

PricewaterhouseCoopers
National Venture Capital Association

MoneyTree™ Report

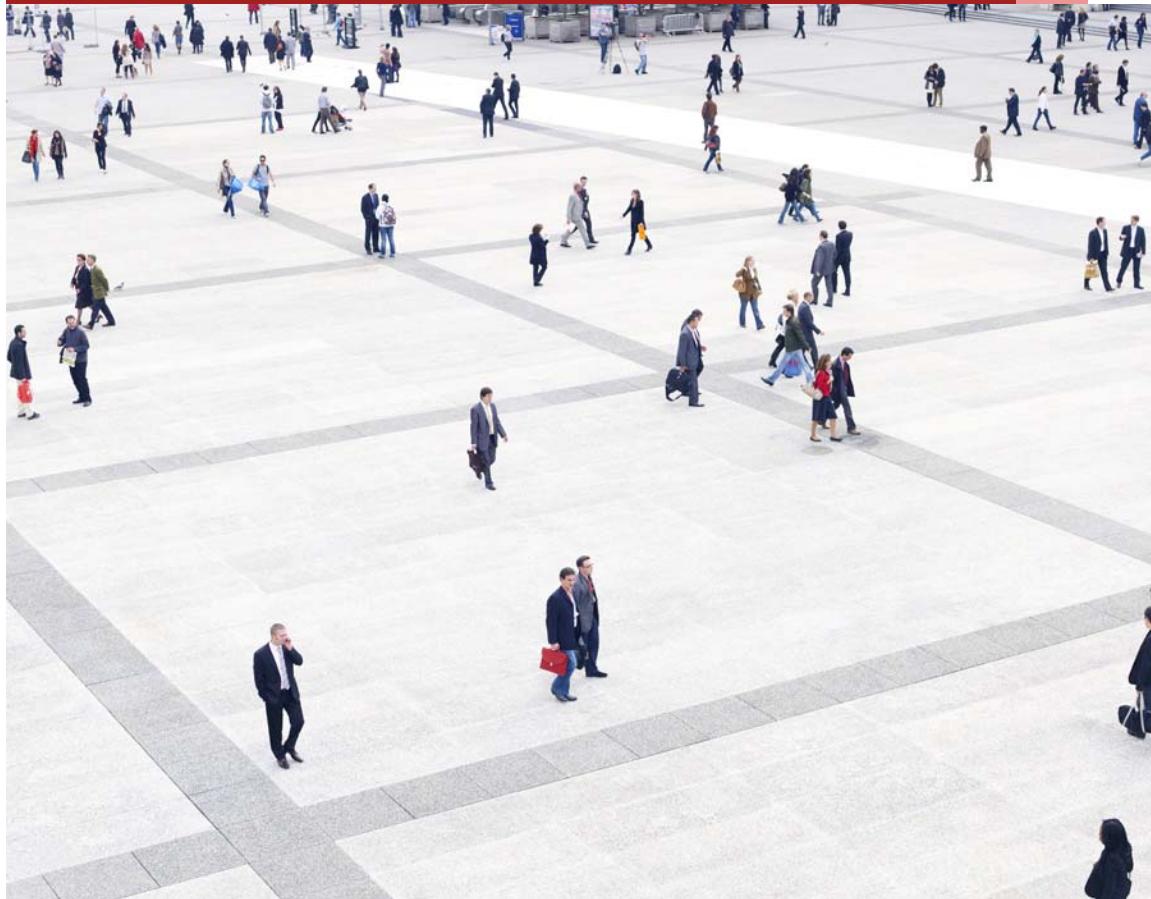
Q1 2015

Data provided by Thomson Reuters

Technology Institute

May 2015

The Q1 2015 MoneyTree™ results are in! This special report provides summary results of Q1 2014, Q4 2014 and Q1 2015. More detailed results can be found on the MoneyTree™ Report website at www.pwcmoneytree.com

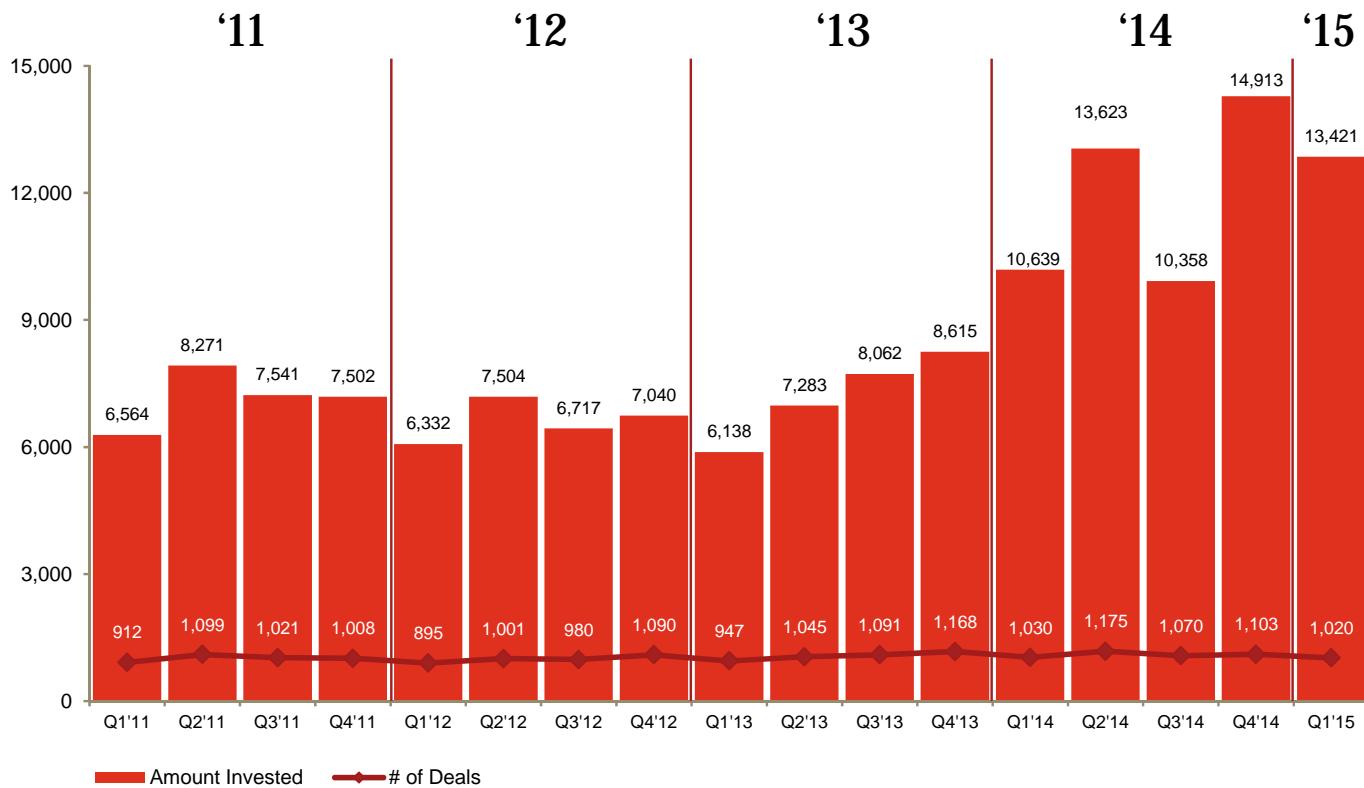


Total equity investments into venture-backed companies

Venture capitalists invested \$13.4 billion in 1,020 deals in the first quarter of 2015, according to the MoneyTree™ Report from PricewaterhouseCoopers LLP (PwC) and the National Venture Capital Association (NVCA), based on data provided by Thomson Reuters. Quarterly venture capital (VC) investment declined 10

percent in terms of dollars and 8 percent in the number of deals, compared to the fourth quarter when \$14.9 billion was invested in 1,103 deals. The first quarter is the fifth consecutive quarter of more than \$10 billion of venture capital invested in a single quarter.

(\$ in millions)
All results rounded



Investments by industry

Q1 2015, Q4 2014, and Q1 2014

The Software industry continued to receive the highest level of funding of all industries, despite being down for the quarter. Venture capitalists invested \$5.6 billion during the first quarter of 2015, down 8 percent compared to the fourth quarter when total venture investment into the Software industry reached \$6.0 billion. The Software industry also counted the most deals in Q1 at 434, down 6 percent compared to Q4.

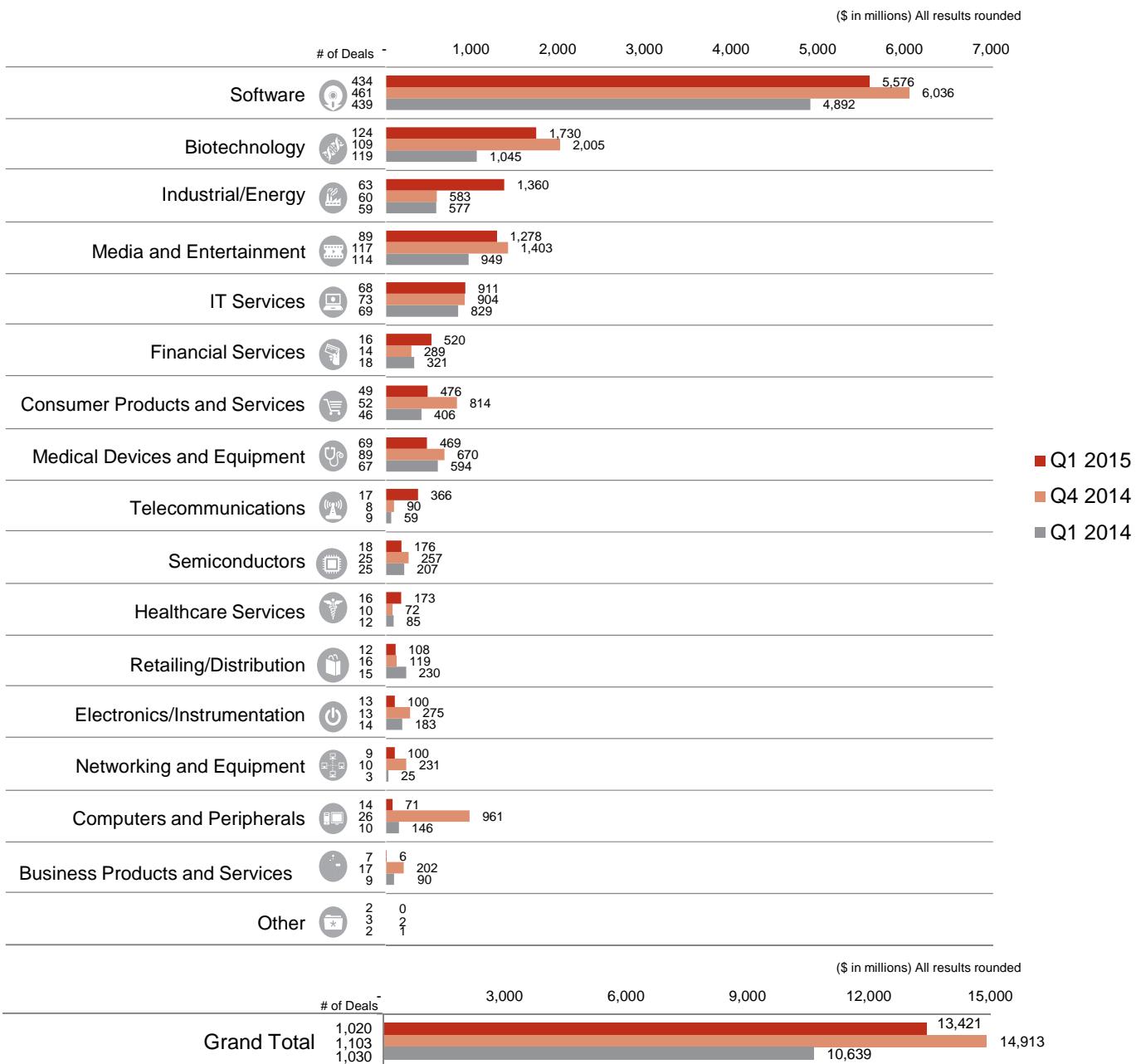
The Biotechnology industry captured the second largest total during the quarter with \$1.7 billion going into 124 deals, a 14 percent decline in dollars invested but a 14 percent increase in deals from the prior quarter. Overall, investments in Q1 in the Life Sciences sector (Biotechnology and Medical Devices combined) received \$2.2 billion going into 193 deals, an 18 percent decline in dollars and 3 percent drop in deals when compared to Q4 2014.

The Industrial/Energy industry was the third largest industry for dollars invested with \$1.4 billion going into

63 deals, up 133 percent in dollars invested and 5 percent in total number of deals. Part of the increase in dollars can be attributed to the second largest deal of the quarter falling in the Industrial/Energy category, a \$1 billion investment.

Five of the 17 MoneyTree industries experienced increases in dollars invested in the first quarter, including Telecommunications (308 percent increase), Healthcare Services (141 percent increase), and Financial Services (80 percent increase).

Venture capitalists invested \$3.1 billion into 231 Internet-specific companies during the first quarter of 2015. This investment level represents a 4 percent increase in dollars but a 2 percent drop in deals compared to the fourth quarter of 2014 when \$3.0 billion went into 236 companies. "Internet-Specific" is a discrete classification assigned to a company with a business model that is fundamentally dependent on the Internet, regardless of the company's primary industry category.



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

Investments by stage of development

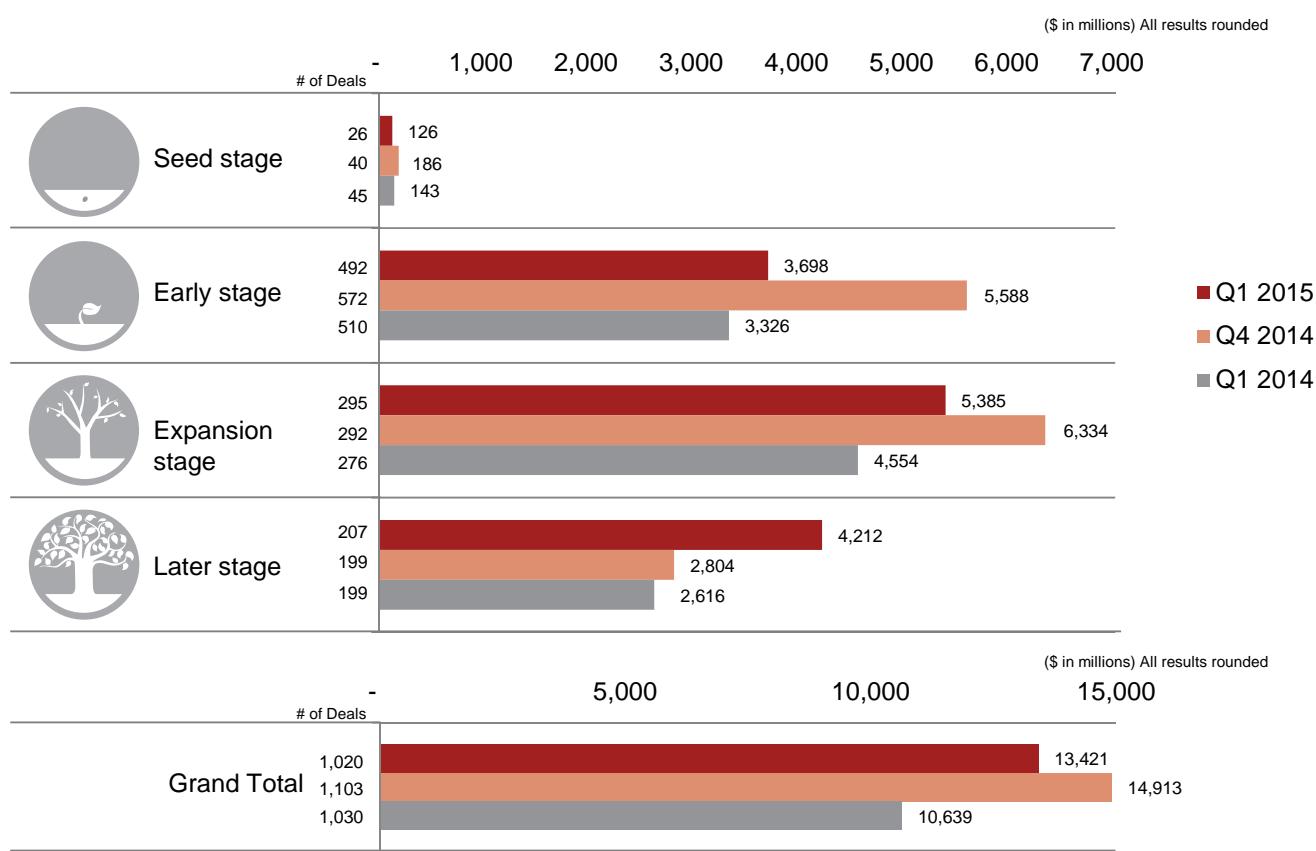
Q1 2015, Q4 2014, and Q1 2014

Seed stage investment was down 32 percent in dollars and 35 percent in deals with \$126 million invested into 26 deals in the first quarter, the lowest quarterly deal count since the MoneyTree began tracking VC investments in 1995. Early stage investment was down 34 percent in dollars and 14 percent in deals with \$3.7 billion going into 492 deals. Seed/Early stage deals accounted for 51 percent of total deal volume in Q1, compared to 55 percent in the prior quarter. The average Seed stage deal in the first quarter was \$4.8 million, up from \$4.7 million in the fourth quarter of 2014. The average Early stage deal was \$7.5 million in Q1, down from \$9.8 million in the prior quarter.

Expansion stage investment was down 15 percent in terms of dollars in Q1 but flat in terms of the number of

deals, with \$5.4 billion going into 295 deals. Overall, Expansion stage deals accounted for 29 percent of venture deals in Q1, up slightly from 26 percent in the fourth quarter of 2014. The average Expansion stage deal was \$18.3 million, down from \$21.7 million in Q4 2014.

Investments in Later stage companies rose by 50 percent to \$4.2 billion going into 207 deals in the first quarter, the largest quarterly total of dollars invested in Later stage companies since Q4 2000. Later stage deals accounted for 20 percent of total deal volume in Q1, up slightly from the prior quarter. The average Later stage deal in the first quarter was \$20.3 million, up from \$14.1 million in the prior quarter, attributable in part to four of the 10 largest deals in Q1 falling into the Later stage of development.



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

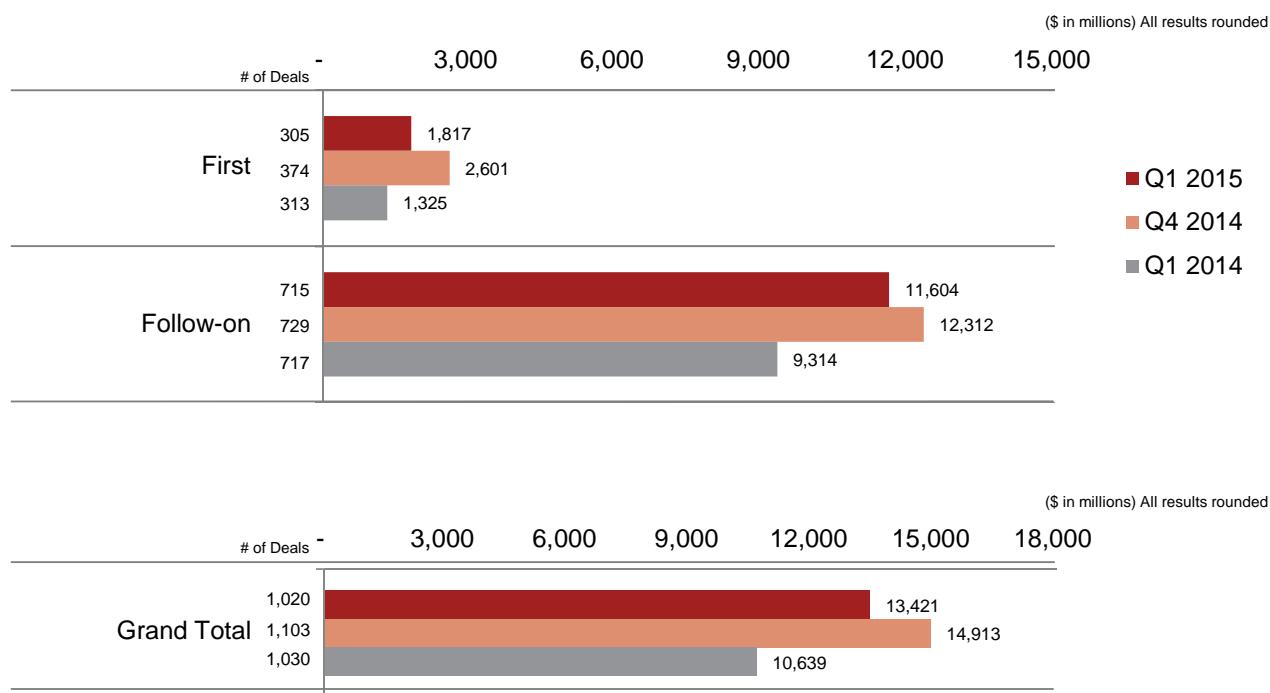
Investments by sequence of financing

Q1 2015, Q4 2014, and Q1 2014

First-time financing (companies receiving venture capital for the first time) dollars decreased 30 percent to \$1.8 billion in Q1 while the number of deals was down 18 percent from the prior quarter, dropping to 305. First-time financings accounted for 14 percent of all dollars and 30 percent of all deals in the first quarter.

Of the companies receiving venture capital funding for the first time in Q1, Software companies captured the largest share and accounted for 36 percent of the dollars and 46 percent of the deals with 139 companies

capturing \$657 million. First-time financings in the Life Sciences sector was up 7 percent in dollars from the prior quarter with \$440 million going into 42 companies, compared with 33 such companies receiving \$410 million in Q4. The average first-time deal in the first quarter was \$6.0 million, down from \$7.0 million in the prior quarter. Seed/Early stage companies received the bulk of first-time investments, capturing 78 percent of the dollars and 82 percent of the deals in the first quarter of 2015.



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

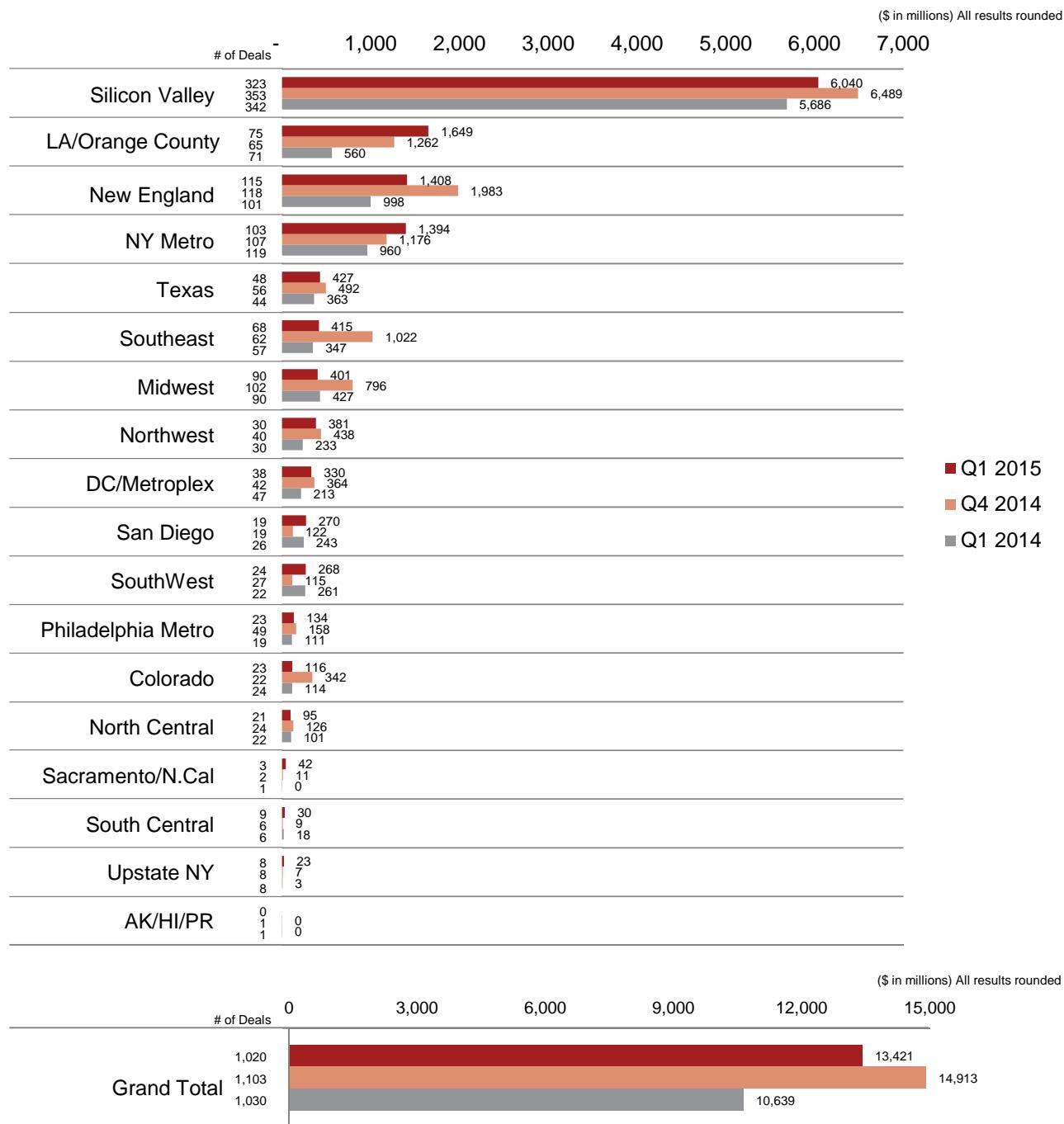
Investments by region

Q1 2015, Q4 2014, and Q1 2014

Silicon Valley received the highest level of funding for all regions in the first quarter of 2015, although decreasing 7 percent in dollars and 8 percent in deals from the prior quarter with \$6 billion going into 323 deals. LA/Orange County received the second highest level of funding with \$1.6 billion going into 75 deals, rising 31 percent in

dollars from last quarter and 15 percent in number of deals. New England investments came in third, with a decline of 29 percent in terms of dollars and 3 percent in deals with \$1.4 billion going into 115 companies.

Eleven of the 18 MoneyTree™ regions experienced decreases in dollars invested in the first quarter.



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

Most active venture investors

Q1 2015

New Enterprise Associates, Inc. had the most deals in the first quarter 2015, with a total of 29 deals. Kleiner Perkins Caufield & Byers LLC had the next highest number of deals with 26 deals and First Round Capital had the third highest number of deals at 20 deals.

Most active are those investors who participated in 10 or more deals in the first quarter of 2015.

| Firm | City | # 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 |

PwC can help

For a deeper discussion on these results, please contact one of our leaders:

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Let's talk

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About PwC's Technology Institute

The Technology Institute is PwC's global research network that studies the business of technology and the technology of business with the purpose of creating thought leadership that offers both fact-based analysis and experience-based perspectives. Technology Institute insights and viewpoints originate from active collaboration between our professionals across the globe and their first-hand experiences working in and with the technology industry.

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