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Shaking the MoneyTree™ Q1 2015 Update

PricewaterhouseCoopers/National Venture Capital Association MoneyTree™
Report based on data from Thomson Reuters

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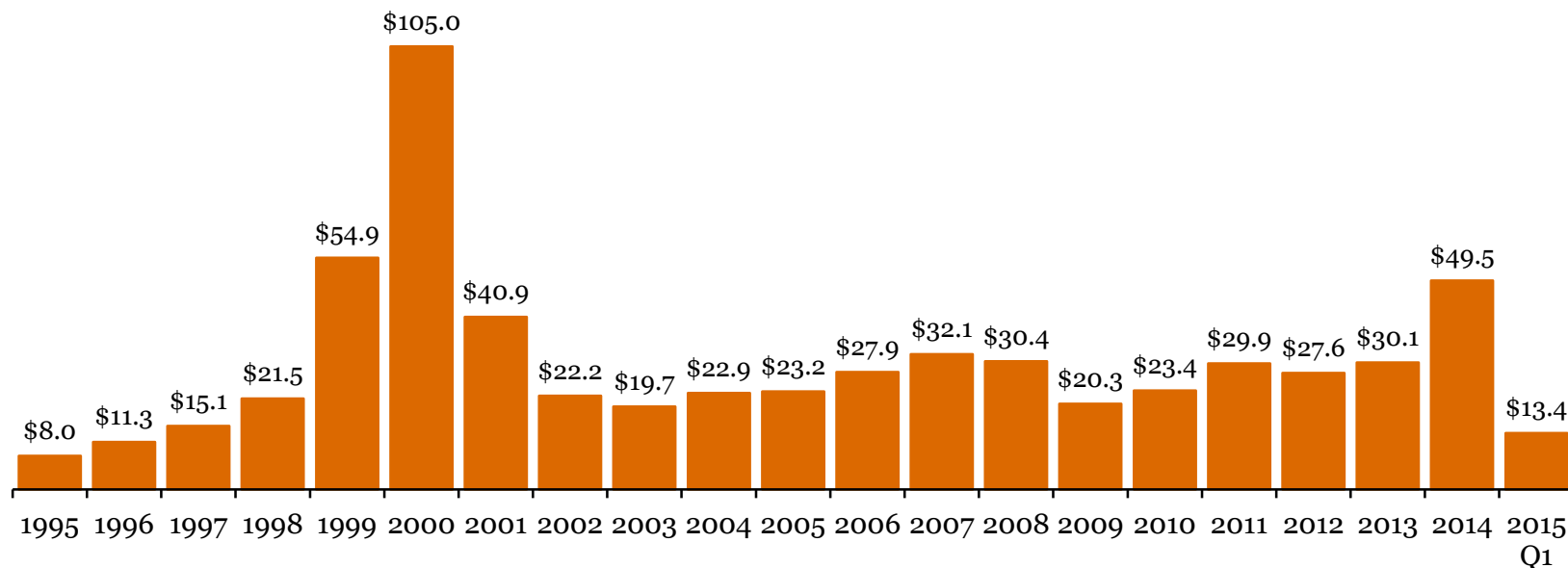
About the report

- PricewaterhouseCoopers and the National Venture Capital Association produce the MoneyTree Report™, based on data from Thomson Reuters
- ‘Core’ measure of equity investments in venture-backed companies in the United States
- Companies have received at least one round of financing, involving a professional VC firm or equivalent
- Captures: tranches, not term sheets, foreign VCs, qualified private placement
- Excludes: debt, bridge loans, recaps, roll-ups, IPOs, PIPEs, leasing, etc.
- MoneyTree™ Report in its 21st year
- Results online at www.pwcmoneytree.com and www.nvca.org

MoneyTree total investments

Annual venture capital investments 1995 – Q1 2015 YTD

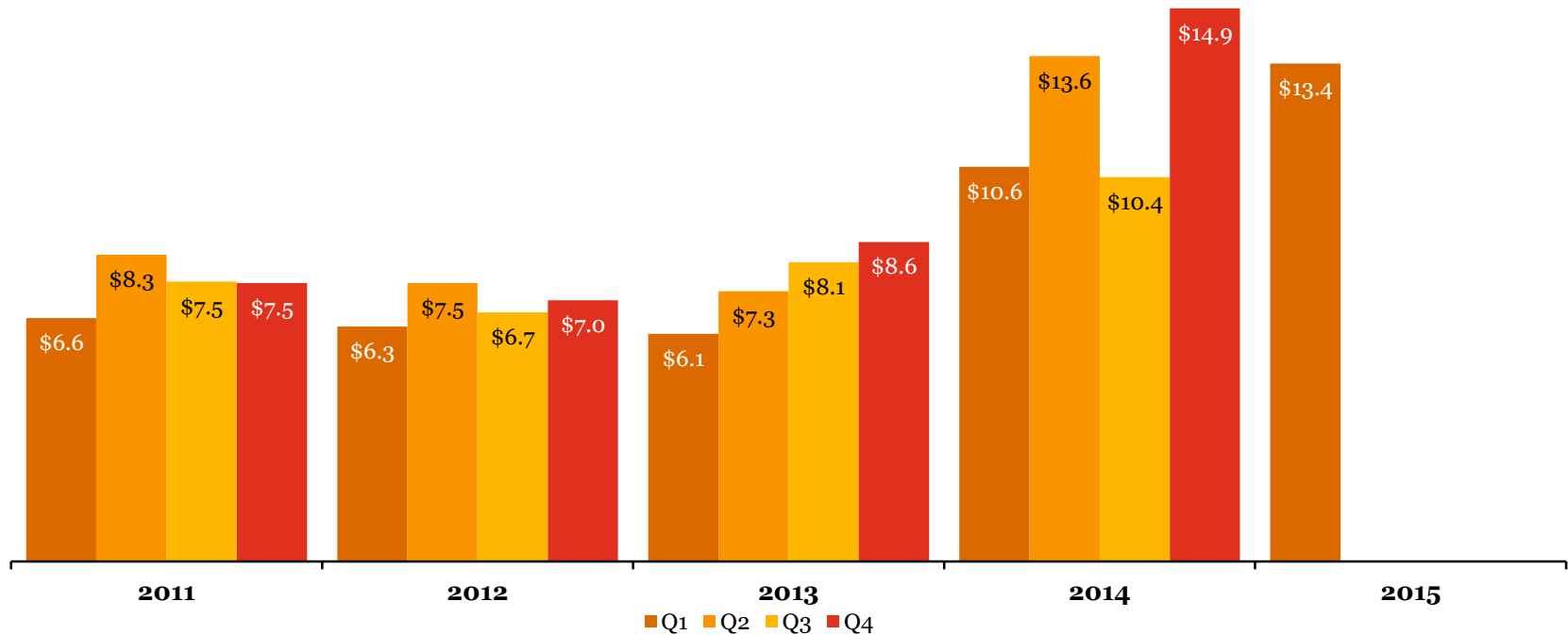
(\$ in billions)



# of deals	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 Q1
	1897	2635	3232	3743	5605	8040	4595	3217	3038	3236	3300	3895	4230	4200	3172	3668	4040	3966	4251	4378	1020

MoneyTree total investments: Q1 2011 – Q1 2015

(\$ in billions)



# of Deals	2011				2012				2013				2014				2015
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	912	1099	1021	1008	895	1001	980	1090	947	1045	1091	1168	1030	1175	1070	1103	1020

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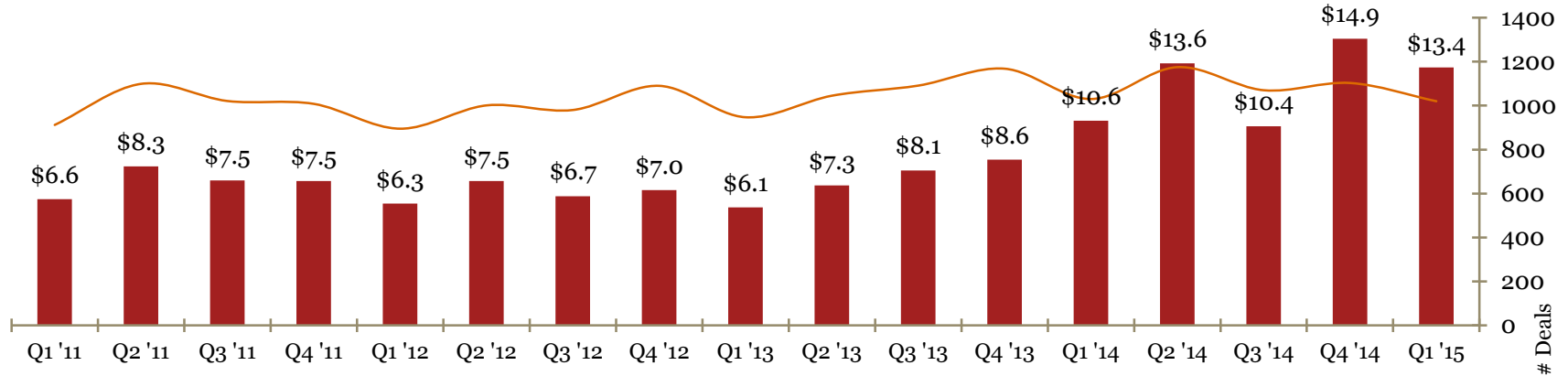


Q1 2015

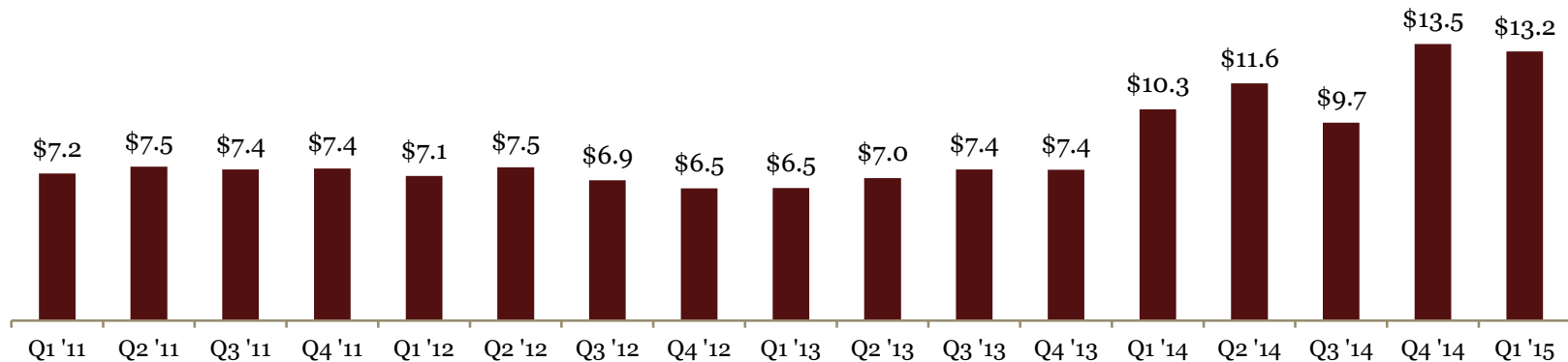
MoneyTree total investments

Quarterly venture capital investments Q1 2011 – Q1 2015

Total amount invested (\$B)

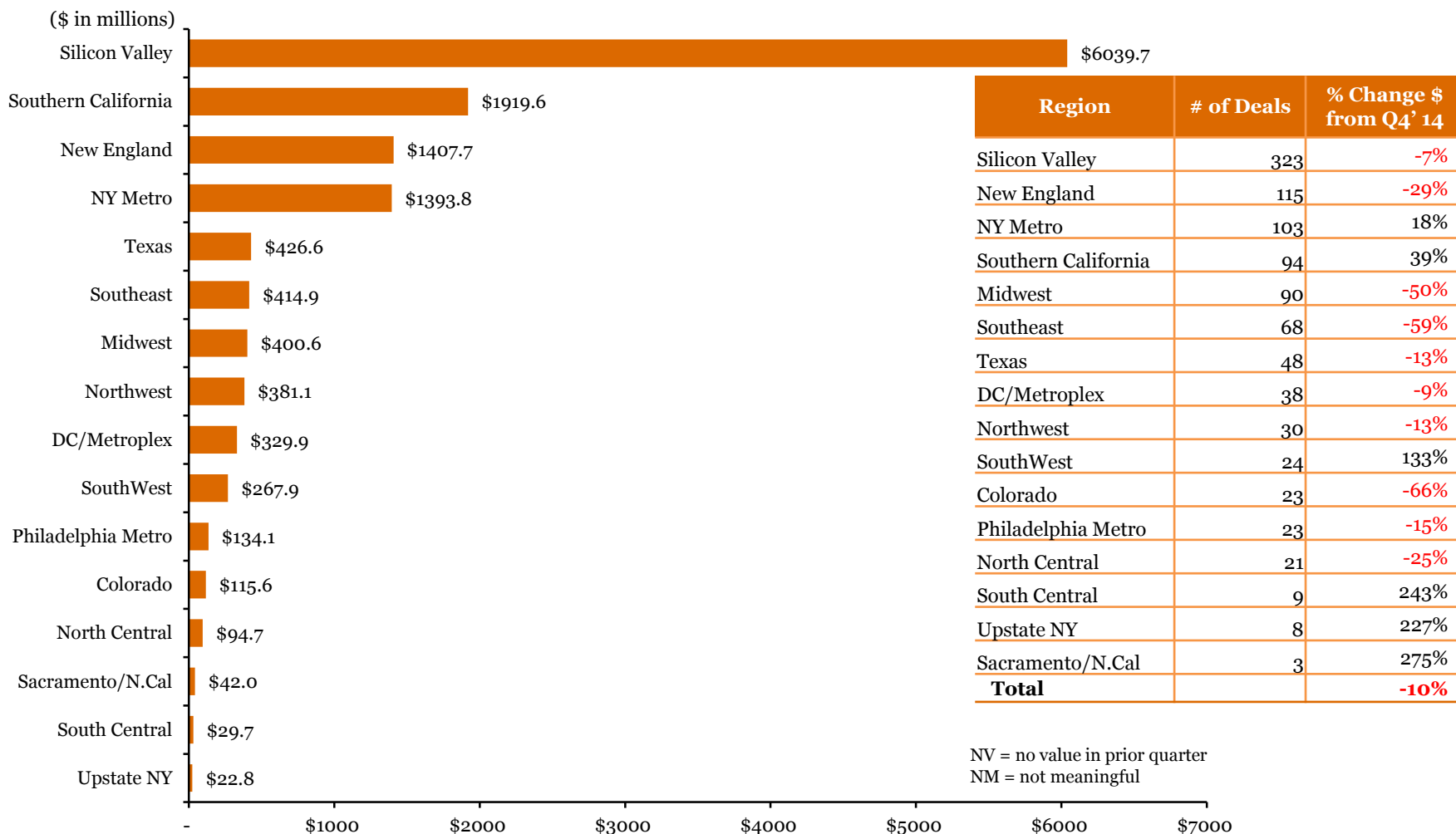


Average deal size (\$M)



Investments by region: Q1 2015

Q1 2015 Total Investments - \$13,420.8 million in 1,020 deals



NV = no value in prior quarter
 NM = not meaningful

Unknown region totals not included

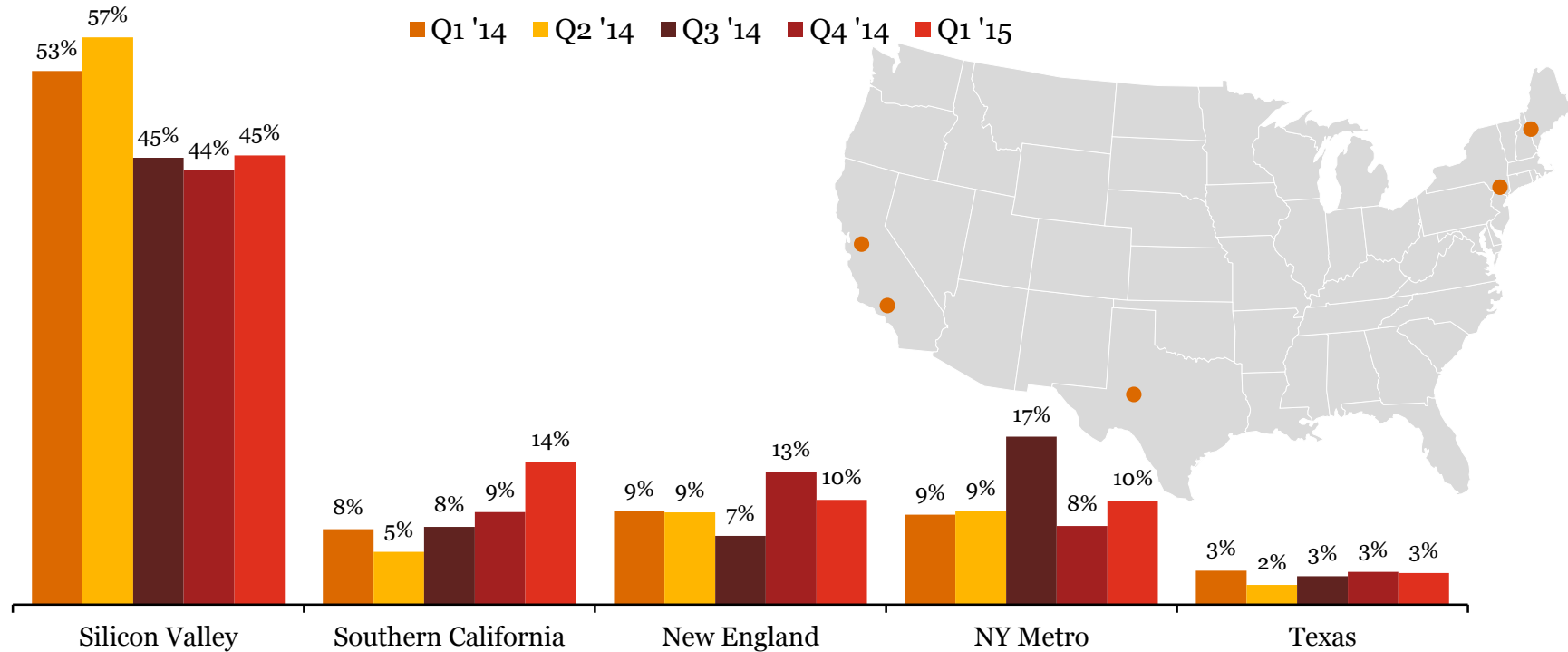
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Investments by region – Quarterly percent of total U.S. investments

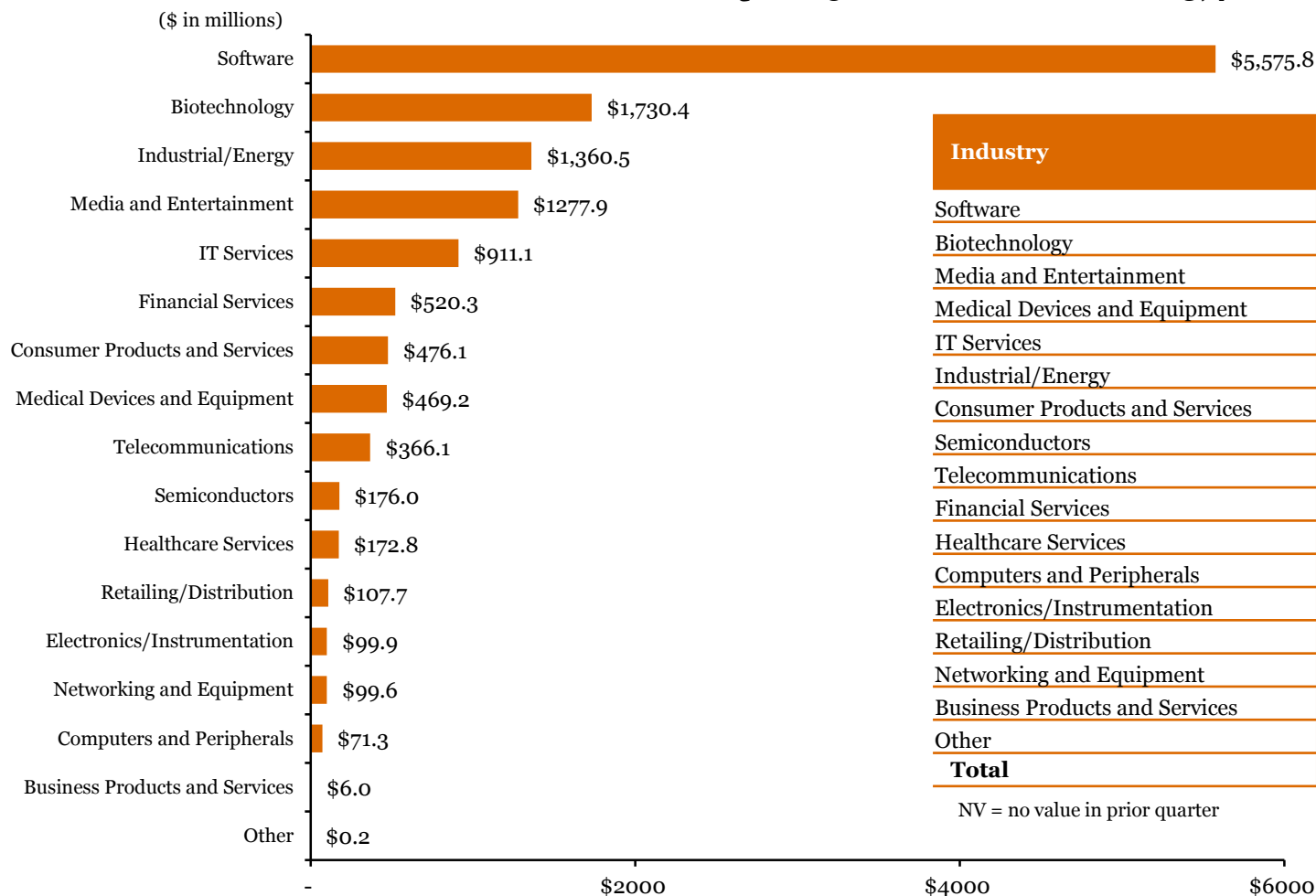
Top 5 US regions : Q1 2014 – Q1 2015

(% of total dollars)



Investments by industry: Q1 2015

Q1 2015 Total Investments - \$13,420.8 million in 1,020 deals



Industry	# of Deals	% Change in \$ from Q4 '14
Software	434	-8%
Biotechnology	124	-14%
Media and Entertainment	89	-9%
Medical Devices and Equipment	69	-30%
IT Services	68	1%
Industrial/Energy	63	133%
Consumer Products and Services	49	-42%
Semiconductors	18	-31%
Telecommunications	17	308%
Financial Services	16	80%
Healthcare Services	16	141%
Computers and Peripherals	14	-93%
Electronics/Instrumentation	13	-64%
Retailing/Distribution	12	-9%
Networking and Equipment	9	-57%
Business Products and Services	7	-97%
Other	2	-91%
Total	1,020	-10%

NV = no value in prior quarter

Visit www.pwcmoneytree.com for Industry definitions

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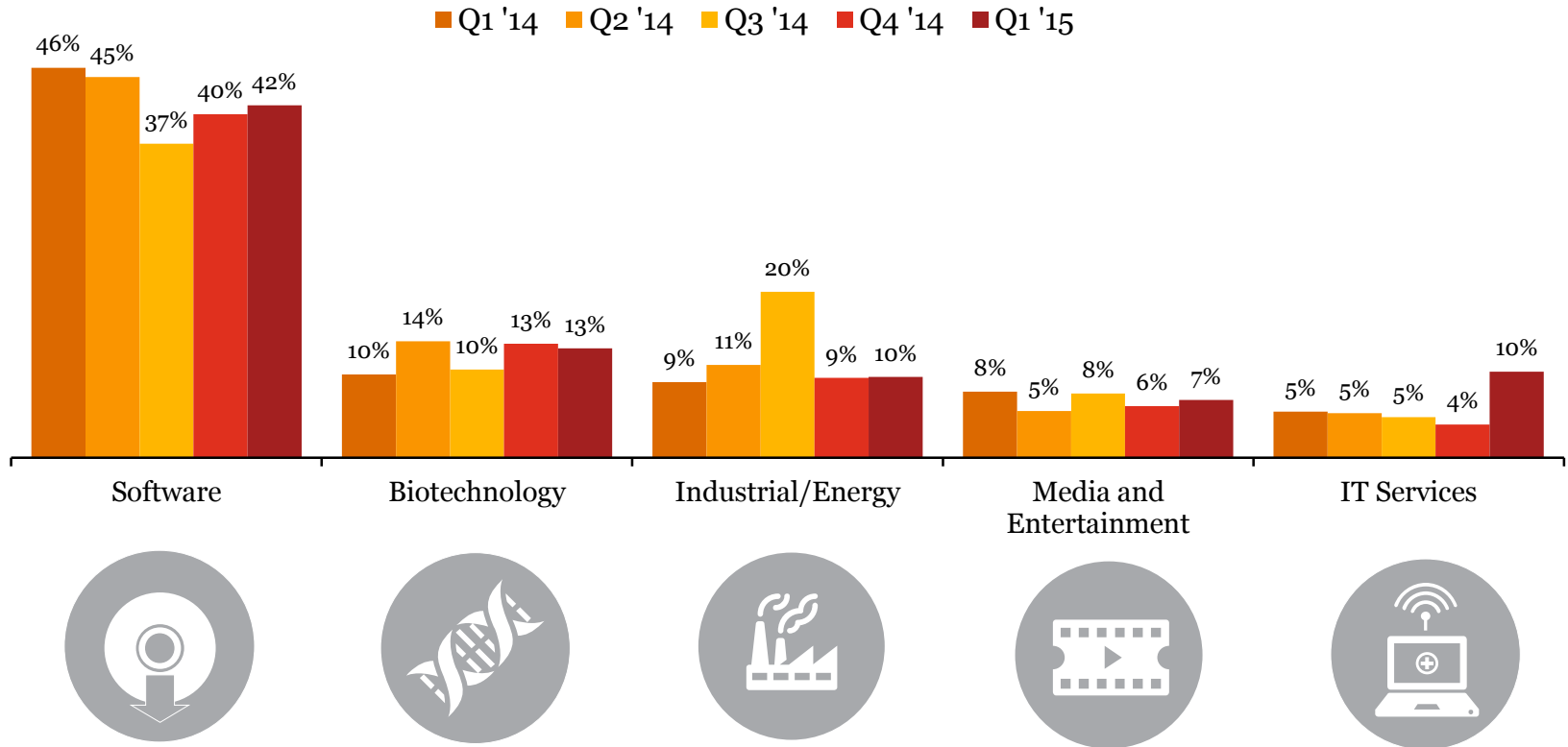


Q1 2015

Investments by industry – Quarterly percent of total U.S. investments

Top 5 Industries : Q1 2014 – Q1 2015

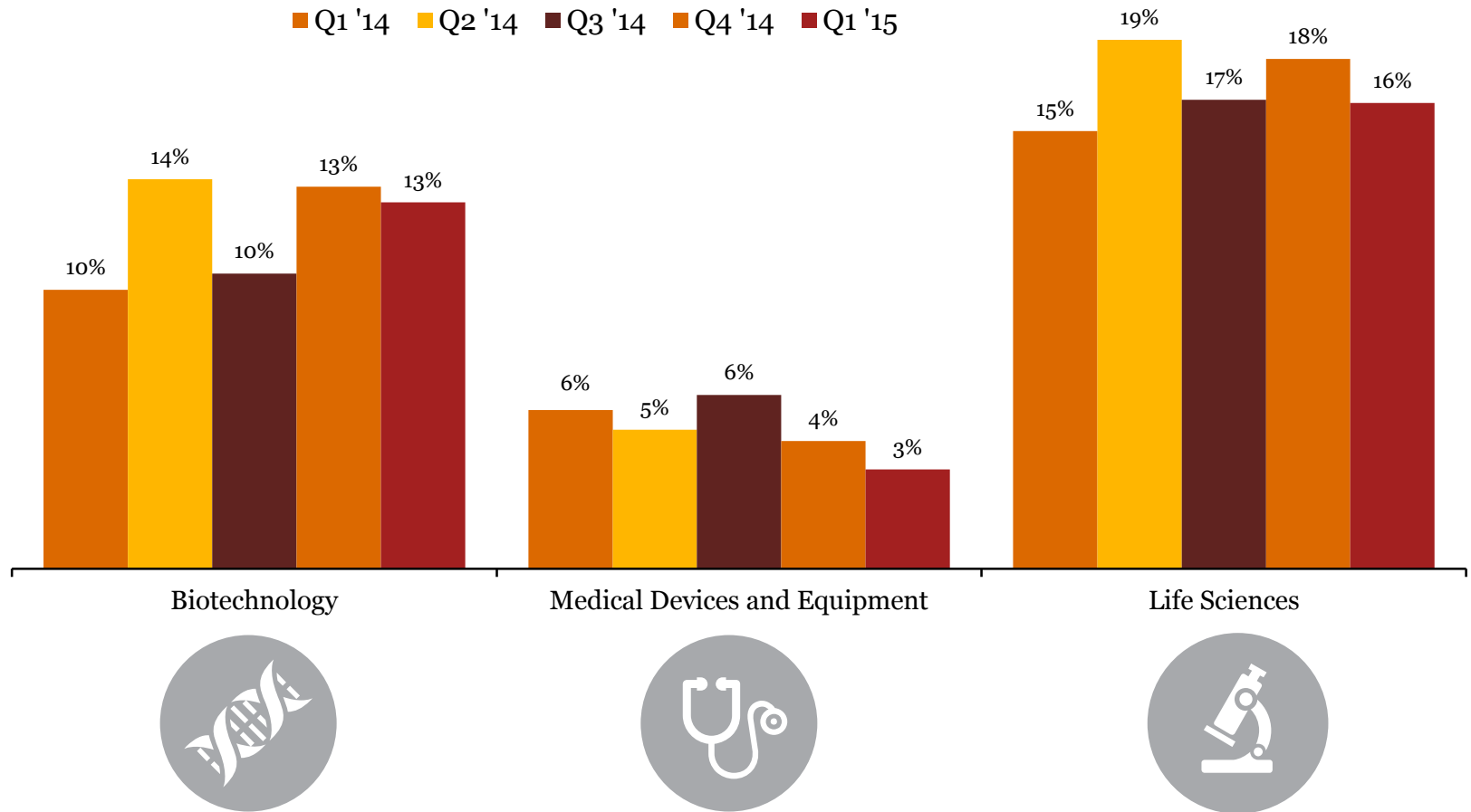
(% of Total Dollars)



Life science investments – Percent of total U.S. investments

Life science sector – Q1 2014 – Q1 2015

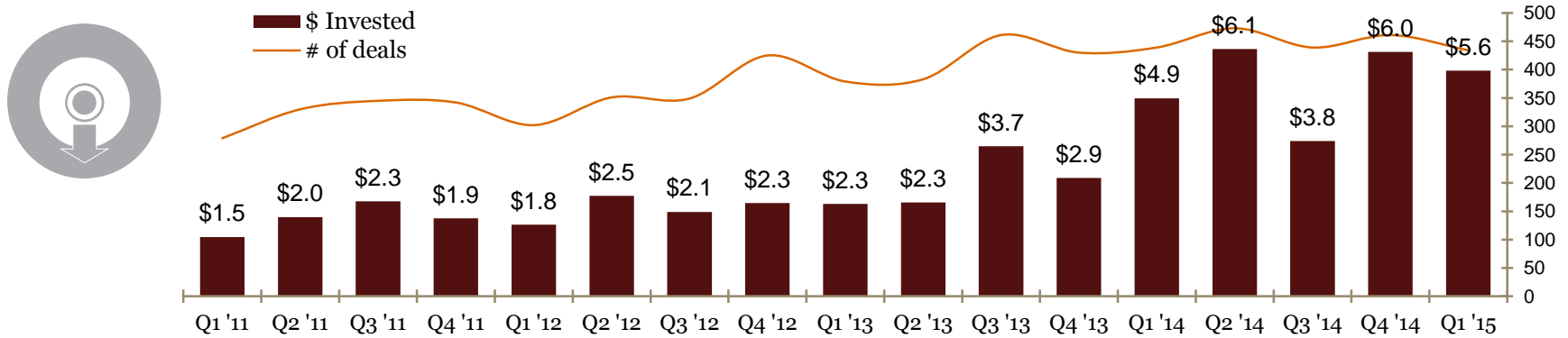
(% of total dollars)



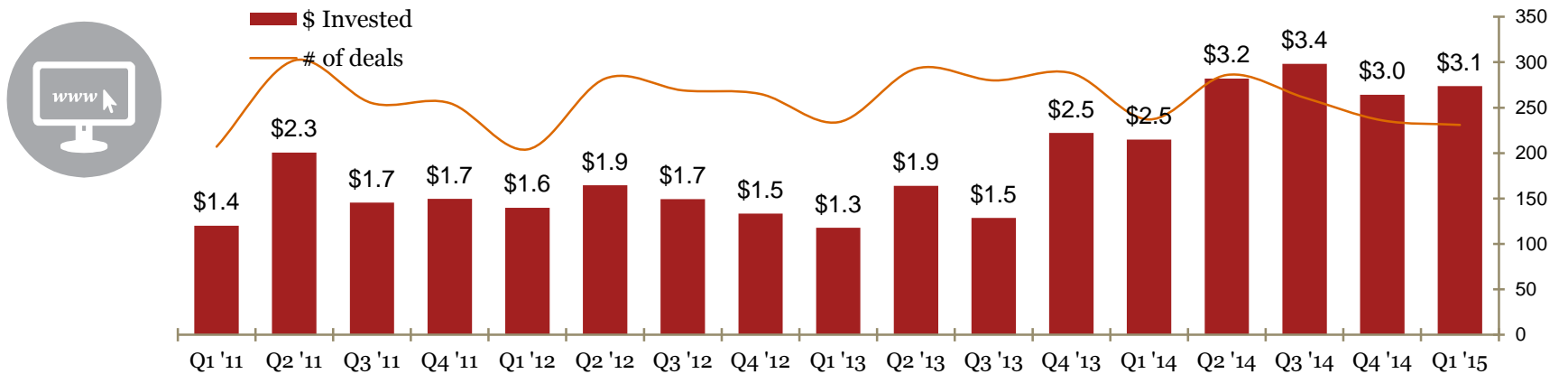
Internet-specific & Software investments

Q1 2011 – Q1 2015

Software investments (\$B)

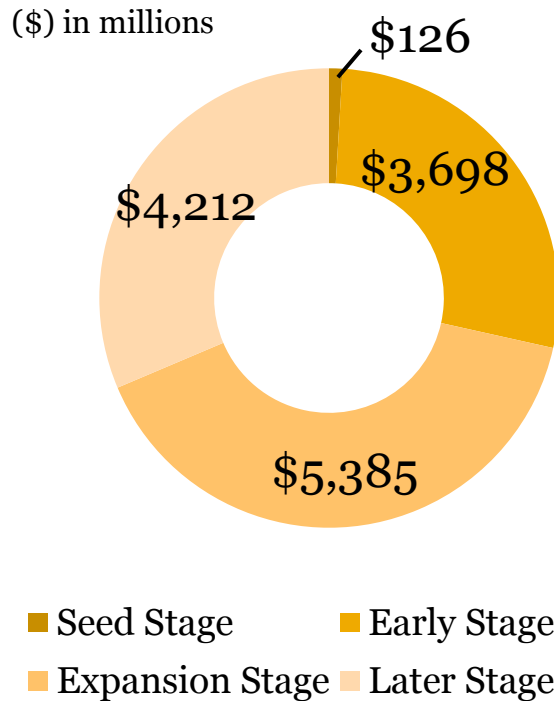






Internet-specific investments (\$B)



Investments by stage of development: Q1 2015

Q1 2015 Total Investments - \$13,421 million in 1,020 deals



Stage of Development	# of Deals	% Change in \$ from Q4 2014
 Seed Stage	26	-32%
 Early Stage	492	-34%
 Expansion Stage	295	-15%
 Later Stage	207	50%
Total	1,020	-10%

US Investments by stage: Quarterly Q1 2013 – Q1 2015

Amount Invested by Stage (\$M)



Later Stage



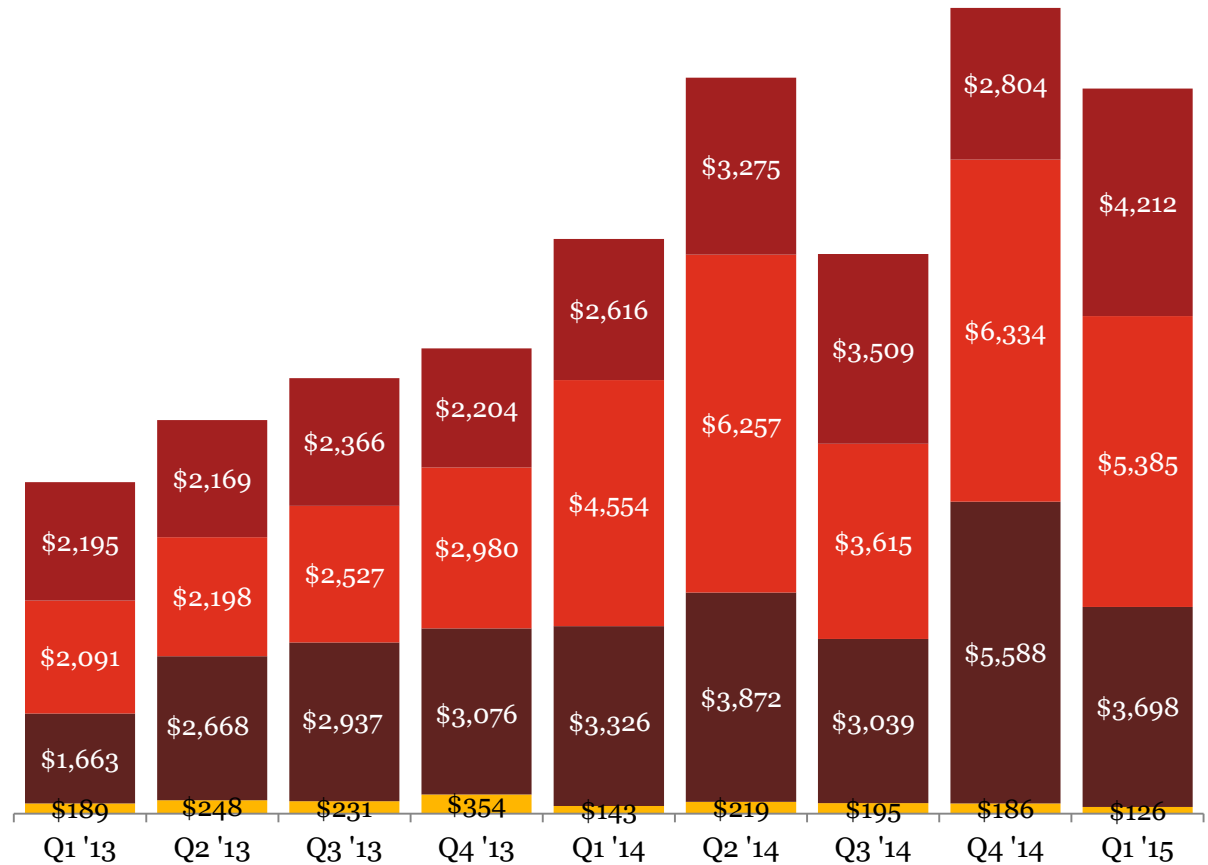
Expansion Stage



Early Stage



Seed Stage



US Investments by stage: Quarterly Q1 2013 – Q1 2015

Number of Deals by Stage



■ Later Stage



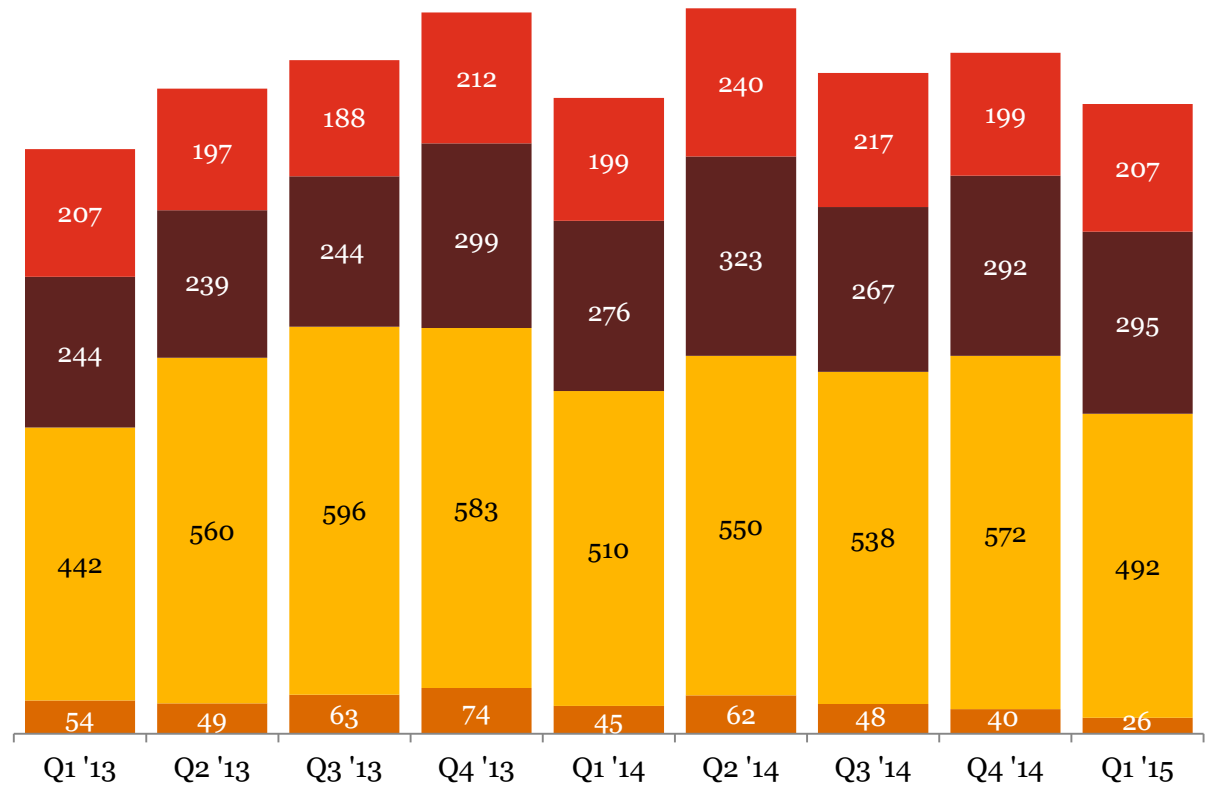
■ Expansion Stage



■ Early Stage



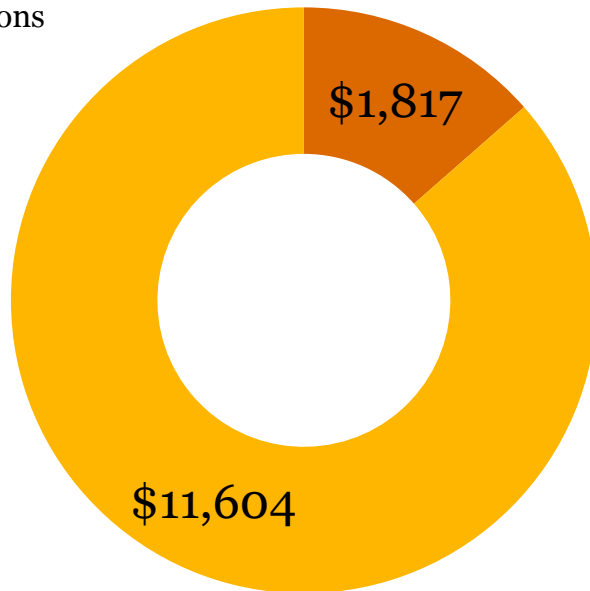
■ Seed Stage



Investments by sequence of financing: Q1 2015

Q1 2015 Total Investments - \$13,420 million in 1,020 deals

(\$) in millions



■ First Sequence ■ Follow-on

Financing	# of Deals	% Change in \$ from Q4 2014
First Sequence	305	-30%
Follow-on	715	-6%
Total	1020	-10%

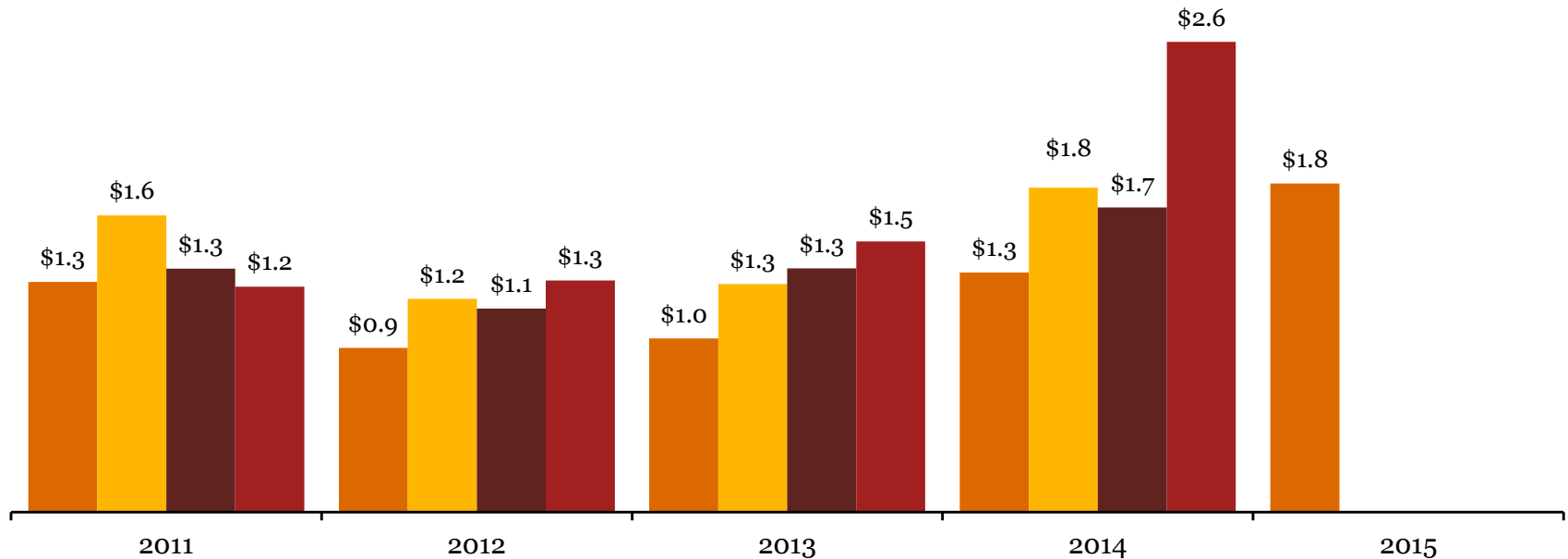
First sequence financing

Investment amount: Q1 2011 – Q1 2015

First sequence investments

(\$ in billions)

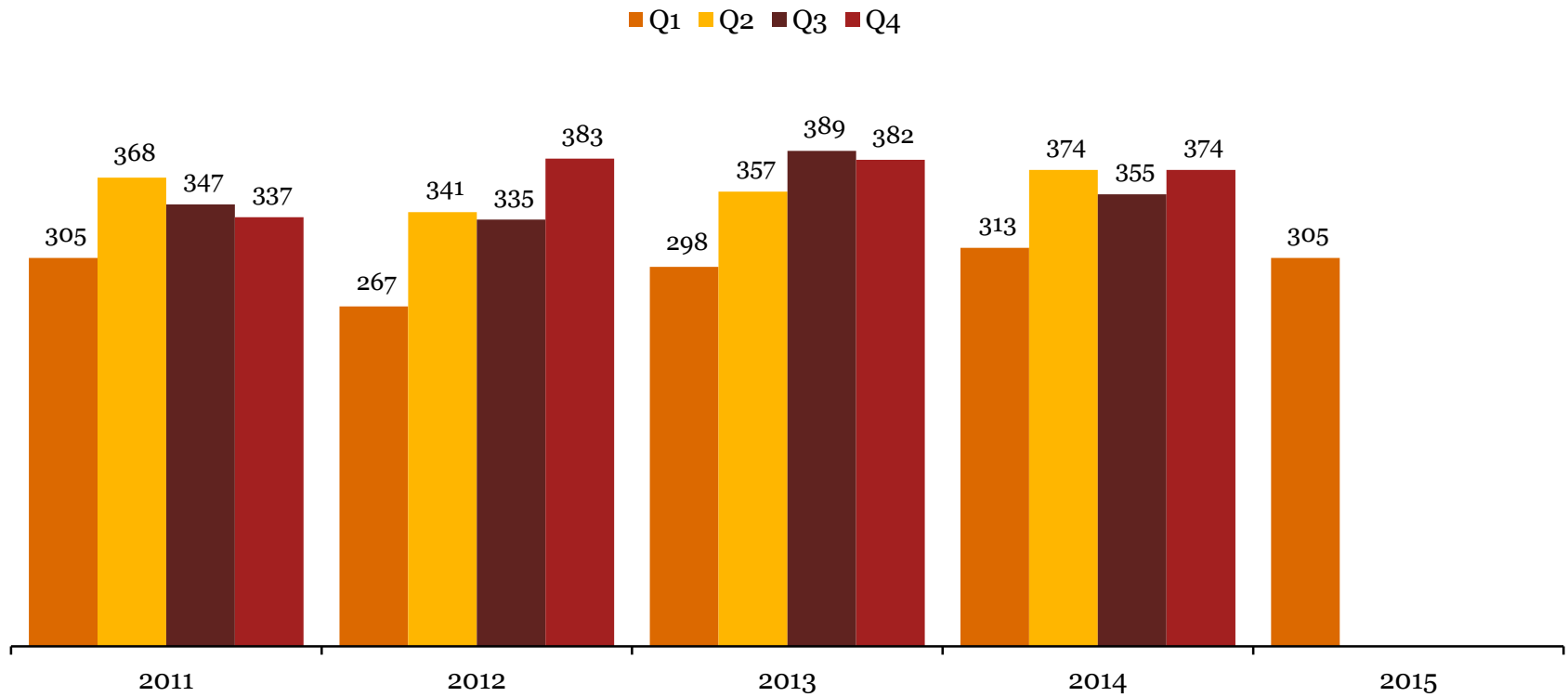
Q1 Q2 Q3 Q4



First sequence financing

Number of deals: Q1 2011 – Q1 2015

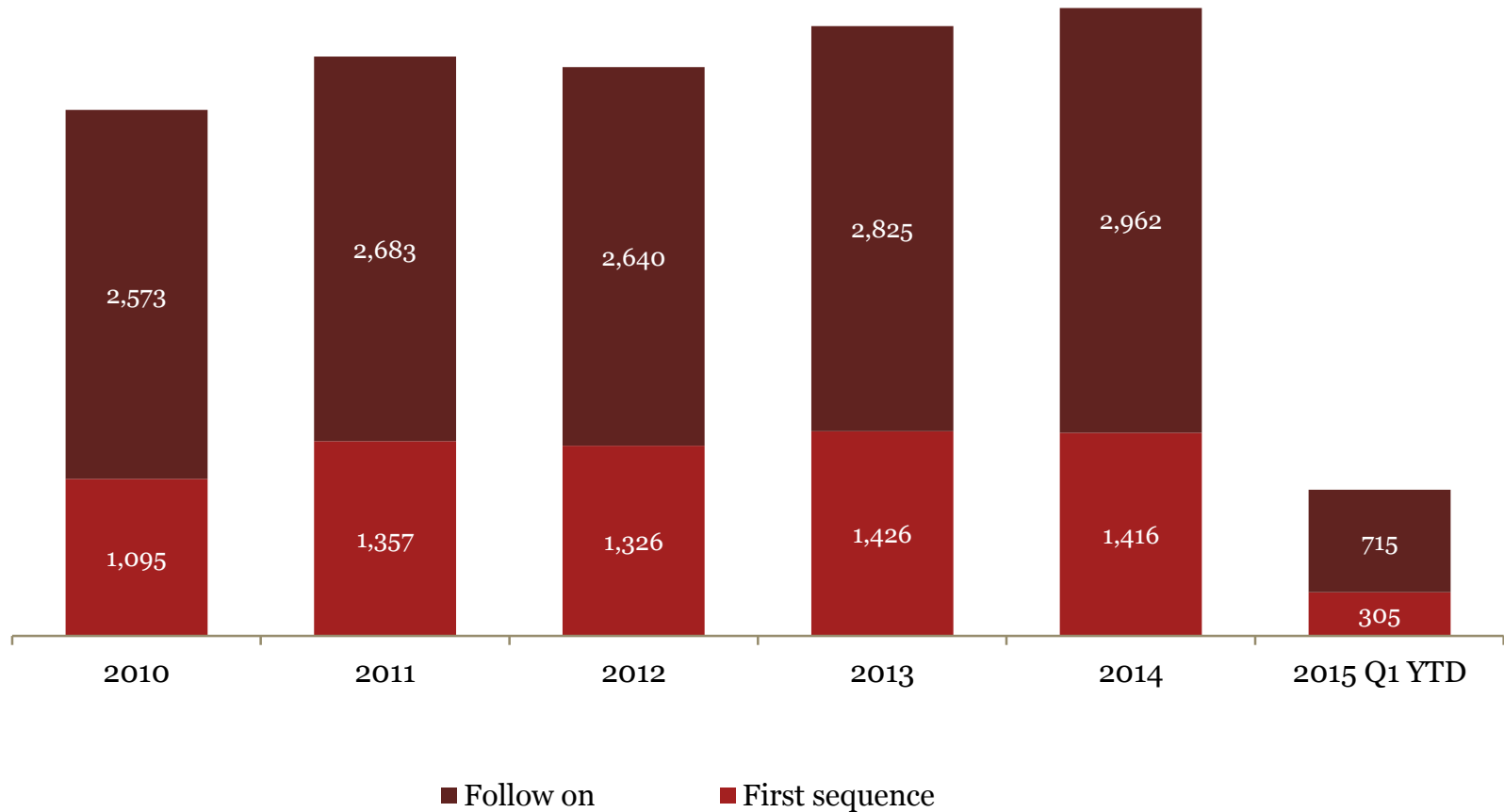
First sequence deals



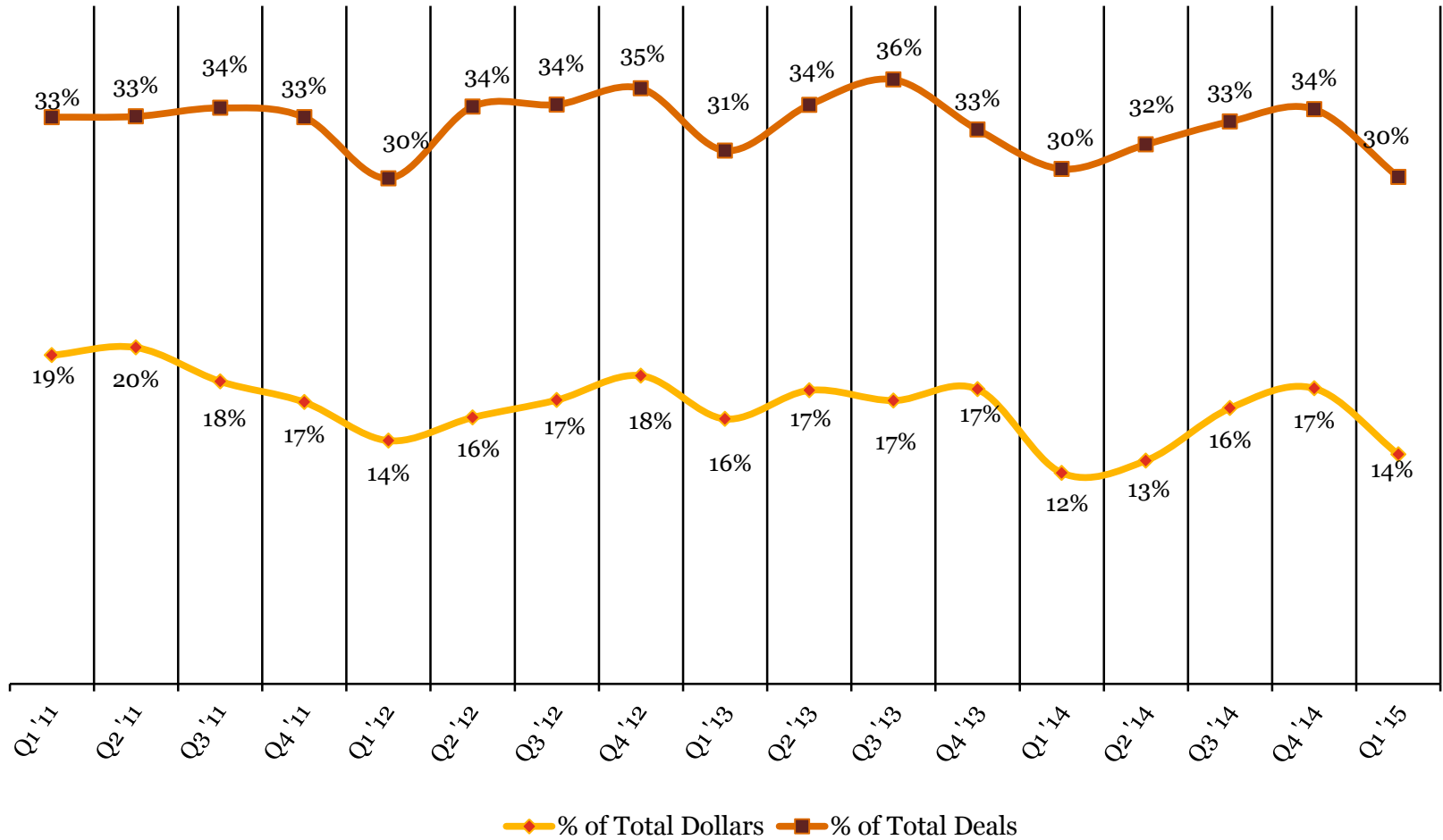
Number of First-Time vs. Follow-On Deals

US Venture Capital deals 2010 – Q1 2015 YTD

Number of Deals



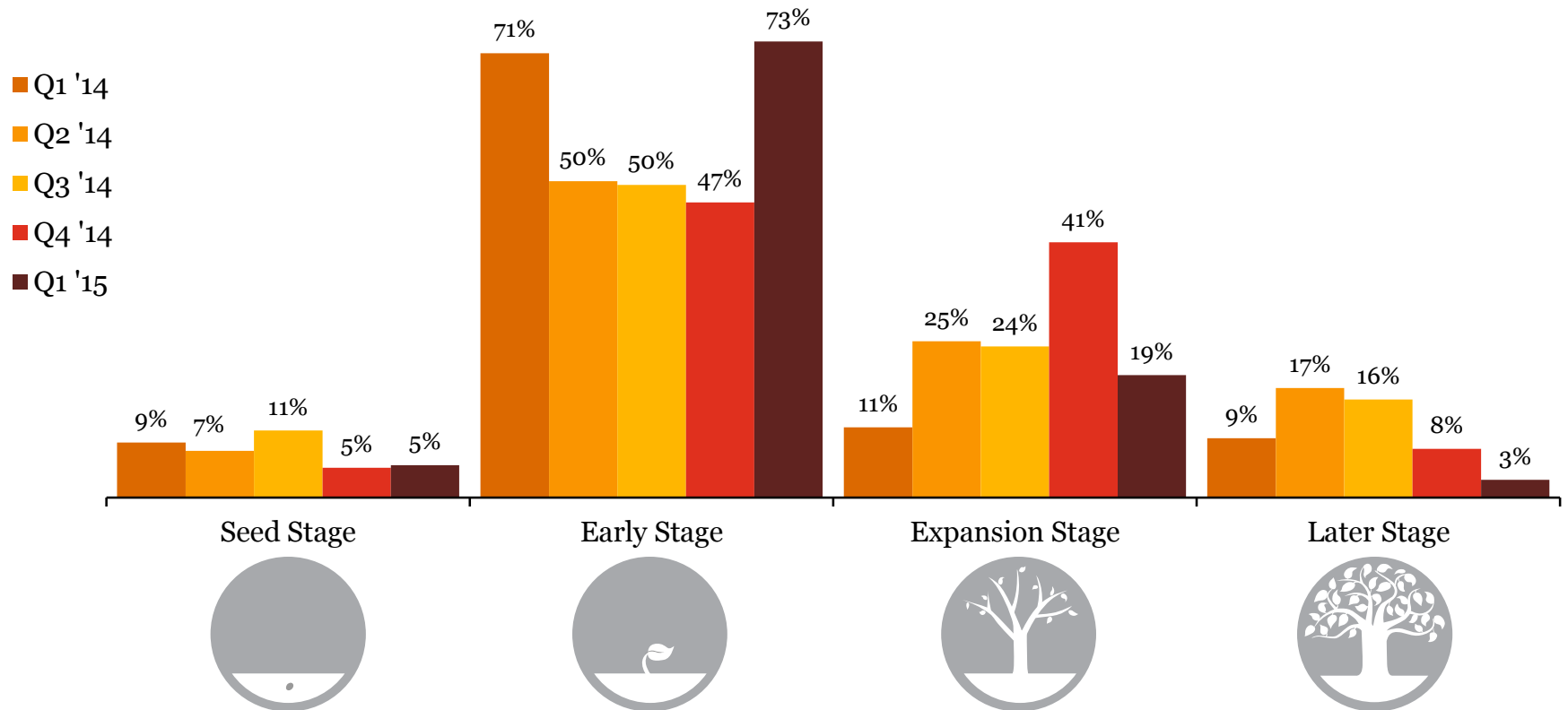
First sequence financing – Percent of total U.S. investments: 2011 – Q1 2015 YTD



Quarterly percent of total first sequence dollars – Stage of development

Stage of Development – Q1 2014 – Q1 2015

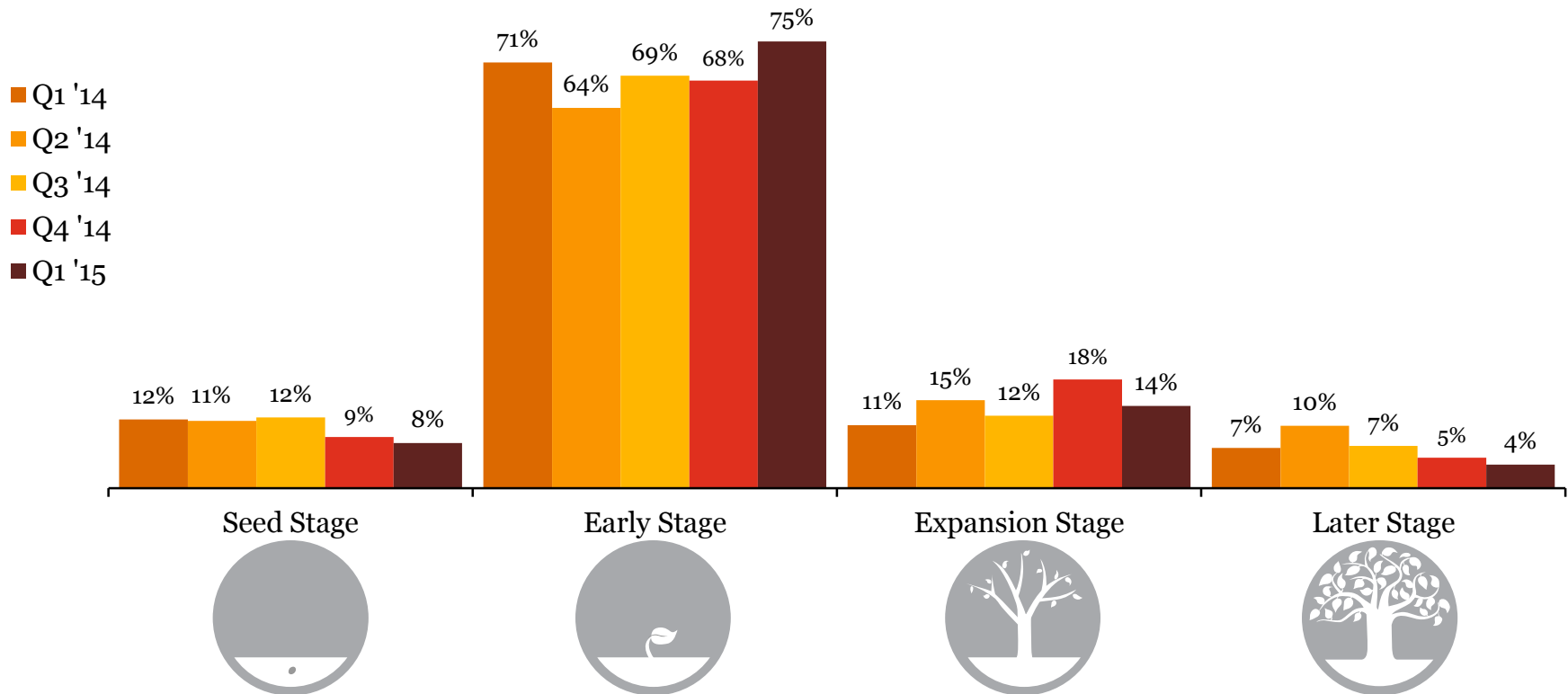
(% of first sequence dollars)



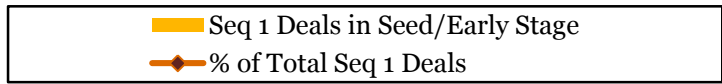
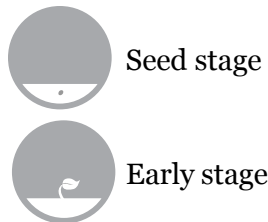
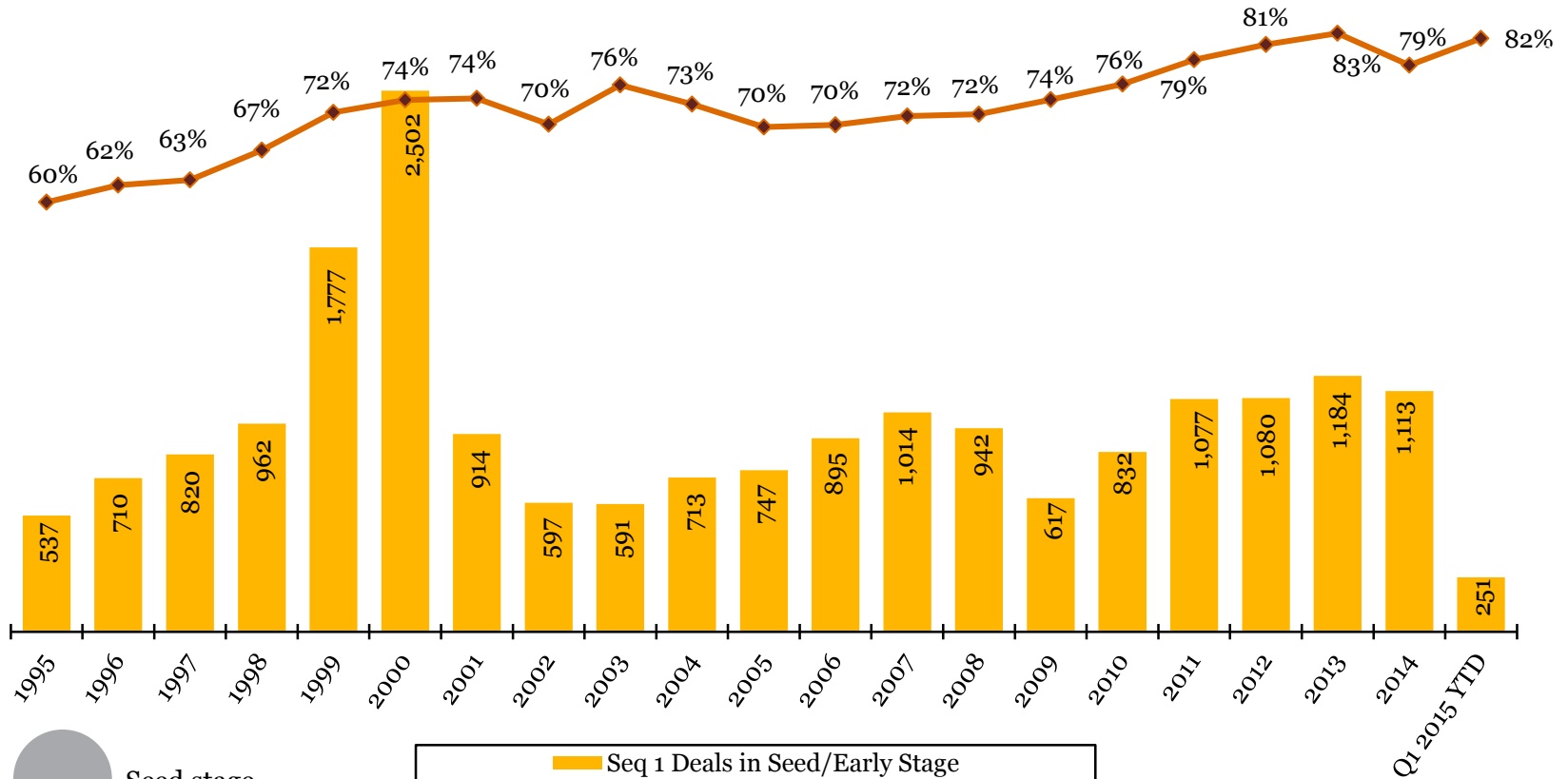
Quarterly percent of total first sequence deals – Stage of development

Stage of Development – Q1 2014 – Q1 2015

(% of first sequence deals)

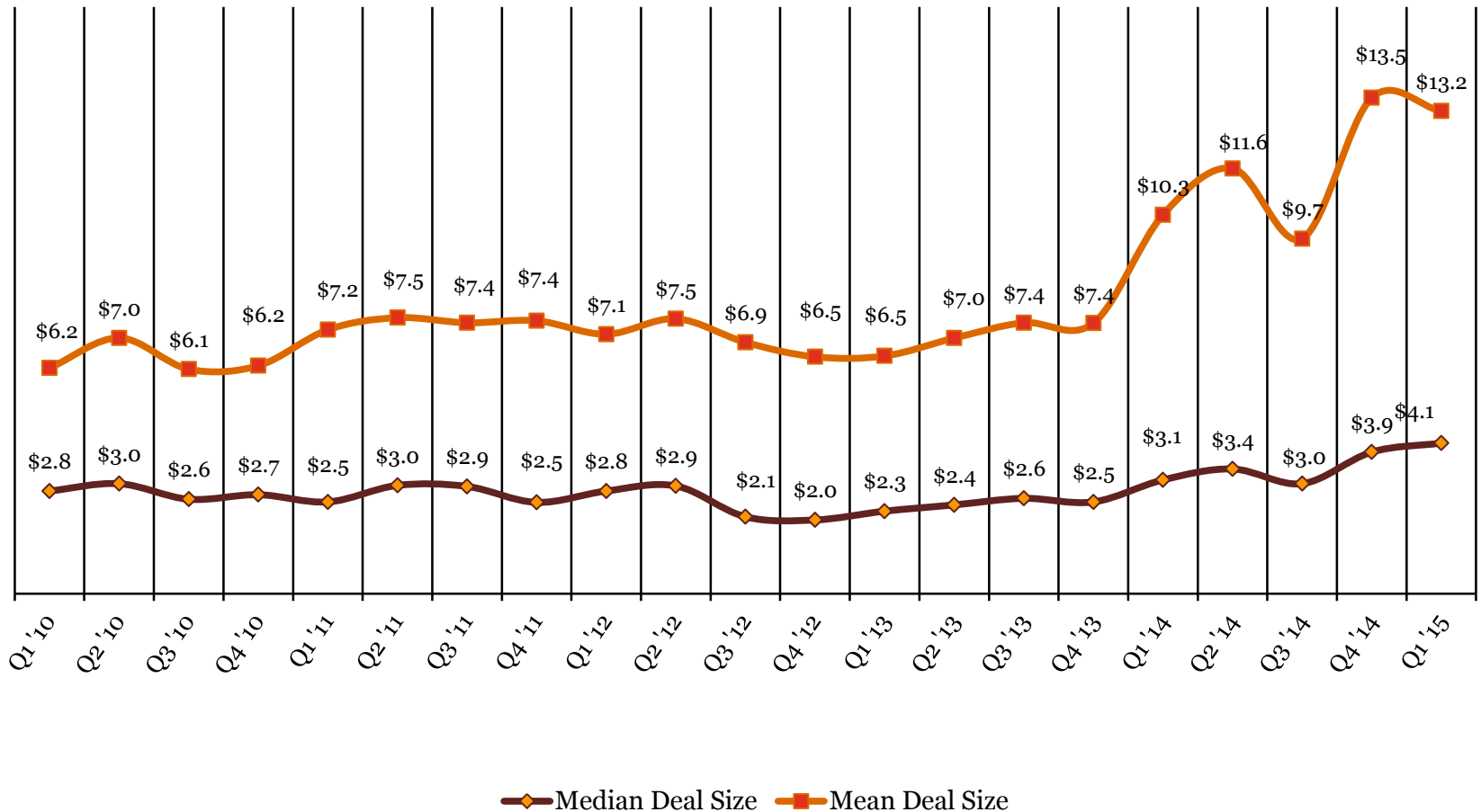


First sequence deals in seed & early stage companies 1995 – Q1 2015 YTD



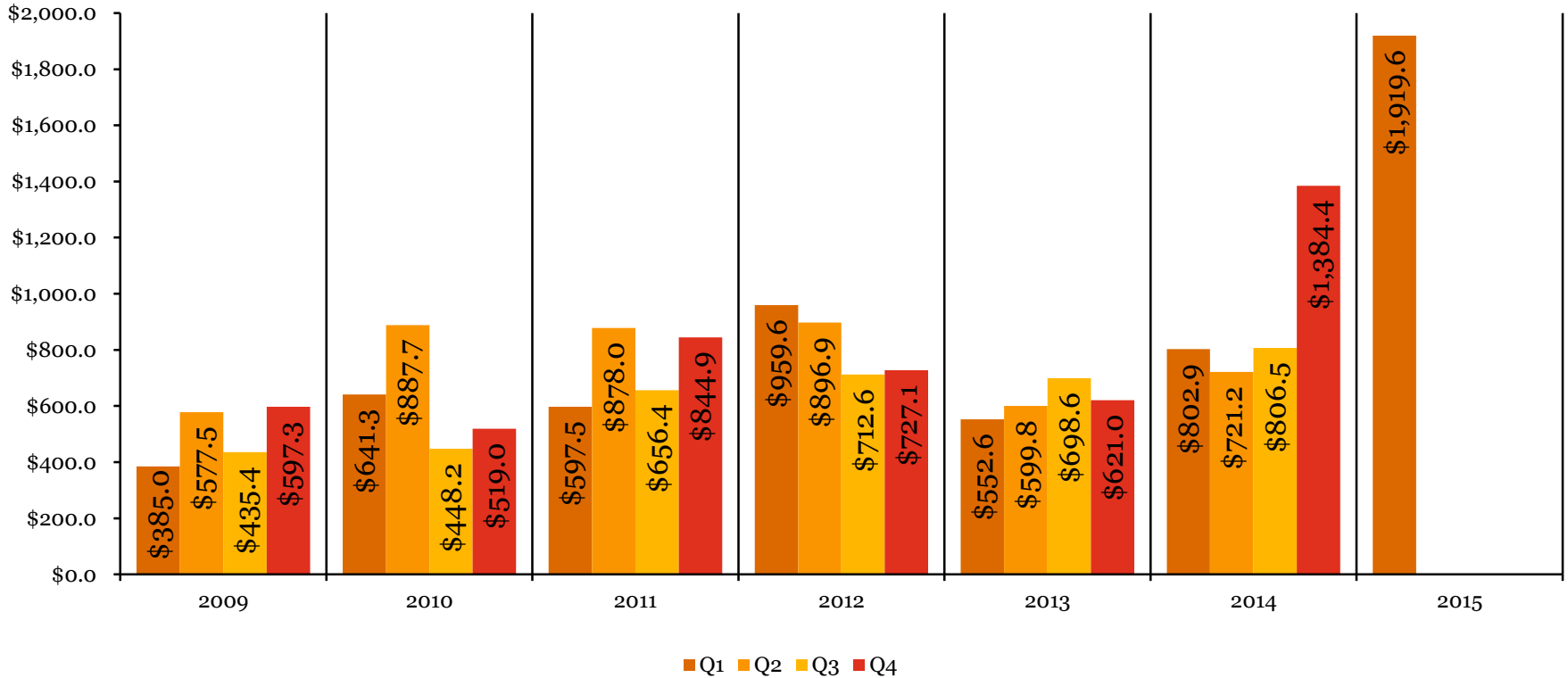
Median deal size vs. mean deal size – Quarterly total U.S. investments: Q1 2010 – Q1 2015

(\$ in millions)



SoCal MoneyTree total investments: 2009 – Q1 2015

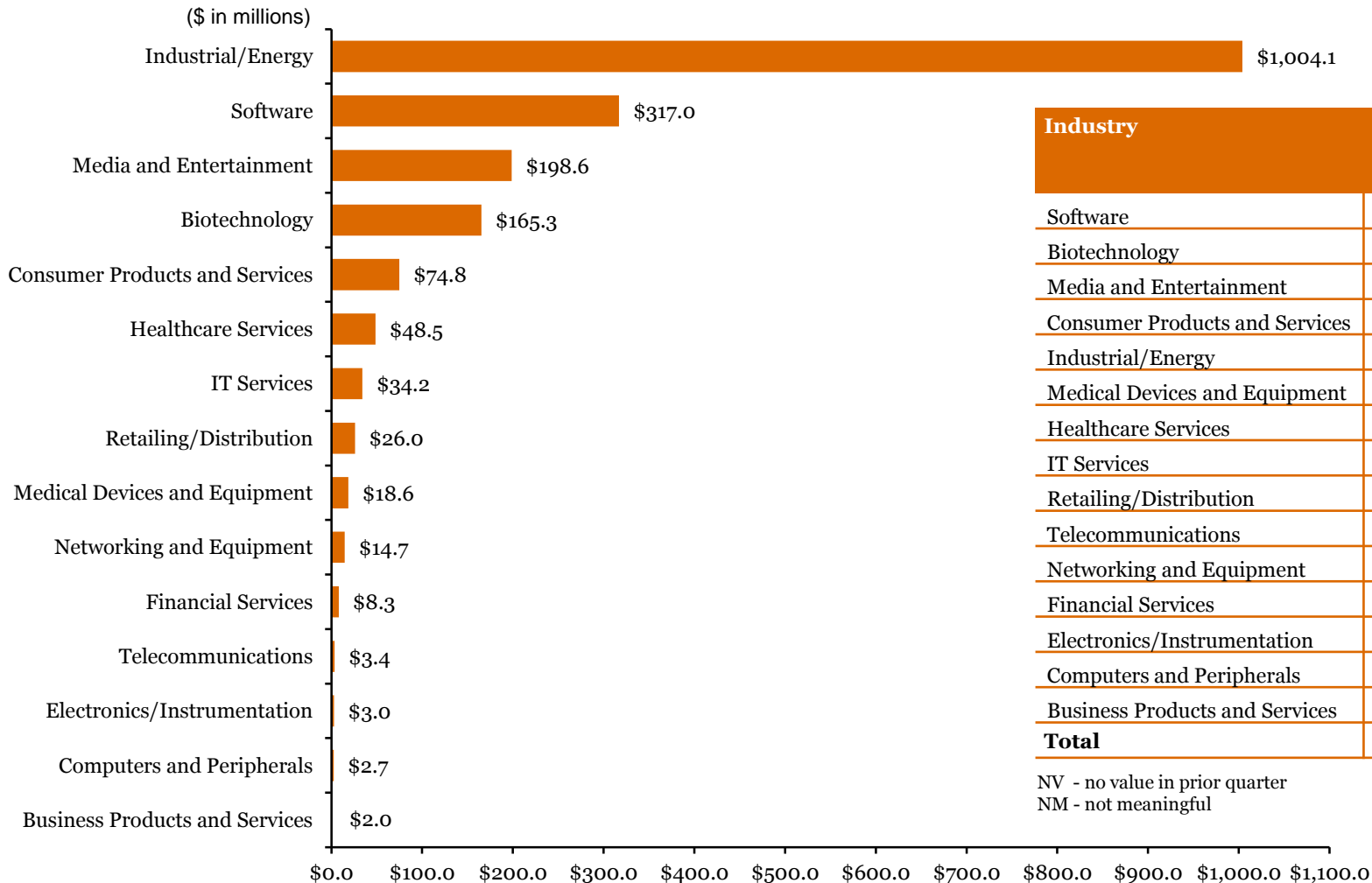
(\$ in millions)



# of Deals	2009				2010				2011				2012				2013				2014				2015
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	64	75	79	76	89	106	81	83	77	99	91	83	96	99	87	104	92	84	95	95	97	99	108	84	94

Southern California investments by industry: Q1 2015

Q1 2015 Total: \$1,919.6

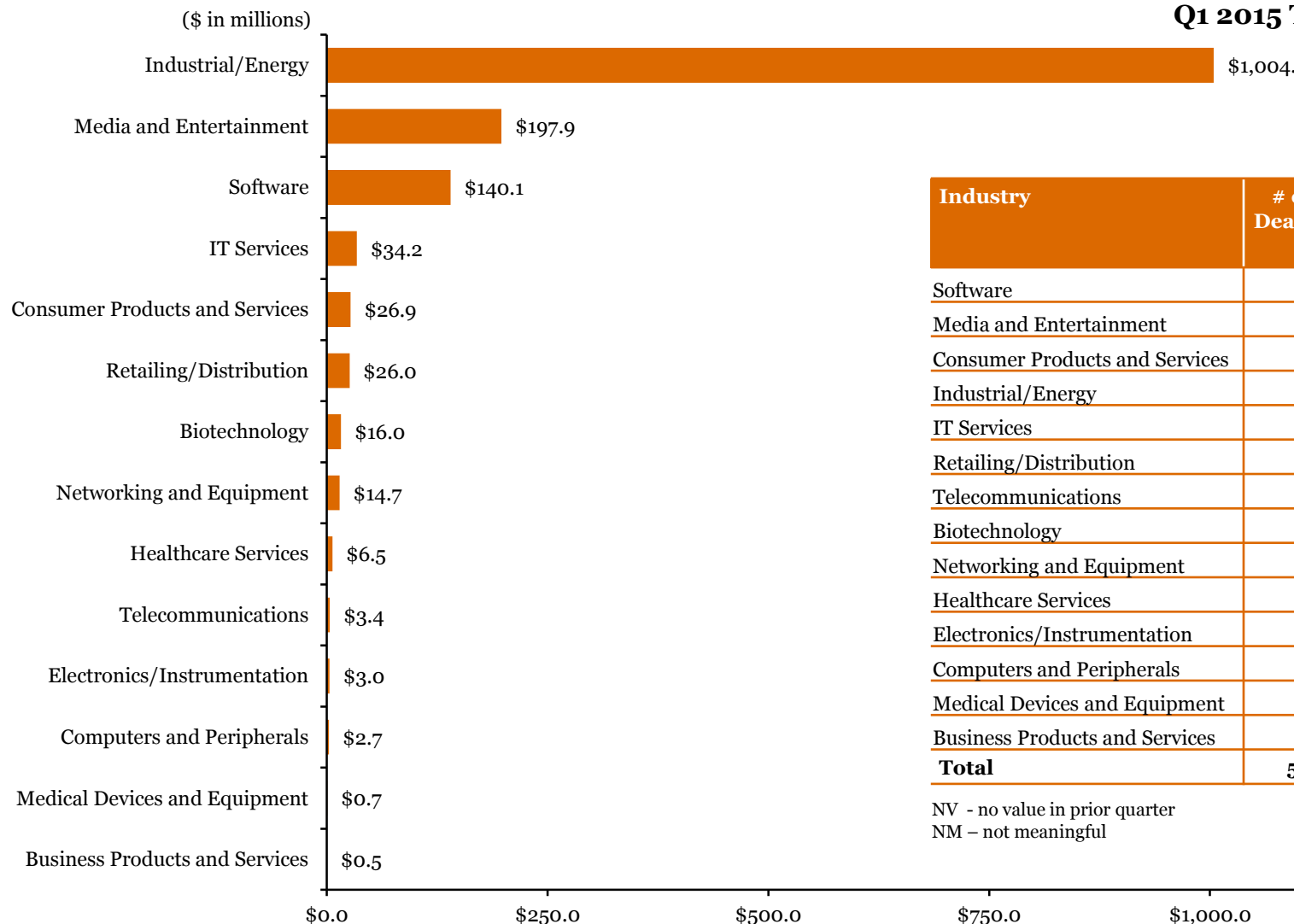


Industry	# of Deals	% Change \$ from Q4 2014
Software	46	-70%
Biotechnology	9	129%
Media and Entertainment	8	161%
Consumer Products and Services	7	-11%
Industrial/Energy	5	44,016%
Medical Devices and Equipment	4	-3%
Healthcare Services	3	NV%
IT Services	3	176%
Retailing/Distribution	2	NV
Telecommunications	2	-76%
Networking and Equipment	1	NV
Financial Services	1	-33%
Electronics/Instrumentation	1	NV
Computers and Peripherals	1	-31%
Business Products and Services	1	-92%
Total	94	39%

NV - no value in prior quarter
NM - not meaningful

Los Angeles investments by industry: Q1 2015

Q1 2015 Total: \$1,476.7



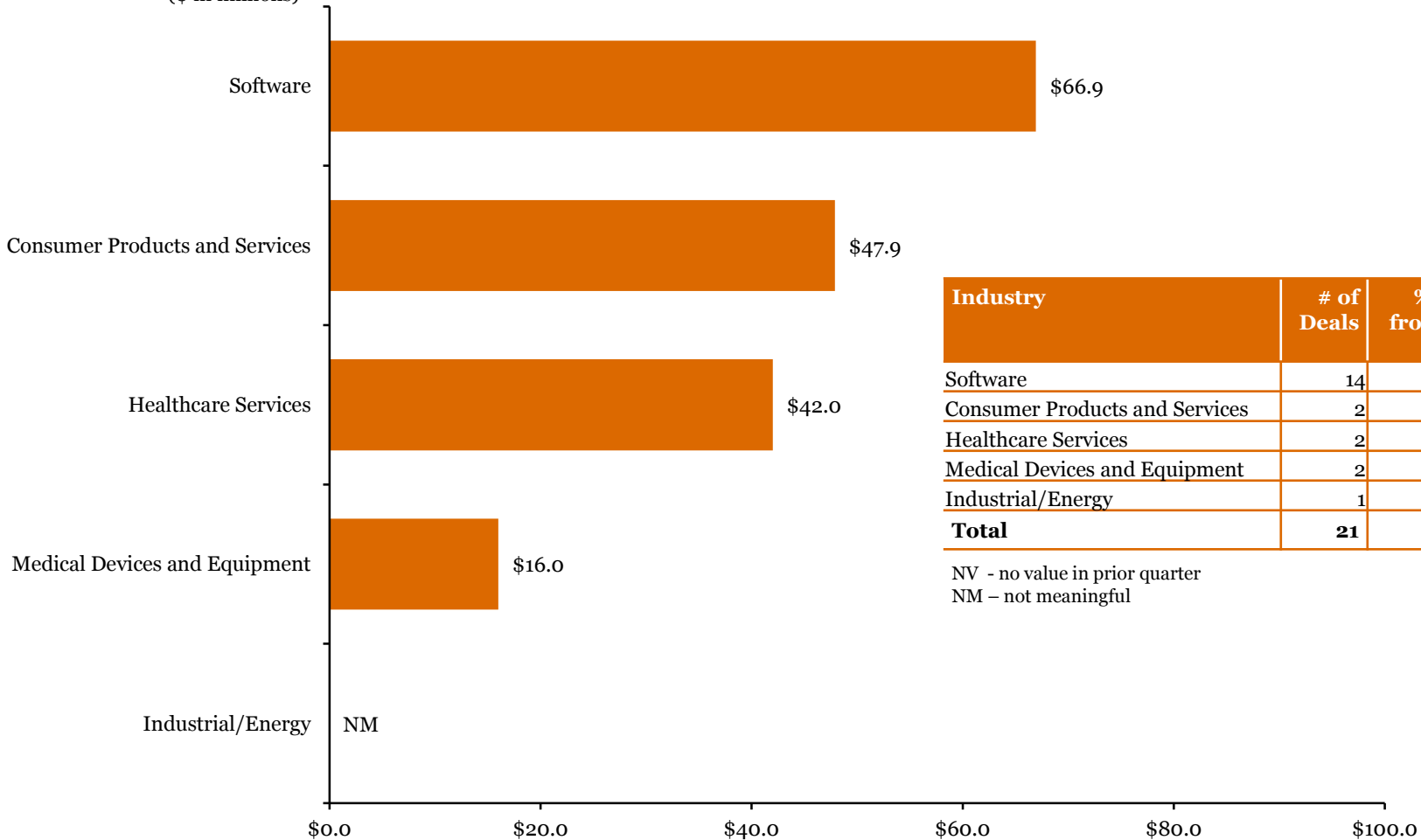
Industry	# of Deals	% Change \$ from Q4 2014
Software	24	-84%
Media and Entertainment	7	225%
Consumer Products and Services	5	-57%
Industrial/Energy	4	NV
IT Services	3	194%
Retailing/Distribution	2	NV
Telecommunications	2	-76%
Biotechnology	1	20%
Networking and Equipment	1	NV
Healthcare Services	1	NV
Electronics/Instrumentation	1	NV
Computers and Peripherals	1	-31%
Medical Devices and Equipment	1	NV
Business Products and Services	1	-92%
Total	54	33%

NV - no value in prior quarter
 NM - not meaningful

Orange County investments by industry: Q1 2015

Q1 2015 Total: \$172.8

(\$ in millions)

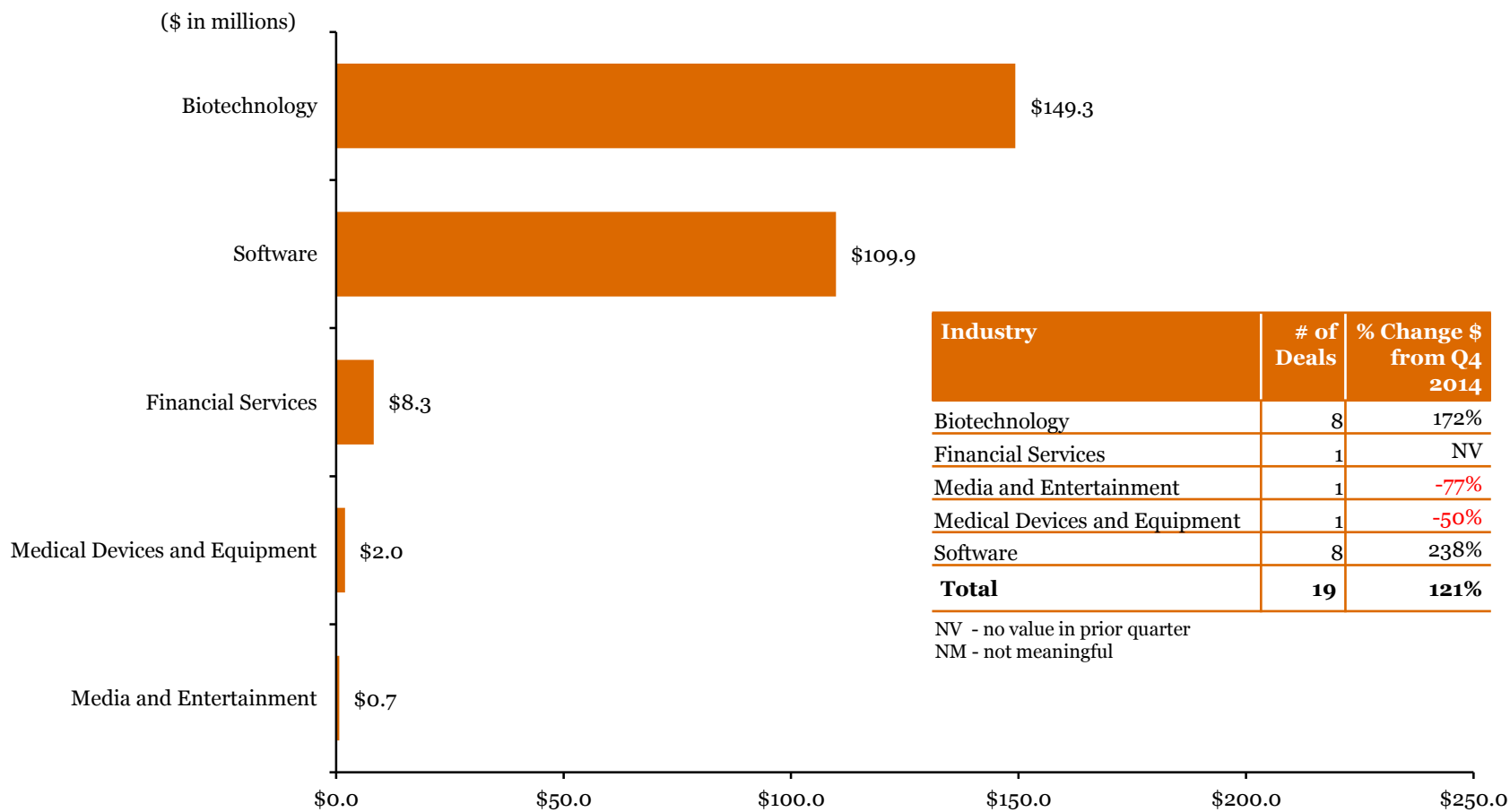


Industry	# of Deals	% Change \$ from Q4 2014
Software	14	-46%
Consumer Products and Services	2	NV
Healthcare Services	2	NV
Medical Devices and Equipment	2	5%
Industrial/Energy	1	NV
Total	21	11%

NV - no value in prior quarter
 NM - not meaningful

San Diego investments by industry: Q1 2015

Q1 2015 Total: \$270.2



Industry	# of Deals	% Change \$ from Q4 2014
Biotechnology	8	172%
Financial Services	1	NV
Media and Entertainment	1	-77%
Medical Devices and Equipment	1	-50%
Software	8	238%
Total	19	121%

NV - no value in prior quarter
 NM - not meaningful

SoCal venture capital firms: Q1 2015 investments

Venture capital firm	Location	Investments
Upfront Ventures	Los Angeles	9
Frost Data Capital	San Juan Capistrano	8
Qualcomm Ventures	San Diego	8
Wavemaker Partners	Santa Monica	7
Correlation Ventures LP	San Diego	5
Tech Coast Angels	Los Angeles	4
Queensbridge Venture Partners LLC	Los Angeles	3
CrossCut Ventures Management LLC	Manhattan Beach	3
Double M Partners LP	Brentwood	3
RINCON VENTURE PARTNERS L P	Santa Barbara	3
J. F. Shea Co Inc	Walnut	2
Revolution Ventures LLC	San Diego	2
venture51 Capital Fund LLP	Encinitas	2
Karlin Ventures	Los Angeles	2
31 Other Firms		1 each

Venture capital firms: Q1 2015 investments in SoCal

Venture capital firm	Location	Investments
Frost Data Capital	CA,San Juan Capistrano	8
Upfront Ventures	CA,Los Angeles	7
Wavemaker Partners	CA,Santa Monica	6
Kleiner Perkins Caufield & Byers LLC	CA,Menlo Park	4
New Enterprise Associates, Inc.	CA,Menlo Park	3
First Round Capital	PA,Philadelphia	3
Double M Partners LP	CA,Brentwood	3
Tech Coast Angels	CA,Los Angeles	3
Trinity Ventures LLP	CA,Menlo Park	2
Accel Partners & Co Inc	CA,Palo Alto	2
Polaris Venture Partners	MA,Waltham	2
Canaan Partners	CA,Menlo Park	2
Bessemer Venture Partners	NY,Larchmont	2
Carrick Capital Management Company LLC	CA,San Francisco	2
True Ventures	CA,Palo Alto	2
Frazier Management LLC	WA,Seattle	2
Alta Partners	CA,San Francisco	2
RINCON VENTURE PARTNERS L P	CA,Santa Barbara	2
Bain Capital Venture Partners LLC	MA,Boston	2
CrossCut Ventures Management LLC	CA,Manhattan Beach	2
Karlin Ventures	CA,Los Angeles	2
InterWest Partners LLC	CA,Menlo Park	2
Domain Associates LLC	NJ,Princeton	2
Draper Fisher Jurvetson	CA,Menlo Park	2
102 Other Firms		1 each

Q1 2015 – Most active U.S. venture investors

VC Firm	Location	Number of Deals
New Enterprise Associates, Inc.	Menlo Park, California	29
Kleiner Perkins Caufield & Byers LLC	Menlo Park, California	26
First Round Capital	Philadelphia, Pennsylvania	20
Andreessen Horowitz LLC	Menlo Park, California	19
Atlas Venture	Cambridge, Massachusetts	18
Sequoia Capital	Menlo Park, California	16
Bessemer Venture Partners	Larchmont, New York	16
True Ventures	Palo Alto, California	16
Polaris Venture Partners	Waltham, Massachusetts	15
Google Ventures	Mountain View, California	13
Accel Partners & Co., Inc.	Palo Alto, California	13
Canaan Partners	Menlo Park, California	13
Battery Ventures LP	Boston, Massachusetts	13
Khosla Ventures LLC	Menlo Park, California	13
Redpoint Ventures	Menlo Park, California	12
Data Collective LLC	San Francisco, California	12
RRE Ventures LLC	New York, New York	12
Innovation Works, Inc.	Pittsburgh, Pennsylvania	12
Draper Fisher Jurvetson	Menlo Park, California	11
Foundation Capital LLC	Menlo Park, California	11
Ben Franklin Technology Partners Southeastern PA	Philadelphia, Pennsylvania	11
Greycroft Partners LLC	New York, New York	10
Lightspeed Management Company LLC	Menlo Park, California	10
InterWest Partners LLC	Menlo Park, California	10

Analysis of venture-backed IPO and M&A activity

Date	Total M&A Deals	Average M&A deal size (\$M)*	Number of IPOs**	Total Offer Amount (\$M)	Average IPO Offer Amount (\$M)
2010	545	116.7	67	8,069.6	120.4
2011	502	142.3	50	10,441.1	208.8
2012	491	173.2	49	21,459.9	438.0
Q1 2013	85	92.7	8	716.9	89.6
Q2 2013	98	218.6	22	2,249.9	102.3
Q3 2013	116	161.9	27	2,781.4	103.0
Q4 2013	94	196.0	24	5,320.1	221.7
2013	393	178.0	81	11,068.2	136.6
Q1 2014	115	245.8	37	3,404.5	92.0
Q2 2014	119	98.4	29	5,0039.9	173.8
Q3 2014	135	238.6	23	2,592.2	112.7
Q4 2014	110	817.3	27	4,363.4	161.6
2014	479	345.2	116	15,400.0	132.8
Q1 2015	86	128.1	17	1,432.6	84.3

Source: Thomson Reuters and National Venture Capital Association

*Only accounts for deals with disclosed values

**Includes all companies with at least one U.S. VC investor that trade on U.S. exchanges, regardless of domicile

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Q1 2015

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Venture capital fundraising

Year	First Time Funds	Follow-On Funds	Total Number of Funds	VC Raised (\$M)
2011	64	127	191	19,060.5
2012	76	142	218	19,838.2
2013	64	144	208	17,702.0
2014	96	163	259	30,161.5
2015 YTD	18	44	61	7,043.0
Quarter				
Q1 '14	31	40	71	10,040.0
Q2 '14	23	60	83	8,133.4
Q3 '14	24	43	67	6,185.7
Q4 '14	27	53	80	5,802.3
Q1 '15	18	44	61	7,043.0

Source: Thomson Reuters & National Venture Capital Association
Data current as of April 9, 2015

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Data is current as of April 14, 2015. PricewaterhouseCoopers and the National Venture Capital Association have taken responsible steps to ensure that the information contained in the MoneyTree™ Report has been obtained from reliable sources. However, neither of the parties nor Thomson Reuters can warrant the ultimate validity of the data obtained in this manner. Results are updated periodically. Therefore, all data is subject to change at any time.

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