

MoneyTree™ Report

Q3 2019



Executive summary

Q3 2019

US Insights

US VC funding levels and deal activity fall in Q3'19

US VC funding remains elevated despite falling in Q3'19: US VC-backed companies raise \$26B in Q3'19, a 15% decline compared to Q2'19. Deal activity fall 16% to 1,304 transactions.

\$100M+ rounds fall from record levels as prominent unicorns exit: 55 VC deals raise \$100M or more in Q3'19, a sharp decline from a record 67 in Q2'19.

US technology companies continue IPO surge: 22 US VC-backed tech companies exit in IPOs in Q3'19, following a highly elevated 33 in Q2'19.

Number of US unicorns sets new record despite recent IPOs: As of Q3'19, there are 180 private VC-backed US companies valued at \$1B+. Despite a number of prominent VC-backed IPOs, the number of US-based unicorns remains at record highs.

Geographic Insights

Global funding levels and deal activity fall in Q3'19 as Asia stays steady

North America, Asia, and Europe combined funding hits **\$50B in Q3'19:** Global VC funding falls 7% in Q3'19, to \$52B being raised over 3,420 deals.

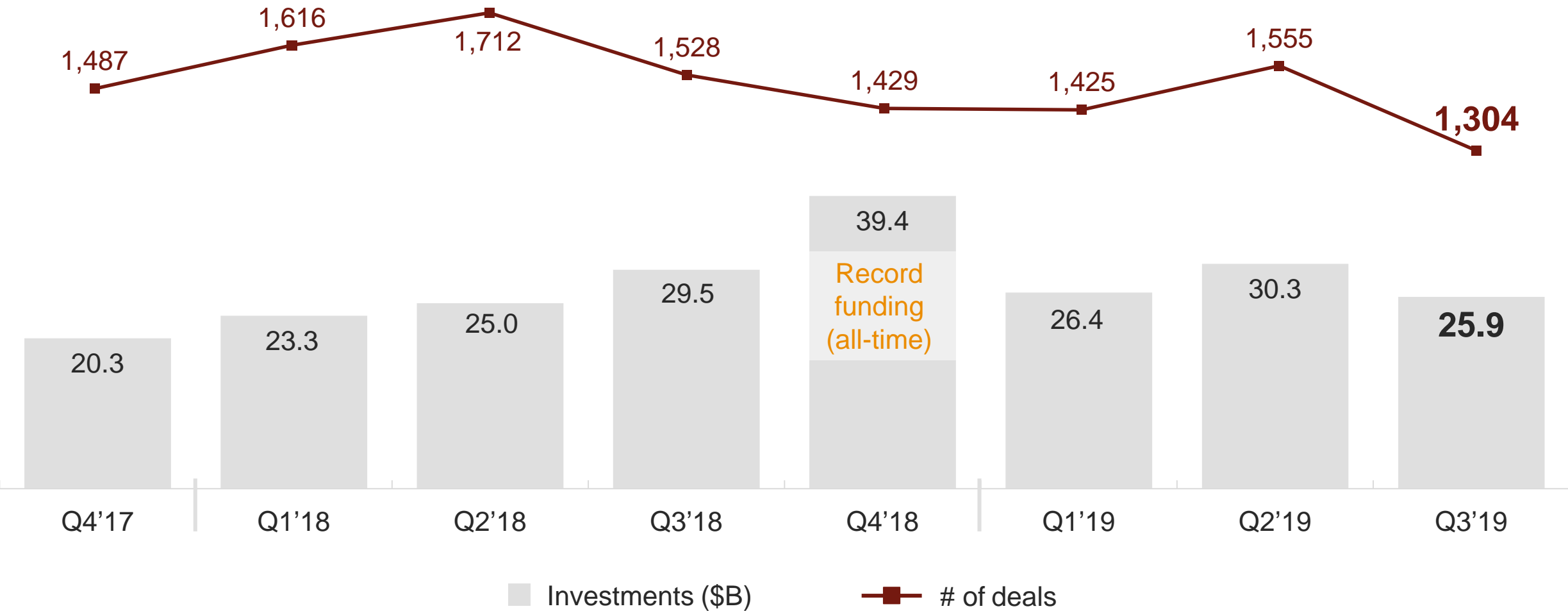
Asia deal activity rises amid falling global deal activity: Funding remains steady in Asia at \$15B in Q3'19, but deal activity rises slightly to 1,271 transactions.

Bay Area funding and deal activity fall sharply in Q3'19: Bay Area VC sees a 19% quarterly decline to \$12B in Q3'19. Deal activity also falls to 388 transactions, compared to 479 in Q2'19.

New York Metro sees slight uptick in funding amid falling deal activity: New York Metro funding rises 2% to \$4B in Q3'19. Deals fall sharply to 189 transactions, an 18% decline compared to Q2'19.

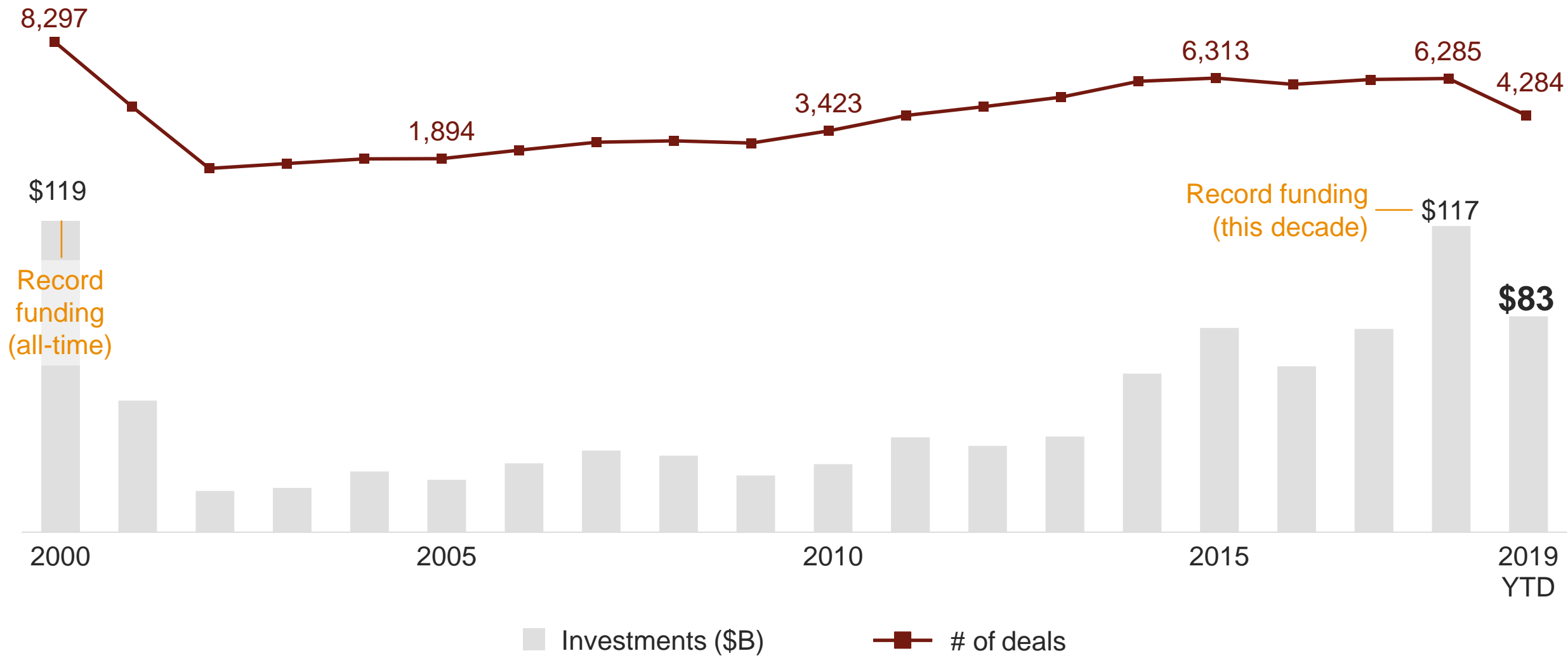
US VC funding levels and deal activity fall in Q3'19

US deals and dollars – Quarterly



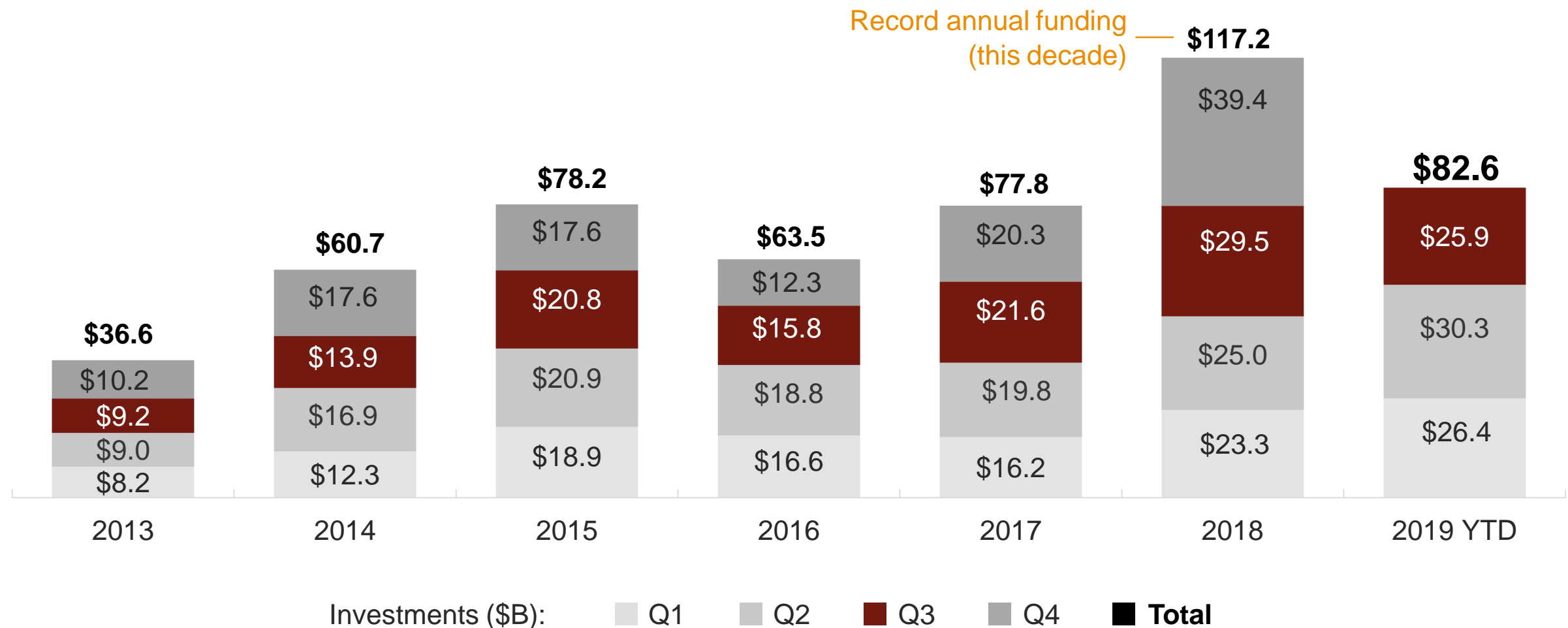
2019 YTD US funding is strong following a record 2018

US deals and dollars – Annual



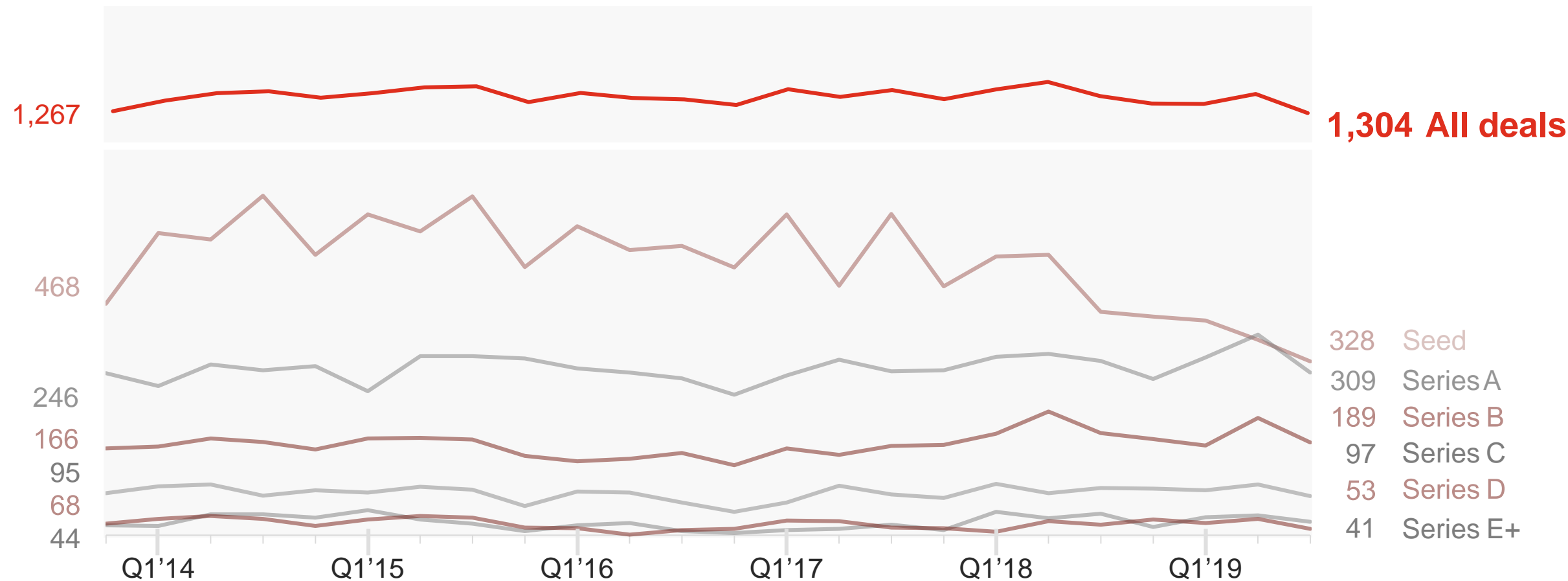
US funding YTD tracking above the past six years

US funding – Quarterly seasonality



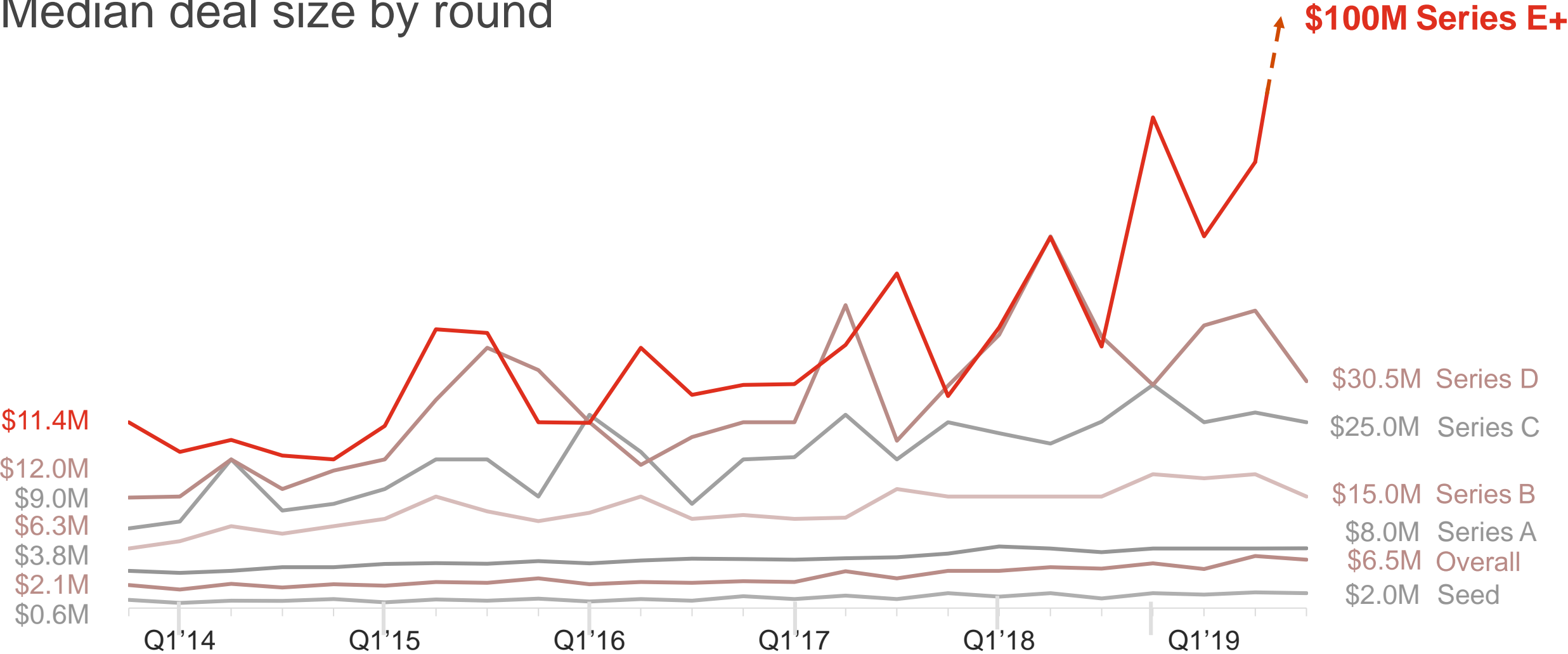
Deal activity down in all funding stages in Q3'19

Deal activity by round



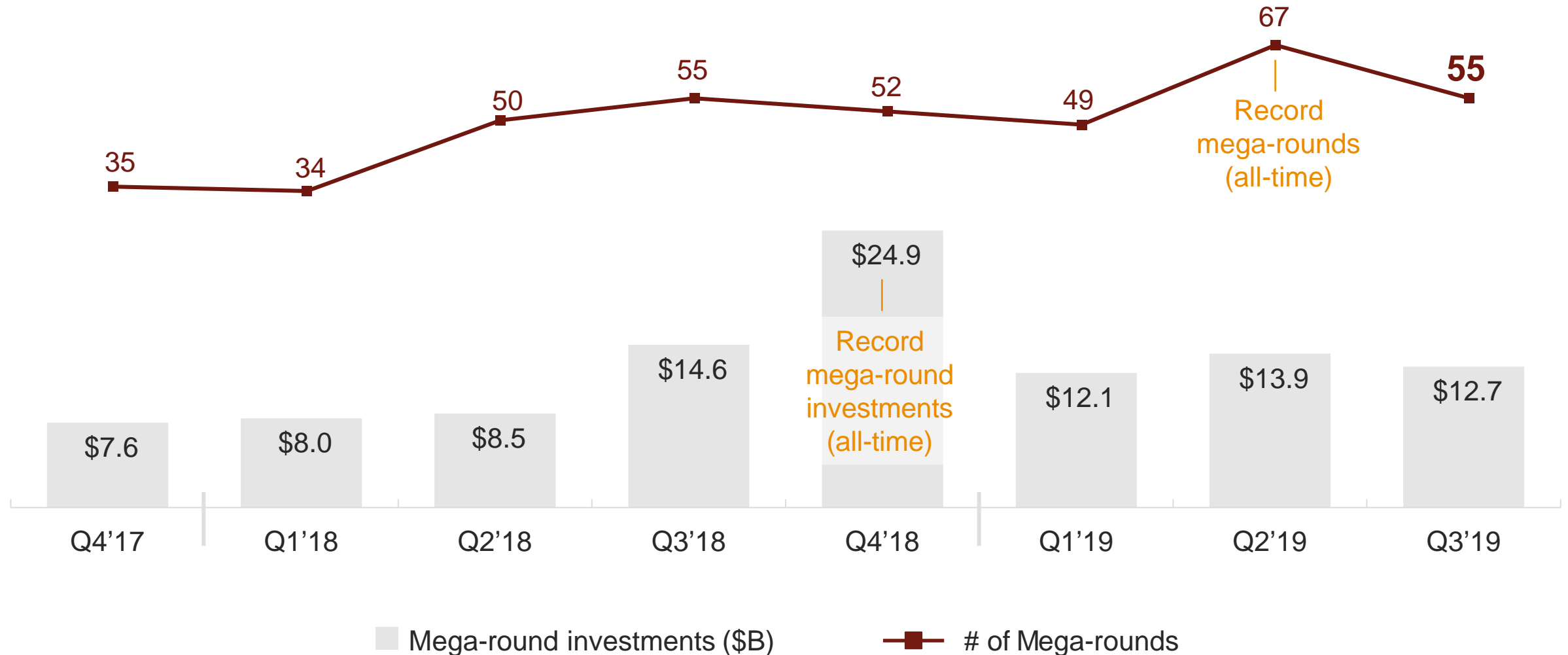
Series E+ median deal size hits \$100M in Q3'19

Median deal size by round



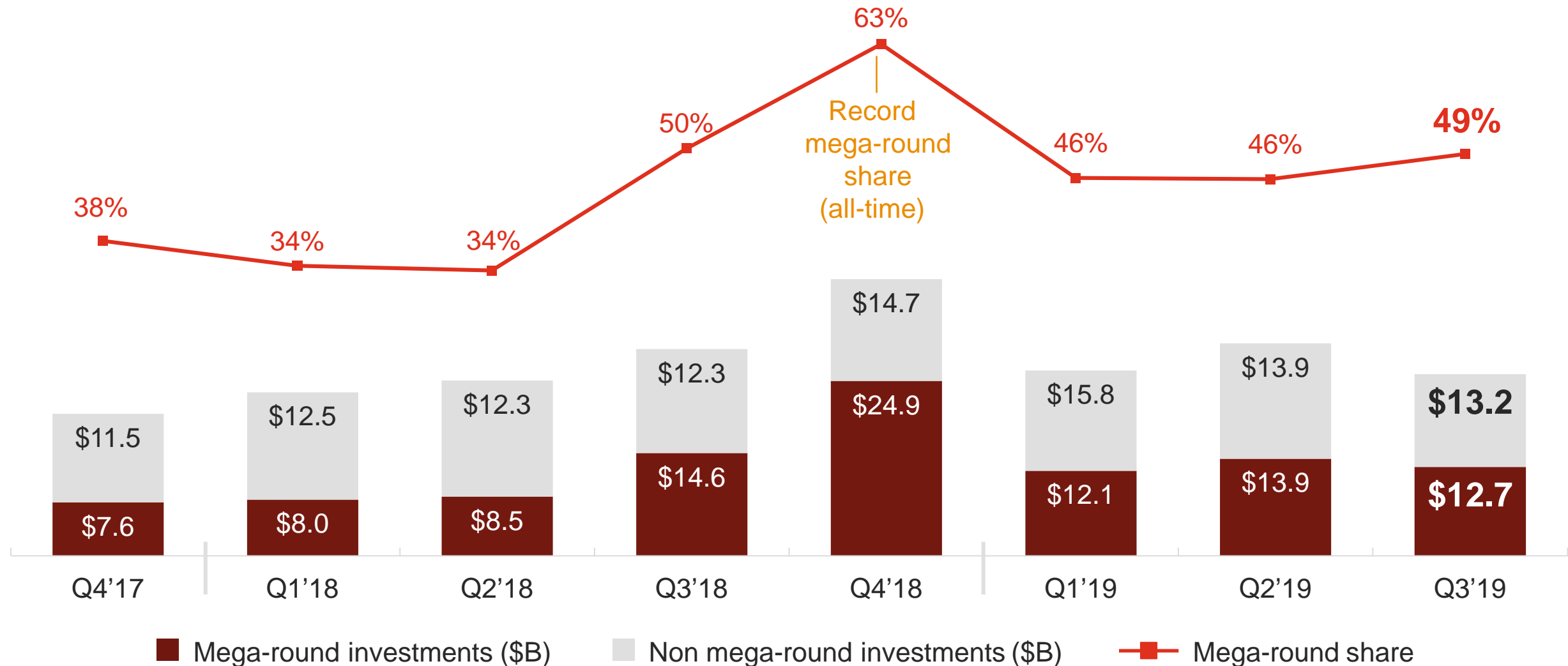
Mega-rounds remain elevated despite fall from record Q2'19

Mega-rounds – Investments and deal counts



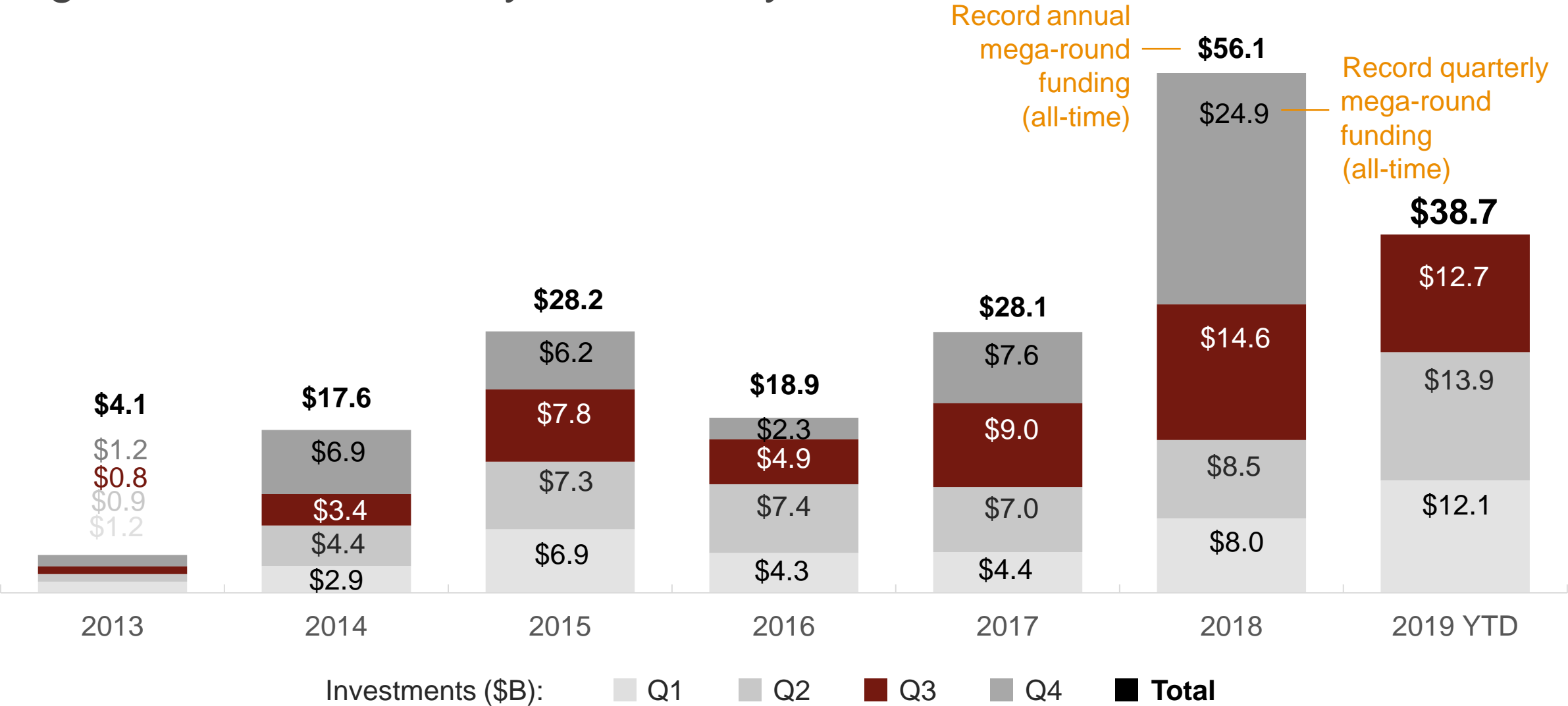
Mega-round investments increase to nearly half of all deals

Mega-rounds – Funding and share of deals



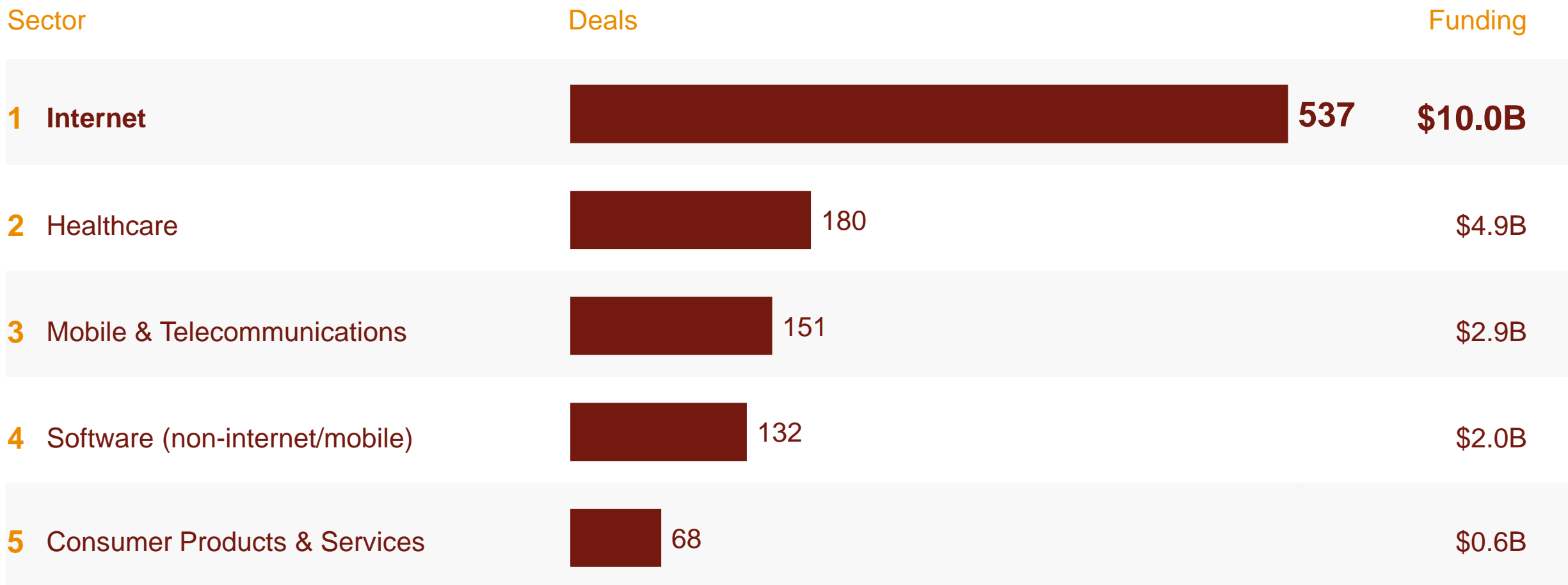
US \$100M+ rounds are still on track to set records again

Mega-rounds – Quarterly seasonality



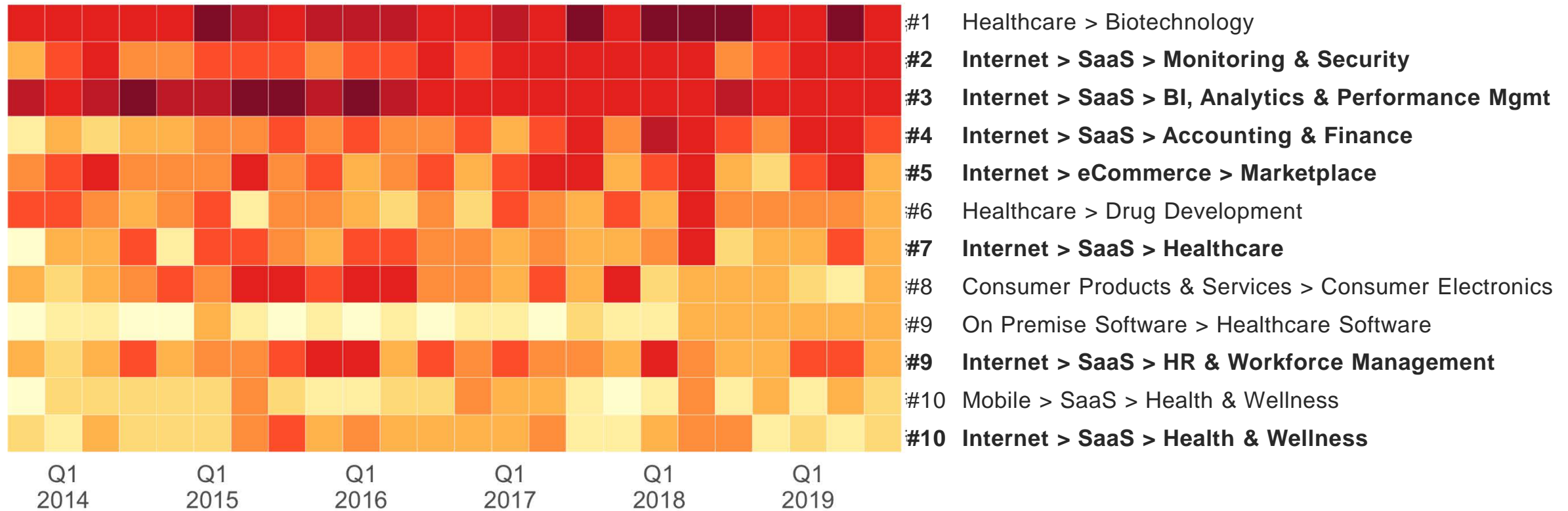
Internet startups continue to receive outsized financing

Deals and dollars – US sectors



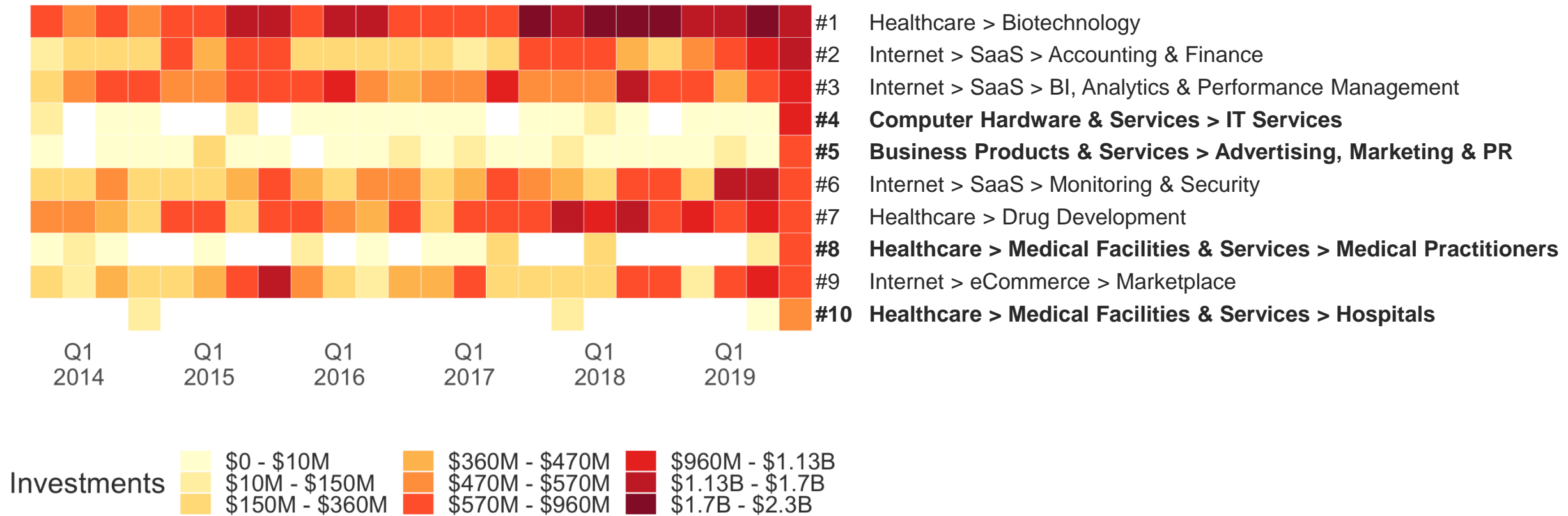
Seven Internet verticals dominate deal activity

Top 10 Verticals by deal activity



Four verticals spike due to large single deals this quarter

Top 10 Verticals by investments



Q3'19 sees one US-based \$1B+ funding round

Largest US deals of Q3'19

	Company	Investment	Round	Select investors	Vertical
1	OpenAI San Francisco, CA	\$1.00B	Other	Microsoft	Computer Hardware & Services IT Services
2	Authentic Brands New York, NY	\$875M	Private Equity	BlackRock	Business Products & Services Advertising Marketing & PR
3	Radiology Partners El Segundo, CA	\$700M	Growth Equity	Starr Investment Holdings	Healthcare Medical Facilities & Services Medical Practitioners
4	Allied Pacific of California Hawthorne, CA	\$545M	Other	Northern Light Venture Capital, s28 Capital	Healthcare Medical Facilities & Services Hospitals
4	Utility Technologies San Francisco, CA	\$525M	Series E+	CPP Investment Board, Sequoia Capital, Silver Lake Partners	Software (non-internet/mobile) Multimedia & Graphics

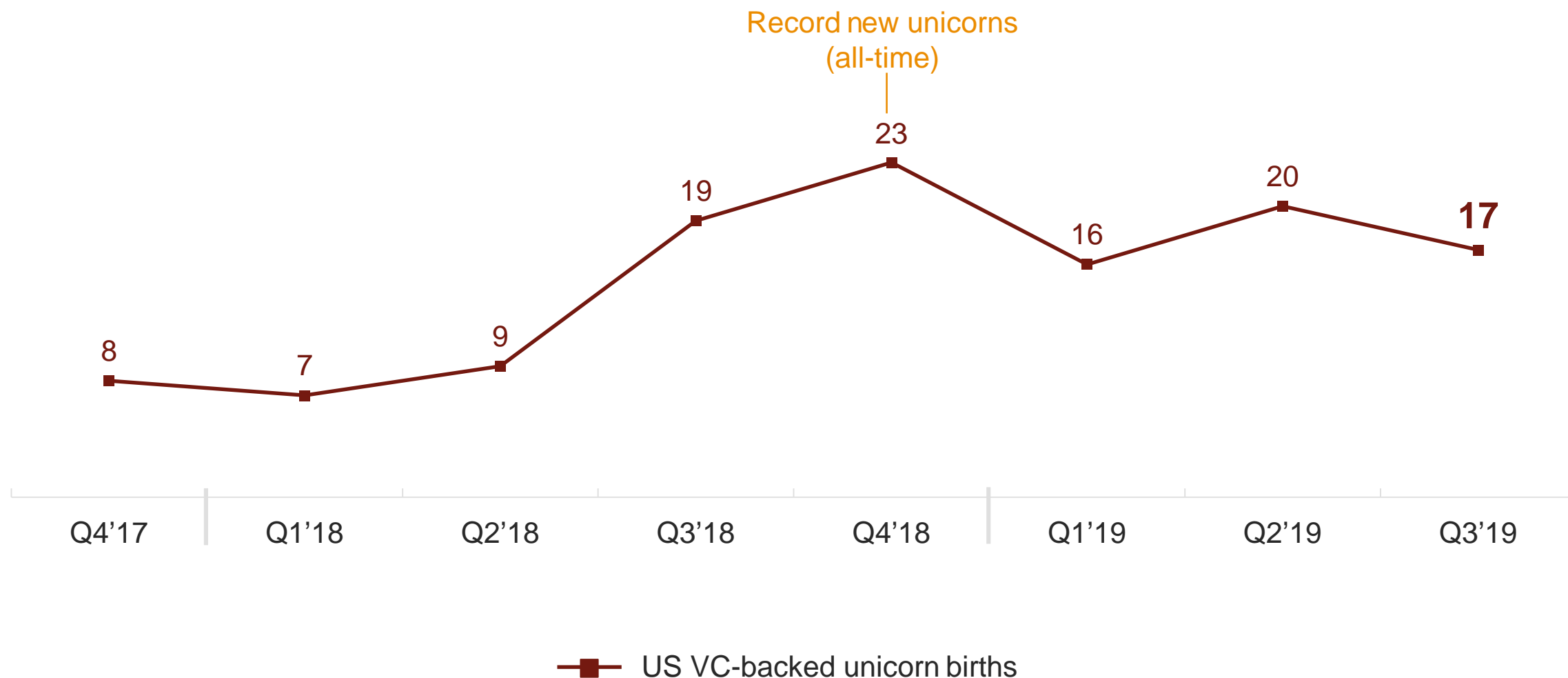
The top funded companies retain their positions in Q3'19

Top 5 funded US companies – Q3'19

Company	Funding	Vertical	Emerging areas	Select investors
1 Juul Labs San Francisco, CA	\$13.6B	Consumer Products & Services Consumer Electronics	Consumer Hardware	Coatue Management, D1 Capital Partners, Tiger Global Management
2 WeWork New York, NY	\$6.6B	Business Product & Services Facilities	Co-Working & Co-Living Spaces	T. Rowe Price, Benchmark Capital, SoftBank Group
3 Airbnb San Francisco, CA	\$3.6B	Internet E-Commerce Travel	On-Demand	Sequoia Capital, Andreessen Horowitz, Greylock Partners, General Catalyst
4 SpaceX Hawthorne, CA	\$2.9B	Industrial Aerospace & Defense	Space Tech	Founders Fund, Threshold Ventures, Fidelity Investments, Google
5 Magic Leap Plantation, FL	\$2.6B	Software (non-internet/mobile) Scientific, Engineering Software	AR/VR	Alibaba Group, Fidelity Investments, Google

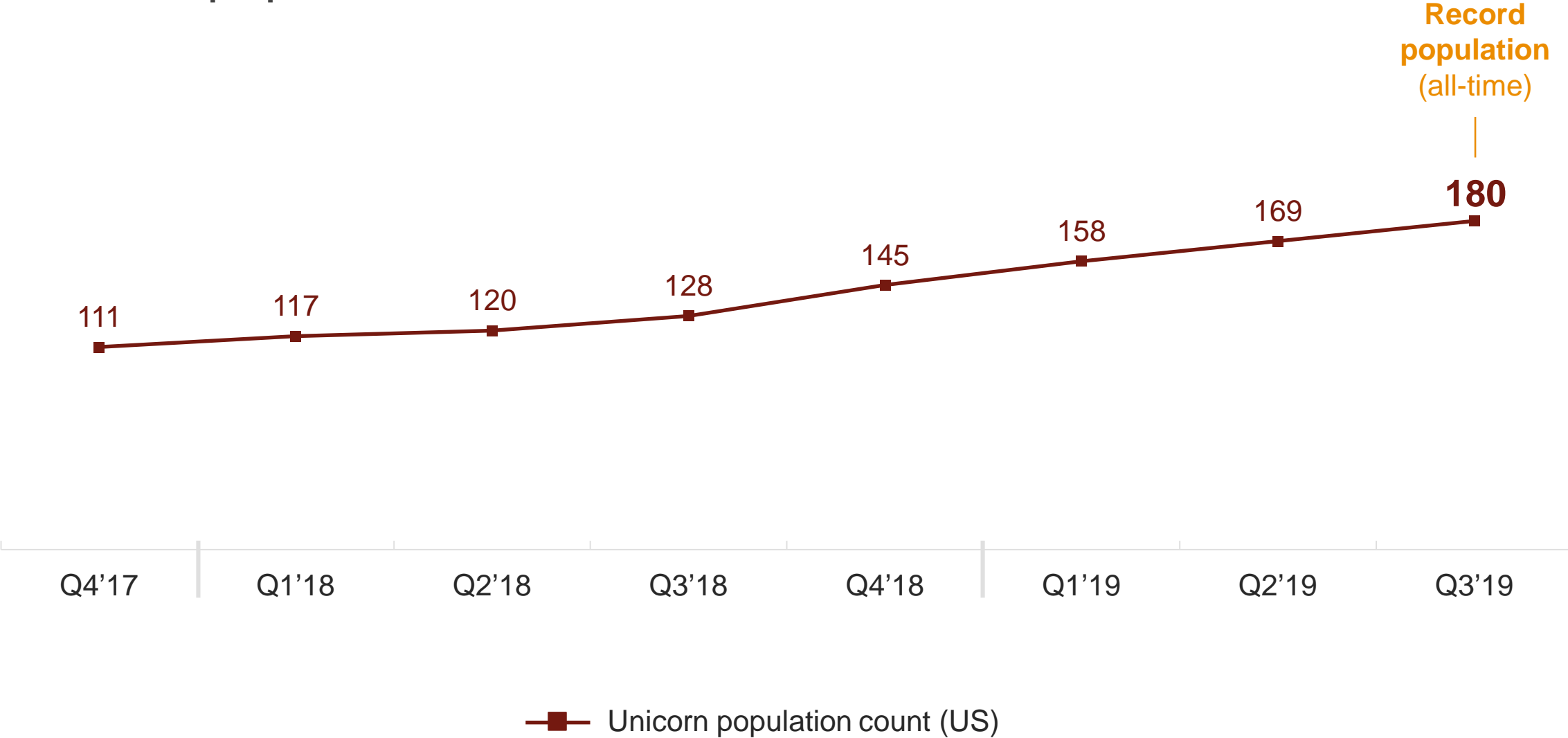
\$100M+ mega-rounds give birth to several new unicorns

Unicorns – New US VC-backed unicorns by quarter



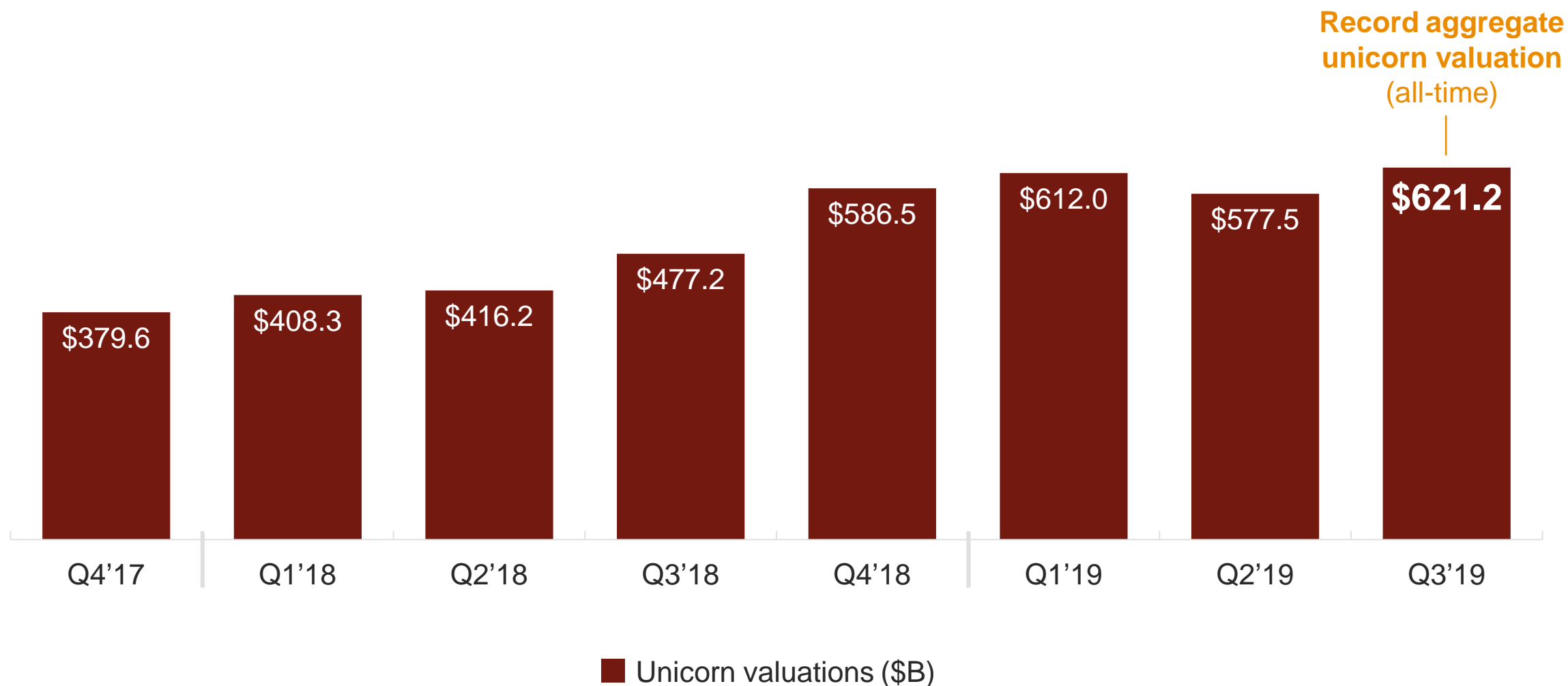
US unicorn population climbs to a new record in Q3'19

US unicorn population



Total value of US unicorns rebounds to a new record in Q3'19

Unicorns – US aggregate unicorn valuation



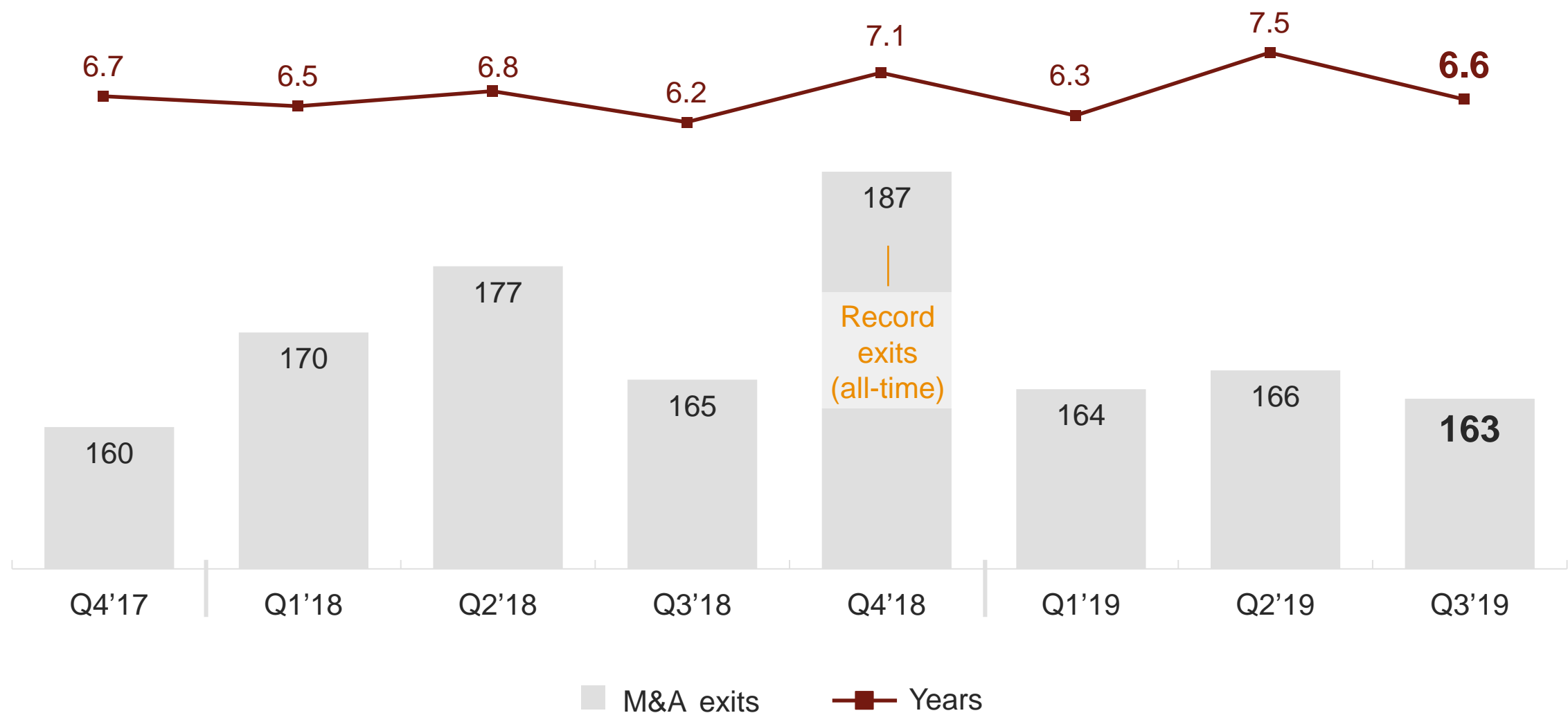
Stripe surpasses Airbnb and SpaceX with a \$35.3B valuation

Top 5 highest valued US unicorns — Q3'19

Company	Valuation	Vertical	Emerging areas	Select investors
1 Juul Labs San Francisco, CA	\$50.0B	Consumer Products & Services Consumer Electronics	Consumer Hardware	Coatue Management, D1 Capital Partners, Tiger Global Management
2 WeWork New York, NY	\$47.0B	Business Product & Services Facilities	Co-Working & Co-Living Spaces	T. Rowe Price, Benchmark Capital, Softbank Group
3 Stripe San Francisco, CA	\$35.3B	Internet Software & Services Payments	Fin Tech	Khosla Ventures, Lowercase Capital, capital
4 Airbnb San Francisco, CA	\$35.0B	Internet E-Commerce Travel	On-Demand	Sequoia Capital, Andreessen Horowitz, Greylock Partners, General Catalyst
5 SpaceX Hawthorne, CA	\$33.3B	Industrial Aerospace & Defense	Space Tech	Founders Fund, Threshold Ventures, Fidelity Investments, Google

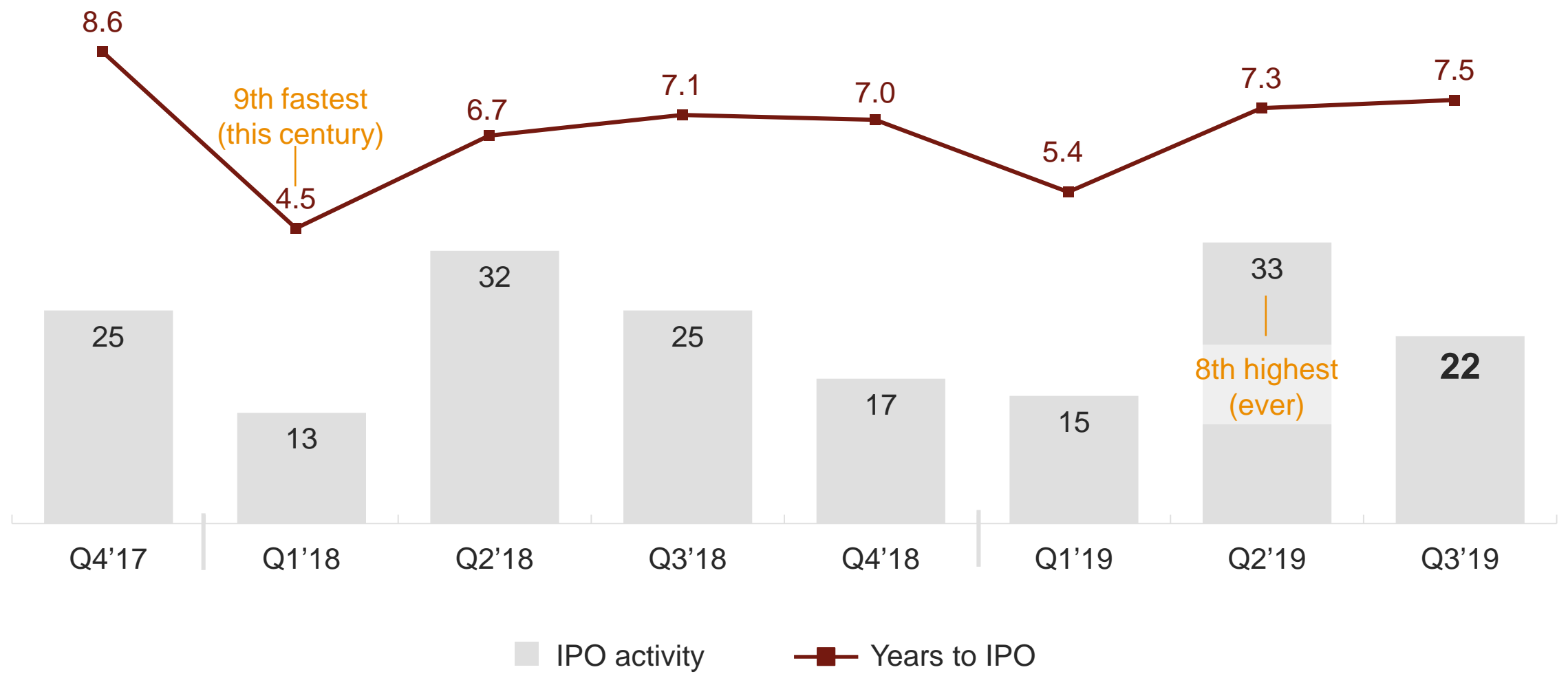
M&A exits and time-to-liquidation decline slightly in Q3'19

US M&A exits — Quarterly



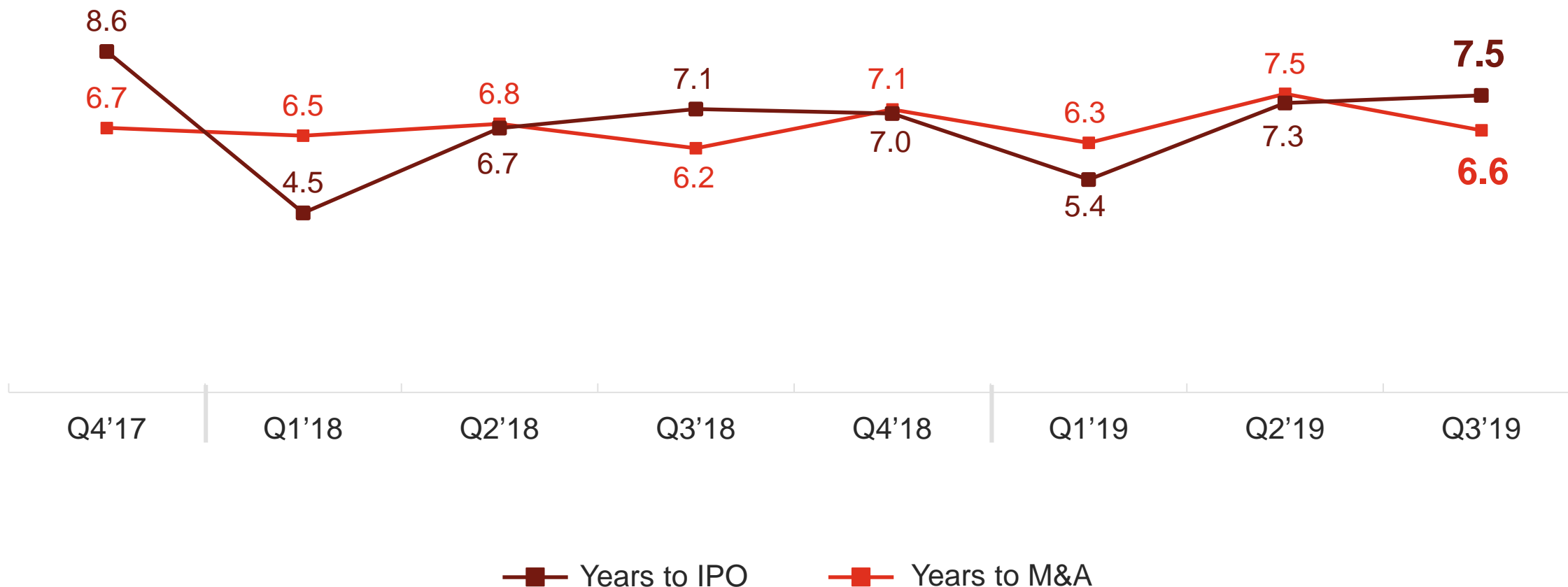
US IPO exits dip after record Q2'19, time-to-IPO remains flat

US IPOs — Quarterly



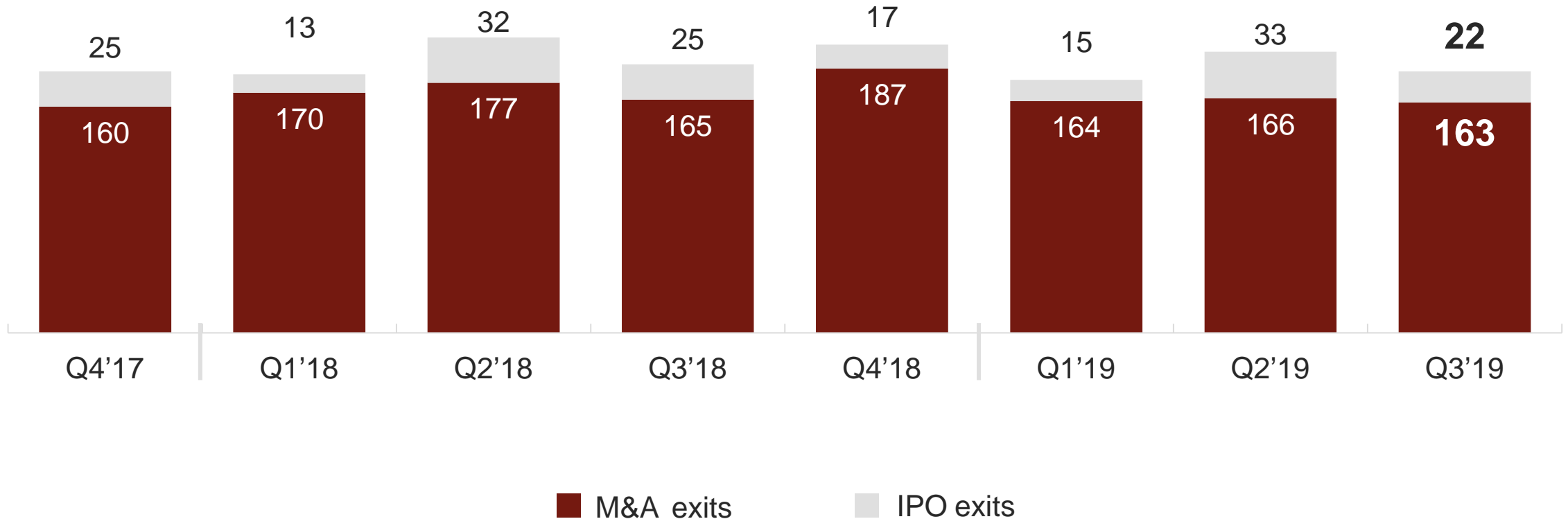
IPO exits take longer than M&A by nearly a year

M&A exits and IPOs — Time-to-exit



Q3'19 IPO exits see larger decline than M&A exits

M&A exits and IPOs — Number of exits



Internet and Healthcare sectors dominate top deals

Top 5 M&A exits of Q3'19

Company	Last round	Valuation	Verticals	Select prior investors	Buyer
1 Morphe San Francisco, CA	Growth Equity	\$2.2B	Consumer Products & Services Personal Care Products	Summit Partners	General Atlantic
2 SignalFX San Mateo, CA	Series E	\$1.1B	Internet Internet Software & Services Monitoring & Security	Andreessen Horowitz, CRV	Splunk
3 BlueRock Therapeutics Cambridge, MA	Incubator/ Accelerator	\$1.0B	Healthcare Biotechnology	JLabs, Bayer, Versant Ventures	Bayer
3 Acquia Boston, MA	Other	\$1.0B	Internet Internet Software & Services Customer Relationship Management	New Enterprise Associates, Goldman Sachs, Sigma Prime Ventures	Vista Equity Partners
3 Semma Therapeutics Cambridge, MA	Series B	\$1.0B	Healthcare Biotechnology	ARCH Venture Partners, F-Prime Capital	Vertex Pharmaceuticals

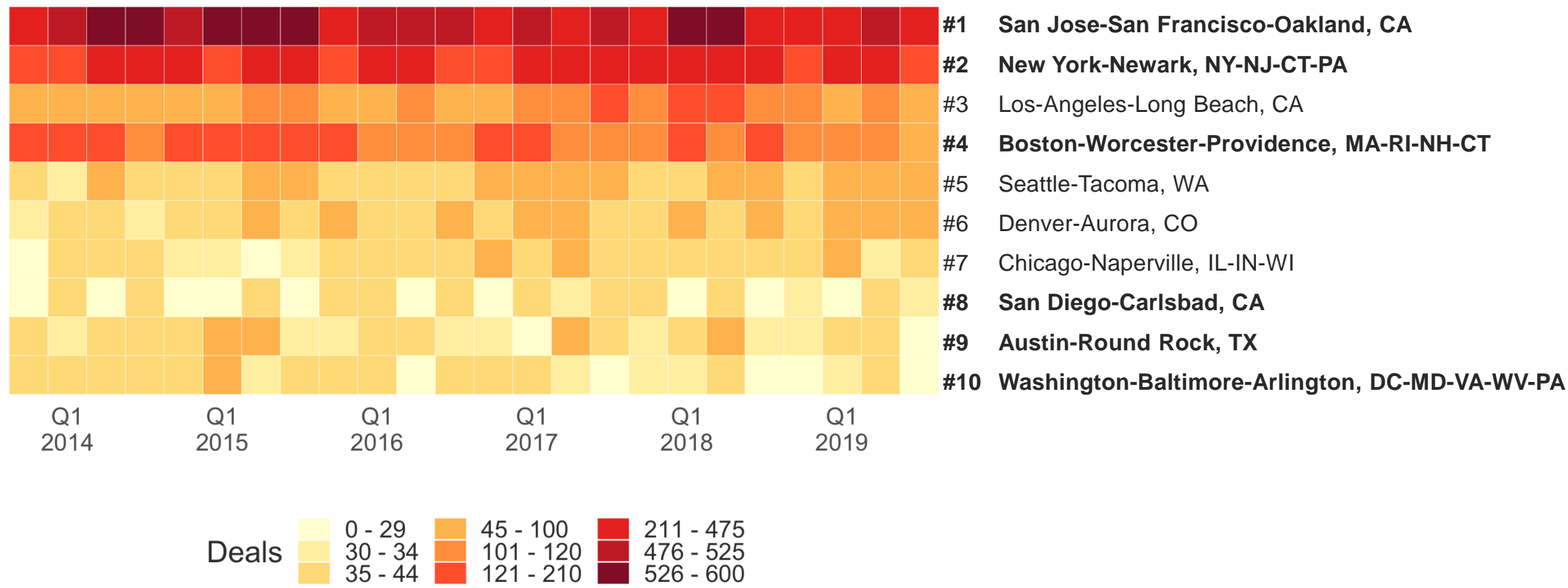
New York takes the top two IPOs of Q3'19

Top 5 IPOs of Q3 2019

Company	Last round	Valuation	Verticals	Select prior investors
1 Peloton New York, NY	Series F	\$8.1B	Internet Internet Software & Services Health & Wellness	Tiger Global, 2x Consumer Products Growth Partners, Balyasny Asset Management
2 Datadog New York, NY	Series D	\$7.8B	Internet Internet Software & Services Business Intelligence	Amplify Partners, Battery Ventures, IA Ventures
3 10X Genomics Pleasanton, CA	Series D	\$3.6B	Healthcare Biotechnology	Vital Venture Capital, Foresite Capital, Paladin Capital Group
4 Medallia San Francisco, CA	Series E	\$2.6B	Internet Internet Software & Services Business Intelligence	Sequoia Capital, RGM Capital, Wasatch Advisors
5 Livongo Health Mountain View, CA	Series E	\$2.5B	Mobile & Telecommunications Mobile Software & Services Health & Wellness	7wire Ventures, Slow Ventures, General Catalyst

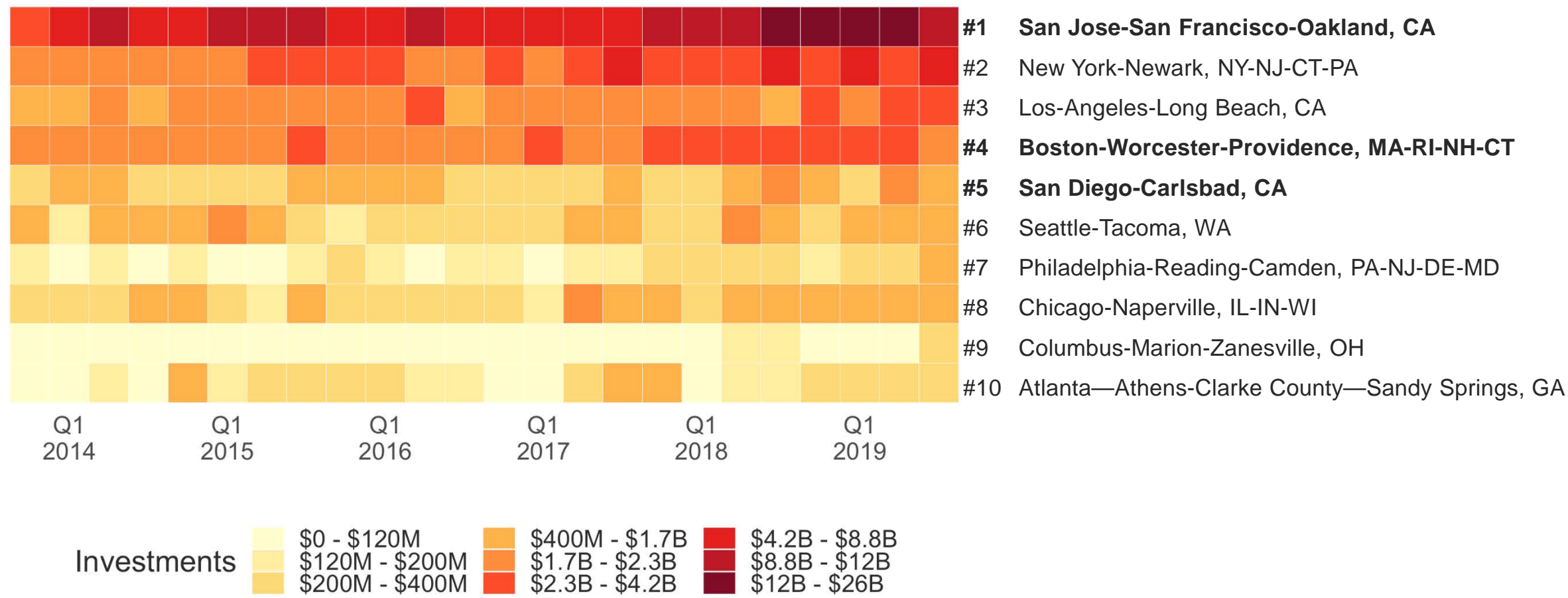
Six Top 10 Metros see over 15% drops in deal activity

Top 10 Metros by deal activity



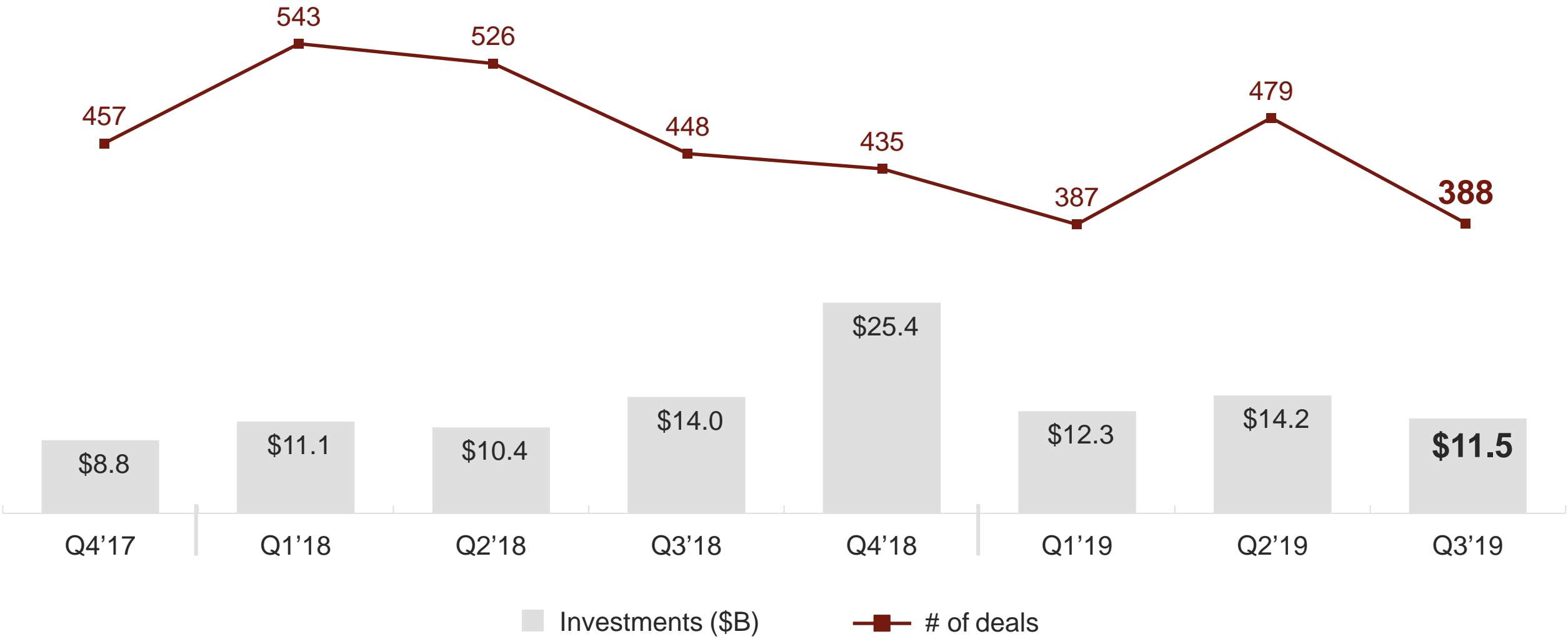
Three Top 10 Metros see investments drop over 10%

Top 10 Metros by investments



Q3'19 deal activity and investments decline compared to Q2'19

Silicon Valley deals and dollars – Quarterly



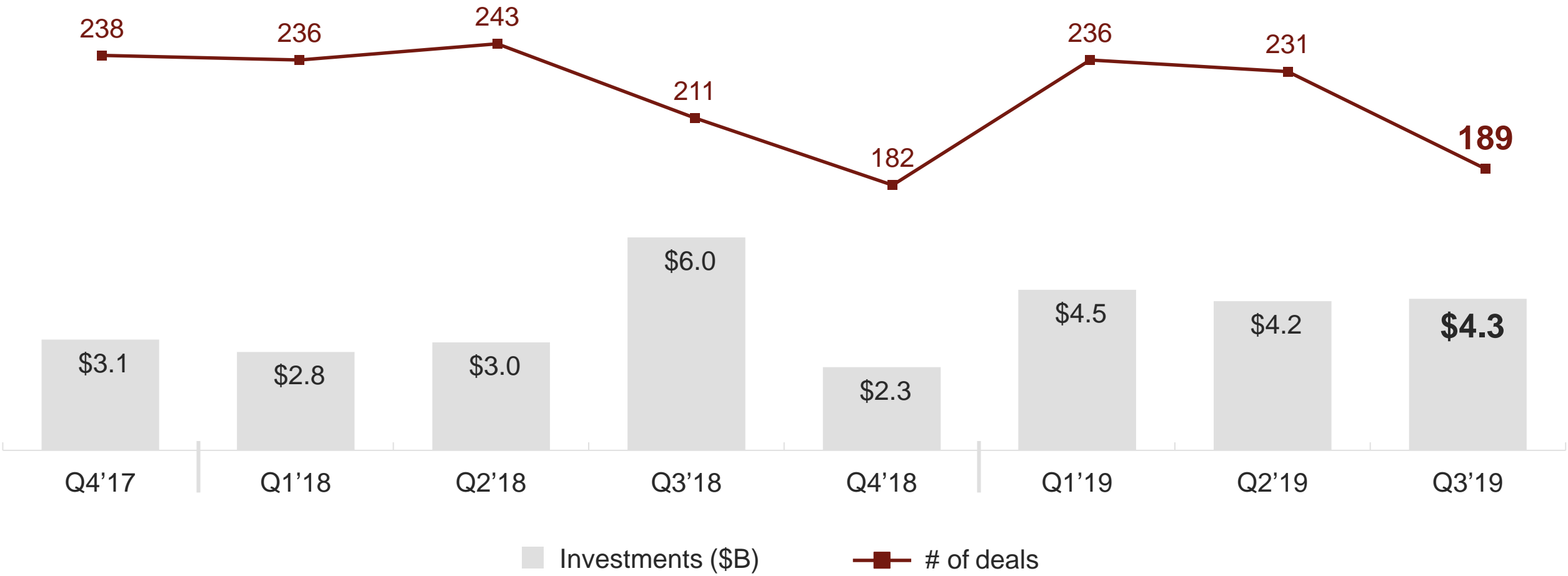
Silicon Valley still raises six \$300M or greater rounds

Top Silicon Valley deals

Company	Investment	Round	Select investors	Vertical
1 OpenAI San Francisco, CA	\$1.00B	Other	Microsoft	Computer Hardware & Services IT Services
2 Unity Technologies San Francisco, CA	\$525M	Series E+	D1 Capital Partners, Sequoia Capital, Silver Lake Partners	Software (non-internet/mobile) Multimedia & Graphics
3 Robinhood Menlo Park, CA	\$323M	Series E+	New Enterprise Associates, Sequoia Capital, Thrive Capital	Mobile & Communications Mobile Software & Services Asset & Financial Management & Trading
4 Automattic San Francisco, CA	\$300M	Series D	Salesforce Ventures	Internet Internet Software & Services Web Development
4 Wish San Francisco, CA	\$300M	Series E+	General Atlantic	Internet eCommerce Marketplace
4 Samsara Network San Francisco, CA	\$300M	Series E+		Software (non-internet/mobile) Business Intelligence

New York deal activity falls while investments increase slightly

New York Metro deals and dollars – Quarterly



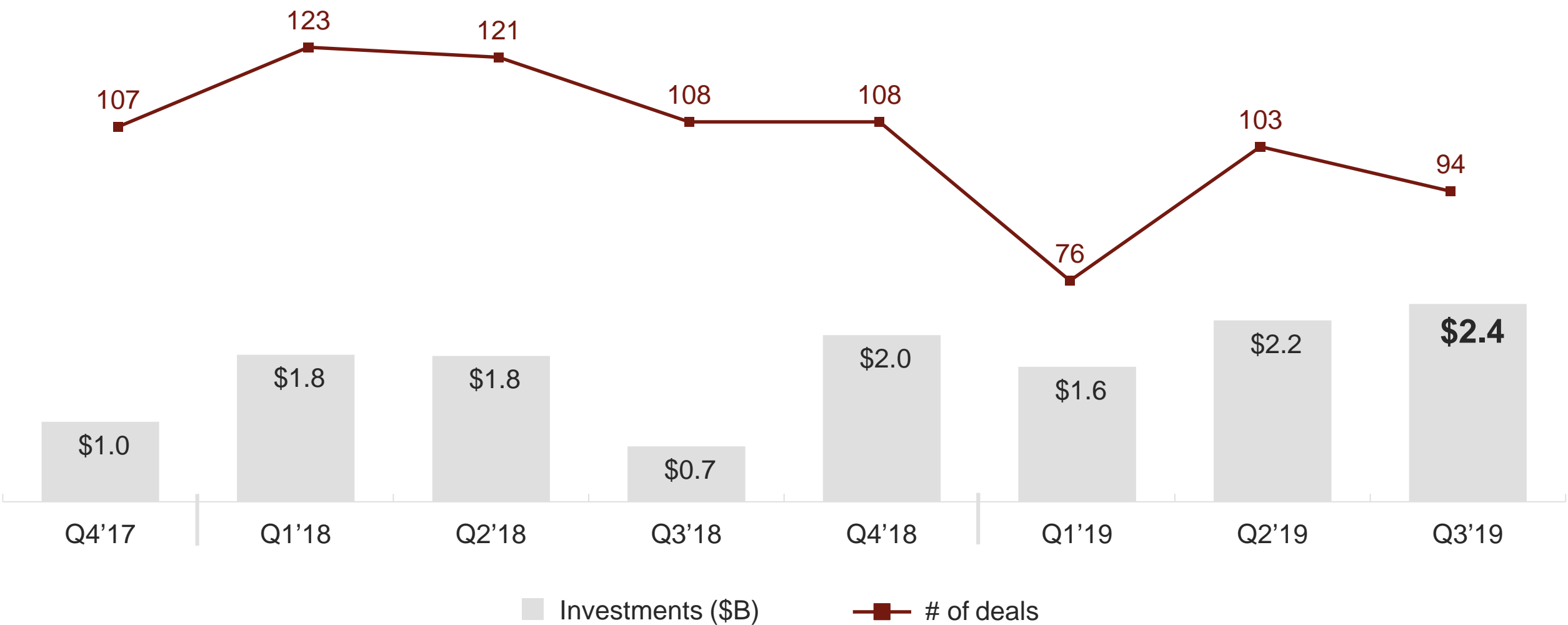
Business products & services startups see over \$1B in funding

Top 5 New York Metro deals

Company	Investment	Round	Select investors	Vertical
1 Authentic Brands New York, NY	\$875M	Private Equity	BlackRock	Business Products & Services Advertising Marketing & PR
2 Knotel New York, NY	\$400M	Series C	Bloomberg Beta, Mercuria Investment, Rocket Internet	Business Products & Services Facilities
3 Compass New York, NY	\$370M	Series G	CPP Investment Board, Dragoneer Investment Group, Softbank Group	Internet Internet Software & Services Real Estate
4 Capsule New York, NY	\$200M	Series C	Technology Crossover Ventures, Thrive Capital, Virgin Group	Mobile & Telecommunications Mobile Commerce Pharmacies
5 Wheels Up Partners New York, NY	\$128M	Series D	Fidelity Investments, T. Rowe Price	Automotive & Transportation Air

LA Metro quarterly deals fall but total funding increases

LA Metro deals and dollars – Quarterly



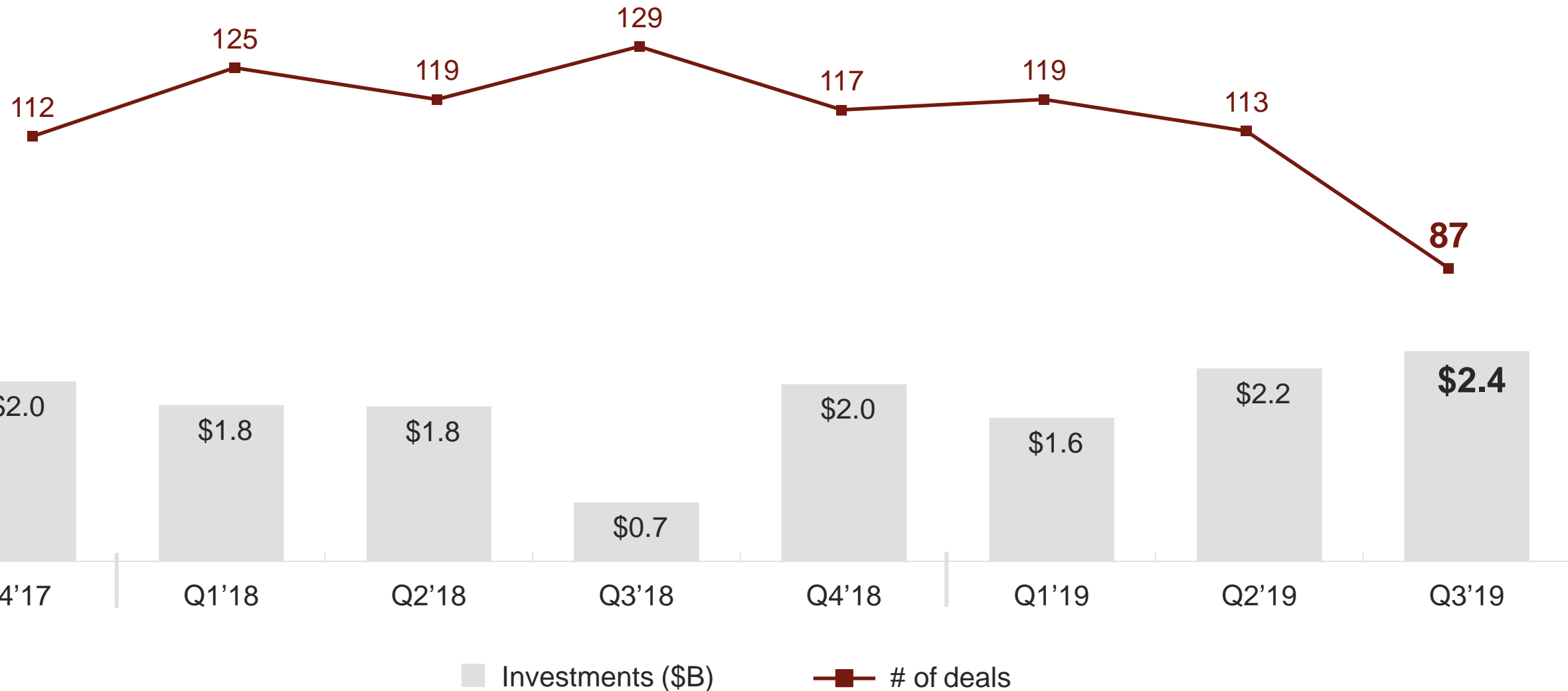
LA Metro startups raised multiple \$100M+ rounds in Q3'19

Top 5 LA Metro deals

Company	Investment	Round	Select investors	Vertical
1 Radiology Partners El Segundo, CA	\$700M	Growth Equity	Starr Investment Holdings	Healthcare Medical Facilities & Services Medical Practitioners
2 Allied Pacific of California Alhambra, CA	\$545M	Other	Northern Light Venture Capital, s28 Capital	Healthcare Medical Facilities & Services Hospitals
3 sweetgreen Culver City, CA	\$150M	Series E+	D1 Capital Partners, Lone Pine Capital	Leisure Restaurants Quick Service
4 Tala Santa Monica, CA	\$110M	Series D	GGV Capital, PayPal Ventures	Internet Internet Software & Services Advertising, Sales, & Marketing
5 PacketFabric Culver City, CA	\$75M	Series C	Digital Alpha Advisors	Internet Internet Software & Services HR & Workforce Management

Larger deals taking place in Boston amid drop in deal activity

Boston Metro deals and dollars – Quarterly



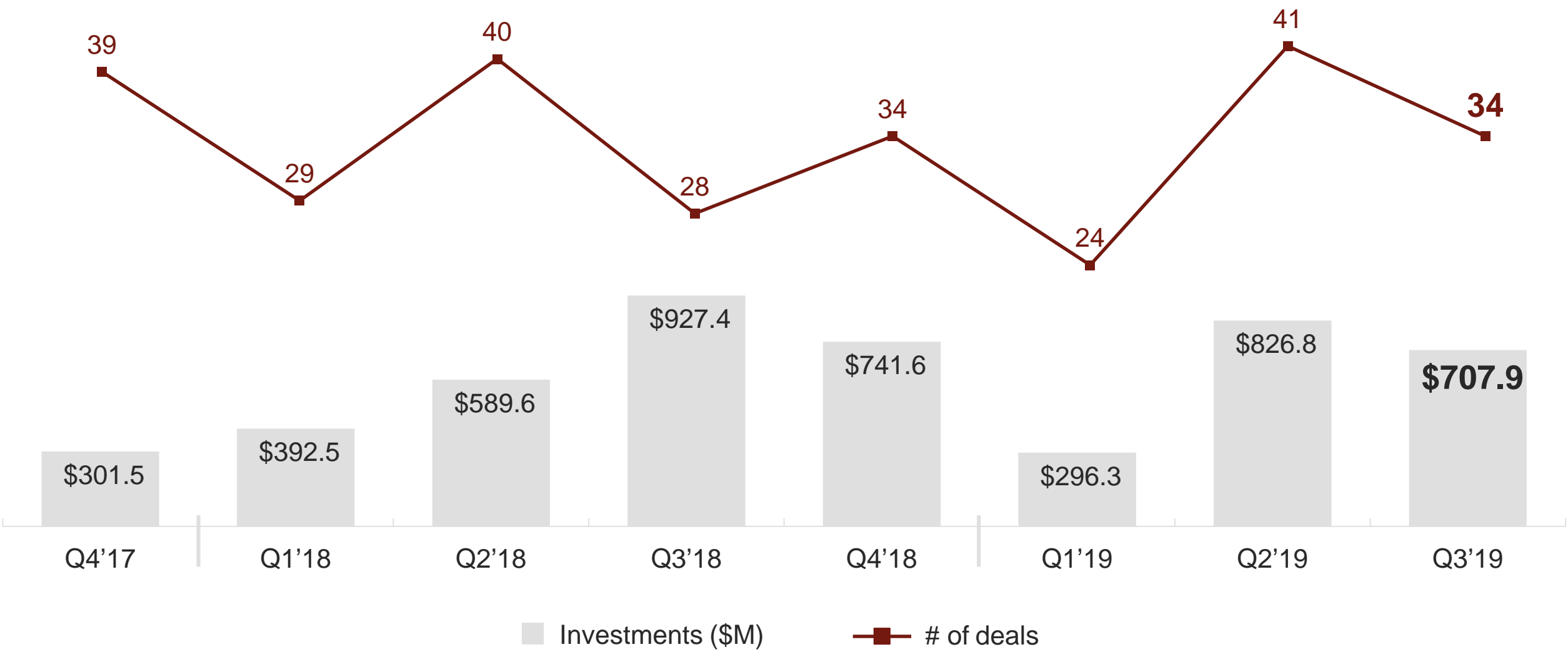
Three \$100M+ mega-rounds lead Boston Metro's Q3'19 deals

Top 5 Boston Metro deals

Company	Investment	Round	Select investors	Vertical
1 Ginkgo BioWorks Boston, MA	\$290M	Series E+	Y Combinator, Viking Global Investors, OS Fund	Healthcare Biotechnology
2 DataRobot Boston, MA	\$206M	Series E+	New Enterprise Associates, Accomplice, Intel Capital, IA Ventures	Internet Internet Software & Services Testing
3 Cybereason Boston, MA	\$200M	Series E+	SoftBank Group, CRV, Spark Capital, Lockheed Martin	Internet Internet Software & Services Monitoring & Security
4 Inari Cambridge, MA	\$89M	Series C	Flagship Pioneering, Acre Venture Partners	Agricultural Agricultural products & related activities
5 Frequency Therapeutics Waburn, MA	\$80M	Other	Cobro Ventures, Taiwania Capital, Axil Capital, Polaris Founders Capital, Alexandria Venture Investments	Internet Internet Software & Services HR & Workforce Management

Deals and total investments decline after strong Q2'19

San Diego Metro deals and dollars – Quarterly



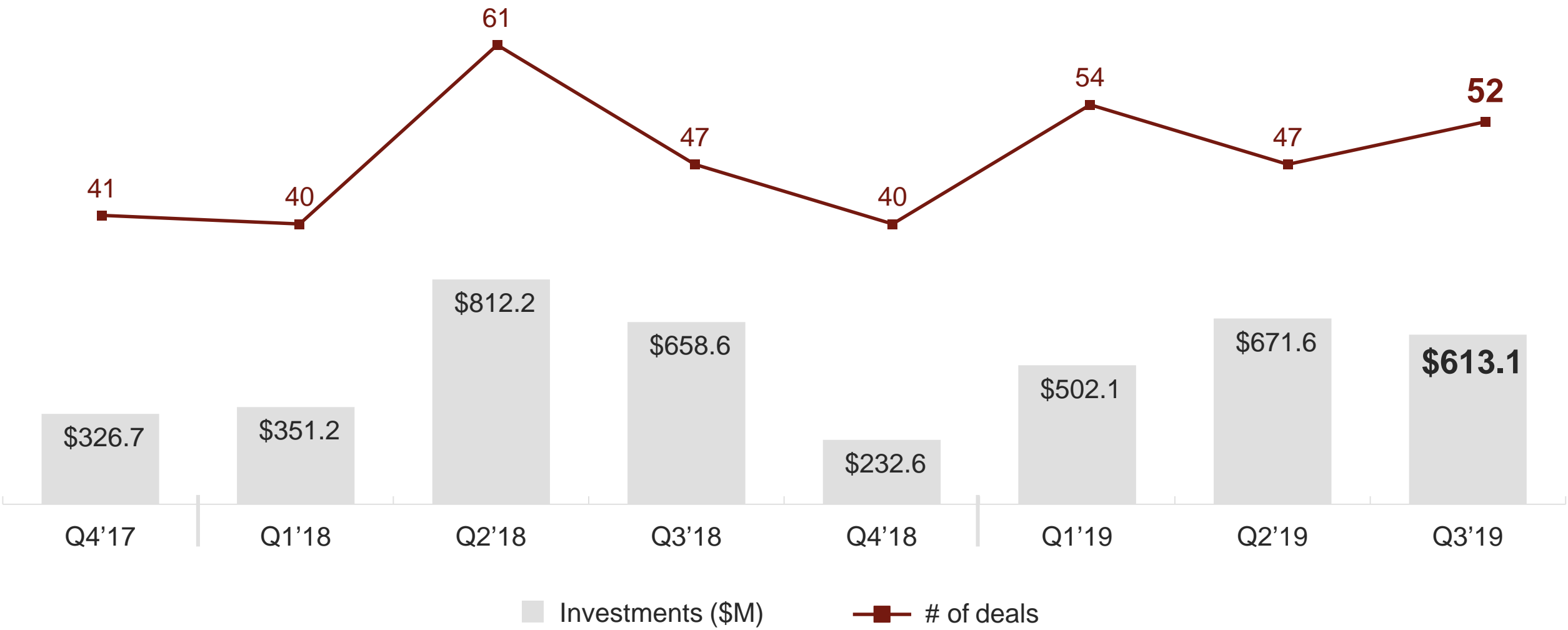
Non-healthcare startups win majority of Top 5 deals in San Diego

Top 5 San Diego Metro deals

Company	Investment	Round	Select investors	Vertical
1 Trackforce Valient San Diego, CA	\$150M	Growth Equity	K1 Capital	Mobile & Telecommunications Mobile Software & Services HR & Workforce Management
2 SmartDrive Systems San Diego, CA	\$90M	Series H	TSSP	Automotive & Transportation Transportation Services Logistics Services
3 Ansun Biopharma San Diego, CA	\$78M	Series B	3E Bioventures, Delos Advisors, Lilly Asia Ventures	Healthcare Drug Development
4 Boundless Bio La Jolla, CA	\$46M	Series A	ARCH Venture Partners, GT Healthcare Capital Partners	Healthcare Biotechnology
5 Vuori Encinitas, CA	\$45M	Series A	Norwest Venture Partners	Internet eCommerce Apparel & Accessories

Seattle Q3'19 funding declines despite increase in deal activity

Seattle Metro deals and dollars – Quarterly



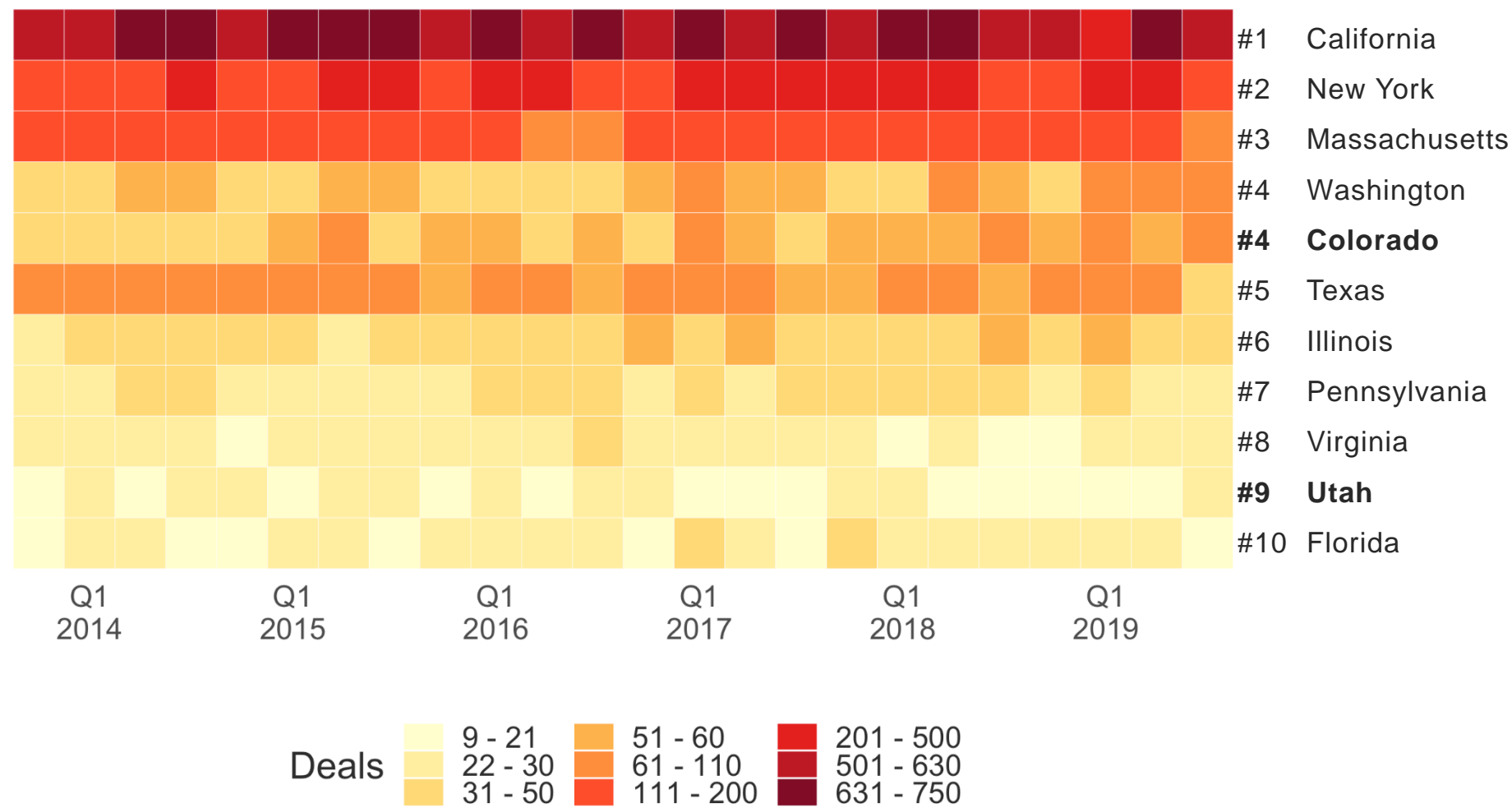
Seattle-based startups see two \$100M+ rounds in Q3'19

Top Seattle Metro deals

Company	Investment	Round	Select investors	Vertical
1 Remitly Seattle, WA	\$135M	Series E	DN Capital, Prudential, Top Tier Capital	Mobile & Telecommunications Mobile Software & Services Payments
2 Icertis Bellevue, WA	\$115M	Series E	Greycroft, Ignition Partners	Internet Internet Software & Services Application & Data Integration
3 Amperity Seattle, WA	\$50M	Series C	Goldman Sachs, Madera Technology Partners, Tiger Global Management	Internet Internet Software & Services Advertising, Sales, & Marketing
4 nutpods Bellevue, WA	\$34M	Series C	CircleUp Growth Partners, VMG Partners	Food & Beverages Ingredients Flavoring & Condiments
5 Mason America Seattle, WA	\$25M	Series A	Base10 Partners, Coatue Management, GGV Capital	Computer Hardware & Services Handheld Computers & Accessories
5 Faraday Pharmaceuticals Seattle, WA	\$25M	Series B	ARCH Venture Partners, Polaris Partners	Healthcare Biotechnology

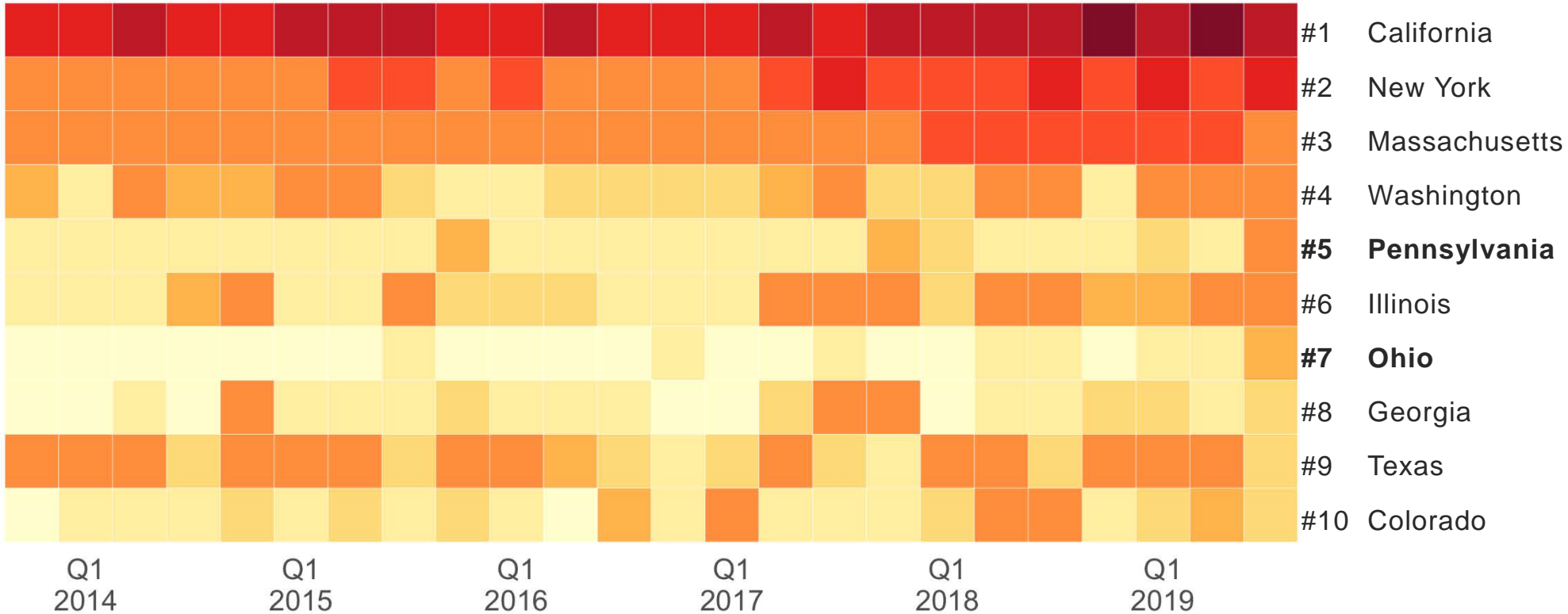
Colorado and Utah get more deals amid overall slowdown

Top 10 States by deal activity



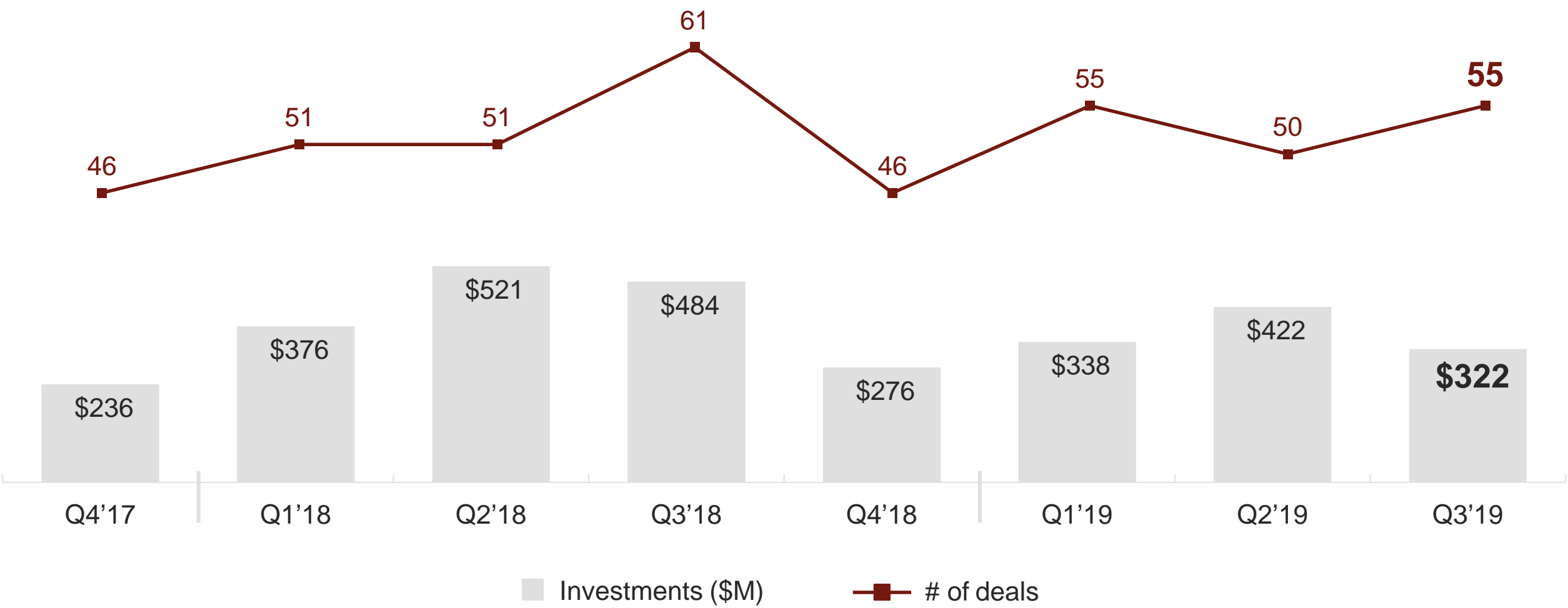
Two states more than double investments while most decline

Top 10 States by investments



Colorado sees an increase in deals in Q3'19

Colorado deals and dollars – Quarterly



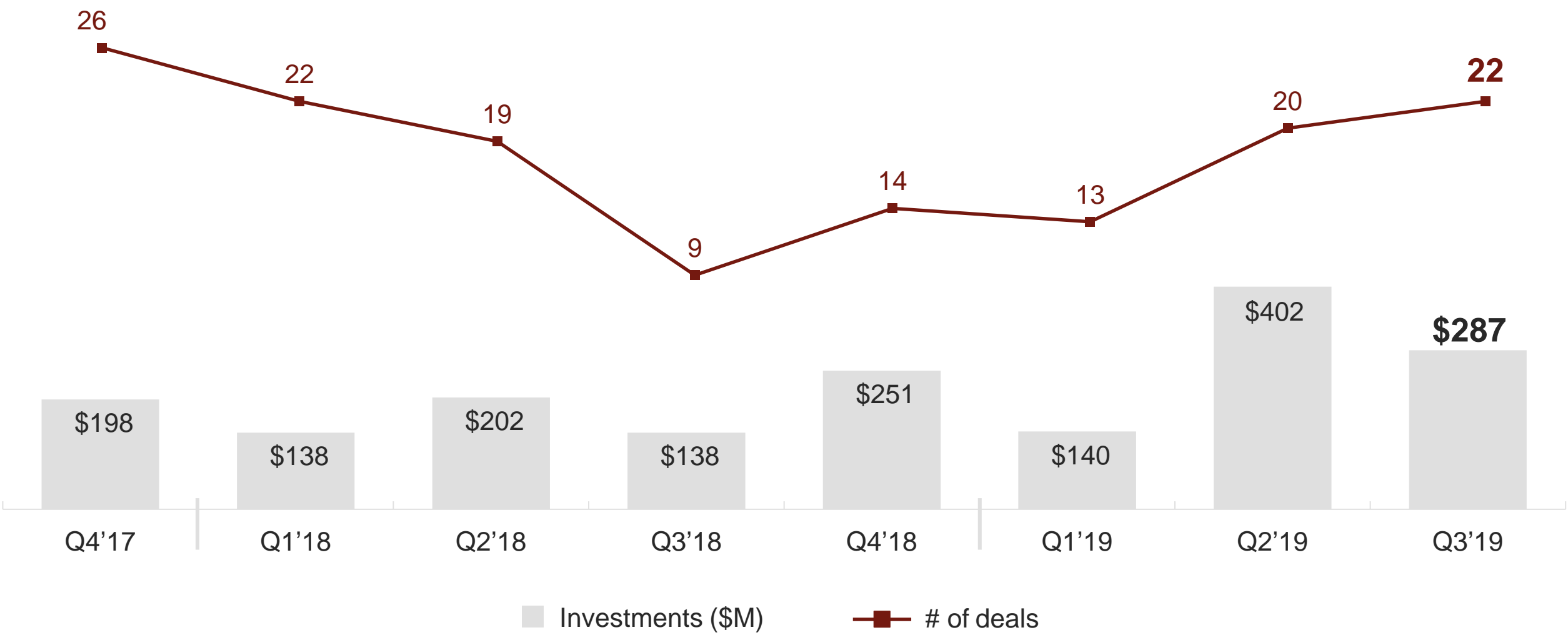
Expansion stage startups receive funding in Colorado

Top 5 Colorado Metro deals

Company	Investment	Round	Select investors	Vertical
1 Edgewise Therapeutics Boulder, CO	\$50M	Series B	U.S. Venture Partners, Deerfield Management, OrbiMed Advisors	Healthcare Drug Discovery
2 Techstars Boulder, CO	\$42M	Series C	Foundry Group, Silicon Valley Bank	Financial Investment Firms & Funds
3 Denovo Ventures Niwot, CO	\$18M	Corp. Min	CIT Group	Computer Hardware & Services IT Services Infrastructure & Hosting
4 Hotel Engine Denver, CO	\$16M	Series A	Telescope Partners	Internet Internet Software & Services Travel
5 Ursa Major Technologies Berthoud, CO	\$15M	Series B	Alpha Edison, Alsop Louie Partners	Internet eCommerce Apparel & Accessories

Utah deals see steady increase in Q3'19

Utah deals and dollars – Quarterly



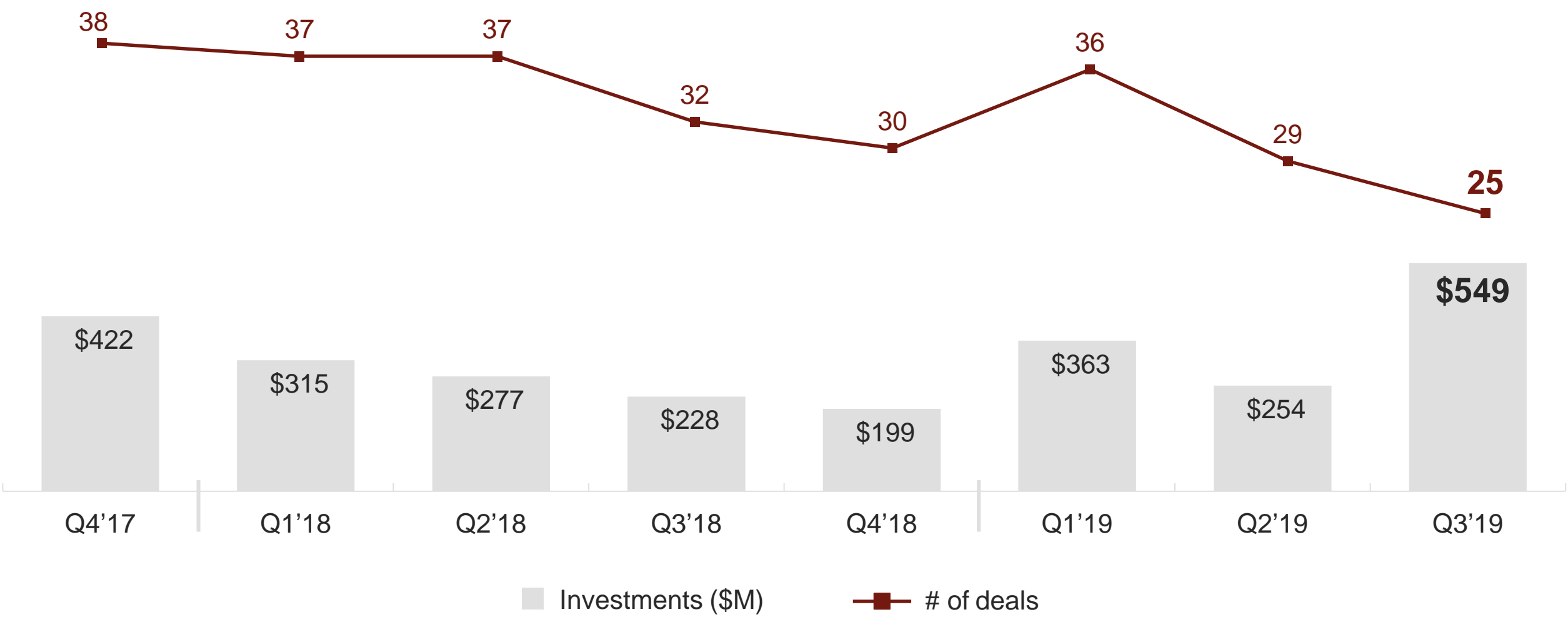
Healthcare startups drive investments up for Q3'19

Top 5 Utah Metro deals

Company	Investment	Round	Select investors	Vertical
1 Recursion Pharmaceuticals Salt Lake City, UT	\$121M	Series C	Baillie Gifford & Co., Felicis Ventures, Menlo Ventures	Healthcare Biotechnology
2 Dental Intelligence Pleasant Grove, UT	\$34M	Series A	K1 Capital	Software (non-internet/mobile) Content Management Software
3 Sera Prognostics Salt Lake City, UT	\$26M	Series D	Upstart Venture, Catalyst Health Ventures	Healthcare Disease Diagnostics
4 The Void Lindon, UT	\$20M	Series B	Lupa Systems	Consumer Products & Services Consumer Electronics
5 Alternative Behavior Strategies Salt Lake City, UT	\$17M	Unattributed	ABS Capital Partners, Petra Capital Partners	Healthcare Medical Facilities & Services Specialized Healthcare Services

Q3'19 deals fall, funding more than doubles from Q2'19

Pennsylvania deals and dollars – Quarterly



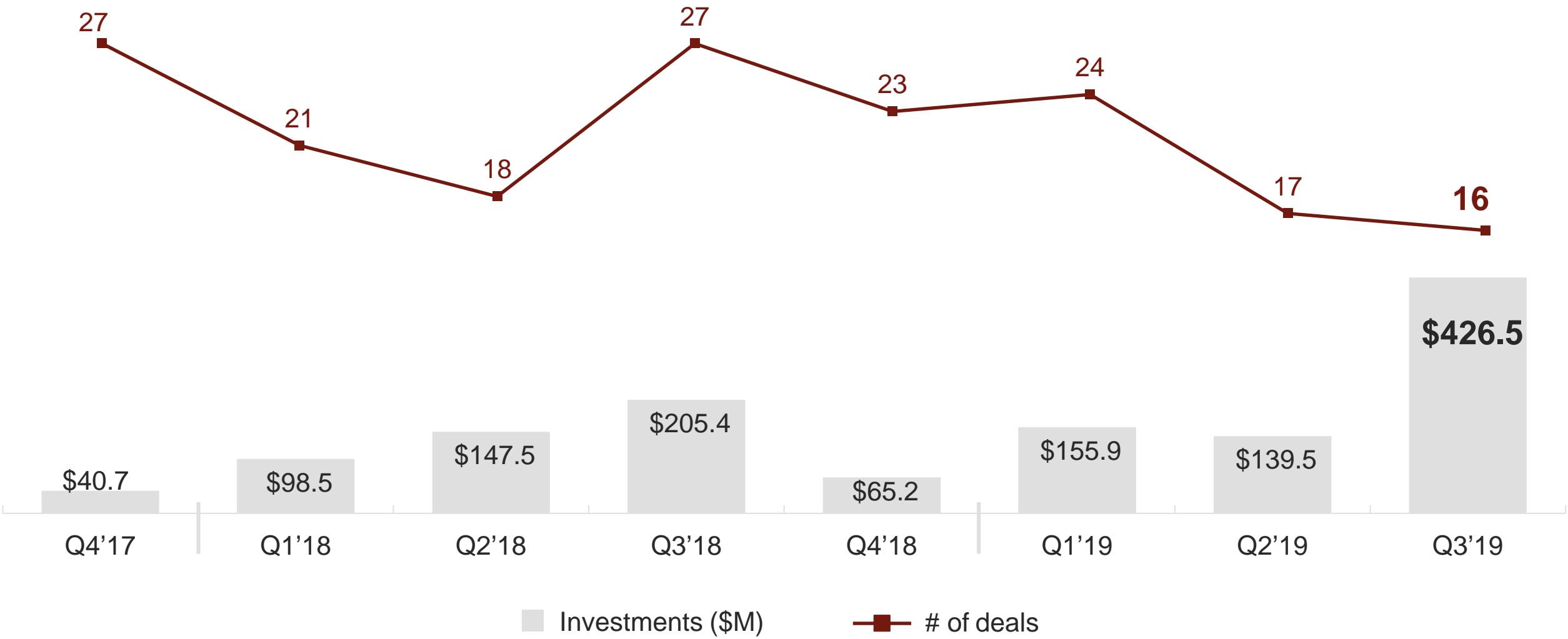
Top deals in Pennsylvania go to early stage startups

Top 5 Pennsylvania Metro deals

Company	Investment	Round	Select investors	Vertical
1 Century Therapeutics Philadelphia, PA	\$250M	Series A	Baillie Gifford & Co., Felicis Ventures, Menlo Ventures	Healthcare Biotechnology
2 Passage Bio Philadelphia, PA	\$110M	Series B	K1 Capital	Healthcare Biotechnology
3 Harmony Biosciences Plymouth, PA	\$50M	Unattributed	Upstart Venture, Catalyst Health Ventures	Healthcare Drug Development
4 Fifth Season Collection Pittsburgh, PA	\$35M	Series A	Lupa Systems	Industrial Machinery & Equipment Robotics
5 Crossbeam Philadelphia, PA	\$13M	Series A	ABS Capital Partners, Petra Capital Partners	Internet Internet Software & Services Business Intelligence Software

Q3'19 investment dollars jump while deals decline in Ohio

Ohio deals and dollars – Quarterly



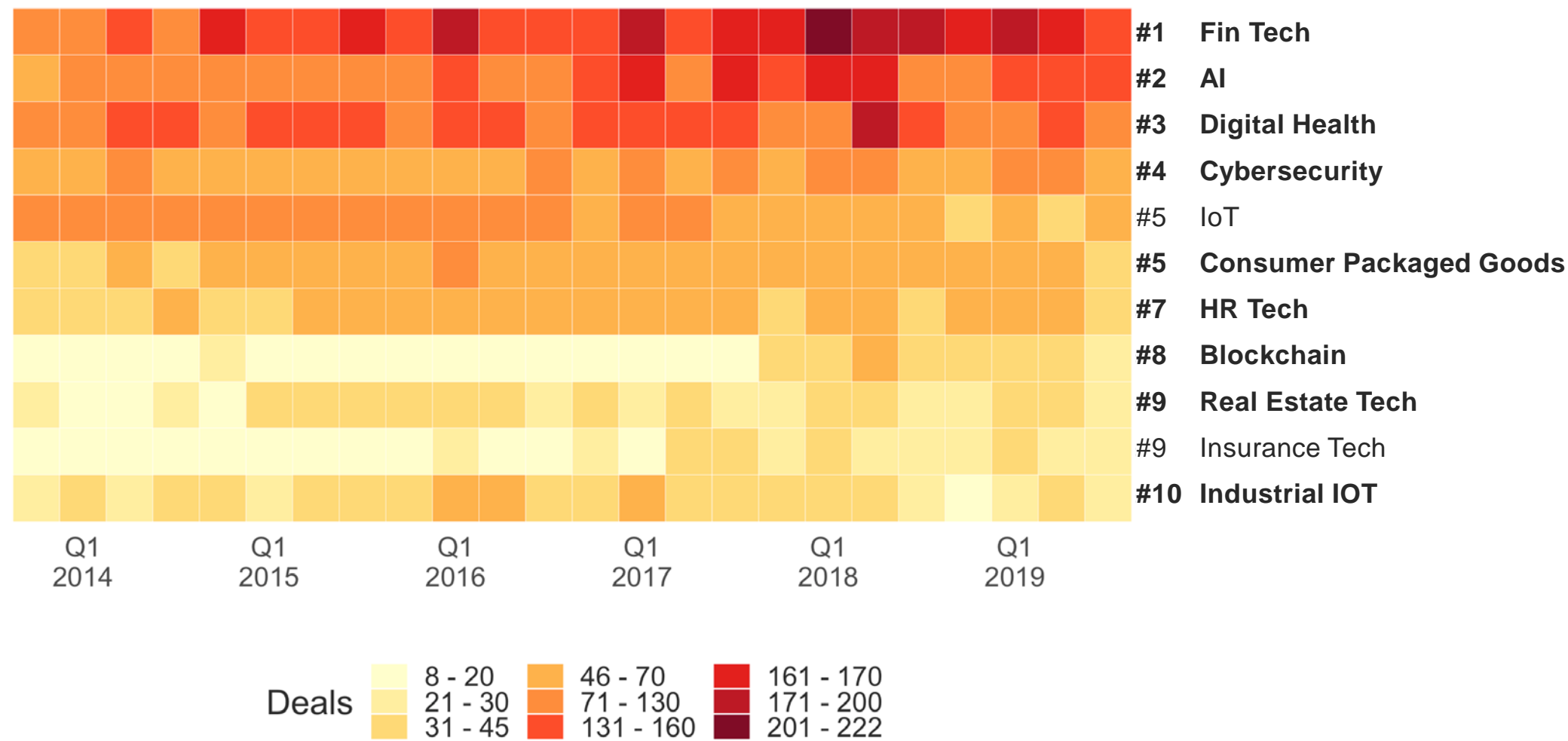
Ohio sees one \$100M+ mega-round in Q3'19

Top 5 Ohio Metro deals

Company	Investment	Round	Select investors	Vertical
1 Root Insurance Columbus, OH	\$350M	Series E	Coatue Managment, Redpoint Ventures, Scale Venture Partners	Mobile & Telecom. Mobile Software & Services Accounting & Finance
2 Bold Penguin Columbus, OH	\$32M	Series B	Guggenheim Partners, Lightstone Ventures, Lockton	Healthcare Biotechnology
3 Riverain Technologies Miamisburg, OH	\$15M	Unattributed	Ping An Ventures, John Rompon	Healthcare Drug Development
4 Blue Water Vaccines Cincinnati, OH	\$7M	Seed	CincyTech	Industrial Machinery & Equipment Robotics
5 Physna Cincinnati, OH	\$7M	Series A	Drive Capital	Internet Internet Software & Services Business Intelligence Software

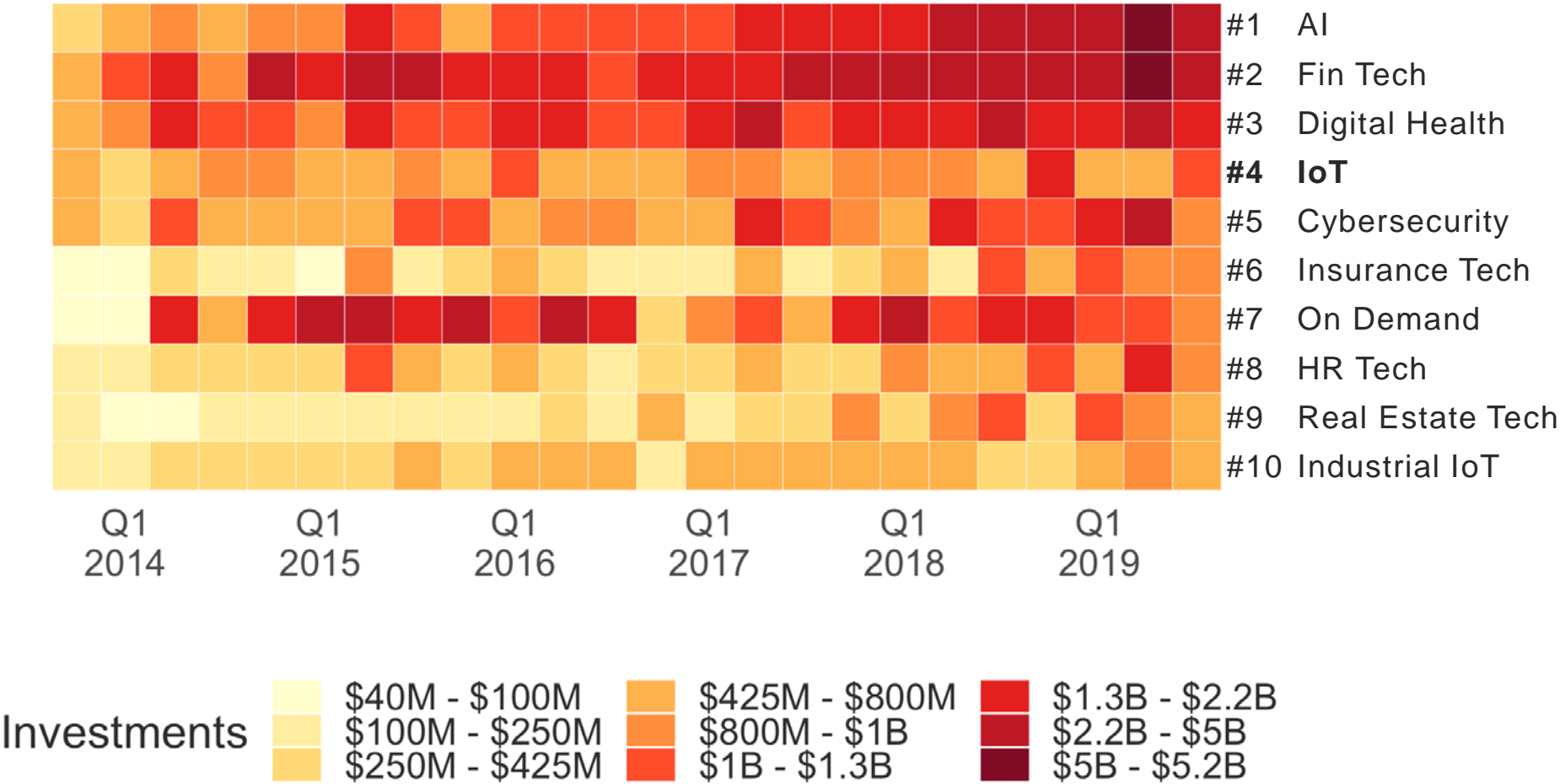
Deal activity mostly softens across emerging areas

Top 10 Emerging Areas by deal activity



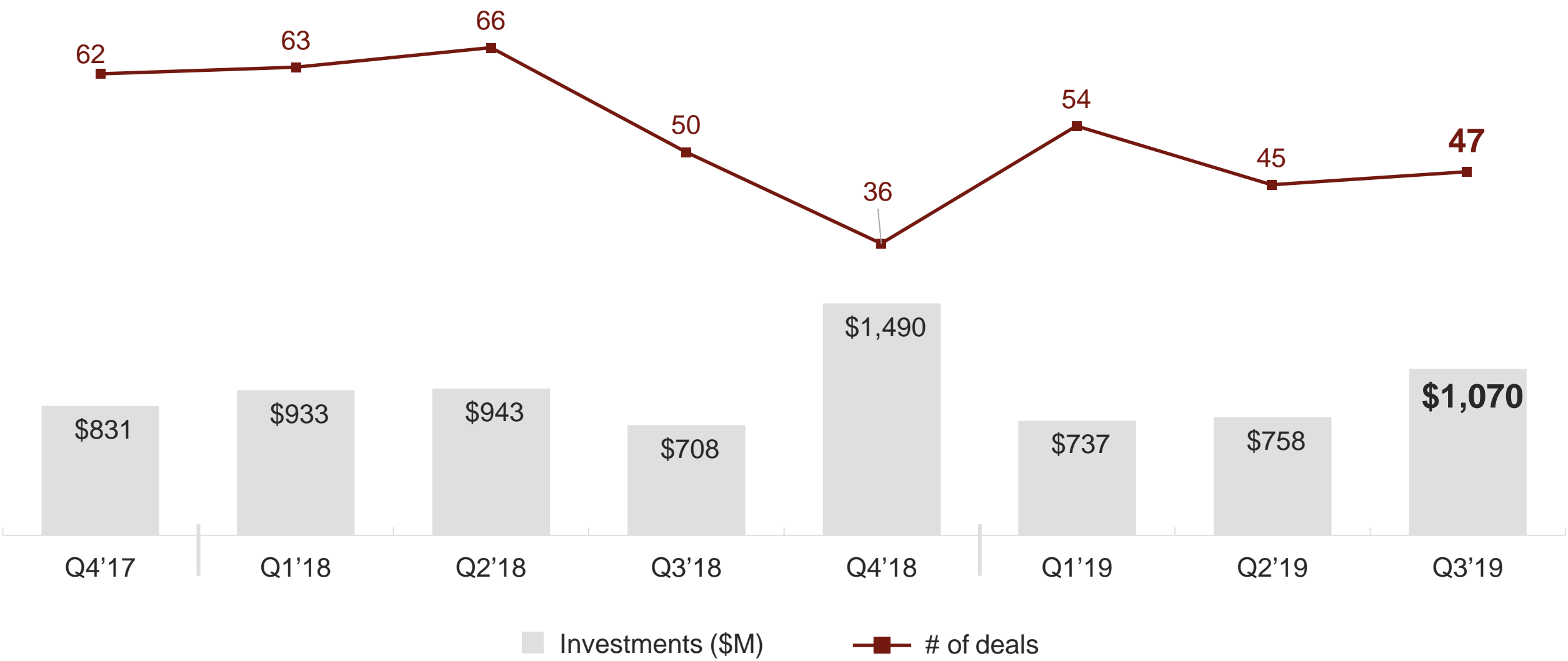
IoT surges while most emerging areas see less investments

Top 10 Emerging Areas by investments



IoT funding surpasses \$1B for second time since Q4'17

IoT deals and dollars – Quarterly



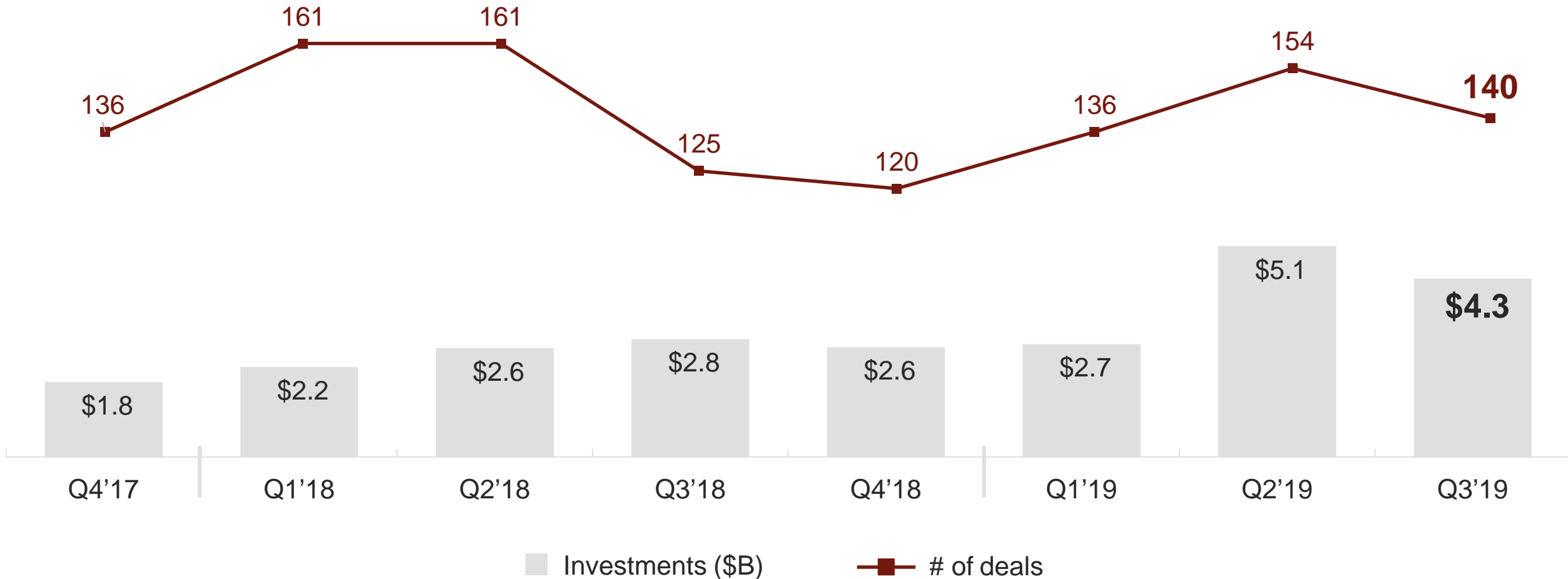
Late stage startups top IoT deals in Q3'19

Top IoT deals

	Company	Investment	Round	Select investors	Vertical
1	Samsara Networks San Francisco, CA	\$300M	Series E+	Andreessen Horowitz, General Catalyst, Tiger Global Management	Software (non-internet/mobile) Business Intelligence
2	SmartDrive Systems San Diego, CA	\$90M	Series D	TSSP	Automotive & Transportation Transportation Services Logistics Services
3	Latch New York, NY	\$56M	Series D	Avernir Growth Capital, Lux Capital, RRE Ventures	Consumer Products & Services Consumer Electronics
4	RealWear Vancouver, WA	\$55M	Series E+	Bose Ventures, Columbia Ventures, Qualcomm Ventures	Consumer Products & Services Consumer Electronics Collaboration & Project Mgmt.
5	Fetch Robotics San Jose, CA	\$46M	Series C	Shasta Ventures, Softbank Capital, Zebra Ventures	Industrial Machinery & Equipment Robotics

AI financing and deals fall in Q3'19, reversing upward trend

Artificial Intelligence deals and dollars – Quarterly



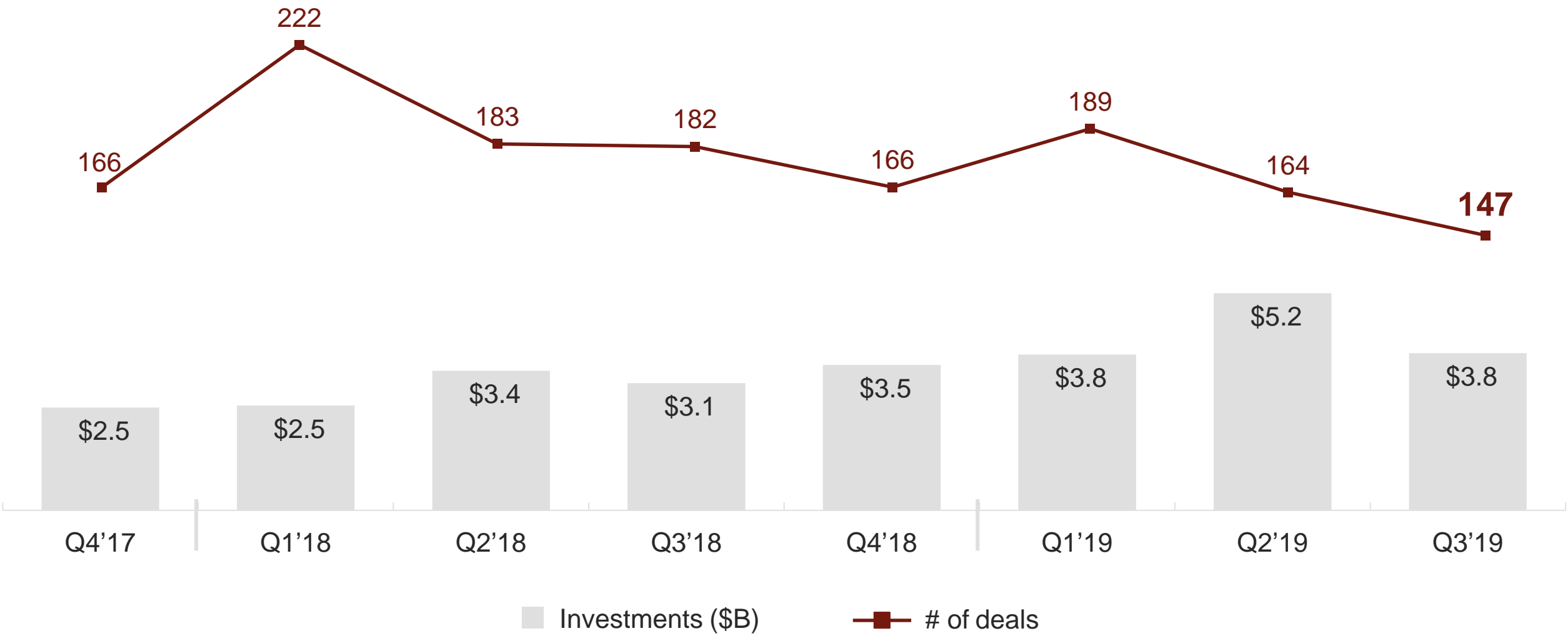
AI startups saw one \$1B funding round in Q3'19

Top Artificial Intelligence deals

	Company	Investment	Round	Select investors	Vertical
1	OpenAI San Francisco, CA	\$1.0B	Other	Microsoft	Computer Hardware & Services IT Services
2	Wish San Francisco, CA	\$300M	Series E+	General Atlantic	Internet eCommerce Marketplace
3	DataRobot Boston, MA	\$206M	Series E+	New Enterprise Associates, Tiger Global Management, World Innovation Lab	Internet Internet Software & Services Testing
4	Cybereason Boston, MA	\$200M	Series E+	Softbank Group	Internet Internet Software & Services Monitoring & Security
5	Checkr San Francisco, CA	\$160M	Series D	Accel, Coatue Management, T. Rowe Price	Internet Internet Software & Services HR & Workforce Management
5	Freenome South San Francisco, CA	\$160M	Series B	Andreessen Horowitz, T. Rowe Price, Google Ventures	Healthcare Disease Diagnosis

Fin Tech sees deals decline for second straight quarter

Fin Tech deals and dollars – Quarterly



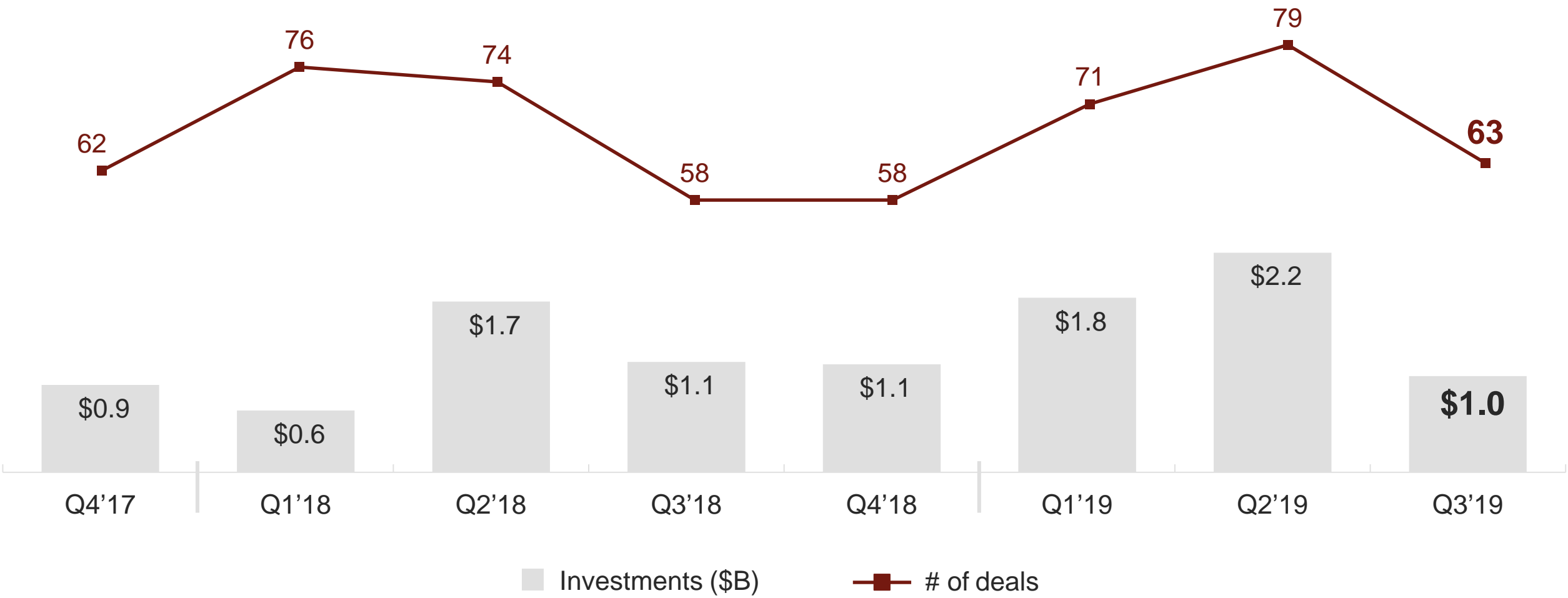
Top Fin Tech deals are all \$200M+ later-stage funding rounds

Top Fin Tech deals

Company	Investment	Round	Select investors	Vertical
1 Root Insurance Columbus, OH	\$350M	Series E+	Coatue Management, Redpoint Ventures, Tiger Global Management	Mobile & Telecommunications Mobile Software & Services Accounting & Finance
2 Robinhood Menlo Park, CA	\$323M	Series E+	New Enterprise Associates, Sequoia Capital, Thrive Capital	Mobile & Communications Mobile Software & Services Asset & Financial Management & Trading
3 Stripe San Francisco, CA	\$250M	Series E+	Andreessen Horowitz, General Catalyst, Sequoia Capital	Internet Internet Software & Services Payments
4 C2FO Leawood, KS	\$200M	Series E+	Softbank Group, Temasek, Union Square Ventures	Internet Internet Software & Services Accounting & Finance
4 Gusto San Francisco, CA	\$200M	Series D	Fidelity Investments, General Catalyst, T. Rowe Price	Internet Internet Software & Services HR & Workforce Management

Cybersecurity deal activity drops to lowest level since Q4'18

Cybersecurity deals and dollars – Quarterly



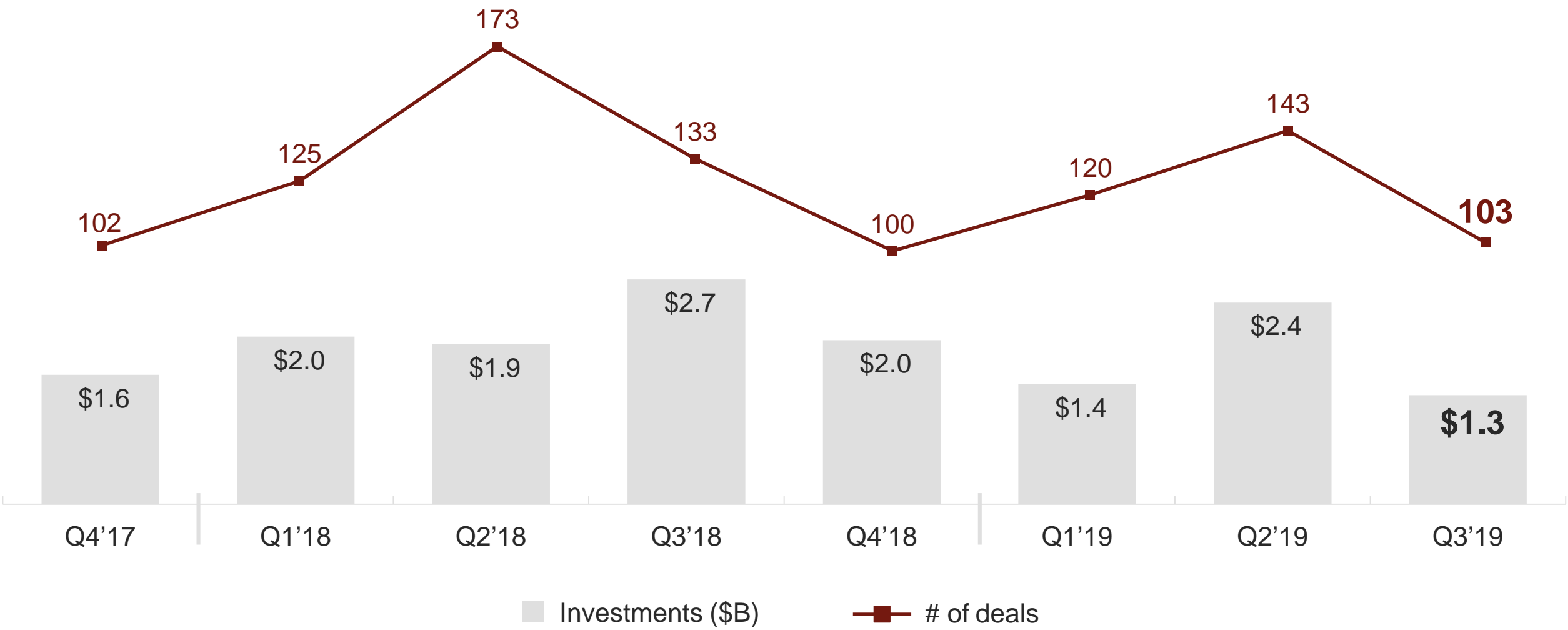
Cybersecurity space sees one \$100M+ deal in Q3'19

Top Cybersecurity deals

Company	Investment	Round	Select investors	Vertical
1 Cybereason Boston, MA	\$200M	Series E+	Softbank Group	Internet Internet Software & Services Monitoring & Security
2 Menlo Security Palo Alto, CA	\$75M	Series D	American Express Ventures, General Catalyst, J.P. Morgan Chase & Co.	Internet Internet Software & Services Monitoring & Security
3 TrustArc San Francisco, CA	\$70M	Series D	Accel, Baseline Ventures, Industry Ventures	Internet Internet Software & Services Monitoring & Security
4 Shape Security Santa Clara, CA	\$51M	Series E+	Epic Ventures, JetBlue Technology Ventures, Kleiner Perkins Caufield & Byers	Internet Internet Software & Services Monitoring & Security
5 BigID New York, NY	\$50M	Series C	Bessemer Venture Partners, Comcast Ventures, Salesforce Ventures	Internet Internet Software & Services Monitoring & Security

Digital Health financing declines in Q3'19

Digital Health deals and dollars – Quarterly



Digital Health startups raise multiple \$100M+ rounds in Q3'19

Top Digital Health deals

Company	Investment	Round	Select investors	Vertical
1 Ginkgo BioWorks Boston, MA	\$290M	Series E+	Baillie Gifford & Co., T. Rowe Price, Viking Global Investors	Healthcare Biotechnology
2 Freenome South San Francisco, CA	\$160M	Series B	Andreessen Horowitz, Google Ventures, National Cancer Institute, Polaris Partners	Healthcare Disease Diagnosis
3 Recursion Pharmaceuticals Salt Lake City, UT	\$121M	Series C	CRV, Felicis Ventures, Two Sigma Ventures	Healthcare Biotechnology
4 AgaMatrix Salem, NH	\$56M	Series D	Perceptive Advisors	Healthcare Medical Devices & Equipment Patient Monitoring
5 One Drop New York, NY	\$40M	Series B	Bayer	Mobile & Telecommunications Mobile Software & Services Health & Wellness
5 Notable Labs Foster City, CA	\$40M	Series B	B Capital Group, Industry Ventures, LifeForce Capital	Healthcare Biotechnology

The top 5 VCs have raised over \$56B since 2015

Top VCs by amount raised

Investor		Funds raised (2015–Q3'19)	Year founded	Select investments	Location
1	Sequoia Capital*	\$18.4B	1972	Embark Trucks, Robinhood, Stripe, Thumbtack	Menlo Park, CA
2	Insight Partners	\$12.5B	1995	SpotHero, N26	New York, NY
3	Andreessen Horowitz	\$9.8B	2009	Substack, Freenome, Stripe	Menlo Park, CA
4	Summit Partners	\$9.1B	1984	ProGlove, Red Canary, United Gaming	Boston, MA
5	New Enterprise Associates	\$6.5B	1977	BUILT Robotics, DataRobot, Robinhood	Menlo Park, CA

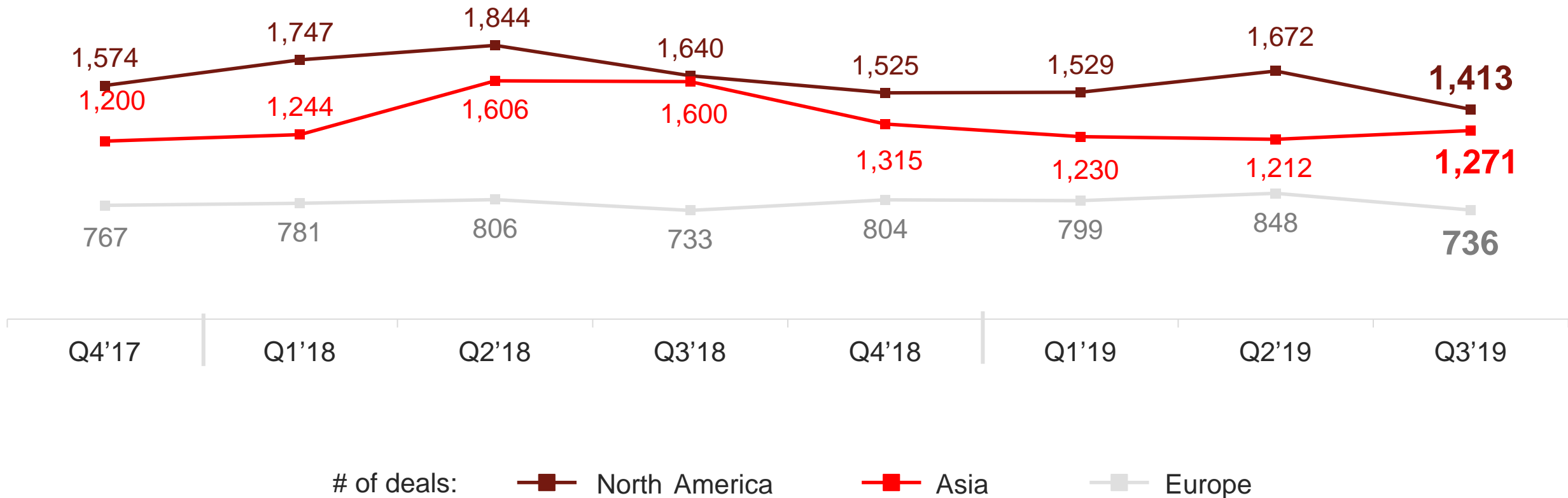
Greycroft takes the lead in Q3'19

Most active VCs in Q3 2019

Investor	Deals	Select investments	Location
1 Greycroft	21	Icertis, Unbabel, Recurly	Menlo Park, CA
2 Accel	20	Checkr, Trifacta, Scale AI	Palo Alto, CA
3 New Enterprise Associates	19	Robinhood, DataRobot, Nkarta	Menlo Park, CA
4 Andreessen Horowitz	17	Samsara Networks, Stripe, Freenome	Menlo Park, CA
5 Kleiner Perkins Caufield & Byers	16	Better.com, Shape Security, Applied Intuition	Menlo Park, CA

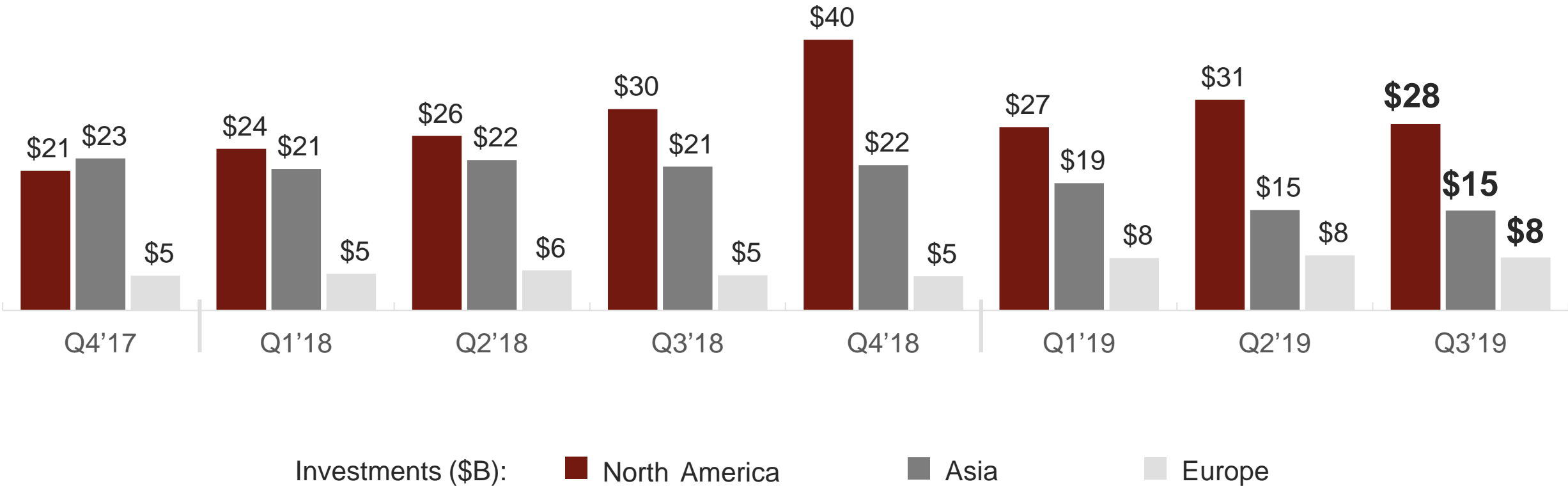
Asian deal activity rises in Q3'19 amid falling activity globally

Global deal activity: North America, Asia, and Europe



North America funding dips while Asia and Europe hold steady

Global dollar funding: North America, Asia, and Europe



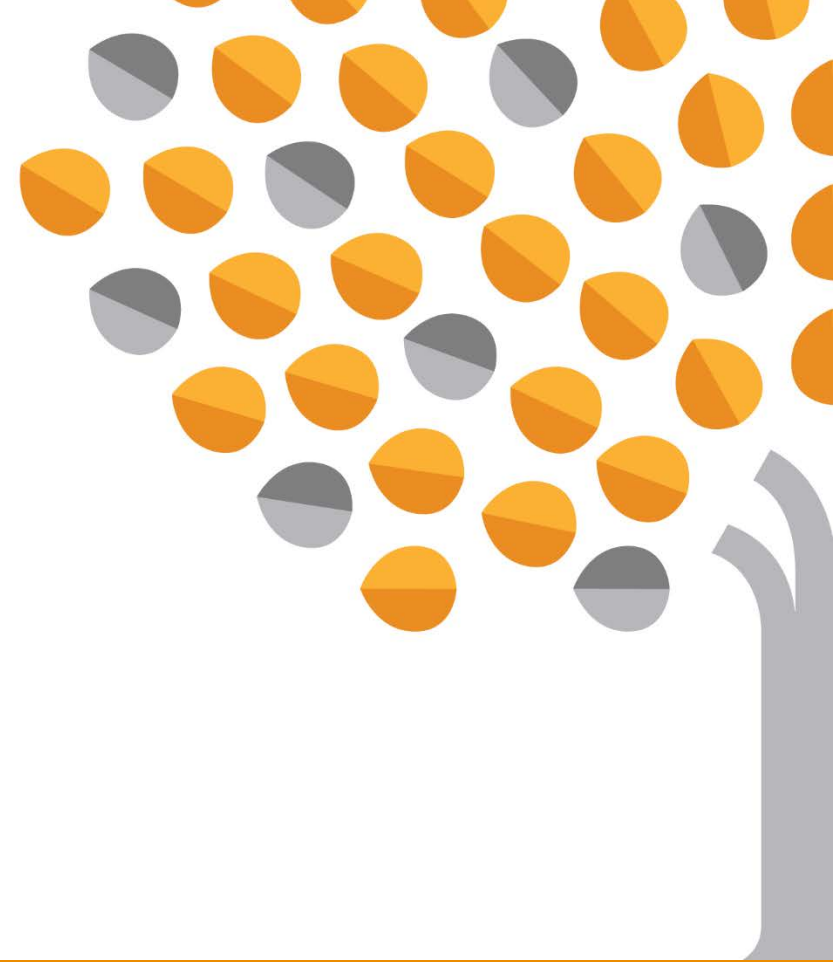
Large corporations fund mega-rounds in Q3'19

Largest global deals of Q3 2019

Company	Investment	Round	Select investors	Vertical
1 Beike Zhaofang Beijing, China	\$1.20B	Series D	Gaw Capital Partners, New Horizon Capital, Tencent Holdings	Internet Internet Software & Services Real Estate
2 OpenAI San Francisco, USA	\$1.00B	Other	Microsoft	Computer Hardware & Services IT Services
3 Authentic Brands Group New York, USA	\$880M	Private Equity	BlackRock	Business Products & Services Advertising Marketing & PR
4 Radiology Partners El Segundo, USA	\$700M	Growth Equity	Starr Investment Holdings	Healthcare Medical Facilities & Services Medical Practitioners
5 Didi Chuxing Beijing, China	\$600M	Other	Toyota	Mobile & Telecommunications Mobile Commerce Travel (mobile)

Appendix

PwC / CB Insights
MoneyTree™ Report
Q3 2019



US States: Full listing of Q3 2019 deals and investments

State	\$M	Deals	State	\$M	Deals	State	\$M	Deals	State	\$M	Deals
Alabama	7	3	Idaho	23	1	Missouri	68	7	Puerto Rico	0.7	2
Arizona	49	10	Illinois	479	39	Montana	23	2	Rhode Island	24	3
Arkansas	0.1	2	Indiana	60	9	Nebraska	0.7	1	South Carolina	2	3
California	14,664	524	Iowa	6	4	Nevada	0.8	2	South Dakota	13	1
Colorado	322	55	Kansas	224	4	New Hampshire	56	1	Tennessee	200	16
Connecticut	84	11	Kentucky	10	3	New Jersey	273	3	Texas	334	44
DC	37	6	Louisiana	15	3	New Mexico	20	5	Utah	287	22
Delaware	6	4	Maine	3	1	New York	3,993	181	Vermont	31	3
Florida	142	21	Maryland	141	16	North Carolina	43	14	Virginia	217	24
Georgia	364	18	Massachusetts	1,801	91	Ohio	427	96	Washington	670	55
Hawaii	25	1	Michigan	67	11	Oregon	90	12	Wisconsin	6	4
			Minnesota	42	9	Pennsylvania	549	25	Wyoming	5	2

PwC (pwc.com/moneytree) 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 that 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 from a venture firm.
- 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.
- 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 non-equity government funding. Grants or loans 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.

Disclaimer

This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors. **Data is current as of September 30, 2019.** PricewaterhouseCoopers and CB Insights have taken responsible steps to ensure that the information contained in the MoneyTree™ Report has been obtained from reliable sources. However, neither PwC nor CB Insights can warrant the ultimate validity of the data obtained in this manner.

Results are updated periodically. Therefore, all data is subject to change at any time.

© **2019 PwC.** All rights reserved. PwC refers to the US member firm or one of its subsidiaries or affiliates, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.