



 EMERGING TECH RESEARCH

Emerging Tech Indicator

Deal activity continues to decline as AI & ML and biotechnology capture the lion's share of ETI capital

Q3
2023



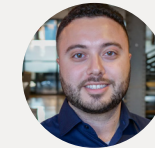


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Note: Data from prior quarters has been revised from the previous ETI report to reflect the latest funding data available.



Introduction

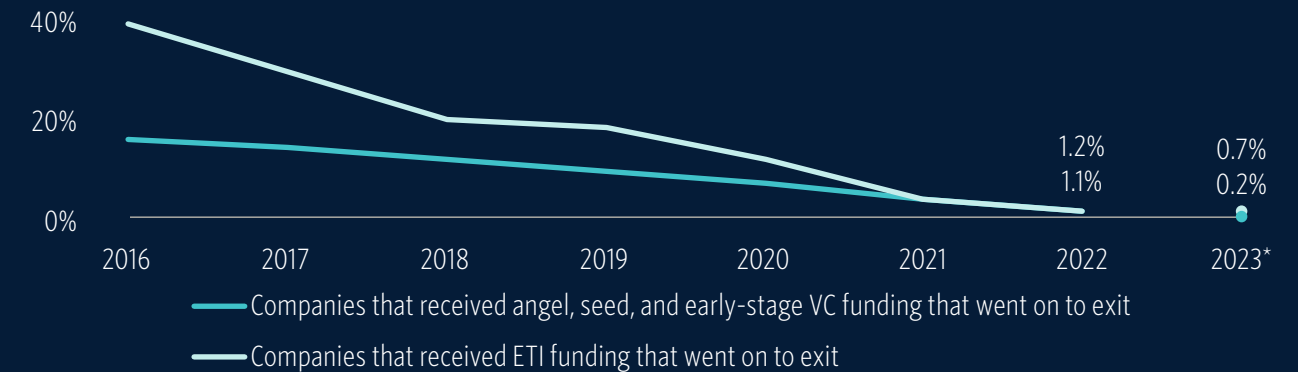
The Emerging Tech Indicator (ETI) provides a quarterly review of angel, seed, and early-stage investment activity involving a limited subset of the world's most successful VC firms that account for roughly 10% of total VC investment. The analysis provides a unique perspective into the types of technologies that top investors view as the most promising while also tracking how aggressively these investors are making capital allocation decisions.

In the third quarter of 2023, we tracked 124 angel, seed, and early-stage VC deals that involved the top 15 VC firms (relative to 5,230 total angel, seed, and early-stage VC deals). These firms are determined each quarter based on the success of their investments over time in terms of exits and valuations.¹ As shown in the charts on the right, ETI startups identified via our top-15 methodology have strongly outperformed the broader VC industry, exhibiting higher exit rates and higher valuations. This report reviews the products and technologies being developed by ETI startups.

Disclaimer: Data from the ETI report represents a snapshot of venture activity at a certain point in time. Historical datasets are continuously being adjusted to incorporate new information as we collect it, complicating efforts to compare the current ETI dataset with previously published reports.

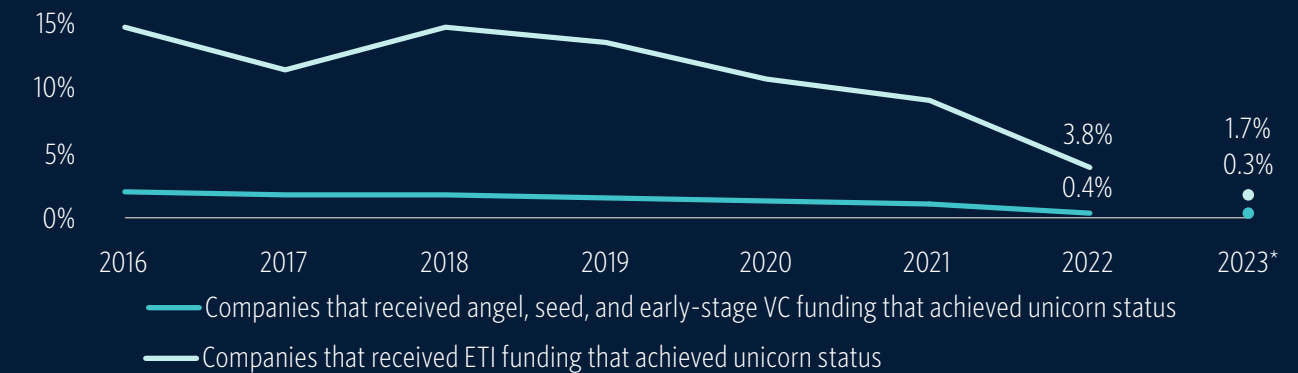
¹: Emerging Tech Indicator ranking methodology can be found [here](#).

Companies that went on to exit as a share of all companies that received ETI funding or angel, seed, and early-stage VC funding



Source: PitchBook • Geography: Global • *As of October 25, 2023

Companies that achieved unicorn status as a share of all companies that received ETI funding or angel, seed, and early-stage VC funding



Source: PitchBook • Geography: Global • *As of October 25, 2023



Key takeaways

- **Deal activity continues to decline:** In Q3 2023, ETI deal activity decreased to \$3.0 billion over 124 deals, down from \$3.4 billion across 143 deals in the prior quarter, continuing a broad decline since early 2022. Compared with Q1 2022's peak, this is a 73.2% drop in deal count and a 56.3% drop in deal value. ETI deals constituted 10.7% of all angel, seed, and early-stage VC funding for the quarter, consistent with last quarter and aligned with the historical 10.4% average.
- **AI & ML and biotech continue to dominate:** AI & ML represented the largest area of investment, accounting for \$641.7 million across 16 deals. This was followed by biotechnology with \$580.0 million across six deals, healthtech & wellness with \$248.4 million across 13 deals, fintech with \$237.3 million across 17 deals, and infosec with \$153.0 million across six deals.
- **The number of large deals has normalized:** In Q3, only six ETI deals were worth more than \$100 million, which is a decrease from the eight deals recorded last quarter but still consistent with the historical average of six. However, this is still consistent with the historical average of five. Among these top deals was AI defense platform [Helsing's](#) Series B funding of \$225.9 million. [Genesis Therapeutics](#) was close behind, raising a Series B round of \$224.0 million in the biotech sector, followed by [ROME Therapeutics](#) at \$149.0 million.
- **Median deal sizes remain relatively consistent:** Despite a recent market correction, median ETI deal sizes have shown a steady increase in recent years across angel, seed, and early-stage VC, reflecting VC industry growth and rising valuations. In Q3 2023, the median deal size for angel and seed was \$5.4 million, while the median for early-stage deals recovered to approximately \$27.8 million, indicating some volatility in this data point.



Deal activity

Q3 2023 saw continued declines in ETI deal activity, with \$3.0 billion across 124 deals compared with \$3.4 billion across 143 deals the previous quarter. This is consistent with a declining trend in ETI activity since its peak in Q1 2022, when \$11.2 billion was invested across 284 deals.² In fact, Q3 2023 ETI activity bears more resemblance to the pre-COVID-19 era, as Q4 2019 saw \$3.2 billion invested across 144 deals. In Q3, we recorded six ETI deals of \$100 million or more, flat with the historical average. 17 deals of \$50 million or more were completed this quarter, compared with 26 during the same period last year. The top three deals included a \$225.9 million Series B for AI defense platform [Helsing](#) and two biotech deals: a \$224.0 million Series B for [Genesis Therapeutics](#) and a \$149.0 million deal for [ROME Therapeutics](#). ETI deal activity represented 10.7% of total angel, seed, and early-stage VC funding in the quarter—consistent with last quarter and still near the 10.4% historical average.

In Q3, we recorded 124 ETI deals across 25 different technology segments. Artificial intelligence & machine learning (AI & ML) represented the largest area of investment, accounting for \$641.7 million across 16 deals. This was followed by biotechnology with \$580.0 million across six deals, healthtech & wellness with \$248.4 million across 13 deals, fintech with \$237.3 million across 17 deals, and information security (infosec) with \$153.0 million across six deals.

ETI deal activity by quarter



Source: PitchBook • Geography: Global • *As of October 25, 2023

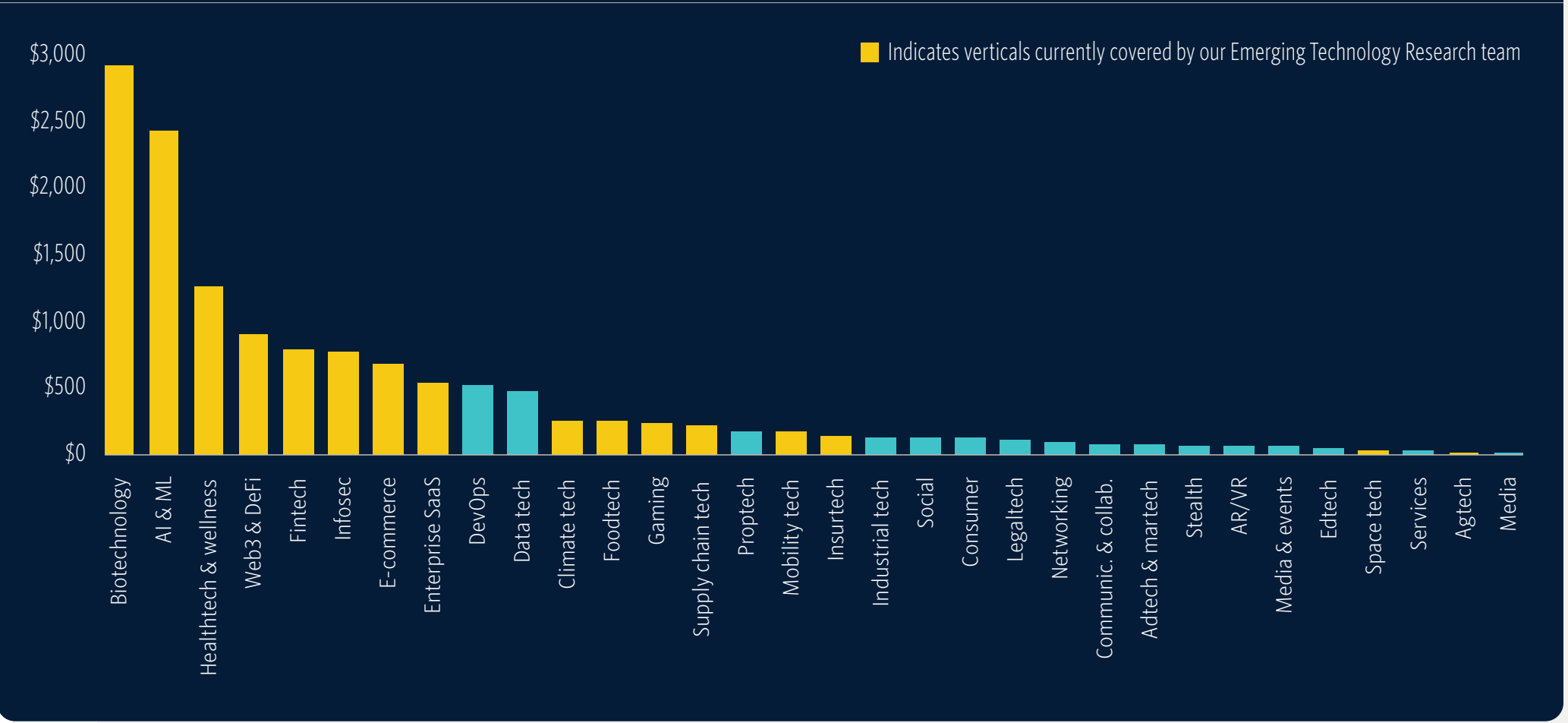
²: See our [Q3 2023 PitchBook-NVCA Venture Monitor](#) for an overview of activity across the entire VC market.



Areas of investment

In Q3, AI & ML, biotechnology, and healthtech & wellness were the leading segments for ETI investment. On a cumulative four-quarter basis, these segments continue to dominate ETI capital.

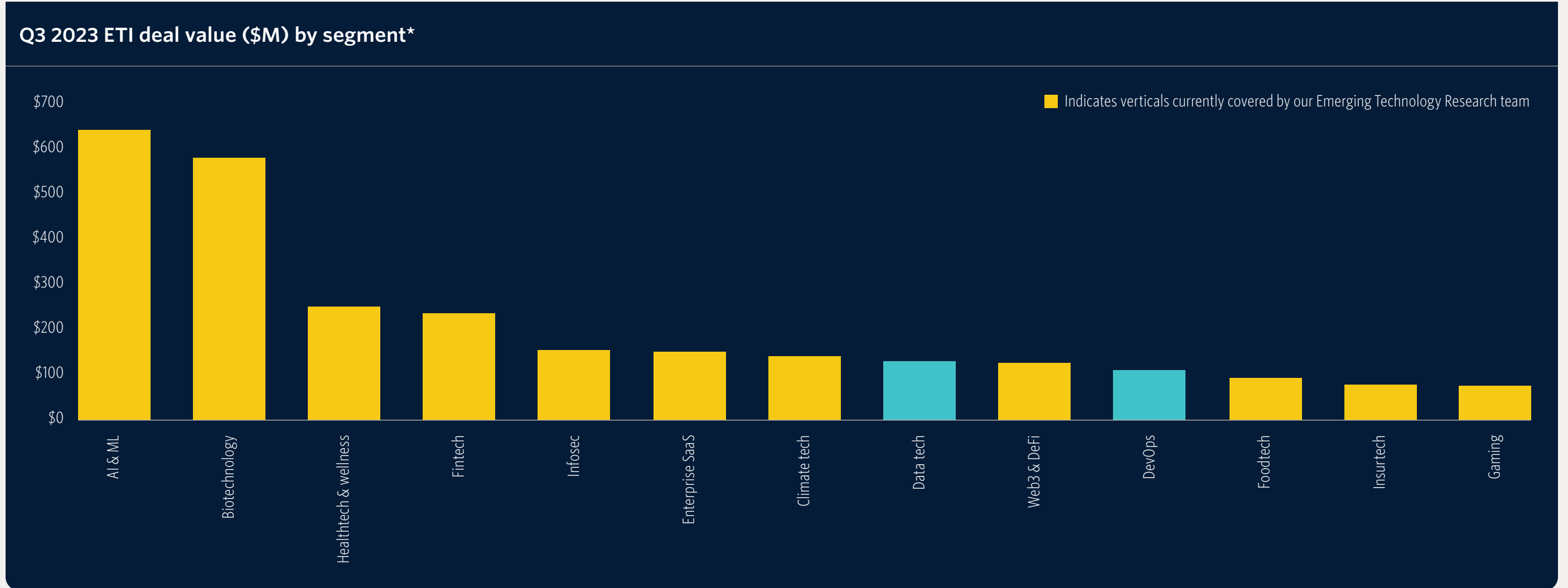
Trailing 12-month (TTM) ETI deal value (\$M) by segment*



Source: PitchBook • Geography: Global • *As of October 25, 2023



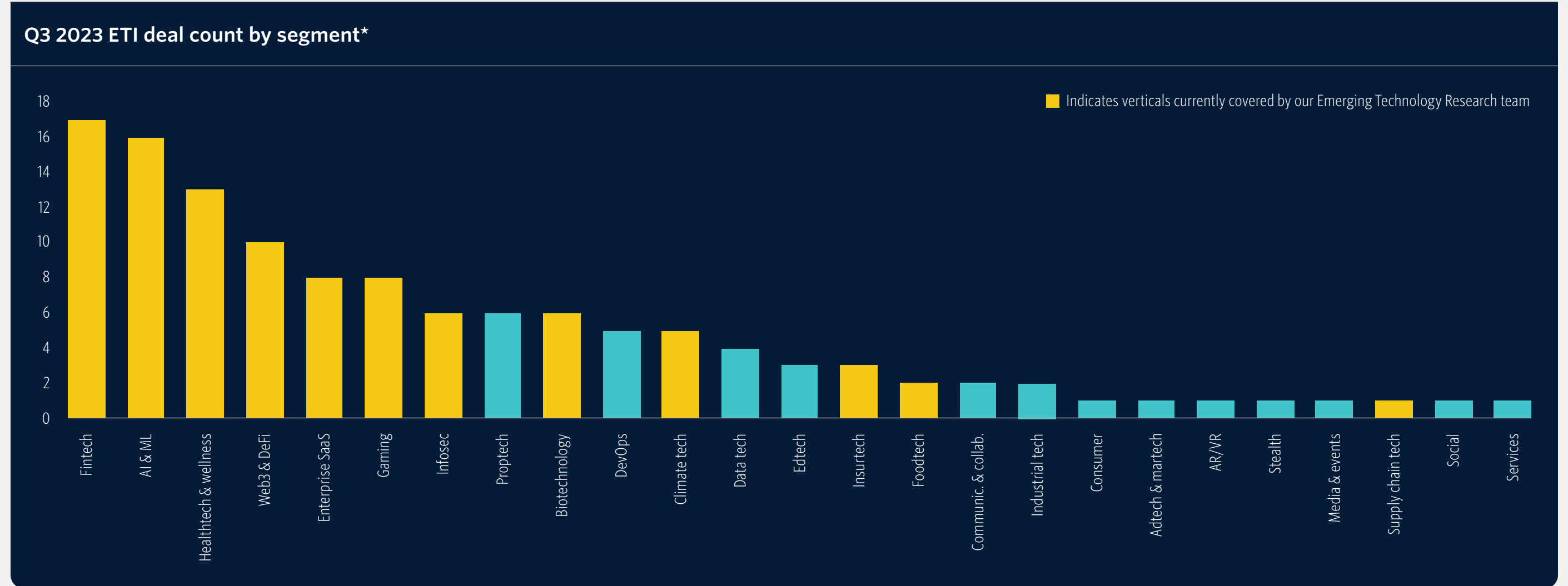
AREAS OF INVESTMENT



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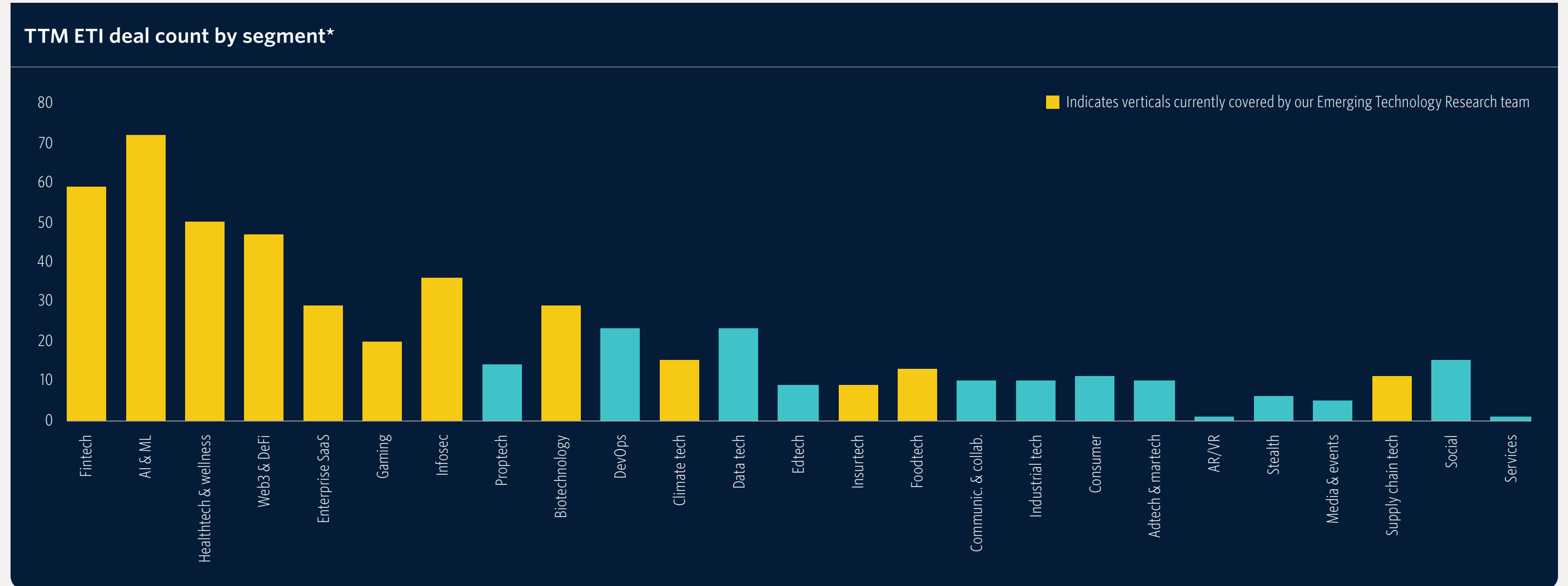
AREAS OF INVESTMENT



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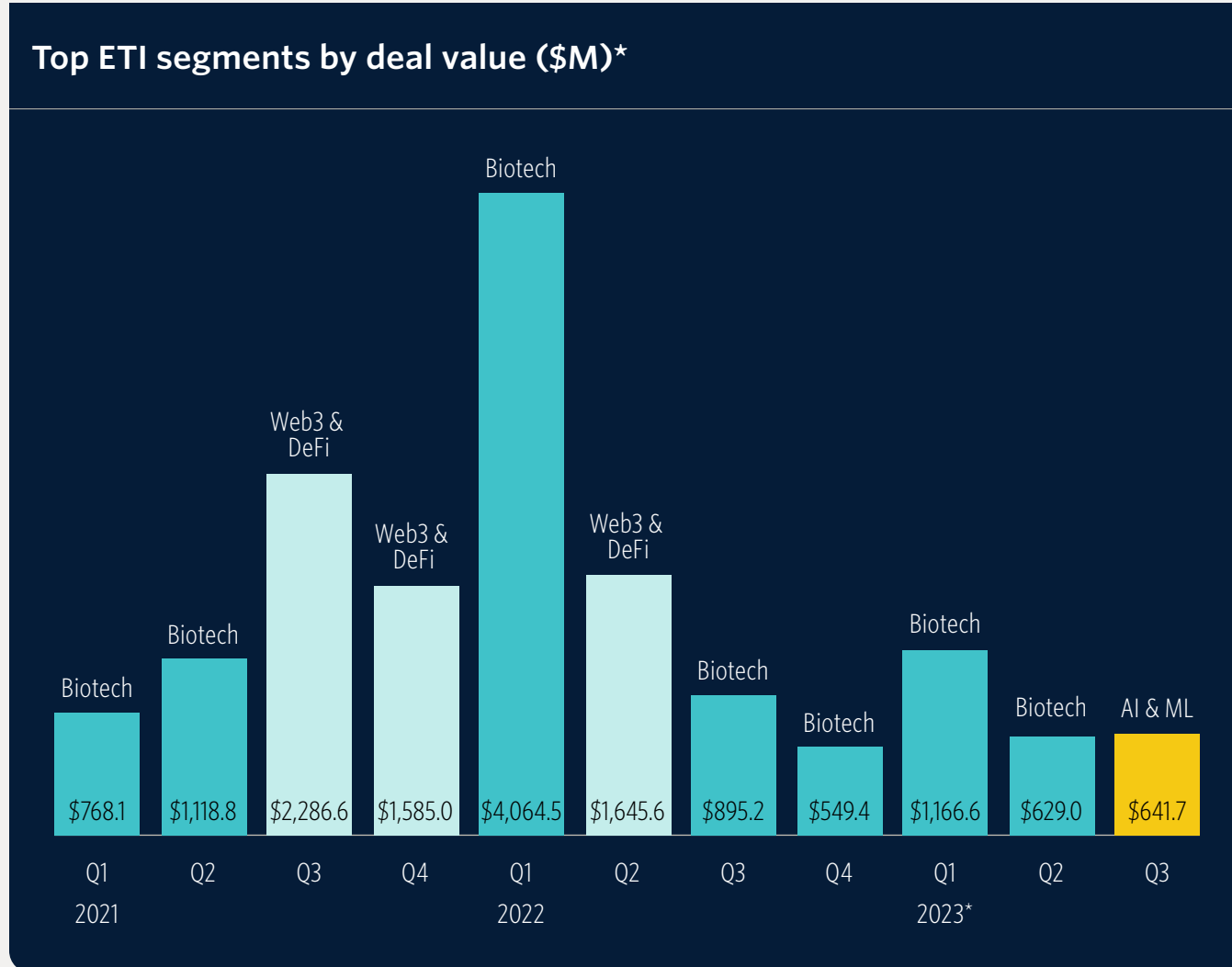
AREAS OF INVESTMENT



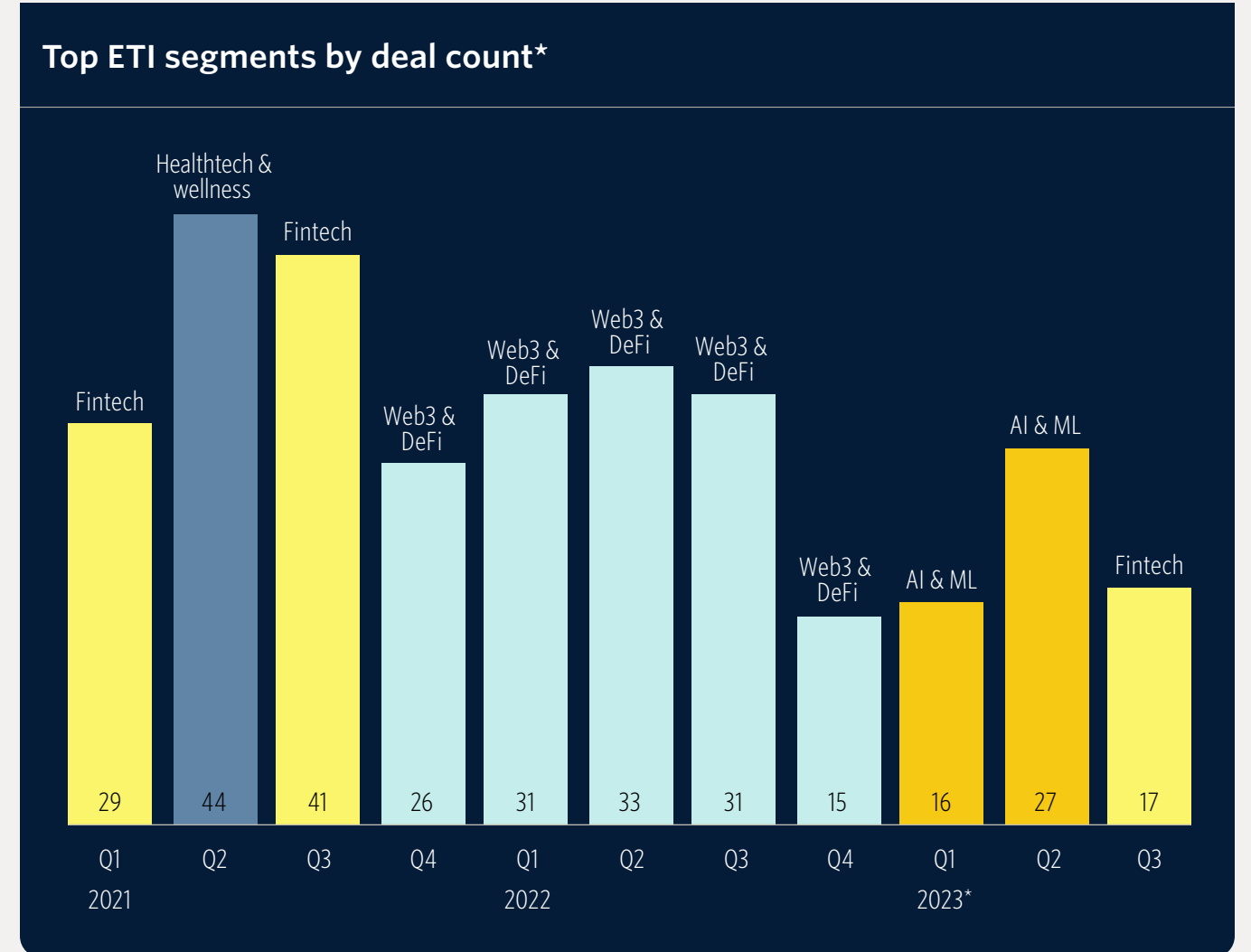
Source: PitchBook • Geography: Global • *As of October 25, 2023



AREAS OF INVESTMENT



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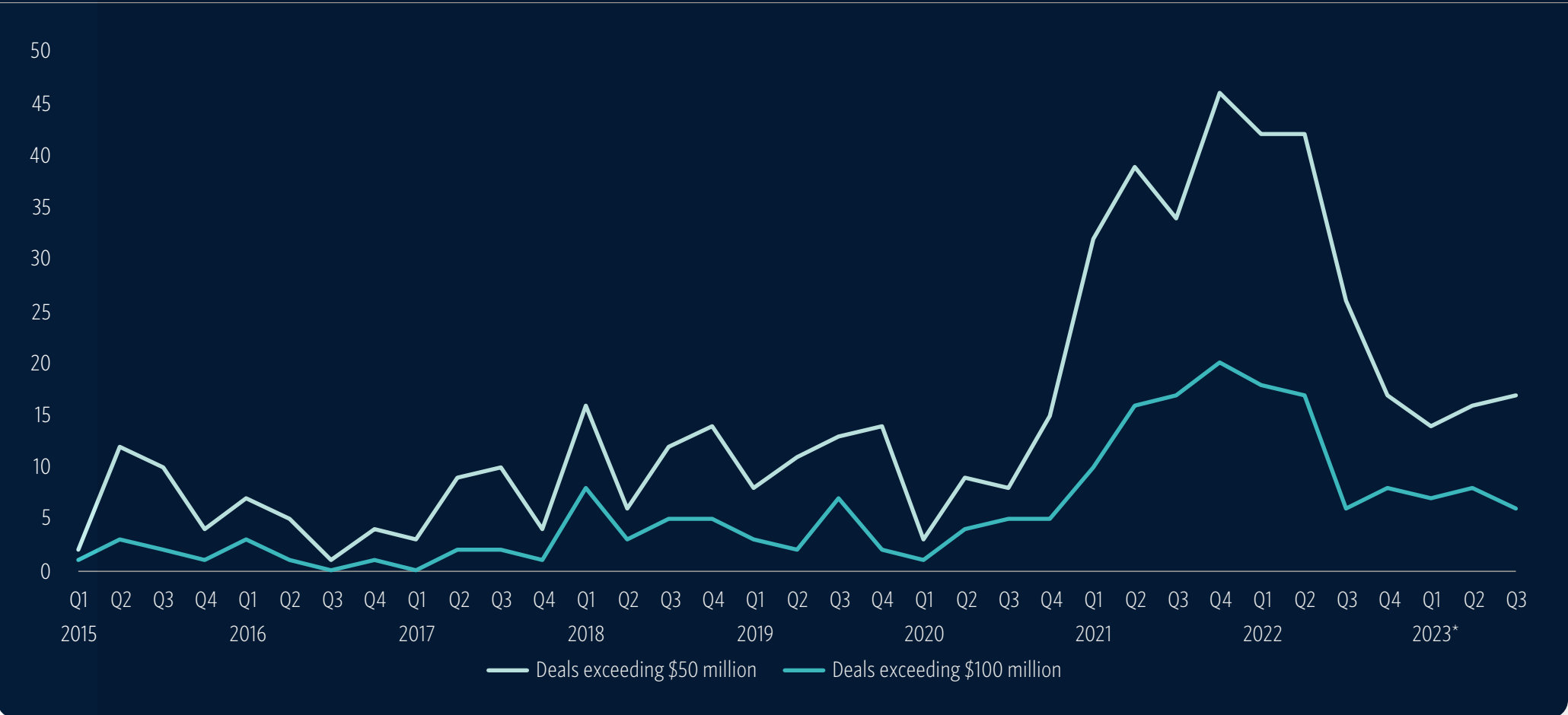
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AREAS OF INVESTMENT

High-value deals have generally fluctuated in recent quarters, and this fluctuation continued in Q3 despite a slight uptick in Q2. Six deals over \$100 million were recorded in Q3, a decrease from eight in the previous quarter—and in line with the historical average of six. The number of deals over \$50 million rose from 16 in Q2 to 17 in Q3, above the historical average of 15.

Quarterly ETI deal count for deals exceeding \$50 million and \$100 million



Source: PitchBook • Geography: Global • *As of October 25, 2023



ETI deal segment spotlights



Biotechnology

Biotechnology is a consistently high-performing sector in the ETI, and Q3 was no exception, with two of the quarter's top three deals falling within the segment. In Q3, six biotechnology deals captured \$580.0 million of ETI capital. [Genesis Therapeutics](#) closed a Series B round at \$224.0 million to advance its computational platform, which is focused on the discovery of small-molecule drugs. [ROME Therapeutics](#), a company developing novel therapies aimed at cancer and autoimmune diseases, also completed a Series B round, but with a deal size of \$149.0 million. Meanwhile, [Inceptive Nucleics](#) secured \$100.0 million in a Series A round to support its RNA modeling work, which aims to push the boundaries of advanced medicine development. All of these companies also utilize AI & ML in drug discovery, underscoring the growing cross-sectoral applications of AI, including the automation of numerous aspects of the drug development pipeline.

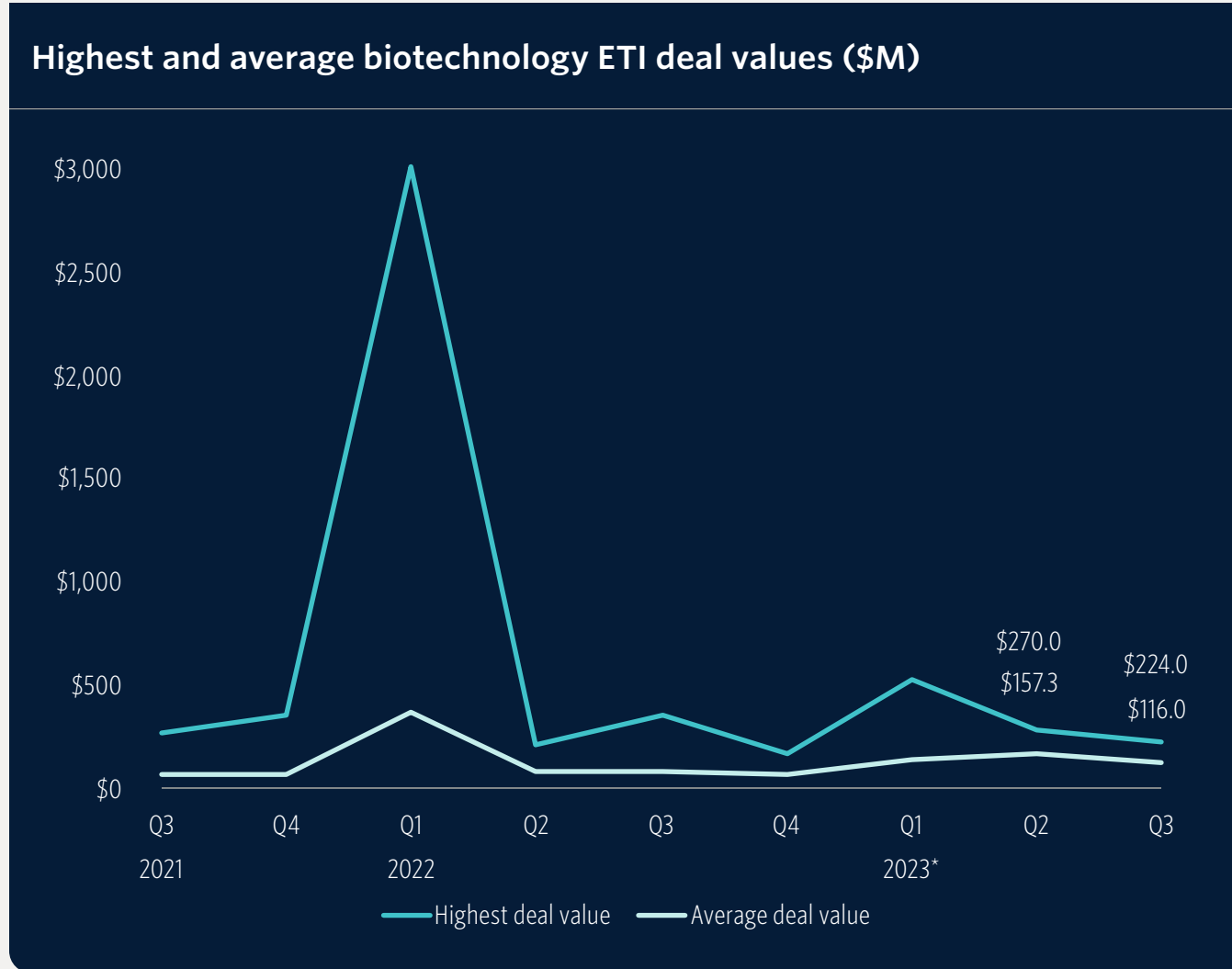
Biotechnology ETI deal activity



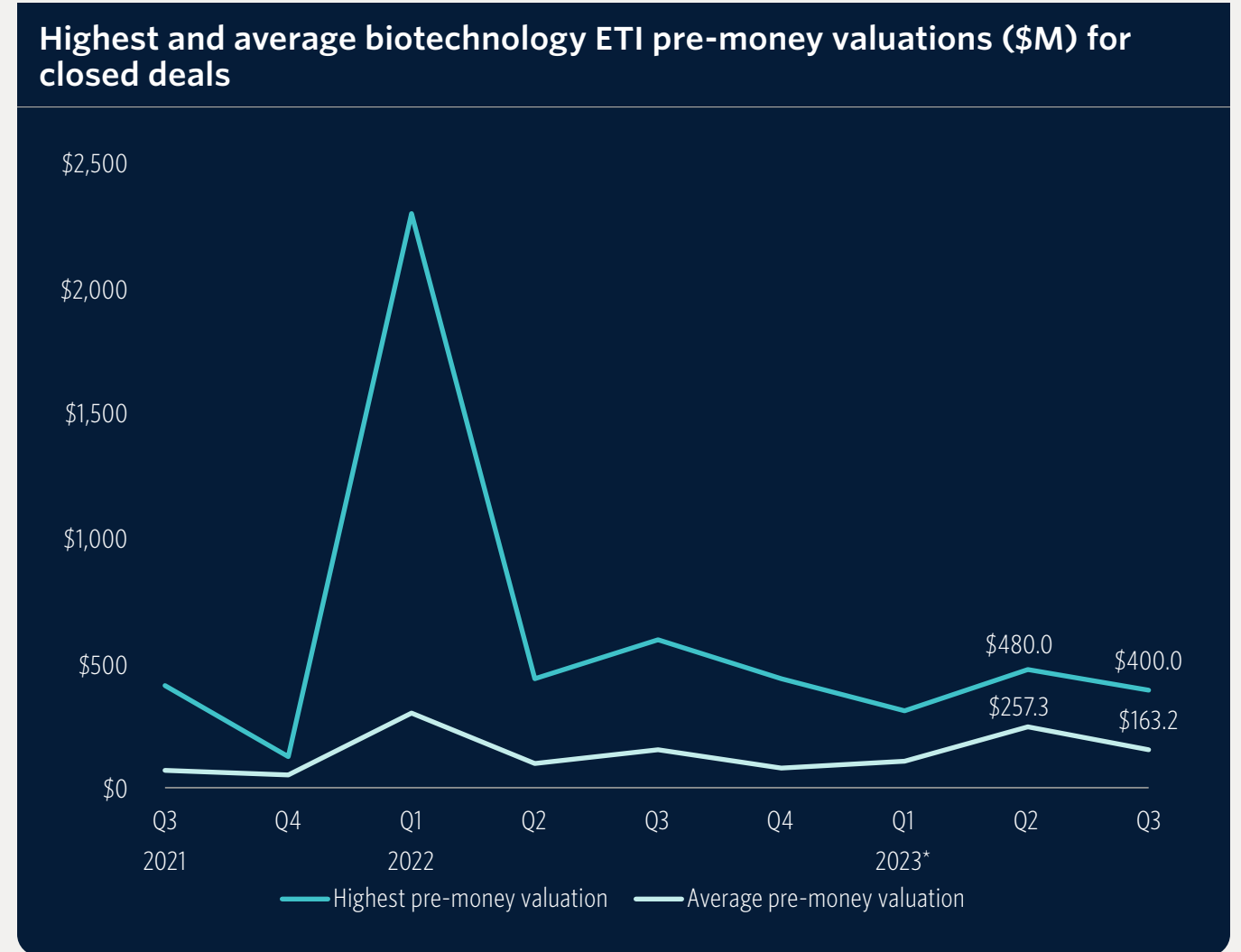
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BIOTECHNOLOGY



Source: PitchBook • Geography: Global • *As of October 25, 2023



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BIOTECHNOLOGY

Biotechnology ETI deals in Q3 2023*

Company	Focus	Deal type	Deal value (\$M)	Post-money valuation (\$M)
Genesis Therapeutics	Computational platform designed for the discovery of small-molecule drugs	Series B	\$224.0	\$424.0
ROME Therapeutics	Novel therapies for cancer and autoimmune diseases	Series B	\$149.0	\$310.0
Inceptive Nucleics	RNA modeling for advanced medicine development	Series A	\$100.0	\$500.0
Tisento Therapeutics	Mitochondrial disease treatments	Series A	\$81.0	\$116.0
Amber	New gene editing modalities for previously unreachable diseases	Seed	\$26.0	\$46.0
Lex	Stealth pharmaceuticals	Seed	N/A	N/A

Source: PitchBook • Geography: Global • *As of October 25, 2023



AI & ML

The AI & ML boom continues. In Q3 2023, \$641.7 million was invested across 16 deals—a decline from the previous quarter’s \$619.4 million across 27 deals. This elevated activity is undoubtedly a result of impressive advances in generative AI, but a majority of deals this quarter were related to machine learning operations and data management rather than content creation. [Helsing](#) secured \$225.9 million in a Series B round, valuing the company at \$1.9 billion, for its AI-driven defense data integration platform, signaling significant confidence in the defense sector’s adoption of AI. Poolside, a software development platform for AI deployment, raised \$126.0 million in a seed round. [Modular](#), which focuses on AI model development software, raised \$100.0 million in a Series B round with a post-money valuation of \$600.0 million, indicating strong investor interest in tools that democratize AI development.

[MindsDB](#) attracted \$46.5 million in a seed round to further its turnkey predictive analytics tools, a testament to the critical need for accessible data analytics in decision-making. [Duckbill](#) closed a \$33.0 million Series A for its AI- and human-assisted management services, emphasizing the hybrid approach of combining AI with human expertise. [Replicate](#), with its Python library for machine learning version control, garnered \$32.5 million in early-stage venture capital, highlighting the niche demand for ML operations tools. Finally, [Cleanlab](#)’s focus on AI for data-quality improvement earned it \$25.0 million in a Series A round at a valuation of \$100.0 million. The deal underlines how high-quality data is a cornerstone for effective AI applications.

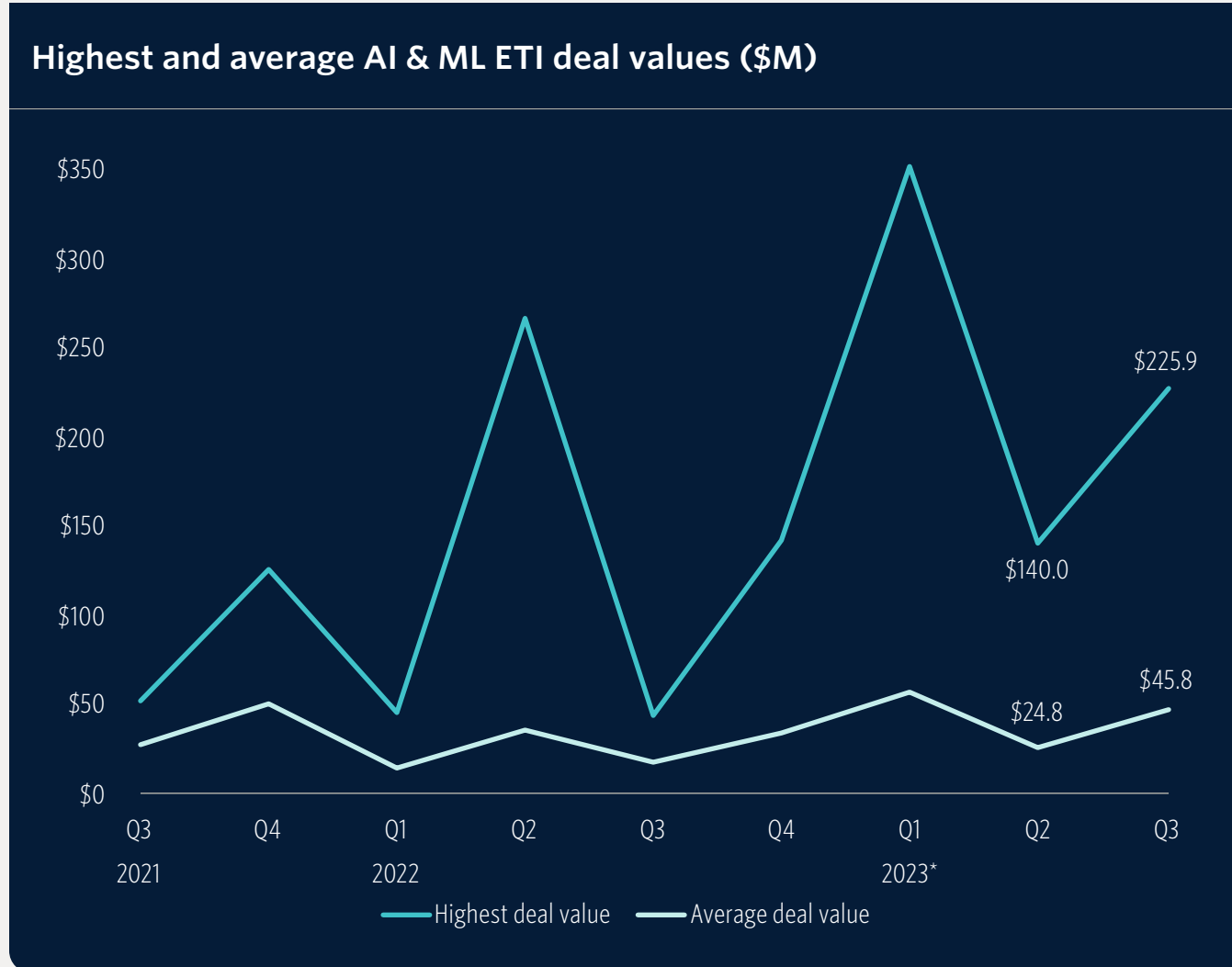
AI & ML ETI deal activity



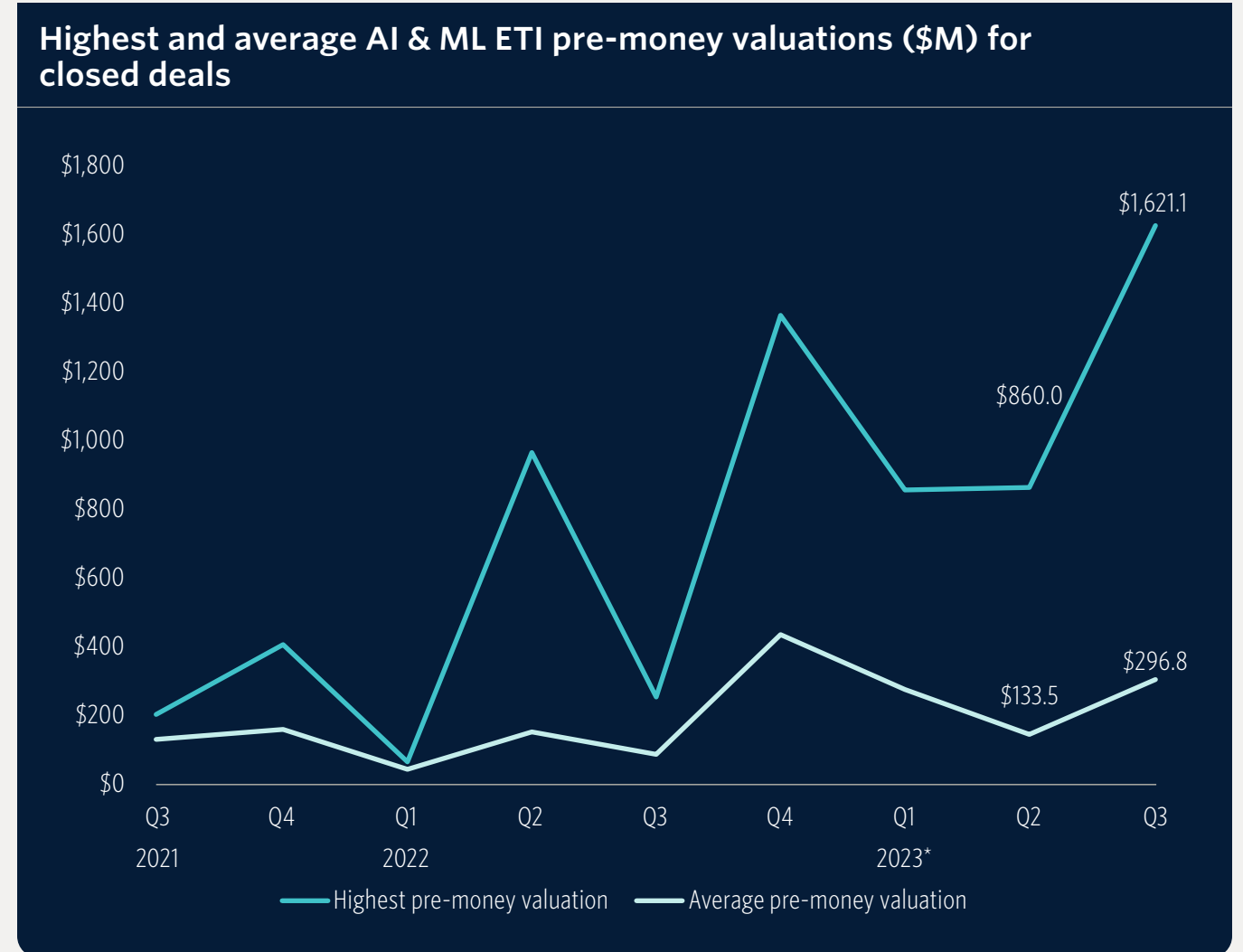
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AI & ML



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AI & ML

AI & ML ETI deals in Q3 2023*

Company	Focus	Deal type	Deal value (\$M)	Post-money valuation (\$M)
Helsing	AI-driven defense data integration platform	Series B	\$225.9	\$1,847.0
Poolside	AI platform reinventing software creation	Seed	\$126.0	N/A
Modular	AI model development software	Series B	\$100.0	\$600.0
MindsDB	Turnkey predictive analytics tools	Seed	\$46.5	\$161.5
Duckbill	AI- and human-assisted management services	Series A	\$33.0	N/A
Replicate	Python library for ML version control	Early-stage VC	\$32.5	N/A
Cleanlab	AI for data-quality improvement	Series A	\$25.0	\$100.0
Ideogram	AI tools for creative enhancement	Seed	\$16.5	N/A
TuMeke Ergonomics	Computer vision for injury risk assessment	Series A	\$13.1	\$43.1
Modyfi	AI-powered collaborative image editing	Seed	\$7.0	N/A

Source: PitchBook • Geography: Global • *As of October 25, 2023



AI & ML

AI & ML ETI deals in Q3 2023 (continued)*

Company	Focus	Deal type	Deal value (\$M)	Post-money valuation (\$M)
Modelcode	AI software for efficient engineering	Seed	\$5.0	\$15.5
Vera	Privacy-focused AI governance platform	Seed	\$3.3	\$11.3
Portkey	AI app development and monitoring platform	Seed	\$3.0	N/A
knode	AI-based productivity automation platform	Early-stage VC	N/A	N/A
Foundry Technologies	AI-software rental servers	Series A	N/A	\$350.0

Source: PitchBook • Geography: Global • *As of October 25, 2023



Healthtech & wellness

The healthtech & wellness industry experienced an uptick in deal activity this quarter with \$248.4 million across 13 deals. While this is much higher than last quarter, it is still historically low relative to the past two years. [Thyme Care](#) led the quarter with a \$60.0 million Series B investment for its personalized oncology-care-management platform, demonstrating the value placed on tailored patient care for complex diseases. Sunrise raised \$42.0 million in an early-stage VC round for its weight management medical consultation services, indicating the market’s response to the rising demand for personalized health and wellness solutions.

[Ronovo Surgical](#), which develops digital surgery systems designed for minimally invasive surgery, secured \$27.7 million in early-stage VC funding. The deal underscores the technological advancements in surgical procedures. Highlighting the industry’s attention to women’s health issues, [Midi](#) obtained \$25.0 million in a Series A round to develop its healthcare platform dedicated to female midlife health.

Lastly, [Cartwheel](#) raised \$20.0 million in Series A funding for its school-based mental health support services, reflecting the increasing recognition of the importance of mental health, particularly within educational settings.

This range of product focuses—oncology, weight management, surgical innovation, women’s health, and mental health support—illustrates the extensive scope of the healthtech & wellness sector. It showcases a commitment to addressing a wide array of health concerns through specialized, tech-enabled platforms and services.

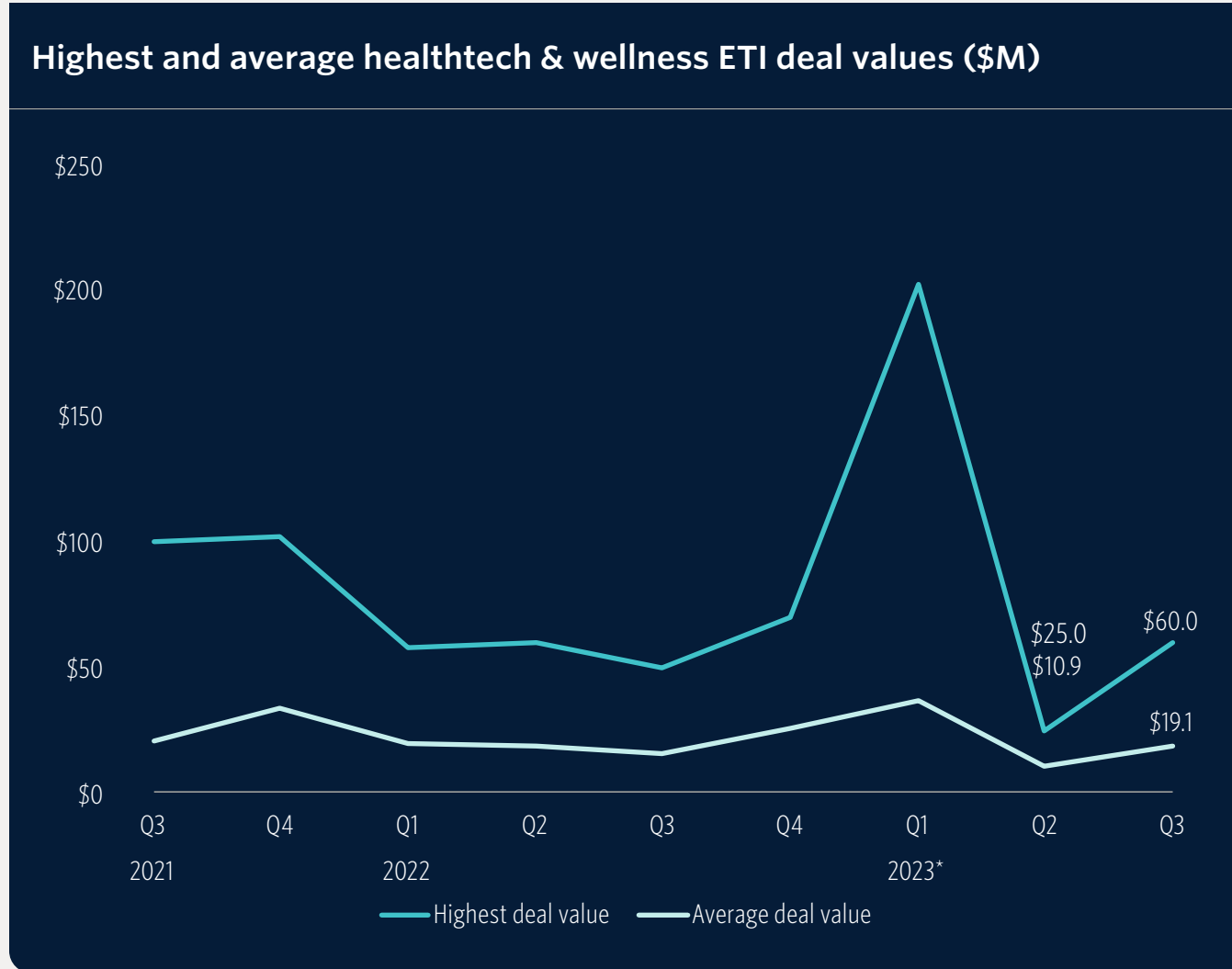
Healthtech & wellness ETI deal activity



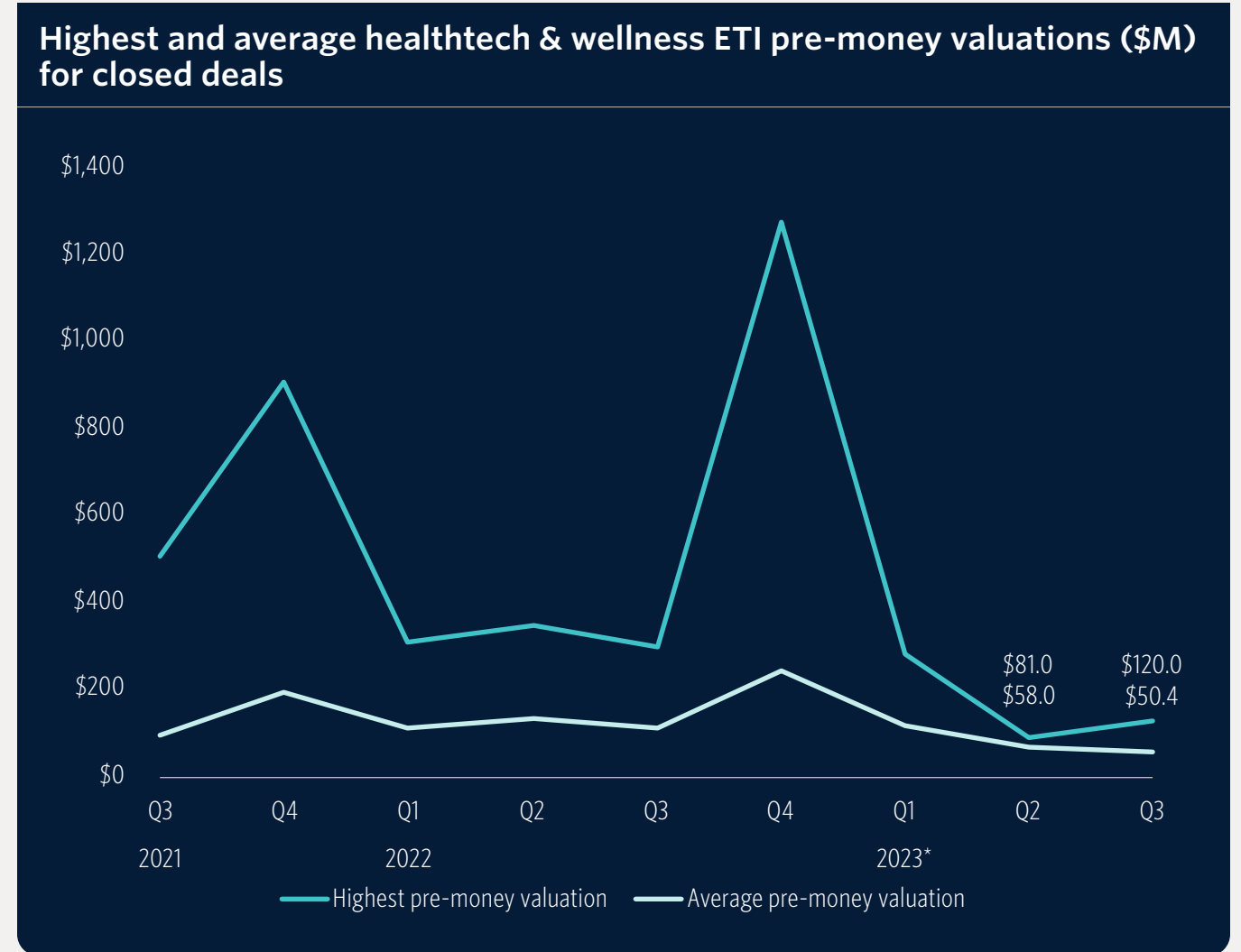
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HEALTHTECH & WELLNESS



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HEALTHTECH & WELLNESS

Healthtech & wellness ETI deals in Q3 2023*

Company	Focus	Deal type	Deal value (\$M)	Post-money valuation (\$M)
Thyme Care	Personal oncology-care-management platform	Series B	\$60.0	\$180.0
Sunrise	Weight management medical consultation services	Early-stage VC	\$42.0	N/A
Ronovo Surgical	Digital surgery systems for minimally invasive surgery	Early-stage VC	\$27.7	N/A
Midi	Healthcare platform focused on female midlife health	Series A	\$25.0	\$75.0
Cartwheel	School-based mental health support services	Series A	\$20.0	\$60.0
Bold	Digital fitness platform for wellness	Series A	\$17.0	\$80.0
Evyv	At-home female health microbiome test	Series A	\$14.0	\$58.0
Daybreak Health	Online mental health services focused on the youth market	Series B	\$13.0	\$65.0
Medeloop	Integrated healthcare data analysis platform	Seed	\$9.0	\$25.0
Mural Health	Clinical trials technology for global studies	Seed	\$8.0	N/A

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HEALTHTECH & WELLNESS

Healthtech & wellness ETI deals in Q3 2023 (continued)*

Company	Focus	Deal type	Deal value (\$M)	Post-money valuation (\$M)
FoldHealth	Virtual digital health integration platform	Early-stage VC	\$6.0	N/A
Fortuna Health	Medicaid management platform for seamless eligibility, enrollment, and recertification	Seed	\$4.1	\$22.1
Clinikally	Telemedicine platform for dermatology care	Early-stage VC	\$2.6	N/A

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Fintech

Fintech deal activity has been trending upward for the past three quarters, with this quarter seeing \$237.3 million invested across 17 deals. Many of the deals this quarter came from the wealth management, financial modeling, payments, and banking categories. [Karat Financial](#) raised a substantial \$70.0 million Series B round for its digital credit cards tailored to the unique needs of online creators, signifying the growing niche of financial products for the gig and creator economy.

[Swan](#) secured \$40.0 million in Series B funding for its embedded finance platform that provides banking services. The funding reflects a trend toward seamless integration of financial services within other business ecosystems. [Farther](#) garnered \$31.0 million in Series B investment for its digital wealth management services targeted at the ultra-wealthy, indicating the high demand for customized financial advisory services.

[Moment](#) captured \$17.0 million in a Series A round for its fixed-income investment platform, highlighting the technological innovation in investment management. Finally, [Carefull](#) raised \$16.5 million in a Series A round for its financial management tool designed to assist people with managing the finances of aging relatives. The deal underscores the importance of tech solutions for demographic-specific financial challenges.

These investments show the dynamic range of fintech innovation: from personalized financial instruments for individual creators and investors, to sophisticated platforms catering to the affluent, to solutions addressing family-based financial care.

Fintech ETI deal activity

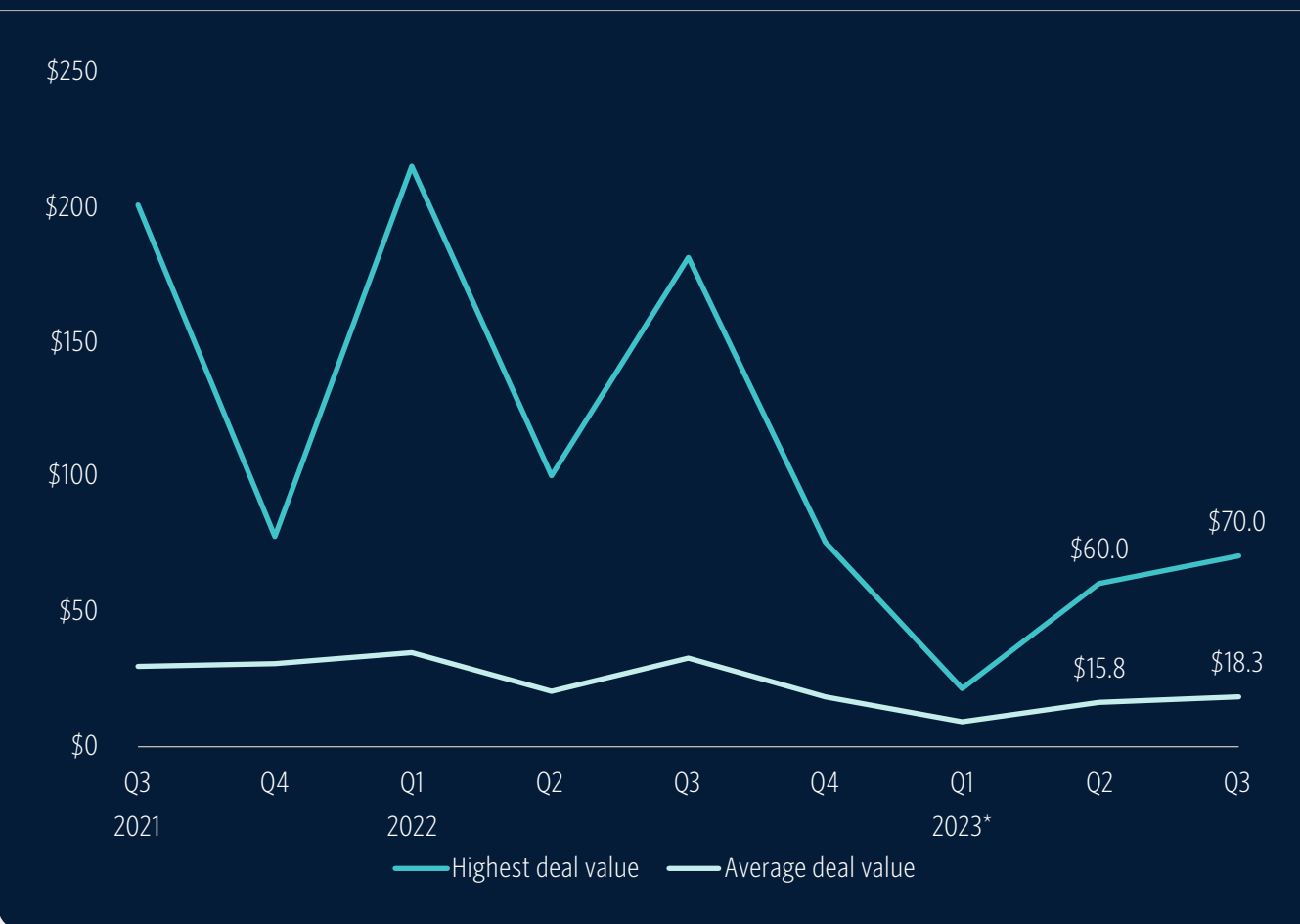


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FINTECH

Highest and average fintech ETI deal values (\$M)



Source: PitchBook • Geography: Global • *As of October 25, 2023

Highest and average fintech ETI pre-money valuations (\$M) for closed deals



Source: PitchBook • Geography: Global • *As of October 25, 2023



FINTECH

Fintech ETI deals in Q3 2023*

Company	Focus	Deal type	Deal value (\$M)	Post-money valuation (\$M)
Karat Financial	Digital credit cards for online creators	Series B	\$70.0	N/A
Swan	Embedded finance platform for banking services	Series B	\$40.0	N/A
Farther	Digital wealth management services for the ultra-wealthy	Series B	\$31.0	\$131.0
Moment	Fixed-income investment platform	Series A	\$17.0	N/A
Carefull	Financial management tool to help aging family members	Series A	\$16.5	N/A
Apron	Invoice-reconciliation payments platform	Series A	\$15.7	N/A
Felix	Cross-border payment platform	Seed	\$13.2	\$20.5
Chargeflow	Automated chargeback management for e-commerce	Seed	\$11.0	\$31.0
Maza	Digital bank aimed at immigrants without social security numbers	Seed	\$8.0	N/A
Exponential Exchange	Financial platform for trading transportation-derived assets	Series 1	\$7.4	\$24.0

Source: PitchBook • Geography: Global • *As of October 25, 2023



FINTECH

Fintech ETI deals in Q3 2023 (continued)*

Company	Focus	Deal type	Deal value (\$M)	Post-money valuation (\$M)
Crediverso	Marketplace for loan, credit card, and remittance offers	Early-stage VC	\$3.5	N/A
Cumbuca	Shared-expense digital platform	Seed	\$3.0	N/A
Kintsugi	AI-driven financial forecasting platform	Seed	\$1.1	N/A
Furo	Automated billing and payment platform	Early-stage VC	N/A	N/A
Chip Professional	Financial advice marketplace	Early-stage VC	N/A	N/A
Aaritya Technologies	Personalized trading platform	Seed	N/A	N/A
Beep	Payment platform for smart vending machines	Seed	N/A	N/A

Source: PitchBook • Geography: Global • *As of October 25, 2023



Climate tech

Climate tech deal activity has also been trending upward over the past three quarters, but overall ETI deal activity in climate tech remains low relative to the amount of government support and political salience of the climate transition. Q3 saw \$141.5 million invested across five deals in product areas ranging from carbon offset measurement to electric vehicles (EVs). For instance, [Harbinger](#), a developer of EV technology, secured \$60.0 million in a Series A round, signifying strong investor confidence in the future of sustainable transportation. Meanwhile, [Sylvera](#), a platform specializing in the management of carbon offsets, closed a Series B round with a \$57.0 million investment, highlighting the market's interest in environmental credit transparency and efficiency.

In a similar vein, [Scope3](#), which focuses on the measurement of carbon emissions within the media and advertising sector, raised \$20.0 million in a Series B round. Lastly, in the early-stage investment scene, [Flipturn](#) garnered \$4.5 million in a seed round to accelerate the electrification of EV fleets.

For more coverage on climate technologies, please refer to the designated [analyst workspace](#) on the PitchBook Platform.

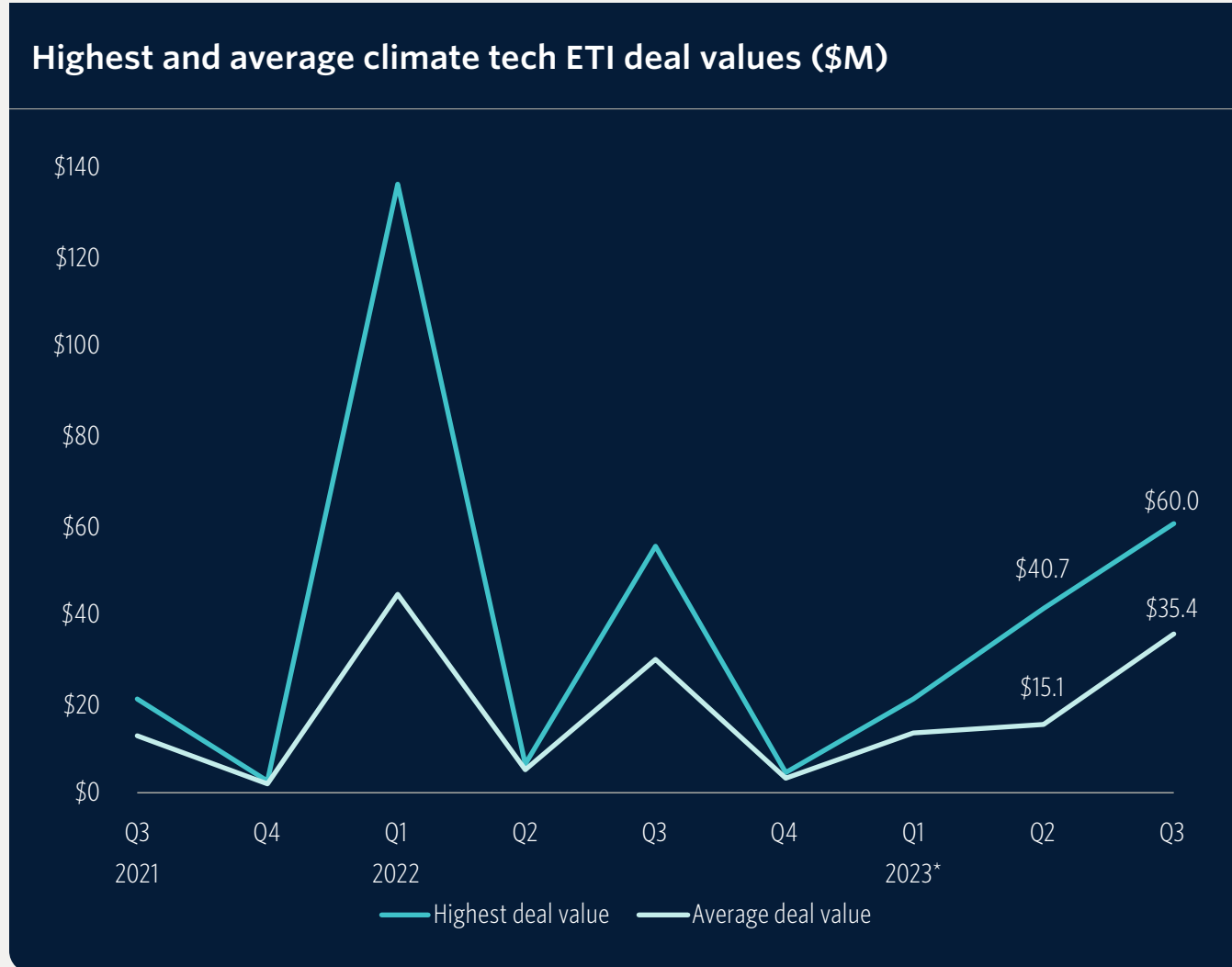
Climate tech ETI deal activity



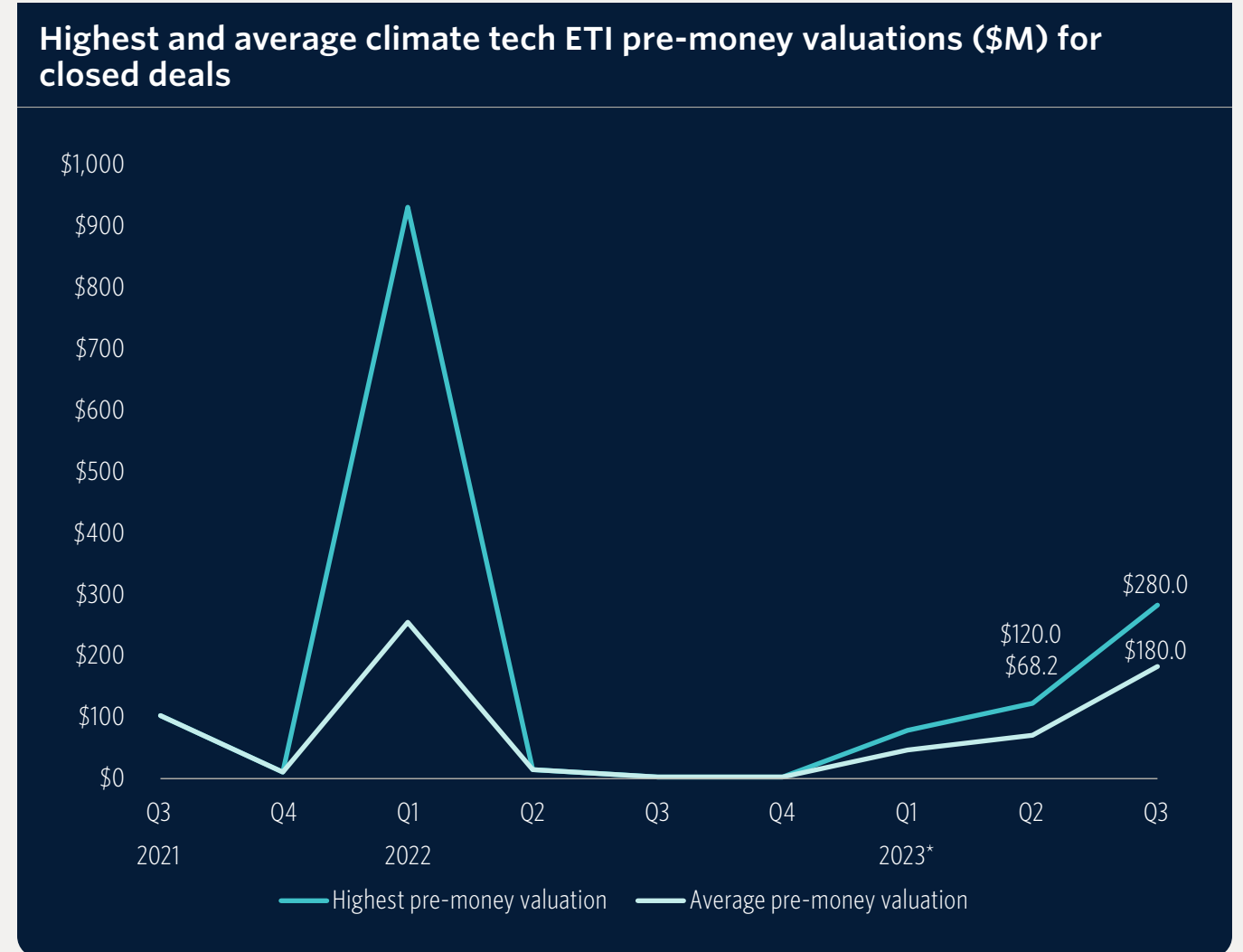
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CLIMATE TECH



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Source: PitchBook • Geography: Global • *As of October 25, 2023



CLIMATE TECH

Climate tech ETI deals in Q3 2023*

Company	Focus	Deal type	Deal value (\$M)	Post-money valuation (\$M)
Harbinger	EV technology	Series A	\$60.0	\$340.0
Sylvera	Carbon offset management platform	Series B	\$57.0	N/A
Scope3	Carbon emissions measurement for the media and advertising industry	Series B	\$20.0	\$100.0
Flipturn	EV fleet electrification acceleration	Seed	\$4.5	N/A
Guided Energy	Smart energy platform for EV charging	Early-stage VC	N/A	N/A

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Enterprise SaaS

Enterprise software as a service (SaaS), once the lodestar of ETI capital during the COVID-19-era boom, has seen steep declines in deal activity since early 2022. In Q3, \$149.3 million was invested across eight deals—a small bump in activity relative to earlier this year. Many deals were made in the HR tech category. [PowerUs](#) raised \$28.0 million in a Series B for its technician and engineers job platform, while [BetterLeap](#) secured \$10.0 million in a Series A for its AI-driven recruitment platform. [WorldOver](#) and [Bandana](#) each closed seed rounds of \$3.8 million for a compliance platform and an hourly workers’ job platform, respectively. [Zelt](#) also completed a seed round, obtaining \$3.7 million for its unified workforce solution for startups.

Other deals included a \$40.0 million Series B for [Legit Security](#), an enterprise-grade software-automation-services platform. Two companies raised \$30.0 million rounds: Sprig closed a Series B for its AI-powered customer insight platform, and [Levelpath](#) closed a Series A for its next-generation efficient enterprise-procurement platform.

Refer to our [Q2 2023 Enterprise SaaS Report](#) and [Q3 2023 Launch Report: Infrastructure SaaS](#) for more in-depth coverage of the SaaS sector.

Enterprise SaaS ETI deal activity



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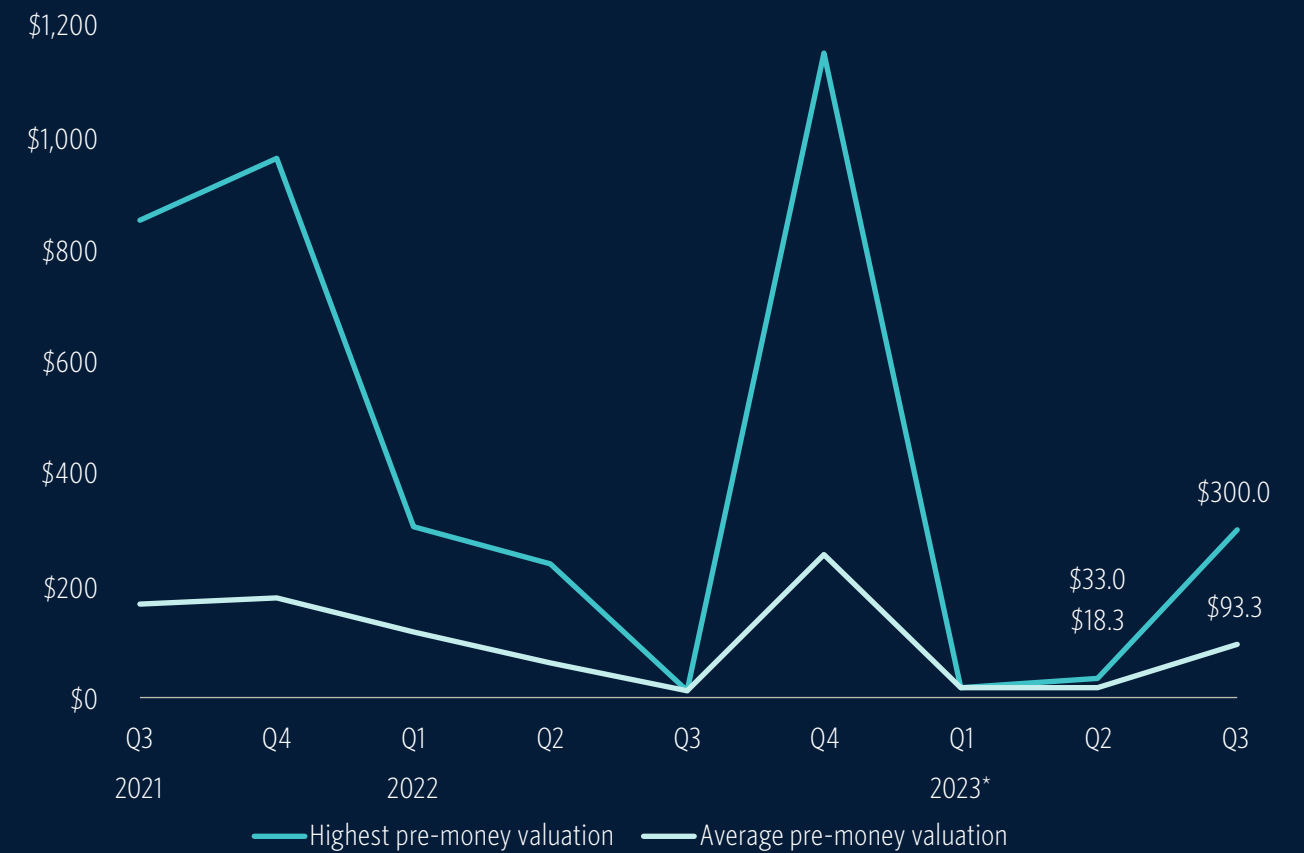
ENTERPRISE SAAS

Highest and average enterprise SaaS ETI deal values (\$M)



Source: PitchBook • Geography: Global • *As of October 25, 2023

Highest and average enterprise SaaS ETI pre-money valuations (\$M) for closed deals



Source: PitchBook • Geography: Global • *As of October 25, 2023



ENTERPRISE SAAS

Enterprise SaaS ETI deals in Q3 2023*

Company	Focus	Deal type	Deal value (\$M)	Post-money valuation (\$M)
Legit Security	Enterprise-grade software automation services	Series B	\$40.0	N/A
Sprig	AI-powered customer insight platform	Series B1	\$30.0	\$330.0
Levelpath	Next-generation efficient enterprise-procurement platform	Series A	\$30.0	N/A
PowerUs	Job platform for technicians and engineers	Series B	\$28.0	N/A
BetterLeap	AI-driven automated recruitment platform	Series A	\$10.0	\$50.0
WorldOver	Compliance platform for the cosmetics industry	Seed	\$3.8	\$17.5
Bandana	Online job platform for hourly workers	Seed	\$3.8	N/A
Zelt	Unified workforce platform for startups	Seed	\$3.7	\$23.1

Source: PitchBook • Geography: Global • *As of October 25, 2023



Other notable activity

Q3 2023 ETI deal value by segment*

Segment	Deal value (\$M)
AI & ML	\$641.7
Biotechnology	\$580.0
Healthtech & wellness	\$248.4
Fintech	\$237.3
Infosec	\$153.0
Enterprise SaaS	\$149.2
Climate tech	\$141.5
Data tech	\$128.5
Web3 & DeFi	\$125.1
DevOps	\$109.1
Foodtech	\$90.3
Insurtech	\$77.2
Gaming	\$75.2
Industrial tech	\$75.0

Segment	Deal value (\$M)
AR/VR	\$50.0
Services	\$21.0
Media & events	\$20.0
Communication & collaboration	\$19.5
Proptech	\$18.5
Stealth	\$13.6
Social	\$12.0
Supply chain tech	\$9.0
Edtech	\$5.0
Adtech & martech	\$5.0
Consumer	\$3.9

Source: PitchBook • Geography: Global • *As of October 25, 2023



OTHER NOTABLE ACTIVITY

Q3 2023 ETI deal count by segment*

Segment	Deal count
Fintech	17
AI & ML	16
Healthtech & wellness	13
Web3 & DeFi	10
Enterprise SaaS	8
Gaming	8
Infosec	6
Proptech	6
Biotechnology	6
DevOps	5
Climate tech	5
Data tech	4
Edtech	3
Insurtech	3

Segment	Deal count
Foodtech	2
Communication & collaboration	2
Industrial tech	2
Consumer	1
Adtech & martech	1
AR/VR	1
Stealth	1
Media & events	1
Supply chain tech	1
Social	1
Services	1

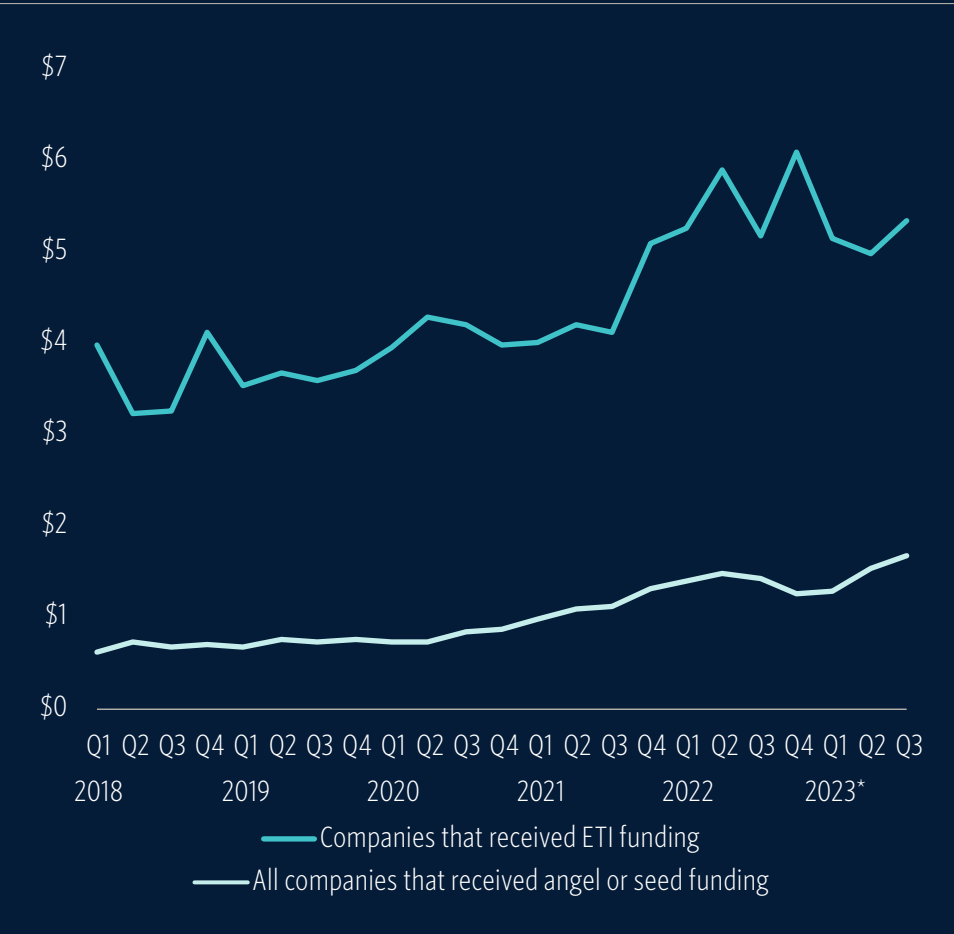
Source: PitchBook • Geography: Global • *As of October 25, 2023



Venture activity summary

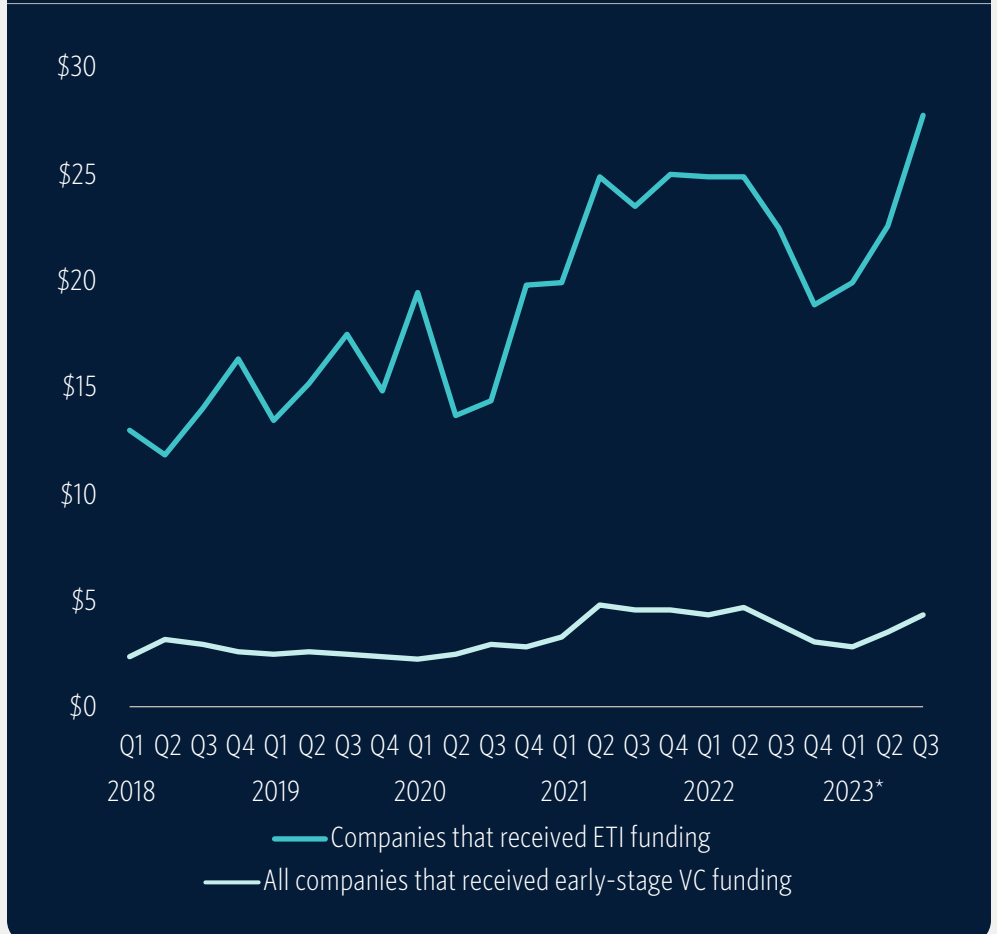
Median ETI deal sizes have steadily increased in recent years across angel, seed, and early-stage VC, reflecting enduring VC industry growth, rising valuations, and a generally founder-friendly environment. The recent market correction has disrupted the overall upward trajectory, but trends have largely remained stable. The median for angel and seed deals was \$5.4 million in Q3 2023, relatively flat with the prior two quarters. The median for early-stage deals was about \$27.8 million, a recovery from the previous quarter but also an indication that this data point remains relatively volatile.

Median ETI angel and seed deal value (\$M)



Source: PitchBook • Geography: Global • *As of October 25, 2023

Median ETI early-stage VC deal value (\$M)



Source: PitchBook • Geography: Global • *As of October 25, 2023

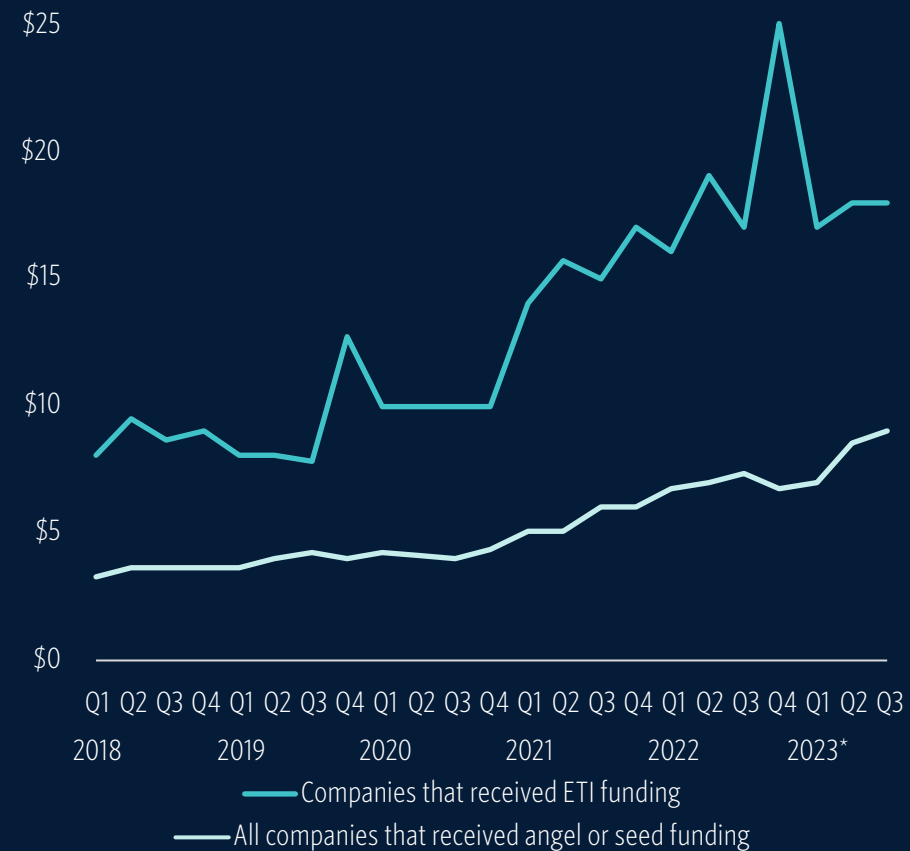


VENTURE ACTIVITY SUMMARY

ETI deal sizes tend to run three to five times larger than medians across the entire VC industry, and the gap has been expanding in recent years. This likely reflects several factors, including the tendency for our ETI investor cohort to be larger, multistage 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 than they were several years ago, increasing their ability to raise larger early-stage rounds.

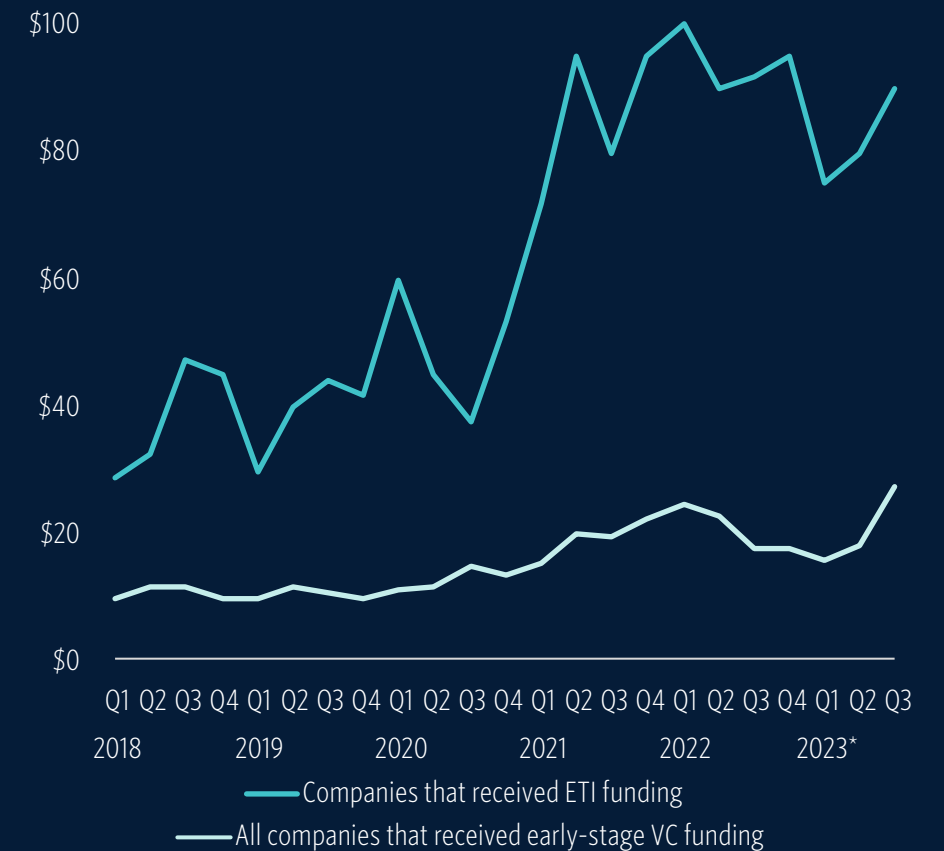
Non-US deals represented 26.6% of total ETI deals in Q3 2023, above the historical average of 26.3% but below a recent high of 33.6% in Q4 2022. Europe's deal share increased slightly from 16.1% in Q2 to 17.7% in Q3, a continuation of prior trends. China's deal share was 0.8%, a data point that has become increasingly volatile in recent quarters.

Median ETI angel and seed pre-money valuation (\$M)



Source: PitchBook • Geography: Global • *As of October 25, 2023

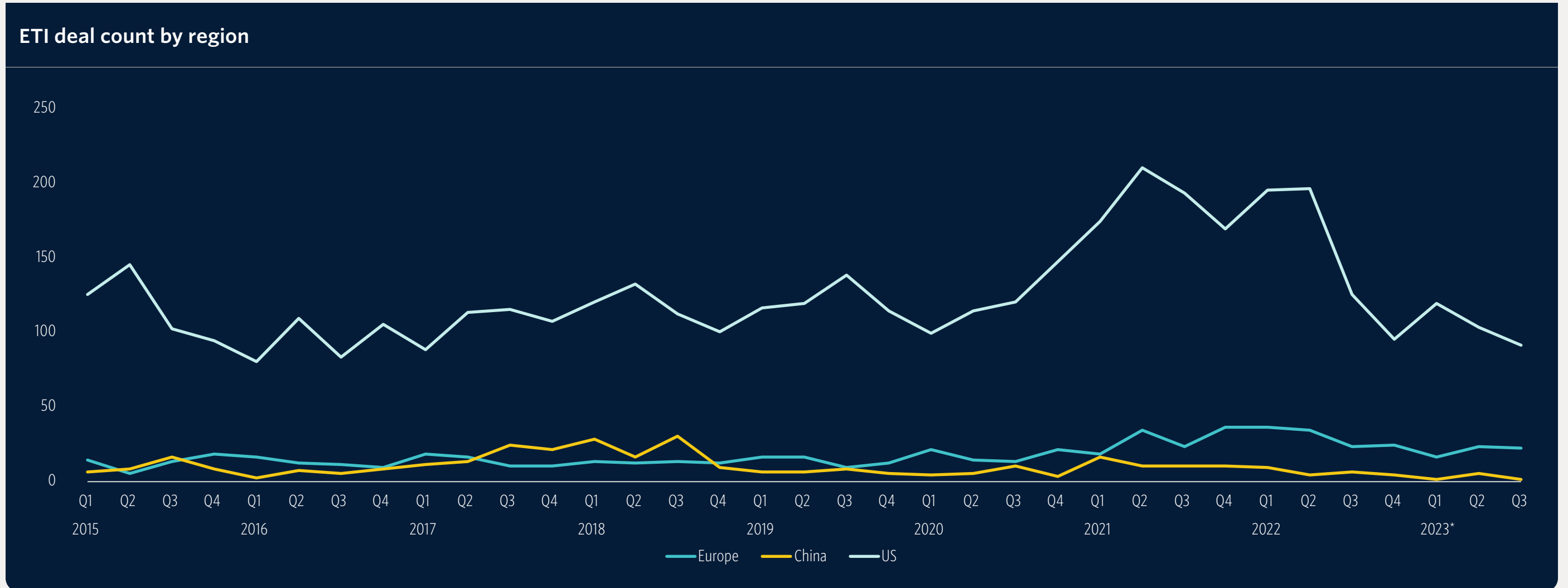
Median ETI early-stage VC pre-money valuation (\$M)



Source: PitchBook • Geography: Global • *As of October 25, 2023



VENTURE ACTIVITY SUMMARY



Source: PitchBook • Geography: Global • *As of October 25, 2023



Emerging tech indicator investor ranking

Purpose

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

Factors

Exit percentage

The exit percentage is the ratio of successful exits to the total number of exit opportunities.

- Investments must be at least five years old or have an exit to qualify as an exit opportunity.
- The five-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 one month ago as a “failed” exit opportunity when the company has had no reasonable time to reach an exit event.
- Investors must have at least 15 exit opportunities to be included.

Follow-on percentage

The follow-on percentage is the ratio of the count of companies that raise a subsequent round of funding after a round that the investor led, over the number of opportunities.

- Only investments that are at least two years old or have a follow-on are included as follow-on opportunities.
- The two-year threshold allows companies sufficient time to raise a subsequent round of funding.

- Companies that exit immediately after an investor-led round are not included in this metric (numerator or denominator). There must be at least one year between the rounds. This avoids massive CAGRs that result from very short periods between funding rounds.
- Investors must have at least 15 follow-on opportunities to be included.

Average CAGR of valuation change between rounds

The average CAGR of valuation change between rounds is the average annualized valuation step-up (post-money to pre-money) between the investor-led round and the following round.

- There must be at least one year between the rounds. This avoids massive CAGRs that result from very short periods between funding rounds.
- Investors must have at least 15 follow-on opportunities with the necessary valuation information.

Score weighting

Each of the above factors is weighted by multiplying the value (that is, percentage 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, wherein each investor’s score is ranked 0 to 1 relative to the weighted scores of the other qualifying investors.

The final composite score is then calculated by taking the geometric mean of the resultant ranking for each factor.

About PitchBook Industry and Technology 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 Industry and Technology 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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