GCN PRIVATE MARKETS RESEARCH

State of Venture Capital 2026

Global funding trends, sector themes, and the outlook for founders and investors navigating the 2026 venture landscape.

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Executive Summary

Venture capital activity in 2026 reflects a market that has stabilized after several years of repricing, with disciplined deployment concentrated around durable business models and infrastructure for the AI buildout. Investors report a renewed willingness to lead early-stage rounds, while later-stage capital remains selective and increasingly structured around clear paths to profitability. GCN's network of investors and operating partners points to steady, if unspectacular, growth in deal volume alongside a meaningful rebound in average round sizes at the growth stage.

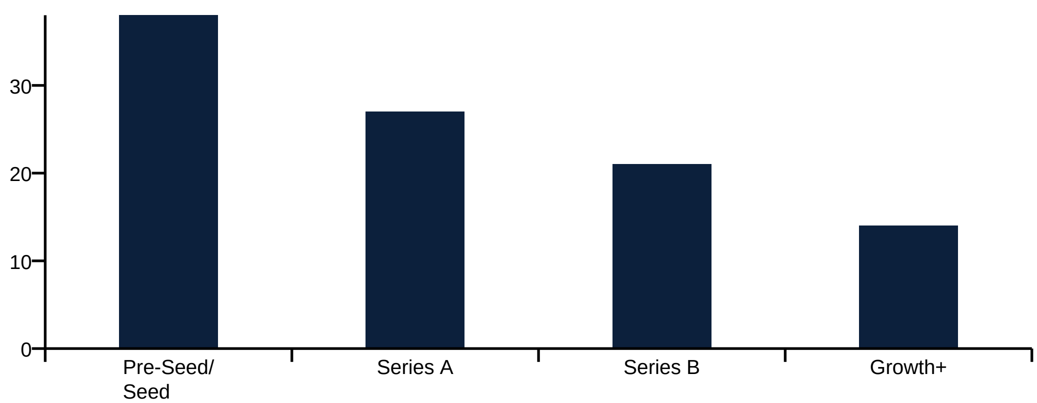
62%
of surveyed investors plan to increase deployment pace in 2026

2.4x
illustrative growth-stage round size vs. 2023 trough

41%
of new capital directed toward AI-related sectors

Global Funding Trends by Stage

Early-stage investing continues to anchor overall activity, while growth-stage financing has recovered off its 2023 lows as later investors re-engage with businesses that have demonstrated efficient growth. The chart below reflects GCN's illustrative view of relative capital distribution by stage across its investor network for the trailing twelve months.



Reading the trend

- Seed-stage activity remains the largest share of deal count, driven by a steady base of first-time founders and repeat entrepreneurs re-entering the market.
- Series A has become the most competitive stage for investors, with faster round closes for companies that show early efficiency signals.
- Growth-stage capital is more concentrated among fewer, larger checks as investors prioritize category leaders over broad exposure.

Sector Spotlight

Three themes stand out across GCN's deal flow and investor conversations this year: the continued build-out of AI infrastructure, a resurgence of interest in climate and energy transition businesses with tangible unit economics, and steady, less headline-driven progress in healthcare and biotech tools.

AI Infrastructure & Applications

Capital continues to flow toward the picks-and-shovels layer of AI — compute, data infrastructure, and developer tooling — alongside a growing wave of vertical applications purpose-built for specific industries such as legal, healthcare operations, and financial services.

Climate & Energy Transition

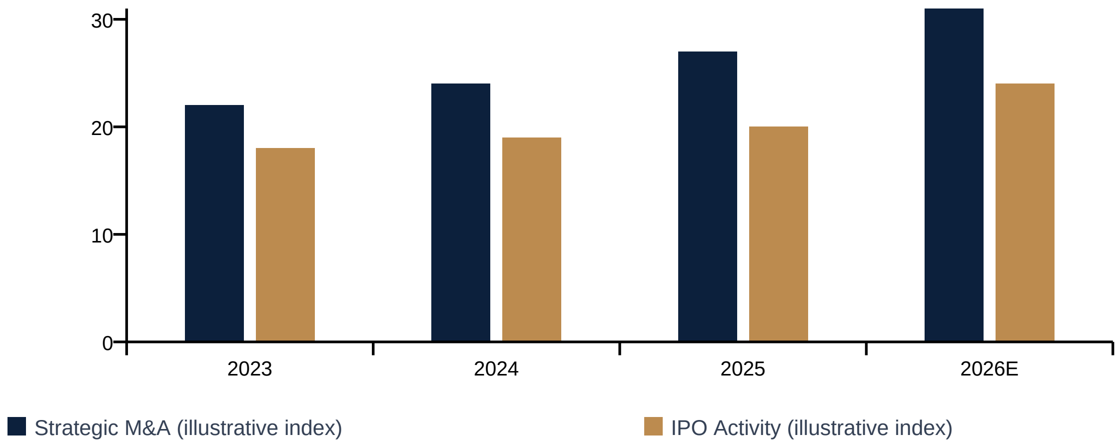
Investors are favoring businesses with near-term commercial traction — grid infrastructure, industrial efficiency, and materials innovation — over pre-revenue moonshot technology bets.

Healthcare & Biotech Tools

Software and services that make existing healthcare and life-sciences workflows more efficient are attracting steady interest, even as therapeutics financing remains more selective and milestone-driven.

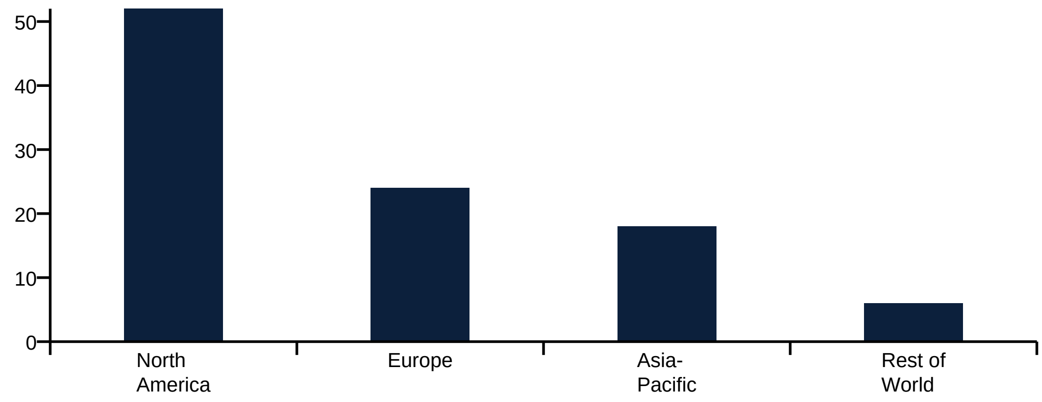
Valuations & Exit Environment

Entry valuations across most stages have stabilized within a narrower band than the extremes of 2021–22, giving both founders and investors more predictable footing for negotiations. The exit environment remains the primary constraint on the broader venture cycle: strategic M&A has picked up moderately, while the IPO window remains selectively open for category leaders with strong growth and margin profiles.



Regional Capital Flows

North America continues to command the largest share of venture capital deployed across GCN's network, though international allocations — particularly across Europe and the Asia-Pacific region — have grown as investors seek diversified exposure and access to emerging hubs.



GCN Outlook

- Expect early-stage deal velocity to remain healthy, with investors continuing to favor capital-efficient teams over rapid, unprofitable scaling.
- Growth-stage financing should continue its gradual recovery as more companies clear the bar for durable, profitable growth.
- AI infrastructure and applied AI will likely remain the dominant sector theme through the remainder of 2026, with increasing investor scrutiny on differentiation and defensibility.
- A modestly more active M&A and IPO market should help unlock liquidity and free up capital for redeployment into new opportunities.

About Global Capital Network

Global Capital Network (GCN) connects investors and founders through a curated deal-flow platform, investor relations advisory services, and a global calendar of private investor events. GCN's research is compiled from network activity, investor surveys, and publicly available industry commentary to help our community make more informed capital allocation decisions.