

About PwC’s Cleantech Practice

PwC’s Cleantech Practice provides services and advice in assurance, tax, transactions, market entry, and business performance improvement to companies across the Cleantech sector and the breadth of industries it impacts. Our broad network of industry sector specialists combines a detailed knowledge of government policy and regulation with strong private enterprise experience, providing us with an in-depth understanding of key industry issues around strategy, operations, regulations, risk, technology, and finance. As the service provider of choice for emerging and established Cleantech companies as well as organizations and utilities, we can help you to develop, commercialize, deploy, and maintain go-to-market strategies for your products and services across the Cleantech ecosystem.

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Cleantech MoneyTree™ Report: Q1 2015

Based on the MoneyTree™ Report from PricewaterhouseCoopers and the National Venture Capital Association based on data from Thomson Reuters

Cleantech received \$129.2 million in 26 deals in the first quarter of 2015. Funding dollars decreased 72 percent year over year, while deal volume decreased 24 percent over the same period.

May 2015



Cleantech

Cleantech funding

The Cleantech sector, which crosses traditional MoneyTree industries and is composed of agriculture and bioproducts, energy efficiency, smart grid and energy storage, solar energy, transportation, water and waste management, wind and geothermal, and other renewables, saw a 72 percent decrease in funding from the first quarter of 2014 to \$129.2 million..

“US cleantech venture investments are off to a slow start this year. While deal volume was certainly down, it’s the smaller average deal size that really impacted the overall investment level, “ said Brian Carey, Cleantech Advisory Leader. “Late stage investments, which typically drive overall investment value, were down significantly and on average much smaller than we’ve been seeing over the past two years.”

Figure 1: Cleantech funding trends by quarter 2012–2015

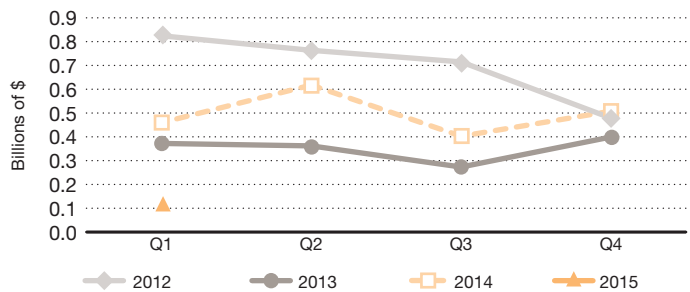
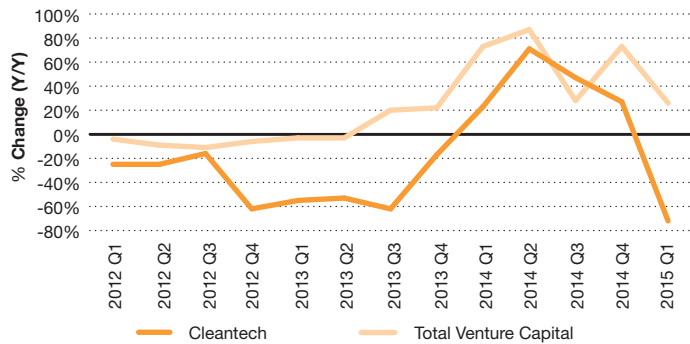


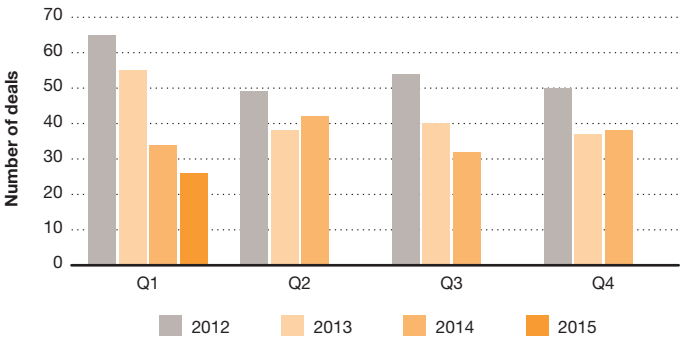
Figure 2: Growth in Cleantech funding compared with total venture funding



Cleantech deal volume

Compared to the first quarter of 2014, deal volume decreased by 24 percent in the first quarter to 26. Average deal size was \$5.0 million, a decrease of 63 percent year over year.

Figure 3: Cleantech deal volume by quarter 2012–2015

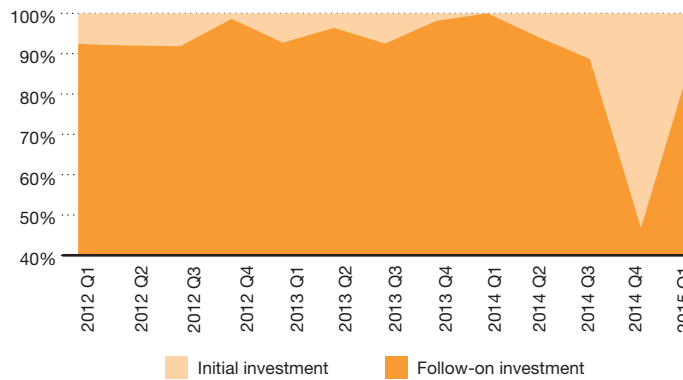


First-time funding compared with follow-on funding

Compared to the first quarter of 2014, first-time funding increased from zero to \$14.1 million. First-time deals in the Cleantech sector averaged \$1.6 million during the first quarter, across 9 deals.

Year over year, follow-on funding decreased 75 percent to \$115.2 million in the first quarter. Follow-on funding average deal size was \$6.8 million, a 51 percent decrease from the same period in the previous year, in 17 deals.

Figure 4: Cleantech follow-on compared with initial investments 2012–2015



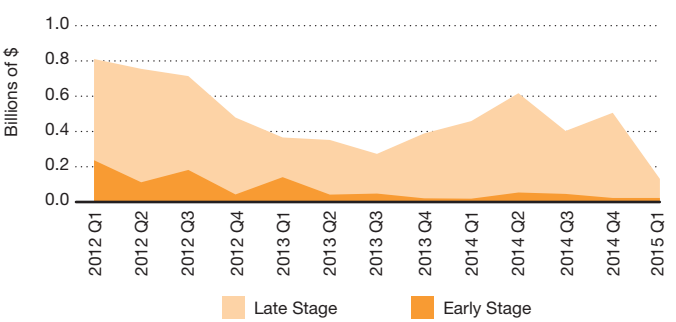
Cleantech funding by stage

Early-stage investment was \$21.2 million during the quarter, an increase of 11% compared to the first quarter of 2014.

Cleantech investment for late-stage opportunities decreased year over year by 75% to \$108.1 million.

Early-stage average deal size, at \$2.4 million, decreased 39 percent year over year in 9 deals, while late-stage average deal size, at \$6.4 million, decreased 58 percent over the same period in 17 deals.

Figure 5: Cleantech funding by stage each quarter 2012–2015



2015 first quarter sequential growth factors (Q/Q change)

	% Change in deal volume	% Change in avg deal size	% Change in investments
Early stage	-31%	32%	-9%
Late stage	-26%	-70%	-78%

Cleantech funding by subsector

Cleantech subsectors receiving increased funding in the first quarter compared to the prior-year period were:

- Other Cleantech increased 48 percent to \$22.7 million.

Cleantech subsectors receiving less funding in the first quarter compared to the prior-year period were:

- Solar Energy decreased 56 percent to \$29.6 million.
- Smart Grid & Energy Storage decreased 66 percent to \$59.1 million.
- Water & Waste Management decreased 90 percent to \$3.6 million.
- Agriculture & Bioproducts decreased 91 percent to \$13.2 million.
- Energy Efficiency decreased 93 percent to \$1.1 million.
- Transportation decreased 100 percent to \$0.
- Wind & Geothermal decreased 100 percent to \$0.

Figure 6: Cleantech funding by subsector 2012–2015

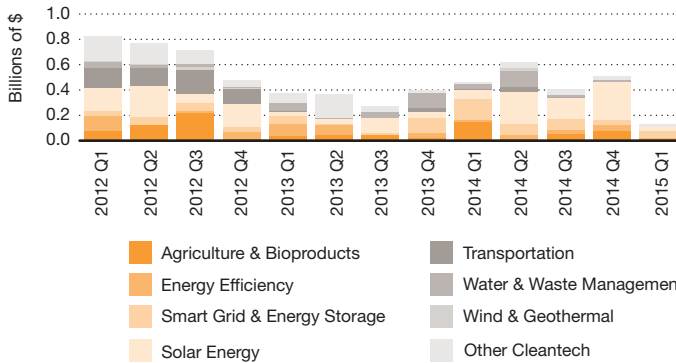
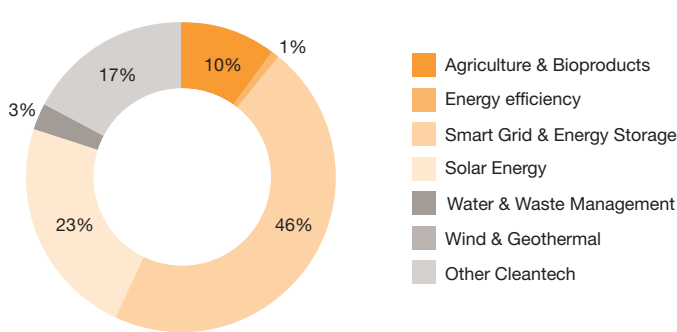


Figure 7: Cleantech funding by subsector first quarter 2015



Regional funding trends

Silicon Valley, Midwest, Philadelphia Metro, Texas and New England received the most Cleantech venture capital funding in the first quarter. Silicon Valley was the leading region with \$40.6 million.

Figure 8: Top five regions first quarter 2015

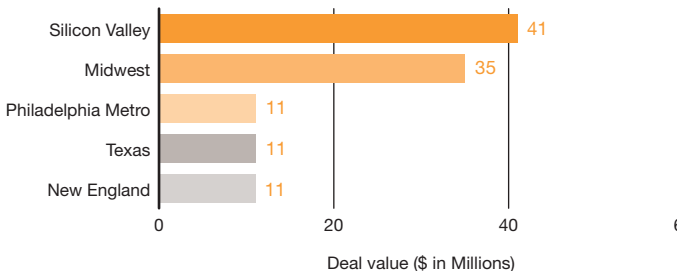


Figure 9: Funding trends in top five regions from 2012–2015

