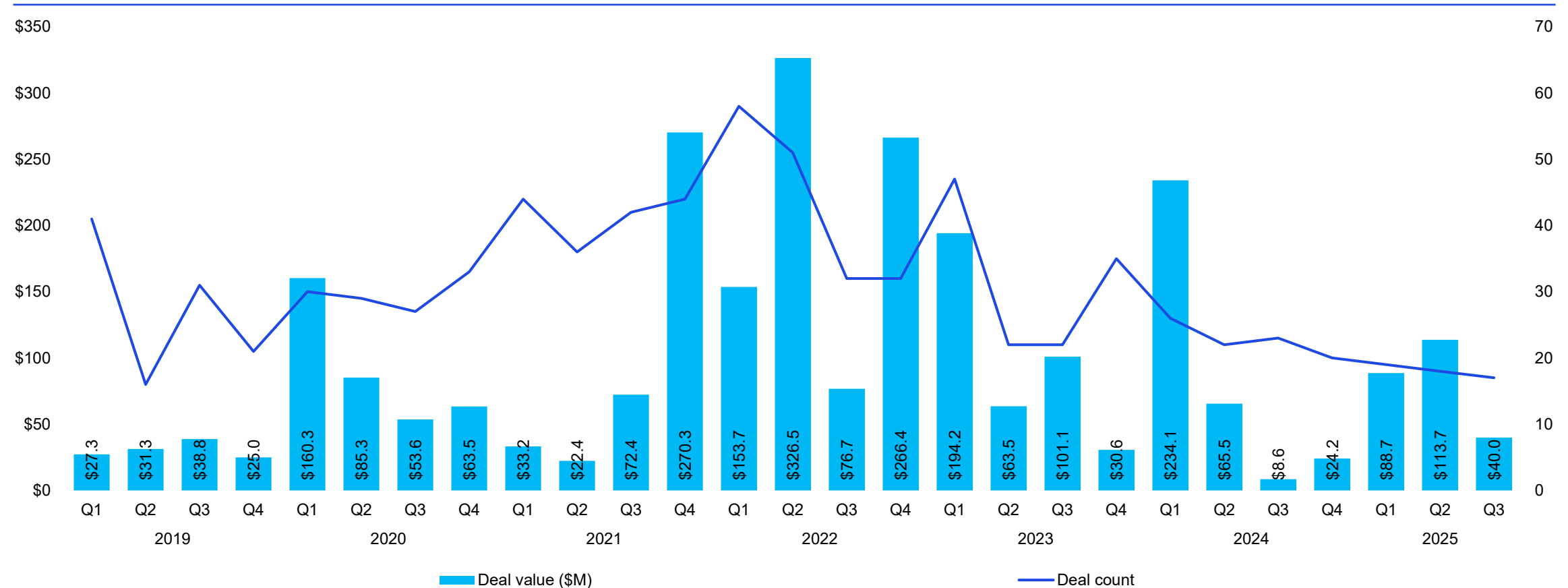


Sandeep Main
Partner, Tax and
Regulatory Services
Head of Private Enterprise
KPMG in Africa

After surges of VC invested in H1 2025, a quieter Q3

Venture financing in Southern Africa

2019–Q3'25

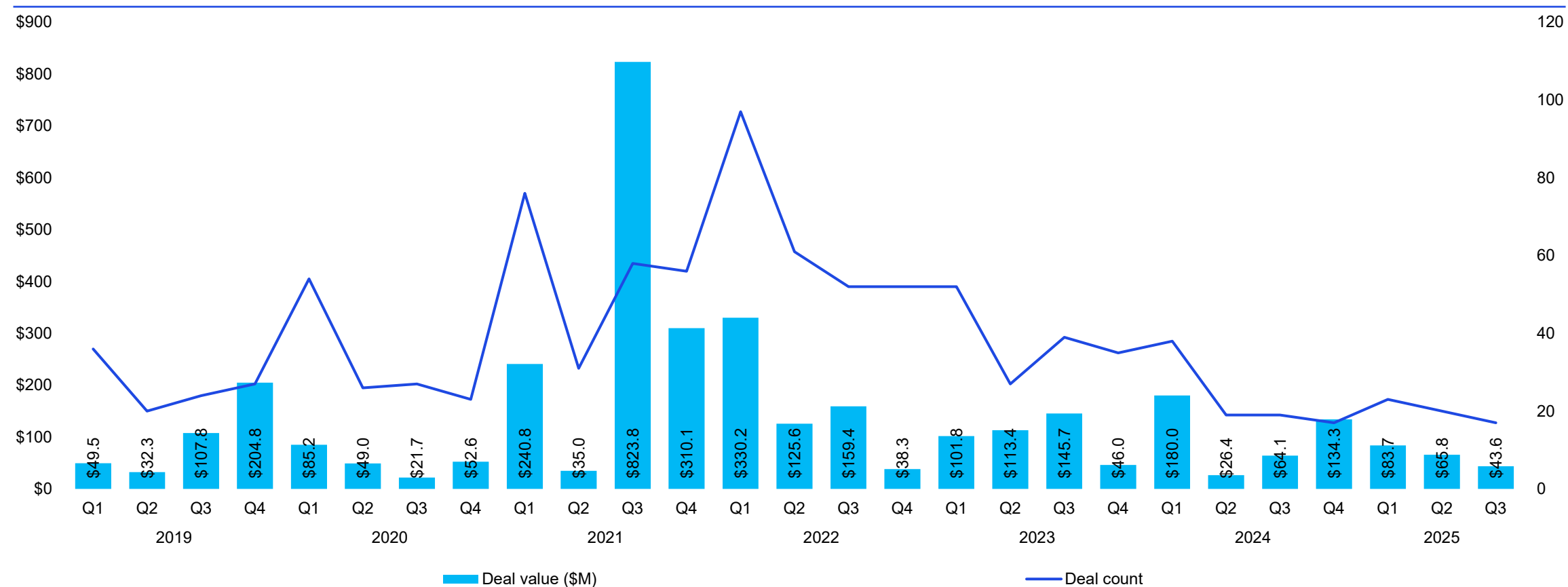


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Deal flow continues to trudge along

Venture financing in West Africa

2019–Q3'25

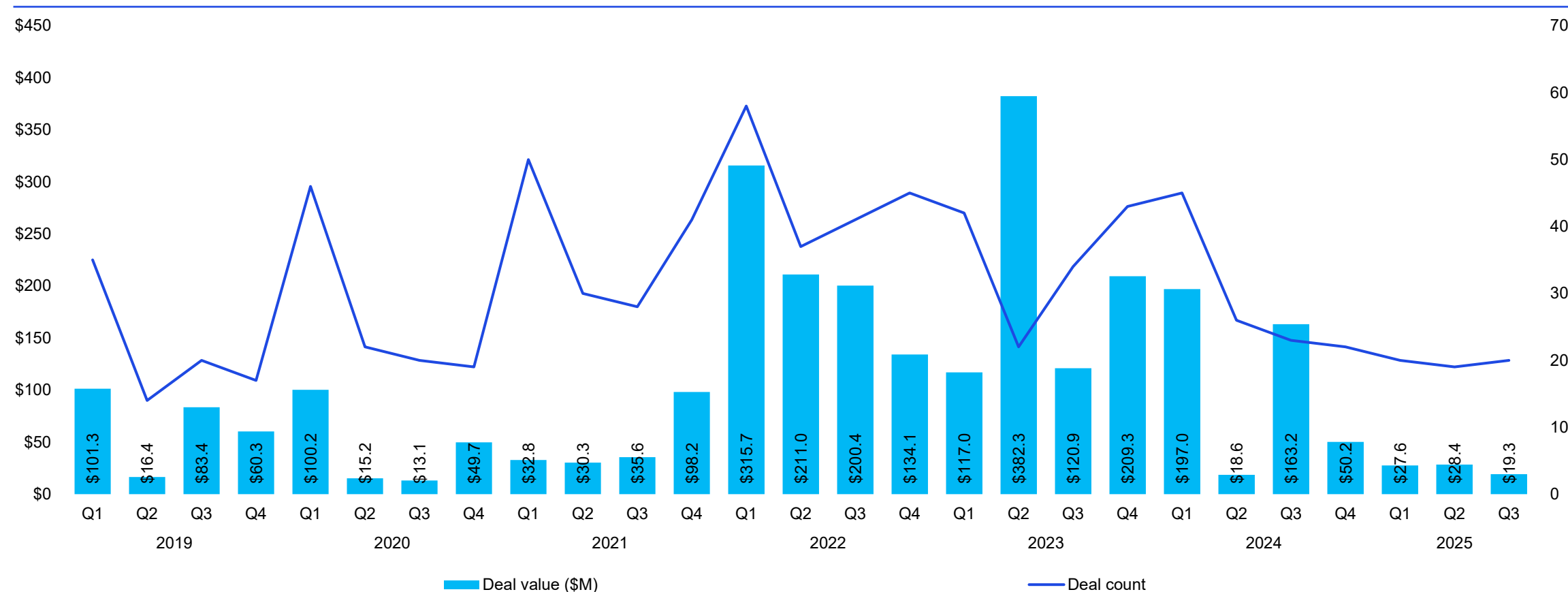


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

VC activity remains muted after resilience in 2022-2024

Venture financing in East Africa

2019–Q3'25



Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

**In Q3'25, VC-backed
companies in the
Asia region raised
\$16.8 billion across
2,310 deals**

VC investment remains soft in Asia despite improving IPO environment

VC investment in Asia remained subdued in Q3'25, constrained by ongoing geopolitical and trade tensions, uncertainty in China's macroeconomic environment, and the absence of major megadeals across the region. Total investment reached \$16.8 billion, only slightly above Q2 levels but still well below historic norms.

China accounted for roughly half of regional deal value, with \$8.4 billion invested, representing a modest rebound from the record-low seen in Q2. Nevertheless, Q3 marked one of China's weakest quarters in years, reflecting persistent caution among investors.

The largest deals in Asia during the quarter were concentrated in China, led by a \$462 million raise by FAW Bestune, followed by \$348 million for GLP and \$335 million for Galactic Energy. While notable, these rounds were far smaller than the multi-billion-dollar raises seen in other regions, highlighting the continued gap in scale between Asia and its global peers.

Deal volume remains subdued — except for D+ rounds

Deal volume in Asia has been quite subdued this year, with numbers well off pace of 2024's totals across most deal stages at the end of Q3'25. D+ deals were the exception, with deal volume well-positioned to see a modest increase year-over-year should trends continue through Q4'25, although average deal value was substantially lower. The increase in deal volume likely reflects the rapid maturation of startups in Asia—particularly in areas like AI and deeptech, and in jurisdictions like Japan, India, and Indonesia — and the growing number of companies raising later funding rounds.

At the same time, the decline in VC deal activity in China has likely brought down average deal sizes given the number of very large late-stage megadeals China has seen historically. It is likely that current D+ deal sizes also reflect startups taking a more realistic look at their funding requirements and raising only the amounts they need in order to better position their organizations to meet identified KPIs.

AI enablement and infrastructure high on the radar of VC investors across Asia

AI remained a central focus for VC investment in Asia during Q3'25, with China attracting the largest share of capital. The quarter's biggest raises included GLP (\$348 million), a data center infrastructure developer, and MiniMax AI (\$300 million), which specializes in text-to-video AI. In addition, smartphone-focused AI agent developer Z.ai secured \$139 million, underscoring the diversity of AI applications gaining traction in China.

In Japan, AI deal activity also accelerated across a range of use cases. Notable rounds included T2 (\$33 million), focused on autonomous driving systems; and Terass (\$21 million), a real estate enablement platform. Japan is increasingly positioning itself as a hub for AI and deeptech innovation, supported by government initiatives aimed at boosting domestic semiconductor production and other critical infrastructure needed to sustain growth in these industries.

Together, these developments illustrate that AI continues to anchor VC activity in Asia, with China driving large-scale capital deployment and Japan emerging as a strategic center for innovation in AI and deeptech.

IPO exits in Asia well ahead of 2024 results

IPO exit activity in Asia has gained meaningful traction in 2025, with total value by the end of Q3 already surpassing the full-year 2024 figure and on pace to exceed 2023's results as well. Much of this momentum has been driven by Hong Kong (SAR), China, which has seen a diverse mix of listings in recent months across sectors including industrials, consumer, health and life sciences, energy and resources, and financial services.

Japan has also recorded solid IPO activity during Q3'25, though rising interest rates and stricter listing requirements have tempered enthusiasm among startups considering this route. As a result, a growing number of Japanese startups have begun to prioritize M&A exits as a more attractive alternative.

VC investment remains soft in Asia despite improving IPO environment, cont'd.

Overall, the strength of Hong Kong (SAR), China's IPO pipeline and Japan's shifting dynamics underscore that while public markets in Asia are showing renewed vitality, exit pathways remain highly market-and policy-dependent across the region.

VC investors in China steering away from chasing unicorns

VC investment in China remained quite soft in Q3'25, driven in part by geopolitical tensions, a challenging economic environment, and ongoing challenges in China's real estate sector. The declining size of VC deals likely also reflects VC investors in China shifting their strategic focus away from chasing individual unicorn companies. Given the current market climate, many have turned their attention towards supporting a breadth of companies — particularly in the quickly evolving AI space — in order to spread their risk around.

India sees VC investment slow amid uncertain geopolitical environment

VC investment in India remained slow in Q3'25, driven in large part by global geopolitical uncertainties and significant trade tensions with the US. While interest in India remains high, VC investors have found it difficult to predict what might happen day-to-day, leading them to hold back from making any major funding decisions. The largest deal of the quarter in India was a \$140 million raise by consumer goods delivery focused company Mitra.

Despite the soft VC investment in Q3'25, there continued to be optimism in the market given the growth in startup exit activity — particularly in terms of IPO exits. During the quarter, IPO activity was quite strong compared to previous quarters; for example, rent-a-service company Urban Company held a very successful IPO on the Mumbai National Stock Exchange, with shares rising 74% in first day trading.¹⁰

¹⁰ <https://www.msn.com/en-us/money/savingandinvesting/indias-urban-company-soars-74-in-trading-debut-hits-about-3-billion-valuation>

Japan VC market: Cautious but CVC keeps momentum alive

In Q3'25, VC investment in Japan slipped slightly to \$1.3B from \$1.6B in Q2 as investors stayed cautious amid trade tensions, political uncertainty, and high interest rates. The new U.S.–Japan trade deal, with its 15% baseline tariff, is expected to challenge hardtech startups like robotics and semiconductors, while having less impact on AI, biotech, and domestically focused firms.

Most of the funding still came from corporate venture capital (CVC), which remains a steady force. Investors largely steered clear of mega-deals and instead leaned into early-stage bets, especially on startups with strong domestic markets or diversified global strategies.

Standout raises this quarter included Newmo (¥17.9B), and Terra Charge (¥10.4B). Hot sectors continue to be AI, healthcare, energy, space, and mobility, though polarization is clear: proven companies and large VC funds are thriving, while smaller funds and weaker startups face bigger hurdles.

Fintech gaining steam again in Hong Kong (SAR), China

After two quiet years, the fintech sector in Hong Kong (SAR), China began to gain steam in Q3'25 — driven in part by the government's ongoing commitment to making Hong Kong a major international fintech hub and more recent aim to become a digital assets hub. This has included the Hong Kong Monetary Authority working diligently to support next generation financial infrastructure for cryptocurrency platforms, Web3, and blockchain-based solutions.

VC investment remains soft in Asia despite improving IPO environment, cont'd.



Trends to watch for in Q4'25

Heading into Q4'25, VC investment in Asia will likely remain subdued, particularly in China where economic recovery is expected to take some time. AI and deeptech will likely remain a top priority for investors across the region, in addition to areas like health and biotech.

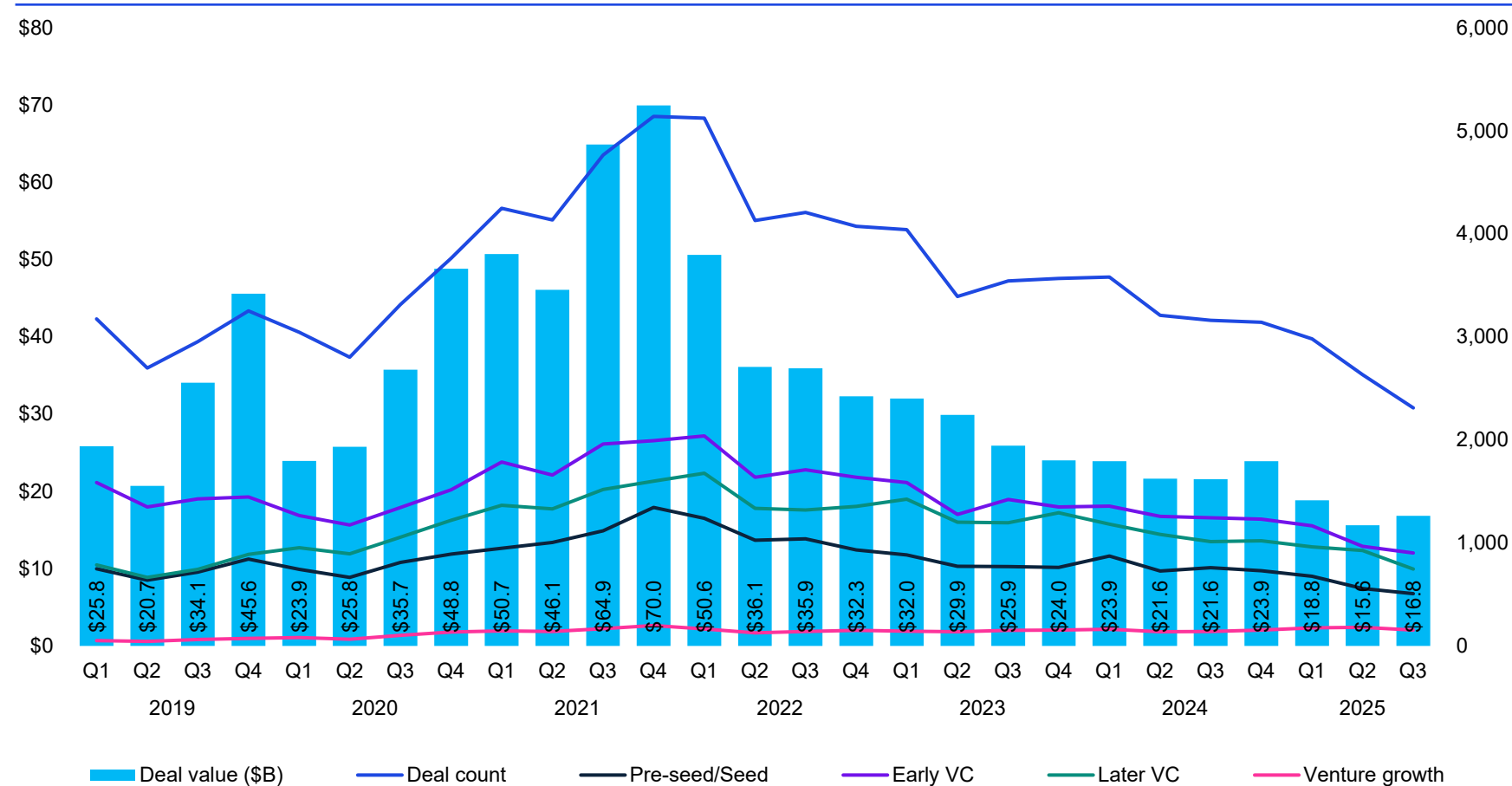
Given India's strong macros and vibrant capital market should trade uncertainties be resolved, there is good optimism that VC investment will begin to rebound. Further IPO activity is also expected over the next few quarters in India.

In Japan, M&A will likely be the primary exit route over traditional IPOs over the next few quarters. There will likely also be an increase in acquisitions between startups as companies look to grow. Strategic corporate investments — particularly in areas like semiconductors, energy, mobility, and healthcare — will be a key area to watch over the next quarter.

VC activity evens out at a muted level

Venture financing in Asia

2019–Q3'25



Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

“We’re actually seeing increased activity in the market, largely driven by the recent boost in the Hong Kong stock market. Both companies and investors are showing greater optimism around exit opportunities over the next year. Interestingly, deal activity is not limited to hard tech anymore, we’re also seeing momentum across more traditional sectors such as consumer and manufacturing.”

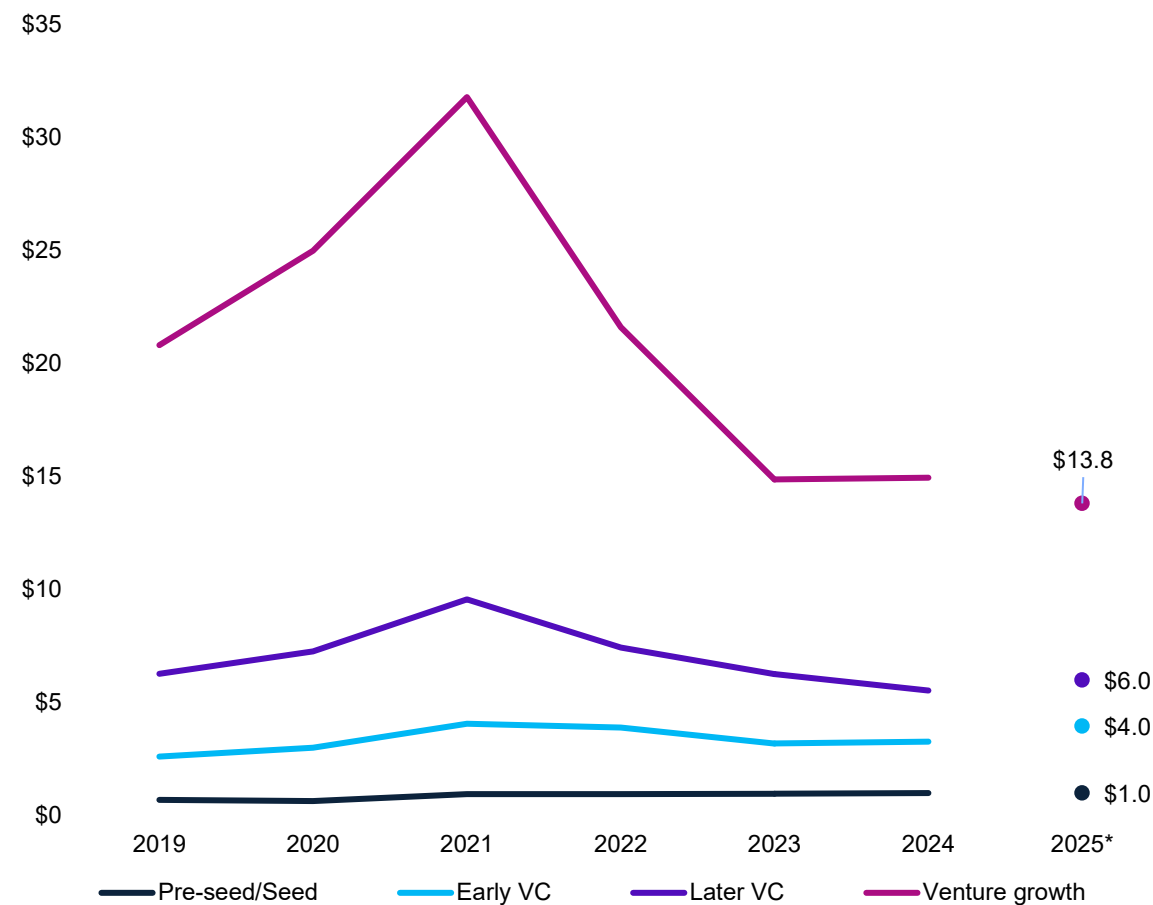


Zoe Shi
Partner
KPMG China

Down rounds continue at a similar clip

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

2019–2025*

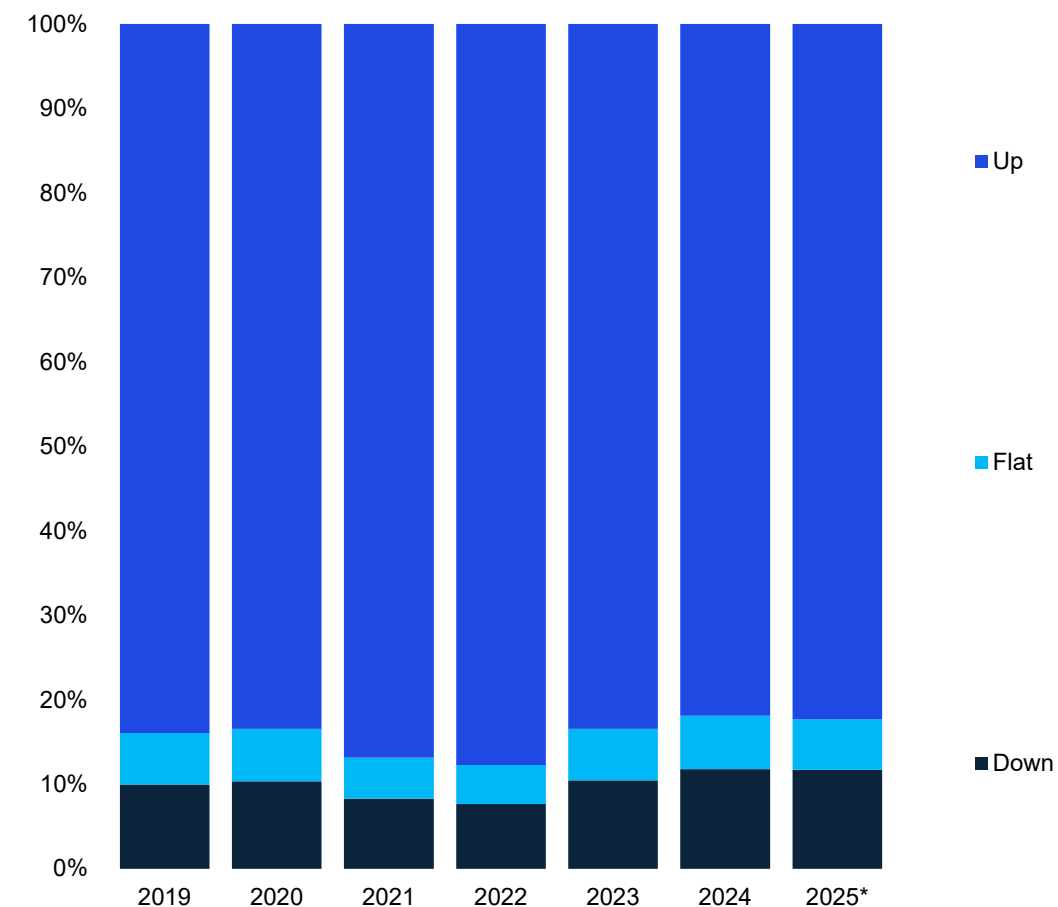


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

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

Up, flat or down rounds in Asia

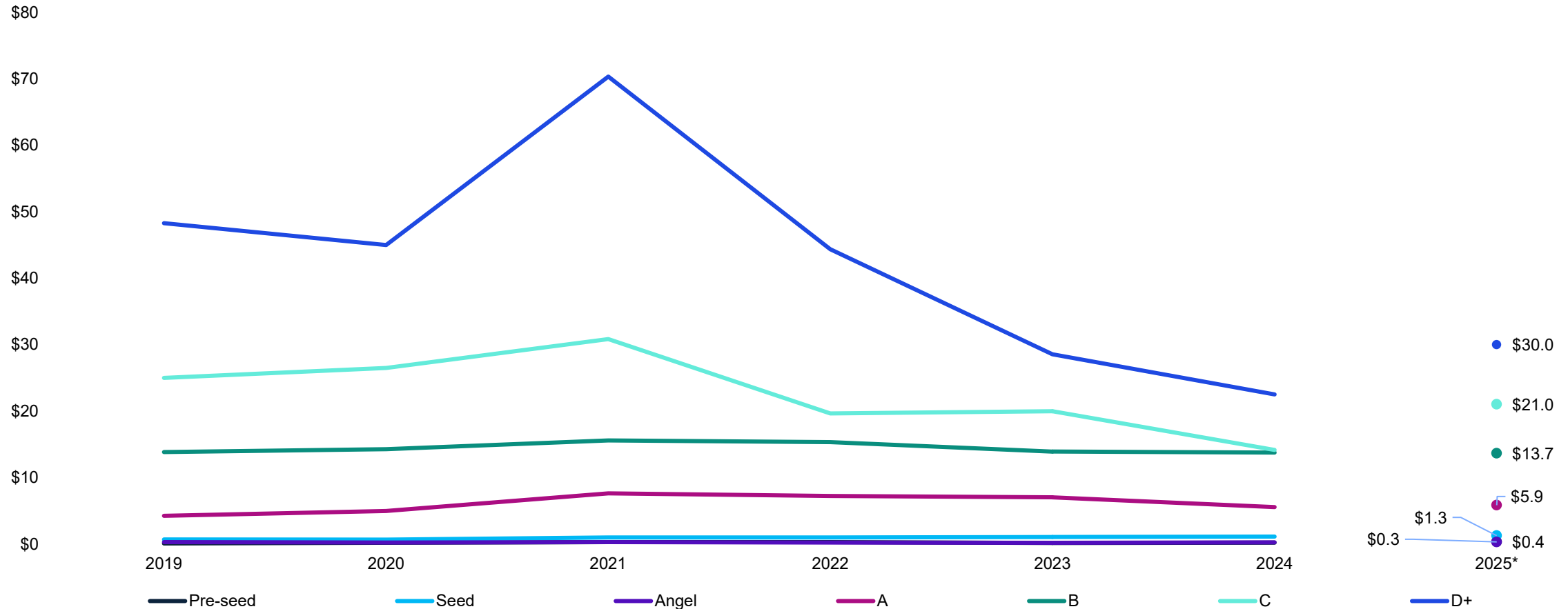
2019–2025*



Financing metrics hold steady or recover somewhat

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

2019–2025*

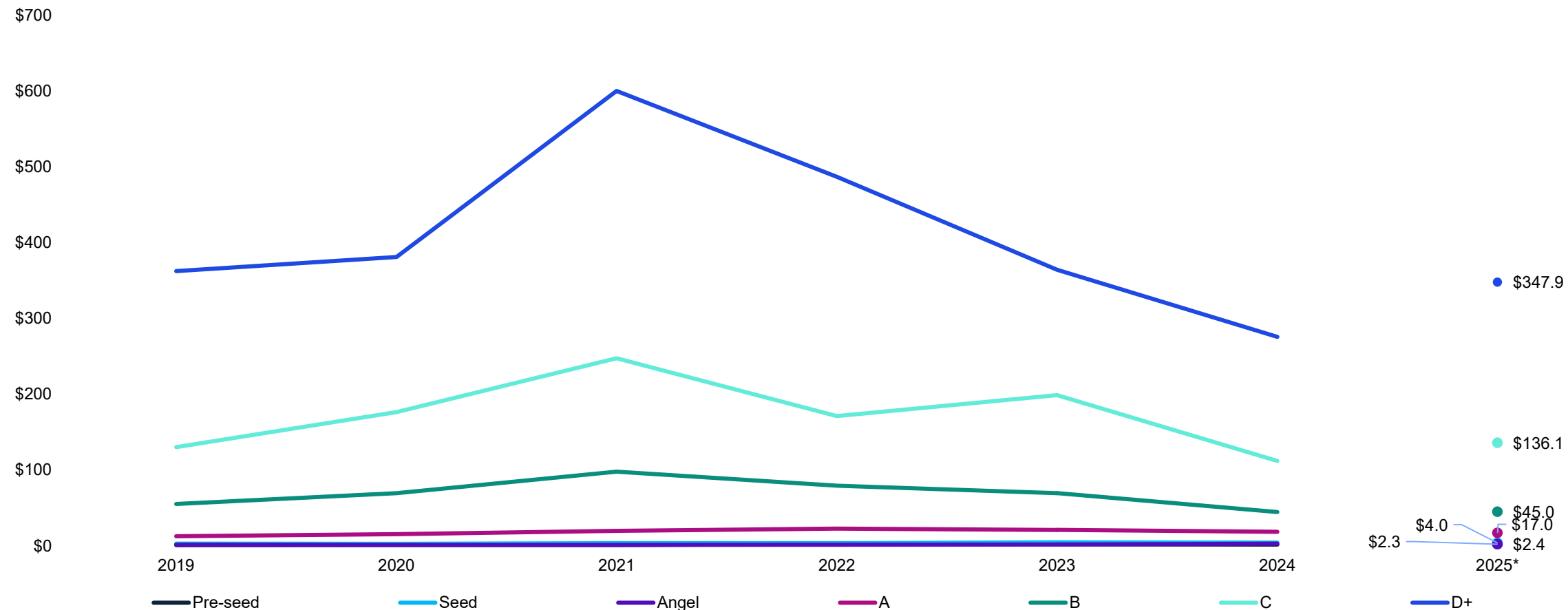


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Valuations tick up

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

2019–2025*



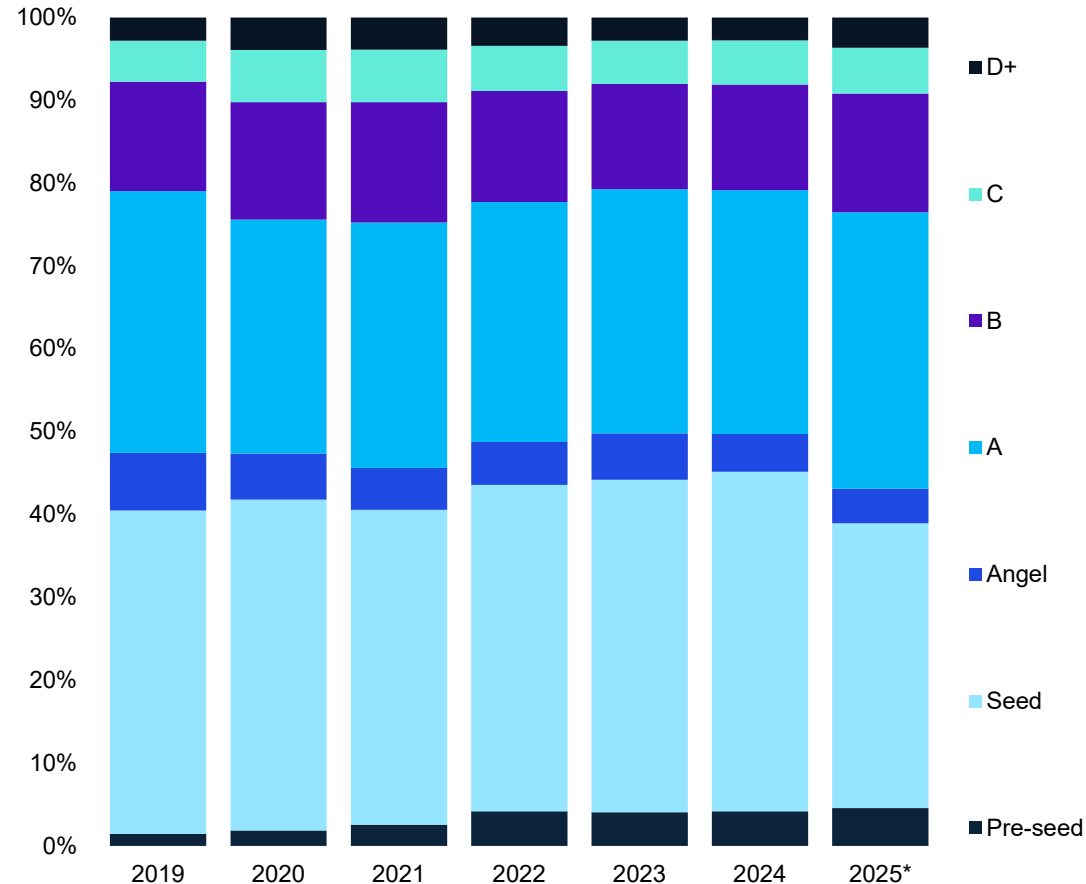
Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Note: The 2025* pre-seed figure is based on population sizes < 30.

Midstage rounds gain in share of deal count

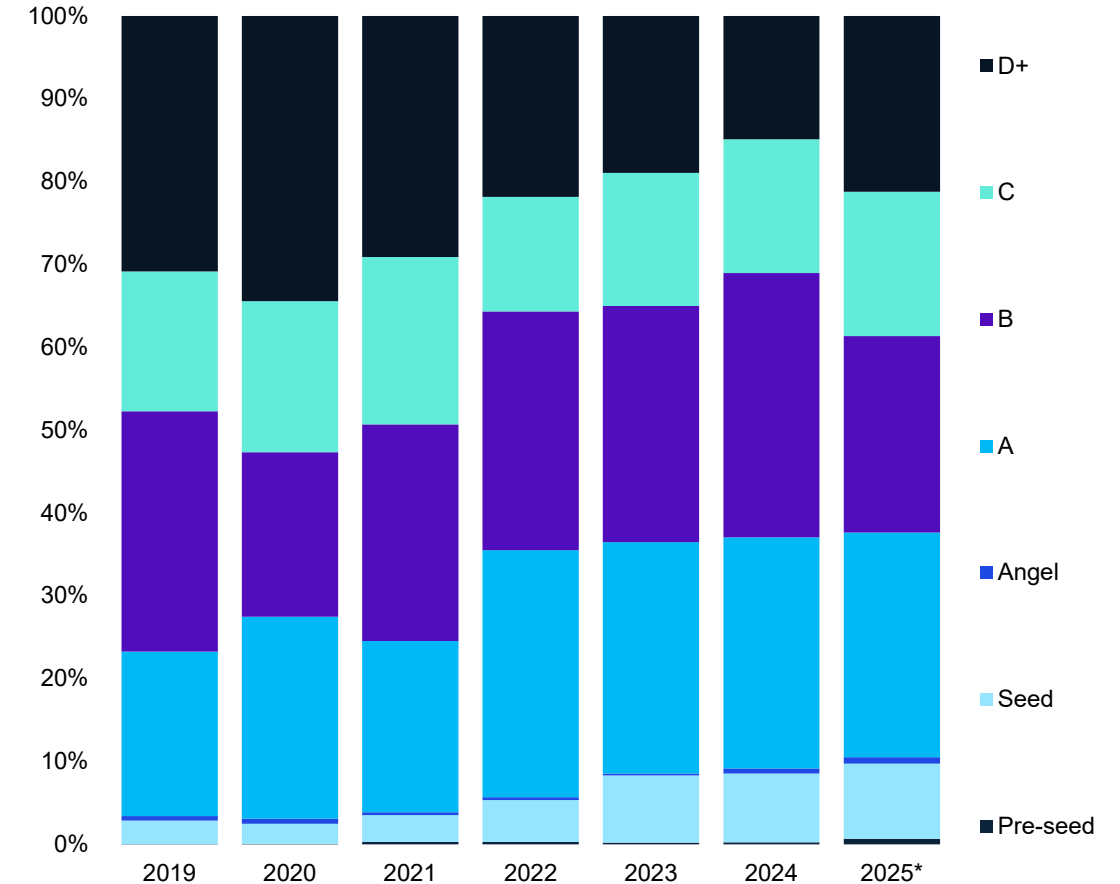
Deal share by series in Asia

2019–2025*, number of closed deals



Deal share by series in Asia

2019–2025*, VC invested (\$B)

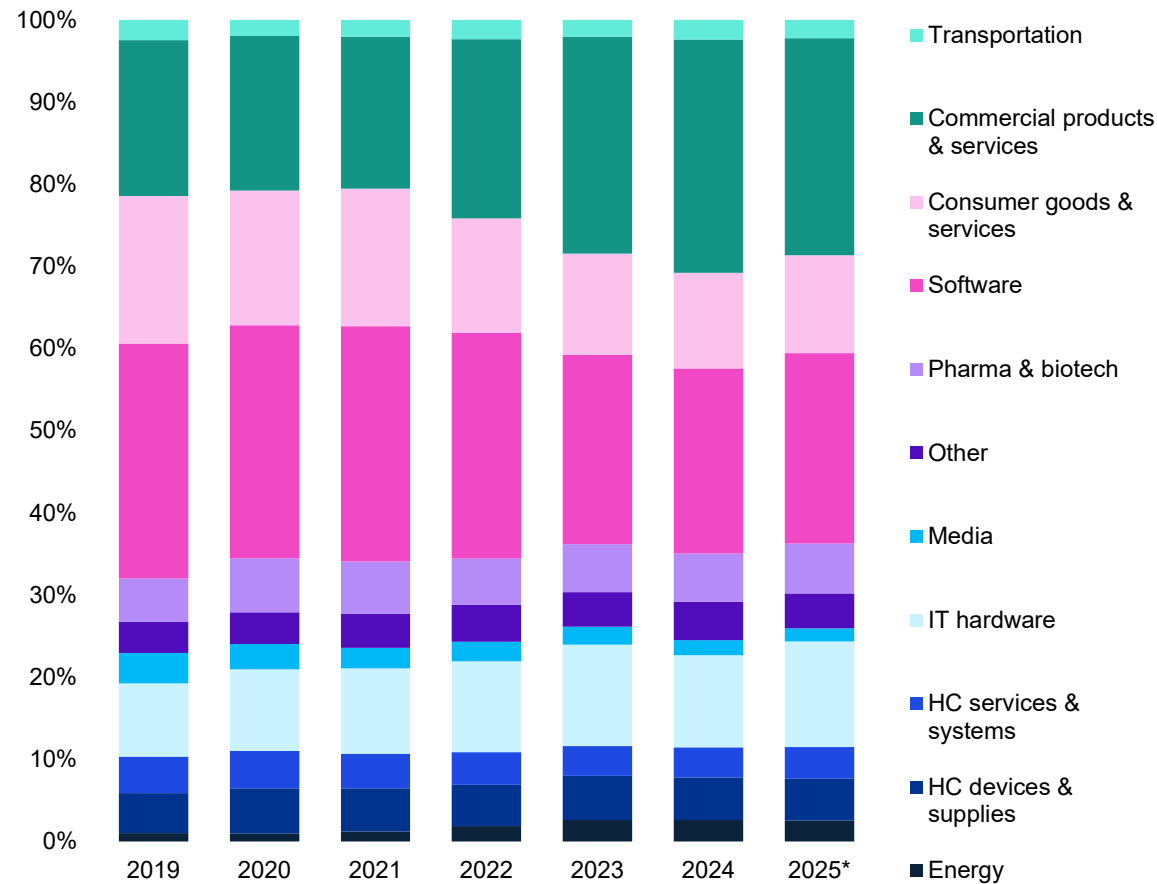


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

IT hardware surges in VC invested

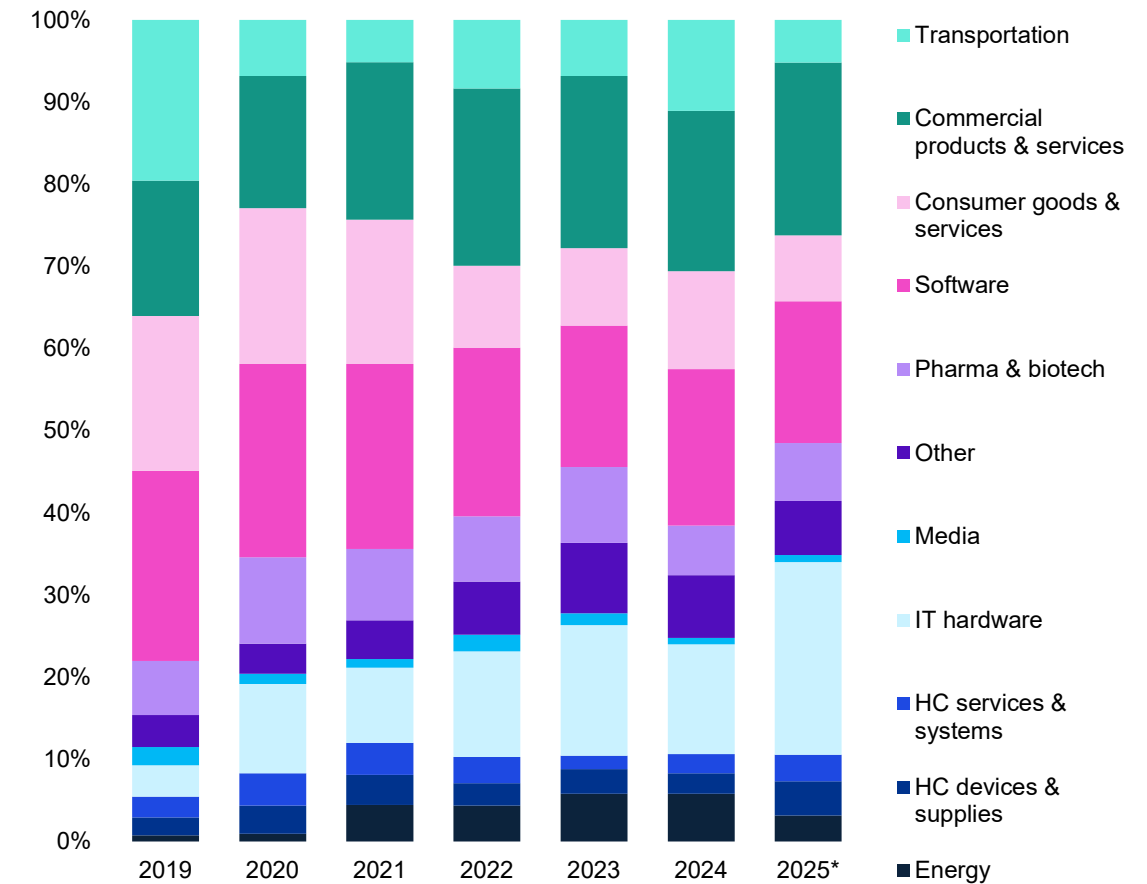
Venture financings by sector in Asia

2019–2025*, number of closed deals



Venture financings by sector in Asia

2019–2025*, VC invested (\$B)

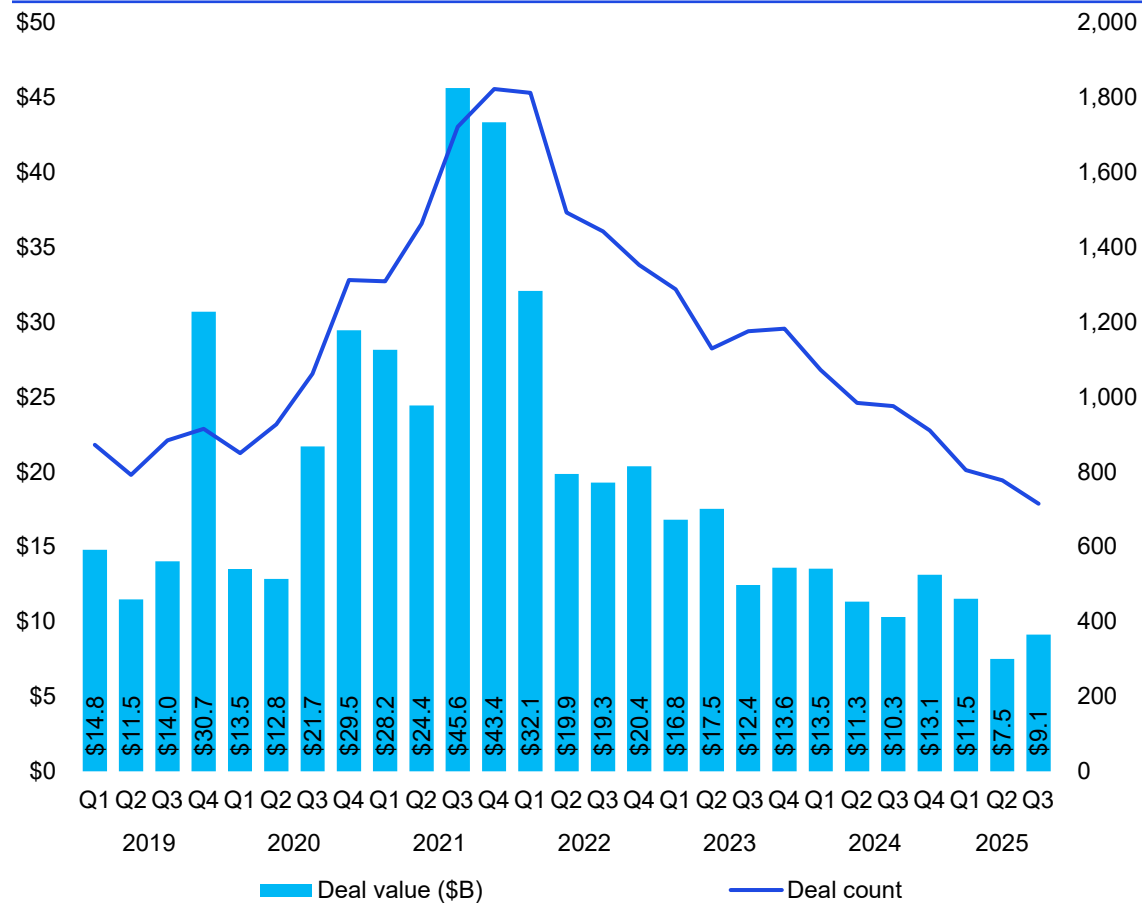


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

First-time financings make up some ground

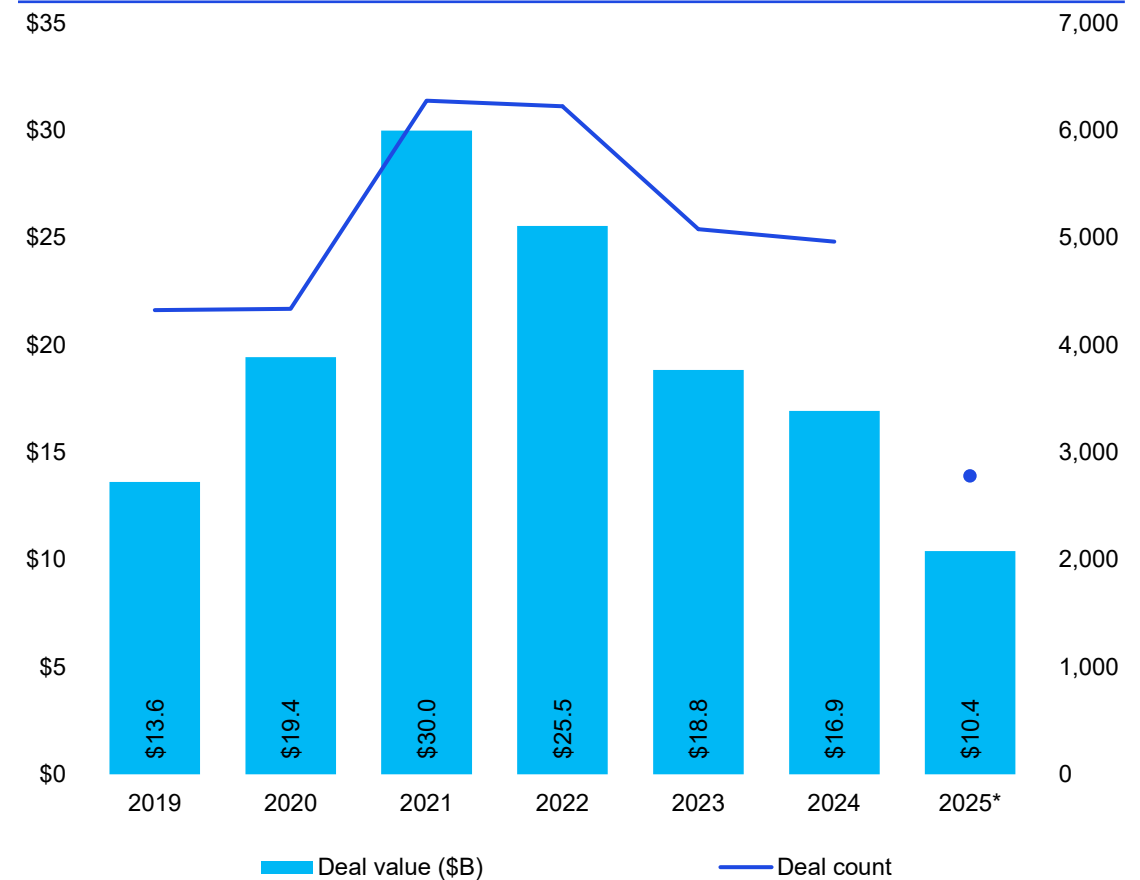
Corporate participation in venture deals in Asia

2019–Q3'25



First-time venture financings of companies in Asia

2019–2025*

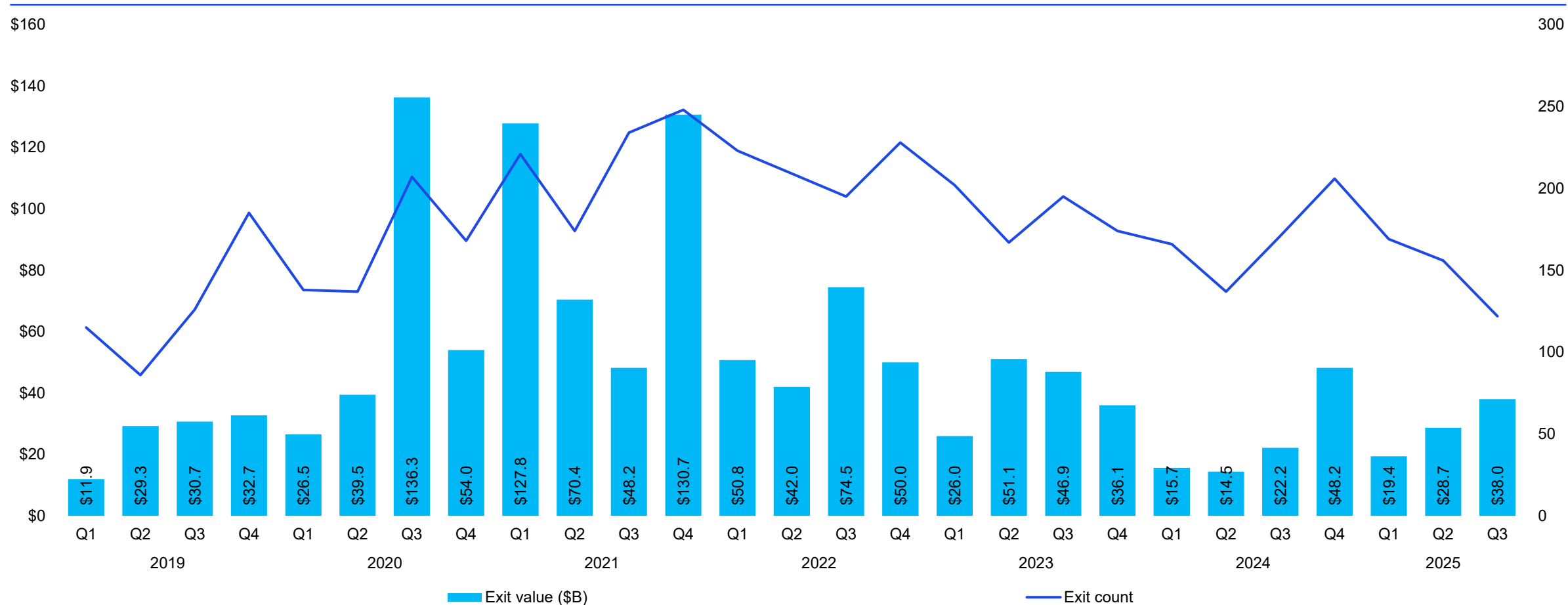


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Exits tick up to a relatively healthy sum

Venture-backed exit activity in Asia

2019–Q3'25

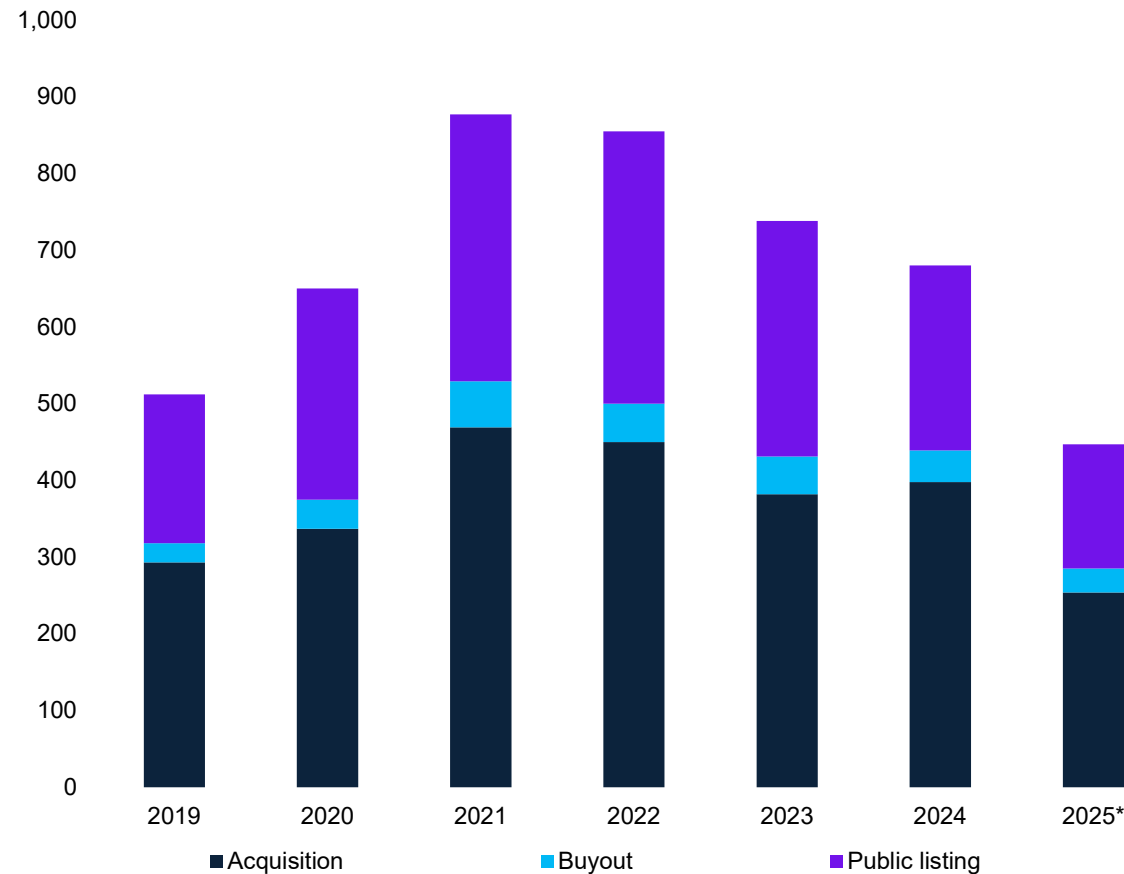


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Public listings could rebound over 2024 tallies

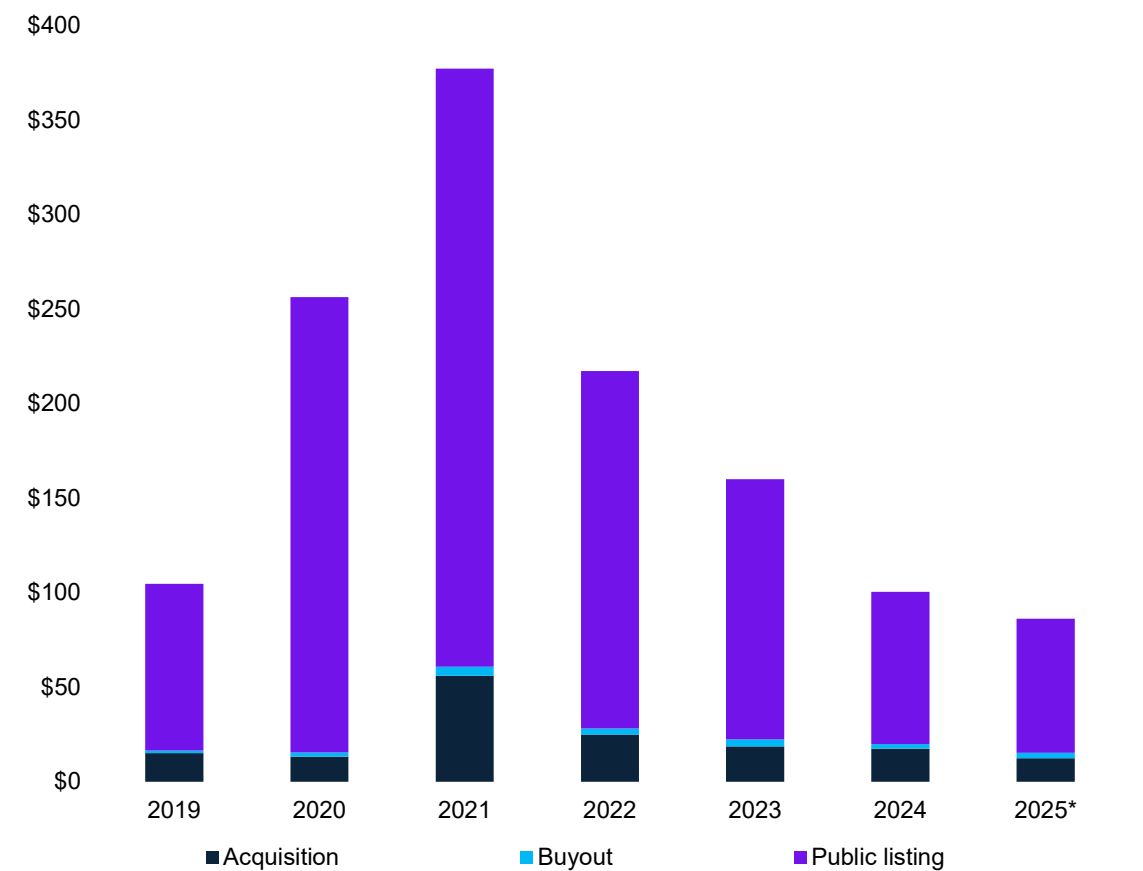
Venture-backed exit activity (#) by type in Asia

2019–2025*



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

2019–2025*

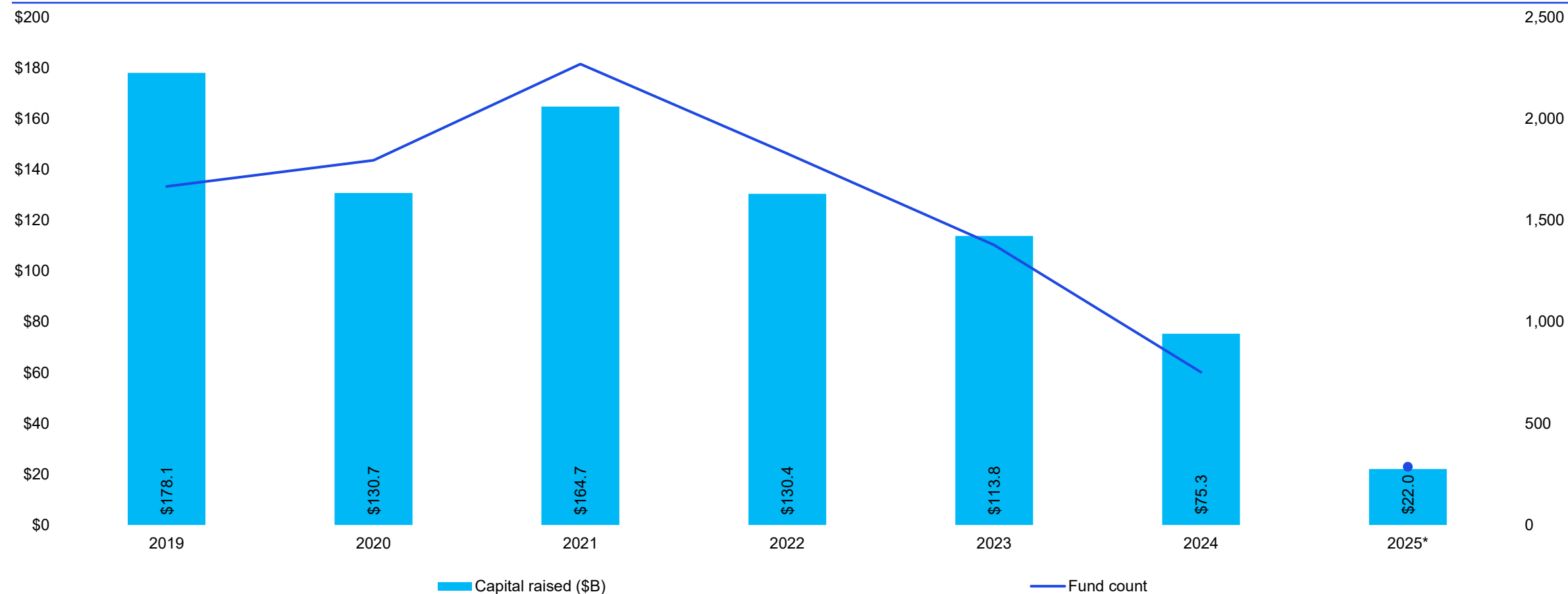


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Fundraising set for a historic low

Venture fundraising in Asia

2019–2025*

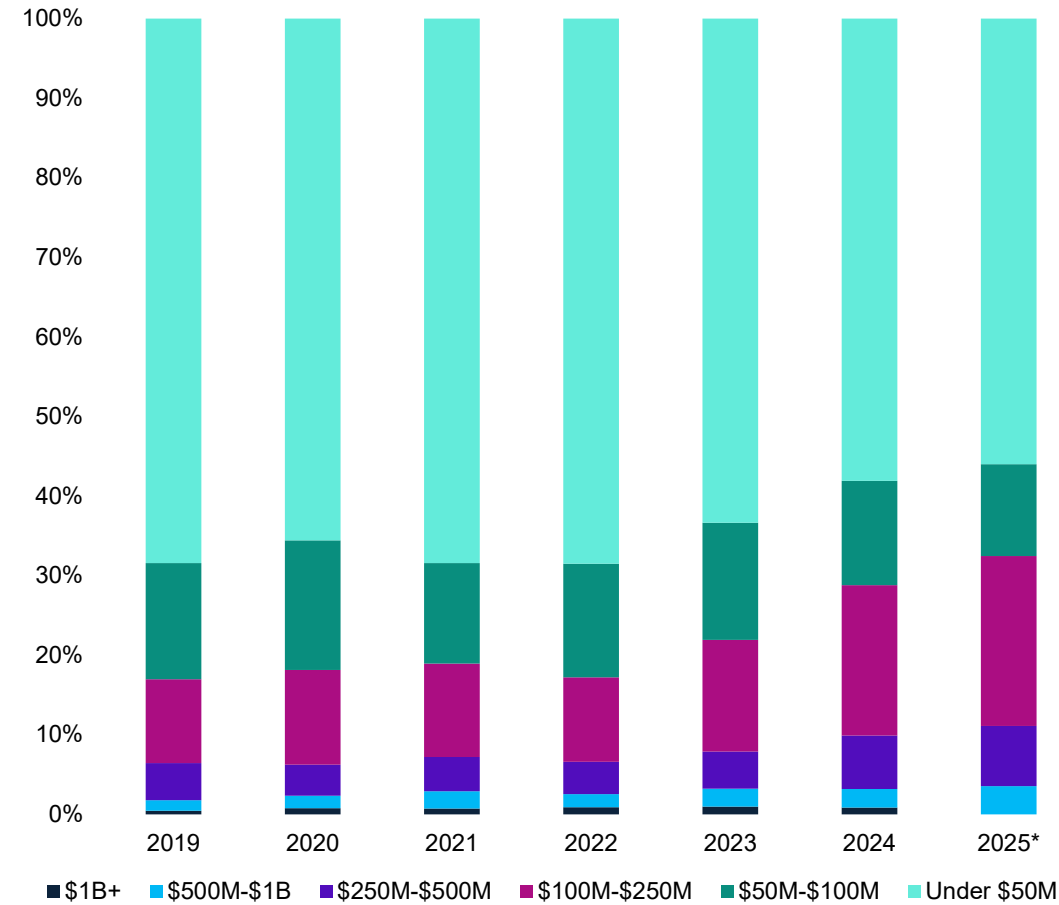


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

Midsized funds account for bulk of closings

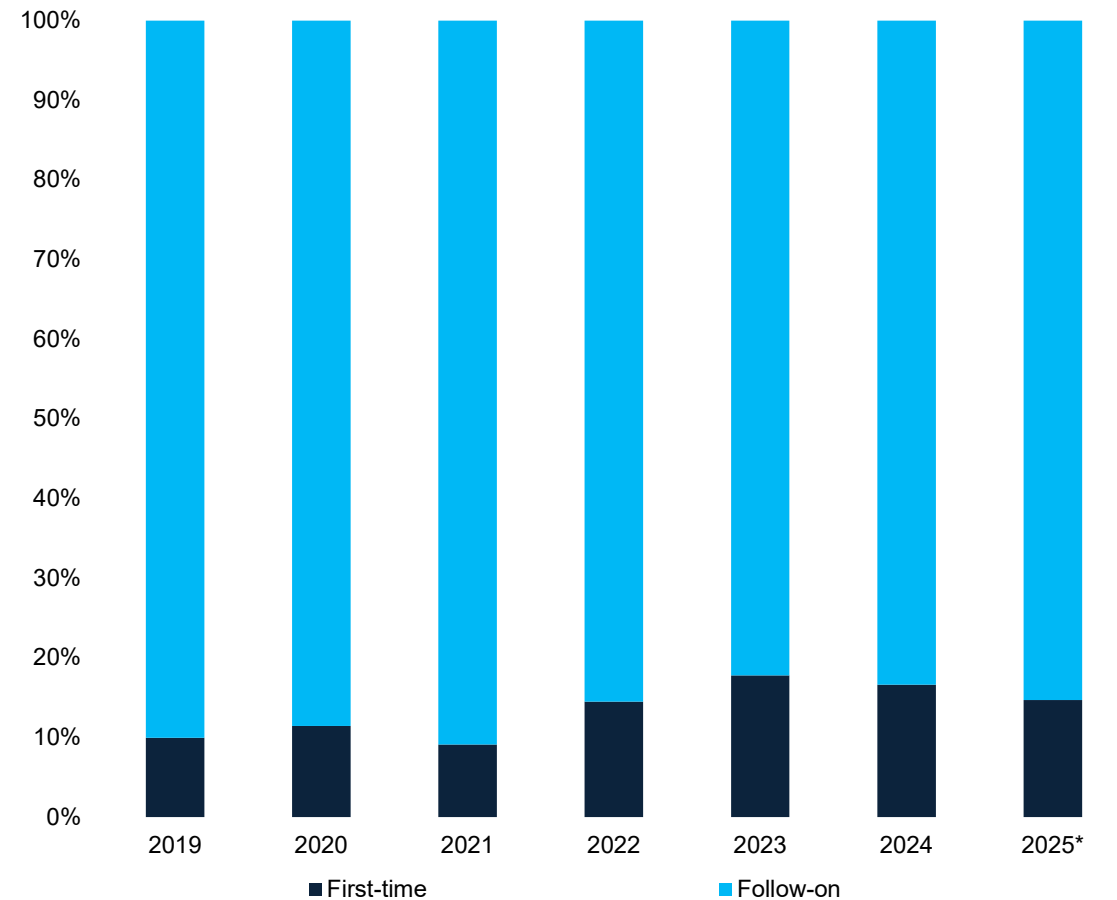
Venture fundraising (#) by size in Asia

2019–2025*



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

2019–2025*

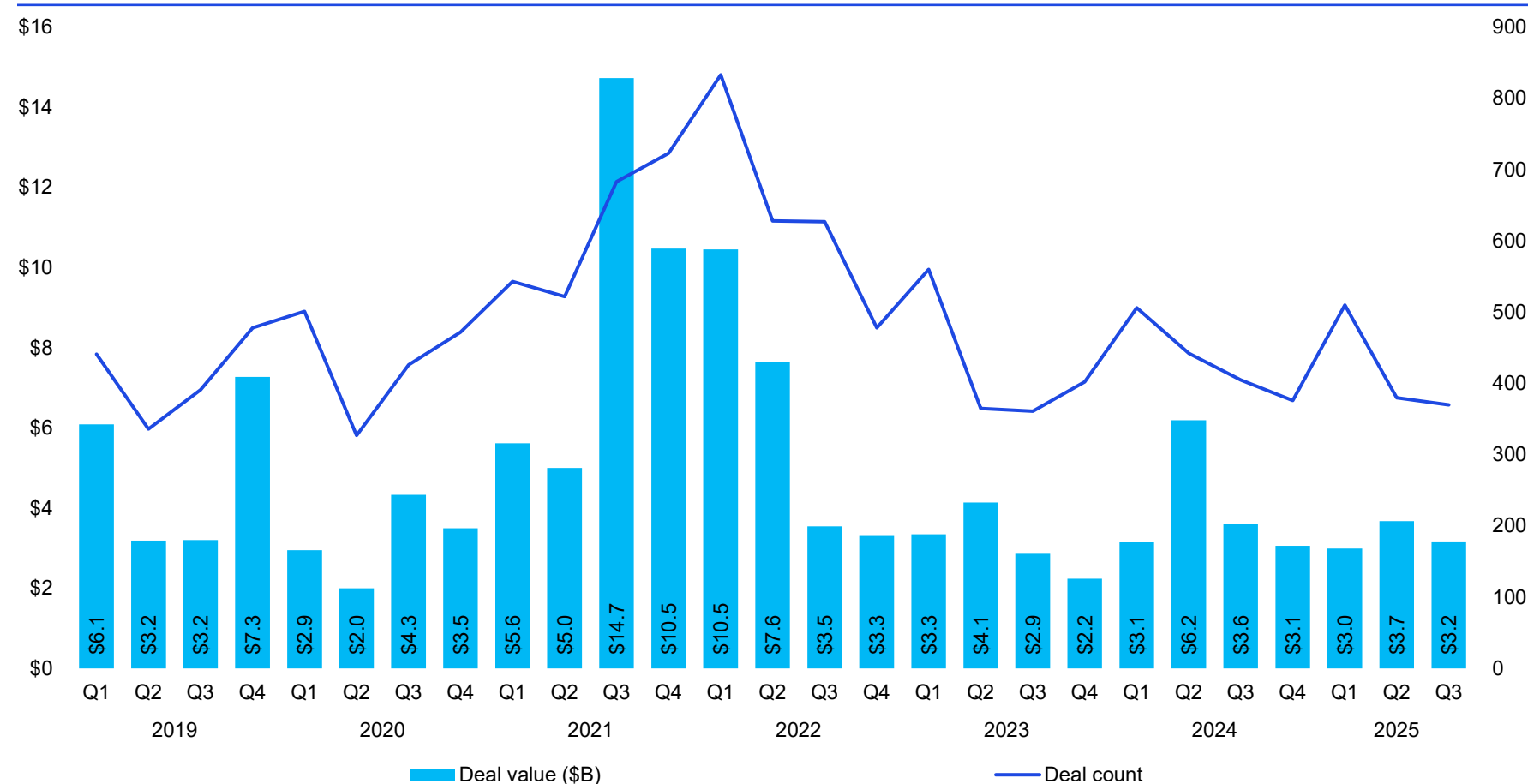


Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

India maintains a consistent pace in financing value & volume

Venture financing in India

2019–Q3'25



Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

“ VC investment results in India this quarter were driven by the speed bump that was the US tariffs, but people expect that by the end of November that will settle. And macros are still strong, the capital markets are still vibrant, and a lot of capital has been raised that will need to get deployed — so funding should increase as uncertainties calm. But investors are going to be focused heavily on path to profitability and cash flows because without those you won't get a capital market exit. ”

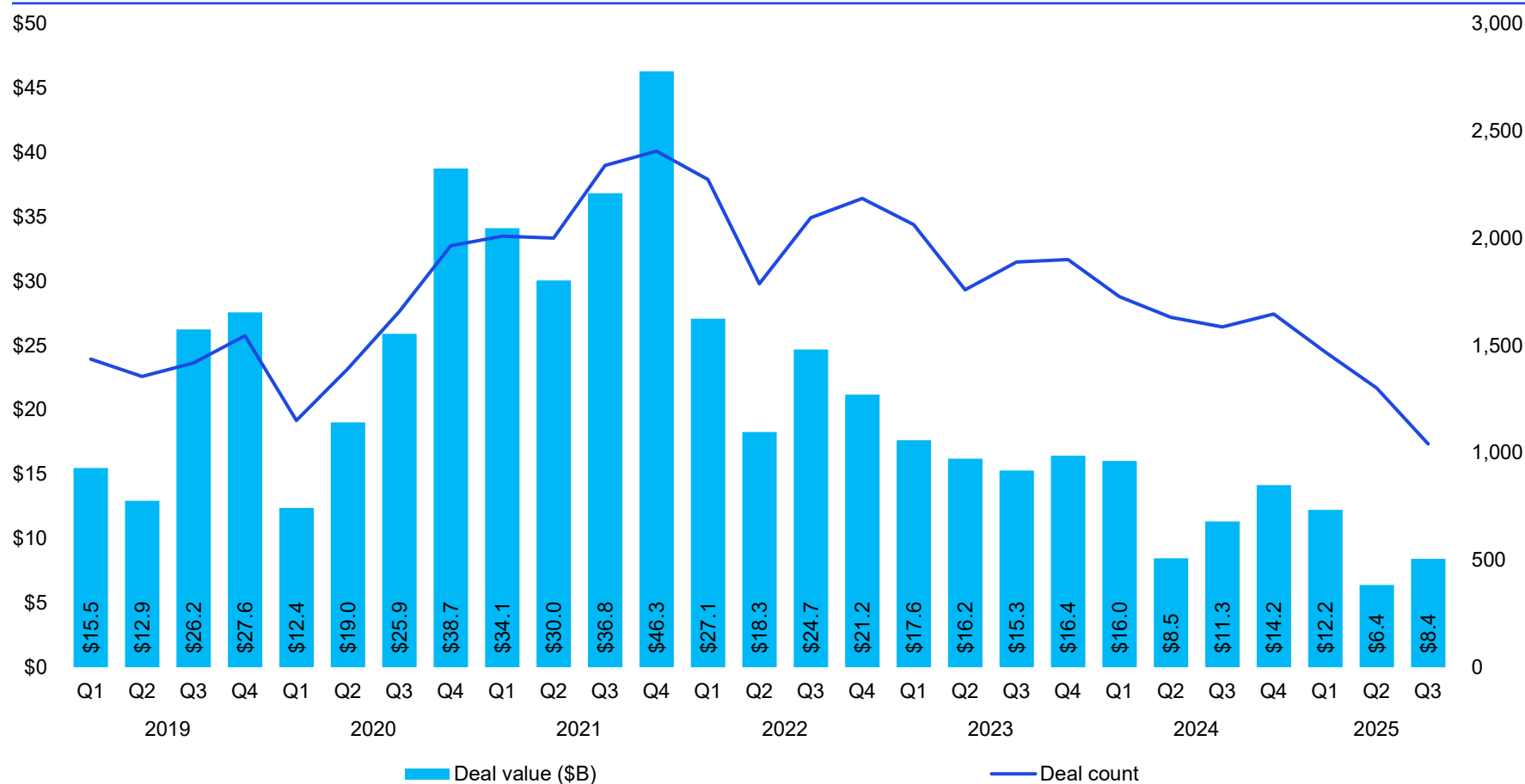


Nitish Poddar
Partner and National
Leader, Private
Equity
KPMG in India

VC activity continues to slide, overall

Venture financing in China

2019–Q3'25



Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

“ Hong Kong (SAR), China’s IPO market continues to demonstrate considerable strength, propelled by an influx of Chinese companies seeking alternatives to mainland exchanges. Numerous biotech and technology firms are opting for Hong Kong (SAR), China due to its appealing and accessible capital market opportunities. Consequently, the city has solidified its position as a vital exit strategy for China’s emerging cohort of growth-oriented enterprises. ”

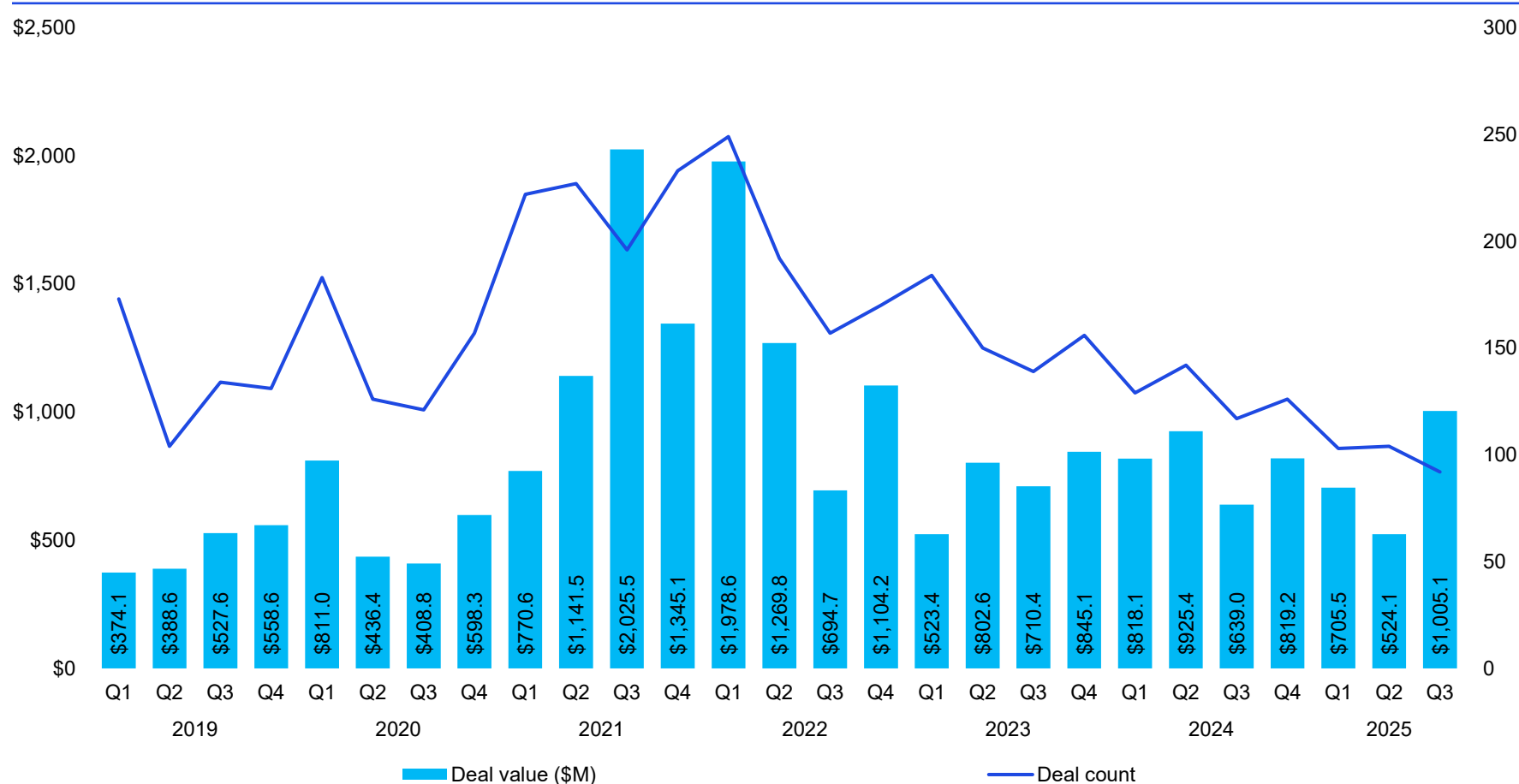


Angela Chiu
Director
KPMG China

A spike in deal value due to an outlier deal

Venture financing in Australia

2019–Q3'25



Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

“ There has been a jump in Australian startup investment over the third quarter, with the total amount invested exceeding US\$1bn for the first time since 2022. This has been driven by Firmus' US\$220 mil raise alongside several AI-related startups securing funding rounds. In line with the global trend, the number of deals continued to fall - indicating an overall trend of fewer but larger funding rounds in Australia. Expect to see more of the same as VCs look to close out capital deployment for 2025. ”

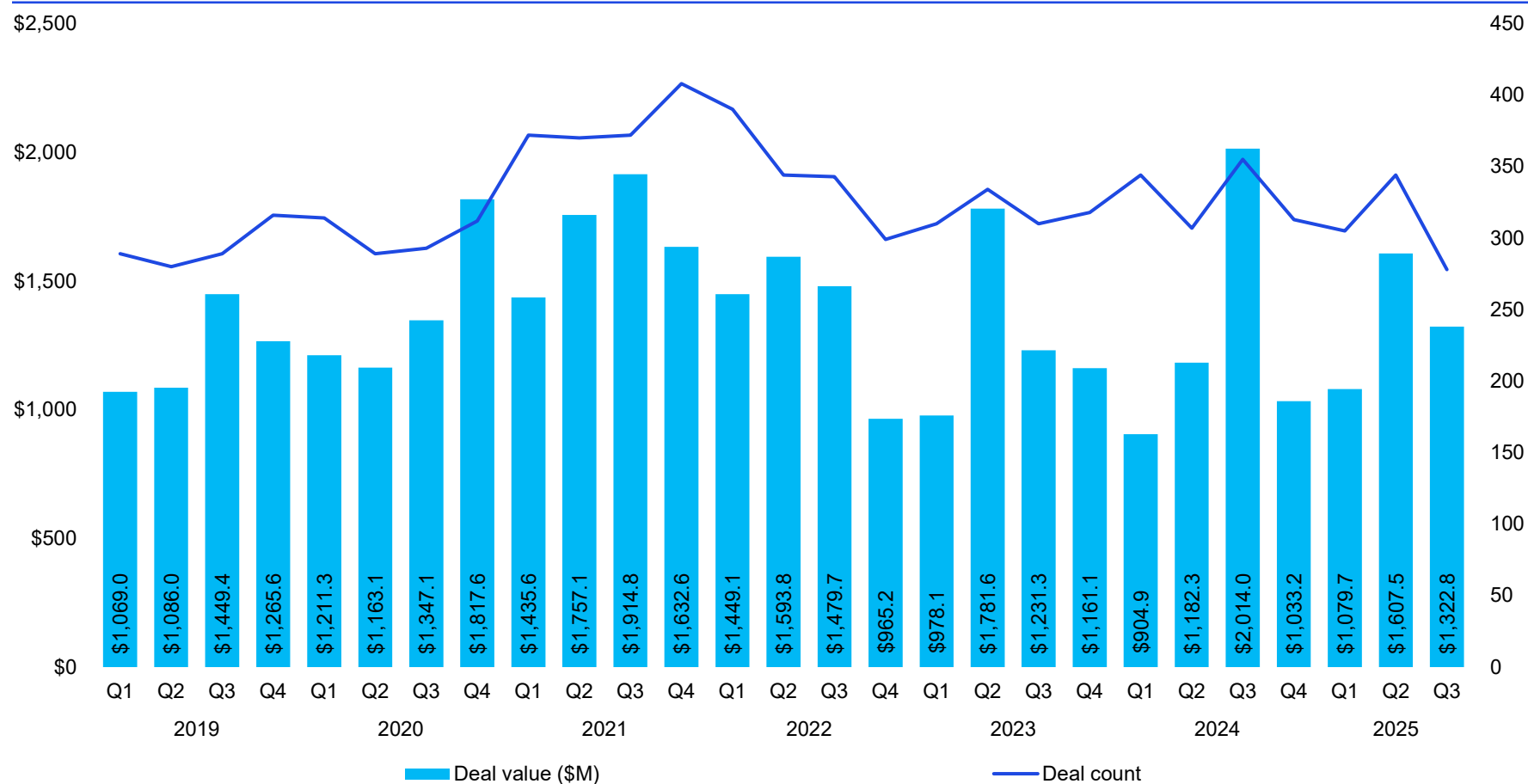


Amanda Price
Partner & Head of
KPMG High Growth
Ventures
KPMG Australia

VC financing levels remain healthy in Japan

Venture financing in Japan

2019–Q3'25



Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

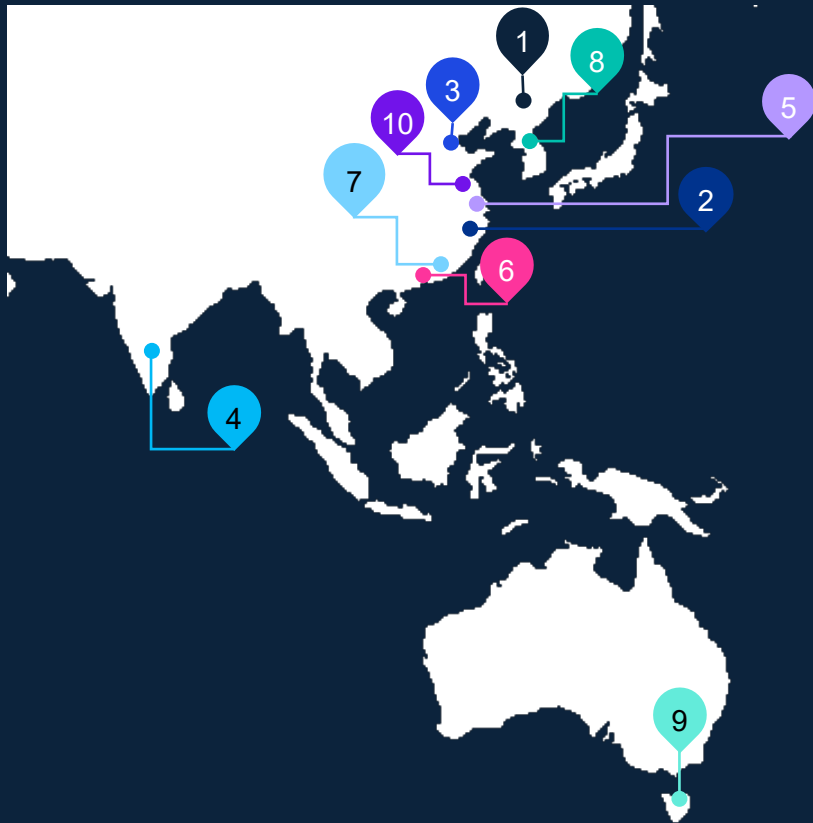
“Overall startup funding in Japan has remained relatively steady year over year. However, while companies with strong track records continue to attract capital, the gap between them and others is widening as investors grow more cautious about large funding rounds. Early-stage investment has begun to recover somewhat, with many investors adopting a strategy of engaging early with promising startups while carefully managing risk.”



Hiroshi Abe
Executive Board
Member,
Partner
KPMG in Japan

AI, defense & manufacturing draw top financings

Top 10 financings in Q3'25 in Asia-Pacific



1. **FAW Bestune** — \$462M, Changchun, China — Advanced manufacturing — *Early-stage VC*
2. **GLP** — \$348.1M, Zhejiang province, China — Data centers — *Early-stage VC*
3. **Galactic Energy** — \$334.9M, Beijing, China — Defensetech — *Series D*
4. **Porter** — \$310M, Bengaluru, India — Logistics — *Series F*
5. **MiniMax AI** — \$300M, Shanghai, China — AI & ML — *Early-stage VC*
6. **Runhui** — \$256.05M, Foshan, China — Systems software — *Early-stage VC*
7. **Xpeng Aeroht** — \$250M, Guangzhou, China — Defensetech — *Series B*
8. **Rebellions** — \$244M, Seongnam, South Korea — AI & ML — *Series C*
9. **Firmus** — \$220M, Launceston, Australia — AI & ML — *Late-stage VC*
10. **Suzhou XiZ-Tech** — \$208.9M, Suzhou, China — Semiconductors — *Series C*

Source: Venture Pulse, Q3'25, Global Analysis of Venture Funding, KPMG Private Enterprise.

*As of September 30, 2025. Data provided by PitchBook, October 15, 2025.

KPMG Private Enterprise Emerging Giants network

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



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About KPMG Private Enterprise

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

About the report

Acknowledgements

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- **Guillermo Goñi**, Partner, KPMG in Mexico
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- **Ryan Forster**, Partner, KPMG in Canada
- **Sam Luckett**, Head of Investor Relations, KPMG Acceleris, KPMG in the UK
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- **Scott Burger**, Partner, KPMG in the US
- **Shivani Sopory**, Partner, KPMG in the US
- **Stefan Kimmel**, Partner, KPMG in Germany
- **Zoe Shi**, Partner, KPMG China

About the report

Methodology

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

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

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

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