

October 2025

Cut Through Quarterly

# Australian Venture Capital Funding Report



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Q3 2025

CUT THROUGH  
venture

**Q3 2025 AUSTRALIAN VENTURE CAPITAL FUNDING**

**\$1.0B** TOTAL FUNDING

**116** DEALS ANNOUNCED

Logos include: AcudocX, AETHER, alloy, alumly, AMSL AERO, andromeda, ANT61, Apate, ARLULA, ATEC, AS, avertro, BEARHUG, BioScout, bitwise Agronomy, block earner, Brainfish, briefcase, Cadmus, CARBON 280, Care GP, CERES, CFORGE, COHABIT, COINSTASH, Corfin AI, Coursebox, Crystal aOS, Cuttable, deepCstore, diraq, Done, EarthTrack, ECLIPSE INGREDIENTS, Elita, ENHANCE LAB, ETO Markets, everlab, EVO POWER, FIBERSENSE, firmus, fleetyr, freckle., PytonBio, GymGoer, I3D, Harvest B, stu, HYPERSONIX LAUNCH SYSTEMS, indi, Integuide, INTIX, Isaacus, June, juxtabyte, KASU, LEADSTORY, LEAKSTER, Linkby, Litecard, LODGICL, LOOP, Lorikeet, Lucia Bio, Luck, LynAI Mines, NEXT ORE, MRead, Marloo, MatchBox, medlo, MIRUGEN, MOBILE TYRE SHOP, MOGOPLUS, Morse Micro, muse AI, MYOSTELLAR, NRN, Nevam, nexobot, Ninja.ai, Nutromics, ON THE HOUSE, ON ZERO, ncoREVIVE, OneMRI, Onsite, optain, OSW, OurLegUp, promo sync, PROVECTUS ALGAE, Puralink, Cloud GAMES, Source., RaptorTech, Rave, RemagineLabs, ROCK SOLID GROUP, Sahha, send., SKUTOPIA, Slice, SprintSuite, SURE LAB, SwitchDin, syenta, Laundry Lady, vaxxas, VetNotes.com, [vinyl], VISIONARY MACHINES, Voqo AI, wable, WOOLGROW AUSTRALIA, X-Hemp Pty Ltd, ZIPLINE

# Thank you to our Partners

Partner profiles and contact information are found on page 24

# And Australia's top startup investors for their continued support

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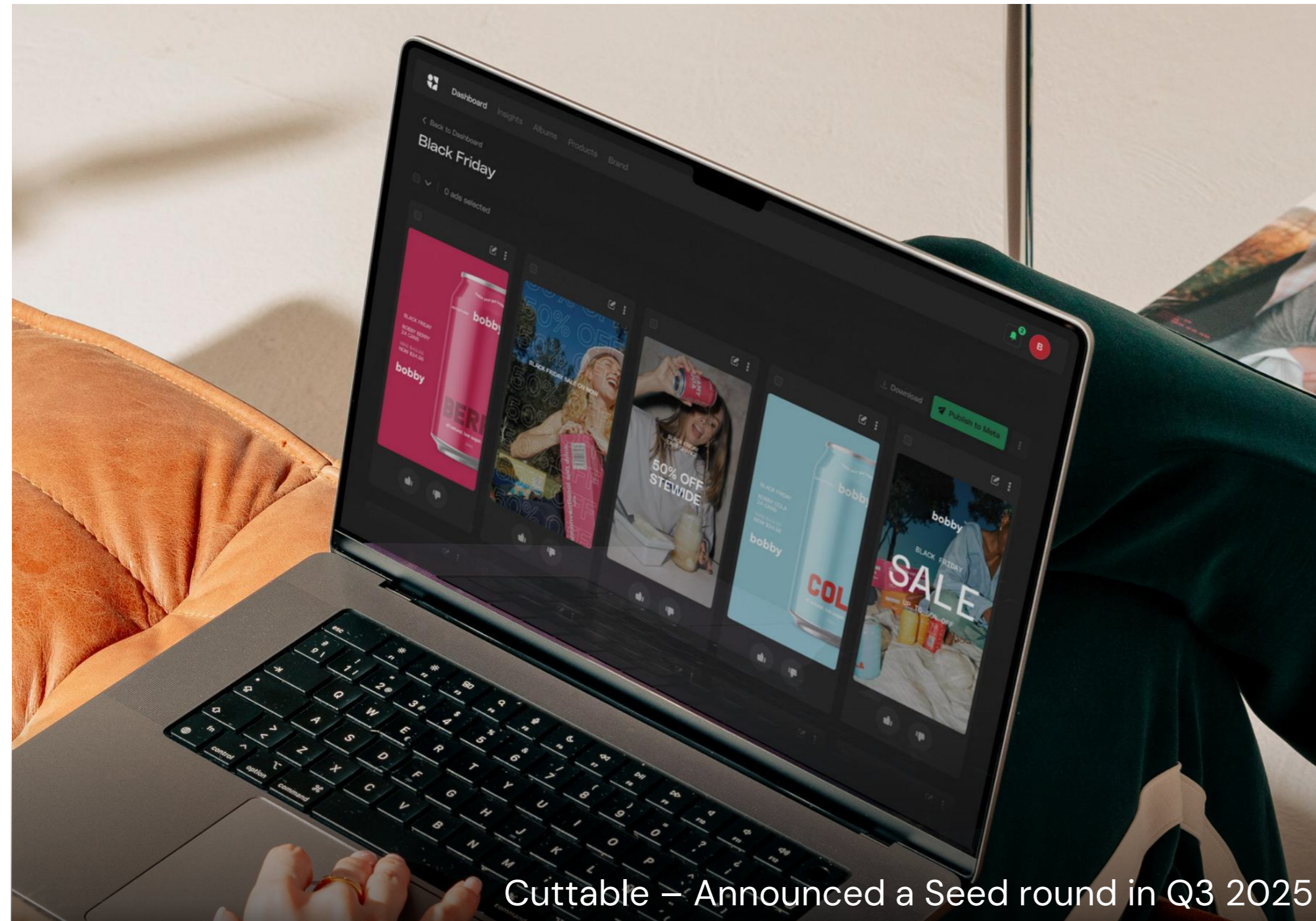
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## TL;DR – Five Things to Know



### 01

Q3 delivered a touch over \$1.0 billion across 116 announced rounds, comprising 85 venture rounds and 31 accelerator rounds. It was the biggest quarter of 2025 by deal count, lifted by a surge in accelerator activity across the country. The step up was about breadth rather than size, with volume rising with cheque sizes continuing to edge up, but only one \$100 million-plus round announced.

### 03

Non-software startups received the most funding, with hardware featuring prominently alongside biotech and other sciences. Capital clustered around deep technical theses, with science-heavy businesses attracting a larger share of the biggest cheques than pure software. Investors are favouring unique IP pathways with credible regulatory or manufacturing plans.

### 05

Female funding showed mixed signals. Accelerator programs did much of the lifting for representation, yet overall share of dollars to female-led and mixed teams fell. Pre-seed representation plummeted, and only one late-stage rounds involved a woman founder. Seed through Series A representation was in line with medium-term levels.

### 02

Investors reported valuations rising at every stage. Feedback from the market matches this, with anecdotes of hot pricing in specific pockets, especially anything involving AI. The centre of gravity of valuations has shifted up, and founders with clear AI angles are raising faster and often at valuations reminiscent of the 2021-era.

### 04

Mega rounds remain rare. Only one cleared the \$100 million mark, so the headline total leaned heavily on a single deal. Excluding that raise, late-stage activity remained thin, and the \$20–50 million bracket did not expand meaningfully. Just 17 deals cleared \$10 million.

# Cut Through's view

## Look to the Series A to B graduation rate as a signal of market health but also froth.

**Cut Through's data shows just how long the 2021 and early 2022 funding boom continues to shape the market. Startups that raised Series A rounds during the second half of that period are still struggling to graduate to Series B.**

The steep early climb of the 2019 and 2020 cohorts gives way to the flat, hesitant lines of 2022 and 2023. In contrast, early signals from 2024 look stronger, but before calling it a complete recovery, it's worth examining what caused the slump and whether history is beginning to repeat itself.

### The boom that broke the curve

During the boom, global venture funding more than doubled, and locally, we often clocked billion-dollar funding months. Cut Through coined those "unicorn months"... which has aged exceedingly well.

Cheap capital and an influx of new funds led to unusually large rounds at extraordinary valuations. Founders who might previously have raised \$8 million at a \$40 million post-money valuation were suddenly raising \$25 million at \$150 million. Investors justified the pricing based on growth assumptions that relied on the market remaining open indefinitely.

The problem is that valuations are promises about the future. When the market reset in late 2022, many companies couldn't grow fast enough to meet those promises. That overhang has defined the years since. Startups with inflated A-round valuations found themselves boxed in: too expensive to raise an up-round, too early for an exit, and growing too slow to meet the new efficiency benchmarks expected by investors.

Some responded by tightening burn and pushing for profitability. Others turned to quiet insider extensions, down rounds, or simply waited for conditions to improve. The result is the plateau shown in the chart to the right. These companies haven't failed, but they aren't advancing at the rate that their Series A investors probably thought they would.

### Working through the hangover

By late 2023, many of those companies had accepted the new reality. Growth expectations normalised, valuations reset, and investors began rewarding discipline again. The market recalibrated rather than

collapsed. Founders did more with less, and funds narrowed their focus.

At the same time, early-stage investment remained active, though smaller and slower. The gap between A and B rounds widened, with the median time between them roughly doubling from pre-2021 levels. The B-stage bottleneck became the clearest sign of where the hangover hit hardest.

### Signs of recovery and familiar warning lights

The 2024 cohort is currently tracking ahead of recent years. That is a positive sign. It suggests a healthier pipeline built on more realistic valuations, cleaner metrics, and stronger cohort quality. Investors are backing companies that have gone on to have earned their A, not just pitched it well.

But it's not all discipline. The rebound has brought a fresh wave of optimism, particularly around AI. Capital is flowing again, albeit at valuations that sometimes feel stretched and are not always backed by solid fundamentals. Some of the largest AI rounds over the past year have been done quietly at valuations reminiscent of 2021. The tone is familiar: the technology is different, but the psychology is the same.

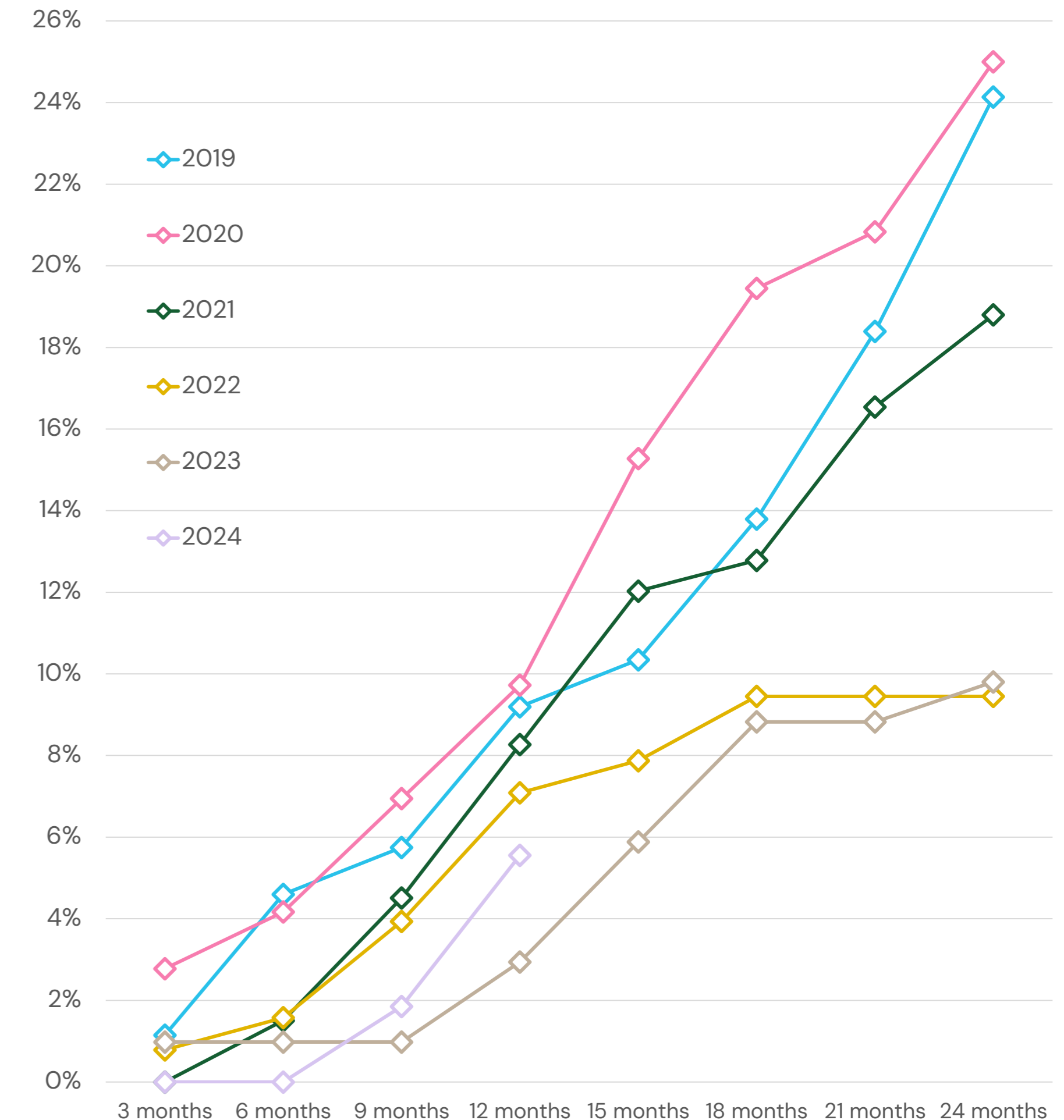
It's too early to call this a bubble. The difference this time is that the exuberance is concentrated, not widespread. But it's worth remembering that bubbles don't look like bubbles when they start. They begin as confidence returning to a system that hasn't yet fully digested its last excess.

### Where it leaves us

The market is recovering, but the hangover isn't over. The 2020 and 2021 cohorts are still carrying the weight of valuations set during the most exuberant funding cycle in memory. The 2024 cohort is healthier, sharper, and moving faster, yet already operating in a market that is showing early signs of speculative heat.

Whether this next phase becomes a disciplined expansion or a repeat of past mistakes depends on how investors and founders handle their euphoria this time.

The Series A to B graduation rate – market conditions at each stage matter



# Q3 2025 Headline Figures

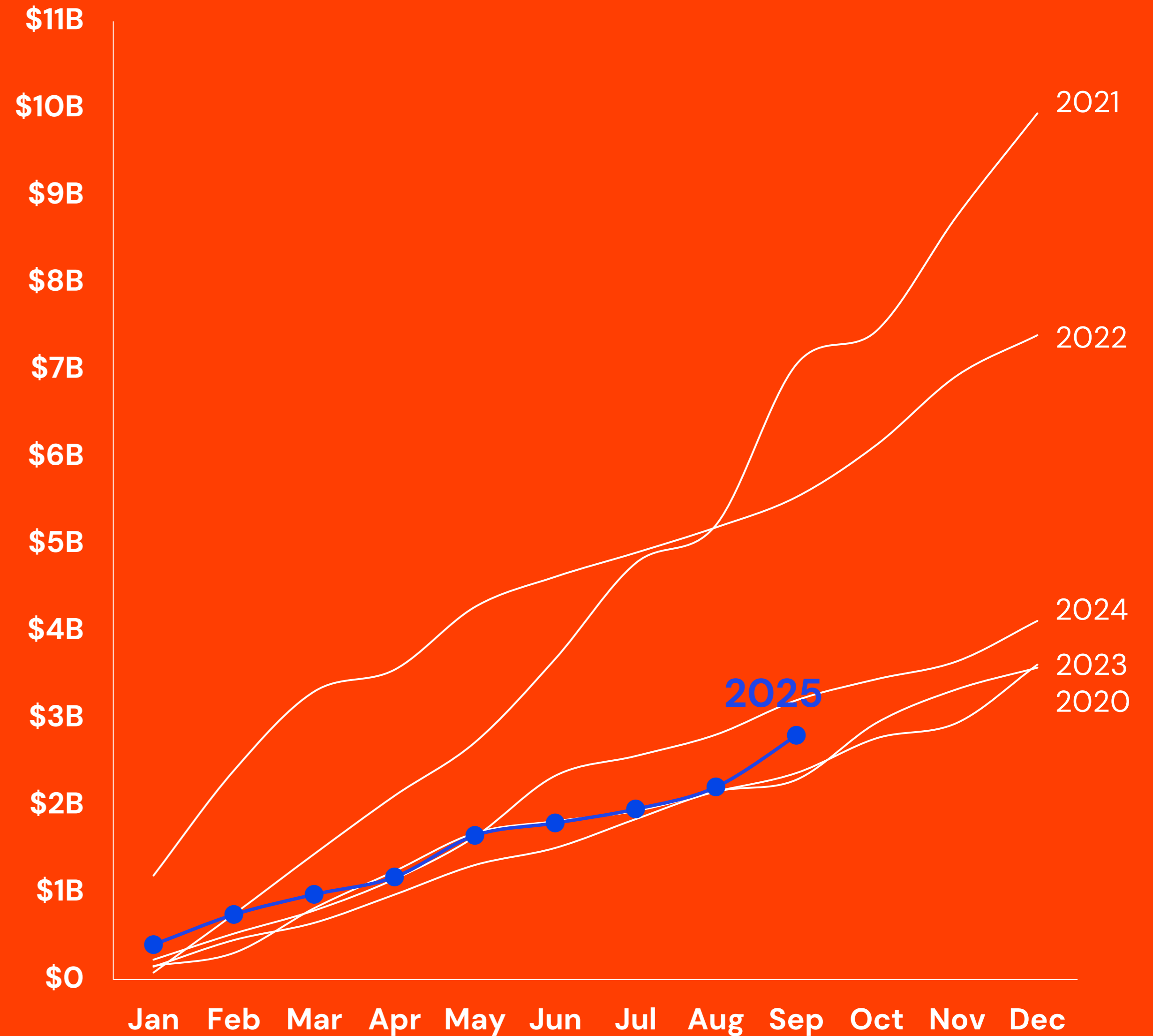


# Total capital raised

Q3 delivered a stronger quarter than Q2, with total funding again hitting the billion-dollar mark. Deal count topped 100, benefitting by a strong quarter for accelerator programs nationwide. Announced funding reached about \$1.0 billion across 116 deals, comprising 85 venture rounds and 31 accelerator rounds. One mega-round, Firmus Technologies at \$330 million, accounted for a large share of the dollars. Excluding that outlier, rounds of \$20 million or more were broadly in line with recent quarters, but only one round of \$100 million or more was announced.

Investor sentiment held firm across multiple indicators. Most investors expect to do more deals than in 2024, and deal quality is steady. Valuations moved higher across the board this quarter, with the most pronounced lift at Pre-seed, Seed, and Series A. Later stages were steadier, and AI-first companies continue to price at a premium.

If these conditions persist, the setup into Q4 looks constructive. The final quarter of 2025 will need to top \$1.3 billion for 2025 to edge into third spot in the capital deployment hall of fame. Now if only there was another giant Airwallex round when we need one...



## Partner perspective

CORRS  
CHAMBERS  
WESTGARTH

### New merger laws to impact Australian tech M&A transactions

**Australia's new merger control regime commenced on a voluntary basis from 1 July 2025 and comes into force on a mandatory basis from 1 January 2026. While there are no significant changes to the substantive competition assessment, the new regime is a seismic shift from the current voluntary and informal process to a mandatory and suspensory process.**

In short, Australian Competition and Consumer Commission (ACCC) merger review will become more rigid, more burdensome, often more protracted, and capture many more transactions.

While the reforms will affect M&A across all sectors, the tech sector may be particularly impacted. The government and ACCC have both previously expressed concerns about the ability of large tech companies to make serial acquisitions which entrench their market power and stifle innovation. This includes concerns about larger players buying start-ups before they disrupt market incumbents and become genuine competitors (so-called 'killer acquisitions'). Under the new rules, global tech deals where the target group has a relatively small Australian presence are now much more likely to require notification. Private equity and venture capital funds who are serial acquirers will also be impacted.

More specifically, the key changes include:

- New notification thresholds which are low and will inevitably capture many more transactions than the old regime, including transactions that raise no substantive competition issues. More details about specific thresholds are included in the link below, but in some cases, notification will be required for an acquirer

who over the past three years has acquired businesses with an aggregate Australian turnover of only \$10 million or more. In these cases, notification will be required even for transactions that raise no substantive competition issues.

- Notification of types of transactions well beyond what is normally considered 'M&A', including notification of any controlling interests in shares that exceed the monetary thresholds, which may capture some venture capital deals, and some kinds of debt finance transactions, including acquisitions of convertible notes.
- A broader geographic reach, applying a very thin jurisdictional nexus which requires only that the target is 'carrying on business' in Australia – a threshold that can, in particular circumstances, be satisfied where the target has for example a very small number of customers, users or suppliers in Australia.

We expect the new regime to change the way advisers structure M&A processes, given most deals will now take longer and be more public. Whereas under the old regime, around 90% of notifications were cleared on a confidential basis, under the new regime there is no confidential ACCC review process available and the ACCC must place a summary notice regarding a notification on its website within a day of notification. As well as demanding earlier announcement of transactions, this also provides much greater opportunity for competitors, customers, unions, lobby groups and other interested stakeholders to engage with the ACCC to seek to disrupt transactions.

The new regime tends to shift more regulatory risk onto sellers. This arises both because of the need for more deals to be conditional upon ACCC clearance, and because the ACCC is no longer able to review multiple shortlisted bidders or provide confidential clearances. As a result, sellers will need to proceed to sign conditional documents and announce deals with no or limited substantive engagement with the ACCC. Sellers are increasingly likely to look to risk allocation mechanisms such as reverse break fees, non-refundable deposits, pre-commitments to specific divestitures and 'hell or high water' provisions to protect their positions.

On the buy-side, we anticipate that bidders will be seeking increased access to information from sellers (including financial and market information and board materials), which will require enhanced competition law protocols. For both sides, robust and reliable advice on substantive competition issues affecting execution risk, clearance timeframes, and potential remedies is more important than ever.

Corrs has published a number of articles on the new merger reforms which provide more details, including relevant notification thresholds (see [here](#), [here](#) and [here](#) for more information).

**Jonathan Farrer**  
Partner

**Ian Reynolds**  
Partner

# Partner perspective Notion

## Keep the door open: maintaining investor momentum through strategic communication during your capital raise

**Fundraising is a relationship game played at speed – and investors give you minutes, not hours. Multiple analyses show VCs spend roughly ~2–3 minutes per deck on average, so your process and follow-through matter as much as the pitch. Momentum dies in silence; it compounds with tight, consistent communication.**

The most successful founders treat investor communication as a deliberate system between first pitch and term sheet – the window where interest either compounds or evaporates.

### What investors actually want to hear during your raise

Prospective investors evaluate two things simultaneously: your business trajectory and your operational competence.

Weekly or monthly momentum signals are your sharpest tool. Keep it concise; prove forward motion:

- **Traction metrics:** Rate of change (WoW/MoM growth in users, revenue, engagement) beats vanity levels – see [How VCs Make Decisions](#) and the underlying [research](#) on what investors actually weigh.
- **Product milestones:** Feature launches, reliability/latency wins, roadmap-validating feedback.
- **Team developments:** Senior hires/advisors and pipeline – core [Series A readiness themes](#).
- **Market validation:** New logos, LOIs, partner integrations.
- **Social proof:** Genuine investor pull (e.g., partner meetings, portfolio intros). This dynamic is echoed in [Index's own perspectives](#).
- **Skip:** internal process trivia, speculative projections, long essays. Operator/fund playbooks favour concise, data-rich updates – e.g., [NFX](#) and [Visible's guidance](#).

### The cadence that converts

Going dark kills deals. Over-messaging before interest wastes cycles. Use a simple rhythm:

- **Pre-pitch (relationship building):** Quarterly touches with target investors – warm up before you need cash. See [NFX on founder-VC relationships](#).
- **Active fundraise (pitch → close):** Weekly updates to investors who've met you and showed interest. This keeps you top-of-mind inside a [~2–3 minute deck-attention window](#).
- **Decision phase (term sheet → close):** Every 1–2 days during diligence and legals. YC's materials stress speed and clarity during fundraising – see [A Guide to Seed Fundraising](#).

Founders who systematise outreach and updates with an investor CRM/data room run tighter processes. For templates and tooling, see [Visible on investor updates](#) and [Notion investor-update templates](#).

### Format and channels: meeting investors where they are

Email is primary. Keep it skimmable.

The anatomy of an effective investor update email (aim for ~150–200 words):

- **Subject:** “Weekly update: [Company] – [Key metric/milestone]”
- **Top line:** one sentence on the week's most important development
- **3–4 bullets:** traction, product, team, market
- **Clear ask:** e.g., “Will you review our GTM plan Friday?”

Solid examples from [Hustle Fund](#) and [Underscore VC's template](#).

For top-priority investors, supplement with 15-minute check-ins during diligence to deepen rapport (agenda-driven beats ad hoc). See [NFX fundraising advice](#).

Your data room should be live, current, and easy to access. Founders who remove friction inspire more confidence – use checklists like [DocSend's Due Diligence Checklist](#) or [Visible's Data Room Checklist](#).

### Communicating challenges without killing momentum

Transparency ≠ oversharing. Frame challenges as problem → response → next proof point.

- **Hire slip example:** “VP Eng search extended four weeks after raising the bar; engaged [firm]; three finalists next week.”

- **Growth dip example:** “MoM growth dipped to 8% in September due to planned refactor; October pipeline indicates 15%+ rebound post-launch.”

YC emphasises speed, crisp storytelling, and staying in the market while you iterate – see [YC's fundraising library](#).

### Reading the signals

Track what investors do, not what they say:

Strong interest: granular data requests, diligence task lists, portfolio intros, partner-meeting scheduling.

Lukewarm: polite replies without questions; long gaps.

Pass signals: generic “keep us posted” or [“reconnect in six months”](#) – de-prioritise and reallocate time.

### Your fundraising communication system starts now

Ship the infrastructure before you need it:

1. **Centralise** investor interactions (pipeline, notes, next steps, update log) in one workspace – e.g., [Notion investor update templates](#) and [Visible's investor-update tooling](#).
2. **Institutionalise** a weekly metrics ritual so you always have fresh numbers.
3. **Pre-build** your data room using [DocSend's checklist](#).

A raise isn't won in the pitch; it's won in the consistency of your follow-through while investors are giving you [minutes per deck](#).

### Alex Dam

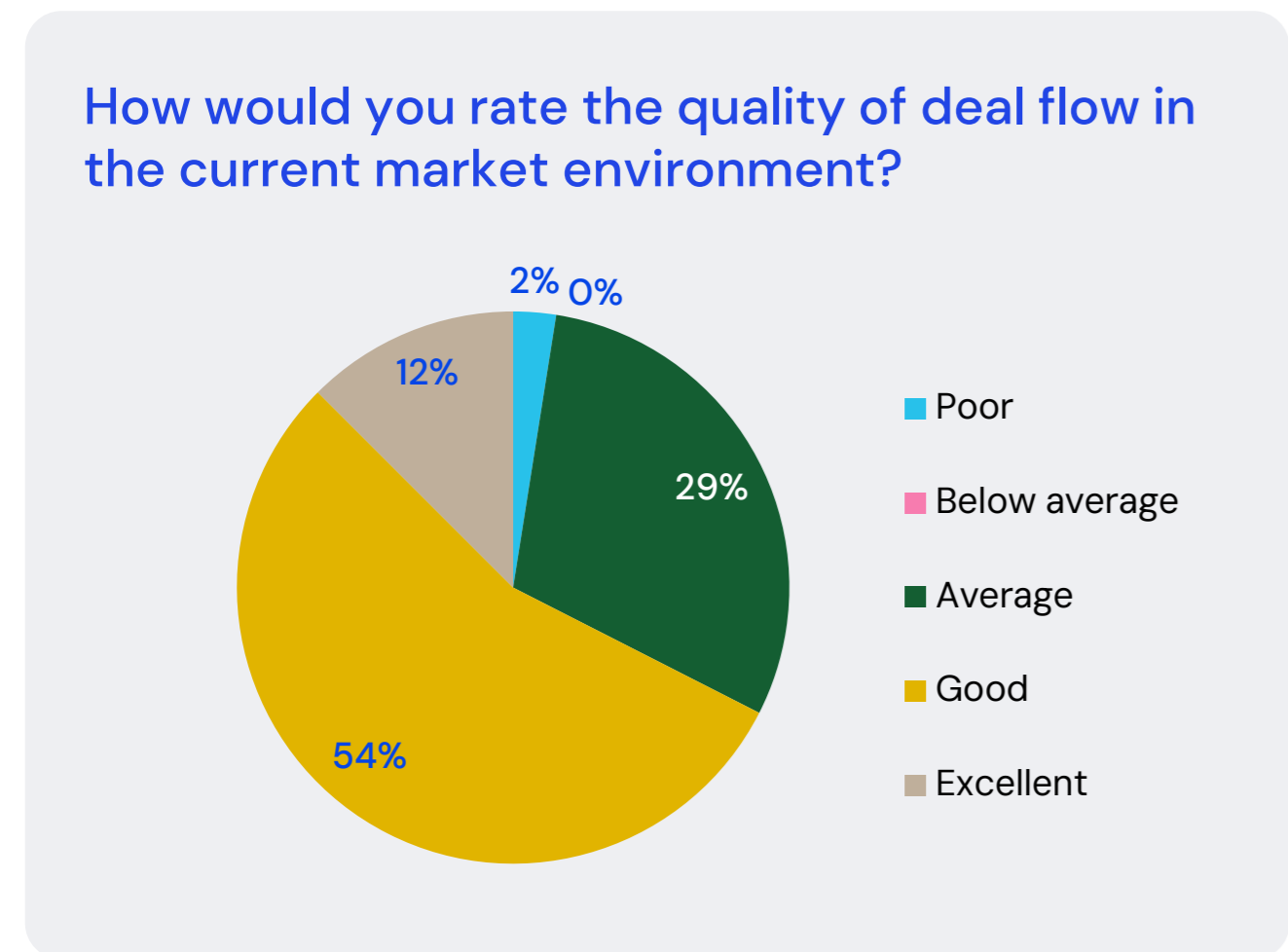
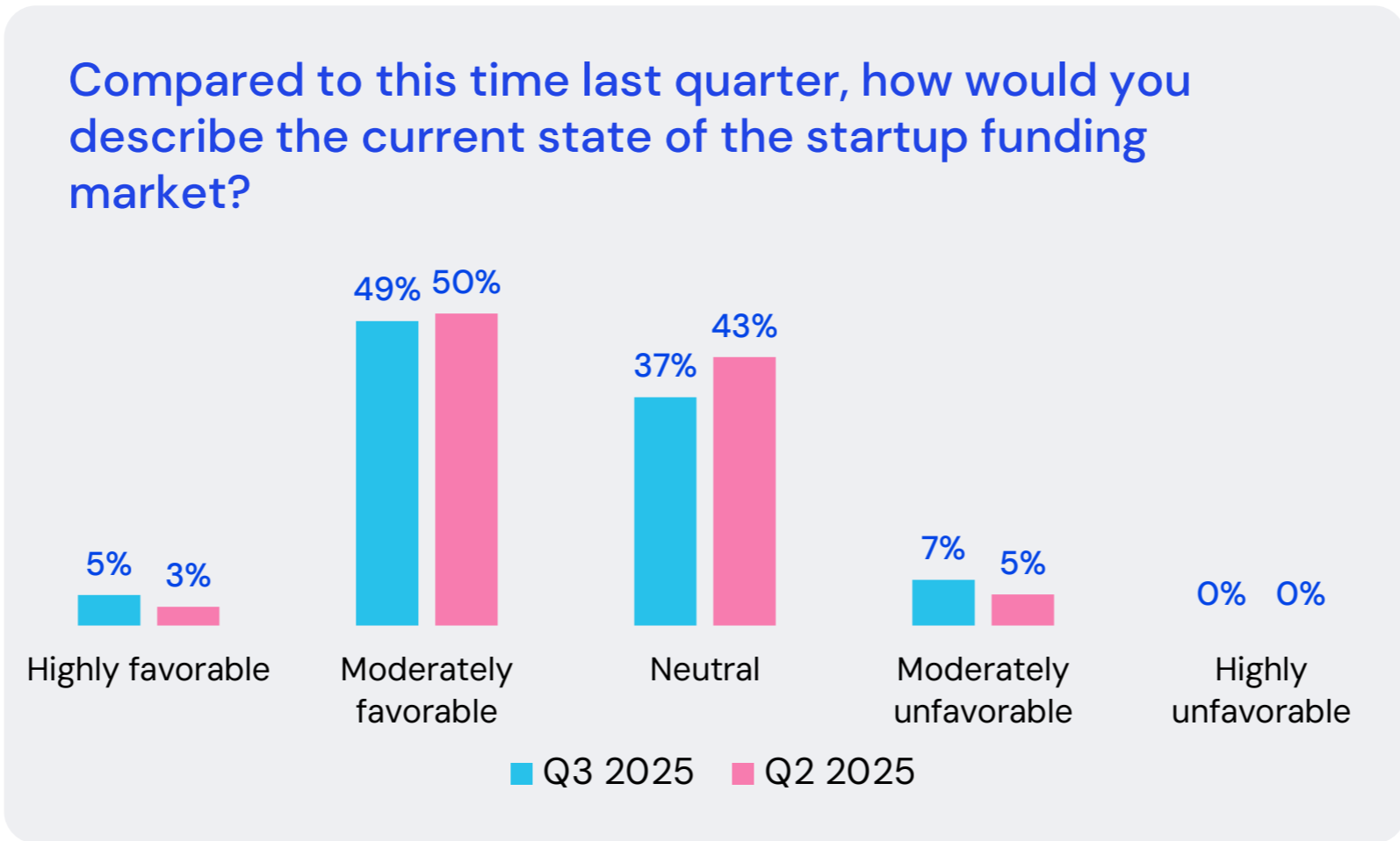
APAC Startup Lead

# Investor insights: Deal activity

Deal activity remained steady in Q3, with investors continuing to see solid opportunities. Sentiment held firm, with roughly half describing conditions as favourable and a small uplift in highly favourable views. While reported deal flow quality eased slightly, most still rated it good or excellent. Over half of teams expect more deals than last year, pointing to confidence through year-end. Priorities shifted toward marketing and business development, while fundraising from LPs remains lower than at the end of 2024.

**What are your team's top priorities for the quarter ahead?**

- 1 Invest in new startups
- 2 Marketing and business development
- 3 Ensure current portfolio is well capitalised
- 4 Fundraising from LPs
- 5 Internal firm initiatives



“A definite bifurcation has emerged between AI and non-AI businesses. There is a greater focus on accessing the US market given its willingness to pay higher valuations for AI-native businesses.”

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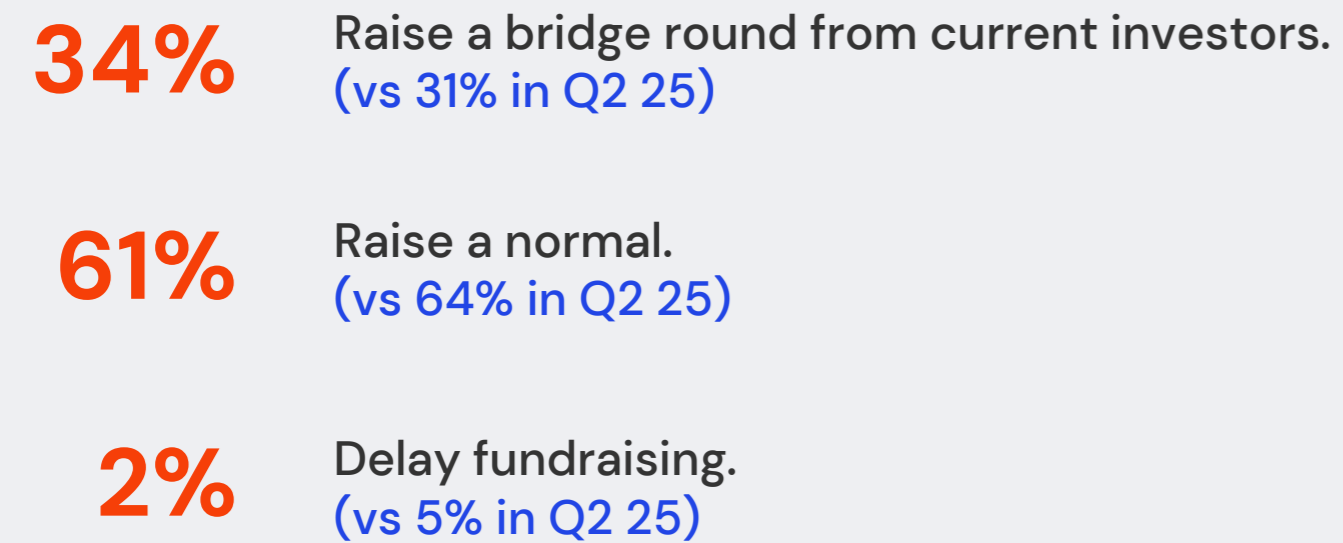
“We’re seeing a surge in early-stage deal flow, but also a wave of naive founders chasing capital for startups that shouldn’t take venture capital. Some seem to be treating this moment like a bubble to exploit.”

**Investors**  
Investor Sentiment Survey  
September 2025

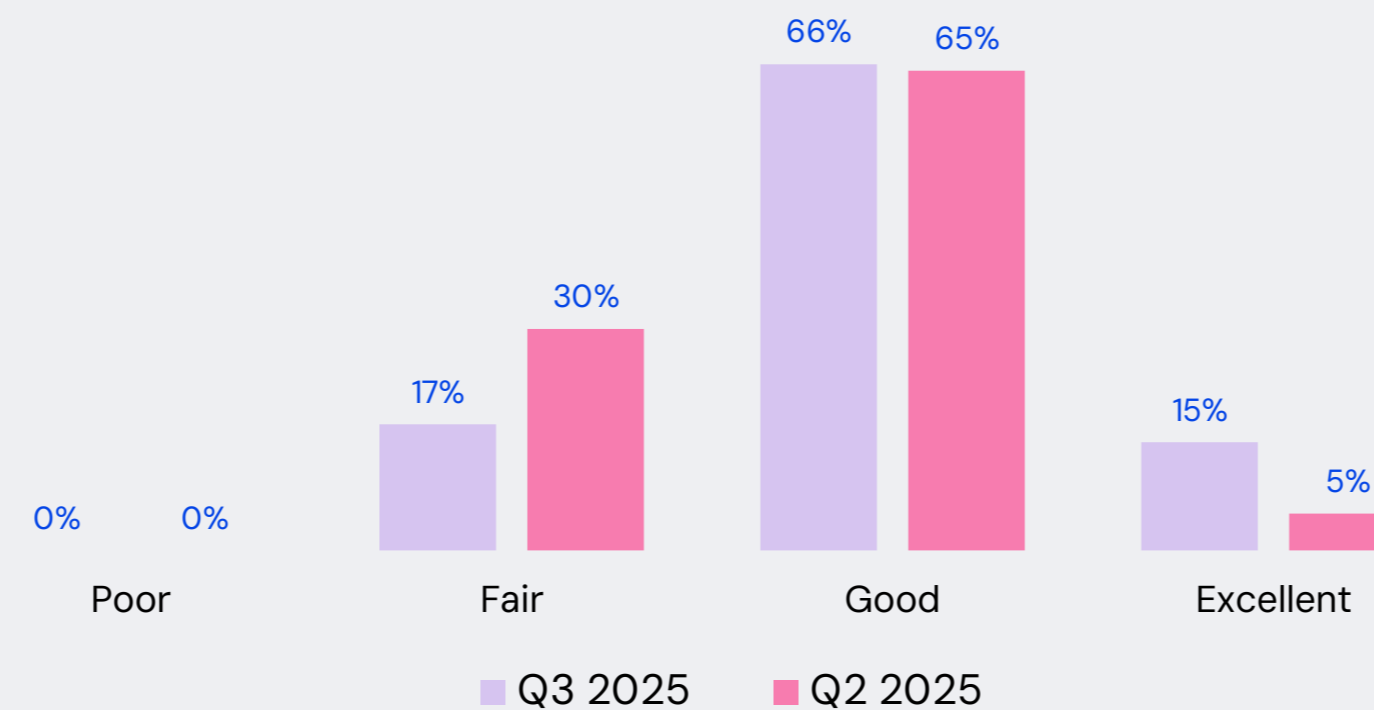
# Investor insights: Portfolio health

Portfolio health continued to show modest improvement in Q3 2025, though some signs of strain remain. Investors report steadier company performance and more confidence in underlying fundamentals, but few see conditions as fully recovered. Many investors are still encouraging bridge rounds to extend runway, reflecting limited access to new capital rather than growth ambition. Layoffs and shutdowns appear to have stabilised, while venture debt usage remains subdued, suggesting a continued focus on discipline and capital efficiency over expansion.

Given market conditions, what is the most common recommendation you've given to founders about their fundraising approach?



How would you rate the overall health of your current portfolio companies?



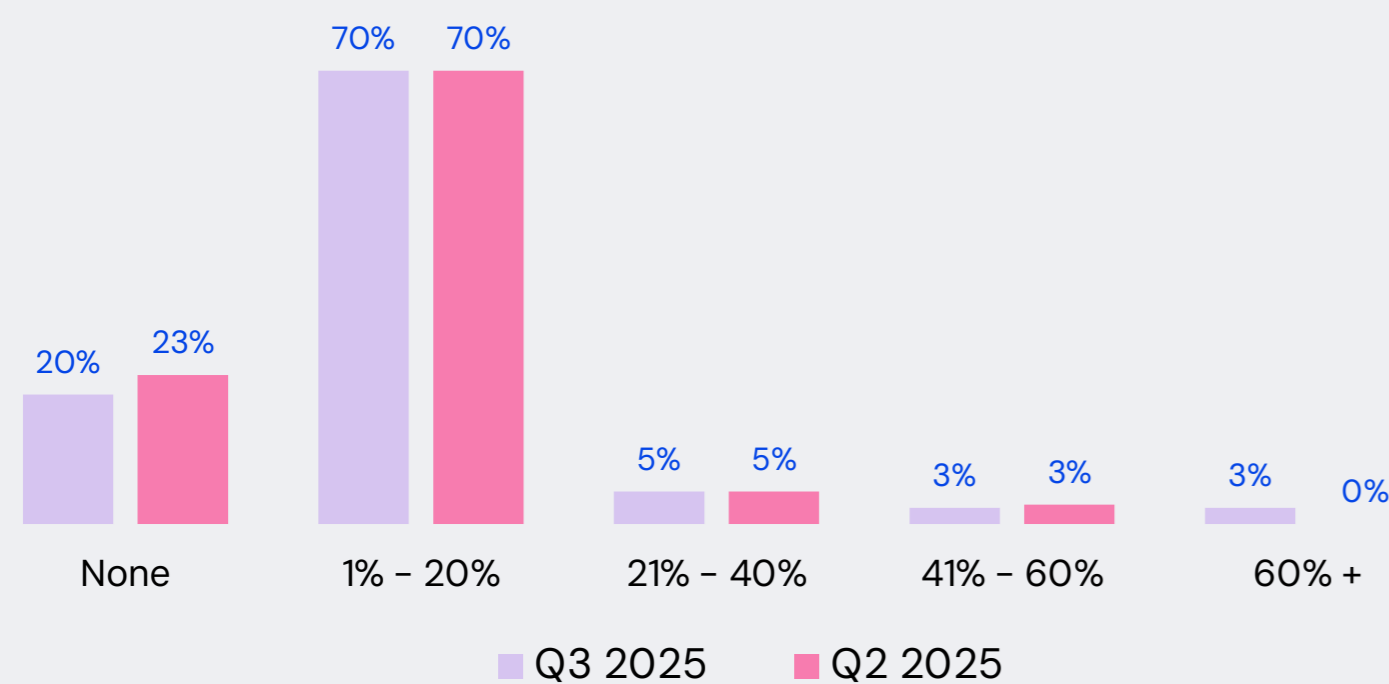
“There are a huge number of zombie companies across the ecosystem that still are dealing with the headache of raising at a giant valuation in 2021. No one's talking about this anymore. There's no real data to back this up because they've gone into hiding and they're just plodding along, surviving month to month.”

“Some of our portfolio companies are not necessarily firing people, but they're not hiring to replace. Part of this is AI, part of this is just a new conservative mindset.”

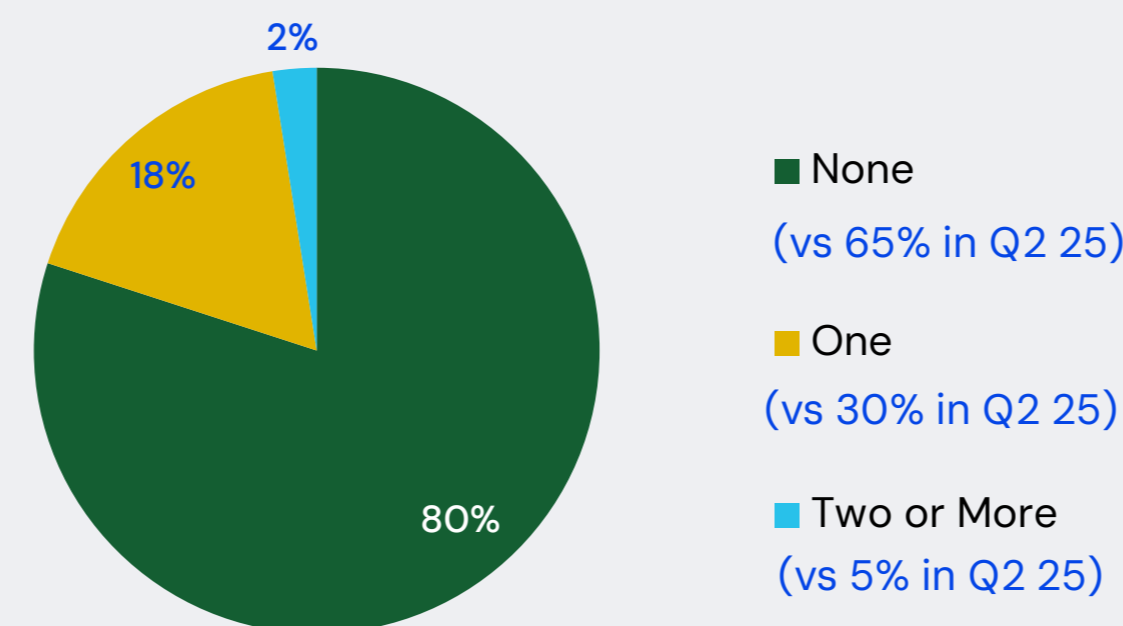
### Investors

Investor Sentiment Survey  
September 2025

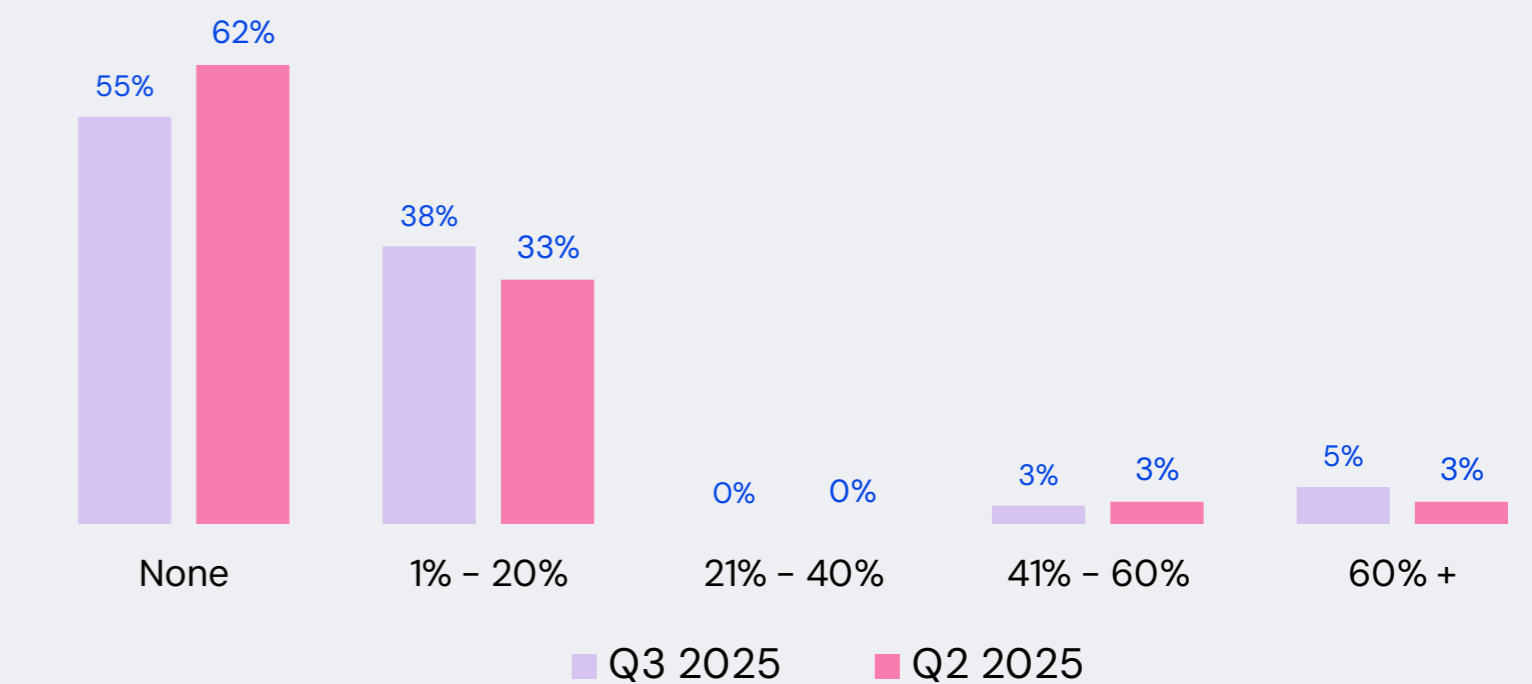
What percentage of your portfolio companies had to lay-off staff this quarter or plan to?



How many of your portfolio companies forced to shut down this quarter?

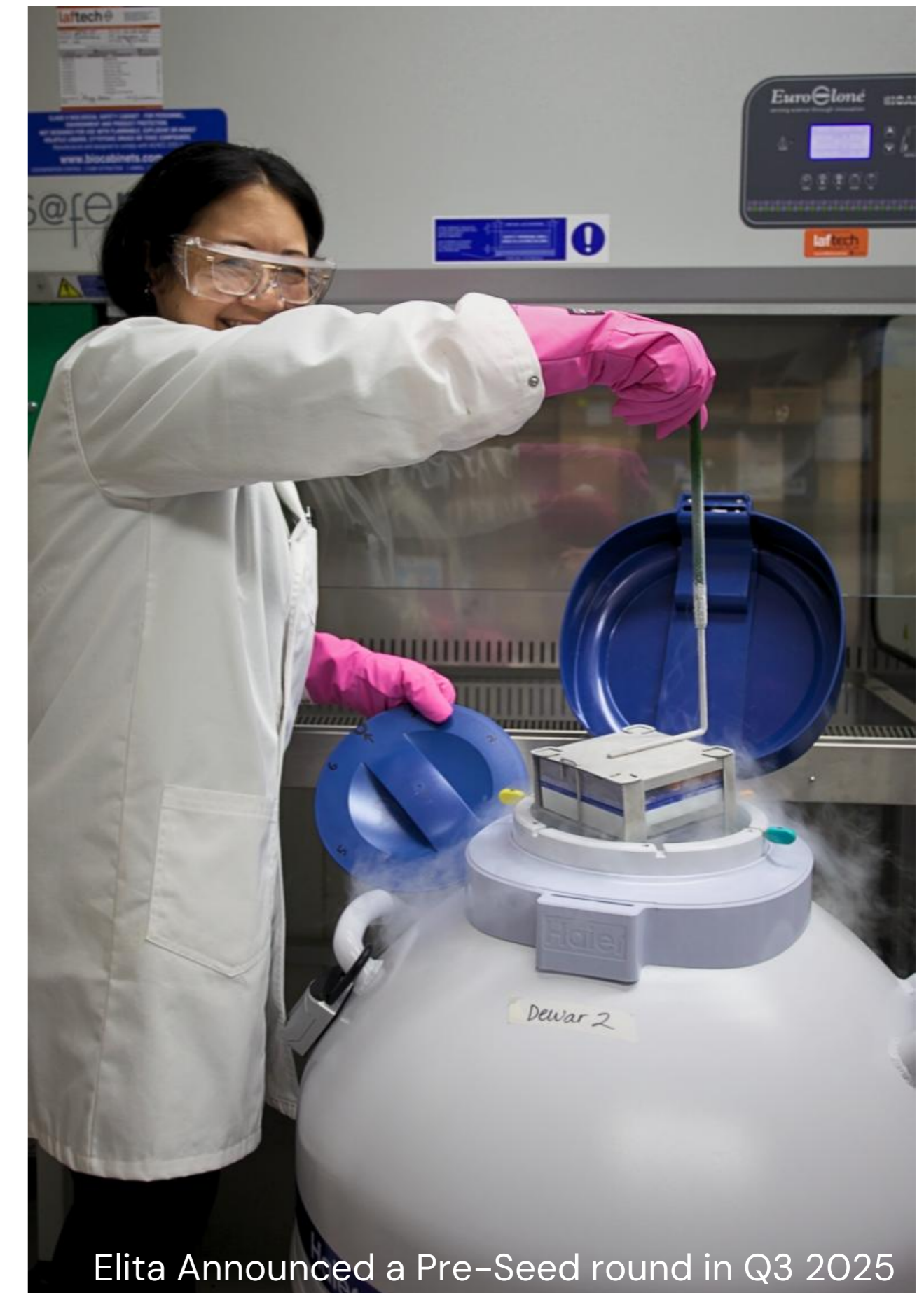
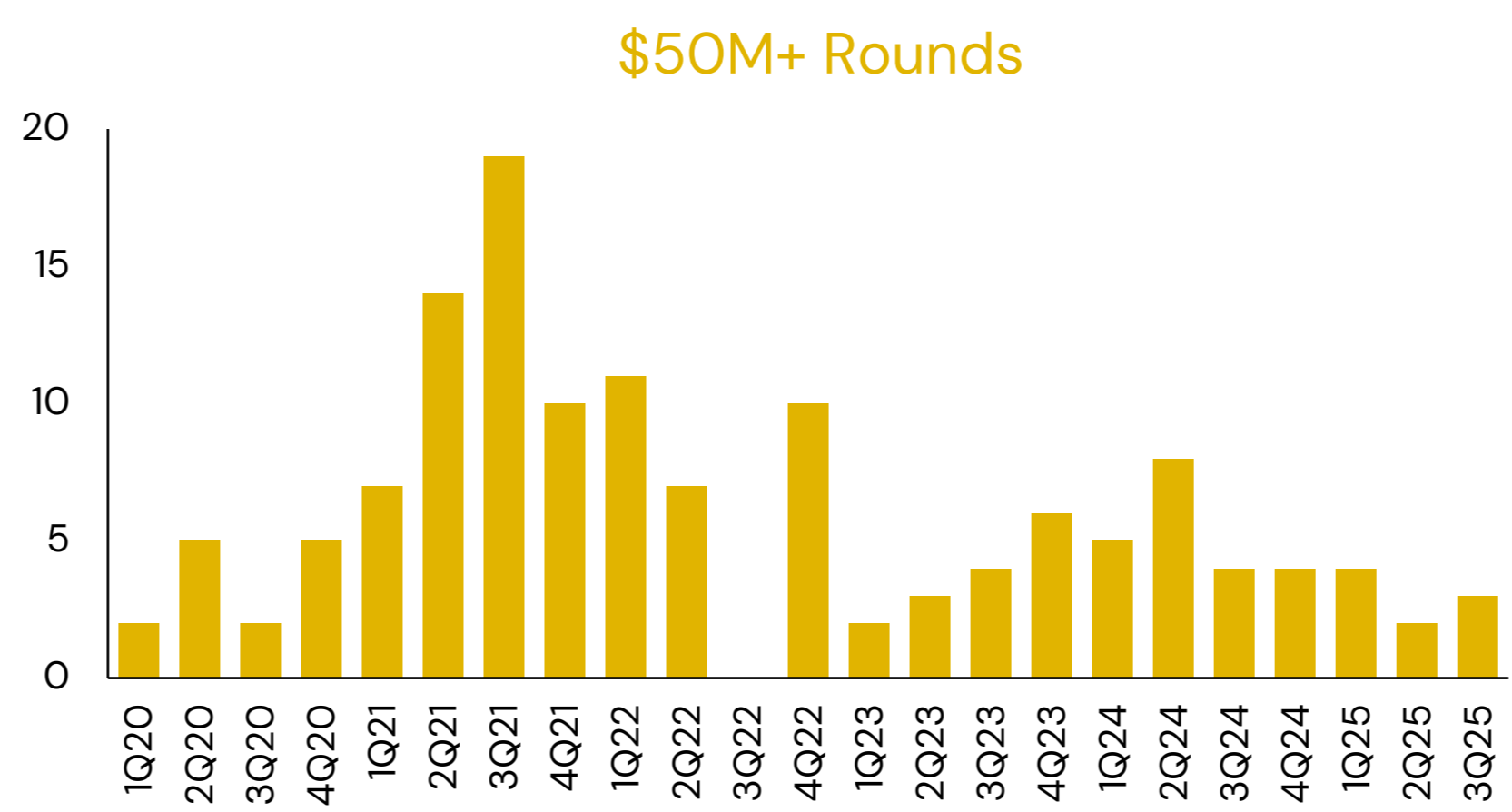
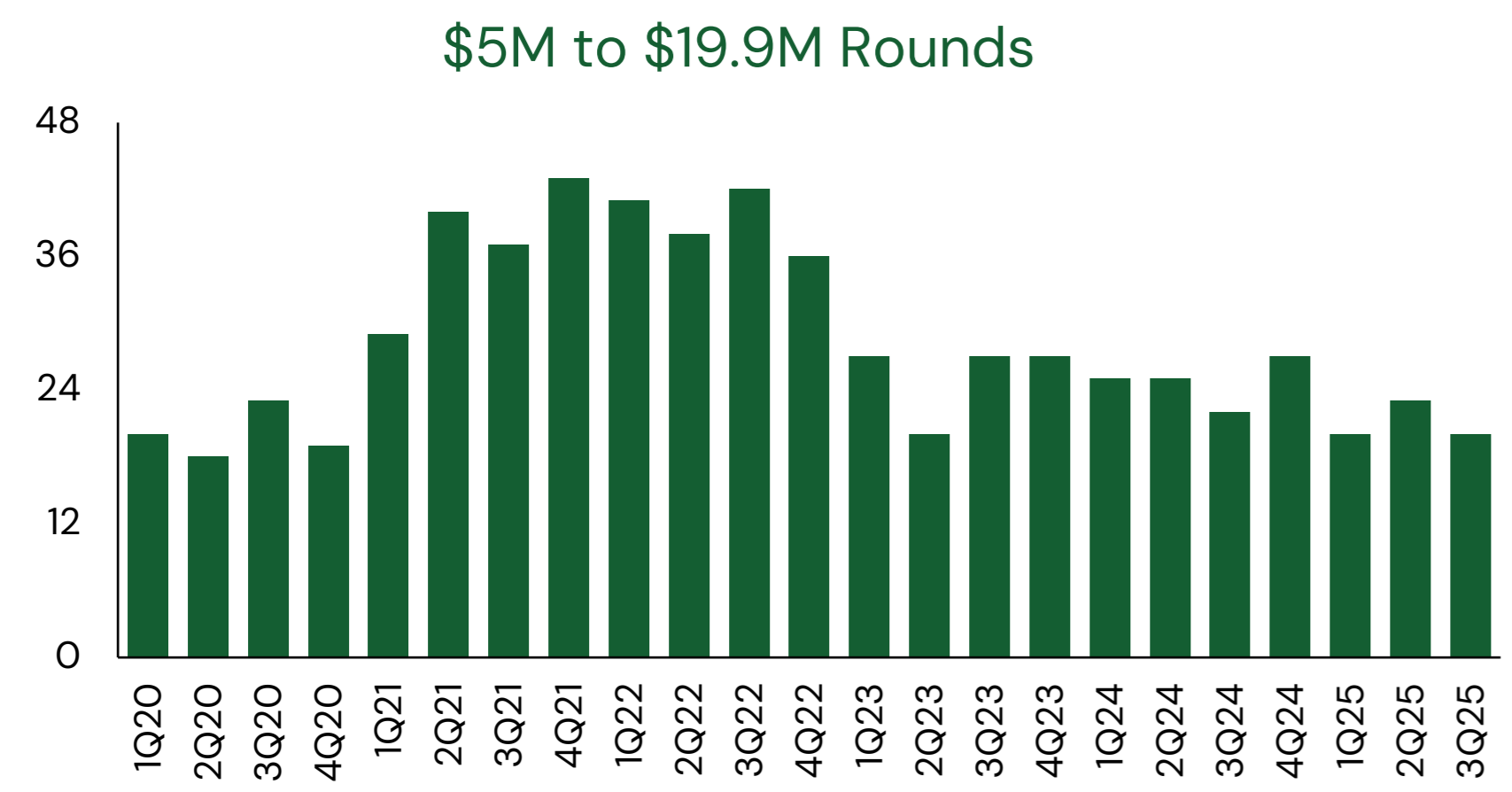
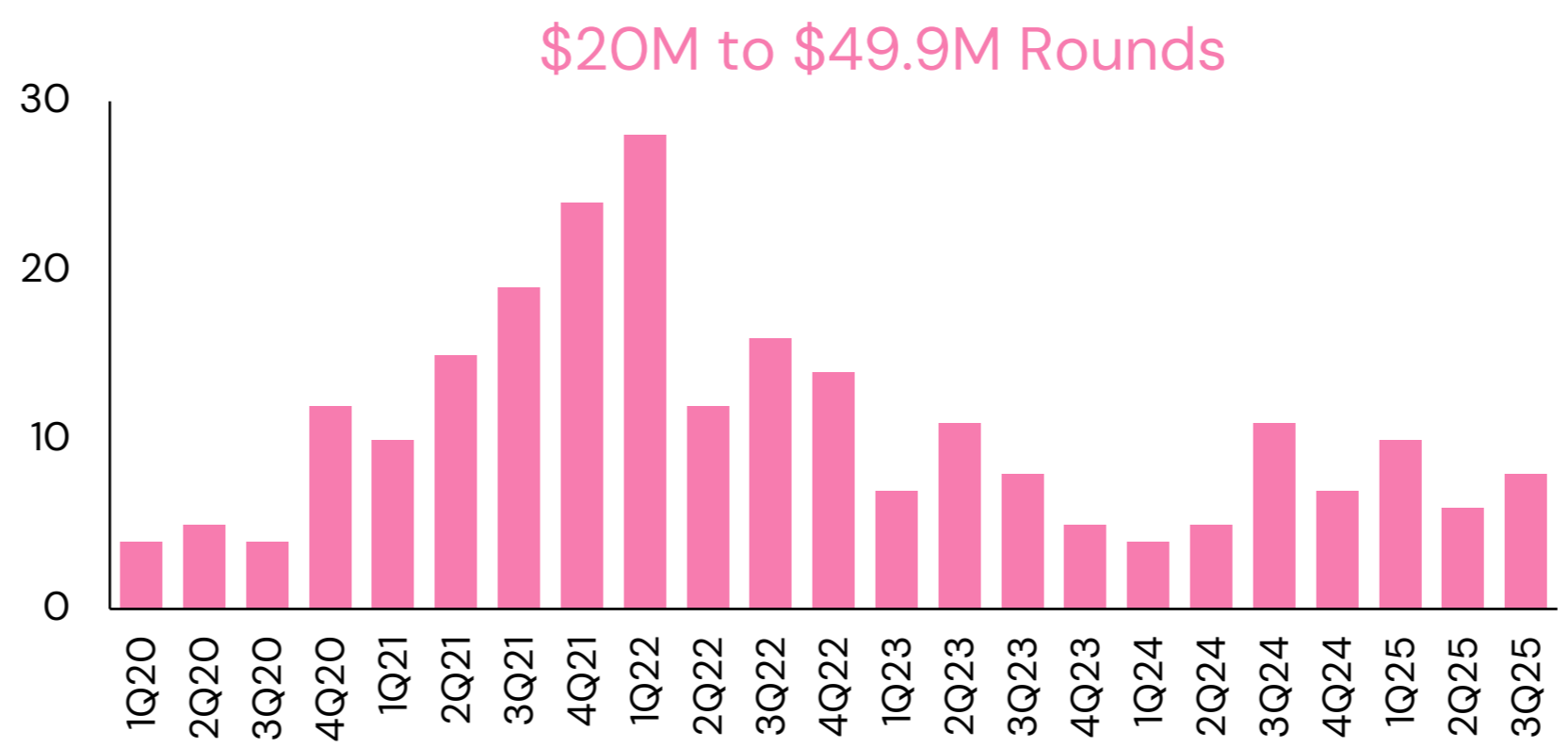
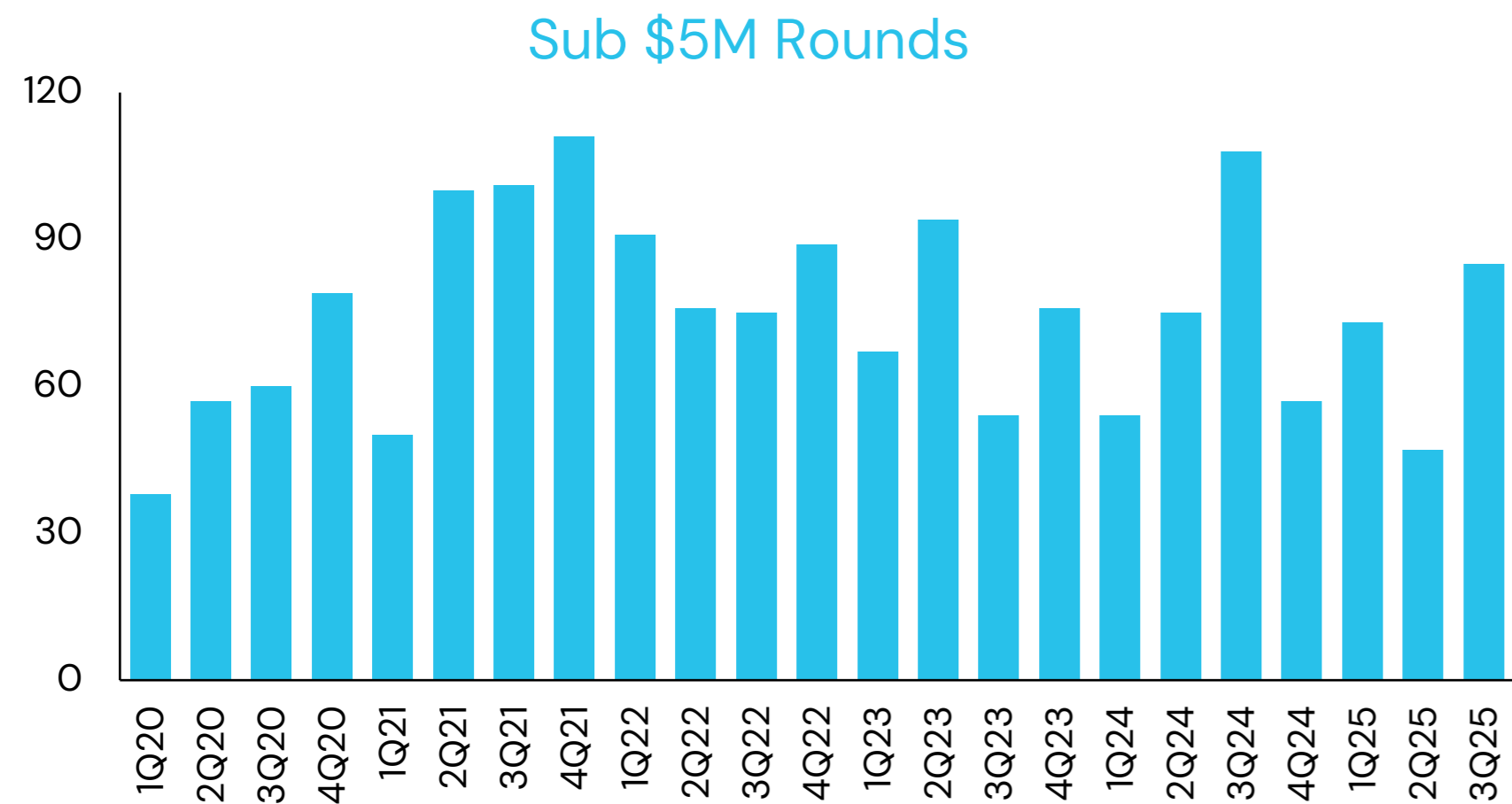


What percentage of your portfolio companies took on venture debt this quarter?



# Announced deals maintain steady-state across the board

Deal activity was the strongest quarter of the year but remained within the steady-state range seen throughout 2025. Early-stage investment regained some momentum, though much of this was driven by accelerator rounds. The overall mix continues to skew toward smaller raises, reflecting both a more liquid early-stage investor pool and a preference for opportunities where valuations are more flexible and capital requirements lighter. Late-stage activity remains subdued, underscoring continued caution in deploying significant follow-on capital.



Elita Announced a Pre-Seed round in Q3 2025

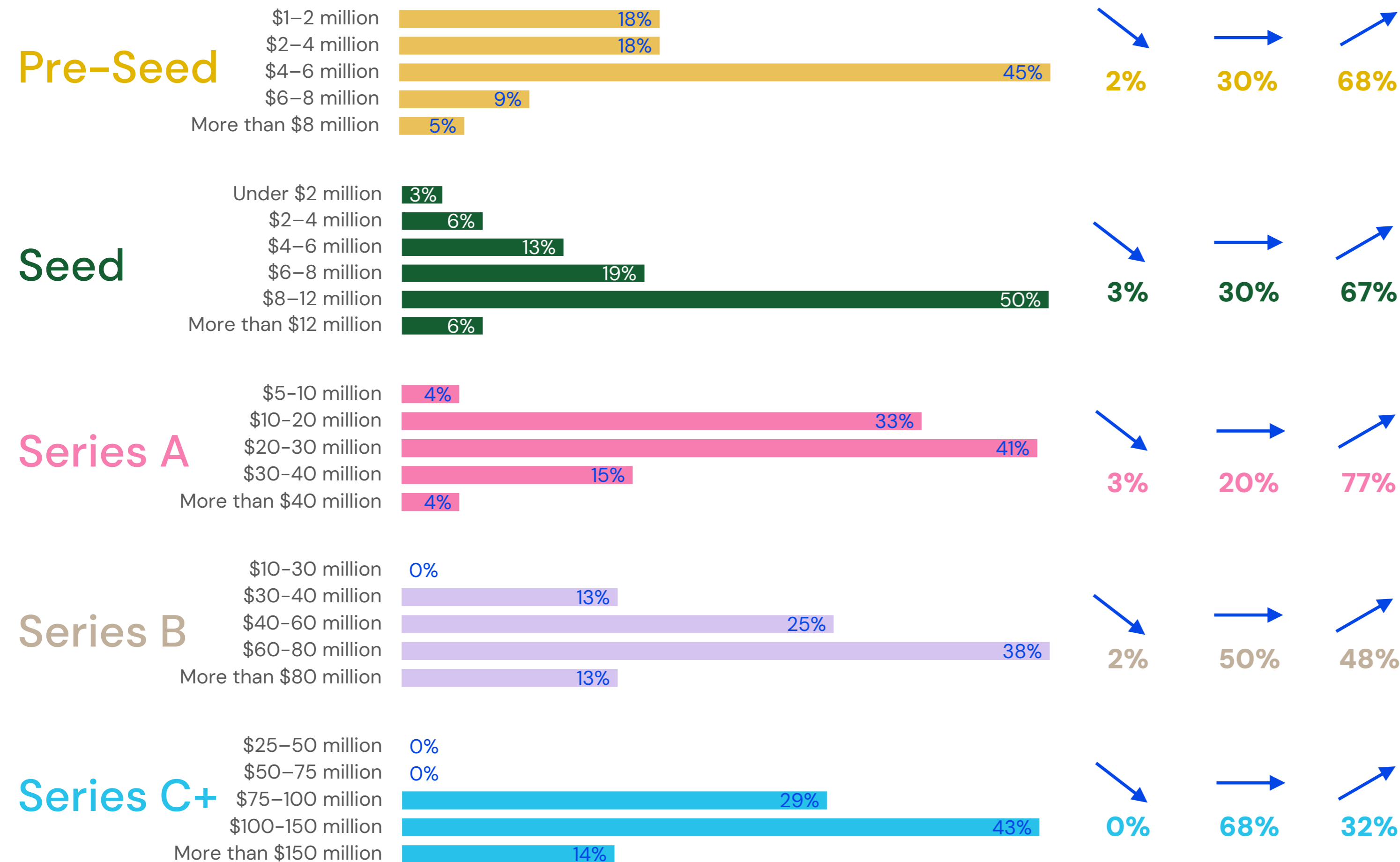
# Deal sizes across stages

Median deal sizes maintained record highs across all stages. At the same time, variance widened, highlighting a growing divide in fundraising outcomes. The data points to an increasingly polarised market, with some companies commanding substantial rounds while others struggle to attract capital. This reflects both a clear “haves and have-nots” dynamic and a more sectorally diverse startup landscape, where capital-intensive fields such as hardware and biotech continue to draw larger cheques relative to software peers.

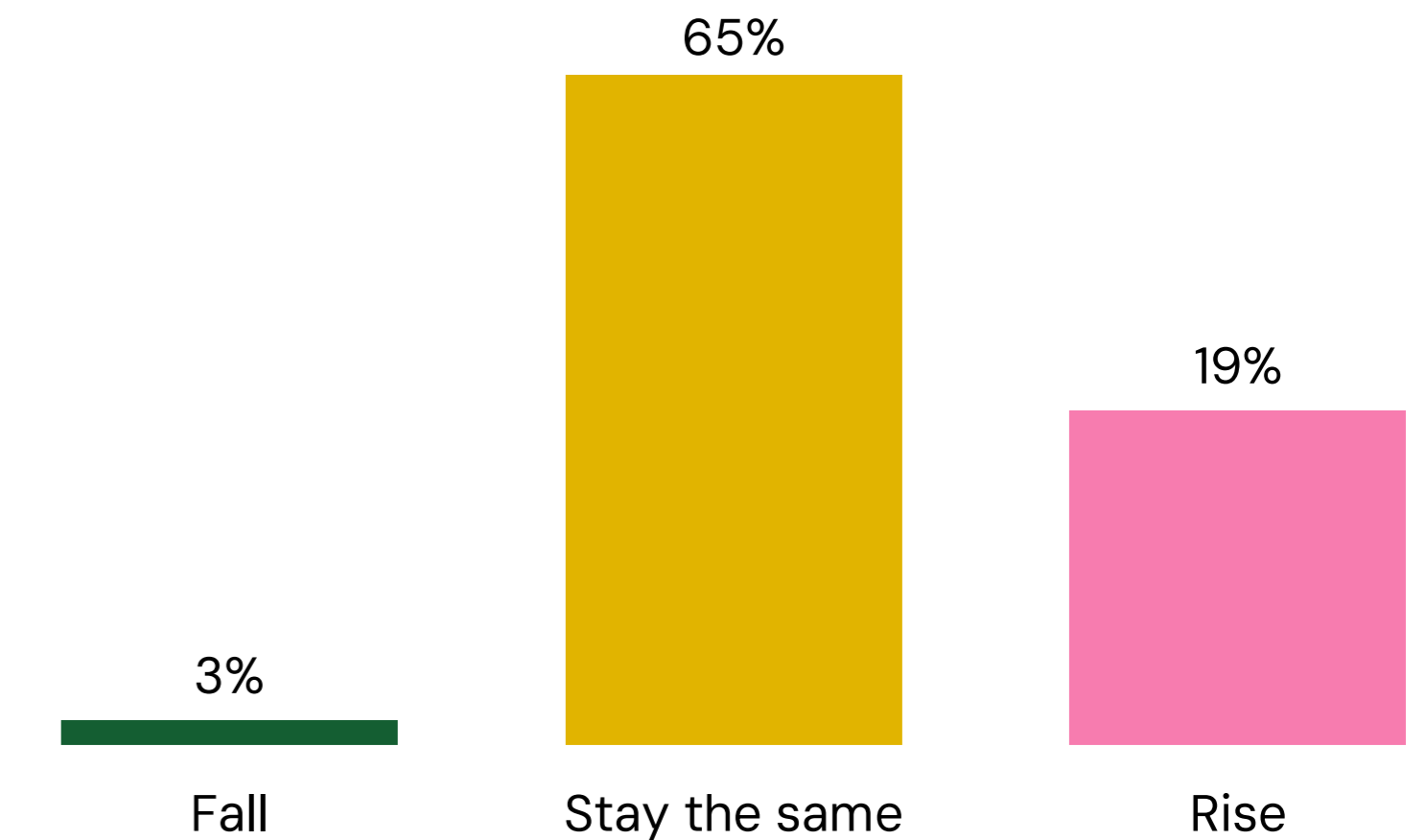


# Investor insights: Valuations

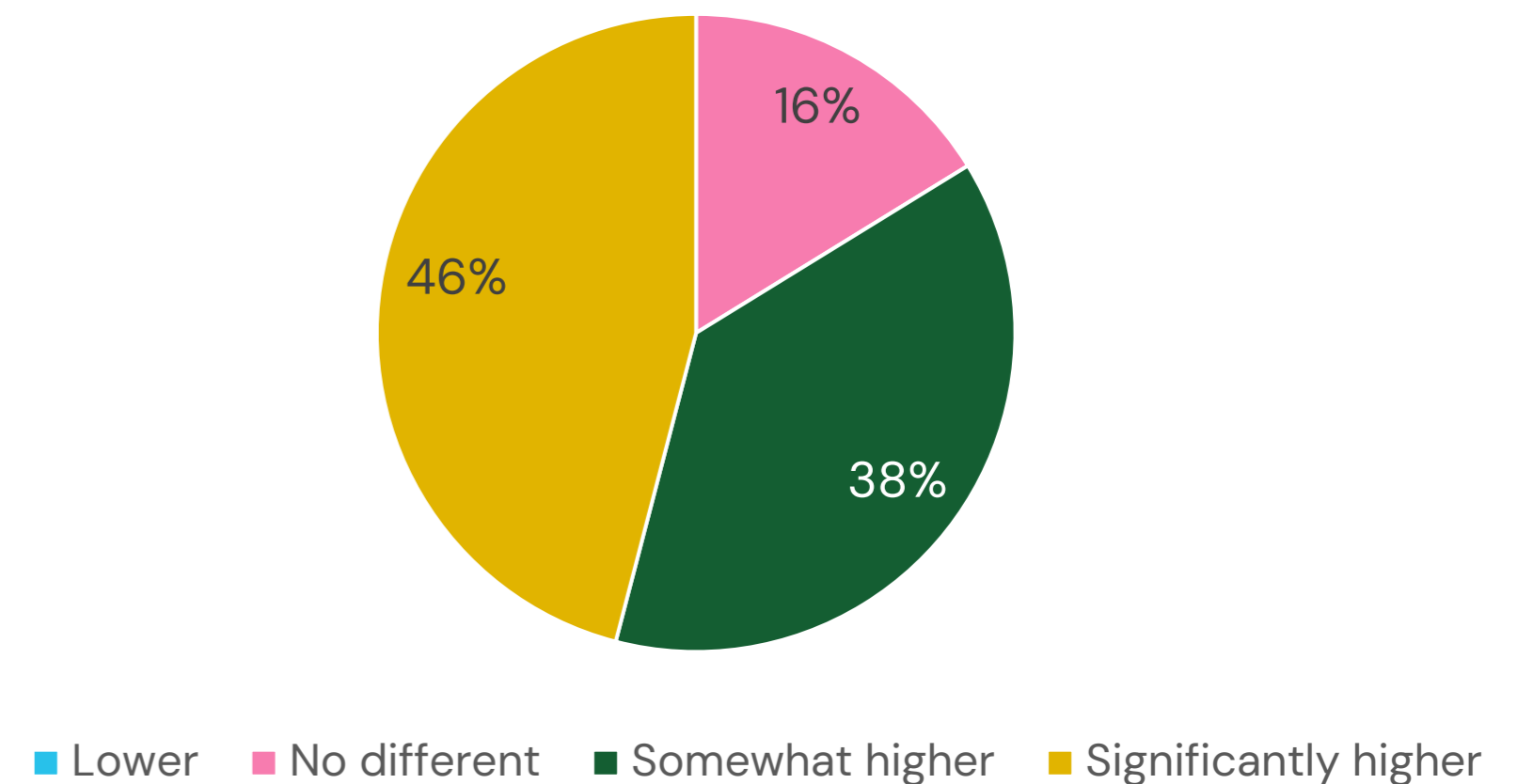
Of the deals you actively evaluated this quarter, which best describes the median valuation range you encountered?



What do you believe will happen to valuations for the remainder of the year?



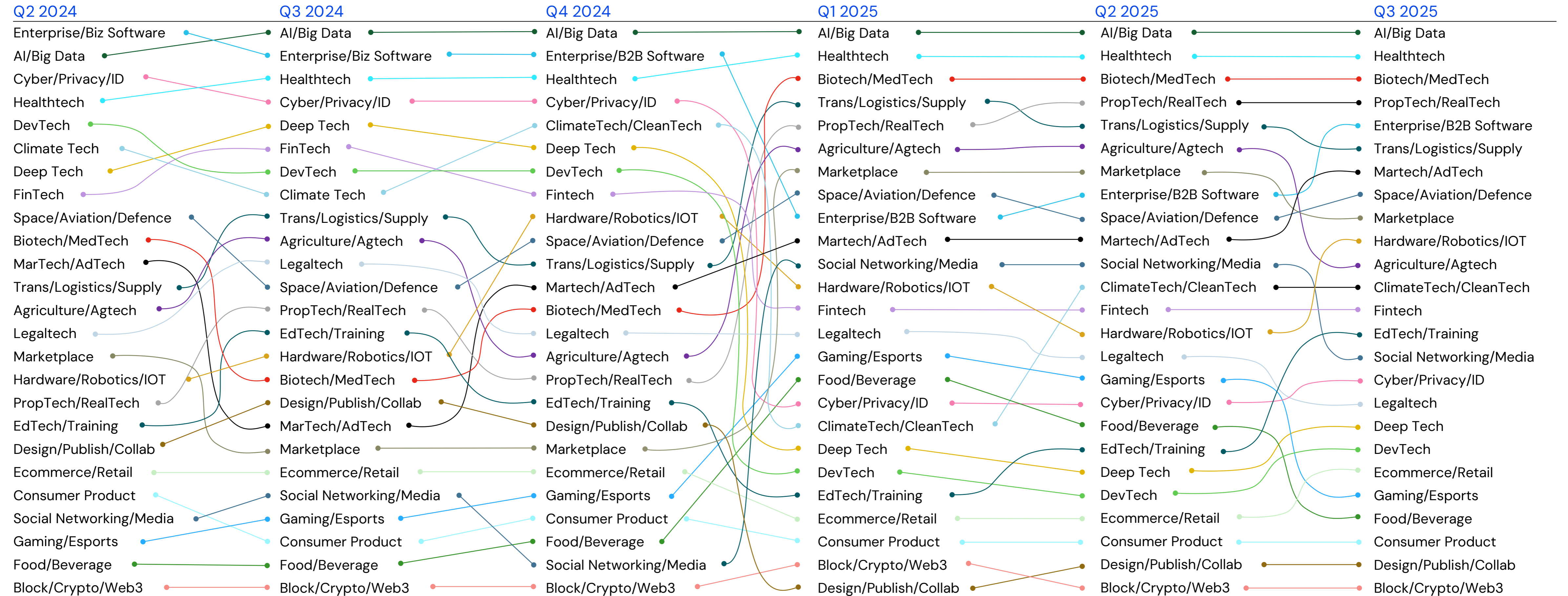
Valuation expectations for "AI-first" startups compared to non-AI startups



# Investor insights: Sector shifts in popularity

Which sectors are you most / least excited about?

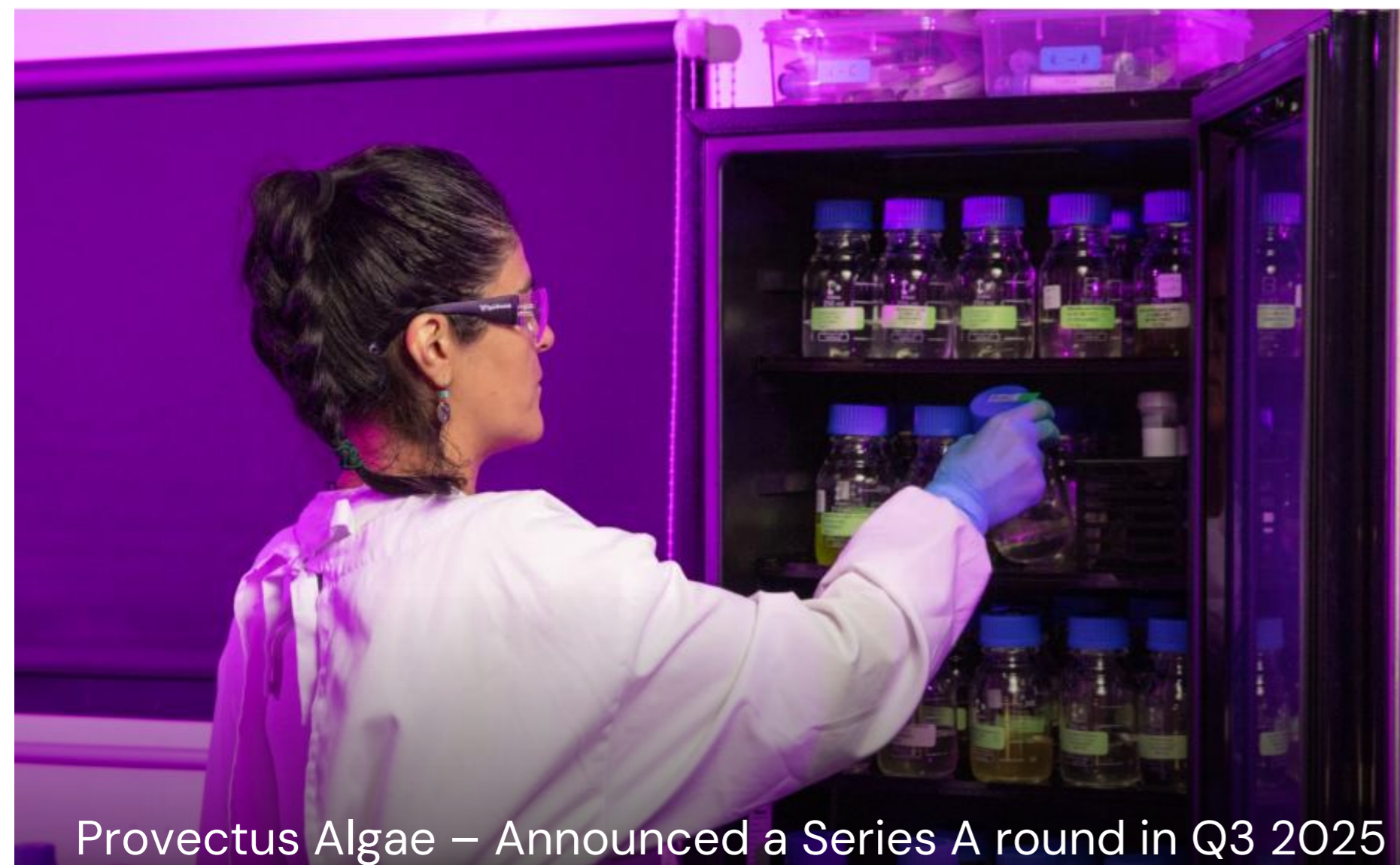
## Most excited



## Least excited

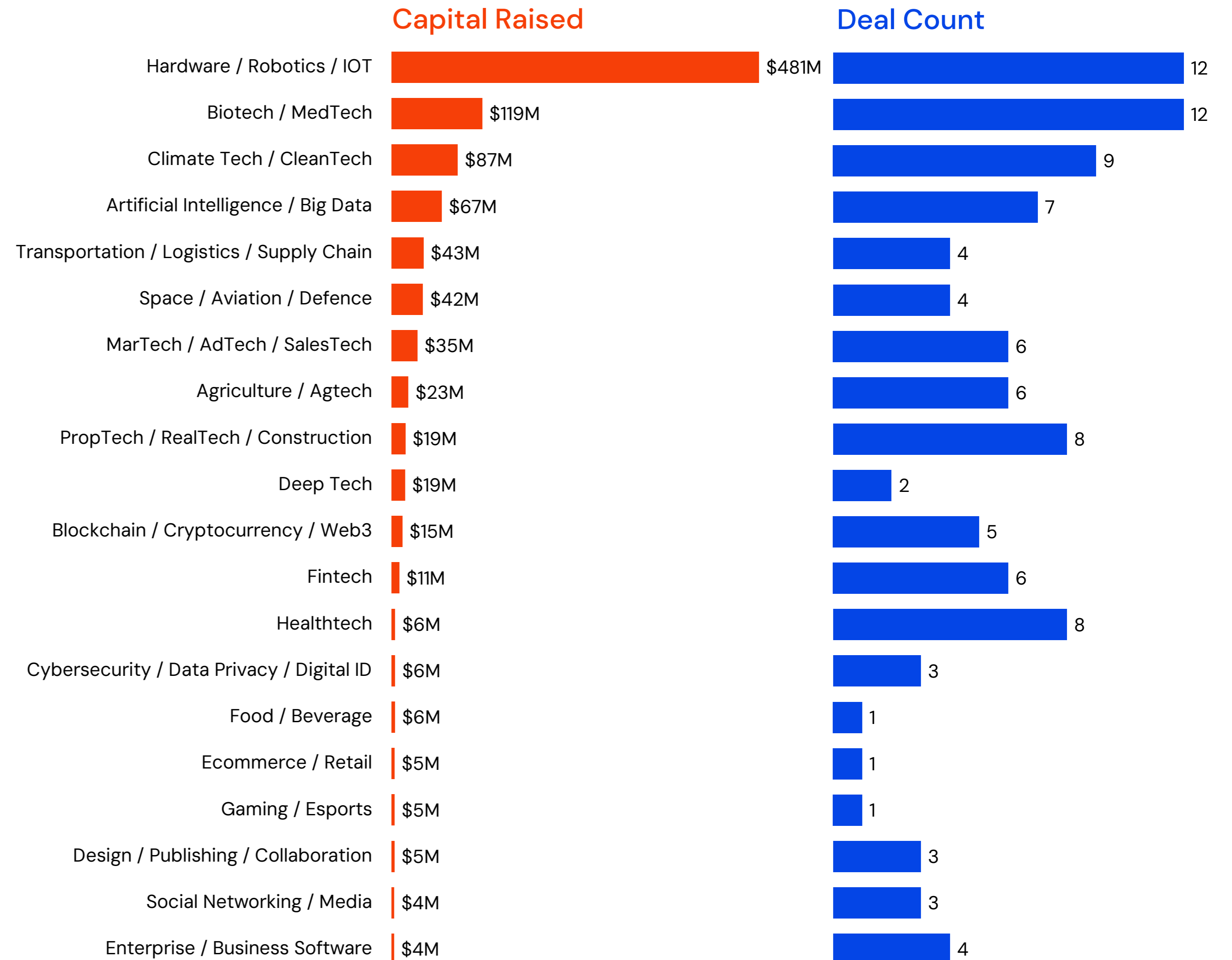
# Sector funding and deal count

Hardware and Biotech/Medtech led the total capital raised in Q3 2025, each supported by several sizable rounds, while Climate Tech maintained strong momentum, particularly at the early stages. Deal activity remained diversified, with capital spread across various sectors, suggesting a maturing market that is no longer dominated by a handful of mega-rounds, but instead driven by consistent mid-sized raises. AI continues to underpin activity across all categories, spanning software to hardware to health, and everything in between.



Provectus Algae – Announced a Series A round in Q3 2025

## Top 20 Sectors



# Hardware and AI power deal flow as biotech and climate sustain momentum

Deep-tech momentum accelerated as Hardware/Robotics/IoT startups topped both funding and deal counts for the first time. Biotech and Medtech sustained strong investment flows, while Climate Tech extended its multi-quarter streak as a core area of investor focus. AI remained a pervasive theme across categories. The market mix reflects a continued diversification of Australia’s innovation economy, shifting from software-only growth toward capital-intensive, deep-tech opportunities.

## Most Highly Funded Sectors

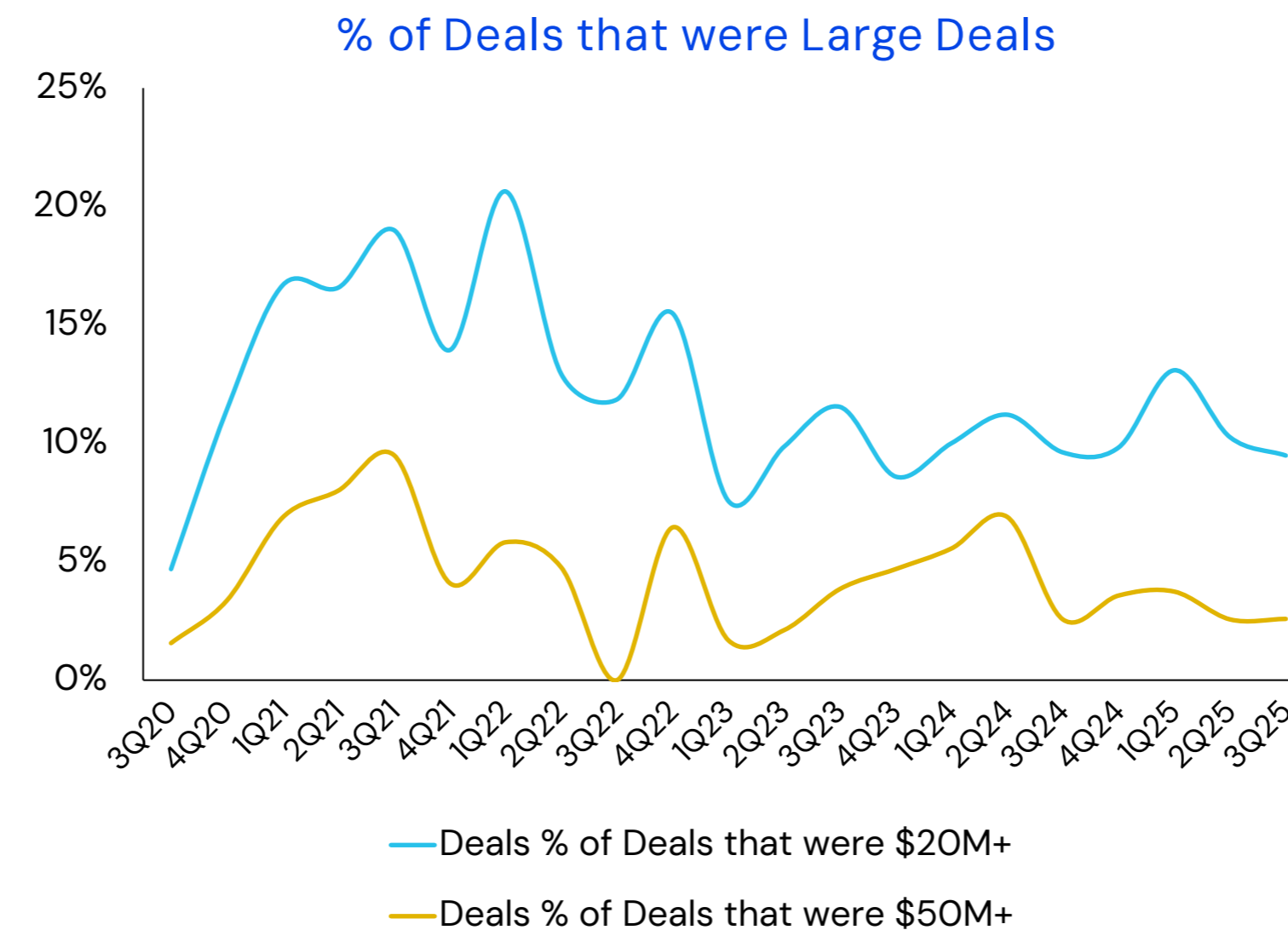
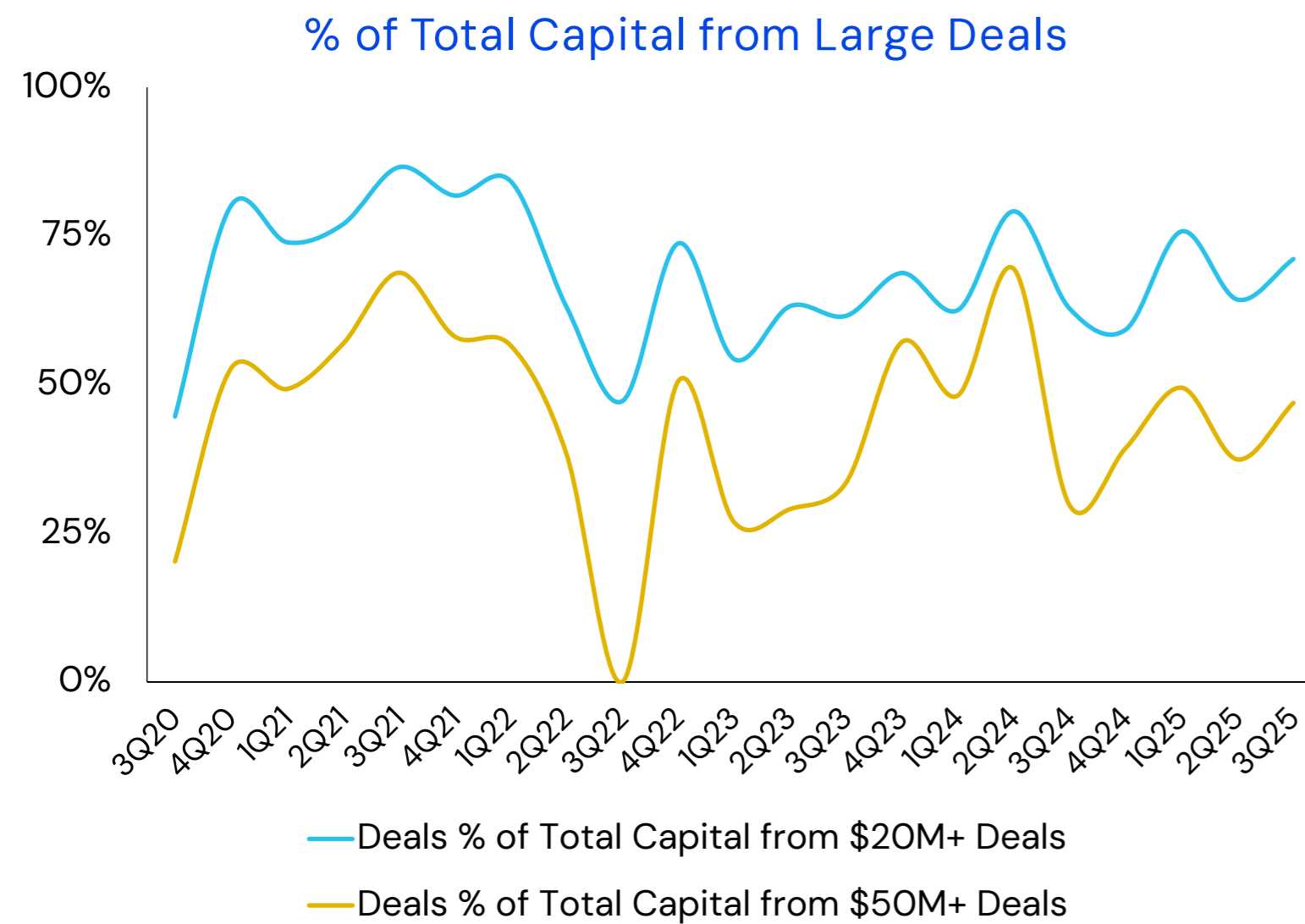
	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
1	Climate Tech	Enterprise/Biz Software	Cyber/Privacy/ID	Fintech	Fintech	Fintech	Biotech / Medtech	Fintech	Hardware / Robotics / IOT
2	Ecommerce/Retail	Block/Crypto/Web3	Biotech/MedTech	Climate Tech	Enterprise/Biz Software	Climate Tech	Climate Tech	Climate Tech	Biotech / Medtech
3	Enterprise/Biz Software	Marketplace	Fintech	Biotech / MedTech	Climate Tech	Food / Beverage	Healthtech	Biotech / Medtech	Climate Tech
4	Hard/Robot/IOT	Space/Aviation/Defence	Space/Aviation/Defence	Food / Beverage	Block / Crypto / Web3	Biotech / Medtech	Ecommerce / Retail	AI / Big Data	AI / Big Data
5	DevTech	Healthtech	Gaming/Esports	Hardware / Robotics / IOT	Healthtech	Hardware / Robotics / IOT	Hardware / Robotics / IOT	Enterprise/Biz Software	Transport / Logistics

## Most Deals by Sector

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
1	Climate Tech	Climate Tech	Climate Tech	AI / Big Data	Climate Tech	Climate Tech	AI / Big Data	Healthtech	= Hard/Robot/IOT, Biotech/Medtech
2	Fintech	Fintech	Healthtech	Climate Tech	Fintech	= PropTech, Healthtech	= Biotech / Medtech, Climate Tech	Fintech	
3	Hard/Robot/IOT	PropTech	= Biotech/Medtech, Enterprise/Biz Software, Hard/Robot/IOT, Fintech, PropTech	Biotech / MedTech	Healthtech			AI / Big Data	Healthtech
4	Healthtech	= Enterprise/Biz Software, Healthtech, Marketplace		= Healthtech, PropTech, Fintech	= Biotech / MedTech, Enterprise/Biz Software, Fintech	Legaltech	Edtech / Training		
5	Biotech/MedTech		= Biotech / Medtech, Enterprise / Biz Software, Cyber, PropTech			= PropTech, Healthtech			

# Influence of large deals

Large funding rounds remain quiet, with Q3 defined by one standout mega-round, Firmus Technologies' \$330 million raise, which made it Australia's newest unicorn and accounted for a substantial share of total capital deployed. Excluding that outlier, the number of \$20M+ deals remained in line with recent quarters, though the skew toward deep-tech sectors marks a notable shift in where large cheques are being written. Despite headline volatility, the underlying market exhibits stable capital distribution within a tighter funding range than during the 2021-2022 cycle.



1.5

Average \$100M+ deals per quarter in 2023

2

Average \$100M+ deals per quarter in 2024

1

\$100M+ deals in Q3 2025

“There are basically a couple of funds driving huge valuations right across the market, from pre-seed to late stage. It’s great for the few founders who catch their eye, but it’s creating massive market distortions which will inevitably lead to pain down the line. The bully-boy tactics to box out smaller funds, with unreasonably aggressive terms and lightning-fast term sheets feel like 2020 and 2021 all over again.”

“It’s no surprise the newest Australian unicorn, Firmus, came from within the AI stack. There are lots of startups building SaaS 2.0 at the app layer, but our real opportunity is deeper in the infrastructure layer, in data centres and energy optimisation.

Ultimately, it’ll come down to whether the Government can avoid getting in the way and act to let startups build here instead of forcing them overseas to scale.”

Investors

Investor Sentiment Survey  
September 2025

## Largest deals of the quarter

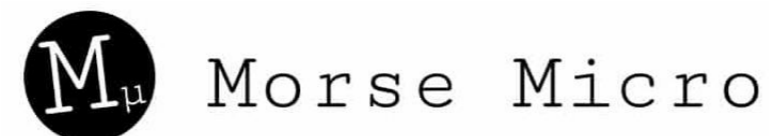
Q3’s largest rounds reflected a broader mix of sectors than prior periods, spanning advanced hardware, AI, biotech and logistics. Deep-tech remained prominent, but several Series A and B rounds in commercialisation and scaling phases signalled renewed investor confidence in translating technical progress into market traction. The spread of large deals across industries highlights a more balanced flow of late-stage capital.



Hardware / Robotics / IOT

**\$330M**

Unknown



Hardware / Robotics / IOT

**\$88M**

Series B+



AI / Big Data

**\$54M**

Series A



Biotech / MedTech

**\$49M**

Series B+



Transport / Logistics / Supply

**\$38M**

Unknown

Startup	Sector	Round	Stage	Startup	Sector	Round	Stage
EVO Power	Climate Tech / CleanTech	\$31M	Unknown	Brainfish	AI / Big Data	\$10M	Pre-Series A
AMSL Aero	Space / Aviation / Defence	\$30M	Series B+	Syenta	Hardware / Robotics / IOT	\$9M	Pre-Series A
Optain (Previously Eyetelligence)	Biotech / MedTech	\$26M	Series A	OSW (One Stop Warehouse)	Climate Tech / CleanTech	\$9M	Unknown
ATEC	Hardware / Robotics / IOT	\$23M	Unknown	RaptorTech	Proptech / Realtech / Const	\$8M	Unknown
Andromeda Robotics	Hardware / Robotics / IOT	\$23M	Series A	Block Earner	Block / Crypto / Web3	\$8M	Series A
Linkby	MarTech / AdTech / SalesTech	\$23M	Series B+	Nutromics	Biotech / MedTech	\$8M	Unknown
Provectus Algae	Agriculture / Agtech	\$19M	Series A	Eclipse Ingredients	Biotech / MedTech	\$7M	Seed
National Renewable Network	Climate Tech / CleanTech	\$17M	Series A	Freckle	MarTech / AdTech / SalesTech	\$6M	Seed
Everlab	Biotech / MedTech	\$15M	Seed	H3D	Biotech / MedTech	\$6M	Series A
Diraq	Deep Tech	\$15M	Unknown	Harvest B	Food / Beverage	\$6M	Pre-Series A
Carbon280	Climate Tech / CleanTech	\$11M	Seed	Send Payments	Fintech	\$5M	Unknown
MagnaTerra	Space / Aviation / Defence	\$11M	Unknown	Qloud Games	Gaming / Esports	\$5M	Seed
SwitchDin	Climate Tech / CleanTech	\$10M	Series A	Mobile Tyre Shop	Ecommerce / Retail	\$5M	Unknown

## Partner perspective



## How innovation can spark Australia's productivity recovery

**Lifting labour productivity is one of the most profound economic challenges facing the world's developed economies, and Australia is no exception.**

So important in fact, that a clutch of academics, economists, titans of industry, and politicians met in Canberra in August, charged with the responsibility of laying the groundwork for the development of a uniquely Australian solution to this global challenge.

It is no secret that measured labour productivity (GDP per hour worked) has been in decline in recent times in Australia – in Q4 2024, it was no higher than it was in 2016 – and is a threat to the country's global competitiveness.

To add further complexity, Australia's productivity challenges need to be addressed amidst a demanding macro and structural backdrop.

Currently, Australia ranks below OECD averages in a number of areas, including R&D investment (1.7% of GDP compared to an OECD average of 2.7%), education, tax and regulation.

Viewing this challenge as an outsider, it appears Australia need not reinvent the wheel. A potential elixir to its productivity ails is well within reach.

Visiting for the first time in August, I had the opportunity to witness several of its wonders through my own eyes, including the Harbour Bridge and Opera House but as someone working in Silicon Valley the size and scale of Australia's growing innovation ecosystem is what impressed me.

For years, those of us living stateside have met and worked with Australian founders looking to take their business to the next stage, so the brilliance of Australian ingenuity came as no surprise.

As is often said however, to fully appreciate some things, you must see them with your own eyes, and after a week spent meeting local founders and investors in Sydney and Perth, I saw the immense opportunity innovation presents Australia's economy.

Australians are good at innovating. While San Francisco retains its reputation as the epicentre of global innovation, Australia's thriving entrepreneurial scene has a long history, stretching all the way back to the Hills Hoist and the Victa Lawnmower.

Today, that entrepreneurialism is still strong, and it is gaining global attention as the likes of Go1, Harrison.ai and Rokt make their mark. Add to this a new generation of founders across fintech, climate tech, software, biotech, and other core innovation segments, and it is clear why Australia's innovation ecosystem is attracting global attention.

While the local venture capital (VC) scene is still evolving compared to the US, it has a big advantage. As a relative latecomer, it is able to build on proven models and lessons from more established markets. Australia is delivering world class innovation and doing so with comparatively lean capital structures.

Australia also tends to offer more favourable valuation entry points, especially with earlier-stage venture financings where the average pre-money valuation can be 20 to 25% lower than other markets. This, combined with Australia's top 10 global ranking for tech exit value, may position the innovation economy to deliver outsized returns in the years ahead.

This impressive capital efficiency makes Australia a world leader in unicorn creation per dollar invested, according to Dealroom data<sup>1</sup>. It is also home to one of the fastest growing tech ecosystems on the planet, second only to India in terms of enterprise value growth since 2020.

Australia's VC community plays a crucial part in building networks, guiding founders, accelerating startups and championing sectors, but it can only do so much.

For innovation to thrive, the state and private sector must unite and nurture the ecosystem to help it realise its potential and sustainably compete on the global stage.

The world's most successful innovation economies invest early and consistently in key public goods, including digital and physical infrastructure, world-class research institutions, progressive tech-transfer agendas, education policies and efficient regulation. When public and private partner from the beginning, it can create economic incentives that attract the domestic and international capital required to build the necessary infrastructure, and reward bold research.

Boosting productivity requires action across multiple fronts, and the innovation ecosystem can play a pivotal role in delivering efficient economic growth in the years ahead.

Like a Victa lawnmower, it just needs fuel, and a determined pull on the starter cord.

**David Sabow**

Global Head of HSBC Innovation Banking

*Note: A version of this article first appeared in Capital Brief.  
Source 1: Australia Venture & Startup Report 2025, July 2025.*

**Disclaimer**

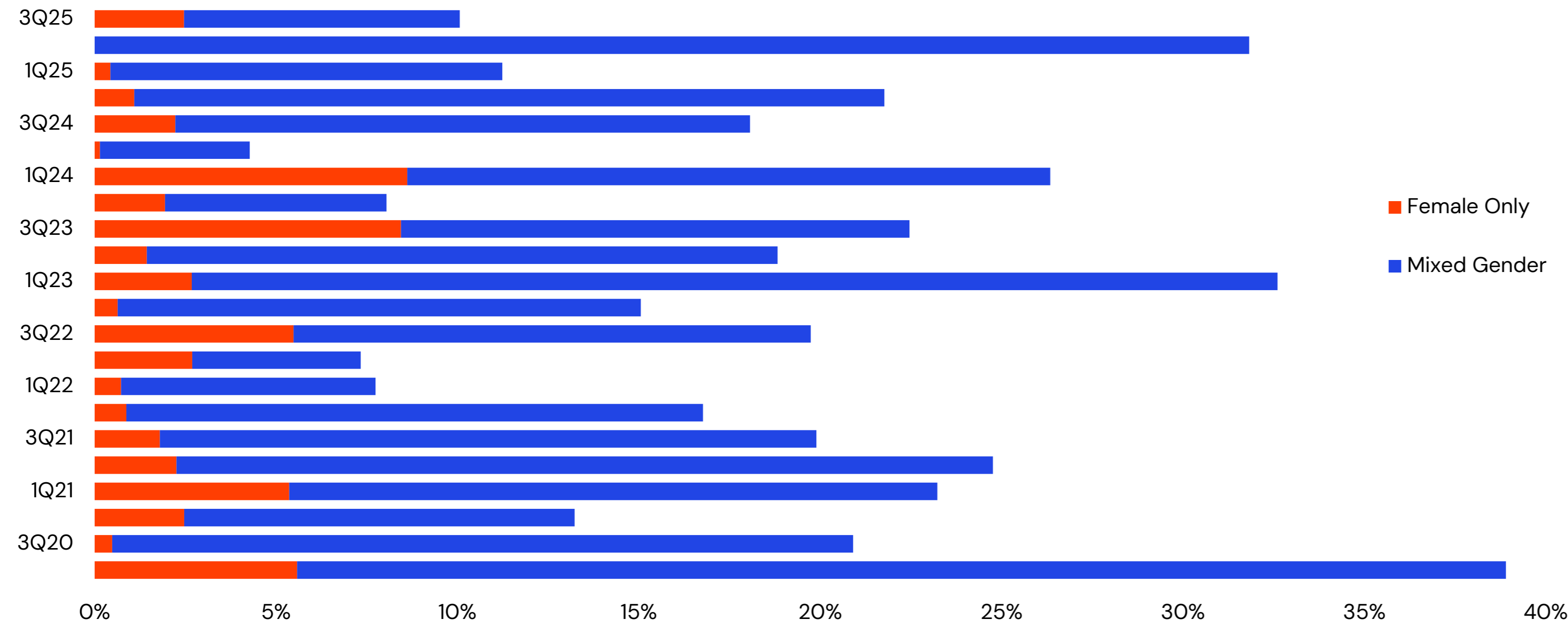
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# Funding to female founders

After a dismal Q2 for female-only founded teams, Q3 saw a rebound, with female-only-led startups recording their strongest performance since early 2023. However, overall funding to female-only and mixed-gender founding teams remained modest, accounting for just 11% of total capital raised – representing the weakest outcome in six quarters.

## Percentage share of total capital raised by female founders



## Q3 2025 largest rounds by female founders

**SKUTOPIA**

**\$38M**

Unknown

**andromeda**

**\$23M**

Series A

**syenta**

**\$9M**

Pre-Series A

**ECLIPSE**  
INGREDIENTS

**\$7M**

Seed

**Harvest B**

**\$6M**

Pre-Series A

## Percentage share of total capital raised by female founders

2025 YTD

**17%** at least one female  
1% female only

2024

**15%** at least one female  
2% female only

2023

**18%** at least one female  
3% female only

2022

**11%** at least one female  
2% female only

2021

**21%** at least one female  
2% female only

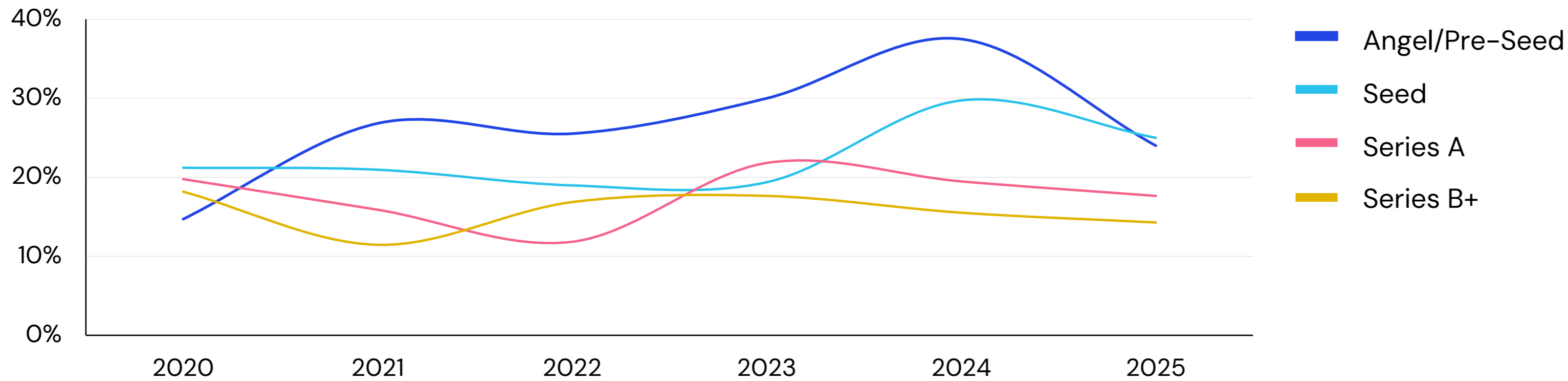
2020

**20%** at least one female  
3% female only

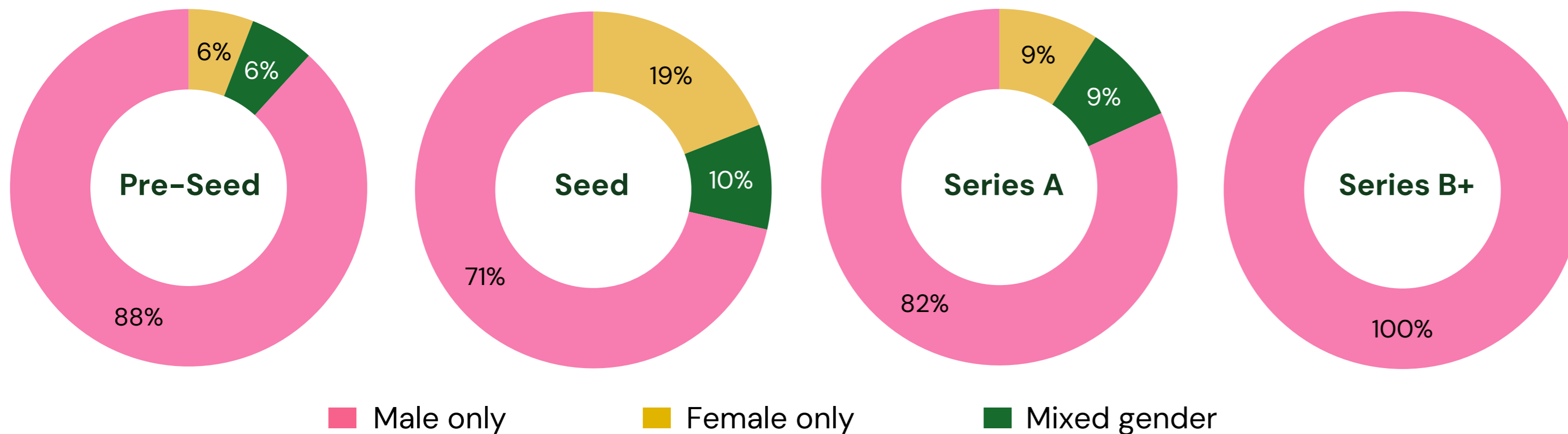
# Female founder deal participation

Female representation at the Pre-seed stage fell to its lowest level in many years, with just two female-led Pre-seed deals announced. Skutopia was the sole women-led startup to record a late-stage deal, and Seed and Series A were the only stages performing in line with medium-term averages. Accelerator rounds did most of the heavy lifting for female representation, with 33% involving a female founder. In total, just 16 female-led startups announced venture capital raises in Q3.

Share of deals by teams with at least one female founder



Q3 2025 share of deals by teams with at least one female founder



## 2025 YTD

\$4.0M All male      \$2.4M Mixed gender      \$1.3M All female

## 2024

\$4.0M All male      \$1.8M Mixed gender      \$1.5M All female

## 2023

\$3.0M All male      \$2.8M Mixed gender      \$1.0M All female

## 2022

\$3.5M All male      \$2.2M Mixed gender      \$1.4M All female

## 2021

\$3.0M All male      \$2.6M Mixed gender      \$500k All female

## Supporters

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**For more information visit [corrs.com.au/capabilities/m-a-capital-markets/venture-capital-markets](https://corrs.com.au/capabilities/m-a-capital-markets/venture-capital-markets)**



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**Rippling is the unified platform for modern companies to run HR, IT, and Finance – all in one place.**

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## Supporters



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Vanta offers tailored support for SaaS tech companies with ISO 27001, SOC 2, CPS 234, PCI and Essential 8. In addition to 35 other pre-built frameworks like so you can establish customer trust from the start.

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# Methodology and disclosure

## Startup Funding Data

Cut Through Venture provided the equity funding data in the report. Cut Through Venture gathers funding data from various publicly available sources, including ASIC filings, press releases, social media, and investor memos. Australian startup ecosystem participants, including investors and founders, also provide data directly to Cut Through Venture. To be included in the Cut Through Venture data set, all deals must be validated by an investor or founder involved or via a press release citing parties to the deal. To be considered a funding event, the transaction must result in an infusion of capital into the startup in exchange for the investor taking equity in the business. Exits, grants, prizes, and secondary equity transactions are excluded from the data. Cut Through Venture uses publicly available information, including LinkedIn and company websites, to augment the deal data collected. This additional information includes information about the founder(s) of the startup and background information on the startup. OpenAI and Llama LLM models are utilised to support data cleansing and validation.

## Survey Data

Survey data was collected from venture capital firms, angel syndicate leads, and family offices. 112 participants completed the survey. All survey responses were anonymous, and the survey collected no sensitive information. Participants were asked to self-select their gender identities and provide information related to their age, location, and background for analysis purposes. All questions were optional. Given the anonymity of the responses, it is not possible to validate their authenticity. The survey tool used was JotForm.

## Disclosure

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The editor of this report, Chris Gillings, is an investor at Five V Capital and an angel investor. He may be an investor in some of the startups or a Limited Partner in some of the funds mentioned in this report.