

## Deal Count Increases and Invested Capital Down for Late-Stage Rounds; Valuations Rise and Pay-to-Play Reaches 10.1%

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Cooley handled 238 reported venture capital financings in Q2 2025, representing \$6.5 billion of invested capital. Deal count increased by more than 20% across all stages of financing compared to the previous quarter, with Series C showing the most significant increase, jumping from 15 deals in Q1 2025 to 21 in Q2 2025. Invested capital increased for Series Seed, A and B rounds but decreased in Series C and later stages.

Median pre-money valuations rose across all Series A and higher rounds. The most significant increase was in Series D and later, where the median pre-money valuation climbed from \$544 million in Q1 to \$855 million in Q2 2025. Series C rounds also rose from \$158 million to \$350 million. Series B and Series A rounds increased from \$132 million to \$163 million and from \$55 million to \$62 million, respectively. The percentage of deals with pre-money valuations greater than \$100 million (at all stages) remained high at 37% of deals in Q2 2025, up from 33% of deals last quarter.

In Q2 2025, the percentage of deals representing flat rounds increased while the percentage of deals representing up and down rounds decreased slightly. Down rounds represented 20.5% of deals, flat rounds represented 7.1% of deals and up rounds represented 72.4% of deals for Q2 2025. This compares to 20.3%, 5.9% and 73.7% for down, flat and up rounds, respectively, in Q1 2025.

The percentage of deals involving a recapitalization decreased from 2.7% in Q1 2025 to 1.7% in Q2 2025. The percentage of deals with a pay-to-play provision increased from 9.2% in Q1 2025 to 10.1% in Q2 2025. This is the largest percentage of deals with a pay-to-play provision in the history of this report (since 2014).

Liquidation preference structures continued to remain favorable to companies, with 98% of deals having a "1x" liquidation preference, and 95% of deals having nonparticipating preferred stock. The percentage of deals with redemption provisions increased during Q2 2025 while the percentage of deals with accruing dividends decreased. Deals with redemption provisions represented 4.2% of deals this quarter, up from 2.7% in Q1 2025. Deals with accruing dividends represented 2.5% of deals this quarter, down from 4.3% in Q1 2025 – the lowest percentage witnessed for this provision in this report's history.

In [Pitchbook's Annual Global League Tables for Q1 2025](#), Cooley was named the #1 law firm in the US and globally for representing companies in venture capital financings, a position the firm has held for more than five years consecutively. PitchBook further recognized Cooley as the leading life cycle firm, with a #1 ranking for combined US deals across venture financings, initial public offerings, M&A and private equity. The firm also placed #1 in overall representation in venture capital financings in several industry sectors and geographic regions.

Additionally, LSEG's Global Venture Capital Review for Q1 2025 named Cooley the #1 firm for company representations by deal count and the #1 firm for venture capital representations by deal value.

### Spotlight on technology

The deal count for tech company venture financings saw an increase to >116 reported deals in Q2 2025 compared to 94 in Q1 2025. Conversely, the amount of invested capital for tech company venture financings decreased significantly during the quarter from \$11.4 billion in invested capital for Q1 2025 – driven by a few large late-stage financings – to \$3.2 billion in invested capital for Q2 2025. This is the lowest amount of invested capital for tech company financings since Q4 2023. Similarly, the average reported deal size of venture financings for tech companies decreased significantly, from \$121 million in Q1 2025 to \$27.9 million in Q2 2025, though this gap appears to be largely attributable to massive outlier deals in Q1.

## Spotlight on life sciences

In Q2 2025, both deal count and invested capital increased for life sciences company financings, from 50 reported deals representing \$1.7 billion in invested capital in Q1 2025 to 57 reported deals representing \$2.2 billion in invested capital for Q2 2025. Reported average deal sizes for venture financings of life sciences companies also increased in Q2 2025 to an average deal size of \$37.9 million, compared to \$33.3 million in Q1 2025. The percentage of life sciences company venture financings structured in tranches increased to 33.3% of reported deals in Q2 2025, up from 28% of reported deals in Q1 2025, the highest percentage seen since Q3 2023.

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