Stitch's Series A, Vertical AI Standouts, and the New AI Infrastructure Squeeze

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Stitch led the funding news, while YC and indie builders surfaced credible vertical AI teams in fintech, healthcare, construction, and internal operations. The strongest macro signals centered on data-center politics, open-source geopolitics, and where value may accrue as software shifts toward reasoning layers above systems of record.

1) Funding & Deals

- **Stitch** raised a **$25M Series A** led by **a16z**, with Arbor, COTU, Raed, and SVC participating; a16z said it is the firm's first investment in Saudi Arabia [1, 2]. Stitch is building an API-first operating system for financial institutions that unifies ledgers, primitives, and workflows, and a16z frames it as a next-generation global fintech infrastructure company [2, 1]. Reported operating data: more than **$5B** transacted in the last six months, with customer count up **10x** and revenue up **20x** in 2025 [2].
- **Furientis** launched with a **$5M pre-seed** to build next-generation interceptor missiles optimized for scalability, rapid iteration, design simplicity, and low cost [3]. The market case is explicit: current U.S. systems use roughly **$4M missiles** to intercept **$40k drones**, with only about **200 interceptors** delivered annually [4]. Founders are **Brody Franzen** and **Aris Simsarian** [4].
- **Flick** raised **$6M** for AI-native filmmaking tools and says **14 filmmakers** have already produced **13 films** on the platform [5]. The founding team pairs filmmaker **Zoey Zhang** with Instagram Stories founding engineer **Rui Cromwell**; backers include True Ventures, GV, YC, Lightspeed,

Pioneer Fund, Formosa Capital, Olive Tree, and N1 [5]. Garry Tan called it one of the best new creative startups of the year [6].

2) Emerging Teams

- **PLAN0** turns architectural plans into construction cost estimates and analytics in minutes, and says **$20B** of projects have already run through the platform [7]. Founders: **@abaratiiii**, **Shervin**, and **Dimitris** [7].
- **Gigacatalyst** lets software companies ship missing product features by talking to an AI. The early signal is strong: in just **6 weeks**, it helped customers unblock **$1M** in pipeline and ship **800 features** [8]. Founder: **@namanyayg** [8].
- **Clara** is an AI-powered primary care doctor that reads a patient's medical history, diagnoses, and treats, with licensed clinicians reviewing every decision [9]. The pedigree matters: the team previously built **Circle Medical** to nearly **1 million visits per year** [9]. Founders are **George Favvas**, **Zeeshan**, and **Caitlin** [9].
- **Astraea** automates clinical trial biometrics, turning raw study data into **CDISC-compliant datasets, TFLs, and FDA-ready outputs in days** [10]. It targets a specialized drug-development workflow with heavy formatting and submission requirements. Founders: **@joshwqngsr** and **Sanmay** [10].
- Outside YC, **Runik AI** reported early product-usage signals worth noting. The product builds a business system from conversation in under five minutes [11], and two weeks after launch it had **28 signups**, **12 active businesses**, and **12,000+ operations** across industries such as construction, poultry farming, auto parts, HR, and software project management [11]. It also added WhatsApp-based data queries and a Claude MCP connector, and the founder says the more important signal is that users were running real workflows without training [11, 12].
- Other YC vertical-software launches in the batch include **TakeCareOS** for home-care agency back-office automation and **Auxos** for simulated customer decision testing across messaging, pricing, and positioning [13, 14].

3) AI & Tech Breakthroughs

- A notable technical release in the batch is **Datadog's Toto 2.0**. The company released a family of open-weight time-series foundation models from **4M to 2.5B parameters** under Apache 2.0, and said each size outperforms the last using a single hyperparameter configuration while leading the **BOOM**, **GIFT-Eval**, and **TIME** benchmarks [15]. Clément Delangue framed the larger implication as time-series models finally getting predictable scaling laws similar to language and vision, linking compute, data, parameters, and downstream performance [15].

- **PerfectBit** is attacking training data quality at the source. Its data is designed to be correct by construction and verified against physics simulators, scientific databases, and formal proof systems for **LLMs, robotics, and AI for Science** [16]. The technical idea is to ground training data in external verification rather than post-hoc filtering [16].
- **ArcGate** is a useful security pattern for agent builders. Its LangChain callback blocks prompt injection by treating the problem as unauthorized instruction-authority transfer, meaning webpages, emails, tool outputs, and retrieved documents can provide data but cannot override agent instructions [17]. The implementation is one-line to test [17], and community feedback already points to real-world issues such as nested-encoding bypasses and false-positive risk on legitimate user input [18, 19].

4) Market Signals

- **AI infrastructure is becoming a permitting and power story, not just a capex story.** Garry Tan highlighted a federal bill from Sanders and AOC to pause AI data center construction, plus **300+ local bills** that he says are putting half of planned **2026** data centers at risk of delay or cancellation [20]. He linked that debate to large local economic multipliers, citing **4.7M total jobs** nationally in 2023, a **7.5x employment multiplier**, and Brookings estimates of **2,000-4,000 jobs** per county from a single large data center [21, 22]. In separate commentary, he argued that blaming data centers obscures deeper grid and baseload policy problems [23].
- **Open-source AI's center of gravity may be shifting east.** Clément Delangue said China is now the strongest open-source contributor and that many U.S. startups and academic groups are already using Chinese open models such as DeepSeek, Qwen, and Kimi [24]. In parallel, Suhail flagged that China is allocating up to **72K GPUs each** to **10 companies**, a sign of more coordinated compute buildup [25]. Delangue also warned that, if there is a bubble, it may be in API-distributed closed-source LLMs given aggressive data-center buildouts and uncertain long-term margins [24].
- **The GTM stack is being reframed around a system of intelligence.** a16z's thesis is that the next valuable layer sits above the database: a reasoning layer that pulls from systems of record via APIs, becomes the user's one-stop place for context and action, and may capture most of the next decade's enterprise value in GTM software [26].
- **Voice AI already looks overbuilt at the wrapper layer.** An operator on a voice AI platform says they tracked **40+ launches** in the last year, with most either stalled or shut down [27]. Their takeaway: durable

winners go deep on a specific vertical and operational integrations, while weak wrappers get displaced quickly and can see brutal churn after a single bad call [27]. The more attractive wedge may be tooling for the wrappers themselves, including evals, analytics, compliance, and voice ops [27].

- **AI referral traffic is becoming measurable earlier than many founders realize.** Zen Reports says it has crossed **200 connected GA4 properties**, and the median tracked site gets more traffic from **Perplexity** than from **Bing** [28].

5) Worth Your Time

- **From System of Record to System of Intelligence** — the clearest essay in the batch on how value may migrate from legacy systems of record to reasoning layers above them [26].
- **Data center NIMBYs are killing $1T in AI infrastructure** — worth reading alongside today's infrastructure debate if you want the investor case that local permitting is becoming a strategic AI constraint [29, 20].
- **20VC on parallel agents and compute consolidation** — the best clip in the batch for the combined demand-side and supply-side view: token growth could scale far above consensus as workflows move from sequential usage to parallel agents, while frontier labs continue locking up scarce capacity [30].

Anthropic Buys Compute From Elon & Commits $200BN to Google | Cerebras IPO | Ramp Raises at $40BN (16:03)

- **Pax Silica on the Philippines industrial base** — useful if you are tracking non-chip bottlenecks in the AI supply chain, especially reducers, motors, rare earth magnets, actuators, and robotics inputs [31].

Pax Silica: Inside the Trump Administration's Tech Strategy with Jacob Helberg (1:17)

- **Clément Delangue on open source and robotics** — useful for investors thinking about open-source geopolitics and early distribution in robotics; Delangue argues China now leads open-source contributions and says Hugging Face has shipped almost **10,000** Ricci Mini robots with **300+ apps** already built [24].

Sources

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