

PwC / CB Insights

MoneyTree™

Report

Q2 2017

Executive summary

US Q2'17 funding rises 27% from previous quarter

Funding pushes up as deals slip: US VC-backed companies saw \$18.4B in total financing across 1,152 deals in Q2'17, up 27% and down 4% from Q1'17, respectively. Deal activity has settled into a lower range in recent quarters.

Strong mega-round activity: Fueling the quarterly dollar spike were 31 mega-rounds of \$100M or more, the highest in the US since the peak of 36 in Q3'15. Amid this activity, median later-stage deal size also jumped near the record highs of that quarter.

Unicorn births up: 9 new VC-backed companies in the US reached \$1B+ valuations in Q2'17, up from just 3 in Q1'17 and also marking the highest quarterly total since the frothy days of Q3'15, when there were 16 unicorn births.

Corporate participation remains strong: Corporations and corporate VCs have remained active in the US even as overall deal activity has slowed, with corporates participating in 26% of all US deals in Q2'17.

Digital Health funding tops \$2B: Deals and dollars to the space hit an 8-quarter high in the US, with quarterly deals rising 38% to 113 and total dollar funding jumping 63% to \$2.7B.

Global dollars surge 53% as Asia sees funding double from Q1'17

San Francisco, New England deal activity declines, LA increases: Quarterly deal activity in SF (N. Bay Area) and New England slowed in Q2'17, while LA/Orange County deal activity rose 15% over Q1'17.

Silicon Valley, New York Metro surge in funding: Funding in Silicon Valley (S. Bay Area) rose by 27% to \$3.6B. New York Metro funding jumped 81% from \$1.5 to \$2.8B.

Global dollars up sharply: Deal activity increased marginally from the previous quarter, but funding increased by 53% from \$28B in Q1'17 to \$42.9B in Q2'17, topping the figure seen in Q3'15 for an 8-quarter high.

Asia funding swells: Deals in Asia increased by 28% while quarterly funding increased by a staggering 103%, driven by 5 massive deals of \$1B or more. Europe and Asia both hit 8-quarter dollar funding highs.

Mega-rounds trend upward globally: Like the US, Asia also saw the highest quarterly mega-round total since Q3'15 with 27 deals of \$100M or more.

Note: Report includes all rounds to VC-backed companies. For a detailed brief on methodology, please reference page 75 of this report.

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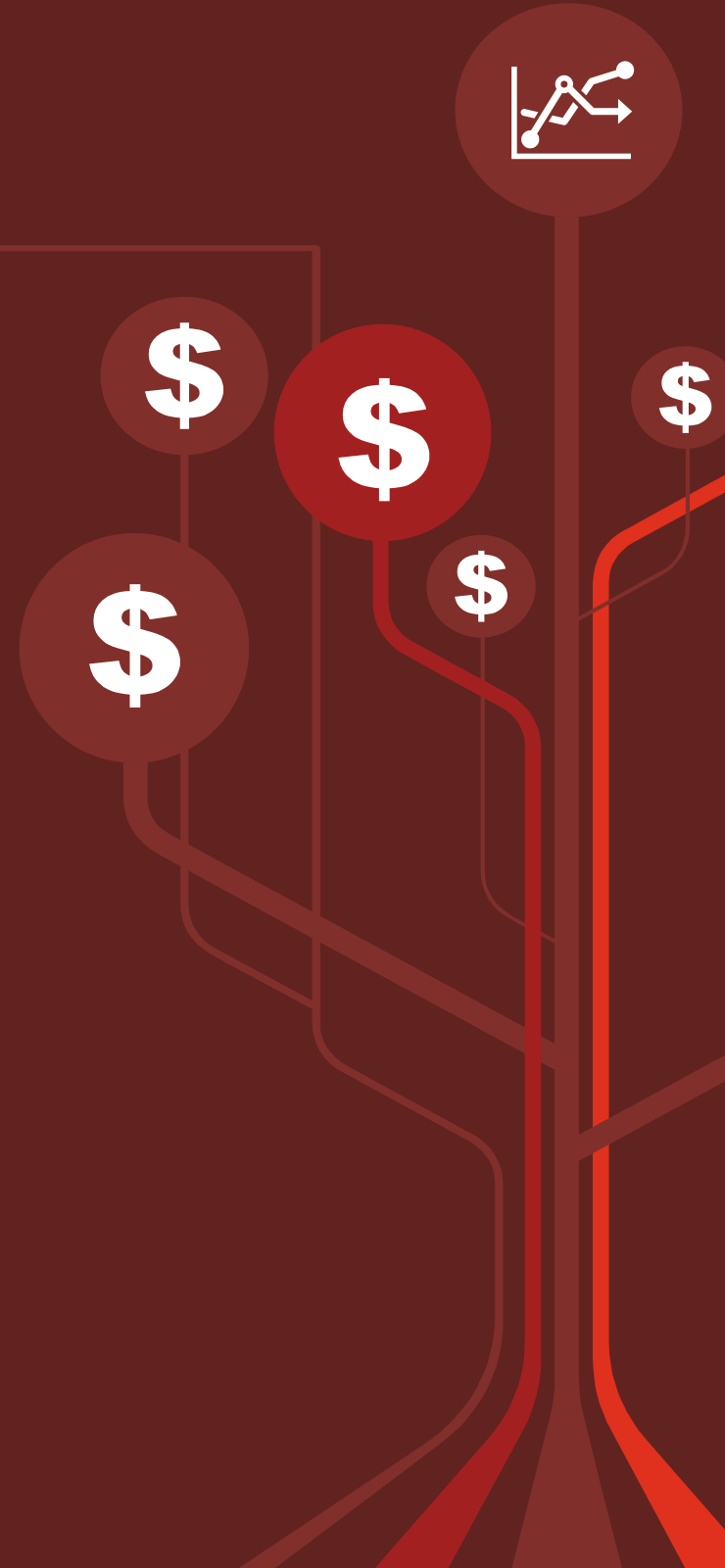


54 Global Trends



01

US Overall Trends





In Q2 2017

UNITED STATES

VC-backed companies raised

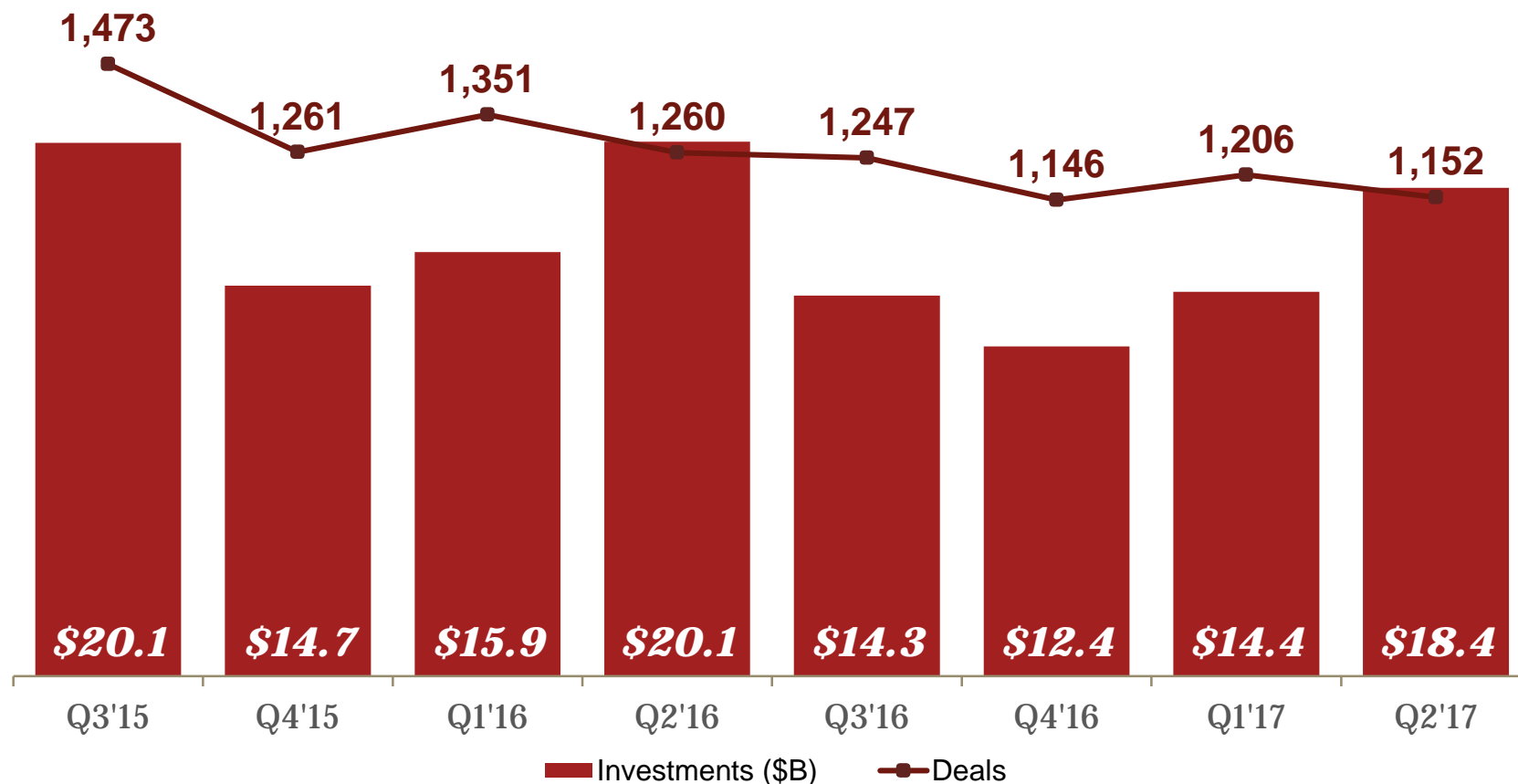
\$18.4B

8-quarter US financing trend



US deals slip, but mega-round activity drives funding total upward

- Deals and dollars both bottomed out with 8-quarter lows in Q4'16. Deal activity in general has settled into a lower range over the past few quarters, with Q2'17 deal count slipping 4% from Q1'17.
- Amid the deal activity reset, the strongest quarter of US mega-round activity since Q3'15 drove total dollars invested up 27% in Q2'17.



US financing trends



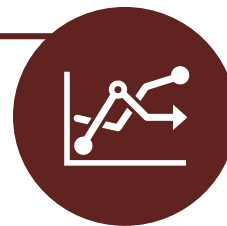
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Q2 was a tale of two trends. US deal activity continued its multi-quarter downward trend, but the growth rate of investments in dollar terms accelerated from the first quarter. A surge in Mega-round deals, to the second highest level seen to date, helped drive a robust level of quarterly VC funding.

— **Tom Ciccolella**, Partner, US Ventures Leader at PwC

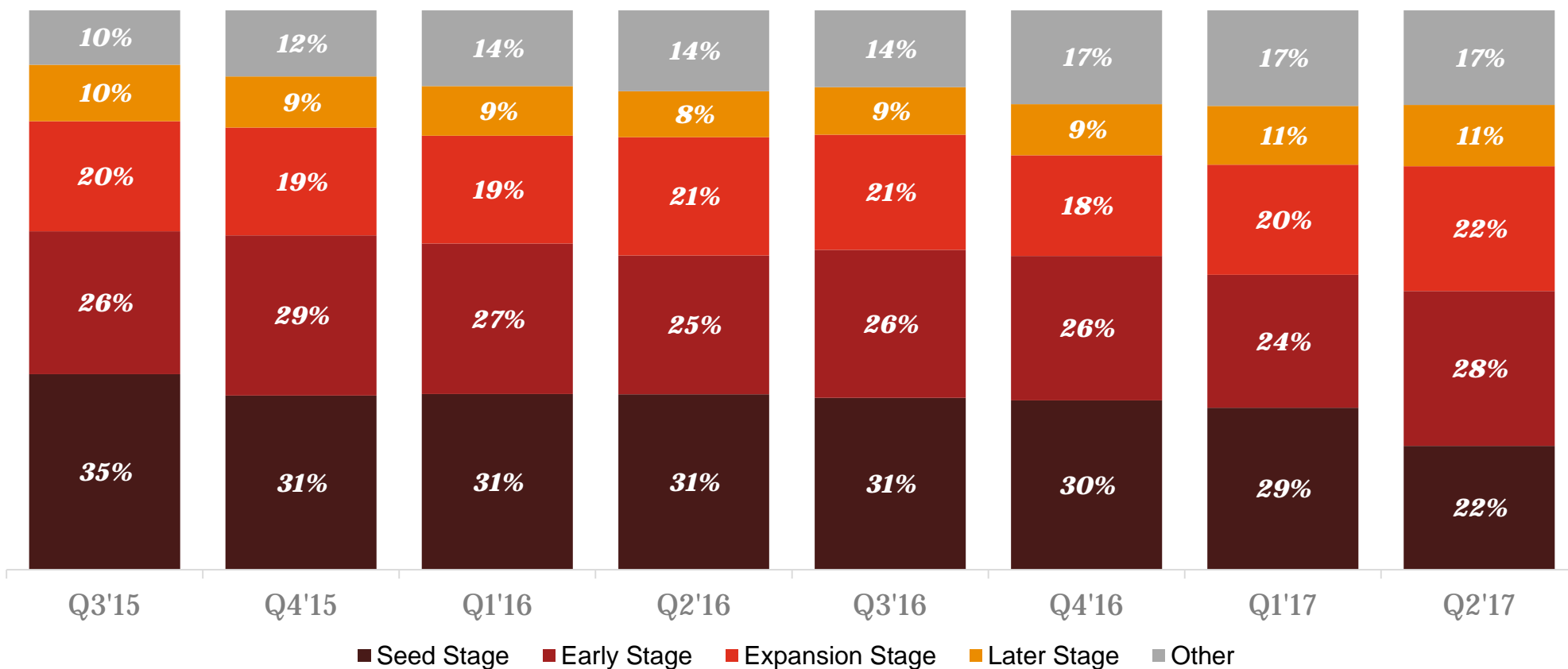
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US deal share by stage

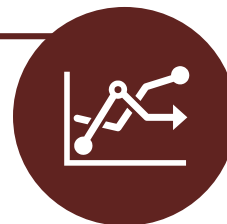


US seed activity dips, but early-stage activity jumps to 8-quarter high

- Seed activity as a proportion of all deals dropped to 22% in Q2'17, representing an 8-quarter low and continuing a gradual decline since Q3'15.
- Meanwhile, early-stage and expansion-stage deal shares rose to 28% and 22%, respectively. Later-stage deal share remained at 11%, matching Q1'17 for an 8-quarter high.

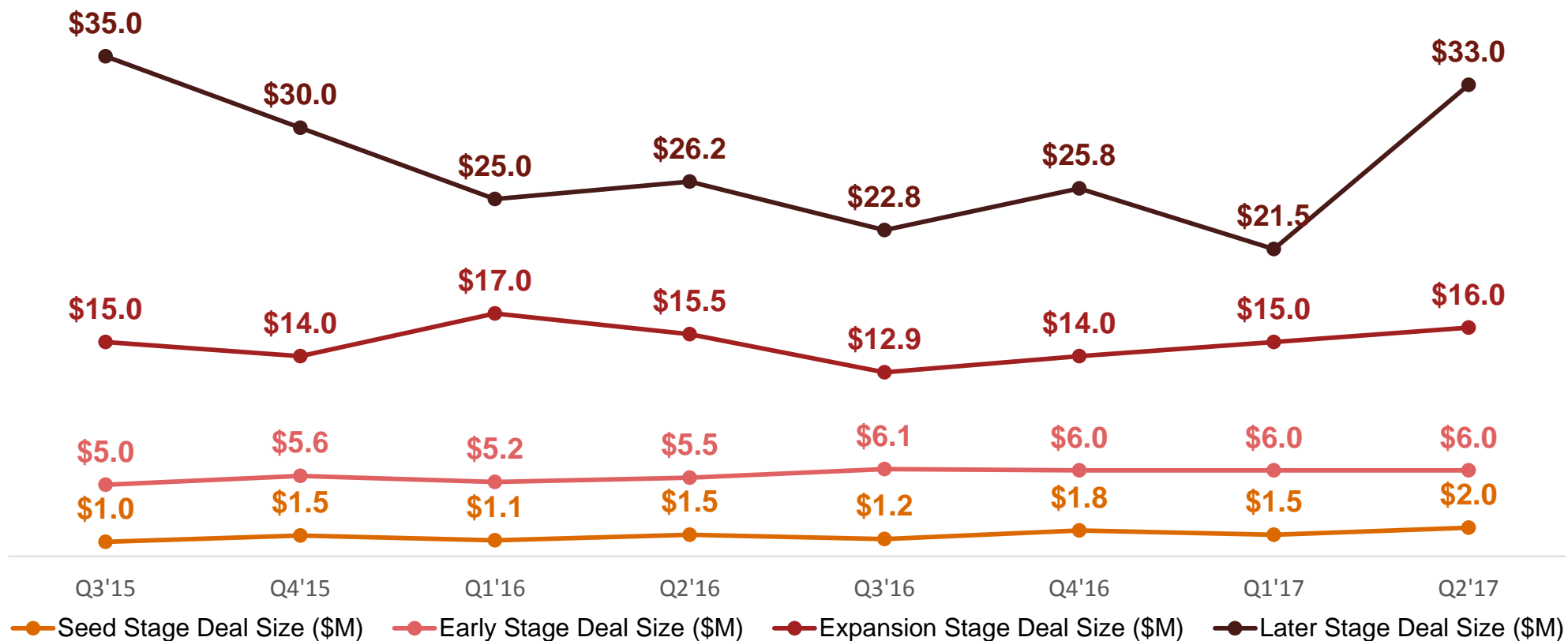


Median US deal sizes by stage



Median later-stage deal size hits highest point since Q3'15

- Later-stage deal sizes fell to 8-quarter low in Q1'17, but this quarter's healthy mega-round activity has boosted medians above \$30M, nearly matching the high of Q3'15.
- Median expansion-stage deal size also ticked up for the third consecutive quarter, while early-stage deal sizes remained steady at \$6M.

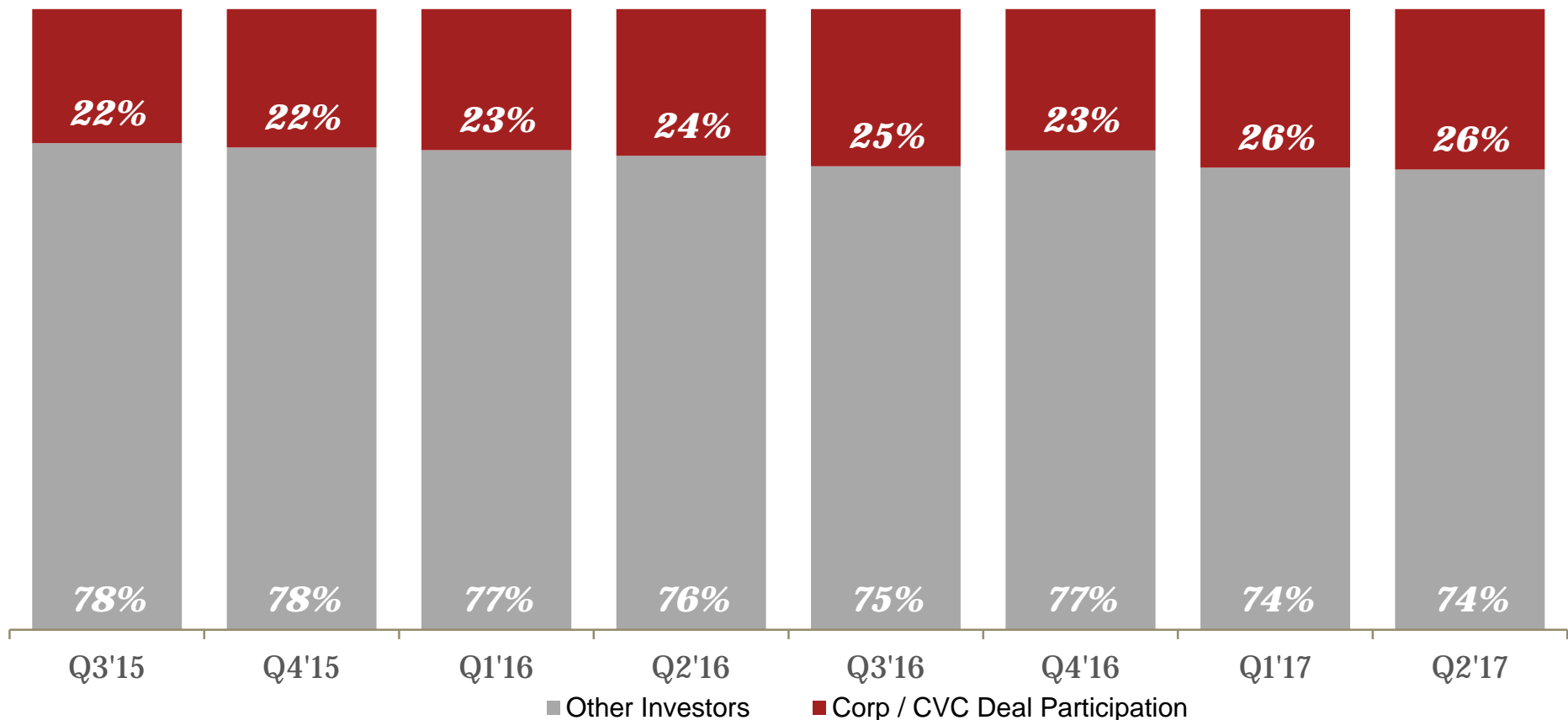


US corporate deal participation



Corporates invest in over a quarter of deals for second straight quarter

- Rather than pulling back, corporate participation has remained strong amid the overall reset of deal activity to VC-backed companies since late 2015.
- Corporations and CVCs were involved in 26% of all US deals in Q2'17, matching the previous quarter for an 8-quarter high.

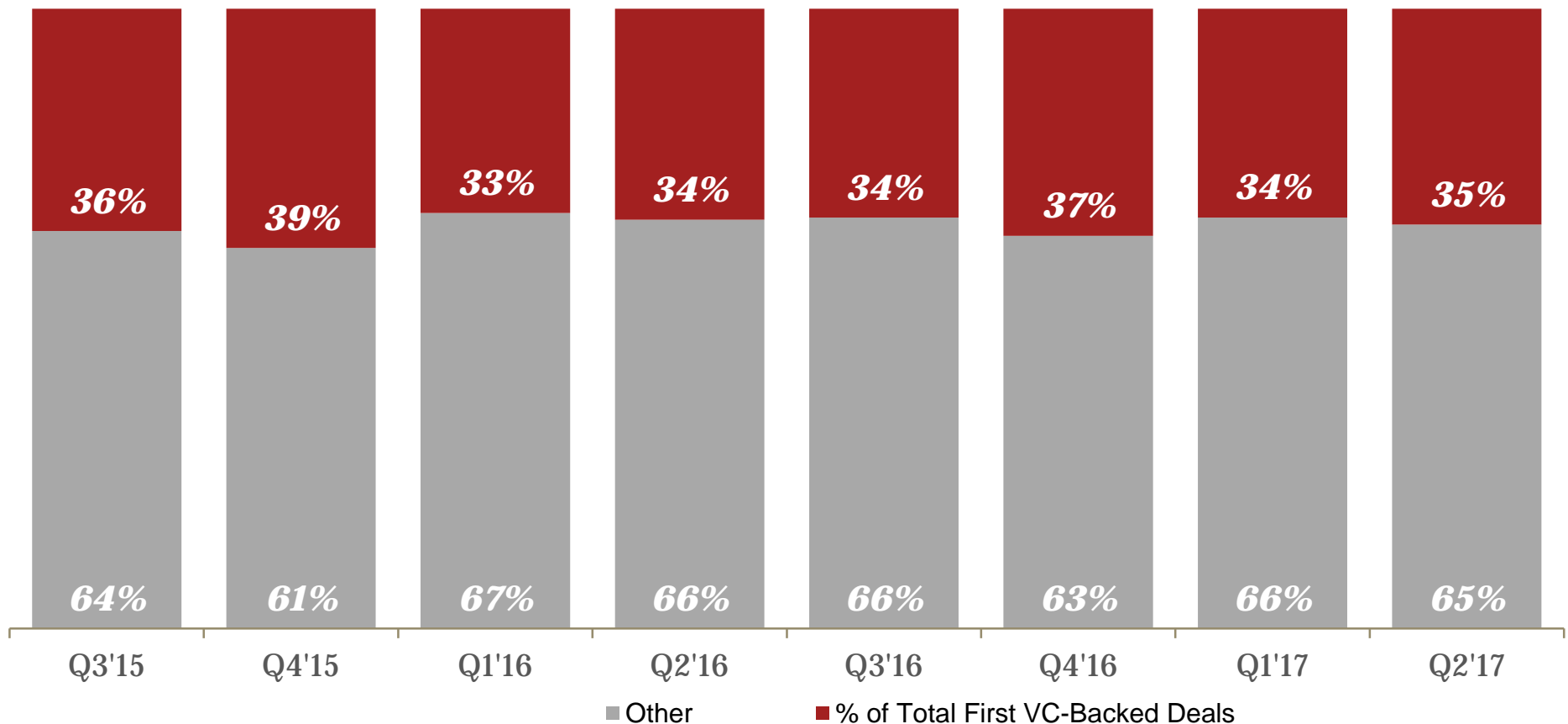


US first venture financing share



First venture rounds as proportion of all deals settle into lower range

- First venture financings as a share of all US deals hit highs in 2015, but pulled back sharply in Q1'16.
- Since Q2'16, first venture financing deal share has remained in a 34-35% range, with the lone exception of Q4'16.



02

US Sectors



US deal and funding by sector



\$8.7B
Invested



Internet

505 Deals

\$2.4B
Invested



168 Deals Mobile & Telecommunications

\$3.0B
Invested



166 Deals Healthcare

\$0.9B
Invested

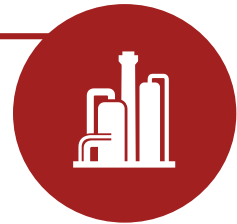


77 Deals Software (Non-Internet / Mobile)

\$0.8B
Invested



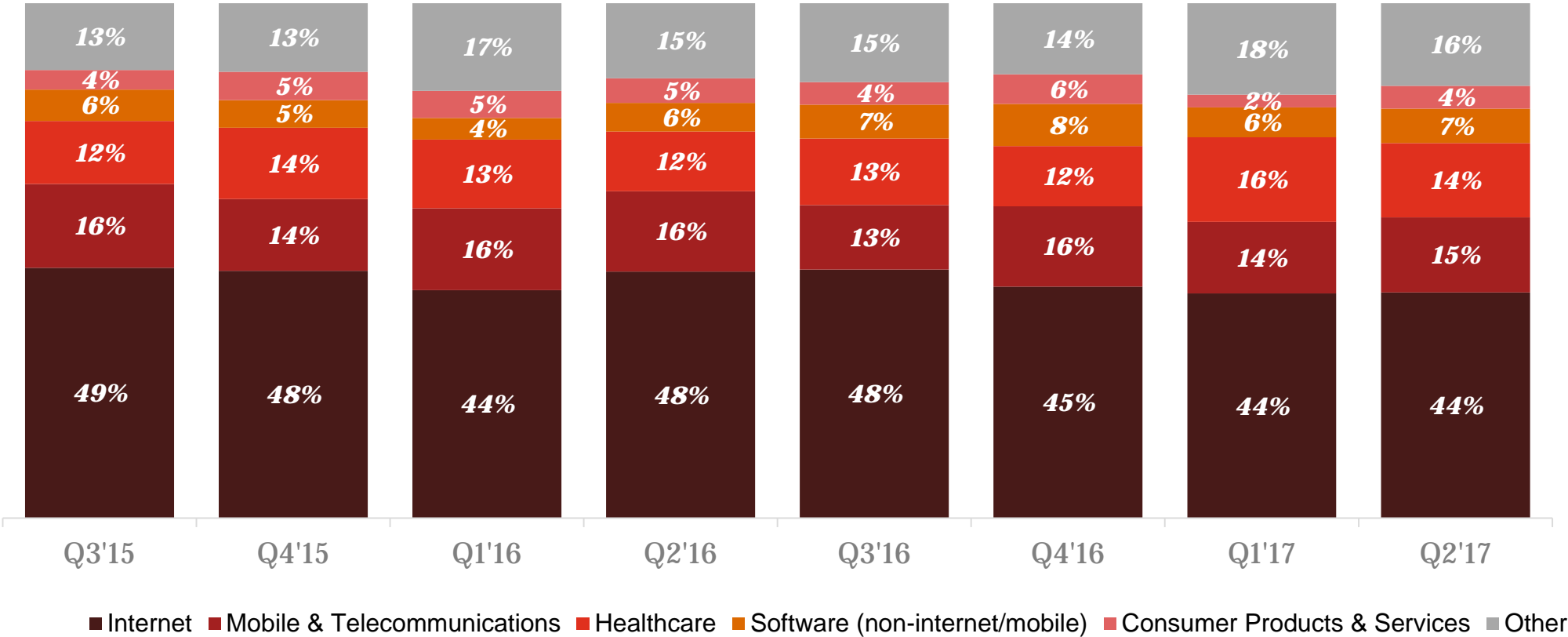
51 Deals Consumer Products & Services



US deal share by sector

Internet deal share remains at 44%; Healthcare dips

- Internet deal share matched last quarter's figure at 44%. The sector's deals as a proportion of all US activity has remained at 45% or below for three consecutive quarters.
- After spiking in Q1'17, Healthcare deal share dropped to third place, representing 14% of Q2'17 deals. Mobile & Telecom share ticked upwards to 15%, reclaiming second place.



Thematic area spotlight: Digital Health

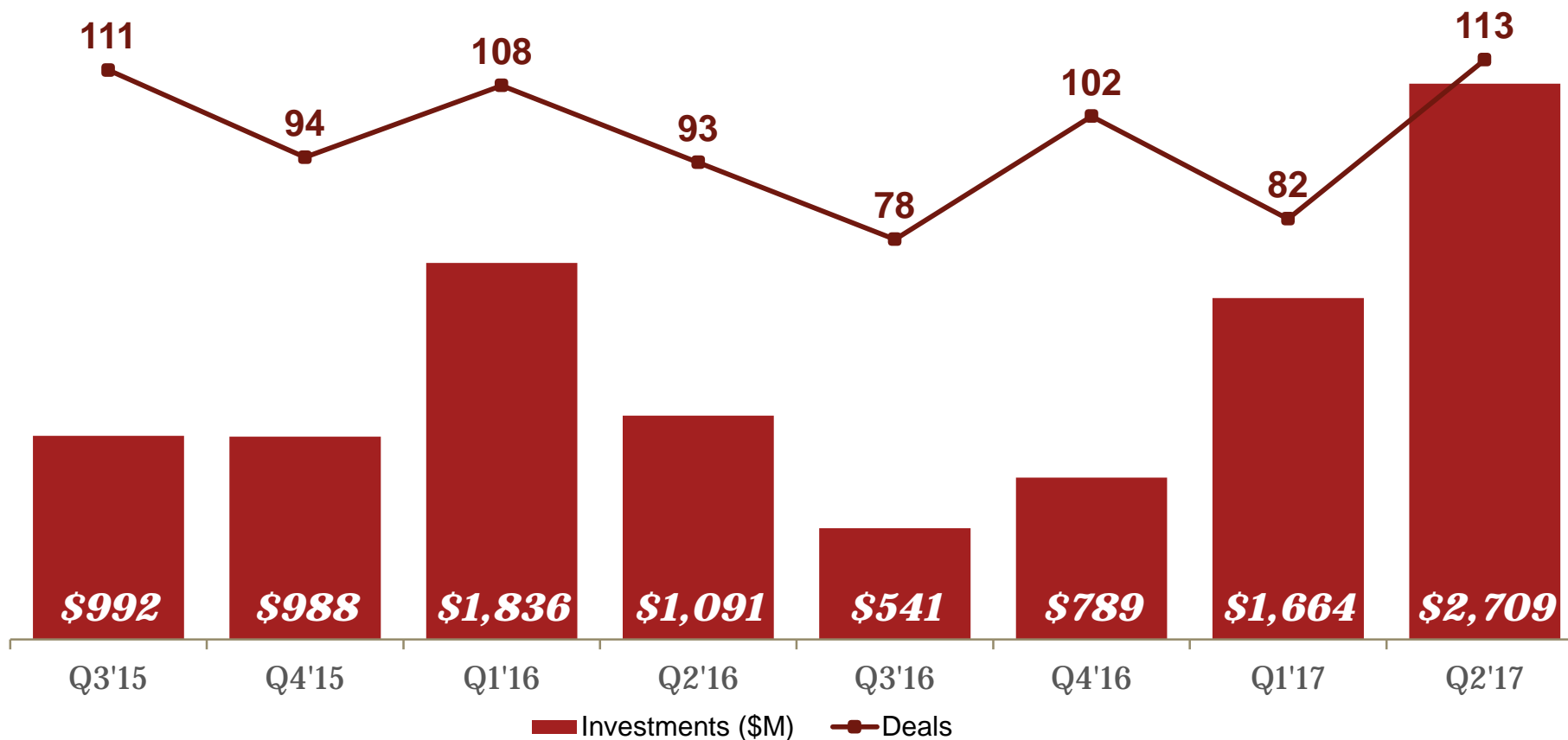


Digital Health: US funding over time



Mega-rounds boost US digital health funding above \$2B in Q2'17

- Both deals and dollars surged in Q2'17, with deals rising 38% to 113 and total dollar funding jumping 63% to \$2.7B. Both figures represent 8-quarter highs, with deal count even topping Q3'15.
- Funding surged well over \$2B for the first time in the 8-quarter analysis window, led by companies such as Outcome Health (\$500M), Guardant Health (\$360M), and Peloton (\$325M).

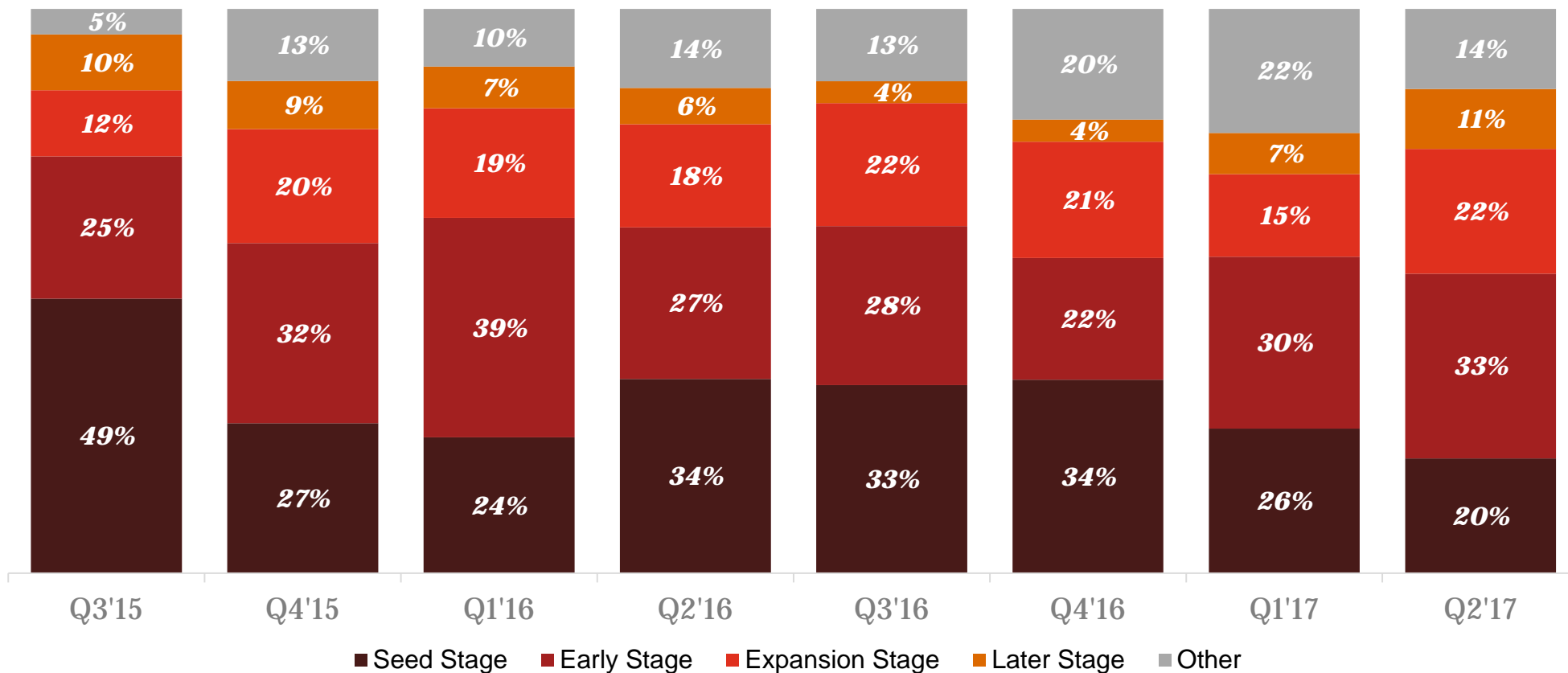


Digital Health: US deal share over time



Seed activity drops to 8-quarter low as later-stage hits high

- Seed deals represented a third or more of all digital health investments from Q2'16 to Q4'16, but seed share fell off to just a fifth of the total in Q2'17.
- Meanwhile, deal shares across early, expansion, and later stages all rose in Q2'17, with later-stage activity hitting an 8-quarter high of 11% (with these larger deals pushing funding upward).



Digital Health: Top states by deals



1. CA

40 deals

\$884M Invested

2. NY

16 deals

\$474M Invested

3. MA

7 deals

\$53M Invested

3. TX

7 deals

\$35M Invested

5. IL

5 deals

\$518M Invested



Digital Health: Largest US deals of Q2'17



Company	Location	Sector	Industry	Stage of Funding	\$ Value of Deal	Select Investors
Outcome Health	Chicago, IL	Internet	Internet Software & Services		\$500M	capitalG, Pritzker Group Venture Capital, Goldman Sachs
Guardant Health	Redwood, CA	Healthcare	Biotech		\$360M	OrbiMed Advisors, Sequoia Capital, SoftBank Group
Peloton	New York, NY	Leisure	Sports & Recreation		\$325M	True Ventures, GGV Capital, Kleiner Perkins Caufield & Byers
Modernizing Medicine	Boca Raton, FL	Mobile & Telecommunications	Mobile Software & Services		\$231M	Warburg Pincus
Bright Health	Minneapolis, MN	Internet	Internet Software & Services		\$160M	New Enterprise Associates, Bessemer Venture Partners



Seed Stage



Early Stage



Expansion Stage



Later Stage



“

Q2 2017 marks the largest single quarter for Digital Health funding, amid several mega-rounds. This level of commitment underscores the importance of Digital Health's role in the evolving healthcare ecosystem.

— **Vaughn Kauffman**, *Principal, US Health Services and New Entrants Leader at PwC*

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Thematic area spotlight: Cybersecurity

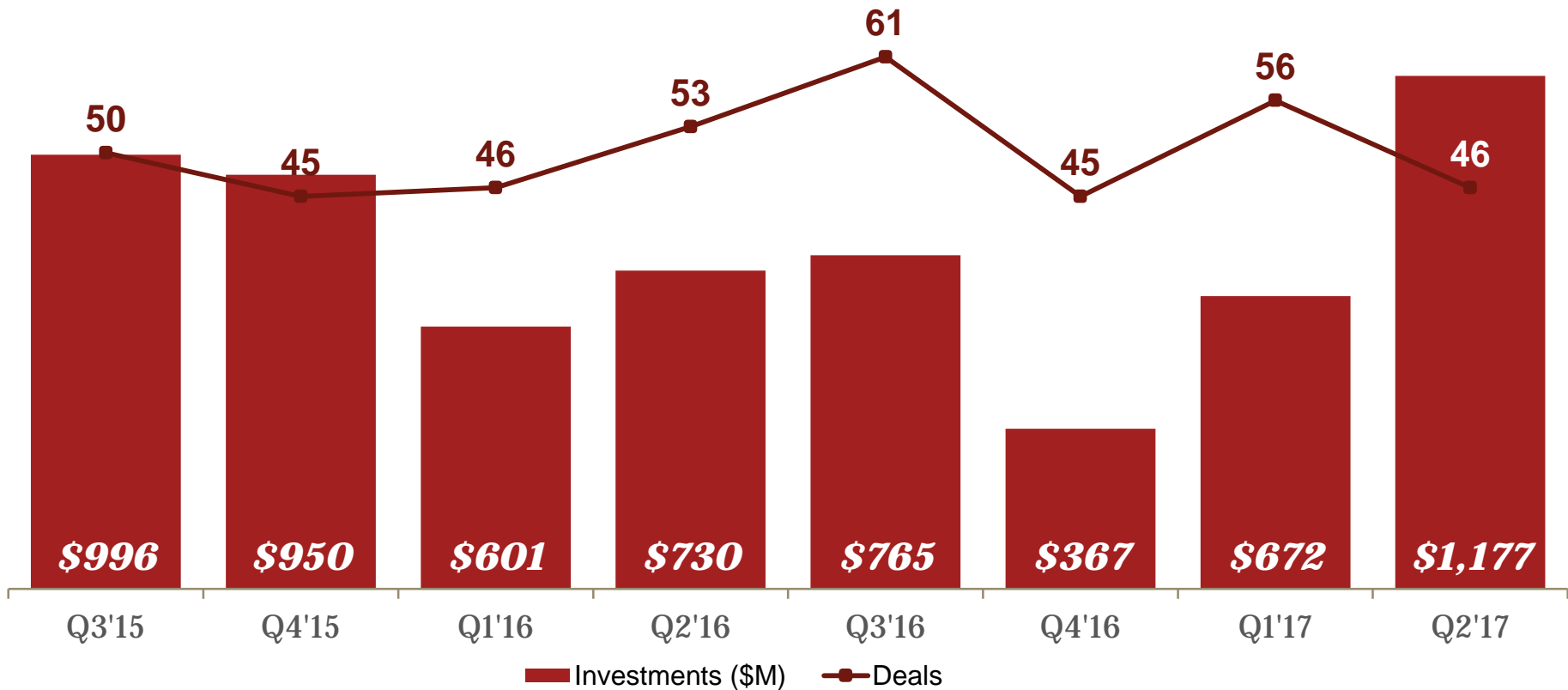




Cybersecurity: US funding over time

Cybersecurity funding tops \$1B in Q2'17, but deals drop

- After bouncing back in Q1'17, deals to US-based cybersecurity companies fell 18% as seed activity slowed.
- Much like the US macro funding trend, total cybersecurity funding dollars rose despite a drop in deals. Q2'17 funding topped \$1B for an 8-quarter high, with 5 mega-rounds of \$100M or more.

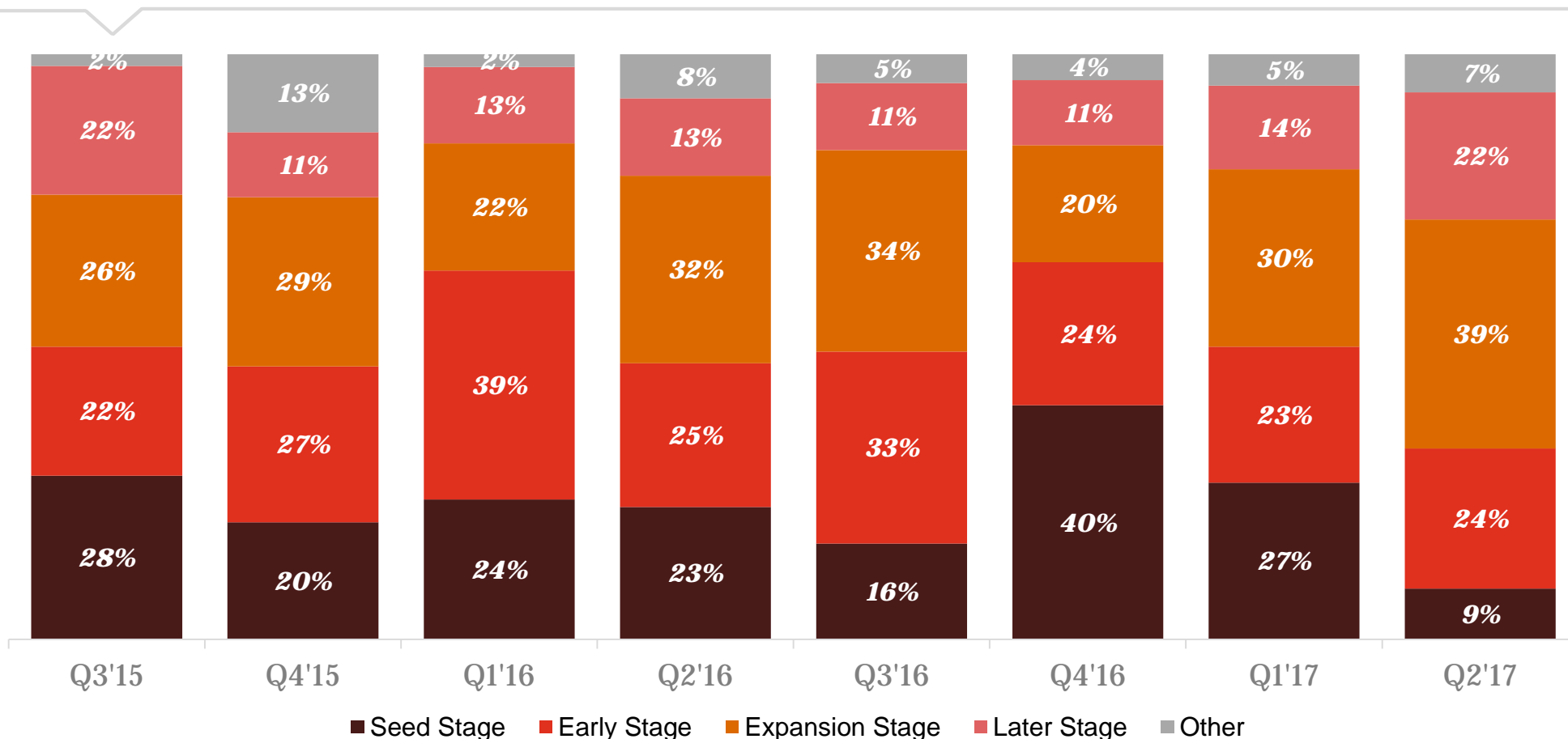




Cybersecurity: US deal share over time

Cybersecurity seed deal share reaches low; expansion-stage rises

- Seed deals as a share of the total spiked to 40% in Q4'16, but have since retreated to a single-digit 8-quarter low.
- On the other hand, expansion-stage deal activity was especially healthy in Q2'17, accounting for over a third of all deals in the quarter.



Cybersecurity: Top states by deals



1. CA

24 deals

\$794M Invested

2. MA

4 deals

\$139M Invested

3. TX

3 deals

\$116M Invested

3. WA

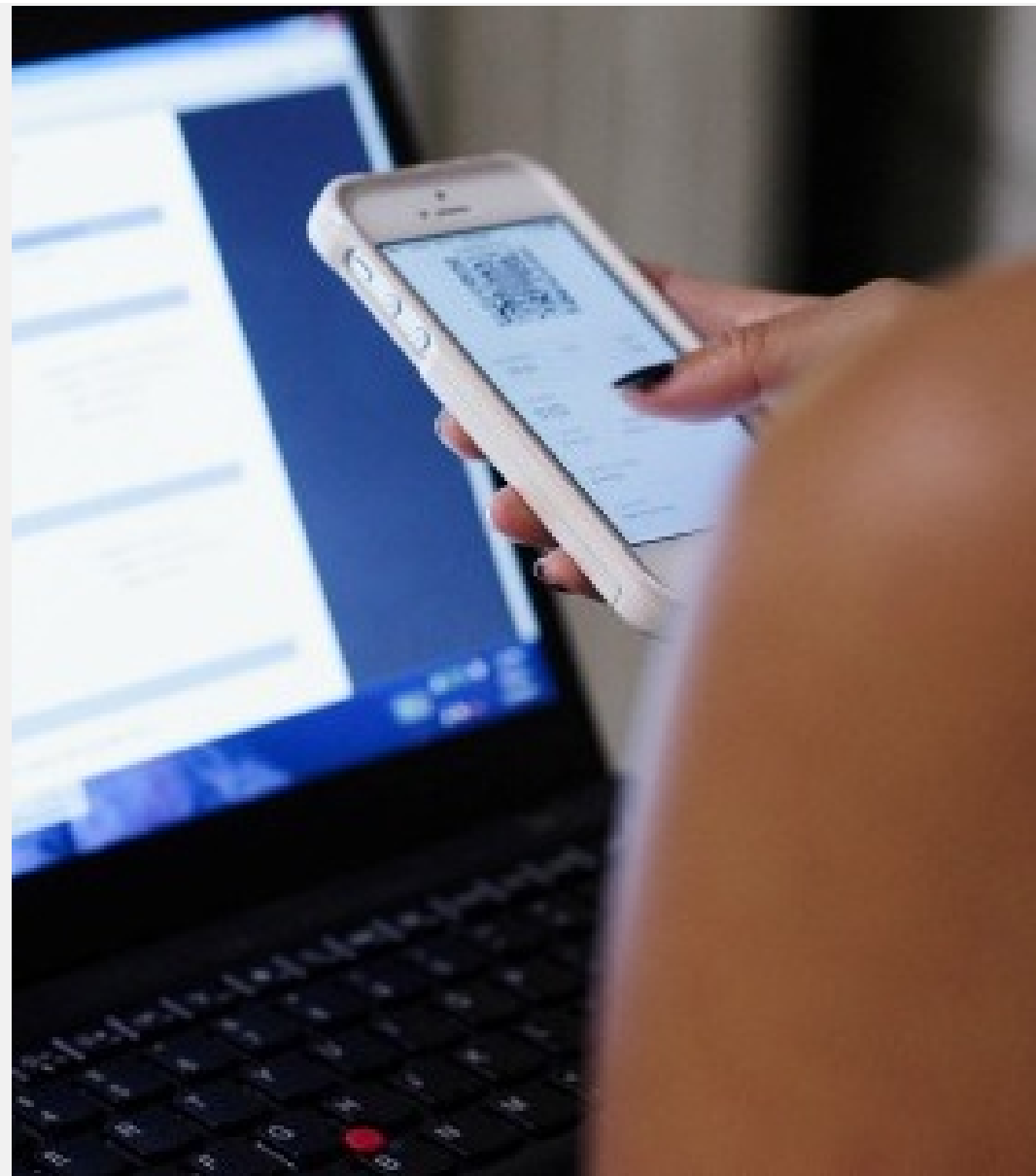
3 deals

\$36M Invested

5. CO

2 deals

\$21M Invested



Cybersecurity: Largest US deals of Q2'17



Company	Location	Sector	Industry	Stage of Funding	\$ Value of Deal	Select Investors
Illumio	Sunnyvale, CA	Internet	Internet Software & Services		\$125M	Andreessen Horowitz, General Catalyst, J.P. Morgan Chase & Co.
Cybereason	Boston, MA	Internet	Internet Software & Services		\$100M	SoftBank Group
Netskope	Los Altos, CA	Internet	Internet Software & Services		\$100M	Accel Partners, Lightspeed Venture Partners, Sapphire Ventures, Social Capital
Tanium	Emeryville, CA	Software (non-internet / mobile)	Security Software		\$100M	Institutional Venture Partners, TPG Growth
CrowdStrike	Irvine, CA	Internet	Internet Software & Services		\$100M	Accel Partners, March Capital Partners, Telstra



Seed Stage



Early Stage



Expansion Stage



Later Stage

Cybersecurity



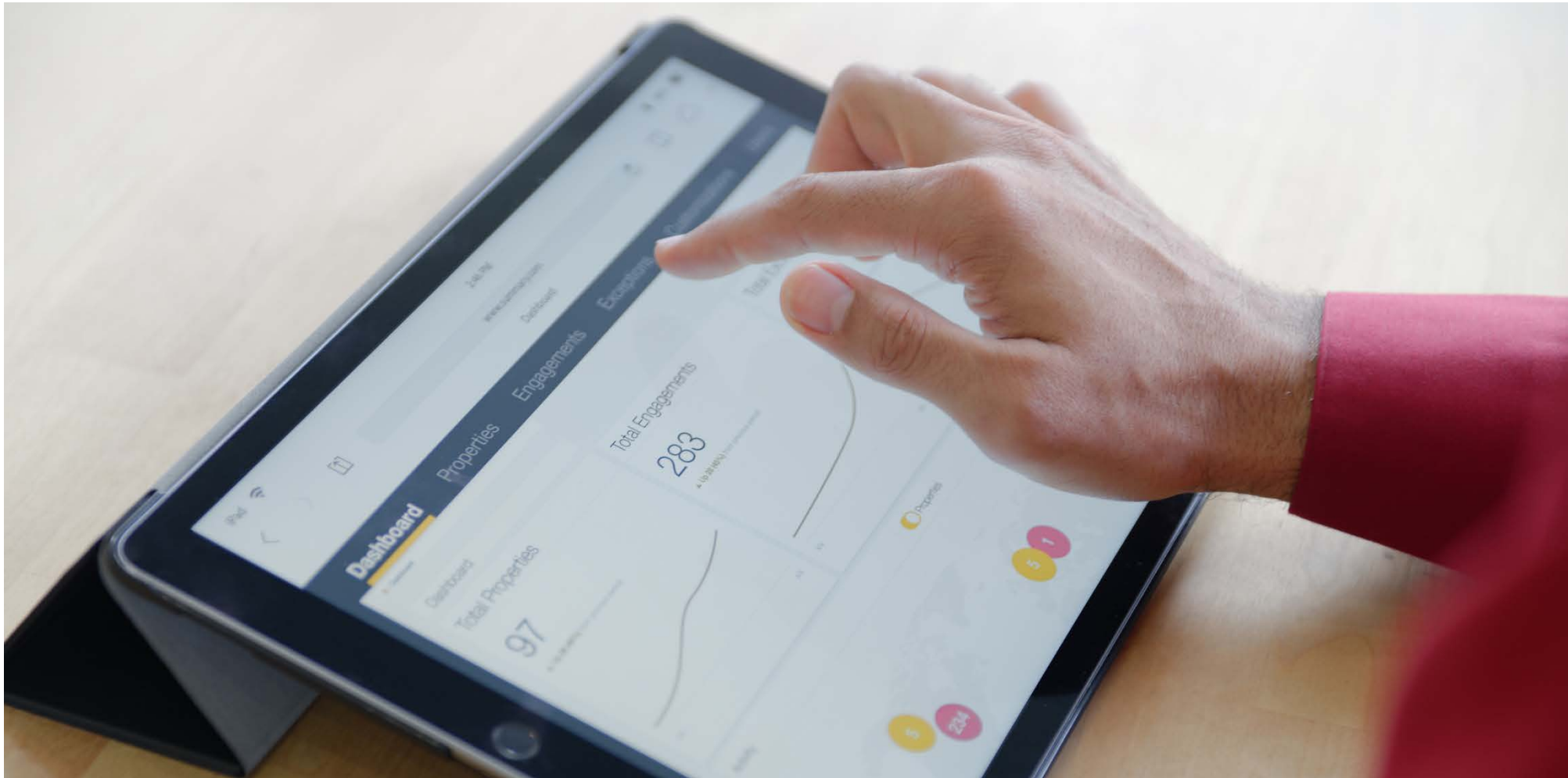
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Cybersecurity remained a very strong growth area for venture capital in Q2. Funding for cybersecurity startups crossed the billion dollar mark for the first time ever, driven by five Mega-rounds for relatively well-established startups.

— **David Burg**, *Principal, Global Cybersecurity and Privacy Leader at PwC*

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Thematic area spotlight: Real Estate Tech

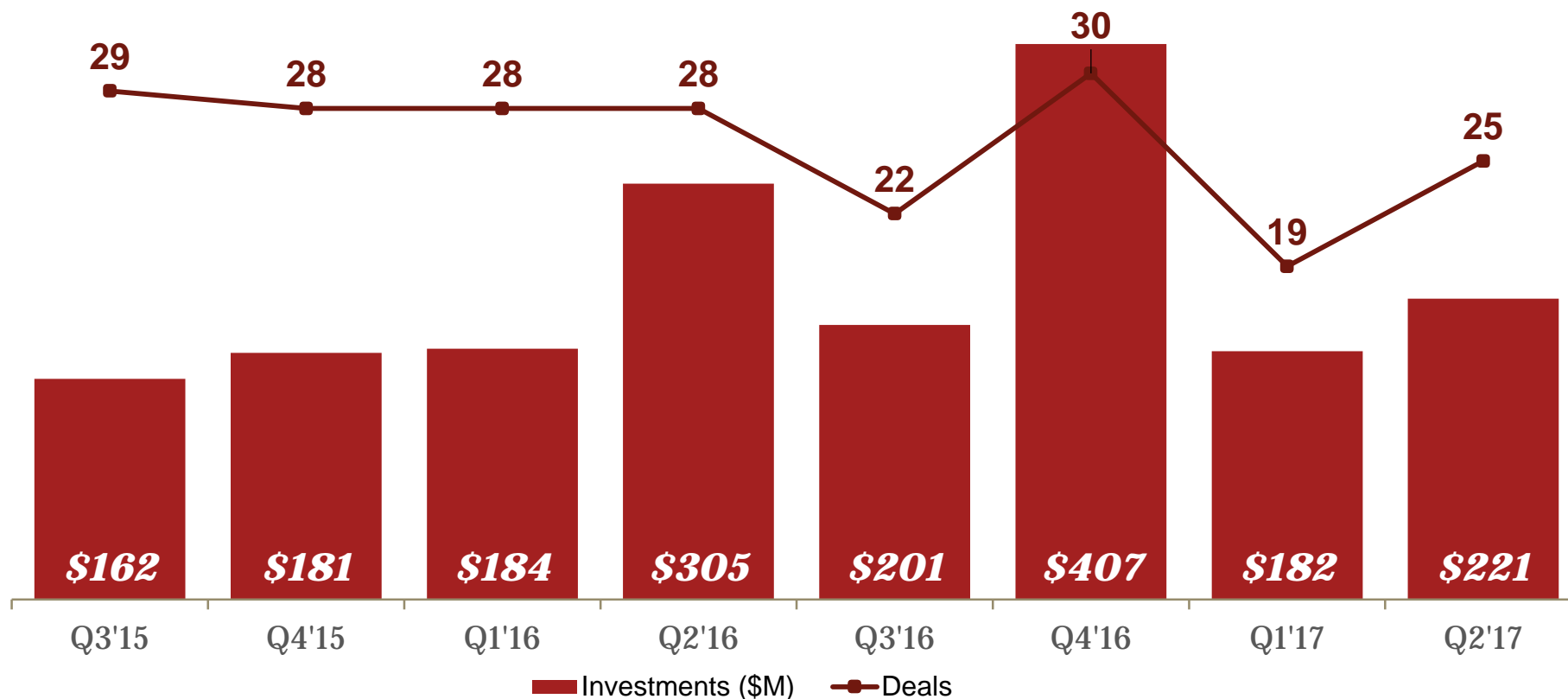


Real Estate Tech: US funding over time



Real Estate Tech rebounds from slow Q1'17 as deal activity picks up

- US companies working in real estate technology are catching the eye of VCs and industry strategic investors, as 2016 was a record year for the sector with more than \$1B in funding across 108 deals.
- US deal activity grew in Q2'17, but remained lower than Q4'16's 30 deal peak.

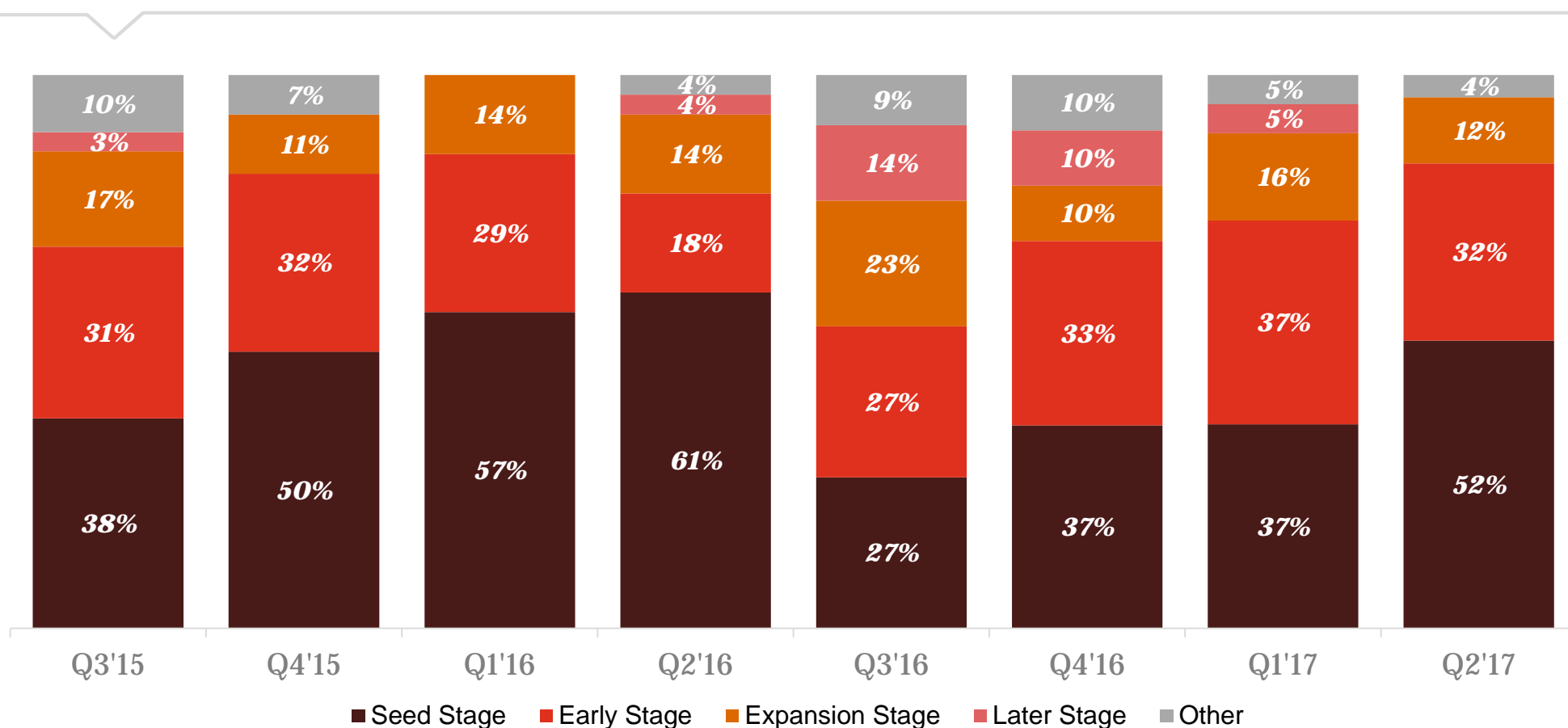


Real Estate Tech: US deal share over time



Real Estate Tech seed-stage investments jumped in Q2'17

- Seed-stage investments increased 15 percentage points in Q2'17 to 52% of total deal share, bucking the overall trend seen in the US as a whole.
- Seed and early-stage investments accounted for more than 80% of all deals in Q2'17.



Real Estate Tech: Top states by deals



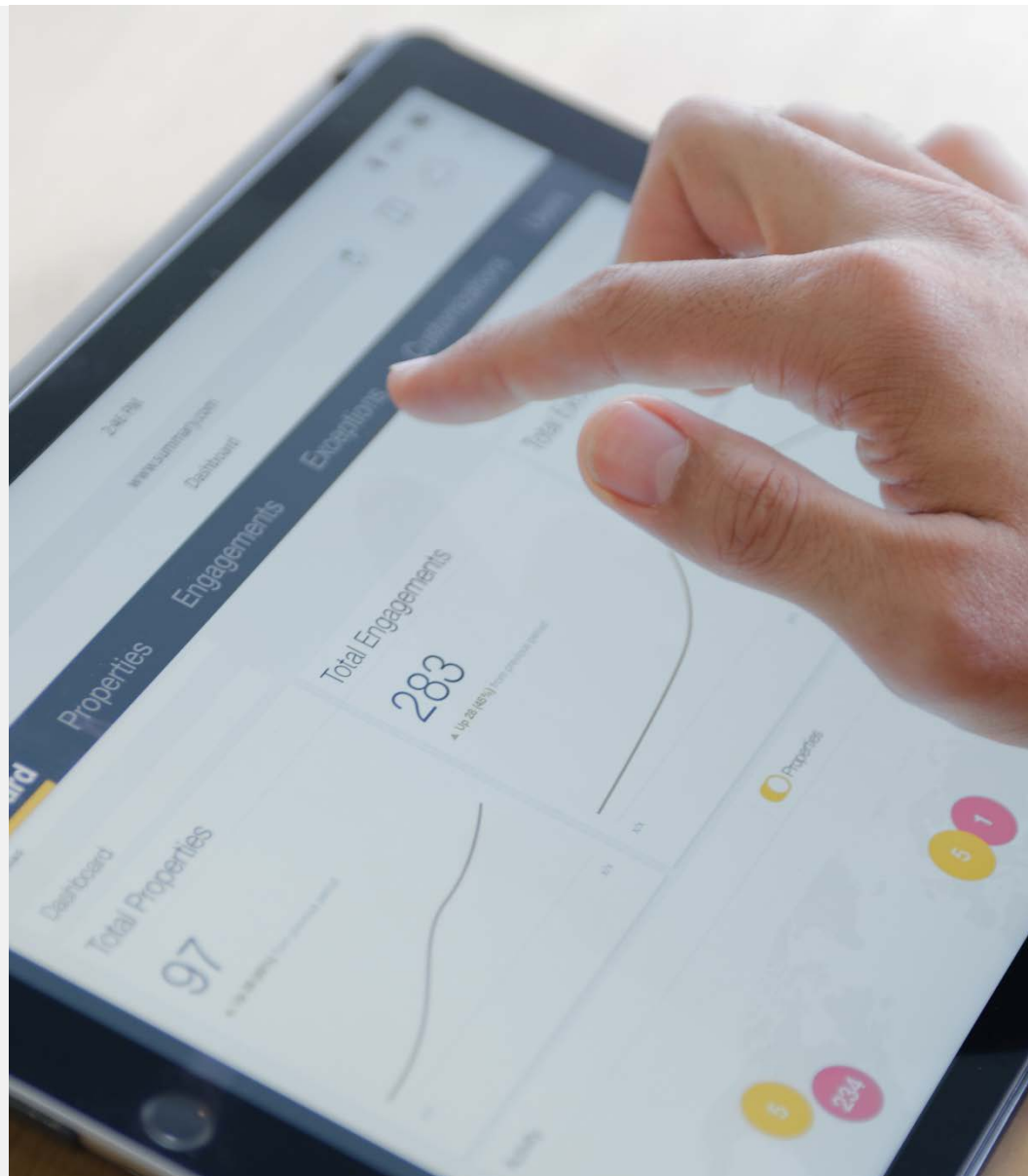
8 deals
\$150M Invested



8 deals
\$21M Invested



4 deals
\$13M Invested



Real Estate Tech: Largest US deals of Q2'17



Company	Location	Sector	Industry	Stage of Funding	\$ Value of Deal	Select Investors
Convene	New York, NY	Business Products & Services	Facilities		\$68M	ArrowMark Partners, Brookfield Property Partners, Conversion Venture Capital
Cadre	New York, NY	Internet	Internet Software & Services		\$65M	Andreessen Horowitz, General Catalyst, Goldman Sachs, Khosla Ventures, Thrive Capital
Opcity	Austin, TX	Internet	Internet Software & Services		\$27M	Georgian Partners, Icon Ventures, LiveOak Venture Partners
BuildOut	Chicago, IL	Internet	Internet Software & Services		\$8M	Susquehanna Growth Equity
Apto	Denver, CO	Internet	Internet Software & Services		\$8M	Adams Street Partners, Mercury Fund



Seed Stage



Early Stage



Expansion Stage



Later Stage



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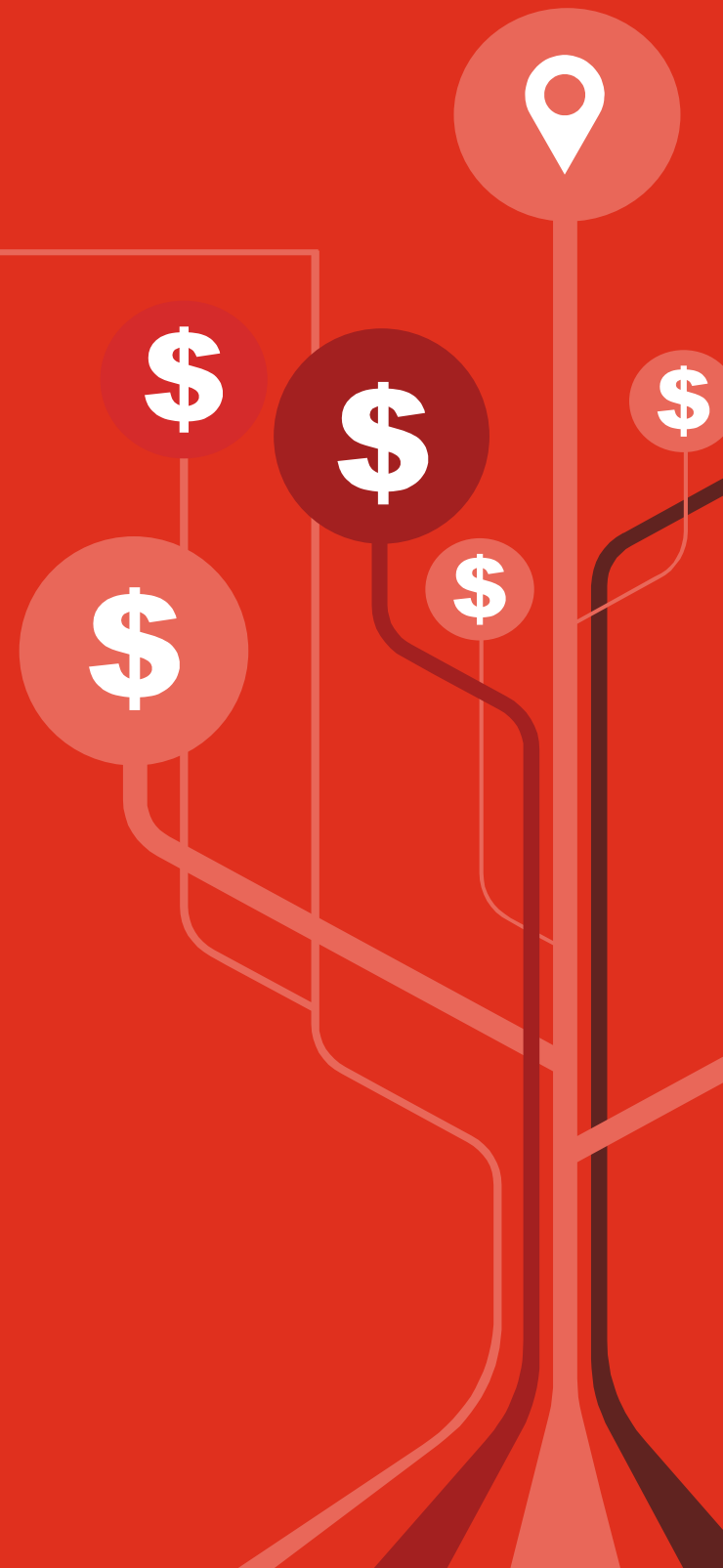
VCs are increasingly seeding Real Estate Tech startups, again. This emerging thematic area saw a rising trend in both deal count and dollar activity from Q1'17. From paperless leasing to applications of AI, expect tech applications for real estate to proliferate.

— ***Byron Carlock Jr, Partner, US Real Estate leader at PwC***

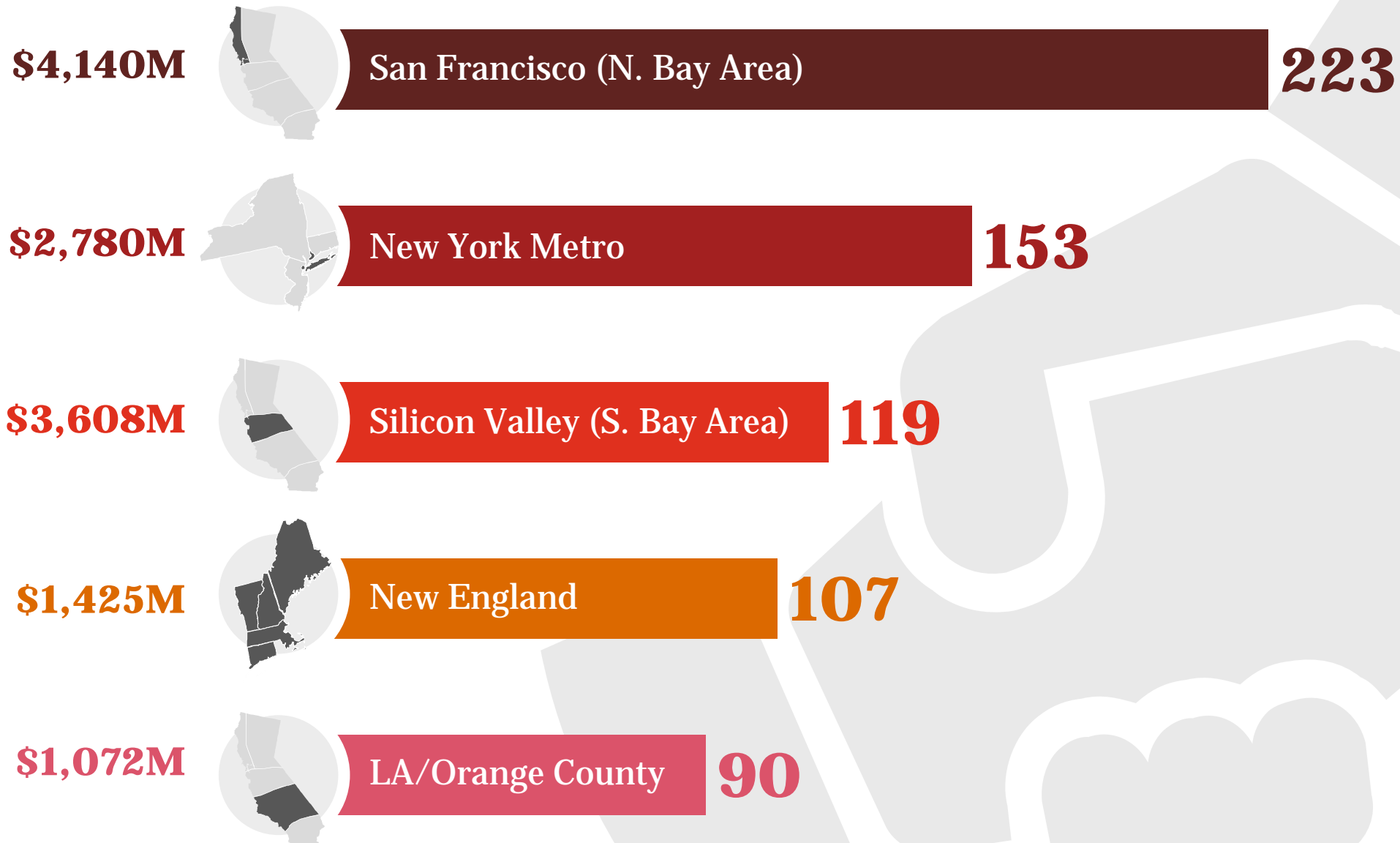
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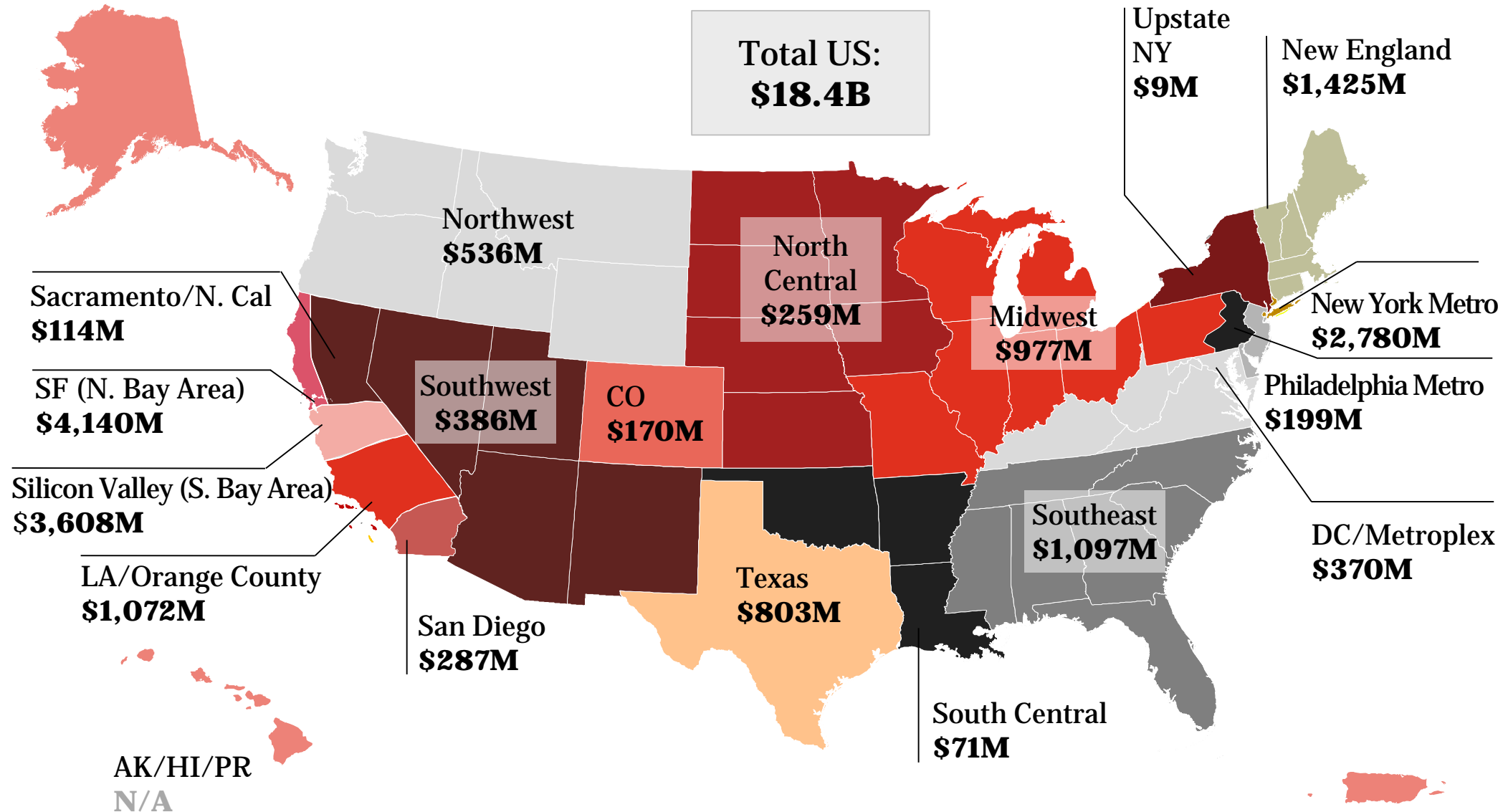
US Places



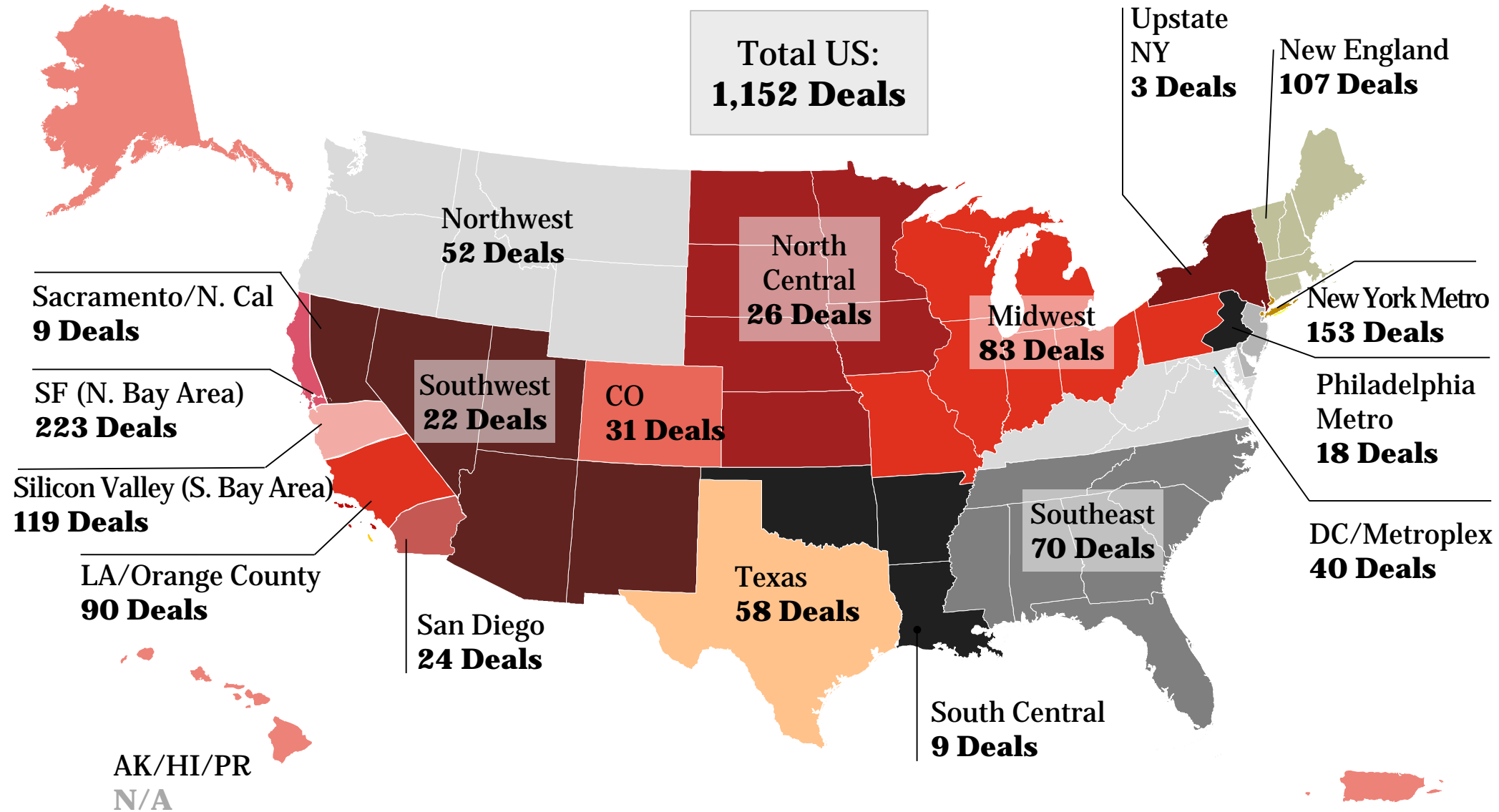
US top five regions of Q2'17 by deals



US: Q2'17 funding by region



US: Q2'17 deals by region



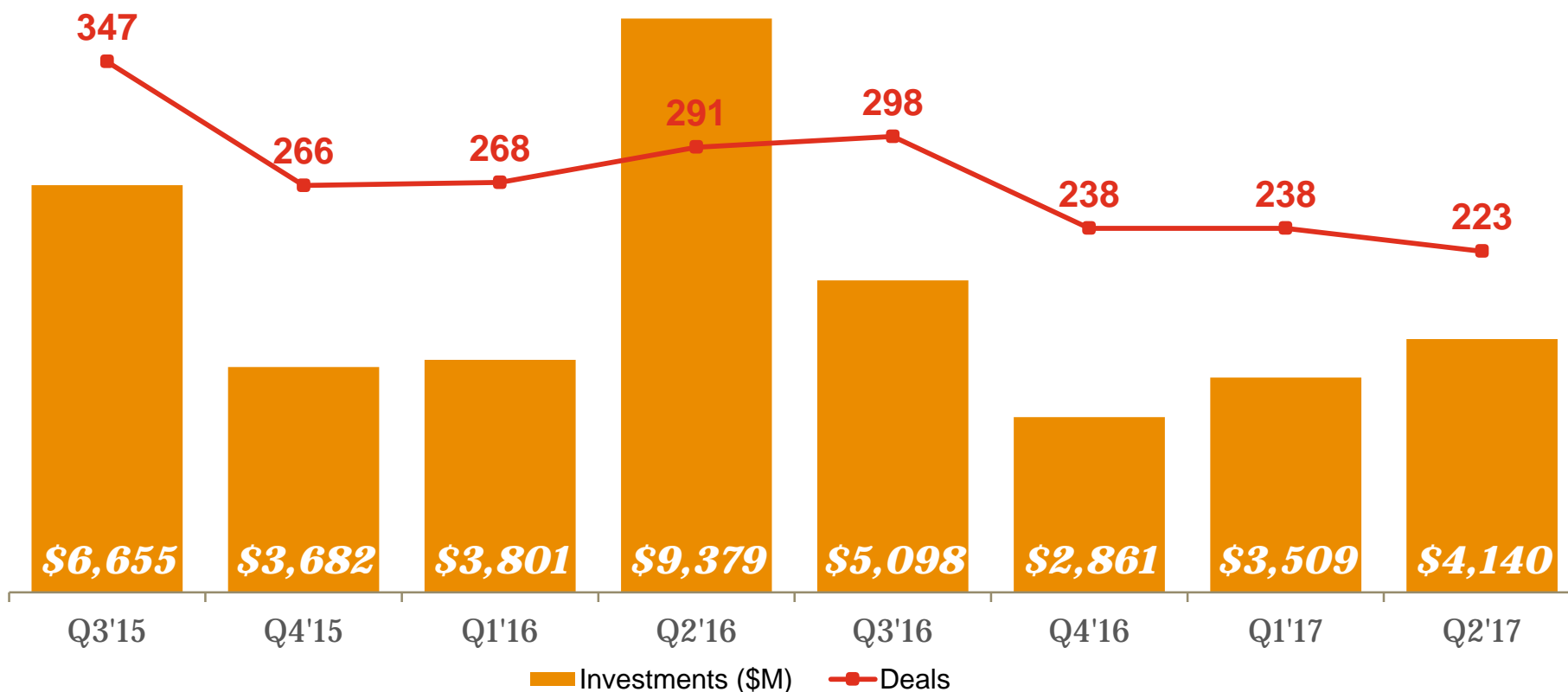


8-quarter financing trend:

San Francisco (North Bay Area)

Q2'17 San Francisco deals decrease to 8-quarter low

- With 223 deals completed in the quarter, Q2'17 is down 23% from Q2'16.
- Quarterly funding increased 18% over Q1'17, marking three straight quarters of increases. Lyft, Guardant Health, and Pinterest saw \$100M+ mega-rounds in Q2'17.

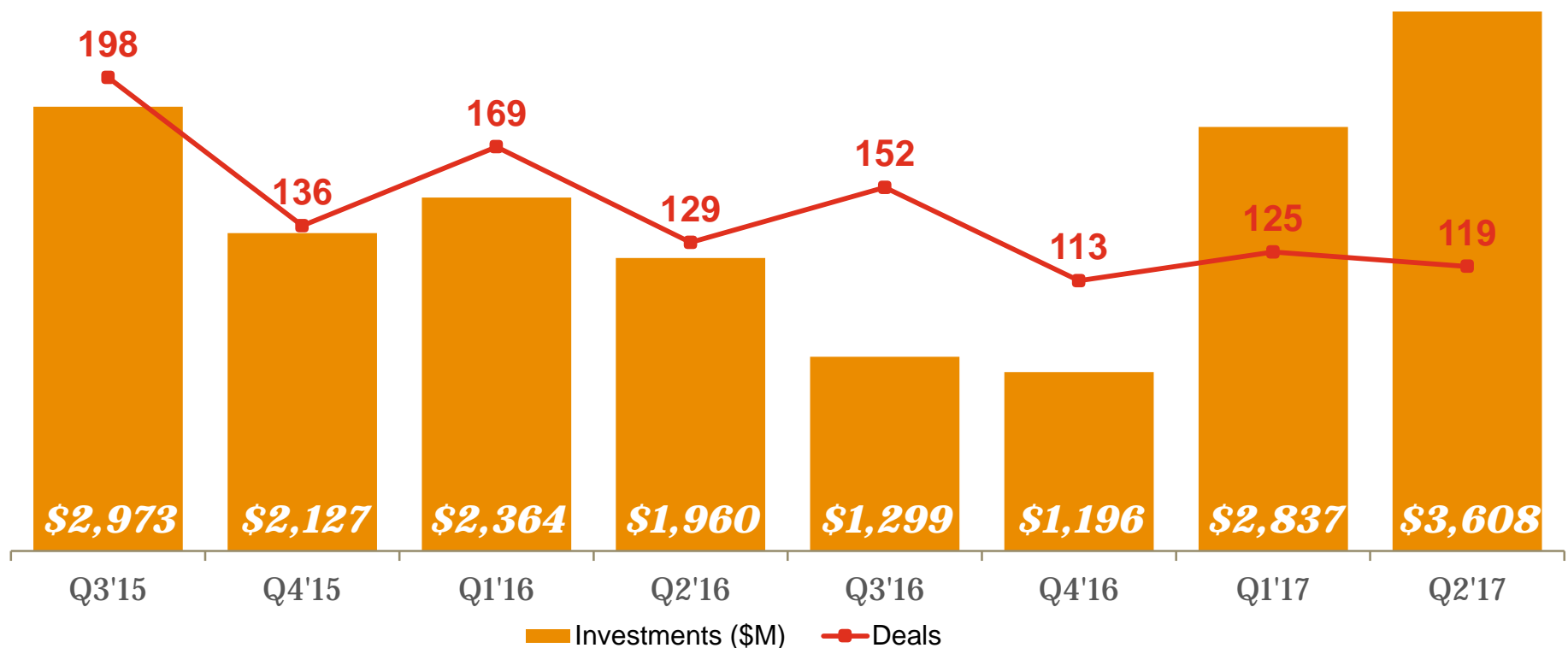




8-quarter financing trend: Silicon Valley (South Bay Area)

Silicon Valley funding sets a 8-quarter high

- Deal activity flattened, decreasing slightly compared to Q1'17 with 119 deals.
- Quarterly funding increased by 27% over Q1'17, buoyed by 10 massive mega-rounds totaling more than \$1.6B in funding.



Bay Area



“

Silicon Valley region grew significantly with 10 mega-rounds that raised \$1.7B of funding and \$3.6B of overall investments. San Francisco region, however, still attracted the highest amount of investments with \$4.1B of funding and 223 deals. As a city, San Francisco, raised an average of \$61M per square mile.

— **Danny Wallace**, Partner, US Emerging Company Services Co-leader at PwC

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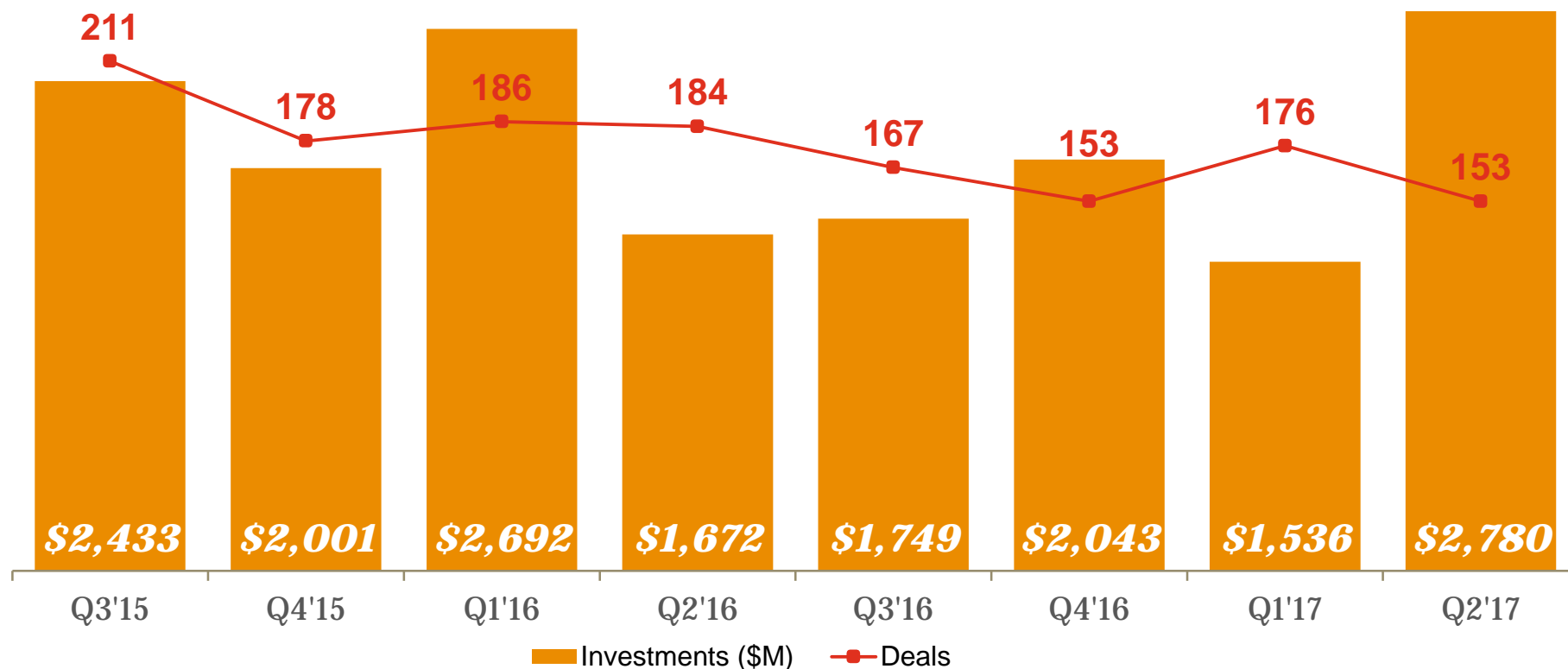


8-quarter financing trend:

New York Metro

Deals decrease, funding increases in New York Metro area by 81%

- Deal activity declined in Q2'17, decreasing 13% compared to Q1'17. However quarterly funding increased, marking an 8-quarter high of \$2.78B. Group Nine Media, Peloton, and Casper all raised \$150M+ rounds.



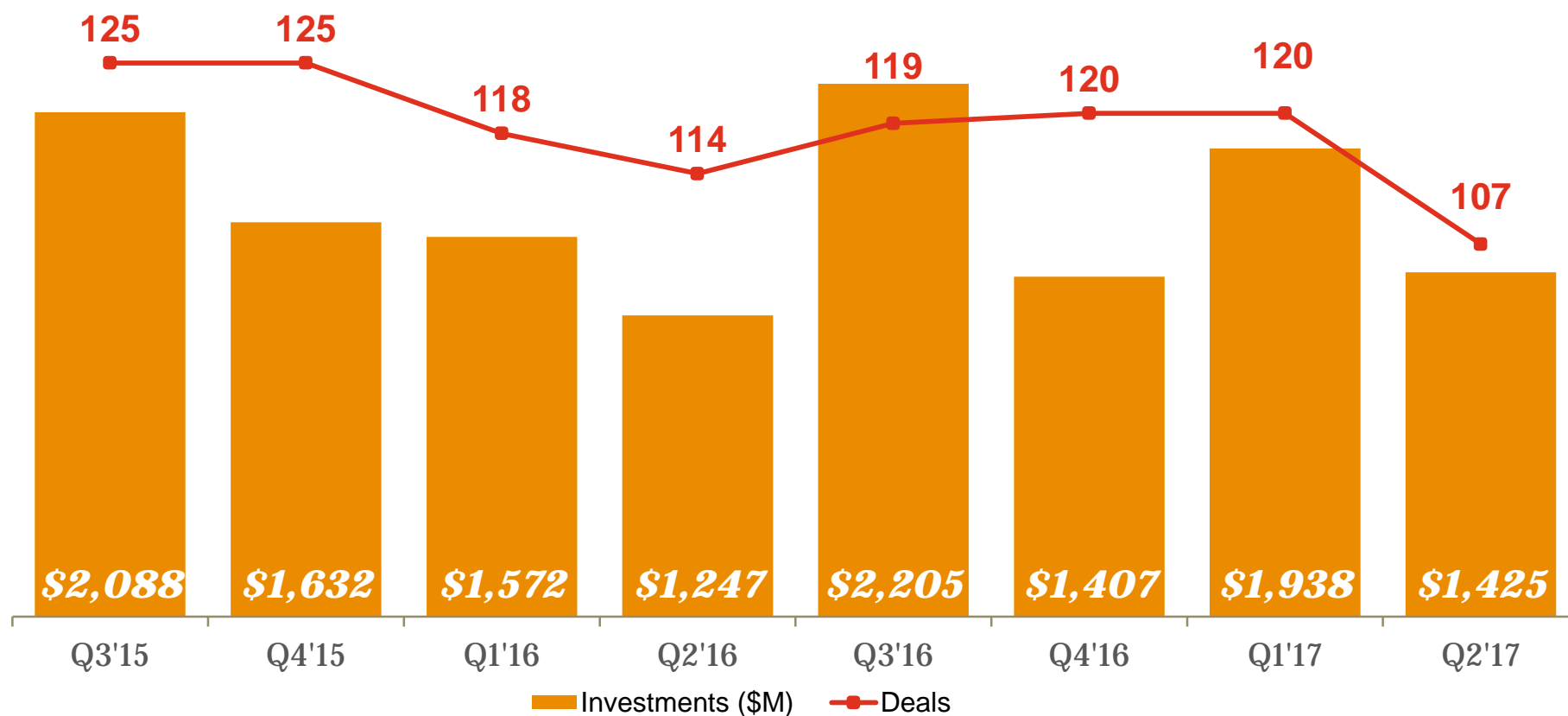


8-quarter financing trend:

New England

Deal activity dips to 8-quarter low

- Q2'17 deal count dropped to 107, an 11% decrease compared to Q1'17 and the lowest count in 8 quarters.
- Total funding decreased to \$1.4B, down 26% from Q1'17.

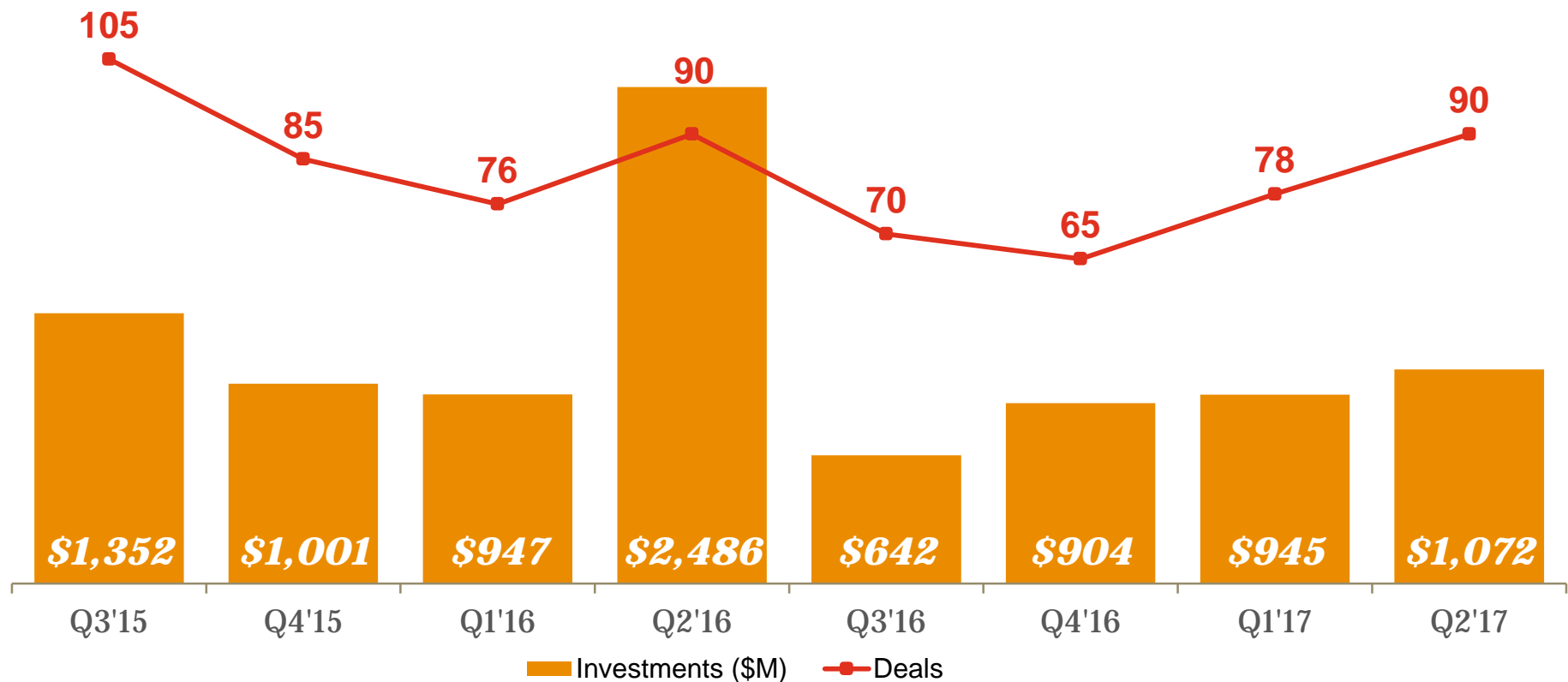




8-quarter financing trend: LA/Orange County

Deal activity rebounds for third straight quarter in LA/Orange County

- Deal count increased to 90 in Q2'17, up 38% since an 8-quarter low in Q4'16.
- Funding is nowhere near the heady levels of Q2'16, but topped the \$1B mark this quarter for the first time since that quarter.



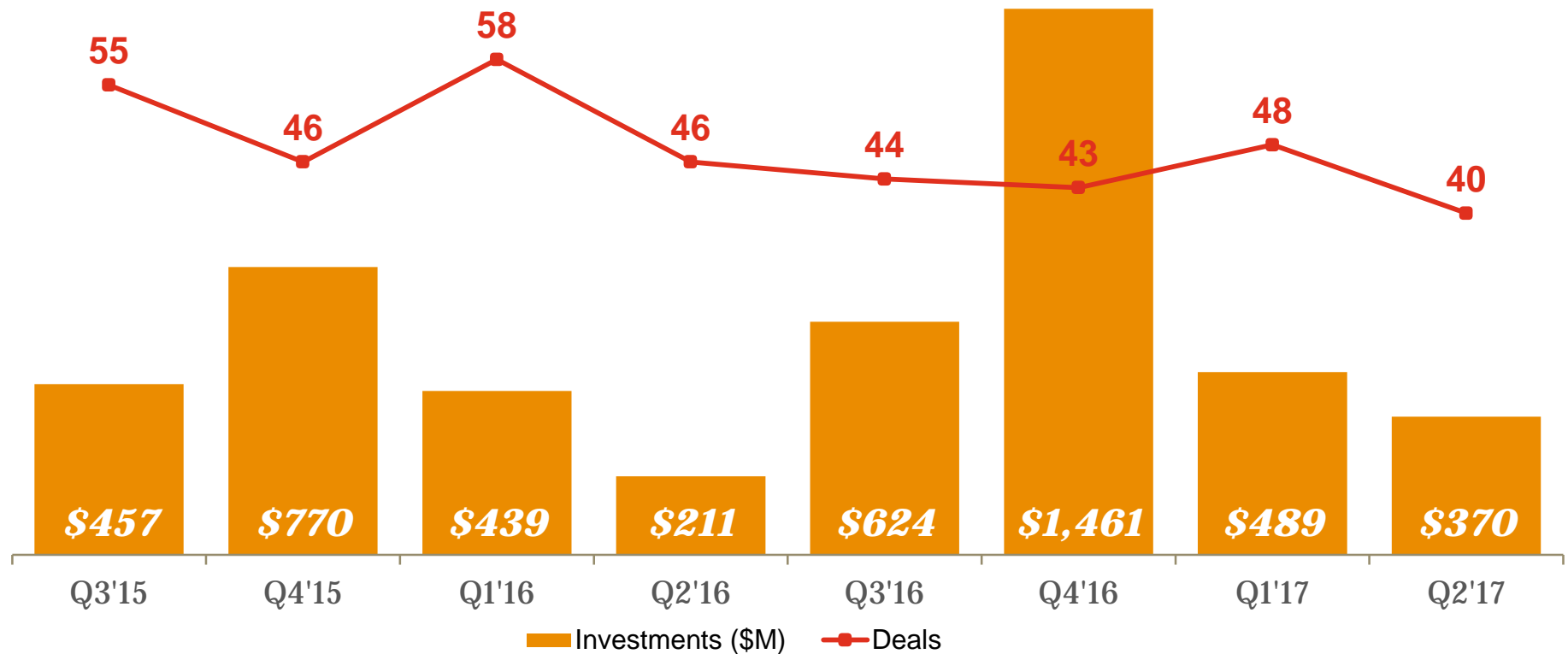


8-quarter financing trend:

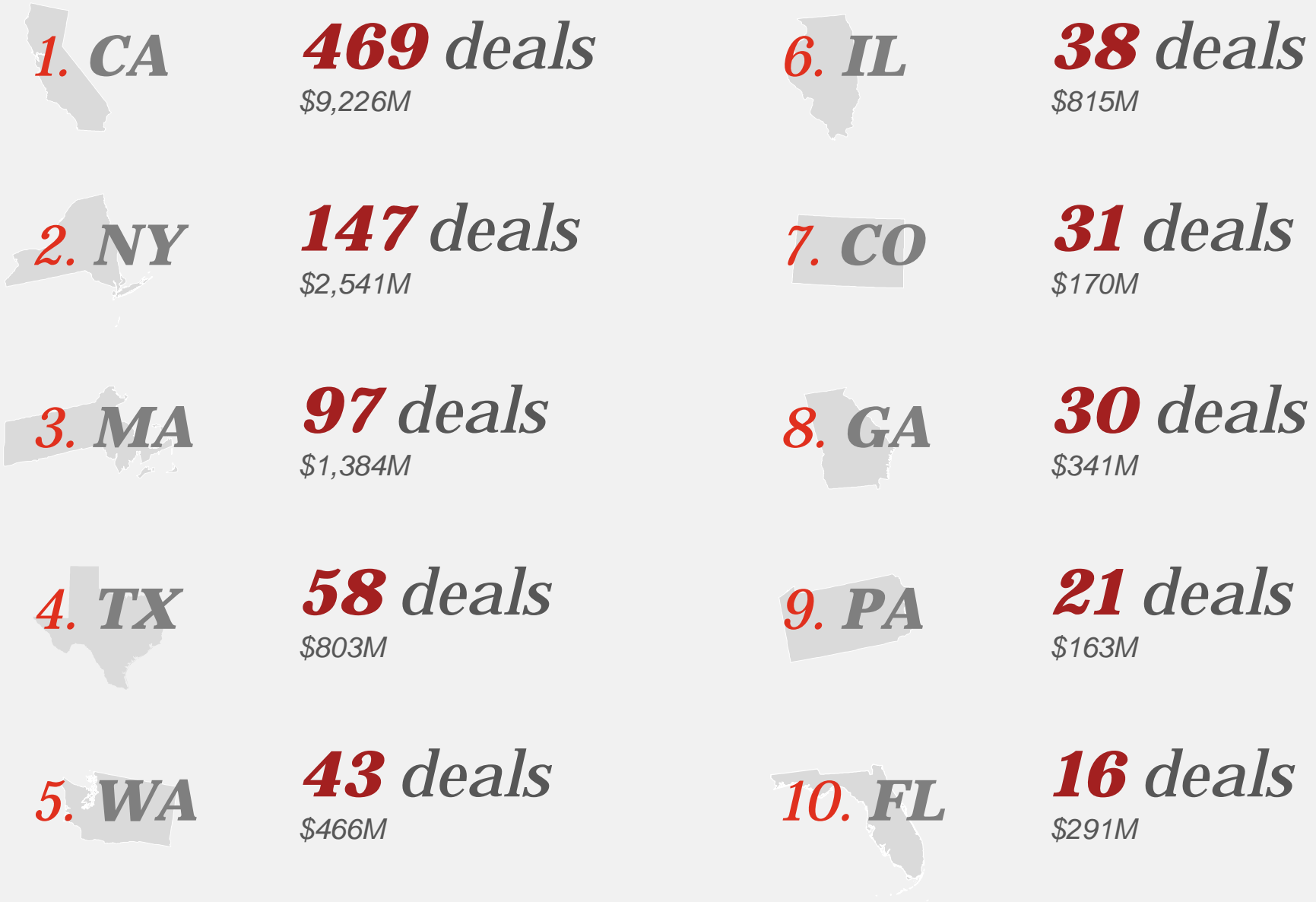
DC/Metroplex

DC/Metroplex sees a decline in activity

- Both deal count and funding amounts declined in Q2'17, with deals reaching an 8-quarter low.
- Funding declined by 24% compared to Q1'17, and continued to be significantly less than Q4'16 which was buoyed by the \$1.2B OneWeb funding.



US: Top 10 states of Q2'17 by deals



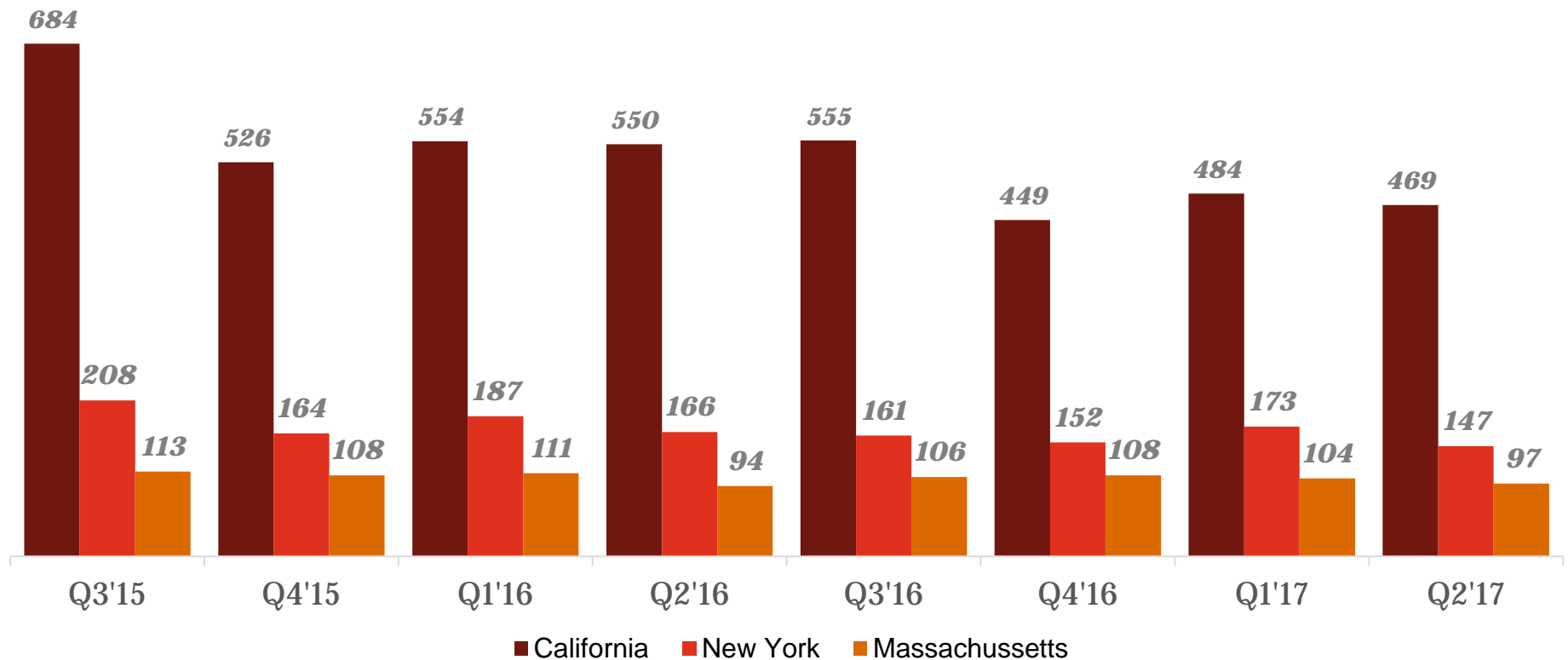


Q2'17 Regional comparison: Deals

CA vs. NY vs. MA

California deals flatten downwards, while New York deal activity falls

- Deal activity fell in across major US hubs in Q2'17, but New York saw greatest proportional decline with a 15% dip in deal activity.



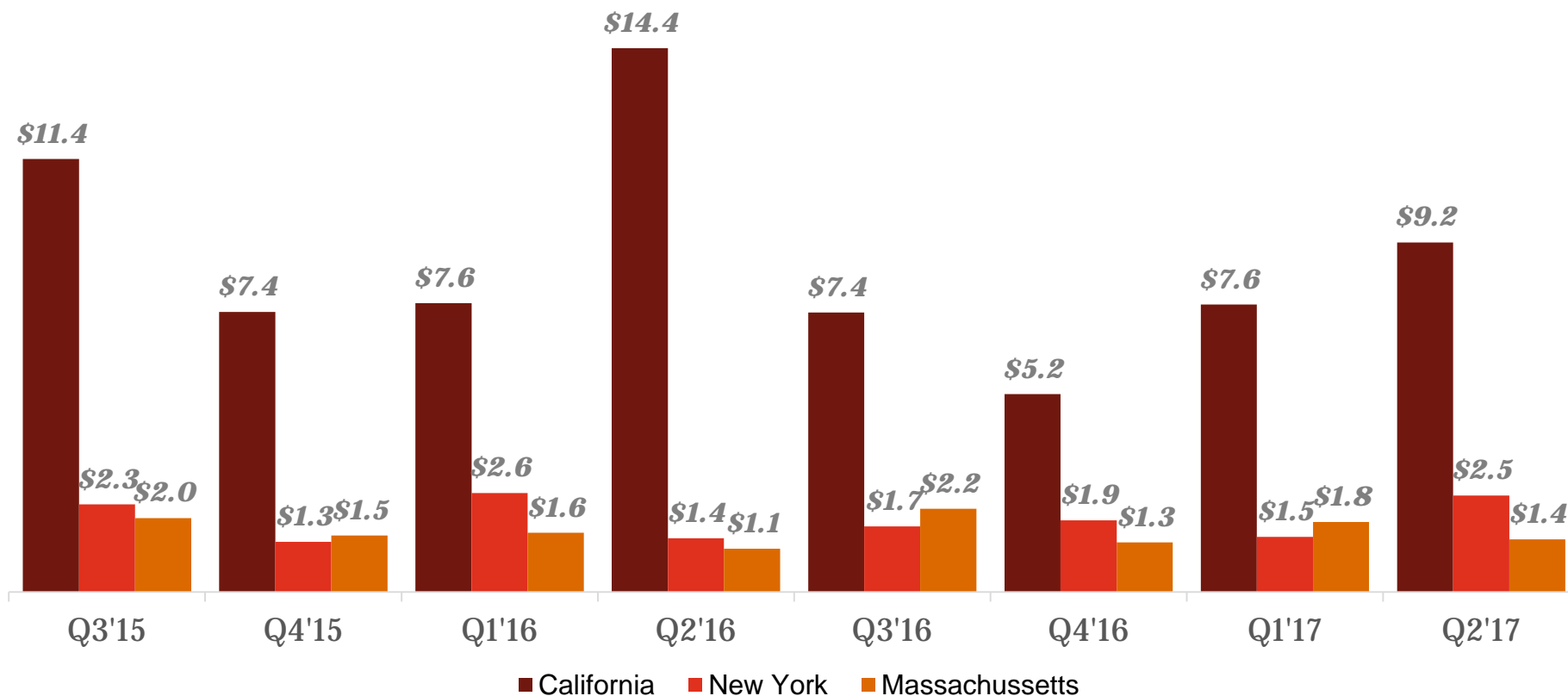


Q2'17 Regional comparison: Financing

CA vs. NY vs. MA

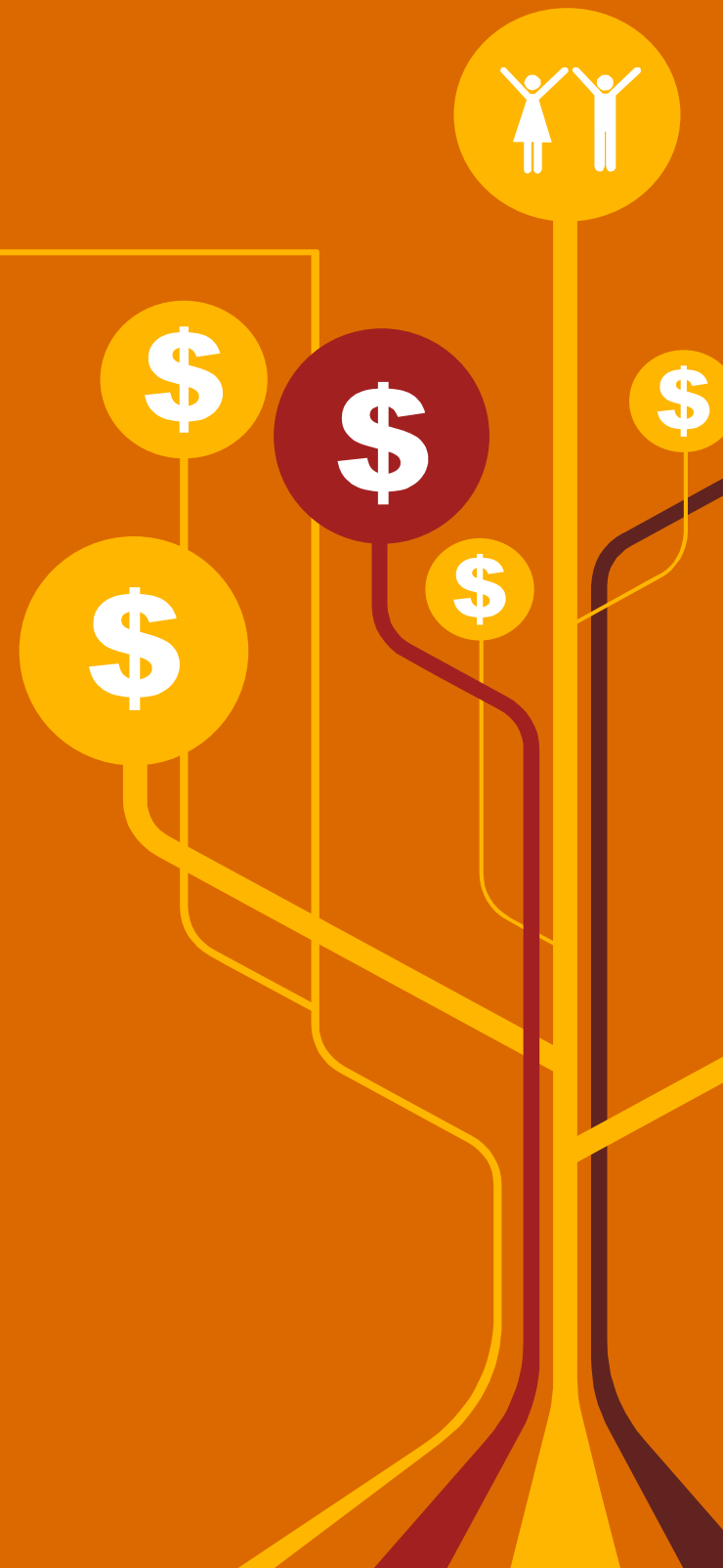
California and New York surge in funding

- Mega-rounds to Lyft (\$600M), Houzz (\$400M), and Guardant Health (\$360M), totaling \$1.36B, contributed to a 21% increase in funding activity to California in Q2'17.
- New York funding activity also increased by 67% from \$1.5B to \$2.5B, overtaking Massachusetts to reclaim second place in total funding terms.



04

US Movers and Shakers



Largest US deals of Q2'17



Company	Location	Sector	Industry	Stage of Funding	\$ Value of Deal	Select Investors
Lyft	San Francisco, CA	Mobile & Telecommunications	Mobile Commerce		\$600M	InMotion Ventures, Kohlberg Kravis Roberts & Co, Graphene Ventures
Outcome Health	Chicago, IL	Internet	Internet Software & Services		\$500M	capitalG, Pritzker Group Venture Capital, Goldman Sachs
Group Nine Media	New York, NY	Internet	Internet Software & Services		\$485M	Lerer Hippeau Ventures, Oak Investment Partners, Axel Springer
Houzz	Palo Alto, CA	Internet	e-Commerce		\$400M	GGV Capital, Iconiq Capital, Sequoia Capital
Guardant Health	Redwood City, CA	Healthcare	Biotechnology		\$360M	OrbiMed Advisors, Sequoia Capital, SoftBank Group



Seed Stage



Early Stage



Expansion Stage



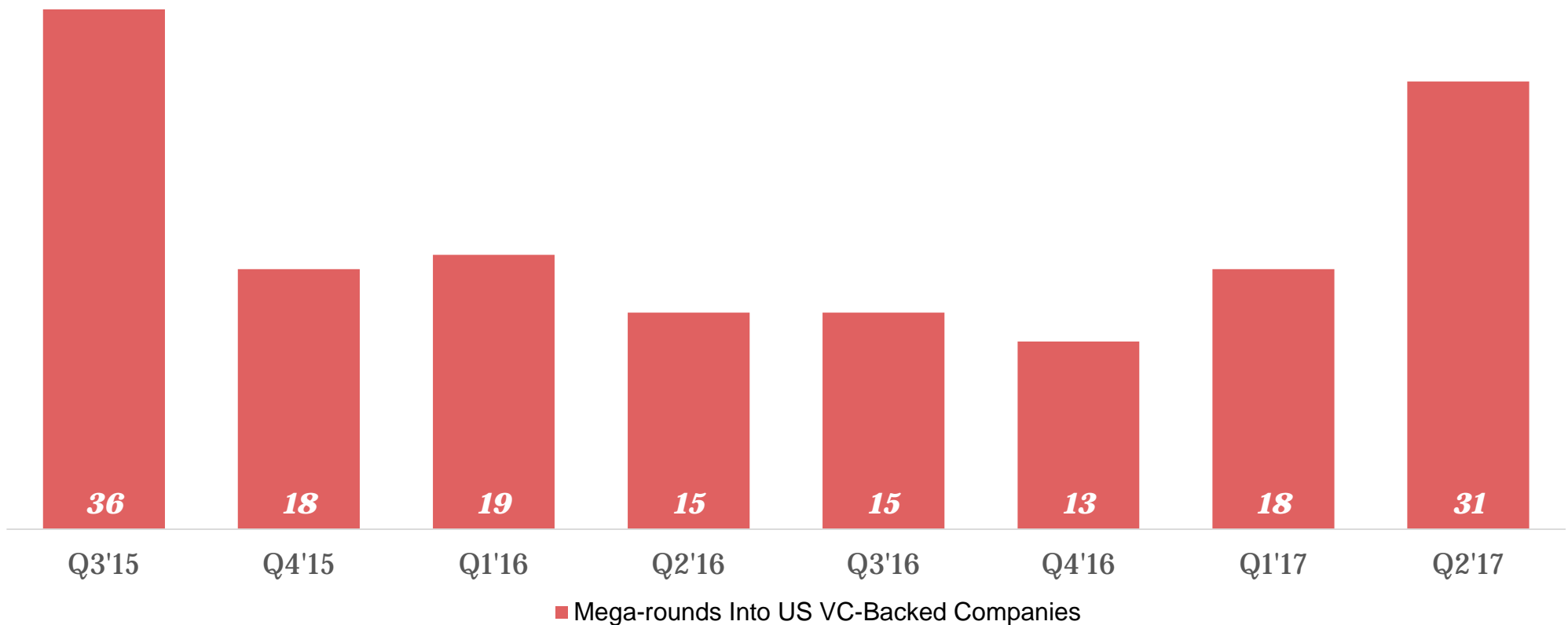
Later Stage

US mega-round activity



\$100M+ financings nearly match 8-quarter high

- US-based companies saw 31 rounds of \$100M or more in funding in Q2'17. This is the highest amount since the high seen in Q3'15.
- Digital health companies were especially hot, receiving 6 deals of \$100M or more in Q2'17.



Mega-rounds



“

Mega-rounds were a significant driver during the quarter, rising sharply both in deal count and dollar value. Funding rounds of \$100M or more accounted for nearly 36% of total deal value, up from just around 28% in the first quarter of 2017. Digital Health, Cybersecurity & FinTech were the main drivers of mega-rounds this quarter.

— *Tom Ciccolella, Partner, US Ventures Leader at PwC*

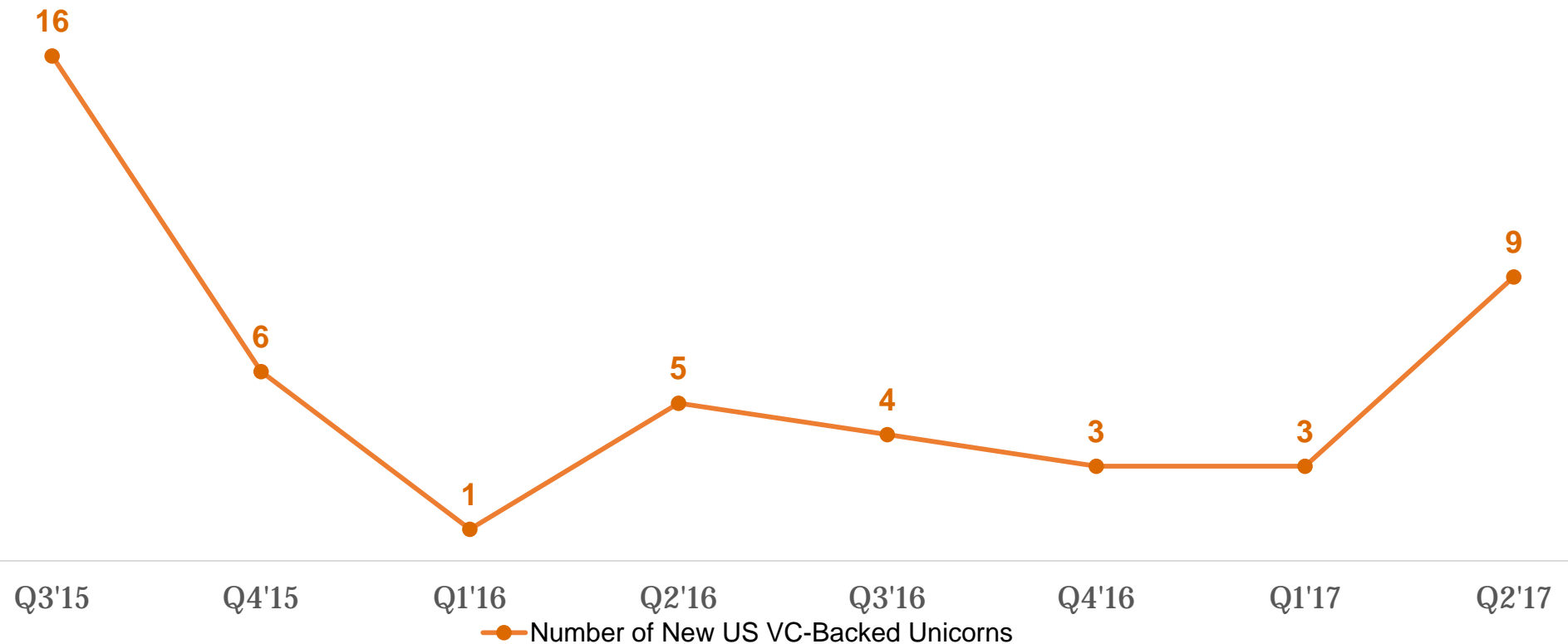
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US new unicorn births



VC-backed unicorn creation rate jumps in the US

- 9 new VC-backed companies reached \$1B+ valuations in Q2'17, up from just 3 the quarter before. The US unicorn birth count reached its highest quarterly total since the peak of Q3'15.
- New companies joining the unicorn club included Clover Health, Peloton, and CrowdStrike.



Most active VC firms of Q2'17 in the US



<i>Investor</i>	<i>Location</i>	<i>No. of US Companies</i>	<i>Select Q2'17 Investments</i>
1. New Enterprise Associates	Menlo Park, CA	37	Drive.ai, Echodyne, Stayawhile
2. GV (Google Ventures)	Mountain View, CA	21	Bowery Farming, Clover Health, Packagd
3. Kleiner Perkins Caufield & Byers	Menlo Park, CA	19	CloudHealth Technologies, Peloton, Untuckit
3. General Catalyst	Palo Alto, CA	19	Grammarly, Samsara Networks, Voodoo Manufacturing
3. Accel Partners	Palo Alto, CA	19	DeepMap, G2 Crowd, Sense Talent Labs

Q2'17 Investor locations



Californian investor presence strong at expansion and later stages

- Californian investor participation grew at each successive stage, with Californian investors representing nearly 40% of all active investors in expansion and later-stage deals. NY and MA also trend upwards.
- International and other US sources of capital represent a smaller share of active investors at later stages.

Stage of funding

Location of investors

■ California
 ■ New York
 ■ Massachusetts
 ■ Other US
 ■ International

Seed



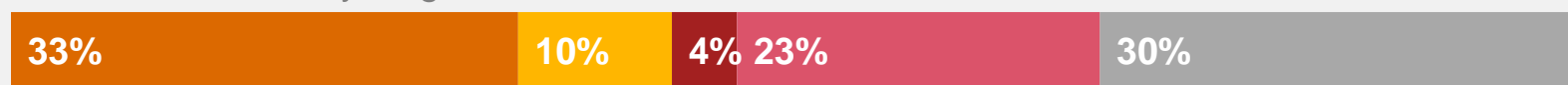
Total number of seed stage deals: **255**



Early



Total number of early stage deals: **319**



Expansion



Total number of expansion stage deals: **257**



Later

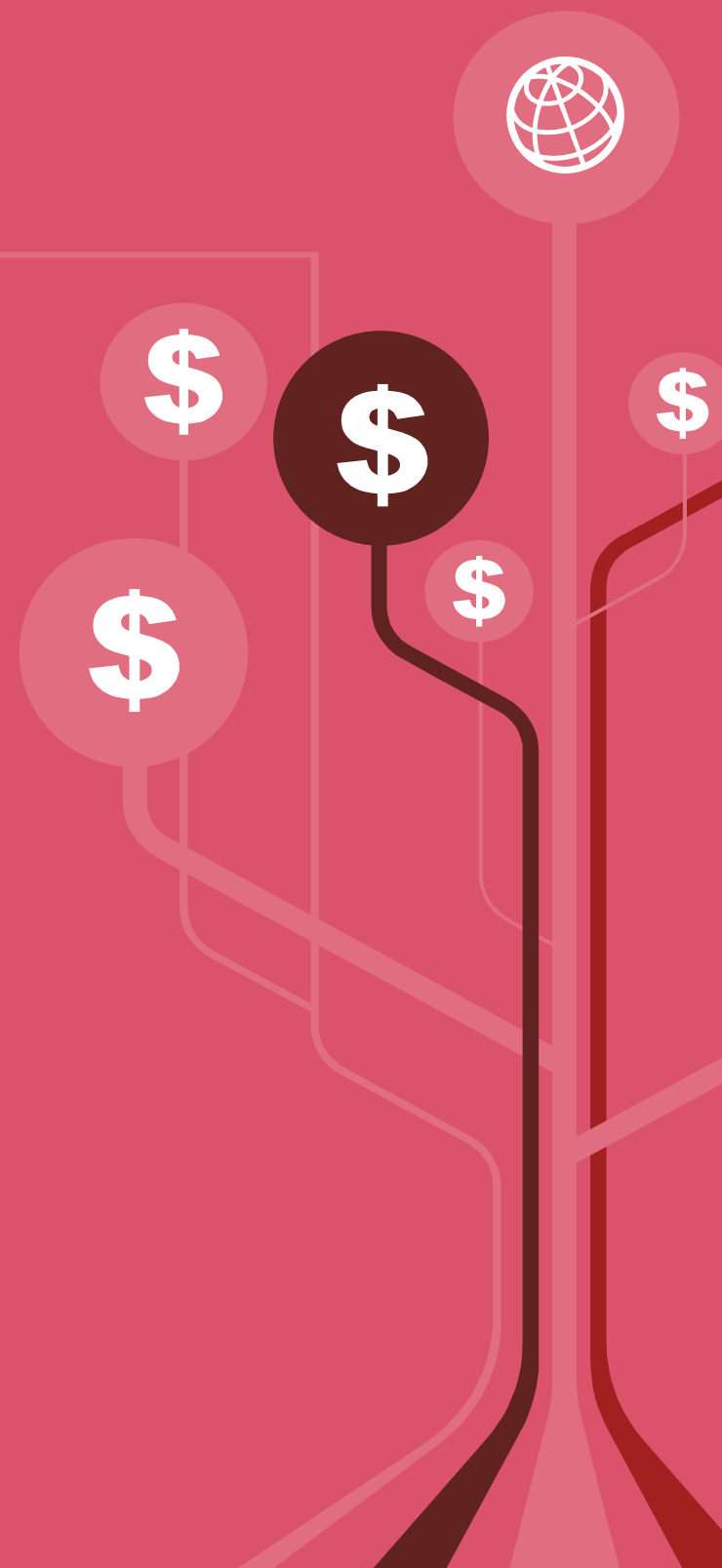


Total number of later stage deals: **126**

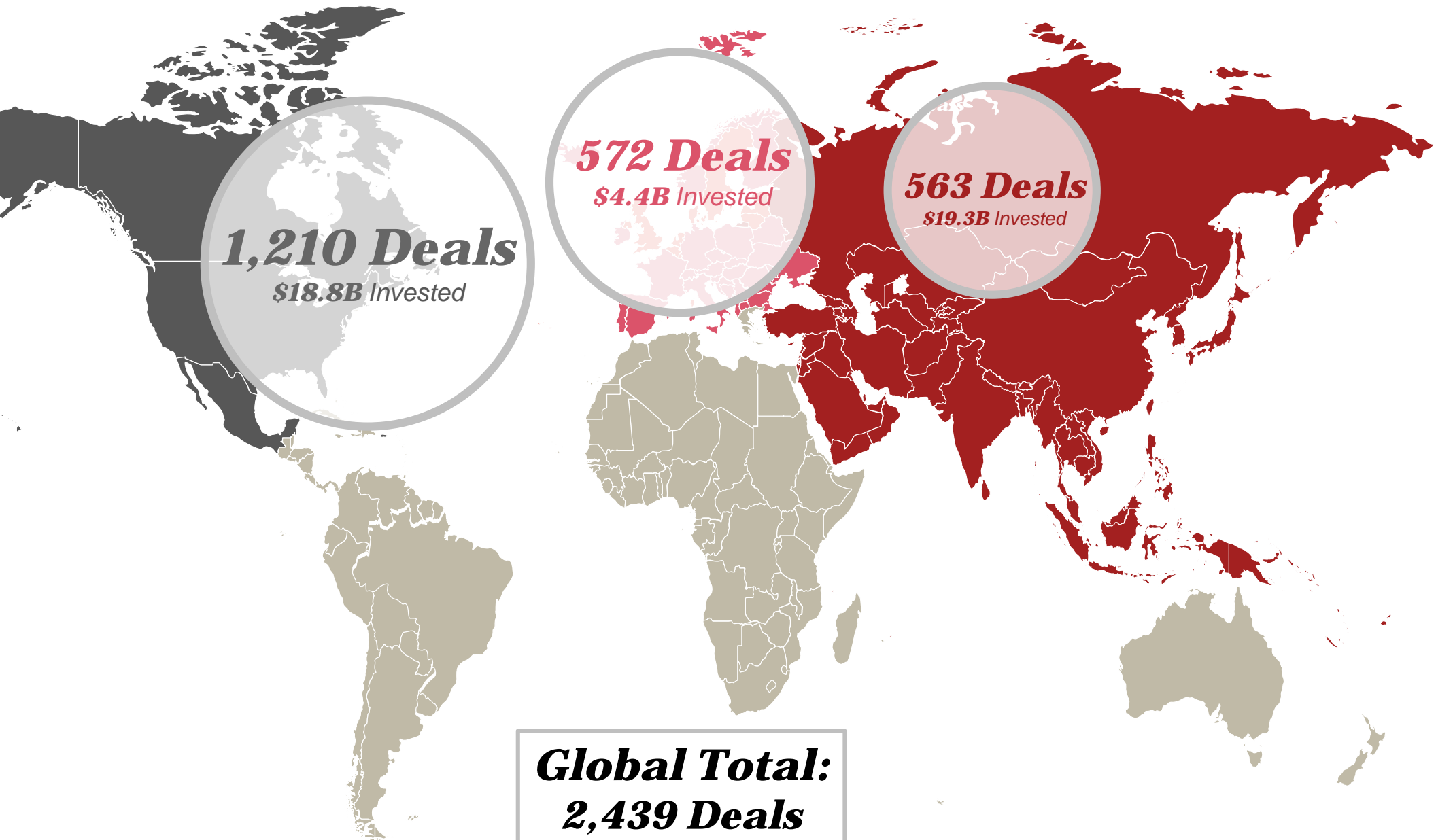
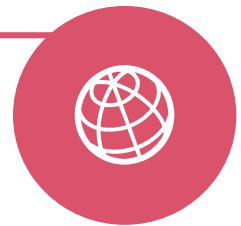


05

Global Trends



Q2'17 Global regional comparison





“

Asia overtook North America for the first time in total deal value, illustrating the rise of the Asian VC market. For every dollar invested globally, 45 cents went to Asian firms, including Didi Chuxing, which raised a massive \$5.5B round, the largest round ever raised by a VC-backed company.

— *Suneet Dua, Partner, Network Leader at PwC*

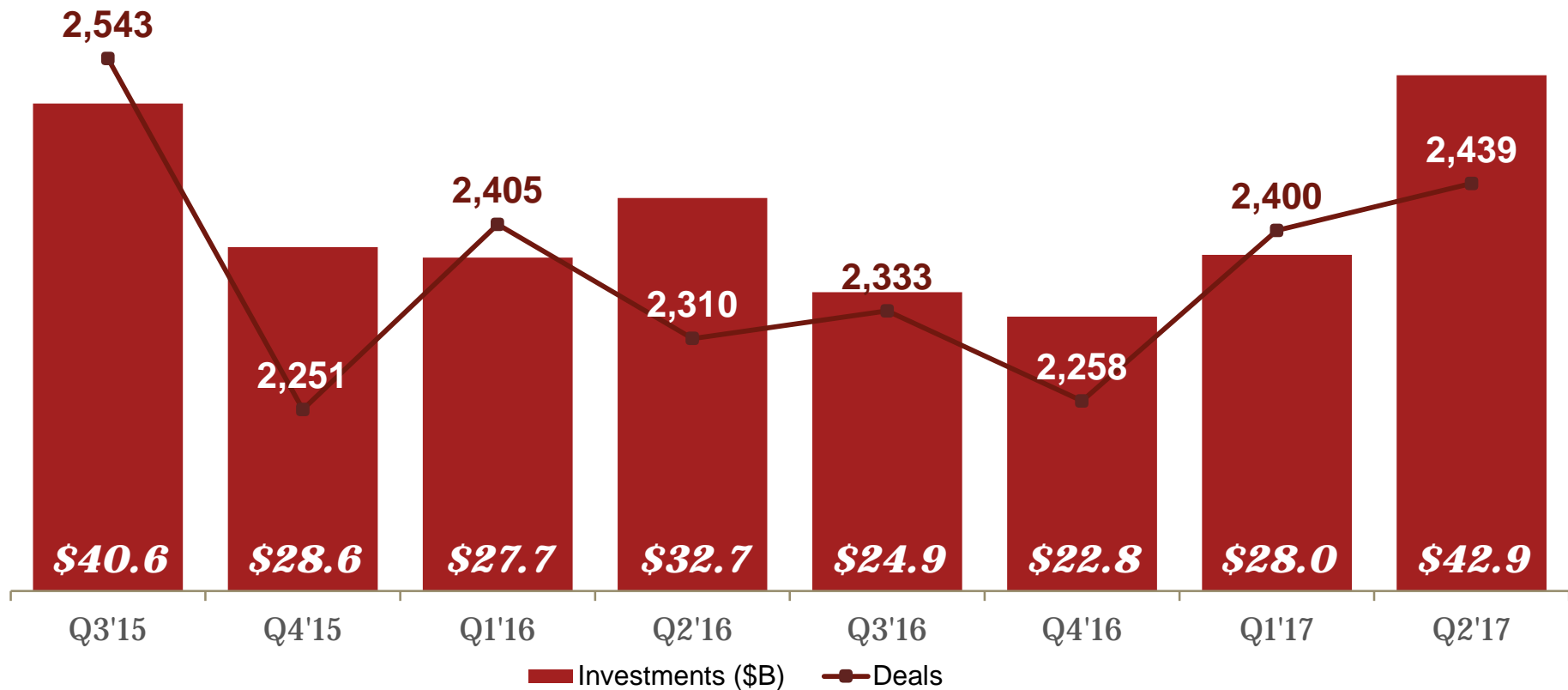
”

8-quarter global financing trend



Deals and dollars increase globally in Q2'17

- Deals increased marginally from 2,400 to 2,439, but an increase in quarterly funding activity in Asia increased funding by 53% from \$28B in Q1'17 to \$42.9B in Q2'17.
- The Q2'17 quarterly dollar total even eclipsed the mark of \$40.6B set in Q3'15.

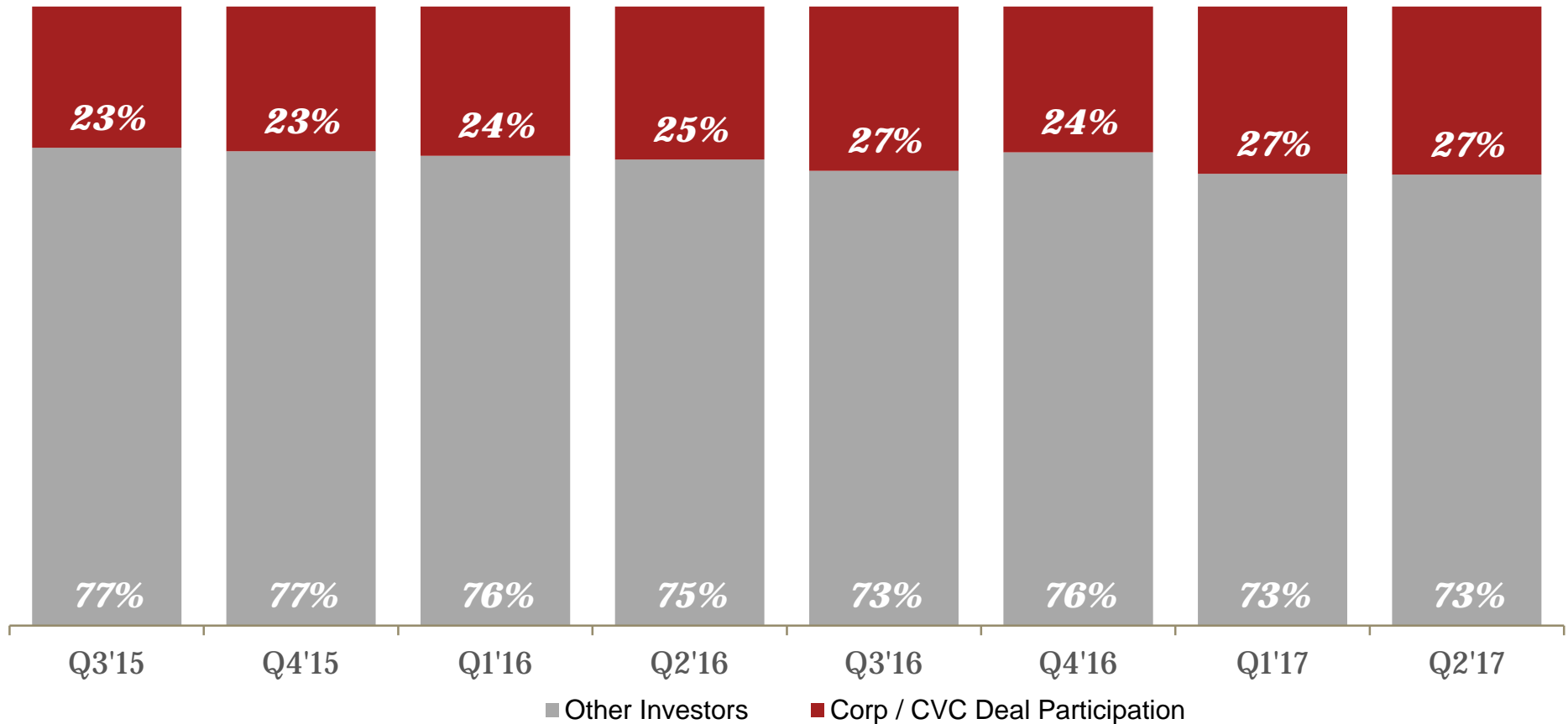


Global corporate deal participation



Corporate investment participation holds strong through 2 quarters

- Corporations (and/or their venture arms) participated in 27% of all deals to companies receiving venture-backed financing.

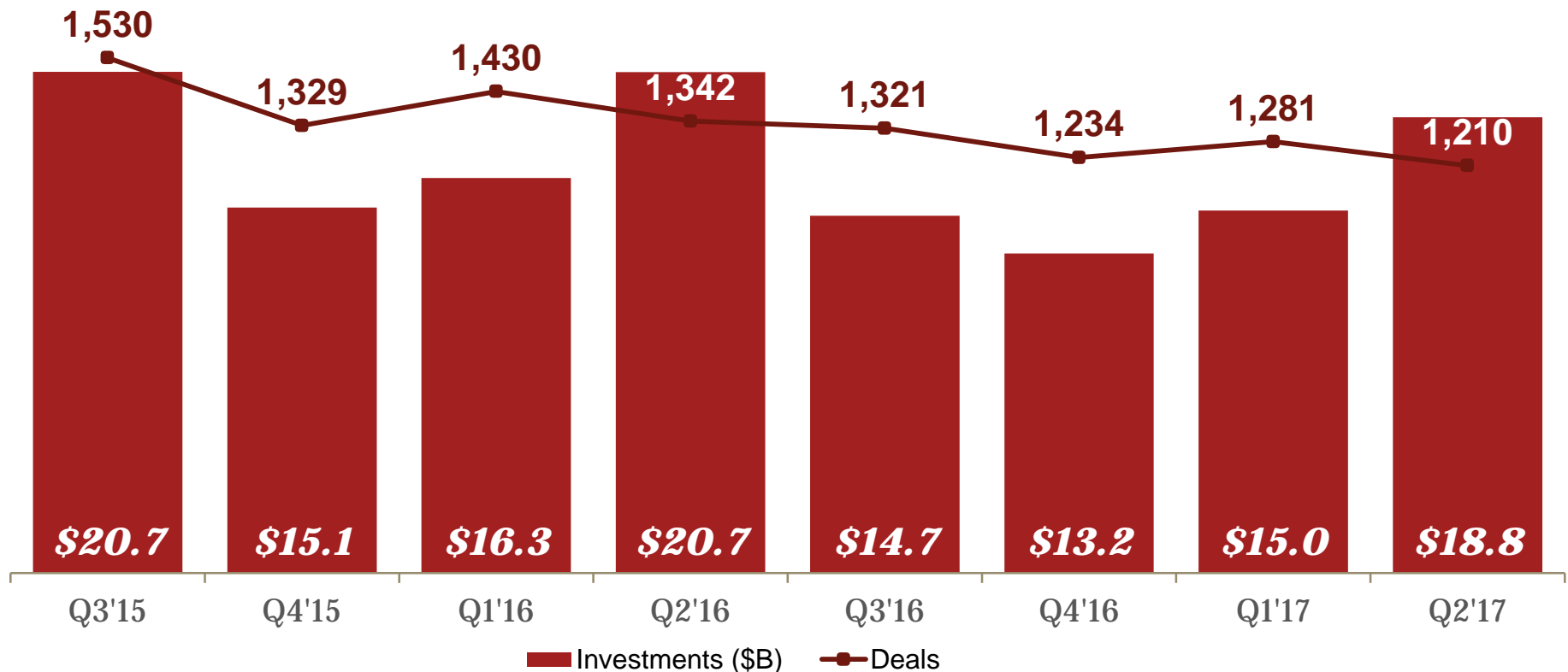


8-quarter financing trend: North America

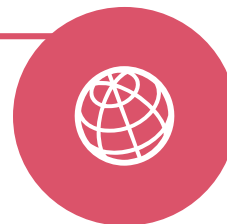


North American activity driven by US market

- Total financing to VC-backed companies in North America totaled \$18.8B invested across 1,210 deals in Q2'17. Funding increased by 25%, while deal count decreased by 5.5%.
- US deals and dollars accounted for 95% and 97% of North American investment activity, respectively in Q2'17.

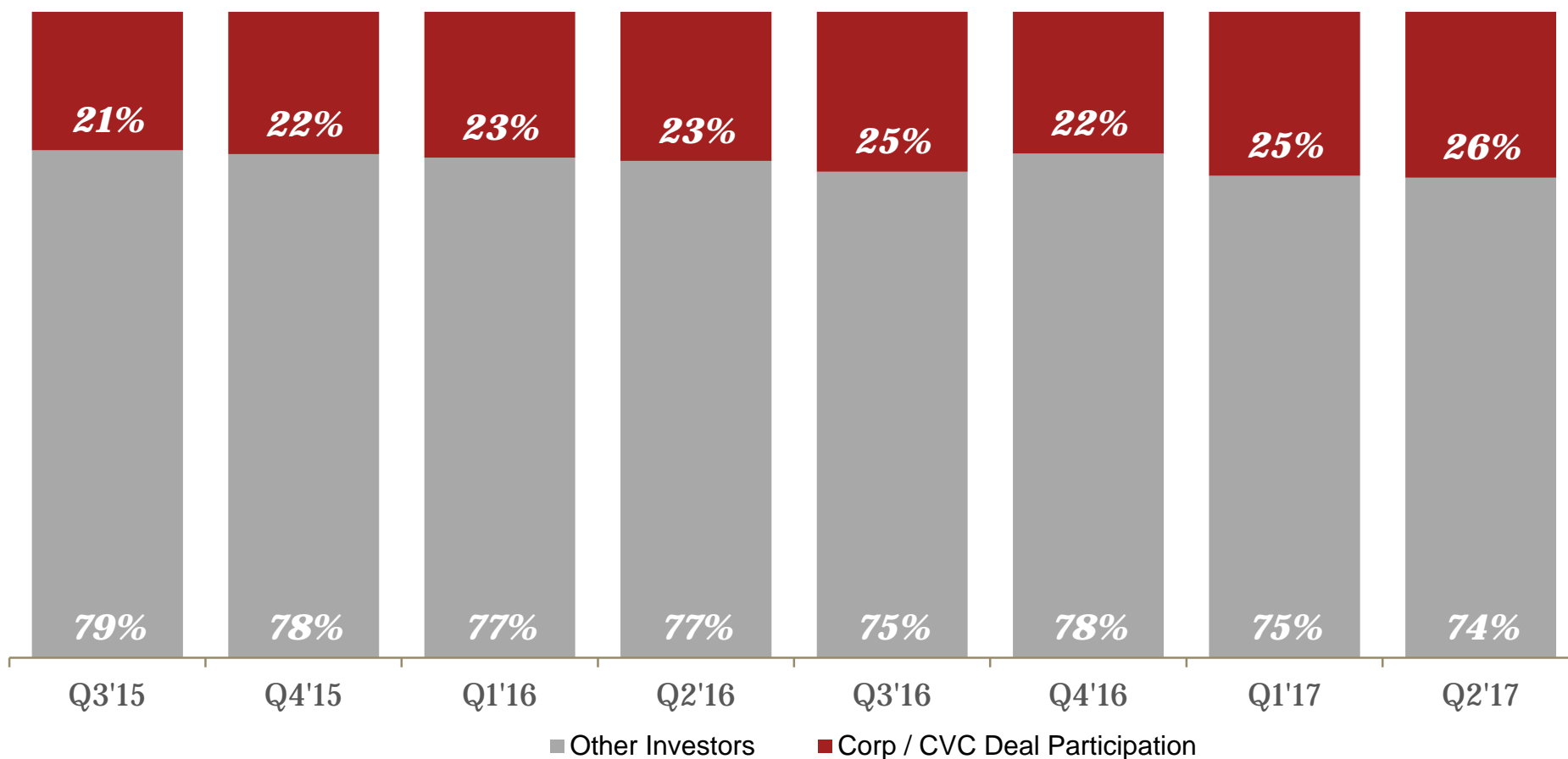


North American corporate deal participation



Corporates actively investing in North America

- Corporations (and/or their venture arms) participated in 26% of Q2'17 deals to VC-backed companies in North America.

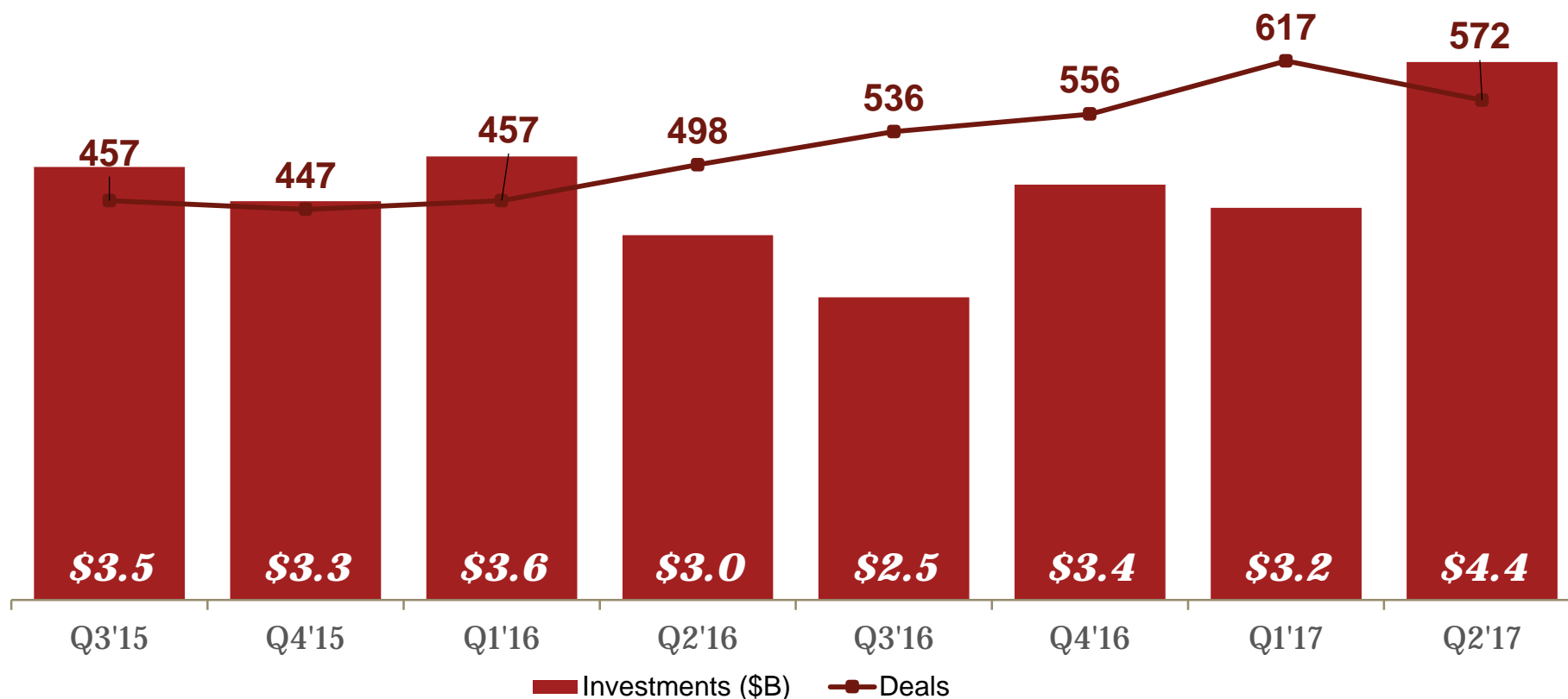




8-quarter financing trend: Europe

Europe deal activity stutters, but funding reaches 8-quarter high

- Deal activity in Europe decreased by 7% in Q2'17, the first quarterly decline in deals since Q3'15.
- Quarterly funding increased by 37.5% in Q2'17, driven by \$300M+ mega-rounds to Improbable, Delivery Hero, and FarFetch.

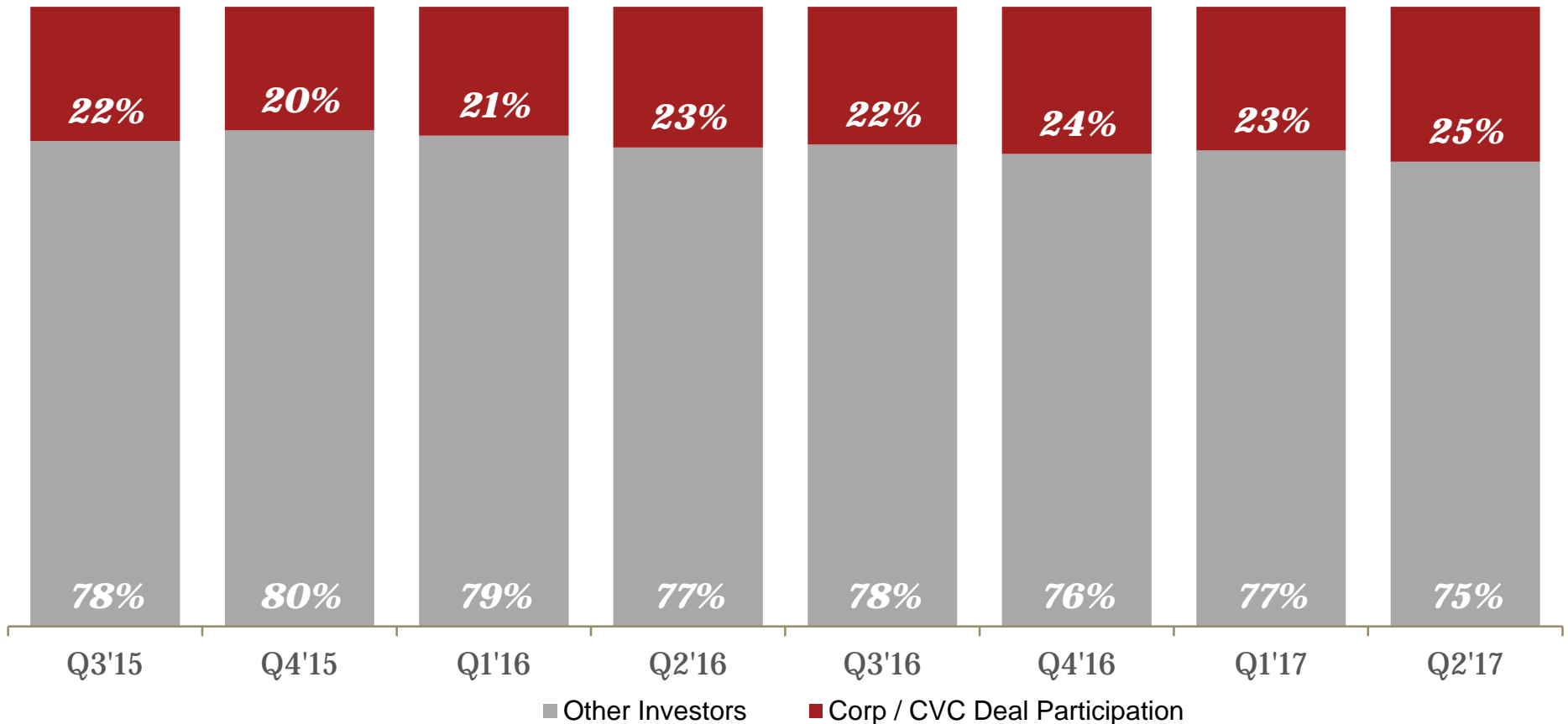


European corporate deal participation



Corporate participation increases to match peers

- Corporations (and/or their venture arms) participated in 25% of Q2'17 deals to VC-backed companies in North America.

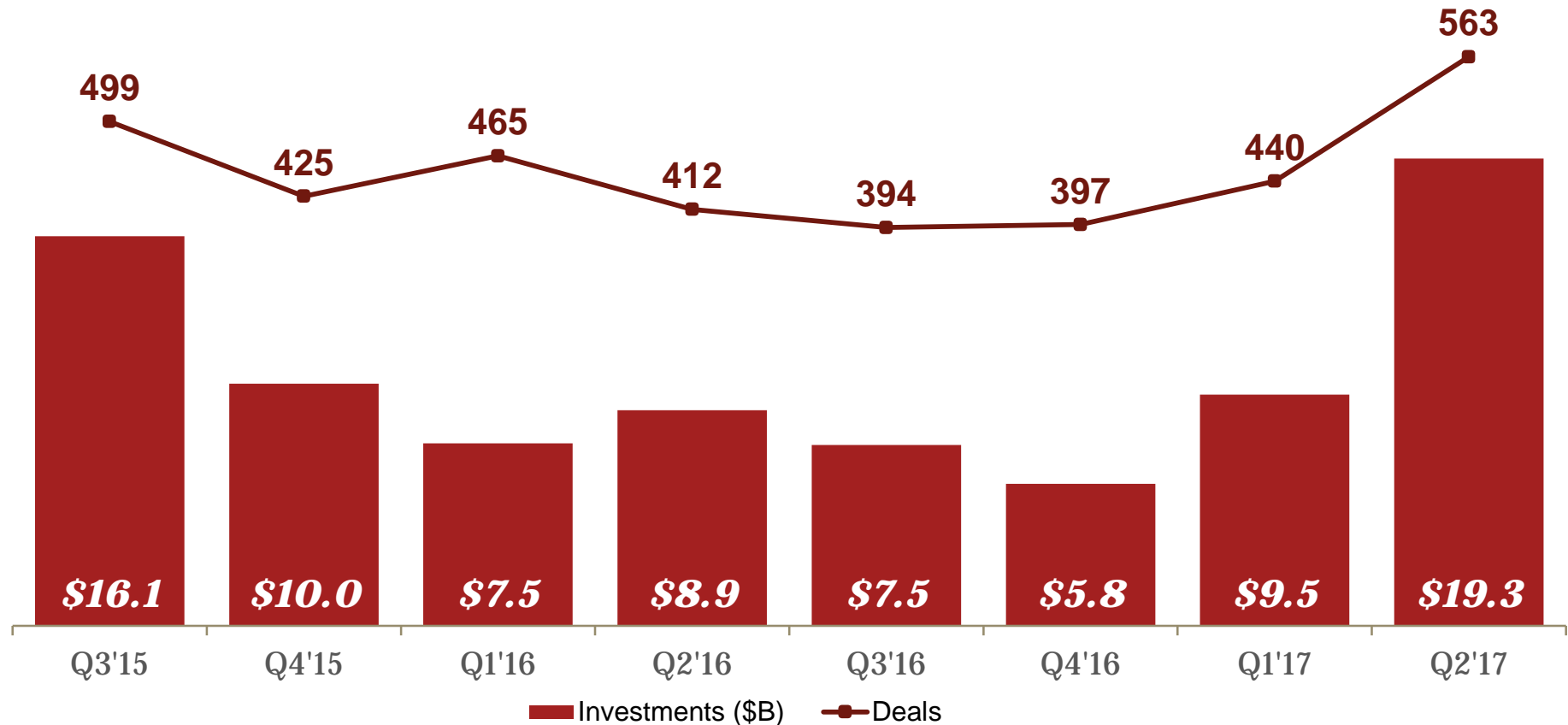


8-quarter financing trend: Asia



Asia finds a second gear

- Deals to VC-backed companies in Asia were up 28%, while quarterly funding jumped a staggering 103%.
- The top five rounds by capital size totaled more than \$10B dollars, including a \$5.5B round to Didi Chuxing, a \$1.4B round to One97 Communications (Paytm), and a \$1.2B round to GO-JEK.

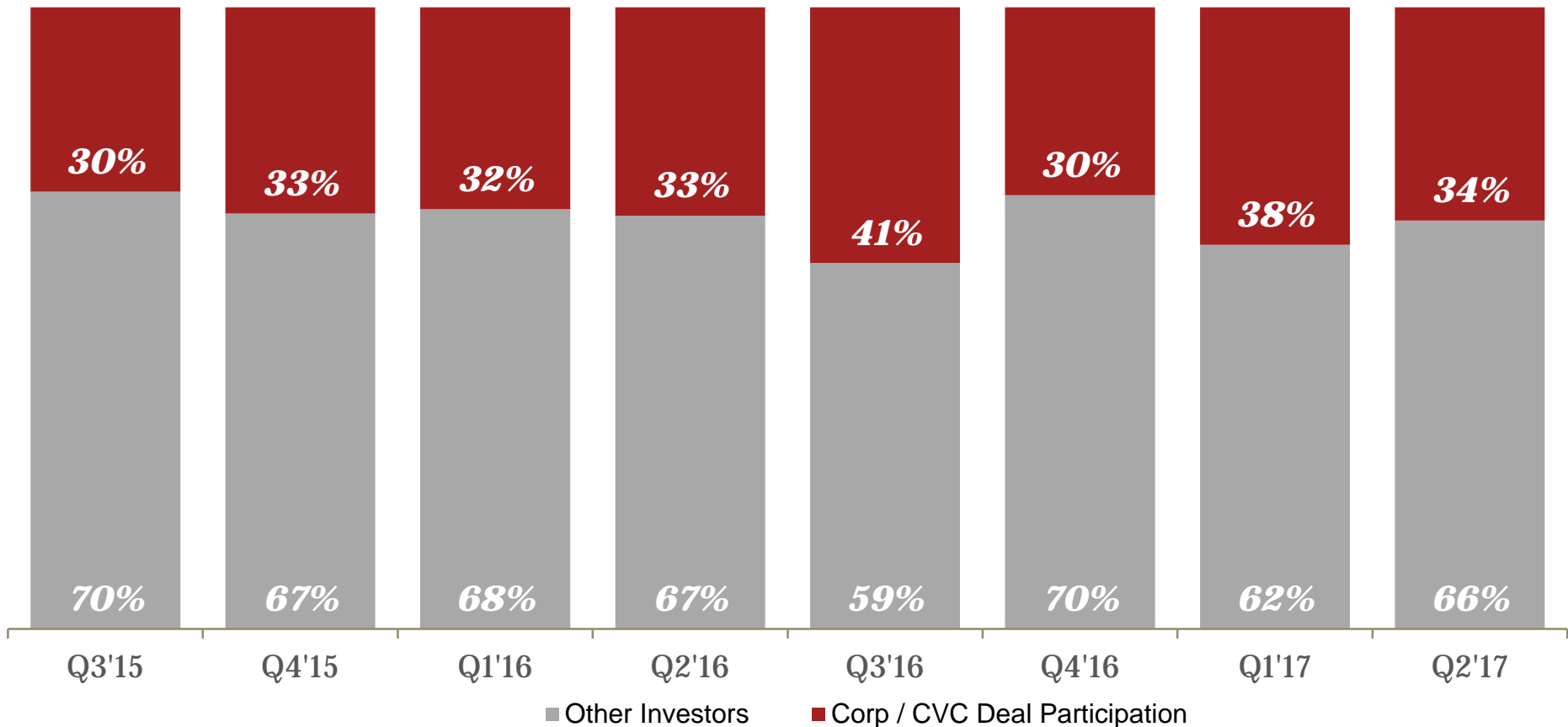


Asia corporate deal participation

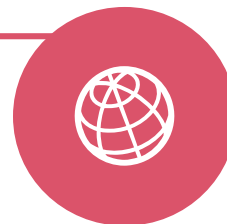


Asia has highest corporation participation but sees pullback in Q2'17

- Corporations (and/or their venture arms) participated in 34% of deals to VC-backed companies in Asia, the highest continental amount compared to N. America and Europe. But participation dropped 4 percentage points from Q1'17.



Largest global deals of Q2'17



Company	Location	Sector	Industry	Stage of Funding	\$ Value of Deal	Select Investors
Didi Chuxing	Beijing, China	Mobile & Telecommunications	Mobile Commerce		\$5500M	SoftBank Group, Silver Lake Partners
One97 Communications	Noida, India	Mobile & Telecommunications	Mobile Software & Services		\$1400M	SoftBank Group
GO-JEK	Jakarta, Indonesia	Mobile & Telecommunications	Mobile Software & Services		\$1200M	Tencent Holdings
Bytedance	Beijing, China	Mobile & Telecommunications	Mobile Software & Services		\$1000M	Sequoia Capital China, CCB International
Ele.me	Shanghai, China	Internet	eCommerce		\$1000M	Alibaba Group



Seed Stage



Early Stage



Expansion Stage



Later Stage

Most active VC firms of Q2'17 globally



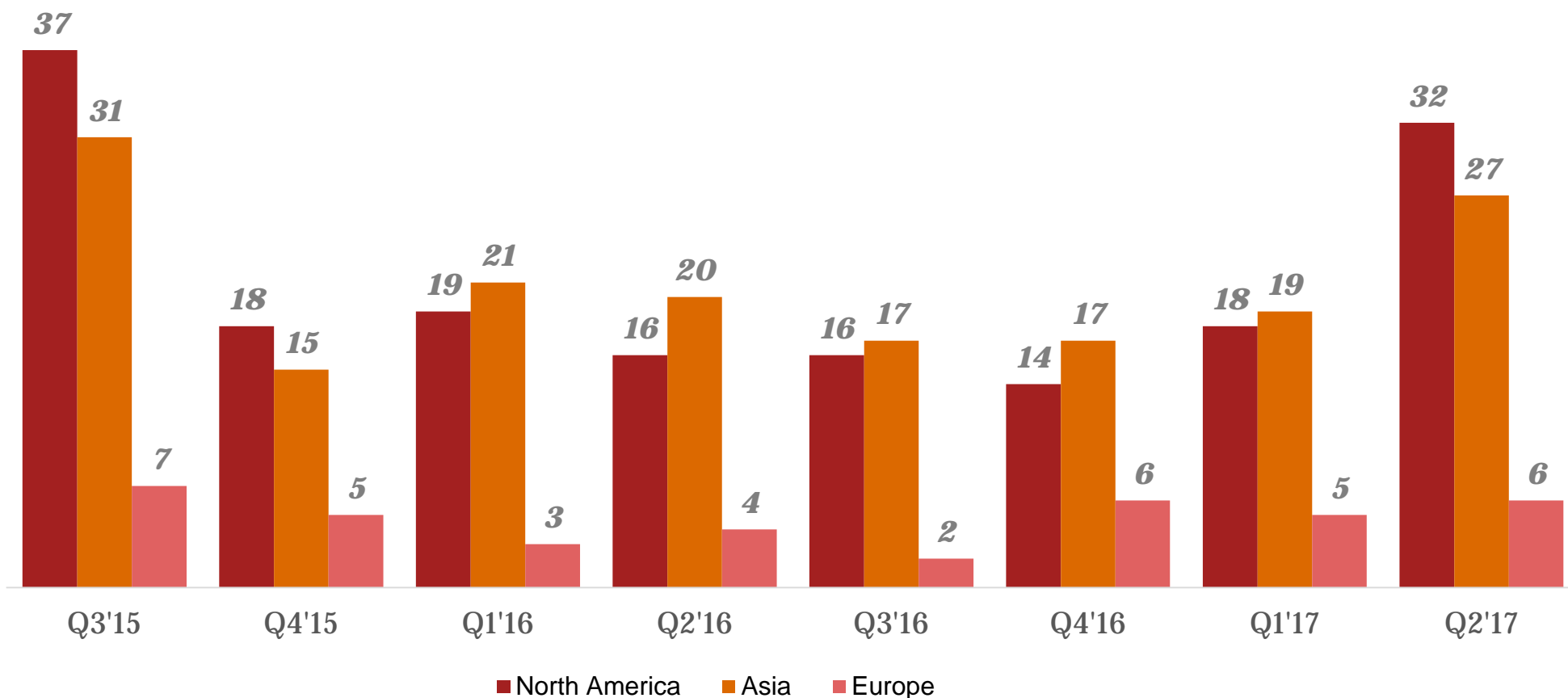
<i>Investor</i>	<i>Location</i>	<i>No. of Global Companies</i>	<i>Select Q2'17 Investments</i>
1. 500 Startups	California, US	46	Authlete, Silvernest, Thriva
2. New Enterprise Associates	California, US	40	Drive.ai, Fetchr, Stayawhile
3. Accel Partners	California, US	27	G2 Crowd, PayFit, Sense Talent Labs
4. Sequoia Capital China	Beijing, China	22	VoxelCloud, Xiaodian, Yunzhihui
4. GV (Google Ventures)	California, US	22	Bowery Farming, Clover Health, Packagd

Global mega-round activity



Asia, North America see sharp rise in \$100M+ rounds

- Asian mega-round activity rose 42% from Q1'17, while the North American count spiked 78%.
- Both Asia's figure of 27 mega-rounds and North America's count of 32 are by far the highest since the frothy totals seen in Q3'15.

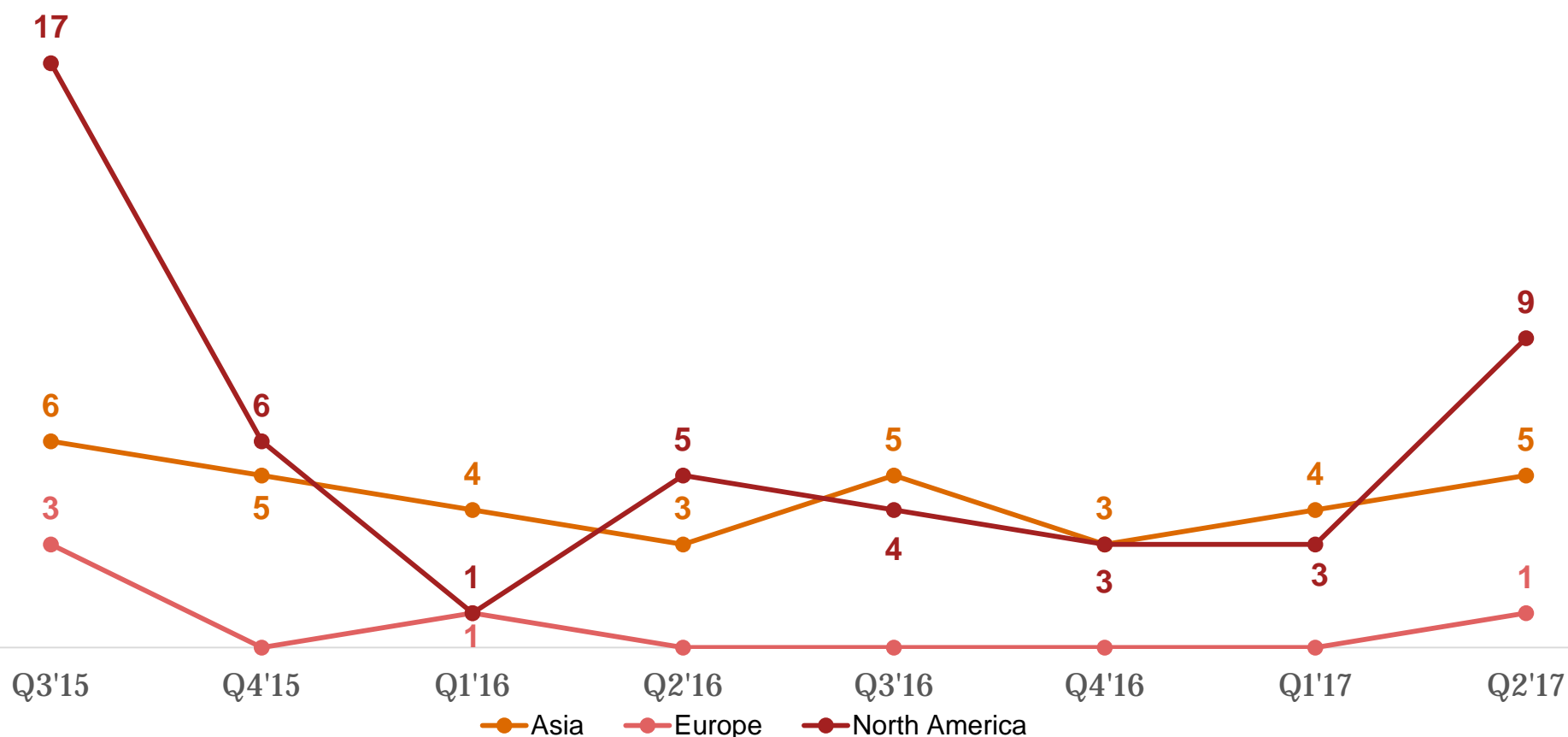


Global new unicorn births

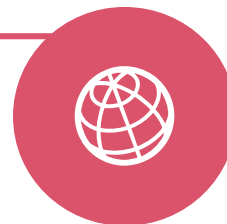


Unicorn creations up in Q2'17 across regions

- Every major region saw at least one new unicorn joining the ranks of private companies valued at \$1B or more. North America unicorn creation rate surged to its highest level since Q3'15.
- Many mega-rounds were also captured by well-known existing unicorns.

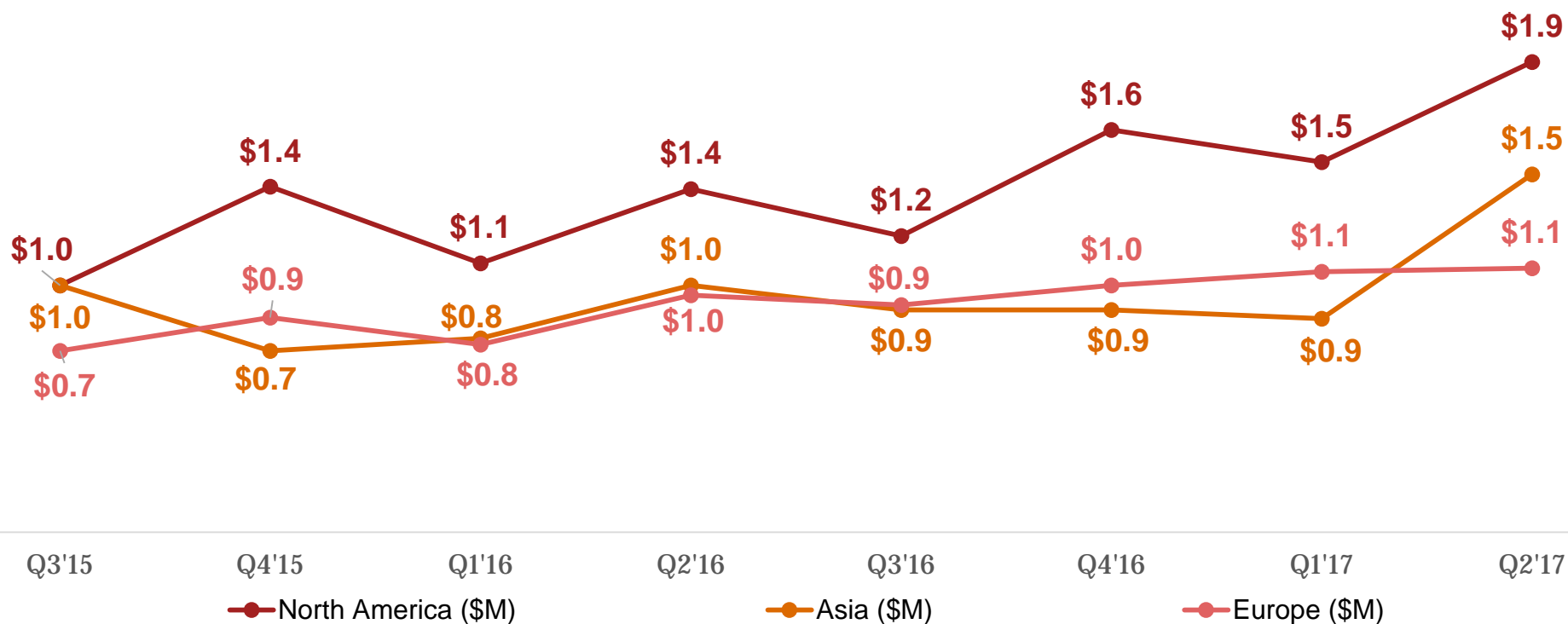


Global seed-stage median deal size

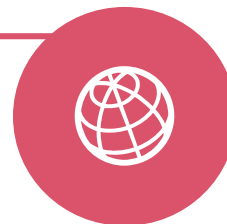


Seed deal sizes rise in North America, Asia

- Median Asian seed deal sizes spiked to \$1.5M, hitting an 8-quarter high and eclipsing Europe for the first time since Q2'16.
- North American median seed deal size also hit a local high.

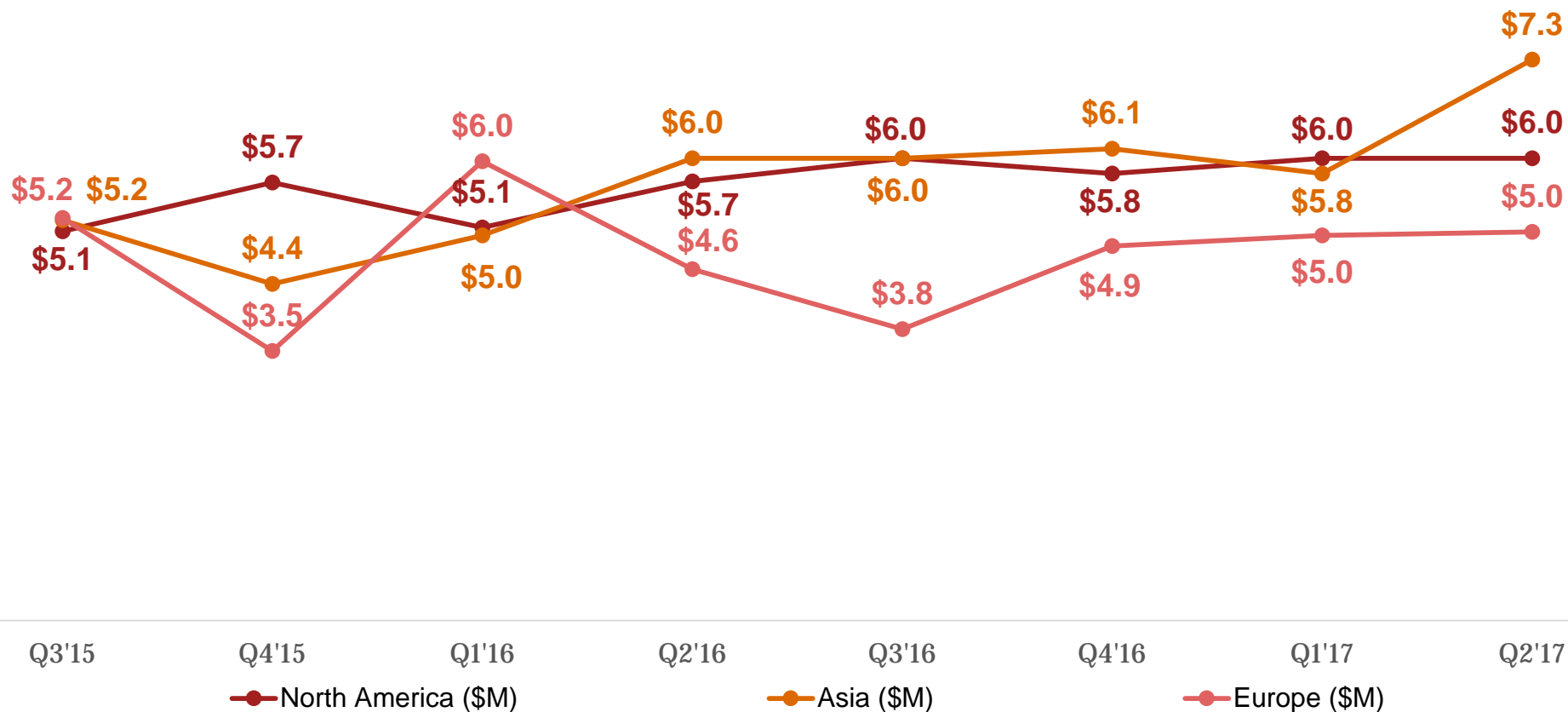


Global early-stage median deal size

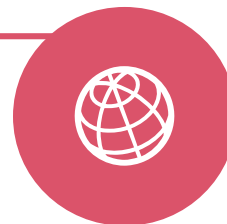


Asian early-stage deal sizes diverge from the pack in Q2'17

- Median early-stage deal sizes had trended between \$5M and \$6M for all three major regions, but Asian deal sizes rose 26% to a high of \$7.3M in Q2'17.
- After a spike in Q1'16, European deal sizes have retreated below that of other regions.

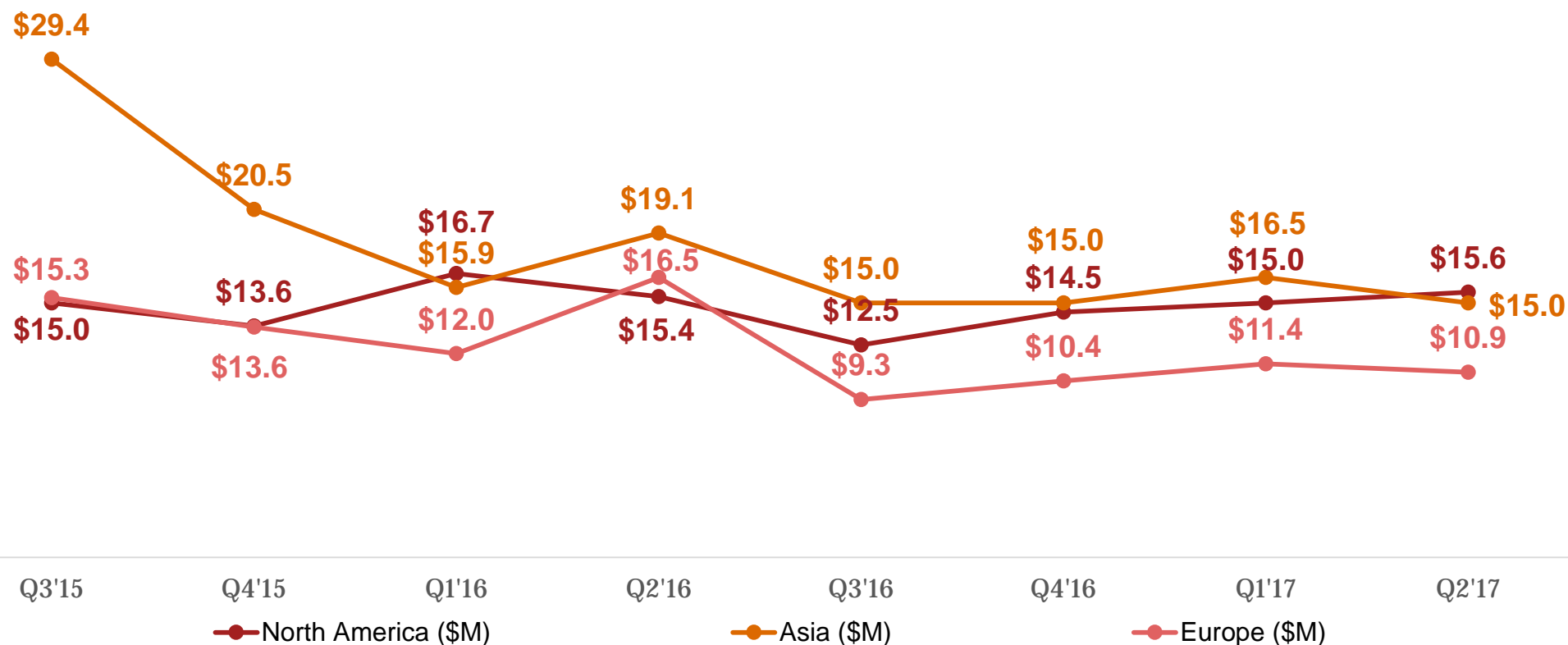


Global expansion-stage median deal size

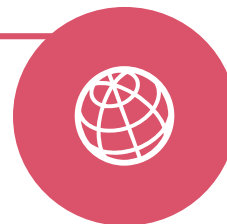


Expansion-stage deal sizes dip in Asia

- Asian median expansion-stage amounts have reset below \$20M after skyrocketing in Q3'15.
- This most recent quarter has seen North American expansion-stage deal amounts surpass Asia's for the first time since Q1'16.

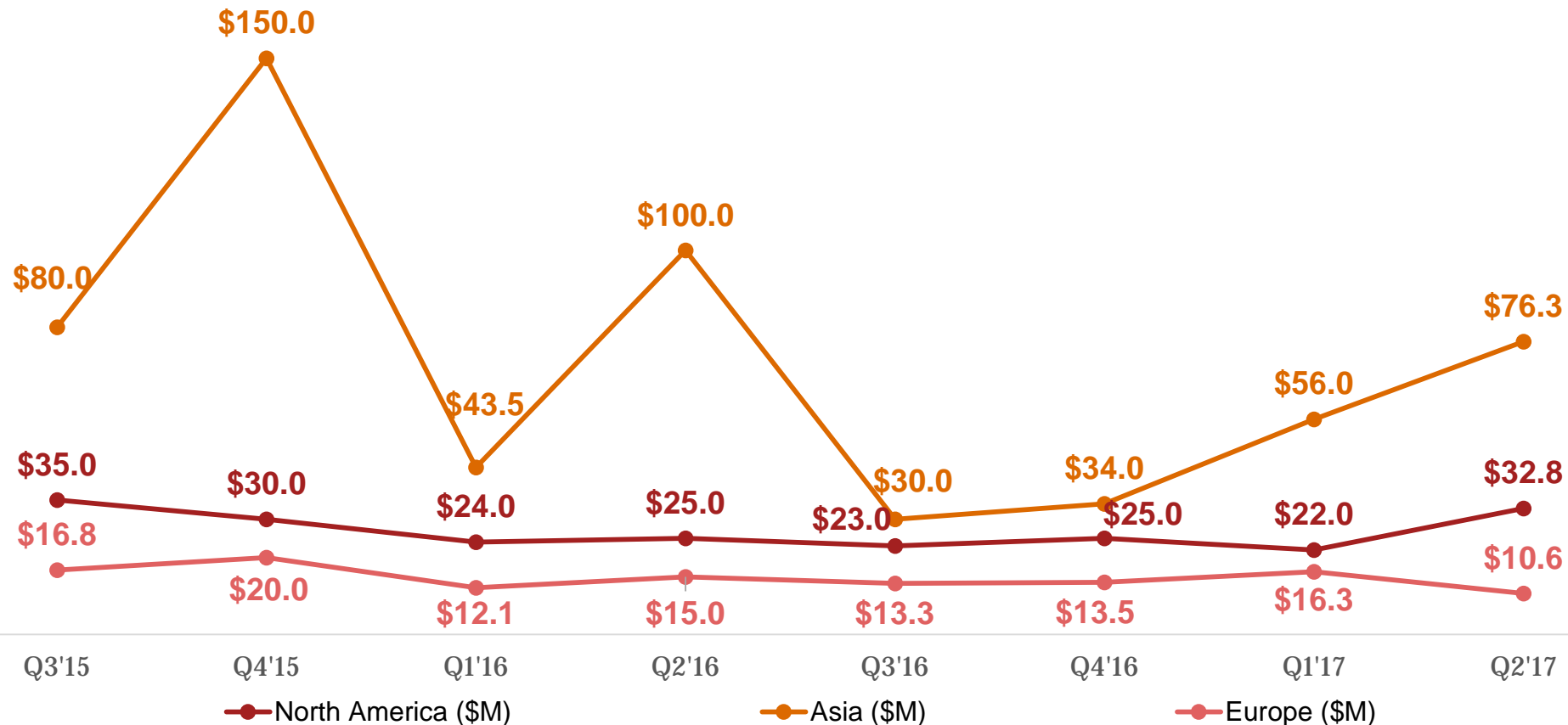


Global later-stage median deal size



Asian later-stage deal sizes continue upward march

- Median later-stage deal sizes have been volatile in Asia; deal amounts fell back to earth as investors dialed back mega-round activity in Q3'16 and Q4'16, but have now shot up for 3 consecutive quarters.
- The deal size gap between North America and Europe widened after narrowing in Q1'17.



Appendix

US States: Full listing

State	\$M	No. of Deals	State	\$M	No. of Deals	State	\$M	No. of Deals	State	\$M	No. of Deals	State	\$M	No. of Deals
Alabama	\$40	1	Idaho	\$5	1	Michigan	\$41	7	North Dakota	\$4	2	Vermont	<\$1	1
Arizona	\$52	12	Illinois	\$815	38	Minnesota	\$242	14	Ohio	\$41	16	Virginia	\$69	16
Arkansas	\$9	2	Indiana	\$9	5	Missouri	\$14	6	Oregon	\$60	7	Washington	\$466	43
California	\$9,226	469	Iowa	\$1	1	Montana	\$5	1	Pennsylvania	\$163	21	West Virginia	\$1	1
Colorado	\$170	31	Kansas	\$2	5	Nebraska	\$9	5	Rhode Island	N/A	1	Wisconsin	\$2	3
Connecticut	\$9	4	Kentucky	\$12	4	New Hampshire	\$33	4	South Carolina	\$82	5			
DC	\$210	7	Louisiana	\$60	2	New Jersey	\$298	9	South Dakota	\$1	1			
Delaware	\$32	3	Maine	N/A	1	New Mexico	\$19	3	Tennessee	\$6	5			
Florida	\$291	16	Maryland	\$90	16	New York	\$2,541	147	Texas	\$803	58			
Georgia	\$341	30	Massachusetts	\$1,384	97	North Carolina	\$337	13	Utah	\$316	7			

No disclosed quarterly activity: AK, HI, MS, NV, OK, WY

Notes on methodology

PwC (pwcmoneytree.com) and CB Insights (cbinsights.com) encourage you to review the methodology and definitions employed to better understand the numbers presented in this report. If you have any questions about the definitions or methodological principles used, we encourage you to reach out to CB Insights directly. Additionally, if you feel your firm has been underrepresented, please send an email to info@cbinsights.com and we can work together to ensure your firm's investment data is up-to-date.

Rankings, e.g., top states and top sectors, are done by quarterly deal activity (that is, deal count for the given quarter).

What is included:

- Equity financings into emerging companies. Fundings must be to VC-backed companies, which are defined as companies who have received funding at any point from either: venture capital firms, corporate venture arms, or super angel investors.
- Fundings of private companies only. Funding rounds raised by public companies of any kind on any exchange (including Pink Sheets) are excluded from our numbers, even if they received investment by a venture firm(s).
- Only includes the investment made in the quarter for tranching investments. If a company does a second closing of its Series B round for \$5M and previously had closed \$2M in a prior quarter, only the \$5M is reflected in our results.
- Round numbers reflect what has closed – not what is intended. If a company indicates the closing of \$5M out of a desired raise of \$15M, our numbers reflect only the amount which has closed.
- Only verifiable fundings are included. Fundings are verified via (1) various federal and state regulatory filings; (2) direct confirmation with firm or investor; (3) press release; or (4) credible media sources.
- Equity fundings to joint ventures and spinoffs/spinouts are included, given that they meet the VC-backed criteria.
- Geography note: Israel funding figures are classified in Asia.

What is excluded:

- No contingent funding. If a company receives a commitment for \$20M subject to hitting certain milestones but first gets \$8M, only the \$8M is included in our data.
- No business development / R&D arrangements whether transferable into equity now, later or never. If a company signs a \$300M R&D partnership with a larger corporation, this is not equity financing nor is it from venture capital firms. As a result, it is not included.
- No buyouts, consolidations or recapitalizations. All three of these transaction types are commonly employed by private equity firms and are tracked by CB Insights. However, they are excluded for the purposes of this report.
- No private placements. These investments, also known as PIPEs (Private Investment in Public Equities), are not included even if made by a venture capital firm(s).
- No debt / loans of any kind (except convertible notes). Venture debt or any kind of debt / loan issued to emerging, startup companies, even if included as an additional part of an equity financing, is not included. If a company receives \$3M with \$2M from venture investors and \$1M in debt, only the \$2M is included in these statistics.
- No government funding. Grants, loans or equity financings by the federal government, state agencies, or public-private partnerships to emerging, startup companies are not included.
- No fundings to subsidiaries of a larger parent corporation.

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