

# North Carolina's Venture Report

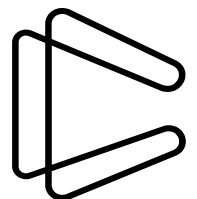
2024 FUNDING INSIGHTS AND  
ENTREPRENEURIAL ACTIVITY



600 Park Offices Drive | Suite 100  
Research Triangle Park, North Carolina 27709

[CEDNC.ORG](https://CEDNC.ORG)

Sponsored by:



Center for  
Entrepreneurial  
Development

Friends,

Contrasted with the dramatic levels experienced at the decade's outset, 2024 represented more of a return to normalcy in the amount of venture capital flowing into the market. Unfortunately, normal does not mean easy.

Going into 2025, companies that raised money at high valuations during the boom years will continue to have difficulty accessing capital without a hard reset. Companies that have learned to be capital efficient and are laser focused on hitting meaningful clinical or commercial milestones should be able to access capital to grow and scale. For those just getting started, the good news is we are seeing a resurgence in pre-seed and seed funds—so build great teams, focus on value creation, and early funding should be there.

Nationally, the tech sector was stronger in 2024 due in part to investors' appetites for AI companies which represented six of the top 10 U.S. tech deals. Life science venture investing was also up, driven by oncology, autoimmune, and metabolic companies. Showing a balanced and diverse ecosystem, venture capital invested in North Carolina companies was deployed more evenly across the tech and life science sectors as compared to the country's tech-heavy financing landscape.

Innovation in North Carolina remains strong with the opportunity to further leverage untapped potential. Our world-class universities continue to generate new IP and pull in billions of annual research and development dollars. This robust R&D pipeline will help drive new company formations and increase venture activity in North Carolina.

At Alexandria Venture Investments, the strategic venture capital platform of Alexandria Real Estate Equities, Inc., we continue to invest in and support transformative companies in North Carolina and across the country. Our passion for these growth companies is demonstrated through our venture investments and our high touch Alexandria LaunchLabs® platform, both of which have an impactful presence in the state. Together, we look forward to continuing to accelerate the research of companies in their noble pursuit to advance human health and improve nutrition.

With Gratitude,

Blake Stevens, PhD  
Senior Vice President, Alexandria Real Estate Equities, Inc.  
& Alexandria Venture Investments

# Matching **Entrepreneurs** with the **Resources** They Need

The Center for Entrepreneurial Development (CED) was formed in 1984 with the mission of empowering and growing high impact startups in North Carolina. CED was built by founders, for founders, and that's how we continue to operate today. We are the catalyst for emerging entrepreneurial giants to grow and succeed in North Carolina.

We have a passion for innovation, and supporting the founders and operators who are behind it. Through the delivery of programs and services, the CED team adds momentum to the flywheel that drives growth across the region. In 2024, both the region and CED grew substantially, positioning us to achieve our 10 year target to generate \$20B in new enterprise value in the Triangle by 2034.

# 706

companies supported across North Carolina

# 9,534

hours of support

**In 2024, we delivered support to 706 companies across North Carolina. Our team and engaged network delivered 9,534 hours of consultative support to address scaling challenges by leveraging peer sharing tactics, private strategy sessions and direct intros to subject matter experts.**

Visit our website, connect with us today, and learn more about how to get involved.

[www.cednc.org](http://www.cednc.org)



**CONNECT TO CAPITAL** service makes over 1,000 quality, curated direct introductions between founders, investors, and other resources annually.



**GRO INCUBATOR** is a twelve-week incubator program focused on customer discovery and helping founders and their startups find product market fit.



**VENTURE CONNECT** is North Carolina's premier capital conference showcasing over 150 companies annually that are scaling in North Carolina.

01

Major Rebound in Total Funding

Venture funding in North Carolina nearly doubled year-over-year, reaching \$3.2 billion (+95% vs. 2023), although it still trails peak levels from 2020-2022. The floor has been set at \$1.5B, excluding top-line funding outliers.

02

Tech Maintains Its Edge

The tech sector captured 79% of total venture dollars (\$2.5B), significantly outpacing life sciences and other industries. Epic Games' \$1.5B raise was the largest deal of the year.

03

Fewer but Larger Deals

While the total number of deals declined slightly (209 vs. 214 in 2023), the average deal size more than doubled to \$18.4M from \$7.7M, driven by a concentration of capital in larger transactions. However, the median deal size declined to \$1.7M from \$2.1M, indicating a funding landscape where big deals grew bigger while smaller investments remained active.

04

Triangle Region Strengthens Its Grip

The Triangle accounted for nearly 68% of all deals, an increase from 2023. Raleigh led with 58 transactions, followed by Durham and Chapel Hill.

05

Charlotte's Steady Growth

While its deal count was lower than the Triangle, Charlotte continued attracting significant funding, including Aiwyn's \$113M round, further cementing its role as a rising startup hub.

Top 10 Takeaways FROM 2024

06

Increase in Early-Stage Investments

Deals under \$5M rose to 159 in 2024 from 139 in 2023, indicating renewed investor confidence in seed and early-stage startups, driven by local funds, angel investors, and sector-specific opportunities in tech and cleantech.

07

Continued Slowdown in Exit Activity

60 exits occurred, all through M&A or buyouts, with no IPOs or SPACs. High interest rates and cautious market conditions led to fewer liquidity events.

08

Resilient Cleantech & Life Sciences

While total life sciences funding saw a slight dip (-2%), large deals of \$100M+ like Pathalys and Areteia sustained interest. Cleantech remained stable with \$92M raised.

09

Investor Activity Shifts

The number of institutional investors slightly declined (273 vs. 317 in 2023), particularly from the West Coast, while international investors from 19 countries maintained a strong presence.

10

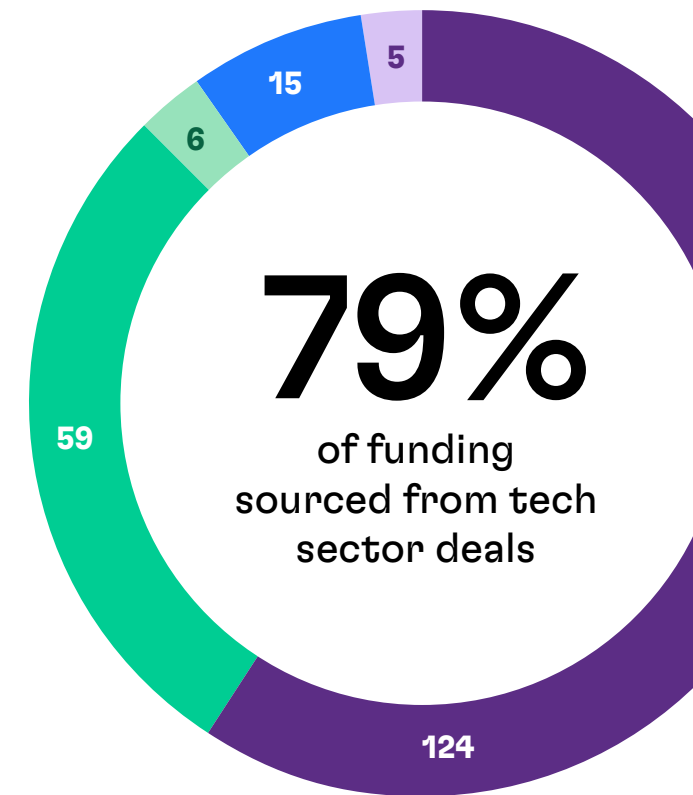
North Carolina's Maturing Ecosystem

With consistent \$1B+ annual funding and a mix of local, national, and international investors, North Carolina has solidified itself as a premier venture capital hub in the Southeast.

# The Year in Numbers

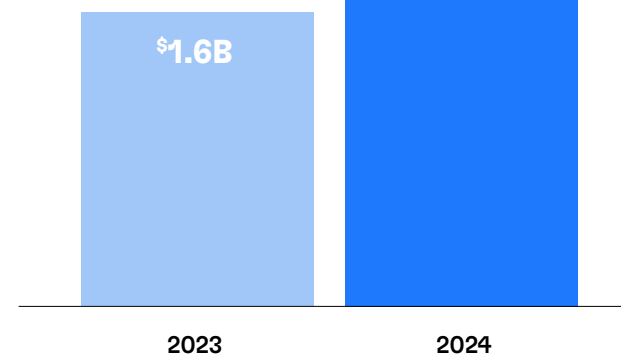
In 2024, North Carolina experienced a remarkable surge in venture capital activity, with total funding nearly doubling (+95%) to \$3.2 billion compared to \$1.6 billion in 2023. This significant rebound signals renewed investor confidence, particularly within the tech sector, which accounted for over 79% of total funding. The tech sector's impressive growth (+172%) highlights its central role in driving the state's entrepreneurial ecosystem forward.

While the total number of deals declined slightly (209 vs. 214 in 2023), the average deal size more than doubled, rising to \$18.4M in 2024 from \$7.7M in 2023. This surge reflects a greater concentration of capital in larger transactions, reinforcing investor preference for scaling companies over smaller, early-stage bets. However, the median deal size declined slightly to \$1.7M from \$2.1M, indicating that while high-value deals pushed the average up, smaller investments still played a role in shaping the market. This trend suggests a bifurcation in the funding landscape, where capital is either flowing into large-scale, high-growth opportunities or spreading across smaller, sub-\$5M deals, while mid-sized rounds remain more constrained.

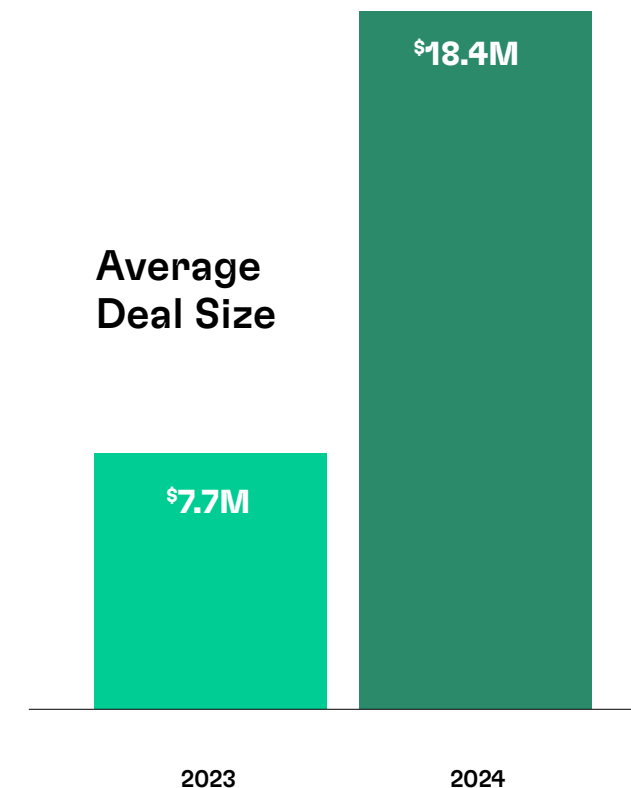


- Tech
- Life Science
- Advanced Manufacturing & Materials
- Cleantech/Greentech
- Makers

## Total Funding



## Average Deal Size



# Key Trends Shaping 2024 Include:



## Tech Sector Dominance

The tech sector led the charge with significant deal sizes, including Epic Games' \$1.5 billion funding round, bolstered by substantial raises from CData and Aiwyn.



## Shifting Investor Dynamics

Institutional investor activity saw a modest decline, with 273 investors participating, down from 317 in 2023. However, out-of-market investors, such as Deerfield Management and ARCH Venture Partners, played a notable role in fueling growth.



## Life Sciences Resilience

Though funding in life sciences slightly declined (-2% YoY), the sector secured high-profile deals, such as Pathalys and Areteia, emphasizing North Carolina's enduring leadership in this domain.



## Advanced Manufacturing and Makers Slowdown

These sectors faced significant contraction in both funding and deal count, reflective of shifting investment priorities amid macroeconomic headwinds.



## Exits Concentrated in M&A

Exit activity was robust with 59 mergers, acquisitions, or buyouts, though IPOs/SPACs were absent, mirroring broader trends in the capital markets.

Despite challenging global market conditions, North Carolina's entrepreneurial ecosystem has demonstrated its resilience and adaptability. The state's consistent performance above the \$1 billion funding threshold and its growing appeal to national and international investors underscore its maturity and competitiveness as a venture capital hub. As 2024 concludes, the foundation is set for continued growth and innovation in the years ahead.

# The Triangle Stands Out

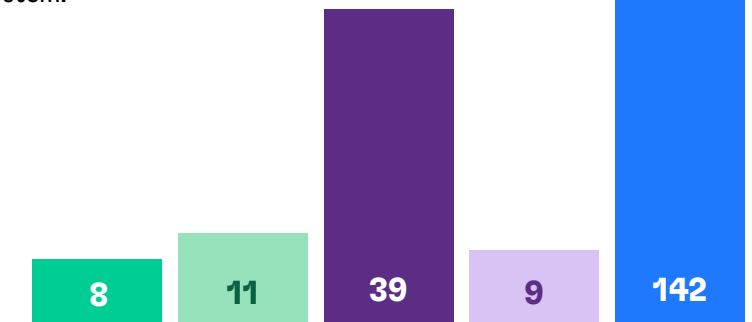
The Triangle region remained the leader in entrepreneurial activity in North Carolina in 2024, accounting for an impressive 67.9% of the state's total deals, up from 64% in 2023. Raleigh remained the top location for deals, with 58 deals, followed by Durham and Chapel Hill, cementing the Triangle's leadership as the epicenter of the state's startup ecosystem. On a dollar basis, the Triangle region commanded a substantial share of total funding, bolstered by high-profile deals such as Epic Games' \$1.5 billion raise in Cary and CData's \$350 million round in Chapel Hill.

Charlotte also maintained its position as a growing innovation hub, contributing to several significant deals, including Aiwyn's \$113 million funding round. Although its share of total deals (approximately 7%) was smaller compared to the Triangle, the city's performance highlights its steady ascent in North Carolina's entrepreneurial landscape.

Notably, the strength of the Triangle region reflects its concentration of top-tier research institutions, thriving tech and life sciences sectors, and a robust network of investors. With nearly 68% of all deal activity concentrated in the Triangle, it remains a beacon for both local and out-of-market investors looking to tap into North Carolina's burgeoning entrepreneurial ecosystem.

## Deals by Location

- 8 - Mountains
- 11 - Triad
- 39 - Charlotte
- 9 - Eastern
- 142 - Triangle
  - 54 - Durham/RTP
  - 58 - Raleigh/Wake Forest
  - 16 - Cary/Morrisville
  - 14 - Chapel Hill/Hillsboro



## Tracking the Triangle in Real Time

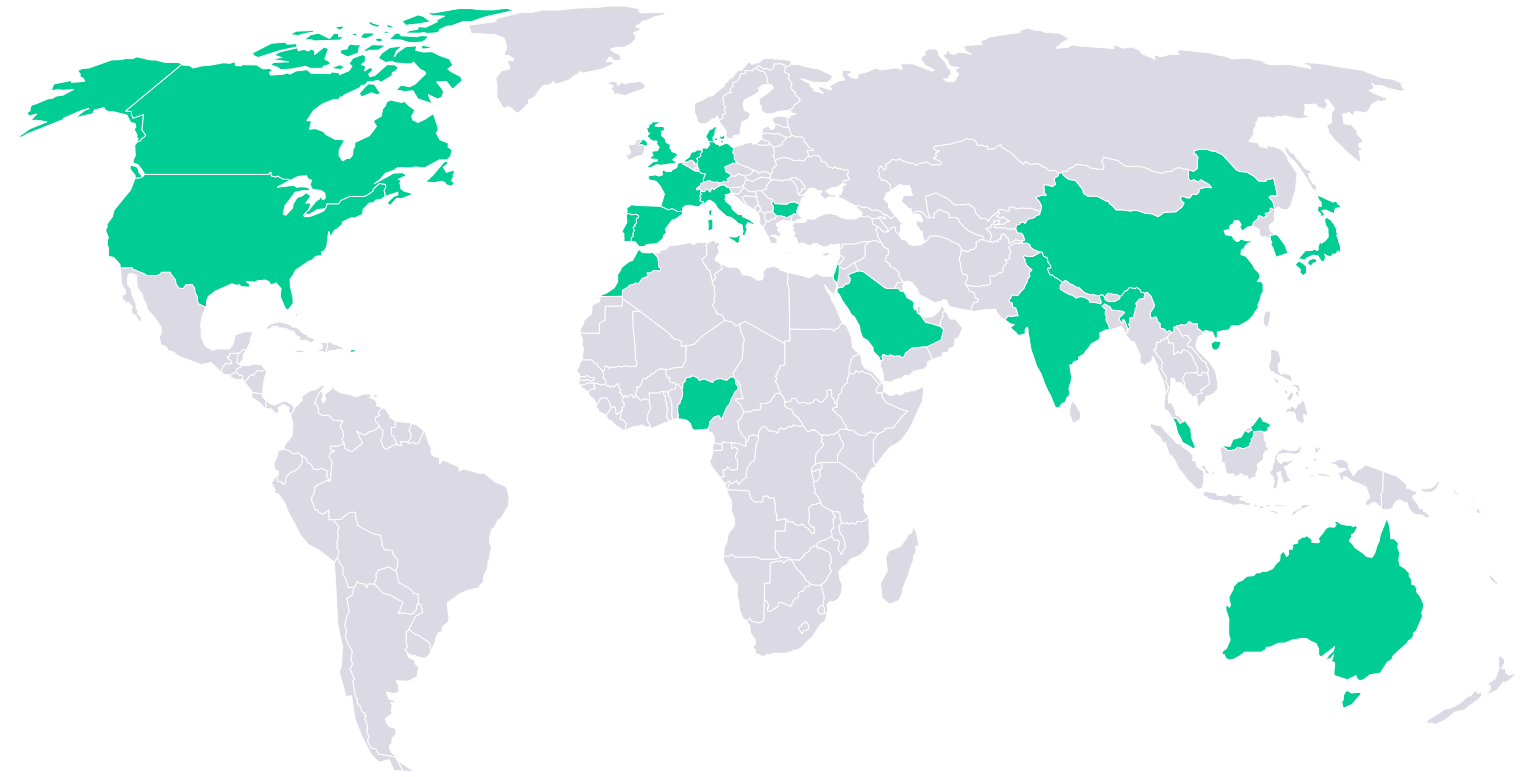
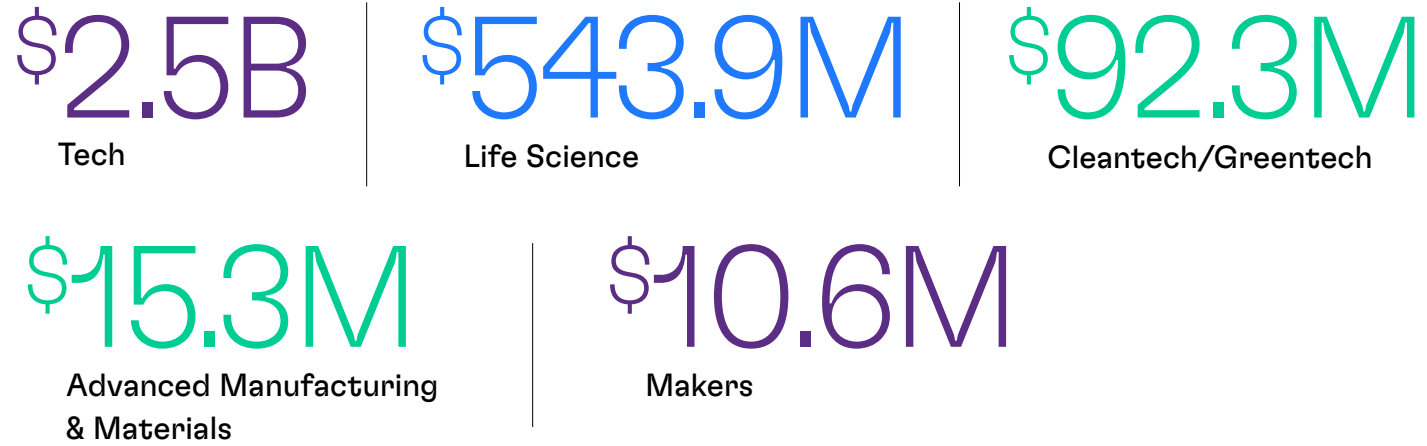
Our interdependent ecosystem of startups, investors and engaged community partners grows daily, as we pursue our goal of \$20B in new enterprise value in the Triangle by 2034. To track our progress, we've partnered with Dealroom to visualize and assess the health of the ecosystem in real time. Find out more about our region and the startup activity that makes The Triangle one of the most vibrant entrepreneurial ecosystems in the nation. We're calling on founders and investors to claim their profiles, and ensure that your data is up-to-date so we can lean on this tool to track the Triangle in real-time.

[cednc.dealroom.co/dashboard](https://cednc.dealroom.co/dashboard)



# Tech Maintains Its Edge

2024 funding trends underscore the growing maturity of North Carolina's venture ecosystem, with Tech continuing to drive the majority of investment dollars, Life Sciences delivering high-impact deals, and Cleantech sustaining interest amidst challenging market conditions. The state's ability to attract and close substantial funding rounds across multiple sectors reinforces its position as a key hub for innovation and investment in the Southeast.



# International Influx of Capital

The number of institutional investors declined to 273 from 317 in 2023, driven largely by a pullback from West Coast investors, who faced portfolio rebalancing and liquidity constraints after years of aggressive capital deployment. Many VC firms, particularly in Silicon Valley, have slowed new investments to focus on supporting existing portfolio companies. Meanwhile, Southeast and Northeast investors remained engaged, reflecting the region's continued attractiveness as a cost-effective alternative to major startup hubs.

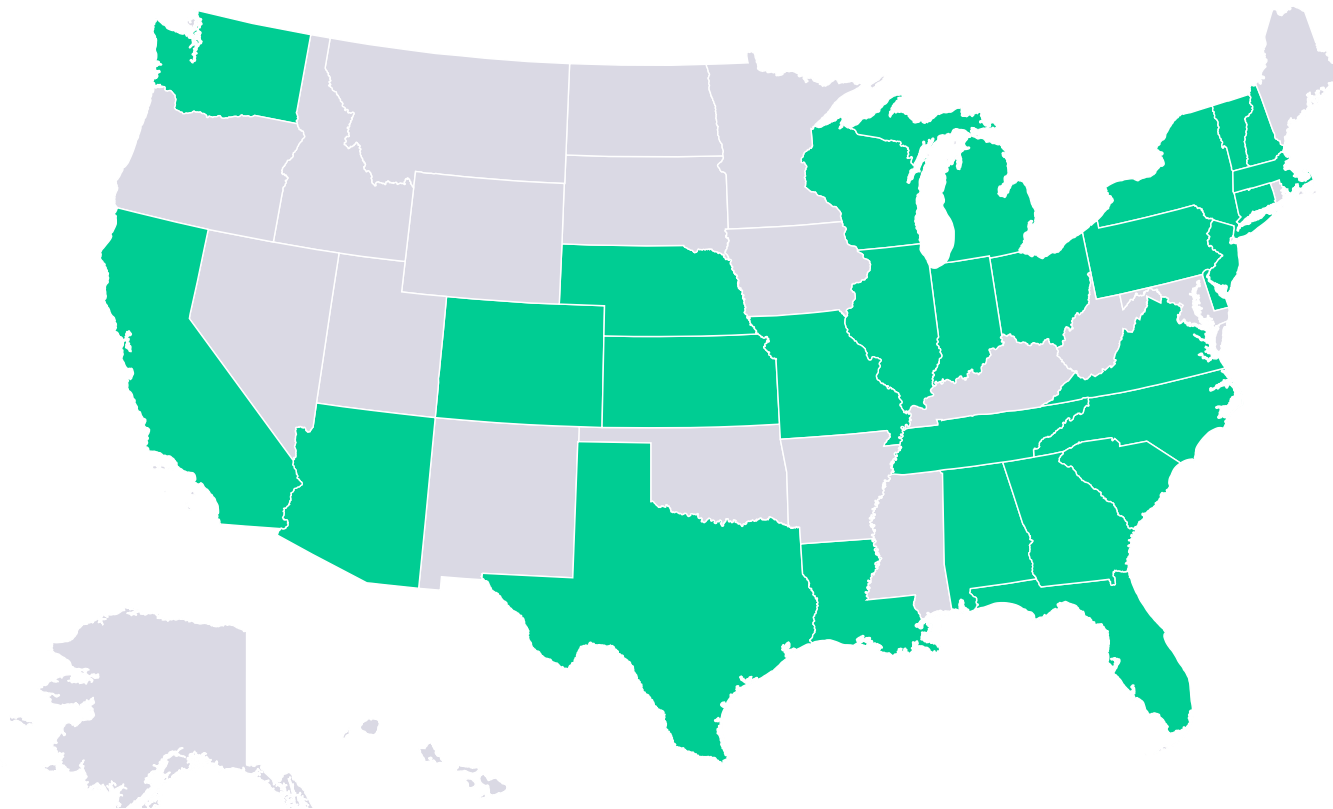
contributors included investors from Canada, Germany, Israel, and the UK, reinforcing North Carolina's ability to attract cross-border venture capital.

Among the most active investors, local funds continued to play a critical role in fueling the state's ecosystem. The Triangle Tweener Fund, Primordial Tech Ventures, and 2ndF emerged as key players in early-stage investing, while VentureSouth and Oval Park maintained a strong presence in scaling high-growth startups. Alexandria Venture Investments remained particularly active with 15 investments completed in the Research Triangle region. Additionally, out-of-market investors such as Deerfield Management (NY) and ARCH Venture Partners continued to provide essential capital, highlighting North Carolina's increasing integration into the national venture landscape.

**International investor interest remained strong (19 countries represented), suggesting that global capital still views North Carolina as a compelling long-term investment destination despite short-term economic headwinds.**

These trends reflect North Carolina's sustained investor confidence, driven by its strong tech and life sciences sectors, research institutions, and entrepreneurial talent. As the state continues to attract a mix of local, national, and international capital, it further solidifies its position as a premier destination for innovation and venture investment in the Southeast.

This sustained global interest underscores the state's growing reputation as an emerging innovation hub with strong entrepreneurial momentum. Key international



# Exit Activity: A Market in Transition

In 2024, North Carolina's exit activity increased, with 60 total exits, up from 36 in 2023. However, IPOs were entirely absent, a sharp contrast to the four public listings seen the previous year. Instead, all exits came through mergers, acquisitions, or buyouts, reflecting a broader shift toward strategic consolidations and private transactions rather than public market debuts.

This trend aligns with national market conditions, where high interest rates and economic uncertainty made it more expensive for buyers to finance acquisitions, even as deal activity picked up. Additionally, volatile public markets and stricter IPO scrutiny discouraged companies from going public, leading many to pursue strategic mergers or private equity-backed exits instead.

Despite these challenges, private equity firms and strategic acquirers remained active, though more selective, focusing on profitable or near-profitable companies over high-burn startups. The increase in total exit activity suggests that while IPOs were sidelined, North Carolina companies still found strong acquisition opportunities, reinforcing the state's position as a valuable market for M&A and buyout deals.

Notable deals still took place across key sectors. The life sciences sector saw some of the largest exits, including G1 Therapeutics' \$405 million acquisition by Pharmacosmos and Ironshore Therapeutics' \$525

million acquisition by Collegium Pharmaceutical. These transactions underscore the continued demand for innovative biotech and pharmaceutical companies, even in a more constrained exit environment.

The tech sector also remained active, with major buyouts such as JAGGAER's acquisition by Vista Equity Partners and Hylaine's acquisition by Summit Park. Additionally, corporate consolidation played a key role, as Amped was acquired by Intuit Mailchimp and CloudGenera by Proven Optics. These deals highlight the ongoing trend of strategic M&A as the preferred exit route, particularly for high-growth companies that may have otherwise considered a public offering in more favorable market conditions.

Investor appetite for Cleantech and Greentech exits also showed resilience, with Heelstone Renewable Energy being acquired by Qualitas Energy and Renu Energy Solutions joining Swell Energy Inc. This signals continued interest in sustainability-focused companies, despite macroeconomic headwinds.

While IPO activity remained absent, the state's ability to attract high-value acquisitions and private equity buyouts reinforces North Carolina's standing as a strong innovation hub. As capital markets stabilize and interest rates potentially ease, exit activity may regain momentum in the coming years, positioning the state's high-growth startups for a more favorable liquidity environment.

**Exits**    ○ Acquisition    ○ Merger    ○ Buy Out    ○ IPO





With a thriving ecosystem of innovation, top-tier universities, and a growing pool of entrepreneurial talent, North Carolina offers a unique combination of resources and opportunities. Organizations like NC IDEA, the Small Business and Technology Development Center (SBTDC), and the Center for Entrepreneurial Development (CED) play a pivotal role in fostering entrepreneurship, offering vital support to founders across the state. We believe that great founders come from all backgrounds, and here in North Carolina, they can find the mentorship, resources, and connections needed to turn their ideas into high-growth businesses. This dynamic environment makes the state an ideal place for investors to tap into startups that are poised to lead the next wave of technological advancements.



**JENN SUMME**  
PRIMORDIAL VENTURES, PARTNER

# Scaling Up: Larger Venture Deals Define North Carolina's 2024 Funding Landscape

In 2024, North Carolina saw a notable shift in deal size distribution, with a higher concentration of capital in larger rounds while early-stage transactions also saw an increase. While the total number of deals declined slightly (209 vs. 214 in 2023), the aggregate median and average deal sizes increased, reflecting continued investor appetite for scaling high-growth startups while still maintaining strong early-stage activity.

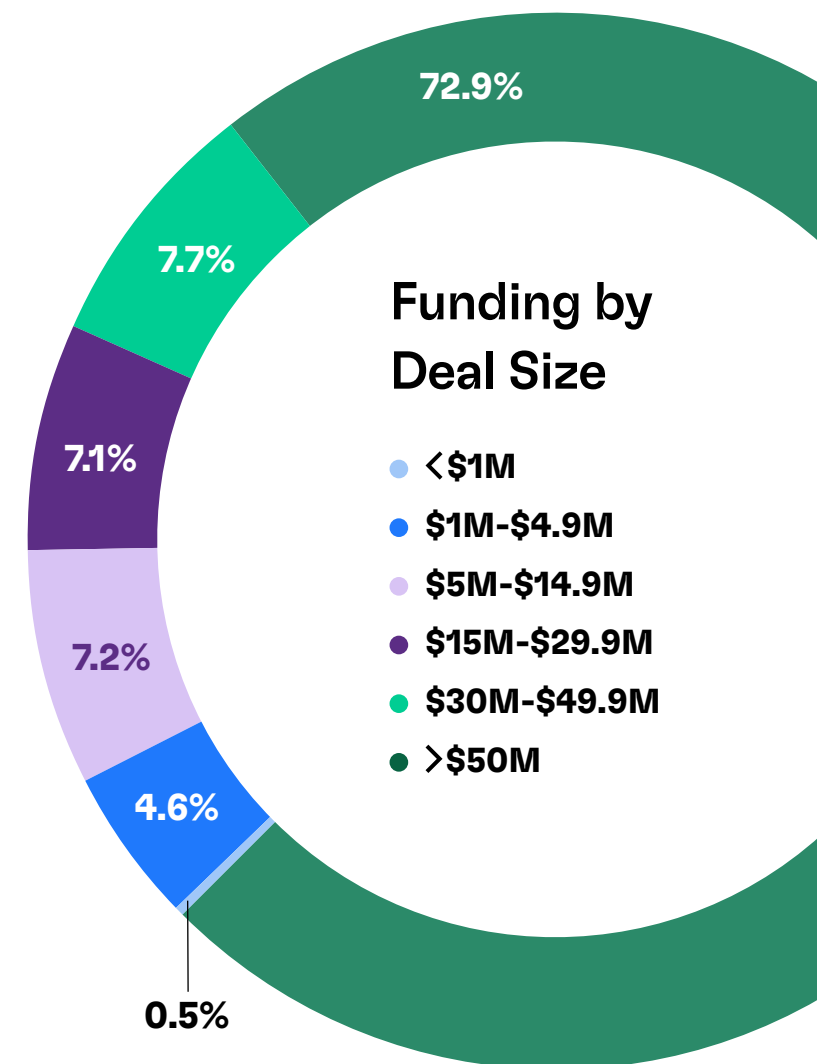
The largest deals (\$50M+) accounted for the bulk of total funding, comprising just seven transactions but contributing \$2.3 billion—a sharp contrast to smaller deal categories. Major deals such as Epic Games (\$1.5 billion), CData (\$350 million), and Aiwyn (\$113 million) fueled this trend, further solidifying the tech sector's dominance.

Mid-sized deals between \$15M and \$49.9M saw a slight decline, with 18 transactions in 2024 compared to 20 in 2023, collectively raising over \$470 million (also a decrease from a collective raise of \$515M in 2023). Despite this dip, these deals remained particularly prevalent in life sciences and cleantech, signaling sustained investor confidence in these industries even amid economic headwinds. While fewer in number, these mid-sized rounds continue to play a crucial role in supporting growth-stage companies seeking to scale without needing mega-rounds or late-stage funding.

Early-stage investment showed an uptick, with deals under \$5M rising to 159 in 2024 from 139 in 2023. This increase suggests renewed investor confidence in seed and early-stage startups, particularly in tech and cleantech, where local funds, angel investors, and accelerator-backed startups continued to provide capital.

However, the decline in smaller deals was still evident in certain sectors, particularly in Advanced Manufacturing & Materials and Makers, both of which saw funding contractions. Cleantech remained steady, continuing to attract investment in the \$5M-\$30M range, supported by strong industry tailwinds.

Overall, 2024's funding landscape underscores a dual trend—a flight to quality in later-stage investments alongside a resurgence in early-stage funding. While larger deals continued to dominate capital allocation, North Carolina's ability to attract both high-value growth rounds and a strong volume of early-stage deals reinforces its position as a maturing venture hub with growing national and international appeal.



# VENTURE CONNECT

CONNECTING COMPANIES WITH CAPITAL AT SCALE  
WEEK OF MARCH 25-27, 2025



**7000**

COMPANIES  
PITCHED

**1200**

ATTENDEES

**\$9B**

RAISED BY ALUMNI  
COMPANIES

[CEDNC.ORG/VENTURE-CONNECT](https://cednc.org/venture-connect)



ALEXANDRIA®

*Building the Future of Life-Changing Innovation®*



**PREMIER DEVELOPER OF COLLABORATIVE LIFE SCIENCE AND AGTECH CAMPUSES**  
Dynamic spaces where world-leading innovators advance human health by curing disease and improving nutrition



ALEXANDRIA  
TENANTS ACCOUNT  
FOR **50% OF NOVEL**  
FDA-APPROVED  
THERAPIES  
SINCE 2013

**PURPOSE-BUILT TO POWER INNOVATION AND ACCELERATE GROWTH**  
Full-service platforms and high-touch services for early-stage and venture-backed companies

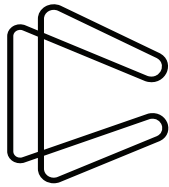


ALEXANDRIA LaunchLabs®

ALEXANDRIA AscentLabs™

ALEXANDRIA Venture Investments™





Center for  
Entrepreneurial  
Development

CED is a nonprofit organization that provides support to the entrepreneurial community by deploying its own resources and resources from the CED Network of Partners. Donations made directly to CED enable us to track entrepreneurial and investor activity, then report out to you on an annual basis. For information on how you can support the work of CED, please contact us at 919.549.7500 or visit <https://cednc.org>.

Information obtained from: CED, Dealroom, PitchBook, National Venture Capital Association (NVCA), North Carolina Biotechnology Center, Small Business Technology Development Center (SBTDC), The Business Journals, NCIDEA, EY, PwC & SBIR.gov.