2025

Deal Points Report: Venture Capital Financings

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Osler, Hoskin & Harcourt LLP

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Introduction

Welcome to Osler, Hoskin & Harcourt LLP's fifth annual comprehensive report on venture capital and growth equity financing transactions in Canada's emerging and high growth companies ecosystem.

In 2025, the Canadian venture capital ecosystem demonstrated continued resilience amidst evolving macroeconomic and geopolitical conditions. With the Bank of Canada easing interest rates four times throughout the year, bringing rates down from 3.25% to 2.25% by October of 2025, in notional terms, many internal economic variables within Canada improved compared to 2024 when interest rates hovered around 5% before starting to drop. However, 2025 also witnessed the most fundamental recalibration of U.S. trade policy in decades. Under the second Trump administration, U.S. trade policy shifted toward a multi-layered tariff regime that imposed significant tariffs on many U.S. trading partners and non-trading partners alike, setting off trade wars, disputes and a new wave of global economic uncertainty. Despite this broader geopolitical backdrop, data from the *Deal Points Report* indicate that investors deploying capital in Canada remained confident throughout the year with strong financing activity, bolstered by the emergence of artificial intelligence (AI) as a key driver of deal flow and capital deployment.

Osler's 2025 *Deal Points Report* captures 140 preferred share financings, drawing on transactions on which Osler acted, and reflects continued strong activity in the Canadian venture market. As noted above, the year saw a marked increase in AI investments, with AI companies accounting for 54% of all capital invested in the underlying financings, a jump from 26.4% in 2024. Total capital invested in financings covered by the *Deal Points Report* reached approximately US$4.5 billion, surpassing 2024 and marking the highest investment level, for deals on which Osler represented a client, in the five-year period covered by the report. Series C and Series D and beyond financings represented a significant portion of 2025 capital deployment, with approximately US$1.4 billion and US$2 billion, respectively, invested in later-stage companies.

As in 2024, the year also saw significant investment in new opportunities within the Canadian venture space, as early-stage financings (i.e., Seed and Series A stages) again represented 70% of all financings captured by this year's *Deal Points Report*. Seed stage financings represented 40% of all financings in 2025, while Series A financings represented 30%. It remains clear that investors are continuing to make long-term bets on exciting companies with good prospects, strong existing or potential economics, product-market fit and exceptional founders.

Turning to the Canadian emerging and high growth companies ecosystem itself, we continued to see robust venture financing activity across the country. Ontario (45.7% of deals; 60.8% of invested capital) remained the dominant hub for venture activity, followed by Québec (21.4% of deals; 12.8% of invested capital) and British Columbia (12.9% of deals; 16.5% of invested capital). The Prairie provinces maintained a strong growth trajectory, representing 12.9% of all financings in 2025, but accounted for only 4.9% of invested capital, implying that many financings in these geographies are still earlier stage. Investments in AI (23.6%) and health/life sciences (23.6%) continued to see material increases in representation within the data the *Deal Points Report* captures, with AI companies representing the largest single industry category by both number of deals and dollars invested.

The data in the *Deal Points Report* show that terms in Canadian venture financing transactions continue to maintain their alignment with the Canadian Venture Capital and Private Equity Association (CVCA)/U.S. National Venture Capital Association (NVCA) model financing documentation — 96.8% of financings used CVCA/NVCA-based forms. This alignment is also reflected in the recently published Osler Series Seed Financing Templates, which are closely based on the NVCA models and adapted for use in Canada. Learn more about the Osler Series Seed Financing Templates.

About the 2025 Deal Points Report

This year's release of the *Deal Points Report: Venture Capital Financings* synthesizes data from 686 venture capital and growth equity preferred share financings completed by Osler from 2021 to 2025, representing more than US$15.2 billion in total transaction value. New for 2025, the *Deal Points Report* also captures expanded data on convertible securities (both Simple Agreements for Future Equity (SAFEs) and convertible promissory notes). This portion draws on 240 convertible securities financings completed by Osler in 2024 and 2025, representing over US$1.3 billion in total transaction value. Together with the US$15.2 billion in preferred share financings mentioned above, the *Deal Points Report* covers approximately US$16.5 billion in aggregate transaction value. These 686 preferred share financings and 240 convertible securities financings represent a sample of Osler's broader financing deal volume.

This significant level of transaction volume, combined with Osler's position as the preeminent Canadian legal advisor to clients in the emerging and high growth companies space, underpins our ability to produce a publication such as the *Deal Points Report*. In the LSEG (formerly Refinitiv) *Global Private Equity Legal Review: Full Year 2024*, for example, Osler was ranked as the #1 Canadian legal advisor to venture-backed companies based on round value and number of rounds. Osler was also ranked as the #1 Canadian firm for venture capital deals across several categories in the *2025 PitchBook Annual Global League Tables*. In addition, the firm's expertise is acknowledged in the 2026 *Chambers Canada* rankings: Osler is the longest standing Canadian firm to rank as Band 1 for Startup & Emerging Companies; the two Co-Chairs of the Emerging and High Growth Companies Group are the only Band 1 ranked lawyers in the country; and the firm has the largest number of ranked lawyers in Canada.

In January 2026, Osler made its Series Seed Financing Templates available to the public. These templates build on the firm's established financing precedents, developed and refined across a large volume of venture capital transactions, which have both shaped and been shaped by the Canadian startup ecosystem. The public versions align with the current version of the U.S. NVCA model documents, while remaining grounded in Canadian law and market practice, and reflect a consensus across our offices on Canadian market standards. The result is a practical, market-tested starting point that supports efficient early-stage financings and cross-border investment. We made these templates freely available to support the Canadian venture ecosystem and also to complement the *Deal Points Report* by applying a similarly broad market perspective on a forward-looking basis.

The *Deal Points Report* is unique within the Canadian market as it does not rely solely on publicly available information or third-party submitted data. Instead, it draws on Osler's confidential anonymized data sources from its transactions, providing readers with deeper, more comprehensive financing-related insights that go beyond what can be gathered from publicly available data sources; notably, the *Deal Points Report* includes data on important markets such as British Columbia (the data from which are often excluded from other reports, as the province does not make terms publicly available). Osler publishes the *Deal Points Report* on the basis that information from non-public sources — including financing-related data extracted from term sheets, share purchase agreements, shareholder agreements, secondary transaction documents and convertible securities — should be available to all stakeholders within the emerging and high growth companies' ecosystem. As all data presented in the report are drawn from financings Osler completed across the country, the authors are able to interpret and contextualize the data with the benefit of first-hand exposure, thereby producing meaningful insights and reliable conclusions.

One of the unique features of the *Deal Points Report* is that it provides an opportunity to profile some of Osler's clients and to share their stories, including how they raised and deployed capital in 2025. We are grateful for the support and trust of these clients, and of the firm's clients more broadly. At Osler, we represent emerging and growth-stage companies and the investors that invest in them across a broad range of knowledge-based industries and throughout their life cycle, providing legal advice on a wide array of issues and requirements along the way. We are proud to play a role in these journeys, which in turn form part of a broader narrative: the continued growth and resilience of Canada's emerging and high growth companies ecosystem, which creates jobs, promotes innovation and attracts significant domestic and international investment.

Certain data points that we consider relevant to the market did not make it into this year's publication. We expect to continue to expand and refine the scope of the report in future releases. In the meantime, we welcome discussions with clients and market participants regarding the findings in this year's publication. Additional insights are available through our on-demand webinar, where members of Osler's Emerging and High Growth Companies Group, including Co-Chairs Chad Bayne and Mark Longo, discuss the findings from this year's report, alongside Ashley Neville, Director of Insights at Carta.

Osler's emerging and high growth clients share their success stories

For more than a decade, Osler has served as counsel to some of Canada's most innovative startup founders and growth-stage investors.

Watch their success stories

Highlights from the Deal Points Report

- The number of up rounds in 2025 increased to 76.3% (compared to 73.4% in 2024 and 58% in 2023). The number of down rounds decreased to 11.3% (compared to 14.7% in 2024 and 15.9% in 2023) and the number of flat rounds was 12.5% (compared to 11.9% in 2024 and 26.1% in 2023).
- For the first time in 2025, Series D and beyond financings reached double digits, representing 10% of all Canadian financings (but 43.6% of all dollars invested), up from 2% in 2022. Early-stage financings (Series Seed and Series A) continued to dominate the Canadian investment landscape in 2025, representing 70% of all financings closed (but only 15.9% of capital invested).
- Companies in the information technology and AI industries collectively represented 40.7% of all financings captured by the *Deal Points Report* in 2025. AI companies represented 23.6% of the number of financings completed in 2025 and 54% of all capital invested in 2025. Health/life sciences continued to represent an important industry for venture investment in Canada, representing 23.6% of financings (but only 6.2% of capital invested), matching AI as a category by deal count.
- In 2025, Ontario, Québec and British Columbia had the highest concentration of financings completed and capital invested. Ontario represented 45.7% of all deals and 60.8% of capital invested. Québec represented 21.4% of deals and 12.8% of capital invested. British Columbia represented 12.9% of deals and 16.5% of capital invested.
- The percentage of companies covered in the *Deal Points Report* that were founded by women increased to 22.1% in 2025 (relative to 21.3% in 2024 and 15.6% in 2021); the percentage of the total dollars invested in those financings increased to 22.6% (representing US$1,016 million in invested capital) relative to 12.1% in 2024.
- In 2025, 96.8% of the financings covered by the *Deal Points Report* used forms generally based on CVCA/NVCA model financing agreements, reflecting the continued market standardization of venture financing documentation in Canada. Consistent with this, and in an effort to further align the Canadian market with Silicon Valley standards, Osler published its Series Seed Financing Templates based on the NVCA models and adapted for use in Canada.
- In 2025, secondary transactions continued to be part of the financing landscape. Series C financings saw the highest percentage of secondary components (60% of all Series C financings included a secondary component), while 28.6% of Series D and beyond financings included a secondary component.
- Standard venture terms remained consistent in 2025, including *pari passu* liquidation preferences (79.6%), 1x liquidation preferences (93.6%), non-participating preferred shares (96.8%), non-cumulative dividends (95.8%), broad-based anti-dilution (100%) and limited redemption rights (7.4%).

- Post-money SAFEs accounted for 90.7% of SAFEs in 2025, up from 81.2% in 2024; further aligning the Canadian market to Silicon Valley standards.
- In 2025, 56.6% of SAFEs included both a discount and a valuation cap, up from 49.3% in 2024; 9.4% included only a discount, 32.1% only a valuation cap and 1.9% included neither (i.e., MFN (most favoured nation) SAFEs).
- Median interest rates for convertible promissory notes were approximately 8% in both 2024 and 2025, with averages generally aligned.

Methodology and background

- The *Deal Points Report* consists of a review of (i) 686 preferred share financings, from Series Seed through Series D financings and beyond (completed by Osler clients between 2021 and 2025) and (ii) 240 convertible securities financings (completed by Osler clients in 2024 and 2025).
- These financings include a small representation of financings involving a U.S. company where one of the firm’s Canadian offices was engaged in the matter.
- Common share financings were excluded.
- The total value of investment across all the financings covered by the *Deal Points Report* was US$15.2 billion for preferred share financings and US$1.3 billion for convertible securities financings, including US$4.5 billion in preferred share financing activity and US$744.3 million in convertible security activity in 2025. For reference purposes, the transactions captured by the *Deal Points Report* capture a significant portion of the C$8 billion in financings (571 transactions) that the CVCA reported closed in Canada in 2025.
- Osler was company counsel in approximately 71.9% of the financing transactions included in the *Deal Points Report* and investor counsel in approximately 29.1% of these financings.
- Osler collected and anonymized data from both public (where documents such as company articles are publicly filed) and non-public financing documents related to these transactions, including term sheets, articles, share purchase agreements, shareholder agreements, secondary transaction documents and convertible securities.
- Data on preferred share financings covered in the *Deal Points Report* span a five-year period (2021–2025), while data on convertible securities cover a two-year period (2024 and 2025).
- The *Deal Points Report* is divided into five sections: General overview of preferred share financings; Valuation and investment intelligence: preferred share financings; Financing structure intelligence: preferred share financings; Financing terms intelligence: preferred share financings; and Convertible securities intelligence.

- All dollar amounts for financing transactions that were not actually denominated in USD were converted into USD based on the applicable foreign exchange rate published by the Bank of Canada on the closing date of the applicable financing. To the extent that the closing date of such a financing transaction occurred on a holiday or a weekend, the applicable dollar amount was converted into USD based on the applicable foreign exchange rate published by the Bank of Canada on the next business day.

- While the *Deal Points Report* draws on a dataset that includes 240 convertible securities financings, for the purposes of the sections related to convertible promissory note interest rates, convertible promissory note terms (months), convertible promissory note discount rates, SAFE discount rates and valuation caps by series (convertible promissory notes and SAFEs), the analysis is limited to transactions for companies that completed up to and including a Series Seed priced financing round. Convertible securities transactions following later-stage priced rounds are more highly negotiated and bespoke, resulting in reduced comparability across deals. Accordingly, these transactions are excluded from these sections to preserve the consistency and benchmarking value of the reported data. However, for other data points that are less affected by the issuer's stage (e.g., total number of convertible securities financings and dollars raised; SAFE vs. convertible promissory note, by industry; and amendment thresholds), the full dataset of 240 transactions is included.

About Osler's Emerging High Growth Companies Group

The Emerging and High Growth Companies Group at Osler is composed of individuals who are passionate about entrepreneurship and fostering the development of early- and growth-stage ventures. Osler is the longest standing Canadian law firm ranked Band 1 in *Chambers Canada*, and our team members in our Toronto, Vancouver, Montréal, Ottawa and Calgary offices are eager to share their experience and insight with emerging companies to help maximize their development and ensure long-term success.

We represent entrepreneurs and emerging and growth-stage companies nationwide from a broad spectrum of knowledge-based industries, supporting them from incubation through their growth trajectory, as well as the venture capital funds, growth equity funds and private equity funds that finance them. We provide legal advice on a wide range of issues and legal requirements that emerging and high growth ventures face, from corporate and tax structuring, to fundraising and shareholder agreements, to intellectual property strategies and employment- and compensation-related matters — all of which require a deep understanding of the market and expert counsel.

Osler acts for more than 2,500 early-, growth- and late-stage ventures and venture investors across Canada, in the United States and around the world. In 2025, Osler advised on a significant number of venture financing transactions, including preferred share financings, convertible promissory note financings and SAFE financings, 250 of which are showcased in the data forming the basis for this *Deal Points Report*.

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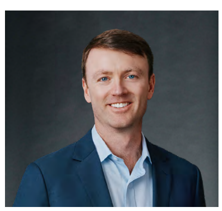

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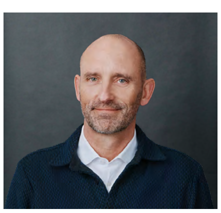

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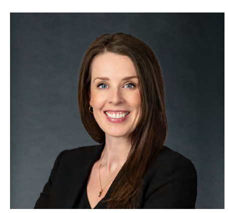

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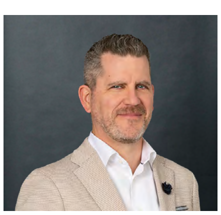

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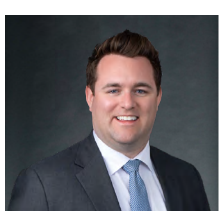

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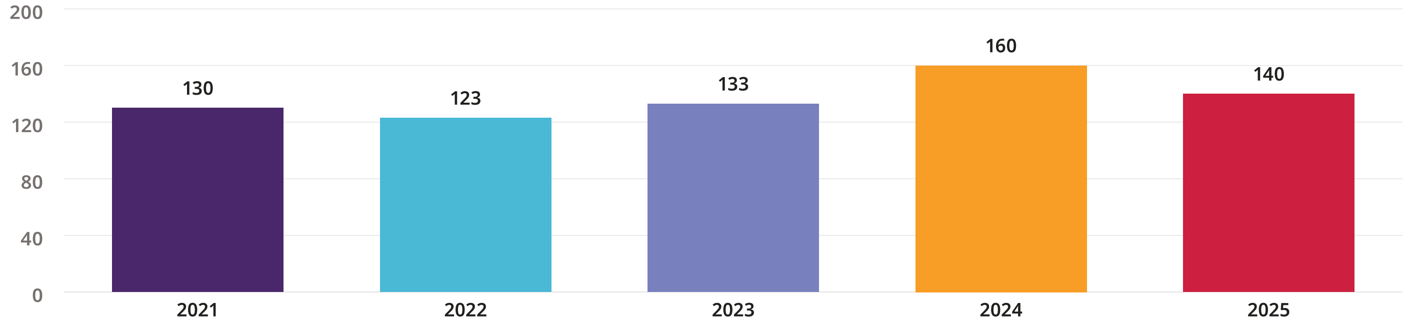
General overview of preferred share financings in the Deal Points Report

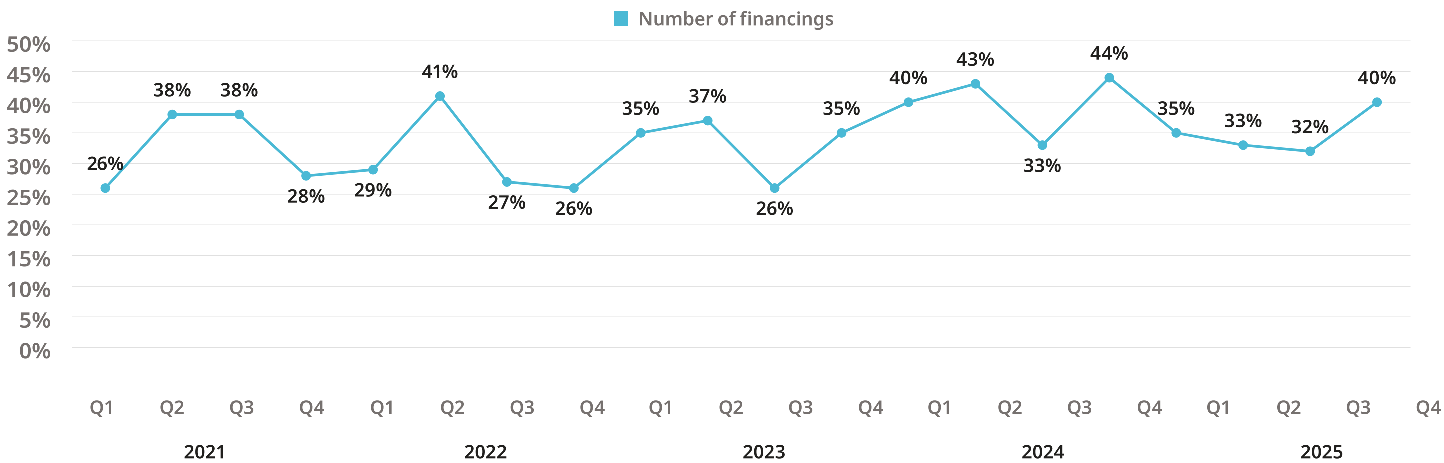
Total preferred share financings, by year

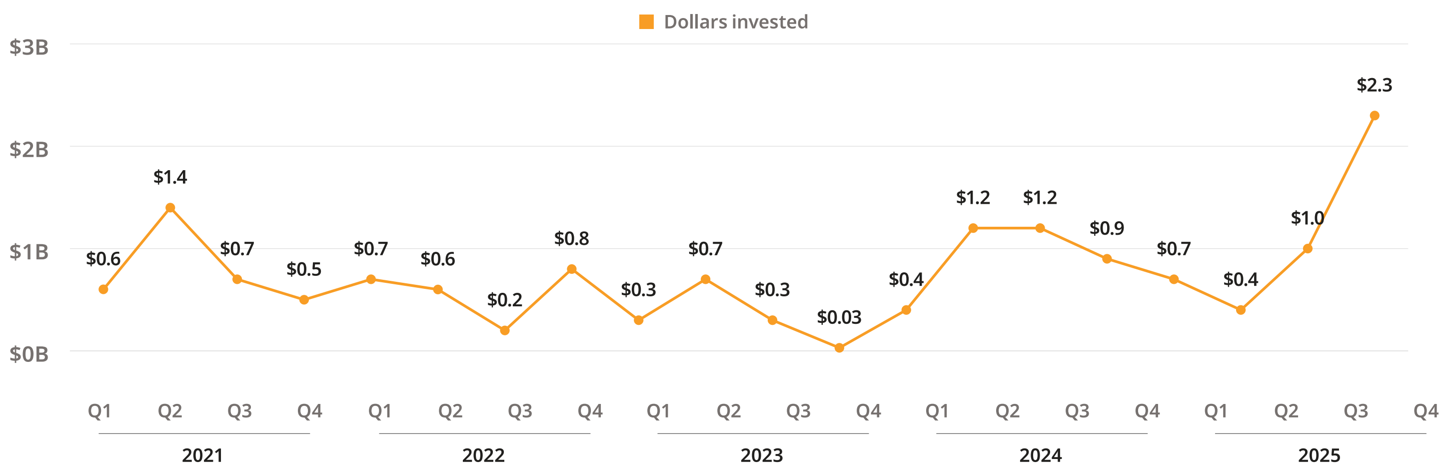
In 2025, Osler represented 140 clients on preferred share financings, a 12.5% decline from 2024, closely tracking broader Canadian venture market activity. The CVCA similarly reported a 12% decline in total venture financings completed in Canada in 2025 (649 to 571 deals). Despite lower deal volume, aggregate deal value in Osler-led financings increased by approximately 22% year-over-year, from US$3.74 billion to US$4.5 billion.



Total preferred share financings, by quarter

In 2025, there was a relatively even distribution in the number of financings that closed in each quarter: 35 financings in Q1 (25.0%), 33 in Q2 (23.6%), 32 in Q3 (22.9%), and 40 financings in Q4 (28.6%), seeing the highest number of financings in 2025. When looking at the dollars invested, consistent with the data reported by the CVCA, a different story emerges, where Q4 saw a disproportionate amount of investment dollars (US$2.3 billion, representing 51.7% of the total deal value), followed by Q3 (US$1 billion, representing 22.4% of total deal value). Q2 saw the lowest investment amount (US$0.4 billion, representing 9.7% of total deal value).



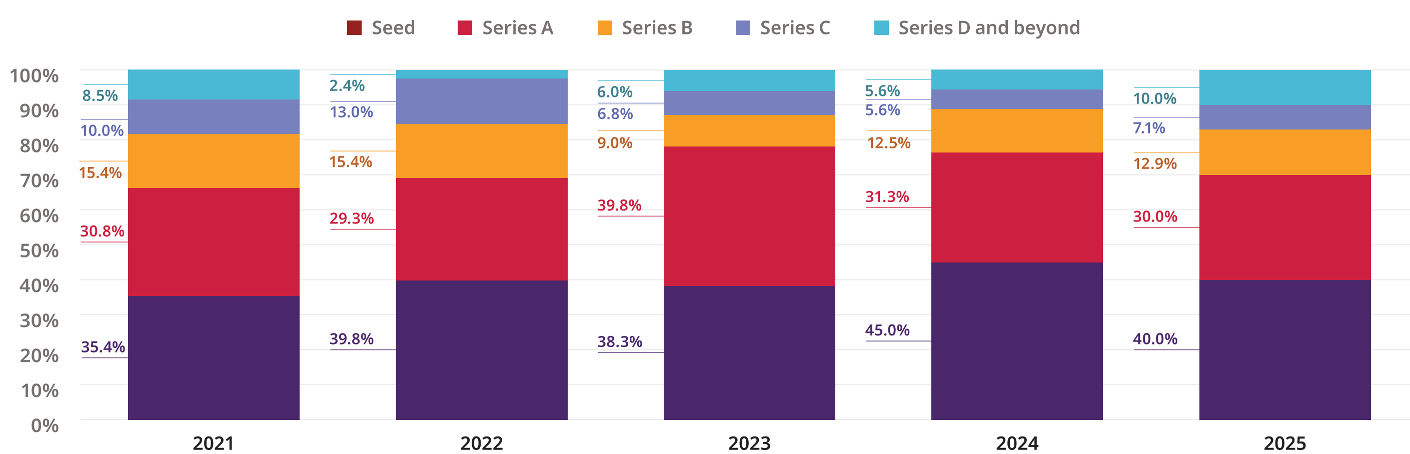


Number of financings, by year and by series

Consistent with prior years, early-stage financings continued to dominate the number of Canadian financing rounds completed in 2025 (Seed — 40%; Series A — 30%). Despite this concentration, Seed and Series A rounds represented only 15.9% of total dollars invested in 2025. For the first time in 2025, Series D and beyond financings reached double digits, representing 10% of all financings completed and 43.6% of total dollars invested (US$1.96 billion), indicating ongoing portfolio maturation.

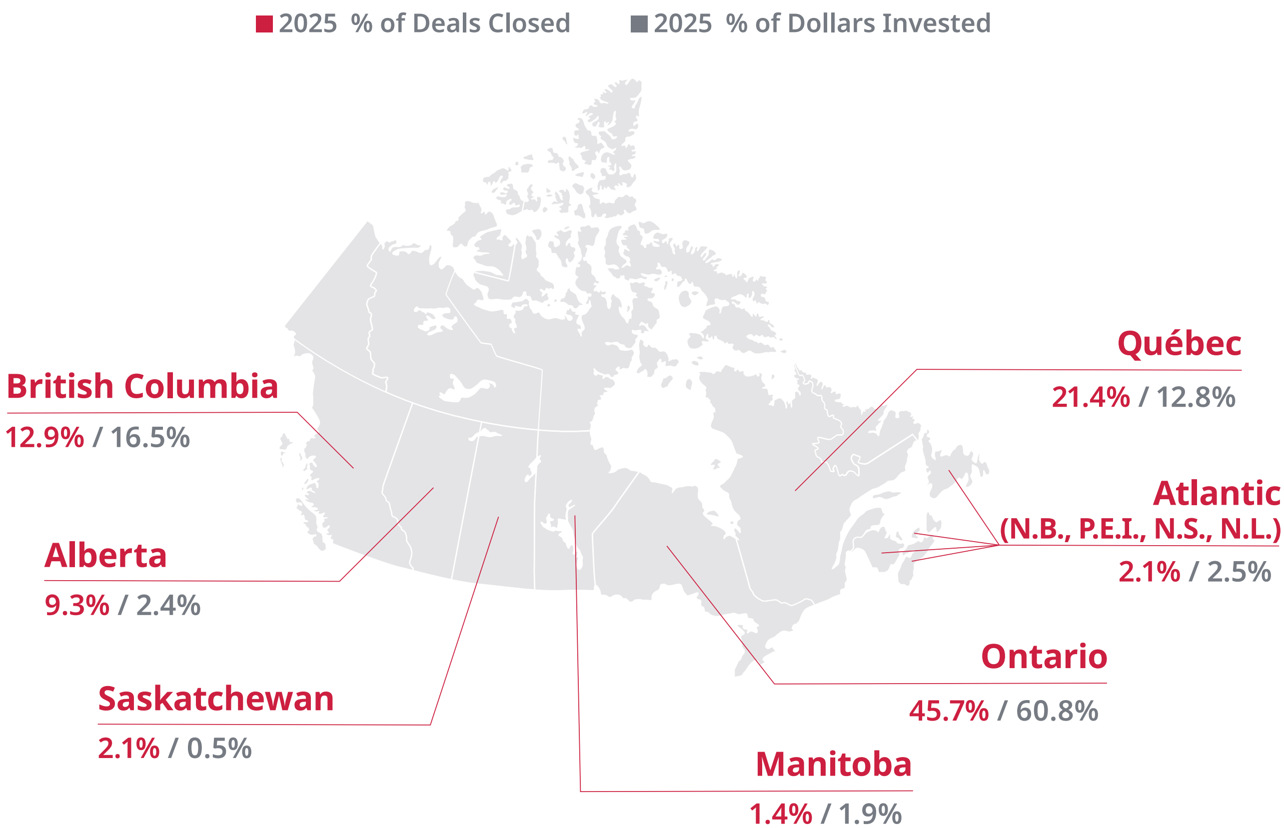
In terms of industry distribution, AI transactions were consistently represented across all stages, accounting for 21% to 30% of financings from Seed through Series D and beyond. This made AI the most evenly distributed sector in 2025, reflecting both sustained investor participation across the life cycle and continued progression of AI companies through successive financing stages rather than concentration at earlier rounds.

By contrast, cleantech companies were concentrated at the Series A stage (28.6%) and were not represented in Series D and beyond financings, while consumer/retail companies did not complete any financings beyond Series B in 2025.



Location of companies

The diagram below displays the location of companies that completed a financing round covered by the *Deal Points Report* in 2025, including both the percentage of deals completed and the percentage of dollars invested in each province. As in prior years, venture financings were concentrated in Ontario, Québec and British Columbia. Ontario represented the largest number of financings in 2025 (45.7% of financings and 60.8% of dollars invested). Québec represented 21.4% of all rounds closed and 12.8% of all dollars invested. British Columbia represented 12.9% of deals and 16.5% of all dollars invested. The Prairie provinces continued to demonstrate growth, representing 12.9% of the financings closed in 2025. Interestingly, the average Ontario deal size increased from US$20 million in 2024 to US$42.7 million in 2025, driven by a higher concentration of later-stage financings by Ontario-based companies. Finally, the year saw a modest increase in activity in the Atlantic provinces (2.5% of total dollars invested), although this activity was concentrated in two large later-stage financings.

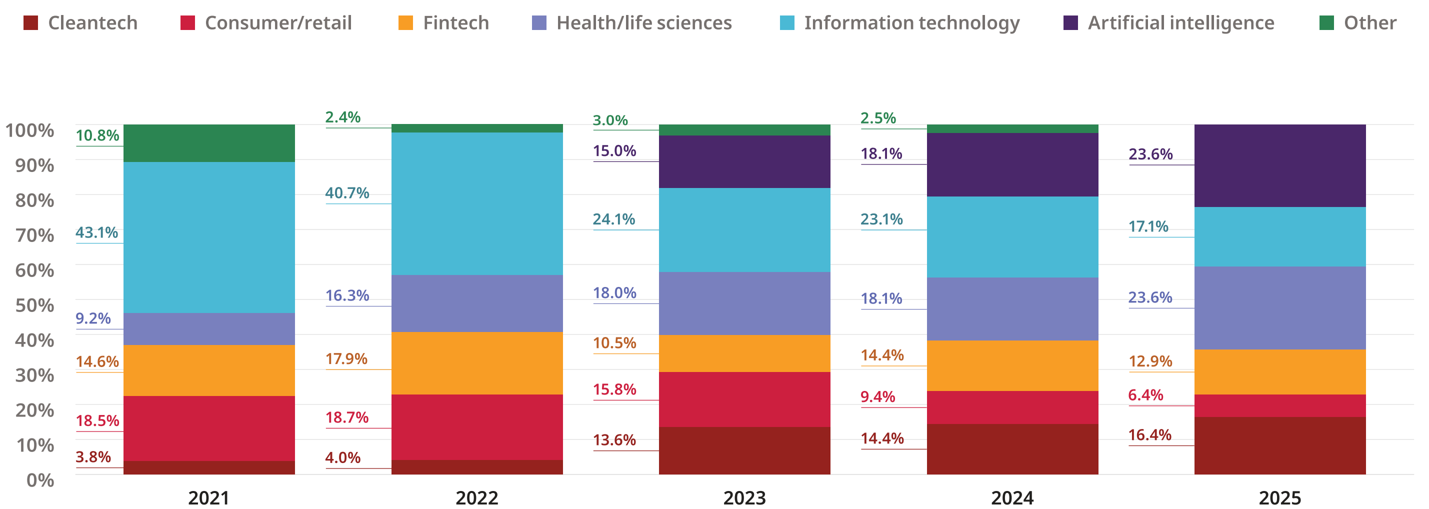


Company distribution by industry, by year

The financings included in the *Deal Points Report* were for companies distributed across a range of industries:

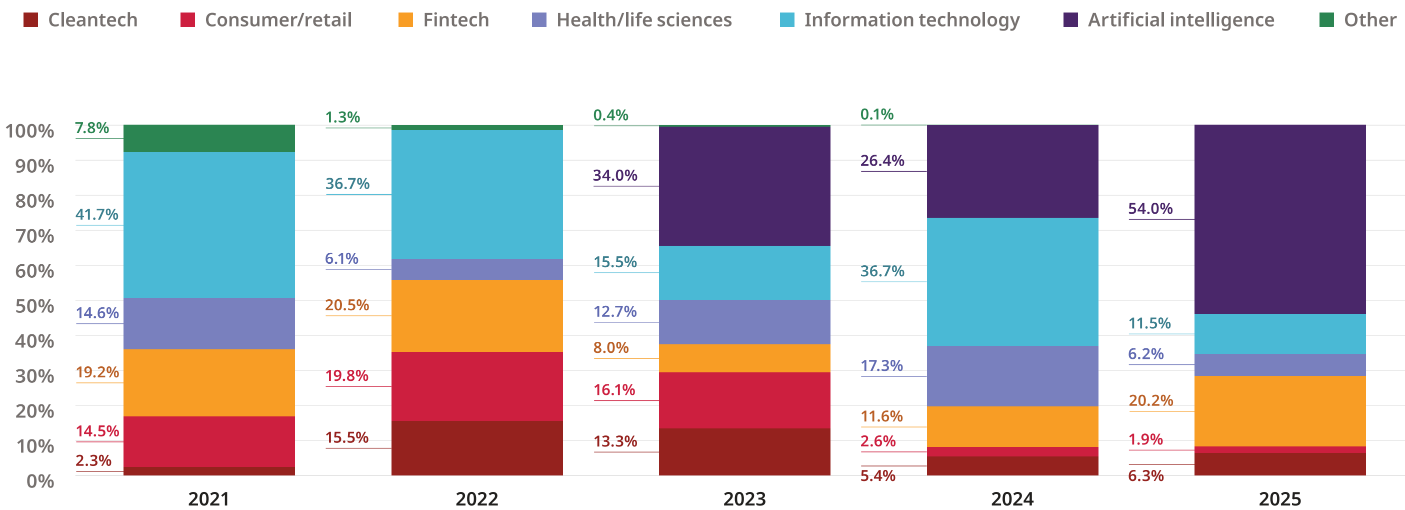
- AI (reported as a separate category since 2023)
- cleantech
- consumer/retail (including supply chain, logistics and consumer retail)
- fintech
- health/life sciences
- information technology (including blockchain, adtech, edtech and cybersecurity); for years prior to 2023, AI companies were included within this category
- other (industries which do not reasonably fit within the foregoing industry categories)

In 2025, AI emerged as a leading industry, representing 23.6% of all financings completed. Information technology represented 17.1% of financings, down from 23.1% in 2024 and 24.1% in 2023, alongside a broader shift in the technology and venture ecosystem toward AI. Cleantech continued its growth trajectory, representing 16.4% of 2025 financings (up from 14.4% in 2024).



Deal value distribution, by year

This chart illustrates the overall representation of industries based on series of financing, by deal value, from 2021 to 2025.



AI experienced strong growth in 2025, increasing from 34.0% in 2023 to 54.0% of all dollars invested in 2025 (representing 23.6% of all deals). In 2025, the Canadian market saw an all-time high for dollars invested (US$4.5 billion), which can be largely linked to increased investment in AI, with an increase of US$1.4 billion from 2024. Information technology, which was the leading sector by deal value in 2021 at 41.7% (noting that this figure includes AI, which was then included within the category), has fallen to 11.5% in 2025 as the composition of venture activity has shifted toward AI, including instances of legacy information technology companies transitioning toward AI.

Information technology was historically the dominant sector. In 2025, information technology represented just 17.1% of deals and 11.5% of capital invested. Even when tracking the data from 2023 when AI was separated from the information technology category, there has been a steady decline in information technology deal share, from 24.1% in 2023 to 23.1% in 2024 and 17.1% in 2025. This reflects a broader trend of capital migrating toward AI, as investors increasingly categorize a wider set of technology opportunities as AI opportunities, and show a preference for AI-native companies relative to traditional software and infrastructure businesses.

Fintech investment has fluctuated over the period covered by the *Deal Points Report*, reaching a low in 2023 (8%; US$125 million in total investment) and a record high in 2025 (20.2%; US$906 million in total investment), an approximately 625% increase over a two-year period. Average deal size also increased over the same period, from US$8.9 million to US$50.4 million, making fintech the second-largest average deal size behind AI.

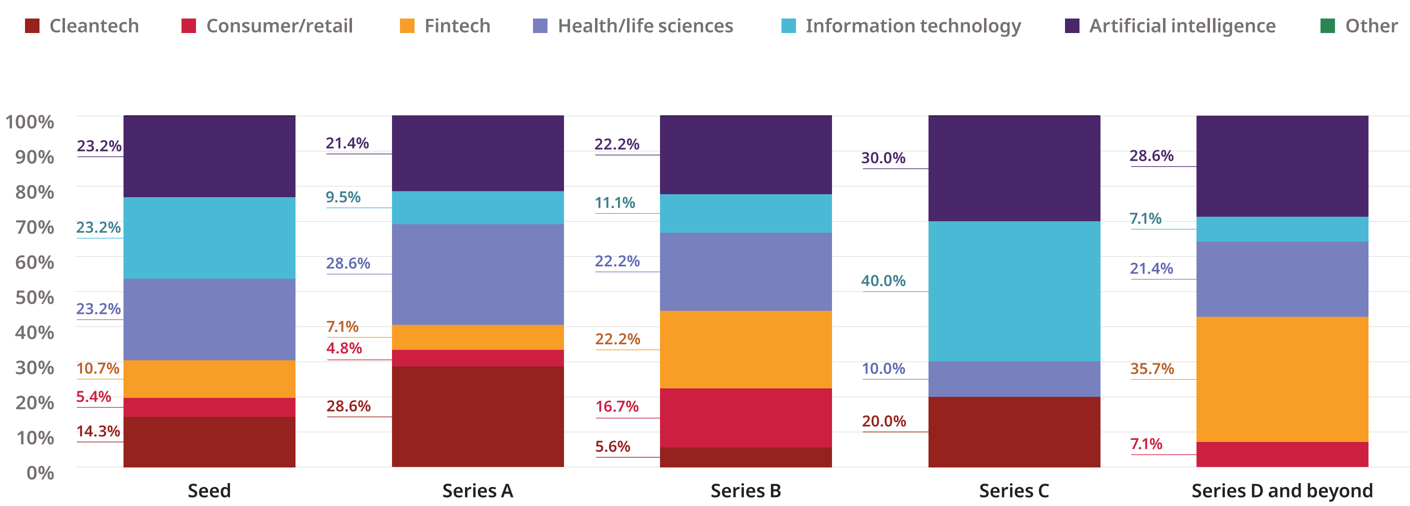
Health/life sciences has shown variability over the period covered by the *Deal Points Report*, ranging from 6.3% of all dollars invested in 2022 to 17.3% in 2024, before declining to 6.2% in 2025. In deal volume, however, the health/life sciences sector demonstrated continuous growth and relative stability over the period, ranging from 9.2% in 2021 to 16.3% in 2022, 18.0% in 2023 and 18.1% in 2024, and rising further to 23.6% in 2025 (similar in this respect to AI).

While AI continues to outpace other sectors in both deal share and average deal size, health/life sciences has remained relatively stable in average deal size, with only modest growth over the period from 2023 to 2025 (1% compared to 177% in AI). This divergence highlights a broader shift in investor focus toward AI-driven opportunities, while health/life sciences activity has remained comparatively steady but less capital-intensive.

Over the five-year period covered by the *Deal Points Report*, consumer/retail has experienced a significant decline in financings, with a 62.5% reduction in deal flow and an 81% reduction in capital since 2021.

Companies by industry, by series

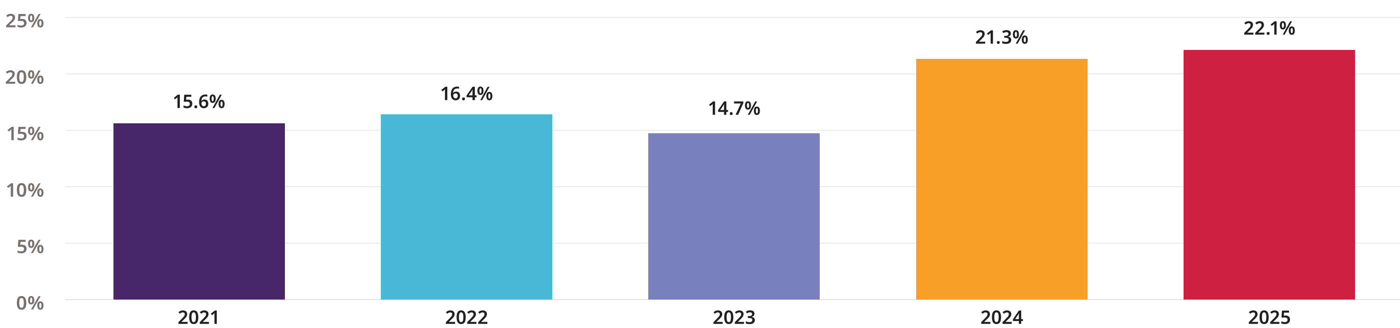
This chart illustrates the overall representation of industries based on financing stages, for 2025. The data show that AI companies represented a significant category of companies raising capital across all stages. AI was consistently represented across all stages (~20%–30% at each stage), illustrating that AI companies are successfully progressing through successive financing rounds, which indicates a more mature and sustained pattern of growth rather than a concentration of early-stage activity. Fintech was a clear standout in 2025, representing 35.7% of Series D and beyond financings (up from 2024 levels). Cleantech has a strong presence in early-stage financings, but had no deals beyond Series C.



Breakdown of women founders

In 2025, the percentage of women-founded companies that raised a financing round continued to increase, reaching 22.1% of all financings raised in 2025 (up from 21.3% in 2024 and 15.6% in 2021). Dollars raised by women founders also increased materially, doubling between 2024 and 2025 to reach US$1,016 million in 2025. This represents continued positive momentum for women founders in the Canadian venture ecosystem.

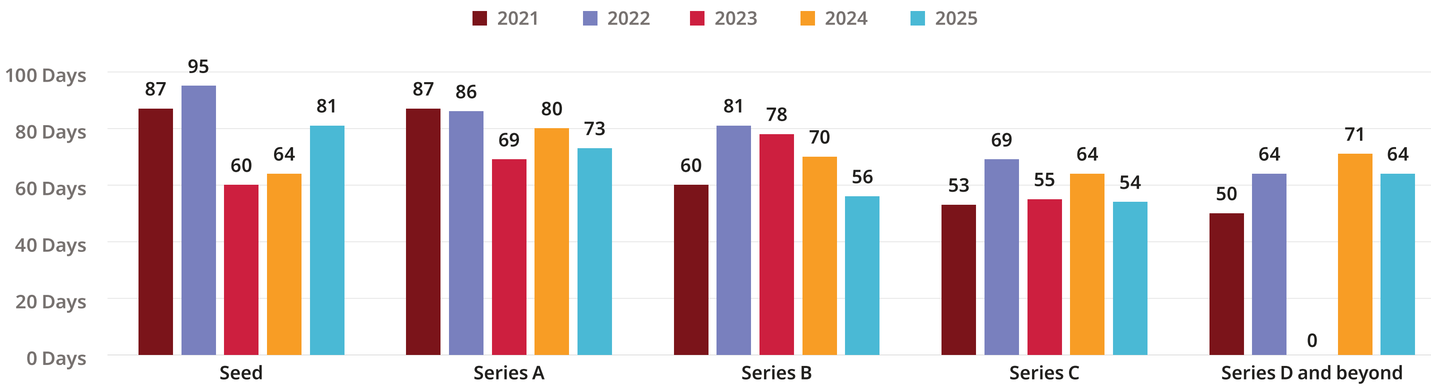
The underlying data in the *Deal Points Report* also show that women founders are represented across nearly every industry and at every stage of financing.



Osler supports women at all stages of building their companies by introducing them to our exceptional network of founders, established entrepreneurs and investors. Osler is a proud exclusive legal sponsor of Cap Inclusive's Femtech Breakfast Club, Women Funding Women and OBIO's Women in Health Initiative (WiHI) Breakfast Series. The firm also has a long-standing relationship with Women's Equity Lab. Learn more about Osler's programs for women founders, including links to prior webinar series.

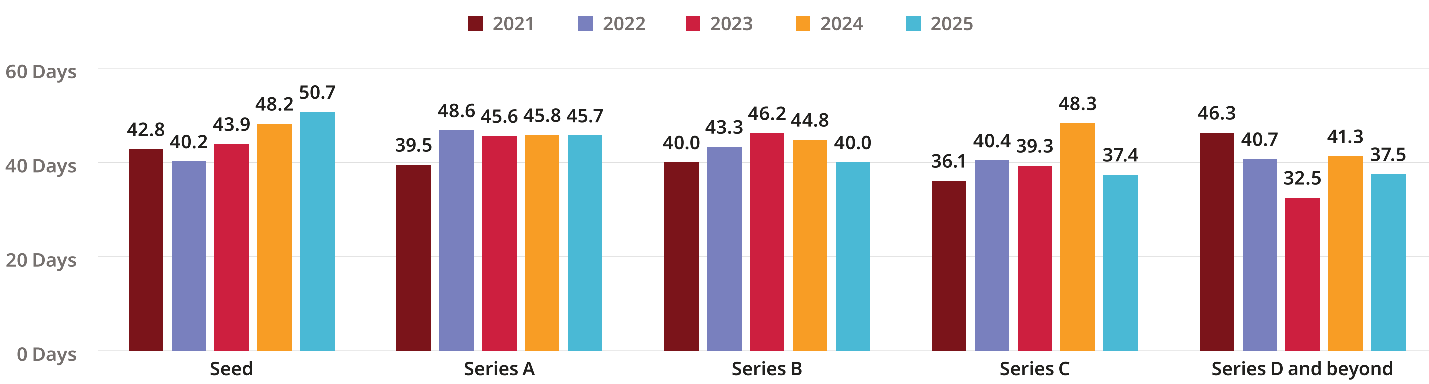
Average time between term sheet signing date and financing closing date (by series)

This chart illustrates the average time, in days, between the date on which a term sheet was signed and the initial closing of the related financing. The 2025 data show a "barbell" pattern: Seed rounds (average — 81 days) are taking longer to close, while Series B and C rounds (average — 56 and 54 days respectively) are closing faster as capital flows more efficiently toward later-stage companies with more established metrics. Series D and beyond rounds (average — 64 days) took longer, reflecting the greater complexity and larger number of investors typically involved in these transactions.



Financings with exclusivity provision, duration (in days) by series

In 2025, the data shows that exclusivity periods averaged 43 days across all stages, remaining broadly within our expectation of the typical market range of 30 to 45 days, with earlier-stage financings including slightly longer exclusivity periods than later-stage transactions.



A conversation with Raquel Urtasun of Waabi

Osler clients share their success stories.

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2

Valuation and investment intelligence: preferred share financings

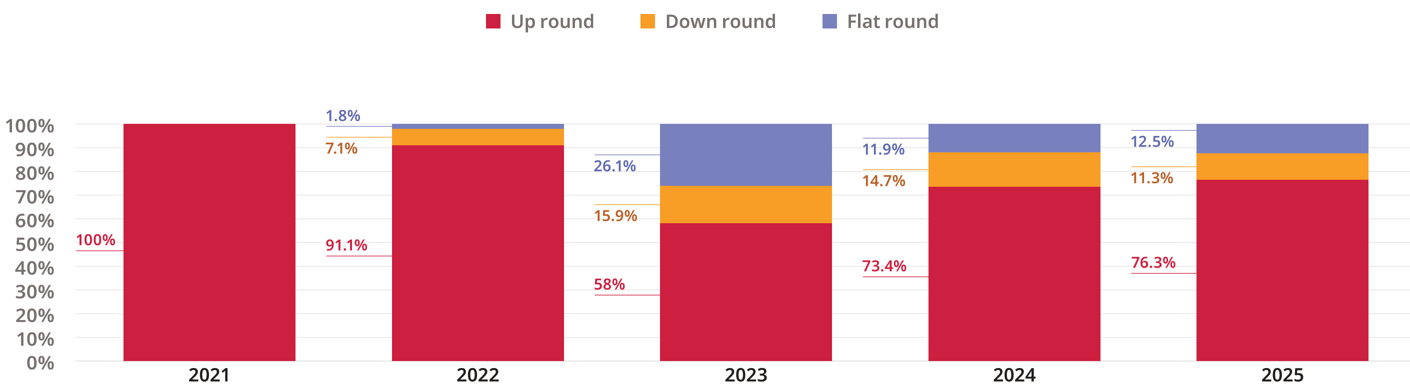
Valuation for financings, by year

This graph illustrates the breakdown of valuation direction for financings included in the *Deal Points Report*, categorized as up rounds, down rounds and flat rounds. In 2025, a healthier valuation environment prevailed as compared to the more difficult market through 2023 and 2024. The proportion of up rounds increased to 76.3% (from 73.4% in 2024), while down rounds declined to 11.3% — approaching 2022 levels (7.1%) and down from their peak in 2023 (26.1%). This shift toward a higher proportion of up rounds reflects continued strength in Canadian venture valuations. The U.S. saw a similar pattern, with down rounds representing approximately 13% to 15% of the market (returning to 2022 levels), alongside an increase in flat rounds (to ~13%).

At the industry level, AI companies experienced up rounds at nearly double the rate of any other sector, while representing only 11.1% of down rounds — further underscoring that AI companies in 2025 were operating in a fundamentally different valuation environment than VC-backed companies in other industries. Investors in 2025 were willing to pay a premium for AI, while other sectors faced greater scrutiny. Another outlier was consumer/retail, which represented only 4.9% of the up rounds, but a disproportionate 22.2% of down rounds. Fintech showed a similar pattern, accounting for 16.4% of the up rounds versus 22.2% of the down rounds, reflecting ongoing challenges from higher interest rates and tighter credit conditions.

Flat rounds have become a more established feature of the market, holding steady at approximately 12% since 2024. Before 2023, flat rounds were significantly less common, suggesting a structural shift toward valuation stability rather than downward resets. Cleantech companies accounted for 30% of all flat rounds, three times their share of up rounds — an indication that investors are maintaining positions without marking up valuations.

Analysis of the data based on financing stage revealed a recovery trend in later-stage financings, where both Series C and Series D financings saw a surge in the percentage of up rounds compared to 2024 levels (increasing by 45.5% and 57.3% respectively), as later stage valuations began to normalize. Despite this, Series D and beyond financings still had the highest incidence of down rounds (23.1%). Early-stage financings showed a different pattern: while there were no down rounds in Series Seed, 26.7% of Series Seed rounds were flat, indicating a recalibration at entry valuations. Series B emerged as the primary pressure point in 2025, where companies that may have raised at higher valuations at the peak of the market in 2021–2022 are now facing valuation corrections in 2025, resulting in the highest increase in down rounds of any series (up 67% compared to the 2024 levels; representing 16.7% of Series B financings).



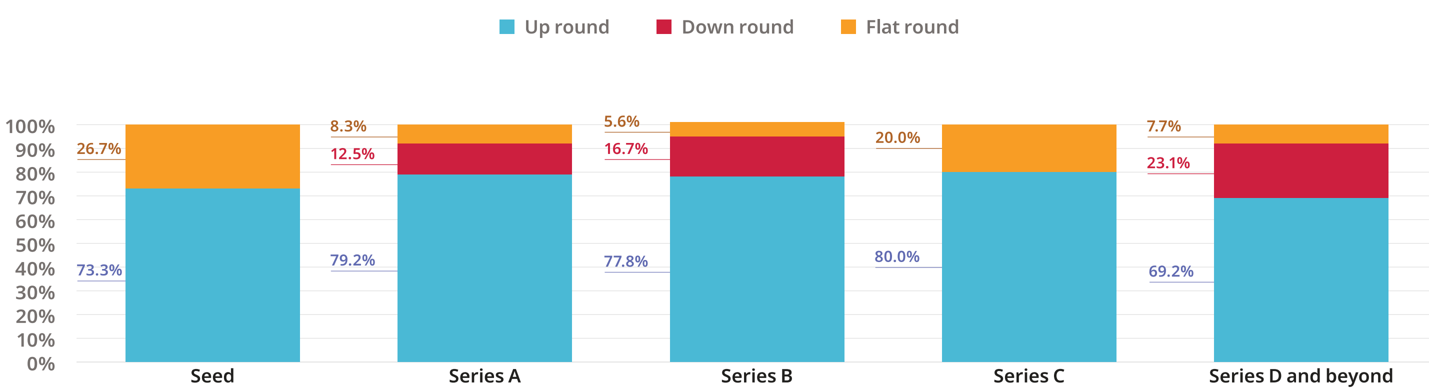
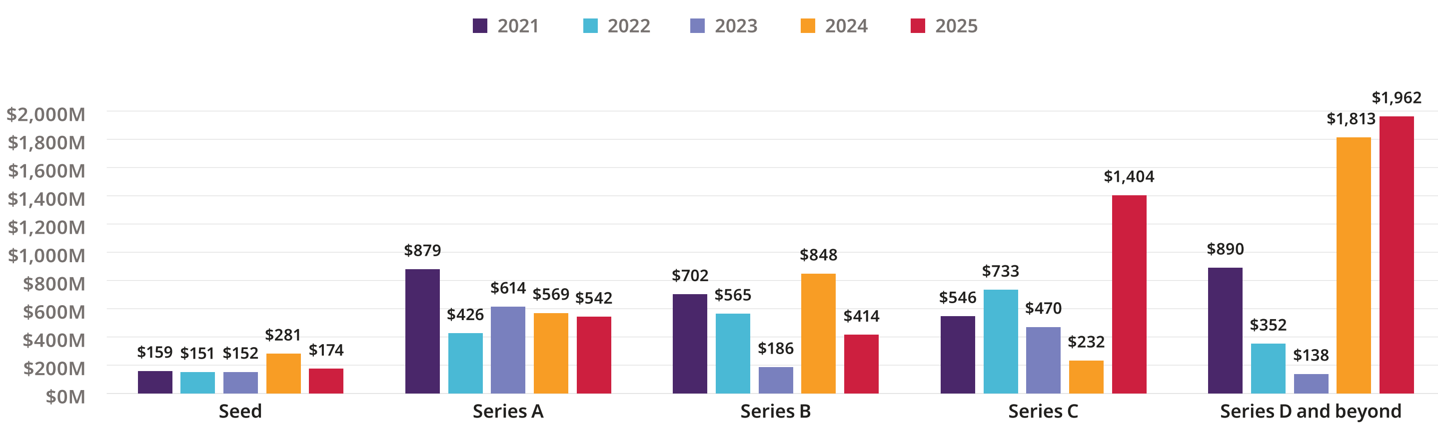


**chart shows 2025 data only*

Total investment amount, by series (in millions of USD)

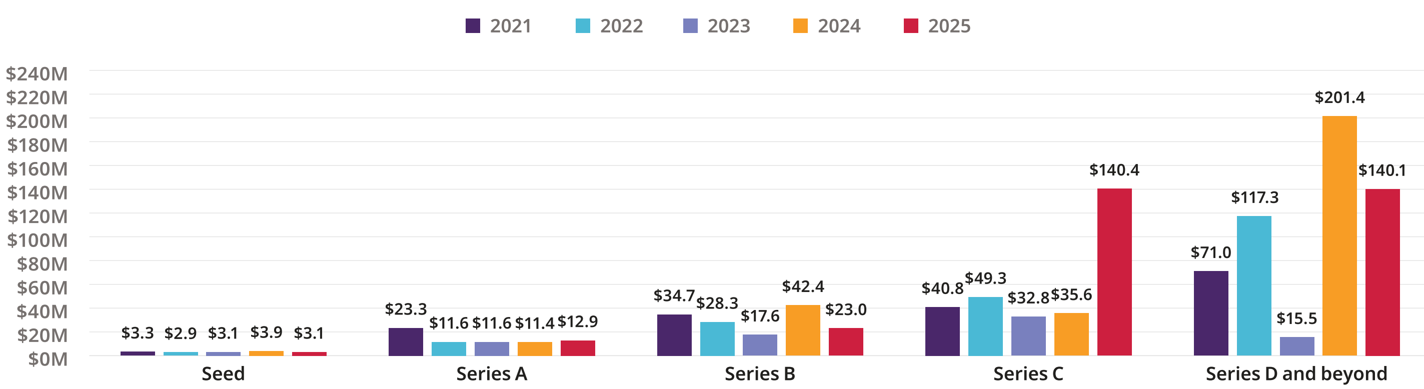
This chart illustrates the total investment amount in U.S. dollars (including initial closings and follow-on investments for the same transaction), broken down by series, for financings completed from 2021 to 2025. Consistent with data reported by the CVCA, late-stage financings (i.e., Series C and beyond) accounted for approximately 74.9% of dollars invested in 2025 (yet only 17.1% of rounds).

The total investment amount for 2025 covered by the *Deal Points Report* was US$4.5 billion, the highest annual investment amount of any year covered by the report. In 2025, 74.1% of all capital was concentrated in two sectors — AI (US$2.4 billion; representing more than half of all dollars raised) and fintech (US$0.9 billion), and 74.9% of all capital was invested in late-stage deals (Series C — US$1.4 billion and Series D — US$1.9 billion). The increase in investment in AI companies between 2024 and 2025 (US$1.4 billion, a 45.7% increase) exceeded the total capital raised by any other sector, further demonstrating that AI companies are raising larger rounds at higher valuations and operating in a fundamentally different environment.



Average and median investment amount, by series (in millions of USD), by year

As illustrated below, in 2025, the average investment amount by series was: Seed (US$3.1 million), Series A (US$12.9 million), Series B (US$23.0 million), Series C (US$140.4 million) and Series D and beyond (US$140.1 million). The most notable dynamic in 2025 is at Series C, where the large gap between the average round size (US$140 million) and the median (US$52.4 million) shows that a small number of outlier mega-rounds are driving the total dollars raised. This is consistent with the AI concentration; a handful of AI companies at the Series C stage pulled up the average, while the median reflects more typical growth-stage raises. Combined with the earlier finding that in 2025, 80% of all Series C rounds were up rounds, Series C was a key inflection point for both founders and investors in 2025 — with investors deploying larger amounts of capital per round, on more favourable terms.



Osler's Emerging and High Growth Companies Group

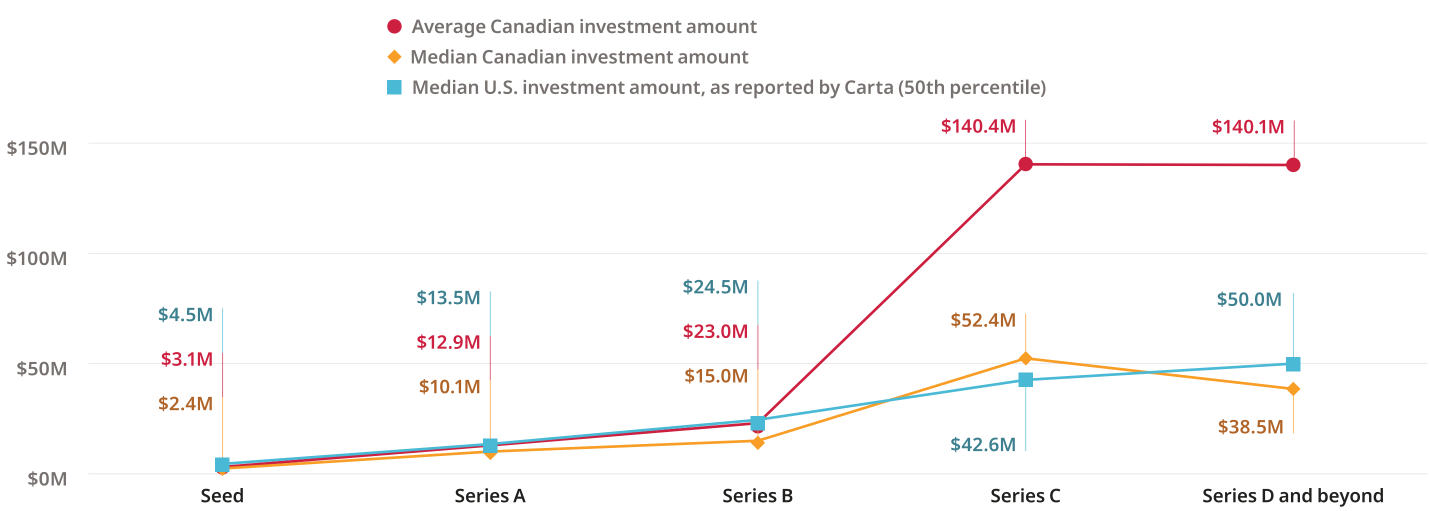
We support companies through the stages of their lifecycle, providing legal advice on a wide range of issues.

How Osler can help

As illustrated below, median investment amounts in 2025 ranged from US$2.4 million at Seed through US$10.1 million (Series A) and US$15.0 million (Series B) to US$52.4 million at Series C, with Series D and beyond at US$38.5 million. The gap between average and median investment amounts indicates that a small number of later-stage companies are raising outsized rounds relative to their peers.

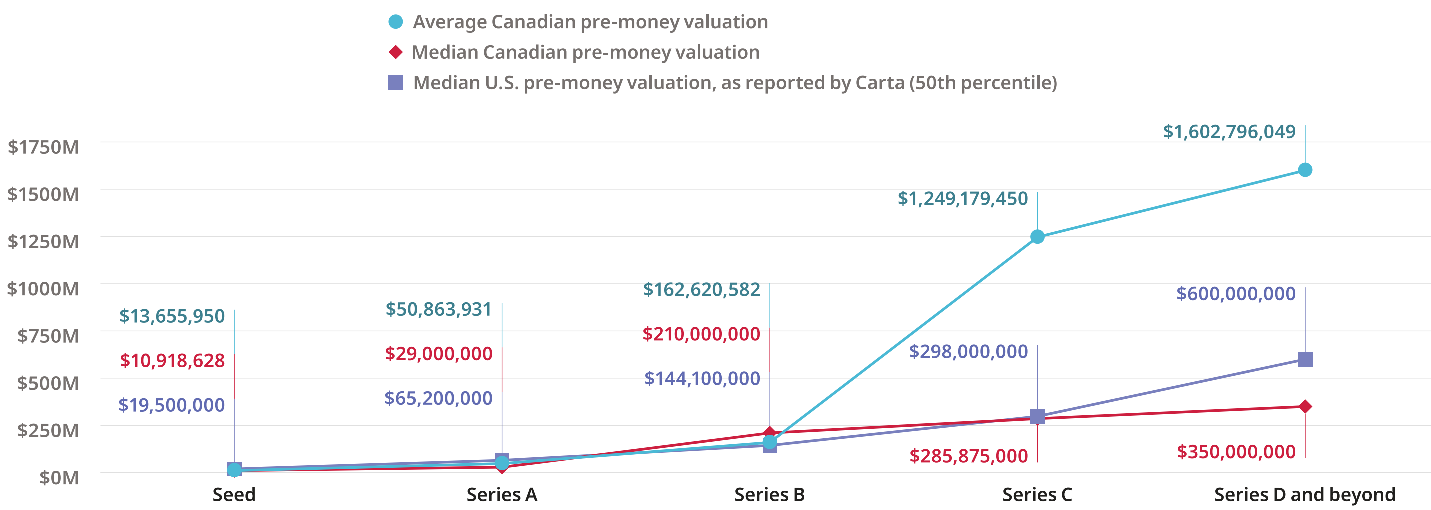
As a point of comparison, Carta reports median cash raised by companies at each stage of financing. The Canadian medians are lower than their U.S. counterparts reported by Carta for all rounds other than Series C, where the median investment amounts reported by Carta were Seed (US$4.5 million), Series A (US$13.5 million), Series B (US$24.5 million), Series C (US$42.6 million) and Series D (US$50 million). Comparing Canadian data to U.S. medians reveals that early-stage deal sizes have largely converged between the two markets. At Seed, Canadian rounds remain modestly smaller at approximately 70% of U.S. median levels; however, by Series A and B, Canadian levels reach near parity with U.S. medians, suggesting that growth-stage companies north of the border are raising rounds that are competitive with their American counterparts.

The picture shifts at later stages. In 2025, Canadian average deal sizes at Series C and D and beyond exceeded U.S. medians, but the underlying data tell a more nuanced story. At Series C, even Canadian medians (US$52.4 million) surpass U.S. medians (US$42.6 million), highlighting that in 2025 a handful of later-stage marquee raises, including Waabi's record-breaking US$750 million Series C financing, moved the averages up materially for later-stage financings.



Average and median pre-money valuation, by series (in USD)

For 2025, the chart below shows both the average and median pre-money valuations across financing stages for companies included in the *Deal Points Report* dataset. The most striking feature is the significant gap between the average and median Series C valuations in 2025. The average increased sharply to US$1.25 billion (up ~713% from 2024), while the median increased to US$286 million (up ~185%). This divergence is explained by a small number of outlier Series C mega-deals dramatically skewing the average.



A conversation with Benjamin Alarie of Blue J

Osler clients share their success stories.

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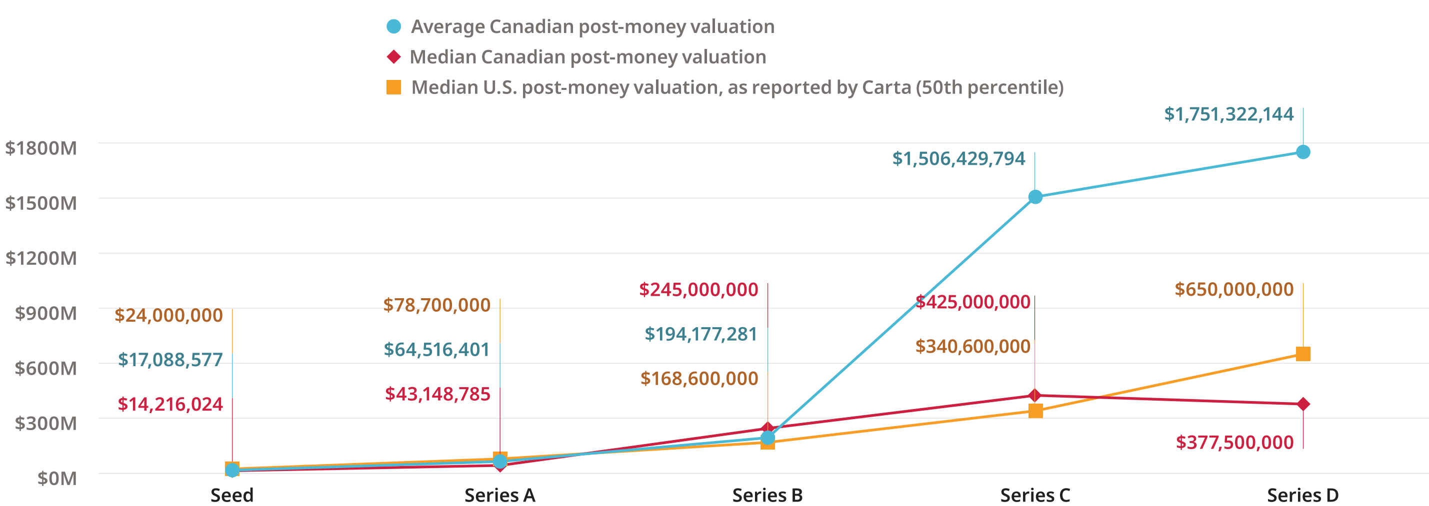
Average and median post-money valuations, by series (in USD)

This chart shows both the average and median post-money valuations for those companies covered by the *Deal Points Report* that raised a financing round in 2025. As a point of comparison, Carta reports on the U.S. median post-money valuation at each stage of financing. Other than Series B and Series C financings, U.S. median post-money valuations reported by Carta were higher than post-money valuations for financings covered by the *Deal Points Report*.

When reviewing the post-money valuation data on an industry level, AI companies continued to command premium valuations across all financing rounds in 2025, reflecting the strong investor appetite for AI-focused opportunities. This premium was particularly pronounced at later stages (i.e., Series C and beyond), where median AI valuations significantly exceeded the broader market (with median AI post-money valuations at Series C at 3.3x those of information technology companies, and 3.6x at Series D and beyond).

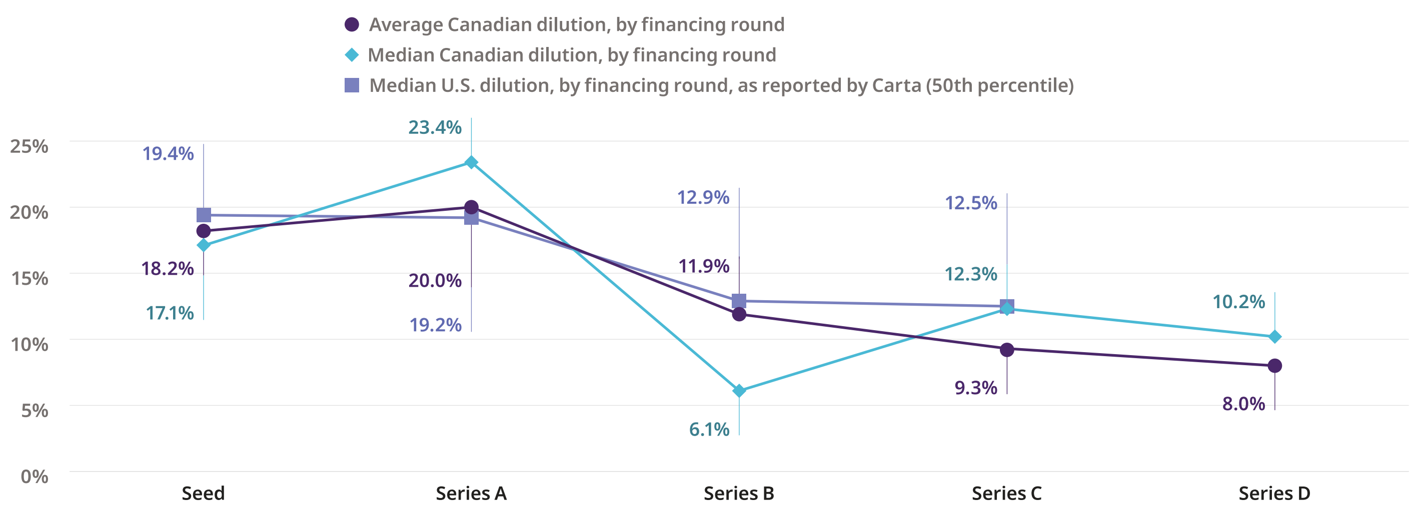


Average and median dilution, by series

This chart illustrates both the average and median dilution incurred by those companies covered by the *Deal Points Report* that closed a financing round in 2025, with a comparison to available data from Carta on median dilution incurred by companies in U.S. financings.

As indicated in prior charts on valuation, 2025 saw mixed results regarding pre-money valuations compared to 2024, with average and median values by series increasing in some cases and decreasing in others. Despite this, as indicated below, 2025 saw a reduction in dilution at each stage of financing. Delving further into the data, the trend that emerges is that dilution went down at each series of financing that saw a reduction in pre-money valuation mainly on account of companies at this stage raising less capital, particularly in the case of Seed, Series B, and Series D and beyond financings, where average investment amounts generally decreased. In other instances, like Series A and Series C, dilution fell on account of companies raising capital at much larger valuations in 2025, relative to dollars invested.

Reviewing the data on an industry level, aside from Series C, AI companies experienced lower median dilution at each round as compared to the median for all other industries. In earlier-stage financings (Seed/Series A), health/life sciences companies incurred the highest median dilution, at approximately 3%–5% above the median for all other industries.

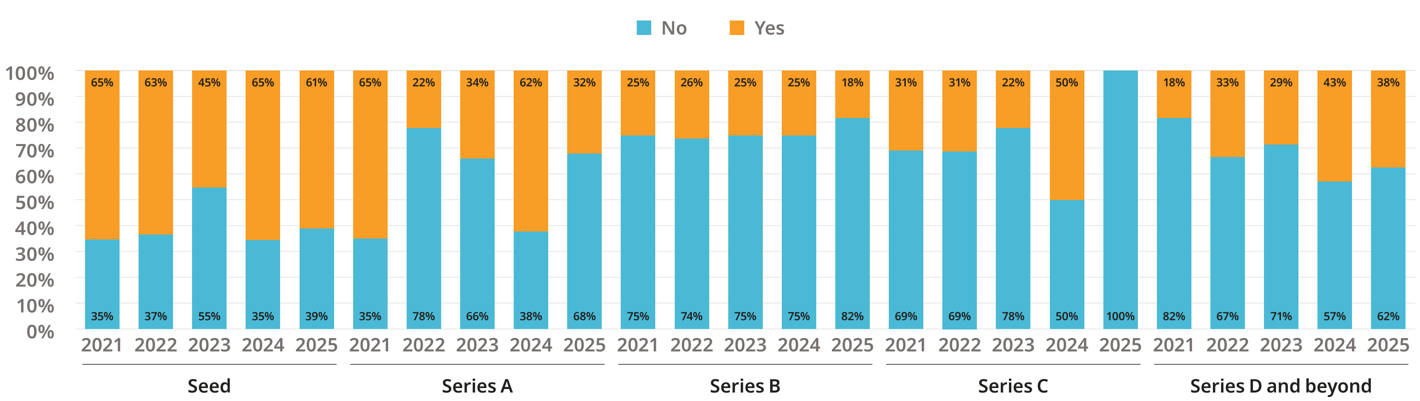


3

Financing structure intelligence: preferred share financings

Conversion of convertible securities (such as SAFEs or convertible notes) in connection with financings, by series, by year

This graph displays the proportion of financings in which a convertible instrument (such as a SAFE or convertible promissory note) was converted in connection with financings included in the *Deal Points Report*, by year. In 2025, 61% of Series Seed financing rounds included the conversion of a convertible security, consistent with prior-year levels. Following Series Seed financings, data captured by the *Deal Points Report* show that fewer of these financings included the conversion of

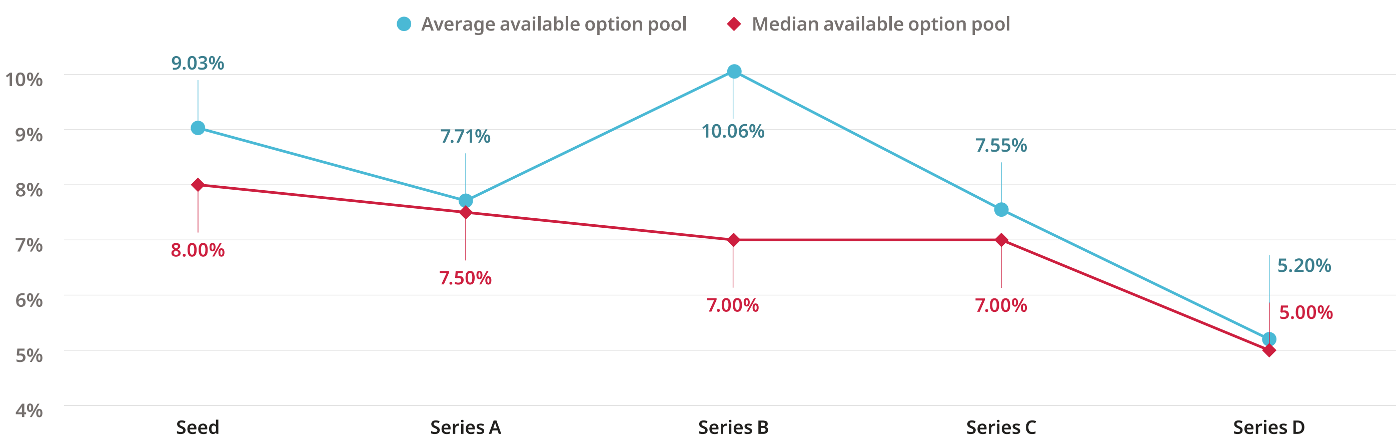


any convertible securities, with no convertible securities converting into any Series C financings in 2025 (the only incidence of this in the period covered by the *Deal Points Report*). This finding suggests a reduced reliance on convertibles as a mechanism to bridge valuation outcomes in later rounds.

Further analysis of the terms of convertible securities financings is provided in the "Convertible securities intelligence" section below.

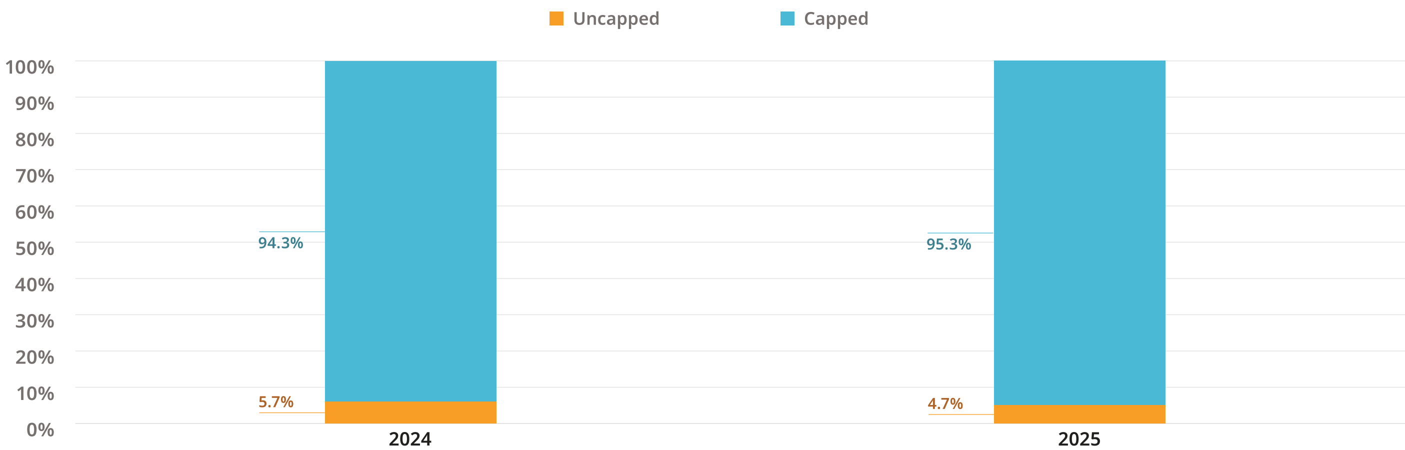
Post-financing available option pool size, by series

This chart shows both the average and median available option pool size, for companies that closed a financing round in 2025 — represented as a percentage of a company's post-money fully diluted equity. The size of the post-closing available option pool is negotiated at the term sheet phase of a financing transaction, where any increase in the available option pool is typically counted in the pre-money shares and, as a result, reduces the company's effective pre-money valuation.



Company covering investor fees in connection with the financing, capped vs. uncapped

Of the financings included in the *Deal Points Report* for 2025, the vast majority required companies to cover a portion of the lead investors' legal fees. Of those financings where investor fees were covered, 95.3% included a fixed dollar cap on the reimbursable amount (meaning that "blank cheque" fee reimbursements are exceedingly rare). These findings are consistent with prior-year levels.



A conversation with Stephen Nairne of Raven Indigenous Capital Partners

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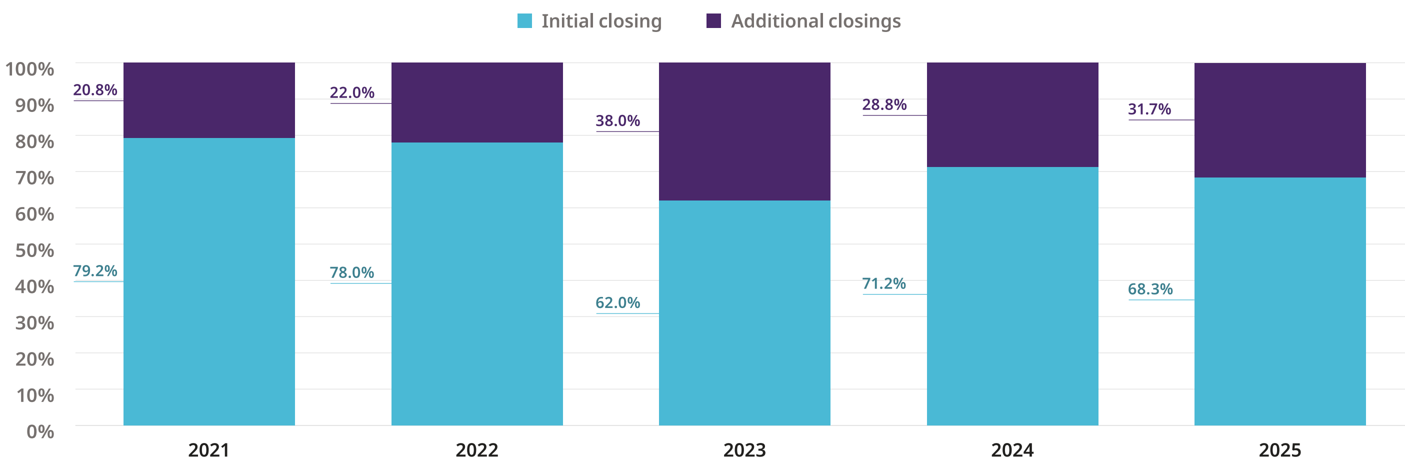
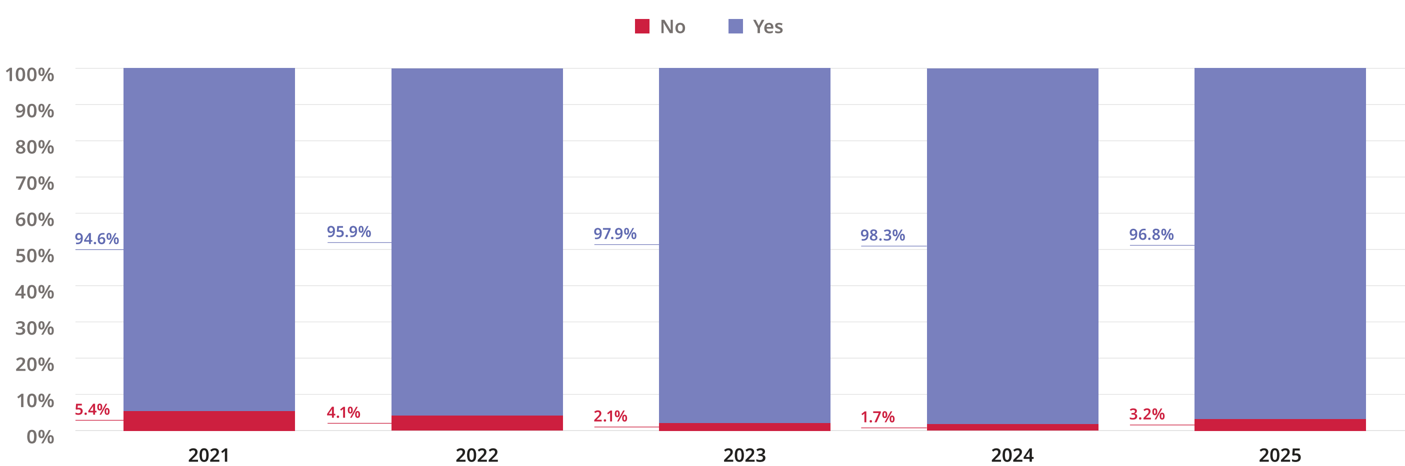
Financings with multiple closings, allocation of proceeds

In 2025, 31.7% of financings included multiple closings (compared to 28.8% in 2024). As in prior years, the majority of proceeds in a financing round continued to be funded at the initial closing.



Use of CVCA/NVCA based forms of principal agreements in financings

The chart below illustrates that the use of financing documents based on the CVCA/NVCA model documentation remained nearly ubiquitous for Canadian preferred share financings in 2025, with 96.8% of all financings relying on these model agreements. The use of a single unanimous shareholders agreement, which captures similar terms to those included in the CVCA/NVCA documents, has become inconsistent with standard market practice.

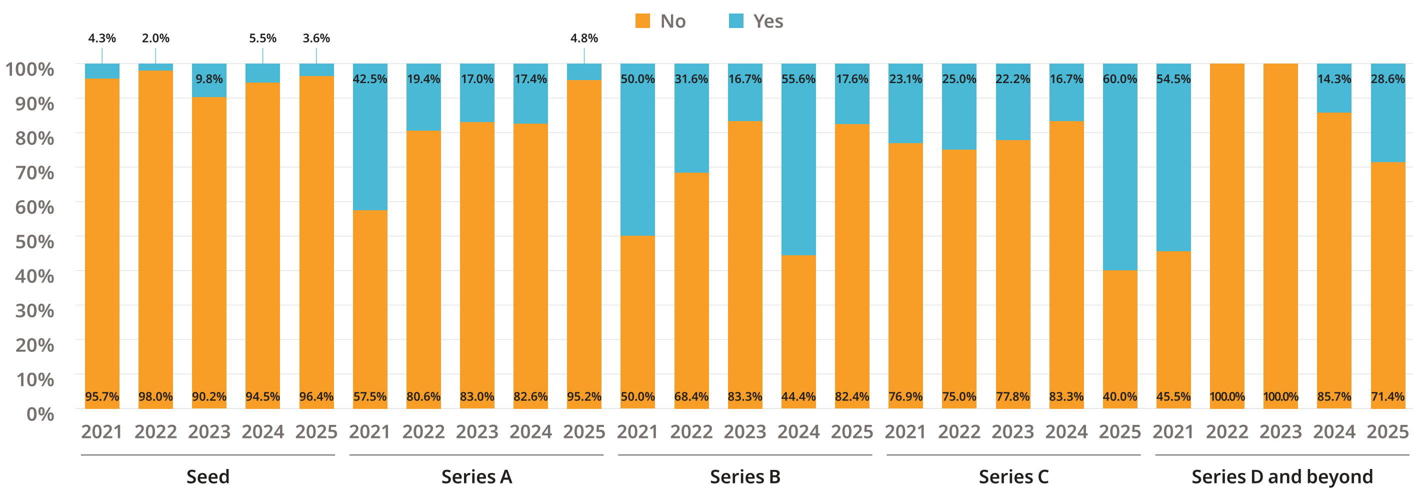


Osler’s Series Seed Financing Templates were introduced in 2026 to reflect prevailing market practice and to further align Canadian documentation with widely used NVCA-style forms.

Learn more about Osler’s Series Seed Financing Templates.

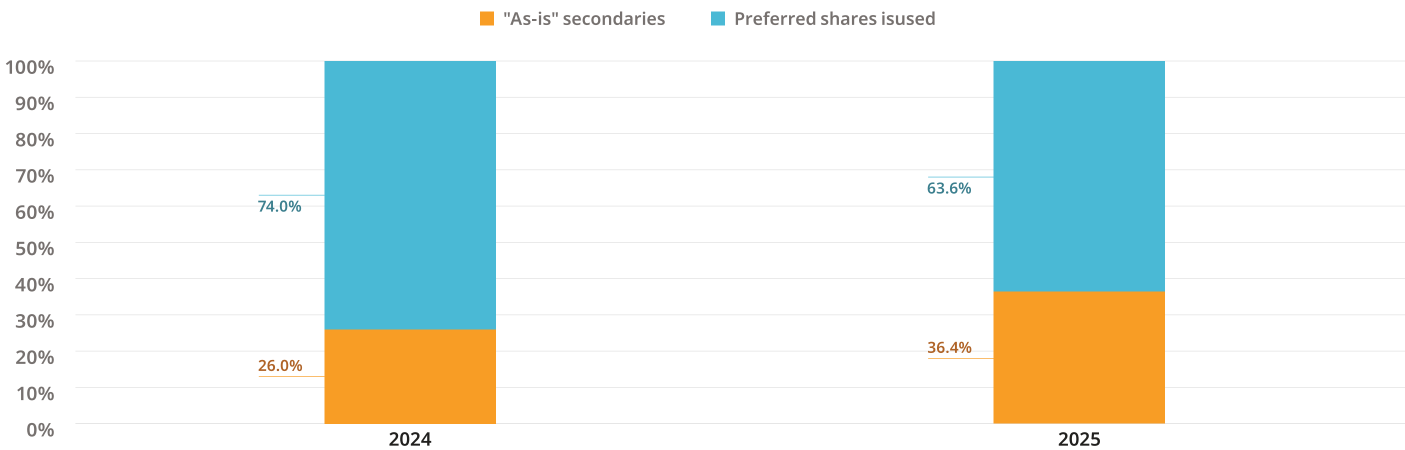
Existence of secondary transactions in financings, by series, by year

In 2025, secondary transactions remained a key part of the financing landscape. Series C and Series D and beyond financings saw the highest percentage of secondary transactions — at 60.0% and 28.6%, respectively — as companies sought to provide additional liquidity to early-stage investors and employees. As options for liquidity (including IPOs and acquisitions, to a lesser extent) have been more limited in recent years, the prevalence of secondary transactions at later-stage financings is expected to remain elevated, as early investors continue to seek alternative sources of liquidity. The relative value of the secondary component compared to round size and post-money valuation varied widely, ranging from 8% to 100% of the round size and from 2% to 25% of the post-money valuation.



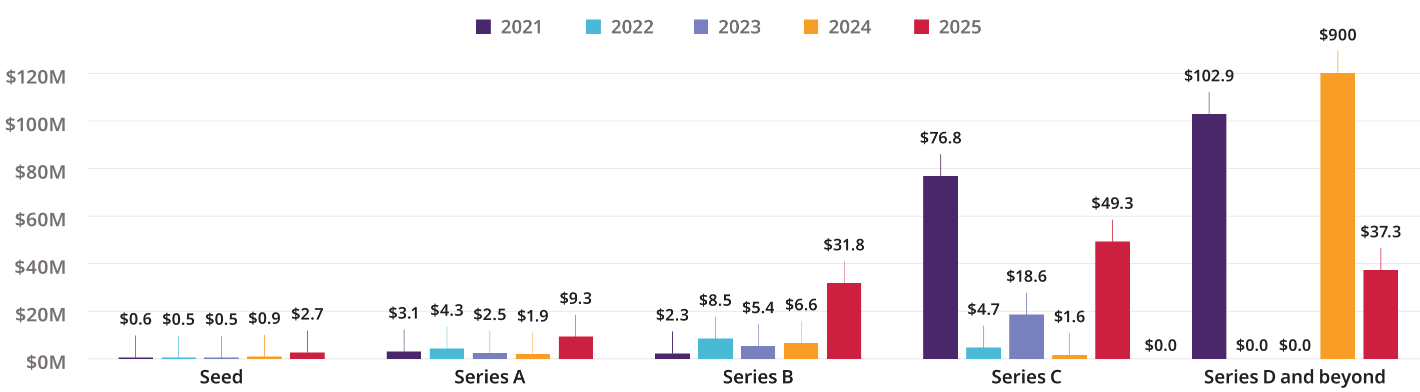
Type of equity sold in secondary transactions in financings

In 63.6% of the 2025 secondary transactions included in the *Deal Points Report*, the purchaser acquired preferred shares (including transactions where secondary shares were exchanged for preferred shares in connection with the applicable secondary transaction). In the remaining 36.4% of secondary transactions, the investors purchased the same securities "as-is," without any interim exchange of securities.



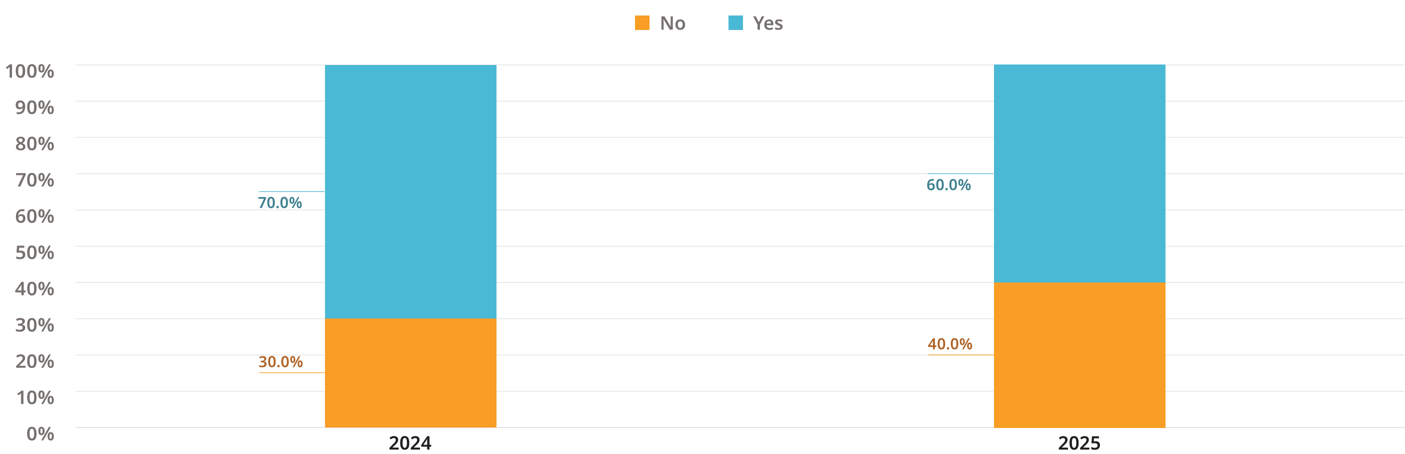
Average dollar amount of secondary transactions in financings, by series, by year (in millions of USD)

In 2025, the average dollar amount of secondary transactions by series increased materially across almost every stage of financing, in comparison to the prior years covered by the *Deal Points Report*. This is consistent with our expectations, as investors are increasingly looking to secondary transactions as an alternative means of generating liquidity for their investments in companies in the Canadian technology space.



Counsel opinions, capitalization opinions

For those financings completed in 2025 where company counsel delivered a legal opinion, the chart below indicates whether such legal opinion included a "capitalization opinion" (a legal opinion that helps confirm the completeness and accuracy of a company's capitalization table). In 2025, for those financings that involved a legal opinion, 60% of the financings included a capitalization opinion from the company's counsel (down from 70% in 2024). Consistent with trends in the U.S., investors are increasingly willing to close without a capitalization opinion in an effort to accelerate transaction timelines and reduce costs.



A conversation with Nilam Ganenthiran of Beacon Software

Osler clients share their success stories.

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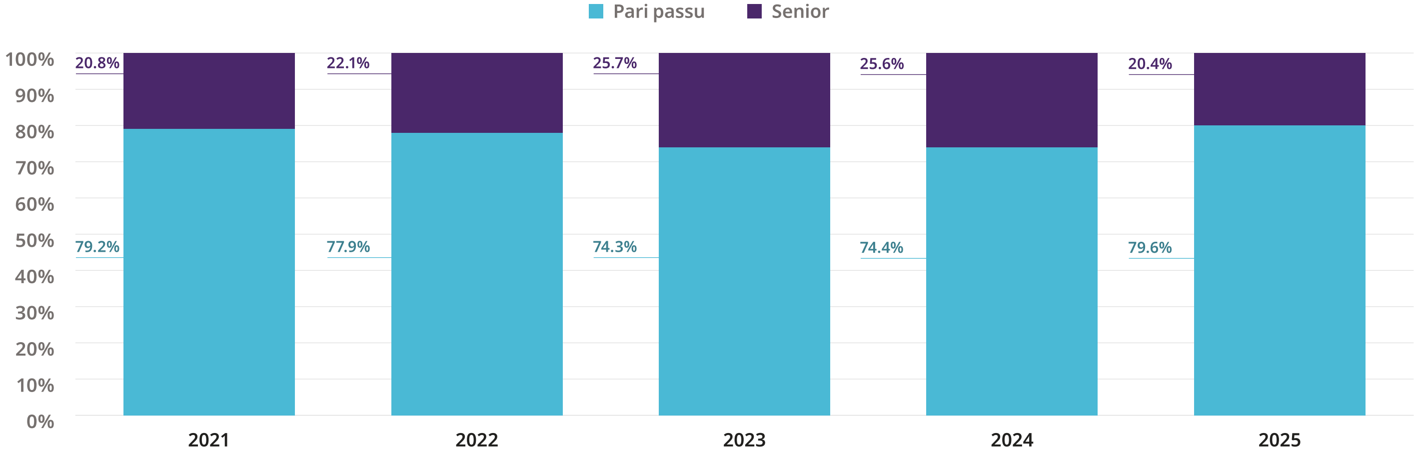
4

Financing terms intelligence: preferred share financings

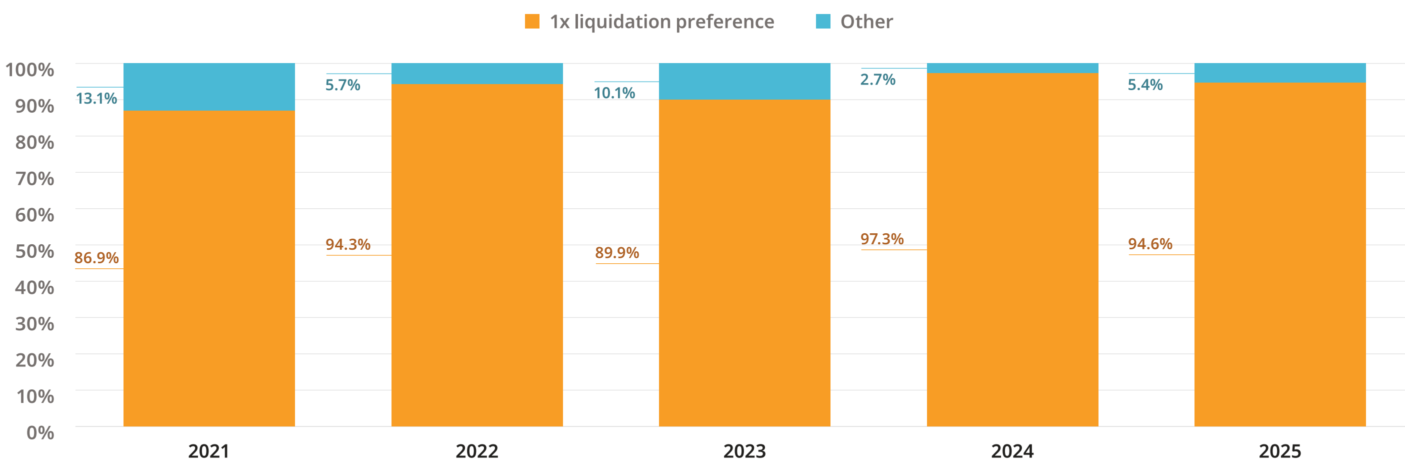
Financings which provide for a senior ranking liquidation preference

In 2025, in 20.4% of rounds, the company issued investors a preferred share that ranked senior to all previously existing securities (down from 25.6% in 2024). This is consistent with U.S. data for 2025, including data from Wilson Sonsini, which reported that 21% of U.S. financings included a senior liquidation preference.



Financings which provide for a multiple on liquidation preference

The data outlines the percentage of financings included in the *Deal Points Report* where the securities issued provided for a multiple liquidation preference (e.g., 1.5x the amount invested). These results are consistent with expectations, with a 1x liquidation preference remaining the market standard for venture financings in 2025 (94.6%).



Financings with participating preferred shares

The proportion of financings in the *Deal Points Report* which included participating preferred shares is outlined below. These results are consistent with our expectations, in that participating preferred shares are generally atypical of Canadian financings. The percentage of transactions in 2025 that included participating preferred terms (3.2%) was below the average for the preceding four years (6.9%). Based on equivalent U.S. studies, participating preferred were present in approximately 5% of US financings.

A conversation with Jai Mansukhani and Anthony Azrak

Osler clients share their success stories.

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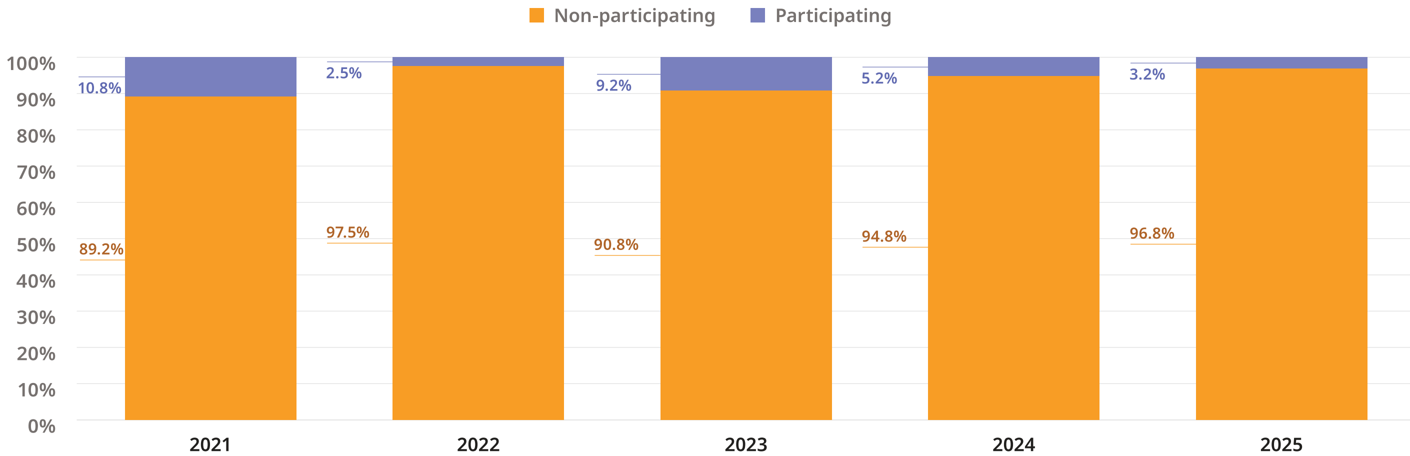
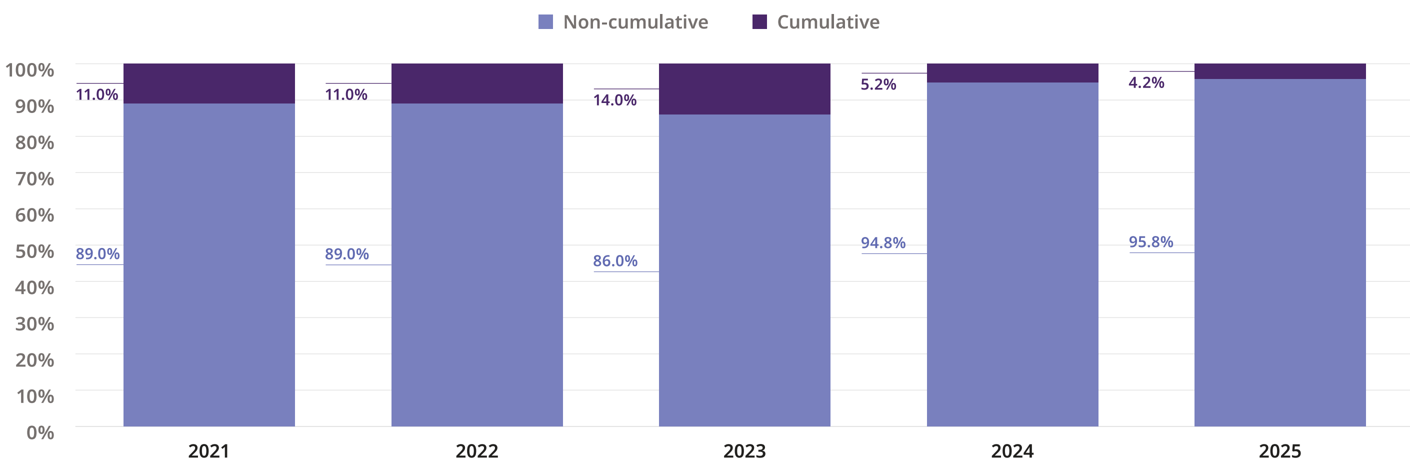


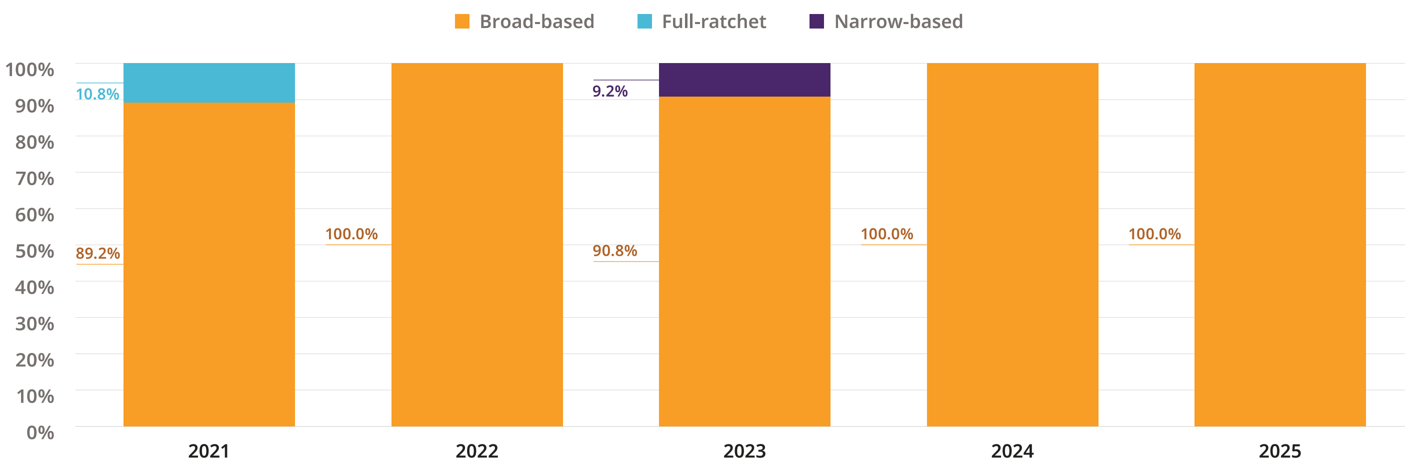
Financings with cumulative vs. non-cumulative dividends

This chart highlights the proportion of financings in the *Deal Points Report* that included rights to cumulative dividends. In 2025, 4.2% of financings included a cumulative dividend (down from 5.2% in 2024). These results are consistent with market expectations, as cumulative dividends are generally uncommon in financing transactions.



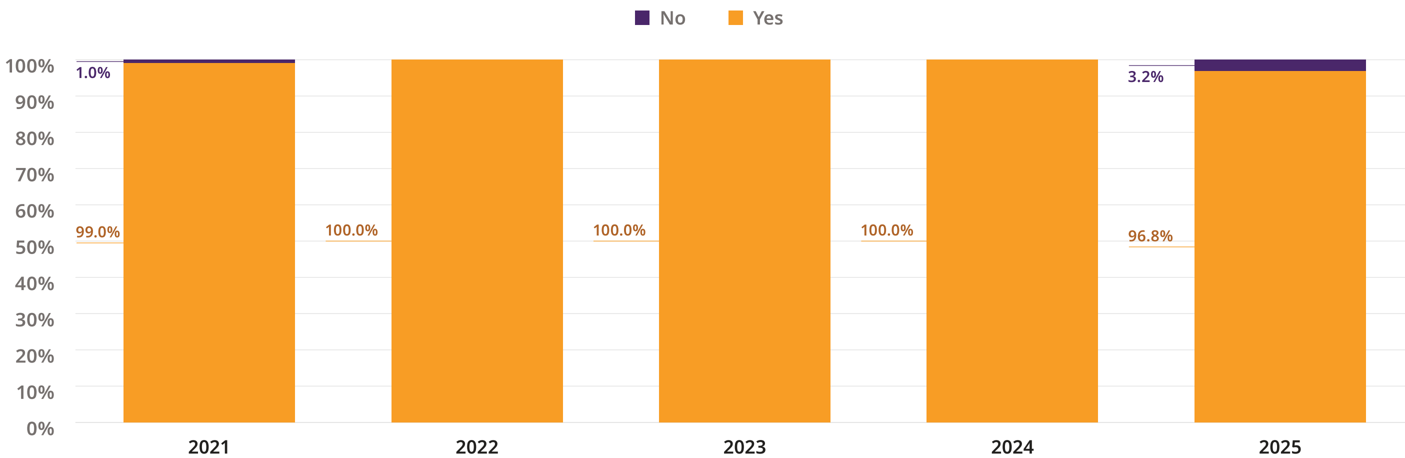
Financings with rights to anti-dilution protection, types of anti-dilution protection

As in prior years, in 2025, broad-based weighted average anti-dilution protection continued to be the market standard in Canada (100% of all 2025 financings included in the *Deal Points Report*), regardless of whether the applicable financing was an up round, down round or flat round. These findings are consistent with similar U.S. studies, including from Wilson Sonsini, where broad-based anti-dilution protection was included in 100% of all U.S. financings regardless of whether the applicable financing was an up round, down round or flat round.



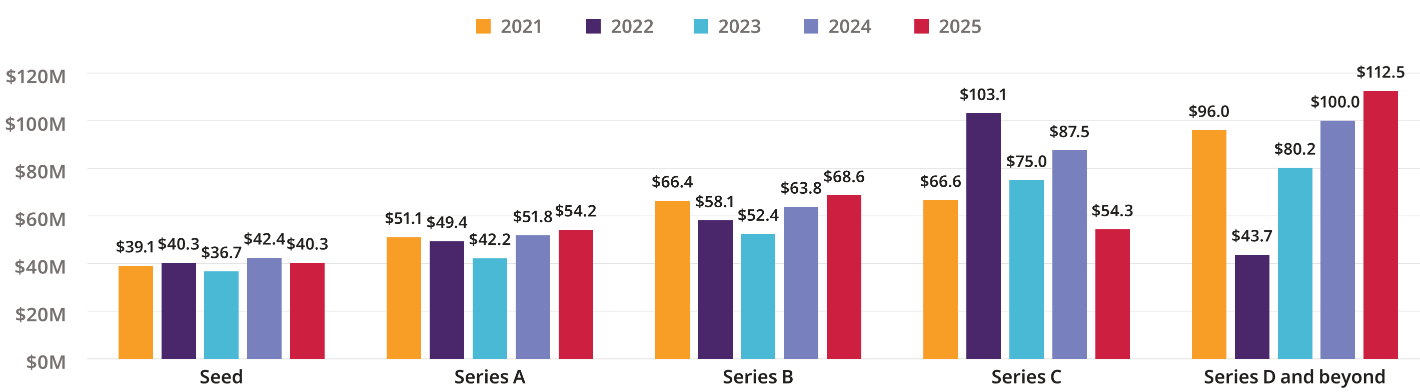
Financings with automatic conversion rights on an initial public offering

In 2025, 96.8% of the financings included an automatic conversion mechanism in connection with a qualified initial public offering (QIPO) (compared to 100% in 2024). This level has remained consistent throughout the five-year period covered by the *Deal Points Report*.

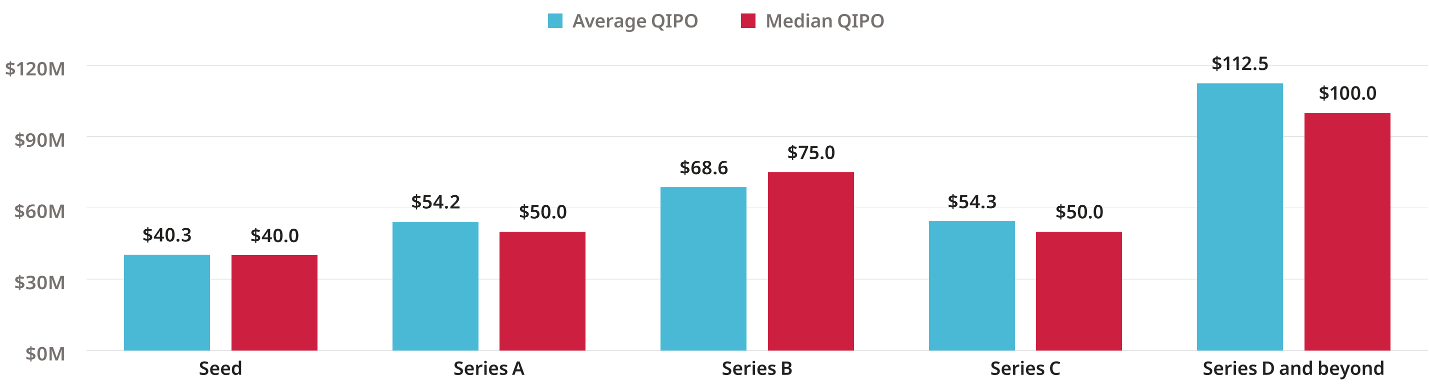


Financings with automatic conversion rights on an initial public offering, average qualified initial public offerings values by series (in millions of USD)

For financings in the *Deal Points Report* that included an automatic conversion mechanism, these charts track the average and median minimum gross proceeds that a corporation must raise in connection with a QIPO to trigger the automatic conversion mechanism on a company's preferred shares.

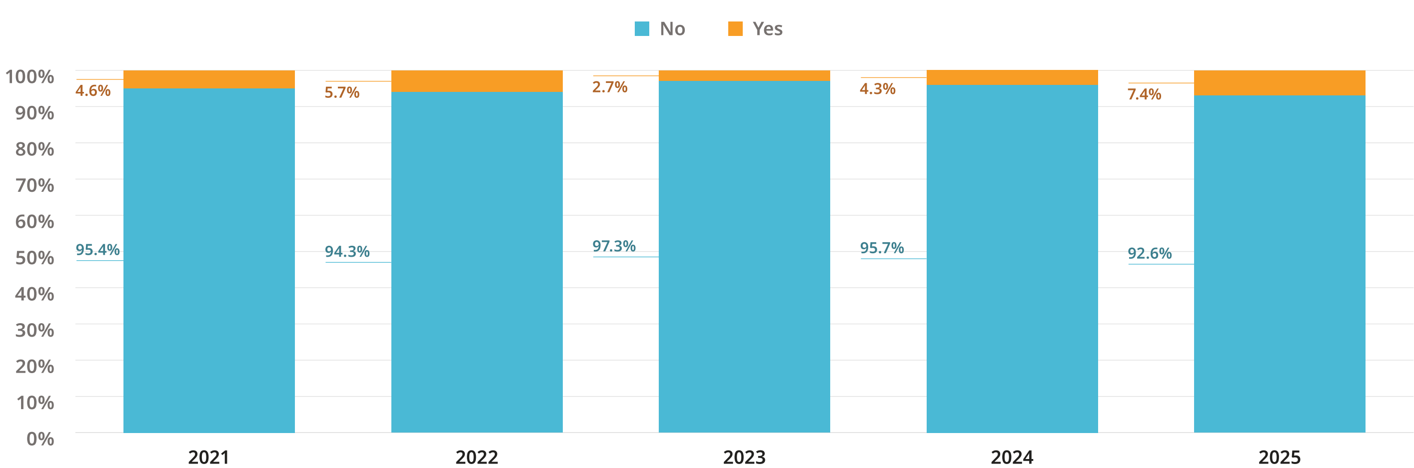


For 2025, the median QIPO threshold is more indicative of market practice, as outlined below.



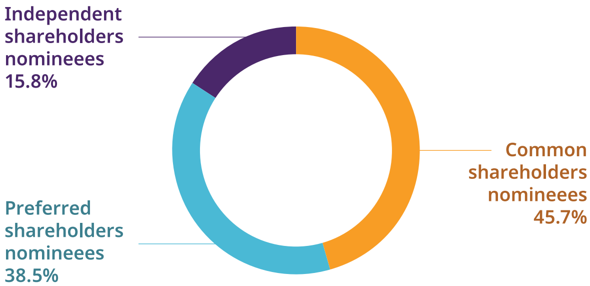
Financings with redemption rights

This chart illustrates the proportion of financings that included rights of redemption. This proportion is consistent with our expectations, in that redemption rights are generally uncommon in Canadian financing transactions. The rate of redemption rights in 2025 (7.4%) was slightly higher than in 2024 (4.3%). These findings are also consistent with the financings reported in U.S. deal studies for 2025, including Wilson Sonsini (4%) and Cooley (3.2%).



Board representation

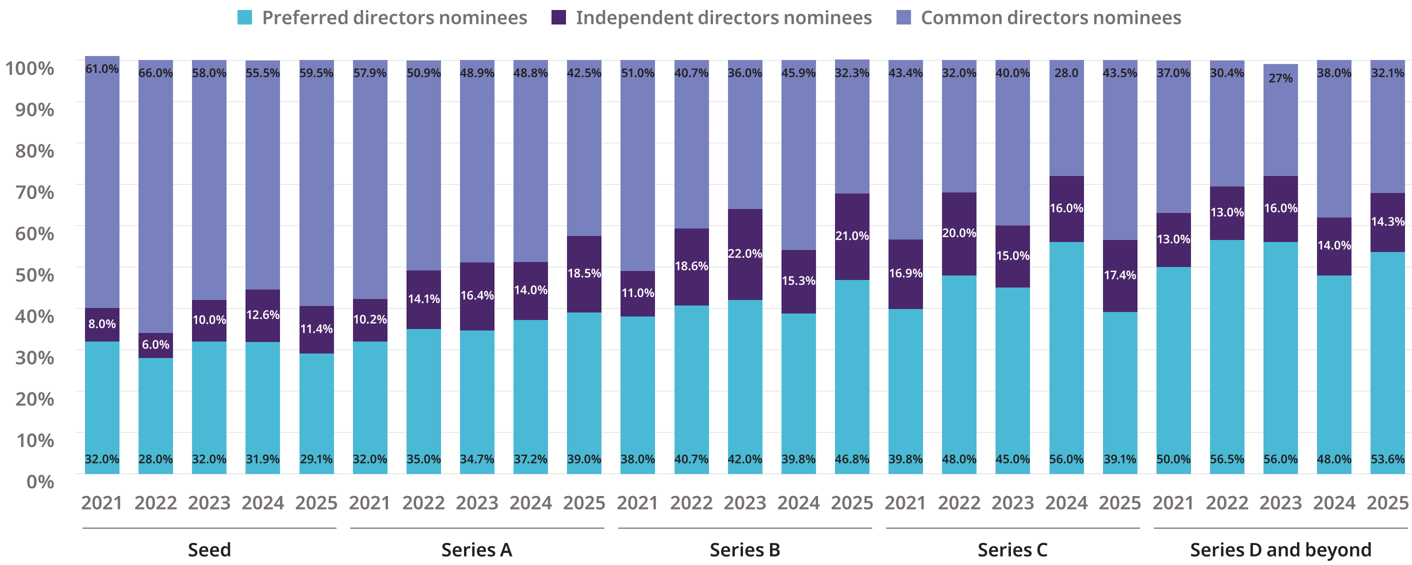
For financings included in the *Deal Points Report*, the chart below shows the average breakdown of board composition between common directors, preferred directors and independent directors, aggregated across all stages of financings. For 2025, the average size of a company's board across all financing rounds was 4.9 directors. In addition, 58.9% of those financings included a board seat for the then-current CEO of the company



Board representation, by series

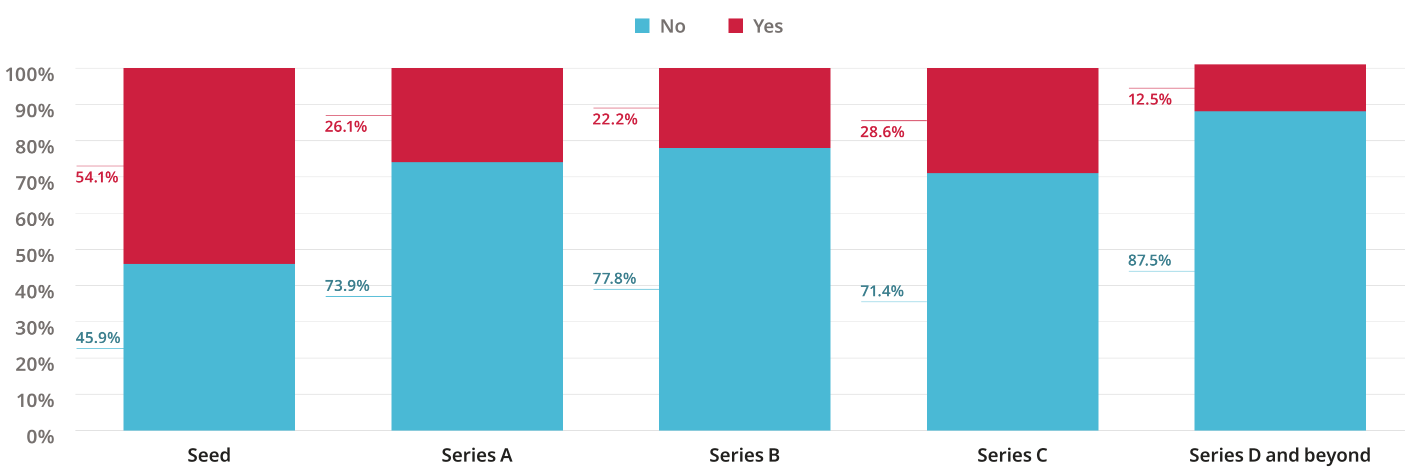
For financings included in the *Deal Points Report*, this graph illustrates the breakdown of the average board composition (expressed as a percentage of the overall size of the board of directors), between common directors, preferred directors and independent directors, by series. These results are consistent with our expectations:

- The proportion of directors nominated by common shareholders, relative to the overall size of the board of directors, gradually decreased as the company raised subsequent rounds of financing.
- The proportion of directors nominated by preferred shareholders, relative to the overall size of the board of directors, gradually increased as the company raised subsequent rounds of financing.
- Based on the data analyzed for financings captured by the *Deal Points Report* in 2025, common directors first represented less than a majority of the board following the Series A financing round, as more independent directors were introduced to the board (note that founders, or some combination of them, are often granted the right to nominate a portion of these independent directors).



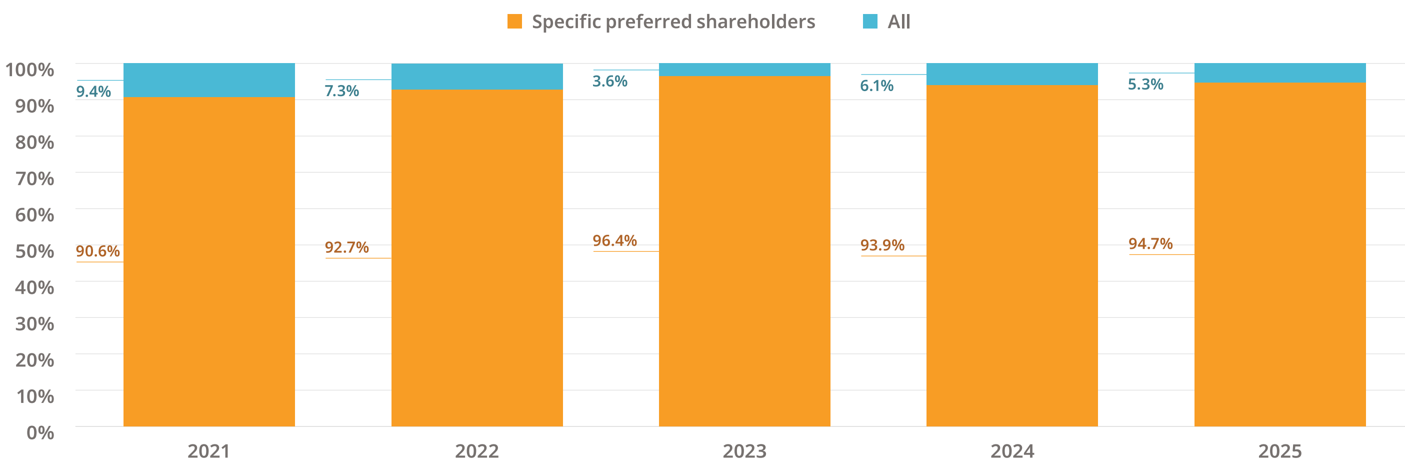
Reverse vesting

For financings included in the *Deal Points Report* in 2025, this chart illustrates the breakdown, by series, of instances where founders were requested to reset all or a portion of the vesting on their existing founder shares, or to put in place a new vesting arrangement where one was not already in place. It is important to note that these figures do not reflect whether founders had vesting arrangements in place at the time of a financing; rather, they capture only instances involving a requirement to impose new or additional vesting. It is exceptionally rare for a founder to be required to re-vest any portion of their shares beyond an early-stage financing.



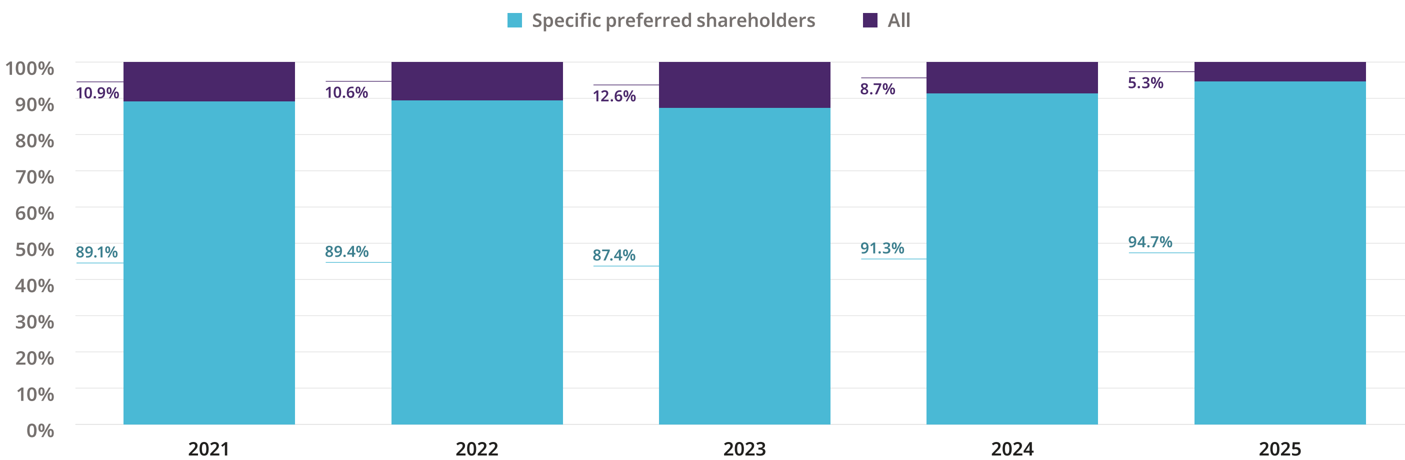
Information rights and inspection rights granted to preferred shareholders

Under the Investors' Rights Agreement, certain preferred shareholders are provided with information rights (e.g., the right to receive annual and quarterly financial statements) and inspection rights (i.e., the right to examine the books and records of the company). In 2025, 94.7% of financings granted these rights to some (but not all) preferred shareholders, while 5.3% granted these rights to all preferred shareholders. This aligns with our expectations, in that information and inspection rights are typically only granted to a small subset of the preferred shareholders, specifically "major investors" or those preferred shareholders that hold a negotiated minimum threshold of the preferred shares.



Pro-rata rights granted to preferred shareholders

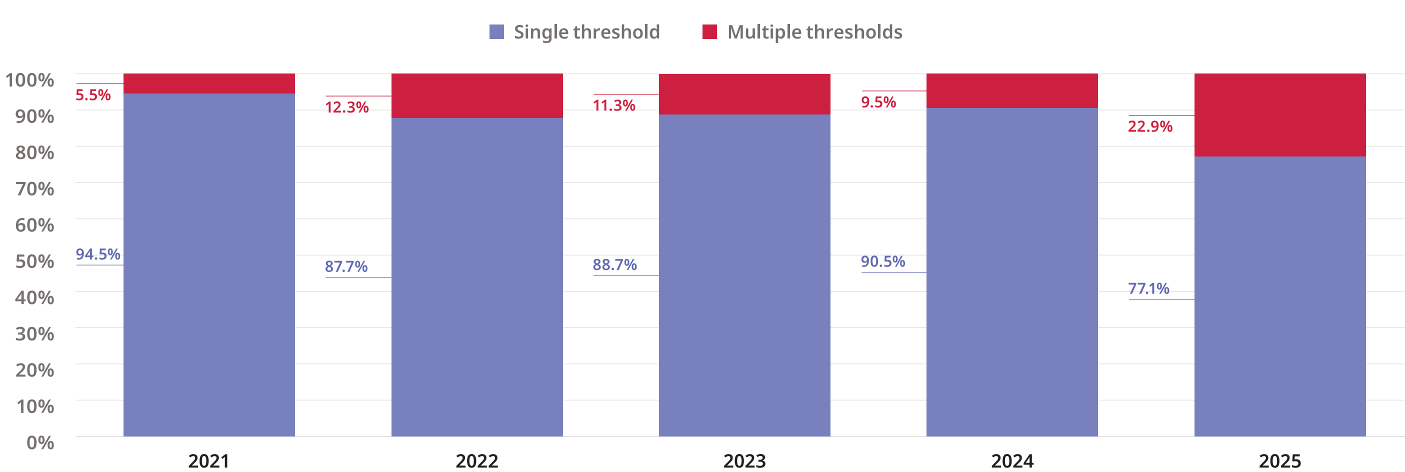
Similarly, under the Investors' Rights Agreement, certain shareholders are provided with pro-rata rights (often referred to as pre-emptive rights). Pro-rata rights give investors the right (but not the obligation) to participate in future financing rounds of a company, allowing such shareholders to maintain their existing pro-rata ownership (subject to certain standard exceptions). In 2025, 94.7% of financings granted pro-rata rights to some (but not all) preferred shareholders, while 5.3% granted these rights to all preferred shareholders. Consistent with the data on information rights, the vast majority of financings included in the *Deal Points Report* only granted these valuable pro-rata/pre-emptive rights to a small subset of preferred shareholders (typically limited only to those preferred shareholders that qualify as "major investors").



Approval thresholds for preferred shareholders in Voting Agreements, drag-along

Voting Agreements typically include a drag-along provision, pursuant to which, if an agreed threshold of shareholders (and the board of directors) approve an exit transaction, all other shareholders of the company are required to participate in the drag-along transaction. Typically, the drag-along can be triggered by the approval of an agreed percentage of the preferred shareholders, a percentage of the common shareholders, and the board. The charts below analyze each of these categories.

In 2025, 77.1% of the Voting Agreements included in the financings covered by the *Deal Points Report* required the approval of a single threshold of preferred shareholders (e.g., a majority of the votes attached to the outstanding preferred shares), while 22.9% of the financings included multiple thresholds (up from 9.5% in 2024). This shift appears linked, in part, to widening valuation gaps in 2025 — particularly in AI-related financings — which increased economic divergence between existing and new investors. As a result, new investors increasingly sought series-specific approval rights for key matters such as the drag-along trigger (as well as for amendment thresholds in shareholder agreements more generally) to better protect their position.



5

Convertible securities intelligence

New for 2025, this report includes an expanded analysis of terms related to convertible securities financings, specifically Simple Agreements for Future Equity (SAFEs) and convertible promissory notes. The data on convertible securities financings in the *Deal Points Report* draw on 240 financings Osler completed in 2024 and 2025, representing over US$1.3 billion in transaction value, and provide key deal terms and emerging market trends for these instruments.

Outside of pre-Seed financings, convertible securities are often used in the context of investors providing bridge financing to companies that require short-term cash injections to sustain working capital, where existing business metrics do not yield valuations consistent with the company's financing stage (giving the company more time to grow into an appropriate valuation), or where investors are opportunistically investing in companies ahead of a future round to secure more favourable economics for their investment.

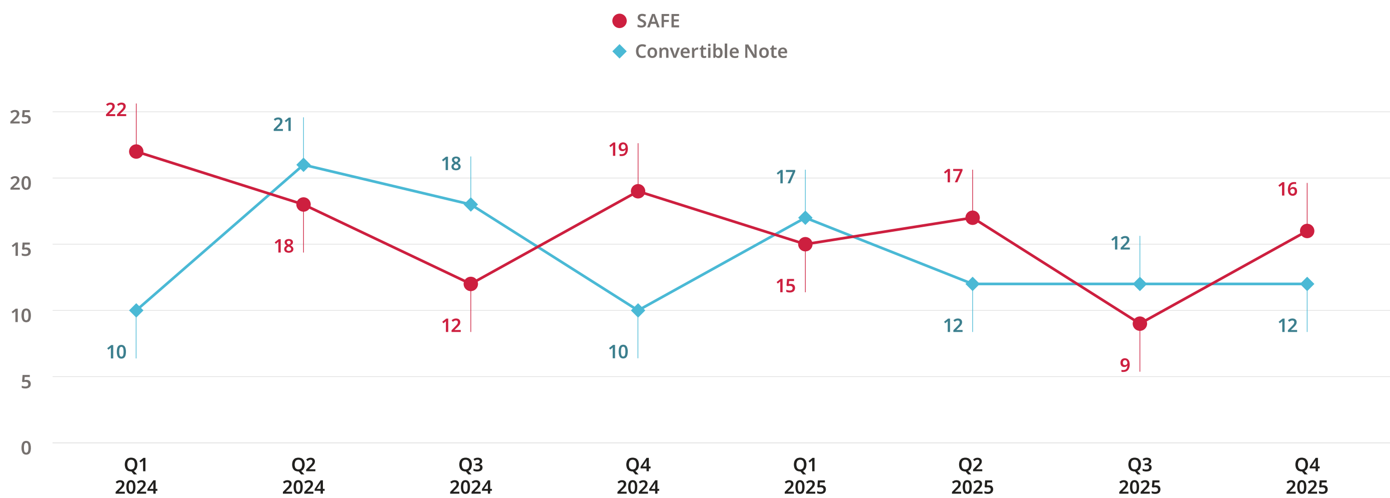
Total convertible securities financings, by number of deals and dollars raised, by quarter

For convertible securities financings captured by the *Deal Points Report*, the charts below show the total number of such convertible securities financings and the aggregate dollars raised in such financings during 2024–2025, by quarter and by security type (SAFE or convertible promissory note).

In 2025, SAFEs continued to represent the most common form of convertible security across all financings, accounting for 51.8% of all convertible securities issued, while convertible promissory notes represented 48.2% — it is important to note that these percentages are blended across all stages of financing, and a deeper dive into the data shows that SAFEs were predominantly early-stage fundraising tools (pre-Seed, bridge post- Seed), whereas convertible promissory notes were more common in later-stage financings (as a bridge security to the next financing round).

Measured by dollars invested, the pattern reverses. In 2025, SAFEs accounted for 31.7% of total capital invested (compared to 11.6% in 2024), while convertible promissory notes accounted for 68.3% (compared to 88.4% in 2024). This divergence is consistent with the observation above: companies issuing convertible securities in later-stage financings, which typically result in the investment of larger amounts of capital, more frequently utilize convertible promissory notes, while earlier-stage financings, which typically result in the investment of smaller amounts of capital, continue to rely on SAFEs.

Number of convertible financings by quarter (2024 and 2025)



A conversation with Lise Birikundavyi of BKR Capital

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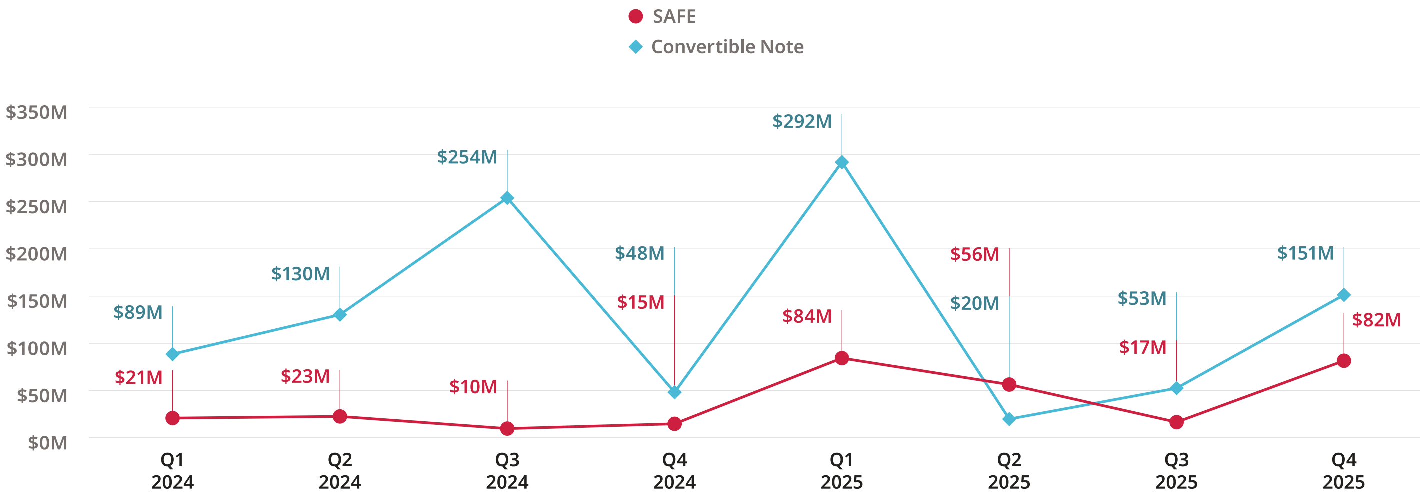
Dollars invested by convertible instrument, by quarter (2024 and 2025)

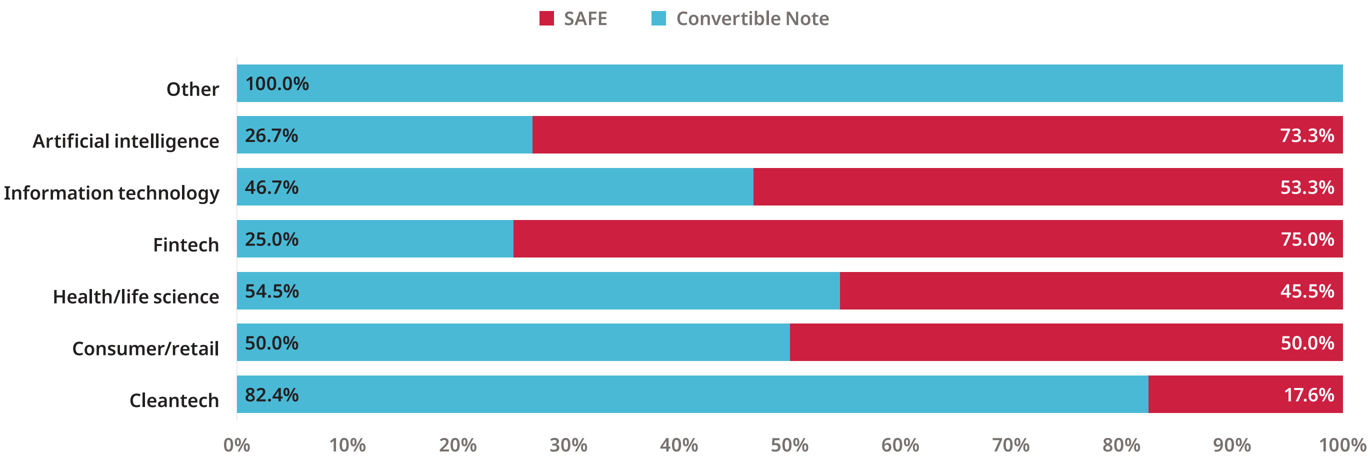


SAFE vs. convertible promissory note, by industry

In 2025, SAFEs dominated investment in the AI, information technology and fintech industries, accounting for 73.3%, 53.3% and 75%, respectively, of convertible securities used in these financings. However, data from the *Deal Points Report* shows that the health/life sciences and cleantech industries, in particular, exhibited a higher incidence of convertible promissory note usage, with 54.5% and 82.4%, respectively, of convertible securities financings in these industries in 2025 structured as convertible promissory notes. Interestingly, when looking at total dollars raised, a different picture emerges. Notwithstanding that 45.5% of health/life science convertible securities rounds were raised on SAFEs, 73.5% of the dollars raised by health/life science companies on convertible securities were raised on convertible promissory notes. Similarly for information technology companies, 46.7% of their convertible securities rounds were raised on convertible promissory notes, which represented 68.4% of the funds raised by information technology companies on convertible securities.

This aligns with expectations, particularly where companies in these industries are capital intensive and have longer-term investment horizons, often necessitating more structured investment instruments.

Distribution of SAFEs vs. convertible notes, by industry (2025)



Pre-money vs. post-money valuations cap convertible securities

Post-money SAFEs continued to dominate in 2025, representing 90.7% of all SAFEs issued in the data captured by the *Deal Points Report*, up from 81.2% in 2024. This trend reflects the continued adoption of the Y Combinator post-money SAFE structure, which provides greater certainty around dilution for both founders and investors. This data is also consistent with US data reported by Carta, where 88% of all early-stage SAFE rounds were on post-money SAFEs. For convertible promissory notes, the preference for post-money structures also increased in 2025, with 64.9% of convertible promissory notes using a post-money structure compared to 52.2% in 2024. This suggests a continued convergence in market practice, with convertible promissory note terms increasingly aligning with the post-money economics that are now standard in SAFEs.

A conversation with Noah Palansky of Taiv

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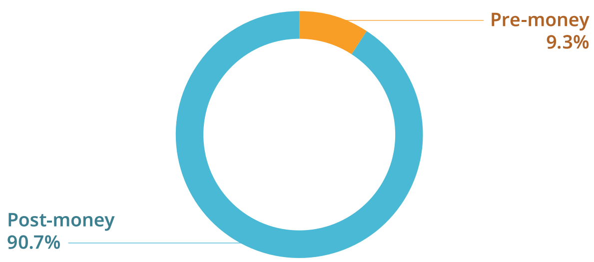
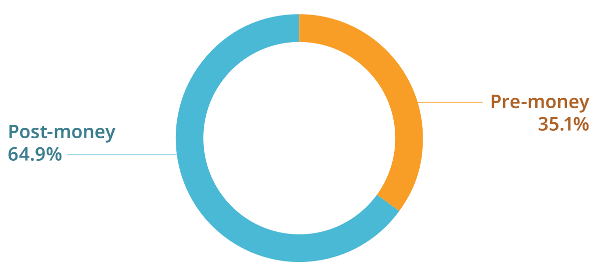
SAFEs: pre-money vs. post-money split (2025)



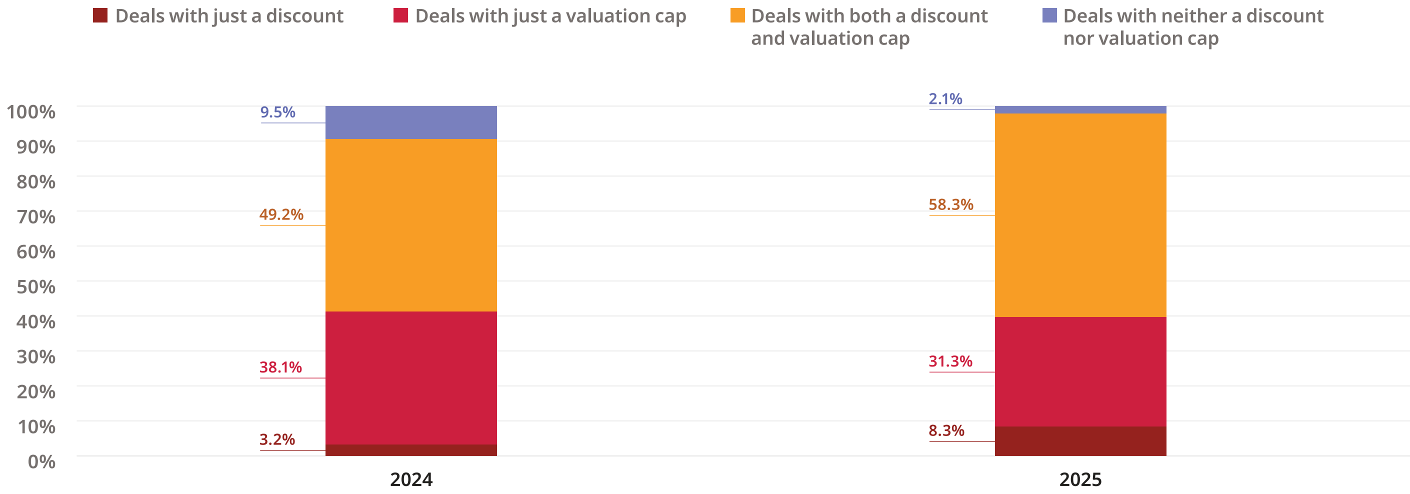
Convertible notes: pre-money vs. post-money split (2025)



Valuation caps and discounts

The proportion of SAFEs including both a discount and a valuation cap increased to 58.3% in 2025 from 49.2% in 2024 (compared to 31% for the U.S. as reported by Carta), while the proportion of convertible promissory notes with both provisions decreased to 45.5% from 57.9% in 2024. This divergence suggests that SAFE investors are increasingly seeking layered downside protection through both mechanisms, while convertible promissory note investors may be accepting simpler structures in exchange for other terms such as interest accrual and maturity dates that specify when amounts owing under the convertible promissory note become due and payable to the investor. Our expectation is that practices will continue to converge with U.S. practice, where 61% of all SAFEs were issued with a valuation cap only.

2024 vs. 2025: percentage with discount and valuation cap for SAFEs



A conversation with Saad Dara of Mangrove Lithium

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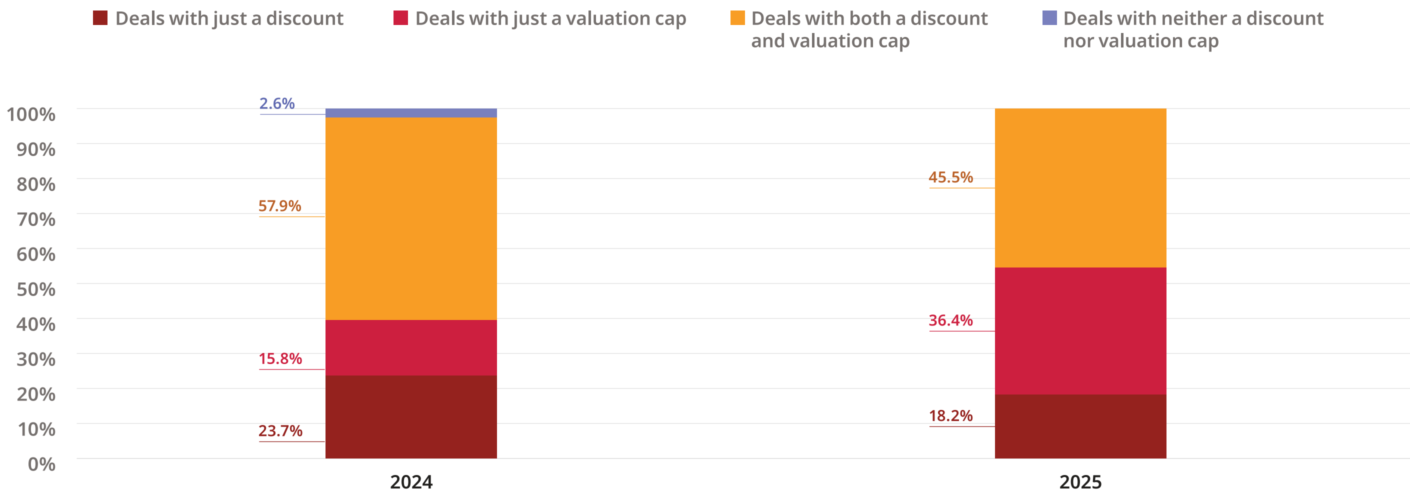
2024 vs. 2025: percentage with discount and valuation cap for convertible notes



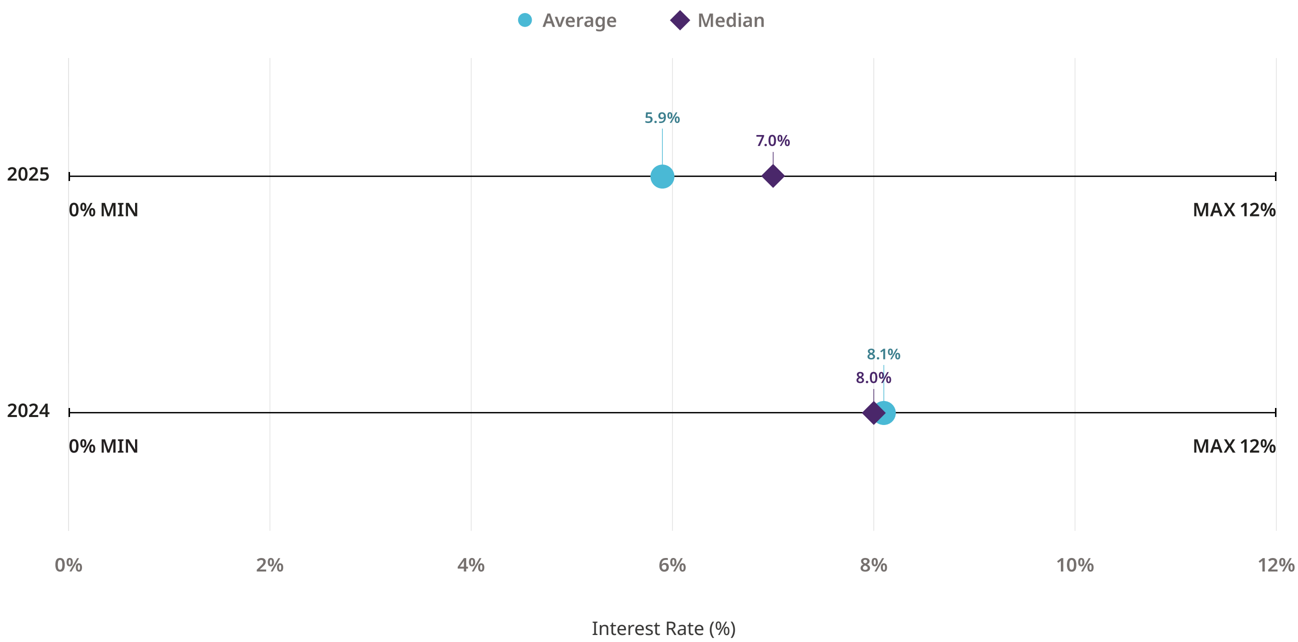
Interest rates (convertible promissory notes)

The chart below reflects the median and average interest rates for convertible promissory notes in 2024 and 2025.

In 2025, interest rates on convertible promissory notes remained broadly consistent with 2024, with a median rate of 7.0% in 2025 and 8.0% in 2024. The average interest rate decreased slightly from 8.1% in 2024 to 5.9% in 2025, suggesting marginally more favourable pricing for companies in the current market.

As described in the “Methodology and Background” section, this analysis is limited to transactions through to Series Seed (inclusive).

Convertible notes: interest rates



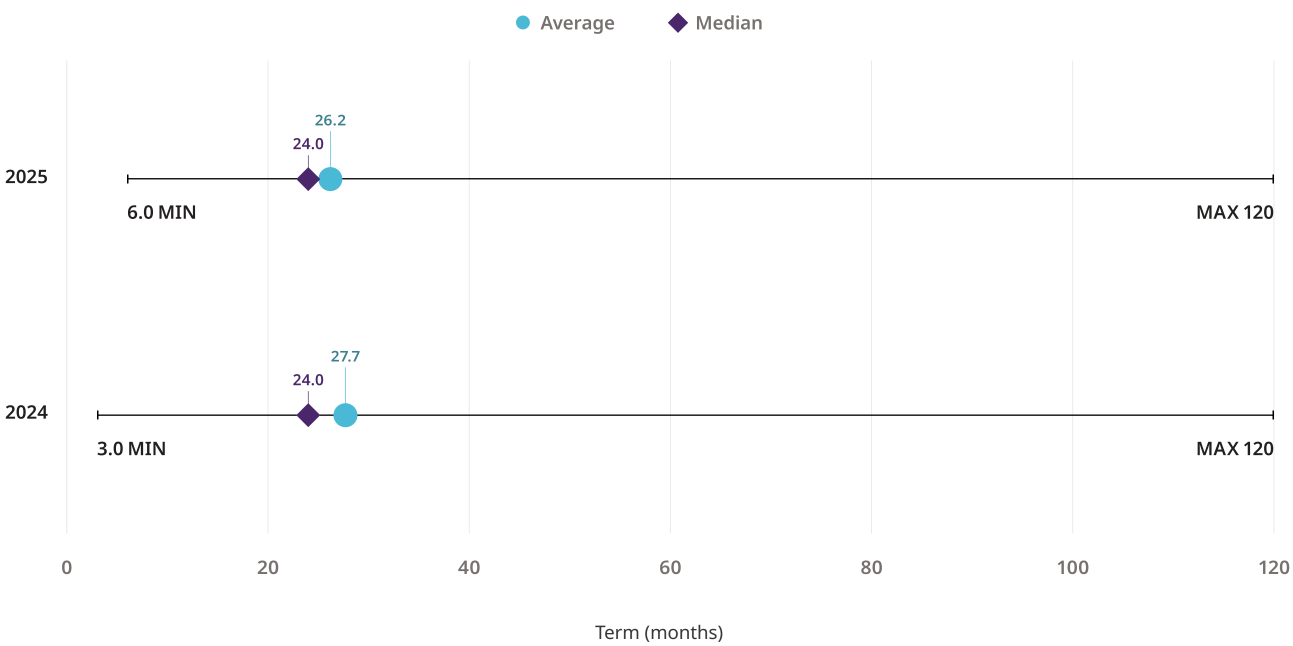
Term (convertible promissory note)

The chart below reflects the median and average term for convertible promissory notes in 2024 and 2025. For convertible promissory notes, a term is the period of time during which a convertible promissory note is outstanding before the borrower is required to repay the total principal and interest due under the convertible promissory note.

The median term for convertible promissory notes remained constant at 24 months in both 2024 and 2025, with the average term decreasing to 26.2 months in 2025 (compared to 27.7 months in 2024).

As described in the “Methodology and Background” section, this analysis is limited to transactions through Series Seed (inclusive).

Convertible notes: term (months)



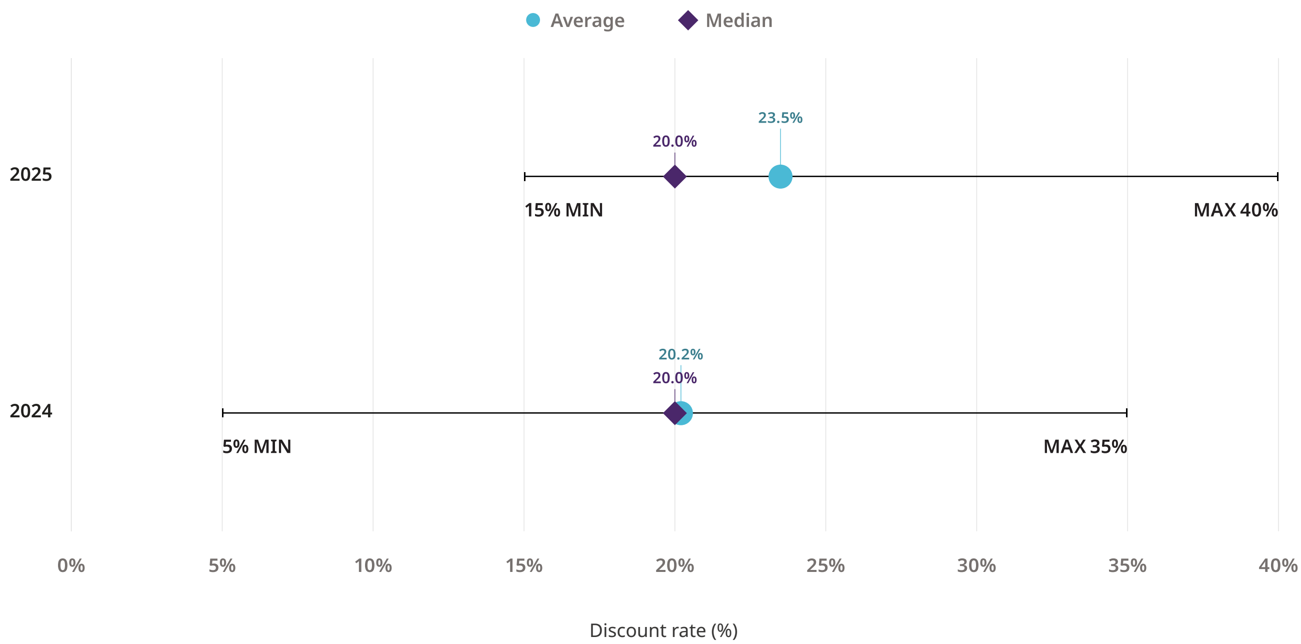
Discounts rates (SAFEs and convertible promissory notes)

This chart reflects the median and average discount rates for SAFEs and convertible promissory notes issued in 2024 and 2025. Discount rates determine the price per share of the issuer (and therefore the number of shares of the issuer) that the purchase amount of a SAFE or convertible promissory note converts into in connection with a conversion event — this price will be at a "discount" to the price per share ascribed to new shares issued by the issuer in connection with a conversion event. In some cases, SAFEs and convertible promissory notes may have both a discount and a valuation cap (discussed further below) that each determine a price per share of the issuer (and therefore the number of shares of the issuer) that the purchase amount of a SAFE or convertible promissory note converts into in connection with a conversion event. In those circumstances, the holder's applicable price per share is the lower of the discount price and the valuation cap price.

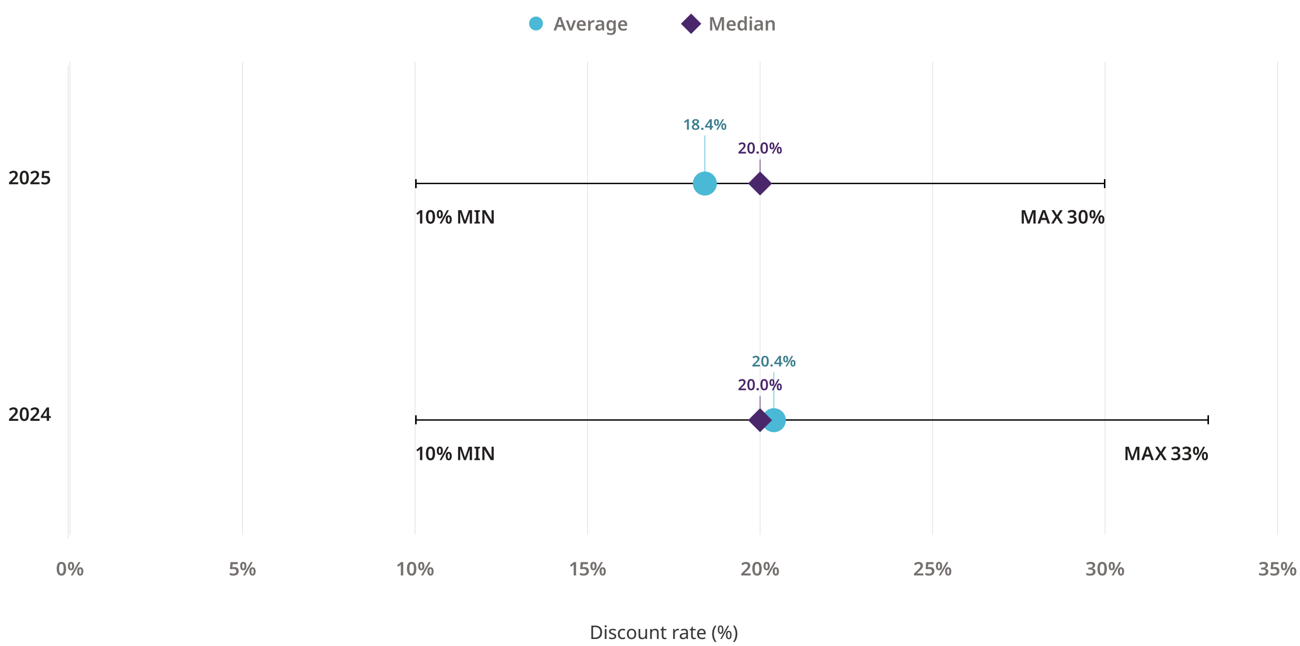
The median discount rate remained constant at 20% for both convertible promissory notes and SAFEs across 2024 and 2025, but average rates showed slightly divergent trends. For convertible promissory notes, the average discount increased from 20.2% in 2024 to 23.5% in 2025, while SAFEs showed a tightening range with the average decreasing from 20.4% in 2024 to 18.4% in 2025. This is consistent with Carta data which reports that 63% of all convertible securities included a 20% discount rate.

As described in the "Methodology and Background" section, this analysis is limited to transactions through Series Seed (inclusive).

Convertible notes: discount rates



SAFEs: discount rates



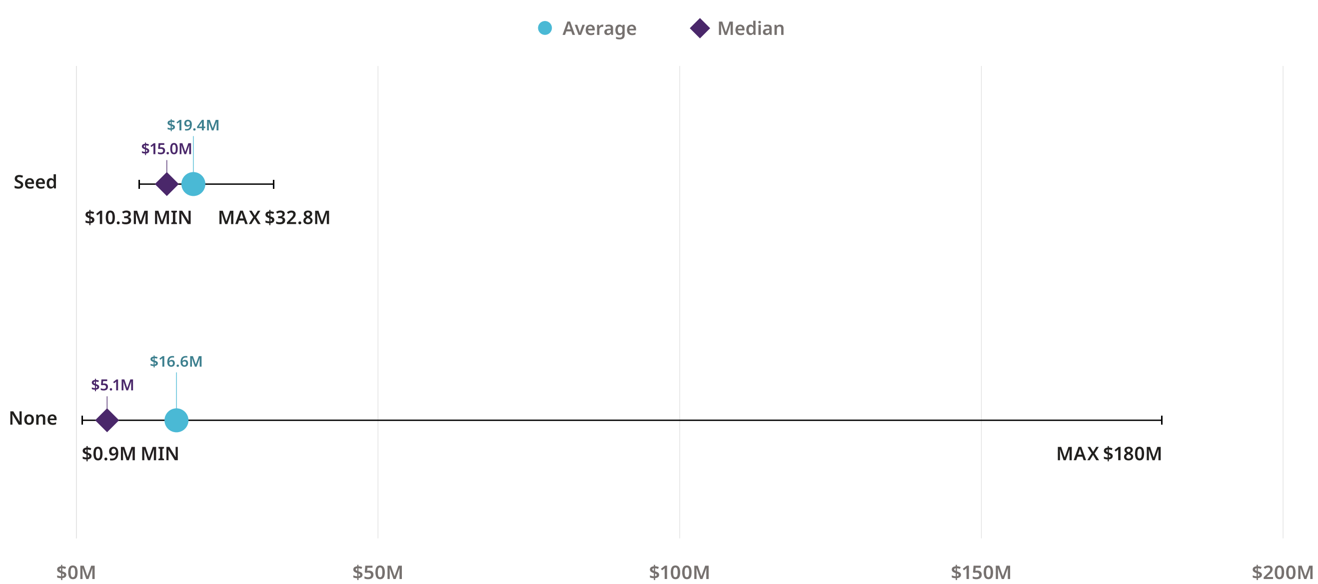
Valuation caps by series (convertible promissory notes)

This chart illustrates the median and average valuation caps for convertible promissory notes issued in 2024 and 2025. Valuation caps determine the price per share of the issuer (and therefore the number of shares of the issuer) that the principal amount and interest of a convertible promissory note convert into in connection with a conversion event. This price will be at a maximum "capped valuation" notwithstanding the valuation ascribed to the new shares issued by the issuer in connection with a conversion event. As discussed above, convertible promissory notes can have both a valuation cap and a discount. This concept applies equally to a SAFE, where the SAFE in question includes a valuation cap.

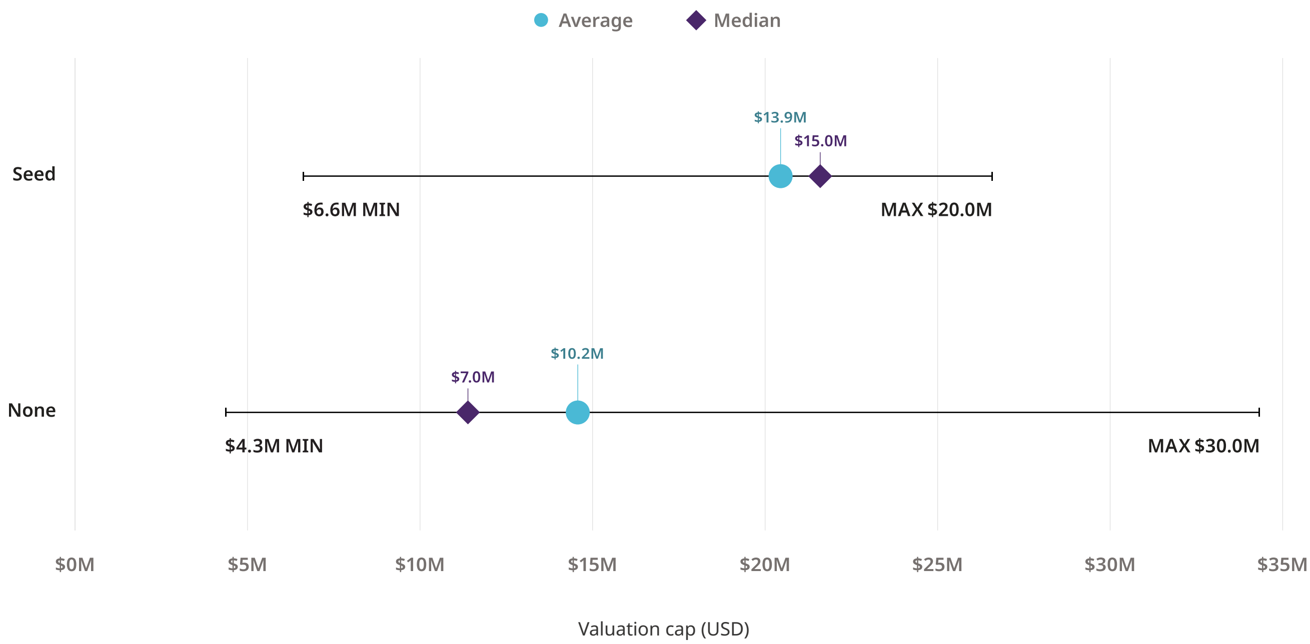
The valuation cap data for convertible promissory notes in 2025 show significant increases in median valuation caps at the pre-Seed stage. For companies with no prior financing, the median valuation cap increased from approximately US$5.1 million in 2024 to US$7.0 million in 2025.

As described in the "Methodology and Background" section, this analysis is limited to transactions through Series Seed (inclusive).

2024 valuation cap by last series raised for convertible notes (USD)



2025 valuation cap by last series raised for convertible notes (USD)



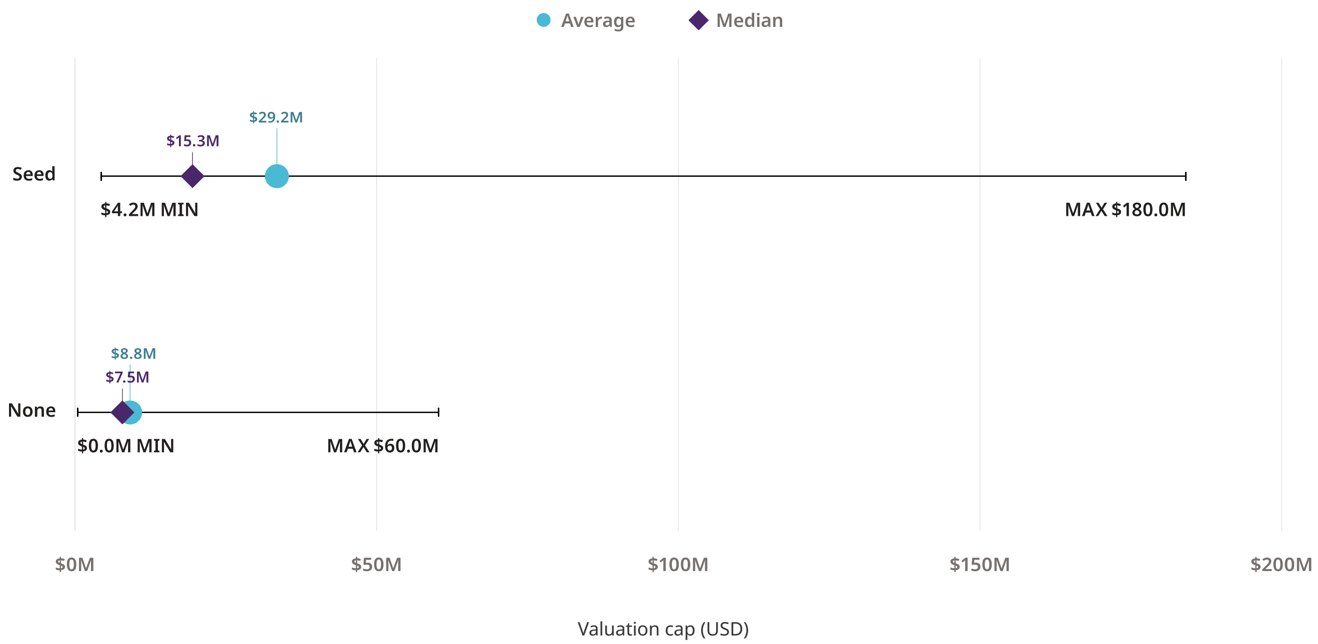
Valuation caps by series (SAFE)

These charts reflect the median and average valuation caps for SAFEs issued in 2024 and 2025, by series.

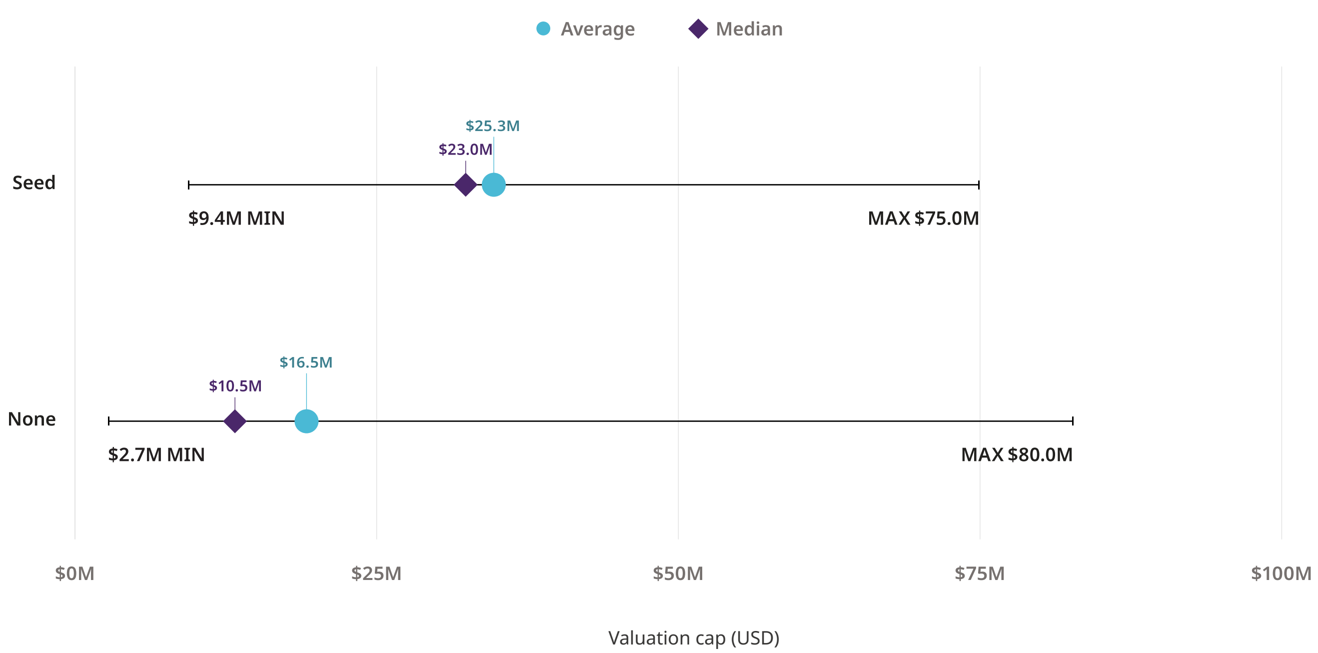
For SAFEs issued in 2025, median valuation caps increased at the pre-Seed and post-Seed stages of financing, reflecting continued upward momentum on valuations. The median valuation cap for companies with no prior financing increased to approximately US$10.5 million from US$7.5 million in 2024, and companies at the Seed stage saw median valuation caps of US$23.0 million (compared to US$15.3 million in 2024). At the same time, average valuation caps grew at the pre-Seed stage between 2024 and 2025, while the average valuation caps for post-Seed stage companies dropped marginally between 2024 and 2025.

As described in the “Methodology and Background” section, this analysis is limited to transactions through Series Seed (inclusive).

2024 valuation cap by last series raised for SAFEs (USD)



2025 valuation cap by last series raised for SAFEs (USD)

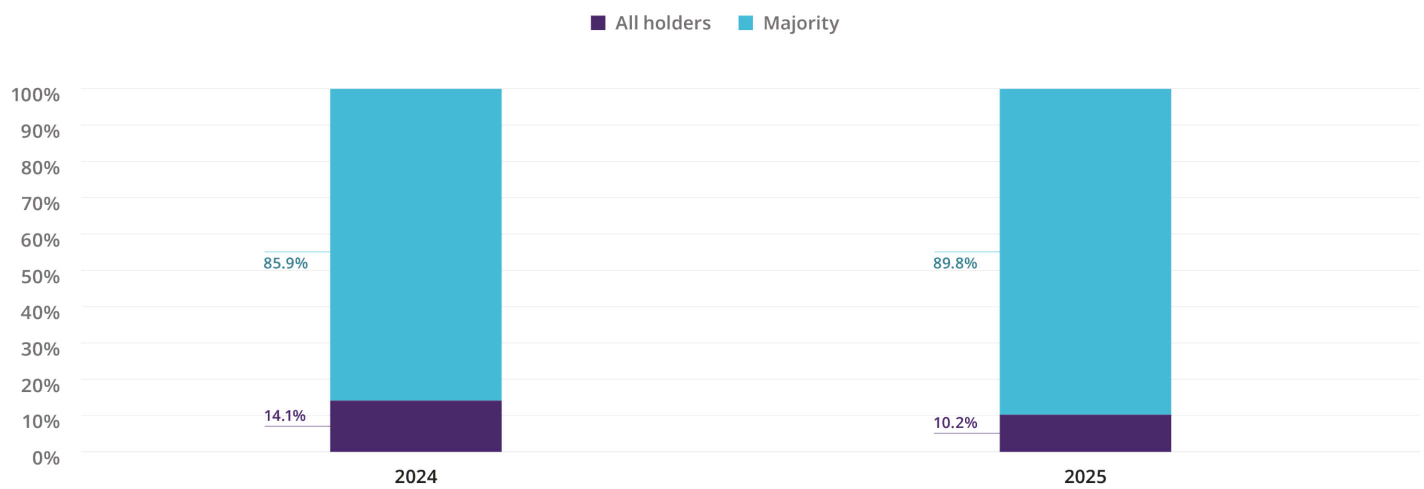


Convertible securities amendment thresholds

This chart summarizes the amendment threshold applicable under SAFE and convertible promissory notes. In 2025, the most common threshold for both SAFEs (89.8%) and convertible promissory notes (86.4%) was that amendments can be completed with the approval of the holders representing a majority of the principal amount invested in the round, reflecting a continued shift away from the requirement to obtain the consent of each individual holder.

In practice, these amendment thresholds allow for holders representing a majority of the aggregate purchase amount (in the case of SAFEs) or principal and accrued interest amounts (in the case of convertible promissory notes) to approve amendments on behalf of all holders of the same series. This structure prevents individual investors from having an effective veto over amendments to a given issuance, while still requiring broad holder consensus and improving administrative efficiency.

SAFEs: amendment thresholds (2024 and 2025)



A conversation with Étienne Mérineau

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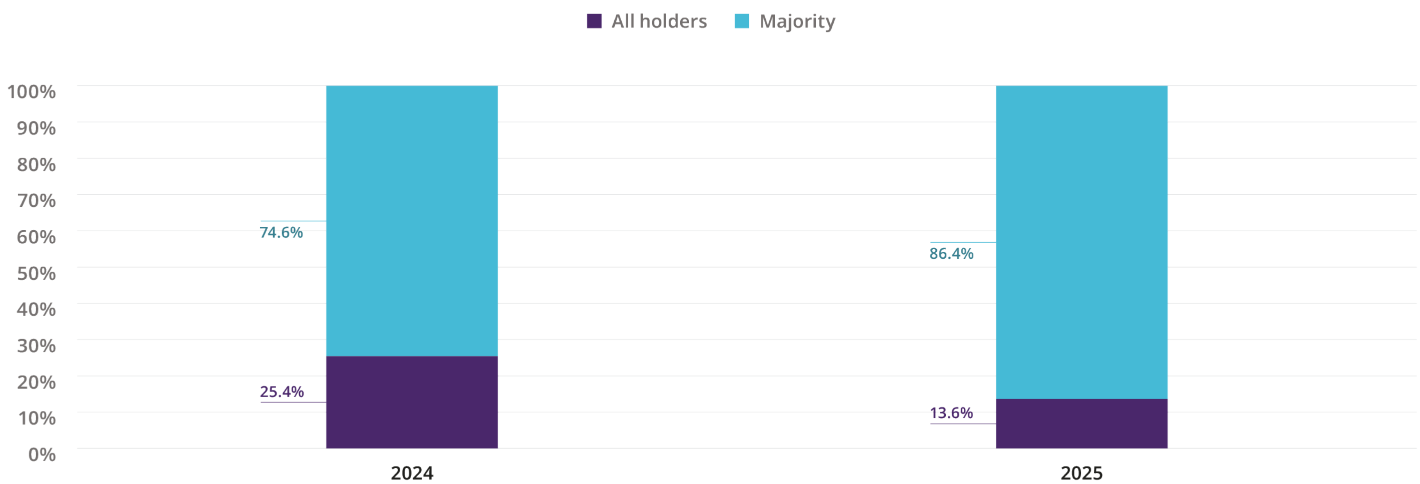
Convertible notes: amendment thresholds (2024 and 2025)



Acknowledgment

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