

Q4 2025 Venture Financing Report: Up and Flat Rounds Increased; Recapitalization, Pay to Play and Redemption Decreased

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Cooley handled 221 reported venture capital financings in Q4 2025, representing \$8.9 billion of invested capital. In Q4, deal volume decreased slightly across Series Seed, B, D and higher rounds, while Series C deal volume doubled since Q3. Overall, invested capital decreased significantly since Q3, driven in part by a single large late-stage tech deal that closed last quarter. Invested capital increased in Q4 for Series Seed, B and C deals, with Series C showing the largest increase – from \$466.5 million in Q3 to \$1.4 billion in Q4.

Median pre-money valuations increased across Series A, B and C rounds, but decreased for Series Seed, D and higher rounds. Series C showed the greatest increase, with the median pre-money valuation rising from \$175 million in Q3 to \$367 million in Q4. Series D and higher rounds showed the most significant decrease, with the median pre-money valuation dropping from \$1.3 billion in Q3 to \$800 million in Q4. The percentage of deals with pre-money valuations above \$100 million (across all stages) remained high and increased from 36% in Q3 to 39% in Q4.

The percentage of deals representing up and flat rounds increased, while the percentage of deals representing down rounds decreased. Up rounds represented 79.7% of deals, flat rounds represented 7.4% of deals and down rounds represented 12.8% of deals for Q4. This is compared to 77.3%, 3.3% and 19.3% for up, flat and down rounds, respectively, in Q3.

The percentage of deals involving a recapitalization decreased from 3% of deals in Q3 to 0.9% of deals in Q4. The percentage of deals with pay-to-play provisions decreased from 9.9% of deals in Q3 to 6.3% of deals in Q4.

Liquidation preference structures continued to remain favorable to companies, with 98% of deals having a “1x” liquidation preference, and 96% of deals having nonparticipating preferred stock. The percentage of deals with redemption provisions decreased from 4.3% in Q3 to 1.8% in Q4. Deals with accruing dividends increased from 3% in Q3 to 3.6% in Q4.

In [PitchBook's Q3 2025 Global League Tables](#), Cooley was named the #1 law firm in the US and globally for representing companies raising venture capital, a ranking the firm has held for more than five years consecutively. PitchBook also ranked Cooley #1 in the US for representing clients in venture capital financings, initial public offerings, M&A and private equity transactions. In addition, Cooley received #1 rankings for overall representation in venture capital financings across several industries and geographic regions, securing top spots in pharmaceuticals and biotech, healthcare services and systems, commercial products and services, and media. The firm received high rankings from PitchBook based on activity across all deal types, earning the #1 position for late-stage deals.

Additionally, LSEG's Global Venture Capital Review for the first nine months of 2025 named Cooley the #1 law firm for representing companies raising venture capital based on deal count. LSEG also named Cooley the #1 law firm for representing companies in private equity transactions based on deal count.

Spotlight on technology

The deal volume for tech company venture financings saw a decrease, down to 108 in Q4 from 125 in Q3. The amount of invested capital also decreased, from \$21.1 billion in invested capital for Q3 to \$5.5 billion in invested capital for Q4. Similarly, the average reported deal size of venture financings for tech companies decreased, from \$169 million in Q3 to \$50.6 million in Q4.

Spotlight on life sciences

In Q4, both deal volume and invested capital increased for life sciences companies, from 50 reported deals representing \$2.2 billion in invested capital in Q3 to 55 reported deals representing \$2.4 billion in invested capital in Q4. Reported average deal sizes for venture financings of life sciences companies decreased slightly in Q4 to an average of \$43.1 million, compared to \$43.5 million in Q3. The percentage of life sciences company venture financings structured in tranches decreased from 26% of reported deals in Q3 to 23.6% of reported deals in Q4.

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