



# Venture Capital Funding Quarterly

**Internet • Digital Media  
eCommerce • Software**

3<sup>rd</sup> Quarter, 2013 – United States

**Publisher**

[VentureDeal](#)

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## Summary

During the third quarter of 2013, 610 companies in the Internet, Digital Media, eCommerce and Software sectors raised \$4.1 billion in venture capital funding in the aggregate, an increase of 5% in total funding amounts versus 2Q 2013 and a 3% increase in the number of companies funded.

All four sectors showed increases in funding amounts as well as the number of companies funded, with the exception of eCommerce, which encountered no change in the number of companies funded.

## Funding Activity

### Internet

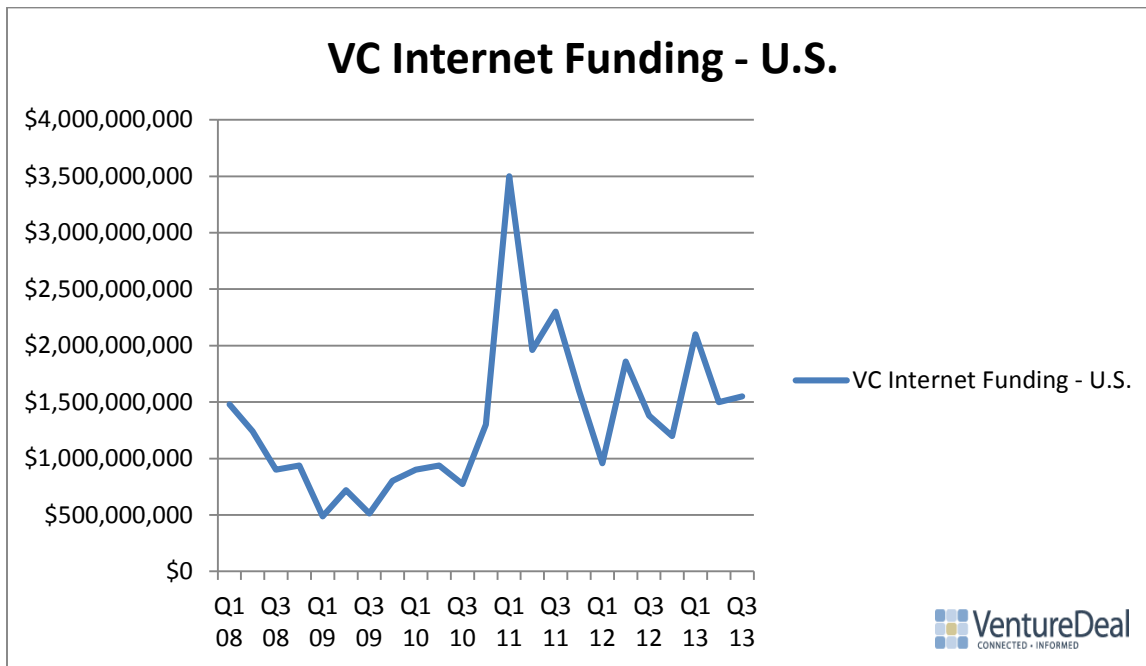
Internet sector company fundings reversed their previous quarterly decrease by registering a funding percentage increase of 3%. The sector received \$1.55 billion in venture capital funding during the quarter, allocated among 265 companies – an increase in the number of companies funded by 4% vs. 2Q 2013.

San Francisco, California-based [Uber](#) secured the largest funding during the quarter, receiving \$258 million in its Series C round of financing from venture capital, private equity and strategic investors, at a reported valuation of \$3.5 billion. The company has created a mobile application that allows users to request car service wherever they are located. Uber says it plans to use the funding proceeds to move into new markets.

At the seed stage, [Jifiti](#) raised \$2.5 million in financing from a syndicate of corporate investors and venture capital firms. Jifiti has developed an application that enables users to capture tangible products in real, off-line stores and turn them into digitally transmittable gift cards.

In the consumer healthcare space, [Audax Health](#) secured \$20 million in its second round of investment. The company helps consumers live a healthier lifestyle and said it would use the funding proceeds for strategic partnerships and continued product development.

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**Chart 1 – Internet Funding**


## Digital Media

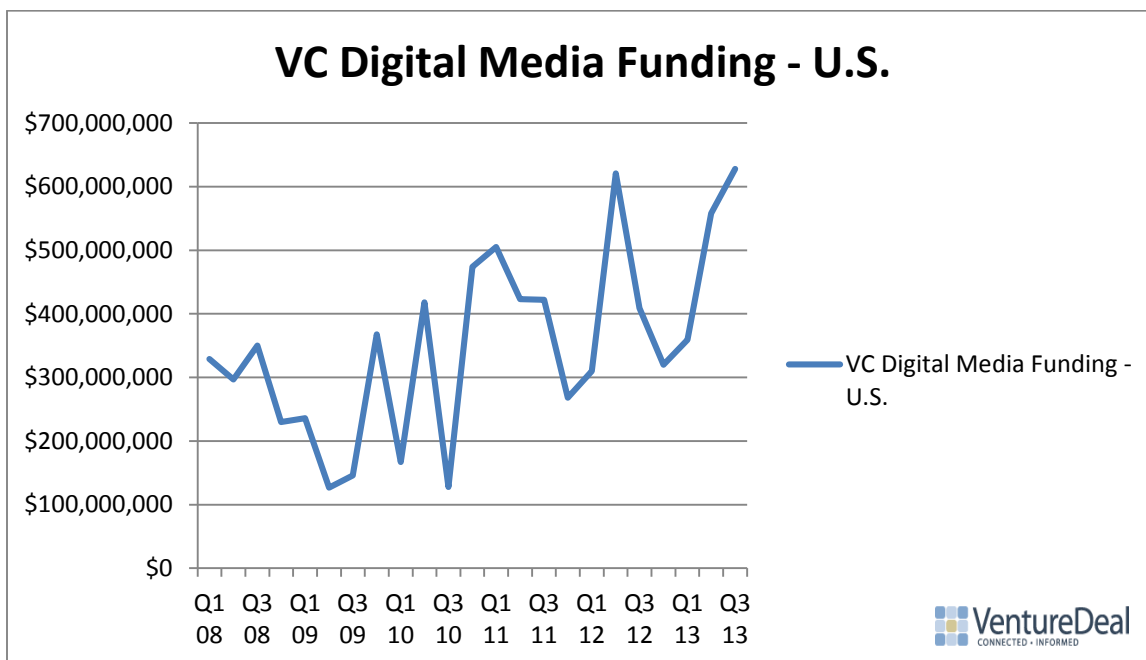
Digital Media funding continued its recent quarterly trend of aggregate increases. Digital Media companies for the purposes of VentureDeal's definition are generally either video/casual game developers or online advertising networks. Total funding increased quarter over quarter by 135% to \$628 million, with 83 companies being funded, an increase of 8% in companies funded versus the previous quarter.

Brooklyn, New York-based [Vice Media](#) raised \$70 million during the quarter from corporate and other investors. The company was launched in 1994 as a punk magazine and has expanded into becoming a global youth media company with offices in over 30 countries.

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At the seed stage, Ann Arbor, Michigan-based [Swapmob](#) received \$1 million in financing. Swapmob was founded in 2011 and enables players to sell previously purchased in-game items and use the proceeds to purchase upgraded digital goods.

**Chart 2 - Digital Media Funding**



## eCommerce

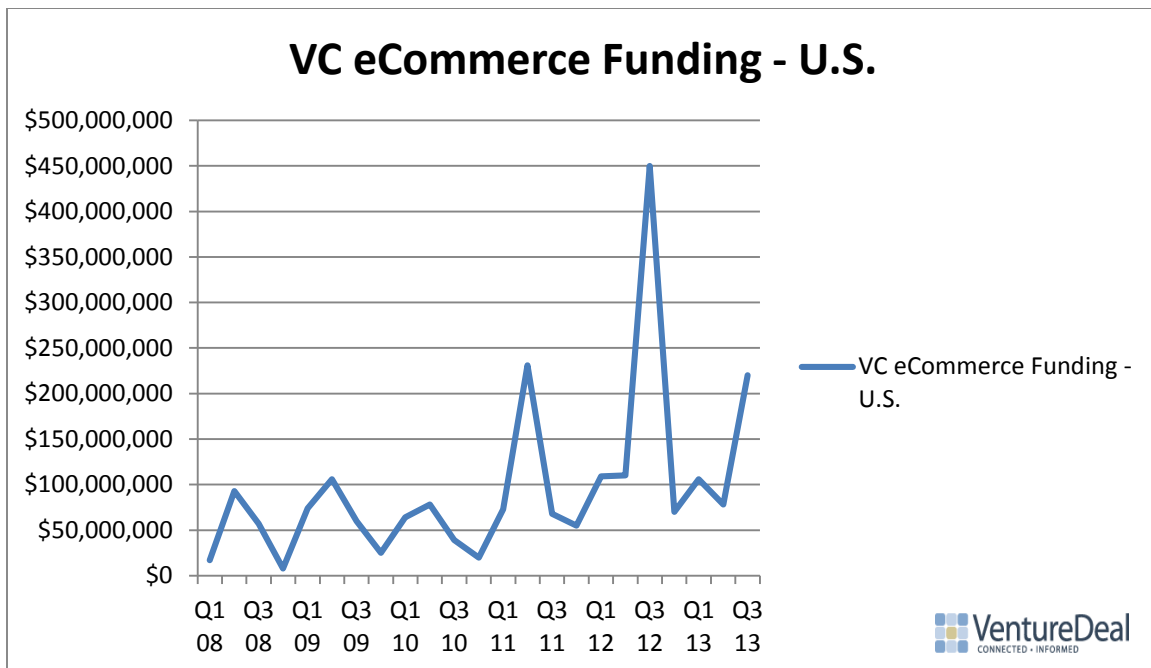
The eCommerce sector dramatically increased its quarterly funding level, with 33 companies receiving a total of \$220 million in funding, representing a 182% increase in financing amounts versus the previous quarter's tally.

Online store enabling company [BigCommerce](#) raised \$40 million from Steve Case's [Revolution Growth](#) in an expansion funding round. The company has developed a service that simplifies the process for creating a fully functional online store.

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At the seed stage, Los Angeles-based, [Armory Technologies](#) garnered \$600,000 for its technology that provides an open source wallet management platform for the Bitcoin network. The company said it would use the proceeds to continue developing its wallet technology.

**Chart 3 - eCommerce Funding**



## Software

During the quarter, Software company fundings represented the largest sector of the grouping, raising \$1.75 billion between 229 companies. This activity represented an increase of 1% in total funding amounts and a 2% increase in the number of companies funded.

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Palo Alto, California-based [Palantir Technologies](#) landed \$195 million in venture capital investment from undisclosed investors. Palantir sells analytical software that enables users to “explore and analyze the subtle connections that exist within fast networks of heterogenous information.” The company did not say how it would use the funding proceeds.

[Moxie](#) secured \$15 million in expansion venture capital investment from undisclosed investors. Moxie provides social collaboration software to the enterprise market. The company is backed by a syndicate of venture capital and private equity firm investors and has raised in excess of \$95 million to date.

In the healthcare vertical, Raleigh, North Carolina-based [Axial Exchange](#) raised \$5 million from undisclosed investors, according to an SEC regulatory filing. Axial has developed a healthcare communications platform and clinical dashboard - a patient engagement system - that it says “helps hospitals lower readmission rates and raise patient satisfaction scores.”

Analytics technology company [GridGain Systems](#) received \$10 million in its Series B financing round venture capital firm investors. The company has developed software for enterprises that need live, real-time data of business analytics and processing capabilities. Investors in the round included [Almaz Capital Partners](#) and [RTP Ventures](#). Proceeds purposes from the financing were not disclosed by the company.

#### **Chart 4 - Software Funding – Next Page**

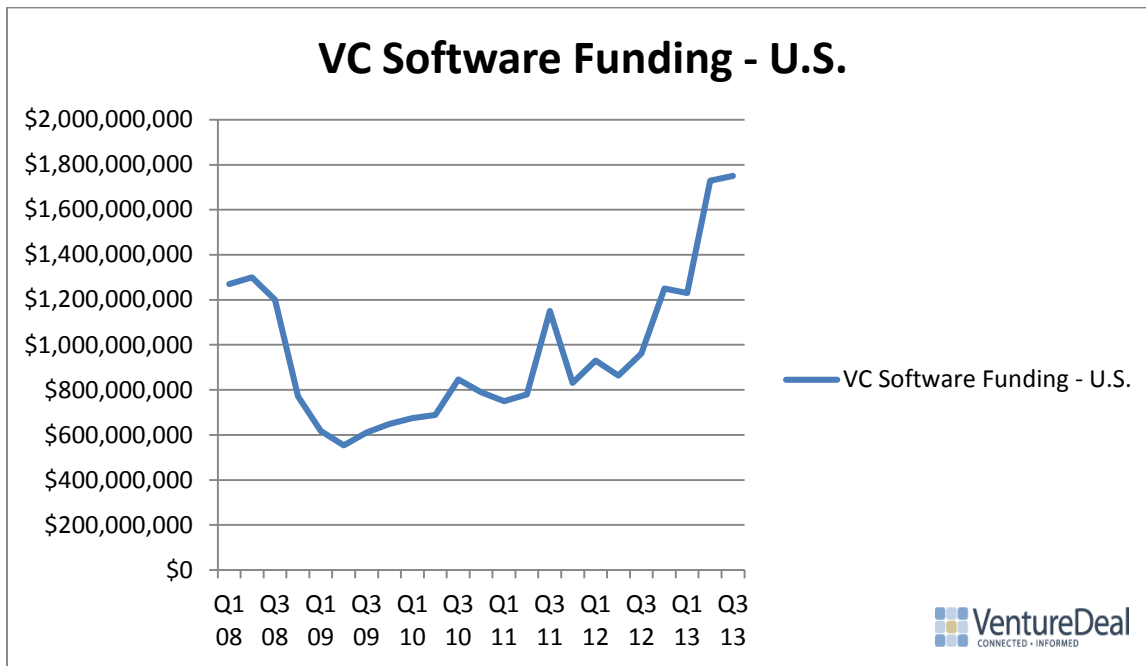
**Chart 4 - Software Funding**


Table 1

**Venture Funding Activity – 3<sup>rd</sup> Quarter 2013**

<b>Industry</b>	<b>Total Disclosed Funding</b>	<b>% Change Vs. Prior Quarter</b>	<b>Number of Companies Funded</b>	<b>% Change vs. Prior Quarter</b>
Internet	\$1.55 billion	+ 3%	265	+ 4%
Digital Media	\$628 million	+ 13%	83	+ 8%
eCommerce	\$220 million	+ 182%	33	--
Software	\$1.75 billion	+ 1%	229	+ 2%
<b>Total</b>	<b>\$4.1 billion</b>	<b>+ 5%</b>	<b>610</b>	<b>+ 3%</b>

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## Notes

This report was prepared by the staff of [VentureDeal](#).

The information source used was the VentureDeal database. VentureDeal is a venture capital database that provides the latest information about venture-backed technology Companies, venture capital firms and transactions in The United States.

The database obtains transaction and company information from a wide variety of reputable public and private sources. While this report is free of charge, users may view the individual transactions supporting the totals herein by subscribing to VentureDeal.

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