

PricewaterhouseCoopers
National Venture Capital Association

MoneyTree™ Report

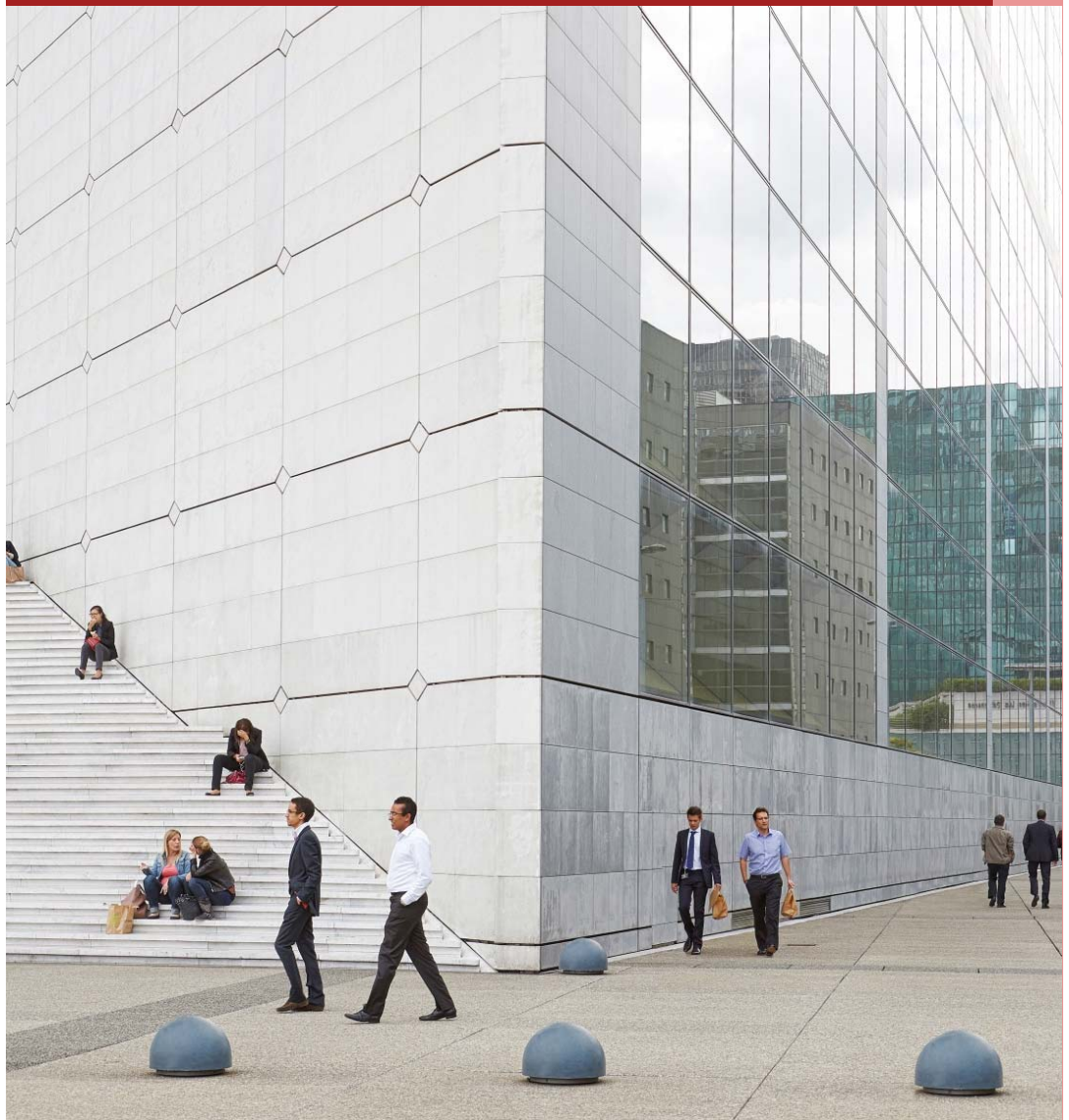
Q2 2015

Data provided by Thomson Reuters

Technology Institute

July 2015

The Q2 2015 MoneyTree™ results are in! This special report provides summary results of Q2 2014, Q1 2015 and Q2 2015. More detailed results can be found on the MoneyTree™ Report website at www.pwcmoneytree.com

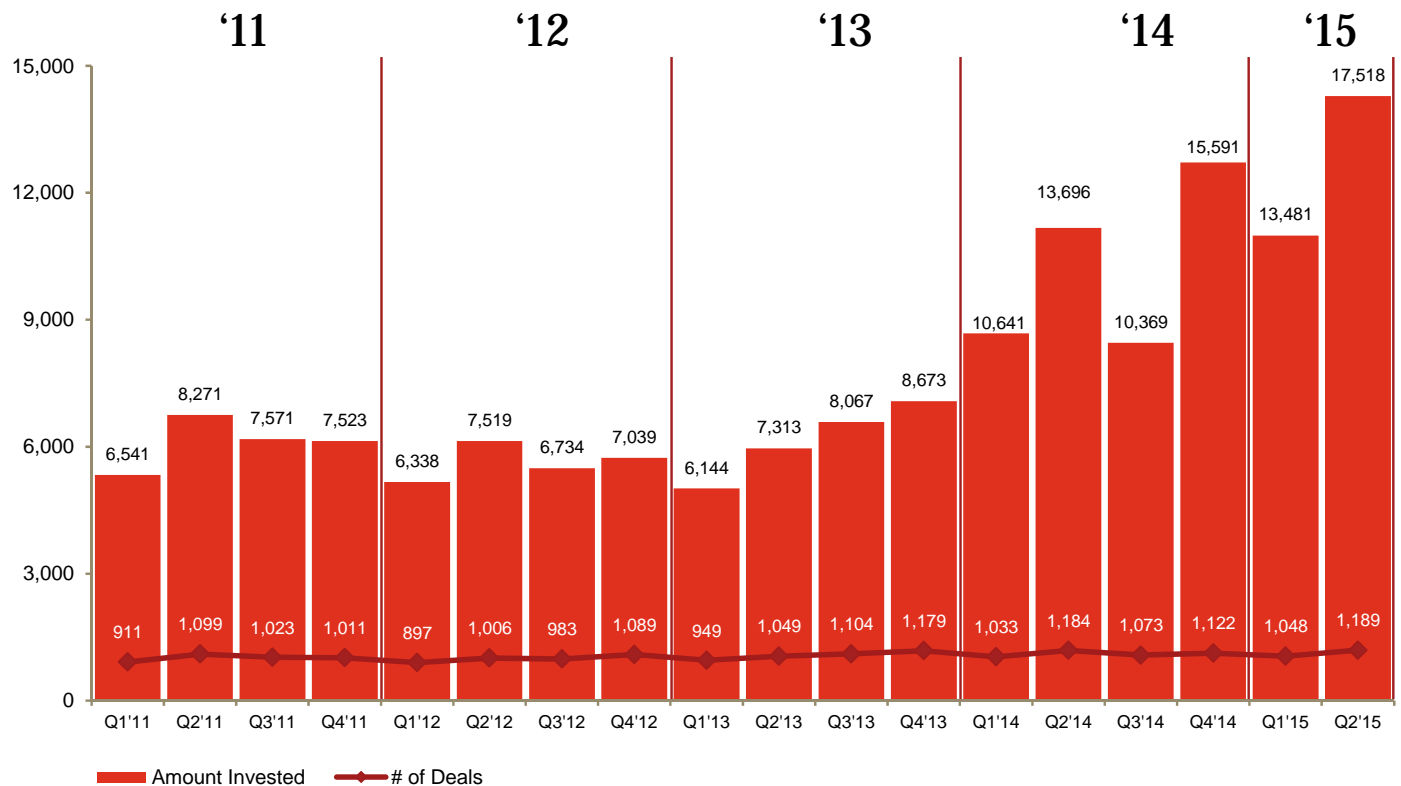


Total equity investments into venture-backed companies

Venture capitalists invested \$17.5 billion in 1,189 deals in the second 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 increased 30

percent in terms of dollars and 13 percent in the number of deals, compared to the first quarter when \$13.5 billion was invested in 1,048 deals. The second quarter is the sixth consecutive quarter of more than \$10 billion of venture capital invested in a single quarter.

(\$ in millions)
All results rounded



Investments by industry

Q2 2015, Q1 2015, and Q2 2014

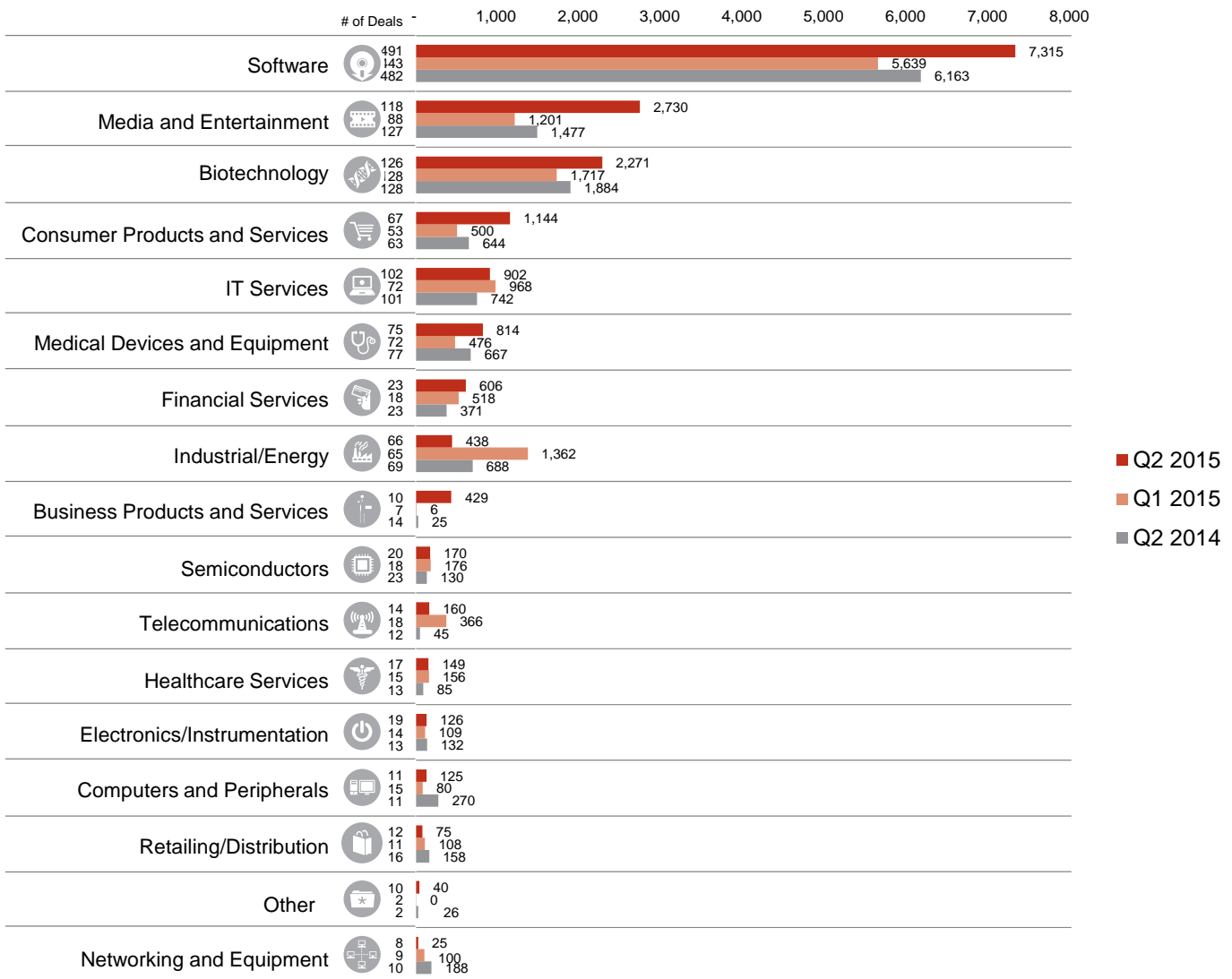
The Software industry continued to receive the highest level of funding of all industries, increasing 30 percent from the prior quarter to \$7.3 billion in Q2 2015. This amount is the largest quarterly investment total going into Software companies since the inception of the MoneyTree Report in Q1 1995. The number of deals also increased to 491, an 11 percent increase compared to the first quarter and the highest quarterly deal count since Q3 2000.

The Media & Entertainment industry was the second largest industry for dollars invested with \$2.7 billion going into 118 deals, an increase of 127 percent in dollars and a 34 percent rise in total number of deals. The majority of this increased can be attributed to the largest deal of the quarter falling into the Media & Entertainment industry.

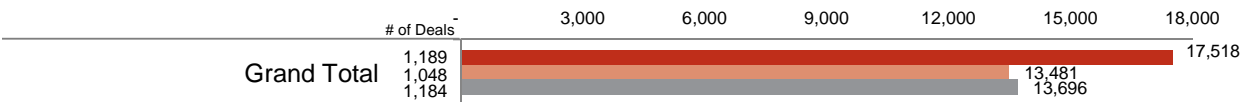
The Biotechnology industry captured the third largest total for dollars invested in Q2 but was second in terms of number of deals with \$2.3 billion going into 126 deals, a 32 percent increase in dollars invested but flat in number of deals compared to the prior quarter. This amount is the largest quarterly investment total going into Biotechnology companies since the inception of the MoneyTree Report in Q1 1995. Overall, investments in Q2 in the Life Sciences sector (Biotechnology and Medical Devices combined) accounted for \$3.1 billion going into 201 deals, a 41 percent increase in dollars and flat in deals when compared to Q1 2015.

Ten of the 17 MoneyTree industries experienced increases in dollars invested in the second quarter, including Consumer Products & Services (129 percent increase), Media and Entertainment (127 percent increase), Medical Devices & Equipment (71 percent increase), and Financial Services (17 percent increase).

(\$ in millions) All results rounded



(\$ in millions) All results rounded



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

Investments by stage of development

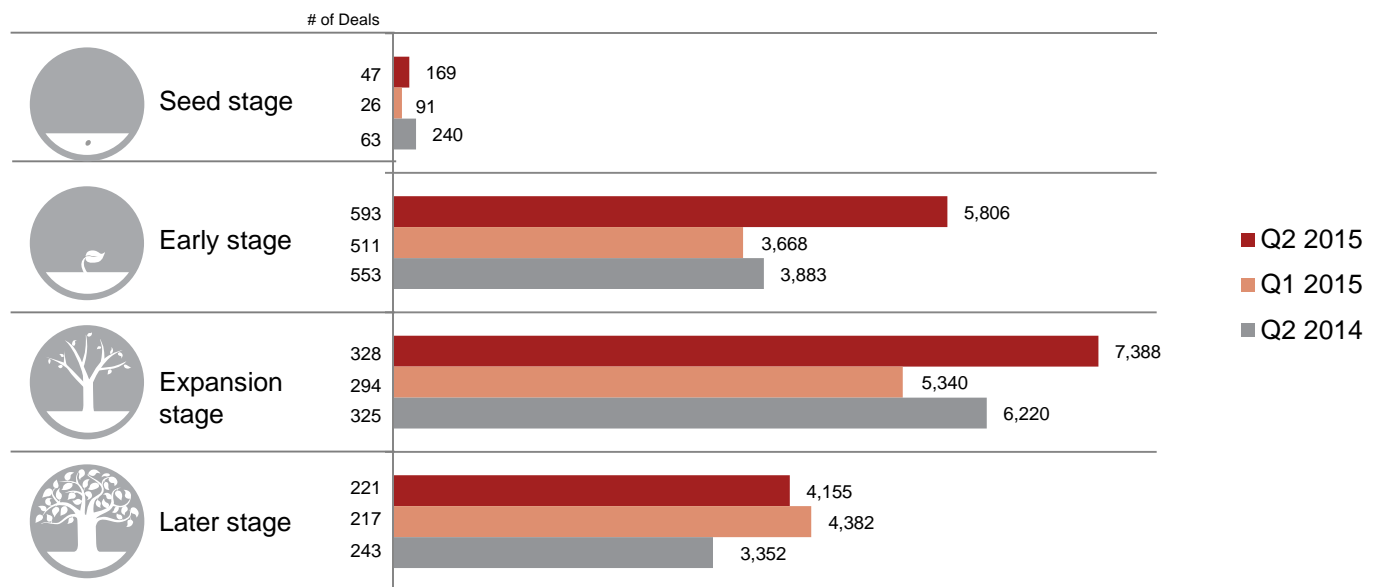
Q2 2015, Q1 2015, and Q2 2014

Seed stage investment was up 85 percent in dollars and 81 percent in deals with \$169 million invested into 47 deals in the second quarter. Early stage investment was up 58 percent in dollars and 16 percent in deals with \$5.8 billion going into 593 deals. Seed/Early stage deals accounted for 54 percent of total deal volume in Q2, compared to 51 percent in the prior quarter. The average Seed stage deal in the second quarter was \$3.6 million, up from \$3.5 million in the first quarter of 2015. The average Early stage deal was \$9.8 million in Q2, up from \$7.2 million in the prior quarter.

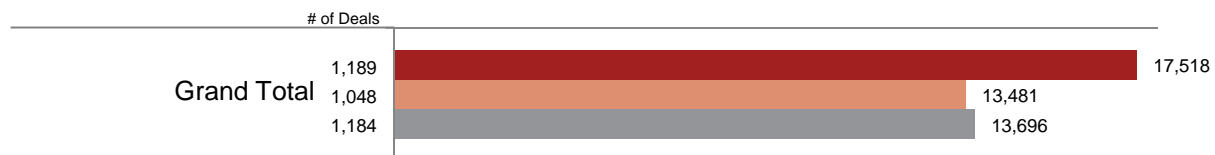
Expansion stage investment was up 38 percent in dollars and 12 percent in the number of deals in Q2, with \$7.3 billion going into 328 deals. Overall, Expansion stage deals accounted for 28 percent of venture deals in Q2. The average Expansion stage deal was \$22.5 million, up from \$18.2 million in Q1 2015.

Investments in Later stage companies fell 5 percent to \$4.2 billion going into 221 deals in the second quarter. Later stage deals accounted for 19 percent of total deal volume in Q2, down slightly from the prior quarter. The average Later stage deal in the second quarter was \$18.8 million, down from \$20.2 million in the prior quarter.

(\$ in millions) All results rounded



(\$ in millions) All results rounded



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

Investments by sequence of financing

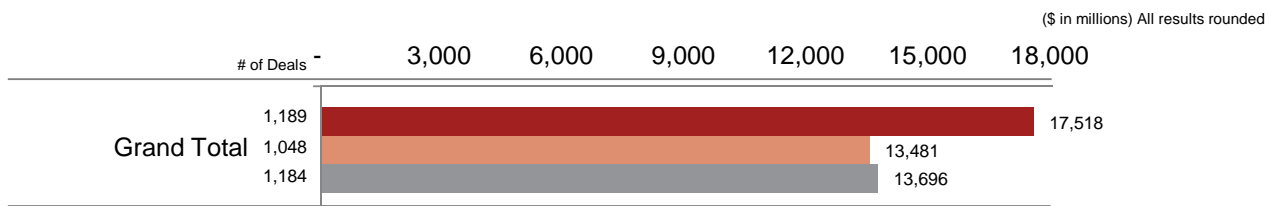
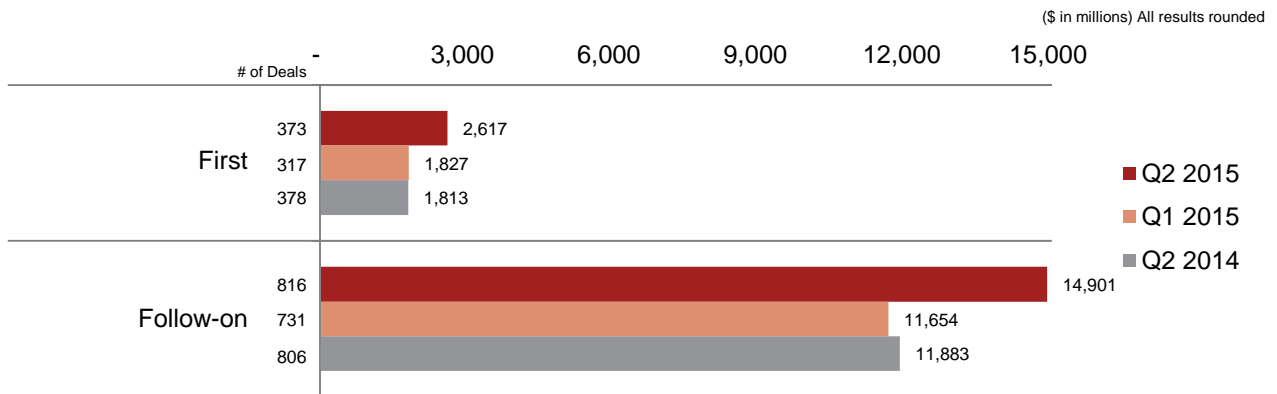
Q2 2015, Q1 2015, and Q2 2014

First-time financing (companies receiving venture capital for the first time) dollars increased 43 percent to \$2.6 billion in Q2 while the number of deals was up 18 percent from the prior quarter, rising to 373. First-time financings accounted for 15 percent of all dollars and 31 percent of all deals in the second quarter.

Of the companies receiving venture capital funding for the first time in Q2, Software companies captured the largest share and accounted for 38 percent of the dollars and 44 percent of the deals with 163 companies capturing \$1.0 billion. This is the largest amount

invested in Software companies receiving VC for the first time since Q4 2000. First-time financings in the Life Sciences sector more than doubled from the prior quarter with \$858 million going into 44 companies, compared with the same number of companies receiving \$412 million in Q1 2015.

The average first-time deal in the second quarter was \$7.0 million, up from \$5.8 million in the prior quarter. Seed/Early stage companies received the bulk of first-time investments, capturing 55 percent of the dollars and 83 percent of the deals in the second quarter of 2015.



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

Investments by region

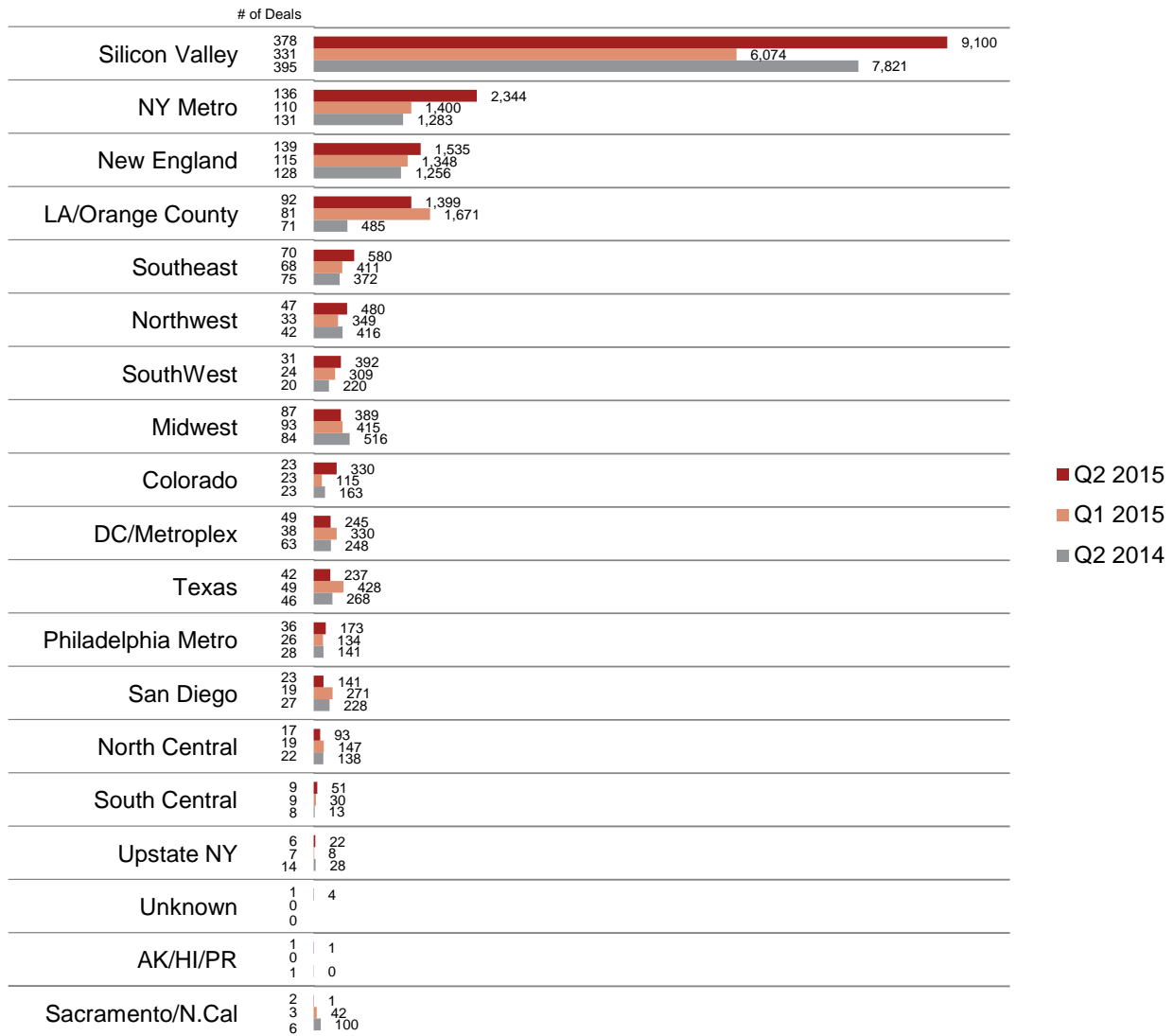
Q2 2015, Q1 2015, and Q2 2014

Silicon Valley received the highest level of funding for all regions in the second quarter of 2015, increasing 50 percent in dollars and 14 percent in deals from the prior quarter with \$9.1 billion going into 378 deals. NY Metro received the second highest level of funding with \$2.3 billion going into 136 deals, rising 67 percent in dollars

from last quarter and 24 percent in number of deals. New England investments came in third, with an increase of 14 percent in terms of dollars and 21 percent in deals with \$1.5 billion going into 139 companies.

Ten of the 18 MoneyTree™ regions experienced increases in dollars invested in the second quarter.

(\$ in millions) All results rounded



(\$ in millions) All results rounded

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

Most active venture investors **Q2 2015**

New Enterprise Associates, Inc. had the most deals in the second quarter 2015, with a total of 35 deals. Andreessen Horowitz LLC and Kleiner Perkins Caufield & Byers LLC were tied for the next highest number of deals with 25 deals each.

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

| Firm | City | # of Deals |
|--|---------------------------------|-------------------|
| New Enterprise Associates, Inc. | Menlo Park, California | 35 |
| Andreessen Horowitz LLC | Menlo Park, California | 25 |
| Kleiner Perkins Caufield & Byers LLC | Menlo Park, California | 25 |
| Bessemer Venture Partners | Larchmont, New York | 19 |
| First Round Capital | Philadelphia, Pennsylvania | 19 |
| Accel Partners & Co., Inc. | Palo Alto, California | 18 |
| General Catalyst Partners LLC | Cambridge, Massachusetts | 18 |
| Polaris Venture Partners | Waltham, Massachusetts | 18 |
| Google Ventures | Mountain View, California | 17 |
| DreamIt Ventures | Philadelphia, Pennsylvania | 16 |
| Menlo Ventures | Menlo Park, California | 16 |
| Canaan Partners | Menlo Park, California | 15 |
| Greycroft Partners LLC | New York, New York | 15 |
| Ben Franklin Technology Partners Southeastern PA | Philadelphia, Pennsylvania | 14 |
| CIT GAP Funds | Herndon, Virginia | 13 |
| Frost Data Capital | San Juan Capistrano, California | 13 |
| Intel Capital Corp. | Santa Clara, California | 13 |
| Sequoia Capital | Menlo Park, California | 13 |
| True Ventures | Palo Alto, California | 13 |
| 500 Startups LP | Mountain View, California | 12 |
| Battery Ventures LP | Boston, Massachusetts | 12 |
| Data Collective LLC | San Francisco, California | 12 |
| Index Ventures | London, UK | 12 |
| Innovation Works, Inc. | Pittsburgh, Pennsylvania | 12 |
| Norwest Venture Partners | Palo Alto, California | 12 |
| RRE Ventures LLC | New York, New York | 12 |
| Venrock Inc | Palo Alto, California | 12 |
| Wellington Management Company LLP | Boston, Massachusetts | 12 |
| Avalon Ventures LLC | La Jolla, California | 11 |
| Draper Fisher Jurvetson | Menlo Park, California | 11 |
| Foundry Group LLC | Boulder, Colorado | 11 |
| Greylock Partners LLC | Menlo Park, California | 11 |
| Insight Venture Partners LLC | New York, New York | 11 |
| Lerer Ventures II LP | New York, New York | 11 |
| Atlas Venture | Cambridge, Massachusetts | 10 |
| Wavemaker Partners | Santa Monica, California | 10 |

PwC can help

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

Thomas Ciccolella
Venture Capital and Private Equity
Assurance Partner
408 817 5979
thomas.ciccolella@us.pwc.com

Greg Vlahos
Life Sciences Partner
408 817 5029
greg.n.vlahos@us.pwc.com

David Silverman
Emerging Company Services Practice
Co-leader
646 471 5421
david.silverman@us.pwc.com

Danny Wallace
Emerging Company Services Practice
Co-leader
408 817 5030
danny.wallace@us.pwc.com

Let's talk

Please reach out to any of our technology leaders to discuss this or other challenges. We're here to help.

Pierre-Alain Sur
US Technology Industry Leader
646 471 6973
pierre-alain.sur@us.pwc.com

Cory Starr
US Technology Assurance Leader
408 817 1215
cory.j.starr@us.pwc.com

Kayvan Shahabi
US Technology Advisory Leader
408 817 5724
kayvan.shahabi@us.pwc.com

Diane Baylor
US Technology Tax Leader
408 817 5005
diane.baylor@us.pwc.com

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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