The Big Book Of Venture Capital

Q1 EDITION

April 2025

This is a teaser version.
For the full report, visit Link.

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Other important considerations:

- A conscious effort has been made to source meaningful data from broadest possible sources, though a universal coverage is impossible.
- Data in the VC industry is always lagged.
- Readers should carefully analyse all data and graphs since these are from 3rd party providers. These data and graphs can vary significantly w.r.t their definitions (e.g. Pre-seed can have different definitions for providers), data scope (e.g. Tech M&A numbers from data providers has different values), geographical context, or timeline (e.g. not all graphs represent same timelines).
- Most images/graphs are linked to source articles which readers are strongly encouraged to go read.
- The goal of this deck is to focus on the strategic aspects of venture capital relevant to founders, GPs, and LPs (i.e., valuations, market dynamics, fundraising, portfolio construction, performance, etc.). This alone was a gigantic task. Hence, individual investment areas (ClimateTech, DeepTech, SaaS, HealthTech, etc.) and their dynamics are not covered or covered partially (e.g. AI and SaaS).

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THE BIG BOOK OF VENTURE CAPITAL - Q1 2025

Author's Note

ATVC

Ouch..what just happened!

Let's be real—venture and private markets don't exactly move at lightning speed. I know, I know... try telling that to the chronically online crowd worshiping at the altar of daily headlines and LinkedIn hot takes. "So much is happening every day!" they say. Well—*not really*. Most of what's circulating is tactical – advice on fundraising, banter, memes, congratulatory messages, maybe domain specific pieces, debates over topics like TAM, valuation multiples, healthy practices for ARR recognition, etc.

That's the thing about venture—strategic shifts rarely happen overnight. The noise might be constant, but the signal takes time. The trend I unpacked in my recent Crunchbase guest post, 'The Great Venture Talent Flux,' is a prime example.

It's been quietly building over the past two years and is only now emerging in full force. What looks sudden to the headline-chasers is, in reality, a slow-moving but powerful undercurrent reshaping the industry.

So, when I sat down to write this note, I asked myself: what's the one thing I truly wished had changed in Q1 2025 from a strategic asset class perspective? The answer slapped me in the face faster than a canceled/postponed IPO—*Exits*. Everything else? Honestly, it's already in motion. Slowly, yes. But steadily. Fundraising is showing signs of life in the U.S. and Europe. Asia? Not quite there yet. AI fundraising is still the champion, like it was in 2024. Valuations still moved up across stages in Q1. Round sizes are growing across stages with Seed ballooning. And sure, everyone loves dunking on established managers hogging the LP capital pie, but guess what? That trend won't flip in a quarter. Still waiting on that plot twist.

And that brings us to exits—the one thing still stuck.

After slogging through 2023 and 2024, Exits have become the make-or-break moment for the entire ecosystem—our collective Achilles' heel. Read in-depth coverage in 2024 Annual Edition of The Big Book of VC.

Quietly, much of the industry was pinning its hopes on the U.S. elections to bring some clarity in 2024. And at first, there was a glimmer of optimism, a sense that momentum was finally building. But spoiler alert: the plot thickened. Instead of stability, we got something of a rollercoaster these past couple of months. One minute we're toasting massive Wiz acquisition; next, Klarna hits pause on IPO plans right after hyping them up in Q1. Blink, and the narrative flips.

Now, I'm not here to wade into the debate over tariffs or the broader implications for capital markets economics—that's a conversation for another room. My focus is on the tangible impact on venture. For deeper takes on the tariff angle, I'll gladly defer to sources like PitchBook (link)—solid work there—or the flurry of reports from investment banks and consultancies. Everyone's got something to say on that front right now. But here's what I *am* saying: *Exits* were eagerly anticipated, yet those hopes were quickly tempered. Now, everyone's trying to reassess what's really going on.

So where does that leave us? Uncertainty in the capital markets has become the new normal—at least for the next months. Markets are nervous, jittery, and far from ready to make bold moves. Some are predicting increased capital flow into seed-stage deals, which tend to be more insulated from public market volatility—potentially leading to more competition and inflated valuations at that stage. Others are urging portfolio companies to brace for another cold VC winter year. And some believe exits may not meaningfully return until early 2026.

Still, I'm " positively hopeful"–about what 2025 might hold, especially on the M&A front and for the broader venture ecosystem–"with an undertone of caution." Let's be real: it won't be a joyride. Buckle up. It will be a bumpy road on the venture output side—but maybe, just maybe, that's precisely why this is the year for investors to make their mark on the investment side.

Anyway, here's a look at what played out in Q1 2025—blended with some 2024 year-end data, because, as you know, venture data always comes in with a lag.

Startup Fundraising

Global Momentum Rebounds: Startup fundraising is rebounding, with 2024 showing a 7% uptick over 2023. That momentum accelerated in Q1 2025: CB Insights reported global funding surpassing $120 billion, largely boosted by OpenAI's massive equity raise. Crunchbase confirms the trend—Q1 2025 funding rose 17% quarter-over-quarter and 54% year-over-year. **U.S. vs. Europe & Asia:** The U.S. continued to dominate in Q1 2025, raising 6.3x more capital than Europe and 8.6x more than Asia. However, in deal count, the lead was narrower—1.6x over Europe and 1.4x over Asia. **Late-Stage Surge in the U.S.:** Late- and growth-stage U.S. funding jumped 43% in Q1 2025, hitting a year-high. North America raised nearly 11x more than Asia, where funding hit a new low. Europe's late-stage activity remained mostly flat.

Deals Down Across the Board: Despite capital growth, deal counts have declined steadily since peaking in Q1 2022. **Seed-to-Series A Bottleneck:** Startups from the 2021–2022 cohorts are advancing more slowly than earlier years—only 36% (2021) and 20% (2022) have reached Series A, versus 51–61% for prior cohorts. **Seed Round Polarization:** Seed funding is skewing larger: since 2022, rounds over $5M have grown their share of capital, while sub-$1M rounds—over 40% of deals—account for under 10% of funds raised. In 2024, these small rounds dropped to 60% of their 2021 levels. Meanwhile, $10M+ rounds surpassed 2021 in both deal count (1.4x) and funding (1.3x).

AI Drives Record Investment: AI startups defied market trends with explosive growth. In Q1 2025, AI/ML deals made up 71% of U.S. VC deal value and 33% in number of deals. Europe trailed at 28% for both metrics. The U.S. alone accounts for 58% of all global AI VC funding, according to Pitchbook. Dealroom data shows U.S. AI startups raised $80.8B—42% of global VC—followed by Europe (25%) and China ($7.6B). Global AI venture funding topped $100B for the first time.

AI Mega-Rounds Dominate: Mega-deals ($100M+) drove 69% of AI funding in 2024. Thirteen firms secured $1B+ rounds, mainly for foundational models and infra. OpenAI, xAI, and Anthropic led the charge.

India vs. China: India's startup ecosystem began recovering in 2024 with an 8% funding increase, while China's fell 43% year-over-year. Deal activity declined modestly in India but sharply in China. Foreign investor participation in Chinese VC has also dropped to its lowest in a decade, despite a small 2024 rebound. Meanwhile, India's deal count now stands at 32% of China's total—a 10-year high.

Venture Deal Dynamics

Since 2023, a defining trend in venture markets has been the steady rise in median deal sizes across the U.S. and Europe—a pattern that continues into 2025. This shift reflects a more selective VC environment, where investors are concentrating larger sums into fewer deals as overall deal numbers continue to decline. Rising valuations underscore this trend, reinforcing the emphasis on quality over quantity. Interestingly, Pre-Seed is only stage where median deal sizes remain closely aligned between the U.S. and Europe. At all other stages—Seed, Early, and Late—the valuation and deal size gap between the two regions has widened considerably. Globally, early-stage deal sizes have surged to record highs. However, mid- and late-stage rounds have yet to return to the lofty levels seen during the 2021 funding boom.

Mega-Rounds and the AI Surge: Mega-rounds—deals of $100 million or more—have made a strong comeback. Deal volume spiked in Q4 2024 and remained elevated in Q1 2025, matching frenzied activity last observed in early 2022. Much of this resurgence is being driven by AI, with early-stage AI startups leading charge. In Q1 2025 alone, a record eight early-stage AI companies each raised $100+million rounds—highlighting sector's continued gravitational pull for capital. Fundraising also became concentrated as top 20 VC deals alone accounted for 31% of all funding in 2024.

Reset in Market Expectations: Despite these headline-grabbing deals, the market is still experiencing a valuation reset. Down and flat rounds reached their highest share of U.S. venture activity in over a decade. In Q1 2025, down rounds accounted for 14.7% of all deals—a sign of ongoing recalibration in startup pricing. Even high-profile names haven't been spared. Fintech giant Plaid, for example, saw its valuation slashed by 54% in its 2024 funding round, falling from a 2021 peak of $13.4 billion.

These mixed signals reflect a bifurcated market: while top-tier startups continue to attract oversized rounds, others are navigating a much more challenging funding landscape.

Valuations, Performance, and Unicorn Trends

Upward momentum in startup valuations that began in 2024 has carried into the first quarter of 2025. Valuations are rising across all stages in the U.S. and Europe, but a significant gap between the two regions remains—U.S. startups continue to command markedly higher valuations in almost all stages.

U.S. and AI Lead the Unicorn Charge: The U.S., bolstered by a thriving AI sector, emerged in 2024 as the world's primary engine for unicorn creation. AI alone accounted for a substantial portion of new billion-dollar startups, cementing its position as the hottest space for venture investment.

A key trend to notice: Unicorns are forming faster than ever. Nearly 50% of companies reaching the $1 billion mark in 2024 did so within five years of founding, underscoring a shift toward accelerated growth and scaling of AI startups. This marks a sharp rebound from the slowdown seen in 2022 and 2023, particularly at the early stage.

Another 2024 performance trend: Startups that went public in 2024 had a mixed-year performance (end-of-year) on the markets. Of the unicorns that IPOed in 2024, half posted gains while the others ended 2024 in the red. Yet, the upside from the winners outweighed the declines, pointing to selective but potent investor appetite for high-quality tech offerings.

Overall, unicorns continued to gain in aggregate valuations. By the end of 2024, the combined post-money valuation of unicorns reached record highs in both the U.S. and Europe.

Startup Exits: A Mixed Recovery Across Markets

U.S. Leads Global Exit Activity: Venture capital exit values held steady in 2024, with the U.S. strengthening its lead and increasing its share of global exits. Exit values rose 36% in the U.S. and 44% in Europe, though Europe saw a 7% dip in deal count. As Q1 2025 kicked off, the U.S. already reached 35% of its 2024 exit total, while Europe lagged at just 20%, reflecting continued momentum in U.S. markets.

Europe's Unicorns: Signs of Life Amid Heavy Losses: Europe's unicorn exit market began to recover in 2024, with four IPOs or acquisitions—an improvement over 2023's exit landscape, which was dominated by bankruptcies and valuation collapses. Still, just €2.1 billion was recovered from €11.1 billion in peak valuations, highlighting severe value erosion. Companies like Gett and Northvolt underscore the ongoing reset, with up to €100 billion in paper value still at risk.

Global M&A: VC and CVC Deals Drive Growth: Global M&A rose 15% in 2024, but VC and CVC-led activity outperformed with a 30% increase in deal value and a 9% rise in numbers—indicating renewed appetite for strategic acquisitions.

Mega-Deals Make a Comeback: Q1 2025 tied historical highs with 11 startup acquisitions over $1 billion, matching records from Q1 2000 and Q4 2020. What stands out is the valuation scale—deals like Alphabet's $32 billion acquisition of Wiz signal a return of high-value transactions.

Public Company M&A: A Tentative Rebound: After a decade-low in 2023, acquisitions by the top 25 public tech firms ticked up slightly in 2024, though still subdued. Big Tech remains cautious—only 12 deals came from the top 10 firms, down from 55 in 2015. Instead, VC-backed companies have become more active buyers. Salesforce led notable deals, while Alphabet's acquisition of Wiz in early 2025 hints at renewed energy in the space.

Tech Sector Strategic M&A Slumps: Strategic M&A in the tech sector dropped to $287 billion in 2024—around 40% below the 2015–2022 average—marking the sharpest decline among all sectors.

IPO Pipeline Expands: The number and combined valuation of U.S. VC-backed companies meeting IPO benchmarks reached their highest point since 2018, but public debuts remain muted. Median EV/EBITDA multiples for VC-backed IPOs plunged from 46x in 2023 to 16x in 2024. The share of IPOs with positive EBITDA fell to a 10-year low, showing a shift in the financial profiles of companies going public. Today's IPO-ready startups are typically large-scale, generating $500M+ in annual revenue, growing 20%+ annually, and nearing or achieving profitability.

IPO Jitters Persist: CoreWeave's 2024 IPO was turbulent, with sharp price swings following a $1.5B raise in a scaled-down offering. Meanwhile, Klarna and StubHub have paused their IPO plans, reflecting broader market caution as firms reconsider timing amid ongoing volatility.

Venture Capital Fundraising Trends

In the first quarter of 2025, U.S. venture capital fundraising surged ahead of Europe, raising nearly four times as much. This comes on the heels of a challenging 2024 for both regions, which marked a second consecutive year of declining fund counts raising capital. A key pressure point: limited partners (LPs) are grappling with a record "dry powder." As of mid-2024, $677 billion sat undeployed, with over half—53%—locked in vintages aged 3 to 5 years. This is the highest level since the global financial crisis and underscores a disconnect between capital raised during the hyperactive 2021–2022 cycle and today's slower deployment environment. According to a new Venture Capital Journal survey, LP appetite is weakened at the Seed stage, pointing to a cautious stance.

Key highlights from 2024 – **Mega Funds Rebound**: After falling to 32% of total VC fundraising in 2023, mega funds (those with $1 billion or more) roared back in 2024, capturing 46% of all capital raised. **Regional Contrasts**: While Europe's total fundraising held steady year-over-year, the U.S. saw a 19% decline in capital raised in 2024. The number of new funds took an even sharper hit—dropping 45% in the U.S. and 26% in Europe. Yet, the U.S. still led by a wide margin, raising 3.2 times more than Europe in 2024. **Established Firms Stay on Top**: Experienced fund managers dominated the landscape, accounting for nearly 70% of all VC capital raised in 2024. This continues a longer-term trend, up from 45% back in 2017.

Corporate Venture Capital (CVC) Stays Active: Despite total deal counts falling to their lowest point since 2019, CVCs remained aggressive, participating with over $107 billion worth of equity deals. AI was a key driver, with the share of CVC-backed AI deals growing from 23% in 2021 to nearly 32% in 2024.

Startup Talent Trends: A Changing Tide

In 2024, over 95K employees at U.S.-based tech companies faced layoffs (much lower than 191K from 2023), a stark reminder that the broader tech industry remains in flux. Also, in the startup-specific ecosystem (based on Carta data), layoffs and voluntary exits have dropped more than 30% year-over-year, signaling a move towards stabilization. Still, these numbers remain higher than in the more bullish days of 2021.

Founders are holding off on making key early hires — whether it's the first, second, or third full-time team member. Why? Part of it may be the AI effect, where founders experiment with leaner teams powered by automation. Another factor is the rise of fractional talent, allowing startups to stay agile without committing to permanent roles too early. In short, startup talent dynamics are evolving. There's less churn than last year, but uncertainty — and a new approach to building teams — still defines the landscape.

Venture Talent Flux:

The industry is amid a profound talent shake-up triggered by the downturn of 2023–24 — a breaking point that hit valuations, deal flow, and careers alike. Frustration, misalignment, and burnout set the stage. Driven by an entrepreneurial mindset, many VCs viewed this phase as the perfect moment to strike out. Whether prompted by the slowdown in deal flow, a pivot of their parent firms toward asset management business model, limited personal growth, internal frictions, or more profound identity shifts within firms, the motivations—though varied—point to a broader transformation in the industry. The surge of AI has only amplified this momentum, accelerating bold moves toward launching new firms, rejoining other VC firms, transitioning into operational roles, or stepping away from VC entirely. Some firms cut staff, while others quietly recalibrated.

While 2024 didn't bring a full recovery, one shift was unmistakable: talent was on the move. This moment is especially pivotal for junior and mid-level talent. The opportunity grows with partner transitions, opening new lanes, and hiring slowly returning. Career shifts rarely happen on a whim. They brew over time, then break open under pressure or peak optimism. 2023–24 was pressure. 2025 is potential. Nine months are left in the year — enough time to realign, reconnect, and take bold steps. Whether you leap now or lay groundwork for later, the signal is clear: transformation is underway. Venture talent is moving!

Rohit Yadav

Author - The Big Book of VC

Thanks

This PDF contains interactive elements.

Thanks to TheOnePoint Podcast Guests

Agata Leliwa Nowicka
Founder – Female Foundry
Podcast: Success Story of Female Foundry Initiative

Albane Dersy
Co-founder & COO – inbolt
Podcast: Robotics Startups on the Rise

Clare Zhang
Investor – Playfair Capital
Podcast: 'Female Founders Office Hours' Initiative

Dan Gray
Head of Insights – Equidam
Podcast: Decoding Startup Valuations

Lawrence Lundy-Bryan
Partner, Research – Lunar Ventures
Author: State of the Future
Podcast: VC Research Demystified

Matt Curtolo
Investor, Consultant, and LP
Podcast: Emerging VC Manager Fundraising Environment

Oliver Kahl
Principal - MIG Capital

Parithi Govindaraju
Founder & Director – Okulo Aerospace
Podcast: ClimateTech Founder Journey

Ramakrishna Nanjundaiah
CEO & Founder – Phantasma Labs

Roxane Sanguinetti
Founding Partner – Alma Angels

Sagar Chandna
Sr. Partner and CTO – RunwayFBU

Santosh Rao
Partner & Head of Research – MVP
Podcast: Decoding Venture Capital Research

Trine Young
Founder & CEO – Rodinia Generation
Podcast: ClimateTech Founder Journey

Names listed alphabetically

Success Story of Female Foundry Initiative with Agata Nowicka (Link)

Agata Nowicka, an investor, exited founder of two tech businesses, and the founder of Female Foundry, joined the podcast to discuss her journey and the startup ecosystem. Female Foundry, now a 7,000-strong network, emerged from her realization that few European VCs had entrepreneurial experience—only 7% compared to 45% in the U.S. Seeing the lack of support for female founders, she began discussions on Clubhouse, which quickly grew, leading to Female Foundry's formal establishment.

Agata discussed the journey of building Female Foundry. She remains optimistic about diversity being essential for innovation and growth, not just a "nice-to-have." **Currently, Agata focuses on strategic initiatives, including her AI incubator launched in partnership with Google Cloud to support founders using AI to transform industries.** Her goal is not just advocating diversity but ensuring top entrepreneurs get growth opportunities. She also aims to reconnect European founders with U.S. ecosystem for funding and growth.

Agata noted that female founders often struggle with confidence, storytelling, and pitching to investors. She emphasized understanding venture capital, focusing on key value points, and being strategic in networking. **Rather than joining numerous communities, she advised prioritizing quality over quantity.** Agata highlighted that the U.S. has a more agile private sector, while Europe relies on institutional capital, making fundraising harder for new fund managers. **She hopes all VC funds will integrate diversity rather than relying on tactical-initiatives.**

Agata noted that it is much easier today to build a business now with low-code tools and remote work, but predicting the future is harder. She advised founders to stay focused, be resilient, and leverage tools to build impactful businesses.

> "*Female Foundry is really a reflection of my experiences as a founder and investor…*
>
> *When I moved to the venture capital side, I assumed every investor had some sort of founding experience—obviously, I was wrong…*
>
> *The first call with an investor isn't about going through your deck—it's about demonstrating the potential of your business, building a relationship and not raising red flags.*"

Agata Leliwa Nowicka
Founder
Female Foundry

Robotics Startups on the Rise with Albane Dersy from inbolt (Link)

In this episode of *The One Point Podcast*, Albane Dersy, co-founder of inbolt, discusses robotics, startups, and deep-tech challenges. inbolt specializes in 3D vision and AI software, enabling industrial robots to adapt in real time. Unlike traditional robotics, which requires costly production line changes, inbolt's technology allows robots to adjust dynamically, making automation more accessible and efficient.

Albane explains inbolt's move to the U.S., driven by customer demand. She highlights how the U.S. is quicker to adopt automation, making it ideal for expansion. She also discusses how AI advancements have improved robot perception and control, driving adoption in both manufacturing and service robotics. AI-driven vision systems are increasing automation flexibility and addressing labor shortages.

Investment in robotics has surged. Albane notes that while warehouse automation once led funding, humanoid robots are now in focus for both industrial and service applications. She attributes this to investors recognizing robotics' potential and becoming more open to risk. Albane shares inbolt's fundraising journey, including a $15 million Series A round. **She emphasizes proving real customer adoption rather than just showcasing technology. Her advice to founders is to prioritize customer validation, as investors prefer startups with demonstrated market traction**. She also recounts inbolt's pivot from a worker-assistive tool to robotic automation based on customer needs.

Discussing fundraising challenges, Albane stresses refining pitches based on investor feedback and demonstrating scalability in enterprise accounts. She highlights the importance of persistence and leveraging warm introductions to secure funding. While grants in Europe help deep-tech startups, she believes in maintaining a balanced approach to market-driven growth.

Albane advises founders to stay customer-focused. She highlights the value of incubators, networking, and startup competitions for visibility and validation. **She also recommends *Fanatical Prospecting* by Jeb Blount, a book that has influenced her sales strategy and mindset.** Her journey with inbolt is an inspiring example of adaptability, persistence, and a customer-centric approach in building a successful robotics company.

> “*Robotics is not just hardware anymore — it's software and technology…*
>
> *We started straight out of university… and realized the real problem wasn't where we thought it was…*
>
> *The more time you spend with a customer, the more you understand their needs and can categorize use cases.*”

Albane Dersy
Co-founder & COO
inbolt

Discussing 'Female Founders Office Hours' Initiative with Clare Zhang from Playfair Capital (Link)

Clare, an investor at Playfair Capital, discussed the Female Founder Office Hours initiative, launched in 2019 to help female entrepreneurs access funding and networks. Playfair leveraged its investor connections to host office hours instead of creating a fund or accelerator, maximizing industry participation and impact.

The latest edition saw strong participation with 310 founders, 210 investors, and over 1,200 meetings in three hours. Nearly 600 applied, but only those fitting the investment thesis were accepted. Clare highlighted the program's growth as a sign of rising support for female founders and investor engagement. The core of the initiative is about fostering relationships between female founders and investors, enabling them to gain valuable mentorship, refine their pitches, and, in some cases, secure funding.

While the initiative is not exclusively for those currently raising funds, it provides an opportunity for all founders to better understand investor expectations and improve their fundraising strategies. Each founder is guaranteed at least four meetings with investors. Additionally, investors often refer founders to others within their networks, expanding the opportunities available. Clare noted ongoing challenges, particularly investor commitment and last-minute cancellations. To address this, Playfair enforces stricter policies, requiring rescheduled meetings and offering affected founders an alternative with Playfair investors.

Beyond fundraising, Clare noted challenges for diverse founders, including misalignment with investor interests and limited insider knowledge. Initiatives like Women Who Build help by educating future founders. She highlighted that women-led teams achieve three times higher exit valuations, reinforcing the value of programs like Female Founder Office Hours.

"*It is logistically difficult… we don't have an operations team. It's just the investment team who works on this…*

We think it's even more valuable that these founders can just directly ask investors questions… it's very not transparent in our industry."

Clare Zhang
Investor
Playfair Capital

Decoding Startup Valuations with Dan Gray from Equidam (Link)

Dan Gray, Head of Insights at Equidam, shared his expertise on startup valuations, introducing Equidam as a platform that enhances transparency and fairness in funding through standardized methodologies. He explained that valuations combine qualitative and quantitative factors, with early-stage startups focusing on team strength and market potential, while later-stage valuations depend on financial performance and exit prospects.

He noted issues in common valuation methods, as investors often overuse revenue multiples, especially at early stages. Equidam instead applies various methods including Scorecard, Checklist, the venture capital method, and discounted cash flow models to more effectively triangulate on a valuation. A key takeaway was the contrast in valuation perspectives between European and U.S. founders. Dan noted that European founders are more conservative in financial projections, leading to lower valuations, while U.S. founders are more optimistic. This extends to investors, with U.S. multi-stage funds offering higher valuations to secure stakes in promising startups.

Dan discussed the challenges of valuation negotiations. Founders must justify their expectations, especially when investors push for lower valuations. He advised understanding industry benchmarks, dilution implications, and engaging multiple investors for a fair outcome. Discussion covered secondary markets, where investors pay premiums for stakes in top-tier startups like OpenAI, SpaceX. Dan noted such deals attract attention but often result in inflated valuations disconnected from fundamentals.

Dan emphasized understanding the differences between valuation, pricing, and investor incentives. Equidam offers a structured valuation approach, but founders must also engage with the market and seek investor feedback. The discussion ended with a book recommendation—*Paper Belt on Fire* by Michael Gibson, showcasing 1517 Fund's unique early-stage investment strategy. This discussion provided valuable insights into evolving landscape of startup valuations, equipping founders and investors with the knowledge to navigate the complex world of venture capital effectively.

> “*The more mature a company gets, the more the strength of the team is translated into financial performance…*
>
> *Pre-seed valuations are significantly and surprisingly correlated with optimism…*
>
> *Good investors will be receptive to transparency. They care about the long-term of the company and the founders…*
>
> *Being a successful founder is about being an exception—you have to embrace that..*”

Dan Gray
Head of Insights
Equidam

Venture Capital Research Demystified with Lawrence Lundy-Bryan from Lunar Ventures (Link)

Lawrence Lundy-Bryan discussed his unconventional path into venture capital, driven by his passion for technology and interdisciplinary research. Starting as a market researcher in telecommunications, he expanded into emerging technologies, identifying trends like NLP, IoT, 3D printing, and Bitcoin. His cross-disciplinary expertise led him to collaborate with Intel Labs on Bitcoin mining strategies, eventually drawing him into crypto and venture capital.

At Lunar Ventures, a €50 million deep-tech fund, Lawrence highlighted research's key role in identifying emerging technologies. Unlike later-stage investors, Lunar focuses on pre-seed innovations like AI accelerators and quantum computing. **He stressed the need for direct engagement with scientists, secondary research, and spotting trends before they reach the market.** Lawrence highlighted Lunar Ventures' deep technical expertise, enabling meaningful engagement with founders of specialized technologies. This sets them apart from generalist funds that lack technical depth. While many claim to invest in deep tech, few have the patience and risk tolerance for long development timelines.

Lawrence distinguished between "data" and "research" in venture capital. While many use AI for public data, true research requires proprietary insights from direct conversations and technical analysis. He stressed that a prepared mind is key to evaluating startups and understanding emerging markets. **Lawrence noted AI's role in due diligence but stressed the importance of human judgment and proprietary data.** While AI structures information, it can't conduct interviews or challenge real-world assumptions. **Lawrence advised aspiring VC researchers to stay curious, resilient, and unafraid to ask "stupid" questions. He encouraged them to publish online, explore interdisciplinary learning, and embrace discomfort in new fields.** He highlighted innovations like nuclear fusion and brain-computer interfaces, predicting their impact in two decades. He stressed that advances in fusion could reshape global economies and geopolitics. **Lawrence emphasized research as a long-term effort that builds knowledge and strengthens a fund's ability to invest in cutting-edge technology.**

> *"If there's a company that's registered or even in stealth, every fund should have access to that. So how can you differentiate if that's a commodity?*
>
> *Research is about de-risking some of the claims of the startup from a technical and market perspective…*
>
> *Cultivate a lack of embarrassment... and write on the internet about stuff you care about."*

Lawrence Lundy-Bryan
Partner, Research
Lunar Ventures
Author: State of the Future

Emerging VC Manager Fundraising Environment with Matt Curtolo (*Link*)

In this episode, I speak with Matt Curtolo, an experienced LP and allocator. Matt shares insights from his private markets career, having worked with institutions like MetLife and fintech startup Allocate, and now in his own advisory practice, where he advises GPs on firm building, fund and LP management and all things strategic.

He explains how venture capital has evolved over two decades, with "emerging managers" gaining prominence in the mid-2000s as VC firms spun out of existing brands to form new funds. The definition has evolved, but emerging managers typically run funds under $150 million with a track record of less than 7-8 years, focusing on pre-seed and seed-stage investments due to lower capital demands. Fundraising has become tougher for emerging managers. In 2024, only 77 funds closed, one of the worst years recorded. **Matt attributes this to LPs' high level of activity in 2019-2021, which limited new investments in recent vintages. Prolonged timeline to exit has caused liquidity issues, while macro uncertainty makes LPs cautious.**

A key challenge is LPs favoring established firms. In 2023, nearly 50% of venture funding went to just nine large firms like Andreessen Horowitz and General Catalyst, concentrating capital among well-known players. For emerging managers, Matt emphasizes the need for a strong, compelling story. **Fund managers must clarify why they are launching a fund and ensure a solid "GP thesis fit"—being the right person with the right strategy at the right time.** Targeting the right LPs, storytelling, and more nuanced things like offering co-investments or incentives are key to fundraising. Institutions often start with a "no" mindset and need strong justification to make a new commitment. **Smaller funds (<$50 million) face more hurdles, while those slightly larger ($50-100 million) may attract more LP interest.**

Despite fundraising challenges, Matt sees growing LP optimism. Some sidelined investors are re-engaging, unwilling to miss venture cycles. He predicts LP dollars will flow to small specialized funds or large platforms, leaving mid-sized firms struggling. Matt advises emerging managers to refine their edge, target the right LPs, and remain patient.

> *"Emerging manager can mean a lot of different things to a lot of different people....*
>
> *You don't have to be different, necessarily — you just have to be better...*
>
> *GP thesis fit — being the right person doing the right thing at the right time...."*

Matt Curtolo

Investor, Consultant, and LP

Robotics Startups on the Rise with Oliver Kahl from MIG Capital

In this episode, Oliver Kahl from MIG Capital shares expert insights into the robotics sector, especially in manufacturing and industrial contexts. As a physicist turned venture capitalist, Oliver discusses MIG's focus on deep tech, including semiconductors, industrial tech, space, and life sciences. The team's multidisciplinary expertise allows them to deeply evaluate complex startups without depending on external advisors.

Oliver emphasizes widespread impact of robotics, referencing investments in companies like BioNTech—where robotics support lab and production workflows—and industrial startups such as inbolt and Talpa Solutions. **He explains that robotics became a hot topic for investors with the rise of collaborative robots (cobots)**. Their appeal lies not in human-robot collaboration but in the simplified deployment, which drastically reduces integration complexity and cost. **He notes that industrial robot deployments have grown from 150K units in 2015 to over 400K today. This growth is driven by labor shortages, efficiency, and advancements in AI.** AI is enabling smarter, more adaptable robots, like inbolt's system, which recognizes parts in real time and adjusts robotic movements accordingly—removing need for complex positioning equipment.

Oliver highlights two booming sectors: intralogistics—driven by e-commerce—and industrial automation. In e-commerce, demand for faster, cheaper fulfillment solutions is spurring innovation in mobile robots and tools that assist human workers. In industrial settings, AI is helping robots perform previously complex tasks, bringing automation closer to human-like flexibility. While humanoid robots are gaining attention, Oliver is skeptical about short-term viability, citing technical challenges in power efficiency and coordination. **Instead, he sees near-potential in cobots, thanks to improved sensors and AI that allow for safer, efficient human-robot interactions.**

On fundraising, Oliver stresses scalability and exit potential as key early-stage considerations. As talks progress, strength and adaptability of the founding team become critical. **He advises founders—especially from academia—not to overwhelm investors with technical detail in pitch decks.** Instead, they should focus on clearly articulating the value proposition and business model. Overall, Oliver paints a realistic picture of the robotics landscape, emphasizing the importance of strategic focus, team strength, and the growing role of AI in driving the next wave of industrial automation.

> "*DeepTech early-stage funding in Europe has developed well, but the real issue is at the Series B and beyond stages… Public funding programs like EIC and EIB help, but they often require private counterparts, which are hard to find in DeepTech.*"

Oliver Kahl
Principal
MIG Capital

ClimateTech Founder Journey in India with Parithi Govindaraju from Okulo Aerospace (Link)

Dr. Parithi Govindaraju, CEO of Okulo Aerospace, shared insights on his climate tech journey and fundraising. Okulo's mission is to develop long-endurance aerial platforms for enterprise and defense monitoring. Their drones, capable of flying up to eight hours, outperform existing solutions and are valuable for monitoring in remote regions like Arctic and Antarctic.

Parithi outlined Okulo's vision to revolutionize aerial data collection, enabling better decision-making for climate change and other applications. Okulo targets climate-focused industries while expanding into oil spill detection, defense surveillance, and solar park monitoring. Initially focused on India, it plans to enter the Middle East before North America. **Parithi highlighted India's climate tech growth, driven by climate vulnerability and policy support. However, late-stage funding remains a challenge despite rising venture capital interest.**

A key focus was Okulo's fundraising journey. Parithi initially assumed a great idea would attract investors but soon realized deep tech requires tangible progress. Okulo secured $160,000 in government grants to develop a prototype, attracting venture capital. By May 2023, it raised $1 million in pre-seed funding from investors like Ideaspring Capital and Java Capital.

Parithi highlighted funding challenges, including investor hesitance due to long deep-tech development cycles. He stressed aligning with the right investors and the rigorous fundraising process, often requiring 30-40 meetings. Okulo's pitch deck saw nearly 100 revisions based on feedback. Beyond fundraising, he emphasized resilience, hiring for cultural fit over talent, and strong financial governance, as investors closely assess financial management.

Parithi credited his support system for helping him navigate the emotional challenges of startup life. He also introduced the "adjacent possible" concept—how small advances lead to major breakthroughs. His journey highlights the resilience, strategy, and adaptability needed to build a deep-tech climate startup in India's evolving market.

> *"Every meeting is a step towards possibly convincing the investor. You just need one 'yes' to start with…*
>
> *In early stages, prioritize fit over talent. Character and shared values matter more than pure skills…*
>
> *The concept of the 'adjacent possible'— you only unlock bigger innovation by taking small steps first…"*

Parithi Govindaraju
Founder and Director
Okulo Aerospace

AI in IndustrialTech Startups with Ramakrishna Nanjundaiah from Phantasma Labs

In this episode of TheOnePoint podcast, Ramakrishna (Rama) Nanjundaiah, founder and CEO of Phantasma Labs, shares his journey as a technical founder building an AI-driven industrial startup. Phantasma Labs, based in Berlin, helps factories improve efficiency through simulation-based AI models, allowing them to skip long data collection phases and achieve ROI within six months—regardless of their digital maturity.

Rama's vision stems from his upbringing in Bangalore and academic training at TU Munich and the Leibniz Supercomputing Center. **His goal is to bring advanced technologies to traditional industries, which have historically lacked access to such innovations**. He sees now as the ideal time to close this gap. Discussing the European industrial tech landscape, Rama identifies four major trends: better resource utilization, labor shortages, increased market volatility due to geopolitical shifts, and the need for improved forecasting. Despite rising interest, he notes that adoption of AI and robotics remains low—only about 10% of factories are truly ready—mainly due to infrastructure and technical limitations, especially among German SMEs.

Beyond his own work, Rama points to GenTech AI (automating manufacturing from CAD design) and Agentic AI (autonomous factory agents making real-time decisions) as key future trends. While interest is high, true implementation remains a challenge. On fundraising, Rama shares the hurdles of building credibility as an immigrant founder without existing networks. Phantasma Labs raised a mid-seven-figure amount from global investors, with a key turning point being a six-figure contract with Audi. Programs like Entrepreneur First and corporate accelerators were crucial in gaining traction. Early rejections were often due to product immaturity, founder inexperience, or misalignment with investor theses.

Rama emphasizes treating fundraising as a long-term relationship, not just a transaction. Regular investor updates and mentorship—particularly in sales—were critical. He also reflects on the pros and cons of government grants, highlighting their value but also their delays.

Personally, Rama speaks to the emotional highs and lows of startup life, stressing the importance of meditation, founder peer support, and coaching. He leaves the audience with two insights: the Japanese concept of "Danshari" (letting go of one unneeded thing daily) and the observer effect from quantum physics—highlighting how awareness can drive meaningful change.

> *"Fundraising was by far one of the hardest things I've ever done in the company-building process… You need a champion—someone who truly believes in your solution and has a hair-on-fire problem to solve."*

Ramakrishna Nanjundaiah

CEO & Founder

Phantasma Labs

Discussing Alma Angels Initiative with Roxane Sanguinetti

In the podcast, Roxane Sanguinetti, founding partner of Alma Angels, shared ambitious goal is to generate $1 trillion in women-led wealth by 2050. Alma Angels, launched in 2019, has grown from a small meetup to Europe's largest gender-diverse investment community. Roxane highlighted how early wealth creation stems from equity ownership—either as founders or investors—and underscored the persistent funding gap, despite women-led startups often delivering higher ROI than male-led ones.

Unlike traditional syndicates, Alma Angels operates with a decentralized model where any member can refer deals, and all have access to evaluate and invest. This openness has empowered a diverse community of over 550 trained angels—70% women and 40% people of color—across six international chapters. To date, they've backed over 200 women-led ventures and 10 women-led funds, with 68 deals completed last year alone. Roxane shared stories like that of **Rupa Popat**, who began investing through Alma and later launched her own $20 million fund, Araya Ventures.

Roxane emphasized that more diverse investors are key to enabling more diverse founders. With 90% of VC decision-makers being white men, she stressed that shared identity—be it gender, ethnicity, or background—can lead to better understanding and support of founder visions. **Alma's focus is on capital deployment, education, and support.** They now run programs training corporate professionals to become angel investors, aiming to get them to deploy capital within three months of joining. Challenges remain w.r.t some founders misunderstanding Alma's model expecting centralized syndication, and some angels need further education on startup investing. Yet, the community's strength and values help bridge these gaps. **Roxane also highlighted her involvement in the UK's "Invest in Women Task Force," which has secured £255 million and is building tools to help wealth managers guide clients into venture investing responsibly.**

Looking ahead, Alma Angels aims to build a global platform of 10,000 angels investing in 1,000 companies annually. They plan to launch co-investment funds to match community investments and scale their impact further. Roxane closed by underscoring that empowering women-led ventures isn't just good ethics—it's smart economics. If women scaled at the same rate as men, the UK economy could grow by £250 billion, making their $1 trillion global goal both bold and realistic.

> *"The investment from Alma may not always be the largest ticket, but it's often the most value-add for founders… We want to raise a suite of funds to co-invest with our community and supercharge what they're doing."*

Roxane Sanguinetti
Founding Partner
Alma Angels

IndustrialTech Startups on the Rise with Sagar Chandna from RunwayFBU

In this podcast episode, Sagar Chandna, Senior Partner and CTO at RunwayFBU, shares valuable perspectives on the industrial and manufacturing tech space from a venture capital lens. RunwayFBU, a €30 million early-stage fund based in Norway, backs founders with deep industry experience who are building transformative solutions in industrial sectors. Their investments span Europe and include startups like **WSense** (underwater wireless networks), **OTee.io** (virtual PLCs), and **Sonair** (3D ultrasound sensors).

Sagar's journey into VC began after over a decade in tech and commercial leadership at Opera Software, in Norway and India. At Katapult, he mentored over 120 startups, which solidified his passion for working across multiple companies. This passion let him to RunwayFBU, where he was drawn to the untapped potential in industrial tech—an area he sees as being where consumer tech was a decade ago.

He discussed the evolution of Europe's industrial tech scene, driven by trends like workforce digitization, sustainability, and the need for localized supply chains. **Despite macroeconomic challenges, Sagar sees this as a prime moment for innovation and adoption. Corporates are now actively seeking startup solutions, reflecting a broader cultural shift toward digital transformation within industries.** Sagar noted that although capital is tighter, there's increasing interest in industrial tech. Technologies like AI have made startups leaner and more efficient, helping mitigate some traditional execution risks. He emphasized that foundational tech like IoT and connectivity is key, with automation offering massive disruption potential.

On fundraising, Sagar explained why industrial tech is often harder to back—it's seen as capital-intensive and slower to scale. **He advised founders to seek aligned investors and pitch their company, not just their product.** Using **Phantasma Labs** as an example, he illustrated how early traction through simulations and POCs can de-risk a startup for VCs.

Sagar wrapped up by offering practical tips: know your investor audience, focus on relationship-building, and share consistent updates to create excitement and FOMO. **He encouraged those within traditional industries to consider founding startups, stressing that industrial tech is ripe for disruption**—and specialized funds like RunwayFBU are ready to support them.

> *"Consumer tech is on top of the S-curve, but industrial tech is still at the bottom—an ocean of opportunity waiting to be tapped… Now with major industrials all having Chief Innovation or Digitalization Officers, there's active pull from industries looking for solutions."*

Sagar Chandna

Sr. Partner and CTO

RunwayFBU

Decoding Venture Capital Research with Santosh Rao from Manhattan Venture Partners (Link)

Santosh Rao, a financial expert with over 25 years of experience, shared insights on the evolving role of research in venture capital and financial markets, highlighting its growing importance in investment decision-making. Santosh traced his career from the late 1990s when public market research relied on privileged information. Analysts had direct access to executives, giving major firms an edge. As regulations tightened, research became more analytical, shifting from a revenue driver in investment banking to an independent function, requiring unique insights over data aggregation.

Seeing public market research become commoditized, Santosh moved to private markets in 2010 as the sector boomed. He explained that private market research is more thematic, focusing on long-term value and emerging technologies. His firm, Manhattan Venture Partners, helped institutionalize research in private markets, covering major pre-IPO companies and providing clarity to investors previously reliant on informal networks.

Santosh highlighted research's key role at Manhattan Venture Partners. His team tracks market trends and emerging technologies, sharing insights with investors. **He emphasized research as more than data gathering—it's about connecting dots, forming investment theses, and communicating effectively to support decisions.** He highlighted the growing role of secondary markets in venture capital as an alternative exit amid uncertain IPOs. Institutionals increasingly rely on research to assess private companies, using insights to navigate opaque markets and make informed decisions.

Santosh emphasized conviction in investment decisions, advising research professionals to read widely, think independently, and communicate effectively. He noted that research goes beyond analysis to marketing ideas and defending theses confidently. He observed, "Secondaries are the new IPOs," as they become key exit paths amid slowing IPOs. This shift underscores the growing importance of research in venture capital and private markets.

> *In the private markets, there is no perfect… it's your research that will decide what's right and what's wrong…*
>
> *Research is not just about information gathering — it's about connecting dots, presenting a thesis, and communicating effectively.*
>
> *The private market is all about themes — AI, EVs, energy grids — you need to dig deep and understand where the future is headed…*

Santosh Rao
Partner, Head of Research
Manhattan Venture Partners

ClimateTech Founder Journey with Trine Young from Rodinia Generation (Link)

Trine Young, founder of Rodinia Generation, shared her journey and insights into ClimateTech ecosystem, emphasizing challenges and opportunities in fundraising, innovation, and scaling a hardware-driven business.

Trine founded Rodinia out of frustration with the inefficiencies in fashion supply chains, where over 60% of clothing is produced far from consumers, leading to massive waste—45 billion garments go unsold annually. Her solution, a compact, automated apparel manufacturing system, decentralizes production, cuts waste, and lowers carbon emissions. Global network of these systems could save 42 billion liters of water and 1 million tons of CO2 per year while remaining profitable.

Trine noted climate tech's shift from niche to mainstream as investors now see its value. Despite growth, fundraising remains challenging due to political uncertainties like nations withdrawing from climate agreements. However, she hopes setbacks will spark increased investment and innovation.

Trine met over 100 investors, likening the process to "speed dating," where quick yet meaningful connections matter. Many hesitated due to Rodinia's mix of software and hardware, capex concerns, or pre-revenue status, while some showed bias, suggesting she find a male co-founder. To counter skepticism, she advised founders to present solid financial models, seek experts for asset/business validation, and conduct due diligence on investors by speaking with their portfolio companies.

Trine noted that while Europe offers strong grant programs, bureaucracy slows progress. She praised France's plan to tax ultra-cheap imports to curb unsustainable models. She advocates for more government-backed venture funds, debt facilities, and streamlined support for capital-intensive climate tech startups.

Trine finds motivation in *The Daily Stoic* and turns setbacks into fuel for perseverance. She values a strong advisory network for both support and critique and attends industry events strategically with clear goals. She shared a *One Piece* quote: "*If you find yourself on a path that feels easy, it's probably because you're on the wrong path,*" reflecting the challenges and rewards of entrepreneurship.

> *Build it and they will come – if no one built the sewing machine, it wouldn't have existed..*
>
> *What I know I'm not strong in myself, I will collect that talent somewhere else..*
>
> *If you find yourself on a path that feels easy, it's probably because you're on the wrong path…*

Trine Young
Founder & CEO
Rodinia Generation

Past Ecosystem Reports

Report - The Big Book of Venture Capital - 2024 Annual Edition

Released in December 2024, the report's (Link) goal was to highlight the key venture and startup ecosystem updates that happened in 2024.

As the year-end draws closer, it's time to reflect, rethink, and plan for 2025. What better way than a strategic overview of our dynamic landscape to help you connect the dots?

The Past, the Present, and the Future

💡What's inside?

This isn't just a recap—it's thoughtful analysis, insightful trends, and intriguing predictions for our dynamic VC world. Here's what makes this edition a must-read:

— **101 venture trends revealed.** Not just the "top 10," but a structured, multi-layered deep dive into the insights you NEED to see.

— **Predictions so that you understand the trends shaping 2025** and explore select impactful shifts with clear rationales behind them.

— **275+ charts offering the most detailed and nuanced view of the VC world** globally, not just from the U.S. but also from Europe and Asia.

— Data from top sources including Crunchbase, PitchBook, Carta, Dealroom, and more—plus expert thoughts/opinions to layer in human perspective.

Report - The Big Book of Venture Capital - Q3 2024

Released in October 2024, the report (Link) aimed to highlight the key venture and startup ecosystem updates that happened in Q3 ’24.

“The Good, The Bad, and Everything In-Between”
With 2024 nearing its close—and factoring in the holiday lull—the Q3 data analysis reveals no radical shifts. Most trends from earlier in the year persist, featuring a mix of positives, negatives, and nuances.

THE GOOD: U.S. and European exit volumes are recovering, poised to surpass 2023 levels. Median discounts in secondaries are shrinking, showing steady improvement.

THE BAD: Global startup funding experienced its first dip this year, with most regions seeing declines. Europe’s VC capital is increasingly concentrated among experienced investors, as fund counts have halved.

EVERYTHING IN-BETWEEN: Fundraising: AI captures one-third of VC dollars, and Silicon Valley leads U.S. AI funding. Deal sizes are growing in the U.S. and Europe, though investor activity continues to decline. LPs: Global VC fundraising is keeping pace with last year, but dry powder is largely unused.

Looking Ahead: No major shifts are expected in 2024. The industry looks to the U.S. Presidential Election to alleviate market anxiety and is optimistic about a rebound in 2025.

Report - The Big Book of Venture Capital - Q2 2024

Released in July 2024, the report (**Link**) aimed to highlight the key venture and startup ecosystem updates that happened in Q2 '24.

In the Q1 '24 report, I mentioned the venture sector being 'in the woods,' though we could see the sunlight. A quarter down the line, it feels like it will take us some time to bounce back fully. Stuck in this situation, we can either be optimists or not! Key strategic headlines are below.

🆙 Fundraising has grown for two consecutive quarters.
↕️ Valuations and deal size are up for most stages in the U.S. and Europe. However, the number of deals happening is down.
✅ AI investments continue to rise.
💡 Secondaries are booming. Quarter of startups trade at a premium. New secondary VC funds are coming up to capture this opportunity.
🆙 Corporations worldwide are increasing their involvement in the startup space. Many are also setting up CVCs to invest in hot areas like AI.
↘️ Global exit data isn't inspiring, and exit volume will likely fall short of '23 numbers. Global M&A is picking up but has yet to influence Tech M&A fully.
⚠️ VC fundraising is still strained and lopsided. Emerging managers consistently raise less than half of the total U.S. VC funds. Established managers dominate.

Report - The Big Book of Venture Capital - Q1 2024

Released in April 2024, the report (**Link**) aimed to highlight the key venture and startup ecosystem updates that happened in Q1 '24. Short snapshot of what's inside the report in below:

Overall, the startup and venture industry is definitely in a state of evolution and undergoing a business cycle reset. The setting in Q1 2024 is the 'same old 2023' but with a hint of improvement. We are not yet out of the woods, but we can see the sunlight.

🆙 Valuation trends in 2024 gives hope for recovery. Q1 data showed a rebound in valuations.
✅ Uptick in the global startup investments. Overall, VCs anticipate increased investment in 2024.
⁉️ VC fundraising is still strained.
↕️ Q1 remained slow w.r.t exits, but there is much to hope for in 2024.
💡 Family offices are increasing investments in alternative assets, potentially strengthening the VC asset class in the long term.
⚙️ Venture asset class performance remains an issue w.r.t DPIs. VC cash flows are negative due to higher fund contributions than distributions.

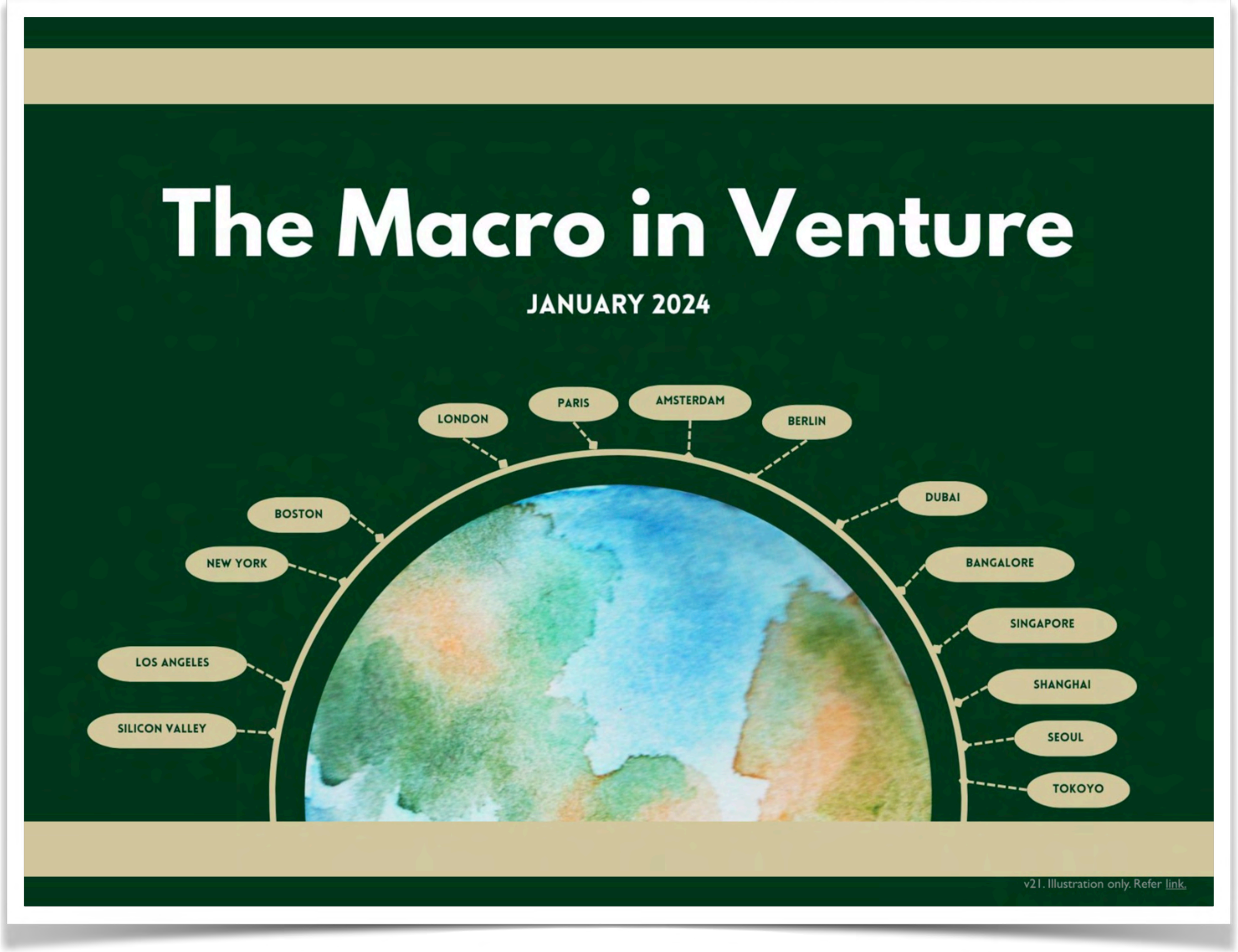
Report - The Macro in Venture

Released in January 2024, the report (**Link**) aimed to understand how the macro factors (geopolitics, elections, inflation, rates, consumption, and more) impact our startup and venture capital ecosystem, directly or obliquely. We often say that venture is a decade+ game, though we forget that short-term trends compound into long-term outcomes.

Key idea captured in the report was that of short term 'RRR' (Roll, Recession, and Rebound) scenarios.

Main topics covered in the report were -

🔄 Venture capital is a circular flow business.
🔑 Inflation remains a key short-term variable, and 'Roll' is the anticipated short-term scenario
➡️ Venture inflows - bump, but not a roadblock!
🏢 Venture business - suffering, but striving for an upgrade!
↩️ Venture outflows - down, but not disappeared!
⁉️ Enough short-term macro risks to keep us on our toes in 2024



Report - The Big Book of Venture Capital - 2023

Released in December 2023, this 200+ page deck (**Link**) was a treasure trove of vital venture and startup insights into the entire year. It had something for everyone in the ecosystem, and the hope was that it helped to connect the dots and foster a better understanding of 2023.

Key idea captured in the report was that of an 'LLL' environment of 2023. A snippet from the report.

> A decade down the line, there will be founders and investors who will boost their credibility of having lived through 2023. It's THAT significant!
> This year can be summarised in three words - Low, Limited, Lopsided ('LLL' environment)
> - **Low**: Valuations of startups in most stages went through their lowest levels.
> - **Limited**: Capital availability and deployment became limited to only the best opportunities.
> - **Lopsided**: The power remained in the investor's corner in 2023. It was lopsided towards the capital providers.
>
> This LLL environment, in the end, is likely to benefit the larger ecosystem. The argument lies in the theory of 'booms and busts.' Without going into the nuances, the ecosystem needed a reset, and 2023 provided just that. Moving into 2024, I'm sure we have adapted to the realities and will scale up energetically in a newer set of circumstances.

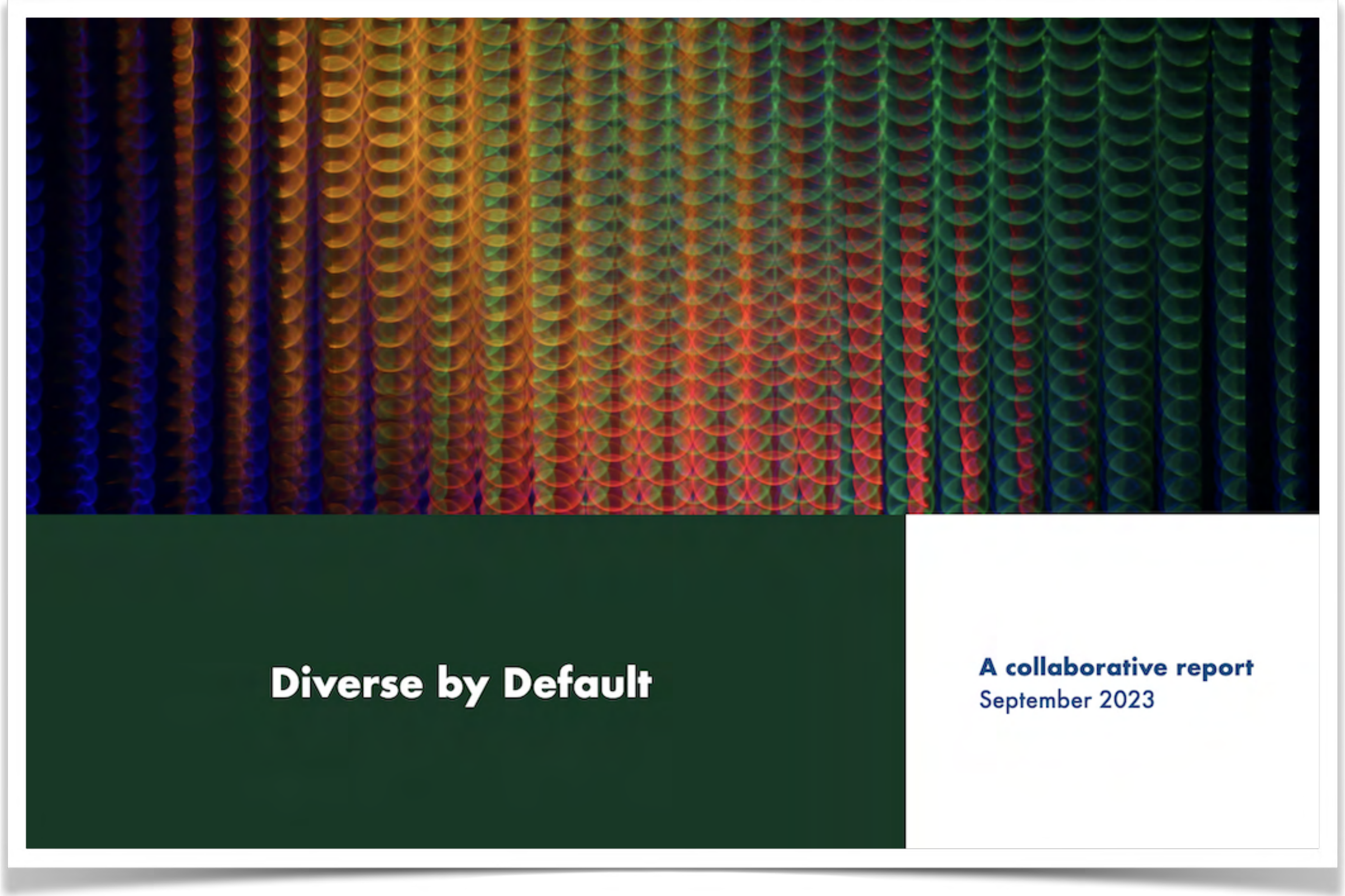
Report - Diverse by Default

Released in September 2023, this collaborative deck (**Link**) was dedicated to the startup and the venture capital ecosystem, giving tangible methods and frameworks for making diversity a default.

Key idea captured in report was that of 3 approaches mentioned below.

1. **For all ecosystem players** - follow an Awareness Action (AA) approach to kindle tough yet constructive conversations.
2. **For founders** - follow a Build Basics (BB) approach to strengthen your startup outcomes.
3. **For investors** - follow a Cautious Care (CC) approach to establish diversity-enabled pathways.

We know the 'What' of diversity issue. We understand the 'Why' of the diversity problem. So, the goal of the report was to present an all-encompassing view of forward-looking solutions with a pragmatic approach connected to reality.



SECTION 4

Startup Fundraising

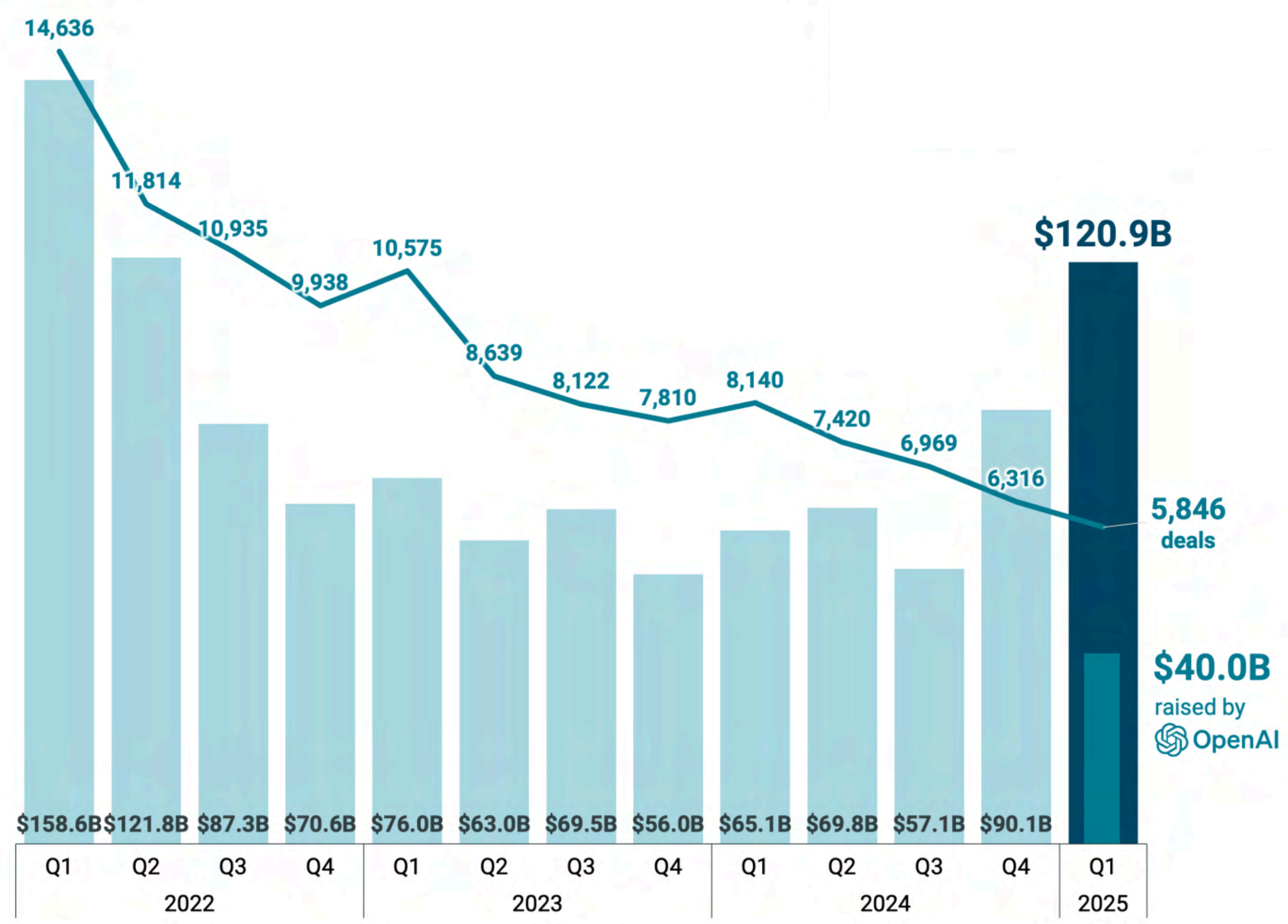
Index - Startup Fundraising

This is a teaser version.
For the full report, visit Link.

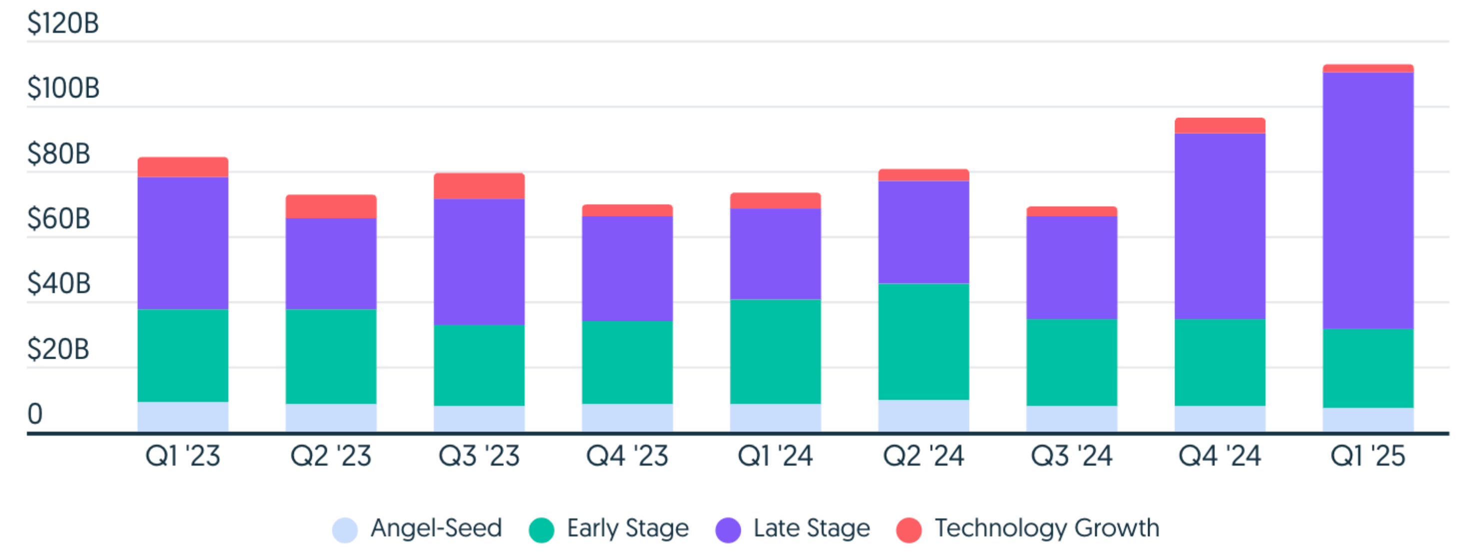
Global Startup Fundraising

The outlook is improving—2024 recorded a modest 7% uptick in startup fundraising compared to 2023, according to PitchBook. Momentum accelerated in Q1 2025, with CB Insights reporting global startup funding surpassing $120 billion, driven largely by OpenAI's massive equity raise. Crunchbase data also shows continued upward movement for the second straight quarter in Q1 2025, with fundraising rising 17% quarter-over-quarter and a striking 54% year-over-year.

Global fundraising and deal counts (CB Insights Data)

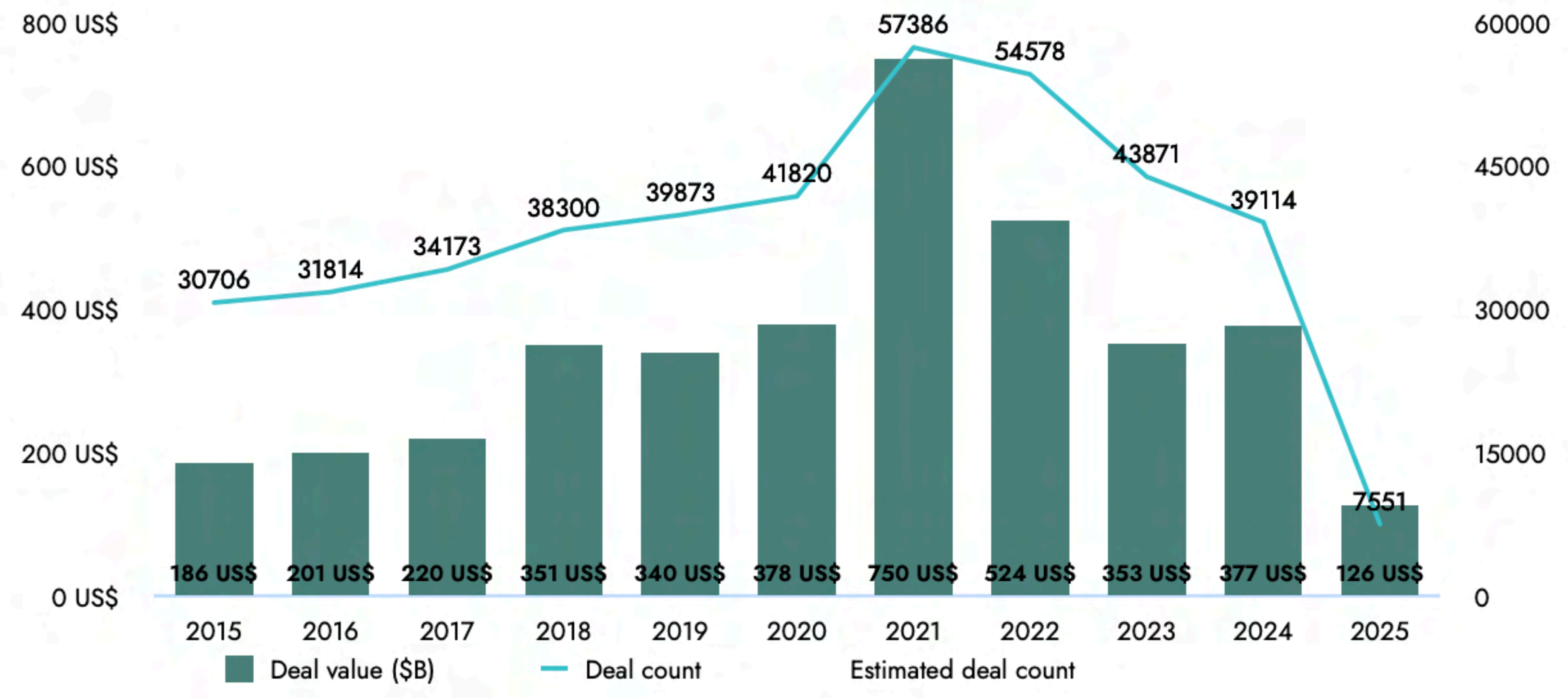


Global Venture Dollar Volume Through Q1 2025 (Crunchbase Data)



	QoQ Change [%]	YoY Change [%]
Overall Dollar Volume	17%	54%

Global VC deal activity (PitchBook Data)

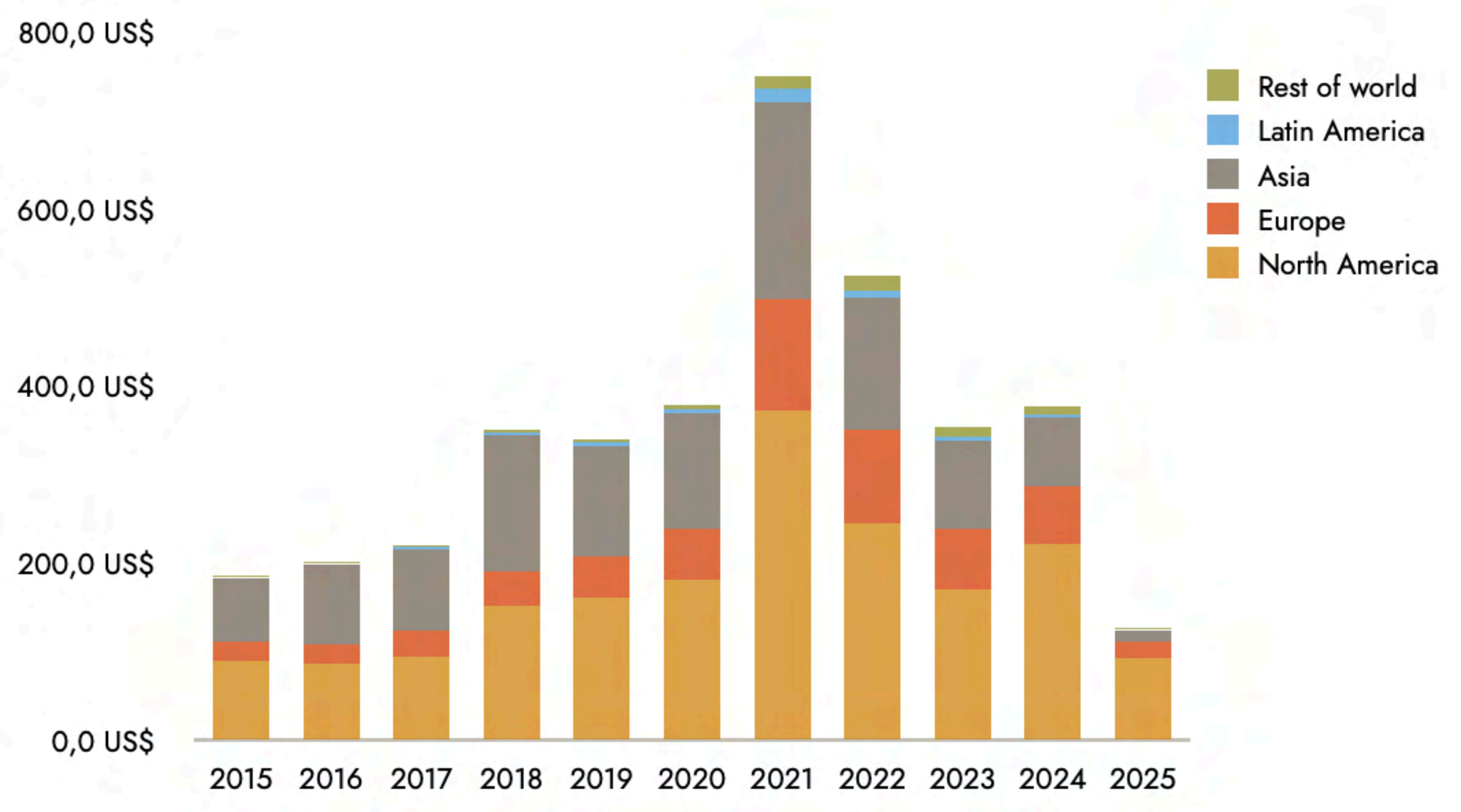


Geographic focus of all charts = Global. 1st chart from CB Insights, 2nd from Crunchbase, and 3rd based on PitchBook data.

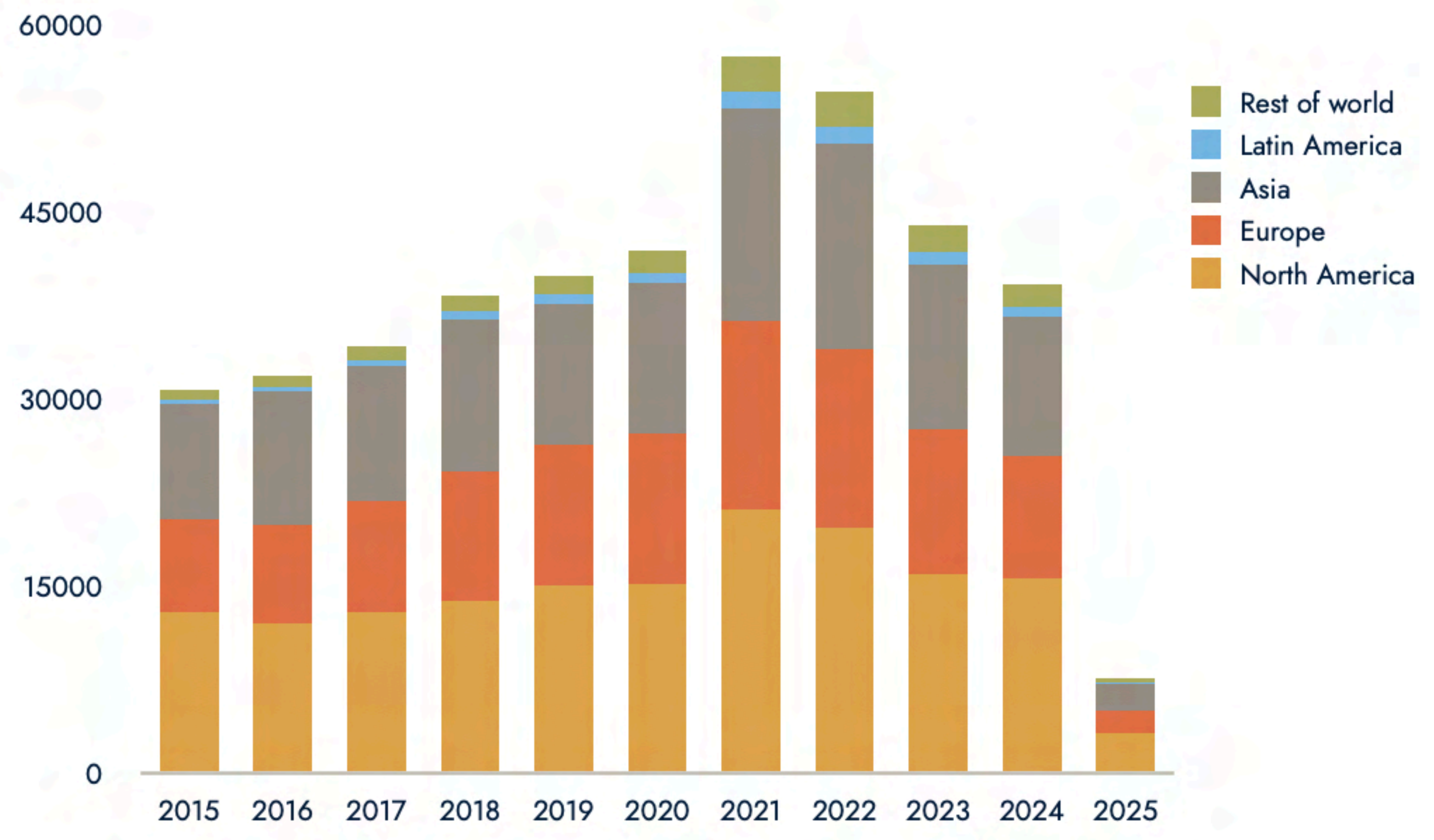
Global Startup Fundraising (Regional view) | 2

The standout trend: While U.S. deal count in 2024 held steady compared to 2023, deal value saw a notable rise—indicating larger rounds and increased capital concentration.

Global VC deal value ($B) by region



Global VC deal count by region

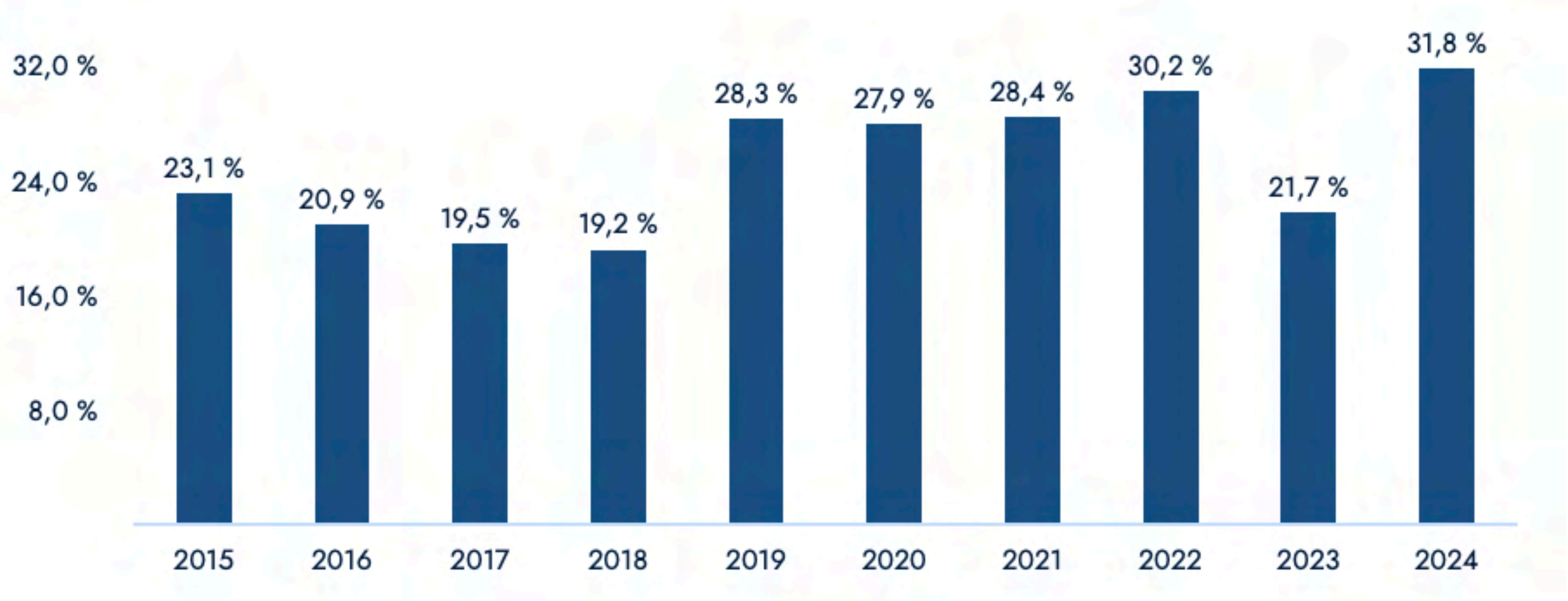


Data of both charts from PitchBook

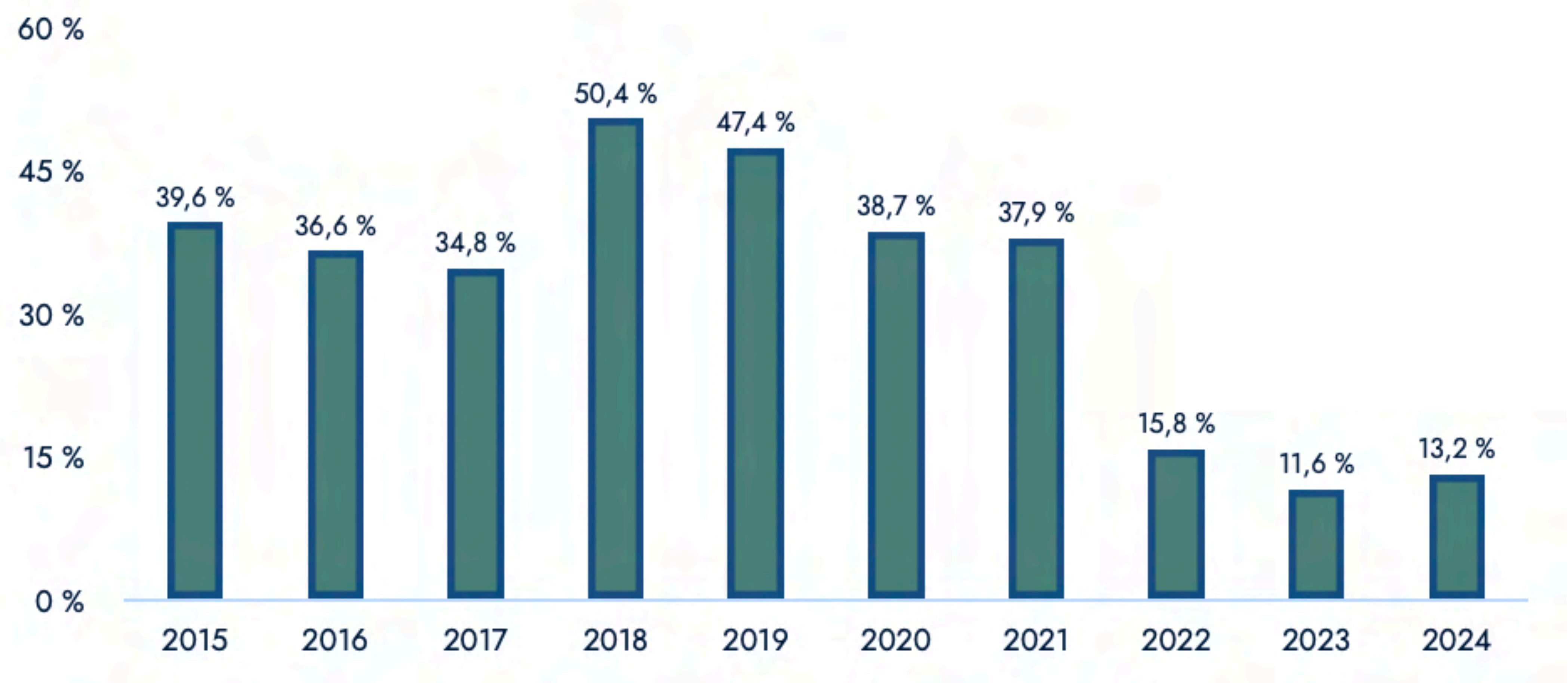
Fundraising Nuances | Asia

Since 2018, the share of China's VC deal value involving international investors has been on a steady decline. While 2024 saw a slight uptick, it still remains at its lowest point in a decade—highlighting waning global investor interest in Chinese startups. In contrast, India is gaining momentum, with its deal count now reaching 32% of China's total—a decade-high share, signaling a growing shift in regional investor focus.

India VC deal count as a share of China VC deal count



Share of China VC deal value with non-domestic investor participation

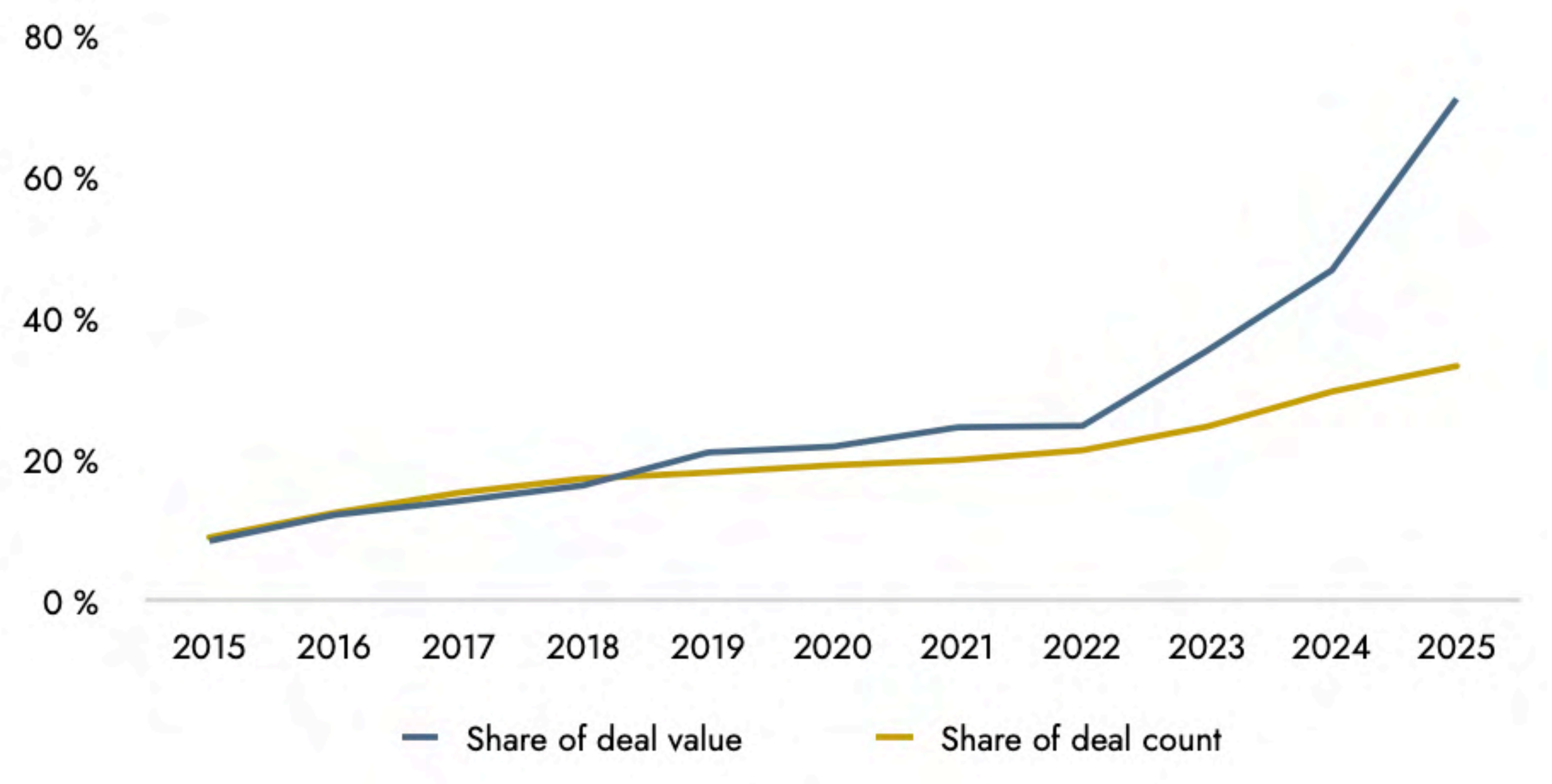


Data of both charts from PitchBook - 2025 APAC Private Capital Outlook

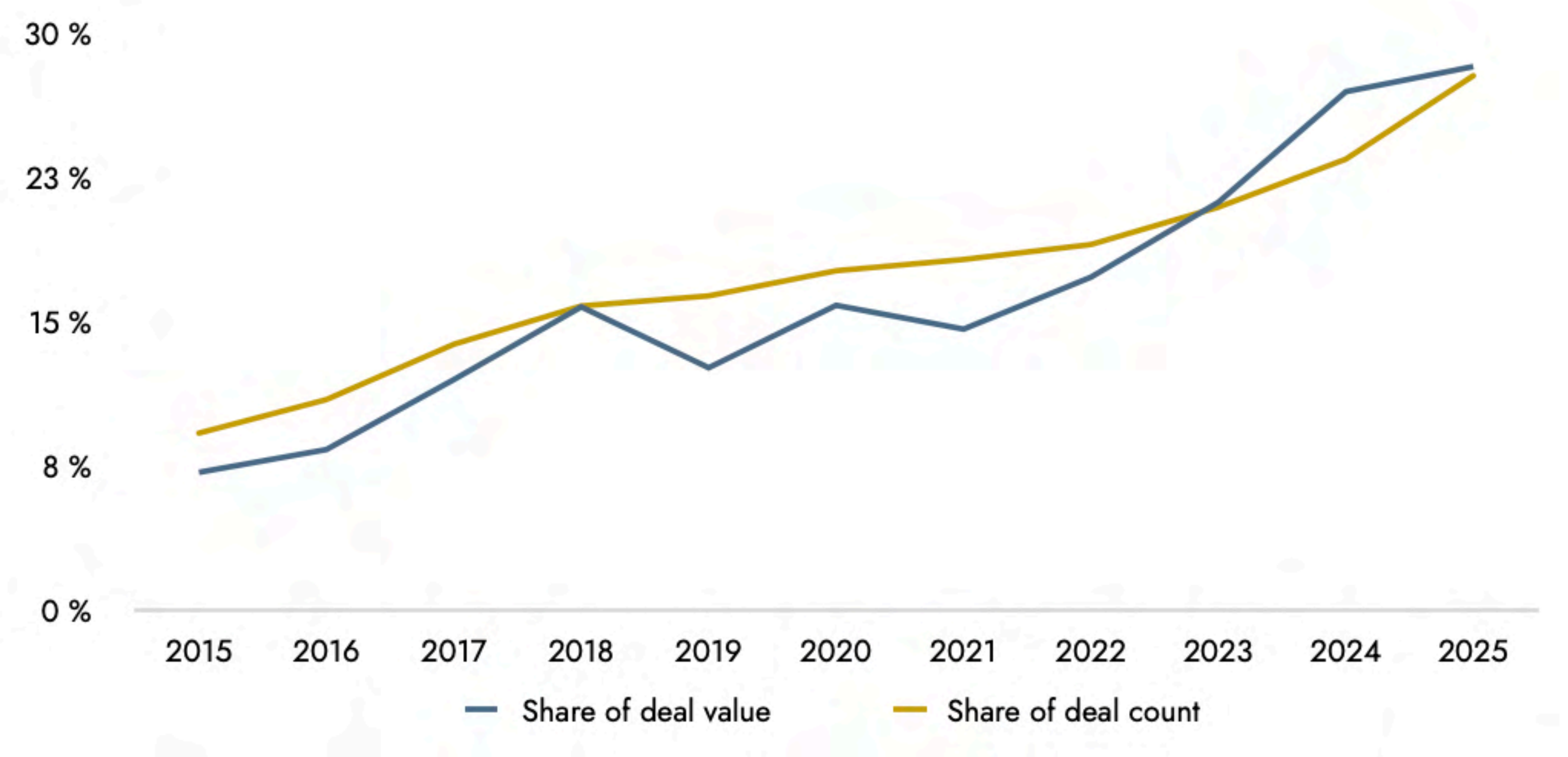
AI Deal Activity in Full Force

In the U.S., AI and ML startups have taken center stage, accounting for a staggering 71% of total VC deal value and 33% of deal count. In contrast, Europe's AI activity represents around 28% of both deal value and volume. With the U.S. dominating global fundraising overall, its AI focus is driving up global AI investment as well—now making up 58% of total global VC funding.

AI & ML VC deal activity as a share of all US VC deal activity



AI & ML VC deal activity as a share of all Europe VC deal activity

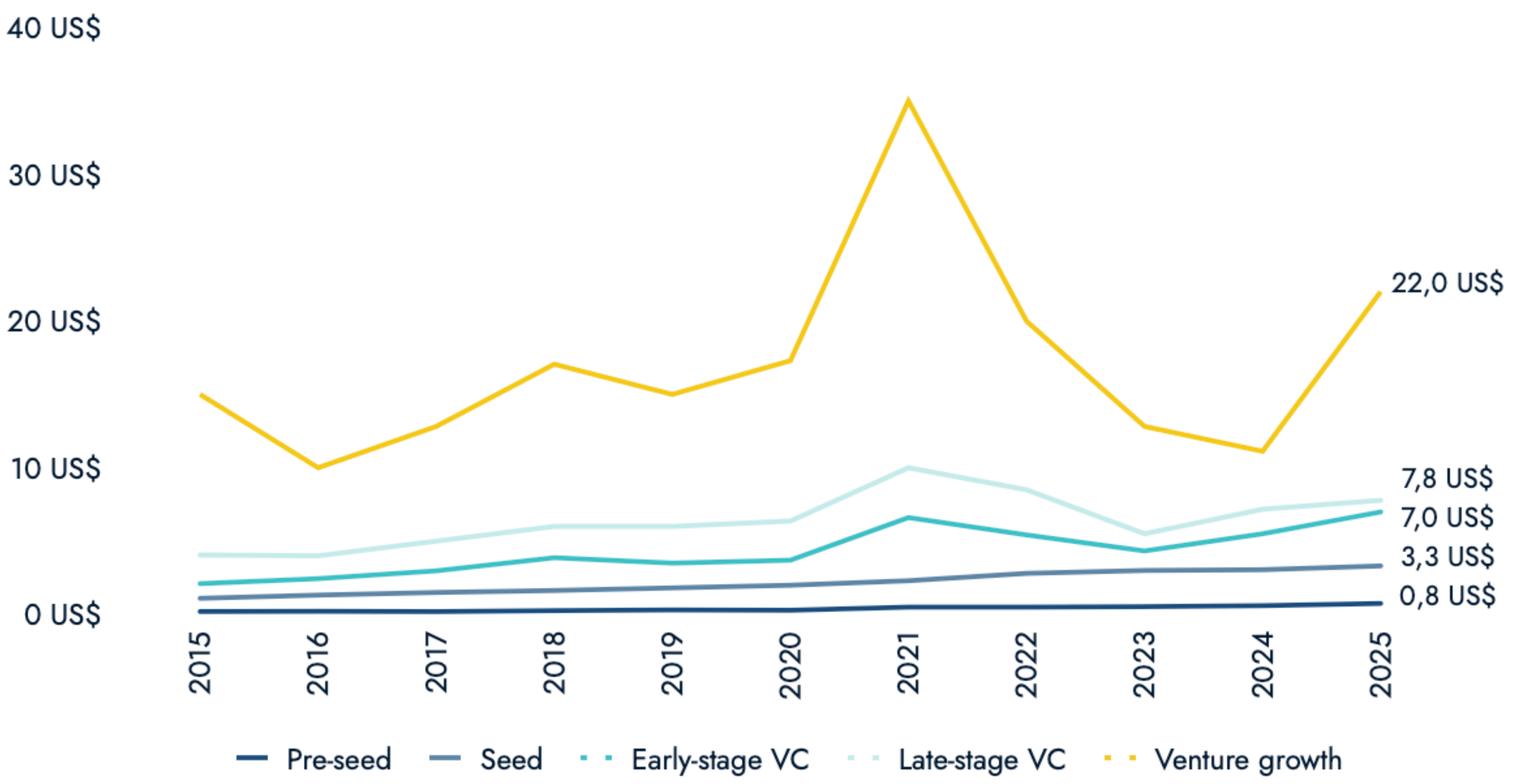


Data for both charts from PitchBook

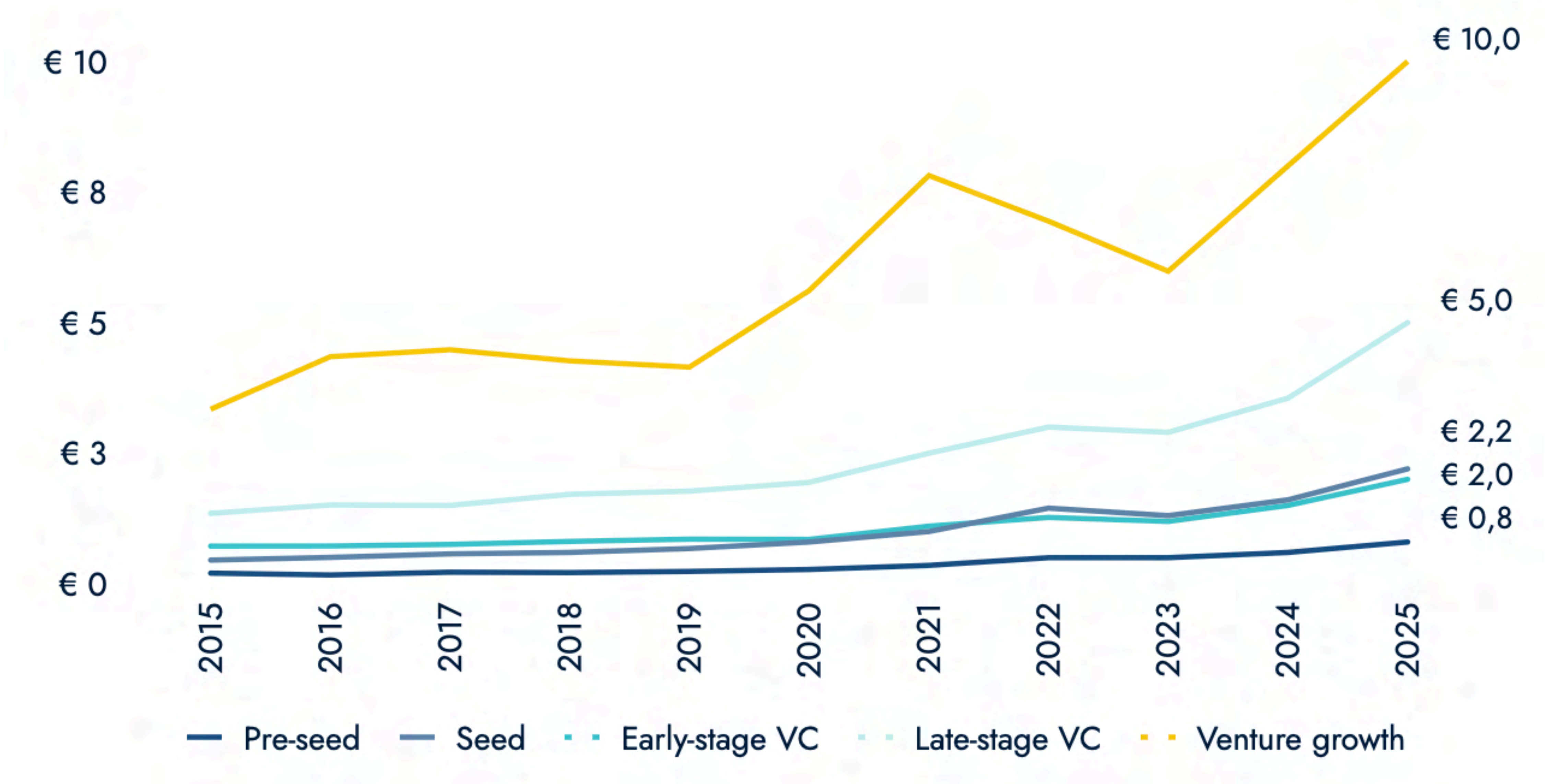
Deal Size Dynamics

On key trend since 2023 has been a rise in median deal sizes across both the U.S. and Europe—a pattern that has carried into 2025. This reflects a clear shift toward VCs concentrating more capital into fewer deals, as deal volume continues to decline. It also aligns with the broader narrative of rising valuations in 2025. Notably, Pre-Seed is the only stage where median deal values in the U.S. and Europe remain closely aligned; at all other stages, the gap between regions widens significantly.

Median US VC deal value ($M) by stage



Median Europe VC deal value (€M) by stage



Data for both charts from PitchBook

Checkout the full 150+ page deck HERE

SECTION 5

Valuations, Performance and Unicorns

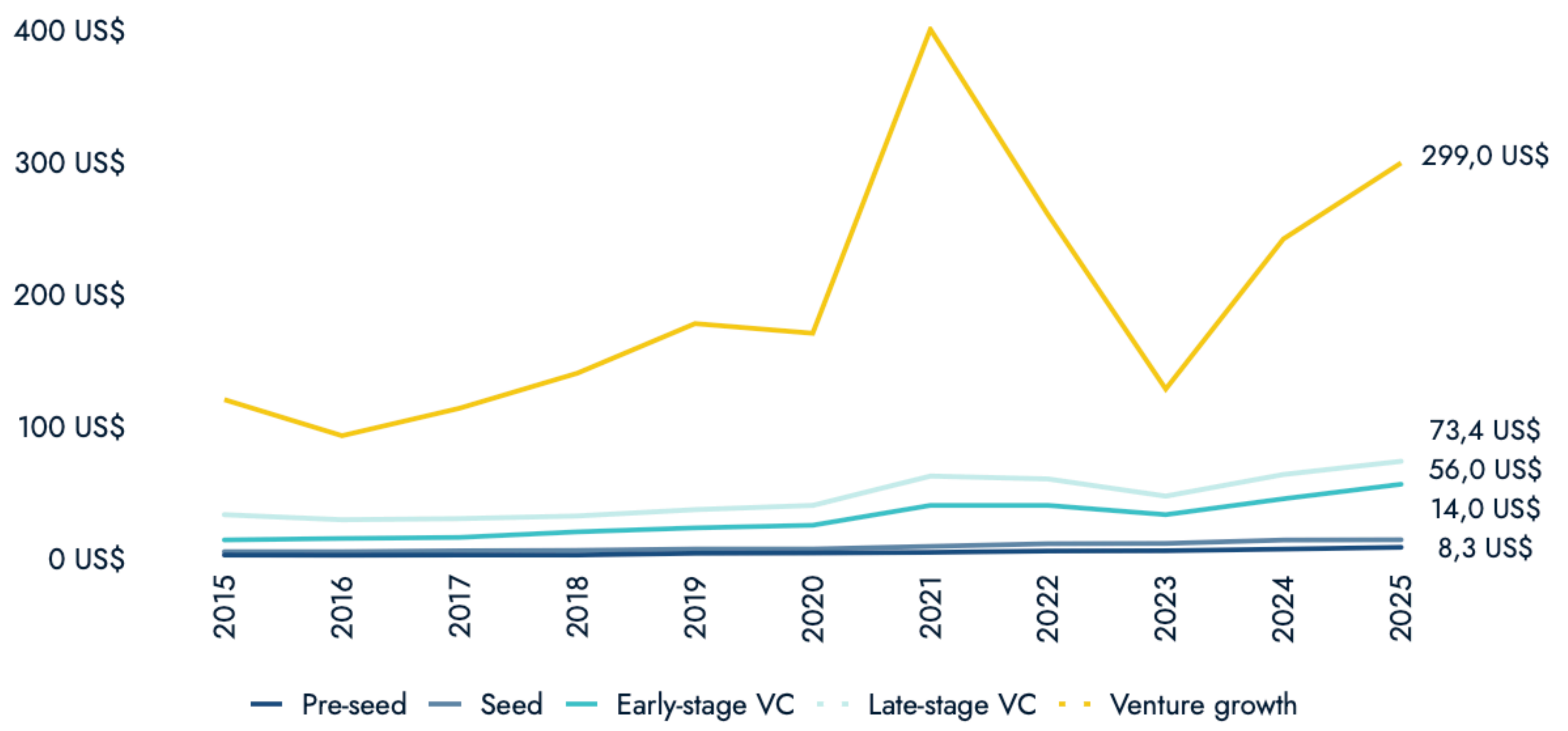
Index

This is a teaser version.
For the full report, visit Link.

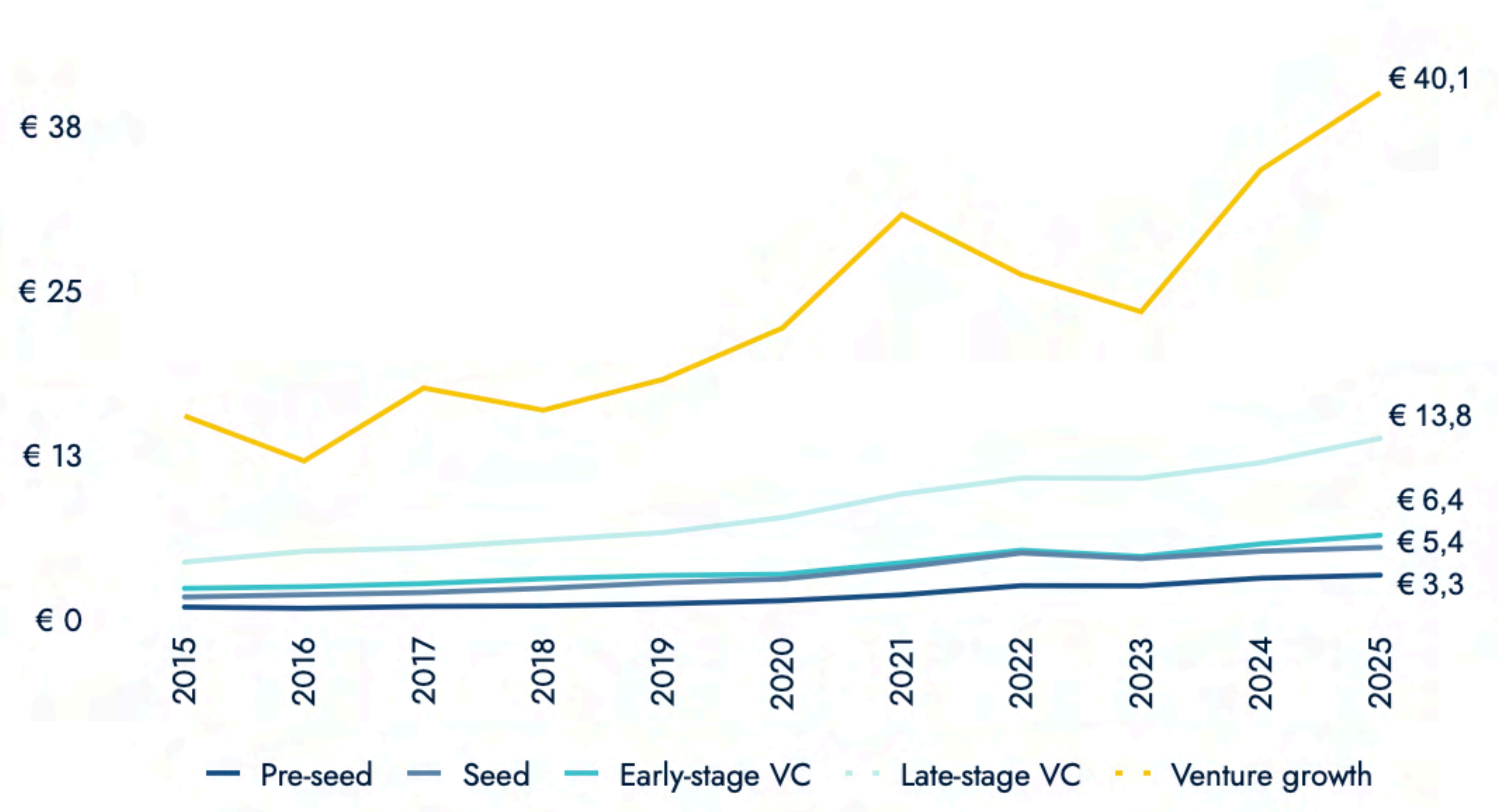
Valuation Dynamics

The positive trend continues in Q1 2025, with valuations rising across all stages in both the U.S. and Europe. However, the gap between the two regions remains striking, with significant differences in valuation levels by stage.

Median US VC pre-money valuation ($M) by stage



Median Europe VC pre-money valuation ($M) by stage

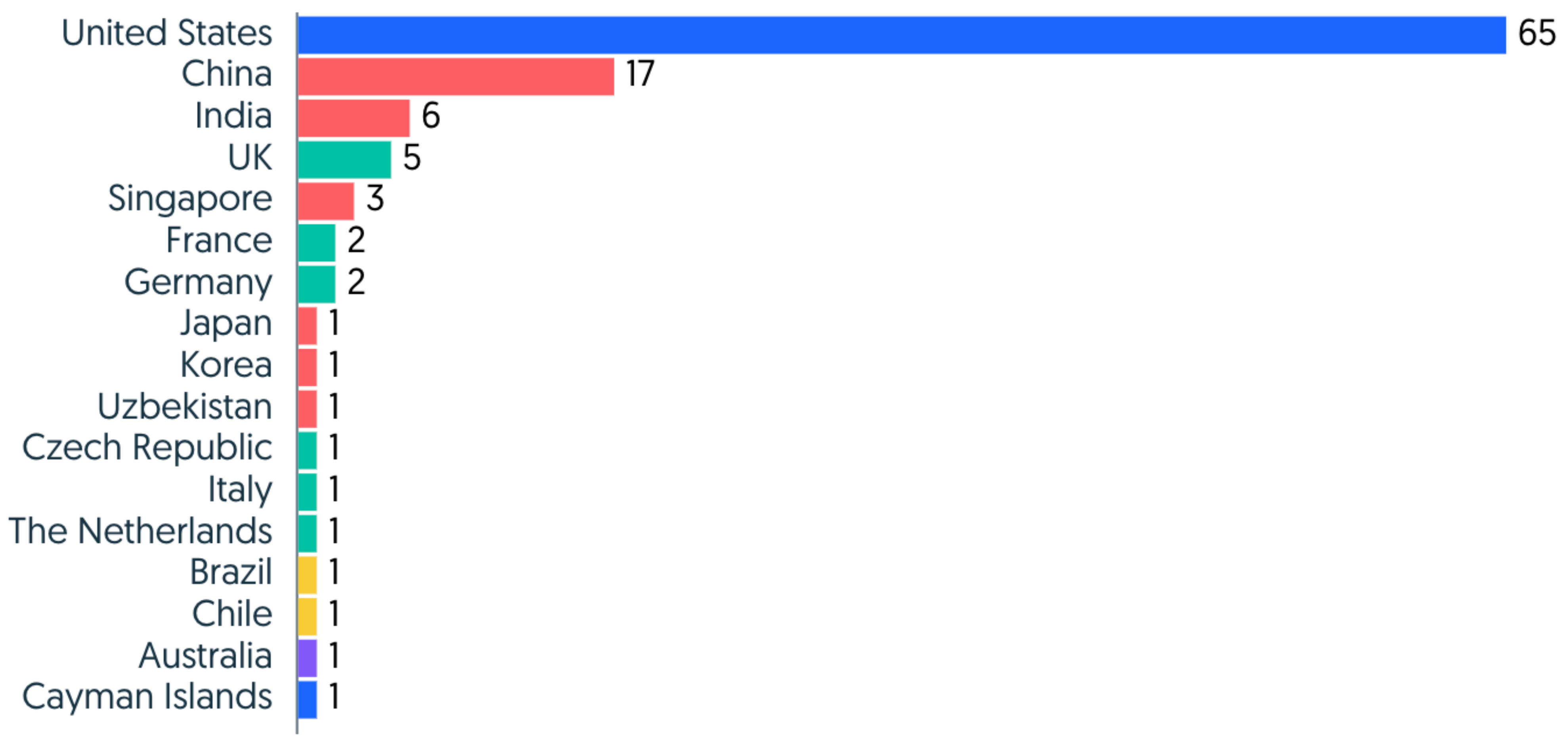


Data of both charts from PitchBook.

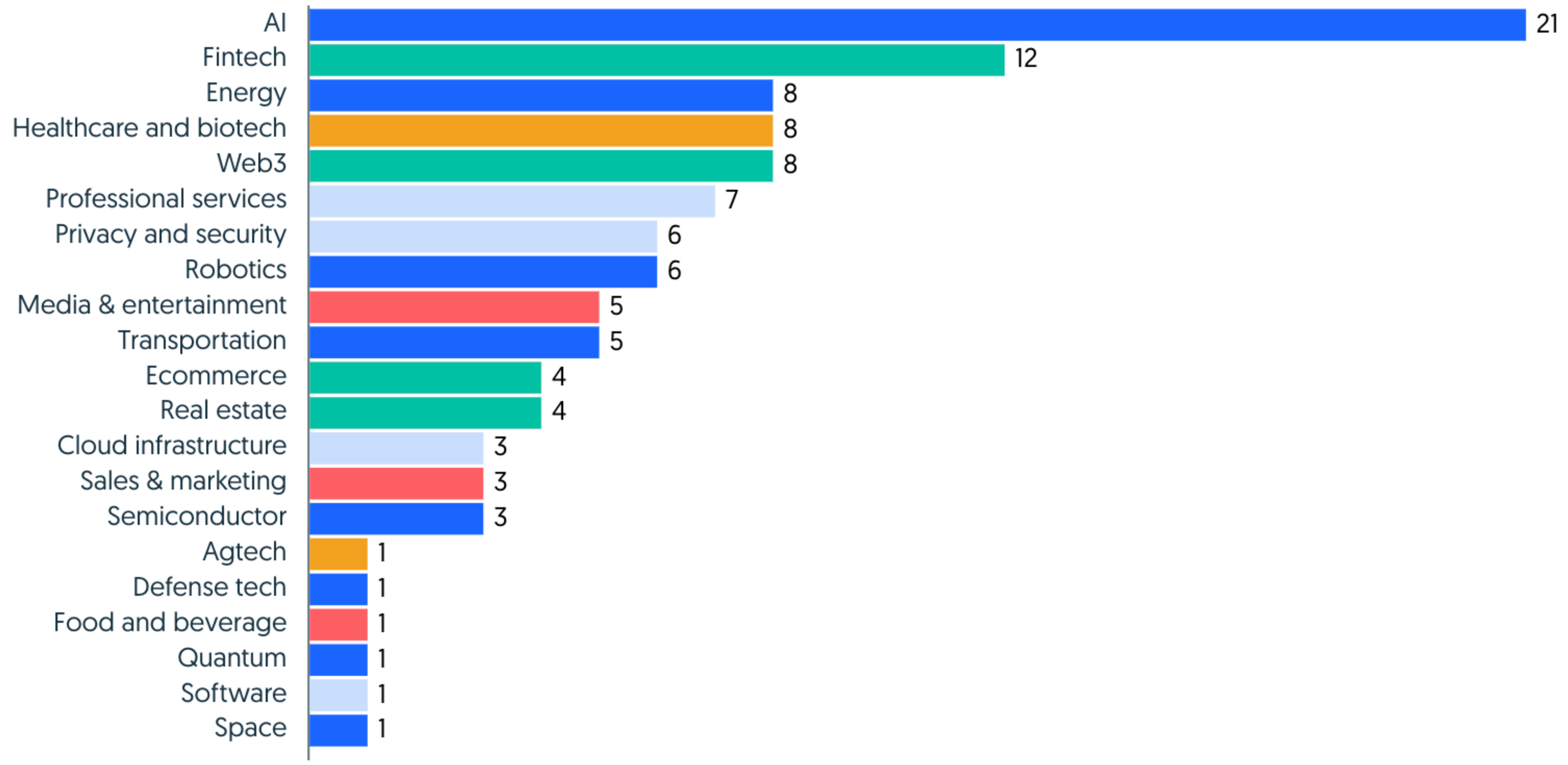
Unicorns Data (by Country and Sector)

In 2024, the U.S. and the AI sector stand out as the leading engines for unicorn creation globally.

2024 New Unicorn Counts, By Country



2024 New Unicorn Counts, By Sector

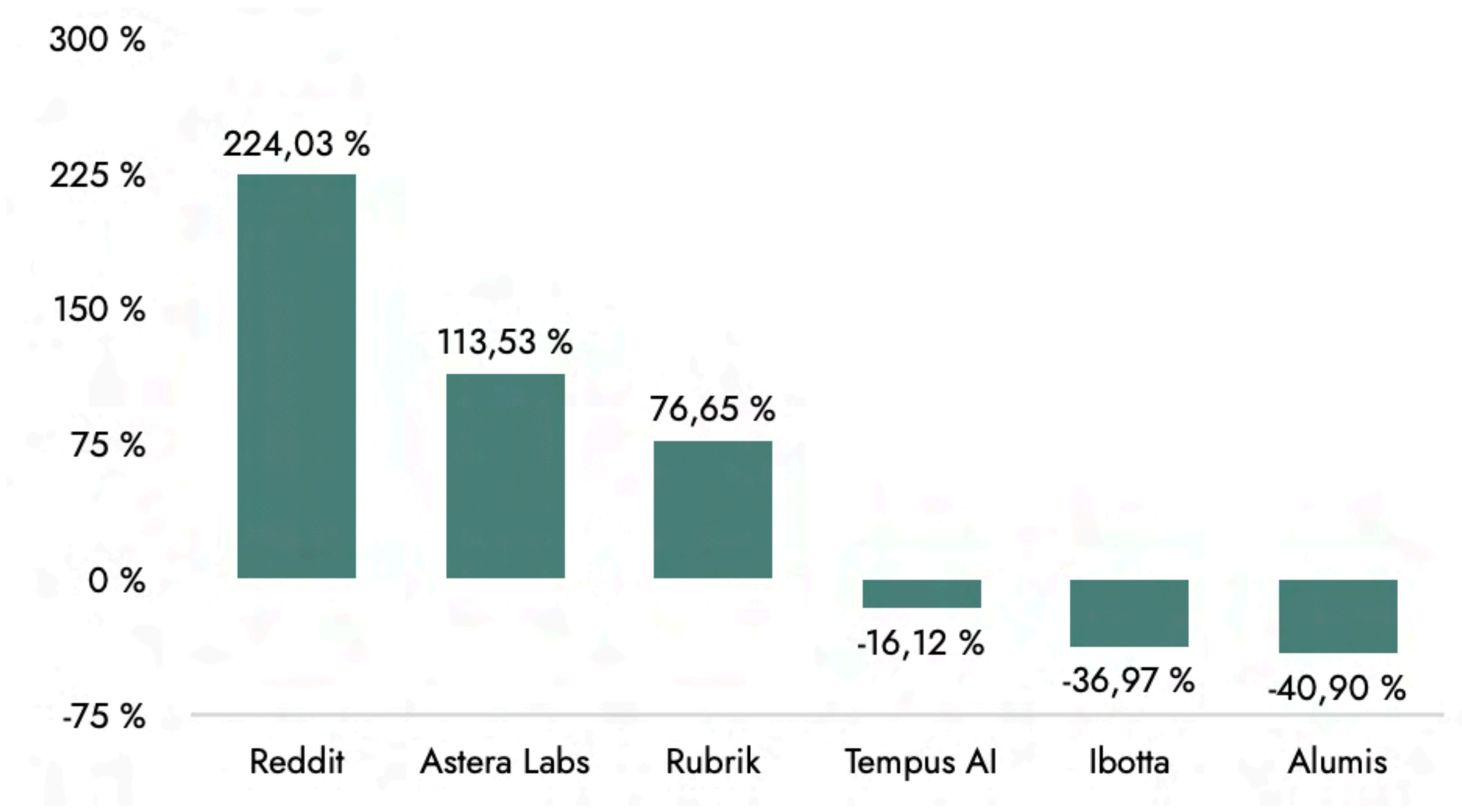


Geographic focus of both charts = Global. Both graphs from Crunchbase. Click for source post.

Unicorn IPO Performance

The post-IPO performance of startups that went public in 2024 was mixed—three ended the year with gains, while the other three saw declines. However, the positive performers significantly outpaced the losses of the underperformers. That said, stock prices remain highly volatile, and much has shifted since the end of 2024.

2024 Unicorn IPO returns from the close of the first day of trading



As of 12/31/2024

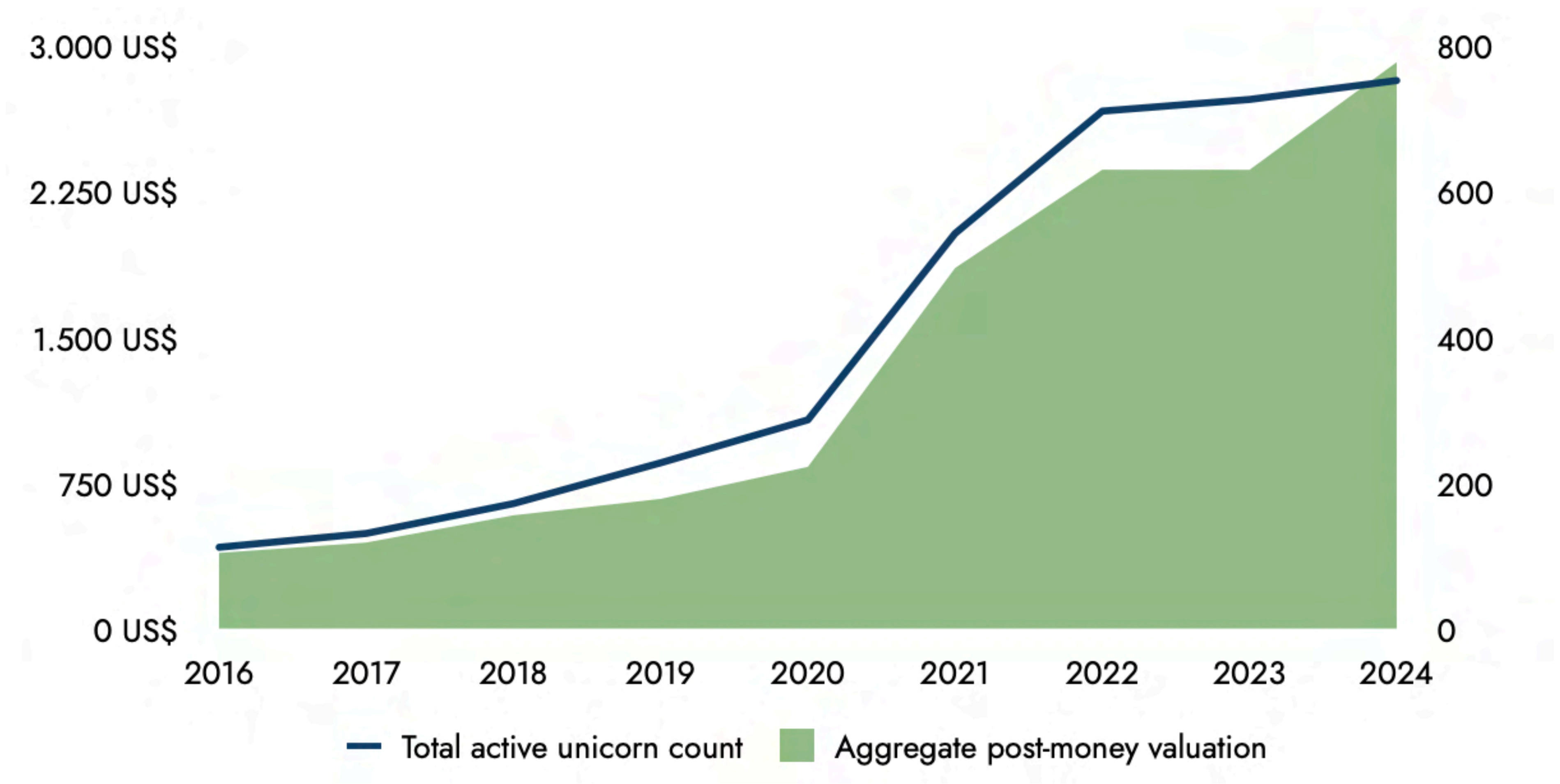
**Returns are relative to closing price on the first day of trading*

Data from PitchBook

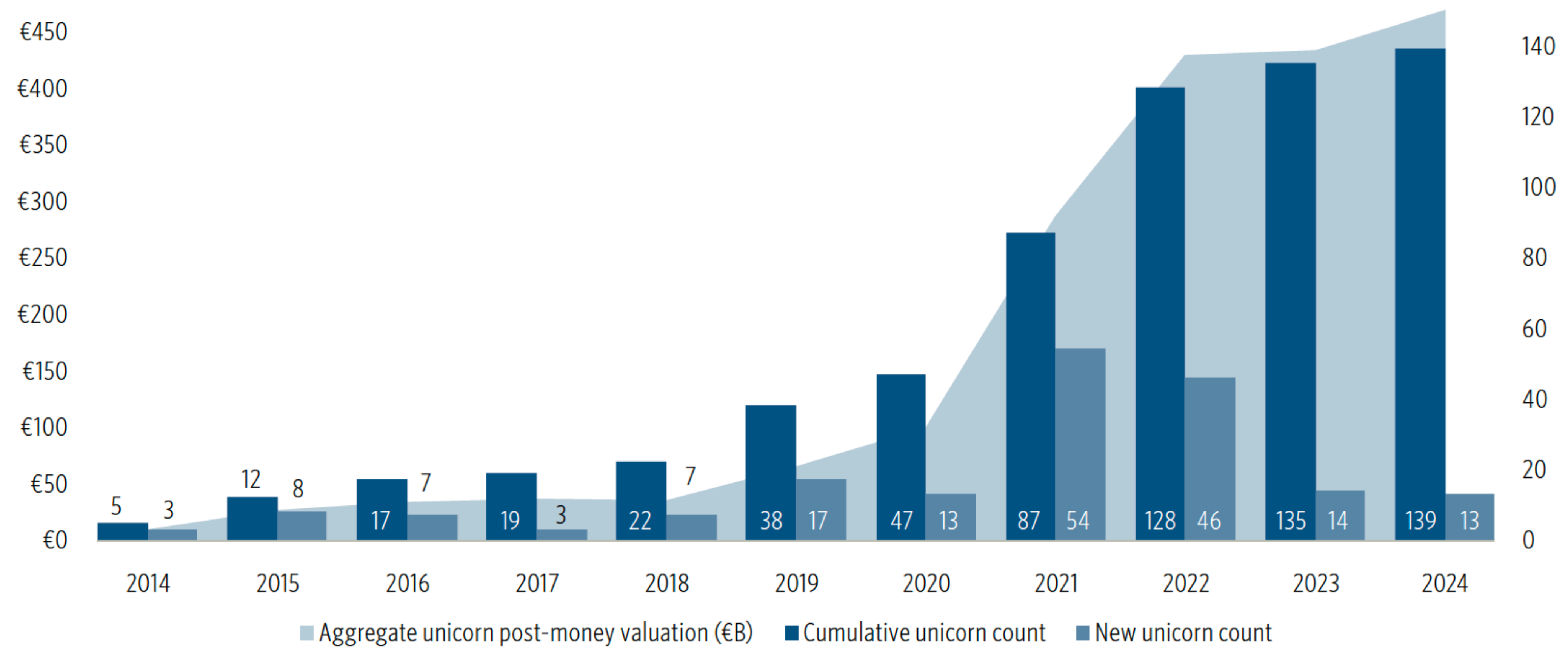
Unicorn Valuation Dynamics

In both the U.S. and Europe, the aggregate post-money valuation of unicorns climbed in 2024, reaching record highs.

US aggregate unicorn post-money valuation ($B) and active unicorn count



Unicorn count and aggregate post-money valuation (€B)



Source: PitchBook • Geography: Europe • As of 31 December 2024

Data of both charts from PitchBook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Startup Exits

SECTION 6

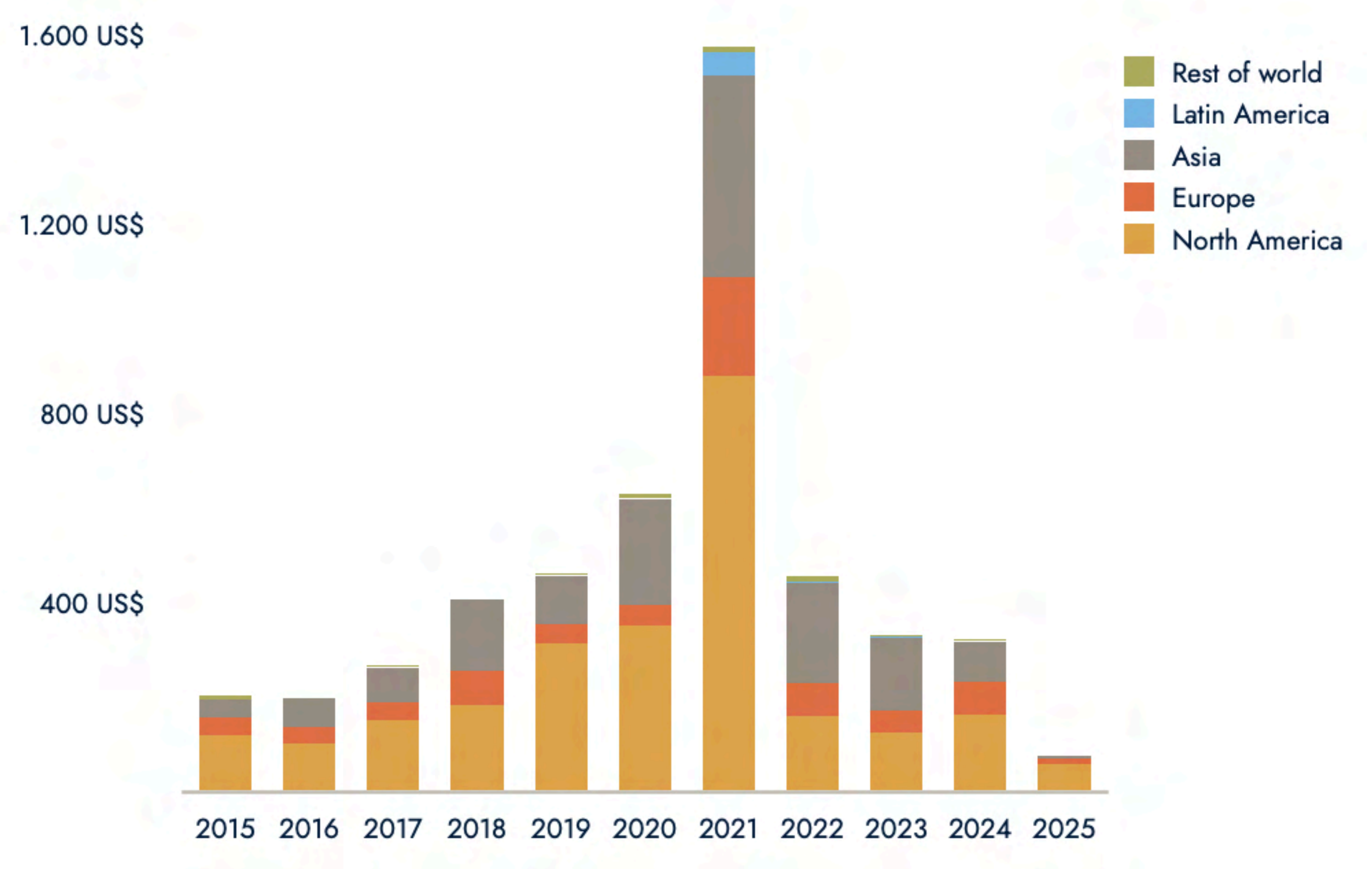
Index

This is a teaser version.
For the full report, visit Link.

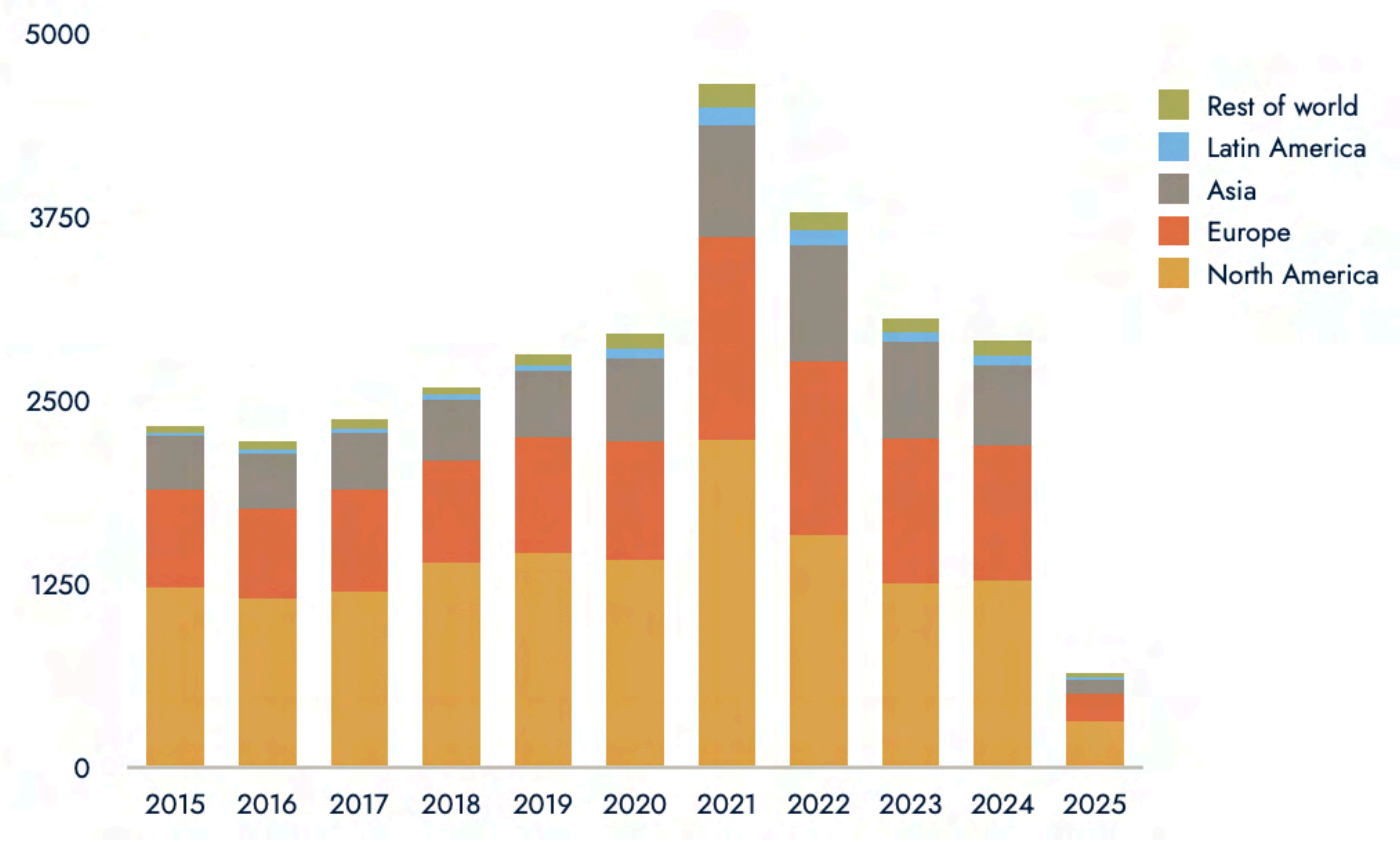
VC Exit Dynamics | Regional View | 1

Global venture capital exit values held steady in 2024, with the U.S. not only preserving its lead but slightly increasing its share from the previous year. Europe also expanded its footprint, primarily at the expense of Asia. The overall number of exits showed a slight decrease from the 2023 levels, though Asia saw a modest dip in deal activity. Moving into Q1 2025, the U.S. continued to dominate exit dollar volumes.

Global VC exit value ($B) by region



Global VC exit count by region

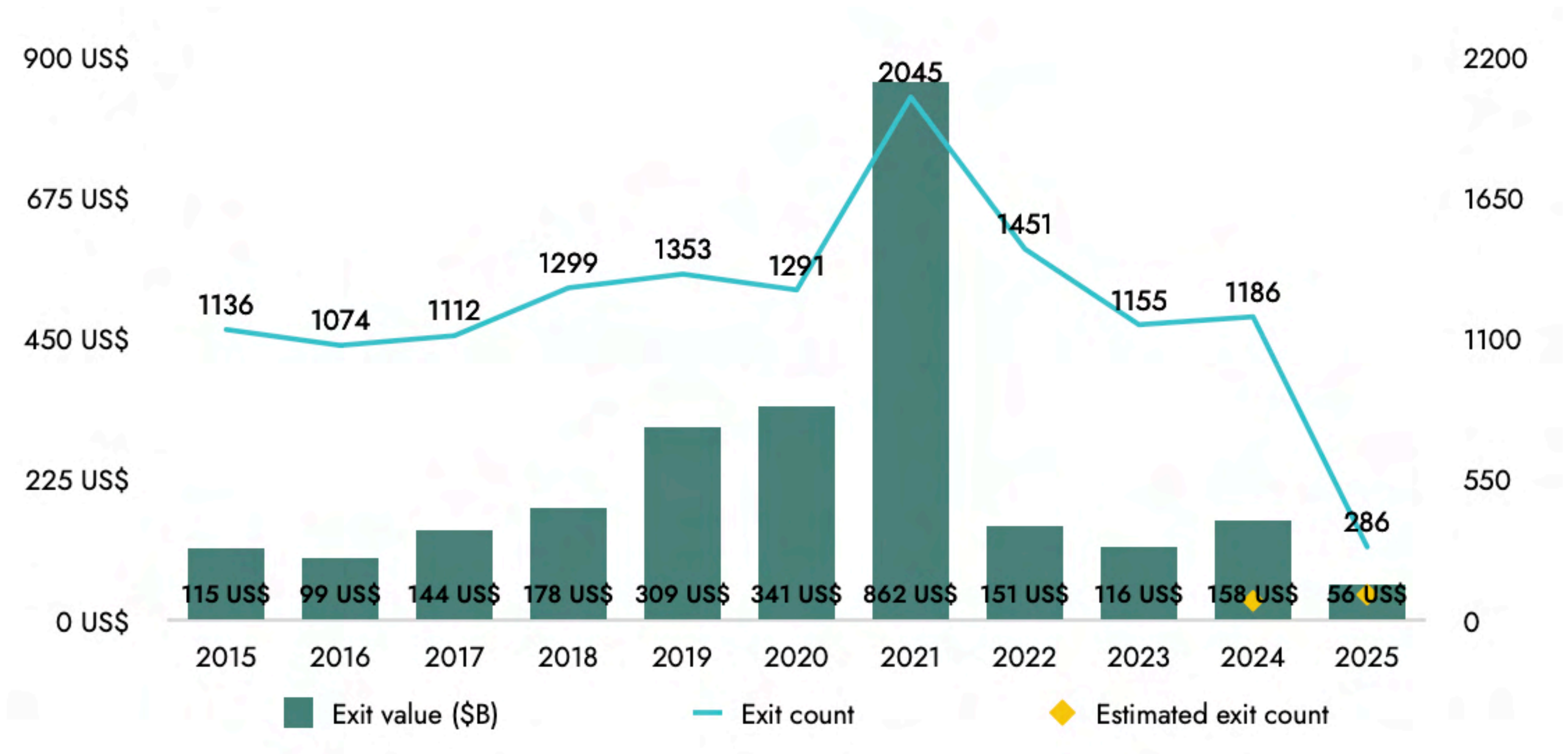


Data of both charts from PitchBook

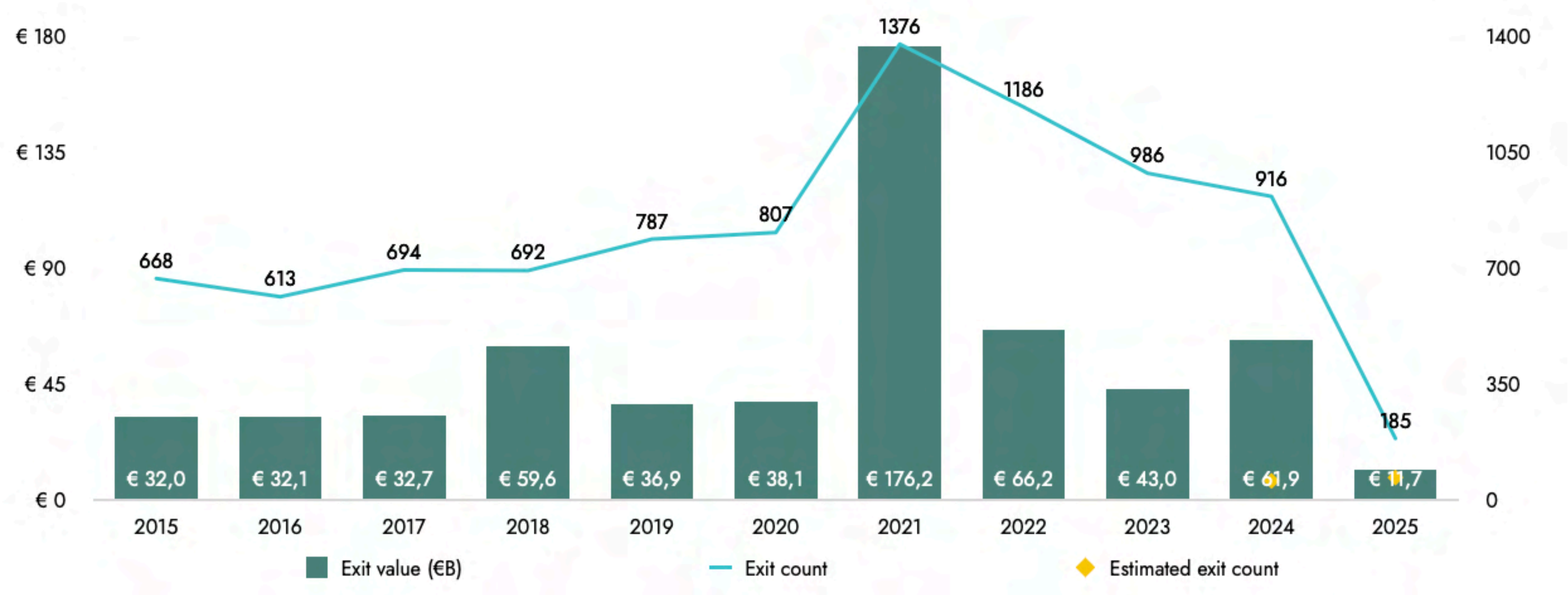
VC Exit Dynamics | Regional View | 2

Exit activity rebounded in 2024 for both the U.S. and Europe, with the U.S. posting a 36% rise in exit value and Europe seeing an even sharper 44% jump. However, while the U.S. maintained a steady number of exits, Europe experienced a slight 7% decline in deal count. As 2025 began, the U.S. showed early momentum—reaching 35% of its 2024 exit value in Q1 alone—whereas Europe lagged, achieving just 20% of last year's total during the same timeframe.

U.S. VC exit activity



Europe VC exit activity

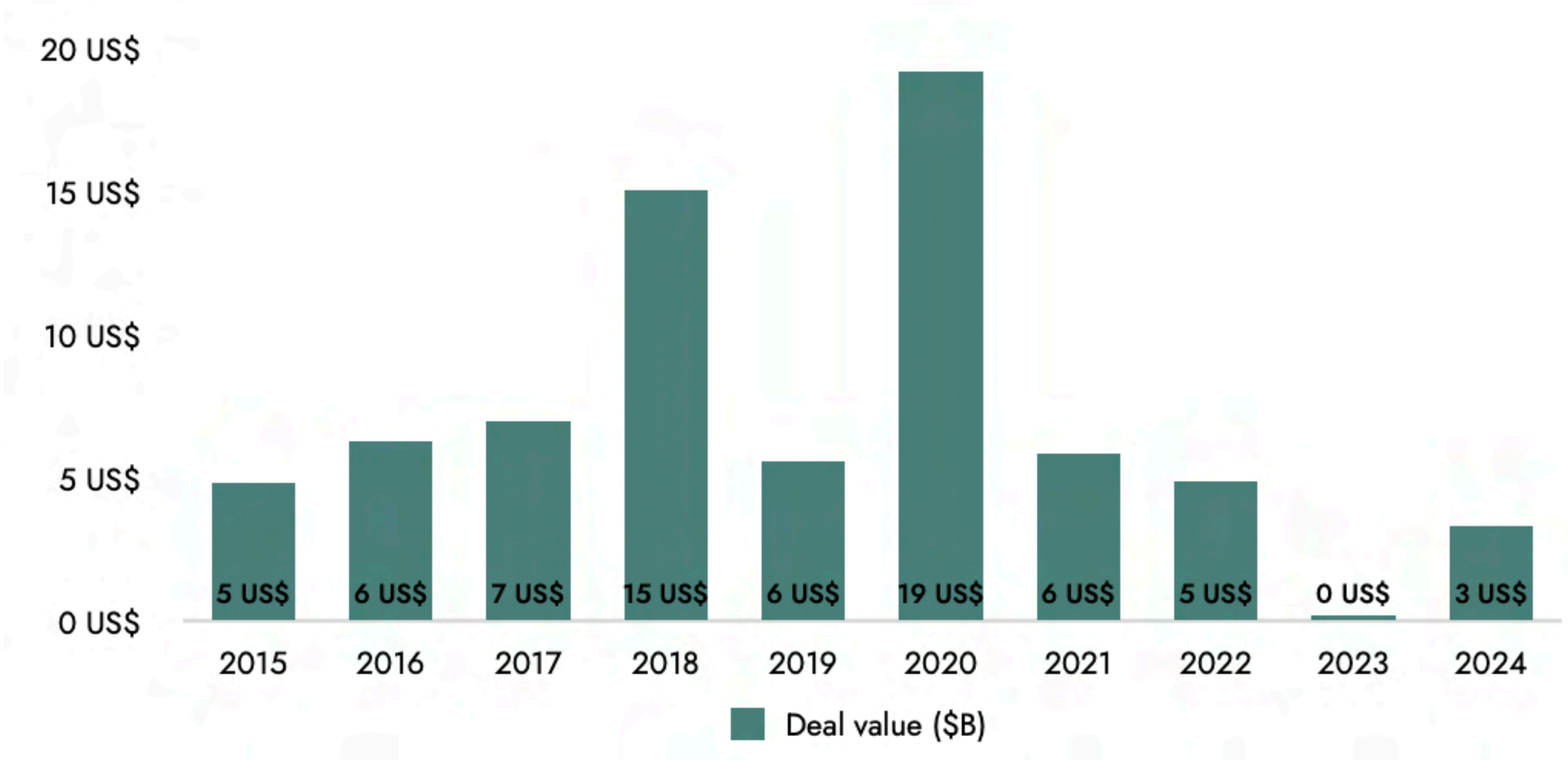


Data of both charts from PitchBook

Acquisitions by Public Companies

After a low in 2023, VC-backed acquisitions by the 25 most valuable public tech companies rebounded slightly in 2024, though activity remains near decade lows. Regulatory pressures have kept many large players cautious, while VC-backed firms themselves are stepping up as buyers, now accounting for a record share of deal counts. Big Tech's pullback has been stark—only 12 acquisitions were made by the top 10 U.S. tech firms in 2024, down from 55 in 2015. Focus has shifted toward AI and strategic partnerships, leaving traditional M&A quieter. Salesforce led the few notable deals, acquiring Own Company for $1.9 billion and Spiff for $419 million. In total, the top 25 firms completed just 17 VC-backed startup acquisitions, spending $3.3 billion—the second-lowest in a decade. Yet 2025 is off to a strong start, with Alphabet's $32 billion acquisition of Wiz—following a rejected $23 billion offer in 2024—hinting at renewed momentum in the M&A space.

VC-backed acquisition activity by the 25 highest-valued public companies



NEWS

Google Agrees to Buy Cloud Security Firm Wiz for $32 Billion

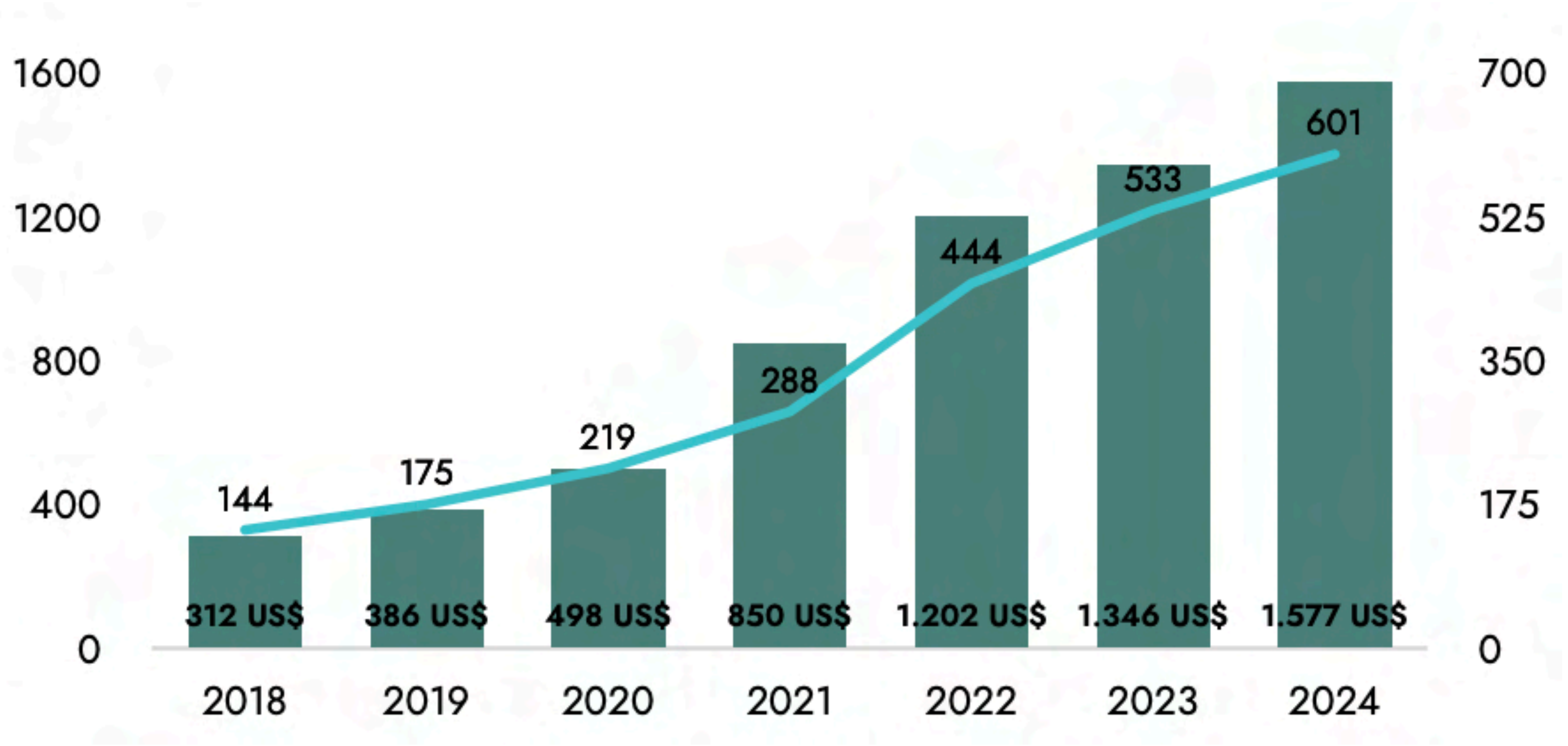
Bloomberg article from Andrew Martin dated March 18, 2025

Graph's data from PitchBook.

IPO-Ready Pipeline Keeps on Increasing

The total number and combined valuation of U.S. VC-backed companies meeting median IPO benchmarks have been steadily rising, reaching their highest levels since 2018.

Aggregate company count and value of US VC-backed companies with median IPO metrics



*Only shows companies with known valuations

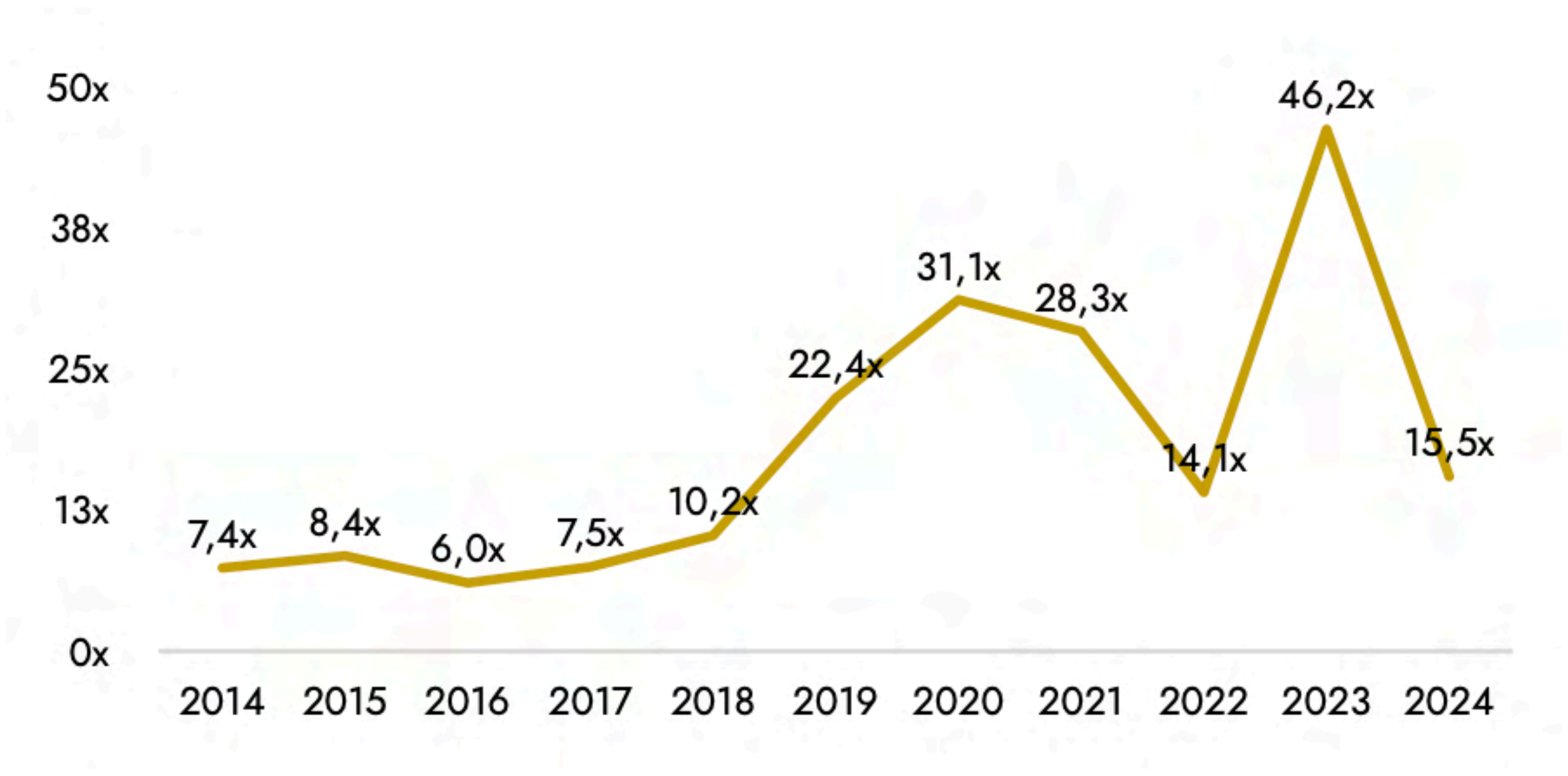
**Companies that are at least 6.8 years old, have a valuation of at least $539m, and have raised at least $156m in VC capital

Geographic focus of the chart = U.S. Data from PitchBook.

VC backed IPO: Performance Metrics | 1

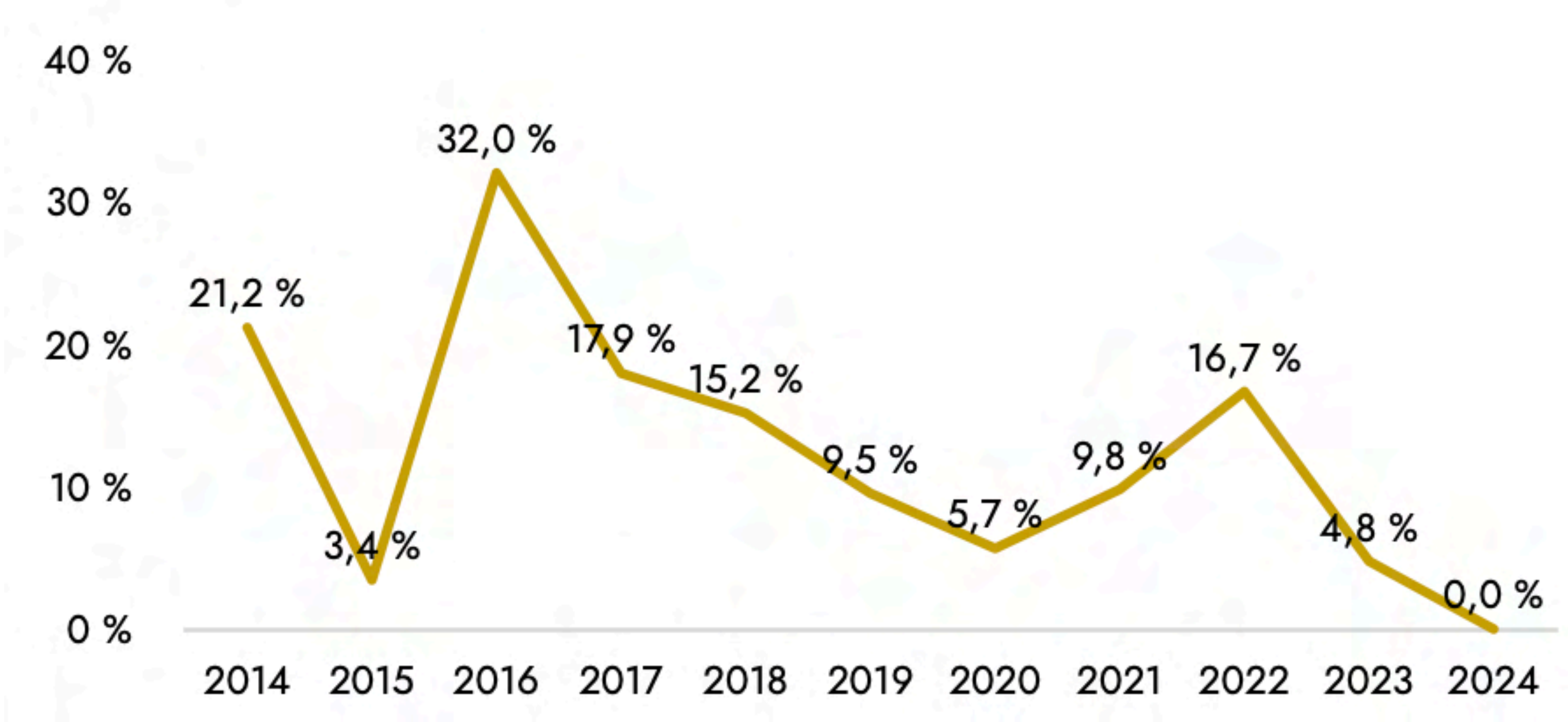
In 2023, VC-backed tech IPOs debuted with a lofty median EV/EBITDA multiple of 46x, but by 2024, that figure had plunged to 16x. While the sharp drop is notable, limited IPO activity in both years—at decade-low levels—makes it difficult to draw definitive conclusions from the data alone. The more significant trend is the sustained slowdown in venture-backed listings.
Equally striking is the decline in profitable IPOs. The share of U.S. VC tech companies going public with positive EBITDA has fallen to its lowest point in ten years, reflecting a shift in the profile of IPO candidates—many of which now go public with very different financial fundamentals and growth models than those of a decade ago.

Median EV/revenue multiples at exit for US VC tech IPOs



Only 10 counts in 2024, so the figure is debatable

Share of US VC tech IPOs with positive EBITDA by year



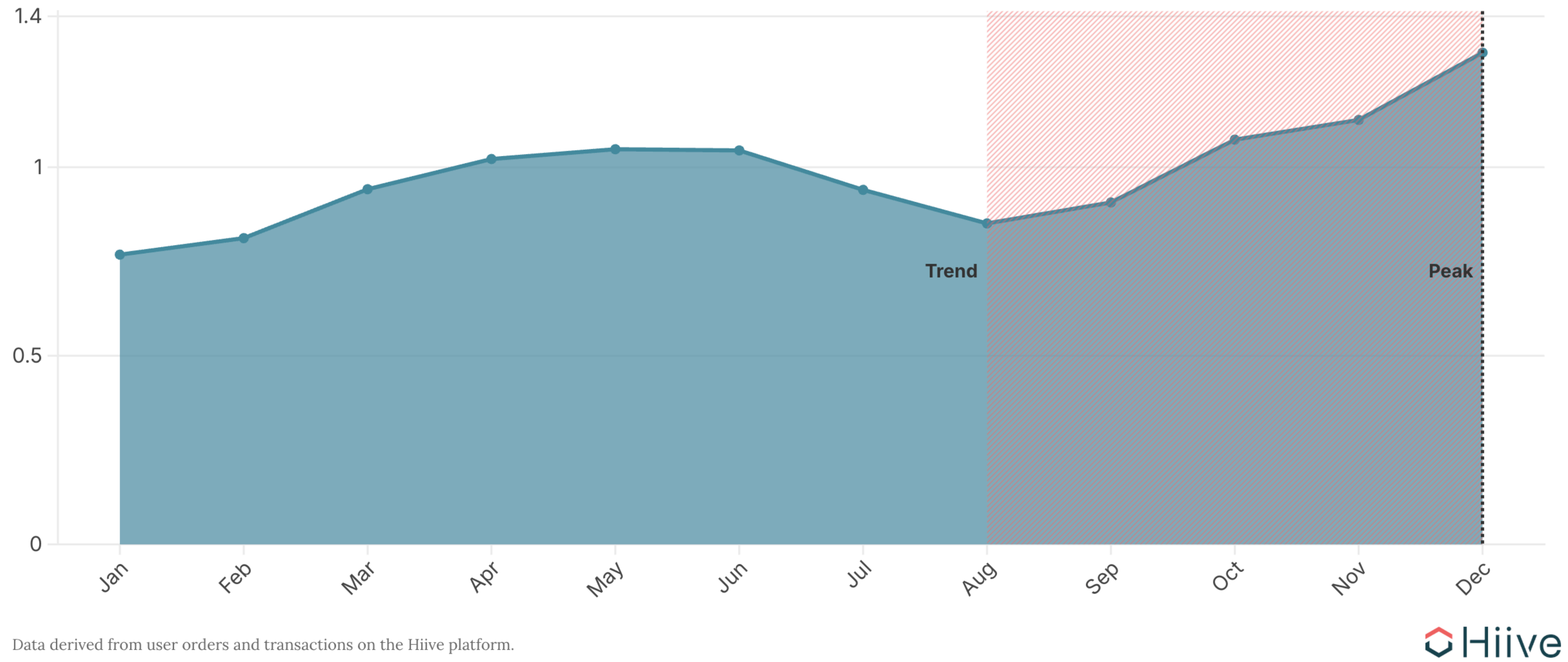
Geographic focus of the charts = U.S. Data from PitchBook.

Secondaries: Sellers are Dominant and are Increasing

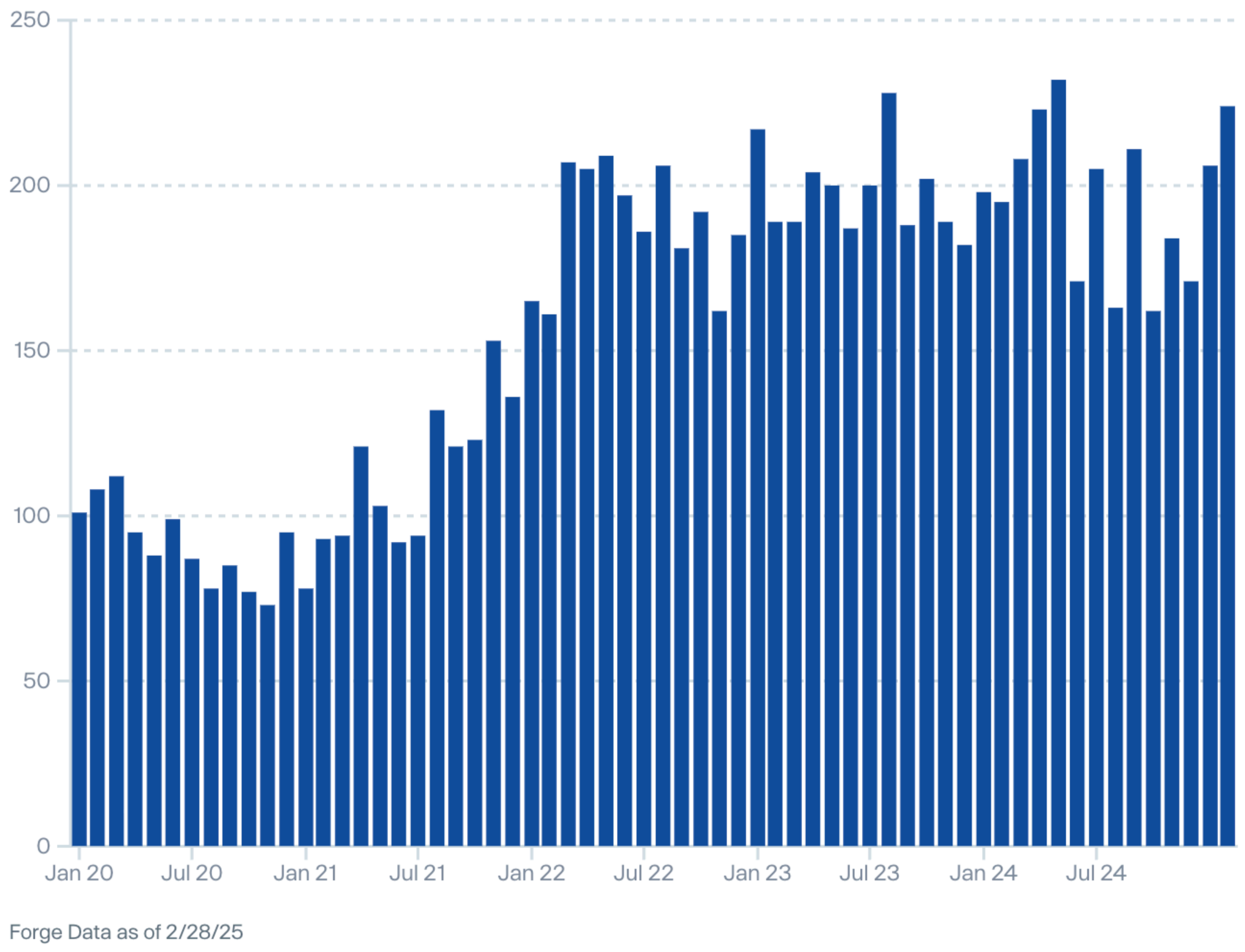
Hiive data points to a clear shift in private market dynamics, with conditions increasingly tilting in favor of sellers. In December 2024, the average number of bids per listing rose 73% year-over-year, hitting a record high of 1.3. Though the impact varies across listings, the heightened buyer interest is narrowing bid-ask spreads and increasing deal closures.

At the same time, Forge reported a rise in sell-side indications of interest (IOIs), accompanied by robust buy-side demand. This trend indicates that sellers are taking advantage of strong market conditions—not exiting out of distress, but capitalizing on renewed investor appetite.

Ratio of Bids to Listings, 2024



Unique Issuers with Sell IOIs on Forge Markets



1st graph from Hiive and 2nd from Forge. Click for source post.


Checkout the full
150+ page deck
HERE

Talent

SECTION 7

Index

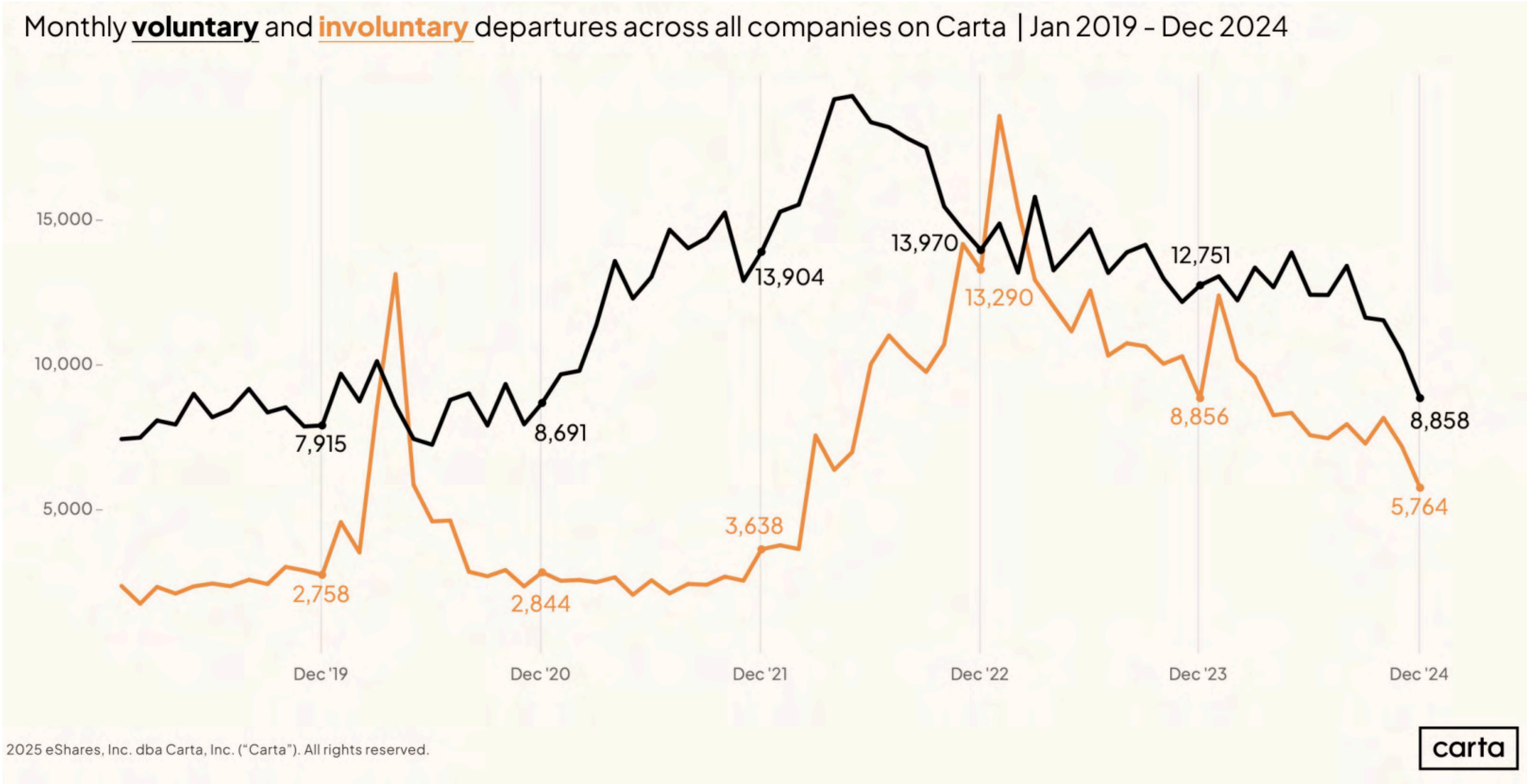
This is a teaser version.
For the full report, visit Link.

Layoff Tracker

In 2024, more than 95,000 employees at U.S. tech companies were impacted by mass layoffs. According to Carta data, the layoffs and voluntary departures are both down more than 30% YoY.

- February 2025: 16,084 employees laid off — see all February 2025 Tech Layoffs
- January 2025: 6,003 employees laid off — see all January 2025 Tech Layoffs

The Crunchbase Tech Layoffs Tracker



Click for full source posts.

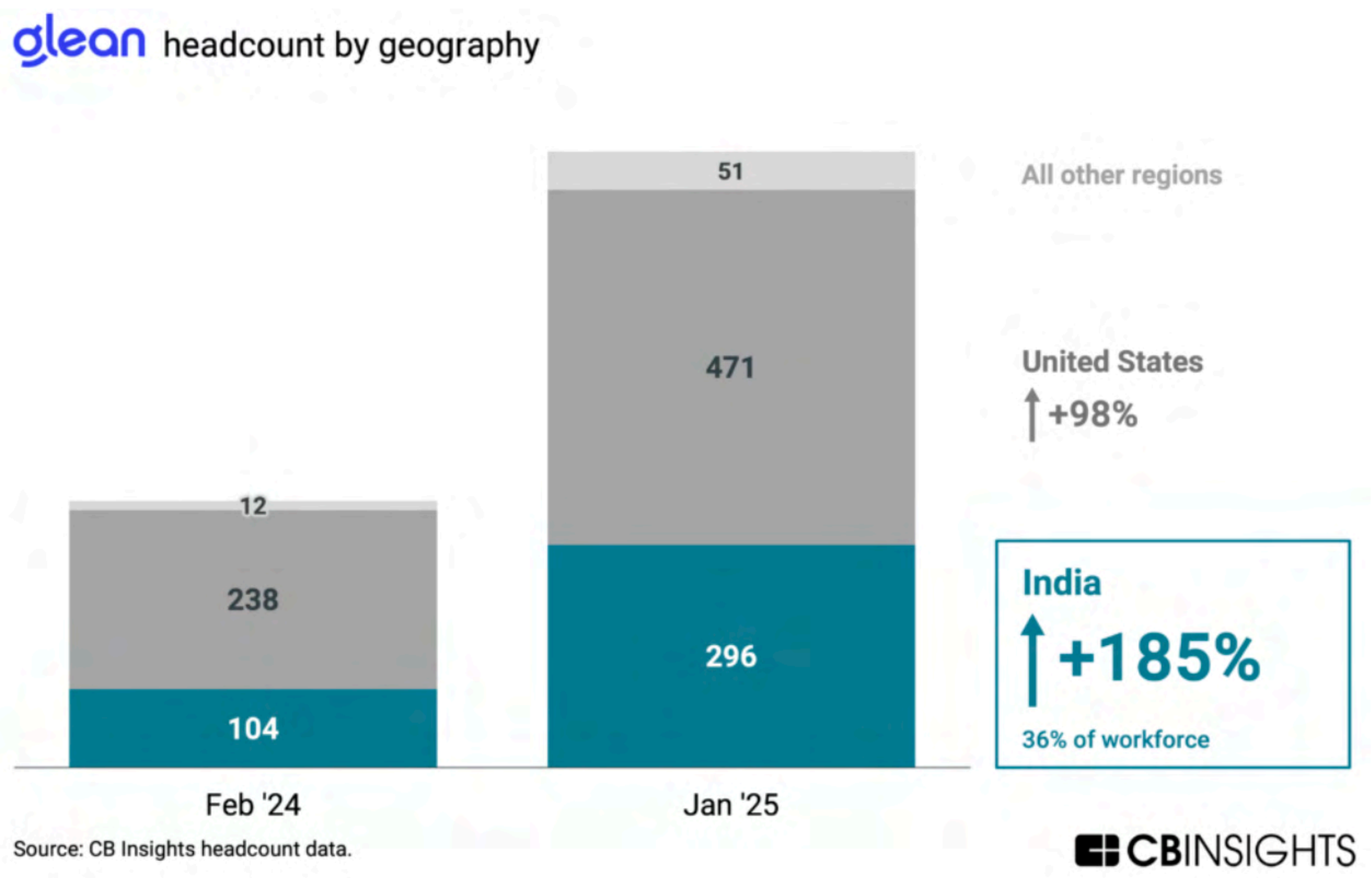
AI Leaders are Growing Their Indian Presence

NEWS

Global AI race heats up in India with unprecedented hiring spree

CB Insights article dated March 21, 2025

- India recently became OpenAI's second-largest market by number of users.
- OpenAI has responded by boosting its headcount in India by 67% in the last 6 months (nearly 2x the growth rate of its US presence)
- Enterprise AI platform Glean established a Bengaluru office in July 2024 to tap into the talent pool in India and expand its R&D operations. India now makes up 36% of Glean's global headcount.



Click for full source posts.

VC Talent Flux | 1

The movement of talent in the venture world shows no signs of slowing—**check out my guest post on Crunchbase for a deeper dive.** (Link)

LAYOFFS • STARTUPS • VENTURE • WORKPLACE

The Great Venture Talent Flux

Guest Author April 4, 2025

NEWS

Microsoft's head of venture has resigned

TechCrunch article
from Julie Bort dated January 22, 2025

NEWS

Felix Capital's Julien Codorniou to join 20VC as general partner

TechCrunch article
from Romain Dillet dated December 18, 2024

NEWS

General Catalyst loses three top investors as the firm expands beyond venture, contemplates IPO

TechCrunch article
from Marina Temkin dated March 3, 2025

Click for full source posts.

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LPs and Venture Fundraising

SECTION 8

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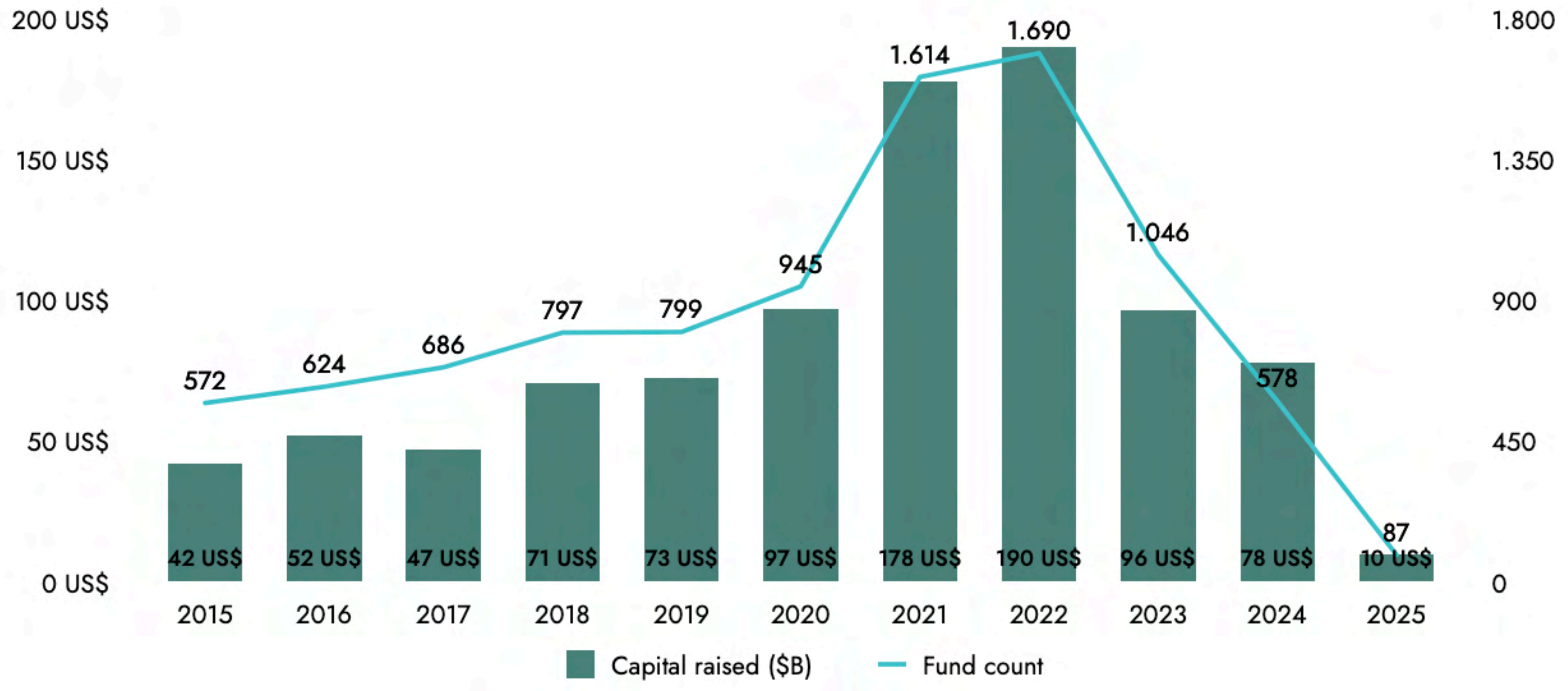
This is a teaser version.
For the full report, visit Link.

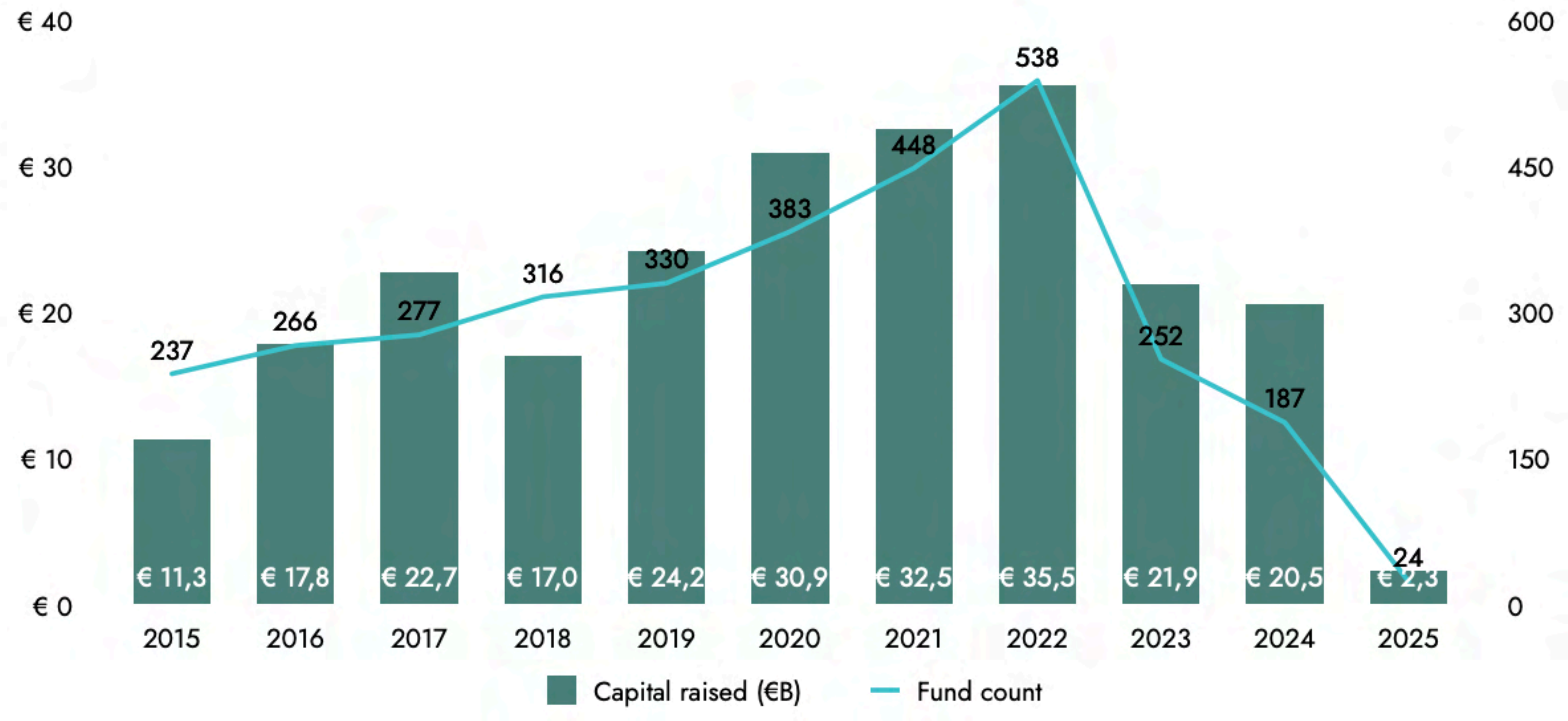
VC Fundraising

In the first quarter of 2025, venture capital fundraising in the U.S. outpaced Europe by nearly fourfold. Looking back at 2024, both regions marked a second straight year of declining fund counts. While Europe's total capital raised held steady with 2023 levels, the U.S. experienced a 19% dip in fundraising. The drop in the number of new funds was even more pronounced—falling 45% in the U.S. versus a 26% decrease in Europe. Still, the U.S. maintained a commanding lead in overall capital raised, securing nearly 3.2 times more than Europe during the year.

US VC fundraising activity



Europe VC fundraising activity

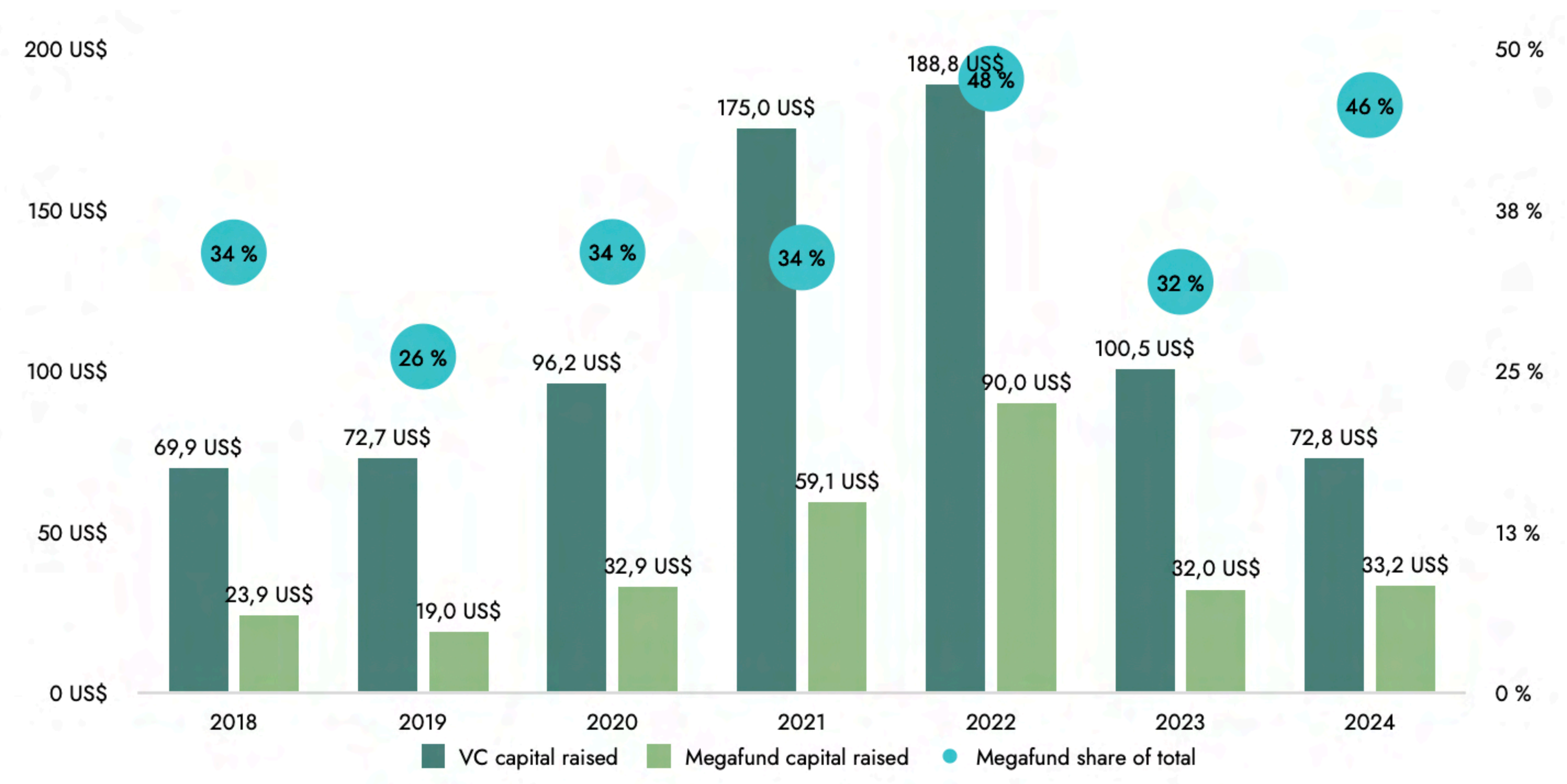


Data of both charts from PitchBook

VC Megafund Fundraising

One standout trend in the VC landscape is the resurgence of mega funds—those sized at $1 billion or more. After their share of total funding dipped to 32% in 2023, they made a strong comeback in 2024, capturing a commanding 46% of all VC capital raised.

US megafunds ($1B+) as a share of total VC capital raised ($B)



Data from PitchBook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Venture Business

SECTION 9

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This is a teaser version.
For the full report, visit Link.

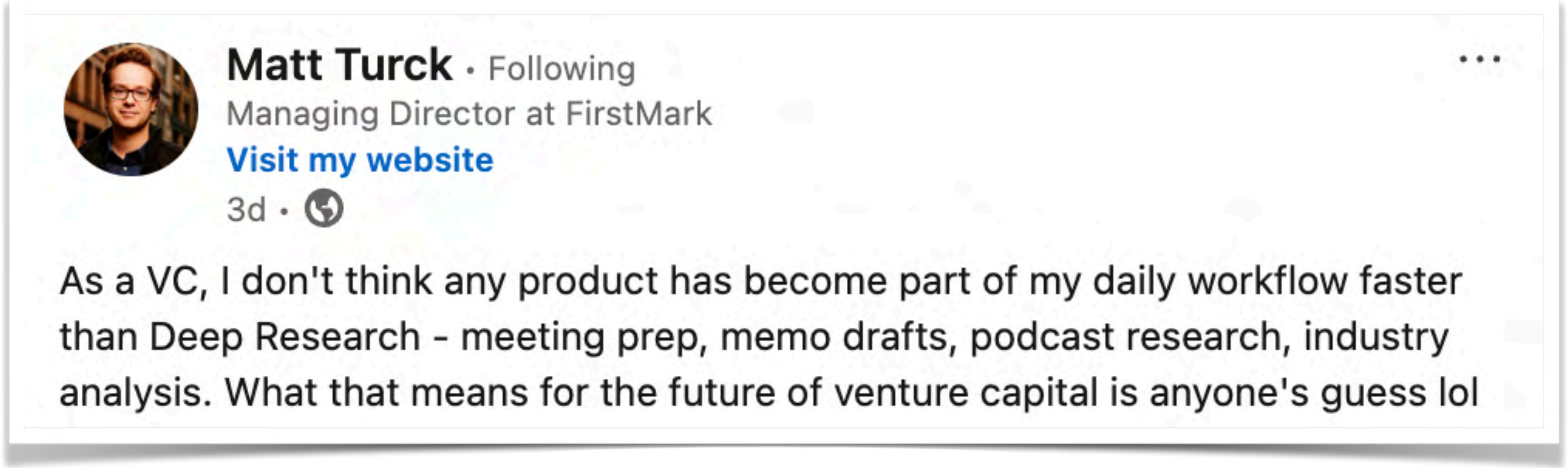
AI in VC

NEWS

Can AI Predict the Next Big IPO? Crunchbase Thinks So.

WSJ article
from Belle Lin dated Feb 19, 2025

- Each startup has thousands of potential signals like those pointing to whether they might be about to fundraise, be acquired or make a play for an initial public offering
- "If you deal with historical facts, once the AI absorbs it, it doesn't need you anymore," McConnell said. "Historical data companies are already dead."
- What's much harder to predict is when startups shut down, McConnell said. The company's accuracy rate for startups that fold is below 50%, he said, because companies can survive for a long time, even with slowed growth.
- Based on Crunchbase's own testing, its fundraising predictions are up to 95% accurate.


Matt Turck • Following
Managing Director at FirstMark
Visit my website
3d •

As a VC, I don't think any product has become part of my daily workflow faster than Deep Research - meeting prep, memo drafts, podcast research, industry analysis. What that means for the future of venture capital is anyone's guess lol

Click image for source post.

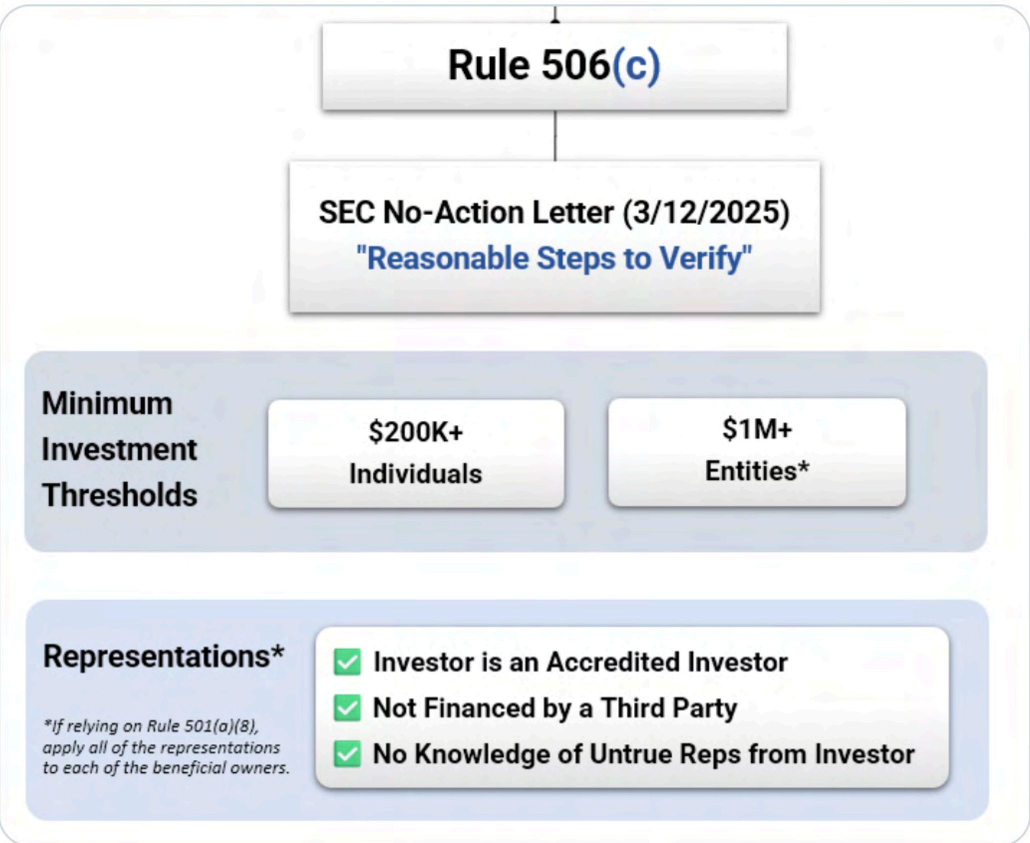
Legal Topics in Venture

Chris Harvey @ChrisHarveyEsq · Mar 16

SEC Simplifies Accredited Investor Verification for Rule 506(c)—Key Takeaways:

1 What happened?

• This past week, the SEC issued a no-action letter providing bright-line guidance on how funds can satisfy "reasonable steps to verify" accredited investors under Rule 506(c).



Chris Harvey @ChrisHarveyEsq · Mar 8

The Path Forward

One potential positive regulatory shift: NVCA's DEAL Act could gain traction under a new administration.

By classifying VC FoFs/2nd investments as "qualifying investments," federal law would ease restrictions around NQI allocations.

NEWS

Carried interest repeal could stifle investments in startups, NVCA says

TechCrunch article from Marina Temkin dated February 6, 2025

The tax break allows private equity and venture fund managers to treat their earnings from investments at a lower capital gains rate, rather than as ordinary income.

The removal of the tax break would be a big hit to the VC industry.

Nicholas Bird, CPA, CIA · 1st
Founder @ Stealth AI Startup | CPA, CIA
4d ·

"It's not about how hard you hit. It's about how hard you can get hit and keep moving forward."
— Rocky Balboa

Interest rates are hitting hard right now, with the new stabilized rate at >5%. How do you adapt to this new reality if you're a founder?

Be smart.

"I used to think cash management was something I'd professionalize when we hit $10M ARR. Now it's a core function from day one."

This founder sums up the new reality for startups in 2025's high-interest environment.

Michael Bjorn Huseby · Following
Investment Funds + Securities Attorney | Venture Capital, Real Estate, Pri...
Visit my website
2d ·

⚠️ Perennial warning for *Venture Capital* managers:

Under current law, VC funds must have at least 80% of their assets as primary investments in operating companies. Secondaries and fund-of-funds investments do *not* count. 🚫

If you manage entities that don't meet this 80% threshold, you may have blown your VC exemption under the Investment Advisers Act (and applicable state law).

This applies to SPVs too! VC managers should form secondaries SPVs with caution.

Your VC exemption is precious. Don't blow it. 💣

Click image for source post.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HERE

Thanks

Rohit Yadav
Author - The Big Book of VC