

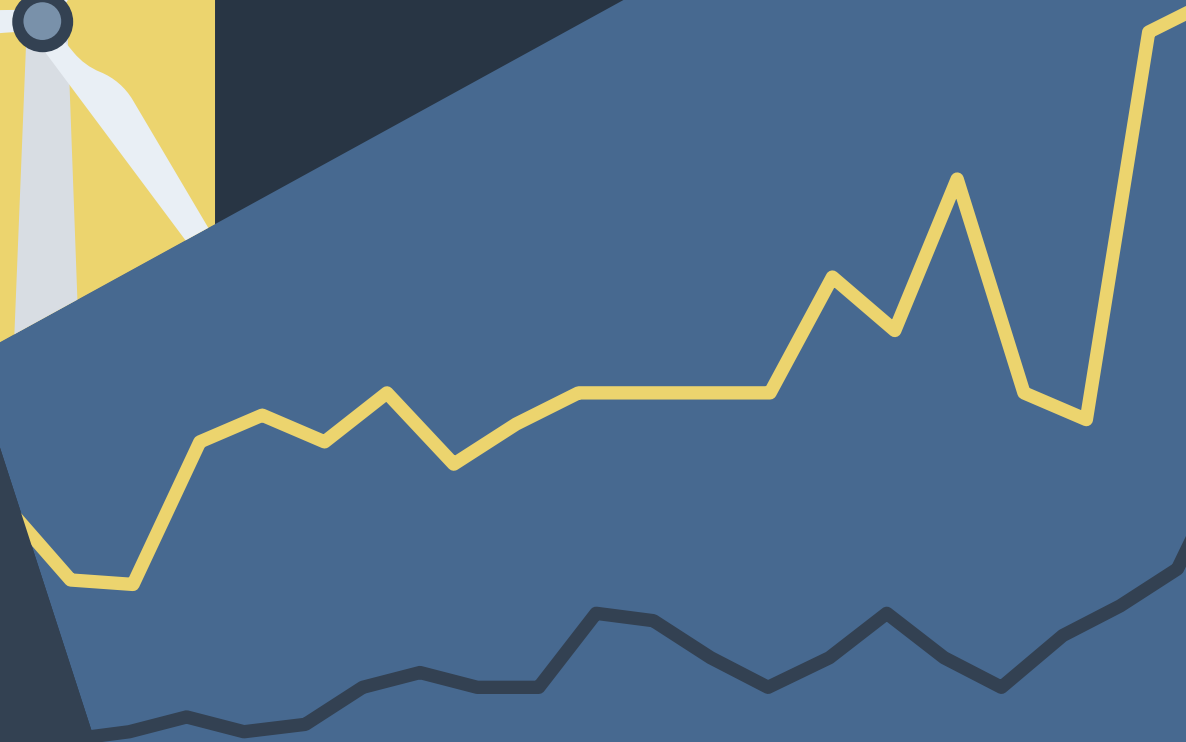
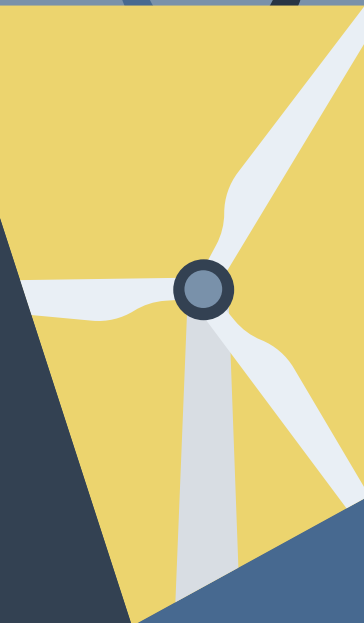


EMERGING TECH RESEARCH

Q2 2021

Emerging Tech Indicator

Fintech, enterprise SaaS, and healthtech
lead funding activity





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Introduction

The Emerging Tech Indicator report provides a quarterly overview of startups receiving seed- and early-stage investments from a limited subset of VC funds. It is meant to provide a unique perspective on the products and technologies that are driving early growth opportunities.

In the second quarter of 2021, we tracked 211 early- and seed-stage deals that involved the top 15 VC funds. These funds are determined each quarter based on the success of their investments over time in terms of exits and valuations.¹ This report provides a summary of this deal activity—which we refer to as “emerging tech indicator (ETI) deals”—with a primary focus on analyzing the kinds of products and technologies receiving capital.

Key takeaways:

- ETI deals reached **\$5 billion** across **211 deals** in Q2 2021, the second-highest amount on record after the \$6 billion raised in Q1. Total deal count was the highest on record, up from the previous record of 197 recorded in Q1 2021.
- We recorded **eight ETI deals of \$100 million+**, well above the historical average of three (back to 2015) but below Q1’s record 12. We recorded 32 deals over \$50 million, down from Q1’s 35 but also well above the historical average of 10. The largest deal was a \$185 million Series A for NFT (non-fungible token) marketplace and developer platform Forte.

- The top five areas of technology investment in Q2 included **fintech** (\$920 million), **enterprise SaaS** (\$508 million), **health & wellness tech** (\$498 million), DeFi (\$434 million) and **e-commerce** (\$400 million). Across all technology segments, we recorded \$592 million invested in startups that appear to be using artificial intelligence and machine learning (AI & ML) technology to power core products, including a \$100 million Series A for Dyno Therapeutics.

¹: Emerging Tech Indicator ranking methodology can be found [here](#).



Deal activity

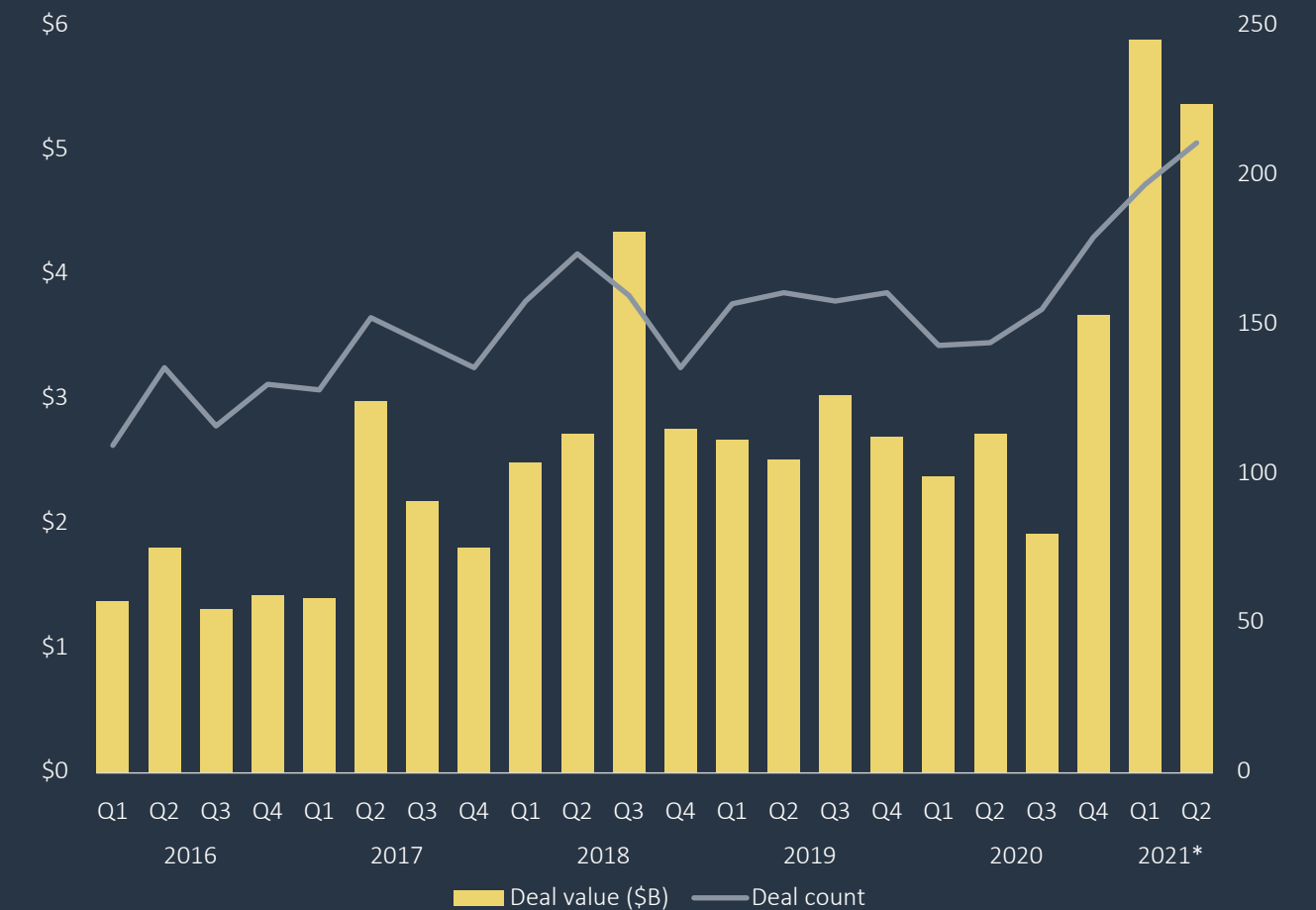
Q2 ETI deal activity reached \$5 billion, down from \$6 billion in Q1 but the second highest quarter on record (back to 2015). Deal counts were a record 211, well above the average 152 as ETI investors continue the trend of elevated activity since the prior trough in deal counts in Q1 2020. (The historically favorable environment for early-stage startups is also underscored in our recent [VC Dealmaking Indicator](#) report.) We recorded eight \$100 million+ ETI deals in Q2 (down from 12 in the prior quarter), with the top three including a \$185 million Series A for NFT developer platform Forte; a \$155 million Series B for gaming design studio [Dream Games](#); and a \$135 million Series B for cancer therapeutics developer [Nuvalent](#). ETI deal activity represented 12.4% of total VC funding in the quarter—down from Q1’s all-time high of 15.8%.

In Q2, we tracked ETI deals across 24 market segments, with fintech representing the largest area of investment, accounting for \$920 million across 29 deals. Fintech was followed by enterprise SaaS (\$508 million across 25 deals); health & wellness tech (\$498 million across 28 deals); and DeFi (\$434 million across 11 deals).

PitchBook clients can access the latest Emerging Tech Indicator report via the [Research Center](#). Prospective clients can access a report preview [here](#).



Figure 1. ETI DEAL ACTIVITY



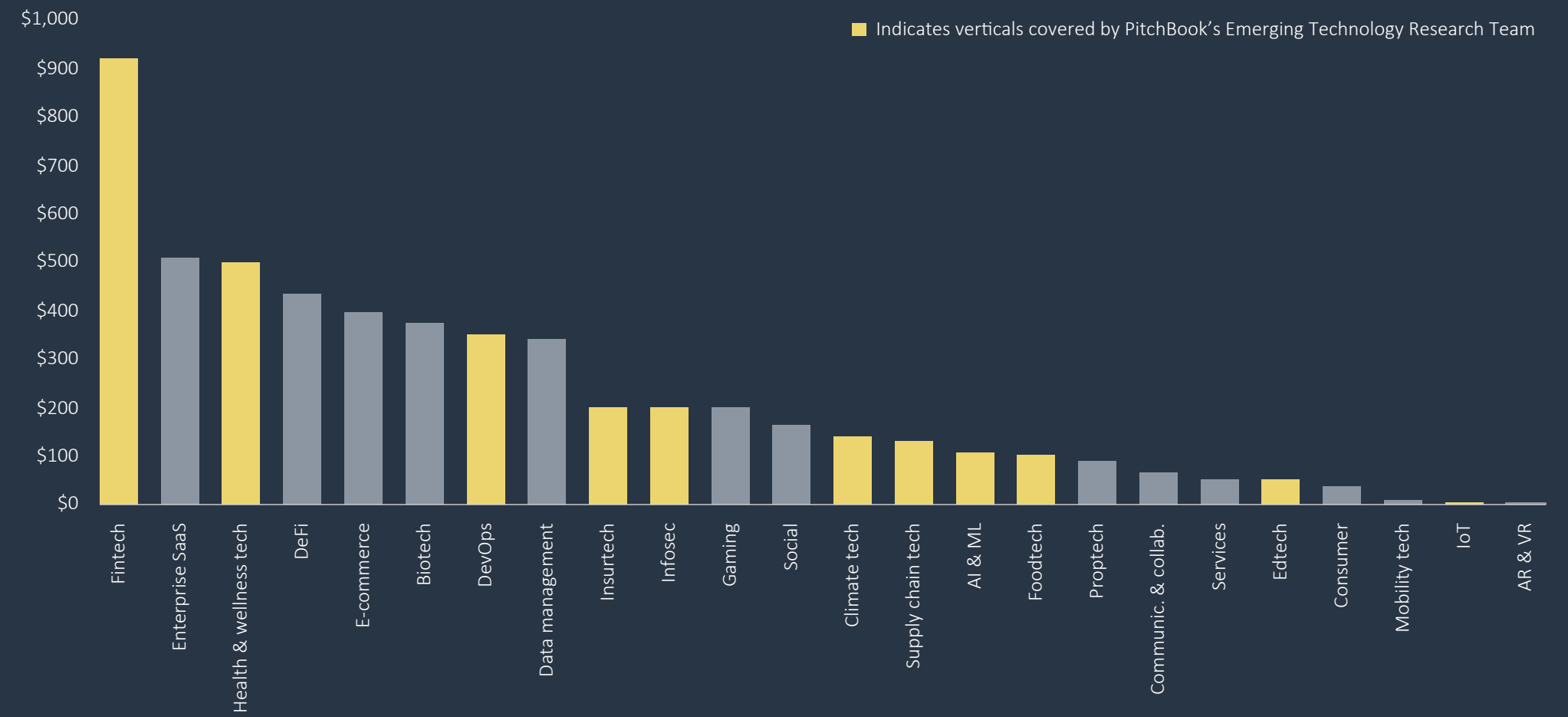
Source: PitchBook | Geography: Global | *As of June 30, 2021



Areas of investment

Compared to ETI deal trends on a cumulative four-quarter basis, Q2 deal activity was notable for several reasons, including the following: The reduced presence of biotech deals in the wake of several outsize deals in Q1; the persistence of DeFi deal activity in the face of falling crypto prices; the relatively low funding for AI & ML pure plays or horizontal platforms (although startups advertising their use of AI to drive vertical applications remained strong); and the minimal investment by ETI investors in mobility tech and climate tech startups, two high-profile industries attracting significant investor interest.

Figure 2. Q2 2021 ETI DEAL VALUE (\$M)* BY SEGMENT

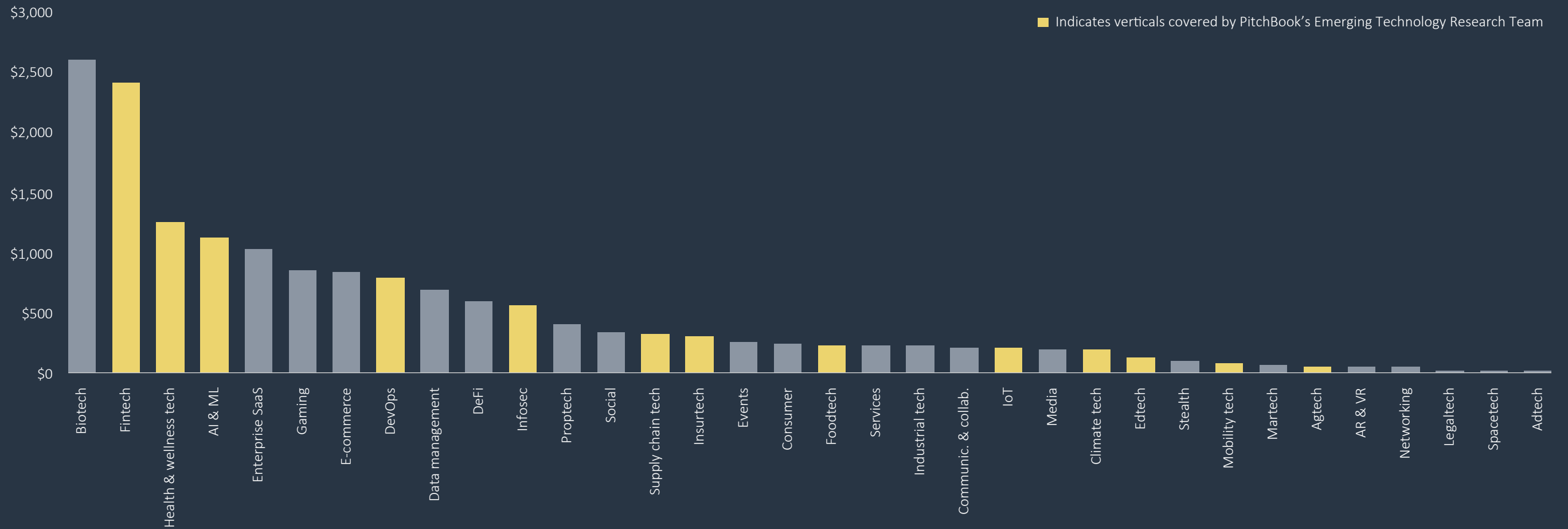


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AREAS OF INVESTMENT

Figure 3. Q2 2021 ETI DEAL VALUE (\$M)* IN TTM BY SEGMENT



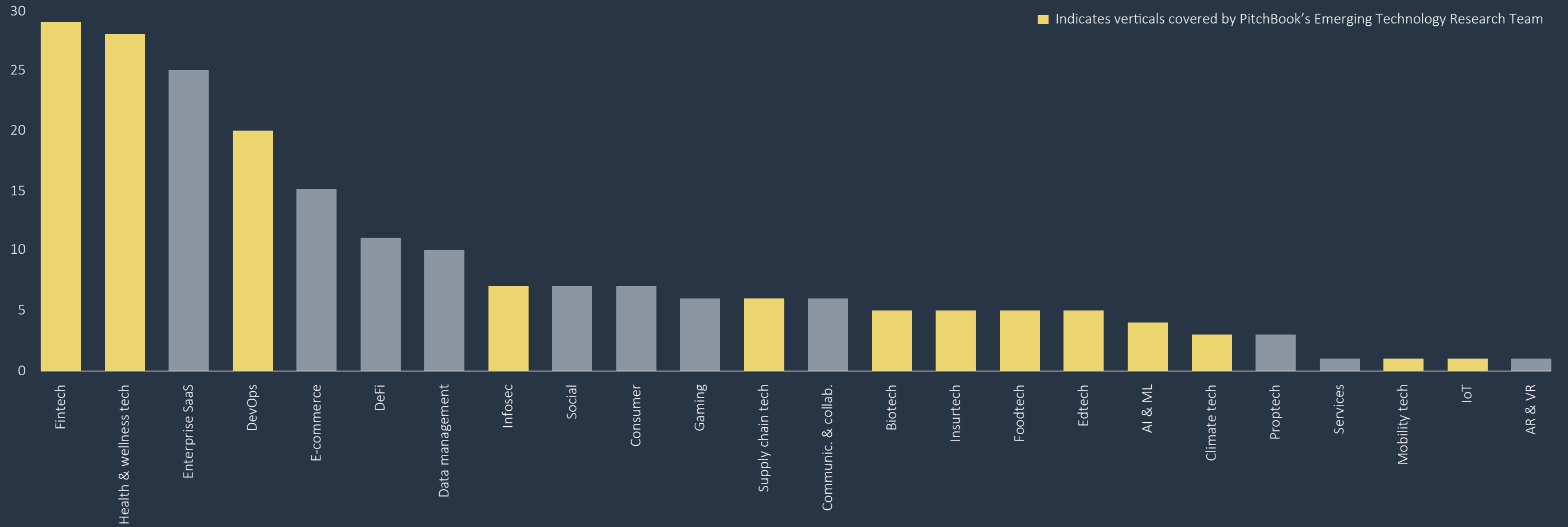
Source: PitchBook | Geography: Global | *As of June 30, 2021

Note: Trailing 12 month (TTM) through Q2 2021



AREAS OF INVESTMENT

Figure 4. Q2 2021 ETI DEAL COUNT* BY SEGMENT

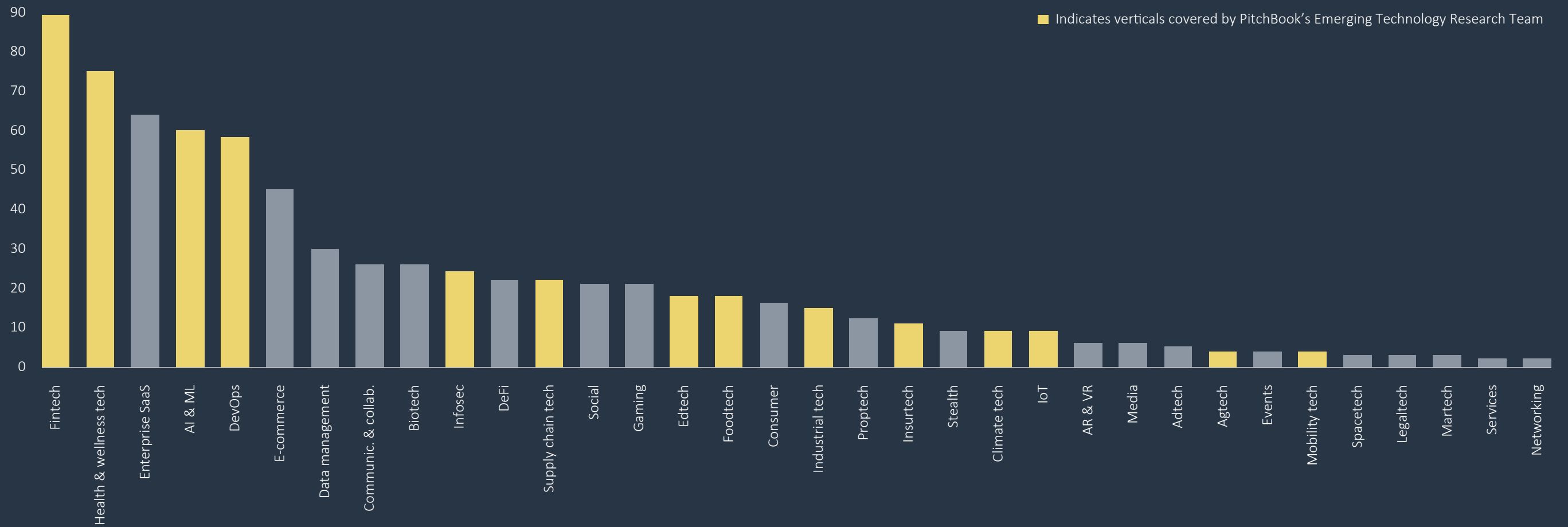


Source: PitchBook | Geography: Global | *As of June 30, 2021



AREAS OF INVESTMENT

Figure 5. Q2 2021 ETI DEAL COUNT* IN TTM BY SEGMENT



Source: PitchBook | Geography: Global | *As of June 30, 2021

Note: Trailing 12 month (TTM) through Q2 2021

ETI deal segment spotlights



Fintech

Fintech was the largest area of ETI deal activity with \$920 million invested across 29 deals. A notable Q2 trend was the large amount of investment in startups focused on corporate finance functions. This included several businesses focused on helping companies manage corporate card payments and expense accounts. For example, **Jeeves**, which raised a \$131 million Series A—the largest deal in the space—seeks to make it easier for startups with a global workforce to track expenses and coordinate payments across different currencies. Other corporate expense and payment management startups raising ETI capital included **Airbase** (\$60 million Series B), **Ramp** (\$115 million Series B), CLARA (\$30 million Series A), and Found (\$13 million Series A). Several other startups focused on different areas of the corporate finance stack, including **Relay Financial**, which focuses on accounts payable automation and spend analysis; **Airbank**, which provides a cash management and business forecasting platform; and **Finley**, which automates processes related to raising debt capital.

Startups focused on “embedded finance” also raised considerable capital. These included **Orum** (\$56 million Series B), Unit (\$51 million Series B), and **Synctera** (\$33 million Series A). Among the more unique fintech startups to raise ETI capital was **Rally**, which raised the third highest amount—an \$80 million Series B—to build a platform that allows consumers to buy fractional shares of rare collectibles, such as baseball cards, classic cars, or historic artifacts.

PitchBook clients can access the latest fintech research via the [Research Center](#). Prospective clients can access summary reports [here](#).

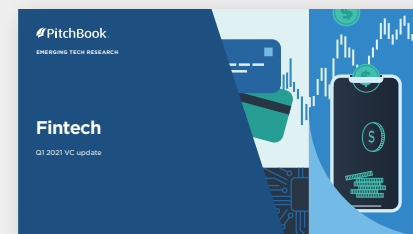
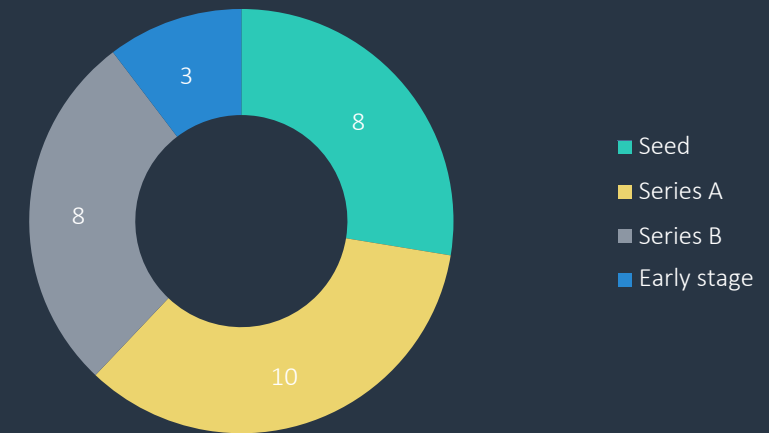
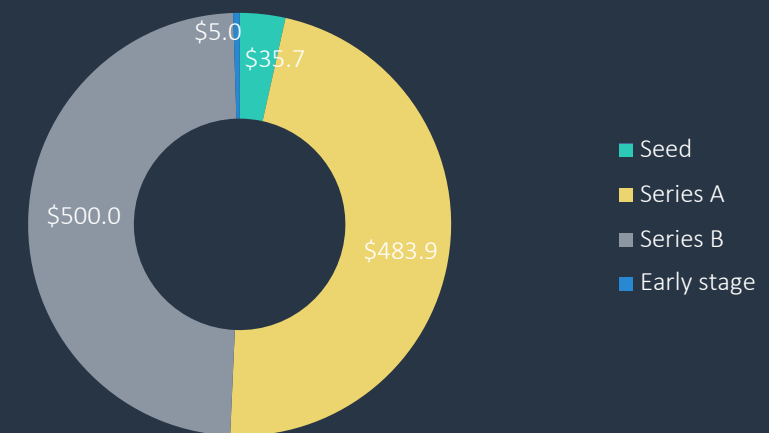


Figure 6. Q2 2021 FINTECH ETI DEAL COUNT* BY STAGE



Source: PitchBook | Geography: Global | *As of June 30, 2021

Figure 7. Q2 2021 FINTECH ETI DEAL VALUE (\$M)* BY STAGE



Source: PitchBook | Geography: Global | *As of June 30, 2021



FINTECH

Figure 8.
Fintech ETI deals

COMPANY	FOCUS	DEAL TYPE	DEAL SIZE (\$M)*	POST-MONEY VALUATION (\$M)*
Jeeves	Payment cards and expense management for international startups	Series A	\$131.0	\$130.5
Ramp	Corporate card and spend management	Series B	\$115.0	\$1,600.0
Rally	Platform for investing in rare collectibles	Series B	\$80.0	\$130.0
Heyday	E-commerce financing and advisory	Series B	\$70.0	N/A
Airbase	Corporate cards and spend management platform	Series B	\$60.0	\$600.0
Thunes	Cross-border payments gateway	Series B	\$60.0	N/A
Orum	Bank and corporate payments and fraud management API platform	Series B	\$56.0	N/A
Unit	API platform for embedded financial products and services	Series B	\$51.0	\$251.0
Altruist	Financial management platform for investment advisors	Series B	\$50.0	\$360.0
FamPay	Teen focused prepaid card	Series A	\$43.1	N/A

Source: PitchBook | Geography: Global | *As of March 31, 2021



FINTECH

Figure 8.
Fintech ETI deals (continued)

COMPANY	FOCUS	DEAL TYPE	DEAL SIZE (\$M)*	POST-MONEY VALUATION (\$M)*
Synctera	Financial service APIs for fintech developers	Series A	\$33.0	\$208.0
CLARA	Corporate expense management system	Series A	\$30.0	N/A
Atom Finance	Stock trading data and analytics	Series B	\$28.0	\$150.0
Harness Wealth	Wealth management concierge services	Series A	\$15.0	\$50.0
Relay Financial	Corporate banking platform	Series A	\$15.0	N/A
Settle	Co-brand credit card platform	Series A	\$15.0	\$85.0
TRM Labs	Digital asset compliance, fraud, and risk management	Series A	\$14.0	\$56.0
Found	Business banking and finance tools for self-employed	Series A	\$12.8	\$62.8
Pomelo	Financial infrastructure software focused on Latin America	Seed	\$9.0	N/A
XCLAIM	Marketplace for unsettled bankruptcy claims	Seed	\$6.6	N/A

Source: PitchBook | Geography: Global | *As of March 31, 2021



FINTECH

Figure 8.

Fintech ETI deals (continued)

COMPANY	FOCUS	DEAL TYPE	DEAL SIZE (\$M)*	POST-MONEY VALUATION (\$M)*
Till Financial	Family budgeting and spend management app	Early-stage	\$5.0	N/A
Telda	Money transfer app	Seed	\$5.0	N/A
Sanlo	Financial management and capital access for game and app companies	Seed	\$3.5	N/A
Airbank	Corporate finance management platform	Seed	\$3.0	N/A
Crediverso	Marketplace for loan, credit card, and remittance offers	Seed	\$3.0	\$9.0
Finley	Platform for raising debt capital	Seed	\$2.9	N/A
Atrato	Buy now pay later installment payment system	Seed	\$2.7	N/A
Cherry	Buy now pay later system for health providers	Early-stage	N/A	N/A
Farther	Digital wealth management services for ultra-wealthy	Series 2	N/A	N/A

Source: PitchBook | Geography: Global | *As of June 30, 2021



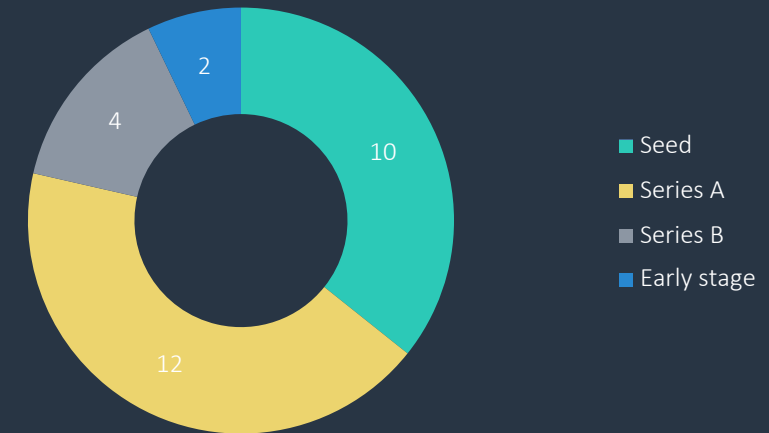
Health & wellness tech

The health & wellness tech space was incredibly active in Q2 with ETI investors involved in 28 deals—a significant increase over recent quarters. With \$498 million invested, this implies a low average deal size relative to recent quarters, with the largest deals topping out in the \$40–\$50 million dollar range—still sizeable but well below some of the outsize early-stage deals in other categories such as fintech and biotech. The largest deal (\$58 million) was a Series B financing for **Transcarent**, an employer-sponsored mobile telehealth platform. Virtual health remains a significant source of investing, as we counted five deals for virtual health platforms. Like fintech, healthtech is a broad category, and startups are addressing a wide range of opportunities from unified care management software that seeks to address large complex ecosystems (**Tendo Systems**), to niche solutions such as opioid treatment (**Ophelia**), support platforms for new and soon-to-be moms (**Oath**), and platforms that help coordinate EMS and public care providers (**MD Ally**). In addition to virtual care were areas of health & wellness tech that were impacted by COVID-19, including home fitness (where we counted two deals—a \$9 million seed round for exercise video platform **Moxie** and a \$30 million seed round for connected home rowing machine **Ergatta**), and clinical trials (which included a \$15 million Series A for **Curebase** and an early-stage deal for **Triomics**).

PitchBook clients can access the latest health & wellness research via the **Research Center**. Prospective clients can access a report preview [here](#).

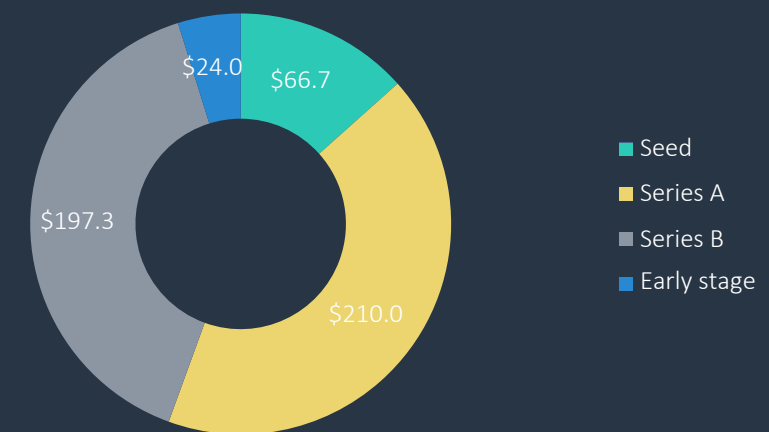


Figure 9. Q2 2021 HEALTH & WELLNESS TECH ETI DEAL COUNT* BY STAGE



Source: PitchBook | Geography: Global | *As of June 30, 2021

Figure 10. Q2 2021 HEALTH & WELLNESS TECH ETI DEAL VALUE (\$M)* BY STAGE



Source: PitchBook | Geography: Global | *As of June 30, 2021



HEALTH & WELLNESS TECH

Figure 11.
Health & wellness tech ETI deals

COMPANY	FOCUS	DEAL TYPE	DEAL SIZE (\$M)*	POST-MONEY VALUATION (\$M)*
Transcarent	Employer sponsored mobile telehealth platform	Series B	\$58.0	\$458.0
Wheel	White label virtual health technology platform	Series B	\$50.0	N/A
Tendo Systems	Unified care management software	Series B	\$49.4	\$550.0
Firefly Health	Virtual healthcare platform	Series B	\$40.0	N/A
Zus Health	Data platform for building healthcare management applications	Series A	\$33.6	\$183.6
Stork Club	Family benefits administration platform for employers	Series A	\$30.0	\$114.3
Ergatta	Connected exercise rower	Series A	\$29.7	\$179.7
Tomorrow Health	Home medical supplies and equipment provider	Series A	\$25.0	\$145.0
Sesame	Virtual telehealth provider	Early-stage	\$24.0	N/A
Clearing	Personalized pain management products and exercise videos	Seed	\$16.0	\$100.0
Get Harley	Online skin care services and consultations	Series A	\$15.3	\$33.0
Curebase	Clinical trials and recruitment software and managed services	Series A	\$15.0	\$65.0
Ophelia	Online treatment for opioid dependence	Series A	\$15.0	\$55.0
Osmind	Mental health treatment management software	Series A	\$15.0	\$70.0

Source: PitchBook | Geography: Global | *As of June 30, 2021



HEALTH & WELLNESS TECH

Figure 11.

Health & wellness tech ETI deals (continued)

COMPANY	FOCUS	DEAL TYPE	DEAL SIZE (\$M)*	POST-MONEY VALUATION (\$M)*
Empathy	Guidance and support services to help with loss of loved ones	Seed	\$13.0	\$28.3
Birdie	Adult homecare management software	Series A	\$11.4	\$41.8
Brave Care	Physical and virtual child care clinics	Series A	\$10.0	N/A
Real	App for mental health group therapy sessions	Series A	\$10.0	\$35.0
PRIMA	Hemp-based personal care products	Seed	\$9.5	\$39.5
Moxie	Virtual live fitness videos	Seed	\$8.4	\$13.4
AcuityMD	CRM for medical device sales	Seed	\$7.0	\$22.0
Veri	Consumer wearable metabolic health tracker	Seed	\$4.0	N/A
MD Ally	Coordination platform for public EMS providers	Seed	\$3.5	N/A
Idoven	Remote cardiological monitoring and diagnosis kits	Seed	\$2.4	N/A
Oath	Intimate community and medical support app for mothers	Seed	\$2.0	N/A
LivNao	Mental health management and care app	Seed	\$0.9	16.9
Triomics	Clinical trials platform and services	Early-stage	N/A	N/A
Ronovo Surgical	Digital surgery systems for minimally invasive surgery	Series A	N/A	N/A

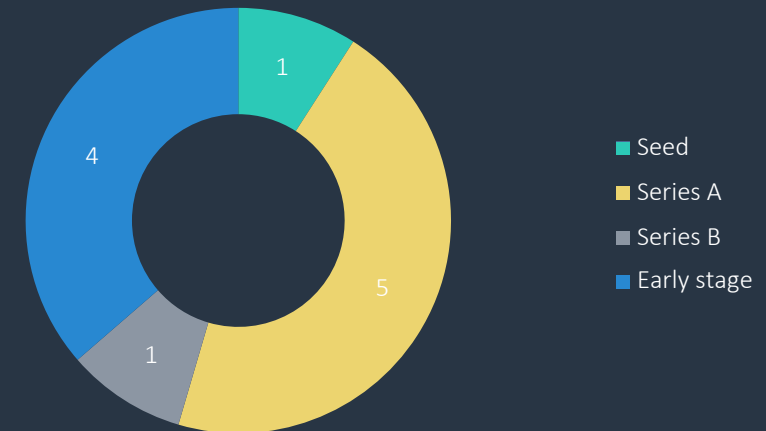
Source: PitchBook | Geography: Global | *As of June 30, 2021



DeFi

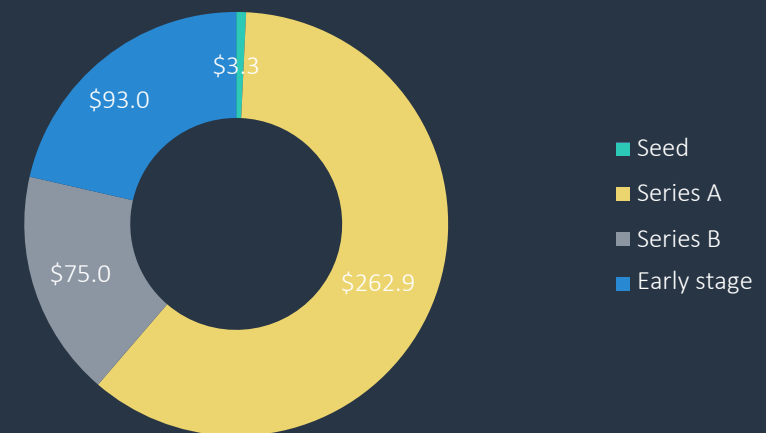
DeFi represented the fourth-largest area of ETI deal activity in Q2 with \$434 million across 11 deals. The space also included the largest deal of the quarter—a \$185 million Series A for Forte, a marketplace and developer platform for NFTs. Another NFT marketplace, **Rarible**, raised a \$14 million Series A. Despite the pullback in crypto prices during the second quarter, strong deal flow and the breadth of projects under development are indicative of an ecosystem that continues to extend its reach. Notably Andreessen Horowitz announced a new \$2 billion crypto fund during Q2, a sign that despite crypto volatility, investors remain focused on the opportunity. ETI startups represented a broad sampling of DeFi opportunities including projects that seek to make it easier to develop smart contracts (**Chia**), improve on-chain analytics (**Nansen**), and provide liquidity risk management protection products (**Risk Harbor**). Among the more futuristic ventures, **WorldCoin**, which raised a \$25 million early-stage round, is a semi-stealth project that aims to use iris recognition as a way to equitably distribute crypto tokens on a global scale. Another project that we segmented as climate tech but that overlaps with DeFi is **Crusoe Energy Systems**, which raised a \$128 million Series B to develop a system that redirects natural gas that would otherwise be flared and uses it to power cloud computing centers that mine crypto currencies.

Figure 12. Q2 2021 DEFI ETI DEAL COUNT* BY STAGE



Source: PitchBook | Geography: Global | *As of June 30, 2021

Figure 13. Q2 2021 DEFI ETI DEAL VALUE (\$M)* BY STAGE



Source: PitchBook | Geography: Global | *As of June 30, 2021



DEFI

Figure 14.

DeFi ETI deals

COMPANY	FOCUS	DEAL TYPE	DEAL SIZE (\$M)*	POST-MONEY VALUATION (\$M)*
Forte	NFT marketplace and developer platform for gaming	Series A	\$185.0	\$1,000.0
StarkWare	Blockchain scaling software	Series B	\$75.0	N/A
Chia	Blockchain and smart contract platform	Early-stage	\$61.0	\$500.0
Talos	Crypto trading platform	Series A	\$40.0	N/A
WorldCoin	Crypto token linked to iris scans	Early-stage	\$25.0	N/A
Rarible	NFT marketplace and token issuer	Series A	\$14.2	N/A
Nansen	On-chain crypto analytics platform	Series A	\$12.0	N/A
Goldfinch	Decentralized credit platform for crypto loans	Series A	\$11.7	N/A
DeversiFi	Crypto token exchange platform	Early-stage	\$5.0	N/A
Risk Harbor	Risk insurance and management for DeFi platform	Seed	\$3.3	N/A
Parallel Finance	Staking and lending token for DeFi liquidity	Early-stage	\$2.0	N/A

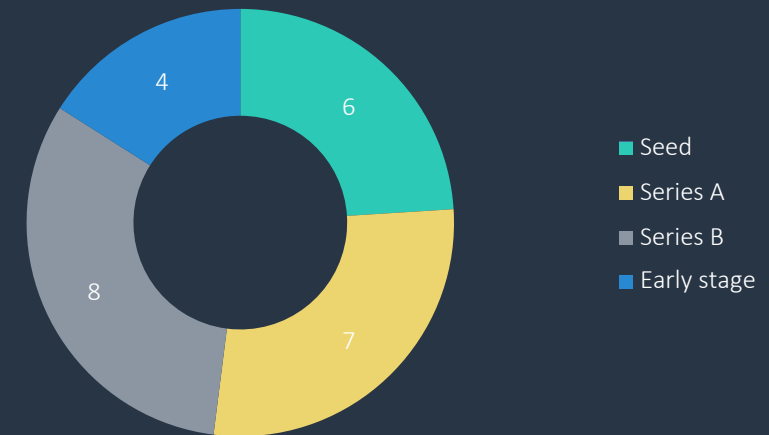
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Enterprise SaaS

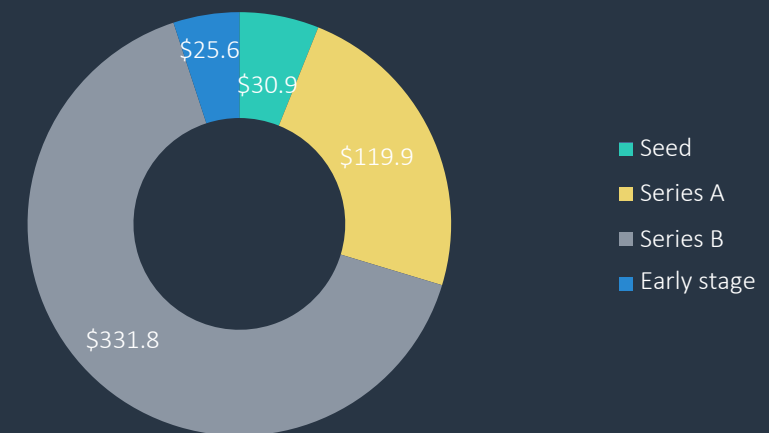
Enterprise SaaS is a consistently large area of ETI investment, with more than \$1 billion invested over the last year, and a standout in Q2 with \$508 million invested, making it the second-largest category. The enterprise technology stack continues to disaggregate from large monolithic software platforms to a broad collection of SaaS applications that offer pinpointed solutions to common workflow-related pain points. This is generating ample opportunity for software startups to focus on specific problems, and the fact that 12 ETI startups raised early-stage rounds of \$20 million or more underscores the breadth of opportunity in this space. The largest deal of the quarter consisted of an \$85 million Series B for **Pitch**, a platform that aims to help teams easily (and collaboratively) build high quality presentations. **Pitch** is also the highest-valued of the group, at \$528 million. The second and third-largest deals (both \$46 million Series Bs) went to startups focused on helping organizations track and manage sales commissions (**Spiff** and **CaptivateIQ**). Corporate finance is a key focus area of several startups receiving ETI capital, with products aimed at tracking subscription revenue (**RevenueCat**), automating corporate finance tasks (**Auditoria**), and tax and accounting (**Collective**, **Pennylane**, and **Anrok**). Technologies related to the remote workforce remain a key theme of enterprise SaaS, with four related deals including managing independent and freelance employees (**Utmost**), managing the physical equipment remote workforces need (**Firstbase**), helping remote workers find workspaces on demand (**Desana**), and hiring over Zoom (**BrightHire**). On the topic of hiring, startups **Canvas** and **Mathison** raised capital to help organizations improve diversity recruiting initiatives.

Figure 15. Q2 2021 ENTERPRISE SAAS ETI DEAL COUNT* BY STAGE



Source: PitchBook | Geography: Global | *As of June 30, 2021

Figure 16. Q2 2021 ENTERPRISE SAAS ETI DEAL VALUE (\$M)* BY STAGE



Source: PitchBook | Geography: Global | *As of June 30, 2021



ENTERPRISE SAAS

Figure 17.
Enterprise SaaS ETI deals

COMPANY	FOCUS	DEAL TYPE	DEAL SIZE (\$M)*	POST-MONEY VALUATION (\$M)*
Pitch	Presentation design platform	Series B	\$85.0	\$527.7
Spiff	Sales commission tracking	Series B	\$46.0	\$190.0
CaptivateIQ	Sales commissions tracker	Series B	\$46.0	\$311.0
RevenueCat	Revenue and subscription management software	Series B	\$40.0	\$307.5
MaintainX	Industrial asset maintenance tracking software	Series B	\$38.8	\$218.8
ChartHop	Organizational and HR management platform	Series B	\$35.0	\$335.0
Transform	Business intelligence software	Series A	\$24.5	\$100.0
Auditoria	Corporate finance automation software	Series A	\$21.8	N/A
Utmost	Independent workforce and freelancer management platform	Series B	\$21.0	\$81.0
Rewatch	Platform for managing, searching and transcribing team videos	Series A	\$20.0	N/A
Canvas	Diversity recruiting platform	Series B	\$20.0	\$105.0
Collective	Accounting and tax services for sole proprietorships	Series A	\$20.0	\$100.0
Pennylane	Accounting and cash flow management software and services	Early-stage	\$18.3	N/A

Source: PitchBook | Geography: Global | *As of June 30, 2021



ENTERPRISE SAAS

Figure 17.
Enterprise SaaS ETI deals (continued)

COMPANY	FOCUS	DEAL TYPE	DEAL SIZE (\$M)*	POST-MONEY VALUATION (\$M)*
Firstbase	Remote workforce physical equipment management platform	Series A	\$12.9	\$50.0
BrightHire	Zoom-integrated interview platform	Series A1	\$12.5	\$77.5
Ganaz	Employee onboarding and training platform	Series A2	\$8.1	\$26.1
The Public Health Company	Health preparedness and disease prevention services for private sector	Seed	\$8.0	\$28.0
Time is Ltd.	Organizational productivity and analytics platform	Seed	\$5.6	N/A
ReclaimAI	Smart calendar assistant tool	Seed	\$4.8	\$14.8
Anrok	Tax filing and calculation software for SaaS businesses	Seed	\$4.3	\$34.3
Causal	Spreadsheet analytics tool	Seed	\$4.2	N/A
Mathison	Diversity hiring and recruiting platform	Series 2	\$4.2	\$14.2
Desana	Office, desk, and remote location management software	Seed	\$4.0	N/A
Miter	Payroll platform for construction industry	Early-stage	\$3.1	N/A
Megaview	Customer support platform	Early-stage	N/A	N/A

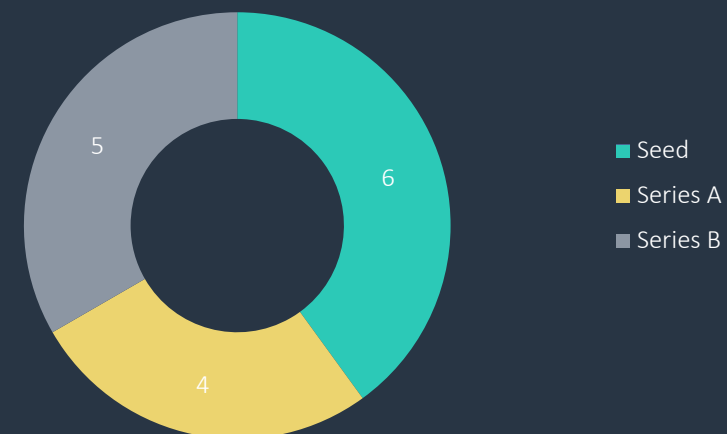
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E-commerce

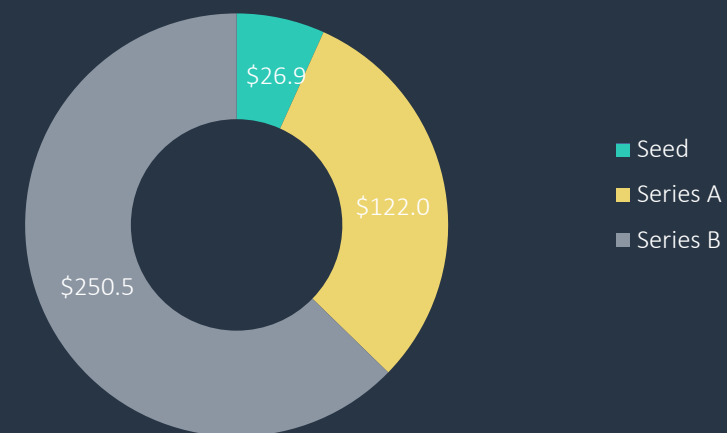
E-commerce was the fifth-largest area of ETI investment in Q2, with \$400 million invested across 15 deals. This was the strongest quarter for e-commerce investment over the past year, with four startups raising early-stage rounds of at least \$50 million. The largest deal (\$99 million Series B) went to **Ankorstore**, a Paris-based wholesale marketplace that specializes in eclectic goods for independent shops. In a sign of an increasingly diverse and fragmented e-commerce market, online shopping sites that closed ETI rounds largely focus on specific products and collectibles as opposed to mass retail. These deals included **Pattern** (sustainable home décor), **Ridepanda** (e-bikes and scooters), **Whatnot** and **MSCHF** (rare collectibles), and **Shopcider** and **YGN Headwraps** (fashion). Several startups are focused on helping online sellers leverage the e-commerce ecosystem, including **Tapcart**, which helps Shopify sellers build mobile apps; **Pietra**, which provides a supply and fulfillment network for creative sellers; and **Charles**, which enables conversational commerce via chat.

Figure 18. Q2 2021 E-COMMERCE ETI DEAL COUNT* BY STAGE



Source: PitchBook | Geography: Global | *As of June 30, 2021

Figure 19. Q2 2021 E-COMMERCE ETI DEAL VALUE (\$M)* BY STAGE



Source: PitchBook | Geography: Global | *As of June 30, 2021



E-COMMERCE

Figure 20.

E-commerce ETI deals

COMPANY	FOCUS	DEAL TYPE	DEAL SIZE (\$M)*	POST-MONEY VALUATION (\$M)*
Ankorstore	B2B marketplace for retail consumer brands/products	Series B	\$99.0	N/A
Pattern	Home décor products with a focus on sustainable design	Series A	\$60.0	N/A
Tapcart	Mobile app builder for Shopify sellers	Series B	\$50.0	N/A
Whatnot	Auction site for selling collectibles	Series B	\$50.0	\$507.5
Curated	Personal shoppers for online consumers	Series B	\$39.0	\$230.1
Local Kitchens	San Francisco restaurant delivery/pick-up platform	Series A	\$25.0	N/A
Shopcider	Online fashion brand	Series A	\$22.0	N/A
Pietra	E-commerce tools and supply networks for sellers of creative products	Series A	\$15.0	\$75.0

Source: PitchBook | Geography: Global | *As of June 30, 2021



E-COMMERCE

Figure 20.

E-commerce ETI deals (continued)

COMPANY	FOCUS	DEAL TYPE	DEAL SIZE (\$M)*	POST-MONEY VALUATION (\$M)*
MSCHF	Online seller of collectables and other creative products	Series B	\$12.5	\$117.5
Charles	Messenger app commerce tool	Seed	\$7.6	N/A
co-op commerce	Brand and product partnership platform	Seed	\$5.8	\$30.8
Okendo	Customer marketing tool for generating user reviews	Seed	\$5.0	N/A
Ridepanda	E-bike, e-scooter, and e-moped sales	Seed	\$3.8	N/A
Zapt	Group bulk buying platform	Seed	\$2.8	N/A
YGN Headwraps	Manufacturers of stylish, high quality hair bands	Seed	\$2.0	N/A

Source: PitchBook | Geography: Global | *As of June 30, 2021



Other notable activity

- **Startup service providers attracting ETI capital:** While SaaS models are prominent among startups and are often viewed as the most effective business model for scale, we tracked 12 deals for startups that are building platforms that connect consumers and customers directly with service providers. These services spanned a range of industries including personal financial advisory (**Farther**), skin care consultations (**Get Harley**), accelerating digital brands (**Mensa Brands**), property maintenance providers (**Lessen**), and clinical trials operations (**Triomics**) among others. While some of these models are marketplace oriented—hence more easily scaled—others rely on internal teams to meet the needs of clients, an indication that the hybrid approach of blending SaaS features with custom personalized services is still a successful formula to attract VCs.
- **Social tech investing picks up:** Social technology has tended to be an area of relatively low ETI deal activity in recent quarters; however, Q2 stands out as a strong quarter, with \$162 million invested across several high value deals. These include a \$70 million Series B for social food ordering app **Snackpass** and \$30 million for the group photo sharing app **BeReal**. The lines between social and e-commerce continue to blur as more online content creators and influencers use social tools to engage with followers and potential customers. This can be seen in the growing popularity of “link-in-bio,” which helps influencers link out to product feeds from within social platforms. Startup **Beacons** is pursuing the link-in-bio opportunity and raised a \$6 million seed round.
- **Remote work and community engagement:** The permanence of remote work and digital collaboration continues to drive opportunities for startups. While improving chat and meeting technology remains a focus area, several startups are also focused on improving the way organizations create and build community and culture via digital channels. Spot has found an interesting niche in video chat that specializes in on-the-go meetings so people can walk and talk more easily. **Kumospace** is building an immersive video chat platform where meeting participants can congregate in virtual settings. **Orbit** and **Common Room** are developing products that help organizations build relationships and establish communities among employees.
- **Sci-fi award for the brain computer:** MindPortal’s \$5 million seed round was a definite standout in the realm of futuristic concept investments. The company seeks to develop what it calls a “wearable brain-computer interface to advance humankind.” The headband-like device will be able to record human brain activity in real time, allowing users to enter and control immersive alternate experiences as well as share thoughts telepathically.



OTHER NOTABLE ACTIVITY

Figure 21.
Q2 2021 ETI market segment deal activity

MARKET SEGMENT	DEAL VALUE (\$M)*	DEAL COUNT*
Fintech	\$919.6	29
Enterprise SaaS	\$508.2	25
Health & wellness tech	\$498.0	28
DeFi	\$434.2	11
E-commerce	\$399.5	15
Biotech	\$372.0	5
DevOps	\$348.5	20
Data management	\$340.8	10
Insurtech	\$202.8	5
Infosec	\$199.7	7
Gaming	\$198.8	6
Social	\$161.8	7

Source: PitchBook | Geography: Global | *As of June 30, 2021

MARKET SEGMENT	DEAL VALUE (\$M)*	DEAL COUNT*
Climate tech	\$1401.0	3
Supply chain tech	\$131.4	6
AI & ML	\$109.6	4
Foodtech	\$100.8	5
Proptech	\$87.4	3
Communication & collaboration	\$678.0	6
Services	\$49.8	1
Edtech	\$49.5	5
Consumer	\$36.8	7
Mobility tech	\$90.0	1
IoT	\$6.5	1
AR & VR	\$2.5	1

Source: PitchBook | Geography: Global | *As of June 30, 2021



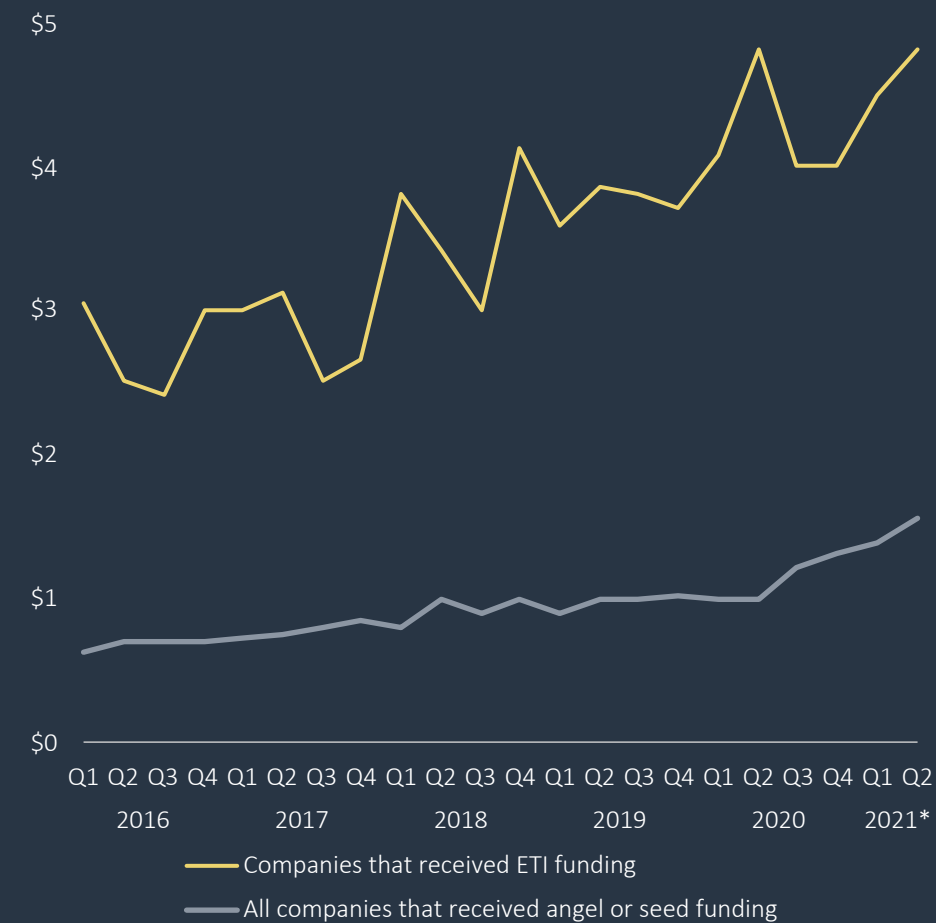
Venture activity summary

Median ETI deal sizes have steadily increased in recent years across both angel & seed and early stages, a reflection of steady industry growth, rising valuations, and a generally founder-friendly environment. Median angel & seed deals reached a record \$4.8 million in Q2 2021, up from \$4.5 million in Q1 2021, while median early-stage deals reached an

See the Q2 2021 Venture Monitor [here](#).

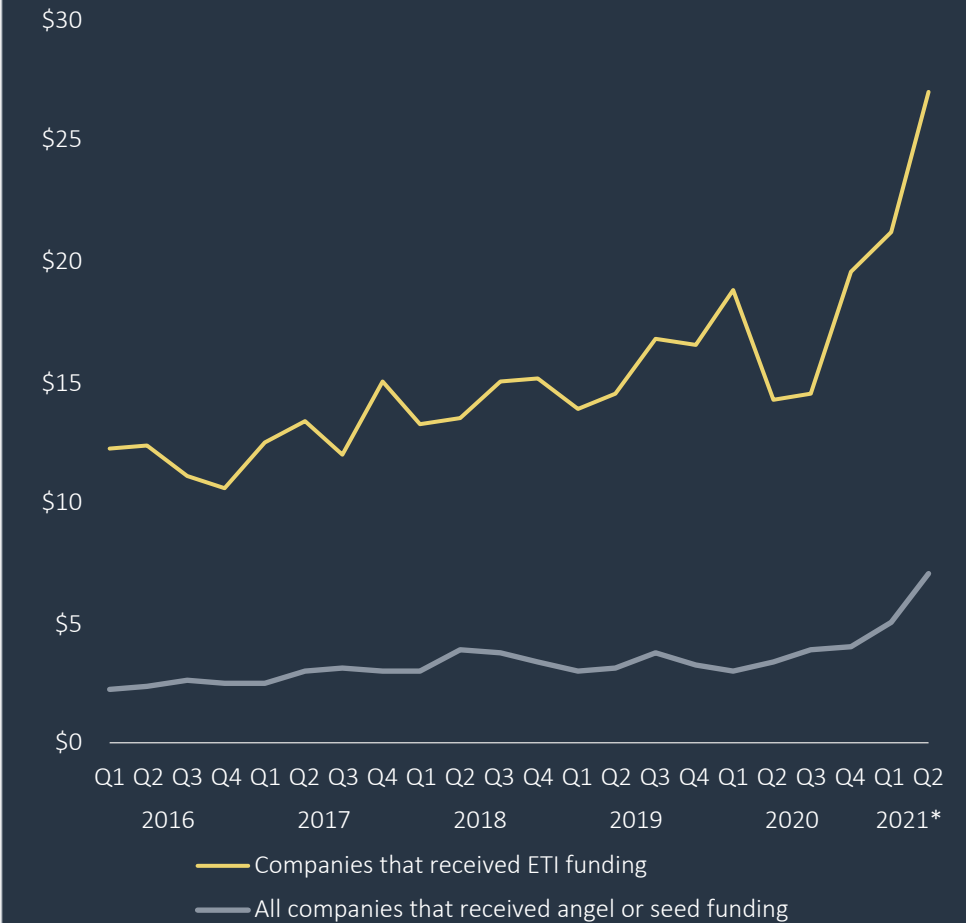


Figure 22. MEDIAN ANGEL & SEED ETI DEAL VALUE (\$M)



Source: PitchBook | Geography: Global | *As of June 30, 2021

Figure 23. MEDIAN EARLY-STAGE ETI DEAL VALUE (\$M)



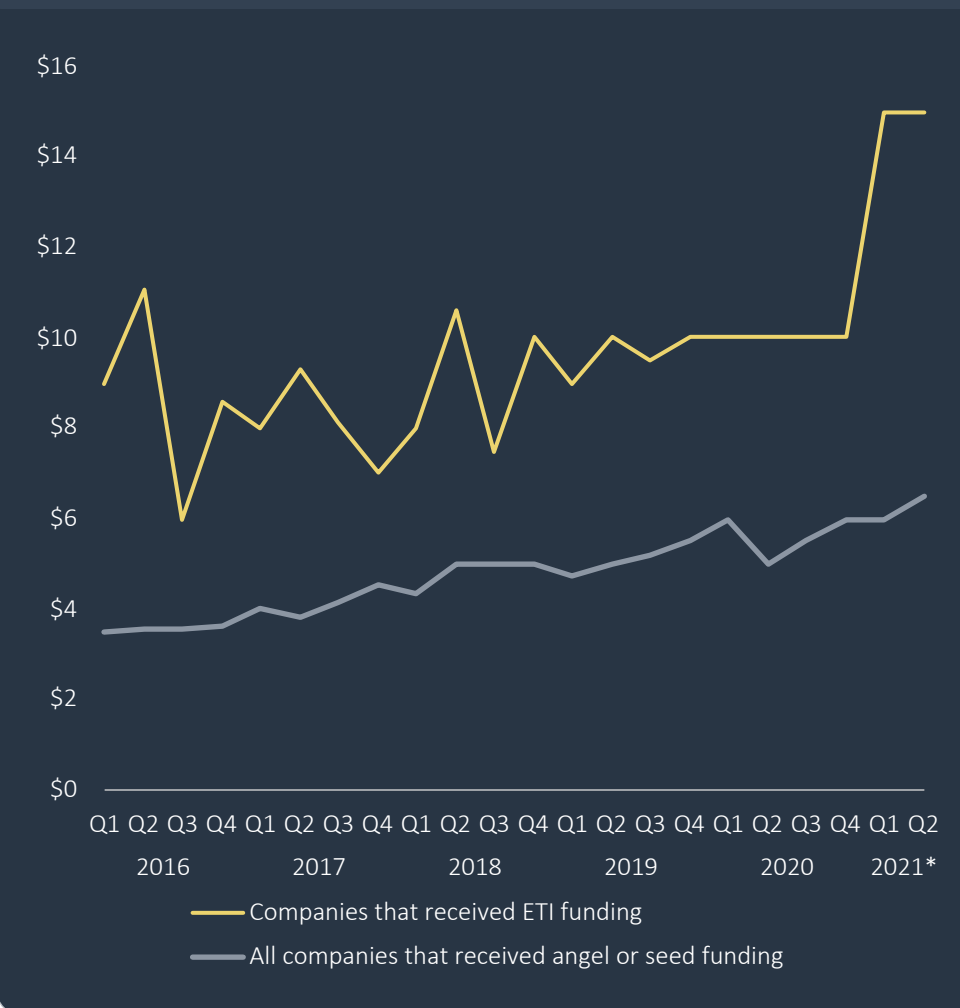
Source: PitchBook | Geography: Global | *As of June 30, 2021



VENTURE ACTIVITY SUMMARY

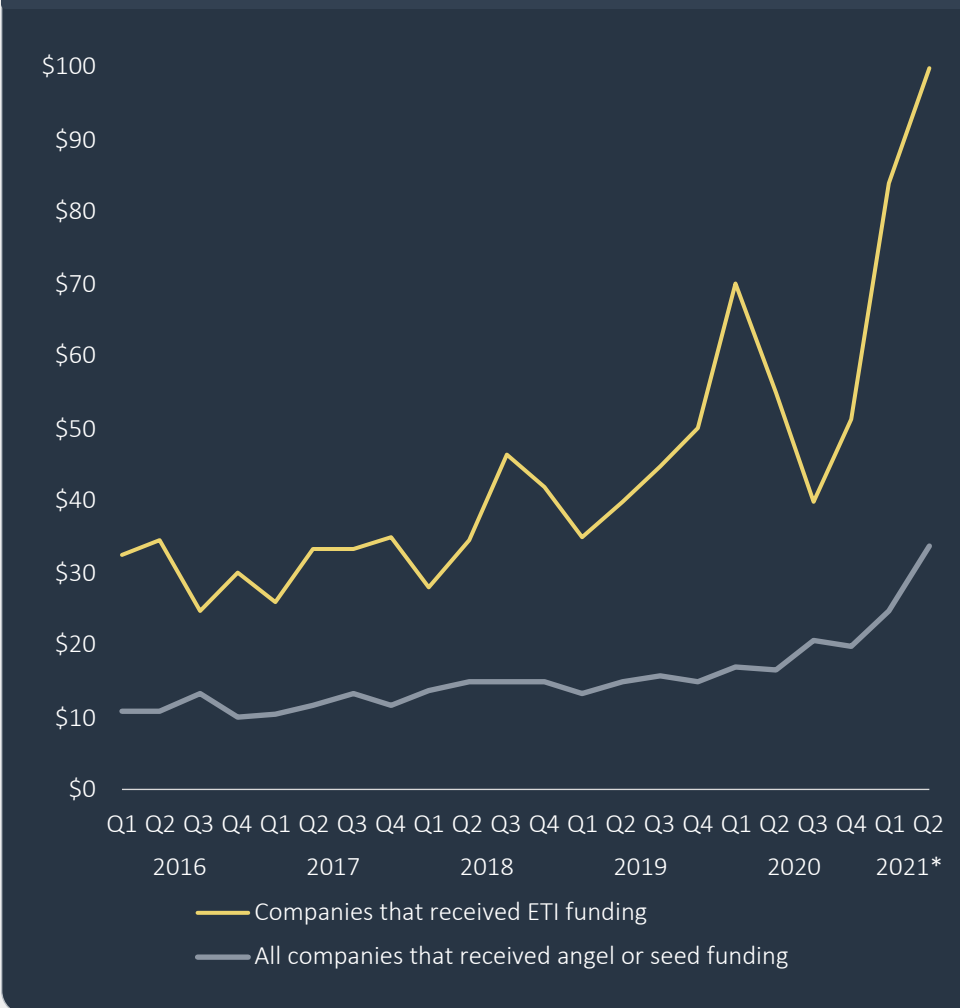
all-time high of \$27 million, up from \$21 million. ETI deal sizes tend to run 3x-5x larger than medians across the entire VC industry (with the gap expanding in recent years), which likely reflects several factors including the tendency for our ETI deal investor cohort to be larger, multi-stage investors; their ability to obtain larger stakes in startups; and the higher likelihood of co-investment, which usually implies larger potential rounds. Early-stage startups are also seeking capital at more advanced stages of maturity relative to several years ago, increasing their chances of success and their ability to raise larger early-stage rounds.

Figure 24. MEDIAN ANGEL & SEED ETI PRE-MONEY VALUATIONS (\$M)



Source: PitchBook | Geography: Global | *As of June 30, 2021

Figure 25. MEDIAN EARLY-STAGE ETI PRE-MONEY VALUATIONS (\$M)



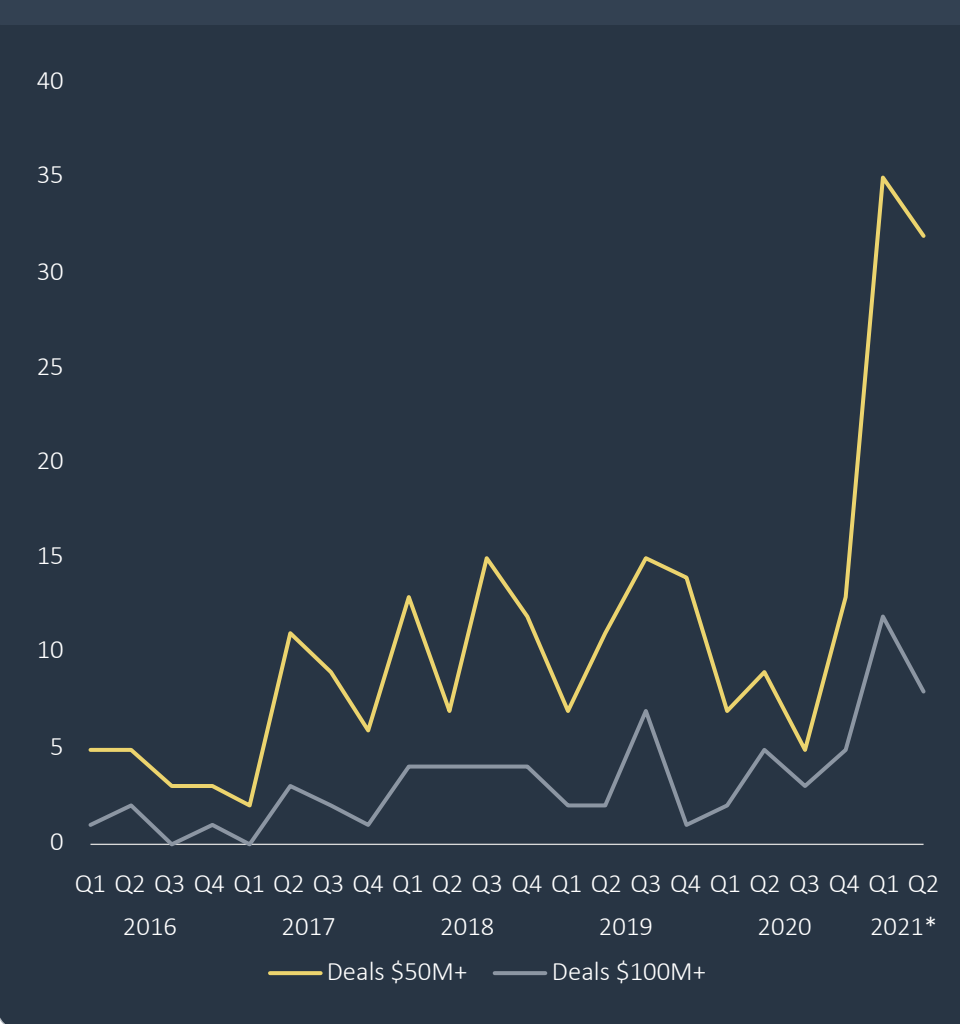
Source: PitchBook | Geography: Global | *As of June 30, 2021



VENTURE ACTIVITY SUMMARY

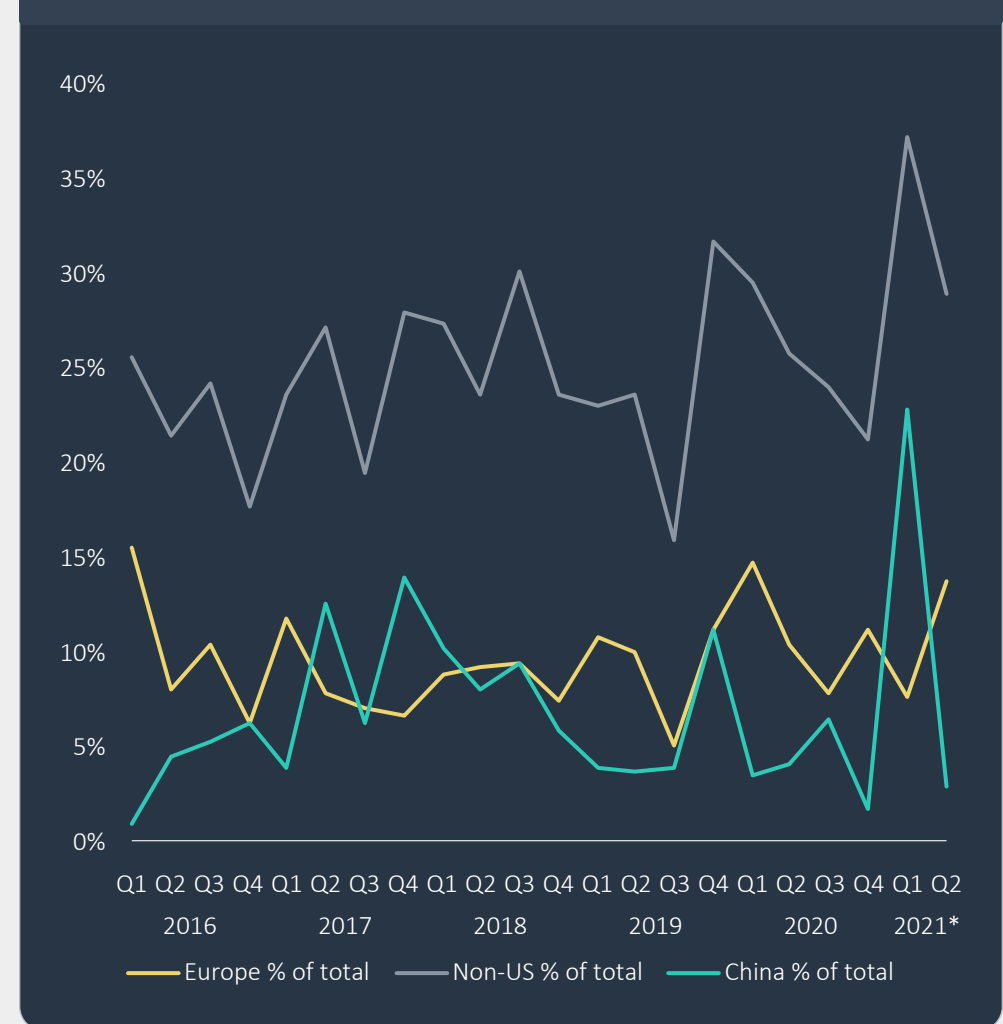
There were 32 ETI deals over \$50 million and eight over \$100 million, below Q1 totals but still significantly higher than historical averages and reflective of generally rising pre-valuations and deal-sizes. Non-US deals represented 29% of the total, above the historical average of 25% but down from Q1's all-time record 37%. Europe represented 14% of total deals and China represented 2.8%—a steep drop from Q1, when it represented 23% of deal counts.

Figure 26. ETI DEAL COUNT OVER \$50M AND \$100M



Source: PitchBook | Geography: Global | *As of June 30, 2021

Figure 27. ETI DEAL COUNT BY REGION



Source: PitchBook | Geography: Global | *As of June 30, 2021



Emerging tech indicator investor ranking

Purpose:

We seek to identify leading venture capital firms based on combining their performance on 3 factors related to their investment history. The ranking attempts to reward firms with a strong track record across the 3 factors, while still allowing for firms with a shorter history to be surfaced as well.

Factors:

Exit %

- Ratio of successful exits to the total number of exit opportunities.
- Investments must be at least 5 years old OR have an exit to qualify as an exit opportunity.
 - The 5 year threshold is present to allow for investments to sufficiently move toward an exit event. For example, it would be unfair to include a deal done 1 month ago as a “failed” exit opportunity, when the company has had no reasonable time to reach an exit event.
- Investor must have at least 15 exit opportunities to be included.

Follow-on %

- Ratio of the count of companies which raise a subsequent round of funding after a round which the investor led, over the number of opportunities.
- Only investments which are at least 2 years old or have a follow-on are included as follow-on opportunities.
 - The 2 year threshold is present to allow companies sufficient time to raise a subsequent round of funding.

- Companies which exit immediately after investor-led round are not included in this metric (numerator or denominator).
- Investor must have at least 15 follow-on opportunities to be included.

Average CAGR of valuation change between rounds

- Average annualized valuation step-up (post-money to pre-money) between investor led round, and the following round.
- Must be at least 1 year in between the rounds
 - This avoids massive CAGRs that result from very short time periods between funding rounds.
- Investor must have at least 15 follow-on opportunities, with the necessary valuation information, to be included.

Score weighting:

Each of the above factors is weighted by multiplying the value (e.g. % of successful exits) by the cubed root of the count of values present for that factor. This allows for investors with a long track record of success to be rewarded, while dampening the effect of the sample size to the point where investors with a short track record can be surfaced.

After each factor is weighted, we apply a cumulative distribution function to each factor in isolation, where each investor’s score is ranked 0-1 relative to the weighted scores of the other qualifying investors.



About PitchBook Emerging Tech Research

Independent, objective and timely market intel

As the private markets continue to grow in complexity and competition, it's essential for investors to understand the industries, sectors and companies driving the asset class.

Our Emerging Tech Research provides detailed analysis of nascent tech sectors so you can better navigate the changing markets you operate in—and pursue new opportunities with confidence.

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