



Venture Pulse

Q2 2021

Global analysis of venture funding

Welcome message

Welcome to the Q2'21 edition of *Venture Pulse*, KPMG Private Enterprise's quarterly report highlighting the major trends, opportunities, and challenges facing the venture capital market globally and in key regions around the world.

Global VC investment soared to a new high in Q2'21, as investors continued to prioritize larger and later stage deals. High valuations, a robust IPO market, and a hearty supply of dry powder also helped fuel investment across numerous jurisdictions. In the Americas and Europe, VC investment reached near-record highs, while Asia attracted its second-highest level of VC investment since Q3'19.

The quarter saw 10 deals over \$1 billion, led by a \$2.75 billion raise by Northvolt AB in Switzerland, and a \$2.5 billion raise by US-based Waymo. While fintech was the most attractive sector of investment in all regions of the world, health and biotech continued to see significant investment activity, in addition to areas such as edtech, gaming and food delivery.

Exit activity continued to be robust, with interest in IPOs stretching well outside of the US. In Q2'21, companies including Monday.com (Israel), Oatly (Sweden), Darktrace (UK) held IPOs. While interest in SPACs slowed somewhat in

the US, it grew in other regions. The SPACs that have been created, however, will need to find targets, which will be a key activity to watch over the remainder of the year.

With a significant amount of cash looking for investments, the VC market is expected to remain very robust heading into Q3'21. VC investors will likely focus on many of the sectors expected to remain attractive as the world emerges from the pandemic, including B2B business productivity, fintech, and delivery.

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

- The explosion of unicorn births compared to previous years
- The major focus on fintech investment across all regions
- The ongoing interest in health and biotech as the world emerges from the pandemic
- The increasing participation of non-traditional VC investors

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
Global Head,
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Conor Moore
Head of KPMG Private Enterprise in the Americas, Global Co-Leader — Emerging Giants, KPMG Private Enterprise Partner, KPMG in the US



Kevin Smith
Head of KPMG Private Enterprise in EMA, Global Co-Leader — Emerging Giants, KPMG Private Enterprise Partner, KPMG in the UK



In Q2'21, **European** VC-backed companies raised
\$34.0B across 1,848 deals

Europe sees forth consecutive quarter of record VC investment

VC investment in Europe surged to a new high for the fourth straight quarter in Q2'21, crushing the previous record, driven by large raises by NorthVolt, Celonis, MessengerBird, Trade Republic, Mollie, FlixBus, WeFox and Klarna. Valuations of companies across Europe continued to grow, with higher multiples being used in many cases compared to historical norms.

A sense of optimism, combined with a significant amount of cash and investors jumping on the investment train following trends such as e-commerce, B2B, and digital services has helped drive valuations.



Diversity of fintech areas attracting investment

VC investment in fintech remained very strong across Europe, in part due to the growing mix of fintech companies attracting investment, from stock trading platform Trade Republic (\$900 million) and digital insurance company WeFox (\$650 million) to payments firm Mollie (\$805 million), 'buy now, pay later' company Klarna (\$639 million), and Starling Bank (\$443 million). Even straightforward concepts such as BNPL are seeing companies introducing unique value propositions. In Q2'21, UK-based Zilch raised \$80 million; Zilch provides BNPL direct to consumers by working with Mastercard, rather than with various e-commerce engines.¹



IPO and SPAC interest growing

Despite Deliveroo's rocky IPO ride, interest in public listings continued to grow in Europe, in terms of both IPOs and SPAC transactions. Q2'21 saw a number of successful IPOs, including Israel-based business productivity company Monday.com and Sweden-based plant-based milk company Oatly on the Nasdaq,² and UK-based cybersecurity firm Darktrace and fintech PensionBee on the LSE.

Maturing companies in Germany are also increasingly considering IPOs as an exit strategy, and are beginning to look at what they need to do in order to be successful. This is quite different than 12 to 24 months ago, when there was more modest IPO interest. One question raised, however, is whether IPOs will substitute for larger Series D and E rounds, or whether companies will remain private through later rounds before moving to IPO.

Interest in SPAC transactions also increased in Europe. During Q2'21, UK-based Babylon Health agreed to a SPAC merger with Alkuri Global Acquisition Corp,³ while Israel-based Innovid announced plans to merge with ION Acquisition Corp.⁴

¹ <https://techcrunch.com/2021/04/19/uk-s-zilch-raises-80m-at-a-500m-valuation-for-its-direct-to-consumer-buy-now-pay-later-service/>

² <https://markets.businessinsider.com/news/stocks/oatly-stock-price-ipo-10-billion-valuation-plant-based-milk-2021-5-1030452000>

³ <https://www.cnbc.com/2021/06/03/online-health-startup-babylon-to-go-public-via-4-point2-billion-spac-deal.html>

⁴ <https://nocamels.com/2021/06/innovid-spac-merger-public-valuation/>



UK continues to see robust VC investment

After a record quarter of investment in Q1'21, VC investment in the UK remained high in Q2'21, driven in part by a strong COVID-19 vaccination program and businesses beginning to feel more certain in the post-Brexit world. Fintech and healthtech attracted the largest deals in Q2'21, including a \$500 million raise by B2B payments firm SaltPay, a \$444 million raise by AI-powered drug discovery company Exscientia, a \$443 million raise by digital bank Starling Bank, and a \$130 million raise by digital health company Huma. While later stage deals attracted the majority of investment, interest in earlier stage deals grew somewhat, with more businesses beginning to raise Series A and smaller rounds.



VC market continues to boom in Germany

VC investment in Germany reached a new high in Q2'21, led by the \$1 billion raise by business execution management company Celonis. With a valuation over \$10 billion, the funding round made Celonis Germany's first decacorn. Participation in VC deals has expanded in Germany and in other parts of Europe, with more participation by non-traditional investors, such as sovereign wealth funds. From an ecosystem perspective, Munich is quickly joining Berlin as a highly competitive tech hub, while ecosystems are growing in Cologne and Hamburg.



Nordic region very attractive to investors

Investment in the Nordic region was incredibly strong in Q2'21, led by a \$2.75 billion investment in battery maker Northvolt AB, a \$639 million raise by fintech Klarna, and a \$270 million raise by digital health company Kry. With the significant amount of dry powder available, numerous companies across sectors and across the region have been able to attract large funding rounds. While Sweden accounted for the largest deals in Q2'21, the rest of the Nordic countries also attracted impressive deals: Norway-based grocery platform Oda raised \$264 million, Finland-based digital health company Oura raised \$100 million, and Denmark-based drug discovery company ADCendo raised \$60 million.

Europe sees forth consecutive quarter of record VC investment, cont'd.



Ireland sees strongest quarter of VC investment ever

VC investment in Ireland was very robust in Q2'21. Health and biotech was of particular interest to investors, with LetsGetChecked raising \$150 million, GH Research raising \$125 million, and Mainstay Medical raising \$108 million. Investment in the space is likely to increase over time given growing recognition of both the importance and value of health and biotech innovations. The fintech sector also saw significant activity during Q2'21. Fenergo gained unicorn status during the quarter, while e-commerce-focused financing and growth platform Wayflyer raised \$76 million.⁵ Even as companies in maturing sectors attracted larger funding rounds, Ireland continued to see a diverse mix of earlier stage companies raising funds, such as drone delivery company Manna Drones (\$25 million) and gifting platform Andopen (\$8 million).



Serial entrepreneurs help drive VC market in Israel

VC investment in Israel was incredibly robust in Q2'2021, led by a \$300 million raise by e-commerce fraud prevention company Forter, a \$250 million raise by financial accountability platform company TipRanks, and a \$243 million raise by incisionless surgery firm Insightec. Israel's serial entrepreneurs are a hot commodity and a large part of Israel's strengthening ability to grow companies into international entities rather than simply focusing on R&D.



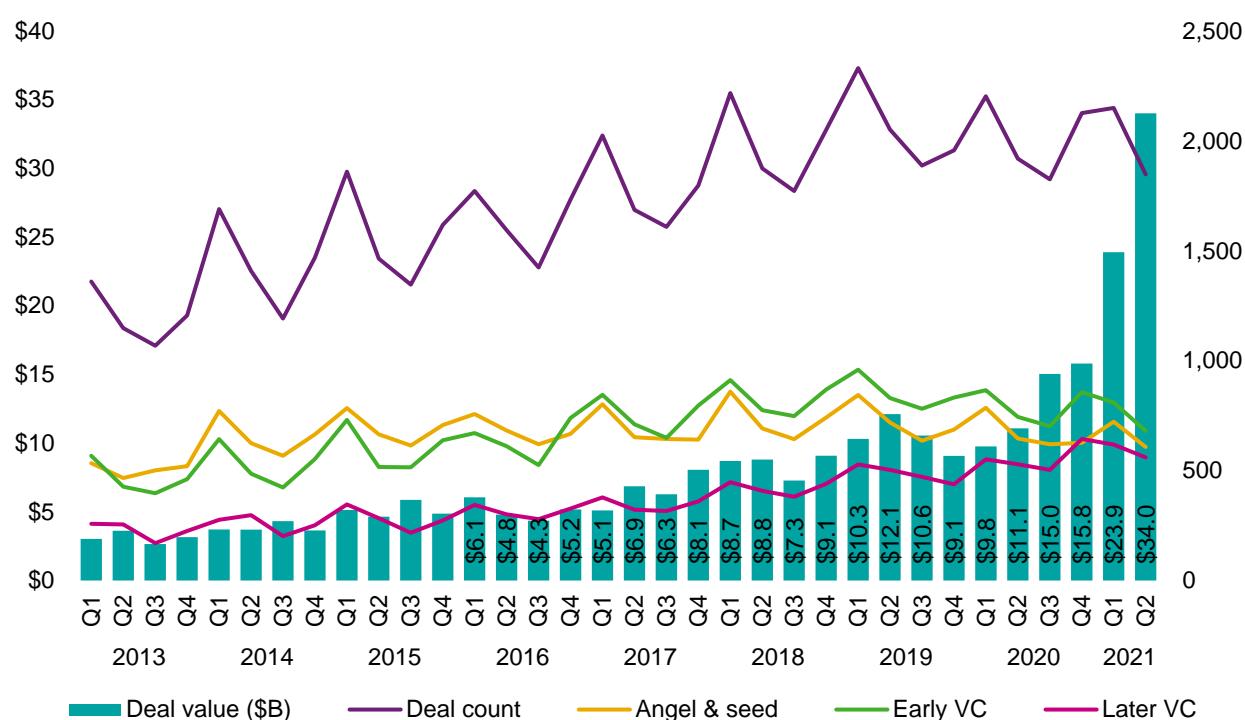
Trends to watch for in Q2'21

VC investment in Europe is expected to remain robust heading into Q3'21, particularly in areas such as fintech, healthtech, and B2B services, while investment in cybersecurity is expected to grow significantly.

For the fourth time in a row, a new record in VC invested

Venture financing in Europe

2013–Q2'21



Even after the significant surge in VC invested to kick off the year, 2021 has recorded a new all-time high in VC invested, while financing volume dipped but is likely to hold steady once additional data is processed. The sheer growth in VC invested is once again primarily driven by a growing population of mature companies and extant unicorns that continue to command significant sums, spanning multiple sectors.

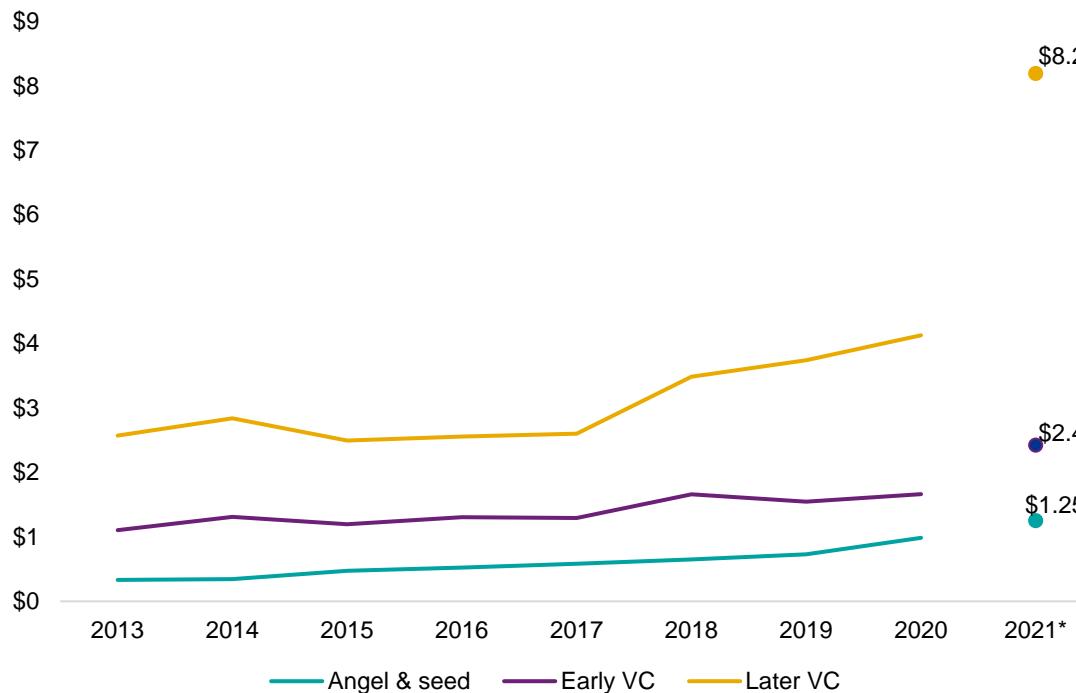
... the sixth straight quarter that the European venture ecosystem recorded an increase in VC invested, to new highs ...

Source: Venture Pulse, Q2'21, Global Analysis of Venture Funding, KPMG Enterprise. *As of June 30, 2021. Data provided by PitchBook, July 21, 2021.

Deal sizes & up rounds continue to surge

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

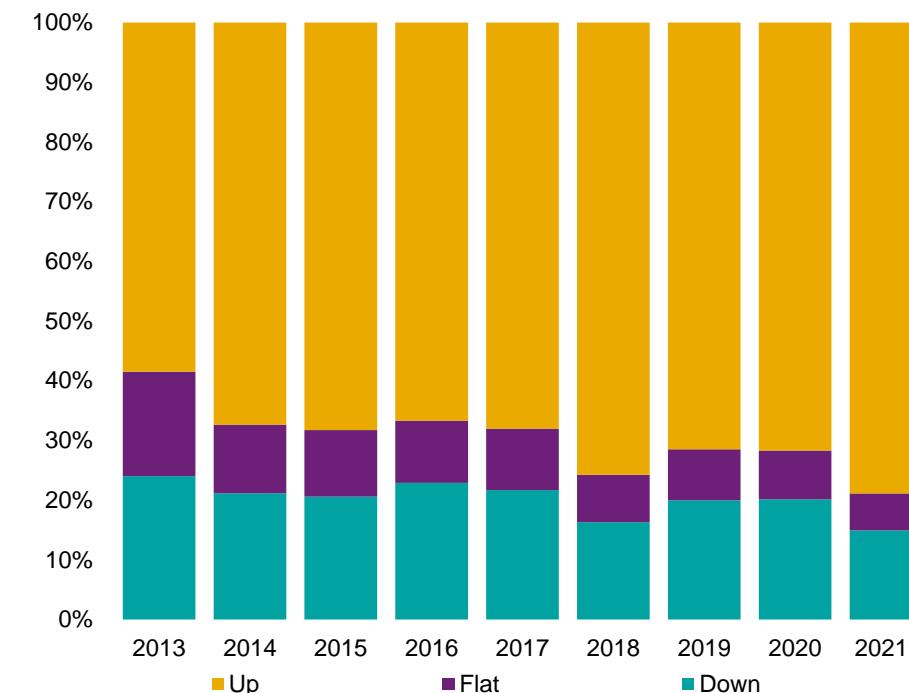
2013–2021*



Source: Venture Pulse, Q2'21, Global Analysis of Venture Funding, KPMG Enterprise. *As of June 30, 2021. Data provided by PitchBook, July 21, 2021.

Up, flat or down rounds in Europe

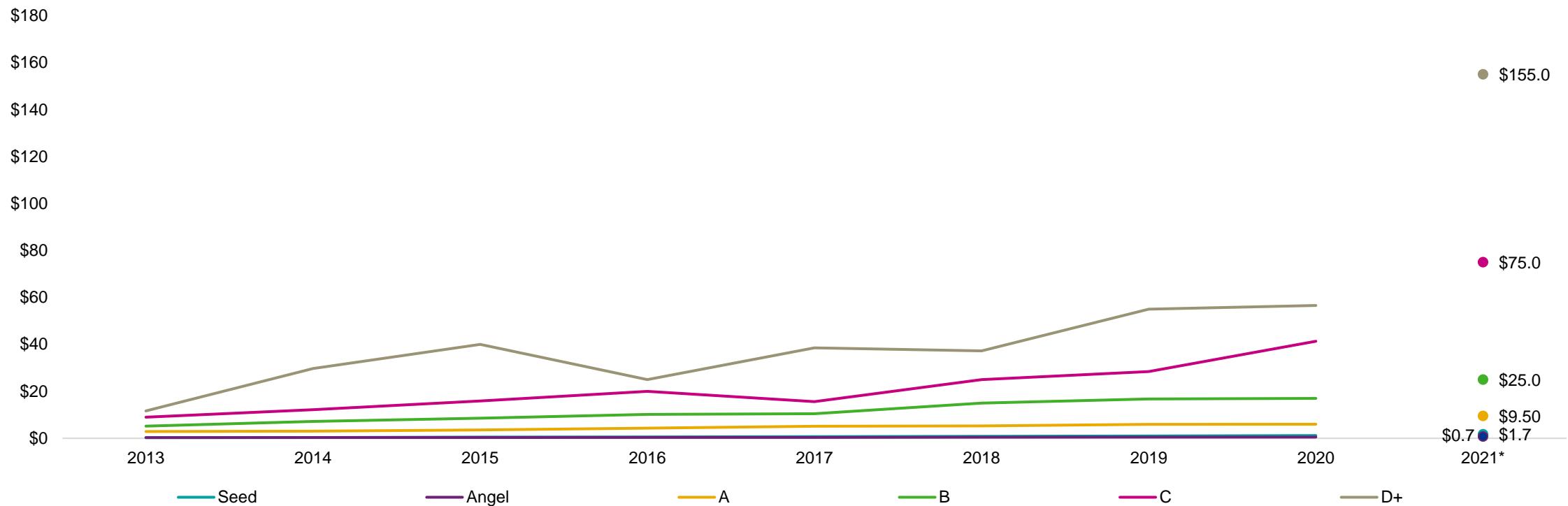
2013–2021*



The Series D+ stage is approximately tripling 2020 figures

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

2013–2021*

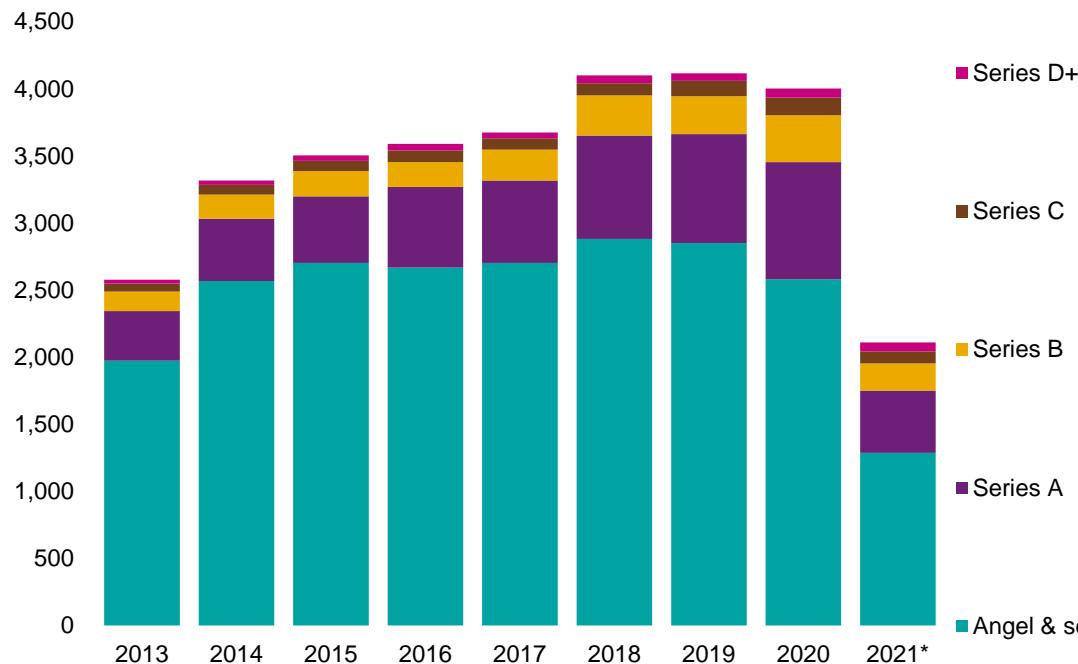


Source: Venture Pulse, Q2'21, Global Analysis of Venture Funding, KPMG Enterprise. *As of June 30, 2021. Data provided by PitchBook, July 21, 2021.

Capital increasingly flows across all stages in healthy sign

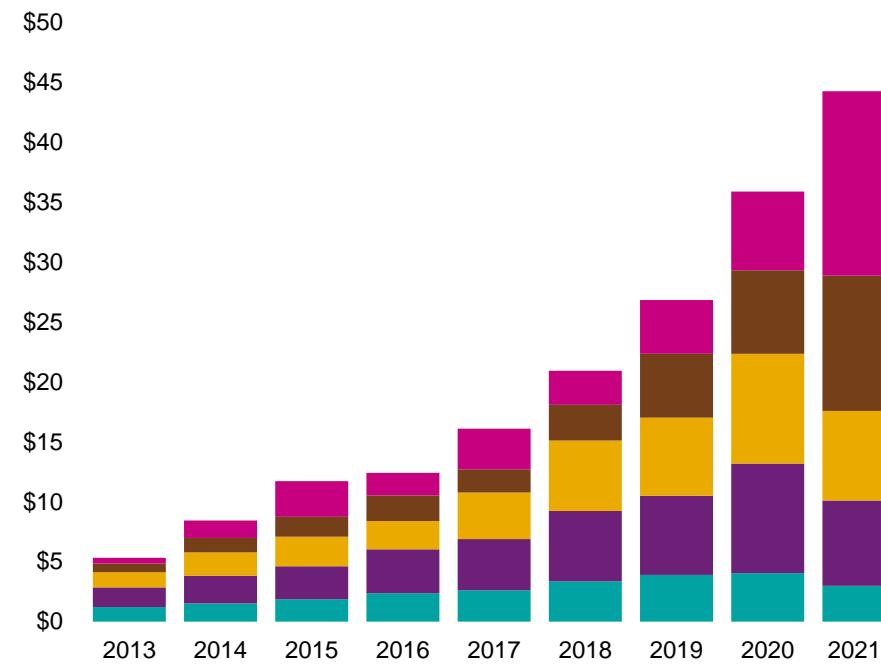
Deal share by series in Europe

2013–2021*, number of closed deals



Deal share by series in Europe

2013–2021*, VC invested (\$B)

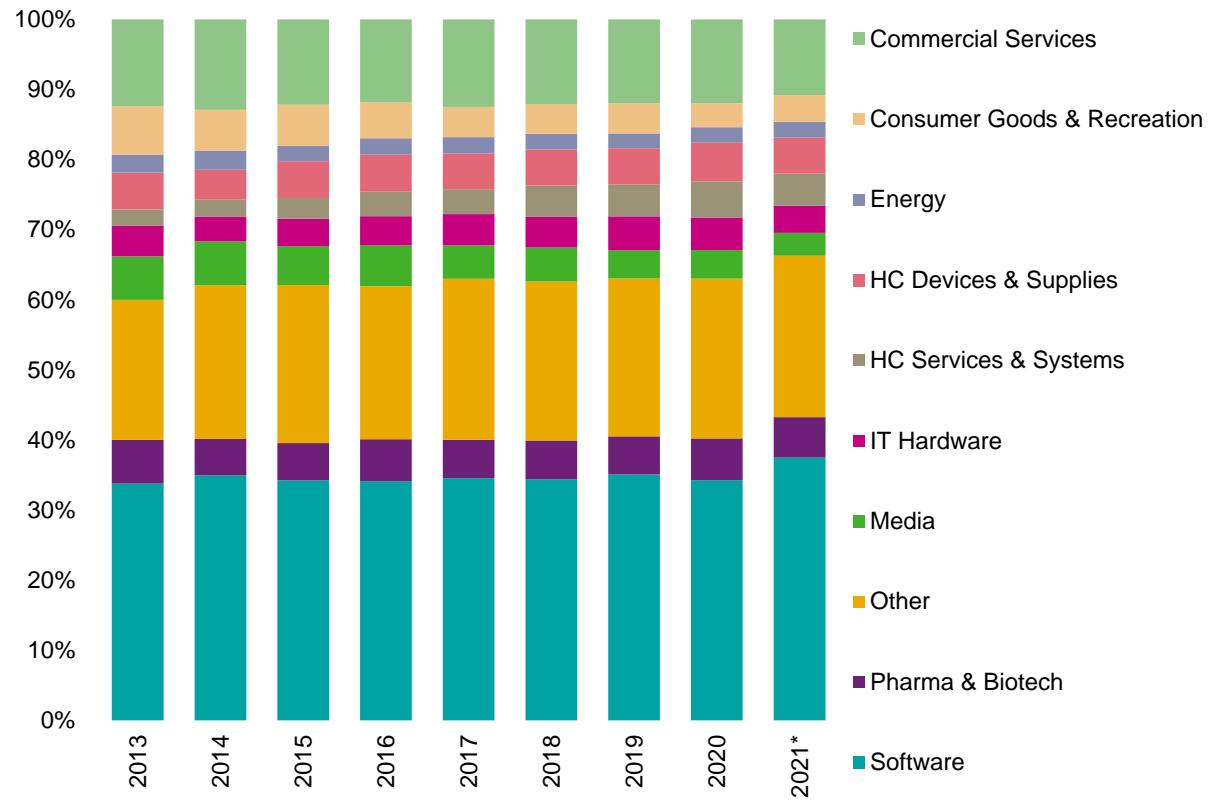


Source: Venture Pulse, Q2'21, Global Analysis of Venture Funding, KPMG Enterprise. *As of June 30, 2021. Data provided by PitchBook, July 21, 2021.

Software continues to remain key area of focus for investors

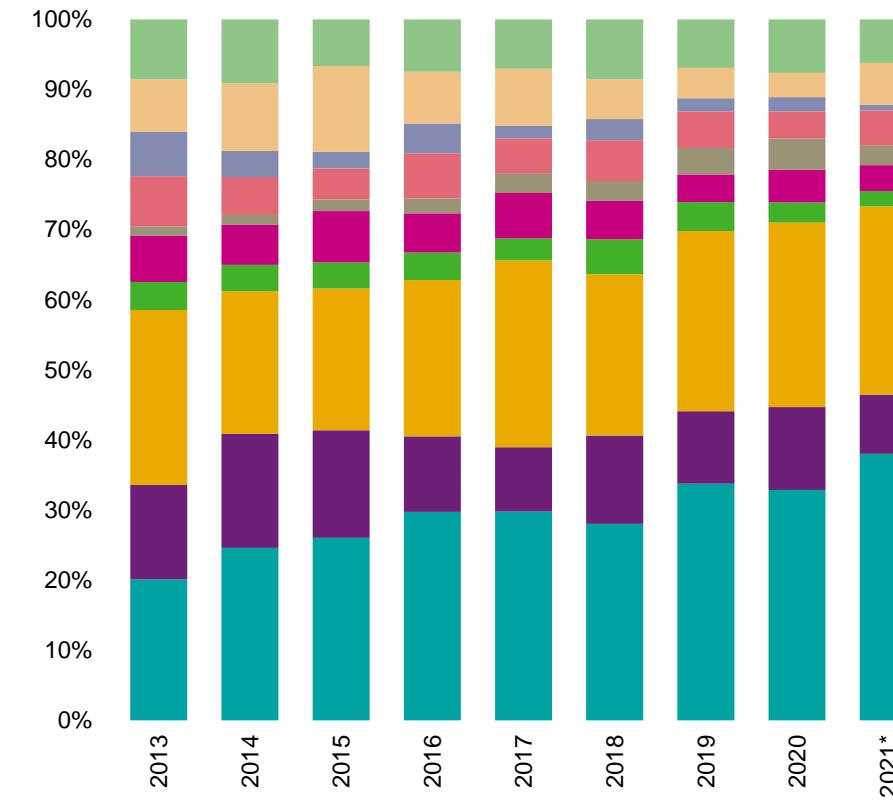
European venture financings by sector

2013–2021*, number of closed deals



European venture financings by sector

2013–2021*, VC invested (\$B)

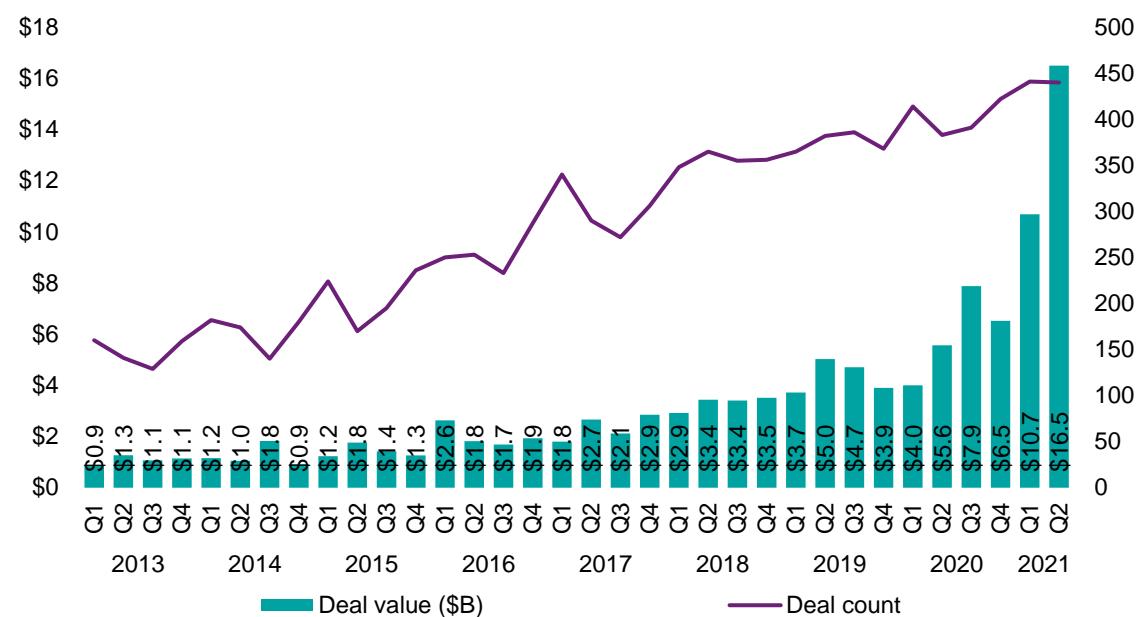


Source: Venture Pulse, Q2'21, Global Analysis of Venture Funding, KPMG Enterprise. *As of June 30, 2021. Data provided by PitchBook, July 21, 2021.

CVCs continue to drive the record surge

Corporate VC participation in venture deals in Europe

2013–Q2'21

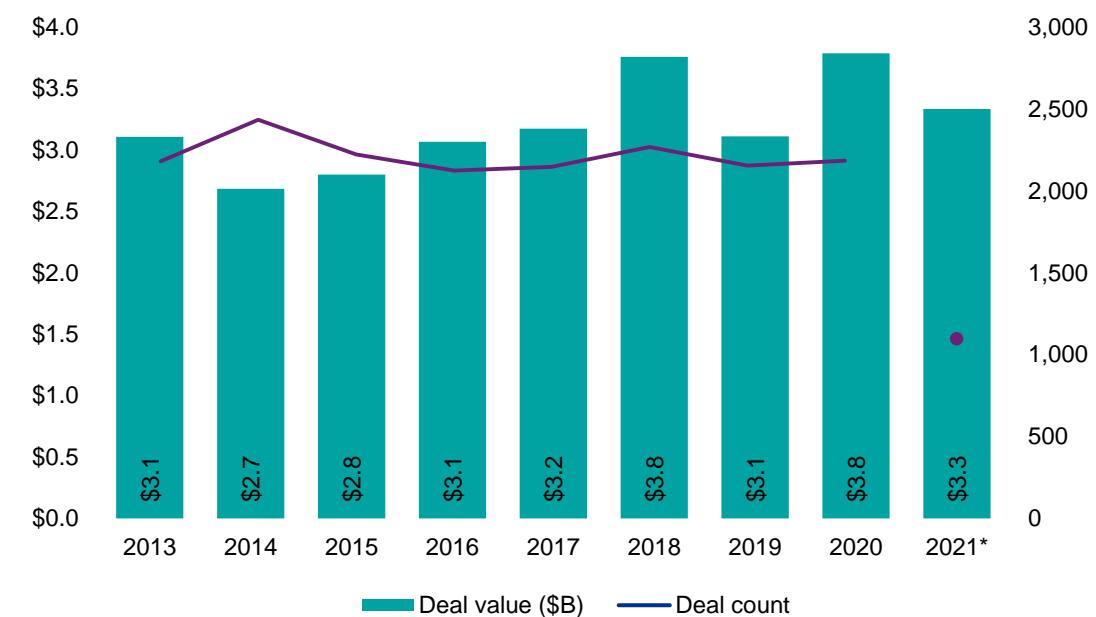


Source: Venture Pulse, Q2'21, Global Analysis of Venture Funding, KPMG Enterprise. *As of June 30, 2021. Data provided by PitchBook, July 21, 2021.

Once again, corporates played a key role in supporting the surge in investment over the past several quarters in the European venture ecosystem, joining in a flurry of large financings that helped drive aggregate associated deal value to \$16.5 billion. This is not so much novel as the natural culmination of an increasing imperative for corporate venture arms or their direct parents to remain involved in the maturing European startup ecosystem, as part of forward-looking corporate strategies.

First-time venture financings of companies in Europe

2013–2021*



Source: Venture Pulse, Q2'21, Global Analysis of Venture Funding, KPMG Enterprise. *As of June 30, 2021. Data provided by PitchBook, July 21, 2021.

Once again, a caveat must be noted: In a complex environment such as Europe, first-time fundings may take longer to be ascertained and confirmed. However, 2021 has started off remarkably strong for even this nascent cohort of companies, with a mammoth \$3.3 billion invested over just over 1,000 financings. This bodes well for future funding given investors' clear optimism.

Robust exit value supports recycling of capital

Venture-backed exit activity in Europe

2013–Q2'21



Source: Venture Pulse, Q2'21, Global Analysis of Venture Funding, KPMG Enterprise. *As of June 30, 2021. Data provided by PitchBook, July 21, 2021.

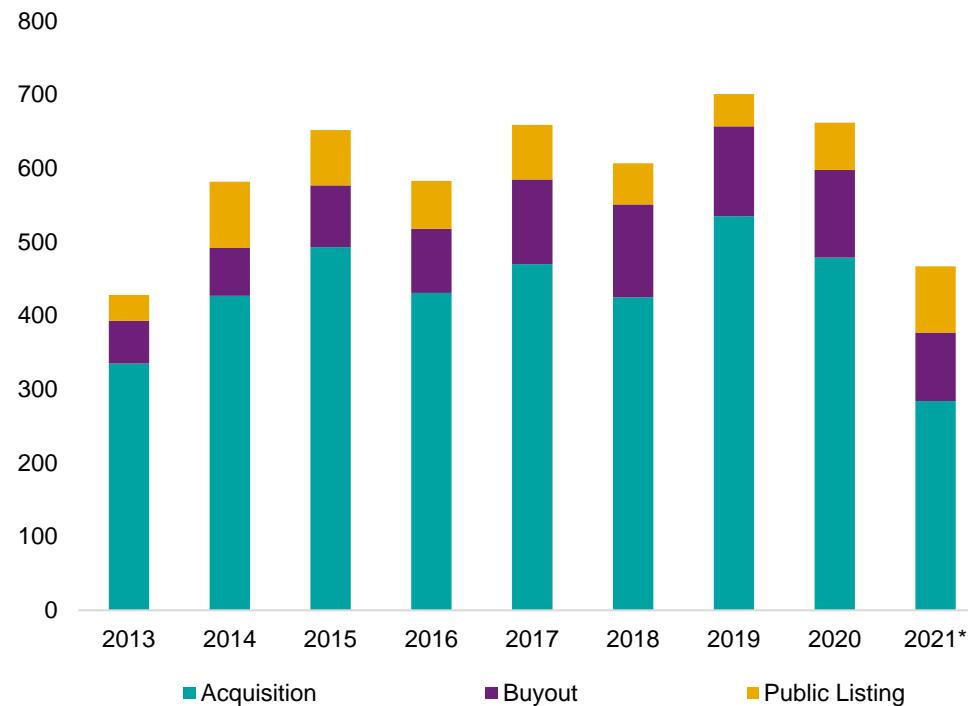
For a year straight now, aggregate exit value has stayed above \$10 billion at minimum for each quarter, even as volume has climbed significantly. That rise in exit count however has also led to the remarkable surge in liquidity in 2021 to date, with nearly \$60 billion notched. This provides a very encouraging backdrop for founders and backers of mature European companies across the venture ecosystem.

... with **close to \$60 billion** in exit value seen in 2021 to date, **liquidity trends** continue to encourage **record investment**.

Listings set a new high in exit value already

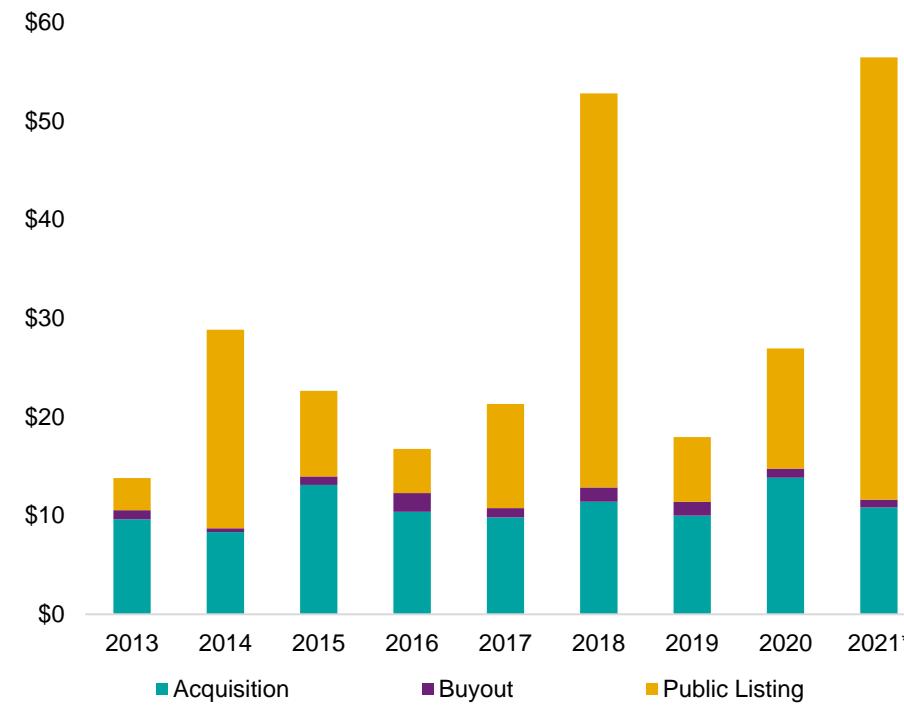
Venture-backed exit activity (#) by type in Europe

2013–2021*



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

2013–2021*

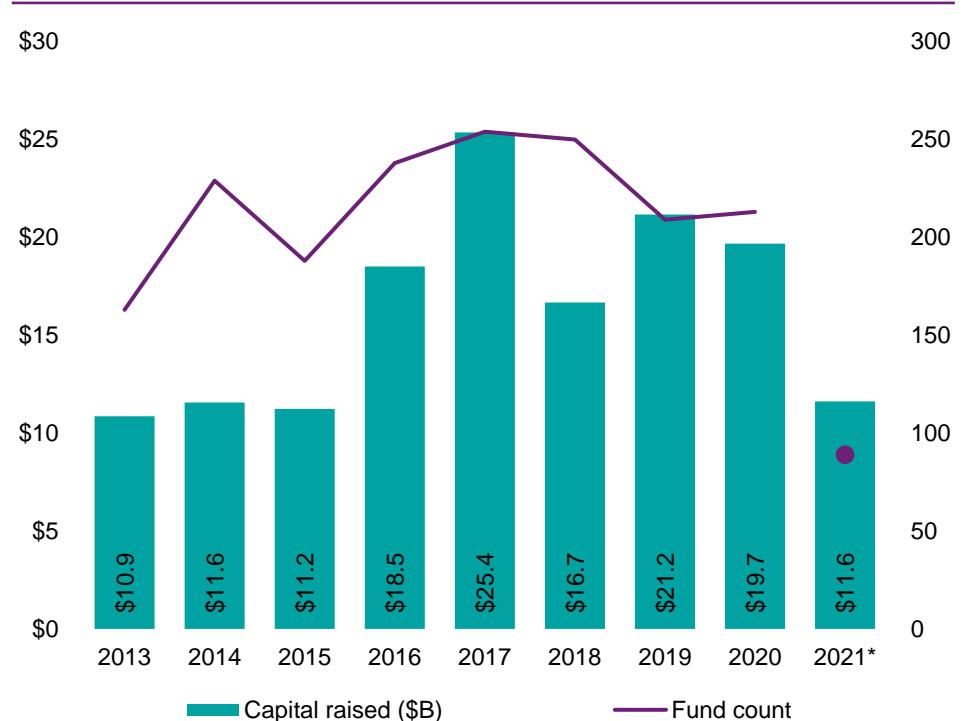


Source: Venture Pulse, Q2'21, Global Analysis of Venture Funding, KPMG Enterprise. *As of June 30, 2021. Data provided by PitchBook, July 21, 2021.

Healthy fundraising activity persists

European venture fundraising

2013–2021*



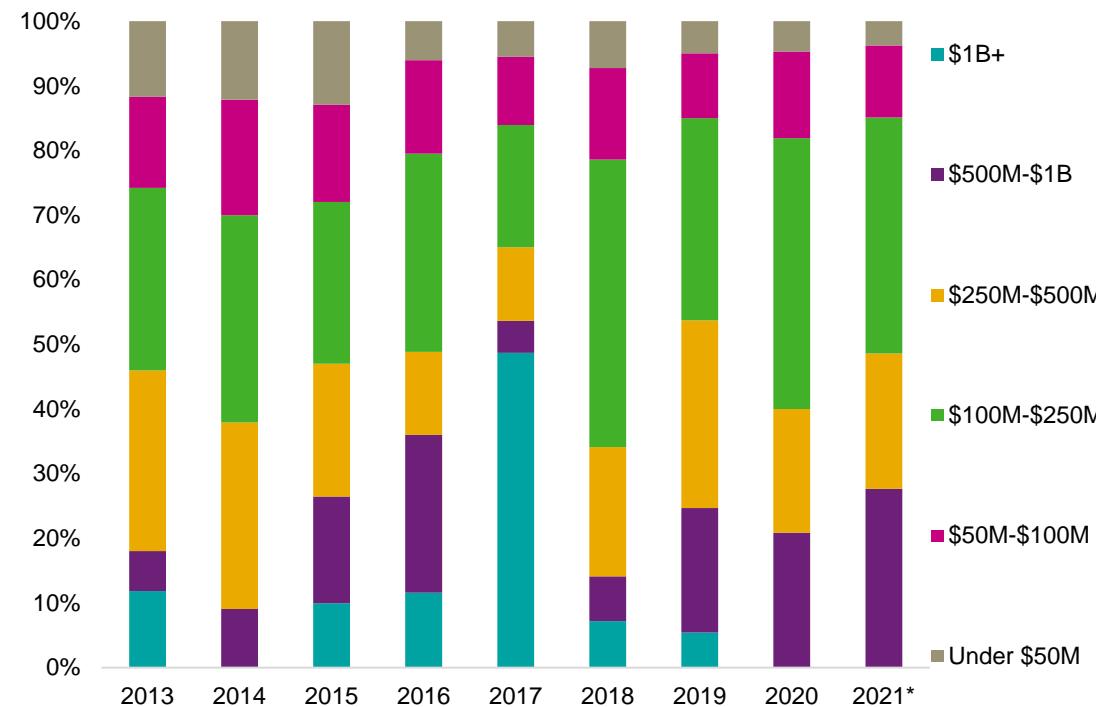
Source: Venture Pulse, Q2'21, Global Analysis of Venture Funding, KPMG Enterprise. *As of June 30, 2021. Data provided by PitchBook, July 21, 2021.

Taking pulse of fundraising trends at the midyear mark, it is clear that the European ecosystem is seeing a level of fundraising activity persist at what could be considered a healthy rate. Although fund counts could diminish this year based on the current pace, total capital committed to European funds has eclipsed \$11 billion by a robust amount. Any slowdown is likely driven by the previous years in the overall fundraising cycle, wherein multiple European firms closed on funds recently and thus have yet to return to the fundraising trail in order to raise successor vehicles. The bulk of VC raised in the period from 2018 to 2020 is still being invested, as is evidenced by the surges on the dealmaking side. Hence, a potential rise in fundraising could occur after this temporary plateau.

Upper-end funds set new high in proportion of VC committed

Venture fundraising (#) by size in Europe

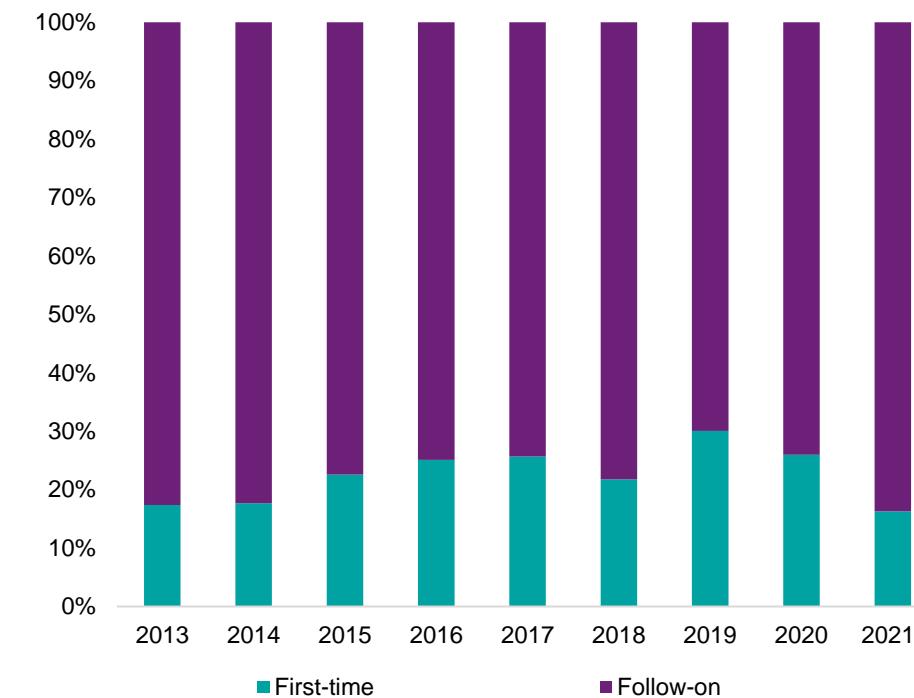
2013–2021*



Source: Venture Pulse, Q2'21, Global Analysis of Venture Funding, KPMG Enterprise. *As of June 30, 2021. Data provided by PitchBook, July 21, 2021.

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

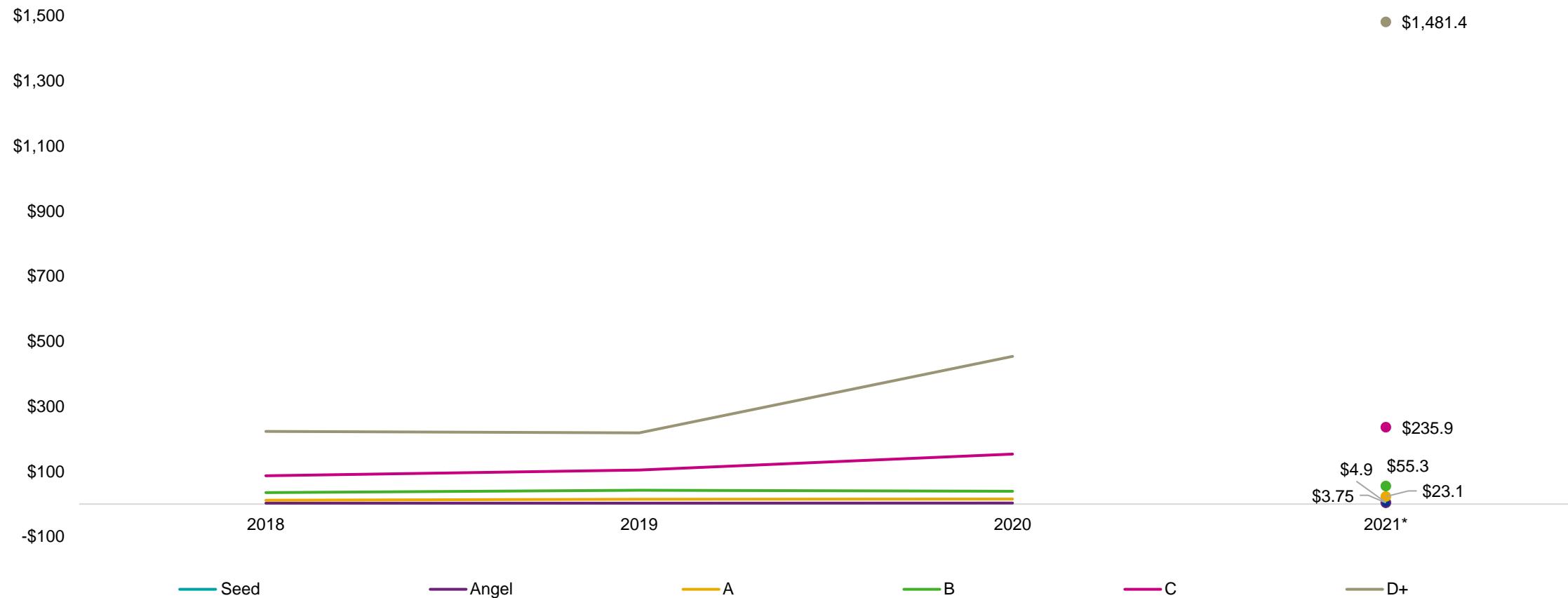
2013–2021*



The latest stages climb to stratospheric highs

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

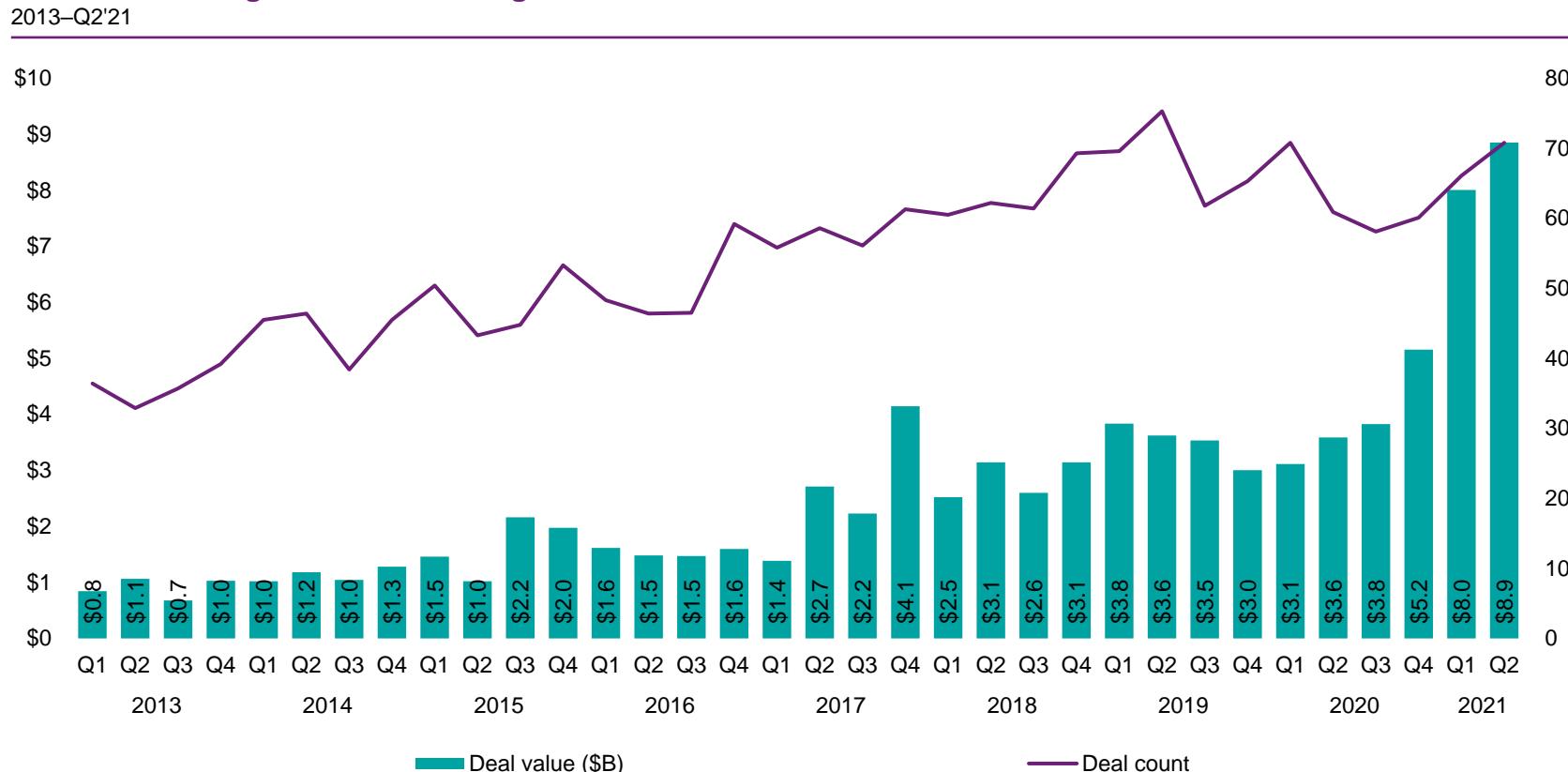
2018–2021*



Source: Venture Pulse, Q2'21, Global Analysis of Venture Funding, KPMG Enterprise. *As of June 30, 2021. Data provided by PitchBook, July 21, 2021.

UK sees record tally of VC invested already

Venture financing in the United Kingdom



Source: Venture Pulse, Q2'21, Global Analysis of Venture Funding, KPMG Enterprise. *As of June 30, 2021. Data provided by PitchBook, July 21, 2021.

“ There is growing optimism as we emerge from the pandemic and it is no surprise to see a linkage between this optimism and the extent of vaccination programmes. In the UK, it's really positive to see deal volumes increasing as well as deal value, creating more of a pipeline for the major funding rounds of the future. Access to talent post Brexit will continue to be a concern for a while, but the explosion in remote and hybrid working in the last year or so has eased those concerns somewhat as global talent is perhaps more accessible than ever. ”



Kevin Smith

Head of KPMG Private Enterprise in EMA,
Global Co-Leader — Emerging Giants,
KPMG Private Enterprise, KPMG
Partner, **KPMG in the UK**

London remains lodestar of British venture ecosystem

Venture financing in London

2013–Q2'21

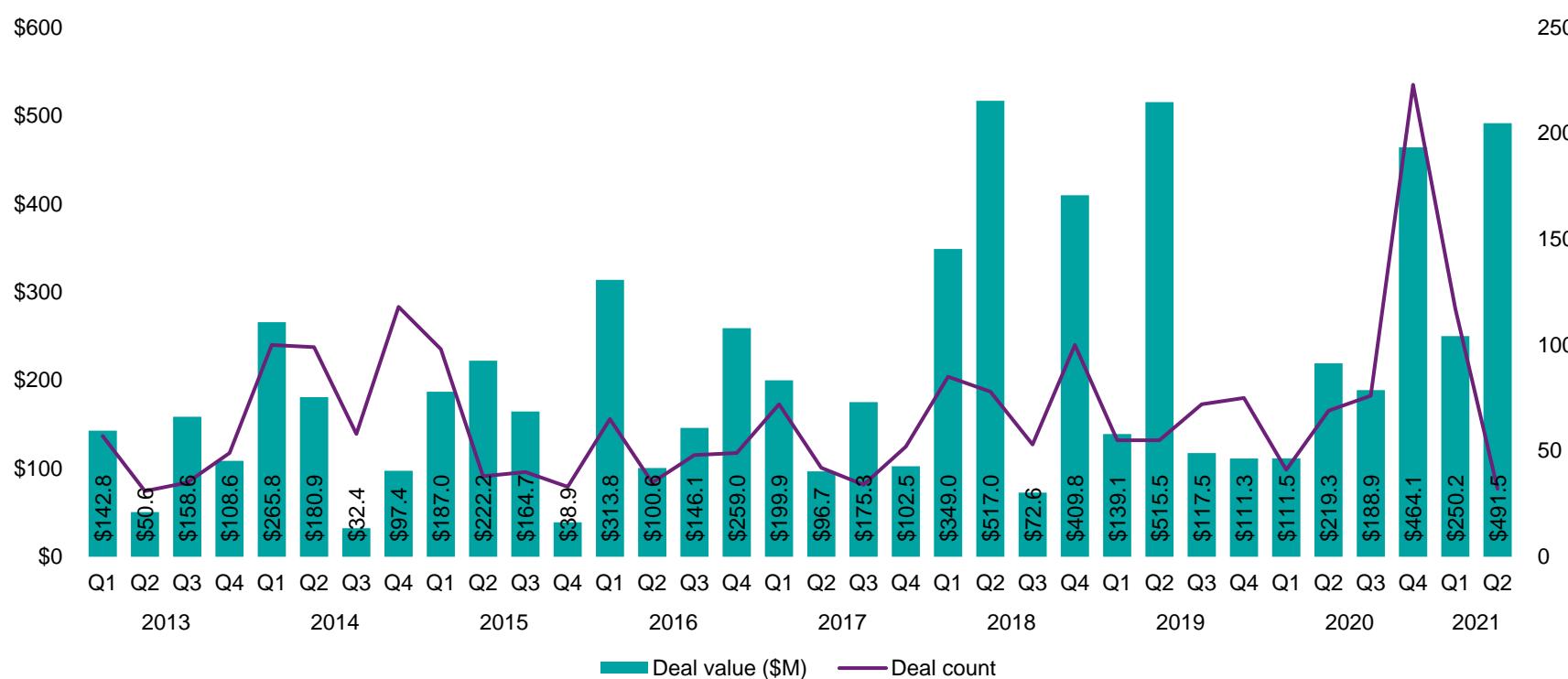


Source: Venture Pulse, Q2'21, Global Analysis of Venture Funding, KPMG Enterprise. *As of June 30, 2021. Data provided by PitchBook, July 21, 2021.

Even as financing volume takes a breather, VC invested surges

Venture financing in Ireland

2013–Q2'21



Source: Venture Pulse, Q2'21, Global Analysis of Venture Funding, KPMG Enterprise. *As of June 30, 2021. Data provided by PitchBook, July 21, 2021.

“ We are all very focussed on our health and wellbeing and the pandemic has brought this into sharp focus. It is no surprise then that investors are keenly focussed on health-tech and biotech and the benefits that can be achieved by supporting these companies to develop life enhancing products and services. This quarter we saw significant investments made in these areas in Ireland. **”**

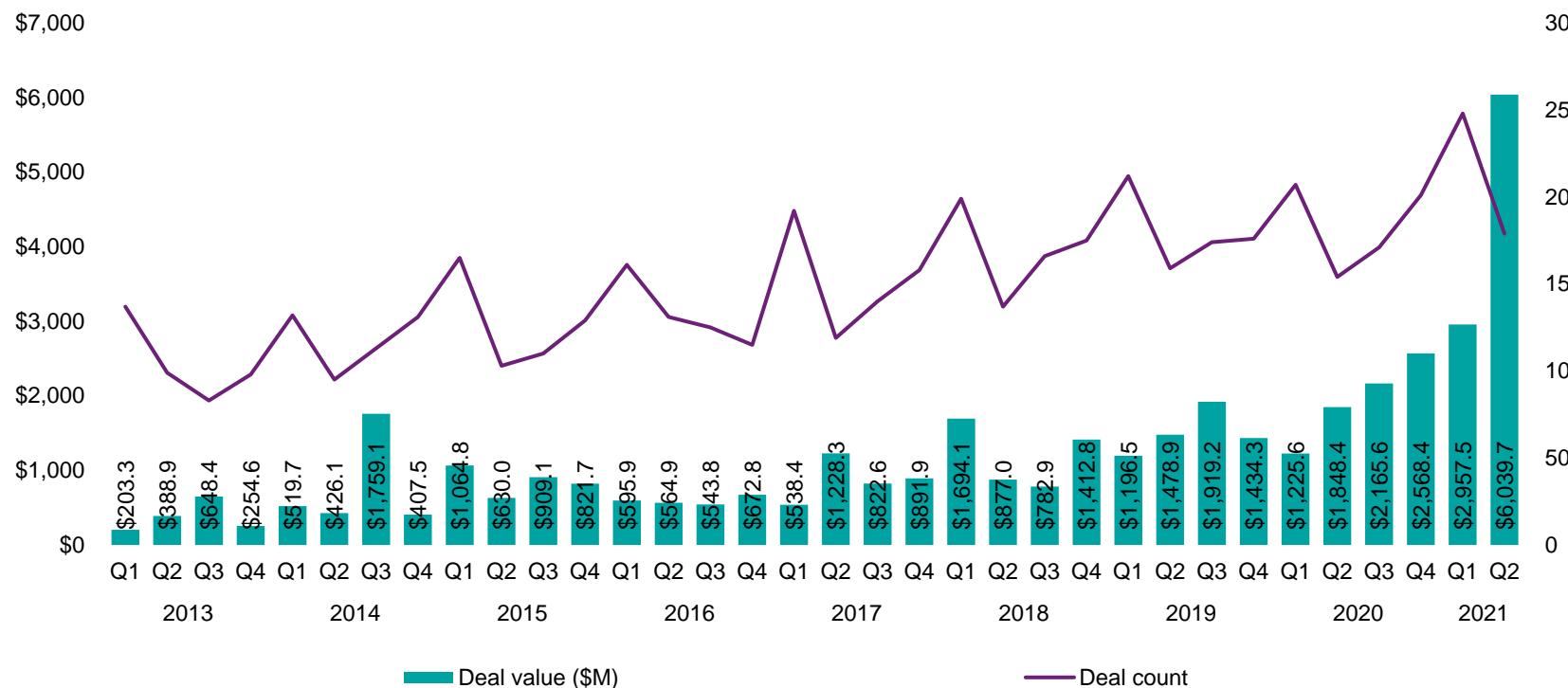


Anna Scally
Partner, Head of Technology and
Fintech Lead,
KPMG in Ireland

VC invested jumps to cap remarkable stretch of growth

Venture financing in Germany

2013–Q2'21



Source: Venture Pulse, Q2'21, Global Analysis of Venture Funding, KPMG Enterprise. *As of June 30, 2021. Data provided by PitchBook, July 21, 2021.

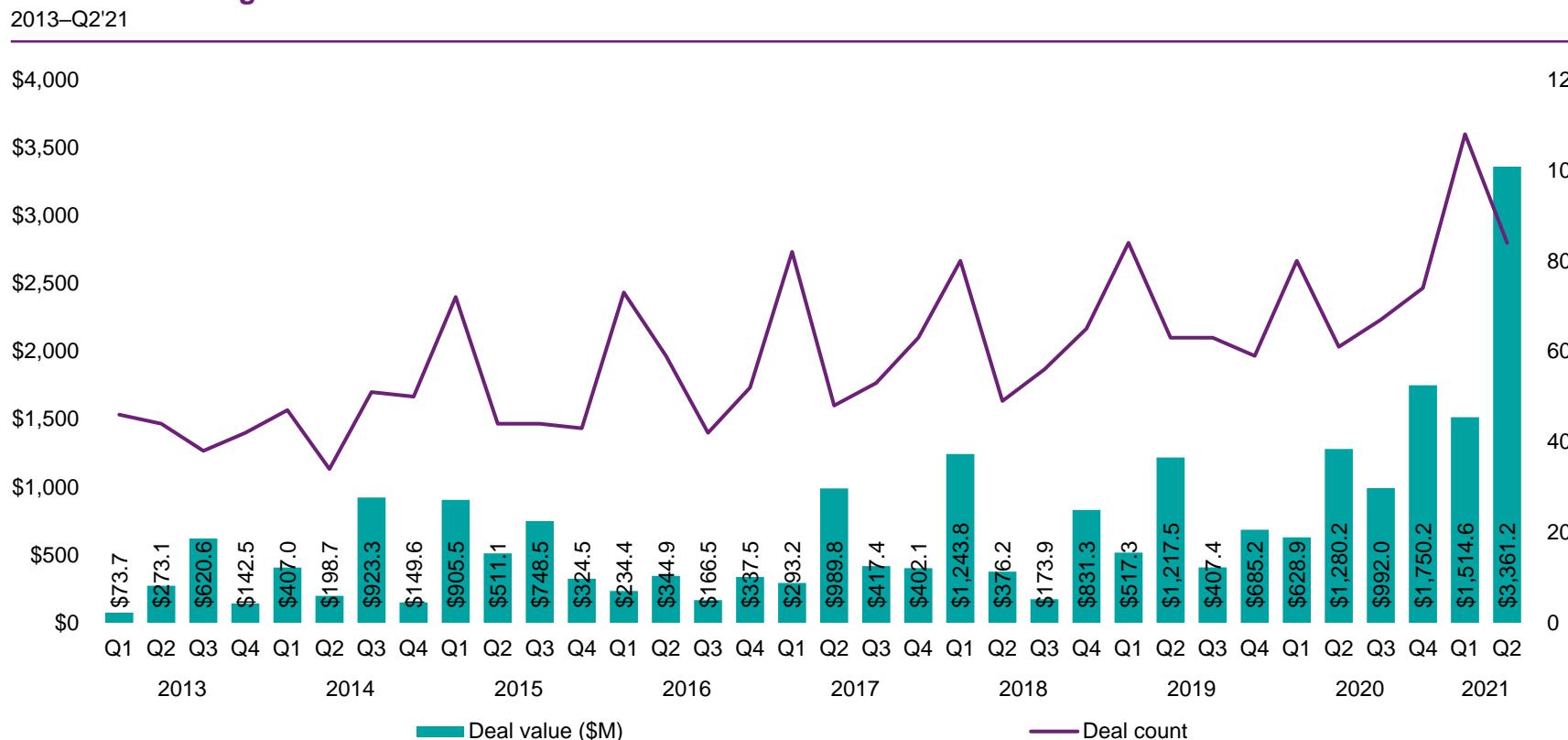
In Germany, VC investment is robust, but investors are still focused on late stage deals. The investments we are seeing are still very much around delivery, e-commerce and other digital services, including companies looking to optimize and enable businesses digitally. We're seeing interest in a wide-range of these businesses, but the best example this quarter is Celonis, which just became our first decacorn. ,



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

Berlin sees new record set, pushing well past \$3B+

Venture financing in Berlin



Source: Venture Pulse, Q2'21, Global Analysis of Venture Funding, KPMG Enterprise. *As of June 30, 2021. Data provided by PitchBook, July 21, 2021.

“ A lot of companies in Germany — and elsewhere — are looking to optimize their internal processes. They’re all facing the problem that critical human resources are becoming scarcer and more expensive. With the war for talent becoming more difficult, these companies looking for ways to optimize business processes and streamline processes internally. It’s a very hot topic for corporates and it’s driving a lot of their investment. ”

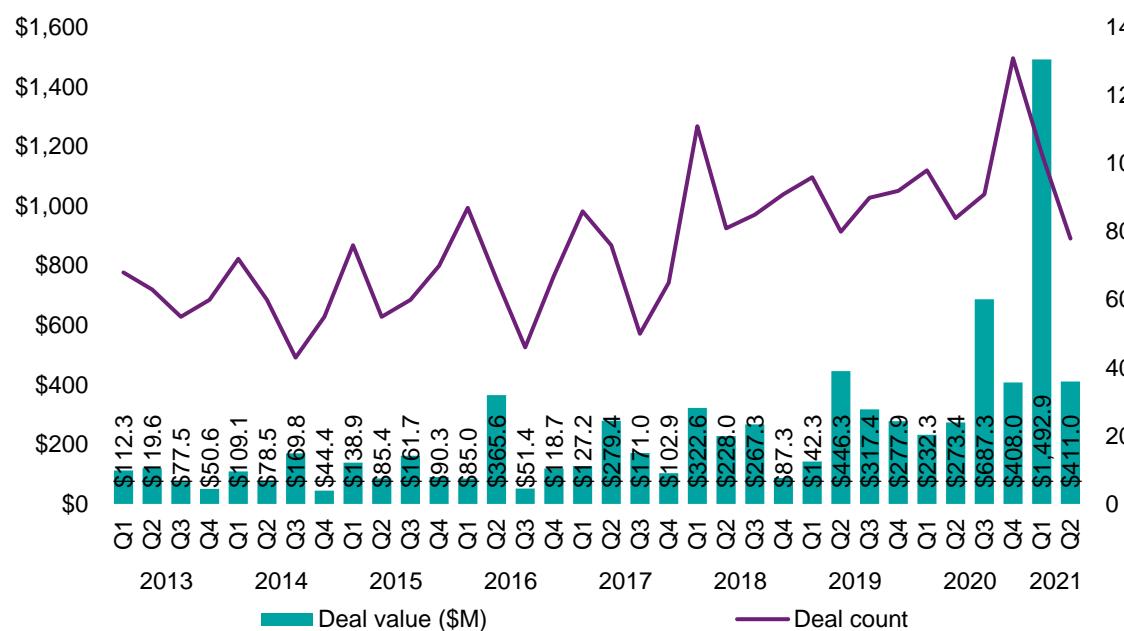


Tim Dümichen
Partner, KPMG in Germany

France sees impact of outliers while Spain takes a pause

Venture financing in Spain

2013–Q2'21

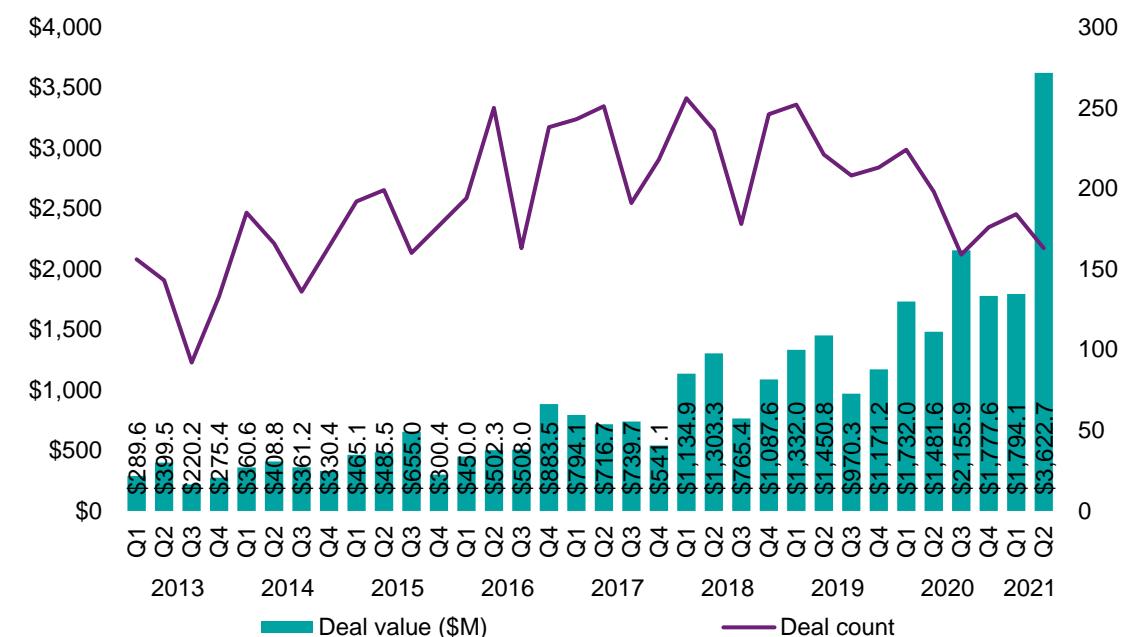


Source: Venture Pulse, Q2'21, Global Analysis of Venture Funding, KPMG Enterprise. *As of June 30, 2021. Data provided by PitchBook, July 21, 2021.

Spain saw a return to recent historical approximates of VC invested while deal count dipped, after a starting quarter to 2021 that saw numerous outlier financings help set a new record for VC invested, even as financing volume embarked upon a mild slide.

Venture financing in France

2013–Q2'21

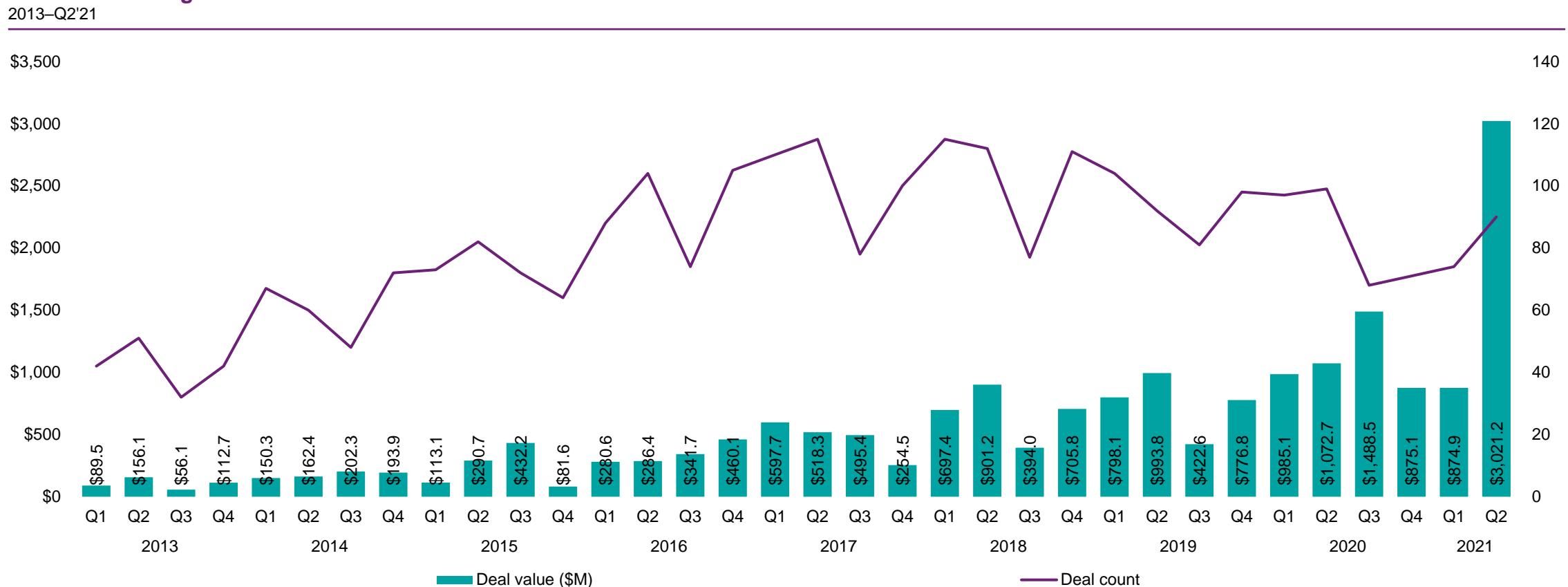


Source: Venture Pulse, Q2'21, Global Analysis of Venture Funding, KPMG Enterprise. *As of June 30, 2021. Data provided by PitchBook, July 21, 2021.

France continues to see the impact of more maturing companies being able to close on significantly sized rounds, with now 10 companies having closed upon financings sized at \$100 million or more already in 2021; such a profusion of capital puts this year on track to see a new record in VC invested.

Paris joins Berlin in seeing new quarterly record of \$3B+

Venture financing in Paris

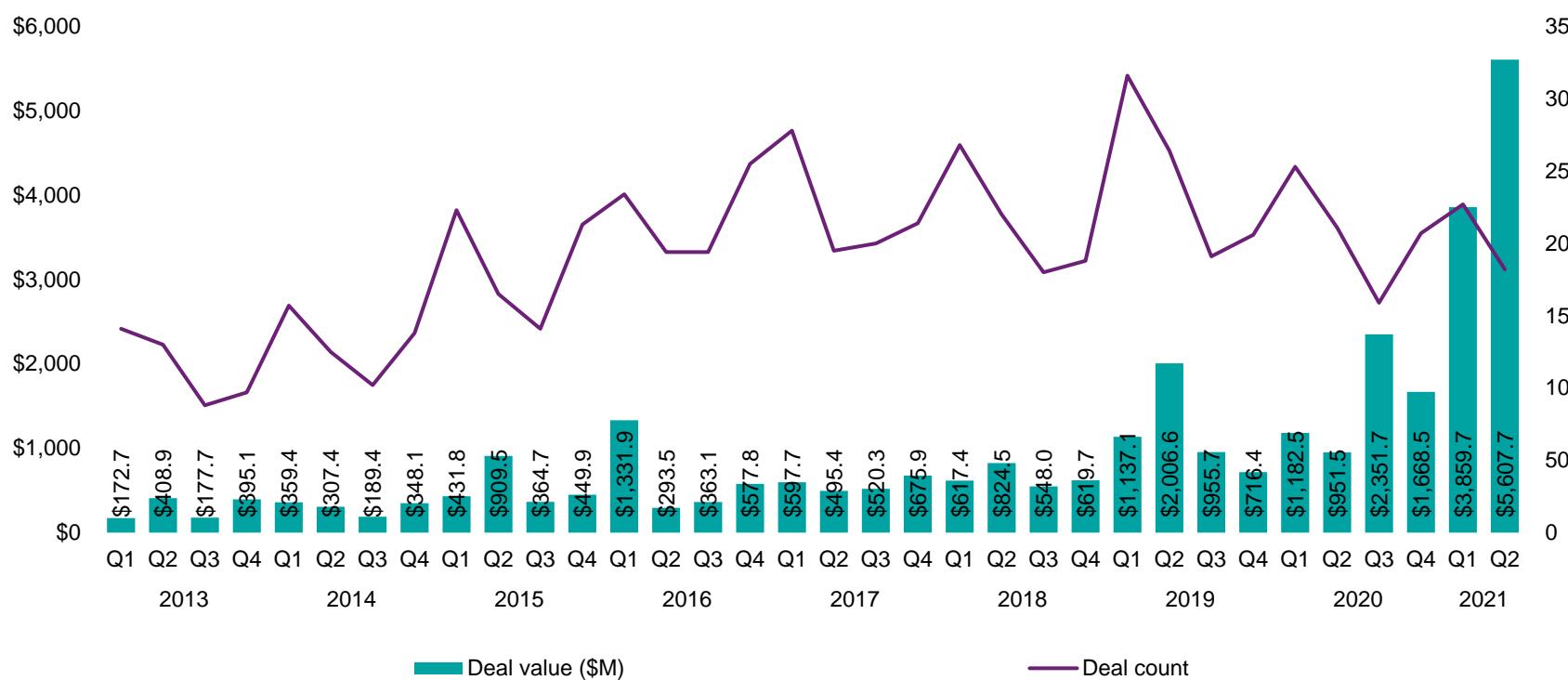


Source: Venture Pulse, Q2'21, Global Analysis of Venture Funding, KPMG Enterprise. *As of June 30, 2021. Data provided by PitchBook, July 21, 2021.

Nordics continue to rake in large sums as key unicorns expand

Venture financing in the Nordics

2013–Q2'21



Source: Venture Pulse, Q2'21, Global Analysis of Venture Funding, KPMG Enterprise. *As of June 30, 2021. Data provided by PitchBook, July 21, 2021.

“ Another record quarter in VC investment in the Nordics. There is also a lot of attention around the IPO market right now. We have a lot of IPOs in every country in the region – not just venture-backed IPOs, but other types of IPOs as well. IPOs to foreign exchanges following the footsteps of strong IPOs by Oatly ('Q2 Nasdaq) and Trustpilot ('Q1 LSE) can be an emerging trend to follow. ”

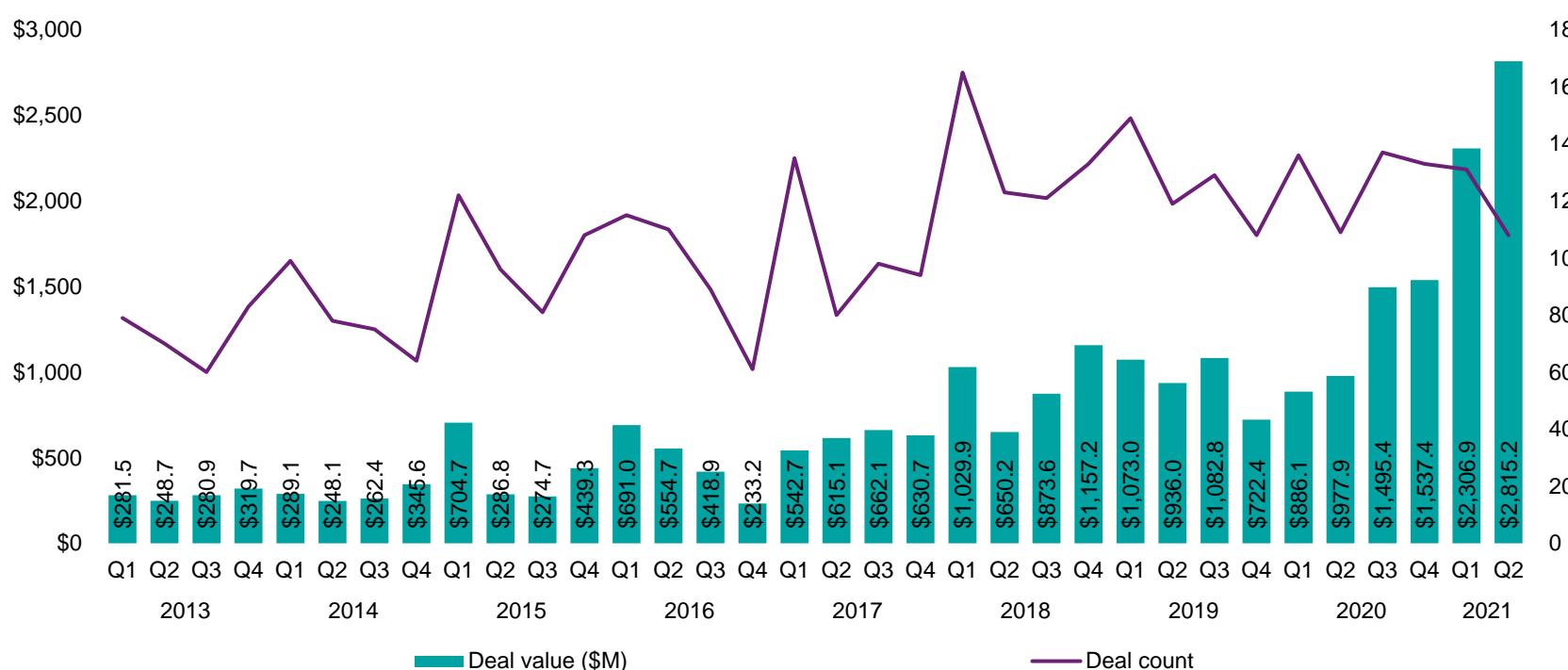


Jussi Paski
Head of Startup Services
KPMG in Finland

Israeli companies keep attracting foreign investment

Venture financing in Israel

2013–Q2'21



Source: Venture Pulse, Q2'21, Global Analysis of Venture Funding, KPMG Enterprise. *As of June 30, 2021. Data provided by PitchBook, July 21, 2021.

“ Israel has always been known for its strong R&D and M&A, but now our reputation is strengthening and broadening. The market is becoming mature enough that startups can stay in Israel longer, grow, and become international businesses themselves rather than simply being acquired. ”



Dina Pasca-Raz
Head of Technology
KPMG in Israel

A diverse array of geographies & sectors draws funding

Top 10 financings in Q2'21 in Europe



Source: Venture Pulse, Q2'21, Global Analysis of Venture Funding, KPMG Enterprise. *As of June 30, 2021.
Data provided by PitchBook, July 21, 2021.

1. **Northvolt** — \$2.75B, Stockholm, Sweden — Automotive cleantech — Series E
2. **Celonis** — \$1B, Munich, Germany — Business/productivity software — Series D
2. **MessageBird** — \$1B, Amsterdam, Netherlands — Cloudbtech — Series C
4. **Trade Republic** — \$900M, Berlin — Fintech — Series C
5. **Mollie** — \$805.8M, Amsterdam — Fintech — Series C
6. **FlixBus** — \$650M, Munich — Automotive — Series G
6. **Wefox** — \$650M, Berlin — Fintech — Series C
7. **Klarna** — \$639M, Stockholm — Fintech — Late-stage VC
8. **CMR Surgical** — \$600M, Cambridge — Surgical devices — Series D
9. **Getir** — \$555M, Istanbul — Internet retail — Series D

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



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You know KPMG, you might not know KPMG Private Enterprise. KPMG Private Enterprise advisers in KPMG firms around the world are dedicated to working with you and your business, no matter where you are in your growth journey — whether you're looking to reach new heights, embrace technology, plan for an exit, or manage the transition of wealth or your business to the next generation. You gain access to KPMG's global resources through a single point of contact — a [trusted adviser](#) to your company. It is a local touch with a global reach.

The KPMG Private Enterprise Global Network for Emerging Giants 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.

About the report

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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