



Venture Pulse

Q1 2022

Global analysis of venture funding

April 20, 2022

Welcome message

Welcome to the Q1'22 edition of KPMG Private Enterprise's Venture Pulse — a quarterly report highlighting the major trends, opportunities, and challenges facing the venture capital market globally and in key jurisdictions around the world.

After achieving a fourth straight record-high last quarter, global VC investment declined in Q1'22 — although the total amount of VC investment remained incredibly strong overall. The amount of funding available in the market continues to be substantial, particularly in the US and Europe. This could help keep VC investment relatively stable over the near-term despite growing concerns related to the rapidly evolving Russia-Ukraine war, an increase in geopolitical tension, ongoing supply chain challenges, rising inflation and interest rates, and another COVID-19 surge.

VC investment in the Americas remained robust during Q1'22, led by a \$3 billion raise by Altos Labs and a \$935 million raise by Flexport — both in the US, and a \$650 million raise by Canada-based 1Password. VC investment in Europe, meanwhile reached a near-record high in Q1'22, led by a \$1 billion raise by Checkout.com (UK) and a \$871 million raise by Germany-based Wefox. VC investment in Asia dipped somewhat during the quarter, driven in part by a lack of \$1 billion+ funding rounds. India attracted two of the largest deals in Asia during Q1'22: an \$800 million raise by BYJU and a \$700 million raise by Swiggy.

At a sector level, healthtech, fintech, cybersecurity, alternative energy, and B2B services continued to be very hot areas of investment, while investors showed increasing interest in defense-focused technologies and agtech.

Heading into Q2'22, VC investment is expected to remain relatively stable globally given the amount of funding available in the market, although VC investors will likely become more cautious in their investment decision-making — particularly alternative investors like family offices. Seed and early-stage companies will likely take the biggest hit as investors focus on later stage deals in order to de-risk their portfolios. IPO activity is expected to remain subdued in Q2'22 given the heightened geopolitical uncertainty and the ongoing volatility in the capital markets.

In this quarter's edition of Venture Pulse, we look at these and a number of other global and regional trends, including:

- The increasing number of factors driving uncertainty in the VC market
- The slowdown in IPO activity globally
- The growing investment in all aspects of cybersecurity
- The strengthening focus on domestic production in light of supply chain challenges

We hope you find this edition of Venture Pulse insightful. If you would like to discuss any of the results in more detail, please contact a KPMG adviser in your area.

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Jonathan Lavender
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Contents

Global

- VC investment slows to \$144.8 billion across 9349 deals
- Down-rounds decrease as a percentage of all deals
- Exit activity plummets to \$122.3 Billion in Q1, following record year
- Fundraising remains robust — reaching \$90+ billion in Q1 alone
- Top 10 deals globally spread across 7 different countries



US

- VC deal value drops to \$70.7 billion
- Deal volume remains robust reaching 3723 deals
- First-time venture financings have strong start to the year
- Venture fundraising roars off to a massive start to the year
- Follow-on funds attract higher percentage of overall fundraising
- US sees 5 deals over \$500 million in Q1'22

Americas

- VC investment reaches \$95.2 billion invested across 3946 deals
- Valuations remain near record highs
- Canadian VC boom continues with surge in mega deals
- Blockchain and biotech well represented in top 10 deals
- Venture financing in Brazil surpasses \$1.5 billion for third consecutive quarter



Europe

- Investment remains strong in Europe - with over \$31.7 billion invested on 2219 deals
- Early-stage deals decline in value and volume
- Corporate VC investment surpasses \$14 billion for second time ever
- First time venture financings slows to \$1.5 billion on just over 500 deals
- UK and France continue to see new heights
- Top 10 deals spread among 6 countries



Asia

- Venture Capital investment drops to \$32.6 billion across 2712 deals
- Exit activity remains relatively robust with close to \$80 billion in value
- Venture fundraising sluggish to start the year
- VC invested in India reaches \$7.9 billion on over 300 deals
- Top 10 deals spread among China (4), India (3), South Korea (1), Singapore (1)

Globally, in Q1'22 VC-backed companies raised 144.8B across 9,349 deals

As uncertainty grows, global VC investment remains robust

VC investment globally remained relatively strong in Q1'22, despite an array of factors combining to drive significant uncertainty in the market, including the Russia-Ukraine war, global supply chain disruptions, volatility in the capital markets, rising inflation and interest rates, and surging COVID-19 cases in a number of jurisdictions.

Increasing number of jurisdictions globally attracting \$500 million+ rounds

During Q1'22, the diversity of jurisdictions attracting large funding rounds highlighted the growing breadth of VC markets outside of the US — although the US continued to attract the largest share of VC investment globally. Companies from eleven different countries raised \$500 million+ funding rounds during the quarter, including the US (Altos Labs, Flexport, Ramp, Fireblocks, Eikon Therapeutics), France (Doctolib, Qonto, Back Market), India (Byju, Swiggy), China (JD Property, Changan New Energy), the UK (Checkout.com), Germany (Wefox), Estonia (Bolt), Turkey (Getir), Finland (Relex), Singapore (Princeton Digital), and Canada (1Password). The diversity of the largest funding rounds seen in Q1'22 extended beyond geography, reflecting a range of sectors from healthtech and energy to fintech, e-commerce, and cybersecurity.

While VC investment in Asia was relatively soft in Q1'22, VC investment remained quite strong in the Americas and Europe, with Europe showing particular strength despite the emergent Russia-Ukraine war.

Early-stage investments poised to take hit

While it is too soon to see the full impact of current geopolitical tensions and uncertainties, it is expected that, similar to the experience at the outset of COVID-19 in 2020, early-stage investment will likely take a major hit as VC investors around the world look to de-risk their portfolios.

Growing concerns related to the spike in energy costs and the global supply chain could also drive attention away from emergent areas of investment and towards areas of immediate concern, such as addressing domestic supply chain shortages for inputs — like semiconductors. In Q1'22, Intel announced plans to invest \$36 billion into a semiconductor mega-factory in Germany¹, and \$20 billion for chip manufacturing in the US². This followed on Taiwan-based TSMC's Q4'21 announcement of plans to manufacture chips in the US beginning in 2024³.

IPO market activity stalls amidst capital market volatility

Globally, IPO activity slowed considerably in Q1'22, as capital markets experienced significant volatility in the wake of the Russia-Ukraine war. After wanning in the second half of 2021, interest in SPAC transactions disappeared almost entirely in Q1'22, with an increase in SPAC investors not agreeing to proposed terms for SPAC-mergers.

All major capital markets were affected by stock market volatility, with the HKSE market index dropping to the lowest level seen in five years⁴. Technology company stocks were hit particularly hard — which likely drove technology startups considering early 2022 IPO exits to rethink their exit plans. While the closure of the IPO window could drive interest back to traditional M&A, the downward pressure on valuations could mean companies taking a wait-and-see approach with the hope that valuations bounce back.

¹ <https://www.cnn.com/2022/03/15/intel-commits-36-billion-to-making-chips-in-europe.html>

² <https://www.cnn.com/2021/03/23/intel-is-spending-20-billion-to-build-two-new-chip-plants-in-arizona.html>

³ <https://www.cnn.com/2021/10/16/tsmc-taiwanese-chipmaker-ramping-production-to-end-chip-shortage.html>

⁴ <https://tradingeconomics.com/hong-kong/stock-market>

As uncertainty grows, global VC investment remains robust, cont'd.

Cybersecurity sees boom in VC investment

After growing in 2021, VC investment in cybersecurity surged further in Q1'22, led by a \$650 million raise by Canada-based 1Password. Cyberattacks have grown significantly in most regions of the world, with attacks increasingly targeting not only governments and global organizations, but also small and mid-sized companies. The types of threats have also expanded considerably, from more complex and advanced forms of business disruption to the rapid spread of misinformation. In a world where many organizations are embracing digital and the cloud, the vulnerabilities will likely continue to evolve. This will likely keep VC investment in the space quite high for the foreseeable future.

Russia-Ukraine war driving interest in defence

The Russia-Ukraine war has driven a significant amount of attention to defence-related technologies. In February, Germany announced a \$112 billion defence fund focused on military modernization⁵. Other countries in Europe have also increased their defence spending. This will likely drive investment in a broad range of areas, such as drone technologies or anti missile defence technologies. While the majority of these investments will likely be into government entities, there could be increased investment in adjacent or periphery technologies, such as communications.

Convergence of trends accelerating interest in EV technologies

Geopolitical tension, rising gas prices, an increasing focus on climate change, and growing demand from consumers is accelerating VC investment in an already strong sector: electric vehicles and EV technologies. Interest in alternative energy and energy storage has also increased significantly.

Trends to watch for in Q2'22

There is a significant level of uncertainty permeating the globe at the moment driven by a number of different factors. This makes it difficult to predict how the VC market will respond over the long-term. Given the significant amount of dry powder available in the market, however, VC investment is expected to remain relatively steady heading into Q2'22. Deal speed, however, could slow as VC investors conduct more due diligence related to potential deals. VC investors will likely also renew their focus on late-stage deals, which could create challenges for startups looking to attract seed and early-stage investments.

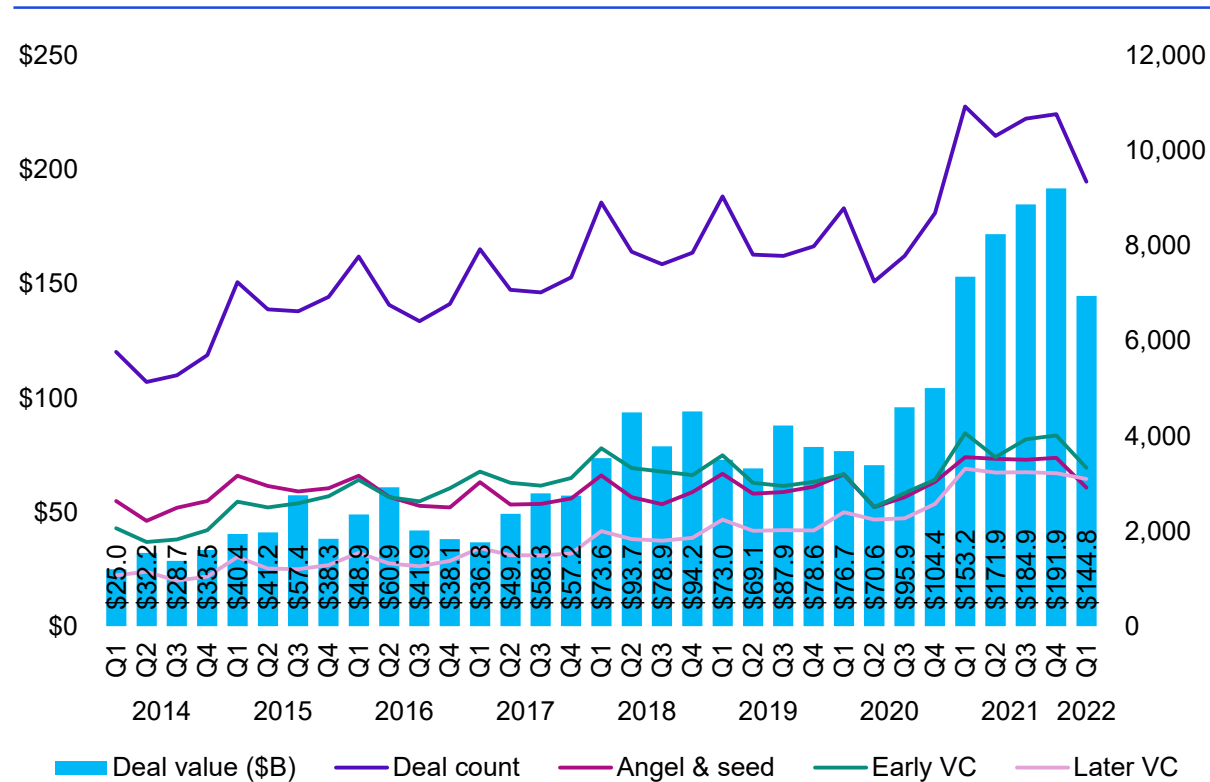
In Q2'22 global VC investors will likely also be keeping a close watch on the capital markets. Should the level of volatility continue and the IPO window remain shut, companies could reconsider their exit plans and strategies.

⁵ <https://www.dw.com/en/germany-commits-100-billion-to-defense-spending/a-60933724>

Even as volatility spikes, venture investment remains strong

Global venture financing

2014–Q1'22



2022's first quarter is in the books. Even though significant volatility and major concerns arose given deepening ripple effects from the Russia-Ukraine war, as well as continuing geopolitical tension and issues with supply chains worldwide, venture investment remained remarkably robust. Granted, more caution is warranted than seen in quite some time. Chief issues to consider include:

- How volatility in equities could affect liquidity prospects, especially given how much exit value was unlocked by public listings last year
- Given dry powder remains so high, yet there is a sense of rising unknown risks, how investors will navigate a still-pricey market
- How much demand for startup innovation could be influenced by government spending aimed at domestic reshoring and technical advantages.

“ There’s a lot of positivity right now in the global VC space and, assuming there’s not some major setback due to the Omicron variant, that positivity is likely going to carry well into 2022, particularly in the US and Europe. Over the next year, we’re also going to start seeing VC investments pick up in less developed regions of the world, including in places like Africa, the Middle East, and South America.”



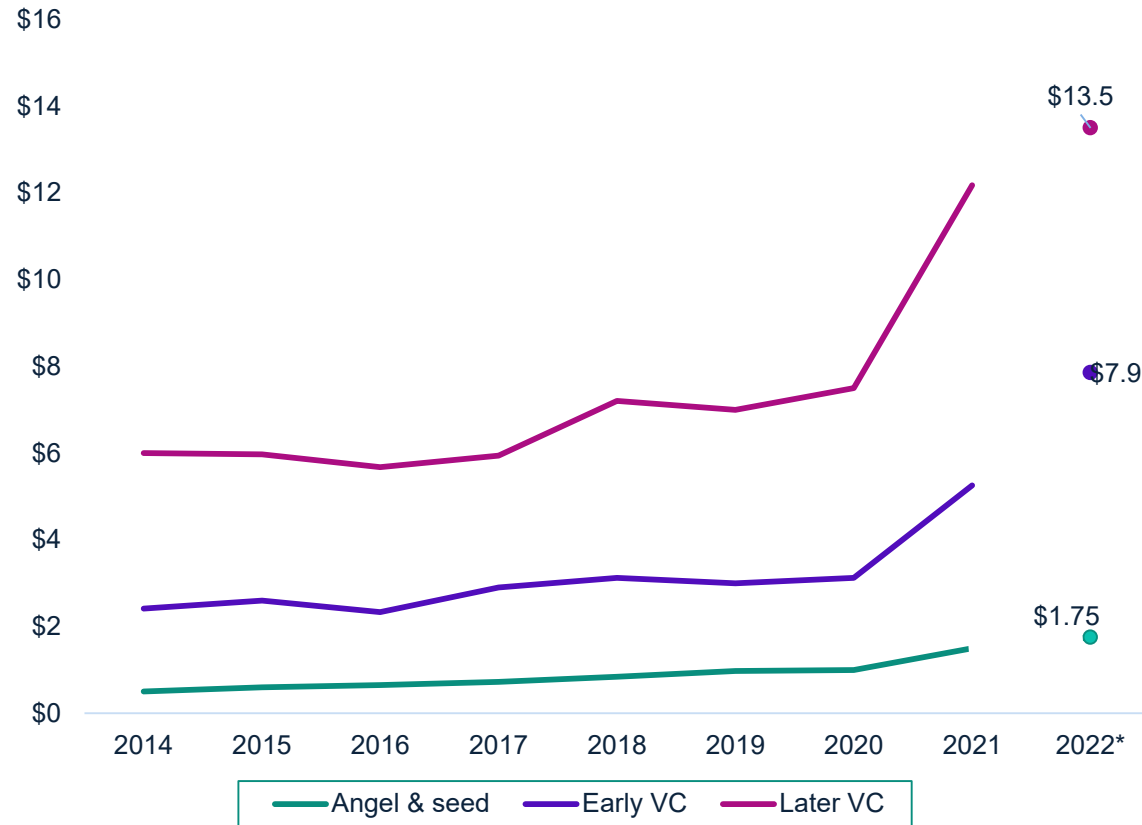
Jonathan Lavender
Global Head,
KPMG Private Enterprise

Source: Venture Pulse, Q1'22. Global Analysis of Venture Funding, KPMG Private Enterprise. Data provided by PitchBook, April 20, 2022

Q1 2022 sees optimism carry over

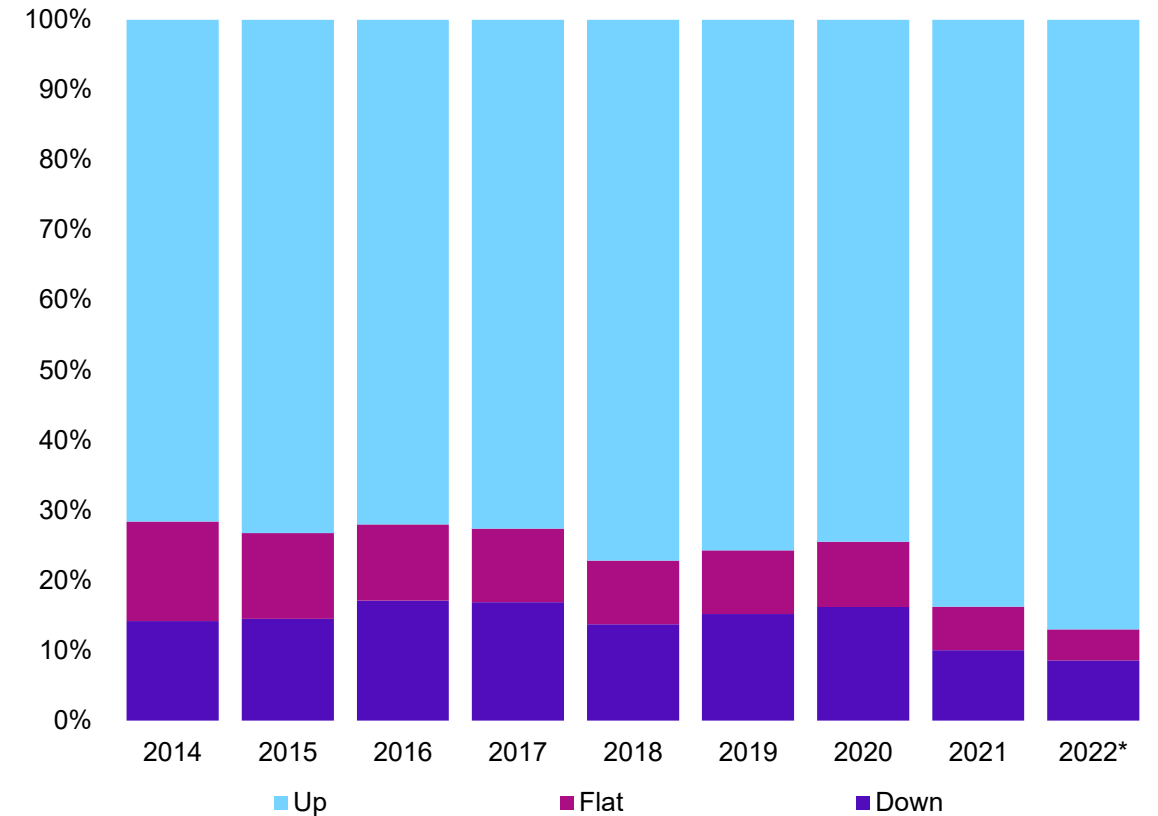
Global median deal size (\$M) by stage

2014–2022*



Global up, flat or down rounds

2014–2022*

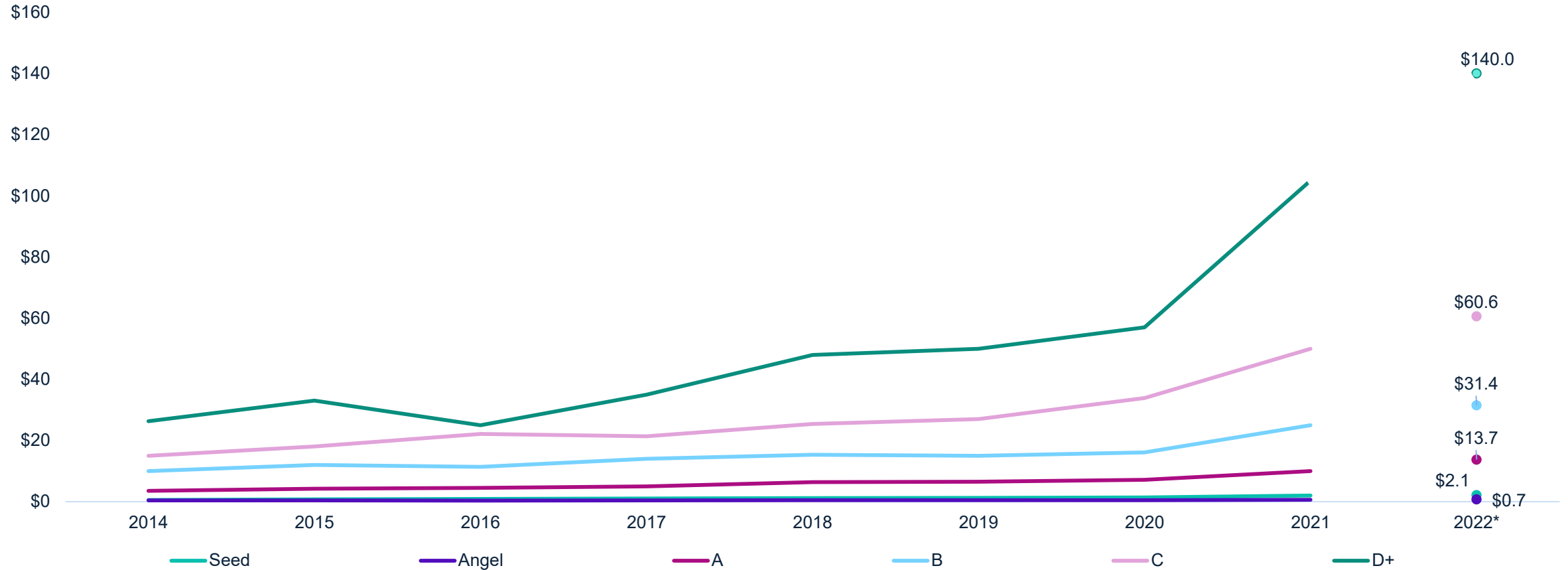


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

All-time highs are maintained

Global median deal size (\$M) by series

2014–2022*

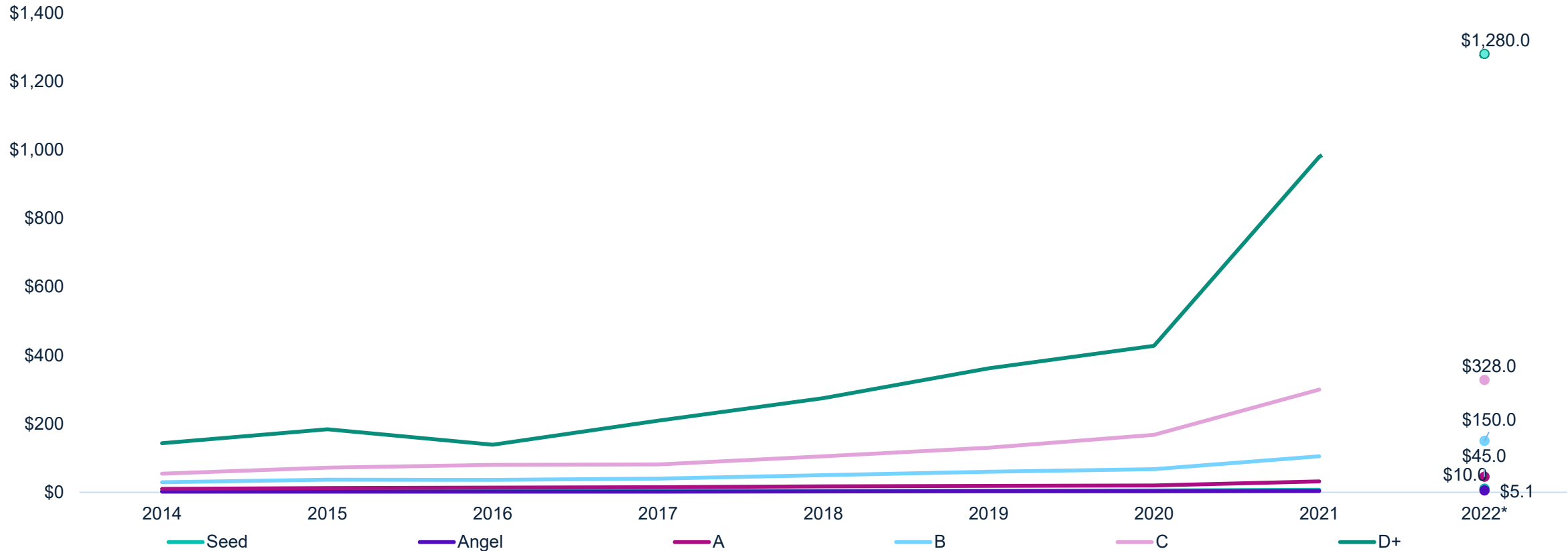


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

The late stage surges even further past \$1 billion

Global median pre-money valuation (\$M) by series

2014–2022*

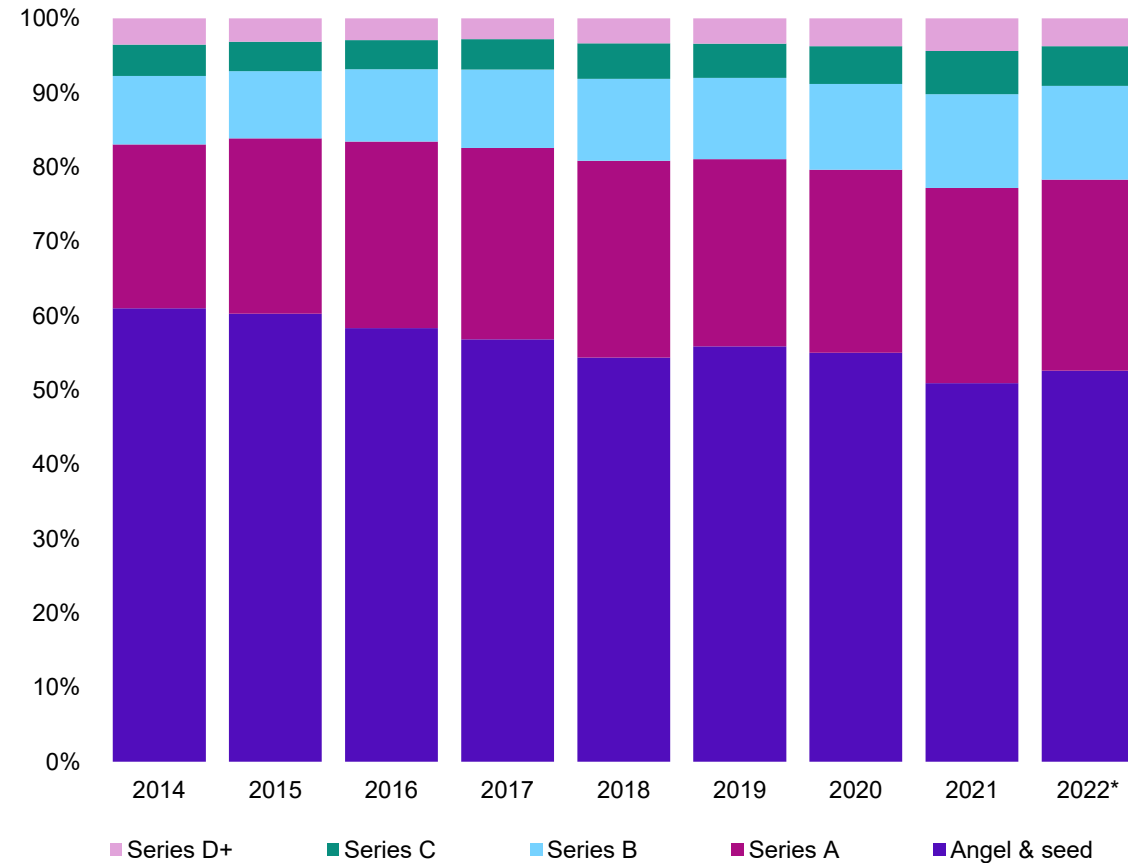


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Angel & seed see slight bump in VC invested share due to outliers

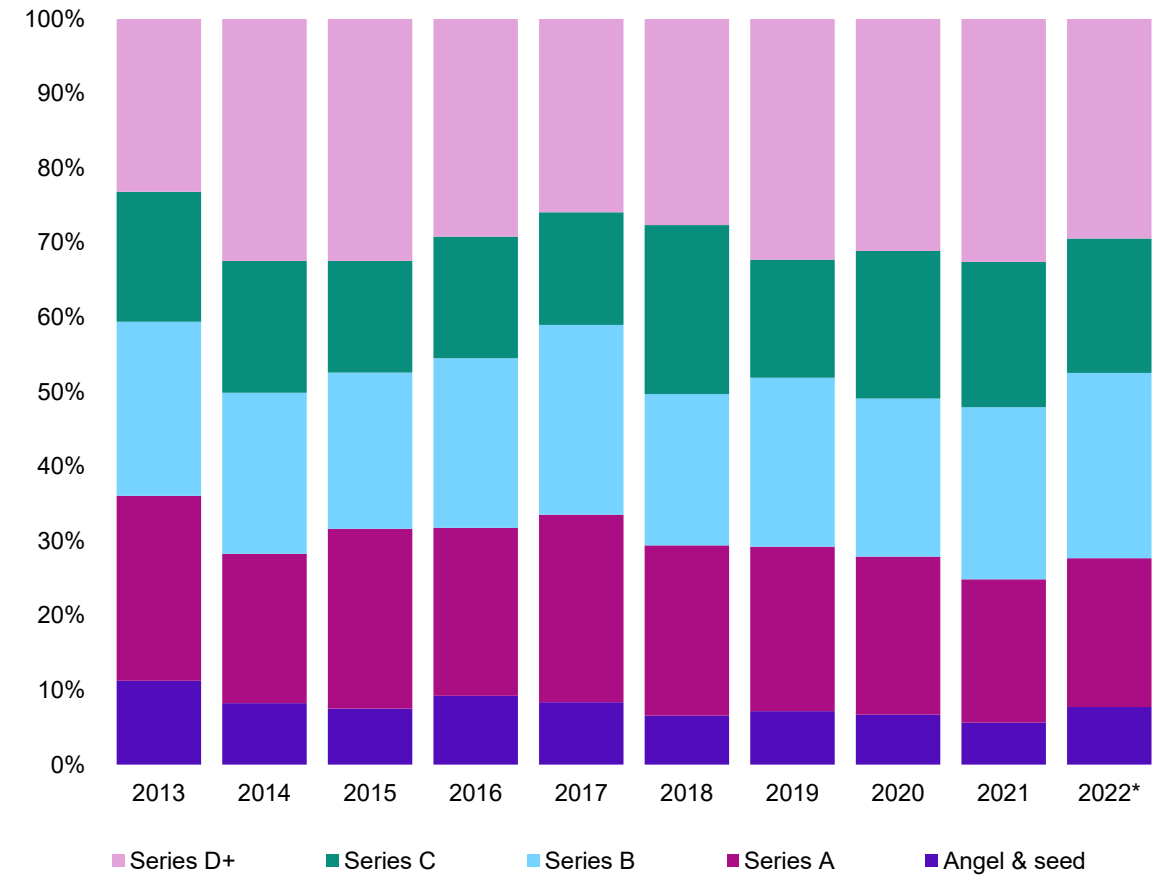
Global deal share by series

2014–2022*, number of closed deals



Global deal share by series

2014–2022*, VC invested (\$B)

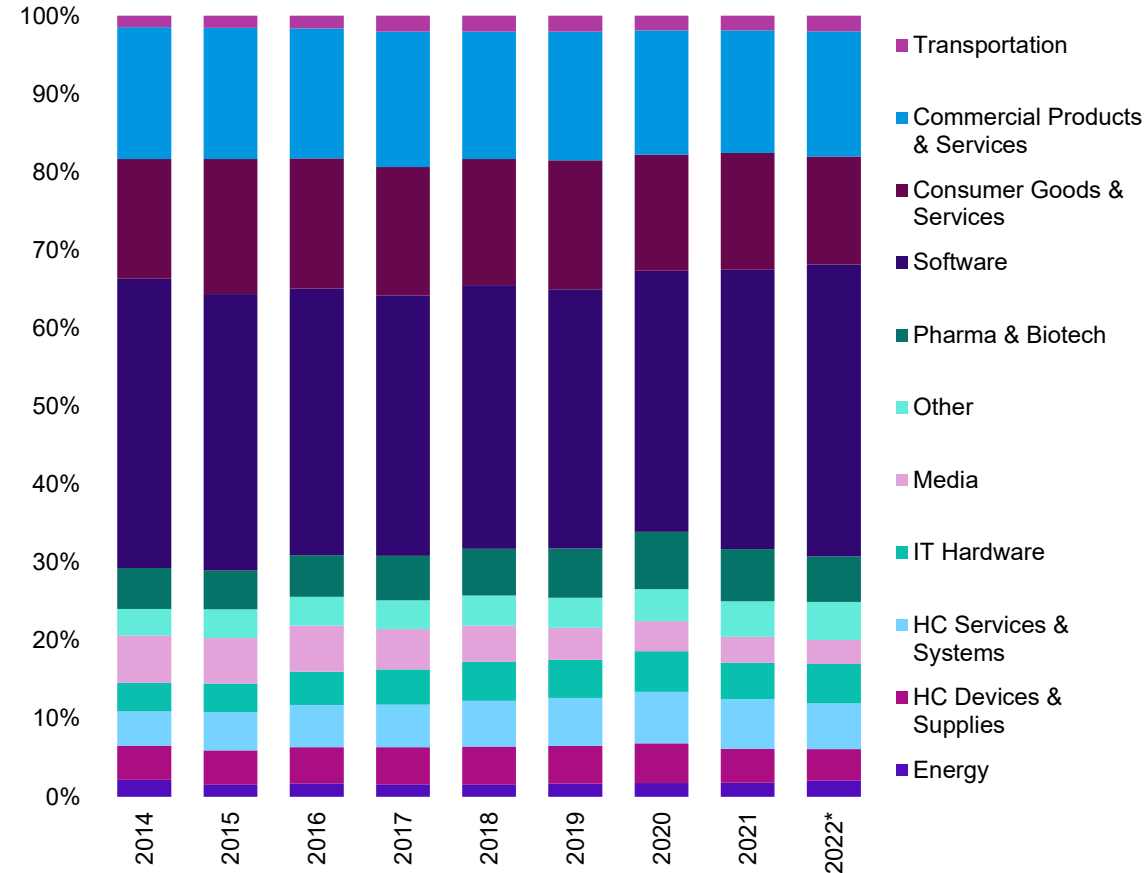


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Hardware, healthcare & biotech still expected to draw significant investment

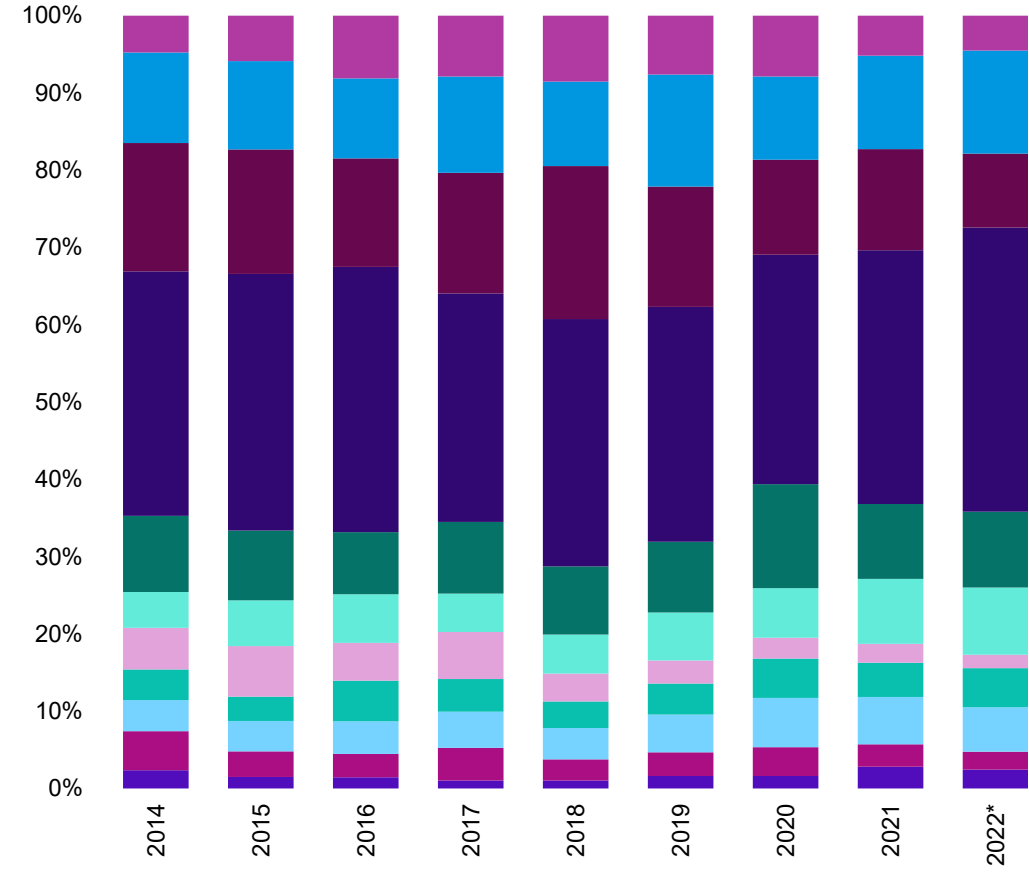
Global financing trends to VC-backed companies by sector

2014–2022*, number of closed deals



Global financing trends to VC-backed companies by sector

2014–2022*, VC invested (\$B)

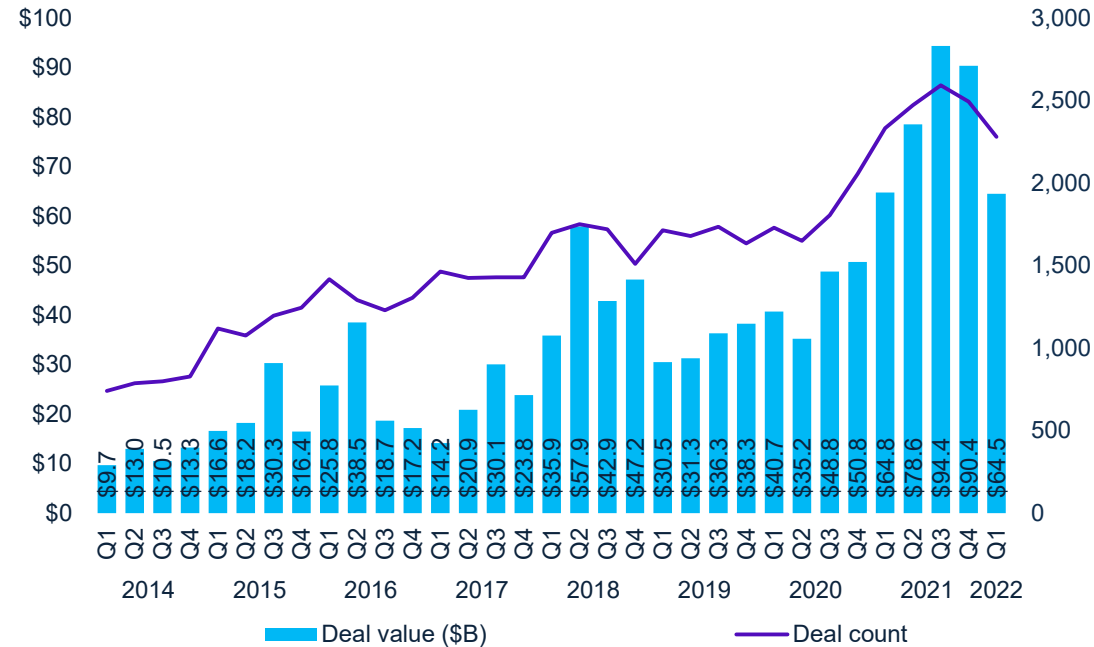


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Q1 2022 sees first-time financings still holding strong

Corporate VC participation in global venture deals

2014–Q1'22



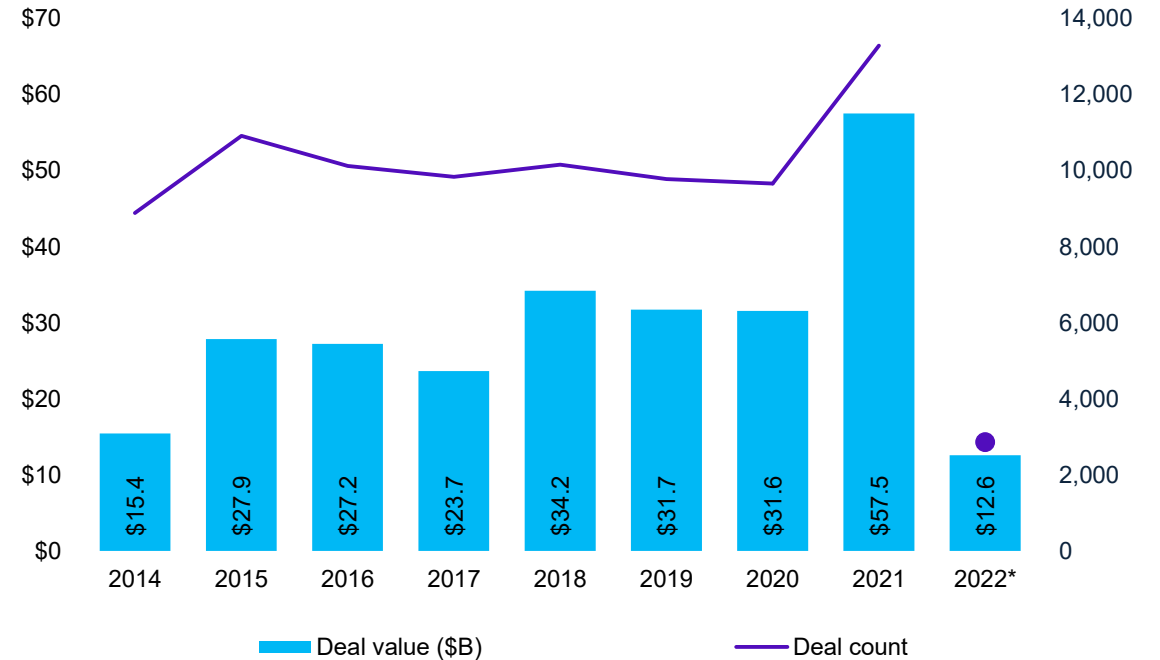
Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Note: The capital invested is the sum of all the round values in which corporate venture capital investors participated, not the amount that corporate venture capital arms invested themselves. Likewise, deal count is the number of rounds in which corporate venture firms participated.

It remains to be seen whether the dip in Q1 2022 is a portent of a dip in corporations' involvement in VC, or whether it is more of a lag in as-of-yet unknown datasets. The latter is likelier as despite rising volatility and an expensive market, corporates and their venture arms still have plenty of incentives to invest, including R&D to stay abreast rapidly changing tech stacks and domestic reshoring of supply chains.

Global first-time venture financings of companies

2014–2022*



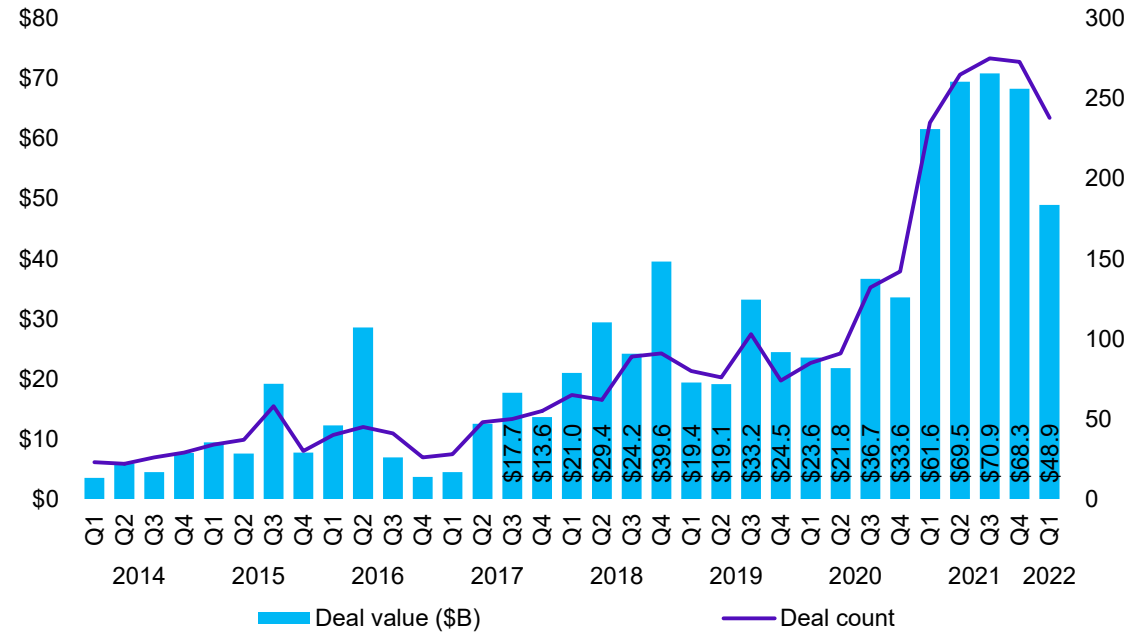
Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

First-time financing trends held strong in Q1 2022, with a healthy sum of capital invested across well over 2,000 transactions in the period. Further volatility could dampen this trend after a record high last year, but that remains to be seen.

The rich get richer, and liquidity proves out

Global unicorn rounds

2014–Q1'22



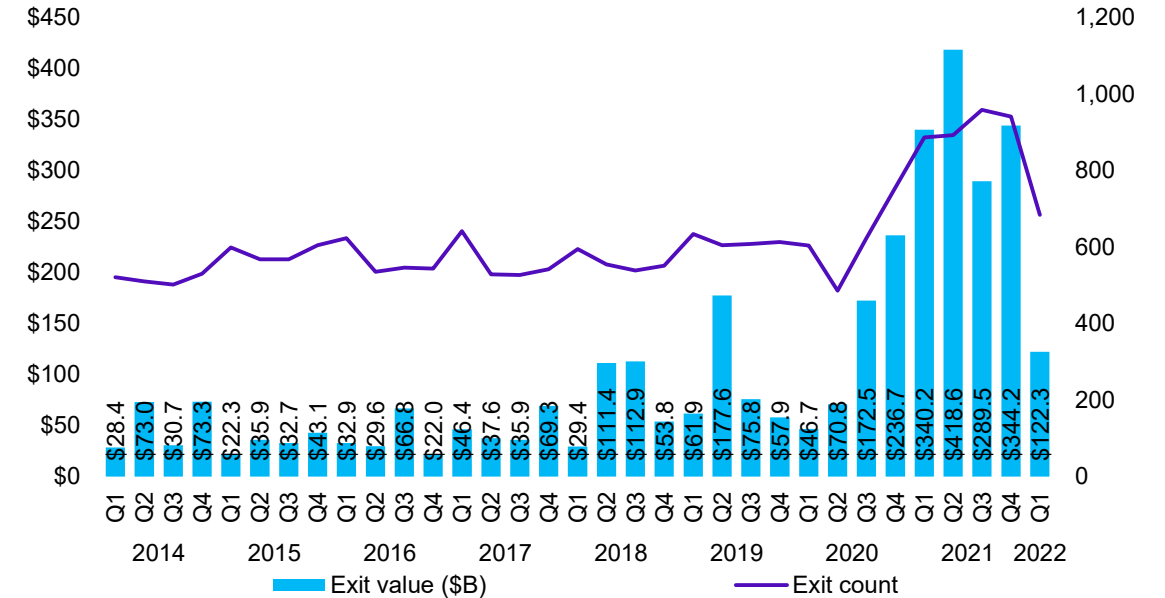
Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Note: PitchBook defines a unicorn venture financing as a VC round that generates a post-money valuation of \$1 billion or more. These are not necessarily first-time unicorn financing rounds, but also include further rounds raised by existing unicorns that maintain at least that valuation of \$1 billion or more.

After record sums, Q1 2022 finally saw a dip in unicorn creation as well as unicorns raising further rounds. It is possible this is just temporary and cyclical, after a banner year for unicorns worldwide given record sums raised by them prior to many likely aiming to finally go public.

Global venture-backed exit activity

2014–Q1'22



Note: Exit value for initial public offerings is based on post-IPO valuation, not the size of the offering itself.

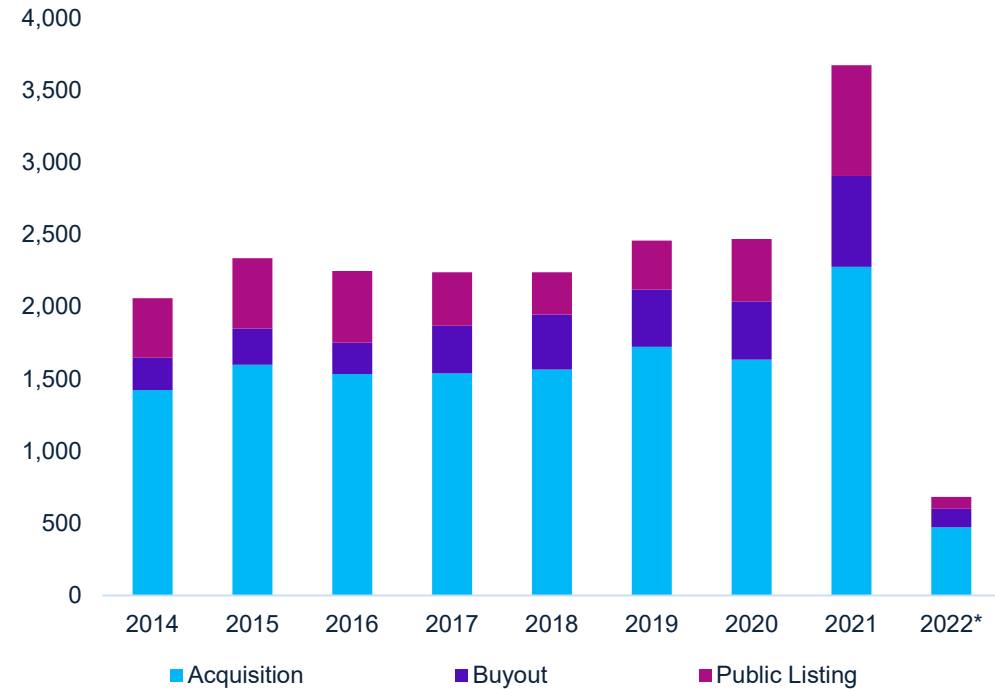
Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

After five straight quarters of record-breaking liquidity, it was only to be expected that a given single quarter could see lower tallies of exit value. Multiple geopolitical events also doubtless influenced many companies' decisions to go public. It remains to be seen how much more volatility could dampen exits going forward.

After a record year for public listings, 2022 starts off slow

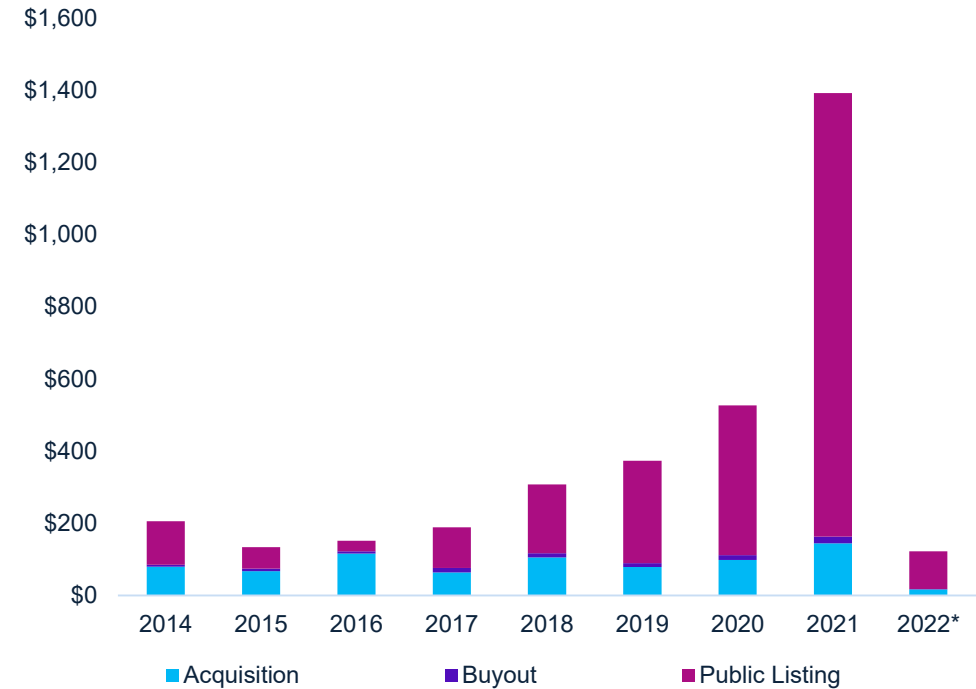
Global venture-backed exit activity (#) by type

2014–2022*



Global venture-backed exit activity (\$B) by type

2014–2022*



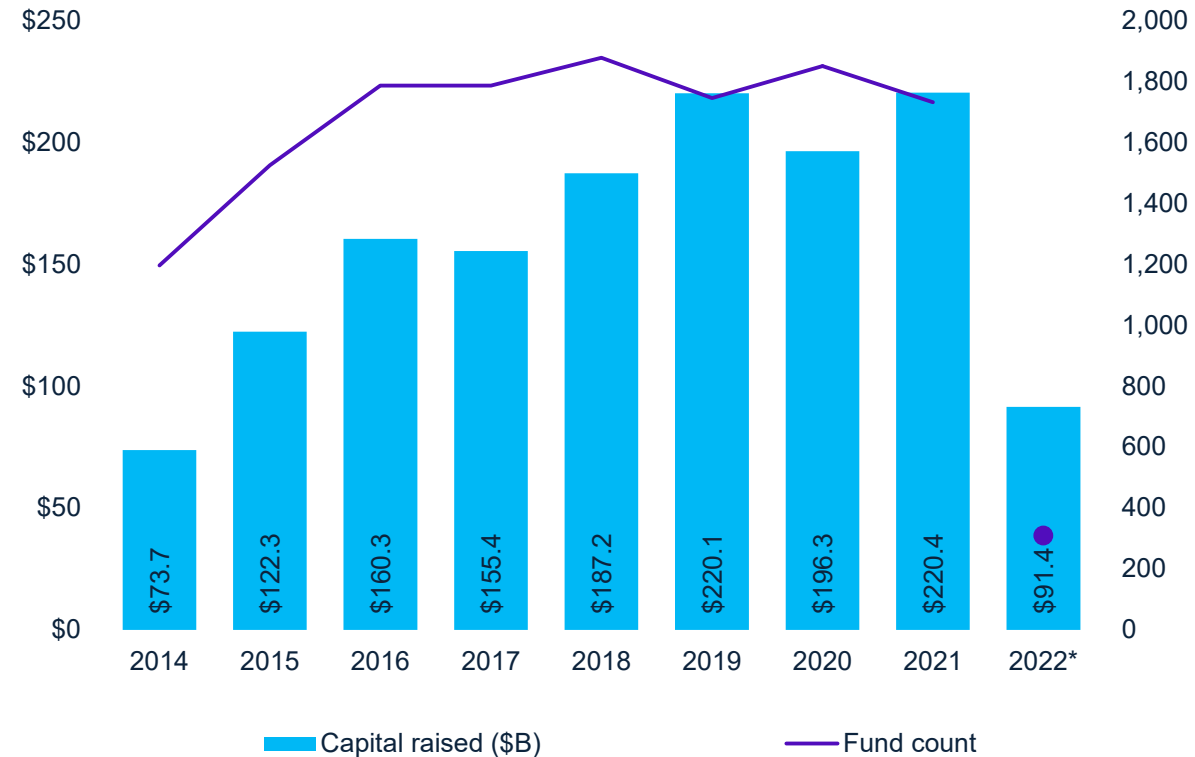
Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

At times last year it seemed that markets were irrationally bullish, although it must be emphasized top-line figures for many companies justified strong stock performance. Now, however, the tide could be turning given worsening supply chain issues, the Russia-Ukraine war, issues with commodities' prices that could lead to general ripple effects, geopolitical tensions, and more.

2022 sees robust fundraising for just a single quarter

Global venture fundraising

2014–2022*



Allocators worldwide continue to flock to alternative investments — venture is no exception. Even after robust fundraising, firms continue to be able to rake in large sums. It is worth noting that flagship VCs may be defensively positioning for not only a pricey market but a period of potentially significant volatility.

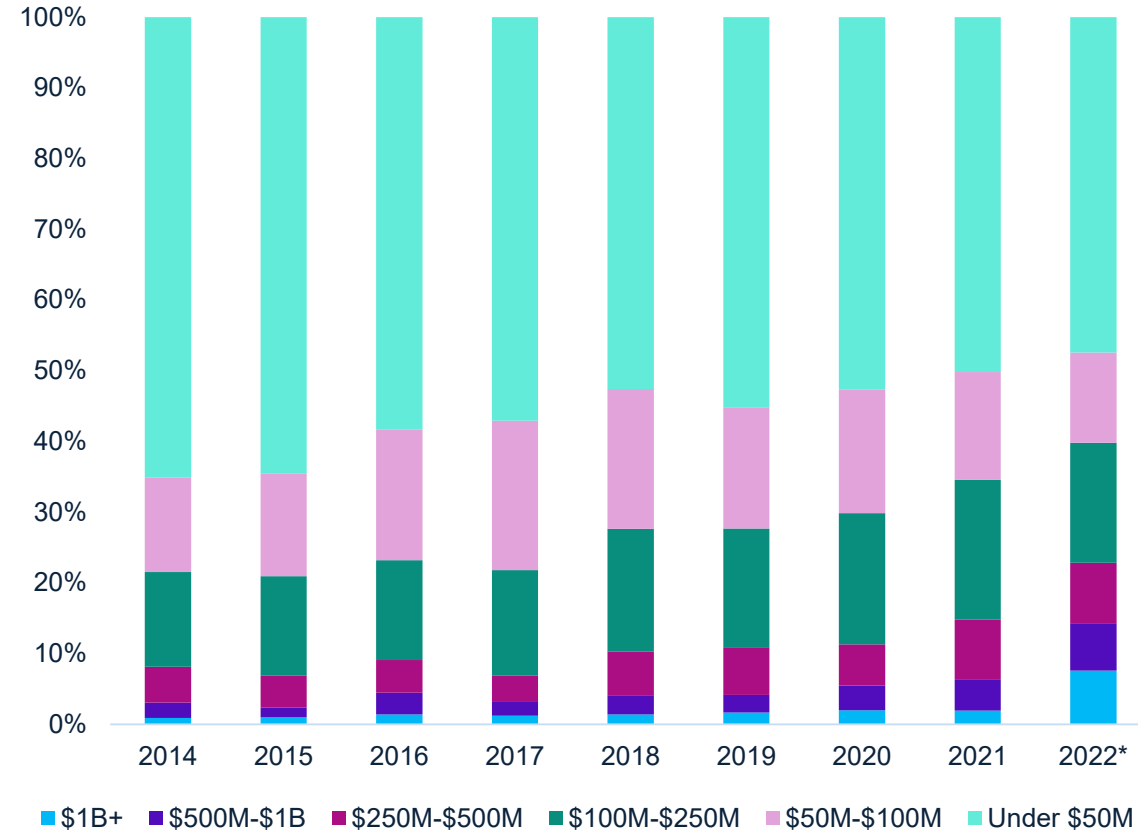
Allocators continue to pile into the **venture asset class regardless** of current concerns, with **\$90 billion already raised.**

Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Fund sizes keep trending larger

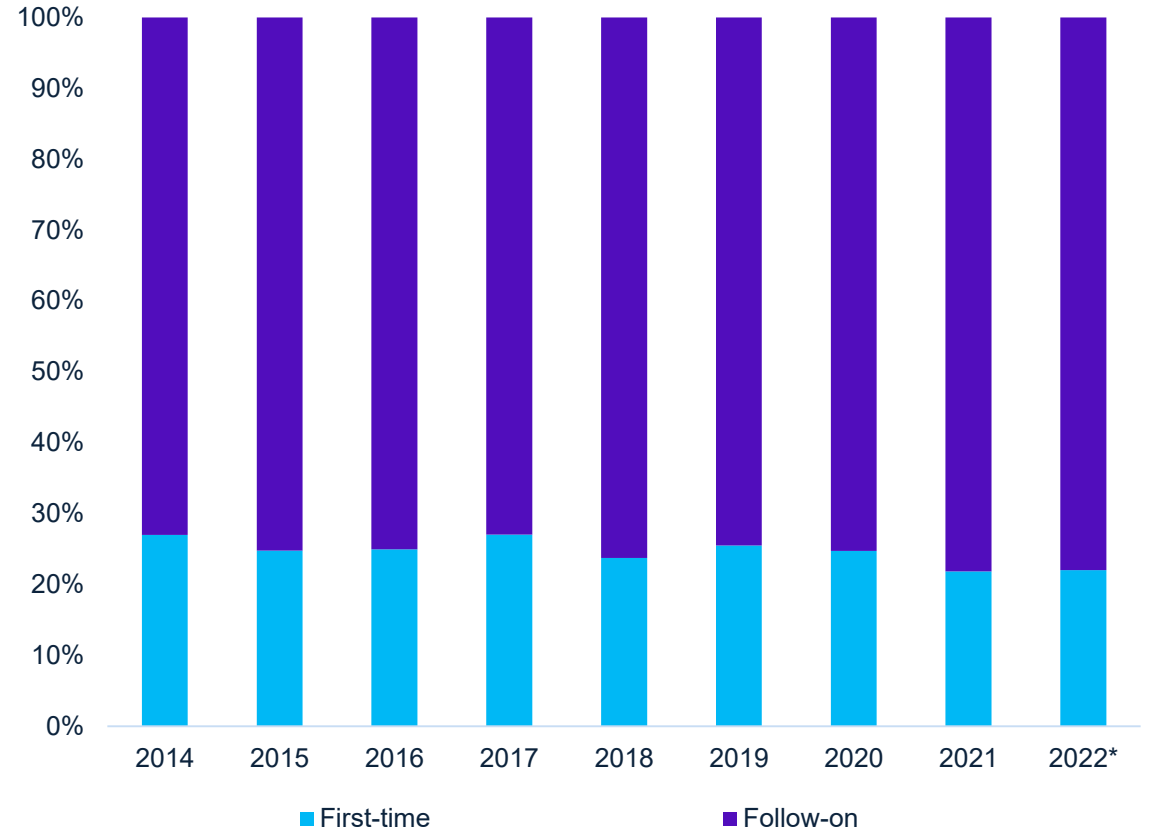
Global venture fundraising (#) by size

2014–2022*



Global first-time vs. follow-on venture funds (#)

2014–2022*



Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Top deals occur across a slew of nations & sectors

Top 10 global financings in Q1'22



1. **Altos Labs** — \$3B, Redwood City, US — Biotech — *Early-stage VC*
2. **Checkout.com** — \$1B, London, UK — Fintech — *Series D*
3. **Flexport** — \$935M, San Francisco, US — Logistics — *Series E*
4. **Wefox** — \$871.7M, Berlin, Germany — Fintech — *Late-stage VC*
5. **BYJU'S** — \$800M, Bengaluru, India — Edtech — *Series F*
6. **JD Property (China)** — \$800M, Suqian, China — Real estate tech — *Series B*
7. **Changan New Energy Vehicles Technology** — \$784M, Chongqing, China — Cleantech — *Series B*
8. **Getir** — \$768M, Istanbul, Turkey — E-commerce — *Series E*
9. **Ramp (Financial Software)** — \$750M, New York, US — Fintech — *Late-stage VC*
10. **Bolt** — \$710.5M, Tallinn, Estonia — Automotive — *Series F*

Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

**In Q1'22 US VC-backed
companies raised
\$70.7B across 3,723
deals**

VC investment in the US falls from 2021 highs in Q1 '22 as uncertainty rises

In Q1'22, VC investment in the US fell from the record-high seen in Q4'21, although it remained substantially higher than every quarter prior to 2021. The two largest deals for the quarter were a \$3 billion raise by Altos Labs and a \$935 million raise by logistics company Flexport.

Geopolitical uncertainty and supply chain challenges driving investment in US

The ongoing disruptions to the global supply chain, combined with geopolitical uncertainties related to the Russia-Ukraine war and US-China relations has put a renewed emphasis on domestic availability of certain products required to help drive economic growth in the US. One particular area getting attention is semiconductors. In Q1'22, Intel announced that it would build a semiconductor plant in the US⁶. Given the focus being put on the industry, it is likely that there will be additional VC investment flowing to the semiconductor space over the next few quarters. Other critical support or input technologies will likely also see additional interest and investment from VC investors.

IPO market door swings shut in Q1'22

At the end of 2021, there was a backlog of highly valued private companies in the US that investors expected to IPO early in 2022. These IPO exits failed to materialize in the wake of the volatility experienced by the public markets during Q1'22, driven in part by the sudden Russia-Ukraine war. The market volatility hit technology stocks particularly hard, likely helping to swing the IPO exit door shut. While a small number of companies could potentially IPO despite the turbulent environment, most appear to have shelved their plans for now given the degree of market uncertainty.

With the likelihood of near-term IPOs shrinking, there could be an increase in secondary listings in order to give their earliest investors exit opportunities. The growing popularity of secondaries over the last few years, continues to give management more options to provide liquidity events to early investors while allowing them to keep their companies private longer.

Healthtech and biotech continue to attract VC investment in the US

In the wake of the COVID-19 pandemic, health and biotech companies have continued to attract significant funding from VC investors in the US. During Q1'22, drug discovery company Eikon Therapeutics raised \$517 million. VC investment in the space has been quite broad, ranging from digital healthcare models and software to support medical practitioners to drug discovery and medical devices. As both medical practitioners and users of digital health services have become more comfortable with virtual models of care over the past two years, it is expected that digital mechanisms to enhance care will continue to be an area of interest to investors moving forward.

Downward pressure on valuations sparking unicorn concerns

With significant uncertainty in the market, valuations are starting to come down. This is beginning to cause concern that some unicorns may not be able to raise new funds at or above their previous valuations — a circumstance that has been primarily unheard of over the last two years. If the situation intensifies, some unicorns may be required to consider down rounds. Others might decide to maintain their war chest rather than raise new funds, which could stall valuation increases — creating a number of 'Zombies.'

⁶ <https://www.washingtonpost.com/opinions/2022/01/21/intels-investment-us-based-semiconductor-manufacturing-is-great-news-we-need-more-that/>

VC investment in the US falls from 2021 highs in Q1 '22 as uncertainty rises, cont'd.

Agtech grows on the radar of US investors

Agtech gained a significant amount of attention from VC investors in the US during Q1'22 — with investments ranging from indoor vertical farming company Plenty's \$400 million Series E raise to cell-cultured seafood company Finless Foods' \$34 million Series B raise. Given the growing importance of food security and sustainability both in the US and globally, it is expected that investments in agtech will grow over the coming quarters.

Trends to watch for in Q2'22

Given the amount of dry powder available in the market, VC investment is expected to remain relatively robust in the US heading into Q2'22, the Russia-Ukraine war, rising inflation, and increasing interest rates will likely be major factors in investment conversations.

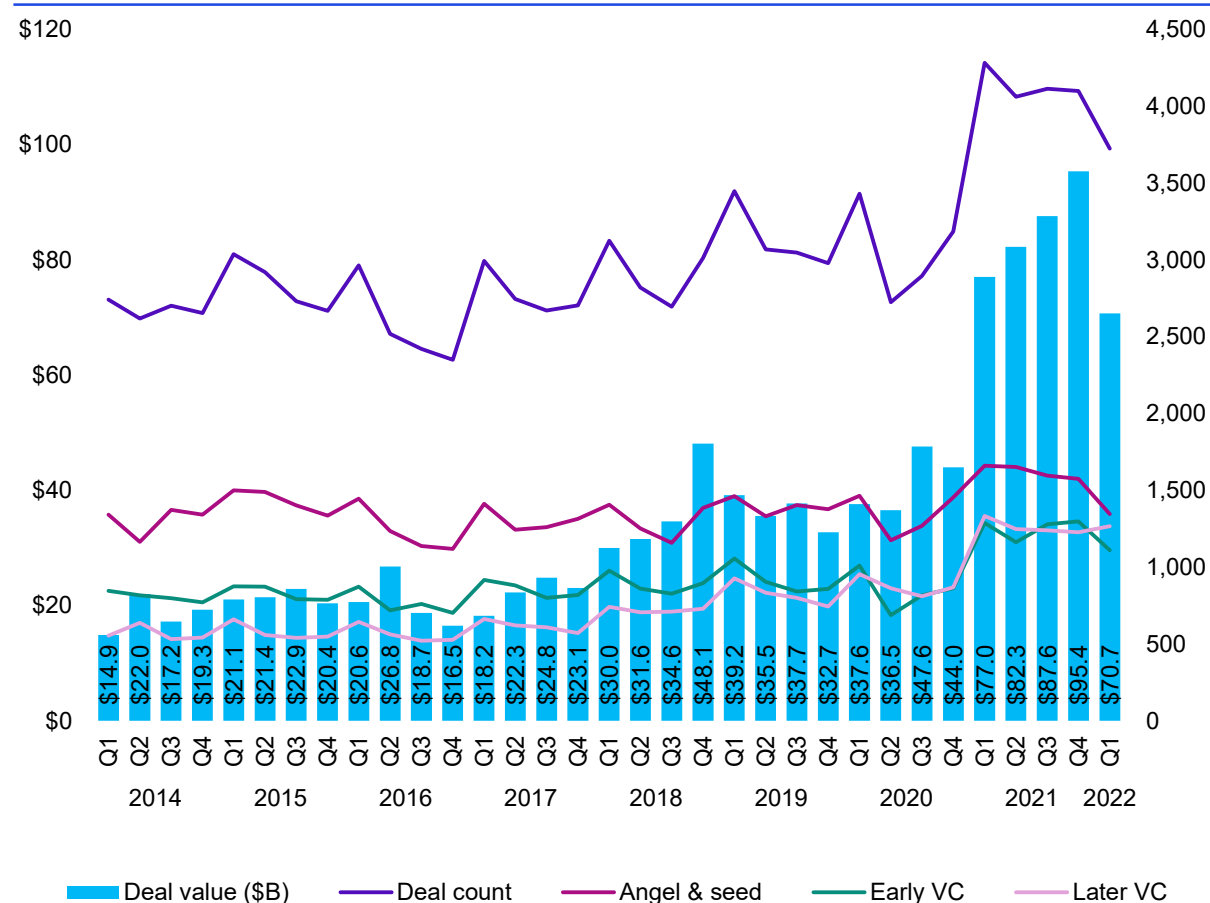
While fintech, healthtech, and EV technologies are expected to remain hot areas of VC investment in Q2'22, proptech is also well positioned for growth given increasing real estate prices and the rapid rise in investors interested in secondary real estate markets outside of Silicon Valley, New York and Los Angeles.

The US federal government's recently passed infrastructure plan is also expected to pour money into a number of key sectors, including traditional infrastructure, internet connectivity, and electric vehicle infrastructure. As the plan is put into action, it will likely create new opportunities for startups — which could, in turn, catalyze VC investment.

After record increases, Q1 experiences a slowdown

Venture financing in the US

2014–Q1'22



Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

After a mammoth 2021, a slowdown could be expected in venture financing simply given fears of an overheated market leading investors to pull back. That said, even with all the risks that heightened in Q1 2022, a robust level of investment still occurred. Coming quarters will reveal the full extent to which ongoing supply chain issues, new troubles with commodities' prices, inflation and policy changes could all impact the venture realm in particular. However, offsetting government support for cleantech and the sheer level of dry powder in the US could still bolster dealmaking for the remainder of the year.

“After experiencing a record-setting year in 2022, IPO activity and exit value dropped off a cliff in Q1'22. A combination of geopolitical and macroeconomic concerns drove a significant amount of volatility in U.S. capital markets, causing companies that may have been considering an IPO exit to take a pause. IPO activity is expected to remain muted heading into Q2'22. Should the trend continue beyond Q2'22, we could see some softening of interest from VC investors.”



Conor Moore

Global Leader — Emerging Giants, KPMG Private Enterprise, and Partner KPMG in the US

Investors are still waxing positive

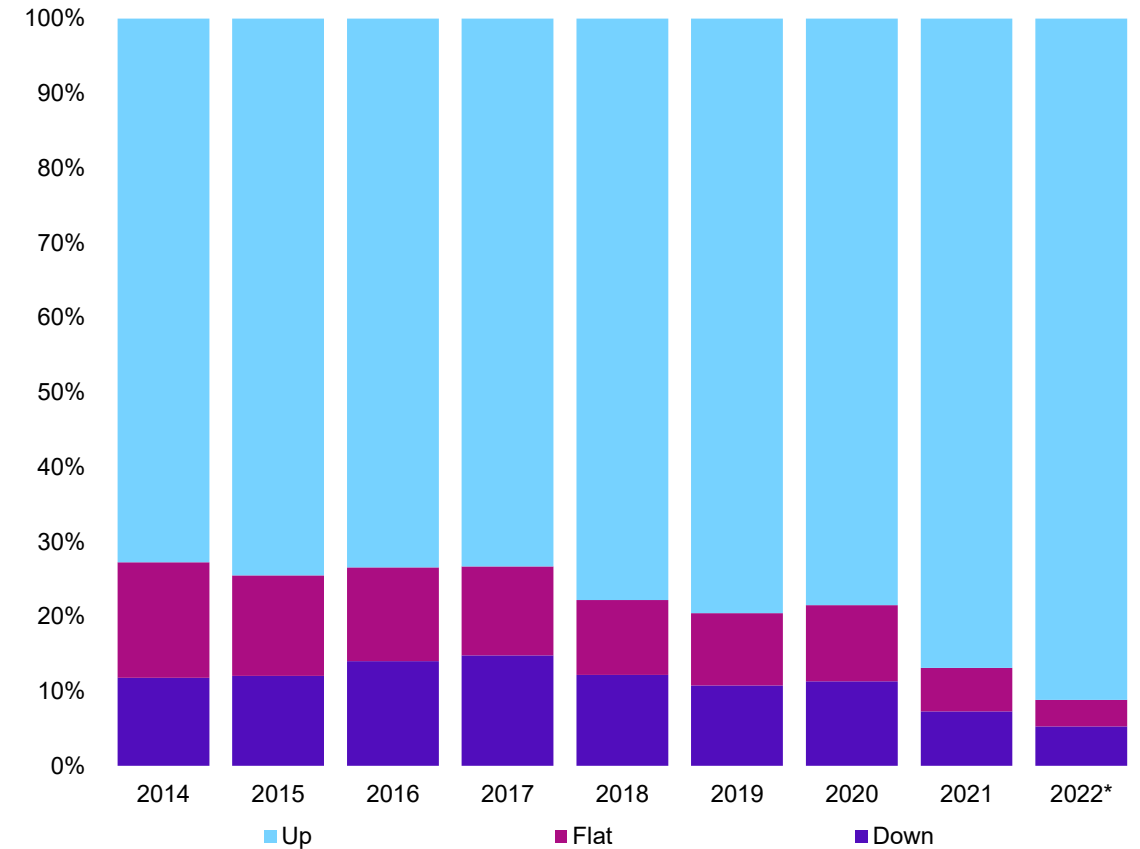
Median deal size (\$M) by stage in the US

2014–2022*



Up, flat or down rounds in the US

2014–2022*

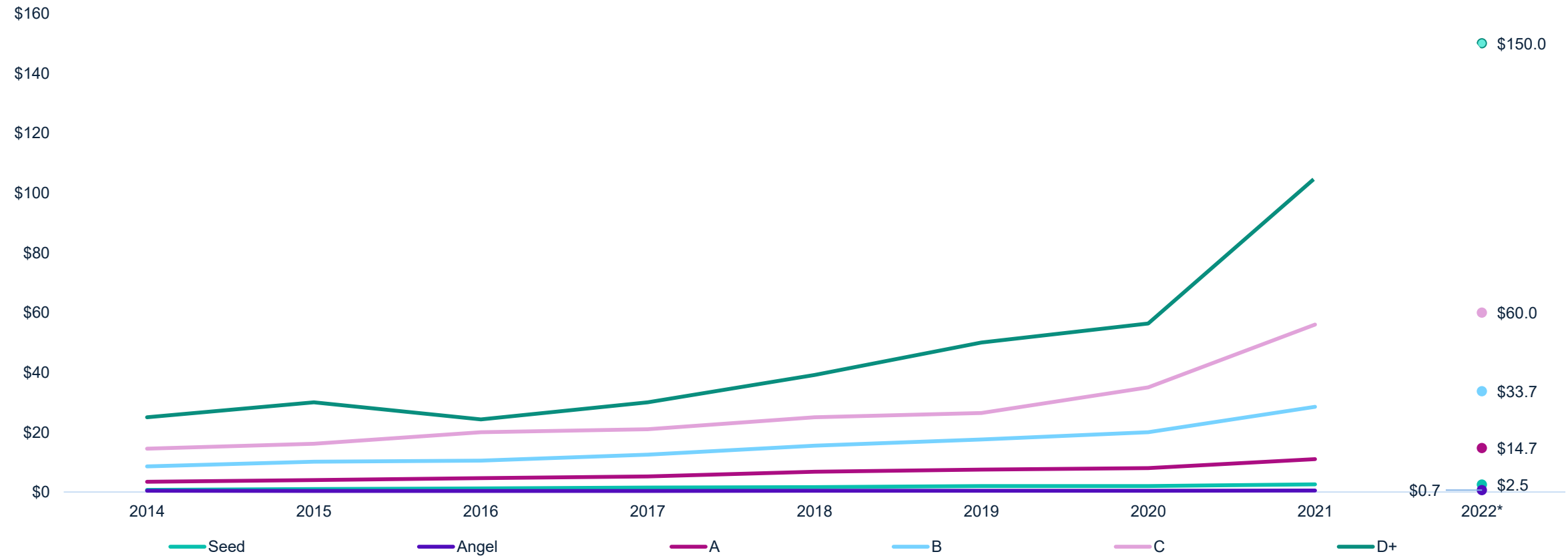


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

The late stage remains inflated

Median deal size (\$M) by series in the US

2014–2022*



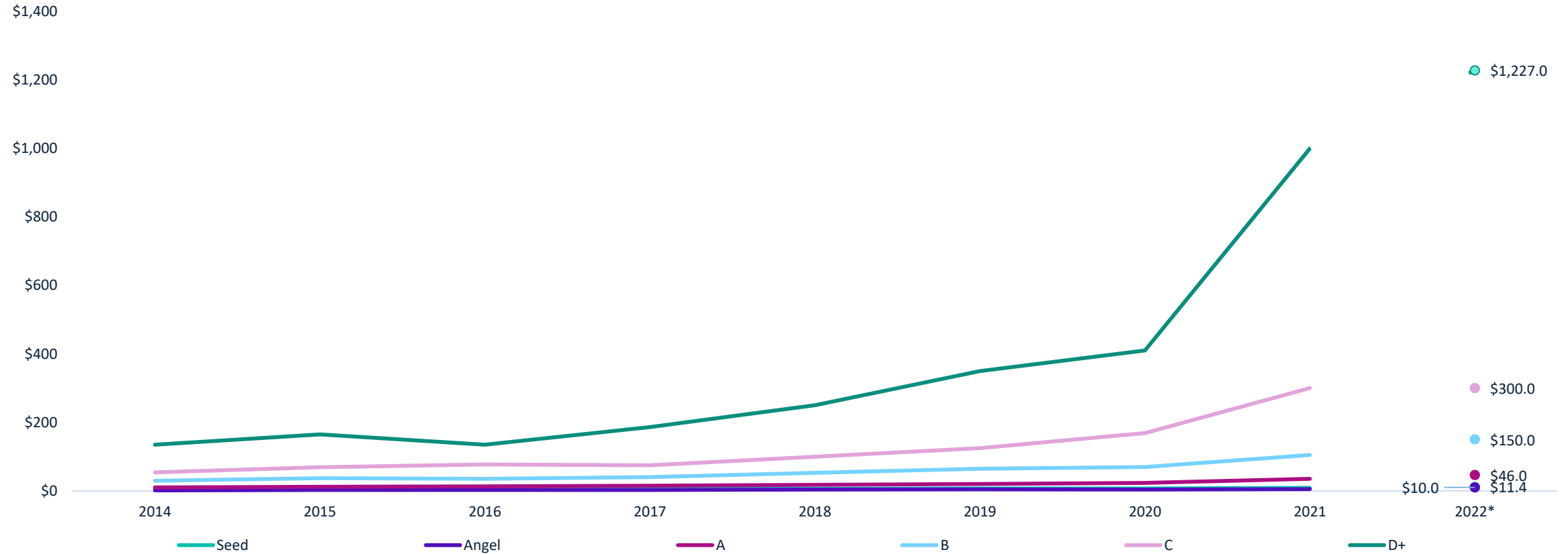
Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Note: Figures rounded in some cases for legibility.

Q1 2022 sees valuations hold strong at the late stage

Median pre-money valuation (\$M) by series in the US

2014–2022*



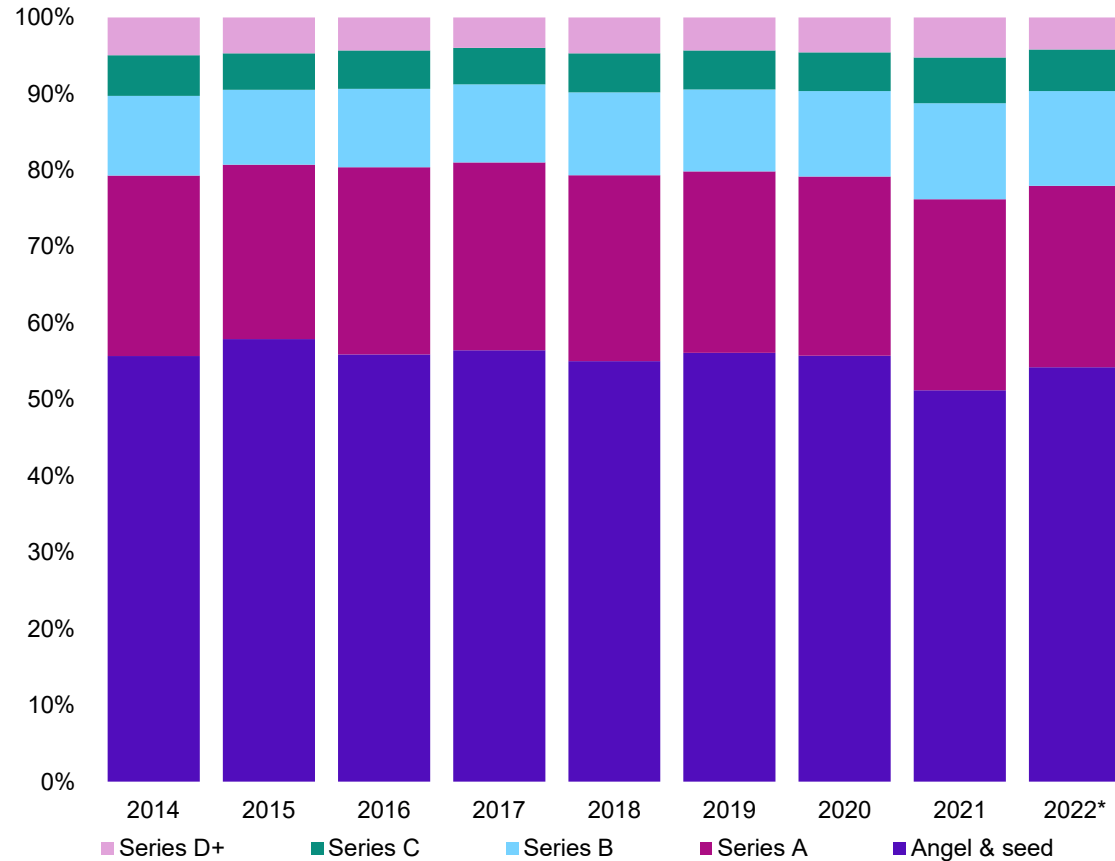
Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Note: Figures rounded in some cases for legibility.

Angel & seed see slight rebound to start the year

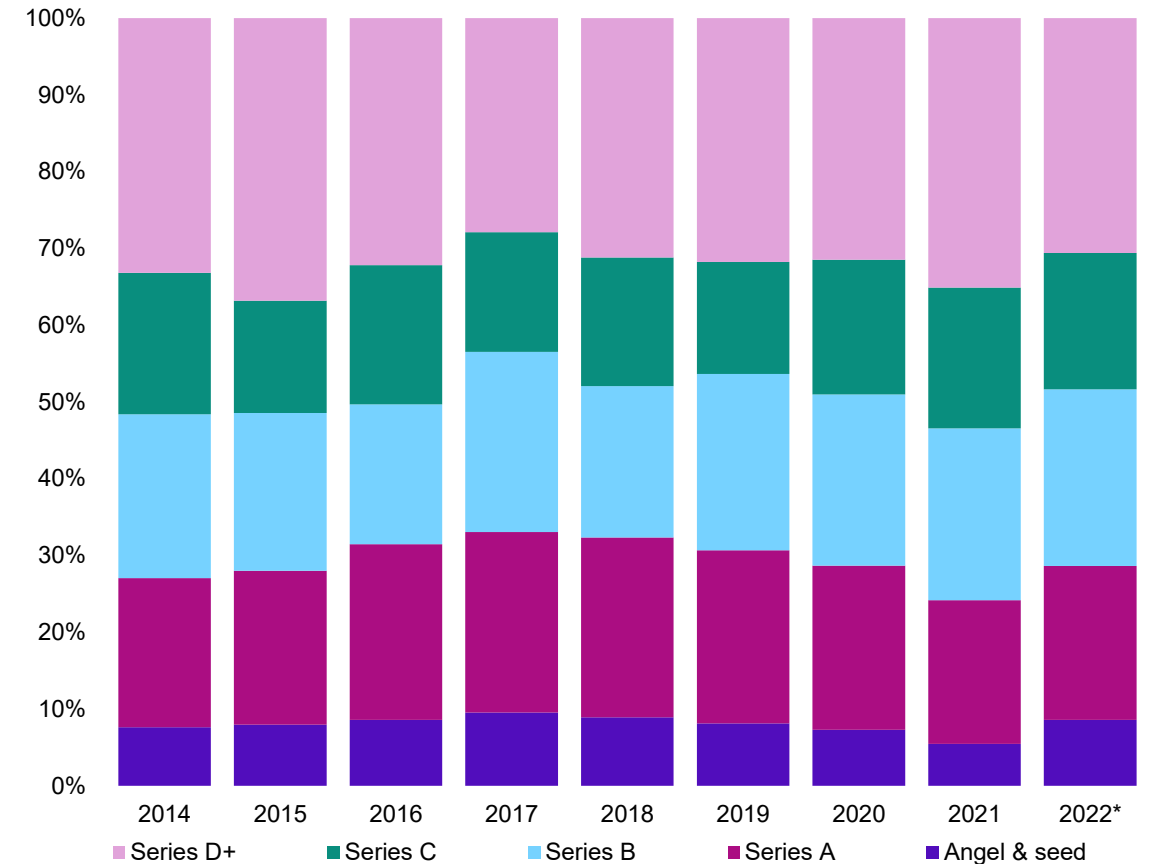
Deal share by series in the US

2014–2022*, number of closed deals



Deal share by series in the US

2014–2022*, VC invested (\$B)

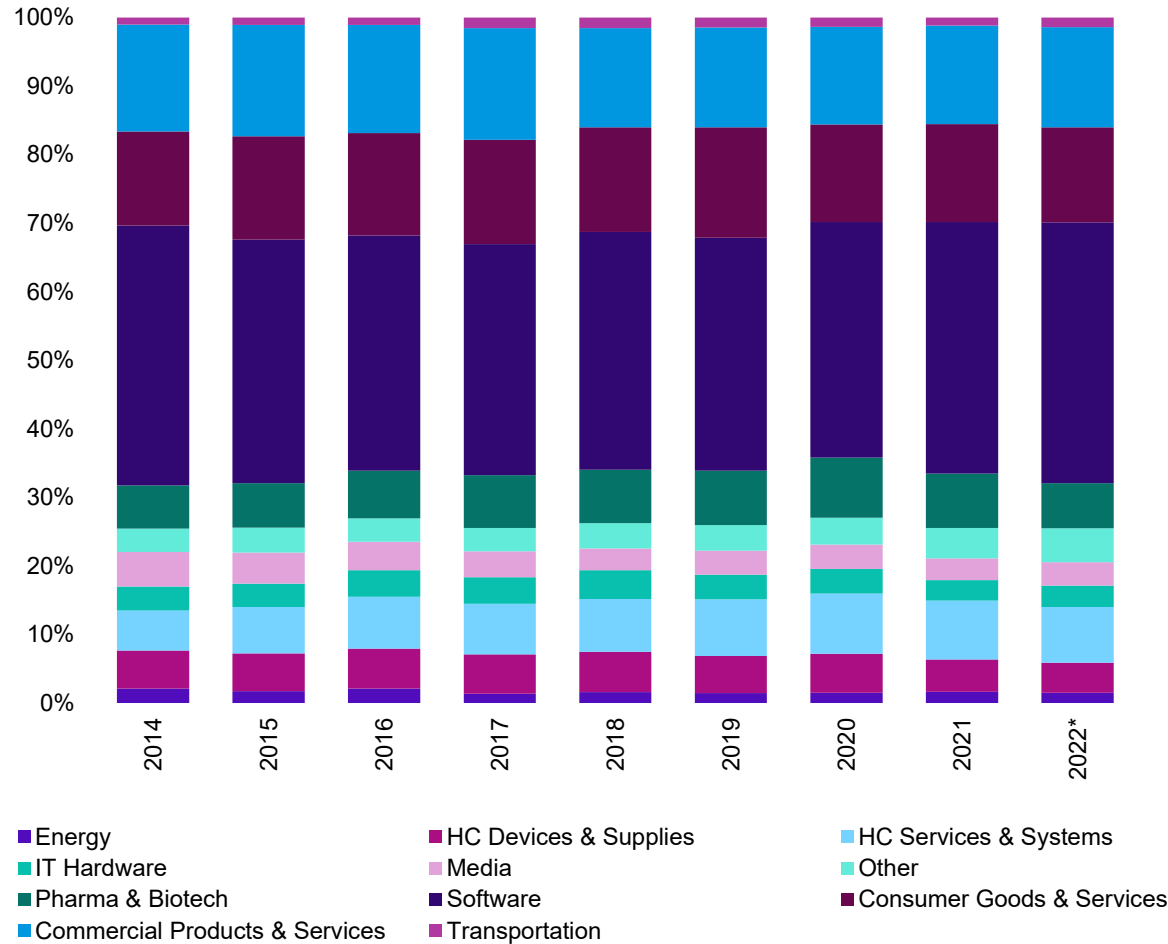


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Software expands slightly over rebound in 2021

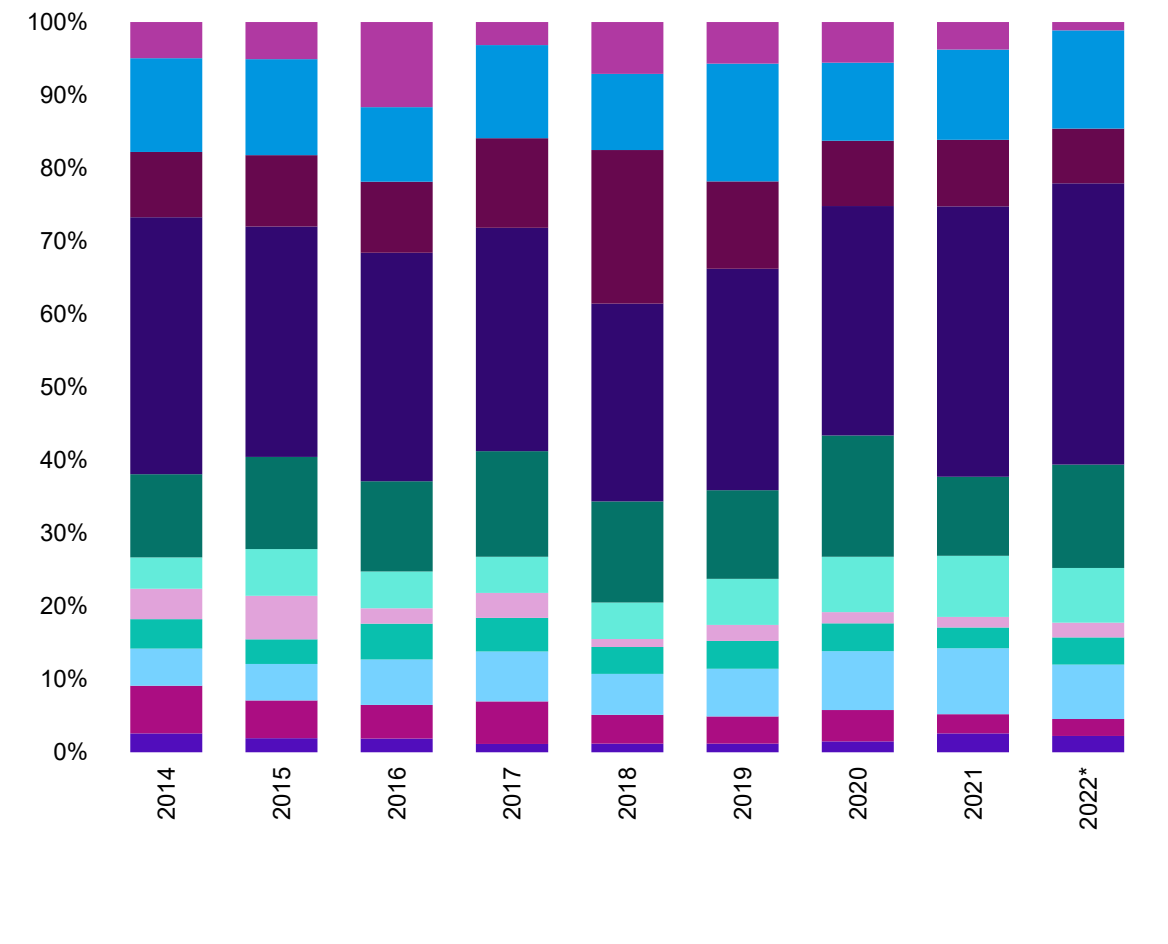
Venture financing by sector in the US

2014–2022*, number of closed deals



Venture financing by sector in the US

2014–2022*, VC invested (\$B)

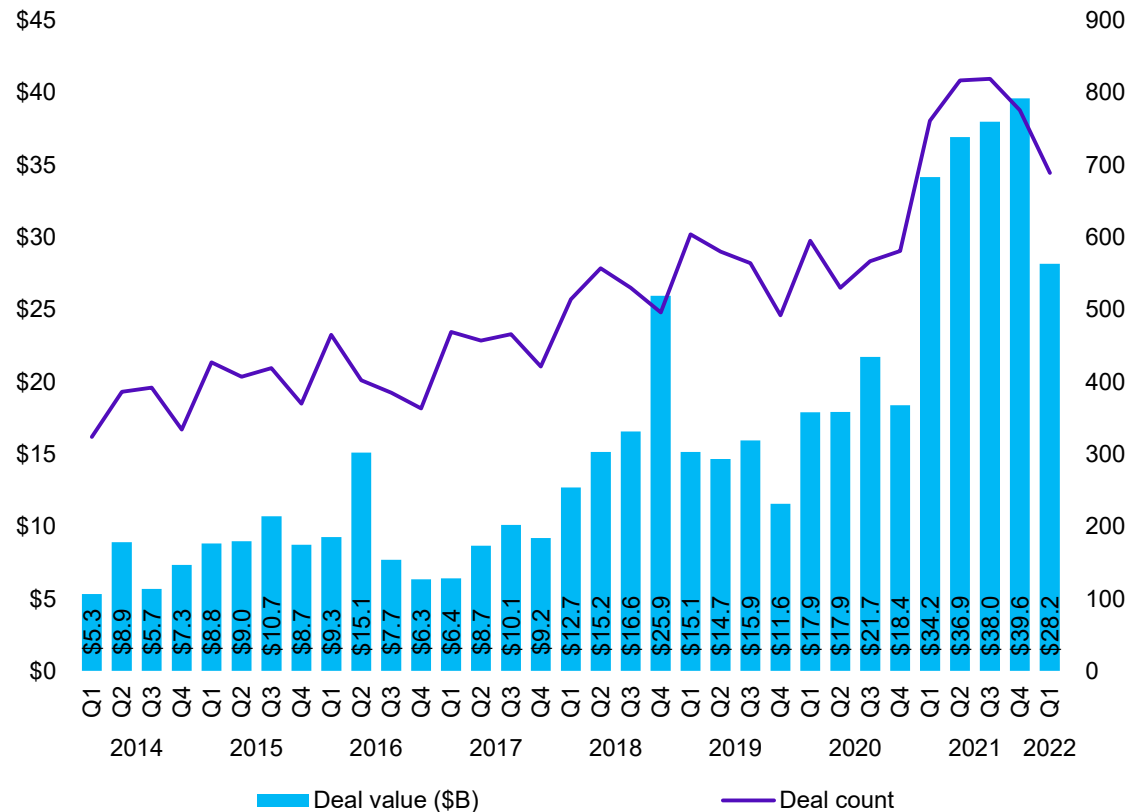


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

After a record 2021 for first-time financings, a healthy start to 2022

Corporate participation in venture deals in the US

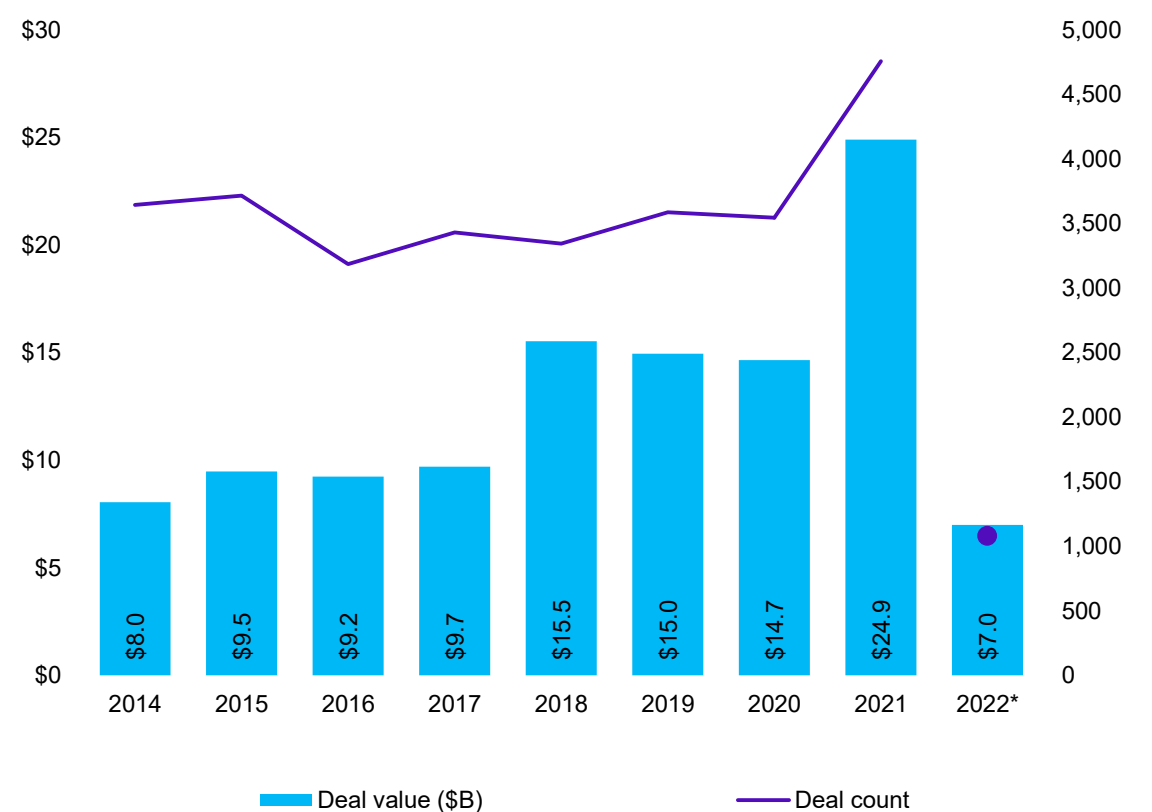
2014–Q1'22



Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

First-time venture financings of companies in the US

2014–2022*

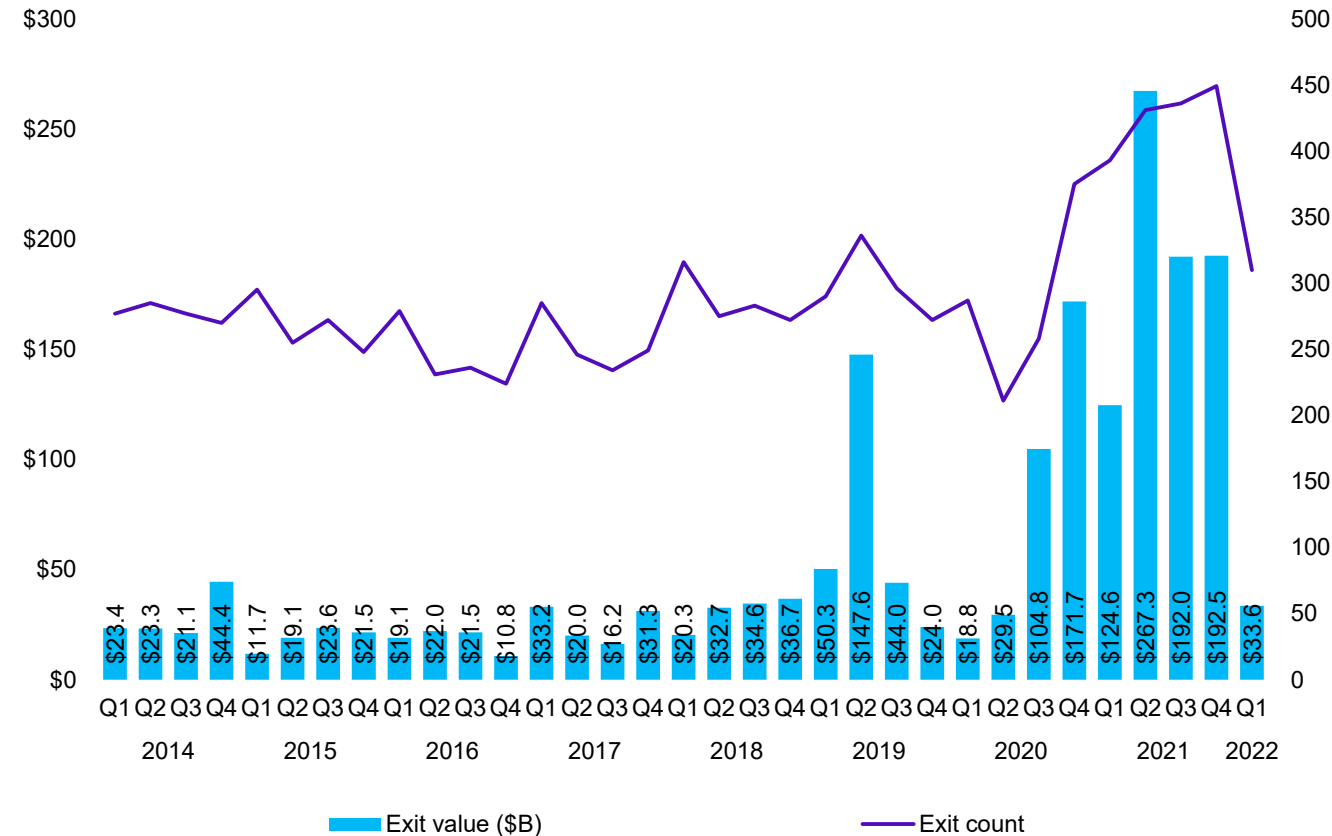


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

After multiple record quarters, a sudden plunge

Venture-backed exit activity in the US

2014–Q1'22



Especially for the US late-stage venture ecosystem, it is likely significant market volatility at the start of the year led to many companies pausing or delaying their public listings. On the M&A side, similar concerns likely led to a downturn in activity overall, especially given how richly valued so many venture-backed companies currently are. It remains to be seen how ongoing geopolitical tension will continue to roil equities, which could impact overall exit trends going forward into the year.

“ The window for new IPOs has closed for the moment. There was a big rush at the end of 2021 and quite a backlog of highly valued private companies that people were expecting to come out in Q1 and Q2'22 — but those exits haven't materialized. We haven't seen any major IPOs over the last couple of months. ”



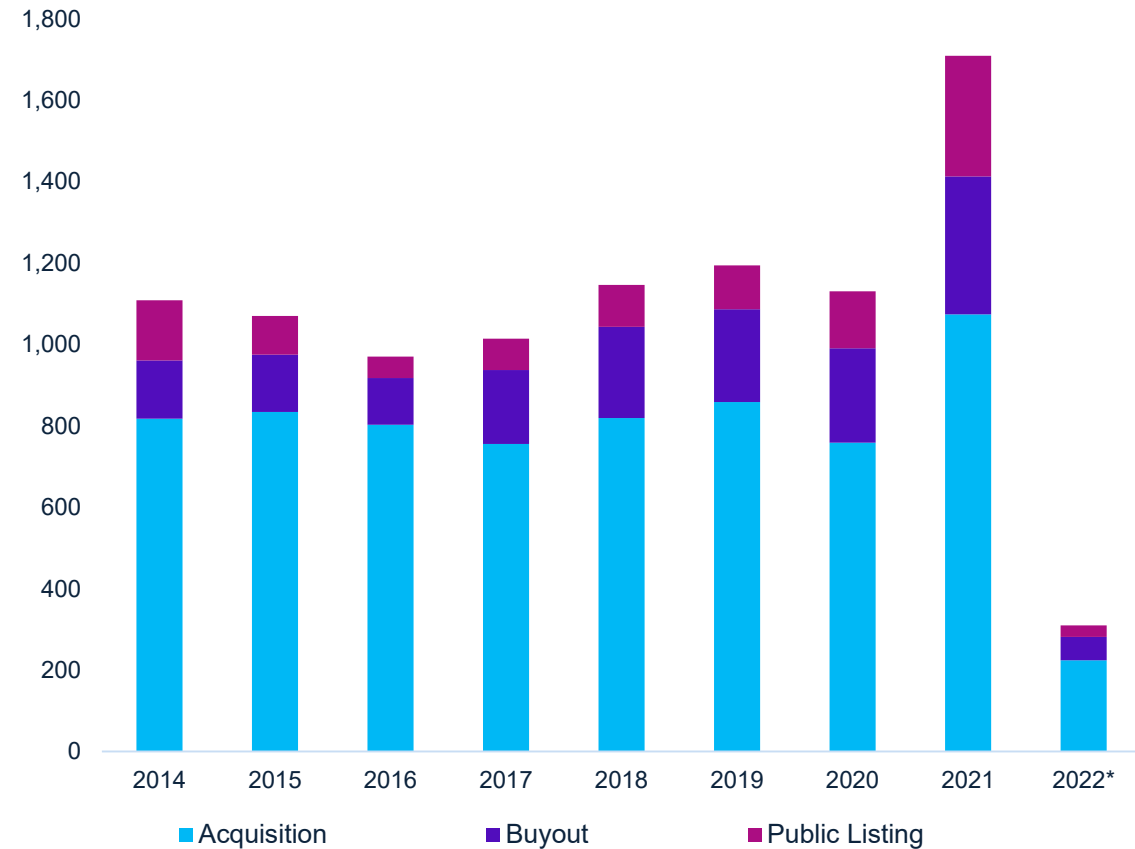
Jules Walker
Senior Director, Business
Development,
KPMG in the US

Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

M&A slows down the most while listings get delayed

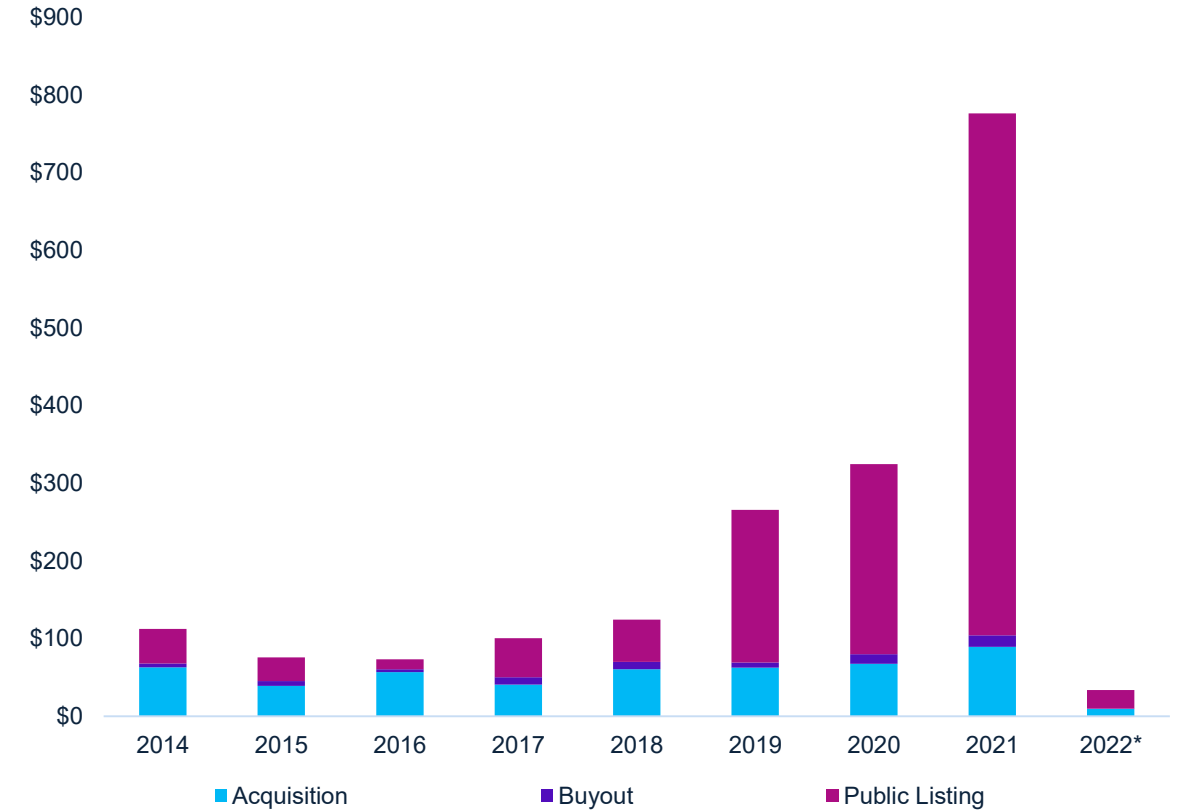
Venture-backed exit activity (#) by type in the US

2014–2022*



Venture-backed exit activity (\$B) by type in the US

2014–2022*

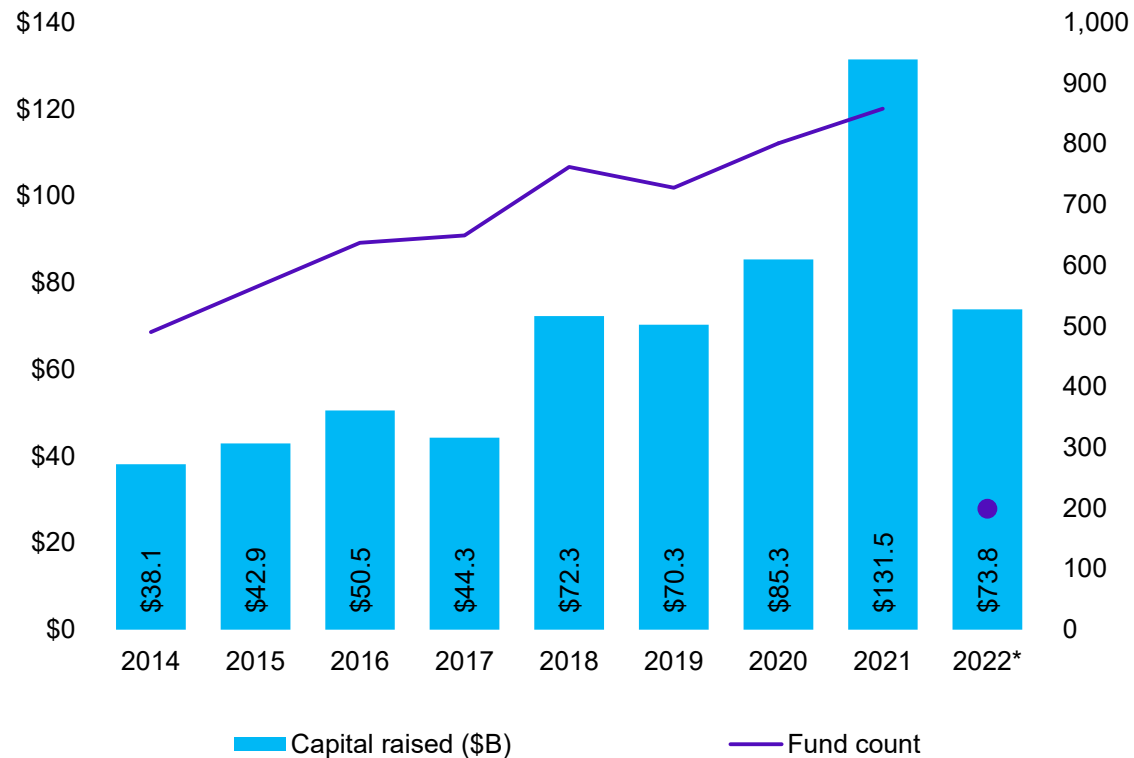


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

LP appetite remains strong, despite uptick in volatility

US venture fundraising

2014–2022*



At this stage of the venture ecosystem's maturation, the market size is such that there are sufficient investment opportunities for LPs to make plenty of commitments. Despite the tumult of Q1 2022 across multiple arenas and markets, LPs remained very bullish on the venture asset class in the US. However, given the disparity between capital raised aggregates and the count of closed funds, significant outliers definitely exerted an impact.

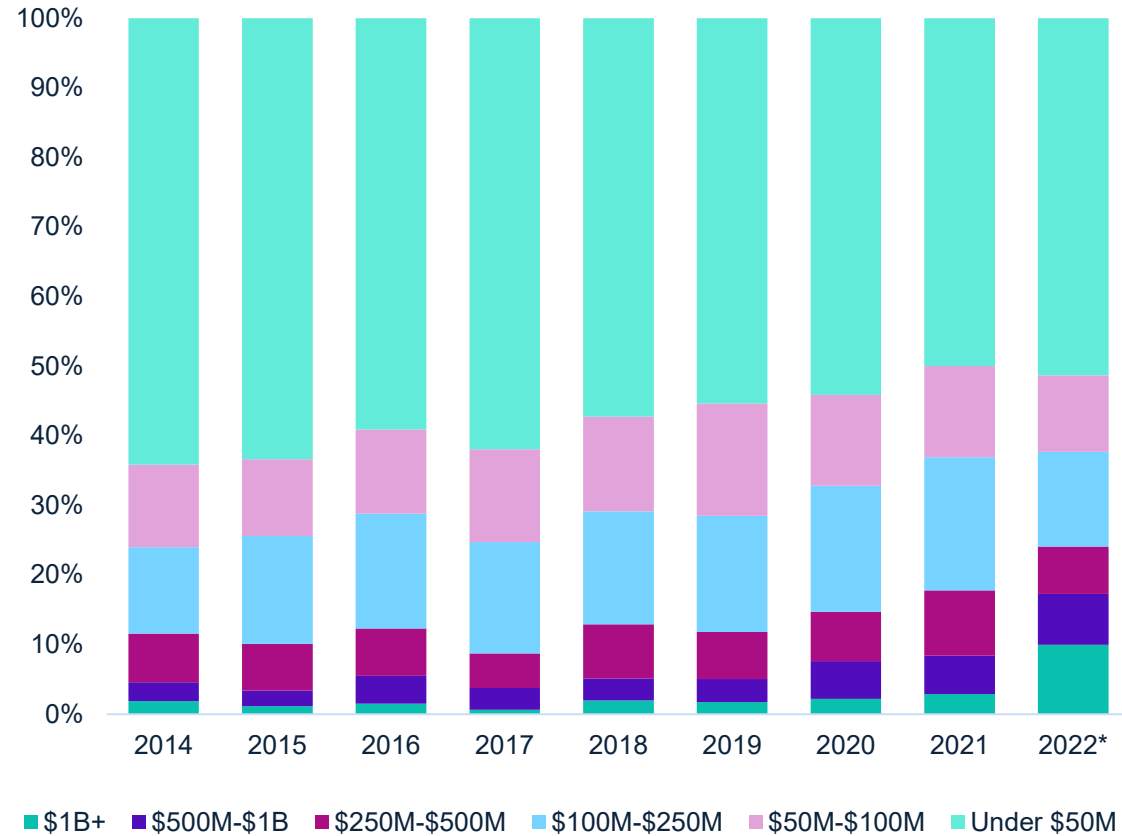
... after a record year some cyclical slowing could be expected but instead **Q1 2022 roared off to a massive \$73 billion+.**

Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

A slew of mega-funds bolstered VC raised tallies significantly

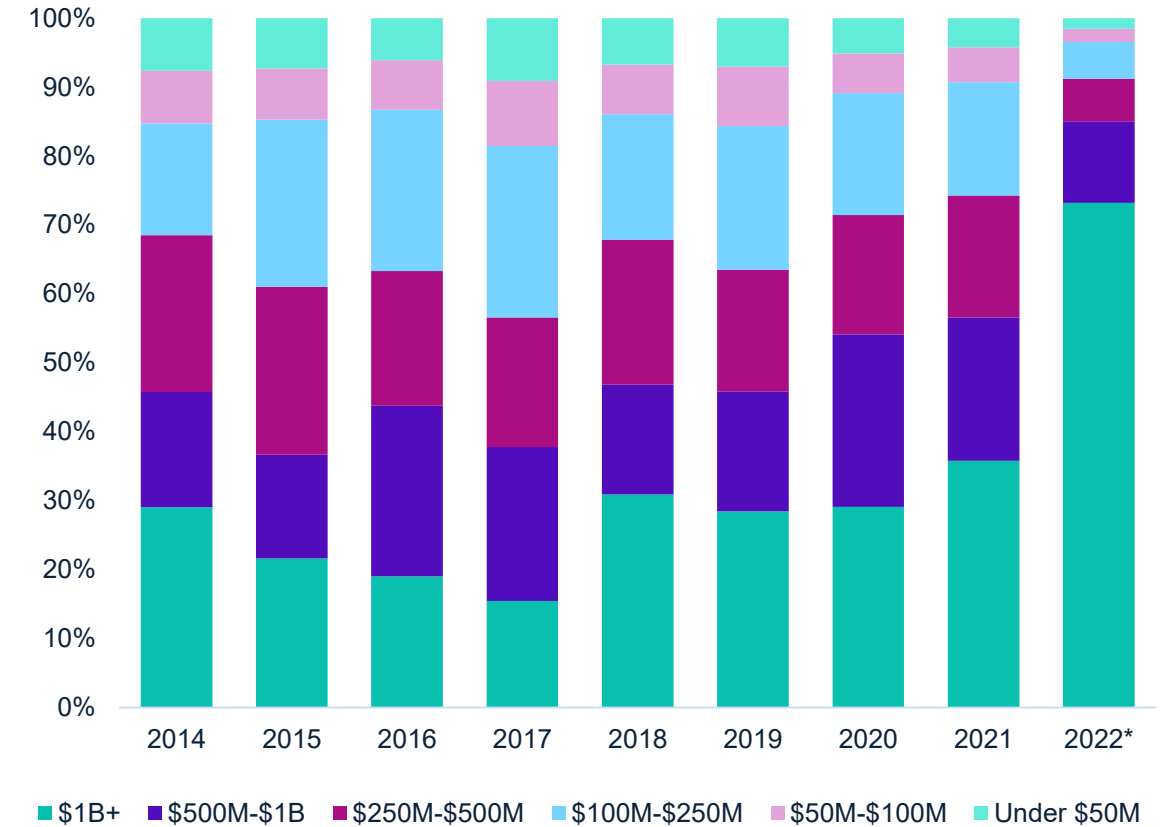
Venture fundraising (#) by size in the US

2014–2022*



Venture fundraising (\$B) by size in the US

2014–2022*

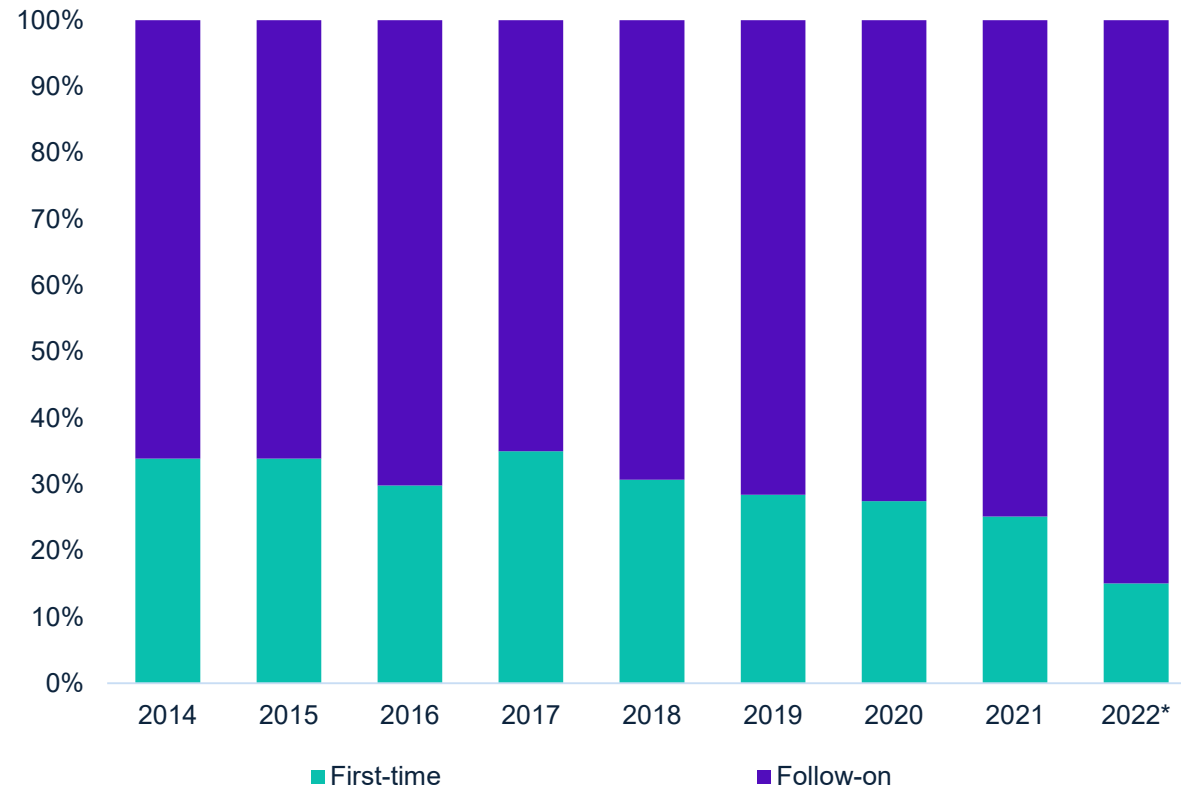


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

With caution and competition rising, first-time fundraising takes a step back

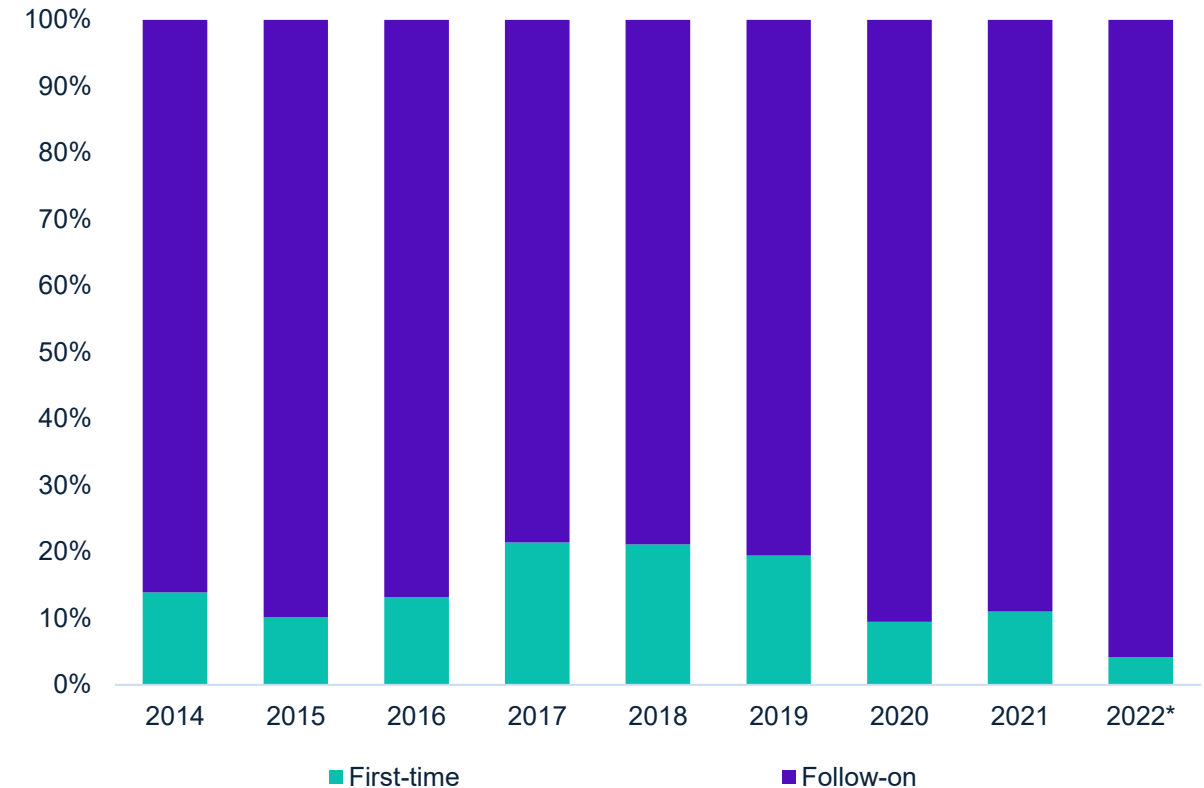
First-time vs. follow-on funds (#) in the US

2014–2022*



First-time vs. follow-on funds (\$B) in the US

2014–2022*



Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

**In Q4'21 VC-backed
companies in the
Americas raised
\$77.6B across 4,138
deals**

Americas continues to attract significant VC investment

VC investment across the Americas remained quite strong in Q1'22, despite a dip from Q2'22. While the US accounted for the vast majority of VC investment in the region, both Canada and Brazil also saw strong quarters of investment, as evidenced by Canada-based 1Password raising \$650 million and Brazil-based Neon raising \$300 million.

Volatility driving concern, particularly for companies looking to exit

Q1'22 saw a significant amount of uncertainty battering the Americas — from the Omicron wave to start off the year to the Russia-Ukraine war and rising inflation and interest rates. Jurisdictional concerns — such as the scaling back of COVID-19 restrictions across Canada in March — also added an additional layer of uncertainty. The combination of factors stressed the public markets quite strongly, causing volatility in the stock market during Q1'22 and a pull-back of companies looking to exit through IPOs. Despite concerns about the IPO market, VC investment continued at a very healthy pace across the Americas during Q1'22, with a strong number of \$100 million+ funding rounds across the region, including in Canada and Latin America.

Cybersecurity big winner of VC investment in Q1'22

VC investment in cybersecurity rose dramatically in Q1'22 across the Americas. The sector saw several large deals during the quarter. In Canada, 1Password raised \$650 million and eSentire raised \$325 million during the quarter, while US companies Fireblocks and BlueVoyant raised US\$550 million and \$250 million respectively. During the quarter, Google also announced its acquisition of threat intelligence company Mandiant for \$5.4 billion⁷.

Investment in cybersecurity in the Americas was already growing prior to the Russia-Ukraine war, although the war likely accelerated interest and investment in the space. Cyberattackers in the region have also increasingly targeted smaller entities, driving more small and mid-sized companies in the Americas to take cybersecurity seriously. VC investment in cybersecurity was quite broad during the quarter, including niche areas like firewalls, intruder identification, and intruder blocking.

Crypto continues to attract attention in Americas

Crypto and blockchain continued to attract attention and investment in the Americas, with Bahamas-based FTX raising \$400 million during Q1'22. US-based Aptos also raised \$200 million on a \$1 billion valuation during the quarter — only four months after being formed⁸. In addition to cryptocurrency platforms and solutions, investor interest in alternative areas where blockchain can be utilized is also growing. While interest in NFTs has declined significantly, there is some interest in their applicability as a mechanism for event ticketing in order to reduce fraud and scalping.

Canada attracts second highest quarter of investment in Q1'22

VC investment in Canada was very strong in Q1'22. While cybersecurity firm 1Password attracted the largest deal of the quarter, the country also saw edtech Paper raise \$270 million, fintech Koho raise \$166 million, e-commerce platform Shoplaza raise \$150 million, drug discovery company Ventus Therapeutics raise \$140 million, and battery recycling company Lithion Recycling raise \$125 million — among other large deals. The broad mix of sectors that attracted \$100 million+ deals during Q1'21 highlights the incredible depth of Canada's startup community and the growing strength of its VC market. Canadian startups are growing and scaling very rapidly, attracting larger deal sizes and a growing mix of foreign VC investors.

⁷ <https://www.mandiant.com/company/press-release/mgc>

⁸ <https://www.bnnbloomberg.ca/crypto-startup-founded-by-ex-meta-employees-raises-200-million-1.1738219>

Americas continues to attract significant VC investment, cont'd.

After skyrocketing in the second half of 2021, VC investment in Brazil comes down to earth

After two stellar quarters, VC investment in Brazil moderated somewhat in Q1'22 as VC investors became more cautious with their investments amid rising inflation and interest rates and the growing shadow of a federal election later in 2022. Despite the decline from Q3 and Q4'21, however, VC investment in Brazil remained very strong compared to historical trends. The country also continued to attract attention from VC funds; during the quarter, Bamboo Capital Partners forged a partnership with Brazil-based VC firm KPTL in order to create opportunities focused on technology and social transformation⁹.

Fintech continued to attract the vast majority of VC investment in Brazil during Q1'22, including a \$300 million raise by Neon, a \$260 million raise by Creditas, a \$200 million raise by Velvet, and a \$100 million raise by Flash. Recent regulatory changes have also led to increasing investments in the gaming space, particularly related to soccer — such as the \$31 million raise by betting company Rei do Pitaco in Q1'22.

Trends to watch for in Q2'22

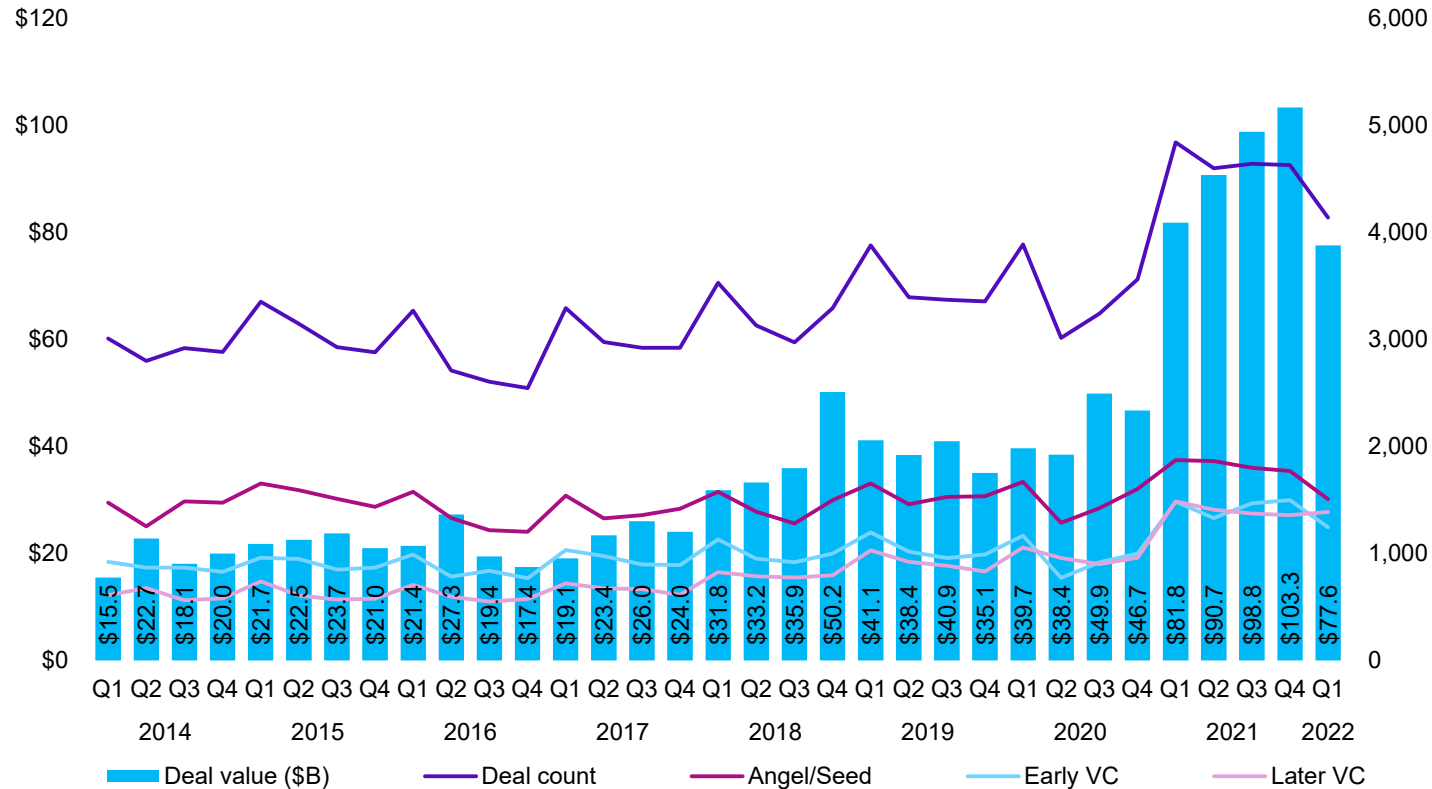
Looking forward, investor anxiety in the Americas is expected to be quite high until there is a resolution to the Russia-Ukraine war. The large amount of dry powder in the market will likely help keep VC investment relatively steady over the next quarter as funds raised will need to be deployed. Fintech, healthtech, and alternative energy are expected to be hot areas of investment across much of the region.

⁹ <https://bamboocp.com/palladiums-asset-manager-bamboo-strikes-up-strategic-partnership-with-kptl-to-generate-additional-impact-in-latin-america>

Venture investment stays robust

Venture financing in the Americas

2014–Q1'22



The US bolstered aggregate investment tallies, but healthy investment tallies in primarily Brazil and Canada — which saw a rebound in VC invested quarter over quarter — also aided strong dealmaking. So the strong swell of investment that characterized 2021 has carried over thus far into the year, by and large, if not at the same record pace. Investors are still watching market trends closely and assessing risks, but as of yet are still deploying record dry powder levels.

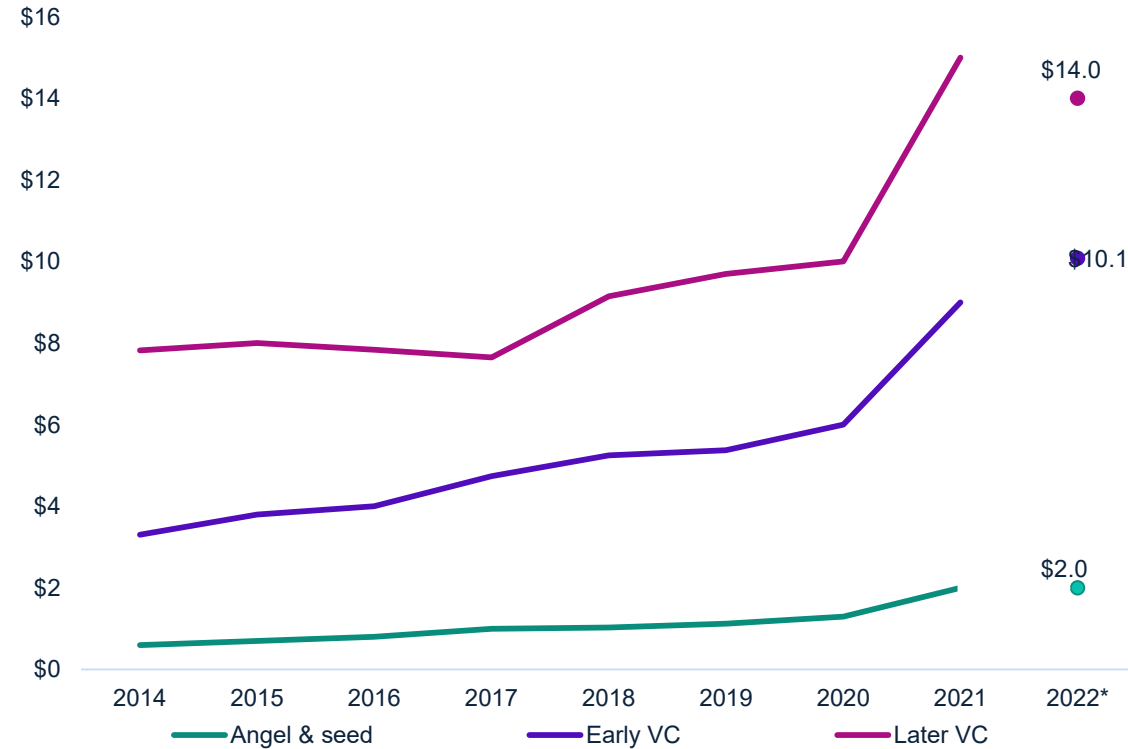
... despite significant volatility thanks primarily to geopolitics and monetary policy shifts, **Q1 2022 saw close to \$78 billion invested, carrying forward 2021's remarkable run.**

Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

The late stage finally sees a dip in median financing size

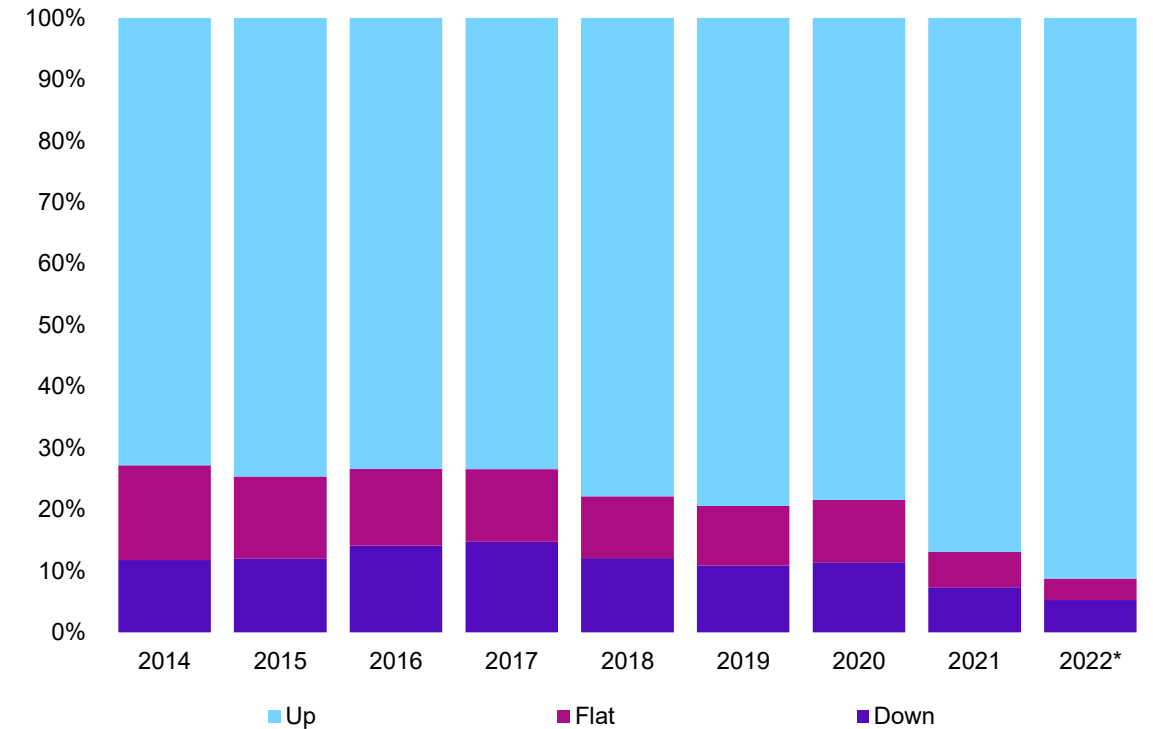
Median deal size (\$M) by stage in the Americas

2014–2022*



Up, flat or down rounds in the Americas

2014–2022*

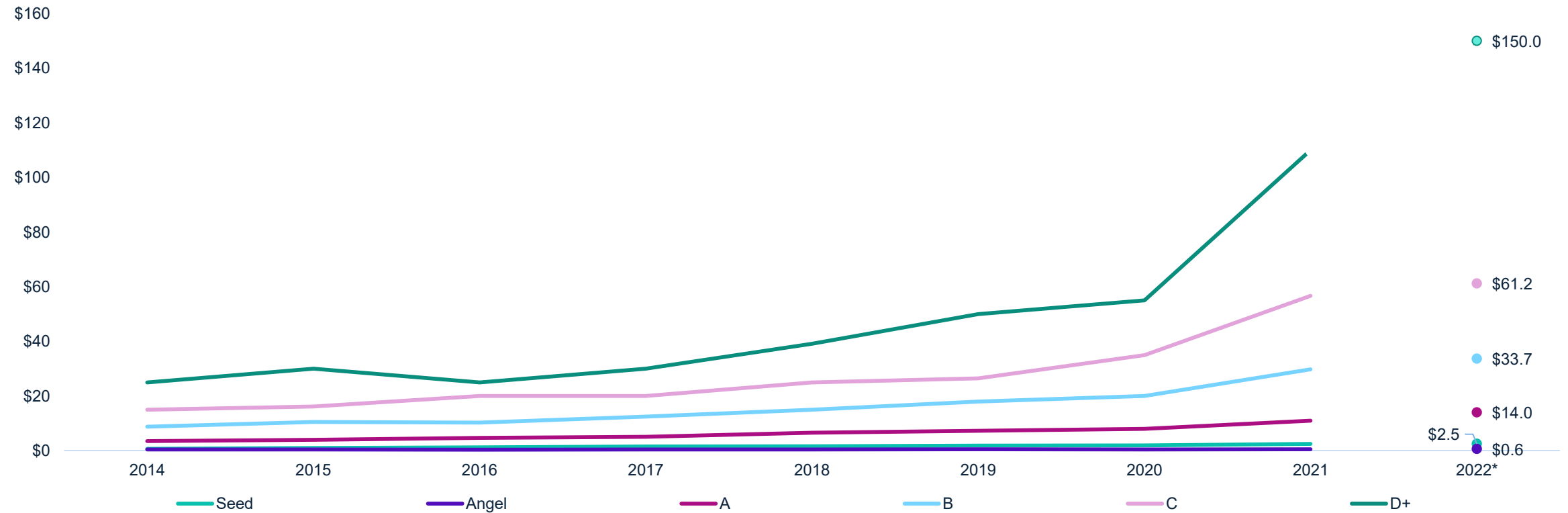


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Outliers still impact select series in Q1

Median deal size (\$M) by series in the Americas

2014–2022*

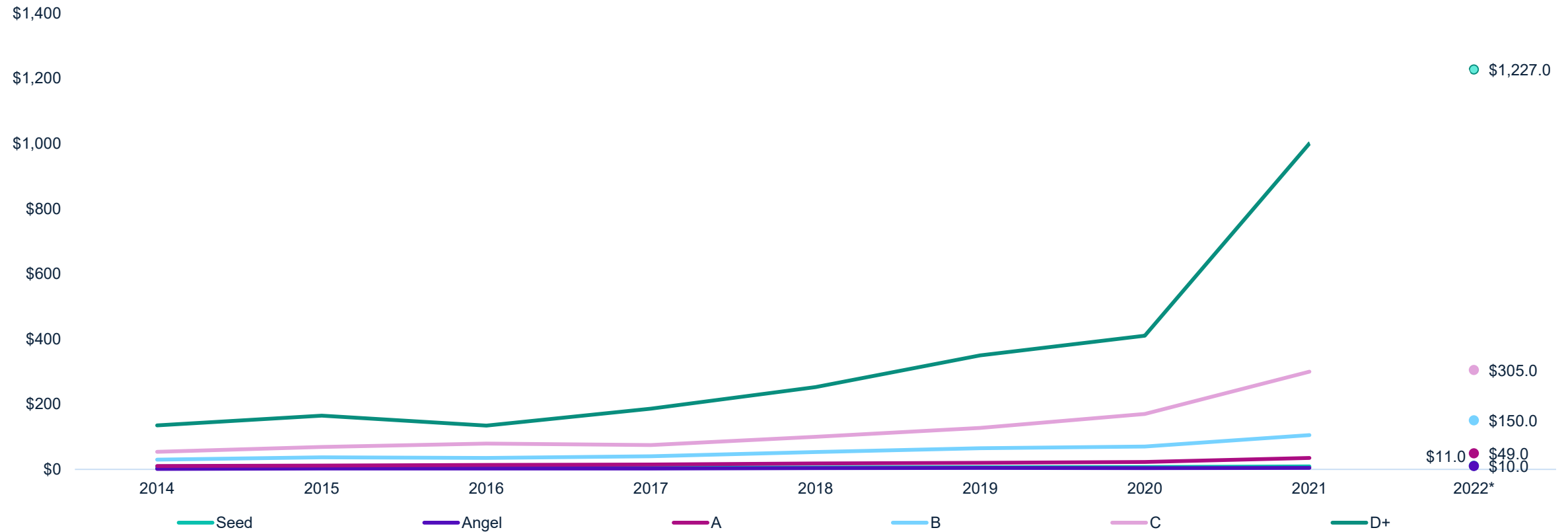


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Valuations still grow or hold steady at record highs

Median pre-money valuation (\$M) by series in the Americas

2014–2022*

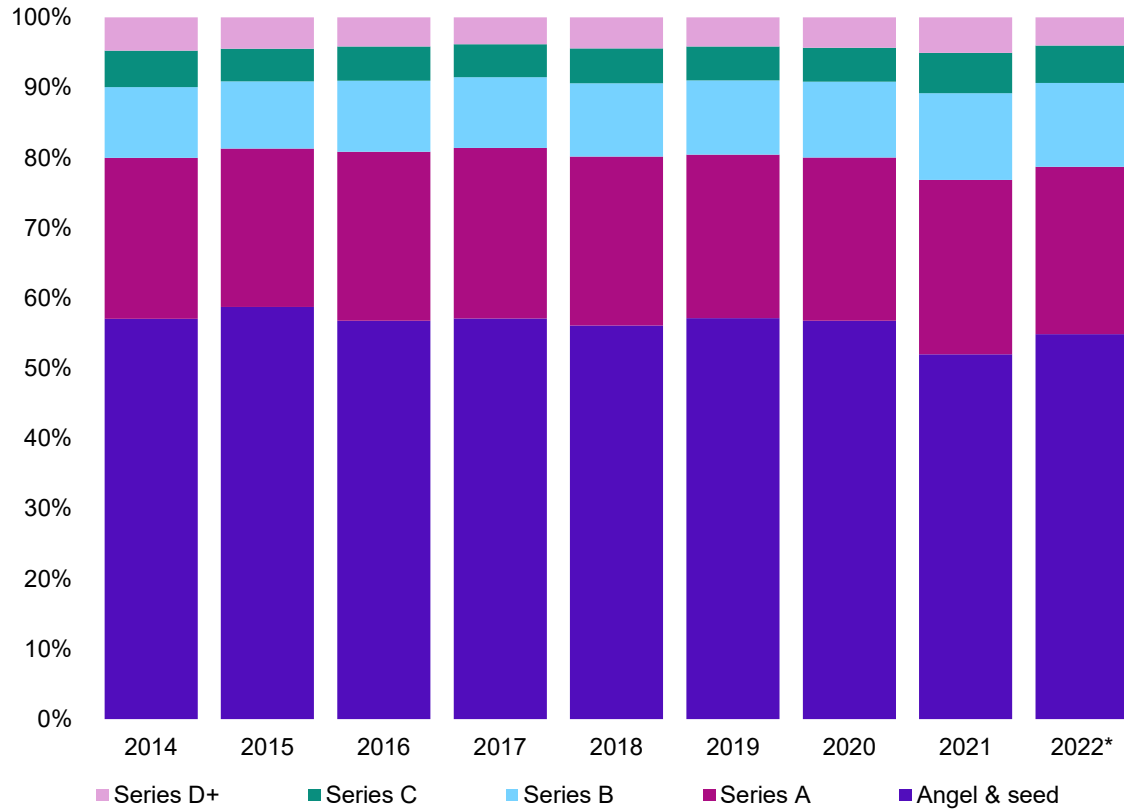


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Angel & seed volume rebound slightly in market share

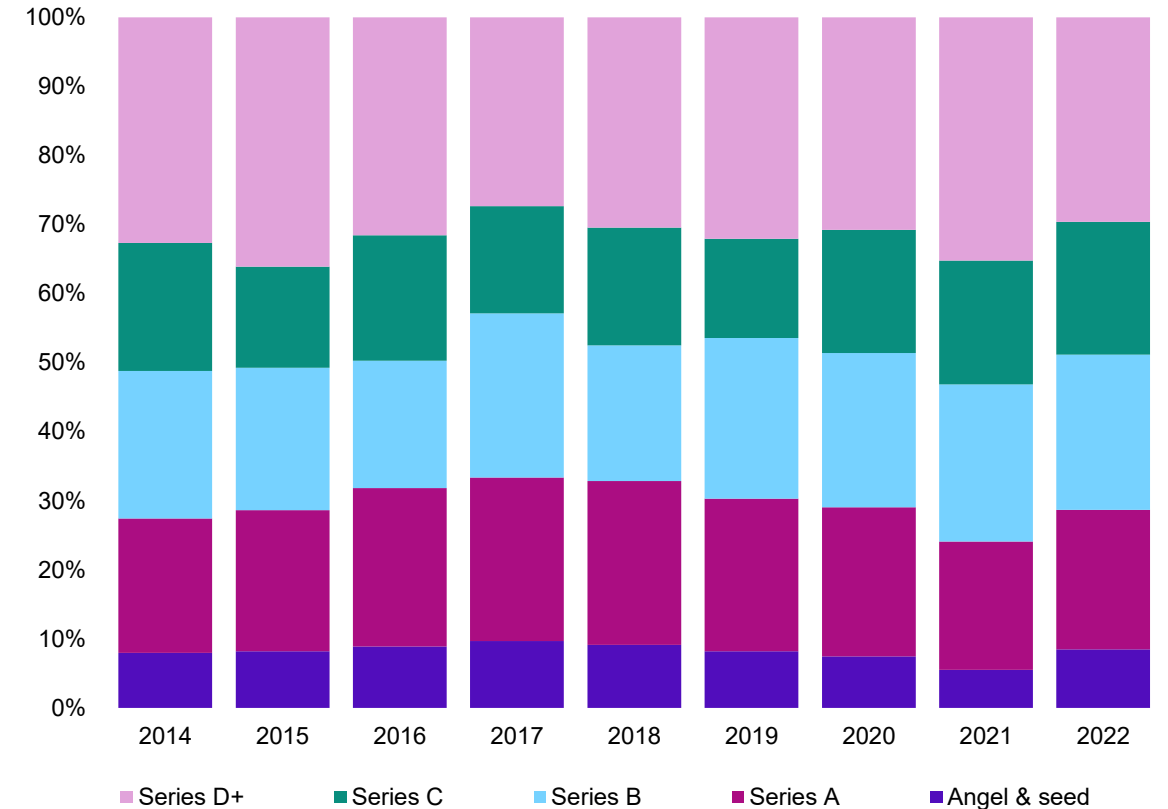
Deal share by series in the Americas

2014–2022*, number of closed deals



Deal share by series in the Americas

2014–2022*, VC invested (\$B)

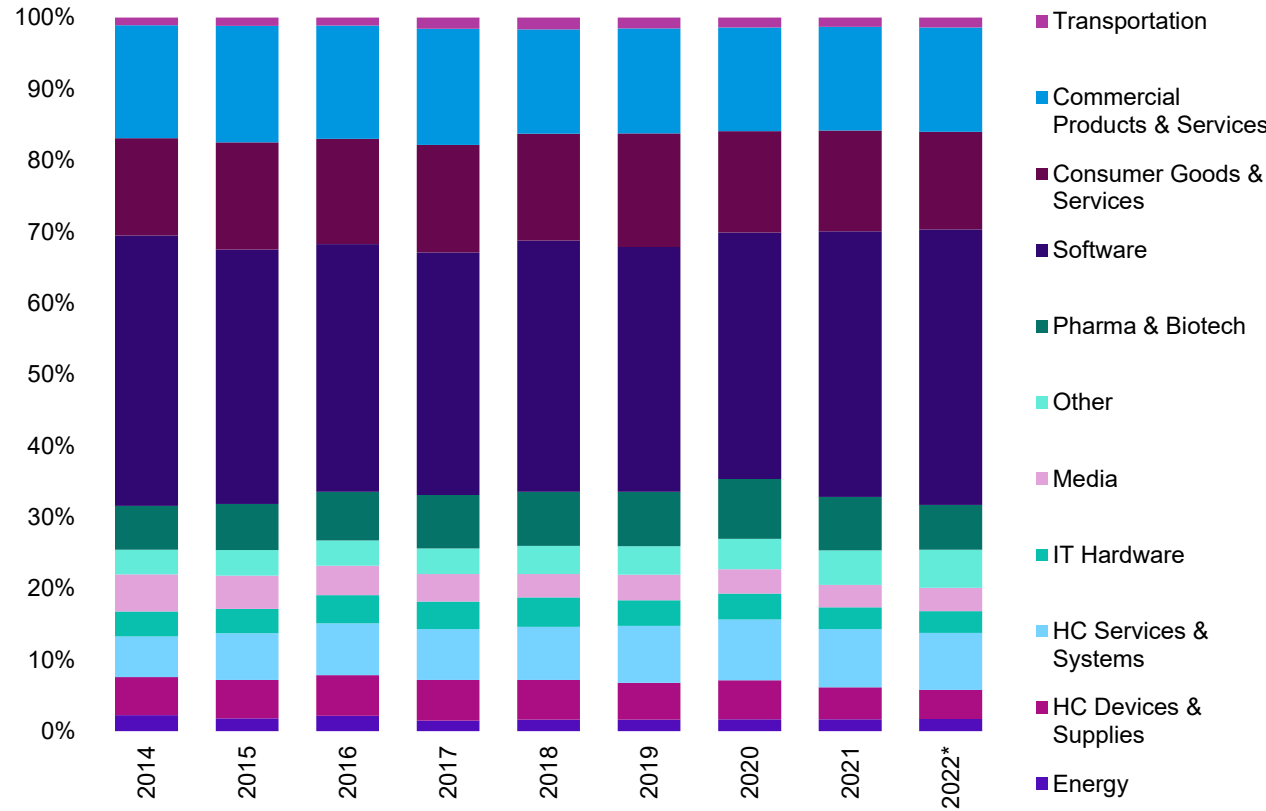


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Software continues recapture of market volume

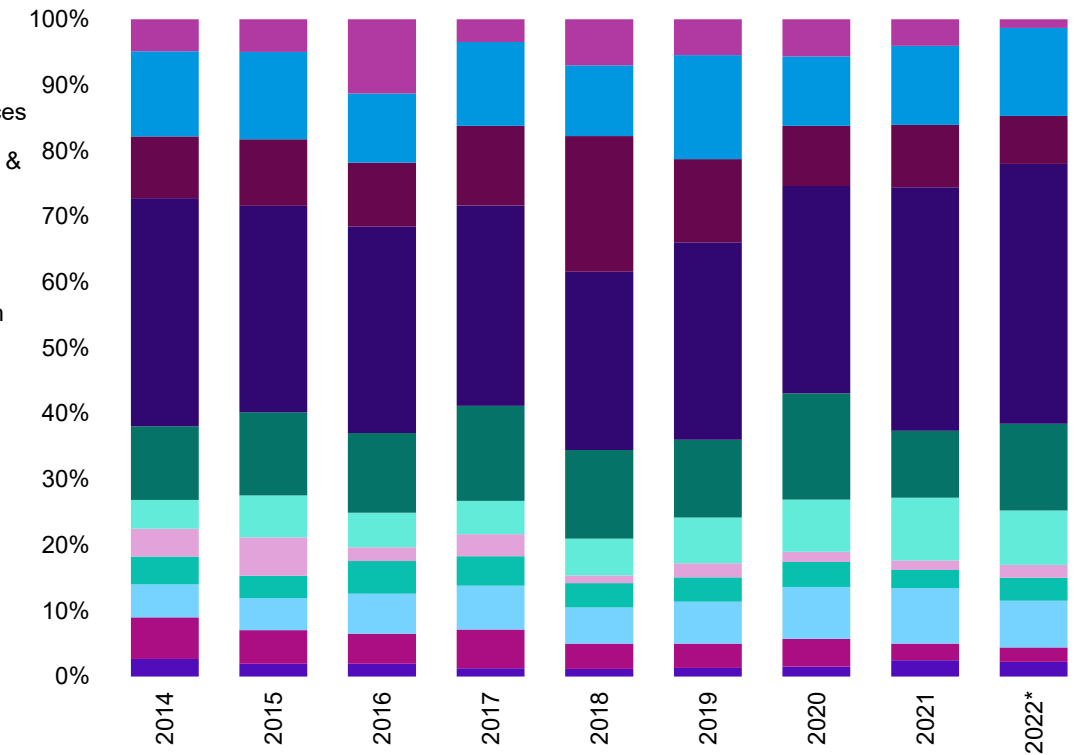
Venture financing of VC-backed companies by sector in the Americas

2014–2022*, # of closed deals



Venture financing of VC-backed companies by sector in the Americas

2014–2022*, VC invested (\$B)

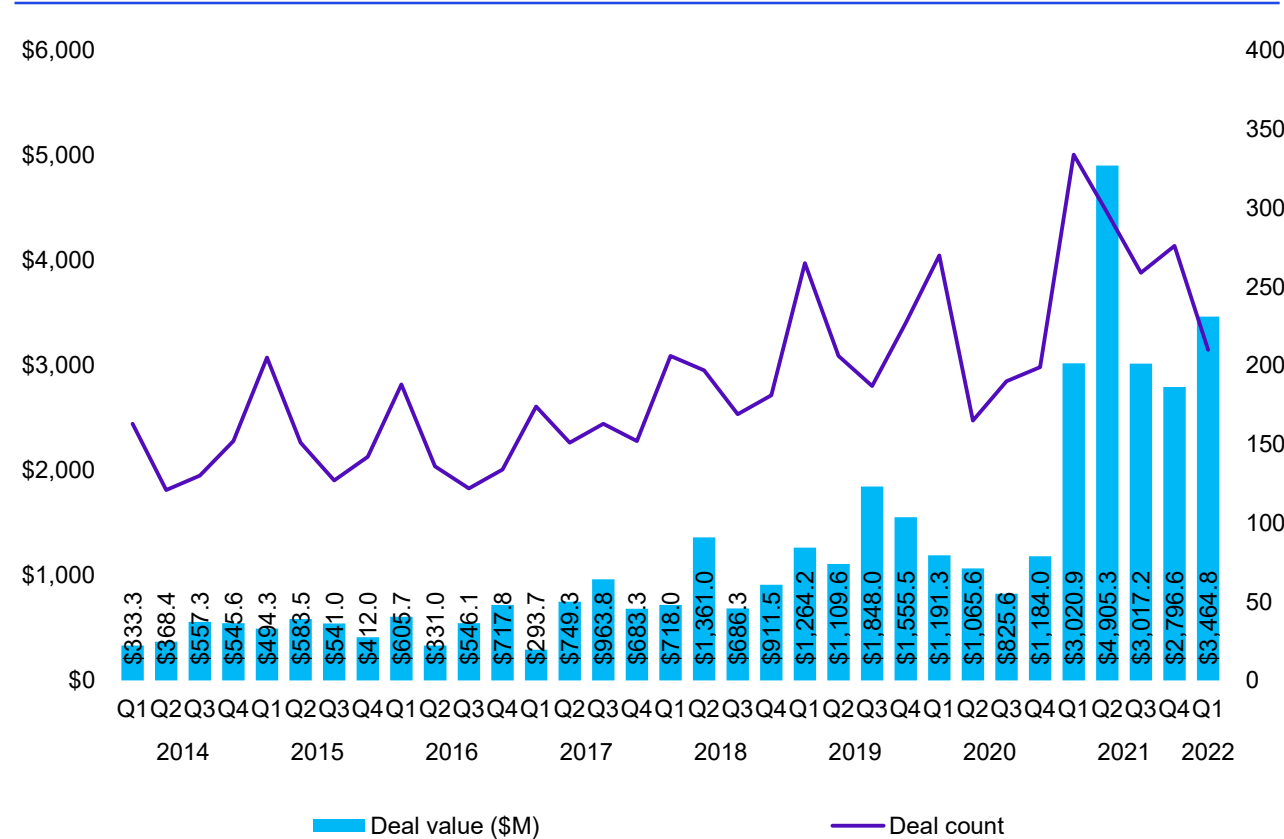


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

After a historic year, the second-strongest quarter on record

Venture financing in Canada

2014–Q1'22



Once again the impact of outliers must be noted, but all in all 2022 saw relatively healthy financing activity for the Canadian startup scene. 1Password's \$650 million raise did exert an impact, however.

At close to \$3.5 billion, the Canadian ecosystem rebounded to start the year, although outlier deals bolstered the tally...

“Cybersecurity is a major challenge in Canada — and around the world for that matter — right now. Every company, from large corporations to small not-for-profits, has to take it seriously. Given how cyber is affecting both companies and people on a day-to-day basis, it isn't surprising at all to see so much VC investment going into the space. It's an incredibly hot sector for investment and I expect that is only going to continue.”



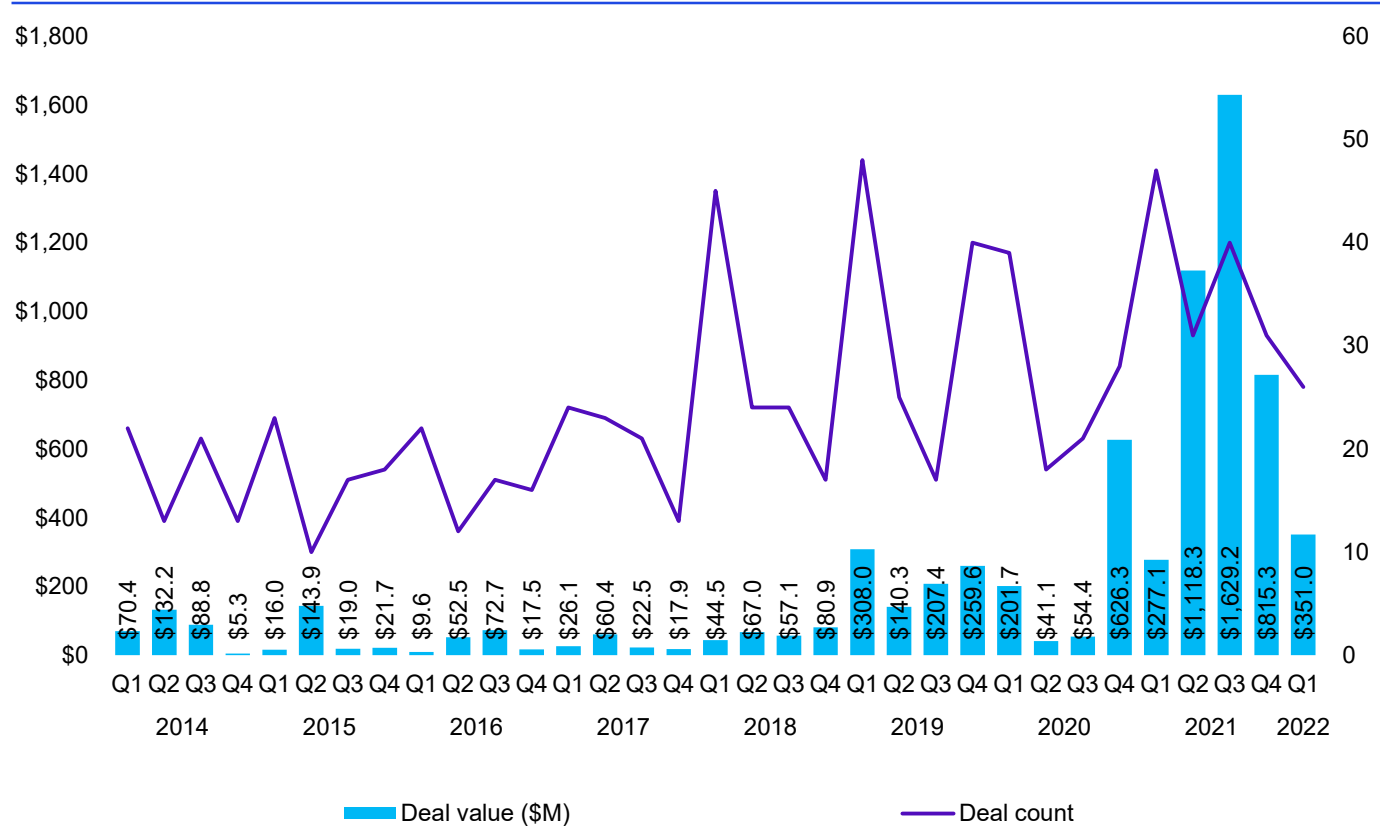
Sunil Mistry
Partner, KPMG Private Enterprise, Technology, Media and Telecommunications, KPMG in Canada

Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

A relatively healthy quarter is eclipsed by predecessors

Venture financing in Mexico

2014–Q1'22



By and large, Q1's tallies for Mexico are quite healthy on a historical basis, overshadowed only by the largesse skewed by outlier raises by the likes of Kavak throughout 2021. Given increasing inflation and still-unknown ripple effects for consumers across commodities, it remains to be seen whether this rate of investment will hold.

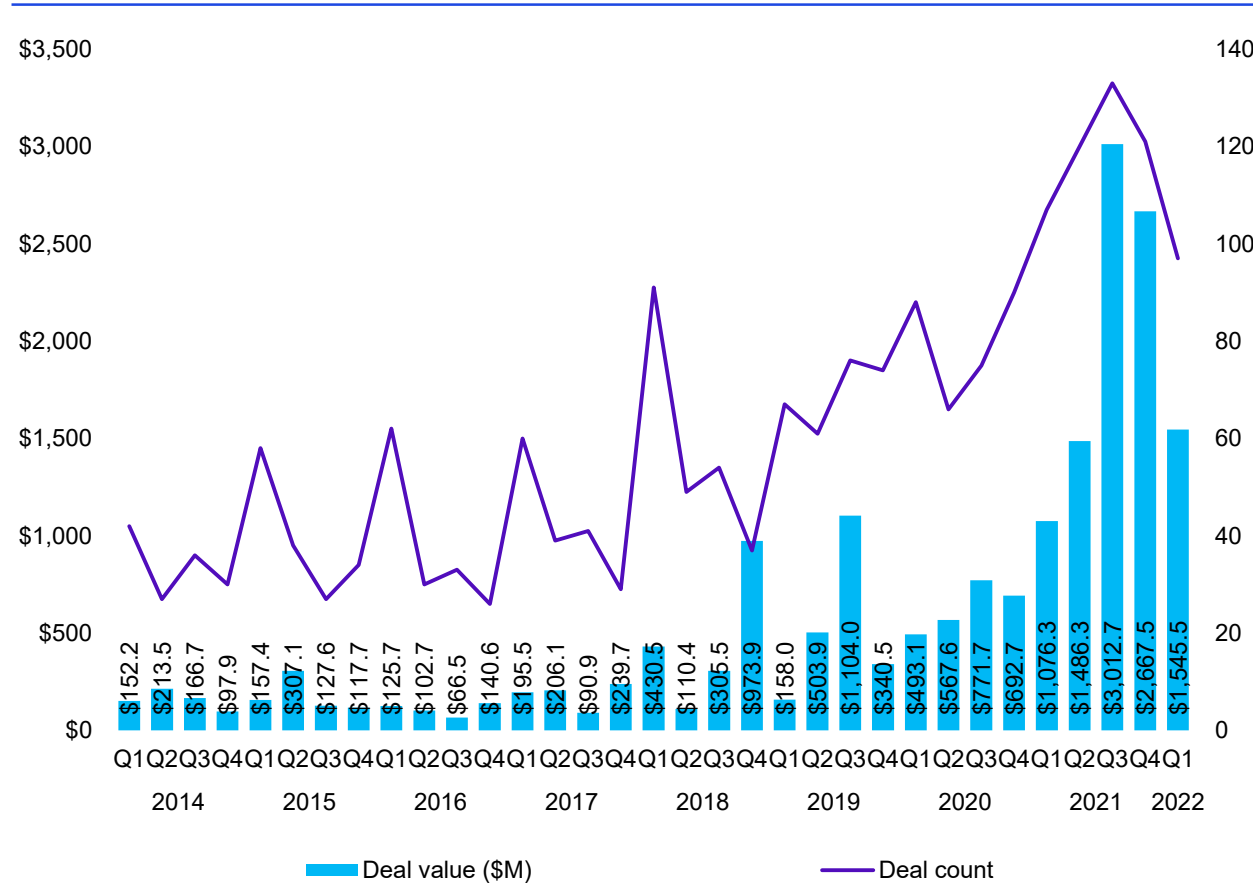
2021 saw multiple outlier rounds, signaling the **Mexican ecosystem** is potentially beginning to see an uptick in **more consistent, robust funding, while 2022 remained historically healthy**

Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

A return to recent historical norms

Venture financing in Brazil

2014–Q1'22



Thanks to a bevy of outlier financings, Brazil finished last year strong with a total of 22 companies raising at least \$100 million or more throughout its duration. Moreover, they spanned a plethora of sectors, signaling growing innovation in multiple segments of the Brazilian socioeconomic ecosystem. In Q1 2022, a handful of such deals occurred but at nowhere near the same rate, potentially suggesting investors took a pause or pulled back slightly given rising caution amid darkening global economic conditions.

“ Even before the geopolitical challenges arose, VC investors in Brazil were starting to take a more conservative approach to their investments as a result of rising inflation and given the knowledge of a presidential election later this year. While VC investment has come down from what we saw in late 2021, however, it is still very robust relative to previous years. Fintech, in particular, attracted a number of large mega-rounds in Q1'22. ”



Rodrigo Guedes
Managing Director,
KPMG in Brazil

Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Biotech & blockchain well represented

Top 10 financings in Q1'22 in Americas



1. **Altos Labs** — \$3B, Redwood City, US — Biotech — *Early-stage VC*
2. **Flexport** — \$935M, San Francisco, US — Logistics — *Series E*
3. **Ramp (Financial Software)** — \$750M, New York, US — Fintech — *Late-stage VC*
4. **1Password** — \$650M, Toronto, Canada — Cybersecurity — *Series C*
5. **Fireblocks** — \$550M, New York, US — Blockchain — *Series E*
6. **Eikon Therapeutics** — \$517.8M, Hayward, US — Biotech — *Series B*
7. **Dataminr** — \$475M, New York, US — AI/ML — *Series F*
8. **Consensys** — \$450M, New York, US — Blockchain — *Series D*
9. **Bored Ape Yacht Club** — \$450M, Alexandria, US — Blockchain — *Seed*
10. **Weee!** — \$425M, Fremont, US — E-commerce — *Series E*

Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

In Q1'22, European VC-backed companies raised \$31.7B across 2,219 deals

Europe sees near-record high VC investment in Q1'22

VC investment in Europe was incredibly robust in Q1'22, led by massive rounds by Checkout.com in the UK (\$1 billion) and Germany's WeFox (\$871 million). Other jurisdictions also attracted large deals, including Estonia (Bolt: \$710 million), Finland (Relex: \$566 million), France (Doctolib: \$571 million, Qonto: \$549 million, Back Market \$541 million), Turkey (Getir: \$768 million), Italy (Scalapay: \$497 million), and Austria (GoStudent: \$339 million). The geographic diversity highlights both the breadth of Europe's innovation ecosystem and the rapid maturation of startups across the region.

ESG and climatetech well positioned to see growth in VC investment

Europe-based VC investment in ESG and climatetech surged during Q1'22, driven in part by the COP26 summit held during Q4'21. The Russia-Ukraine war also shone a spotlight on the dependence that some European countries have on gas from Russia. As a result of the crisis, Germany halted the certification process for the completed Nord Stream 2 gas line project from Russia in Q1'22¹⁰. The combination of geopolitical uncertainty and climate change pressures could spur additional investment in climatetech and alternative energy sources and systems. It could also increase interest in complementary startups, such as fintechs focused on energy and carbon management.

VC investment in the UK soars to new quarterly high in Q1'22

VC investment in the UK surged to a new high in Q1'22, helped by a \$1 billion megadeals for Checkout.com. A major convergence of factors has helped energize the UK's VC market, including businesses across industries embracing digitization and tech-enablement, private equity funds looking for better returns, and increasing fundraising focused on earlier stage companies in order to achieve higher returns. While interest rates are now on the rise, the significant amount of funds already raised will likely keep investment relatively steady heading into Q2'22.

Given the uncertain geopolitical and macroeconomic environment, some VC investors in the UK are feeling pressure to get deals done quickly as the window of opportunity could shut. During Q1'22, fintech was a very hot area of investment in addition to B2B focused services and healthtech, while interest in cybersecurity and defence-focused solutions grew considerably.

VC investment in Germany remains robust despite dip from Q4'21

VC investment in Germany dropped from the record high set in Q4'21, although total investment remained solid compared to historical trends. An \$871 million raise by insurtech Wefox accounted for Germany's largest deal of Q1'22, while a number of healthtech companies also attracted significant funding, including digital health platforms Patient21 (\$142 million) and Ada Health (\$120 million). Fundraising activity by VC firms in Germany was also very strong in Q1'22 — well ahead of the pace set in 2021. Corporates continued to show interest in the VC market, particularly players in the automotive industry looking to expand their businesses by nurturing startups.

Tailwinds from 2021 help drive VC investment in Nordics

During Q1'22, VC investment in the Nordics region was robust, driven in part by deals initiated late in 2021. A number of \$100 million+ rounds helped lift VC investment, including Finland-based business productivity firm Relex (\$566 million), satellite imaging company ICEYE (\$135 million), and mobile phone refurbishment company Swappie (\$122 million); Sweden-based Volta Trucks (\$260 million); and Norway-based firm Ardoq (\$125 million) a company offering Enterprise architecture tools. The increasing deal count reflects the region's growing ecosystems, local strengths in early stage and thus higher number of later stage companies scaling their operations.

¹⁰ <https://www.reuters.com/business/energy/germanys-scholz-halts-nord-stream-2-certification-2022-02-22/>

Europe sees near-record high VC investment in Q1'22, cont'd.

Despite the strength of the Nordic startup ecosystem; public market volatility, rising inflation & interest rates and concerns regarding the Ukraine crisis could cause some challenges in the later stage heading into Q2'22. While the availability of capital remains record high, the later stage VC deals driven by international investors may take more time to complete with higher level of uncertainty, enhanced focus on due diligence and valuation levels compared to 2021.

VC market in Israel stays hot as companies vie for talent

VC investment was very strong in Israel in Q1'22, with interest from both foreign VC investors and corporates. Cybersecurity continued to be a hot area of investment in Israel, with Cheq raising \$150 million during the quarter. Agtech and healthtech also gained significant attention from investors, with milk bioengineering company Remilk raising \$120 million, medical diagnostics company MeMed raising \$93 million, and health focused data analytics company MDCClone raising \$63 million. Given the competition for talent in the country, mature startups are expected to increasingly focus on acquiring other companies in Israel or in Europe in order to acquire the talent they need to drive growth quickly.

Very healthy VC investment in Ireland despite declining number of deals

Q1'22 was a busy quarter for VC investment in Ireland. Despite a decline in the total number of deals, Ireland continued to see a healthy amount of VC investment, led by a \$150 million raise by fintech Wayflyer and a \$96 million raise by food-ordering platform Flipdish. The funding rounds earned both companies coveted unicorn status. During the quarter, JP Morgan Chase also announced plans to acquire Ireland-based share plan management technology Global Shares for \$730 million — in a deal expected to close in the second half of 2022¹¹.

Trends to watch for in Q2'22

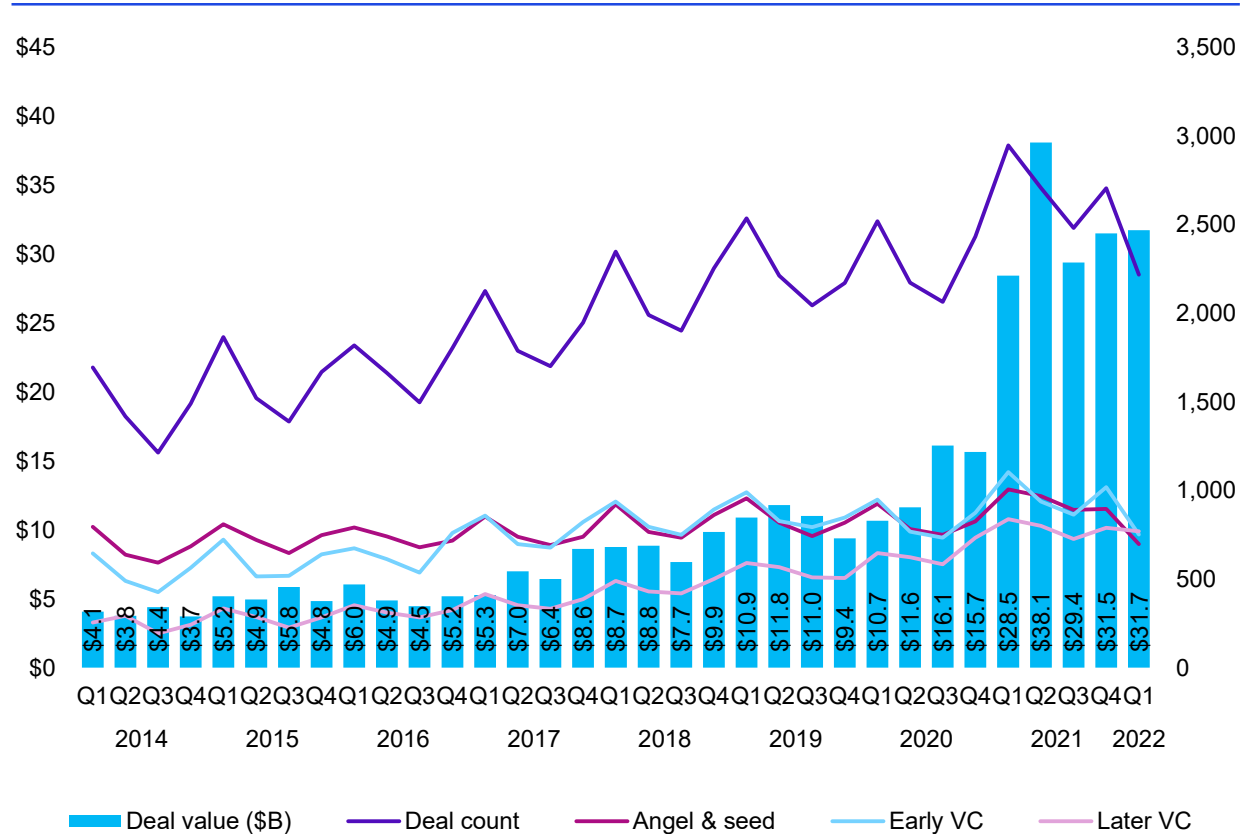
Looking ahead to Q2'22, deal activity across Europe could slow somewhat as a result of the Russia-Ukraine war, combined with rising inflation and interest rates. While there is a significant amount of dry powder in the market, VC investors may hold-back from making investments over the near-term given the level of uncertainty. Fintech, healthtech, and alternative energy will likely remain hot areas of investment across the region during Q2'22

¹¹ <https://www.irishtimes.com/business/technology/jp-morgan-confirms-665m-takeover-of-cork-s-global-shares-1.4827459>

VCS hardly skip a beat in volatile start to the year

Venture financing in Europe

2014–Q1'22



Despite the turmoil of recent months, as well as significant unknowns impending in the rest of the year, European companies raised the second-highest tally of VC invested for a single quarter on record. As optimism persisted, it is clear that there has been no pricing in of sentiment as of yet of worsening economic forecasts or even geopolitical conflict. It remains to be seen how that could evolve going forward. For now, significant government support of tech innovation and sustainability in particular, plus high levels of dry powder, continue to produce robust funding rates.

... despite storm clouds on the horizon,
European startup ecosystems raised well over \$30 billion to start the year...

Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

The late stage surges as investors remain ebullient

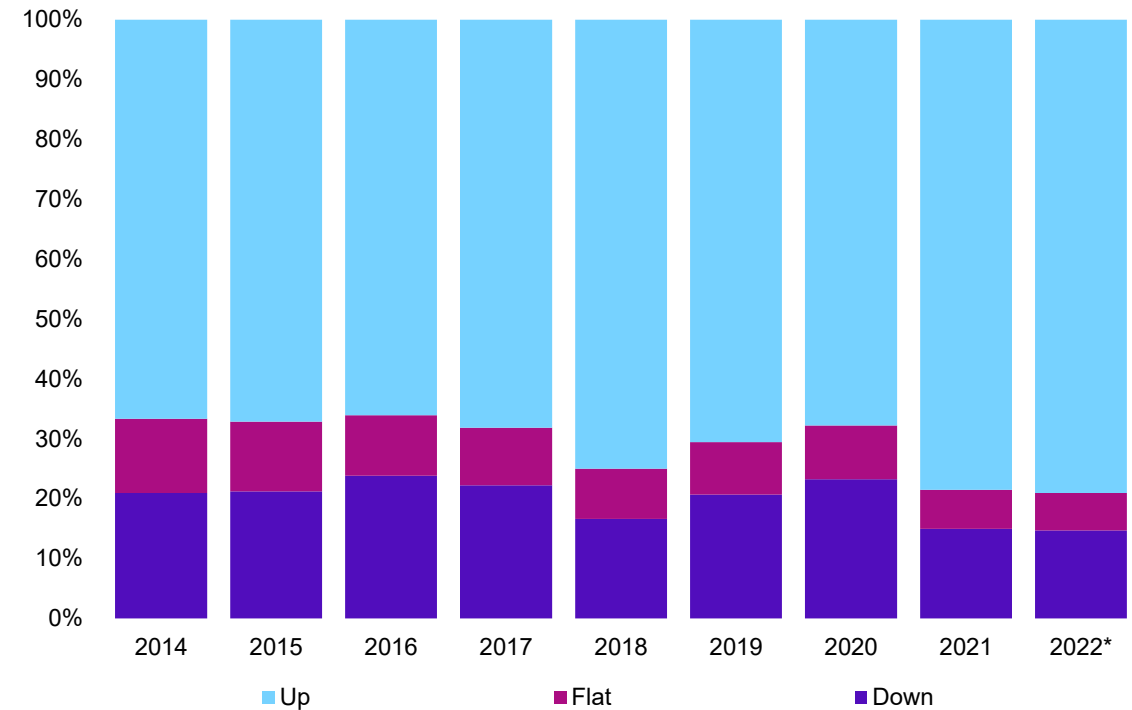
Median deal size (\$M) by stage in Europe

2014–2022*



Up, flat or down rounds in Europe

2014–2022*

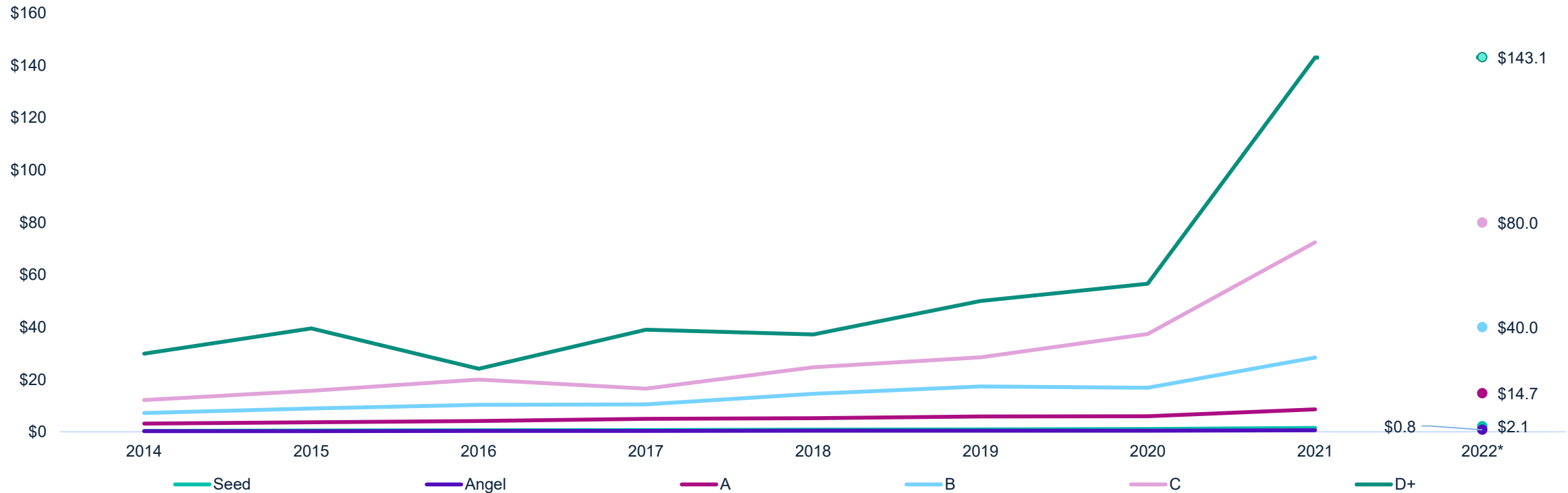


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Deal sizes by and large hold steady

Median deal size (\$M) by series in Europe

2014–2022*

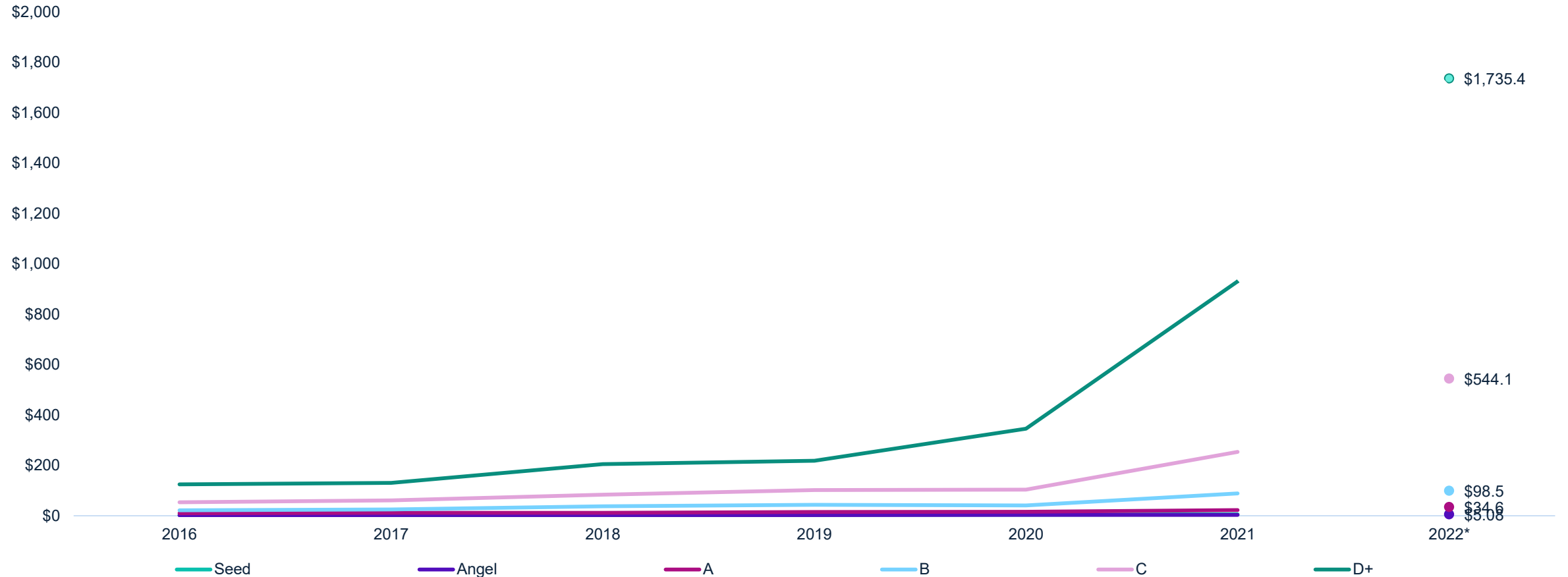


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Q1 shows clear signs of inflation at the latest stages, skewed by small samples

Median pre-money valuation (\$M) by series in Europe

2016-2022*

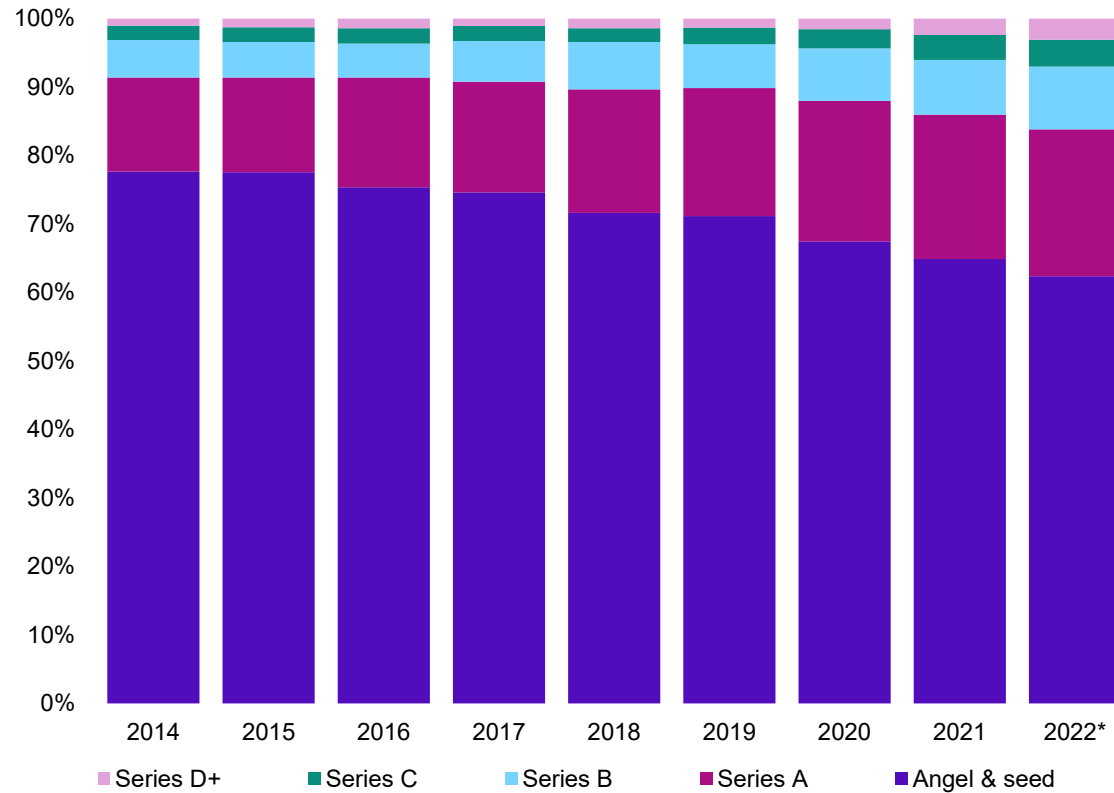


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022. The figures for Series D or later in the years 2017 and 2022*, plus the metric for Series C in 2022*, are all based on non-normative population sizes.

Mostly late-stage volume stays healthy

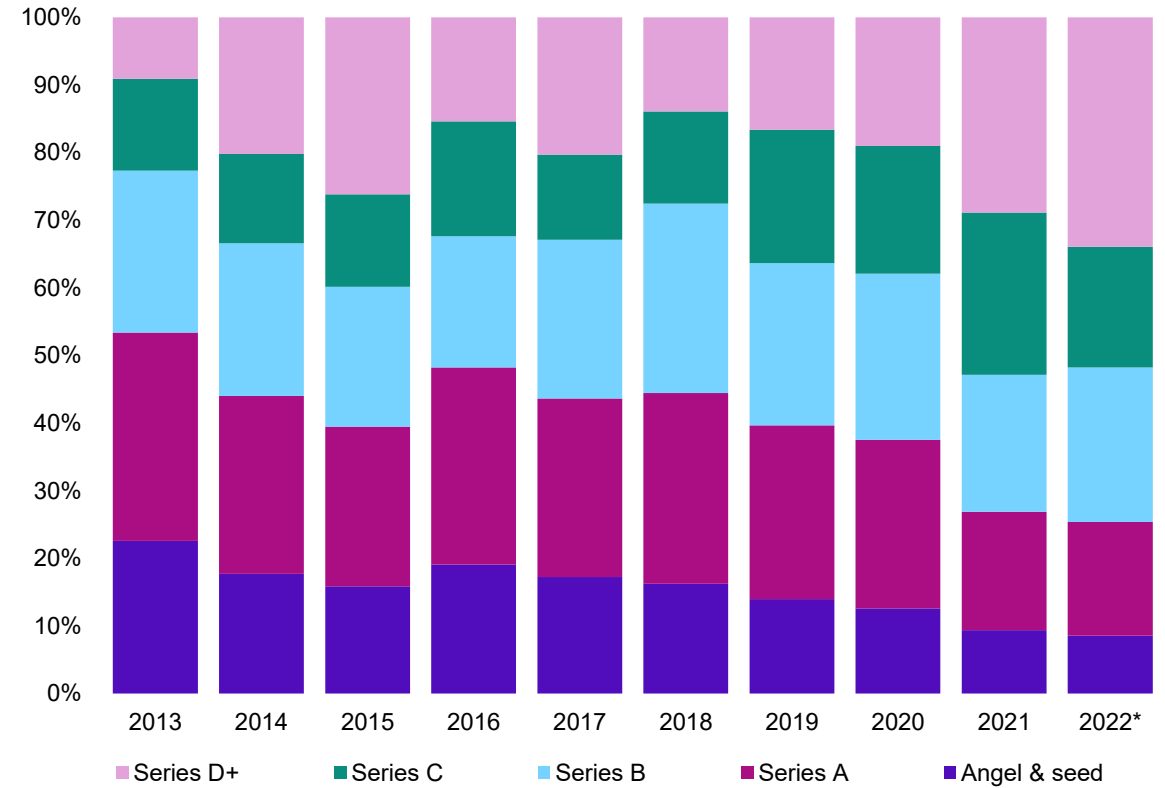
Deal share by series in Europe

2014–2022*, number of closed deals



Deal share by series in Europe

2014–2022*, VC invested (\$B)

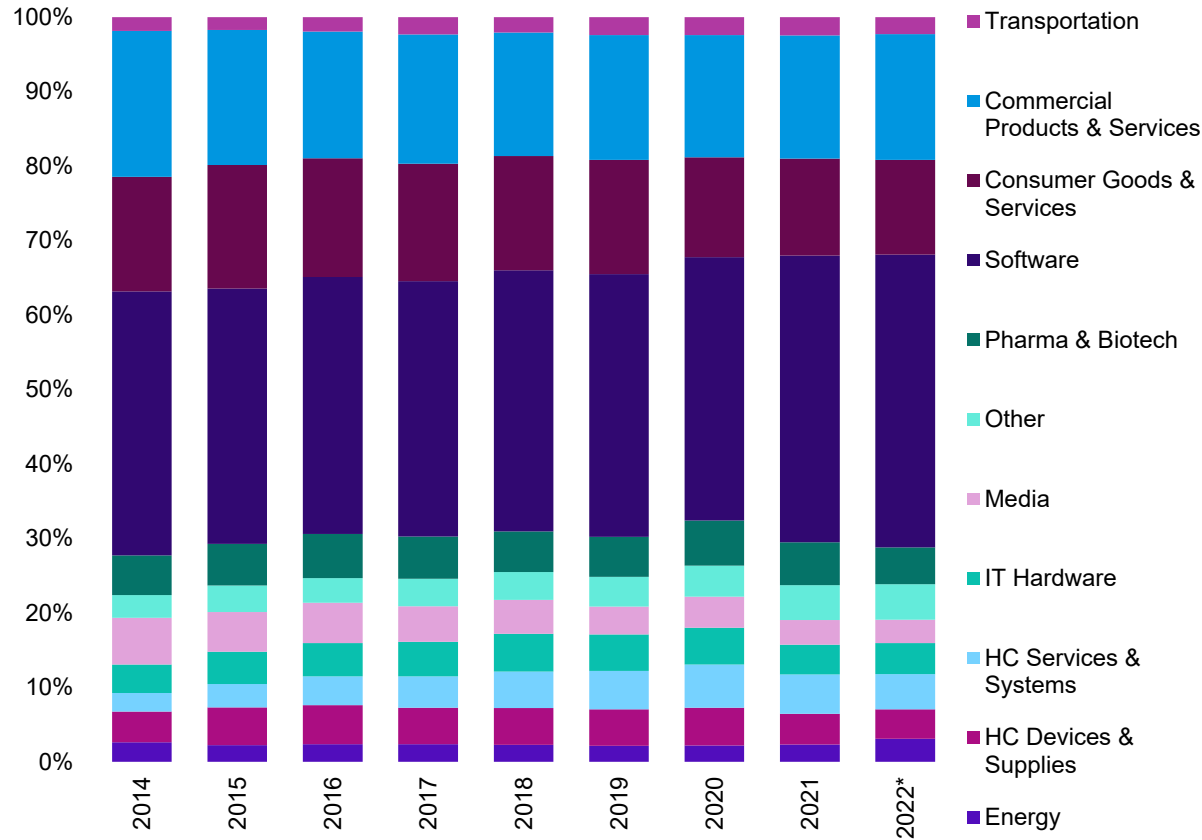


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

A growing retreat to safer software?

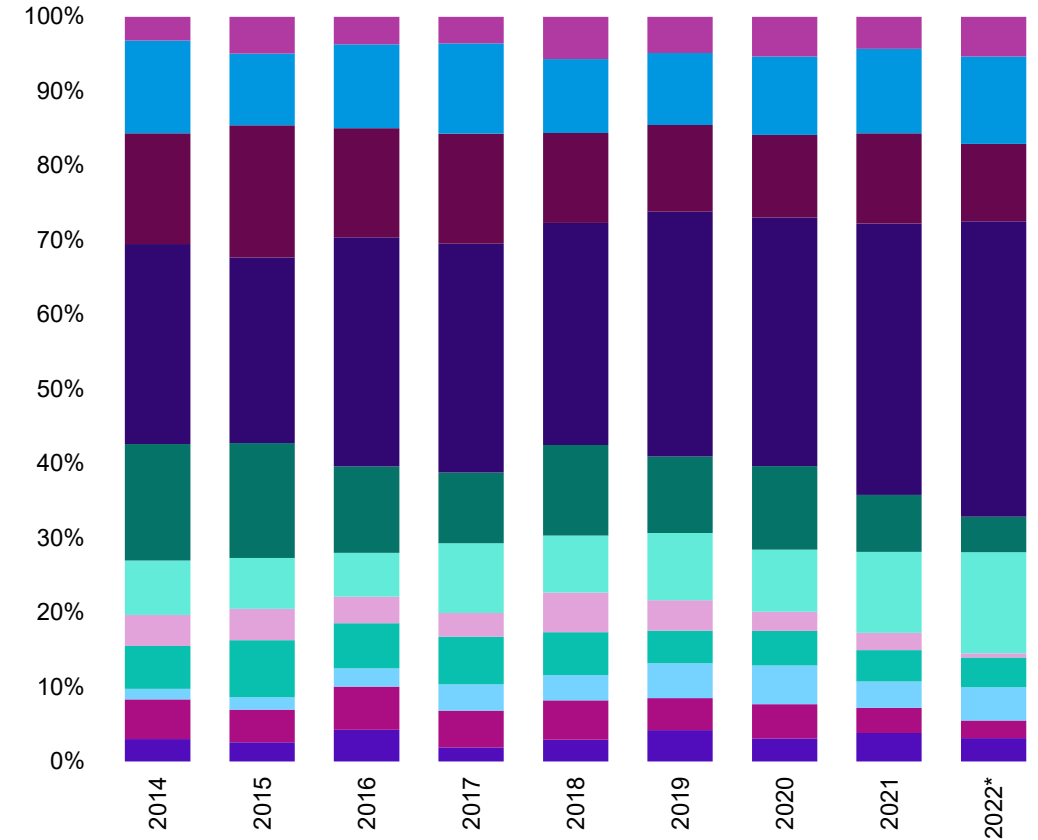
European venture financings by sector

2014–2022*, number of closed deals



European venture financings by sector

2014–2022*, VC invested (\$B)

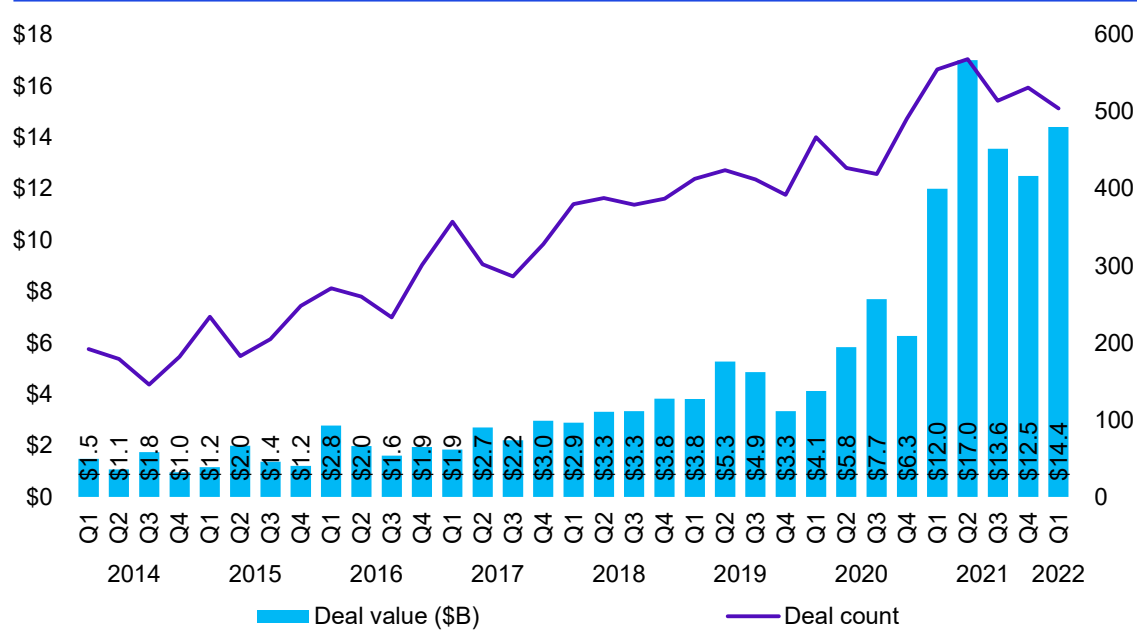


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Corporates continue to stay active

Corporate VC participation in venture deals in Europe

2014–Q1'22

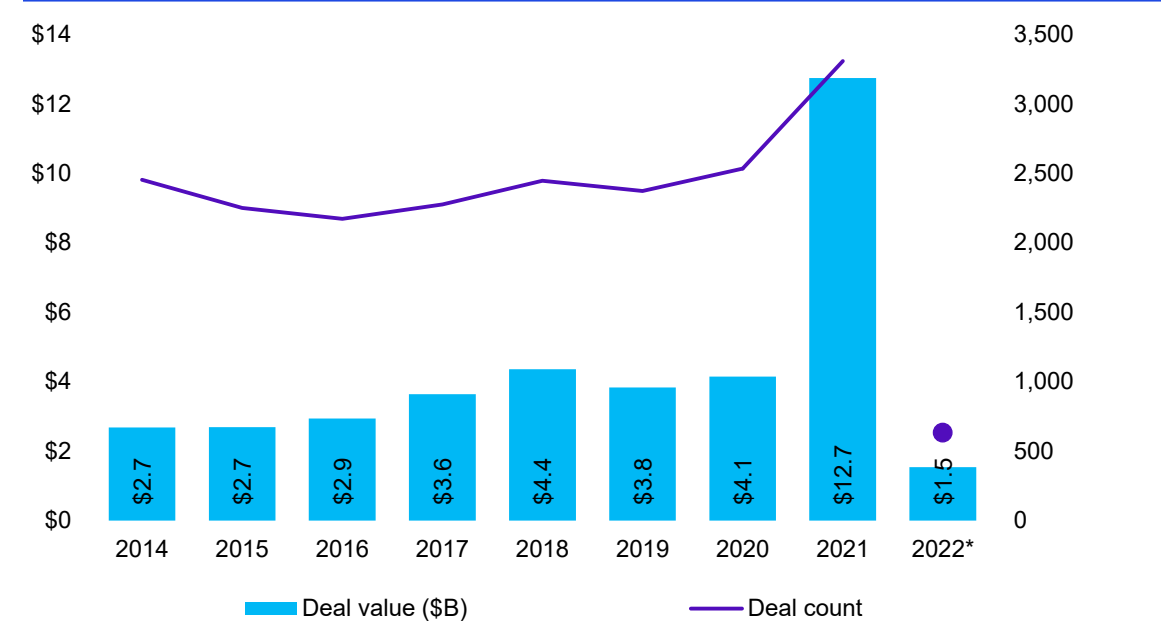


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Although the second half of 2021 saw a choppy slide in volume, venture invested tallies stayed strong for the fifth consecutive quarter, indicating corporate players are all still willing to stay active, likely at the more mature stages. Their incentives to do so remain intact, and in fact would even intensify given economic pressures as long as they do not begin impacting actual financial resources much.

First-time venture financings of companies in Europe

2014–2022*



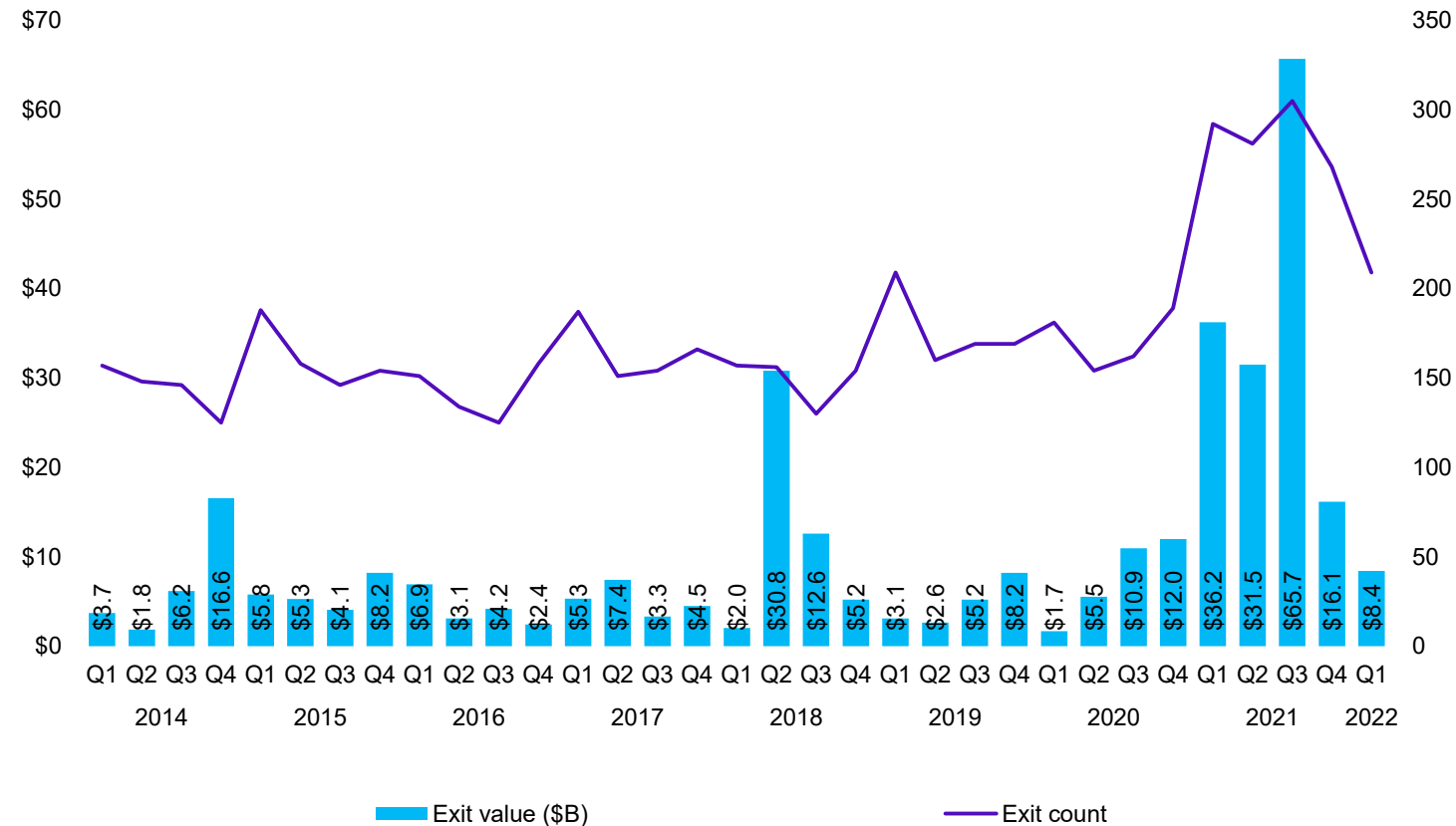
Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Given the final tallies from Q4 2021, it is clear last year saw a truly historic resurgence in VC invested across nearly 3,000 completed first-time fundings, boding well for the continent's push to further invigorate its startup ecosystems. A slower start to the year is to be expected given a general rise in caution.

A slower start to the year continues decline

Venture-backed exit activity in Europe

2014–Q1'22



Sliding exit tallies after the record quarter in late 2021 could be more attributed to overall rises in market volatility than anything else, as well as caution on the part of prospective acquirers, than a decline in liquidity-ready venture-backed companies. So it remains to be seen how much more concerns may rise.

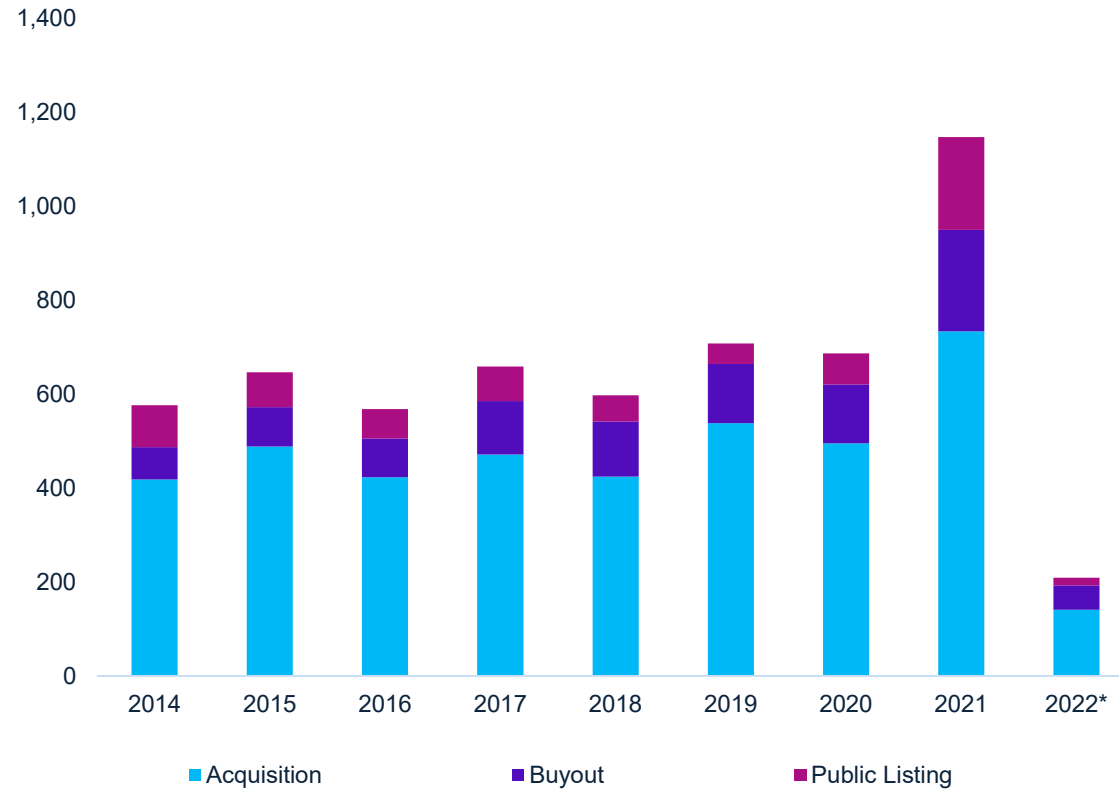
... **robust liquidity trends** from last year could **continue to bolster recycled capital** into the ecosystem going forward

Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

A sadly expected slow start to the year, especially in public listings

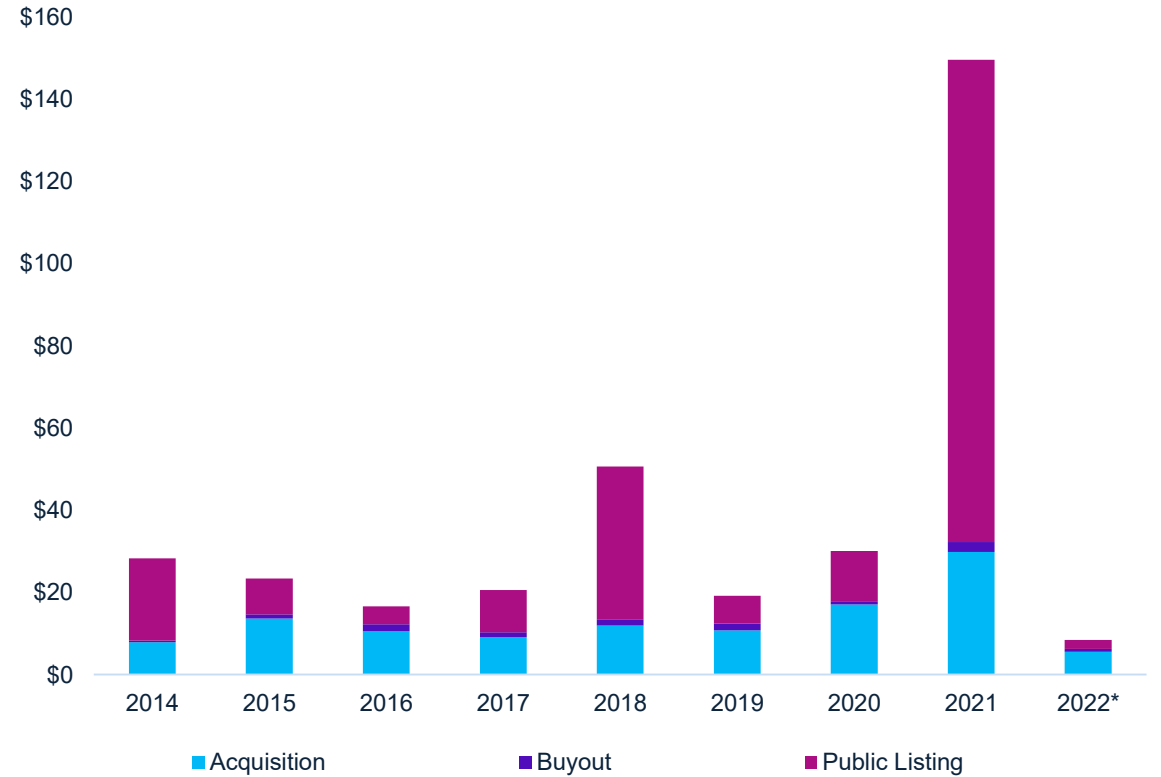
Venture-backed exit activity (#) by type in Europe

2014–2022*



Venture-backed exit activity (\$B) by type in Europe

2014–2022*

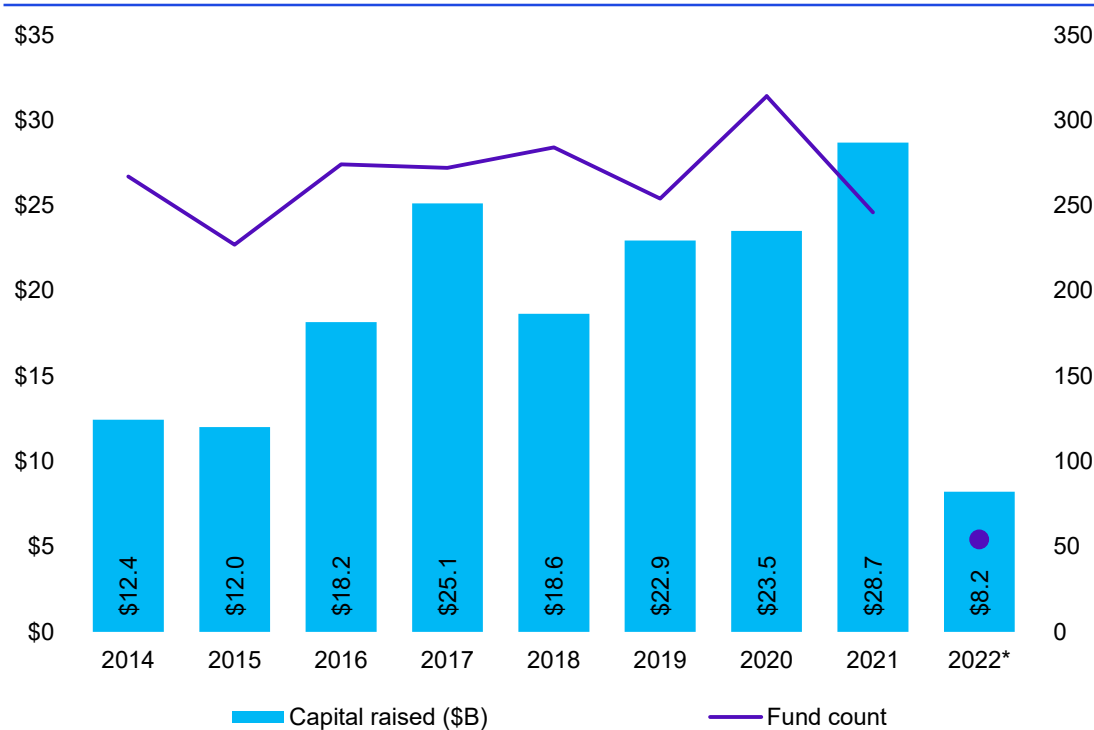


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Fundraising remains relatively robust

European venture fundraising

2014–2022*



2022 has started off strong for venture fundraisers within Europe, as LPs continue to look to the future and plan for the longer term, hoping diversification gains and robust liquidity will continue all in all despite volatility. Once again, the tally of funds closed may be skewed to larger firms, especially if caution rises further, but this strong start is encouraging.

...at **\$8.2 billion already in just one quarter**, 2022 is off to a strong start even after a record year of fundraising efforts.

“ VC investment may have surged in Q1 22 but going forward into the rest of the year, we expect investors to focus more on due diligence resulting in scale ups requiring more support to get deals done. Never the less, the actual deployment of investment will continue relatively strongly over the next few years because it is already raised and will need to be committed. ”



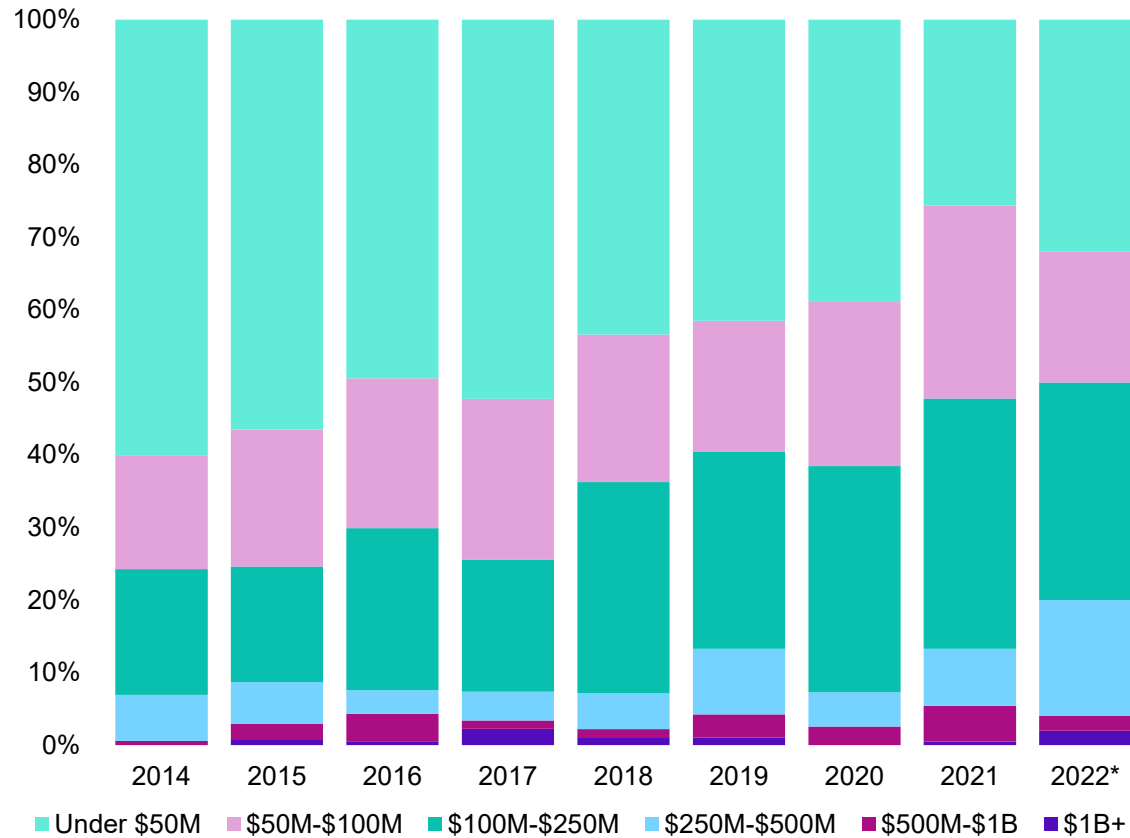
Jonathan Boyer
Partner, Corporate Finance,
KPMG in the UK

Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Q1 sees flurry of upper to mid-sized funds close

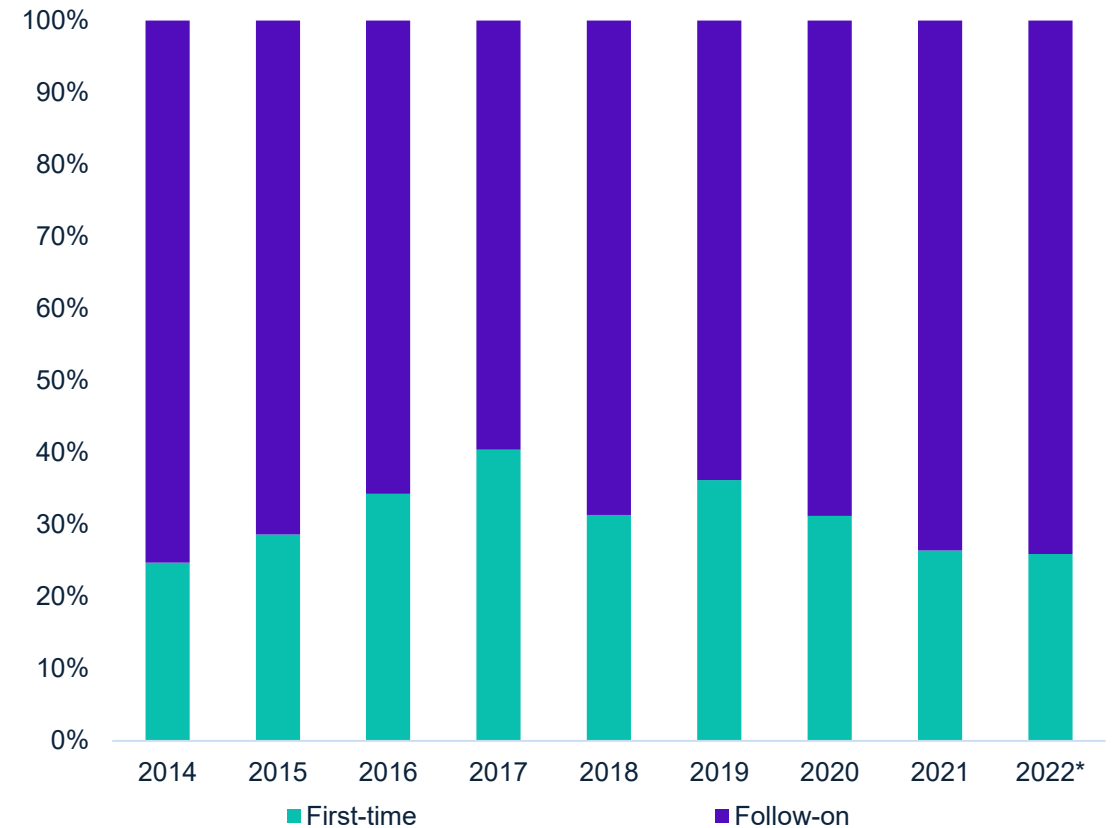
Venture fundraising (#) by size in Europe

2014–2022*



First-time vs. follow-on venture funds (#) in Europe

2014–2022*

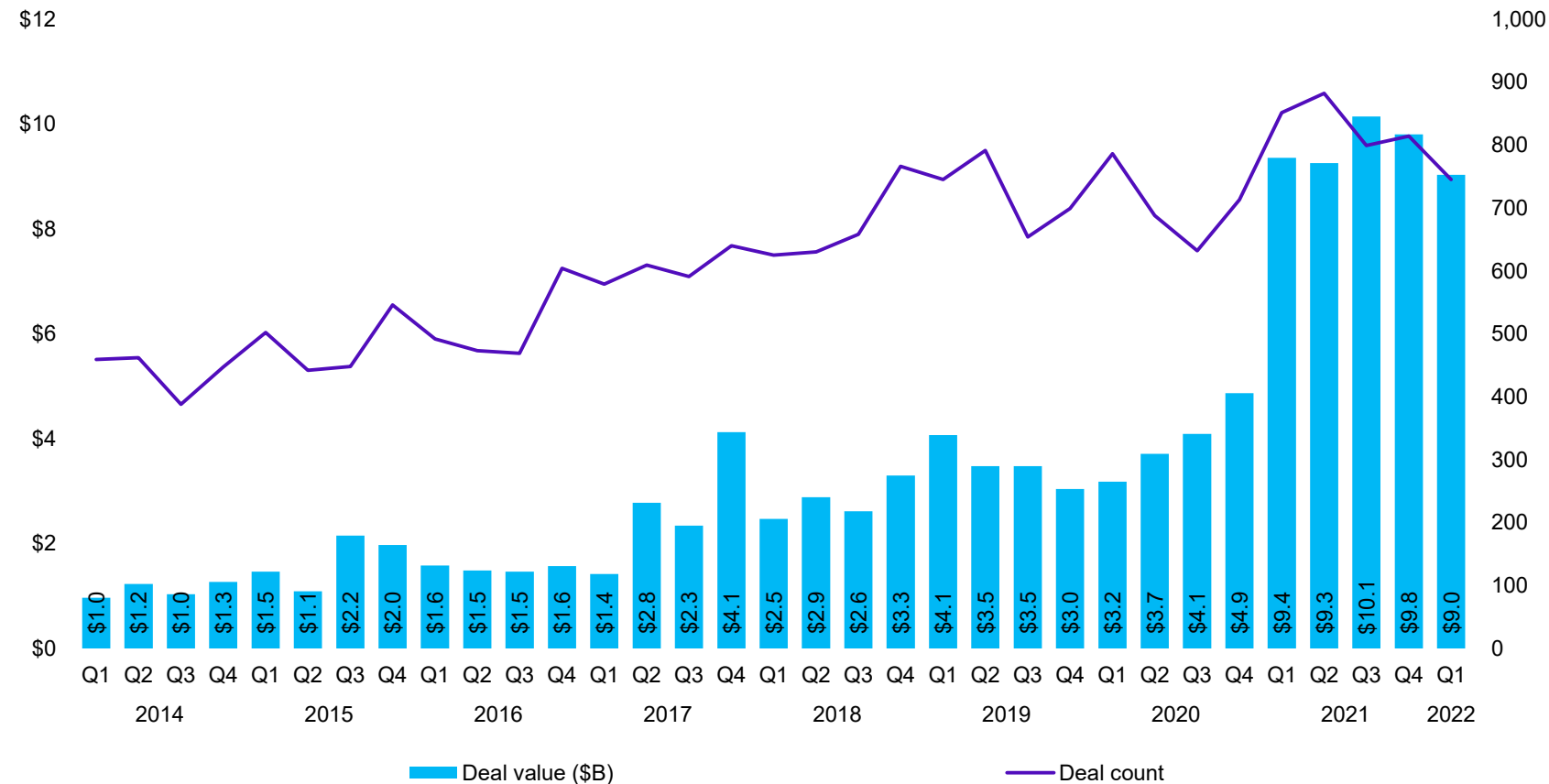


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

The UK continues a strong run of venture financing activity

Venture financing in the United Kingdom

2014–Q1'22



Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

“ Fintech continues to attract a lot of VC investment here in the UK. The payments space has continued to grow, while buy-now-pay-later (BNPL) has become incredibly hot in the eyes of investors — this also includes other businesses diversifying into offering BNPL options. The FCA has announced its intent to regulate the space in the near-future, which could drive consolidation in the space moving forward. ”



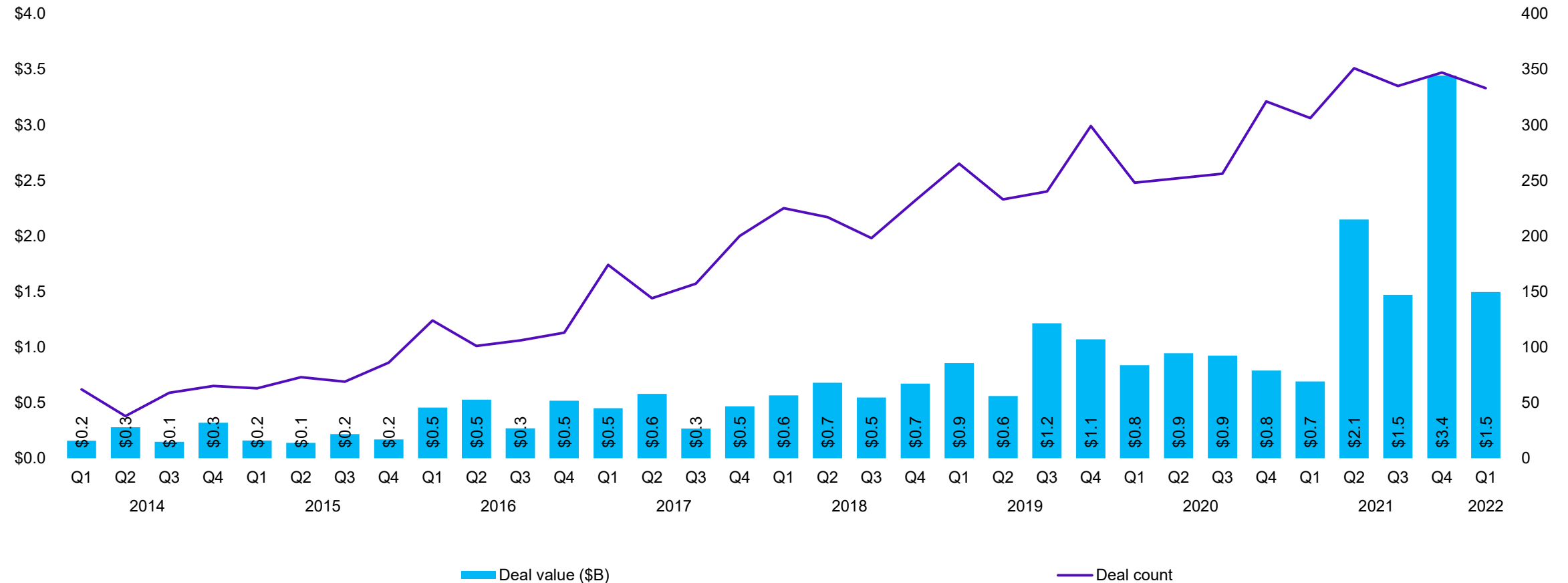
Warren Middleton

Lead Partner for Emerging Giants
CoE in the UK,
KPMG in the UK

London remains the primary startup ecosystem in the nation

Venture financing in London

2014–Q1'22

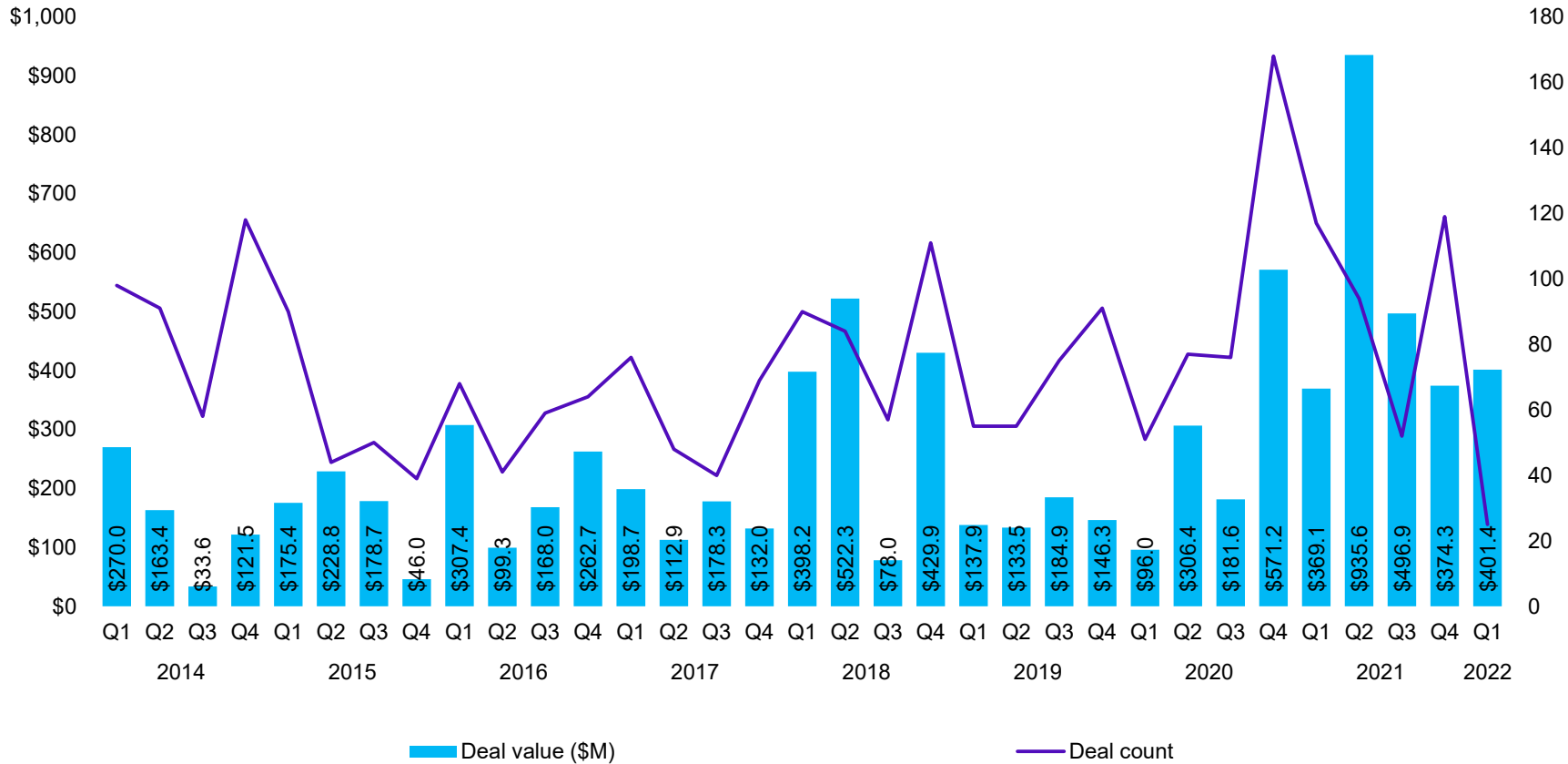


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Despite slide in completed financing volume, VC invested remains healthy

Venture financing in Ireland

2014–Q1'22



Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

“ In Q1'22, JP Morgan announced the acquisition of Global Shares in a very substantial exit for an Irish company. This, combined with the Wayflyer raise highlight the strength of the fintech sector in Ireland. While VC investment remains robust in Ireland, the number of deals has dropped dramatically — which isn't a surprise given the current global uncertainty. ”

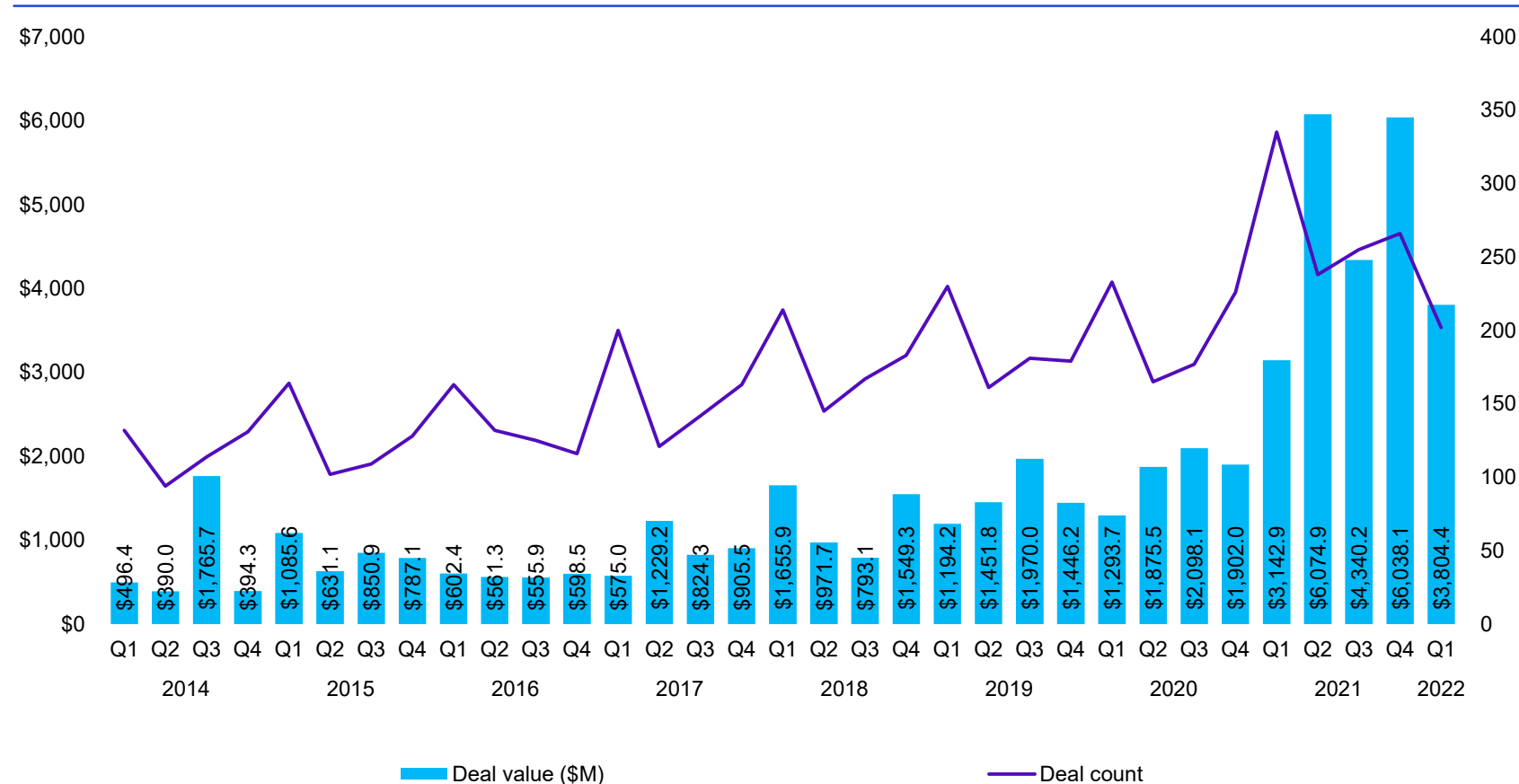


Anna Scally
Partner, Head of Technology and Fintech Lead,
KPMG in Ireland

A historically healthy Q1 for Germany

Venture financing in Germany

2014–Q1'22



Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

“ In Germany, exits through M&A trade sales are clearly in the lead. In addition to domestic buyers and U.S. buyers, exits in the direction of China and Asia in general are playing an increasingly important role. Additionally, the volume of software deals has continued to grow, approaching the record level of the dot-com bubble. Nontechnology companies and financial sponsors are helping to fuel the hot market, as they increasingly join traditional technology players in pursuing software targets.”



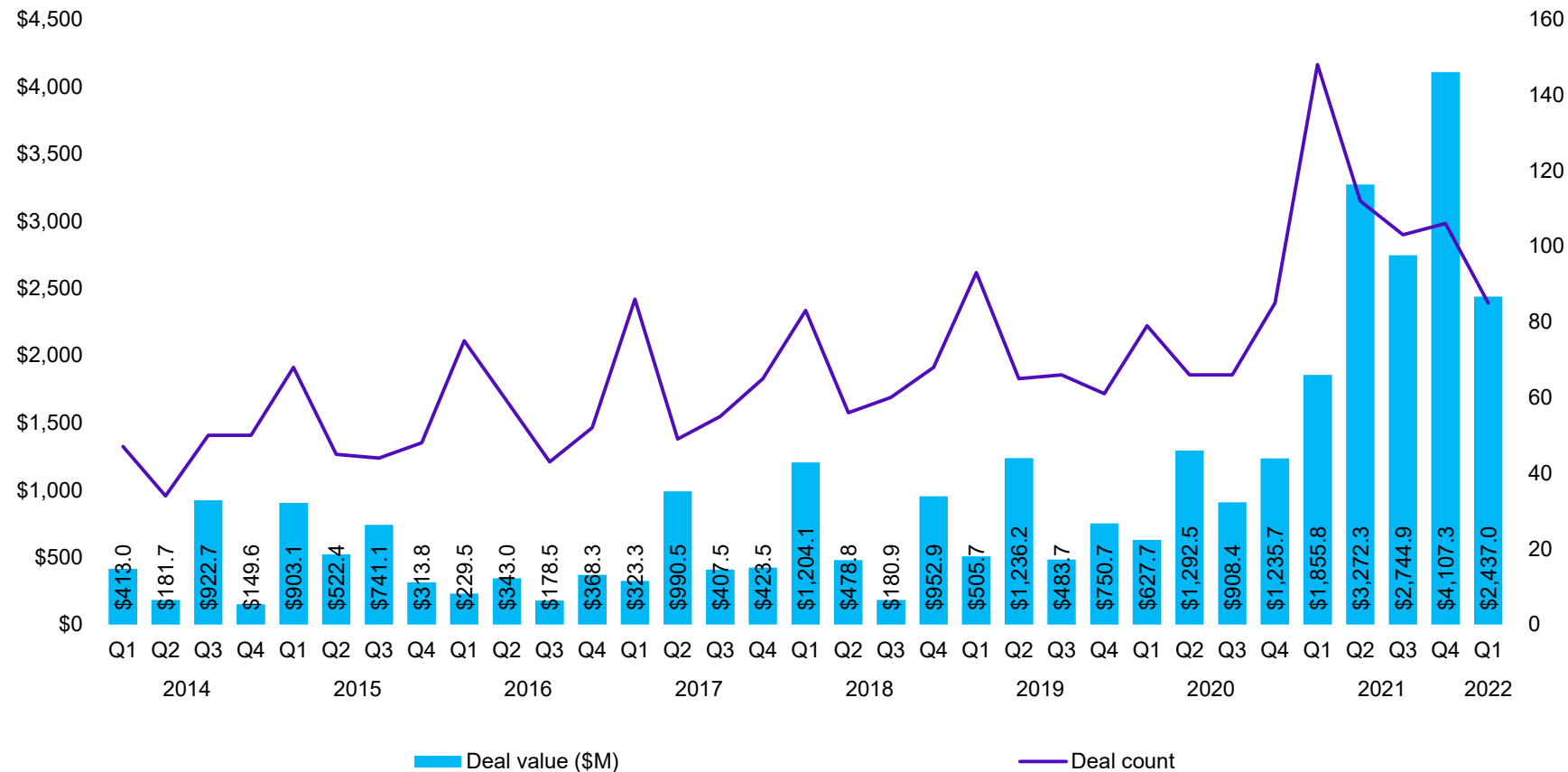
Dr. Ashkan Kalantary
Partner, Deal Advisory Venture Services
KPMG in Germany

Q1VC

The Berlin ecosystem continues to benefit from talent influx

Venture financing in Berlin

2014–Q1'22



Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

“ VC investment in Germany is expected to remain strong, particularly in the fintech space. With companies continuing to face bottlenecks and price increases within their supply chains, companies in the logistics sector are also becoming hot in the eyes of VC investment. Forto’s \$250 million raise in March is a prime example of this trend. ”

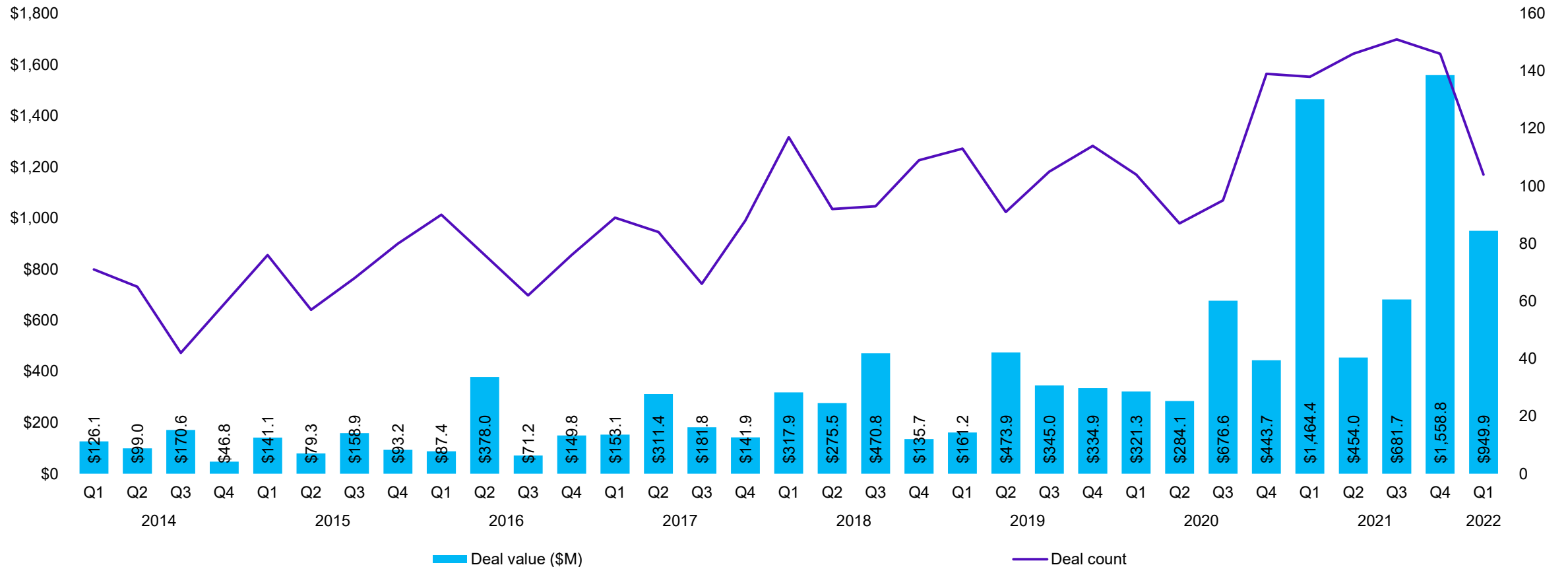


Tim Dümichen
Partner, KPMG in Germany

Spain continues to experience historically healthy tallies

Venture financing in Spain

2014–Q1'22

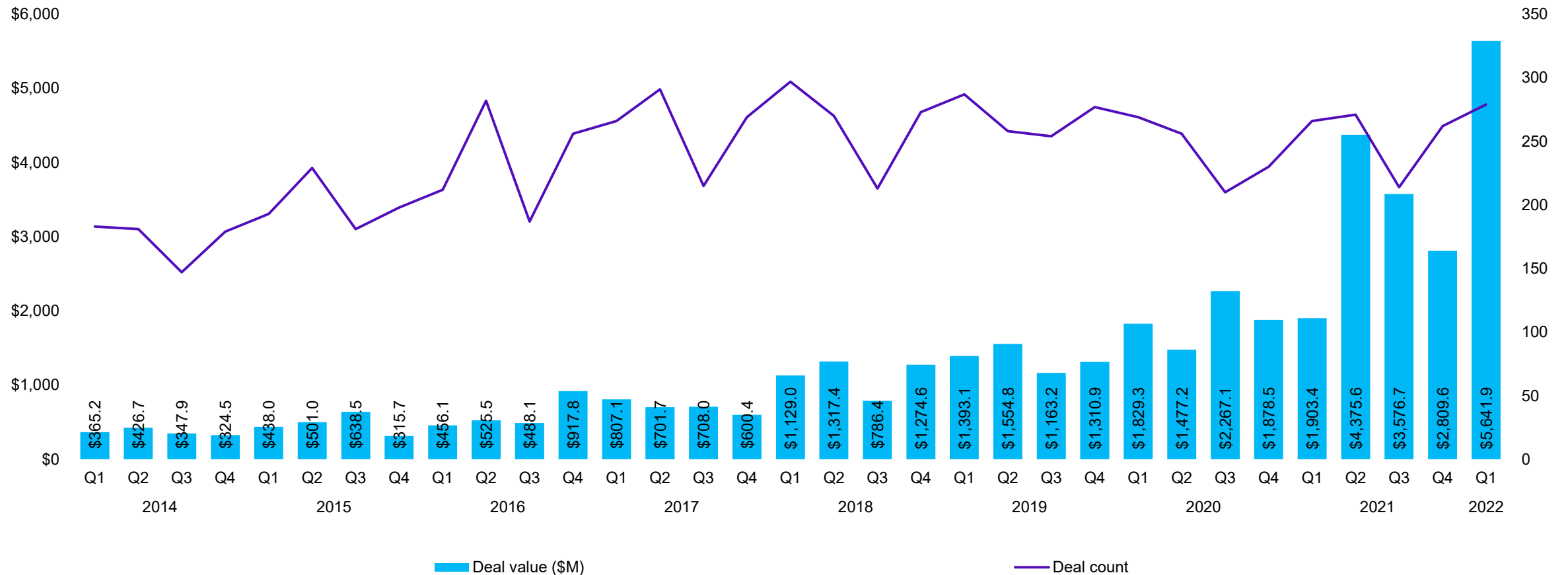


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

France sees impact of mega-rounds once again for a brand-new record

Venture financing in France

2014–Q1'22

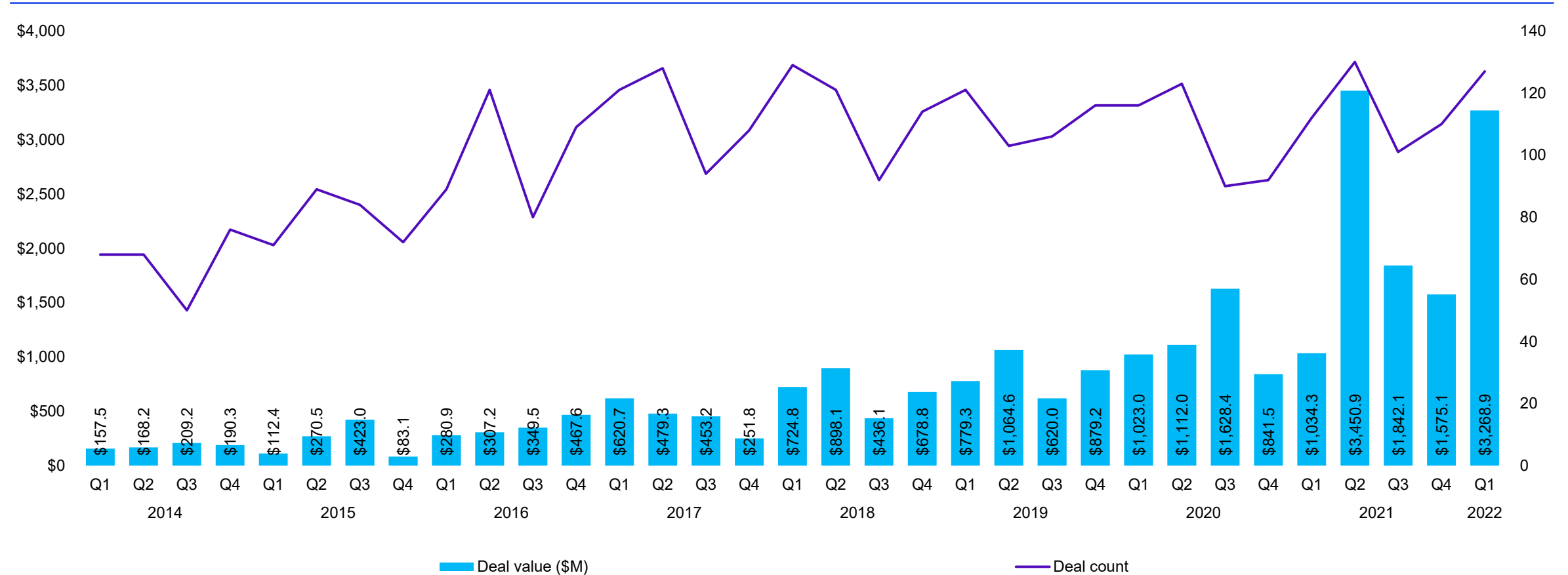


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

The Paris ecosystem remains predominant, if impacted by outliers

Venture financing in Paris

2014–Q1'22

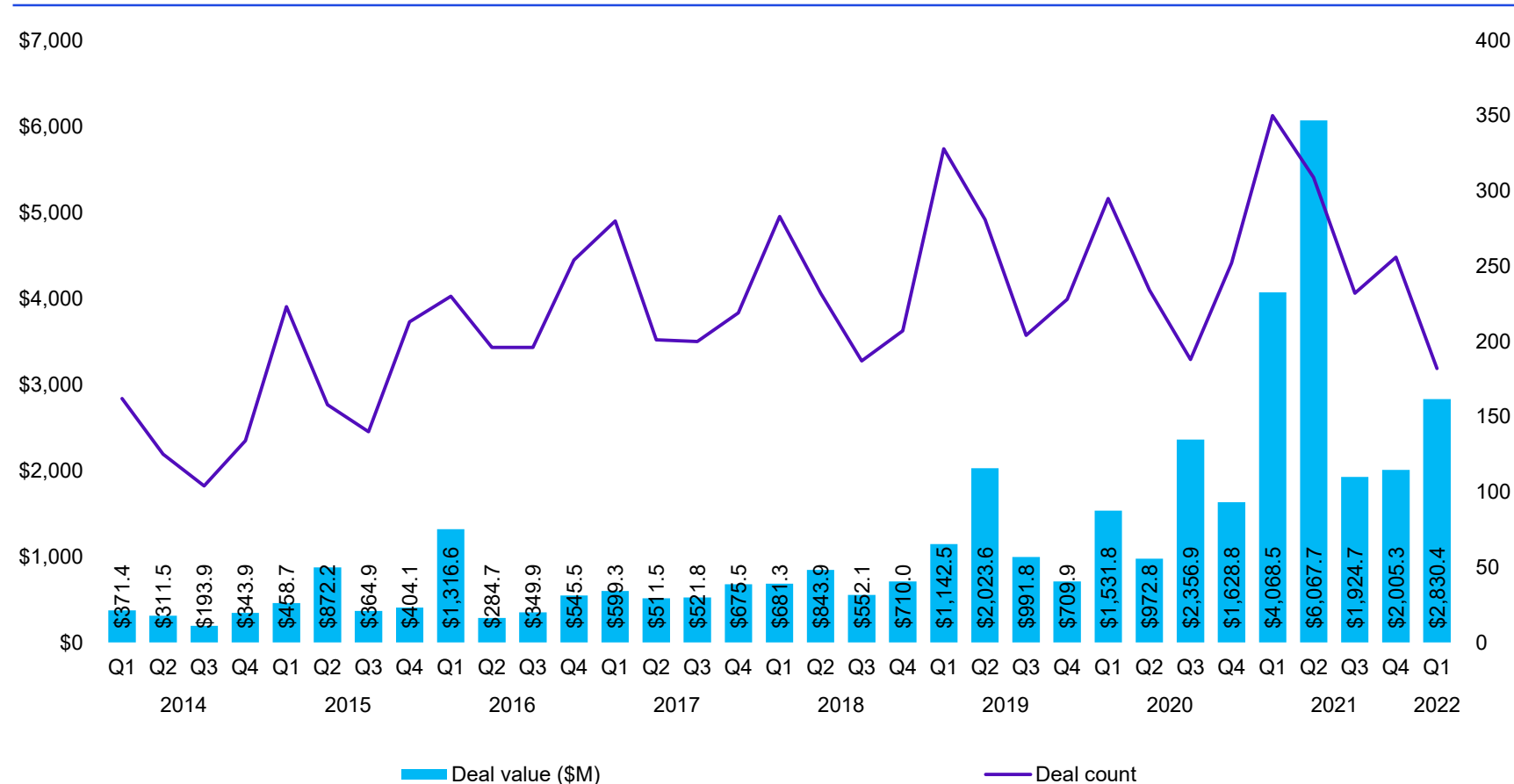


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

After the impact of unicorns in Sweden, Finland & Estonia shine

Venture financing in the Nordics

2014–Q1'22



Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

“ The startup ecosystem in the Nordics region has grown considerably in recent quarters — with more activity and larger deals spread across Sweden, Finland, Norway, and Denmark. In Q1'22, all four jurisdictions attracted \$100 million+ rounds, highlighting the growing strength of companies in the region. The current geopolitical tension could slow VC investment heading in Q2'22 as investors become more cautious, particularly about doing larger deals. ”

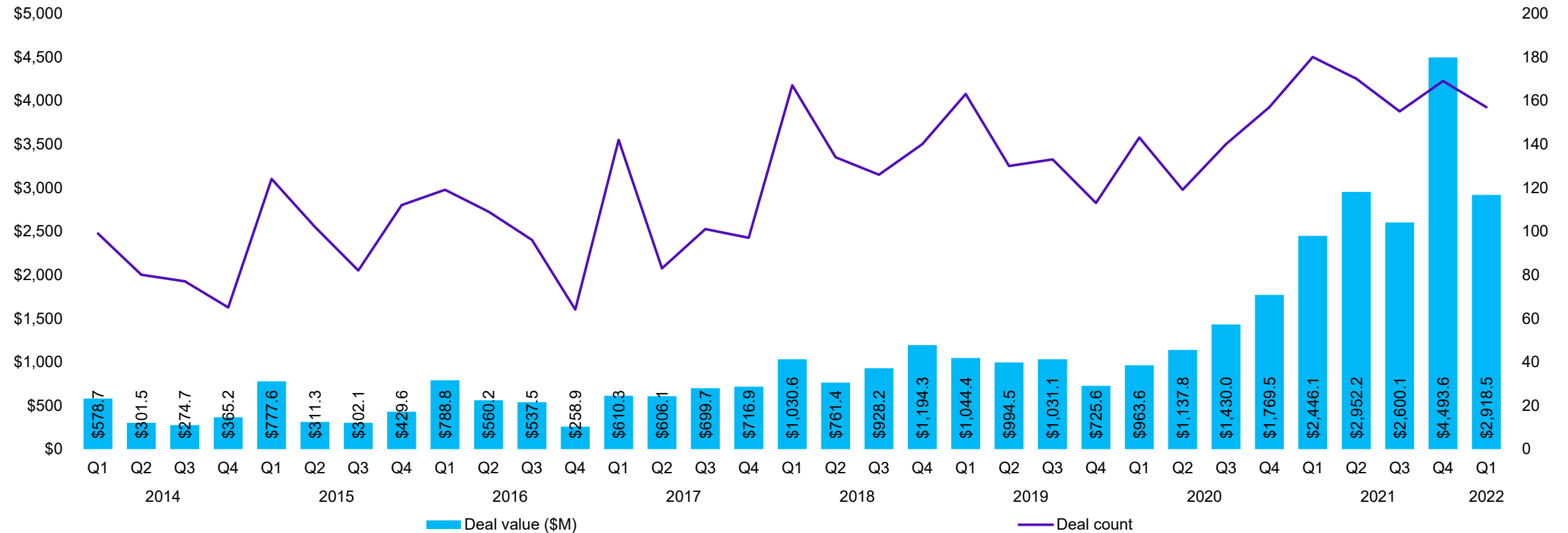


Jussi Paski
Head of Startup Services
KPMG in Finland

The flow of capital continues in Israel to kick off the year

Venture financing in Israel

2014–Q1'22



Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

A plethora of sectors are represented

Top 10 financings in Q1'22 in Europe



1. **Checkout.com** — \$1B, London, UK — Fintech — *Series D*
2. **Wefox** — \$871.7M, Berlin, Germany — Fintech — *Late-stage VC*
3. **Getir** — \$768M, Istanbul, Turkey — E-commerce — *Series E*
4. **Bolt** — \$710.5M, Tallinn, Estonia — Automotive — *Series F*
5. **Relex** — \$566.3M, Helsinki, Finland — Enterprise software — *Late-stage VC*
6. **Doctolib** — \$557.1M, Levallois-Perret, France — Healthtech — *Series F*
7. **Qonto** — \$549.8M, Paris, France — Fintech — *Series D*
8. **Back Market** — \$541.9M, Paris, France — E-commerce — *Series E*
9. **Scalapay** — \$497M, Milan, Italy — E-commerce — *Series B*
10. **Market Financial Solutions** — \$398.05M, London, UK — Fintech — *Late-stage VC*

Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022.
Data provided by PitchBook, April 20, 2022

**In Q1'22, VC-backed
companies in the Asia
region raised \$32.6B
across 2,712 deals**

VC investment in Asia dips in Q1'22 as market uncertainty increases

VC investment in Asia dropped during Q1'22, driven by global geopolitical uncertainty, a surging COVID-19 Omicron wave in several jurisdictions, increasing volatility in the public markets, and ongoing regulatory developments in China. Despite the decline, the level of VC investment remained relatively solid compared to historical norms — in part due to the number of \$100 million+ megadeals seen across the region.

Diverse jurisdictions and sectors attract large funding rounds

While the VC market in Asia did not see any blockbuster \$1 billion+ deals during Q1'22, a number of jurisdictions attracted \$500 million+ funding rounds — showcasing the growing strength of the region as a whole. India attracted three of the largest rounds during Q1'22, with an \$800 million raise by BYJU, a \$700 million raise by Swiggy, and a \$478 million raise by DailyHunt. China's biggest deals included an \$800 million deal by JD Property and a \$784 million deal by Changan New Energy as well as a \$471 million raise by InnoScience. Other countries that attracted major deals during the quarter included Singapore — with a \$500 million raise by Princeton Digital Group, and South Korea — with a \$442 million raise by Megazone Cloud. In addition to the geographic diversity, the region saw a range of sectors attracting investment, including edtech, food delivery, healthtech, and B2B services.

Uncertainty continues to affect VC investment in China

VC investment in China was relatively soft during Q1'22, driven by a number of factors including a slowdown around Lunar New Year celebrations and the growing complexity of the country's COVID-19 response.

Regulatory uncertainty also remained a key concern for VC investors in China. During the quarter, the China Securities Regulatory Commission continued to move ahead with its proposal that all companies with a VIE structure that plan to list in Hong Kong or overseas be reviewed and approved by the regulator in China in advance. In February, China's new Cybersecurity Review Measures regulation also went into effect; the regulation requires that companies with more than one million users obtain a cybersecurity review prior to listing overseas¹².

India cools somewhat in Q1'22

VC investment in India slowed somewhat in Q1'22 relative to record totals during the second half of 2021. However, VC investors continued to show interest in a wide-range of sectors, including e-commerce, fintech, edtech, social platforms, and gaming. The gaming sector in India, in particular, has seen a significant evolution over the last two years, with more companies now focusing on the development of India-specific gaming content. This is only helping to drive interest and investment in the space.

The rapid maturation of key sectors in India, combined with the significant number of market entrants, is starting to drive M&A activity as competition for market share heats up. In the social media space, Q1'22 saw dominant market player ShareChat acquire a short video app from its rival MX for approximately \$700 million¹³. Looking forward, sectors like edtech and food delivery will likely also see consolidation.

Priority sectors remain hottest areas of investment in China

In China, companies focused on areas identified by the government as important to economic growth continued to attract VC investment during Q1'22, despite a drop-off in investment activity in other sectors. VC investors were particularly interested in companies focused on new energy vehicles, semiconductors, and other hardware-related technologies. There was also increasing interest in companies working to improve the efficiency of traditional manufacturing processes or providing SaaS B2B services.

¹² <https://www.china-briefing.com/news/a-close-reading-of-chinas-new-cybersecurity-review-measures-in-effect-february-15-2022/>

¹³ <https://www.reuters.com/technology/indias-sharechat-acquire-local-rival-mxs-short-video-app-700-mln-deal-sources-2022-02-10/>

Q4'21 VC investment in Asia holds strong — contributes to annual record high, cont'd.

After a record 2021, VC investment in Japan takes a breather

VC investment in Japan took a breather in Q1'22, after reaching a record annual high in 2021. Japan's VC market continued to mature, however, with an increasing number of foreign investors participating in the market and a growing number of niche VCs focusing on market subsets, most prominently B2B SaaS. During Q1'22, the deterioration of stock market conditions and declining valuations has driven some investors to broaden their investments. This will likely drive increasing investment in areas like deeptech, Web 3.0, metaverse solutions, alternative energy, and health and biotech.

Following the release of its Growth Strategy Action Plan, the Japanese government has positioned 2022 as the first year of startup creation. This will likely drive interest in the space over the next few quarters. The government is also working with the Financial Services Agency to undertake institutional reforms to support the growth and revitalization of unlisted companies and to develop a distribution system for unlisted shares and a set of relaxed requirements for specified investors.

Trends to watch for in Q2'22

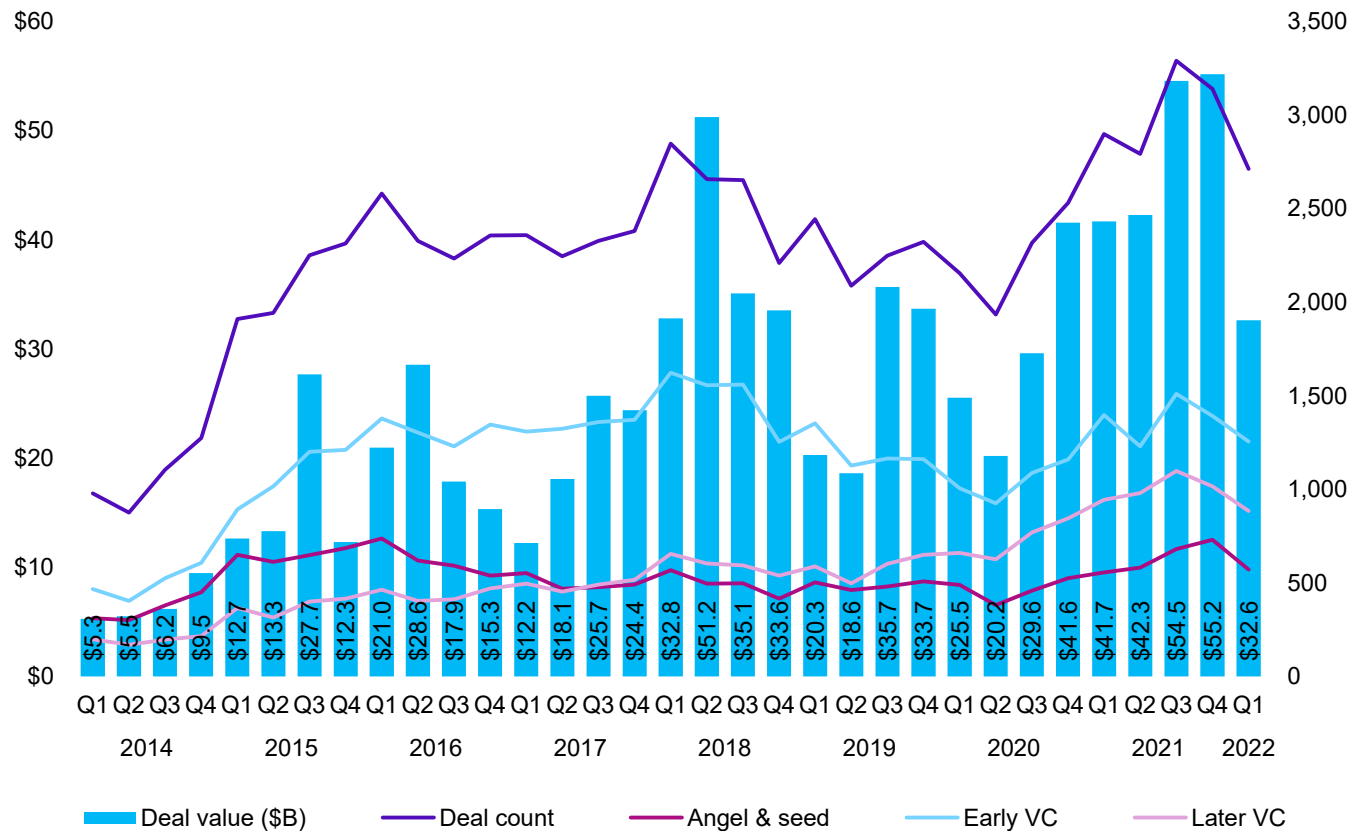
Heading into Q2'22, there is significant concern regarding the performance of the capital markets in Asia — in addition to the specific performance of China-based companies listed in the US. An extended period of volatility, in addition to tightening regulations in China, could spark additional pullback from investors, particularly foreign investors.

In India, while investors are expected to grow more cautious given rising commodity prices, increasing interest rates, and heightening global geopolitical uncertainty, the amount of money available in the market will likely help moderate the impact heading into Q2'22. Fintech and e-commerce will likely remain very attractive to investors, while interest in agtech is expected to grow considerably given the country's large agricultural sector.

After strong finish, a robust quarter

Venture financing in Asia

2014–Q1'22



It is safe to say the Asia Pacific ecosystem has completely rebounded from the recent pandemic-driven nadir of funding declines. Despite ongoing geopolitical tension and some exacerbated economic issues on the rise, venture investors are still deploying capital broadly across the region. Significant market opportunities are opening up as countries invest more heavily in reshoring and security.

“ VC investors were particularly interested in companies focused on new energy vehicles, semiconductors, and other hardware-related technologies in Q1'22. There was also increasing interest in companies working to improve the efficiency of traditional manufacturing processes or providing SaaS B2B services. ”



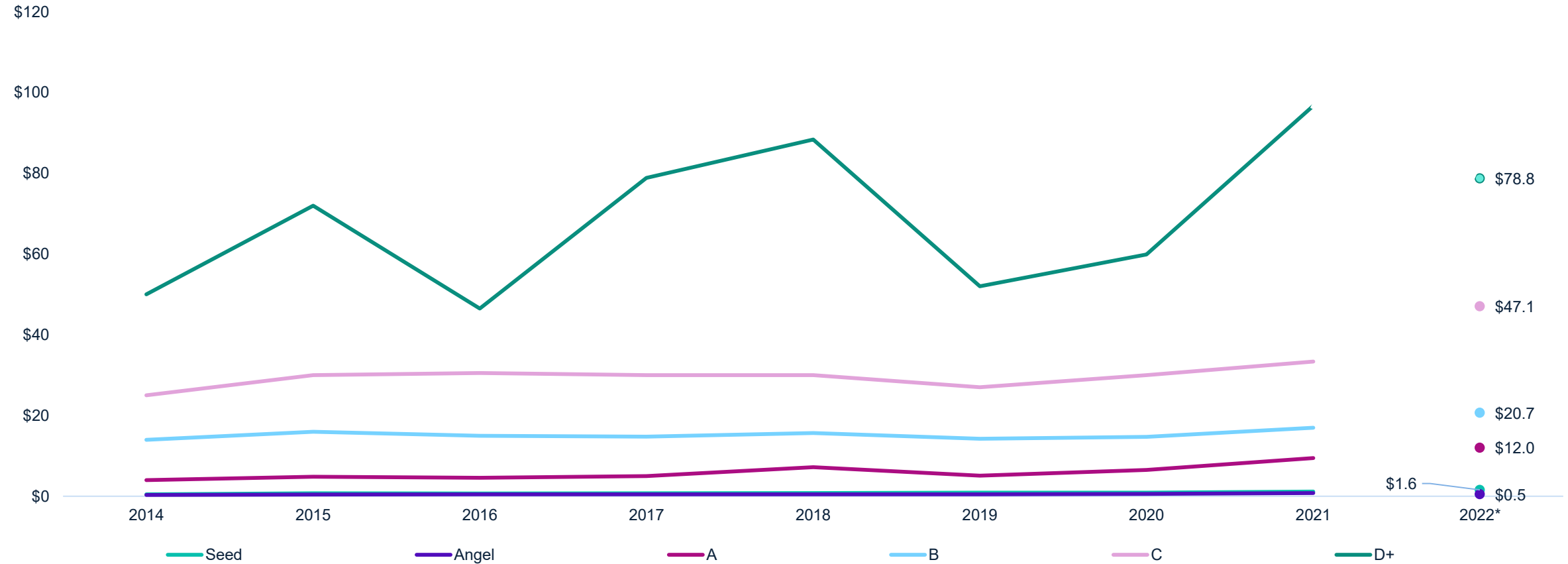
Egidio Zarrella
Partner, Clients and Innovation
KPMG China

Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

The latest stage sees an initial decline

Median deal size (\$M) by series in Asia

2014–2022*

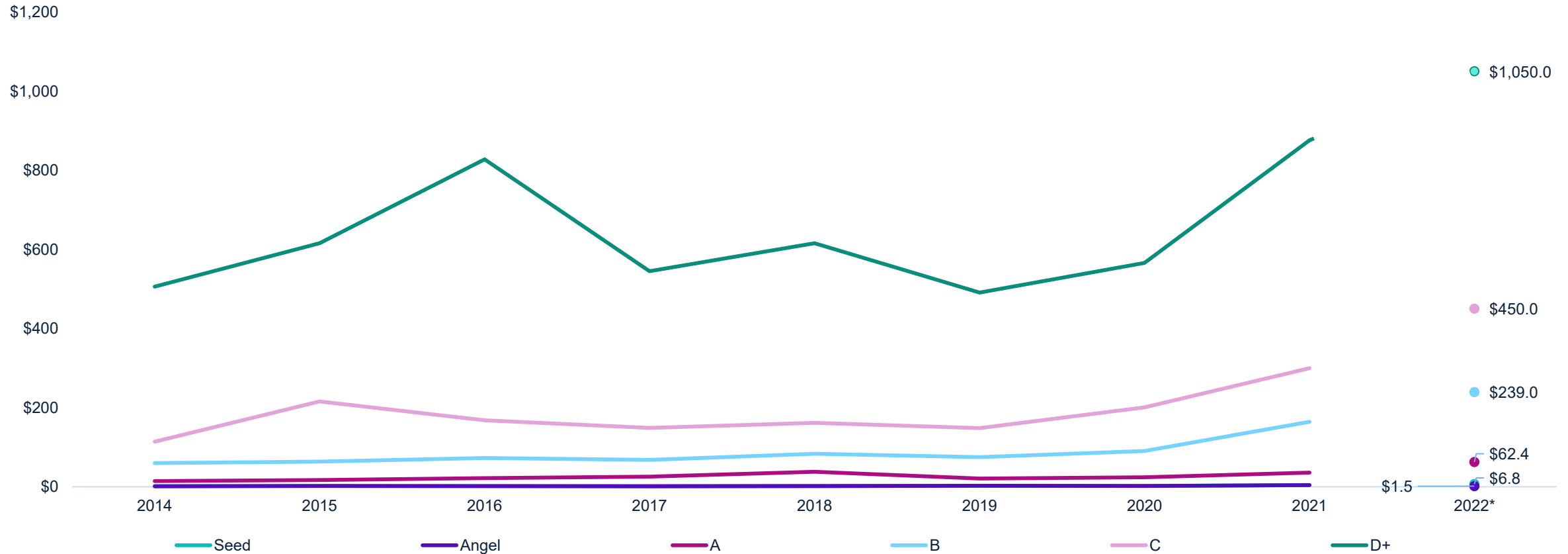


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Valuations remain skewed by small sample sizes thus far in Q1

Median pre-money valuation (\$M) by series in Asia

2017–2022*

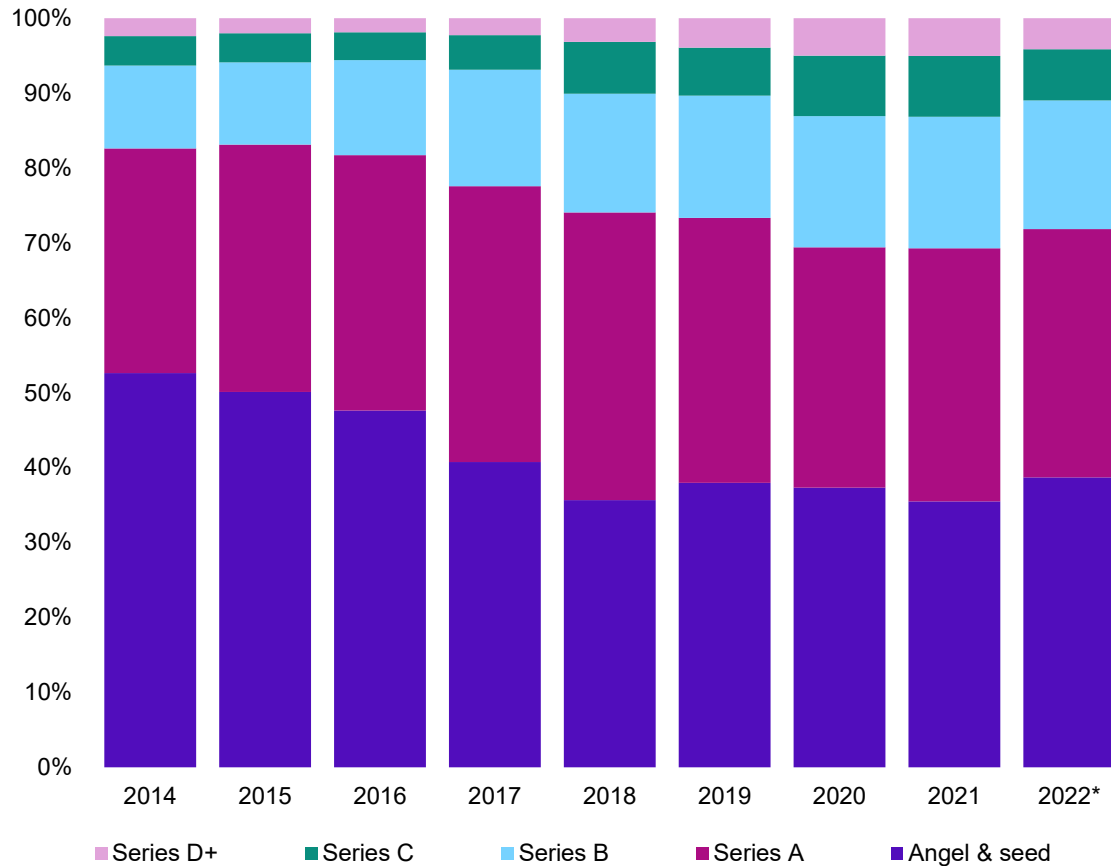


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022. Figures for Series C in 2014, as well as Seed, Angel, Series C and Series D+ in 2022 are based on non-normative population sizes.

Angel & seed rebound in volume as well as value

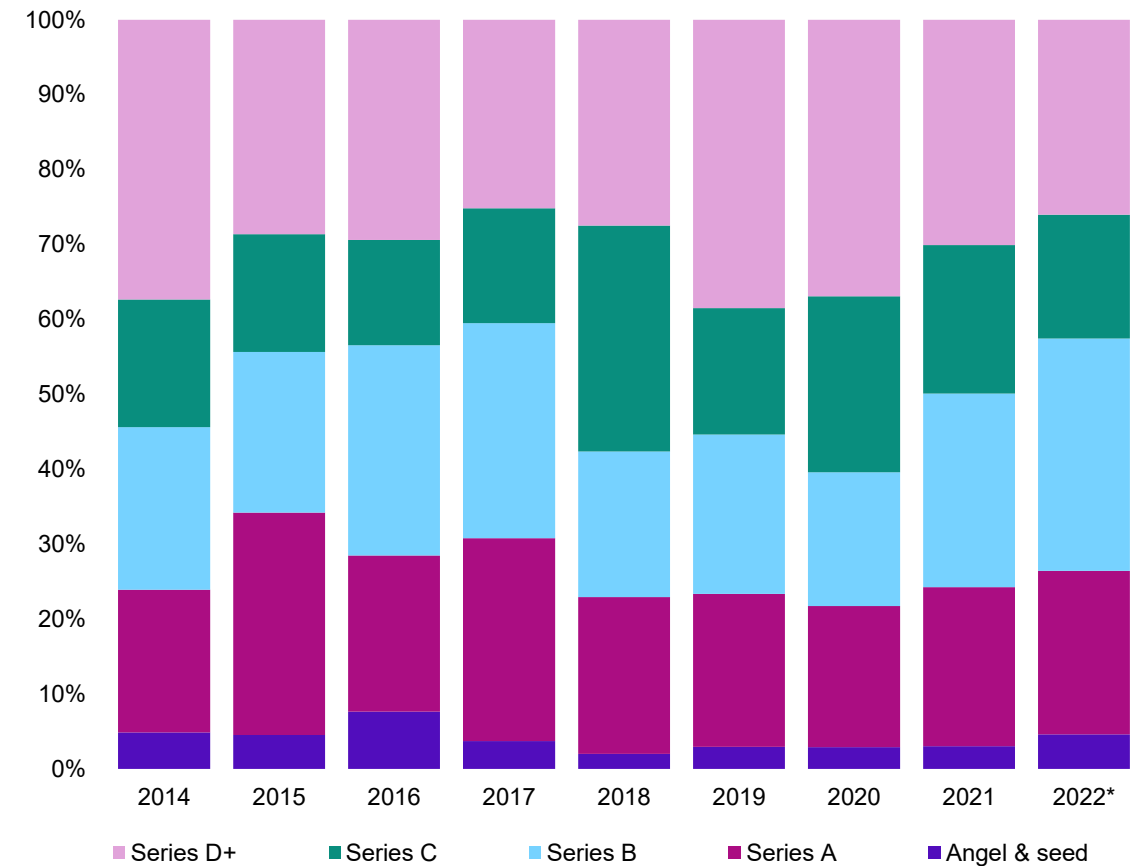
Deal share by series in Asia

2014–2022*, number of closed deals



Deal share by series in Asia

2014–2022*, VC invested (\$B)

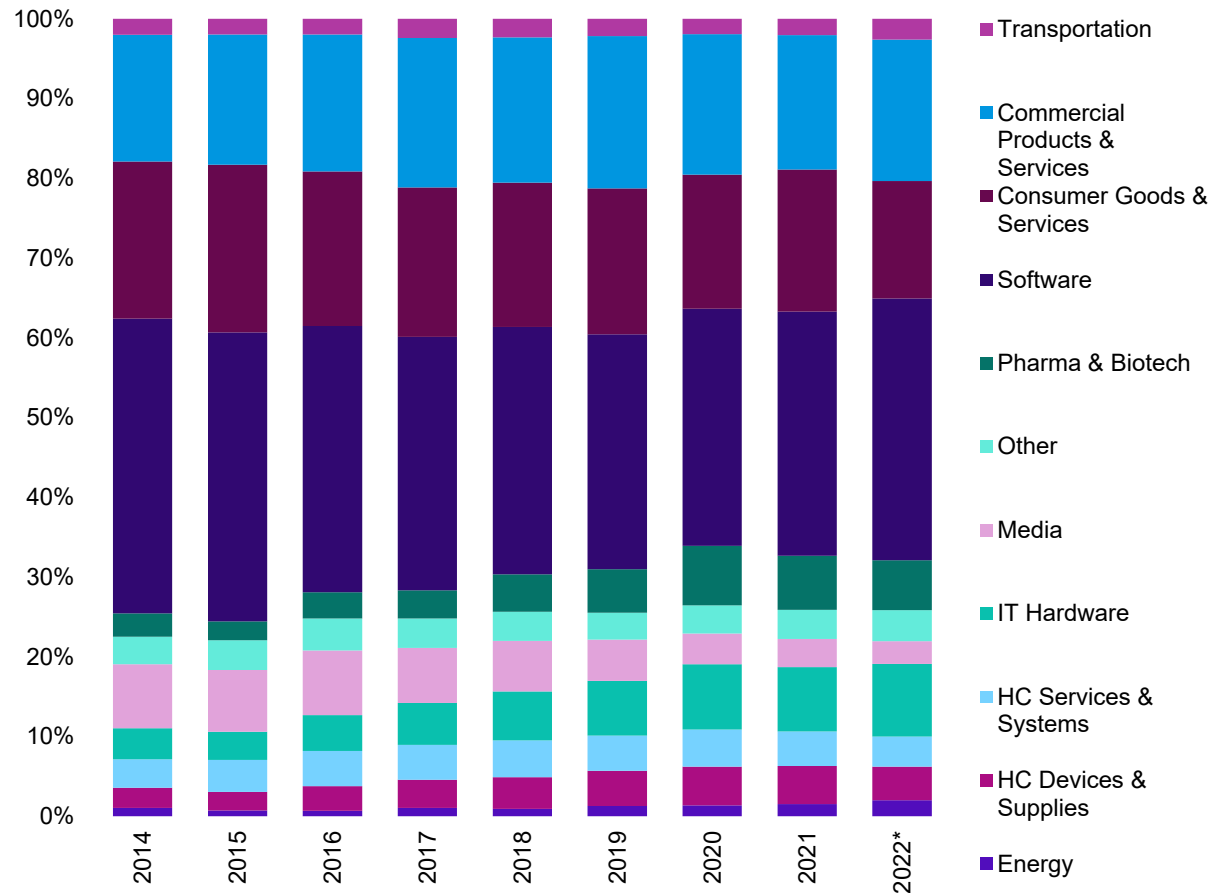


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Software slightly expands proportionate share

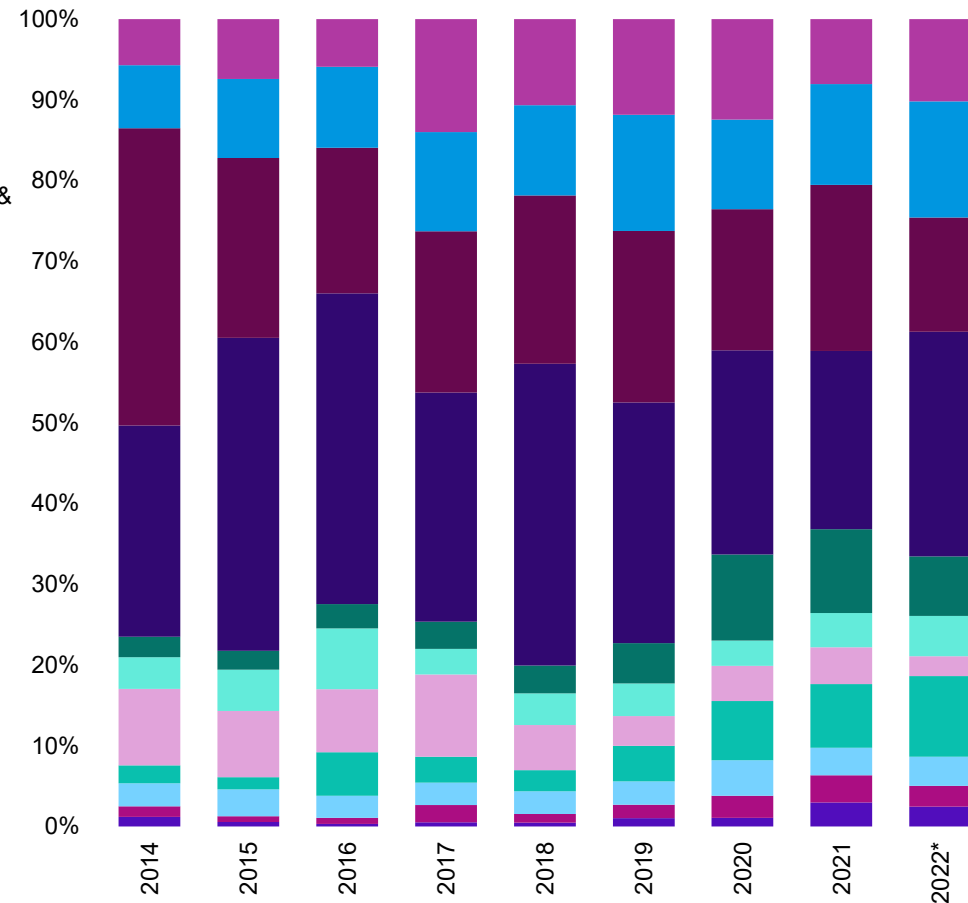
Asia venture financings by sector

2014–2022*, number of closed deals



Asia venture financings by sector

2014–2022*, VC invested (\$B)

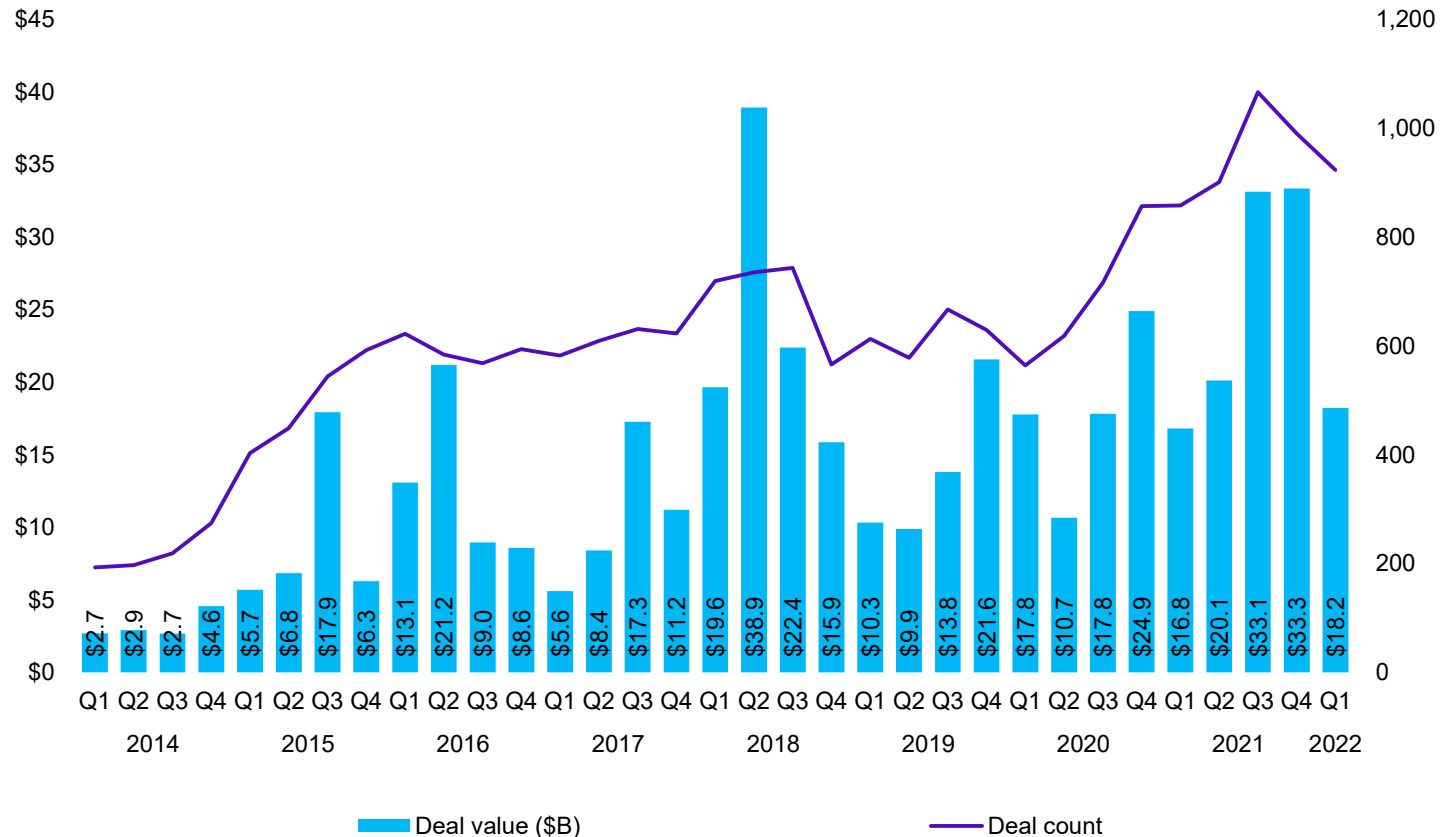


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Corporates remain quite active

Corporate participation in venture deals in Asia

2014–Q1'22



Corporates played a key role in supporting the rise of venture investment, given the political and economic structures of major nations such as India and China, throughout the entire 2010s. Since the dip in early 2020, they continue to join in and support the recovery of the tide of venture investment.

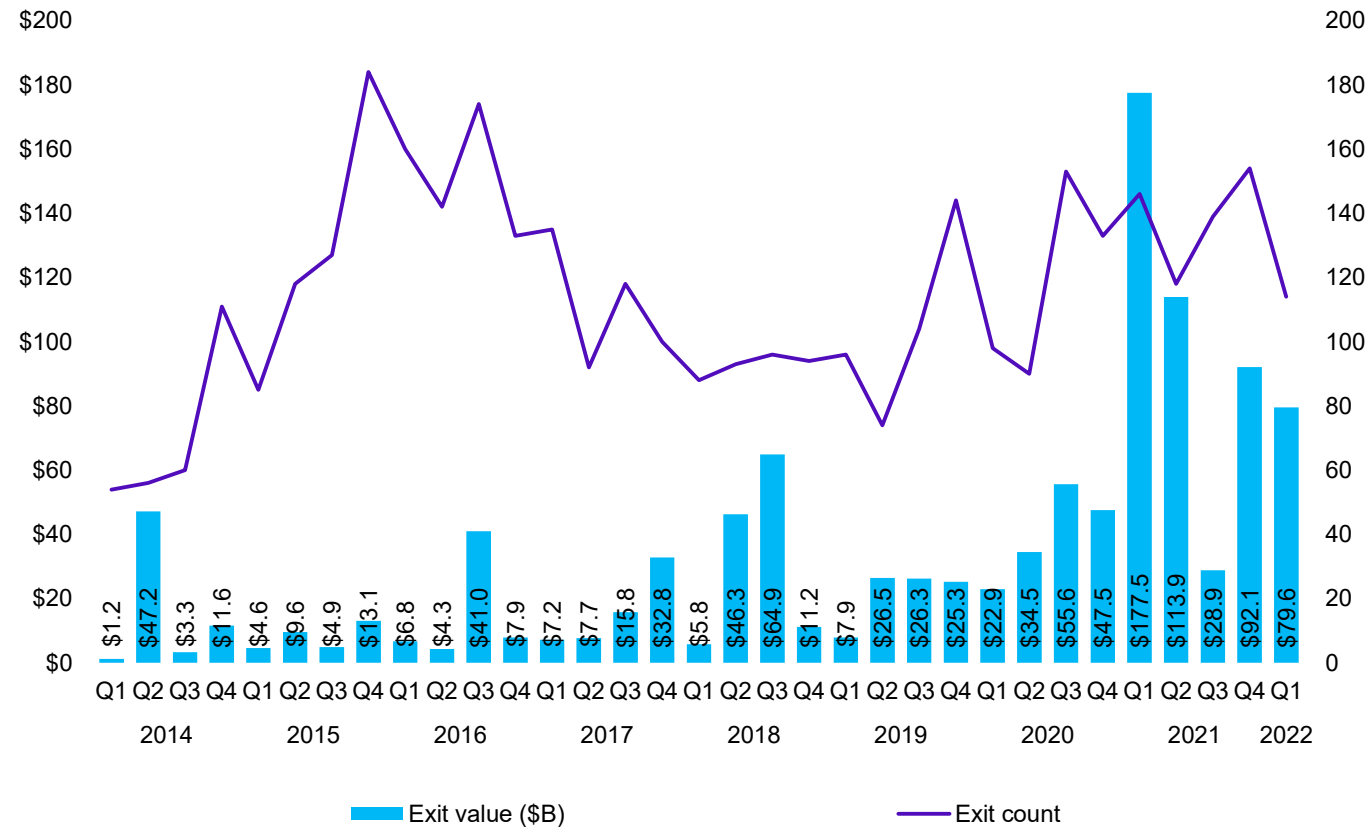
...the **successful 2021 recovery, although significant concerns remain, sees historically healthy rates of investment to start off 2022**

Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

The APAC region sees relatively healthy exit rates in Q1

Venture-backed exit activity in Asia

2014–Q1'22



After some record quarters in 2021, 2022 has observed healthy exit trends, recording close to \$80 billion in exit value. It remains to be seen how geopolitical tensions may impact future liquidity, but for now, it's a strong start to the year.

“ The Omicron wave of the COVID-19 pandemic and associated control measures continue to impact markets across Hong Kong SAR and Mainland China. While interest in deals remains strong, particular in areas which align with the country's priority technology focus areas, valuations may be impacted until the pandemic situation shows signs of improvement. ”



Irene Chu

Partner, Head of New Economy and Life Sciences, Hong Kong Region
KPMG China

Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Domestic listings continue to propel exit value

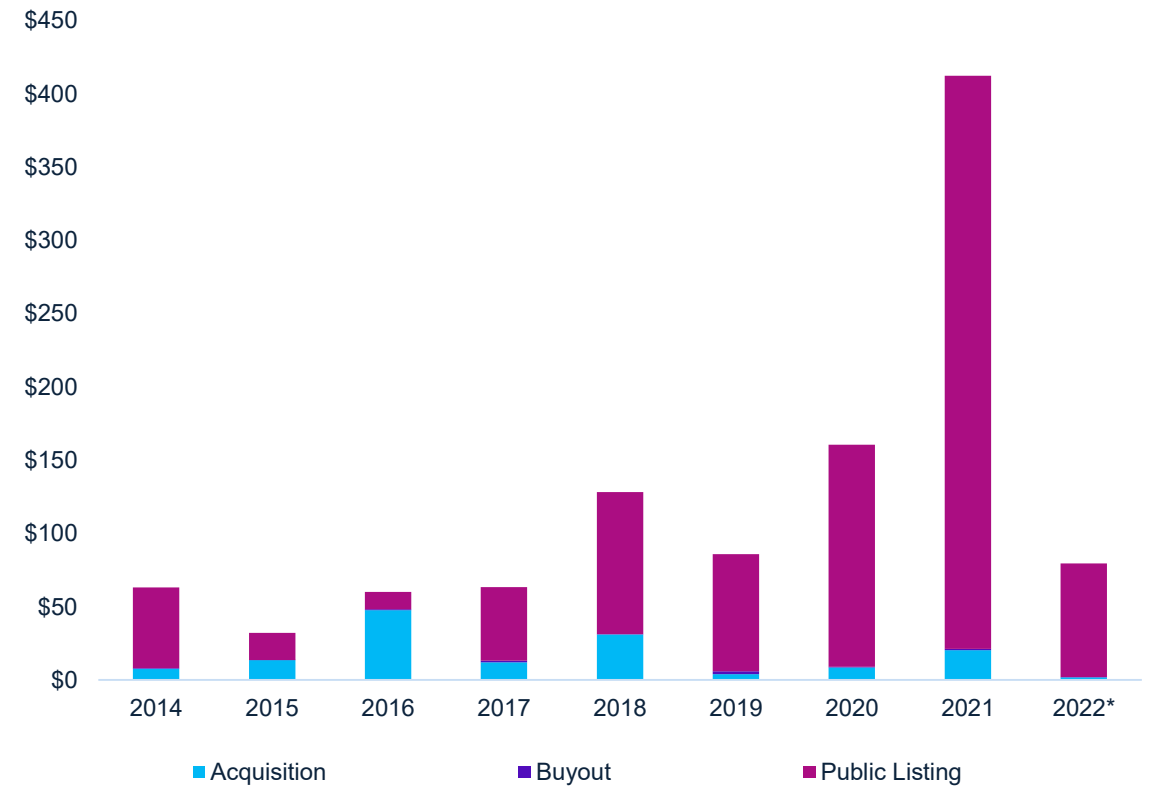
Venture-backed exit activity (#) by type in Asia

2014–2022*



Venture-backed exit activity (\$B) by type in Asia

2014–2022*

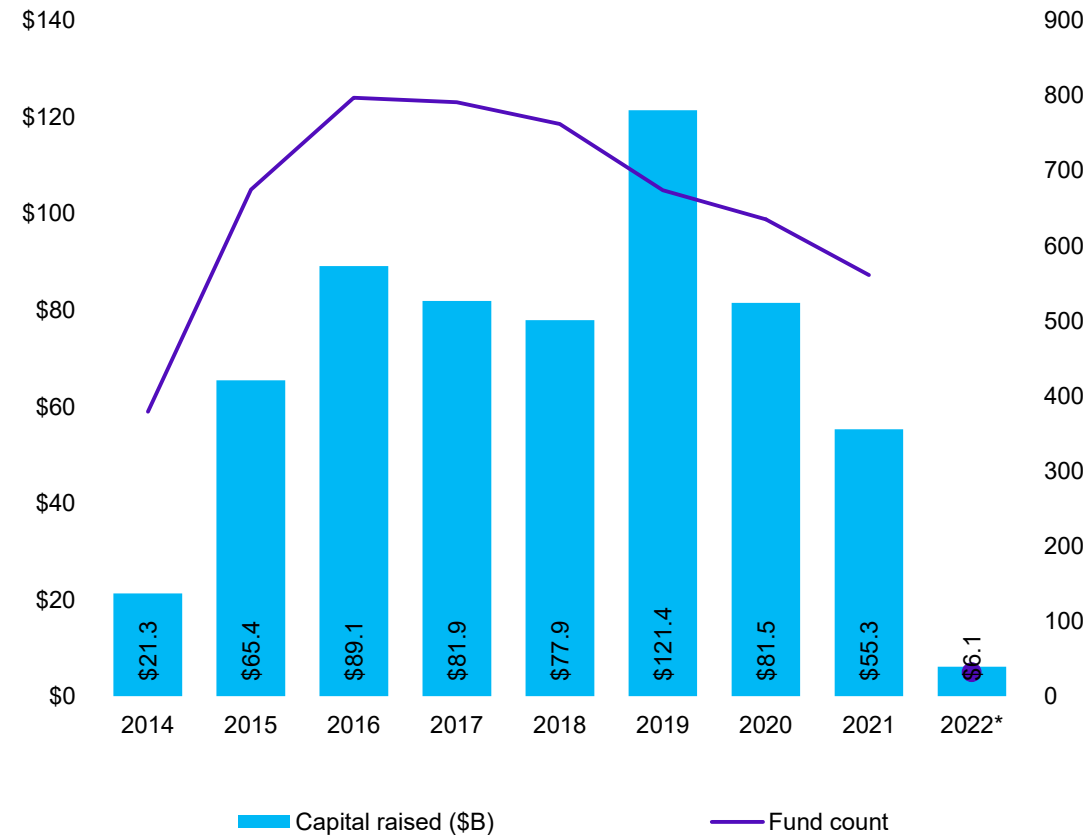


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Fundraising is sluggish to kick off the year

Venture fundraising in Asia

2014–2022*



Cyclicality could still be at play in the slow start to venture fundraising in 2022, but it is also possible corporations and government-affiliated funds and programs are obviating the need for significant domestic, local venture funds.

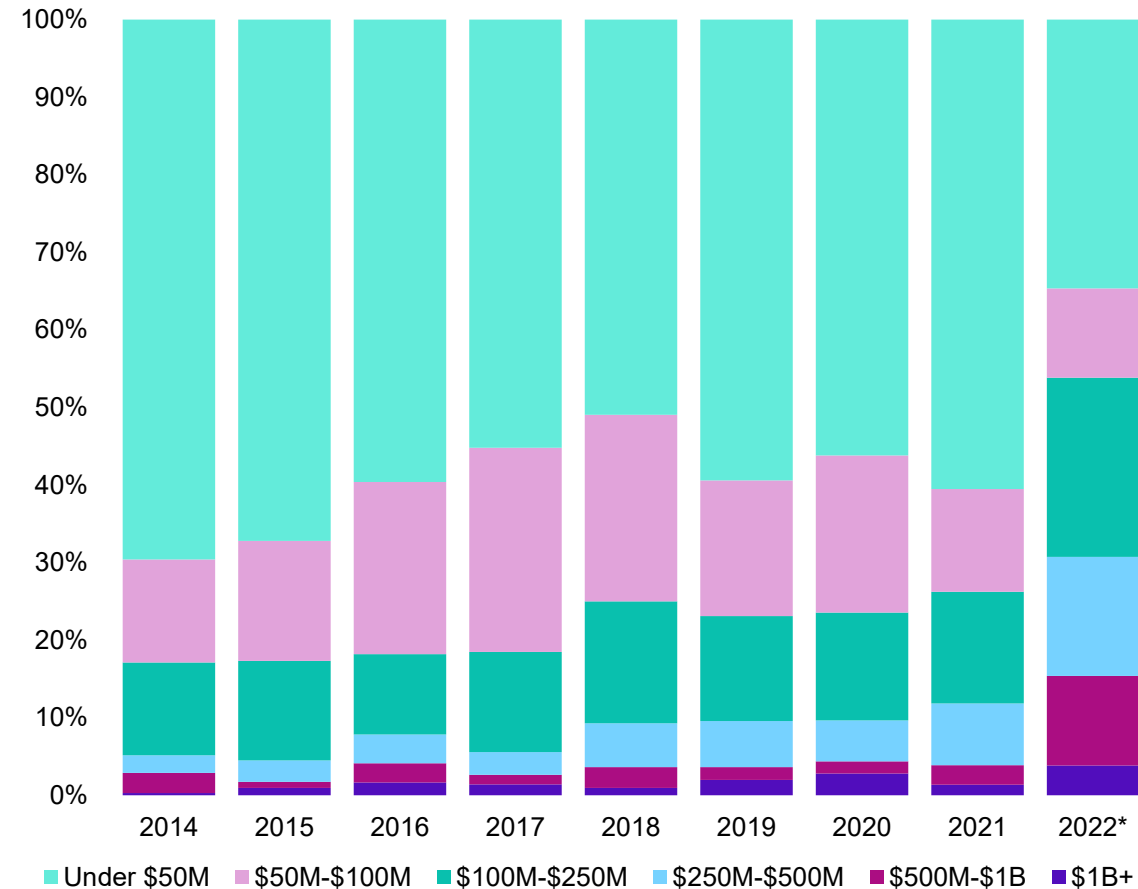
The **fundraising cycle subsided** further in what could still be a cyclical pause, **based on the healthy \$55.3 billion closed last year...**

Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Smaller funds rebounded in slow start to the year

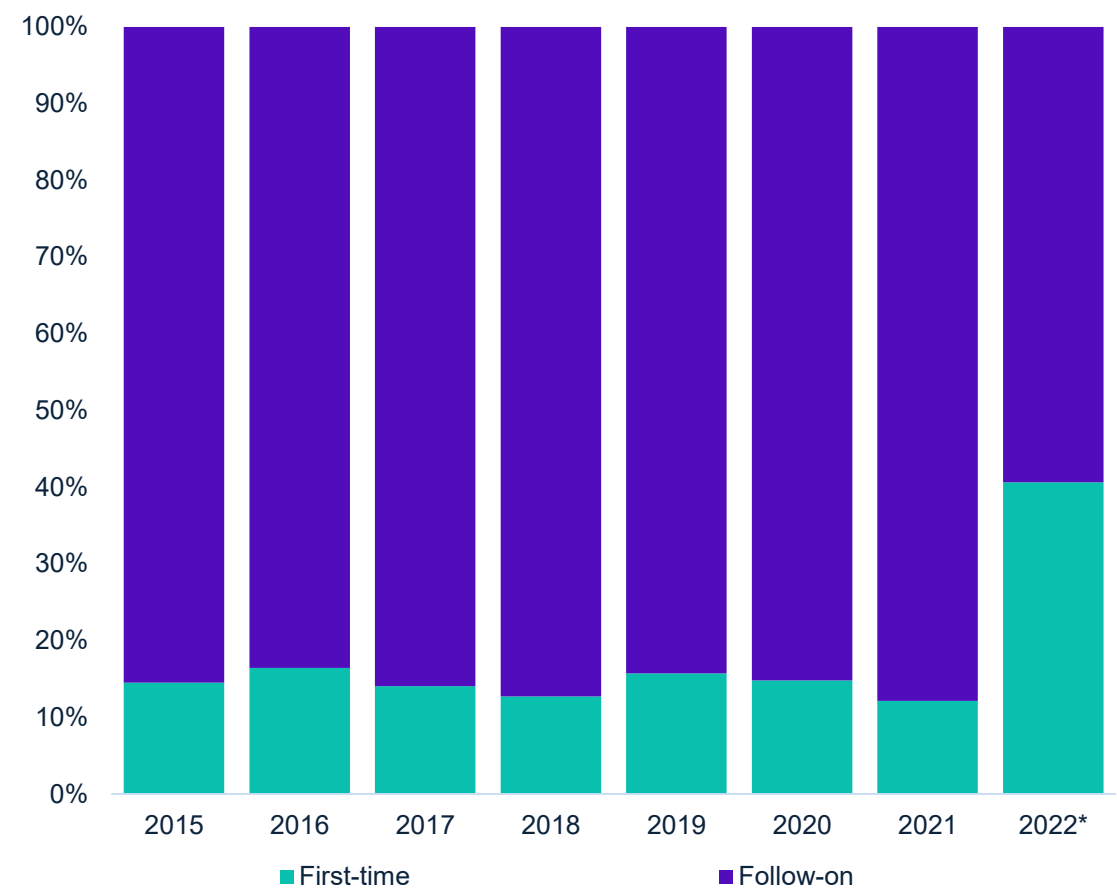
Venture fundraising (#) by size in Asia

2014–2022*



First-time vs. follow-on venture funds (#) in Asia

2015–2022*

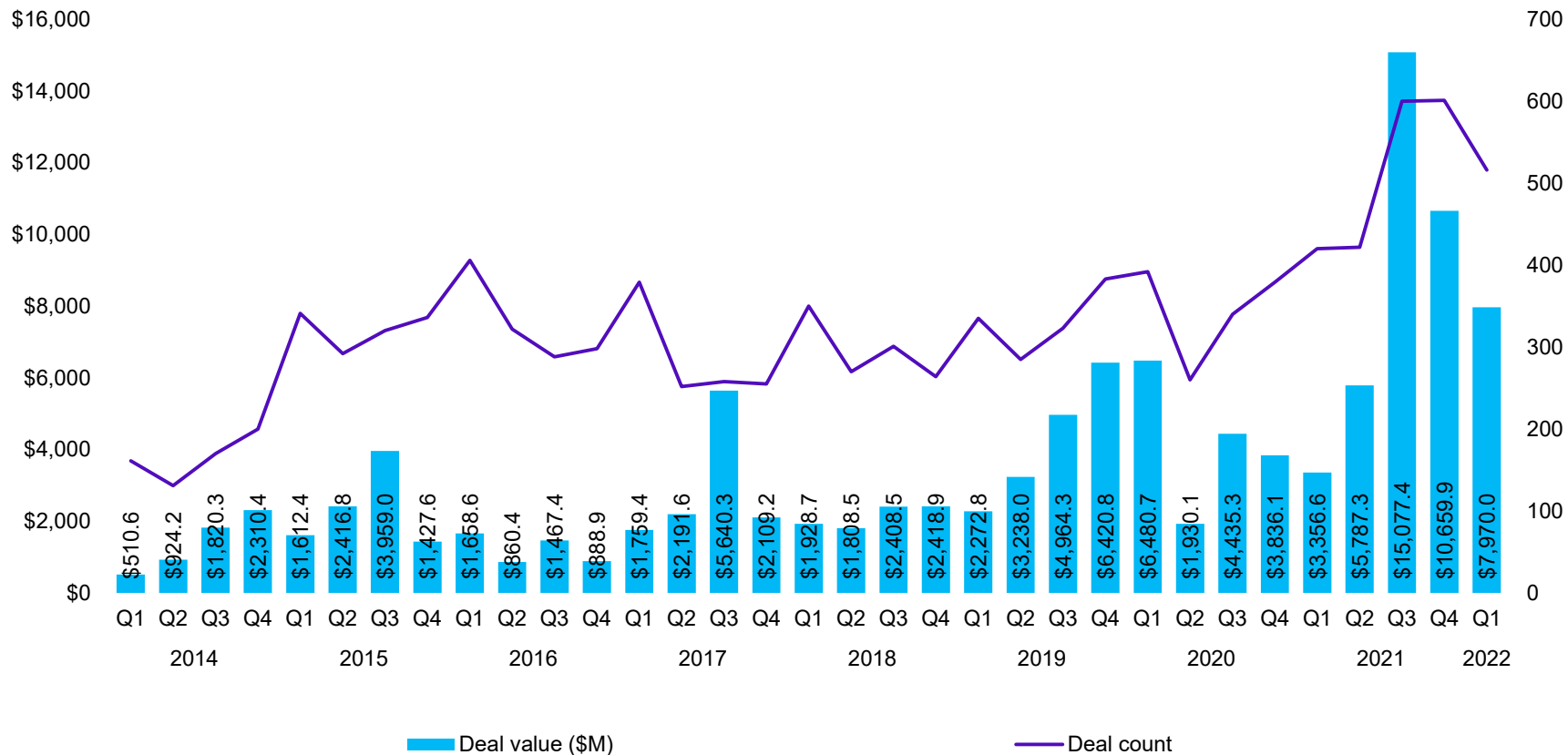


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

India still records strong tallies, especially on historic basis

Venture financing in India

2014–Q1'22



Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

“ One of the sectors poised to attract big VC investment India in the near future is agritech. While right now it is mostly smaller players involved in the space, ultimately it has the potential to become one of the biggest VC plays in the country. Almost half of the population is engaged in farming and agriculture-related activities, so any technologies that can help improve yields, make farming processes more efficient, and increase profits to farmers have enormous potential.”



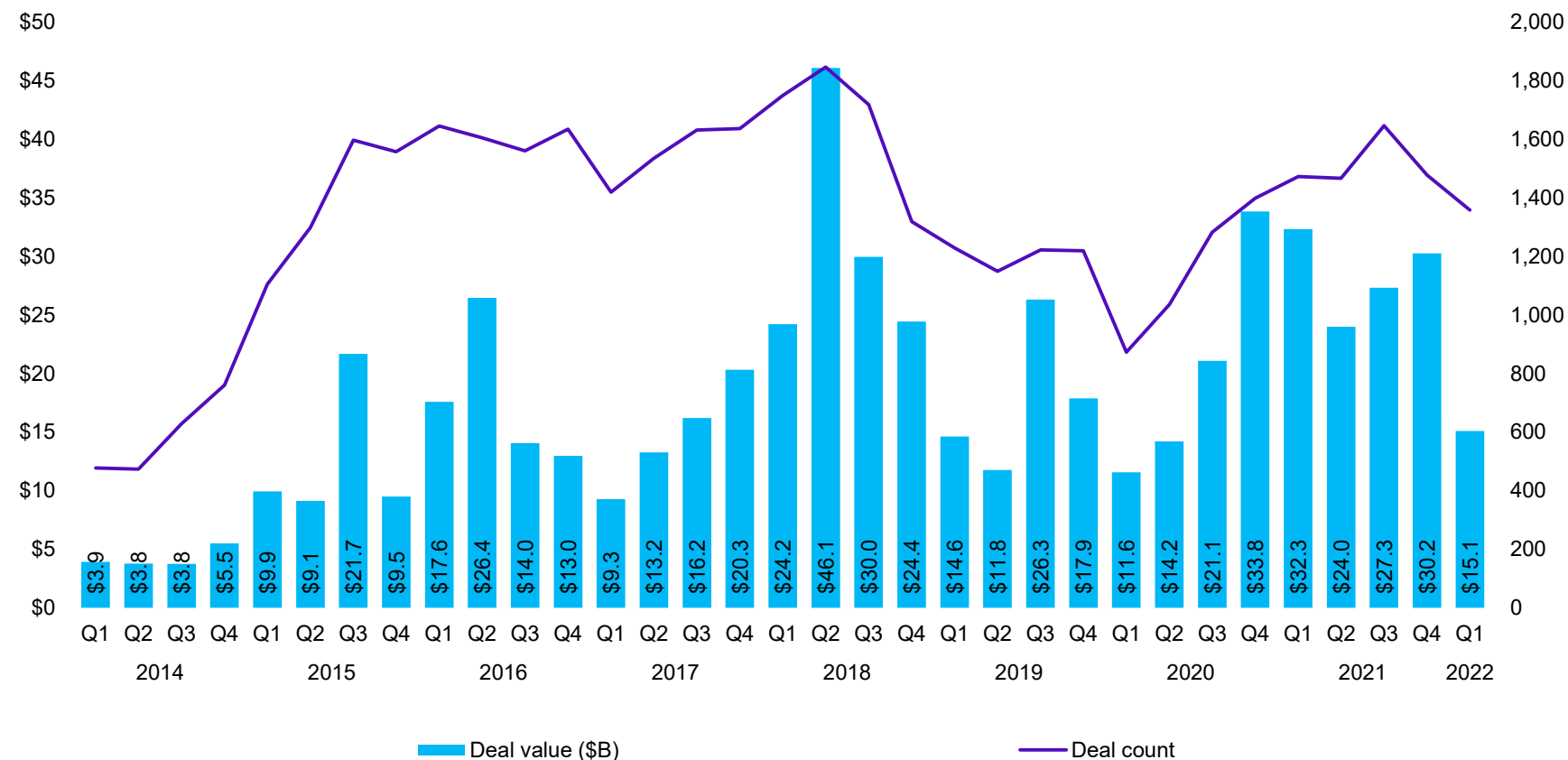
Nitish Poddar

Partner and National Leader,
Private Equity
KPMG in India

China sees a drop primarily due to lack of overall outlier financings

Venture financing in China

2014–Q1'22



“Over the past quarter, electric vehicle companies and technologies attracted significant funding in China — both from corporates and from traditional VC firms. This is a space that will likely continue to attract attention and investment as it aligns very well with the central government’s priorities, including boosting the economy and driving employment.”



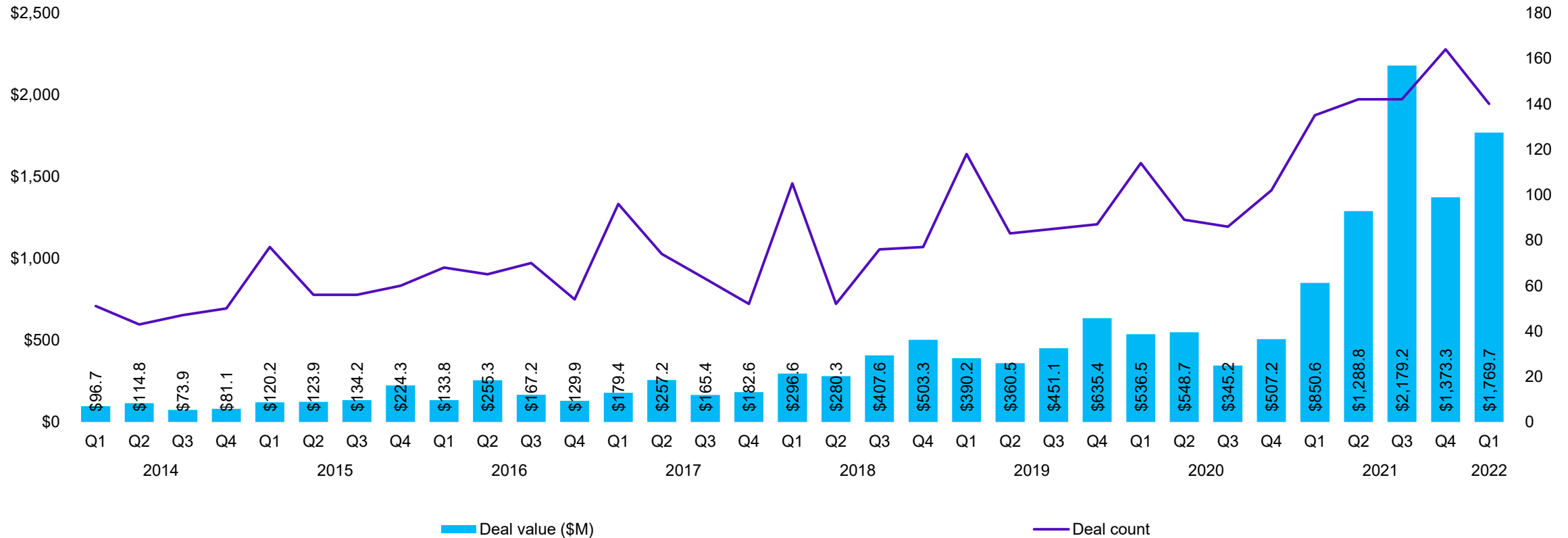
Allen Lu
Partner and Head of TMT Audit
KPMG China

Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

Australia sees second-highest quarter of VC invested ever

Venture financing in Australia

2014–Q1'22

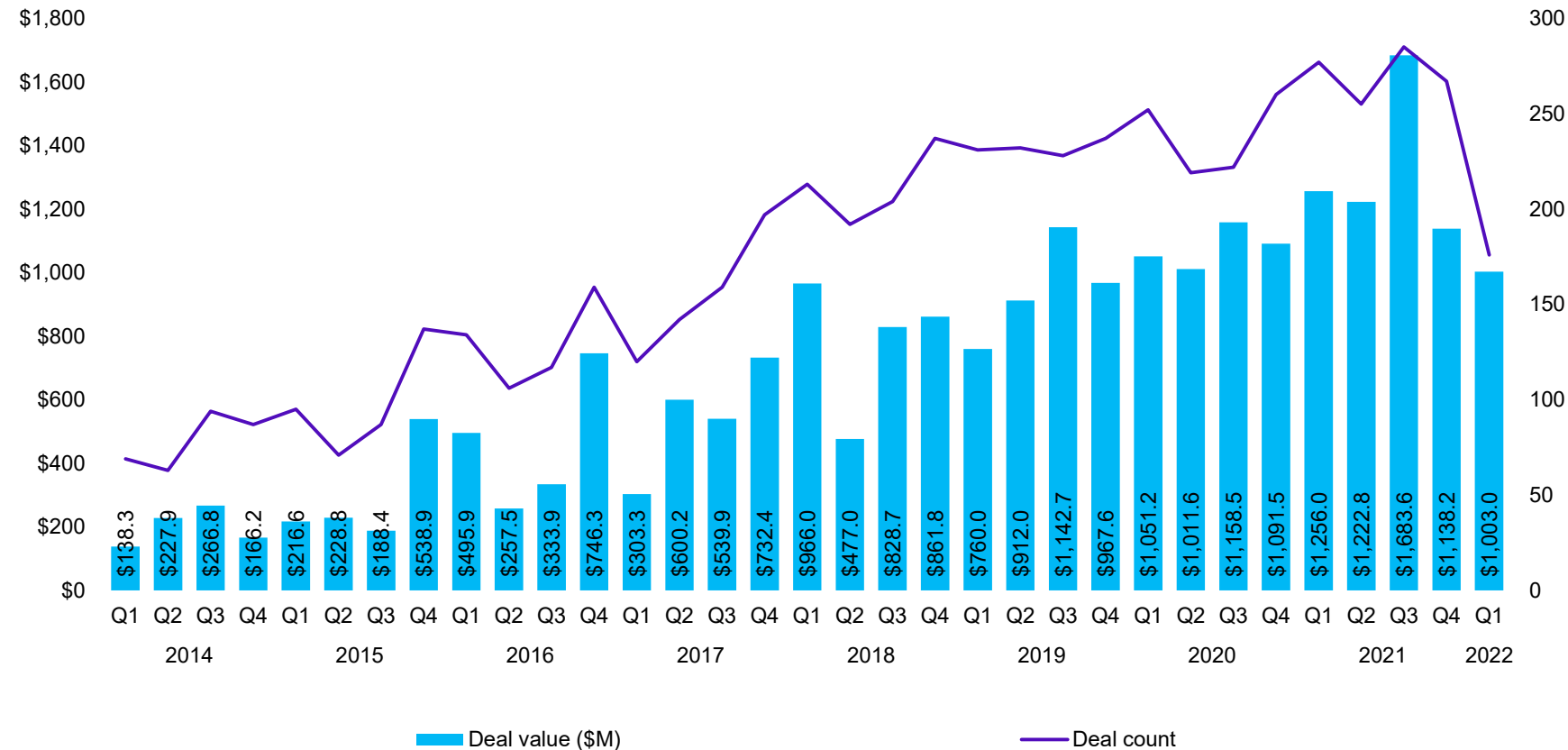


Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

After a record year, Japan notches another strong quarter off of larger deals

Venture financing in Japan

2014–Q1'22



Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022

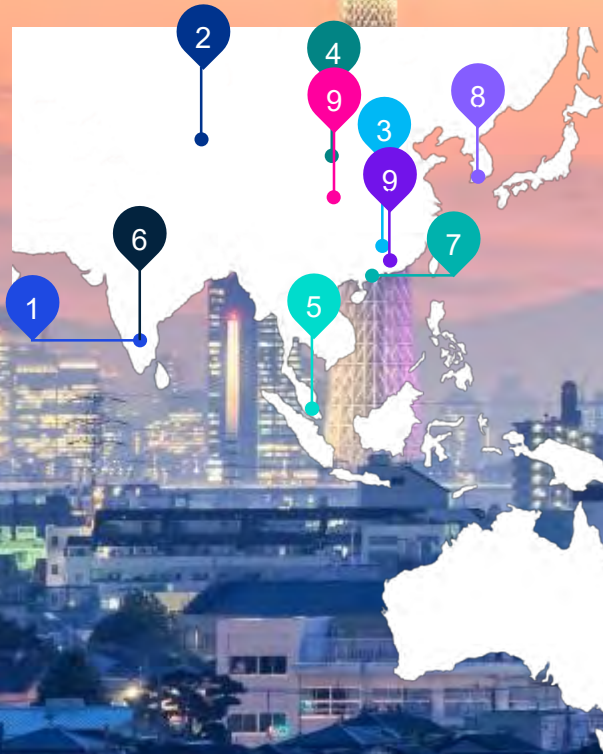
“The VC market in Japan continues to mature, with more involvement from foreign investors in late-stage deals. While direct CVC investment declined in Q1'22, more CVC funds are being established — which will likely have a beneficial impact on the market over the long-term. Over the shorter-term, however, it will be important to watch CVC trends carefully as the turmoil caused by the Russia-Ukraine war and other factors could cause corporates to pause investment activity.”



Hiroshi Abe
Executive Board Member,
Partner
KPMG AZSA LLC

A slew of sectors see the impact of reshoring & domestic investment

Top 10 financings in Q1'22 in Asia-Pacific



1. **BYJU'S** — \$800M, Bengaluru, India — Edtech — *Series F*
2. **JD Property (China)** — \$800M, Suqian, China — Real estate tech— *Series B*
3. **Changan New Energy Vehicles Technology** — \$784M, Chongqing, China — Cleantech — *Series B*
4. **Swiggy** — \$700M, Bengaluru, India — Foodtech — *Series K*
5. **Princeton Digital Group** — \$505M, Singapore — Communications & networks — *Late-stage VC*
6. **Dailyhunt** — \$478M, Bengaluru, India — Media — *Series I*
7. **InnoScience** — \$471.7M, Zhuhai, China — Semiconductors — *Series D*
8. **Megazone Cloud** — \$442.1M, Seoul, South Korea — IT services — *Series C*
9. **WeRide** — \$400M, Guangzhou, China — Automotive — *Late-stage VC*
9. **Wuhan Asia Heart Hospital** — \$400M, Wuhan, China — Life sciences — *Series D*

Source: Venture Pulse, Q1'22, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of March 31, 2022. Data provided by PitchBook, April 20, 2022.

KPMG Private Enterprise Emerging Giants Network

From seed to speed, we're here throughout your journey



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At KPMG Private Enterprise we understand the impact that technology trailblazers like you are having on the world. Whether yours is a pure technology company or you're tech-enabled, tech-led or tech-driven, we want to hear from you.

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Acknowledgements

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About the report

Methodology

KPMG uses PitchBook as the provider of venture data for the Venture Pulse report

Please note that the MESA and Africa regions are NOT broken out in this report. Accordingly, if you add up the Americas, Asia-Pacific and Europe regional totals, they will not match the global total, as the global total considers those other regions. Those specific regions were not highlighted in this report due to a paucity of datasets and verifiable trends.

In addition, particularly within the European region, the Venture Pulse does not contain any transactions that are tracked as private equity growth by PitchBook. As such rounds are often conflated with late-stage venture capital in media coverage, there can be confusion regarding specific rounds of financing. The key difference is that PitchBook defines a PE growth round as a financial investment occurring when a PE investor acquires a minority stake in a privately held corporation. Thus, if the investor is classified as PE by PitchBook, and it is the sole participant in the recipient company's financing, then such a round will usually be classified as PE growth, and not included in the Venture Pulse datasets.

Also, if a company is tagged with any PitchBook vertical, excepting manufacturing and infrastructure, it is kept. Otherwise, the following industries are excluded from growth equity financing calculations: buildings and property, thrifts and mortgage finance, real estate investment trusts, and oil & gas equipment, utilities, exploration, production and refining. Lastly, the company in question must not have had an M&A event, buyout, or IPO completed prior to the round in question.

Fundraising

PitchBook defines venture capital funds as pools of capital raised for the purpose of investing in the equity of startup companies. In addition to funds raised by traditional venture capital firms, PitchBook also includes funds raised by any institution with the primary intent stated above. Funds identifying as growth-stage vehicles are classified as PE funds and are not included in this report. A fund's location is determined by the country in which the fund is domiciled; if that information is not explicitly known, the HQ country of the fund's general partner is used. Only funds based in the United States that have held their final close are included in the fundraising numbers. The entirety of a fund's committed capital is attributed to the year of the final close of the fund. Interim close amounts are not recorded in the year of the interim close. Mega-funds are classified as those of \$500 million or more in size for the following fund categories: venture and secondaries.

Deals

PitchBook includes minority equity investments, as well as investments combined of both equity and debt, into startup companies from an outside source. Investment does not necessarily have to be taken from an institutional investor. This can include investment from individual angel investors, angel groups, seed funds, venture capital firms, corporate venture firms, and corporate investors, as well as from nontraditional investors such as hedge funds, mutual funds or private equity funds. Investments received as part of an accelerator program are not included, however, if the accelerator continues to invest in follow-on rounds, those further financings are included.

- **Angel/seed:** PitchBook defines financings as angel rounds if there are no PE or VC firms involved in the company to date and we cannot determine if any PE or VC firms are participating. In addition, if there is a press release that states the round is an angel round, it is classified as such. Finally, if a news story or press release only mentions individuals making investments in a financing, it is also classified as angel. As for seed, when the investors and/or press release state that a round is a seed financing, or it is for less than \$500,000 and is the first round as reported by a government filing, it is classified as such. If angels are the only investors, then a round is only marked as seed if it is explicitly stated.
- **Early-stage:** Rounds are generally classified as Series A or B (which we typically aggregate together as early-stage) either by the series of stock issued in the financing or, if that information is unavailable, by a series of factors including: the age of the company, prior financing history, company status, participating investors, and more.
- **Late-stage:** Rounds are generally classified as Series C or D or later (which we typically aggregate together as late-stage) either by the series of stock issued in the financing or, if that information is unavailable, by a series of factors including: the age of the company, prior financing history, company status, participating investors, and more.
- **Corporate:** Corporate rounds of funding for currently venture-backed startups that meet the criteria for other PitchBook venture financings are included in the Venture Pulse as of March 2018.
- **Corporate venture capital:** Financings classified as corporate venture capital include rounds that saw both firms investing via established CVC arms or corporations making equity investments off balance sheets or whatever other non-CVC method is employed.

Exits

PitchBook includes the first full liquidity event (i.e., M&A, buyout, IPO) for holders of equity securities of venture-backed companies. This does not include direct secondary sales, further share sales following an IPO, or bankruptcies. M&A value is based on reported or disclosed figures, with no estimation used to assess the value of transactions for which the actual deal size is unknown. Unless otherwise noted, IPO sizes are based on the pre-money valuation of the company at the time of the transaction.

In the edition of the KPMG Venture Pulse covering Q1 2019 and all ensuing, PitchBook's methodology regarding aggregate exit values changed. Instead of utilizing the size of an IPO as the exit value, instead the prevaluation of an IPO, based upon ordinary shares outstanding, was utilized. This has led to a significant change in aggregate exit values in all subsequent editions yet is more reflective of how the industry views the true size of an exit via public markets. In the edition of the KPMG Venture Pulse covering Q1 2021 and all ensuing, the IPO exit type was updated to include all types of public listings, including special purpose acquisition companies (SPACs) and other reverse mergers.



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