Executive summary

$100M+ deals drive 2018 global funding to highest levels since 2000, with US startups raising $99.5B over 5,536 deals.

Annual US funding nears record amid falling deal activity: US VC funding jumped to $99.5B, the highest yearly funding level since 2000, over 5,536 transactions, the lowest level of deal activity since 2013.

$100M mega-rounds drive funding higher: Driving the trend toward fewer, bigger deals, US companies raised a record number of mega-rounds in 2018, with 184 $100M+ funding rounds.

Seed-stage deal share continues to fall in 2018: Seed-stage deal share fell to 25%, the third consecutive yearly decline, as larger, later-stage deals take up more US funding.

US sees a record number of new unicorns: 53 US VC-backed companies saw their valuation rise to over $1B in 2018 — a record number of new unicorns.

Artificial Intelligence funding peaks in Q3’18: AI-related funding declined in Q4’18 to $2.4B, from $2.7B in Q3’18, after increasing in the first three quarters of 2018.

2018 Global funding surges 21% compared to 2017, approaching 2000 record.

Global funding hits $207B: Total annual global VC funding increased by 21% to $207B. Deal activity rose 10%, to 14,247 transactions.

Asia funding increases moderately amid surging deal activity: Asia was an exception to falling global deal activity, with 5,066 transactions in 2018, a 42% increase compared to 2017. Funding in the region increased by 11%, to $80.9B.

San Francisco funding hits historical record in 2018: VC funding in San Francisco jumped by 55% in 2018 to $28B, from $18B in 2017. Quarter-over-quarter, however, Q4’18 saw a decline in funding (-17%) and deal activity (-5%).

New York Metro funding sets historical record in 2018: VC funding in the New York Metro area reached $13B in 2018, up from $12B in 2017 which also set the record. Quarter-over-quarter, however, funding fell significantly in Q4’18, falling 65% to $2.1B, from a massive $5.8B in Q3’18. Deal activity fell slightly, to 160 transactions in Q4’18, from 163 in Q3’18.

Note: Report includes all rounds to VC-backed companies. For a detailed brief on methodology, please reference page 98 of this report.
US Overall Trends
In 2018

UNITED STATES

VC-backed companies raised

$99.5B
**Annual US financing trend**

**US annual funding hits $99.5B amid falling deal activity**
- Total annual funding in the US increased by 30% in 2018, as $99.5B was invested across 5,536 deals.
- US deal activity fell to its lowest level since 2013, though later-stage mega-deals pushed annual funding to its highest level since 2000.

![Chart showing annual US financing trend from 2013 to 2018](chart.png)
US deal share by stage

US seed activity declines for the fourth straight year

- Seed activity as a percentage of all deals fell to 25%, while later- and expansion-stage activity increased for the second straight year.
- Increasing later-stage deals and decreasing early-stage deals are contributing to the trend of fewer, bigger VC deals.

<table>
<thead>
<tr>
<th>Year</th>
<th>Seed Stage</th>
<th>Early Stage</th>
<th>Expansion Stage</th>
<th>Later Stage</th>
<th>Other</th>
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</thead>
<tbody>
<tr>
<td>2013</td>
<td>8%</td>
<td>10%</td>
<td>21%</td>
<td>25%</td>
<td>36%</td>
</tr>
<tr>
<td>2014</td>
<td>10%</td>
<td>11%</td>
<td>20%</td>
<td>24%</td>
<td>35%</td>
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<tr>
<td>2015</td>
<td>12%</td>
<td>10%</td>
<td>19%</td>
<td>25%</td>
<td>35%</td>
</tr>
<tr>
<td>2016</td>
<td>15%</td>
<td>8%</td>
<td>18%</td>
<td>25%</td>
<td>34%</td>
</tr>
<tr>
<td>2017</td>
<td>16%</td>
<td>9%</td>
<td>19%</td>
<td>25%</td>
<td>31%</td>
</tr>
<tr>
<td>2018</td>
<td>17%</td>
<td>10%</td>
<td>23%</td>
<td>25%</td>
<td>25%</td>
</tr>
</tbody>
</table>
In Q4 2018

UNITED STATES

VC-backed companies raised

$25.0B
8-quarter US financing trend

US deals and funding slip in Q4’18
• Deal activity fell 9% in Q4’18, as $25B was invested across 1,211 deals. Funding fell from a record $28B in Q3’18.
• 49 mega-rounds of $100M or more added to the strong US quarterly funding total.
2018 was a phenomenal year for US venture capital, with $99.5B invested --- a record-breaking 55 unicorn births, 184 mega-rounds, and funding levels at their highest since 2000 ($119.6B).

— Tom Ciccolella, Partner, US Ventures Leader at PwC
US deal share by stage

US seed activity rose moderately, but still within a downward trend

- Seed-stage activity rose slightly to 23% of all deals, but was well below levels from a year prior.
- Expansion-stage deal activity was up slightly, at 24% of all deals, compared to 20% a year prior.
**Median US deal sizes by stage**

Median deal sizes are up across the board in Q4’18, with later-stage median rising to $37.5M
- Expansion-stage deals hit a median size of $20M, up from $16M in Q3’18.
- Later-stage median deal rose to $37.5M in Q4’18, up from $32.4M in Q3’18.
Corporate deal participation steady at 28% of all VC deals

- Corporate participation in US VC deals was at 28% in Q4'18, down 1% compared to Q3'18.
- Compared to a year prior, corporate participation was up 5% at year-end 2018.
First venture rounds as a percentage of all deal activity flat in Q4’18

- In Q4’18, 34% of all US deals were first venture financings.
- Throughout 2018, first venture rounds stayed in the 33-36% range of all deal activity.
US first venture financing share (Annual)

Annual proportion of first venture rounds flat in 2018
• In 2018, first venture rounds accounted for 34% of all deals, flat compared to 2017.
US Sectors
**US deals and funding by Top 5 sectors, Q4’18**

- **Internet**
  - $9.1B Invested
  - 540 Deals
- **Healthcare**
  - $4.0B Invested
  - 162 Deals
- **Mobile & Telecommunications**
  - $3.5B Invested
  - 150 Deals
- **Software (Non-Internet / Mobile)**
  - $3.0B Invested
  - 111 Deals
- **Consumer Products & Services**
  - $382M Invested
  - 51 Deals
US deal share by sector

Internet deal share up slightly at 45%; Healthcare falls to 13% of all US VC deals

- Internet deal share was up slightly at 45% of all deals, compared to 44% in Q3'18.
- Healthcare deal share fell to 13%, down from 15% in Q3'18.
Artificial Intelligence
**AI: US annual funding**

AI-related funding jumps sharply after increasing every year since 2013

- AI-related companies raised $9.3B in 2018, a 72% increase compared to 2017.
- Deal activity dipped to 466 from 533 in 2017, after increasing for four years.
**AI: US quarterly funding**

AI-related deal activity falls in Q4’18 for the second-straight quarter

- Funding and deal activity in the AI space fell in Q4’18.
- Nearly $2.4B was raised over 93 deals, compared to $2.7B over 98 deals in Q3’18.
**AI: US deal share over time**

**Seed-stage deal activity among AI-related companies rises to 28%**
- Seed-stage deal activity in the AI space rose in Q4’18 to 28%, compared to 24% in Q3’18.
- Expansion-stage deal activity jumped to 32%, from 23%.

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**PwC | CB Insights MoneyTree™ Report Q4 2018**
AI: Top states by deals

1. CA 53 deals
   $1,917M Invested

2. MA 13 deals
   $247M Invested

3. NY 10 deals
   $110M Invested

4. TX 3 deals
   $10M Invested

4. WA 3 deals
   $9M Invested
### AI: Largest US deals of Q4’18

<table>
<thead>
<tr>
<th>Company</th>
<th>Location</th>
<th>Sector (non-internet/mobile)</th>
<th>Industry</th>
<th>Stage of Funding</th>
<th>$ Value of Deal</th>
<th>Select Investors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zymergen</td>
<td>Emeryville, CA</td>
<td>Software</td>
<td>Healthcare</td>
<td>$400M</td>
<td></td>
<td>Data Collective, SoftBank Group, True Ventures, Two Sigma Ventures</td>
</tr>
<tr>
<td>Automation Anywhere</td>
<td>San Jose, CA</td>
<td>Software</td>
<td>Scientific, Engineering Software</td>
<td>$300M</td>
<td></td>
<td>SoftBank Group</td>
</tr>
<tr>
<td>ZipRecruiter</td>
<td>Santa Monica, CA</td>
<td>Internet</td>
<td>Internet Software</td>
<td>$156M</td>
<td></td>
<td>Institutional Venture Partners, Wellington Management</td>
</tr>
<tr>
<td>DataRobot</td>
<td>Boston, MA</td>
<td>Internet</td>
<td>Internet Software</td>
<td>$100M</td>
<td></td>
<td>DFJ Growth Fund, Intel Capital, New Enterprise Associates</td>
</tr>
</tbody>
</table>
Digital Health
Digital Health: US annual funding

Digital Health funding jumps by 21% in 2018

- Digital Health companies raised $8.6B in 2018, a 21% jump compared to 2017.
- Deal activity was up slightly, at 477 deals in 2018.
Digital Health: US quarterly funding

Digital Health-related companies see funding drop by 41%

- US Digital Health companies raised $1.9B in Q4’18, a 41% drop compared to Q3’18.
- Deal activity also declined, falling to 83 deals from 123 in Q3’18.

![Investments and Deals Chart](chart.png)
**Digital Health: US deal share over time**

Seed-stage Digital Health deal activity increased

- Seed-stage deal share rose to 25% of all Digital Health deals in Q4’18, up from 20% in Q3’18.
## Digital Health: Top states by deals

<table>
<thead>
<tr>
<th>State</th>
<th>Deals</th>
<th>Invested</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. CA</td>
<td>27</td>
<td>$277M</td>
</tr>
<tr>
<td>2. MA</td>
<td>12</td>
<td>$106M</td>
</tr>
<tr>
<td>3. NY</td>
<td>11</td>
<td>$224M</td>
</tr>
<tr>
<td>4. TX</td>
<td>5</td>
<td>$81M</td>
</tr>
</tbody>
</table>
# Digital Health: Largest US deals of Q4’18

<table>
<thead>
<tr>
<th>Company</th>
<th>Location</th>
<th>Sector</th>
<th>Industry</th>
<th>Stage of Funding</th>
<th>$ Value of Deal</th>
<th>Select Investors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zymergen</td>
<td>Emeryville, CA</td>
<td>Software (non-internet/mobile)</td>
<td>Healthcare Software</td>
<td>Expansion</td>
<td>$400M</td>
<td>Data Collective, SoftBank Group, True Ventures, Two Sigma Ventures</td>
</tr>
<tr>
<td>SmileDirectClub</td>
<td>Nashville, TN</td>
<td>Internet</td>
<td>Internet Software &amp; Services</td>
<td>Expansion</td>
<td>$380M</td>
<td>Clayton Dubilier &amp; Rice, Kleiner Perkins Caufield &amp; Byers, Spark Capital</td>
</tr>
<tr>
<td>Bright Health</td>
<td>Minneapolis, MN</td>
<td>Financial</td>
<td>Insurance</td>
<td>Expansion</td>
<td>$200M</td>
<td>Bessemer Venture Partners, Cross Creek Advisors, Declaration Partners</td>
</tr>
<tr>
<td>Schrodinger</td>
<td>New York, NY</td>
<td>Software (non-internet/mobile)</td>
<td>Healthcare Software</td>
<td>Expansion</td>
<td>$100M</td>
<td>Qiming Venture Partners; Undisclosed Investors</td>
</tr>
<tr>
<td>HNI Healthcare</td>
<td>Austin, TX</td>
<td>Software (non-internet/mobile)</td>
<td>Healthcare Software</td>
<td>Expansion</td>
<td>$65M</td>
<td>CRG</td>
</tr>
</tbody>
</table>
Fintech
Fintech: US annual funding

Fintech-related funding jumps 38% in 2018 amid rising deal activity

- Total annual funding to US Fintech companies jumped 38% in 2018 to over $11B, the second straight yearly increase.
- Deal activity rose to 627 transactions, up from 571 in 2017.
**Fintech: US quarterly funding**

Fintech funding and deal activity fall for the second straight quarter
- Fintech-related funding fell 13% in Q4’18 to $2.5B, down from $2.9B in Q3’18.
- Deal activity fell for the second straight quarter, to 123 transactions in Q4’18.

![Graph showing quarterly funding and deal activity from Q1'17 to Q4'18]
**Fintech: US deal share over time**

Seed-stage deal share increases slightly in Q4’18

- Seed-stage Fintech companies accounted for 25% of all deals in the space in Q4’18, up from 22% in Q3’18.
**Fintech: Top states by deals**

1. **CA**
   - **53 deals**
   - $1,518M Invested

2. **NY**
   - **25 deals**
   - $189M Invested

3. **MA**
   - **10 deals**
   - $400M Invested
# Fintech: Largest US deals of Q4’18

<table>
<thead>
<tr>
<th>Company</th>
<th>Location</th>
<th>Sector</th>
<th>Industry</th>
<th>Stage of Funding</th>
<th>$ Value of Deal</th>
<th>Select Investors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coinbase</td>
<td>San Francisco, CA</td>
<td>Internet</td>
<td>Internet Software &amp; Services</td>
<td></td>
<td>$300M</td>
<td>Andreessen Horowitz, Polychain Capital, Tiger Global Management, Wellington Management, Y Combinator</td>
</tr>
<tr>
<td>Devoted Health</td>
<td>Waltham, MA</td>
<td>Healthcare</td>
<td>Medical Facilities &amp; Services</td>
<td></td>
<td>$300M</td>
<td>Andreessen Horowitz, F-Prime Capital, Premji Invest, Uprising, Venrock</td>
</tr>
<tr>
<td>Plaid Technologies</td>
<td>San Francisco, CA</td>
<td>Internet</td>
<td>Internet Software &amp; Services</td>
<td></td>
<td>$250M</td>
<td>Andreessen Horowitz, Goldman Sachs Investment Partners, Index Ventures, Mary Meeker, New Enterprise Associates, Spark Capital</td>
</tr>
<tr>
<td>Bright Health</td>
<td>Minneapolis, MN</td>
<td>Financial</td>
<td>Insurance</td>
<td></td>
<td>$200M</td>
<td>Bessemer Venture Partners, Cross Creek Advisors, Declaration Partners</td>
</tr>
<tr>
<td>Earnin</td>
<td>Palo Alto, CA</td>
<td>Mobile &amp; Telecommunications</td>
<td>Mobile Software &amp; Services</td>
<td></td>
<td>$125M</td>
<td>Andreessen Horowitz, Coatue Management, DST Global, March Capital Partners, Matrix Partners, Ribbit Capital, Spark Capital</td>
</tr>
</tbody>
</table>

**Seed Stage** | **Early Stage** | **Expansion Stage** | **Later Stage**
US Places
<table>
<thead>
<tr>
<th>Region</th>
<th>Deals</th>
<th>Total Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Francisco (N. Bay Area)</td>
<td>241</td>
<td>$6,754M</td>
</tr>
<tr>
<td>New York Metro</td>
<td>160</td>
<td>$2,057M</td>
</tr>
<tr>
<td>Silicon Valley (S. Bay Area)</td>
<td>139</td>
<td>$5,271M</td>
</tr>
<tr>
<td>New England</td>
<td>123</td>
<td>$2,372M</td>
</tr>
<tr>
<td>Midwest</td>
<td>104</td>
<td>$794M</td>
</tr>
</tbody>
</table>
US: Q4’18 funding by region

- Total US: $25.0B
- Northwest: $348M
- North Central: $324M
- Midwest: $794M
- New England: $2,372M
- New York Metro: $2,057M
- DC/Metroplex: $692M
- Philadelphia Metro: $122M
- New York NY: $151M
- Southeast: $2,210M
- South Central: $38M
- Southwest: $406M
- CO: $244M
- Upstate NY: $215M
- LA/Orange County: $1,976M
- Texas: $429M
- San Diego: $713M
- AK/HI/PR: $1M
- SF (N. Bay Area): $6,754M
- Silicon Valley (S. Bay Area): $5,271M
- Sacramento/N. Cal: $19M

MoneyTree™ Report Q4 2018
US: Q4’18 deals by region

- Total US: 1,211 Deals
- New York Metro: 160 Deals
- Midwest: 104 Deals
- New England: 123 Deals
- Upstate NY: 4 Deals
- Philadelphia Metro: 16 Deals
- DC/Metroplex: 22 Deals
- North Central: 20 Deals
- Northwest: 48 Deals
- Southwest: 28 Deals
- CO: 37 Deals
- Texas: 50 Deals
- Southeast: 69 Deals
- South Central: 14 Deals
- LA/Orange County: 94 Deals
- CA: 241 Deals
- San Diego: 30 Deals
- Sacramento/N. Cal: 3 Deals
- AK/HI/PR: 1 Deal
**Annual financing trend:** San Francisco (North Bay Area)

San Francisco funding jumped by 55% in 2018

- Funding activity in San Francisco jumped by 55% in 2018, rising to a historical record of $28B.
- Deal activity declined to 1,088 transactions, compared to 1,120 in 2017; the last six years being the most active years ever
8-quarter financing trend: San Francisco (North Bay Area)

Q4’18 funding, deal activity decline in San Francisco

- San Francisco companies saw VC funding decline sharply in Q4’18, falling 17% to $6.8B.
- Deal activity also fell in Q4’18, to 241, from 254 in Q3’18.
**Annual financing trend:** New York Metro

**New York funding ticks up, deal activity declines**
- Funding to New York-based VC-backed companies increased slightly to $13B, the biggest funding year ever.
- Deals declined to 735, from 841 in 2017 which set the all-time record.
8-quarter financing trend: New York Metro

Q4’18 funding declines sharply in New York

- New York Metro-based companies saw funding fall by 65% in Q4’18 to $2.1B, following a massive Q3’18.
- Deal activity fell to 160 transactions over the same time period.
Annual financing trend: Silicon Valley (South Bay Area)

Funding to Silicon Valley companies ticks up in 2018

- Funding to Silicon Valley-based VC-backed companies increased in 2018, as $18B the biggest year since 2000.
- Deals declined by 5% to 645 in 2018, from 682 in 2017.
8-quarter financing trend: Silicon Valley (South Bay Area)

Silicon Valley funding increases by 7% in Q4’18, as deal activity falls slightly

- Deals activity fell to 139 in Q4’18, down from 144 in Q3’18.
- Total quarterly funding increased to $5.3B in Q4’18, up from $4.9B in Q3’18.
**Annual financing trend:** New England

**New England funding activity increases for the second straight year**

- Funding to New England-based VC-backed companies hit $11B in 2018, as deals increased to 536 transactions.
- 2018 was the biggest year of investments for New England since 2000.
New England deal activity, funding decline for the second straight quarter
• New England deal activity sunk to 123 transactions, while total funding decreased to $2.4B.
Annual financing trend: LA/Orange County

Full year funding in LA/Orange County increases, deal activity down

- Deal activity decreased to 419 transactions in LA/Orange County from 2017’s level (432) which was the most active year since 2000.
- 2018 was the biggest year of investment funding ($6B) for LA/Orange County since 2000.
8-quarter financing trend: LA/Orange County

LA/Orange County funding jumps in Q4’18

- LA/Orange County funding jumped by 130% in Q4’18 to $2B.
- Deal activity fell slightly from 97 transactions in Q3’18 to 94 in Q4’18.
Annual financing trend: DC/Metroplex

Deal and dollar activity down in 2018 in DC/Metroplex

- Total annual funding to DC/Metroplex-based VC-backed companies declined to $2B in 2018, from $3B in 2017.
- Deal activity declined to 178, from 209 in 2017.
**8-quarter financing trend:** DC/Metroplex

**Funding in DC/Metroplex jumps amid falling deal activity**

- $692M was raised in the DC/Metroplex in Q4’18, up from $571M in Q3’18.
- Deal activity fell for the second straight quarter to 22 transactions.
### US: Top 10 states of Q4’18 by deals

<table>
<thead>
<tr>
<th>Rank</th>
<th>State</th>
<th>Deals</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>CA</td>
<td>509</td>
<td>$14,756M</td>
</tr>
<tr>
<td>2.</td>
<td>NY</td>
<td>155</td>
<td>$2,054M</td>
</tr>
<tr>
<td>3.</td>
<td>MA</td>
<td>111</td>
<td>$2,313M</td>
</tr>
<tr>
<td>4.</td>
<td>TX</td>
<td>50</td>
<td>$429M</td>
</tr>
<tr>
<td>5.</td>
<td>CO</td>
<td>37</td>
<td>$244MM</td>
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<td>6.</td>
<td>WA</td>
<td>36</td>
<td>$252M</td>
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<td>7.</td>
<td>IL</td>
<td>33</td>
<td>$427M</td>
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<td>8.</td>
<td>PA</td>
<td>25</td>
<td>$193M</td>
</tr>
<tr>
<td>9.</td>
<td>FL</td>
<td>23</td>
<td>$155M</td>
</tr>
<tr>
<td></td>
<td>OH</td>
<td>20</td>
<td>$58M</td>
</tr>
</tbody>
</table>
**Q4’18 Regional comparison: Deals CA vs. NY vs. MA**

Deal activity down across the board in CA, NY, and MA

- Deal activity declined in all three regions in Q4’18.
- California and New York saw deal activity below levels a year ago in Q4’17.

<table>
<thead>
<tr>
<th></th>
<th>Q1’17</th>
<th>Q2’17</th>
<th>Q3’17</th>
<th>Q4’17</th>
<th>Q1’18</th>
<th>Q2’18</th>
<th>Q3’18</th>
<th>Q4’18</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>623</td>
<td>582</td>
<td>626</td>
<td>567</td>
<td>617</td>
<td>646</td>
<td>531</td>
<td>509</td>
</tr>
<tr>
<td>New York</td>
<td>205</td>
<td>185</td>
<td>209</td>
<td>206</td>
<td>202</td>
<td>204</td>
<td>156</td>
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<tr>
<td>Massachusetts</td>
<td>127</td>
<td>113</td>
<td>116</td>
<td>110</td>
<td>118</td>
<td>125</td>
<td>117</td>
<td>111</td>
</tr>
</tbody>
</table>

PwC | CB Insights MoneyTree™ Report Q4 2018
Q4’18 Regional comparison: Financing CA vs. NY vs. MA

Q4’18 funding down across the board in CA, NY, and MA

- Funding fell in Q4’18 in CA, NY, and MA.
- Compared to Q4’17, only California saw a year-over-year increase in funding, at $14.8B in Q4’18, compared to $9.9B in Q4’17.
US Movers & Shakers
Mega-rounds

There certainly continues to be a healthy availability of funds and appetite for investment, while the trend of fewer, bigger deals persists.

— Tom Ciccolella, Partner, US Ventures Leader at PwC
Annual US mega-round activity

$100M+ funding rounds hit record for the second straight year

- 184 $100M+ rounds were raised in 2018, surpassing 2017’s record 120.
- An increasing number of large, later-stage deals is contributing to increasing yearly funding amounts amid declining overall deal activity.
### Largest US deals of Q4’18

<table>
<thead>
<tr>
<th>Company</th>
<th>Location</th>
<th>Sector</th>
<th>Industry</th>
<th>Stage of Funding</th>
<th>$ Value of Deal</th>
<th>Select Investors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Epic Games</td>
<td>Cary, NC</td>
<td>Software (non-internet/mobile)</td>
<td>Gaming</td>
<td>$1,250M</td>
<td></td>
<td>aXiomatic, ICONIQ Capital, Kleiner Perkins Caufield &amp; Byers, Kohlberg Kravis Roberts &amp; Co., Lightspeed Venture Partners</td>
</tr>
<tr>
<td>View</td>
<td>Milpitas, CA</td>
<td>Industrial</td>
<td>Construction</td>
<td>$1,100M</td>
<td></td>
<td>Softbank Group</td>
</tr>
<tr>
<td>Instacart</td>
<td>San Francisco, CA</td>
<td>Mobile &amp; Telecommunications</td>
<td>Mobile Commerce</td>
<td>$600M</td>
<td></td>
<td>D1 Capital Partners</td>
</tr>
<tr>
<td>Snowflake Computing</td>
<td>San Mateo, CA</td>
<td>Internet</td>
<td>Internet Software &amp; Services</td>
<td>$450M</td>
<td></td>
<td>Altimeter Capital, Capital One Growth Ventures, Madrona Venture Group, Meritech Capital Partners</td>
</tr>
<tr>
<td>Relay Therapeutics</td>
<td>Cambridge, MA</td>
<td>Healthcare</td>
<td>Drug Discovery</td>
<td>$400M</td>
<td></td>
<td>Alexandria Venture Investments, BVF Partners, Casdin Capital, D.E. Shaw Research</td>
</tr>
<tr>
<td>Zymergen</td>
<td>Emeryville, CA</td>
<td>Software (non-internet/mobile)</td>
<td>Healthcare Software</td>
<td>$400M</td>
<td></td>
<td>Data Collective, SoftBank Group, True Ventures, Two Sigma Ventures</td>
</tr>
</tbody>
</table>

*Note: Stage of Funding indicates the investment stage of the companies.*
Quarterly US mega-round activity

$100M+ mega-rounds fall in Q4’18, but remain elevated above historical levels

• 49 $100M+ rounds were raised in Q4’18, down from a record in Q3’18.
• Though mega-rounds declined in Q4’18, levels remain elevated, contributing to high quarterly funding amid declining deal activity.
European Fintechs Raised More Than $5 Billion in 2018

- European Fintechs attracted $5.2 billion in capital in 2018, an increase of 42% compared to $3.7 billion raised in 2017.
- The Q2 period in 2018 was particularly strong, with $1.8 billion raised.
- The highest fundraising total in a single year for European Fintechs was achieved in 2018.

Pie chart showing the distribution of capital raised by European Fintechs in 2018 by quarter.
US annual new unicorn births

A record number of companies reached unicorn status in 2018

- 53 companies attained unicorn status in 2018, a yearly record.
**US quarterly new unicorn births**

Q4’18 sets quarterly record for new unicorns

- 21 private companies reached $1B valuations, a quarterly record.
Unicorn population counts

US private VC-backed companies valued at $1B+ hit 140 in 2018
• As of EOY 2018, there are 140 VC-backed companies valued at $1B+.
Aggregate Unicorn Valuation by Period

Q4’18 sets a new record for aggregate unicorn valuation

- Private companies with $1B+ valuations accounted for $526.1B as of Q4’18, the highest aggregate valuation on record.
# Top 5 Valued US unicorn companies as of Q4’18

<table>
<thead>
<tr>
<th>Company</th>
<th>Location</th>
<th>Industry</th>
<th>Valuation (as of 1/02/19)</th>
<th>Select Investors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Uber</td>
<td>San Francisco, CA</td>
<td>On-demand</td>
<td>$72B</td>
<td>Lowercase Capital, Benchmark Capital, Google Ventures</td>
</tr>
<tr>
<td>2. WeWork</td>
<td>New York, NY</td>
<td>Facilities</td>
<td>$32B</td>
<td>T. Rowe Price, Benchmark Capital, Softbank Group</td>
</tr>
<tr>
<td>3. Airbnb</td>
<td>San Francisco, CA</td>
<td>E-Commerce/Marketplace</td>
<td>$29B</td>
<td>General Catalyst Partners, Andreessen Horowitz, ENIAC Ventures</td>
</tr>
<tr>
<td>4. SpaceX</td>
<td>Hawthorne, CA</td>
<td>Other Transportation</td>
<td>$22B</td>
<td>Founders Fund, Draper Fisher Jurvetson, Rothenberg Ventures</td>
</tr>
<tr>
<td>5. Stripe</td>
<td>San Francisco, CA</td>
<td>Fin Tech</td>
<td>$20B</td>
<td>Khosla Ventures, Lowercase Capital, capitalG</td>
</tr>
<tr>
<td>5. Palantir</td>
<td>Palo Alto, CA</td>
<td>Big Data</td>
<td>$20B</td>
<td>RRE Ventures, Founders Fund, In-Q-Tel</td>
</tr>
</tbody>
</table>
M&A activity jumped to 663 in 2018

- M&A activity jumped by 79 deals in 2018, rising to 663.
- Median years to exit was steady at 5.5.
IPO and Median Years to Exit

IPO activity increased to 87 offerings in 2018

- IPOs jumped to 87 offerings in 2018, their highest level since 2014.
- Median years to exit declined to 5.2.
### Largest US IPOs of Q4’18

<table>
<thead>
<tr>
<th>Company</th>
<th>Location</th>
<th>Sector</th>
<th>Industry</th>
<th>Date of IPO</th>
<th>$ Valuation at IPO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderna Therapeutics</td>
<td>Cambridge, MA</td>
<td>Healthcare</td>
<td>Drug Development</td>
<td>12/7/2018</td>
<td>$7.5B</td>
</tr>
<tr>
<td>Anaplan</td>
<td>San Francisco, CA</td>
<td>Internet</td>
<td>Internet Software &amp; Services</td>
<td>10/12/2018</td>
<td>$2.0B</td>
</tr>
<tr>
<td>Allogene Therapeutics</td>
<td>South San Francisco, CA</td>
<td>Healthcare</td>
<td>Biotechnology</td>
<td>10/11/2018</td>
<td>$2.0B</td>
</tr>
<tr>
<td>Guardant Health</td>
<td>Redwood City, CA</td>
<td>Healthcare</td>
<td>Biotechnology</td>
<td>10/4/2018</td>
<td>$1.6B</td>
</tr>
<tr>
<td>Upwork Global</td>
<td>Redwood City, CA</td>
<td>Internet</td>
<td>E-Commerce</td>
<td>10/3/2018</td>
<td>$1.6B</td>
</tr>
</tbody>
</table>
# Most active VC firms of Q4’18 in the US

<table>
<thead>
<tr>
<th>Investor</th>
<th>Location</th>
<th>No. of US Companies</th>
<th>Select Q4’18 Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. New Enterprise Associates</td>
<td>Menlo Park, CA</td>
<td>21</td>
<td>Plaid Technologies, Bright Health, Mirum Pharmaceuticals</td>
</tr>
<tr>
<td>2. Plug and Play Ventures</td>
<td>Sunnyvale, CA</td>
<td>19</td>
<td>Zesty.ai, Albert, Zeguro</td>
</tr>
<tr>
<td>3. Lightspeed Venture Partners</td>
<td>Menlo Park, CA</td>
<td>18</td>
<td>Epic Games, Netskope, TripActions</td>
</tr>
<tr>
<td>3. Andreessen Horowitz</td>
<td>Menlo Park, CA</td>
<td>18</td>
<td>Devoted Health, Coinbase, Plaid Technologies</td>
</tr>
<tr>
<td>5. Sequoia Capital</td>
<td>San Francisco, CA</td>
<td>17</td>
<td>Snowflake Computing, Amplitude, The Wing</td>
</tr>
</tbody>
</table>
### Q4’18 Investor locations

**California investor presence continues to be strong at every stage**

- California-based investors were represented in approximately a third of all deals at all stages to US-based companies.
- Non-US investors participated in 30% of seed and early-stage deals and 24% of expansion deals.

<table>
<thead>
<tr>
<th>Stage of funding</th>
<th>Location of investors</th>
<th>California</th>
<th>New York</th>
<th>Texas</th>
<th>Other US</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Seed</strong></td>
<td>Total number of seed stage deals: <strong>250</strong></td>
<td>32%</td>
<td>10%</td>
<td>3%</td>
<td>25%</td>
<td>30%</td>
</tr>
<tr>
<td><strong>Early</strong></td>
<td>Total number of early stage deals: <strong>279</strong></td>
<td>29%</td>
<td>10%</td>
<td>1%</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td><strong>Expansion</strong></td>
<td>Total number of expansion stage deals: <strong>403</strong></td>
<td>38%</td>
<td>10%</td>
<td>1%</td>
<td>27%</td>
<td>24%</td>
</tr>
<tr>
<td><strong>Later</strong></td>
<td>Total number of later stage deals: <strong>154</strong></td>
<td>39%</td>
<td>13%</td>
<td>2%</td>
<td>26%</td>
<td>21%</td>
</tr>
</tbody>
</table>
## Top VC firms in the US by funds raised

<table>
<thead>
<tr>
<th>Investor</th>
<th>Location</th>
<th>Year Founded</th>
<th>$ Value of Funds Raised (2015 – Q4’2018)</th>
<th>Select Recent Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. New Enterprise Associates</td>
<td>Menlo Park, CA</td>
<td>1977</td>
<td>$6.5B</td>
<td>Plaid Technologies, Bright Health, Mirum Pharmaceuticals</td>
</tr>
<tr>
<td>4. GGV Capital</td>
<td>Menlo Park, CA</td>
<td>2000</td>
<td>$5.1B</td>
<td>Dirty Lemon, Immotor, Bowery Farming</td>
</tr>
<tr>
<td>5. Lightspeed Venture Partners</td>
<td>Menlo Park, CA</td>
<td>2000</td>
<td>$4.3B</td>
<td>Epic Games, Netskope, TripActions</td>
</tr>
</tbody>
</table>

*Includes all of the investment funds under the Sequoia Capital umbrella, including Sequoia Capital China and Sequoia Capital India
Global Trends
2018 Global regional comparison

14,247 Deals
$207B Invested Globally

5,936 Deals
$102B

2,745 Deals
$21B

5,066 Deals
$81B
Annual global financing trend

Global mega-round financing at record levels

- At 382, 2018 saw a record number of $100M+ deals, contributing to a massive funding year amid falling deal activity.
Q4’18 Global regional comparison

1,288 Deals
$25.7B

691 Deals
$5.0B

1,127 Deals
$19.8B

3,220 Deals
$51.0B Invested Globally

Globally
8-quarter global financing trend

Global funding, deal activity decline
• Total global quarterly funding declined to $51.7B in Q4’18, down from $54.1B in Q3’18.
• Deal activity declined to 3,220 in Q4’18, from 3,675 in Q3’18.
Global corporate deal participation

Corporate participation increases to 32% globally in the fourth quarter

- Corporate investors participated in 32% of all deals to VC-backed companies in Q4’18.
Annual global financing trend: North America

North America funding increases as deal activity declines in full-year 2018

- Total annual funding activity increased 29% in 2018, as $102B was invested across 5,936 deals.
8-quarter financing trend: North America

North American funding, deal activity decline in Q4’18

• VC-backed companies in North America raised $25.7B across 1,288 deals, a 10% decline in funding.
North America corporate deal participation

Q4’18 corporate participation flat in North America

- Corporate investors participated in 28% of US deals in Q4’18, flat compared to Q3’18.
**Annual global financing trend: Europe**

**European funding increases in full-year 2018**

- Total annual Europe funding activity increased to $21B in 2018 across 2,745 deals.
8-quarter financing trend: Europe

Europe funding flat as deal activity increases

- Quarterly funding increased slightly to $5.0B in Q4’18, from $4.9B in Q3’18.
- Deal activity increased to 691 transactions, up from 666 in Q3’18.
Europe corporate deal participation

European corporate participation declines slightly

- European corporate investors participated in 27% of VC deals in Q4’18, a slight decline compared to Q3’18.
Asia funding increases for the second straight year; deal activity increases for the fifth straight year

- Annual funding for Asian companies increased to $81B in 2018, up from $73B in 2017.
- Deal activity jumped to 5,066 transactions, a 42% increase compared to 2017 and the fifth straight year of increasing deals.
8-quarter financing trend: Asia

Asia funding falls for the second straight quarter

- Asian funding fell slightly in Q4'18, to $19.8B.
- Deal activity also fell to 1,127, from 1,446 transactions.
Asia corporate deal participation

Corporate participation in Asia increases in Q4’18

- Corporate investors increased their participation in Asian VC deals to 39% in Q4’18.
## Largest global deals of Q4’18

<table>
<thead>
<tr>
<th>Company</th>
<th>Location</th>
<th>Sector</th>
<th>Industry</th>
<th>Stage of Funding</th>
<th>$ Value of Deal</th>
<th>Select Investors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coupang</td>
<td>Seoul, South Korea</td>
<td>Mobile &amp; Telecommunications</td>
<td>Mobile Commerce</td>
<td>$2,000M</td>
<td>SoftBank Group</td>
<td></td>
</tr>
<tr>
<td>Lu.com</td>
<td>Shanghai, China</td>
<td>Internet</td>
<td>Accounting &amp; Finance</td>
<td>$1,330M</td>
<td>All-Stars Investment, Goldman Sachs, LionRock Capital</td>
<td></td>
</tr>
<tr>
<td>Epic Games</td>
<td>Cary, United States</td>
<td>Software (non-internet/mobile)</td>
<td>Gaming</td>
<td>$1,250M</td>
<td>ICONIQ Capital, KPCB, KKR &amp; Co.</td>
<td></td>
</tr>
<tr>
<td>View</td>
<td>Milpitas, United States</td>
<td>Industrial</td>
<td>General Building Materials</td>
<td>$1,100M</td>
<td>SoftBank Group</td>
<td></td>
</tr>
<tr>
<td>Tokopedia</td>
<td>Jakarta, Indonesia</td>
<td>Internet</td>
<td>E-commerce</td>
<td>$1,100M</td>
<td>SoftBank Group, Alibaba Group, Sequoia Capital India</td>
<td></td>
</tr>
<tr>
<td>Swiggy</td>
<td>Bengaluru, India</td>
<td>Mobile &amp; Telecommunications</td>
<td>Food &amp; Grocery</td>
<td>$1,000M</td>
<td>Coatue Management, Tencent Holdings, Naspers</td>
<td></td>
</tr>
</tbody>
</table>
## Most active VC firms of Q4’18 globally

<table>
<thead>
<tr>
<th>Investor</th>
<th>Location</th>
<th>No. of Global Companies</th>
<th>Select Q4’18 Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. 500 Startups</td>
<td>California, US</td>
<td><strong>51</strong></td>
<td>Goldbelly, Chewse, AppOnboard</td>
</tr>
<tr>
<td>2. Plug and Play Ventures</td>
<td>California, US</td>
<td><strong>34</strong></td>
<td>Kepler Communications, Zesty.ai, Albert</td>
</tr>
<tr>
<td>3. Sequoia Capital China</td>
<td>Beijing, China</td>
<td><strong>28</strong></td>
<td>Leap Motor, Keking, 4Paradigm</td>
</tr>
<tr>
<td>4. Sequoia Capital</td>
<td>California, US</td>
<td><strong>22</strong></td>
<td>Snowflake Computing, Woowa Brothers, Graphcore</td>
</tr>
</tbody>
</table>
Global mega-round activity

North America maintains its position with most quarterly $100M+ rounds

- North America saw 51 mega-rounds in Q4’18, down from 55 in Q3’18.
- Mega-rounds were down in North America and Asia, and flat in Europe.
Global new unicorn births

North America surpasses Asia for most new unicorns for the second straight quarter
- North America saw a record number of private companies hit $1B valuations in Q4’18, at 21 companies.
- Asia surpassed North America in Q2’18 with the most new unicorns, but has since fallen behind in Q3’18 and Q4’18.
**Global seed-stage median deal size**

**Median seed-stage deal size jumps in North America**
- Median North America seed-stage deal size jumped to $2.0M in Q4’18, from $1.5M in Q3’18.
- Asia and European seed-stage medians were mostly flat during this period.
Global early-stage median deal size

North America median early-stage deal size jumped to $8M in Q4’18

- Median early-stage deal size in North America increased to $8M in Q4’18.
- Asian and European medians declined.
Global expansion-stage median deal size

Expansion-stage median deal size jumps in North America
- Median expansion-stage deal size jumped to $20M in North America, while Europe was up slightly.
- Median expansion-stage deal size declined to $14.5M in Asia, down from $20M in Q3’18.
Asian median later-stage deal size plummets, North America down slightly

• Median later-stage deal size declined by 39% in Asia, dropping from $100M to $61.5M in Q4’18.
Appendix
# US States: Full listing

<table>
<thead>
<tr>
<th>State</th>
<th>$M</th>
<th>No. of Deals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>3.5</td>
<td>3</td>
</tr>
<tr>
<td>Arizona</td>
<td>158.7</td>
<td>16</td>
</tr>
<tr>
<td>Arkansas</td>
<td>2.3</td>
<td>4</td>
</tr>
<tr>
<td>California</td>
<td>14,755.8</td>
<td>509</td>
</tr>
<tr>
<td>Colorado</td>
<td>243.7</td>
<td>37</td>
</tr>
<tr>
<td>Connecticut</td>
<td>51.0</td>
<td>10</td>
</tr>
<tr>
<td>DC</td>
<td>403.7</td>
<td>3</td>
</tr>
<tr>
<td>Delaware</td>
<td>155.3</td>
<td>23</td>
</tr>
<tr>
<td>Florida</td>
<td>190.1</td>
<td>16</td>
</tr>
<tr>
<td>Georgia</td>
<td>190.1</td>
<td>16</td>
</tr>
<tr>
<td>Illinois</td>
<td>427.4</td>
<td>33</td>
</tr>
<tr>
<td>Indiana</td>
<td>94.8</td>
<td>12</td>
</tr>
<tr>
<td>Iowa</td>
<td>5.2</td>
<td>1</td>
</tr>
<tr>
<td>Kansas</td>
<td>29.3</td>
<td>6</td>
</tr>
<tr>
<td>Kentucky</td>
<td>4.2</td>
<td>2</td>
</tr>
<tr>
<td>Louisiana</td>
<td>5.4</td>
<td>2</td>
</tr>
<tr>
<td>Maine</td>
<td>5.4</td>
<td>1</td>
</tr>
<tr>
<td>Maryland</td>
<td>218.8</td>
<td>11</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>2,313.0</td>
<td>111</td>
</tr>
<tr>
<td>Michigan</td>
<td>70.4</td>
<td>17</td>
</tr>
<tr>
<td>Minnesota</td>
<td>285.3</td>
<td>10</td>
</tr>
<tr>
<td>Missouri</td>
<td>69.4</td>
<td>9</td>
</tr>
<tr>
<td>Montana</td>
<td>3.2</td>
<td>1</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>20.3</td>
<td>3</td>
</tr>
<tr>
<td>New Jersey</td>
<td>136.5</td>
<td>6</td>
</tr>
<tr>
<td>New York</td>
<td>2,054.4</td>
<td>155</td>
</tr>
<tr>
<td>North Carolina</td>
<td>1,425.4</td>
<td>16</td>
</tr>
<tr>
<td>North Dakota</td>
<td>1.0</td>
<td>1</td>
</tr>
<tr>
<td>Ohio</td>
<td>57.6</td>
<td>20</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>1.0</td>
<td>2</td>
</tr>
<tr>
<td>Oregon</td>
<td>92.5</td>
<td>11</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>192.8</td>
<td>25</td>
</tr>
<tr>
<td>PR</td>
<td>1.0</td>
<td>1</td>
</tr>
<tr>
<td>South Carolina</td>
<td>0.3</td>
<td>1</td>
</tr>
<tr>
<td>Tennessee</td>
<td>435.8</td>
<td>10</td>
</tr>
<tr>
<td>Texas</td>
<td>428.8</td>
<td>50</td>
</tr>
<tr>
<td>Utah</td>
<td>246.9</td>
<td>12</td>
</tr>
<tr>
<td>Vermont</td>
<td>13.3</td>
<td>4</td>
</tr>
<tr>
<td>Virginia</td>
<td>69.1</td>
<td>8</td>
</tr>
<tr>
<td>Washington</td>
<td>252.4</td>
<td>36</td>
</tr>
</tbody>
</table>

No disclosed quarterly activity: AK, HW, ID, MS, NB, NV, NM, RI, SD, WV, WY
Notes on methodology

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 by a venture firm(s).
- Only includes the investment made in the quarter for tranched 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 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.