

Venture Pulse

Q2'15

Global Analysis of Venture Funding

July 23, 2015



Welcome Message

Welcome to the inaugural edition of the KPMG International and CB Insights Venture Pulse Report – the first in a quarterly series designed to bring you cutting edge information and analysis of key trends related to the state of venture capital investment globally.

We are very pleased to be partnering with CB Insights on this initiative. CB Insights has become the ‘go to’ name for insights related to venture capital investment, and together, we look forward to bringing you the latest numbers and in-depth analysis.

It’s an interesting time to be in the venture capital market, with high returns for investors who get it right. From disruptive technologies to creative business models – there is a lot to talk about. The goal of this report is to provide you with more than investment statistics; to highlight what’s driving certain trends and provide some foresight into what might be coming down the road.

This quarter’s report shares insights on a number of key questions, including:

- Why is Unicorn investing on the rise?
- Why does corporate investing continue to be strong, particularly in Asia?
- What is prompting the funding spike in Europe?
- Why is Asia seeing a VC investment boom?

We hope you find the first edition of this report informative. If you would like to discuss any of the results in more detail, contact a local KPMG adviser.

Sincerely,

Dennis Fortnum

Global Head of KPMG Enterprise

Brian Hughes

Co-Leader, KPMG Enterprise
Innovative Startups Network,
Partner KPMG in the US

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KPMG Enterprise

You know KPMG, you might not know KPMG Enterprise. We’re dedicated to working with businesses like yours. It’s all we do. Whether you’re an entrepreneur, family business, or a fast growing company, we understand what is important to you. We can help you navigate your challenges—no matter the size and stage of your business. You gain access to KPMG’s global resources through a single point of contact—a trusted adviser to your company. It’s a local touch with a global reach.



CB Insights is a National Science Foundation backed software-as-a-service company that uses data science, machine learning and predictive analytics to help our customers predict what’s next—their next investment, the next market they should attack, the next move of their competitor, their next customer, or the next company they should acquire.

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5	Summary	
7	Global Data	\$32.5B in funding 1819 deals
28	North America	\$19B in funding 1180 deals
54	Europe	\$3.2B in funding 284 deals
70	Asia	\$10.1B in funding 313 deals

All monetary references contained in this report are in USD

In Q2 2015 VC-backed companies raised

\$32.5B

across

1819 deals

SUMMARY OF FINDINGS

FINANCING AND DEAL SIZES ARE BALLOONING IN AN AGE OF MEGA-ROUNDS

Multi-year highs in funding: Globally, funding to VC-backed companies this year is poised to surpass last year's multi-year funding high. There has been \$60B already invested year-to-date, compared to \$88.3B in 2014.

Deals getting fatter: Large deals are driving funding trends. Late-stage deal sizes are soaring everywhere. In Q2'15, they hit an average of \$74M globally and an impressive \$192M in Asia. Seed/Series A early-stage deal size is also growing, reaching \$4.7M in Q2'15.

Number of mega-rounds increase: \$100M+ financings to VC-backed companies have drastically increased in 2015. Thus far there have already been over 100 mega-rounds, including 61 in Q2'15 which cumulatively raised over \$16B.

Corporates steady at the wheel: Corporates have participated in ~24% of deals for four quarters straight.

Note: Report includes all rounds to VC-backed companies

CB Insights tracked a large number of mega-deals to VC-backed companies this quarter that included hedge funds or mutual funds for example. This report includes all of those rounds. All data is sourced from CB Insights. Page 88 details the rules and definitions we use.

UNICORN COMPANIES AND ROUNDS BUOY THE US SCENE

US funding on track for banner \$70B year: After a high of \$56.4B in 2014, 2015 is on track to reach five-year highs with \$36.9B already invested in the first half of the year.

The rise of unicorns: Q2'15 saw 24 new billion-dollar companies compared to just 9 in the same quarter a year prior.

California dominates: While deal activity in California has slowed down for the last few quarters, deals continue to top 400 per quarter, more than Massachusetts and New York combined.

Six mega-rounds account for one-fifth of all North American funding: These deals were all \$275M or larger, including a \$1.5B growth equity round to AirBnB. Q2'15 also saw four exits larger than \$1B.

US deal flow sees some signs of fatigue: US deals in Q1'15 dropped to their lowest point since Q1'13 at 1102, but saw an uptick in Q2'15. However, this was the first quarterly rise in deals since Q2'14. On an annual basis, deal count is tracking below 2014 levels. There have been 2231 deals in the first six months of 2015, less than half the amount seen in full-year 2014.

SUMMARY OF FINDINGS

ASIA SEES DEAL ACTIVITY AND FUNDING SOAR BEHIND RED HOT INDIA AND CHINA

Asia leaving Europe farther behind: Asia has pulled ahead of Europe in deal count, and has seen far more funding. Asia saw a total of ~\$33.5B invested in the last five quarters, compared to less than \$13B in Europe.

Mega-rounds tip the scales in Asia: Mega-rounds into Flipkart, Coupang, and Dianping, among others, are driving funding trends. The 6 top deals in Asia accounted for \$4.2B or 28% of all funding.

Asia = digital: Internet and mobile startups in Asia took a combined 82% of funding in Q2'15 compared to 65% and 74% in North America and Europe, respectively.

Outsize corporate influence in Asia: They participated in one-third of all deals, compared to one-fifth of deals on a global level.

India is red-hot: India saw a big leap in deal flow from 84 to 122 deals, and saw funding double.

EUROPE SEES MULTI-YEAR FUNDING HIGHS, BUT LAGS OTHER REGIONS

Europe funding robust, even as deals slip: The new normal in Europe seems to be \$3B in funding a quarter, a level reached in Q1'15 and Q2'15. Deal count was down sharply to 284 in Q2'15, after reaching a four-year high of 357 in Q1'15.

Exploding late-stage deal sizes: Late-stage European deal sizes hit an average of \$52.2M in Q2'15, almost double the level of a year before. Four mega-deals sized \$100M or more contributed to the spike in late-stage deal size. These included a \$526M Series G round for Spotify.

UK extends reign as top market: The UK accounted for roughly one-third of all European funding and deals. These included a \$500M corporate minority investment in London-based OneWeb and a \$150M Series E for Funding Circle.

Germany slumps in quarter: Germany saw significantly less deal flow and funding in Q2'15 compared to the previous quarter. Notable deals included two rounds of around \$100M to food delivery companies, Delivery Hero and Food Panda.

In Q2 2015

GLOBALLY

VC-backed companies raised

\$32.5 billion

VC Investment on the Rise

Venture capital investment is thriving around the world. During Q2-2015 alone, there was over \$32 billion raised worldwide across 1,819 deals. A number of factors are driving this activity, including low interest rates compelling investors to seek avenues of greater return, strong participation by corporate investors, and new capital sources including hedge funds, mutual funds and sovereign wealth funds. Taken together, these factors mean that VC-focused investment capital is more available than ever before.

Numerous disruptive technologies and applications are also spurring interest and investment from the VC community. The growth of new on-demand platforms continues to be particularly robust. This trend, which escalated with Uber and Airbnb, is now expanding into new verticals and well beyond North America.

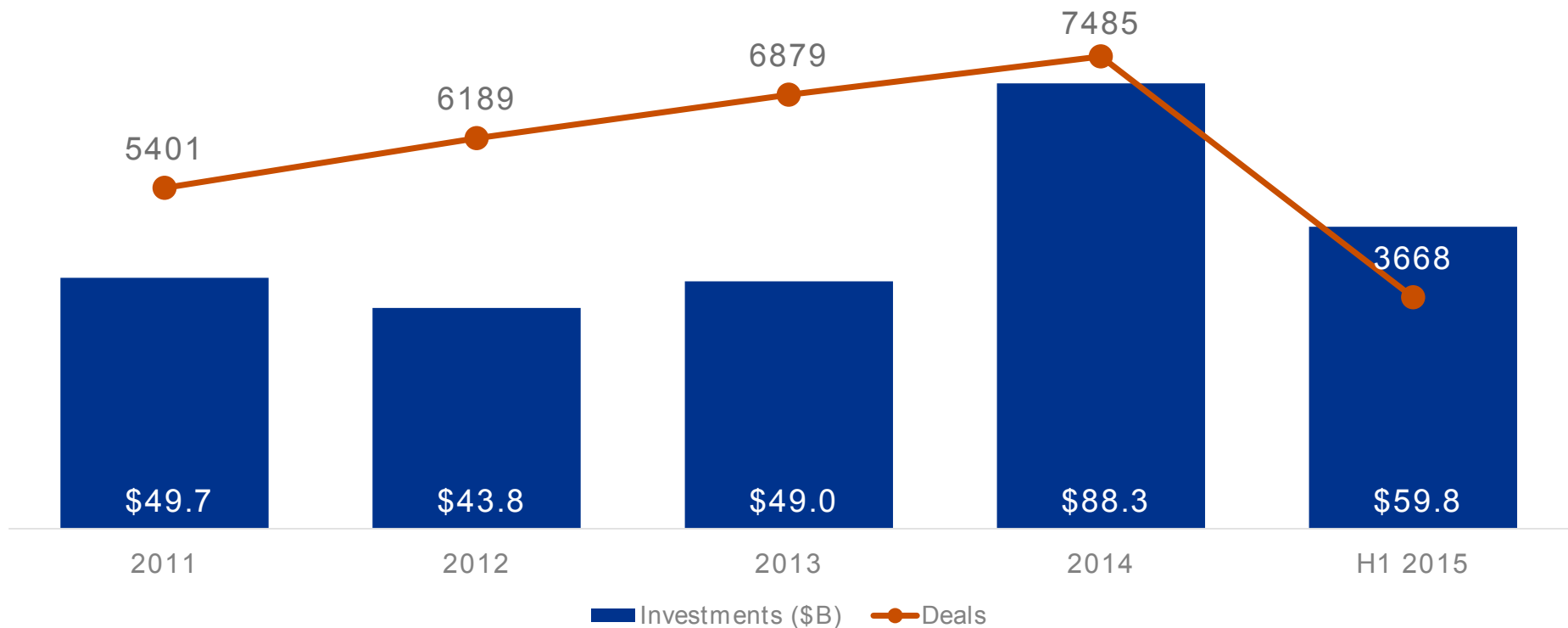
Access to investment and stronger investor interest, combined with a trend towards late stage mega-rounds means companies are staying private longer and growing to an immense size. Already this year, 35 venture capital backed companies have achieved billion-dollar valuations, including Lyft, Domo Technologies, Zomato Media and BeiBei.

While many analysts are predicting a slight decrease in venture capital investment in the months ahead, we believe the strength of such fundamental growth drivers have created strong conditions for continued VC investment. Even with a possible slow-down, 2015 is shaping up to be a record year.

TOTAL FUNDING TO VC-BACKED COMPANIES HEADED FOR NEW HIGHS IN 2015

Funding in 2014 hit a multi-year high of more than \$88B invested in VC-backed companies, an 80% increase from the year prior. 2015 so far is poised to surpass that mark with nearly \$60B already invested. Deals are on pace to reach similar levels as 2014, with 3668 already this year.

Annual Global Financing Trends to VC-Backed Companies 2011 - H1 2015



Source: Data provided by CB Insights, July 23, 2015

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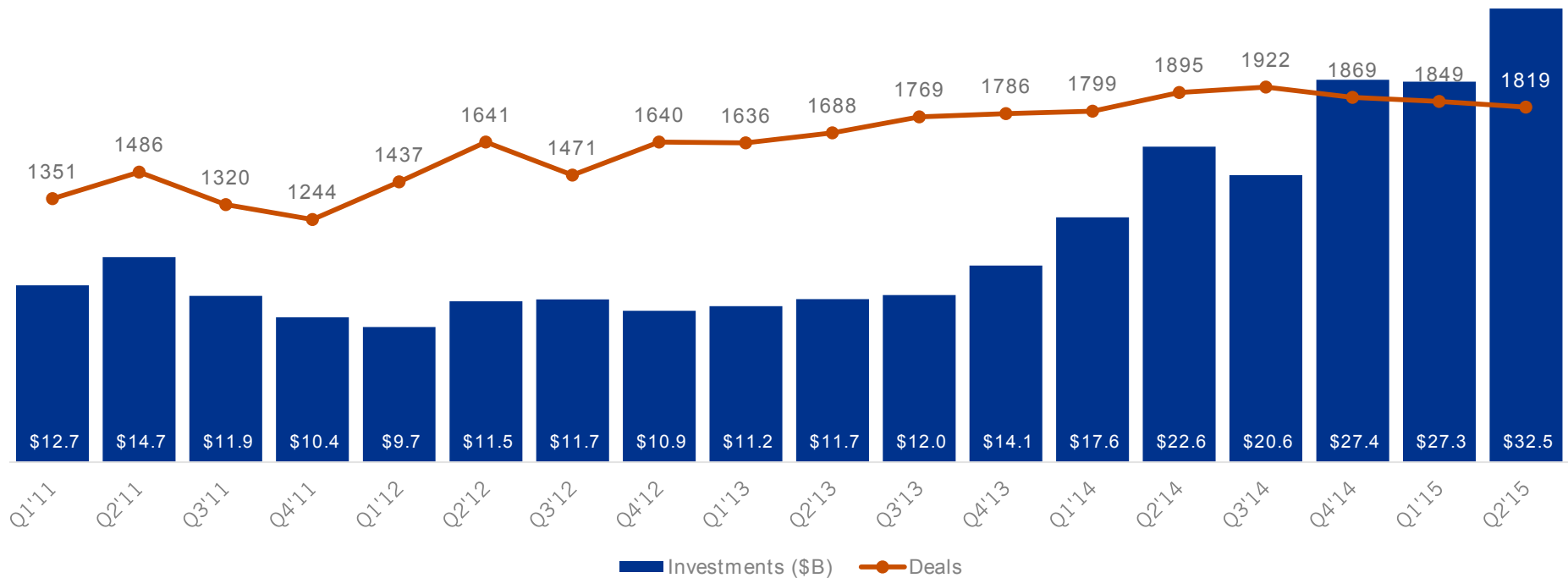
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Q2'15 FUNDING TOPS \$32B INVESTED IN A SINGLE QUARTER. DEALS FALL FOR THIRD STRAIGHT QUARTER

Q2'15 marked the third straight quarter of \$27B+ invested, hitting a high of \$32.5B invested across 1819 deals including over eight \$500M+ deals. Q2'15 also marked the third consecutive quarter of declining deal activity (but was still the fifth straight quarter with more than 1800 total deals).

Quarterly Global Financing Trends to VC-Backed Companies Q1'11 - Q2'15



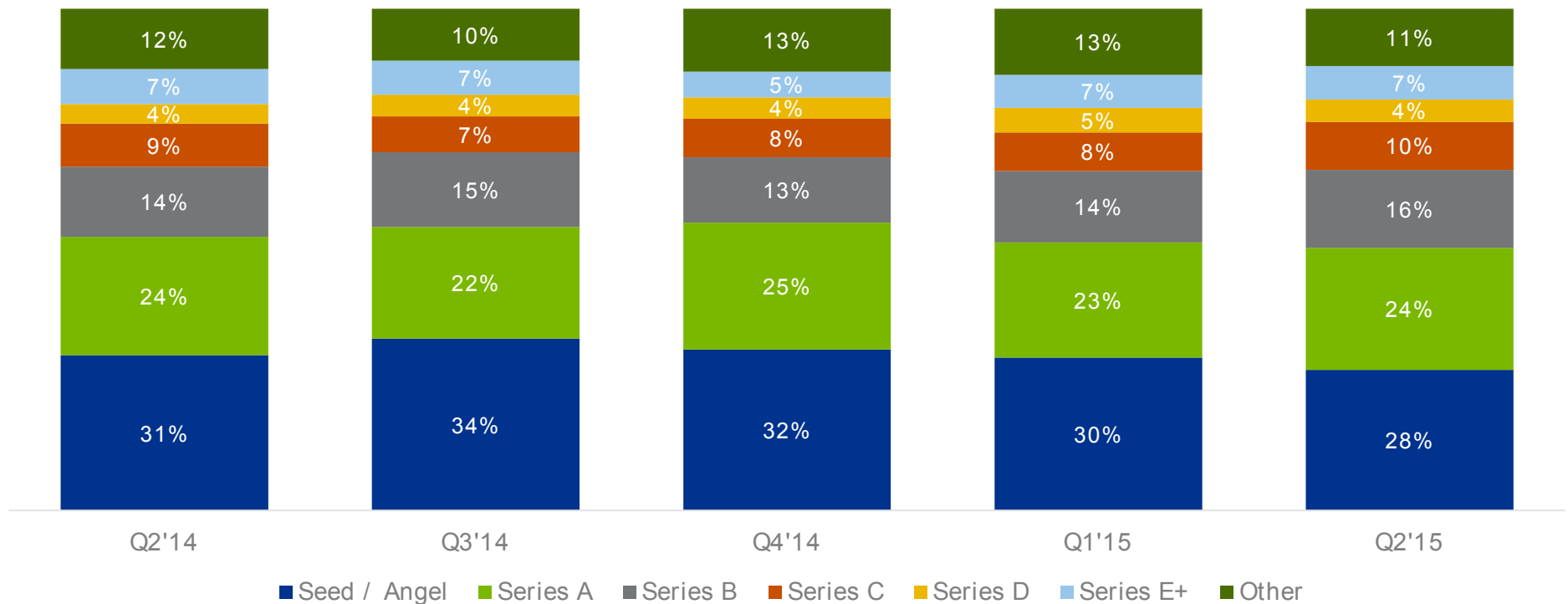
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MID-STAGE DEALS ARE INCREASING WHILE SEED DECREASES AGAIN

Deal share to seed-stage investments decreased for the third consecutive quarter, reaching just 28%. Overall early-stage (Seed - Series A) deals still accounted for over half of all deals in Q2'15. Mid-stage (Series B & C) deals have increased in the past two quarters, taking more than a fourth of total deals in this past quarter.

Quarterly Global Deal Share by Stage Q2'14 - Q2'15



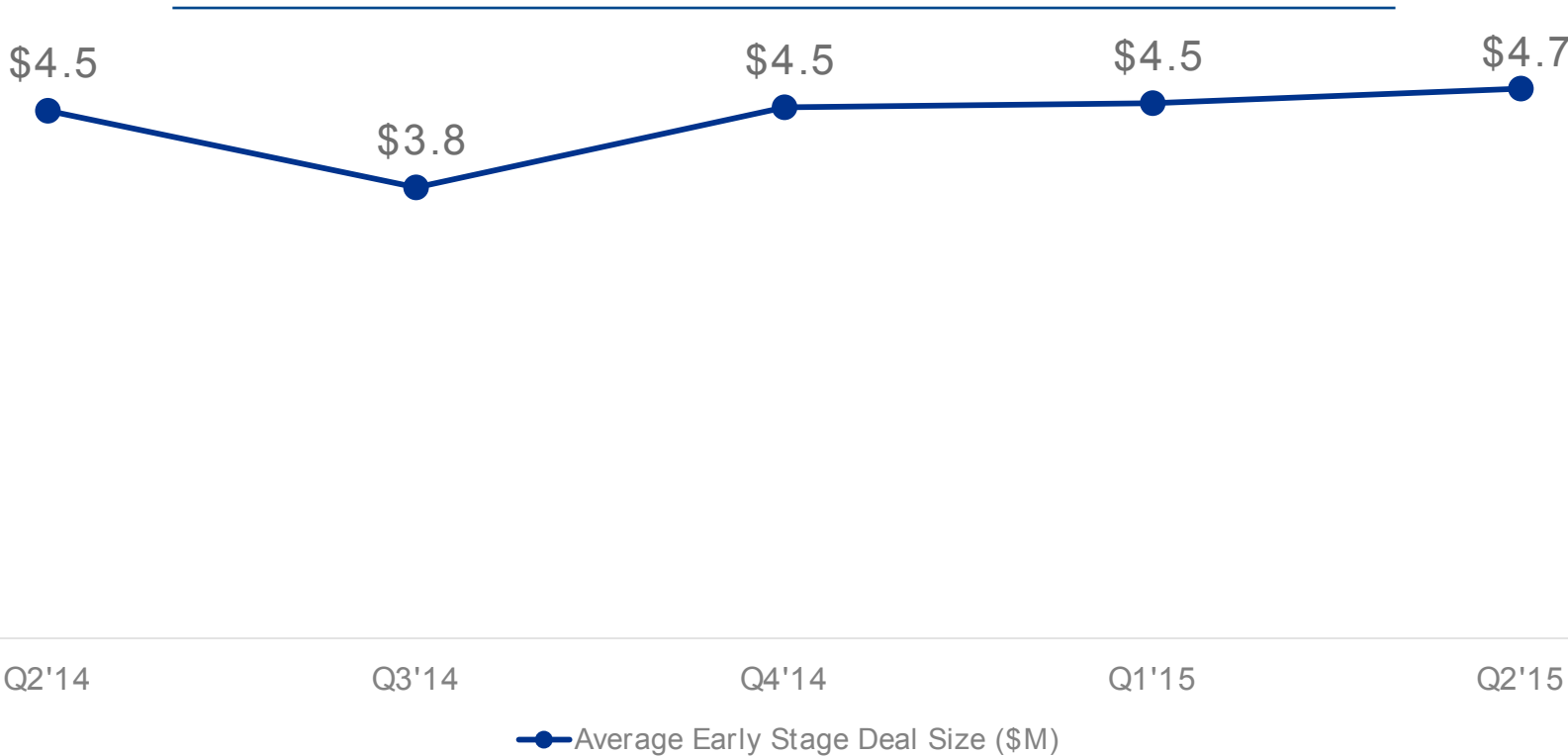
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THE AVERAGE EARLY-STAGE DEAL IS OVER \$4.5M, REACHES FIVE-QUARTER HIGH

Average early-stage (Seed-Series A) deal size among all VC-backed companies increased to \$4.7M in Q2'15. This marked a five-quarter high, as increased global investment interest in startups and supply of capital continues to be among the many factors driving up early-stage round sizes.

Global Early-Stage Deal Size Q2'14 - Q2'15



Source: Data provided by CB Insights, July 23, 2015

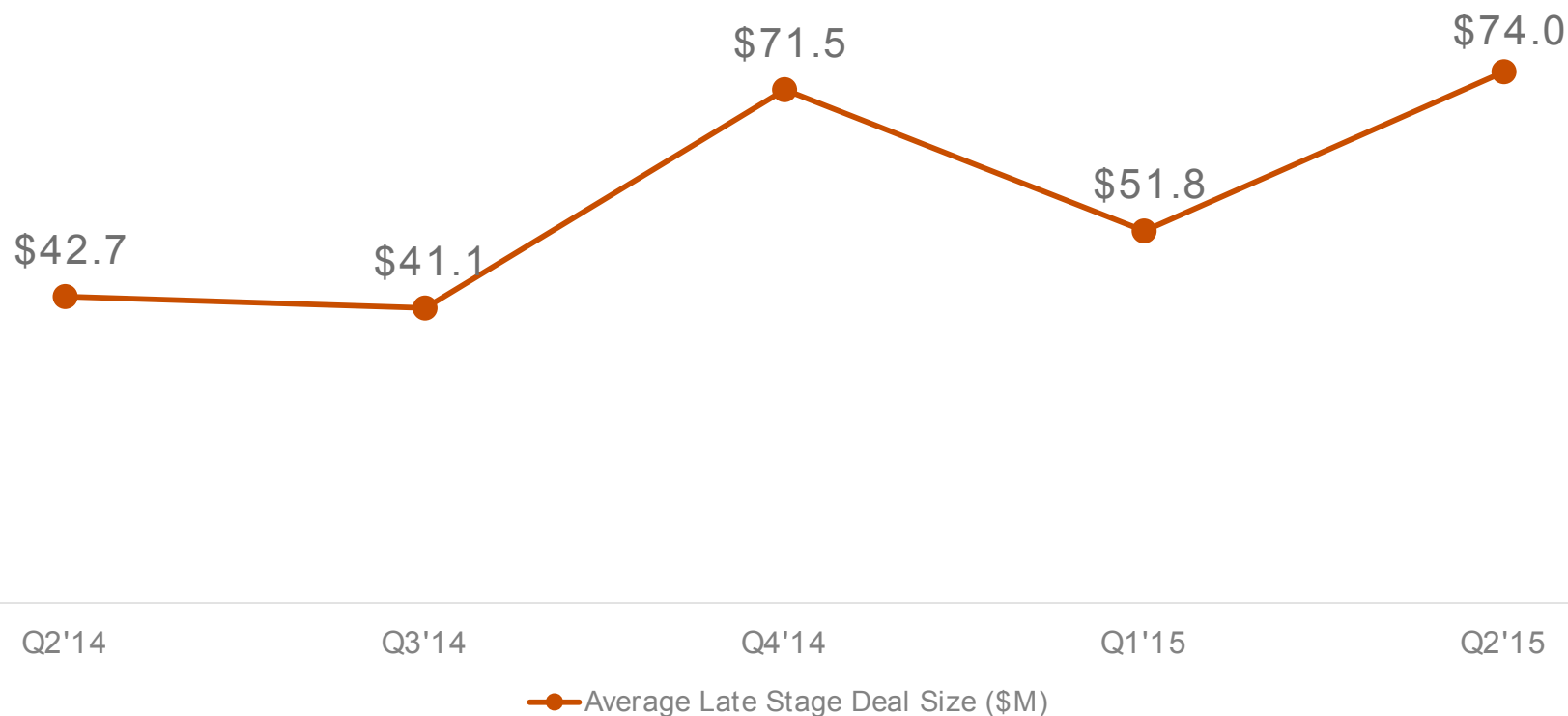
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GLOBAL AVERAGE LATE-STAGE DEAL SIZE UP DRASTICALLY IN Q2'15

After a dip in Q1'15, Q2'15 saw an increase in deal size of 43% QoQ to reach an average deal size of \$74M. This was largely buoyed by the more than thirty \$100M+ deals that happened in Q2. The rise of mega-rounds and “private IPOs” are among many contributing factors to increased late-stage deal sizes over the past three quarters.

Global Late-Stage Deal Size

Q2'14 - Q2'15



Source: Data provided by CB Insights, July 23, 2015

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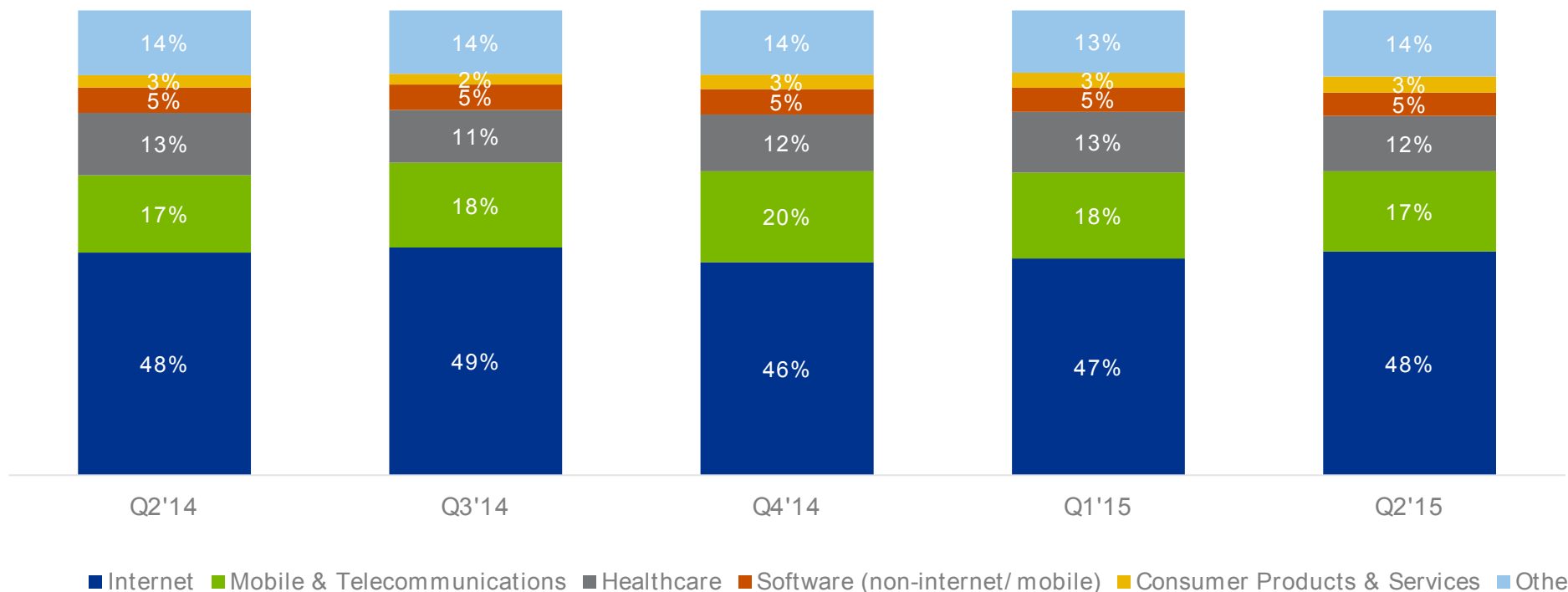
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INTERNET AND MOBILE CONTINUE TO ACCOUNT FOR NEARLY TWO-THIRDS OF ALL VC-BACKED DEALS

Internet and Mobile continue to account for the bulk of deals to VC-backed companies, as the two major sectors accounted for 65% of all deals in Q2'15. All other sectors remained fairly range-bound with Healthcare accounting for 12%, Software 5%, and Consumer Products & Services 3%.

Global Quarterly Deal Share by Sector Q2'14 - Q2'15



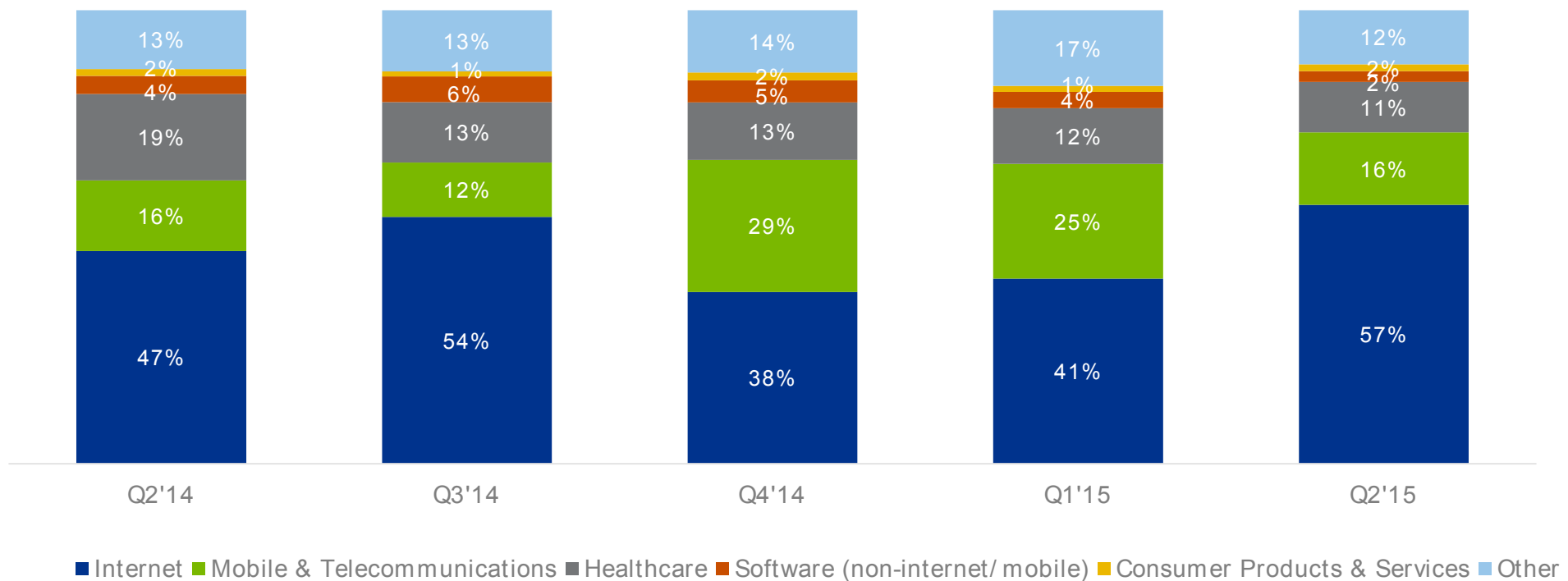
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INVESTMENT DOLLARS RETURN TO INTERNET COMPANIES

Mobile saw significant jumps in dollar share in Q4'14 and Q1'15 riding on the large rounds to Snapchat and on-demand ride sharing companies like Uber and Didi Kuaidi. However, in 2015 Internet dollar share has increased in each of the last two quarters, taking more than half of total investment dollars into VC-backed companies in Q2'15.

Global Quarterly Dollar Share by Sector Q2'14 - Q2'15



Source: Data provided by CB Insights, July 23, 2015

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“The consumer wants everything to be instant these days. If you tap your phone you want the transaction done. I am a true believer in On-Demand companies that deal with supply and demand and create the platform that connects the two sides of the equation. This momentum will likely continue and expand.”



Arik Speier

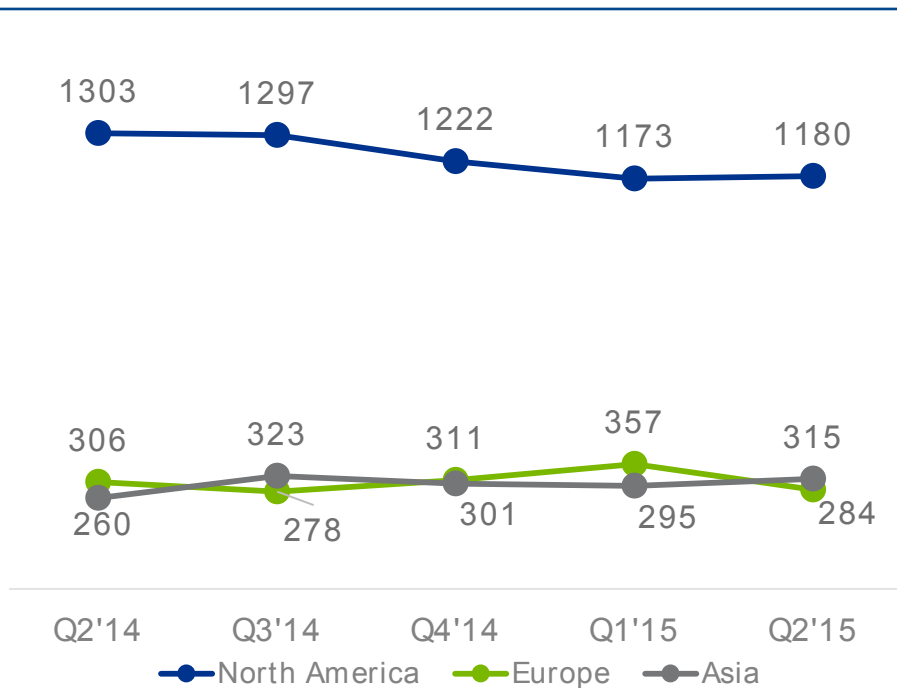
*Arik Speier, Co-Leader, KPMG
Enterprise Innovative Startups
Network and Head of Technology,
KPMG in Israel*

ASIA INVESTMENT PROPPED UP BEHIND MEGA-ROUNDS

North America continues to dominate both deals and dollars into VC-backed companies, breaking \$19B of investment across over 1100 deals in Q2'15. Despite the similarity in deal activity in Asia and Europe, Asia has seen far more funding, with ~\$33.5B invested in the last five quarters compared to less than \$13B in Europe. This is due to mega-rounds to companies such as Flipkart, Coupang, and Dianping, among others.

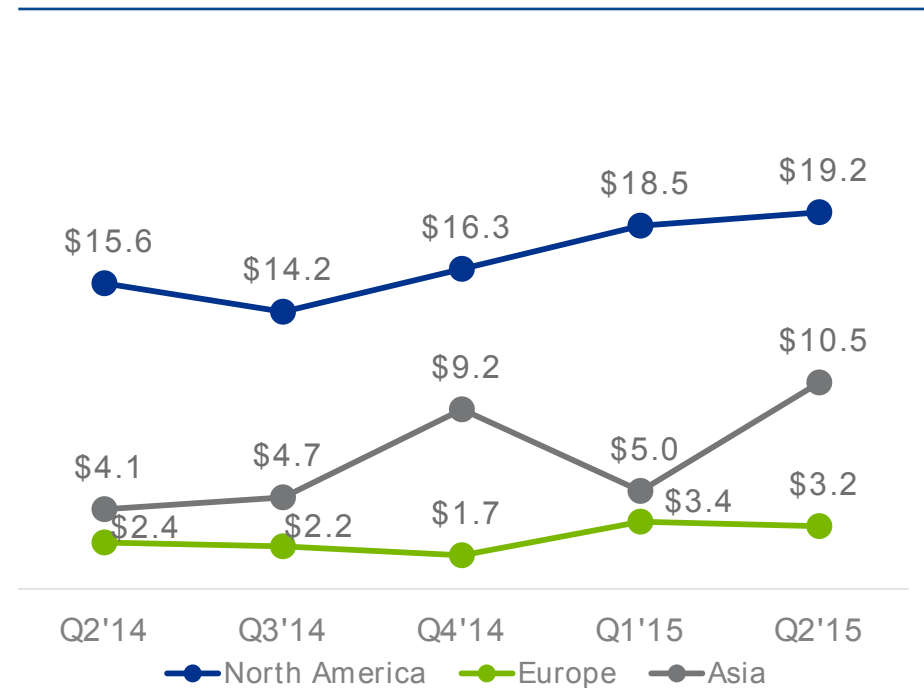
Deal Count by Continent

Q2'14 - Q2'15



Investment (\$B) by Continent

Q2'14 - Q2'15



Source: Data provided by CB Insights, July 23, 2015

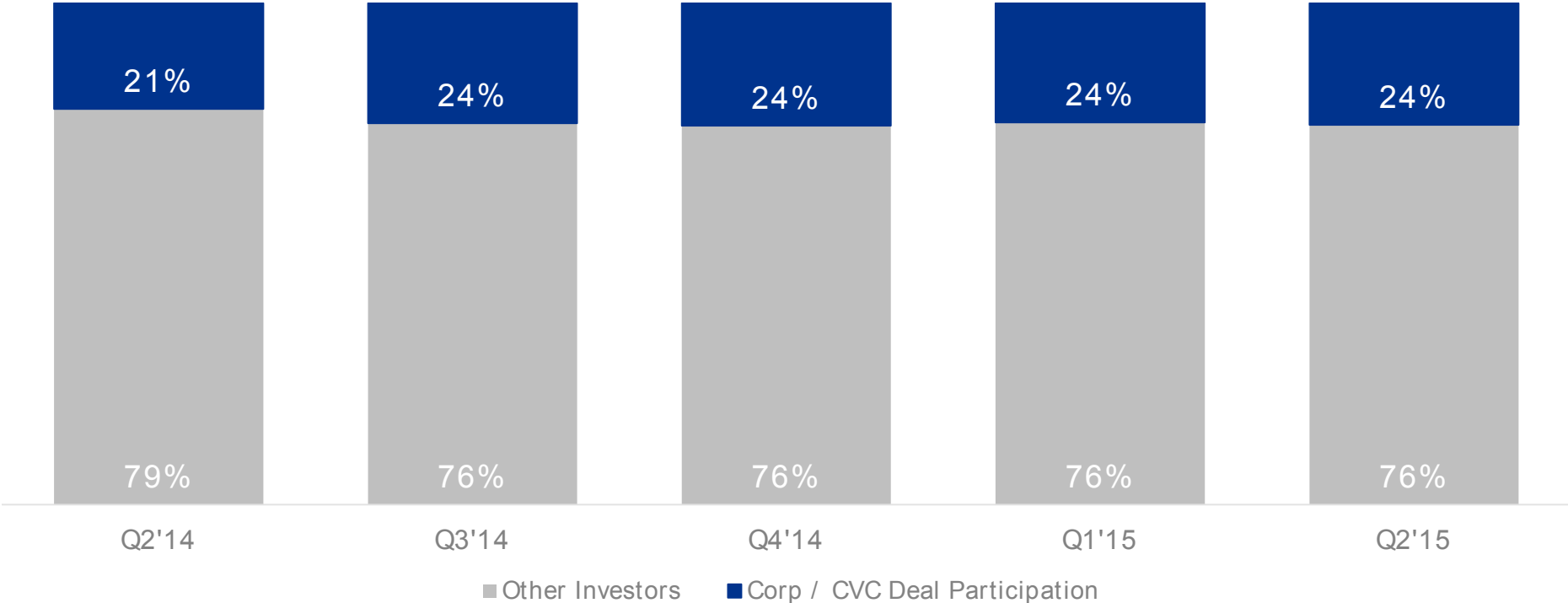
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CORPORATES CONTINUE THEIR INVESTMENT PACE INTO VC-BACKED COMPANIES

Corporations and their venture arms are maintaining their deal share into VC-backed companies, taking just under a quarter of total deals for the past four quarters.

CVC Participation in Global Deals to VC-Backed Companies

Q2'14 - Q2'15



Source: Data provided by CB Insights, July 23, 2015

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“You’ll likely see more corporate investing where they get in early to help shape the outcome of the offering so it can be bolted on to whatever they are doing rather than simply an investment. It’s easier for internal money to flow to the venture arm of the company rather than investing in R&D.”

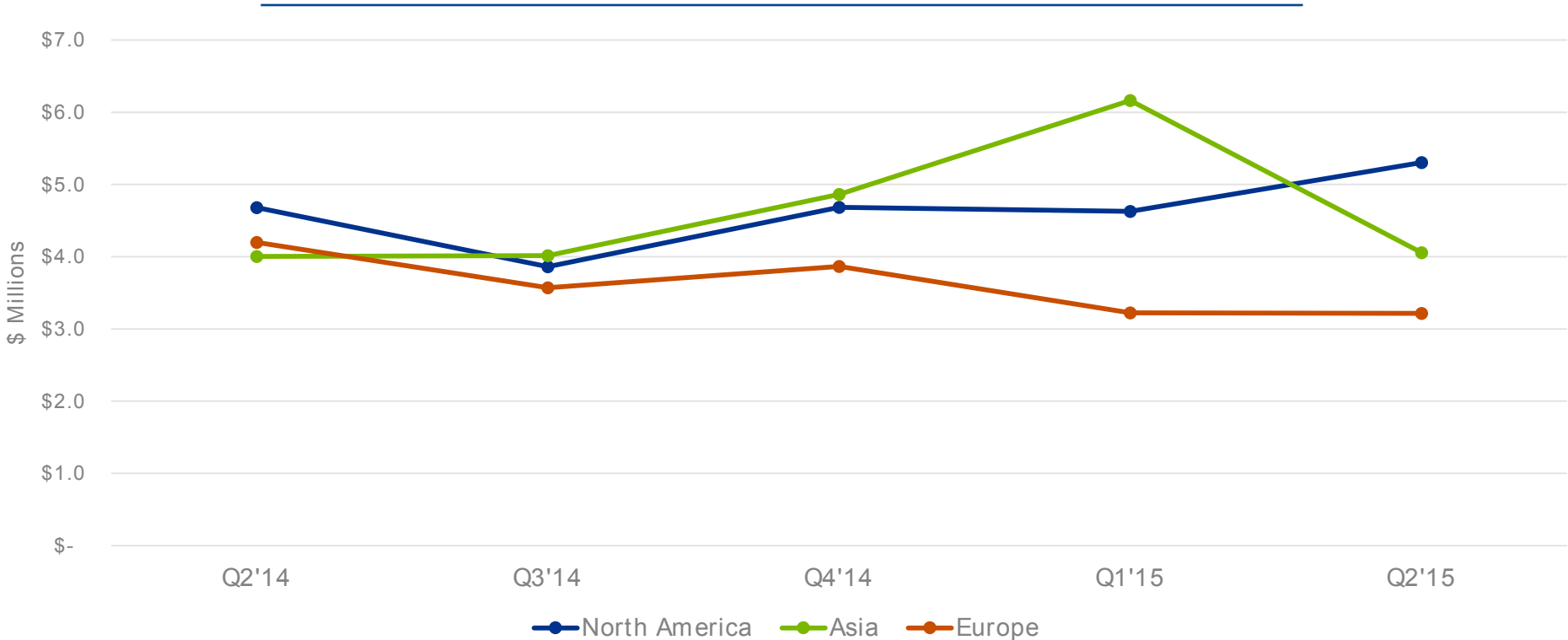


Francois Chadwick
National Tax Leader
KPMG Venture Capital Practice
KPMG in the US

FOR 3 OF LAST 5 QUARTERS, EARLY-STAGE DEALS IN ASIA WERE BIGGER THAN THE US

Early-stage deals in Asia were larger than both Europe and the US from Q3'14 – Q1'15, with the average Asian early-stage deal size in Q1'15 above \$6M. In the past quarter, the US overtook Asia with an average early-stage deal size of \$5.3M. Europe remained the lowest at \$3.2M in each of the past two quarters.

Average Early-Stage Deal Size Continent Comparison Q2'14 - Q2'15



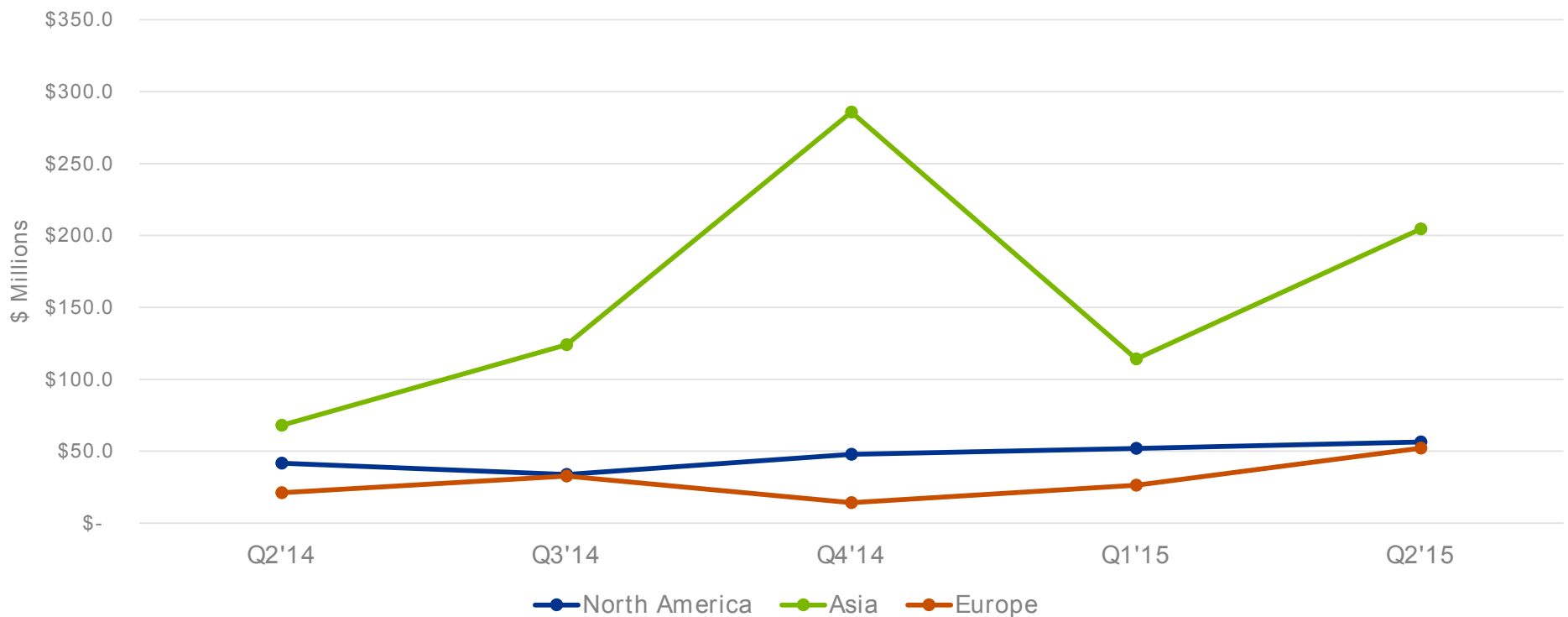
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ASIA HAS THE LARGEST AVERAGE FOR LATE-STAGE DEALS

Average late-stage deals in Asia have been greater than both US and European averages for the last 5 quarters. Q4'14 saw late-stage deals in the continent grow to \$285M across 21 deals, which included a \$1.1B financing to Xiaomi.

Average Late-Stage Deal Size Continent Comparison Q2'14 - Q2'15



Source: Data provided by CB Insights, July 23, 2015

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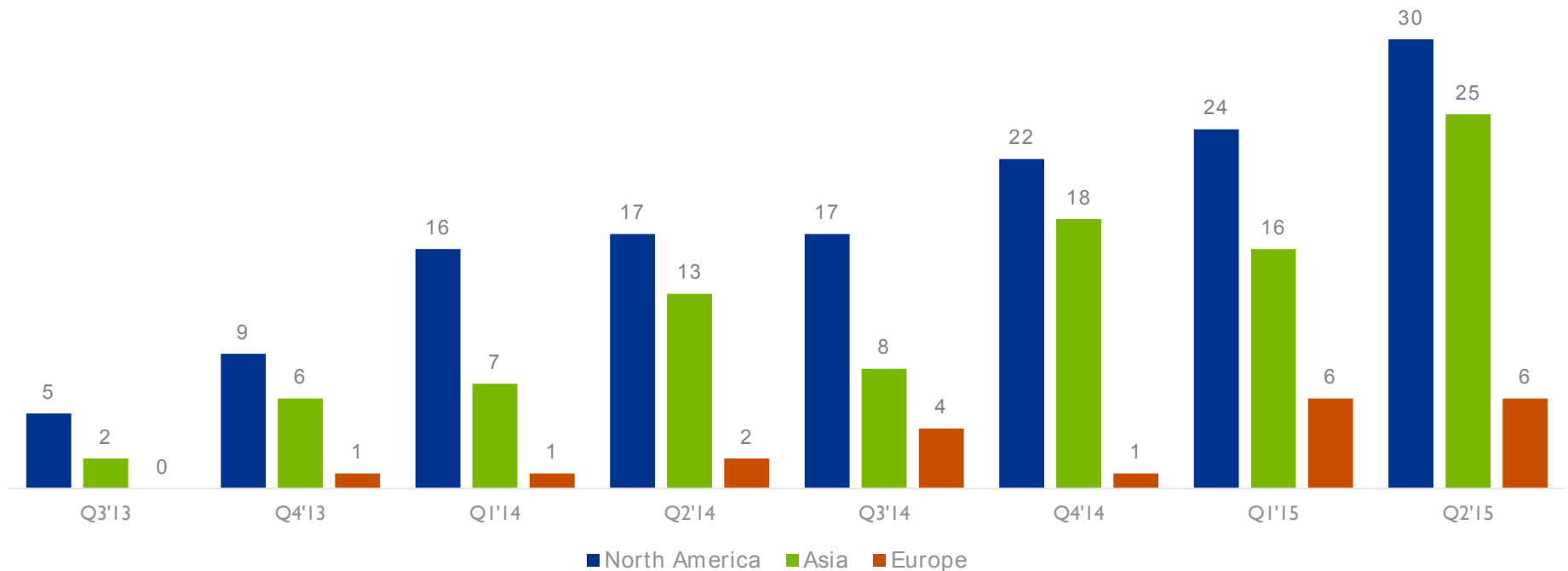
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THE RISE OF MEGA-ROUNDS: \$100M+ ROUNDS TO VC-BACKED COMPANIES SKYROCKET IN 2015

Thus far in 2015 there have been over 100 \$100M+ equity financings to VC-backed companies. Q2'15 saw a combined 61 financings, with Asia seeing explosive growth over the past three quarters to a high of 25 financings. Overall the mega-rounds in Q2'15 raised over \$16B cumulatively.

\$100M+ Financings to VC-Backed Companies *North America vs. Asia vs. Europe, Q2'14 - Q2'15*



Source: Data provided by CB Insights, July 23, 2015

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“If you told a company that they could raise almost the same amount of money at the same valuation in a private financing versus a public one there is no question that companies would often choose to stay private longer. Staying private gives the company more latitude to do what they need to do to grow their business for the long term.”



Brian Hughes

Brian Hughes, Co-Leader, KPMG Enterprise Innovative Startups Network, and National Co-Lead Partner, KPMG Venture Capital Practice, KPMG in the US

‘Unicorn’ investment on the Rise

Q2’15 was a banner quarter for Unicorns – VC backed companies with valuations in excess of \$1 billion. During Q2’15, 24 VC backed companies achieved Unicorn status, including 12 in the US and 9 in Asia. Among the newest Unicorns were Zenefits, Oscar Health Insurance and MarkLogic.

The explosive growth of Unicorns is being spurred by the continued availability of late-stage deals – in particular, new capital sources including hedge funds, mutual funds and sovereign wealth funds. During Q2’15, global late-stage deal size averaged \$72.6 million and included more than thirty \$100M+ deals globally.

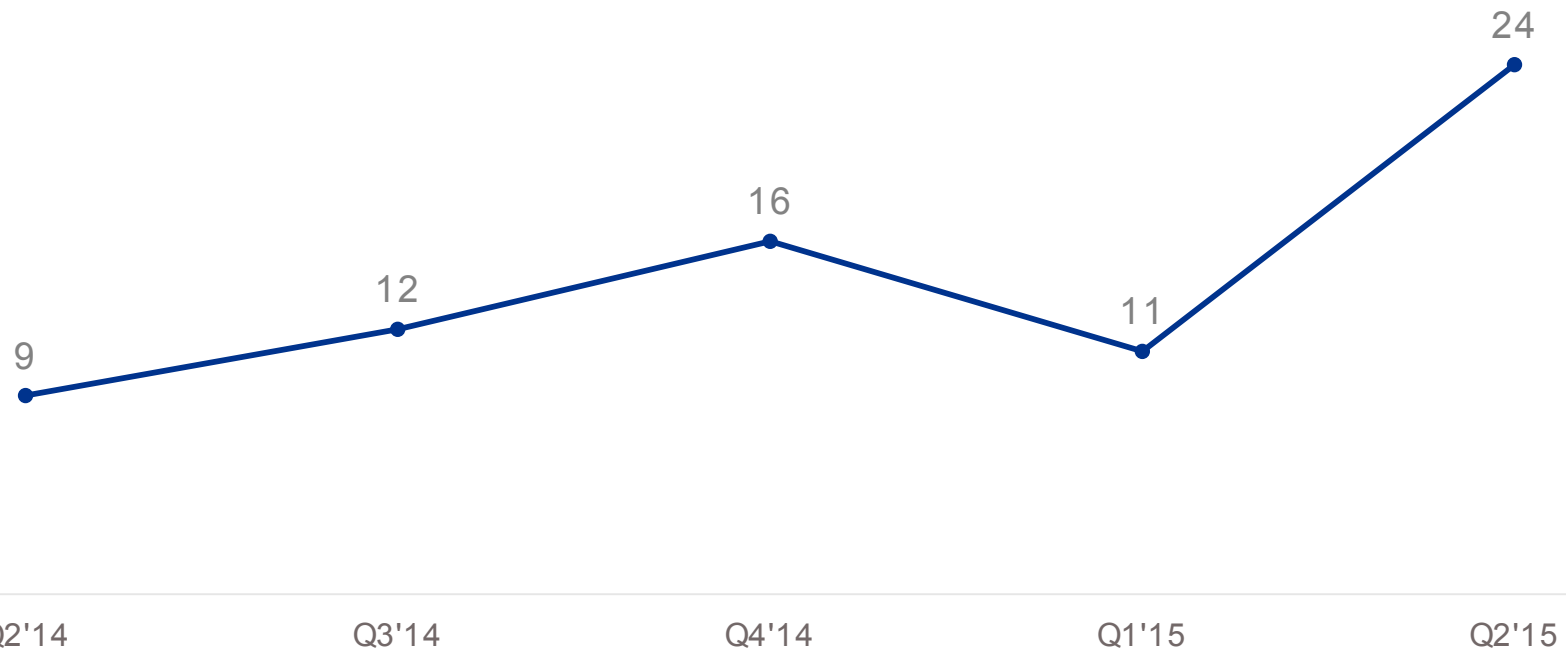
The availability of these late-stage mega-deals continues to delay potential IPO exits. If companies can raise similar amounts of money through private financing, many companies will opt for it. Under private financing agreements, companies have more latitude to grow and shape their business and can avoid more substantive public reporting requirements. Going public comes with a strategic decision making process that can be far more complex and highly driven by shareholders.

Looking forward, indicators suggest that Unicorn investing will only continue to rise as more and more investors chase these opportunities. There is real fear among certain investors that they will be left out if they don’t have a number of Unicorns in their portfolio.

BILLION-DOLLAR VALUATIONS EXPLODE AS 24 NEW UNICORNS ARE BORN IN Q2'15

Q2'15 saw the most venture-backed companies achieving billion-dollar valuations for the first time, with 24 in the past quarter including Zenefits, Oscar Health Insurance, and MarkLogic among others.

VC-Backed Companies Entering The Unicorn Club Q2'14 - Q2'15



Source: Data provided by CB Insights, July 23, 2015

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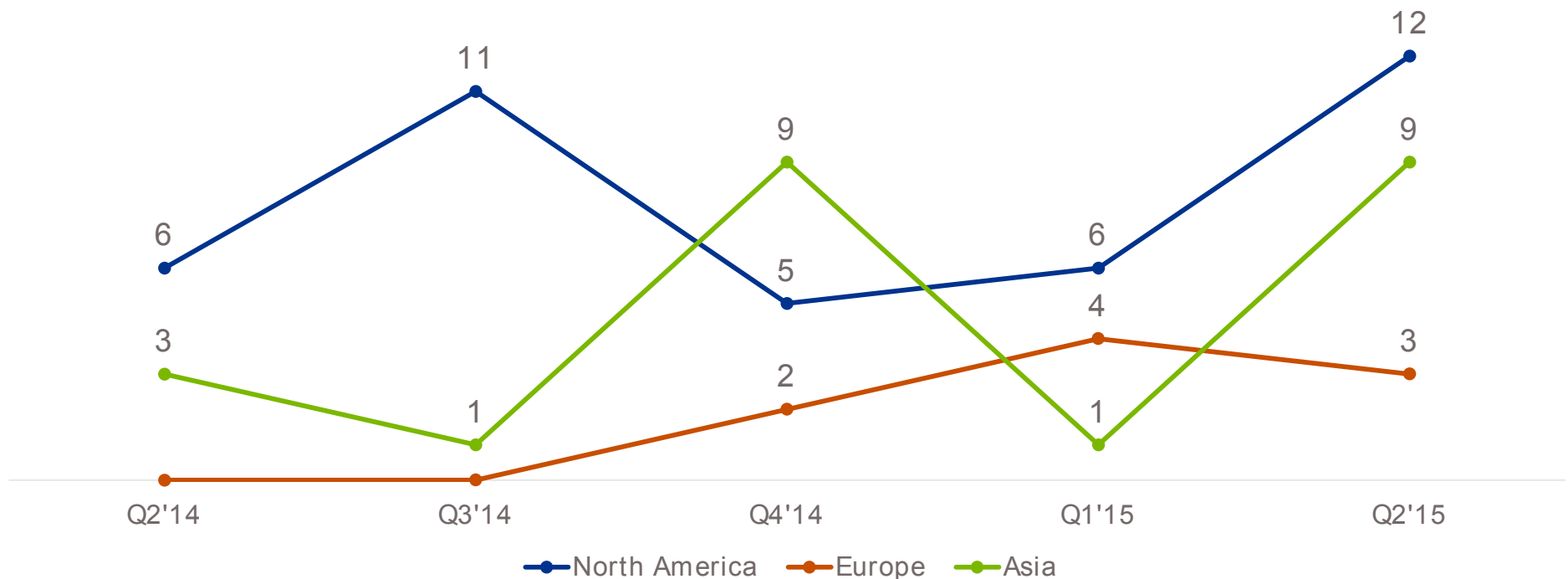
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NORTH AMERICA AND ASIA DRIVE BULK OF THE NEW UNICORNS IN Q2'15

While the US has seen the highest number of new billion-dollar valuations in recent quarters, Asia has seen several quarters with an influx of new entrants including nine in Q2'15. Europe has been slower to produce unicorn companies, seeing just three companies reach a billion-dollar valuation in Q2'15.

VC-Backed New Unicorn Companies by Continent *North America vs. Europe vs. Asia, Q2'14 - Q2'15*



Source: Data provided by CB Insights, July 23, 2015

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SELECT VC-BACKED EXITS IN NORTH AMERICA

Company	Exit Type	Valuation	Select Investors
FitBit	IPO	\$4.1B	Foundry Group, True Ventures, Sapphire Ventures, Softbank Capital,
Etsy	IPO	\$1.8B	Union Square Ventures, Accel Partners, Index Ventures
Lynda.com	Acquisition (LinkedIn)	\$1.5B	Accel Partners, TPG Growth, Meritech Capital Partners
Shopify	IPO	\$1.3B	Bessemer Venture Partners, Felicis Ventures, FirstMark Capital, Insight Venture Partners
Virtustream	Acquisition (EMC)	\$1.2B	Sapphire Ventures, Intel Capital, Columbia Capital, TDF Ventures



“Fitbit has never had an easy time fund raising – they were so ahead of their time – which has motivated [the founders] James and Eric to build a real, sustainable business”

Jeff Clavier
SoftTech VC

Source: WSJ
Image source: Flickr

SELECT VC-BACKED EXITS INTERNATIONALLY

Company	Exit Type	Valuation	Select Investors
Adaptimmune	IPO	\$1.2B	Fidelity Biosciences, New Enterprise Associates, OrbiMed Advisors, Wellington Management
Ganji	Merger (58.com)	\$958.6M	BlueRun Ventures, Sequoia Capital China, Tiger Global Management
Yemeksepeti	Acquisition (Delivery Hero)	\$589M	General Atlantic, Endeavor Global
Windeln.de	IPO	\$532.9M	Acton Capital Partners, DN Capital, High-Tech Gruenderfonds, Goldman Sachs
Biocartis	IPO	\$490.1M	Advent Life Sciences, Aescap Venture, Johnson & Johnson Development Corp



“Our position as leader in the Middle East, a region with tremendous growth potential, has become even stronger (with Yemeksepeti’s acquisition)”

Niklas Östberg
CEO, Delivery Hero

Source: Bloomberg
Image Source: Delivery Hero

In Q2 2015

NORTH AMERICAN

VC-backed companies raised

\$19 billion

North America Drives Forward

Venture capital investment in North America was \$19 billion in Q2'15, bringing the total amount invested in the first half of the year to \$37.5 billion. At this rate, North America is on pace to top 2014's investment high by over 25%.

Part of this rise may be attributed to the 12 new Unicorns in the US during Q2'15, up from 6 in Q1'15 and 5 in Q4-2014. Much of the growth in the number of Unicorns can be linked to the availability of late-stage funding. Low rates of return have been driving deep pocketed hedge funds, mutual funds and sovereign wealth funds in the US to work more with private companies, especially on late-stage deals. That's why it comes as no surprise that the late-stage deals average rose for the third quarter in a row, with \$56.3 million in Q2'15.

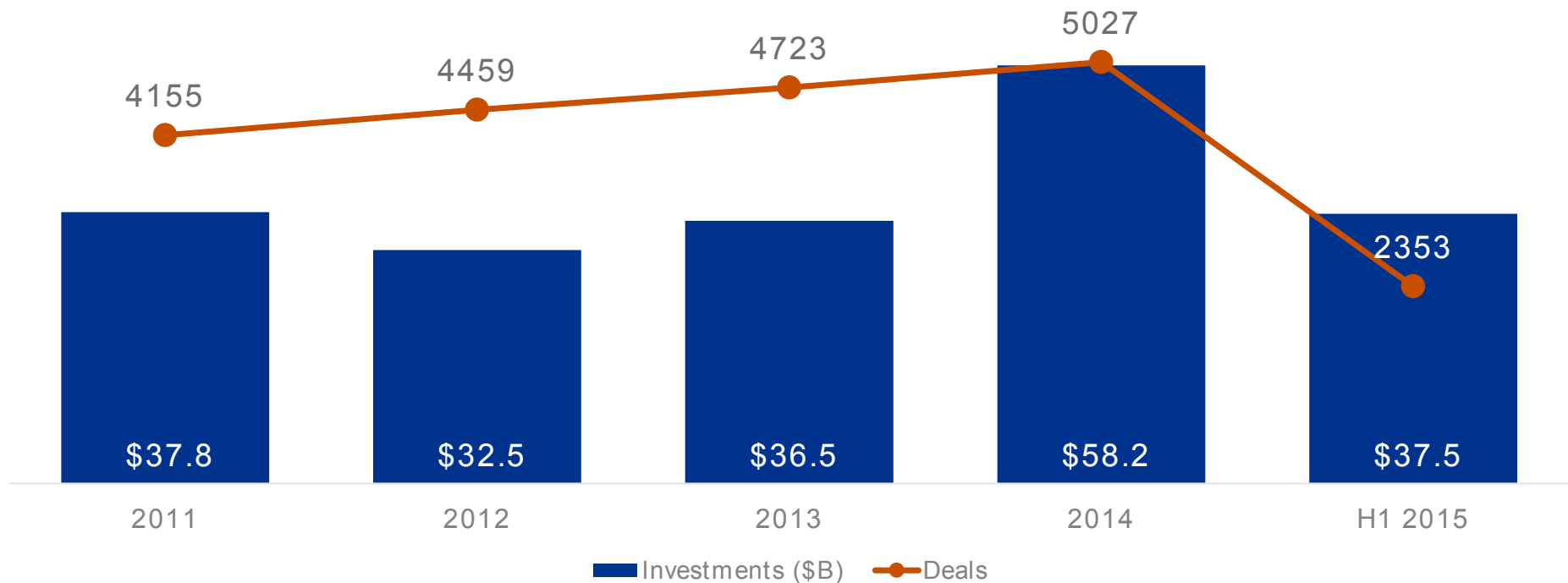
In the US, VC investment continues to revolve around traditional hubs of VC activity. In Q2'15, California earned \$11.4 billion of investment, followed by New York with \$2.2 billion, and Massachusetts with \$1.4 billion. While traditional hubs continue to do well, VC activity is beginning to rise in other areas of the country. Austin, Texas is one area to watch as a number of companies are setting up satellite offices there, due to tax incentives. Over the longer term, we anticipate these companies will in turn spawn new start-ups and further develop the tech ecosystem in Texas.

Looking holistically at activity in the US, there appears to have been a mind-shift change – a realization that people do not have to own everything anymore. People can rent and share things (e.g. Airbnb) at a lower cost and with less involvement. The question now is where might this concept be applied next?

NORTH AMERICA: \$37.5B ACROSS 2353 DEALS IN H1 2015

Funding in North America jumped significantly in 2014 with \$58.2B invested, a jump of 59% from 2013. 2014 was also a four year high for deals, breaking 5000 in 2014. With \$37.5B invested in the first half of 2015, funding in North America is on pace to top 2014's high by over 25% at the current run rate.

North American Annual Financing Trends to VC-Backed Companies 2011 - H1 2015



Source: Data provided by CB Insights, July 23, 2015

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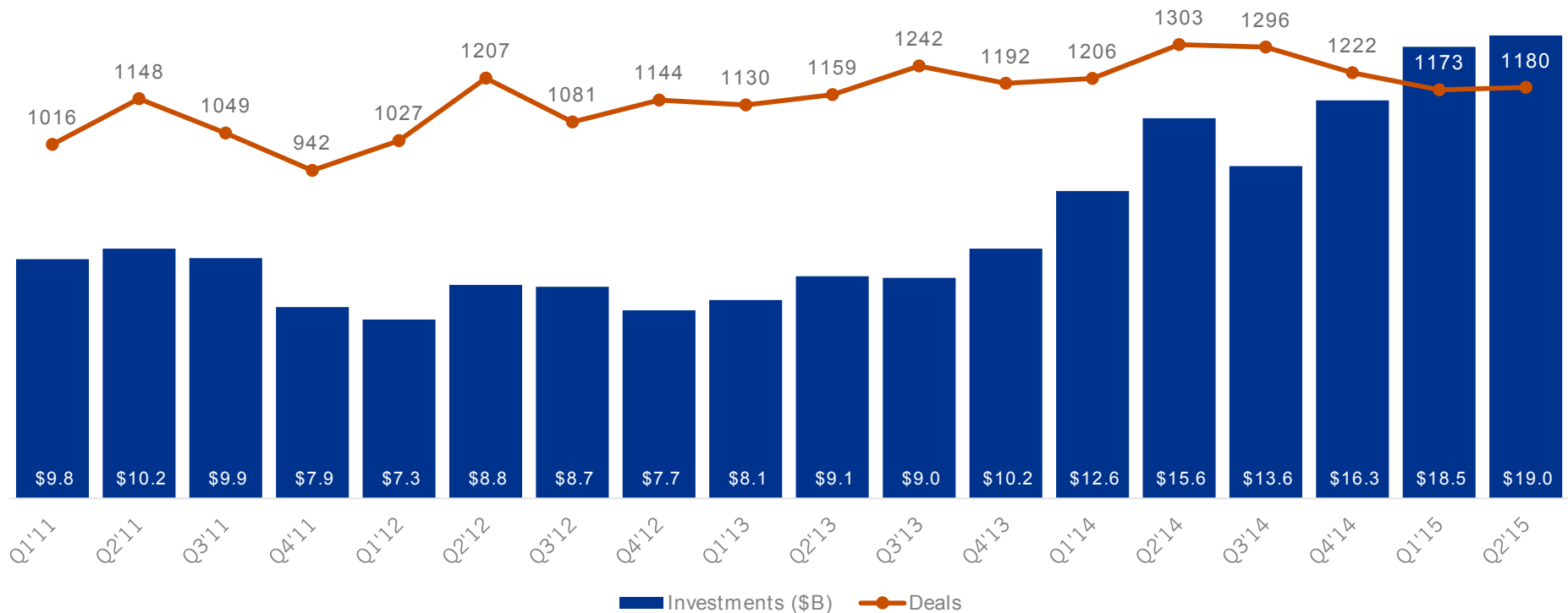
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Q2'15 BREAKS \$19B IN FINANCING TO VC-BACKED NORTH AMERICAN STARTUPS

Q2'15 saw the highest amount of financing dollars into VC-backed North American companies since Q1'11, despite a 9% drop in deals from the same quarter a year prior. Multiple \$500M+ financings to companies including AirBnB, Zenefits, and Wish attributed to the new funding high.

North American Quarterly Financing Trends to VC-Backed Companies Q1'11 - Q2'15



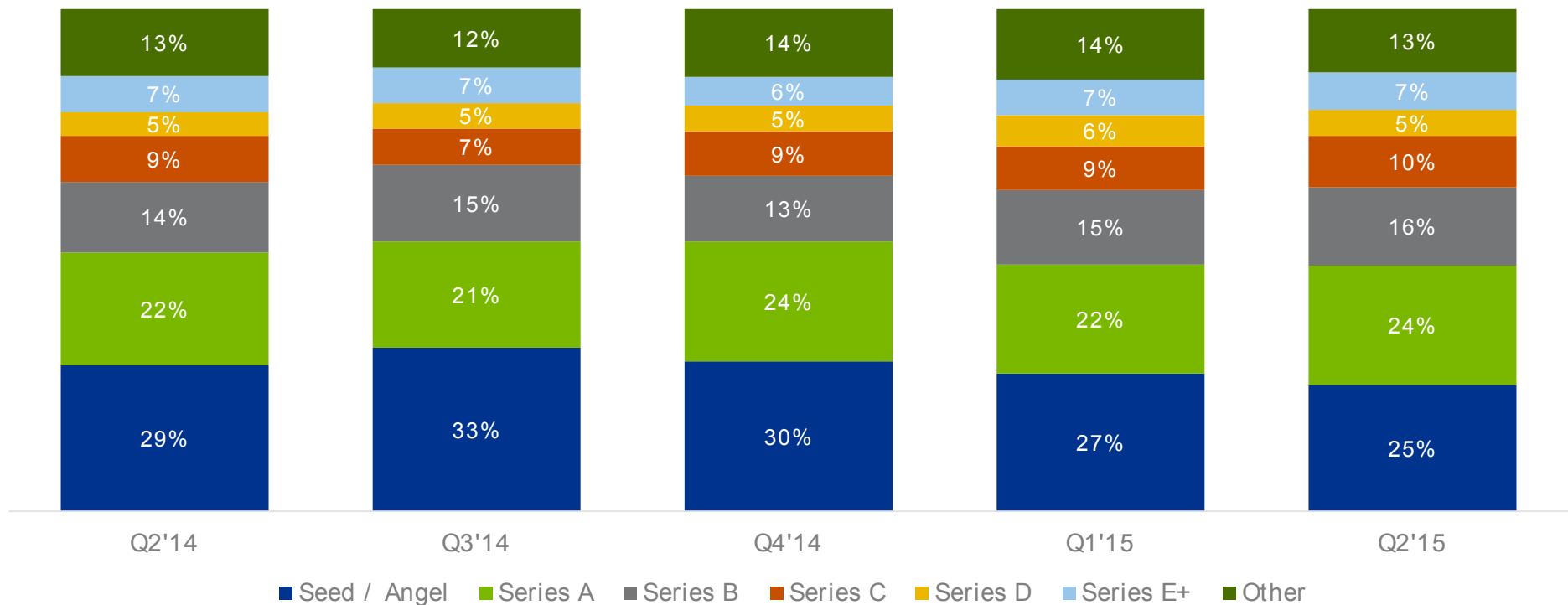
Source: Data provided by CB Insights, July 23, 2015

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EARLY-STAGE TAKES LESS THAN HALF OF ALL DEALS FOR SECOND QUARTER IN A ROW

Early-stage deals into VC-backed North American companies remained steady at 49% in Q2'15 as seed deal share hit a five-quarter low. Mid-stage deals (Series B - Series C) took more than a quarter of all deals for the first time in five quarters.

North American Quarterly Deal Share by Stage Q2'14 - Q2'15



Source: Data provided by CB Insights, July 23, 2015

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EARLY-STAGE DEAL SIZES ARE GROWING IN NORTH AMERICA

Average early-stage deals were \$5.3M in Q2'15, breaking \$5M for the first time in five quarters. Overall, the average for North American early-stage deals have topped \$4M in four of the last five quarters.

North American Early-Stage Deal Size

Q2'14 - Q2'15



Source: Data provided by CB Insights, July 23, 2015

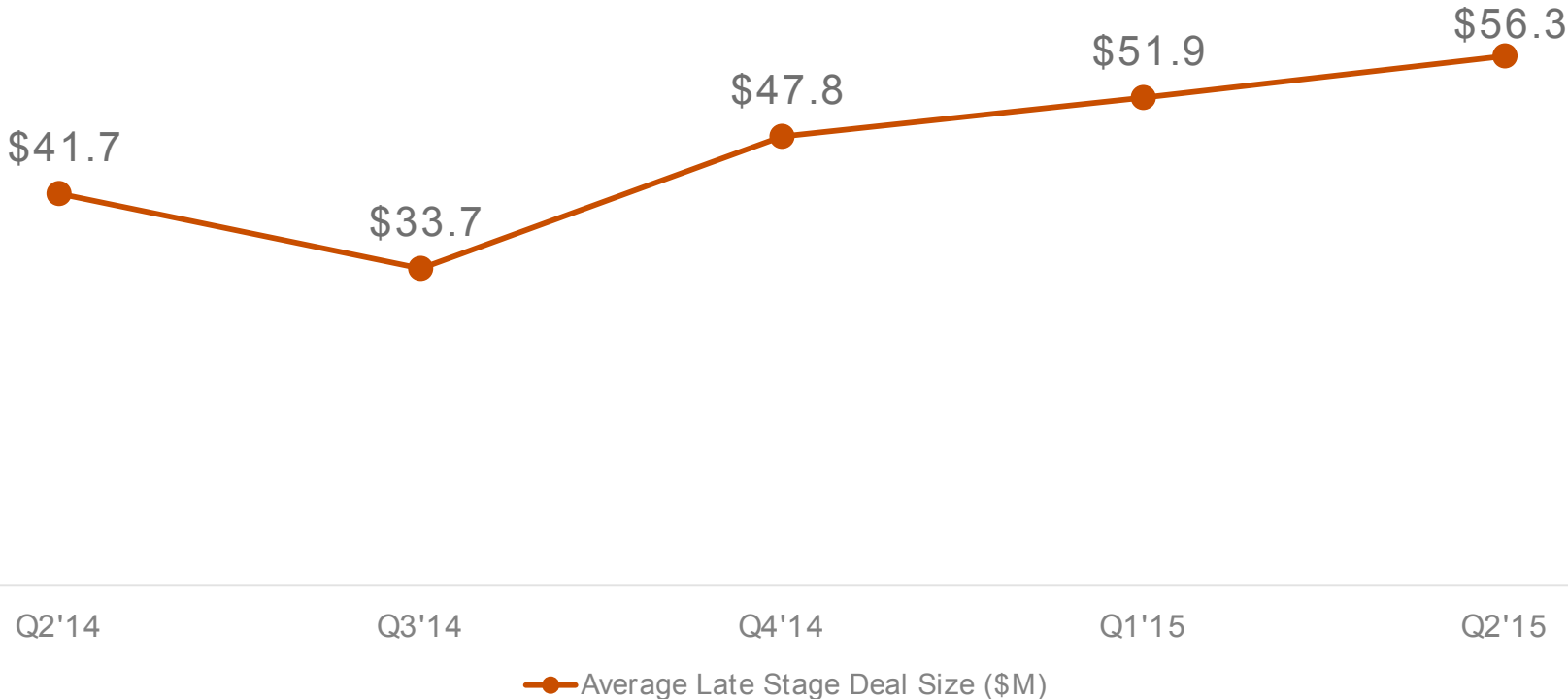
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AVERAGE LATE-STAGE DEALS IN NORTH AMERICA WERE \$56.3M IN Q2'15

Average late-stage (Series D+) deals in North America rose for the third consecutive quarter, with an average late-stage deal size of \$56.3M in Q2'15. This can be partially attributed to the rise of mutual funds, hedge funds, private equity firms and corporations in recent mega-financings.

North American Late-Stage Deal Size

Q2'14 - Q2'15



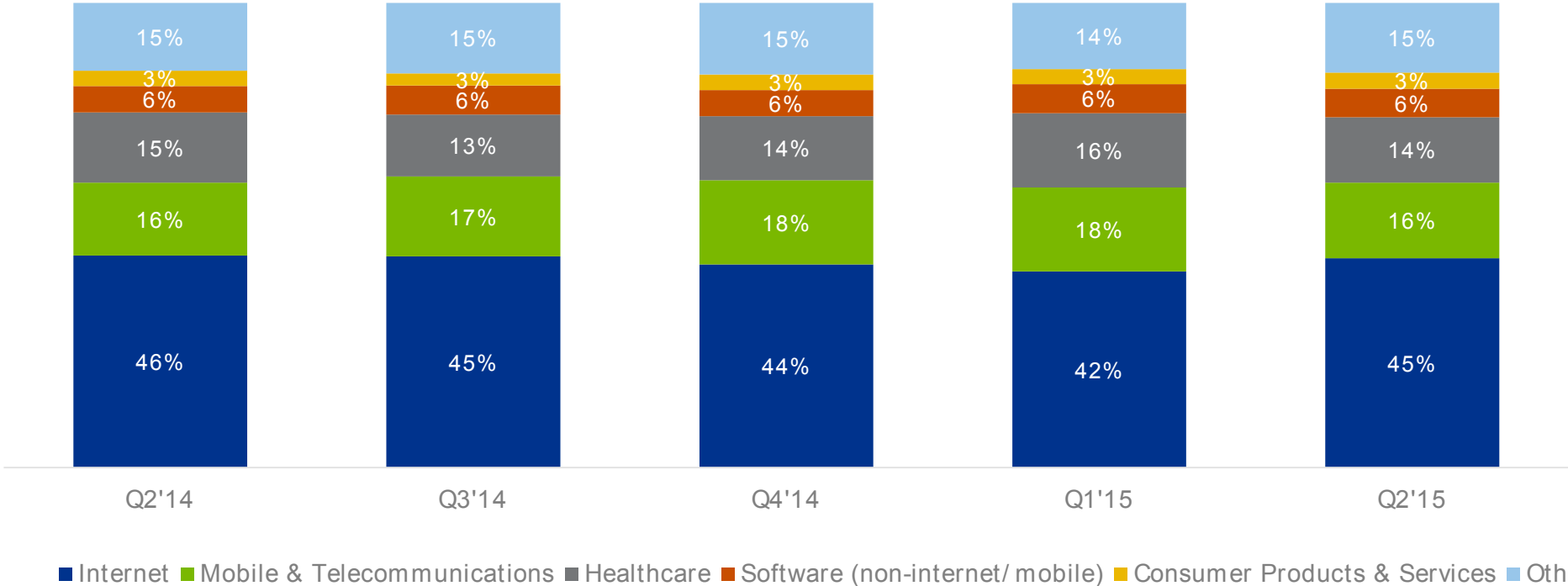
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VC-BACKED INTERNET COMPANIES CONTINUE TO TAKE THE MOST DEALS

Internet companies have consistently taken nearly half of all deals into VC-backed North American companies. All sectors remained relatively range bound during the last five quarters.

North American Quarterly Deal Share by Sector Q2'14 - Q2'15



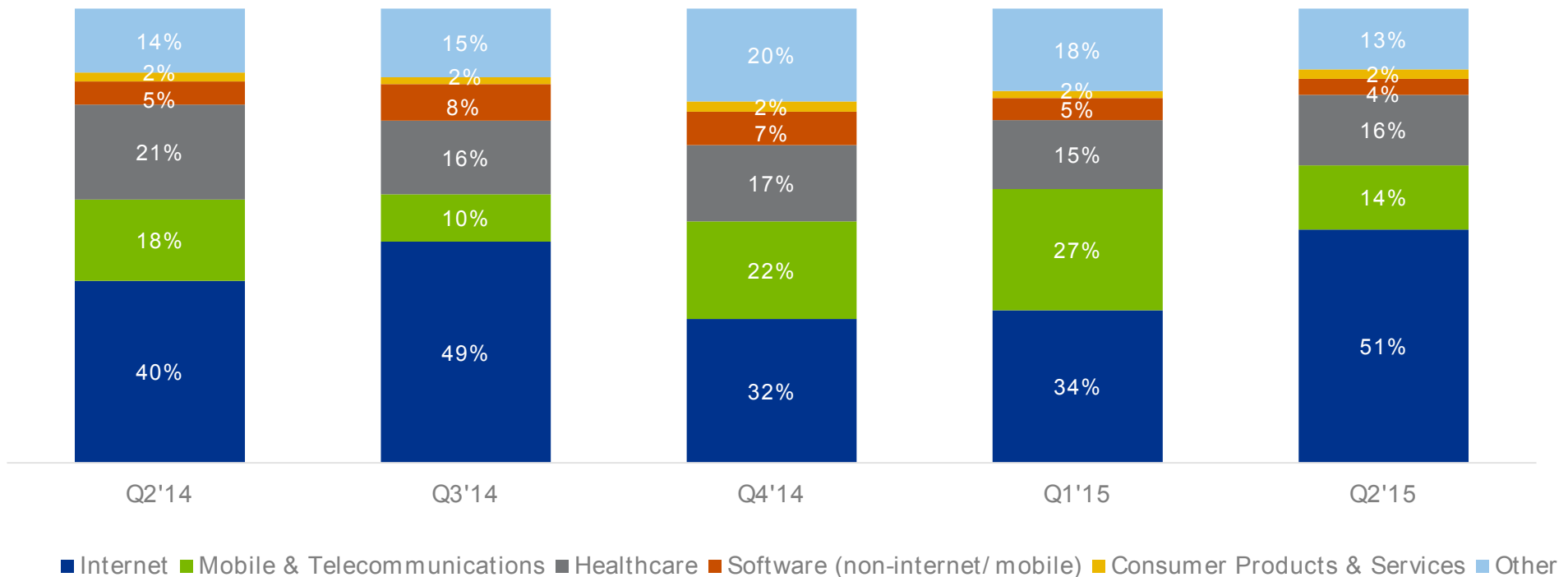
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MOBILE DOLLAR SHARE FALLS IN THE ABSENCE OF BILLION DOLLAR ROUNDS

Mobile saw an increase in dollar share in Q4'14 and Q1'15, attributed mostly to Uber's multiple billion dollar financings. The largest mobile financing in Q2'15 was Snapchat for \$337M, as mobile dollar share fell back to 14%. Internet jumped back to take more than half of funding dollars, led by AirBnB's \$1.5B financing.

North American Quarterly Dollar Share by Sector Q2'14 - Q2'15



Source: Data provided by CB Insights, July 23, 2015

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THE SIX LARGEST ROUNDS OF Q2'15 TOTALED OVER \$3.5B, MORE THAN 18% OF FUNDING IN NORTH AMERICA



Community marketplace for people to list, discover, and book housing accommodations

\$1.5 billion

Growth Equity



Cloud HR Automation platform

\$500 million

Series C



A social platform to discover, collect, and share products with friends

\$500 million

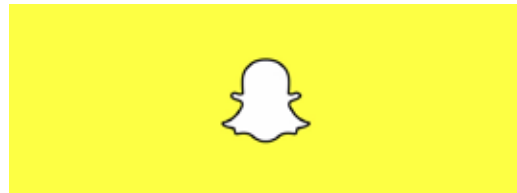
Series C



Owns and operates co-working spaces

\$433.9 million

Series E



Snapchat develops an ephemeral mobile messaging application

\$337.6 million

Series E-II



Developer of financial products, including a more affordable way to buy online with credit

\$275 million

Series B

THE NEXT SIX LARGEST ROUNDS TOTALED OVER \$1.2B, MORE THAN 6% OF FUNDING IN NORTH AMERICA



Digital transaction management platform

\$233 million

Series F



Biotech company focused on the development of neurodegenerative disease therapies

\$217 million

Series A



Mobile car-hailing and logistics application

\$200 million

Corporate Minority



Business intelligence platform focused on CRM, ERP, HR, and financials.

\$200 million

Series D



Biotech company focused on immunosequencing diagnostics with a focus in oncology

\$195 million

Series F



Online pinboard to discover ideas for projects and interests

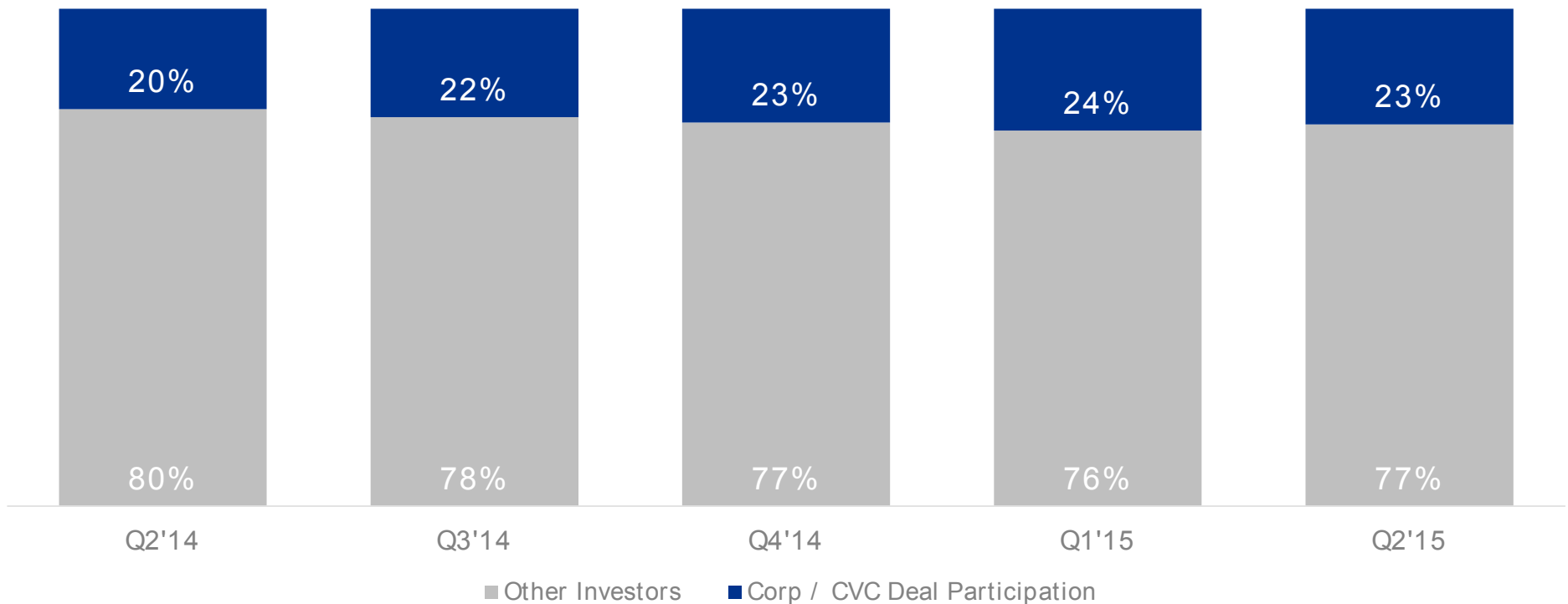
\$186 million

Series G-II

CORPORATE DEAL SHARE OF VC-BACKED NORTH AMERICAN COMPANIES HOLDS STEADY

As the number of corporations interested in investing in technologies that complement their core businesses grows, corporates are participating in over 1/5th of all venture-backed deals.

CVC Participation in North American Deals to VC-Backed Companies Q2'14 - Q2'15



Source: Data provided by CB Insights, July 23, 2015

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NEA WAS THE MOST ACTIVE VC INVESTOR IN NORTH AMERICA IN Q2'15

New Enterprise Associates was the most active investor in Q2'15, after raising the largest VC fund of all time in April. Kleiner Perkins, Andreessen Horowitz, Accel Partners, and Foundry Group rounded out the top 5.

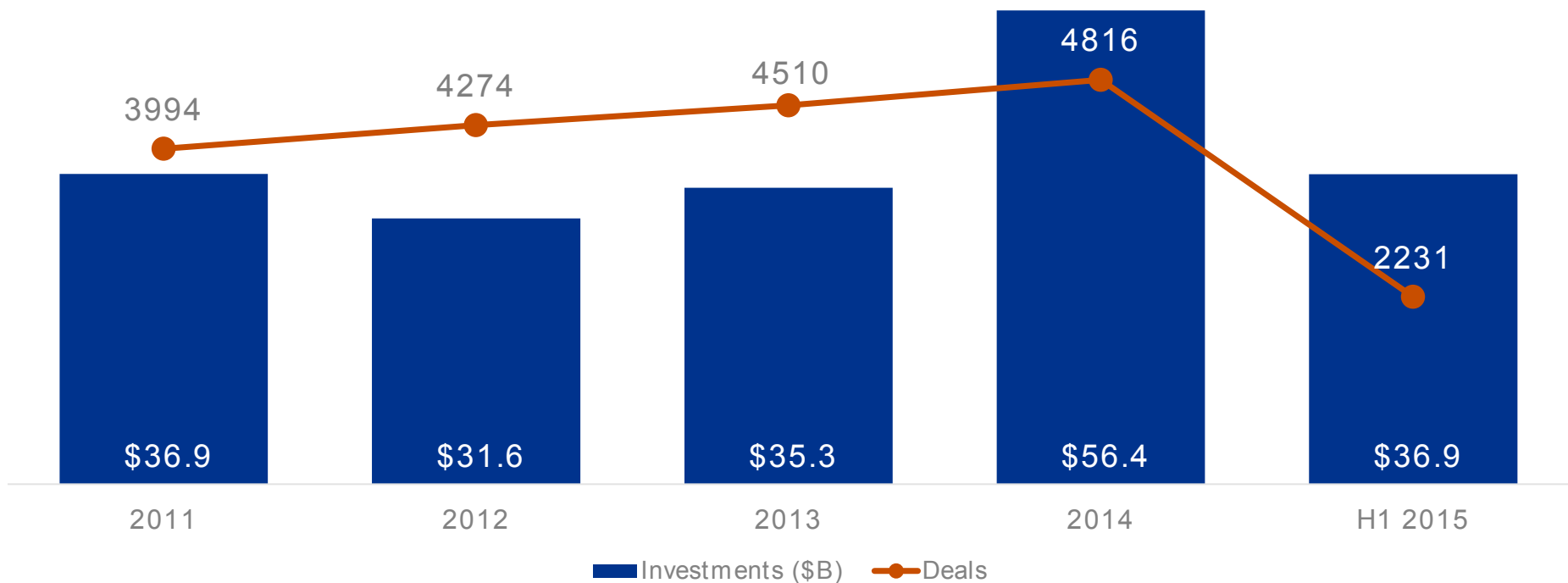
Most Active VC Investors in North America Q2'15

Rank	Investor	Rank	Investor
1	New Enterprise Associates	7	First Round Capital
2	Kleiner Perkins Caufield & Byers	10	Sequoia Capital
3	Andreessen Horowitz	10	RRE Ventures
4	Accel Partners	10	500 Startups
5	Foundry Group	10	Bessemer Venture Partners
6	Google Ventures	14	True Ventures
7	General Catalyst Partners	14	Intel Capital
7	Greycroft Partners		

US ON TRACK TO BREAK \$70B IN FUNDING FOR 2015

After a high of \$56.4B in 2014, 2015 is on track to reach five-year highs with \$36.9B already invested in the first half of the year. Following the global trend, deals look to keep pace or slightly slow down, with 2231 deals thus far in 2015 to VC-backed companies.

USA Annual Financing Trends to VC-Backed Companies 2011 - H1 2015



Source: Data provided by CB Insights, July 23, 2015

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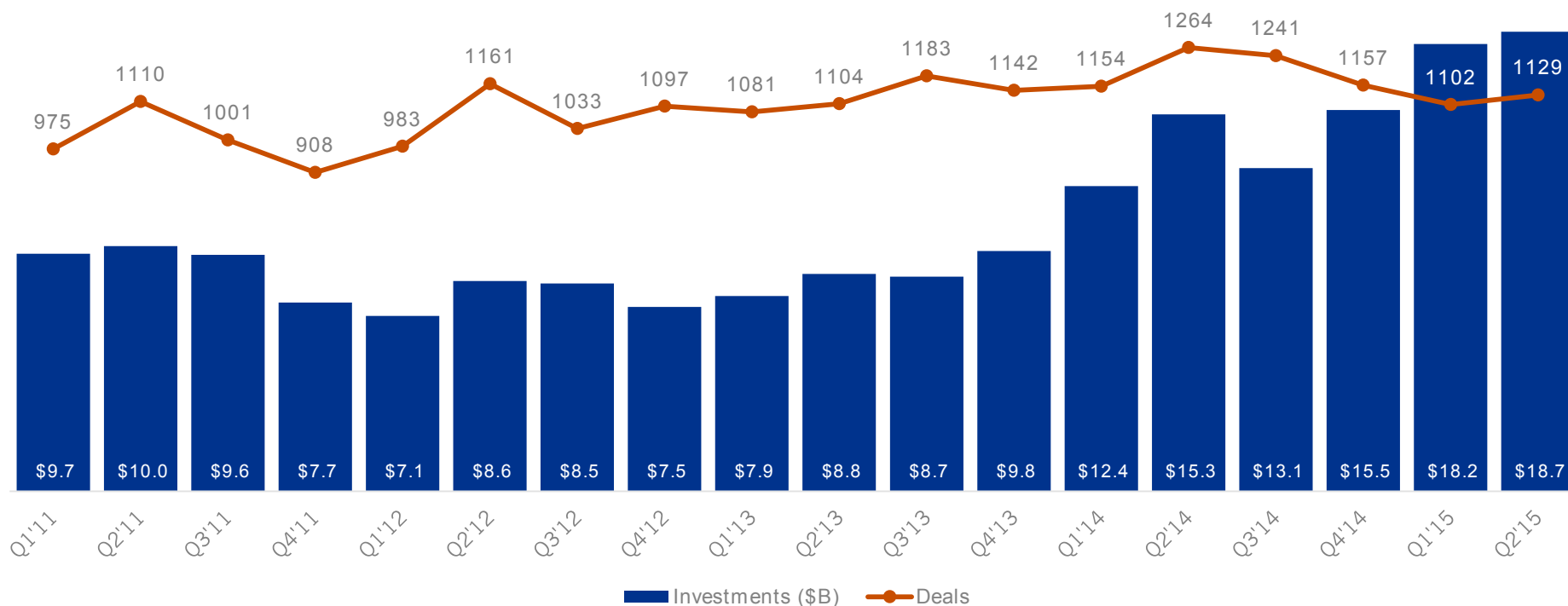


QUARTERLY US FUNDING TOPS \$18B; FOUR OF LAST FIVE QUARTERS HAVE SEEN MORE THAN \$15B INVESTED

The US has seen more than \$15B invested in four of the last five quarters, including more than \$18B in both quarters of 2015, which included large deals to AirBnB, Zenefits, and Wish, among others. Deals in Q1'15 dropped to their lowest point since Q1'13, but saw a small uptick in Q2'15 to 1129.

USA Quarterly Financing Trends to VC-Backed Companies

Q1'11 - Q2'15



Source: Data provided by CB Insights, July 23, 2015

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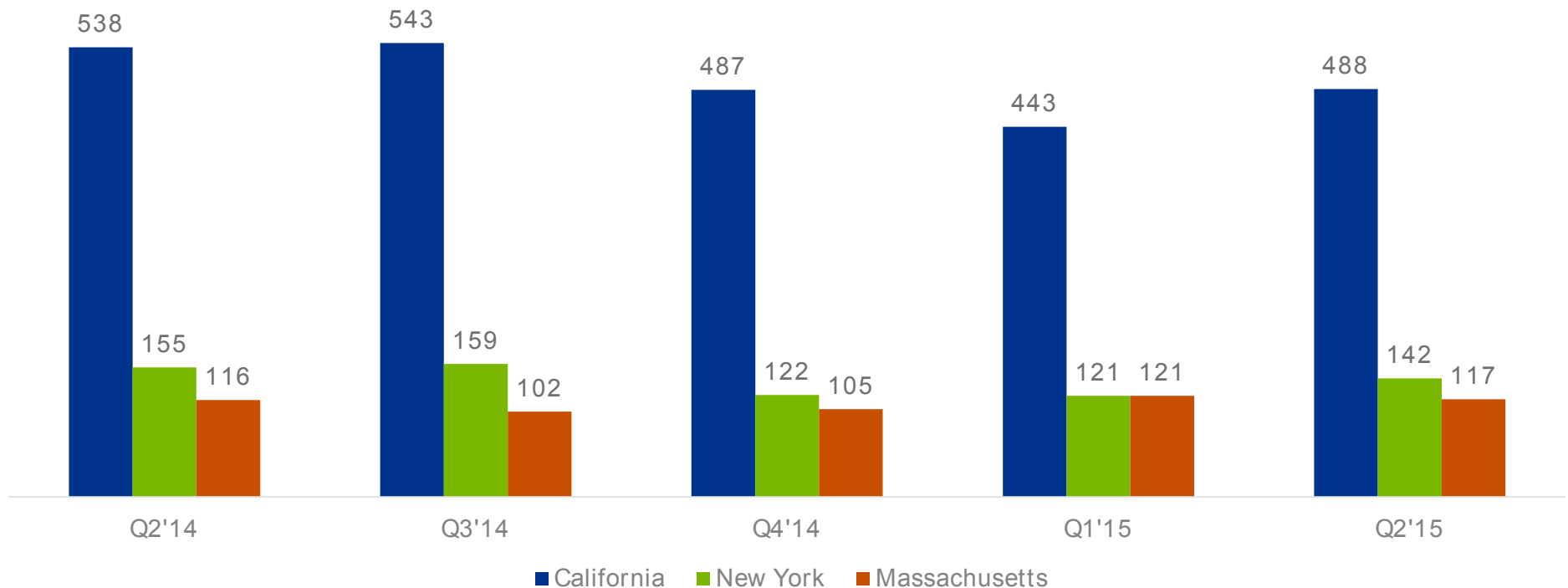
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CALIFORNIA CONTINUES TO DOMINATE DEALS INTO VC-BACKED COMPANIES

While activity in California has slowed down, deals continue to top 400 per quarter and account for more than Massachusetts and New York combined. New York has now outpaced Massachusetts in 4 of the last 5 quarters, with the exception of Q1'15 when the states had the same number of deals.

Quarterly Deal Activity to VC-Backed Companies CA vs. NY vs. MA, Q2'14 - Q2'15



Source: Data provided by CB Insights, July 23, 2015

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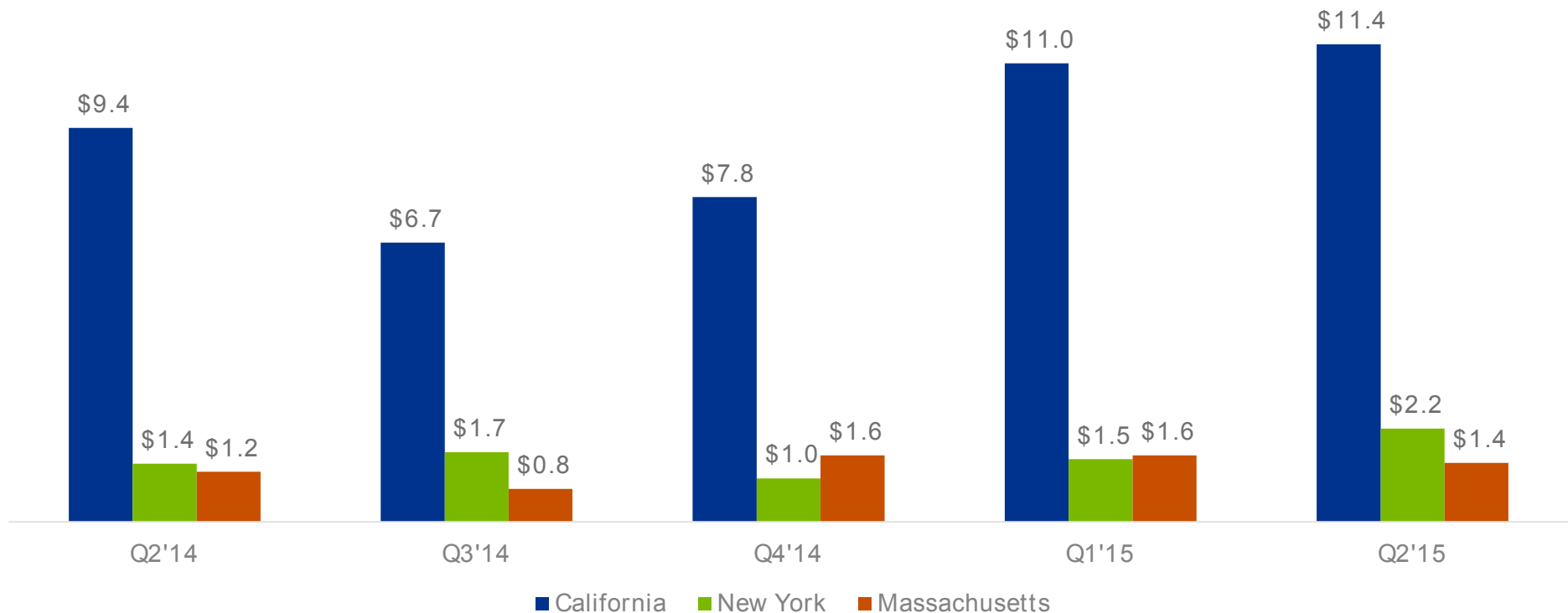
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CALIFORNIA SEES BACK-TO-BACK QUARTERS OF \$11B+ INVESTMENT

California saw \$11.4B invested in Q2'15, more than 5x the amount invested in New York. Q3'14 was the lowest point for California investment in the last 5 quarters with only \$6.7B of financing, despite a high in deal activity. After two quarters of Massachusetts beating NY, NY total funding topped MA in Q2'15 with \$2.2B invested, driven by large deals to WeWork and Oscar Health Insurance.

Quarterly Investment Activity to VC-Backed Companies \$B, CA vs. NY vs. MA, Q2'14 - Q2'15



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“I think there is still a view that you are able to get better funding at a higher valuation in California, New York and Massachusetts. They have strong ecosystems and serial entrepreneurs who aren’t necessarily going to move.”

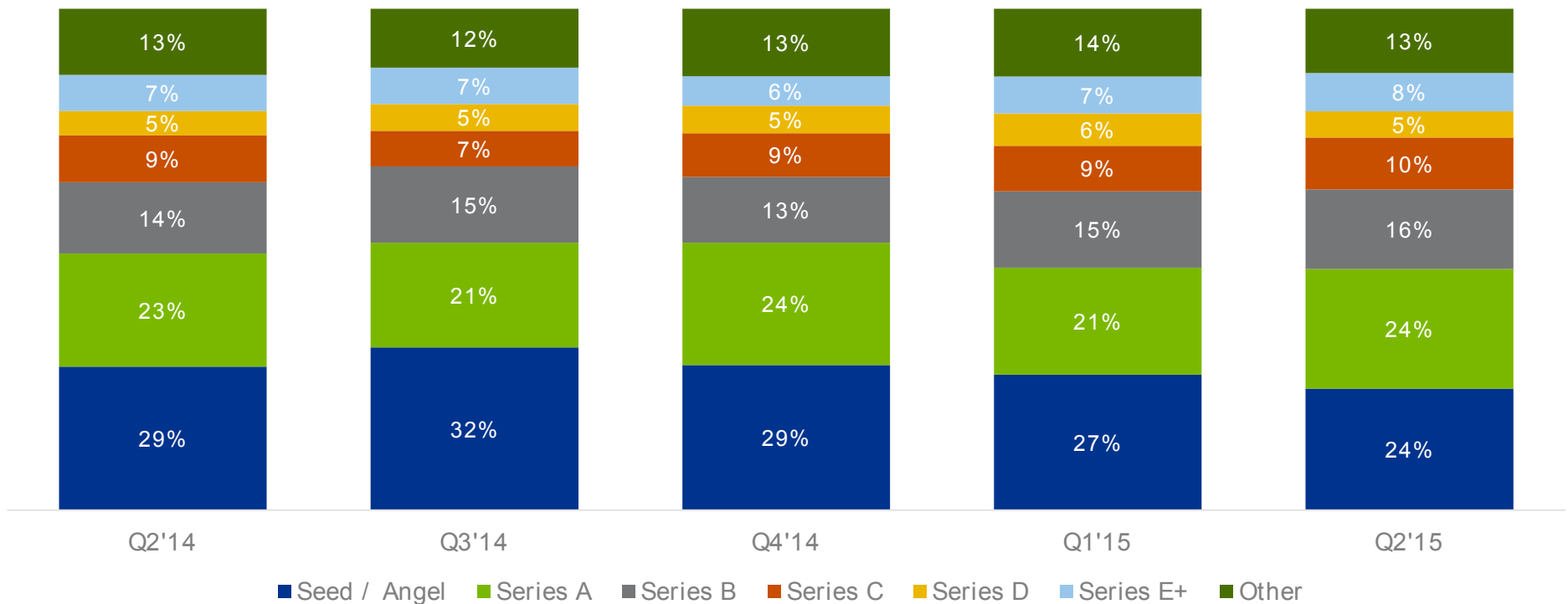


Conor Moore
*National Co-Lead Partner
KPMG Venture Capital
KPMG in the US*

SEED DEAL SHARE DECREASES FOR THIRD STRAIGHT QUARTER IN THE US

Seed stage investments took less than a fourth of all deals to VC-backed companies in the US in Q2'15, dropping to a five-quarter low of 24%. Conversely, mid-stage (Series B - Series C) deal share reached a five-quarter high, accounting for 26% of all deals to US-based VC-backed companies.

Quarterly US Deal Share by Stage Q2'14 - Q2'15



Source: Data provided by CB Insights, July 23, 2015

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

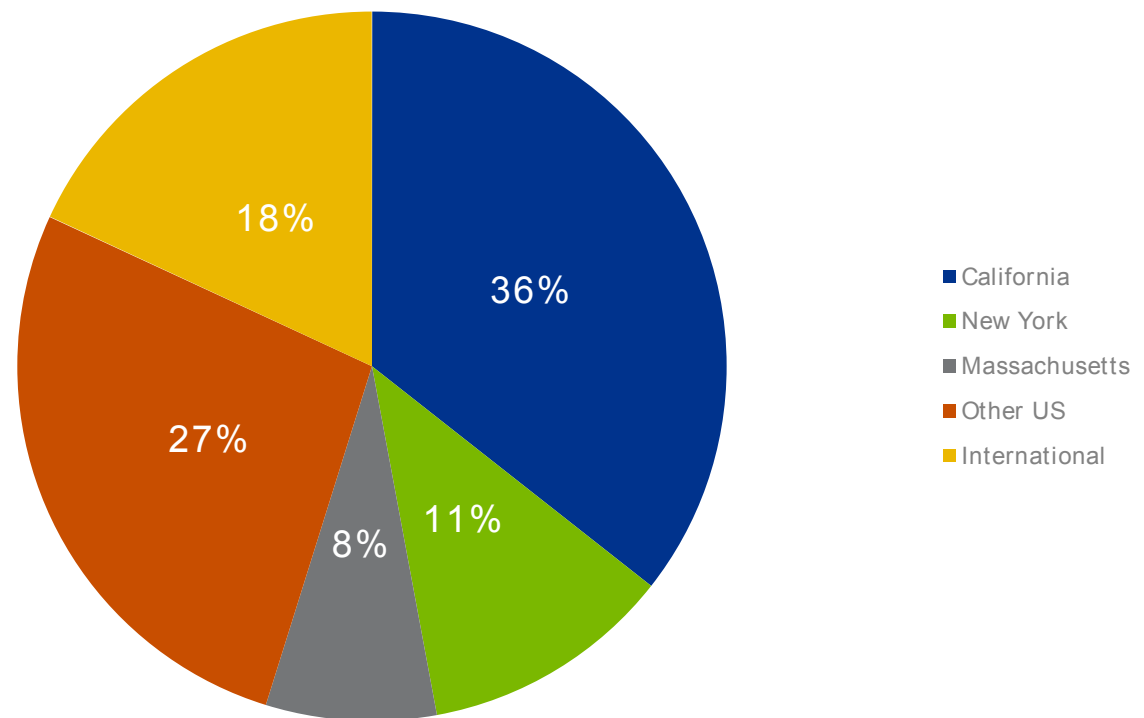
Of all VCs that participated in a US investment in Q2'15, 55% were based in either California, New York, or Massachusetts.

California led all states with 36% of all active VCs calling The Golden State home, while Illinois, Texas, and Michigan led the other VC states.

Investors from the UK and Israel were most prevalent among international VCs.

HQ of VCs Investing in US Companies

As % of all VCs investing in US-based companies in Q2'15



Source: Data provided by CB Insights, July 23, 2015

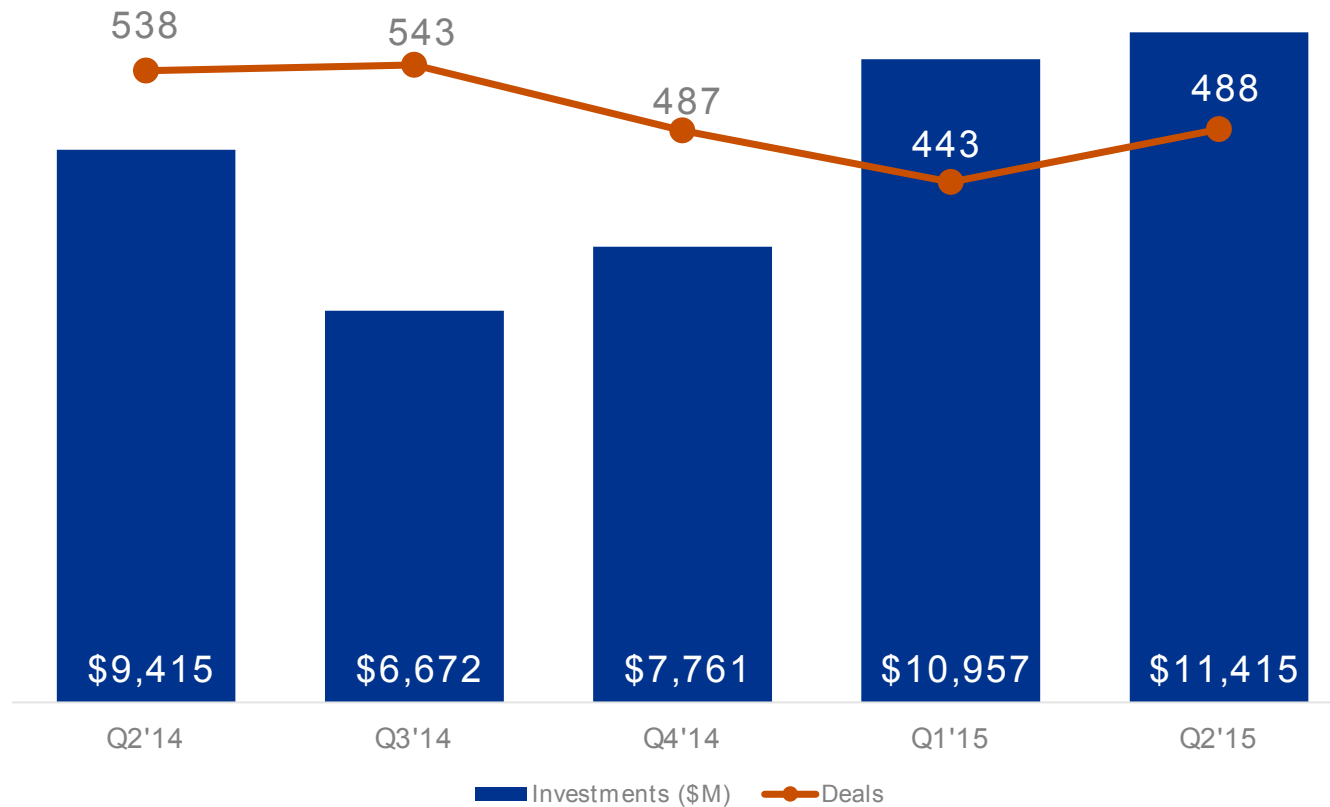
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CALIFORNIA VENTURE-BACKED INVESTMENT ACTIVITY

Top Deals & Cities, Q2'15

California Investment Activity

VC-Backed Companies, Q2'14 - Q2'15



Top Deals

AirBnB

\$1.5B // Growth Equity

Zenefits

\$500M // Series C

Wish

\$500M // Series C

Top Cities

San Francisco

165 Deals // \$6.08B

Palo Alto

26 Deals // \$306.2M

Redwood City

25 Deals // \$532.7M

Source: Data provided by CB Insights, July 23, 2015

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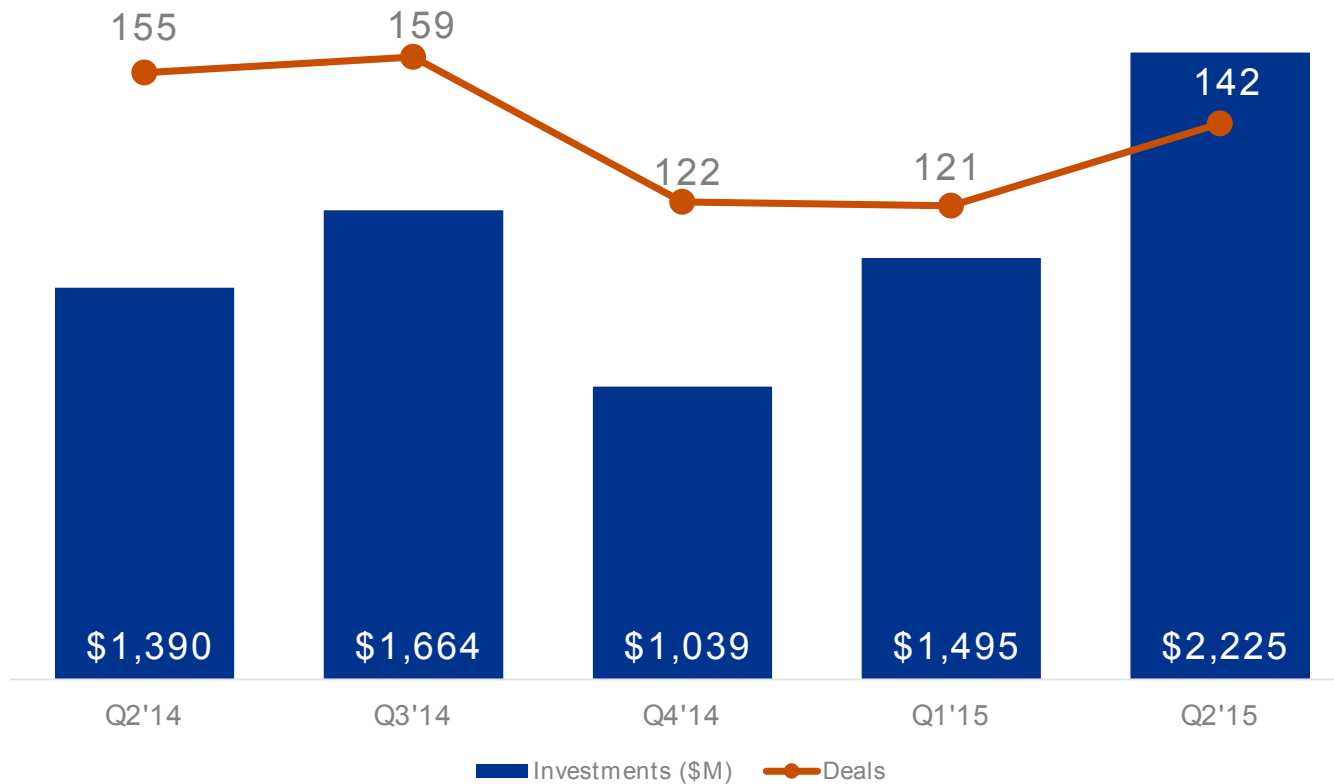


NEW YORK VENTURE-BACKED INVESTMENT ACTIVITY

Top Deals & Cities, Q2'15

New York Investment Activity

VC-Backed Companies, Q2'14 - Q2'15



Top Deals

WeWork

\$433.9M // Series E

Oscar Health Insurance

\$145M // Series B

Blue Apron

\$135M // Series D

Top Cities

New York

128 Deals // \$2.1B

Source: Data provided by CB Insights, July 23, 2015

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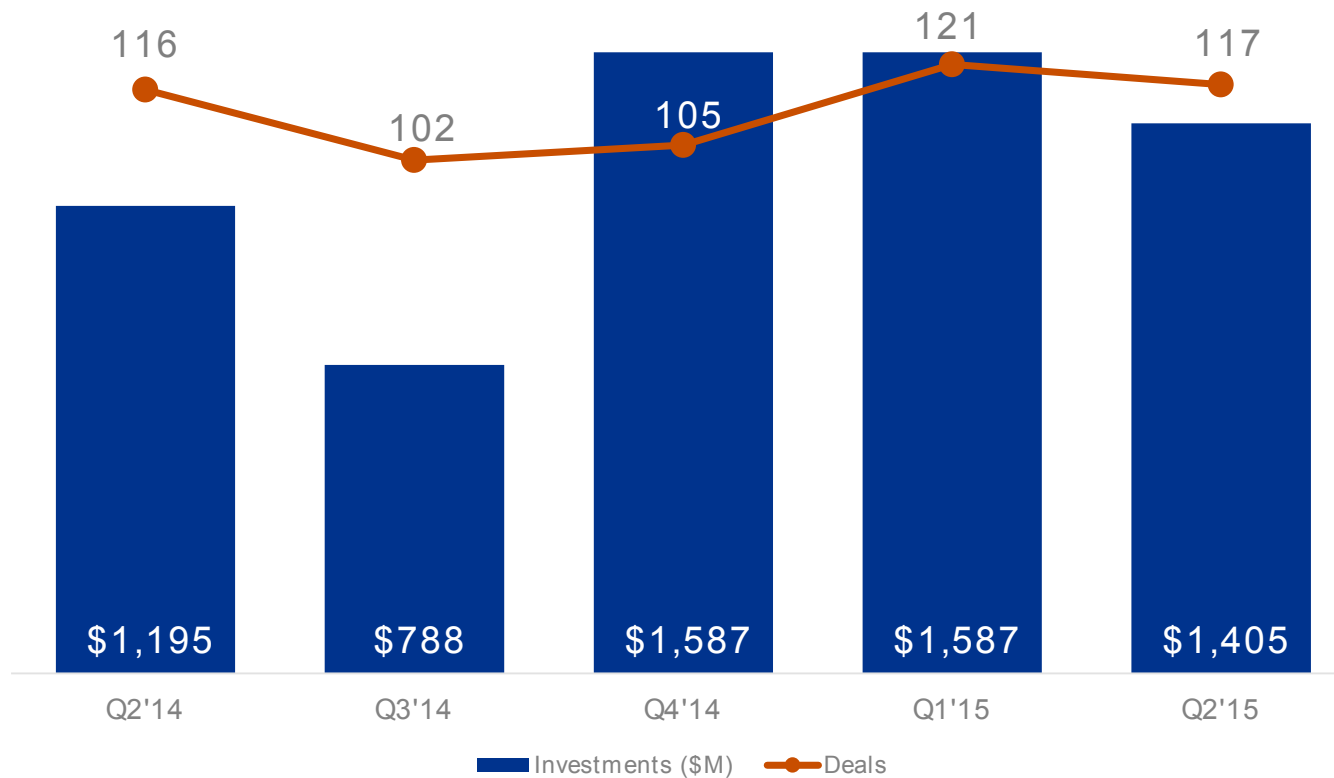


MASS VENTURE-BACKED INVESTMENT ACTIVITY

Top Deals & Cities, Q2'15

Massachusetts Investment Activity

VC-Backed Companies, Q2'14 - Q2'15



Top Deals

Unum Therapeutics

\$65M // Series B

Dimension Therapeutics

\$65M // Series B

Voyager Therapeutics

\$60M // Series B

Top Cities

Boston

36 Deals // \$255.3M

Cambridge

27 Deals // \$493.3M

Burlington

6 Deals // \$35.9M

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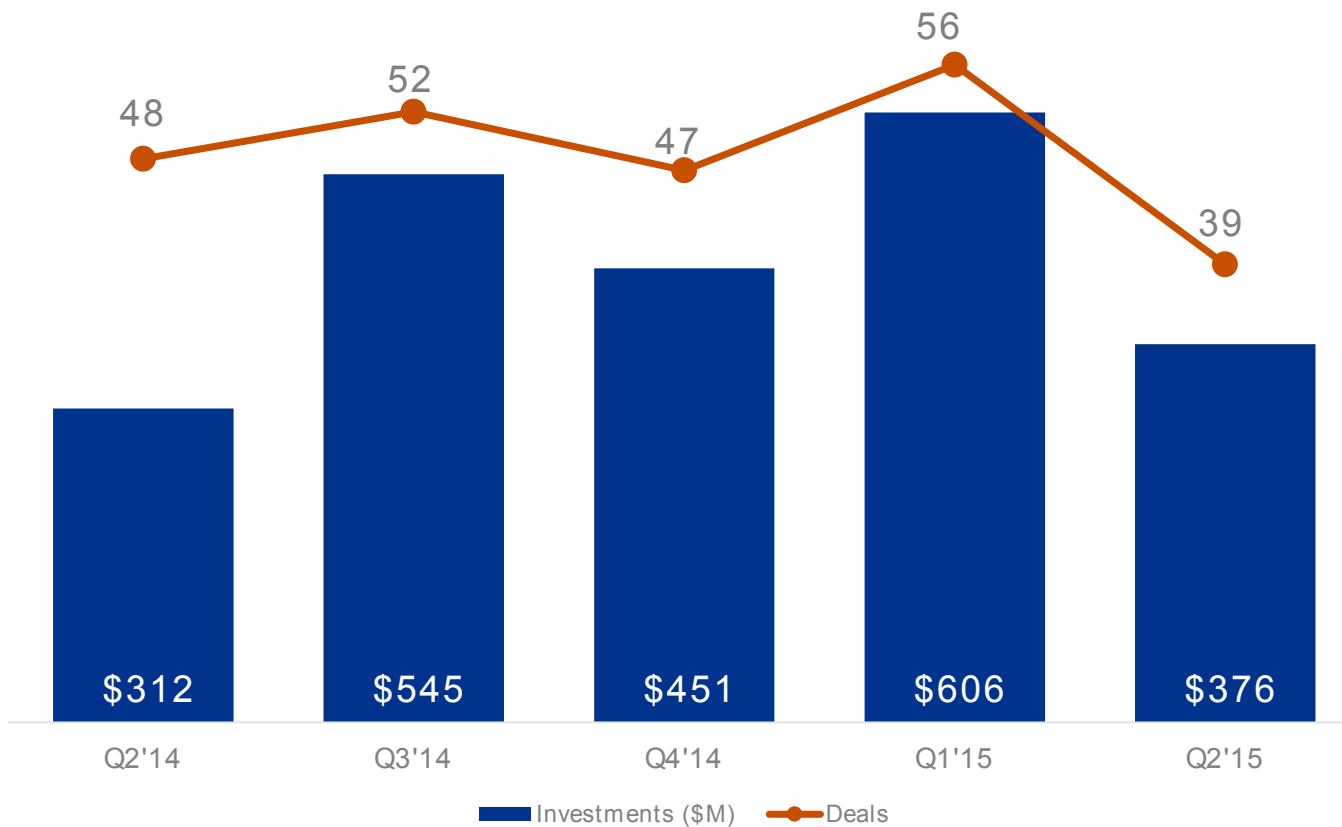
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TEXAS VENTURE-BACKED INVESTMENT ACTIVITY

Top Deals & Cities, Q2'15

Texas Investment Activity
VC-Backed Companies, Q2'14 - Q2'15



Top Deals

OneSource Virtual
\$150M // Growth Equity

Mirna Therapeutics
\$41.8M // Series D

TabbedOut
\$21.5M // Series C

Top Cities

Austin
28 Deals // \$177.6M

Houston
3 Deals // \$25M

Irving
2 Deals // \$152.5M

Source: Data provided by CB Insights, July 23, 2015

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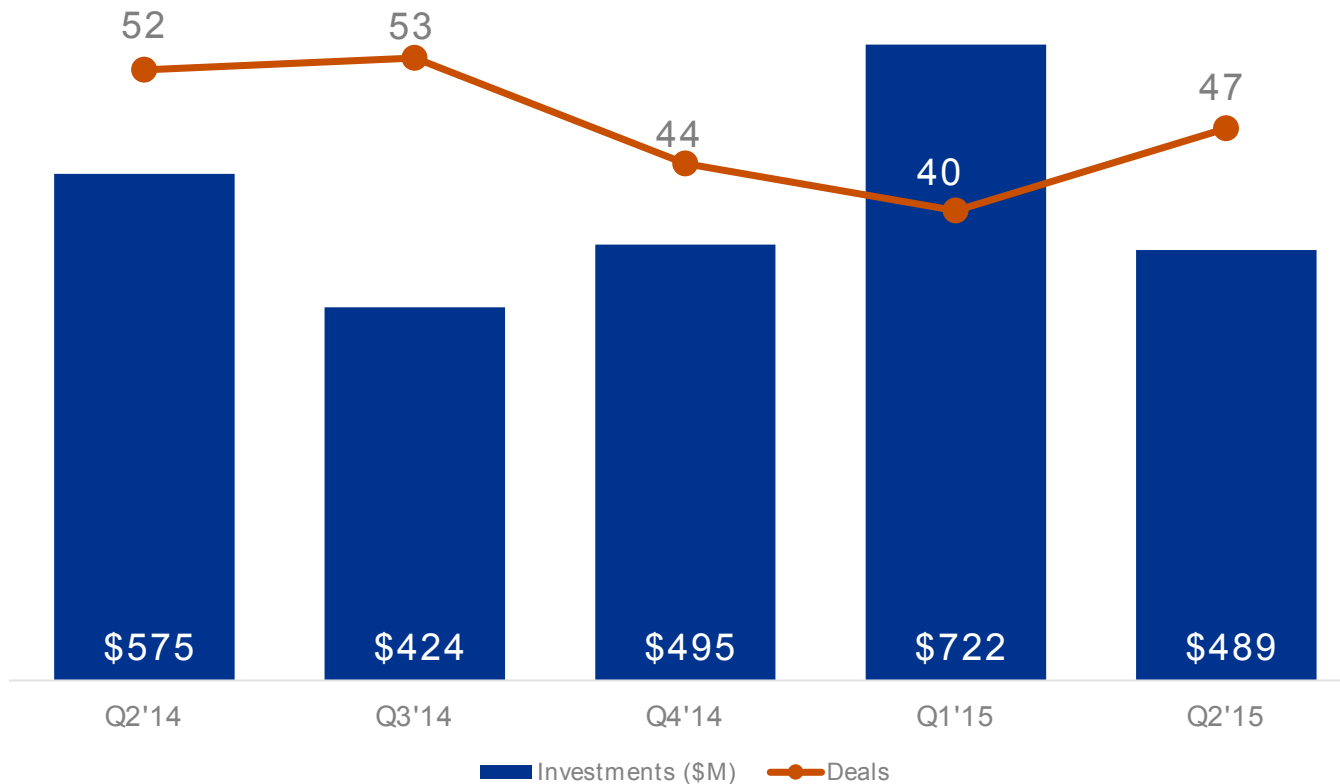


PACIFIC-NW VENTURE-BACKED INVESTMENT ACTIVITY

Top Deals & Cities, Q2'15

Pacific Northwest Investment Activity

VC-Backed Companies, Q2'14 - Q2'15



Top Deals

Adaptive Biotech

\$195M // Series F

Immunexpress Group

\$40M // Series B

Modumetal

\$26.65M // Series D

Top Cities

Seattle

25 Deals // \$375.3M

Portland

12 Deals // \$40.2M

Bellevue

4 Deals // \$36.8M

Source: Data provided by CB Insights, July 23, 2015

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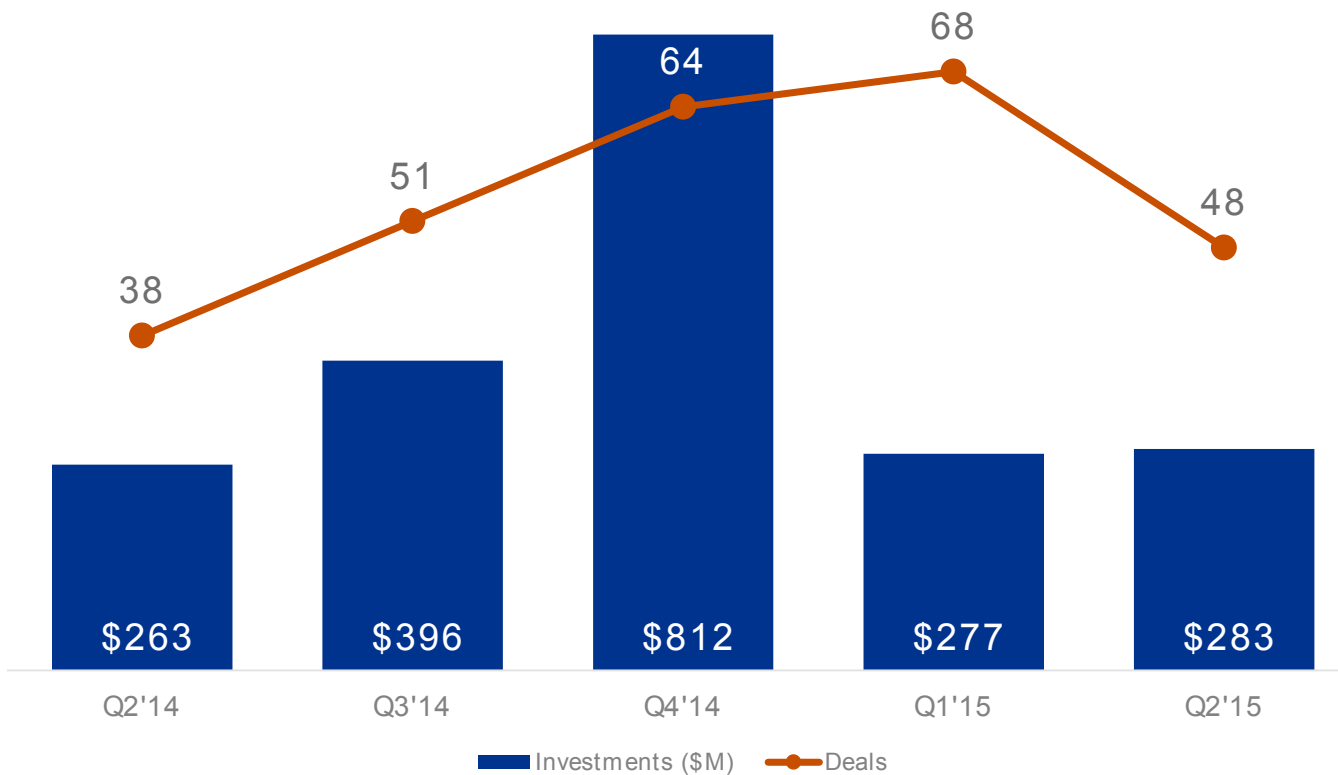


CANADA VC-BACKED INVESTMENT ACTIVITY

Top Deals & Cities, Q2'15

Canada Investment Activity

VC-Backed Companies, Q2'14 - Q2'15



Top Deals

Real Matters

\$60M // Growth Equity

VarageSale

\$34M // Series B

Profound Medical

\$24M // Series C

Top Cities

Toronto

13 Deals // \$81.22M

Montreal

13 Deals // \$40.99M

Vancouver

7 Deals // \$11.25M

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In Q2 2015

EUROPEAN

VC-backed companies raised more than

\$3 billion

Europe Experiences Funding Spike

In Europe, funding rose dramatically during the first half of 2015, with European venture capital investment reaching \$6.6 billion during H1 2015. The second quarter also saw a significant rise in late-stage mega-deals, with the average deal size increasing from \$26.3 million in Q1'15 to \$52.2 million in Q2'15.

Increase in Corporate Investing

Corporates participated in 22% of European deals to VC backed financings during Q2'15, an increase over Q1'15 where participation was just 17%. Overall we continue to see strong participation by VC arms of large corporations, who are investing in technology companies with the aim of expanding their own innovation and staying ahead of the curve. Many corporates are looking for mechanisms to participate in co-creation corporate models that include start-ups.

Focus on Strengthening Ecosystems

Over the past year, there has been greater effort in Europe to foster ecosystems that create the conditions for technology companies to thrive. Many of these communities are working to duplicate the model they have seen on the west coast of the US. London, for example, has developed a stronger start-up community, with impacts flowing across the UK. Other countries are also finding ways to accelerate the development of thriving start-ups – activities that are achieving results. During the first quarter of 2015, 120 million euros were deployed by VCs in Ireland, a significant amount given its small market size.

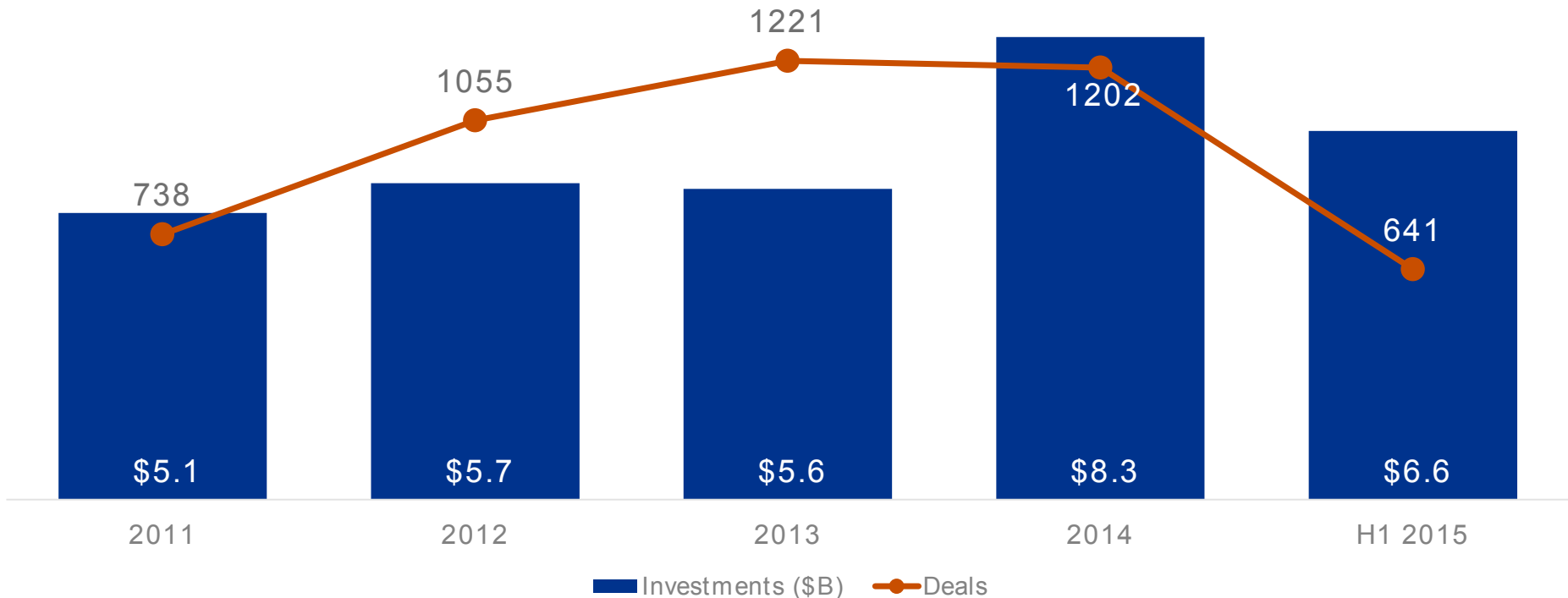
Ripple Effect of Foreign VC Investment

Valuations of technology companies in Europe are on the rise, however they remain considerably lower than valuations of companies in the US and Asia. However, the lower valuations have had a positive outcome: companies are becoming increasingly attractive to foreign investors. US VC firms in particular are becoming more active players in the European VC market. The success of some of these US VC firms has created a ripple effect, encouraging other foreign VC firms to consider making their own investments.

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

VC-backed companies in Europe saw funding spike to \$6.6B in H1'15 across 641 deals. Nine-figure growth rounds including those to Spotify, Delivery Hero and Funding Circle contributed to the funding spike.

European Annual Financing Trends to VC-Backed Companies 2011 - H1 2015



Source: Data provided by CB Insights, July 23, 2015

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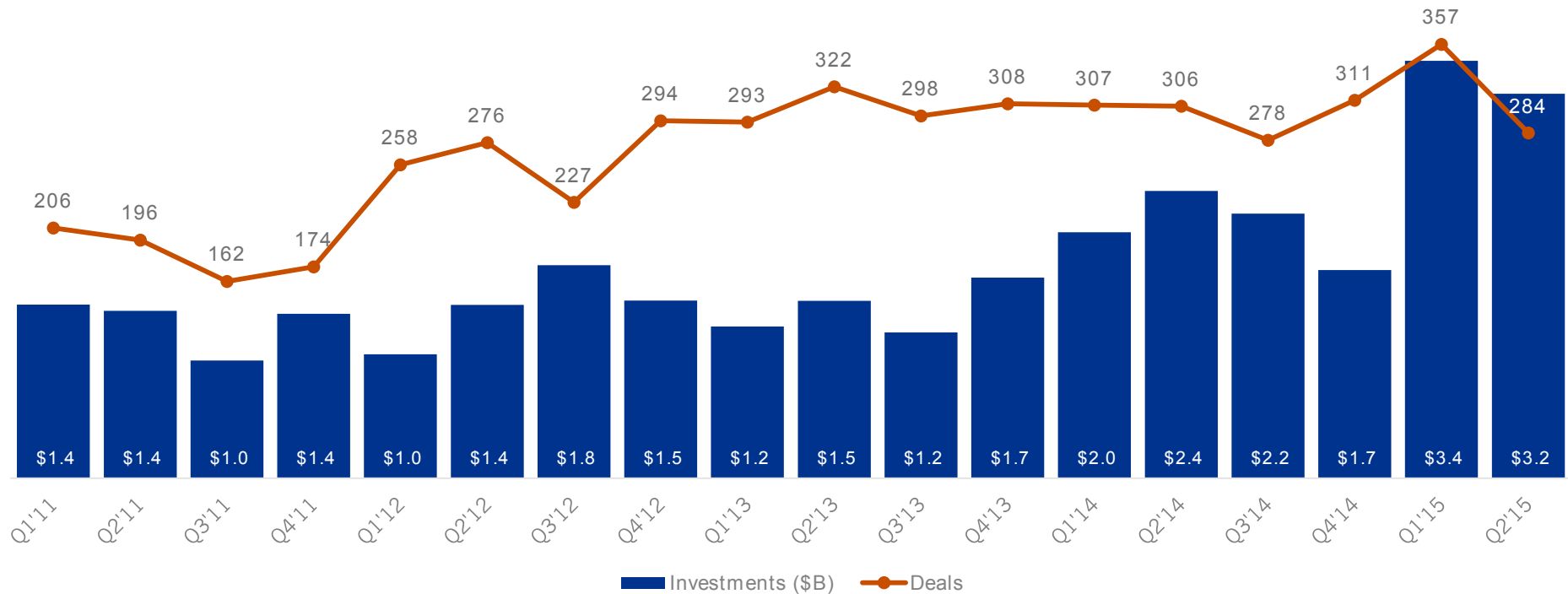
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NEW NORMAL? QUARTERLY FUNDING TO VC-BACKED COMPANIES IN EUROPE HITS \$3B+ IN 2015

In Q1'15, funding to VC-backed European firms doubled the prior quarter's total. Funding stayed above \$3B in Q2'15. Quarterly deal activity in Europe hit a four-year high in Q1'15 at 357 deals before falling 20% in Q2'15 to 284 deals.

European Quarterly Financing Trends to VC-Backed Companies Q1'11 - Q2'15



Source: Data provided by CB Insights, July 23, 2015

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“There has been a lot more interest in the European startup scene recently. For example London has a strong startup community and culture and this has rippled out across the UK. So you have Tech networks and communities that are eager to accelerate and support start-ups and mirror the good work that has taken place on the US West Coast for a number of years.”

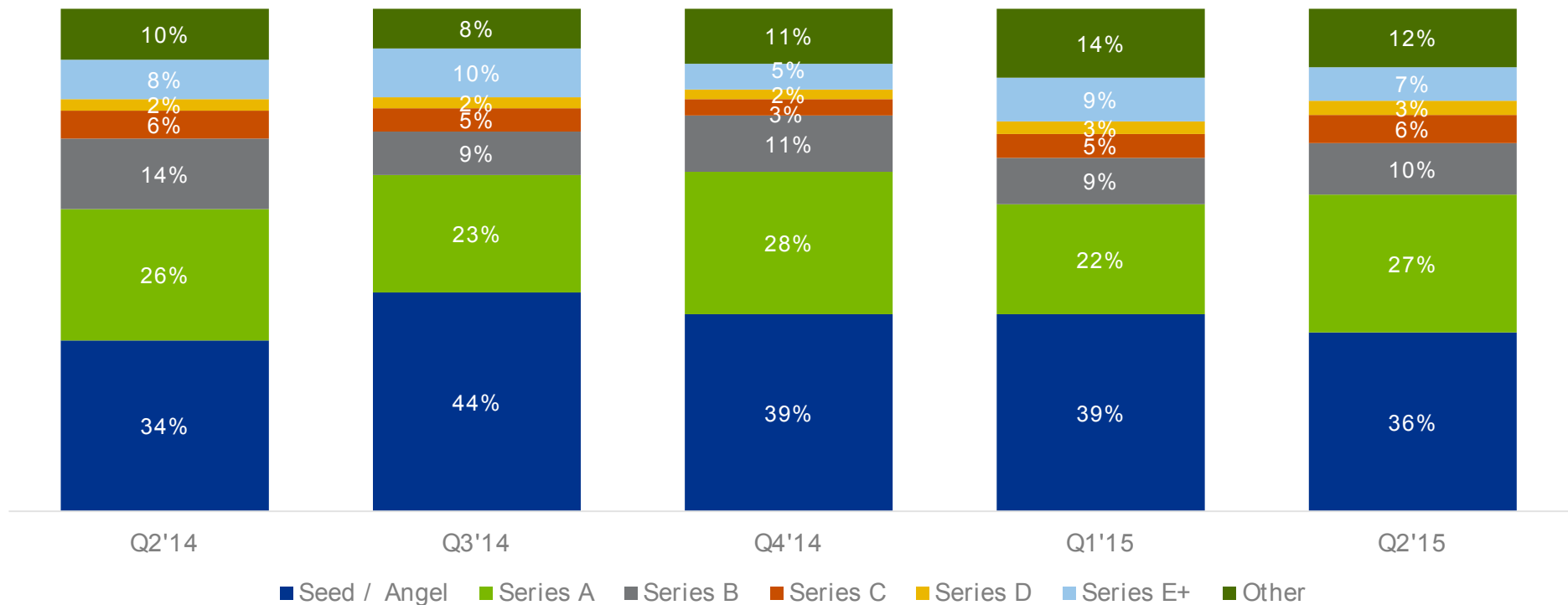


Barry Carter
*Head of Technology in Deal
Advisory, EMA region,
KPMG International and Partner,
KPMG in the UK*

EUROPEAN SEED DEAL SHARE FALLS TO FOUR-QUARTER LOW IN Q2'15

Seed deal share in Europe dropped to 36%, as Series A deals rose to take 27% of all financing deals in Europe in Q2'15. Late-stage deal share (Series D+) was range-bound at 10%.

European Quarterly Deal Share by Stage Q2'14 - Q2'15



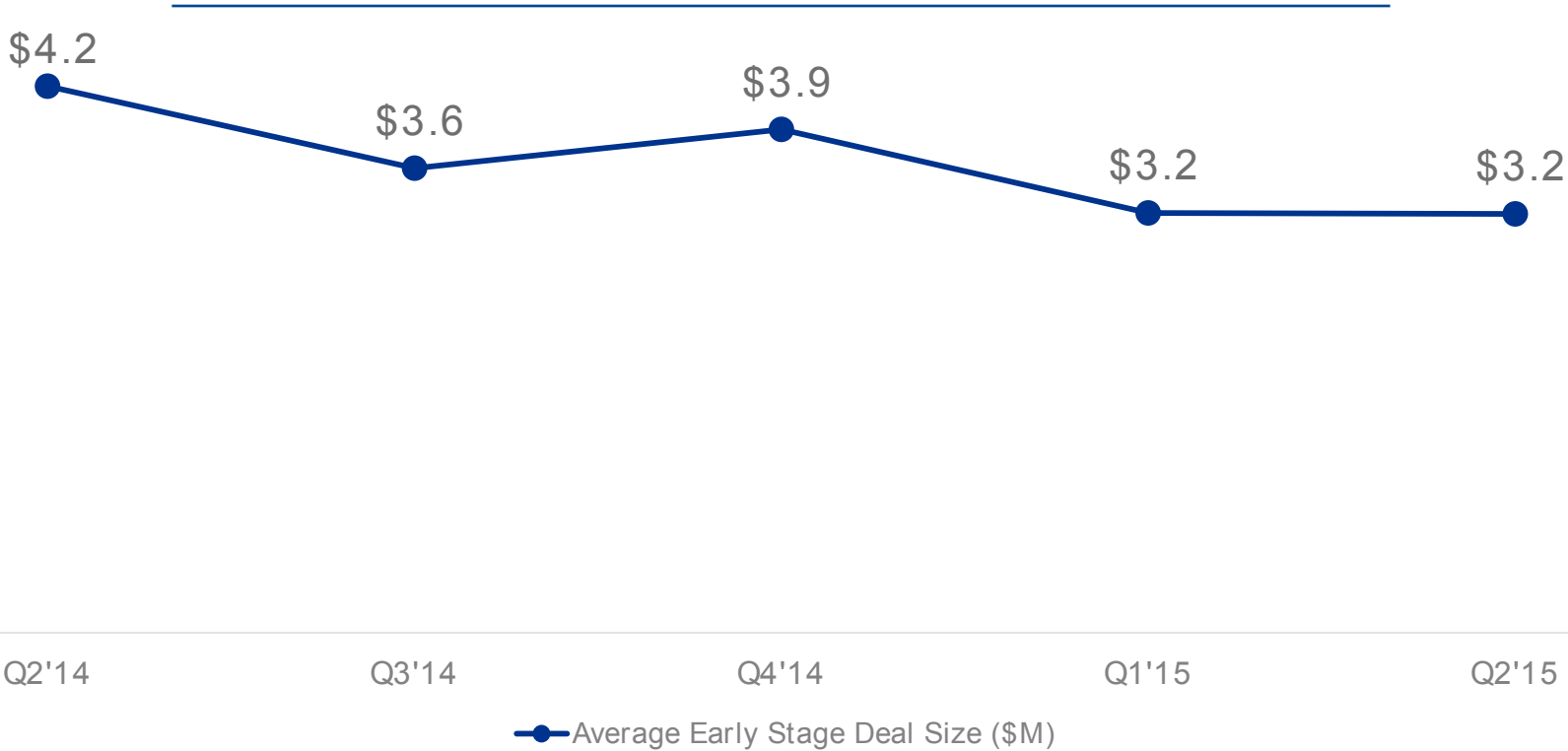
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EUROPEAN EARLY-STAGE DEAL SIZES SEE DROP OFF IN 2015

Despite a rise in Series A deal share, overall early-stage deal sizes in Europe matched a five-quarter low at \$3.2M in Q2'15. In the same quarter a year prior, Europe's average early-stage deal size stood at \$4.2M.

European Early-Stage Deal Size Q2'14 - Q2'15



Source: Data provided by CB Insights, July 23, 2015

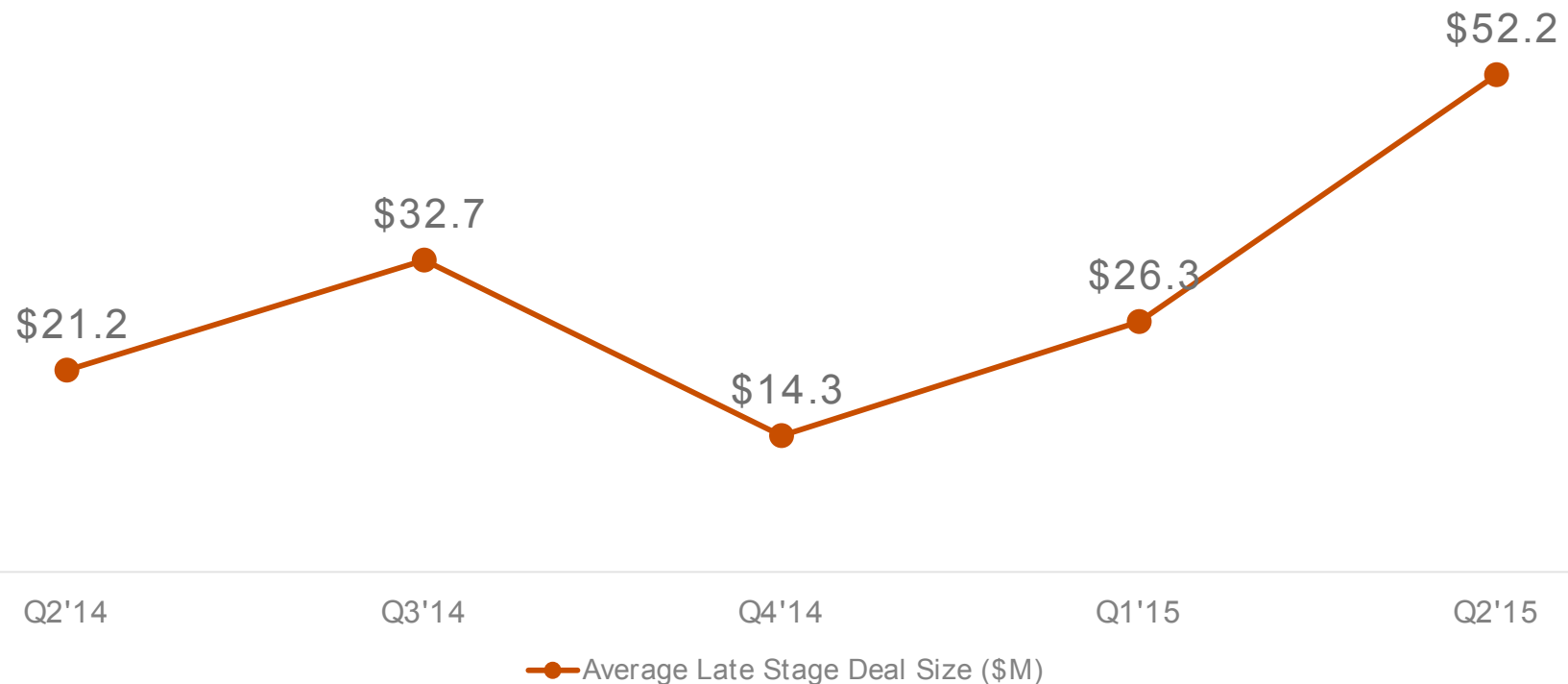
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MEGA-DEALS SPUR EXPLOSION IN EUROPE LATE-STAGE DEAL SIZES

Late-stage European deal sizes soared to new heights in Q2'15, hitting an average of \$52.2M. In the same quarter last year, average late-stage deal sizes to VC-backed European companies stood at \$21.2M. The presence of four \$100M+ European tech financings contributed to the spike in late-stage deal sizes.

European Late-Stage Deal Size

Q2'14 - Q2'15



Source: Data provided by CB Insights, July 23, 2015

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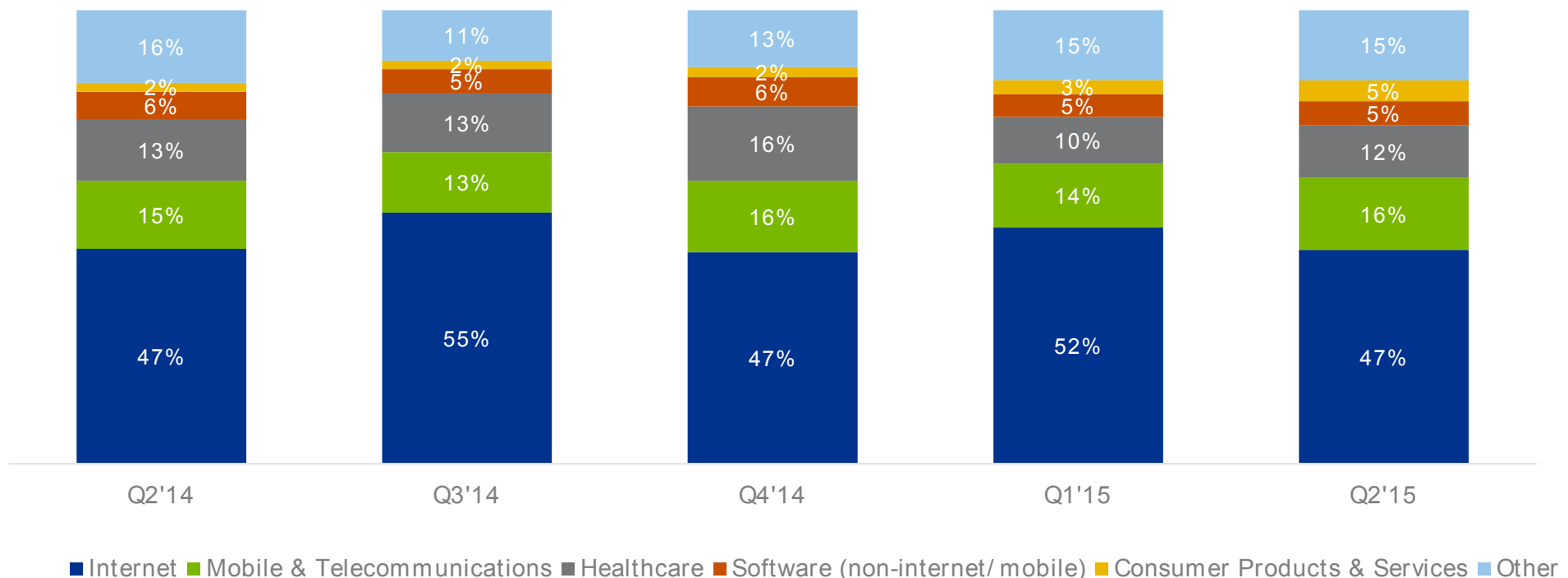
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INTERNET AND MOBILE TAKE 63% OF ALL EUROPE VC-BACKED FINANCINGS

Tech continues to dominate the European VC investment landscape in 2015, as Internet and mobile deals took 63% of all deals to European VC-backed companies in Q2'15. Healthcare VC deal share in Europe was up slightly, accounting for 12% of all deals versus 10% in Q1'15.

European Quarterly Deal Share by Sector Q2'14 - Q2'15



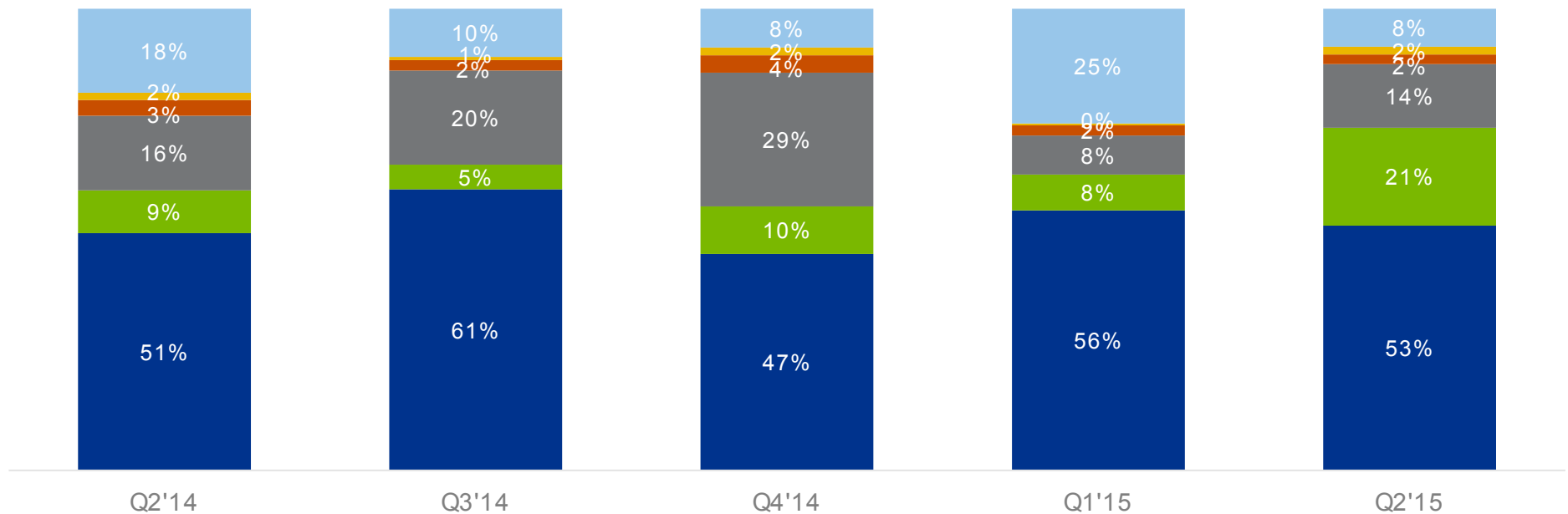
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EUROPEAN MOBILE FUNDING SHARE HITS FIVE-QUARTER HIGH IN Q2'15

Internet investment activity amounted to 53% of all funding to European VC-backed companies in Q2'15. After taking less than 11% of funding share in Q4'14 and Q1'15 each, Mobile funding share grew to 21% in Q2'15.

European Quarterly Dollar Share by Sector Q2'14 - Q2'15



■ Internet ■ Mobile & Telecommunications ■ Healthcare ■ Software (non-internet/mobile) ■ Consumer Products & Services ■ Other

Source: Data provided by CB Insights, July 23, 2015

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SIX LARGEST EU ROUNDS OF Q2'15 TOTAL MORE THAN \$1.5B, OVER 1/5TH OF TOTAL FUNDING IN 2015 TO DATE



On-demand digital music service

\$526 million

Series G



Plans to provide low-cost global internet access via over 600 satellites

\$500 million

Corporate Minority



Small business lending platform

\$150 million

Series E



Developing antibiotics for the treatment of serious infections caused by multi-drug resistant pathogens

\$120 million

Series B



Worldwide network of online food ordering sites

\$110 million

Series H



Online food ordering platform

\$100 million

Series E

THE NEXT SIX LARGEST EU ROUNDS OF Q2'15 REPRESENT MORE THAN \$370M IN TOTAL FUNDING



Clinical development of Alkaline Phosphatase to treat severe conditions related to inflammation

\$87.5 million

Corporate Minority



Online business review community

\$73.5 million

Series D



Developing a breakthrough gene-editing technology

\$64 million

Series B



Digital music distributor for artists and labels

\$60 million

Growth Equity



Wind turbine financing provider

\$45.53 million

Private Equity



Online marketplace for housing accommodations with the service of a hotel

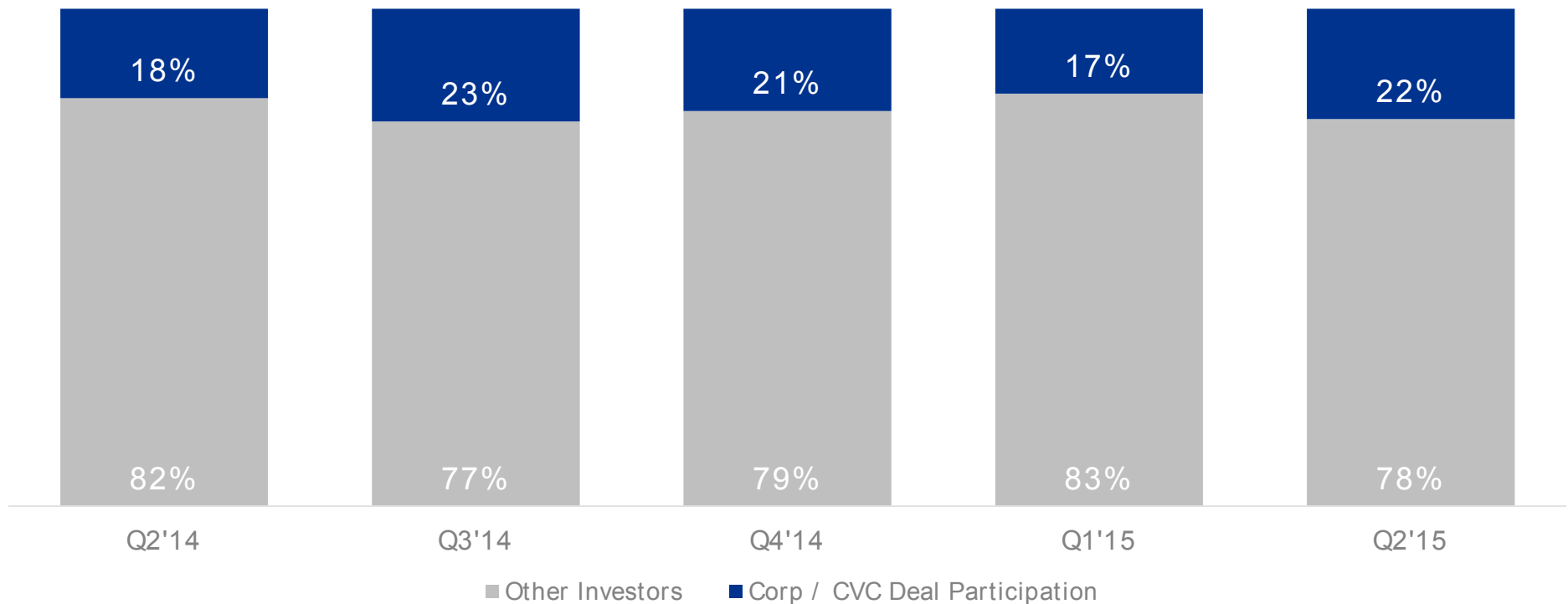
\$40 million

Series D

CORPORATE VCS PARTICIPATE IN MORE THAN ONE OF EVERY FIVE EUROPEAN DEALS

Corporate venture capital investors participated in 22% of all European deals to VC-backed companies in Q2'15. That's up from Q1'15 when CVCs participated in just 17% of all deals to European VC-backed companies.

CVC Participation in European Deals to VC-Backed Companies Q2'14 - Q2'15



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HIGH-TECH GRUENDERFONDS IS MOST ACTIVE VC INVESTOR IN EUROPE IN Q2'15

No investor was more active in Q2'15 than High-Tech Gruenderfonds. The Germany-based VC led all VCs with multiple early-stage bets on Junique, eWings.com, and Cytena, among others. Mercia Fund Management was second, while Earlybird Venture Capital rounded out the top 3.

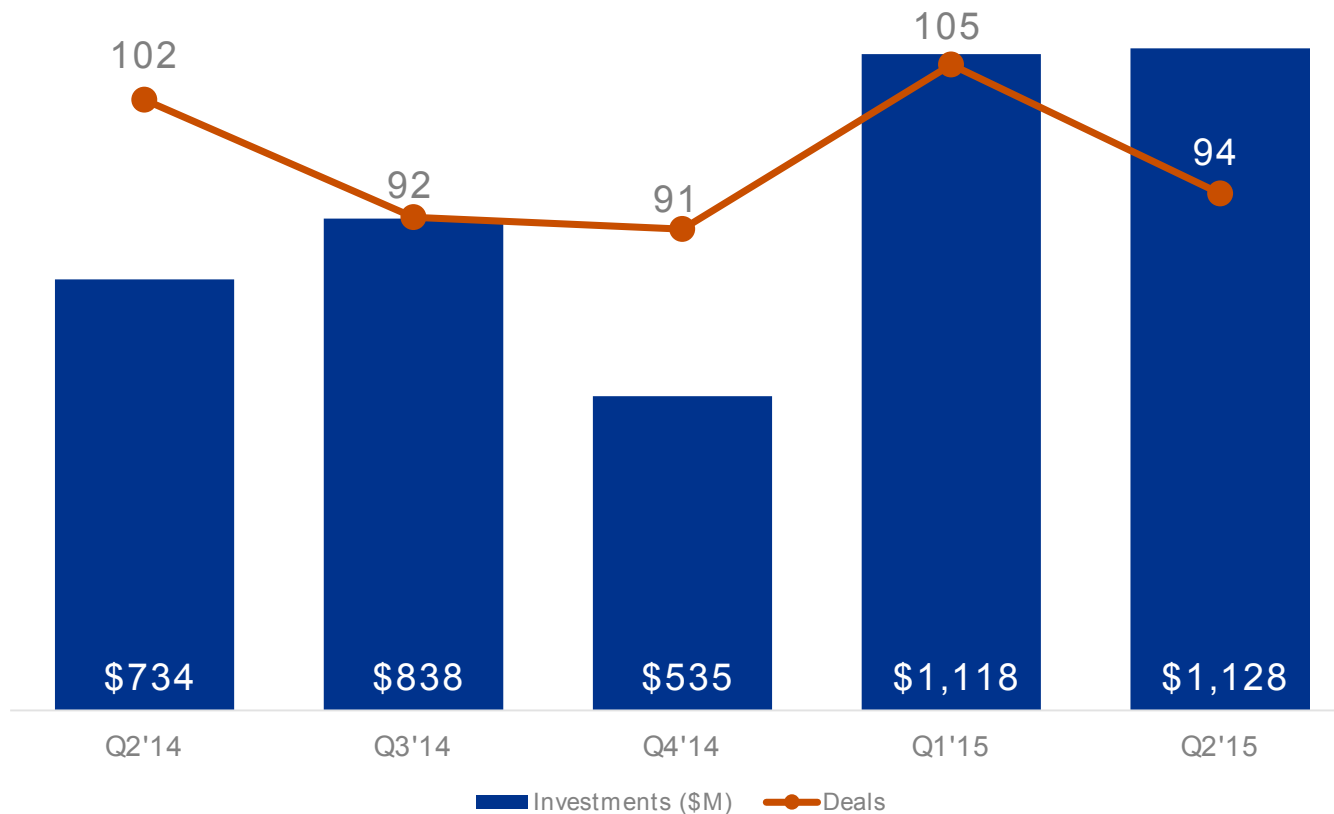
Most Active VC Investors in Europe Q2'15

Rank	Investor	Rank	Investor
1	High-Tech Gruenderfonds	8	Octopus Ventures
2	Mercia Fund Management	8	Point Nine Capital
3	Earlybird Venture Capital	8	Business Growth Fund
4	North West Fund for Biomedical	8	Draper Esprit
5	Northzone Ventures	8	500 Startups
5	Index Ventures	8	TIM Ventures
5	Redalpine Venture Partners	8	Imperial Innovations
8	b-to-v	8	Wellington Partners

UK VC-BACKED INVESTMENT ACTIVITY

Top Deals & Cities, Q2'15

UK Investment Activity VC-Backed Companies, Q2'14 - Q2'15



Top Deals

OneWeb

\$500M // Corp. Minority

Funding Circle

\$150M // Series E

Onfinestay

\$40M // Series D

Top Cities

London

49 Deals // \$351.1M

Brighton

3 Deals // \$23M

Cambridge

3 Deals // \$11.1M

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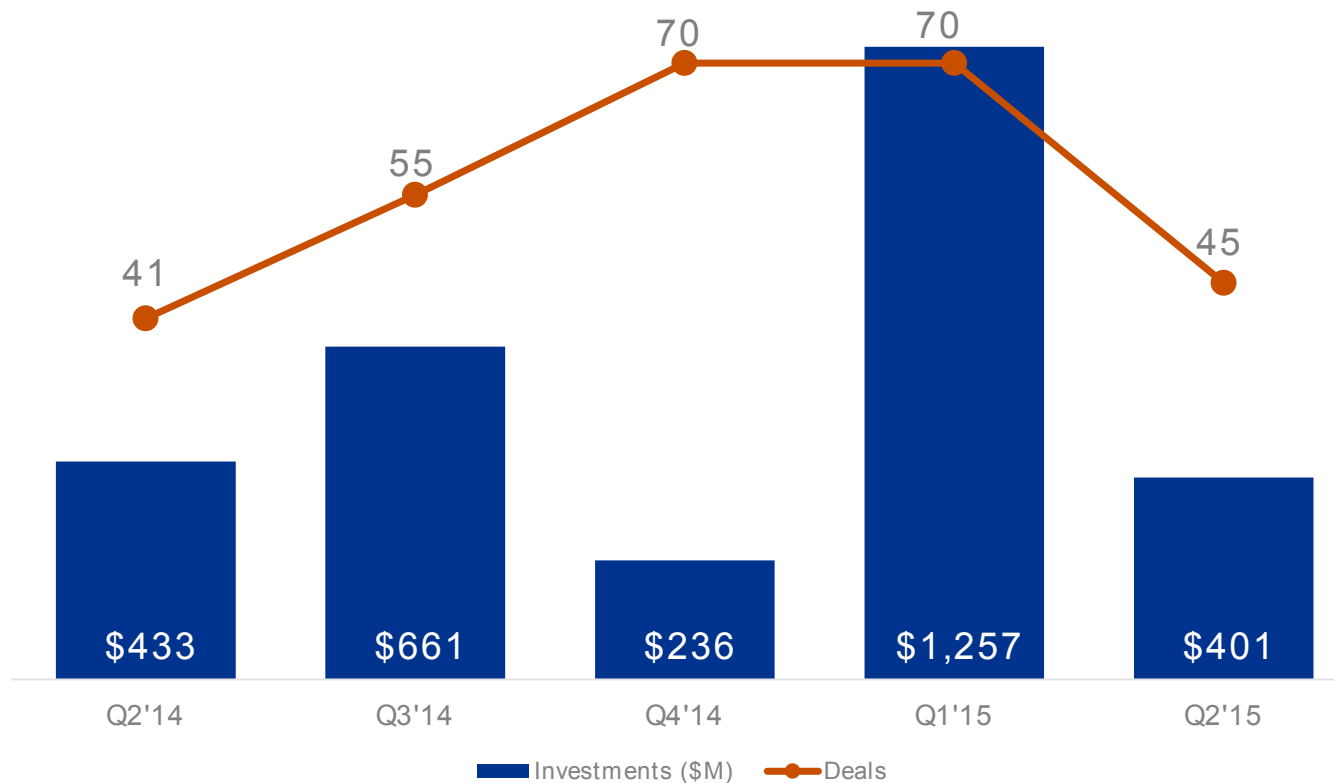


GERMANY VC-BACKED INVESTMENT ACTIVITY

Top Deals & Cities, Q2'15

Germany Investment Activity

VC-Backed Companies, Q2'14 - Q2'15



Top Deals

Delivery Hero

\$110M // Series H

Foodpanda

\$100M // Series E

Westwing Home & Living

\$32.6M // Series E

Top Cities

Berlin

23 Deals // \$296.4M

Munich

4 Deals // \$48.5M

Frankfurt

4 Deals // \$8.2M

Source: Data provided by CB Insights, July 23, 2015

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In Q2 2015

ASIAN

VC-backed companies raised more than

\$10 billion

VC Investment Booming in Asia

VC investment is thriving in Asia. During Q2'15, overall venture capital investment was over \$10 billion dollars, putting Asia on pace for 45% year-over-year growth.

Late-stage deals are also heating up substantially compared to other regions of the world. The average size of late-stage deals in Asia was \$192 million during Q2'15, nearly 270% higher than in Europe during the same period. A key reason for this increased activity could be attributed to the increasing number of Unicorns in Asia as Q2 saw 9 new Unicorns in the region.

Variety of Capital Sources

A significant amount of capital is available for investment in Asia thanks to a variety of sources of capital. Investment is particularly strong on the corporate side, with corporate investors participating in 32% of financing deals to Asian VC backed companies during Q2'15 – an amount higher than in other regions of the world. Many of these corporates are investing in companies they can integrate into their business as a means of driving innovation.

There has also been a significant amount of foreign VC investment from the US and other countries into Asia. China, in particular, is a key target for VC investment. Given the enormous size of the domestic China market, many VCs strongly believe they can't afford not to be there.

Institutional investment by hedge funds and mutual funds is also on the rise. These investors have been very active in

late-stage investing and often bring large dollars to the table. At the other end of the VC spectrum, family offices are making more investments despite being relatively new to the concept of early-stage investing. This is an area that could grow in the future as family offices begin to recognize and achieve value from their investing activities.

Market Factors Supporting Investment in China

The economy in China is going through a transformation, primarily powered by commodity pricing and demand, although favorable government policies are also helping create the right environment for investment. The reality is that profitability has been eroding many companies in China, so there has been a big push to find ways to increase efficiencies. Tech companies are seen as having a major role in this process. As such, they could be a key driver for transforming traditional industries in the country.

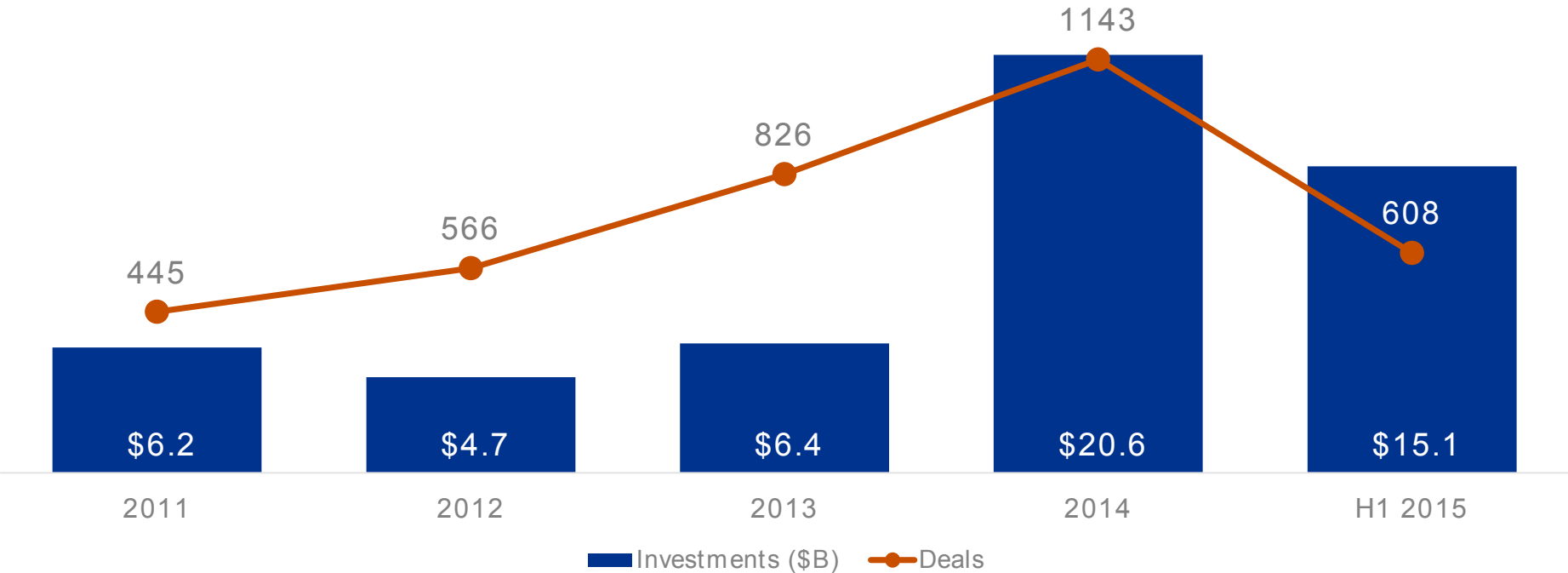
Key Industries for Investment

On an industry level, a number of industries stand out for investment – but one of the most unique might be the Educational Technology Sector (EdTech). Many Asian countries put a very strong emphasis on education and providing their children with the best opportunities they can access. When added to a substantial population base that spans a significant geographical area, in China and India in particular, companies that offer strong educational offerings online may have a strong business case for investment.

H1'15: INVESTORS DEPLOY \$15.1B ACROSS 608 DEALS TO VC-BACKED ASIAN COMPANIES

A mix of traditional VC money mixed with hedge funds, private equity investors and corporates lifted funding levels to over \$15B in the first half of 2015. That is on track for over 45% growth YoY.

Asian Annual Financing Trends to VC-Backed Companies 2011 - H1 2015



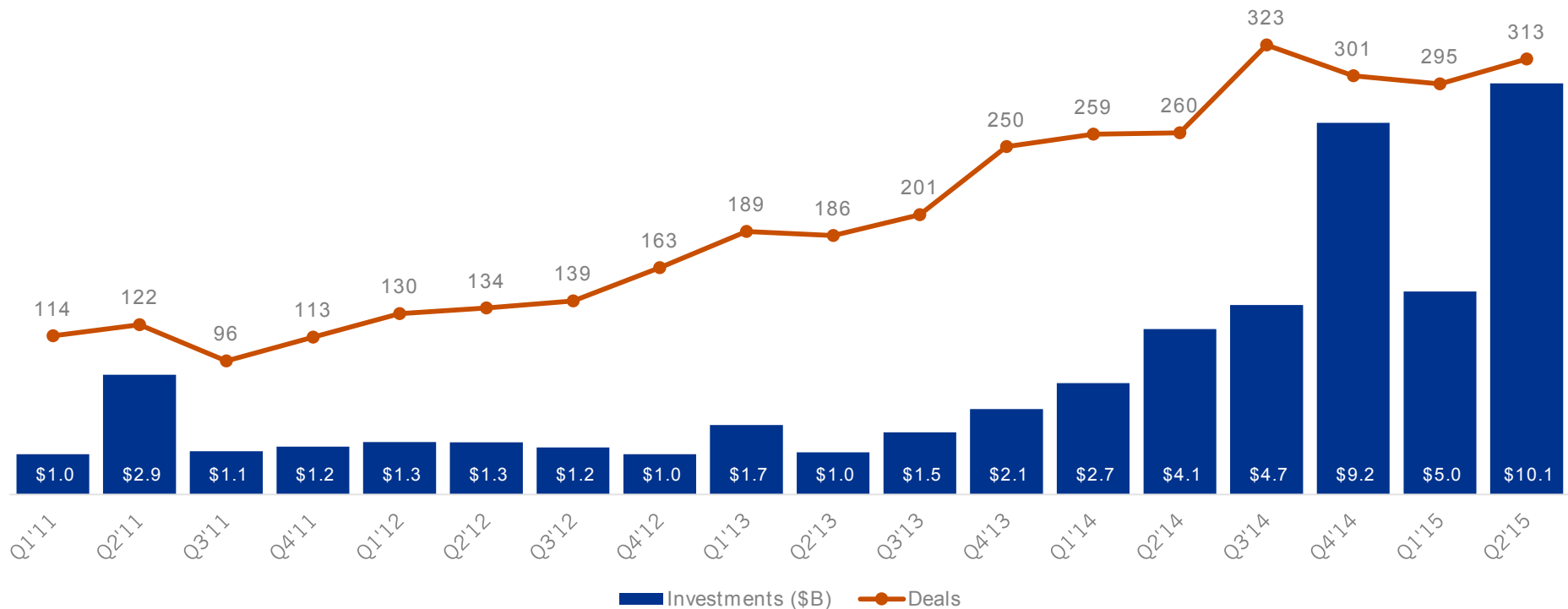
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ASIA INVESTMENT TO VC-BACKED COMPANIES UP 102% QOQ; TOPS \$10B IN Q2'15

In the three months ending in June, Asian VC-backed companies led by firms such as Coupang, Flipkart and Ola raised \$10.1B across 313 deals. Q2'15's funding total was 146% higher than the same quarter a year prior. Coupang's \$1B deal from SoftBank rivaled total quarterly Asian funding figures from just a few years ago.

Asian Quarterly Financing Trends to VC-Backed Companies Q1'11 - Q2'15



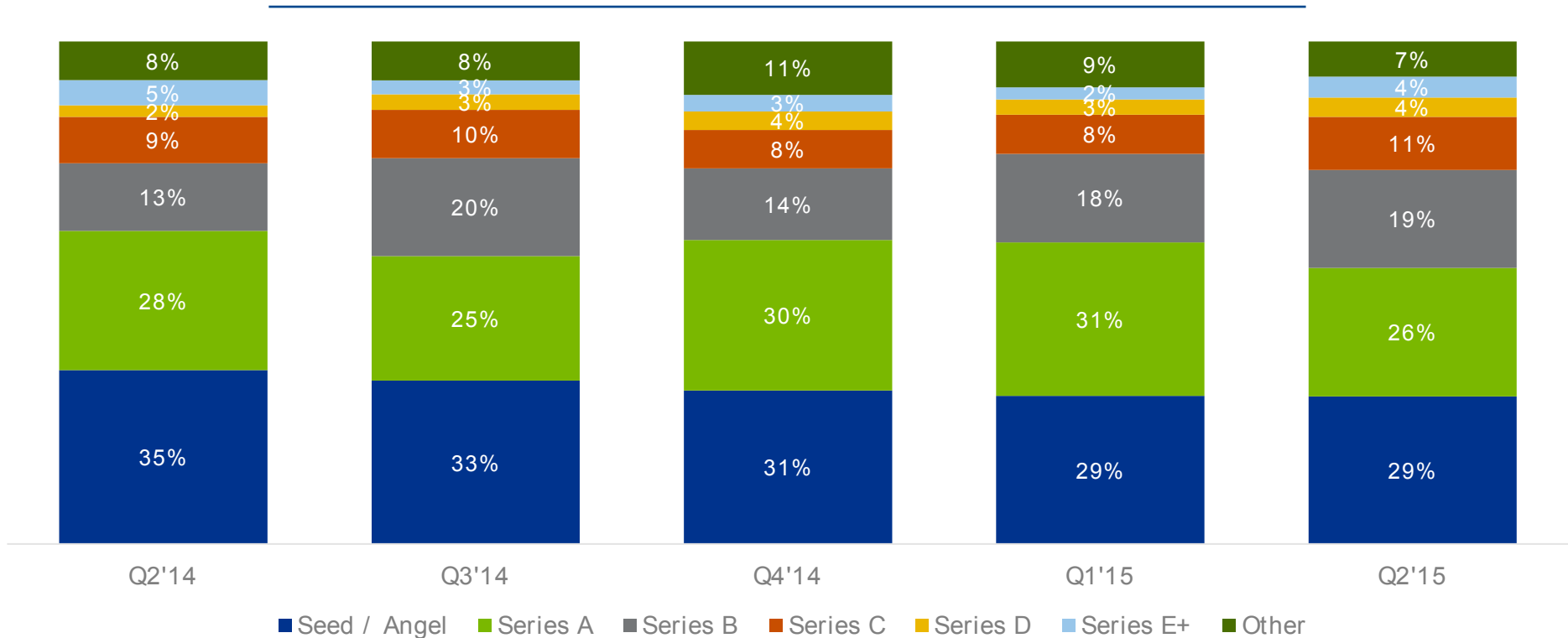
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ASIAN MID-STAGE DEAL SHARE MATCHES FIVE-YEAR HIGH IN Q2'15

While huge late-stage deals are attracting nine-figure funding rounds, Series A deal share hit a five-quarter high in Q1'15 at 31% but fell to 26% in Q2'15. Q2'15 saw mid-stage deal activity (Series B - Series C) match a five quarter high at a combined 30%.

Asian Quarterly Deal Share by Stage Q2'14 - Q2'15



Source: Data provided by CB Insights, July 23, 2015

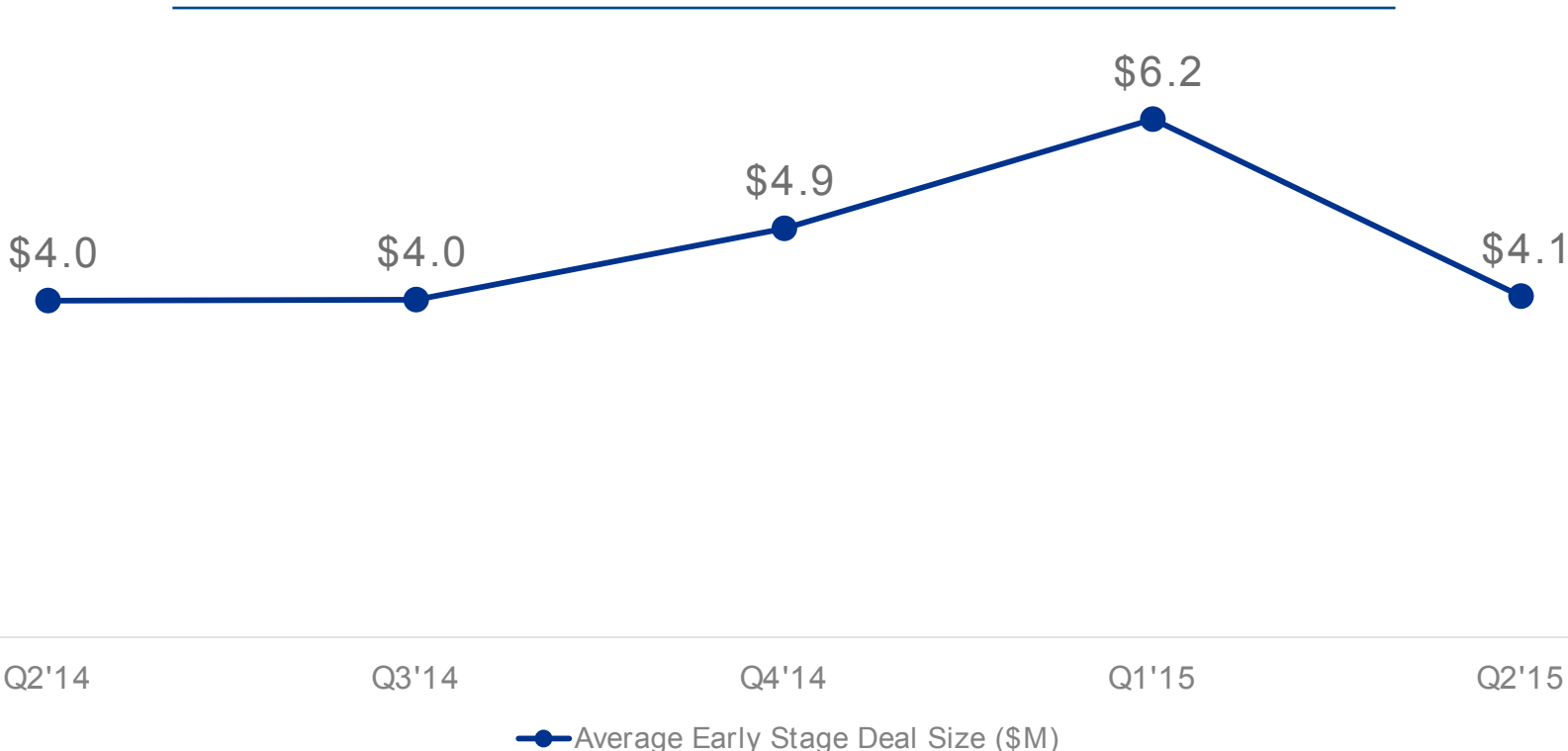
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ASIAN EARLY-STAGE DEAL SIZES SOAR TO NEW HEIGHTS

Despite many crossover investors including hedge funds moving down the maturity spectrum, the average early-stage deal size in Asia fell to \$4.1M in Q2'15. In the same quarter a year prior, early-stage deal sizes averaged \$4M.

Asian Early-Stage Deal Size

Q2'14 - Q2'15



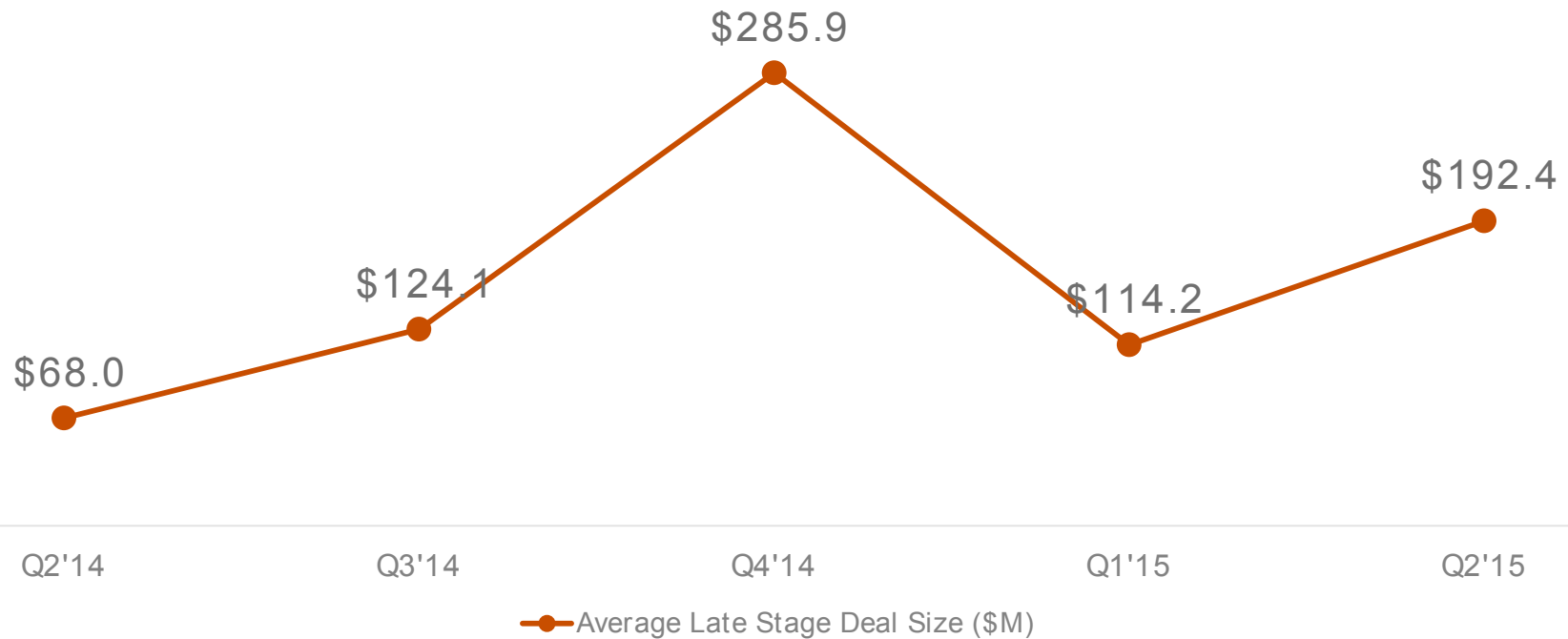
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LATE-STAGE \$100M+ FINANCINGS ARE HO-HUM IN ASIA

Since Q3'14, the average late-stage deal size in Asia has stood above \$100M and as high as \$285.9M in Q4'14. By way of comparison, the average late-stage deal in Asia stood at nearly 270% higher than in Europe in Q2'15.

Asian Late-Stage Deal Size Q2'14 - Q2'15



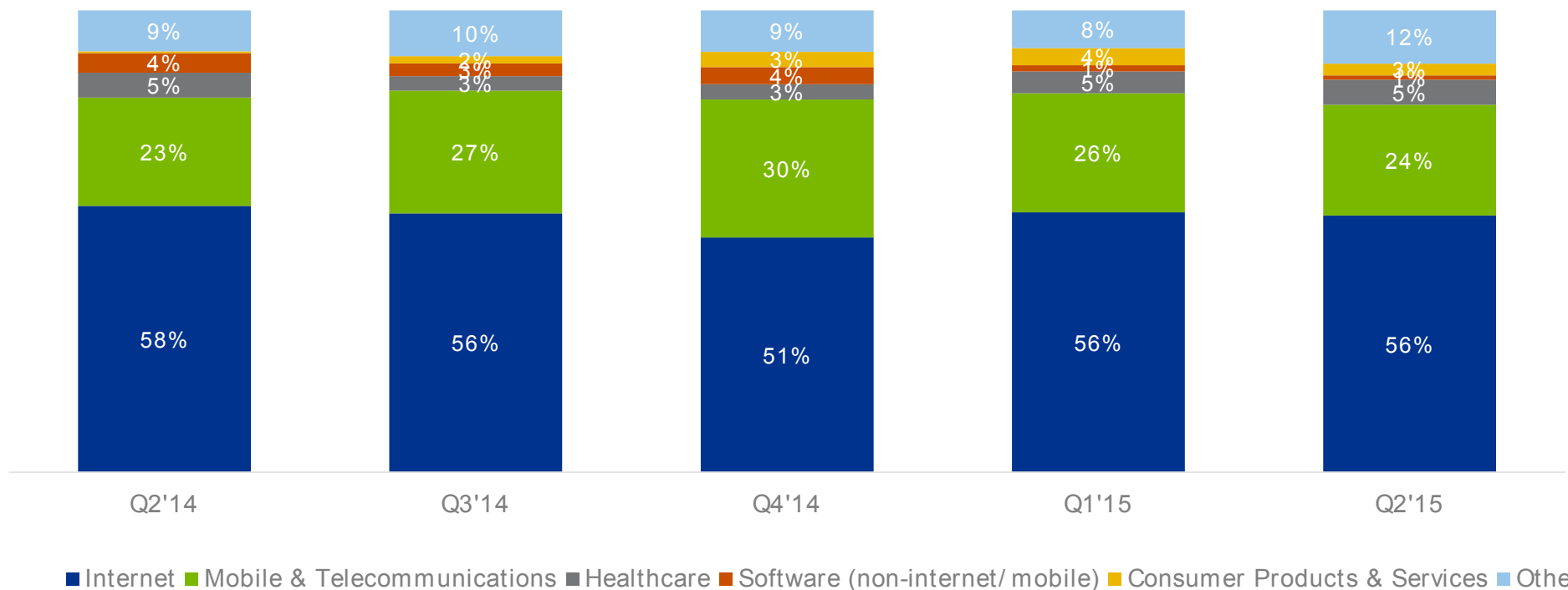
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DIGITAL ASIA: 8 OF EVERY 10 DEALS IN ASIA GO TO INTERNET AND MOBILE COMPANIES

From eCommerce to payments to entertainment, Internet and Mobile companies in Asia took a combined 82% of all deals to VC-backed companies in Q1'15 and 80% of deals in Q2'15.

Asian Quarterly Deal Share by Sector Q2'14 - Q2'15



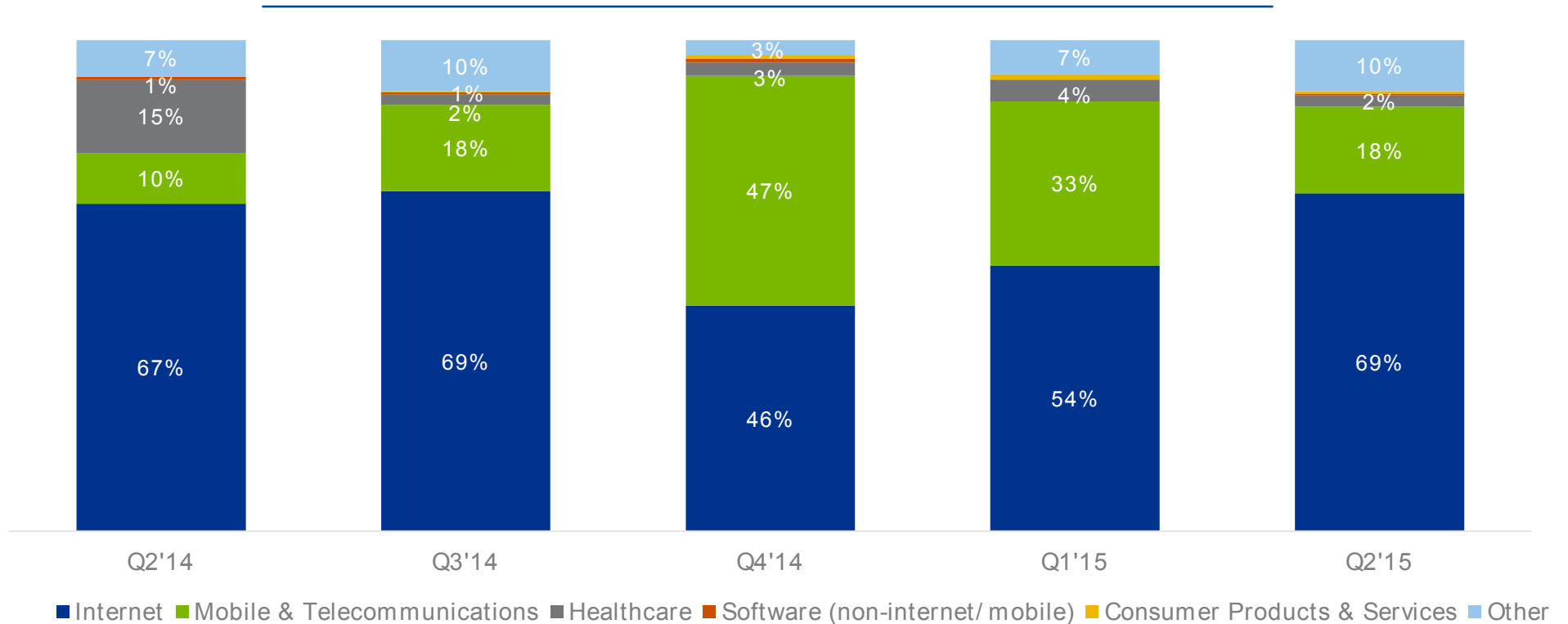
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FUNDING DOLLARS ACCRUE TO HUGE INTERNET AND MOBILE DEALS

Internet firms took over half of all Asian funding share in four of the last four quarters. Mobile has seen its share of funding drop to just 18% in Q2'15 after taking 47% of all dollars in Q4'14 behind deals including a \$1.1B round to Chinese smartphone maker Xiaomi.

Asian Quarterly Dollar Share by Sector Q2'14 - Q2'15



Source: Data provided by CB Insights, July 23, 2015

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“The new trend in China is to invest in companies that are aggressively going to market through bargain deals and incentives to build a customer base and drive registered users. These companies start by capturing market share and then shape user behavior to generate profit a couple years down the road.”



Lyndon Fung
U.S. Capital Markets Group
KPMG China

THE SIX LARGEST ROUNDS OF Q2'15 TOTAL MORE THAN \$4.2B; OVER 25% OF ALL ASIAN FUNDING IN 2015



Diversified e-commerce services

\$1 billion

Series E



Internet insurance company

\$931 million

Private Equity



Online location-based dining information and group-buying website

\$850 million

Series E



Diversified e-commerce platform

\$550 million

Series I



Online lending platform for both small businesses and individuals

\$485 million

Private Equity



Online crowdsourcing platform

\$418.6 million

Series C

THE NEXT SIX LARGEST ASIAN ROUNDS OF Q2'15 REPRESENT MORE THAN \$1.7B IN TOTAL FUNDING



Car-hailing application

\$400 million

Series E



Operates Paytm, India's largest digital goods and mobile commerce platform

\$375 million

Corporate Minority



Tujia provides online vacation home rental services in China

\$250 million

Series D



Lakala offers an offline third-party payment service provider

\$242 million

Growth Equity



Baihe provides an online & offline matchmaking service

\$242 million

Series D



Panshi provides online and mobile advertising services to SMBs

\$200 million

Series B

Corporate Investing Remains Strong

Globally, corporate investing continues to play a strong part in VC deals. Corporate investors maintained their deal share on VC-backed companies globally, participating in almost 25% of total deals during the past four quarters.

Corporate investing was particularly strong in Asia. With the presence of Alibaba, Tencent, Baidu, Rakuten and others, corporates participated in 32% of all financing deals to Asian VC-backed companies during Q2. In China in particular, inflation is high and labor costs continue to rise; as a result, corporate investing is seen as a means to improve the bottom line. Many companies have established funds to invest in numerous companies with the hope that one will be the Alibaba of tomorrow.

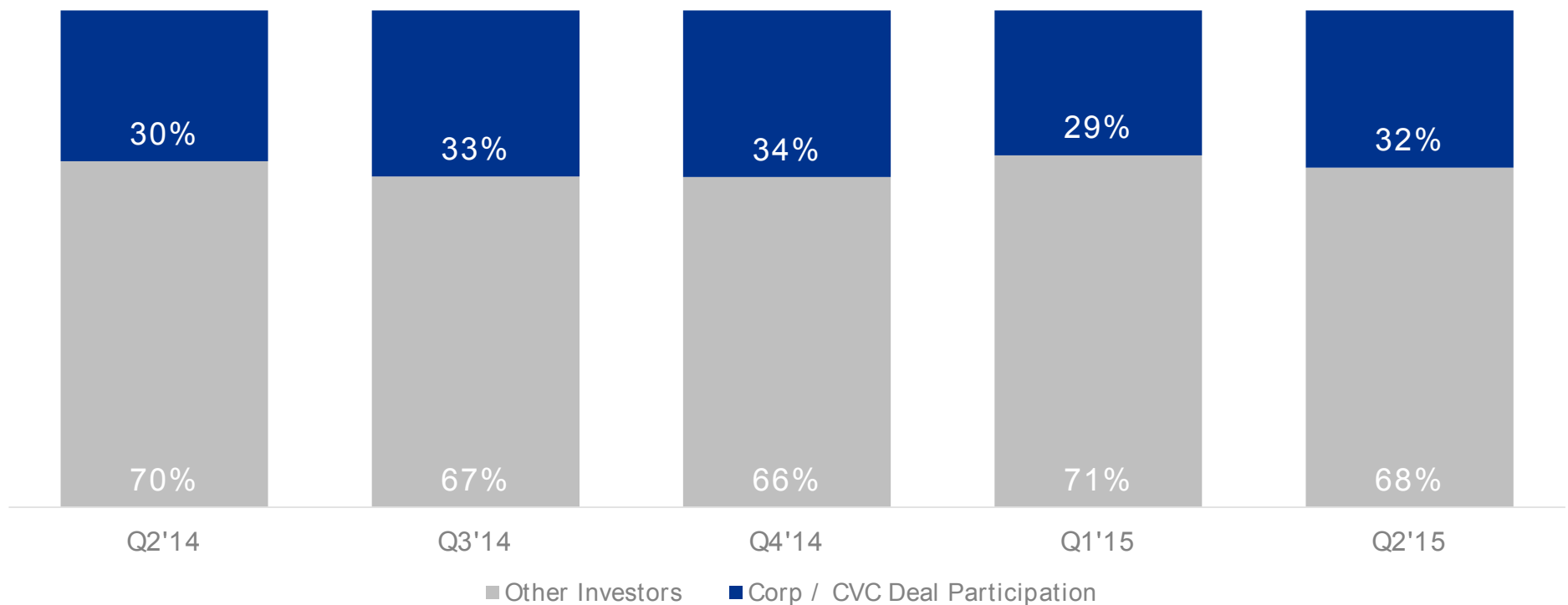
A high proportion of the corporate activity seen globally is being driven by companies looking to stay on top of the latest innovations and to get ahead of the technology curve. Such activity is expected to continue as it is often cheaper for companies to invest in technologies rather than develop it internally.

As companies globally renew their focus on growth, corporate investing is also becoming a critical part of growth strategies, especially among the largest companies in the world. Such investments allow companies to achieve growth while also addressing critical risks and possible disruptors to their organization's sustainability.

CORPORATES PARTICIPATE IN 1 OF EVERY 3 FINANCING DEALS IN ASIA

With the presence of Alibaba, Tencent, Baidu, Rakuten and others, corporates jumped in to 32% of all financing deals to Asian VC-backed companies in Q2'15. Corporates have participated in 30%+ of all quarterly Asian financings in four of the last five quarters.

CVC Participation in Asian Deals to VC-Backed Companies Q2'14 - Q2'15



Source: Data provided by CB Insights, July 23, 2015

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SEQUOIA CAPITAL INDIA WAS THE MOST ACTIVE VC INVESTOR IN ASIA IN Q2'15

Sequoia Capital India was the most active investor in Asia in Q2'15, participating in rounds to Grofers, Peppertap, and Urban Ladder, among others. SAIF Partners and Accel Partners rounded out the top 3 most active, with SAIF investing in Urban Ladder as well.

Most Active VC Investors in Asia Q2'15

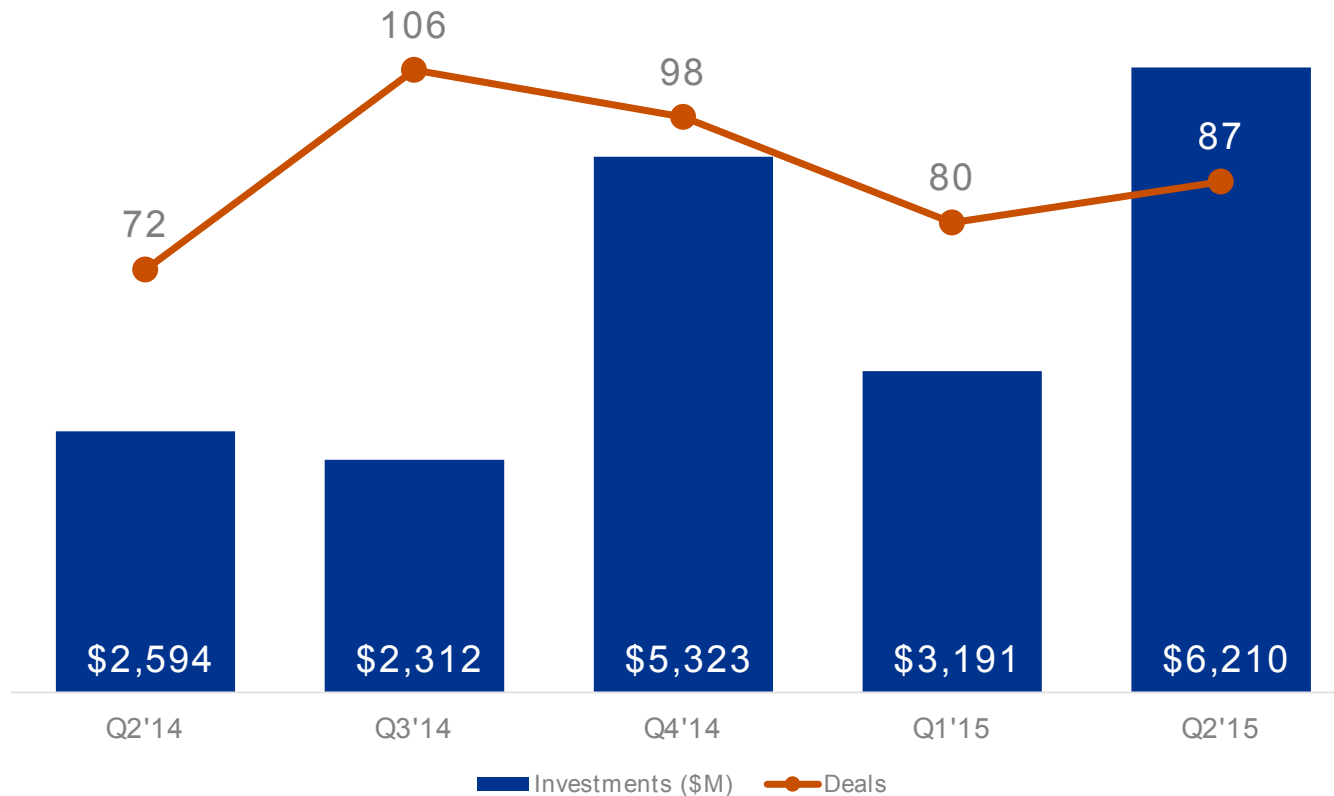
Rank	Investor	Rank	Investor
1	Sequoia Capital India	9	GREE Ventures
2	SAIF Partners	9	CyberAgent Ventures
3	Accel Partners	11	Morningside Group
4	East Ventures	11	Kalaari Capital
4	500 Startups	11	Legend Capital
6	IDG Capital Partners	14	Helion Venture Partners
7	Sequoia Capital China	14	Lightspeed China Partners
8	Matrix Partners China		

** Despite a high number of investments in Q2'15, Tiger Global Management is not included above as they are classified as a hedge fund.*

CHINA VC-BACKED INVESTMENT ACTIVITY

Top Deals & Cities, Q2'15

China Investment Activity VC-Backed Companies, Q2'14 - Q2'15



Top Deals

Zhong An Insurance

\$931M // Private Equity

Dianping

\$850M // Series E

Lufax

\$485M // Private Equity

Top Cities

Beijing

36 Deals // \$1.49B

Shanghai

19 Deals // \$3.16B

Shenzen

9 Deals // \$260M

Source: Data provided by CB Insights, July 23, 2015

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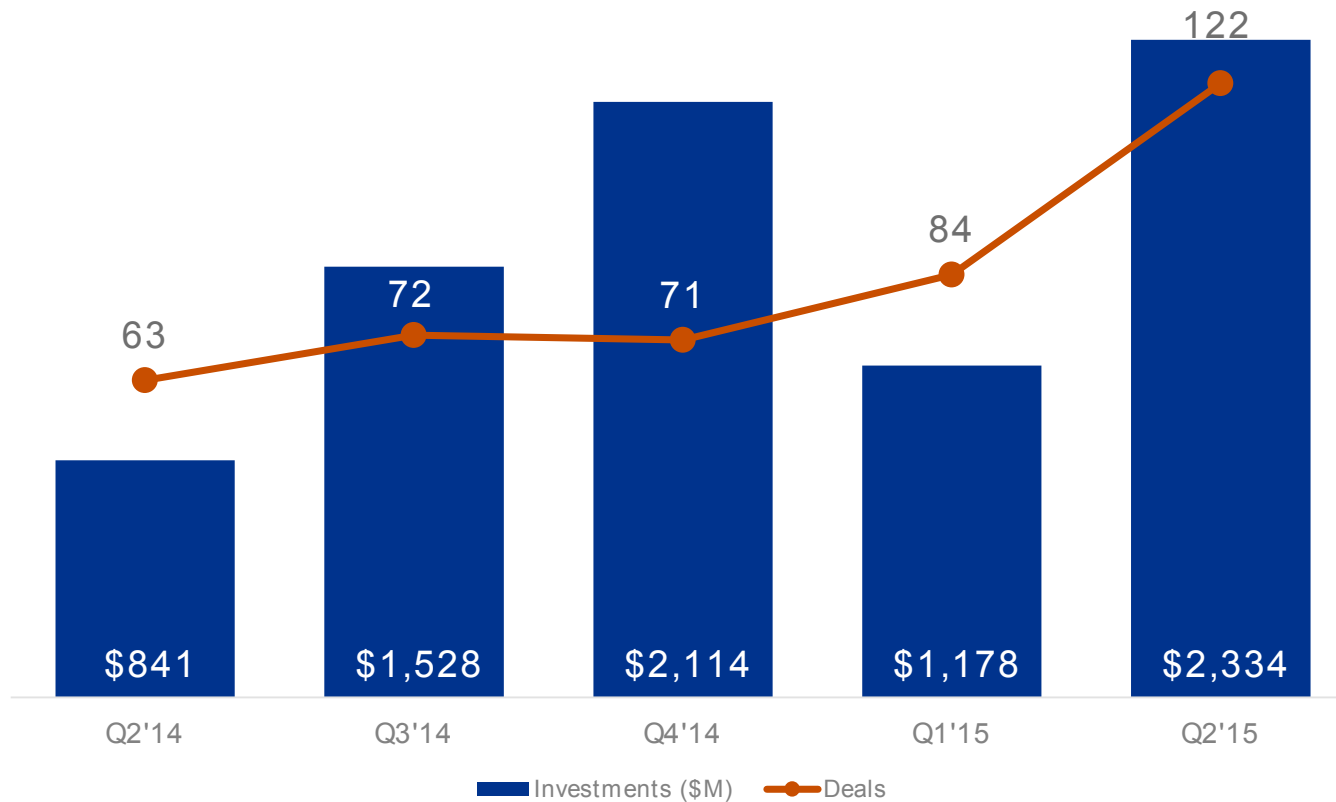
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INDIA VC-BACKED INVESTMENT ACTIVITY

Top Deals & Cities, Q2'15

India Investment Activity
VC-Backed Companies, Q2'14 - Q2'15



Top Deals

Flipkart

\$550M // Series I

Olacabs

\$400M // Series E

One97 Communications

\$375M // Corp. Minority

Top Cities

Bangalore

26 Deals // \$740.2M

Mumbai

17 Deals // \$605.6M

New Delhi

13 Deals // \$42.5M

Source: Data provided by CB Insights, July 23, 2015

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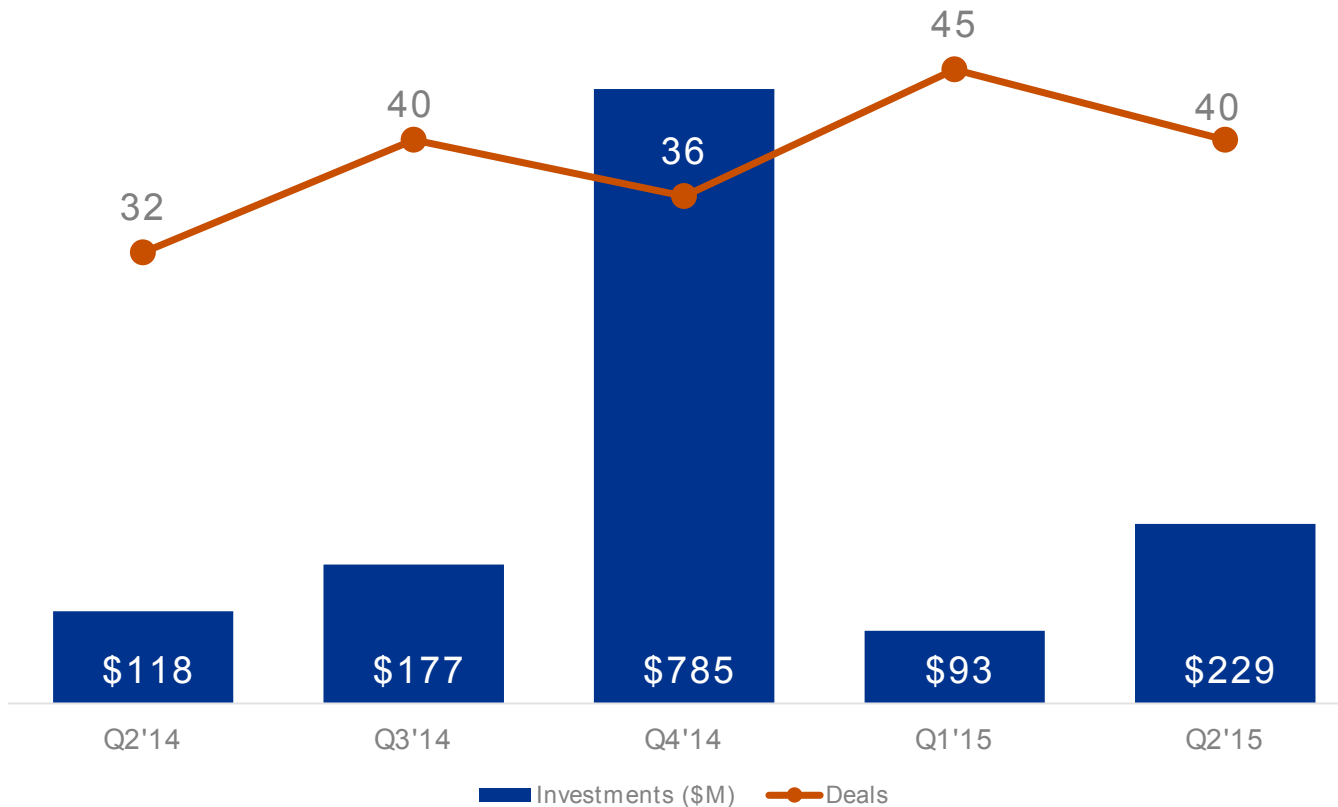


SOUTHEAST ASIA VC-BACKED INVESTMENT ACTIVITY

Top Deals & Countries, Q2'15

Southeast Asia Investment Activity

VC-Backed Companies, Q2'14 - Q2'15



Top Deals

PropertyGuru

\$129.3M // Series D

JHL Biotech

\$45.6M // Series C

DocDoc

\$8.6M // Series A

Top Countries

Singapore

12 Deals // \$160.7M

Indonesia

11 Deals // \$3.5M

Malaysia

6 Deals // \$2.4M

Source: Data provided by CB Insights, July 23, 2015

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METHODOLOGY – WHAT’S INCLUDED? WHAT’S NOT?

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

What is included:

Equity financings into emerging companies. Fundings must come from VC-backed companies, which are defined as companies who have received funding at any point from either: venture capital firms, corporate venture group or super angel investors.

- Fundings of only private companies. Funding rounds raised by public companies of any kind on any exchange (including Pink Sheets) are excluded from our numbers even if they received investment by a venture firm(s).
- Only include the investment made in the quarter for tranching investments. If a company does a second closing of its Series B round for \$5M and previously had closed \$2M in a prior quarter, only the \$5M is reflected in our results.
- Round #s reflect what has closed –not what is intended. If a company indicates the closing of \$5M out of a desired raise of \$15M, our numbers reflect only the amount which has closed.
- Only verifiable fundings are included. Fundings are verified via (1) various federal & state regulatory filings (2) direct confirmation with firm or investor or (3) press release.
- Previous quarterly VC Reports issued by CBI have exclusively included VC-backed rounds. In this report any rounds raised by VC-backed companies are included, with the exceptions listed.

What is excluded:

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

KPMG ENTERPRISE INNOVATIVE STARTUP NETWORK FROM SEED TO SPEED WE'RE HERE THROUGHOUT YOUR JOURNEY



About KPMG Enterprise

About KPMG Enterprise

You know KPMG, you might not know KPMG Enterprise. We're dedicated to working with businesses like yours. It's all we do. Whether you're an entrepreneur, family business, or a fast growing company, we understand what is important to you. We can help you navigate your challenges—no matter the size and stage of your business. You gain access to KPMG's global resources through a single point of contact—a trusted adviser to your company. It's a local touch with a global reach.

The KPMG Enterprise global network for innovative startups has extensive knowledge and experience working with the startup ecosystem. Whether you are looking to establish your operations, raise capital, expand abroad, or simply comply with regulatory requirements - we can help. From seed to speed, we're here throughout your journey.

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