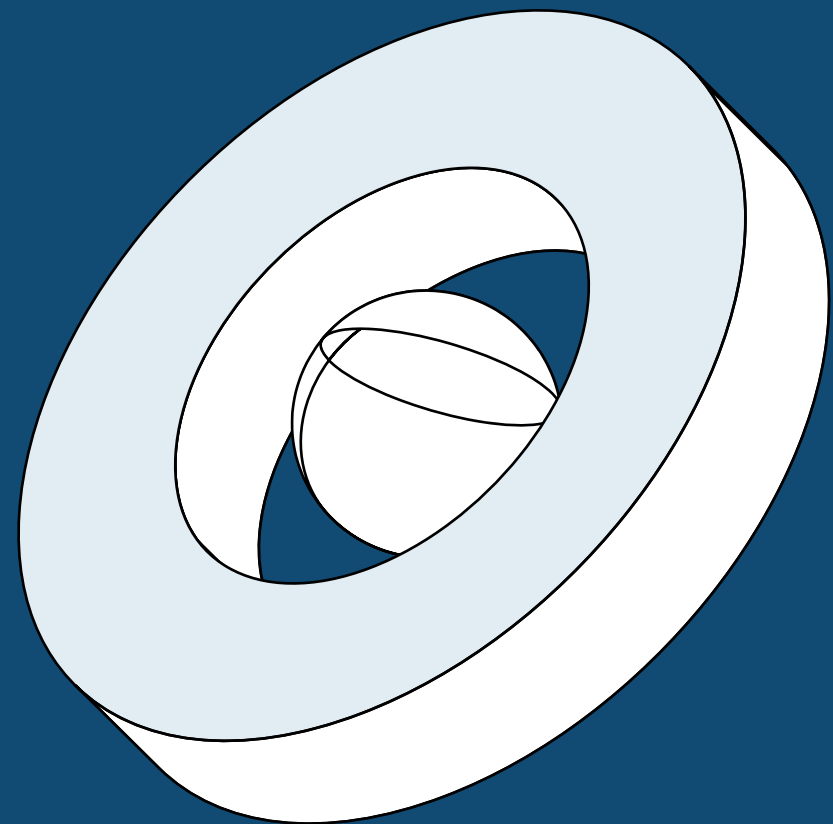


carta Q3 2025

State of Pre-Seed

All data aggregated from 10,000+
pre-seed companies on Carta



A word from our lawyers

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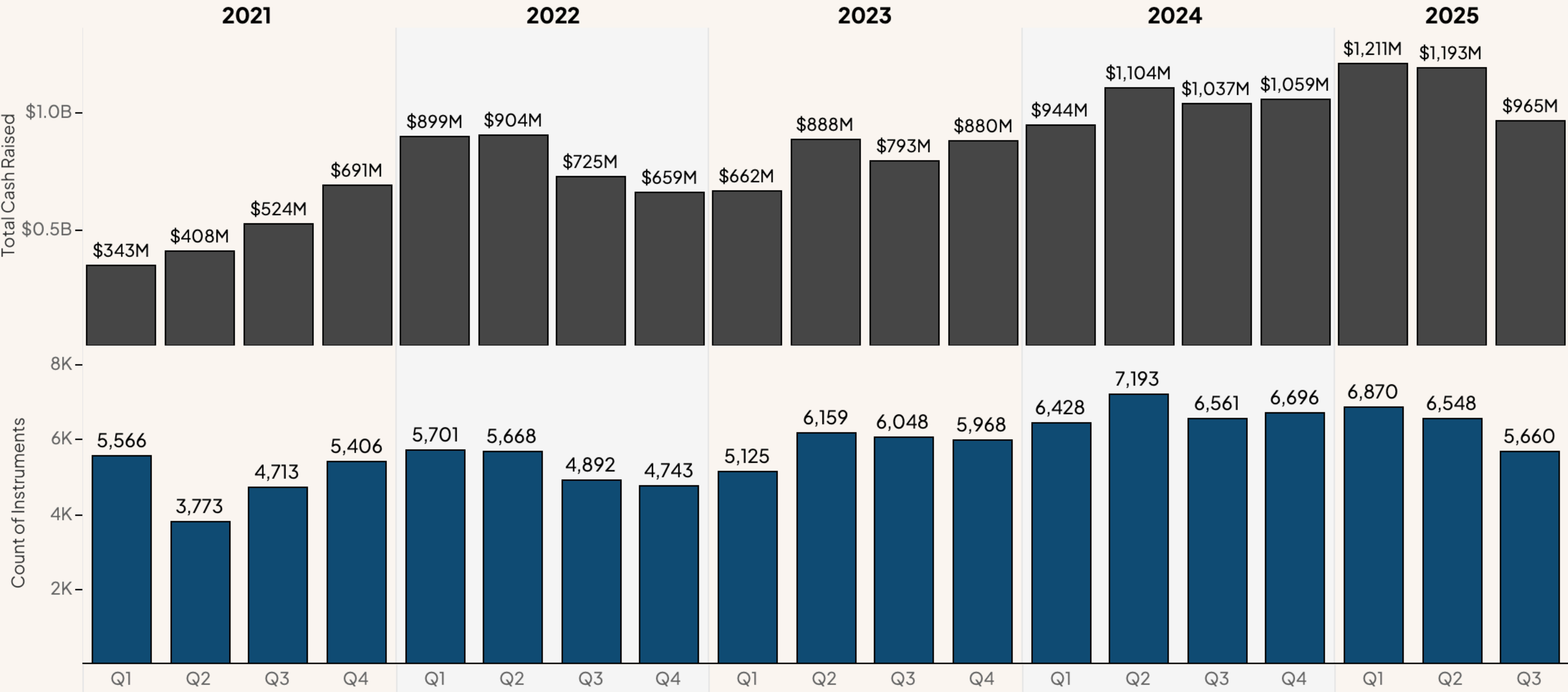
Q3 2025 highlights

- **Concentration of capital:** Compared to the first three quarters of 2024, the first three of 2025 have had more pre-seed rounds under \$1 million and fewer larger than \$1 million. At the same time, the cash raised across all rounds above \$1 million has been higher in 2025 than in 2024.
- **Val caps hold steady or climb:** In the past 12 months, valuation caps for post-money SAFEs have stayed flat for most round sizes. However, val caps rose for large round sizes of at least \$2.5 million. Val caps are more volatile for convertible notes and have trended upwards for most round sizes.
- **Geographical trends:** Despite some fluctuations, the Western census region continues to take in half of all pre-seed fundraising in the United States. The five metro areas with the most pre-seed cash raised by startups are Bay Area, New York, Boston, Los Angeles, and DC.
- **Spotlight on healthtech:** Pre-seed startups in healthtech have raised \$319 million (2025 YTD), making it the third largest industry by total cash invested and second largest by count of rounds. Healthtech also has some of the highest val caps, with a median of \$35 million for rounds of at least \$2.5 million.

Key trends

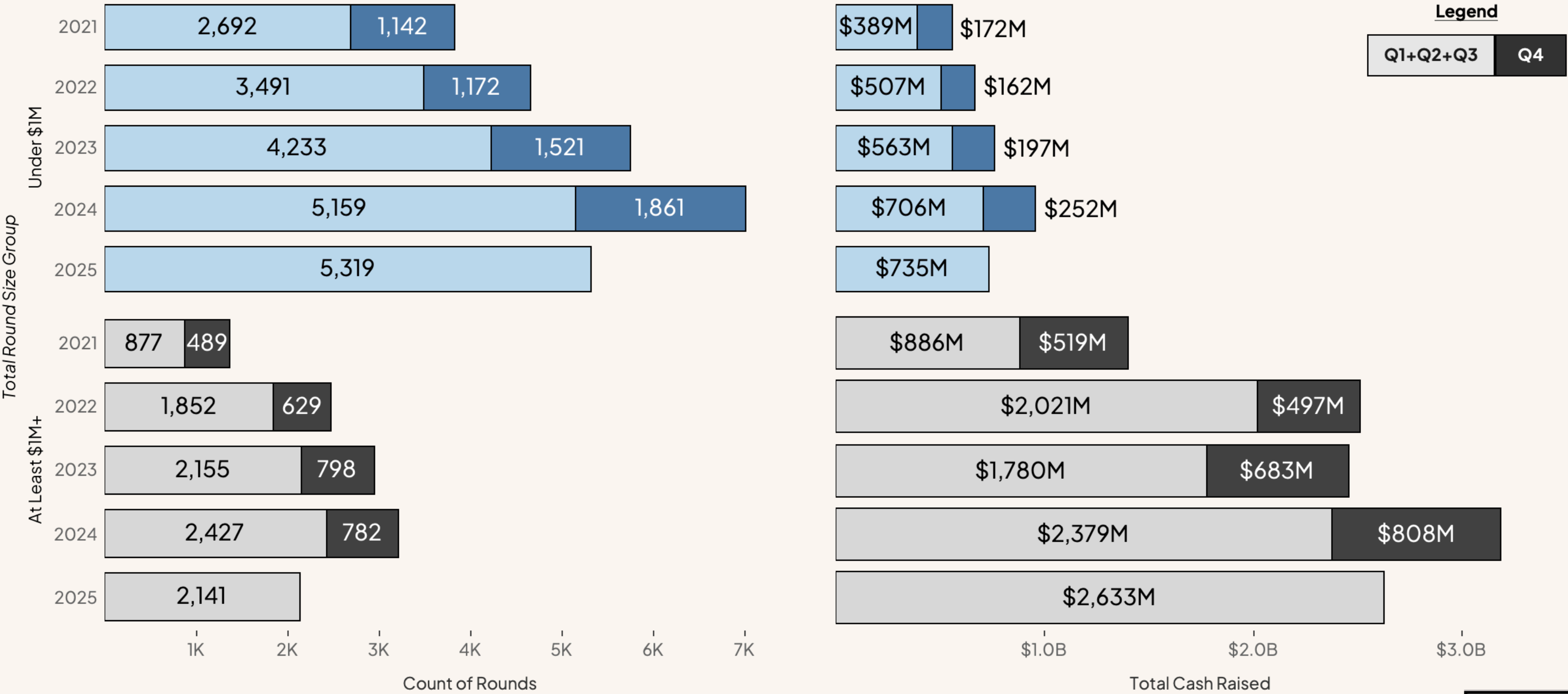
Pre-seed funding declined in Q3 2025 by cash raised and by deal count

Total cash raised and count of instruments by quarter, US pre-priced rounds on SAFEs and convertible notes | Q1 2021—Q3 2025



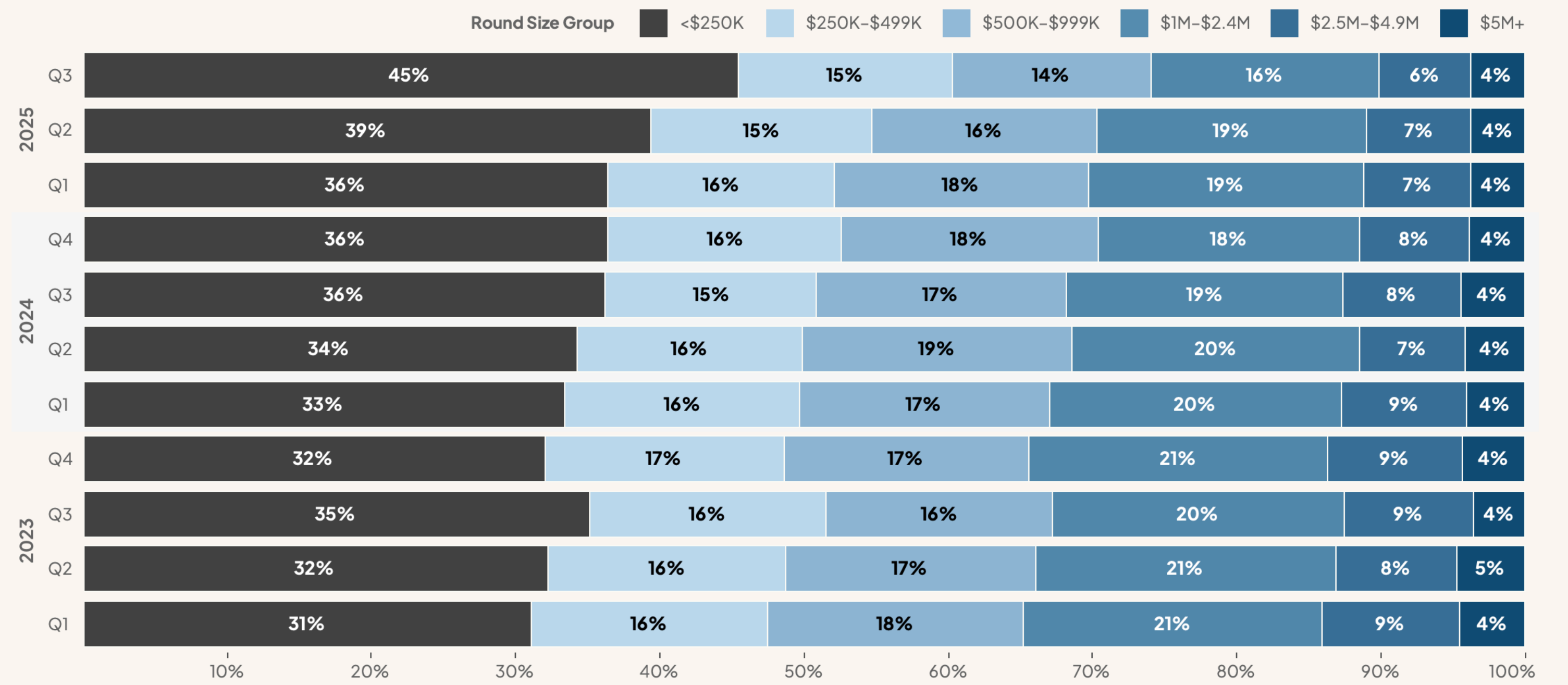
As of Q3, 2025 has had fewer large pre-seed rounds than 2024

Count of pre-seed rounds and total pre-seed cash raised by year and round size group | Q1 2021—Q3 2025



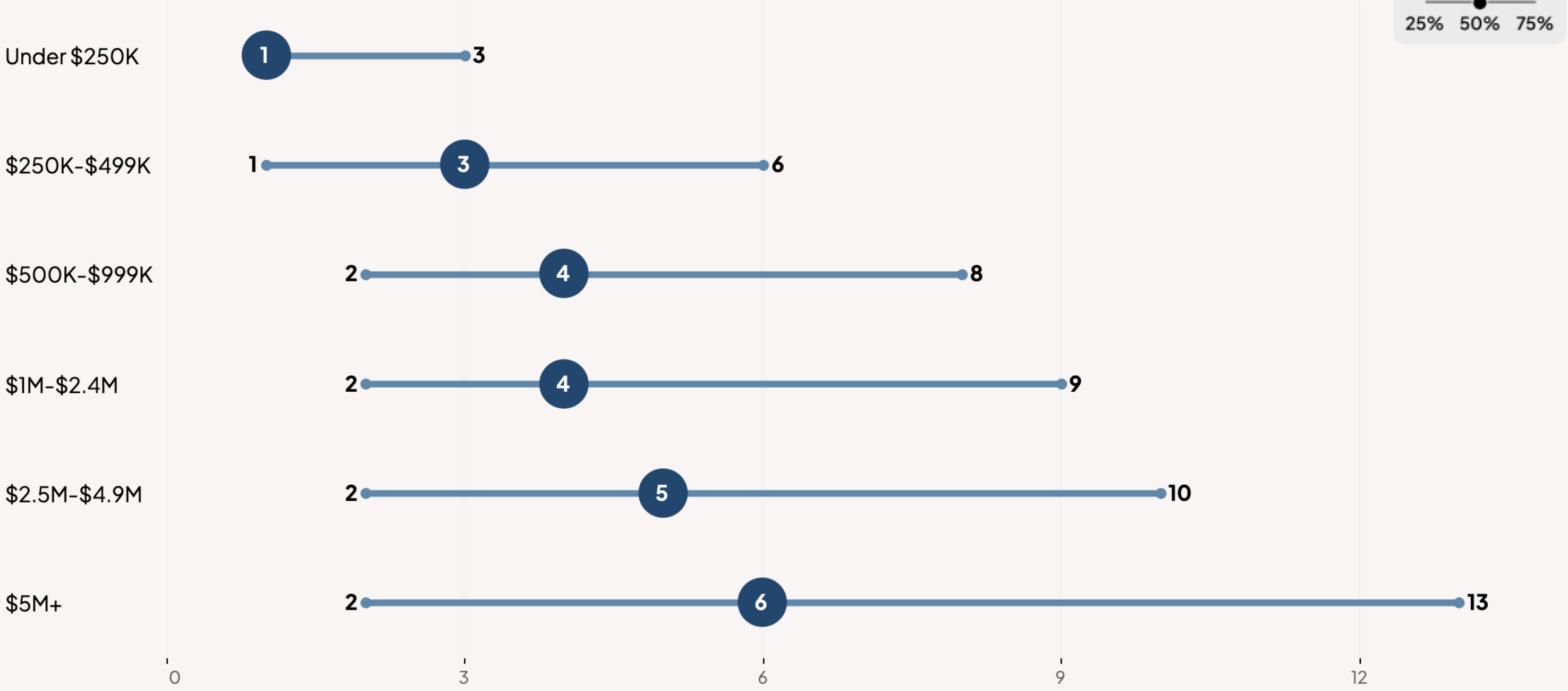
Deals under \$250K made up nearly half of all pre-seed rounds in Q3 2025

Percent of pre-priced rounds (SAFEs and convertible notes) by round size and quarter | Q1 2023—Q3 2025



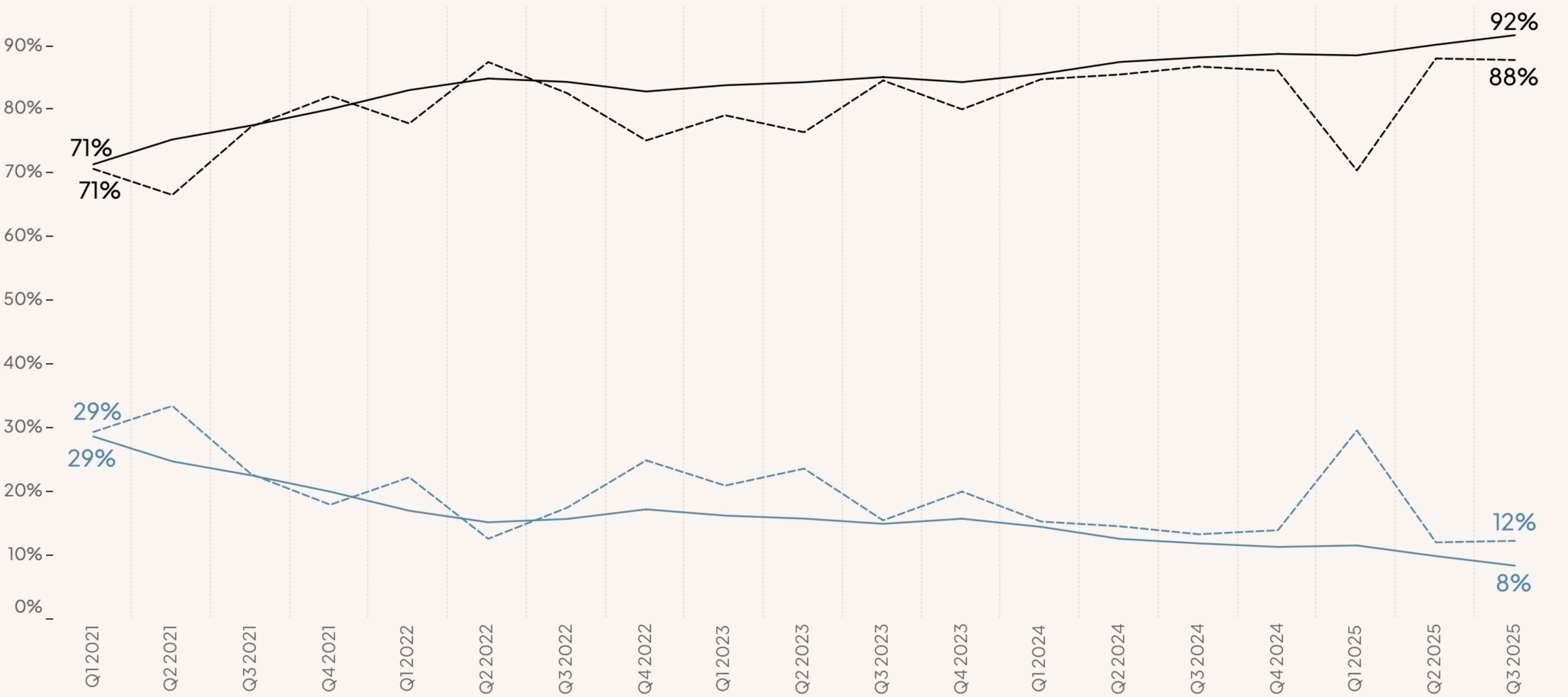
Most pre-seed deals involve at least a few individual checks

Distribution of count of instruments (SAFEs or convertible notes) per pre-priced round by round size | Q1 2024—Q3 2025



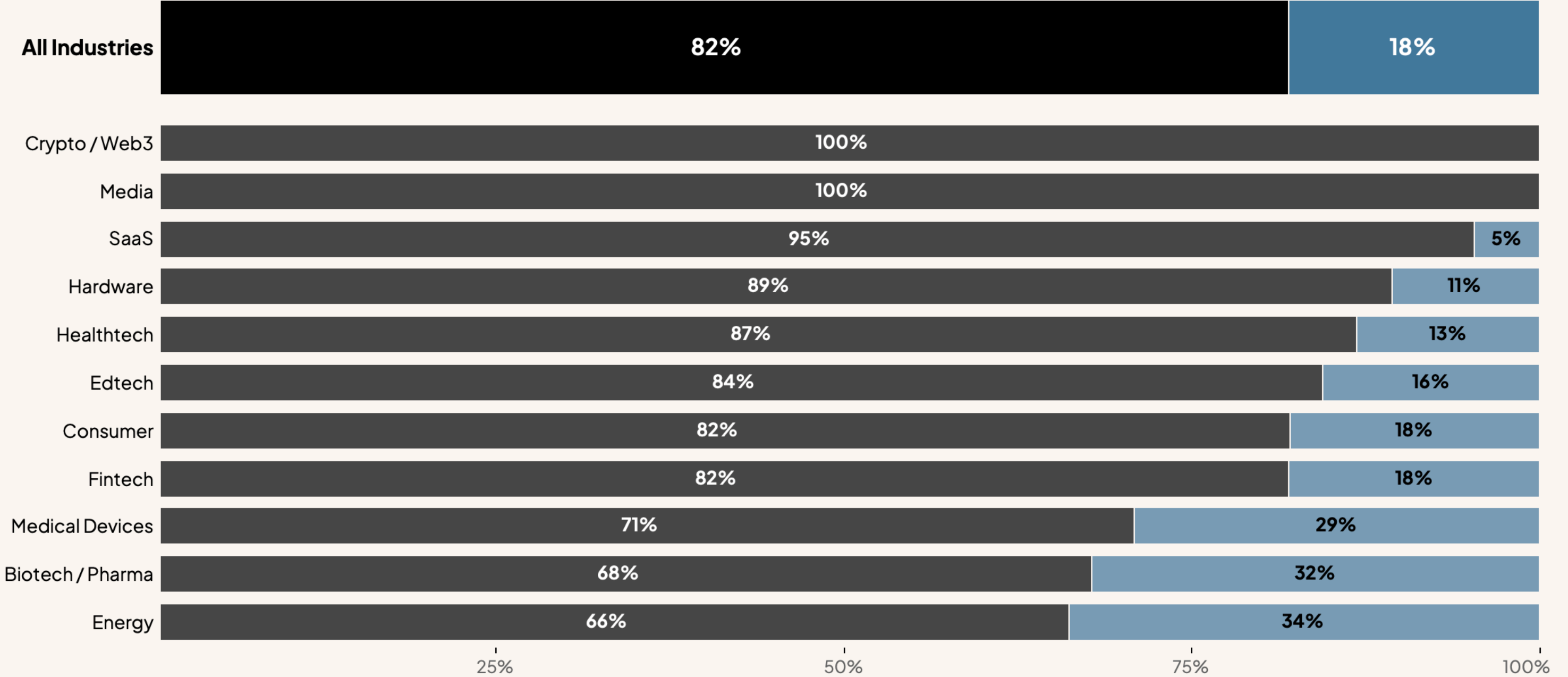
SAFEs account for the vast majority of pre-seed cash and deal volume

Percent of pre-priced rounds (solid) and cash raised (dotted) by instrument, **SAFEs** vs. **convertible notes** | Q1 2021—Q3 2025



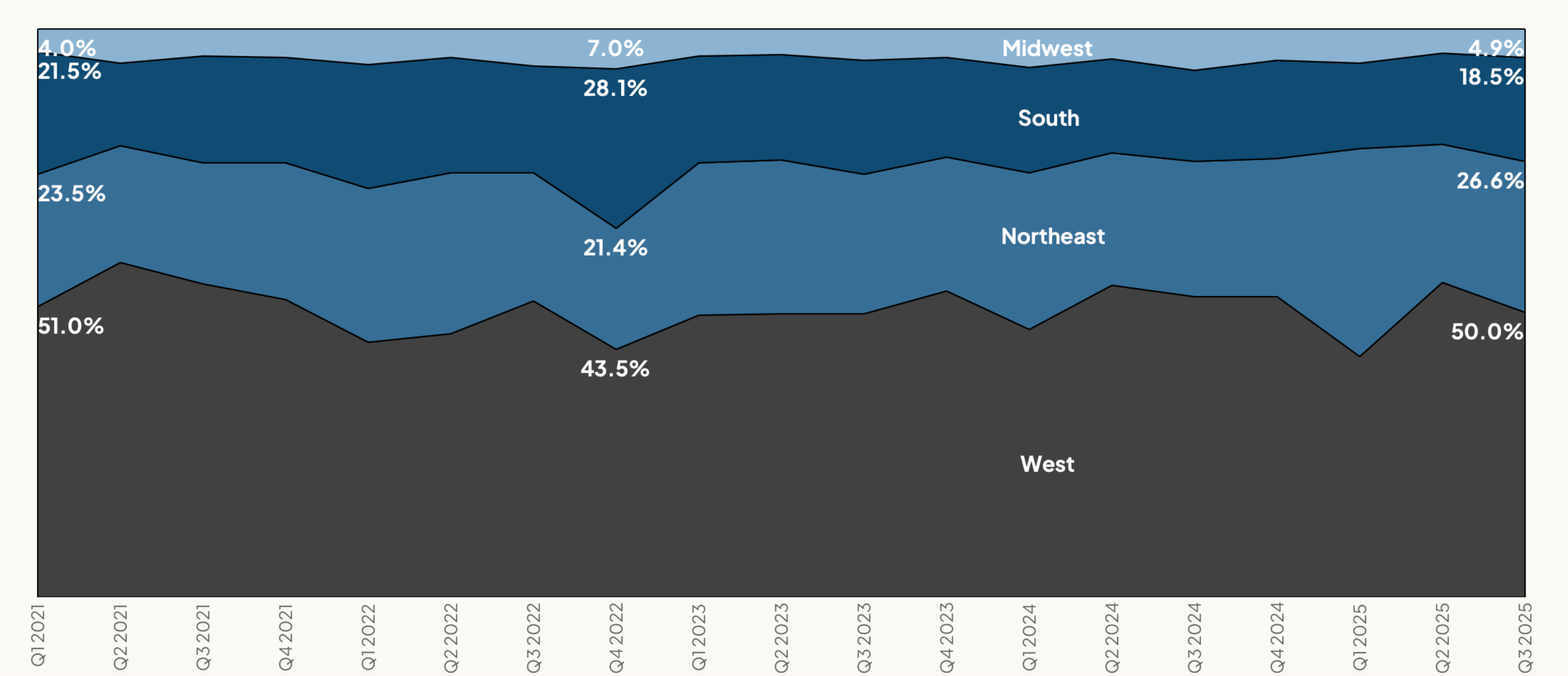
Over 30% of pre-seed cash in energy & biotech is raised on convertible notes

Percent of pre-priced round dollars invested by instrument (**SAFEs** vs. **convertible notes**) and industry | Q1 2025—Q3 2025



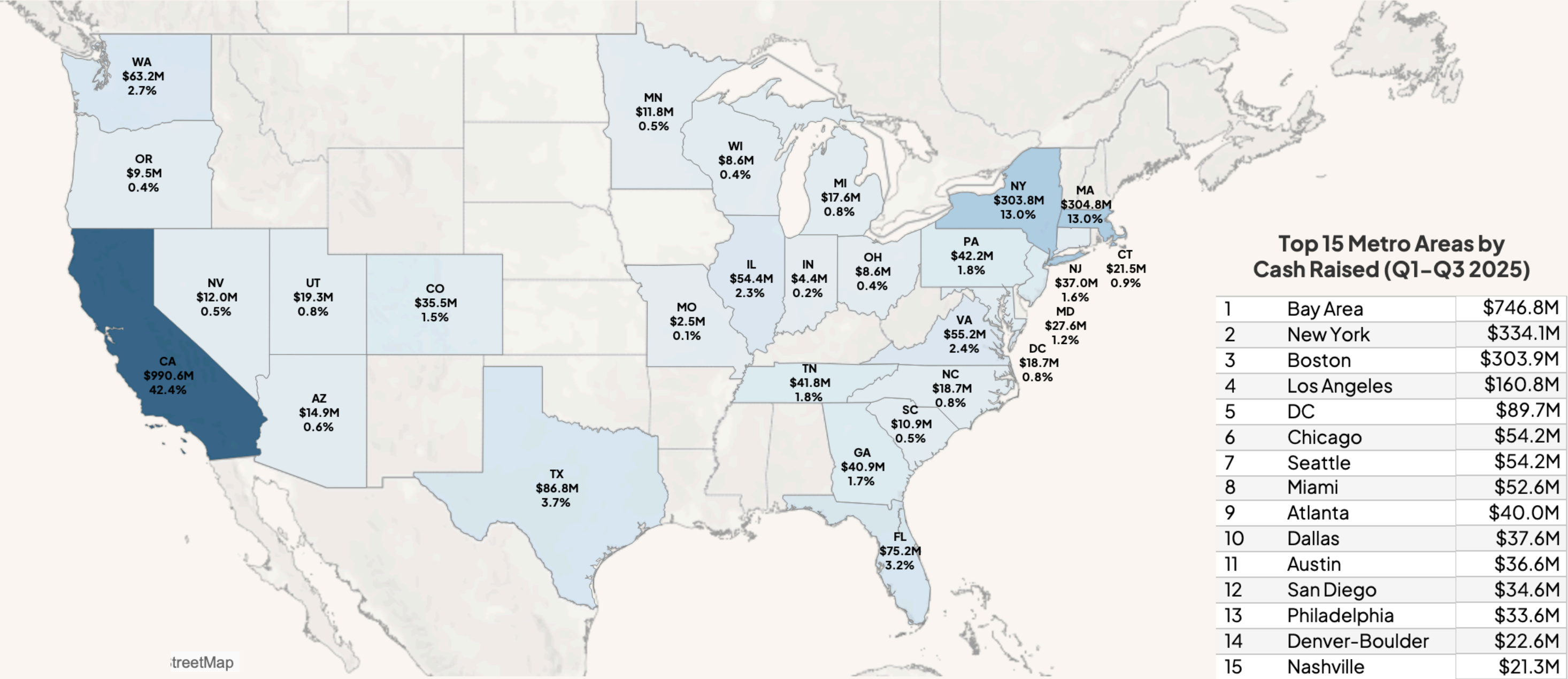
The West has retained a 50% share of pre-seed venture capital

Percent of total pre-seed cash raised in the United States by census region and quarter | Q1 2021—Q3 2025



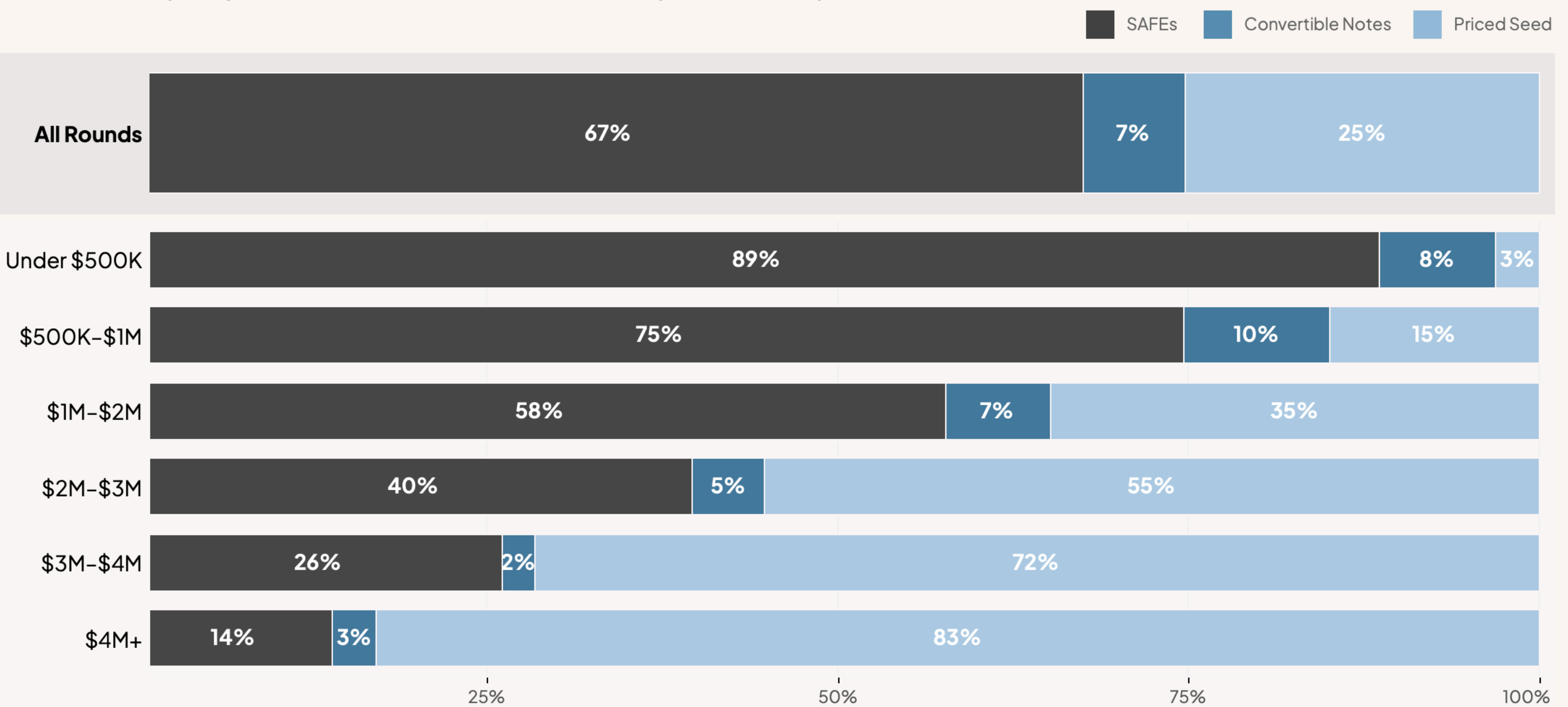
After California, MA and NY took in the most pre-seed cash

Total pre-seed cash raised in the United States by state*, and list of top 15 metro areas | Q1 2025—Q3 2025



Most early-stage deals under \$2M have been raised on unpriced instruments

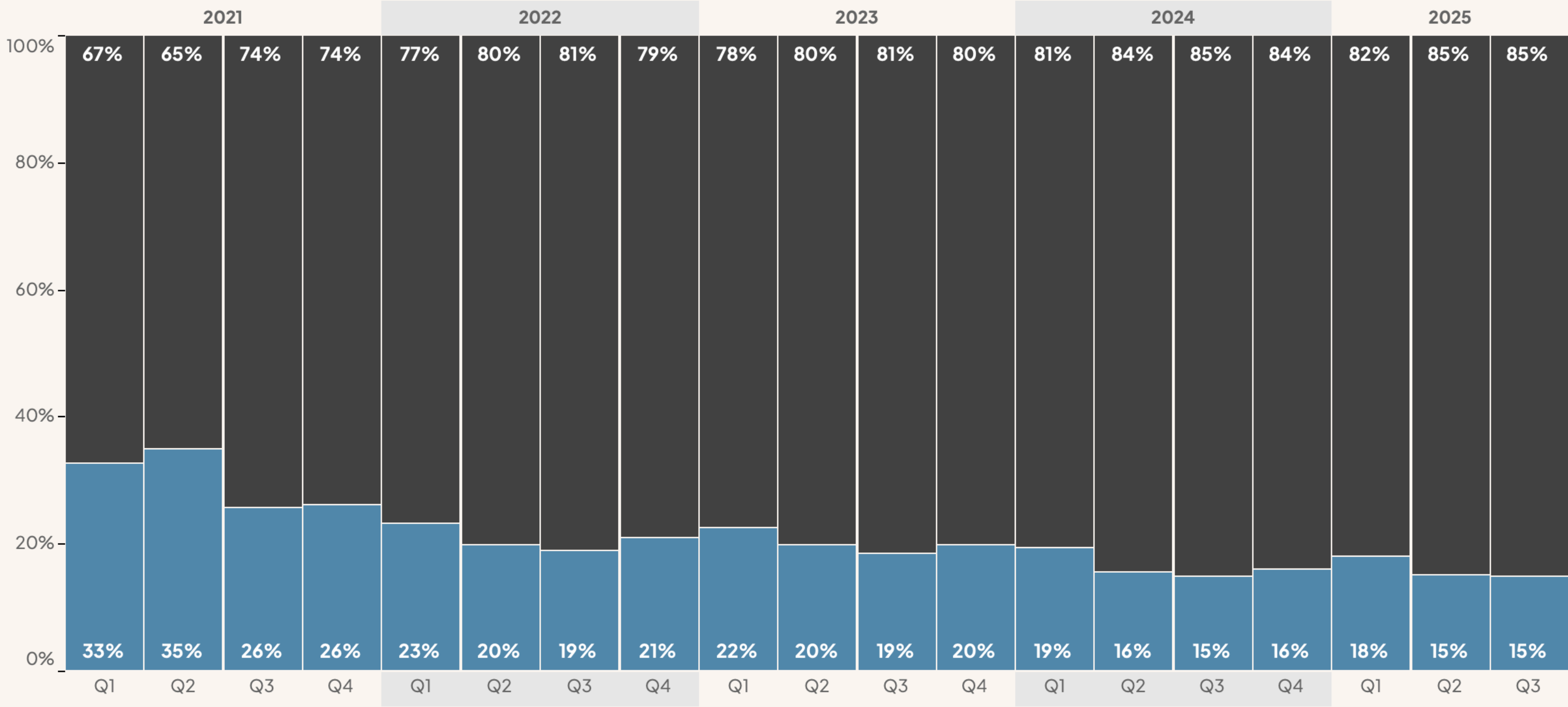
Percent of early stage rounds (pre-priced + priced seed) by investment type and round size | Q1 2024—Q3 2025



SAFEs

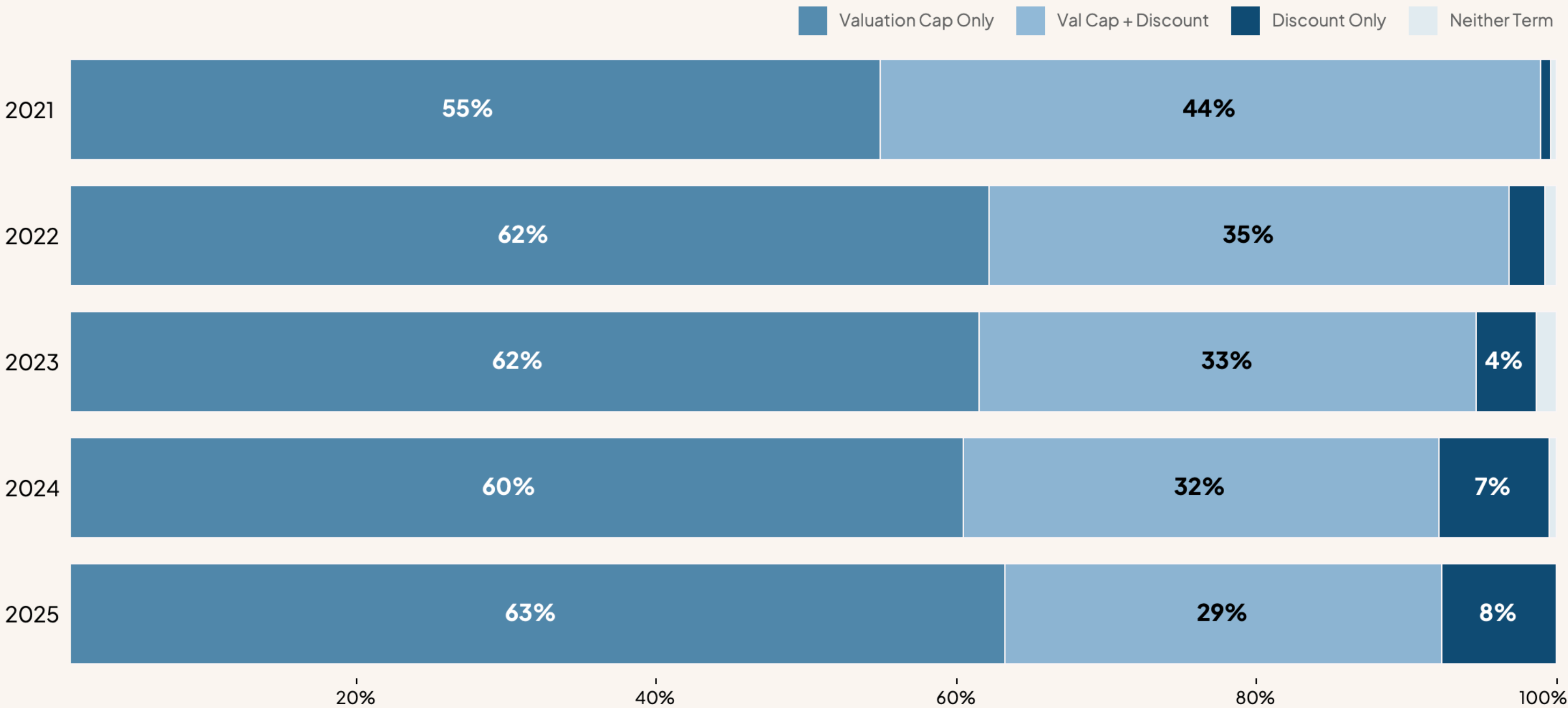
SAFEs with a pre-money price cap are increasingly rare in 2025

Percent of SAFEs by type (**post-money** vs. **pre-money**) | Pre-priced rounds only | Q1 2021—Q3 2025



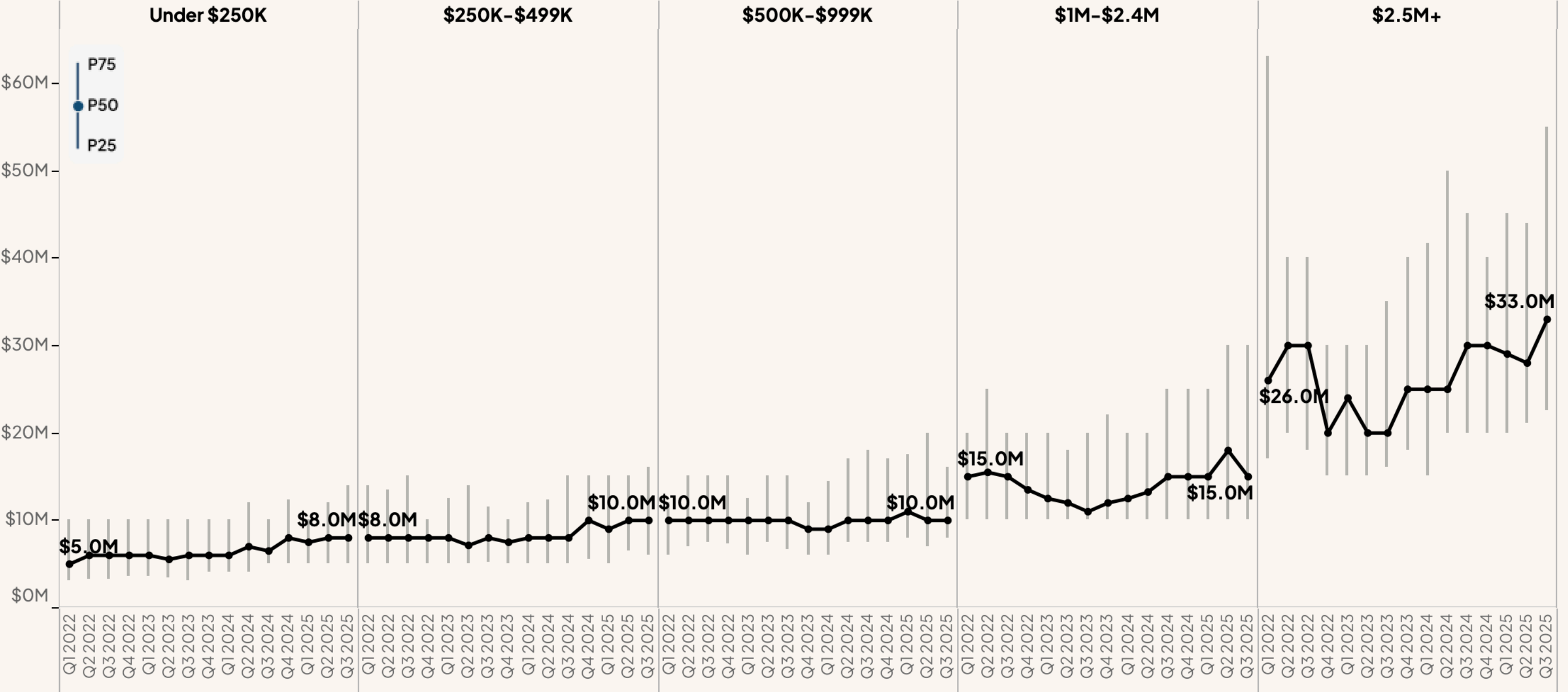
Discount-only SAFEs have grown to represent 8% of all SAFEs in 2025

Percent of post-money SAFEs by conversion terms and year | Pre-priced rounds only | Q1 2021—Q3 2025



SAFE val caps have mostly held steady, but risen for the largest rounds

Median valuation cap on post-money SAFEs by round size and quarter | Q1 2022—Q3 2025



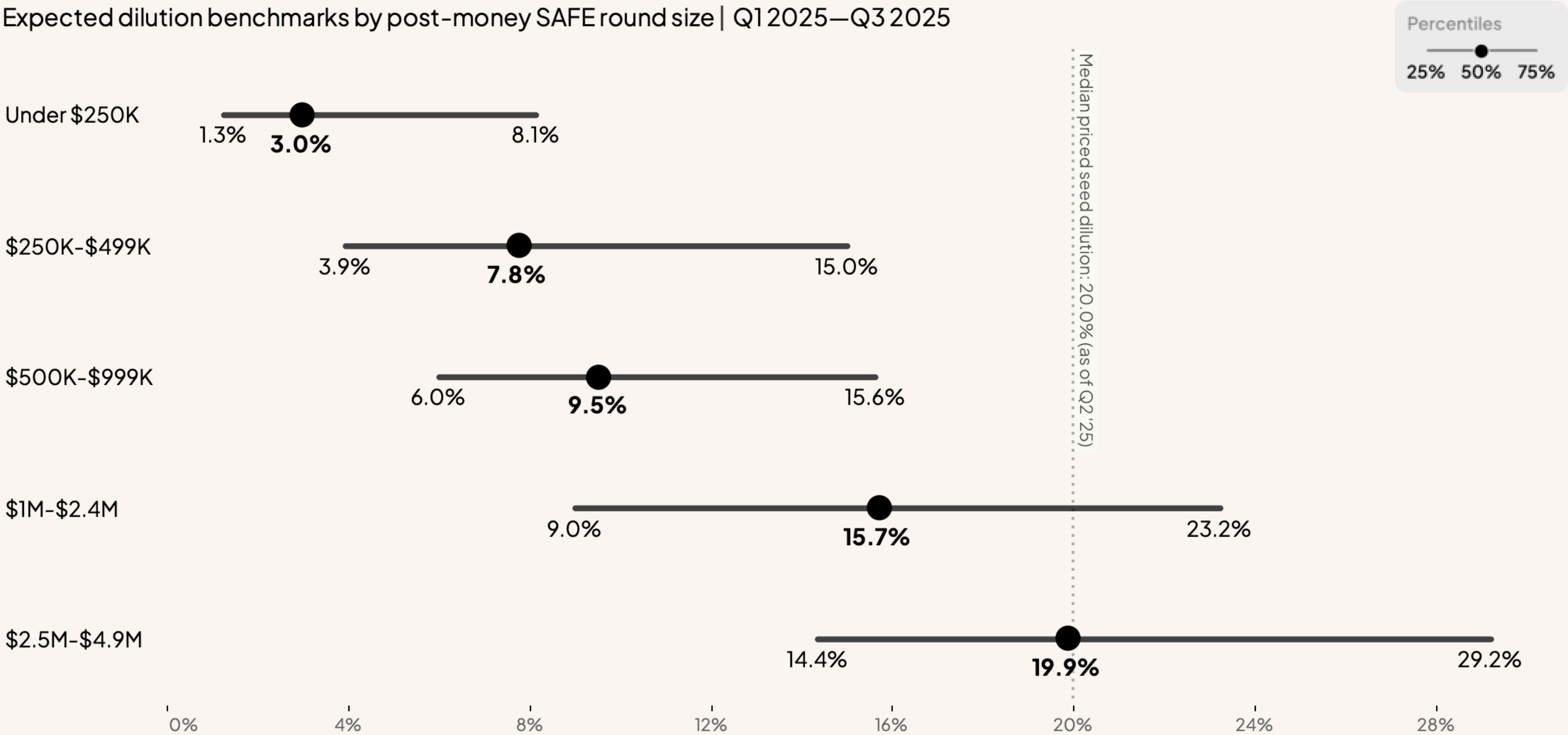
Pre-priced SAFEs have a wide distribution of valuation caps

Benchmarks for post-money SAFE valuation caps by round size group | Q1 2024—Q3 2025

	10th Percentile	25th Percentile	50th Percentile	75th Percentile	90th Percentile
Under \$250K	\$2.5M	\$5.0M	\$7.5M	\$12.0M	\$20.0M
\$250K-\$499K	\$4.0M	\$5.0M	\$10.0M	\$15.0M	\$20.0M
\$500K-\$999K	\$5.0M	\$7.5M	\$10.0M	\$17.5M	\$25.0M
\$1M-\$2.4M	\$8.0M	\$10.0M	\$15.0M	\$25.0M	\$35.0M
\$2.5M+	\$15.0M	\$20.0M	\$30.0M	\$45.0M	\$80.0M

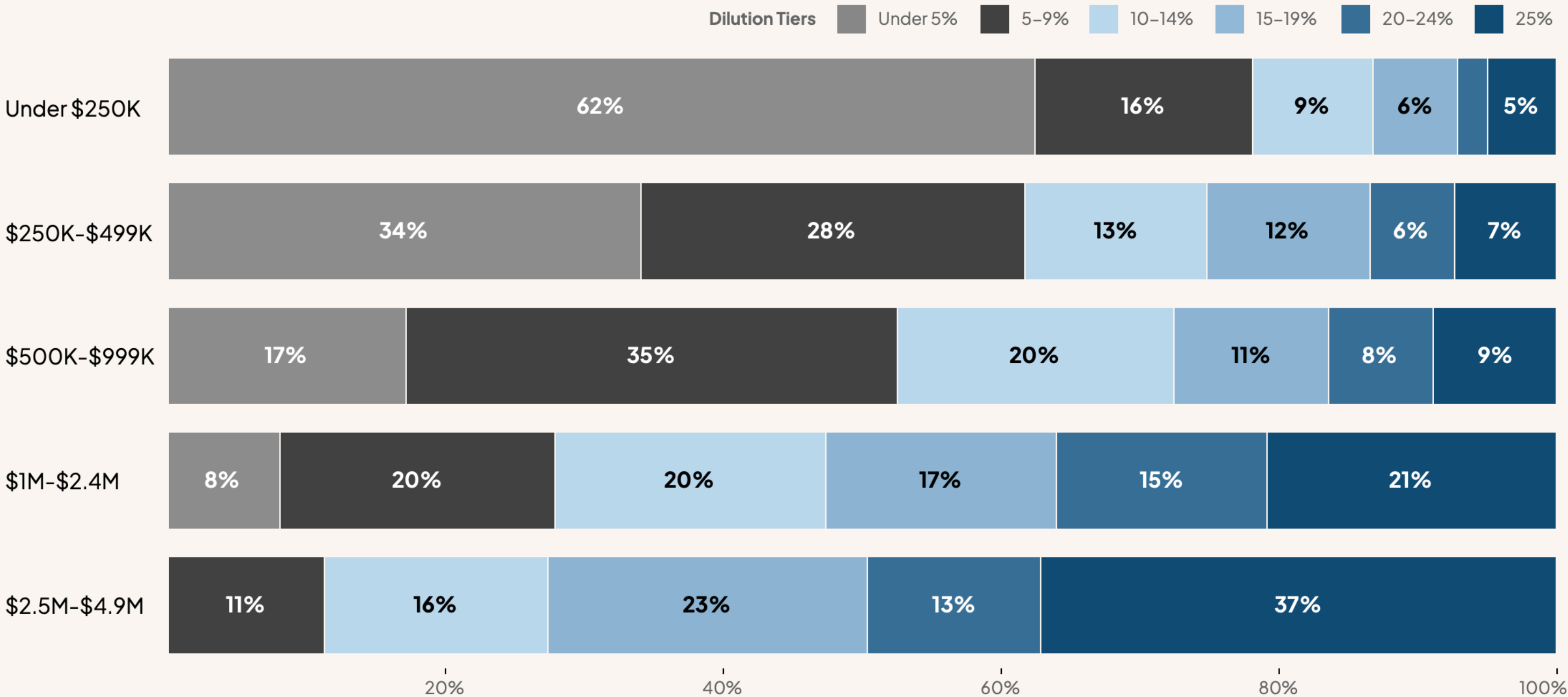
Dilution in large SAFE rounds is comparable to priced seed rounds

Expected dilution benchmarks by post-money SAFE round size | Q1 2025—Q3 2025



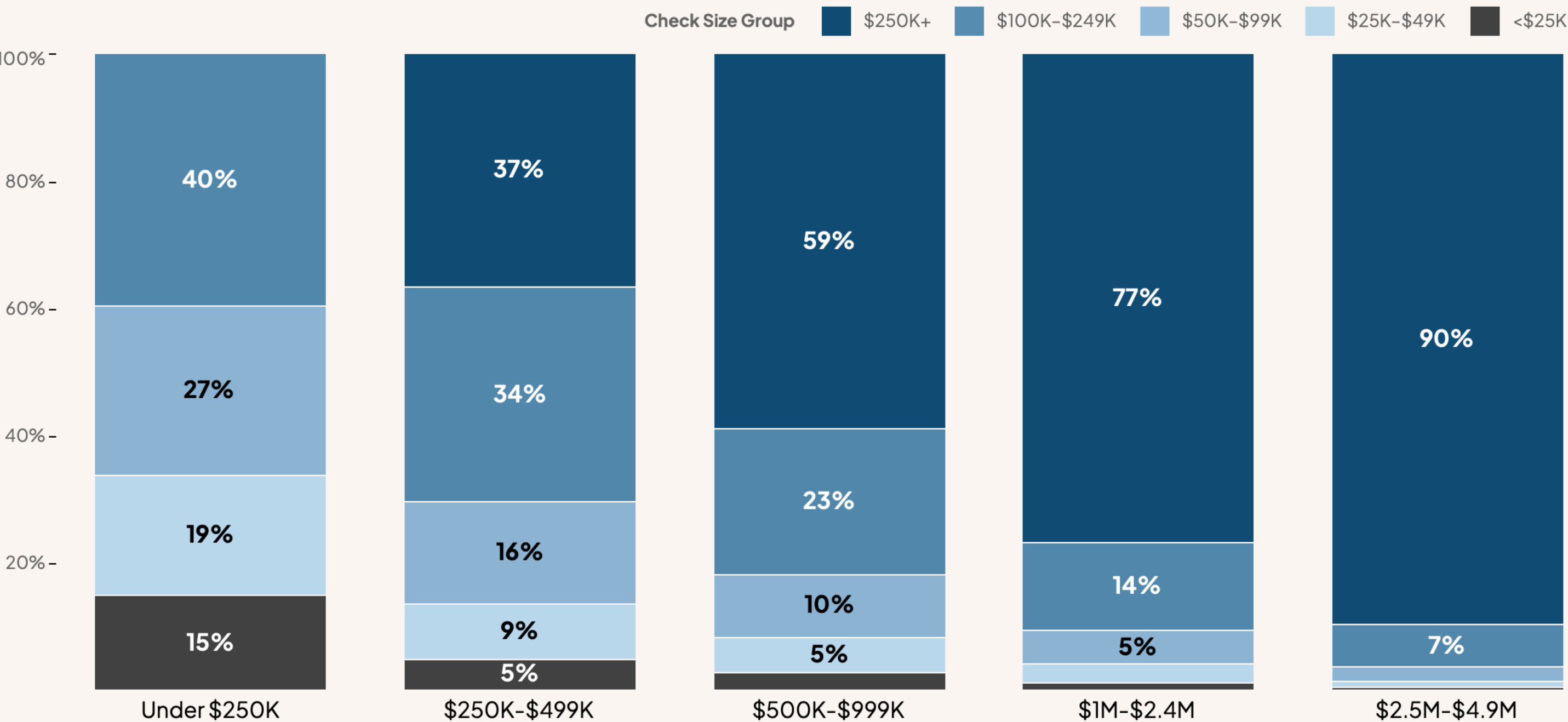
Dilution above 25% is not unheard of in larger SAFE rounds

Distribution of expected dilution in post-money SAFE fundraises by round size | Q1 2025—Q3 2025



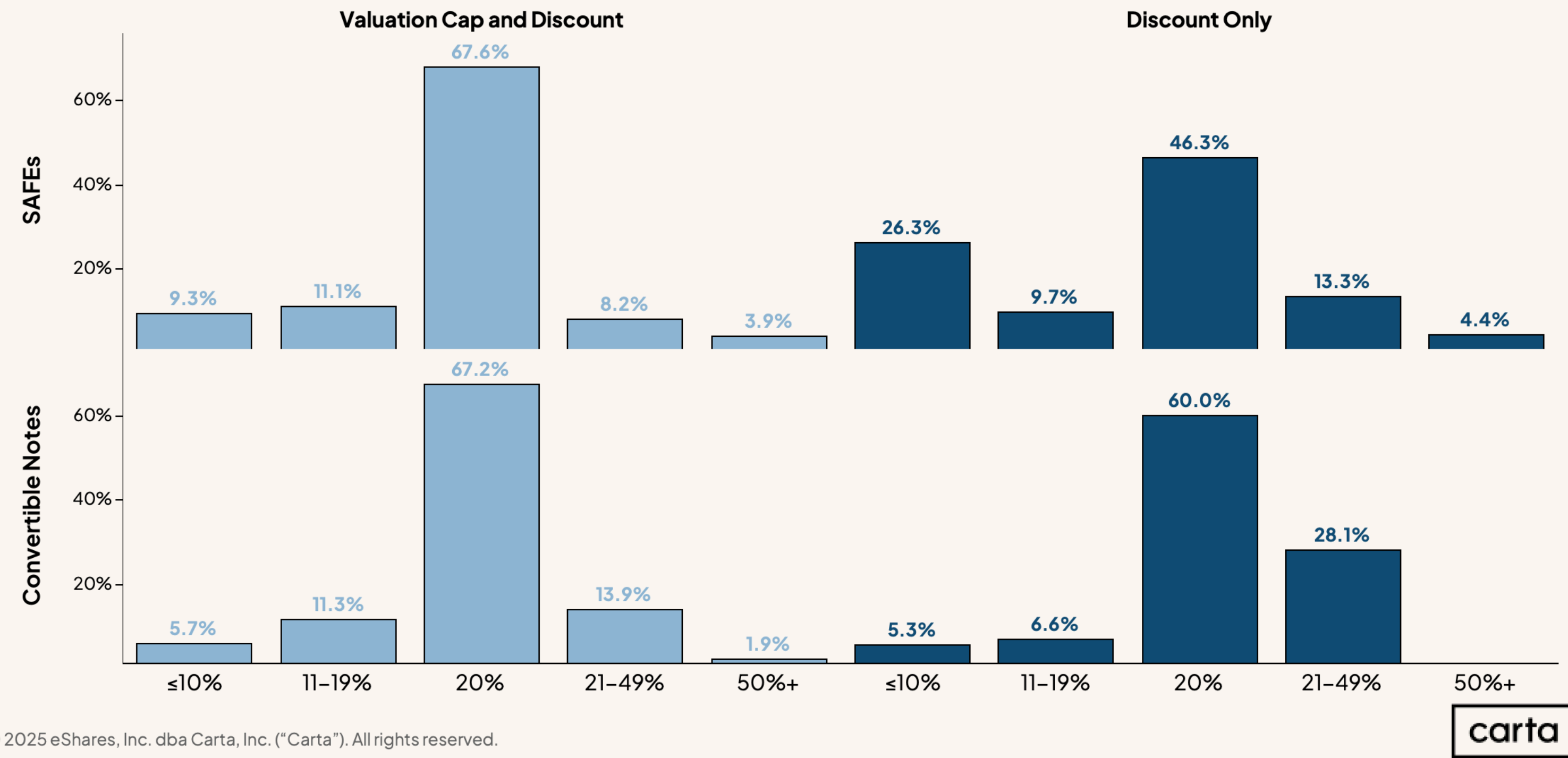
SAFE rounds above \$1M are predominantly comprised of checks above \$250K

Total dollar share of different check sizes in post-money SAFE fundraises by round size | Q1 2024—Q3 2025



Discount rates for both SAFEs and convertible notes are usually 20%

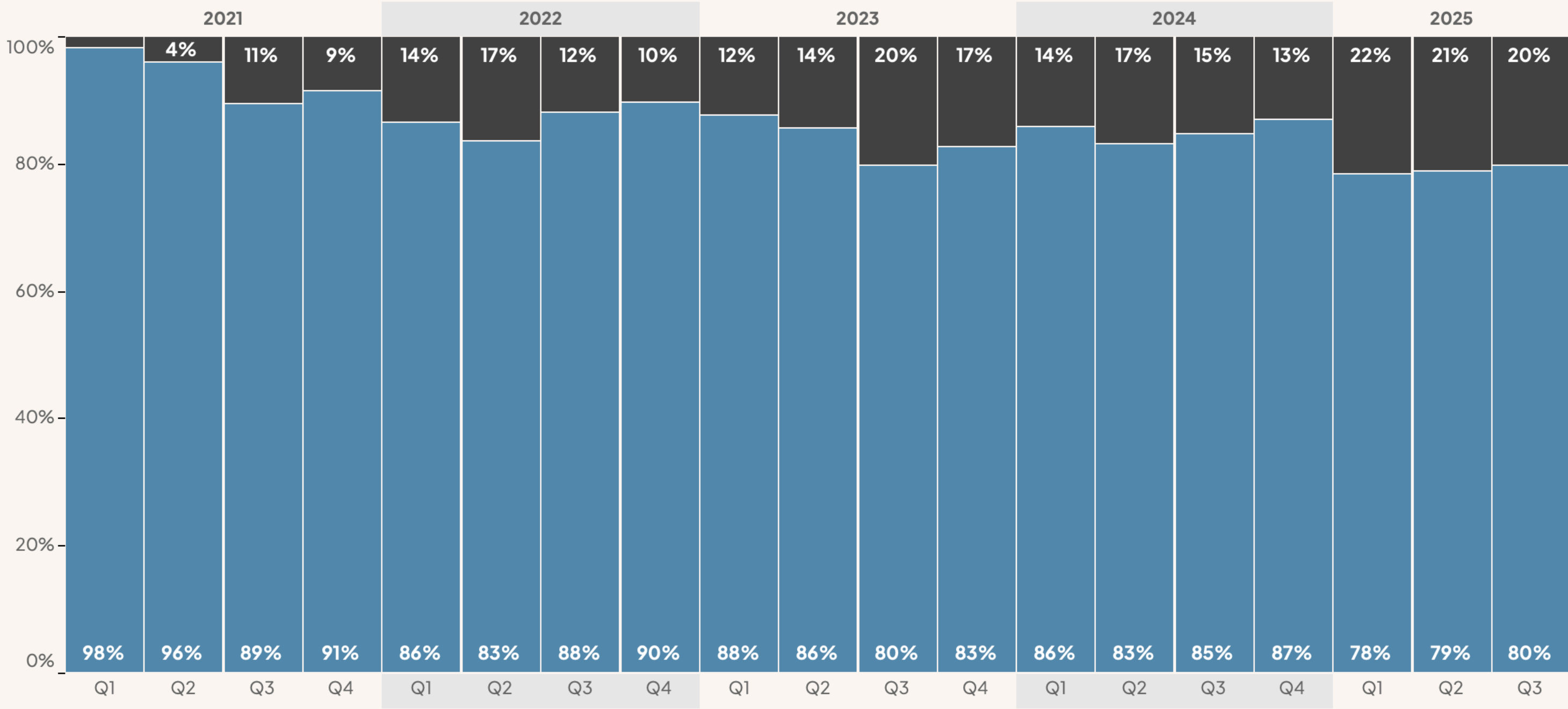
Distribution of discount percentages among SAFEs and convertible notes that have a discount | Q1 2024—Q3 2025



Convertible notes

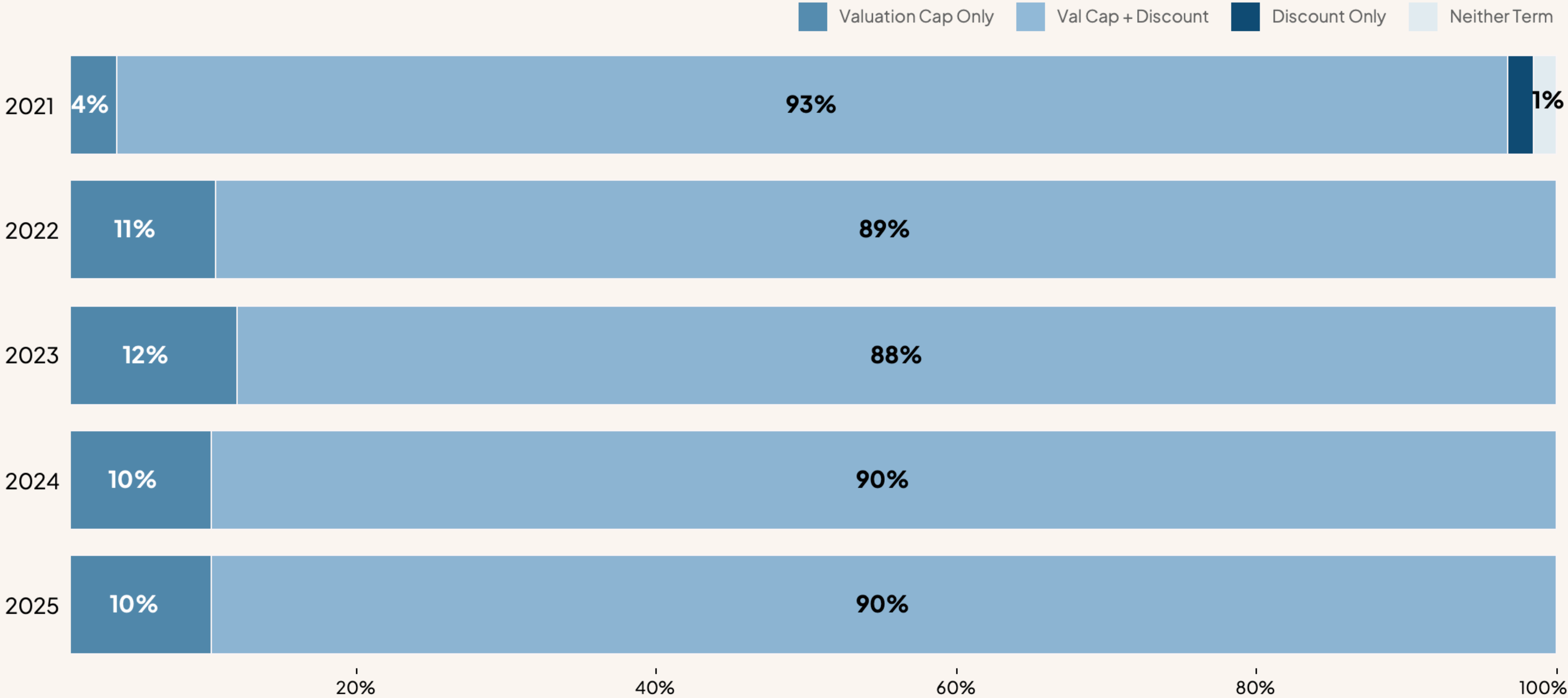
Convertible notes with a post-money price cap are gaining popularity

Percent of convertible notes by type (**post-money** vs. **pre-money**) | Pre-priced rounds only | Q1 2021—Q3 2025



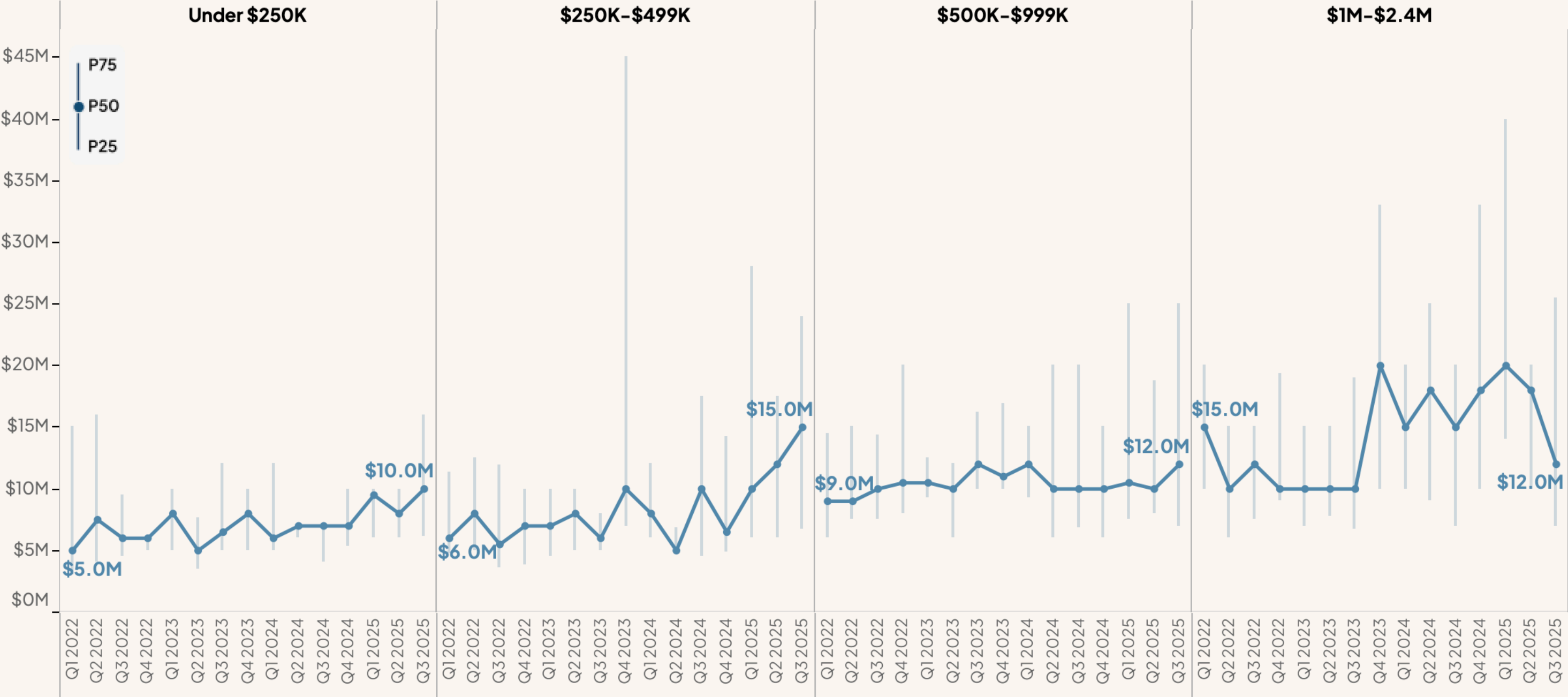
90% of convertible notes have both a valuation cap and discount

Percent of pre-money convertible notes by conversion terms and year | Pre-priced rounds only | Q1 2021—Q3 2025



Convertible note val caps have trended upward for rounds under \$1M

Median valuation cap on pre-money convertible notes by round size and quarter | Q1 2022—Q3 2025



Convertible note rounds between \$250K and \$1M have similar val caps

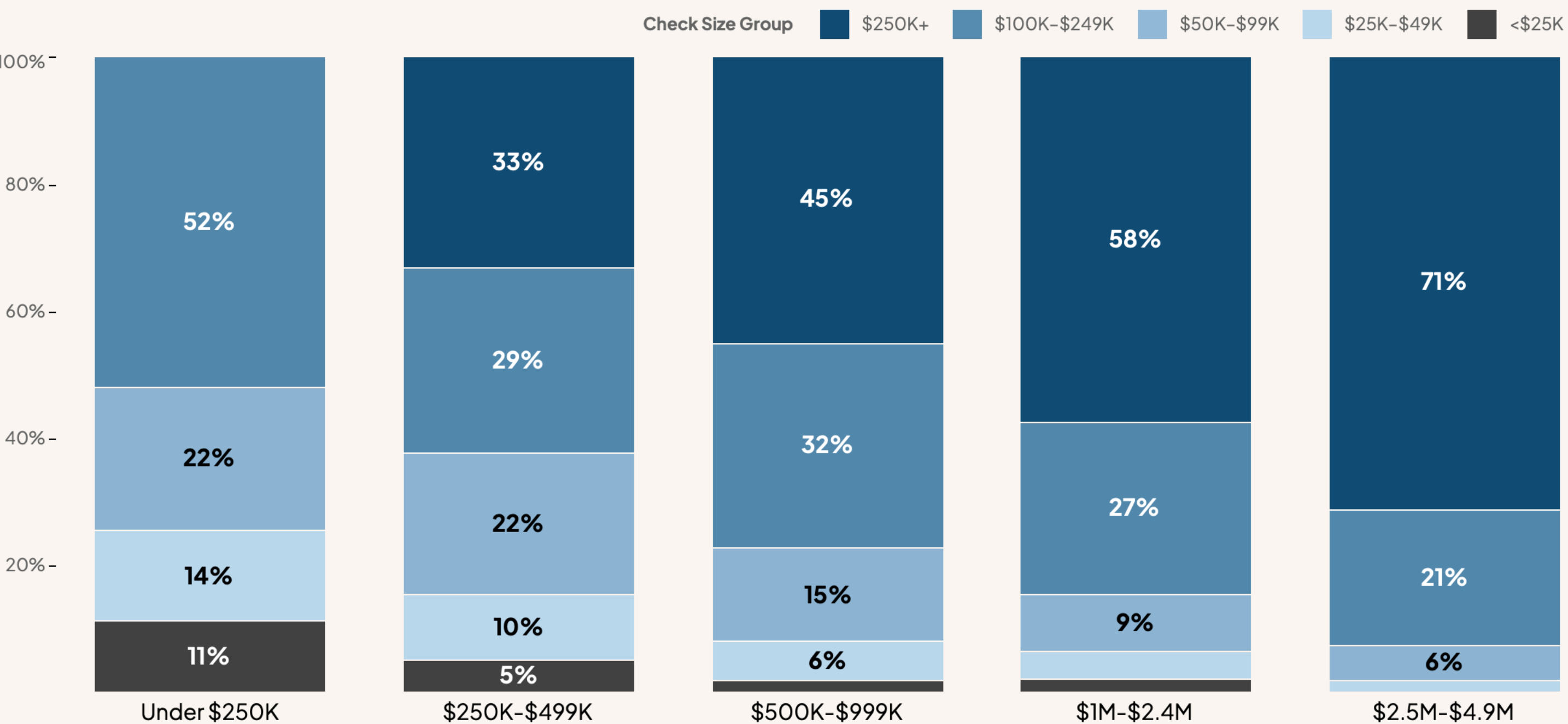
Benchmarks for pre-money convertible note valuation caps by round size group | Q1 2024—Q3 2025

	10th Percentile	25th Percentile	50th Percentile	75th Percentile	90th Percentile
Under \$250K	\$3.0M	\$5.0M	\$7.0M	\$10.0M	\$15.0M
\$250K-\$499K	\$4.0M	\$5.0M	\$8.0M	\$15.0M	\$24.0M
\$500K-\$999K	\$5.0M	\$7.0M	\$10.0M	\$17.5M	\$25.0M
\$1M-\$2.4M	\$6.0M	\$10.0M	\$18.0M	\$25.0M	\$45.0M
\$2.5M+	\$9.5M	\$15.0M	\$25.0M	\$40.0M	\$120.0M



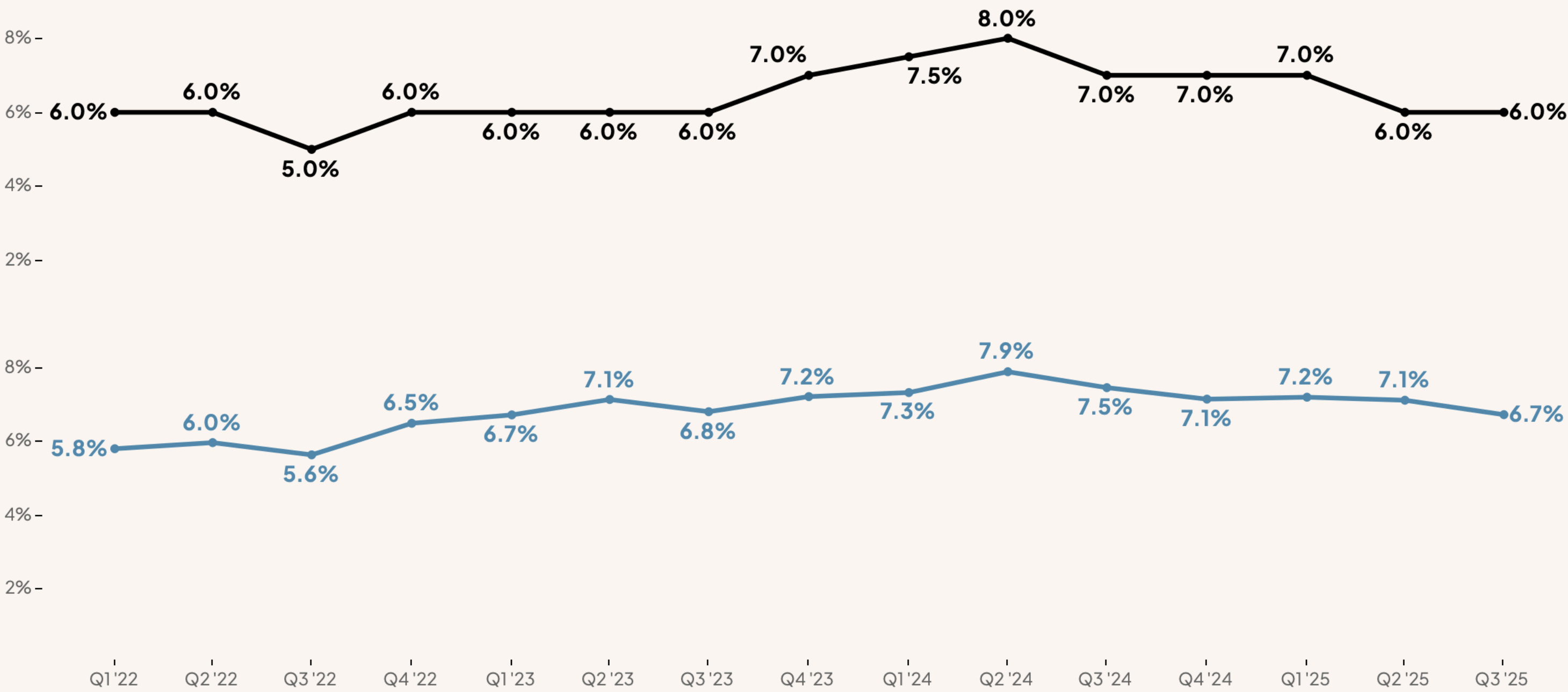
The majority of all convertible note checks are at least \$100K

Total dollar share of different check sizes in pre-money convertible note fundraises by round size | Q1 2024—Q3 2025



The median interest rate on convertible notes fell to 6% in Q3

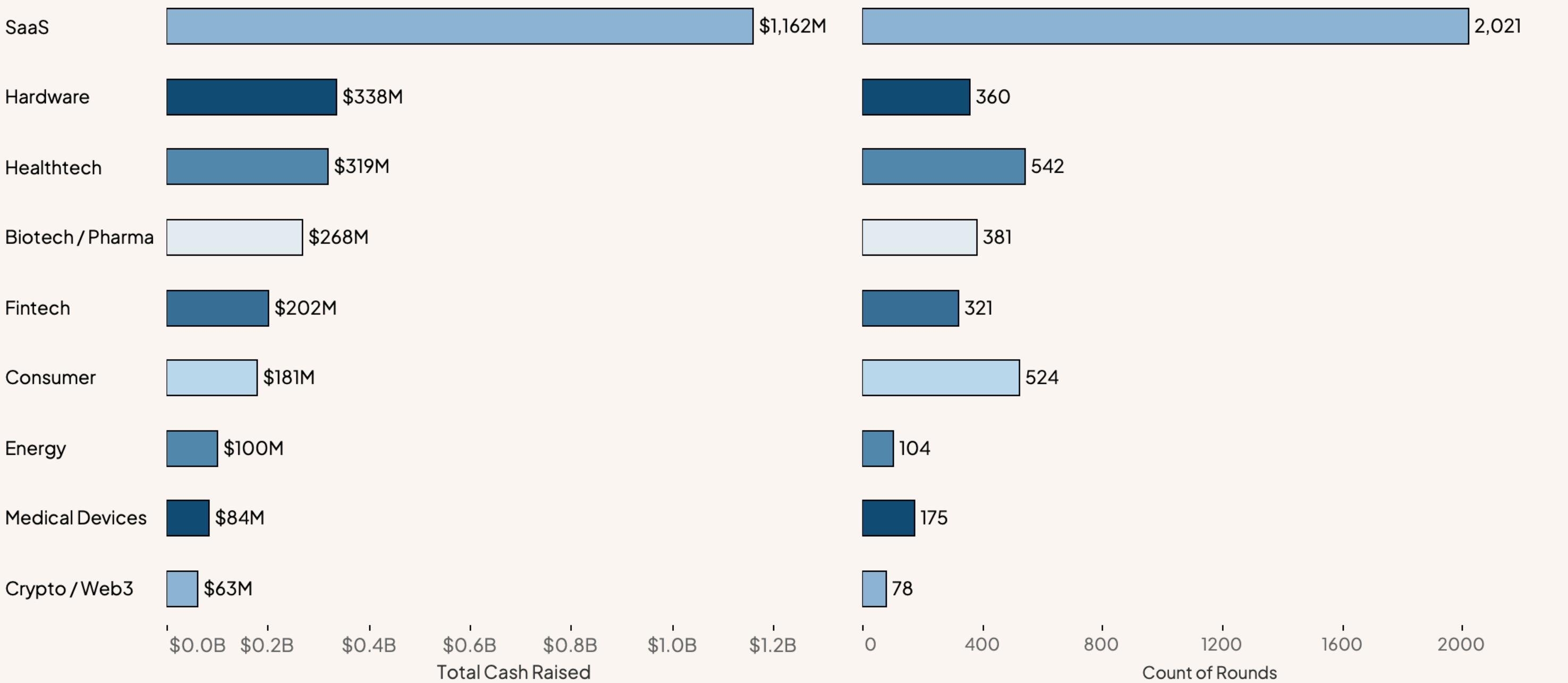
Median and **average** interest rates for convertible notes by quarter | Q1 2022—Q3 2025



Industries

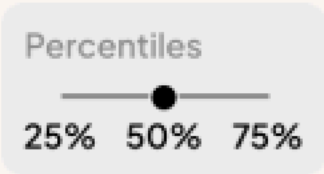
SaaS, hardware, and healthtech are the largest pre-seed industries

Total cash raised and count of rounds in pre-seed fundraises by industry | Q1 2025—Q3 2025



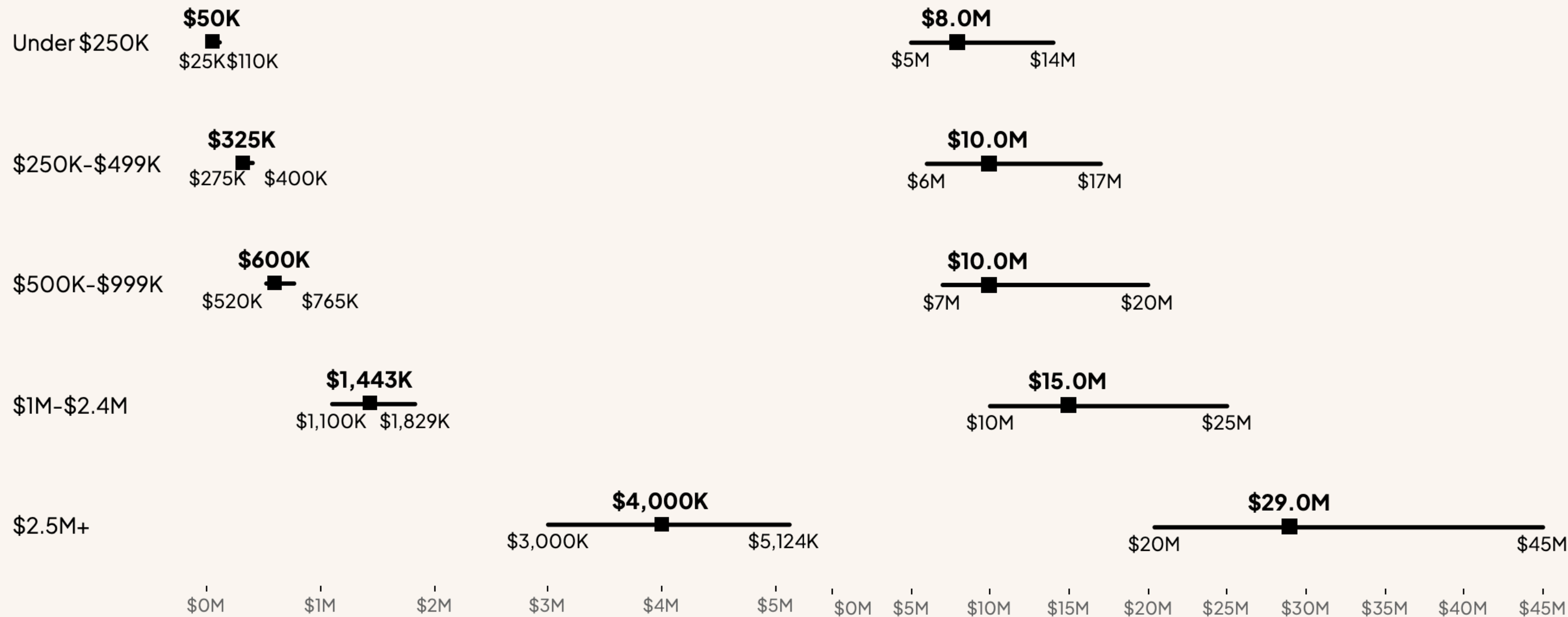
Pre-seed fundraising profile: SaaS industry

Pre-seed round size benchmarks and valuation cap benchmarks by round size group | Q1 2025—Q3 2025



Round Size Benchmarks

Valuation Cap Benchmarks



Pre-seed fundraising profile: Fintech industry

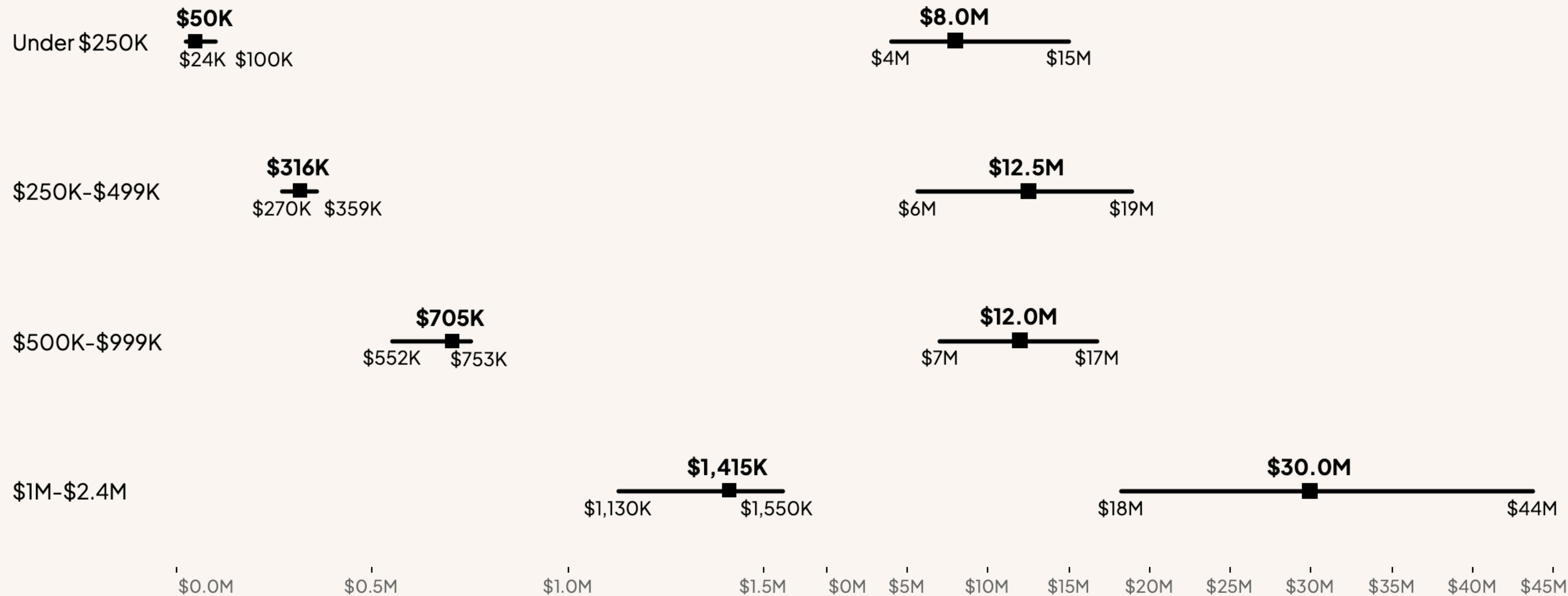
Pre-seed round size benchmarks and valuation cap benchmarks by round size group | Q1 2025—Q3 2025

Percentiles

25% 50% 75%

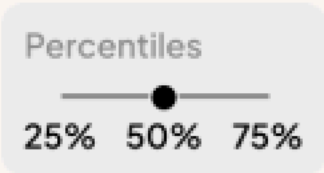
Round Size Benchmarks

Valuation Cap Benchmarks

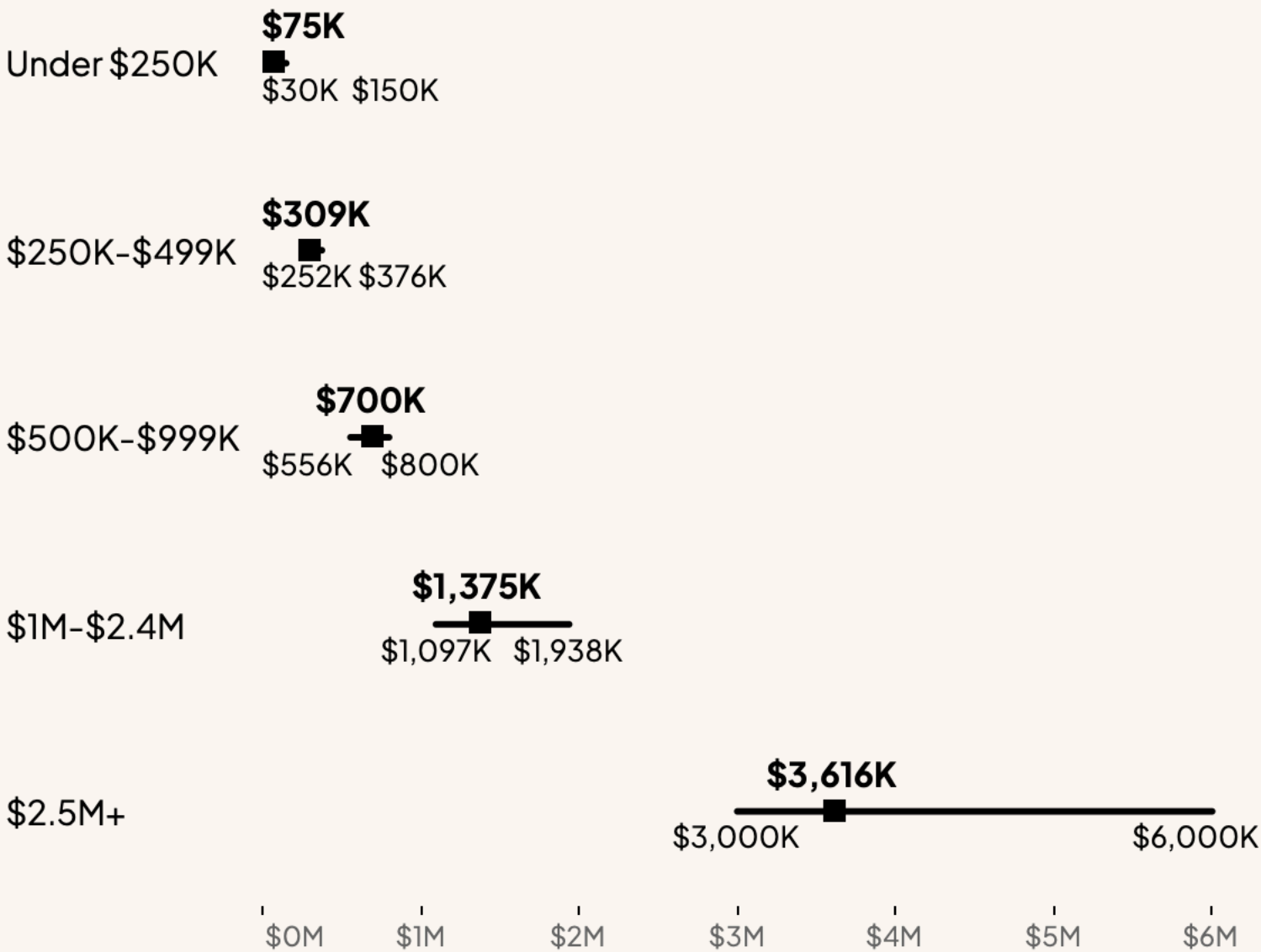


Pre-seed fundraising profile: Hardware industry

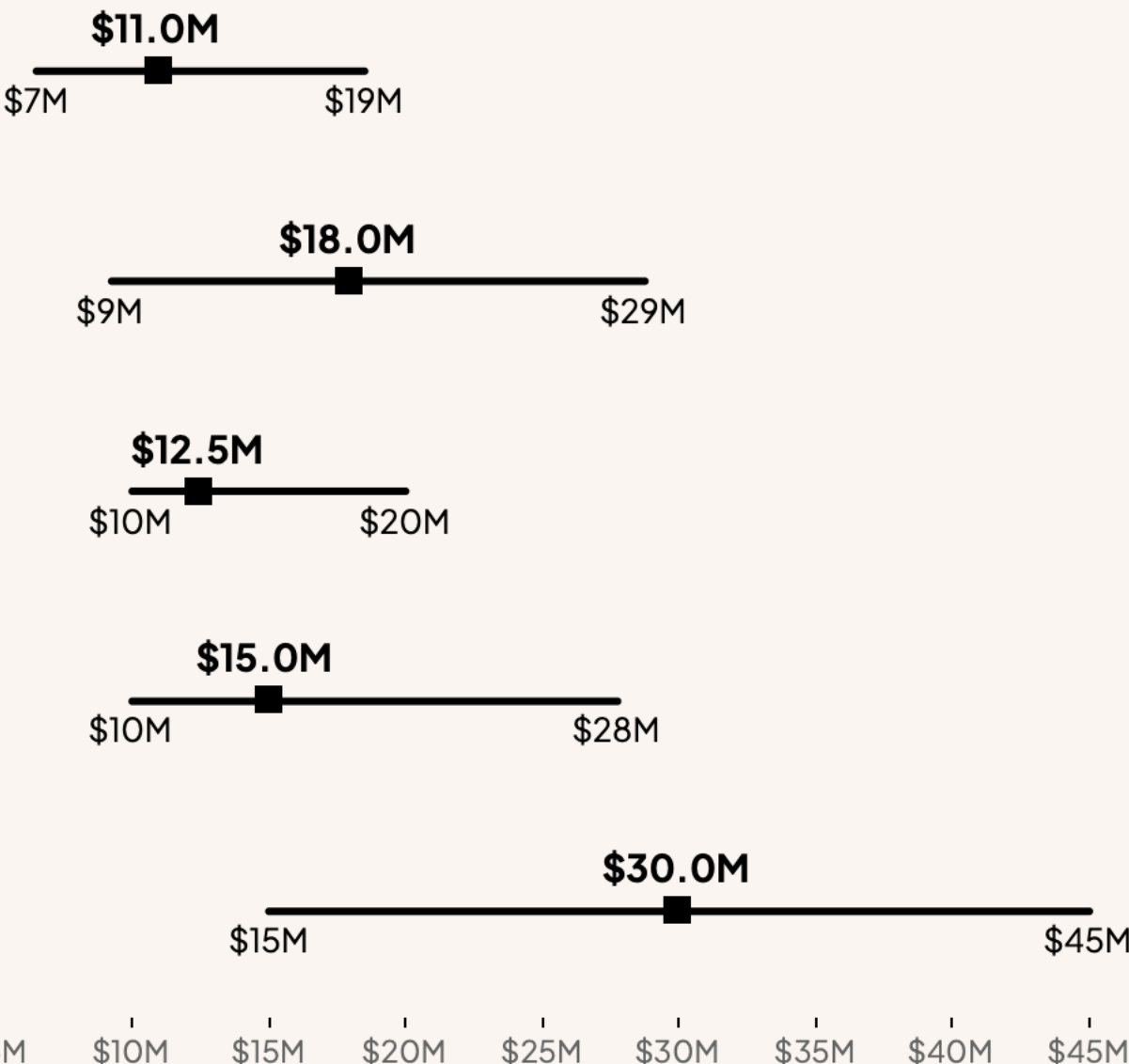
Pre-seed round size benchmarks and valuation cap benchmarks by round size group | Q1 2025—Q3 2025



Round Size Benchmarks

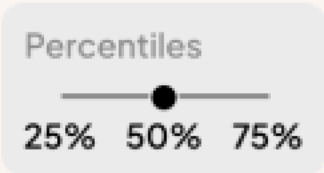


Valuation Cap Benchmarks



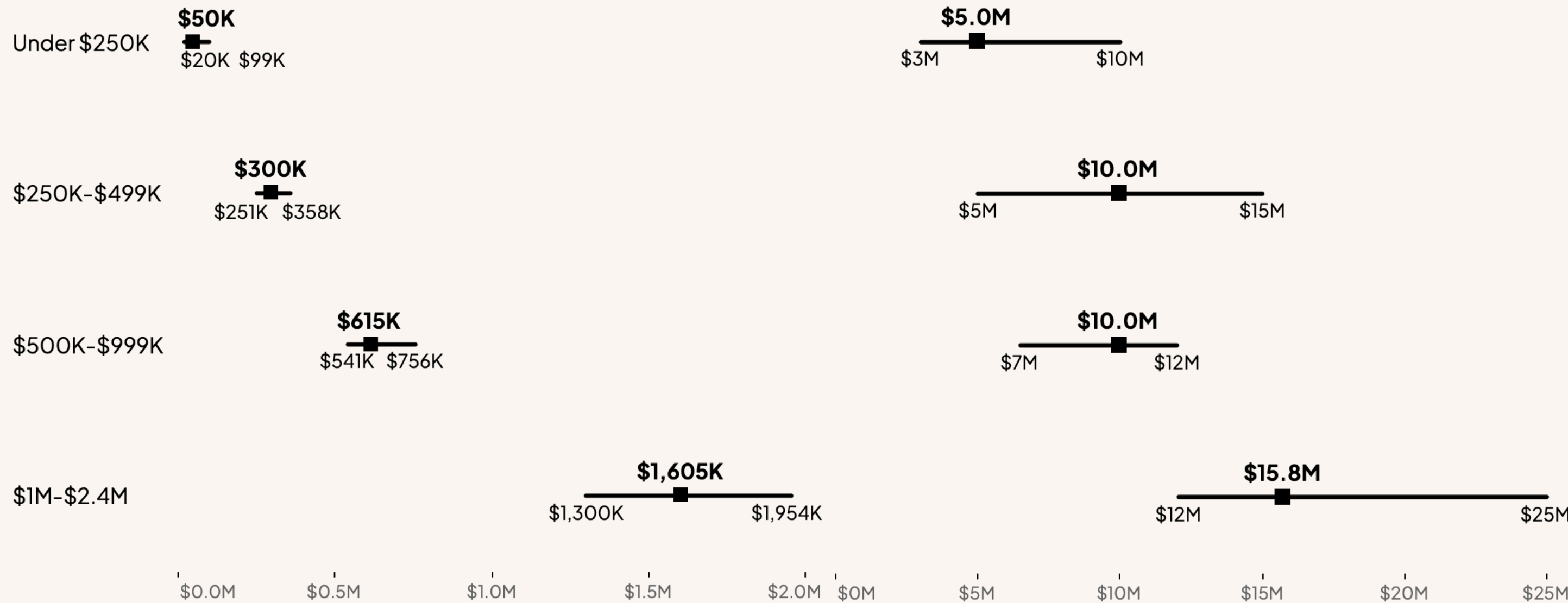
Pre-seed fundraising profile: Consumer industry

Pre-seed round size benchmarks and valuation cap benchmarks by round size group | Q1 2025—Q3 2025



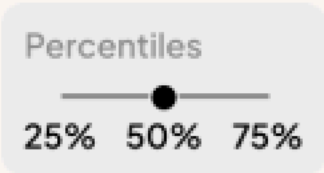
Round Size Benchmarks

Valuation Cap Benchmarks

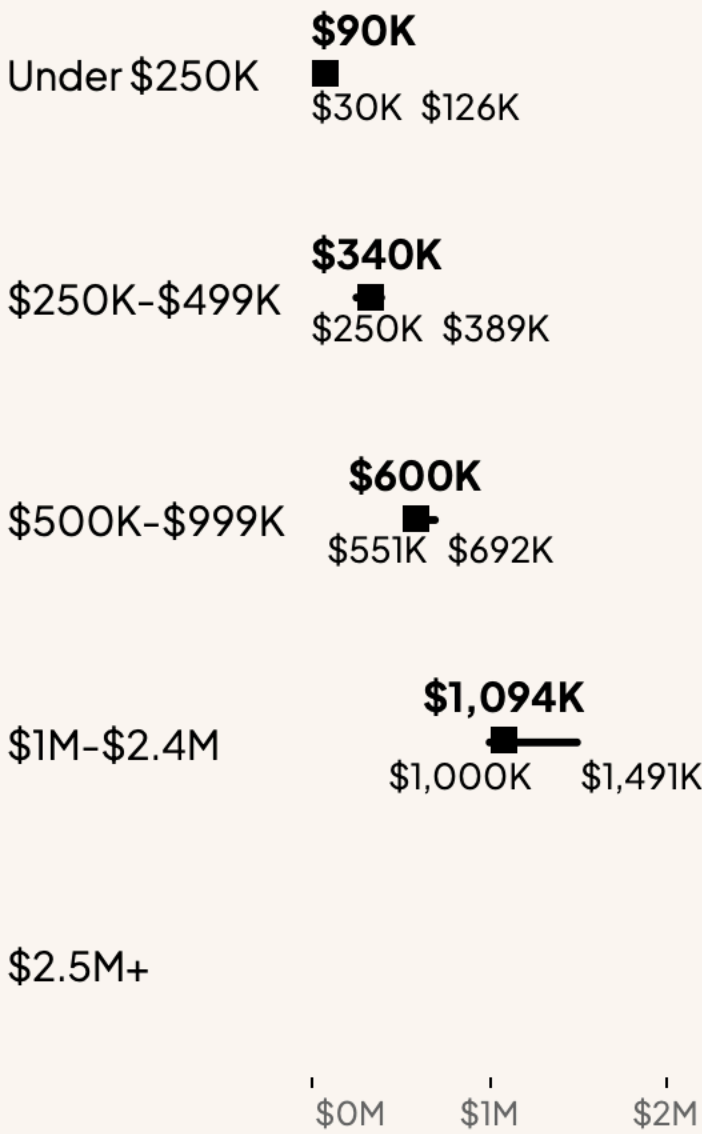


Pre-seed fundraising profile: Biotech/pharma industry

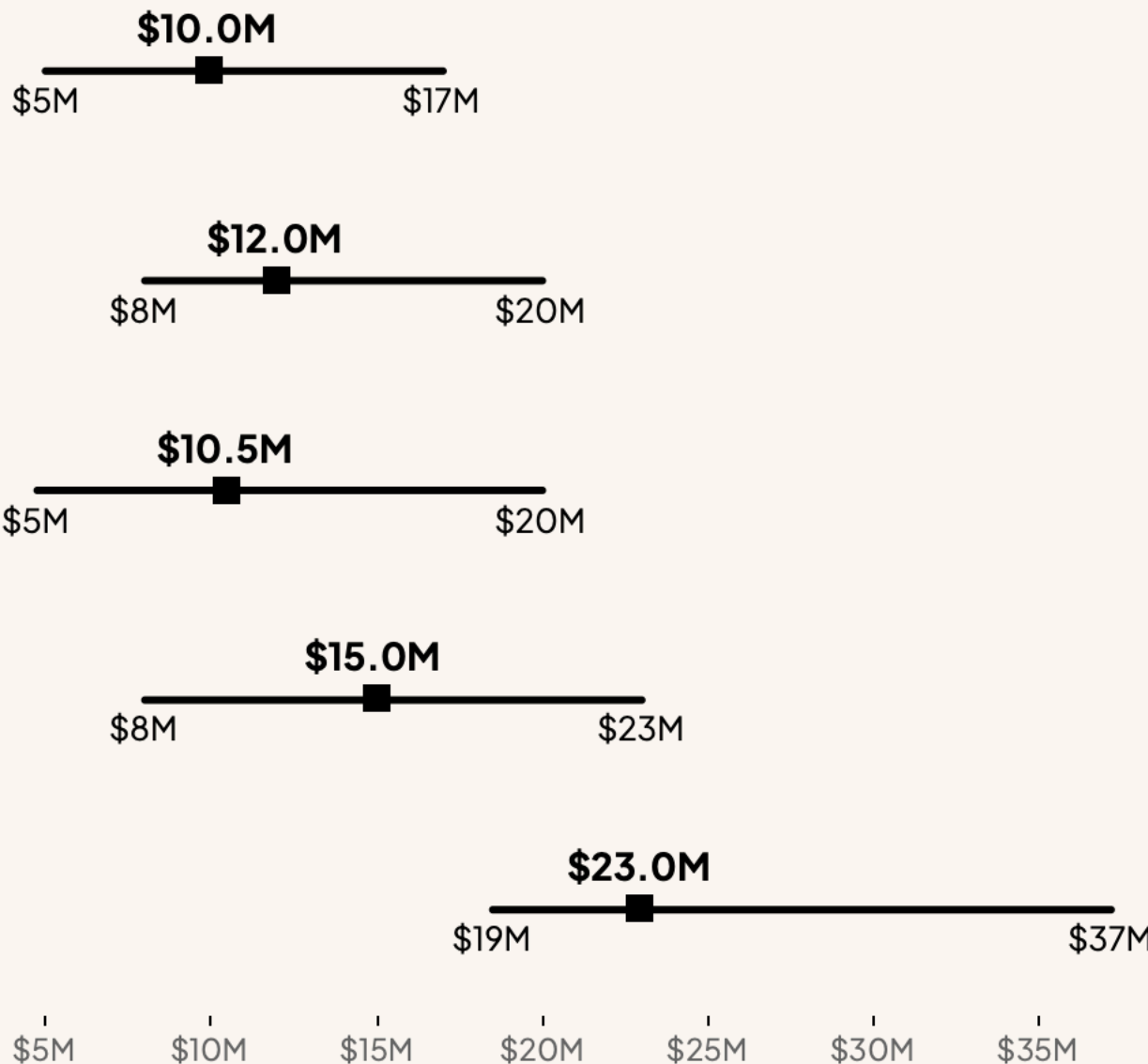
Pre-seed round size benchmarks and valuation cap benchmarks by round size group | Q1 2025—Q3 2025



Round Size Benchmarks

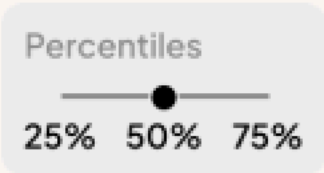


Valuation Cap Benchmarks



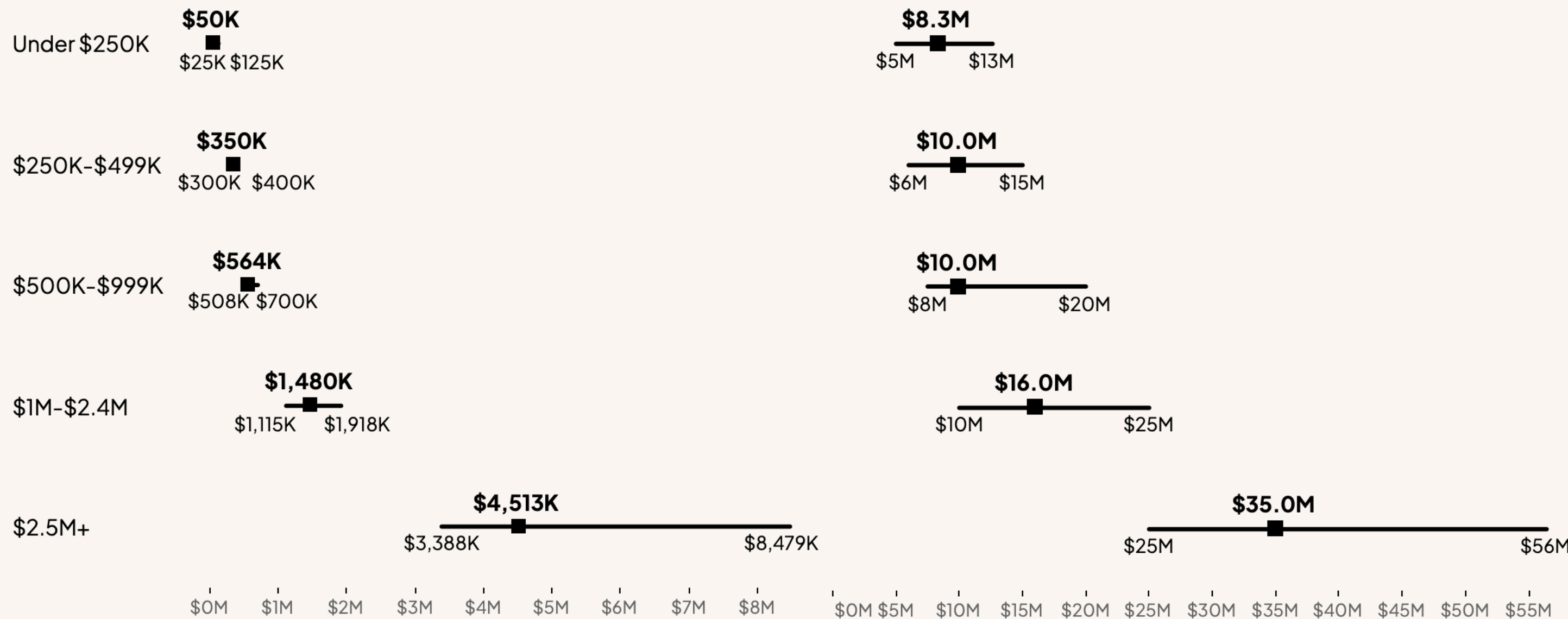
Pre-seed fundraising profile: Healthtech industry

Pre-seed round size benchmarks and valuation cap benchmarks by round size group | Q1 2025—Q3 2025



Round Size Benchmarks

Valuation Cap Benchmarks



Methodology

Overview

This study uses an aggregated and anonymized sample of Carta customer data. Companies that have contractually requested that we not use their data in anonymized and aggregated studies are not included in this analysis.

The data presented in this pre-seed report represents a snapshot as of November 12, 2025. It encompasses approximately 110,000 convertible instruments raised by more than 10,000 startups in the United States from Q1 2021 to Q3 2025, with a focus on the 25,000+ instruments raised in the first three quarters of 2025.

Historical data may change in future studies because there is typically an administrative lag between the time a transaction took place and when it is recorded in Carta. In addition, new companies signing up for Carta's services will increase historical data available for the report.

Definitions

This report defines "pre-seed" as any fundraising activity that occurs on convertible instruments prior to a company's first priced equity round. Convertible notes and SAFEs are the two types of convertible instruments analyzed.

A pre-priced "round" (or "deal") is defined as encompassing all of the convertible instruments that a given company has raised with the same valuation cap, prior to raising any priced equity.



Carta Launch

The home of pre-seed startups.
Free until you raise your first million.

- ✓ Issue equity to your team
- ✓ Raise SAFEs from your investors

Get started at carta.com/launch

Name		Rounds	Shares	Ownership
	Fred	CS PS WAR	360	10%
	Kelly	CS PS WAR	720	20%
	Marco	CS PS WAR	1,080	30%
	Terri	CS PS WAR		

