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VC Tech Radar

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OpenAI scaled back its raise and Anthropic's growth slowed while public markets sold off. Late-stage private rounds still got done, Texas set conditions on new data centers, and a16z argued AI has made software exploits cheap to produce.

OpenAI's smaller round and Anthropic's slowdown point to pricing, not demand

OpenAI has secured about $11B of the $30B it was seeking. It now aims for up to $20B at a $1.25T valuation, after pitching $1.4T a week before the deadline, according to WSJ, FT and CNBC reports summarized by SaaStr [1]. Public markets were falling at the same time. One widely shared post claimed $2.8T was wiped from US stocks in a single day, which would be the largest one-day loss on record [2].

On 20VC x SaaStr, Rory said the lower OpenAI price is ordinary relative pricing against a larger, profitable Anthropic that is about to list. His view is that demand, not financing conditions, will decide the outcome. If demand weakens, leveraged infrastructure companies like CoreWeave get hurt before Google or Amazon [1]. Jason was more cautious. He cited about $5T lost from AI stocks in a week, CoreWeave debt paying 15%, and Broadcom guaranteeing Anthropic debt [1].

On Anthropic, the panel used GAAP revenue figures from the S-1 amendment: about $5B in Q1, $11B in Q2 and $17B in Q3. Quarter-over-quarter growth roughly halved, from about 100% to about 50% [1]. Jason blamed pricing pressure, not demand. He said OpenRouter data shows no decline in demand, and that OpenAI is selling roughly equivalent products at 30% off. He also gave

his own example: moving SaaStr's AI matching app to Haiku 5.5 and a cheaper model mix cut its costs by 72% [1].

Enterprises are reining in spend too. Apple is reported to have cut engineers' daily AI limits from $300 to $200, with $100 planned [3]. One practitioner said switching a colleague to DeepSeek v4.1 Flash cut daily spend by 10–20x, with no complaints about quality so far [4].

For investors: if mature AI apps are seeing cost drops like these, gross margins at application companies should improve. Model labs' ability to charge premium prices is what's under pressure.

Late-stage rounds still closed, often on momentum

Several large private rounds were reported:

- **Zipline:** raised $1.5B at $21.5B post-money, nearly triple its valuation from about 10 months ago. Uber holds a strategic stake [5]. The money is going toward a nationwide drone delivery network [6]. Amazon plans to expand drone delivery from 11 locations to about 500 [5].
- **Kalshi:** raised $1B at $40B, led by Sequoia and Wellington. Utah filed criminal charges against the company and its co-founders one day earlier [1]. Rory called it a momentum round for what has become a national sports-betting market [1].
- **Serval:** raised $150M at $3B, led by Sequoia, up from $1B in December [1].
- **Cognition:** received investor proposals at $70–80B, weeks after a round at $48B [1].
- **Baseten:** set to raise at up to $30B, up from $13B in June [1].

The panel's diligence test for Serval was whether a customer that spends $200K on ServiceNow would pay $300–400K for Serval [1]. Jason's concern with Cognition: a 10x from here means nearly a $1T outcome for a company that owns only part of its IP stack [1].

Physical Intelligence is negotiating at least $1B at about $20B with little or no revenue. Rory pushed back on the size: there are only about 300,000 robots in the US, and he expects foundation-model companies to buy their way into robotics [1]. Canada will invest up to $1.14B in Cohere. Cohere says ARR grew 165%, but it did not disclose the base [1].

On exits, the DOJ is reviewing Nvidia's $12.93B purchase of Hugging Face. Jason said most acquirers want at least $100M in revenue before they will buy [1].

Texas data centers: conditions, not a ban

In a CNN interview, Texas governor-elect Gina Hinojosa said the state needs to "stop what we are doing" on data centers until there are measures to protect

Texans [7]. Gavin Baker's reading of her position is narrower: - Projects that already have permits can finish construction, which covers 2027 and likely well into 2028. - Projects newly permitted for 2028/2029 delivery would have to pay taxes, avoid raising consumer power prices, protect water supply, use union labor and give Texans "a seat at the table" [8].

Scott Kupor called this a mainstream position. He said removing NDAs and guaranteeing water and utility costs addresses most local objections [9]. For infrastructure investors, the near-term pipeline appears safe, while costs rise for capacity delivered after 2028.

Early- and growth-stage deals

- **Alta Ares:** won NATO's counter-UAS program of record five months after Air Street led its $60M Series A. It took 6 of 16 lots, the most of any winner, and was the only supplier picked for area-defence systems. NATO allies can buy directly from the catalogue without a new tender [10].
- **Tractian (YC W21):** passed $100M ARR, growing 90% year over year. It raised a $130M Series D at $1.4B for sensor-plus-AI industrial maintenance [11].
- **Reflex (YC W23):** raised a $14M Series A, led by Standard Capital. Its platform turns business problems into production apps, with AI writing the software and Reflex engineers deploying it. YC says the framework powers internal tools at about 30% of the Fortune 500 [12].
- **Quest:** a personal AI agent. Air Street led the seed [13].
- **Sekai:** Keith Rabois led its Series B after leading the A in February. The company reports 30M+ plays a day and daily users up 20x+ [14].

Agents doing real work

Perplexity launched Teammates, persistent work agents that take high-level goals instead of prompts. They are rolling out to Max users [15]. Aravind Srinivas reported internal usage: - About 10,000 teammates in the last 30 days, 20x Perplexity's headcount [16]. - The median employee gets 7x more agent-hours per week than in September [17].

These are internal figures, not customer adoption. LangChain says most of its internal agents now use async subagents [18]. Replit rebuilt its sandboxes around microVMs, using credential brokers so agent workloads never get reusable account credentials [19].

AI has made exploits cheap; patching hasn't sped up

An a16z essay describes an August campaign in which one operator directed a few hundred agents running a cheap open-weight model. They went from an empty workspace to the first break-in in under four hours and compromised 395

organizations in 48 countries, half of them schools [20]. Meanwhile, the median time to fully fix a known-exploited vulnerability rose to 43 days [20].

a16z's base case is outbreaks on the scale of the 2003 worm era or WannaCry, concentrated on systems that are hard to update. It does not expect the grid or the internet to collapse [20]. The UK's AI Security Institute finds the length of cyber tasks frontier models can complete unaided doubling every 4.7 months [20].

Other signals

- **Talent:** OpenAI hired Austin Lau, Anthropic's "one-man growth team," and Cat Wu, Claude Code's head of product. It also hired former Uber president Jill Hazelbaker [21].
- **AI building AI:** METR believes most of the recent acceleration in AI capability likely now comes from AI being used in AI R&D. It says it isn't sure, and Anthropic staff did not agree on this [22].
- **Post-training:** Trajectory says it trained Harvey a model that is six times cheaper than frontier models, raising accuracy on Harvey's legal benchmark from about 4% to about 18% compared with an open-source base [23].

Sources

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