

VENTURE CAPITAL ACTIVITY IN 2017

**Exclusive extract from the
2018 Preqin Global Private Equity &
Venture Capital Report**



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\$55bn

Amount raised by the 417 venture capital funds that closed in 2017.



11,145

Number of venture capital deals* announced or completed globally in 2017, valued at a record \$182bn.



21

Number of \$1bn+ venture capital deals* in 2017, up from 15 in 2016.

PREQIN'S VENTURE CAPITAL DATA AND INTELLIGENCE

Preqin tracks all aspects of the venture capital industry, with comprehensive data on institutional investors, fundraising, fund managers, fund terms and conditions, fund performance, deals and exits, service providers and more.

Our dedicated teams of analysts are strategically placed in key industry centres across the globe, ensuring our venture capital data is up to date and of the highest quality.

Preqin's platform can be used to:

- Identify potential LPs for funds and use as a powerful investor relations and fund marketing tool.
- Conduct market analysis and track trends in the private equity asset class.
- Carry out competitor analysis.
- Conduct due diligence on firms, with net-to-LP returns showing how well individual fund managers have performed over time.

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*Figures exclude add-ons, grants, mergers, secondary stock purchases and venture debt.

VENTURE CAPITAL FUNDRAISING

In 2017, 417 venture capital funds reached a final close, securing an aggregate \$55bn in capital (Fig. 1). Despite a 27% decrease in the number of funds closed compared with 2016, aggregate capital raised remains near the \$48bn 10-year average for venture capital funds (2008-2017).

Key Findings:

- Over half (52%) of the capital raised by venture capital funds closed in 2017 was secured by generalist vehicles, followed by early stage (32%) and expansion/late stage (16%) funds.
- New Enterprise Associates 16, a US-focused early stage vehicle, was the largest fund closed in 2017, securing \$3.3bn with headlining commitments

from Teacher Retirement System of Texas and San Francisco Employees' Retirement System.

- Rocket Internet's debut fund, Rocket Internet Capital Partners Fund, was the largest Europe-focused fund closed in the year (\$1bn).
- Seventy-eight percent of funds closed in 2017 achieved 100% or more of their target size, the largest proportion on record for 2008-2017 (Fig. 3).

GEOGRAPHIC FOCUS

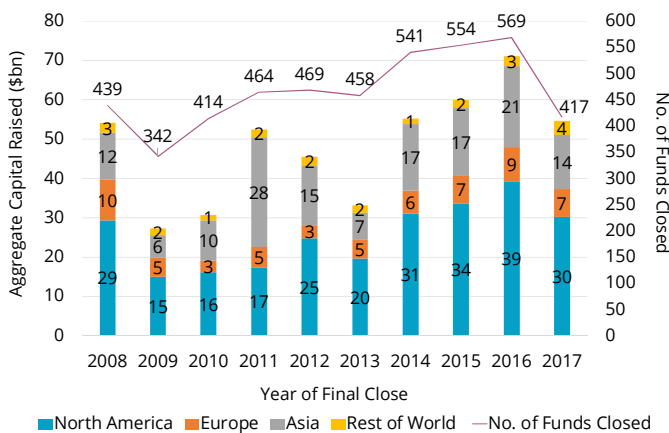
North America-focused funds accounted for more than half of funds closed (53%) and capital raised (55%) in 2017, with the majority (58%) of capital raised by California-focused funds. The average size

of **Europe**-focused vehicles has increased each year since 2014 and stands at a record \$123mn for funds closed in 2017. China-focused funds raised \$10bn and formed the majority (57%) of **Asia**-focused funds to reach a final close.

OUTLOOK

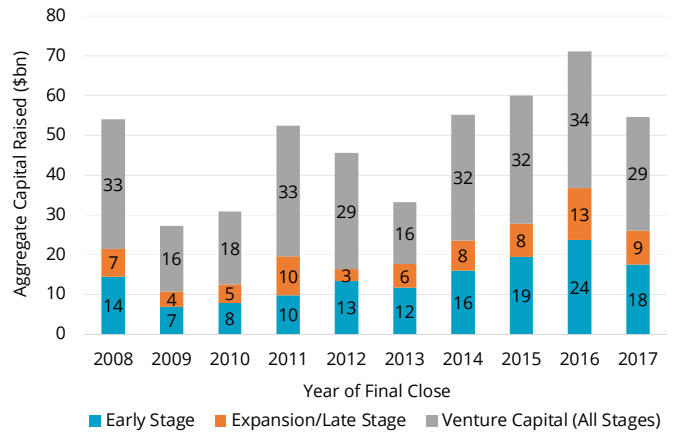
There are a record 1,249 venture capital funds in market targeting an aggregate \$138bn in capital, with \$38bn already secured via interim closes. Venture capital is likely to remain a robust part of private equity fundraising throughout 2018, with 26% of investors planning to increase their allocations to the strategy according to Preqin's December 2017 investor interviews.

Fig. 1: Annual Venture Capital Fundraising by Primary Geographic Focus, 2008 - 2017



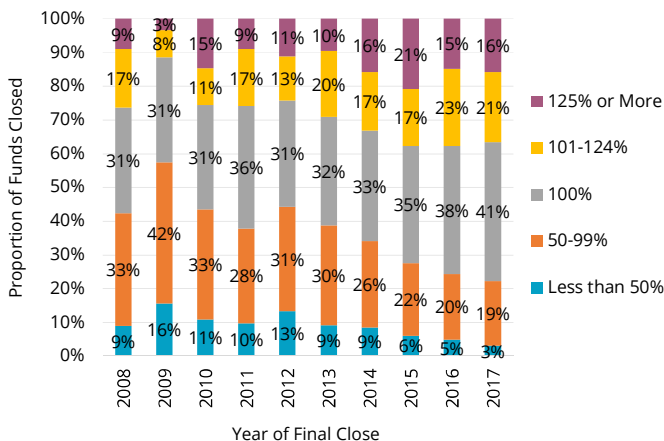
Source: Preqin Venture Capital Online

Fig. 2: Aggregate Capital Raised by Venture Capital Funds by Fund Type, 2008 - 2017



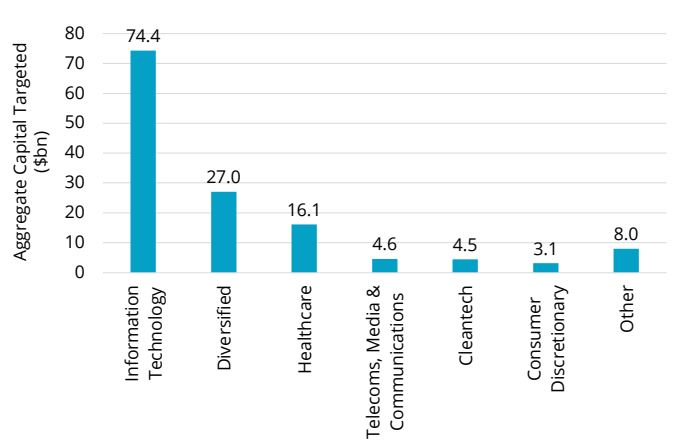
Source: Preqin Venture Capital Online

Fig. 3: Venture Capital Funds Closed by Proportion of Target Size Achieved, 2008 - 2017



Source: Preqin Venture Capital Online

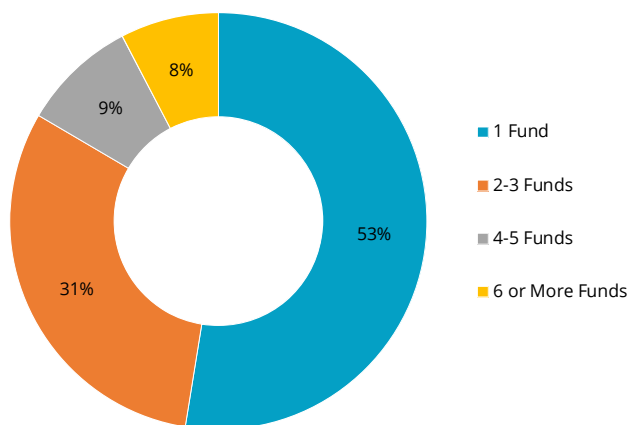
Fig. 4: Aggregate Capital Targeted by Venture Capital Funds in Market by Industry (As at January 2018)



Source: Preqin Venture Capital Online

VENTURE CAPITAL FUND MANAGERS

Fig. 5: Venture Capital Fund Managers by Number of Funds Raised



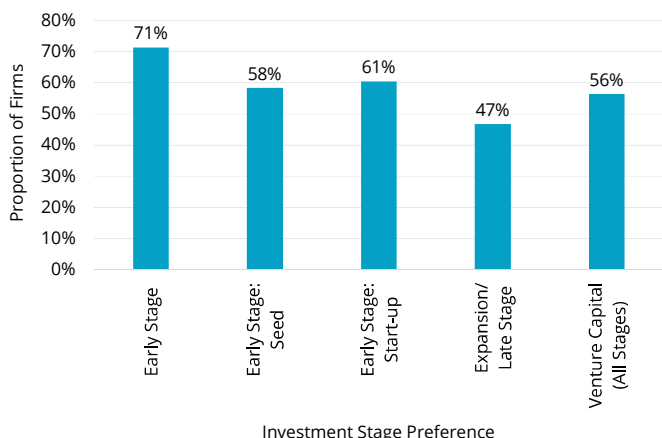
Source: Preqin Venture Capital Online

Fig. 6: Number of Active Venture Capital Fund Managers by Location

Headquarters	No. of Firms
US	1,199
China	368
UK	94
India	89
South Korea	76
Canada	66
Japan	66
France	63
Singapore	50
Spain	48

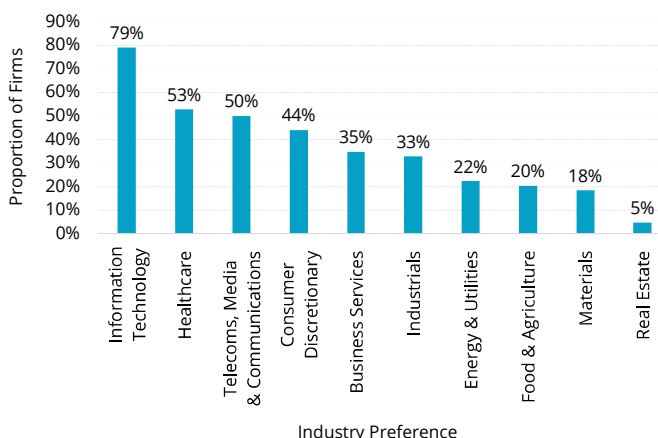
Source: Preqin Venture Capital Online

Fig. 7: Venture Capital Fund Managers by Investment Stage Preference



Source: Preqin Venture Capital Online

Fig. 8: Venture Capital Fund Managers' Industry Preferences for Underlying Investments



Source: Preqin Venture Capital Online

Fig. 9: Largest Fund Managers by Total Capital Raised for Venture Capital Funds in the Last 10 Years

Firm	Headquarters	Total Venture Capital Raised in Last 10 Years (\$bn)	Total Estimated Venture Capital Dry Powder (\$bn)
China Reform Fund Management	Beijing, China	20.2	13.8
New Enterprise Associates	Menlo Park, US	11.5	3.6
Tiger Global Management	New York, US	10.5	2.3
Sequoia Capital	Menlo Park, US	9.5	1.4
DST Global	Hong Kong	7.2	1.6
Kleiner Perkins Caufield & Byers	Menlo Park, US	7.0	1.8
Andreessen Horowitz	Menlo Park, US	6.2	2.2
Deerfield Management	New York, US	6.0	0.9
Accel Partners	Palo Alto, US	4.9	1.8
Lightspeed Venture Partners	Menlo Park, US	4.7	1.4

Source: Preqin Venture Capital Online

VENTURE CAPITAL PERFORMANCE BENCHMARKS

FUND STRATEGY: Venture Capital

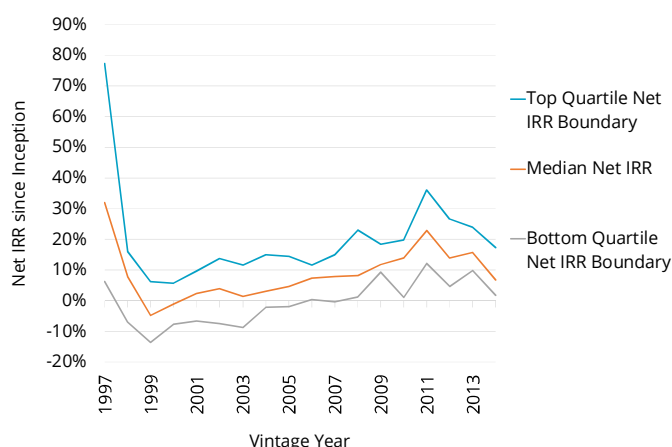
GEOGRAPHIC FOCUS: All Regions

AS AT: 30 June 2017

Vintage	No. of Funds	Called (%)	Median Fund Dist (%) DPI	Value (%) RVPI	Net Multiple Quartiles (X)			Net IRR Quartiles (%)			Net IRR Max/Min (%)	
					Q1	Median	Q3	Q1	Median	Q3	Max	Min
2017	7	13.1	0.0	91.5	n/m	0.91	n/m	n/m	n/m	n/m	n/m	n/m
2016	36	27.8	0.0	95.9	1.00	0.96	0.78	n/m	n/m	n/m	n/m	n/m
2015	26	51.3	0.0	103.2	1.22	1.04	0.86	n/m	n/m	n/m	n/m	n/m
2014	26	65.8	0.0	107.2	1.38	1.13	1.01	17.4	6.8	1.9	73.5	-13.1
2013	27	90.0	3.0	120.5	1.67	1.32	1.21	24.0	15.8	9.9	93.4	-21.8
2012	14	91.3	9.2	104.7	1.90	1.52	1.09	26.6	14.0	4.6	65.9	-11.3
2011	20	92.4	32.5	117.7	2.27	1.92	1.39	36.1	22.8	12.1	87.7	-13.6
2010	17	96.9	39.9	100.0	1.97	1.40	0.98	19.8	14.0	1.1	51.2	-1.3
2009	13	97.3	67.6	110.7	1.91	1.62	1.33	18.5	11.8	9.3	35.3	6.4
2008	24	97.4	70.9	66.5	2.18	1.36	1.06	23.0	8.3	1.2	51.6	-32.6
2007	28	100.0	80.9	53.0	1.88	1.45	0.93	15.0	7.9	-0.3	37.8	-66.7
2006	37	100.0	77.8	31.4	1.75	1.46	1.01	11.7	7.3	0.4	45.0	-25.1
2005	33	100.0	108.5	11.4	1.73	1.27	0.90	14.5	4.7	-2.0	104.9	-38.2
2004	21	100.0	89.0	0.0	1.84	1.05	0.73	15.1	3.1	-2.1	86.0	-79.2
2003	24	100.0	89.8	0.0	1.40	1.09	0.41	11.6	1.5	-8.7	35.1	-24.0
2002	26	100.0	97.2	0.0	1.57	1.12	0.63	13.7	3.9	-7.4	42.8	-47.2
2001	50	100.0	101.9	0.0	1.51	1.07	0.60	9.7	2.3	-6.5	28.0	-26.0
2000	71	100.0	84.5	0.0	1.20	0.89	0.46	5.8	-1.0	-7.7	52.9	-40.0
1999	56	100.0	65.5	0.0	1.20	0.66	0.36	6.3	-4.8	-13.5	154.7	-43.4
1998	63	100.0	124.0	0.0	1.68	1.24	0.62	16.1	7.9	-7.0	514.3	-71.8
1997	74	100.0	168.3	0.0	3.44	1.69	1.12	77.4	31.9	6.2	267.8	-30.0
1996	35	100.0	166.9	0.0	2.60	1.67	1.14	29.6	15.8	4.4	59.9	-19.9

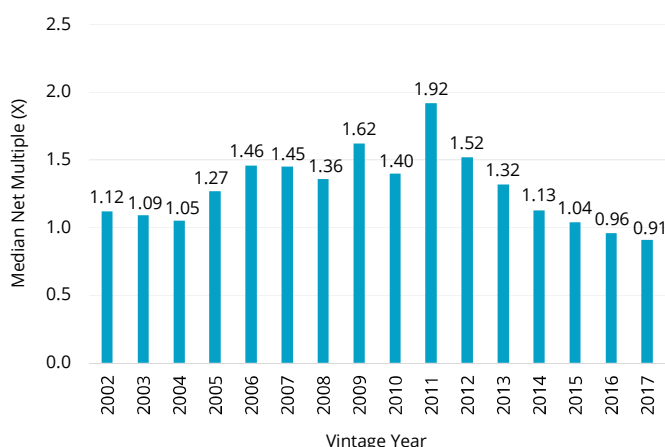
Source: Preqin Venture Capital Online

Fig. 10: Venture Capital: Median Net IRRs and Quartile Boundaries by Vintage Year (As at June 2017)



Source: Preqin Venture Capital Online

Fig. 11: Venture Capital: Median Net Multiples by Vintage Year (As at June 2017)



Source: Preqin Venture Capital Online

Fig. 12: KS PME (Kaplan-Schoar): Venture Capital - All Regions (As at June 2017)

Vintage	No. of Funds	Capitalization (\$bn)	KS PME Using Russell 2000 TR (X)
2001	27	13.1	0.78
2002	12	3.7	0.70
2003	12	3.2	0.91
2004	13	3.4	1.33
2005	20	4.8	1.01
2006	33	14.3	0.72
2007	46	4.9	1.10
2008	36	9.5	0.90
2009	13	5.0	0.92
2010	17	3.8	1.10
2011	18	4.8	1.08
2012	18	4.9	1.15
2013	21	6.9	1.11
2014	26	5.8	1.05
2015	28	9.2	0.82
2016	30	12.2	0.78

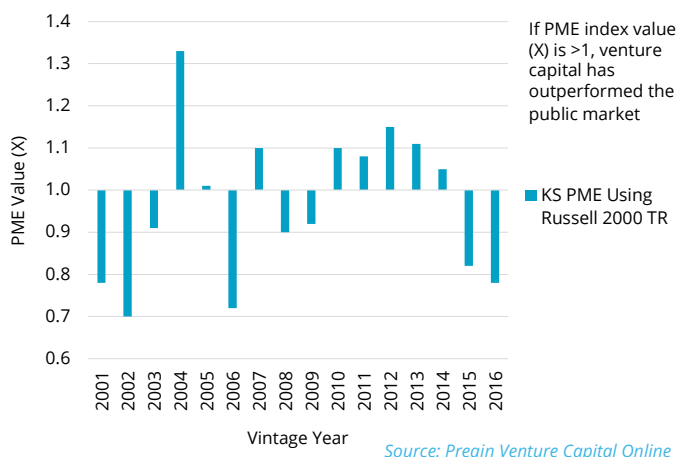


Fig. 13: LN PME (Long-Nickels): Venture Capital - All Regions (As at June 2017)

Vintage	No. of Funds	Capitalization (\$bn)	LN PME Using Russell 2000 TR (%)	Median Net IRR (%)
2001	27	13.1	8.4	2.3
2002	12	3.7	8.5	3.9
2003	12	3.2	6.5	1.5
2004	13	3.4	6.5	3.1
2005	20	4.8	8.1	4.7
2006	33	14.3	9.7	7.3
2007	46	4.9	10.7	7.9
2008	36	9.5	12.6	8.3
2009	13	5.0	13.6	11.8
2010	17	3.8	12.3	14.0
2011	18	4.8	11.5	22.8
2012	18	4.9	10.7	14.0
2013	21	6.9	9.0	15.8
2014	26	5.8	10.2	6.8

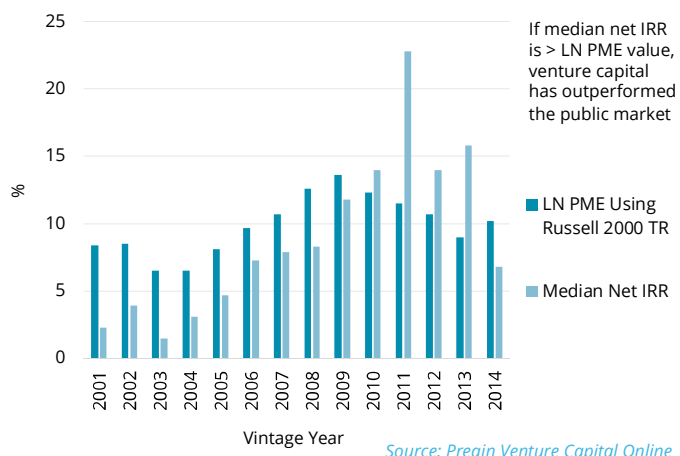
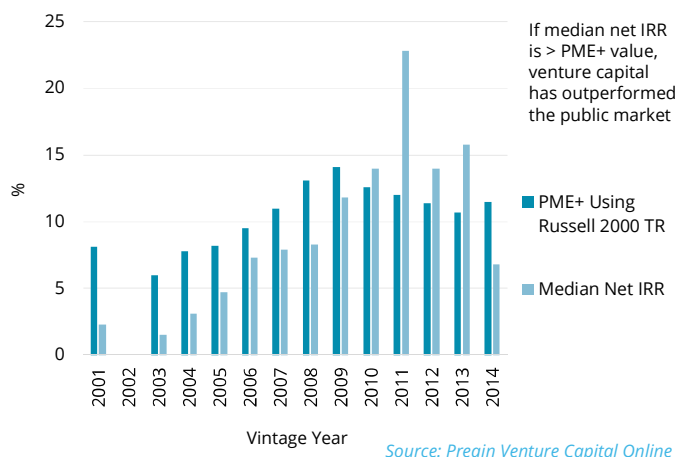


Fig. 14: Capital Dynamics PME+: Venture Capital - All Regions (As at June 2017)

Vintage	No. of Funds	Capitalization (\$bn)	PME+ Using Russell 2000 TR (%)	Median Net IRR (%)
2001	27	13.1	8.1	2.3
2002*	n/a	n/a	n/a	n/a
2003	12	3.2	6.0	1.5
2004	13	3.4	7.8	3.1
2005	20	4.8	8.2	4.7
2006	33	14.3	9.5	7.3
2007	46	4.9	11.0	7.9
2008	36	9.5	13.1	8.3
2009	13	5.0	14.1	11.8
2010	17	3.8	12.6	14.0
2011	18	4.8	12.0	22.8
2012	18	4.9	11.4	14.0
2013	21	6.9	10.7	15.8
2014	26	5.8	11.5	6.8



*Insufficient data.

VENTURE CAPITAL DEALS

In 2017, 11,145 venture capital deals were completed globally for an aggregate value of \$182bn, representing both a four-year low in the number of deals completed and a record high for aggregate annual deal value (Fig. 15).

2017 IN CONTEXT

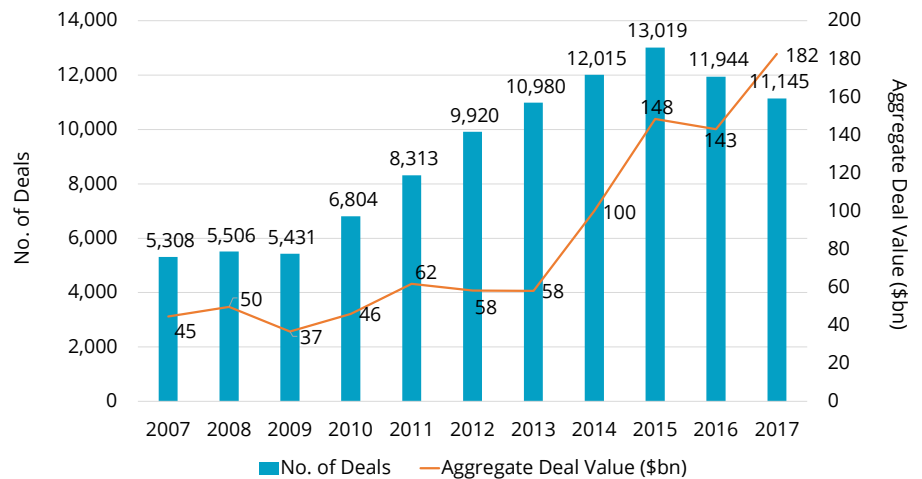
2017 saw 7% fewer deals than in 2016, which followed an 8% decline in the number of venture capital deal financings between 2015 and 2016. However, in 2017 aggregate deal value was 28% higher than in 2016, reaching the highest level on record. The rise in value was driven by a high number of \$1bn+ transactions, as well as larger late-stage funding rounds. Higher valuations have seen the average deal size grow 120% in the past decade (\$10mn in 2007 vs. \$22mn in 2017).

Prior to 2016, deal activity had been on the rise for six consecutive years; 2015 was a record year for deals, with 13,019 venture capital financings completed. The trend of fewer but higher valued deals that started in 2016 continued in 2017.

REGIONAL SHIFTS

Regionally, venture capital deal flow has remained generally consistent from 2016. As shown in Figs. 16-19, there is continued movement away from North American

Fig. 15: Venture Capital Deals* Completed Globally, 2007 - 2017



Source: Preqin Venture Capital Online

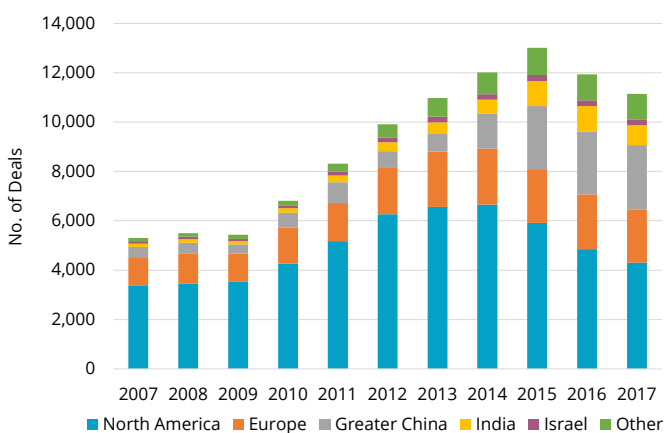
markets, shifting towards European markets and emerging opportunities in Greater China:

- With 4,303 financings, deal flow in **North America** reached its lowest level since 2010, and the region's 2017 market share (39%) was substantially lower than its 58% historical average (2007-2016).
- **Greater China** saw an increase in the number of deals in 2017 (2,633 vs. 2,547 in 2016), and its share of the market has also increased for the fifth consecutive year to 24%, well above

the 11% average in 2007-2016.

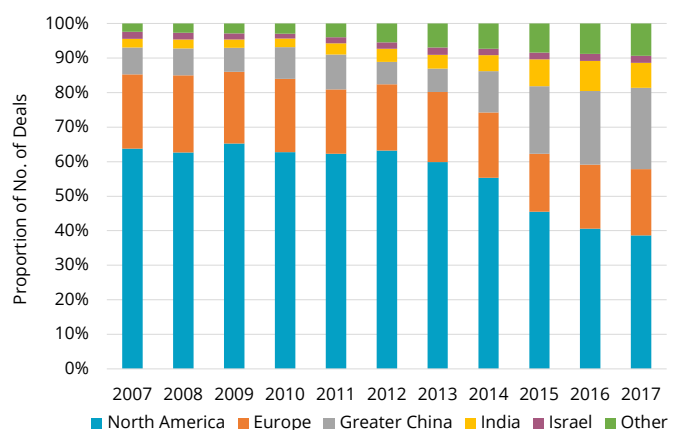
- **European** deal activity in 2017 was at its lowest level since 2012, although its 19% share of the market is only one percentage point short of its historical average in 2007-2016.
- **India** saw the most variation in deal activity in 2017 of all regions: there were 23% fewer venture capital financings, but aggregate deal value has more than doubled versus the previous year (\$10.4bn vs. \$4.5bn).

Fig. 16: Number of Venture Capital Deals* Completed by Region, 2007 - 2017



Source: Preqin Venture Capital Online

Fig. 17: Proportion of Number of Venture Capital Deals* Completed by Region, 2007 - 2017



Source: Preqin Venture Capital Online

MOST ACTIVE FIRMS GLOBALLY IN 2017 BY NUMBER OF VENTURE CAPITAL DEALS*

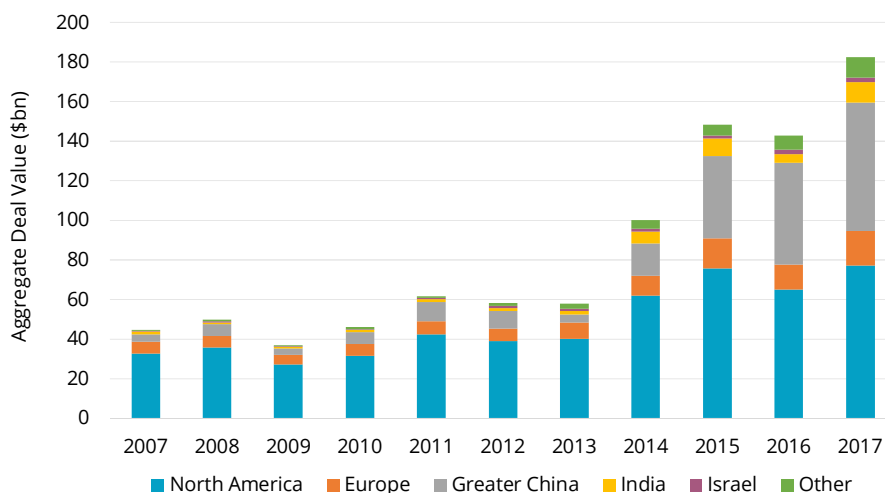
Firm	No. of Deals
Sequoia Capital	163
New Enterprise Associates	129
500 Startups	115
Accel Partners	114
Y Combinator	105
Matrix Partners China	85
ZhenFund	78
Lightspeed Venture Partners	74
SOSV	72
GV	69

OUTLOOK

Venture capital deal activity has expanded rapidly over the past decade; global deal flow has more than doubled, while aggregate deal value has more than quadrupled in the period. This, coupled with the growing influence of non-traditional investors entering the venture capital market, is fuelling competition in the industry. Consequently, portfolio company valuations are at record-high levels, raising concerns among investors of over-inflated assets and the sustainability of the market.

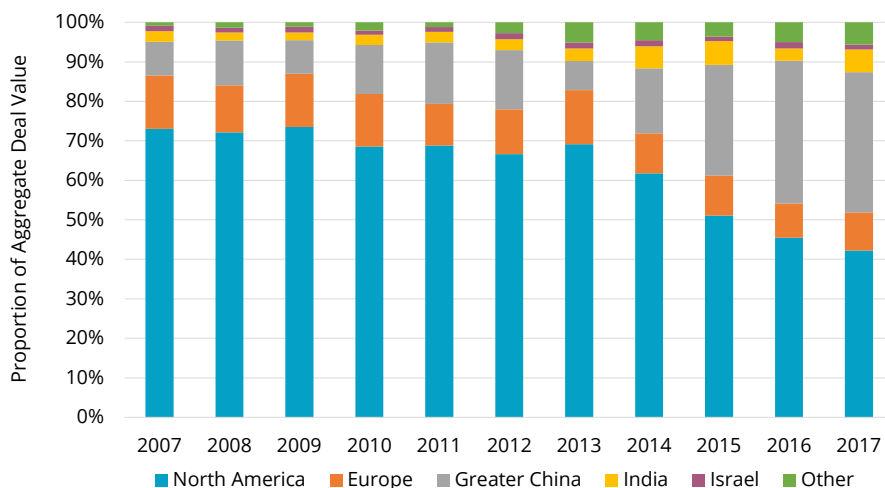
Given the higher price tags, firms are exercising more caution and being more selective in their acquisitions. Managers are continuing to shift their focus towards less traditional markets to find attractive investment opportunities in locations such as Greater China and India. However, these regions are already heating up: capital investments increased by 25% and 130% in the past year respectively. Managers looking to source assets competitively will keep their eyes on the horizon for the next wave of emerging areas and industries.

Fig. 18: Aggregate Value of Venture Capital Deals* Completed by Region, 2007 - 2017



Source: Preqin Venture Capital Online

Fig. 19: Proportion of Aggregate Value of Venture Capital Deals* Completed by Region, 2007 - 2017



Source: Preqin Venture Capital Online

Fig. 20: Number and Aggregate Value of Venture Capital Deals* in 2017 by Region

Region	No. of Deals	2017		Percentage Change from 2016	
		No. of Deals	Aggregate Value (\$bn)	No. of Deals	Aggregate Value
North America	4,303		77.0	-11%	19%
Europe	2,139		17.7	-3%	42%
Greater China	2,633		64.8	3%	25%
India	801		10.4	-23%	130%
Israel	222		2.3	-6%	4%
Other	1,047		10.2	-1%	43%

Source: Preqin Venture Capital Online

*Figures exclude add-ons, grants, mergers, secondary stock purchases and venture debt.

DEAL FLOW BY STAGE AND INDUSTRY

DEAL FLOW BY STAGE

Early stage investments (Series A and earlier) continued to lead the venture capital market in 2017, accounting for the majority (60%) of deals and 16% of aggregate deal value (Fig. 21).

There were 2,784 **Angel/Seed** financings in 2017 (26% fewer than in 2016) for \$3.8bn in aggregate value – a decline of \$364mn compared to 2016 – while the proportion of **Series A** deals increased by four percentage points, accounting for 28% of deals and 13% of total value. The proportion of total deal value for **Series B** transactions fell by five percentage points and is now lower than **Series D and Later**

investments, which saw one of the largest year-on-year growths in both completed deals (+30%) and capital invested (+88%) of any stage.

Average deal size in 2017 increased for all investment stages besides **Series A** and **Series B** transactions, which declined by 12% and 15% from 2016 to \$11bn and \$27bn respectively (Fig. 22). The average size of **growth** stage investments increased by 39% to \$31bn over the same period.

DEAL FLOW BY INDUSTRY

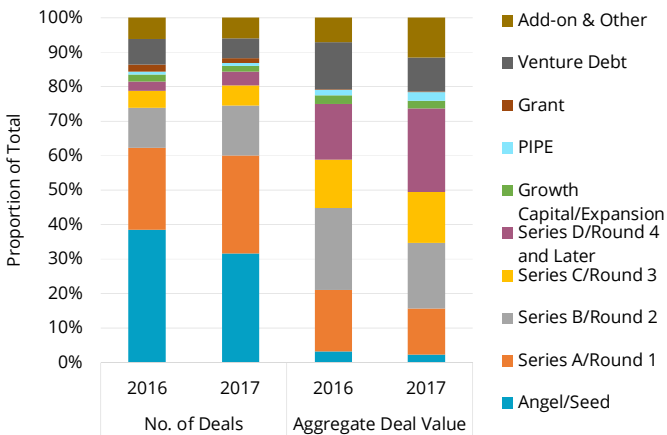
The largest proportion (26%) of venture capital transactions in 2017 were in the

software sector, surpassing the **internet** sector for the first time since 2009; however, deal value is still dominated by the internet sector (24%, Fig. 24).

Healthcare deals reached a record-high value of \$28bn in 2017, despite accounting for just 14% of aggregate deal value.

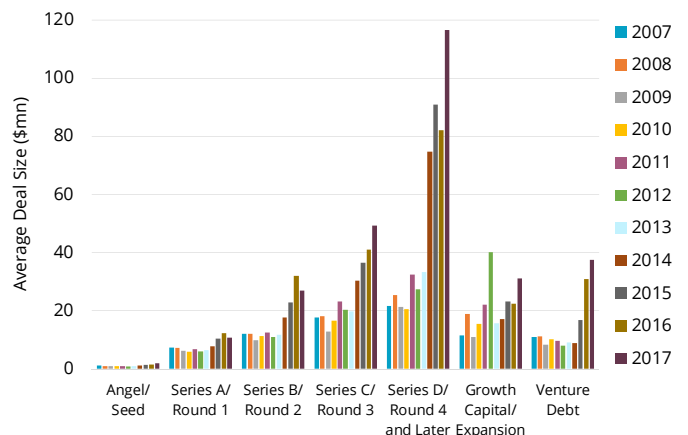
The number of **business services** investments remained steady in 2017, but the sector's share of deal value declined from 5% in 2016 to 3% in 2017. While the proportion of **telecoms** deals declined by two percentage points from 2016, the sector remains in the top three most active, and represents just over a fifth of aggregate deal value.

Fig. 21: Venture Capital Deals Completed by Stage, 2016 vs. 2017



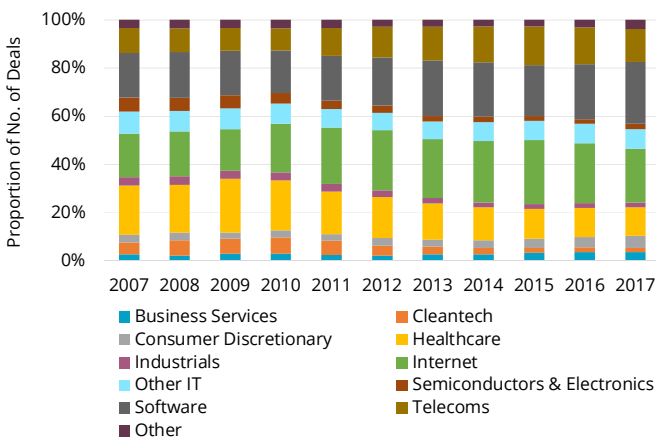
Source: Preqin Venture Capital Online

Fig. 22: Average Venture Capital Deal Size by Stage, 2007 - 2017



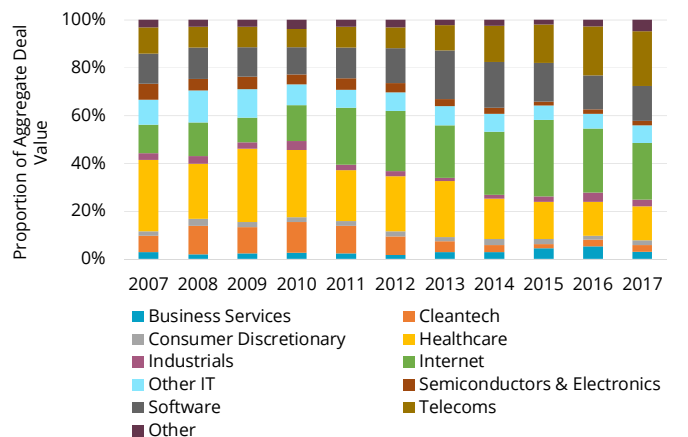
Source: Preqin Venture Capital Online

Fig. 23: Proportion of Number of Venture Capital Deals* Completed by Industry, 2007 - 2017



Source: Preqin Venture Capital Online

Fig. 24: Proportion of Aggregate Value of Venture Capital Deals* Completed by Industry, 2007 - 2017



Source: Preqin Venture Capital Online

*Figures exclude add-ons, grants, mergers, secondary stock purchases and venture debt.

VENTURE CAPITAL EXITS

Venture capital exit activity continued to slow throughout 2017. Compared to 2016, there were 17% fewer venture capital exits, with a total of 1,151 exits completed (Fig. 25). However, the aggregate value of exits increased by 4% from \$68bn in 2016 to \$71bn in 2017. The number of exits declined for a fourth consecutive year to its lowest level since 2011, driven by the slowdown in IPO & follow-on exit activity (down 52% from 2014) and trade sales (down 27% from 2014).

NORTH AMERICA REMAINS ON TOP

North America remained the most active region for venture capital exits in 2017,

accounting for 59% of all exits and 73% of global value; there were 676 exits in the region, with an aggregate value of \$52bn (Figs. 26 and 27).

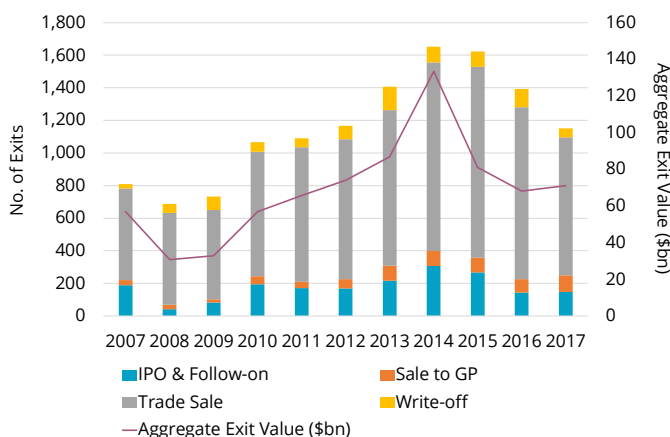
Twenty-seven percent fewer European exits resulted in an 11% decline in value in 2017, while the number and value of exits in Greater China fell by 33% and 11% respectively from 2016, with 60 exits amassing \$5.6bn in value. Israel is the only region that saw an increase in venture capital exit activity in 2017, with 16% more exits and an 84% increase in aggregate value compared to 2016.

INDUSTRIES

Venture capital exits in 2017 were led by the software sector, which accounted for 30% of all exits and 21% of total value, an increase from 23% and 15% in 2016 respectively (Fig. 28).

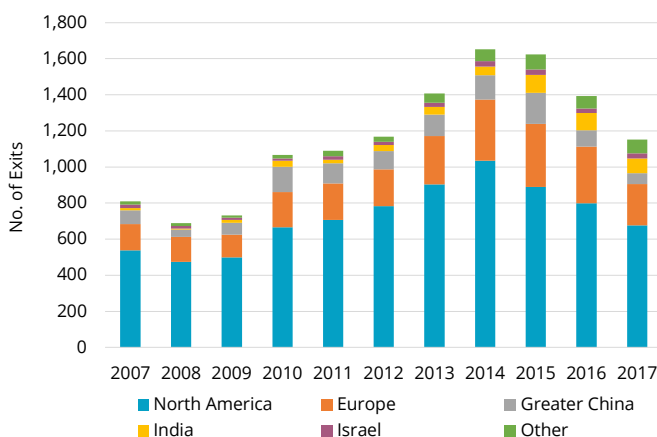
The proportion of exit value accounted for by both the healthcare and business services sectors in 2017 decreased by 10 and seven percentage points respectively compared with 2016. Telecoms accounted for just 12% of exits in 2017; however, these exits represented 20% of aggregate value, up from 11% in 2016.

Fig. 25: Venture Capital Exits by Type, 2007 - 2017



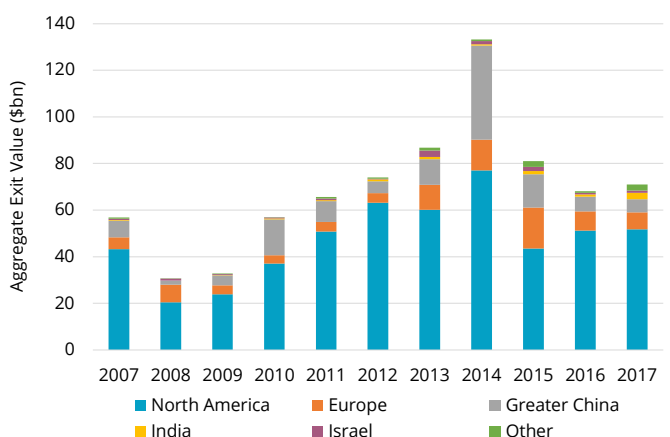
Source: Preqin Venture Capital Online

Fig. 26: Number of Venture Capital Exits by Region, 2007 - 2017



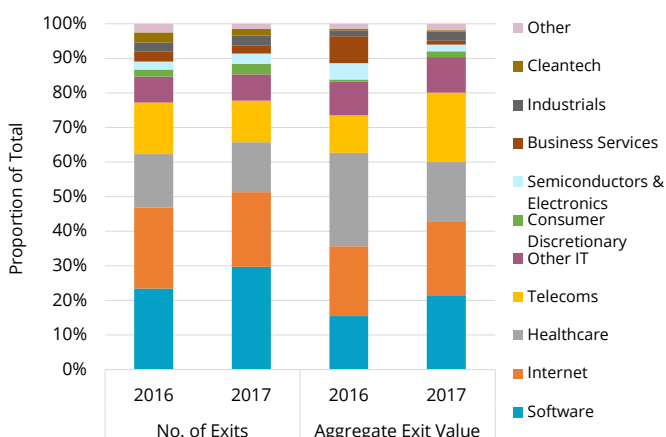
Source: Preqin Venture Capital Online

Fig. 27: Aggregate Value of Venture Capital Exits by Region, 2007 - 2017



Source: Preqin Venture Capital Online

Fig. 28: Venture Capital Exits by Industry, 2016 vs. 2017



Source: Preqin Venture Capital Online

INDUSTRY FOCUS: INTERNET

The number of deals (2,480) in the internet sector decreased in 2017 for the second consecutive year to its lowest number since 2011 (Fig. 29). However, total industry deal value grew by 14% from 2016, buoyed by the \$4.0bn Series C funding of Meituan-Dianping in China, the largest internet deal completed in 2017.

Key Findings:

- Exit activity in the space has declined for the second consecutive year, with 248 announced or completed exits – down 24% from 2016 – valued at an aggregate \$15bn (Fig. 32).

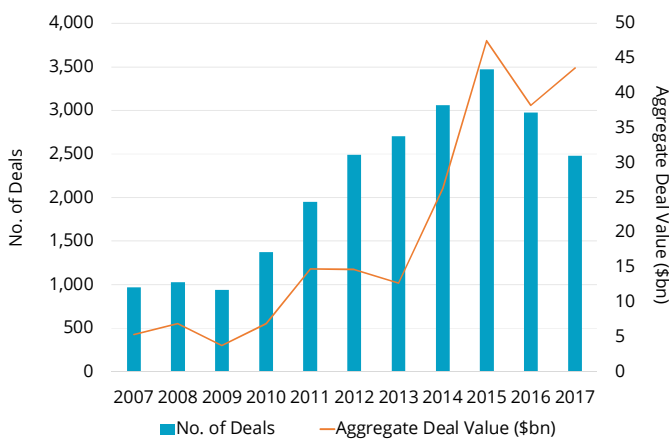
- Aggregate venture capital deal value for the internet industry was higher in 2017 at \$44bn than \$38bn 2016.
- The internet sector represents the second largest proportion of venture capital deals (22%), and the largest proportion of all deal value (24%) in 2017.

There were fewer internet sector transactions across all regions in 2017 except for Europe, with the largest drop seen in India (down 32% from 2016) and Greater China (down 22%, Fig. 30). However, for the second year running,

Greater China has been the location for the highest number of venture capital-backed internet deals, with 653 deals in the region compared with 621 in North America. However, deal value in Greater China decreased by 12%, although it still accounts for the greatest proportion (41%) of value of any region (Fig. 31).

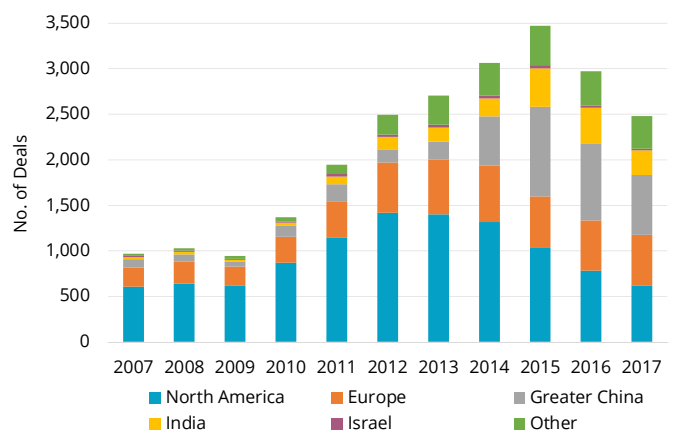
Total investment in India-based internet ventures increased by 210% in 2017 versus 2016 levels, followed by those based in Israel (+83%) and Europe (+66%).

Fig. 29: Venture Capital Deals* in the Internet Industry, 2007 - 2017



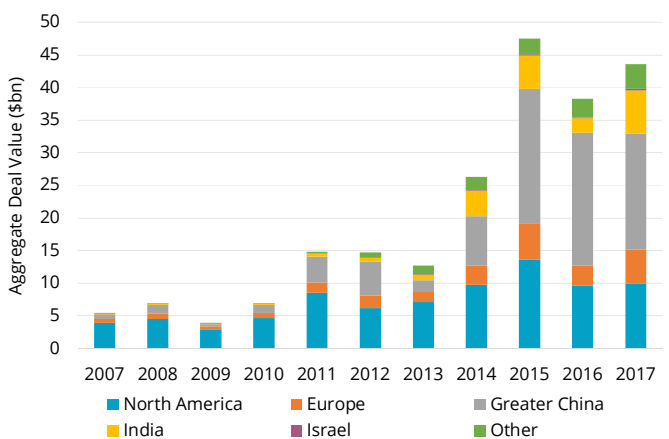
Source: Preqin Venture Capital Online

Fig. 30: Number of Venture Capital Deals* Completed in the Internet Industry by Region, 2007 - 2017



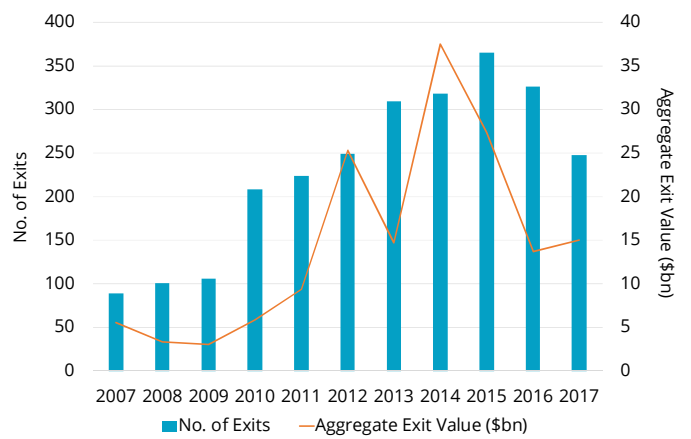
Source: Preqin Venture Capital Online

Fig. 31: Aggregate Value of Venture Capital Deals* Completed in the Internet Industry by Region, 2007 - 2017



Source: Preqin Venture Capital Online

Fig. 32: Venture Capital Exits in the Internet Industry, 2007 - 2017



Source: Preqin Venture Capital Online

*Figures exclude add-ons, grants, mergers, secondary stock purchases and venture debt.

INDUSTRY FOCUS: SOFTWARE

2017 was a record year for the software industry both in terms of deal activity and value, with 2,876 completed deals valued at a total of \$27bn (Fig. 33). The industry accounted for the largest proportion (26%) of venture capital deals in 2017, surpassing the internet sector for the first time since 2009.

North America continues to lead the sector in terms of number of deals and deal value in 2017 (Figs. 34 and 35). The region accounted for 53% of all deals and 73% of deal value, with 1,532 software financings valued at a record \$20bn.

There were 637 financings valued at a record \$3.5bn in the European software sector in 2017, an increase of 18% and 68% respectively from 2016. Greater China saw a 6% decline in the number of deals, while the number increased for both India (+40%) and Israel (+6%).

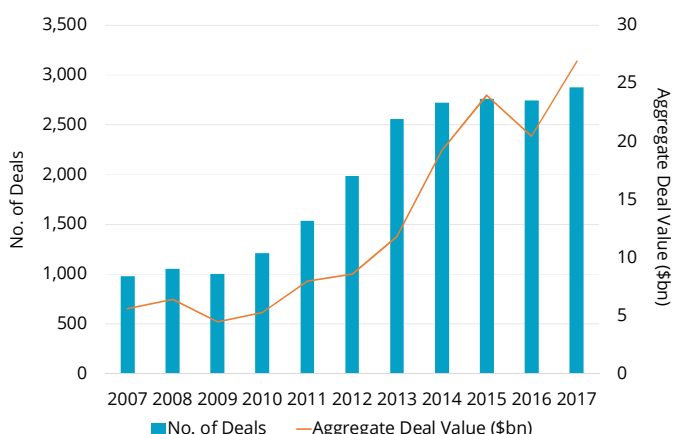
Key Findings:

- The software industry recorded 5% more deals and 32% higher deal value compared to 2016.
- Exit activity and aggregate value increased for the second consecutive year to record levels, with 342

announced or completed exits for a total value of \$15bn, an increase of 5% and 44% from 2016 respectively (Fig. 36).

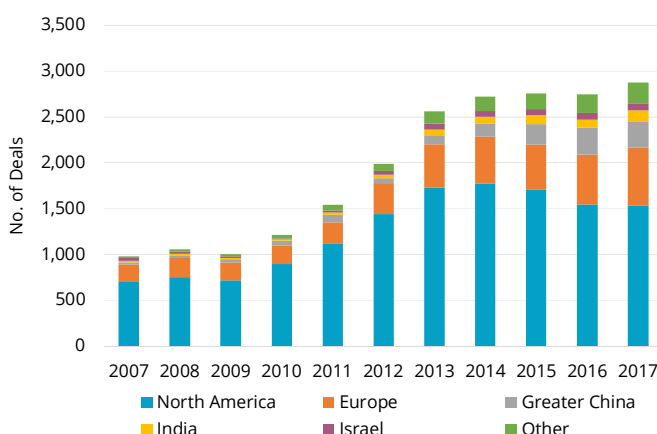
- The largest software deal of 2017 was the Series D funding for Magic Leap, Inc. of \$502mn by a range of new and existing investors led by Temasek Holdings, and including Grupo Globo, Alibaba Group and Google Inc.

Fig. 33: Venture Capital Deals* in the Software Industry, 2007 - 2017



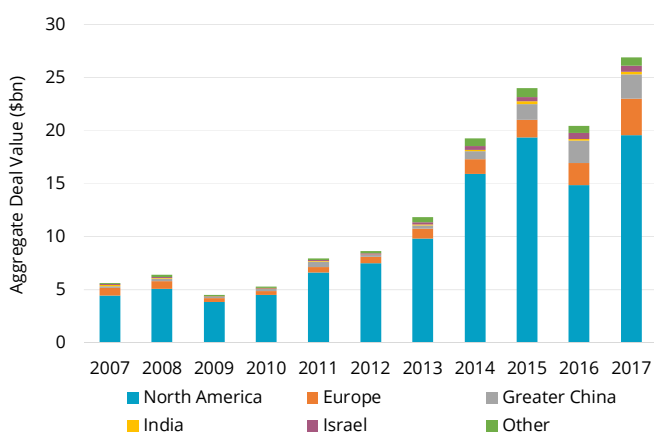
Source: Preqin Venture Capital Online

Fig. 34: Number of Venture Capital Deals* Completed in the Software Industry by Region, 2007 - 2017



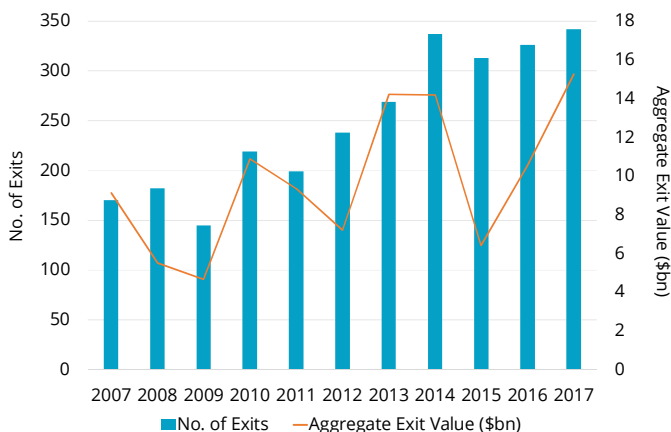
Source: Preqin Venture Capital Online

Fig. 35: Aggregate Value of Venture Capital Deals* Completed in the Software Industry by Region, 2007 - 2017



Source: Preqin Venture Capital Online

Fig. 36: Venture Capital Exits in the Software Industry, 2007 - 2017



Source: Preqin Venture Capital Online

*Figures exclude add-ons, grants, mergers, secondary stock purchases and venture debt.

INDUSTRY FOCUS: TELECOMS

The telecoms industry, one of the three most prominent in the venture capital space, has seen its second consecutive annual decrease in the number of deals completed since the industry's historical high of 2,096 in 2015 (Fig. 37). Nonetheless, the telecoms industry still represented a significant share of the market in 2017, with a record \$42bn worth of completed deals – equating to 23% of total venture capital deal value.

Key Findings:

- There were 1,496 telecoms financings in 2017, a 17% decline from 2016.

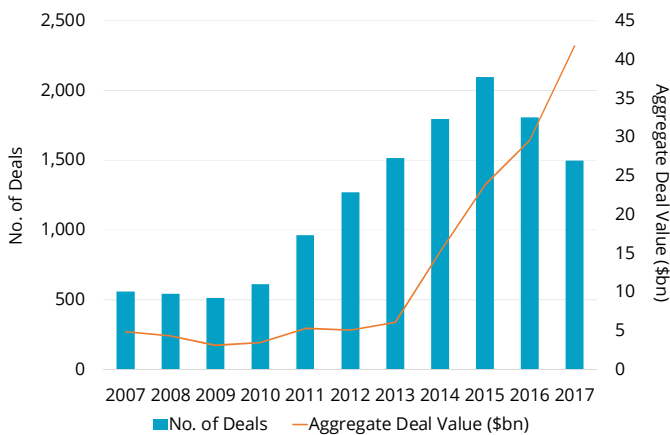
- Telecoms deal activity in 2017 was at its lowest recorded level since 2012; however, total deal value in 2017 was 8x greater than in 2012 (\$42bn vs. \$5.1bn).
- 2017 represented a fall in exit activity by 33% from 2016; however, exit value nearly doubled in the same period (\$14.2bn vs. \$7.4bn, Fig. 40).

Greater China continues to lead in terms of number of deals, though the region did experience an 18% reduction in telecoms deal activity since 2016 (Fig. 38). Despite a drop in deal flow, aggregate deal value for

the sector in Greater China grew by \$9.2bn from 2016, the largest increase to date for all regions (Fig. 39).

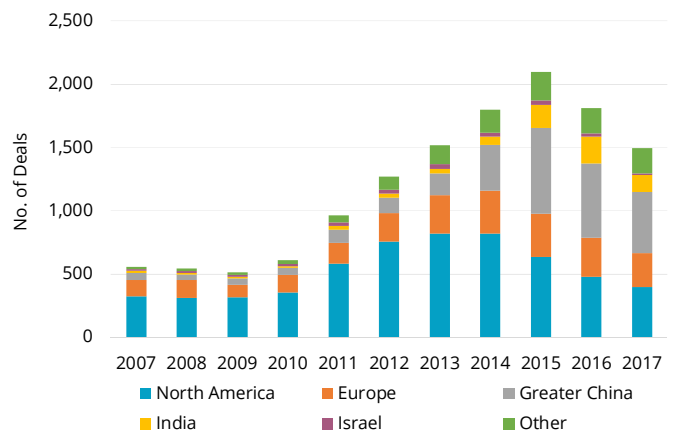
The annual number of telecoms deals in North America has decreased for the fourth consecutive year; however, the region did see a 3% growth in aggregate deal value in 2017. There were 264 European telecoms financings, above the historical average of 219 for the region (2007-2016), at a record \$2.1bn in total value.

Fig. 37: Venture Capital Deals* in the Telecoms Industry, 2007 - 2017



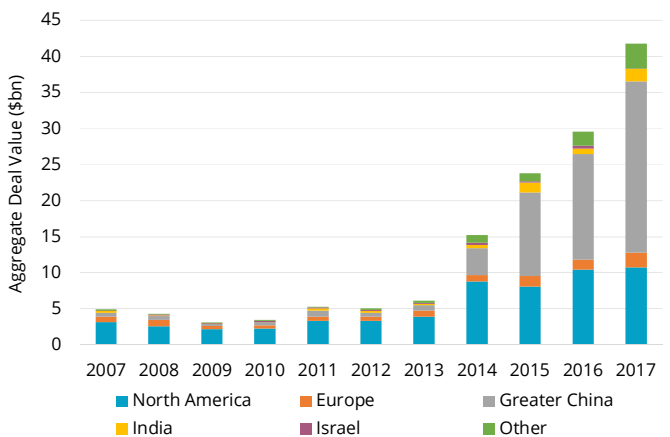
Source: Preqin Venture Capital Online

Fig. 38: Number of Venture Capital Deals* Completed in the Telecoms Industry by Region, 2007 - 2017



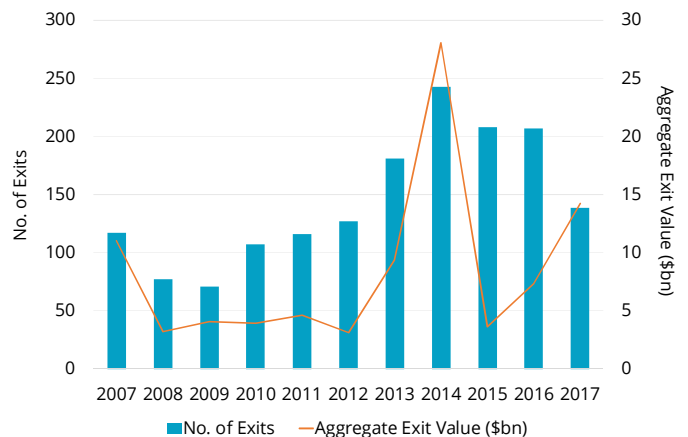
Source: Preqin Venture Capital Online

Fig. 39: Aggregate Value of Venture Capital Deals* Completed in the Telecoms Industry by Region, 2007 - 2017



Source: Preqin Venture Capital Online

Fig. 40: Venture Capital Exits in the Telecoms Industry, 2007 - 2017



Source: Preqin Venture Capital Online

*Figures exclude add-ons, grants, mergers, secondary stock purchases and venture debt.

LARGEST VENTURE CAPITAL DEALS AND NOTABLE EXITS

Fig. 41: Largest Venture Capital Deals* Completed Globally in 2017

Portfolio Company	Deal Date	Stage	Deal Size (mn)	Investor(s)	Industry	Location
Didi Chuxing	Apr-17	Unspecified Round	5,500 USD	Bank of Communications, China Merchants Bank, Pagoda Investment, RCFSI, Silver Lake, SoftBank	Telecoms	China
WeWork Companies Inc.	Aug-17	Series G/Round 7	4,400 USD**	SB Investment Advisers, SoftBank	Hotels and Offices	US
Didi Chuxing	Dec-17	Unspecified Round	4,000 USD	Mubadala Capital, SoftBank	Telecoms	China
Meituan-Dianping	Oct-17	Series C/Round 3	4,000 USD	Coatue Management, CPP Investment Board, GIC, IDG Capital, Mubadala Capital, Sequoia Capital, Tencent***, The Priceline Group, Tiger Global Management, Trustbridge Partners	Internet	China
Snap Inc.	Nov-17	PIPE	2,100 USD	Tencent	Telecoms	US
Grab Holdings	Jul-17	Series G/Round 7	2,000 USD	Didi Chuxing, SoftBank	Telecoms	Singapore
Toutiao	Aug-17	Unspecified Round	2,000 USD	General Atlantic	Telecoms	China
Ready-Go	Jul-17	Series B/Round 2	11,118 CNY	Beijing Automotive Group Co., Ltd, China Cinda Asset Management, Guoxuan Investment, Zhongji Investment	Internet	China
Flipkart Internet Private Limited	Aug-17	Unspecified Round	1,500 USD****	SB Investment Advisers	Internet	India
Flipkart Internet Private Limited	Apr-17	Unspecified Round	1,400 USD	eBay Inc., Microsoft, Tencent	Internet	India
Uber Technologies, Inc.	Dec-17	Unspecified Round	1,250 USD*****	Dragoneer Investment Group, SB Investment Advisers, Sequoia Capital, SoftBank, Tencent, TPG	Telecoms	US
ANI Technologies Private Limited	Oct-17	Unspecified Round	1,100 USD	RNT Associates, SoftBank, Tencent	Telecoms	India
PT Tokopedia	Aug-17	Series G/Round 7	1,100 USD	Alibaba Group	Internet	Indonesia
Roivant Sciences, Inc.	Aug-17	Unspecified Round	1,100 USD	SB Investment Advisers	Pharmaceuticals	US
Zhejiang Koubei Network Technology Co., Ltd.	Jan-17	Unspecified Round	1,100 USD	CDH Investments, Primavera Capital, Silver Lake, YF Capital	Telecoms	China
Ele.me	Jun-17	Unspecified Round	1,000 USD	Alibaba Group	Internet	China
Fanatics, Inc.	Sep-17	Unspecified Round	1,000 USD	32 Equity, Major League Baseball Players Pension Plan, SB Investment Advisers	Internet	US
Lyft, Inc.	Oct-17	Series G/Round 7	1,000 USD*****	CapitalG	Telecoms	US
Nio	Nov-17	Series D/Round 4	1,000 USD	Baillie Gifford, China Capital Management Company, CITIC Capital, Lone Pine Capital, Russia-China Investment Fund, Tencent	Clean Technology	China
One97 Communications Limited	May-17	Unspecified Round	1,000 USD*****	Softbank Capital	Internet	India

Source: Preqin Venture Capital Online

*Figures exclude add-ons, grants, mergers, secondary stock purchases and venture debt.

**\$4.4bn figure includes \$3bn financing for parent company (raised in several series G tranches and a secondary purchase), plus \$1.4bn investment in newly created subsidiaries WeWork China, WeWork Japan, and WeWork Pacific.

***Indicates lead investor(s).

****Part of a \$2.5bn transaction, whereby \$1bn was a secondary stock purchase from SB Investment Advisers.

*****Part of a \$9bn transaction, which included a \$7.75bn secondary stock purchase.

*****Part of a \$1.5bn transaction which was raised in two tranches.

*****Part of a \$1.4bn transaction, which included a \$400mn secondary stock purchase.

Fig. 42: Notable Venture Capital Exits Globally in 2017

Portfolio Company	Date of First Investment	Investors (Entry)	Total Known Funding (\$mn)	Exit Type	Exit Date	Exit Value (mn)	Acquiror (Exit)	Industry	Location
Uber Technologies, Inc.*	Aug-09	Axel Springer AG, Baidu, Barclays, Benchmark Capital, BlackRock, Caspian Venture Capital, Chirgroup, CrunchFund, Didi Chuxing, Dragoneer Investment Group, Fidelity Investments, First Round Capital, Founder Collective, Glade Brook Capital Partners, Goldman Sachs, Goldman Sachs Merchant Banking Division, GV, Innovation Endeavors, Kleiner Perkins Caufield & Byers, Kumpulian Wang Persaraan, LetterOne, Lone Pine Capital, Lowercase Capital, Menlo Ventures, Microsoft, Morgan Stanley, New Enterprise Associates, Public Investment Fund, Qatar Investment Authority, SB Investment Advisers, SBT Venture Capital, Sequoia Capital, Signatures Capital Partners, SoftBank, Summit Partners, Summit Series, Tata Capital Private Equity, Tencent, Times Internet, Toyota Financial Services, TPG, Valiant Capital Partners, Wellington Management	14,241	Sale to GP	Dec-17	7,750 USD	Dragoneer Investment Group, SB Investment Capital, SoftBank, Tencent, TPG	Telecoms	US
AppDynamics, Inc.	Apr-08	Adage Capital Management, Altimeter Capital Management, Battery Ventures, ClearBridge, Cross Creek Advisors, ESO Fund, General Atlantic, Goldman Sachs, Greylock Partners, Harmony Partners, Industry Ventures, Institutional Venture Partners, Kleiner Perkins Caufield & Byers, Lightspeed Venture Partners, Sands Capital Management, SharesPost, Silicon Valley Bank	415	Trade Sale	Jan-17	3,700 USD	Cisco Systems, Inc.	Software	US
Snap Inc.*	Mar-12	Alibaba Group, Benchmark Capital, Coatue Management, DST Global, Fidelity Investments, General Atlantic, General Catalyst Partners, GIC, Glade Brook Capital Partners, HDS Capital, Institutional Venture Partners, Kleiner Perkins Caufield & Byers, Lightspeed Venture Partners, Lone Pine Capital, Morgan Stanley, NBC Universal, Sequoia Capital, SV Angel, T Rowe Price, Tencent, Yahoo	5,009	IPO	Mar-17	3,400 USD	-	Telecoms	US
Chewy, Inc.	Oct-13	Allen & Company, BlackRock, Greenspring Associates, T Rowe Price, Verinvest, Volition Capital, Wells Fargo Capital Finance	180	Trade Sale	Apr-17	3,000 USD	PetSmart, Inc.	Internet	US
ZELTIQ Aesthetics, Inc.	Mar-06	Advanced Technology Ventures, Aising Capital, Frazier Healthcare Ventures, Venrock	78	Trade Sale	Feb-17	2,475 USD	Allergan Inc	Medical Devices	US
Barracuda Networks, Inc.	Dec-05	Focus Ventures, Francisco Partners, Sequoia Capital	176	Sale to GP	Nov-17	1,600 USD	Thoma Bravo	IT Security	US
Mango TV	Jun-15	CITIC Private Equity Funds Management, Happigo, Hony Capital, New Alliance Capital, Sequoia Capital, Shanghai Guohe Capital, Xiamen C&D Corporation	390	Trade Sale	Sep-17	9,500 CNY	Happigo	Digital Media	China
IO Data Centers*	Dec-08	Bank of America, BMO Financial Group, Caterpillar, Deutsche Bank, Goldman Sachs, JPMorgan Asset Management - Private Equity Group, JPMorgan Chase, Macquarie Capital, Morgan Stanley, National Bank of Arizona, Pritzker Group Venture Capital, Royal Bank of Canada, Sterling Partners, Wells Fargo Bank	1,216	Trade Sale	Dec-17	1,315 USD	Iron Mountain Incorporated	IT Infrastructure	US
Delivery Hero AG*	Dec-10	General Atlantic, German Startups Group, HV Holzbrink Ventures, Insight Venture Partners, Kite Ventures, Kreos Capital, Luxor Capital Group, Naspers Ventures, Phenomen Ventures, Point Nine, Rocket Internet SE, ru-Net Ventures, Target Global, Team Europe, Tengelman Group, Vostok New Ventures, West Tech Ventures	1,751	IPO	Jun-17	996 EUR	-	Internet	Germany
Flipkart Internet Private Limited*	Oct-09	Accel Partners, Axis Bank, Baillie Gifford, Dragoneer Investment Group, DST Global, eBay Inc., GIC, Greenoaks Capital, HDFC Bank, Helion Venture Partners, Ioniq Capital, IDG Ventures India, Kalaari Capital, Microsoft, Morgan Stanley, Morgan Stanley Alternative Investment Partners, Naspers, Qatar Investment Authority, SB Investment Advisers, Schroder Advq, Sofina, Steadview Capital Management, T Rowe Price, Tencent, Tiger Global Management, TR Capital, Vulcan Capital	6,454	Sale to GP	Aug-17	1,000 USD	SB Investment Advisers	Internet	India

*Denotes a partial exit.

Source: Preqin Venture Capital Online



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