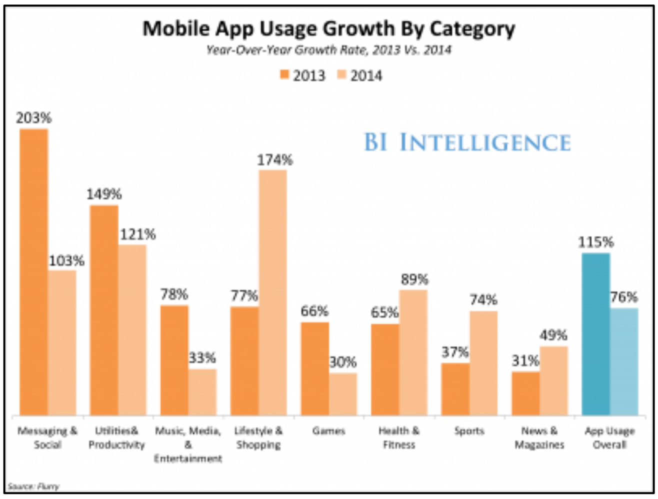
SparkLabs Global Ventures' Technology and Internet Market Bi-Monthly Review

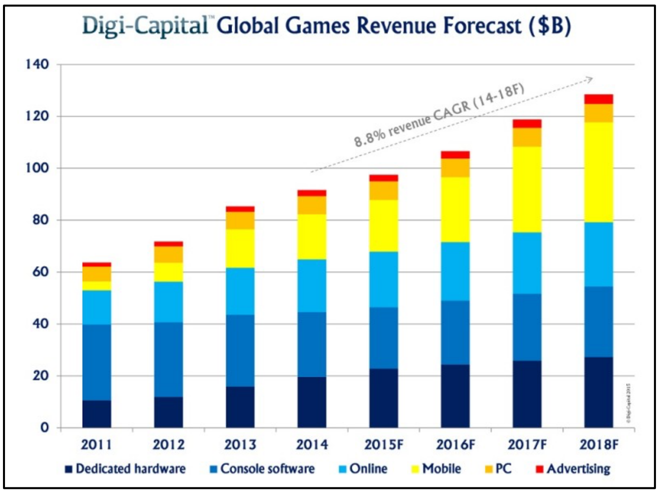
January 31, 2015

Bi-monthly Highlights

Global Trends

- **The Beacon Report: Retail adoption and uses, and impact on store sales**
  Beacons –low cost devices that communicate with smartphone apps indoors – will begin exerting a significant influence on US retail sales in 2015. Retailers are moving beacons beyond the pilot phase, as these devices are proving to be a powerful tool for targeting offers, driving sales, and collecting data about customers' in-store shopping behavior. As a result, beacon-influenced sales volume will ramp up quickly, as many forms of in-store marketing will take up the technology, including couponing. iPhone and Android smartphones are compatible with this technology. BI Intelligence estimates that beacon-triggered messages could directly influence up to US$4.1 billion of total US store sales this year (or .1% of sales volume at the top-100 retailers). That figure will grow 10X in 2016. In addition, consumer app usage will help speed adoption of beacon programs. The lion's share of audience time on mobile is spent in apps, and beacons can help retailers push consumers to open specific apps while in their stores. Many shoppers won't have a specific retailer's app on their phones, but beacon campaigns will also turn to popular shopping, loyalty, and even social/messaging apps to help power in-store beacon campaigns. In Asia, some retailers are already experimenting with beacon campaigns targeted to users of LINE, a messaging app. Beacons will help offline retailers integrate their loyalty, payments, and digital-marketing programs, possibly by rewarding consumers with points for visiting retail locations, pushing consumers to use specific payment apps to complete transactions, and collecting data for personalized in-store marketing and retargeting.





- **Game company exits topped US$24B in 2014**
  2014 saw a record US$24 billion in game-company exits spread over both acquisitions and initial public offerings. Mobile drove more than half of all value that was created for management teams and early stage investors. For perspective, that's the equivalent of about 10 Minecraft deals (at $2.5 billion, Microsoft's purchase price for the block-building game's developer, Mojang). More than $15 billion of the total came from acquisitions, and of that number, five megadeals accounted for $8.1 billion. Another $9 billion came from IPOs, which Asia dominated. Mobile is the only sector showing strong double-digit growth, although virtual reality could become a breakout emerging platform. Asia is the No. 1 game market, set to hit $45 billion revenue in 2018 driven by China, Japan and South Korea. Public game company stocks were broadly down 14 percent in 2014. But the big corporate buyers are managing their cost bases and looking to buy indies with unrealized hit potential to plug into their infrastructure and marketing. Or they will buy breakout companies with high-quality games (i.e., great ratings) and high downloads on mobile (or that can be adapted to mobile). In that context America and China had the top 10 acquirers in 2014.

Asia Pacific

China

- **Chinese ecommerce site for babies raises US$100M funding, now a newborn unicorn**
  Beibei, a Chinese ecommerce site specializing in items for infants, toddlers, and moms, announced that it raised US$100 million in a series C funding round led by Capital Today and New Horizon, according to 36kr. Previous investors IDG and Banyan Capital also contributed to the round. Beibei was established just in April last year by its parent company, Mizhe. Mizhe led Beibei's US$24.4 million series B round in August, followed by IDG and Banyan. The site sells a wide range of clothing, accessories, toys, and diapers. It has a special section just for overseas products for parents who don't trust goods made in China, along with a handful of daily deal flash sales. CEO Zhang Lianglun says Beibei now has 5,000 brands, 10 million registered users, RMB 200 million in monthly sales, and 100,000 items sold daily. 70 percent of orders come from mobile devices. China has several ecommerce stores in the baby niche, capitalizing on the 16 million infants born there every year. They include Lamahui, Miyabaobei, and Redbaby. Beibei claims its valuation now stands at US$1 billion, adding it to China's growing list of unicorns. That also indicates it sold a 10 percent stake in return for this latest investment. The money will go toward enhancing the shopping experience, helping smaller brands market their products, developing more overseas business channels, and expanding the team.

- **China's Meituan gets US$700M funding to take the daily deals battle to Alibaba**
  Meituan, one of China's biggest startups as well as one of its top daily deals sites, revealed that it has secured US$700 million in funding. The newest cash injection of US$700 million effectively values the Groupon-esque Meituan at US$7 billion. This comes just eight months after Meituan attracted a US$300 million series C round from Sequoia Capital and Alibaba. However, the daily deals site did not reveal the names of its series D investors. Meituan has fought through China's highly fragmented daily deals industry to become the leading independent deals site, outpaced only by Alibaba's Juhuasuan. Meituan's latest data, which it shared in the same Weibo post as the funding news, reveals the site now has 200 million shoppers. The startup raked in RMB 46 billion (US$7.4 billion) in revenues in 2014; it aims to raise that to RMB 100 billion (US$16.2 billion) by the end of 2015.

- **Chinese travel platform Aoliday secures US$1.5M in seed funding**
  Chinese outbound independent travel platform Aoliday announced it has received US$1.5 million in seed funding from Gobi Partners. The investment will be used to enhance current tour operations and expand to additional travel destinations, said an official release. "In recent years, Chinese outbound tourism has shown remarkable growth. With this, independent travel offerings are increasingly in demand as more travellers break away from the traditional tour group," said Thomas G Tsao, Managing Partner, Gobi Partners. The outbound Chinese tourist market is worth US$102 billion, according to an industry study. Founded in 2013, Aoliday allows Chinese-speaking tourists to pick, either ala carte or as part of a bigger bundle, outbound independent travel products, packages and services. It currently has over 3,000 independent tour packages and covers regions such as in Australia, Fiji, New Zealand, Southeast Asia, and the United States. By the end of 2015, Aoliday plans to enhance its offerings to include over 10,000 different tour products and expand into new markets.

- **China's taxi app KuaiDi Dache reloads with US$600M Series D**
  China's homegrown KuaiDi Dache raised US$600 million Series D investment from SoftBank Group, Alibaba Group and Tiger Global. The aim of the funding is suitably vague: 'to expand and improve KuaiDi Dache's services in China'. Vague perhaps, but no easy task given Didi Dache and Uber's hot pursuit, and the enormous size of the China market. Since its launch in 2012, the startup has become one of the top players in China's taxi-booking space, with one million taxis in more than 300 cities. "KuaiDi Dache is transforming China's urban travel through technology and enriching the lives of many people in the process. Alibaba Group has remained committed to the growth of KuaiDi Dache as we are confident in its future," said Jonathan Lu, CEO, Alibaba Group. Only two days ago, China ordered taxi booking apps to ban private and unlicensed vehicles from using their platforms, with the country's Ministry of Transport saying move was being implemented out of concern for passenger safety. Meanwhile, rival Uber received an equally large US$600 million strategic investment from Chinese Internet giant Baidu in mid-December that promised to further heat up the space.

- **First Xiaomi, now Alibaba: Ouya takes another step into China with $10M deal**

Alibaba has invested US$10 million in California-based game company Ouya. Ouya originally created an open-source, Android-compatible game console that struggled to sell after a high-profile Kickstarter campaign in 2012. Ultimately, the company pivoted from hardware into primarily selling its library of games on streaming video devices. The deal with Alibaba looks to work along the same lines, as the two companies plan to add Ouya's games to set-top boxes and smart TVs sporting its Yun OS. Yun OS, which is Android-based, already has a handful of games available. Ouya struck a similar deal with phone maker Xiaomi last year to get its games onto Xiaomi's set-top boxes and TVs. Ouya claims to have 40,000 developers and 900 games on its platform. The terms of that deal were not disclosed. This isn't Alibaba's first foray into games. It partnered with game publishing startup Yodo1 tocreate a social gaming platform called KTplay last year. China's 13-year-long ban on the sale of game consoles was lifted just over a year ago. Since then, Microsoft has started selling the Xbox One on the mainland and the Playstation 4 is expected soon. Several other locally-produced streaming devices running on Android are also promoting their gaming capabilities to the Chinese market.

- **China's AutoBot gets US$6M funding to take car analytics into top gear**
  Driving tracker gizmos are starting to multiply in number as quickly as fitness trackers. Alongside app-connected gadgets like Automatic, a startup from China is also hoping to persuade people to use data to adopt a more efficient driving style and look after their car. It's called AutoBot. The startup team just revealed it has secured US$6 million in series A funding from Gobi Partners and ABC Capital. The investment will go towards marketing and new product development, including a method "to combine automobile collision prevention systems with smart hardware." AutoBot first debuted on Indiegogo last summer, but the crowdfunding campaign didn't go well, raising only US$869 from a goal of US$10,000. AutoBot's Fendi Cheng concedes that the team lacked experience in marketing to potential customers overseas. The larger AutoBot sells for US$80 in China. That's a bit cheaper than most overseas gadgets of this nature, but it's a little high for the price-sensitive Chinese market. Smart gadgets are getting cheaper, as proved by the Xiaomi fitness tracker that costs a mere US$13. Web giant Tencent launched its own car analytics thingy last year, priced at just US$32.

Korea

- **Korean video ad creation startup Shakr lands funding for Japan expansion**
  Shakr, a Seoul-based startup that helps small businesses make professional-caliber video advertisements on a budget, has secured funding from Silicon Valley-based, Japanese-led venture capital fund SV Frontier. The amount is undisclosed, but Nikkei Computer reports that it's in the hundred thousand US dollar range. The money will be used toward further development and marketing of its video creation platform and Shakr co-founder and CEO David Lee also plans to establish a Tokyo office by the end of the first quarter. Japan is important to Shakr because of its incredibly high proportion of independent, small businesses. Shakr wants to be a part of helping local Japanese businesses that aspire to greatness. By giving Japanese small businesses the ability to make great video to tell their story, Shakr helps them compete in pixel-dense markets like Tokyo. Lee says that the startup is pursuing "key partnerships" across Asia, many of which will be announced soon. One such example is collaboration with Foxconn CEO Terry Gou. Shakr closed a US$3 million series A round last May, which was led by POSCO Venture Capital and joined by 500 Startups. The investment marked 500 Startups' first in a Korean startup.

- **Seoul's urban logistics startup Naldo tripled its client base, grew revenue by 1,000% last year**
  Seoul-based urban logistics startup Naldo is gaining some serious momentum in its home country. The company, which works sort of like an Uber for last-mile deliveries, now boasts over 500 corporate customers, tripling its client base in the last year. "We all buy more stuff online, but we are not aware that more online purchasing requires more offline delivery. That's why this is an overseen goldrush for us," Ebner-Chung says. Among its clients are steel giant Posco, social commerce site Coupang, and investment bank Kyobo Securities. Naldo founder and CEO Ludolf Ebner-Chung says the company saw revenues grow 1,000 percent in 2014, with consistent double-digit growth every month since launching two years ago. Naldo received an undisclosed series A round of funding from Softbank Ventures Korea and Qualcomm Ventures in July last year. Next, Ebner-Chung says the startup will soon launch a native app and an open API, which has already been tested by popular ecommerce sites like Ticketmonster, WeMakePrice, and Ridibooks. He says this will be of significant value to online SMEs as it gives them delivery options to gain an edge on their competition. It also reduces dependency on the old call center-based logistics companies. Chung says South Korea's B2B real-time delivery market is worth US$5 billion.

- **Global Hackathon Seoul aims to connect Korean hackers and the rest of the world**
  In 2014, a total of US$1.39 billion was poured into South Korean startups, according to The Korea Herald. As if that's not enough, Seoul's government is turning up the heat further in the coming year with a US$181 million budget set

aside for early-stage startups, and another US$400 million for new products and technologies. Now, the city's government is looking beyond the borders of Korea to give local hackers more international exposure – and vice versa. It will be sponsoring the aptly named Global Hackathon Seoul, a four-day long event for some 2000 hackers across the world. Of the chosen 2000, half will be student hackers from around the world – handpicked by the team – and the other half will be local computer science and engineering students. Airline tickets and hostel accommodation for all attendees will be fully sponsored, too. To call it just a hackathon isn't entirely accurate – since the actual hackathon will only be 36 hours long. According to a statement, Global Hackathon Seoul is dubbed as a "Korean culture infused hackathon + conference + modern job fair." The event executive director KJ Yoo thinks of it as "the Olympics of hackathons."

Japan

- **Japanese Bitcoin marketplace lands US$1.1M from domestic and US investors**
  Japanese Bitcoin exchange BitFlyer announced US$1.1 million in new funding. The latest round included domestic and American investors: Recruit Strategic Partners, GMO Venture Partners, and Barry Silbert's New York City-based Bitcoin Opportunity Corp. The investment will be used primarily for marketing and talent acquisition, but some will also be put toward opening new offices in unspecified foreign markets. The service launched in January 2014, just a month before the closure of Mt. Gox – the world's largest cryptocurrency exchange before a scandal that saw 750,000 of its users' bitcoins disappear. Despite the Gox collapse – and the fact that it was also headquartered in Tokyo – BitFlyer is proving to be a trusted alternative. BitFlyer CEO Yuzo Kano, a former trader at Goldman Sachs, says that the platform sees between US$470,000 to US$700,000 at current exchange rates in monthly buy/sell orders. BitFlyer's relationship with GMO, one of Japan's largest internet infrastructure companies, is certainly giving it a boost. GMO Payment Gateway (GMO-PG) is Japan's largest credit card transaction processor, with nearly 50,000 participating merchants. BitFlyer raised US$1.6 million last July and another US$236,000 last October, bringing total investment to approximately US$2.9 million. It faces competition from the likes of US-based Kraken and domestic rival Quoine.

- **Japan's SmartNews booming in US with 1M monthly active users**
  Just three months after debuting in the US, Tokyo-headquartered news app SmartNews has achieved a major milestone: one million Americans are already monthly active users. It has also reached the number-one spot in the news category for apps on the US versions of the App Store and Google Play. "Our growth in the US is fueled by word of mouth, good press, publisher co-promotions, and advertising," says Kaisei Hamamoto, SmartNews co-founder and co-CEO. "What's great is that, despite our fast growth and advertising, we're maintaining the same strong engagement rate – 50 percent of monthly active users are also daily active users." SmartNews, which uses machine-learning algorithms to aggregate trending stories from both news outlets and social media, was founded in June 2012. It entered the US, with localized versions for both iOS and Android, last October. The app boasts 4 million monthly active users in its home market of Japan, though Hamamoto says that "much higher" domestic metrics will be revealed next month.

India

- **Printvenue raises US$4.5M in funding from Asia Pacific Internet Group**
  Rocket Internet-backed Printvenue, an online portal for printing and personalised products, secured US$4.5 million in funding from Asia Pacific Internet Group (APACIG), a joint venture of Rocket Internet and Qatar-based telecom player Ooredoo. The investment will back growth across Asia Pacific and make Printvenue part of the APACIG network. Saurabh Kochhar, MD and Co-Founder, Printvenue.com said, "The new round of capital investment will be used to expand our business within the Asia Pacific region and increase our market leadership in other markets by continuing our growth. In the long-run, it is our vision to become the world's one-stop shop for all the printing needs." Established in 2012, Printvenue is a Gurgaon-based online portal that enables ordering customised office stationery, business cards, letterheads, cardholder and other accessories such as photo-mugs, photo-notebooks, pen drives and i-Phone cases. APACIG currently unites 13 online companies across 15 APAC countries, of which Printvenue is active in India, Singapore and Australia. Gifts from Printvenue have a strong demand across Tier 1 and Tier 2 cities in India.

- **Indian matrimonial portal Shaadi.com invests in dating startup Thrill**
  Anupam Mittal-led People Group, which owns matrimonial portal Shaadi.com, has invested an undisclosed amount in dating applications maker Thrill. This investment will give Shaadi.com a 25 per cent stake in the startup. As part of the deal, Shaadi.com has merged its dating platform Fropper with Delhi-based Thrill Applications, a wholly-owned

subsidiary of Thrill. Keeping women's safety as a priority, the app gives women the power to instantly match with whomsoever they please, while men can only express interest by finding someone "Thrilling". Mittal, Founder and CEO of People Group said, "Shaadi.com is already the market leader in the match-making industry. While online match-making is already a well-established practice in India, dating is also gaining a lot of popularity with the Indian youth. The Thrill app packs in loads of innovation that's 'Made for India', and already has built a strong appeal with young India. To sum it up, we are quite 'thrilled' to be a part of their journey." Thrill was founded in 2012 by Americans Devin Serago and Josh Israel, who re-located from the United States to New Delhi, India to launch and grow their mobile dating app.

- **Indian app for teachers and parents Knit secures seed funding**
  India-based communication app for teachers and parents Knit has secured seed funding from Rohit Jain of Mexus Education and Amit Rambhia of Vardhaman Technology. The investment amount is undisclosed. Knit, a product of TrumpLabs that is targetted at schools, offers teachers a free and simple way to text parents. Teachers can use it to send out reminders, homework, group pictures, etc. The new funding will be used to boost technology, customer acquisition and marketing. The startup will launch its offerings on iOS and Windows. It is currently available on Android. "We just finished our pilot in December 2014. Since the, we have got five schools on board, with 2,000 users sending 10,000 messages every day," shared Jaideep Poonia, Co-founder, TrumpLabs.The way Knit works is simple. A teacher needs to create a classroom on the app and invite parents. The messaging is one-way, so teachers can keep parents abreast. Keeping safety in mind, all phone numbers are kept private. Parents who don't prefer smartphone can subscribe via SMS and all reminders sent by teachers will be delivered as SMS. The startup is incubated at the Society for Innovation and Entrepreneurship (SINE), IIT Bombay.

- **Eduardo Saverin, Velos Partners invest US$11M in Indian firm Hopscotch**
  Hit The Mark, the parent company behind Hopscotch, a Mumbai-based babycare and kids products e-tailer has raised US$11 million in Series B round led by Facebook Co-Founder Eduardo Saverin and Los Angeles headquartered early-stage investor Velos Partners. Other investors include Rise Capital, Jabbar Internet Group, and existing investors Singapore-based LionRock Capital and Skype Co-founder Toivo Annus. This brings its total funding amount to US$15 million. The company will use the funds primarily to build operational capacity and technology, to support growth initiatives and expand its product and service offering. Launched in 2012, Hopscotch is an Indian discovery based e-commerce destination for Indian moms, offering a range of multiple product categories including apparel, shoes, toys and accessories from around the world. The online market for babycare and kids products is massive with many players such as FirstCry and BabyOye operating in this space. The opportunity for these products are high in tier-II and tier-III cities as there exists no single solution to the needs and demands of parents.

Thailand

- **StockRadars raises funding from CyberAgent Ventures and East Ventures**
  Thailand-based stock market app company StockRadars announced receiving an undisclosed amount of Pre-Series A funding from CyberAgent Ventures and East Ventures. The funds will be used to help StockRadars grow locally and further boost expansion plans in Indonesia and beyond. East Ventures and CyberAgent Ventures are primed to help it with strategic connections as well, given the two Japanese venture firms' extensive portfolios in Indonesia. Going forward, StockRadars is also looking to update the data on its mobile and web-based platform in real-time, instead of with end-of-day information. This should be implemented by Q2 2015. Currently, StockRadars is only available in Thailand and Singapore. There are about 140,000 users on StockRadars with a majority of these users hailing from Thailand. The company generates revenue via in-app purchases and a yearly subscription.

Indonesia

- **Indonesian flash sales startup VIP Plaza snags series A funding to start Southeast Asia expansion**
  Indonesia's VIP Plaza, a fashion flash sales site, announced a series A round of funding from Yahoo Japan Capital (YJ Capital), a venture subsidiary of Yahoo Japan. The amount is not disclosed. Tesong Kim, co-founder of VIP Plaza, says the new funds will be used to beef up the ecommerce store's marketing activity and help VIP Plaza reach more consumers across Indonesia. He also says VIP Plaza is looking to expand globally, starting with a brand new office in Malaysia that opened recently. The funding round marks YJ Capital's first investment in Indonesia and further strengthens Japan's status as the most aggressive foreign country feeding cash into the nation's startup scene. Indonesia's "Negative Investments List" – a set of rules that blocks or limits foreign investment in certain local industries, including ecommerce – does not apply to this deal because VIP Plaza is classified as a marketplace

portal, one which does not hold stock of its goods. This was also the way that SoftBank and Sequoia Capital were allowed to fund Tokopedia to the tune of US$100 million last year.

Singapore

- **99.co secures funding from Facebook Co-founder and Sequoia Capital**
  Singaporean online property portal 99.co announced a new round of funding from Facebook Founder Eduardo Saverin and VC firm Sequoia Capital. The announcement, which took place at the company's official launch today, brings its total investment amount to US$2 million including the US$560,000 99.co raised in 2014 from the likes of East Ventures, Golden Gate Ventures, 500 Startups and Fenox Capital. 99. Co, headquartered in Singapore's famous Block 71, soft launched in November last year and since then, the company has grown its traffic by the rate of 25 per cent a month, according to a statement by the company. In the same period, its competitors such as PropertyGuru and iProperty have seen a decrease of web traffic between 10 and 20 per cent, said the statement. The company also announced that it intends to monetise through a subscription model. Agents will pay either S$35 (US$28) a month or S$349(US$280) a year to use the service. The site will be completely free for the consumer though. The company revealed that unlike some of the existing portals, it would bar agents to buy their way to the top of listings or be featured in a place of prominence on the site.

- **Singapore Health Tech launches VentureCraft to bridge China**
  Singapore Health Tech has launched a new initiative called VentureCraft to provide a working capital facility to early-stage Singapore-based high-tech IP startups. It will also grant access to Alibaba Co-founder Sun Tongyu and top China angel investor Cai Wensheng. The initiative is in collaboration with the Singapore-MIT Alliance for Research and Technology (SMART) Innovation Centre. Startups must prove a scalable business model and willingness to expand overseas. Singapore Health Tech is an investment arm of Singapore Health Holdings. It says it aims to provide a strong platform for startups to expand and commercialise into high-growth markets like China. Singapore Health Holdings was recently behind the US$800,000 seed funding of Cialfo, a Singapore-based EduTech startup. VentureCraft is established with a S$4 million (US$3.2 million) fund. It will provide loans of up to S$500,000 (US$400,000) to startups for 18-24 months 'to start the ball rolling' at 10-20 per cent interest rate, also convertible to shares.

- **FreshMonk raises funding led by August Capital Partners and others**
  Singapore-based FreshMonk, a custom apparel design and fulfillment platform by 91 Design Labs, raised an undisclosed amount in a Series AA funding round led by VC firm August Capital Partners (ACP), Michael Blakey of Cub Capital and private angels, to help drive growth. The funds will be used for scaling the team, marketing efforts and building a quality supply chain. FreshMonk allows anyone to create and sell custom apparel online with no-upfront costs by arming them with crowd-funding style design, marketing and sales tools. The company takes care of production, distribution and customer service and passes on the profit to the sellers, shared the official release. The startup is venturing into the Asian market with a new version of its sales platform, providing more apparel categories and greater international support, especially for customers across East Asia and Oceania, further added the release. An India-based non-profit organisation WidlifeSOS recently raised over US$2,200 in profit using the platform in a 10-day campaign. Civil rights activists across India have also used FreshMonk to spread awareness and raise money.

United States

- **Raise grabs US$56M to help you sell your gift card for cash**
  Gift cards are big business — so big, there are entire marketplaces for them, it turns out. Raise, one of the largest, announced that it has raised US$56 million to help it grow and expand. Through Raise, shoppers can purchase discounted gift cards to use online or in stores, and sell unwanted gift cards at whatever price they choose in exchange for cash. Raise makes digital cards available online immediately, ships physical ones to buyers for a tiny fee, and makes many of them printable so they can get them right away. It takes a 15 percent cut from each sale. Raise launched an iOS app in November (Android is coming soon) that lets shoppers purchase cards and instantly redeem them online or at a physical store by scanning a barcode with their phone. Raise isn't alone in providing a place for buying and selling gift cards. CardPool and CardCash, among others, also let people buy discounted cards and sell unwanted ones for cash. New Enterprise Associates (NEA) led the round, with additional participation from

Bessemer Venture Partners (BVP), the Pritzker Organization, Listen Ventures, and other existing investors. Raise was founded in 2013 by George Bousis, and is based in Chicago. It has raised $81 million in funding to date.

- **Bastille raises US$2.5M to secure the Internet of Things**
  After extending an angel round of investment, security startup Bastille just scooped up an additional US$1 million in funding from investors including David Cowan of Bessemer Venture Partners. The company first raised $1.5 million in September of last year, but kept the round open. Tom Noonan and John Huntz provided much of the initial investment. The company focuses on assessing vulnerabilities in connected devices and detecting possible breaches at the enterprise level. Bastille has yet to launch a formal product, but the company says it will help to secure devices that connect to wireless technologies like Zigbee and Bluetooth, among other communication protocols. "There are thousands of manufacturers scrambling to bring IoT devices to market without concern for security or privacy," founder and CEO of Bastille, Chris Rouland, said in a statement. He's not wrong. Very few companies that are creating connected devices for the home are particularly focused on security. Hackers at the BlackHat security conference recently showed the ease of hacking Google's Nest thermostat. And it can be more serious than just taking control of the temperature of your home. Bastille's angel round will help the company kick-off some pilot programs with a select number of financial institutions.

- **D-Wave keeps dreaming of quantum computers everywhere, takes US$23.1M more**
  D-Wave Systems, a company building what it calls quantum computers, announced that it has taken on around US$23.1 million in additional funding. Burnaby, British-Columbia-based D-Wave claims its hardware is capable of quantum computing. In contrast to classical computers, which deal in bits, each of which carries a value of either zero or one, quantum systems work with quantum bits, or qubits, each of which can be zero or one or both. The superposition of these qubits can allow great numbers of computations to be performed simultaneously, making a quantum computer highly desirable for certain types of processes. The new money will help "accelerate development of D-Wave's quantum hardware and software and expand the software application ecosystem," according to a statement from the company. Meanwhile, Microsoft has been incubating a quantum computing initiative of its own on the University of California, Santa Barbara campus. D-Wave, for its part, started in 1999 and is based in Burnaby, British Columbia. To date the company has raised US$138.7 million, or $174 million in Canadian dollars.

- **Rocket Internet-backed ridesharing platform Tripda raises US$11M for U.S. push**
  Tripda, a ridesharing platform that connects people looking for a ride with people who have room in their car for another rider, just raised US$11 million, with the majority of the money coming from Rocket Internet. The company essentially platformizes hitchhiking, and the app comes across as a blend between Airbnb and Lyft. Focused on matching people for long-distance rides, Tripda positions itself as an alternative to mass travel (buses, airplanes, trains, etc.). Once paired with a driver, passengers can exchange messages about travel preferences — similar to the way you can coordinate with your host on Airbnb. It's also essentially the same service as the French app BlaBlaCar, which Tripda competes with in Europe. Tripda launched in the U.S. last November and hasn't wasted any time rolling out to multiple cities. However, on-demand car service market in the U.S. is an incredibly competitive market with cab hailing service Uber and ridesharing app Lyft already occupying a hefty portion of the market. Already a number of smaller players have fallen by the wayside, including Hailo and Zimride (another ridesharing service). That means Tripda, even with its focus on longer-distance travel, has its work cut out for it.

- **Mobile platform Tune (formerly HasOffers) sings right notes, lands US$27M**
  Mobile marketing platform startup, Tune announced that it has landed US$27 million in funding. The company says that its platform, which helps marketers manage organic and paid channels on mobile devices, is used by 60 percent of the top-grossing apps in Apple's App Store. Founded in 2009 by twin brothers Lucas and Lee Brown and managed by Hamilton, the company's customers include Uber, Sephora, Trulia, Alaska Airlines, and EA. Tune has two main products, MobileAppTracking (MAT) and HasOffers, which overall helps marketers run campaigns across dozens or hundreds of channels like search, social media, app store discovery, email marketing, retargeting, and any number of advertising partners. The new funding was raised by Icon Ventures (formerly Jafco Ventures), along with Performance Equity Management and Accel Partners. A Series A round in 2013 scored $9.4 million. Tune is based in Seattle, but has offices around the world.

- **Cloud-monitoring startup Datadog lands US$31M**
  Datadog, a company that helps monitor cloud applications, raised US$31 million in a Series C round. Datadog's service gives developers and operations teams the ability to monitor performance metrics, as well as specific

events, from a variety of cloud services, all in a single dashboard. It's free for up to five hosts and costs $15 per host per month for up to 100 hosts, with enterprise pricing available for quantities above that. The round was led by previous investor Index Ventures, with participation from RTP Ventures, Openview Partners, and others. The company is based in New York, and launched in 2010. It says that its monitoring service works with thousands of customer companies, comprising more than 100,000 servers in all. It supports most major cloud providers, including Amazon Web Services (AWS), Microsoft Azure, Google Cloud Platform, and Red Hat OpenShift, as well as the OpenStack platform.

- **Meta grabs US$23M to keep riding the wave of augmented reality excitement**
  Meta raised US$23 million in new funding for a augmented reality headset technology. Meta's headset is like a pair of big sunglasses equipped with sensors and projectors. While wearing it, a "pioneer" (what Meta calls its beta users) sees a virtually constructed world and can interact with elements in it. By contrast, some companies like Oculus Rift are building virtual (not augmented) reality headsets, which immerse a person into a fully virtual world. Virtual reality headsets usually have a screen that goes in front of a person's eyes which is what they look at and experience instead of the real environment around them. In 2013, Meta raised just under US$200,000 in crowdfunding on Kickstarter for its first version, the Meta 1 Developer Kit. Now, more than 1,500 developers and companies have access to Meta's SDK, including Arup, Salesforce, and SimX, according to the company. Li Ka-shing's Horizons Ventures, Tim Draper, BOE Optoelectronics, and Y-Combinator partners, Garry Tan, and Alexis Ohanian led the round, with Danhua Capital, Commodore Partners, and Vegas Tech Fund also participating. Meta was founded 2012 by Raymond Lo, Ben Sand, and Meron Gribetz, and is based in Portola Valley, California. The company participated in Y Combinator's Summer 2013 batch.

- **Araxid pulls in US$12.5M to bring its database clean-up platform to other verticals**
  In the age of Big Data, health care providers (and anybody else managing large databases) need powerful tools to make sure potentially duplicate patient identity data is properly stored and filed. McLean, Virginia-based Araxid Prime Inc. offers a SaaS-based service that unites the individual profiles in the large databases kept by health care companies and government agencies. The company has picked up US$12.5 million in venture funding to expand the platform to other industries. The funding round was led by Bessemer Venture Partners and Columbia Capital. Araxid's identity resolution and matching technology software is used for resolving, linking, and privatizing disparate identities stored in one or more customer, partner, or employee databases, the company says. But Araxid's identity matching platform could be used in other industries — like retail, which relies on accurate customer data to operate loyalty programs and better engage potential buyers. Araxid and its investors believe that the market for identity resolution will grow to almost $1 billion in 2015.

- **UserTesting lands US$45.5M to reveal why users do the things they do**
  Boasting the largest user experience platform on the planet, UserTesting announced that it has scored a whopping US$45.5 million so it can better decipher why users do the things they do. The Mountain View, Calif.-based company, which says it has more than 30,000 client companies, pays real people to record their screens and voices as they try to complete tasks on sites, apps, prototypes, and sometimes physical products. These videos plus online focus groups then become the basis for UserTesting's usability experts to make recommendations about conversion rate opportunities, landing page effectiveness, Google search behavior, email campaigns, and other client goals. The new funding — which brings the total raised to $53.5 million — will be used to expand the test participant panels so they reach niche demographics and international users. It will also be invested into creating new ways to measure a product's user experience over time and against competitors, and for better testing the complete omnichannel customer journey across different devices and locations. This Series C round was led by Accel Partners, with participation from OpenView Venture Partners.

- **Everspin takes US$29 million to develop next generation MRAM chips**
  Everspin Technologies is on a mission to replace dynamic random access memory (DRAM) chips and Flash memory chips by combining the features of both in a single chip. The result of the marriage is the Magnetic Random Access Memory (MRAM) chip, which performs the same functions as permanent Flash memory chips but also has the responsive speed of DRAM. Everspin announced that it has closed a fresh US$29 million funding round, led by a couple of new investors — Global Foundries and Western Digital Capital. Existing Everspin investors New Venture Partners, Lux Capital, Sigma Partners, Epic Ventures, and Draper Fisher Jurvetson also joined in the round. MRAM, it turns out, can be used in all sorts of things, like computers, industrial equipment, and Near Field Communication (NFC) technologies. Using MRAM in enterprise data centers reduces system downtime and simplifies system

design, lowering overall costs. Everspin's most notable competitor is Silicon Valley-based Crocus, another MRAM chip company, which is developing a multi-bit per-cell architecture for its Magnetic Logic Unit (MLU) technology.

- **Iora Health picks up US$28M to take the sting out of primary care**
  Like its West Coast cohort One Medical, Cambridge, Massachusetts-based Iora Health is trying to take some of the age-old hassle out of primary care, and it's raised US$28 million in new funding to do this. Iora's system uses telemedicine platforms to reach remote patients. It also reduces wait times for office visits. The end result of these things, it believes, is a better patient experience, better clinical outcomes, and a reduction in overall health care costs. The company operates 11 primary care clinics and is poised to open many more. In fact it wants to double in size in 2015. The startup has some well-moneyed believers. New investors include Foundation Medical Partners, Rice Management Company, GE Ventures, and Khosla Ventures, with existing investors .406 Ventures, Fidelity Biosciences, and Polaris Partners also throwing in.

Europe

- **Zomato buys Turkey's popular restaurant discovery service Mekanist**
  Global restaurant discovery service Zomato announced that it has acquired Mekanist.net, one of the leading players in Turkey backed by Pond Ventures, in an all cash deal. This is Zomato's last big acquisition in Eastern Europe where it has last added most popular restaurant search services in Czech Republic and Slovakia in August last year. With the acquisition of Mekanist, Zomato restaurant coverage will increase from about 27,500 restaurants in Istanbul and Ankara to more than 50,000 restaurants across Turkey, serving over 3 million times a month. This is Zomato's seventh acquisition in the past six months, the company has acquired Urbanspoon for $52M to enter the US and Australia markets only a couple of weeks ago. Zomato has also recently acquired local dominant restaurant search players in New Zealand, Poland, the Czech Republic, Slovakia, and Italy.

- **Deliveroo grabs US$25M to bring its premium meal delivery service to more cities**
  London-based food delivery startup Deliveroo raised US$25 million to beef up its U.K. and global aspirations. This is just eight months after Deliveroo raised a US3.8 million round, led by Index Ventures. Index Ventures is participating in this round too, but it's being led by Accel Partners, with Hoxton Ventures and Hummingbird Ventures also chipping in. Founded in 2013, Deliveroo differs from other food-delivery companies insofar as it focuses on the "premium" end of the cuisine spectrum. While there are many online channels and aggregators for ordering food, they typically don't offer finer-dining eateries — which is usually because such establishments don't offer a takeaway service. Deliveroo partners with restaurants but uses its own drivers and cyclists, as it's looking to bring a more consistent experience to the ordering process. By managing the technological facet of launching an online takeaway service, and taking care of the logistical delivery side of things too, Deliveroo lets restaurants concentrate on being a "sit-down restaurant" while cooking additional orders for those who prefer to sit down at home.

- **London startup Dojo, which offers a curated selections of events and attractions, raises US$1.2M**
  Dojo, a service aiming to provide high-quality suggestions for places to visit in London, announced that they have raised approximately US$1.2 million (800,000 British pounds) in funding from the London Co-Investment Fund (LCIF), an investment tool created by London mayor Boris Johnson to support local startups. In addition to LCIF, participants in this round include Playfair Capital, as well as Saatchinvest and several private angel investors. For LCIF, this is actually the first deal to have been completed. Dojo was founded by a trio of graduates from Bristol University as a service for providing young people with a list of interesting places to eat or drink. There is competition from the Lithuanian-founded and London-based YPlan, which is backed by more than $37 million, but Dojo is looking to go beyond offering cheap tickets to events by listing spots that may be of interest to those searching for street art or exhibitions, newly-opened clubs, food festivals and markets, fitness classes, and more.

- **Children and baby-oriented retailer Windeln.de raises about US$50.8M**
  Children-oriented online retailer Windeln.de has pulled in about US$50.8 million (45 million Euro) in funding in a round led by Goldman Sachs, DN Capital, Polish firm MCI Management, and 360 Capital Partners. MCI , DN Capital, and 360 Capital Partners are all previous investors in the German retailer. According to Alexander Brand, the CEO and co-founder of Windeln, the company generated 130 million in gross revenue (nearly double the year before). Now, thanks to this latest funding round, the company aims to expand its portfolio of products for babies and children (currently claims 85,000 products from more than 1,000 brands), expand geographically, and potential carry out an acquisition or two. Based out of Munich, the company launched in 2010 and expanded into Switzerland

and Austria in 2013. 2013 also saw Windeln.de acquire Swiss competitors Kindertraum.ch and Toys.ch. Back in May 2014, the company took home 15 million Euro from MCI and others and, in February 2013, it raised 15 million Euro in a Series B.

- **Scottish high-tech startup pureLiFi takes in about US$2.26M in new funding**
  Scottish high-tech startup pureLiFi announced that they have pulled in about US$2.26 million (1.5 million British pounds) in funding, with a valuation at more than US$21 million (14 million pounds). Investors participating in this round include angel group London and Scottish Investment Partners, with additional funding from the Scottish Investment Bank, which is the investment vehicle of Scottish Enterprise, and Old College Capital, the investment arm of the University of Edinburgh. The company, which spun out of the University of Edinburgh back in 2012, has developed what it claims is the world's first wireless "Li-Fi" networking system. Having released their first product, the Li-Flame, in Q4 2014, they will take this new funding and apply it towards developing and rolling out their product roadmap, as well as boosting their marketing and sales efforts. This will likely not be their last funding announcement for the year, as the company says that they will more news coming during the second half of 2015.

Israel

- **Israel attracts more investment from China with new US$102 million VC fund from Singulariteam**
  Israel has emerged as a hotbed for tech startups, with the so-called "Startup Nation" producing a wealth of successful companies from across the technological realm. So perhaps it comes as little surprise that Israel is the continuing focus of investment from China. Local venture capital firm Singulariteam revealed that the founders of Chinese holdings giant Tencent and social network Renren are putting up cash for a new US$102 million fund. Existing investor Kenges Rakishev is also returning for what is Singulariteam's second fund. The first fund, which amounted to US$100 million, was invested in 12 startups, with a particular focus on robotics, new space, augmented reality (AR), and mobile. These include Mobli, InfinityAR, Effective Space, and General Robotics, though famously simplistic messaging app Yo also received funding. The second fund will again target Israeli startups looking for seed investment and will cover fintech, the Internet of things (IoT), mobile development, and robotics. It has already invested in six startups. This news follows a trend of big investment in Israel coming out of China. Last year it emerged that Chinese equity-investment company Yongjin Group had invested around $20 million into Israeli venture fund Pitango Venture Capital, while computing giant Lenovo also pumped around $10 million into venture fund Canaan Partners Israel.

- **Mobile video chat app Rounds takes in US$12 million in Series B**
  Israeli startup Rounds announced that they have raised US$12 million in a Series B round. The new funding comes from Sequoia Capital, as well as Samsung Ventures and current investors Verizon Ventures, Rhodium, Tim Draper, and others. According to the company, the new funding will be put towards continuing growth and expansion, which will entail hiring key new staff members and to build out their platform. All told, Rounds has now raised $22 million in external funding, with their most recent round having been completed back in 2011. Rounds, which allows users to connect with each other through free, instant video chat on mobile, was founded in 2008 and currently claims 25 million users across its apps for Android and iOS, with most coming in recent months as the service has been featured in the Google Play store and App Store. The company says that, during 94% of the video calls carried out through the platform, users take advantage of features offered, including the ability to write on the other person's feed, play games, listen to music, play with video effects, or to take snapshots.