

Trends in venture capital & emerging technology

October 19, 2015

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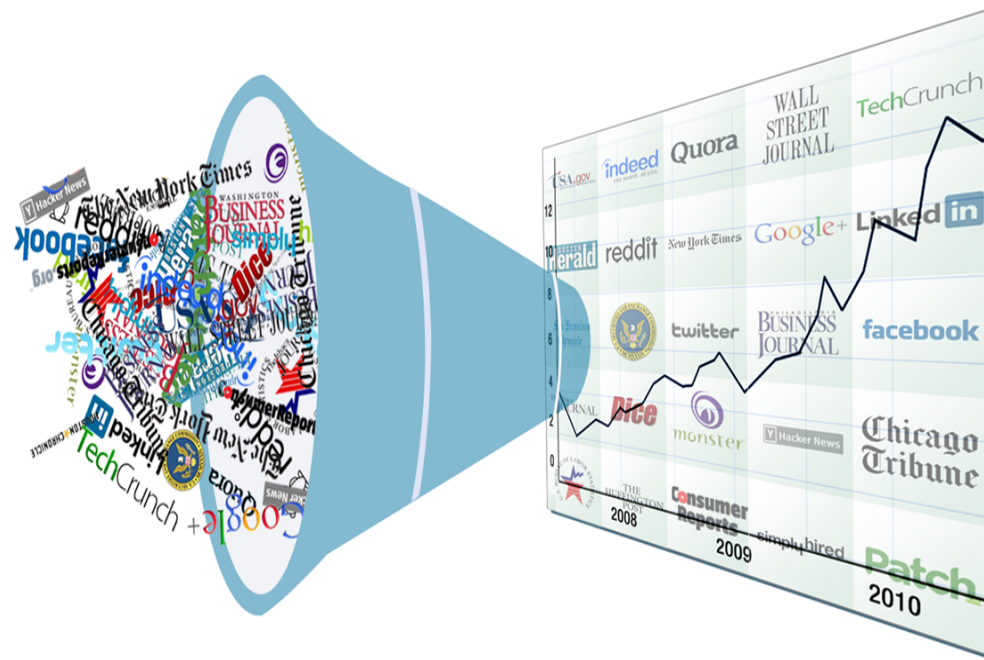
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From ["Predictive Analytics And Novel Visualization Draw Customers To 'Must Have' Data"](#) published April 8, 2015

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Senior Manager, Strategic Planning
Dassault Systems





MACRO TRENDS



In Q3 2015

GLOBALLY

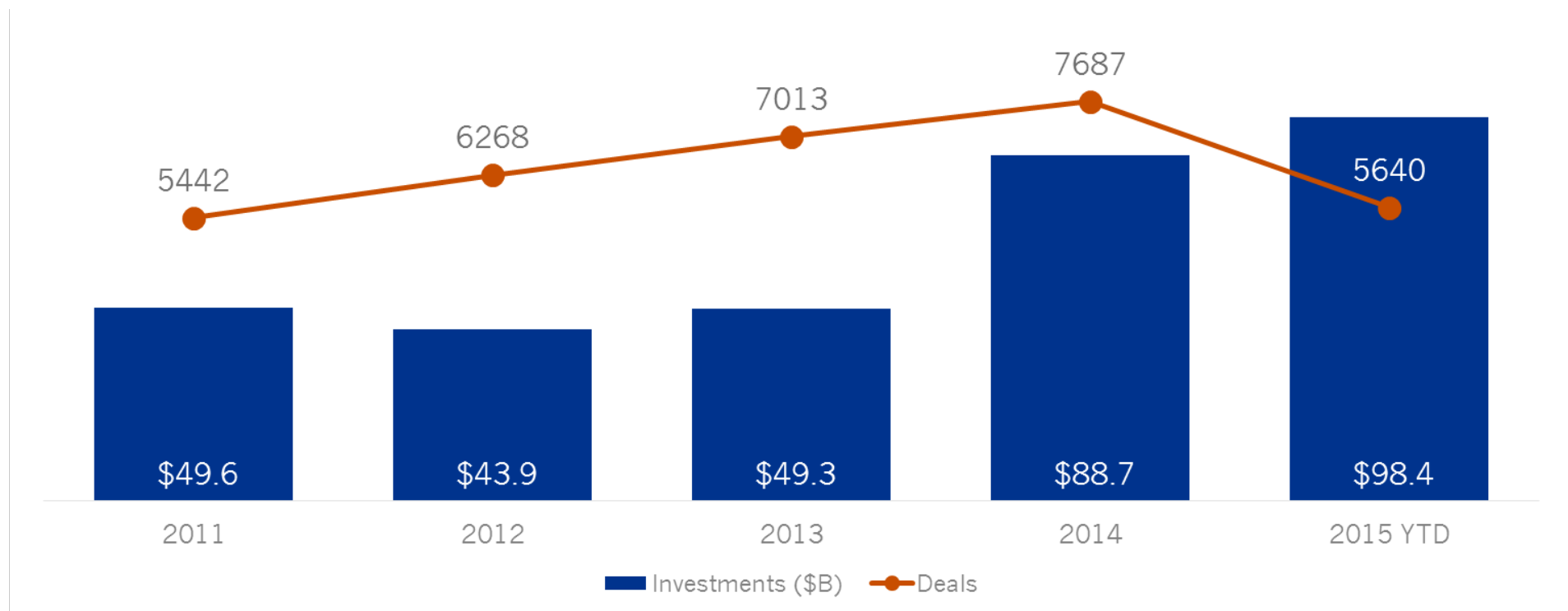
VC-backed companies raised

\$37.6 billion

\$98.4B DEPLOYED ACROSS 5,640 DEALS TO VC-BACKED COMPANIES IN FIRST THREE QUARTERS OF 2015

Funding to VC-backed companies in the first three quarters of 2015 has already topped 2014's year-end tally by 11%. The first nine quarters of 2015 have seen nearly double the amount of funding to VC-backed companies as 2013. However, deals are on pace to fall below 2014's total at the current run rate.

Annual Global Financing Trends to VC-Backed Companies 2011 – 2015 YTD (Q3'15)

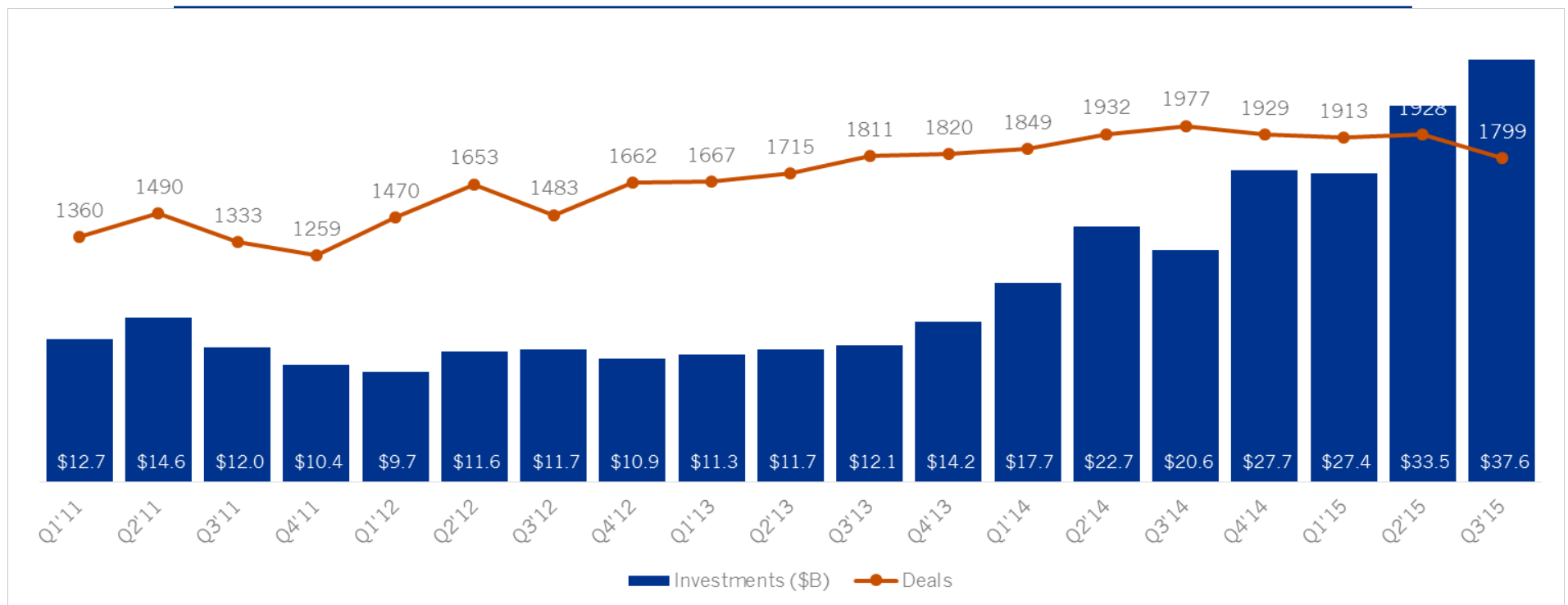


Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015

Q3'15 FUNDING TOPS \$37B DESPITE DRASTICALLY LOWER DEAL ACTIVITY

Funding in Q3'15 topped the same quarter last year by 82% behind 10 \$500M+ deals (including 5 at or over the \$1B mark). The funding bump came in spite of deal activity to VC-backed companies falling for 3 of the last 4 quarters, hitting the lowest total since Q2'13.

Quarterly Global Financing Trends to VC-Backed Companies Q1'11 – Q3'15



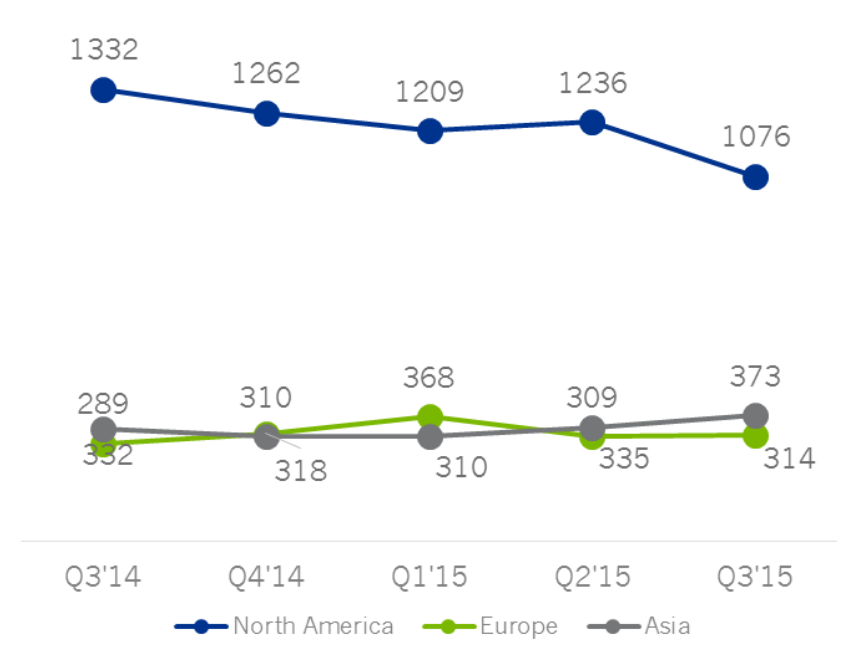
Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015

VC-BACKED COMPANIES IN ASIA REEL IN OVER 3X AS MANY DOLLARS AS EUROPE IN Q3'15

North America saw \$20B of investment for the second-consecutive quarter in Q3'15. Despite the similarity in deal activity in Asia and Europe, Asia greatly expanded its lead as VC-backed companies took in nearly \$10B more than European firms in Q3'15. This is due to mega-rounds to companies such as Didi Kuaidi, Ele.me, Snapdeal, GrabTaxi and more.

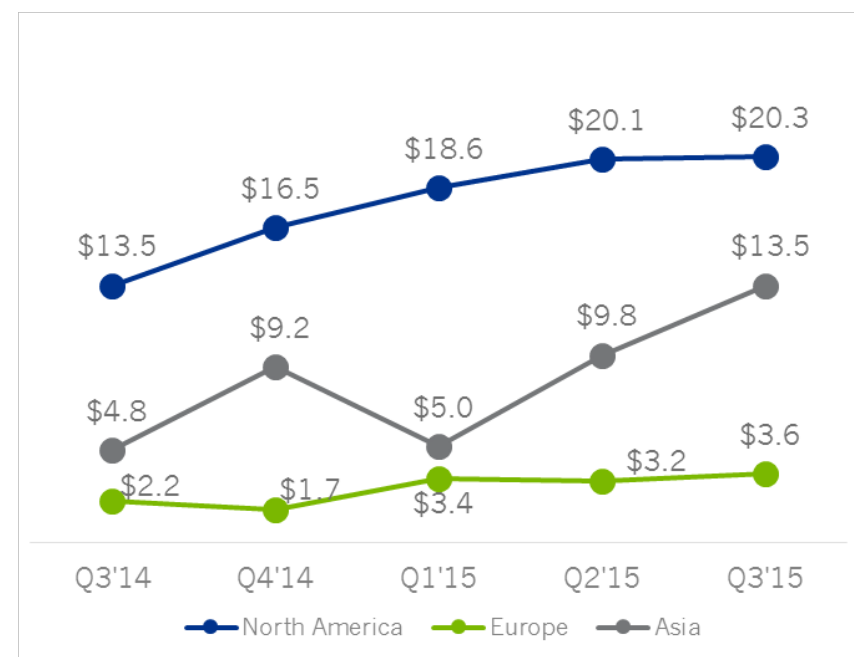
Deal Count by Continent

Q3'14 – Q3'15



Investment (\$B) by Continent

Q3'14 – Q3'15



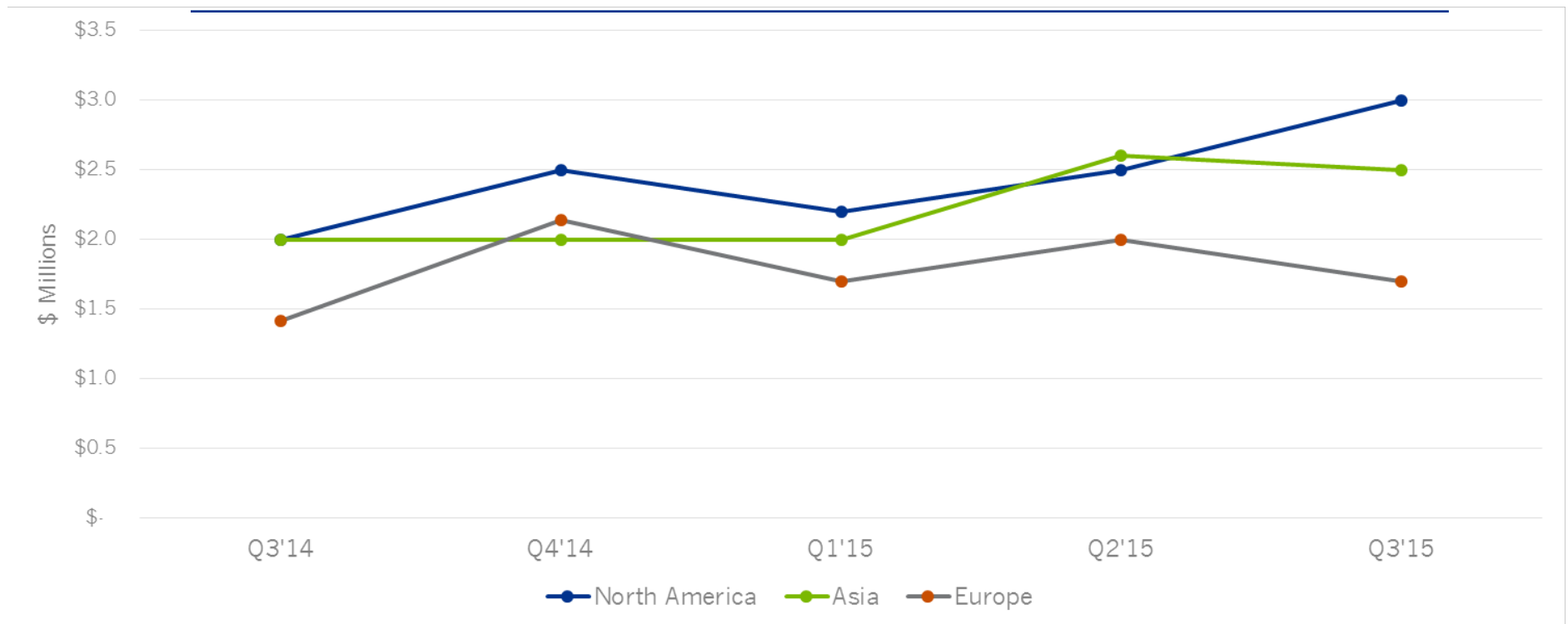
Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015

EARLY-STAGE DEAL SIZE IN NORTH AMERICA LEAPS AHEAD OF ASIA, EUROPE

At ~\$2.5M, Asia early-stage deal sizes continued to remain significantly larger than in Europe, which has seen a median deal size \leq \$2M in 3 of the last 5 quarters.

Median Early-Stage Deal Size Continent Comparison

Q3'14 – Q3'15



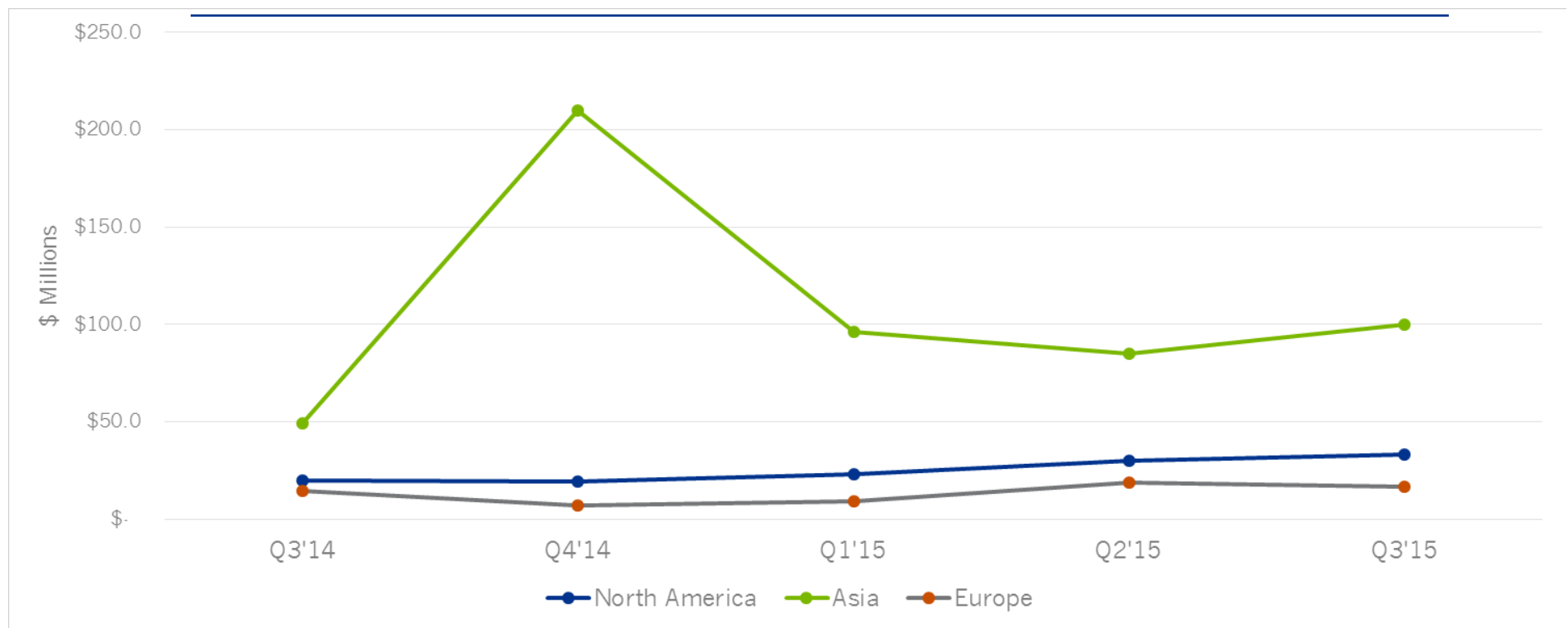
Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015

ASIA HAS THE LARGEST MEDIAN FOR LATE-STAGE DEALS

Median late-stage deals in Asia have been greater than both US and European medians for the last 5 quarters. After Q4'14 saw median late-stage deal size in Asia spike to \$220M behind big rounds including Xiaomi's \$1.1B financing, Asia deals once again hit \$100M+ in Q3'15.

Median Late-Stage Deal Size Continent Comparison

Q3'14 – Q3'15



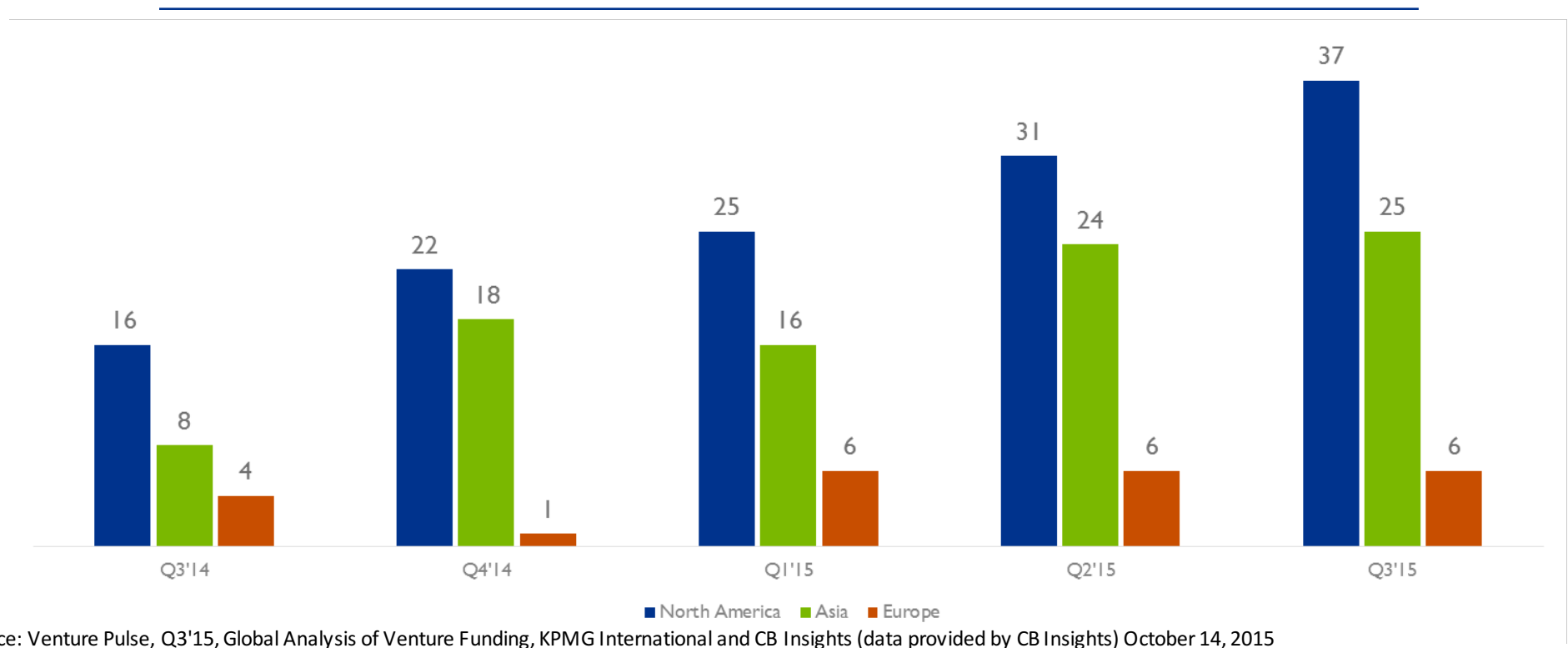
Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015

THE RISE OF MEGA-ROUNDS CONTINUES: 170+ \$100M+ ROUNDS TO VC- BACKED COMPANIES IN 2015

Thus far in 2015 there have been over 170 \$100M+ equity financings to VC-backed companies. Q3'15 saw a combined 68 financings, with Asia seeing over 20 \$100M+ rounds for the second consecutive quarter. Overall the mega-rounds in Q3'15 raised over \$19B cumulatively.

\$100M+ Financings to VC-Backed Companies

North America vs. Asia vs. Europe, Q3'14 – Q3'15



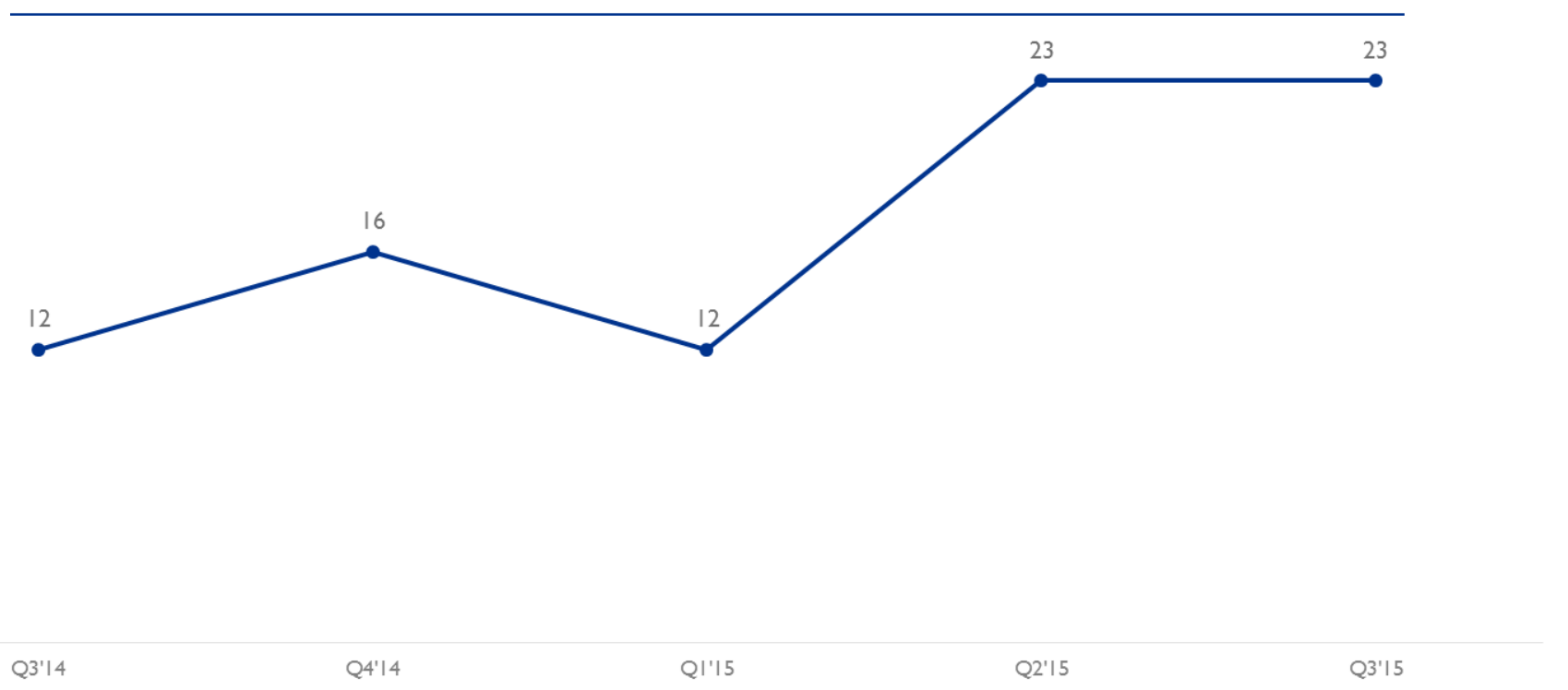
Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015

MORE THAN 45 VC-BACKED UNICORNS HAVE BEEN ADDED IN THE LAST TWO QUARTERS

The unicorn growth continues, with Q3'15 adding 23 unicorns, the same number as the previous quarter and nearly double the number added in the first quarter of this year. 46 new unicorns have been added in the last 2 quarters, which is more than the entirety of 2014 (which saw 38 in total).

VC-Backed Companies Entering The Unicorn Club

Q3'14 – Q3'15



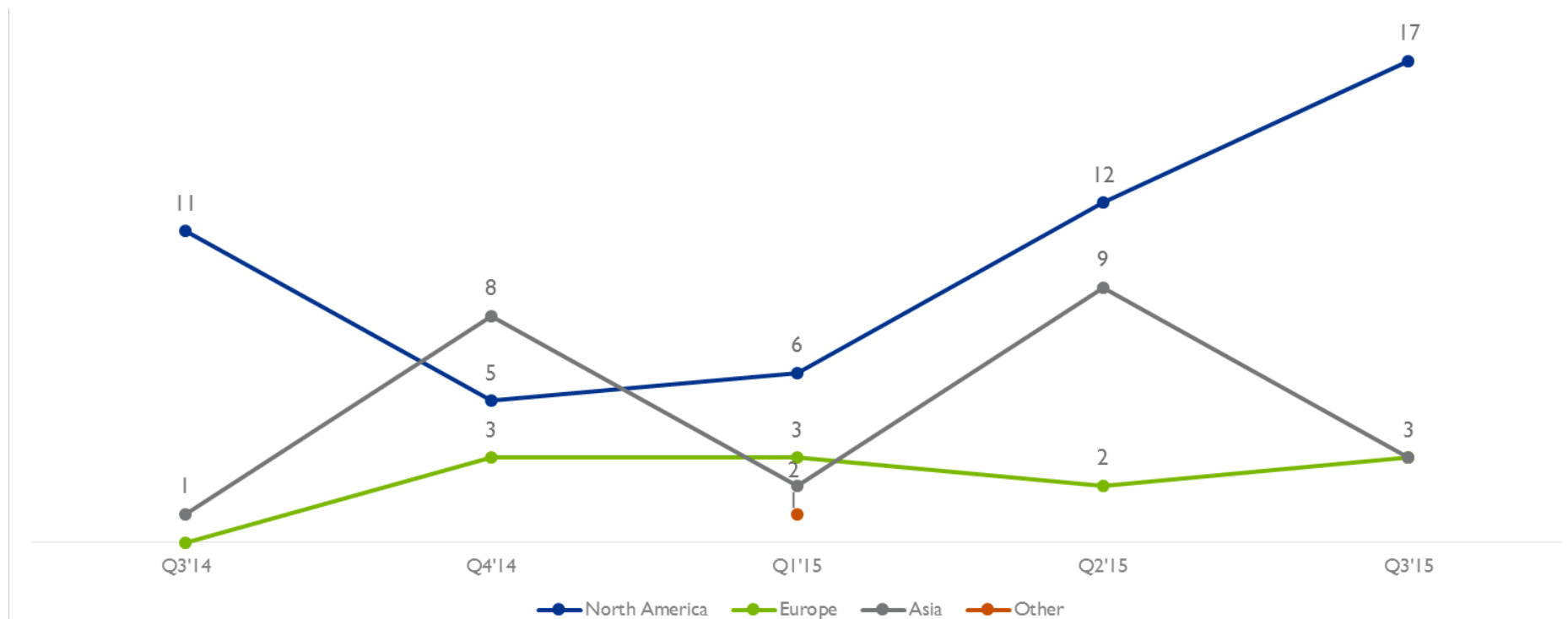
Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015

BILLION DOLLAR VC-BACKED COMPANIES THRIVE IN NORTH AMERICA, AS ASIA SLOWS

North America produced the majority of new unicorns, with 17 of the 23 coming from the area. Asia, which saw a spike in Q2'15 with 9 new unicorns, fell to just 3 this past quarter (possibly due to the economic slowdown in China). Europe has maintained a consistent pace, adding 2 or 3 new billion-dollar companies each quarter. South America saw one of its first private billion-dollar companies with Sequoia-backed Decolar reaching unicorn status early this year.

VC-Backed New Unicorn Companies by Continent

North America vs. Europe vs. Asia vs. Other, Q3'14 – Q3'15



Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015

In Q3 2015

NORTH AMERICAN

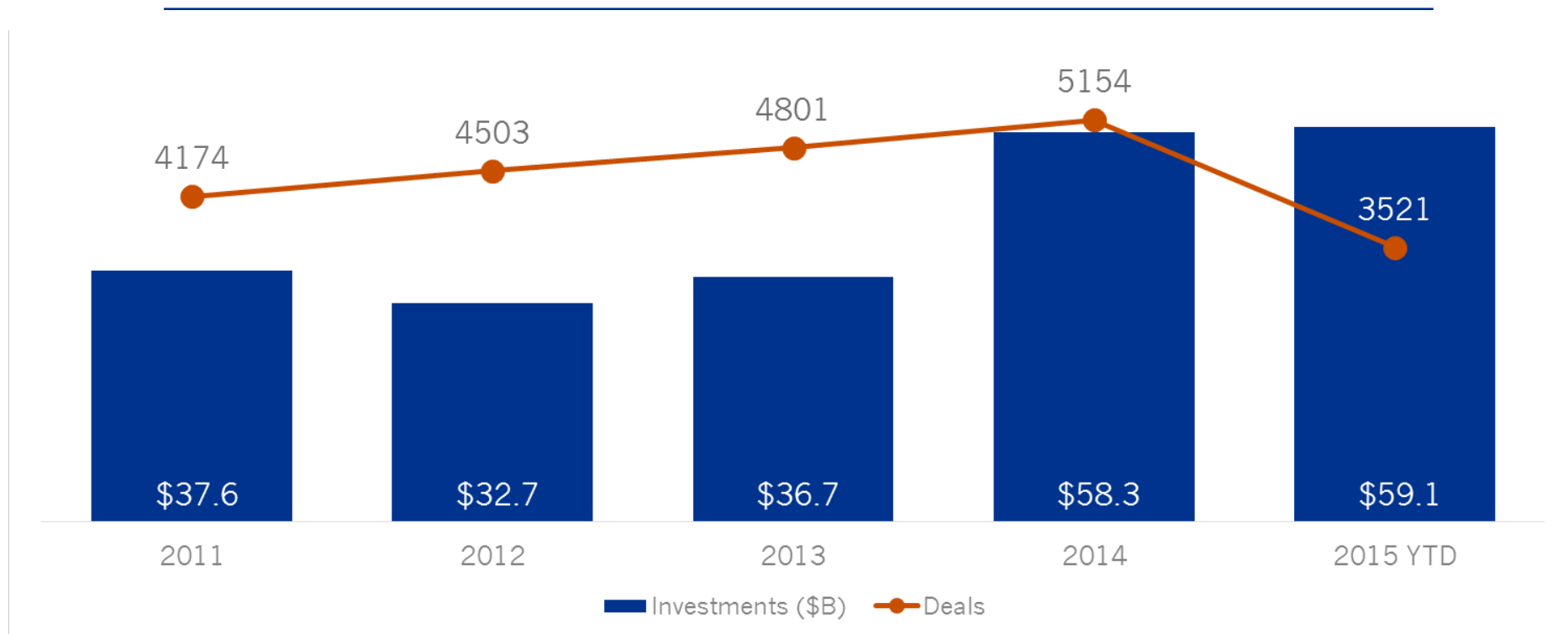
VC-backed companies raised

\$20.3 billion

NORTH AMERICA: \$59.1B ACROSS 3521 DEALS IN FIRST THREE QUARTERS OF 2015

In North America, the first 3 quarters of 2015 saw more funding than the entirety of 2014. Funding in North America is on pace to top 2014's high by 35%, however deal activity is set to fall below 2014's total at the current run-rate.

North American Annual Financing Trends to VC-Backed Companies 2011 – 2015 YTD (Q3'15)



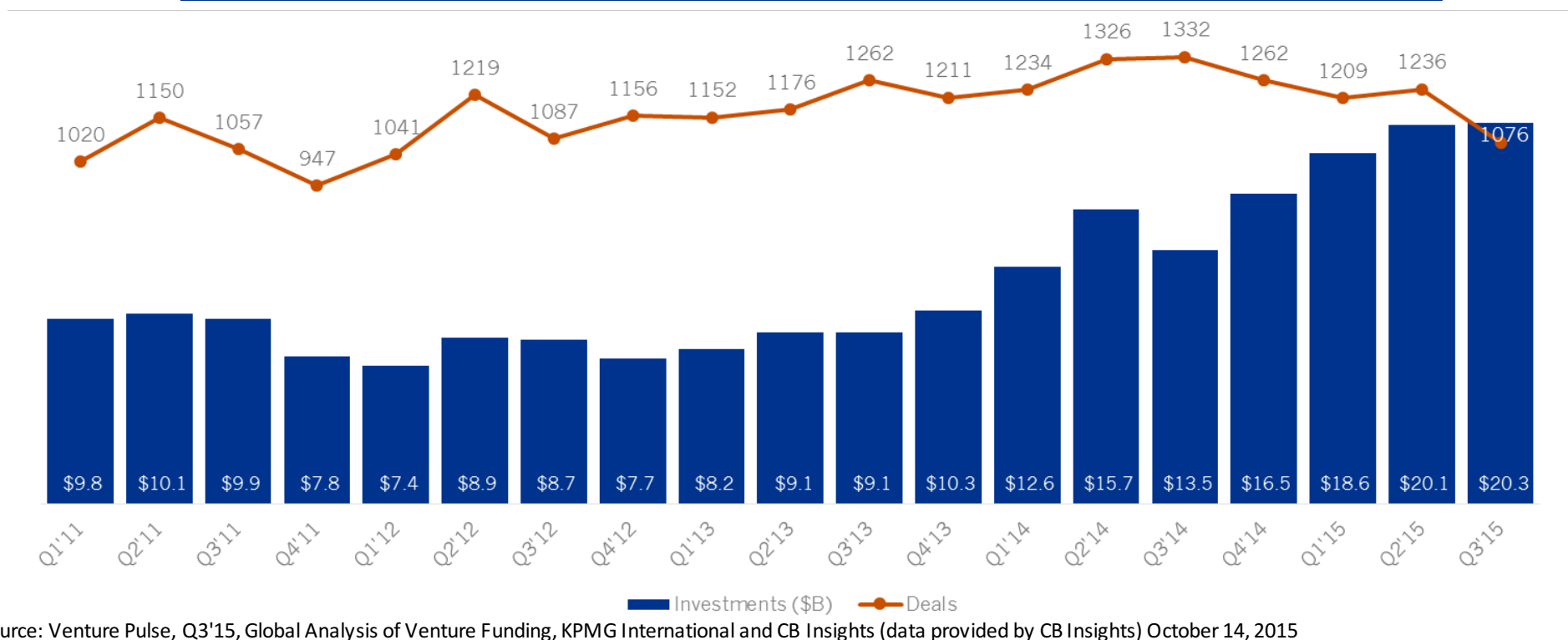
Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015

FUNDING TO VC-BACKED NORTH AMERICAN STARTUPS HITS \$20B+ IN PAST TWO QUARTERS

Deal activity to VC-backed North American companies in Q3'15 fell to the lowest level since Q1'12. But funding continued to roar to new highs as Q3'15 clocked in at \$20.3B, rising for the fourth consecutive quarter.

North American Quarterly Financing Trends to VC-Backed Companies

Q1'11 – Q3'15



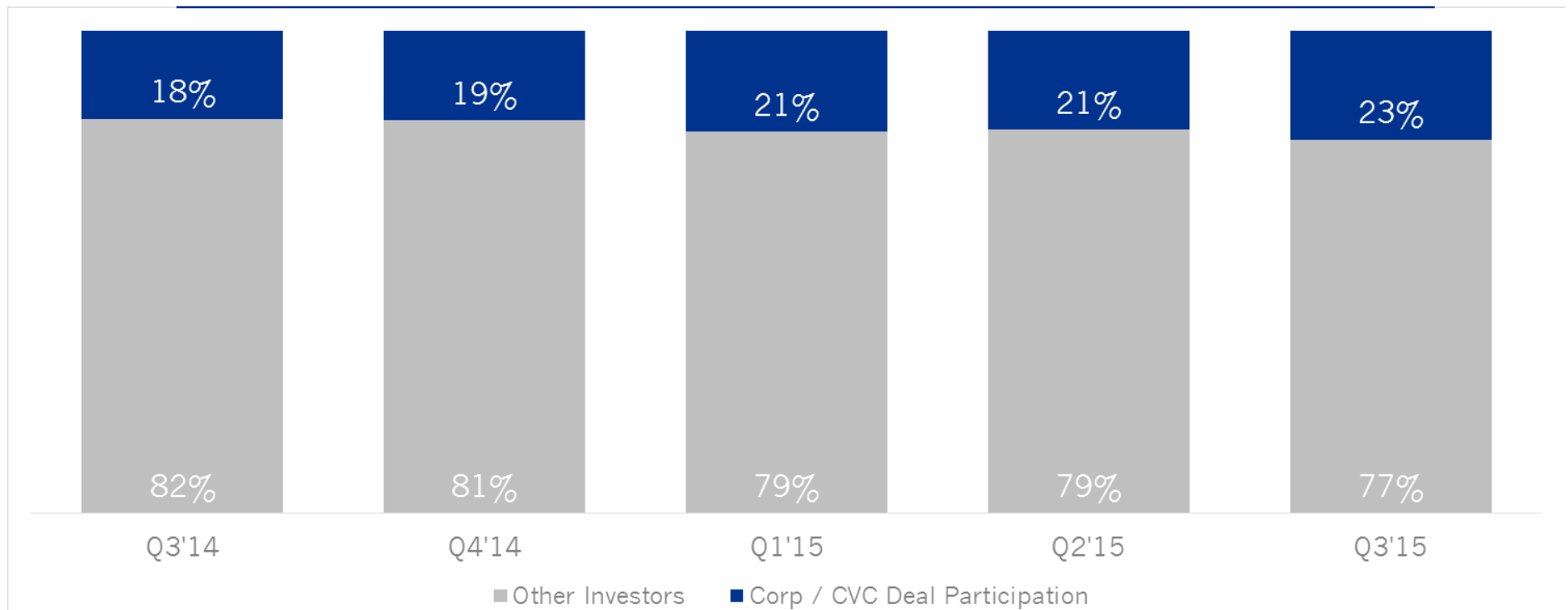
Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015

CORPORATE DEAL SHARE OF VC-BACKED NORTH AMERICAN COMPANIES RISES TO FIVE-QUARTER HIGH

In Q3'14, corporate investors participated in 18% of deals to VC-backed companies. The same quarter this year, corporate participation rose to 23% as more new corporate venture units continue to crop up.

CVC Participation in North American Deals to VC-Backed Companies

Q3'14 – Q3'15



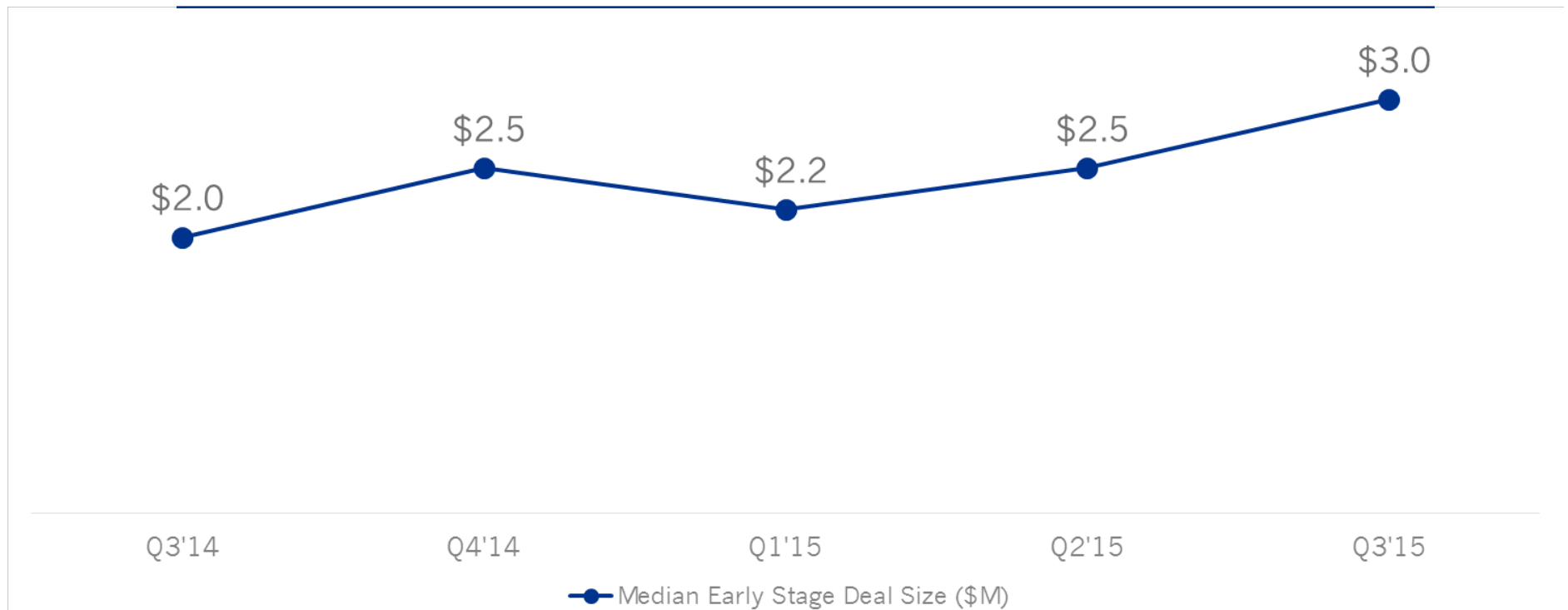
Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015

EARLY-STAGE DEAL SIZES ARE GROWING IN NORTH AMERICA

Median early-stage deals were \$3M in Q3'15, a five-quarter high and 20% higher than the same quarter last year.

North American Early-Stage Deal Size

Q3'14 – Q3'15



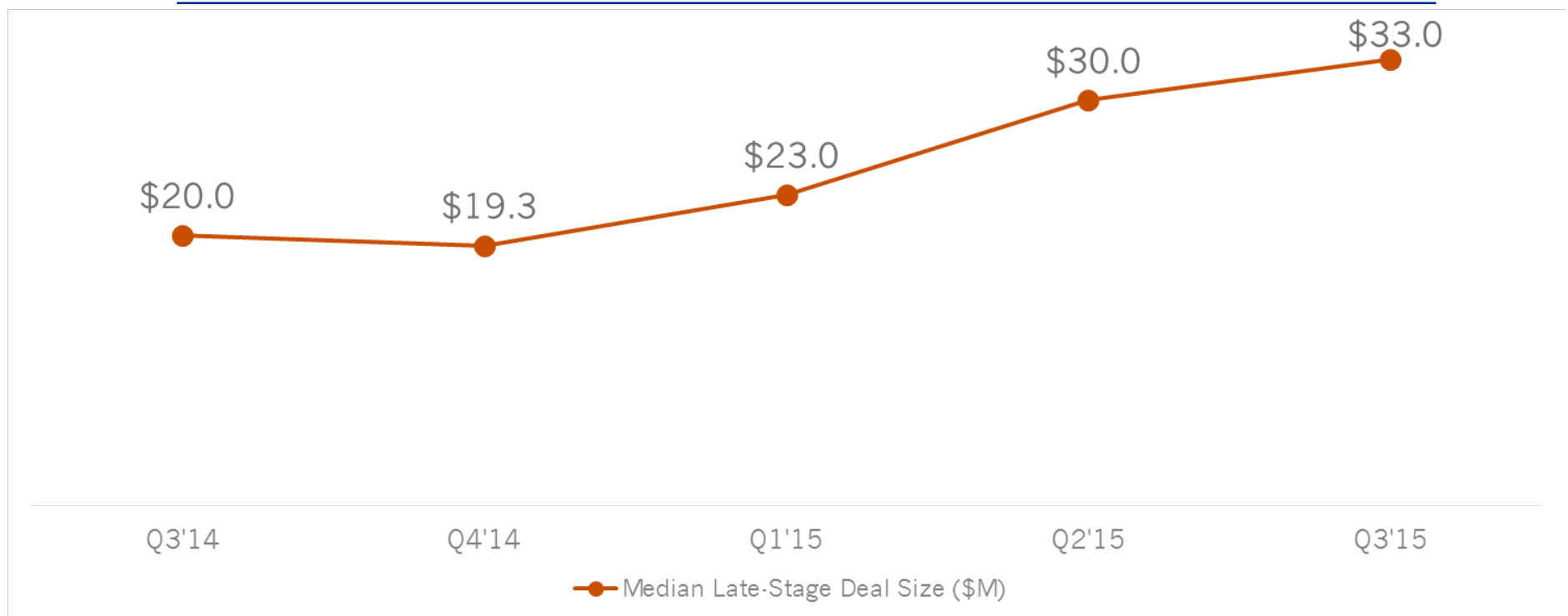
Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015

MEDIAN LATE-STAGE NORTH AMERICAN DEAL SIZE TOPS \$30M IN Q3'15

Behind a span of mega-rounds capped by a \$1B injection into student-lending startup SoFi, median late-stage deal size ballooned in Q3'15, topping the same quarter last year by 65%.

North American Late-Stage Deal Size

Q3'14 – Q3'15



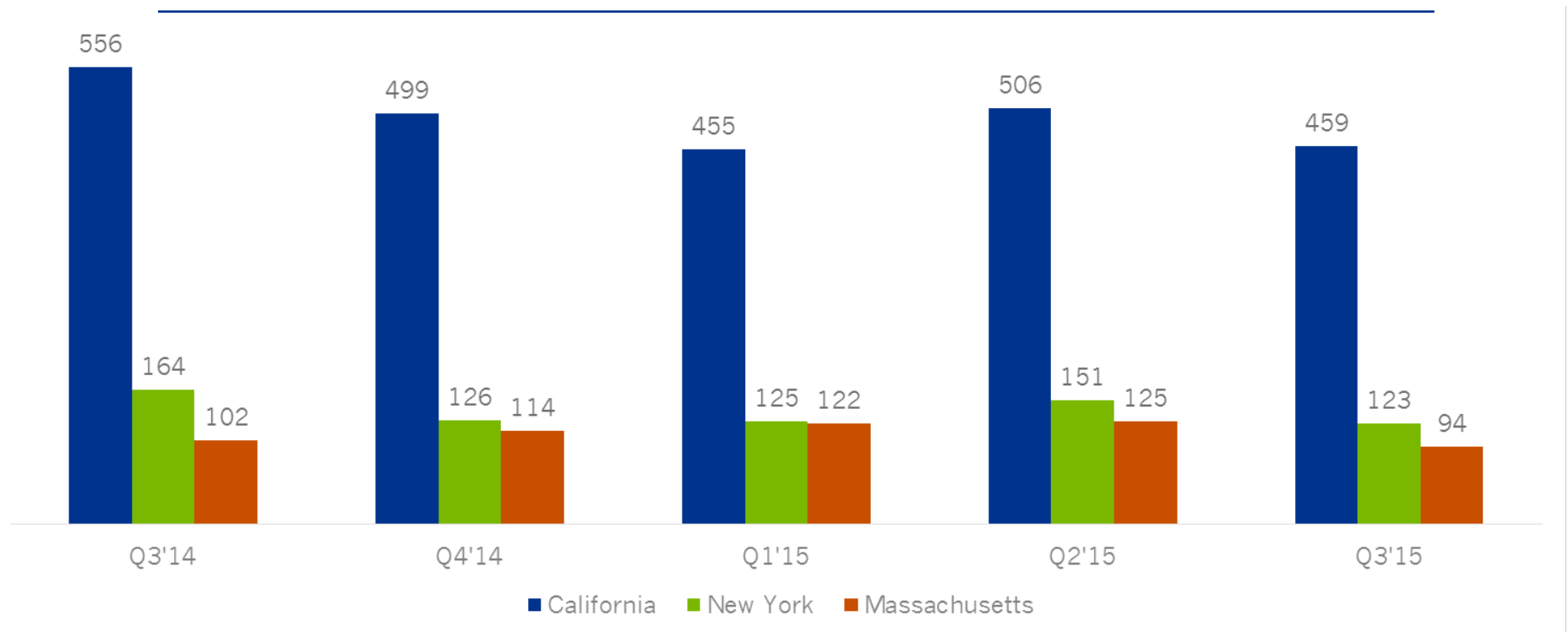
Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015

CALIFORNIA CONTINUES TO DOMINATE DEALS INTO VC-BACKED COMPANIES

While activity in California has slowed down, deals continue to top 400 per quarter and account for more than Massachusetts and New York combined. New York has now outpaced Massachusetts in each of the last 5 quarters.

Quarterly Deal Activity to VC-Backed Companies

CA vs. NY vs. MA, Q3'14 – Q3'15



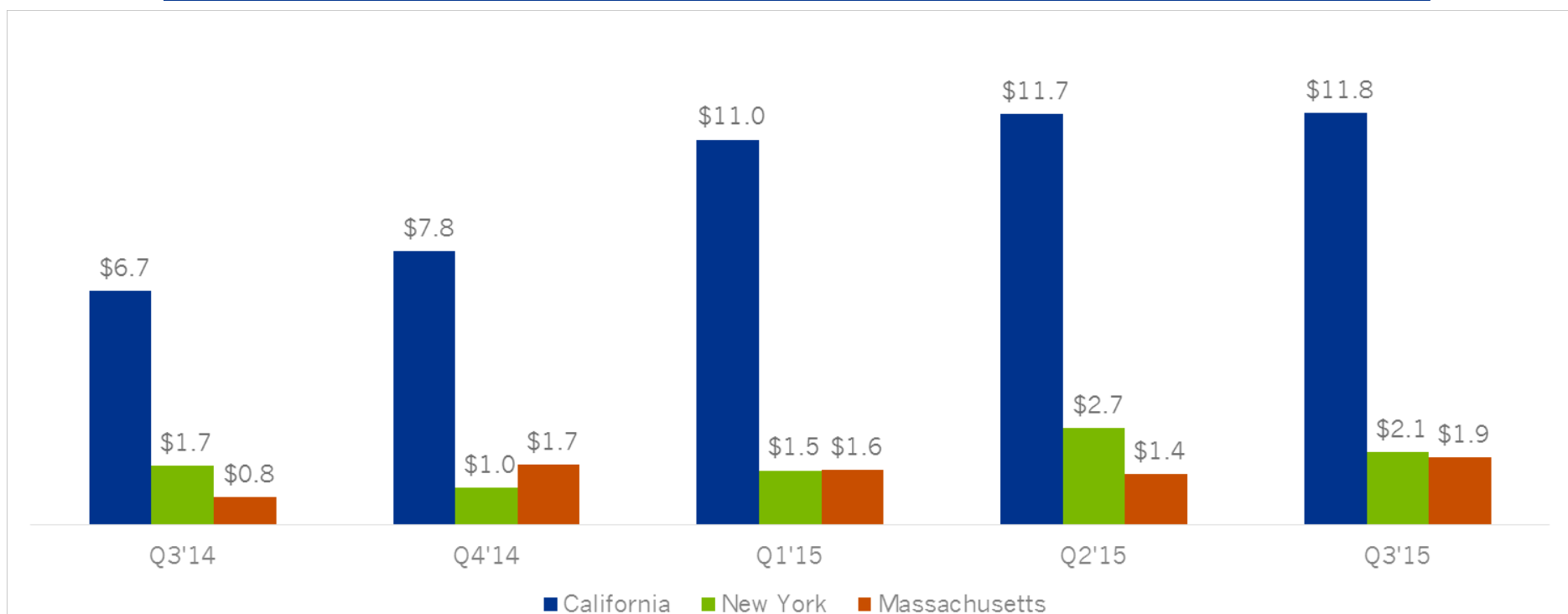
Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015

CALIFORNIA SEES THREE STRAIGHT QUARTERS OF \$11B+ INVESTMENT

California saw \$11.8B invested in Q3'15, close to 6x the amount invested in New York. After two quarters of Massachusetts beating NY, NY total funding topped MA for the second-straight quarter at \$2.1B to \$1.9B.

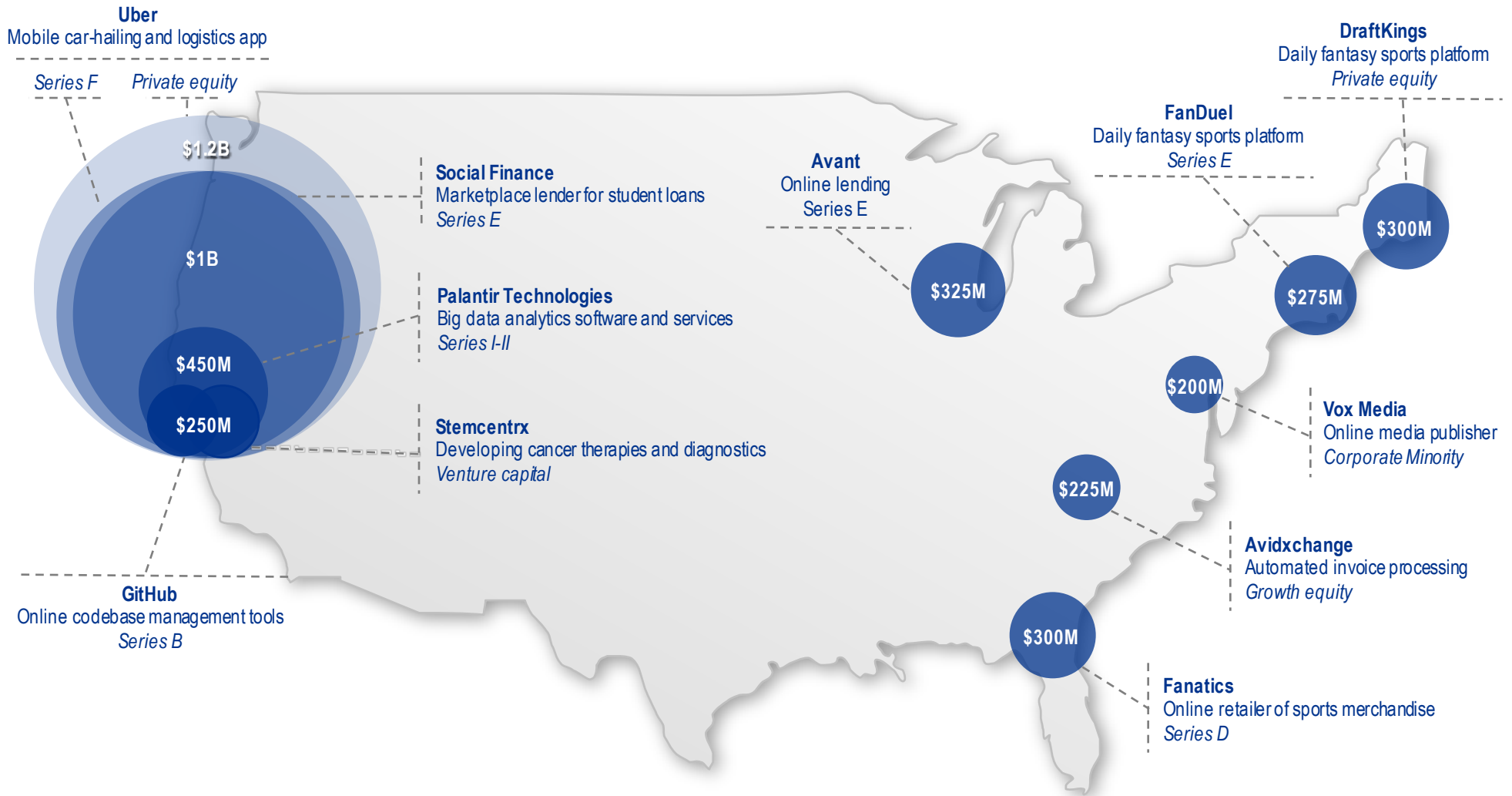
Quarterly Investment Activity to VC-Backed Companies

\$B, CA vs. NY vs. MA, Q3'14 – Q3'15



Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015

THE 12 LARGEST ROUNDS OF Q3'15 TOTALED OVER \$5.7B, MORE THAN 28% OF FUNDING IN NORTH AMERICA

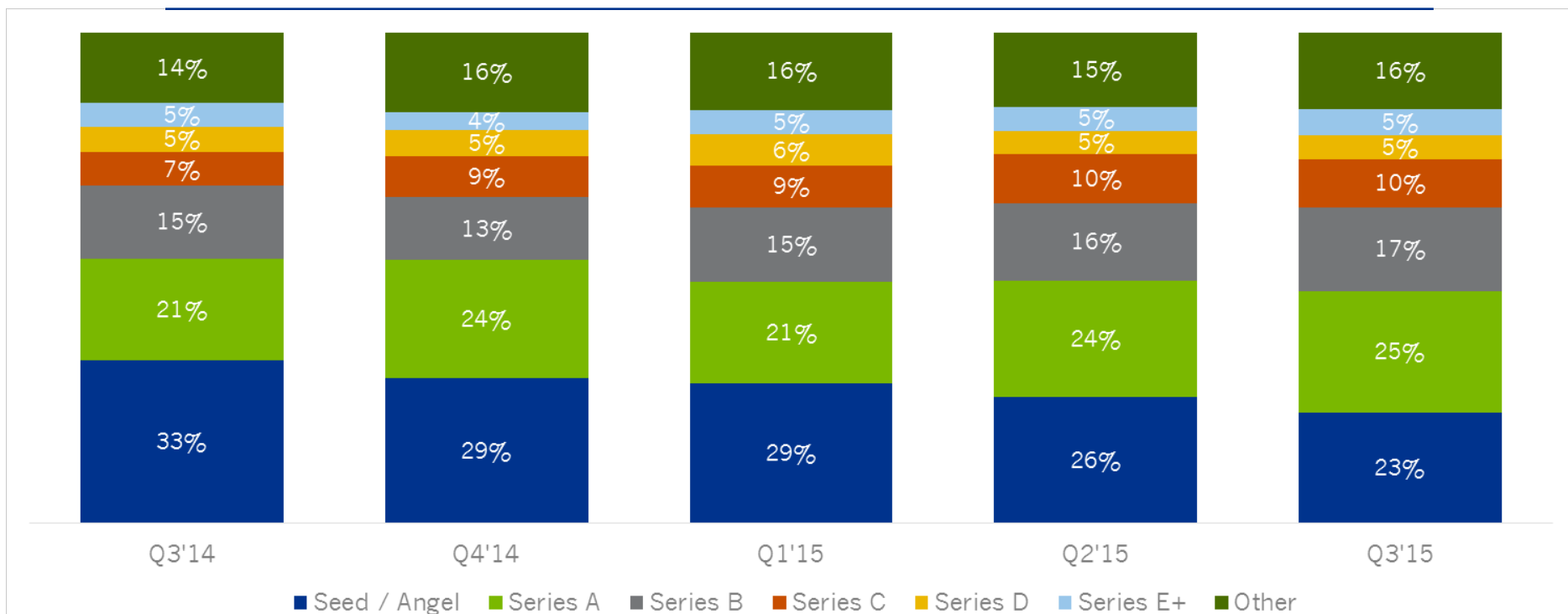


SEED DEAL SHARE HITS A FIVE-QUARTER LOW

Seed stage investments took less than a fourth of all deals to VC-backed companies in the US in Q3'15, dropping to a five-quarter low of 23%. Conversely, mid-stage (Series B - Series C) deal share reached a five-quarter high, accounting for 27% of all deals to US-based VC-backed companies.

Quarterly US Deal Share by Stage

Q3'14 – Q3'15



Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015

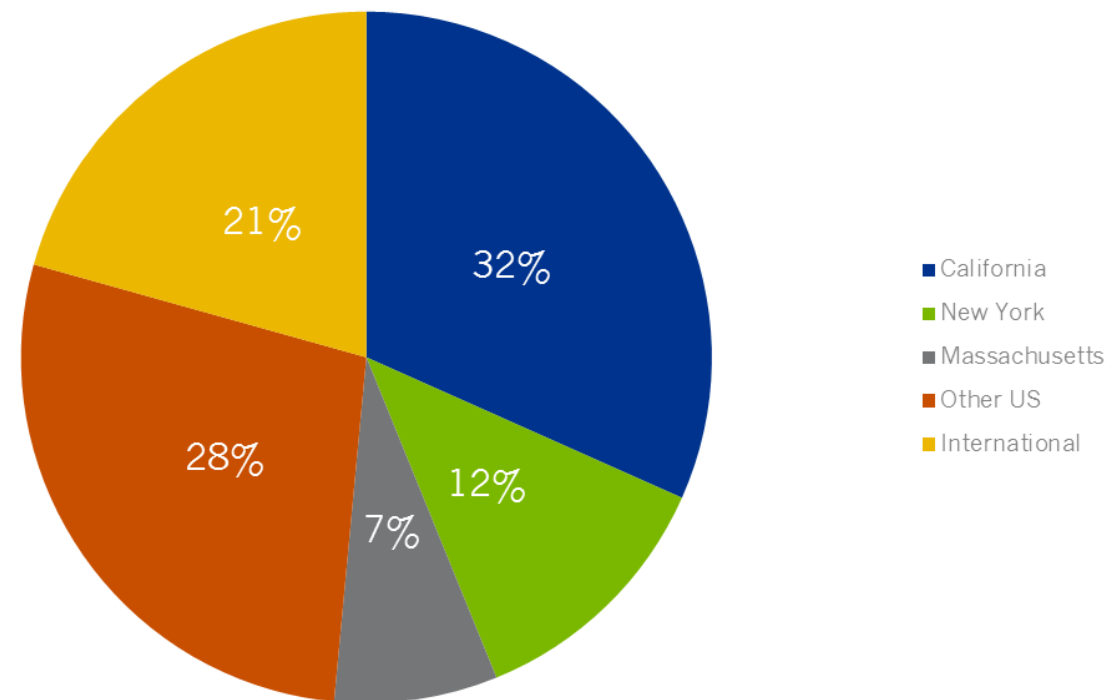
OVER HALF OF ALL VCS INVESTING IN THE US ARE BASED IN MAJOR MARKETS

Of all VCs that participated in a US investment in Q3'15, 51% were based in either California, New York, or Massachusetts.

California led all states with 32% of all active VCs calling the Golden State home, while Illinois, Texas, and Washington led the other VC states.

Investors from China, UK and Canada were most prevalent among international VCs.

HQ of VCs Investing in US Companies
As % of all VCs investing in US-based companies in Q3'15



Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015



In Q3 2015

EUROPEAN

VC-backed companies raised

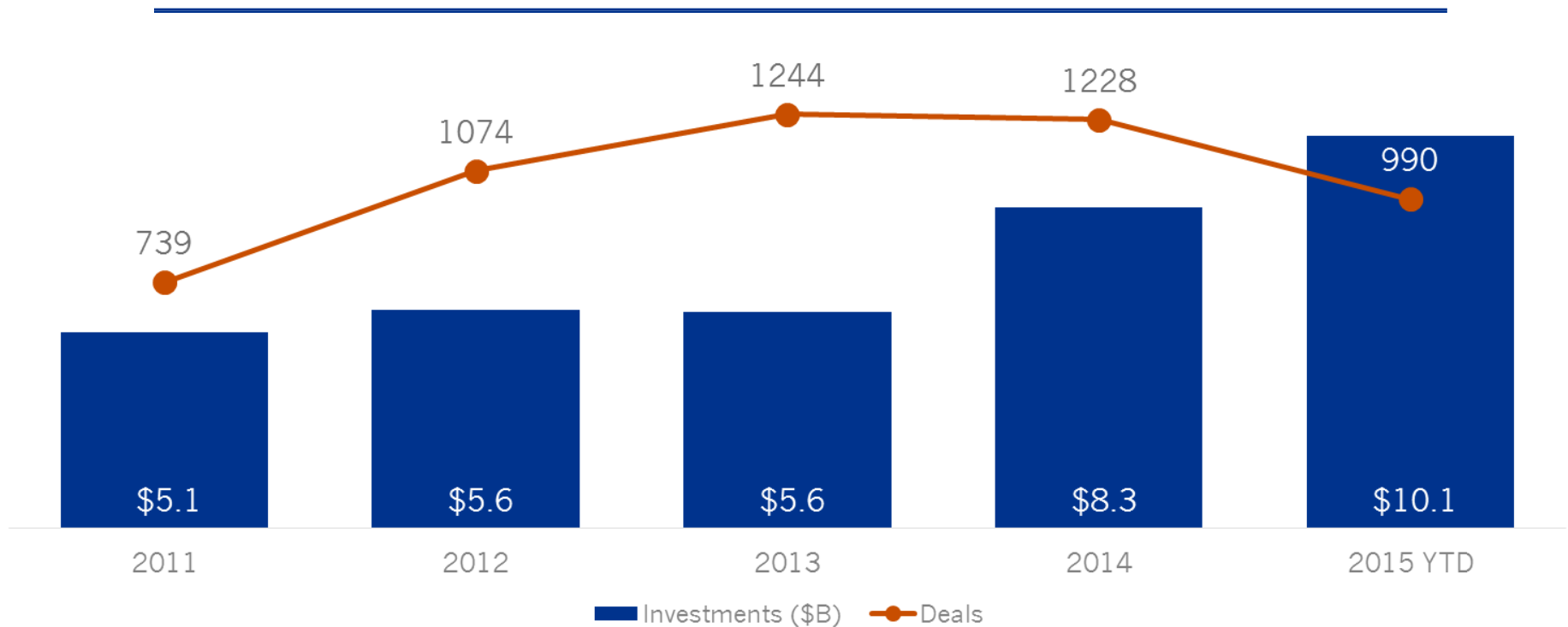
\$3.5 billion

FUNDING TO VC-BACKED EUROPEAN COMPANIES ON PACE TO TOP 2014'S TOTAL BY OVER 60%

VC-backed companies in Europe have raised a total of \$10.1B through three quarters of 2015 across 990 deals. \$500M+ rounds to Delivery Hero, Spotify, and OneWeb have helped buoy funding totals, while at the current run rate, deal activity is on pace to reach multi-year highs.

European Annual Financing Trends to VC-Backed Companies

2011 – 2015 YTD (Q3'15)

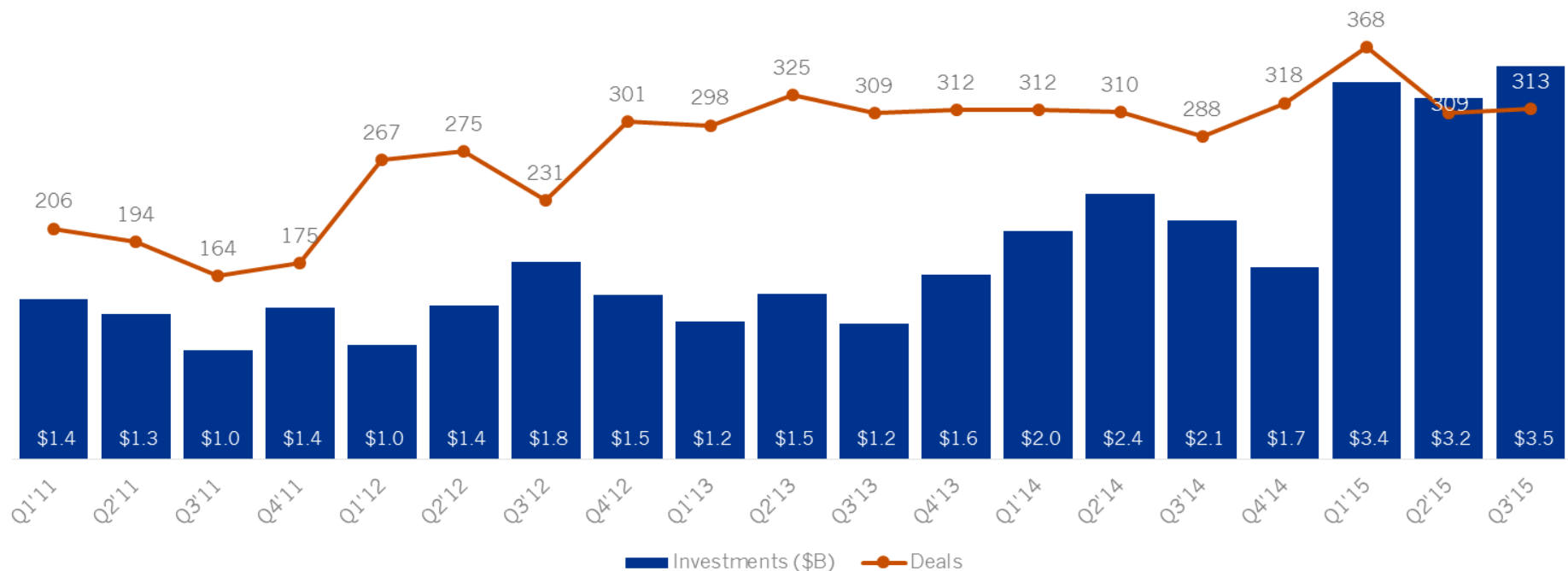


Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015

QUARTERLY FUNDING TO VC-BACKED COMPANIES IN EUROPE REACHES MULTI-YEAR HIGH

Q3'15 was the third-straight quarter of \$3B+ invested into VC-backed companies in Europe, as funding totals reached \$3.5B, a 19-quarter high. The funding was helped by an all-time high for mega-rounds, as there were 6 \$100M+ rounds in Q3'15, including funding to BlaBlaCar, ImmunoCore, and others.

European Quarterly Financing Trends to VC-Backed Companies Q1'11 – Q3'15



Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015

HIGH-TECH GRUENDERFONDS IS MOST ACTIVE VC INVESTOR IN EUROPE IN Q3'15

No investor was more active in Q3'15 than High-Tech Gruenderfonds. The German-based VC led all VCs with multiple early-stage bets on Biometrics, EBS Technologies, and payever, among others. Index Ventures, Business Growth Fund, and Balderton Capital rounded out the top 4.

Most Active VC Investors in Europe Q3'15

Rank	Investor	Rank	Investor
1	High-Tech Gruenderfonds	8	Accel Partners
2	Index Ventures	8	Point Nine Capital
2	Business Growth Fund	8	Mercia Fund Management
2	Balderton Capital	8	Inveready
5	Alven Capital	8	Global Founders Capital
6	Northzone Ventures	8	Insight Venture Partners
7	Imperial Innovations	8	Iris Capital
8	Ventech	8	Partech Ventures
8	Creandum		

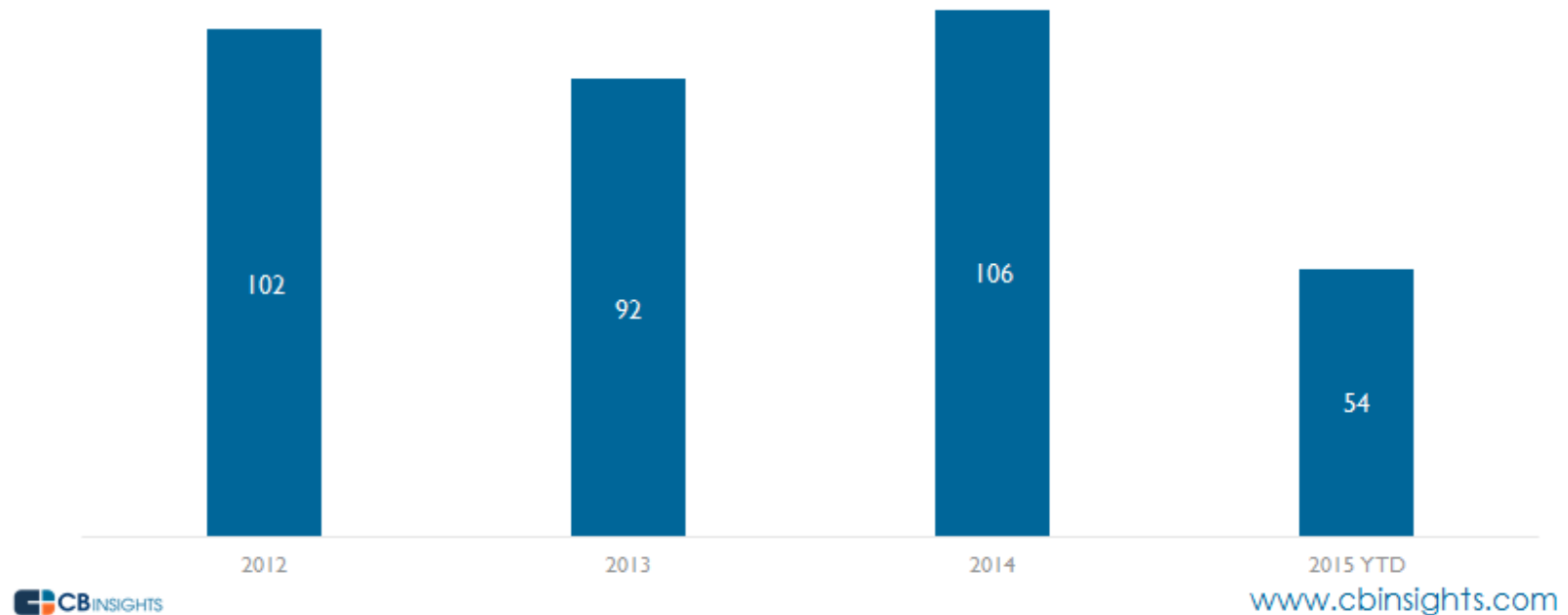
Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015

US VENTURE CAPITALISTS ARE STEPPING UP INVESTING ACTIVITY IN EUROPEAN TECH STARTUPS

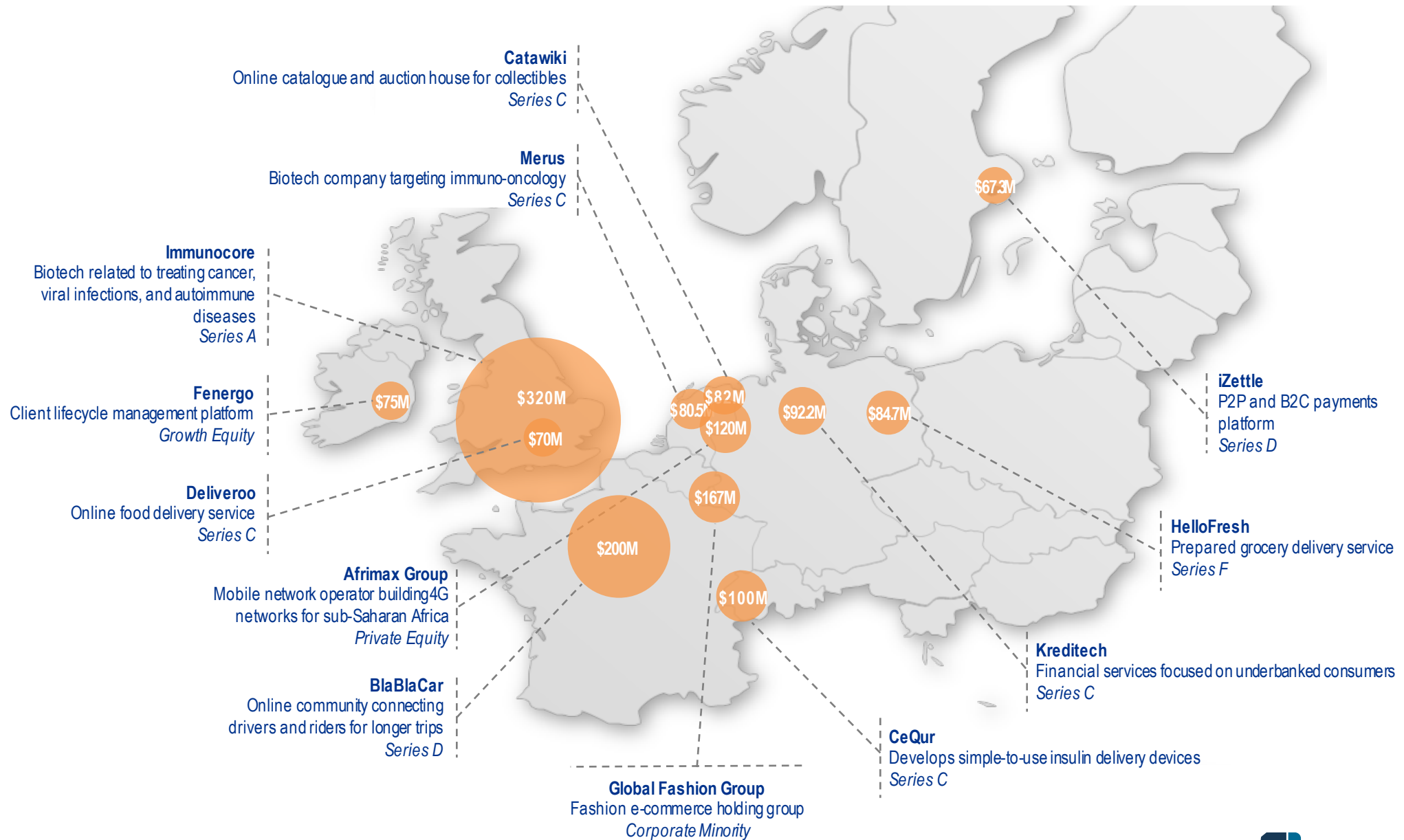
US-based VCs are increasingly taking notice in European Tech startups, reaching a high of 106 unique VCs investing in European tech companies. The total is on pace to reach a four-year high in 2015.

Unique US VCs Investing in European Tech

2012 – 04/2015



THE 12 LARGEST EUROPEAN ROUNDS OF Q3'15 REPRESENTED MORE THAN \$1.5B IN FUNDING

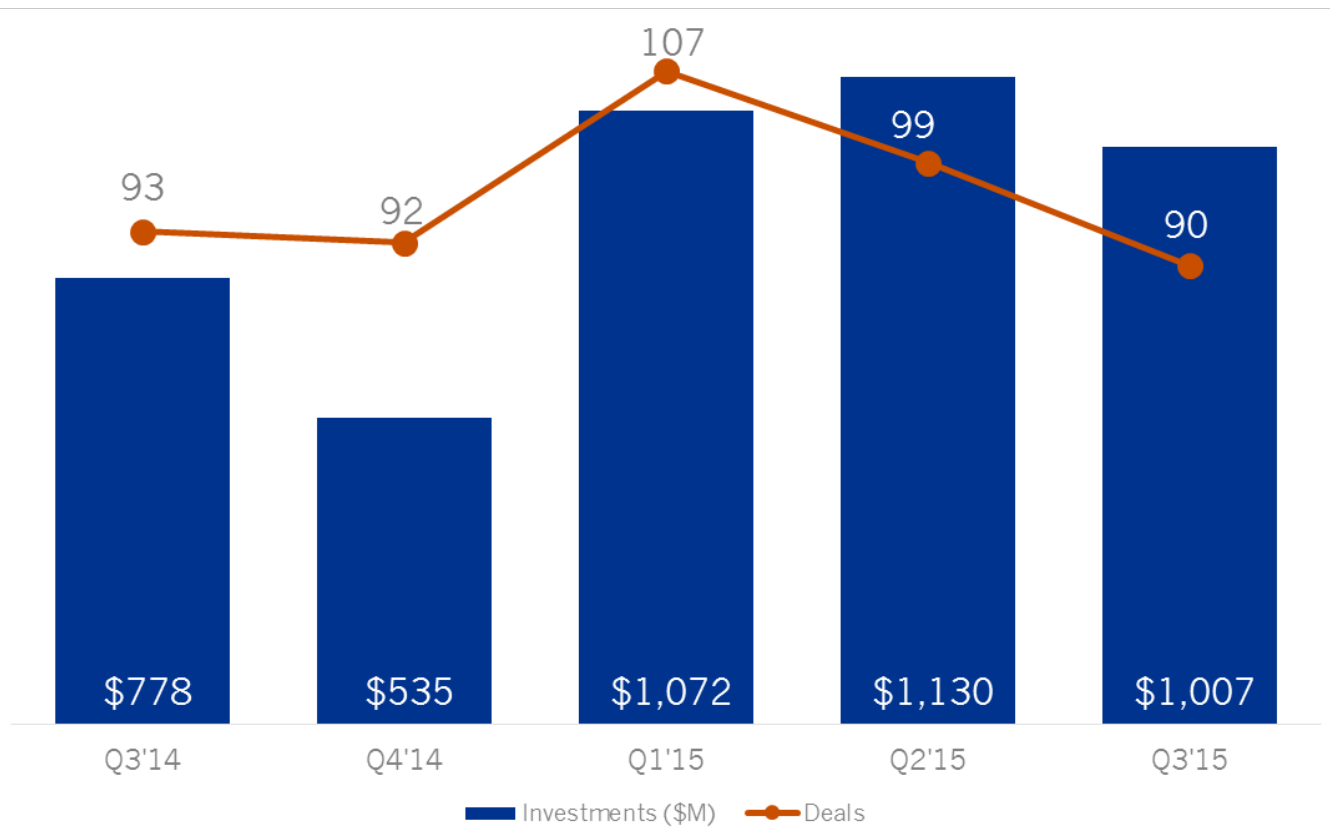


UK VC-BACKED INVESTMENT ACTIVITY

Top Deals & Cities, Q3'15

UK Investment Activity

VC-Backed Companies, Q3'14 – Q3'15



Top Deals

Immunocore

\$320M // Series A

Deliveroo

\$70M // Series C

Secret Escapes

\$60M // Series C

Top Cities

London

51 Deals // \$480.9M

Newcastle Upon Tyne

4 Deals // \$10.1M

Oxford

3 Deals // \$69.3M

Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015

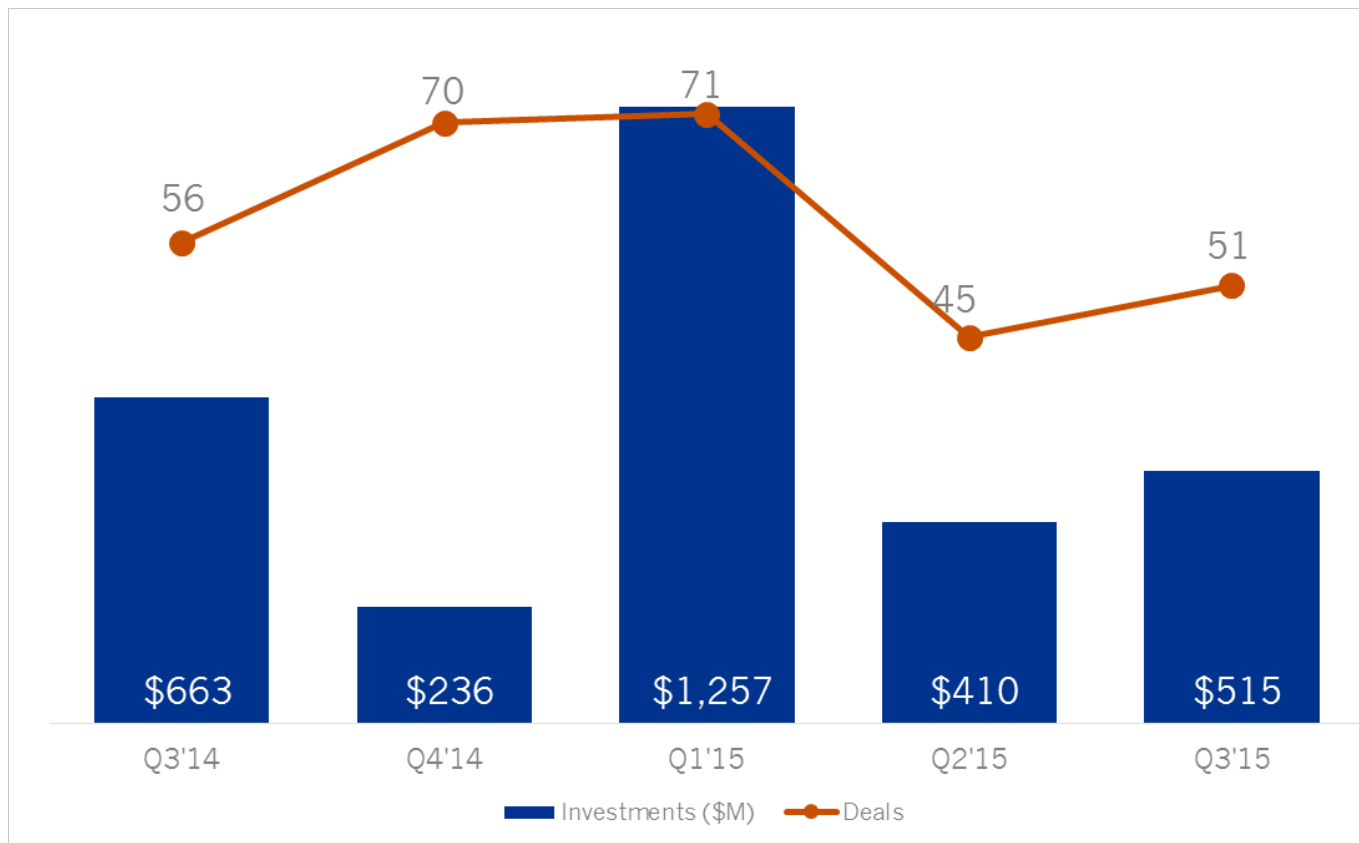


GERMANY VC-BACKED INVESTMENT ACTIVITY

Top Deals & Cities, Q3'15

Germany Investment Activity

VC-Backed Companies, Q3'14 – Q3'15



Top Deals

Kreditech

\$92.2M // Series C

HelloFresh

\$84.7M // Series F

Chrono24

\$27.8M // Growth Equity

Top Cities

Berlin

23 Deals // \$293.8M

Munich

4 Deals // \$52.2M

Hamburg

4 Deals // \$95.8M

Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015

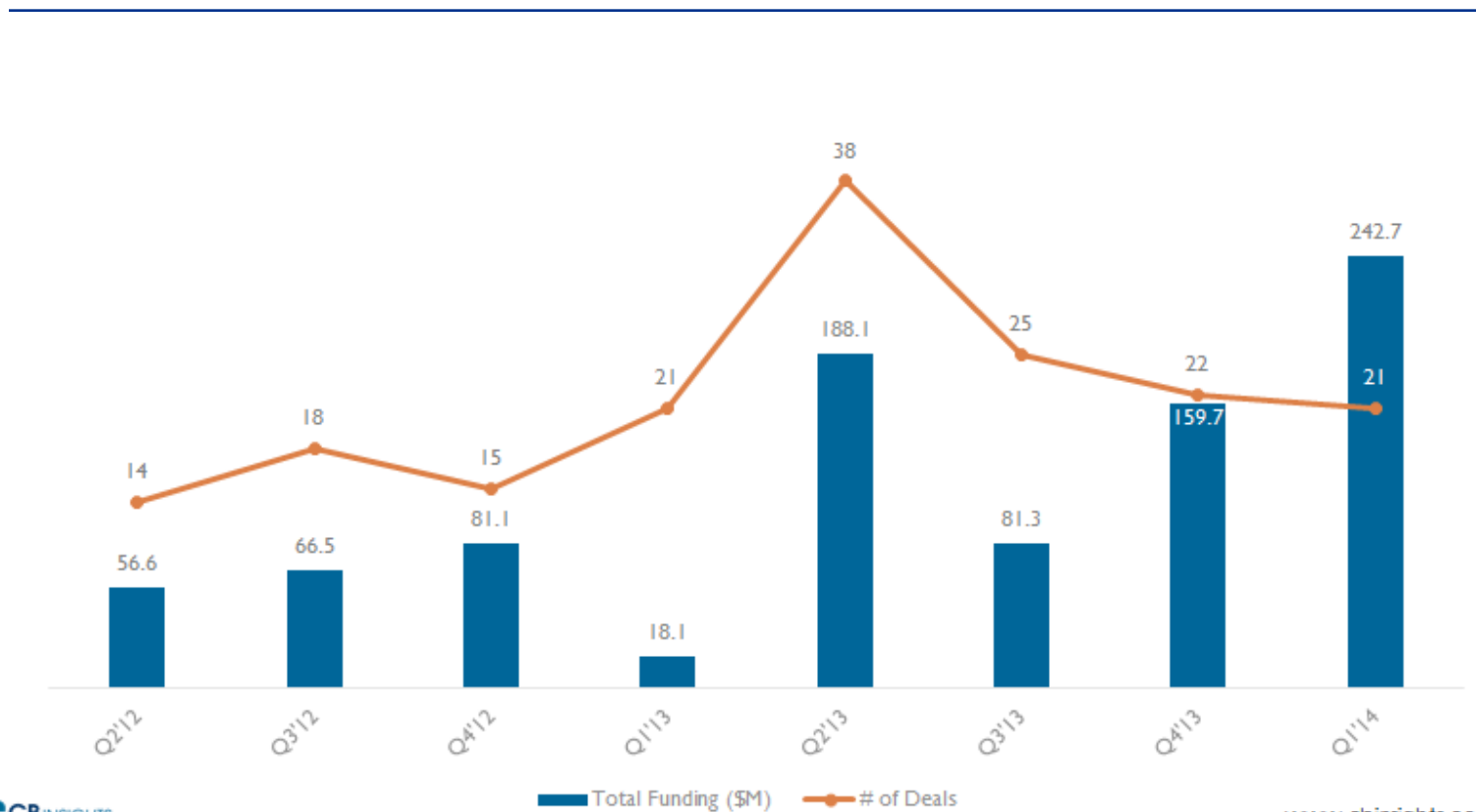


BERLIN TECH FUNDING CONTINUES TO LEAD GERMANY

Dubbed by some as Silicon Allee, Berlin has experienced explosive growth in technology funding in the past few years, reaching \$243M in Q1'14.

Berlin Technology Startups Total Funding

Q2'12 – Q1'14

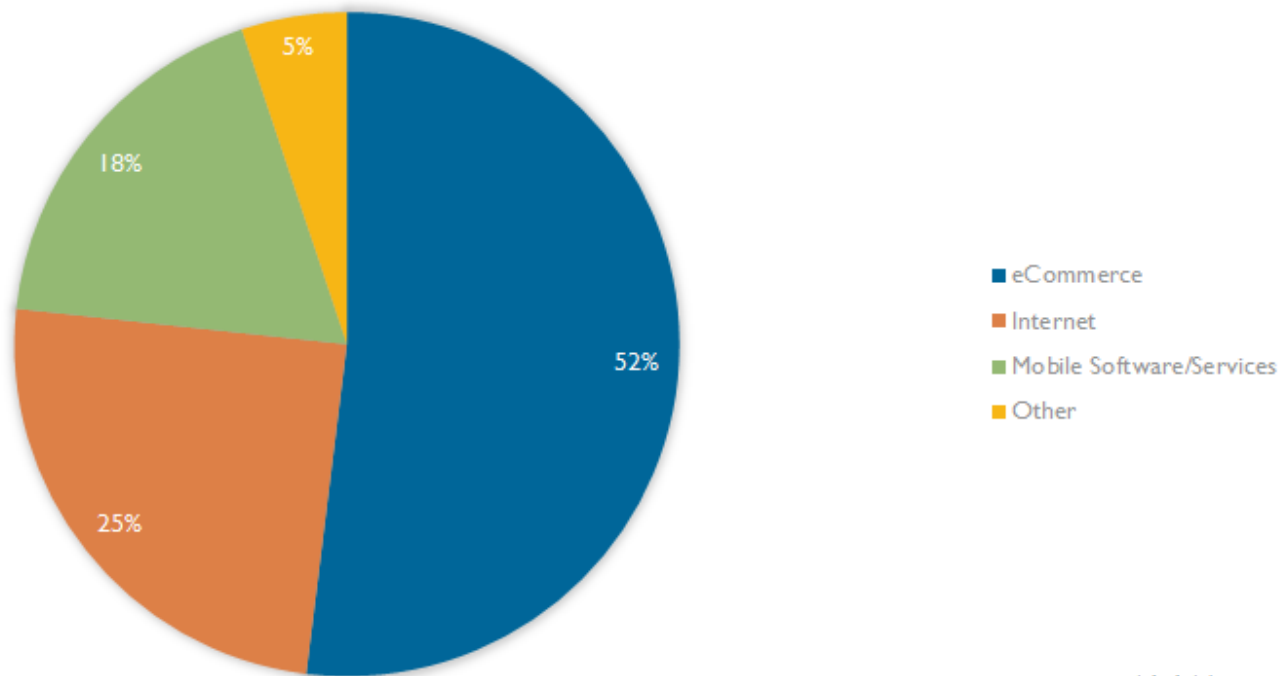


ECOMMERCE DOMINATES BERLIN TECH FUNDING

While Silicon Allee is a growing tech hub, it isn't necessarily a diverse one. Ecommerce, Internet, and Mobile Software & Services made up 95% of all funding from Q2'13 – Q1'14. This trend has largely been driven by Rocket Internet backed entities like Delivery Hero and has only continued as Global Fashion Group and Global Online Takeaway Group continue to grow.

Berlin Technology Total Funding by Industry

Q2'13 – Q1'14

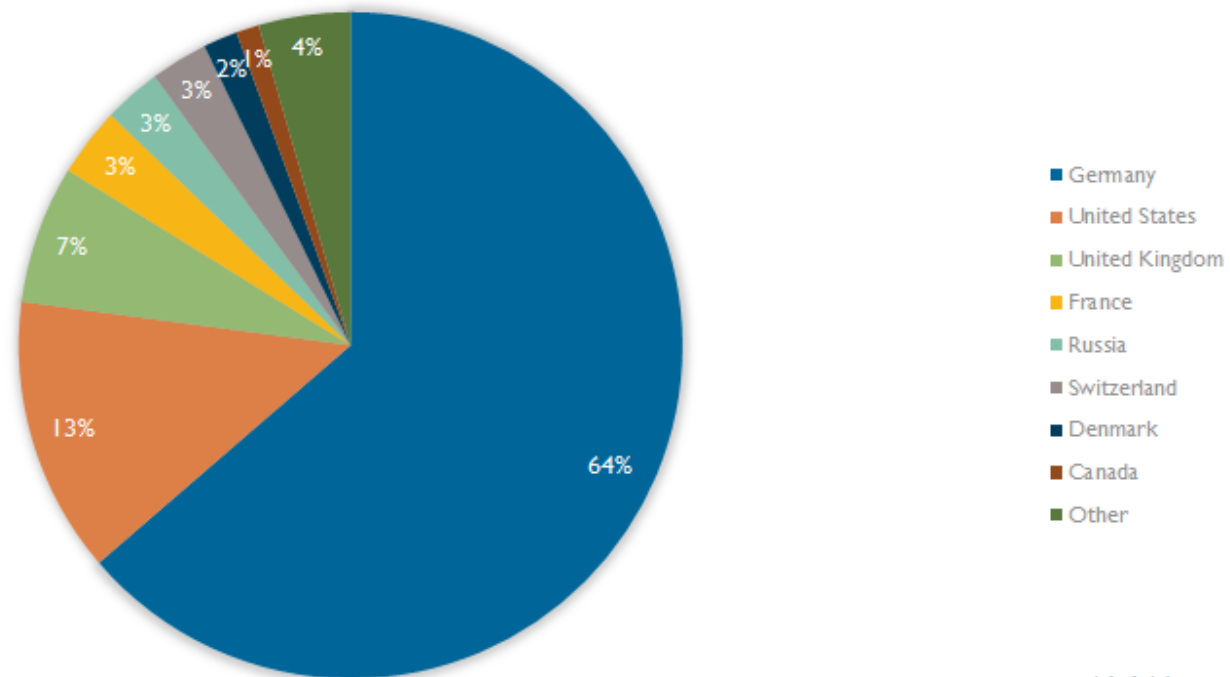


LOCAL INVESTOR PARTICIPATION IS STRONG, BUT BERLIN NEEDS MORE INTERNATIONAL INVESTORS

Over 50 investors made more than one investment into Berlin-based technology startups from Q2'13 – Q1'14. Some have said that the natural aversion to risk in Germany's startup ecosystem makes international VC participation important. Unfortunately, Berlin-based tech companies have actually seen a 6% decrease in international investor deal participation from the same four quarters a year prior.

Where is Berlin Tech Money Coming From?

As % of deals based on Investor HQ Country, Q2'13 – Q1'14




HIGH-TECH GRUENDERFONDS IS MOST ACTIVE VC INVESTOR IN GERMANY

No investor has been more active in Germany than High-Tech Gruenderfonds. The early-stage investor has consistently ranked in the top 3 most active VCs in Europe and Germany specifically. German Startups Group and IBB Beteiligungsgesellschaft round out the top 3.

Most Active VC Investors in German Startups

Q1'12 – Q2'15

Rank	Investor	Rank	Investor
1	High-Tech Gruenderfonds	9	WestTech Ventures
2	German Startups Group	9	Wellington Partners
3	IBB Beteiligungsgesellschaft	9	b-to-v
4	Bayern Kapital	9	Creathor Venture
5	Holtzbrinck Ventures	13	Point Nine Capital
6	Earlybird Venture Capital	14	DN Capital
7	Target Partners	14	Iris Capital
7	T-Venture		

An aerial photograph of a city skyline, likely Shanghai, featuring the Oriental Pearl Tower and numerous skyscrapers. The image is overlaid with a blue tint and white text.

In Q3 2015

ASIAN

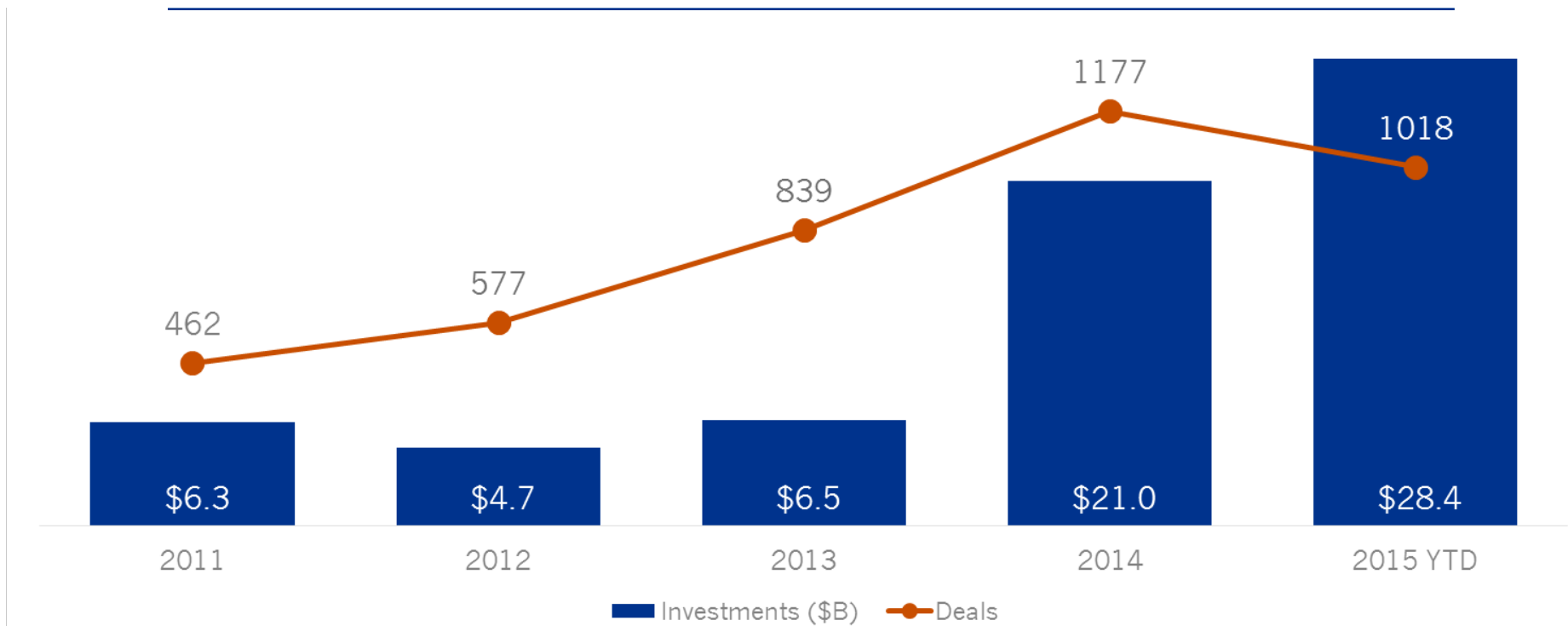
VC-backed companies raised

\$13.5 billion

ASIA: FIRST THREE QUARTERS OF 2015 TOP ALL OF 2014 FOR FUNDING TO VC-BACKED COMPANIES

A mix of traditional VC money and hedge funds, private equity investors, and corporates have driven a massive amount of funding to Asian VC-backed companies in the past 2 years. Specifically, thus far in 2015 there have been over 60 financings of \$100M+. Deal activity also looks on pace to reach all-time highs.

Asian Annual Financing Trends to VC-Backed Companies 2011 – 2015 YTD (Q3'15)

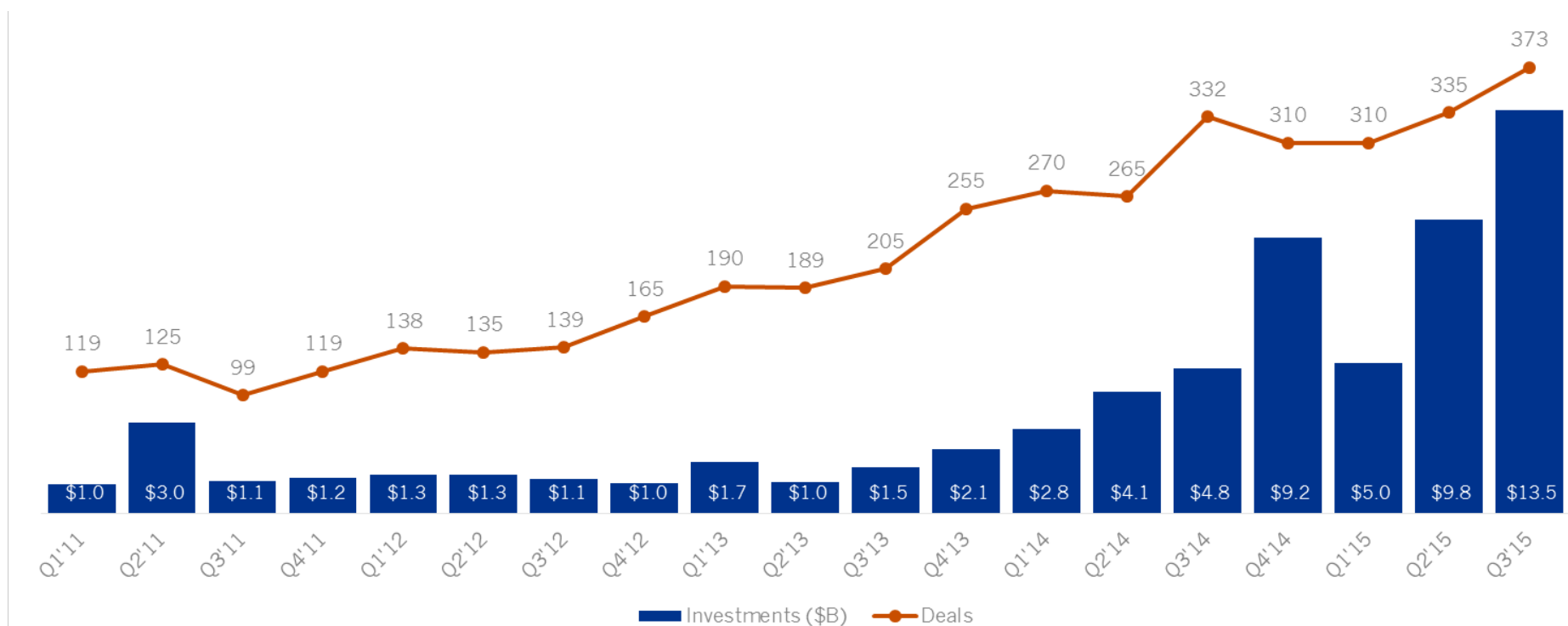


Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015

ASIAN INVESTMENT TO VC-BACKED COMPANIES TOPS \$13B IN Q3'15, REACHES ALL-TIME HIGH

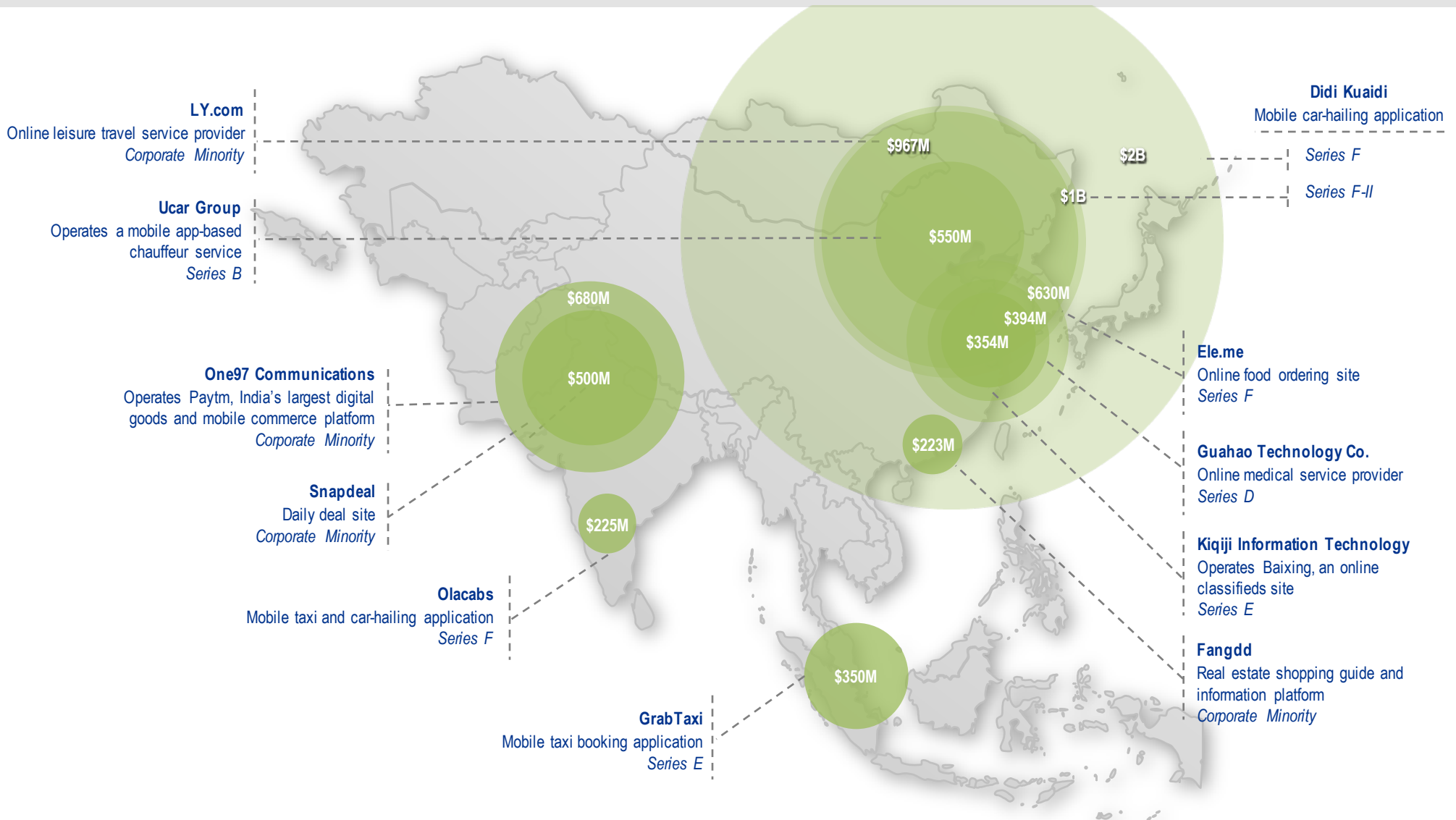
In the 3 months ending in September, Asian VC-backed companies led by firms such as Didi Kuaidi, LY.com, and One97 Communications raised \$13.5B across 373 deals. Q3'15's funding total was 181% higher than the same quarter a year prior. The \$3B raised by Didi Kuaidi alone topped most quarterly funding prior to 2014.

Asian Quarterly Financing Trends to VC-Backed Companies Q1'11 – Q3'15



Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015

THE 12 LARGEST ASIAN ROUNDS OF Q3'15 REPRESENT MORE THAN \$7.8B IN TOTAL FUNDING

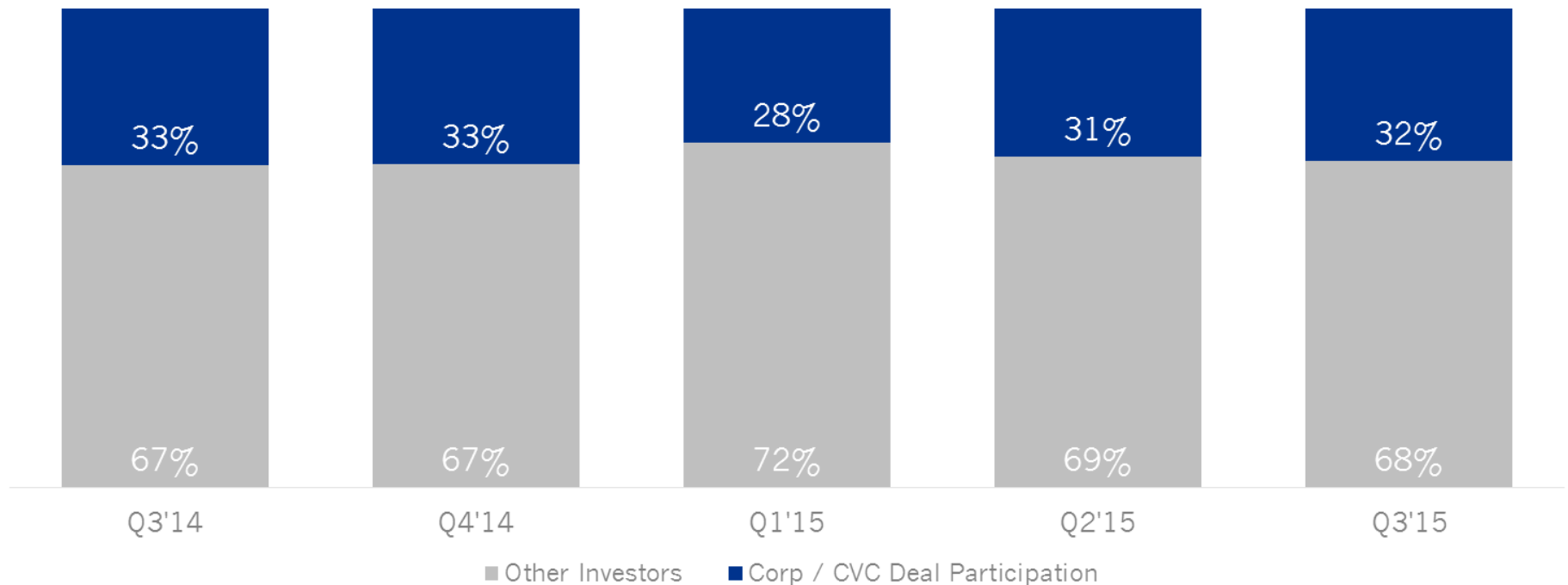


ASIAN CORPORATES REMAIN ACTIVE, ACCOUNT FOR NEARLY ONE-THIRD OF ALL DEALS

With the presence of Alibaba, Tencent, Baidu, Rakuten, and others, corporates reached 32% of all financing deals to Asian VC-backed companies in Q3'15. Corporates have participated in 30%+ of all quarterly Asian financings in 4 of the last 5 quarters.

CVC Participation in Asian Deals to VC-Backed Companies

Q3'14 – Q3'15

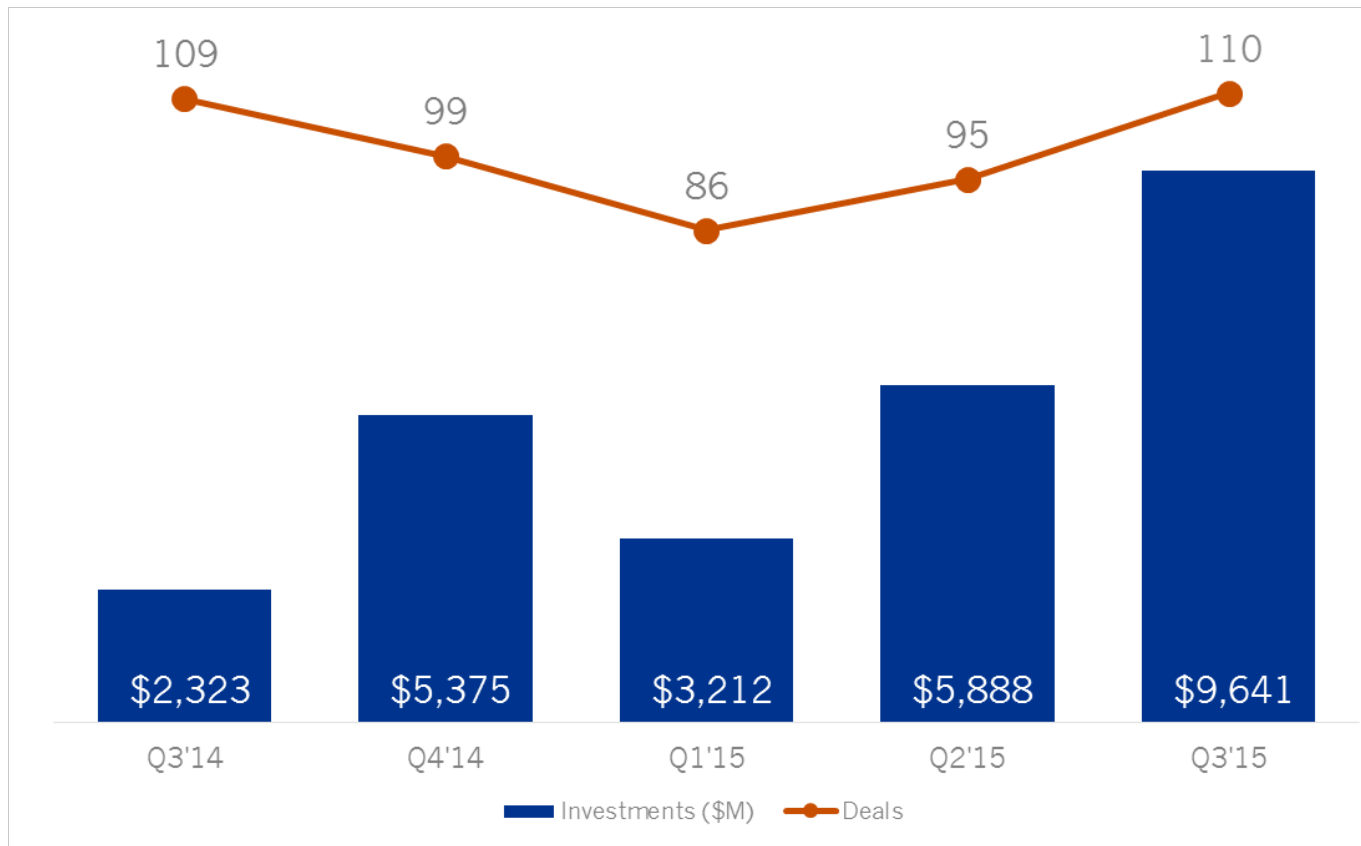


Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015

CHINA VC-BACKED INVESTMENT ACTIVITY

Top Deals & Cities, Q3'15

China Investment Activity VC-Backed Companies, Q3'14 – Q3'15



Top Deals

Didi Kuaidi

\$2B // Series F

Didi Kuaidi

\$1B // Series F-II

LY.com

\$967M // Corp. Minority

Top Cities

Beijing

33 Deals // \$1.33B

Shanghai

23 Deals // \$1.60B

Shenzhen

14 Deals // \$761.9M

Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015

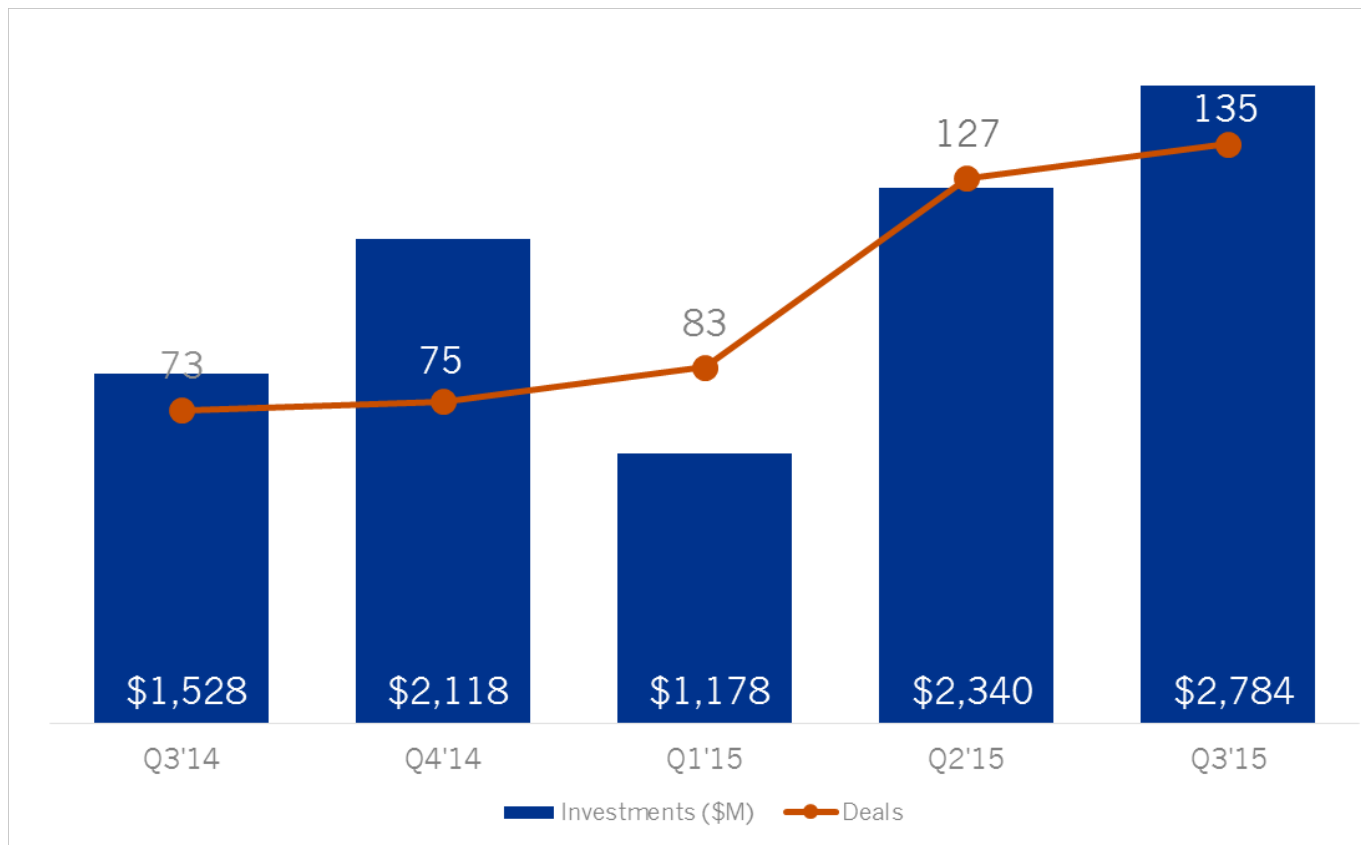


INDIA VC-BACKED INVESTMENT ACTIVITY

Top Deals & Cities, Q3'15

India Investment Activity

VC-Backed Companies, Q3'14 – Q3'15



Top Deals

One97 Communications

\$680M // Corp. Minority

Snapdeal

\$500M // Corp. Minority

Olacabs

\$225M // Series F

Top Cities

Bangalore

34 Deals // \$397.4M

Mumbai

28 Deals // \$413.1M

Gurgaon

20 Deals // \$250.2M

Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015



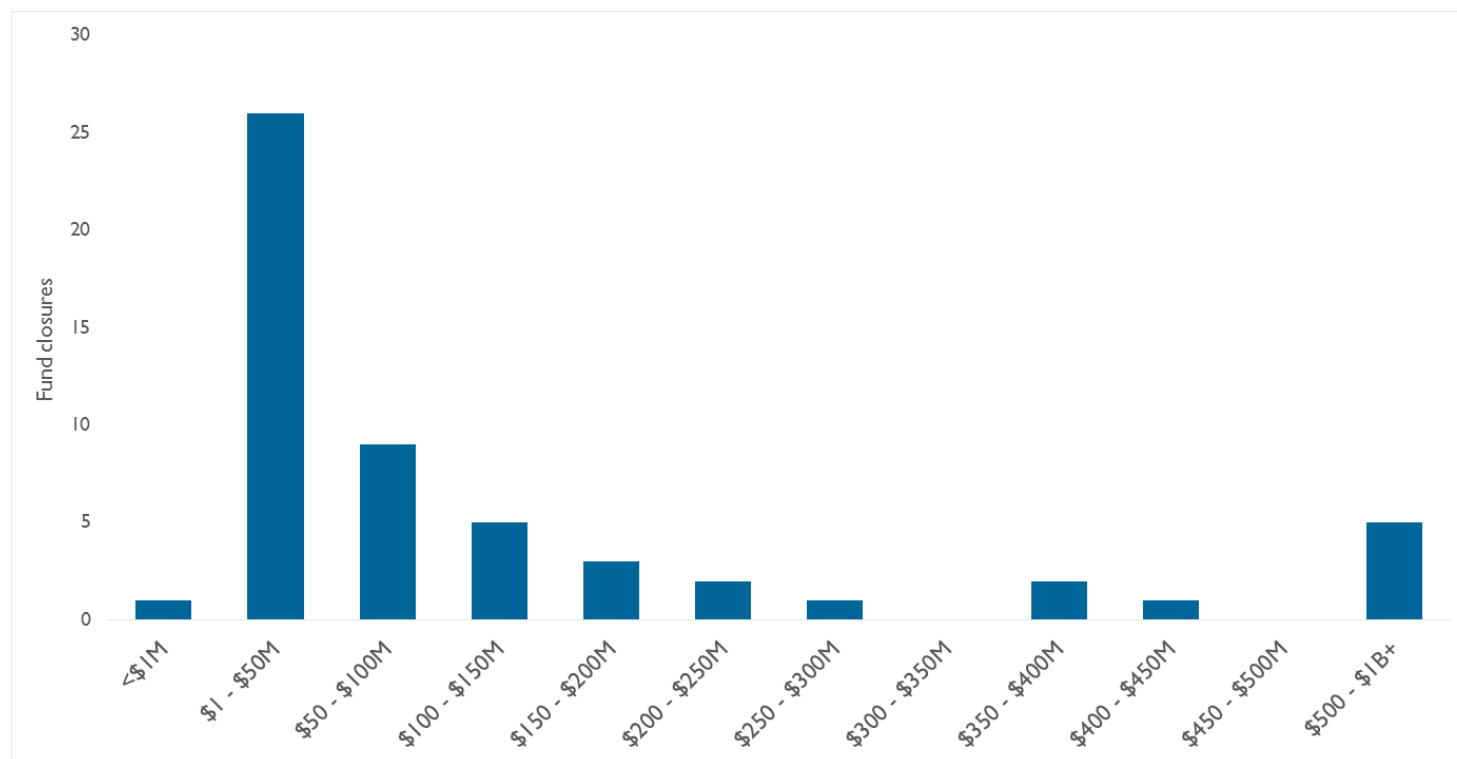


THE NOT SO GOOD IN NY

THE NEW YORK MICRO VC GLUT

Almost half of the VC funds raised by New York-based tech firms since the start of 2014 were micro VCs (those with <\$50 AUM). While New York-based entrepreneurs raising seed funding have a multitude of options between micro VCs and multi-stage funds, there are fewer devoted growth stage funds being raised in NY.

VC Funds Closed By New York-Based Tech Firms 2014-2015 YTD

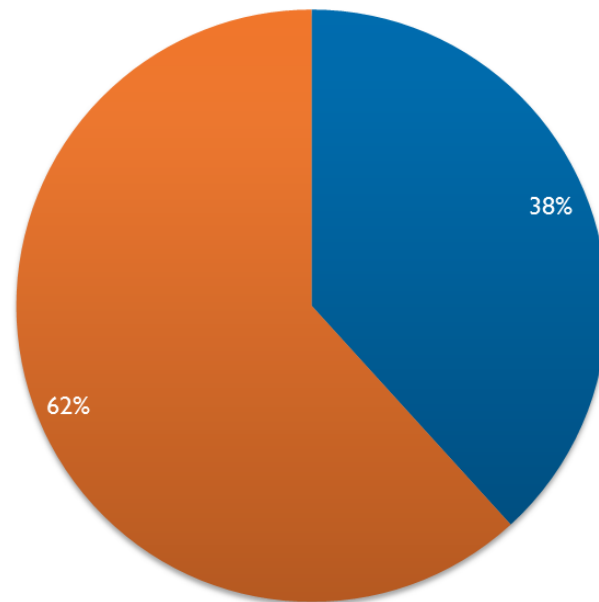


NEARLY 2/3rds OF MOST ACTIVE VCS DOING EARLY-STAGE DEALS ARE BASED IN NEW YORK...

Over 60% of the most active VCs entering at the seed or Series A stage in New York tech since 2011 were based in New York.

Geo Breakdown of Top VCs in NY Tech Entering at Early-Stage

Q1'11 – Q3'15*



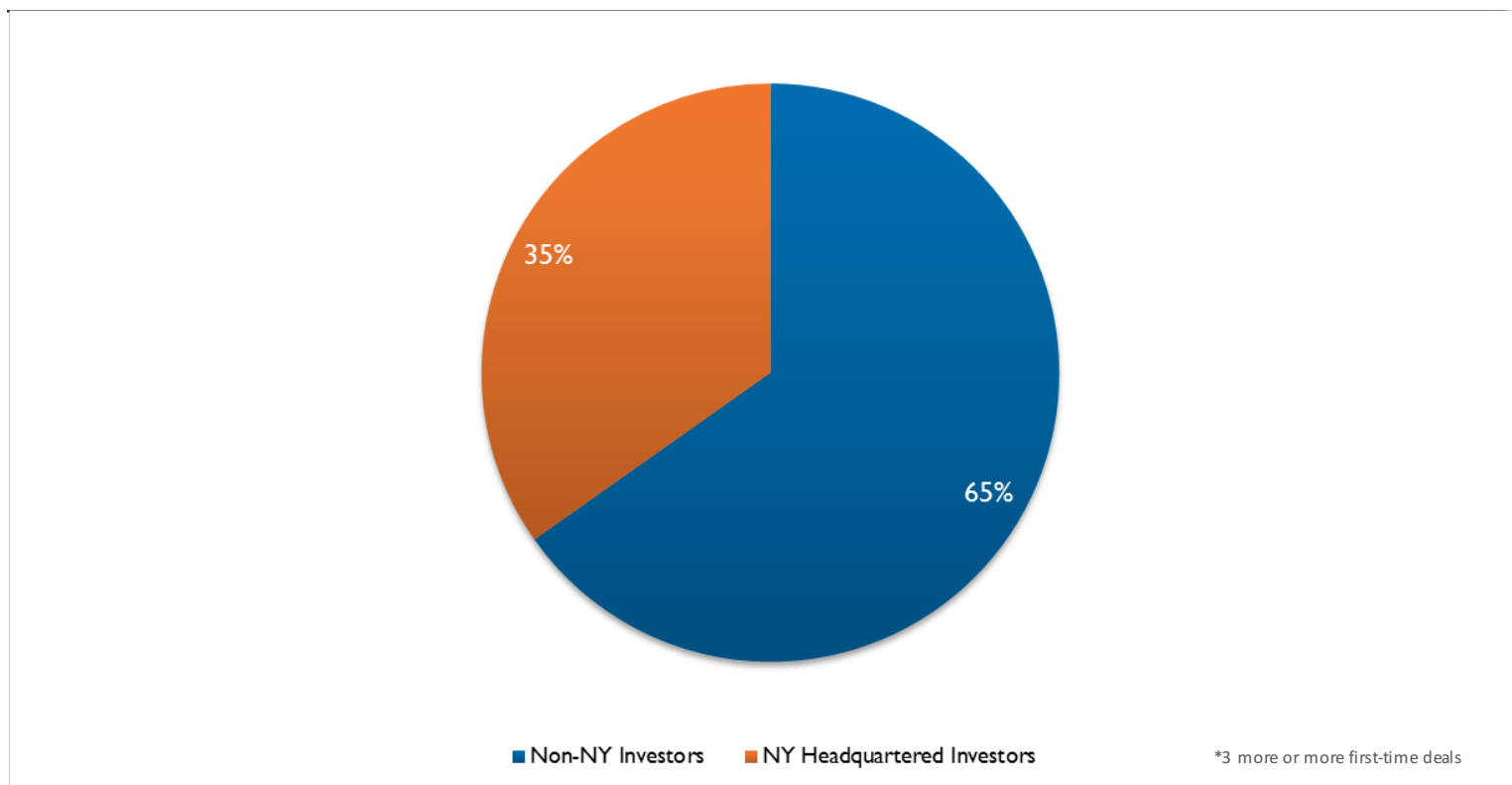
■ Non-NY Investors ■ NY Headquartered Investors

*12 or more first-time early-stage deals

...BUT THERE IS A DEARTH OF NY NATIVE SERIES B INVESTORS

But 65% of the top VC investors doing first-time financings at the Series B stage is dominated by non New York-based VCs. New Enterprise Associates has completed the most new Series B investments in New York since 2011 including Enigma and FiftyThree.

Geo Breakdown of Top VCs in NY Tech Entering at Series B Q1'11-Q3'15*

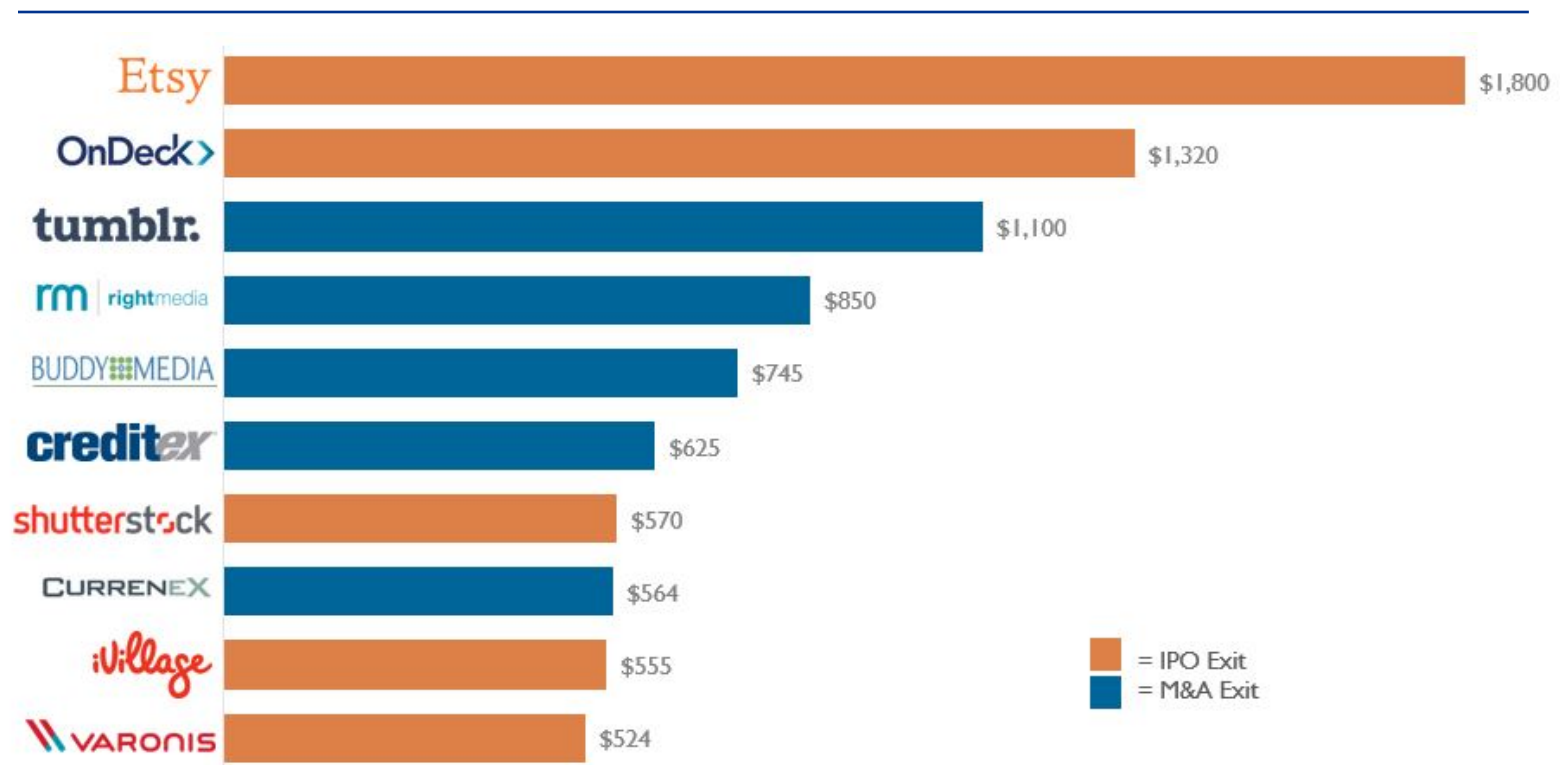


WHERE IS NEW YORK'S FOUNDATIONAL TECH COMPANY?

Among New York's largest VC-backed tech exits ever, none has had a foundational broader effect on the ecosystem quite like Facebook, Google, LinkedIn or others have had in Silicon Valley. More recently, OnDeck Capital has traded near all-time lows at a market cap nearly half that of when it started trading while Etsy's stock continues to trade at nearly half of its opening price.

New York's Largest VC-Backed Tech Exits Ever

By valuation at time of exit (\$M)



NEW YORK VC-BACKED TECH IPOs HAVE TANKED ACROSS ALL INDUSTRIES

While New York saw a multi-year high in VC-backed tech IPO exits in 2014, the New York tech ecosystem's recent tech IPOs have performed poorly across all industries (ad tech, e-Commerce, lending, etc.)

New York VC-backed Tech IPO Performance 2012-2015 YTD



FEW ACTIVE ANGEL INVESTORS IN NEW YORK TECH WERE FOUNDERS IN RECENT TECH EXITS

While Silicon Valley has benefited from the continued cycle of founders into active angel investors in the local tech ecosystem, only a handful of New York's most active angel investors since 2013 were a co-founder of a NY tech startup that exited in the last five years.

Few Successful New York Tech Entrepreneurs Turned Angels *With Exit in Last Five Years*

Select
Investors:



Mike Lazerow,
Buddy Media

BuzzFeed



Mashable

Namely



Scott Belsky,
Behance



earnest

SPRING



Andrew Reis,
Tremor Video

reelio

BOMBFELL



Jared Hecht,
GroupMe

FLATIRON

SPRING

JUKELY

WILDCARD



THE GOOD IN NY

*In 2010, VC-backed New York tech
companies raised*

\$1.2B

across

257 deals

*In 2015 YTD, VC-backed New York tech
companies have raised*

\$5.3B

across

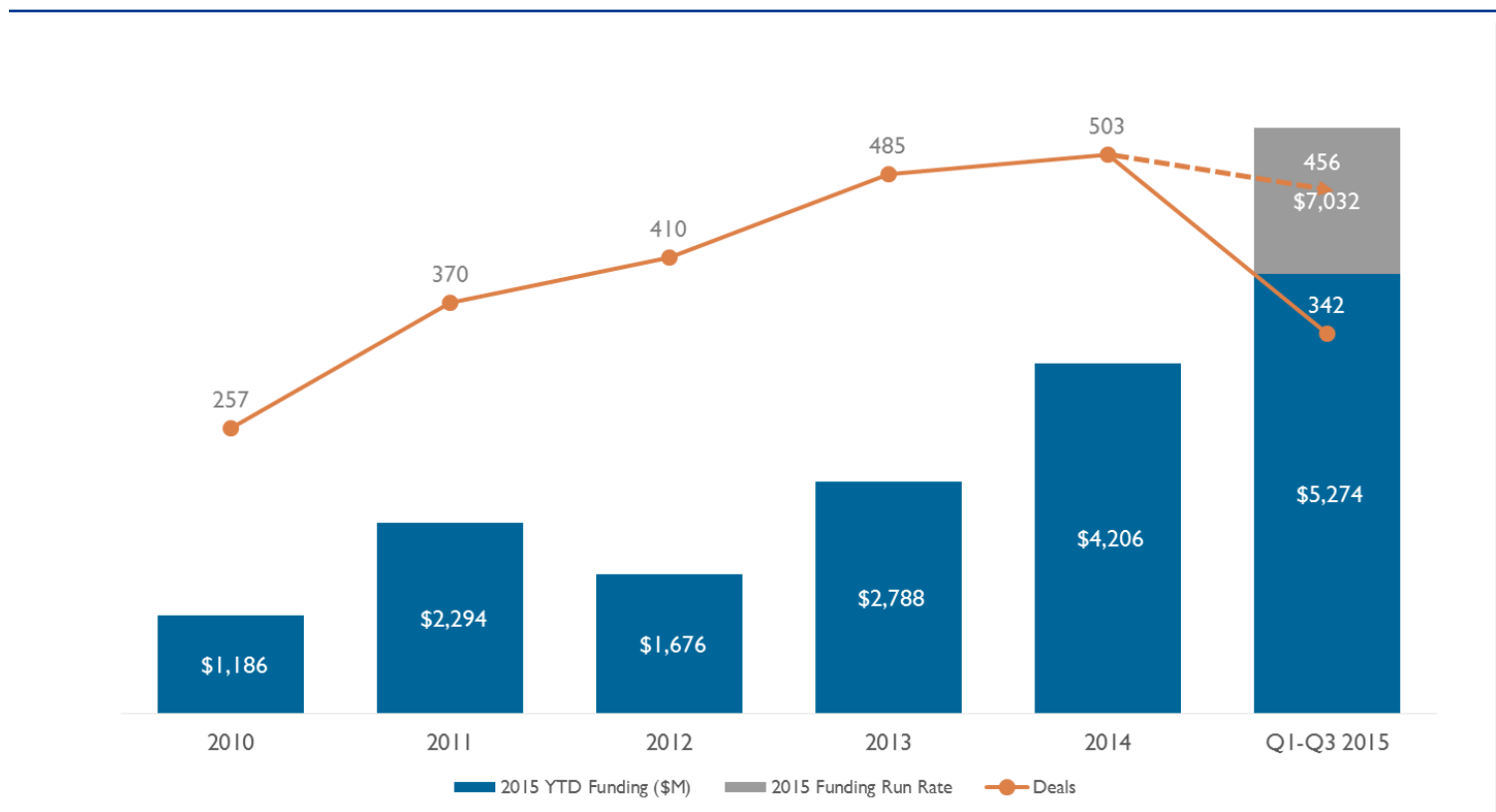
342 deals

NEW YORK TECH INVESTMENT IS BOOMING: \$17.42B INVESTED ACROSS 2,367 DEALS SINCE 2010

New York tech is booming. Funding to VC-backed NY tech companies in the first three quarters of 2015 already tops 2014's total by 25% bolstered by mega-rounds to the likes of Blue Apron, BuzzFeed, Oscar & ZocDoc. Deals, however, are on pace to fall below 2013's total at the current run rate.

New York Tech Deal and Dollar Trend

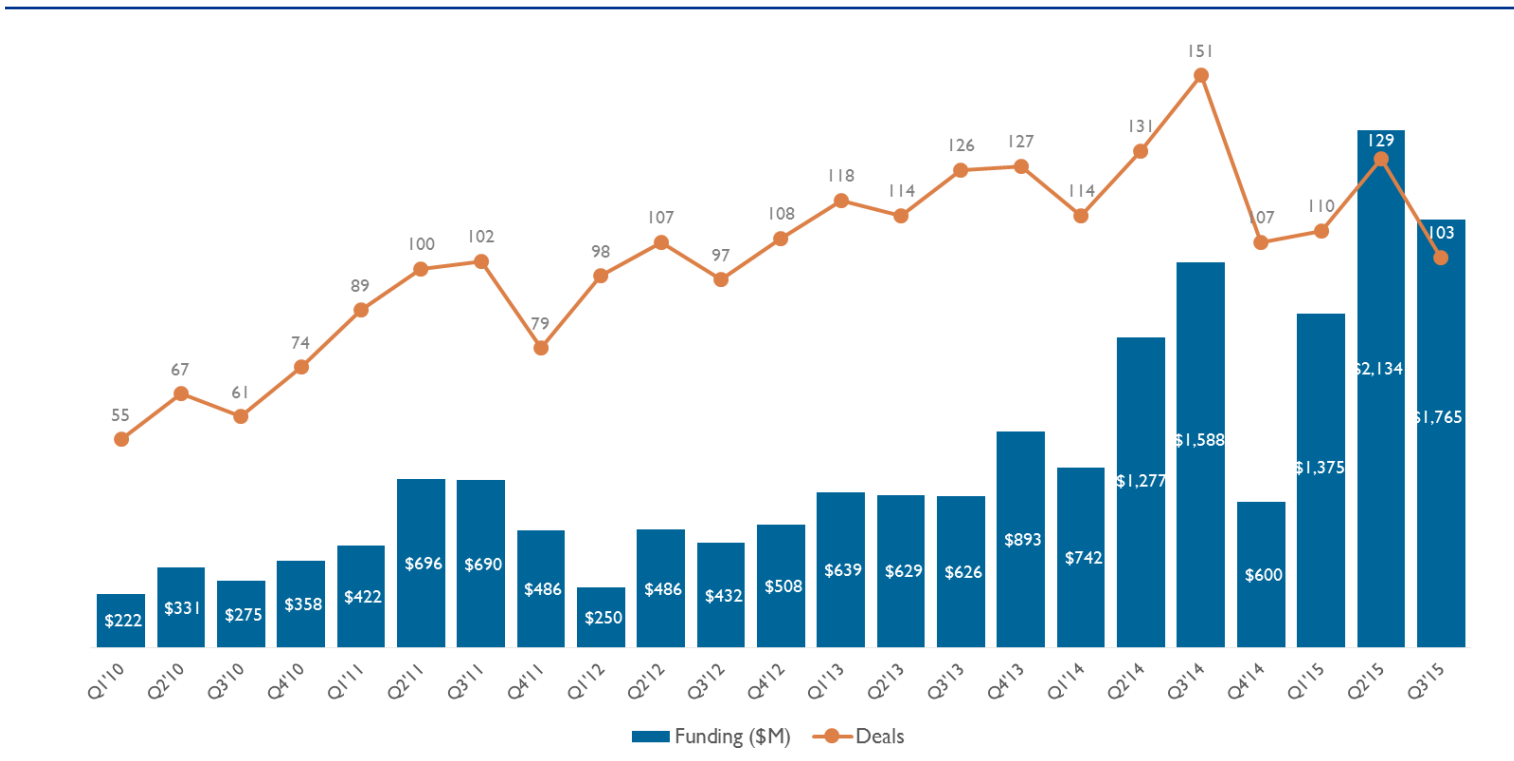
2010 – 2015 YTD



2015 SETS MULTI-YEAR HIGH FOR NEW YORK TECH QUARTERLY FUNDING

Q2'15 marked the highest quarterly funding total since the start of 2010, as VC-backed New York tech companies raised \$2.13B across 138 deals. Each of the past three quarters has seen NY tech companies raise \$1.35B+ in funding.

Quarterly Financing Trend to New York Tech Companies Q1'10 – Q3'15

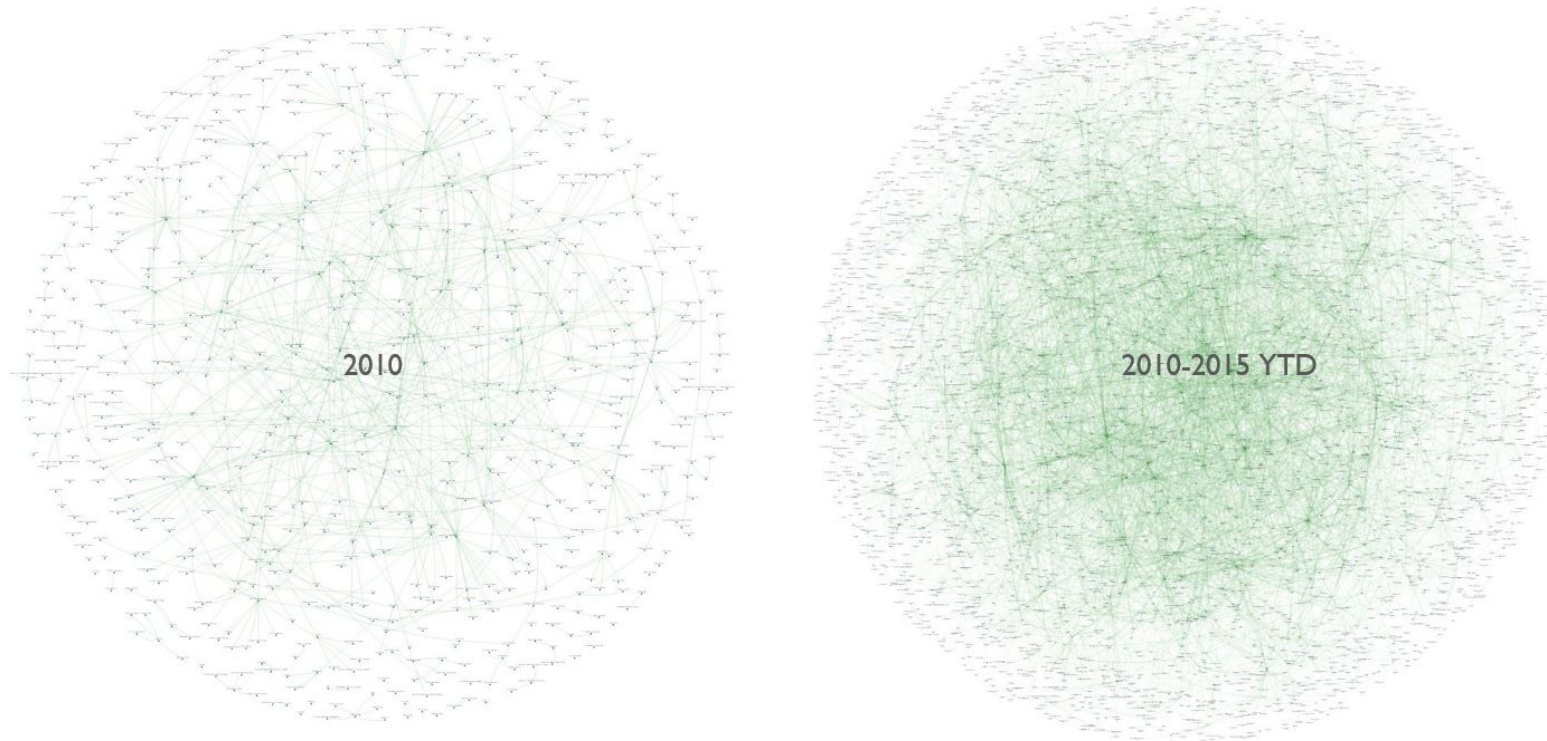


THE NUMBER OF INVESTORS IN NEW YORK TECH GREW 2X BETWEEN 2010 AND 2014

In 2010, 202 VC investors did a deal in New York's tech ecosystem. Last year alone, over 400 VC investors invested in a NY-based tech startup. Between the start of 2010 and 2015 YTD, over 800 different investors have done NY tech deal. The business social graph below highlights the rapid investor growth.

Investors in New York Tech: Then and Now

2010 vs. 2010-2015 YTD



LERER HIPPEAU VENTURES TOPS EARLY-STAGE VCS IN NEW YORK TECH SINCE 2011

Lerer Hippeau Ventures ranked as the most active early stage (Seed/Series A) investor in New York tech companies since 2011. BoxGroup ranked second, with SV Angel, RRE Ventures and First Round Capital rounding out the top 5.

Most Active New York Tech Early-Stage VCs

2011 – 2015 YTD

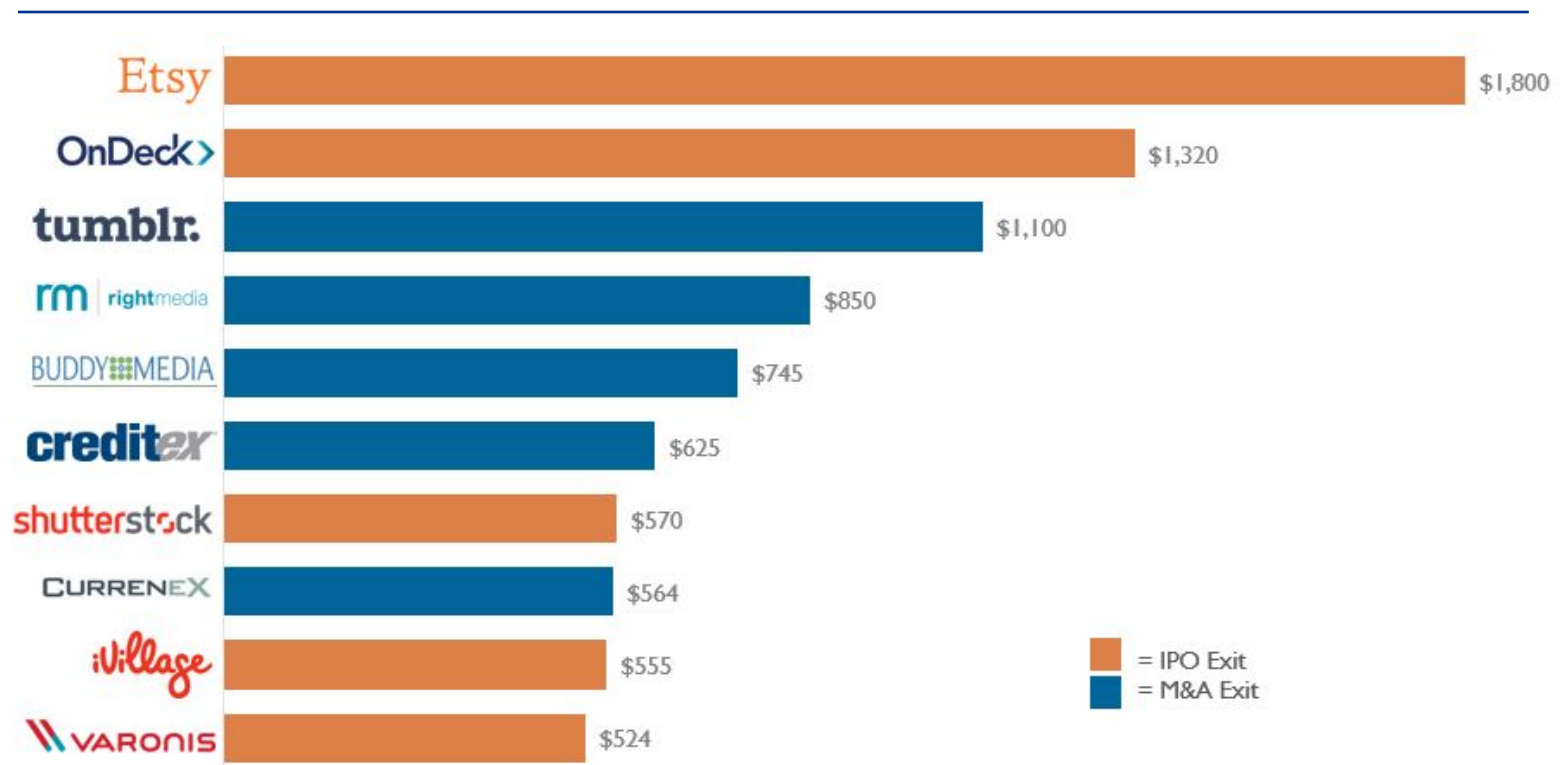
Rank	Investor	Rank	Investor
1	Lerer Hippeau Ventures	10	Greycroft Partners
2	BoxGroup	10	Softbank Capital
3	SV Angel	12	FirstMark Capital
4	RRE Ventures	12	Slow Ventures
5	First Round Capital	14	Thrive Capital
5	Great Oaks Venture Capital	15	Eniac Ventures
7	Social Starts	15	Google Ventures
7	500 Startups	15	Quotidian Ventures
9	Founder Collective	15	Contour Venture Partners

SIX OF NEW YORK'S LARGEST VC-BACKED TECH EXITS EVER TOOK PLACE SINCE THE START OF 2012

The two largest VC-backed exits in New York tech history, Etsy and OnDeck Capital, took place since the start of December 2014. Notable recent M&A exits that didn't make it in the top 10 include 1010data and Business Insider, valued at \$500M and \$442M, respectively.

New York's Largest VC-Backed Tech Exits Ever

By valuation at time of exit (\$M)



“There will be, in the next three to five years, 10 billion-dollar-plus companies in New York. There’s a certain minimum critical mass you need in a tech ecosystem and I think (New York) is now getting there.”

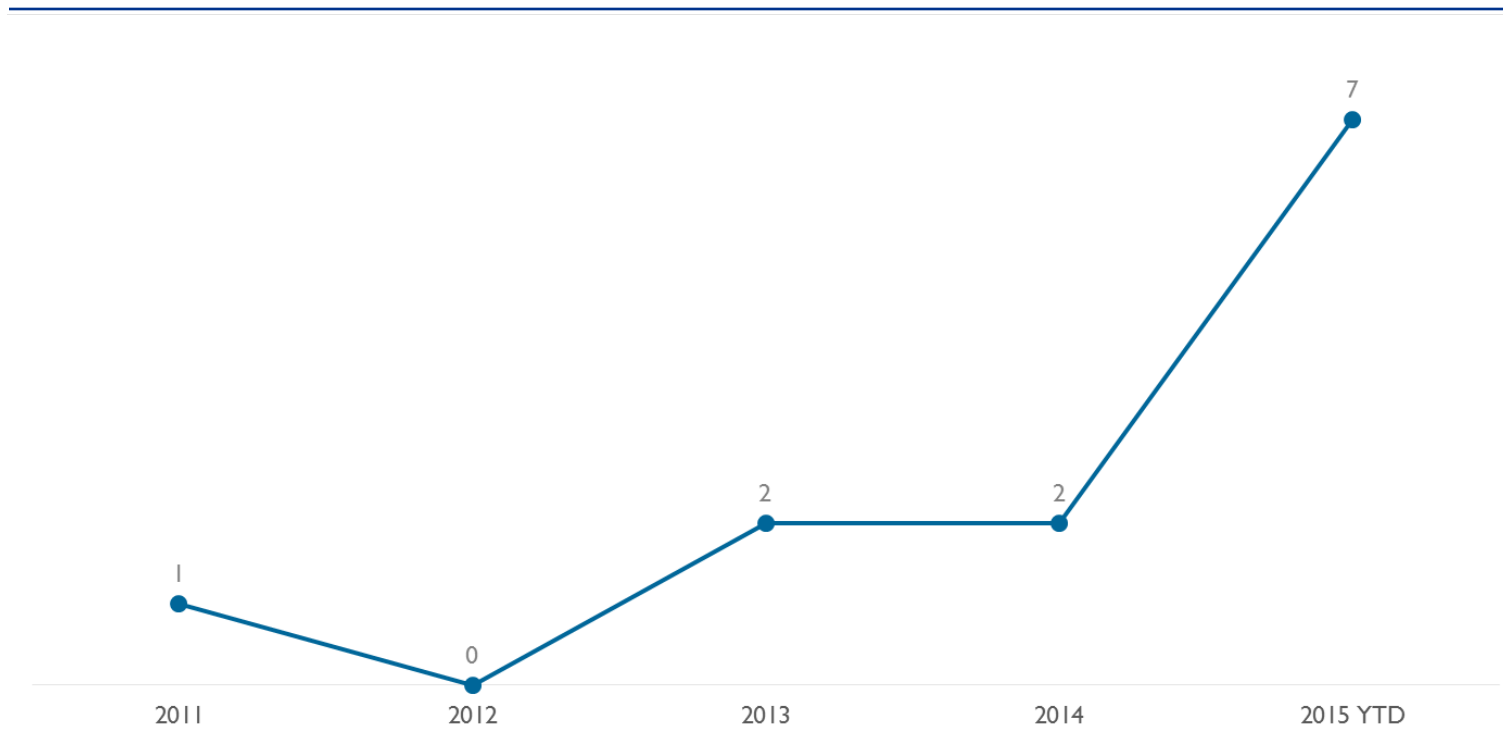


Chris Dixon
*General Partner, Andreessen
Horowitz*

NUMBER OF FIRST-TIME BILLION-DOLLAR VALUATIONS JUMPS 250%

In May 2015, Chris Dixon predicted 10 additional New York startups would be valued at \$1B in the next 5 years. Since then, there have already been 4 new NY tech unicorns. First-time billion-dollar valuations in 2015 YTD already tops 2014's total by 250%.

First-Time \$1B+ Valuation Financing Rounds in New York 2011-2015 YTD

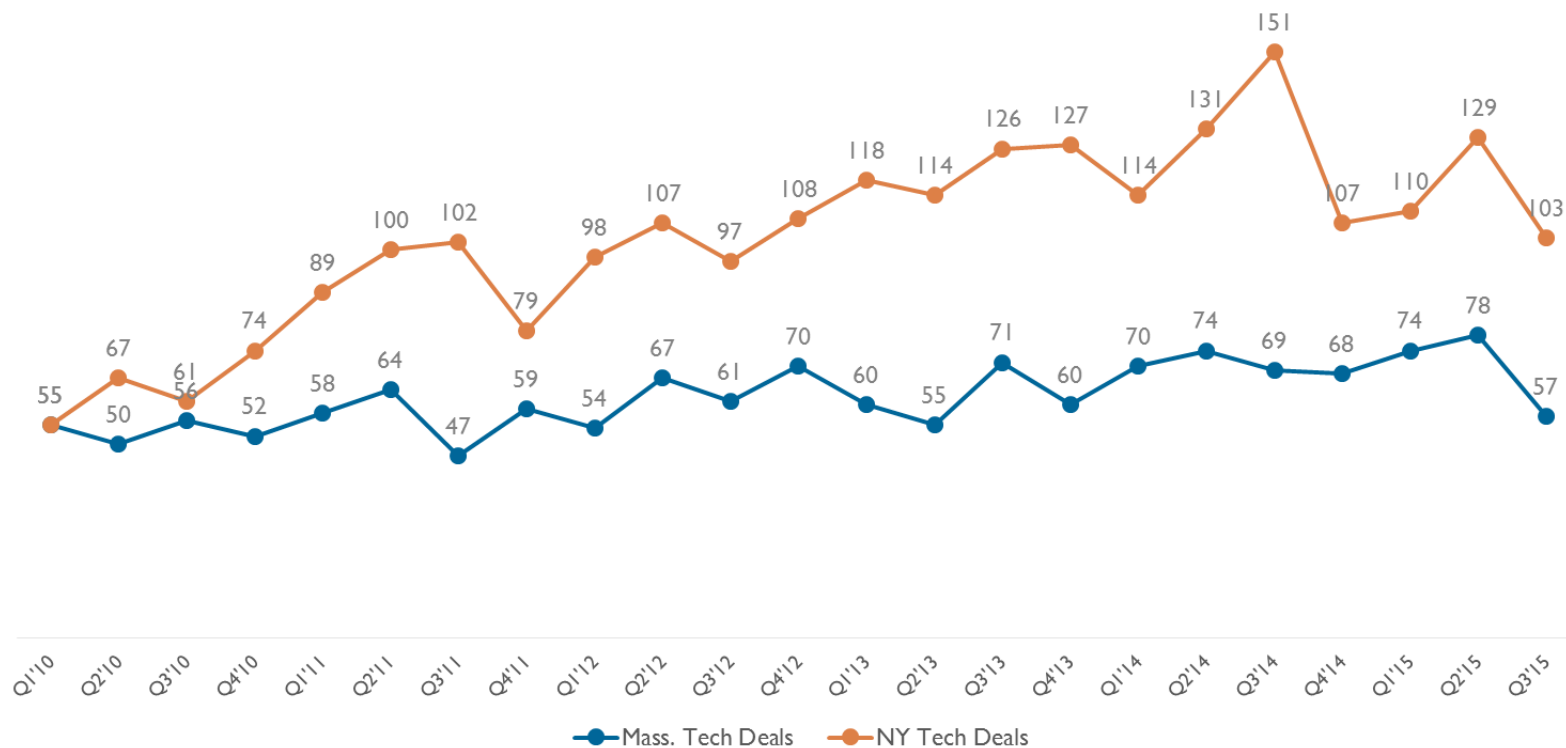



NEW YORK NOW FAR OUTSTRIPS MASSACHUSETTS IN OVERALL TECH INVESTMENTS

At the start of 2010, NY and MA were head to head when it came to deal activity to VC-backed tech startups. Since then, NY has opened up a widening lead. In 2014, NY saw 79% more deals to VC-backed tech companies than MA and 64% more deals in the first three quarters of 2015.

New York vs. Massachusetts Tech Financing Trend

Q1'10 – Q3'15





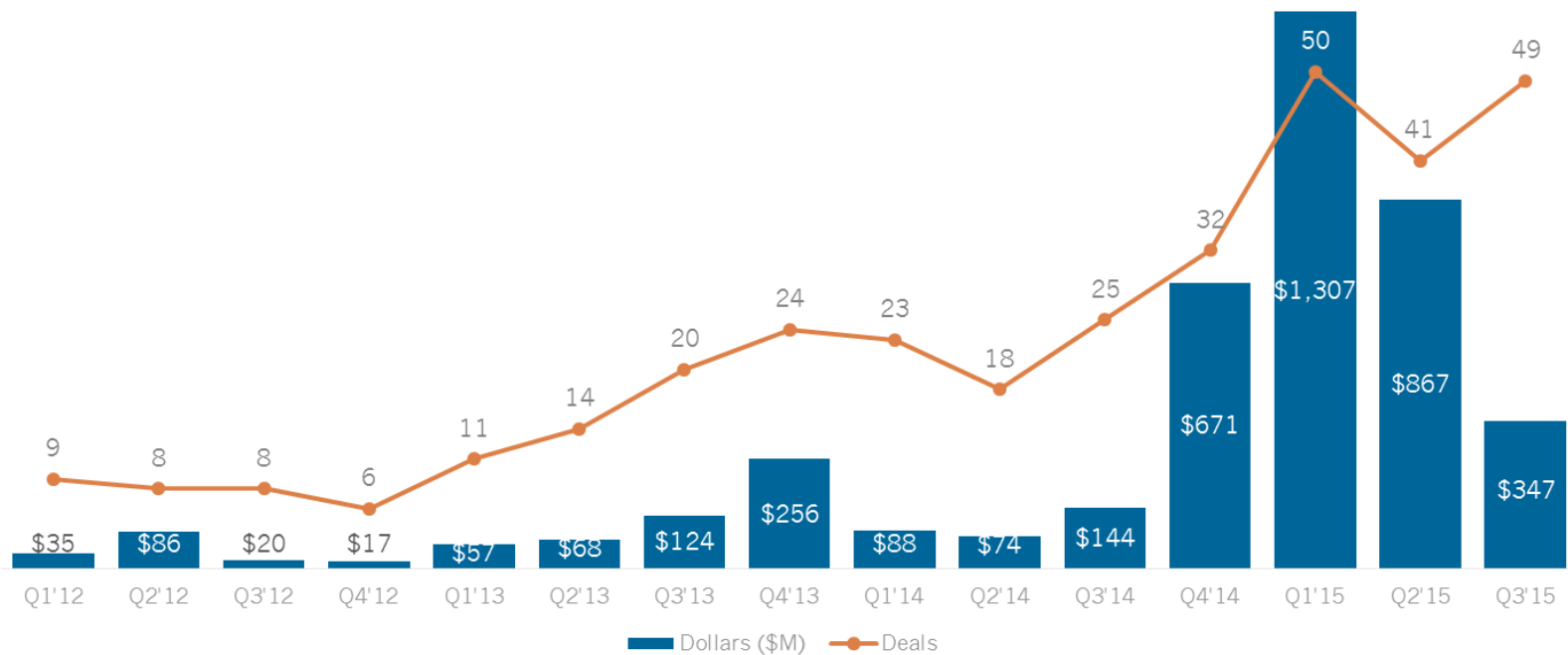
INDUSTRY FOCUS

FRONTIER TECH STARTUPS RAISE NEARLY \$3.5B SINCE 2014, OVER \$2.5B IN THREE QUARTERS OF 2015

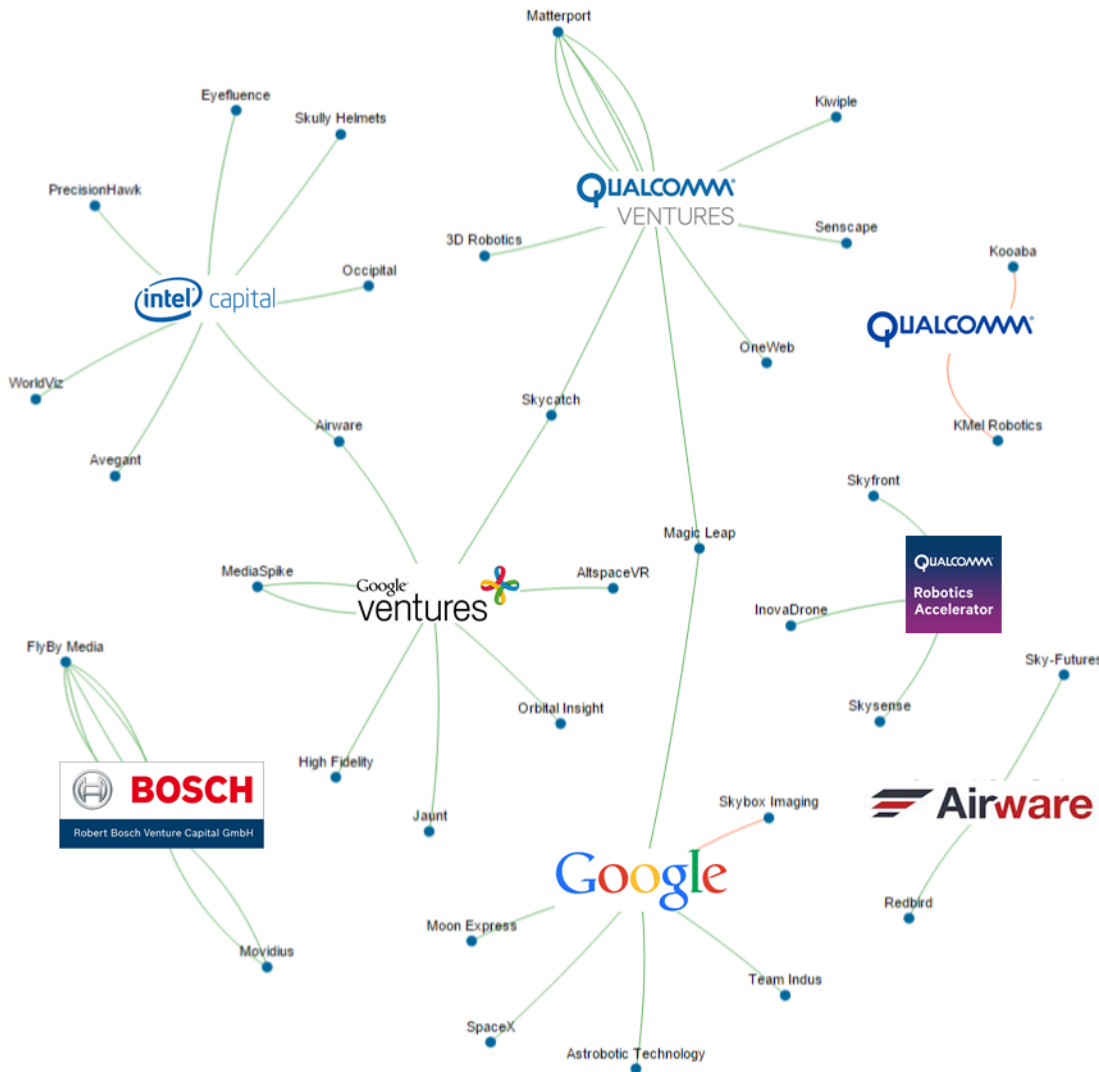
Frontier tech startups (focusing on space, drones, and AR/VR) have raised a combined \$3.5B in equity financing since 2014, across 238 deals. Funding has now topped \$500M for three of the last four quarters, with Q1'15's \$1.3B in funding being the highest quarterly total of all-time, largely buoyed by SpaceX's \$1B Series D financing. As the industries develop, there have been 11 \$50M+ financings to frontier tech companies since 2014.

Frontier Tech Investment Activity

Q1'12 – Q3'15



CORPORATE INVESTMENTS AND ACQUISITIONS IN FRONTIER TECH



Google & Qualcomm Lead Strategies

As the graph to the left shows, Google and Qualcomm, through both their corporate and venture arms, have been very active in the frontier tech space with multiple investments and acquisitions.

Other corporates visualized include Airware, which has made multiple investments through its recently launched Commercial Drone Fund, as well as Bosch, and Intel Capital.

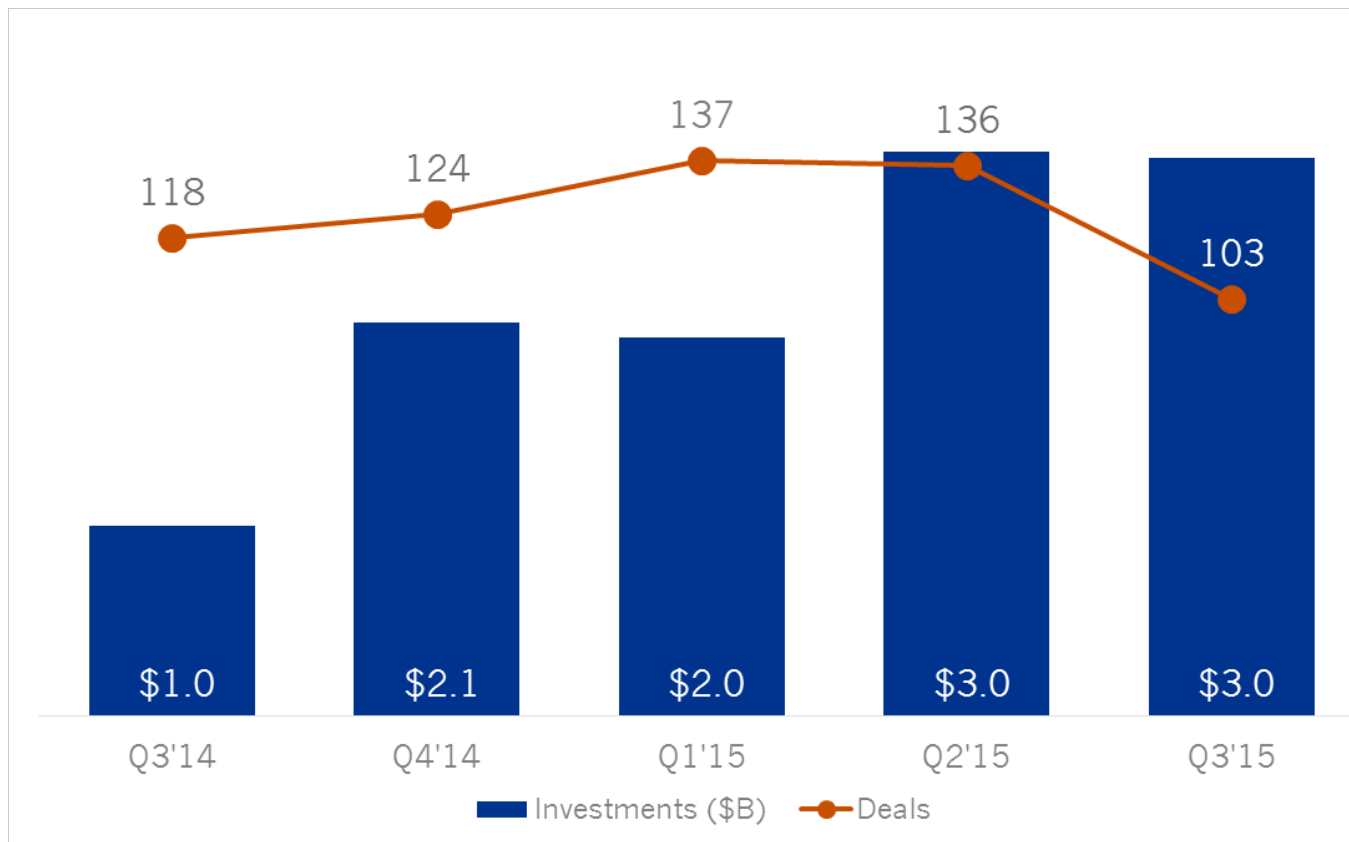
DJI & Accel Partners (not visualized) recently announced a similar fund to Airware's called the SkyFund.

FIN TECH VC-BACKED INVESTMENT ACTIVITY

Top Deals & Countries, Q3'15

Fin Tech Investment Activity

VC-Backed Companies, Q3'14 – Q3'15



Top Deals

Social Finance

\$1B // Series E

AvidXchange

\$225M // Growth Equity

DianRong

\$207M // Series C

Top Countries

United States

48 Deals // \$1.96B

United Kingdom

12 Deals // \$110.57M

India

8 Deals // \$127.59M

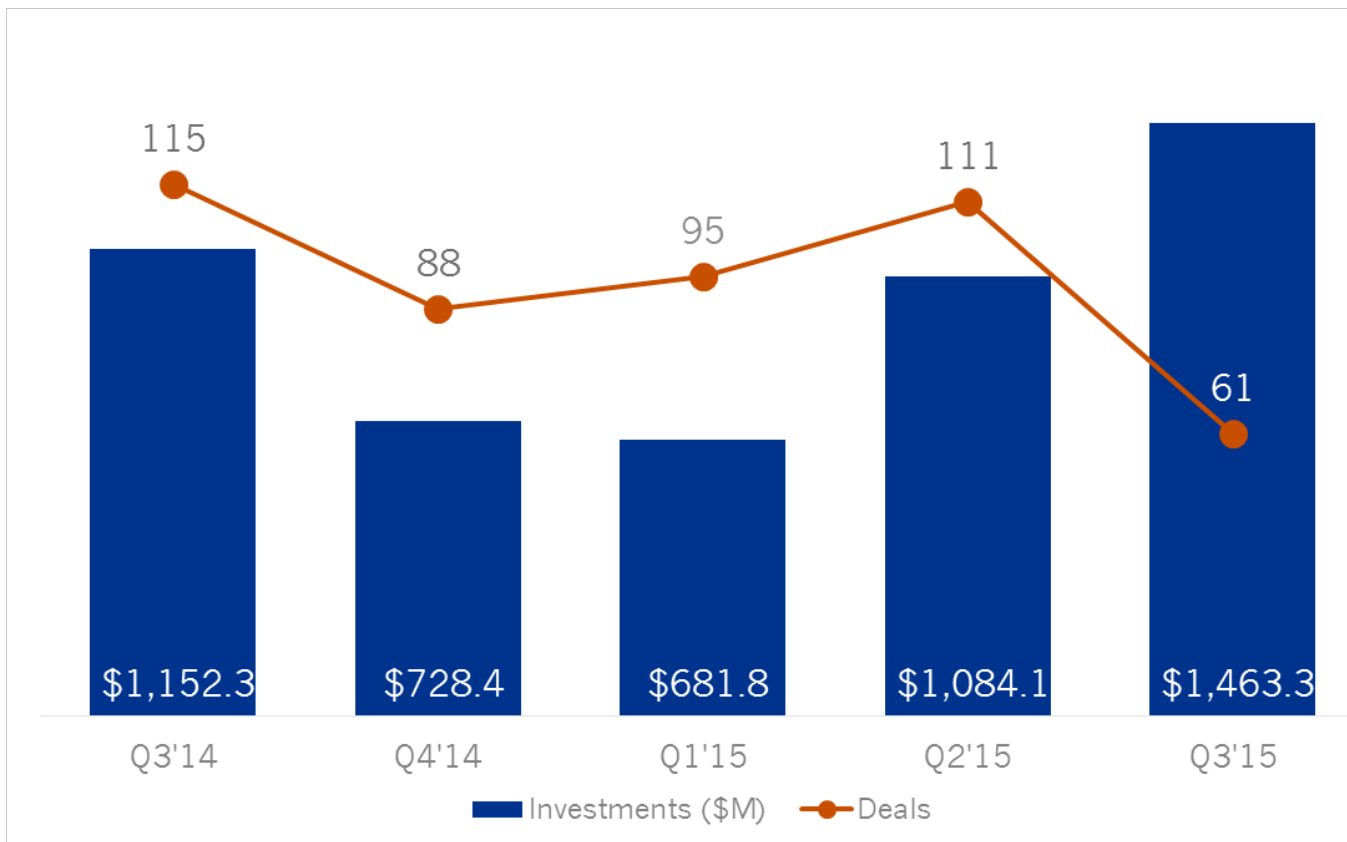
Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015

DIGITAL HEALTH VC-BACKED INVESTMENT ACTIVITY

Top Deals & Countries, Q3'15

Digital Health Investment Activity

VC-Backed Companies, Q3'14 – Q3'15



Top Deals

Guahao Technology Co.

\$394M // Series D

ZocDoc

\$130M // Series D

Clover Health

\$100M // Series A

Top Countries

United States

43 Deals // \$878.56M

India

4 Deals // \$128.5M

China

3 Deals // \$441M

Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015

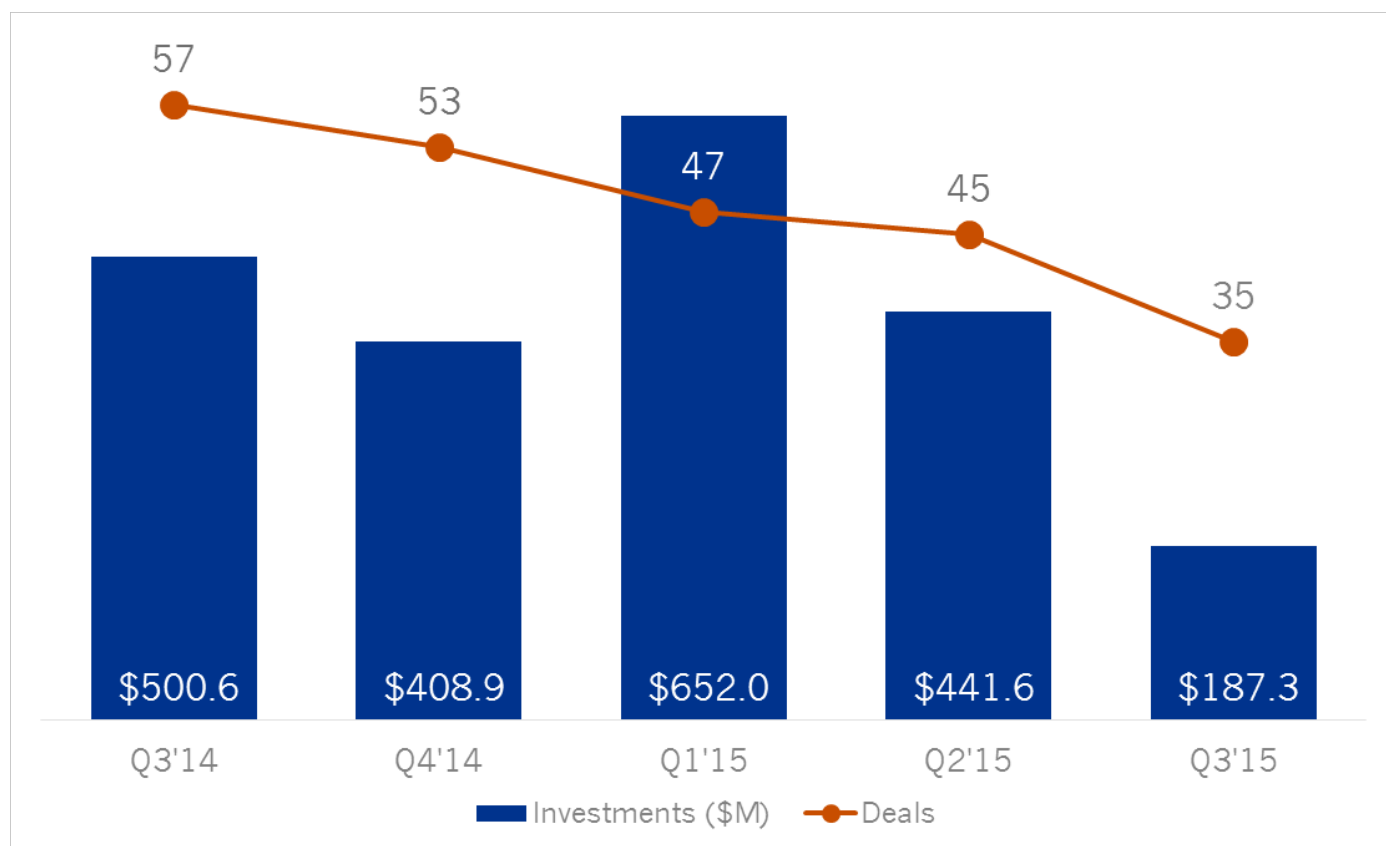


ED TECH VC-BACKED INVESTMENT ACTIVITY

Top Deals & Countries, Q3'15

Ed Tech Investment Activity

VC-Backed Companies, Q3'14 – Q3'15



Top Deals

Coursera

\$49.5 // Series C

BrightBytes

\$33M // Series C

Babbel

\$22M // Series C

Top Countries

United States

22 Deals // \$128.19M

India

4 Deals // \$7.65M

China

2 Deals // \$19M

Source: Venture Pulse, Q3'15, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 14, 2015



Where is all this data from?

The CB Insights platform has the details on each and every deal in New York tech. That includes all of the financings and exits in this report.

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