



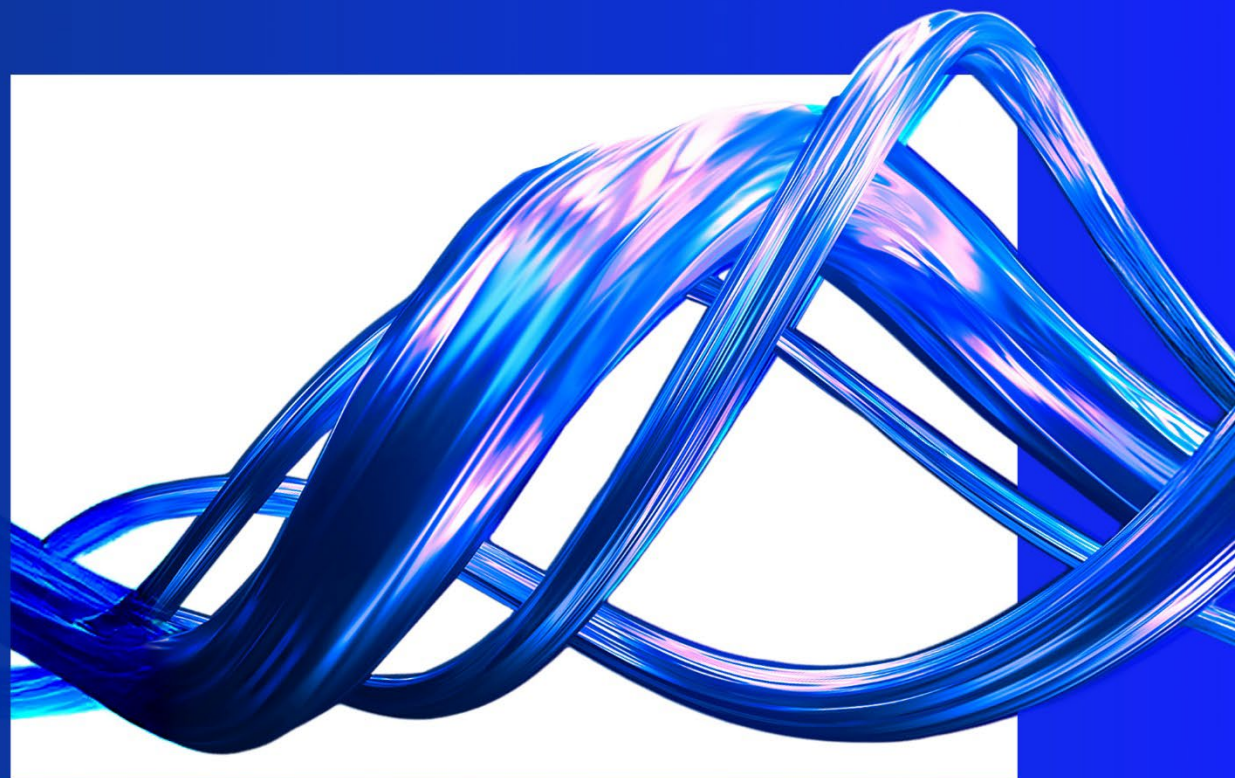
Venture Pulse

Q4 2025

Global analysis of venture funding

KPMG. Make the Difference.

January 19, 2026



Welcome message

Welcome to the Q4'25 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.

2025 was a complicated year for the VC market globally. At the end of 2024, VC investors were quite optimistic for the future—an optimism that quickly evaporated amid geopolitical tensions, new and rapidly evolving US tariff policies, and growing uncertainties around the value chains of companies across the globe. Despite these obstacles and significant road bumps along the way, total VC investment soared from \$391.9 billion in 2024 to over \$512 billion in 2025.

Global VC investment reached its third-highest level on record, trailing only the peak seen in 2021, driven largely by rising interest and capital deployment in AI. While Q3'25 saw the largest VC funding round ever — a \$40 billion raise by US-based Open AI — there was no slowdown in AI interest in Q4'25. Eight AI companies in the US raised more than \$32 billion combined, led by LLM company Anthropic (\$15 billion) and the Prometheus Project, a US-based startup focused on AI for manufacturing that raised \$6.2 billion right out the gate. AI also garnered large investments in other jurisdictions, such as the \$578 million raise by France-based Brevo, the \$541 million raise by Australia-based Firmus Technologies and the \$300 million raise by Germany's Black Forest Labs.

The Americas, driven largely by activity in the US, accounted for the lion's share of VC investment during Q4'25. Europe came a distant second, with the level of VC investment holding relatively steady quarter-over-quarter. In Asia, VC investment remained subdued, driven by the continued softness of China's VC market. India, Japan and Australia all saw VC investment rise quarter-over-quarter.

Looking forward to 2026, there is cautious optimism that both global M&A and IPO exits will increase significantly; if this proves true, it should help drive a renewal in VC investment at earlier deal stages and spark a fresh wave of fundraising activity over subsequent quarters. AI is expected to remain the biggest ticket for VC investment globally.

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

- The strengthening level of VC investment, despite soft deal volume
- The ongoing surge in AI-focused VC investment
- The continued vibrancy of the defense tech and fintech sectors
- The growing expectation for exits heading into 2026

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.

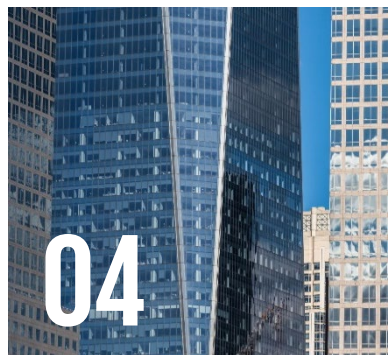


Conor Moore

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 January 19, 2026, and is subject to change.

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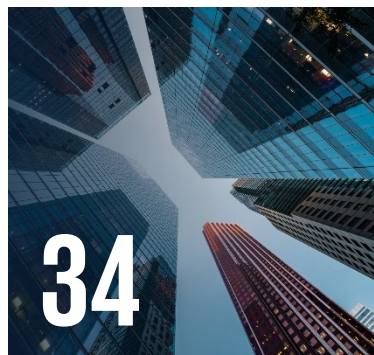
Global

- VC investment totaled \$138.1 billion across 7,981 deals
- 2025 marked a strong recovery year for global VC activity
- Corporate VC delivered another strong quarter
- Fundraising declined to its slowest pace in a decade
- The US accounted for 10 of the world's 11 largest deals



US

- VC deal value posts a solid \$91.15 billion across 3,378 deals
- AI continues to attract massive deals
- Median deal size increases across all stages
- First-time financings reach new heights
- Exits continue steady climb
- LPs focus on mid-sized funds



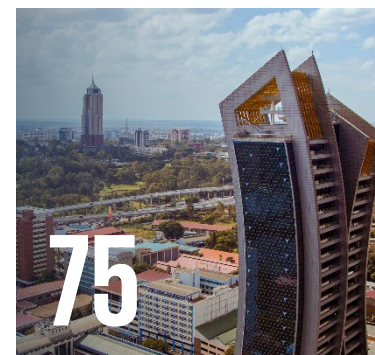
Americas

- VC-backed companies raise \$95.1 billion across 3,724 deals
- Valuations rebounded to levels last seen in 2021
- AI keeps driving late-stage valuations up
- Canadian deal value surpasses \$2 billion for second consecutive quarter
- Mexico posts strong quarter powered by outlier deals
- 8 of top 10 deals go to AI companies



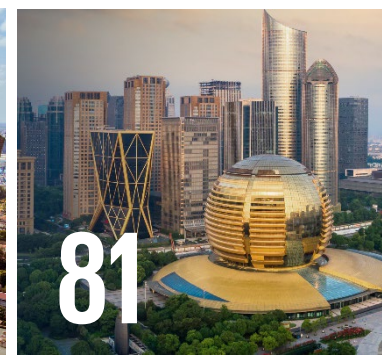
Europe

- VC investment rises slightly reaching \$21.1 billion across 1,652 deals
- Deal sizes continue to climb across all stages
- Fundraising by VCs remains sluggish
- Exit value edges past 2025 levels
- UK sees strongest second half in years
- Top 10 deals spread among 7 countries



Africa

- After surges of VC invested in H1 2025, a quieter H2 2025
- Payments remain at the center of VC activity
- Climate and Agtech continue to emerge as next growth frontiers



Asia

- VC investment remains muted at \$21.4 billion across 2,474 deals
- Valuations edge higher year-over-year
- VC investment in IT hardware surges
- First-time venture financings drop year-over-year
- Exits tick up for strong finish to 2025
- Japan finishes the year strong
- Chinese companies attract 5 or 10 largest deals

Globally, **in Q4'25**
VC-backed companies
raised \$138.1 billion
across 7,981 deals

Global VC market sees strong end to 2025

The global venture capital market closed the year with strong momentum, as Q4'25 investment reached \$138 billion — the highest level in 14 quarters — pushing annual VC investment from \$391.9 billion in 2024 to more than \$500 billion in 2025. This increase occurred despite a sharp decline in deal activity, underscoring a market increasingly driven by fewer, larger transactions. Year-over-year growth in VC investment was fueled almost entirely by surging capital deployment into AI-focused companies.

Americas drives VC investment amid ongoing AI surge; Europe attracts \$3 billion VC round

The Americas attracted a near record level of VC investment during 2025 — accounting for the largest share of global deal value by a large margin. During Q4'25, the Americas continued to see robust VC investment. Investment was particularly strong in the US, which attracted nine of the ten largest VC deals seen globally during the quarter, including a \$15 billion raise by Anthropic and a \$6.2 billion raise by Project Prometheus.

Comparatively, venture capital investment in Europe increased modestly year over year, rising from \$81.4 billion in 2024 to \$85.3 billion in 2025. Q4 investment remained relatively robust by historical standards, with a \$3 billion raise by UK-based Revolut contributing meaningfully to the quarter's total.

Overall VC activity across Asia remained subdued in Q4'25, reflecting continued weakness in China. In contrast, several markets delivered strong quarters, including India, Australia and Singapore. Japan stood out as the clear regional outperformer, posting a strong quarter in both deal volume and deal value, reaching \$1.9 billion invested across 320 deals.

The largest funding rounds in the region during the quarter included an \$867 million raise by China-based DeepBlue Auto, a \$600 million raise by India-based PhonePe, a \$600 million raise by China-based Neolix Technologies, and a \$541 million raise by Australia-based Firmus Technologies.

AI sees unparalleled levels of VC investment in 2025 — Q4'25 no exception

Globally, AI was an incredibly hot sector for VC investment throughout 2025, attracting a record-level of funding by a large margin. Q4'25 was no exception. During the quarter, eight AI-focused companies in the US raised \$1 billion+ funding rounds. In addition to the large raises by Anthropic and Project Prometheus, Anysphere raised \$2.3 billion, Reflection AI raised \$2 billion, Polymarket raised \$2 billion, Lambda raised \$1.5 billion, and Crusoe raised \$1.4 billion.

AI also attracted numerous investments across other jurisdictions, if at smaller deal sizes. In Asia, Australia's Firmus Technologies raised \$541 million, China-based Didi Autonomous Driving raised \$280 million, and Japan-based Mujin raised \$235 million. In Europe, France-based Brevo raised \$578 million, Germany-based Black Forest Labs raised \$300 million, and UK-based Synthesia raised \$200 million.

The diversity of AI investments globally highlights the rapid evolution and expansion of the AI space as increasing numbers of startups work to transform industries and day-to-day activities using AI. Investment trends have evolved nearly as rapidly, with VC investors shifting away from broad-based investments. Investors are increasingly focusing on backing proven AI innovators and businesses with not only transformative business models, but defensible ones that cannot easily be replaced by the next AI startup coming down the pipe. Particular areas of investment during Q4'25 included areas like data centers and other AI infrastructure, small language models, robotics, and niche vertical solutions.

Global VC market sees strong end to 2025, cont'd.

Improving M&A and IPO exit environment bodes well for 2026

Over the course of 2025, the exit environment for VC-backed companies started to unlock after a lengthy drought. It was a particularly good year for M&A globally. While M&A deal volume remained somewhat subdued, global M&A deal value grew quite substantively year-over-year. Corporates were particularly active across regions as the enormous pressure to innovate to stay relevant drove them to prioritize buying innovation capabilities over focusing on internal innovation.

The global IPO exit environment improved over the course of the year, although not to the levels anticipated entering Q4'24. After showing signs of reopening earlier in the year, IPO activity stalled somewhat in Q4 as a result of the US government shutdown, contributing to continued softness in overall IPO volumes.

Despite this, IPO exit values increased in several key markets, including the United States, Hong Kong, China (SAR), and India, reflecting a selective but improving exit landscape. Looking ahead to 2026, IPO activity is expected to continue its gradual recovery — particularly in the US — as market conditions stabilize. In parallel, secondary transactions and special purpose vehicles remained heavily utilized across all jurisdictions, a trend expected to persist well into 2026.

Interest and investment in defense tech growing quickly

Defense tech continued to gain steam with VC investors globally in 2025, attracting a record high level of funding by a significant margin. Drone related companies saw the largest share of VC investment during the year, although areas like satellites, cybersecurity, defense solutions for the protection of critical infrastructure, and dual use solutions also garnered interest from investors. Given ongoing geopolitical tensions and conflicts and several jurisdictions investing in their defense capabilities and infrastructure, the defense tech space is well positioned to see further growth heading into 2026.

Global corporate venture capital (CVC) investment climbs to second-highest level despite continued slowdown in deals volume

Global CVC investment was exceptionally strong in 2025, reaching \$286.9 billion — the second-highest level on record — despite a notable decline in deal volume. The growth was driven largely by record-breaking CVC investment in the US, where corporates poured capital into AI firms and AI infrastructure. Corporates globally also continued to make CVC investments as part of their desire to accelerate innovation to keep up with their competition and the demand of their stakeholders.



Trends to watch for in Q1'26

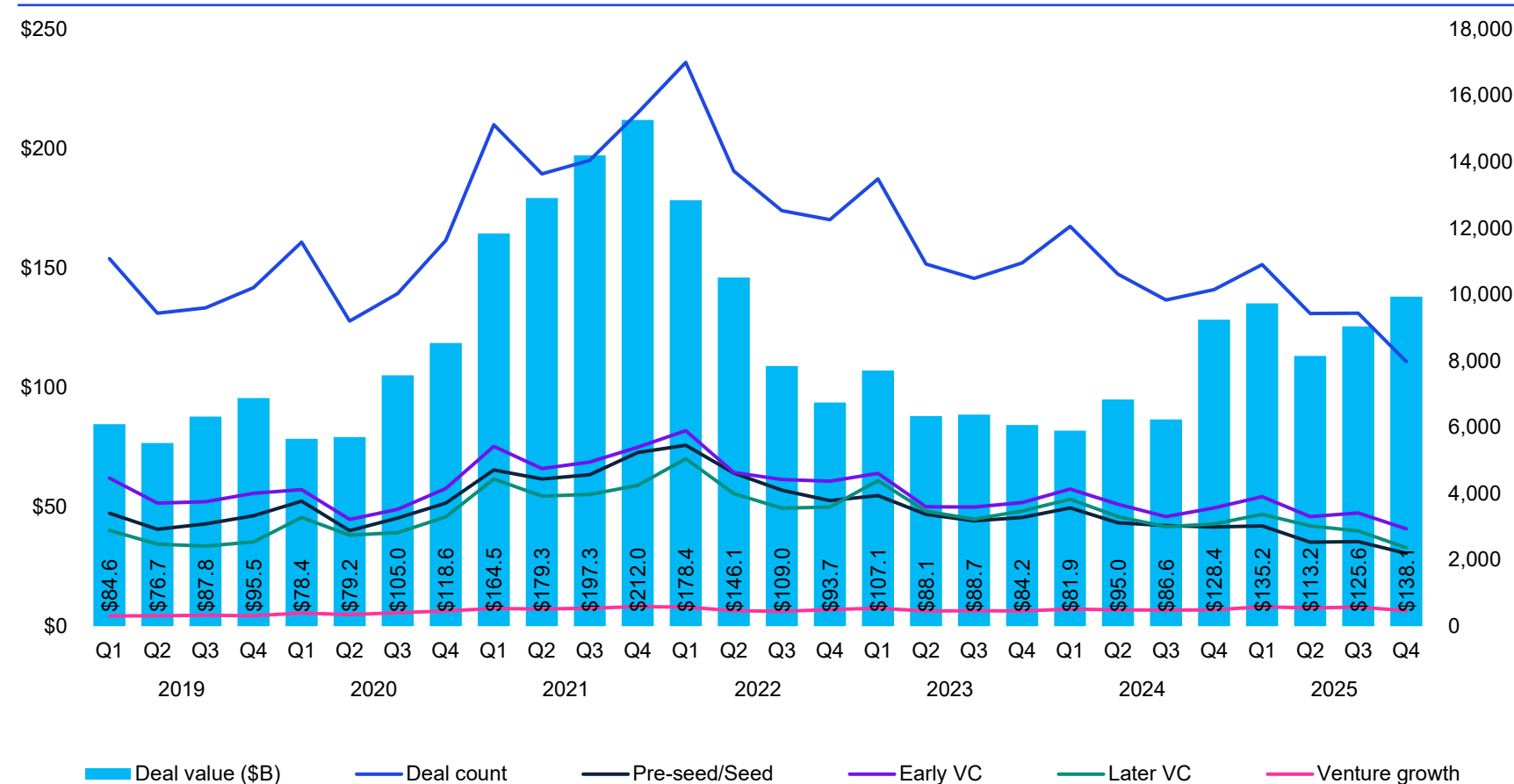
Heading into 2026, AI is expected to remain the hottest area of VC investment globally, with VC investors intensifying their focus on companies working to use AI to transform how businesses and industries operate.

Over the next few years, as AI is increasingly used to augment workforce capabilities, reduce entry-level work, and drive an upswell in organizational productivity, one sector to watch will be education. As organizations globally look to upskill their people so they can get the most out of their use AI tools and solutions — and look to create new pathways for young people to enter the workforce given the absence of positions that have been available historically - there could be a significant increase in interest in edtechs that have considered what the next generation of learning will look like.

2025 sees a strong VC recovery

Global venture financing

2019–Q4'25



Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

“The AI investment opportunity is arguably bigger than any other in history. We have seen record-breaking investment levels in 2025 and there is not a slowdown in sight. The trend in 2025 of a significant amount of investment being made in not just the LLM companies but also those developing real solutions, especially in the agentic space, is likely to accelerate even more in 2026.”



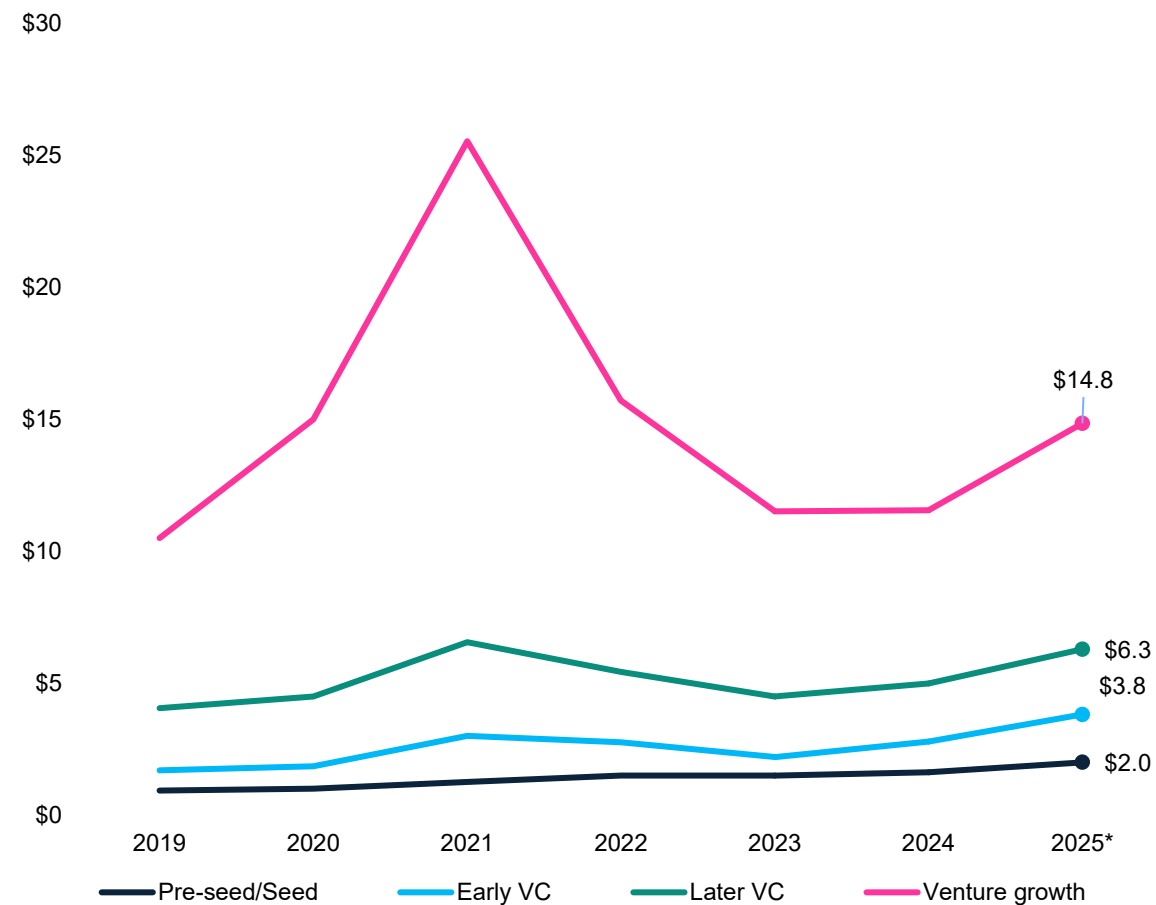
Conor Moore

Global Head,
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KPMG in the US

Cautious optimism gains ground

Global median deal size (\$M) by stage

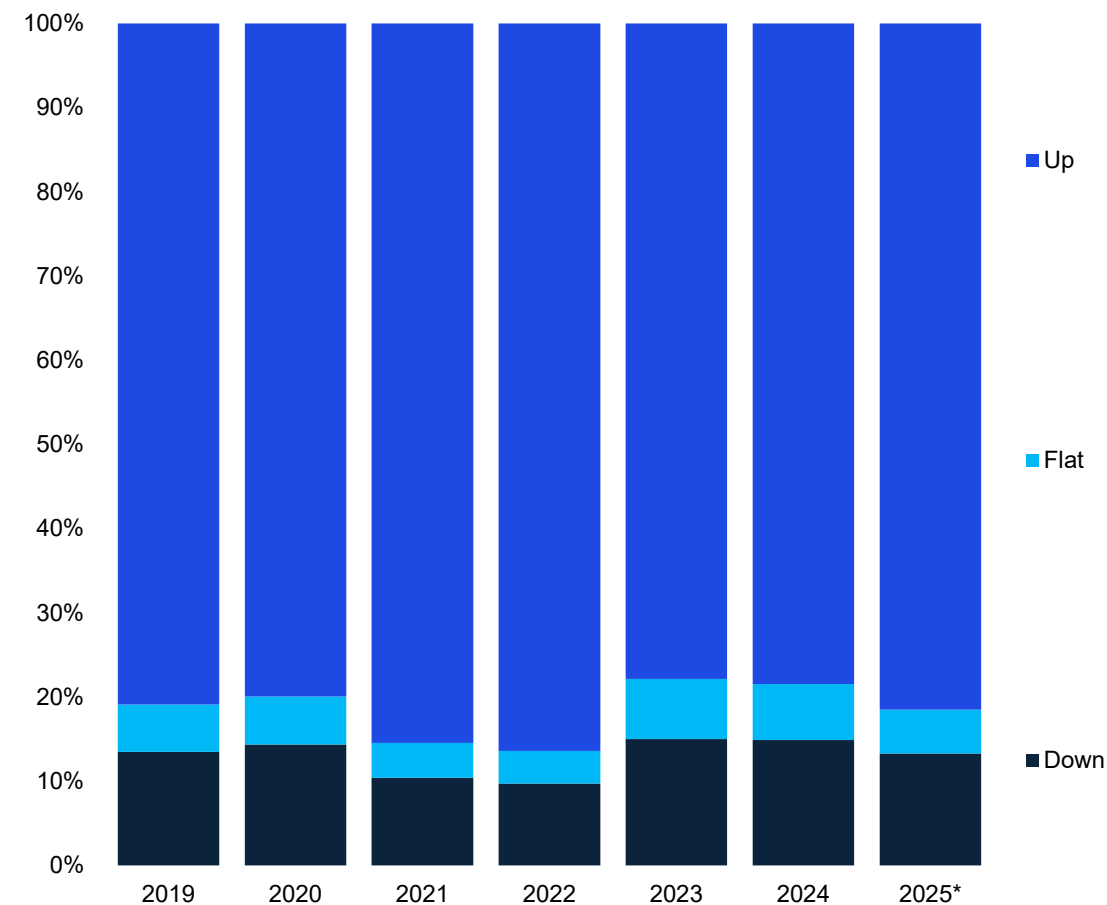
2019–2025*



Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Global up, flat or down rounds

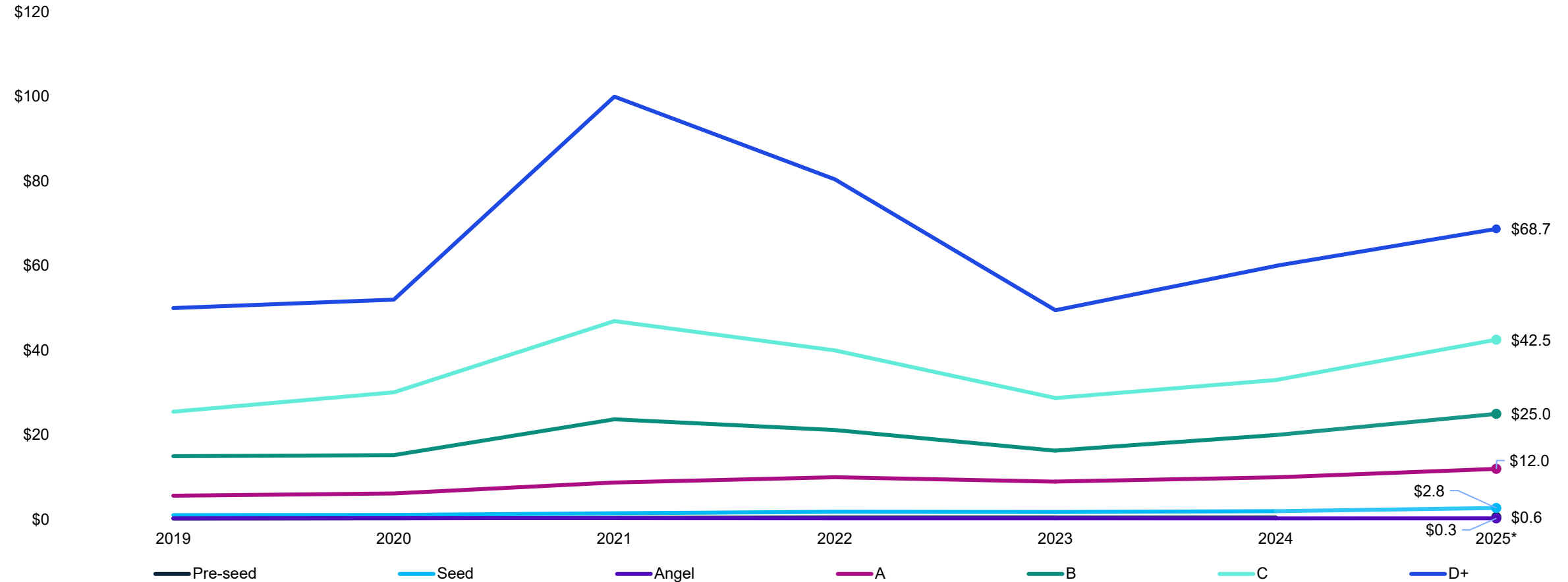
2019–2025*



Financing sizes end the year with growth, but still remain below past highs

Global median deal size (\$M) by series

2019–2025*

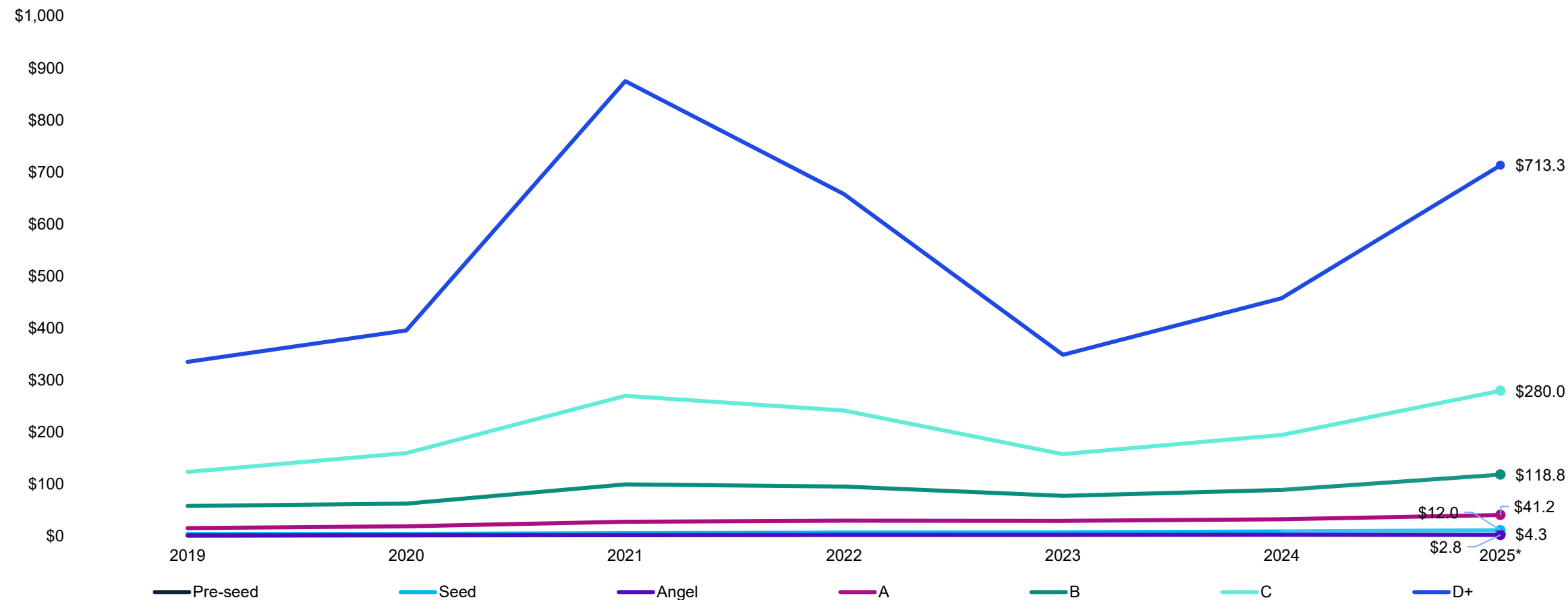


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Valuations climb back towards 2021 levels

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

2019–2025*

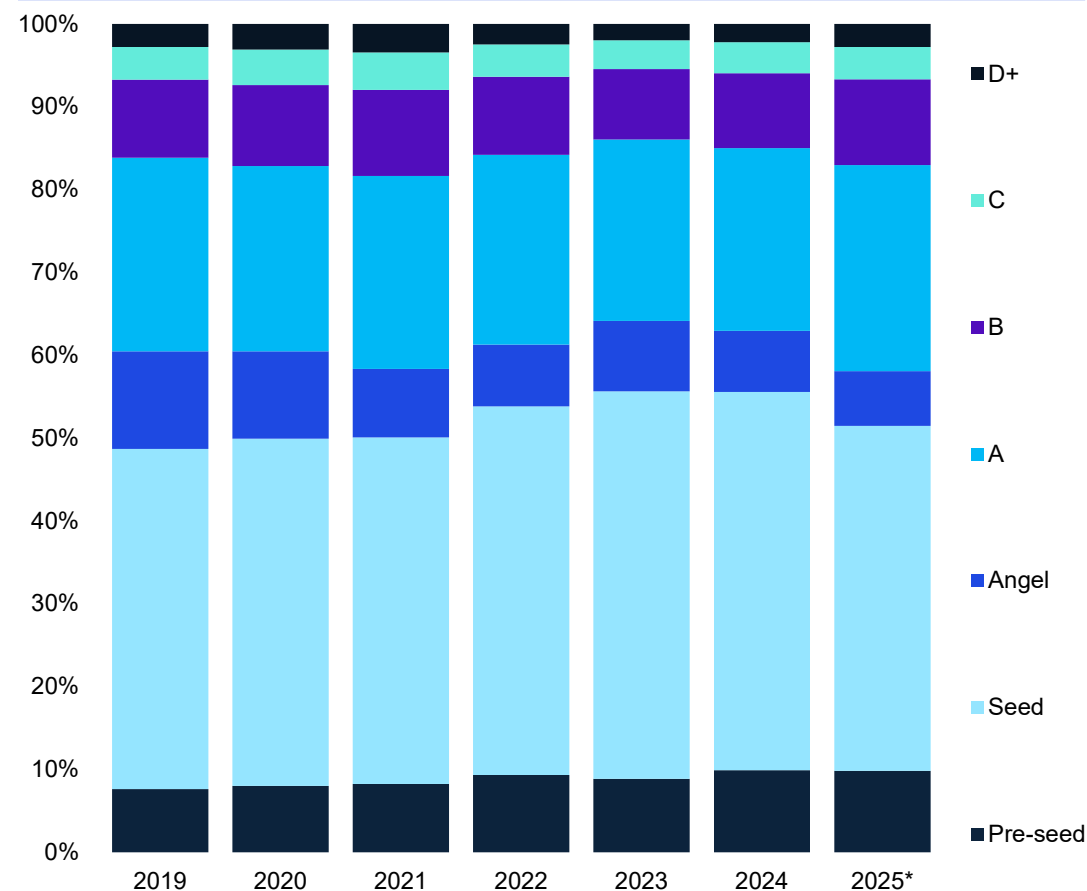


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Growth-stage deals continue resurgence

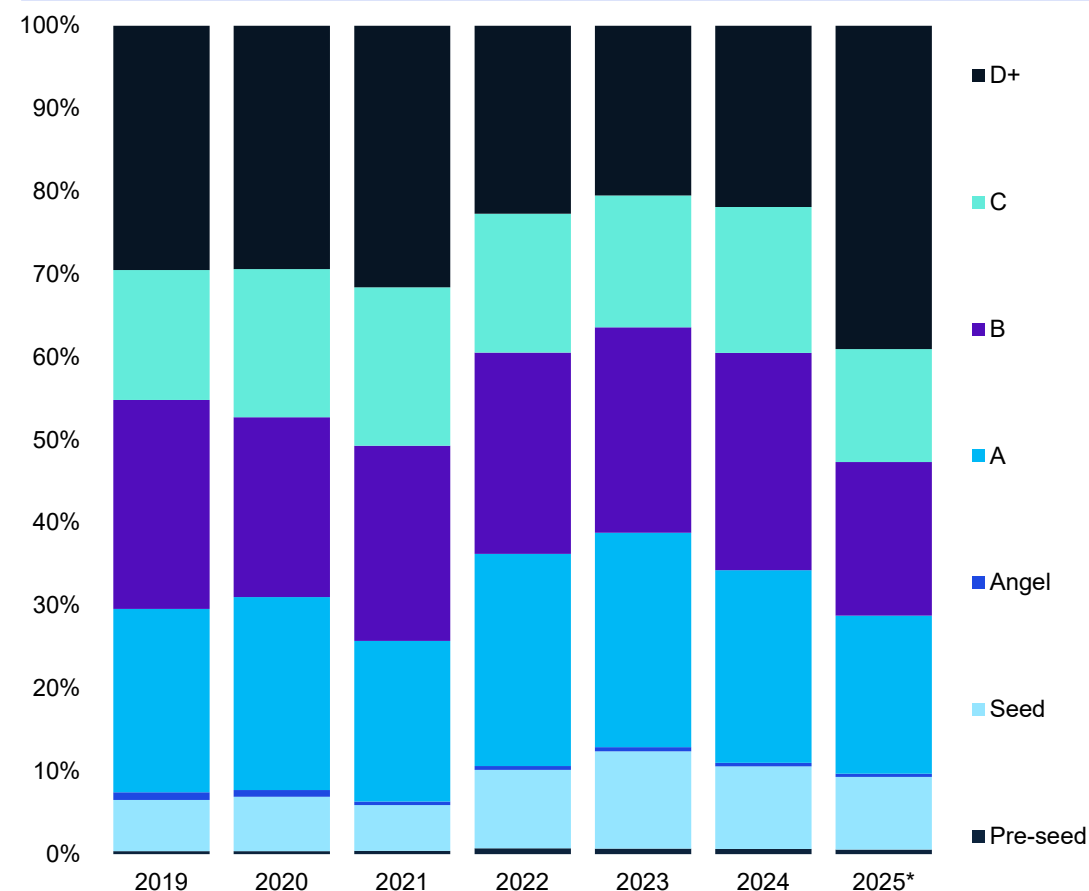
Global deal share by series

2019–2025*, number of closed deals



Global deal share by series

2019–2025*, VC invested (\$B)

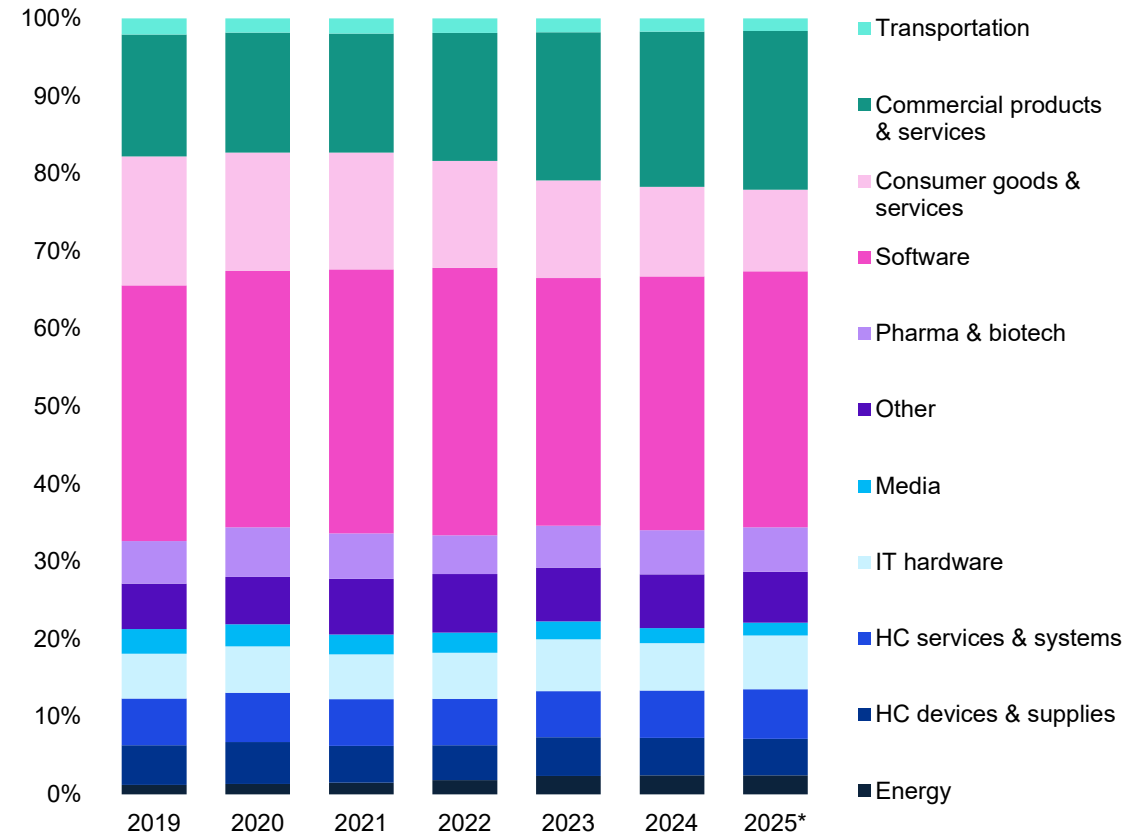


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

AI deployment continues to absorb vast sums

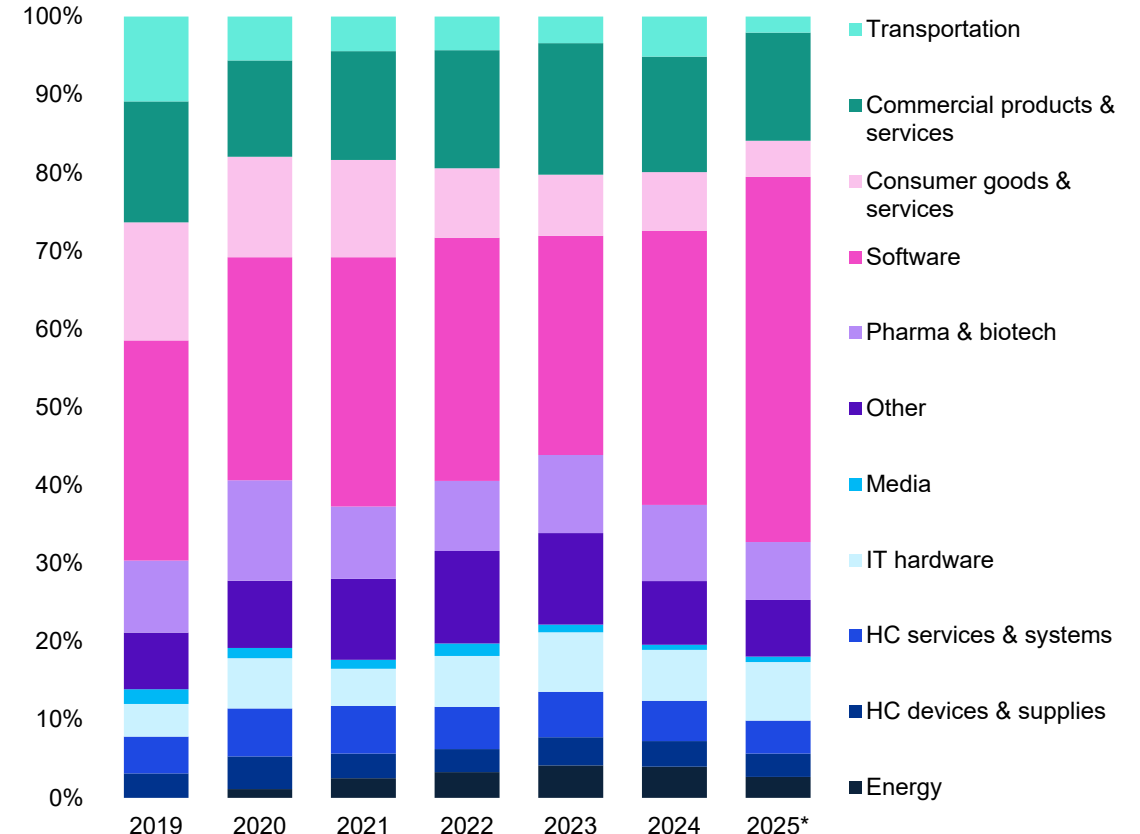
Global financing trends to VC-backed companies by sector

2019–2025*, number of closed deals



Global financing trends to VC-backed companies by sector

2019–2025*, VC invested (\$B)

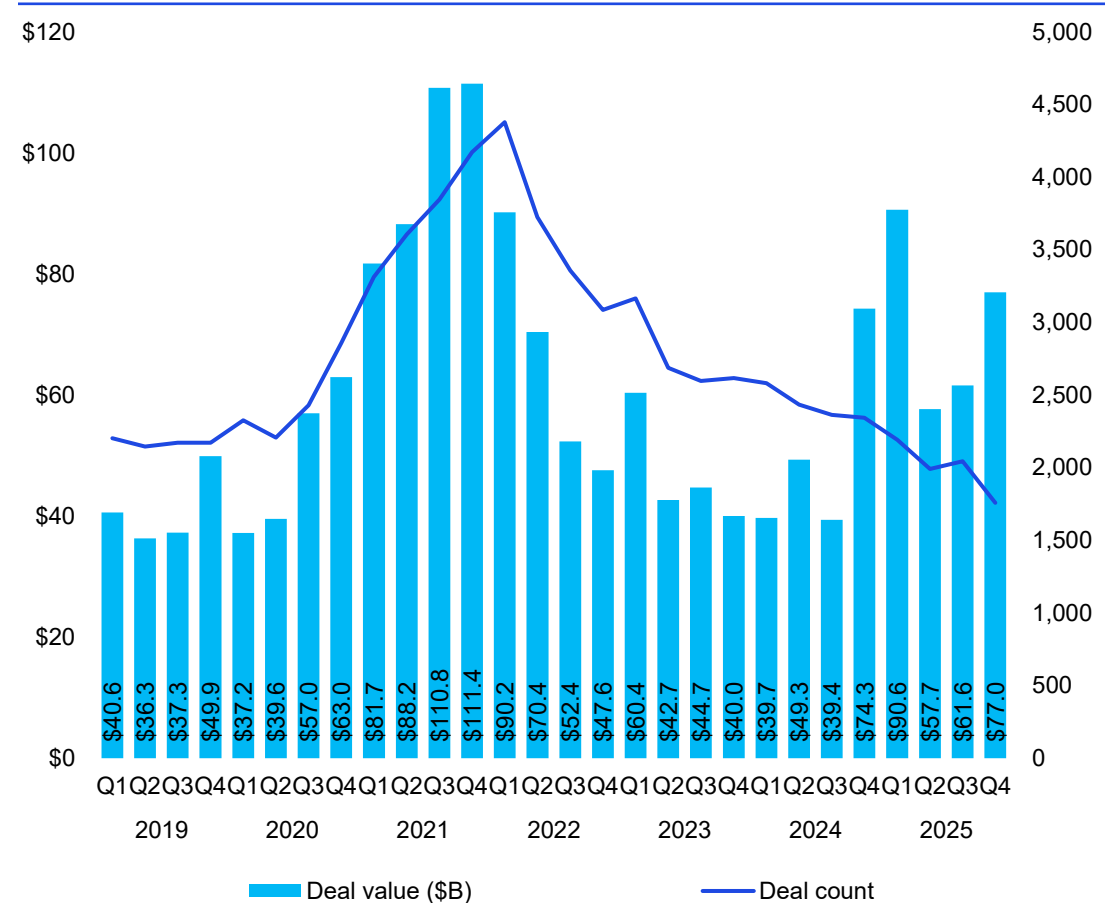


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

First-time financings boom in a sign of optimism

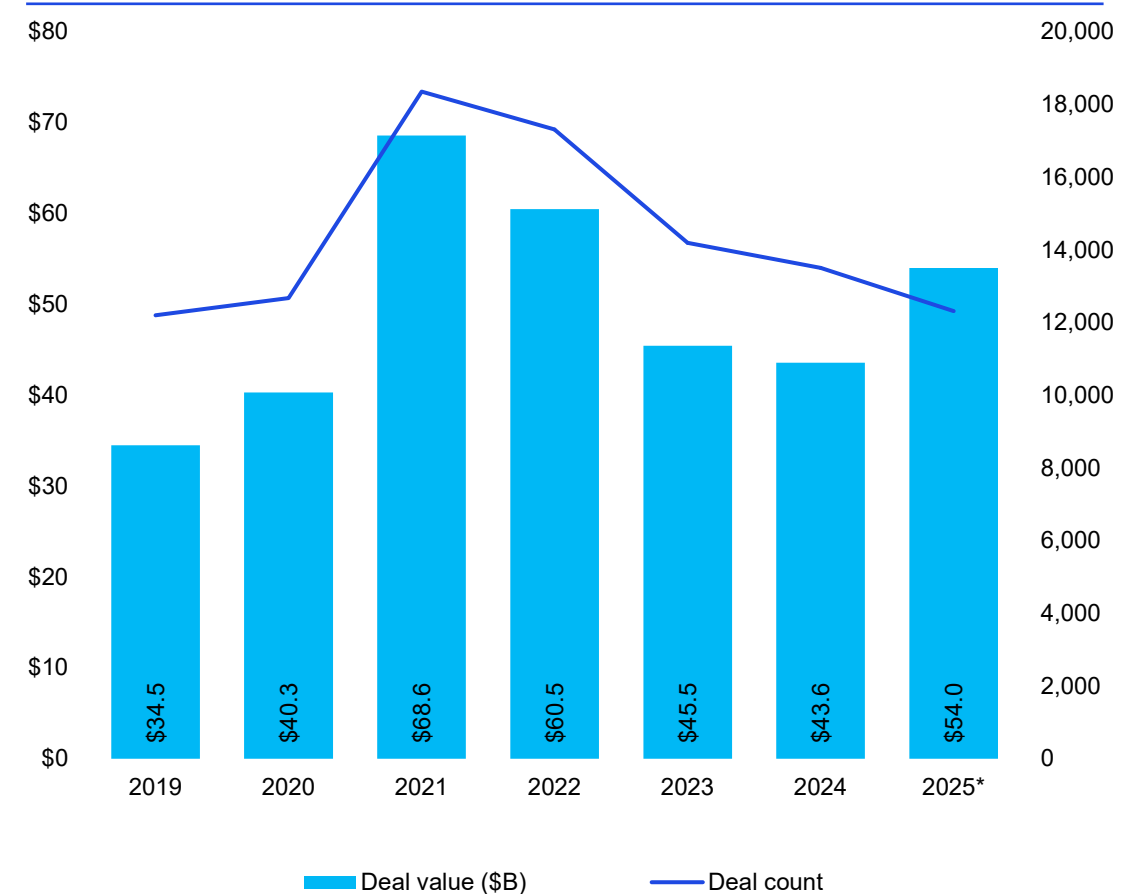
Corporate VC participation in global venture deals

2019–Q4'25



Global first-time venture financings of companies

2019–2025*



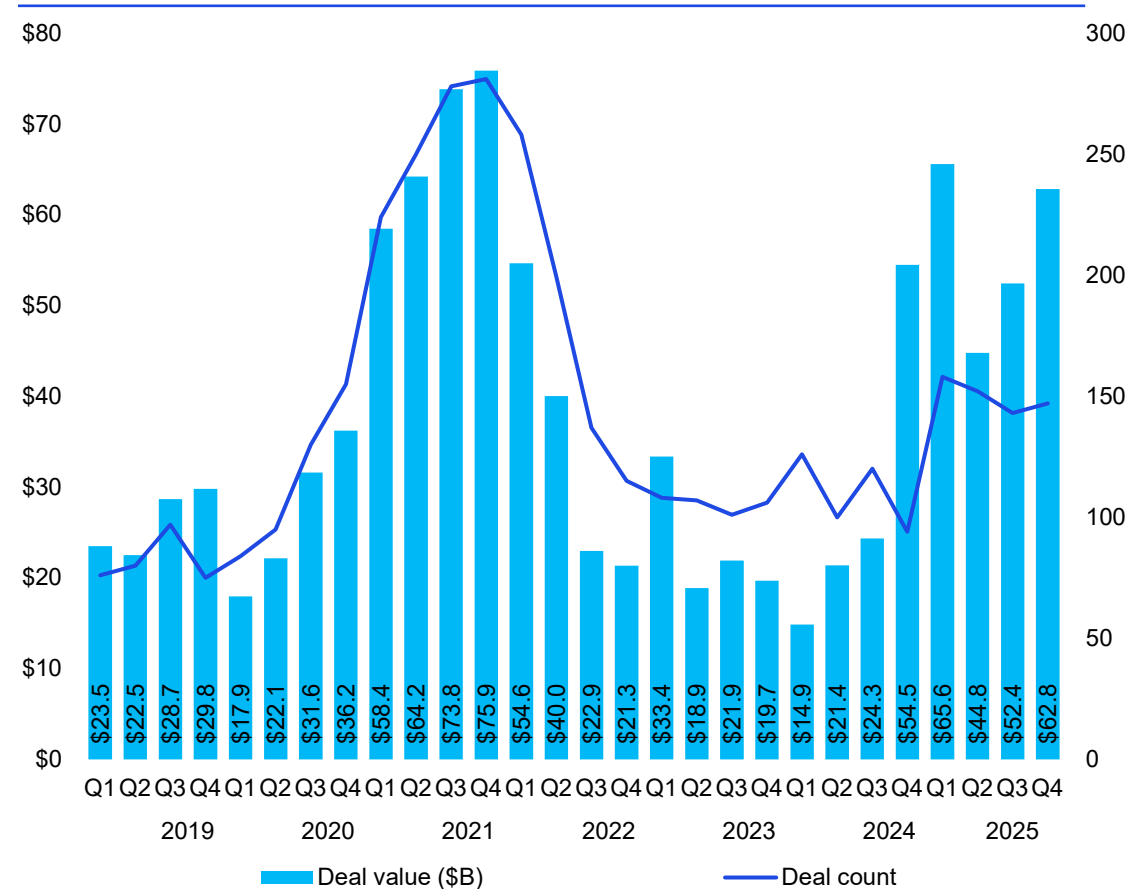
Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

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 exhibit recovery, but more may be needed

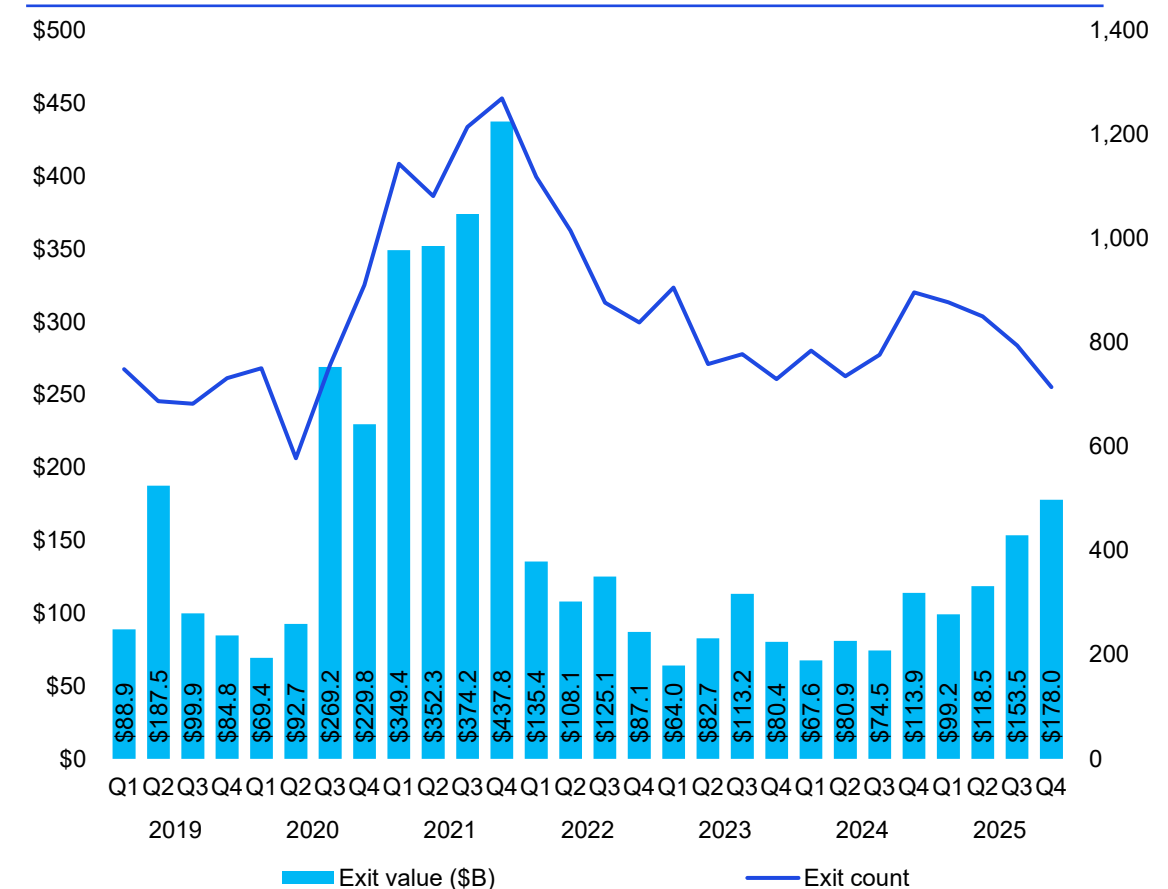
Global unicorn rounds

2019–Q4'25



Global venture-backed exit activity

2019–Q4'25



Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

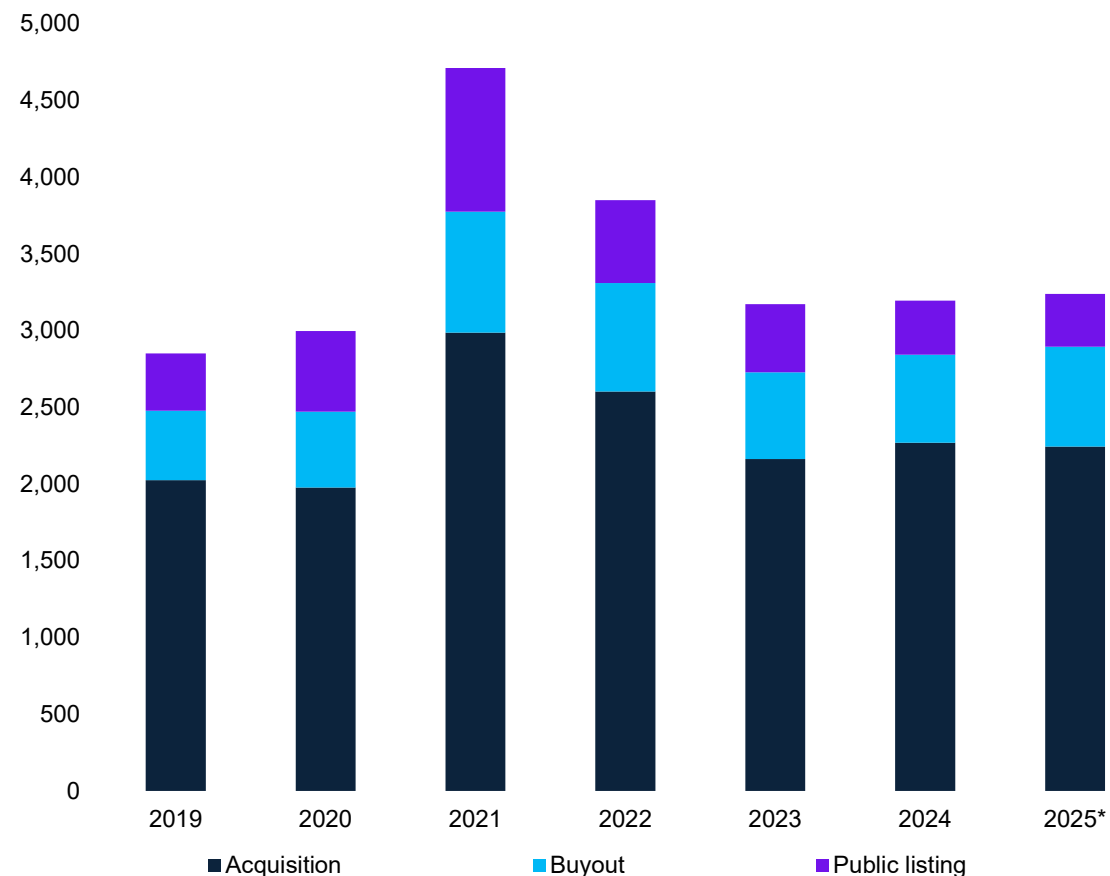
Note: PitchBook defines a unicorn venture financing as a VC round that generates a post-money valuation of \$1 billion or more. These are not necessarily first-time unicorn financing rounds, but also include further rounds raised by existing unicorns that maintain at least that valuation of \$1 billion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

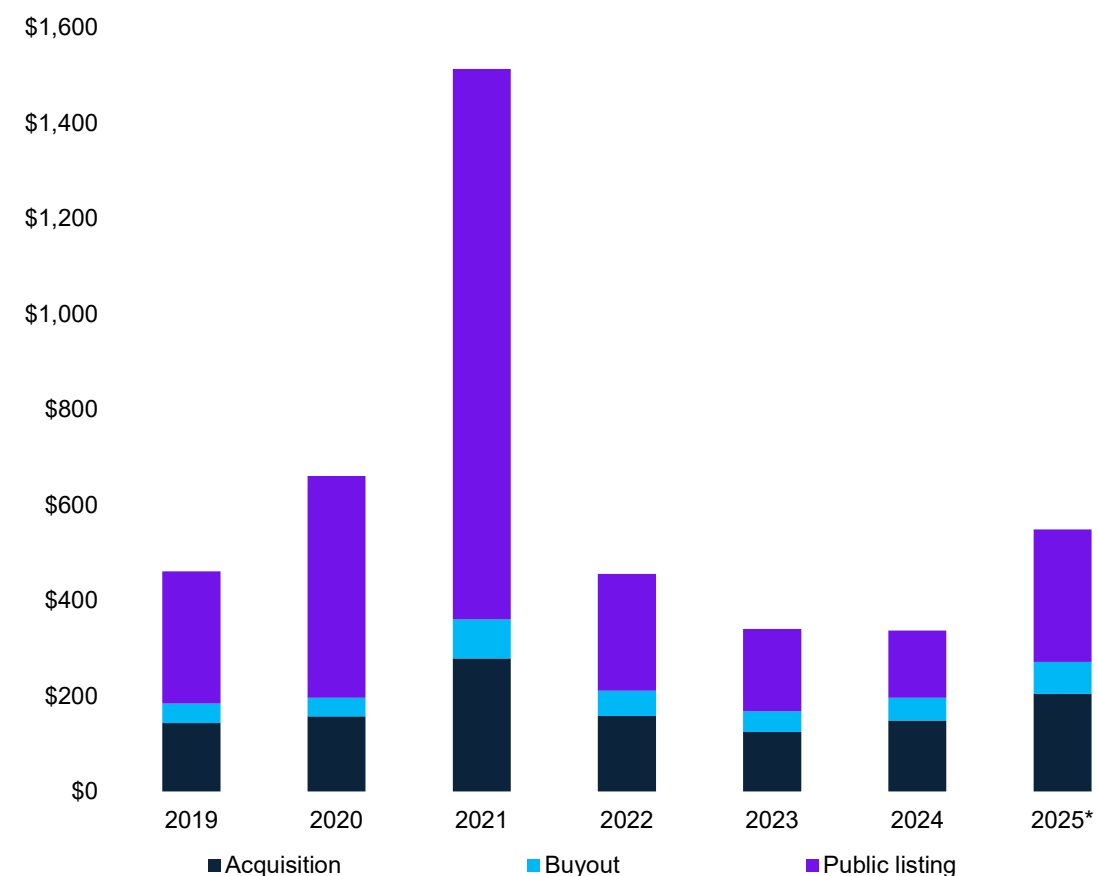
Global venture-backed exit activity (#) by type

2019–2025*



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

2019–2025*

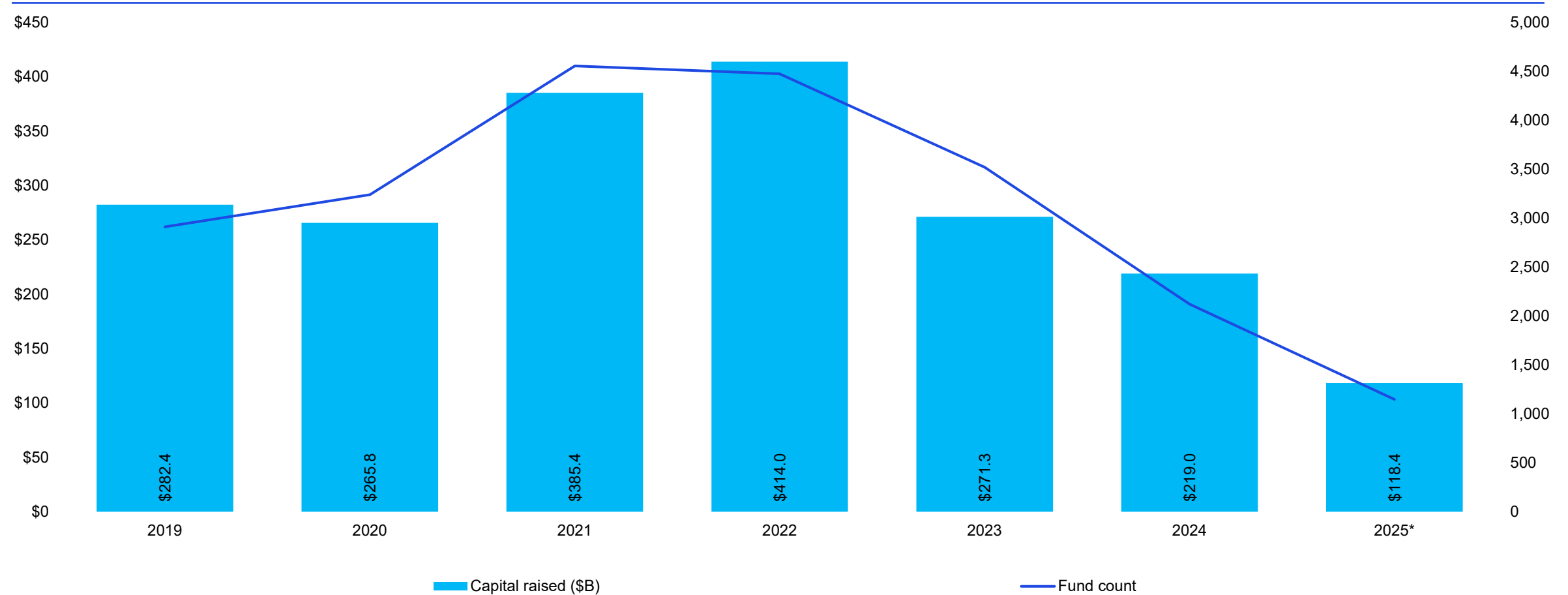


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Fundraising records the slowest year in some time

Global venture fundraising

2019–2025*

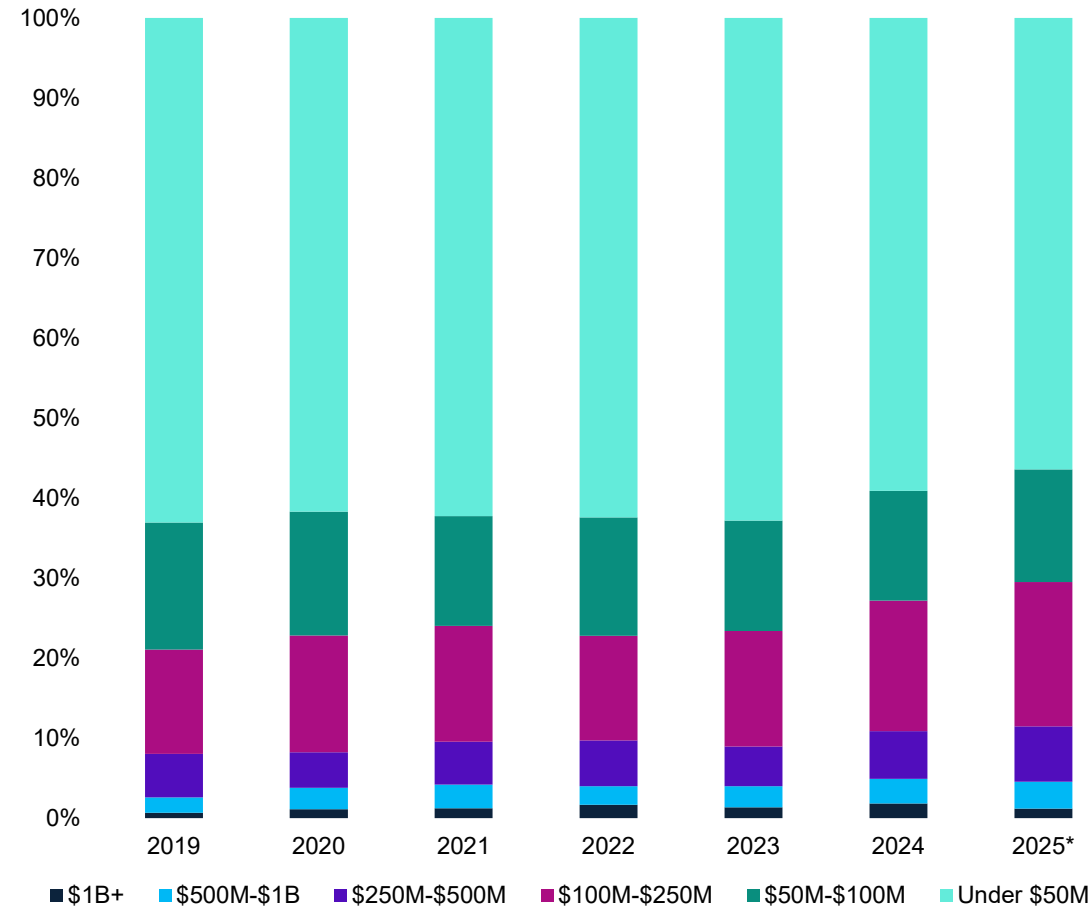


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

LPs keep concentrating on size and experience

Global venture fundraising (#) by size

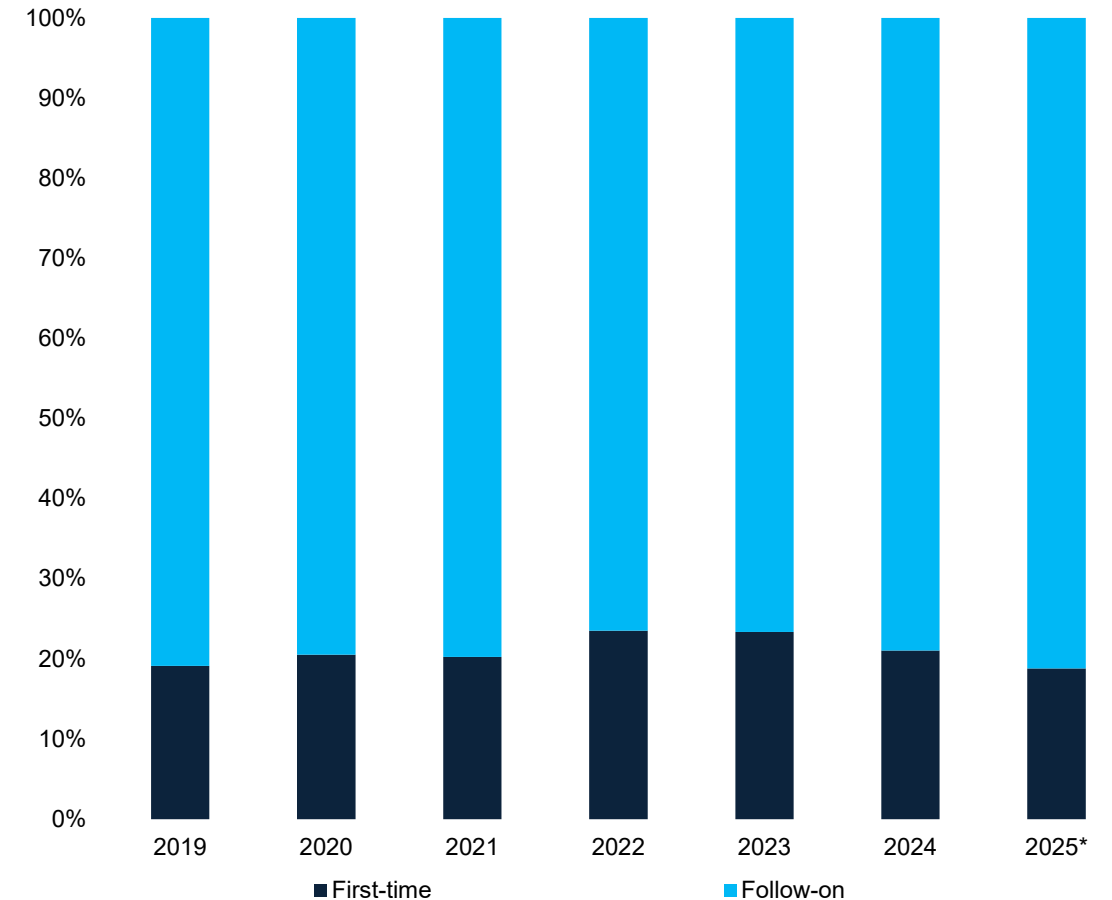
2019–2025*



Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

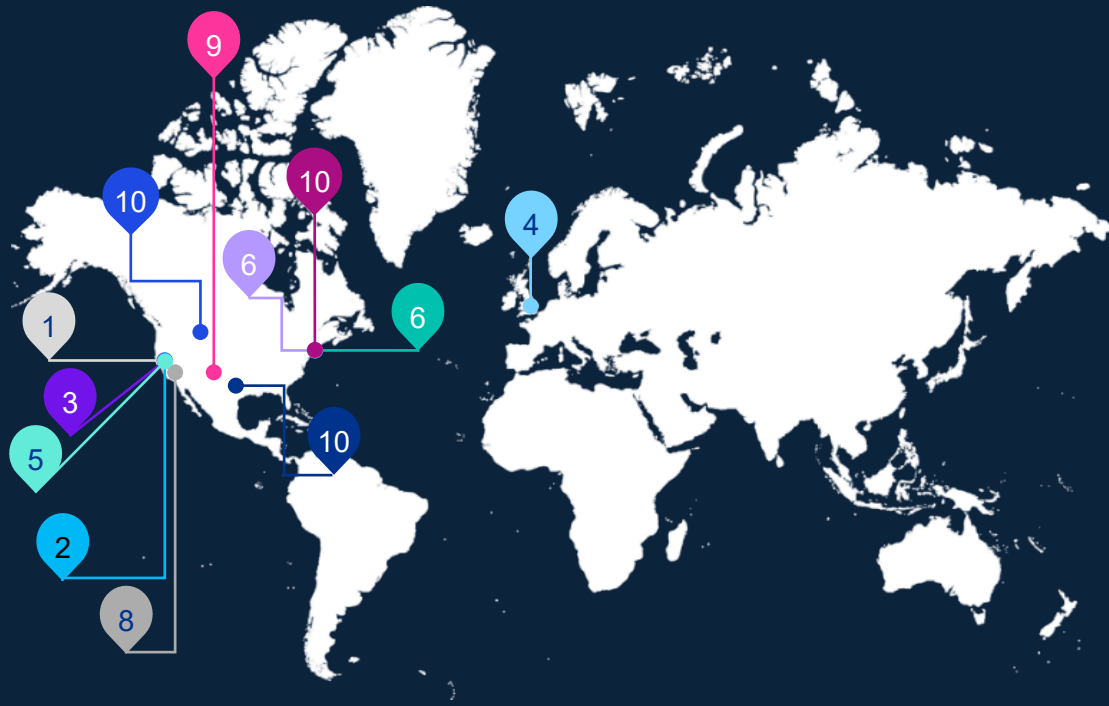
Global first-time vs. follow-on venture funds (#)

2019–2025*



AI domination persists, with a dash of fintech

Top 10 global financings in Q4'25



1. **Anthropic** — \$15B, San Francisco, US — AI & ML — *Late-stage VC*
2. **Project Prometheus** — \$6.2B, San Francisco, US — AI & ML — *Early-stage VC*
3. **Databricks** — \$4B, San Francisco, US — AI & ML — *Late-stage VC*
4. **Revolut** — \$3B, London, United Kingdom — Financial Software — *Late-stage VC*
5. **Anysphere** — \$2.3B, San Francisco, US — AI & ML — *Series D*
6. **Reflection AI** — \$2B, New York, US — AI & ML — *Series B*
6. **Polymarket** — \$2B, New York, US — AI & ML — *Series D*
8. **Lambda** — \$1.5B, San Jose, US — AI & ML — *Series E*
9. **Crusoe** — \$1.38B, Denver, US — AI & ML — *Series E*
10. **Kalshi** — \$1B, New York, US — Other Financial Services — *Series E*
10. **Touareg Group** — \$1B, Sheridan, US — Crypto — *Early-stage VC*
10. **Base Power** — \$1B, Austin, US — Energy tech — *Late-stage VC*

Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

**In Q4'25, US VC-backed
companies raised
\$91.15 billion across
3,378 deals**

Red hot AI space propels VC investment in the US to four-year high

US venture capital investment remained resilient in Q4'25 despite significant headwinds, including an extended government shutdown and a sharp decline in quarterly deal volume. On a full-year basis, total US VC investment reached a four-year high of \$339.4 billion, falling just short of the record set in 2021.

AI continues to power VC market in the US

AI continued to dominate VC investment trends in the US during Q4'25, with the top eight deals together accounting for over \$32 billion in investment. Anthropic raised the largest funding round of the quarter (\$15 billion), followed by a \$6.2 billion raise by Project Prometheus, a \$2.3 billion raise by Anywhere, and a \$2 billion raise by Reflection AI.

The breadth of value propositions by the AI companies that attracted \$1 billion+ funding rounds in Q4'25 is notable—ranging from LLM-focused firms and traditional and renewable energy-backed AI infrastructure companies to startups focused on AI-enabled coding solutions, agentic AI platforms, and the development of industry solutions. This diversity highlights how rapidly the AI space is evolving and how investors are pouring their attention — and investment — into companies with transformative AI solutions or entrepreneurs they believe will be able to create them. At the same time, companies with AI wrappings have predominantly seen investment wane as VC investors have become more intentional with their AI investments.

First time financing activity improving, although late-stage deals remain a priority

The significant degree of uncertainty over the course of 2025 led VC investors in the US to remain cautious, with many prioritizing late-stage deals or holding back funding against the need to bolster their portfolio companies given the continued possibility of delayed exits. While first time financing value hit a record high in 2025 — driven primarily by large first-time financing rounds for AI startups, such as the \$6.2 billion raise by Project Prometheus — the volume of first-time financing rounds was quite soft for much of the year. The tide began to turn in Q4'25, with the number of first-time financing rounds ticking up amid growing optimism for exits. As exits continue to materialize, first-time financing volume should continue to improve as capital gets reinvested in the market.

IPO door open in the US—for the right companies

Despite disruption from the US federal government shutdown in Q4'25, investor sentiment continues to suggest that the IPO window remains open for high-quality companies with durable business models and clear paths to profitability. During Q2'25 and Q3'25, several US IPOs delivered strong debuts, with robust first-day trading performance. However, post-IPO performance for many of these companies has since moderated, indicating that pent-up demand contributed to a degree of frothiness, with early trading pops not fully reflective of underlying company fundamentals.

Even so, the US IPO environment remains on an upward trajectory, with increased activity expected in the first half of 2026 as a growing cohort of IPO-ready companies move towards exit.

One key uncertainty in the IPO market is the timing and sequencing of exits by large, AI-centric companies. While the prospect of blockbuster AI IPOs is compelling, such offerings could absorb a disproportionate share of investor attention and capital, potentially crowding out demand for non-AI issuers. How and when these AI-driven exits materialize and their impact on broader IPO activity will be an important dynamic to watch over the coming year.

Red hot AI space propels VC investment in the US to four-year high, cont'd.

M&A activity shows strength in 2025 as corporates look to keep from falling behind

M&A activity in the US was notably robust in 2025, particularly in contrast to the subdued environment of 2024. A significant share of this activity was driven by large corporates increasingly favoring “buy over build” strategies, as the pace of innovation has outstripped their ability to develop solutions internally at the speed the market now demands. For many corporates, the pressure to innovate is already elevated and expected to intensify further, pointing to continued strength in M&A activity heading into 2026.

At the same time, becoming — and remaining — a public company has grown more complex, costly and uncertain, especially for businesses without proven, profitable operating models. As a result, an increasing number of startups are prioritizing high-quality M&A exits with well-capitalized acquirers over the uncertainty and execution risk associated with pursuing an IPO.



Trends to watch for in Q1'26

Heading into 2026, US venture capital investment is expected to remain strong, with AI-focused companies continuing to attract outsized funding rounds. Activity across other segments of the private capital markets is also expected to increase, as more companies favor the flexibility of remaining private over pursuing a public listing.

M&A deal value is anticipated to rise as companies across industries increasingly turn to acquisitions to accelerate innovation and mitigate the risk of falling behind. Traditional corporate venture capital investment is likewise expected to remain elevated over the coming year. IPO activity in the US is also likely to continue its recovery, supported by a sizable backlog of IPO-ready companies. In parallel, a growing number of startups are investing in IPO readiness initiatives — such as strengthening financial reporting capabilities and upskilling finance teams — in anticipation of potential public offerings in 2026 and 2027.

Looking ahead, secondary transactions are also expected to gain momentum in 2026, alongside continued use of special purpose vehicles as alternative liquidity pathways.

“The only thing certain right now is uncertainty. But when it comes to VC investment, we’re seeing investors becoming much more comfortable with the constant state of uncertainty, and most are trying hard to put their money to work. ‘The show must go on’ is very much a theme we’re seeing. Outside of suppressed deal volume, the fundamentals of investing in the US remain strong. I think we’re going to see a lot of VC deal activity heading into 2026 and potentially into 2027.”

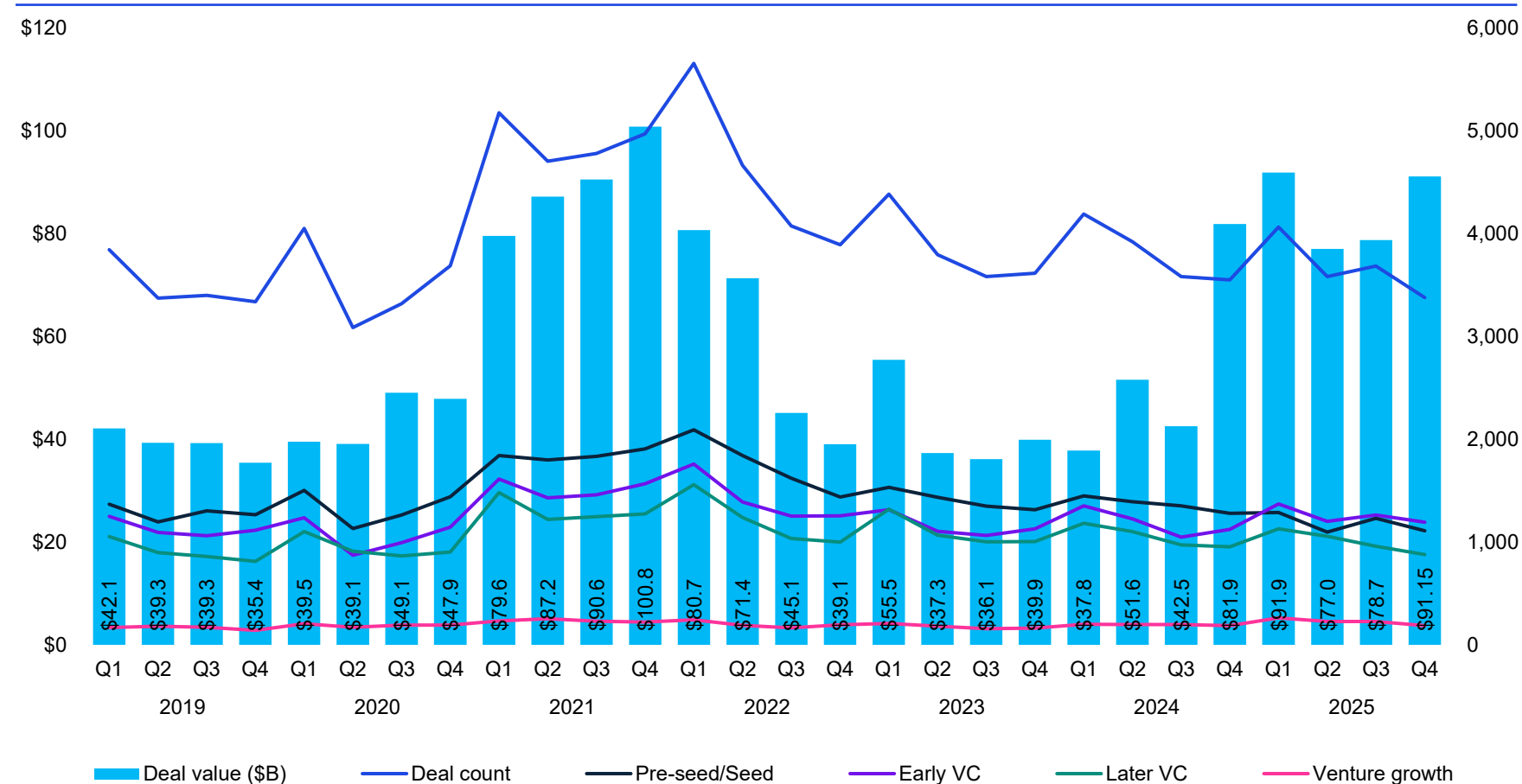


Samuel Lush
Managing Director,
Private Equity Group
KPMG in the US

Billions keep flowing towards AI, unchecked

Venture financing in the US

2019–Q4'25



Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

“

What's really interesting here in the US is that deal value for 2025 came very close to the level we saw in 2021, which we all agreed was an anomaly. This despite a much lower volume of deals. The trend speaks to how much larger the deals have been this year and what that looks like next to normal levels of activity. And it's not surprising really given the capital intensiveness of the AI space. And I think that going to keep going because I don't think there'll be a slowdown in terms of building data centres or the level of compute power that's going to be needed.”

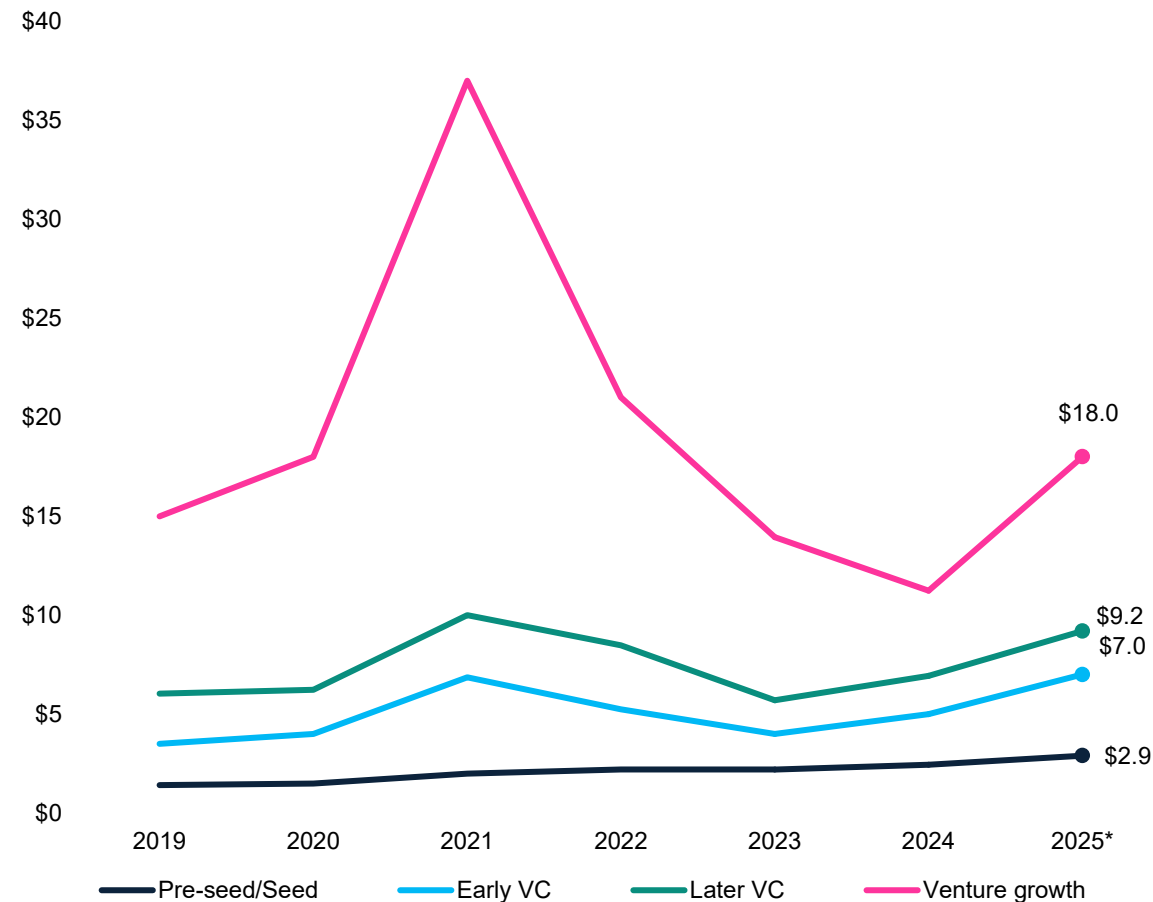


Shivani Sopory
Audit Partner
KPMG in the US

Optimism is returning, gradually

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

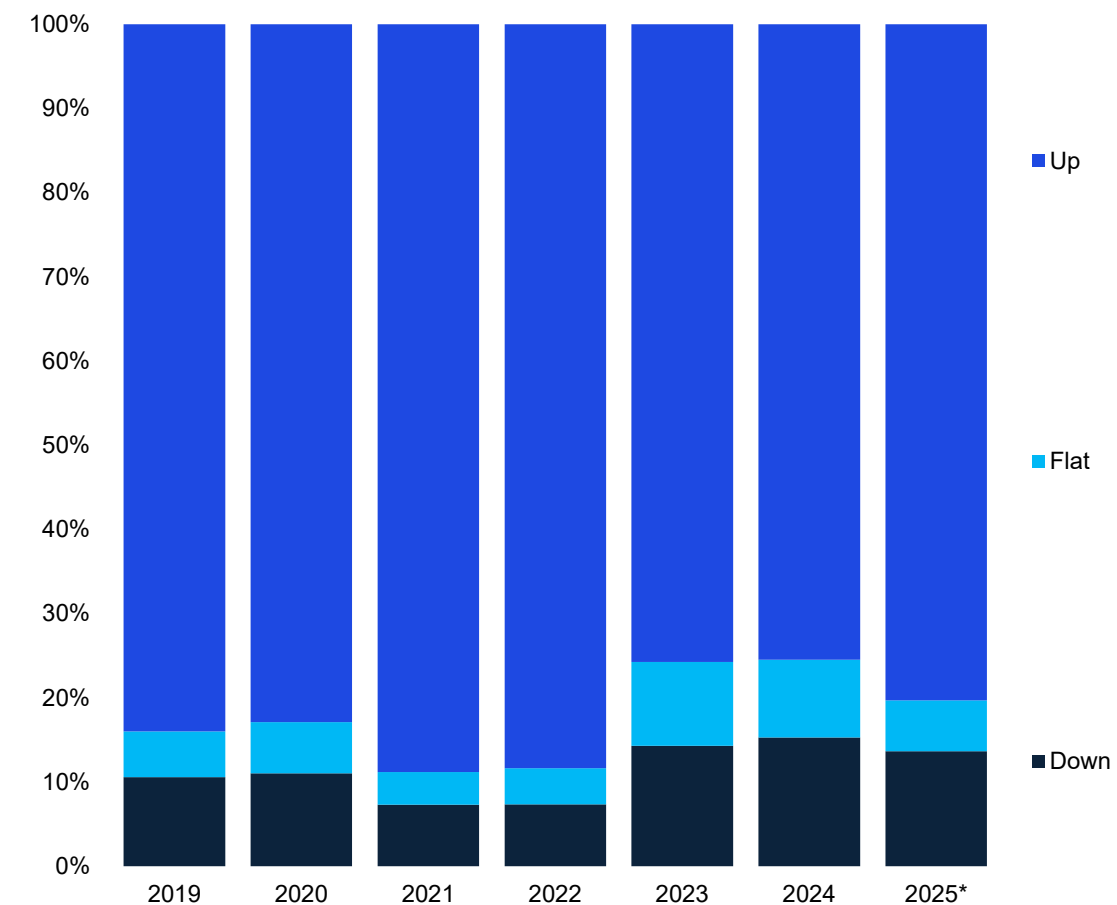
2019–2025*



Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Up, flat or down rounds in the US

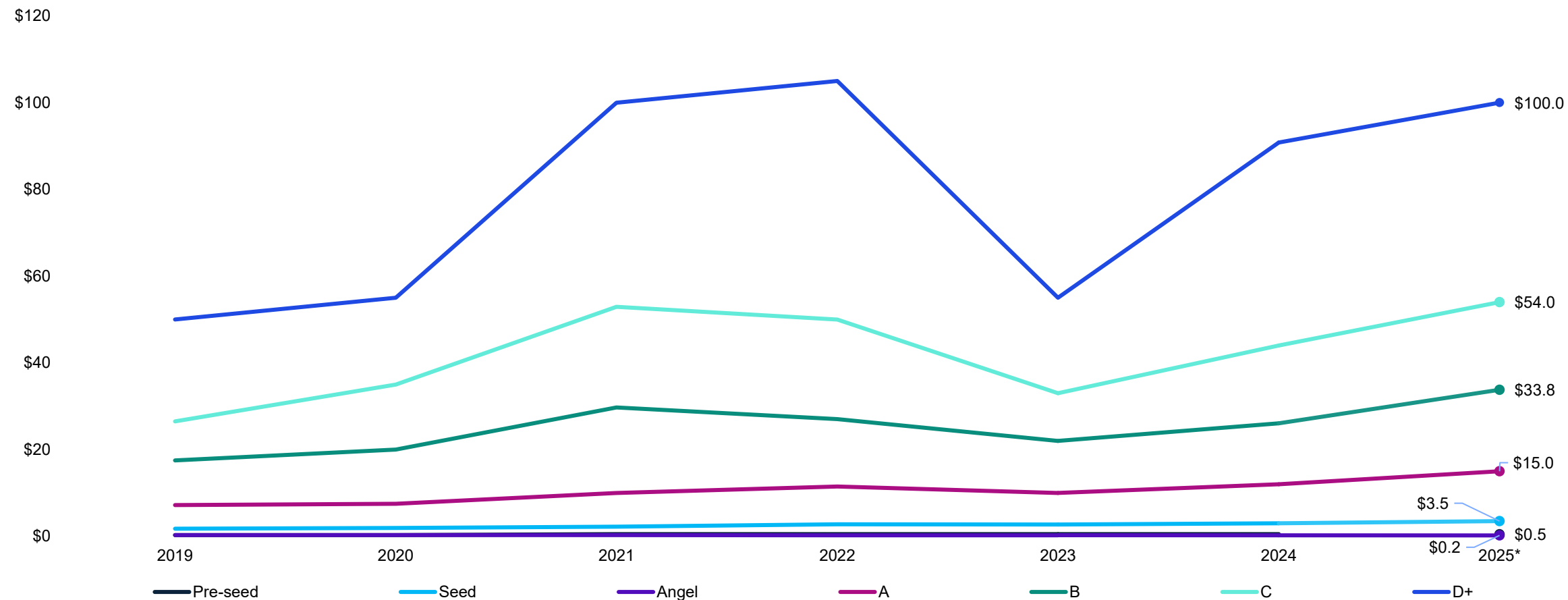
2019–2025*



Deal sizes continue to exhibit steady growth

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

2019–2025*



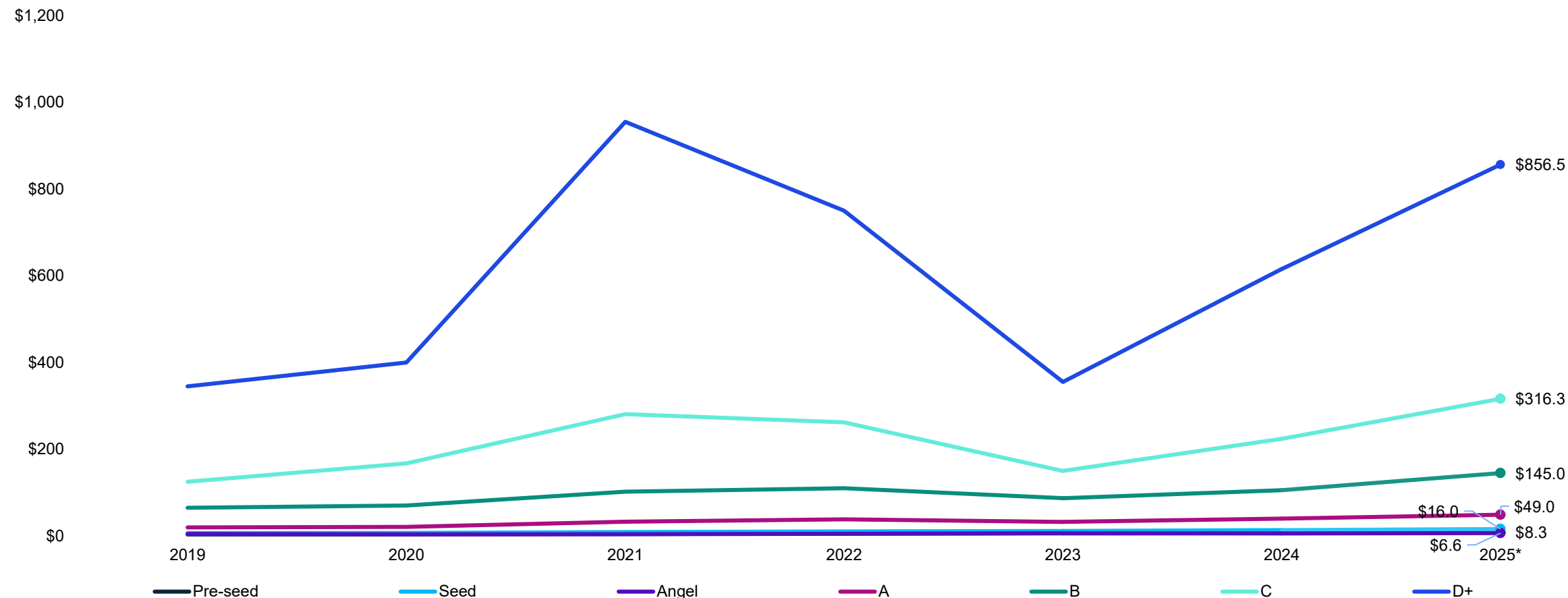
Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Note: Figures rounded in some cases for legibility.

Later-stage valuations are returning to 2021 levels

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

2019–2025*

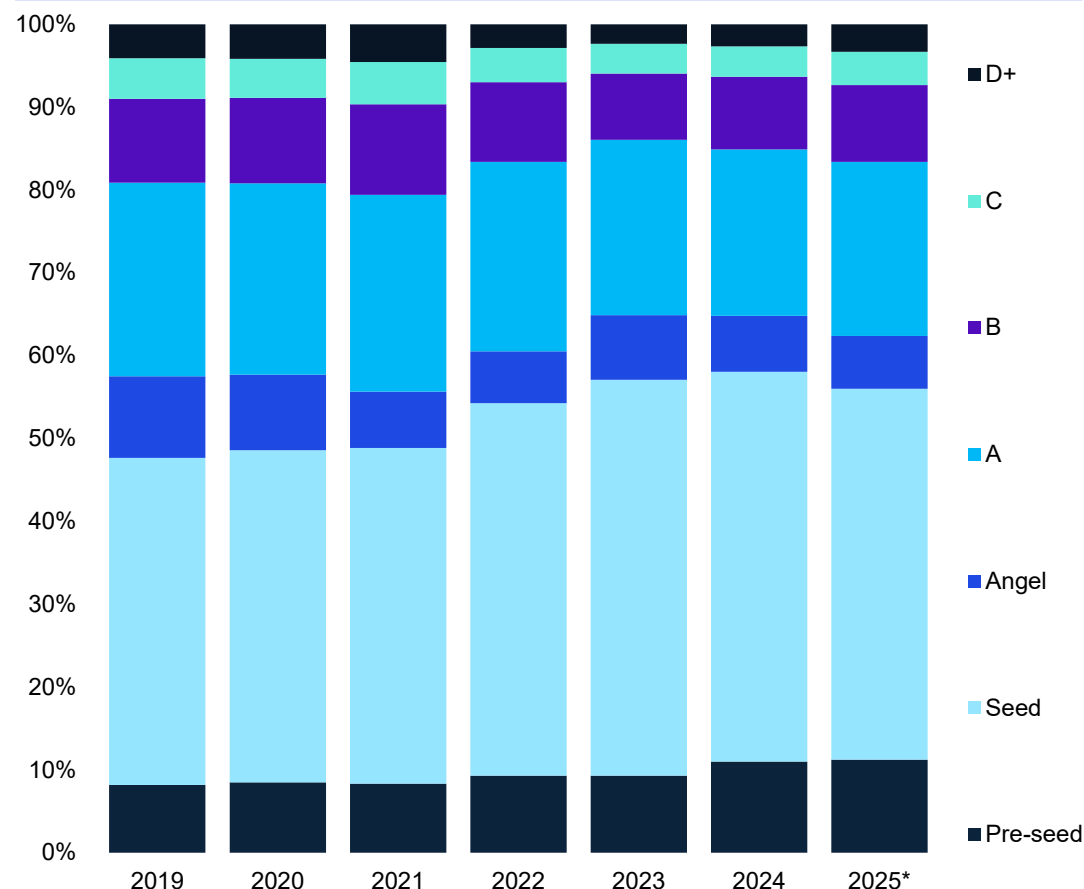


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Pre-seed proportions stay strong as mega-rounds skew VC invested tallies

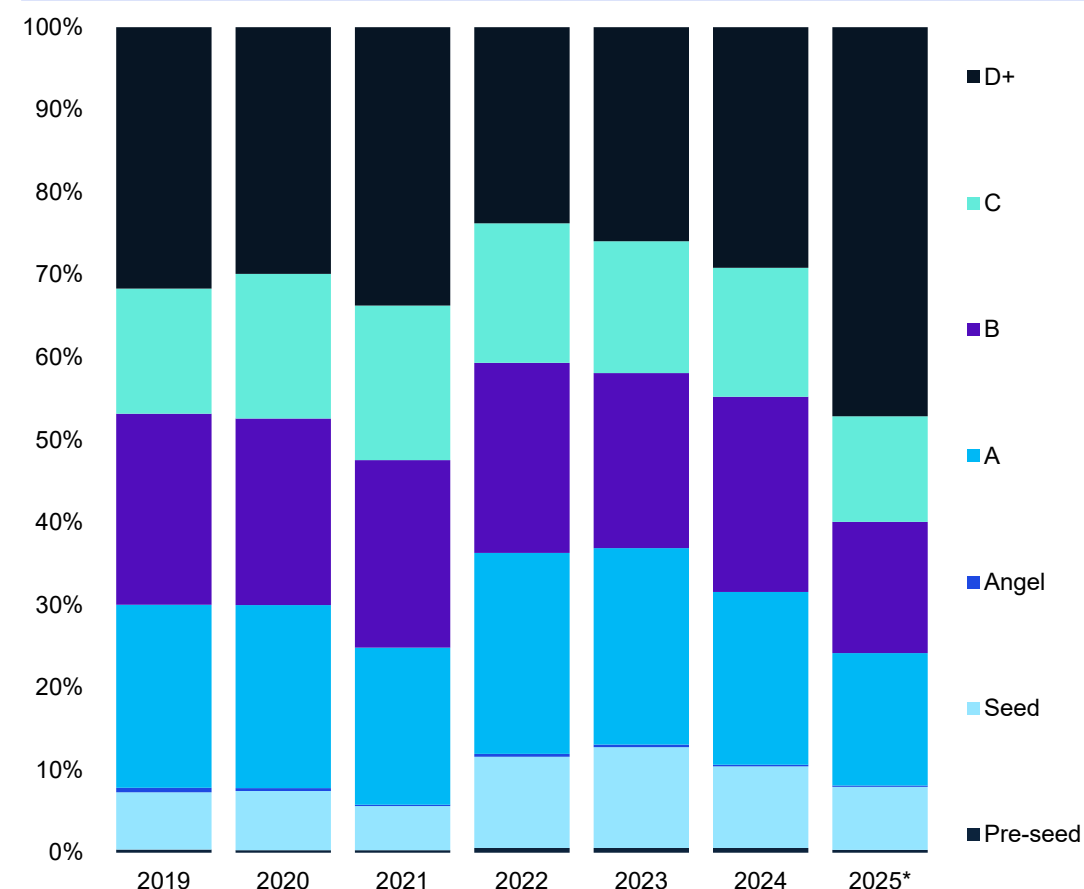
Deal share by series in the US

2019–2025*, number of closed deals



Deal share by series in the US

2019–2025*, VC invested (\$B)

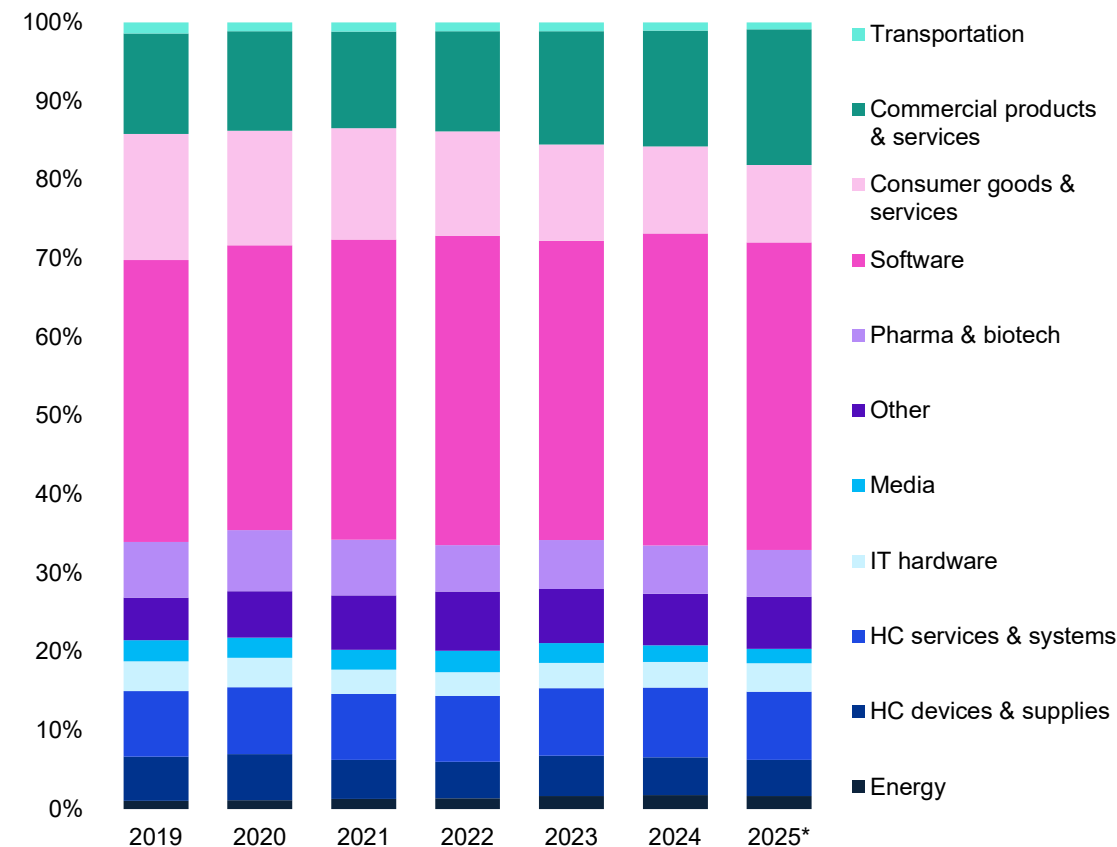


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

The broadening AI ecosystem sees software dollars invested surge

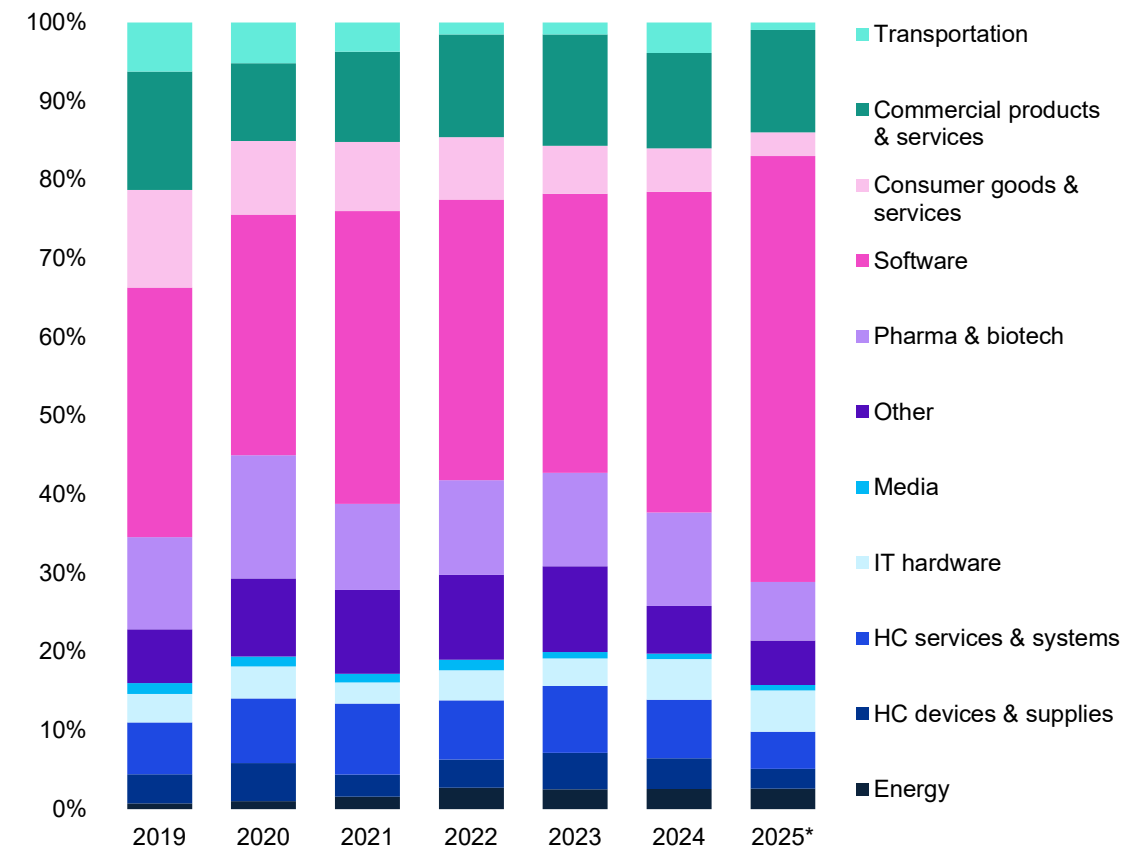
Venture financing by sector in the US

2019–2025*, number of closed deals



Venture financing by sector in the US

2019–2025*, VC invested (\$B)

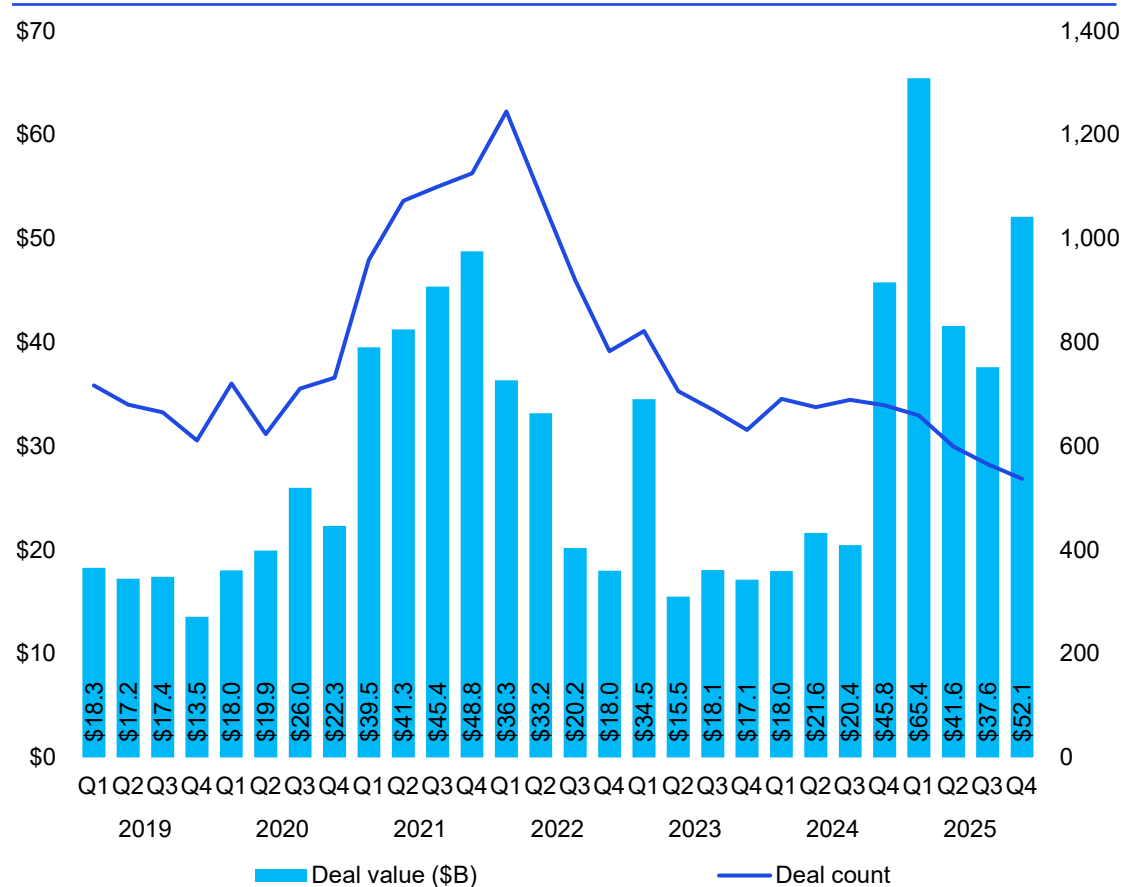


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

The US sees a record for first-time financing deal value as AI booms

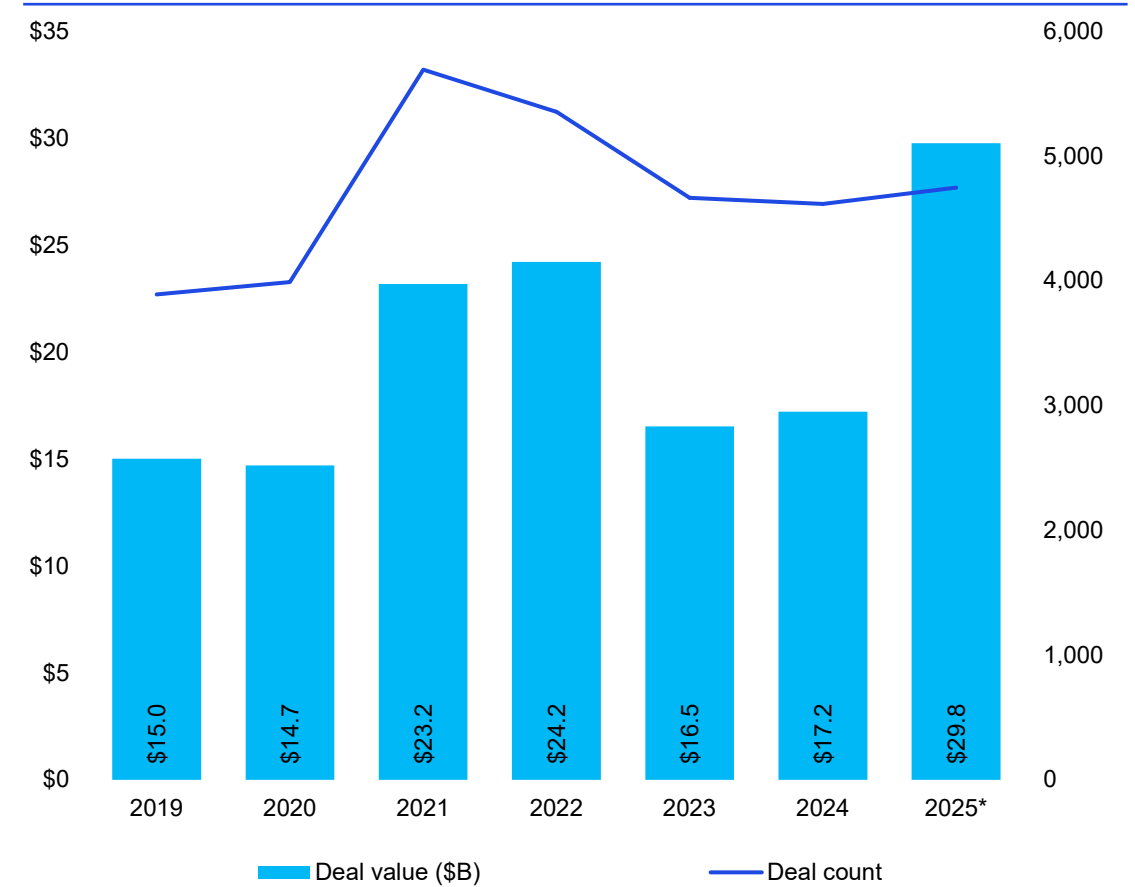
Corporate participation in venture deals in the US

2019–Q4'25



First-time venture financings of companies in the US

2019–2025*

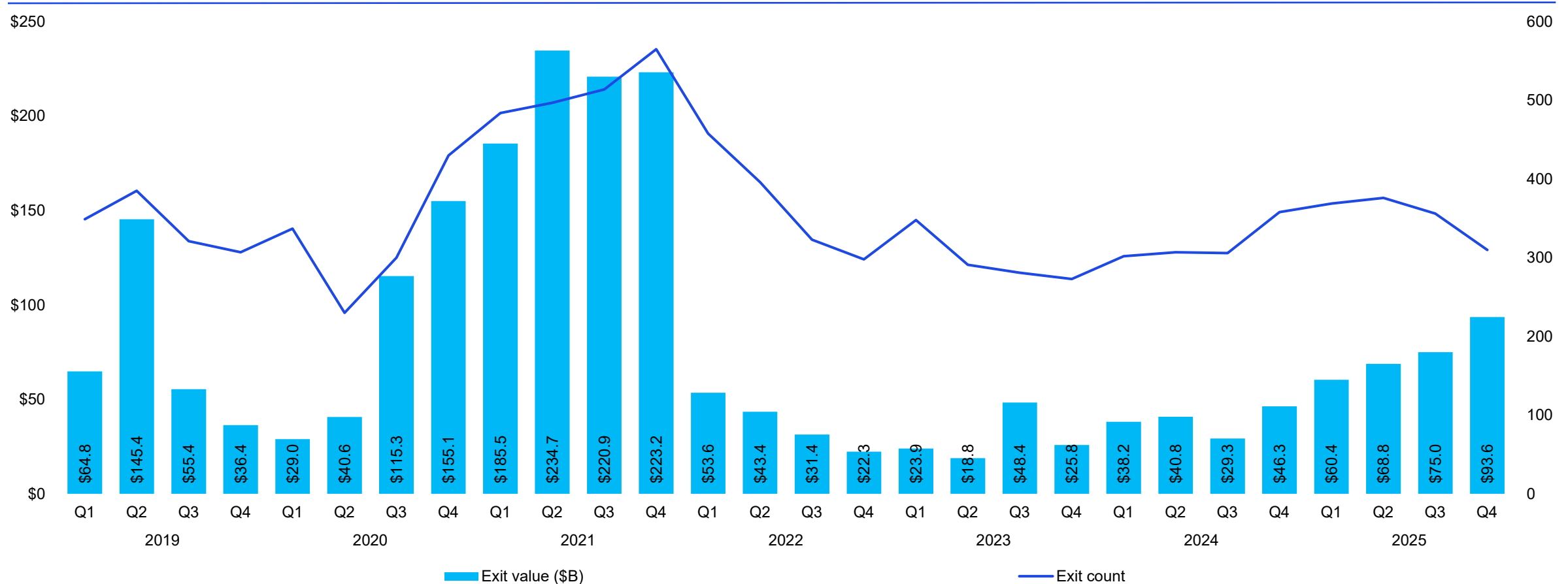


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

2025 sees steady climb back to health for exits — but will it suffice?

Venture-backed exit activity in the US

2019–Q4'25

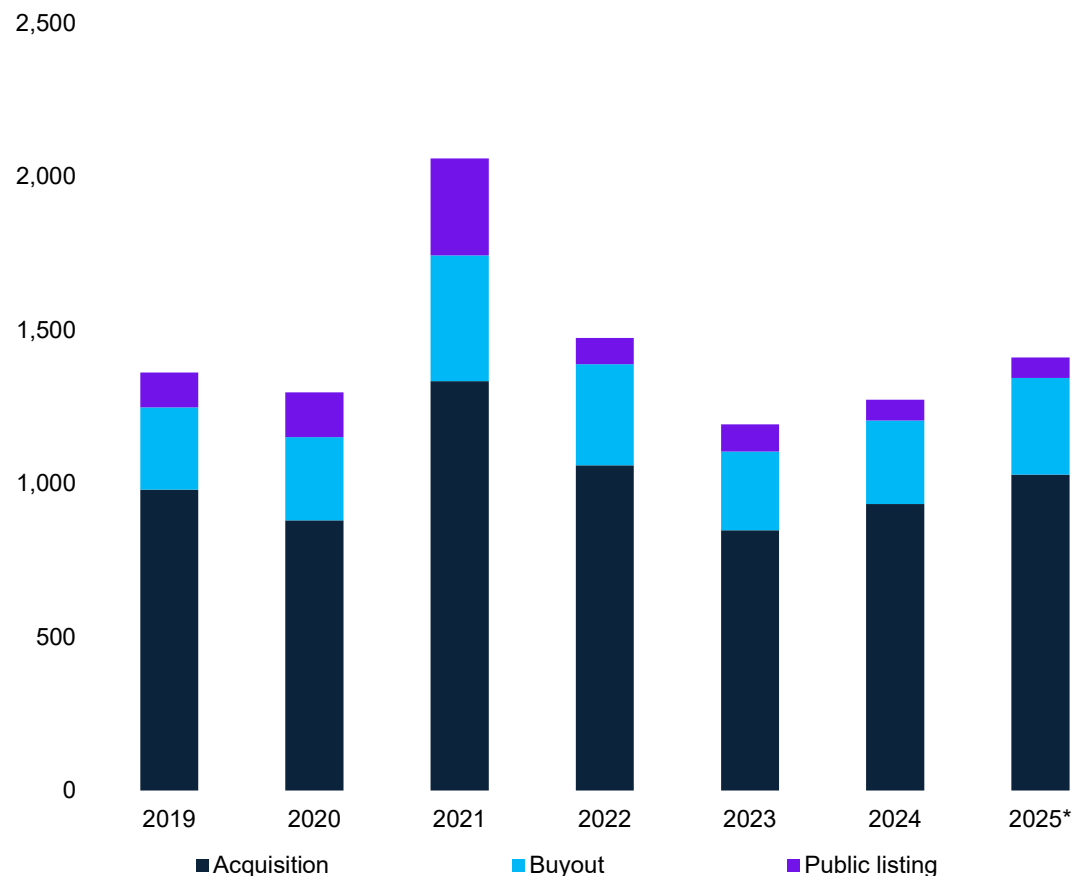


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Public listings return, even with a year-end push thwarted by government shutdown

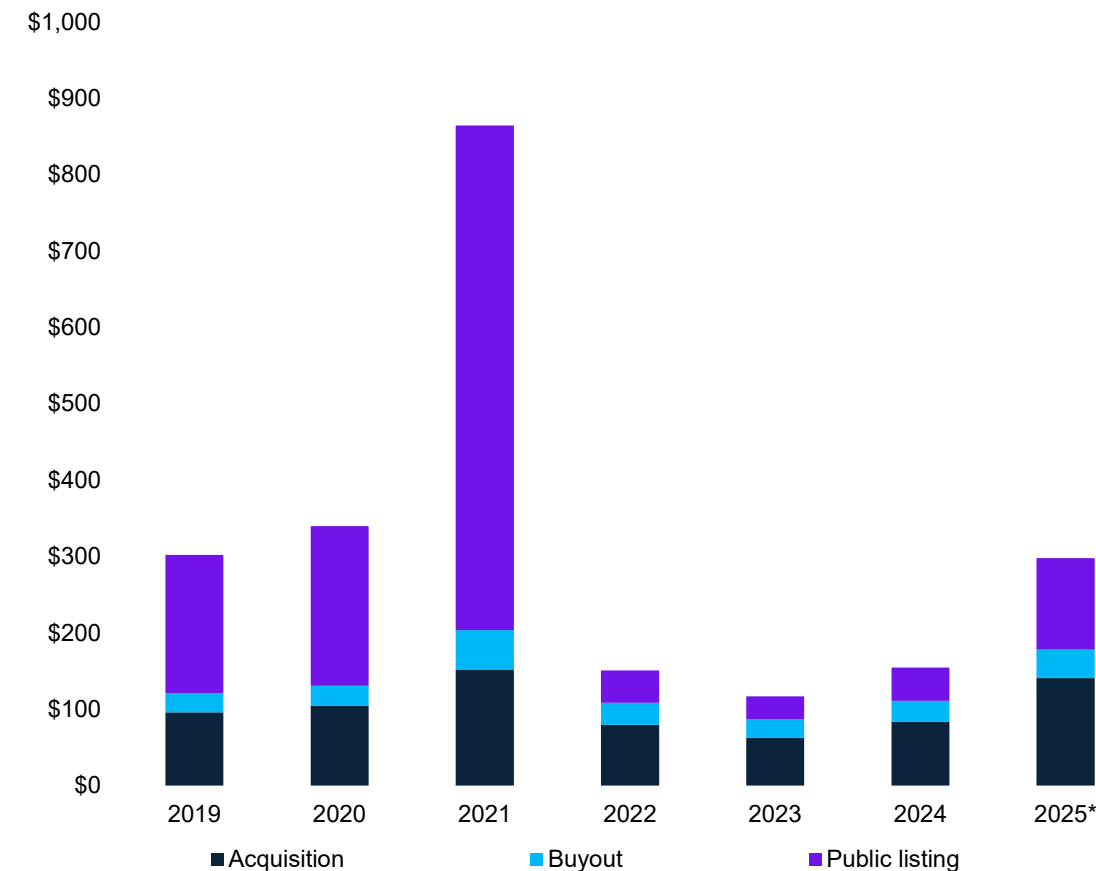
Venture-backed exit activity (#) by type in the US

2019–2025*



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

2019–2025*

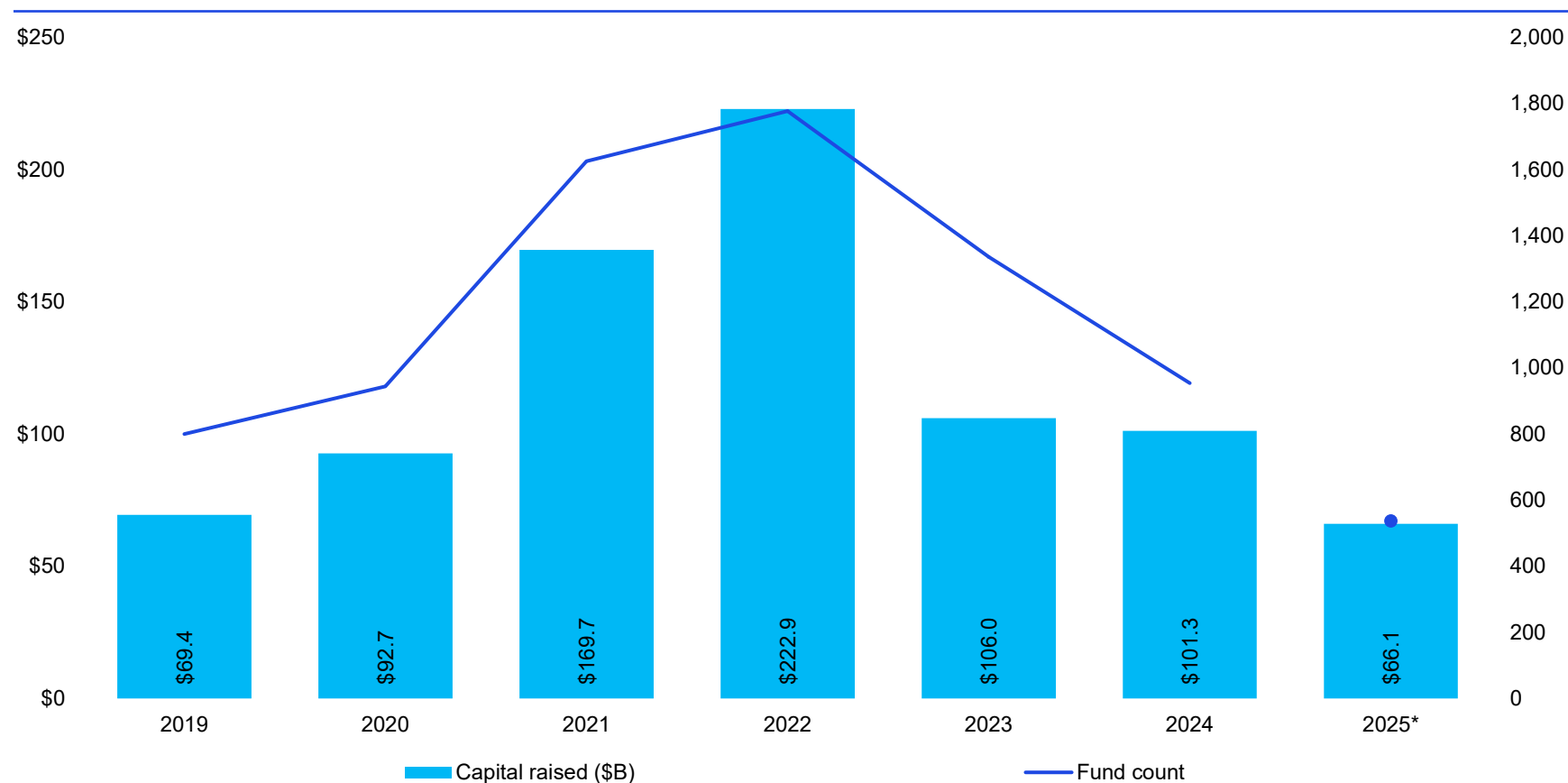


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

The fundraising cycle remains at low ebb

US venture fundraising

2019–2025*



“As investors evaluate VC performance, a point of caution in this current mega-round environment is concentration risk. The capital intensity of AI companies is an order of magnitude larger than previous cycles and comes against a backdrop of limited liquidity and a muted fundraising environment. If an investment doesn’t hit, it may be difficult to cover these large checks with performance in a fund’s remaining portfolio.”



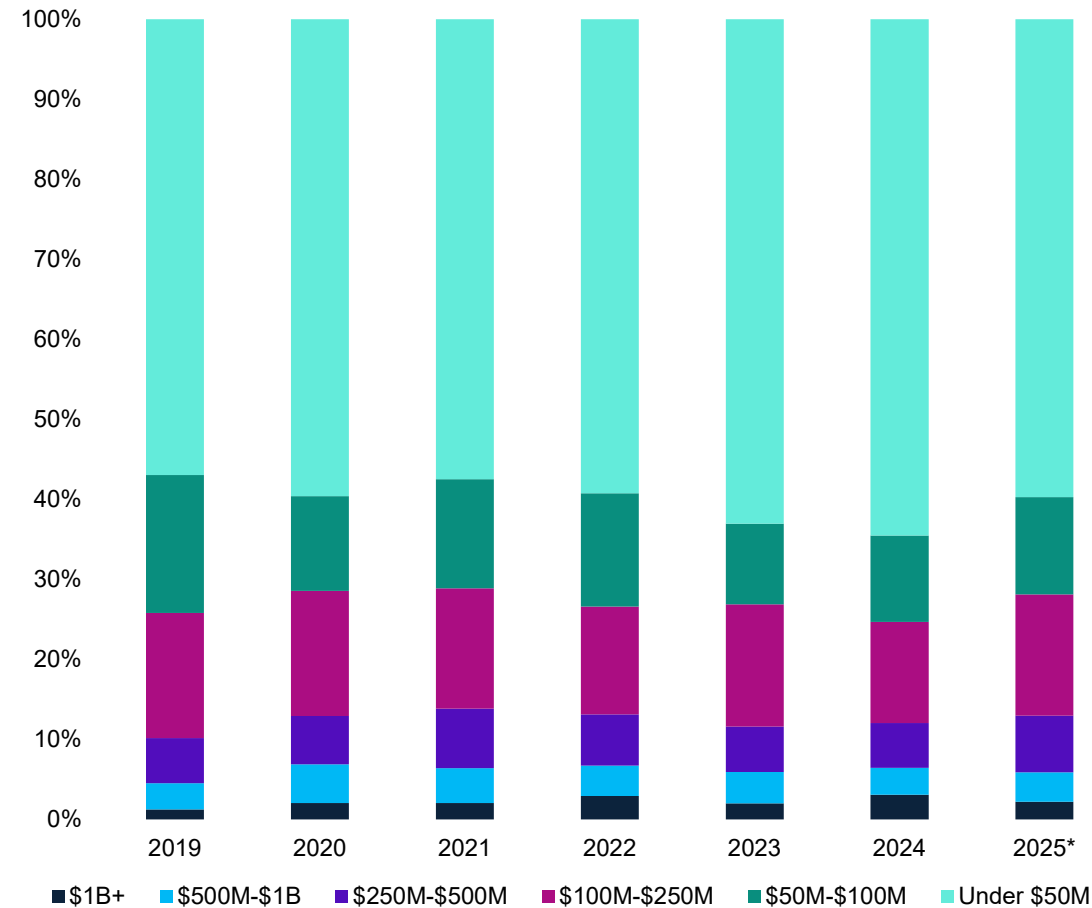
Scott Burger
Partner
KPMG in the US

Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

LPs focus on experienced, midsize funds

Venture fundraising (#) by size in the US

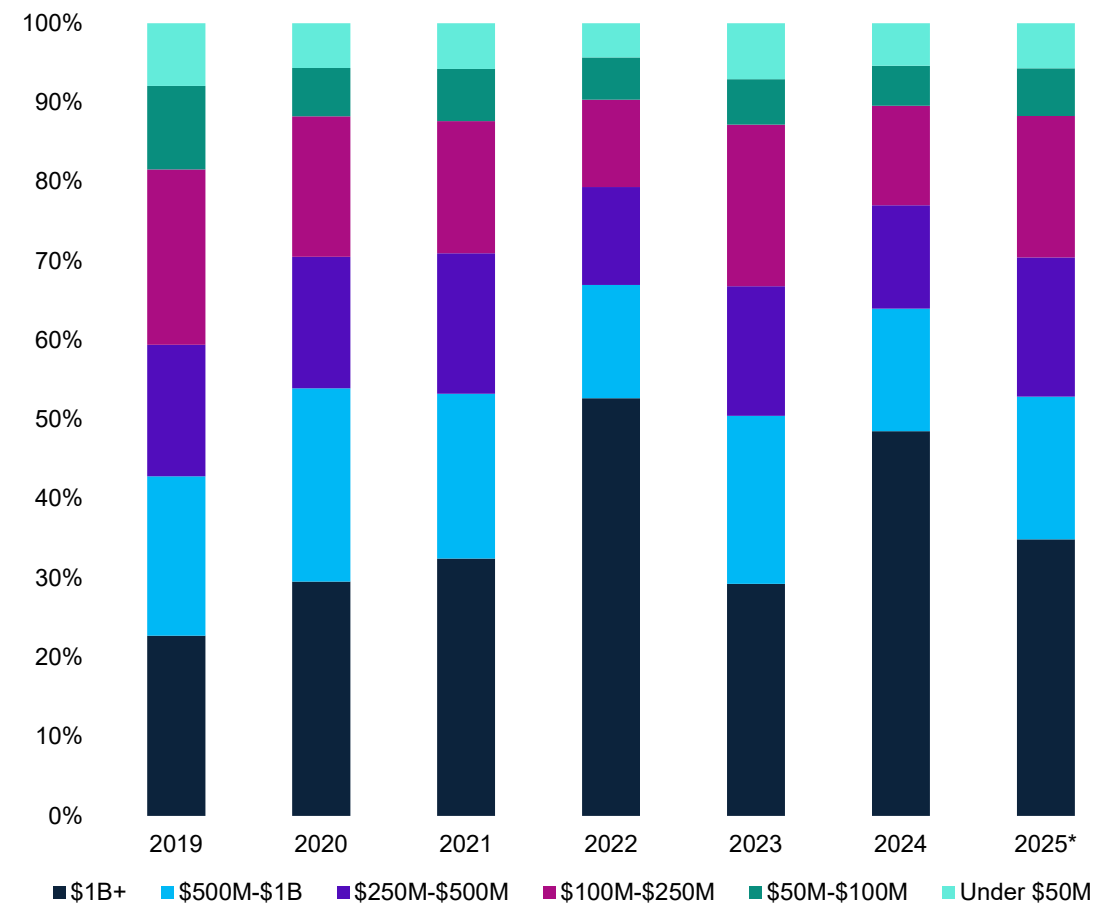
2019–2025*



Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

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

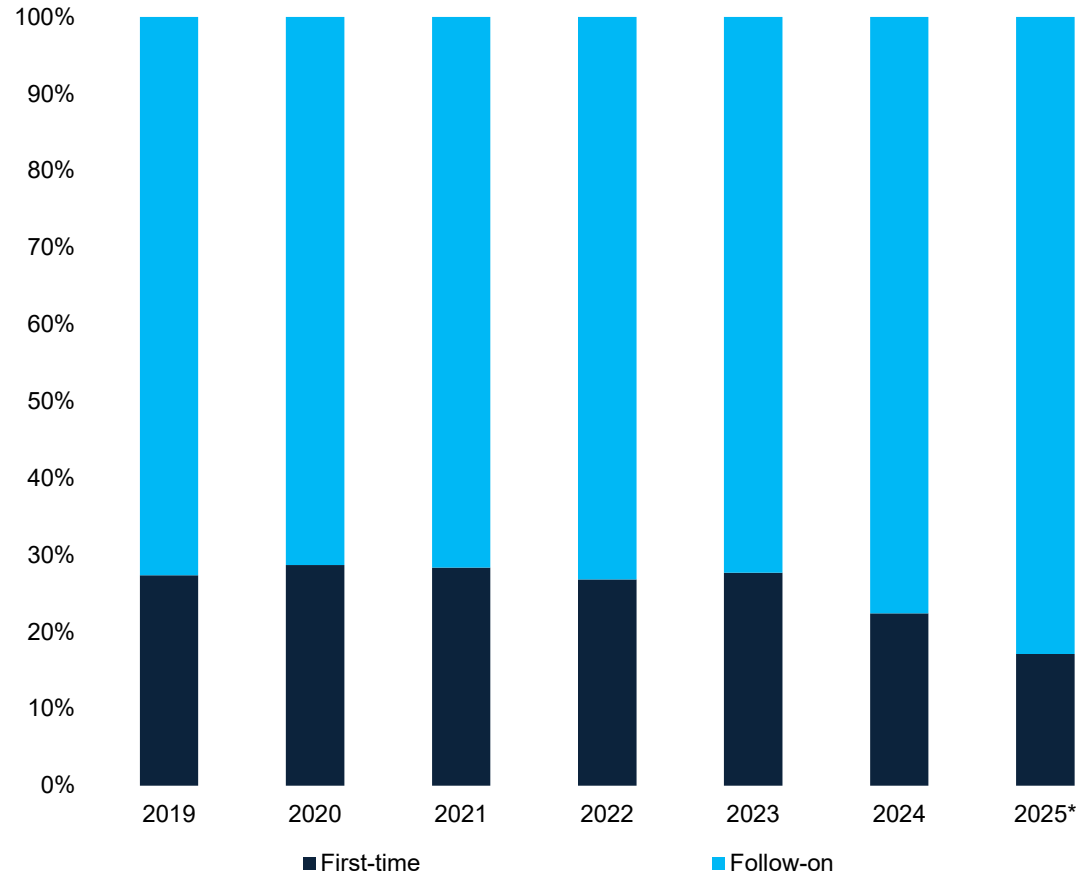
2019–2025*



Capital allocators remain cautious at best

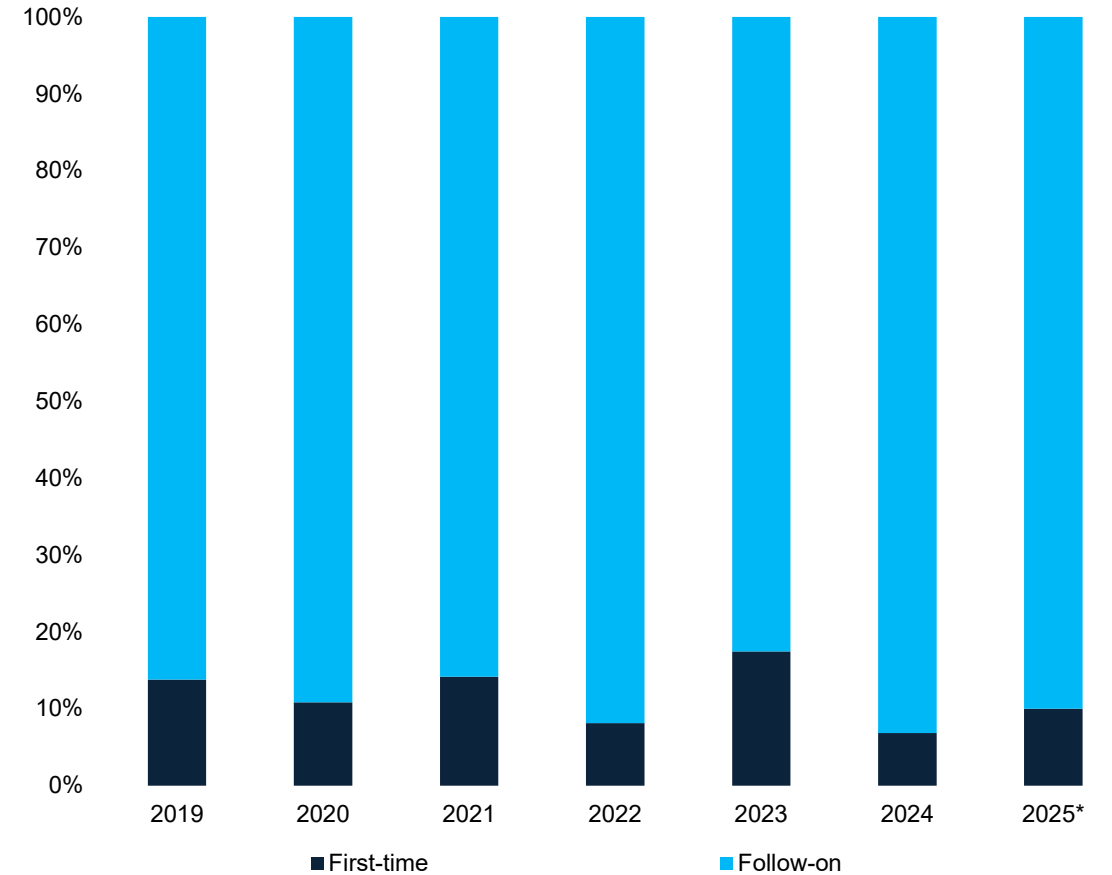
First-time vs. follow-on funds (#) in the US

2019–2025*



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

2019–2025*



Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

**In Q4'25, VC-backed
companies in the
Americas raised
\$95.1 billion across
3,724 deals**

Annual VC investment in the Americas soars over \$343 billion

Venture capital investment across the Americas reached its second-highest level on record in 2025, driven primarily by intense investor demand for AI-focused companies in the United States. Large, late-stage AI rounds accounted for a disproportionate share of total capital deployed, underscoring a market increasingly characterized by capital concentration and selective risk-taking.

VC investors in Americas growing increasingly comfortable with uncertainty

VC investment across the Americas rose meaningfully in Q4'25, reaching \$95.6 billion — a 17-quarter high — across 3,725 deals, as investors grew increasingly comfortable operating in a prolonged environment of uncertainty. Despite ongoing geopolitical risks, trade tensions, and tariff-related concerns, investors across the region demonstrated a renewed willingness to deploy capital. Outside of the AI sector, however, investment activity remained concentrated in late-stage companies and businesses with proven fundamentals.

US leads VC investment in Americas in Q4'25, driven by surging interest in AI

During Q4'25, the US attracted the vast majority of VC investment in the Americas, including all ten of the region's largest deals. AI attracted standout levels of VC investment in the US during the quarter, including eight \$1 billion+ deals. The US also saw \$1 billion raises by fintech Kalshi and energy firm Base Power.

Outside of the US, Canada recorded a second consecutive quarter with more than \$2 billion in venture capital investment, led by an \$850 million raise by legal case management software firm Clio and a \$536.1 million round for investment management platform Wealthsimple. In Q4'25, several other countries across the Americas also attracted \$100 million-plus megadeals, including Mexico (Plata Card, \$250 million) and Brazil (Creditas, \$108 million).

VC investment in Canada remains robust

Venture capital investment in Canada closed the year on a strong note, surpassing \$2 billion for the second consecutive quarter, driven by sizable raises from legaltech firm Clio (\$850 million) and fintech platform Wealthsimple (\$536.1 million). AI remained a top priority for Canadian VC investors, supported in part by a strong and visible commitment from the federal government to advancing the country's AI ecosystem.

In its 2025 federal budget, the Canadian government committed \$925 million over five years to support the development of sovereign public AI infrastructure, in addition to \$334 million to support the development of quantum technology companies in Canada—including those focused on defense tech solutions.¹ The government commitment is expected to drive significant interest in the AI space over the coming years, both from corporates and VC investors; in December, Microsoft announced that it would invest \$7.5 billion in Canada over the next two years — for a total of \$19 billion over five years — largely to build new digital and AI infrastructure.²

¹ Federal budget dedicates over \$1B to boost Canadian AI and quantum computing | CBC News

² <https://blogs.microsoft.com/on-the-issues/2025/12/09/microsoft-deepens-its-commitment-to-canada-with-landmark-19b-ai-investment/>

Annual VC investment in the Americas soars over \$343 billion, cont'd.

A quiet quarter for VC investment in Brazil, although VC investment up year-over year

Venture capital investment in Brazil was relatively subdued in Q4'25, with the largest transaction of the quarter being a \$108 million raise by digital lending platform Creditas. On a full-year basis, however, 2025 was a notably stronger year, with VC investment increasing from \$1.8 billion to more than \$3 billion year over year, albeit still below prior peak levels.

While overall deal volume remained soft in 2025, investors demonstrated a clear willingness to back companies with strong track records and proven sustainability, resulting in larger average ticket sizes for high-quality issuers. Brazil's increasingly mature fintech ecosystem continued to attract the largest share of venture capital, with many leading platforms prioritizing geographic expansion into markets such as Mexico, Chile, Argentina, and, in select cases, the United States.

At the same time, sector diversification continued to improve, with growing investment activity across areas such as cleantech — highlighted by a \$45 million equity and a \$75 million debt raise by Vammo — and micromobility, including a \$55.6 million round for Tembici.

Defense tech well-positioned for investment growth in Canada

While Canada's defense technology sector remains relatively nascent, government funding announcements in 2025 are expected to catalyze meaningful growth heading into 2026. Notably, in Q4'25 the federal government launched a \$357 million Regional Defence Investment Fund aimed at scaling companies across the national defense ecosystem, including aerospace, cybersecurity, robotics, and advanced manufacturing.

This initiative aligns with the government's longer-term plan to increase defense spending to 5 percent of GDP by 2035, signaling a sustained policy commitment that could materially enhance the sector's attractiveness to venture capital investors over time.

Fintech attracts significant VC investment across Americas

The fintech sector continued to attract robust interest from VC investors across the Americas during Q4'25, with the US, Canada, and Latin America all attracting large deals in the space. In the US, event prediction betting platform Kalshi raised \$1 billion, while Canada-based financial management platform Wealthsimple raised \$536 million, Mexico-based rewards credit card Plata Card raised \$250 million, and Brazil-based lending platform Creditas raised \$108 million.

Annual VC investment in the Americas soars over \$343 billion, cont'd.



Trends to watch for in Q1'26

Venture capital investment across the Americas is expected to continue expanding in Q1'26. In the US, a more favorable regulatory environment and the prospect of additional interest rate cuts are expected to support VC activity, alongside improving conditions for both IPOs and M&A. AI is anticipated to remain the primary driver of US-based venture investment.

In Canada, VC investment is expected to remain relatively stable in Q1'26, with the potential for increased momentum later in the year — particularly in sectors such as defense technology and AI. As the US IPO market continues to reopen, Canada may also begin to see more VC-backed companies pursue exits in 2026. Reflecting this trend, Canada-based quantum computing company Xanadu announced in Q4'25 its intention to go public via a SPAC merger with US-based Crane Harbor Acquisition Corp., with the transaction expected to close in the first half of 2026.³

In Brazil and Latin America, VC investors are expected to remain cautious, focusing their capital on stable companies. The trend of fewer but larger investments will likely continue well into 2026.

³ <https://www.bloomberg.com/news/articles/2025-11-03/quantum-firm-xanadu-to-go-public-in-3-6-billion-spac-deal>

2025 finishes strong for best year since 2021

Venture financing in the Americas

2019–Q4'25

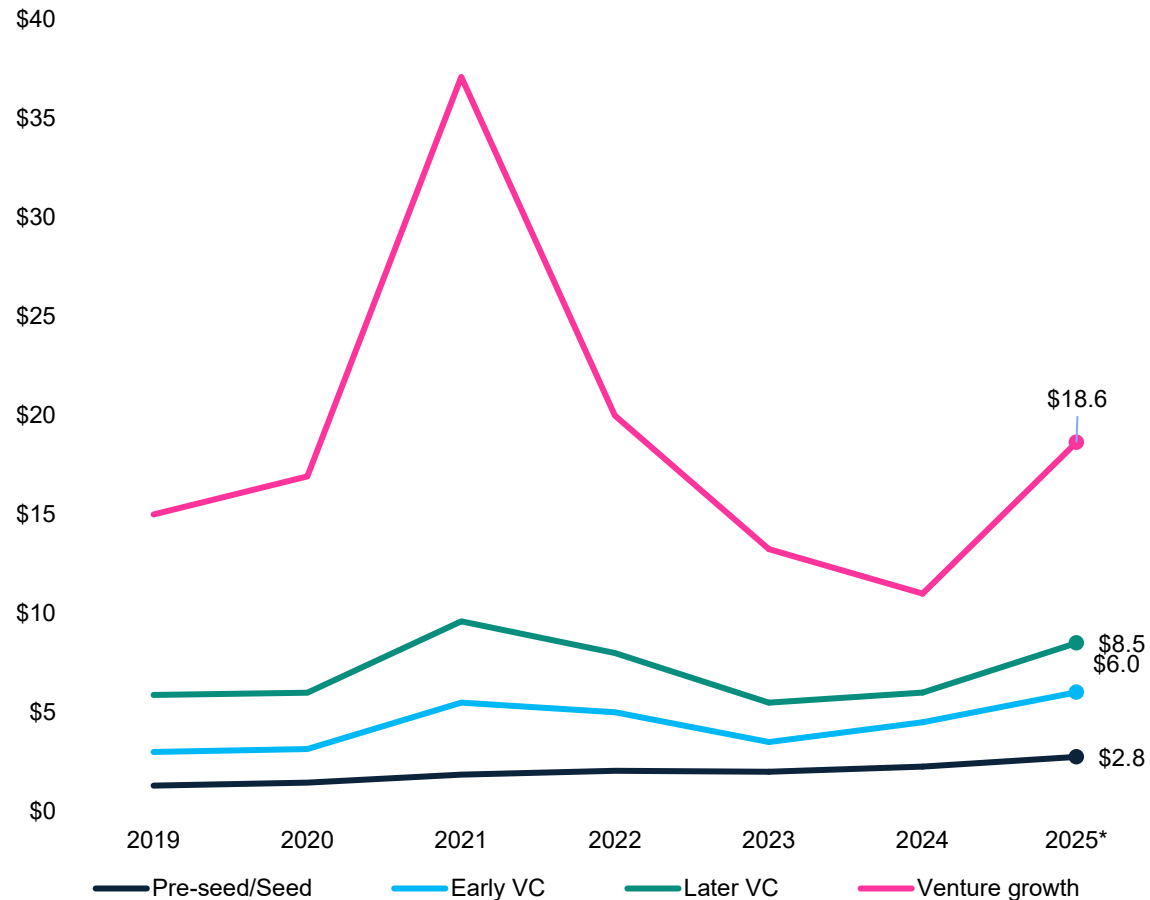


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Amid up rounds' comeback, financing sizes log solid growth

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

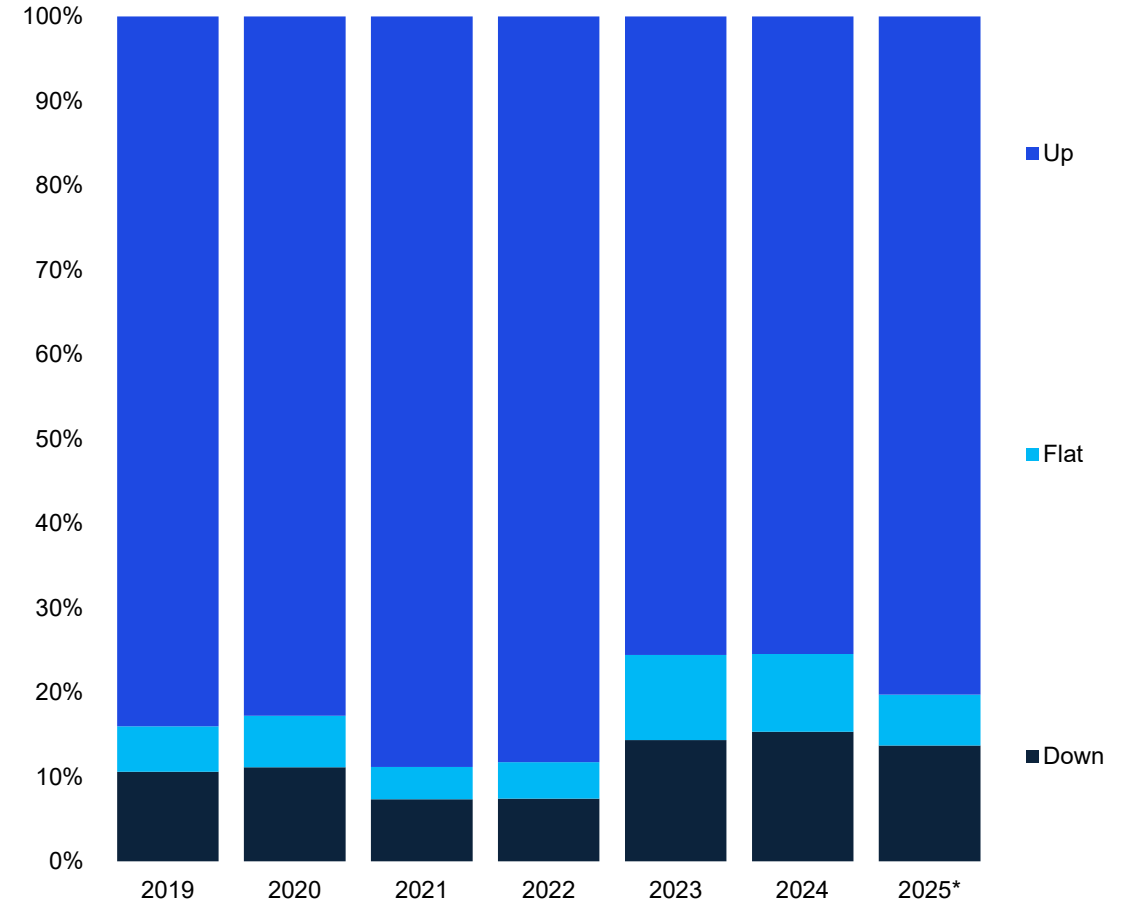
2019–2025*



Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Up, flat or down rounds in the Americas

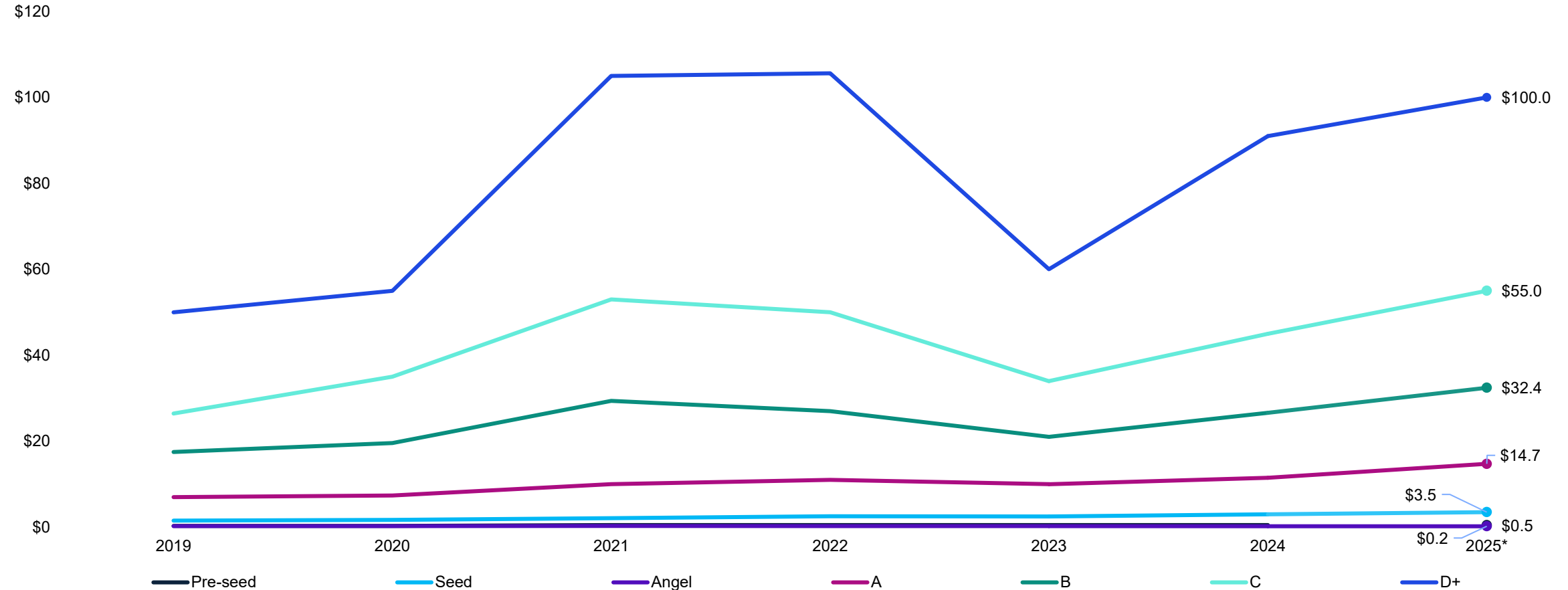
2019–2025*



Financing metrics post robust tallies

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

2019–2025*

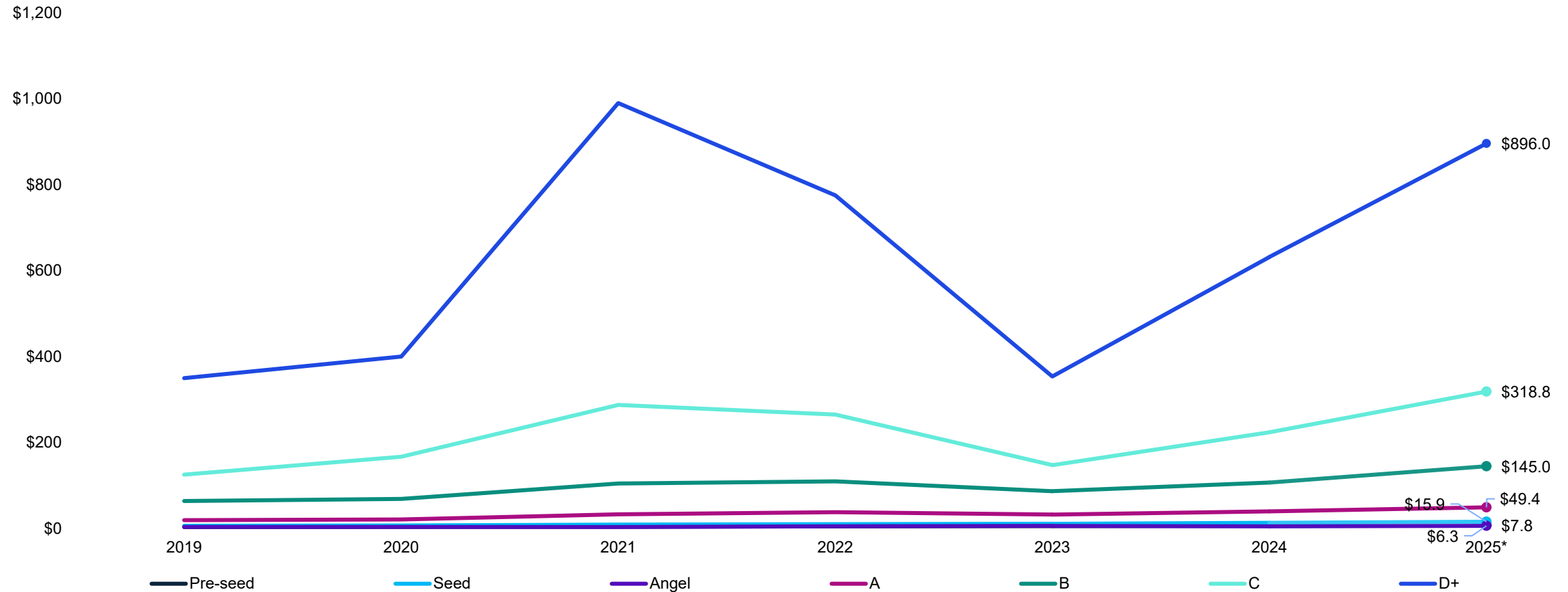


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Valuations climb towards 2021 heights

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

2019–2025*

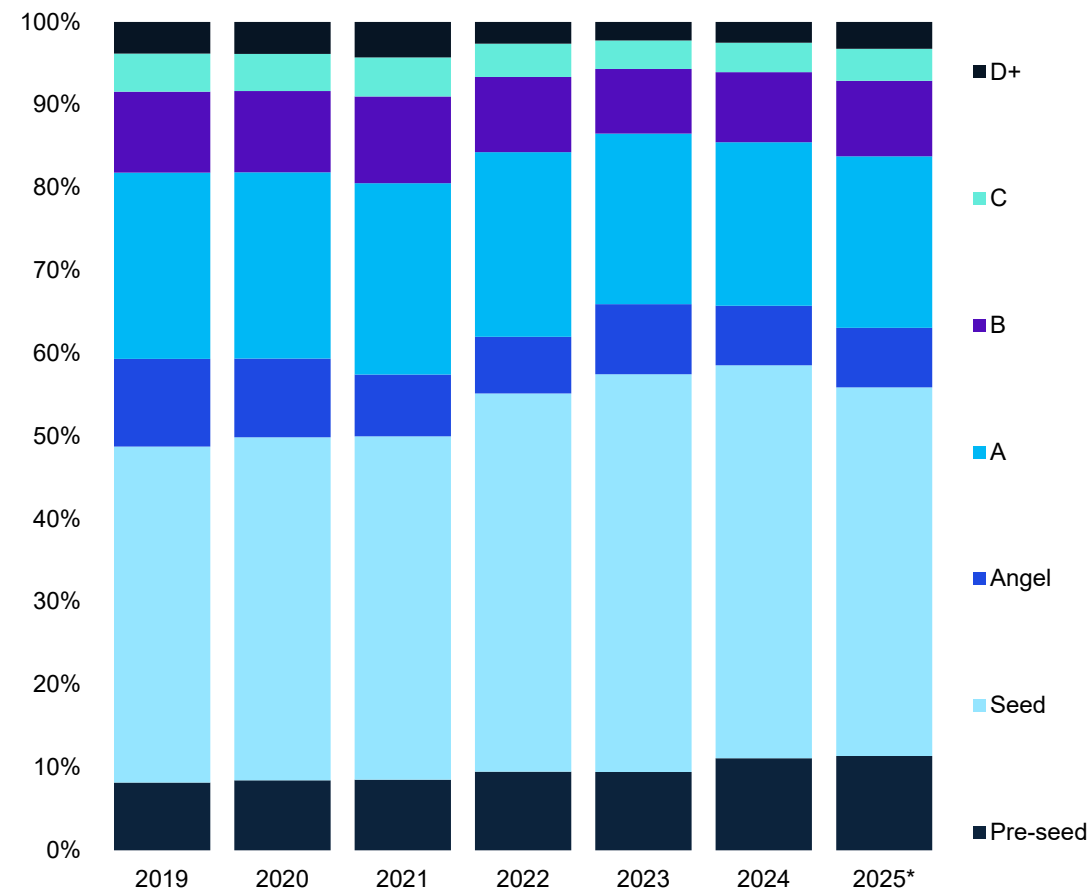


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Mega-rounds returned with a vengeance

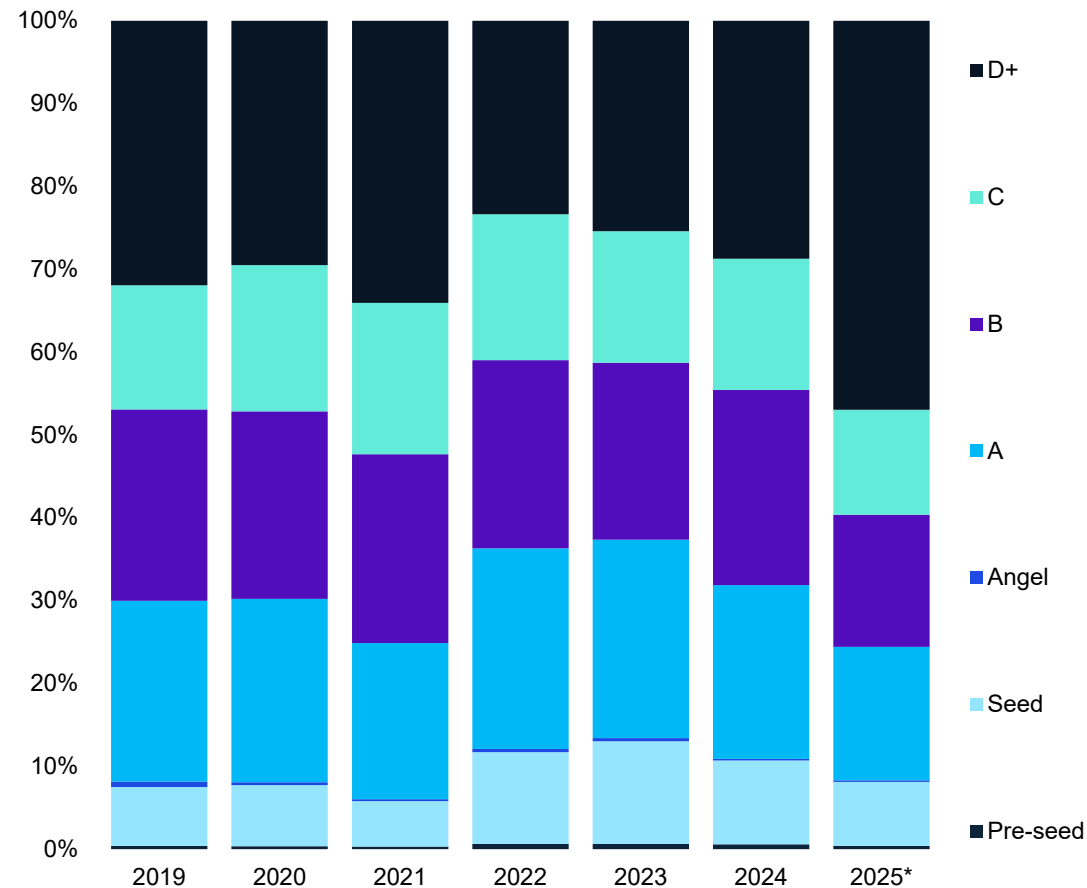
Deal share by series in the Americas

2019–2025*, number of closed deals



Deal share by series in the Americas

2019–2025*, VC invested (\$B)

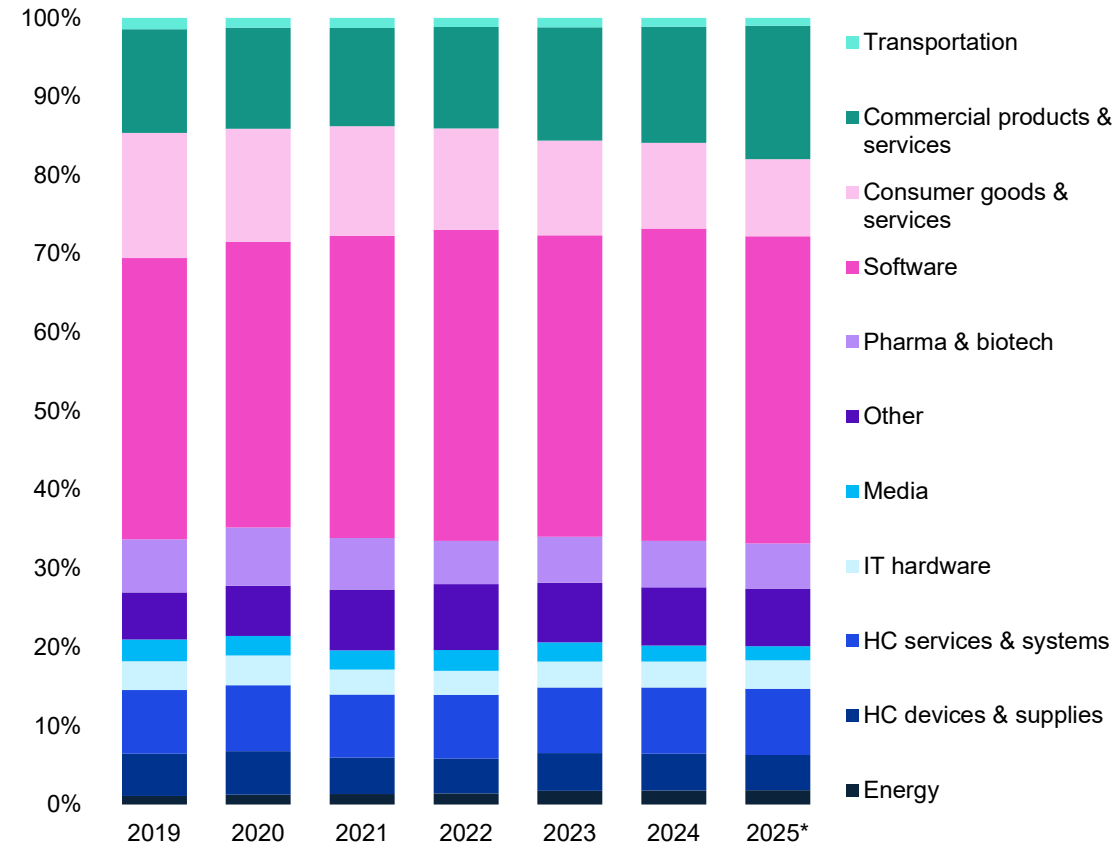


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Software's proliferation is driven by AI ecosystem expansion

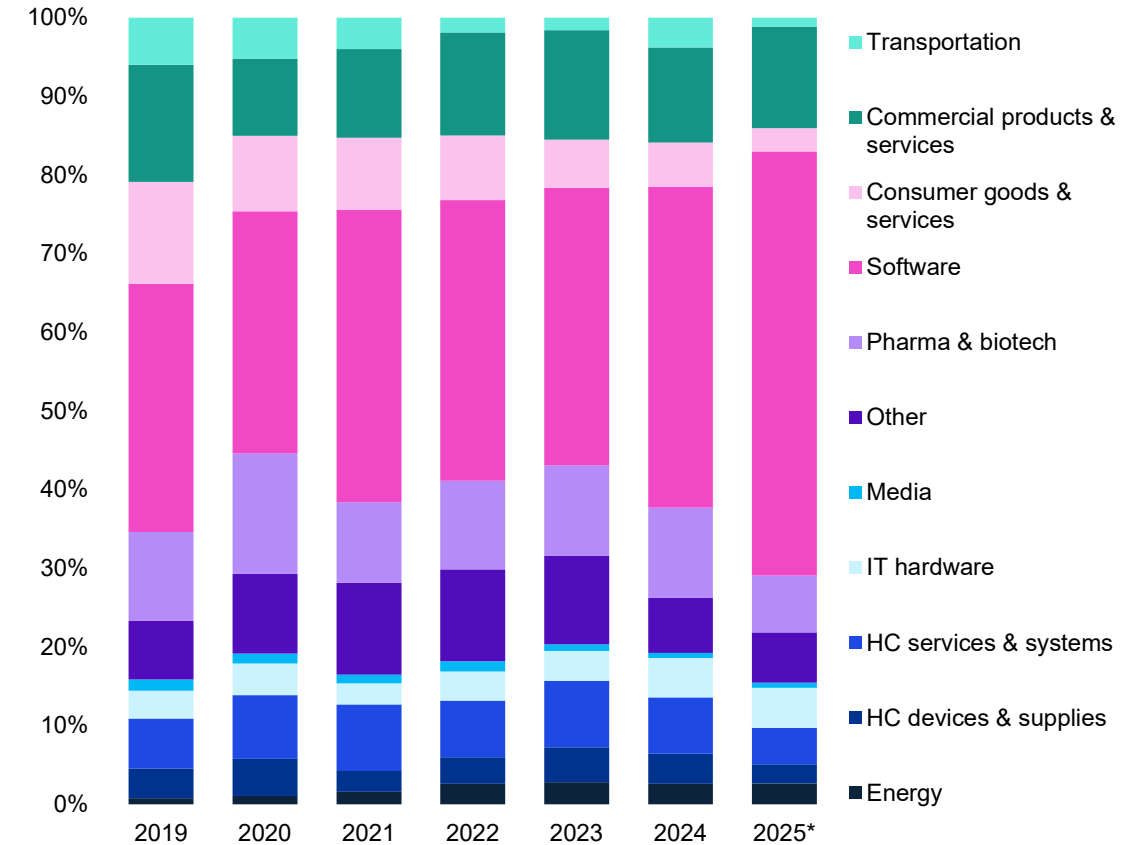
Venture financing by sector in the Americas

2019–2025*, # of closed deals



Venture financing by sector in the Americas

2019–2025*, VC invested (\$B)

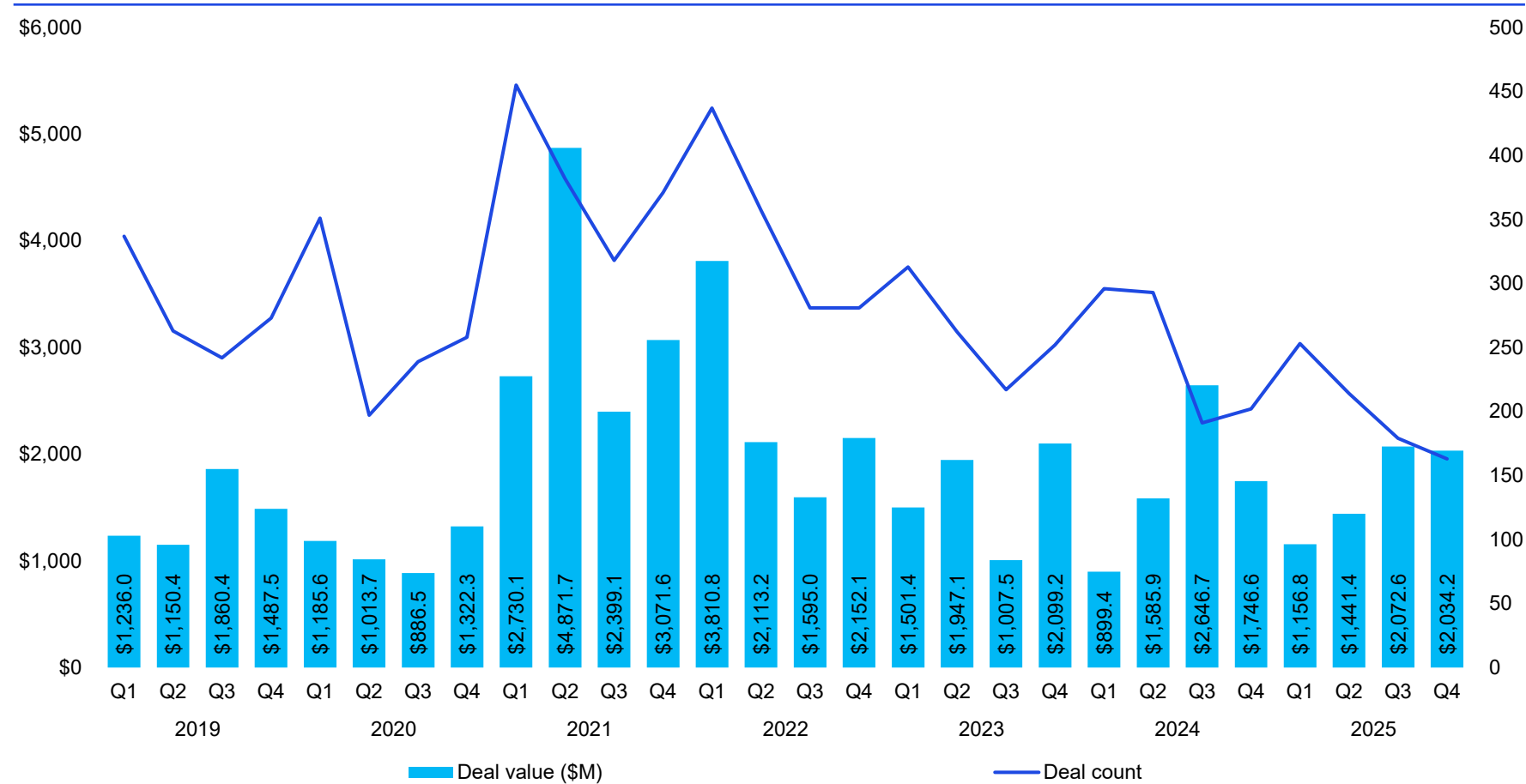


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

VC invested holds at a healthy level

Venture financing in Canada

2019–Q4'25



Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

“Defense tech wasn't a focus for VC investment in Canada during 2025, but it definitely is something to keep an eye on going into 2026. Given the geopolitical climate, the federal government has really strengthened its focus on defense. They're going to be putting a lot of money into bolstering the sector and the defense supply chain over the next few years. That's going to quickly make it an area of interest to VC investors.”

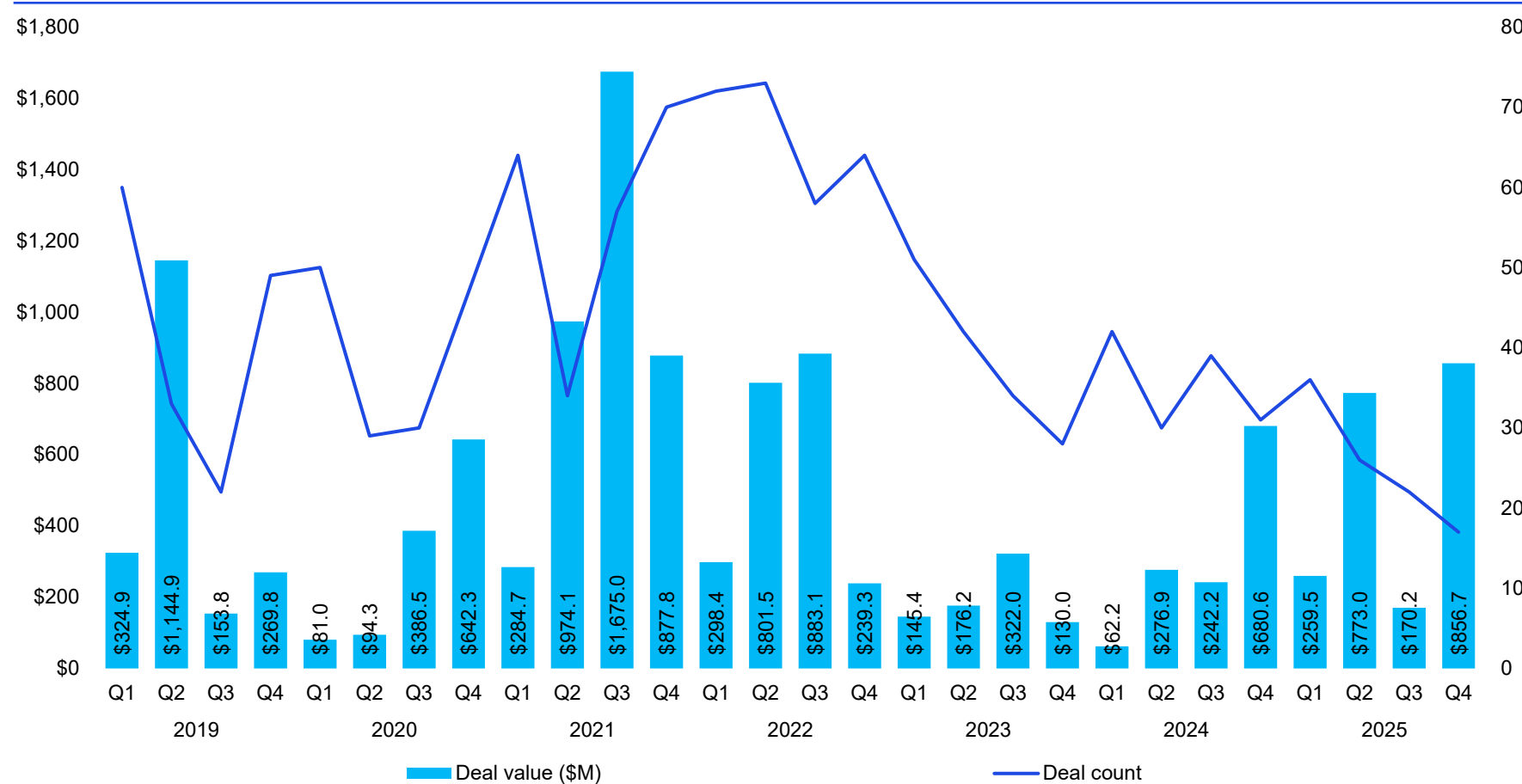


Ryan Forster
Partner
KPMG in Canada

Mexico logs a strong Q4 tally of VC invested

Venture financing in Mexico

2019–Q4'25



Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

“ Mexico saw a notable spike in VC investment this quarter, largely due to a handful of megadeals, making Q4 one of the strongest periods of the year. That said, ongoing geopolitical and trade uncertainty, particularly around the future of US-Mexico relations, continues to dampen broader investor confidence and has pushed some international capital towards other Latin American markets. ”

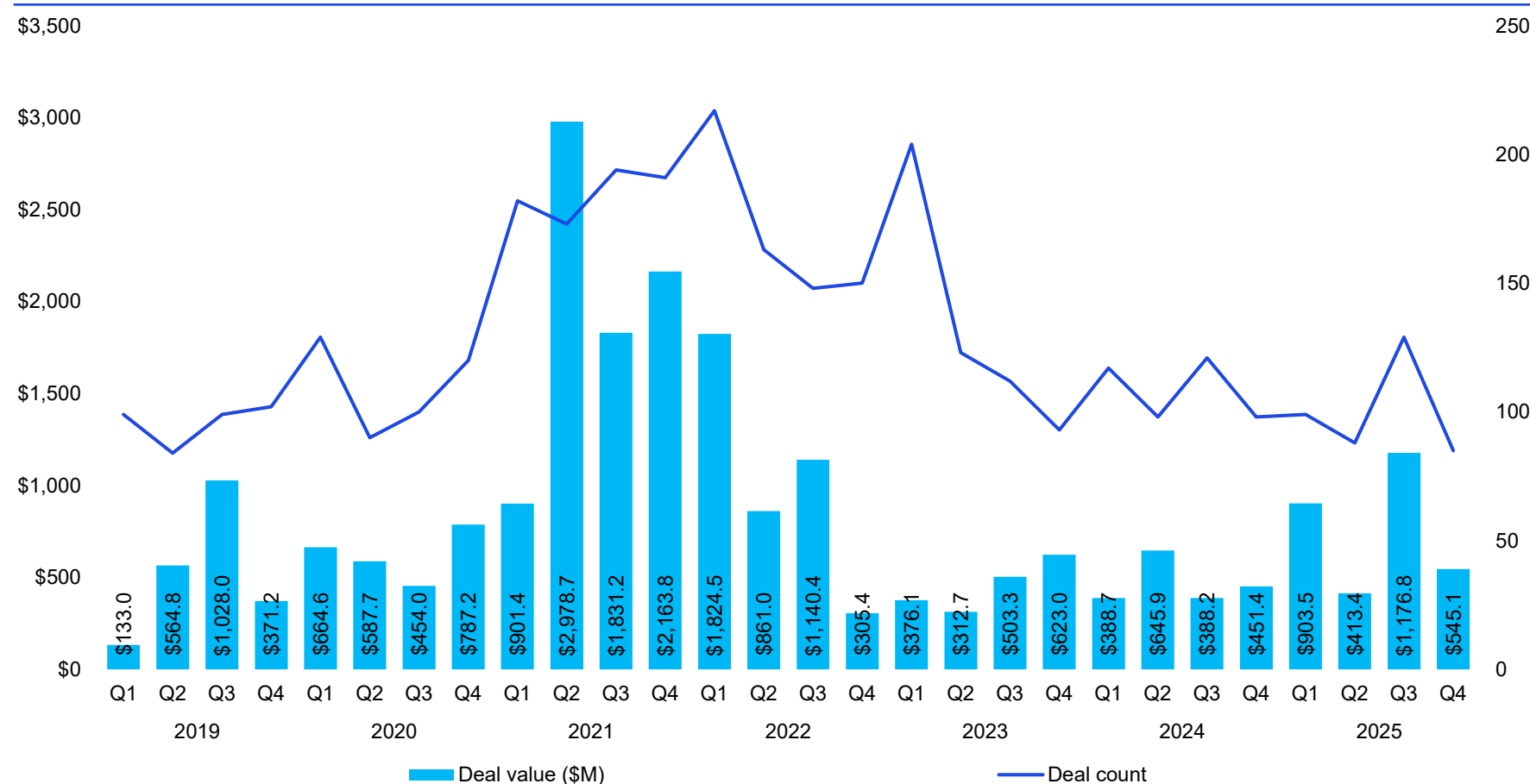


Guillermo Goñi
Partner
KPMG in Mexico

On the whole, 2025 records a healthy year for Brazilian VC invested

Venture financing in Brazil

2019–Q4'25



Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

“While the macroeconomic state in Brazil didn’t improve as quickly as we might have liked, 2025 was a pretty good year. We saw fewer VC investments, but the companies that raised funds raised larger tickets. They won over investors with proven track records and their ability to be sustainable. This trend highlights the growing maturity of investment that we’re seeing in Brazil. 2026 could be tricky because we have elections coming up and interest rates remain very high, but we expect cautious growth, with VC investors continuing to focus on mature companies.”



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

AI continues dominant streak

Top 10 financings in Q4'25 in the Americas



1. **Anthropic** — \$15B, San Francisco, US — AI & ML — *Late-stage VC*
2. **Project Prometheus** — \$6.2B, San Francisco, US — AI & ML — *Early-stage VC*
3. **Databricks** — \$4B, San Francisco, US — AI & ML — *Late-stage VC*
4. **Anysphere** — \$2.3B, San Francisco, US — AI & ML — *Series D*
5. **Reflection AI** — \$2B, New York, US — AI & ML — *Series B*
5. **Polymarket** — \$2B, New York, US — AI & ML — *Series D*
7. **Lambda** — \$1.5B, San Jose, US — AI & ML — *Series E*
8. **Crusoe** — \$1.4B, Denver, US — AI & ML — *Series E*
9. **Kalshi** — \$1B, New York, US — Other Financial Services — *Series E*
9. **Touareg Group** — \$1B, Sheridan, US — Crypto — *Early-stage VC*
9. **Base Power** — \$1B, Austin, US — Energy tech — *Late-stage VC*

Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

**In Q4'25, European
VC-backed companies
raised \$21.1 billion
across 1,652 deals**

Diversity of sectors attracts attention as VC investment in Europe holds steady

Venture capital investment in Europe reached \$85.3 billion across 8,626 deals for the year, representing the third-strongest annual total by investment value over the past decade. However, this strength in capital deployed contrasted sharply with deal activity, as annual deal volume fell to the second-lowest level seen in ten years. This divergence underscores a market increasingly defined by investor selectivity, with capital concentrated on fewer, larger transactions and a heightened emphasis on scale, profitability, and resilience.

Quarterly activity in Q4 reflected these dynamics. European VC investment totaled \$20.7 billion across 1,651 deals, remaining solid by historical standards but notably below the record highs reached in Q3. Deal volume declined for the third consecutive quarter, reinforcing the trend of cautious capital deployment amid ongoing macroeconomic uncertainty, geopolitical tensions, and continued scrutiny of valuation and business fundamentals. Despite these headwinds, investors continued to support high-quality companies, particularly those with clear paths to profitability and defensible market positions.

Diversity is a major asset for VC market in Europe

Europe's venture capital market continues to benefit from its geographic and sectoral diversity, with investment activity well distributed across countries and industries. On a country basis, the UK led investment in Q4'25 with \$6.8 billion deployed, followed by Germany (\$2.4 billion), France (\$2.3 billion), and Israel (\$1.5 billion), underscoring the depth of the region's innovation ecosystem beyond any single market.

This breadth was further reflected in Q4'25 megadeal activity, as a wide range of countries accounted for the largest transactions of the quarter. Six different jurisdictions represented the six largest VC deals, including the UK (Revolut, \$3 billion), Finland (Oura, \$907.7 million), France (Brevo, \$578 million), the Netherlands (Picnic, \$498.1 million), Germany (Tubulis, \$360.9 million), and Greece (Spotawheel, \$348 million).

Sector diversity was equally pronounced, with \$100 million-plus rounds spanning fintech, healthtech, defense tech, cleantech, and robotics. Across many of these deals, AI served as a foundational enabler, underpinning product innovation and scalability regardless of sector. Together, this geographic and thematic dispersion highlights the resilience and breadth of the European VC market, positioning it well for sustained investment activity despite ongoing macroeconomic uncertainty.

European companies focused on AI application layer see increasing interest in Q4'25

AI was a big ticket for VC investors in Europe in 2025. While LLMs and AI infrastructure attracted attention earlier in the year, Q4'25 saw VC investors increasingly focusing on application layer solutions. During the quarter, France-based AI-enabled digital marketing platform Brevo raised \$578 million, Germany-based image and video generative AI firm Black Forest Labs raised \$300 million and workflow automation company n8n raised \$180 million, and UK-based text-to-video company Synthesia raised \$200 million.

VC investors continue to see opportunities in defense tech

Global geopolitical tensions and conflicts kept defense tech high on the radar of VC investors throughout 2025, with investments in the space growing considerably year-over-year. While drones attracted a large share of capital during the year, Q4'25 saw VC investors interested in a broader array of defense tech capabilities, including dual-use capabilities, cybersecurity, and solutions focused on enhancing the defensibility of critical infrastructure. Regional governments and defense alliances are expected to spur investment in defense tech in 2026, with both the NATO Innovation Fund and European Defense Fund (EDF) actively supporting innovation. For 2025, the EU has committed \$1.1 billion to the EDF.⁴

⁴ <https://aviationweek.com/defense/missile-defense-weapons/european-union-earmarks-eu1b-2026-defense-fund-work>

Diversity of sectors attracts attention as VC investment in Europe holds steady, cont'd.

Oura raises largest healthtech funding round ever in the region as wearables continue to see traction

Healthtech and biotech continued to attract robust interest from VC investors in Europe during 2025. In Q4'25, Finland-based health wearables company Oura raised a \$907.7 million round in the region's largest raise by a healthtech ever. The quarter also saw Germany-based cancer treatment company Tubulis raise \$360.9 million, Denmark-based Hemab raise \$157 million, and Italy-based Aavantgarde raise \$141 million.

Germany seeing bigger deals led by consortiums

VC investment in Germany rose quarter-over-quarter, led by a \$360.9 million raise by biotech Tubulis. AI continued to attract significant interest in the country-evidenced by Black Forest Labs' \$300 million Series B raise in Q4'25. Quantum computing, semiconductors, battery storage, and battery infrastructure also garnered interest from VC investors in Germany. In recent quarters, Germany has seen solid growth in consortium-led VC deals as VC funds worked together to support high potential companies-with many of these deals including at least one non-European investor. After an extended drought, Germany also saw fundraising activity start to pick up in Q4'25 as several of VC firms began to raise new funds.

VC investment in Nordics sees nine-quarter high in Q4'25, including Finland's largest VC raise ever

During Q4'25, venture capital investment in the Nordics built on the positive momentum established in Q3'25, rising to a nine-quarter high. The quarter was highlighted by a \$907 million raise by health monitoring wearables company Oura, marking the largest VC funding round ever completed in Finland. The region also recorded several additional \$100 million-plus financings, including rounds for Denmark-based fintech Flatpay (\$168 million), biotech company Hemab (\$157 million) and Sweden-based AI firms Lovable (\$330 million) and Legora (\$150 million). Across the region, VC investors

concentrated capital on emerging category leaders spanning healthtech, fintech, and legaltech, with AI serving as a common enabling theme across many of the companies attracting funding. This pattern reflects continued investor conviction in scalable, technology-driven platforms with defensible market positions and clear long-term growth potential.

Beyond these core sectors, defense tech, spacetechnology, and companies focused on dual-use technologies also attracted meaningful interest in the Nordics. In particular, firms applying AI to defense-related use cases gained traction, including NestAI, which raised \$115 million in Q4'25 to support the development of AI-powered defense tech solutions and new space company Iceye (\$232 million). Looking ahead, investor sentiment across the Nordics remains constructive. The strong finish to 2025 has reinforced expectations that VC investment momentum will carry into 2026, while improving market conditions and growing confidence in exit pathways are expected to support increased M&A activity as investors seek liquidity opportunities.

Fintech attracts attention in UK in Q4'25, led by \$3 billion raise by Revolut

Following a 13 quarter high in Q3'25, venture capital investment in the UK moderated in Q4'25, even with a \$3 billion funding round by Revolut contributing significantly to the quarter's total. The fintech sector continued to attract strong investor interest, with additional notable raises including \$200 million for Moniepoint and \$177 million for Zilch.

AI also remained a key area of focus for VC investors during the quarter. Companies such as generative AI firm Synthesia and legal workflow platform Navys, secured meaningful funding rounds, underscoring sustained appetite for AI-driven innovation. Within the UK, universities continued to play a central role in nurturing the AI ecosystem, serving as important hubs for research, talent development, and the commercialization of next-generation AI solutions.

Diversity of sectors attracts attention as VC investment in Europe holds steady, cont'd.

Despite a lower H2'25, Irish VC investment sentiment remains positive

Venture capital investment in Ireland was somewhat subdued in Q4'25, although full-year activity in 2025 remained solid and exceeded the total recorded in 2024. Investor sentiment was resilient in the face of geopolitical challenges, with fintech and medtech attracting the greatest share of VC interest.

While enthusiasm for AI continues to build in Ireland, investment in the sector has so far skewed towards smaller, more targeted rounds, primarily supporting niche applications and vertical-specific solutions rather than large-scale platforms. Looking ahead to 2026, Ireland appears well positioned for continued growth in VC investment as maturing companies begin to attract larger deal sizes. As confidence in the market strengthens, deal volume is also expected to improve alongside investment values.

VC ecosystem in Austria healthy headed into 2026

VC investors in Austria continued to be selective in Q4'25, continuing a trend seen throughout the year. VC activity remained stable, driven by a small number of high-quality transactions. Entering 2026, Austria's VC market is in a healthier position than seen in previous years; companies raising funds now have had to hone their efficiencies and prove their value—which has helped drive a maturation in the overall VC ecosystem. Within Austria, embedded AI solutions have started to gain traction, particularly in areas like industrial solutions and B2B solutions focused on driving measurable productivity.



Trends to watch for in Q1'26

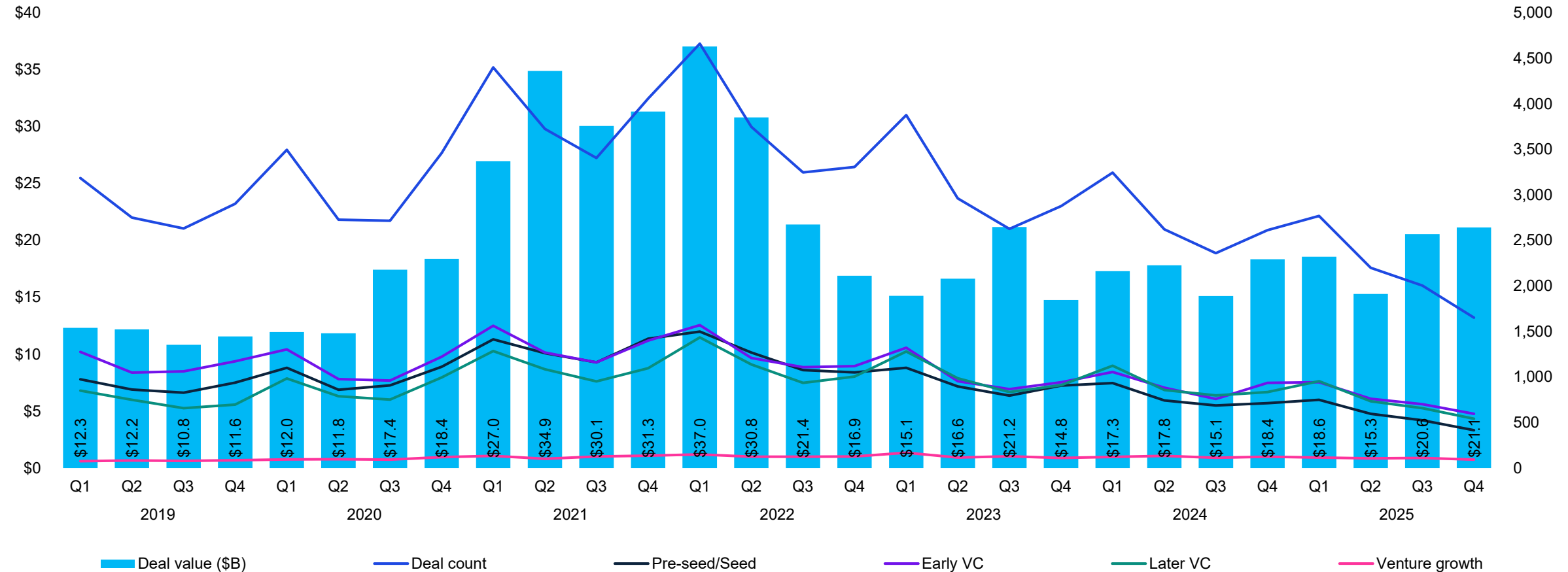
Heading into Q1'26, investors in Europe are expected to remain focused on high-quality investments — putting more money into startups with proven fundamentals, clear unit economics, and realistic paths to scale. AI and defense tech are expected to be very hot sectors for investment in 2026, while fintech, healthtech, and cleantech will likely continue to attract interest. Quantum computing is also expected to see an increasing level of VC investment over the next year.

The exit environment in Europe will be a key area to watch headed into 2026. Should the exit environment show noticeable improvement in Q1'26 and Q2'26, deal volume will likely also start to improve—although any improvement is expected to occur gradually over subsequent quarters.

2025 finishes strong

Venture financing in Europe

2019–Q4'25

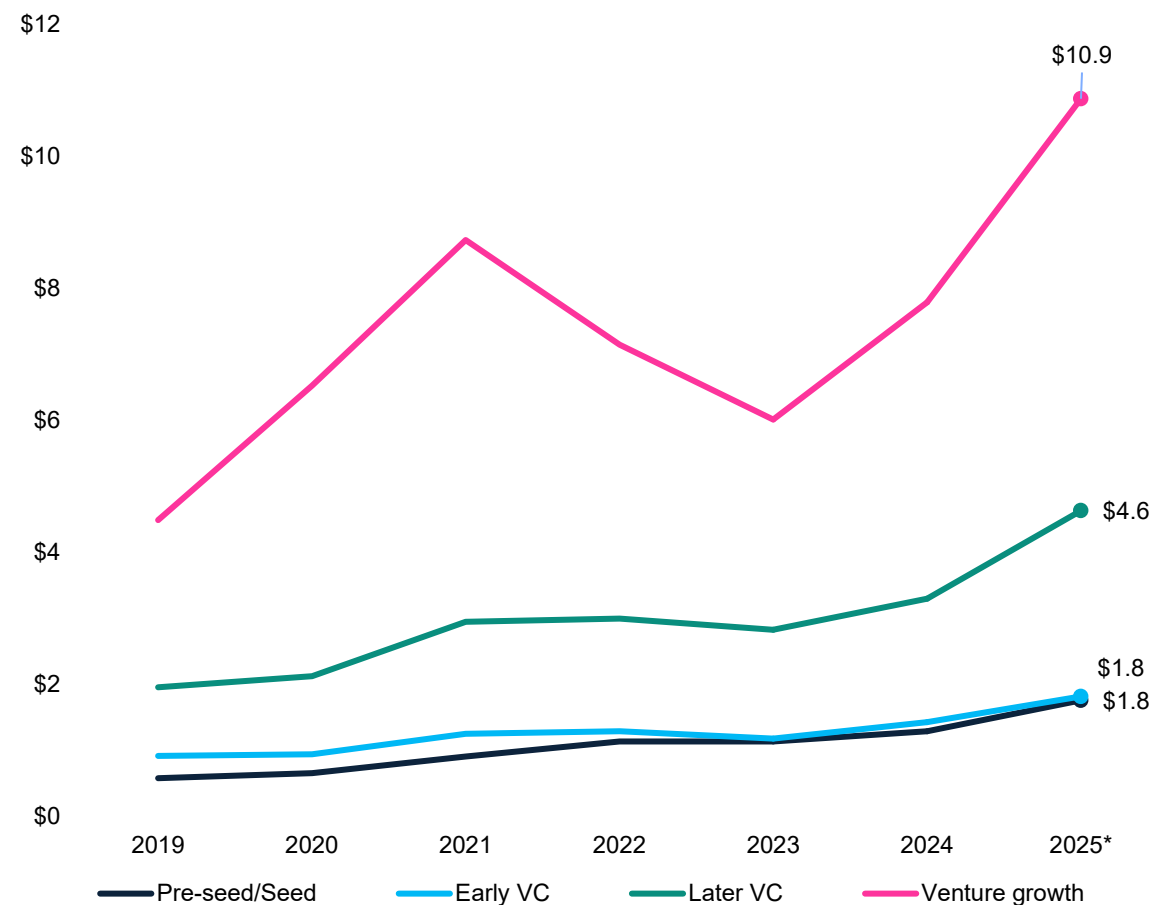


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Down rounds stay subdued as deal sizes climb

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

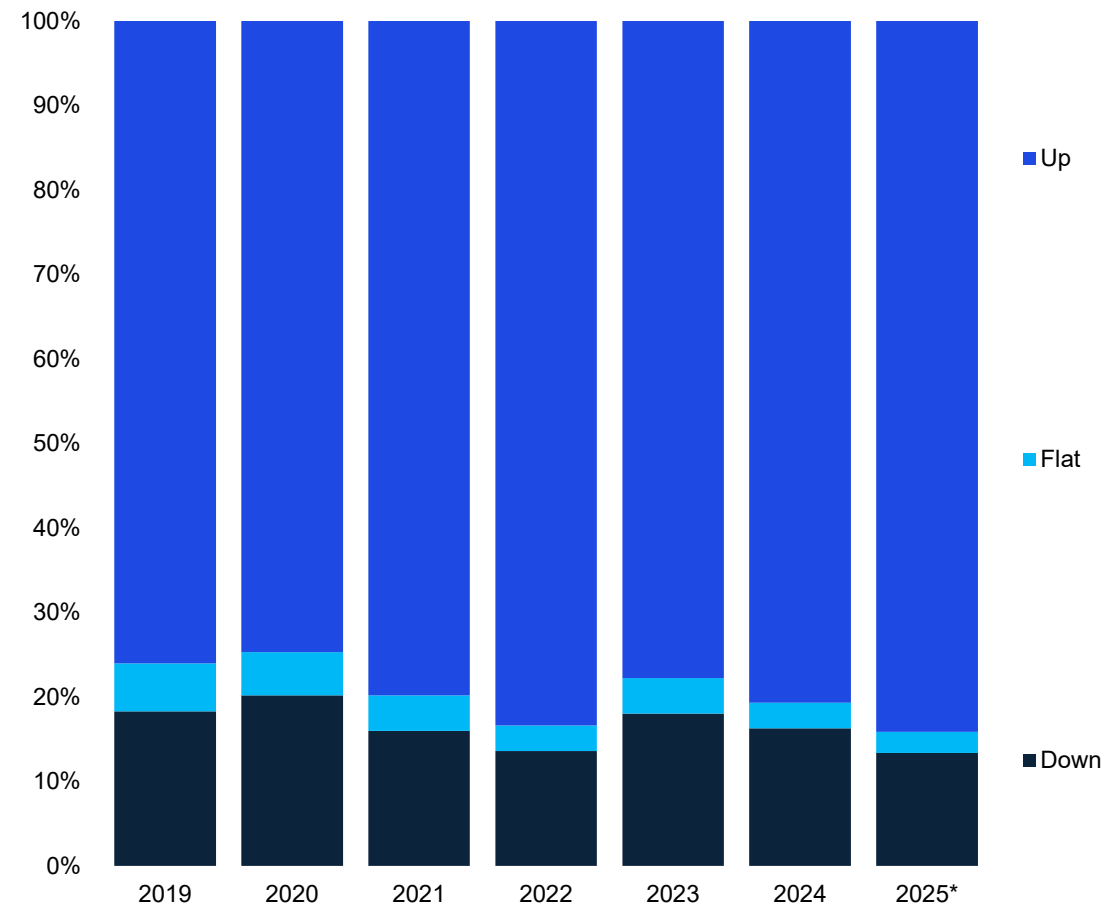
2019–2025*



Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Up, flat or down rounds in Europe

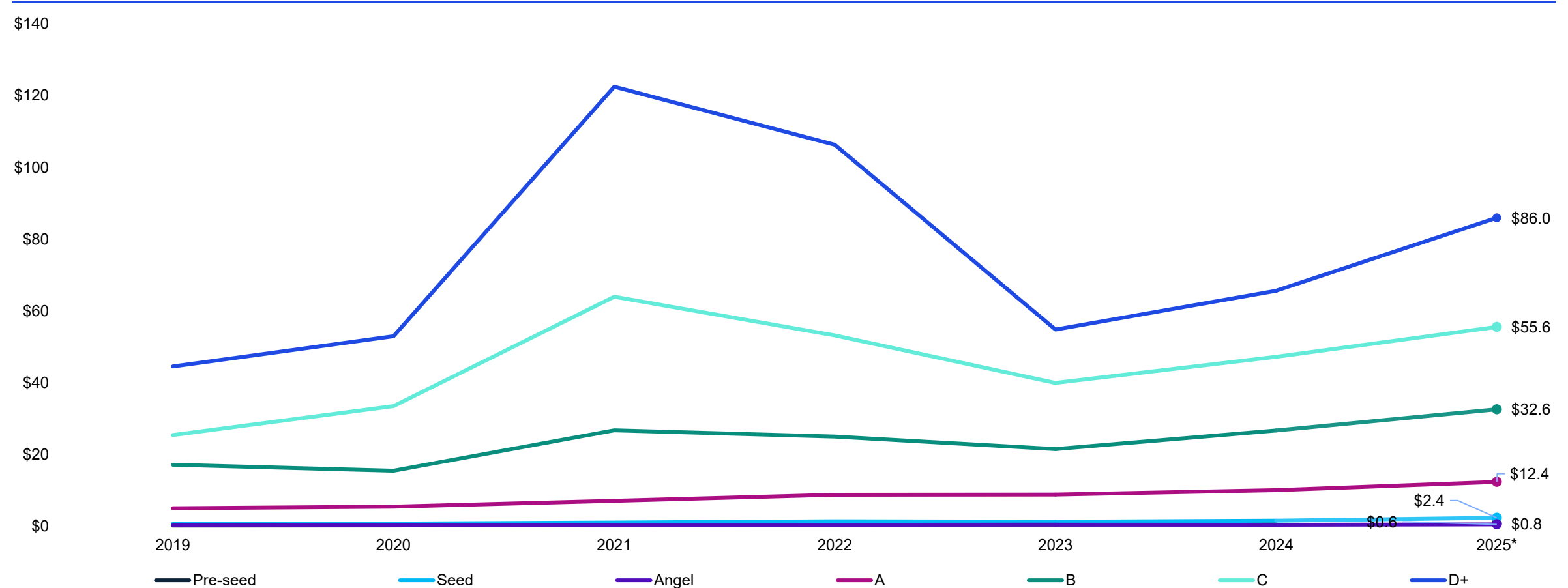
2019–2025*



Across every series, figures remain healthy

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

2019–2025*

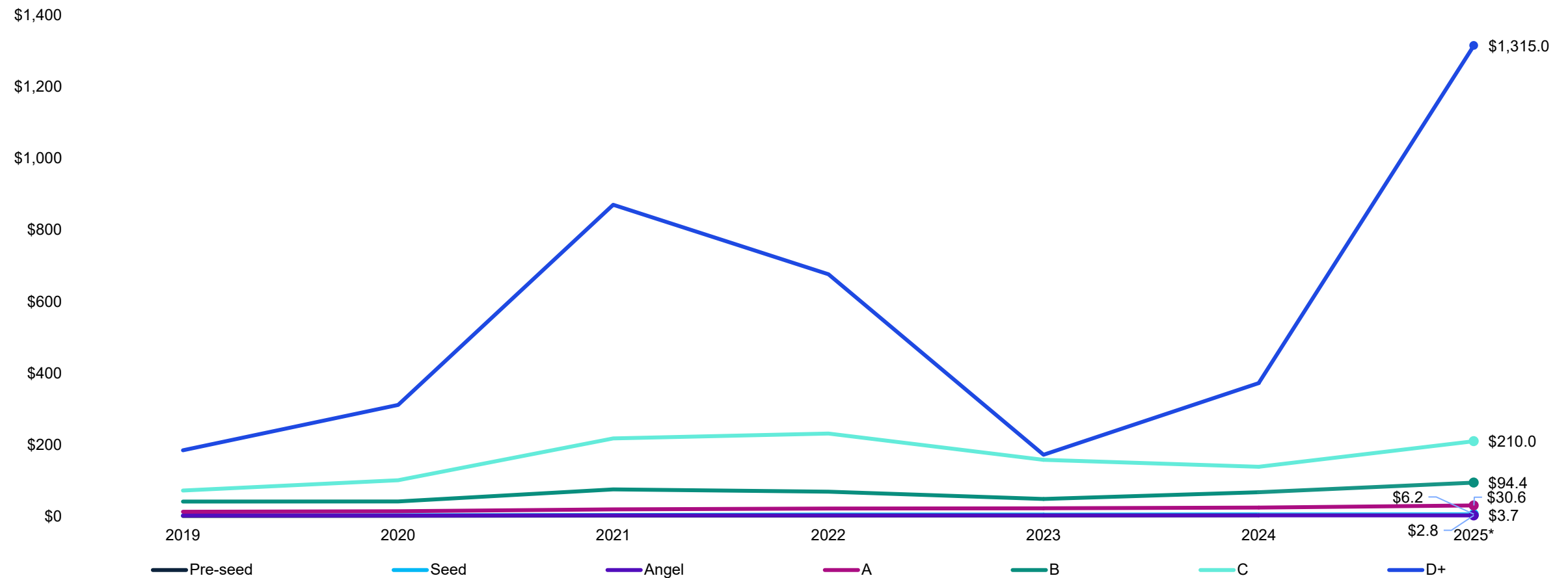


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Latest-stage valuations surge to new highs

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

2019–2025*



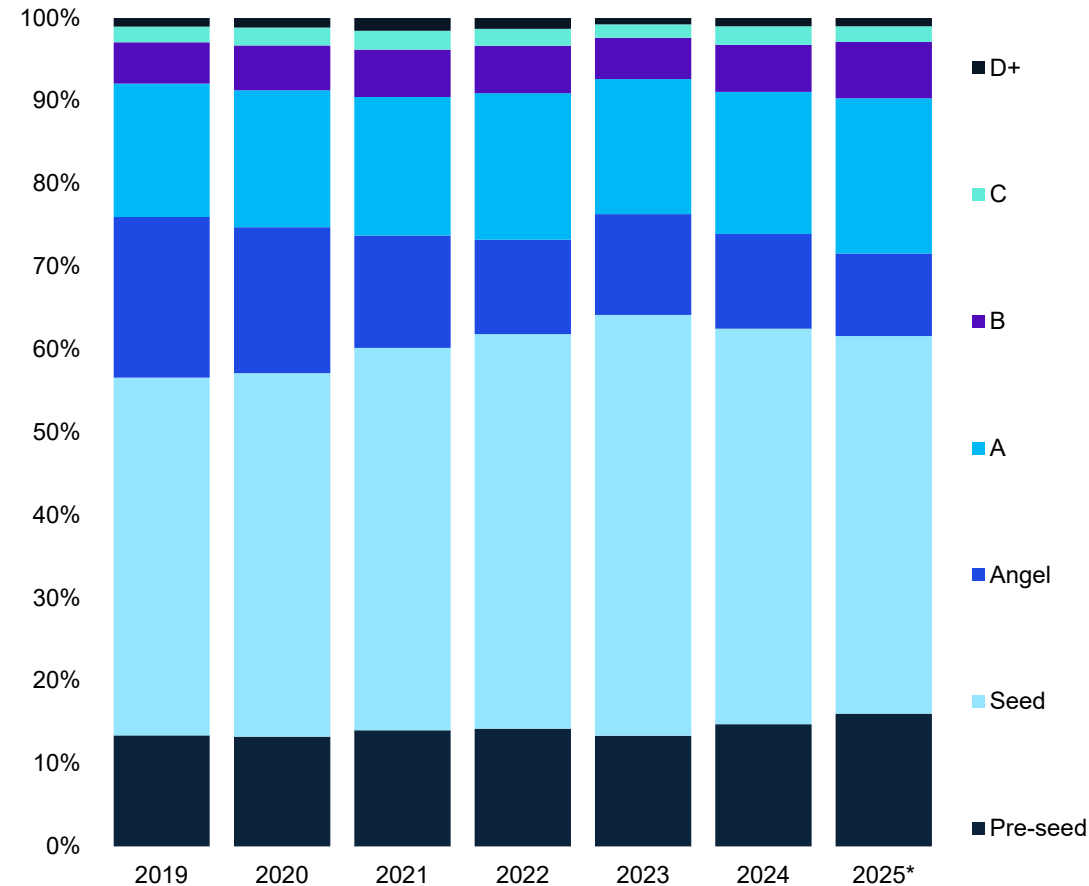
Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Note: The 2023-2-24, 2025* Series D+ figure is based on population sizes of n < 30.

Variability continues across VC invested proportions

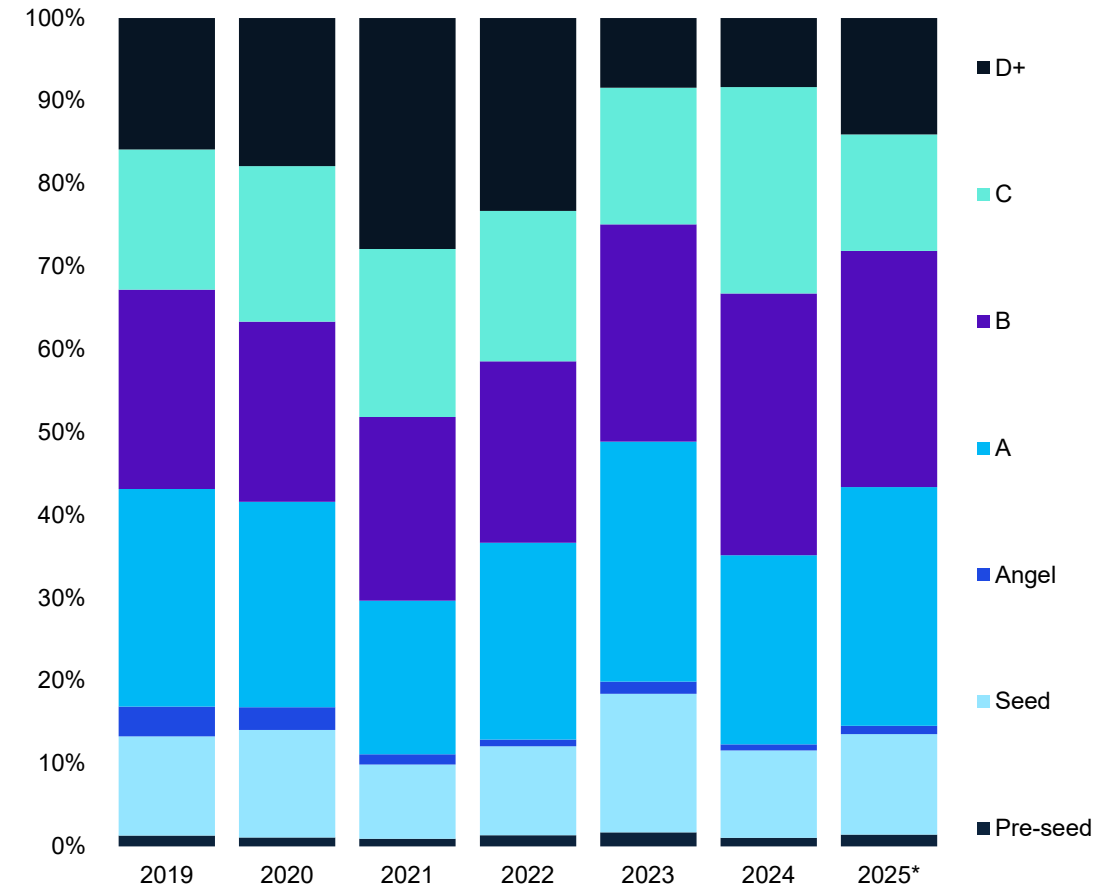
Deal share by series in Europe

2019–2025*, number of closed deals



Deal share by series in Europe

2019–2025*, VC invested (\$B)

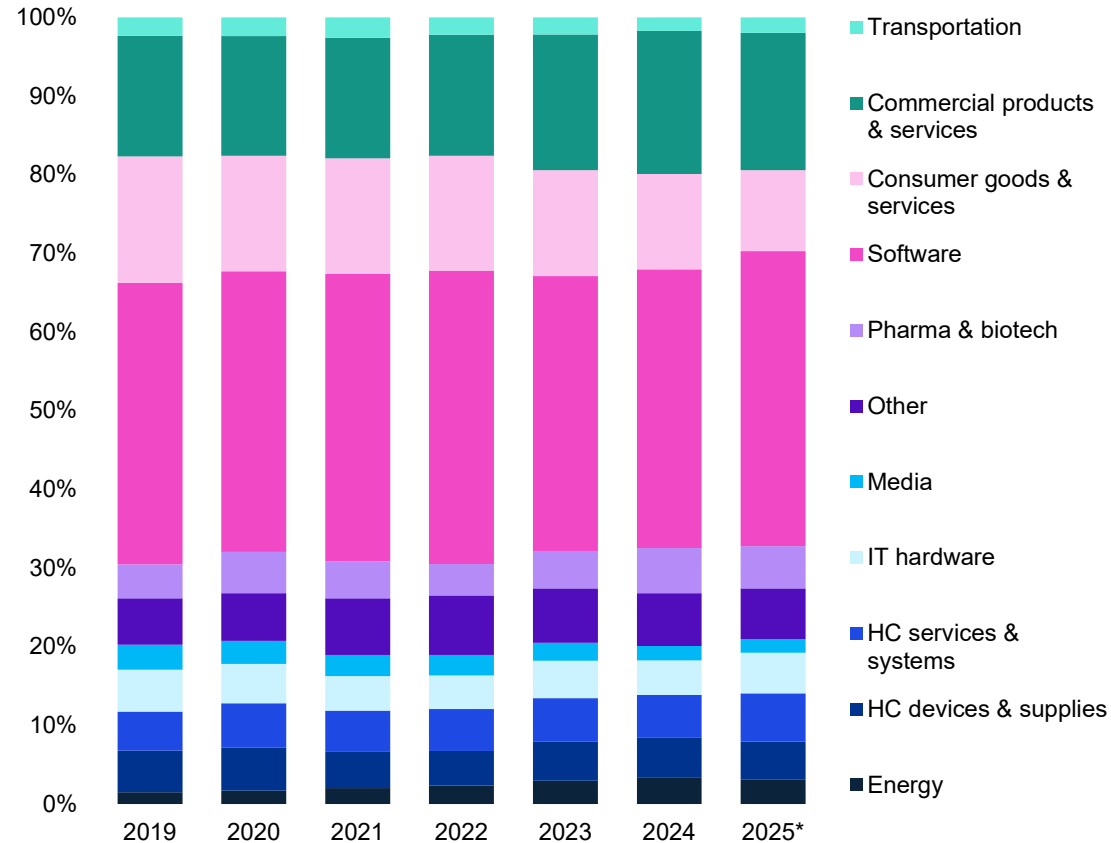


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Software continues an overwhelming predominance

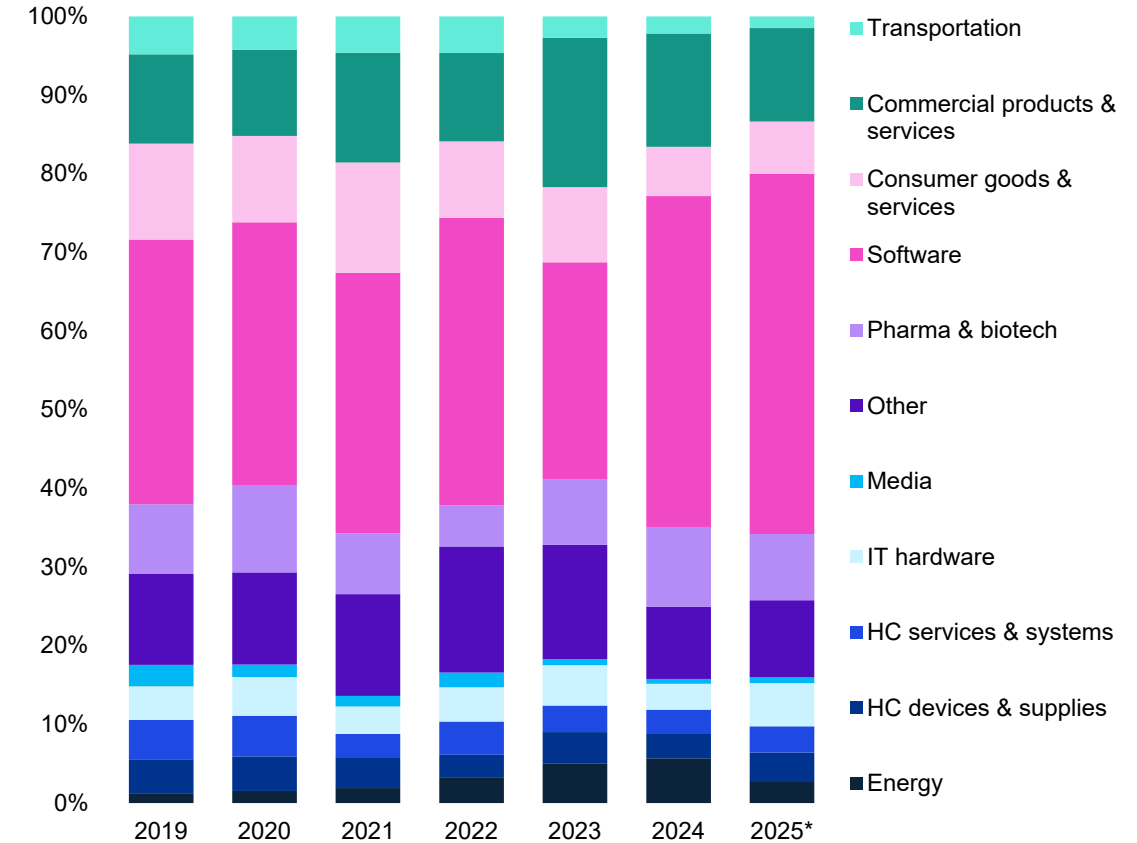
Venture financings by sector in Europe

2019–2025*, number of closed deals



Venture financings by sector in Europe

2019–2025*, VC invested (\$B)

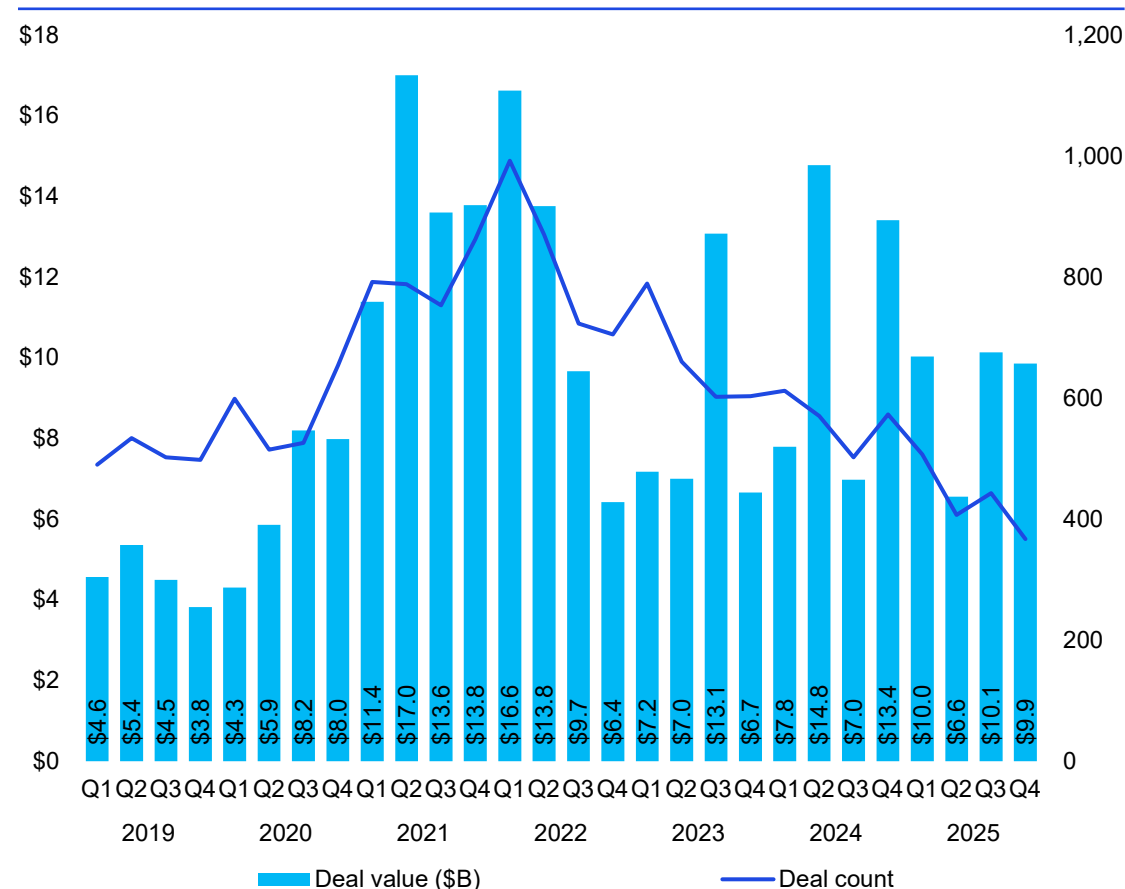


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Strong VC invested tallies for first-time financings suggest focused optimism

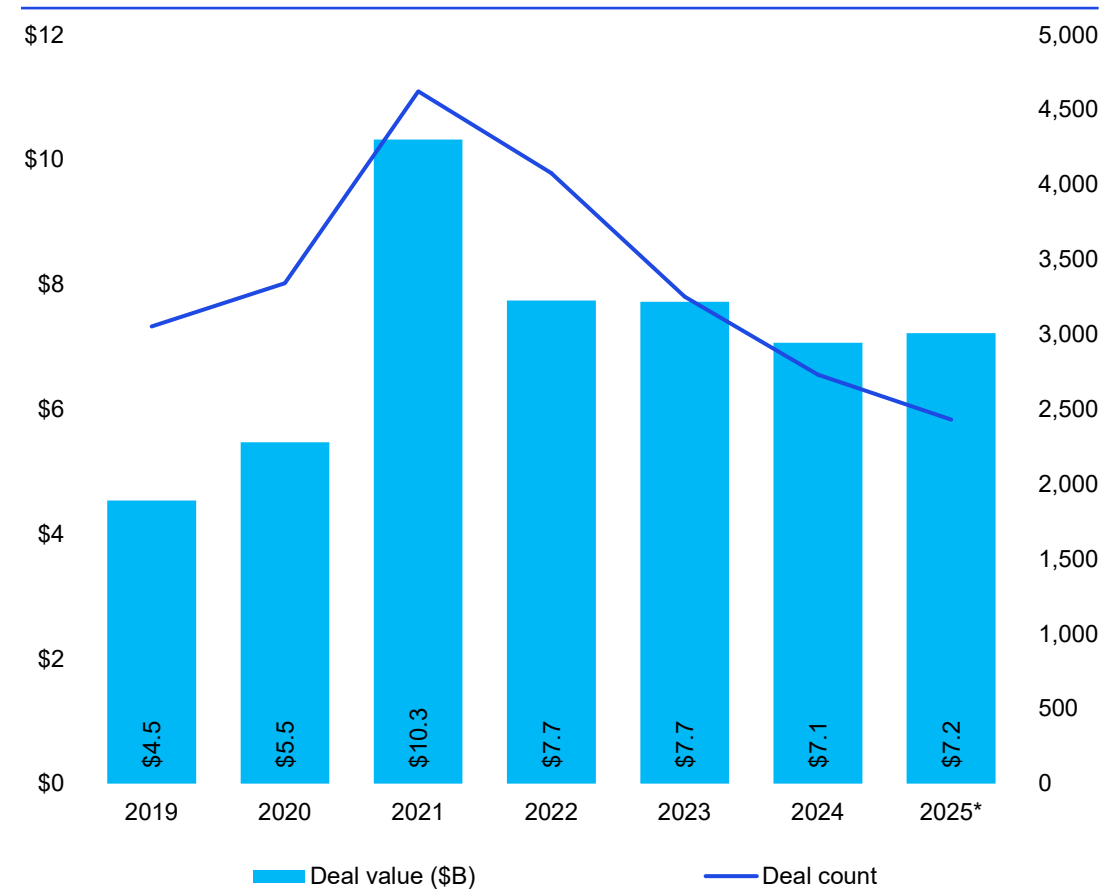
Corporate VC participation in venture deals in Europe

2019–Q4'25



First-time venture financings of companies in Europe

2019–2025*

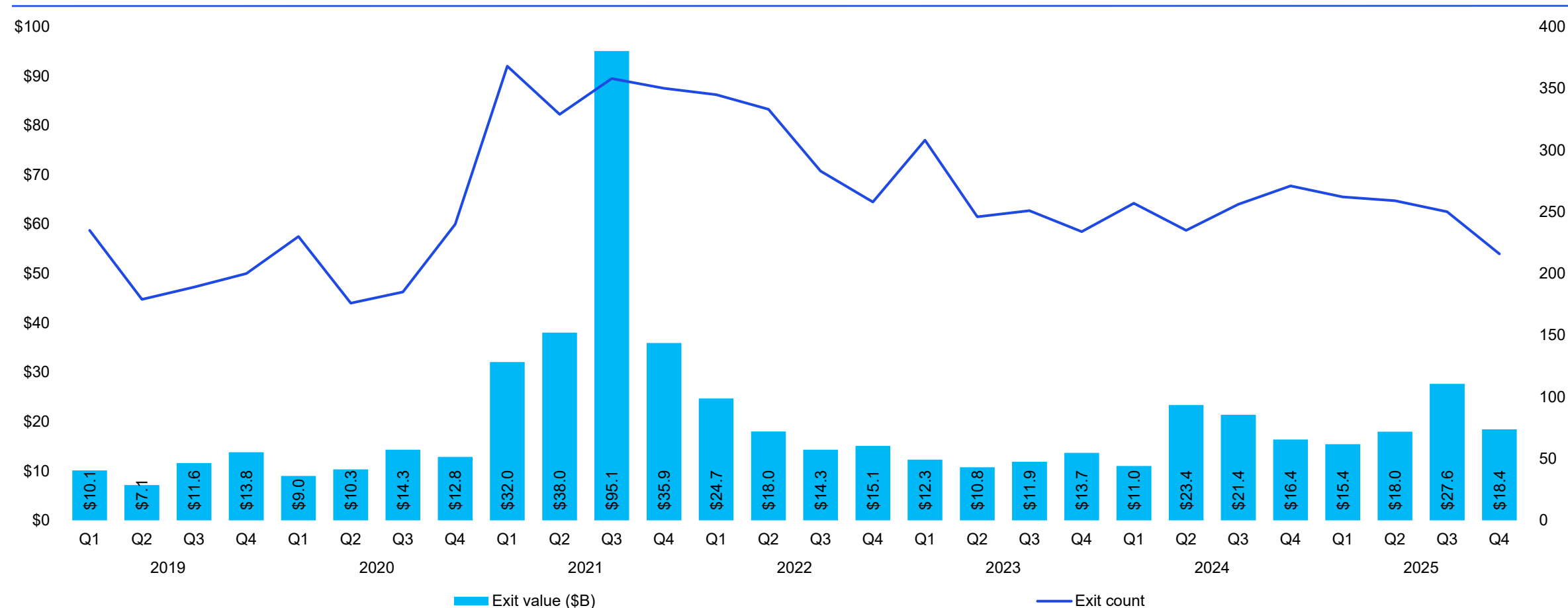


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Exits regain some ground

Venture-backed exit activity in Europe

2019–Q4'25

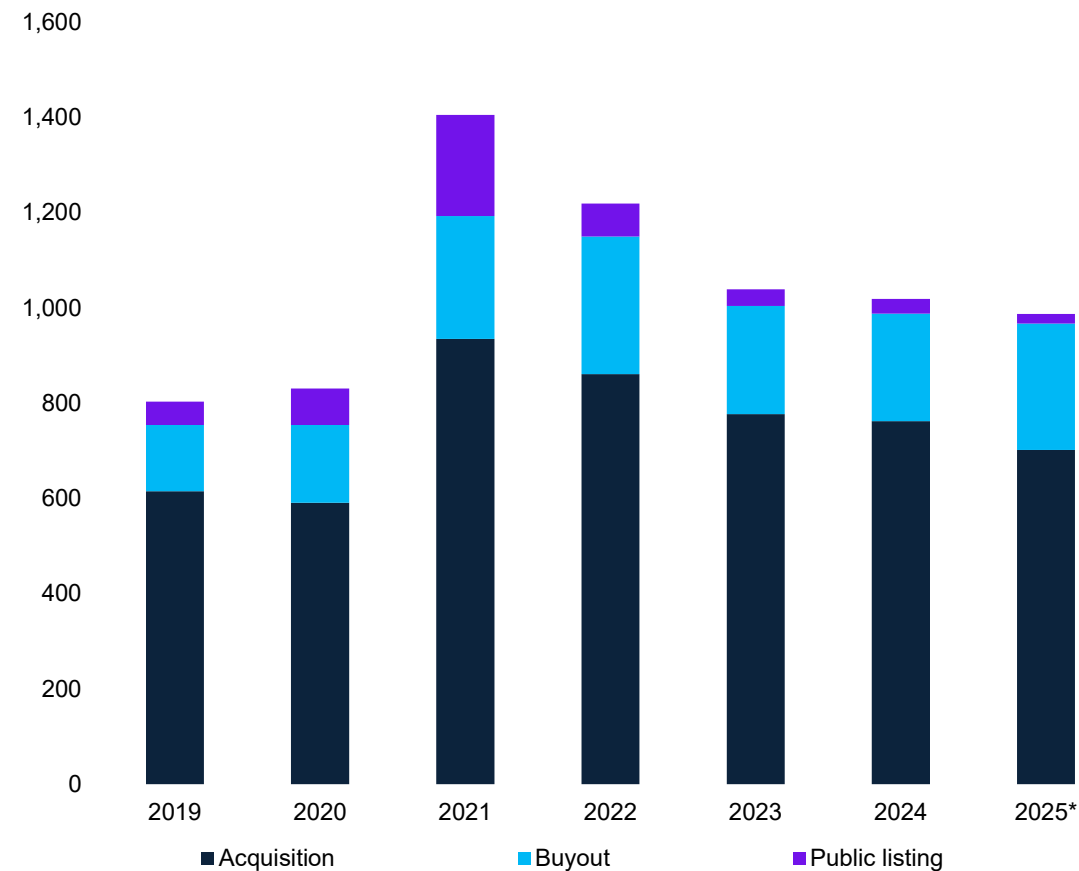


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Exit value surpasses 2024's level

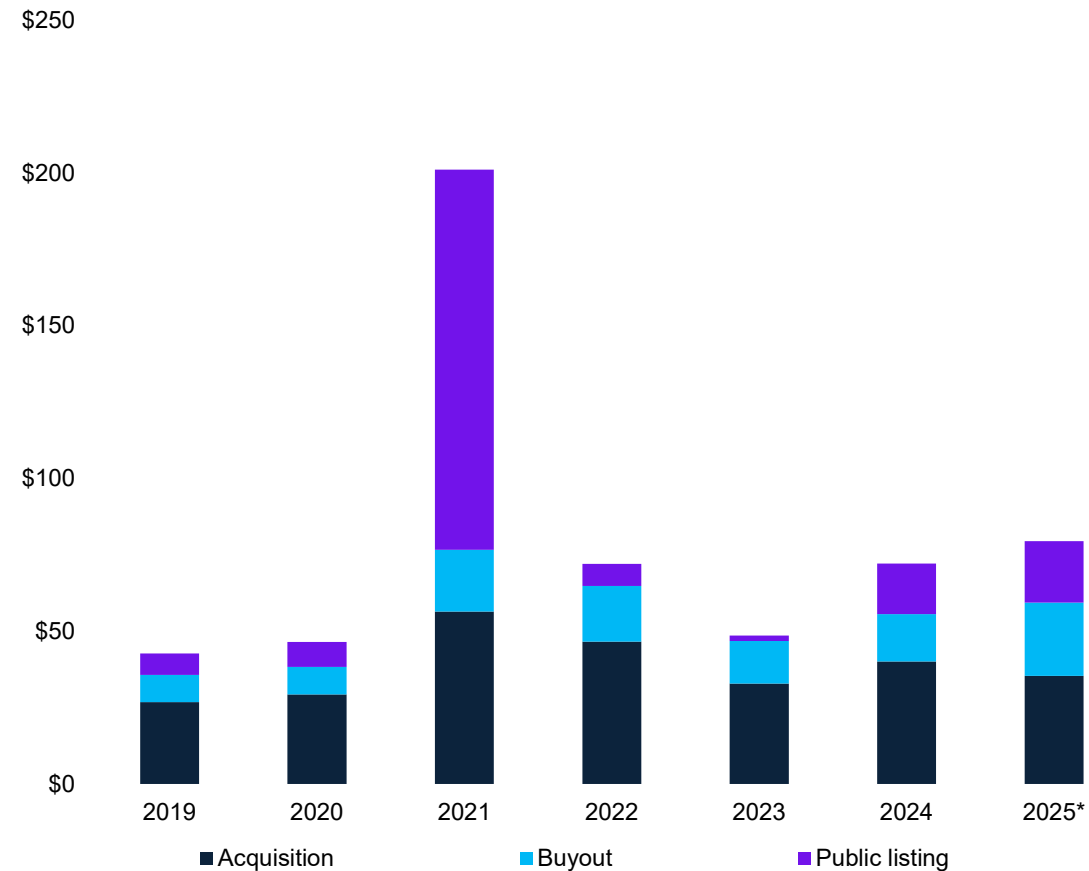
Venture-backed exit activity (#) by type in Europe

2019–2025*



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

2019–2025*

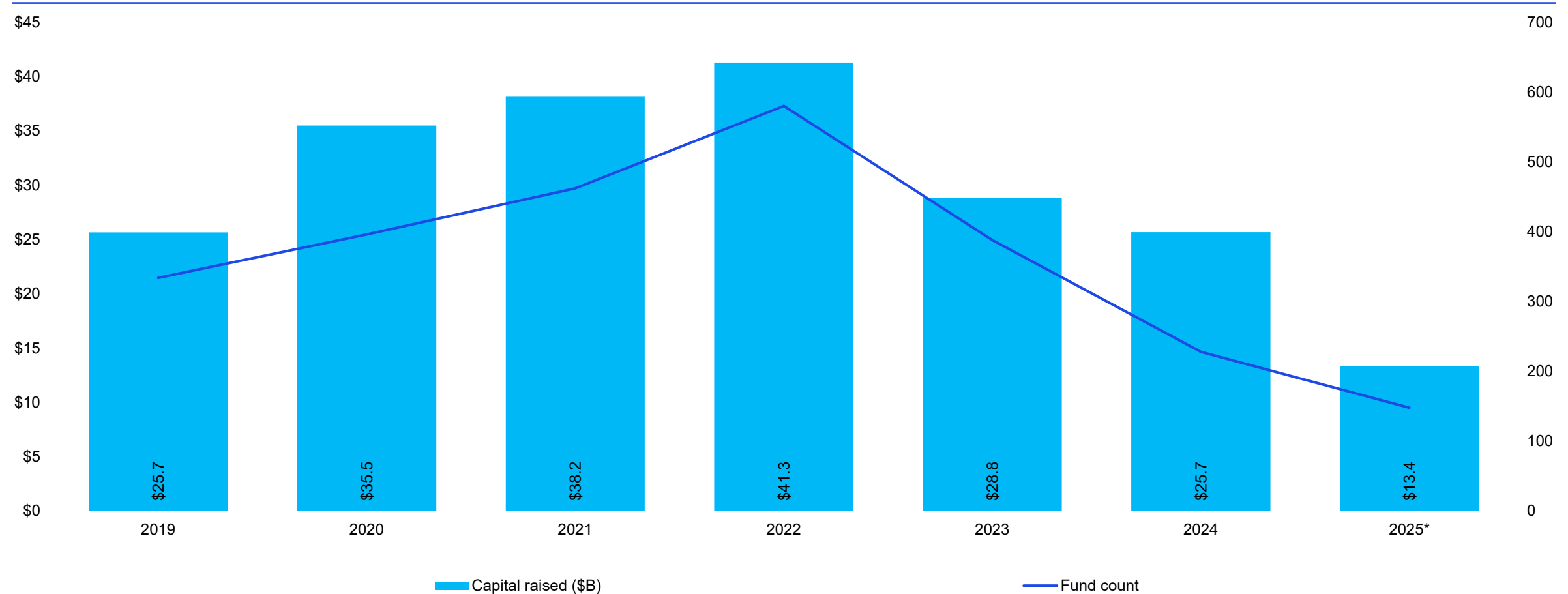


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

2025 records the most sluggish year in quite some time

European venture fundraising

2019–2025*

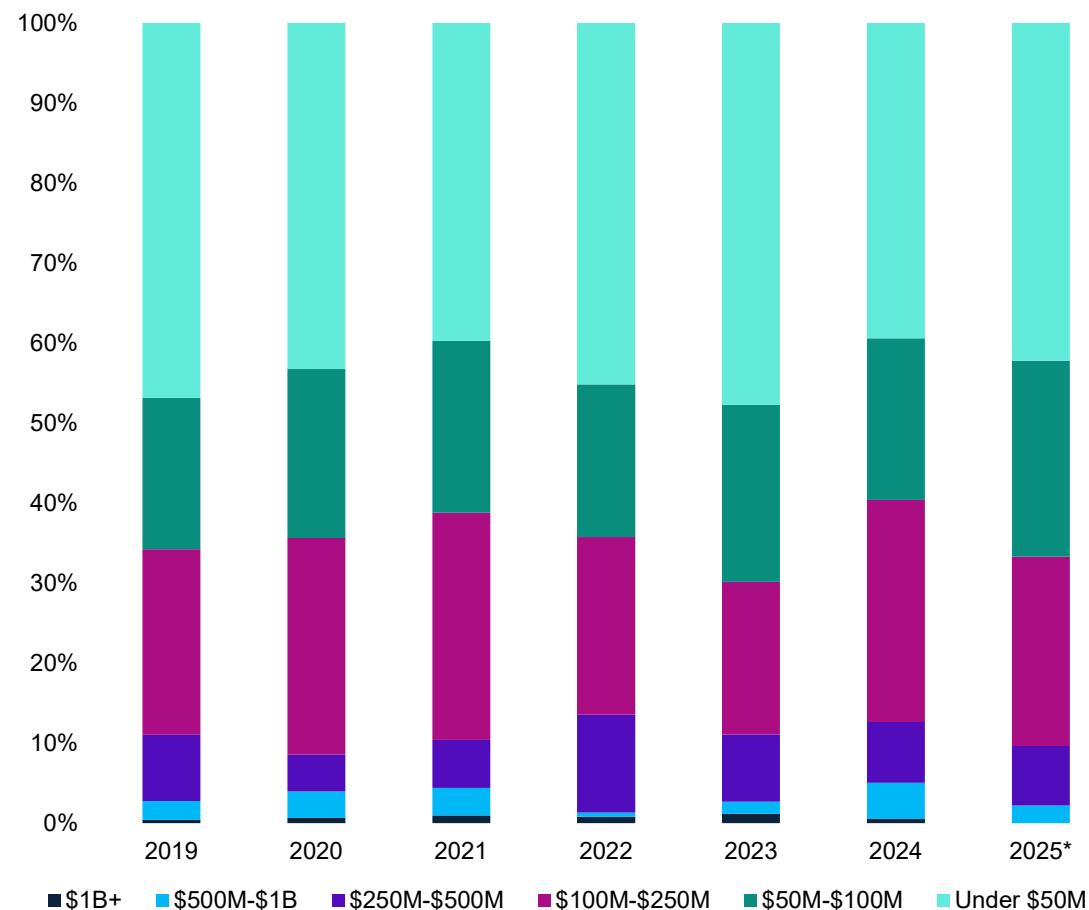


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Fundraising proportions hold steady, approximately

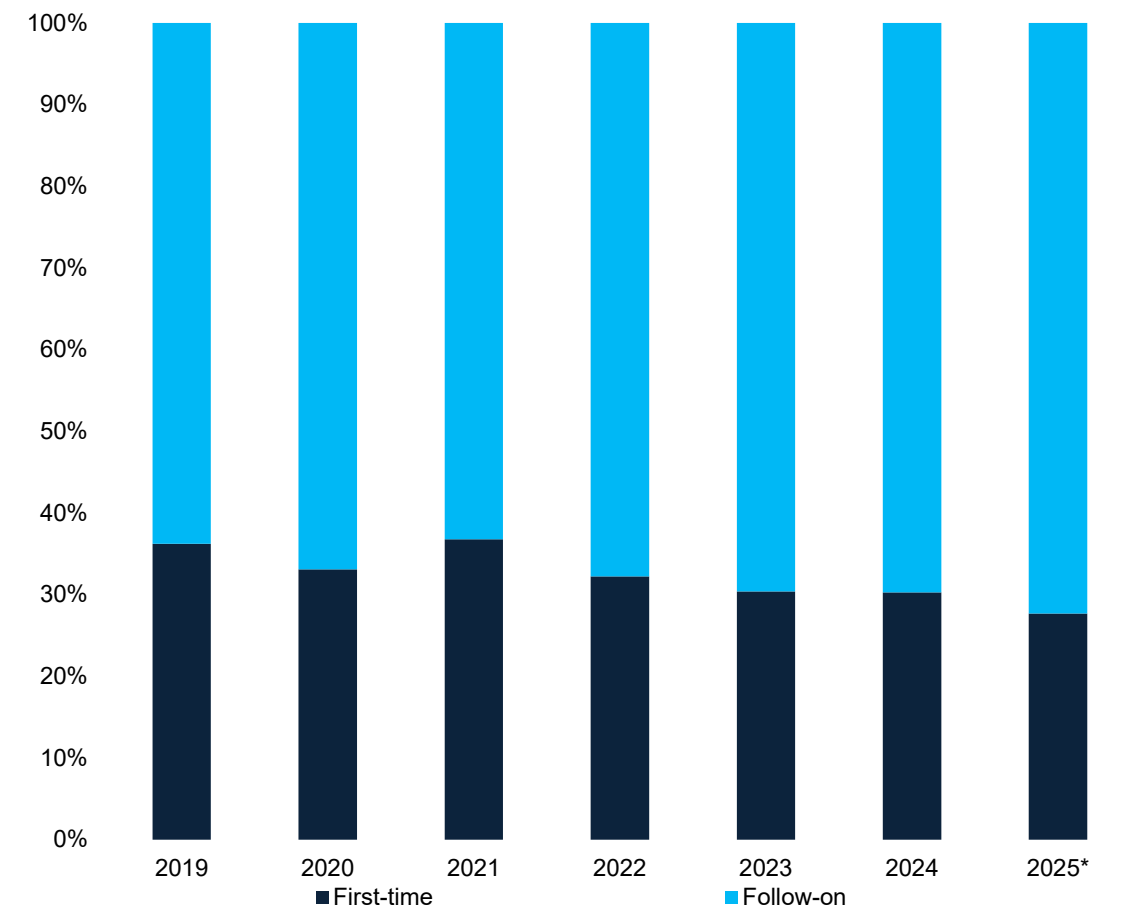
Venture fundraising (#) by size in Europe

2019–2025*



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

2019–2025*

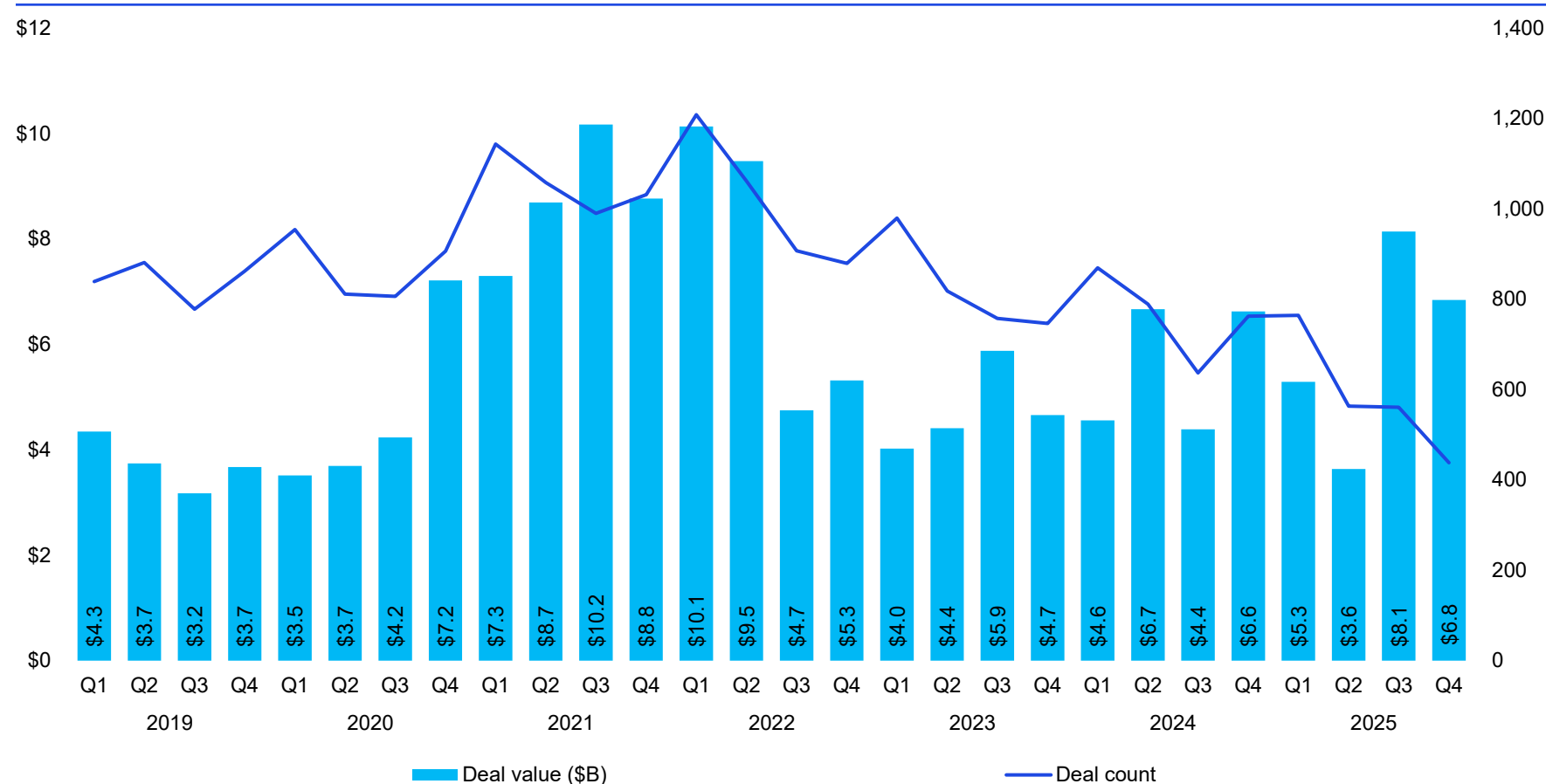


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

UK sees strongest second half in years

Venture financing in the United Kingdom

2019–Q4'25



Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

“Interest in the AI space is growing, and it’s only going to keep growing. We’re seeing a lot of activity, from the universities, from corporates, from emerging startups looking at how they can shift the dial on the AI front. Heading into 2026, it’ll likely continue to gain ground as investors of all kinds look for the best ways to put AI to work, particularly at an industry level. The big challenge could be on the talent side to ensure we have enough innovators to support the accelerating AI focus.”

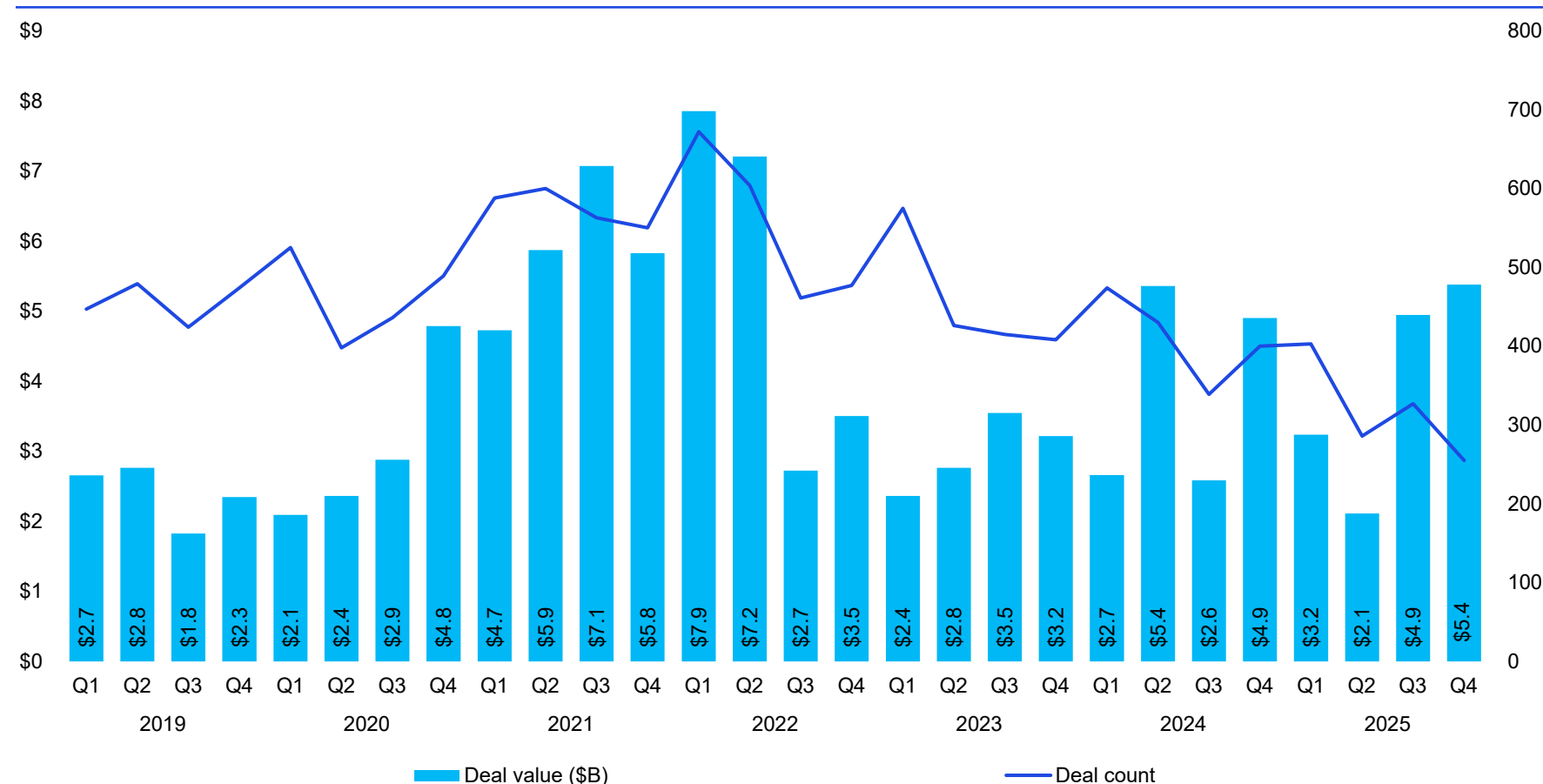


Nicole Lowe
UK Head of Emerging
Giants
KPMG in the UK

VC invested surges to close the year

Venture financing in London

2019–Q4'25



Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

“Europe's VC market remained highly disciplined in 2025, with investors prioritizing quality, scale and defensibility. That selectivity translated into a clear inflection in the second half of the year — most visibly in the UK — where larger, late-stage financings drove a strong H2 and signaled improving confidence in the region's venture ecosystem heading into 2026.”

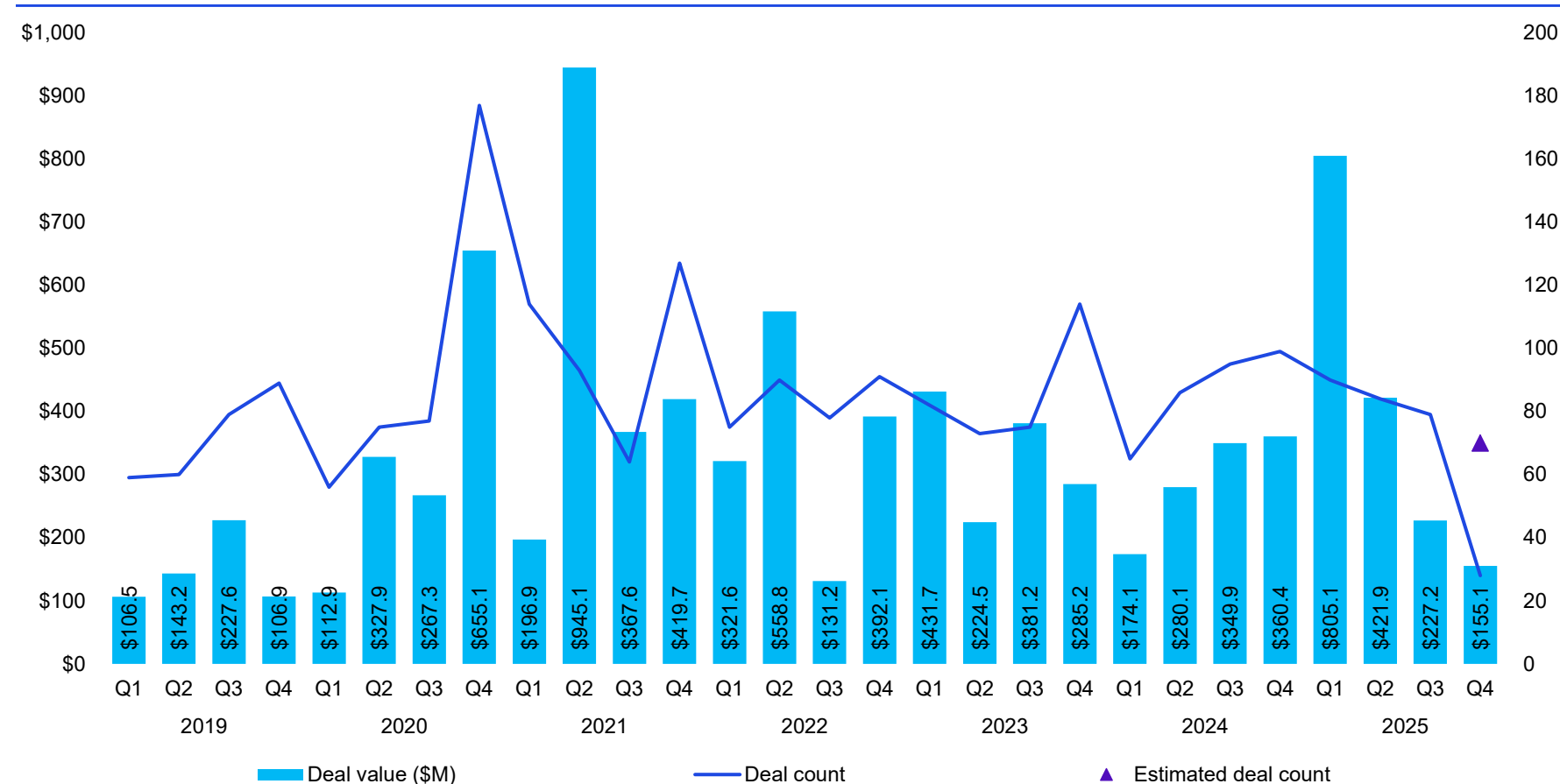


Sam Luckett
Head of Investor Relations,
KPMG Acceleris
KPMG in the UK

Ireland sees a steady level of dealmaking

Venture financing in Ireland

2019–Q4'25



“It’s been a strong year for VC investment in Ireland, with overall investment up substantially year on year. Sentiment is pretty good across the board as we head into 2026. We are seeing a lot of interest in AI, as most jurisdictions are, but we’re also seeing continuing strength in the fintech and medtech sectors as well. We’re also seeing bigger ticket sizes compared to previous years which is very positive.”



Gavin Sheehan
Partner,
Deal Advisory
KPMG in Ireland

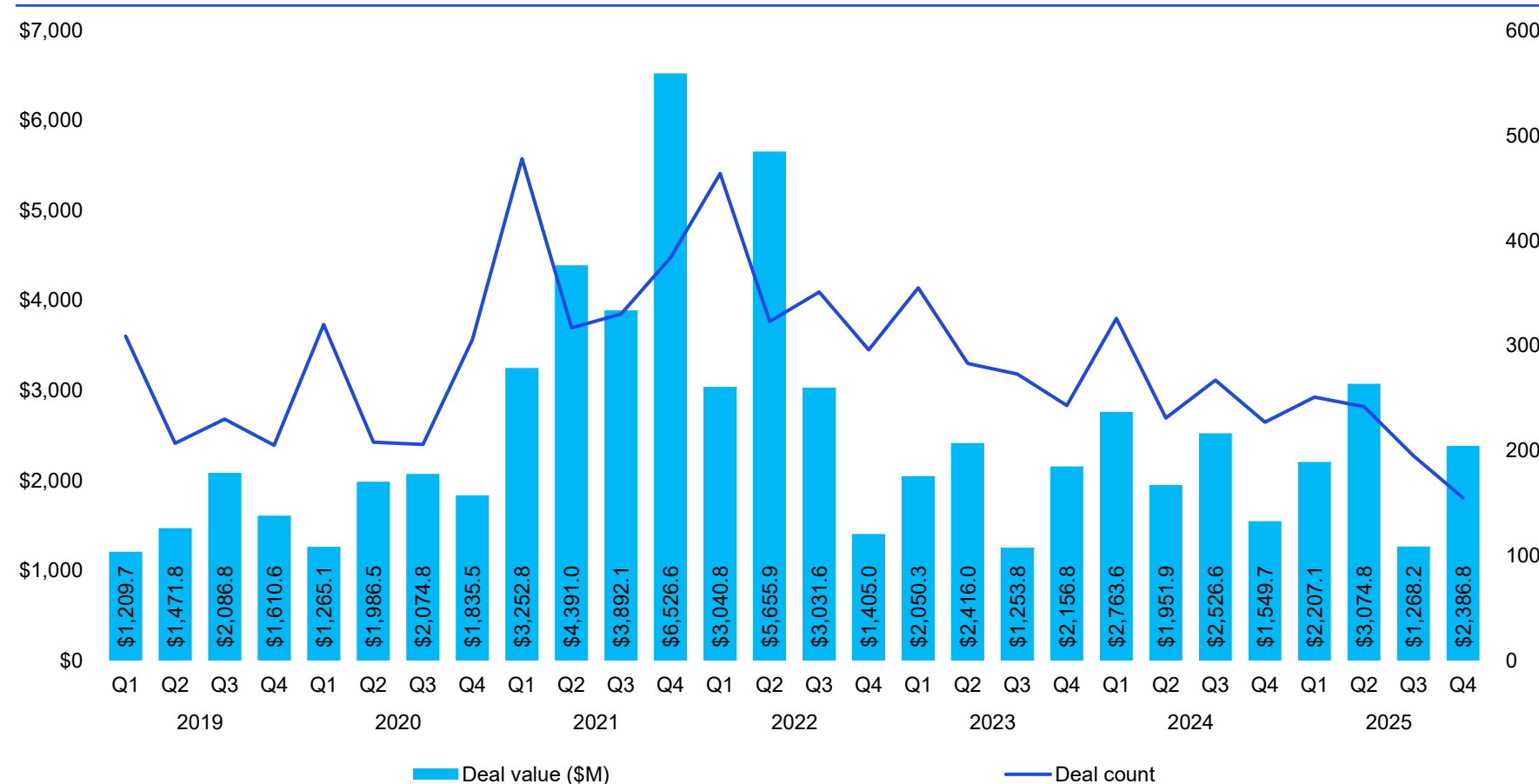
Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

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 Q4 2025 was provided for this edition due to lags in confirming deals from a variety of investors.

Q4 sees a surge in VC invested

Venture financing in Germany

2019–Q4'25



Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

“ In Germany — and across Europe more broadly — defense technology is gaining significant momentum among investors. While drones have historically attracted the bulk of VC attention, investment interest is increasingly expanding into areas such as cybersecurity and solutions focused on securing critical national assets and infrastructure. Given ongoing geopolitical tensions and global conflicts, this rapidly evolving sector is expected to remain structurally attractive in the medium to long term. ”

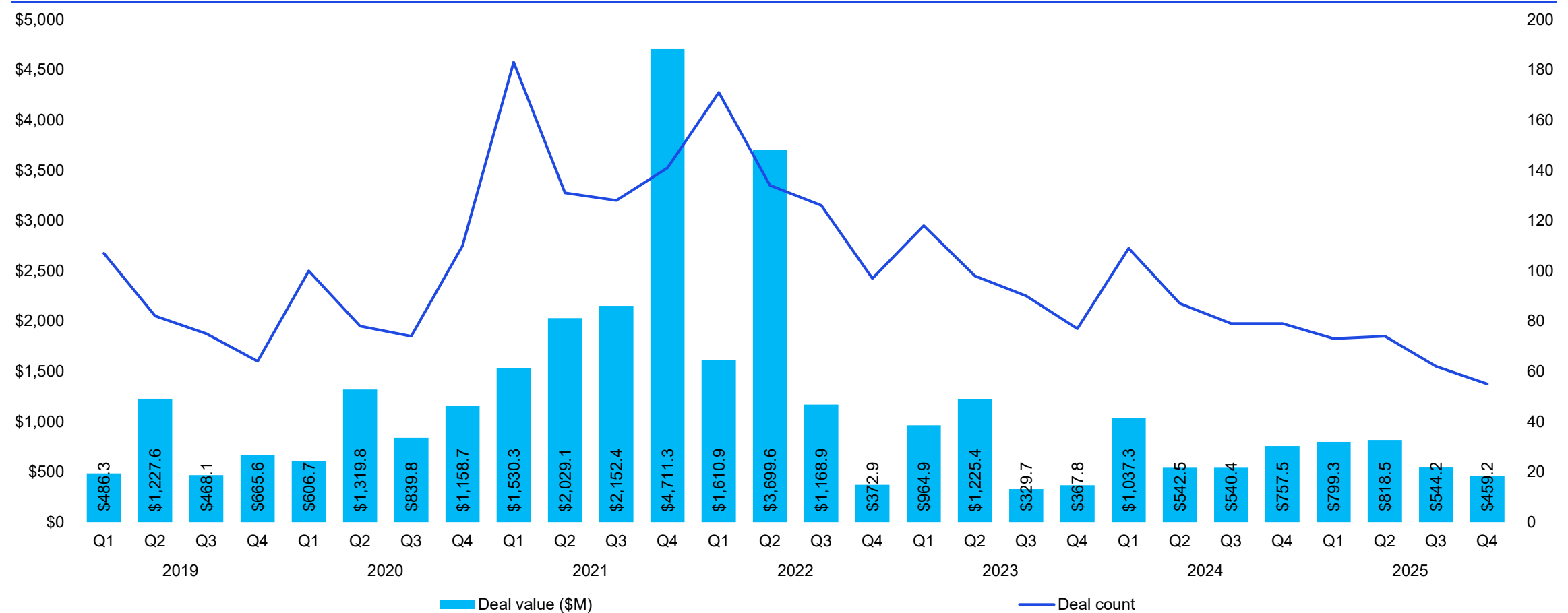


Florian Merkel
Director of Tax,
Head of Venture
Services
KPMG in Germany

VC activity slides a little to finish the year

Venture financing in Berlin

2019–Q4'25

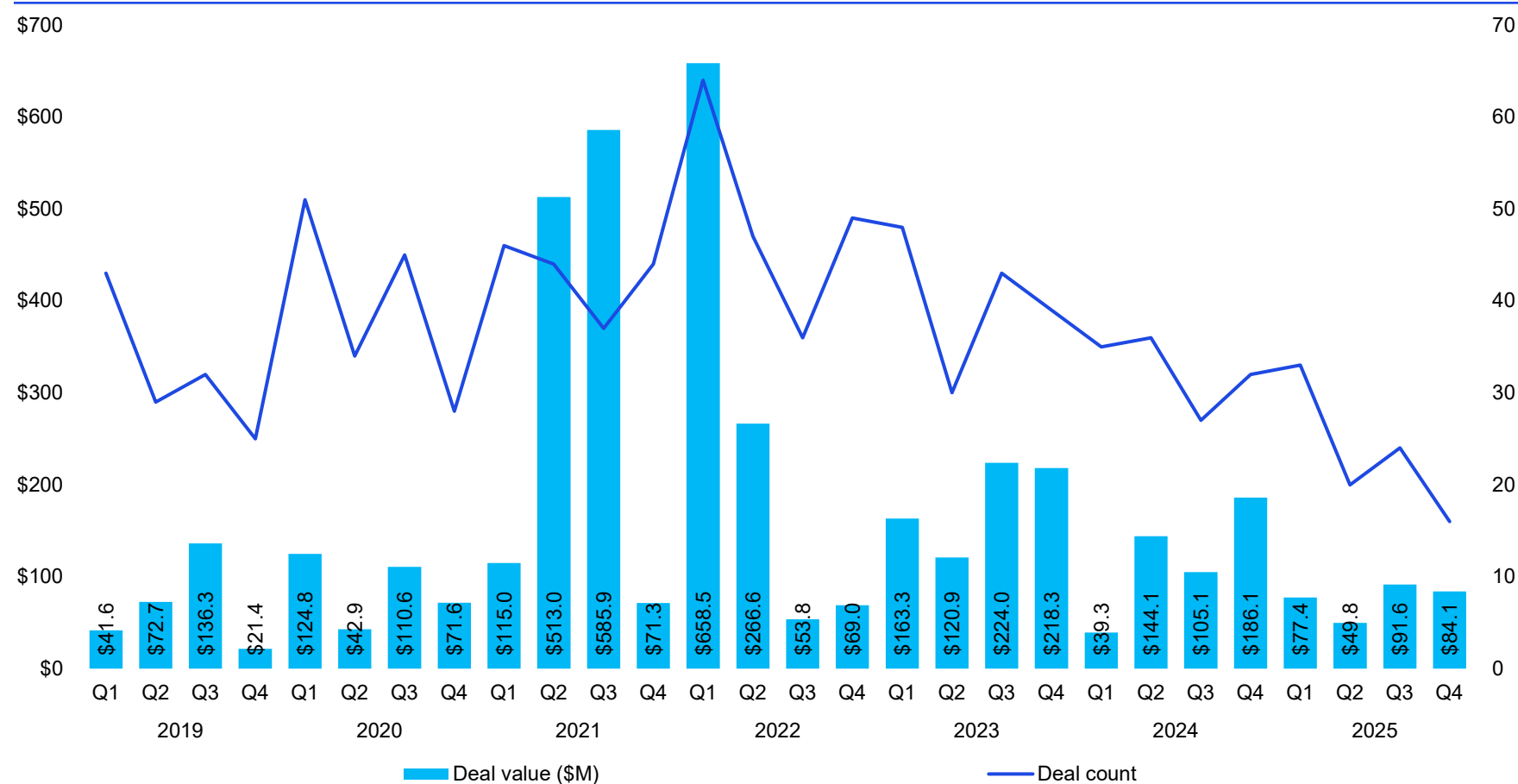


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

VC flows remain slow heading into the back half of 2025

Venture financing in Austria

2019–Q4'25



Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

“ In Austria, the bar is being raised. VC investors are much more selective than they've been in the past and that's forced companies to prove that they have the right fundamentals and are operationally efficient in order to attract new funding. This shift is helping to quickly mature the ecosystem — making it stronger and healthier headed into 2026. ”

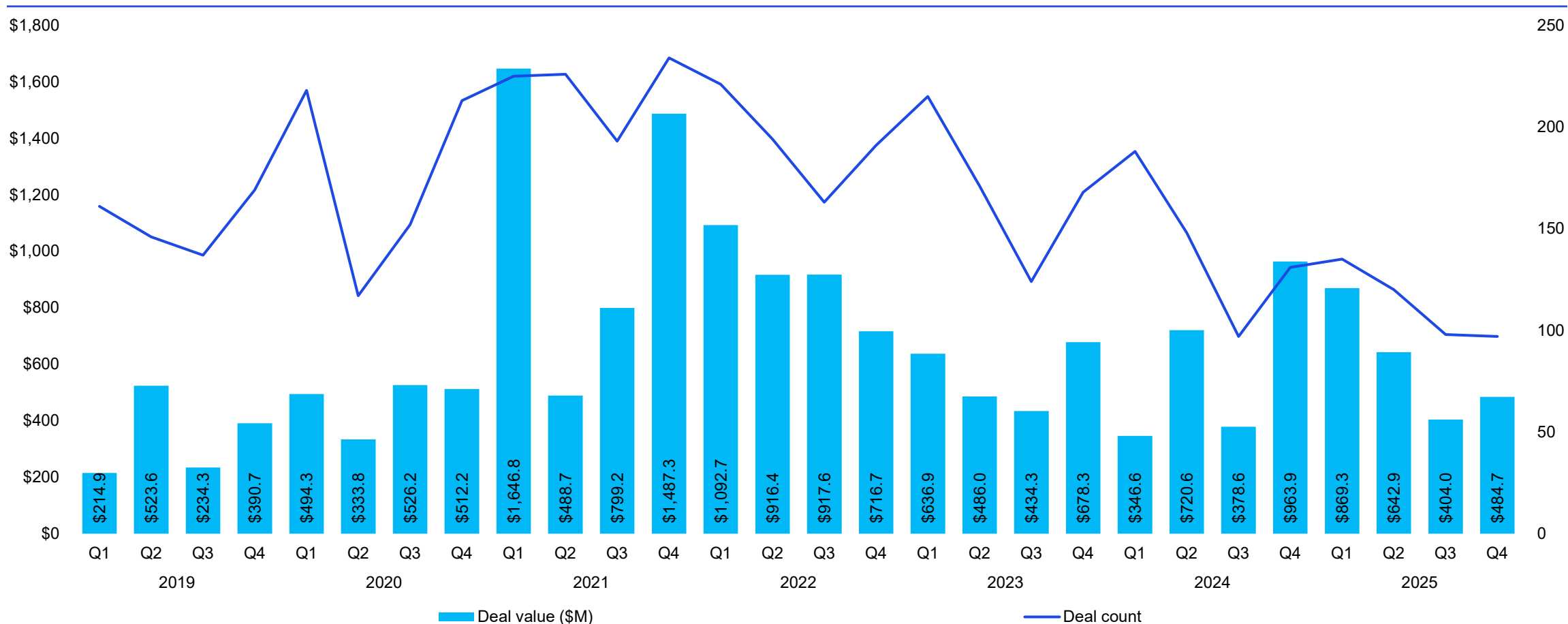


Leonardo Peikoff
Head of Startups
Manager
KPMG in Austria

After a spate of mega-deals, a quieter second half of 2025

Venture financing in Spain

2019–Q4'25

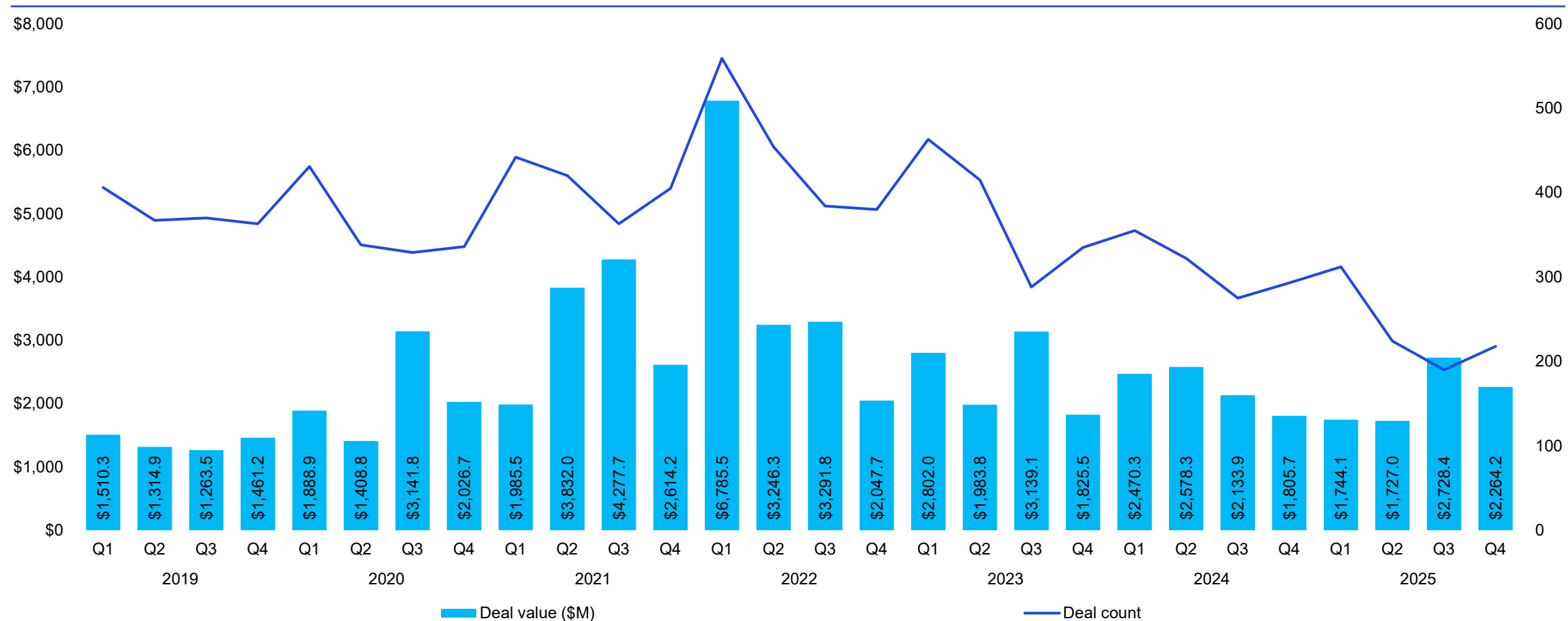


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Deal flow stabilizes in the second half of 2025

Venture financing in France

2019–Q4'25

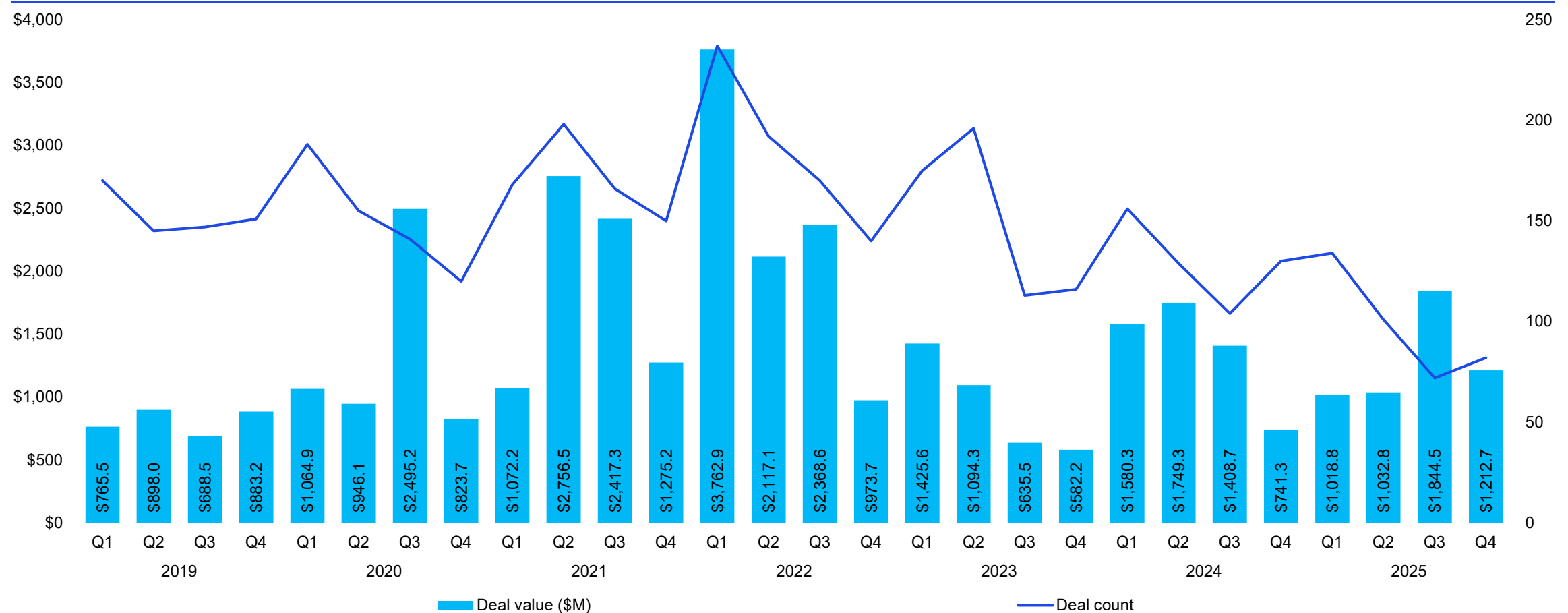


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

VC invested remains around longer-term averages in Q4

Venture financing in Paris

2019–Q4'25

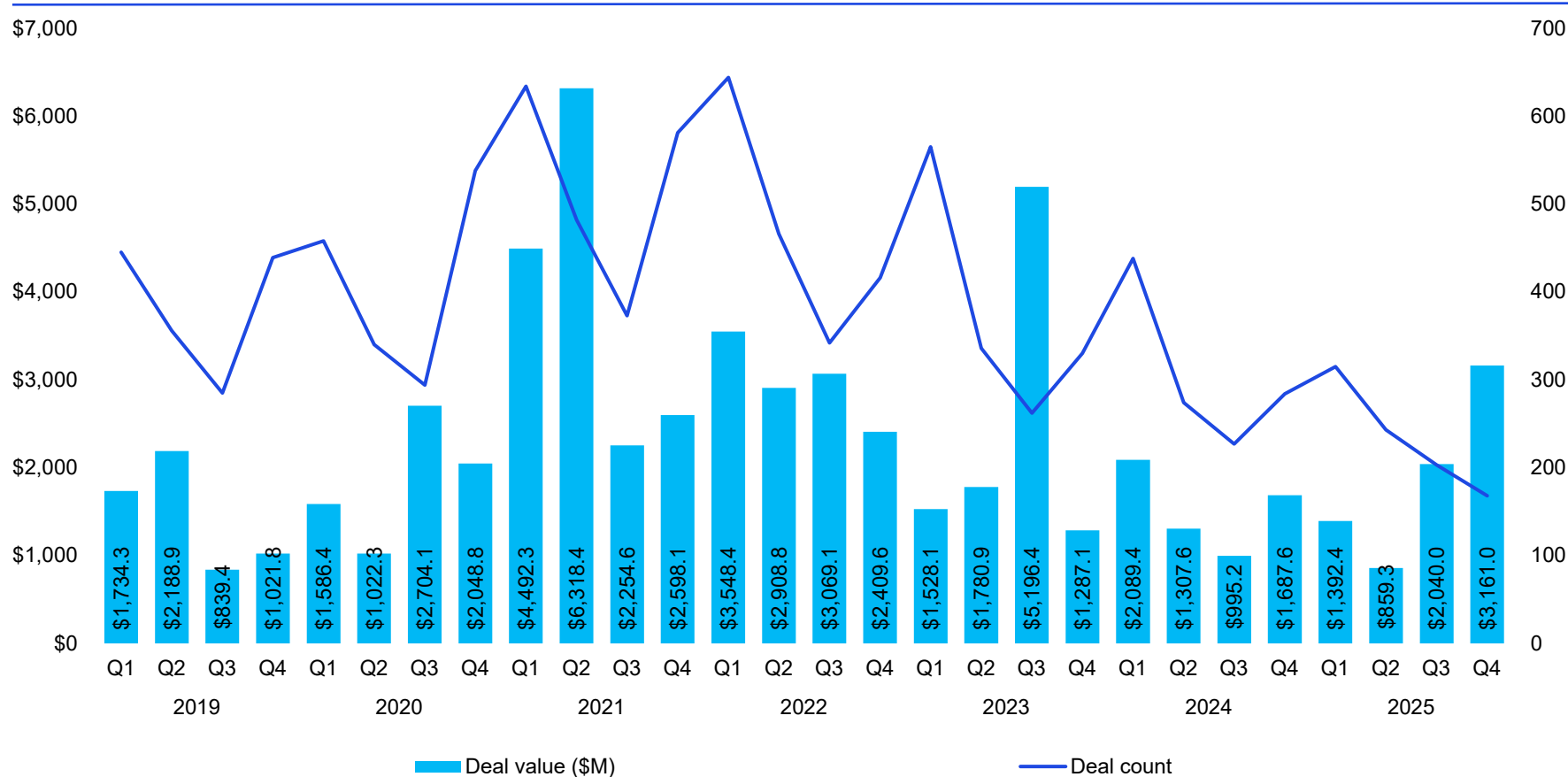


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Mega-deals contribute to a jump in Q4 VC invested

Venture financing in the Nordics

2019–Q4'25



“ The Nordics closed 2025 on a high note. Investment climbed to a nine-quarter high as investors doubled down on category leaders, capped by Oura's landmark \$907 million raise, Finland's largest ever. Multiple \$100-million-plus rounds signal renewed conviction in scalable, defensible, AI-powered platforms. Confidence is building and that energy could spill well into 2026 as liquidity improves. ”



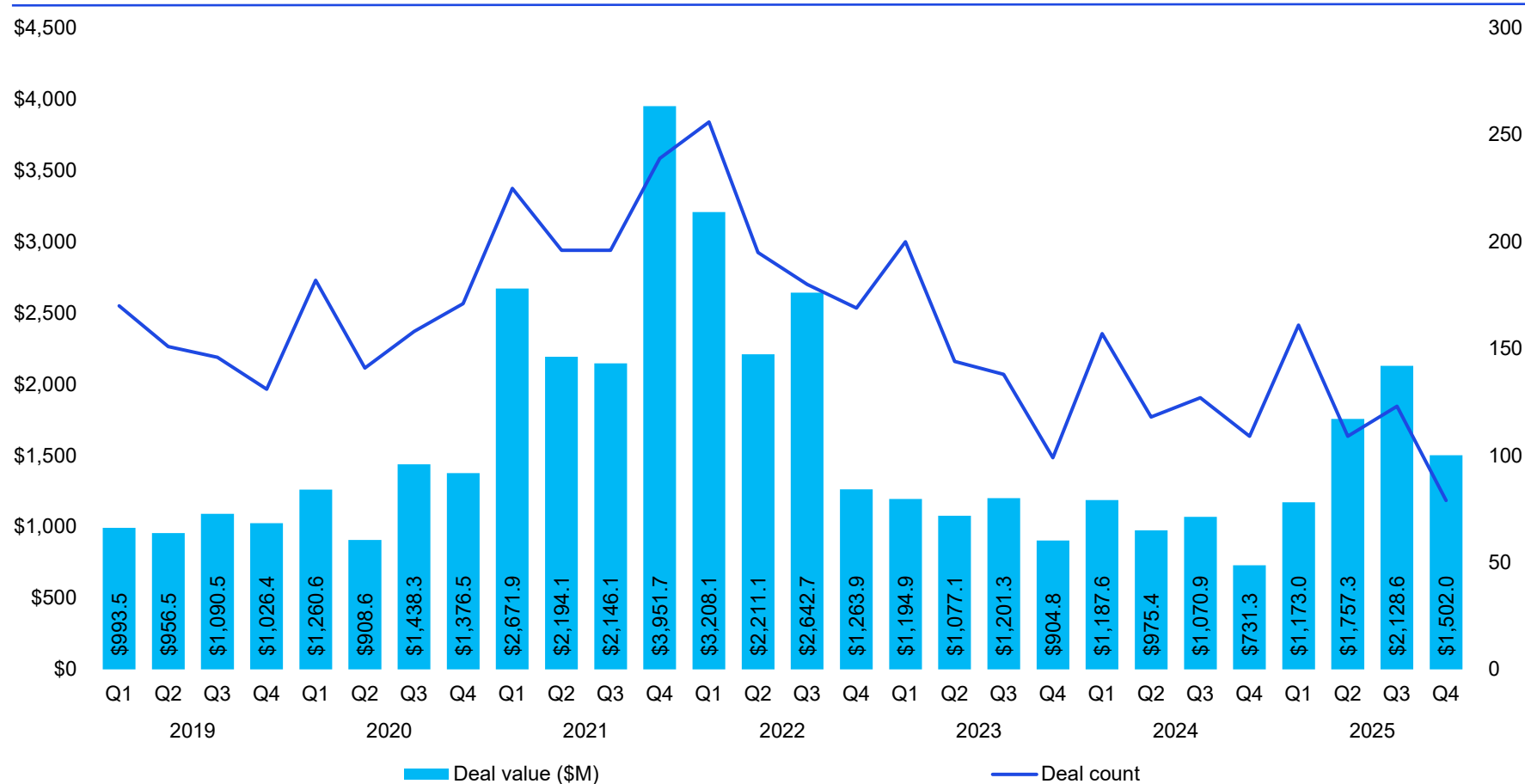
Jussi Paski
Head of Startup and
Venture Services
KPMG in Finland

Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

2025 sees a robust level of VC activity

Venture financing in Israel

2019–Q4'25



Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

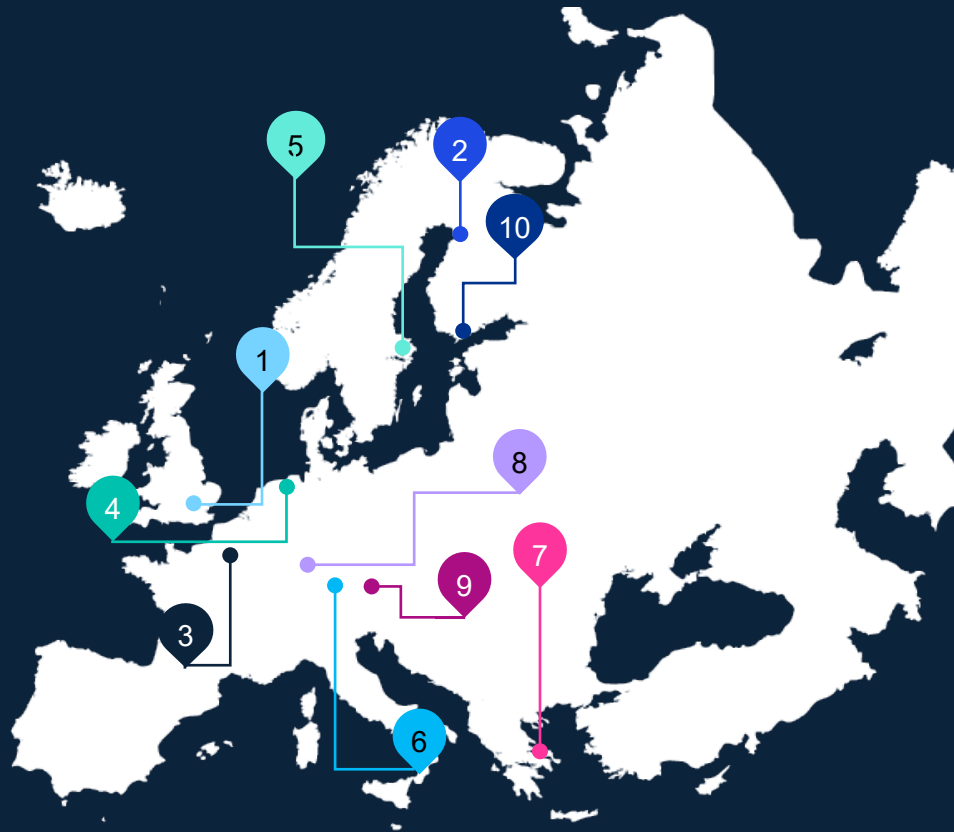
“ Investors’ renewed interest in Israeli tech companies continues throughout 2025. While most of the funding rounds in Q4 were directed at early stage companies, some later stage deals stand out — Armis, Cyera, Eon and Deel — each with a funding round of over \$300m. Cybersecurity and AI still draw most of investors’ attention, but funding rounds in quantum computing and defense tech are part of a gradual shift to increased interest in deep tech sectors, in addition to investments in software based solutions. Q4 exits did not lag behind, with over 50 M&As, some deals surpassing \$2b each (Melio, Sapiens, 89bio, Verint) and 1 IPO (Navan, \$750m). Looking forward, we believe the return of increased funding will persist in 2026, a testament to investors’ trust in Israeli tech and its solid appeal.”



Dina Pasca-Raz
Head of Technology
KPMG in Israel

Multiple sectors are represented in Q4's top deals

Top 10 financings in Q4'25 in Europe



1. **Revolut** — \$3B, London, United Kingdom — Financial Software — *Late-stage VC*
2. **Oura** — \$907.7M, Oulu, Finland — Wearables — *Series E*
3. **Brevo** — \$578.4M, Paris, France — AI & ML — *Late-stage VC*
4. **Picnic** — \$498.1M, Amsterdam, Netherlands — E-commerce — *Late-stage VC*
5. **Lovable** — \$425M, Stockholm, Sweden — AI & ML — *Series B*
6. **Tubulis** — \$360.9M, Munich, Germany — Life sciences — *Series C*
7. **Spotawheel** — \$348.2M, Athens, Greece — Automotive — *Late-stage VC*
8. **Black Forest Labs** — \$300M, Freiburg im Breisgau, Germany — AI & ML — *Series B*
9. **Quantum Systems** — \$233.05M, Gilching, Germany — AI & ML — *Late-stage VC*
10. **Iceye** — \$231.6M, Espoo, Finland — Aerospace & defense — *Series E*

Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

**In Q4'25, African
VC-backed
companies raised
\$142.05 million
across 55 deals**

VC markets across Africa continue to evolve, led by fintech

Africa continues to gain visibility on the radar of global venture capital investors, particularly in fintech and broader technology enablement. While VC investment activity in 2025 remained relatively soft, this largely reflected macroeconomic pressures and political uncertainty stemming from elections across several key jurisdictions. Despite near-term headwinds, the long-term outlook for the region remains constructive, with VC investment expected to increase as local ecosystems deepen and regional venture hubs continue to mature.

Payments remain at the center of VC activity

Within Africa, payments solutions attracted the majority of VC interest during 2025, complemented by strong investor appetite for adjacent financial services such as digital credit and lending platforms. Payments startups continued to emerge across the continent, often focused initially on domestic use cases. In more mature payments markets — most notably Nigeria and Kenya — leading platforms increasingly prioritized regional expansion, leveraging scale to serve cross-border markets and capture broader pan-African opportunities.

Political stability causing some uncertainty

Political stability is a key concern for VC investors in Africa given the degree to which political shifts can drive major changes to legislation and domestic policies. In Kenya for example, the government changed several tax provisions at the very end of 2024 to establish a significant economic presence tax and a minimum top-up tax for multinational enterprises, and to introduce withholding taxes on payments in the digital marketplace; this may have affected inbound investment, particularly as the new rules were developed.⁵ Similarly, prospective government changes in other jurisdictions are likely to keep some VC investors in wait-and-see mode until they have more certainty as to future policy directions.

“Fintech continued to drive the majority of the VC investment in different parts of Africa, but other sectors slowly gaining more attention. Climatetech is a major one of these, partly because it aligns well with fintech given opportunities like monetizing carbon credits. Another is healthtech. And that’s an area where there is a lot of room for growth because healthcare in Africa is very expensive and organizations and investors are increasingly looking at how to make it more affordable and to expand access to more people.”



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

⁵ <https://kpmg.com/us/en/taxnewsflash/news/2025/02/tnf-kenya-legislation-replacing-dst-with-significant-economic-presence-tax-pillar-two.html>

VC markets across Africa continue to evolve, led by fintech, cont'd.

Climatetech attracting particular attention from VC investors

Africa has been affected quite dramatically by the impact of global climate change, including suffering changes to agricultural patterns, crop growth and yields, and weather patterns despite not being a major contributor to CO₂ emissions. These impacts have led to increasing awareness and growing interest from VC investors in Africa's nascent climatetech space.

Innovation sandboxes helping to drive innovation

Within Africa, several jurisdictions are using sandbox approaches to encourage innovation in different fields. These sandboxes primarily act as incubators, giving entrepreneurs and startups critical support as they work to develop and test their ideas, products, and services.



Trends to watch for in Q1'26

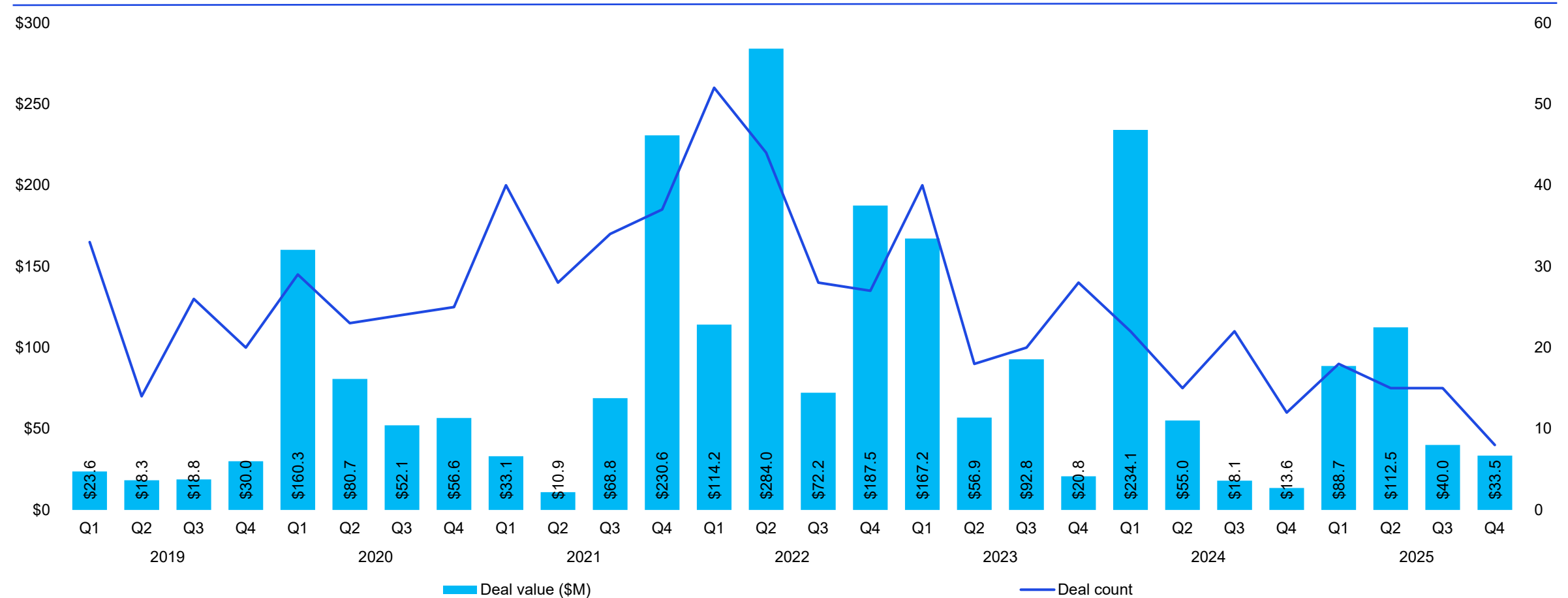
Looking ahead to 2026, VC investment activity and M&A across Africa are expected to recover gradually over the course of the year. While payments platforms are likely to continue attracting the largest share of venture capital, investor interest is also expected to broaden into adjacent and emerging sectors. In particular, climatetech, green financing, and insurtech are anticipated to see increased investment as sustainability and risk management rise in importance across the region.

Healthtech is also expected to gain momentum, especially solutions focused on expanding access to medical care and improving healthcare delivery efficiency. In parallel, AI is increasingly on the radar of VC investors in Africa, with early interest centered on automation, operational efficiency, and business enablement use cases that address local market needs and scalability challenges.

After surges of VC invested in H1 2025, a quieter H2 2025

Venture financing in Southern Africa

2019–Q4'25

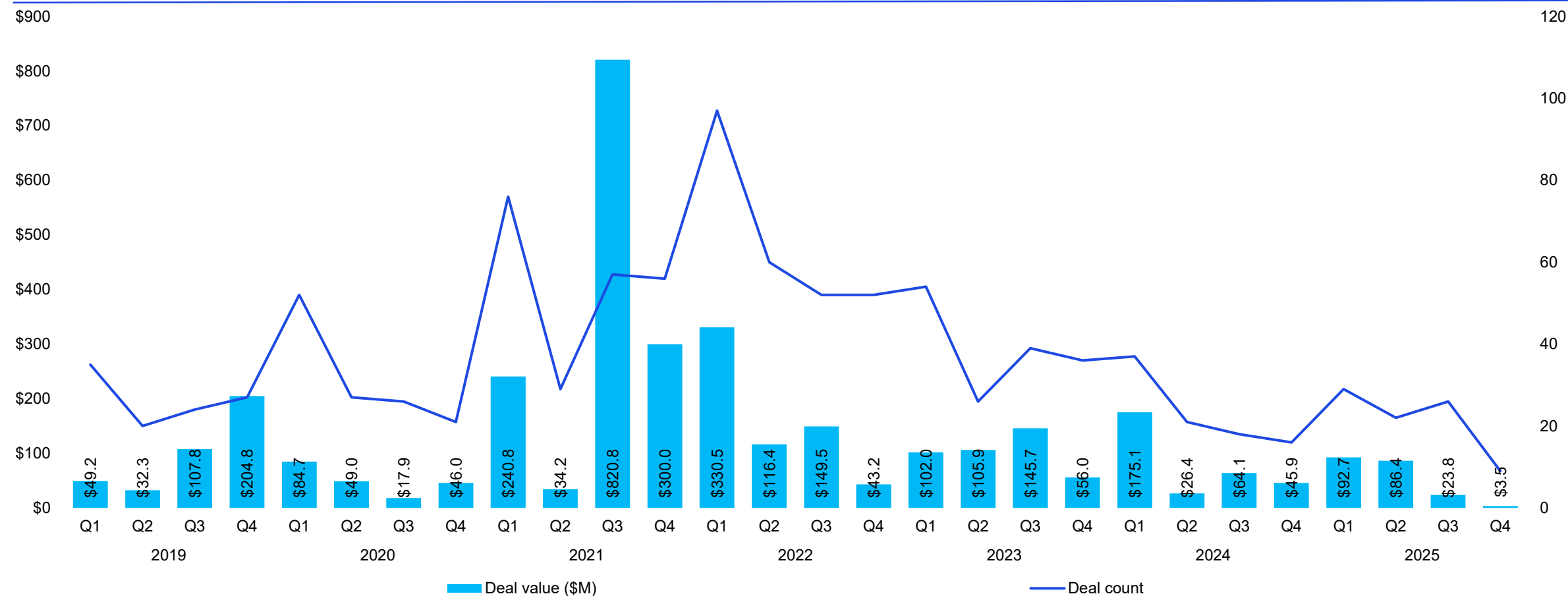


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Deal flow slows at close of year

Venture financing in West Africa

2019–Q4'25

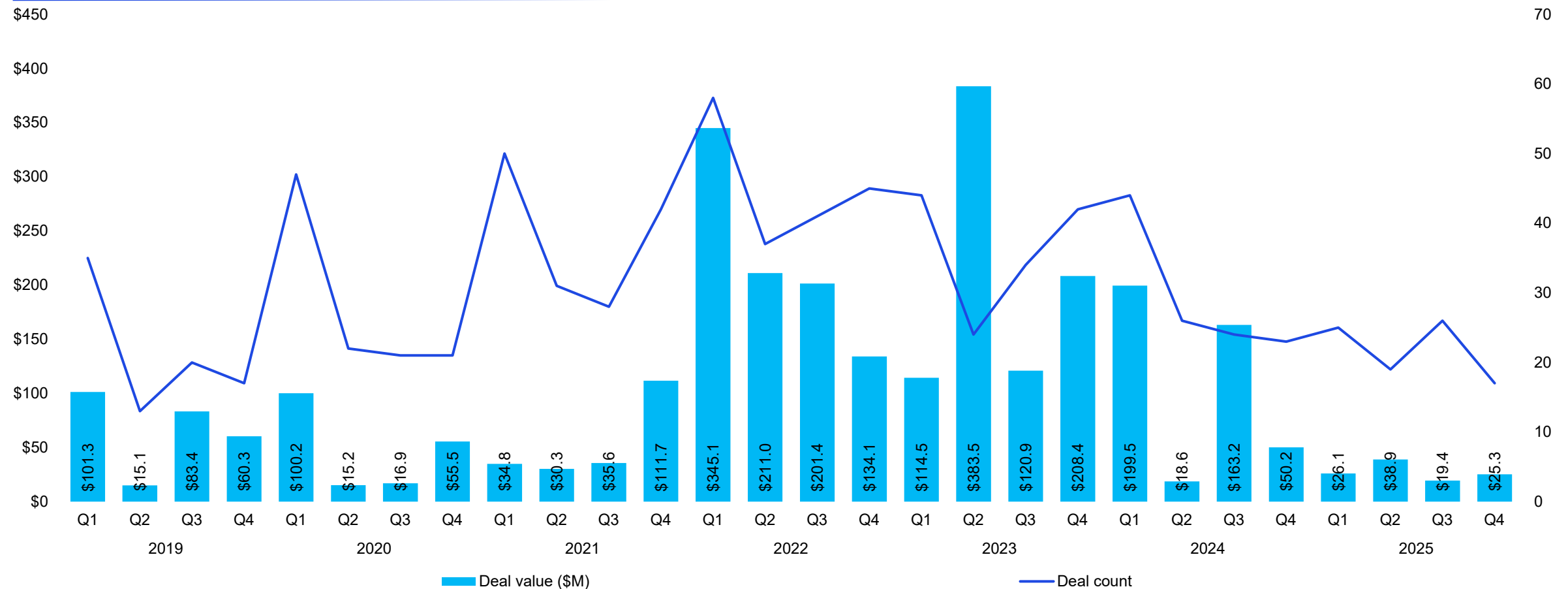


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

VC activity trudges along throughout a slower 2025

Venture financing in East Africa

2019–Q4'25



Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

**In Q4'25, VC-backed
companies in the
Asia region raised
\$21.4 billion across
2,474 deals**

VC investment in Asia modest, despite strong quarter in Japan

Venture capital investment across Asia remained relatively modest in Q4'25, totaling \$21.4 billion across 2,474 deals, broadly consistent with investment levels seen in the first three quarters of 2025. While VC activity in China continued to be subdued, several other markets recorded meaningful quarter-over-quarter growth. In particular, India, Japan, and Australia each saw notable increases in VC investment during the quarter, helping to offset continued softness elsewhere in the region.

AI enablement becoming a high priority for VC investors across Asia

AI enablement emerged as a high priority for VC investors across Asia in Q4'25, attracting significant levels of capital despite overall regional investment remaining modest. In China, while broader VC activity stayed subdued, the two largest deals of the quarter were both concentrated in autonomous driving, with DeepBlue Auto raising \$867 million and Neolix Technologies securing \$600 million — highlighting continued investor conviction in select, strategically important AI applications.

Across the wider region, AI-focused investment skewed heavily towards enablement infrastructure rather than end-user applications. One of the notable rounds included a \$541 million raise by Australia-based AI infrastructure provider Firmus Technologies. Robotics emerged as one of the most active AI sub-sectors, with significant raises by China-based GalBot (\$300 million), Juxie Intelligent (\$281 million), Cornerstone Robotics (\$200 million), and Robotera (\$141 million), alongside a \$155 million round for India-based Miko Robot.

Japan also recorded strong AI-related megadeal activity during the quarter, with industrial automation company Mujin raising \$235 million and foundational AI model developer Sakana AI securing \$135 million. Together, these transactions underscore the growing emphasis on AI infrastructure, robotics, and automation across Asia, even as overall VC activity remains selective and uneven across markets.

Exits activity in Asia improving, buoyed by IPOs in India and Hong Kong

Exit activity across Asia improved meaningfully in 2025, driven primarily by strong momentum in India and Hong Kong. In India, exit value surged in Q4'25 to the second-highest level on record — trailing only Q4'21 — as a wave of VC-backed companies accessed the public markets. Notable IPOs during the quarter included an \$824 million offering by eyewear e-commerce platform Lenskart, a \$394 million IPO by edtech provider Physics Wallah, and a \$144 million listing by home solutions e-commerce company Wakefit.

The post-IPO performance of these companies, particularly in the e-commerce sector, will be an important indicator to monitor over the coming year, as sustained trading performance could materially influence investor appetite for future listings.

Hong Kong also experienced robust IPO activity in 2025, especially during the first half of the year. Momentum remained solid in Q4'25, supported by a sizable pipeline of companies that have filed confidentially for IPOs. Many issuers are adopting a patient approach, waiting for optimal market conditions before proceeding with their listings.

China attracts largest share of VC investment in Asia despite economic challenges

China continued to see subdued venture capital investment in Q4'25, although it still accounted for the largest share of VC investment in Asia during the quarter. While activity in large late-stage funding rounds remained muted, earlier-stage investment showed signs of stabilization, with increased traction at the pre-seed, seed, and Series A stages.

AI remained one of the most active areas of investment, with capital largely directed towards practical, industrial applications — particularly autonomous vehicles and robotics. In autonomous driving, autonomous delivery vehicle manufacturer Neolix Technologies raised \$600 million, while autonomous driving technology provider DeepBlue Auto secured an \$867 million round during the quarter. Didi Autonomous Driving also attracted significant capital, raising \$281 million.

Robotics investment was similarly robust, with humanoid robotics components firm Juxie Intelligent raising \$281 million, surgery-focused Cornerstone Robotics securing \$200 million, and humanoid robotics company Robotera raising \$141 million. Together, these transactions underscore continued investor interest in applied AI and automation use cases in China, even as overall venture activity remains selective.

VC investment in Asia modest, despite strong quarter in Japan, cont'd.

India VC market shows stability in 2025 — well positioned for growth

Venture capital investment in India remained stable throughout 2025, with a modest quarter-over-quarter increase to close out the year. The market continued to demonstrate breadth, with a diverse group of companies raising \$100 million-plus rounds during the quarter. Notable transactions included a \$600 million raise by mobile payments platform PhonePe, a \$244 million financing for cleantech company Goldi Solar, and a \$155 million round for education-focused AI robotics firm Miko Robot.

E-commerce and consumer platforms continued to attract significant investor interest, with large rounds raised by quick-commerce and retail leaders, including \$450 million for Zepto Marketplace and \$381 million for eyewear e-commerce company Lenskart.

While quick commerce has drawn substantial capital, investor scrutiny around burn rates and long-term profitability is increasing. These dynamics will be closely watched heading into 2026, particularly as several companies in the sector begin to consider potential IPO exits.

Japan sees strong VC investment in Q4'25

Venture capital investment in Japan surged in Q4'25, reaching nearly \$1.9 billion across 320 deals. This strong finish propelled full-year VC investment to more than \$5.8 billion, second only to the previous annual record set in 2021. The quarter was marked by several \$100 million-plus megadeals, including a \$235 million round for intelligent automation and robotics firm Mujin, and a \$135 million financing for foundational AI model developer Sakana AI.

Collaboration between corporates and startups emerged as a defining theme during the quarter, as large Japanese companies increasingly turned to venture-backed innovation to address internal operational and strategic challenges. These partnerships and investments are expected not only to accelerate startup growth over the coming quarters, but also to encourage broader corporate participation in venture investing as firms seek to remain competitive in rapidly evolving markets.

At the same time, macroeconomic conditions in Japan softened in Q4'25, with a weakening yen and interest rates rising to a 30 year high. These dynamics introduced some caution among investors, particularly banks and financial institutions that have historically played an important role in seeding new funds. As a result, VC investors increasingly concentrated capital in more established startups with proven traction and higher probabilities of success, rather than earlier-stage or unproven ventures. How this shift influences deal formation and innovation dynamics will be an important trend to watch heading into 2026.



Trends to watch for in Q1'26

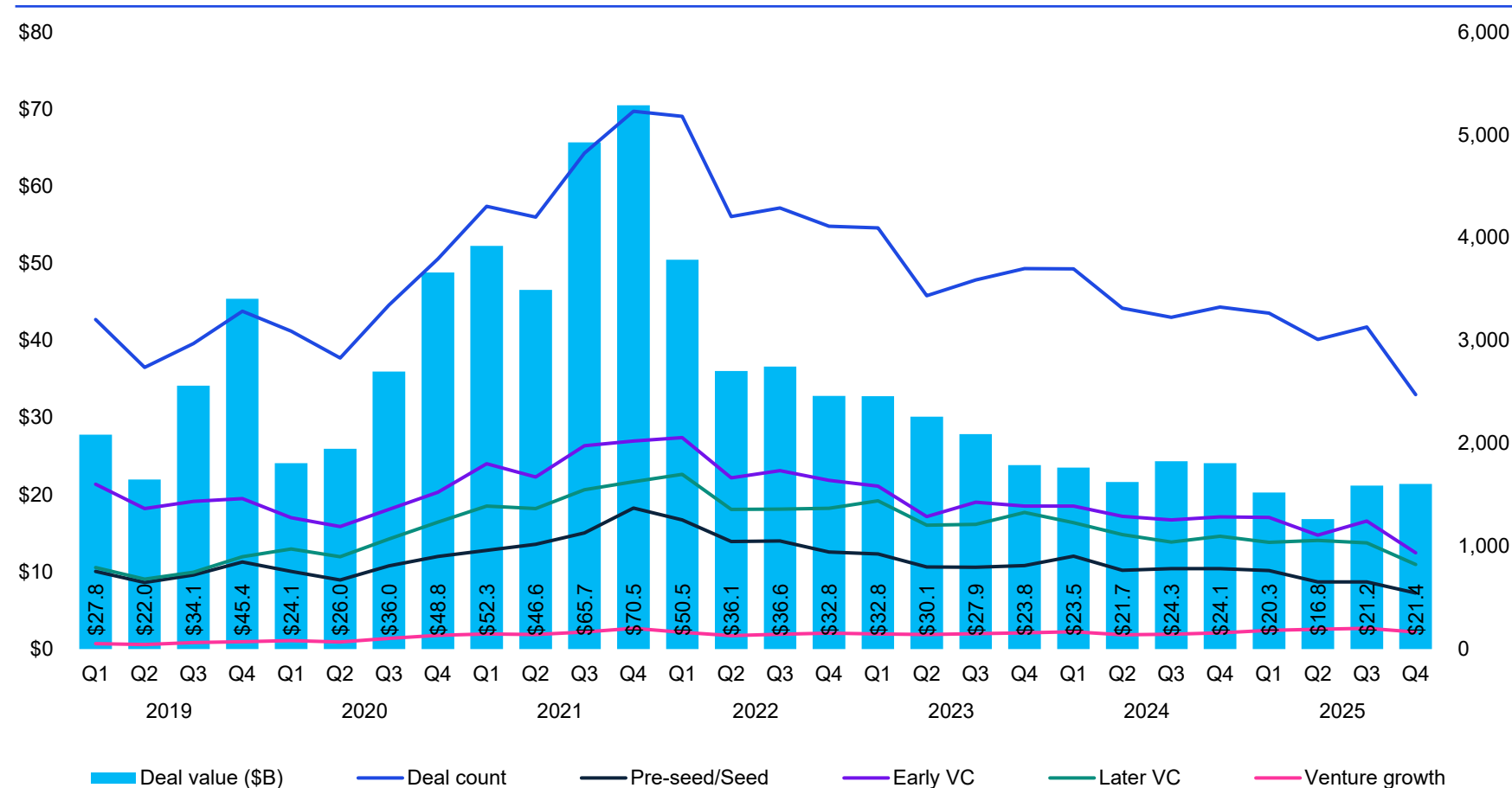
Heading into Q1'26, AI is expected to remain a primary driver of venture capital investment across Asia, with capital flowing into a broad range of subsectors — including autonomous vehicles, robotics, industrial enablement, and AI infrastructure. Investor interest is increasingly focused on practical, scalable applications that support automation and productivity gains across industries. In Hong Kong, IPO activity is expected to remain constructive in early 2026, supported by a sizable backlog of companies that have filed confidentially and are awaiting favorable market conditions. In India, IPO exits may also accelerate, although investor appetite will be shaped by the post-listing performance of companies that went public in late 2025. Given the significant amount of dry powder held by VC funds in India, sentiment remains positive that overall VC investment will increase meaningfully over the coming year.

In Japan, M&A activity is expected to gain momentum as changes to listing maintenance standards reduce the number of startups pursuing IPOs. As a result, strategic acquisitions and corporate-backed exits are likely to play a larger role in the ecosystem. Collaboration between large corporates and startups is expected to remain a defining feature of Japan's VC market, supporting innovation while providing alternative pathways to scale and liquidity.

VC activity evens out at a muted level

Venture financing in Asia

2019–Q4'25



Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

“ AI has gained a lot of attention, but the evolution has been a bit of a struggle in terms of applications to the different sectors. What we’re seeing so far is an evolution very similar to what we saw in new energy. We’re seeing many new companies being built up in different sectors, like robotics. Over the long term there will likely be a lot of competition among them. Then, later we’ll see a few take leading positions. But right now, it’s very competitive. ”



Zoe Shi
Partner
KPMG China

Down rounds continue at a similar clip

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

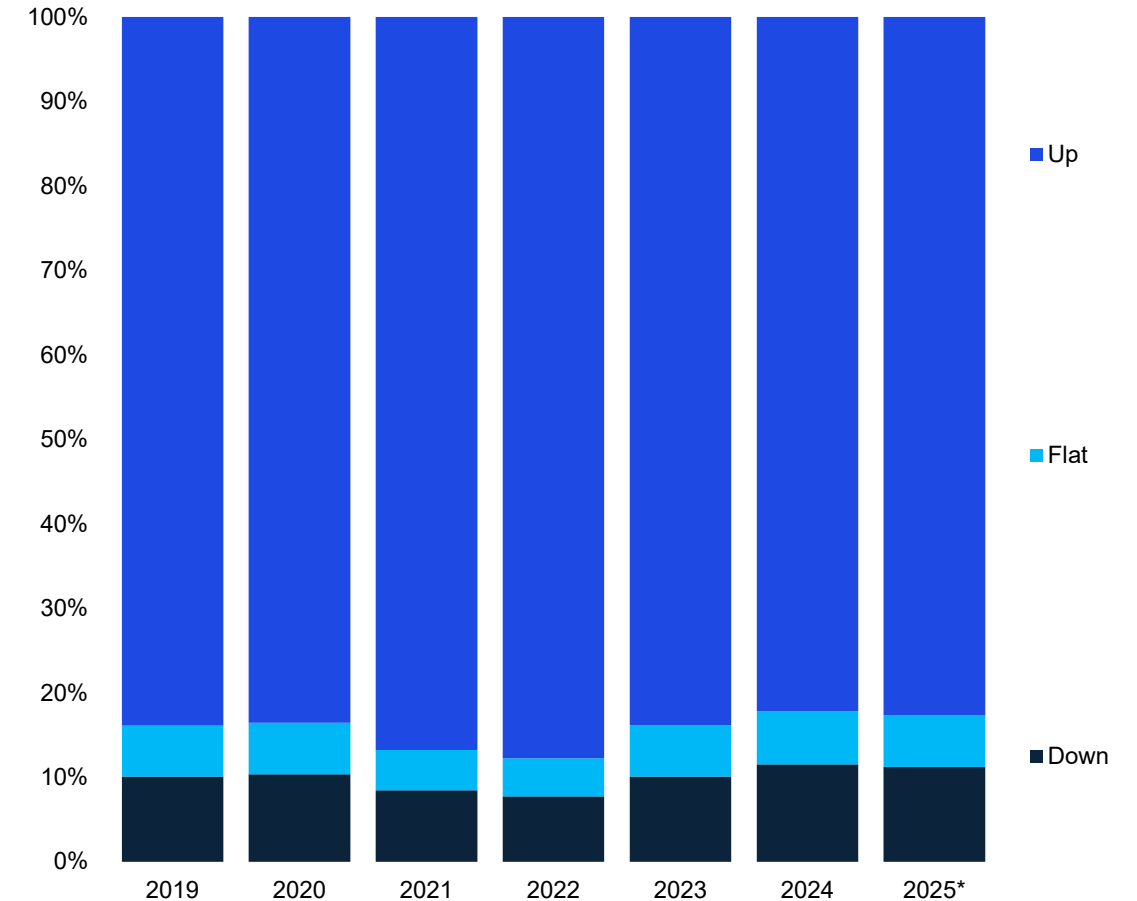
2019–2025*



Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Up, flat or down rounds in Asia

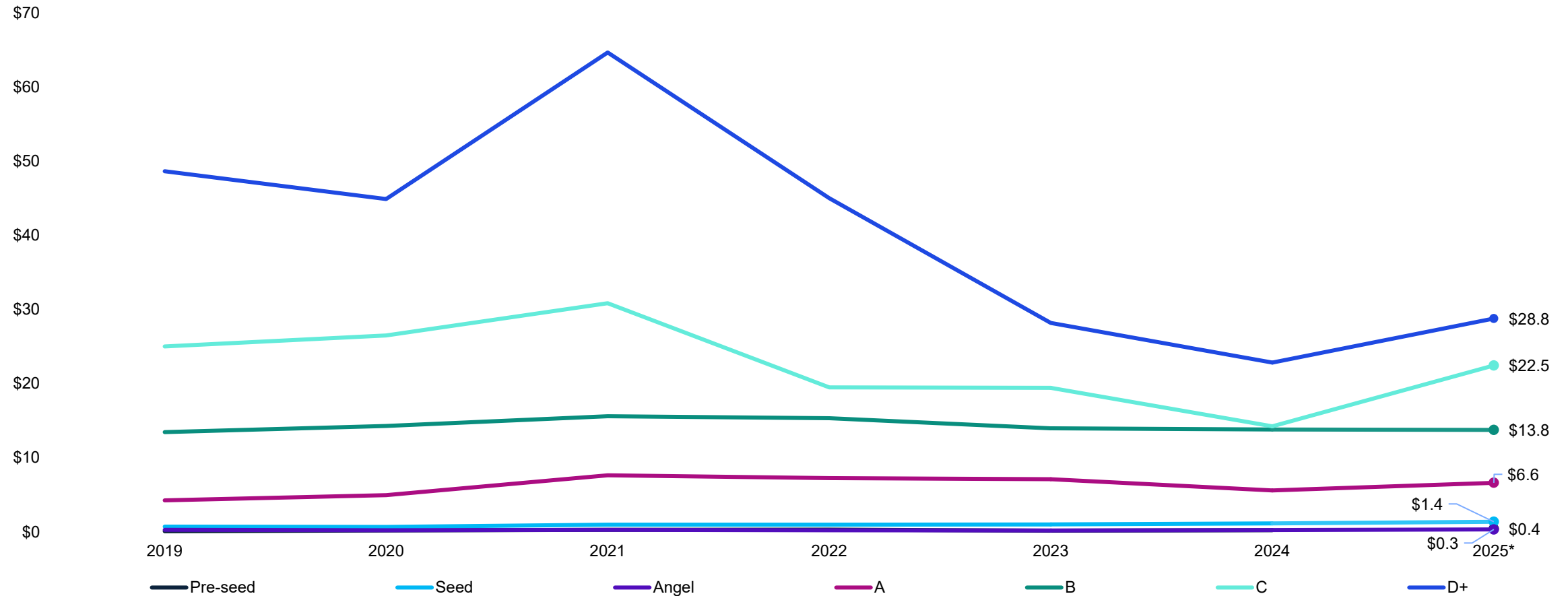
2019–2025*



Financing metrics make a marginal recovery

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

2019–2025*

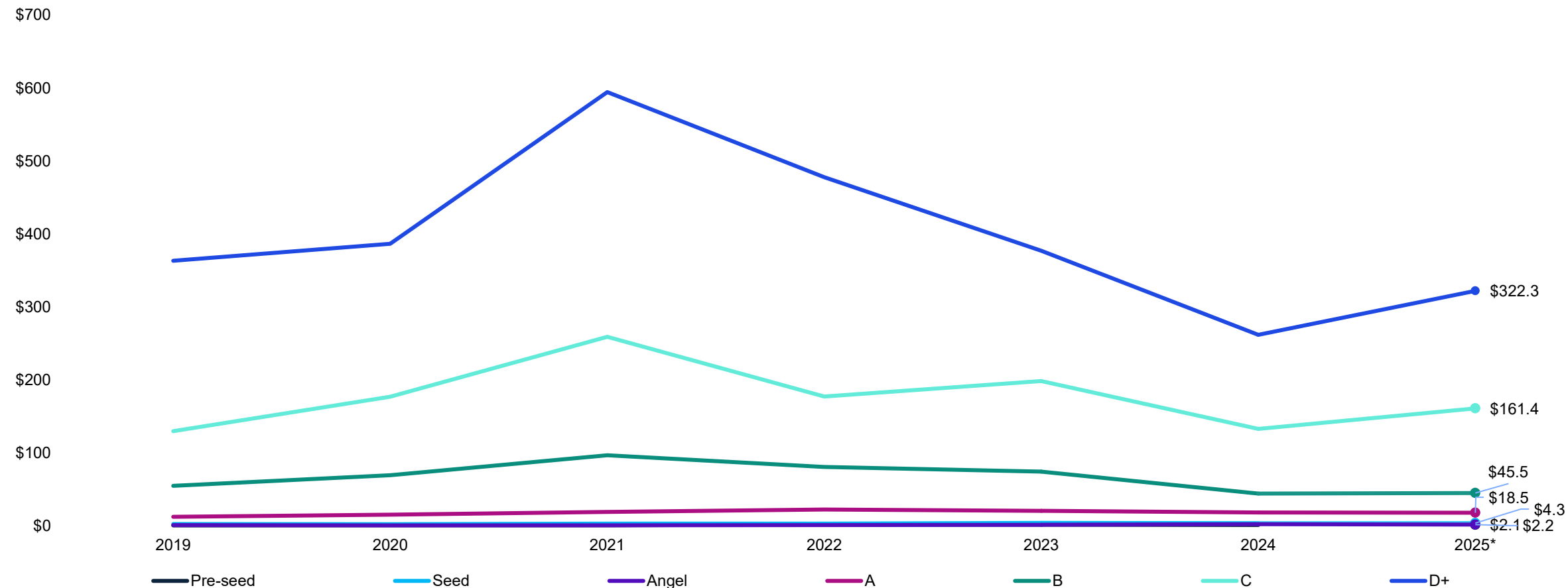


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Valuations increase somewhat year-over-year

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

2019–2025*

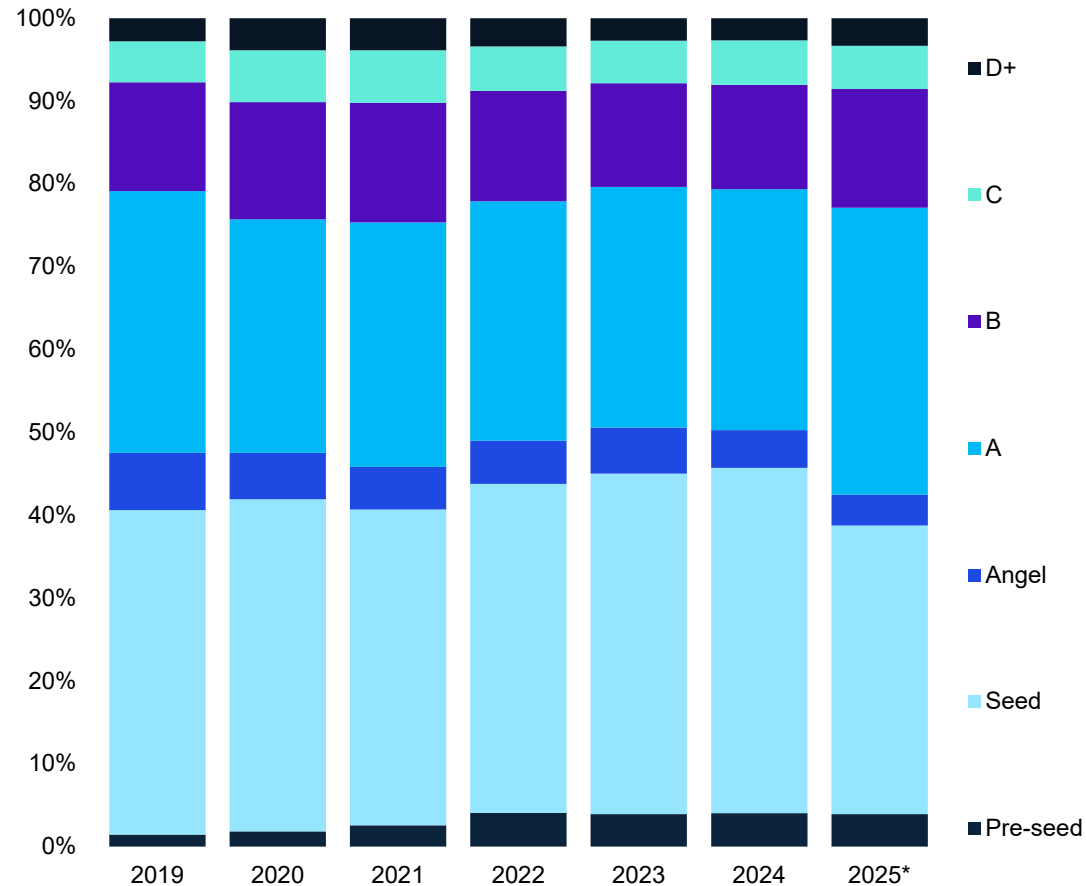


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Midstage rounds gain in share of deal count

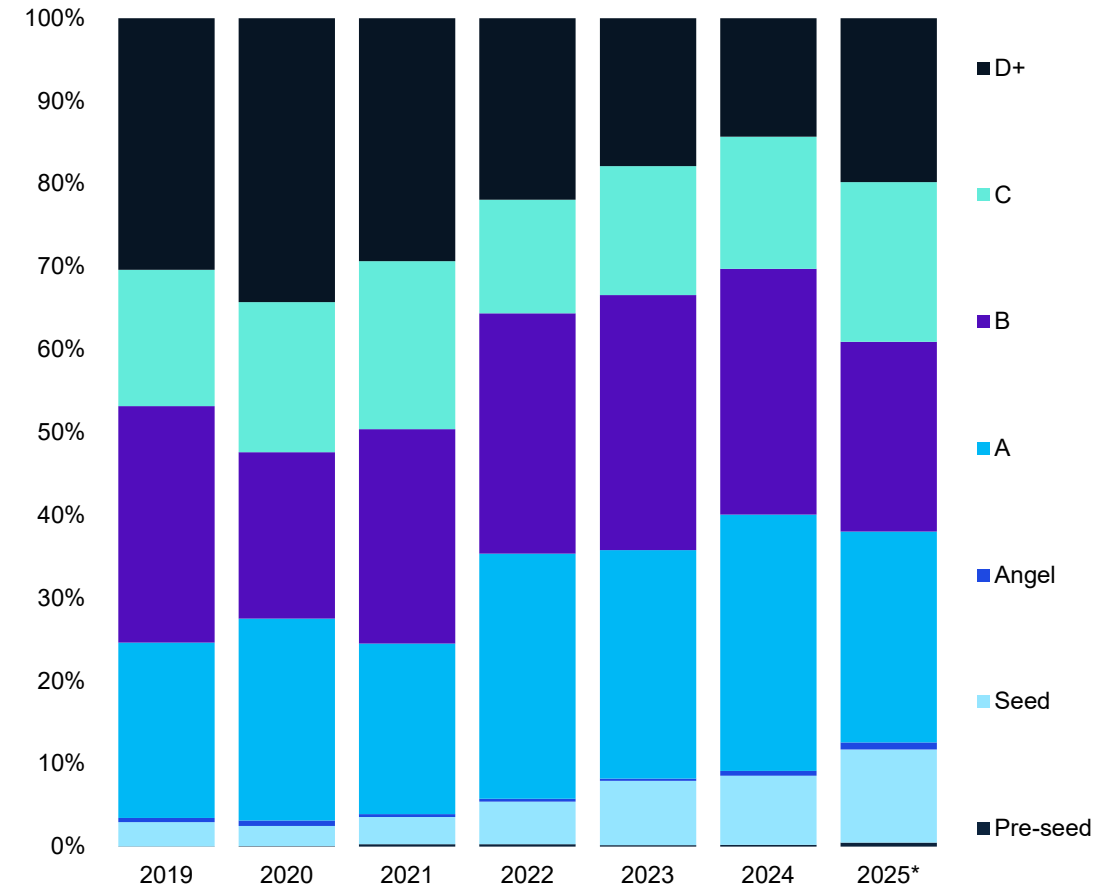
Deal share by series in Asia

2019–2025*, number of closed deals



Deal share by series in Asia

2019–2025*, VC invested (\$B)

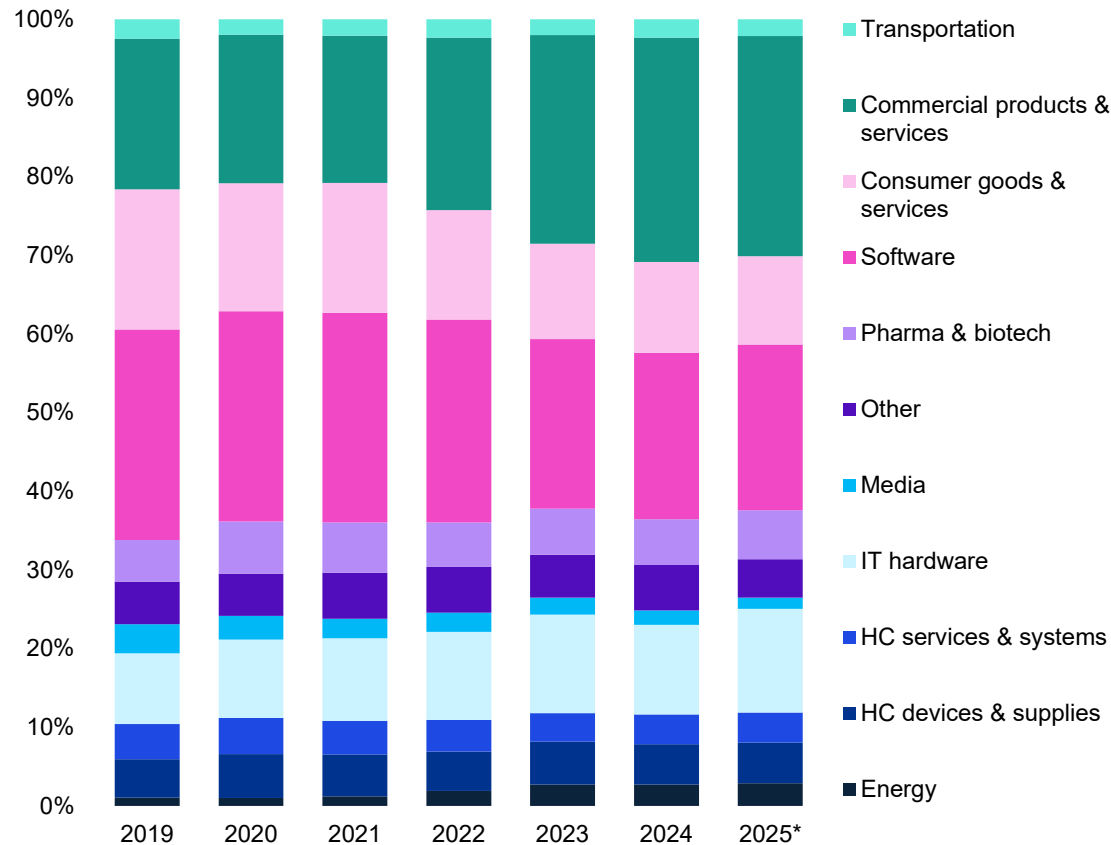


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

IT hardware surges in VC invested

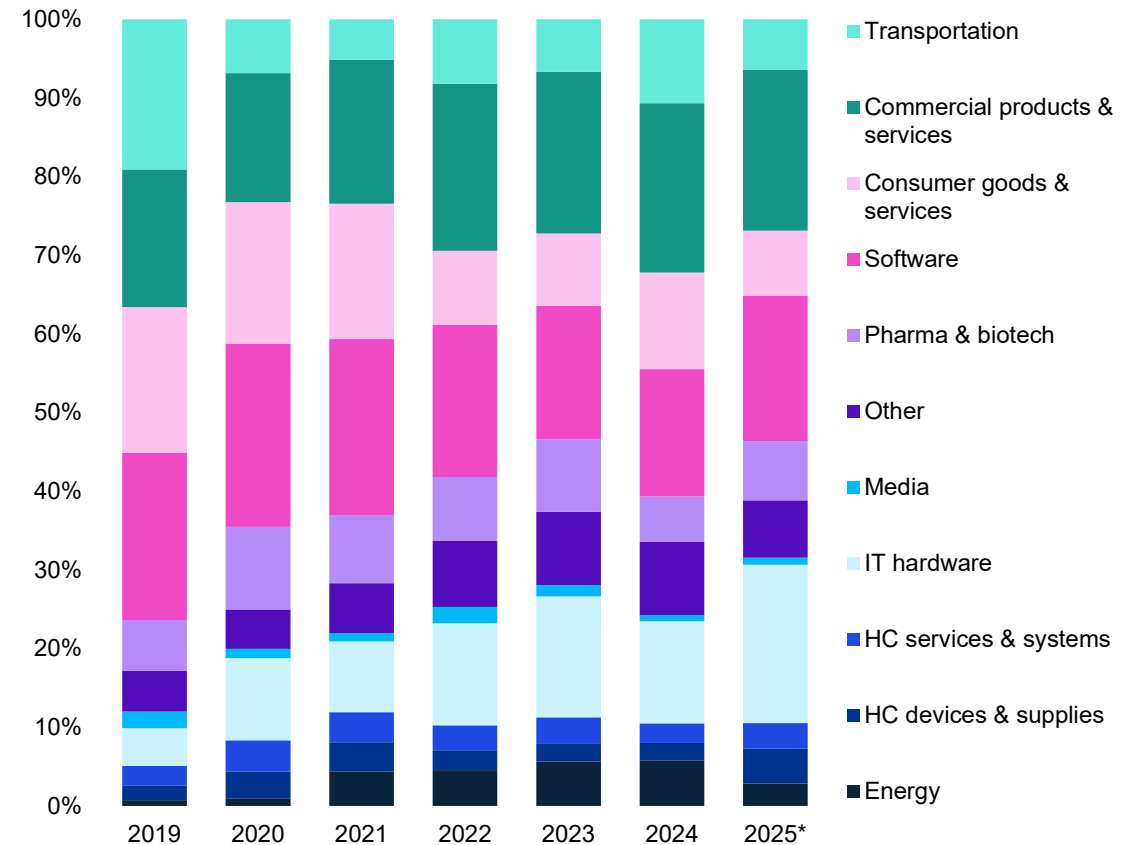
Venture financings by sector in Asia

2019–2025*, number of closed deals



Venture financings by sector in Asia

2019–2025*, VC invested (\$B)

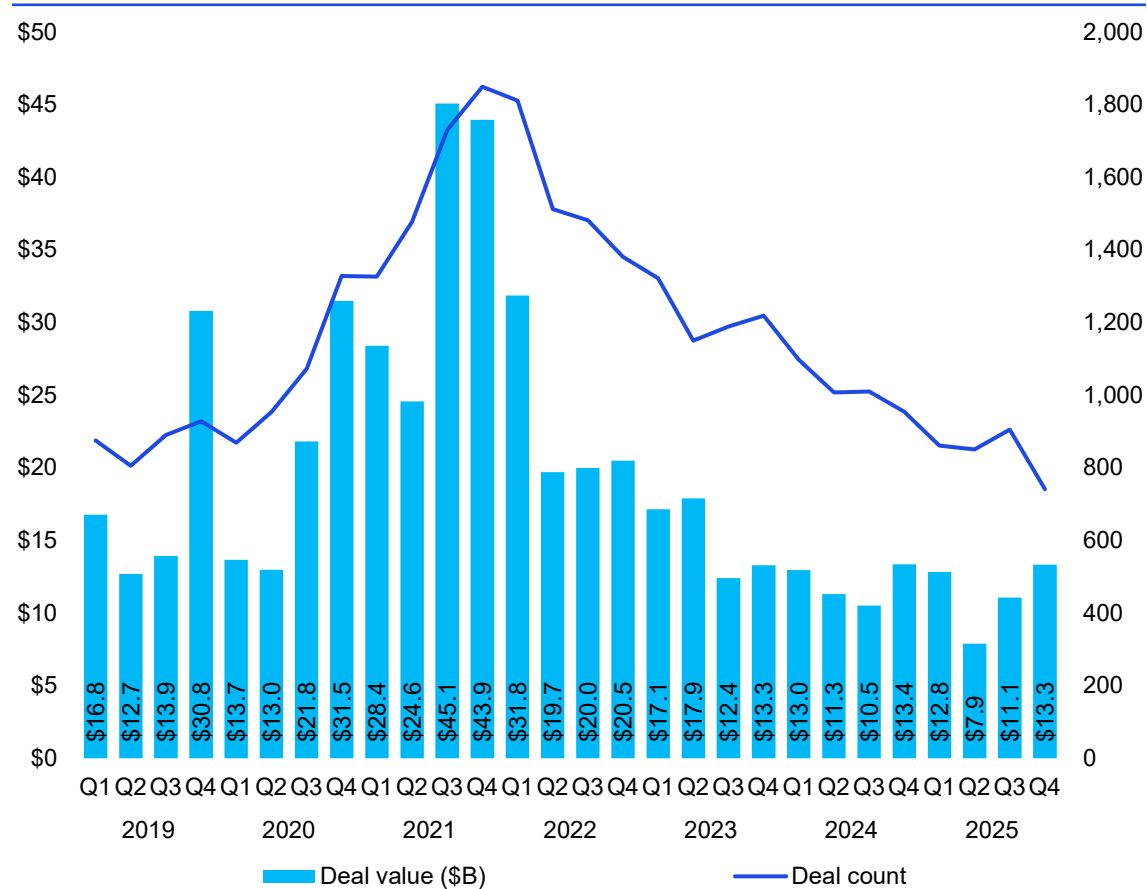


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

First-time financings slide in tandem with CVC participation

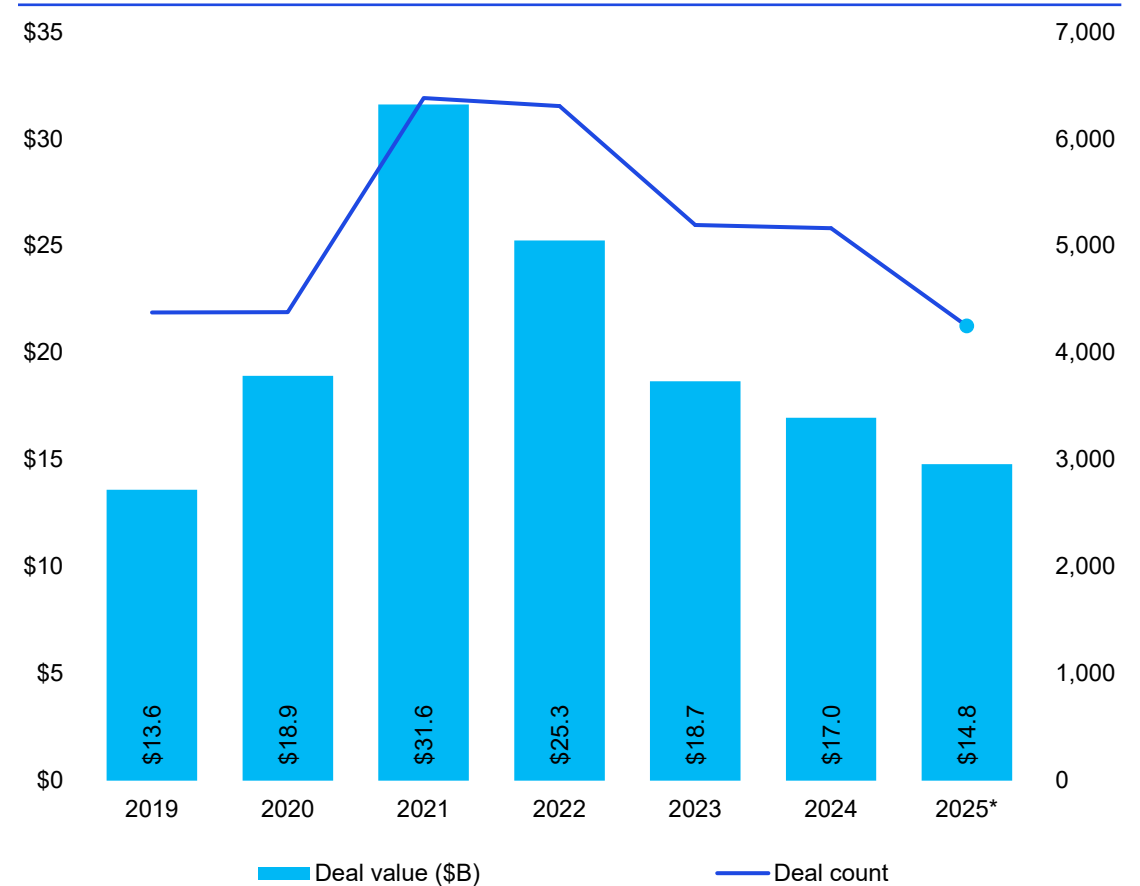
Corporate participation in venture deals in Asia

2019–Q4'25



First-time venture financings of companies in Asia

2019–2025*

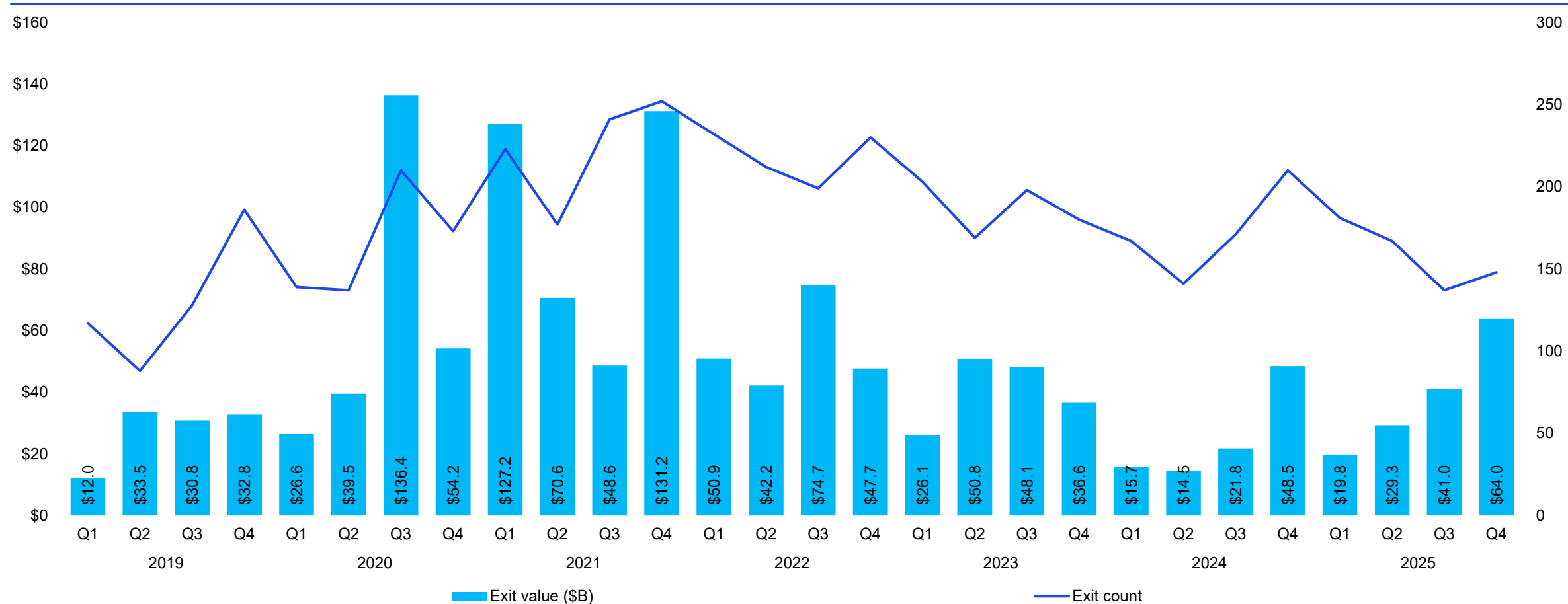


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Exits tick up to a strong finish for 2025

Venture-backed exit activity in Asia

2019–Q4'25

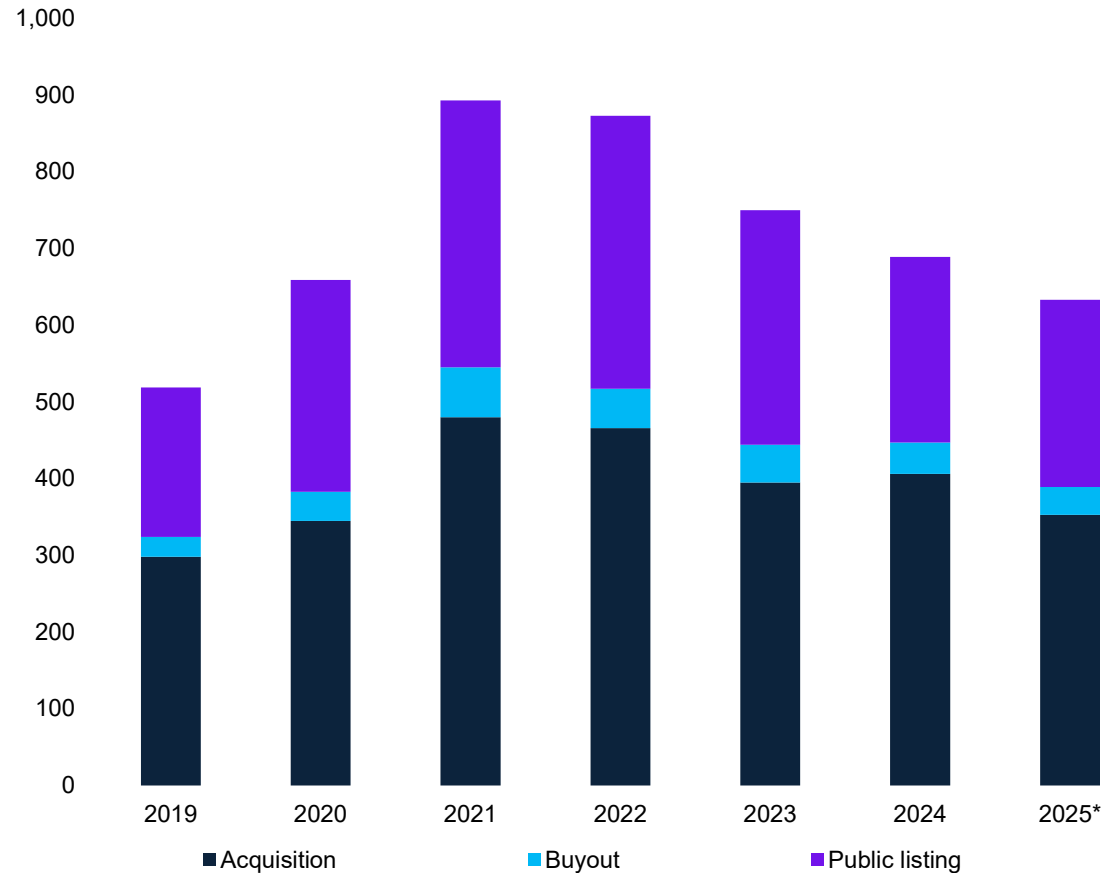


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Public listings rebound significantly year-over-year

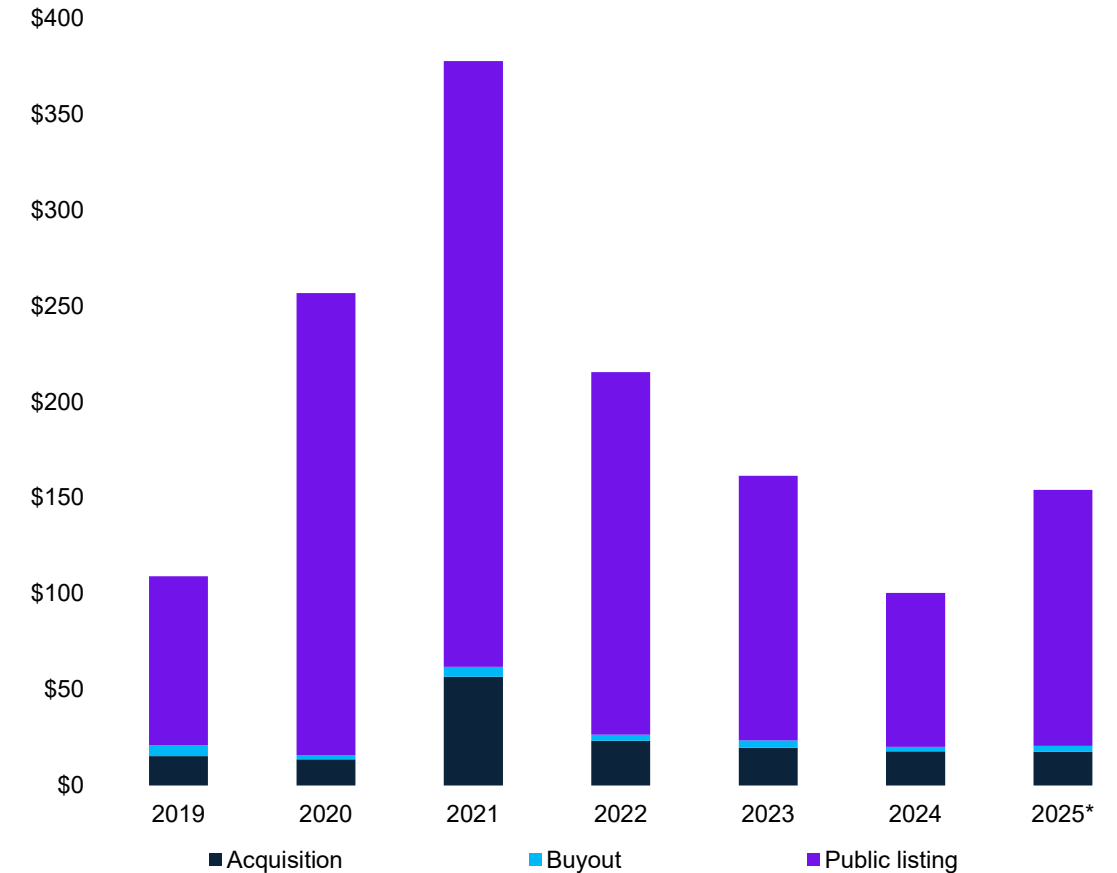
Venture-backed exit activity (#) by type in Asia

2019–2025*



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

2019–2025*

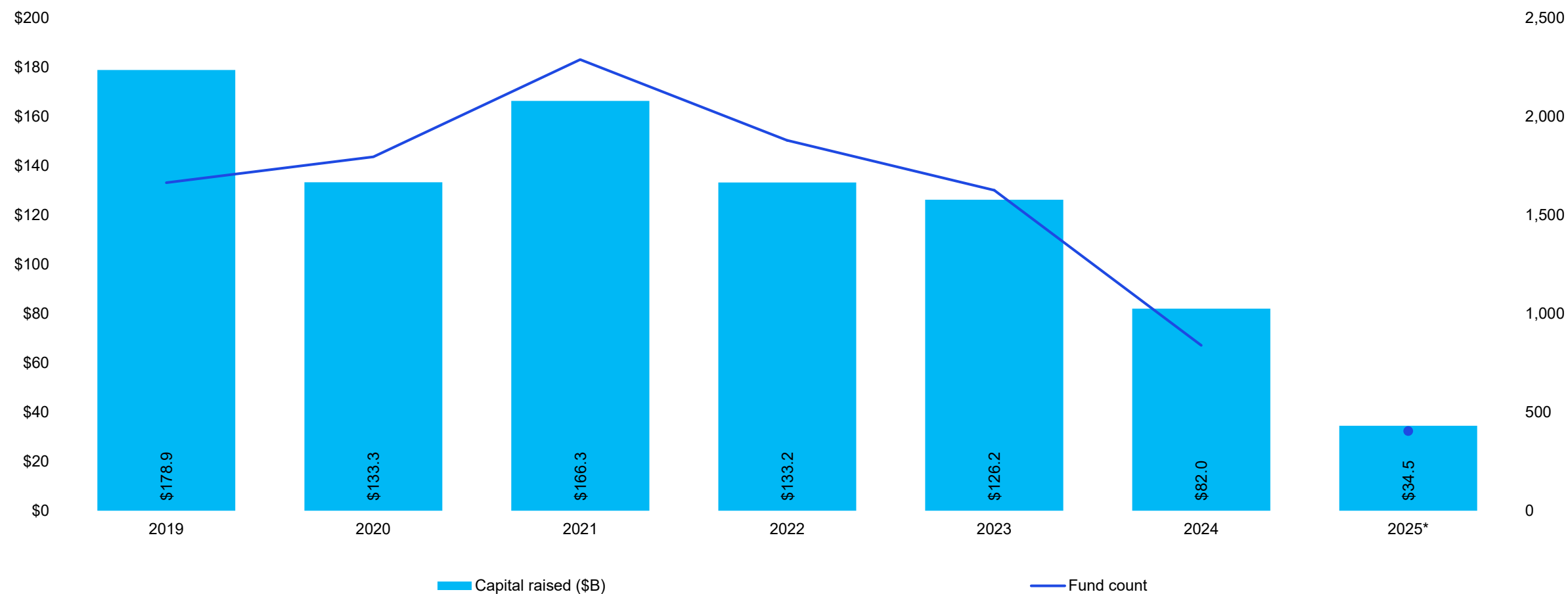


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Fundraising hits a historic low

Venture fundraising in Asia

2019–2025*

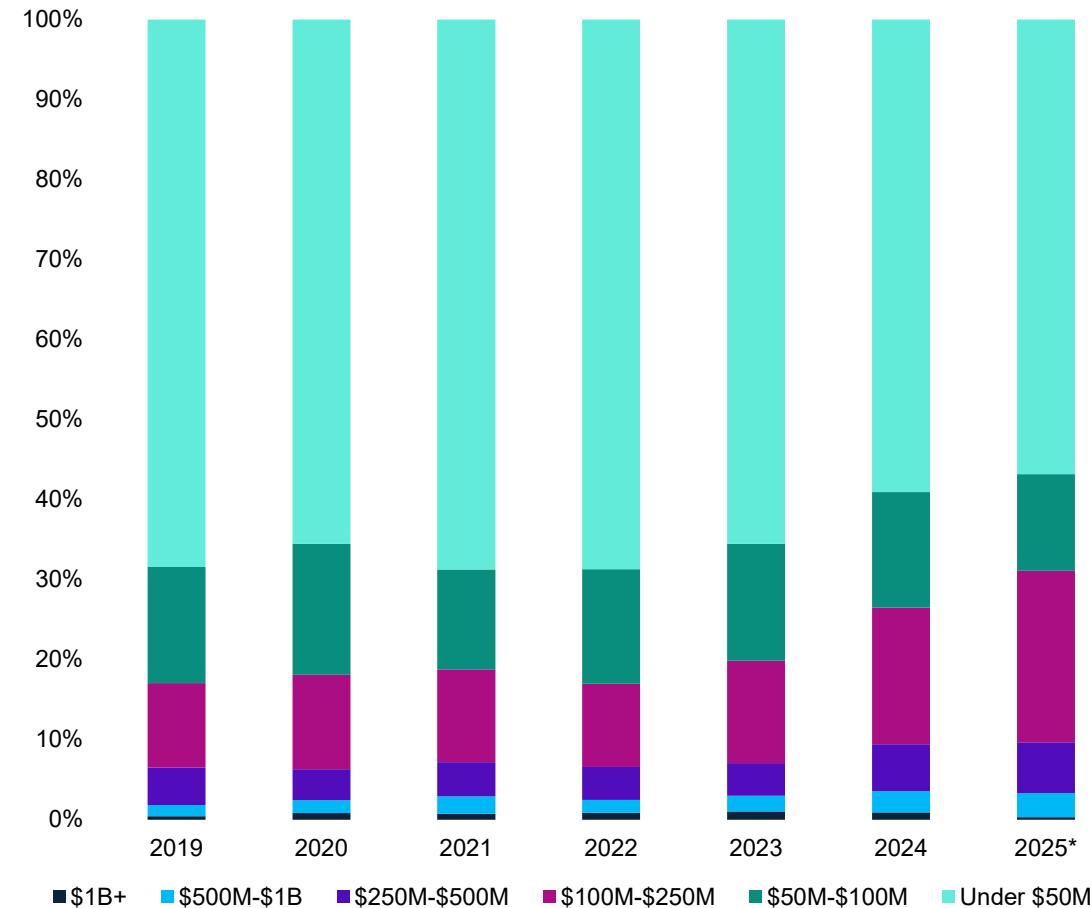


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

Fund closings remain concentrated among midsize, targeted vehicles

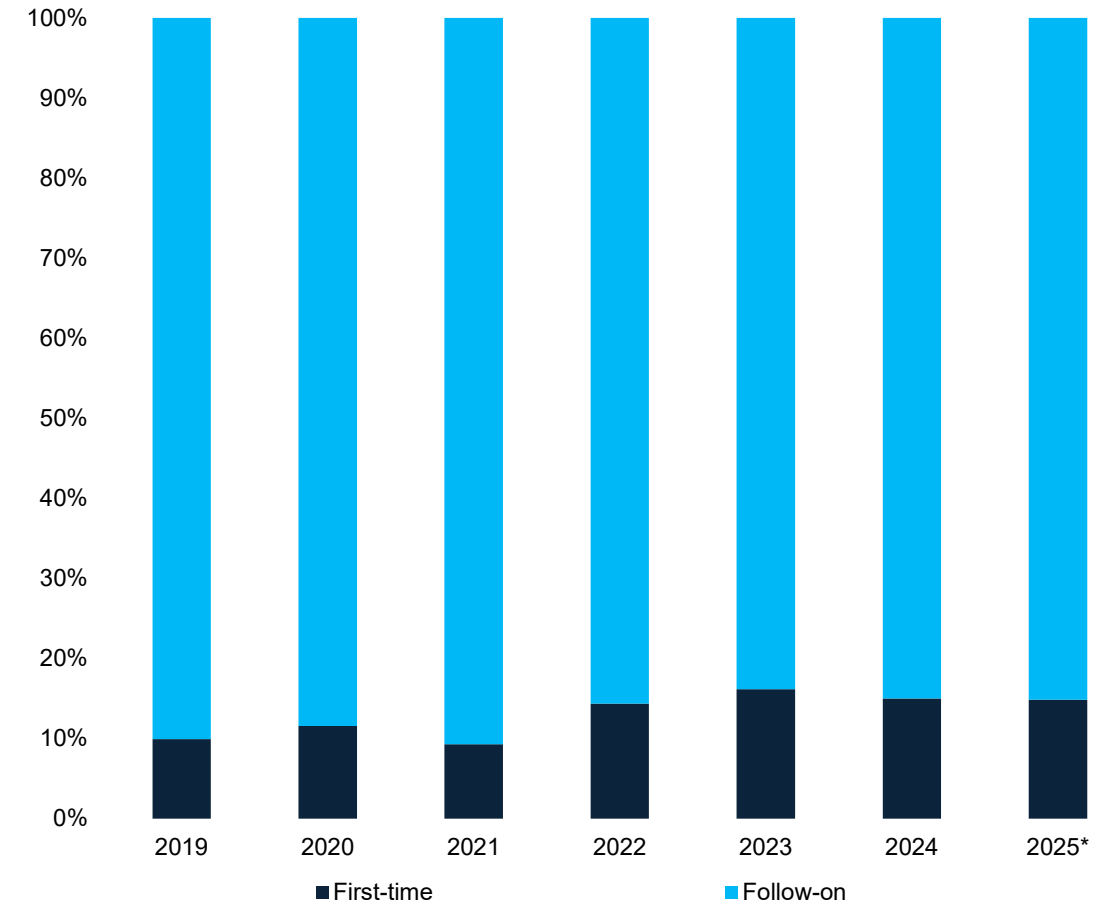
Venture fundraising (#) by size in Asia

2019–2025*



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

2019–2025*

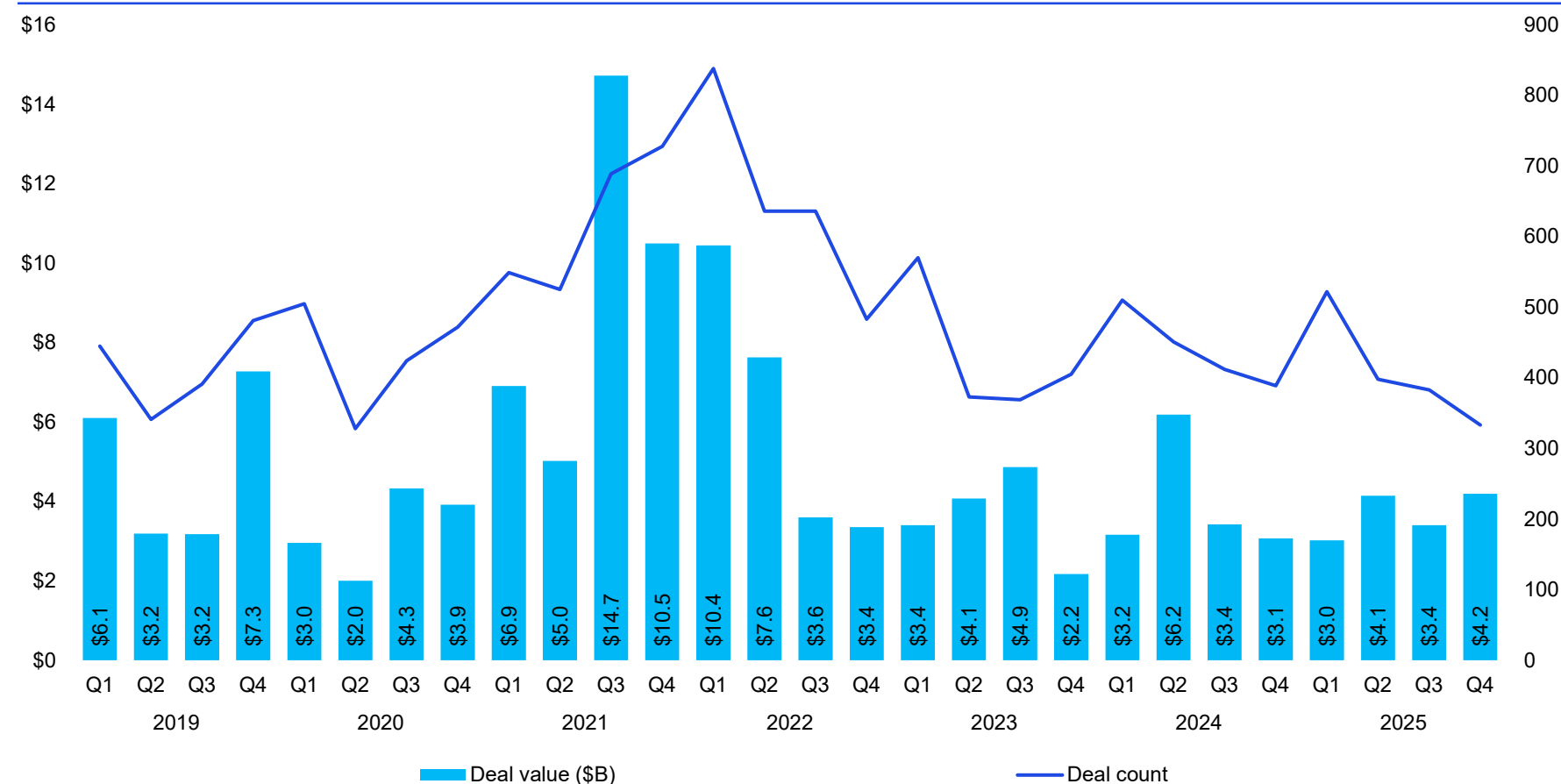


Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

India sees a consistently healthy flow of VC to close 2025

Venture financing in India

2019–Q4'25



Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

“2025 was a very stable year for the VC market in India. There was no euphoria or big bank tickets. But what we saw was continued optimism in the country and solid levels of investment. That’s a trend that’s likely going to continue into 2025. The public listings we saw in 2025 are also encouraging, although the real litmus test for them is going to be how they perform over the next year or 18 months.”

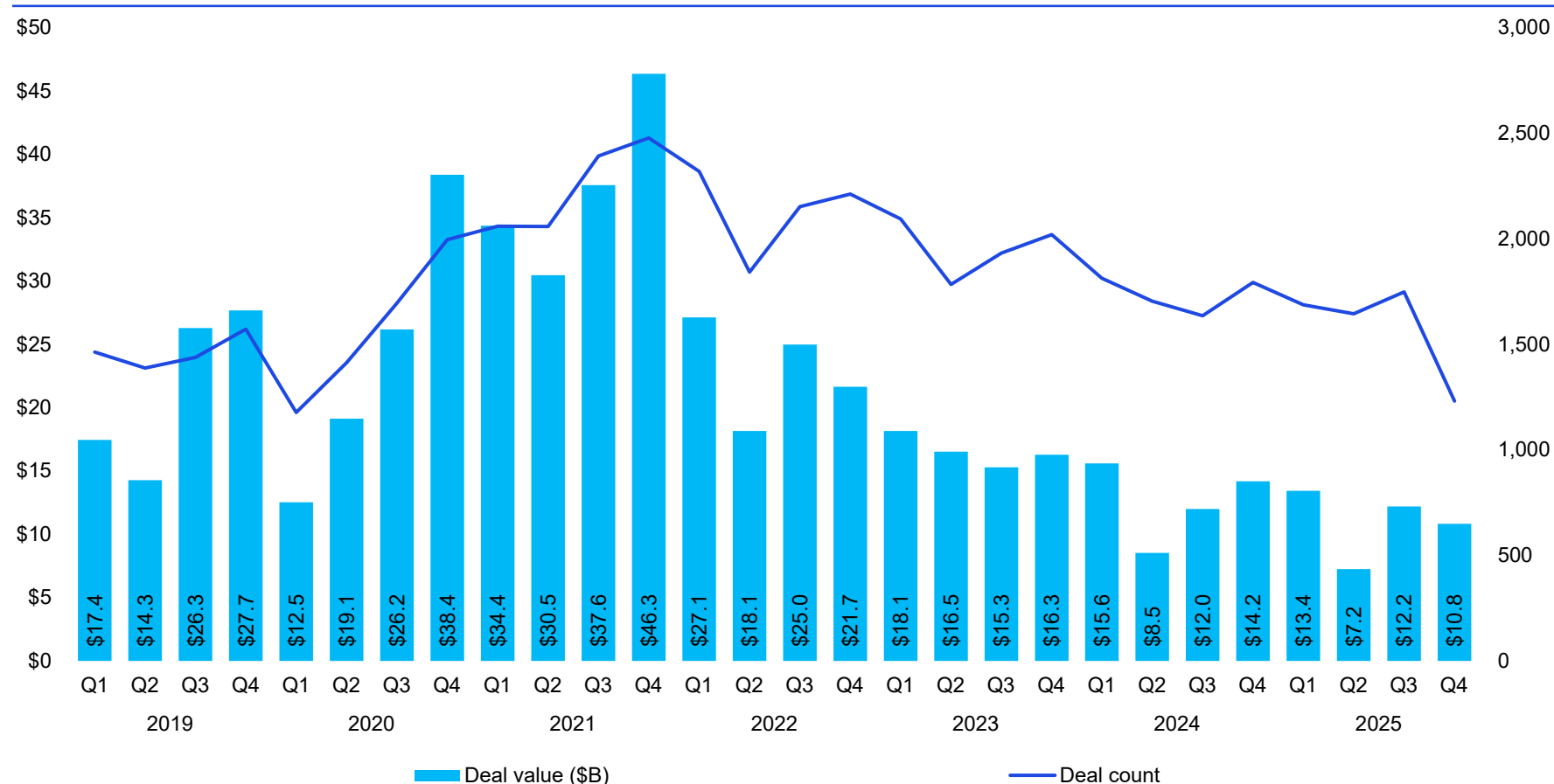


Nitish Poddar
Partner and National
Leader, Private
Equity
KPMG in India

VC activity compresses further

Venture financing in China

2019–Q4'25



Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

“ We expect the IPO market will continue to be a major channel for exit in Hong Kong and China in 2026. The pipeline in Hong Kong is particularly strong, which bodes well even though companies are waiting for the best window of opportunity. On the opposite end of the spectrum, we’re also seeing a good flow of A rounds and earlier stage investments. That early stage deal activity is positive and should help drive more interest and investment, particularly once macroeconomic conditions improve in China. ”

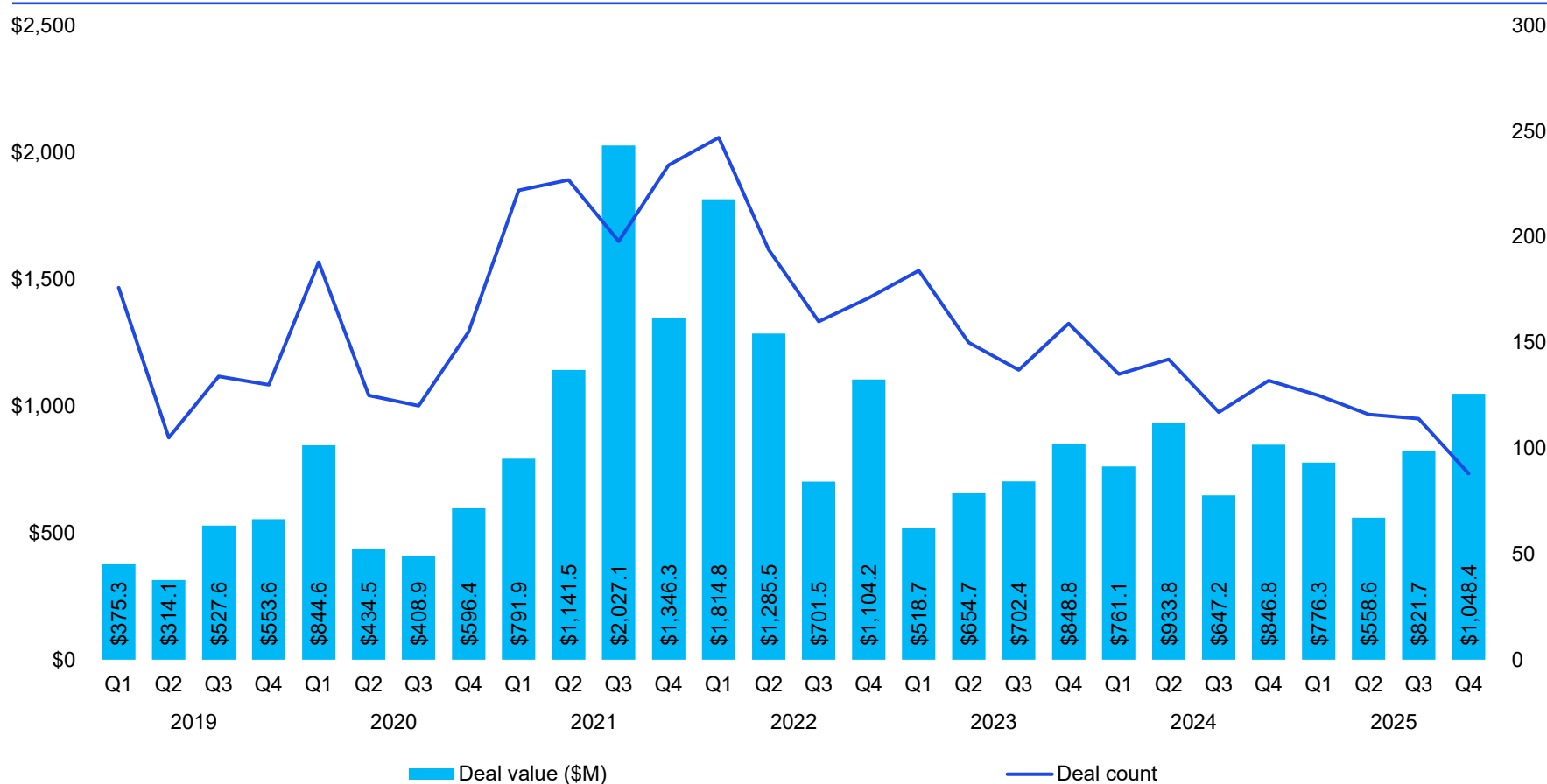


Angela Chiu
Director
KPMG China

2025 ends on a high note

Venture financing in Australia

2019–Q4'25



Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

“Following a slow start to the year, we saw startup investment in Australia begin to build momentum through 2025 with the fourth quarter delivering over US\$1 billion of deals. This is the first time we’ve seen continuous investment at this level since late 2022. Alongside global interest in AI investment, Australia continues to see a solid pipeline of deep tech, medtech and defencetech startups. Founders will be hoping that, regardless of the global geopolitical and macro-economic environment, investment will continue to flow in 2026.”

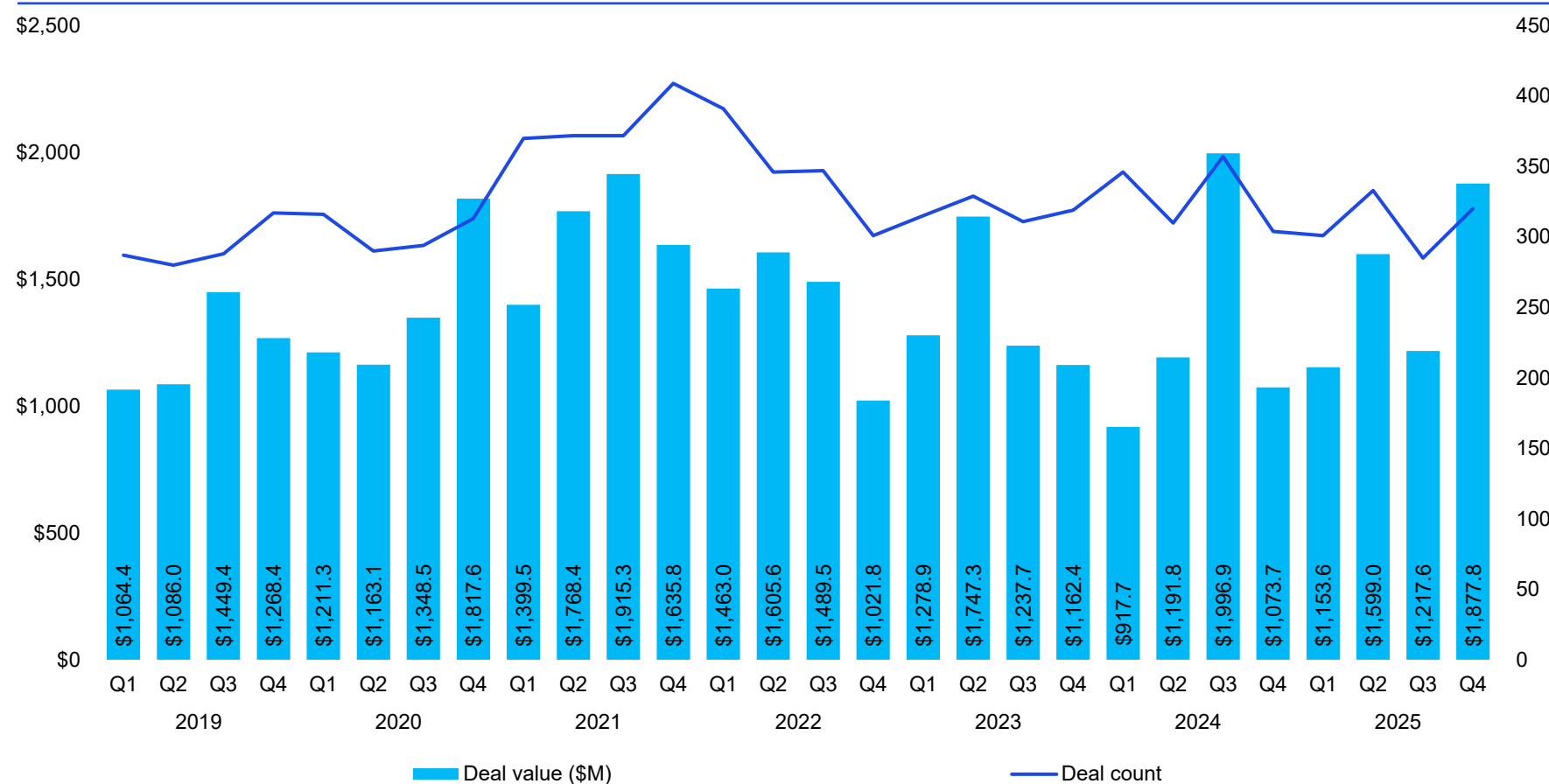


Amanda Price
Partner & Head of
KPMG High Growth
Ventures
KPMG Australia

VC financing levels resurge

Venture financing in Japan

2019–Q4'25



Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

“ In 2026, we expect to see VC investment to grow in Japan, especially in the deeptech sector. That extends well beyond AI, to areas like biotechnology, advanced technologies, and solutions aimed at supporting the next phase decarbonization. We also expect an increasing focus on building resilient supply chains for critical strategic goods, like semiconductors, batteries and pharmaceuticals. This will likely lead to VC investments aimed at establishing domestic industries and infrastructure and to VC investments in related areas like logistics management. ”



Hiroshi Abe
Executive Board
Member,
Partner
KPMG in Japan

A slew of sectors rake in top deals for Q4 2025

Top 10 financings in Q4'25 in Asia-Pacific



1. **DeepBlue Auto** — \$867.2M, Chongqing, China — Automotive — *Series C*
2. **PhonePe** — \$600M, Bengaluru, India — Fintech — *Late-stage VC*
2. **Neolix Technologies** — \$600M, Beijing, China — Industrials — *Series D*
4. **Firmus Technologies** — \$541.1M, Launceston, Australia — AI & ML — *Late-stage VC*
5. **Zepto Marketplace** — \$450M, Bengaluru, India — E-commerce — *Series H*
6. **Lenskart** — \$380.1M, New Delhi, India — E-commerce — *Late-stage VC*
7. **Space Pioneer Technology** — \$351M, Beijing, China — Spacetech — *Series D*
8. **Airwallex** — \$330M, Singapore — Fintech — *Series G*
9. **GalBot** — \$300M, Beijing, China — Robotics — *Early-stage VC*
10. **Juxie Intelligent** — \$281.35M, Wuxi, China — Robotics — *Series C*

Source: Venture Pulse, Q4'25, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of December 31, 2025. Data provided by PitchBook, January 19, 2026.

KPMG Private Enterprise Emerging Giants network

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



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

About the report

Acknowledgements

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- **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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