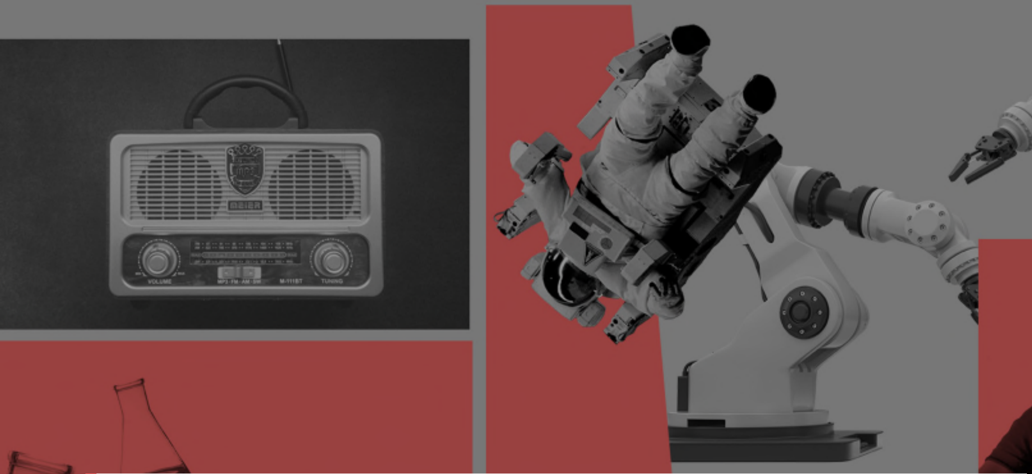

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THE ENTREPRENEURS REPORT
PRIVATE COMPANY FINANCING TRENDS

From the Wilson Sonsini Database:

FINANCING TRENDS Q2 2026

In This Issue

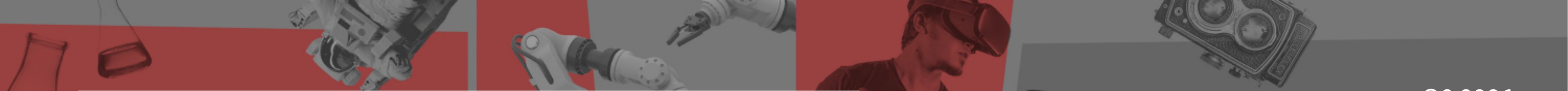
Key Features and Developments in This Report

Market Perspectives – Check-In
Artificial intelligence (AI) continues to dominate headlines in the first half of 2026, but deal activity is robust in other sectors as well. We hear from a number of Wilson Sonsini partners about what they are currently seeing in the venture ecosystem and what near-term developments might be in store. **See** p. 3

Growth-Stage Valuations Surge as Seed Cools Slightly
Median valuations climbed sharply from Series A through later stages in Q2 2026, though the largest late-stage figures may reflect a few outsized deals more than a broad repricing. Median Seed valuations eased from the prior quarter, while fundraise amounts held mostly firm across stages. **See** p. 4

Up Rounds Climb to 95% of Later-Stage Financings
The share of up rounds among Series B and later companies rose past 95% in Q2 2026, the highest level since 2021, while down and flat rounds each eased, reflecting continued investor confidence in growth-stage companies. **See** p. 6

SAFE Activity Moderates as Bridge Terms Firm Up
SAFE fundraise amounts continued normalizing toward 2021 levels, with valuation caps remaining the dominant pricing mechanism. Post-Seed convertible notes held near a \$2-3 million median through the first half of 2026, with interest rates and maturities shifting modestly. **See** p. 8



Market Perspectives – Mid-Year Check-in on Crypto and NewSpace

On Cryptocurrency and Blockchain:

"We were pleased to support Crypto.com in its recent $400 million fundraise. We continue to see expansion in the digital asset market, and growing institutional adoption is a strong signal for further growth in the sector. As the regulatory environment solidifies, it will further drive investment, development, and growth." – Lianna Whittleton, Partner

"The cryptocurrency and blockchain sector continues to be active in 2026, with that activity reflecting the technology's growing maturity. Early-stage activity is concentrated in select subsectors, such as stablecoin-backed payments (for example, connecting digital dollars to local currencies around the world), and prediction markets. Much of the broader activity involves later-stage, more established crypto companies, reflecting both investor interest for proven projects and industry consolidation. Our firm has supported a number of crypto M&A transactions over the past 12 months. Now with the SEC's proposed rules under its recent "Regulation Crypto Assets" release and the passage of a federal framework for stablecoins, teams and investors are growing more comfortable building on crypto technology." – Jonathan Chan, Partner

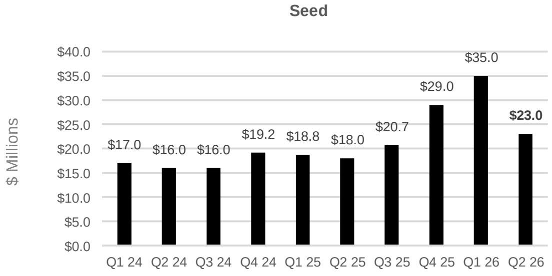
On NewSpace:

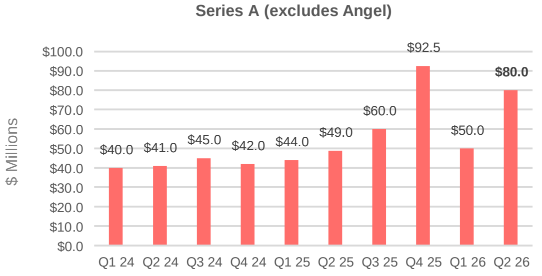
"Right now, capital is concentrating in defense-related space and orbital data centers, with increasingly large later-stage raises going to companies in both. Factors driving this activity include increased investor interest in space, geopolitical tension driving increased defense spending, and growing restrictions around terrestrial data centers. There are risks worth watching too, including defense spending possibly facing additional scrutiny after the U.S. midterm elections, and if SpaceX's stock performance disappoints, that could spill over onto the entire industry." – Craig Sherman, Partner

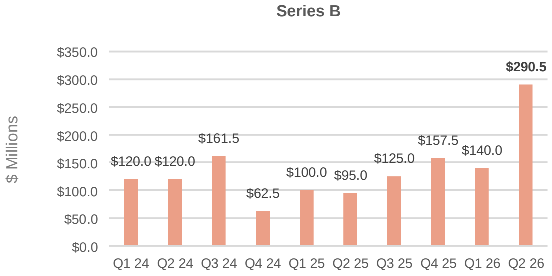
"It has been a very busy year in the NewSpace sector, busier than anything we've seen in past years, on both the financing and M&A side. One of our largest transactions was the recent $8 billion acquisition of Iridium by Rocket Lab, but there are also a number of exciting Series A and B rounds currently in progress. More broadly, the ecosystem has clearly been dominated by the SpaceX IPO." – Curt Blake, Senior Of Counsel

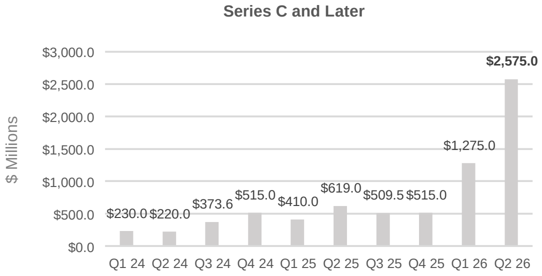
PRE-MONEY MEDIAN VALUATIONS*

Growth-Stage Valuations Surge While Seed Cools









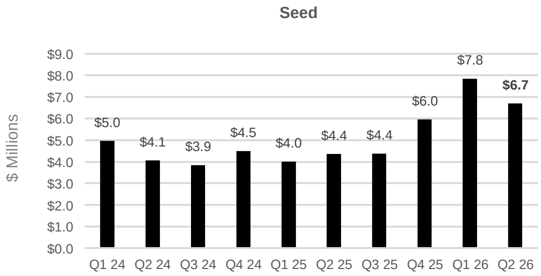
Venture-backed valuations diverged by stage in Q2 2026. Median Seed valuations eased to $23.0 million after reaching a high of $35.0 million in the prior quarter, while median Series A valuations climbed to $80.0 million. AI continues to be a key growth driver of large deals at all stages, but the drop in valuations at the Seed stage may suggest some investors are refocusing on non-AI-driven investments with traditionally lower valuations.

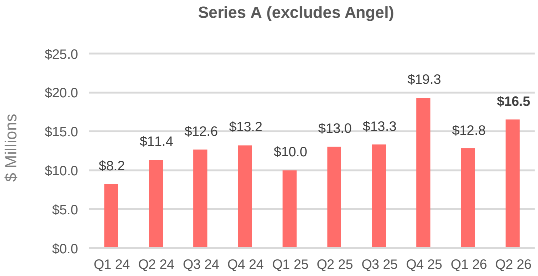
Growth-stage valuations rose sharply, with Series B medians reaching $290.5 million and Series C and later medians climbing to roughly $2.6 billion. These figures likely reflect a small but growing number of outsized rounds rather than a broad repricing. We will be watching over the next few quarters to see whether appetite for valuations at this scale is sustained or whether these figures instead reflect sample-size volatility.

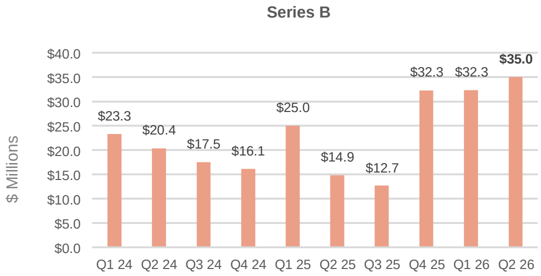
* For a yearly breakdown of pre-money median valuations dating back to 2021, see the Appendix on page 16.

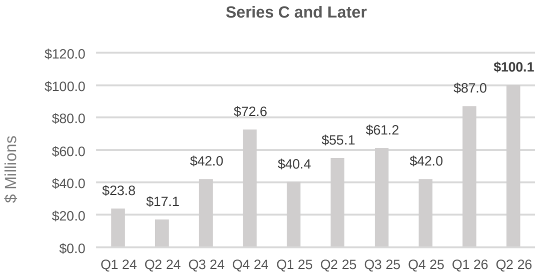
EQUITY FUNDRAISE MEDIAN AMOUNTS*

Fundraise Amounts Move in Line with Valuations









Our data on median fundraise amounts in Q2 2026 reflects continuing investor willingness to deploy capital across the company lifecycle. Aside from the Seed stage, which recorded a slight dip compared to Q1 2026, median amounts invested increased across stages.

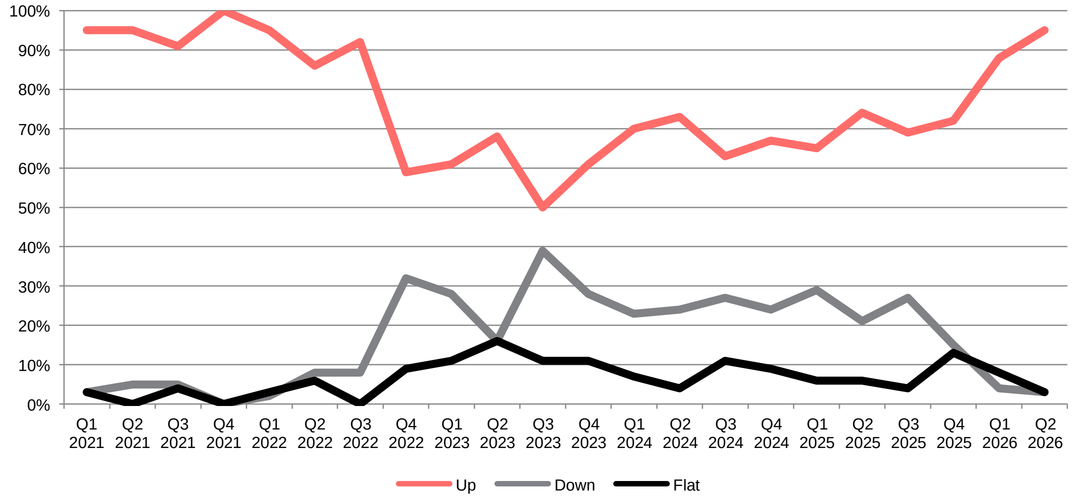
Series B fundraising rose to $35.0 million, maintaining the growth-stage momentum seen over the past few quarters. Median Series C and later raises reached $100.0 million, up from $87.0 million in the prior quarter, reflecting robust capital flows into late-stage companies and continued pre-IPO activity.

The divergence between steadily rising growth-stage valuations and a more measured increase in round sizes suggests investors are willing to pay up for perceived quality while remaining disciplined about how much capital they deploy per round. The continued strength at the latest stages is likely driven by a maturing cohort of pre-IPO companies raising ahead of anticipated public market listings.

* For a yearly breakdown of equity fundraise median amounts dating back to 2021, see the Appendix on page 16.

Down and Flat Rounds Recede to Early 2022 Levels

Up and Down Rounds by Quarter (Series B and Later Companies)

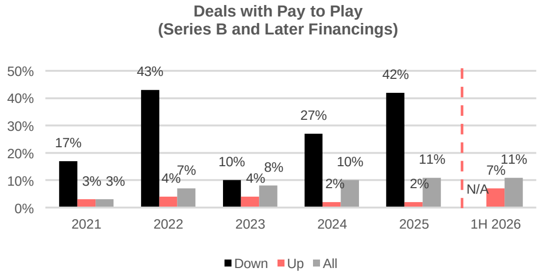


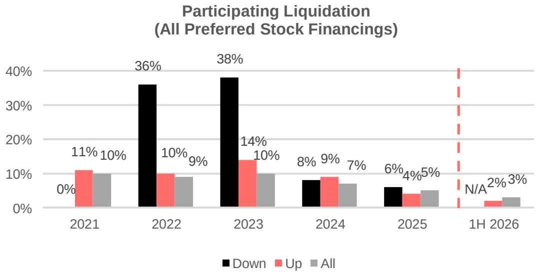
In Q2 2026, the share of up rounds among Series B and later companies rose past 95%, the highest level since 2021 and a continuation of the strong rebound seen earlier last year. Meanwhile, down and flat rounds were each present in roughly 3% of Series B and later transactions. Together, these figures point to sustained investor confidence in growth-stage companies that can demonstrate strong revenue and clear paths to profitability, and a decisive move away from the cautious, wait-and-see posture of prior years.

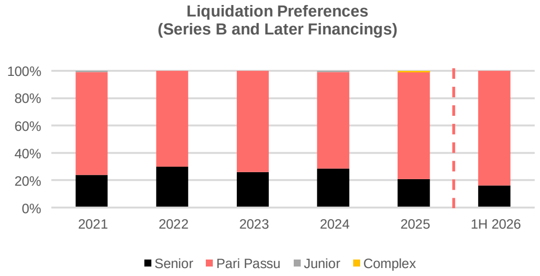
The coexistence of a near-record up-round share with a small but stubborn tail of flat and down rounds suggests the growth-stage market has bifurcated slightly rather than uniformly recovered. Increasing valuations and capital are flowing freely to companies that have converted the past two years of cost discipline into durable revenue and visible profitability, while those still searching for that footing face a higher bar. This divide is likely sharpened by increasingly selective investor appetite and the pull of AI-driven companies at the top of the market.

EQUITY FINANCING DEAL TERMS*

Investors Are Still Hedging Against Downside Risk







Through the first half of 2026, down rounds remained too scarce to produce a reliable sample, so they are excluded from the charts above. In the few down rounds that occurred, pay-to-play and participating liquidation preference provisions were largely absent. Both flat and up rounds, however, continued to include these more aggressive terms in a small share of deals, and we expect investors and companies to keep using them selectively.

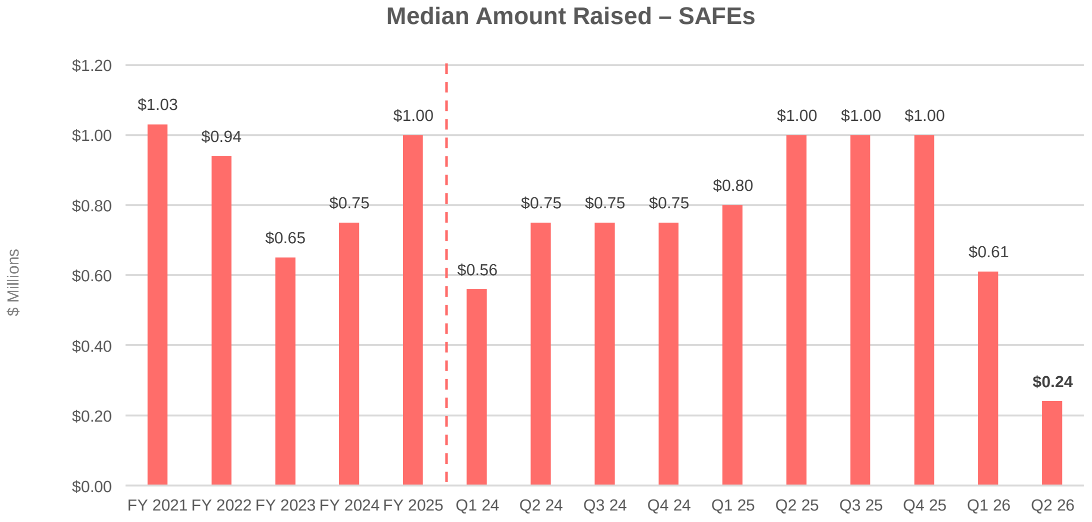
Senior liquidation preferences, which place new money at the top of the preference stack above previously invested capital, continued to decline in prevalence across all rounds from their 2022 highs, appearing in 16% of Series B and later financings in 1H 2026.

The steady decline in senior liquidation preferences, together with the near-absence of pay-to-play and participating provisions outside of a handful of preferred stock deals, points in the same direction as the quarter's up-round data. As the growth-stage market has strengthened, negotiating leverage for companies selling preferred stock has moved back toward companies, and investors competing for the most sought-after rounds have had less need to insist on the aggressive downside protections that were common in the harder market of 2022 and 2023.

* For a more detailed summary of private company financing deal terms, see the Appendix on page 22.

SAFEs (Simple Agreements for Future Equity)

SAFEs Raise Amounts Drop to Multi-Year Low

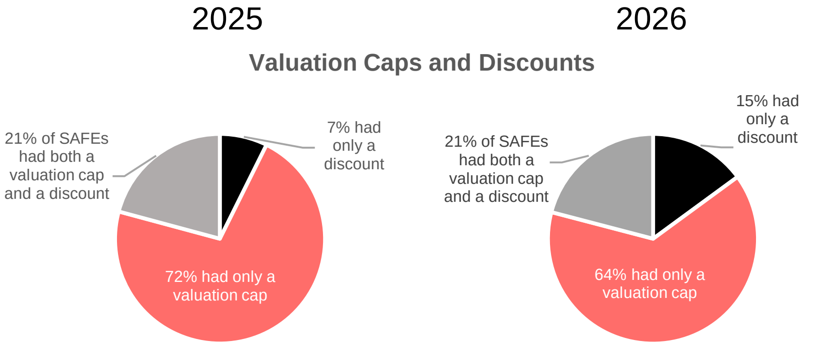


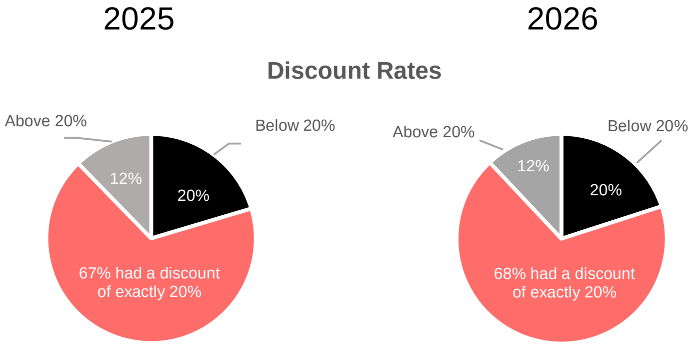
In Q2 2026, the median amount raised via SAFE financings fell to $240,000, extending the decline that began earlier in the year. After holding near $1.0 million through much of 2025 and stepping down to $610,000 in Q1 2026, SAFE sizes have now dramatically contracted for a second consecutive quarter.

This multi-quarter trend suggests that SAFEs are increasingly concentrated at the earliest and smallest pre-Seed checks, where modest raise sizes are typical. In prior quarters we attributed part of the decline to promising companies graduating into preferred stock Seed rounds, but this quarter's softer Seed environment, in which both Seed valuations and Seed raise amounts eased, cautions against reading the drop as a wholesale migration into preferred stock rounds. It more likely reflects SAFEs settling into their traditional role as a fast, low-friction instrument for the very earliest financings.

SAFEs (Simple Agreements for Future Equity)

SAFE Terms Continue to Shift Slightly





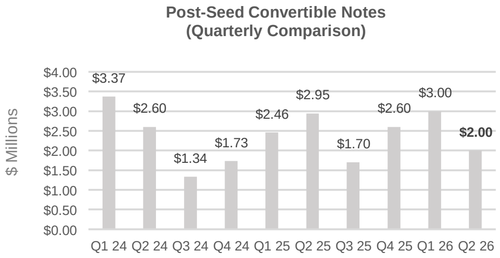
In the first half of 2026, 85% of SAFEs included a valuation cap, down from 93% in 2025. Caps remain the primary mechanism for allocating upside in early-stage deals, but their easing prevalence is notable and tracks the shift in SAFE size discussed above. The median SAFE valuation cap was $15.0 million in the first half of 2026, down from $20.0 million in 2025. Of the SAFEs that carried a cap, 89% used a post-money structure, up from 81% in 2025, extending the multi-year move toward post-money terms. The median discount rate held at the standard 20%, though about 32% of SAFEs that included a discount carried a rate above or below that level, showing that investors remain willing to customize discount terms in certain situations.

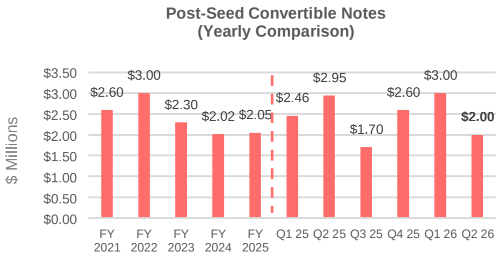
Both the lower share of capped SAFEs and the lower median cap are consistent with the retreat in SAFE check sizes. As these instruments concentrate at the earliest and smallest pre-Seed financings, they increasingly carry the lower valuations, and in some cases the lighter terms, that are typical of that stage. Post-money valuation caps generally give investors a clearer and often more favorable economic position than discount-only structures, which helps explain why they remain the default. However, customized discounts and other nonstandard terms such as pro rata rights are still used to calibrate risk and upside on a deal-by-deal basis, and founders should understand how these levers work before agreeing to them when negotiating SAFEs.

POST-SEED CONVERTIBLE BRIDGE NOTES

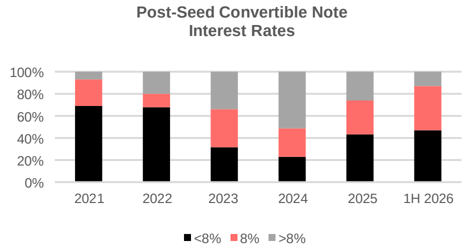
Post-Seed Bridge Note Raises Hold Steady

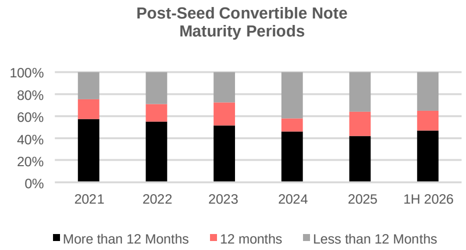
Median Raise Amounts





Terms





Companies raising bridge funding through convertible post-Seed notes stayed active through the first half of 2026. The median amount raised was $3.0 million in Q1 2026 before easing to $2.0 million in Q2 2026, keeping raises roughly in line with the range seen over the past year.

Interest rates stayed varied, with 47% of post-Seed notes carrying rates below 8%, 40% exactly at 8%, and 13% above 8% in the first half of 2026, reflecting a broad range of investor risk tolerance.

Maturities remained weighted toward longer durations, with 47% of notes maturing in more than 12 months, suggesting continued investor patience while a meaningful share of notes still anticipate relatively quick follow-on financings.

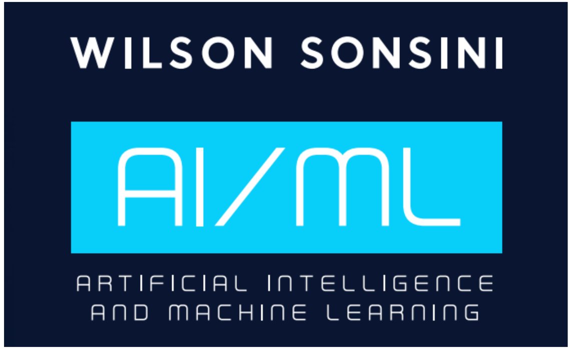
All Eyes on AI: Regulatory, Litigation, and Transactional Developments

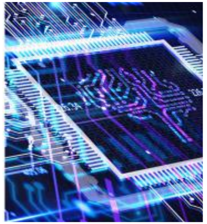
Wilson Sonsini is pleased to present the latest edition of *All Eyes on AI: Regulatory, Litigation, and Transactional Developments*, which closely follows the evolving regulatory landscape for AI in the U.S., new EU regulations for AI, international developments, litigation, recent deal highlights, firm publications, and other AI and machine learning highlights:

This issue includes:

- The White House Releases Federal AI Framework
- Trend Toward AI Chatbot Safety Laws
- EU Legislators Agree on EU AI Act Amendments with Implications for AI Companies Operating in the EU
- The Meta-Manus Ruling Highlights Growing Global AI Deal Risk
- UK Government Takes Steps Toward More AI Regulation Measures in the UK
- Algorithmic Pricing Global Roundup: The UK's Hotel Investigation, a Canadian Consultation, and Concerns about a Chinese Hotel Pricing Tool

Read the full newsletter [here](#).





A Selection of Recent Wilson Sonsini Artificial Intelligence Activity

Wilson Sonsini Advises Thinking Machines Lab on Strategic Partnership with NVIDIA
Read more >

Wilson Sonsini Advises ElevenLabs on $500 Million Series D
Read more >

OpenAI Prevails in Landmark Italian AI and GDPR Enforcement Case
Read more >

Wilson Sonsini Advises Investor G2 Venture Partners on Waabi’s $1 Billion Fundraise
Read more >

Wilson Sonsini Advises Replit on $400 Million Series D
Read more >

New Executive Order on Advanced AI Innovation and Security

On June 2, 2026, the White House issued an Executive Order, Promoting Advanced Artificial Intelligence Innovation and Security (Order), which announces that it is "the policy of the United States to promote AI innovation and security by working collaboratively with the private sector to modernize government and private sector information systems and harden them against external threats; to protect American ingenuity and intellectual property from exploitation and theft by adversaries; and to cultivate America's advanced AI-enabled capabilities."

Key Takeaways from the Order:

- The Order directs the creation of a framework for developers of advanced frontier models to engage with the federal government for a voluntary pre-release review of the models.
- The Order also directs the Treasury Department, together with the National Security Agency (NSA) and Cybersecurity and Infrastructure Security Agency (CISA), to establish a clearinghouse to coordinate cyber vulnerability scanning, discovery, and patch distribution, in collaboration with private sector AI and critical infrastructure companies.
- CISA must issue Binding Operational Directives (BODs) and other guidance to expedite cyber defense of civilian federal systems and expand use of AI-enabled defensive tools.
- The Order directs the Attorney General to prioritize prosecution of AI- and AI agent-facilitated computer crimes, identity theft offenses, and wire fraud schemes.
- Developers considering engagement with the federal government for model pre-release review will need to assess the scope of pre-release access and the safeguards available during the early access window.
- Companies seeking to become trusted partners should engage carefully with the U.S. government; those trusted partners may receive early access to covered frontier models, but also may be asked to disclose sensitive information and agree to continuing collaboration with the government.

For more information, please see our recent client alert or contact any member of the Data, Privacy, and Cybersecurity or National Security and Trade practices at Wilson Sonsini.

Delaware Court of Chancery Interprets New Section 144 and Applies Heightened Presumption of Director Independence

On June 15, 2026, the Delaware Court of Chancery issued an Opinion interpreting Section 144 of the Delaware General Corporation Law (the DGCL), the landmark statutory measure adopted last year to provide safe harbors for certain conflicted transactions and address director independence, among other reforms. The Opinion arose in a common context in Delaware stockholder litigation: claims over director and management compensation. In the decision, Vice Chancellor Lori W. Will applied, for the first time, the statute's heightened presumption of independence for directors of public companies determined by the board to be independent under the relevant NYSE or Nasdaq listing standards to dismiss derivative claims on demand futility grounds.

The decision includes several noteworthy rulings based on the plain language of the statute. At the outset, the court confirmed that the heightened presumption of director independence set forth in Section 144(d)(2) is not limited to the safe harbor procedures in Section 144, but rather, the statute makes clear that the General Assembly intended the heightened presumption to apply broadly to independence determinations under Delaware law, including in the demand futility context under Court of Chancery Rule 23.1.

The court's decision applying the heightened presumption of independence should provide welcome comfort for directors of Delaware corporations deemed independent under relevant listing standards. And, more generally, the Vice Chancellor's straightforward application of the new statutory language is a strong signal to market participants that the reforms codified in Section 144 will be given full effect.

For more information, please see our recent client alert or contact any member of Wilson Sonsini's Corporate Governance or Corporate Governance Litigation practices.

Wilson Sonsini's *NextGen VC Podcast*

The *NextGen VC Podcast* unpacks the opportunities, challenges and breakthroughs shaping life sciences investing and is curated by Wilson Sonsini and LaunchBio with hosts Michael Hostetler and Jennifer Fang. Each episode features interviews with successful venture capitalists. Listeners will gain wisdom from these experiences and learn how the pros have navigated challenges, made strategic decisions and achieved remarkable success. See below for links to the podcast's recent episodes, available to listen now:

Why the Future of Biotech Starts with the Brain

In this episode, Mike Hostetler and Jen Fang sit down with Jason Pitts, Ph.D., Principal at General Atlantic, to talk about the winding path that took him from studying the brain at Cornell to evaluating some of the most promising companies in biotech.

The $2.25B Exit that Changed Lumira's Investment Strategy

Jen and Mike sat down with Dr. Suman Rao, Principal at Lumira Ventures, to discuss her path from academic science to healthcare venture capital and why she believes the best investors lead with mission before money.

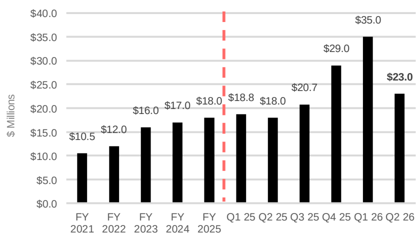
Building Biotech Companies from Day One

Aimee Raleigh, Ph.D., Principal at Atlas Venture, joins Mike and Jen as she walks through how companies get built before they're even companies. From evaluating early science to forming a real point of view, Aimee shares how investors build conviction at the earliest stages.

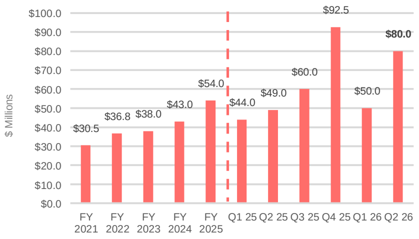
Appendix – A Yearly Look-Back on Equity Valuations and Raise Amounts

Pre-Money Median Valuations

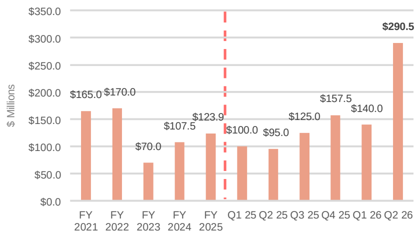
Seed



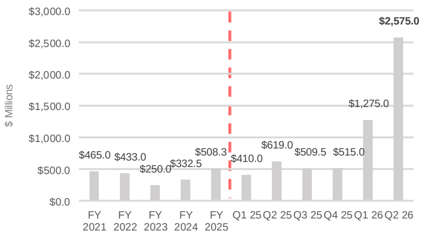
Series A (excludes Angel)



Series B

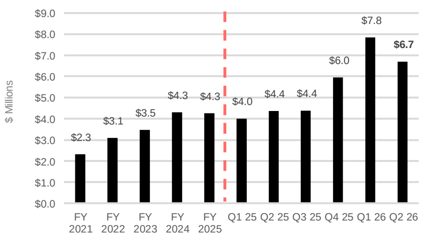


Series C and Later

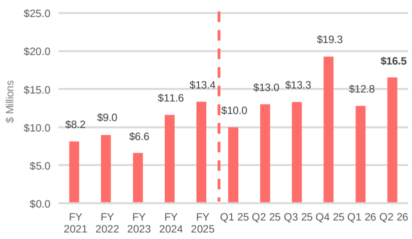


Equity Fundraise Median Amounts

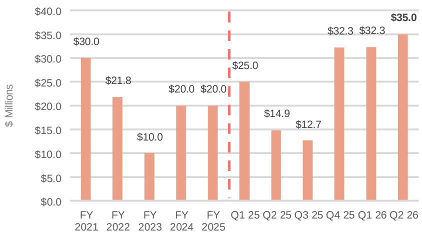
Seed



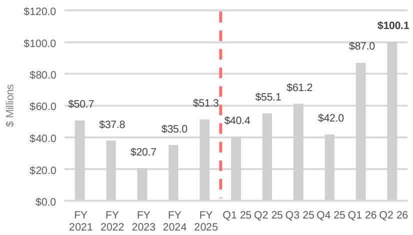
Series A (excludes Angel)



Series B



Series C and Later



Appendix – Private Company Financing Deal Terms (Wilson Sonsini Deals)[1]

	2021 All Rounds[2]	2022 All Rounds[2]	2023 All Rounds[2]	2024 All Rounds[2]	2025 All Rounds[2]	1H 2026 All Rounds[2]	2021 Up Rounds[3]	2022 Up Rounds[3]	2023 Up Rounds[3]	2024 Up Rounds[3]	2025 Up Rounds[3]	1H 2026 Up Rounds[3]	2021 Down Rounds[3]	2022 Down Rounds[3]	2023 Down Rounds[3]	2024 Down Rounds[3]	2025 Down Rounds[3]	1H 2026 Down Rounds[3]
Liquidation Preferences - Series B and Later																		
Senior	24%	30%	26%	29%	21%	16%	23%	26%	20%	13%	12%	13%	50%	64%	38%	63%	46%	N/A
Pari Passu with Other Preferred	75%	70%	74%	71%	79%	84%	76%	74%	80%	87%	88%	87%	50%	36%	62%	35%	54%	N/A
Junior	1%	0%	0%	1%	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	2%	0%	N/A
Complex	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%	0%	N/A
Participating vs. Non-Participating																		
Participating - Cap	4%	3%	2%	3%	2%	1%	4%	3%	4%	7%	3%	1%	0%	0%	14%	2%	2%	N/A
Participating - No Cap	6%	6%	8%	4%	3%	2%	7%	7%	10%	2%	1%	1%	0%	36%	24%	6%	4%	N/A
Non-Participating	90%	91%	90%	93%	95%	97%	89%	90%	85%	91%	96%	97%	100%	64%	62%	92%	93%	N/A
Dividends																		
Yes, Cumulative	5%	6%	3%	4%	2%	1%	6%	8%	6%	7%	4%	1%	0%	8%	0%	2%	2%	N/A
Yes, Non-Cumulative	56%	51%	46%	42%	40%	34%	65%	57%	53%	52%	45%	43%	57%	58%	65%	65%	62%	N/A
None	39%	43%	51%	55%	58%	64%	29%	35%	40%	42%	51%	56%	43%	33%	35%	33%	36%	N/A
Anti-Dilution Provisions																		
Weighted Average - Broad	97%	98%	98%	96%	100%	98%	98%	99%	100%	94%	100%	99%	100%	100%	95%	100%	100%	N/A
Weighted Average - Narrow	1%	0%	1%	0%	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%	5%	0%	0%	N/A
Ratchet	1%	1%	0%	1%	0%	1%	1%	1%	0%	0%	0%	1%	0%	0%	0%	0%	0%	N/A
Other (Including Blend)	0%	0%	0%	0%	0%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	N/A
None	1%	1%	2%	3%	0%	0%	0%	0%	0%	6%	0%	0%	0%	0%	0%	0%	0%	N/A
Pay-to-Play - Series B and Later																		
Yes, Pay-to-Play	3%	7%	8%	10%	11%	11%	3%	4%	4%	2%	2%	7%	17%	43%	10%	27%	42%	N/A
None	97%	93%	92%	90%	89%	89%	97%	96%	96%	98%	98%	93%	83%	57%	90%	73%	58%	N/A
Redemption																		
Yes, Redemption	10%	8%	5%	8%	4%	5%	15%	12%	4%	12%	5%	8%	17%	7%	15%	4%	6%	N/A
None	90%	92%	95%	92%	96%	95%	86%	89%	96%	88%	95%	91%	83%	93%	86%	96%	93%	N/A

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[1] We based this analysis on deals having an initial closing in the period to ensure that the data clearly reflects current trends. Please note the numbers do not always add up to 100% due to rounding.
[2] Includes flat rounds and, unless otherwise indicated, Series A rounds.
[3] Note that the All Rounds metrics include flat rounds and, in certain cases, Seed and Series A financings as well. Consequently, metrics in the All Rounds column may be outside the ranges bounded by the Up Rounds and Down Rounds columns, which will not include such transactions.

Appendix – Convertible Notes – Deal Terms (Wilson Sonsini Deals)

Convertible Notes[1]	2021 Pre-Seed	2022 Pre-Seed	2023 Pre-Seed	2024 Pre-Seed	2025 Pre-Seed	1H 2026 Pre-Seed	2021 Post-Seed	2022 Post-Seed	2023 Post-Seed	2024 Post-Seed	2025 Post-Seed	1H 2026 Post-Seed
Interest rate less than 8%	90%	44%	52%	48%	56%	N/A	69%	68%	32%	23%	43%	47%
Interest rate at 8%	5%	44%	26%	24%	38%	N/A	24%	12%	35%	26%	31%	40%
Interest rate greater than 8%	5%	11%	22%	29%	6%	N/A	7%	20%	34%	51%	26%	13%
Maturity less than 12 months	14%	30%	38%	19%	19%	N/A	25%	29%	28%	42%	36%	35%
Maturity 12 months	5%	0%	13%	24%	19%	N/A	18%	16%	21%	12%	22%	18%
Maturity more than 12 months	81%	70%	50%	57%	63%	N/A	58%	55%	52%	46%	42%	47%
Debt is subordinated to other debt	14%	40%	17%	25%	13%	N/A	48%	41%	39%	35%	46%	12%
Loan includes warrants[2]	0%	0%	0%	0%	6%	N/A	6%	20%	22%	15%	19%	12%
Warrant coverage less than 25%	N/A	N/A	N/A	N/A	100%	N/A	0%	11%	45%	50%	17%	0%
Warrant coverage at 25%	N/A	N/A	N/A	N/A	0%	N/A	0%	0%	0%	0%	0%	0%
Warrant coverage greater than 25%	N/A	N/A	N/A	N/A	0%	N/A	100%	89%	55%	50%	83%	100%
Automatic conversion into equity on qualified financing[3]	100%	100%	92%	89%	93%	N/A	96%	93%	88%	96%	93%	94%
Voluntary conversion into equity on qualified financing[3]	0%	0%	8%	11%	7%	N/A	4%	7%	12%	4%	7%	6%
Conversion rate subject to price cap[4]	71%	56%	54%	50%	38%	N/A	52%	32%	47%	47%	40%	50%
Conversion to equity at discounted price[5]	75%	50%	88%	78%	92%	N/A	70%	78%	80%	84%	86%	81%
Conversion to equity at same price as other investors	15%	30%	8%	17%	8%	N/A	25%	20%	10%	8%	14%	13%
Discount on conversion less than 20%	20%	40%	14%	36%	9%	N/A	21%	29%	18%	16%	23%	23%
Discount on conversion at 20%	60%	20%	48%	36%	73%	N/A	63%	39%	55%	51%	40%	38%
Discount on conversion greater than 20%	20%	40%	38%	29%	18%	N/A	16%	32%	27%	33%	37%	38%

[1] We based this analysis on deals having an initial closing in the period to ensure that the data clearly reflects current trends. Please note the numbers do not always add up to 100% due to rounding. Pre-Seed refers to convertible notes issued prior to the first preferred stock financing. Post-Seed refers to convertible notes issued after the first preferred stock financing.

[2] Of the 2021 post-Seed convertible notes with warrants, 100% also had a discount on conversion into equity. Of the 2022 post-Seed convertible notes with warrants, 59% also had a discount on conversion into equity. Of the 2023 post-Seed convertible notes with warrants, 55% also had a discount on conversion into equity. Of the 2024 post-Seed convertible notes with warrants, 69% also had a discount on conversion into equity. Of the 2025 post-Seed convertible notes with warrants, 55% also had a discount on conversion into equity. Of the 1H 2026 post-Seed convertible notes with warrants, 50% also had a discount on conversion into equity.

[3] The 2021 median dollar threshold for a qualified financing in pre- and post-Seed convertible notes was $4 million and $10 million, respectively. The 2022 median dollar threshold for a qualified financing in pre- and post-Seed convertible notes was $7 million and $10 million, respectively. The 2023 median dollar threshold for a qualified financing in pre- and post-Seed convertible notes was $5M and $10M, respectively. The 2024 median dollar threshold for a qualified financing in pre- and post-Seed convertible notes was $5 million and $10 million, respectively. The 2025 median dollar threshold for a qualified financing in pre- and post-Seed convertible notes was $10 million and $15 million, respectively. There were too few pre-Seed convertible notes in 1H 2026 to calculate the median dollar threshold for a qualified financing. The 1H 2026 median dollar threshold for a qualified financing in post-Seed convertible notes was $10 million.

[4] The 2021 median price cap in pre- and post-Seed convertible notes was $12 million and $47 million, respectively. The 2022 median price cap in pre- and post-Seed convertible notes was $35 million and $50 million, respectively. The 2023 median price cap in pre- and post-Seed convertible notes was $20 million and $45 million, respectively. The 2024 median price cap in pre- and post-Seed convertible notes was $11 million and $28 million, respectively. The 2025 median price cap in pre- and post-Seed convertible notes was $28 million and $70 million, respectively. There were too few pre-Seed convertible notes in 1H 2026 to calculate the median price cap. The 1H 2026 median price cap in post-Seed convertible notes was $55 million.

[5] Of the 2021 post-Seed convertible notes that had a discount on conversion into equity, 3% had warrants. Of the 2022 post-Seed convertible notes that had a discount on conversion into equity, 17% had warrants. Of the 2023 post-Seed convertible notes that had a discount on conversion into equity, 16% had warrants. Of the 2024 post-Seed convertible notes that had a discount on conversion into equity, 17% had warrants. Of the 2025 post-Seed convertible notes that had a discount on conversion into equity, 14% had warrants. Of the 1H 2026 post-Seed convertible notes that had a discount on conversion into equity, 8% had warrants.

Wilson Sonsini Methodology

- The Up/Down/Flat analysis is based on Wilson Sonsini deals having an initial closing in the period reported to ensure that the data clearly reflects current trends.
- The median pre-money valuation is calculated based on the pre-money valuation given at the time of the initial closing of the financing round. If the issuer has a closing in a subsequent quarter, the original pre-money valuation is used in the calculation of the median for that quarter as well.
- A substantial percentage of deals have multiple closings that span fiscal quarters. The median amount raised is calculated based on the aggregate amount raised in the reported quarter.

This report is based on detailed deal data provided by the firm’s corporate and securities attorneys and analyzed by the firm’s Knowledge Management department.

For purposes of the statistics and charts in this report, our database includes venture financing transactions in which Wilson Sonsini represented either the company or one or more of the investors.

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