Cooley

Q2 2026 Venture Financing Report – Record $85.7 Billion Invested; Up Rounds Remain Strong

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Cooley handled 166 reported venture capital financings in Q2 2026, representing $85.7 billion of invested capital, driven by a large late-stage tech deal. Compared to Q1 2026, deal volume declined for Series Seed, Series B, Series D and later rounds, while Series A and Series C rounds increased. Overall invested capital more than doubled from Q1 2026, reaching the highest level recorded in the history of this report (since 2014), with invested capital rising across all stages.

Median pre-money valuations increased for Series Seed and Series B rounds but decreased for Series A, Series C, Series D and later rounds. Series B rounds showed the greatest increase, with the median pre-money valuation rising from $152.5 million in Q1 to $185.2 million in Q2. Series D and later rounds showed the greatest decrease, with the median pre-money valuation dropping from $2.4 billion in Q1 to $600 million in Q2. The percentage of deals with pre-money valuations above $100 million (across all stages) remained elevated, increasing from 41% in Q1 to 48% in Q2.

Up rounds decreased to 83.6% of deals, while flat rounds and down rounds increased to 4.3% and 12.1%, respectively. By comparison, Q1 saw 86.6% up rounds, 2.5% flat rounds and 10.9% down rounds.

Recapitalizations increased from 1.75% in Q1 to 1.81% in Q2, while the percentage of deals with pay-to-play provisions increased from 7% to 8.4%.

Liquidation preference structures remained favorable to companies, with 95.8% of deals having a “1x” liquidation preference, and 96.4% of deals having nonparticipating preferred stock. Redemption provisions decreased from 6.4% in Q1 to 5.4% in Q2, and accruing dividends increased from 2.3% in Q1 to 3% in Q2.

In PitchBook’s Q1 2026 Global League Tables, Cooley was ranked the #1 law firm in the US and globally for representing companies raising venture capital, a ranking the firm has held for more than six consecutive years. PitchBook also ranked Cooley #1 for deals overall in the US and globally based on company representation across venture capital financings, IPOs, M&A and private equity transactions.

Additionally, LSEG’s Global Venture Capital Review for Q1 2026 named Cooley the #1 firm for representing companies raising venture capital based on deal count. LSEG also named Cooley the #1 law firm for venture capital firm representations based on overall deal count and overall deal value.

Spotlight on technology

Tech company venture financing deal volume increased slightly, from 94 deals in Q1 to 95 deals in Q2. Invested capital doubled from $36.7 billion in Q1 to $73.9 billion in Q2. This increase in invested capital was primarily driven by one large late-stage tech deal that closed this quarter. The median reported deal size of venture financings for tech companies increased, from $18.5 million in Q1 to $30.5 million in Q2.

Spotlight on life sciences

Life sciences deal activity declined in Q2, with 27 reported deals and $1.1 billion of invested capital, compared to 32 reported deals and $1.8 billion of invested capital in Q1. Median reported deal sizes of venture financings for life sciences companies increased in Q2 to $25 million, compared to $22.2 million in Q1. The percentage of life sciences company venture financings structured in tranches increased from 28.1% of reported deals in Q1 to 29.6% of reported deals in Q2.