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MARKET INTELLIGENCE / H1 2026

TECHNOLOGY CAPITAL MARKETS REVIEW

Record capital, unprecedented concentration:
what the $510B half-year means for companies raising $1M-$100M.

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About this review. The Technology Capital Markets Review is published by Malahide Partners, a capital advisory firm advising technology companies on equity and debt raises between $1M and $100M. It synthesises public market data from Crunchbase, Carta, PitchBook and Runway Growth Capital with the firm's view of transaction conditions. It is intended for founders, boards and investors, and does not constitute investment advice.

01 / EXECUTIVE SUMMARY

A RECORD HALF-YEAR THAT MOST COMPANIES DID NOT FEEL

Global startup investment reached $510 billion in the first six months of 2026 - more than was invested in all of 2025, and the largest half-year on record. Beneath the headline, the market has split in two.

$510B
GLOBAL VENTURE FUNDING, H1 2026 - A HALF-YEAR RECORD

70%+
SHARE OF Q2 CAPITAL ABSORBED BY AI-FOCUSED COMPANIES

$65B
LARGEST SINGLE ROUND OF Q2 (ANTHROPIC) - ROUGHLY A THIRD OF THE QUARTER

$24B
EUROPEAN VENTURE FUNDING IN Q2 - STRONGEST QUARTER IN FOUR YEARS

$68.8B
US VENTURE DEBT IN 2025 - AN ALL-TIME RECORD

53%
OF Q2 CAPITAL THAT WENT TO JUST 16 BILLION-DOLLAR ROUNDS

Two forces defined the half. First, frontier AI absorbed capital at a scale venture markets have never seen: OpenAI and Anthropic alone accounted for $217 billion, some 43% of all H1 funding. Second, and less noticed, conditions for everyone else quietly improved - late-stage funding outside the mega-rounds recovered, Europe posted its best quarter since 2022, exits returned, and non-dilutive capital hit records.

For technology companies raising $1M-$100M, the practical reading is neither euphoria nor alarm. Capital is available and valuations at seed through Series B have firmed, but investors are concentrating decisions: fewer cheques, larger sizes, faster processes for companies that fit a thesis, slower for everyone else. The premium on preparation - clean data, a credible growth story, a properly run process - has rarely been higher.

Sources: Crunchbase (Jul 2026); Carta State of Private Markets; Runway Growth Capital / PitchBook Venture Debt Review 2025-26.

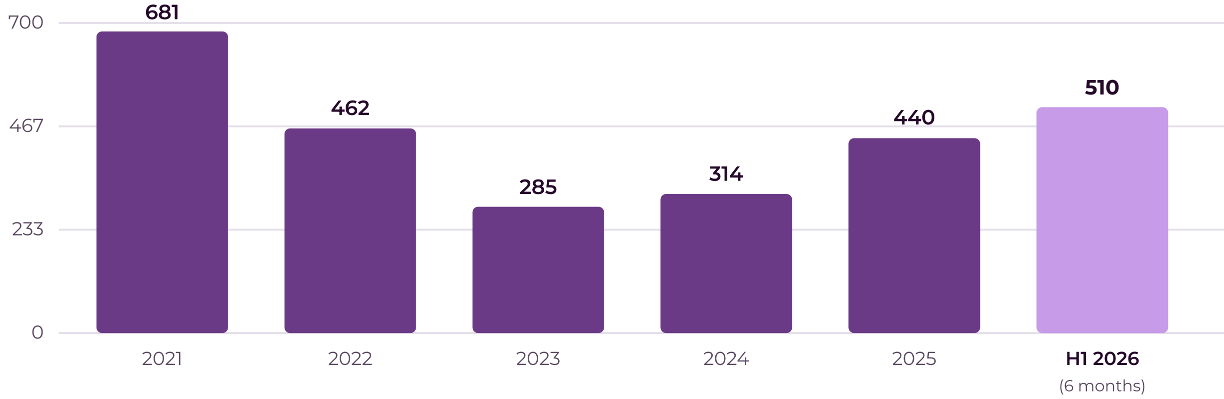
02 / GLOBAL CAPITAL FLOWS

SIX MONTHS THAT OUTRAISED FULL YEARS

H1 2026's $510 billion did not just set a half-year record - it exceeded every full calendar year since 2021's peak. Q1 alone delivered $305 billion, inflated by OpenAI's landmark financing; Q2 added $205 billion across more than 5,000 companies, the second-largest quarter ever recorded.

GLOBAL VENTURE FUNDING, $B

Calendar years 2021-2025; H1 2026 is six months only (highlighted)



Source: Crunchbase data, July 2026. 2021-2025 are full calendar years.

Geographically the market re-concentrated in the United States, which took 67% of global Q2 capital. Asia's funding hit a multiyear peak on Chinese AI investment, and Europe outgrew both in percentage terms from a smaller base.

The Malahide view. Headline records are being manufactured by a handful of transactions. Strip out the largest 16 rounds and Q2 resembles a healthy-but-normal market of roughly $96 billion - which is, in fact, the market most companies are raising in.

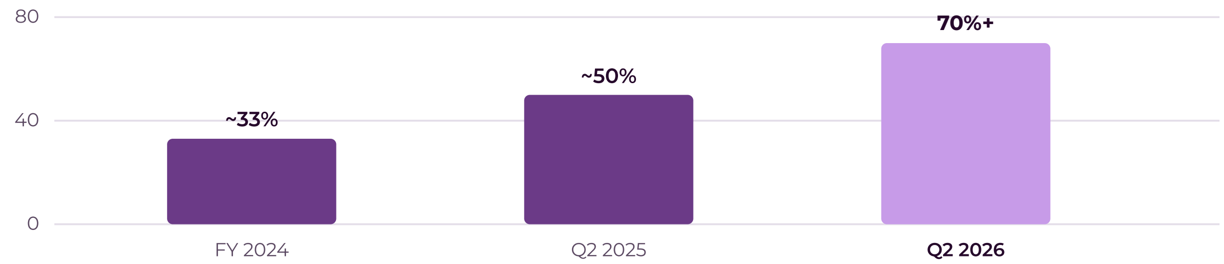
03 / THE CONCENTRATION PROBLEM

TWO MARKETS, ONE HEADLINE

AI-focused companies captured more than 70% of global venture capital in Q2 2026, up from roughly half a year earlier. Sixteen billion-dollar rounds absorbed $108.6 billion - 53% of the entire quarter. A single financing, Anthropic's $65 billion round, represented close to one third of global Q2 investment.

AI SHARE OF GLOBAL VENTURE FUNDING, %

Share of total capital invested in AI-focused companies



Source: Crunchbase data, July 2026.

WHAT CONCENTRATION DOES

- LPs' capital is recycled into fewer, larger GPs with AI mandates, thinning the mid-market cheque-writer pool.
- Non-AI companies compete for a smaller effective pool than headlines suggest - and investors know it, sharpening diligence.
- Valuation data blends two regimes: an AI premium market and a disciplined market for everyone else. Averages mislead; medians by cohort matter.

WHAT IT DOES NOT DO

- It does not close the market. Q2 still funded 5,000+ companies, and ex-mega-round capital is at its healthiest since 2022.
- It does not suppress non-AI valuations at seed-Series B, which firmed through H1.
- It does not change what clears: growth efficiency, retention, and a defensible position still price a round.

The Malahide view. Founders should position against the correct comparable set. An applied-AI product company is not priced like a frontier lab, and pretending otherwise extends processes and burns investor goodwill. The winning posture in this market is specific: name the cohort you belong to, and lead with the metrics that cohort is priced on.

04 / ROUND DYNAMICS: $1M-$100M

THE BAND WHERE COMPANIES ACTUALLY RAISE

Away from the mega-rounds, pricing at seed through Series B reset upward through late 2025 and into 2026. Median post-money valuations on US primary rounds reached records at both seed and Series A - with the customary caveat that AI-influenced rounds pull the medians up.

MEDIAN POST-MONEY VALUATION BY STAGE, US PRIMARY ROUNDS, $M

Latest reported medians; Series B shown at midpoint of $130-150M reported range

Source: Carta State of Private Markets; ordered stage ramp, light to dark. Series A median up 37% year over year.

STAGE	MEDIAN ROUND	TYPICAL DILUTION	MARKET NOTE
Seed	$3.2M	20-25%	$24M median post is AI-skewed; non-AI seed clears nearer $12-15M post
Series A	$10-20M	18-22%	Bar has risen: investors underwrite efficiency, not just growth
Series B	$35M	15-18%	Deepest scrutiny in the band; debt frequently paired to extend runway
Growth ($50-100M)	Structured	Deal-specific	Terms over price: participation, ratchets and secondary components returning

The Malahide view. The band is open but unforgiving of weak processes. Rounds that clear fast share three traits: a tight investor list matched to thesis, dataroom-ready metrics on day one, and a credible alternative (debt, strategics, or insiders) that keeps competitive tension real.

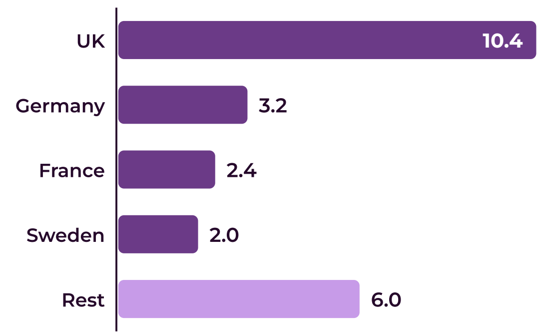
05 / EUROPE

THE STRONGEST QUARTER IN FOUR YEARS

European startups raised $24 billion in Q2 2026 - up roughly 67% year over year and the region's best quarter since 2022. H1 reached $42 billion, 50% ahead of last year. The UK dominated with $10.4 billion, and four European companies closed billion-dollar rounds, including Isomorphic Labs and green-steel producer Stegra.

Q2 2026 FUNDING BY COUNTRY, $B

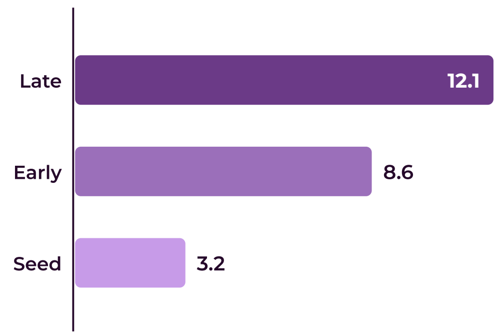
Top four markets; remainder aggregated



Source: Crunchbase, July 2026. "Rest" is the residual of the $24B total.

Q2 2026 FUNDING BY STAGE, $B

Late stage grew 90% year over year



Source: Crunchbase, July 2026. Ordered stage ramp, dark to light.

The Malahide view. Europe's recovery is broad-based rather than AI-only: over $10 billion of Q2 went to AI, but industrial technology, climate and robotics all printed large rounds. For European companies in the $1M-$100M band, two practical shifts follow - US growth investors are back underwriting European late-stage rounds at scale, and the bar for early-stage capital is the same efficiency screen applied in the US. The 154 European venture-backed acquisitions in Q2 also mean credible exit paths are again part of the investment case.

06 / VENTURE DEBT & NON-DILUTIVE CAPITAL

THE QUIET RECORD

While equity headlines went to AI, US venture debt set an all-time record of $68.8 billion in 2025, and 2026 activity has continued at pace. Debt is no longer a distress instrument or a bridge of last resort - it has become a standard component of technology capital structures, deployed by companies with strong fundamentals to extend runway and defer dilution.

$68.8B

US VENTURE DEBT, 2025 - ALL-TIME RECORD

$28B+

DEPLOYED INTO SAAS ALONE, FOR THE SECOND CONSECUTIVE YEAR

~60%

OF FINANCINGS AT LATE OR VENTURE-GROWTH STAGE

HOW THE INSTRUMENT IS BEING USED

USE CASE	TYPICAL PROFILE	WHAT LENDERS UNDERWRITE
Runway extension	Post-A/B, 12-18 months to milestone	Last-round quality, burn multiple, investor support
Growth without dilution	Efficient ARR $5M+, predictable retention	ARR quality, gross margin, net retention
Round complement	Debt sized 20-35% of an equity round, closed alongside	The equity round itself; alignment with new lead
M&A financing	Buy-and-build in fragmented software verticals	Combined entity cash flows, integration record

The Malahide view. Deal sizes have more than doubled since 2020 while deal counts stayed near 1,000 a year: lenders, like equity investors, are concentrating on quality. For companies in our band the implication is direct - a debt tranche negotiated in parallel with an equity process improves both. It compresses the equity ask, hardens the balance sheet story, and gives the board a real alternative if equity terms disappoint. The mistake is sequencing debt after equity closes, when leverage in the negotiation is gone.

Sources: Runway Growth Capital / PitchBook Venture Debt Review 2025-26; re:cap market data.

07 / EXITS

THE LIQUIDITY WINDOW REOPENS

Q2 2026 was the strongest exit quarter on record. SpaceX completed the largest venture-backed IPO in history - raising $75 billion at a $1.77 trillion valuation - while 32 companies went public at billion-dollar-plus valuations, including Cerebras Systems and Quantinuum. M&A kept pace: $113 billion of announced acquisition value, led by SpaceX's $60 billion purchase of Anysphere (Cursor), the largest acquisition of a venture-backed startup ever.

$75B
RAISED IN THE SPACEX IPO - LARGEST VC-BACKED LISTING IN HISTORY

32
IPOS AT $1B+ VALUATIONS IN Q2 2026

$113B
Q2 M&A VALUE ACROSS VENTURE-BACKED COMPANIES - A RECORD

WHY EXITS MATTER TO COMPANIES RAISING NOW

- **DPI unlocks new funds.** Distributions flowing back to LPs refill the venture system; funds raised on 2026 liquidity deploy into 2027-28 rounds.
- **Acquirers are underwriting growth again.** 154 European companies alone were acquired in Q2. Strategic interest strengthens every negotiation, even when the company intends to stay independent.
- **The IPO bar has been re-benchmarked.** Public investors accepted technology listings at scale, giving late-stage boards a credible dual-track once revenue clears roughly $200M.

The Malahide view. Liquidity is the most underpriced variable in today's raise conversations. A company raising a Series B in H2 2026 is selling into the first investor base in three years that can see its path to cash. Exit-comparable analysis belongs back in the fundraising deck - not as a promise, but as evidence the category clears.

Source: Crunchbase, July 2026.

08 / OUTLOOK

RAISING IN H2 2026: FIVE THESES

1 **Concentration persists; plan around it.**
Frontier AI will keep absorbing the majority of capital through H2. Non-AI companies should size rounds to what their cohort's medians support, not to headline averages, and expect deeper diligence per cheque.

2 **The efficiency screen is permanent.**
Burn multiple, net retention and gross margin now gate first meetings at every stage from A onward. These are threshold conditions, not tiebreakers; fix them before launching, not during.

3 **Debt belongs in the base case.**
With a record lending market open, an equity-only capital plan is leaving structure on the table. Run debt conversations in parallel with equity; sized at 20-35% of the round it changes the negotiation.

4 **Europe is investable again at every stage.**
US growth capital has returned to European late-stage rounds, and the exit market has re-rated the region. European companies should build US investors into the target list by default.

5 **Process quality is the cheapest multiple expansion available.**
In a concentrated market, competitive tension is manufactured, not found. A disciplined process - the right 40 investors, dataroom ready on day one, a genuine alternative in hand - routinely moves terms more than another quarter of growth.

Talk to us. Malahide Partners advises technology companies on equity and debt raises between $1M and $100M, from first institutional capital through pre-IPO growth rounds. The firm acts for a deliberately limited number of clients at any one time; every mandate is led by senior advisors from engagement through close.

METHODOLOGY & SOURCES

NOTES ON THE DATA

- Global and regional funding figures are drawn from Crunchbase data published in July 2026, including its Q2 2026 global and European reports. Quarterly figures are as reported at publication and subject to upward revision as rounds are disclosed.
- Valuation and round-size medians are from Carta's State of Private Markets series and reflect US primary priced rounds on the Carta platform; they skew toward US venture-backed companies and understate international and bootstrapped cohorts. The Series B post-money figure is shown at the midpoint of the reported $130-150M range.
- Venture debt figures are from the Runway Growth Capital / PitchBook 2025-26 Venture Debt Review (US market) and re:cap European market data. Average deal size figures are denominated as reported (EUR for European data).
- AI share percentages classify companies by primary focus as tagged by the source; applied-AI revenue inside broader software businesses is not captured, so true AI exposure is understated.
- "The Malahide view" sections are the opinion of Malahide Partners based on the cited data and current transaction conditions, and are not attributable to the data providers.

SOURCES

- Crunchbase News - Global Startup Investment Hit Record $510B In H1 2026 (July 2026)
- Crunchbase News - Europe Posted Its Strongest Venture Funding Quarter In 4 Years (July 2026)
- Carta - State of Private Markets Q1 2026; record-setting early-stage valuations series
- Runway Growth Capital & PitchBook - 2025-2026 Venture Debt Review (May 2026)
- re:cap - Venture Debt Guide 2026

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