



 EMERGING TECH RESEARCH

Emerging Tech Indicator

Deal activity rises as AI & ML, biotech, and fintech dominate

Q2
2024





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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

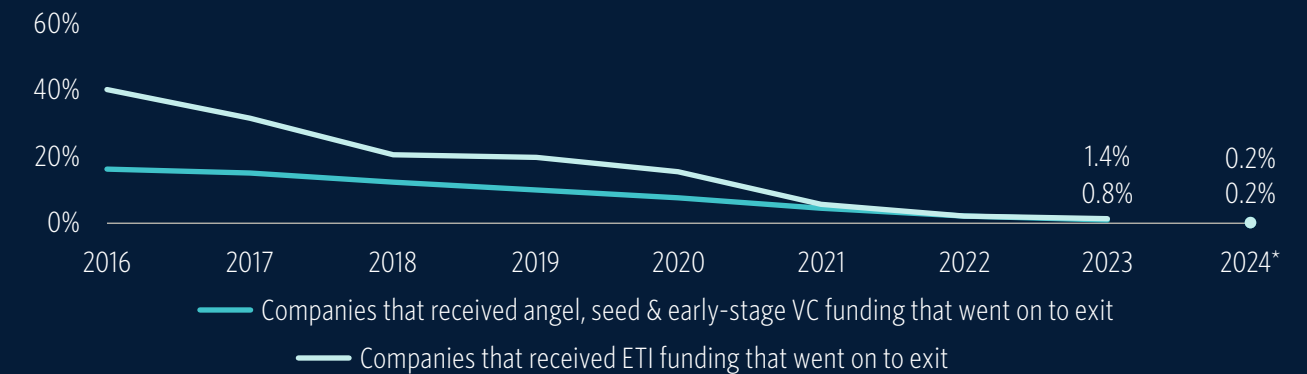
The Emerging Tech Indicator (ETI) provides a quarterly review of angel, seed, and early-stage investment activity involving a limited subset of the world's most successful VC firms that account for roughly 10% of total VC investment. The analysis provides a unique perspective into the types of technologies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

In the second quarter of 2024, we tracked 168 seed and early-stage VC deals that involved the top 15 VC firms (relative to 5,608 total 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.

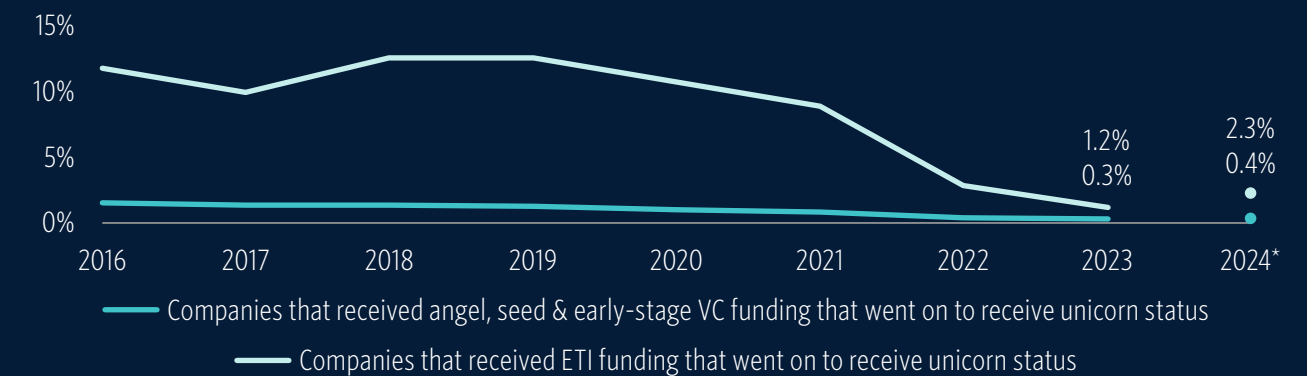
1: The Emerging Tech Indicator ranking methodology can be found [here](#).

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 August 2, 2024

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 August 2, 2024



Key takeaways

- **Deal activity rose in Q2 2024:** ETI deal activity experienced a notable increase, with total dollars invested reaching \$11.9 billion across 168 deals, significantly influenced by xAI's \$6.0 billion raise. In comparison, Q1 2024 saw \$3.5 billion invested across 267 deals. Even excluding the two largest rounds of \$6.0 billion and \$1.0 billion, Q2 2024 stands out as the strongest quarter for ETI activity since Q3 2022. Despite the continuation of an overall decline in ETI activity since its peak in Q2 2022, there has been a steady upward trend since late 2023.
- **AI & ML, biotech, and fintech continue to dominate, while crypto's resurgence might take a hit:** AI & ML led investment activity in Q2 2024, capturing \$8.4 billion across 40 deals. Biotech followed, raising \$1.6 billion across five deals, while fintech secured \$308.4 million across 19 deals. The infosec sector saw \$290.1 million invested across 12 deals, and health & wellness tech attracted \$230.8 million across 14 deals. Web3 & DeFi experienced a decline this quarter, with \$220.1 million invested across 10 deals, down from \$294.7 million across 19 deals in the previous quarter. Although this bucks the recent upward trend, investment levels remain relatively high, not necessarily indicating a reversal in ETI interest in the sector.
- **Large deals may be on the upswing:** This quarter saw 13 ETI deals of \$100 million or more, more than doubling the historical average of six. Additionally, 22 deals of \$50 million or more were completed, surpassing the 14 recorded in Q2 of last year and the historical average of 16. The top three deals included a \$6.0 billion Series B for Elon Musk's AI platform xAI, a \$1.0 billion Series A for the AI-driven drug discovery platform Xaira Therapeutics, and a \$650.6 million Series B for a France-based AI foundation model provider Mistral AI. ETI deal activity accounted for 32.0% of total angel & seed and early-stage VC funding in the quarter, significantly above the historical average of 11.7%, largely driven by the xAI deal.
- **Median deal sizes are rocky:** With the recent market correction, median ETI deal sizes have been volatile in recent quarters across angel & seed, and early-stage VC. In Q2 2024, the median deal size for the angel & seed stages increased to \$5.0 million, while the median deal size for early-stage deals also rose to approximately \$20.0 million, which is in line with the overall trend of steady growth over the past few years.

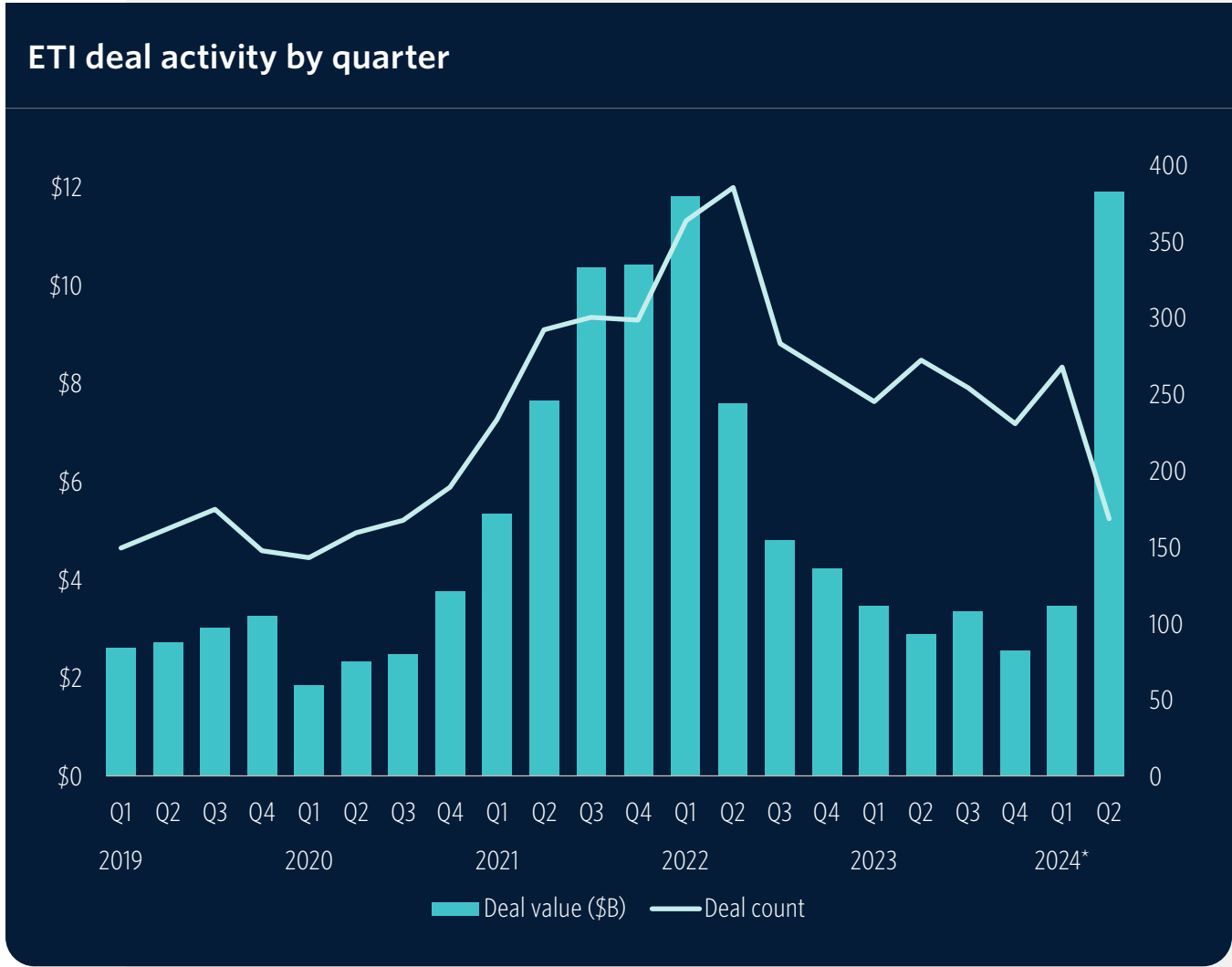


Deal activity

Q2 2024 saw a rise in ETI deal activity, with investment driven by xAI’s \$6.0 billion raise. \$11.9 billion was invested across 168 deals in Q2 compared with \$3.5 billion invested across 267 deals in Q1. Even excluding the two largest rounds, deals worth \$6.0 billion and \$1.0 billion, Q2 2024 was the best quarter for ETI activity since Q3 2022. While there is still a broadly declining trend in ETI activity since its peak in Q2 2022, the steady rise since the end of 2023 suggests the possibility of a resurgence in dealmaking from ETI investors.² In Q2, we recorded 13 ETI deals of \$100 million or more, over double the historical average of six. Also in Q2, 22 deals of \$50 million or more were completed, well above the 14 completed in Q2 2023 and the historical average of 16. The top three deals included a \$6.0 billion Series B for Elon Musk’s AI platform xAI, a \$1.0 billion Series A for AI-driven drug discovery platform Xaira Therapeutics, and a \$650.6 million Series B for France-based foundation model provider Mistral AI. ETI deal activity represented 32.0% of total angel & seed and early-stage VC funding in the quarter—above and beyond the historical average of 11.7% but clearly due to the xAI deal.

In Q2, we recorded 168 ETI deals across 27 different technology segments. AI & machine learning (AI & ML) represented the largest area of investment, accounting for \$8.4 billion across 40 deals. This was followed by biotech with five deals totaling \$1.6 billion raised, fintech with \$308.4 million across 19 deals, information security (infosec) with \$290.1 million across 12 deals, and health & wellness tech with \$230.8 million across 14 deals.

2: See our [Q2 2024 PitchBook-NVCA Venture Monitor](#) for an overview of activity across the entire VC market.

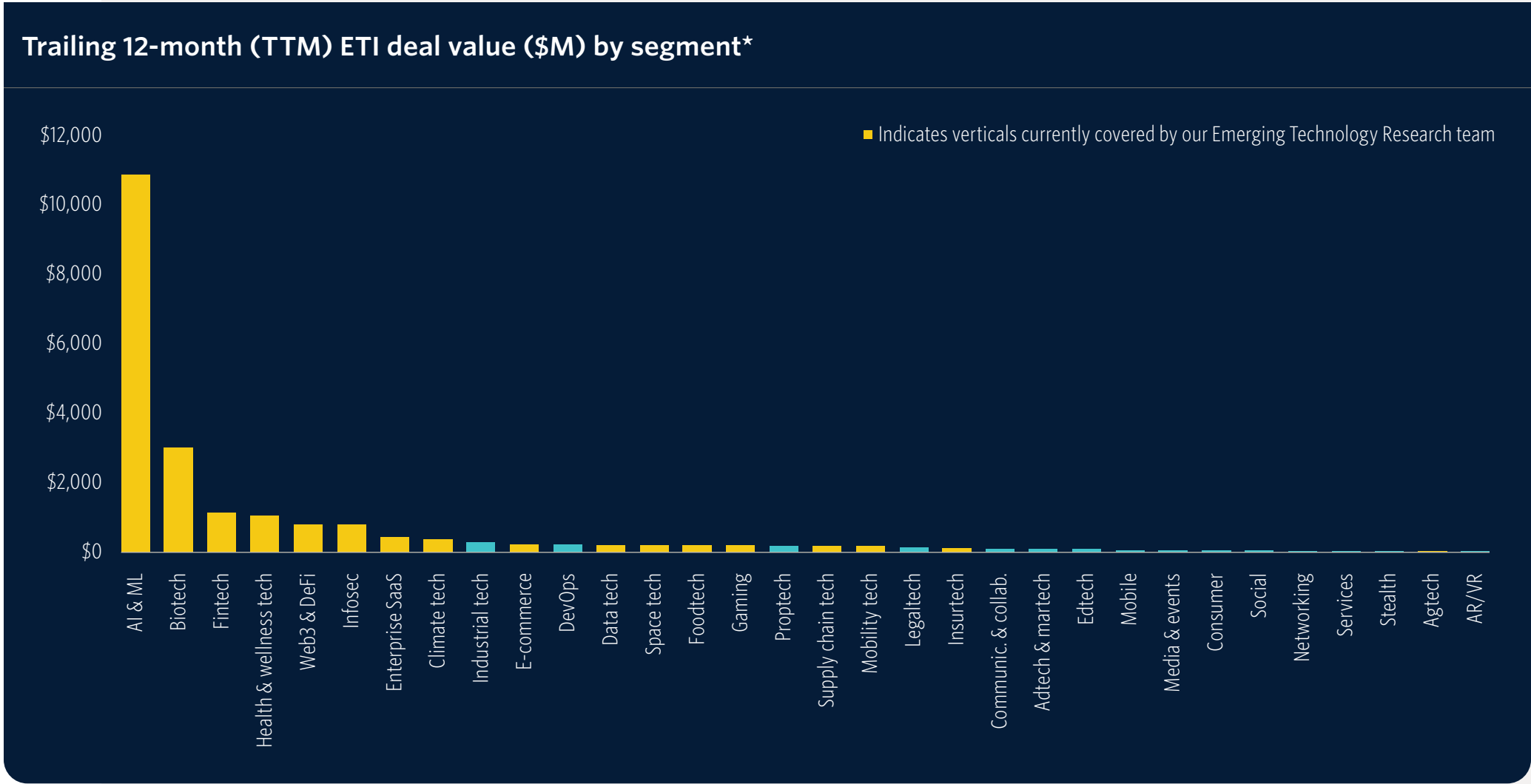


Source: PitchBook • Geography: Global • *As of August 2, 2024



Areas of investment

In Q2, AI & ML, biotech, and fintech were the leading categories of ETI investment. On a cumulative four-quarter basis, AI & ML, biotech, and fintech dominated ETI capital.

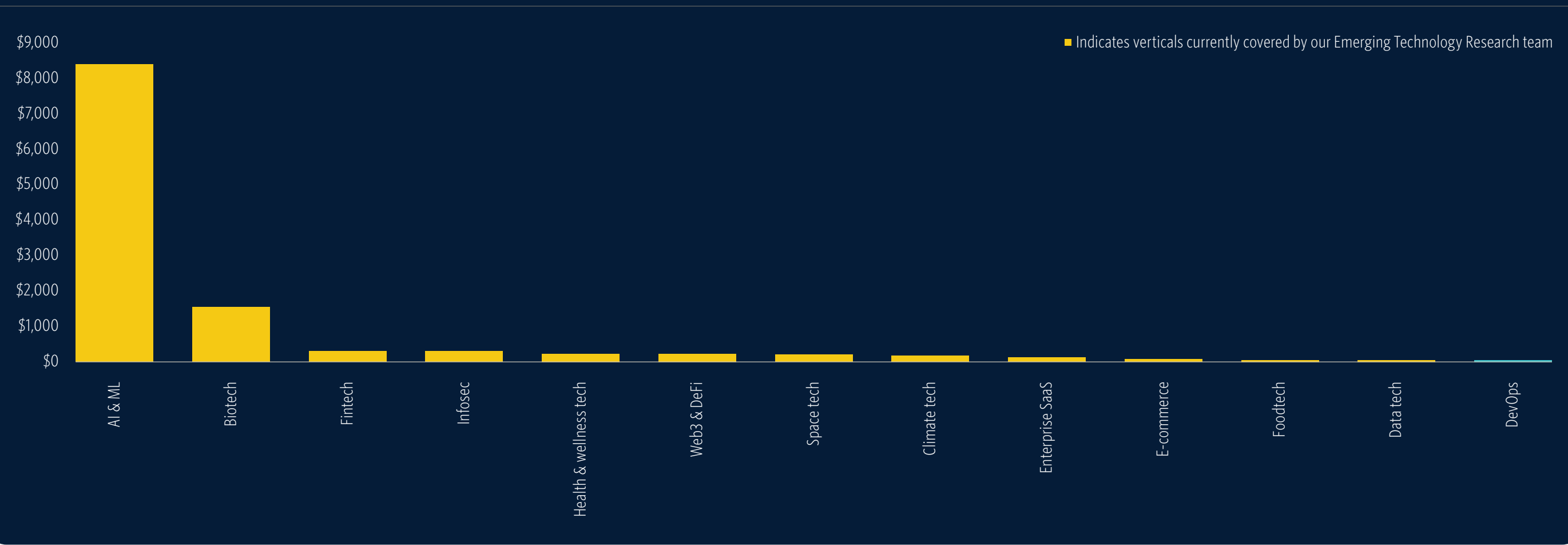


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AREAS OF INVESTMENT

Q2 2024 ETI deal value (\$M) by segment*

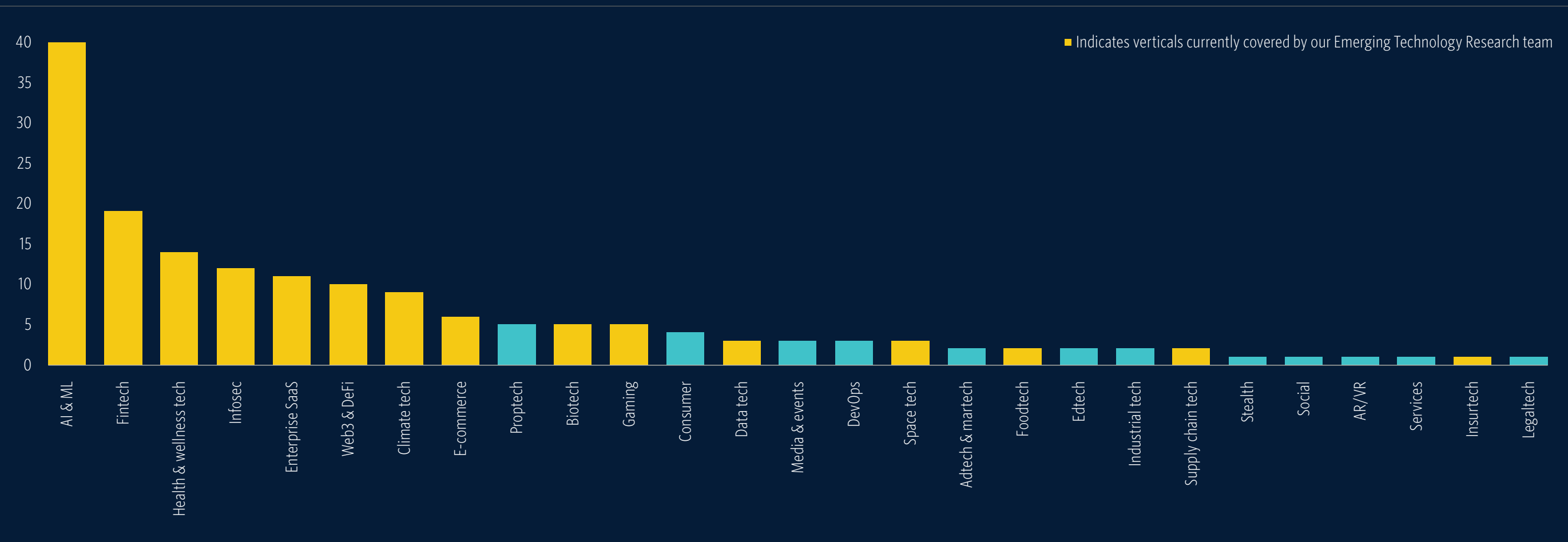


Source: PitchBook • Geography: Global • *As of August 2, 2024



AREAS OF INVESTMENT

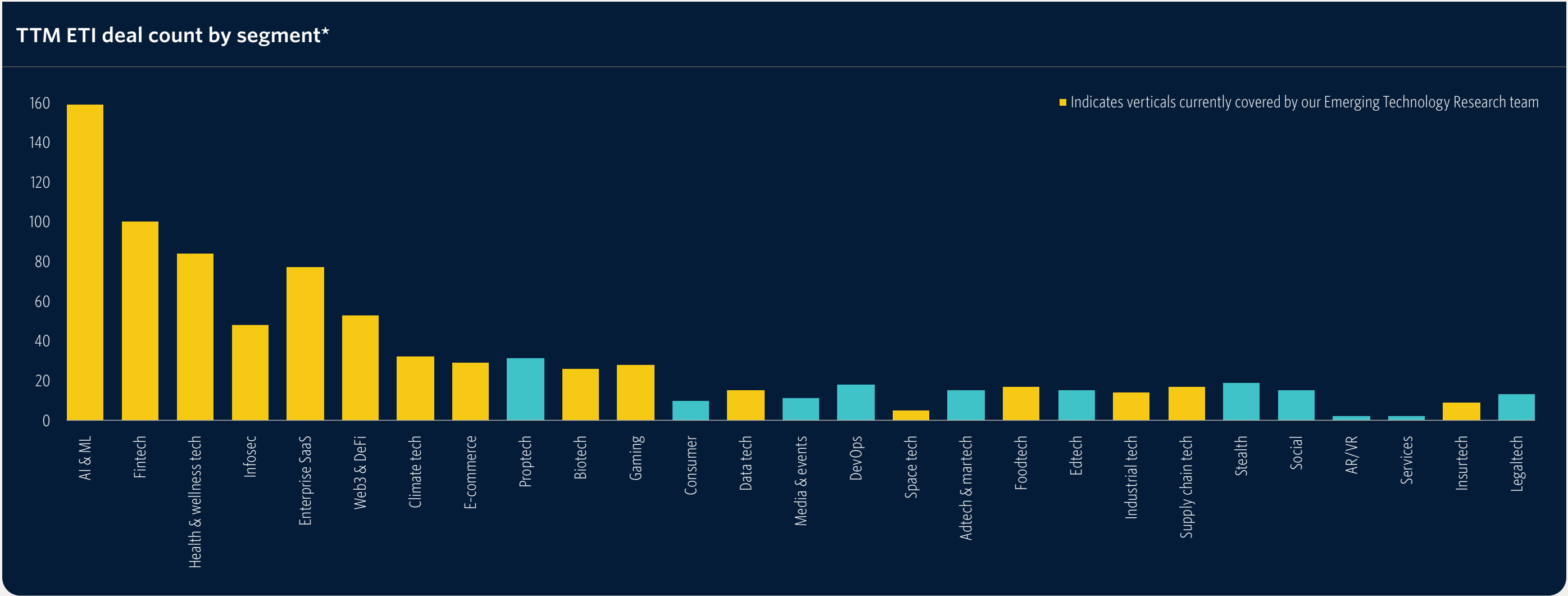
Q2 2024 ETI deal count by segment*



Source: PitchBook • Geography: Global • *As of August 2, 2024



AREAS OF INVESTMENT

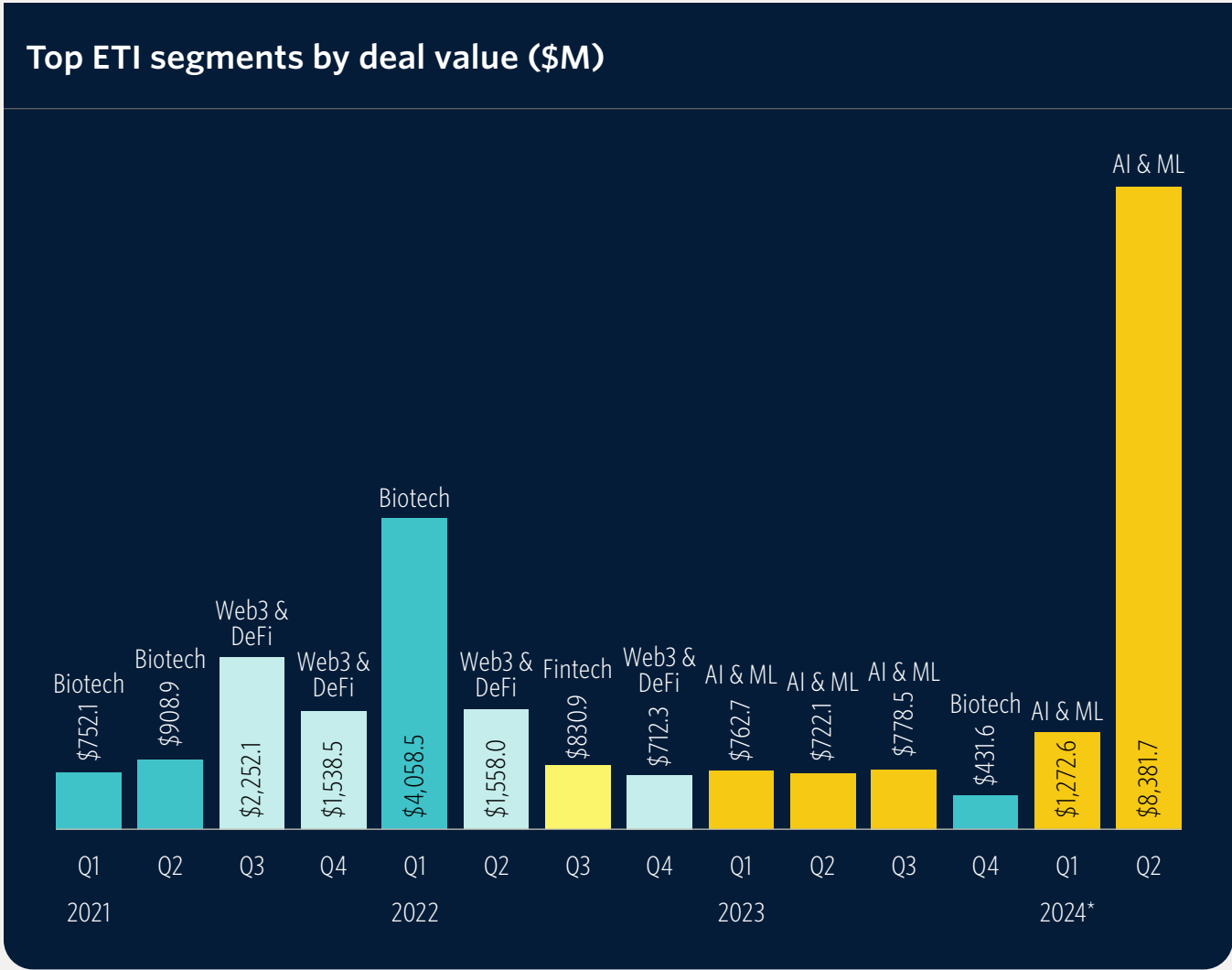


Source: PitchBook • Geography: Global • *As of August 2, 2024



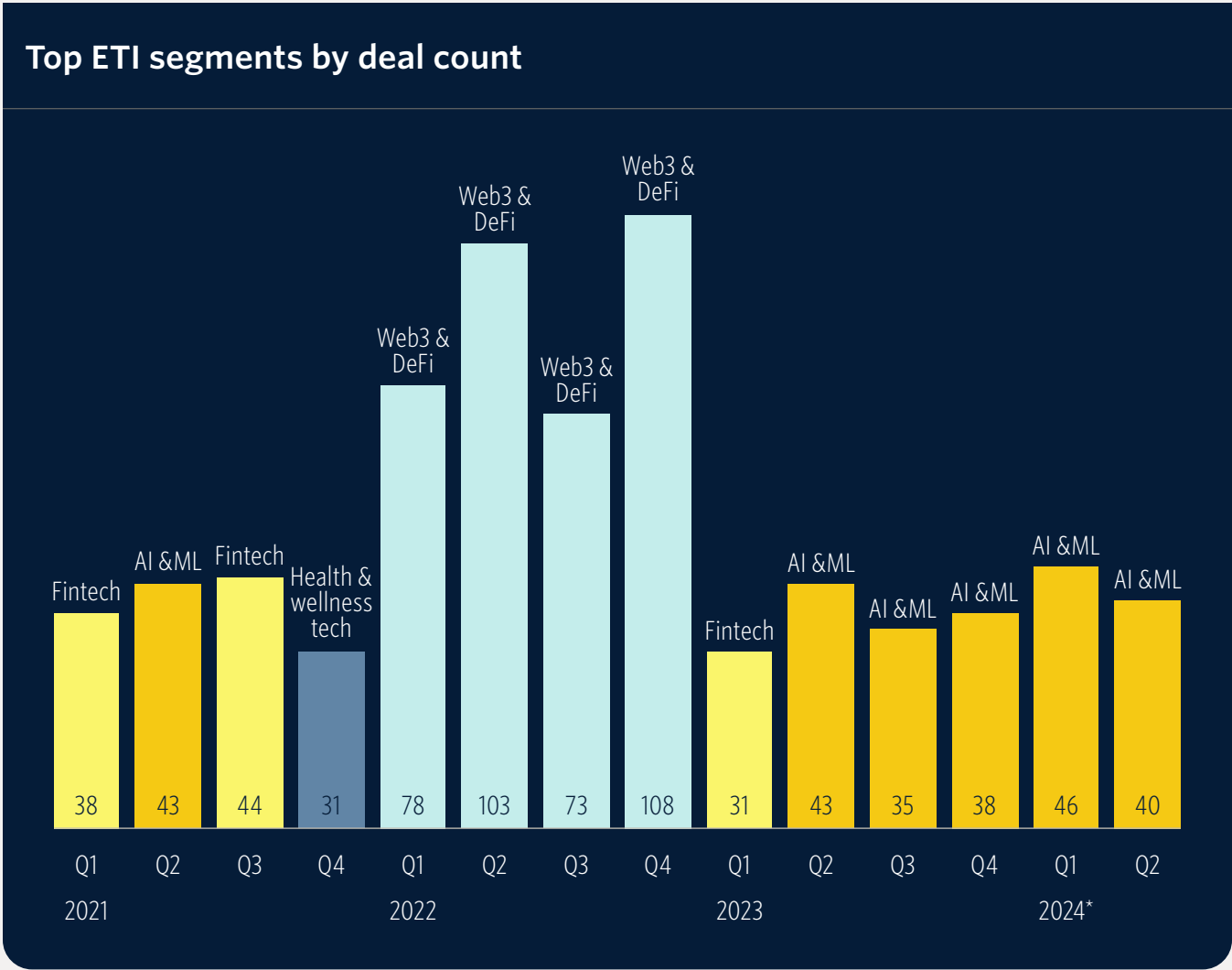
AREAS OF INVESTMENT

Top ETI segments by deal value (\$M)



Source: PitchBook • Geography: Global • *As of August 2, 2024

Top ETI segments by deal count

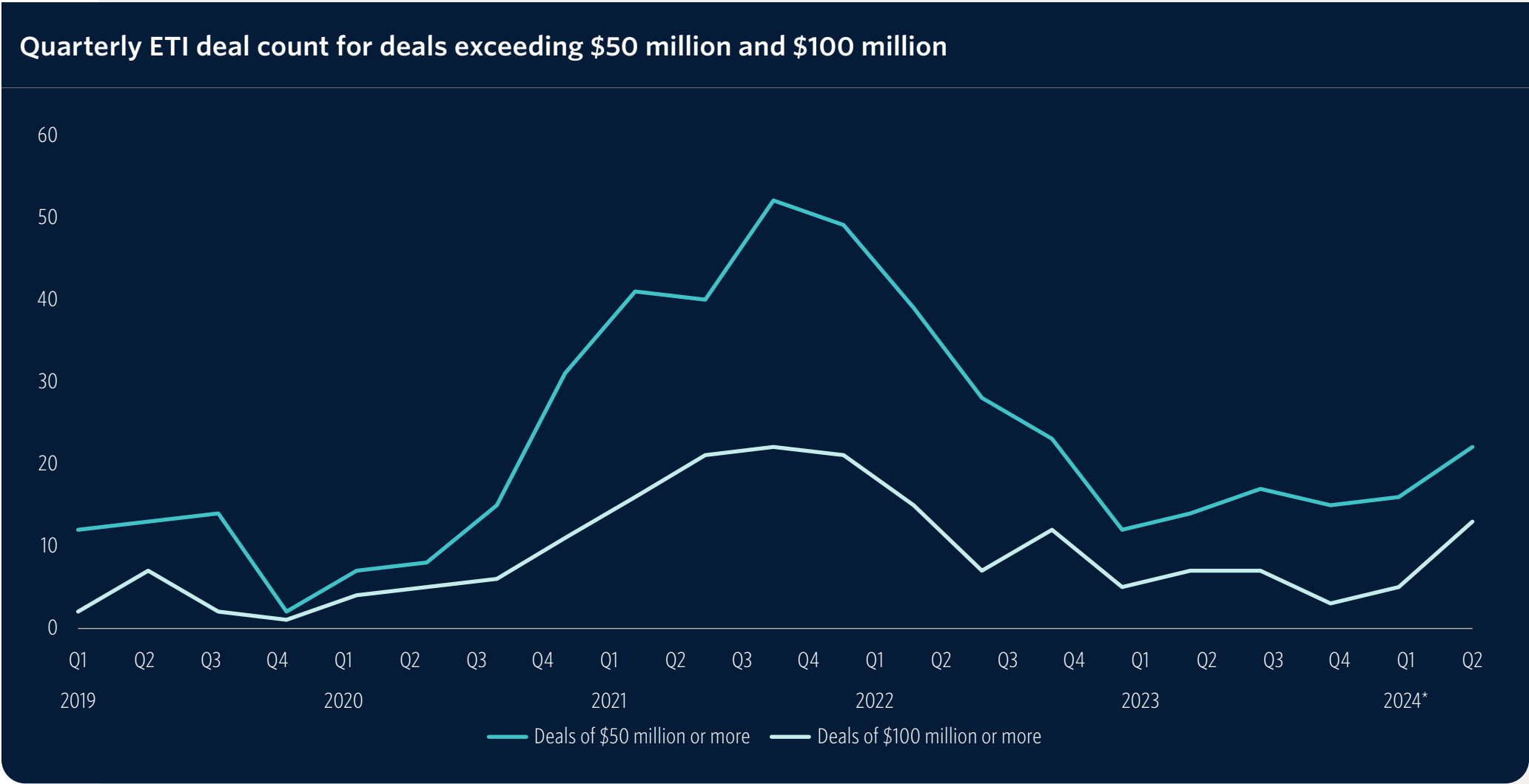


Source: PitchBook • Geography: Global • *As of August 2, 2024



AREAS OF INVESTMENT

High-value deals have been trending upward since Q4 2023. In Q2, 13 deals over \$100 million were recorded, an increase from the five recorded in the previous quarter and over double the historical average of six. Similarly, the number of deals over \$50 million increased to 22 in Q2 from 16 in the previous quarter, well above the historical average of 15.



Source: PitchBook • Geography: Global • *As of August 2, 2024



ETI deal segment spotlights



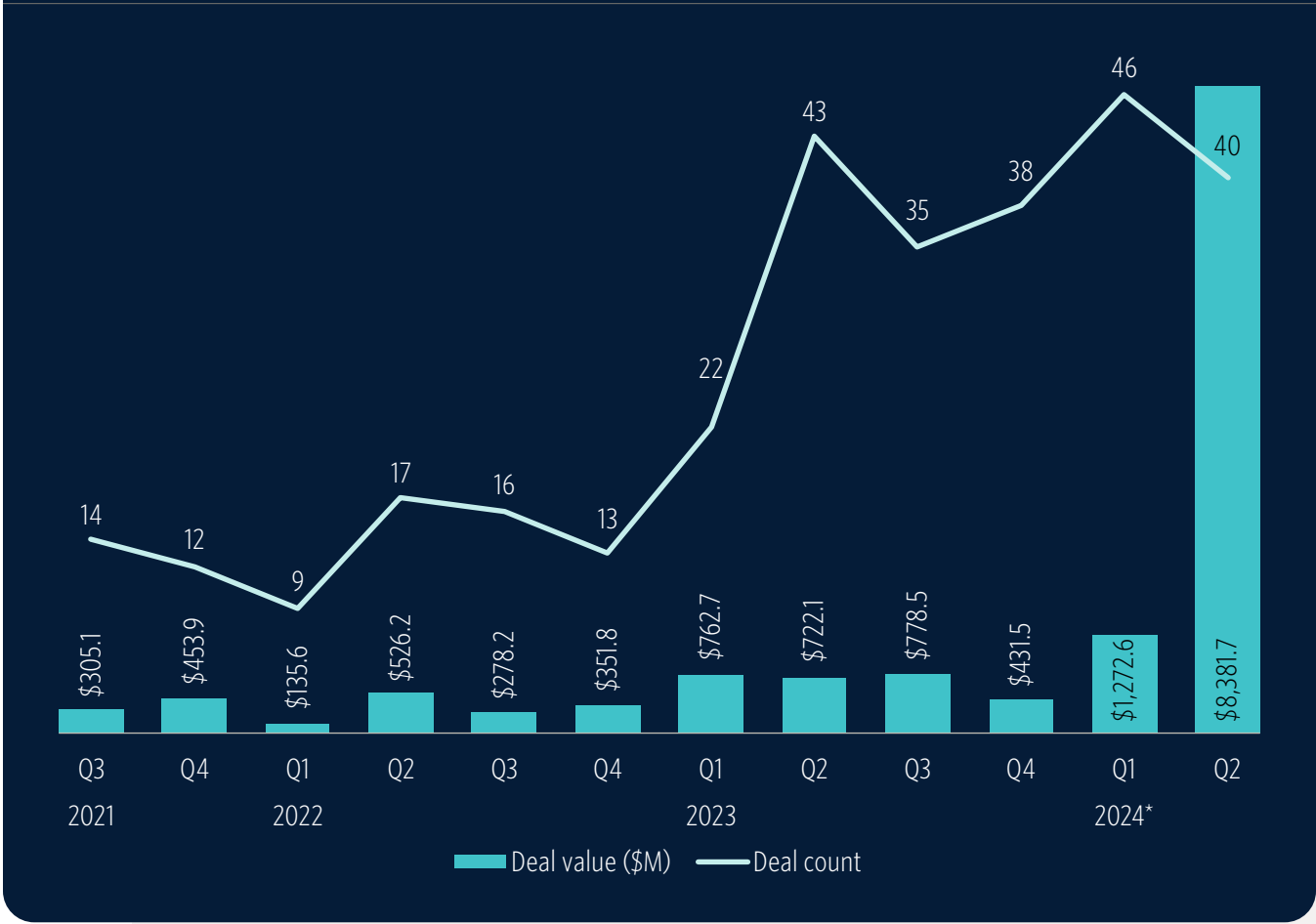
AI & ML

AI & ML dealmaking continues to accelerate with \$8.4 billion invested across 40 deals in Q2. While the \$6.0 billion Series B round from xAI drove the majority of this top-line value, deal activity still almost doubled from Q1 2024's \$1.3 billion when excluding this deal. Almost half of the deal count went to seed-stage companies, which accounted for 18 deals, followed by 14 Series A deals. AI & ML continues to be a critical component of companies outside of the segment. Of the 128 non-AI & ML companies covered in this report, 39 have integrated AI & ML as a key aspect of their product offerings.

Highlighting the top AI & ML deals, several significant investments occurred in Q2. Elon Musk's xAI, an artificial general intelligence research platform, raised \$6.0 billion in a Series B round. Mistral AI, a generative AI platform, secured \$650.6 million in Series B funding. Poolside, focused on reinventing software creation through AI, raised \$400.0 million in an early-stage VC round. Skild AI, specializing in AI-driven robotics with human-like adaptability, completed a \$300.0 million Series A. Augment, an AI coding assistant, raised \$227.0 million in Series B funding. H Company, which develops multimodal agentic models for business automation, secured \$220.0 million in a seed round. Suno, a generative audio and music platform, raised \$125.0 million in Series B funding. Lastly, H Company, which develops multimodal agentic models for business automation, secured a notable \$220.0 million seed round.

For a deeper dive into the AI & ML sector, please refer to the [work](#) of our dedicated AI & ML analyst, Brendan Burke.

AI & ML ETI deal activity

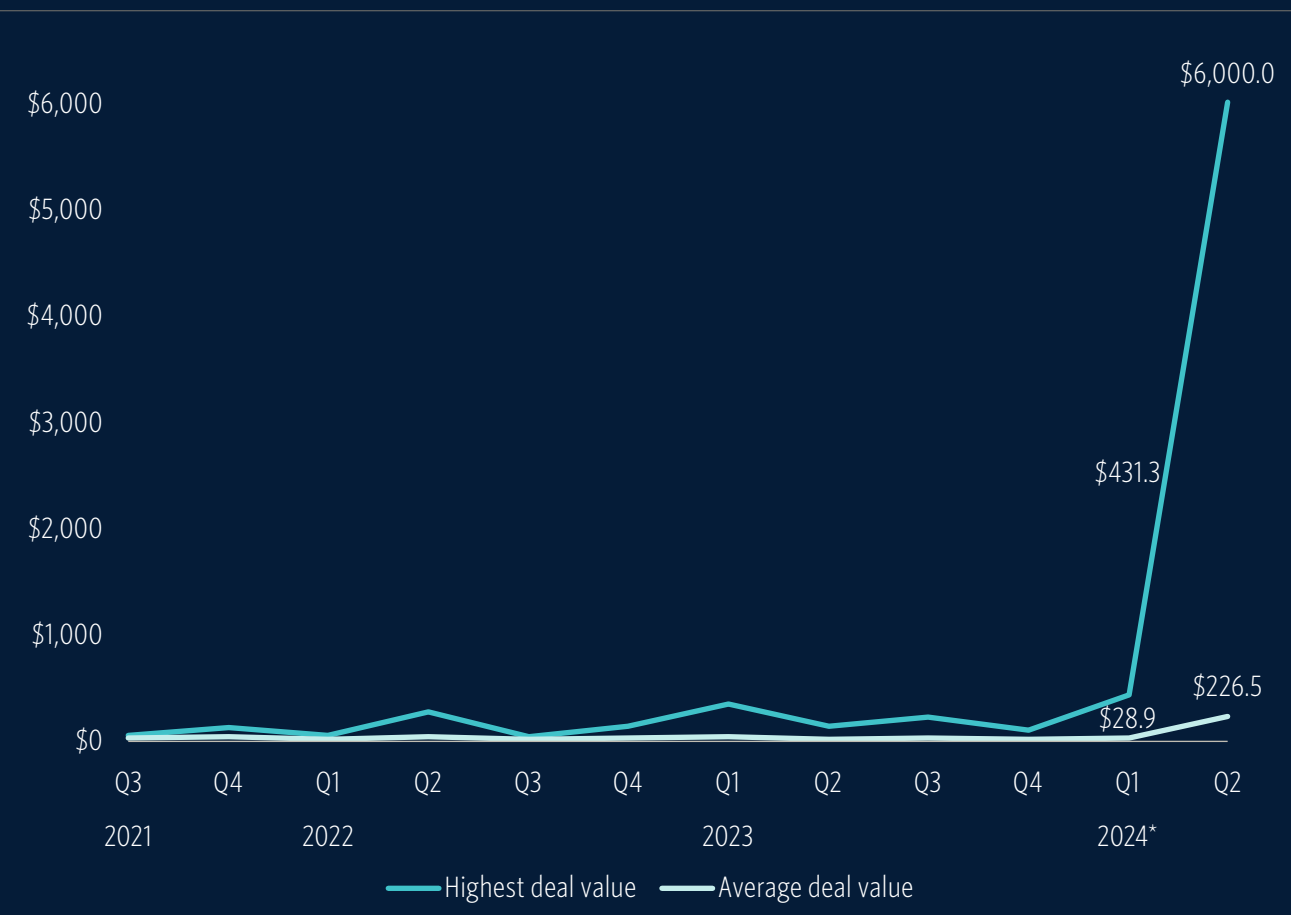


Source: PitchBook • Geography: Global • *As of August 2, 2024



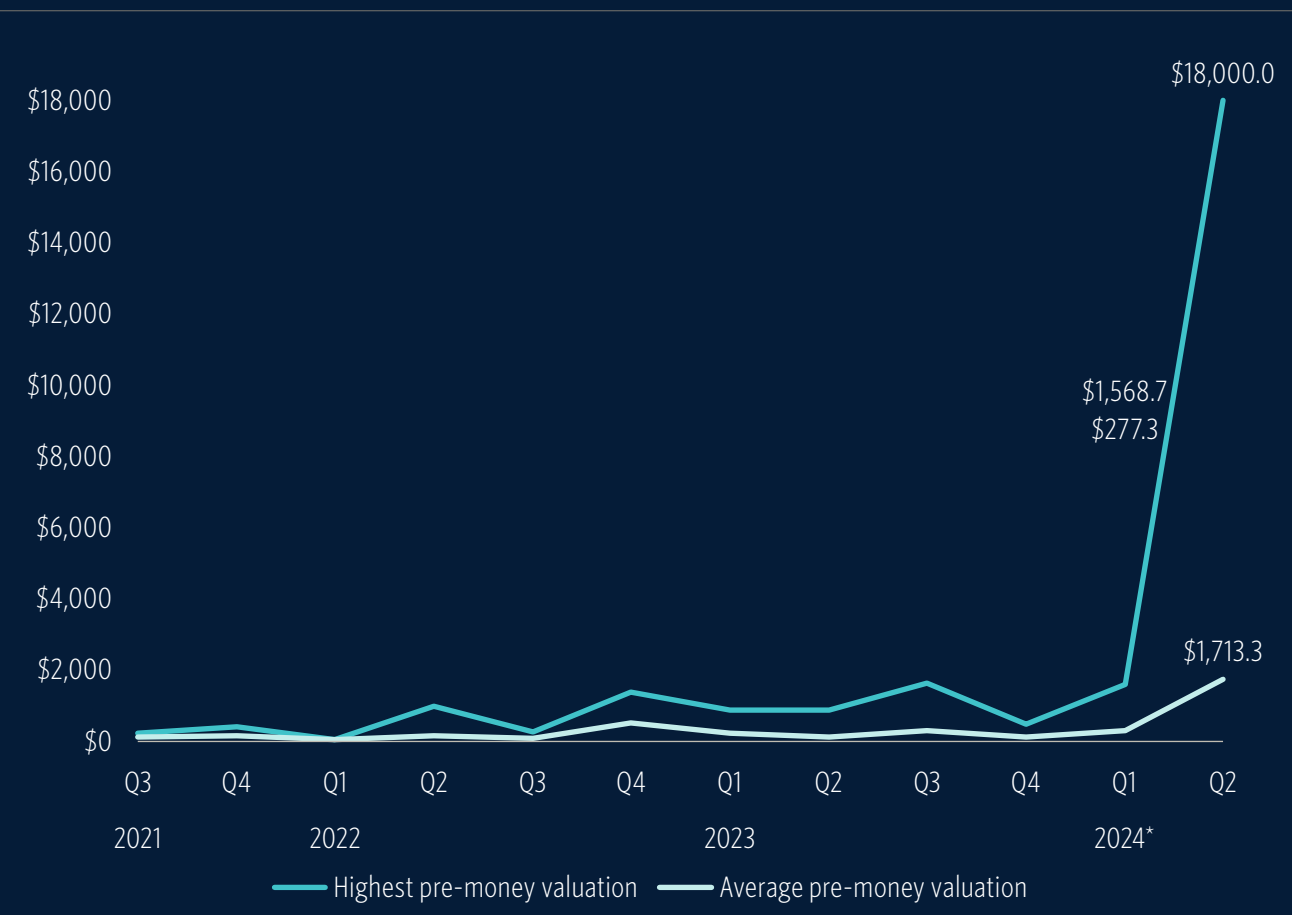
AI & ML

Largest and average AI & ML ETI deal values (\$M)



Source: PitchBook • Geography: Global • *As of August 2, 2024

Largest and average AI & ML ETI pre-money valuations (\$M) for closed deals



Source: PitchBook • Geography: Global • *As of August 2, 2024



AI & ML

AI & ML ETI deals in Q2 2024*

Company	Focus	Deal type	Deal value (\$M)	Post-money valuation (\$M)
xAI	Artificial general intelligence research platform	Series B	\$6,000.0	\$24,000.0
Mistral AI	Generative AI platform	Series B	\$650.6	\$6,506.1
Poolside	AI platform for reinventing software creation	Early-stage VC	\$400.0	\$2,000.0
Skild AI	AI-driven robotics platform automating tasks with human-like adaptability	Series A	\$300.0	N/A
Augment	AI coding assistant	Series B	\$227.0	\$977.0
H Company	Multimodal agentic models for business automation	Seed	\$220.0	\$370.0
Suno	Generative audio and music	Series B	\$125.0	\$500.0
Pika	Text-to-video platform	Series B	\$80.0	\$470.0
Twelve Labs	AI-based video search technology for video databases	Series A	\$50.0	N/A
Norm AI	Regulatory AI platform automating compliance tasks for companies	Series A	\$38.4	N/A

Source: PitchBook • Geography: Global • *As of August 2, 2024



AI & ML

AI & ML ETI deals in Q2 2024 (continued)*

Company	Focus	Deal type	Deal value (\$M)	Post-money valuation (\$M)
Symbolica AI	Business model platform using logic-based machine learning	Series A	\$33.0	N/A
Nomos	Generative AI platform for prototyping and deploying LLM applications	Series A	\$27.0	N/A
Datavolo	Data flow infrastructure enabling multimodal AI pipelines	Series A	\$21.0	N/A
Patronus AI	Automated LLM evaluation	Series A	\$20.1	N/A
Exa	AI-driven search engine	Series A	\$17.0	N/A
Patronus AI	Automated LLM evaluation	Series A	\$17.0	\$90.0
Dust	AI assistant for knowledge workers	Series A	\$16.0	N/A
Factory	Autonomous software engineering platform	Series A	\$15.0	\$120.0
Prodia	Image generator	Seed	\$15.0	N/A
Sybill	AI video call assistant	Series A	\$14.4	\$50.0

Source: PitchBook • Geography: Global • *As of August 2, 2024



AI & ML

AI & ML ETI deals in Q2 2024 (continued)*

Company	Focus	Deal type	Deal value (\$M)	Post-money valuation (\$M)
Archetype Ai	Multimodal foundation model for the physical world	Seed	\$13.0	N/A
Altera	AI agents	Seed	\$9.1	N/A
Dosu	Automated software development	Series A	\$8.5	N/A
Substrate	AI infrastructure for fast, efficient multistep programs	Seed	\$7.8	\$26.0
Zeromark	Defense products utilizing AI & ML and robotics	Seed	\$7.0	\$22.0
Browserbase	Browser automation platform for managing and monitoring scripts	Seed	\$6.4	\$24.5
Cartwheel	Text-to-animation platform	Seed	\$5.6	N/A
Yellow	3D mode generator	Seed	\$5.0	N/A
Hoop	Integrated platform for task management	Seed	\$5.0	N/A
OctoMind	AI tool for automated web app bug detection	Seed	\$4.8	N/A

Source: PitchBook • Geography: Global • *As of August 2, 2024



AI & ML

AI & ML ETI deals in Q2 2024 (continued)*

Company	Focus	Deal type	Deal value (\$M)	Post-money valuation (\$M)
Cashmere AI	AI-powered automation platform targeting client acquisition	Seed	\$4.6	\$14.6
Day.ai	AI conversation intelligence platform optimizing customer relationships	Seed	\$4.0	\$22.0
Brainfish	Knowledge base platform using AI for customer support	Seed	\$3.3	\$8.5
Sloyd	3D asset generator	Early-stage VC	\$3.3	N/A
Langdock	Interactive chat assistant enhancing productivity and compliance	Seed	\$3.0	N/A
Thoughtly	Automated phone answering system	Seed	\$3.0	N/A
Perhaps	Digital workspace enhancing human-AI collaboration for developers	Seed	\$1.8	N/A
Ex-Human	Conversational AI platform	Seed	N/A	N/A
Braintrust	AI software platform for building and evaluating AI products	Series A	N/A	N/A
MAIHEM	AI quality assurance platform ensuring comprehensive testing	Series 1	N/A	N/A

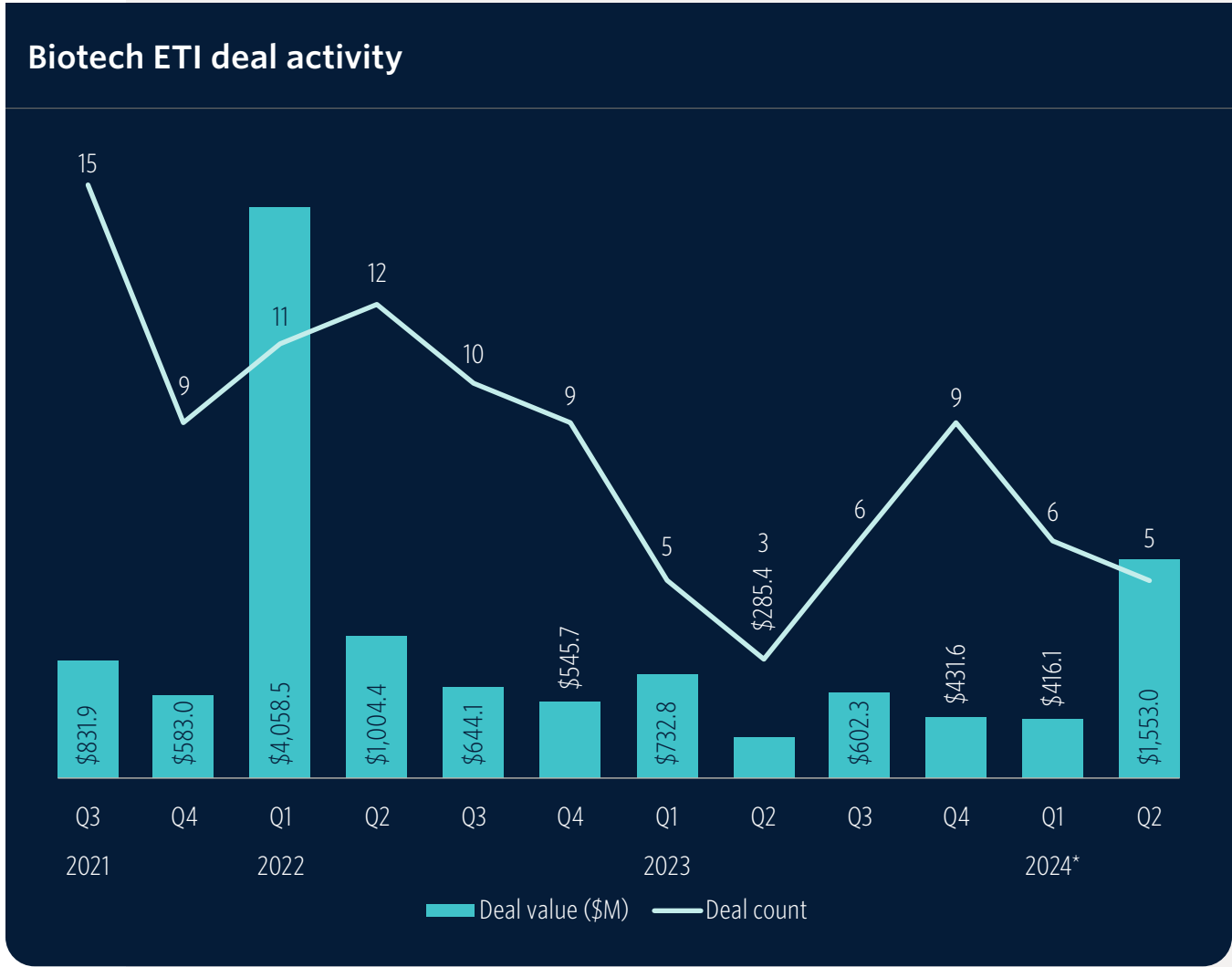
Source: PitchBook • Geography: Global • *As of August 2, 2024



Biotech

Biotech consistently ranks as a top category in our ETI. Q2 2023 was no exception, with \$1.5 billion invested across five deals in the biotech sector. This is a notable increase from the prior quarter, where \$416.1 million was invested across six deals. Even excluding the \$1.0 billion deal raised by Xaira Therapeutics, there is an upward trend in the amount of money invested since the end of 2023, complementing the simultaneous move toward increased average deal sizes in the sector.

In Q2, biotech deals included Xaira Therapeutics, which integrates AI into drug discovery and development, for a total of \$1.0 billion in a Series A. Upstream Bio secured \$200.0 million in Series B funding to advance its work on treatments for allergic and inflammatory diseases. Diagonal Therapeutics, focused on developing agonist antibody therapies, raised \$128.0 million in a Series A. Santa Ana Bio, specializing in precision immunology for autoimmune diseases, completed a \$125.0 million Series B. Finally, Enlaza Therapeutics, a research company developing protein therapeutics, raised \$100.0 million in Series A funding.

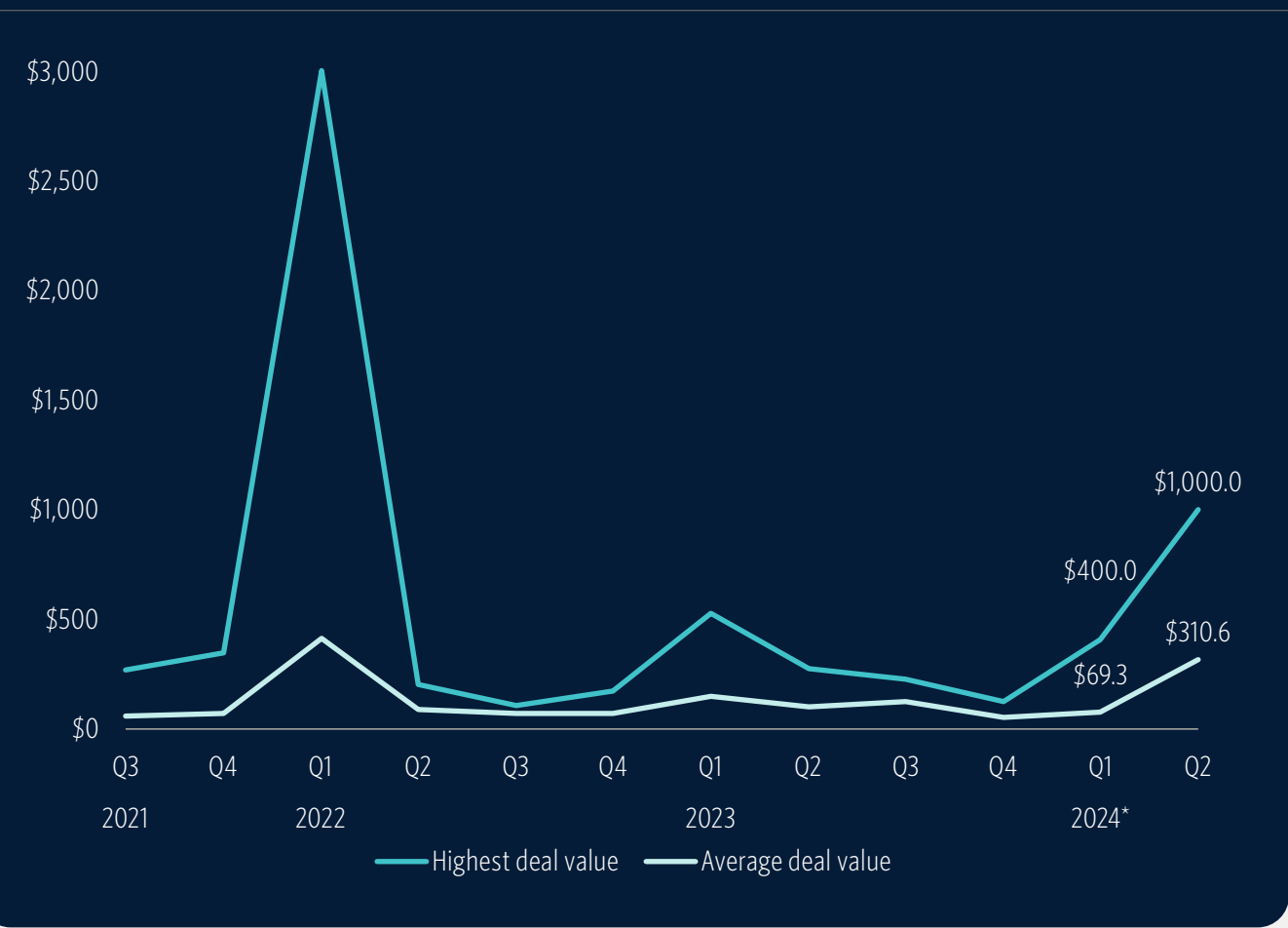


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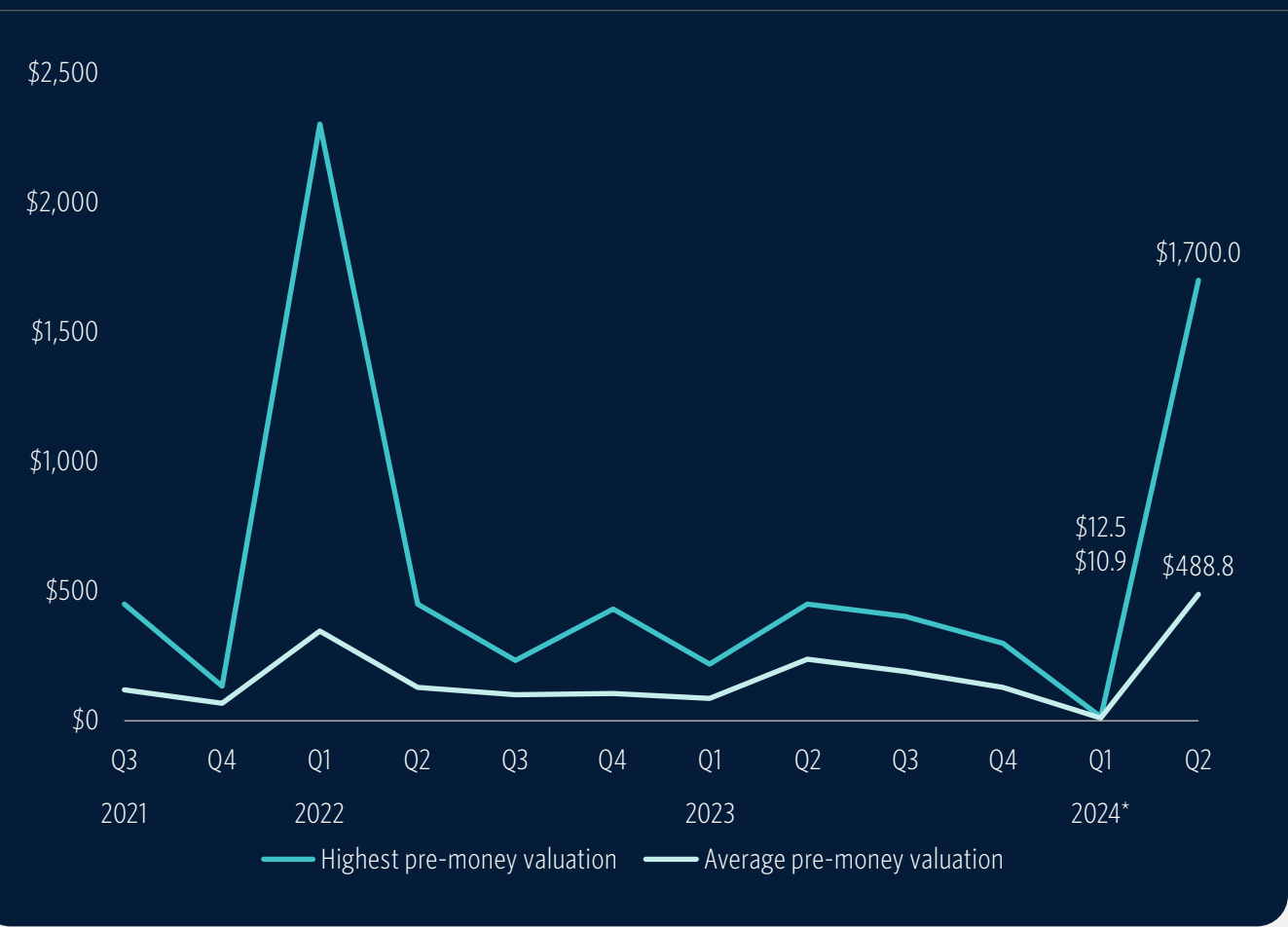
BIOTECH

Largest and average biotech ETI deal values (\$M)



Source: PitchBook • Geography: Global • *As of August 2, 2024

Largest and average biotech ETI pre-money valuations (\$M) for closed deals



Source: PitchBook • Geography: Global • *As of August 2, 2024



BIOTECH

Biotech ETI deals in Q2 2024*

Company	Focus	Deal type	Deal value (\$M)	Post-money valuation (\$M)
Xaira Therapeutics	Biotech company integrating AI in drug discovery and development	Series A	\$1,000.0	\$2,700.0
Upstream Bio	Biotech for allergic and inflammatory diseases	Series B	\$200.0	\$680.0
Diagonal Therapeutics	Developer of agonist antibody therapies	Series A	\$128.0	\$170.0
Santa Ana Bio	Precision immunology for autoimmune diseases	Series B	\$125.0	\$270.0
Enlaza Therapeutics	Research company offering protein therapeutics	Series A	\$100.0	\$177.0

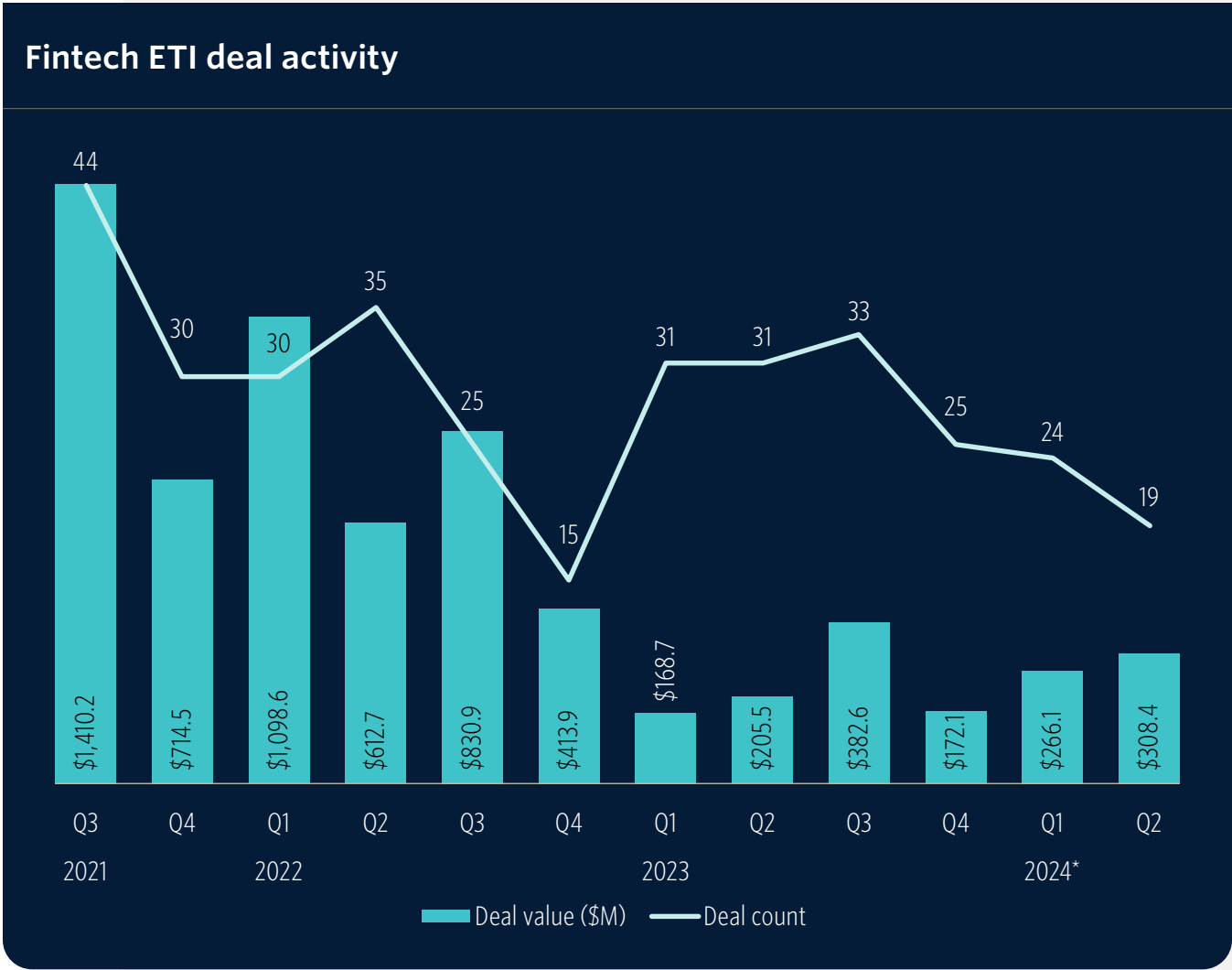
Source: PitchBook • Geography: Global • *As of August 2, 2024



Fintech

Q2 fintech deal activity continued to trend upward since the end of 2023, reaching \$308.4 million invested across 19 deals compared with \$266.1 million the quarter prior. Since peaking in 2021, fintech activity has fluctuated both in terms of overall deal activity as well as average deal size. Almost half of the fintech deal count this quarter went to seed rounds.

The top Q2 fintech deals encompassed several enterprise-oriented products. Clara, a financial software company focused on corporate expense management, raised \$60.0 million in an early-stage VC round. SmarterDx secured \$50.0 million in Series B funding for its automated prebill review platform aimed at ensuring hospital revenue integrity. Anrok, which offers tax filing and calculation software for software-as-a-service businesses, raised \$47.6 million in a Series B. Adonis, specializing in automated healthcare payments, completed a \$31.0 million Series B. Footprint, a company developing know-your-customer compliance software, raised \$20.0 million in a Series A. Meanwhile, Rainforest, which focuses on embedded payment processing, secured \$20.0 million in Series A funding.

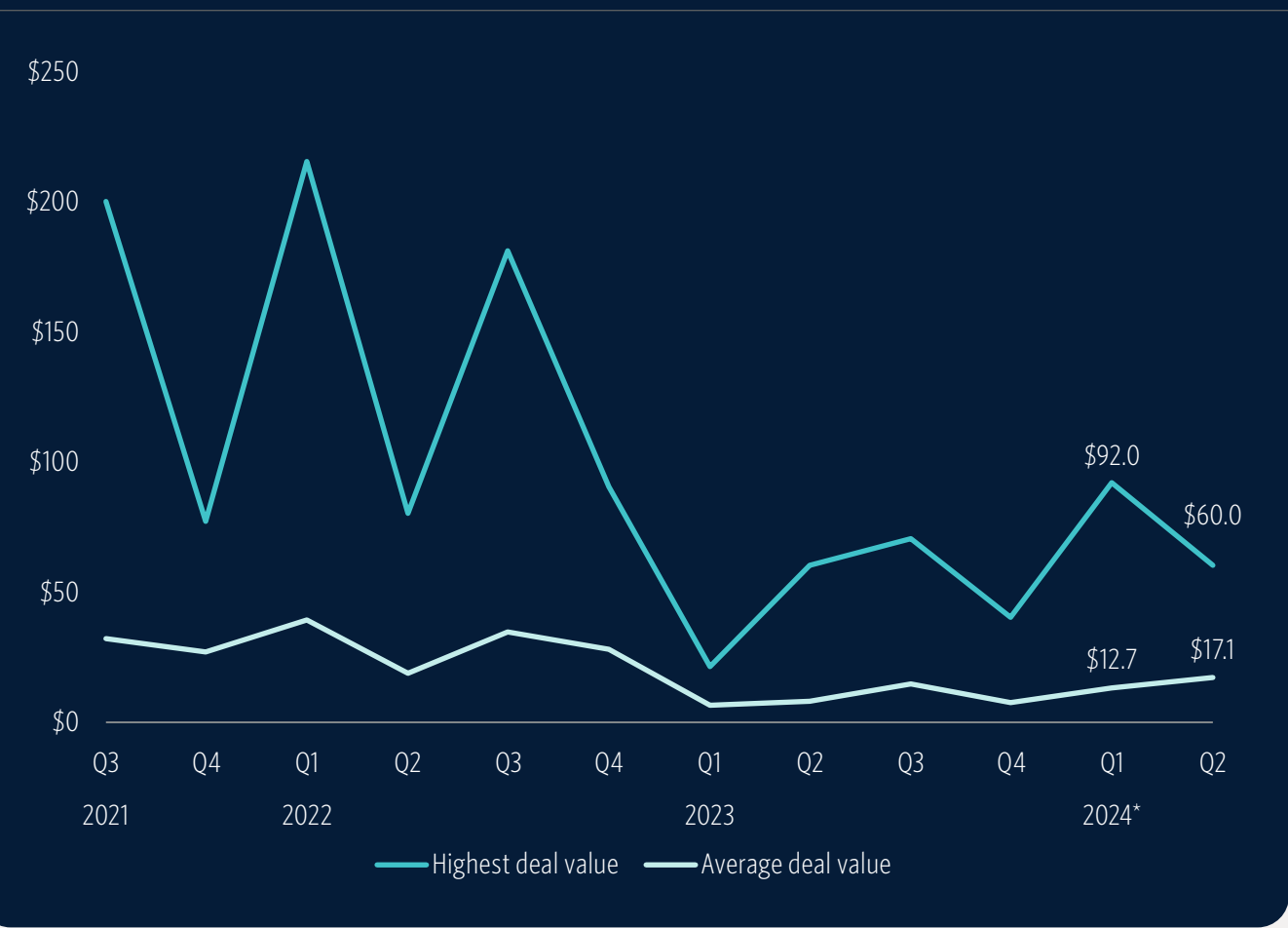


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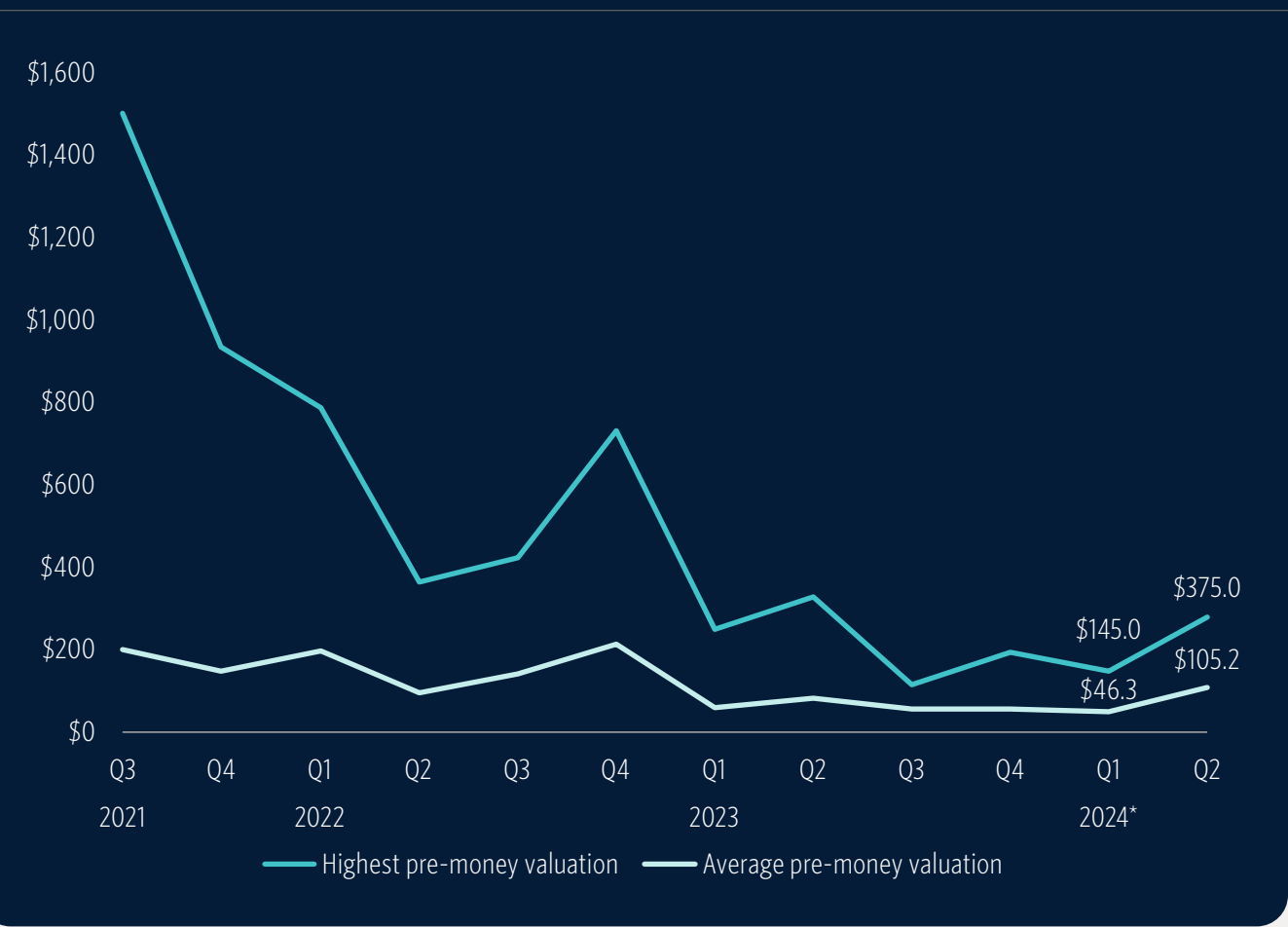
FINTECH

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



Source: PitchBook • Geography: Global • *As of August 2, 2024

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



Source: PitchBook • Geography: Global • *As of August 2, 2024



FINTECH

Fintech ETI deals in Q2 2024*

Company	Focus	Deal type	Deal value (\$M)	Post-money valuation (\$M)
Clara	Corporate expense management system	Early-stage VC	\$60.0	N/A
SmarterDx	Automated prebill review platform ensuring hospital revenue integrity	Series B	\$50.0	\$325.0
Anrok	Tax filing and calculation software for software-as-a-service businesses	Series B	\$47.6	\$242.6
Adonis	Automated healthcare payments platform	Series B	\$31.0	\$155.0
Footprint	Know-your-customer compliance software	Series A	\$20.0	\$60.0
Rainforest	Embedded payment processing	Series A	\$20.0	\$100.0
Felix	Cross-border payment platform	Series A	\$15.8	\$130.0
Ansa	Closed-loop payment platform enhancing customer loyalty and retention	Series A	\$14.0	N/A
NG.Cash	Digital wallet offering financial education	Series A	\$12.6	N/A
Tabs	Commercial operations platform automating finance and revenue management	Seed	\$7.0	N/A

Source: PitchBook • Geography: Global • *As of August 2, 2024



FINTECH

Fintech ETI deals in Q2 2024 (continued)*

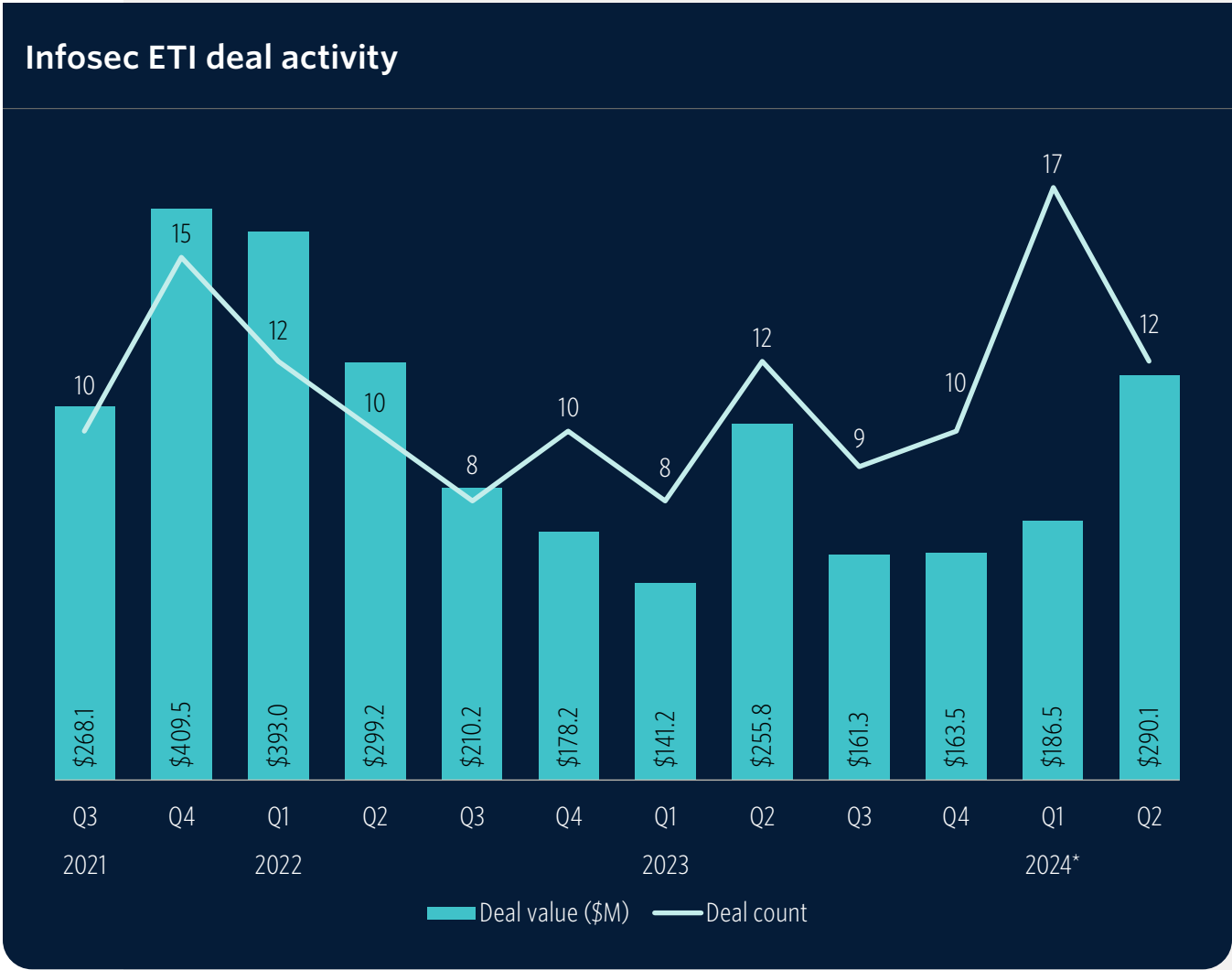
Company	Focus	Deal type	Deal value (\$M)	Post-money valuation (\$M)
AfterHour	Social finance app boosting wealth and financial literacy	Seed	\$4.5	N/A
Greenboard	Compliance software bridging regulation and financial innovation	Seed	\$4.5	N/A
InScope	Financial statement automation platform	Seed	\$4.3	\$13.9
Swypex	Spend management software streamlining payments and finances	Seed	\$4.0	N/A
PulpOS	Cloud platform offering retail tech and financial services	Seed	\$4.0	N/A
Dealflow	Invoicing and payment platform	Seed	\$1.2	N/A
Firenze	Loan platform offering investment-backed lending solutions	Seed	\$0.9	\$4.7
Haven	Accounting services for entrepreneurs	Seed	N/A	N/A

Source: PitchBook • Geography: Global • *As of August 2, 2024



Infosec

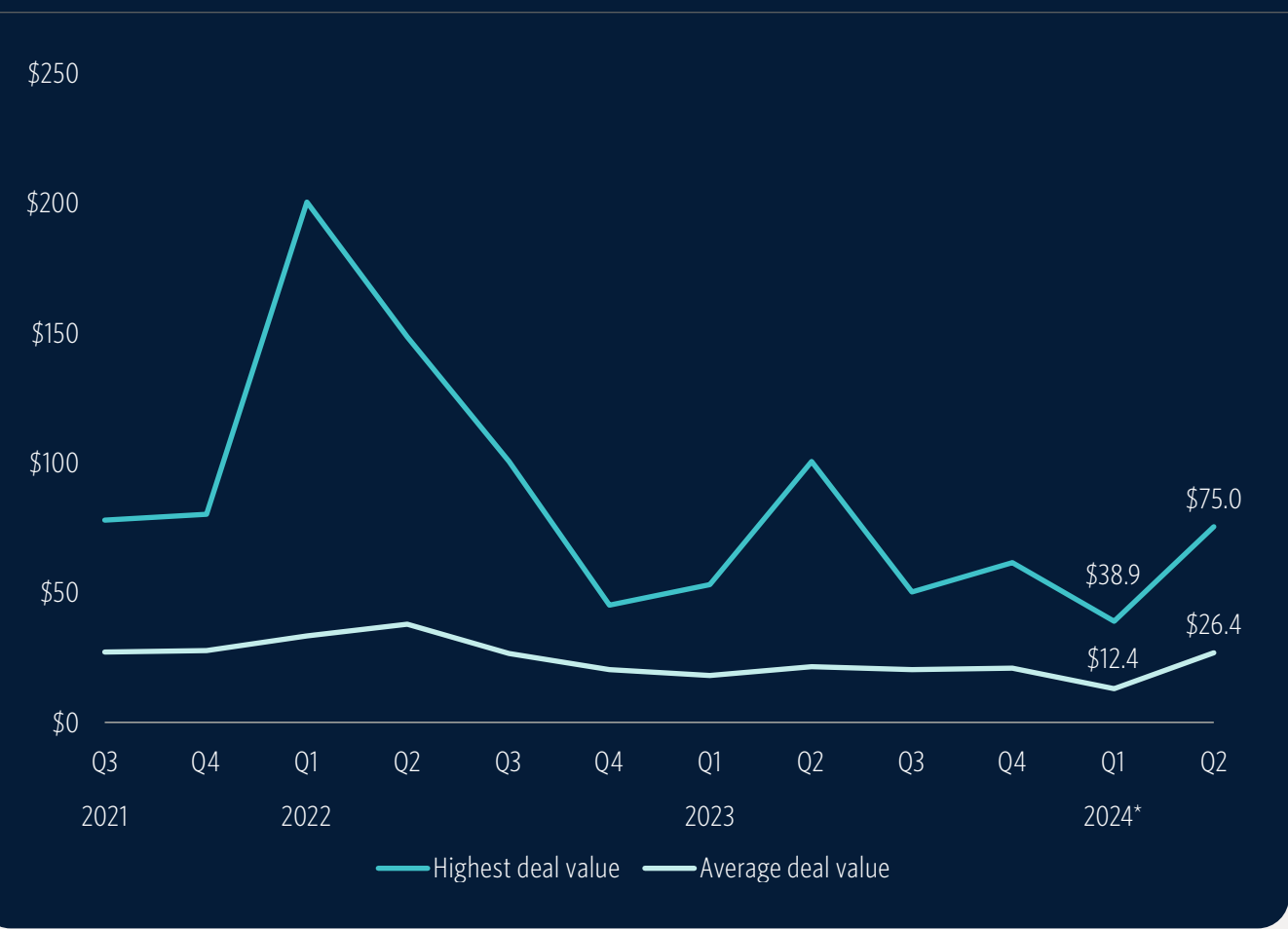
Infosec reached its highest level of invested capital since Q2 2022, with a steady upward trend over recent quarters culminating in \$290.1 million raised across 12 deals. Notable deals included OASIS Security, which raised \$75.0 million in a Series A for its nonhuman identity management platform. Startup k-ID secured \$45.0 million in Series A1 funding for its digital security platform designed to simplify compliance for developers. Cape raised \$40.0 million in a Series B to advance its privacy-enabling technology for personal devices. Seven AI completed a \$36.0 million early-stage VC deal focused on autonomous threat detection, while Lumos secured \$35.0 million in Series B funding for its identity access management solutions.



Source: PitchBook • Geography: Global • *As of August 2, 2024



Largest and average infosec ETI deal values (\$M)



Source: PitchBook • Geography: Global • *As of August 2, 2024

Largest and average infosec pre-money valuations (\$M) for closed deals



Source: PitchBook • Geography: Global • *As of August 2, 2024



Infosec ETI deals in Q2 2024*

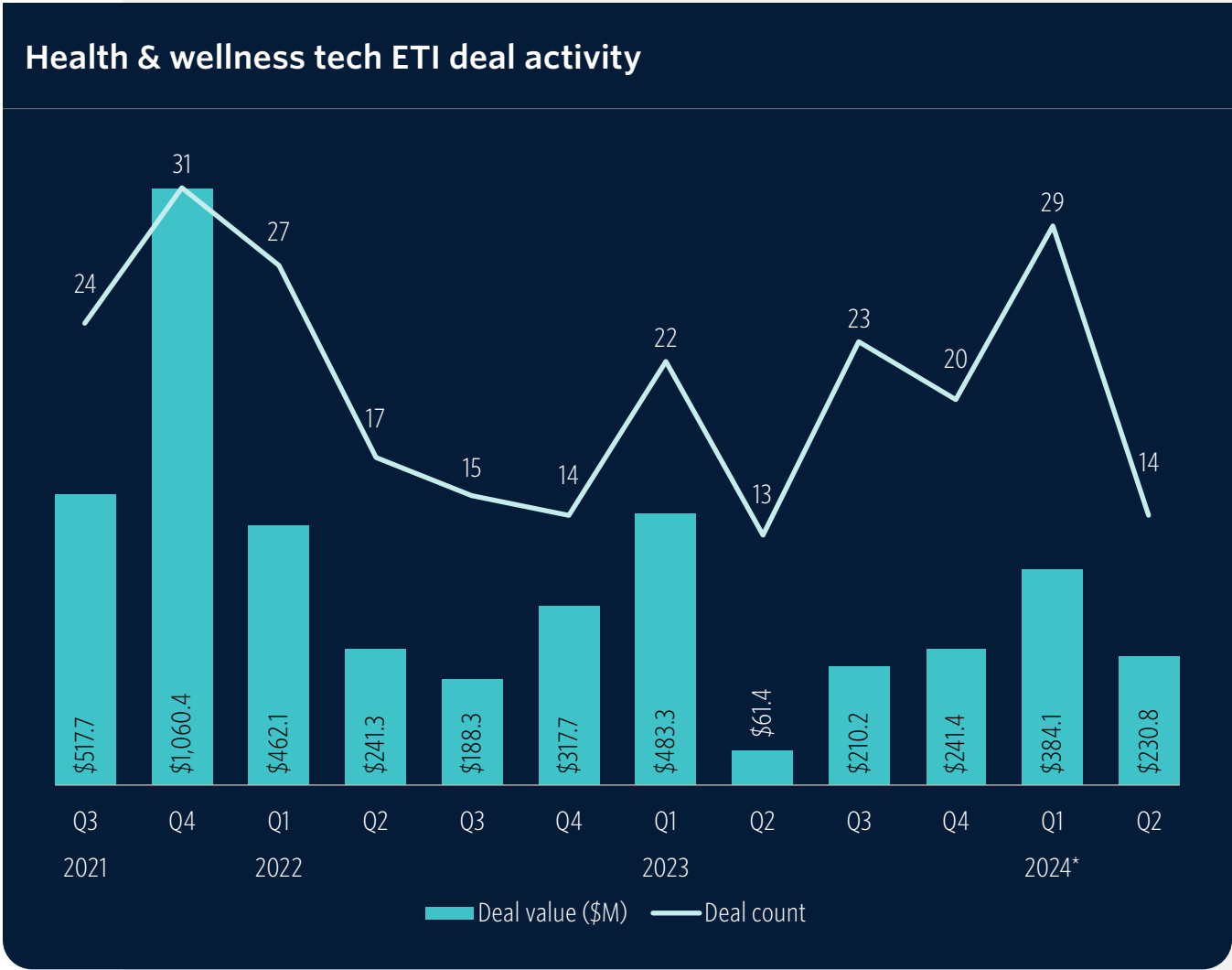
Company	Focus	Deal type	Deal value (\$M)	Post-money valuation (\$M)
OASIS Security	Nonhuman identity management platform	Series A	\$75.0	N/A
k-ID	Digital security platform simplifying compliance for developers	Series A1	\$45.0	N/A
Cape	Privacy-enabling technology for personal devices	Series B	\$40.0	\$200.0
Seven AI	Autonomous threat detection	Early-stage VC	\$36.0	\$100.0
Lumos	Identity-access management	Series B	\$35.0	\$205.0
Pomerium	Identity-aware proxy software for secure applications access	Series A1	\$13.8	\$50.0
iVerify	Mobile security platform detecting suspicious activity and risks	Series A	\$13.1	\$50.0
Blackwell Security	Cybersecurity operations for healthcare organizations	Seed	\$13.0	\$30.0
Teleskope	Data security and privacy platform	Seed	\$7.2	\$17.2
Apex	AI-powered cybersecurity tool	Seed	\$7.0	N/A
Konvu	Security company building development security operations	Seed	\$5.0	\$20.0
Natoma Labs	Nonhuman identity management platform	Seed	N/A	N/A

Source: PitchBook • Geography: Global • *As of August 2, 2024



Health & wellness tech

The health & wellness tech sector garnered \$230.8 million in ETI investment across 14 deals in Q2, a drop from the prior quarter. Top deals included Function Health, which raised \$53.0 million in a Series A for its health data platform that assesses disease risk. Pomelo Care secured \$46.0 million in Series B funding to advance its virtual care services focused on pregnancy and neonatal care. Valar Labs, which delivers AI-driven oncology insights, completed a \$22.0 million Series A. Anterior raised \$20.0 million in Series A funding for its AI-powered tool designed to reduce the administrative burden on clinicians. Fay, a provider of dietitian consulting services for personalized medical nutrition therapy, also secured \$20.0 million in Series A funding.

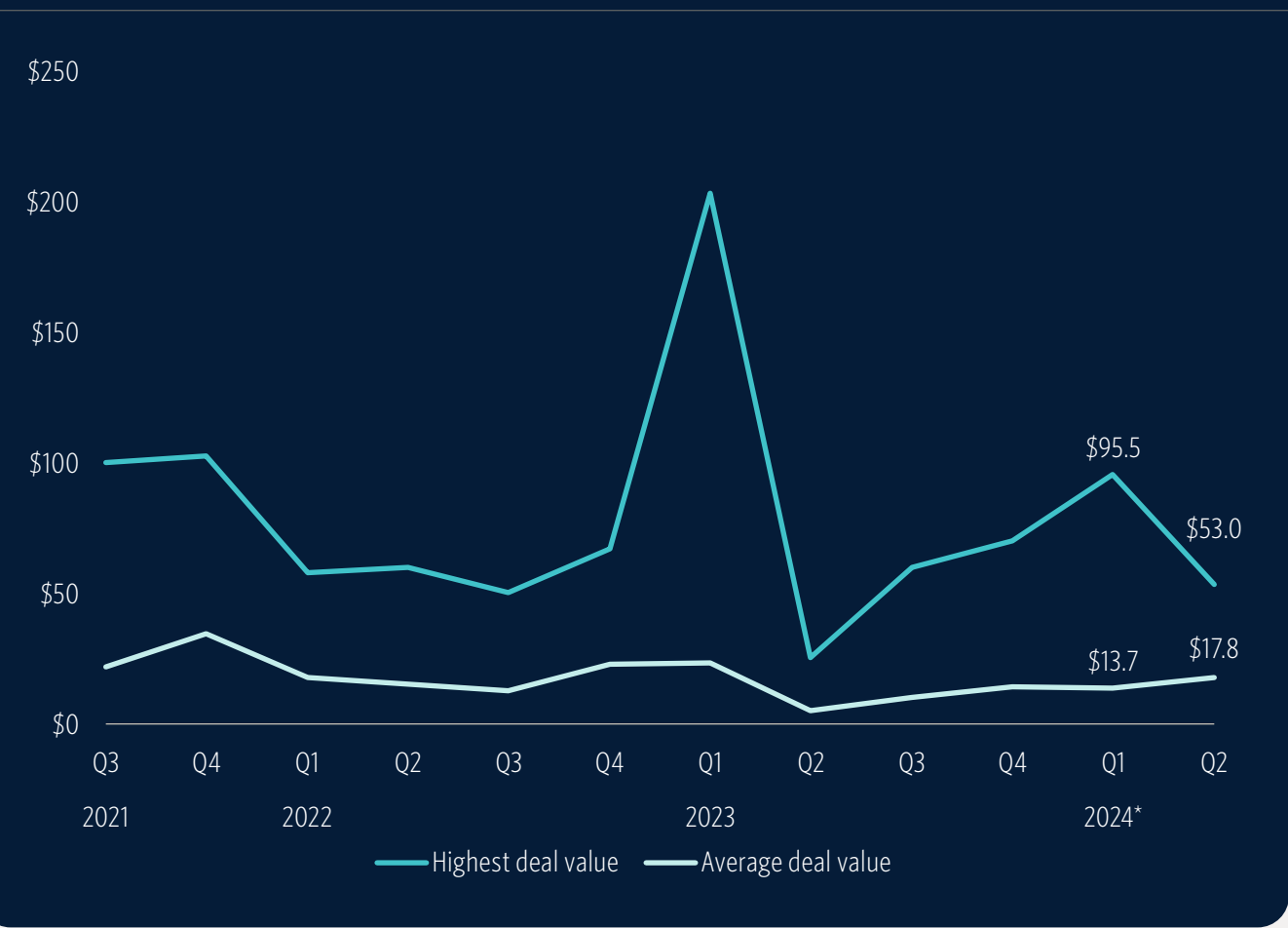


Source: PitchBook • Geography: Global • *As of August 2, 2024



HEALTH & WELLNESS TECH

Largest and average health & wellness tech ETI deal values (\$M)



Source: PitchBook • Geography: Global • *As of August 2, 2024

Largest and average health & wellness tech ETI pre-money valuations (\$M) for closed deals



Source: PitchBook • Geography: Global • *As of August 2, 2024



HEALTH & WELLNESS TECH

Health & wellness ETI deals in Q2 2024*

Company	Focus	Deal type	Deal value (\$M)	Post-money valuation (\$M)
Function Health	Health data platform for disease risk assessment	Series A	\$53.0	N/A
Pomelo Care	Virtual care focused on pregnancy and neonatal care	Series B	\$46.0	\$500.0
Valar Labs	AI-driven oncology insights	Series A	\$22.0	\$56.0
Anterior	AI-powered tool reducing clinician's administrative burden	Series A	\$20.0	\$95.0
Fay	Dietitian consulting services for personalized medical nutrition therapy	Series A	\$20.0	N/A
Plenful	AI-powered healthcare software automating administrative workflows	Series A	\$17.0	\$68.0
Triomics	Clinical trials platform and services	Early-stage VC	\$15.0	N/A
Mural Health	Clinical trials technology for global studies	Seed	\$12.7	\$40.2
Summer Health	Pediatric telehealth services for instant healthcare access	Series A	\$11.7	\$50.0
Medeloop	Integrated healthcare data analysis platform	Early-stage VC	\$5.5	N/A

Source: PitchBook • Geography: Global • *As of August 2, 2024



HEALTH & WELLNESS TECH

Health & wellness ETI deals in Q2 2024 (continued)*

Company	Focus	Deal type	Deal value (\$M)	Post-money valuation (\$M)
Superpower	Personalized healthcare platform	Seed	\$4.0	\$16.0
Hona	Intelligent health record platform	Seed	\$3.0	N/A
Endo Health	AI gaming platform for managing type 2 diabetes	Seed	\$0.9	N/A
Brace Health	Healthcare company operating in stealth	Seed	N/A	N/A

Source: PitchBook • Geography: Global • *As of August 2, 2024



Other notable activity

Q2 2024 ETI deal value by segment*

Segment	Deal value (\$M)
AI & ML	\$8,381.7
Biotech	\$1,553.0
Fintech	\$308.4
Infosec	\$290.1
Health & wellness tech	\$230.8
Web3 & DeFi	\$220.2
Space tech	\$188.5
Climate tech	\$164.6
Enterprise SaaS	\$115.3
E-commerce	\$76.8
Foodtech	\$56.1
Data tech	\$46.8
DevOps	\$43.8
Consumer	\$39.7

Segment	Deal value (\$M)
Adtech & martech	\$36.5
Proptech	\$35.0
Industrial tech	\$22.1
Edtech	\$21.3
Media & events	\$21.3
Insurtech	\$15.0
Gaming	\$8.2
Supply chain tech	\$8.0
Social	\$5.0
Legaltech	\$5.0
Stealth	\$4.1
AR/VR	\$2.0
Services	\$0.0

Source: PitchBook • Geography: Global • *As of August 2, 2024



OTHER NOTABLE ACTIVITY

Q2 2024 ETI deal count by segment*

Segment	Deal count
AI & ML	40
Fintech	19
Health & wellness tech	14
Infosec	12
Enterprise SaaS	11
Web3 & DeFi	10
Climate tech	9
E-commerce	6
Proptech	5
Biotech	5
Gaming	5
Consumer	4
Data tech	3
Media & events	3

Segment	Deal count
DevOps	3
Space tech	3
Adtech & martech	2
Foodtech	2
Edtech	2
Industrial tech	2
Supply chain tech	2
Stealth	1
Social	1
AR/VR	1
Services	1
Insurtech	1
Legaltech	1

Source: PitchBook • Geography: Global • *As of August 2, 2024



OTHER NOTABLE ACTIVITY

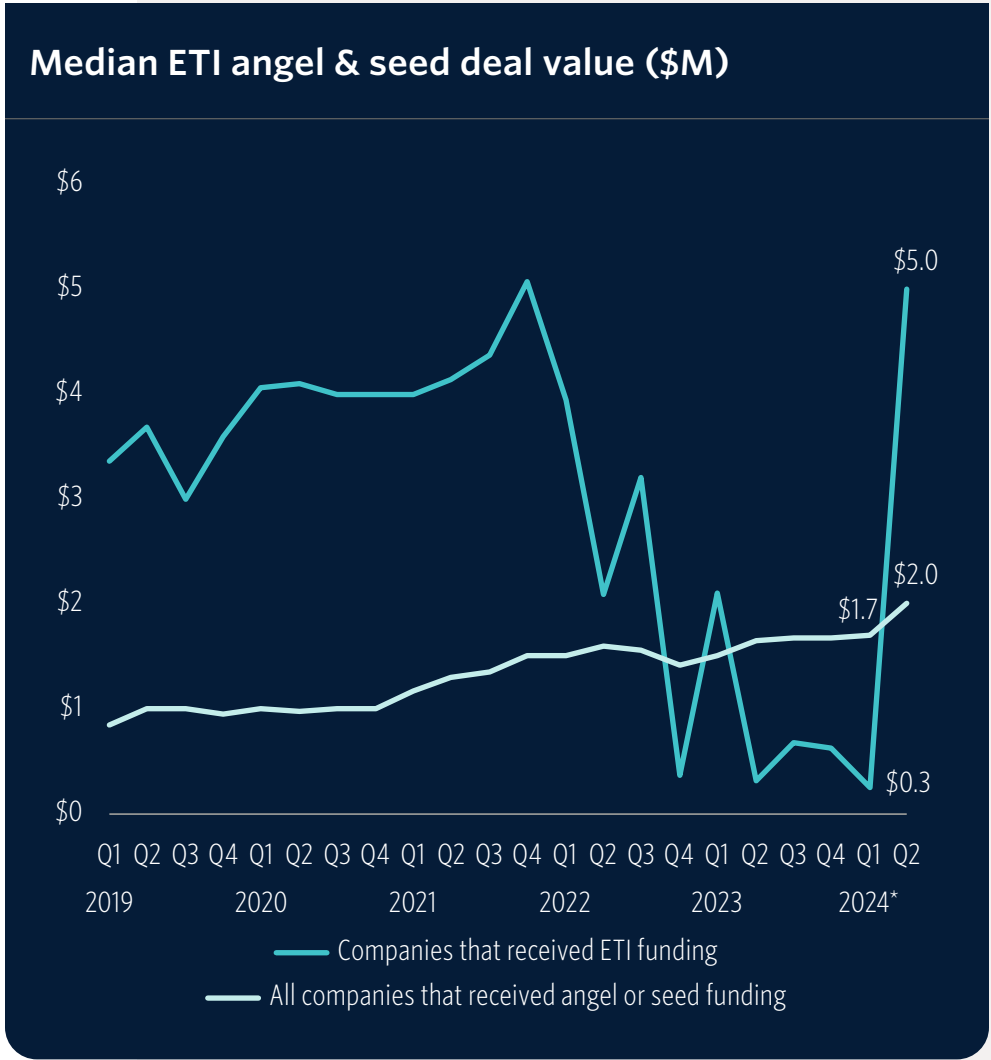
Web3 & DeFi funding declined this quarter, with \$220.1 million invested across 10 deals compared to \$294.7 million invested across 19 last quarter. This bucks the increasing trend over the past several quarters, but Q3 funding is still relatively high and does not necessarily suggest a reversal in ETI interest in the sector.

Space tech saw the highest ETI deal activity ever recorded this quarter, with \$188.5 million invested across three deals. In the space tech sector, Q2 investments included Apex, which raised \$95.0 million in a Series B for its affordable orbital transportation spacecraft services. Additionally, Varda Space Industries secured \$90.0 million in Series B funding for space manufacturing, and Basalt Tech raised \$3.5 million in a seed round for its spacecraft operating system designed for autonomous and secure constellations.

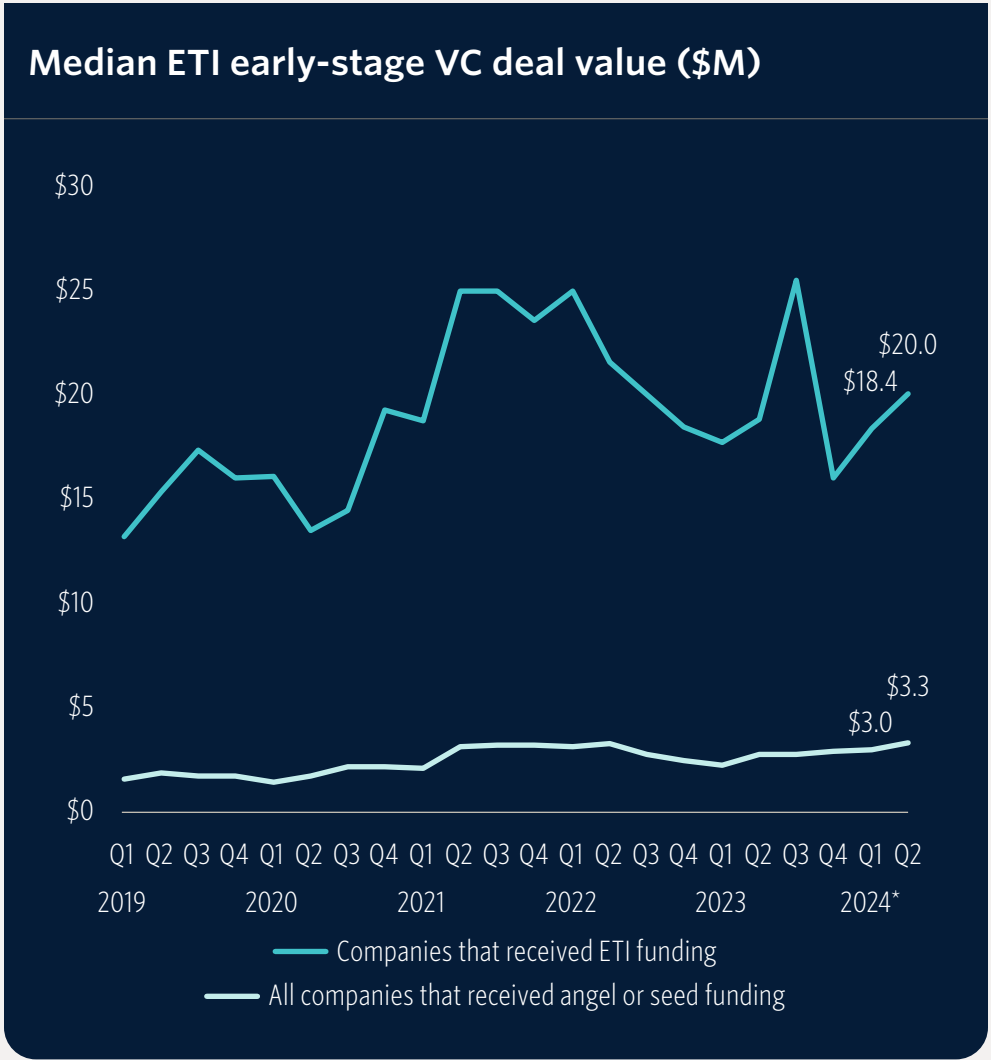


Venture activity summary

Median ETI deal sizes have steadily increased in recent years across angel, seed, and early-stage VC, reflecting steady VC industry growth, rising valuations, and what was once a founder-friendly environment. The recent market correction has disrupted the overall upward trajectory, and trends are more unpredictable. The median for angel & seed deals was \$5.0 million in Q2 2024, an increase from the prior quarter. The median for angel & seed deal was \$5.0 million in Q2 2024, a sharp increase from the prior quarter. This significant jump was likely driven by an exceptional number of larger seed rounds raised by AI/ML startups



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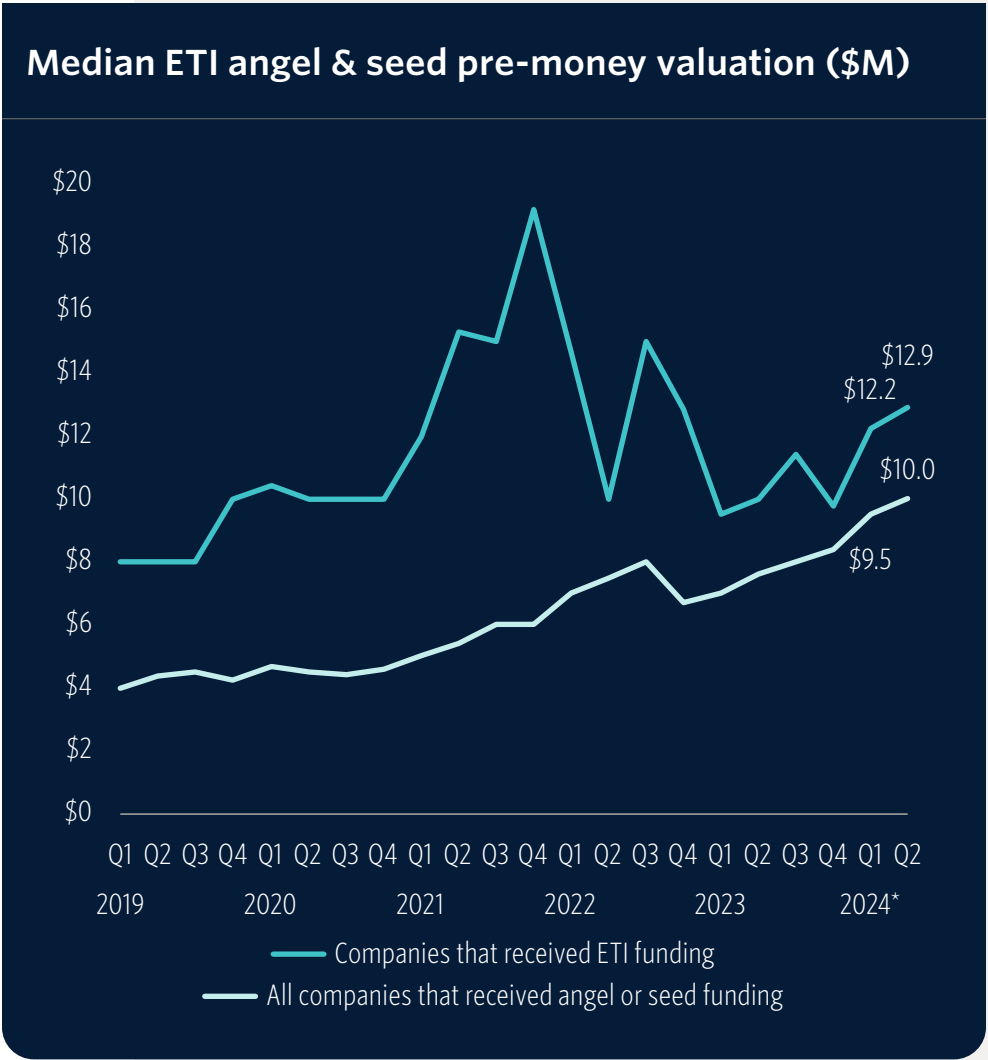
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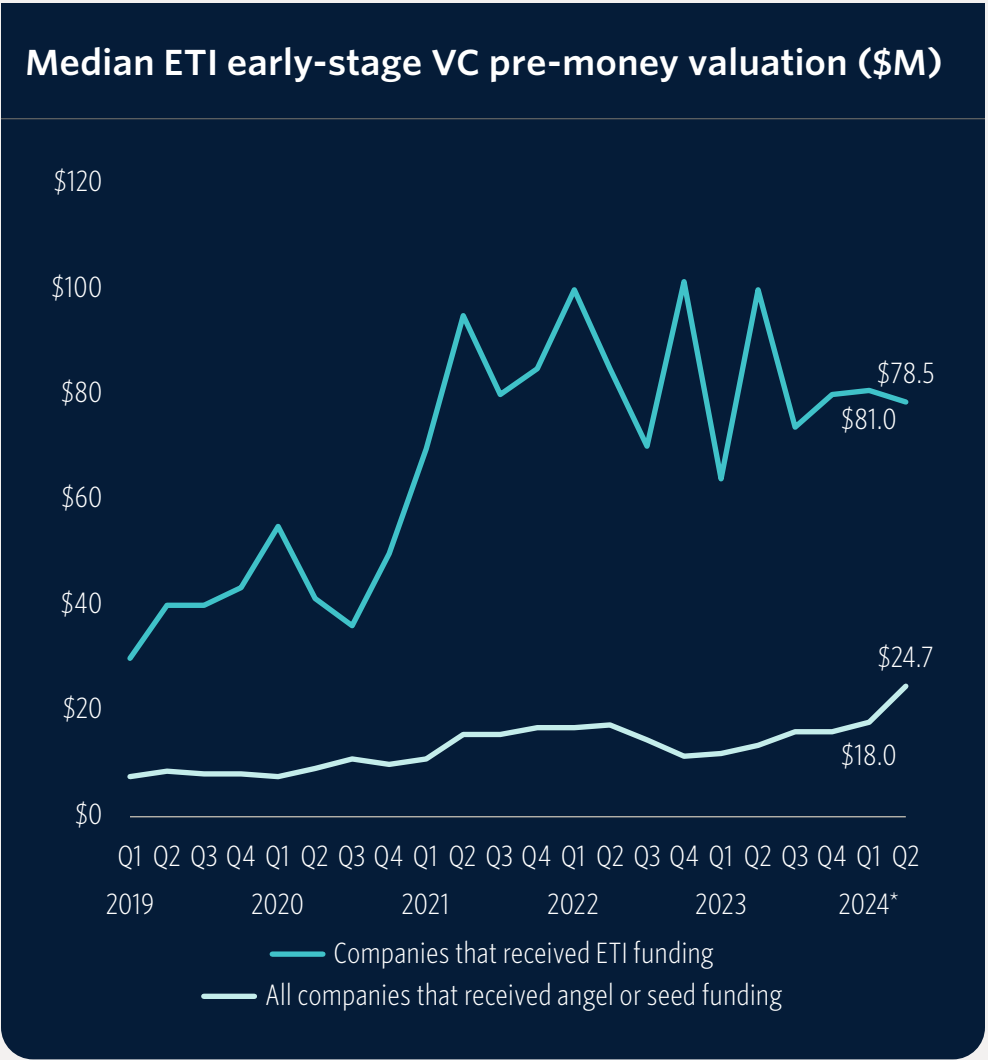
VENTURE ACTIVITY SUMMARY

ETI deal sizes tend to run 3x to 5x 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 coinvestment, 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 23.8% of total ETI deals in Q2 2024, well below the historical average of 32.4%. Europe's deal share decreased from 21.5% in Q1 to 16.1% in Q2, suggesting some volatility. China's deal share was 0.6%, a slight uptick from three straight quarters of 0%.



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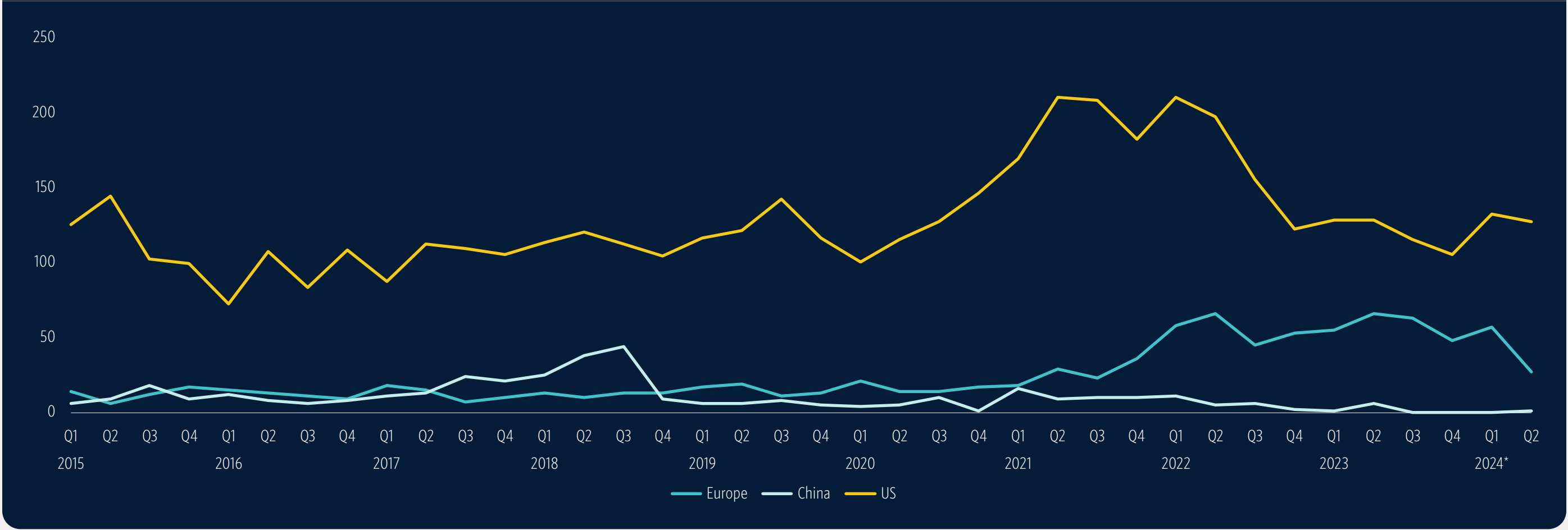


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VENTURE ACTIVITY SUMMARY

Deal count as a share of all ETI deals by region



Source: PitchBook • Geography: Global • *As of August 2, 2024



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).
- Investor 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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