KPMG Private Enterprise

Venture Pulse Q3 2020

Global analysis of venture funding

21 October, 2020

Welcome message

Welcome to the Q3'20 edition of KPMG Private Enterprise's Venture Pulse, a quarterly report highlighting the key trends, opportunities, and challenges facing the venture capital market globally and in key jurisdictions around the world.

Despite ongoing concerns related to COVID-19, geopolitical tensions, the upcoming US presidential election, and a potential hard Brexit, VC investment during the quarter remained robust across all regions of the world.

An increasing number of mega-deals helped drive investment value up, with three deals above $1 billion. Late-stage companies in general attracted the lion's share of investment in Q3'20, while funding for early-stage companies continued to falter across the globe. The prolonged decline in early-stage deals activity is concerning as it will likely have negative impacts on the pipeline, particularly for Series B rounds, down the road.

After 2 quiet quarters, Asia saw a strong rebound in VC investment, led by a $1.5 billion raise WM Motor in China, and a $1.3 billion raise by Flipkart in India. The Americas also saw strong VC activity, led by a $1.9 billion raise by SpaceX and two $600 million plus raises by RobinHood. VC investment in Europe remained steady, led by a $650 million raise by Sweden-based Klarna, a $632 million raise by Germany-based CureVac, and a $580 million raise by Revolut in the UK.

IPO activity picked up during Q3'20, with strong IPO exits by Snowflake, JFrog, and Unity Software, direct listings by Palantir Technologies and Asana, and the announcement of SPAC-based IPOs by Skillz and Opendoor. With China-based mega-giant Ant Financial filing IPO documents for listing on the HKSE, in addition to AirBnb and Wish in the US, IPO activity is expected to increase further in Q4'20.

With many jurisdictions now entering a second wave of the COVID-19 pandemic, VC investors are expected to remain focused on companies able to help people and businesses adapt to and thrive within the 'new normal'. Health and biotech investment will likely remain very high, along with investment in fintech, business productivity solutions, and digital platforms.

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

- The ongoing strength and resilience of the VC market despite the ongoing pandemic
- The ramifications of a long-term decline in early-stage deals
- The rising tide of IPO activity
- The rebound in Asia-based VC investment

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, KPMG Private Enterprise, KPMG International

Conor Moore
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

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Unless otherwise noted, all currencies reflected throughout this document are US Dollar.

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In Q3'20 European VC-backed companies raised

$12.1B

across

1,024 deals

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Robust VC investment in Europe despite continued drop in deal numbers

Venture capital investment in Europe reached a new record high in Q3'20, helped by new record levels of investment in Germany, Israel, and the Nordic Region. A diverse range of sectors attracted $100 million+ megadeals in Europe, including fintech, drug discovery, automotive, entertainment, and health diagnostics.

Investor caution affecting valuations and early-stage rounds

Europe achieved a new quarterly record for total VC investment in Q3'20. Despite this fact, the investment climate has not been completely rosy. There has been a significant amount of uncertainty over the past 6 months due to COVID-19, which has been reflected in the valuations of businesses, particularly those businesses unable to predict future demand. This, combined with the focus of VC investors on protecting their existing portfolio companies, has led to more cautious valuations and even more challenges for early-stage companies working to raise funding.

UK continues to attract large VC rounds

VC investment in the UK remained relatively strong in Q3'20, despite a significant decline in the number of deals. Fintech was a key area of investment with digital bank Revolut raising $580 million and cloud-based banking platform Thought Machine raising $125 million. London-based kitchen space startup Karma Kitchen also made news with a $314 million raise this quarter. During the quarter, the UK government continued to focus on supporting recovery initiatives — announcing a £2 billion Kickstart scheme focused on providing young people with job placements for 6 months. The program could enable startups to find and retain talented young people.

Germany sees very robust VC investment in Q3'20

Germany attracted a significant amount of VC investment during Q3'20, led by a $632 million raise by CureVac and a $291 million raise by AUTO1 and a $246 million raise by agtech company Infarm. The size of these deals reflects a number of factors, including the maturity of Germany's VC ecosystem and the confidence of investors in proven companies with business models that are resilient to COVID-19's impacts.

Travel price aggregator Omio also raised Euro84M million during the quarter, bucking the downward trend affecting many travel-focused companies. In sectors hit hard by the pandemic, some VC investors are making bets on what companies will emerge as clear industry leaders. This could lead to consolidation as smaller companies struggle or fail to attract funding.

IPO market in Europe on cusp of potential rebound

While there was a reluctance for IPO exits over the past 12 months across Europe, a window of opportunity might be opening. During Q3'20, a number of companies announced IPO plans, including Germany-based education publisher Springer Nature, Sweden-based game company Huuuge Inc., and Poland-based fintech Allegro. Should these companies hold successful IPO exits in the near future, other mature startups in Europe feeling exit pressure from their investors could follow in their wake.

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Robust VC investment in Europe despite continued drop in deal numbers, cont'd.

VC investment in Israel shows resilience

VC investment in Israel remained resilient during Q3'20, due in part, to the strong applicability of key innovation clusters, including digital health, cybersecurity, and payments. In the digital health space, remote diagnostics was particularly hot, including solutions based on data analytics and AI capabilities. With the significant acceleration in digital trends, cybersecurity is expected to remain a very hot area of investment in Israel for the foreseeable future. Digital banking is also expected to be a hot area of investment as players in the Israeli economy look to ride the digital acceleration wave.

$650 million Klarna and Northvolt deals drives surge in Nordic VC investment

VC investment in the Nordic region rose in Q3'20, led by two massive deals in Sweden — a $650 million raise by digital bank Klarna and a $600 million deal by energy company Northvolt. Other big venture capital deals in the Nordics included a $230 million raise by Finland-based mobile phone company HMD Global. Sweden-based milk alternative company Oatly also obtained $200 million in PE funding during the quarter, making it the region's newest unicorn. While gaming and fintech have been strong sectors of investment in the Nordic region, other sectors are beginning to mature and gain more investment. Cloud-based B2B solutions is one growing area; during Q3'20, Finland-based cloud software-as-a-service providers Super Metrics and MariaDB raised $46 million[1] and $25 million[2] respectively.

Organizations in Ireland working to boost early-stage funding programs

Early-stage companies across Europe have found it difficult to obtain funding, a trend that began months prior to the pandemic but which has been exacerbated over the past two quarters. During Q3'20, five tech sector organizations in Ireland launched the Alliance for an Innovation Driven Recovery in order to suggest changes to existing government programs (e.g., wage subsidy programs, debt and equity funding programs) and tax incentives in order to better support early-stage companies and encourage more early-stage investment by private investors. The impact of this initiative will be important to watch heading into Q4'20.

Trends to watch for in Europe

As Europe continues to adjust to a new reality, VC investors in Europe are expected to remain highly focused on areas such as health and biotech, fintech, and the future of work. Investment in edtech is also likely to grow given that it could be a critical necessity over the next few quarters. While the pandemic has overshadowed Brexit negotiations over the past 6 months, there are growing concerns over the possibility of a hard Brexit as of December 31, 2020, making it a critical area to watch heading into Q4'20.

[1] https://techcrunch.com/2020/08/24/supermetrics/
[2] https://mariadb.com/newsroom/press-releases/mariadb-announces-25-million-funding-round-to-scale-skysql-operations/

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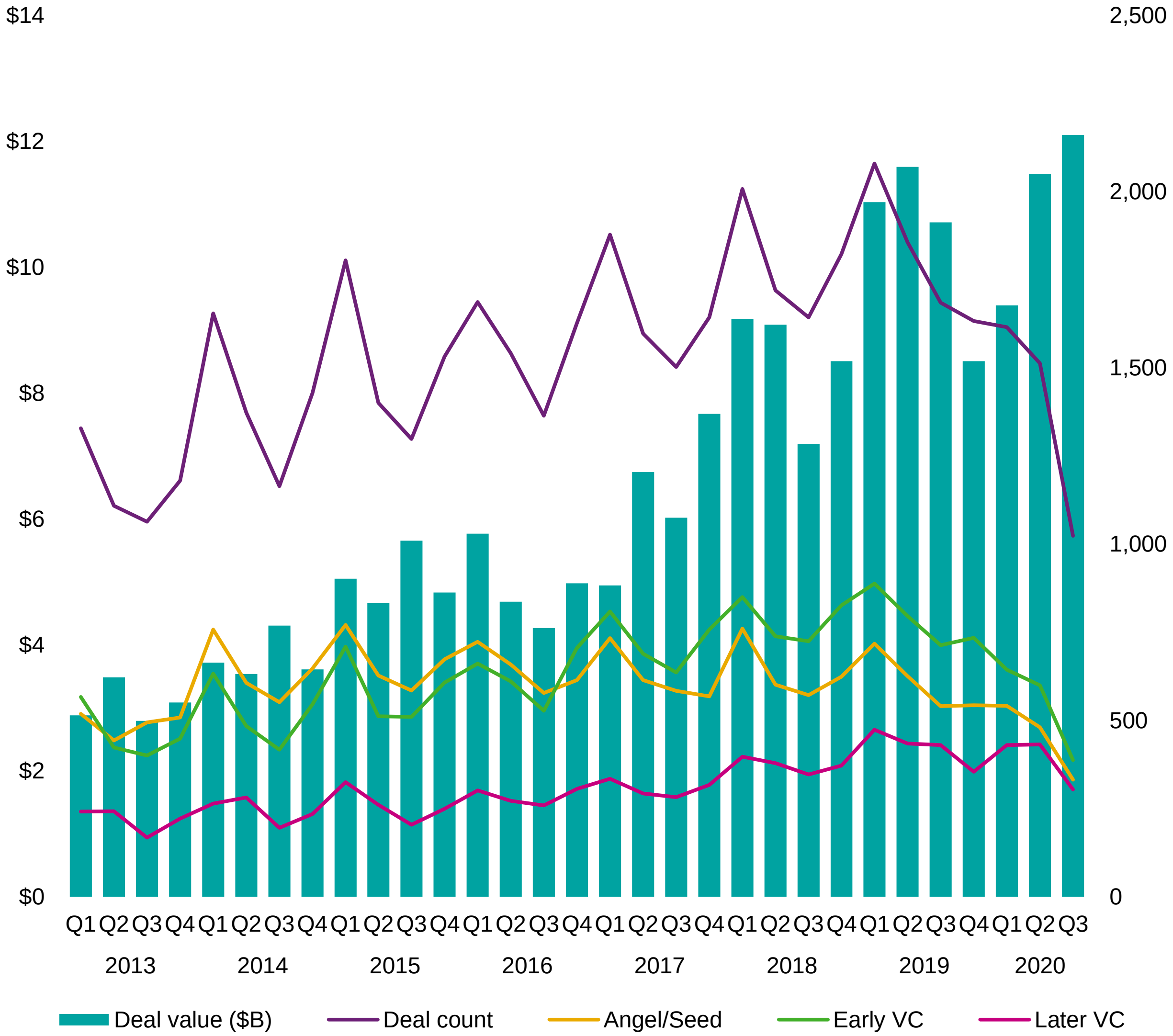
A record high even as volume slides

Venture financing in Europe
2013–Q3'20



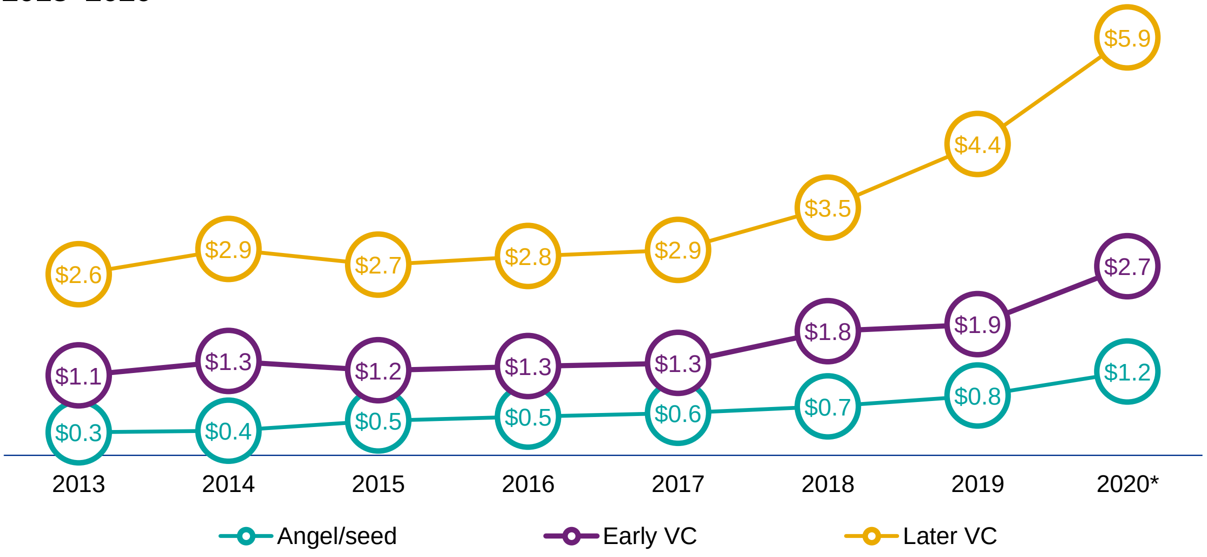
Source: Venture Pulse, Q3'20, Global Analysis of Venture Funding, KPMG Private Enterprise. Data provided by PitchBook, 10/21/2020.

As must be reiterated, especially in a complex venture ecosystem like Europe, private markets data can experience lags. That said, the ongoing waves of policy responses across different countries and territories is likely to slow down the logistics of dealmaking to some degree. However, for safer bets and funding of unicorns, it definitely hasn't impeded much, as is evident from the record high of VC invested in Q3 2020.

A late-stage surge while down rounds rise

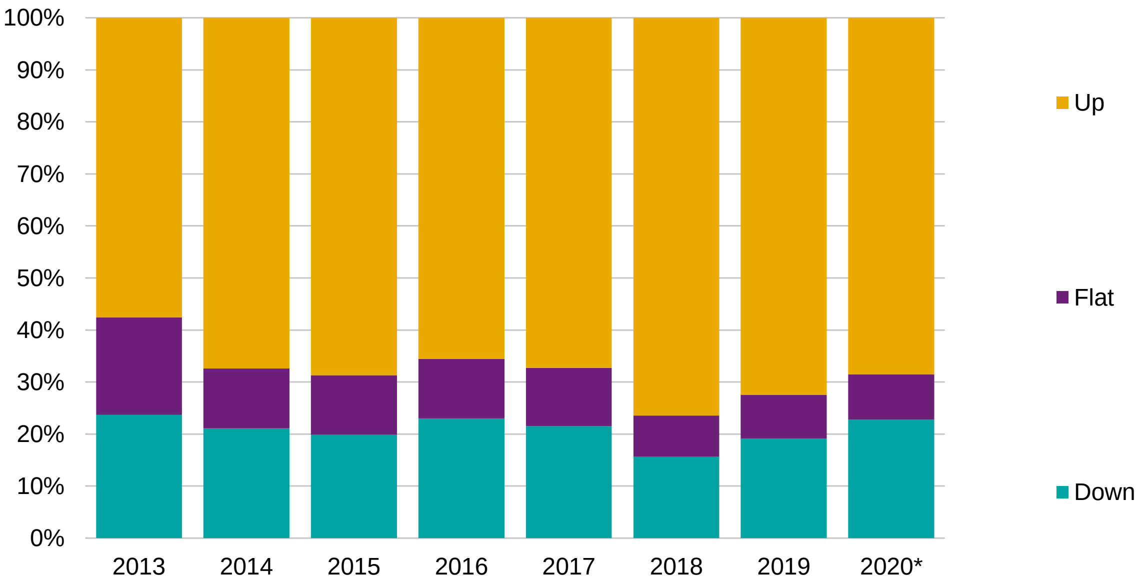
Median deal size ($M) by stage in Europe

2013–2020*



Up, flat or down rounds in Europe

2013–2020*

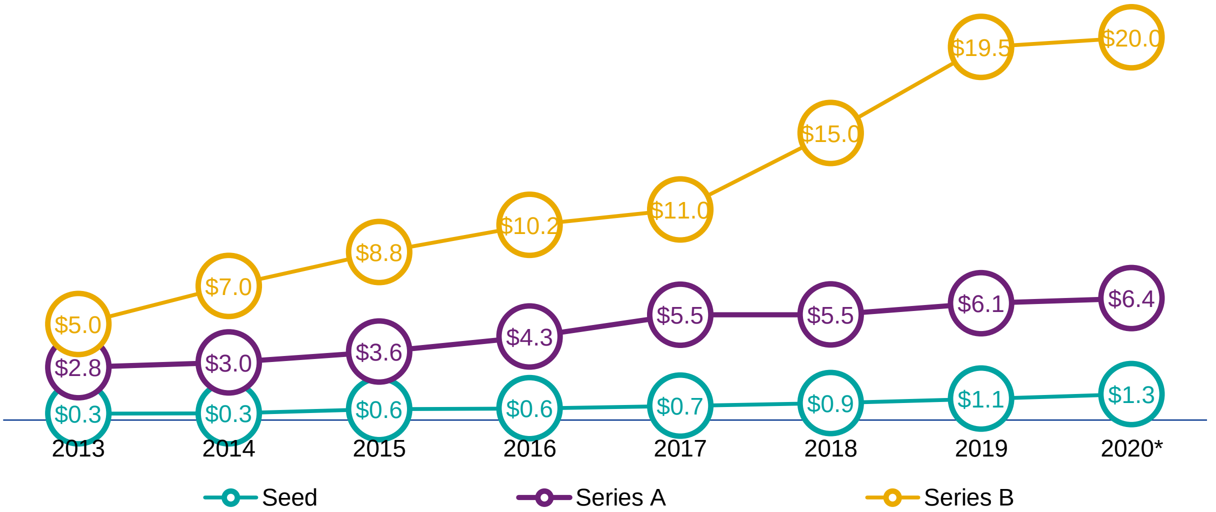


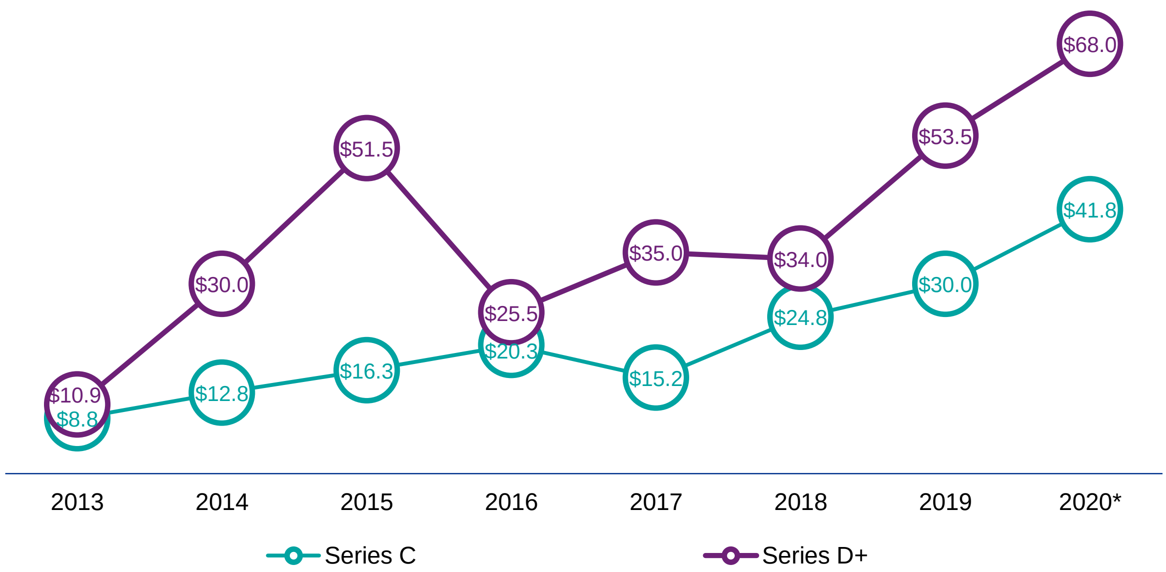
Source: Venture Pulse, Q3'20, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of 9/30/20. Data provided by PitchBook, 10/21/20.

Early to midstage tallies hold steady

Median deal size ($M) by series in Europe

2013–2020*



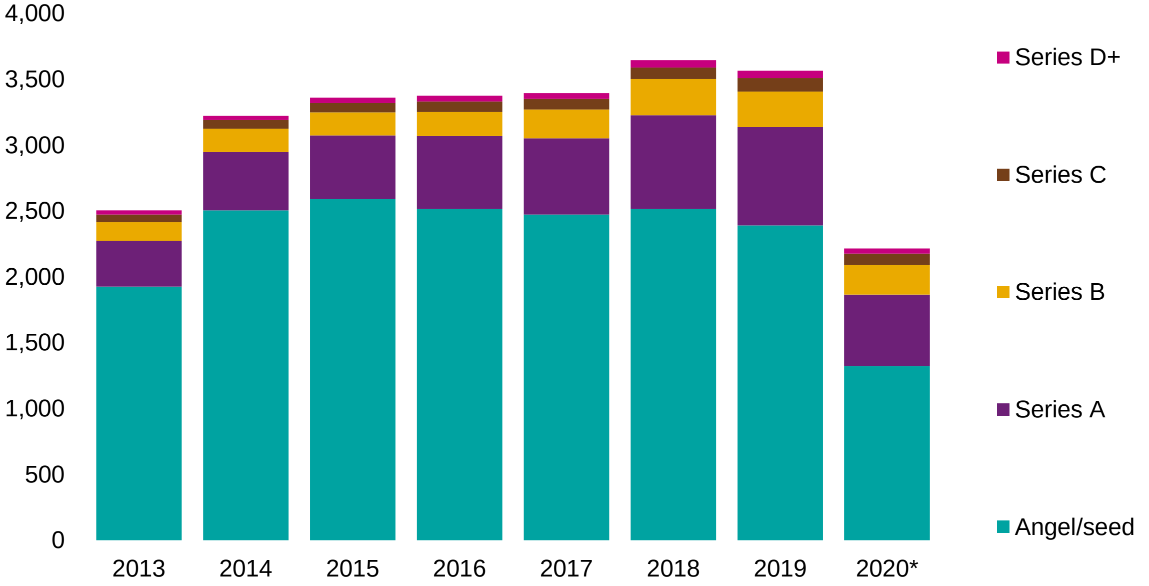


Source: Venture Pulse, Q3'20, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of 9/30/20. Data provided by PitchBook, 10/21/20.

Capital flees the riskiest stages: angel & seed

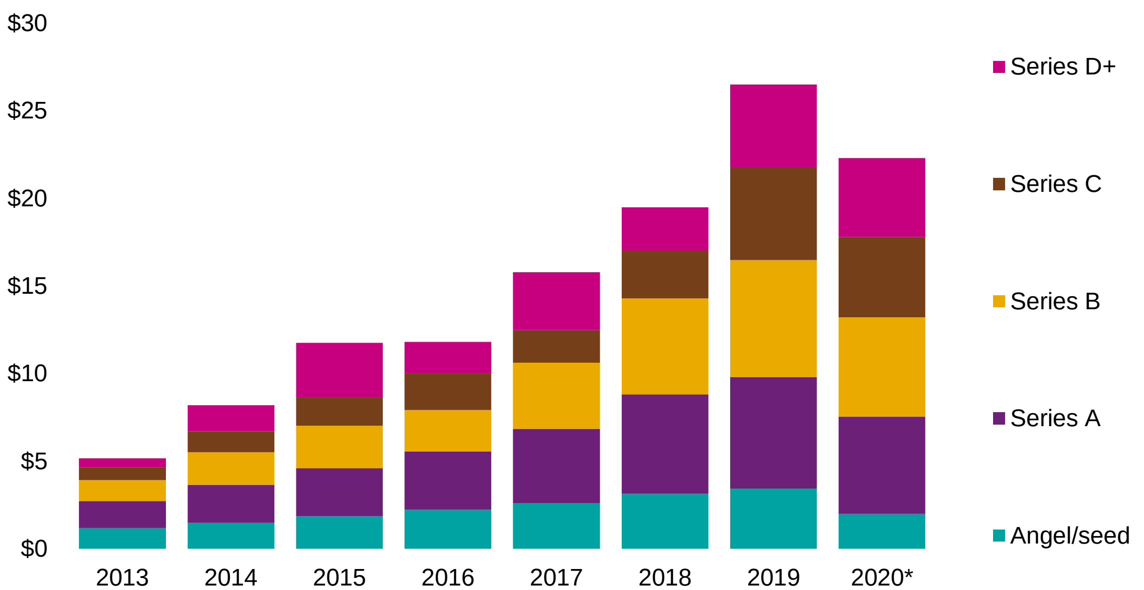
Deal share by series in Europe

2013–2020*, number of closed deals



Deal share by series in Europe

2013–2020*, VC invested ($B)

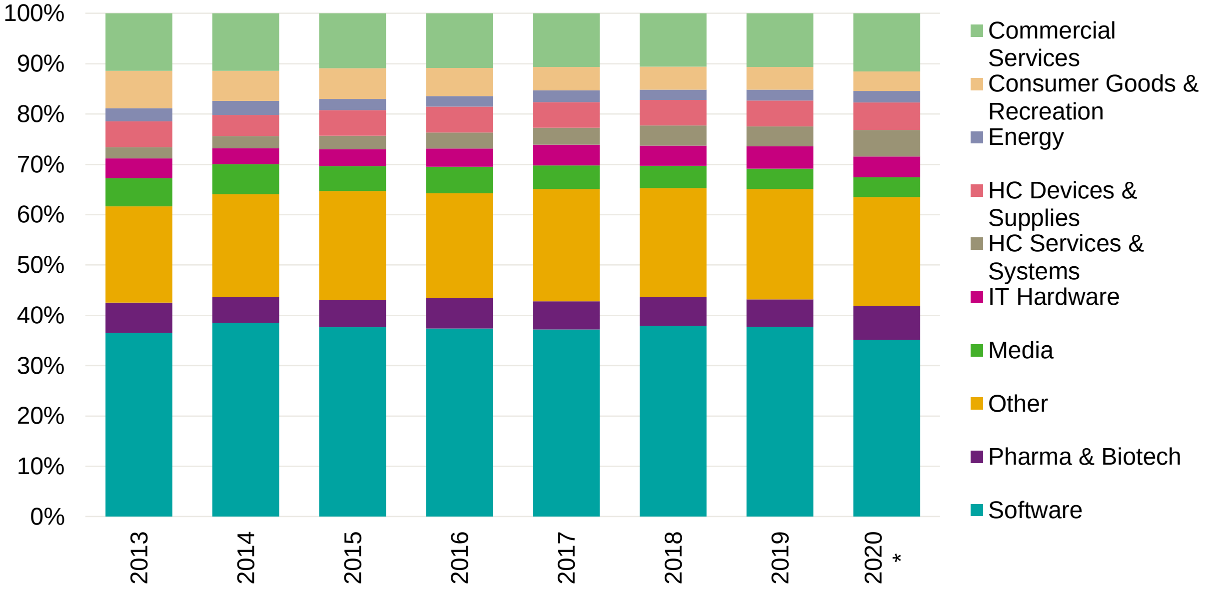


Source: Venture Pulse, Q3'20, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of 9/30/20. Data provided by PitchBook, 10/21/20.

Healthcare climbs in proportions

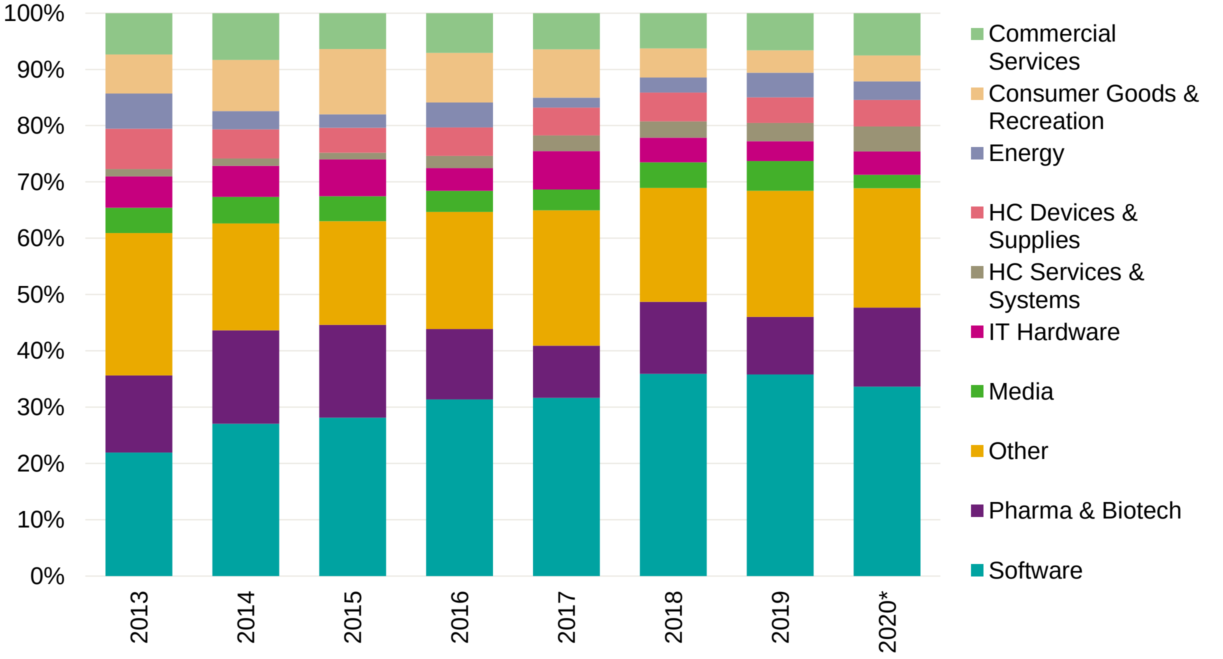
European venture financings by sector

2013–2020*, number of closed deals



European venture financings by sector

2013–2020*, VC invested ($B)

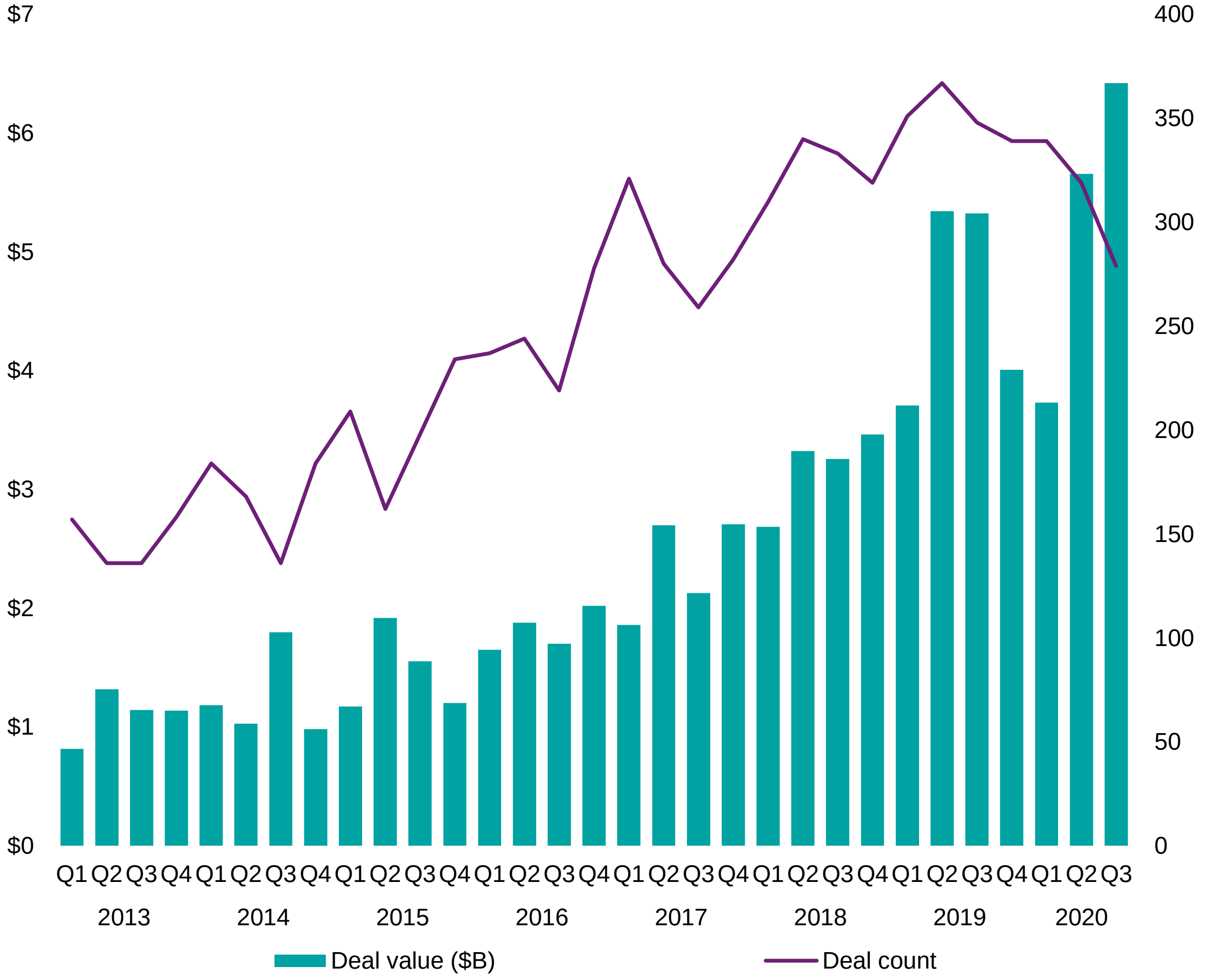


Source: Venture Pulse, Q3'20, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of 9/30/20. Data provided by PitchBook, 10/21/20.

CVCs join in larger rounds to set new high

Corporate VC participation in venture deals in Europe

2013–Q3'20



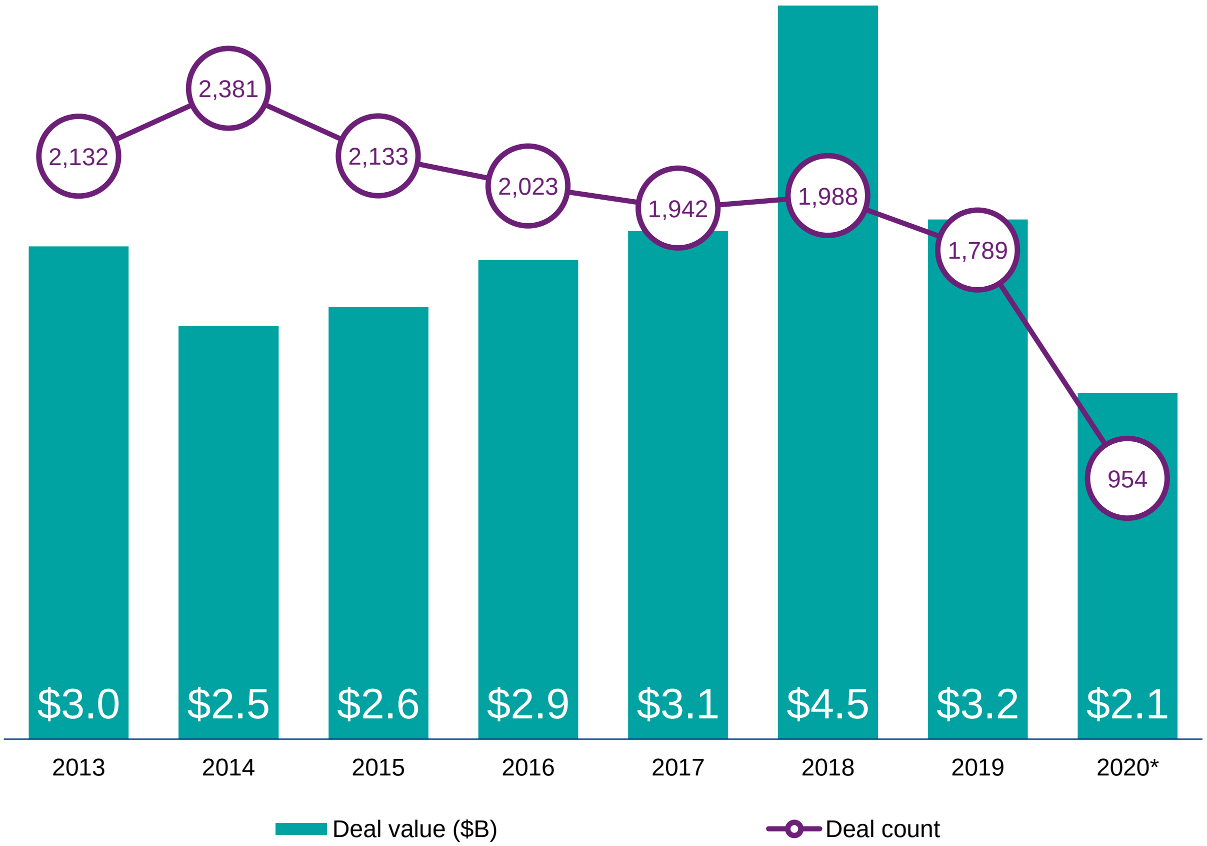
Source: Venture Pulse, Q3'20, Global Analysis of Venture Funding, KPMG Private Enterprise. Data provided by PitchBook, 10/21/2020.

The rise in quarterly VC invested tallies with corporate participation has been one of the decade's more consistent trends across the European venture ecosystem, a testament to the growing perception that more direct exposure, both financial and strategic, to innovation earlier in its cycle is an imperative for extant corporations. As a natural result, during an uncertain time, large corporate players are still backing the more mature businesses in their larger, later-stage rounds.

First-time funding decline moderates mildly

First-time venture financings of companies in Europe

2013–2020*



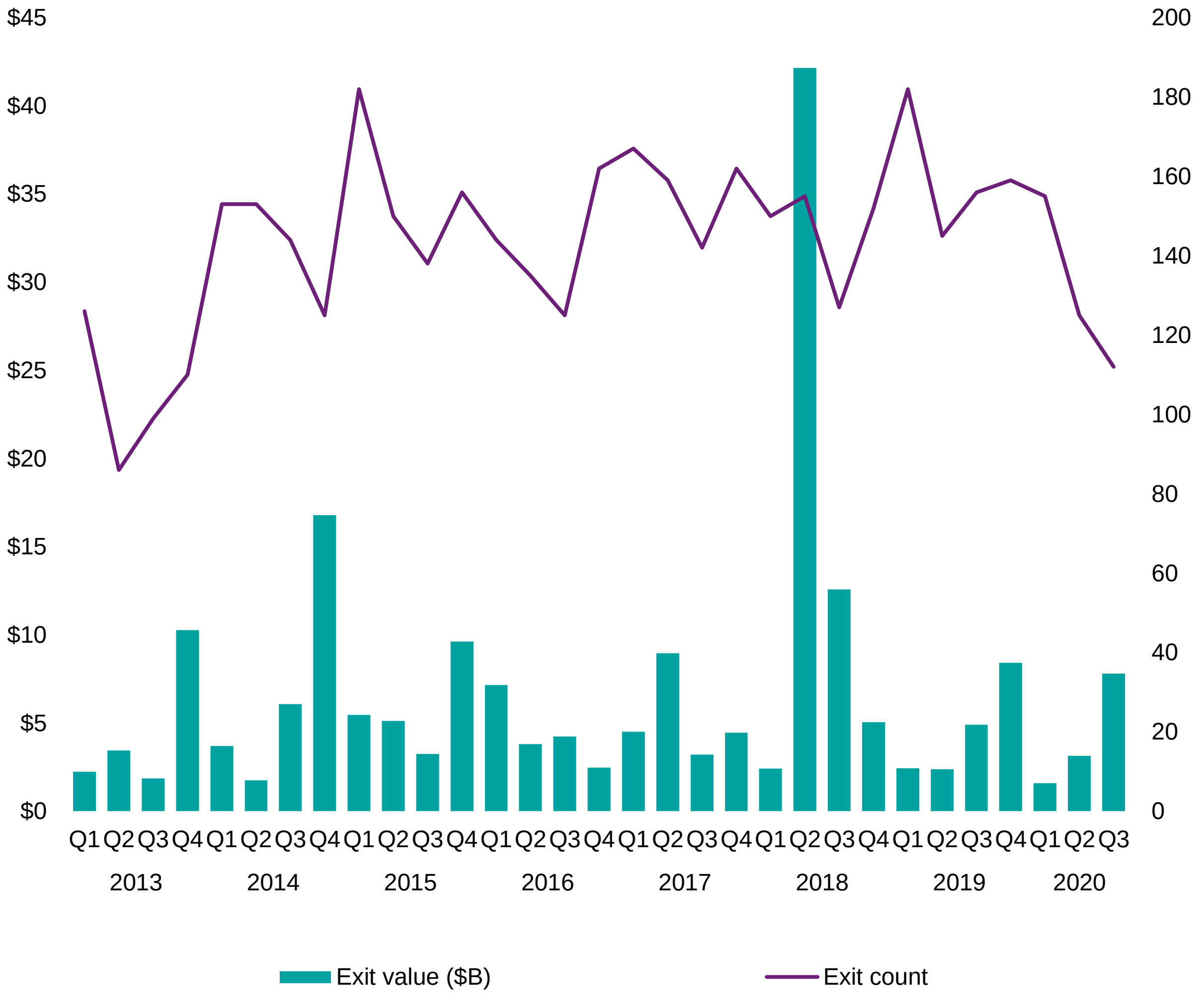
Source: Venture Pulse, Q3'20, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of 9/30/20. Data provided by PitchBook, 10/21/20.

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, in good news for the health of the overall European entrepreneurial pipeline, the rate of decline in first-time funding improved somewhat as more 2020 data has been collected. $2.1 billion invested across 954 financings is still off prior highs by a considerable sum, but not to a catastrophic degree.

Exit volume slides slightly, if not as steeply

Venture-backed exit activity in Europe

2013–Q3'20



Source: Venture Pulse, Q3'20, Global Analysis of Venture Funding, KPMG Private Enterprise. Data provided by PitchBook, 10/21/2020.

Aggregate exit value surged even further in Q3 2020, even though volume slid slightly once again. The overall pace of M&A and IPOs has understandably moderated across the continent, although it's worth noting that given record breaking debuts on public exchanges elsewhere, it may be just a matter of time before soon-to-be or current European unicorns eventually do the same.

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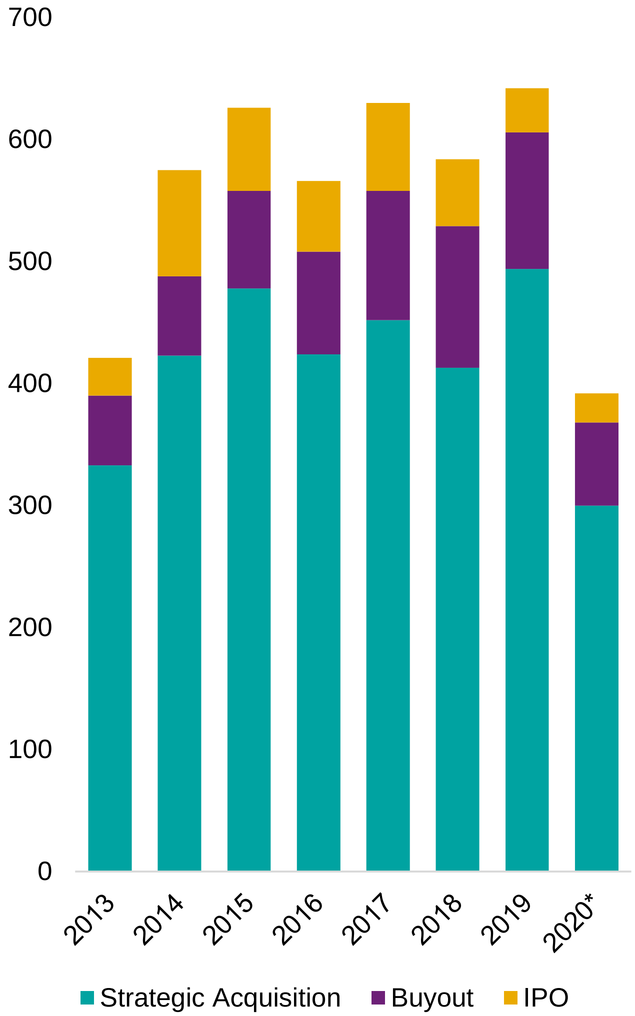
M&A propels exit volume, IPOs surge

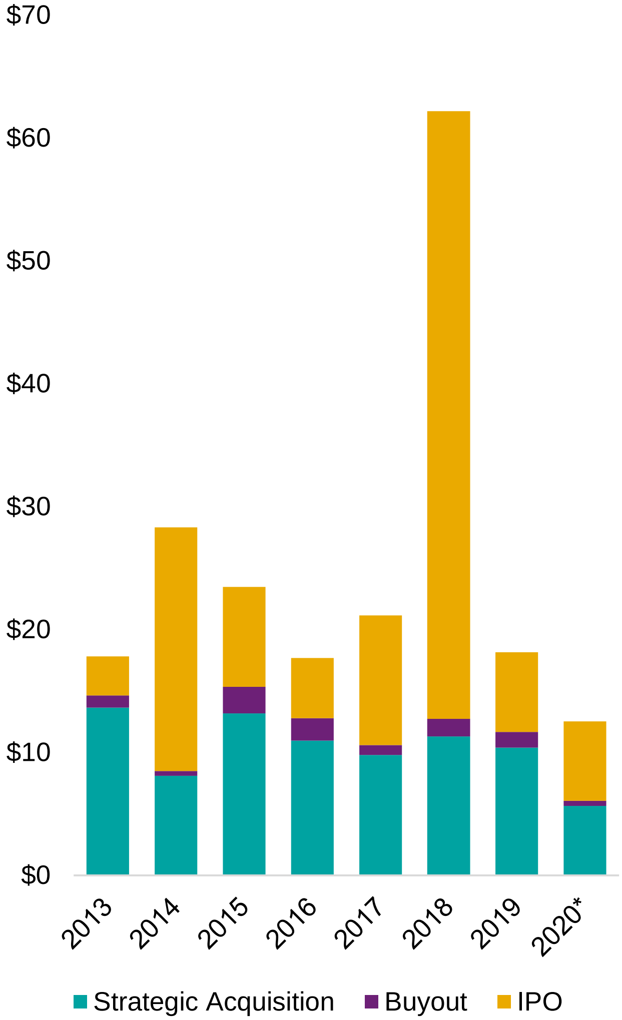
Venture-backed exit activity (#) by type in Europe

2013–2020*



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

2013–2020*

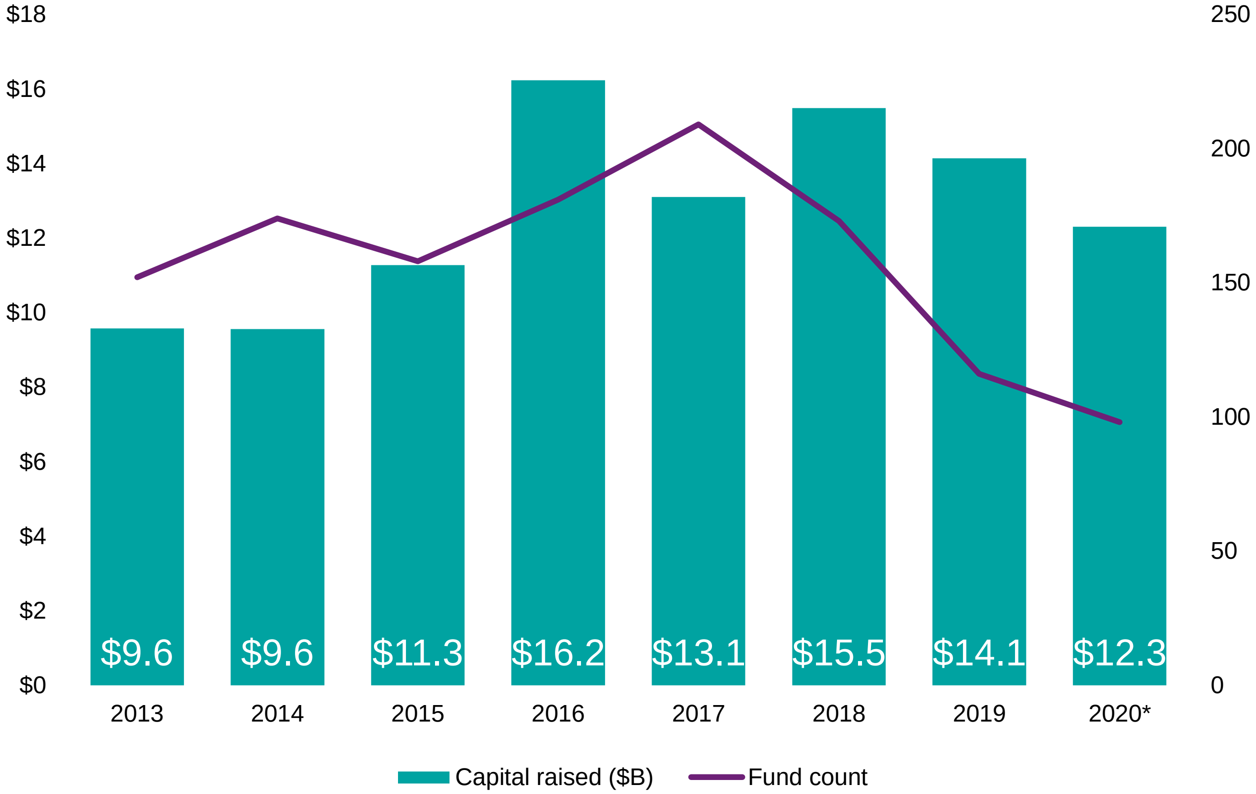


Source: Venture Pulse, Q3'20, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of 9/30/20. Data provided by PitchBook, 10/21/20.

Fundraising continues at a strong pace

European venture fundraising

2013–2020*



Source: Venture Pulse, Q3'20, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of 9/30/20. Data provided by PitchBook, 10/21/20.

An oft-repeated narrative in venture is that the best companies are founded in downturns. Consequently, the best investment opportunities are also to be found in similar periods. The overall push toward upping allocations to alternative investments has been a defining theme explaining the growth in private equity and VC investing and fundraising this past decade, and 2020 has been no different. Promisingly for the European venture ecosystem, ongoing strong tallies this year will only help keep funding robust even if further economic uncertainty persists.

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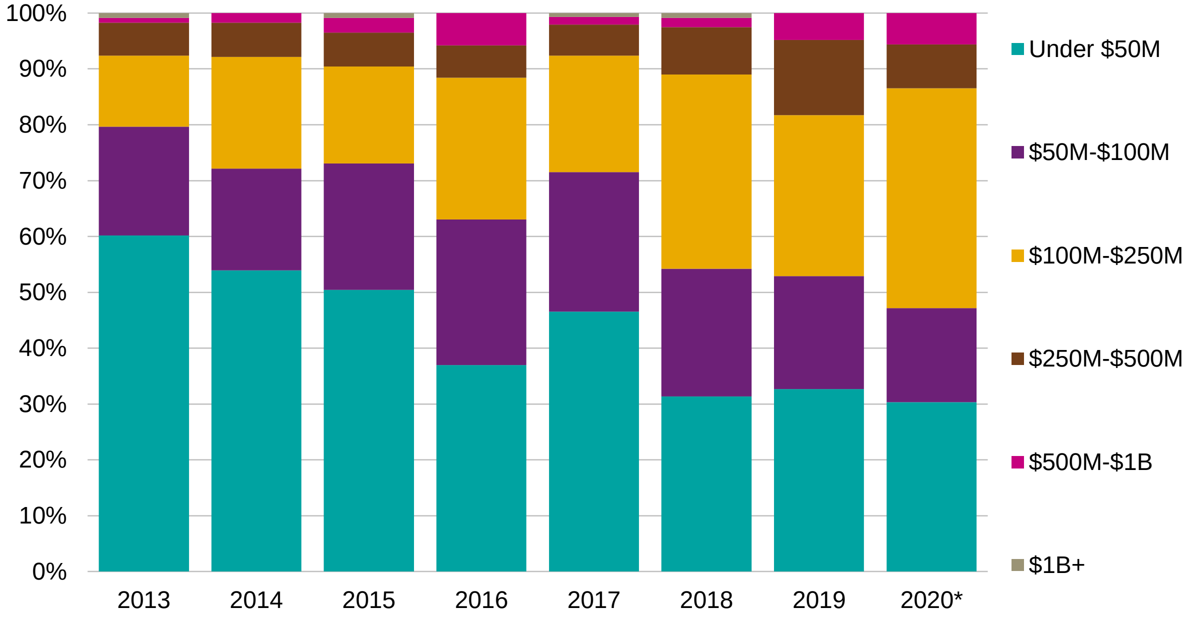
Fundraising keeps skewing larger

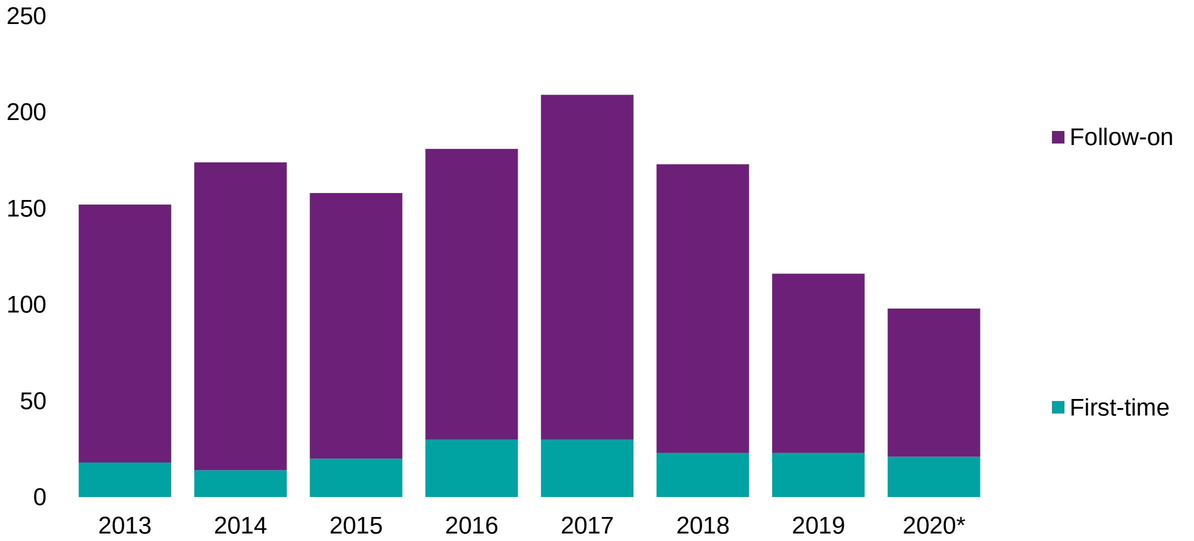
Venture fundraising (#) by size in Europe

2013–2020*



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

2013–2020*

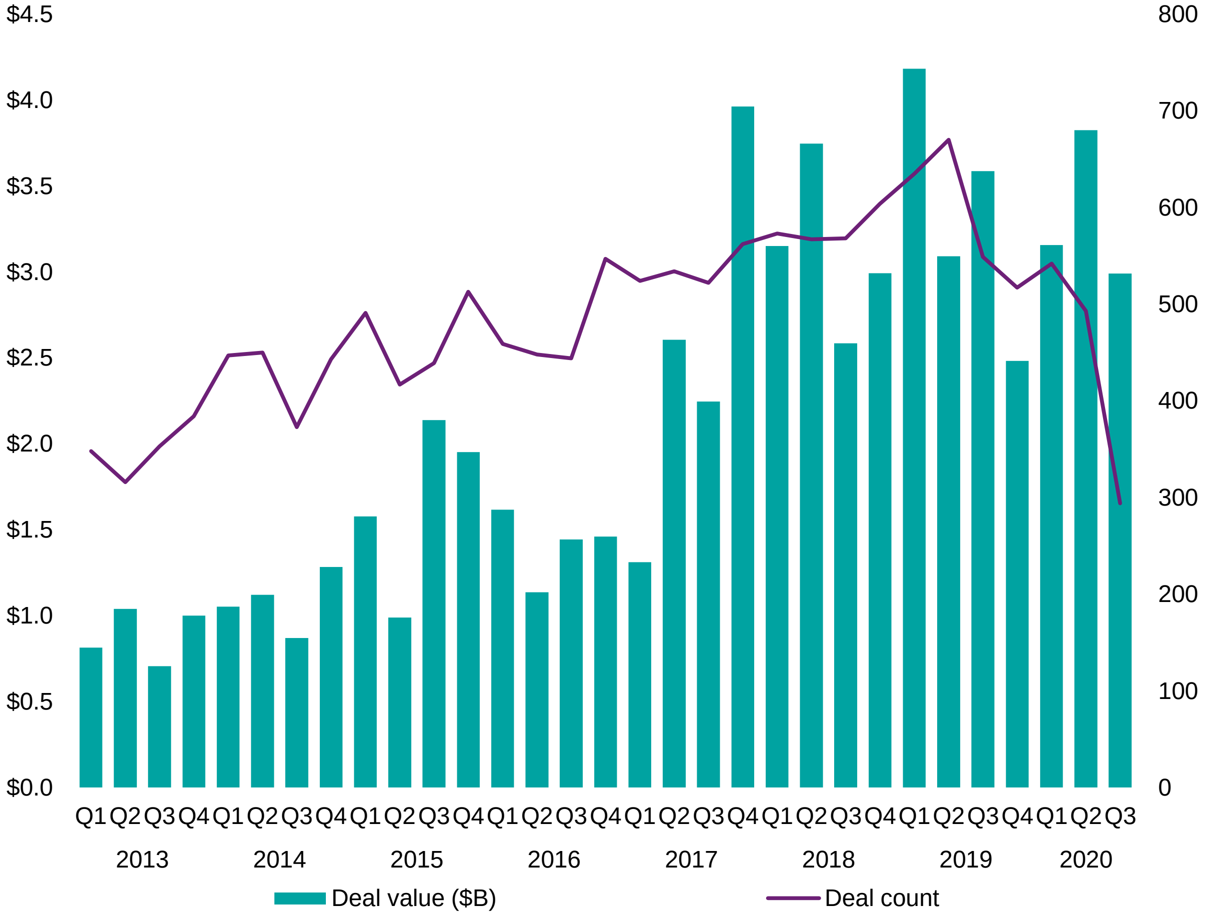


Source: Venture Pulse, Q3'20, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of 9/30/20. Data provided by PitchBook, 10/21/20.

Despite slide, VC invested stays strong

Venture financing in the United Kingdom

2013–Q3'20



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"There has never been a more important time for innovation and advancements in the health sector — a fact that is being reflected in the interest of VCs and other investors here in the UK, across Europe, and globally. The best medtech and healthtech businesses can expect exponential growth in the coming years."

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

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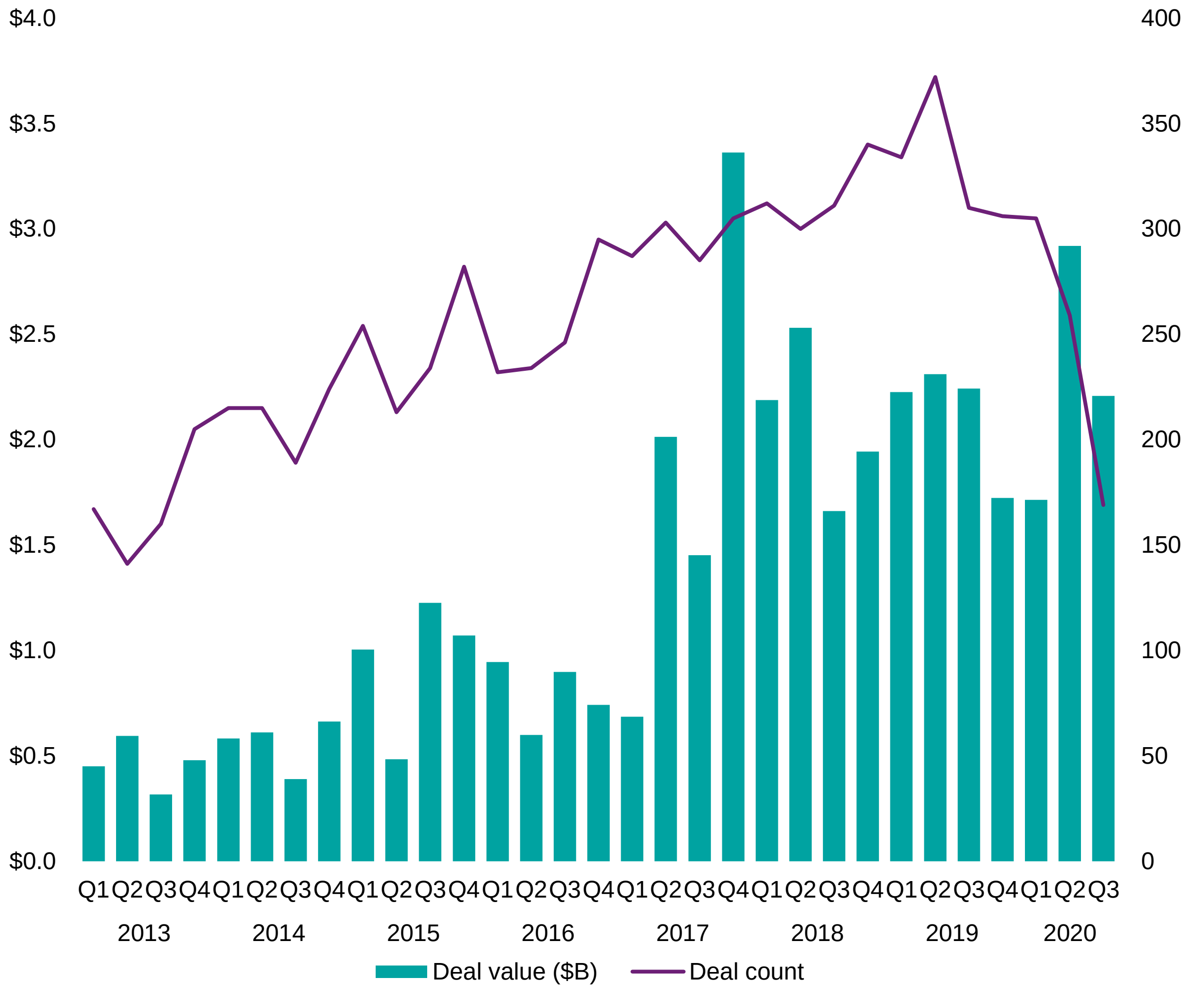
London sees continued influx of VC

Venture financing in London

2013–Q3'20



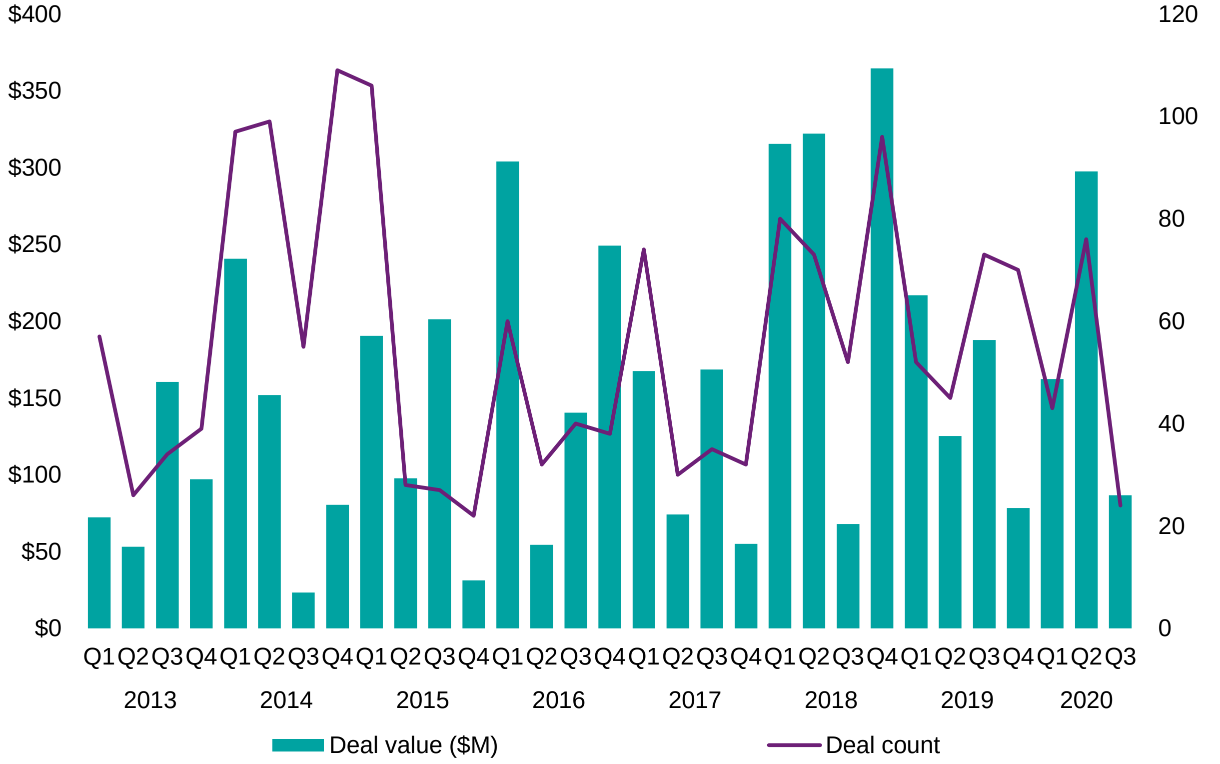
Source: Venture Pulse, Q3'20, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of 9/30/20. Data provided by PitchBook, 10/21/20.

VC keeps flowing to prominent companies such as Revolut. In particular, fintech has been behind much of the robust performance London's venture ecosystem has registered in terms of capital raises, even if the tally of financings slides somewhat due to overall caution.

Ireland VC boomerangs lower again

Venture financing in Ireland

2013–Q3'20



Source: Venture Pulse, Q3'20, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of 9/30/20. Data provided by PitchBook, 10/21/20.

In the absence of significantly sized rounds, VC invested in Ireland plunged alongside a slump in volume, though that is likely a temporal aberration given the variability in investment flows across the Irish ecosystem overall, per the historical evidence.

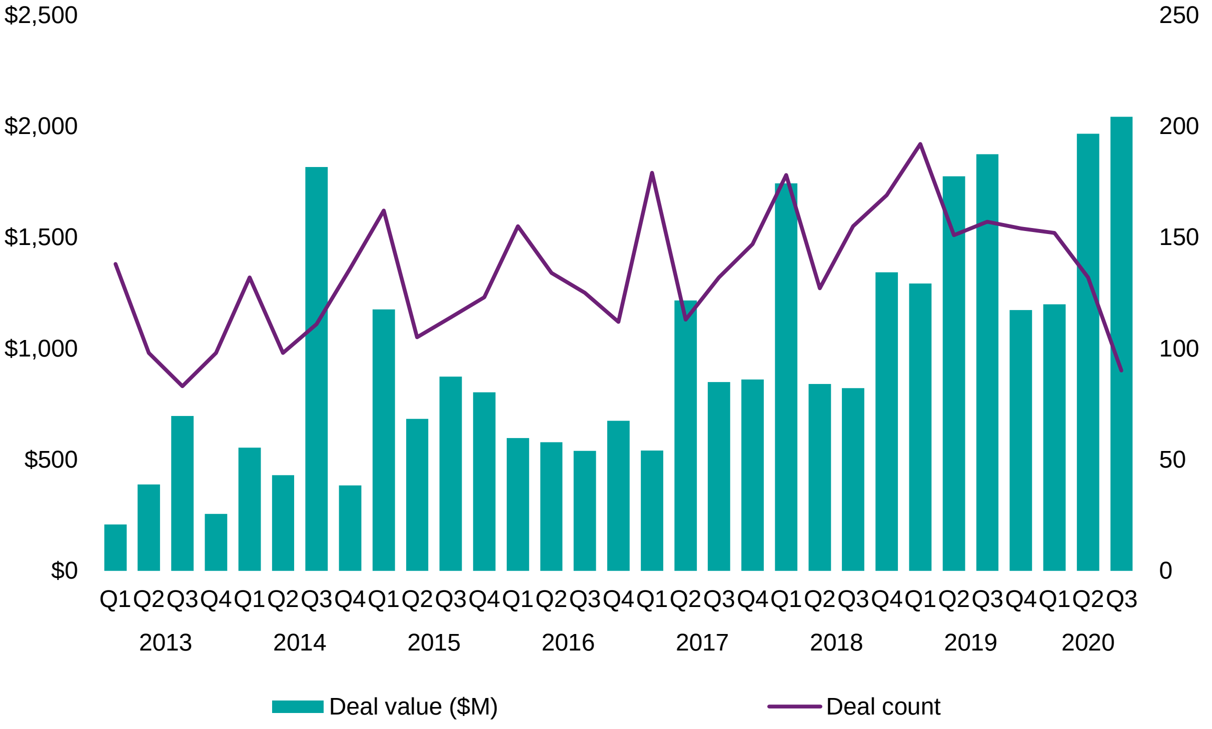
"It's clear that private equity and venture capital firms are placing big bets on later stage companies, so the big concern is who is going to fund earlier stage companies, or are they going to be funded at all? In Ireland, we're seeing an industry push to make funding programs more accessible, because if early-stage companies don't receive funding, they will not be capable of securing follow-on investment down the road. That will have a big impact on the ecosystem."

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

Mega-deals continue to close

Venture financing in Germany

2013–Q3'20



Source: Venture Pulse, Q3'20, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of 9/30/20. Data provided by PitchBook, 10/21/20.

The German venture ecosystem recorded stable flows of capital in both value and volume for over a year prior to the gradual diminution due to the pandemic, but mega-deals continue to close, propping up overall VC invested and continuing to aid the maturation of the nation's handful of large, venture-backed companies.

"Looking at deals in Germany, it's quite a broad field of verticals where companies are attracting funding. Yet, sustainability, which should be the major issue for all of us, has been deflected somewhat given Covid-19. Looking forward, everything to do with Education Tech, Collaboration , healthcare, smart cities, data analytics and other areas, will be growing areas coming out of the pandemic.".

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

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Volume stays subdued

Venture financing in Berlin

2013–Q3'20

Source: Venture Pulse, Q3'20, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of 9/30/20. Data provided by PitchBook, 10/21/20.

"Banking is still something that everyone needs, but what we don't necessarily need is a bank. So those startups that really provide infrastructure or that provide for banking as a service for other providers are really growing. We're seeing some European champions really building up in this space and attracting big funding rounds."

Tim Dümichen
Partner
KPMG in Germany

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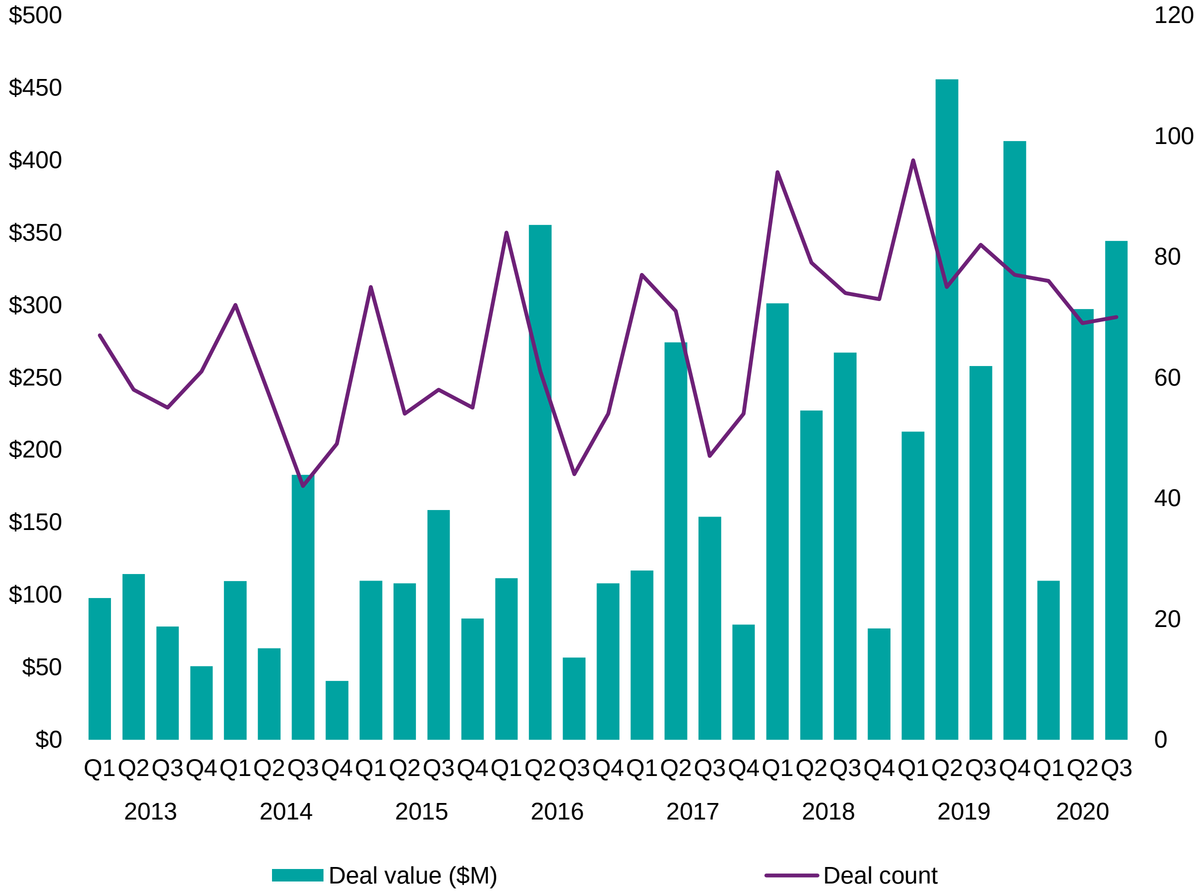
VC invested rises even further

Venture financing in Spain

2013–Q3'20



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Although milder resurgences in the coronavirus continue to plague various nations, and Spain's central bank released a downgraded economic forecast, VC continued to flow unabated across the nation. It is possible that this is primarily driven due to the opportunities abounding amid a sudden shift to e-commerce and digital workflows.

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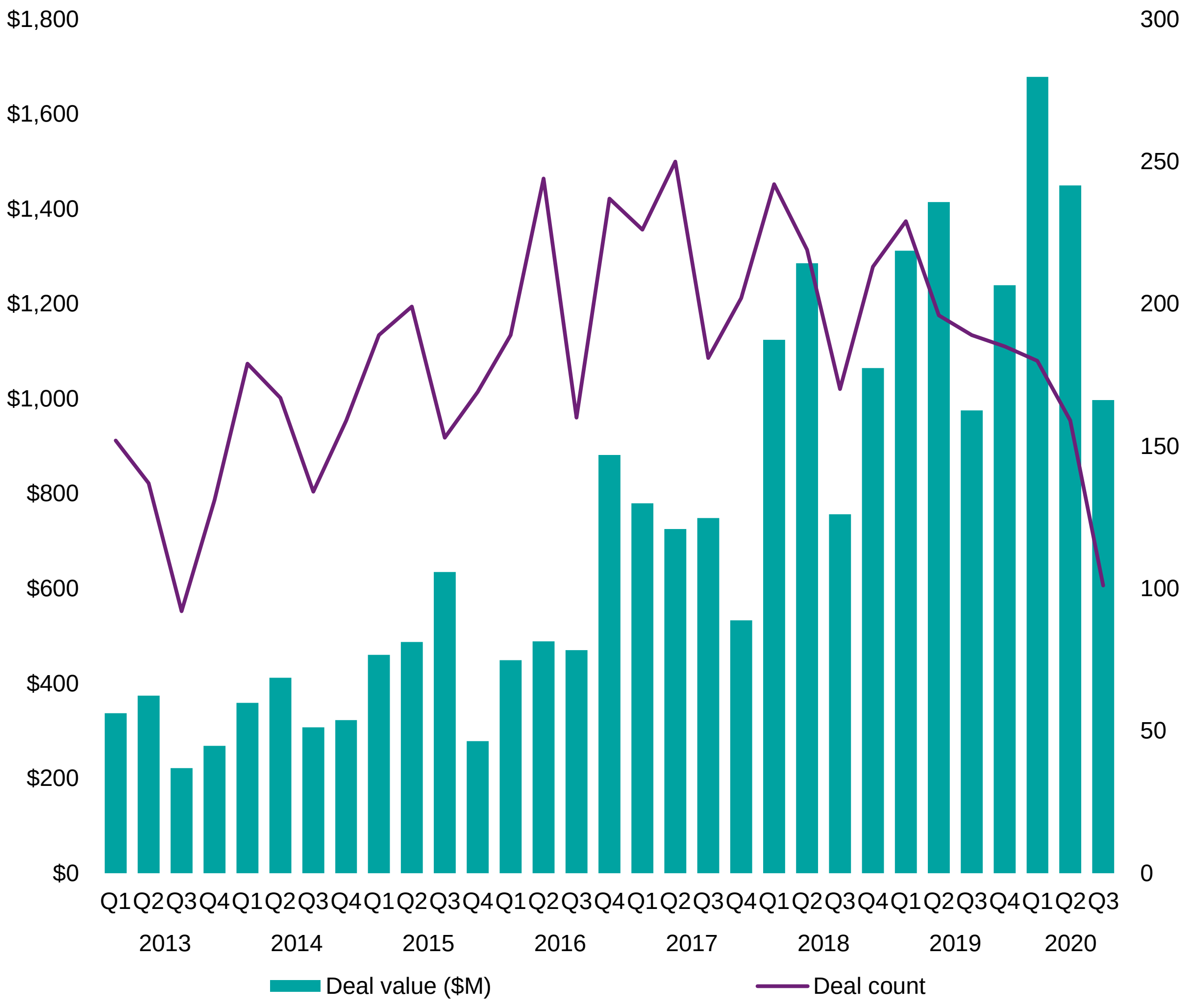
Figures remain relatively robust

Venture financing in France

2013–Q3'20



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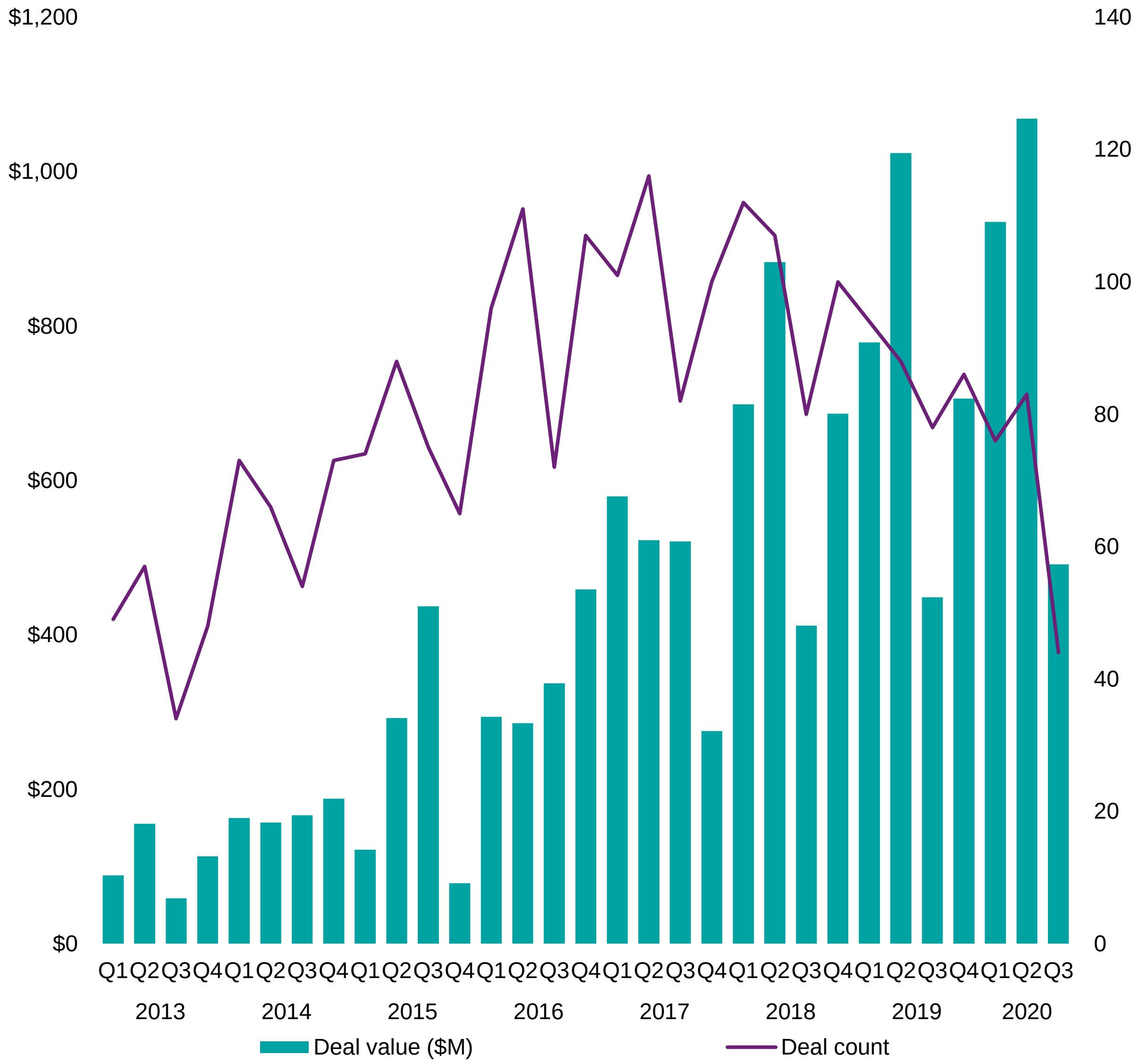
The past two years have seen a boom in VC invested for France as a bevy of companies matured and continued to rake in large late-stage rounds. Despite any resurgences in COVID-19 infections, the fact of the matter is that much of the venture ecosystem benefits from the shift to digital across multiple workflows, and until the ripple effects of their customers going out of business may impact startups, capital flows are likely to persist.

Paris sees a steep, likely temporary, drop

Venture financing in Paris
2013–Q3'20

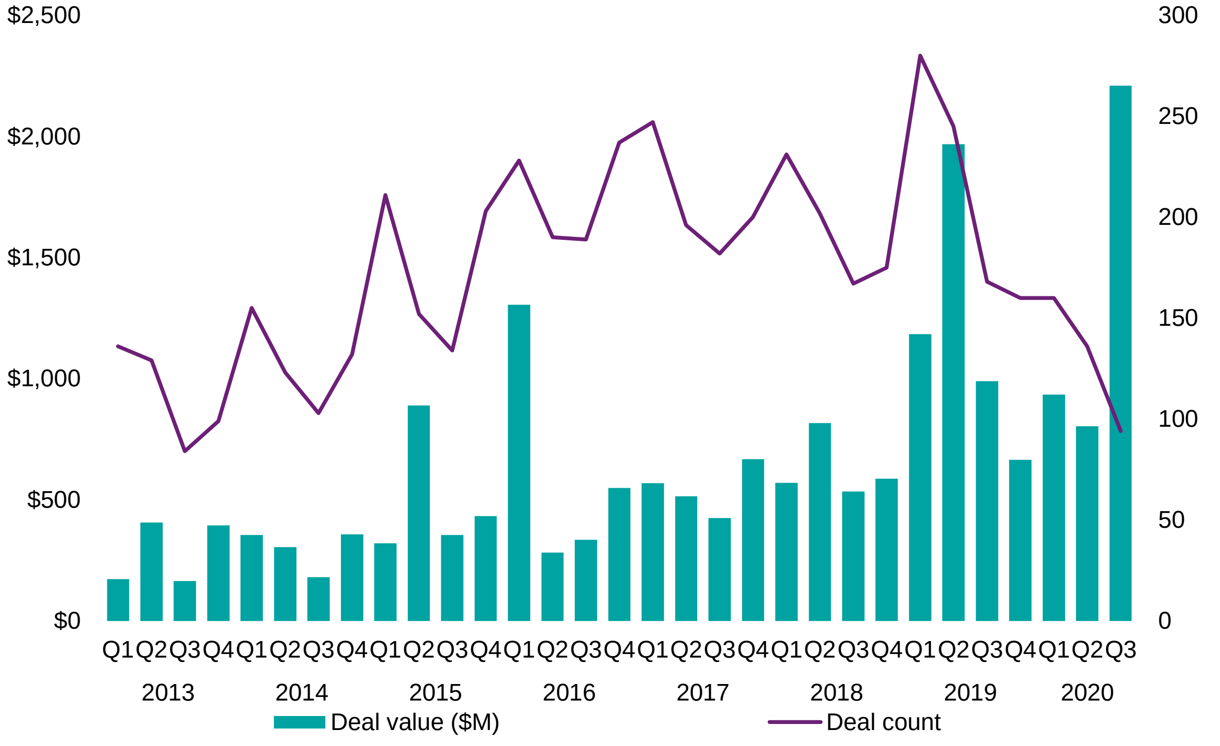


Source: Venture Pulse, Q3'20, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of 9/30/20. Data provided by PitchBook, 10/21/20.

Nordic mega-deals prop up VC invested

Venture financing in the Nordics

2013–Q3'20



Source: Venture Pulse, Q3'20, Global Analysis of Venture Funding, KPMG Private Enterprise. *As of 9/30/20. Data provided by PitchBook, 10/21/20.

A handful of the top 10 financings globally helped propel the region's aggregate deal value to a new record, thanks to the ongoing fundraises by the likes of Klarna as some of most prominent, largest, venture-backed Nordic enterprises look to expand business internationally.

"In the Nordics, we have a lot of B2B SaaS companies on different sectors that have attracted either pre-seed, seed, or Series A funding and we'll likely see a lot of these companies coming into the Series B-C stage over the next couple of years. There's a lot of potential in that market if you have potential software, product-market-fit and the right kind of team and strategy to commercialize it."

Jussi Paski
Head of Startup Services
KPMG in Finland

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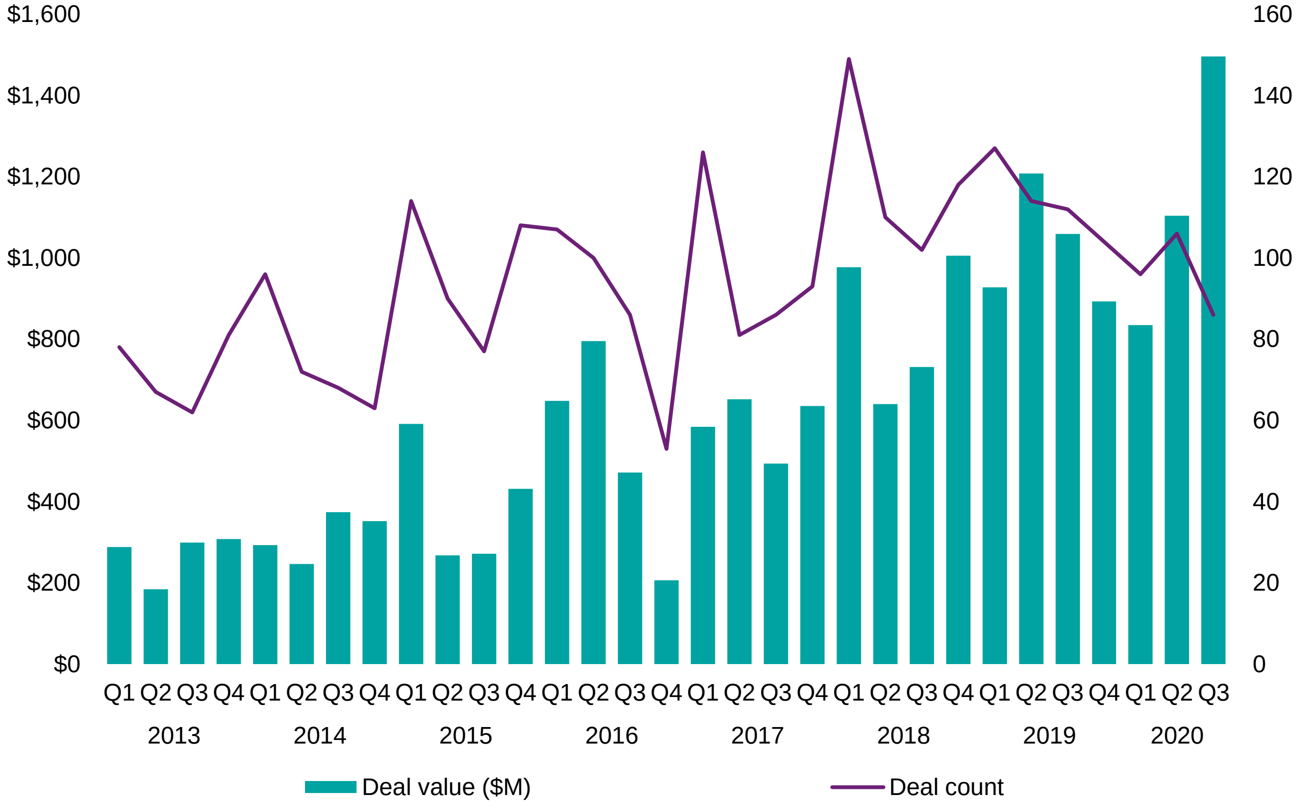
Israel notches yet another high

Venture financing in Israel

2013–Q3'20



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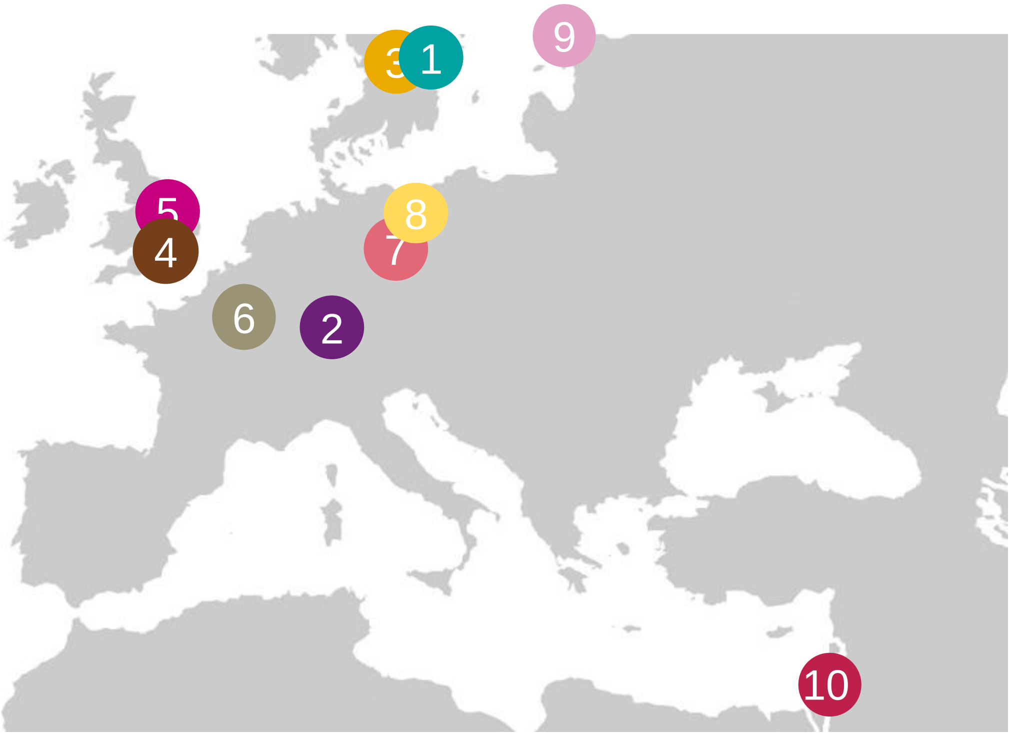
Boosted in part by one of the largest fundraises in the entire quarter — the $168 million funding of network management software provider BioCatch — the Israeli ecosystem continues to relatively thrive given its areas of key strength, such as cybersecurity, have benefited in large part from the responses to the pandemic.

"The idea that bigger is stronger is especially correct in times of crisis because the larger companies, the unicorns, will ride the wave and take advantage of the opportunities that the new reality is presenting. At the same time, if we fast forward two or three years, I think we will see fewer companies because small companies right now are having a lot of challenges raising their initial money from Angel and Series A. This will likely have a long-term impact."

Dina Pasca-Raz
Partner, Head of Technology,
KPMG in Israel

Fintech, remote & digitization still stand out



Top 10 financings in Q3'20 in Europe

1. **Klarna** — $650M, Stockholm
Financial software
Late-stage VC

2. **CureVac** — $632.8M, Tubingen
Drug discovery
Late-stage VC

3. **Northvolt** — $600M, Stockholm
Energy
Late-stage VC

4. **Revolut** — $580M, London
Fintech
Series D

5. **Karma Kitchen** — $314.4M, London
Commercial services
Series A

6. **Mirakl** — $300M, Paris
E-commerce
Series D

7. **AUTO1 Group** — $291.3M, Berlin
Automotive
Late-stage VC

8. **Infarm** — $246.3M, Berlin
Agtech
Series C

9. **HMD Global** — $230M, Espoo
Computer hardware
Series A2

10. **BioCatch** — $168M, Tel-Aviv
Network management software
Series C

Source: Venture Pulse, Q3'20, Global Analysis of Venture Funding, KPMG Private Enterprise. Data provided by PitchBook, 10/21/2020.

KPMG Private Enterprise

KPMG Private Enterprise Emerging Giants Network. From seed to speed, we're here throughout your journey

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About KPMG Private Enterprise

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You know KPMG, you might not know KPMG Private Enterprise. KPMG Private Enterprise advisers in member 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.

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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 identified 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 US 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.

Deals

PitchBook includes equity investments 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. 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. All financings are of companies headquartered in the US. The impact of initial coin offerings on early-stage venture financing as of yet remains indefinite. Furthermore, as classification and characterization of ICOs, particularly given their security concerns, remains crucial to render accurately, we have not detailed such activity in this publication until a sufficiently robust methodology and underlying store of datasets have been reached.

Angel/seed: PitchBook defines financings as angel rounds if there are no PE or VC firms involved in the company to date and it 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. If angels are the only investors, then a round is only marked as seed if it is explicitly stated.

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Methodology, cont'd.

Early-stage: Rounds are generally classified as Series A or B (which PitchBook typically aggregates 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 PitchBook typically aggregates 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 actually employed.

Exits

PitchBook includes the first majority liquidity event for holders of equity securities of venture-backed companies. This includes events where there is a public market for the shares (IPO) or the acquisition of the majority of the equity by another entity (corporate or financial acquisition). This does not include secondary sales, further sales after the initial liquidity event, 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.

In the edition of the KPMG Venture Pulse covering Q1 2019, 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 since, yet is more reflective of how the industry views the true size of an exit via public markets.

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