

dakotainsights

SOFTWARE & TECHNOLOGY TRANSACTIONS REPORT

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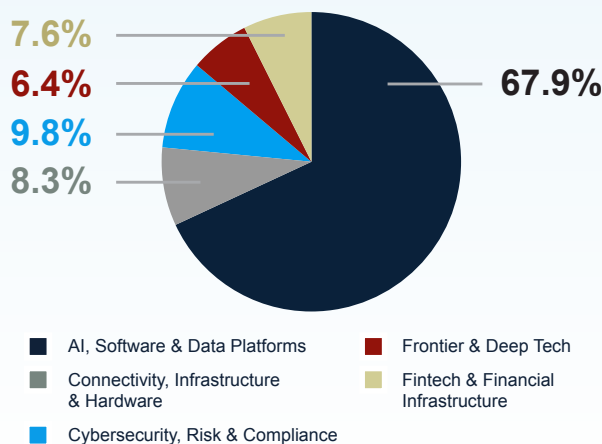
EXECUTIVE SUMMARY

September 2025 was a strong month for technology dealmaking, marked by rising valuations, active M&A, and continued investor focus on artificial intelligence, data infrastructure, and frontier technologies. The headline transaction was Electronic Arts' \$55 billion leveraged buyout by Silver Lake, Affinity Partners, and the Saudi Public Investment Fund, the largest LBO in history. The deal underscored the growing strategic importance of interactive entertainment, digital content, and proprietary IP within the broader technology ecosystem.

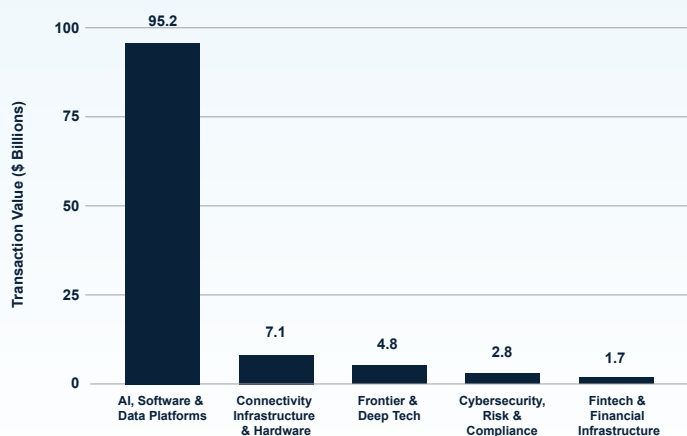
Several other multi-billion-dollar transactions reinforced investor conviction in AI and critical infrastructure. Anthropic closed a \$13 billion Series F round, Nvidia made a \$5 billion minority investment in Intel alongside a new strategic partnership, and Cadence Design acquired Hexagon AB's design and engineering business for \$3.16 billion. Private equity firms remained active across SaaS and enterprise software, pursuing take-private opportunities such as Couchbase (\$1.5B, Haveli Investments), PROS Holdings (\$1.4B, Thoma Bravo), and Vimeo (\$1.38B, Bending Spoons). Strategic acquirers including OpenAI, Atlassian, and Cadence also targeted assets in data infrastructure, software observability, and digital reality, reflecting sustained confidence in AI-native software scalability and profitability.

Investor participation was broad, with ICONIQ, Andreessen Horowitz, Insight Partners, Thrive Capital, and Thoma Bravo anchoring many of the largest financings and buyouts. Cross-sector innovation continued to blur lines between software, hardware, quantum computing, robotics, and cybersecurity. Frontier technology companies such as PsiQuantum, Quantinuum, IQM, and Figure raised between \$600 million and \$1 billion, underscoring investor appetite for R&D-intensive ventures with transformative potential. Overall, September 2025 activity reflected robust market confidence and steady momentum, as capital flowed toward platforms enabling automation, scalability, and digital transformation.

PERCENTAGE OF TOTAL TECHNOLOGY TRANSACTIONS BY VERTICAL (DEAL COUNT)



CAPITAL DEPLOYED BY VERTICAL



KEY SEGMENTS

AI, Software & Data Platforms

Transaction Value: \$95.2 Bn

AI, software, and data platform deal activity accelerated significantly in September, reaching \$95.2 billion in total transaction value, a sharp increase from \$23 billion in August. The rise was driven by a mix of large-scale buyouts, strategic acquisitions, and late-stage financings that underscored investor conviction in AI infrastructure and enterprise software. The landmark \$55 billion take-private of Electronic Arts by Silver Lake and partners set the tone for the month, while Anthropic's \$13 billion Series F and Cadence Design's \$3.16 billion purchase of Hexagon AB's design and engineering division reinforced the sustained flow of capital into data-rich, AI-driven ecosystems.

The sector continued to transition away from legacy SaaS models toward AI-native platforms built around automation, data observability, and predictive analytics. Take-private transactions involving Couchbase (\$1.5B), PROS Holdings (\$1.4B), and Vimeo (\$1.38B) reflected private equity's focus on repositioning software assets for the AI era. Strategic acquirers such as OpenAI and Cadence extended their capabilities through targeted transactions in analytics, infrastructure, and digital reality, while growth investors including ICONIQ, Andreessen Horowitz, Insight Partners, and Thoma Bravo continued to back next-generation AI and cloud data companies.

Collectively, these developments highlight a structural shift in enterprise software. Artificial intelligence has become the central engine of scalability, differentiation, and long-term value creation, redefining competitive advantage across the software landscape.



Connectivity, Infrastructure, & Hardware

Transaction Value: \$7.1 Bn

Investment in connectivity and hardware totaled \$7.1 billion in transaction value, reflecting continued momentum across the semiconductor, cloud infrastructure, and quantum computing ecosystems. Although below August's \$69 billion, which was elevated by the \$23 billion EchoStar merger and several multi-billion-dollar deals, the sector remained active amid rising demand for AI, cloud computing, and high-performance hardware. Intel captured headlines with a \$5 billion minority investment from Nvidia, providing essential capital support while deepening a strategic partnership to co-develop chips for next-generation data centers and personal computing. The transaction demonstrated how major semiconductor players are using collaboration to accelerate innovation and secure competitive positioning through market cycles.

Additional activity concentrated in interconnects, energy-efficient electronics, and advanced semiconductor architectures, highlighted by Ciena's \$270 million acquisition of Nubis Communications, which brings in compact optical/copper interconnect technologies and over 50 R&D engineers to bolster its AI-ready data center stack. Hardware ventures increasingly adopted modular systems, photonics, and edge computing designs to address the scalability requirements of AI and hyperscale cloud environments. With venture and private equity capital fueling both R&D and commercialization, the sector continued to show strong confidence in the infrastructure underpinning global digital transformation.



Frontier and Deep Tech

Transaction Value: \$4.8 Bn

Investment in frontier and deep tech in September 2025 demonstrated strong confidence in disruptive innovation capable of redefining industries at their core. A key highlight was PsiQuantum's \$1 billion Series E funding to advance the world's first practical quantum computer, supported by heavyweight investors like BlackRock and Temasek. AI-driven robotics also attracted substantial growth equity, with Figure raising \$1 billion in their Series C round to develop humanoid robots designed to revolutionize labor across manufacturing, healthcare, and retail sectors. Additional funding rounds addressed critical areas like advanced semiconductor materials, AI-native identity security, and autonomous AI agents, emphasizing both hardware and software breakthroughs as essential pillars of future innovation.

The vertical's transactions also showcased a growing ecosystem of startups pushing the frontiers of quantum computing, advanced AI, and embedded systems with real-world applications. Companies like Groq and Quantinuum raised hundreds of millions to scale high-speed AI inference and quantum systems integration. Investments in automated analog circuit design, laser-based communication, and energy-efficient semiconductor solutions underscored the broader trend towards embedding intelligence at the foundational hardware level. This deep tech focus signals investor belief in long-term transformative potential that demands significant R&D investment paired with strategic partnerships, positioning this vertical as a crucial driver of next-generation technology leadership.



Cybersecurity Risk and Compliance

Transaction Value: \$2.8 Bn

Cybersecurity risk and compliance remained a critical focus area, with substantial investment directed toward companies advancing AI-driven security and operational technology protection. High-profile acquisitions underscore how cybersecurity strategies are increasingly integrating AI to detect and respond to sophisticated threats. Examples include Mitsubishi Electric's \$1 billion purchase of Nozomi Networks, a leader in operational technology security, and F5's \$180 million deal for AI security firm CalypsoAI. Supply chain risk and third-party vendor security also gained attention, with SecurityScorecard acquiring AI-powered compliance platform HyperComply to bolster end-to-end risk visibility for enterprise customers.

The market dynamics underscored a broader industry trend of strategic consolidation and premium valuations fueled by growing regulatory requirements and emerging cyber threats. Organizations are focusing on automating compliance management and incident response while expanding investments in AI-powered tools to counter ransomware, social engineering, and data privacy risks. This shift is helping businesses not only comply with tightening regulations but also transform cybersecurity from a cost center into a strategic competitive advantage.



Fintech and Financial Infrastructure

Transaction Value: \$1.7 Bn

The fintech and financial infrastructure sector experienced robust activity in September 2025, driven by growing adoption of digital financial services and evolving consumer behavior. Major funding rounds included companies offering automated global payables, buy-now-pay-later platforms, and digital wealth management solutions. Institutional investors played a critical role in advancing the fintech and financial infrastructure sector in September 2025. For example, TPG made headlines by backing Infomedia, a provider of intelligent, connected solutions that streamline aftersales experiences for automakers and dealers, in a \$421 million take-private transaction. Similarly, investments targeted scalable platforms addressing the needs of small and medium-sized enterprises, as seen in deals like Omie, a Brazilian company offering cloud-based financial management software, which raised \$160 million. The influx of capital highlighted continued investor confidence in fintech's power to transform traditional banking functions through digital integration and automation.

This period also showed a marked shift toward regional expansion and regulatory alignment. Fintech startups with strong compliance frameworks attracted premium valuations, reflecting the importance of navigating increasingly complex financial regulations. Companies focusing on embedded finance, digital lending, and tailored payment solutions addressed underserved markets, particularly in the Gulf region and across Europe. The market is poised for consolidation and strategic acquisitions as firms leverage new funding to scale operations and broaden their product suites. Overall, fintech remains a vital vector for innovation in the global financial ecosystem.



TRANSACTION NEWS

This table showcases five of the largest and most significant transactions in the technology sector during September, selected for their impressive scale and strategic importance.

TOP FIVE TECHNOLOGY TRANSACTIONS - SEPTEMBER 2025

Rank	Name	Description	Type	Sub-Type	Vertical	Transaction Value	Investor(s)
1	Electronic Arts (EA)	Global leader in digital interactive entertainment across multiple gaming platforms.	Buyout/ Private Equity	Leverage Buyout / Take-Private	AI, Software & Data Platforms	\$55bn	Silver Lake, Affinity Partners, Saudi PIF
2	Anthropic	AI research organization focused on safe, scalable artificial intelligence systems.	Growth Equity	Series F	AI, Software & Data Platforms	\$13bn	ICONIQ, Fidelity, Lightspeed Venture
3	Intel Corporation (INTC)	Global semiconductor giant specializing in microprocessors and advanced chip technologies.	Growth Equity	Minority	Connectivity Infrastructure & Hardware	\$5bn	Nvidia
4	Hexagon AB (D&E)	Leader in digital reality solutions integrating sensors, autonomy, and software.	Acquisition/ Merger	Strategic Acquisition	AI, Software & Data Platforms	\$3.16bn	Cadence Design
5	Mistral AI	Developer of cutting-edge generative AI models for enterprise applications.	Venture	Series C	AI, Software & Data Platforms	\$2bn	ASML, Nvidia, Andreessen Horowitz



KEY TRENDS & INSIGHTS

- **AI Remains the Core Trade:** Investors are betting that AI's move from experimentation to execution will drive productivity and competitive advantage across technology, a conviction reflected in rising valuations even as long-term gains remain unproven.
- **Private Equity Moves Up the Stack:** Sponsors are doubling down on scaled SaaS and data-rich platforms, using AI and operational transformation to expand margins and accelerate growth away from public market pressures.
- **Enterprise Tech Gets Intelligent:** AI is increasingly embedded across enterprise software and infrastructure, signaling a shift toward unified, intelligent systems that blend analytics, automation, and computation.
- **Frontier Tech Moves Into the Build Phase:** Advances in robotics, quantum systems, and sensing technologies are extending the tech stack beyond software and chips, with capital targeting platforms that fuse physical and digital intelligence.
- **Cybersecurity Goes Autonomous:** AI automation is pushing cybersecurity from reactive detection to predictive, self-learning protection, drawing investment into platforms that enhance resilience and trust.

LOOKING FORWARD

The technology sector heads into late 2025 with steady momentum and clear conviction around AI, compute infrastructure, and frontier innovation. As more companies build AI-native systems into their operations, digital transformation is shifting from pilot projects to core business strategy, keeping M&A and funding activity at elevated levels.

Investors are focusing on businesses with real scale, strong data assets, and proven use cases for AI-driven efficiency. Partnerships among chipmakers, cloud providers, and software firms will be central to building the computational backbone supporting AI's continued growth, a pattern that has become increasingly evident in recent months.

Frontier technologies such as quantum computing, robotics, and autonomous systems remain long-term plays, but September marked a breakout month for commercial traction and large-scale capital commitments across the sector. At the same time, cybersecurity will stay front and center as AI expands both capabilities and attack surfaces across digital infrastructure, reinforcing its role as a critical pillar of the modern technology ecosystem. With valuations elevated across nearly every segment, investor discipline will be tested as competition for differentiated assets and credible growth stories intensifies.



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