



Venture Capital Funding Quarterly

**Internet • Digital Media
eCommerce • Software**

4th Quarter, 2014 – North America

Publisher

[VentureDeal](#)

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Summary

During the fourth quarter of 2014, 633 companies in the Internet, Digital Media, eCommerce and Software sectors raised \$8.7 billion in venture capital funding in the aggregate, an increase of 50% in total funding amounts versus 3Q 2014 and a 3% decrease in the number of companies funded.

The industries of Internet, eCommerce and Software showed increases in funding amounts, with the Internet sector posting the greatest increase in deal volume and companies funded versus the previous quarter.

Funding Activity

Internet

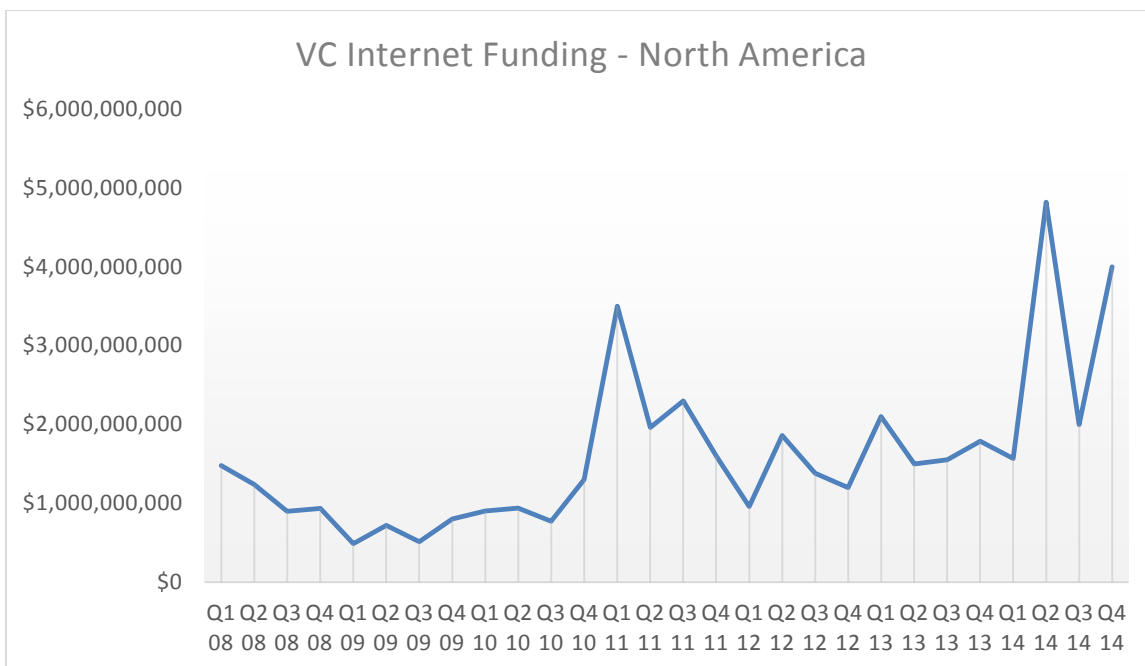
Internet sector company fundings reversed their previous quarterly decrease by registering a 100% climb in dollar volume. The sector received \$4 billion in venture capital funding during the quarter, allocated among 252 companies – an increase in the number of companies funded of 6% vs. 3Q 2014.

San Francisco-based ridesharing service [Uber](#) secured the largest funding during the quarter, receiving \$1.2 billion in financing from investors. Uber said it would use the proceeds to “make substantial investments, particularly in the Asia Pacific region.” Investors in the financing included hedge funds Valiant Capital Partners and Lone Pine Capital, as well as the Qatar Investment Authority.

At the seed stage, New York-based [Seen](#) raised \$1.25 million in financing from corporate and other venture capital investors. The company is developing technology to improve how users collect information from the real-time web. “Think PageRank but for Instagram, Twitter, Tumblr and YouTube...” The company said it would use the funding to further develop its service relative to the “live events market.”

Washington, DC-based [TrackMaven](#) landed \$14 million in its Series B financing round. The company is making it easier to understand and act on competitive marketing data. [New Enterprise Associates](#) led the round. TrackMaven said it would use the proceeds to grow its product development, sales, marketing and customer service capabilities.

Chart 1 – Internet Funding



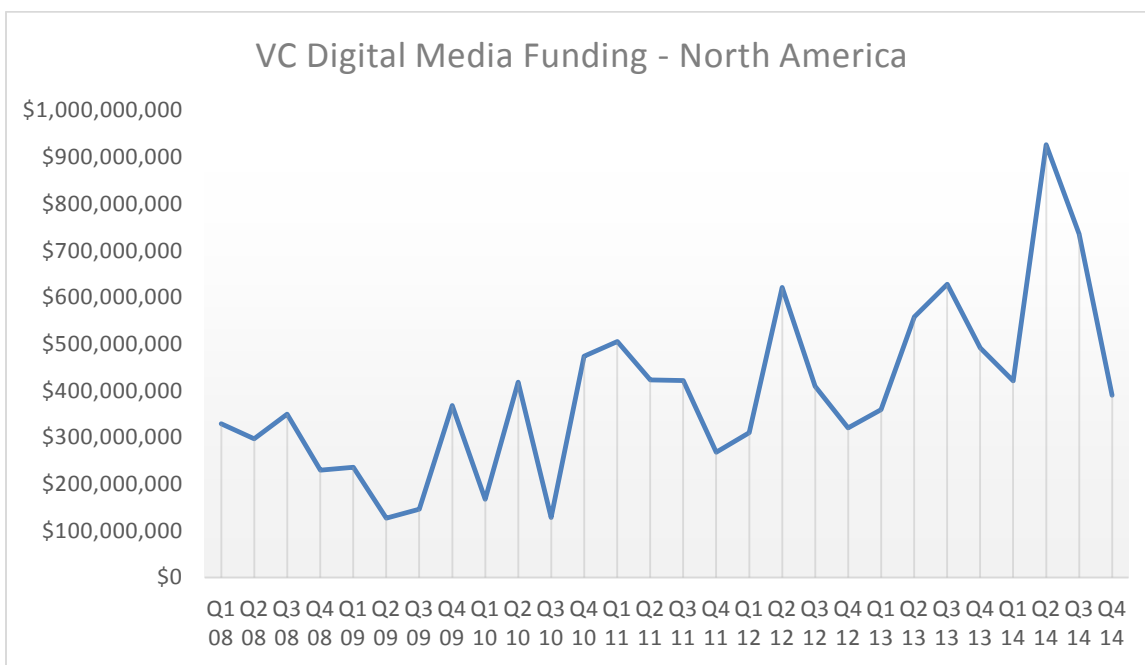
Digital Media

Digital Media funding continued its previous quarterly result of aggregate funding decrease. Digital Media companies for the purposes of VentureDeal's definition are generally either video/casual game developers or online advertising networks. Total funding decreased quarter over quarter by 47% to \$390 million, with 76 companies being funded, a decrease of 11% in companies funded versus the previous quarter.

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Menlo Park, California-based [Next Issue Media](#) raised the largest round during the quarter, receiving \$50 million in venture capital investment from a syndicate of private equity, venture capital and corporate investors. The company is developing a new digital magazine platform with an “all-you-can-eat” content model and is a joint venture of large publishers such as Conde Nast, Hearst, News Corp, Rogers and Time. Next Issue said it would use the proceeds to “support further development” of its content platform.

Chart 2 - Digital Media Funding



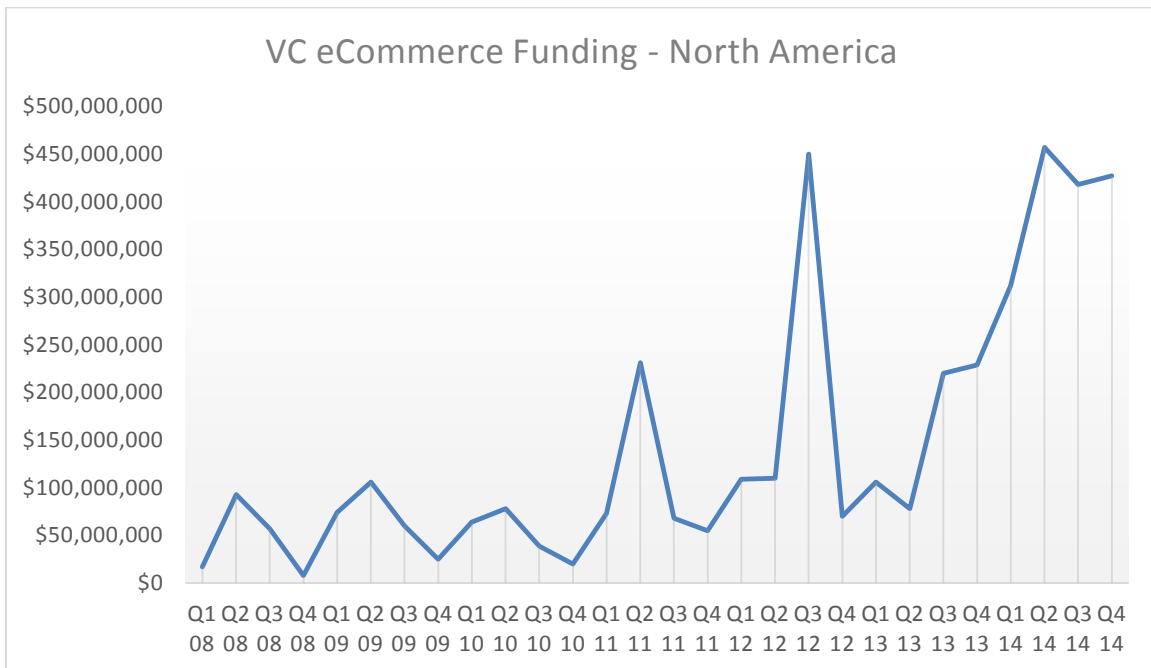
eCommerce

The eCommerce sector increased its quarterly funding level, with 28 companies receiving a total of \$427 million in funding, representing a 2% increase in financing amounts versus the previous quarter’s tally.

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San Francisco-based [Square](#) raised \$150 million in new equity from a syndicate including the Government of Singapore and Goldman Sachs. The company did not disclose how it would use the funding proceeds.

Chart 3 - eCommerce Funding



Software

During the quarter, Software company fundings represented the second largest sector of the grouping, raising \$3.9 billion between 277 companies. This activity represented a quarterly increase of 50% in total funding amounts and a 3% decrease in the number of companies funded.

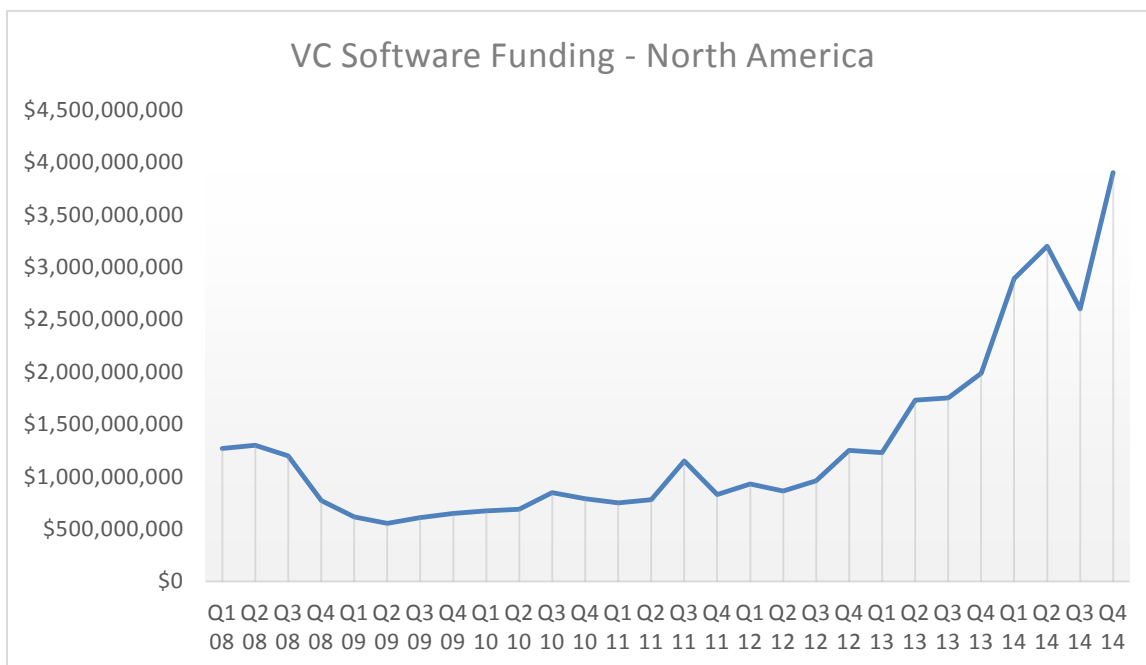
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California-based [Revel Systems](#) landed \$1 billion in its Series C venture capital equity and debt investment round. Revel has developed a cloud-based point of sale system for restaurants and other retail establishments. The company said it would use the proceeds to “bolster support and operations to meet fast-growing sales and high demand for its best-in-breed iPad POS system.”

Fort Lauderdale-based [Magic Leap](#) raised \$542 million in a new round of investment from a sizable syndicate of top tier venture capital and strategic investment firms. The company is still in stealth mode, but said it is developing what it calls “Digital Lightfield”, a potentially new and more enhanced way for humans to interact with computers.

At the seed stage, New York-based [Abacus](#) garnered \$3.5 million from a large syndicate of venture capital and corporate firms. The company is creating what it calls a “simple, fast way for businesses to reimburse their employees for company expenses” designed for the mobile environment. Proceeds purposes were not disclosed.

Chart 4 - Software Funding



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Table 1

Venture Funding Activity – 4th Quarter 2014

Industry	Total Disclosed Funding	% Change Vs. Prior Quarter	Number of Companies Funded	% Change vs. Prior Quarter
Internet	\$4 billion	+ 100%	252	+ 6%
Digital Media	\$390 million	- 47%	76	- 11%
eCommerce	\$427 million	+ 2%	28	- 30%
Software	\$3.9 billion	+ 50%	277	- 3%
Total	\$8.7 billion	+ 50%	633	- 3%

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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