GLOBAL FUNDING REPORT

Q1 2018

funderbeam

"You can have data without information, but you cannot have information without data."

Daniel Keys Moran

CONTENT

FUNDING IN Q1 2018

ABOUT THE REPORT

Purpose

The aim of this report is to provide investors, founders, and startup professionals around the world with valuable data.

We've chosen not to make too much analysis in this report but focus on delivering clear unbiased data that you can interpret yourself. We hope this is useful for investors, founders, and journalists alike.

On Funderbeam Wire, our data-focused blog, you can find more analytical approaches to our data.

Use

All the information in the report is free to use and share, as long as appropriate accreditation is given.

More specific needs?

We are always on the lookout for interesting partners for sharing data, collaborating on content, and strengthening the industry.

If you'd like to talk to us, please get in touch with our Head of Data, Nicholas Vandrey via email:

Nicholas.Vandrey@Funderbeam.com

DEFINITIONS

Regions

Evaluating funding trends and aggregating numbers on a global scale can be misleading. Due to the sheer difference in funding activity in different regions, global sums may not tell the full story. For example, a moderate increase or decrease in funding activity in North America might overpower a significant increase or decrease in European funding activity simply because of a rift in the absolute funding amount within each region. To reduce the effect of these powerhouses on emerging regions, we've split the data into four different regions so funding trends can be evaluated on a more appropriate basis. Those regions are as follows:

North America: Canada, The US, and Mexico.
Europe: Europe including Israel and Russia.
ASIA: All countries in Asia.
RoW: Rest of world consists of all countries not included in the other three regions.

RoW groups together countries like Australia with Middle Eastern, African, and South American countries. These are not related, but from 2012 until today, they only constitute about 2.5% of global funding, so for meaningful comparison of the other three regions, we've grouped these three together.

Industries (Tag clusters)

Grouping startups by industry can be a tricky process. Due to the prevalence of tech startups, along with the inherently disruptive nature of innovative companies, it's difficult to draw clear boundaries between industries. Classical industry classifications are too broad to capture the essence of the startup world, but allowing each startup to populate its own space would make any comparison of trends meaningless.

To address this, we've used thousands of descriptive tags and clustered them into 54 industries that capture the diversity of the startup world while maintaining meaningful comparability. This way, patterns and trends in funding across different industries can be evaluated over time.

Stages

Most startups follow a fairly straightforward funding journey. They start off with angel and seed funding as they develop their product and find their place in the market. Afterwards, they progress through the alphabet of Series funding leading with A and moving forward.

For the purposes of this report, we divided funding into 11 stages. **Angel, seed,** and **crowdfunding** generally indicate an early round of capital that doesn't usually involve large VCs.

Series A, Series B, and **Series C+** are later stage rounds that usually come (at least partially) from VCs and may include existing angel investors. The same applies for **Series ?**, but we don't have specific information on where in the Series pipeline it came from.

Grant and **debt** are somewhat less common ways for startups to raise capital. Grants are popular among university spin-offs and startups heavily involved in fields that require significant amounts of research (such as biotech). Debt is a way of raising capital that doesn't generally dilute outstanding shares (as no new shares are issued).

Undisclosed indicates that we're aware of a funding event taking place, but we don't have sufficient information to distinguish the stage of the round.

In the report, angel, seed and crowdfunding rounds together with grants are combined under the name **early stages**.

We have included Initial Coin Offerings as a funding stage under the abbreviation of **ICO.** ICO is an unregulated way of crowdfunding via the use of cryptocurrency.

DATA SOURCES

Funderbeam data

Powering a data platform as large as Funderbeam's requires an extensive amount of both automatic and manual work. In order to piece together an accurate picture of the startup environment globally, we collect data from a wide variety of sources, clean it and structure it, and then run it through a number of fine-tuned algorithms to bring out the story behind the numbers.

Collecting the Data

Data is collected from a combination of public sources, strategic partnerships, and the crowd.

Sources include social media profiles such as Facebook, Twitter, and LinkedIn as well as media outlets, blogs, and filings. The web pages of the startups themselves also provide valuable data.

Structuring the Data

The amount of data available on startups has increased dramatically over the last few years to the point that too much data is an equal issue to the lack of it. In order to find and make use of the data, it must be cleaned and structured.

To address this, we use both automatic processing and manual verification to update our data.

Data coming from different sources is cross-checked for validity. In cases where the same data from different sources are in conflict with each other, a thorough series of algorithms is run to determine which data is most likely to be correct.

In addition, data on our platform is constantly being maintained by dedicated data administrators and analysts. Every suggested edit to the data by the crowd only makes it to the platform once it's been manually verified by our team.

Analyzing the Data

The data is run through a number of machine learning algorithms that have been tuned and statistically analyzed using hundreds of thousands of data points. These algorithms give insight beyond the amount of funding a startup has raised and the number of Twitter followers they have.

Natural language processing is also leveraged to extract meaningful data from news articles, allowing machines to process thousands of articles in the time it would take a human to read one.

The data in this version of the report is extracted from our database on the 3rd of April 2018, and rounds are still coming in, so final numbers may vary slightly later.
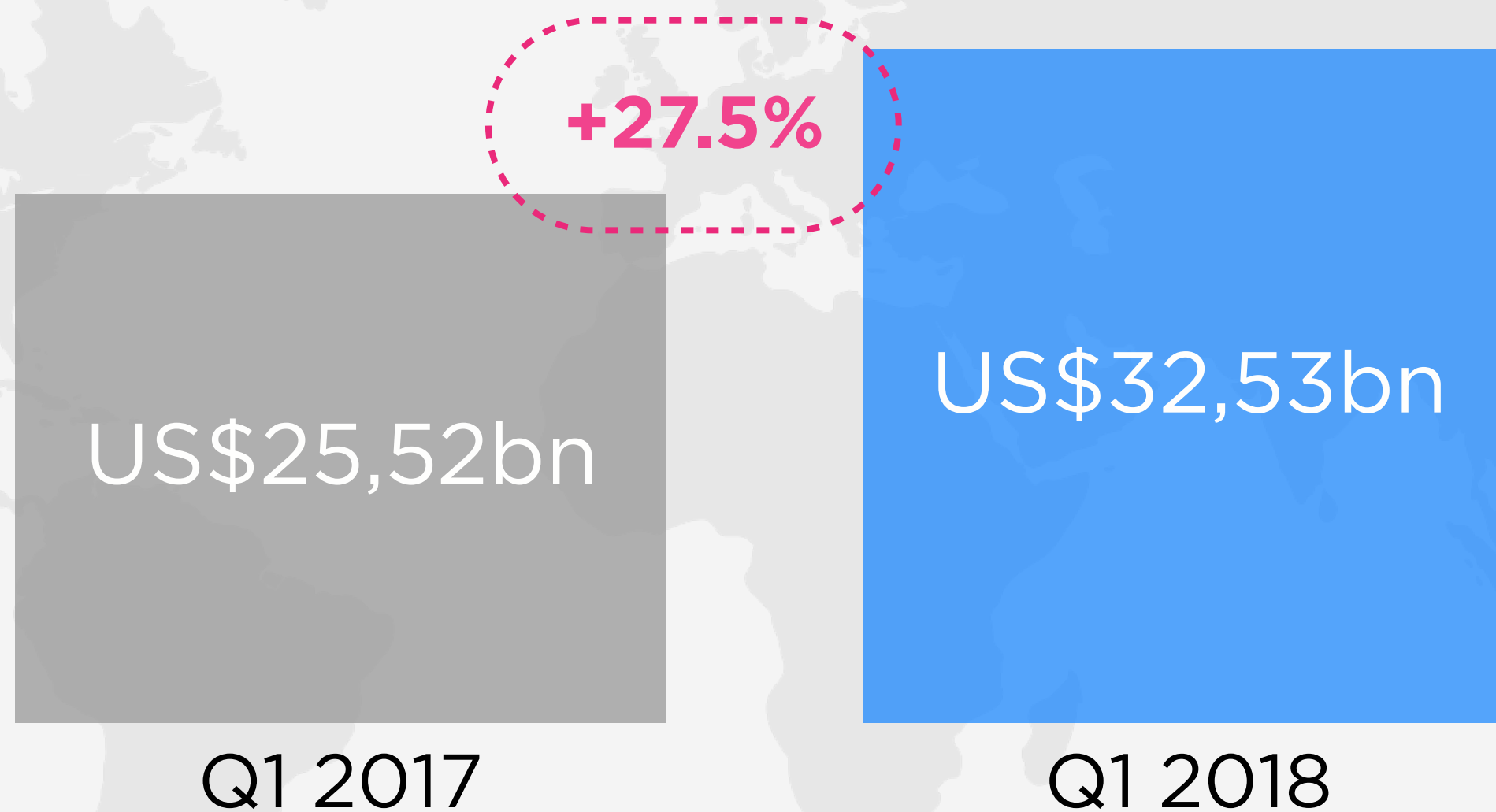
CHAPTER 1
THE BIG PICTURE

Global funding in 2018

In this chapter, we start by looking at the total funding globally, amount of rounds, and average round size.

GLOBAL FUNDING
YoY Comparison of Q1

+27.5%

US$25,52bn

US$32,53bn

Q1 2017

Q1 2018

REPORT BY funderbeam

READING THE CHART

The left grey column shows global funding in the first quarter 2017, while the right blue column shows global funding in Q1 2018.
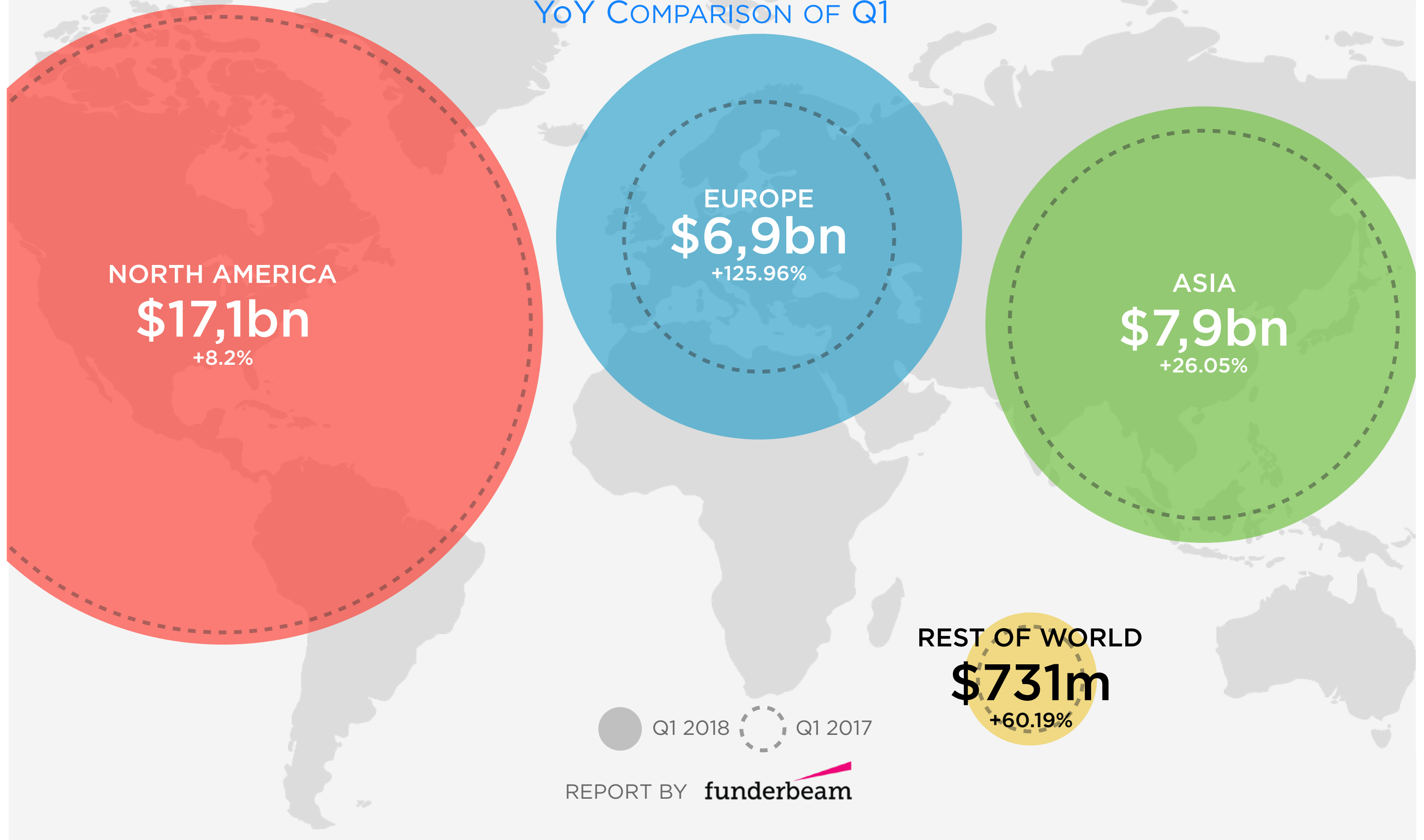
KEY TAKE-AWAY

Global funding grew 27.5% in the first quarter of 2018. In total numbers, funding grew by almost $7bn.

5% of the global funding was raised by Telegram Messenger's ICO, which ended up at $1.7bn.

GLOBAL FUNDING BY REGION
YoY Comparison of Q1

NORTH AMERICA
$17,1bn
+8.2%

EUROPE
$6,9bn
+125.96%

ASIA
$7,9bn
+26.05%

REST OF WORLD
$731m
+60.19%

◯ Q1 2018 ⬭ Q1 2017

REPORT BY **funderbeam**

READING THE CHART

Each colored circle represents the total funding in the region in the first quarter of 2018. The dotted line indicates the size of the same circle in Q1 2017.

In each circle, is the total amount of funding in Q1 2018, as well as the percentage change between Q1 2018 and Q1 2017.
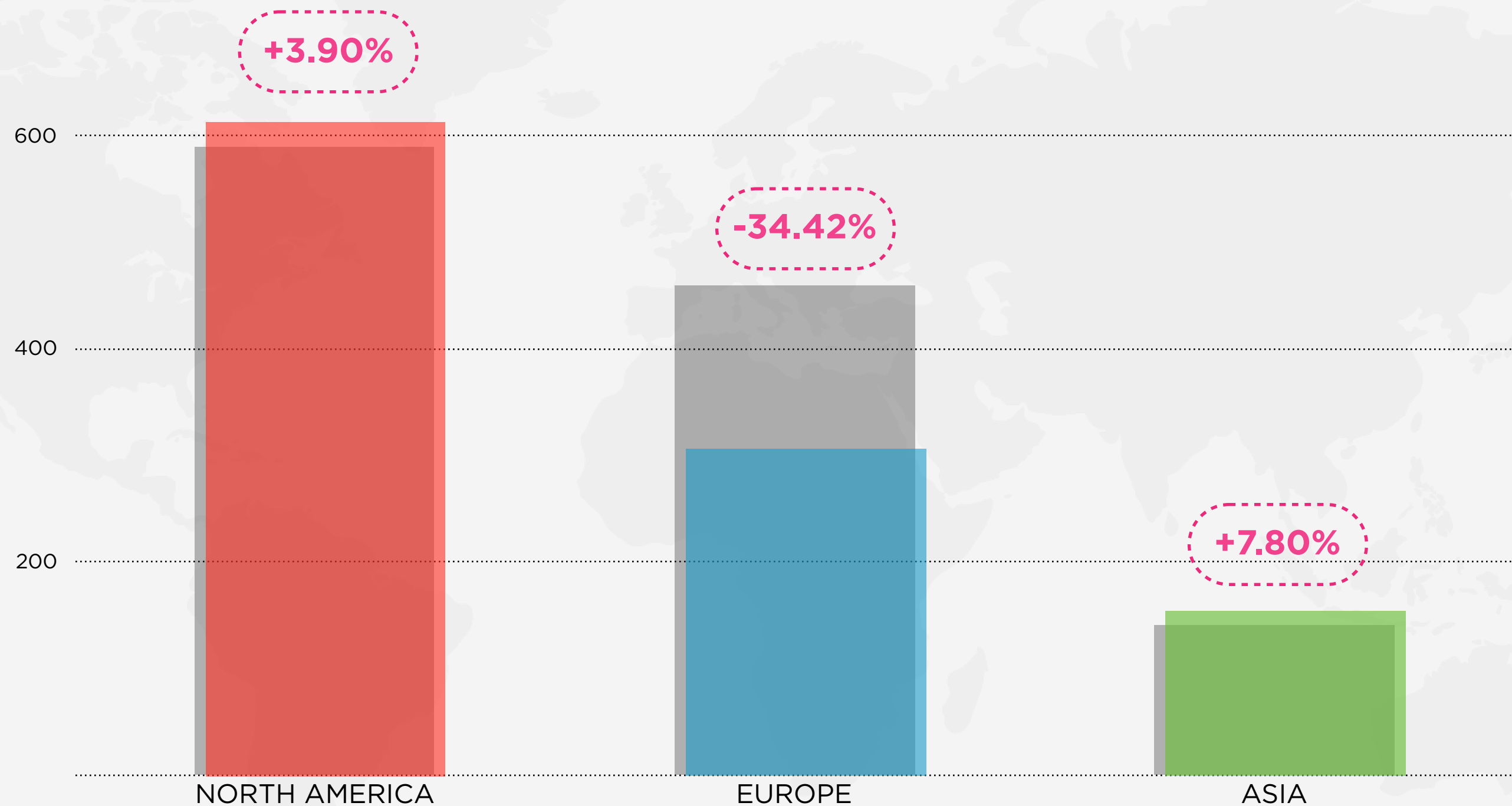
For definitions of regions, please see **definitions**.

KEY TAKE-AWAY

All the regions saw an increase in funding compared to the Q1 in the previous year.

Europe saw the **biggest increase** in funding, where it more than doubled the funding and reached a total of $6,84bn in Q1 2018. This is driven by Telegram Messenger raising €1.7bn in ICO funding.

TOTAL ROUNDS BY REGION
YoY Comparison of Q1

+3.90%

-34.42%

+7.80%

600

400

200

NORTH AMERICA

EUROPE

ASIA

REPORT BY funderbeam

READING THE CHART

The colored bars show the total amount of rounds in each region in Q1 2018. The grey bars represent the total amount of rounds in Q1 2017.

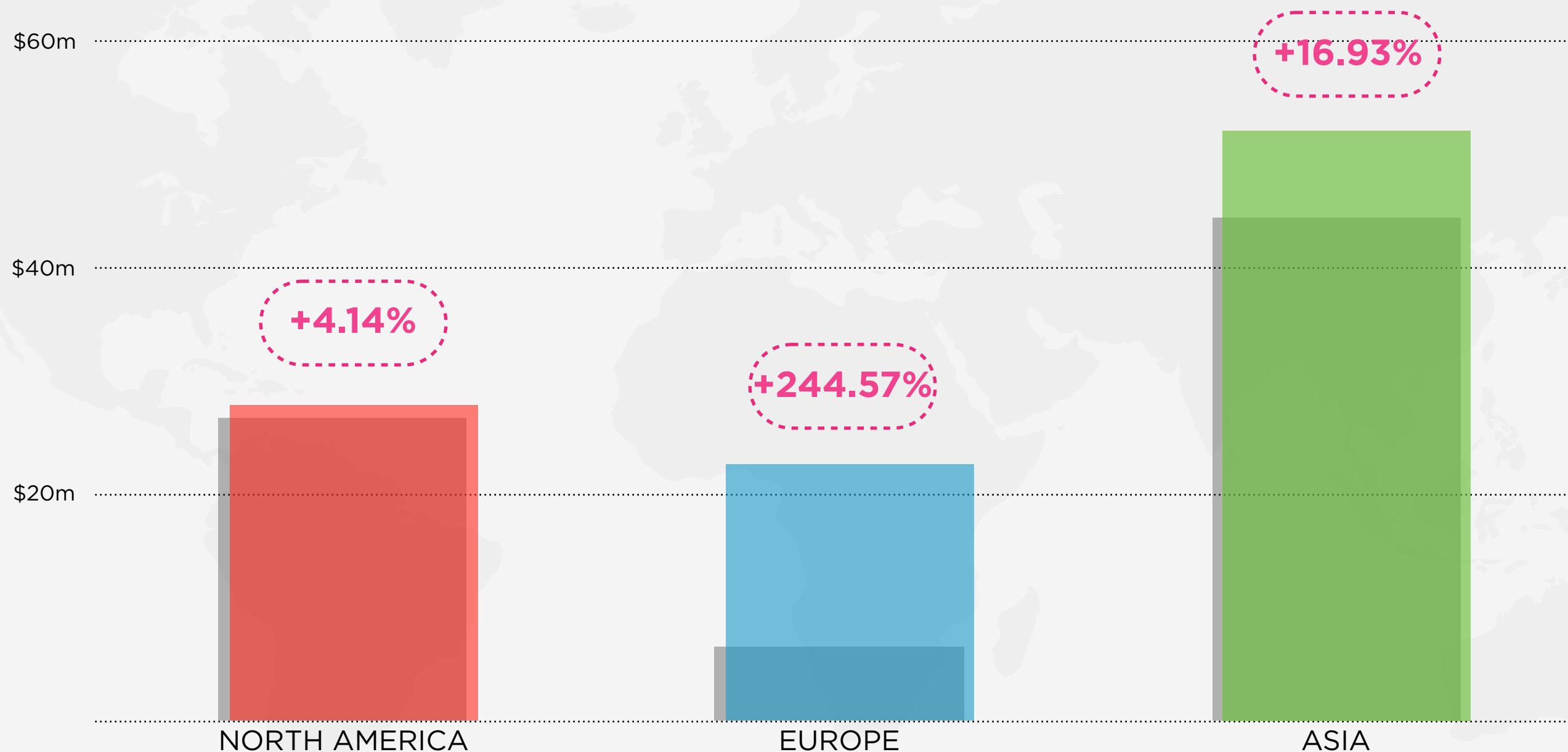For definitions of regions, please see **definitions**.

KEY TAKE-AWAY

The total amount of rounds increased only slightly in North America and Asia but **dropped by over a third in Europe**.

Globally, the drop was 10% from 1,236 in Q1 2017 to 1,109 in Q1 2018.

AVERAGE ROUND-SIZES
YoY Comparison of Q1

$60m

$40m

$20m

+4.14%

+244.57%

+16.93%

NORTH AMERICA   EUROPE   ASIA

REPORT BY **funderbeam**

READING THE CHART

The colored bars represent the average deal size of all deals in each region in the first quarter of 2018. The grey bars represent the average deal size in the first quarter of 2017.

For definitions of regions, please see **definitions**.

KEY TAKE-AWAY

Due to the decreasing number of rounds and increased funding, the average round-sizes have **gone up in all regions**. This is a tendency seen in our previous reports as well.

The biggest increase was in **Europe**, where the average deal size rose from $7m to almost $23m. A contributor to this was Telegram's ICO of $1.7bn.

CHAPTER 2
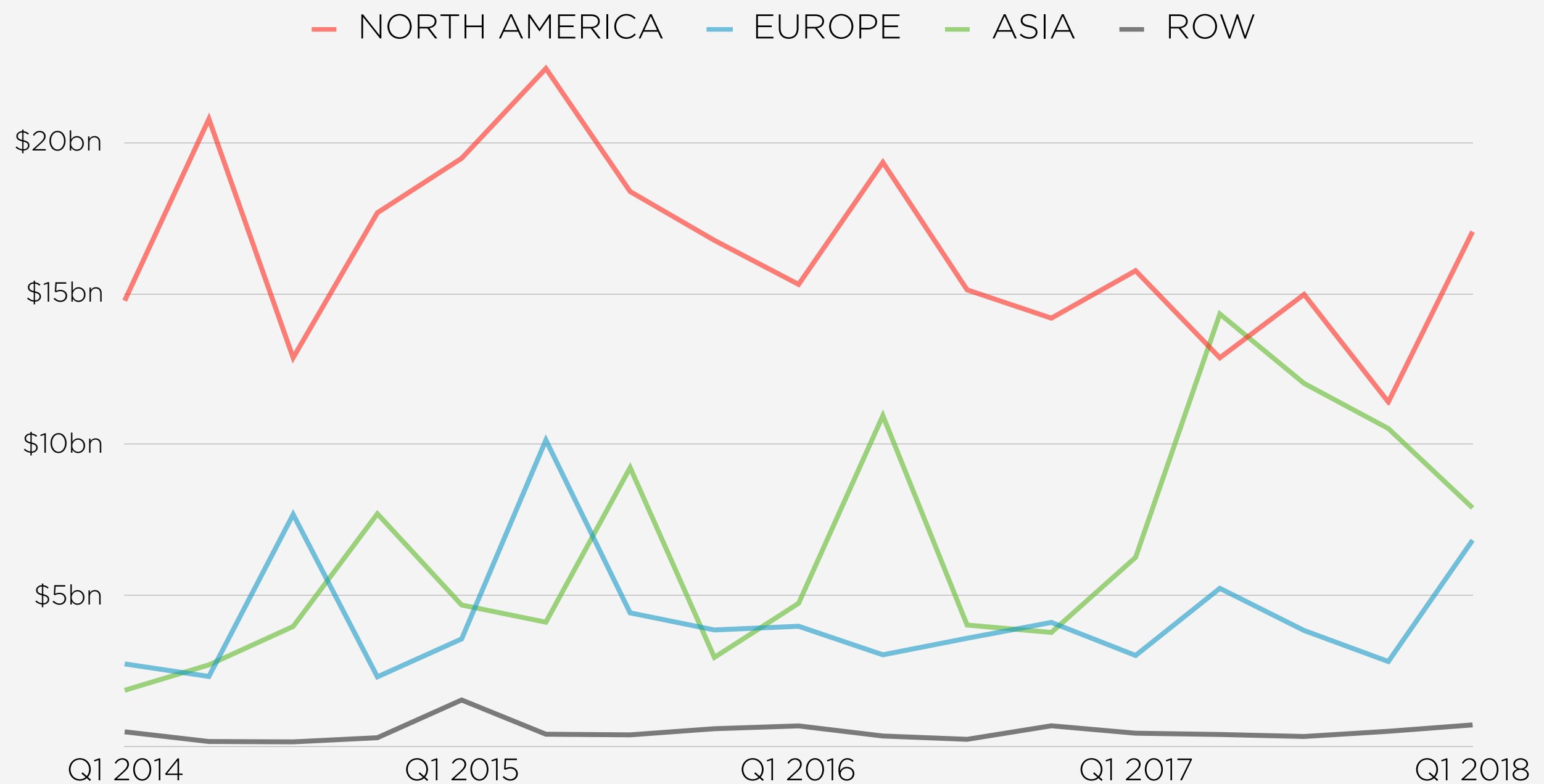# QUARTERLY DEVELOPMENT

Development in quarterly funding

In this chapter, we look at all funding rounds since the beginning of 2014 broken down by quarter.

FUNDING BY REGION

Global quarterly since 2014

Legend: NORTH AMERICA — EUROPE — ASIA — ROW

REPORT BY funderbeam

READING THE CHART

Each line is color-coded by region, and grouped by stage of funding.

For definitions of stages and regions, please see **definitions**.
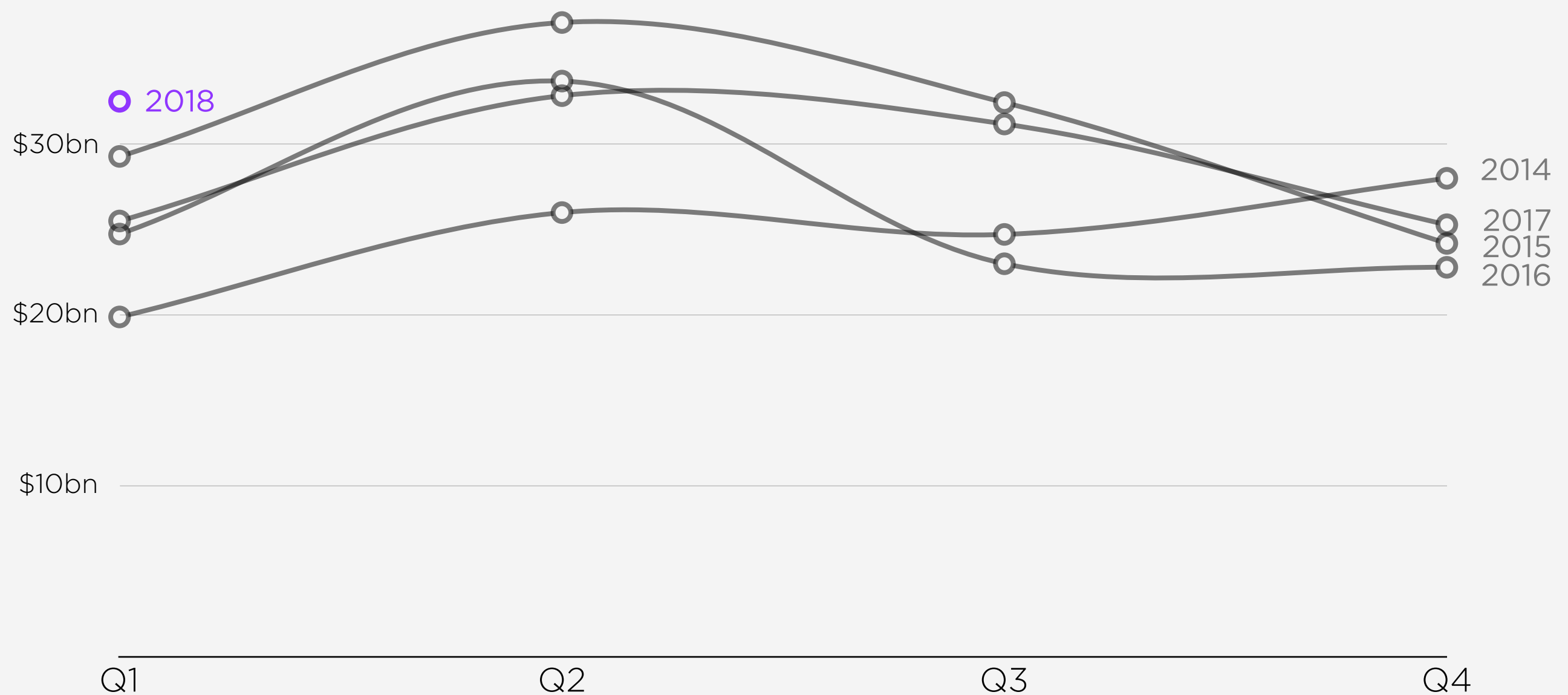
KEY TAKE-AWAY

North America, which has been facing a decrease in funding, saw a **significant increase** in Q1 2018. Europe also saw an increase, a positive sign after flatlining for years.

Asia, which had a great start in Q2 2017, has been facing **a decrease in funding** ever since.

GLOBAL FUNDING

BY QUARTER

○ 2018

$30bn

$20bn

$10bn

Q1   Q2   Q3   Q4

2014
2017
2015
2016

REPORT BY *funderbeam*

READING THE CHART

Each line represents the total funding for one year, split by quarters on the horizontal axis. The purple line indicates the most recent year.

The purpose is to make each individual quarter easy to compare with same quarters over the years.

For definitions of regions, please see **definitions**.

KEY TAKE-AWAY

The global funding is showing **positive growth**, Q1 2018 is the best Q1 out of the last five years.

The global funding in the first quarter of 2018 is around $33bn, which is 27.5% higher than the same quarter in the previous year, where it was at $25bn.

FUNDING IN NORTH AMERICA

By quarter

$20bn			2014
2018			2015
$15bn			2016
			2017
$10bn			
$5bn			
Q1	Q2	Q3	Q4

REPORT BY **funderbeam**

READING THE CHART

Each line represents the total funding for one year, split by quarters on the horizontal axis. The purple line indicates the most recent year.

The purpose is to make each individual quarter easy to compare with same quarters over the years.

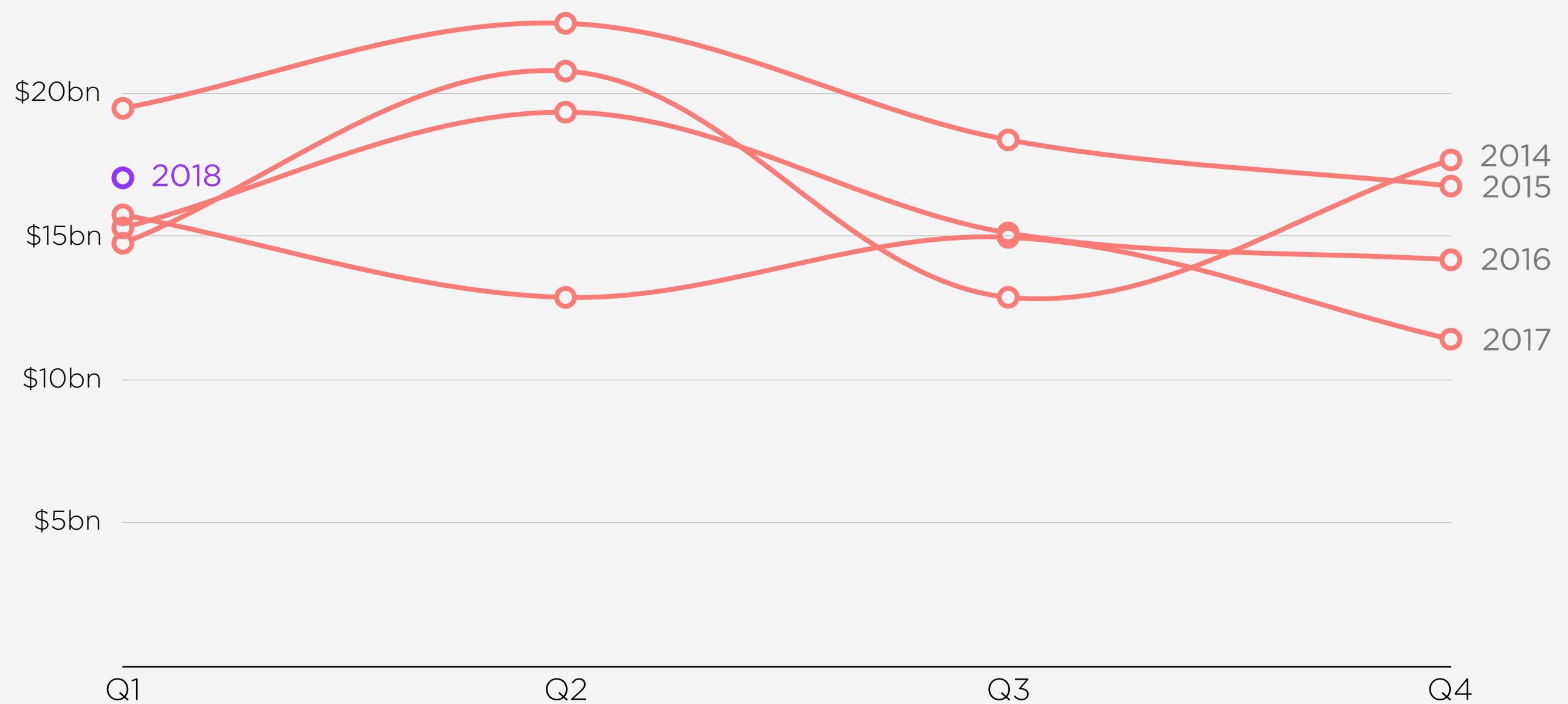For definitions of regions, please see **definitions**.

KEY TAKE-AWAY

In Q1 2018, funding in **North America** rose to the second best level since 2014. Compared to the Q1 2017, the funding increased by $1,3bn in Q1 2018.

While Q1 2018 was the best Q1 so far in all other regions, in North America it's only the second best with Q1 2015 still on top of the charts.

FUNDING IN EUROPE

BY QUARTER

READING THE CHART

Each line represents the total funding for one year, split by quarters on the horizontal axis. The purple line indicates the most recent year.

The purpose is to make each individual quarter easy to compare with same quarters over the years.

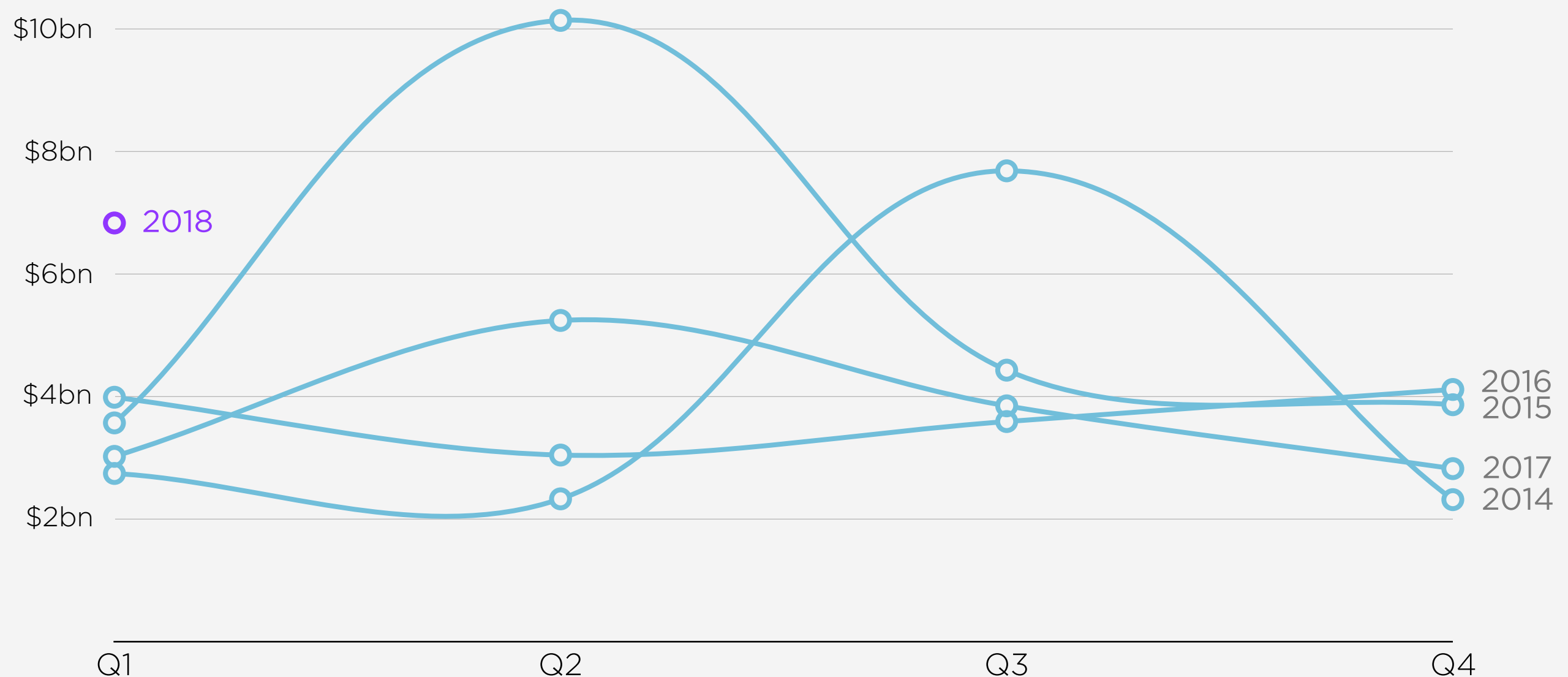For definitions of regions, please see **definitions**.

KEY TAKE-AWAY

Q1 in Europe was significantly better than it was the year before. The startup **funding increased** by almost a whopping $3,8bn in Q1 2018.

The increase in funding is partly due to the ICO raised by Telegram Messenger, which came to $1,7bn.

FUNDING IN ASIA
BY QUARTER

$12bn

$9bn

2018

$6bn

$3bn

Q1   Q2   Q3   Q4

2017
2014
2016
2015

REPORT BY funderbeam

READING THE CHART

Each line represents the total funding for one year, split by quarters on the horizontal axis. The purple line indicates the most recent year.

The purpose is to make each individual quarter easy to compare with same quarters over the years.
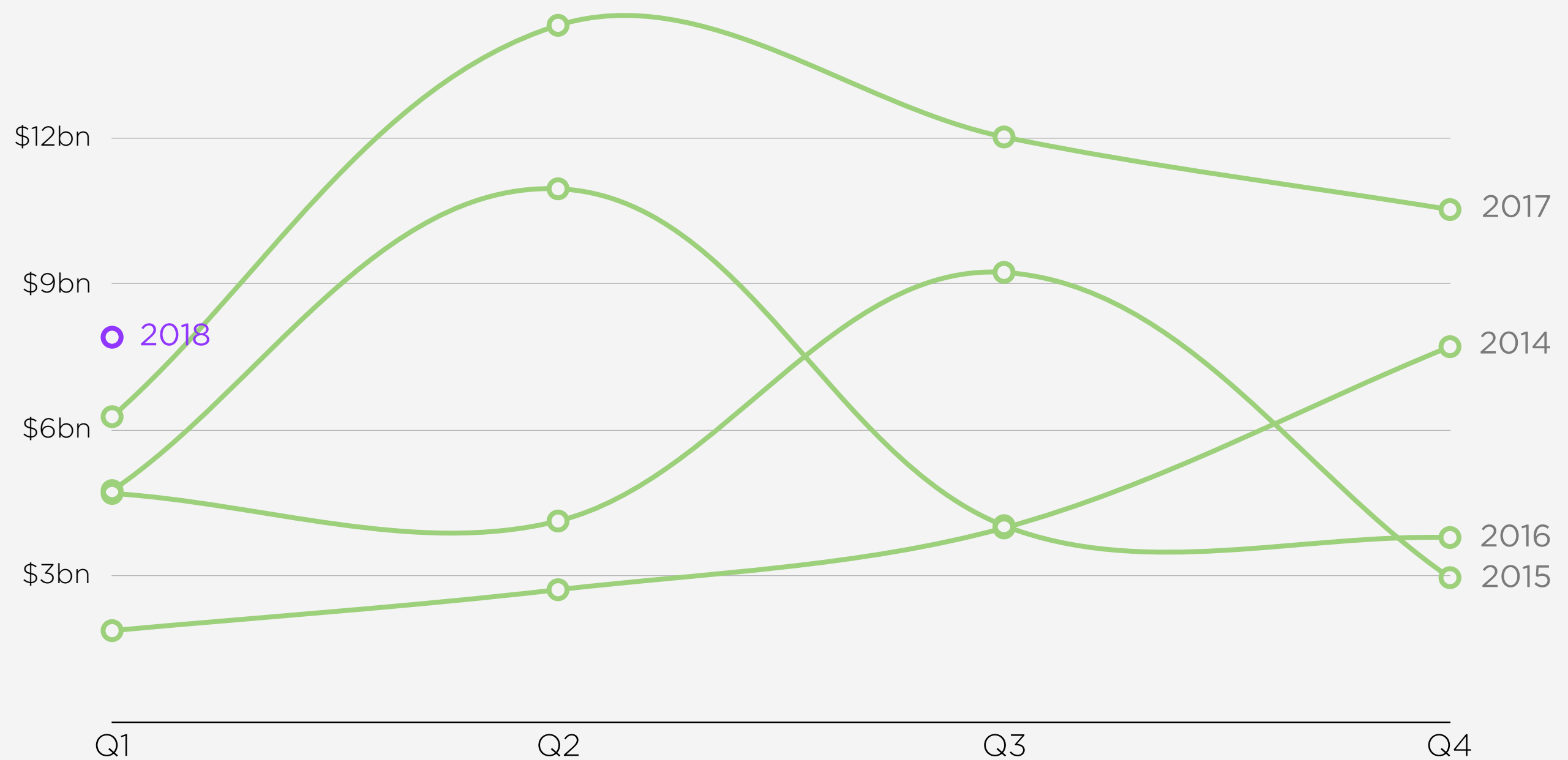
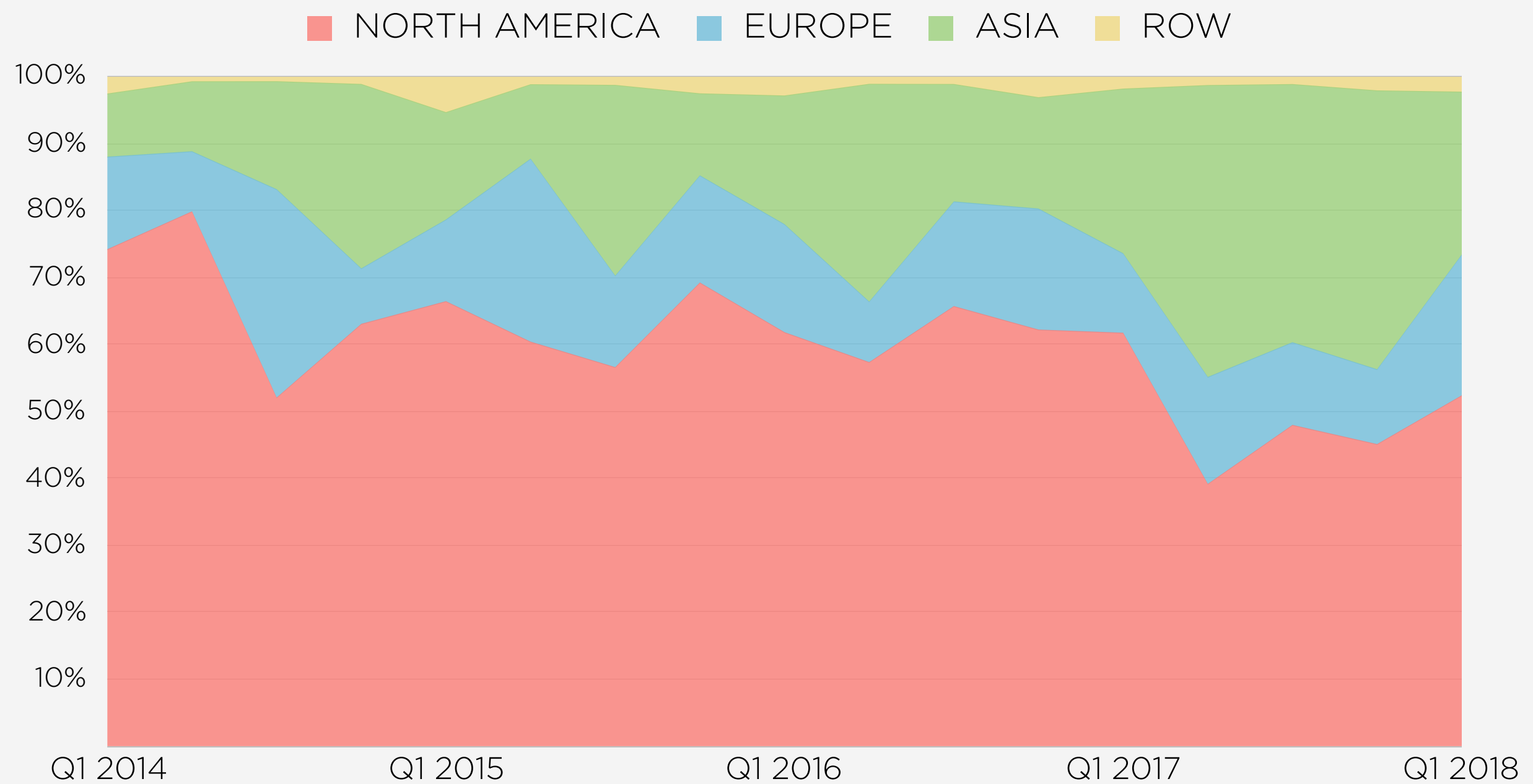For definitions of regions, please see **definitions**.

KEY TAKE-AWAY

Asia is continuing the trend of **steadily increasing** its Q1 startup funding. Q1 2018 is the best Q1 in Asia since 2014.

Compared to Q1 2017, the funding increased by $1,3bn in Q1 2018.

SHARE OF GLOBAL FUNDING

QUARTERLY SINCE 2014

■ NORTH AMERICA ■ EUROPE ■ ASIA ■ ROW

REPORT BY **funderbeam**

READING THE CHART

The red area shows the global funding starting from 2014 in North America. The blue area represents Europe, green Asia, and yellow Rest of the World.

For definitions of stages and regions, please see **definitions**.

KEY TAKE-AWAY

While North America was losing its share of global funding and even dropped under 40% in 2017, it has now **regained** it's share and has reached over 50% again.

Asia has had the biggest drop in the global share of funding, losing over 20% compared to the last quarter.

CHAPTER 3
INDUSTRY TRENDS

Exploring startup Industries

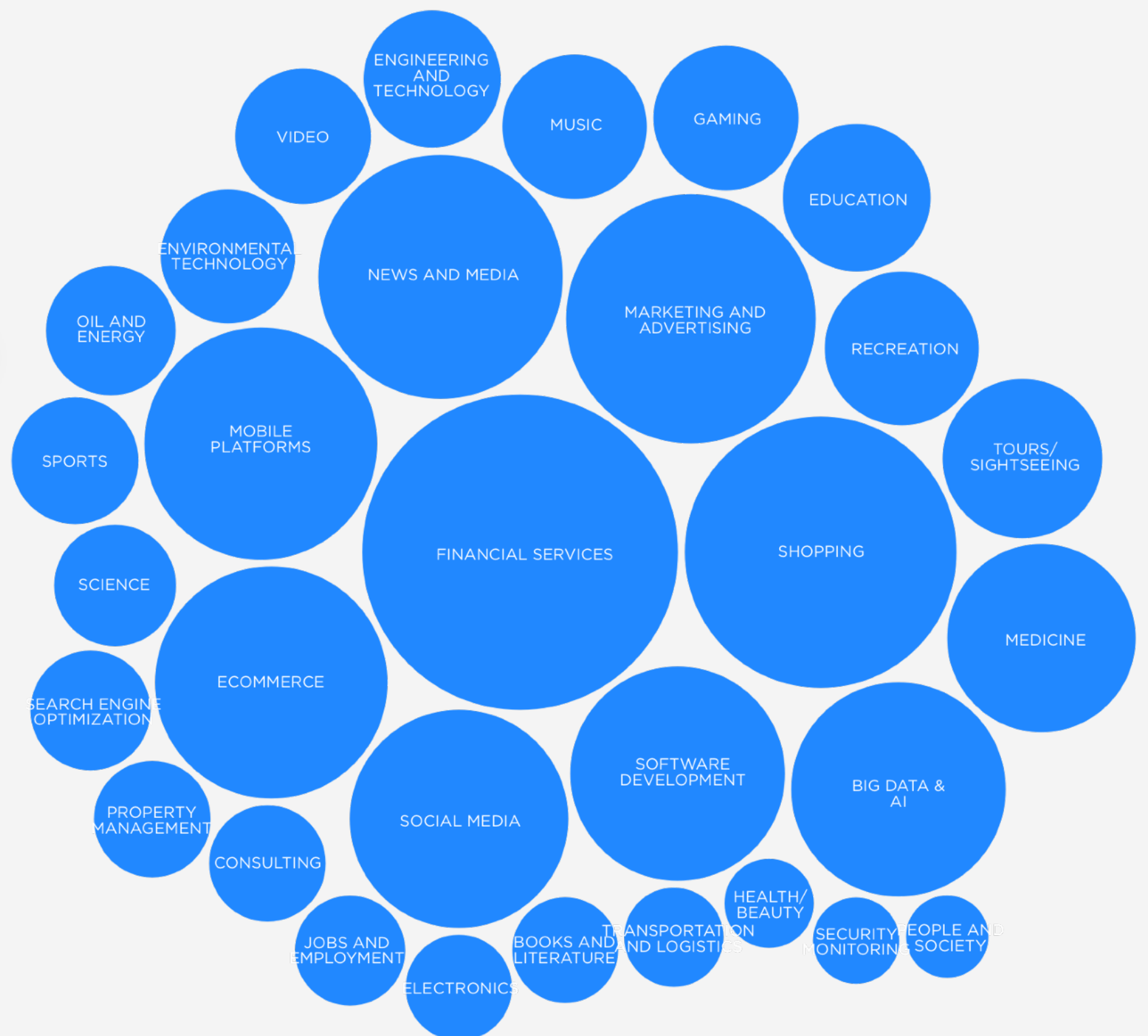Diving into what industries grew/fell the most in the first quarter of 2018.

For an understanding of how we use machine learning and algorithms to automatically determine industries, please see the **definitions**.
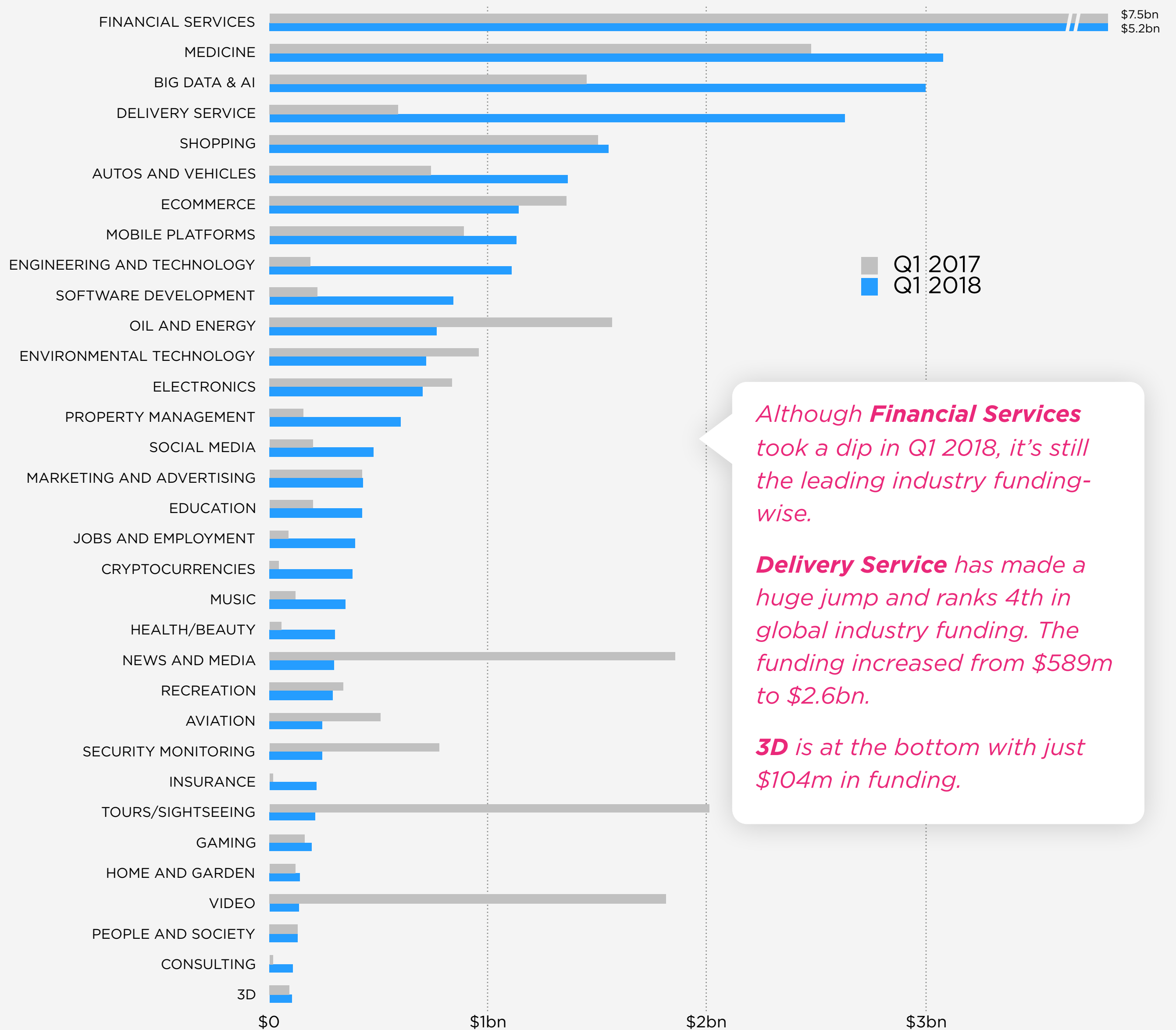
Our tag-clusters

The size of each circle represents the amount of companies operating within that circle.

In the following, we will look into how that is developing recently.

GLOBAL FUNDING BY INDUSTRY

Q1 2017 vs Q1 2018

Industry	
FINANCIAL SERVICES	$7.5bn
	$5.2bn
MEDICINE	
BIG DATA & AI	
DELIVERY SERVICE	
SHOPPING	
AUTOS AND VEHICLES	
ECOMMERCE	
MOBILE PLATFORMS	
ENGINEERING AND TECHNOLOGY	
SOFTWARE DEVELOPMENT	
OIL AND ENERGY	
ENVIRONMENTAL TECHNOLOGY	
ELECTRONICS	
PROPERTY MANAGEMENT	
SOCIAL MEDIA	
MARKETING AND ADVERTISING	
EDUCATION	
JOBS AND EMPLOYMENT	
CRYPTOCURRENCIES	
MUSIC	
HEALTH/BEAUTY	
NEWS AND MEDIA	
RECREATION	
AVIATION	
SECURITY MONITORING	
INSURANCE	
TOURS/SIGHTSEEING	
GAMING	
HOME AND GARDEN	
VIDEO	
PEOPLE AND SOCIETY	
CONSULTING	
3D	

Legend: Q1 2017, Q1 2018

X-axis: $0, $1bn, $2bn, $3bn

*Although **Financial Services** took a dip in Q1 2018, it's still the leading industry funding-wise.*
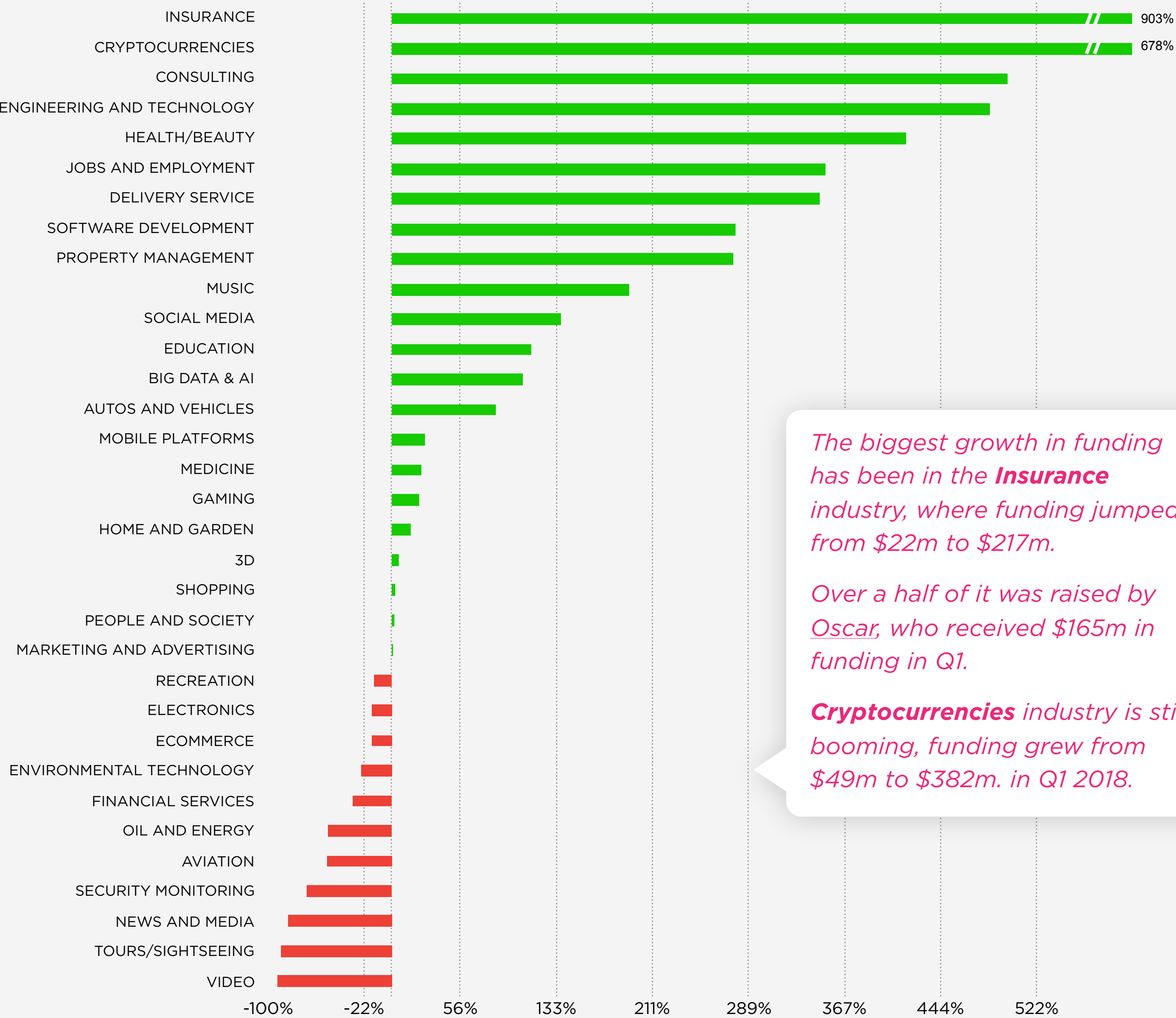
***Delivery Service** has made a huge jump and ranks 4th in global industry funding. The funding increased from $589m to $2.6bn.*

***3D** is at the bottom with just $104m in funding.*

GLOBAL FUNDING BY INDUSTRY

Change Q1 2017 vs Q1 2018

Industry	Change
INSURANCE	903%
CRYPTOCURRENCIES	678%
CONSULTING	
ENGINEERING AND TECHNOLOGY	
HEALTH/BEAUTY	
JOBS AND EMPLOYMENT	
DELIVERY SERVICE	
SOFTWARE DEVELOPMENT	
PROPERTY MANAGEMENT	
MUSIC	
SOCIAL MEDIA	
EDUCATION	
BIG DATA & AI	
AUTOS AND VEHICLES	
MOBILE PLATFORMS	
MEDICINE	
GAMING	
HOME AND GARDEN	
3D	
SHOPPING	
PEOPLE AND SOCIETY	
MARKETING AND ADVERTISING	
RECREATION	
ELECTRONICS	
ECOMMERCE	
ENVIRONMENTAL TECHNOLOGY	
FINANCIAL SERVICES	
OIL AND ENERGY	
AVIATION	
SECURITY MONITORING	
NEWS AND MEDIA	
TOURS/SIGHTSEEING	
VIDEO	

Axis: -100%, -22%, 56%, 133%, 211%, 289%, 367%, 444%, 522%

*The biggest growth in funding has been in the **Insurance** industry, where funding jumped from $22m to $217m.*

Over a half of it was raised by Oscar, who received $165m in funding in Q1.

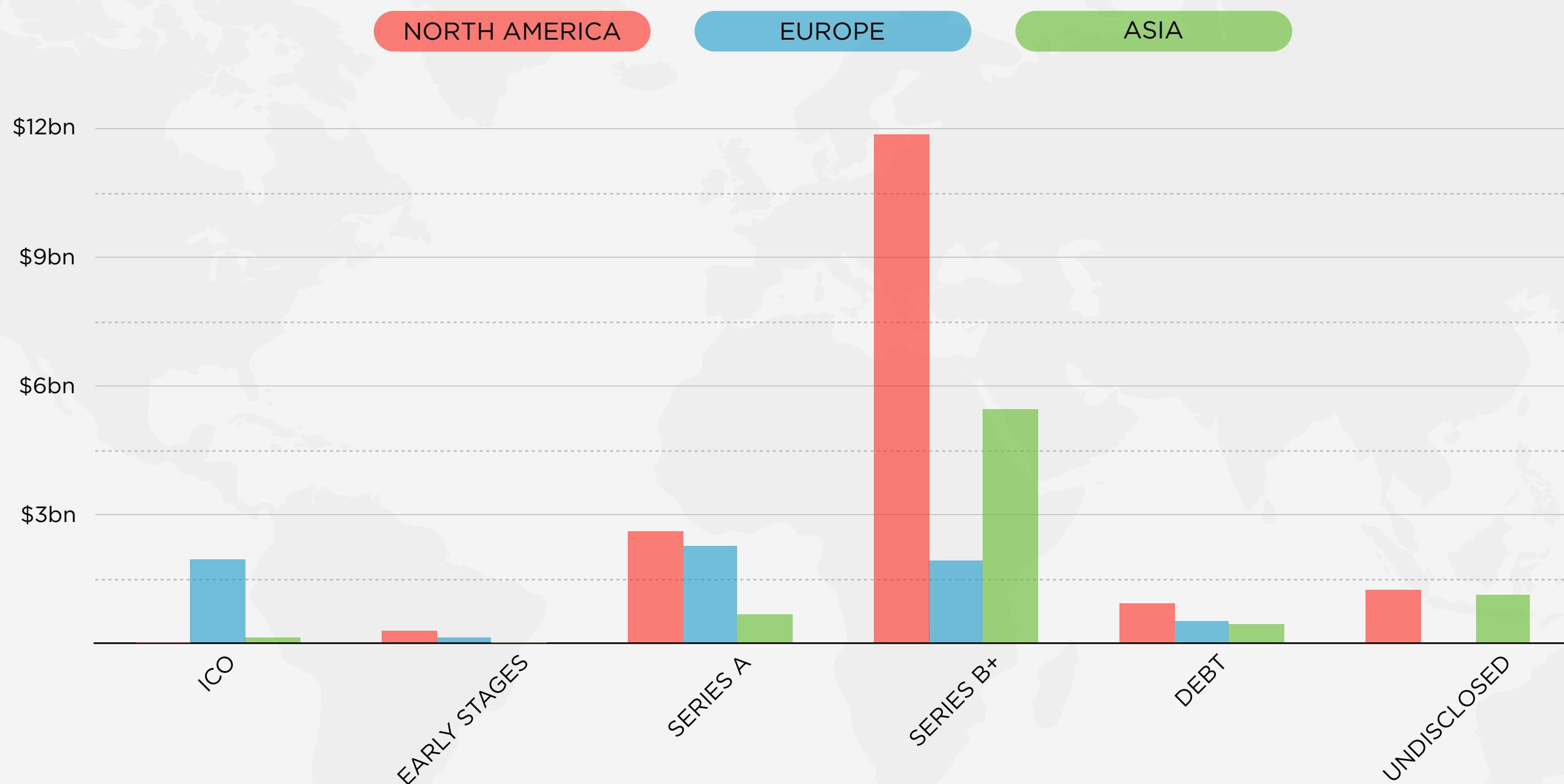***Cryptocurrencies** industry is still booming, funding grew from $49m to $382m. in Q1 2018.*

CHAPTER 4
FUNDING BY STAGES

TOTAL FUNDING BY STAGE
REGIONAL COMPARISON

NORTH AMERICA   EUROPE   ASIA

REPORT BY funderbeam

READING THE CHART

Each bar is colored by region and grouped by stage of funding received in Q1 2018.

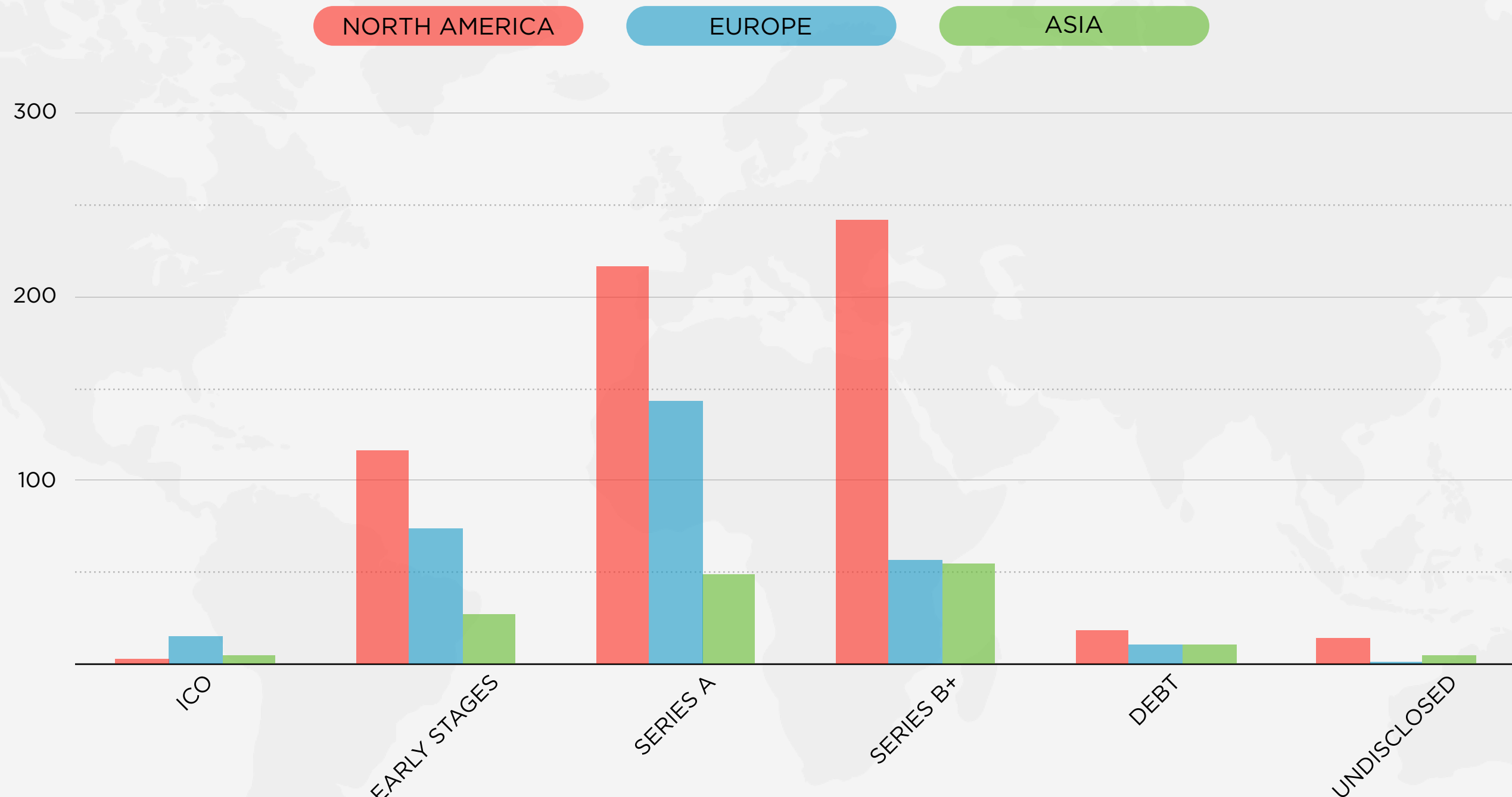For definitions of stages and regions, please see **definitions**

KEY TAKE-AWAY

Late-stage seed rounds (**Series B+**) constitute the largest amount of funding in North America and Asia. The largest sum going to North America with $11.9bn.

In Europe, the largest amount of funding goes to Series A rounds and ICOs.

TOTAL ROUNDS BY STAGE
REGIONAL COMPARISON

NORTH AMERICA **EUROPE** **ASIA**

REPORT BY funderbeam

READING THE CHART

Each bar is colored by region and grouped by stage of funding received in Q1 2018.

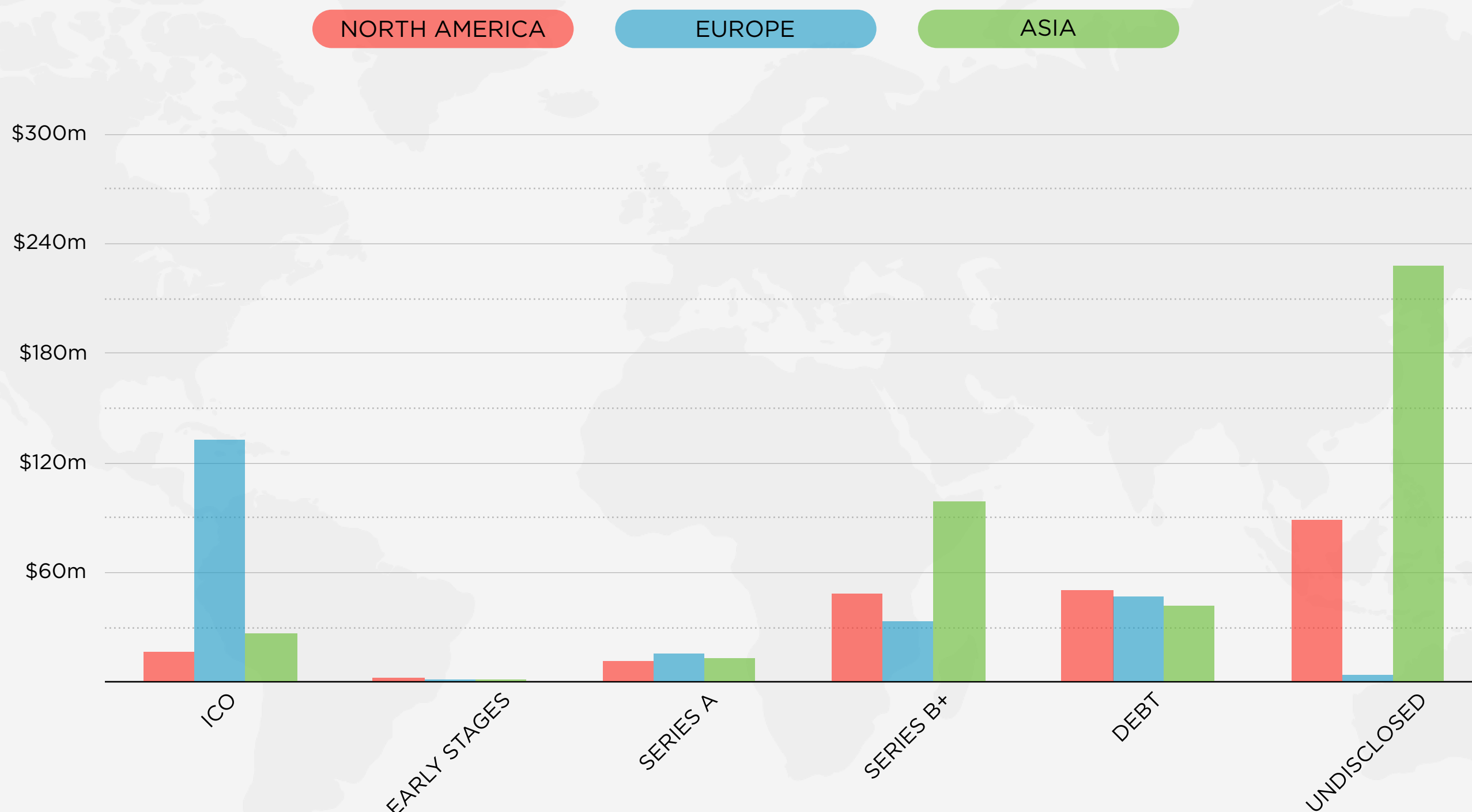For definitions of stages and regions, please see **definitions**

KEY TAKE-AWAY

Late-stage seed rounds (**Series B+**) keep being the most active in North America and Asia, while Series A rounds are taking the lead in Europe.

ICOs have had the least amount of rounds, only 39 rounds in total have taken place globally.

AVERAGE ROUND-SIZE BY STAGE
Regional comparison

NORTH AMERICA   EUROPE   ASIA

REPORT BY funderbeam

READING THE CHART

Each bar is colored by region and grouped by stage of funding received in Q1 2018.

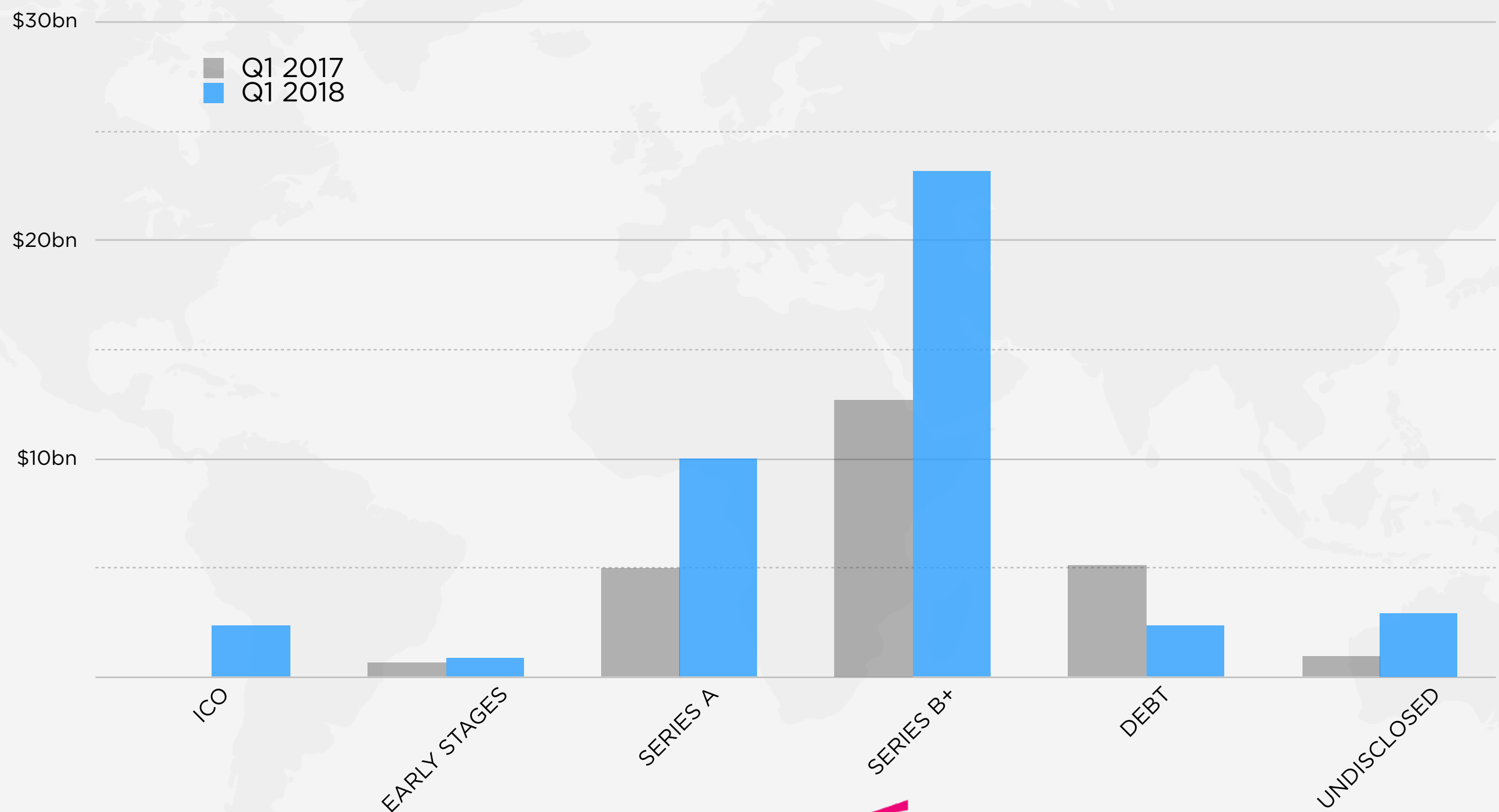For definitions of stages and regions, please see **definitions**.

KEY TAKE-AWAY

Debt rounds have the largest average round-size in North America, where the average round reaches $50m. Series B+ round-sizes in Asia are reaching $99m.

ICOs stand out with larger round sizes despite the low amount of funding. In Europe, the average ICO round-size is $132m.

FUNDING BY STAGE

Global Quarterly, YoY

Q1 2017
Q1 2018

ICO · EARLY STAGES · SERIES A · SERIES B+ · DEBT · UNDISCLOSED

REPORT BY funderbeam

READING THE CHART

Blue bars represent funding in Q1 2018, while the grey bars represent total funding in the same quarter the year before.

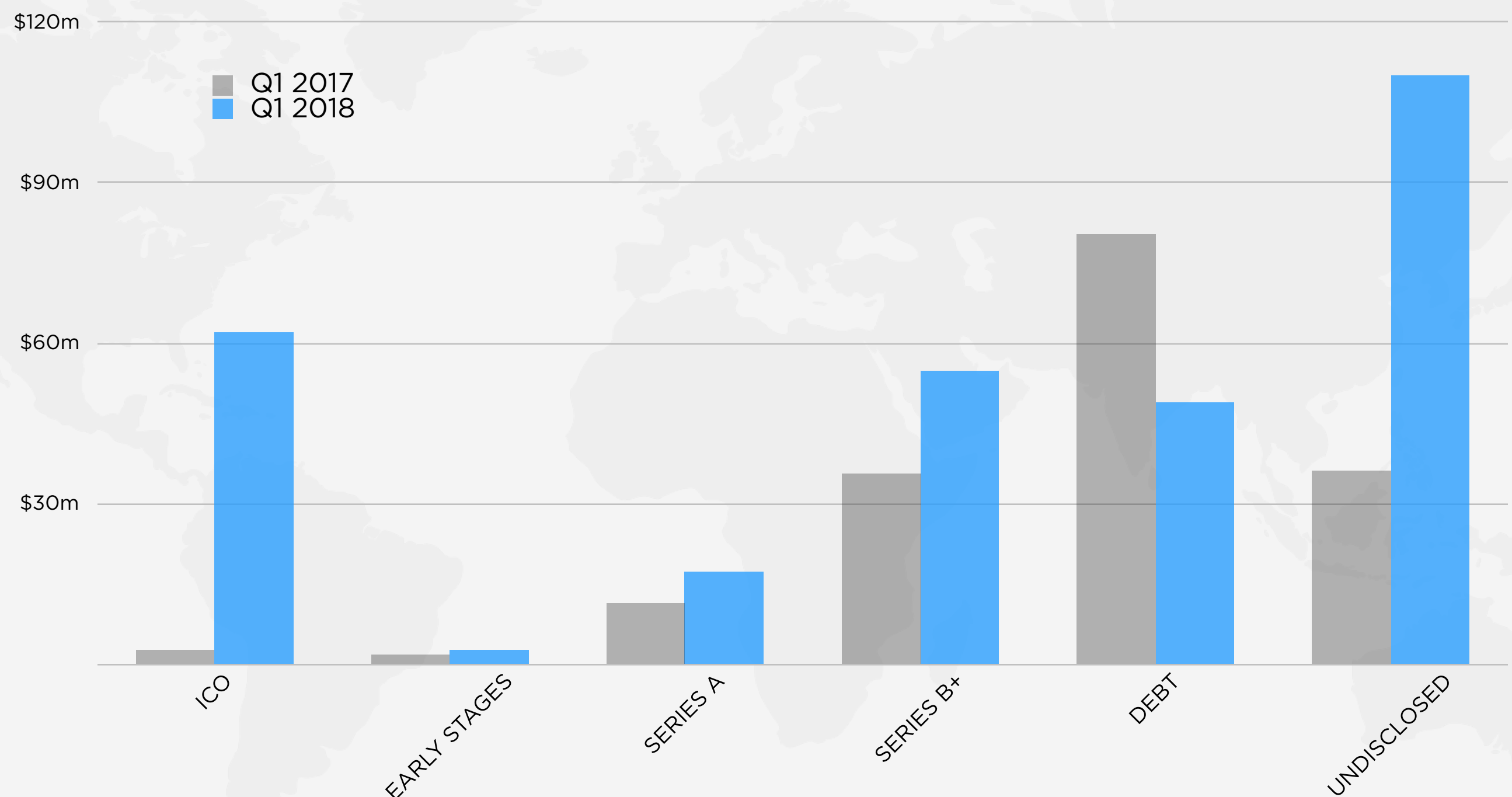For definitions of stages, please see **definitions**.

KEY TAKE-AWAY

Late-stage seed rounds (**Series B+**) constitute the largest amount of funding globally. Almost a half of the Series B+ funding went to **North America**.

ICOs saw a massive increase in funding, jumping from $38m to $2.5bn. ICO's still make up only a small part of the total funding but has now overtaken early stage funding.

AVERAGE ROUND-SIZE BY STAGE

Global Quarterly, YoY

Legend: Q1 2017 (grey), Q1 2018 (blue)

Stages: ICO, EARLY STAGES, SERIES A, SERIES B+, DEBT, UNDISCLOSED

REPORT BY funderbeam

READING THE CHART

Blue bars represent the funding in Q1 2018, while the grey bars represent total funding in the Q1 of the year before.

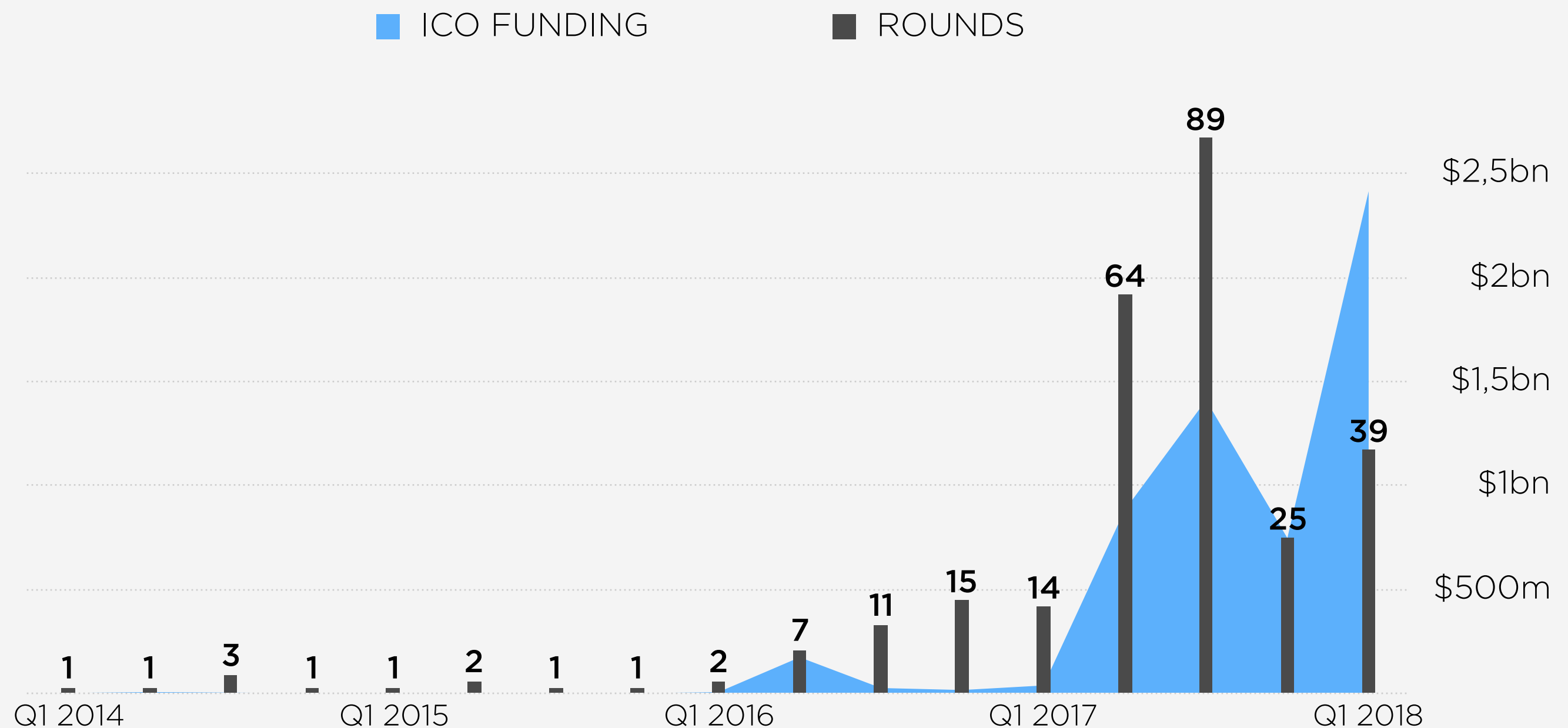For definitions of stages, please see **definitions**.

KEY TAKE-AWAY

The average round-sizes have been **increasing in all stages** except for Debt. The biggest jumps have been in ICO and Series B+ rounds.

Series B+ deal-sizes have increased the most in North America and Asia, while ICO deal sizes increased most in Europe reaching a total of $1.9bn.

INITIAL COIN OFFERINGS (ICOs)

GLOBAL QUARTERLY SINCE 2014

■ ICO FUNDING   ■ ROUNDS

REPORT BY **funderbeam**

READING THE CHART

The ICO funding is represented by the blue line and the number of rounds by the pink bars.

For definitions of ICO, please see **definitions**.

KEY TAKE-AWAY

ICO **funding took off** at the beginning of 2017, where it took a slight dip at the end of 2017 but increased massively again in Q1 2018. The ICO funding in Q1 2018 had $2.4bn out of which $1.7bn was raised by Telegram Messenger.

The **round sizes** have increased since the beginning of 2017, ending up at an average round-size of $62m in Q1 2018.

CHAPTER 5
TOP DEALS

MOST FUNDED COMPANIES
NORTH AMERICA, Q1 2018

Name	HQ	Bio	Year founded	Funds raised
Katerra	USA	Katerra is a technology company optimizing every aspect of building development, design, and construction.	2015	$865m
DoorDash	USA	Delightful on-demand food delivery!	2013	$535m
Moderna Therapeutics	USA	Moderna Therapeutics develops messenger RNA therapeutics that produces human proteins for antibodies inside patient cells.	2010	$500m
Magic Leap	USA	Magic Leap is a proprietary wearable technology that enables users to interact with digital devices in a completely visually cinematic way.	2011	$461m
Robinhood	USA	Robinhood is a stock brokerage that allows customers to buy and sell U.S. listed stocks and ETFs with zero commission.	2013	$350m
Wag	USA	Wag! A mobile application to find trusted, certified dog walkers instantly on your phone. Wag features include GPS tracking, pup reports, photos & EZ-pay.	2014	$300m
Snowflake Computing	USA	Snowflake provides a data warehouse as a service designed for the cloud.	2012	$270m
WP Engine	USA	Drive your business forward faster with the WordPress experts.	2010	$250m
Cadre	USA	Cadre is an online marketplace that connects investors and operators of real estate.	2014	$250m
Lyft	USA	Lyft is a transportation network company based in San Francisco, California. It develops, markets and operates the Lyft car transportation mobile app.	2012	$200m

MOST FUNDED COMPANIES
EUROPE, Q1 2018

Name	HQ	Bio	Year founded	Funds raised
Telegram Messenger	GBR	Pure instant messaging — simple, fast, secure, and synced across all your devices.	2013	$1,7bn
AUTO1	DEU	Deals in new cars, used cars and car rental.	2012	$558m
BioNTech	DEU	Our mission is to develop next generation immunotherapies to revolutionize the treatment of cancer and other diseases.	2008	$270m
Lendix	FRA	Lendix is an online marketplace for business loans, enabling investors to lend money directly to small- and medium-sized enterprises.	2014	$247m
Atom Bank	GBR	Life doesn't have boundaries, so why should your banking? We're making banking easier, intuitive and there whenever you need it, all on your mobile.	2014	$207m
Cabify	ESP	Cabify is a ride-sharing company that operates in Latin America, Spain, and Portugal.	2011	$160m
N26	DEU	N26 is a Berlin-based fintech company that enables its customers to manage their bank accounts through their smartphones.	2013	$160m
UiPath	ROU	Leaders in Enterprise #RPA. We design and deliver the most advanced robotic process automation platform.	2012	$153m
Oodle Car Finance	GBR	We're revolutionising the used-car market by pairing our customers with their dream cars, some of the UK's best dealers, and personalised finance.	2018	$141m
C2Fo	GBR	Increasing your profit while providing your suppliers #EarlyPayment on demand through C2FO, the world's market for working capital.	2008	$100m

MOST FUNDED COMPANIES
Asia, Q1 2018

Name	HQ	Bio	Year founded	Funds raised
Go-Jek	IDN	GO-JEK is your personal time saver. Our drivers are spread across Indonesia ready to pick you up, do your shopping, deliver your items and food orders!	2010	$1,5bn
ofo	CHN	ofo is the world's first "non-docking" bike-sharing platform and the first company to propose a complete bike-sharing model.	2014	$866m
Chehaoduo	CHN	Chehaoduo is a Chinese auto retail services platform.	2015	$818m
Meicai	CHN	Meicai is a mobile e-vendor of agricultural products that serves small and medium-sized restaurants in China.	2018	$450m
XPENG Motors	CHN	XPeng Motors is an internet electric car company founded in mid 2014.	2014	$348m
ReNew Power	IND	Founded by Sumant Sinha and backed by marquee investors, ReNew Power is the first Indian company to cross an installed renewable energy capacity of 1GW.	2011	$325m
Zomato	IND	Zomato is your best option to search for and discover great places to eat. Serving 23 countries worldwide.	2008	$200m
Rivigo	IND	Rivigo's mission is to continuously innovate logistics to make it simple, efficient, safe and sustainable.	2014	$175m
Wecash	CHN	Wecash is the most advanced big data credit evaluation platform.	2014	$160m
Gaana	IND	India's Favorite Music App, listen free to millions of songs on the Gaana App.	2011	$115m

ABOUT FUNDERBEAM

ABOUT FUNDERBEAM

Funderbeam is creating a world where companies are funded and traded across borders.

Companies can raise funds through syndicated equity crowdfunding, raising from 100's of investors globally, and only adding one contact point to their cap table. All investments are tradable on the blockchain, so investors can choose when to return on investments instead of waiting +5 years for an exit. On top, Funderbeam has free data on +180k startups and investors, helping both groups make smarter investment and business decisions.

Funderbeam consists of 3 parts:

• Free world-class data intelligence for investors and founders.

• Funding: Private/crowd syndicates for equity funding.

• Trading: All investments are instantly tradable; investors choose how long to keep investment. All trades are secured by blockchain.

To get started, go to Funderbeam.com.

THANK YOU FROM THE FUNDERBEAMERS!