

carta

State of Pre-Seed

2024 In review

We cover...

SAFEs

Convertible Notes

Valuation Caps

Discounts

Interest Rates

Pre v Post Money

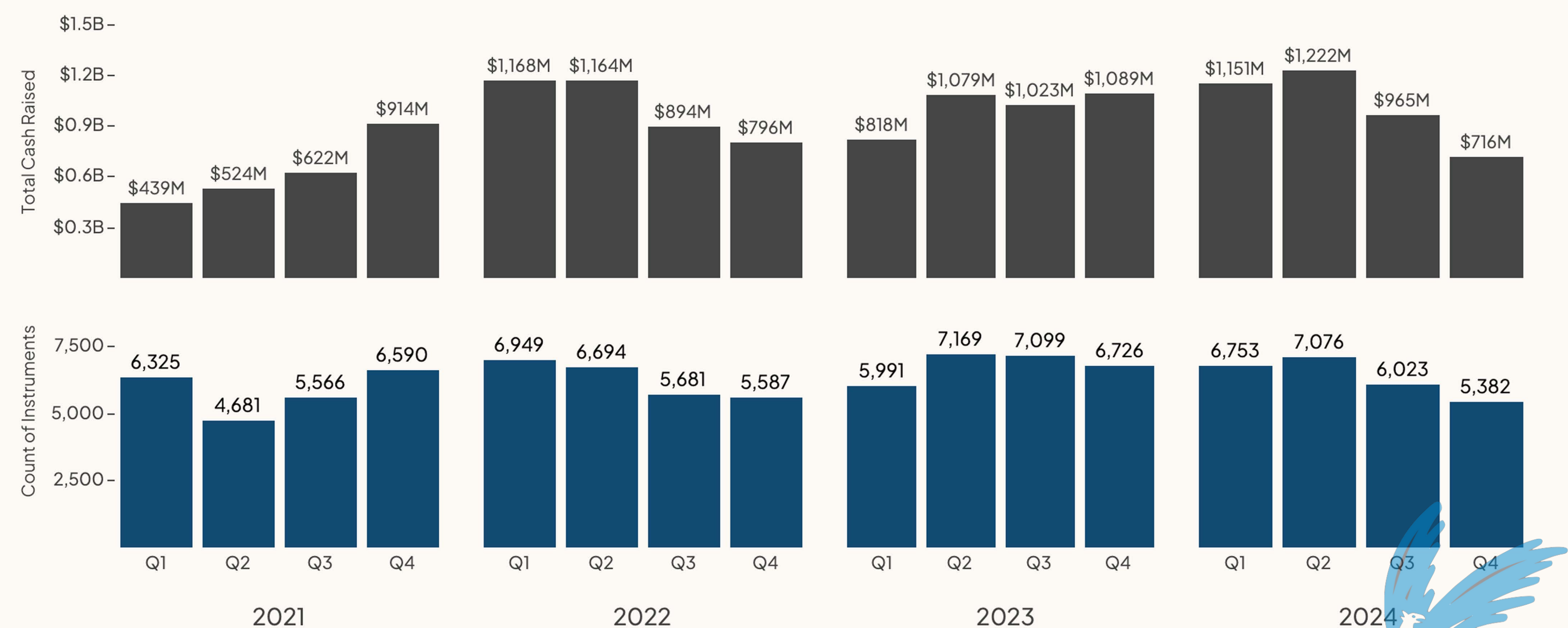
Top 20 Metros



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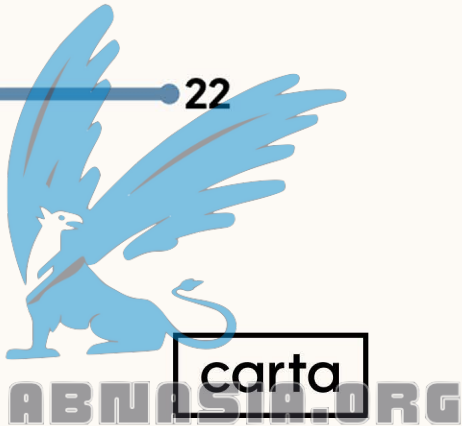
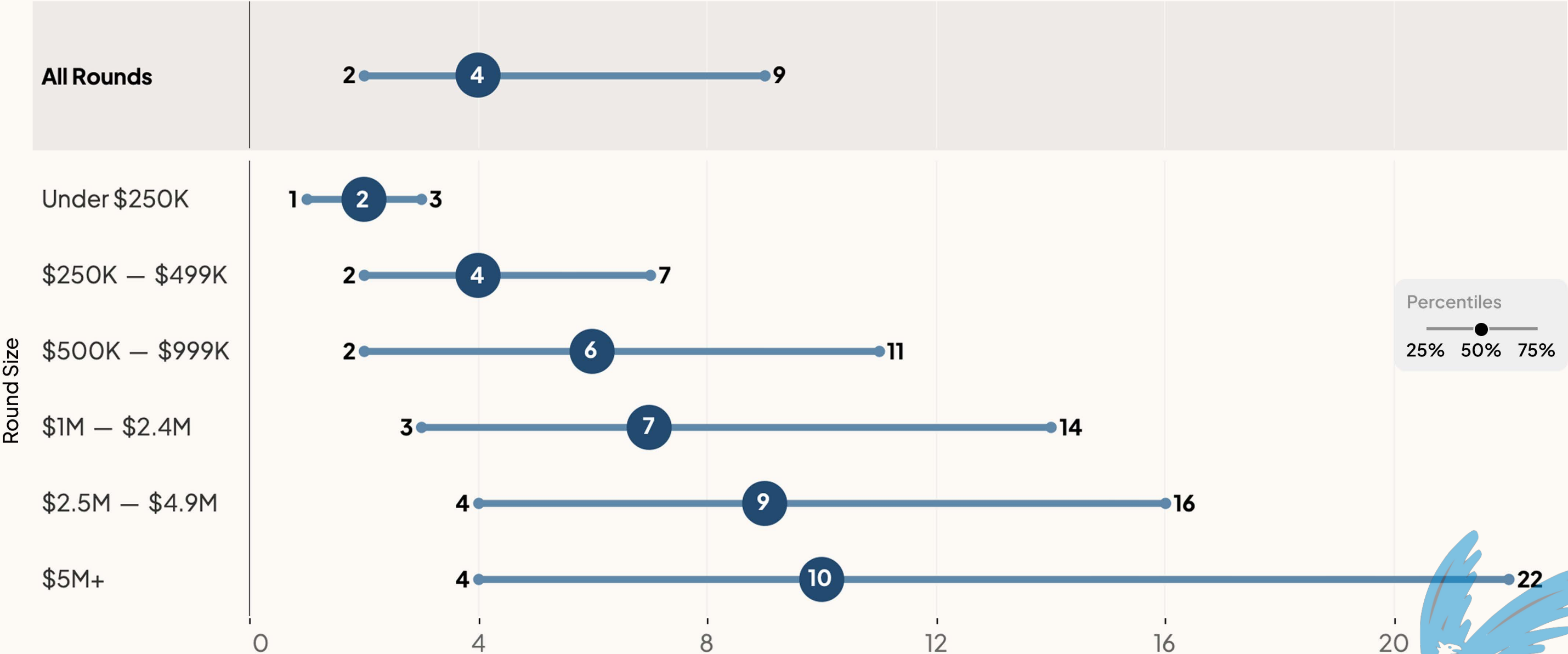
Pre-priced fundraising activity declined significantly in Q4 2024

Total dollars raised and count of instruments by quarter, US pre-priced rounds on SAFEs and convertible notes



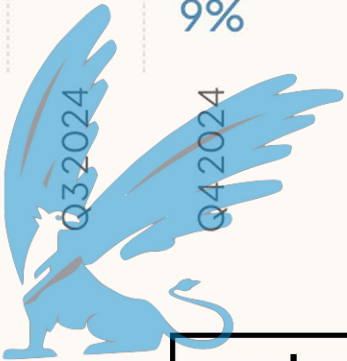
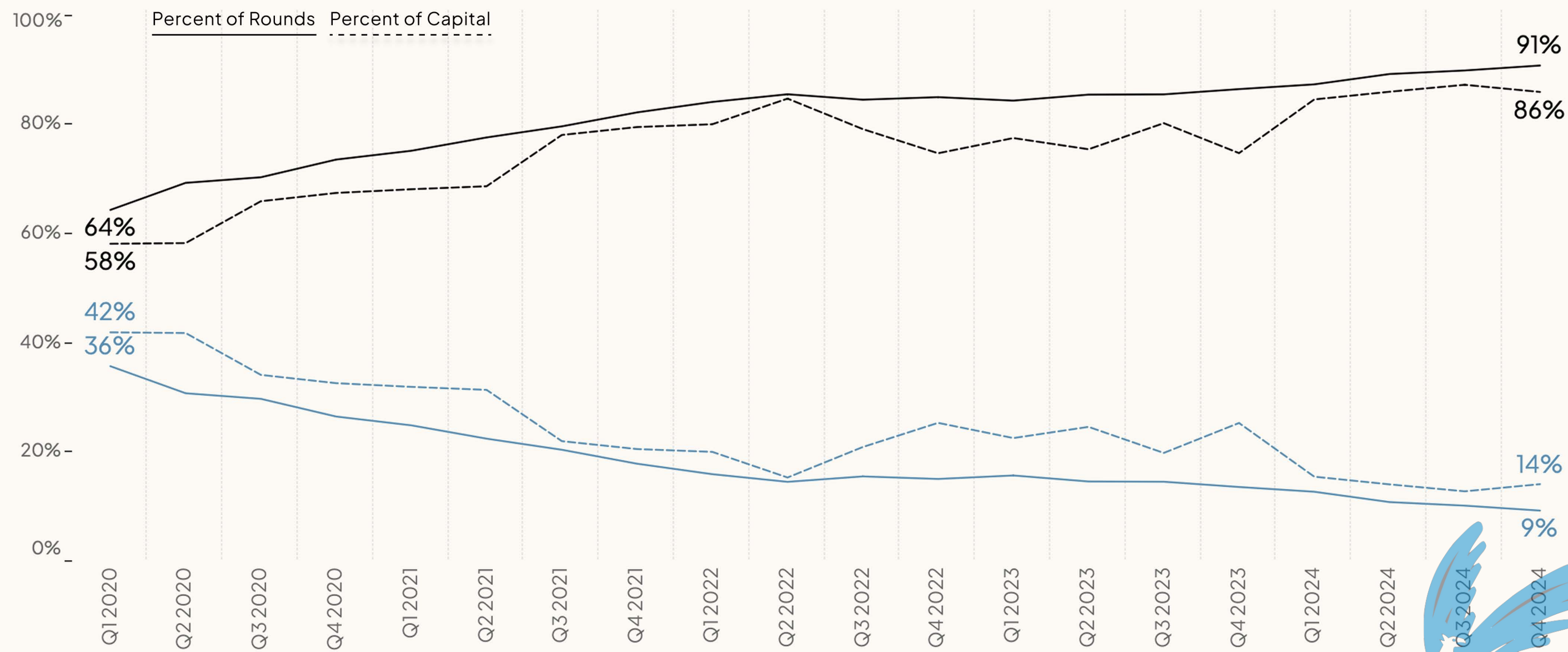
The median pre-priced round includes 4 convertible instruments

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



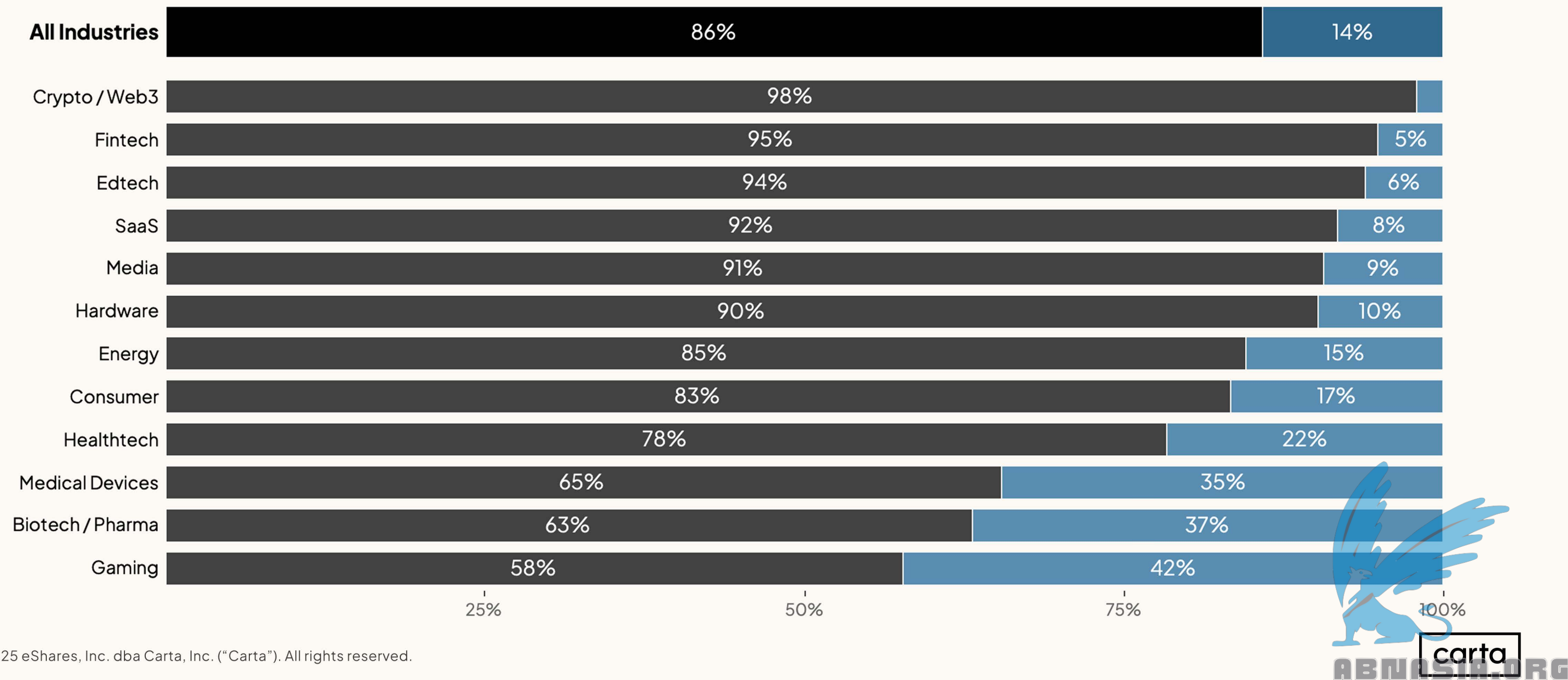
Over 90% of pre-priced rounds in Q4 2024 were raised on SAFEs

Percent of pre-priced rounds and cash raised by instrument, **SAFEs** vs. **convertible notes** | Q1 2020–Q4 2024



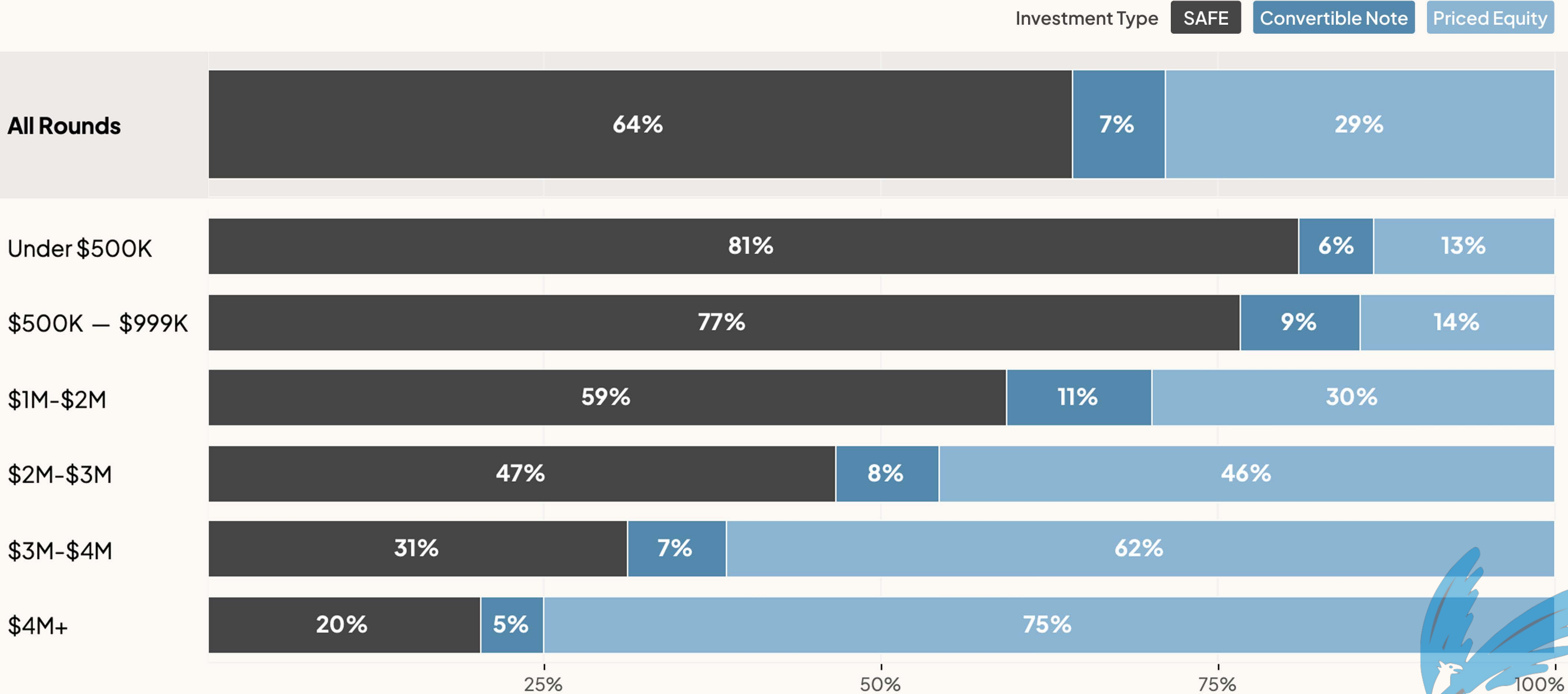
Most pre-priced capital across industries was raised on SAFEs in 2024

Percent of pre-priced round dollars invested by instrument (SAFEs vs. convertible notes) and industry | 2024



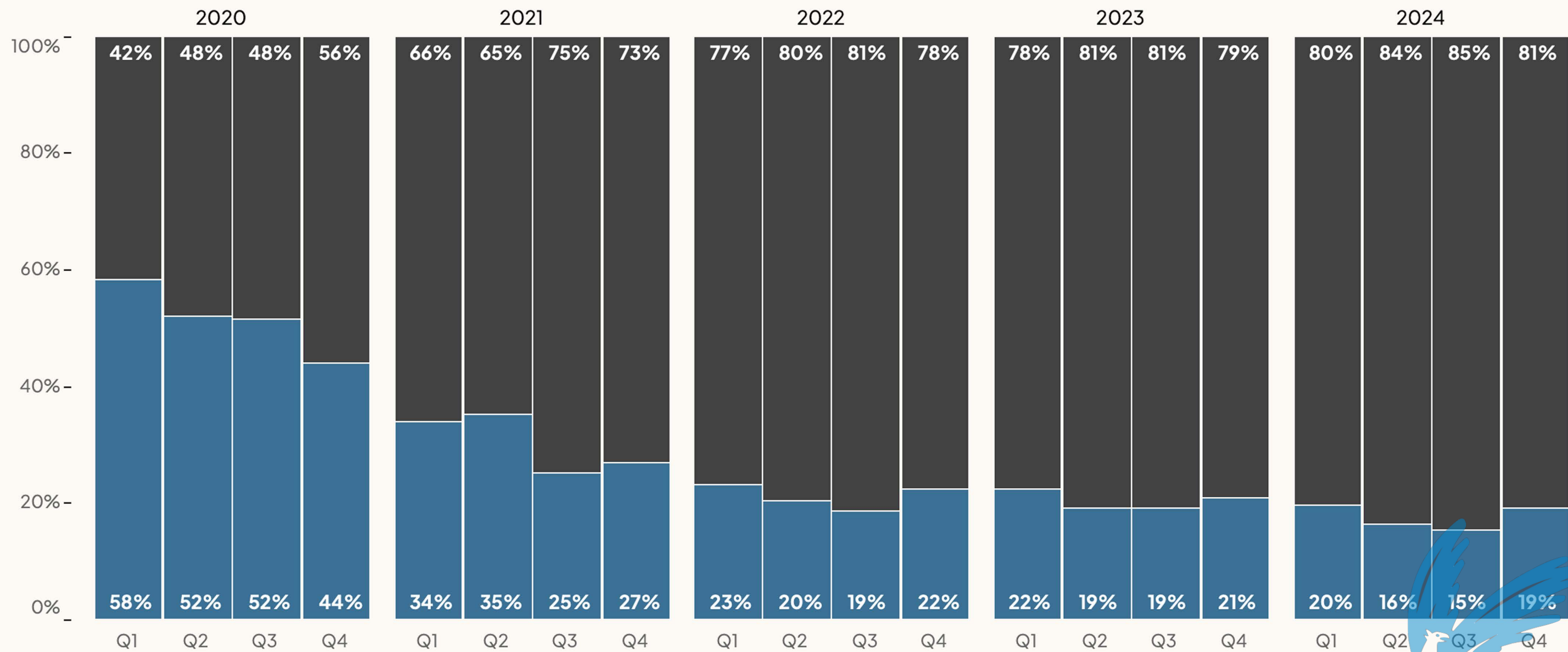
Founders switch to priced equity for rounds greater than \$3M

Percent of early-stage rounds (pre-priced and priced Seed) by investment type and round size | 2024



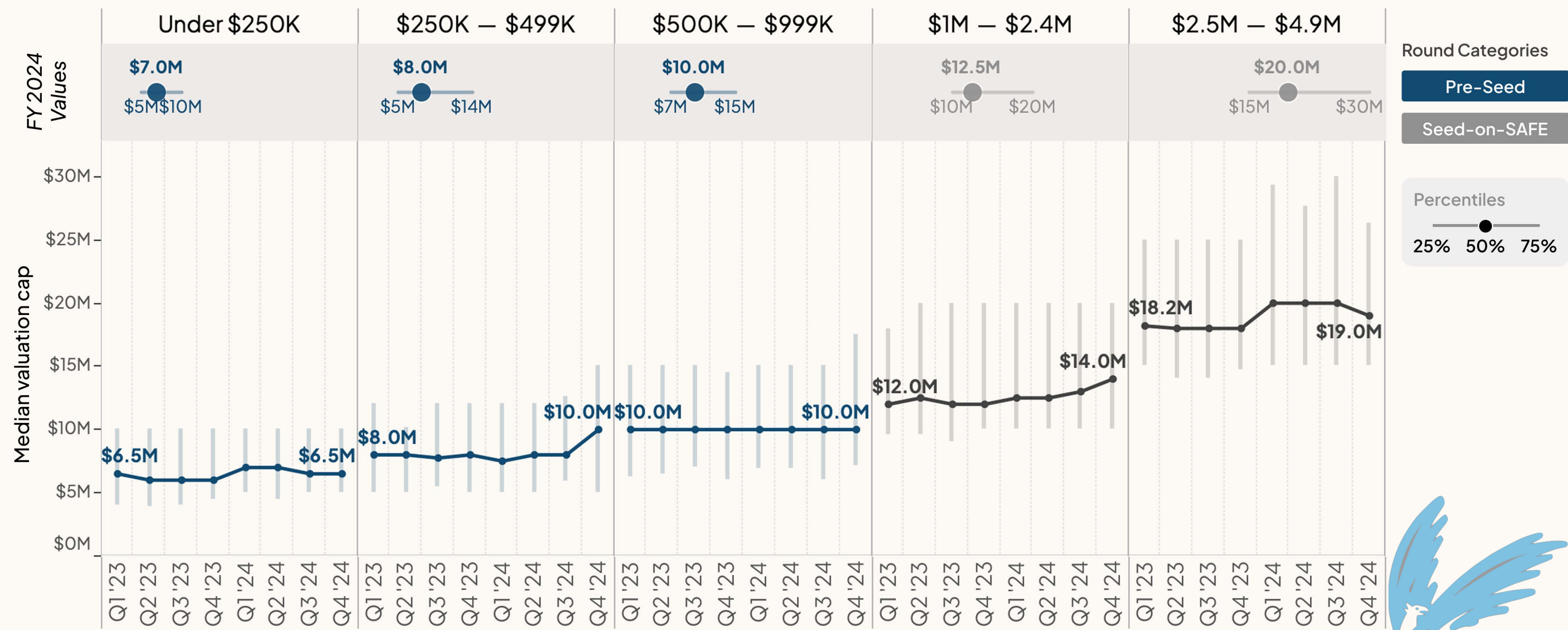
Over 80% of SAFES had a post-money price cap throughout 2024

Percent of SAFEs by type (post-money vs. [pre-money](#)) | Pre-priced rounds only | Q1 2020–Q4 2024



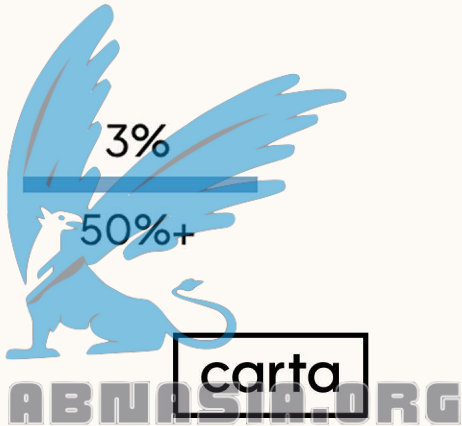
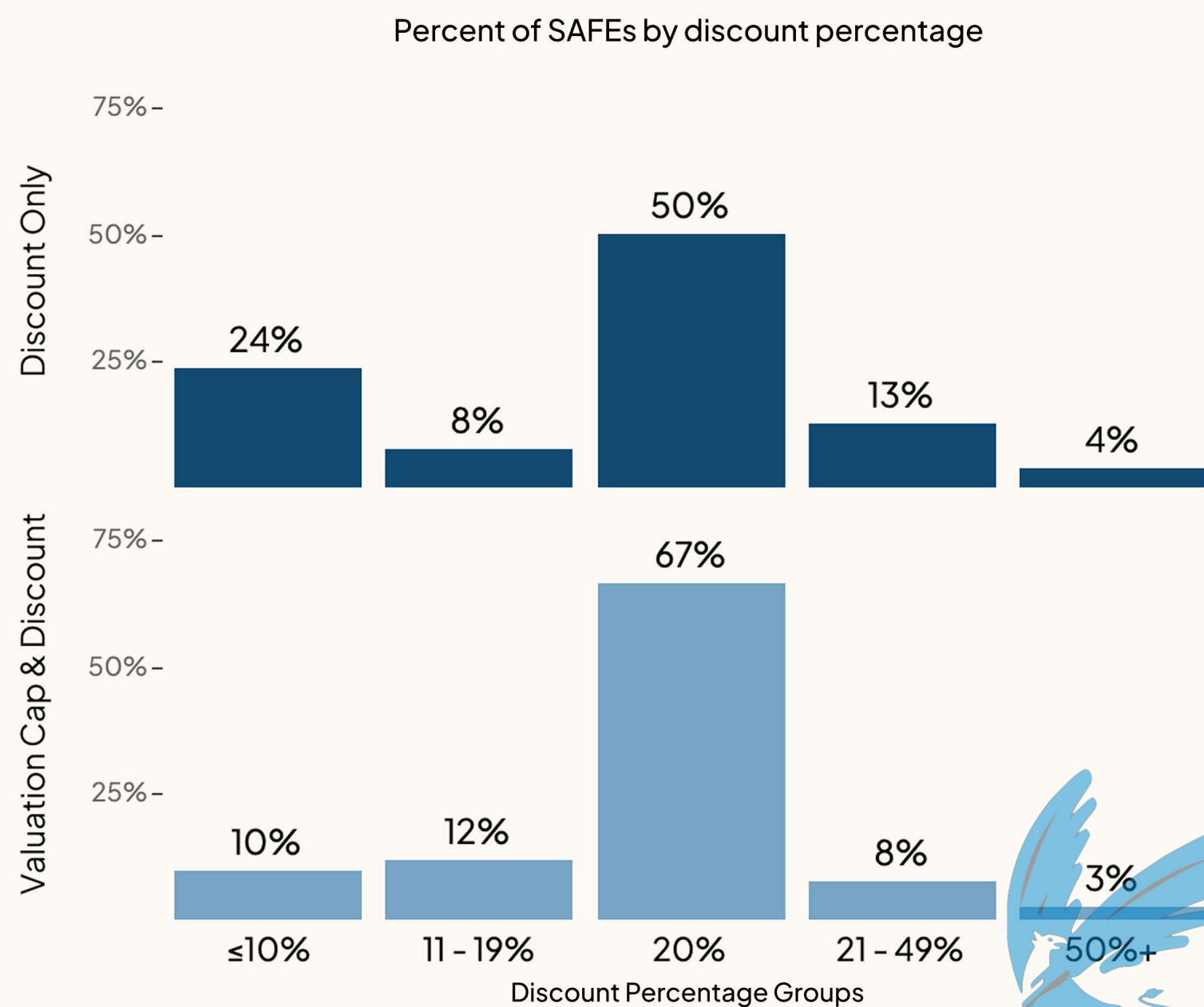
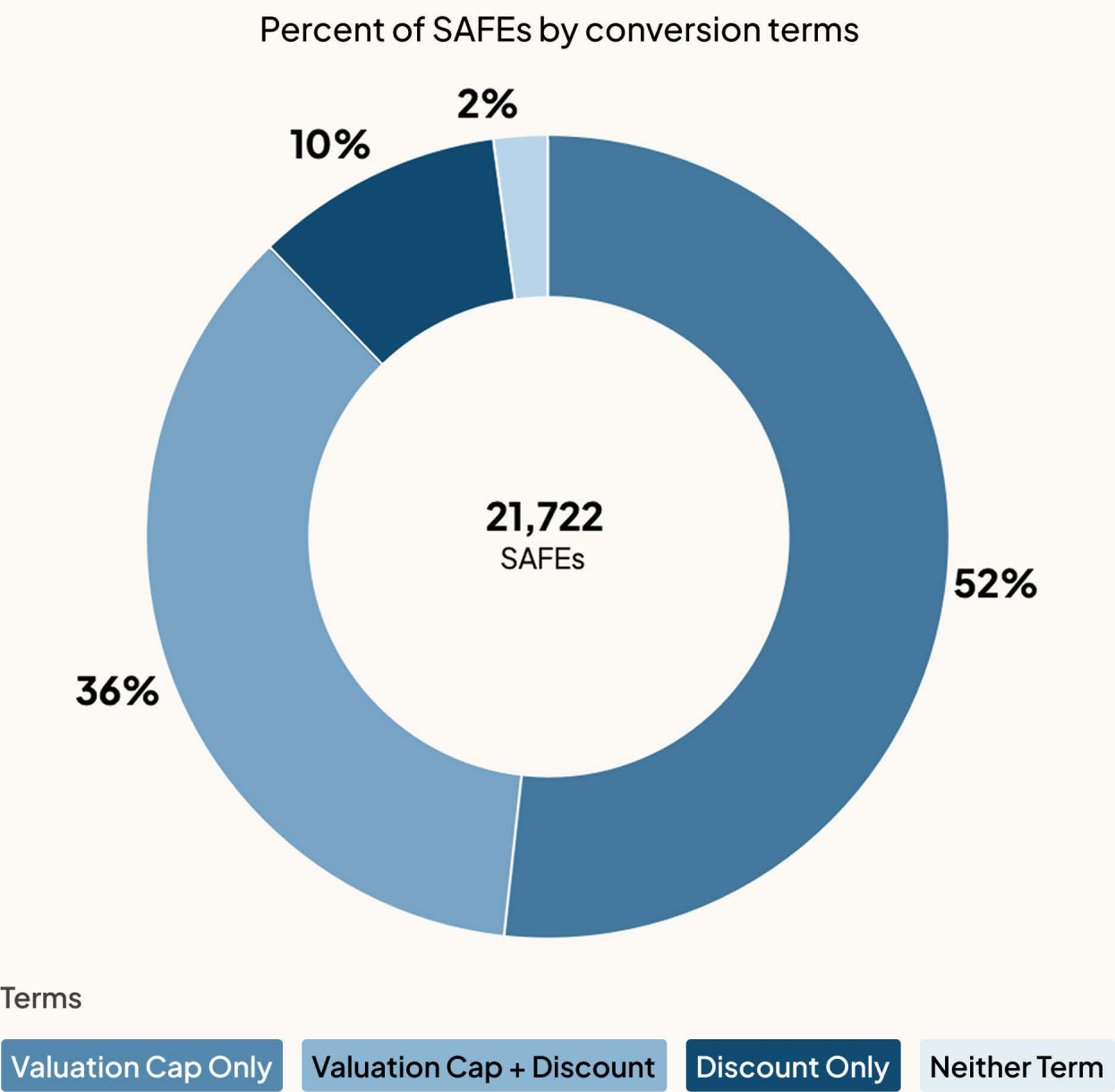
SAFE valuation caps have mostly held steady over 2023 and 2024

Median valuation cap on post-money SAFEs by round size and quarter | Q1 2023–Q4 2024



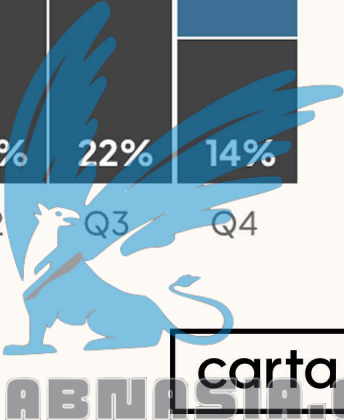
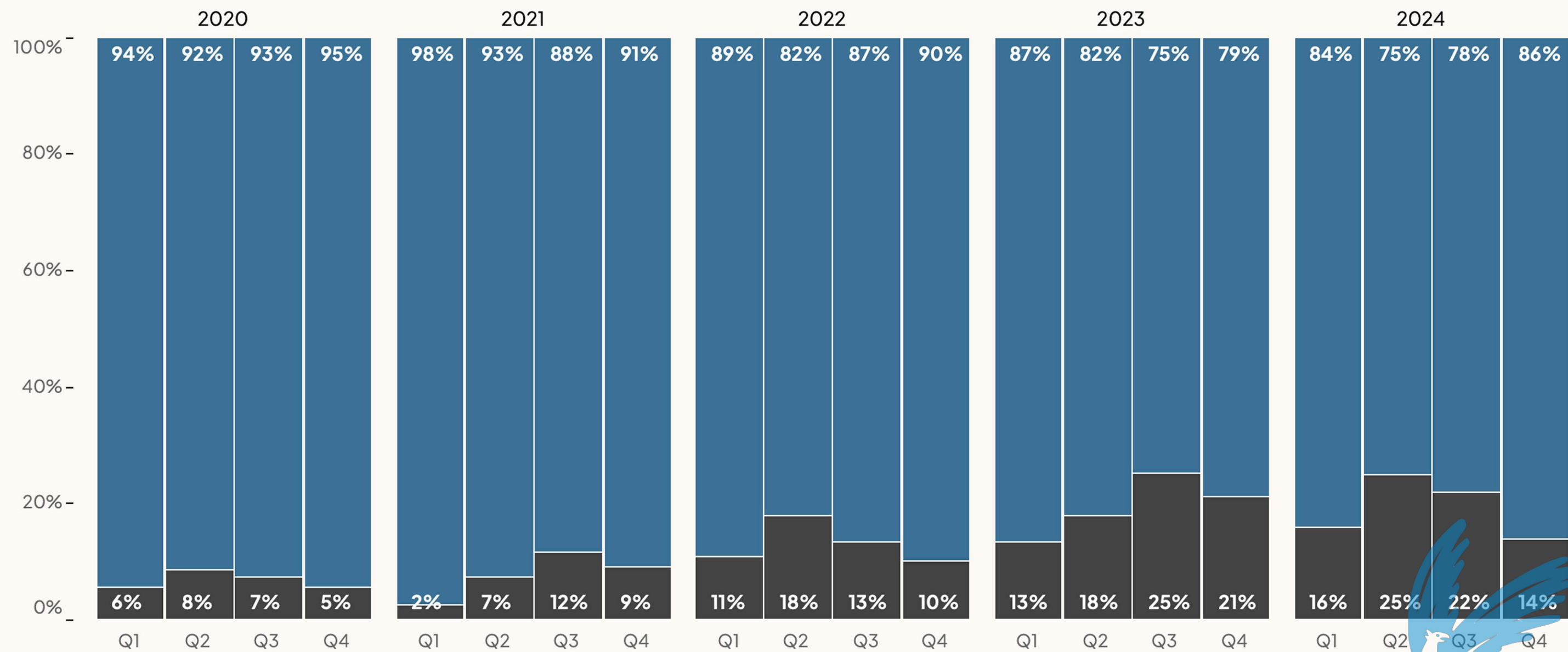
Nearly 90% of SAFEs issued in 2024 had a val cap and half had a discount

Distribution of conversion terms and discount percentages among all SAFEs issued | 2024



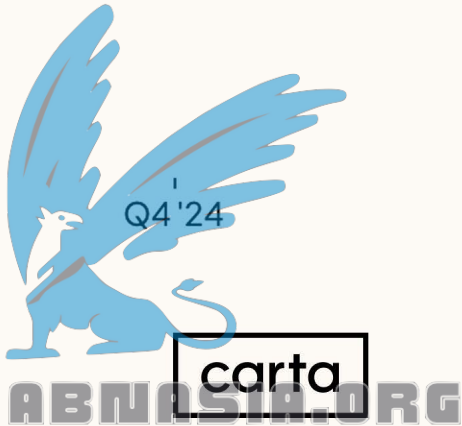
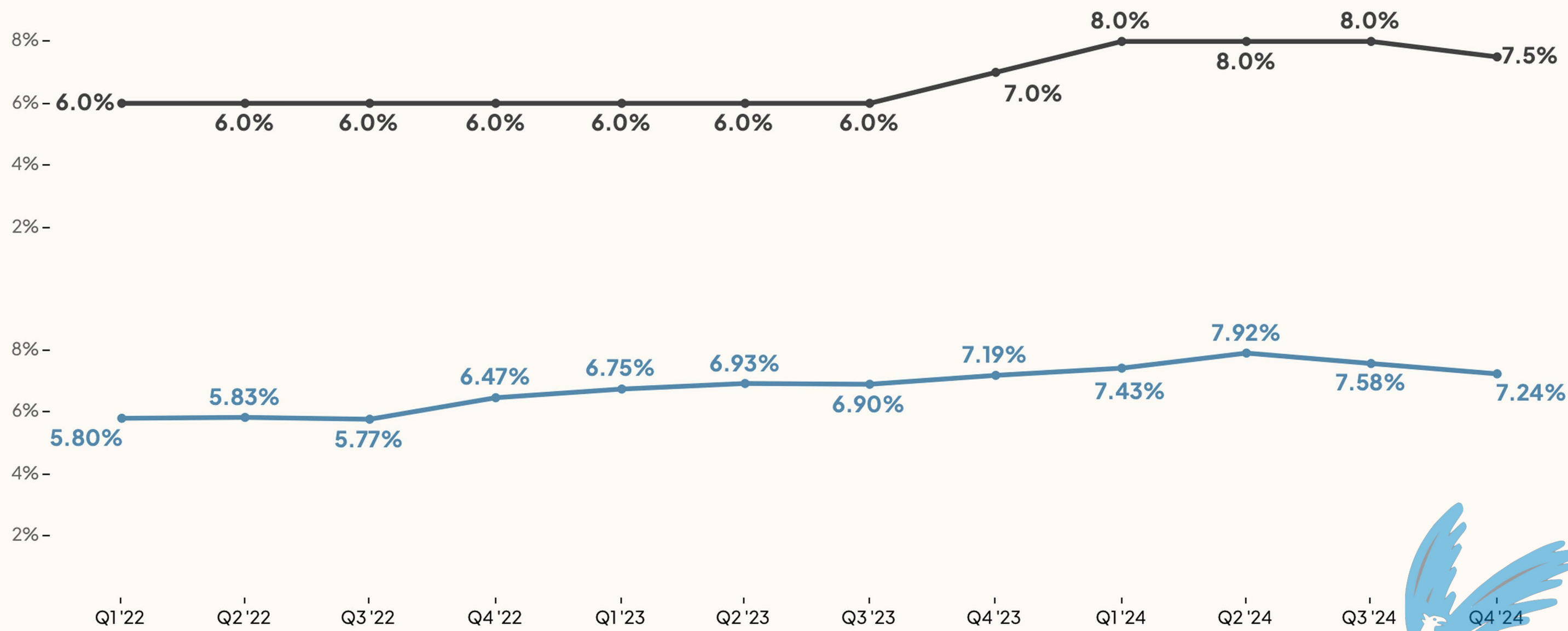
A growing portion of convertible notes have a post-money price cap

Percent of convertible notes by type (post-money vs. [pre-money](#)) | Pre-priced rounds only | Q1 2020–Q4 2024



The median interest rate on convertible notes fell to 7.5% in Q4 2024

Median and **average** interest rates for convertible notes by quarter | Q1 2022–Q4 2024





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