CUT THROUGH QUARTERLY

CUT THROUGH VENTURE

Australian Startup Funding Report

Q2 2026

Bigger deals mask a quieter quarter for deal-making

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Q2 2026

Aigentsphere
Airwallex
AlleSense
Alloovium
ARKEUS
AURORA
AVARNI
Baymatob.
BiomeBank
BRUNY ISLAND SEAFARMS
Cable
CellScope.ai
Chaty
Chime Labs
CIRCOLO
COAST 4C
commit.works
DENTROID
DETECT
DIAGNO
Earlytrade
EarnOS
ENAXIOM
everlab
XM0
FinEdge
firmus
fluent
flyweel

Q2 2026

CUT THROUGH VENTURE

AUSTRALIAN STARTUP FUNDING

$1.7B
TOTAL FUNDING

5
ACCELERATOR ROUNDS

64
VENTURE ROUNDS

FRESHO
GILMOUR SPACE
givvable
GreenPay
Gutgutgoose
Haast
INSITE DC
instant
INTEGRANT
kimia
KRAKEN SYSTEMS
LIQUID INSTRUMENTS
LUDIS.
LynAI Mines
Manifest
Marloo
MAKO
NARDO EXPERIENCE
New Energy Transport
nitrosend
Ordermentum
OSCORP ENERGY
o8t OMNISCIENT NEUROTECHNOLOGY
Ovum
PARALLEL
phonely
Plante
ProcurePro
Proseek bio.
QUANTX
reMYnd
Renewable Metals
rosella
SAMURAI
SmartAI Connect
Sonder
SOUTHERN LAUNCH
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Supporter profiles and contact information are found on page 32

Thank you to Australia's top startup investors and supporters for their continued partnership

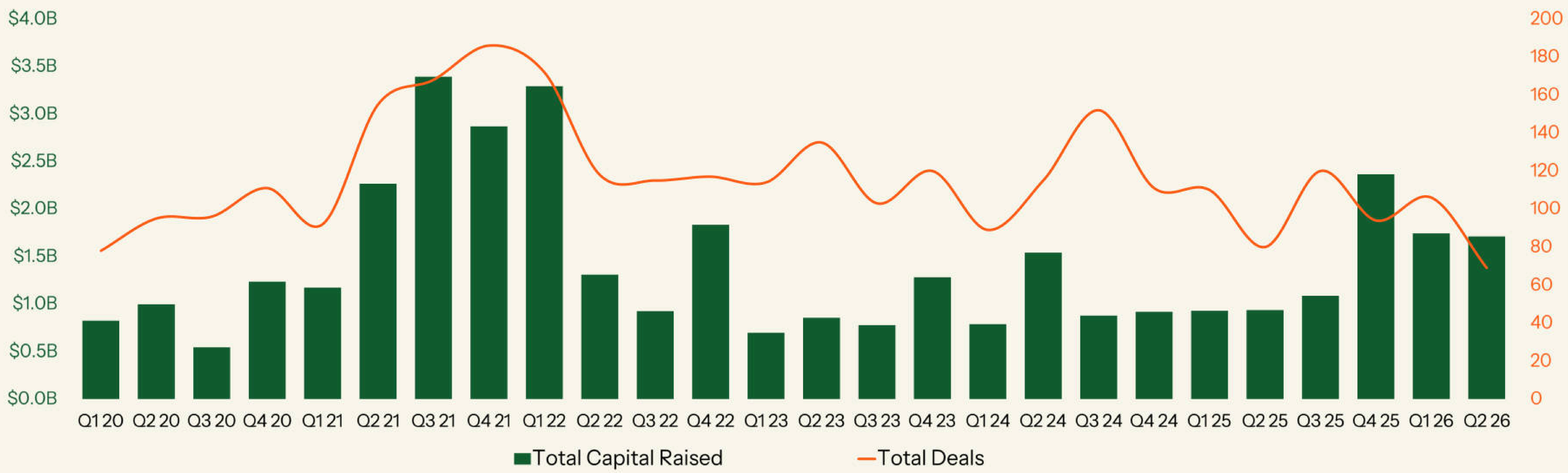
The Headline Numbers: Q2 2026

Venture deals
64

Accelerator rounds
5

Announced funding
$1.7B

Announced Funding and Total Deals Over Time



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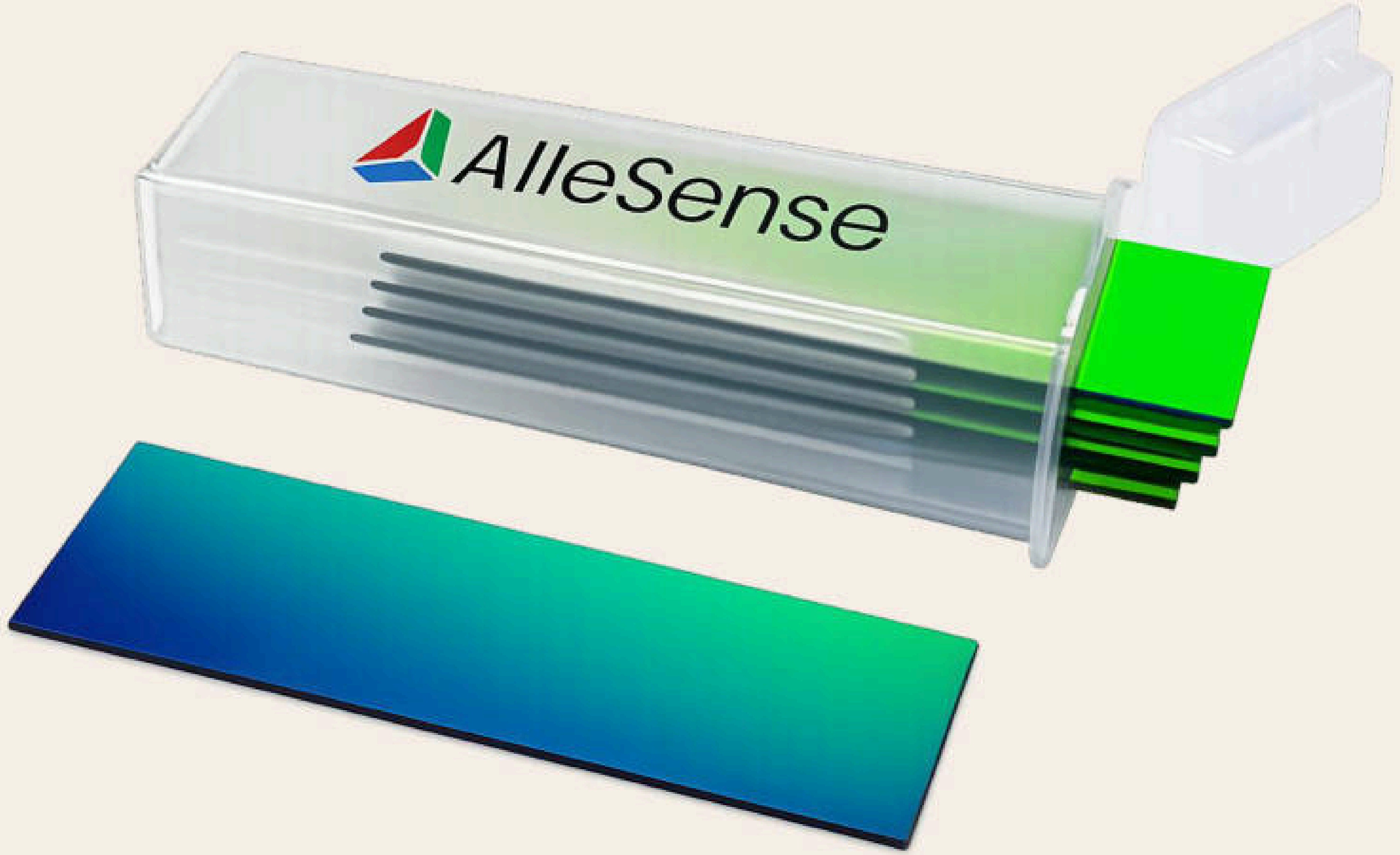
TL;DR - Five Things to Know



AlleSense – Announced a Seed round in Q2 2026

01

Q2 delivered $1.7 billion across 64 venture deals and five accelerator rounds, taking first-half funding to roughly $3.5 billion, the second-strongest start to a year we've recorded, behind only 2022. But it's just the capital number doing the heavy lifting. Venture deal count fell 21% from Q1, and sub-$5 million rounds hit their lowest level in our dataset. Funds are still flowing; they're just flowing to far fewer companies.

02

Just two deals drove the quarter. Firmus' $725 million round and Airwallex's $460 million raise together accounted for around 70% of all capital raised, with the third-largest deal coming in at just $70 million. Q1's concentration warranted a gentle reminder to look beyond the headline figures. In Q2, the gap between the headline funding total and the underlying market was wider than at any point in the last five years.

03

On a year-on-year basis, median deal sizes are now at record highs across every stage. Seed cooled from its Q1 '26 peak of $6.1 million to $4.0 million, but Series A climbed to a record $18.6 million, and Series B+ reached a record $41 million, while more than half of Pre-Seed rounds exceeded $2 million. The picture that emerges is a barbell, with investors paying up at the entry point and again for the small number of companies that reach growth stage, while a squeeze exists in between.

04

AI-first, AI-enabled and AI infrastructure companies represented roughly three-quarters of Q2 capital and two-thirds of deals, up from 64% of both in Q1. Penetration deepened fastest at Seed, where AI featured in 81% of deals, and Series A, at 63%. The more telling shift happened within AI itself as capital rotated away from AI-enabled companies toward AI-first and infrastructure businesses, suggesting investors are moving closer to the source rather than simply rewarding adoption.

05

The quiet good news this quarter sits inside portfolios. Seventy-eight per cent of investors rated portfolio health good or excellent, up from 58% two years ago, while layoffs and shutdowns both declined and bridge-round recommendations fell from 31% to 19%. More than half of investors reported a rise in exit conversations compared to a year ago, up from 37% in Q1. Whether those conversations convert into completed exits will do more for sentiment in the back half of 2026 than any single funding round.

Cut Through's view

Two countries, one problem to solve. Opposite approaches.

Exactly eight days after Australia put into action what it described as the "most significant tax reform in more than a quarter of a century", the United States launched its answer to the same problem. Both countries are grappling with intergenerational equity. Each has chosen a very different way to tackle it.

As all readers of this report know too well, Australia's approach focused on changing the taxation of capital. The 50% capital gains discount gave way to inflation indexation, alongside a minimum 30% tax on realised gains. Negative gearing on property is now confined to new builds, while discretionary trusts face a 30% minimum tax from 2028. Throughout, the Government framed the package around intergenerational equity, with young Australians locked out of assets and older Australians sitting on them.

On July 4th, America launched its answer to much the same problem. Every American child born between 2025 and 2028 now receives a US$1,000 Treasury deposit, invested in broad US equity index funds with fees capped at 0.10% and locked away until age 18. Families can contribute up to a tax-deductible US$5,000 a year, and employers another US$2,500.

Michael and Susan Dell pledged US$6.25 billion to extend the program to 25 million older children. SpaceX president Gwynne Shotwell gifted shares worth US$320 million across two million children's accounts. Companies including Uber, Nvidia, IBM and Intel announced contributions through employee benefits. Millions of children signed up within days.

Same diagnosis, opposite prescriptions. Both countries looked at a generation struggling to accumulate wealth. Australia responded by changing the taxation of capital. America responded by expanding ownership itself.

Older generations of Australians have benefited from government-enacted ownership schemes before. The Telstra and Commonwealth Bank privatisations, along with the demutualisations of the 1990s, introduced millions of Australians to equities for the first time. Families who had never owned shares suddenly received dividend statements.

By 2004, 44% of Australian adults held shares directly, while total share ownership had reached 55%, which the ASX claimed was the highest rate in the world. Today, direct ownership has drifted back into the mid-30s, while American stock ownership remains above 60% and continues to rise.

Australia built a nation of shareholders once, almost accidentally, through privatisations. America is now trying to build one deliberately, beginning at birth.

Every American child now begins life owning productive assets, watching compounding work from birth rather than discovering it halfway through a career. As Altimeter Capital founder Brad Gerstner, the scheme's architect, put it, the goal is to *"make every child in America a capitalist from birth"*.

Australia's signature affordability policy helps first-home buyers borrow more. The 5% deposit guarantee expanded in October last year, with income caps removed, place caps abolished, and price caps lifted to $1.5 million in Sydney. It allows buyers to gear at 19-to-1, with the taxpayer standing behind the loan.

Helping people borrow more is not the same as helping them build ownership. One begins with debt, while the other begins with an asset that compounds for decades.

Australia should run a different play alongside the current reforms. Seed every Australian newborn with $2,000 in a low-fee index fund. Preserve it until age 25. Allow families, employers and philanthropists to contribute along the way, with early access permitted only for a first-home deposit or a medical emergency.

At long-run equity returns, the seed alone compounds to roughly $17,000 by age 25. Add $100 a month from family, and the account lands in the region of $130,000. That is real deposit money built through ownership rather than debt.

At roughly 290,000 births a year, the seed would cost less than $600 million annually, a fraction of the revenue the recent tax reform package will raise.

Why not go further and make the capital gain tax-free when the money buys a first home?

While we are at it, make it $2,000 into the index fund and another $500 into a fund of funds invested across Australian venture capital.

Yes, I am a venture capitalist, and this is a self-serving idea... but the logic holds. The startup industry has spent years asking for a stable source of long-term domestic capital. A $500 sleeve across 290,000 births would create a permanent LP writing roughly $145 million of cheques each year into Australian startups. It would be patient capital with a 25-year horizon. But more importantly, every Australian child would grow up owning a slice of the next Canva or Airwallex.

Australia's prosperity has always rested on turning workers into owners. Compulsory superannuation did it. The great privatisations did it. Somewhere along the way, we stopped asking how to create more owners and started arguing almost exclusively about how to tax the ones we already have.

This quarter, one country focused on redistributing the returns from ownership. The other focused on expanding it. If the objective is a wealthier, more financially independent and less government-reliant generation, ownership is the better place to start.

We've done it before, and we can do it again.

Chris Gillings
Founder, Cut Through Venture
Managing Director, Five V Capital

Q2 was when tax policy became an unwelcome distraction

“

The first half of 2026 was affected by geopolitical uncertainty stemming from the conflict in the Middle East, as well as broader market concerns about SaaS valuations and business models.

We are now seeing a more normalised environment, with greater clarity around the impact of these events and improved confidence across the market. As a late-stage investor, one of my key concerns remains the recent changes to the capital gains tax (CGT) framework introduced by the government. The late-stage investment market in Australia has historically been underserved, resulting in a shortage of growth capital for high-quality companies seeking to scale.

The removal of the CGT discount for certain investments may reduce the attractiveness of this asset class for investors and limited partners (LPs), potentially making it more challenging for Australian high-growth companies to access the capital they need to continue their growth journey. This could result in longer fundraising cycles and fewer successful capital raises at a time when Australia has an opportunity to build globally competitive technology companies.

It would be unfortunate if policy changes unintentionally constrained the potential of our Australian startup ecosystem, particularly given the progress we have made in developing a stronger innovation economy.

“

The proposed Division 296 tax and broader CGT changes signal to sophisticated investors that Australia treats wealth accumulation as a liability rather than an engine of innovation, directly raising the after-tax cost of illiquid, high-risk positions in early-stage ventures. At the margin, this pushes patient capital toward more liquid and internationally competitive asset classes, starving the VC ecosystem of the cornerstone commitments that anchor fund formation and give founders a genuine shot at scaling locally.

“

The recent changes to the Australian tax legislation have dampened sentiment on investing in startups due to the capital gains and trust challenges. It doesn't bode well for Australian startups or investors.

“

CGT changes are already massively changing founder behaviour, so much so they could wipe out half our portfolio: the entire block of middle-performing companies now go to zero or are run into the ground? The government has declared war on startups, VC and innovation. We must now enter the fight.

“

Being a balance sheet fund means that proposed changes to CGT have not caused significant internal concern beyond a potential lack of future local co-investors and lack of incentives for talented founders to stay in Australia.

— Investors, CTQ Investor Sentiment Survey – June 2026

Capital surges as the field narrows

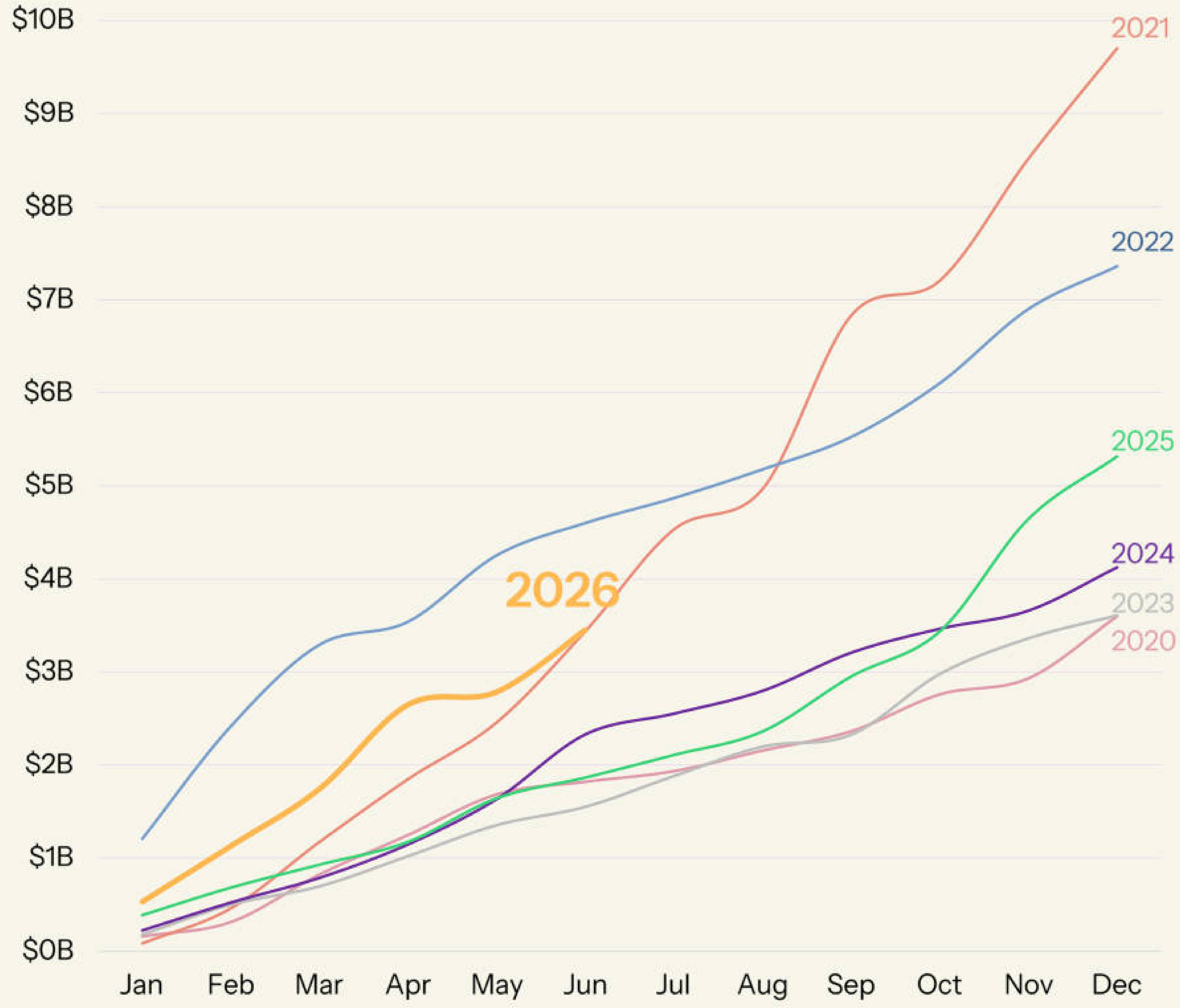
The first half of 2026 closed just shy of $3.5 billion in cumulative funding, the second-strongest opening to a year on record. Only the 2022 boom sits ahead of it, with 2026 tracking considerably above the mid-year trend of recent years.

Capital deployment remained relatively steady across the two quarters, with Q2 finishing less than $100 million below Q1.

There is nuance behind the strong headline numbers, though, with capital deployment running substantially ahead of deal-making. It was the slowest quarter for deal count since pre-2020, with a narrower field of startups receiving most of the funding. The half looks strong in dollars, but thinner in participation.

Baymatob – Announced a Series A round in Q2 2026

Total Capital Raised by Year



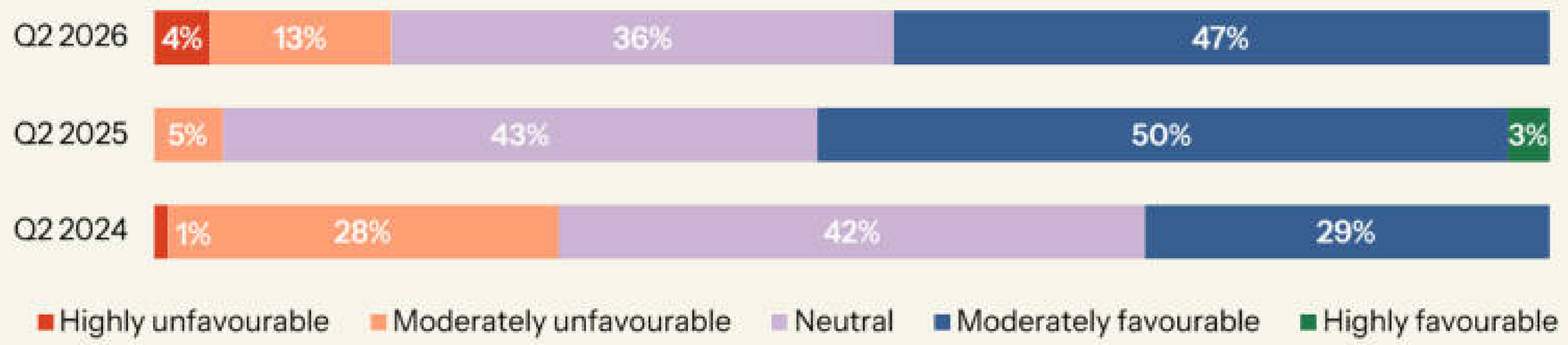
CUT THROUGH VENTURE

Sentiment steadies as conviction cools

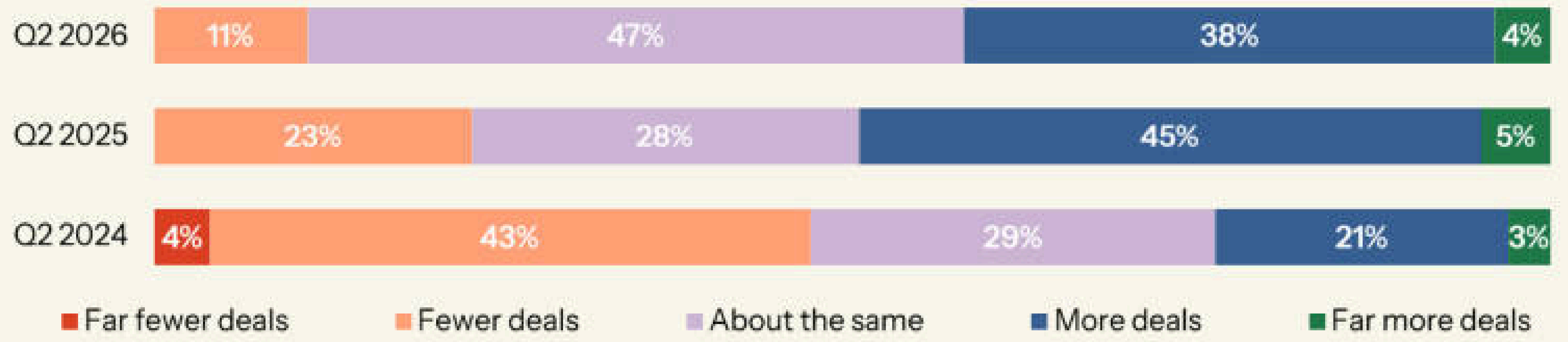
Insights from Cut Through Quarterly Investor Sentiment Survey

Investor sentiment steadied in Q2, but the near-term read is that investors feel more "meh" than enthusiastic about market conditions and their ability to deploy. Conviction that funds will beat last year's deal count has cooled, while fewer investors are seeing genuinely exceptional deal flow than they did in 2025.

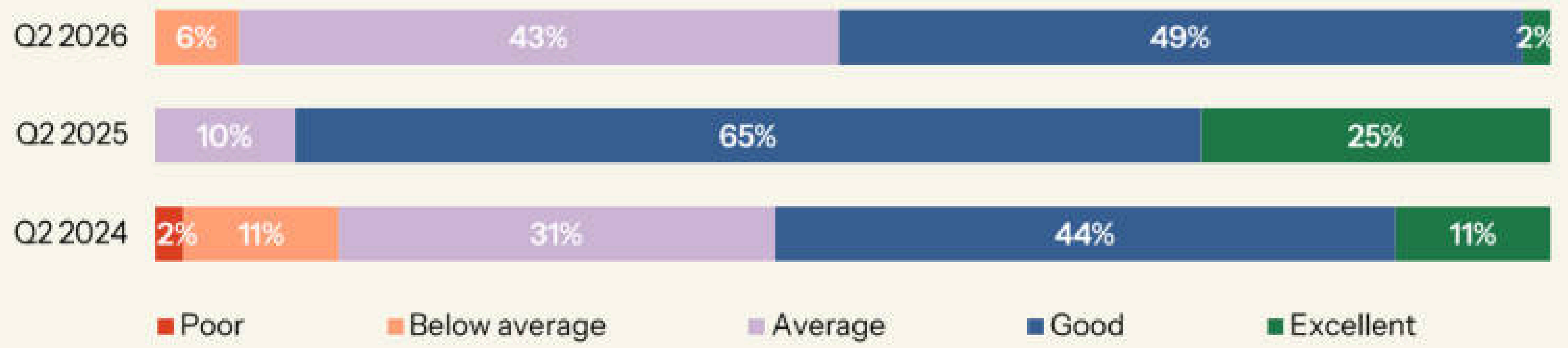
Market sentiment shift



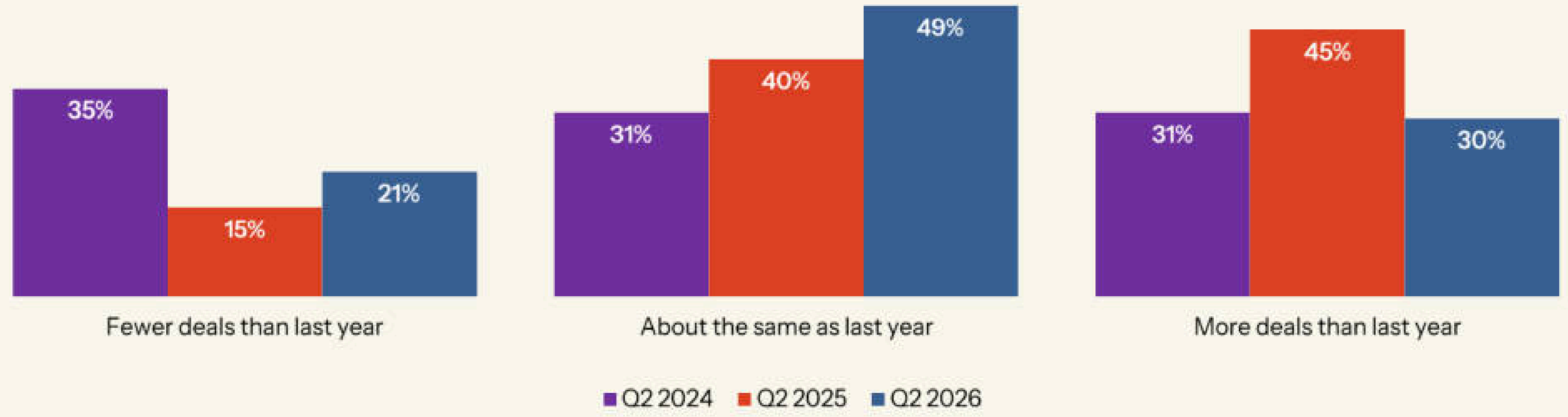
Deal volume shift



Deal flow quality



Predicted deal volume of your fund in 2026



Your fund's top priority for the quarter

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

> *Unless you're building something in the sciences or a genuine hardware product, you've got virtually no chance of getting funded today without an AI narrative. We're still seeing software companies that have been around for several years and have yet to meaningfully build AI into their products. For us, those businesses are effectively dead on arrival. I don't know whether they're ultimately getting funded, but my suspicion is that most investors share our view.*
> ***– Investor, CTQ Investor Sentiment Survey – June 2026***

CUT THROUGH VENTURE

Two rounds carried the quarter

Two rounds did most of the lifting in Q2. Firmus at $725 million and Airwallex at $460 million together made up close to 70% of all capital raised. That is a sharper concentration than Q1, when five separate rounds cleared $100 million, and the top end was more evenly spread. Below the top five, the drop is steep, which leaves underlying market activity looking significantly slower than the $1.7 billion headline suggests.

firmus	AI models and data infrastructure	$725M	Strategic
Airwallex	Fintech	$460M	Series H
Liquid Instruments	Hardware, robotics and sensors	$70M	Series C
everlab	Healthtech	$65M	Series A
o8t Omniscient Neurotechnology	Healthtech	$41M	Series D
Dentroid	Hardware, robotics and sensors	$32M	Series A
MAKO	Climate and energy	$28M	Series A
Southern Launch	Space and defence	$25M	Series A
Arkeus	Space and defence	$25M	Series A
phonely	Horizontal business software	$22M	Series A
Ordermentum	Vertical business software	$20M	Growth Equity
Haast	Cybersecurity, compliance and digital identity	$17M	Series A
ProcurePro	Vertical business software	$15M	Series B
BiomeBank	Life sciences and biotech	$15M	Growth Equity
Earlytrade	Fintech	$14M	Series A
Gilmour Space	Space and defence	$14M	Series E - Ext
Marloo	Vertical business software	$14M	Seed
Renewable Metals	Climate and energy	$12M	Series A
EarnOS	Marketplace	$9M	Seed
Quantx	Hardware, robotics and sensors	$7M	Seed
kimia	Vertical business software	$7M	Seed
Baymatob	Life sciences and biotech	$7M	Series A
New Energy Transport	Climate and energy	$5M	Seed
AlleSense	Life sciences and biotech	$5M	Seed
DETECT	Hardware, robotics and sensors	$5M	Seed
FRESHO	Vertical business software	$5M	Series C

Ecosystem perspective

Australia's next test in innovation funding

What proposed Research and Development (R&D) and investor incentive reforms could mean for funding, investor confidence and Australia's innovation pipeline

Across the innovation ecosystem, policy settings are rarely felt one measure at a time. Founders experience them as runway, dilution, hiring capacity and credibility with investors. Investors experience them as certainty when capital is committed, and confidence that businesses can move from experimentation to commercialisation without unnecessary friction.

That is why the proposed redesign of Australia's R&D Tax Incentive (R&DTI) matters. It sits within a broader contest for capital, where policy design can influence whether Australia is seen as a competitive place to build and scale innovative companies.

What the R&DTI redesign could change

The 2026-27 Federal Budget announced, but has not yet legislated, a significant redesign of the R&DTI proposed to apply from 1 July 2028. If enacted, the package would increase offset rates for eligible core R&D expenditure by 4.5 percentage points, remove eligibility for supporting R&D expenditure, lift the refundable turnover threshold from $20 million to $50 million, limit refundability to a company's first 10 years of age, reduce the R&D intensity premium threshold from 2% to 1.5%, raise the minimum annual expenditure threshold to $50,000 and increase the expenditure cap to $200 million.

Taken together, these changes would not represent a universal increase in support. They would increase support for eligible core R&D and some earlier-stage cash flow needs, while reducing flexibility for businesses that rely on supporting activities or longer innovation cycles.

Why it matters for founders and investors

For some earlier-stage businesses, a higher offset rate may improve the R&DTI's value as non-dilutive funding, particularly where expenditure sits in eligible core R&D activity and the company remains within the proposed age and turnover settings. It may also increase the importance of how activities are classified, documented and evidenced.

However, the proposed design trade-offs matter just as much. Businesses that rely heavily on supporting activities may see less claimable expenditure, even where those activities help bring innovation to market. For long-cycle innovators, company age is an imperfect measure of maturity or R&DTI relevance, particularly where technical validation, regulation, funding needs or customer adoption extend beyond the first decade.

Why investor incentives matter too

The same issue arises on the capital side. If R&DTI design influences how companies fund experimentation, capital gains tax (CGT) design can influence whether investors provide risk capital.

The proposed Innovative Business CGT Concession (IBCC), which remains subject to consultation and legislation, would introduce a targeted 50% CGT discount for certain early investments in qualifying innovative start-ups. Key design questions include a proposed 10-year age limit, $50 million turnover cap, five-year holding period and $10 million lifetime cap.

The policy intent is clear, but the impact will depend on final design. If eligibility is difficult to interpret, or does not align with how private companies raise capital across multiple rounds and long commercialisation pathways, the practical value may be less than the headline benefit suggests.

The bigger question: Australian competitiveness and productivity

This is ultimately about more than individual tax measures. While aspects of the Federal Budget package draw somewhat on the Ambitious Australia Strategic Examination of R&D findings, several recommendations remain outside the announced reforms, including a premium start-up stream, quarterly R&DTI payments and a deemed rate for supporting activities.

The bigger question is whether Australia's innovation policy settings are simple, predictable and competitive enough to influence where funding is deployed. Investors increasingly weigh workforce capability, innovation capacity and tax competitiveness when making capital allocation decisions.

What to watch next

For founders, investors and operators, the key watchpoints are the final definition of core versus supporting R&D, how the proposed 10-year refundability test operates, and if it remains, any transitional arrangements, and the interaction between the IBCC and existing start-up, Employee Share Scheme, Early Stage Investor Incentive and venture capital settings.

The real test is whether the overall R&D and investor policy stack helps Australia fund, retain and commercialise innovation more competitively.

How we can help

The EY Government Incentives team is closely monitoring the R&DTI and IBCC developments. As legislation and guidance emerge, we can help assess eligibility, model claim value and cashflow outcomes, evaluate documentation readiness and identify practical issues for planning or consultation.

For further analysis of the Budget proposals, see:

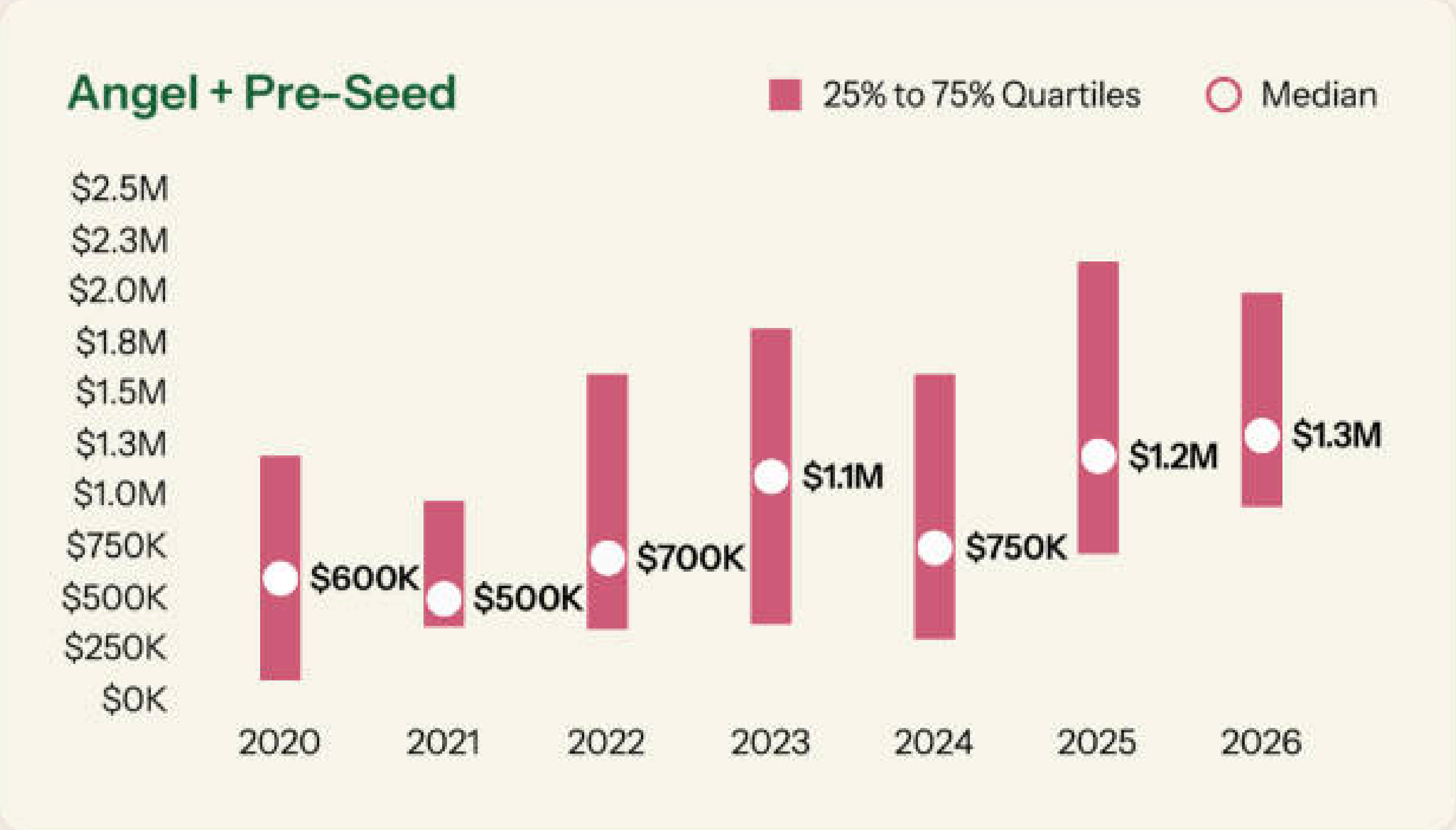
Federal Budget 2026-27: R&D Tax Incentive changes and what they mean for innovation growth and scale | EY - Australia

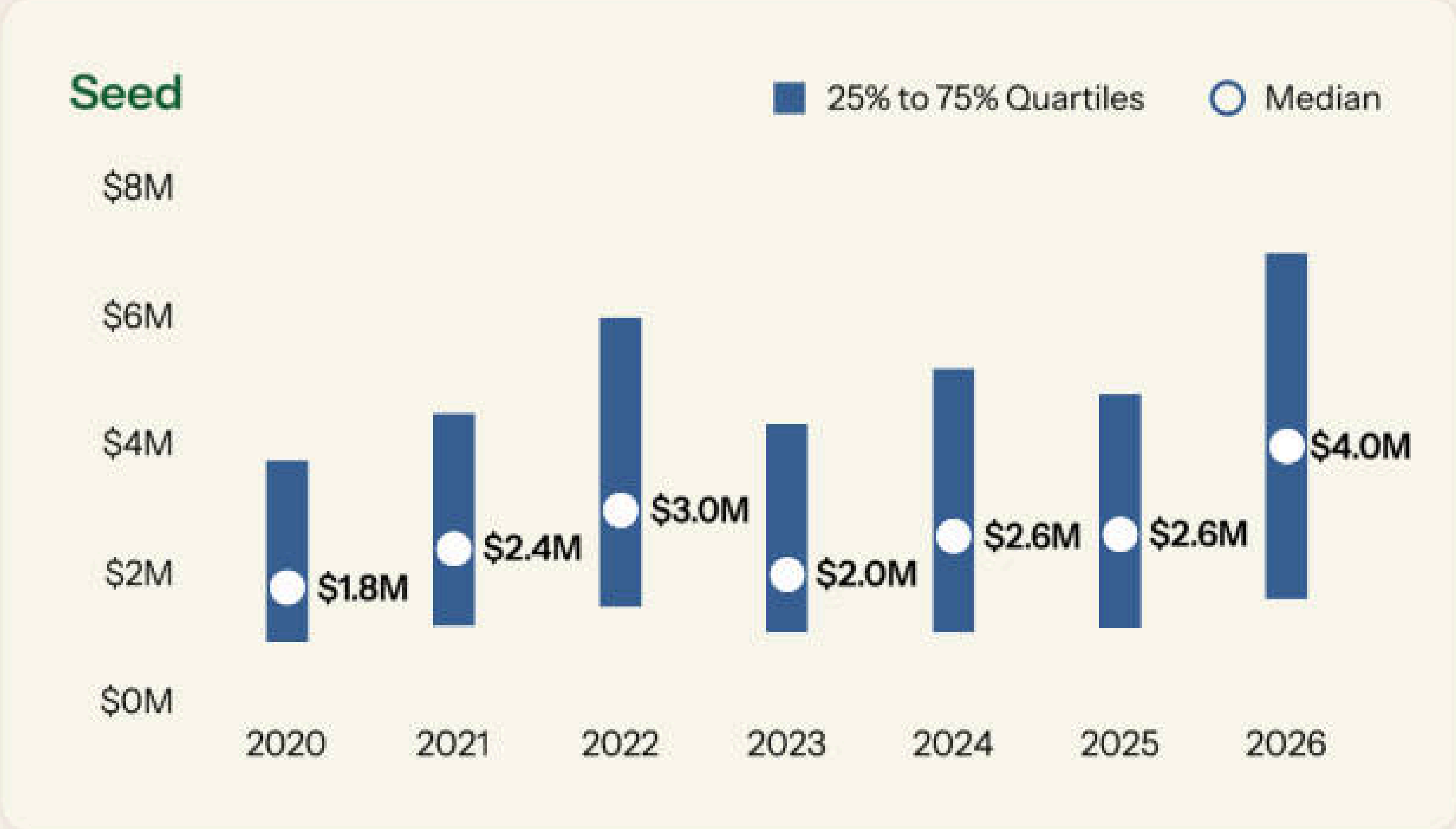
Cameron Reid
Partner, Government Incentives
EY Australia

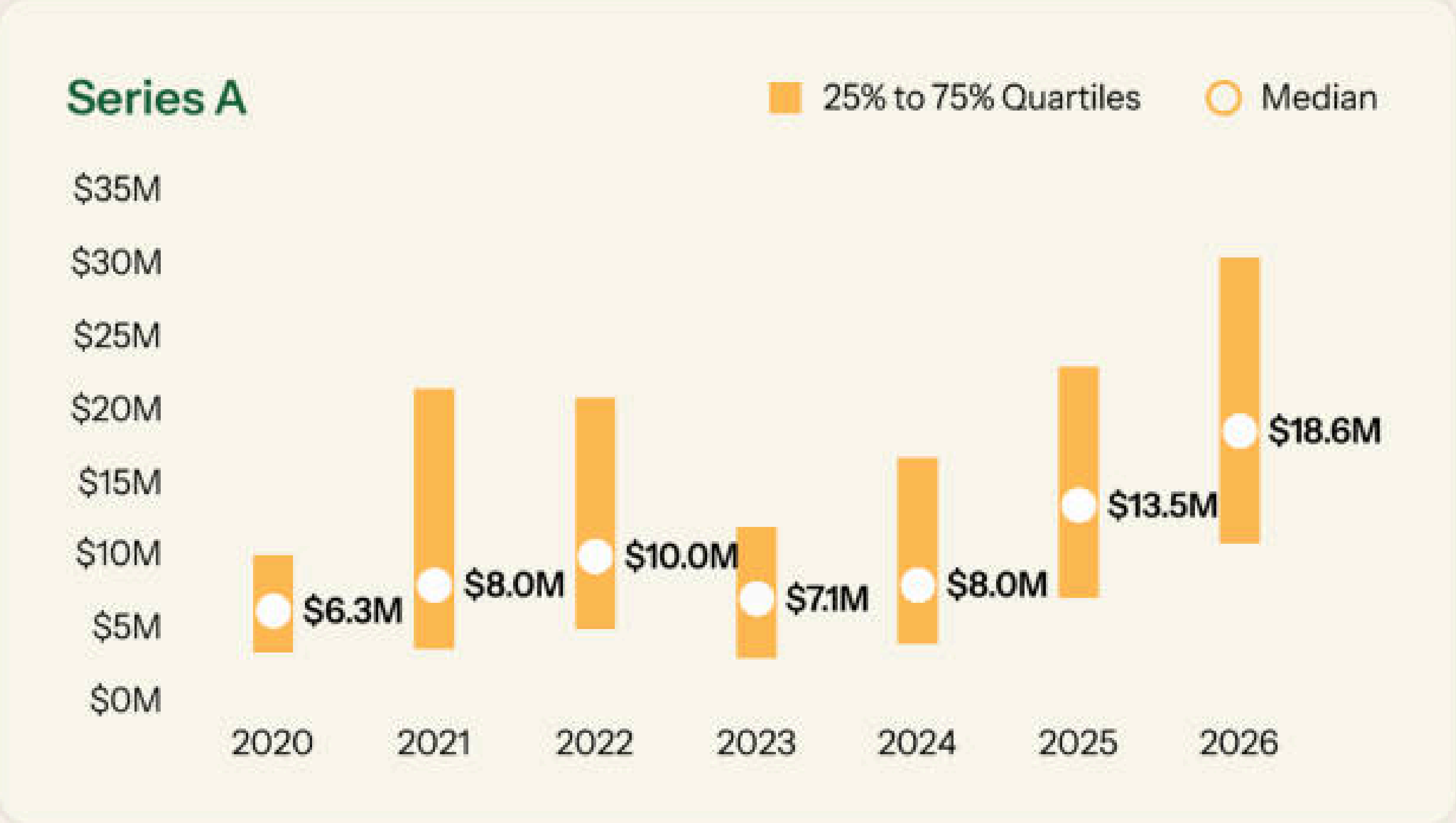
Malia Forner
Partner, Government Incentives
EY Australia

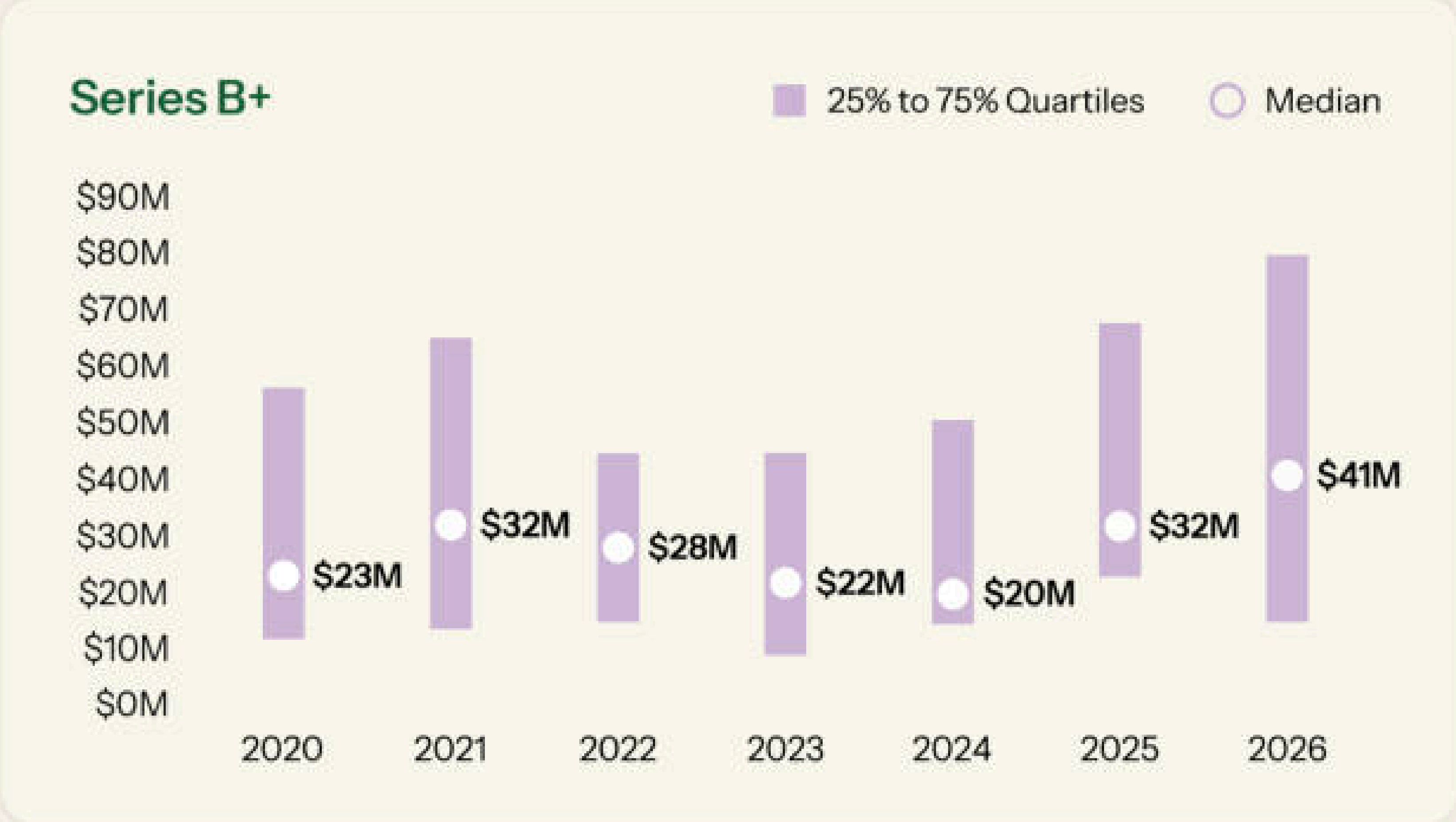
Deal sizes swell to all-time annual highs

On a full-year view, median deal sizes sit at record highs at every stage, with Seed at $4.0 million, Series A at $18.6 million and Series B+ at $41 million all clearing prior peaks. The quarter itself was less uniform: Seed pricing eased back from Q1's $6.1 million median while later-stage cheques kept stretching. The spread of deal sizes is also at record wides from Seed onwards, so the rounds getting done are bigger, but there is currently no 'normal round' at any stage.





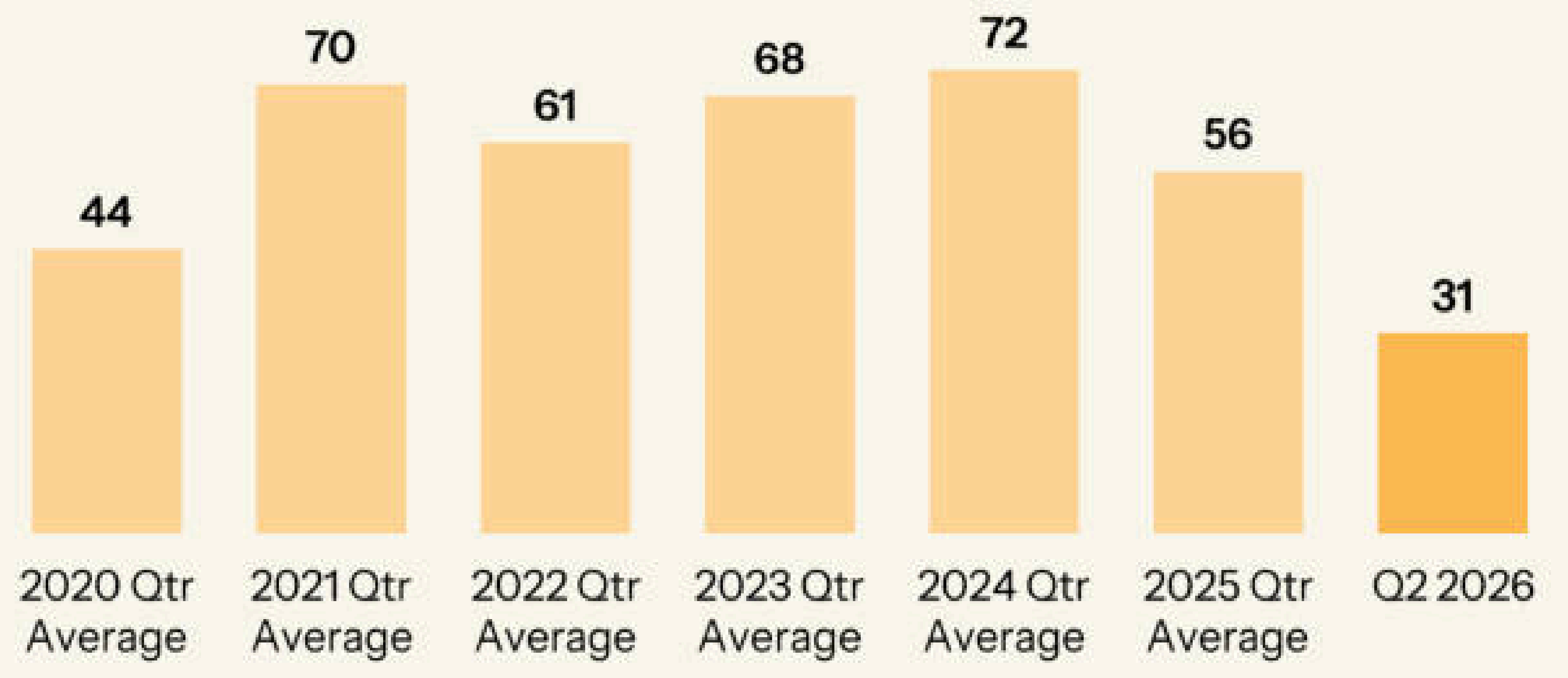




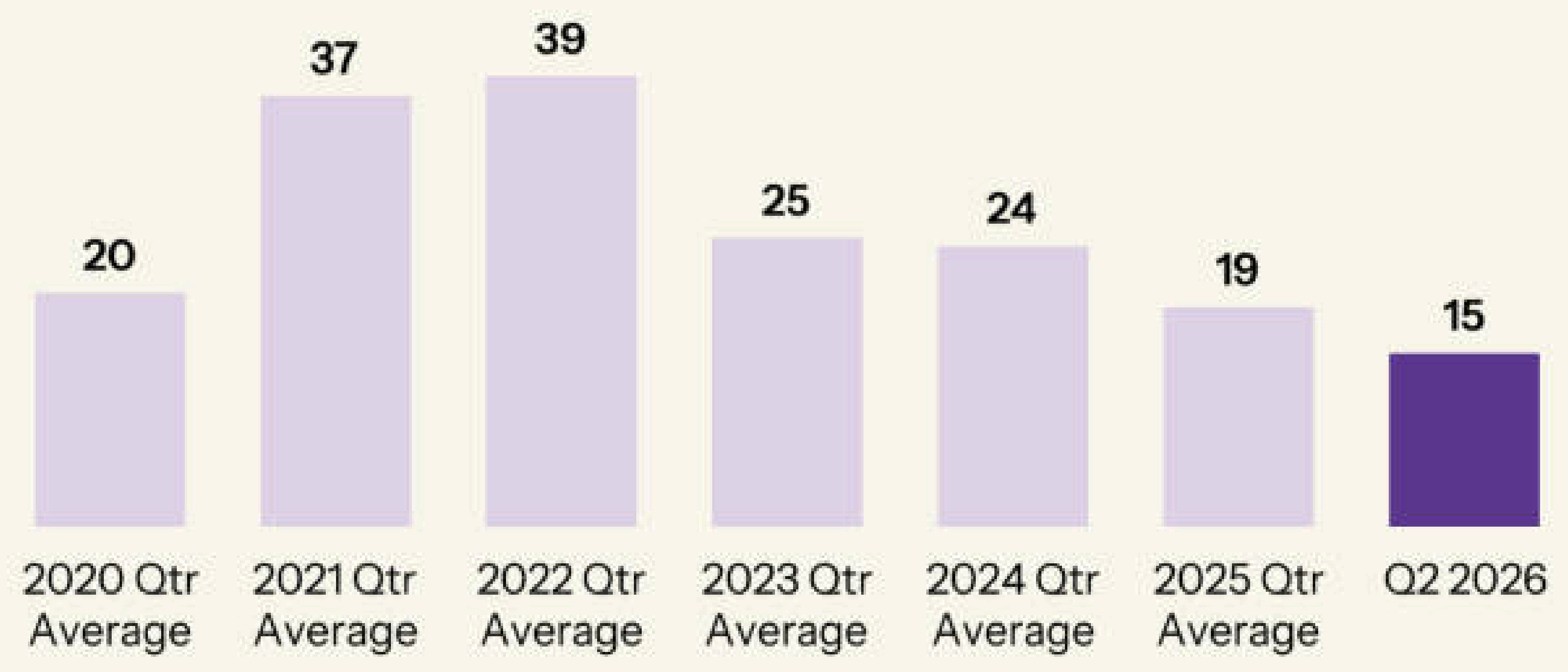
Deal-making thins across every cheque size

Activity fell across every round-size band in Q2, showing the slowdown was broad rather than confined to early-stage deals. Sub-$5 million rounds saw the sharpest decline, falling to their lowest count in more than six years, while $5 million to $20 million rounds also weakened materially. Larger deals held closer to 2023 and 2024 levels, and the $50 million-plus mega deal band returned to its 2025 pace after an unusually active Q1.

Sub $5M Rounds

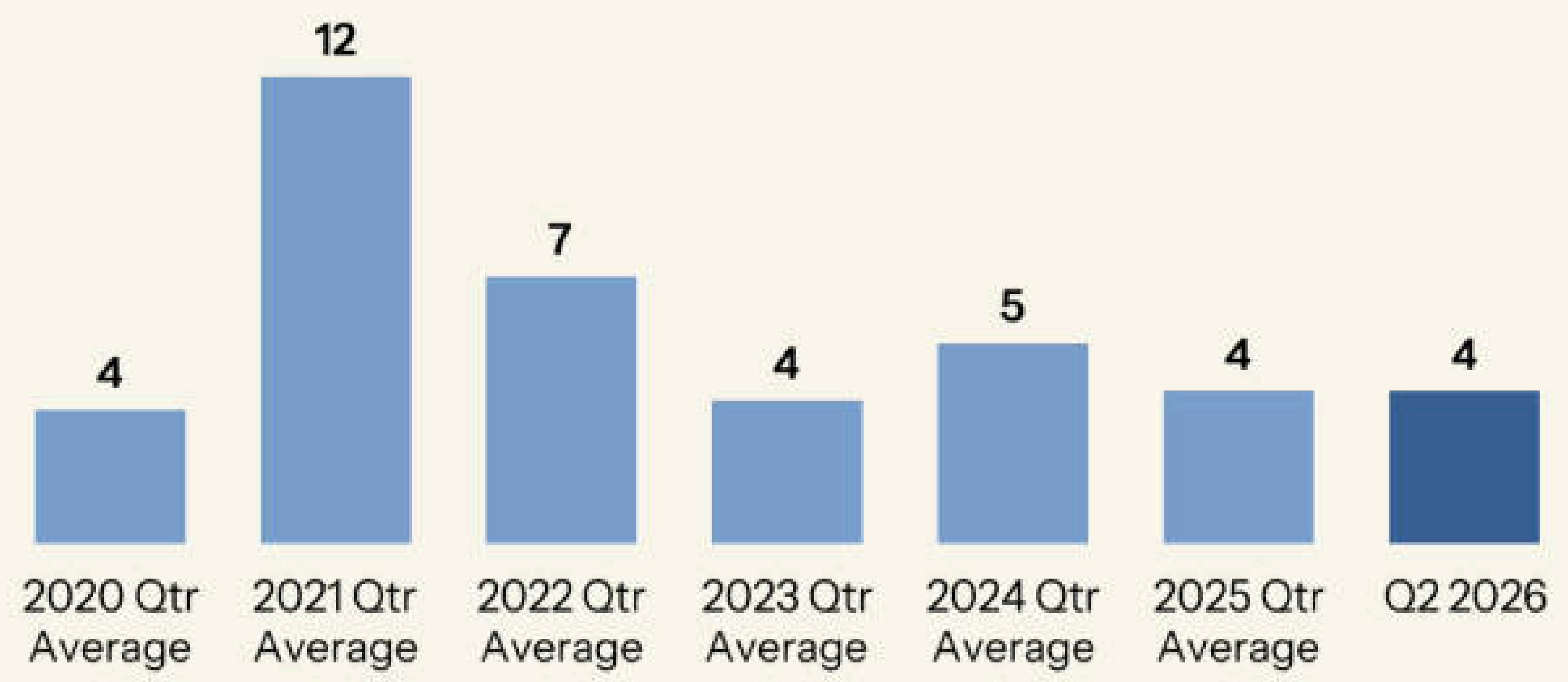


$5M–$19.9M Rounds



$20M–$49.9M Rounds

$50M+ Rounds



“

The market is slow right now. Everyone I speak to says they're barely deploying capital and are focused on supporting their existing portfolio. No one's complaining about the quality of deal flow. It's just that deals aren't getting done.

We invest at the earlier stage, typically in rounds under $3 million. We're seeing very few of those deals at the moment. A lot of companies that would traditionally have raised $1 million or $2 million are now coming to market looking to raise $5 million to $10 million off the back of an AI narrative. That's boxing early-stage funds like us out of the market.

– Investors
CTQ Investor Sentiment Survey – June 2026

Ecosystem perspective

HSBC Innovation Banking

The Trans-Tasman advantage: Supporting a stronger Australian and New Zealand ecosystem

When founders think about international expansion, attention often turns to the US, UK, Singapore or India. Yet one of the fastest-moving growth corridors may be much closer to home.

As Australian venture funding rebounds and New Zealand's ecosystem matures, founders, investors and venture funds are increasingly finding opportunities across the Tasman to access capital, customers and talent. Rather than operating as neighbouring markets, the two countries are becoming a more connected innovation ecosystem.

Australian start-ups raised AUD1.8 billion in Q1 2026[1,2], the strongest first-quarter total since 2022, while New Zealand start-up investment rose 61% year-on-year in 2025 to a record NZD754 million. Together, these trends are helping to deepen cross-border investment and strengthen regional founder networks.

Bilateral capital flows

This growing connectivity is increasingly reflected in the way capital is moving across the region. Australian venture firms are backing New Zealand companies, while New Zealand funds are engaging Australian limited partners to broaden their investment networks.

For example, Melbourne-founded automotive data intelligence platform AutoGrab, completed an A$80 million Series B capital raise earlier this year valuing the company at A$230 million, which was co-led by New Zealand VC firm Movac.

Similarly, Australia-based agtech company Number 8 Bio recently closed an A$11 million Series A capital raise led by Icehouse, New Zealand's most active early-stage investor. Two strong examples of cross-border connectivity.

Another success story is New Zealand start-up Hnry, a tax automation and accounting service, that completed a Series B funding round in 2023 led by Australian VC firm AirTree Ventures[3].

Australian VC funding helped Hnry scale operations, recruit for their Sydney headquarters, accelerate product development and unlock partnership opportunities, including an official partnership with the Australian Institute of Sport to offer tax automation to professional athletes[4].

James Fuller, CEO and Co-Founder of Hnry, has seen the benefits of the Australian VC ecosystem first-hand.

"Australia has over 2 million self-employed people and was a natural first step in our overseas expansion," he said. "While there are similarities with New Zealand, it is a very different market, and the local networks and expertise of our Australian investors has been instrumental in building traction."

These examples show how a genuinely integrated Trans-Tasman capital base is a strong defence against premature US relocation, keeping the innovation and talent rooted locally.

A maturing New Zealand VC community

The relationship is increasingly reciprocal. As New Zealand's venture ecosystem matures, Australian investors are gaining access to a growing pipeline of innovative companies, while New Zealand funds are building stronger connections with Australian companies.

Government-backed funding vehicles like the Elevate NZ Venture Fund[5] have helped to transform the New Zealand start-up ecosystem and are deepening connections with Australia[6]. Icehouse closed its fourth fund at a record NZD70 million in late 2025, well above the original NZD30 million target[7].

This has given local founders a wider choice of fundraising strategies. While Hnry turned to Australian VC funding, Crimson Education, an admissions consulting platform founded in Auckland, received early funding from Icehouse Ventures and a number of existing international investors, helping Crimson reach its unicorn status[8].

Strengthening ties across the Tasman

While the growth of VC funding is a key consideration, it is not the only factor pulling founders and investors across the Tasman Sea.

Beyond its larger customer base, Australia's similar business environment and close proximity hold obvious appeal to founders from New Zealand who are looking to build scale, validate their proposition and attract investment before expanding into larger markets such as the US or UK.

Talent pools are also converging as the Australia-New Zealand ecosystem develops. Blackbird will again host their flagship Sunrise festival in Auckland this October, facilitating networking for founders and operators across the Tasman[9].

New Zealand start-ups are impressing investors in a range of fields, including deep tech, biotech, climate tech, space tech, digital assets and vertical software, complementing Australia's world-class homegrown ventures.

The result of this ecosystem-building is that the next generation of startups now have greater access to the support they need to scale.

While ambitious companies still look to the US, UK, Singapore or India to achieve global scale, the development of a stronger Trans-Tasman VC ecosystem has extended the runway for local founders.

As capital, talent and innovation become increasingly mobile, Australia and New Zealand are evolving from neighbouring startup ecosystems into a connected regional innovation corridor, creating new opportunities for founders, investors, and venture capital firms on both sides of the Tasman.

Alan Watters
Head of Innovation Banking
HSBC Australia and New Zealand

(1) https://b2bnews.co.nz/news/nz-startup-investment-hits-754m-but-new-company-pipeline-shrinks/
(2) https://www.cutthrough.com/insights/cut-through-quarterly-1q-2026
(3) https://laurenfong.medium.com/from-passion-to-purpose-claire-fullers-entrepreneurial-journey-with-hnry-df76124a10a7
(4) https://www.ausport.gov.au/media-centre/news/hnry-helps-aussie-athletes-flex-financial-muscle
(5) https://techcrunch.com/2021/12/28/sectors-where-new-zealand-start-ups-are-poised-to-win/
(6) https://techcrunch.com/2022/11/01/blackbirds-latest-1b-aud-fund-signals-maturation-of-australian-new-zealand-venture-scene/
(7) https://www.rnz.co.nz/news/business/580240/phenomenal-response-70m-raised-for-icehouse-ventures-seed-fund-to-help-start-30-businesses
(8) https://www.crimsonglobalacademy.school/us/blog/crimson-billion-dollar-valuation
(9) https://www.blackbird.vc/blog/2025-year-in-review

CUT THROUGH VENTURE

Investor-reported valuations edge higher

Insights from Cut Through Quarterly Investor Sentiment Survey

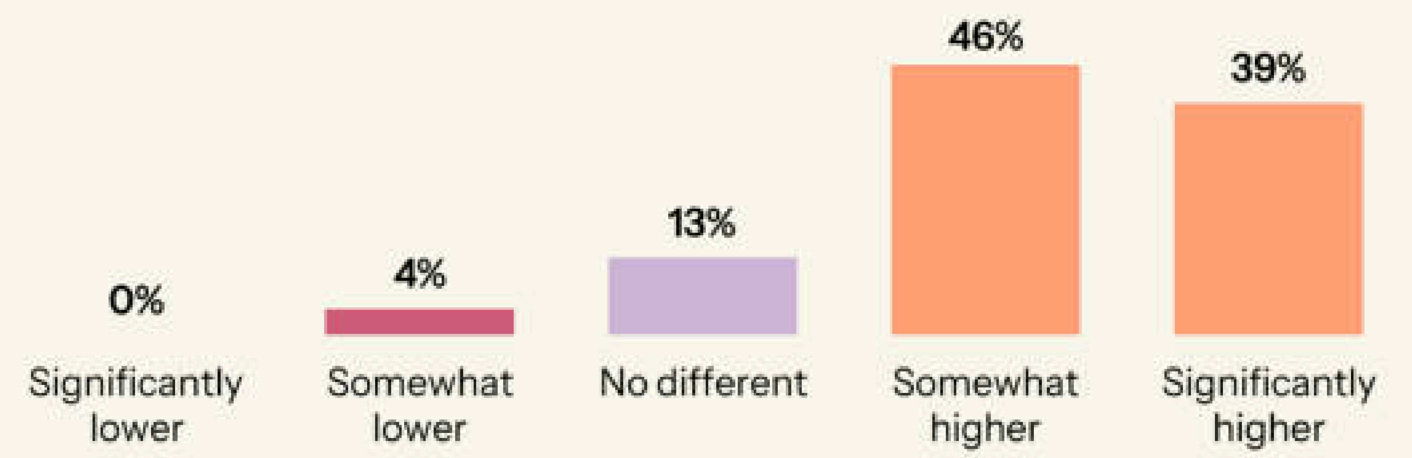
Investor-reported valuations firmed across all stages in Q2, with the clearest moves at Series A and Series C+, while Series B held broadly flat. More investors saw prices rising than in Q1, though around half still reported no meaningful change, so the lift looks selective rather than broad.

The premium for AI-first companies barely moved and stays substantial, with most still expecting them to price above comparable non-AI peers. Expectations for the rest of the year have settled into an even split between modest rises and falls.

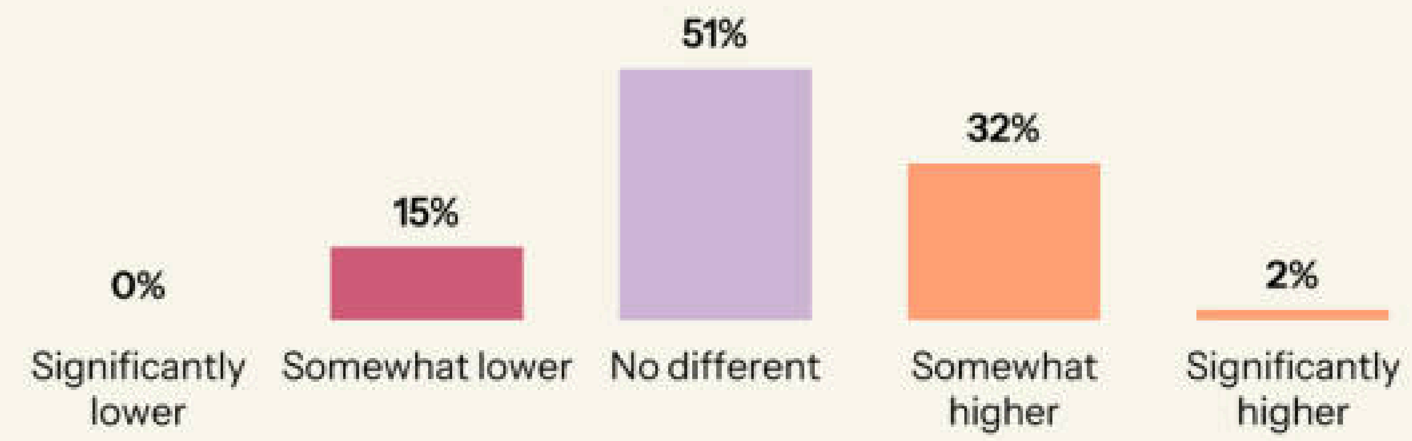
> *June 2026 was a peak of uncertainty on AI and its impact on software (the mainstay of the Australian VC industry) and the broader economy. The doomer perspectives have not been dismissed completely, but now seem a bit further out.*
>
> *A higher level of confidence is returning to the VC investment space; however, an AI strategy is imperative. Some previously very fundable software companies are now finding it very hard to raise if they don't have a coherent perspective on how AI will reshape their industry and product.*
>
> *– Investor, CTQ Investor Sentiment Survey – June 2026*

Investor Reported Valuations – Weighted average

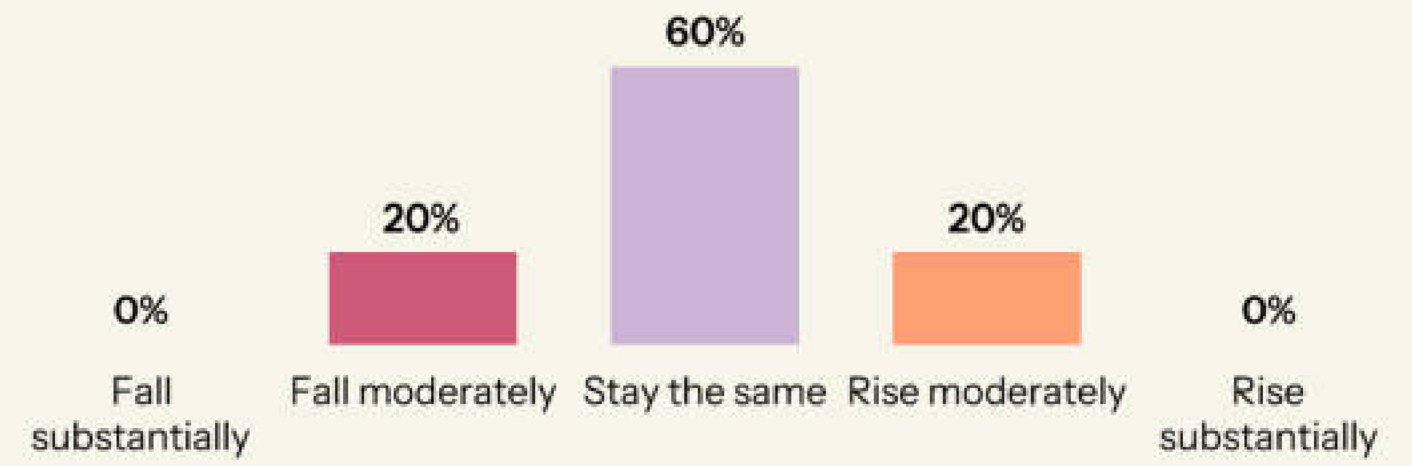
AI-first vs Non-AI Valuation Expectations



Valuations vs Last Quarter



Valuation Expectations for the Rest of 2026



CUT THROUGH VENTURE

Ecosystem perspective

CORRS CHAMBERS WESTGARTH

Lessons for startups from Dexus v Australia Pacific Airports[1]

Most startup companies will have a shareholders' deed which includes a range of provisions that will be relevant for a capital raising or an exit event, including confidentiality obligations and pre-emptive rights.

A recent case has highlighted that a failure to strictly follow the specific processes set out in a shareholders' deed can lead to a material and irremediable breach of the shareholders' deed, with significant consequences for the parties.

The case involved a dispute between Dexus and the other investors in Australia Pacific Airports Corporation (APAC), arising from a sale process which Dexus had initiated for part of the interests it manages in APAC.

APAC, which owns and operates Melbourne and Launceston airports, is owned by a group of institutional shareholders whose relationship is governed by a shareholders' deed. Dexus managed a bloc of shares totalling approximately 27% of APAC. In 2023, Dexus launched a process codenamed "Project Mercury" to sell part of the APAC shares that it managed to external buyers.

APAC's shareholders' deed required that confidential information only be shared with a prospective purchaser which had entered into a confidentiality deed with the other shareholders in a form to their reasonable satisfaction and enforceable by any of them. Instead, Dexus used a template confidentiality deed for prospective purchasers of the stake, as it understood the form of the deed had previously been agreed with APAC. Dexus also entered into side letters with some parties to amend some of those deeds. It then provided 137 individuals and 40 organisations with access to confidential information in a data room, including APAC's 20-year financial forecast – the company's most commercially sensitive document. None of this had been disclosed to APAC or the other shareholders.

After suspicions were raised, the APAC Board sought information from Dexus about what information had been disclosed and to whom. Once the extent of the breach came to light, APAC issued a default notice to Dexus asserting that it had committed a material, irremediable breach of the shareholders' deed, triggering the compulsory divestment process for the entire Dexus bloc's shareholding.

The NSW Supreme Court upheld APAC's actions and found that Dexus had disclosed APAC's confidential information in breach of the shareholders' deed. The breach was both material and irremediable given the scope of information disclosed, the breadth of recipients to whom it was disclosed, the potential adverse commercial consequences for APAC, and the fact that recipients cannot 'unlearn' what they learn from confidential information. The latter point was especially critical as some of the potential purchasers had connections to airlines which were to engage in negotiations with APAC in the future.

The court found that the APAC Board properly exercised its powers under the shareholders' deed in confirming the default and issuing the default notice and, accordingly, it held that the default notice was valid and effective. Therefore, subject to any appeal, Dexus will be required to sell all of its managed APAC shares at fair market value (approximately $4.5 billion), with the other shareholders being entitled (but not obliged) to acquire those shares under pre-emptive rights provisions.

What does this mean for startups, founders and investors?

For Australian startups, the case is a powerful reminder of the consequences of mishandling confidential information during a capital raising or sale process and not complying with relevant provisions in a shareholders' deed. Some key lessons are:

Draft your shareholders' deed to ensure it works in practice: Problems are more likely to arise when a shareholders' deed is poorly drafted or contains provisions which in practice will be hard to comply with. In order to facilitate a smooth capital raising or exit, there should be a particular focus on confidentiality provisions, pre-emptive rights, affiliate transfer regimes, approvals and consents, and default and forfeiture mechanisms.

Follow the specific requirements in the shareholders' deed: If the shareholders' deed prescribes a specific process, the Dexus case highlights that the process needs to be followed to the letter, even if it is onerous or may create execution risk for the deal. If a specific requirement can't be followed, consider obtaining a waiver of the requirement as part of any shareholder approvals for the transaction.

Be careful with using confidential information: The information which nominee directors and shareholders receive is usually subject to disclosure restrictions, which can sometimes be inadvertently breached. In the Dexus case, the court found that Dexus' attempts to conceal the extent of its disclosures made the breach worse and contributed to findings that it was both material and incapable of remedy.

Exercise default powers cautiously: When considering the exercise of a default power (and particularly those with severe consequences), the company's board should treat the process with gravity and implement appropriate guardrails, including to avoid potential conflicts.

Jonathan Farrer
Partner
Corrs Chambers Westgarth

(1) *Dexus Capital Investment Services Pty Ltd v Australia Pacific Airports Corporation Limited* [2026] NSWSC 600

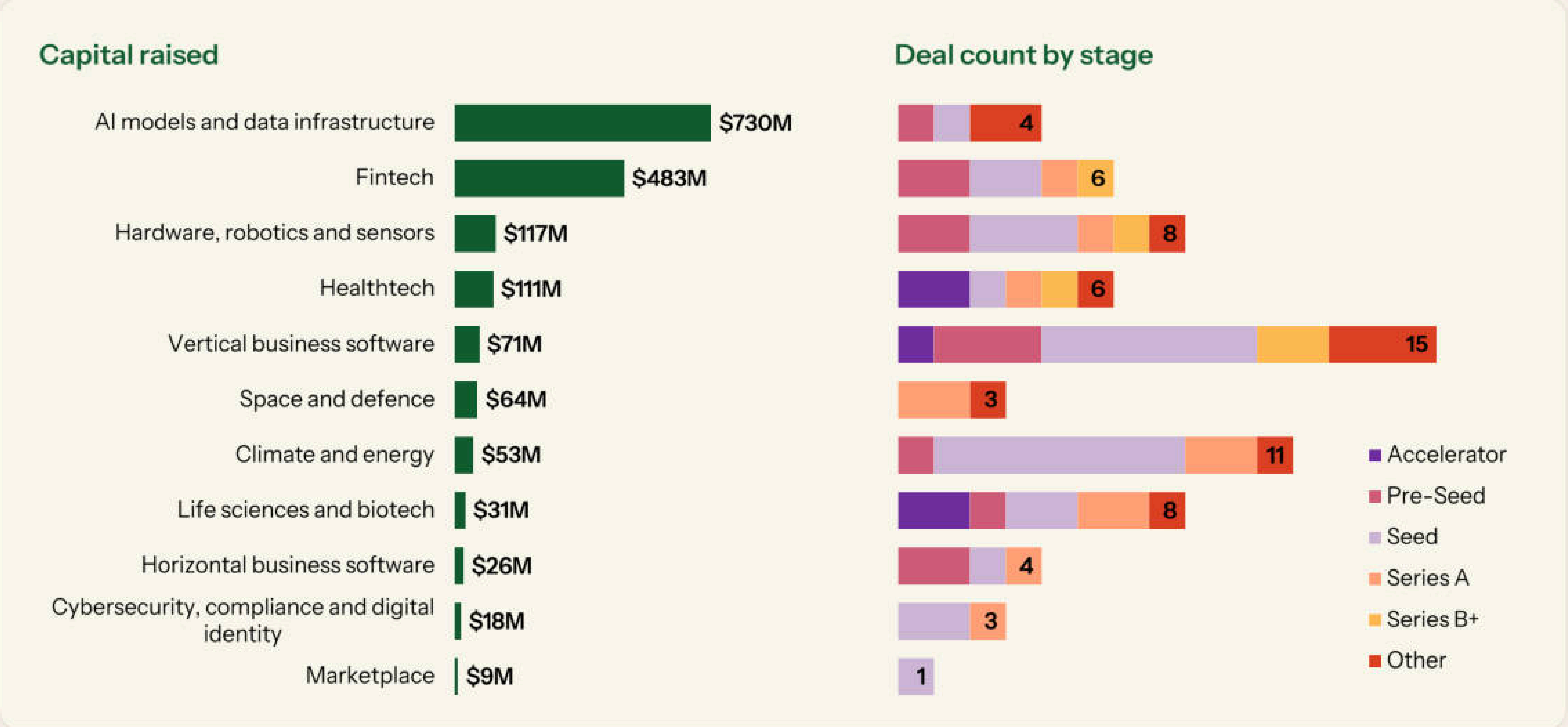
Activity and capital part ways

Two outsized rounds, Firmus and Airwallex, pulled Q2 capital sharply toward AI infrastructure and fintech.

Deal activity told a different story, with vertical business software still leading in count and climate and energy close behind, creating a clear gap between where deals happened and where bulk dollars landed.

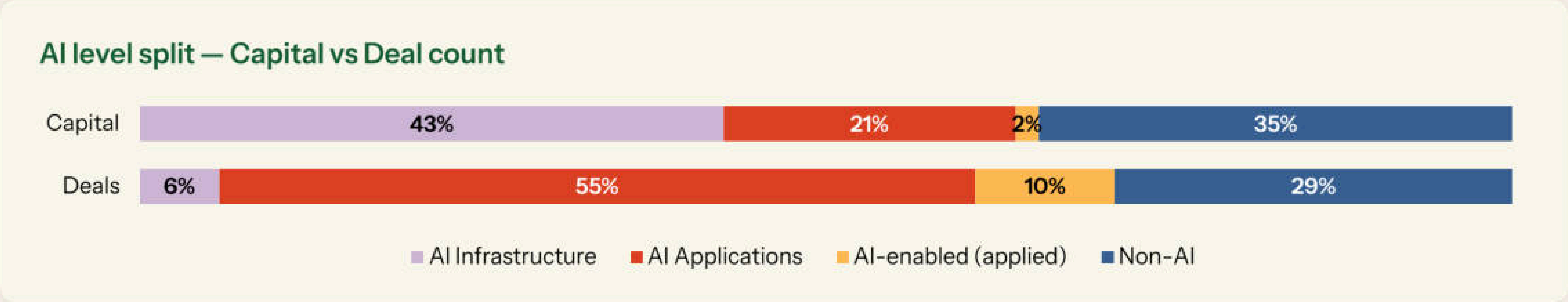
AI exposure kept spreading, now covering roughly three-quarters of capital and two-thirds of deals, with the mix tilting from AI-enabled companies toward AI-first and infrastructure. Much of the reshuffle traces back to those two rounds, so capital leadership was narrowly held.

Total capital raised and deal count by sector



> *There is a huge gap in how investors view AI vs Non-AI software startups. We've seen non-AI software startups raise at less 5x ARR and early-stage AI-natives raise at more than 20x. All software startups require an AI story to their raise if they want to achieve a valuation that doesn't feel like they're not being rewarded on progress since the last round.*
>
> *– Investor, CTQ Investor Sentiment Survey – June 2026*

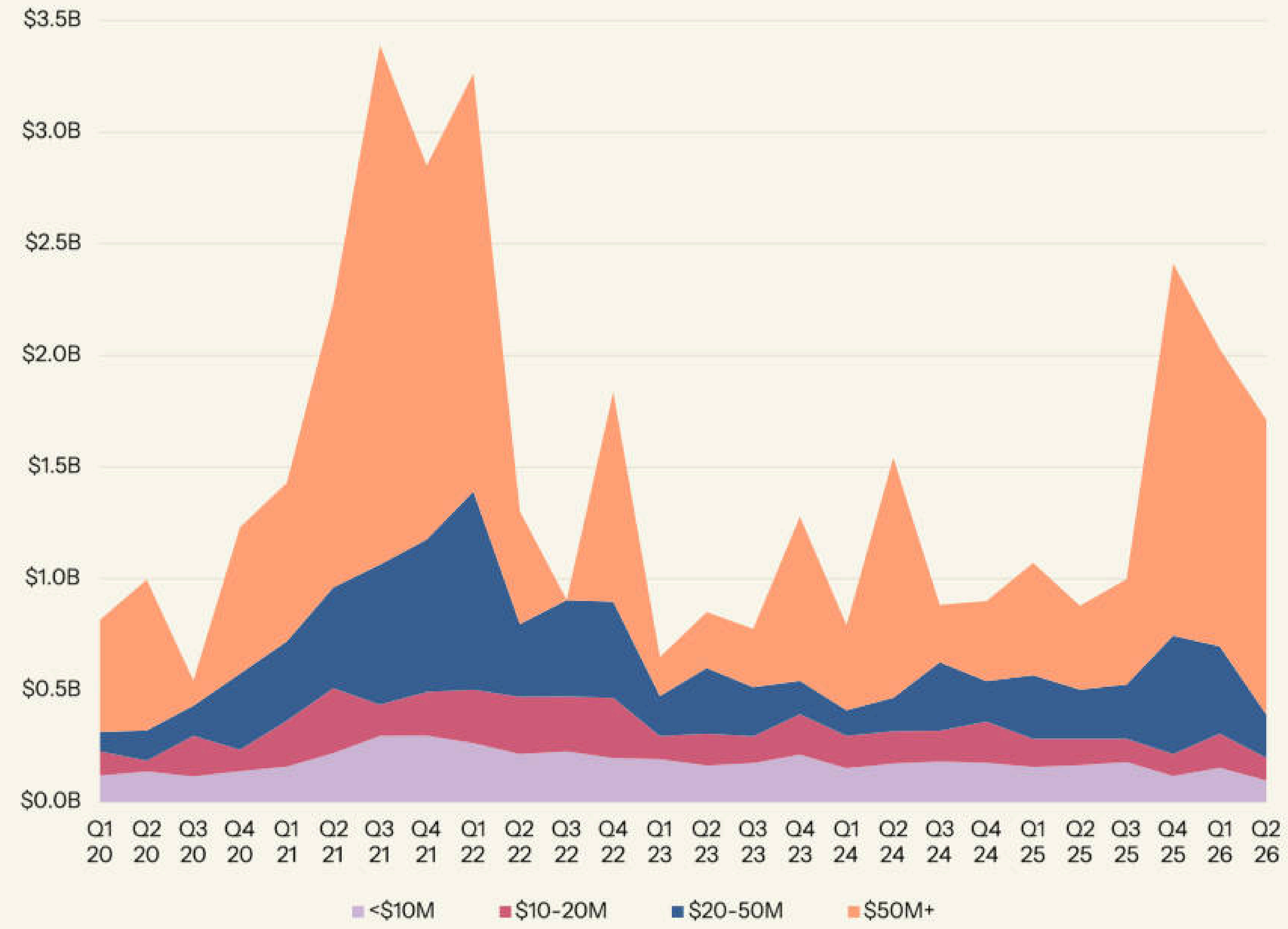
Total capital raised and deal count by AI penetration



Concentration climbs to a new high

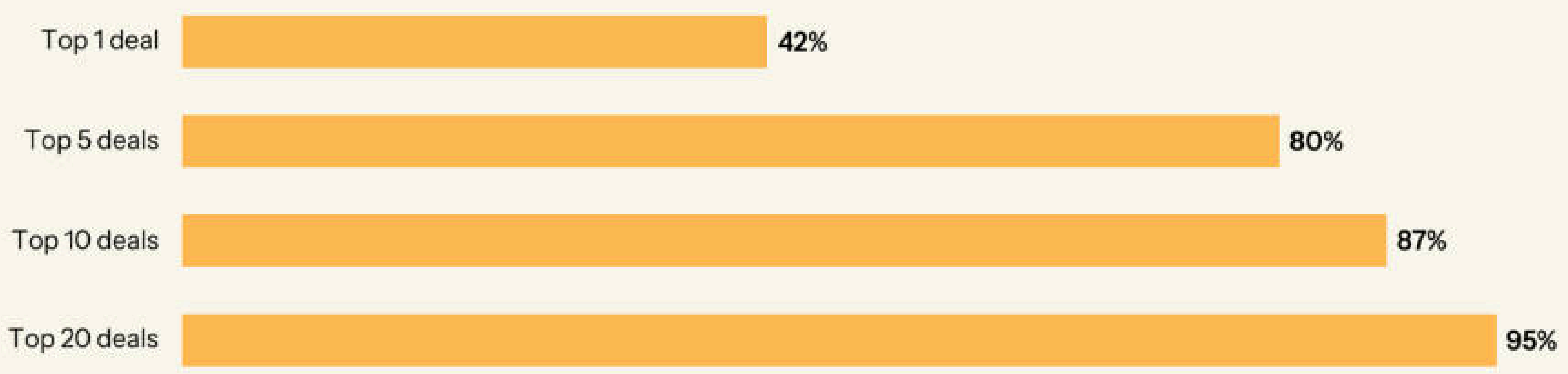
Capital concentration set a fresh record in Q2. The single largest deal alone accounted for more than two-fifths of the quarter's funding, and the top five took four-fifths, well over double their Q1 share. On a year-to-date view, the bulk of capital now sits in rounds of at least $10 million, with the $20 million and $50 million thresholds also running higher than prior annual peaks. The flip side is that sub-$10 million rounds, which still make up much of the market's actual deal activity, contributed only a sliver of the dollars.

Mega deals always drive mega quarters



Concentration of capital maintains record high

Q2 2026 — Share of capital in largest deals



Fintech and AI infrastructure pull away from the pack

Fintech and AI infrastructure sit so far above the rest of the market that they are plotted off the chart, together drawing $1.2 billion from just nine deals. Everywhere else, breadth and weight part ways. Vertical software and climate led on count with 11 and nine deals, yet neither cleared $75 million, so any sector ranking depends on whether deals or dollars are doing the counting.

Q2 2026 Sector Deals and Total Capital

> *I think we've entered a world (at least this year!) where there is no such thing as a small seed round anymore. Companies that would have raised $1–2 million two years ago are asking for more than $5 million with an AI story attached, and half of them are getting it. Those without the AI story just aren't coming to market at all.*

> *Anything with a hardware element or a regulatory moat has become far more interesting to us than pure software. If a product can be rebuilt in a weekend with an AI coding tool, the defensibility question is brutal, but atoms, certifications and licences can't be vibe-coded. We're paying up for companies where the barrier to entry is physical or regulatory rather than just a head start on code.*

– Investors
CTQ Investor Sentiment Survey – June 2026

CUT THROUGH VENTURE

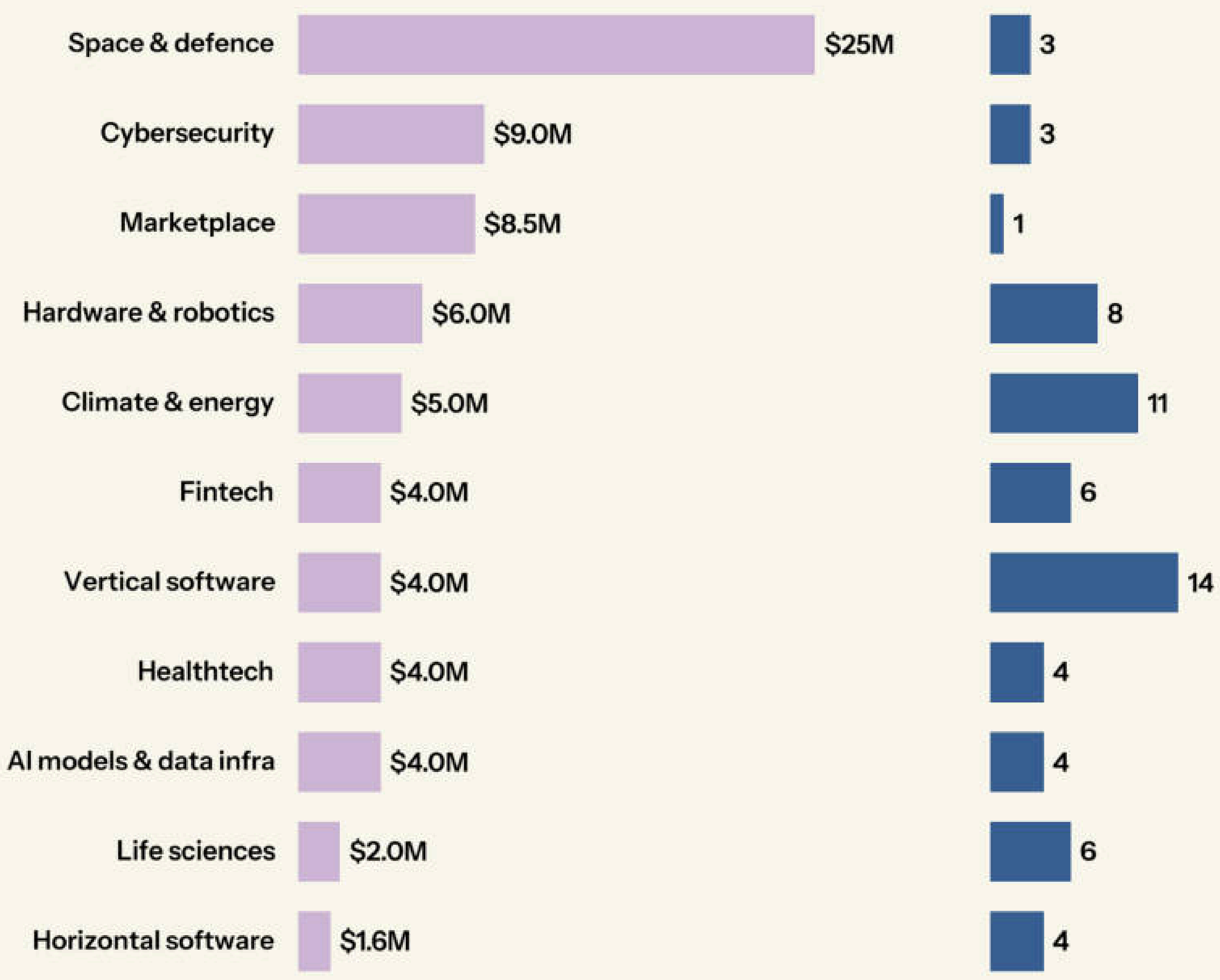
Sector driving deal sizes far more than stage

Deal size varied sharply across sectors at the same stage. Capital-intensive sectors such as space and defence, hardware and robotics, and AI infrstructure attracted the largest cheques, while software categories generally raised less despite accounting for more deals. The data suggests sector dynamics are now shaping round sizes at least as much as traditional stage labels, although several categories reflect small sample sizes.

Median deal size by sector and stage

Sector	Pre-Seed	Seed	Series A	Series B+	Other / Unknown
Cybersecurity		$1.0M (n=2)	$17M (n=1)		
Space & defence			$25M (n=2)		$14M (n=1)
Climate & energy	$4.0M (n=1)	$4.3M (n=7)	$20M (n=2)		n/d (n=1)
Healthtech		$4.0M (n=1)	$65M (n=1)	$41M (n=1)	n/d (n=1)
Vertical software	$1.0M (n=3)	$5.5M (n=6)		$10M (n=2)	$20M (n=3)
Fintech	$3.9M (n=2)	$699K (n=2)	$14M (n=1)	$460M (n=1)	
AI models & data infra	$700K (n=1)	$4.0M (n=1)			$362M (n=2)
Hardware & robotics	$1.3M (n=2)	$5.0M (n=3)	$32M (n=1)	$70M (n=1)	n/d (n=1)
Life sciences	$2.0M (n=1)	$3.3M (n=2)	$6.5M (n=2)		$15M (n=1)
Horizontal software	$1.4M (n=2)	$700K (n=1)	$22M (n=1)		
Marketplace		$8.5M (n=1)			

Median deal size and deal count by sector and stage — ex Accelerators



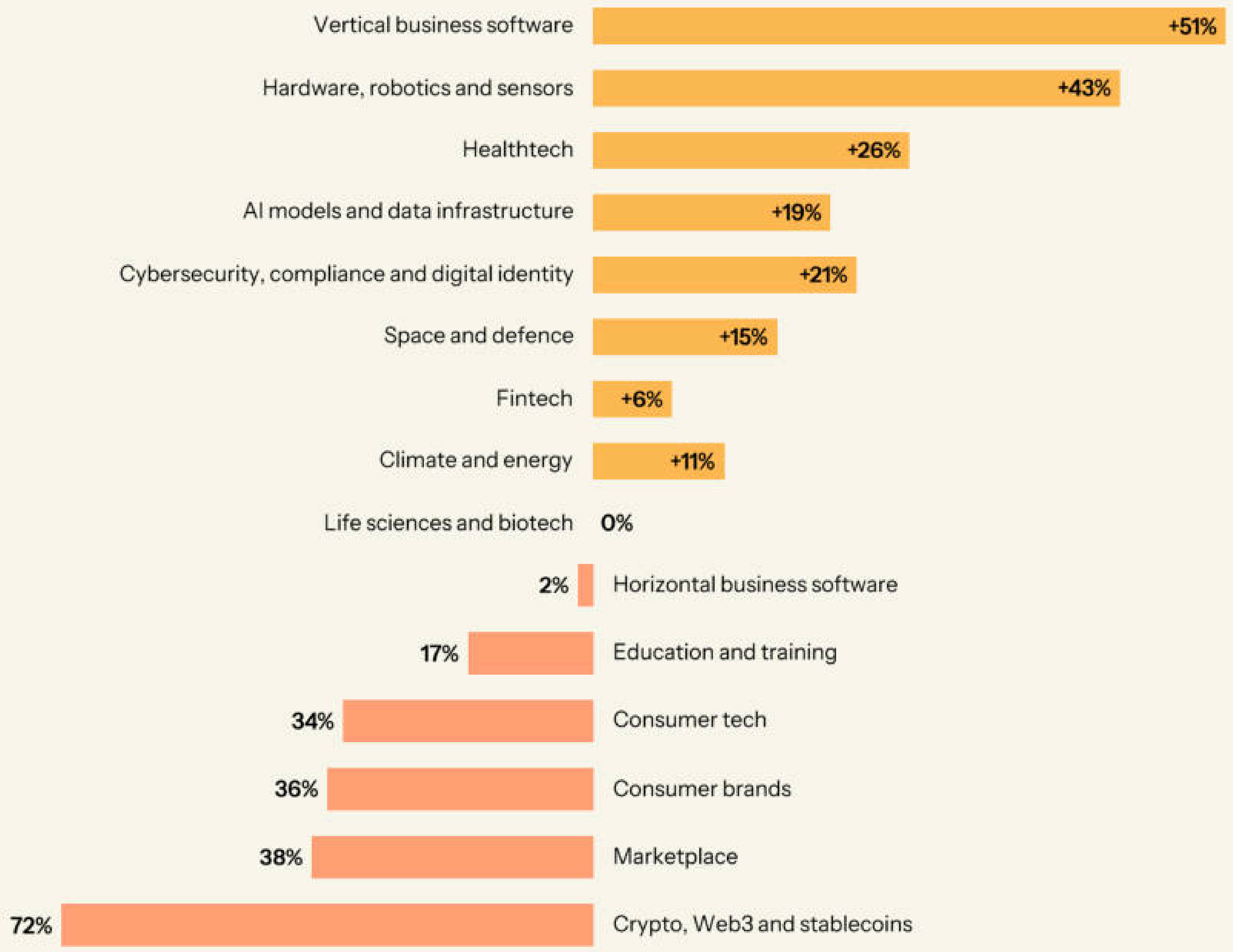
CUT THROUGH VENTURE

Conviction stays with vertical and hardware

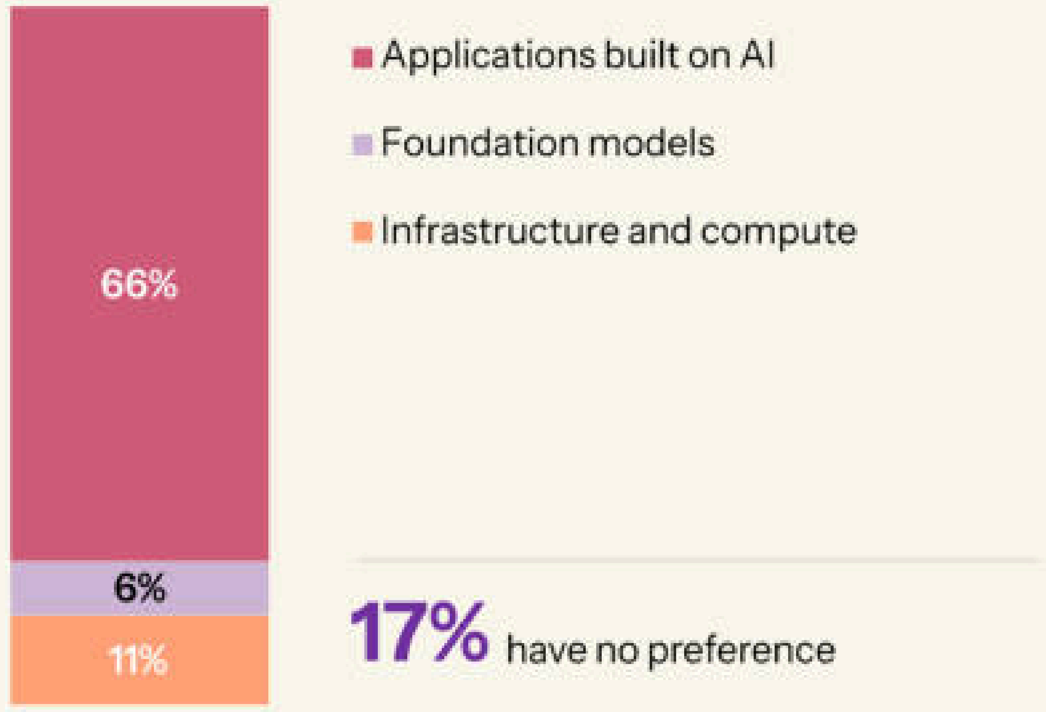
Insights from Cut Through Quarterly Investor Sentiment Survey

Investor preference stayed tightly bound to vertical software and hard technology in Q2. Vertical business software strengthened its lead on net excitement and hardware held second, while climate improved further off a low Q1 base. The negative signals sharpened at the other end, with crypto sliding well into the red and marketplace sentiment falling further. Nearly three-quarters of investors named vertical software a top choice and none picked horizontal.

Most excited (net positive sectors)

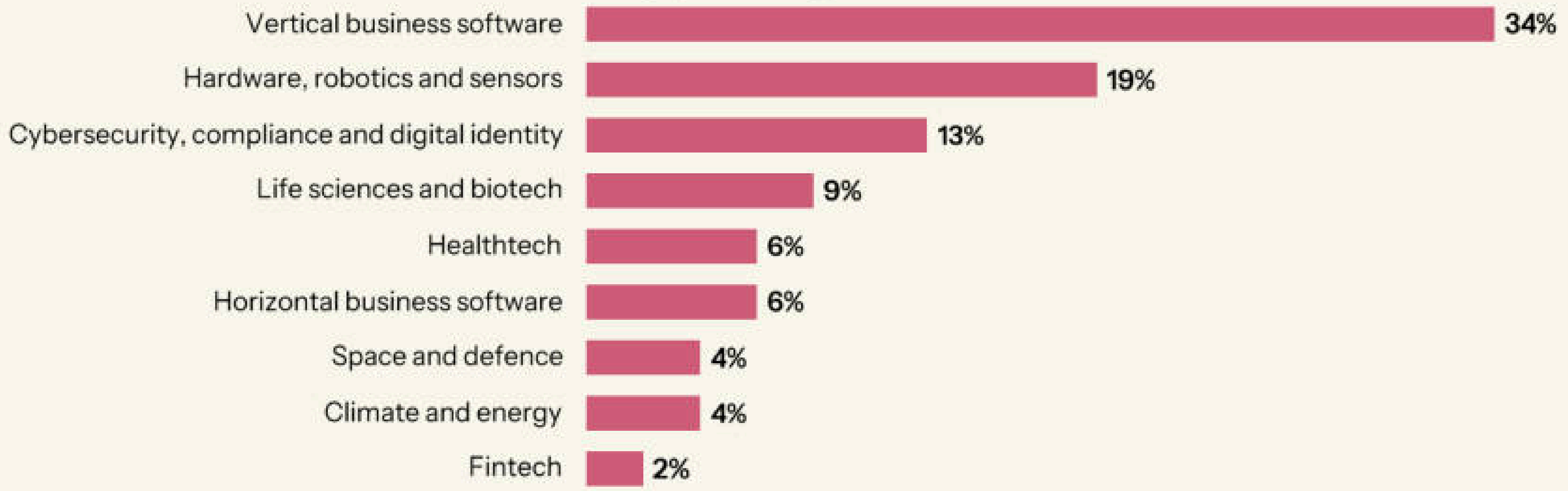


AI value chain focus



Software investment preference

Which sector will AI create the most opportunity?



CUT THROUGH VENTURE

Vertical software perceived as the AI safe haven

Vertical software took most software capital in Q2, holding its dollar level even as its deal count thinned. Horizontal software went the other way, all but collapsing, with capital down sharply and only a handful of deals, even as investor excitement for it ticked up marginally. The split says a lot about how investors now see the two. Vertical's workflow depth and domain lock-in look more defensible against AI disruption, while horizontal tools sit closer to the firing line.

Q2 2026 Vertical Software

$822M
94% of software capital

39 deals
80% of software deals

51% investors rated exciting

0% investors rated not exciting

Q2 2026 Horizontal Software

$48M
6% of software capital

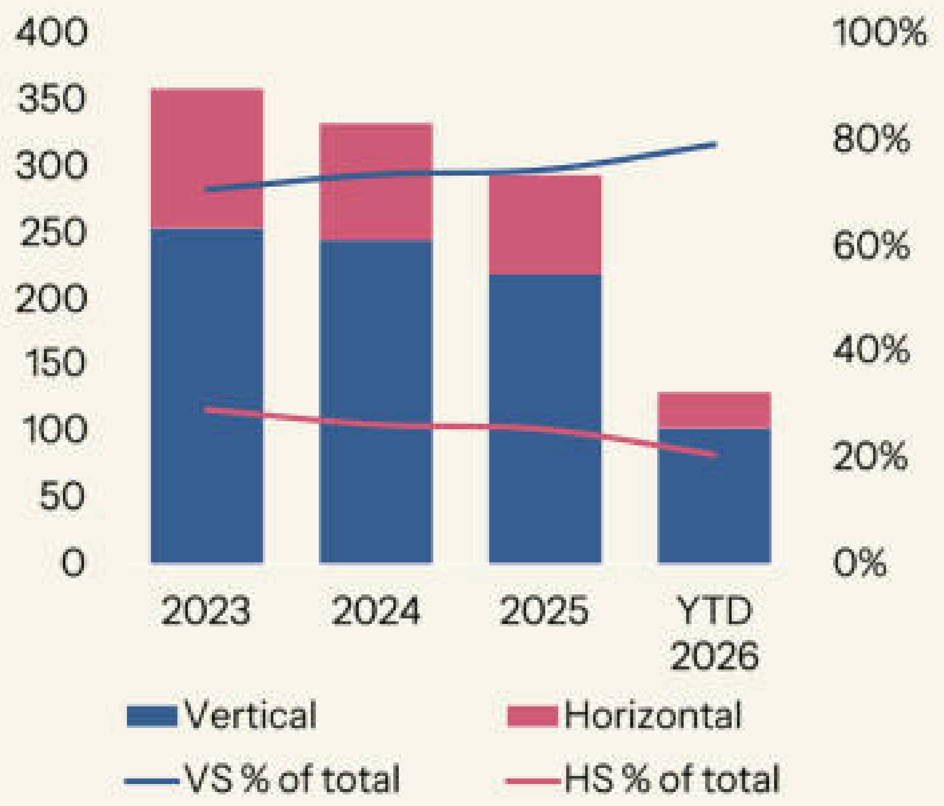
10 deals
20% of software deals

13% investors rated exciting

15% investors rated not exciting

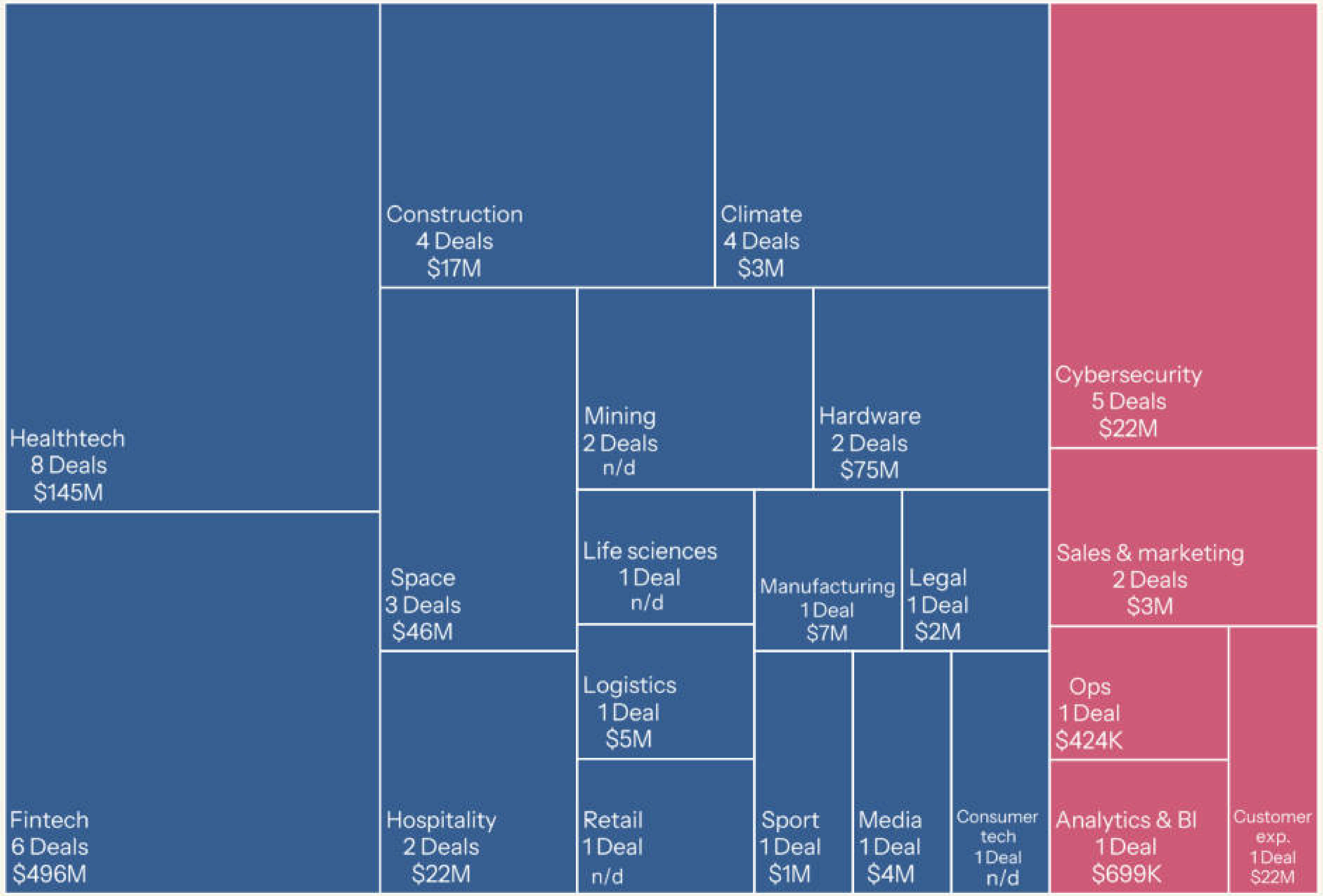
Total capital ($) & share of software capital

Total deals (#) & share of software deals



Software Subcategories — Q2 2026 (Deal Count and Capital)

Vertical software
Horizontal software



Ecosystem perspective **Advanced**

Payday Super is a working capital test for growing startups

Payroll has gone real-time. Startup cash receipts have not. From 1 July 2026, Payday Super requires employers to fund super contributions in lockstep with each pay cycle, reaching funds within seven business days. The quarterly float that startups have historically used to smooth cashflow is gone. Payroll-related cash now leaves the bank up to 52 times a year instead of four.

This is not a compliance change. It is a structural liquidity change. The compliance framing suggests you update your payroll software and carry on. The liquidity framing requires you to rethink your cashflow architecture entirely.

The median R&D refund timeline is not a safe planning assumption

Advanced analysed almost 300 observed R&D refund events. The overall median was 13 days after the income tax return was processed. That number looks manageable until you look at the tail. 25% of refunds took more than 25 days. 20% took more than 30 days. 10% stretched beyond 48 days.

The size of the refund compounds the problem. Refunds below $250,000 had a nine-day median. For claims of $1 million or more, the median was 47 days, with 77% taking over 30 days and none arriving within a seven-day super window. The companies with the largest payroll obligations are waiting the longest for the R&D capital that would cover them.

Recent timing cannot be extrapolated for from prior years either. The dataset median increased from nine days in FY24 to 16 days in FY25. ATO processing times are slowing, not speeding up. You need to plan accordingly.

Expected entitlement is not available cash

A company can be entirely solvent on paper and still miss a payday super run.

In 37% of observed refund events, the cash received was below the gross tax credit on the return. The median shortfall was 16.5%, reflecting ATO offsets applied against PAYG or GST liabilities. Founders planning on the gross refund number are frequently planning on a number that will not arrive in full.

Employment Hero research suggests 40% of Australian businesses expect Payday Super to impact cashflow to the point they will need external credit. Xero found almost one in three small business owners expect to dip into personal savings or borrow money to meet obligations.

What the playbook looks like

A staggering 82% of small businesses anticipate they will need to delay or reduce expansion plans in 2026 due to this reform. However, for venture-backed scale-ups, trading off expansion for compliance is not a viable option. Consistent growth remains the ultimate directive. Therefore, this shift requires internal optimisation of liquidity architecture rather than any growth degradation.

Five things matter most for R&D-investing founders navigating this environment.

- Forecast R&D cash receipts on the 75th percentile, not the median.
- Stress-test the 13-week cash forecast for a 50-day delay in major receipts.
- Model the net receipt, not the gross entitlement. The 16.5% median ATO offset shortfall is large enough to change your cashflow position materially.
- Ring-fence super and wages from uncertain inflows. Payday Super obligations are fixed. Working capital receipts are not. Never let one depend on the other.
- Arrange contingent funding before you need it.

For founders & their teams, early access to the anticipated RDTI refund removes the timing dependency entirely. Capital advanced against accrued eligible spend arrives on your schedule, not the ATO's. Super gets funded. The build & growth continues.

With the quarterly buffer now gone, the runway does not have to be.

Alex Knight
Founder & CEO
Advanced

Physical gains, but AI does the lifting

Businesses with a physical component took a bigger slice of both deals and capital in Q2 compared with Q1. AI models and data infrastructure supplied most of the physical dollars this quarter, a sharp jump from a small Q1 base, while hardware, space and defence all gave up ground. By deal count, the picture broadened, with life sciences and climate each taking a larger share and hardware's earlier dominance easing back.

Share of 'Physical' Deals vs Capital by Quarter

Share of 'Physical' Capital and Deals – Q2 2026

Share of 'Physical' capital

Segment	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26
Hardware, robotics & sensors	19%	8%	36%	44%	11%	9%	21%	26%	6%	23%	26%	21%	38%	11%
Life sciences, healthtech & biotech	17%	46%	3%	10%	40%	7%	14%	11%	65%	21%	13%	34%	7%	9%
The Rest	27%	16%	12%	11%	6%	20%	44%	19%	16%	14%	5%	1%	10%	0%
Climate & energy	31%	10%	16%	7%	18%	45%	19%	12%	11%	40%	10%	5%	7%	5%
Consumer brands	4%	11%	29%	3%	8%	18%	1%	1%	0%	0%	1%	3%	8%	0%
Space & defence	1%	8%	5%	25%	17%	0%	1%	31%	2%	1%	8%	0%	21%	6%
AI models & data infrastructure	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	37%	36%	9%	68%

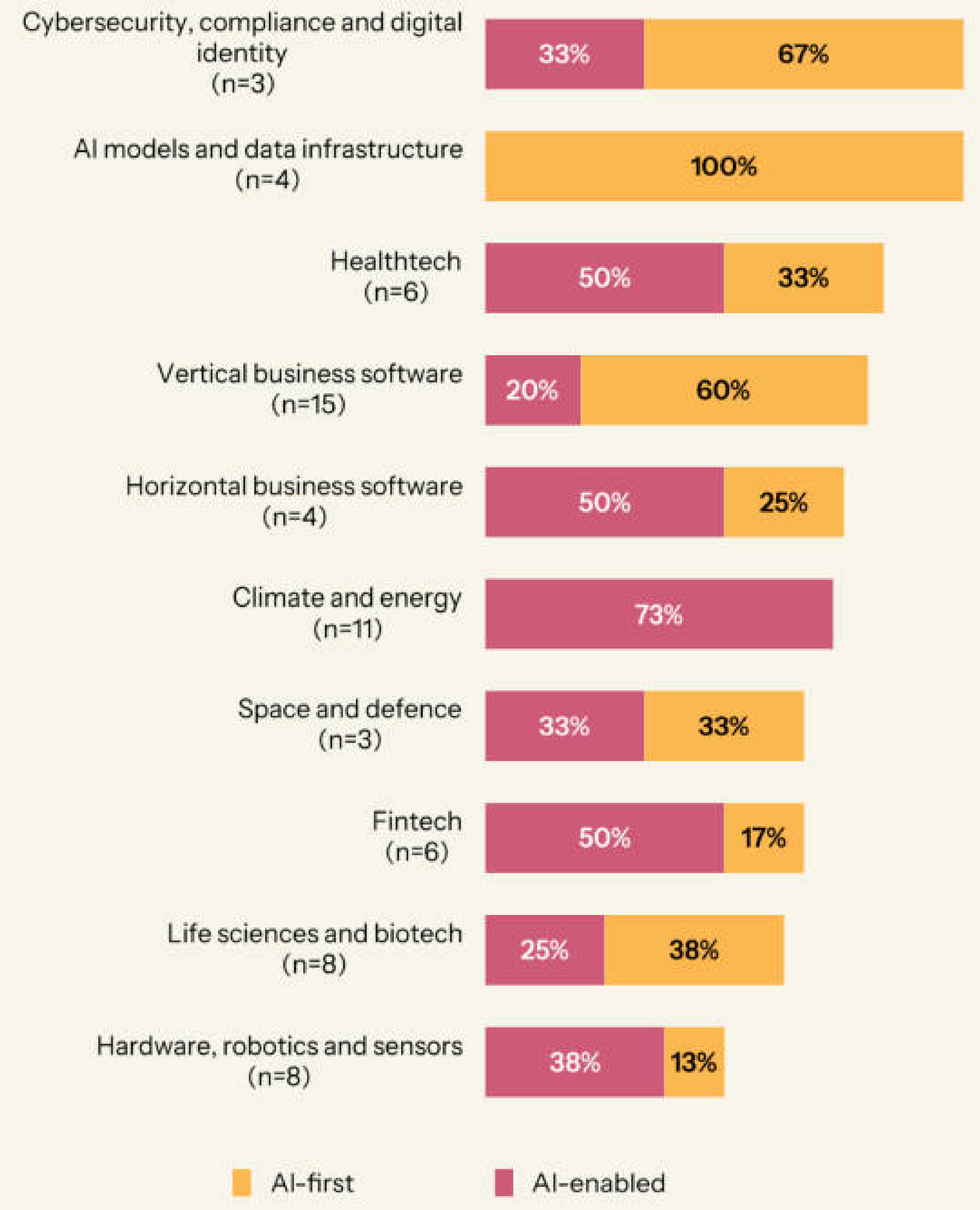
Share of 'Physical' deals

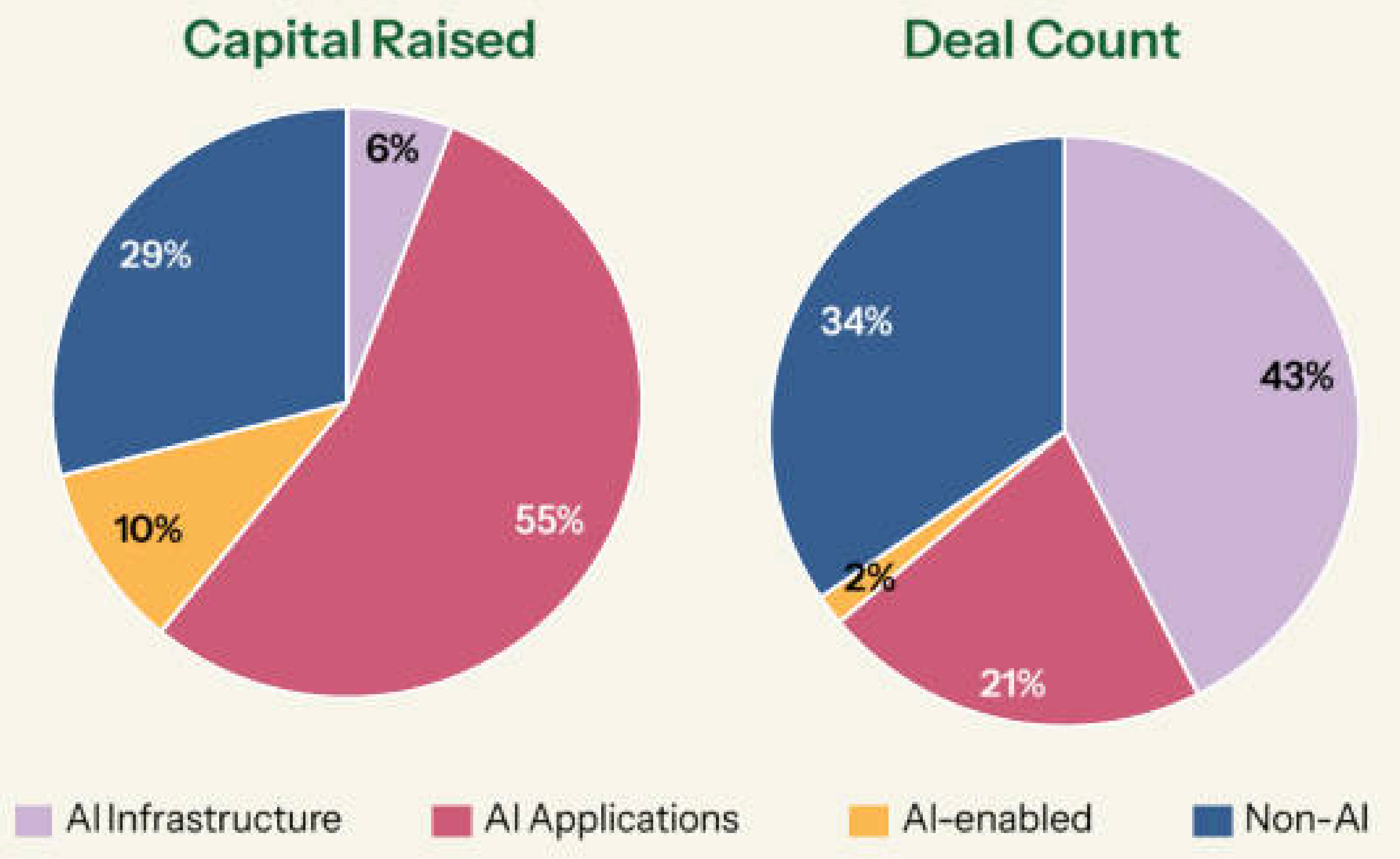
Segment	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26
Hardware, robotics & sensors	20%	22%	38%	23%	25%	20%	25%	23%	20%	21%	37%	28%	47%	23%
Life sciences, healthtech & biotech	26%	21%	17%	15%	25%	22%	15%	32%	33%	26%	25%	41%	19%	26%
The Rest	20%	29%	13%	27%	13%	18%	21%	19%	23%	15%	10%	9%	14%	9%
Climate & energy	17%	17%	13%	19%	18%	27%	28%	17%	15%	29%	15%	11%	12%	26%
Consumer brands	13%	9%	13%	10%	13%	10%	7%	6%	5%	3%	7%	6%	5%	0%
Space & defence	4%	2%	6%	4%	8%	0%	3%	4%	5%	3%	5%	0%	2%	9%
AI models & data infrastructure	0%	0%	0%	2%	0%	2%	0%	0%	0%	3%	2%	6%	2%	9%

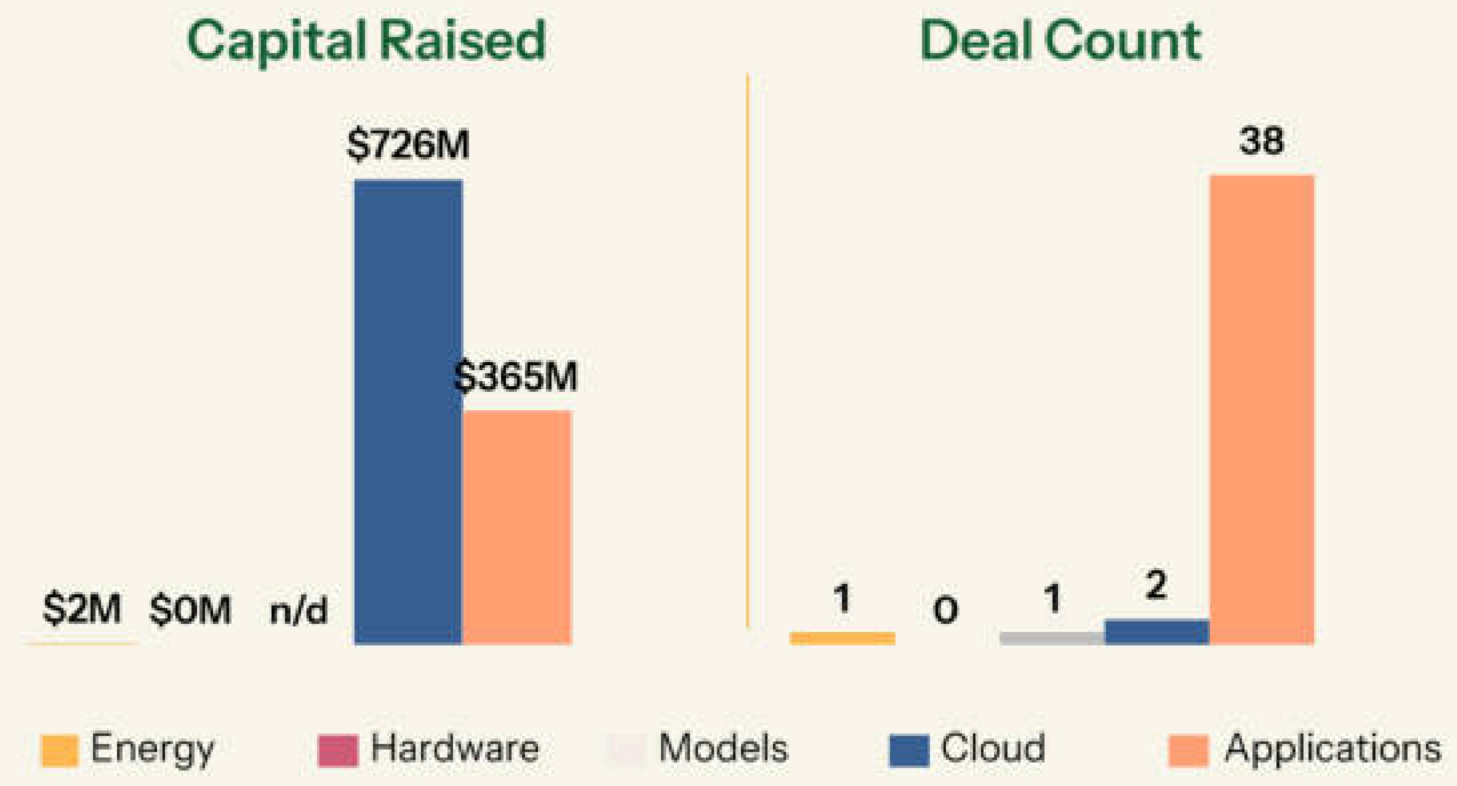
CUT THROUGH VENTURE

Few rounds now close without AI

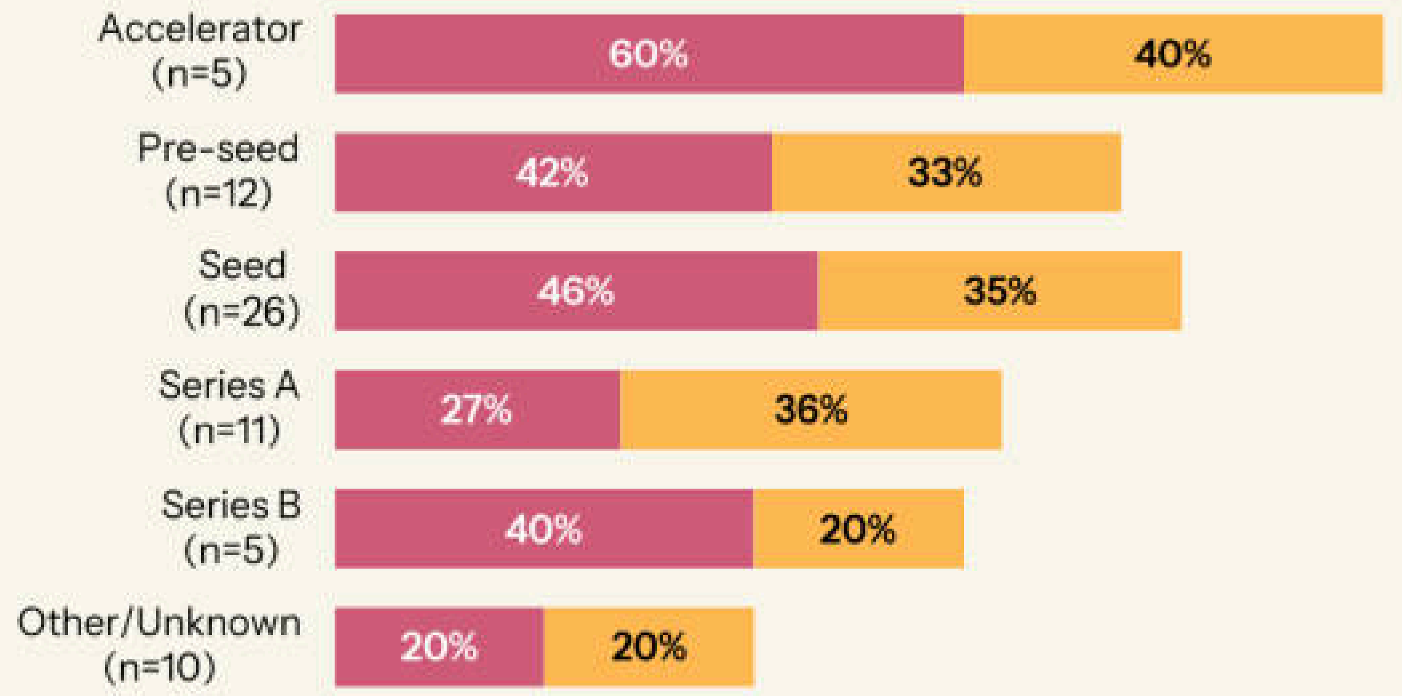
AI reached deeper into the market in Q2, now accounting for most deals and most capital and climbing on both measures from Q1. The gains were clearest at Seed and Series A, while Pre-Seed eased back a little. Application-layer companies generated the bulk of AI deal volume, while one giant cloud and infrastructure name, Firmus, captured most of the capital, a split that leaves stage-level shares sensitive to a single large round.



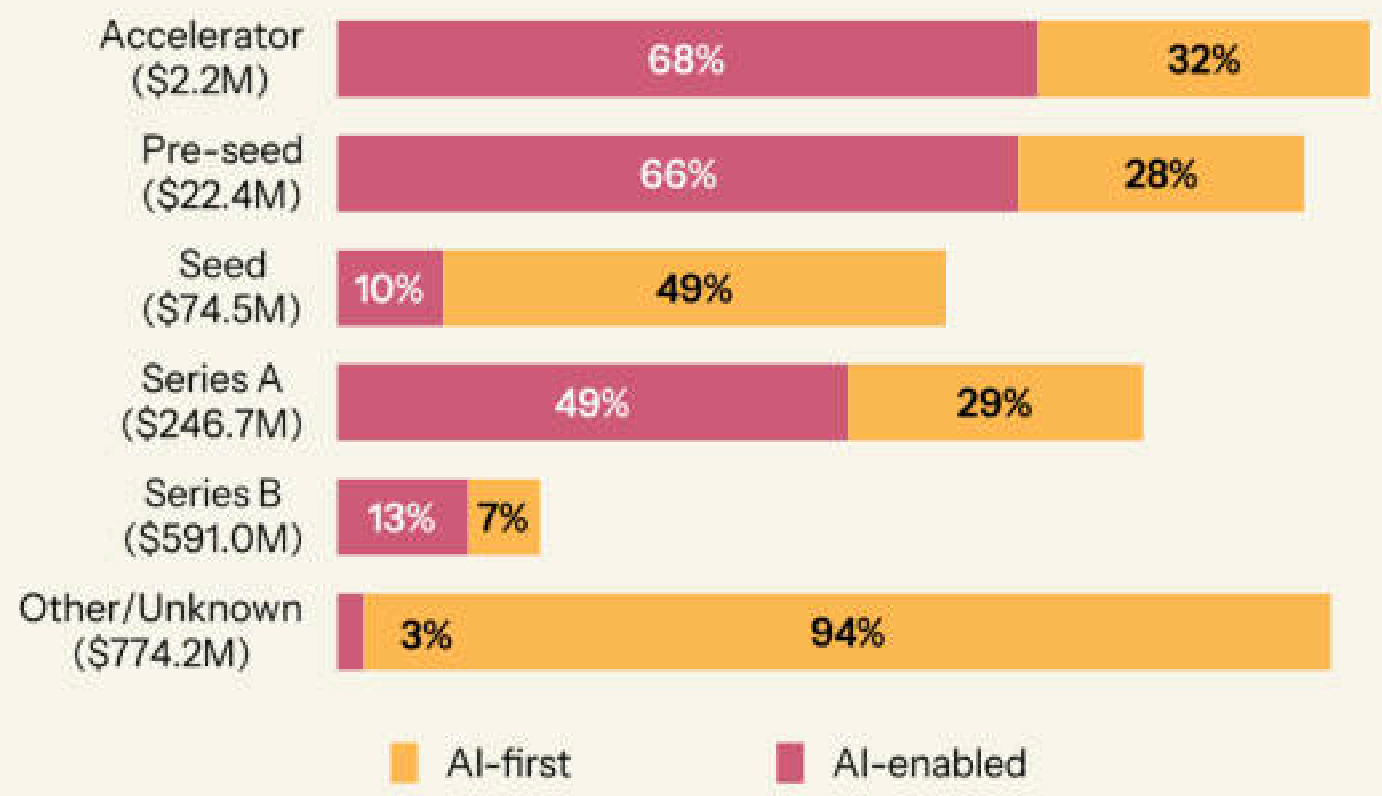




AI penetration by stage — Q2 2026



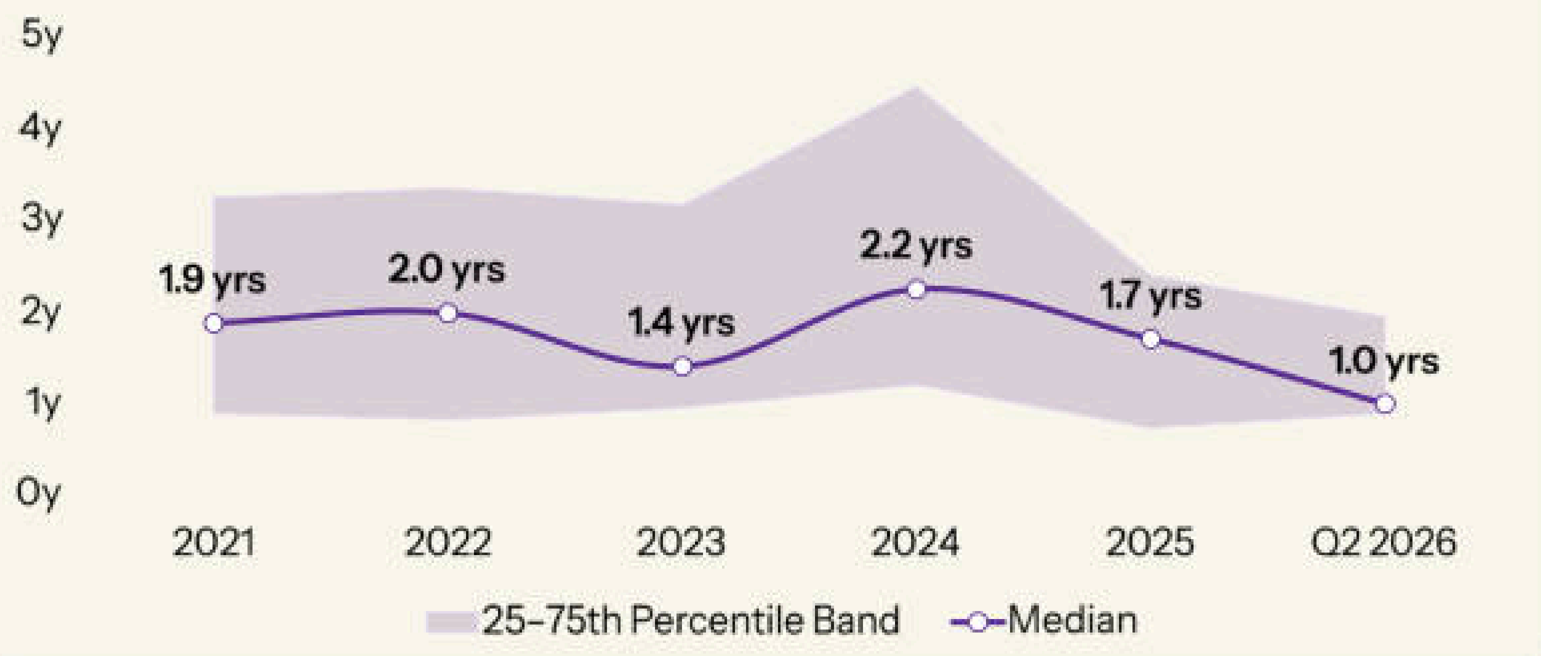
AI share of capital raised by stage — Q2 2026



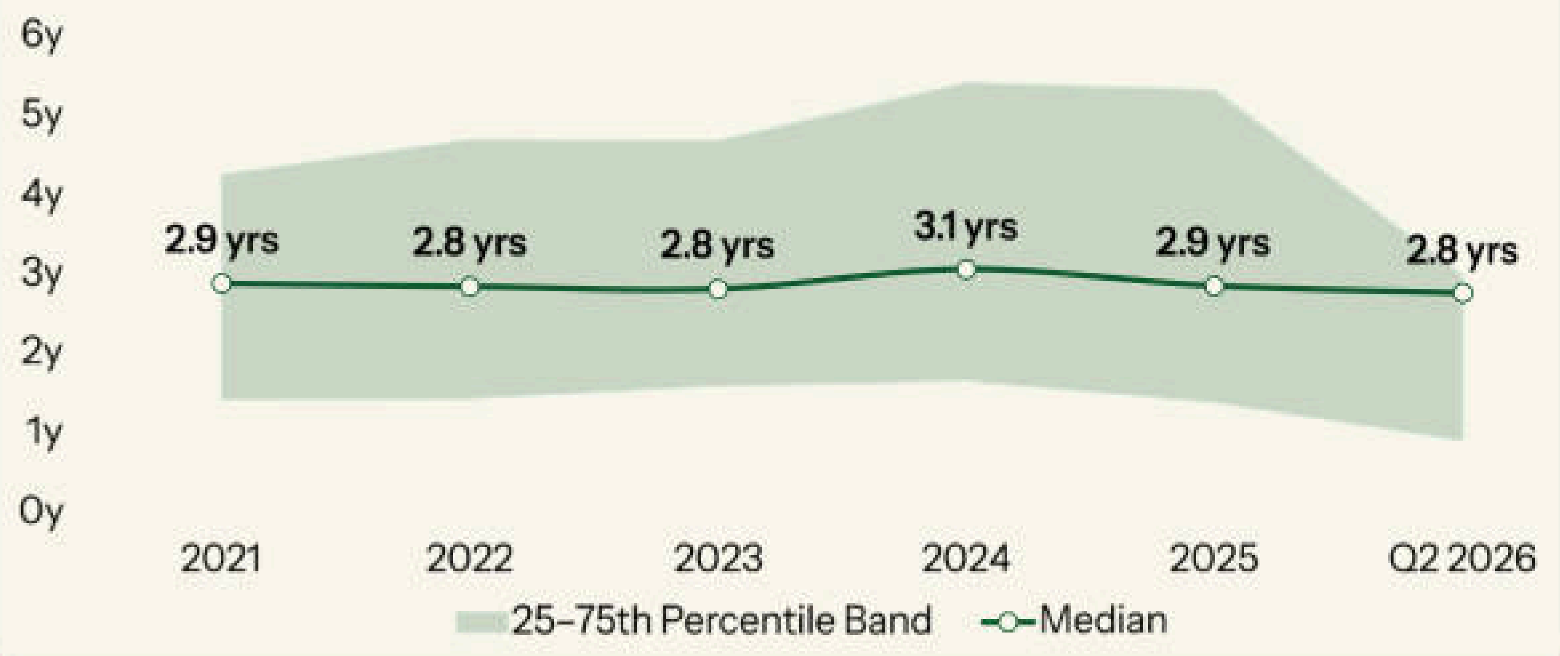
Founders raise earlier but graduate slower

The market is splitting at the two ends of the journey. Companies are raising their first cheques at a younger age than at any point shown, with the Pre-Seed median slipping again. Meanwhile, Series B companies are older than ever, now more than double their 2021 age. Stretched across the full path, the median trip from Pre-Seed to Series B has widened to about ten years, a long way from where it sat a few years ago and a sign of a tougher climb to growth capital.

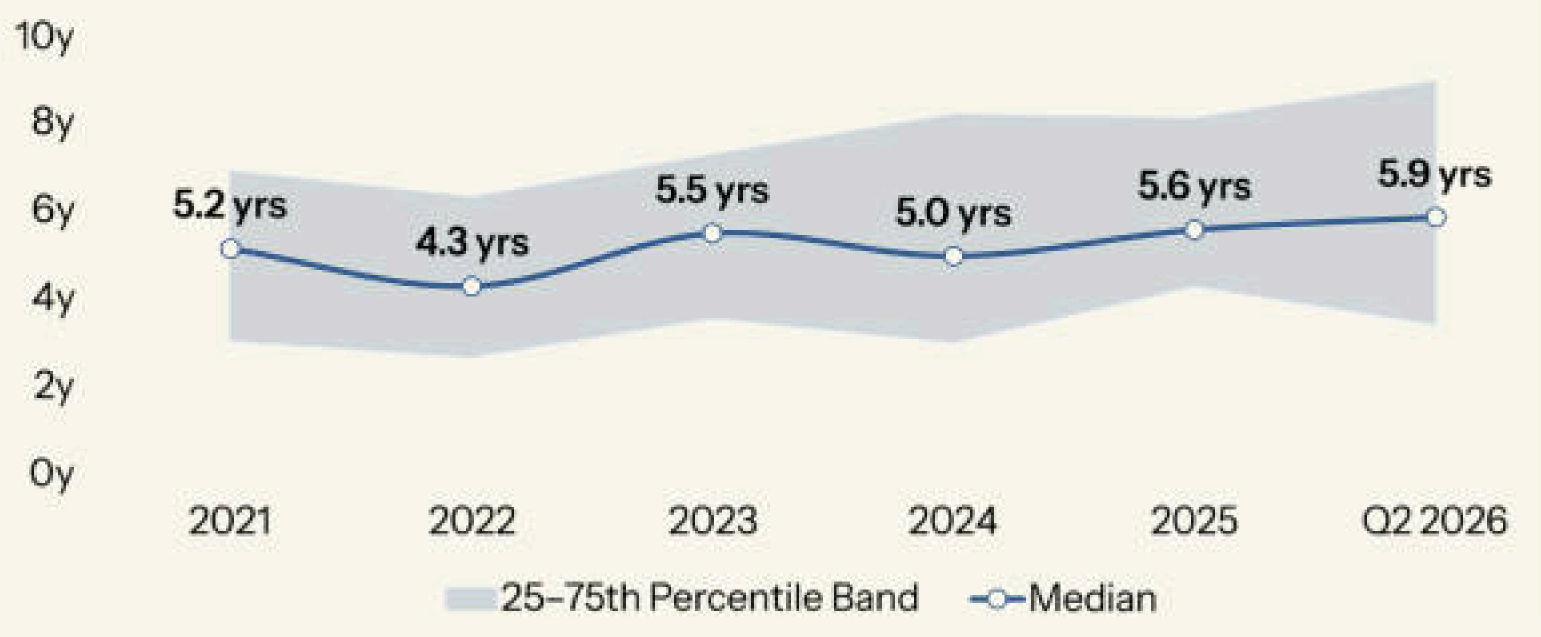
Age at Pre-Seed



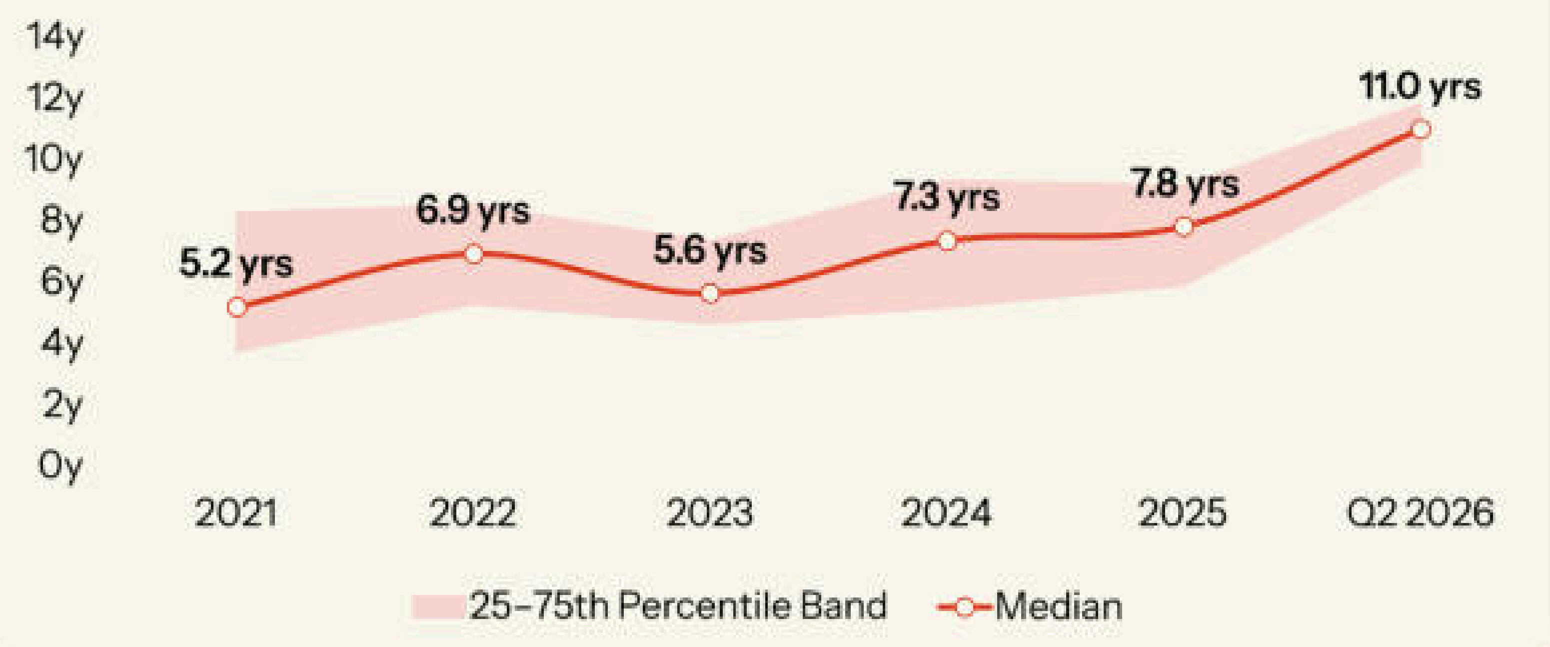
Age at Seed



Age at Series A



Age at Series B



Pre-seed startups raising in Q2 2026 are trending significantly younger than the long-term trend

Companies are raising earlier but graduating later — the journey from Pre-Seed to Series B appears to continue to get longer

Startups raising their Series B rounds are more than twice as old as they were in the 2021 market peak

“

We've never seen more volume at the earliest stages coming into the pipeline, despite not doing that many deals this year. There's been a huge increase in pre-seed companies raising a couple of million dollars to build the product and launch their initial go-to-market. That's quite a shift for the Australian ecosystem, where we'd typically expect businesses like these to bootstrap for longer. I'm not yet sure whether that's a positive or a negative.

We've made several investments in incredibly early-stage companies this year. They're strong teams of two or three people shipping products that are ready for market. The best teams are commanding high valuations before they've even gone live with customers.

– Investors, CTQ Investor Sentiment Survey – June 2026

Ecosystem insights cake.

No such thing as a standard equity offer

The typical equity grant to a new hire at an Australian seed-stage startup is about 0.2% of the company, and that number has barely moved in two years. The range around it is the real story: in Q1 2026, a quarter of grants came in under 0.07% of the company and a quarter came in above 0.55% — roughly eight times apart. There is no market rate for seed equity, only a market range, and where an offer sits inside it matters more than the headline number.

No such thing as a standard equity offer

Where equity grants to new seed-stage hires landed in 2024-26, as a share of the whole company

Median equity grant per new seed-stage hire, by quarter

Share of the company (fully diluted)

The takeaways

If you're receiving a job offer

Ask where the number sits and why. A grant near 0.2% is typical for a seed-stage hire. Under 0.07% sits in the smallest quarter of grants; over 0.55% in the biggest. Big gaps are legitimate: seniority, how early you join, and how much salary you're trading for equity all move the number. The right question for a founder is "why does my offer sit where it does?" A number without a reason is a red flag, not a small number.

If you're making a job offer

The range is your room to move and your risk. There's space to be genuinely generous with a critical early hire without breaking any norms. But candidates compare notes, and two offers eight times apart are hard to explain later. A simple internal framework, with levels, bands and a sentence on why, will build more trust than matching any published benchmark. Consistency is the thing this market conspicuously lacks.

The fine print

A percentage is not a value. These figures count every share and option the company has promised (fully diluted), so nobody is quietly shrinking the denominator. But a big slice of a small company can be worth less than a small slice of a big one. This chart shows where an offer sits against other offers. Whether the equity itself is worth having depends on the company, and no benchmark can answer that for you.

Disclosure: The data on this slide was provided to Cut Through Venture by Cake Equity in anonymised summary form. Cut Through Venture conducted the summary analysis, which has not been independently validated. Cake Equity did not provide any company-level data, and no private company information was shared with Cut Through Venture.

CUT THROUGH VENTURE

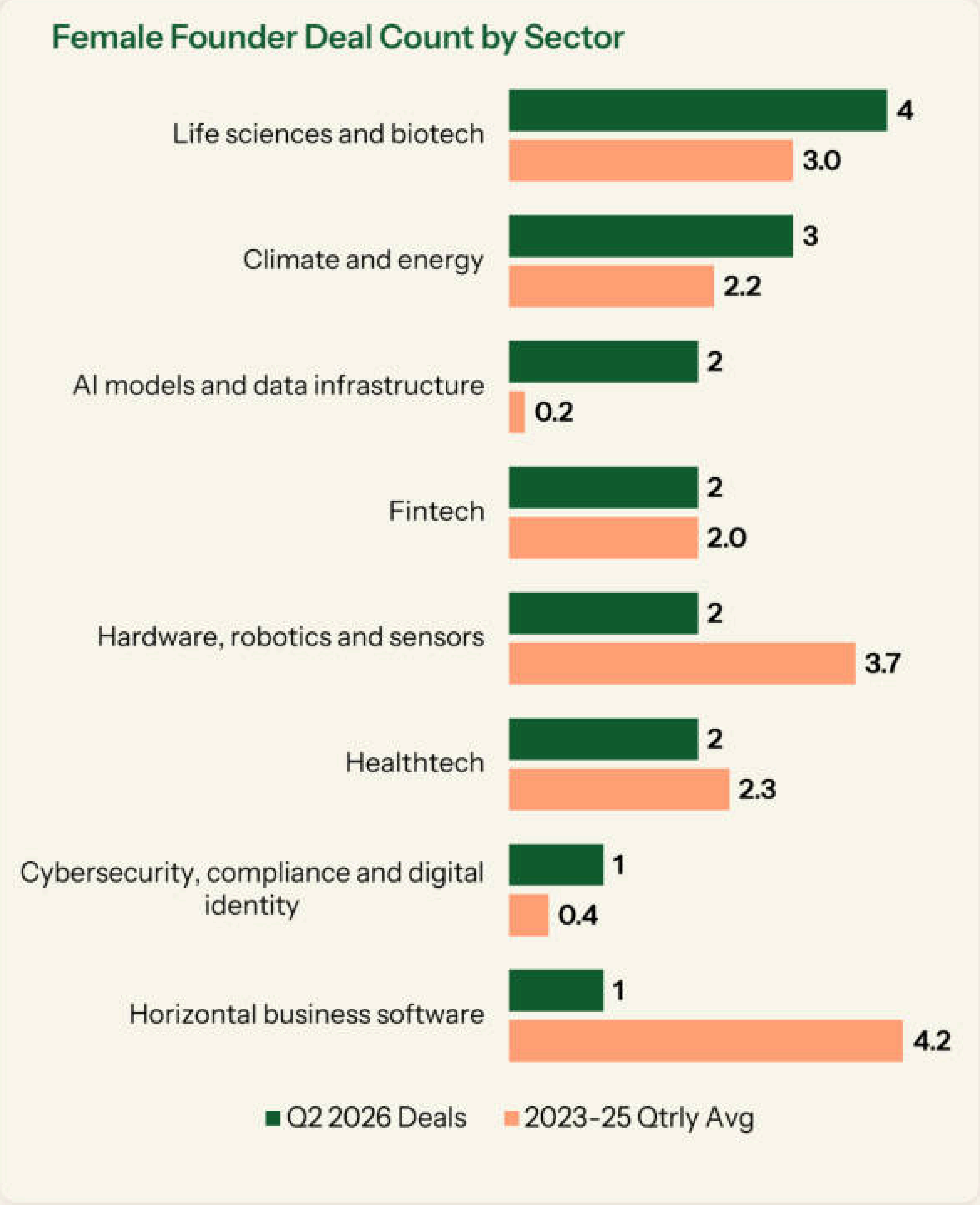
Female-founder activity rotates to the frontier

Female-only and mixed teams closed fewer deals in Q2, and the sector mix shifted underneath the total. Life sciences led on count with climate close behind, while vertical software fell away from its strong Q1 to nothing this quarter. Capital was far more concentrated than deals, with Airwallex's single round accounting for roughly 80% of all money raised by teams with a female founder this quarter.

	Pre-Seed	Seed	Series A	Series B+	Other	Total	Pre-Seed	Seed	Series A	Series B+	Other	Total
Life sciences and biotech	-	1	2	-	1	4	-	$2M	$7M	-	$2K	$8M
Climate and energy	-	3	-	-	-	3	-	$0M	-	-	-	$0M
AI models and data infrastructure	1	1	-	-	-	2	$1M	$4M	-	-	-	$5M
Fintech	-	1	-	1	-	2	-	$200K	-	$460M	-	$460M
Hardware, robotics and sensors	-	1	-	1	-	2	-	$2M	-	$70M	-	$72M
Healthtech	-	1	-	-	1	2	-	$4M	-	-	$2K	$4M
Cybersecurity, compliance and digital identity	-	1	-	-	-	1	-	-	-	-	-	-
Horizontal business software	1	-	-	-	-	1	$420K	-	-	-	-	$0M

Top sectors Q2 2026

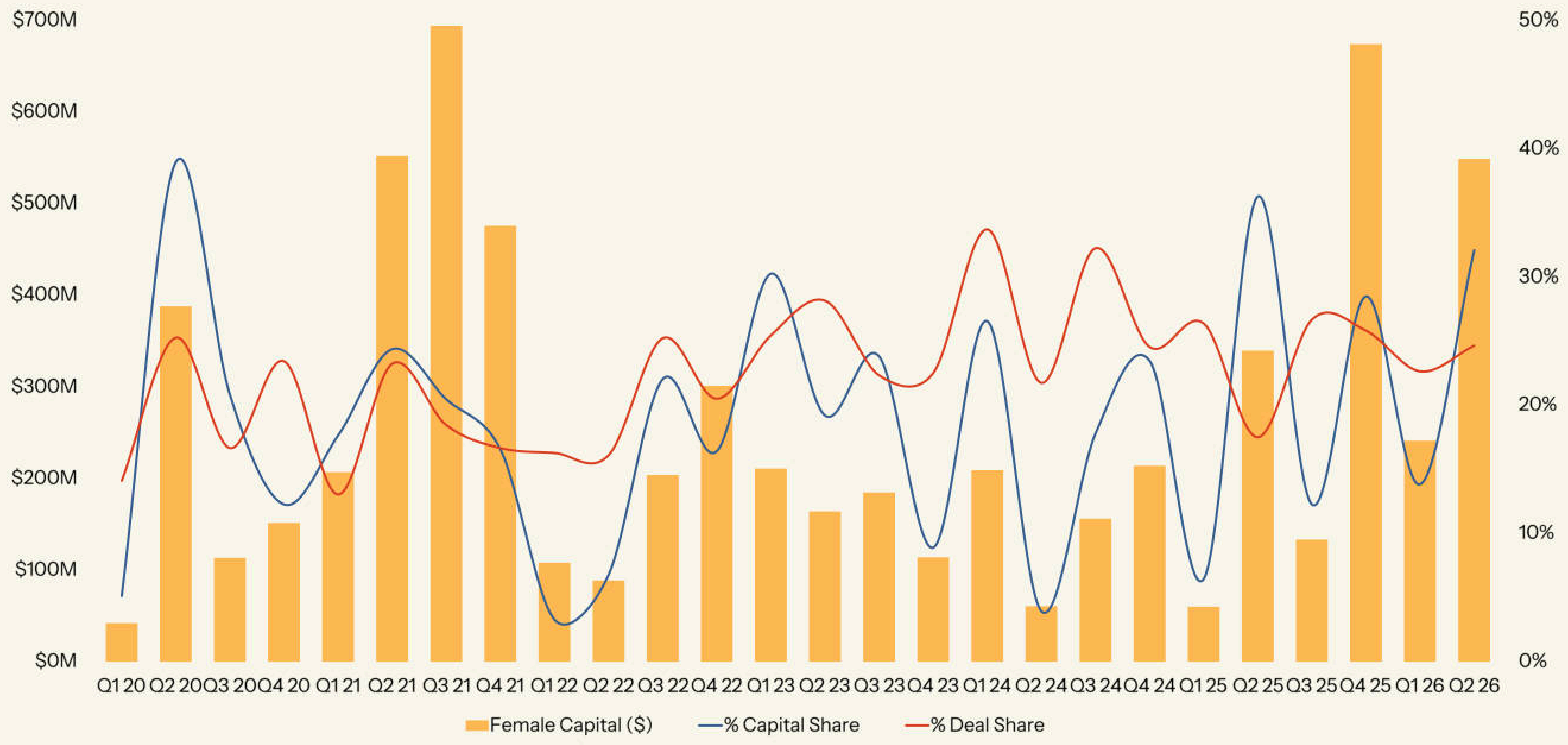
Sector	Capital	Deals	Share
Fintech	$460M	2 Deals	95% of total sector $
Hardware, robotics and sensors	$72M	2 Deals	61% of total sector $
Life sciences and biotech	$8M	4 Deals	26% of total sector $
AI models and data infrastructure	$5M	2 Deals	1% of total sector $
Healthtech	$4M	2 Deals	4% of total sector $



Female-founder capital jumps on two big rounds

Capital going to female-only and mixed teams rose sharply in Q2, lifting their share of the total to around a third. Deal share barely moved by comparison, sitting in the mid-twenties, so the money climbed far faster than participation did. The reason is concentration rather than breadth. All that said, two late-stage rounds, Airwallex and Liquid Instruments, made up almost the entire funding figure

Female Founder Capital Raised & Share of Deals/Capital



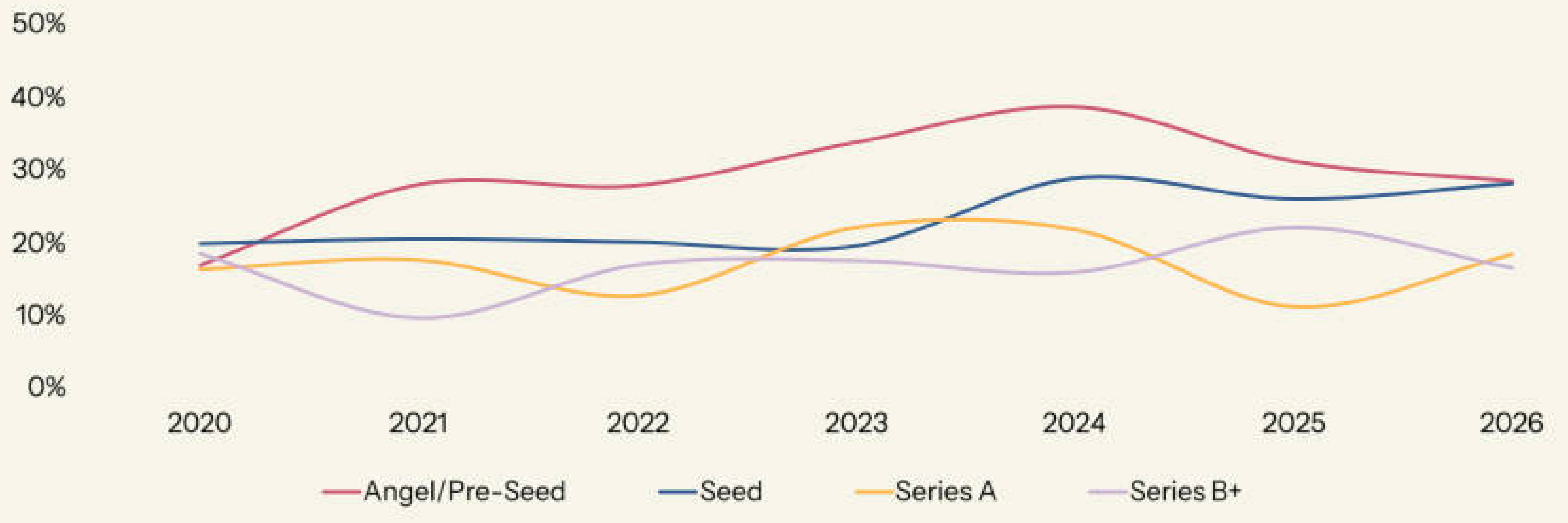
Five Largest Female Founder Raises

Airwallex	$460M	Series H
Liquid Instruments	$70M	Series C
Baymatob	$6.5M	Series A
Ovum	$4M	Seed
Aigentsphere	$4M	Seed

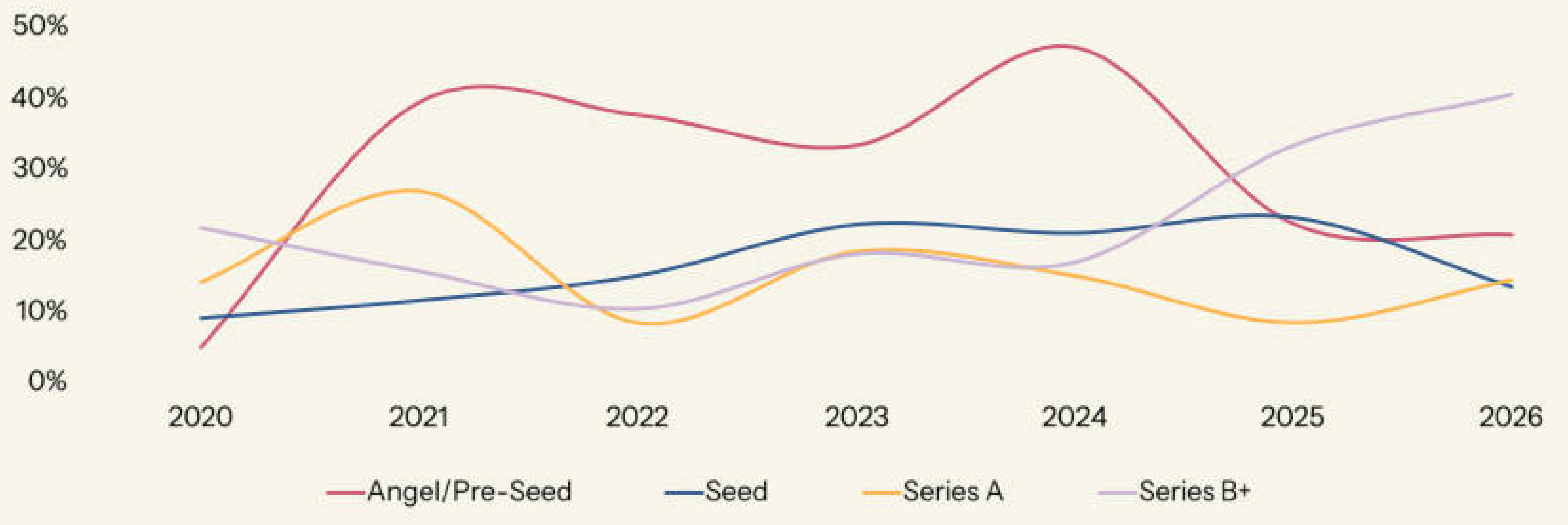
Representation shifts up the stages, unevenly

Gender participation grew lumpier across the stages in Q2. The female and mixed share of Angel and Pre-Seed deals dropped steeply, while Seed, Series A and Series B+ all rose. Capital was more skewed still, with mixed teams taking almost all Series B+ dollars on the back of Airwallex, against a thin share at the earliest stages. The median deal sizes underline how much a single transaction can distort the read, so the stage figures are best treated with caution.

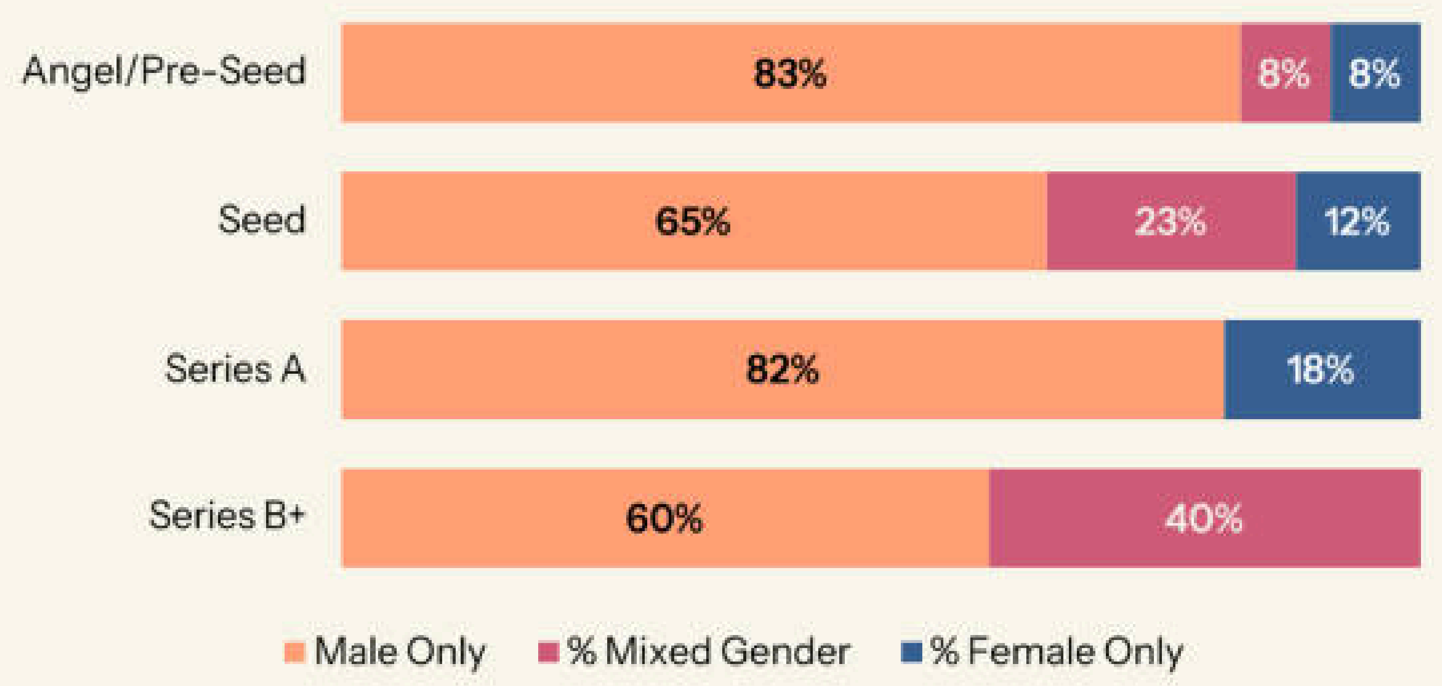
Share of Deals with at Least Mixed Gender + Female Only founding teams



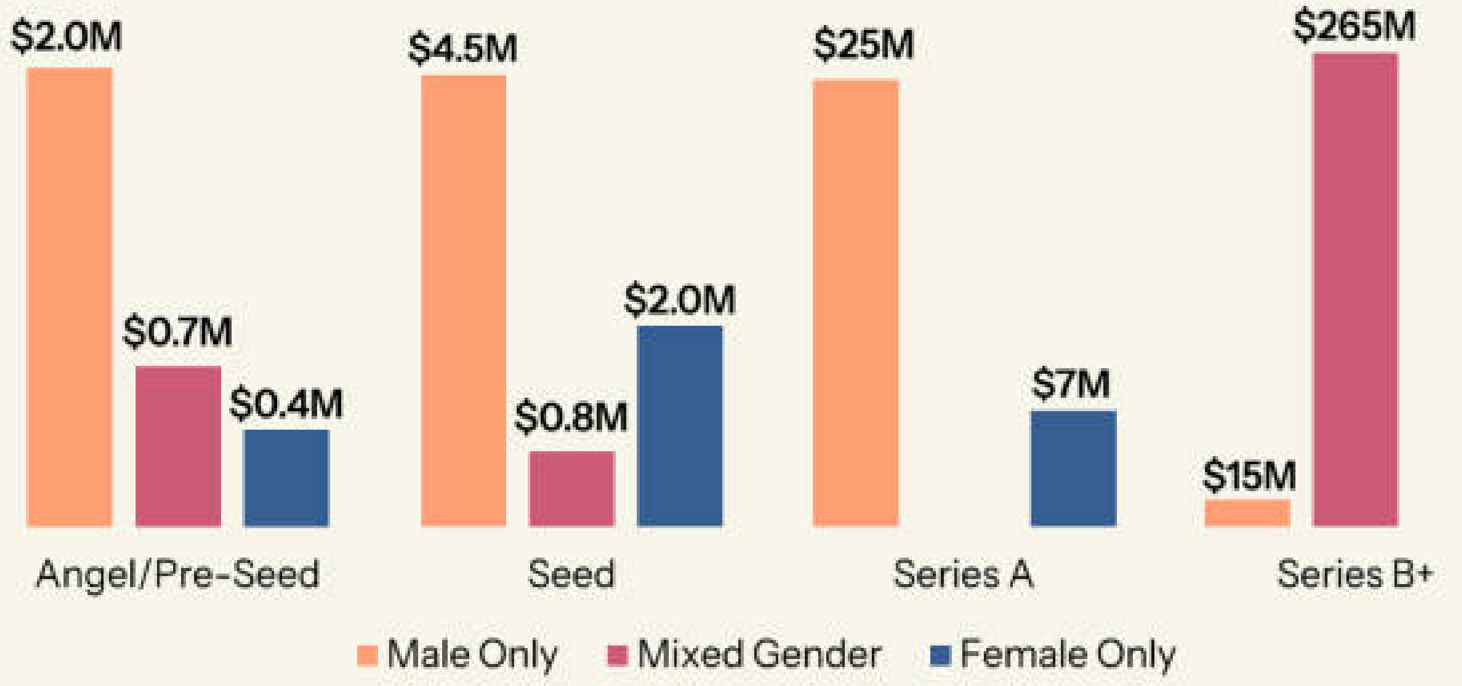
Share of Capital with at Least Mixed Gender + Female Only founding teams



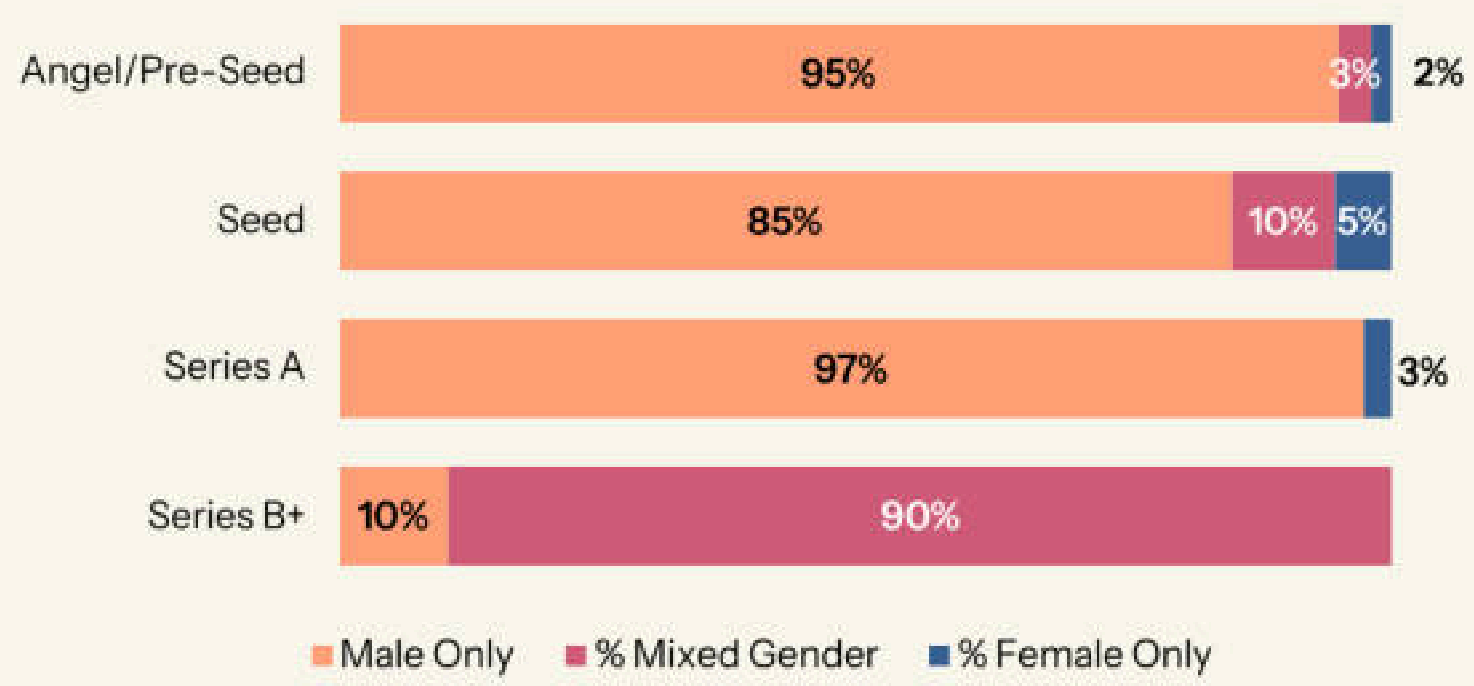
Deal Gender Split: Q2 2026



Median Deal Size by Gender: Q2 2026



Capital Gender Split: Q2 2026



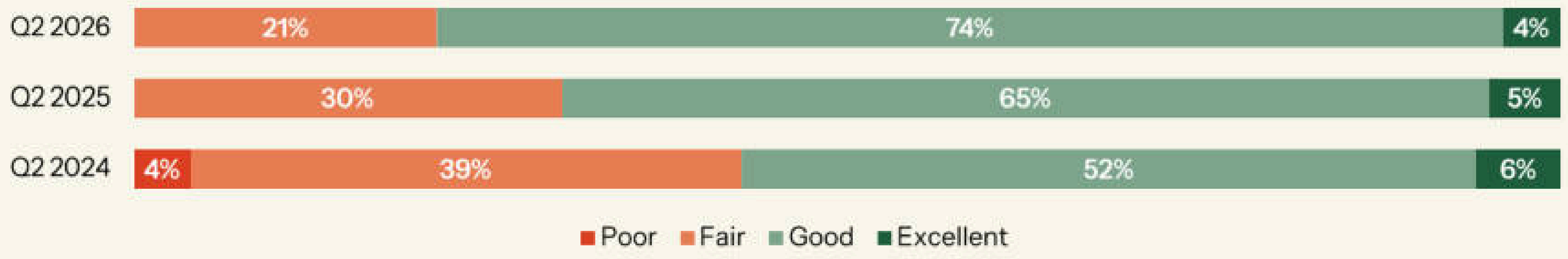
CUT THROUGH VENTURE

Portfolios steady and start to chase liquidity

Insights from Cut Through Quarterly Investor Sentiment Survey

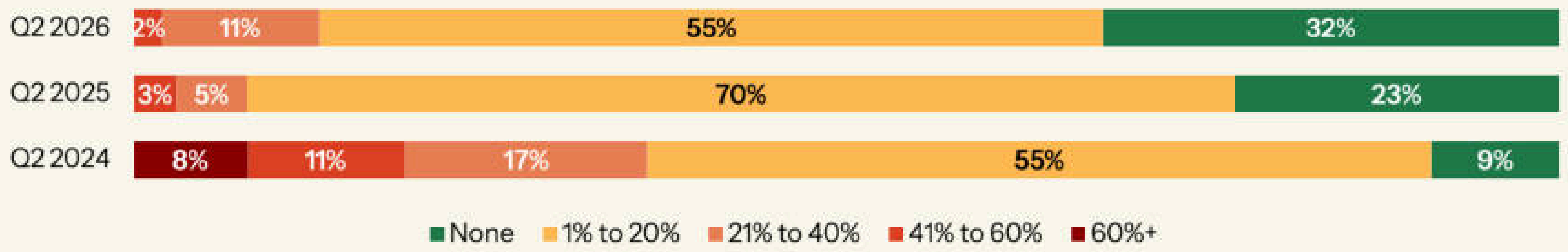
Most investors rated portfolio health as good or excellent, above both the 2025 and 2024 midpoints. More are recommending a normal raise and fewer a bridge, though a rising share still counsel weaker companies to hold off, so the recovery is not evenly felt. Operating pressure eased as fewer portfolios reported layoffs or shutdowns. Heavier use of venture debt and a jump in exit conversations point to funds actively working toward liquidity and alternative funding

Portfolio health



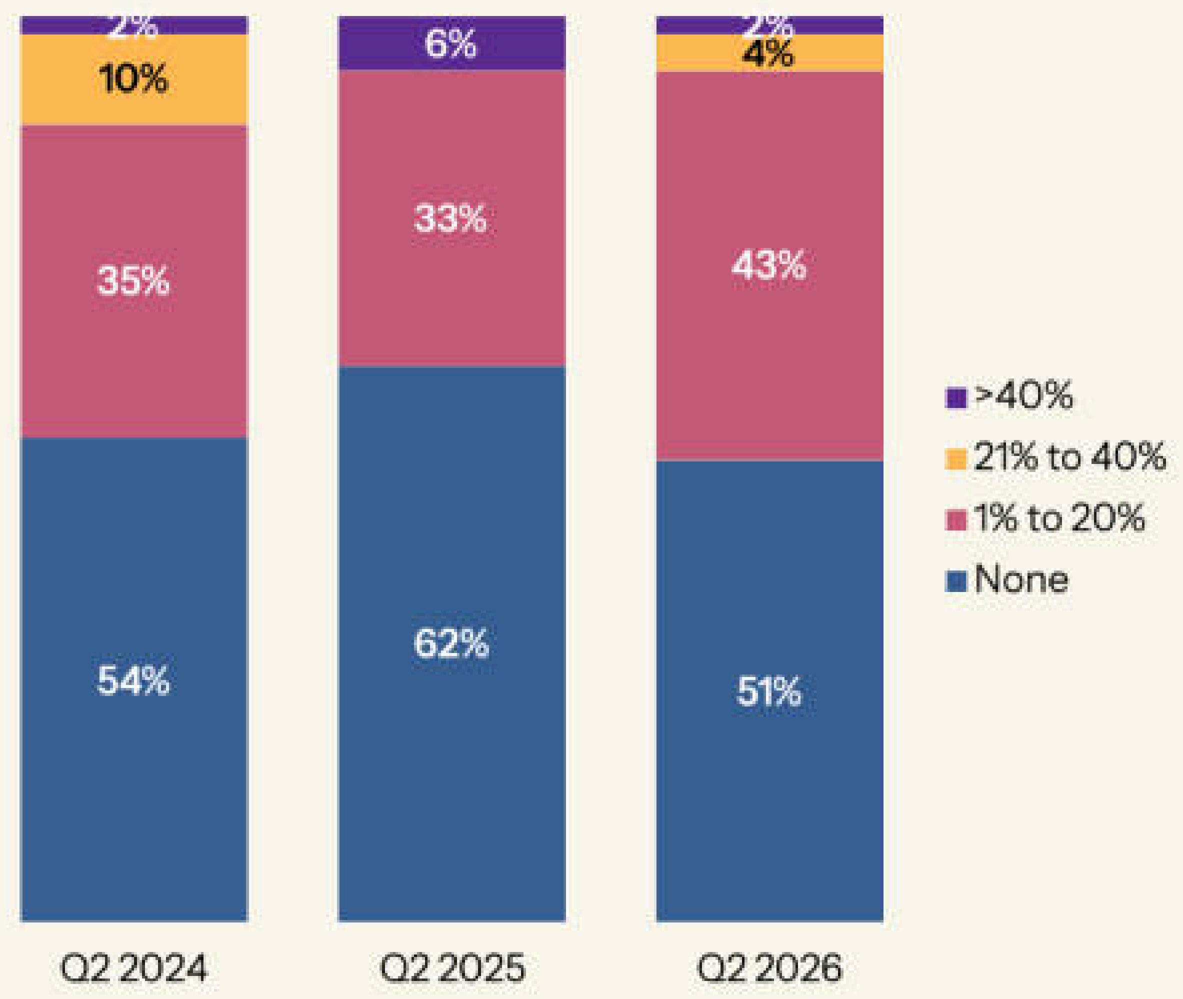
Given market conditions, what are you most commonly recommending to your portfolio?

Layoffs across the portfolio

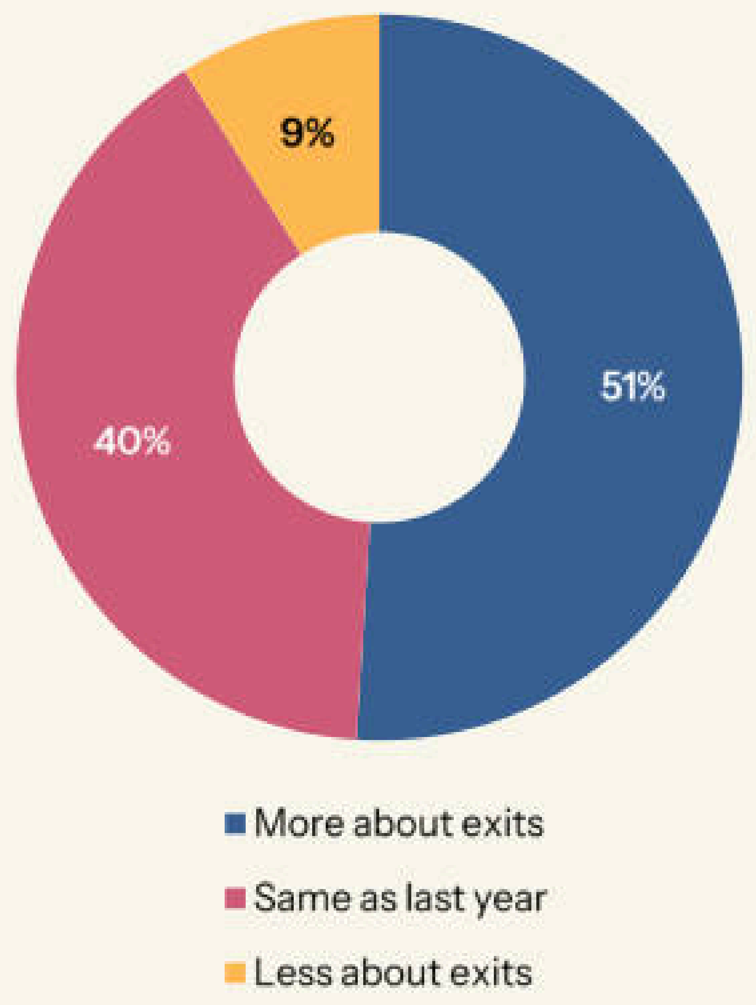


How many portfolio companies have shut down in the past quarter?

What proportion of your portfolio has raised venture debt?



Exit conversations vs last year



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Corrs has a cross-disciplinary team which has a deep understanding of the needs of startups and high growth companies. We act for both startups and a range of investors, including local and international venture capital funds, strategic investors and universities. We have experience advising from seed rounds through to larger raises and exits.

Corrs has also developed CorrsEdge, a cutting-edge online platform which gives start-ups the legal support they need at the early stage of their growth cycle. The platform offers access to over 30 intelligent legal documents with dynamic automation capabilities, which enables users to generate bespoke documents and tailor them for their business. The Corrs Edge platform saves time and money, allowing startups to ensure that they have high-quality legal documents without the typical costs of using a top-tier law firm.

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https://www.ey.com/en_au/services/tax/australian-government-incentives

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Partner with Cut Through

If you would like to work with Cut Through Venture on custom data or reporting projects, please contact team@cutthroughventure.com

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 founders of the startup and background information on the startup. Large language models from model providers including OpenAI are utilised to support data cleansing and validation.

Survey Data

Survey data was collected from venture capital firms, angel syndicate leads, and family offices. 135 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

This report was prepared based upon data and other information, from sources believed to be reliable, but Cut Through Venture does not warrant its completeness or accuracy. Any opinions and estimates constitute the judgment of the contributors as of the date of this material and are subject to change without notice. This report does not provide any financial product or investment advice, does not consider the investment objectives, financial situation or needs of any person and is not intended as an offer or solicitation for the purchase or sale of any financial instrument.

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.