

PricewaterhouseCoopers
National Venture Capital Association

MoneyTree™ Report

Q4 2013/ Full-year 2013

Data provided by Thomson Reuters

The Q4 2013 MoneyTree™ results are in! This special report provides summary results of Q4 2013, as well as findings for full-years 2013 and 2012. More detailed results can be found on the MoneyTree™ website at www.pwcmoneytree.com



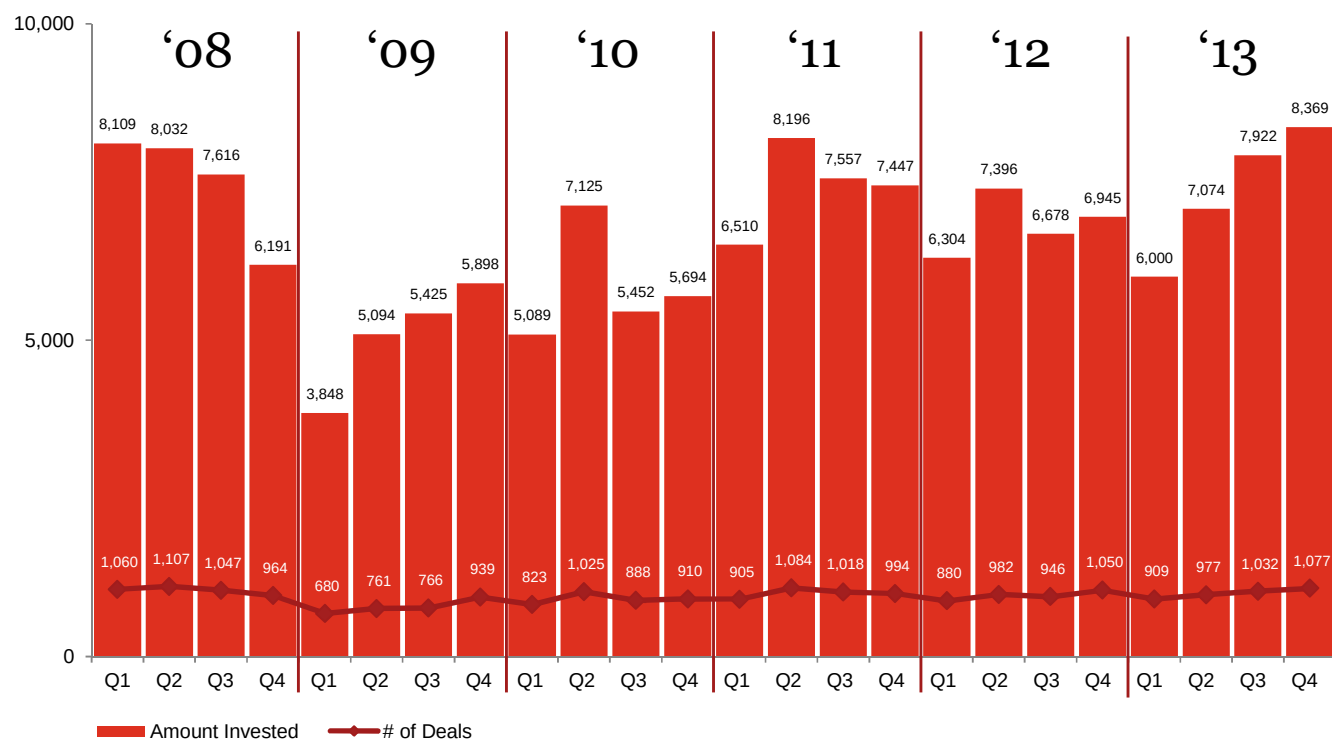
Total equity investments into venture-backed companies

Venture capitalists invested \$29.4 billion in 3,995 deals in 2013, an increase of 7 percent in dollars and a 4 percent increase in deals over the prior year, according to the MoneyTree Report™ by PricewaterhouseCoopers LLP and the National Venture Capital Association (NVCA), based on data from Thomson Reuters. In Q4 2013, \$8.4 billion went into 1,077 deals.

since 2001. Additionally, annual investments into the Software industry also reached the highest level since 2000 with \$11.0 billion flowing into 1,523 deals in 2013. Dollars going into Software companies accounted for 37 percent of total venture capital invested in 2013, the highest percentage since the inception of the MoneyTree Report in 1995.

Internet-specific companies captured \$7.1 billion in 2013, marking the highest level of Internet investment

(\$ in millions)
All results rounded



Investments by industry

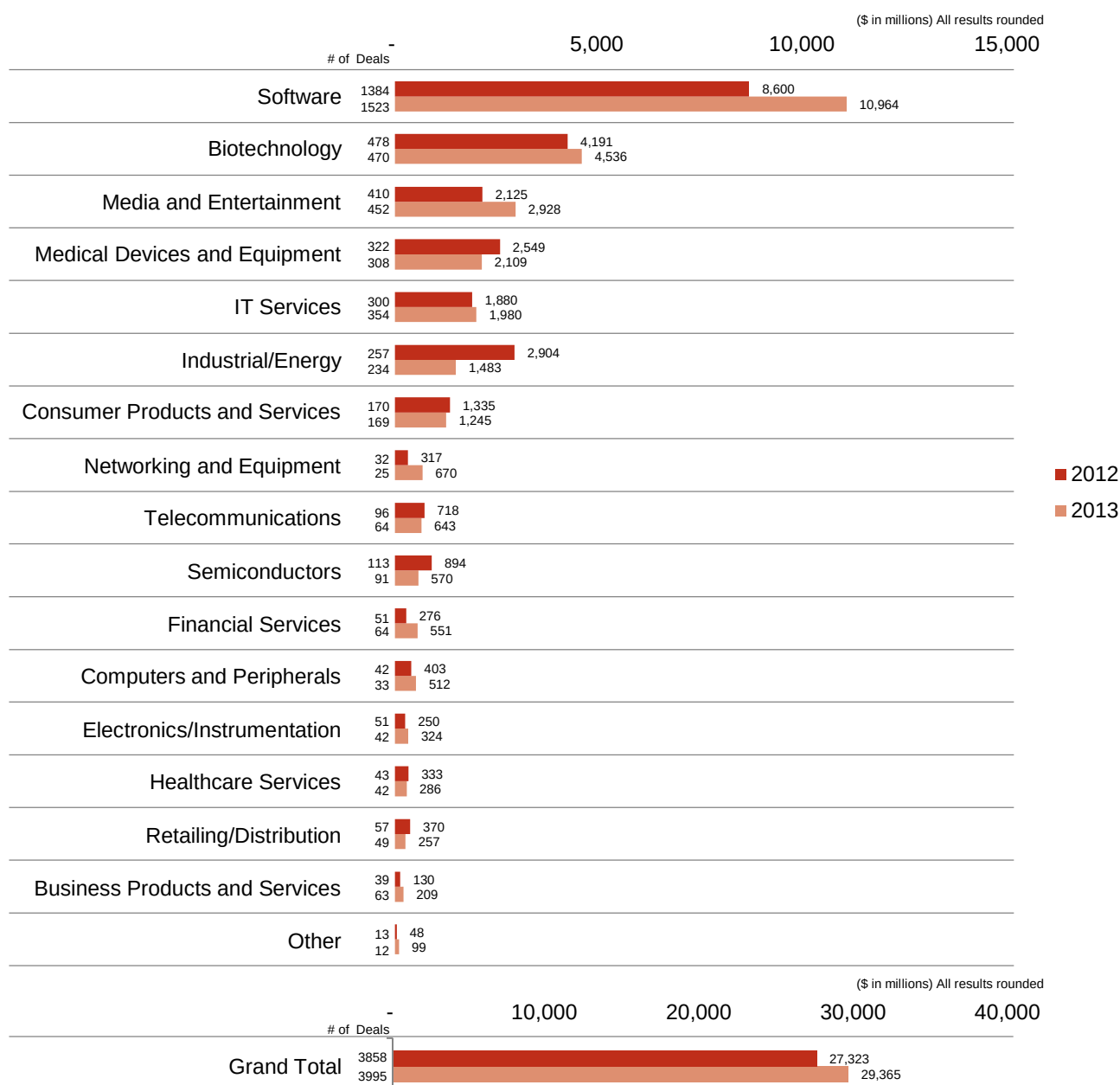
2012 to 2013

The Software industry maintained its status as the single largest investment sector for the year, with dollars rising 27 percent over 2012 to \$11.0 billion, which was invested into 1,523 deals, a 10 percent rise in volume over the prior year. This represented the highest level of investment and the largest number of deals in the Software sector since 2000.

Biotechnology investment dollars rose 8 percent while volume decreased 2 percent in 2013 to \$4.5 billion going into 470 deals, placing it as the second largest investment sector for the year in terms of deals and dollars invested. The Medical Device industry fell 17 percent in dollars and 4 percent in deals in 2013,

finishing the year with \$2.1 billion going into 308 deals. In the fourth quarter of 2013, \$1.3 billion went into 134 Biotechnology companies while \$460 million went into 94 Medical Device deals. The Life Sciences sector (Biotech and Medical Devices combined) accounted for 23 percent of all venture capital dollars invested in 2013 compared to 25 percent in 2012.

Internet-specific companies experienced a 7 percent increase in dollars and a 6 percent increase in deals for the full year 2013 with \$7.1 billion going into 1,059 rounds compared to 2012 when \$6.7 billion went into 995 deals. This marked the highest level of Internet investment since 2001.



Investments by industry

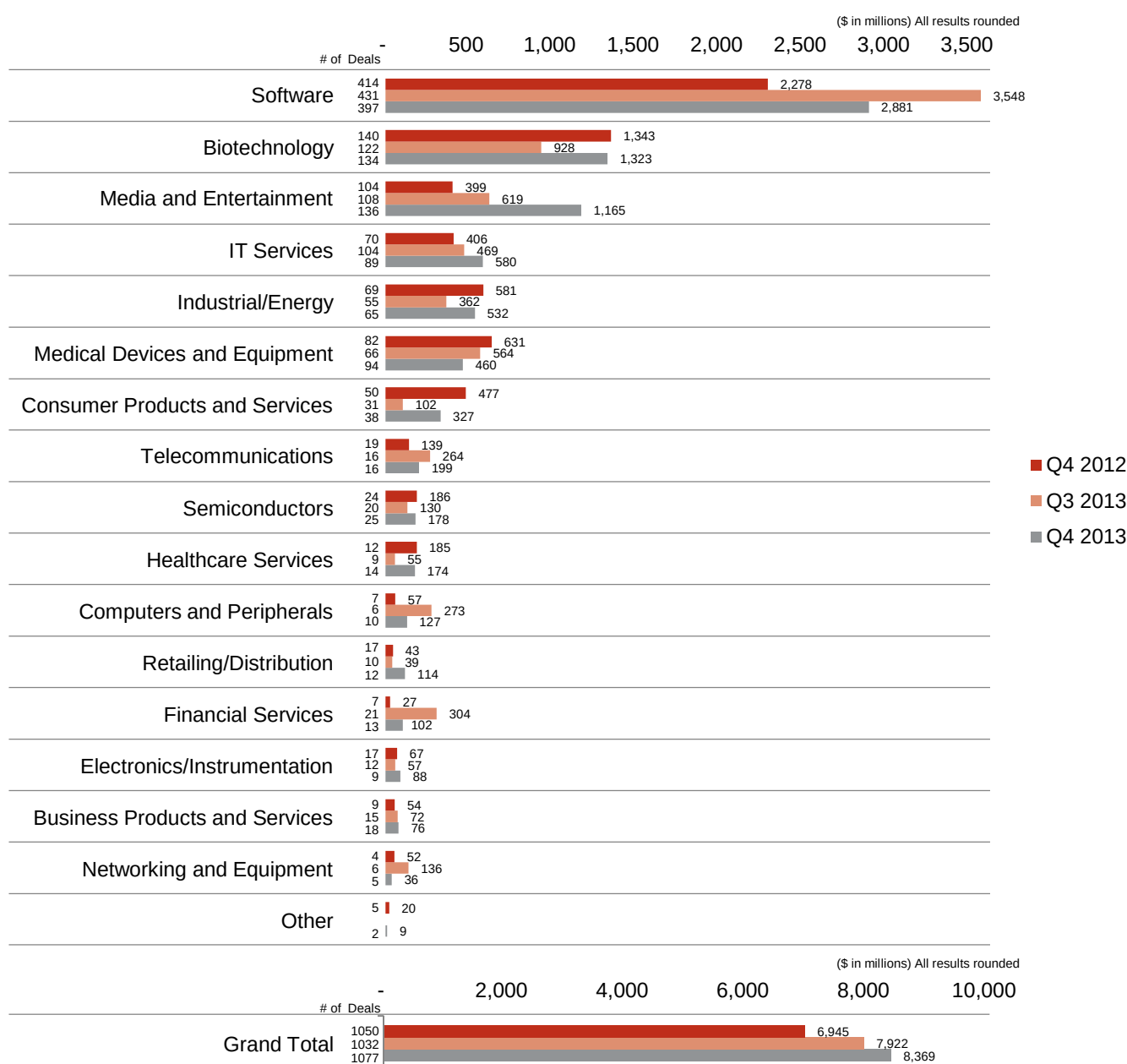
Q4 2012, Q3 2013, and Q4 2013

Software remained the number one sector in Q4 for both dollars invested and number of deals with \$2.9 billion going into 397 companies, nearly three times the number of deals than the second highest volume sector, Media & Entertainment.

For the fourth quarter, \$2.4 billion went into 273 Internet-specific deals. 'Internet-specific' is a discrete classification assigned to a company whose business model is fundamentally dependent on the

Internet, regardless of the company's primary industry category. These companies accounted for 24 percent of all venture capital dollars in 2013.

Ten of the 17 industry categories experienced increases in dollars invested for the year. Industry sectors experiencing some of the biggest dollar increases for 2013 included: Networking & Equipment (111 percent); Financial Services (100 percent); and Business Products and Services (61 percent).



Definitions of the Industry categories can be found on the MoneyTree™ website at www.pwcmoneytree.com

Investments by stage of development

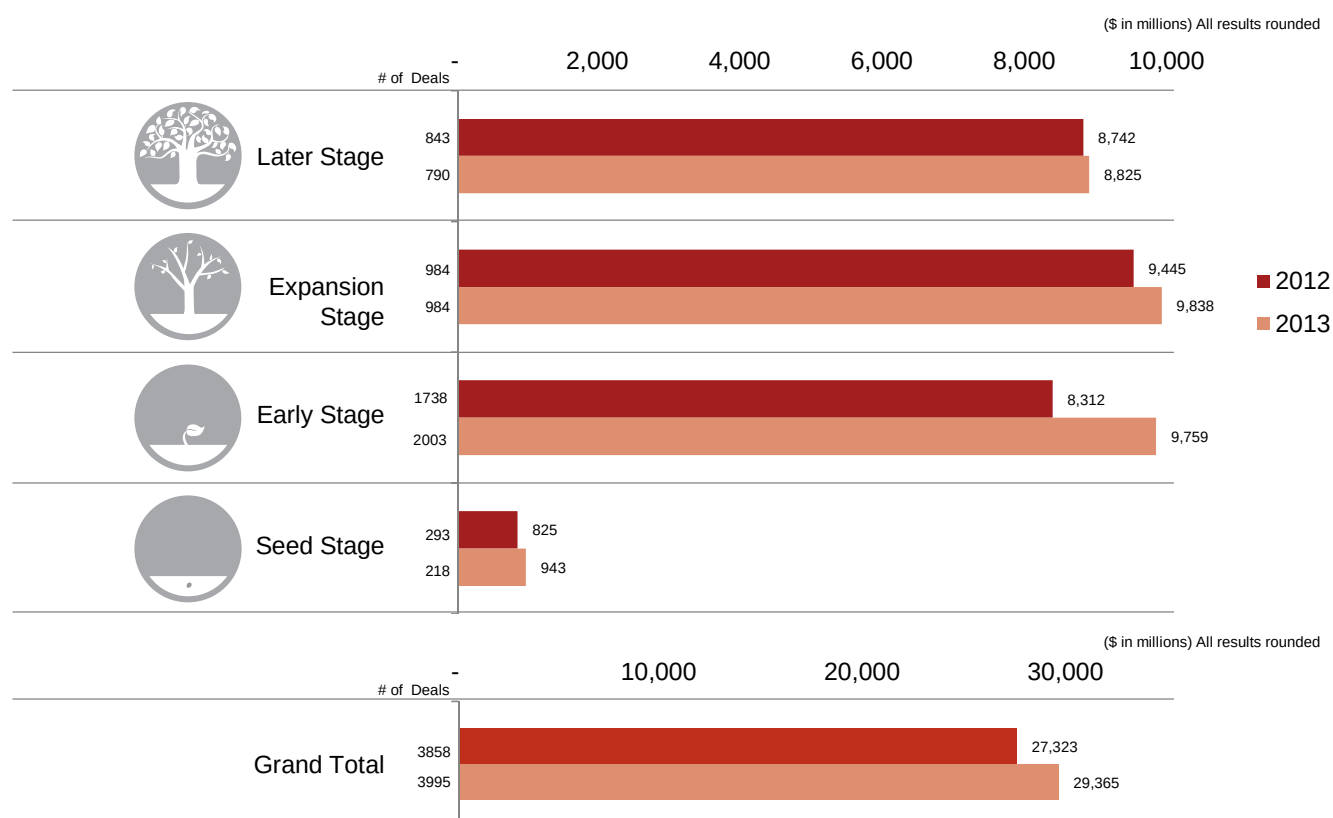
2012 to 2013

Investments into Seed Stage companies increased 14 percent in terms of dollars but fell 26 percent in deals with \$943 million going into 218 companies in 2013, the lowest number of seed deals since 2003. Seed Stage companies attracted 3 percent of dollars and 5 percent of deals in 2013 compared to 3 percent of dollars and 8 percent of deals in 2012. The average Seed stage round in 2013 was \$4.3 million, up from \$2.8 million in 2012.

Early Stage investments experienced a 17 percent increase in dollars and a 15 percent increase in deal volume in 2013 with \$9.8 billion going into 2,003 deals. Early Stage companies attracted 33 percent of dollars and 50 percent of deals in 2013 compared to 30 percent of dollars and 45 percent of deals in 2012. The average Early Stage deal in 2013 was \$4.9 million, up from \$4.8 million in 2012.

Expansion Stage investments increased in 2013 by 4 percent in dollars and were flat in terms of deals with \$9.8 billion going into 984 deals. Expansion Stage companies attracted 34 percent of dollars and 25 percent of deals in 2013 compared to 35 percent of dollars and 26 percent of deals in 2012. The average Expansion Stage deal size in 2013 was \$10.0 million compared to \$9.6 million in 2012.

In 2013, \$8.8 billion was invested into 790 Later Stage deals, a 1 percent increase in dollars and a 6 percent decrease in deals for the year. Later Stage companies attracted 30 percent of dollars and 20 percent of deals in 2013 compared to 32 percent of dollars and 22 percent of deals in 2012. The average size of a Later Stage deal rose from \$10.4 million in 2012 to \$11.2 million in 2013.



Investments by stage of development

Q4 2012, Q3 2013, and Q4 2013

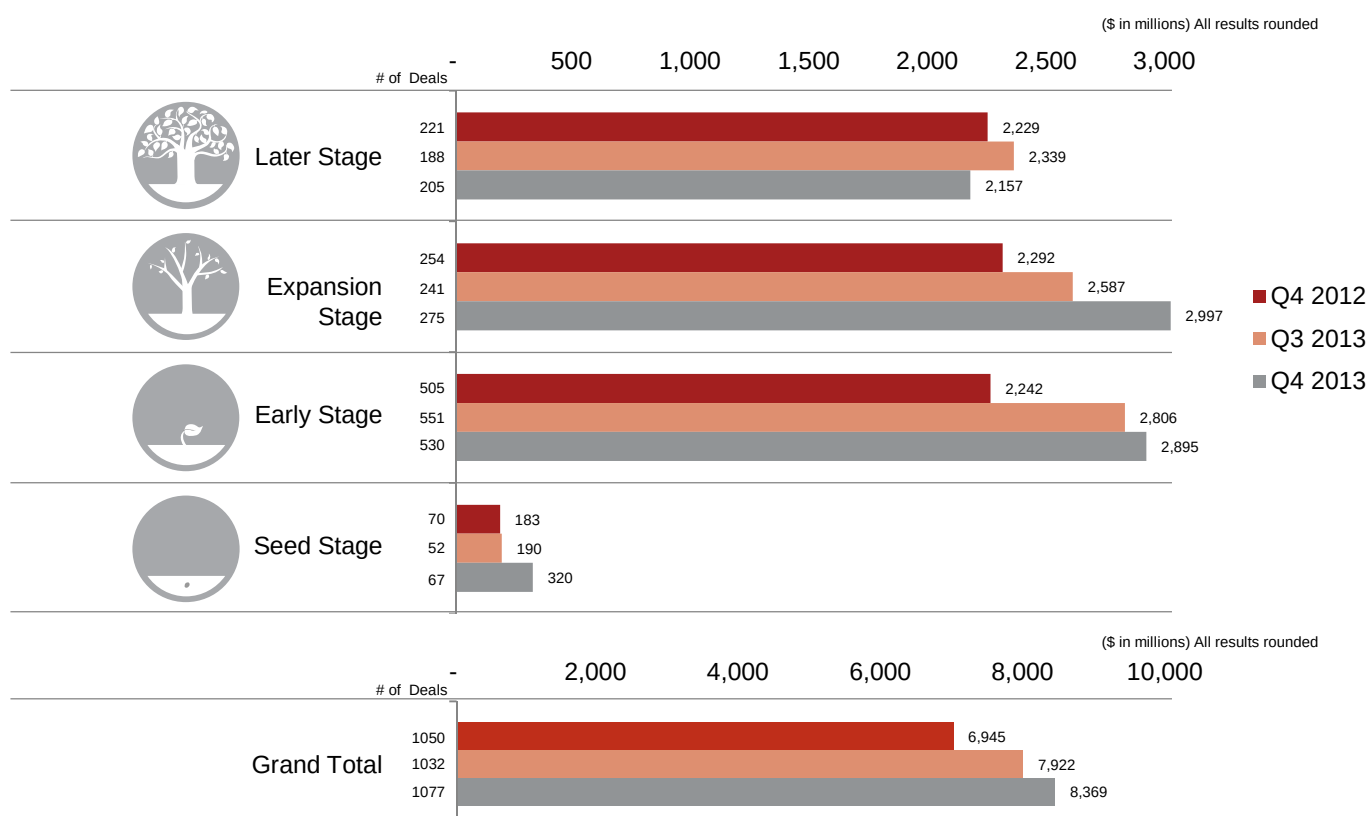
Seed Stage investments rose 69 percent in dollars and rose 29 percent in deals with \$320 million invested into 67 deals in the fourth quarter. The average Seed Stage deal in the fourth quarter was \$4.8 million, up from \$3.6 million in the third quarter. This represents the highest quarter over quarter increase.

Early Stage dollar investments rose again to their highest level in 12 years, rising 3 percent in dollars and 8 percent in deals from the prior quarter to \$2.9 billion going into 530 deals. The average Early Stage deal was \$5.5 million in Q4, up from \$5.1 million in the prior quarter. Seed Stage and Early stage deals accounted for 55 percent of total deal volume in Q4, down slightly from the third quarter of 2013.

Expansion Stage dollars increased 16 percent in the fourth quarter, with \$3.0 billion going into 275 deals.

Overall, Expansion Stage deals accounted for 26 percent of venture deals in the fourth quarter, a 3 percent rise over the third quarter of 2013. The average Expansion stage deal was \$10.9 million, slightly increasing from \$10.7 million in Q3 2013.

In the fourth quarter, \$2.2 billion went into 205 deals. Investments in Later Stage deals decreased 8 percent in dollars but increased 9 percent in deals to \$2.2 billion going into 205 rounds in the fourth quarter. Later Stage deals accounted for 19 percent of total deal volume in Q4, compared to 18 percent in Q3 when \$2.3 billion went into 188 deals. The average Later Stage deal in the third quarter was \$10.5 million, down from \$12.4 million in Q3 2013.



Definitions of the Stage of Development categories can be found on the MoneyTree™ website at www.pwcmoneytree.com

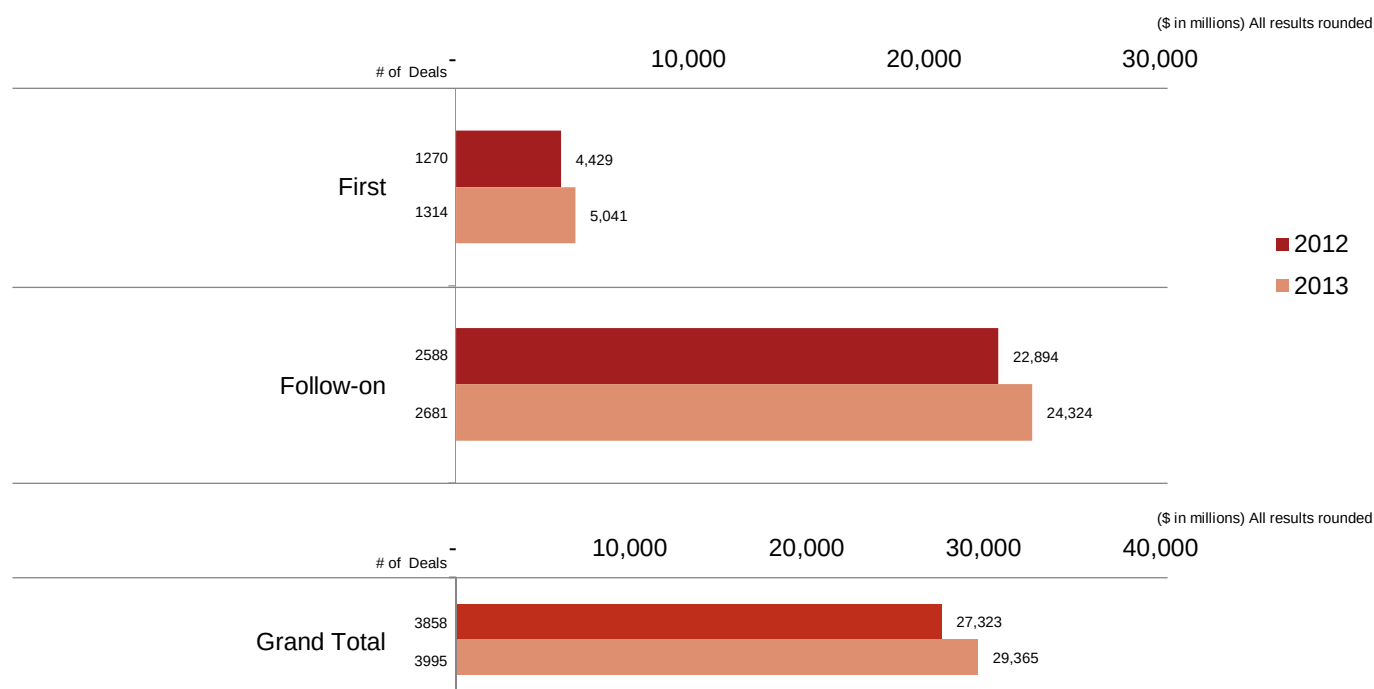
Investments by sequence of financing

2012 to 2013

First-time financings (companies receiving venture capital for the first time) in 2013 rose 14 percent in dollars while the number of deals increased 3 percent compared to 2012, with \$5.0 billion going into 1,314 companies. First-time financings accounted for 17 percent of dollars and 33 percent of deals in 2013 compared to 16 percent of dollars and 33 percent of deals in 2012.

Industries receiving the most dollars in first-time financings in 2013 were Software, Biotechnology and

Media & Entertainment. Industries with the most first-time deals in 2013 were Software, Media & Entertainment, and IT Services. Fifty-seven percent of dollars invested in first-time deals in 2013 were in the Early Stage of development, followed by the Expansion Stage of development at 16 percent, Seed Stage companies at 14 percent and Later Stage companies at 13 percent.



Investments by sequence of financing

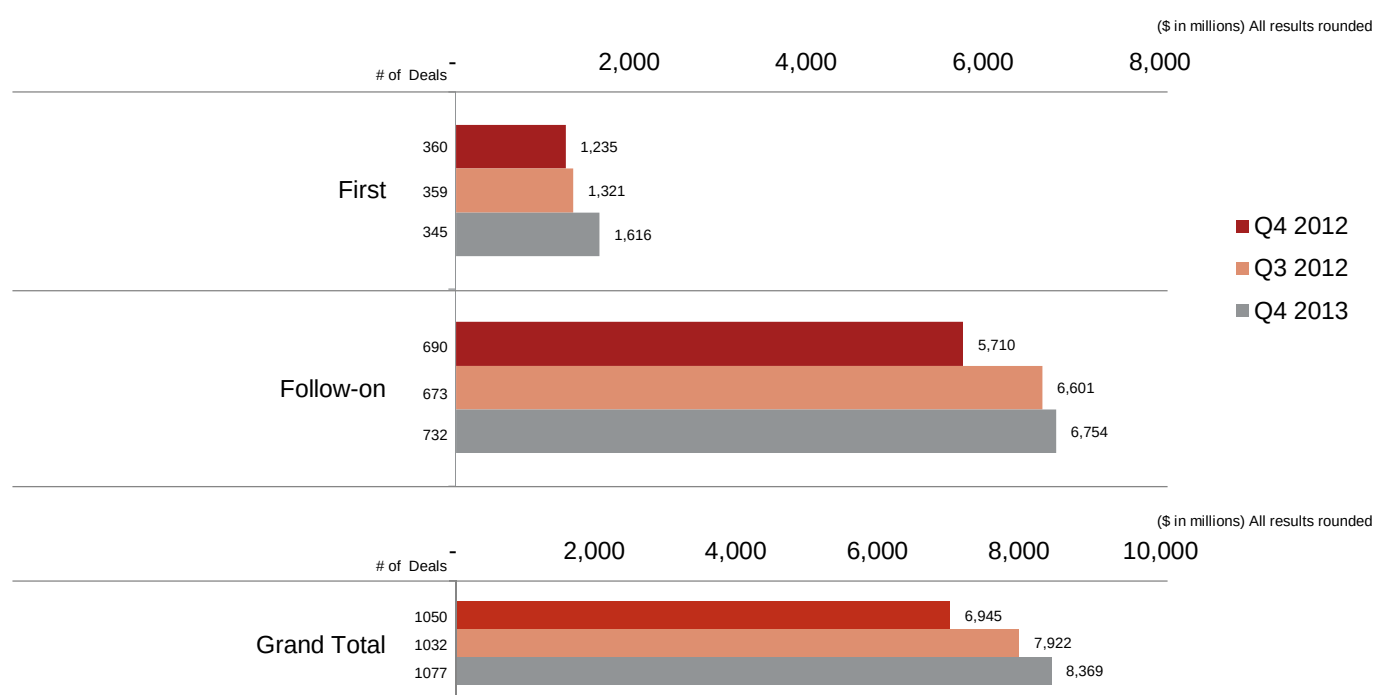
Q4 2012, Q3 2013, and Q4 2013

First-time financing dollars increased 22 percent to \$1.6 billion going into 345 companies in Q4, a 4 percent decrease in the number of deals from the prior quarter. First-time financings accounted for 19 percent of all dollars and 32 percent of all deals in the fourth quarter. The average first-time deal in the fourth quarter was \$4.7 million, up from \$3.7 million in the prior quarter.

Companies in the Software industry captured 40 percent of first-time investment dollars in the fourth quarter, and 43 percent of the companies receiving funding in Q4 with

\$652 million going into 150 companies. The Life Sciences sector saw a rise of 161 percent in dollars from the prior quarter to \$408 million, while the number of companies receiving funding for the first time increased slightly by 7 percent to 48.

Seed Stage and Early Stage companies received the bulk of first-time investments, capturing 69 percent of the dollars and 83 percent of the deals in the fourth quarter of 2013.



Definitions of the Financing Sequence categories can be found on the MoneyTree™ website at www.pwcmoneytree.com

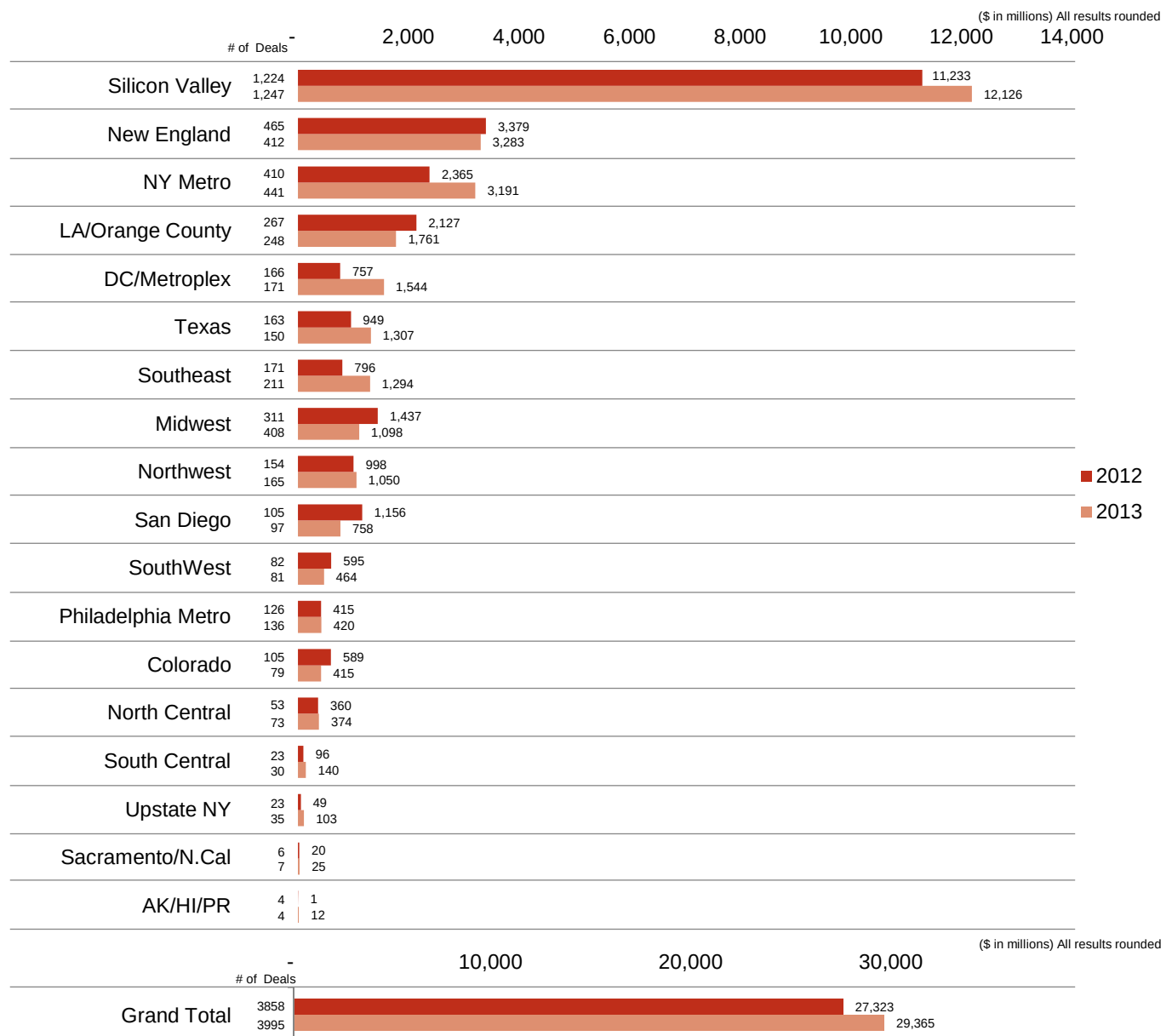
Investments by region

2012 to 2013

Six of the top ten regions to attract venture capital funding in 2013 recorded an increase in funding over the prior year. The DC Metro region reported the greatest jump in 2013 investment levels with a 104 percent increase in funding followed by the Southeast with a 62 percent increase.

Silicon Valley was the top region for the year, attracting 41 percent of total US venture capital dollars and 31

percent of total US deals. New England was a distant second at 11 percent of total US dollars and 10 percent of total deals. Taken together, the top three regions—Silicon Valley, New England, and New York Metro—accounted for 63 percent of venture capital funding and 53 percent of deals reported in 2013.



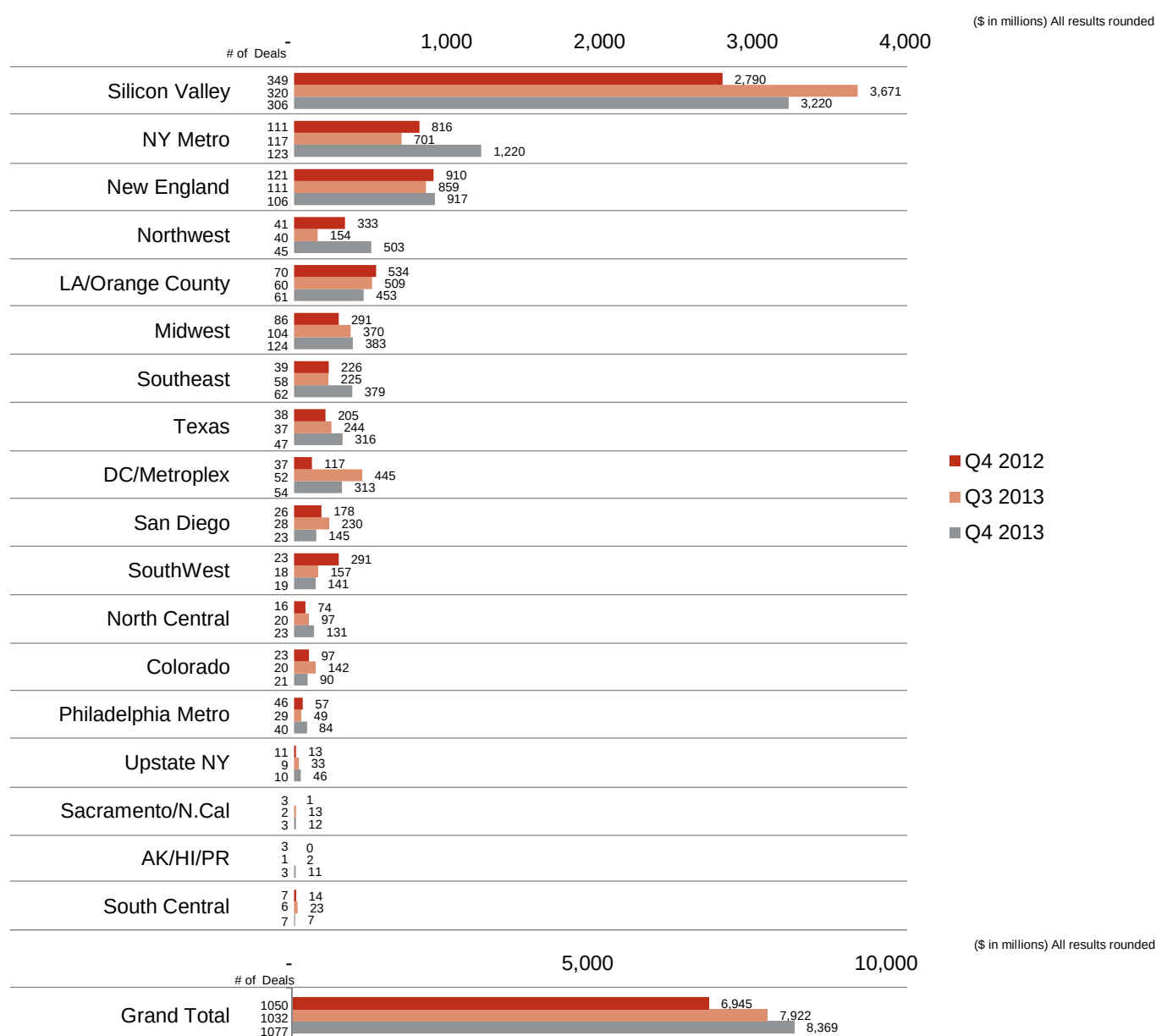
Investments by region

Q4 2012, Q3 2013, and Q4 2013

Silicon Valley received the highest level of funding for all regions in fourth quarter 2013 although there was a decrease of 12 percent in dollars and 4 percent in deals from the prior quarter with \$3.2 billion going into 306 deals. New York Metro received the second highest level of funding and deals completed with \$1.2 billion going into 123 rounds, rising 74 percent in dollars and 5 percent in deals from last quarter. New England investments came in third and experienced an increase,

rising by 7 percent in terms of dollars, but dropping 5 percent in deals with \$917 million going into 106 companies.

Ten of the 18 MoneyTree™ regions experienced increases in dollars invested in the fourth quarter, including AK/HI/PR (508 percent increase), Northwest (227 percent increase), NY Metro (74 percent increase), and Southeast (69 percent increase). Fifteen of the 18 regions experienced increases in the number of deals.



Definitions of the Region categories can be found on the MoneyTree™ website at www.pwcmoneytree.com

Most active venture investors

Full-year 2013

Kleiner Perkins Caufield & Byers LLC closed the most deals in 2013, with a total of 103 deals. First Round Capital was second with 94 deals and New Enterprise Associates was third with 83 deals. The top 25 most

active investors accounted for 35 percent of the deals in 2013. Most active are those investors who participated in 39 or more deals in 2013.

Firm	City	# of Deals
Kleiner Perkins Caufield & Byers LLC	Menlo Park, California	103
First Round Capital	Philadelphia, Pennsylvania	94
New Enterprise Associates, Inc.	Menlo Park, California	83
Andreessen Horowitz LLC	Menlo Park, California	73
Draper Fisher Jurvetson International, Inc.	Menlo Park, California	68
True Ventures	Palo Alto, California	62
Innovation Works, Inc.	Pittsburgh, Pennsylvania	61
Google Ventures	Mountain View, California	61
500 Startups, LP	Mountain View, California	55
Battery Ventures LP	Waltham, Massachusetts	54
U.S. Venture Partners	Menlo Park, California	51
Intel Capital Corp.	Santa Clara, California	50
Bessemer Venture Partners LP	Larchmont, New York	49
Polaris Partners	Waltham, Massachusetts	47
Greylock Partners	Menlo Park, California	47
Sequoia Capital	Menlo Park, California	47
Atlas Venture Advisors Inc	Cambridge, Massachusetts	44
Ben Franklin Technology Partners Southeastern PA	Philadelphia, Pennsylvania	44
General Catalyst Partners LLC	Cambridge, Massachusetts	43
Canaan Partners	Menlo Park, California	43
Domain Associates LLC	Princeton, New Jersey	43
Khosla Ventures LLC	Menlo Park, California	41
SV Angel II Q LP	San Francisco, California	41
Norwest Venture Partners	Palo Alto, California	40
Lightspeed Venture Partners	Menlo Park, California	39

Most active venture investors

Q4 2013

Kleiner Perkins Caufield & Byers LLC closed the most deals in the fourth quarter 2013, with a total of 27 deals. First Round Capital was second with 24 deals and Draper Fisher Jurvetson International, Inc. was third with 23 deals.

The top 30 most active venture investors accounted for 40 percent of total venture-backed deals for the quarter. Most active are those investors who participated in ten or more deals in the fourth quarter of 2013.

Firm	City	# of Deals
Kleiner Perkins Caufield & Byers LLC	Menlo Park, California	27
First Round Capital	Philadelphia, Pennsylvania	24
Draper Fisher Jurvetson International, Inc.	Menlo Park, California	23
Battery Ventures LP	Waltham, Massachusetts	22
Ben Franklin Technology Partners Southeastern PA	Philadelphia, Pennsylvania	20
Andreessen Horowitz LLC	Menlo Park, California	19
New Enterprise Associates, Inc.	Menlo Park, California	18
Khosla Ventures LLC	Menlo Park, California	15
Greylock Partners	Menlo Park, California	15
Bessemer Venture Partners LP	Larchmont, New York	15
Google Ventures	Mountain View, California	15
Innovation Works, Inc.	Pittsburgh, Pennsylvania	14
True Ventures	Palo Alto, California	13
Norwest Venture Partners	Palo Alto, California	13
Benchmark Capital Management	Menlo Park, California	13
Ben Franklin Technology Partners Of Central And Northern PA	University Park, Pennsylvania	12
General Catalyst Partners LLC	Cambridge, Massachusetts	12
Accel Partners & Co., Inc.	Palo Alto, California	12
Polaris Partners	Waltham, Massachusetts	12
Domain Associates LLC	Princeton, New Jersey	12
Intel Capital Corp	Santa Clara, California	12
Scout Ventures LLC	New York, New York	11
Foundry Group LLC	Boulder, Colorado	11
Lightspeed Venture Partners	Menlo Park, California	11
Morgenthaler Ventures	Menlo Park, California	11
U.S. Venture Partners	Menlo Park, California	11
Highland Capital Partners LLC	Cambridge, Massachusetts	11
Lerer Ventures	New York, New York	10
Mercury Fund	Houston, Texas	10
Social+Capital Partnership	Palo Alto, California	10

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