

U.S. VENTURE CAPITAL ACTIVITY REPORT

Financing & Exit Trends – Q3 2014

Issued October, 14 2014



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THE STORYLINES

LET'S EASE UP ON THE BUBBLE TALK. VC FUNDING DROPS 30% FROM Q2 HIGH. \$9.87B ACROSS 879 DEALS DEPLOYED.

After Q2'14 saw venture capital investment hit its highest quarterly mark since Q1'01, funding dropped 29%, while deal levels fell 10%. The first three quarters of 2014 saw U.S. VC funding leap to \$33.75B which represents an eye-popping increase of 59% compared to the first nine months of last year. The absence of an Uber-like deal served to lower the funding tally in Q3.

VC-BACKED IPO PACE SLUMPS IN Q3

The IPO market for VC-backed companies fell off significantly in Q3. Just 18 U.S.-based VC-backed companies went public in Q3, compared to 35 in Q1 and 24 in Q2. The much anticipated Alibaba IPO may have inhibited some IPO activity in Q3 so it will be interesting to see if VC-backed IPOs get their mojo back in Q4.

JUST ONE VC-BACKED TECH IPO IN Q3

Call it the Alibaba chokepoint? Just one US-based tech company, TubeMogul, went public in Q3 as the healthcare sector took a whopping 83% of all quarterly VC-backed IPO activity.

PRIOR TO BREAK-UP, ATLAS VENTURE GETS BUSY

Atlas Venture, which is splitting its life sciences and tech arms, ranked in the top 3 most active VCs alongside KPCB and Andreessen Horowitz with 20 deals.

NY NEARLY DOUBLES RIVAL MASS. IN VC DEALS

After topping VC deal share by just a percentage point in Q2'14, NY took 14% of overall VC deals in Q3 nearly doubling Mass.-based VC deals in the quarter. NY VC funding totals doubled Mass behind a number of sizable deals to IEX, Vice and Fanduel among others.

NOTE: REPORT ONLY INCLUDES VC ROUNDS

We tracked a number of mega-deals this quarter whose investors included hedge funds or mutual funds for example. This report only includes only rounds in which VCs participated so that we can accurately reflect (and not inflate) VC investments. Page 112 details the rules and definitions we use.

DON'T SLEEP ON UTAH –HAS MONSTER QUARTER

After seeing just \$136M in Q2'14 funding, Utah VC funding exploded to \$400M in Q3 behind mega deals to Pluralsight and Qualtrics.

MOBILE VC FUNDING TOPS \$1B, BUT FALLS FROM Q2 HIGH

While deal pace remained high, VC funding to the mobile & telecom sector fell 54% on a quarterly basis due to a lack of mega-deals. 4 of the 5 past quarters have seen over \$1B in VC deployed to the mobile sector.

GREEN TECH VC FUNDING FALLS BACK

Green Tech startups cooled down to a four-quarter low of funding dollars and a five-quarter low of deals. Funding and deals fell 50% and 37% respectively compared to the previous quarter, which was a healthy quarter for both deals and funding.

IT'S EASIER TO RAISE MONEY AT A \$1B VALUATION THAN IPO AT ONE

21 tech companies have raised a first financing at a \$1B valuation in 2014, while just 7 have gone public for more than a \$1B. Hmmm.

40 STATES AND DC SEE A VC DEAL BUT...

California took more VC deals than the next 16 states combined in Q3'14.

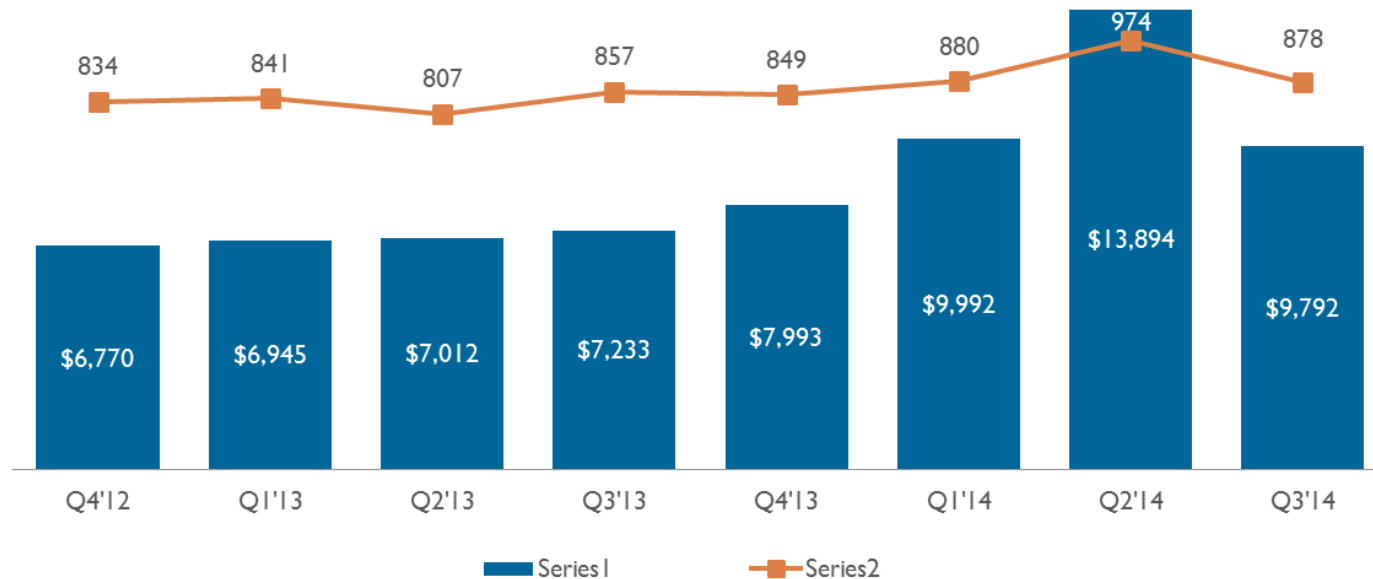
Q3 2014 VENTURE CAPITAL FINANCING TRENDS

Q3 2014: \$9.79 BILLION INVESTED IN 878 DEALS.

VENTURE FUNDING AND DEALS DROP FROM Q2 HIGH.

While VC funding topped \$9B for the third consecutive quarter, both funding and deal levels dropped, 30% and 10%, from Q2'14. The first three quarters of 2014 saw U.S. VC funding leap to \$33.75B, an increase of 59% compared to the first three quarters of last year.

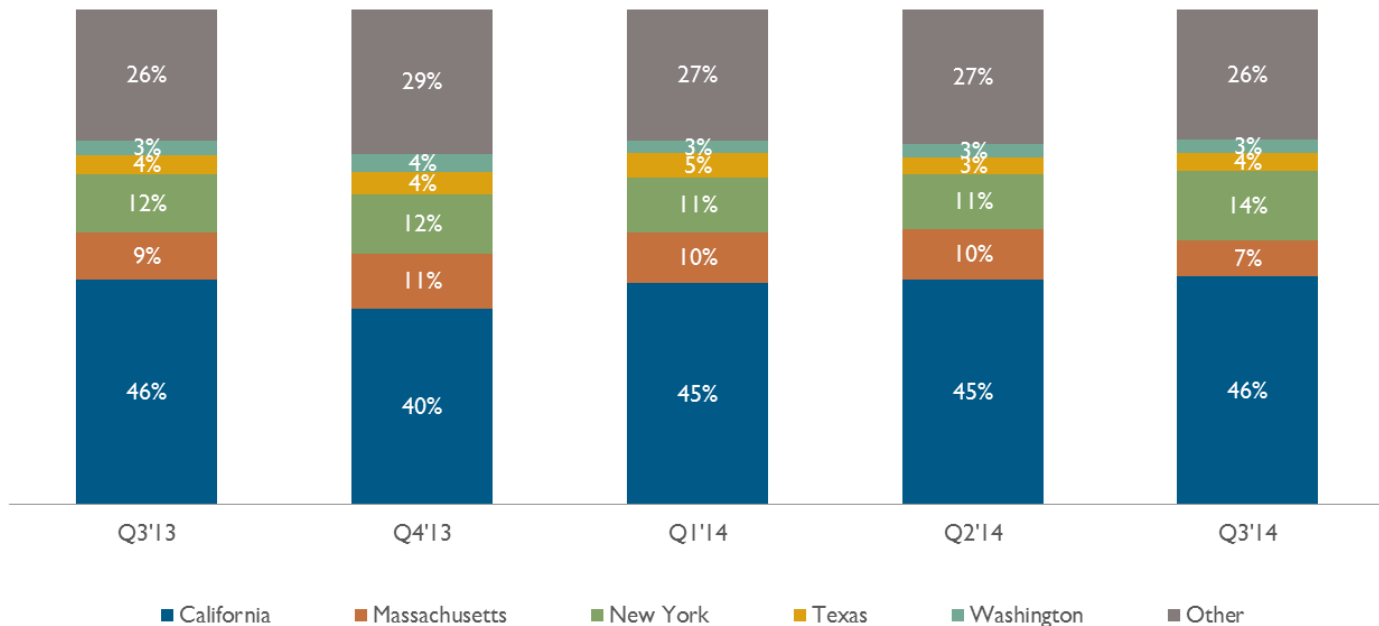
Quarterly VC investment and Deal Volume Trend
Q4'12 - Q3'14



NY NEARLY DOUBLES RIVAL MASS IN VC DEALS

After topping Mass. VC deal share by just a percentage point in Q2'14, NY took 14% of overall VC deal share, nearly doubling Mass.-based VC deals in Q3'14. California-based VC deal share continued to dominate and stayed within its historical range coming in at 46%.

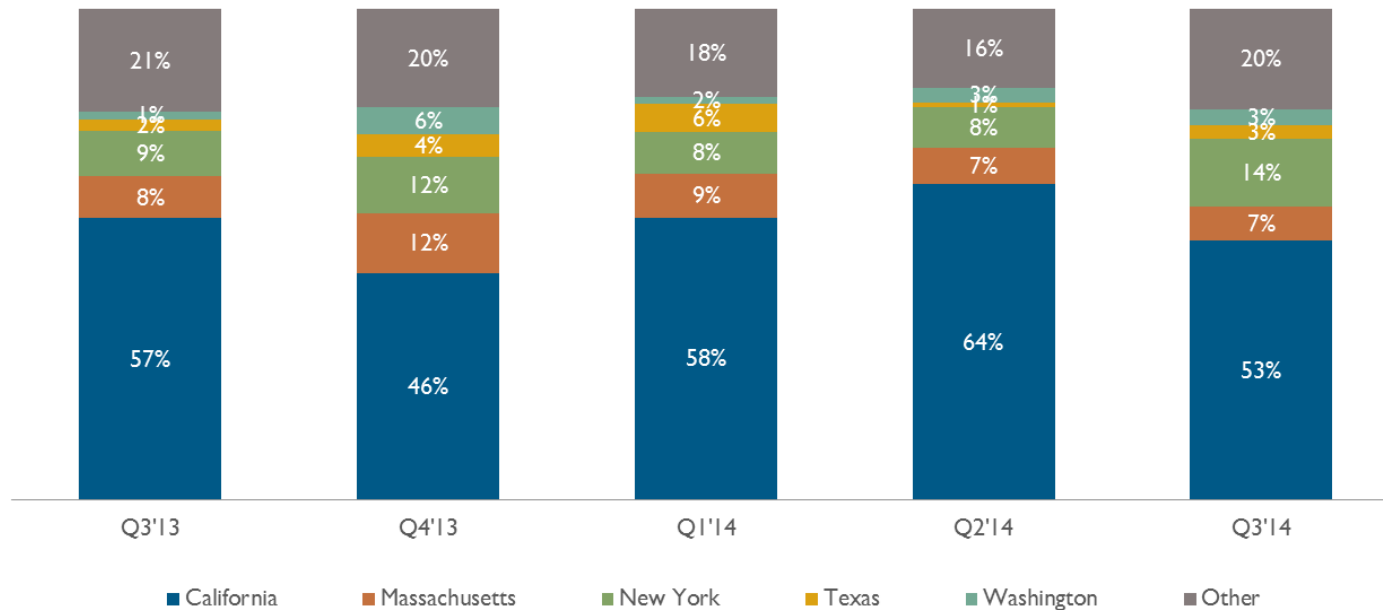
Share of Venture Capital by State - Number of Deals
Five Quarter Trend



NY VC FUNDING TOPS MASS BY 2X

After staying in a near deadlock for VC funding share the past couple quarters, NY VC funding share far outpaced Mass. in Q3 behind a number of sizable deals to IEX, Vice and Fanduel among others.

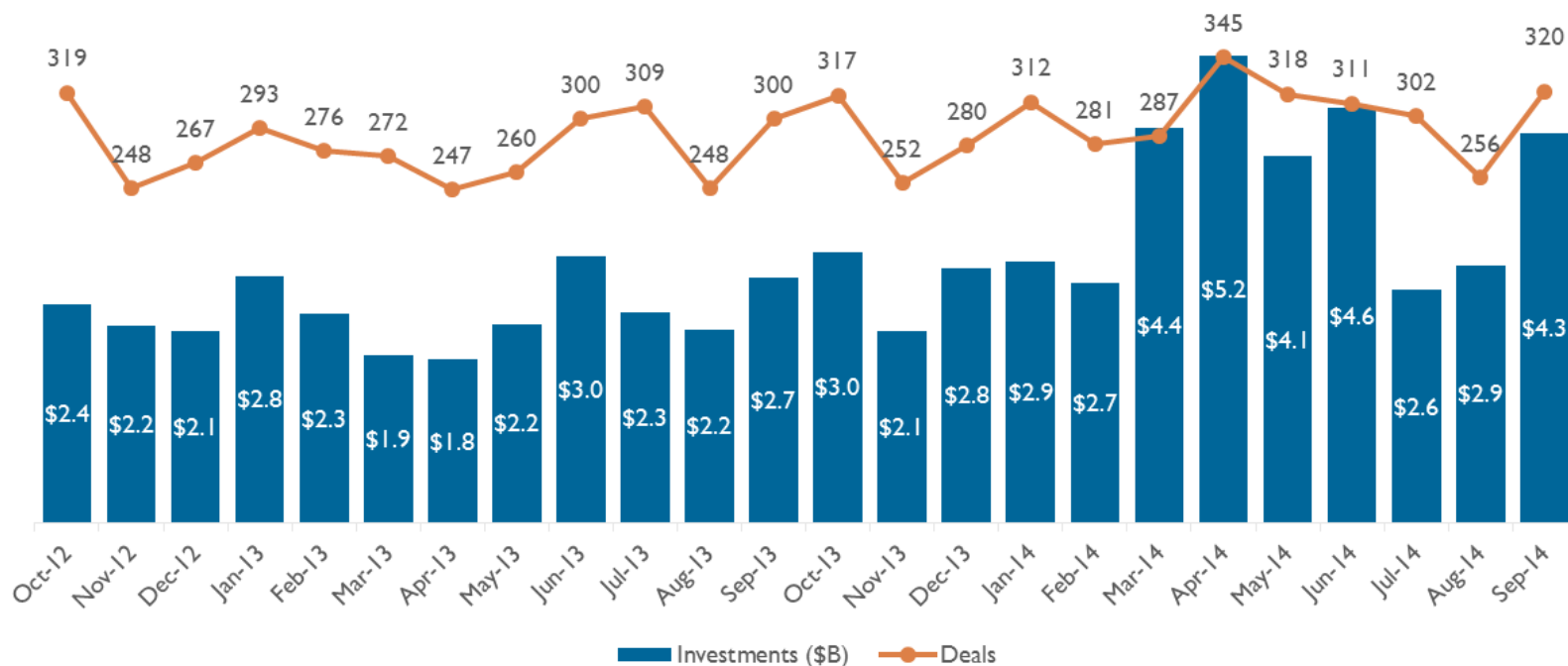
Share of Venture Capital by State - Dollars of Funding
Five Quarter Trend



MONTHLY VC FUNDING TOTALS FALL OFF IN LAST TWO MONTHS OF SUMMER

While VC funding in July and August bumped up compared to 2013, the first two months of Q3 saw funding levels fall from Q2, which saw three consecutive months of \$4B+ invested. Funding bumped up to \$4.3B in Sept., a 59% increase from the same month last year.

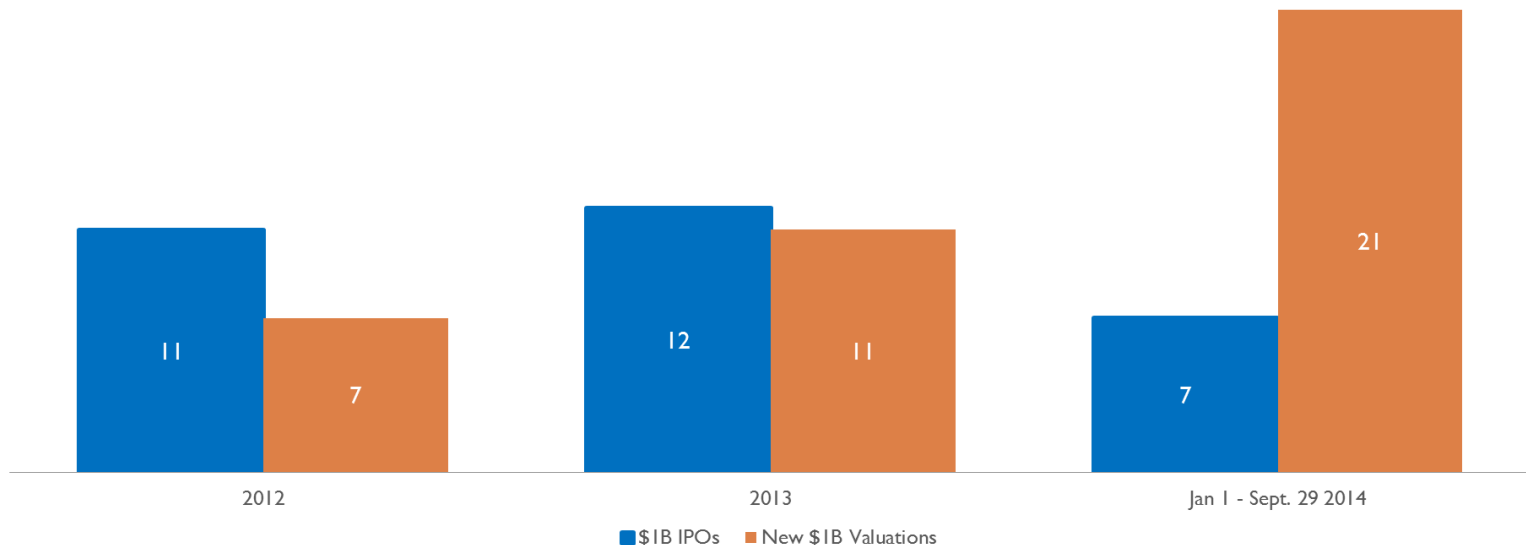
Monthly VC Investment and Deal Volume Trend
October 2012 - September 2014



IT'S EASIER TO RAISE MONEY AT A \$1B VALUATION THAN IPO AT ONE

21 companies have raised a first financing at a \$1B valuation in 2014, while just 7 have gone public for more than a \$1B. Among the new entrants in Q3'14 were Qualtrics and Credit Karma.

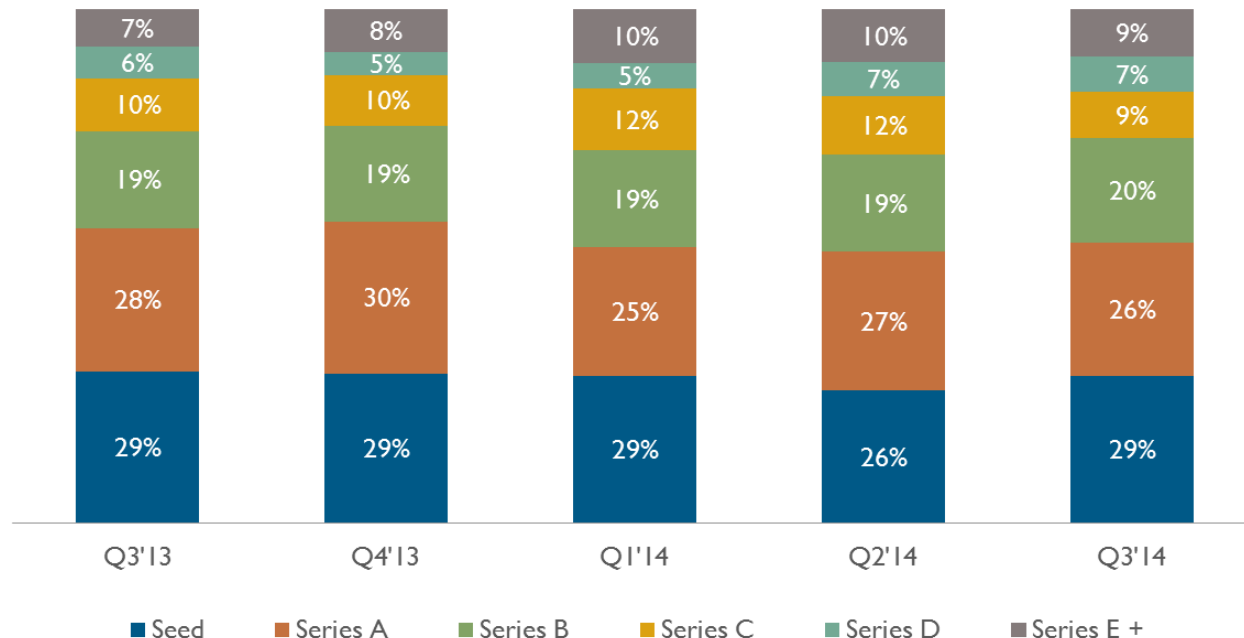
New \$1B Tech Valuations vs. \$1B VC-Backed IPOs
Q1 2012 - Q3 2014



LATE-STAGE DEAL SHARE STAYS STRONG IN Q3...

After Q2'14 saw late-stage deal share (Series D+) hit a five-quarter high at 17%, Q3'14 saw late-stage activity stay strong at 16%. Early-stage deal activity (Seed/Series A) remained range-bound at 55%.

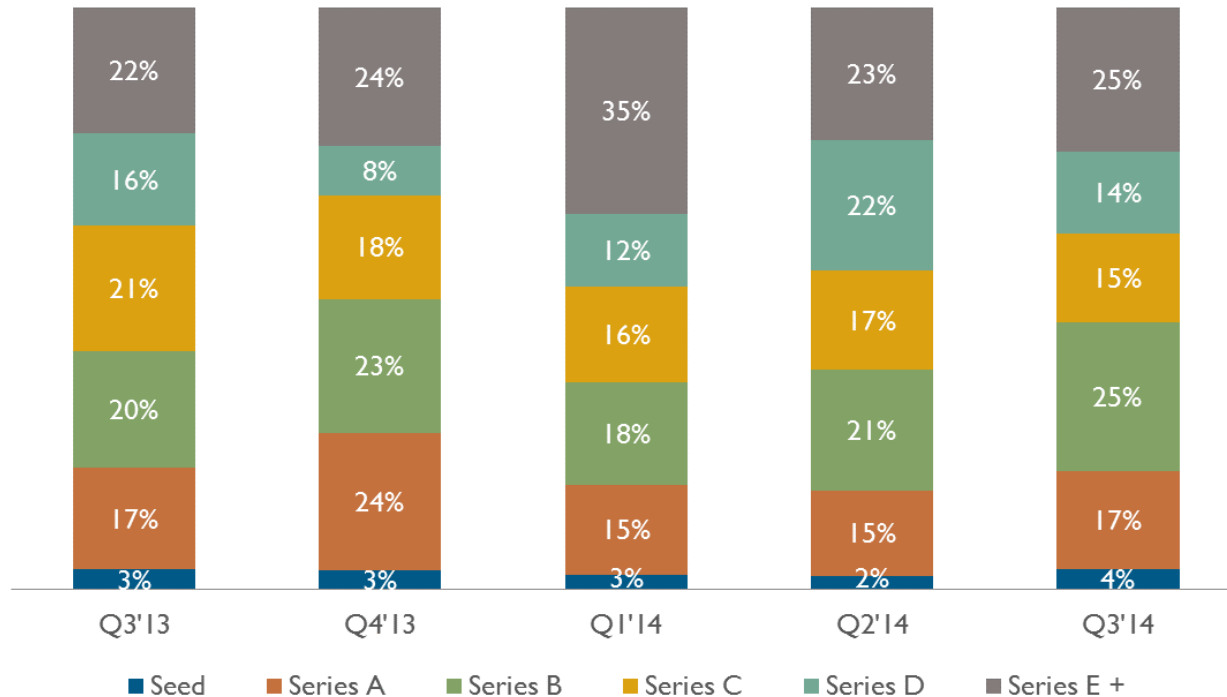
Share of Venture Capital by Series - Number of Deals
Five Quarter Trend



...BUT LATE-STAGE FUNDING SHARE DECLINES

Series B funding share rose to take 1/4th of all VC funding in Q3'14. Late-stage funding share fell for the second consecutive quarter in Q3 to 39%, after taking nearly half of all VC funding in Q1 and Q2, respectively.

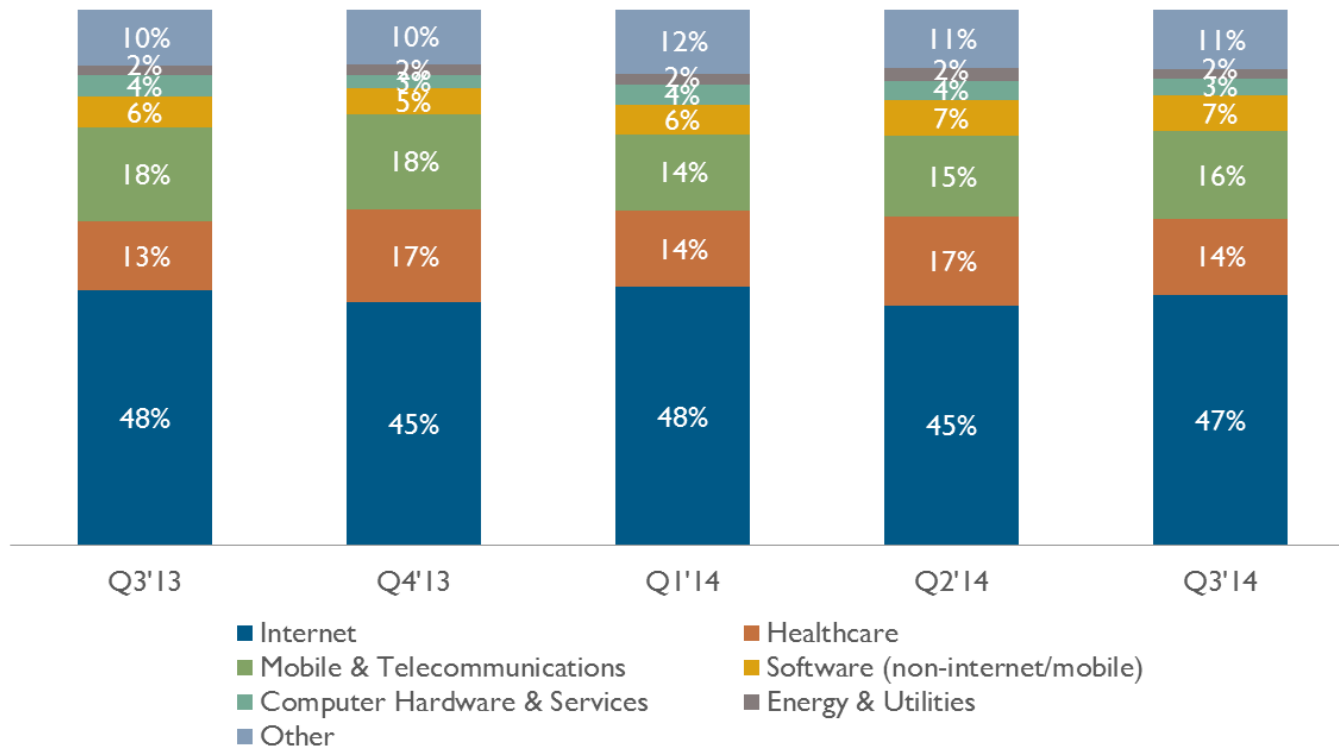
Share of Venture Capital by Series - Dollars of Funding
Five Quarter Trend



DEAL SHARE REMAINS CONSISTENT ACROSS SECTORS

Venture capital deal activity share to the internet, mobile and healthcare sectors remained range-bound in Q3'14.

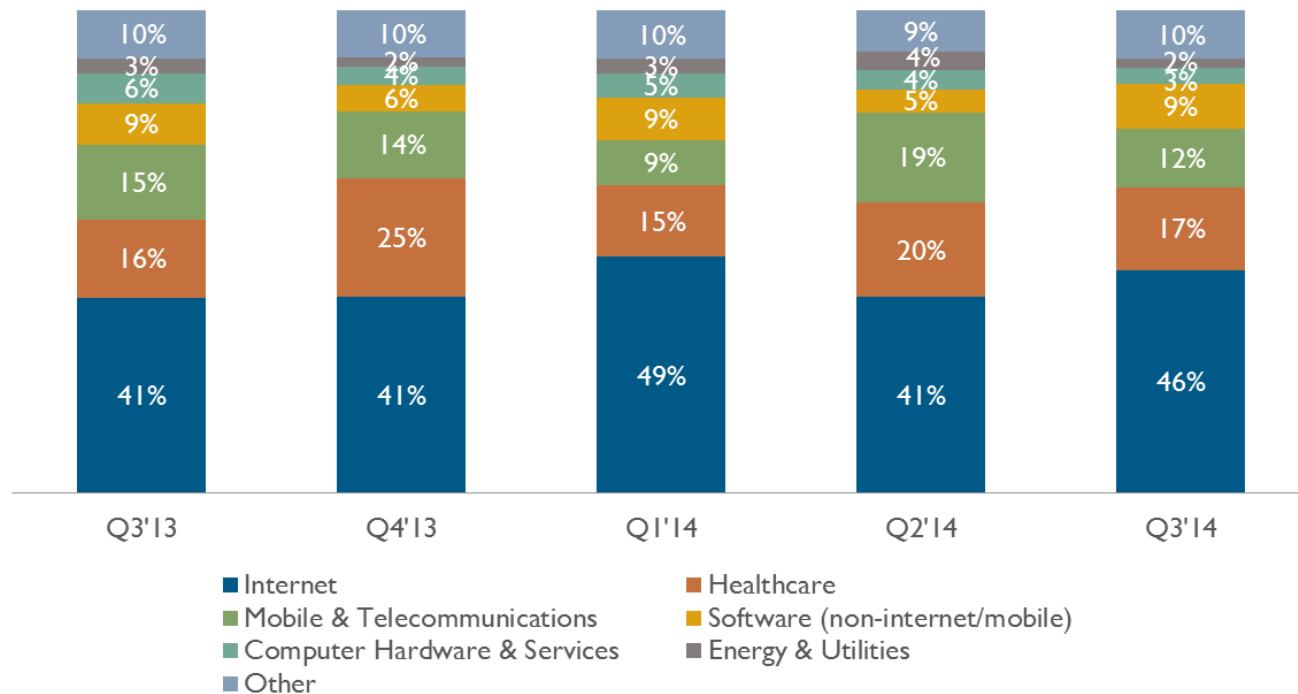
Share of Venture Capital by Sector - Number of Deals
Five Quarter Trend



MOBILE DEALS SEE FUNDING SHARE FALL OFF POST-UBER

After Uber's \$1.2B financing round prompted the mobile sector to take nearly 1/5th of all VC dollars, mobile funding share fell to 12% in Q3. Internet VC funding share picked up on a quarterly basis after falling to 41% in Q2.

Share of Venture Capital by Sector - Dollars of Funding
Five Quarter Trend



PRIOR TO BREAK-UP, ATLAS VENTURE GETS BUSY IN Q3

NEA led VC investors in deals in Q3 2014 including Jet.com, DataRobot and Branch Metrics among others. Atlas Venture, which is splitting its life sciences and tech arms, ranked in the top 3 most active VCs alongside KPCB and Andreessen Horowitz with 20 deals.

Most Active VCs In Q3 2014

Rank	Investor	Rank	Investor
1	New Enterprise Associates	9	SV Angel
2	Kleiner Perkins Caufield & Byers	9	General Catalyst Partners
3	Andreessen Horowitz	9	500 Startups
3	Atlas Venture	12	True Ventures
5	Sequoia Capital	13	Redpoint Ventures
5	Google Ventures	13	Trinity Ventures
5	Khosla Ventures	13	First Round Capital
8	Lerer Hippeau Ventures	13	Intel Capital

40 STATES AND DC SEE A VENTURE CAPITAL DEAL IN Q3

California saw more venture capital deals than the next 16 states combined in Q3'14. Notably, NY startups saw 88% more VC deals than Mass. companies in the three-month period.

Rank	State	Deals	Dollars (M)
1	California	406	\$5,167.4
2	New York	122	\$1,369.4
3	Massachusetts	65	\$681.7
4	Texas	32	\$272.5
5	Illinois	24	\$195.6
6	Washington	23	\$293.8
7	Maryland	17	\$90.8
8	Colorado	16	\$173.6
9	North Carolina	15	\$80.8
10	Utah	14	\$400.0
10	Pennsylvania	14	\$201.9
12	Tennessee	11	\$27.2
13	New Jersey	10	\$130.4
13	Virginia	10	\$93.8
13	Georgia	10	\$63.0
16	Minnesota	9	\$65.0
17	Missouri	8	\$63.0
18	Arizona	7	\$78.9

Rank	State	Deals	Dollars (M)
18	Ohio	7	\$42.1
18	Wisconsin	7	\$26.5
21	Connecticut	6	\$27.6
22	DC	5	\$29.5
22	Michigan	5	\$24.2
22	Florida	5	\$10.4
25	Oregon	4	\$3.6
26	Nebraska	3	\$20.7
26	Iowa	3	\$11.7
28	Kansas	2	\$33.0
28	South Carolina	2	\$28.1
28	Rhode Island	2	\$26.9
28	Kentucky	2	\$22.8
28	Louisiana	2	\$4.3
28	Indiana	2	\$0.3
34	New Hampshire	1	\$12.2
34	Arkansas	1	\$12.0
34	Wyoming	1	\$4.6

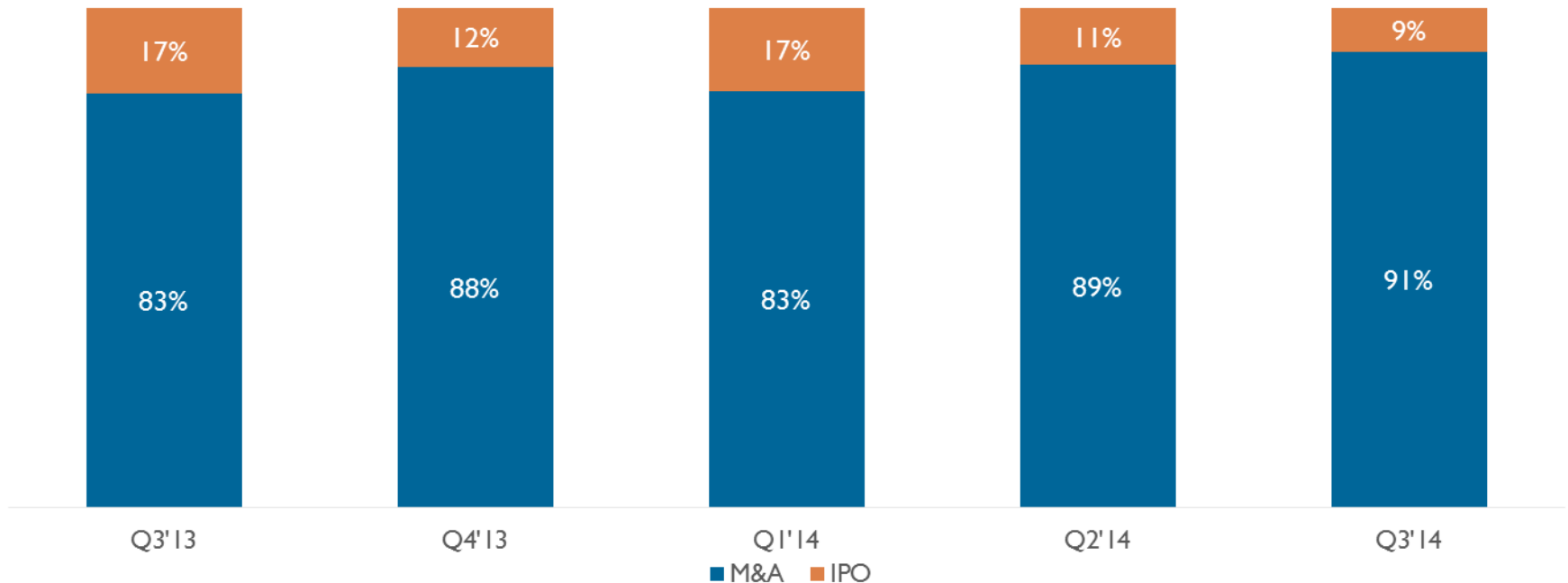
Rank	State	Deals	Dollars (\$M)
34	Mississippi	1	\$1.5
34	Delaware	1	\$0.5
34	Alabama	1	\$0.5
34	Hawaii	1	\$0.4
34	Maine	1	\$0.3

Q3 2014 IPO & M&A EXIT TRENDS

VC-BACKED IPOs SLUMP IN Q3

The IPO market for VC-backed companies fell off significantly in Q3. 18 U.S.-based VC-backed companies went public in Q3, compared to 35 in Q1 and 24 in Q2.

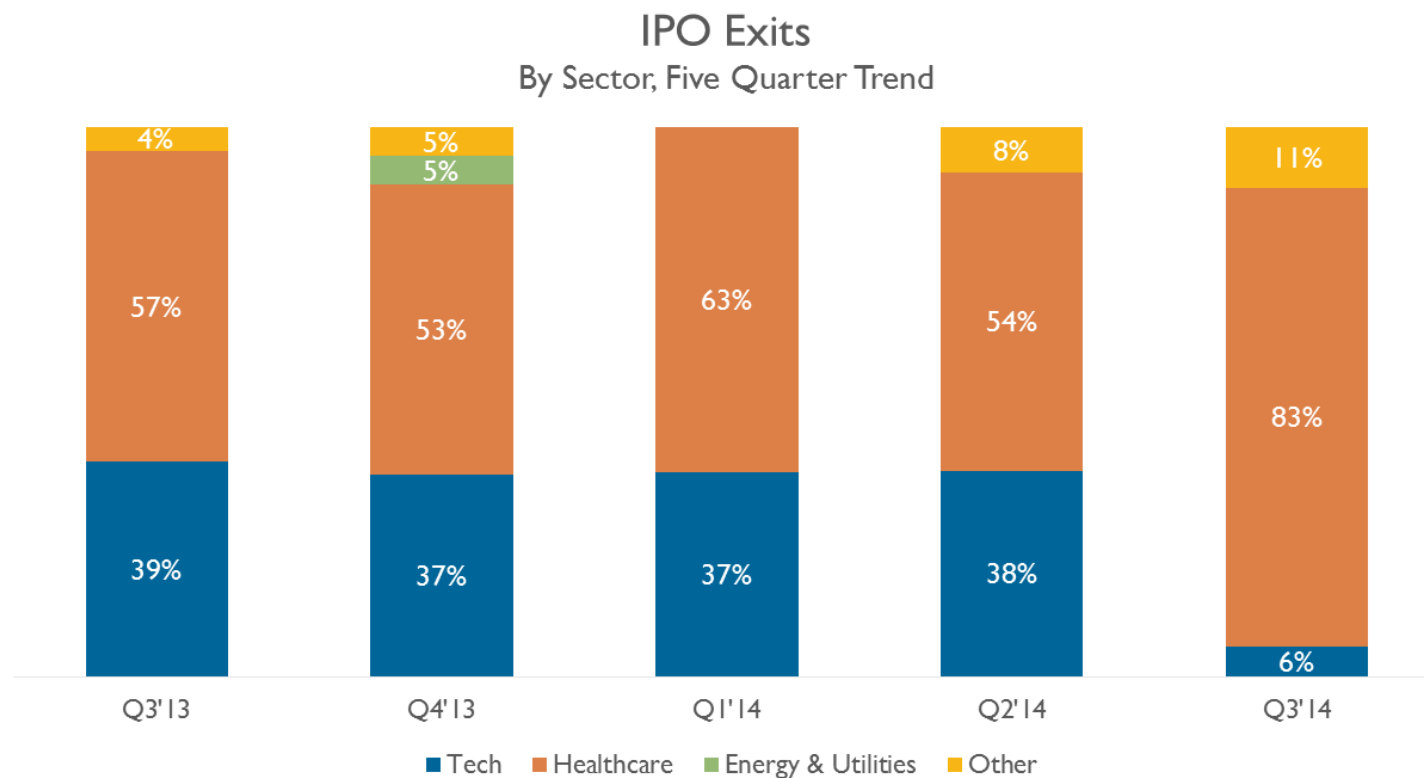
Venture Capital Backed Exits
By Exit Type, Five Quarter Trend



Note: Venture-backed IPOs in this report covers public offerings of companies headquartered in the U.S.

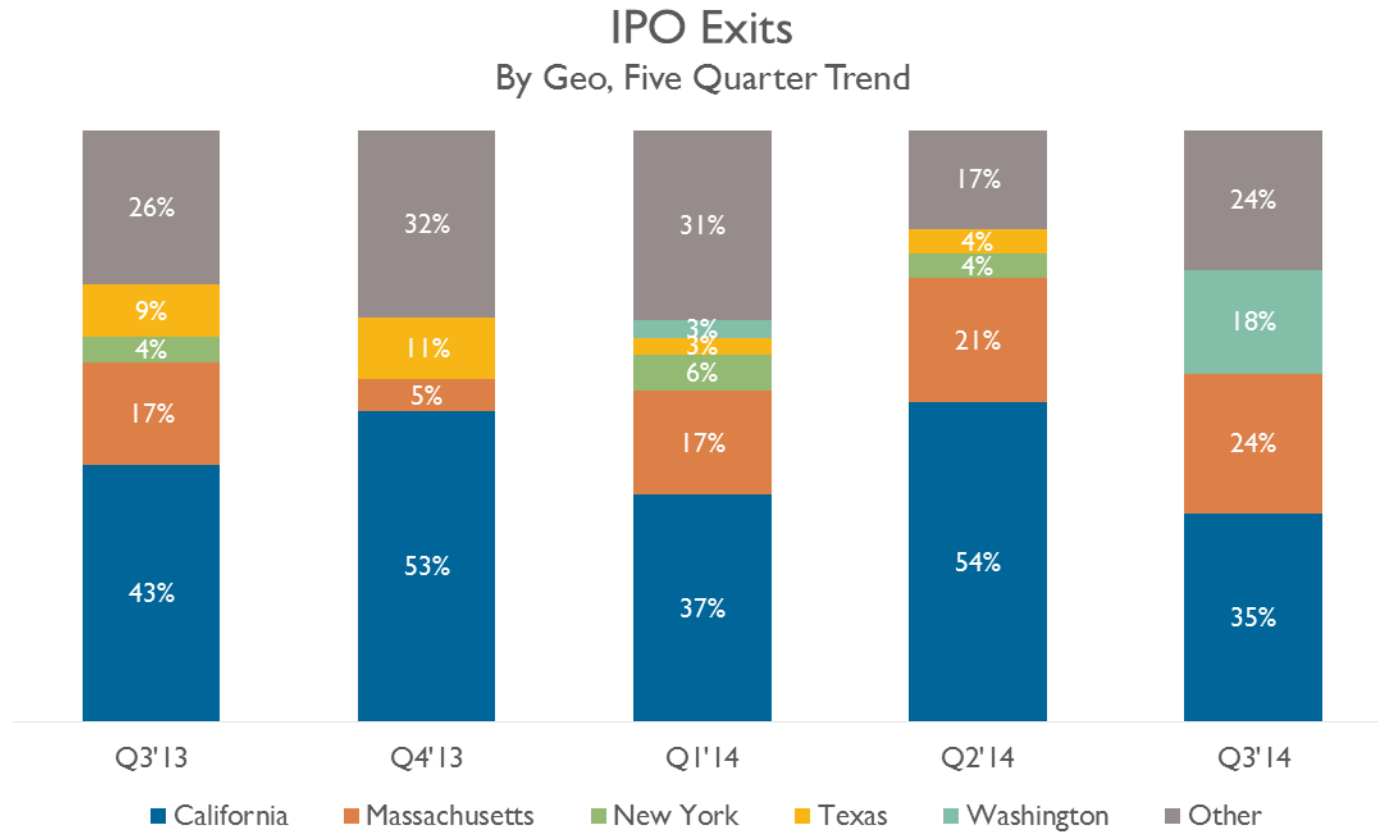
JUST 1 VC-BACKED TECH COMPANY WENT PUBLIC IN Q3

Did Alibaba's massive public offering slow the IPO market? Just one US-based tech company, TubeMogul, went public in Q3 as the healthcare sector took a whopping 83% of all quarterly VC-backed IPO activity. The biggest U.S.-headquartered IPO in Q3 by valuation at the time of exit was Sage Therapeutics, backed by investors including ARCH Venture partners and Third Rock Ventures.



WASHINGTON, CONNECTICUT TAKE 28% OF VC-BACKED IPOs IN Q3

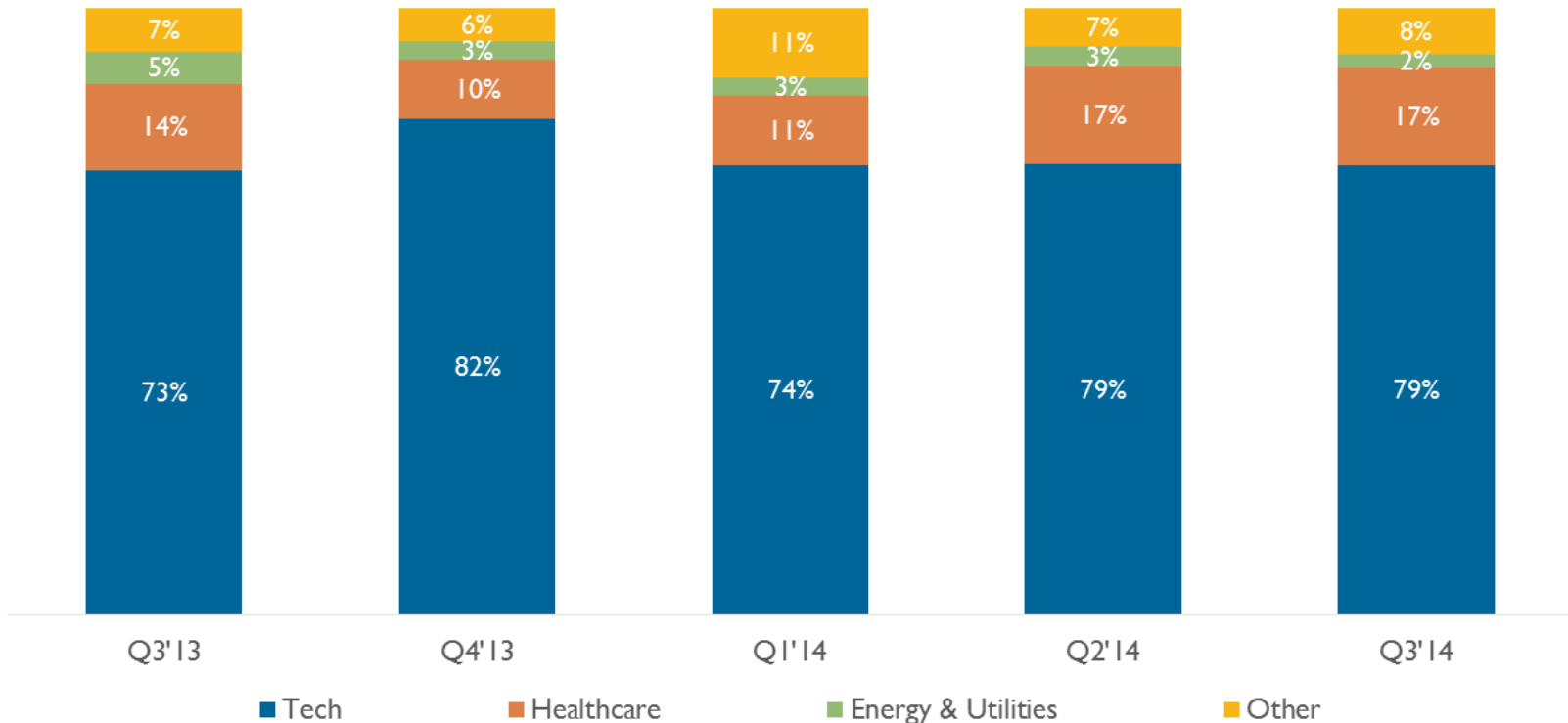
Geographically, California took 35% of all VC-backed IPOs in Q3, after garnering 54% in Q1. Massachusetts took second by share. Washington and Connecticut took 2 and 3 IPOs each, respectively.



ON THE M&A FRONT, NEARLY 8 OF 10 VC-BACKED M&A EXITS WERE IN TECH

Venture-backed tech M&A once again dominated all other sectors – taking 73%+ of all M&A activ

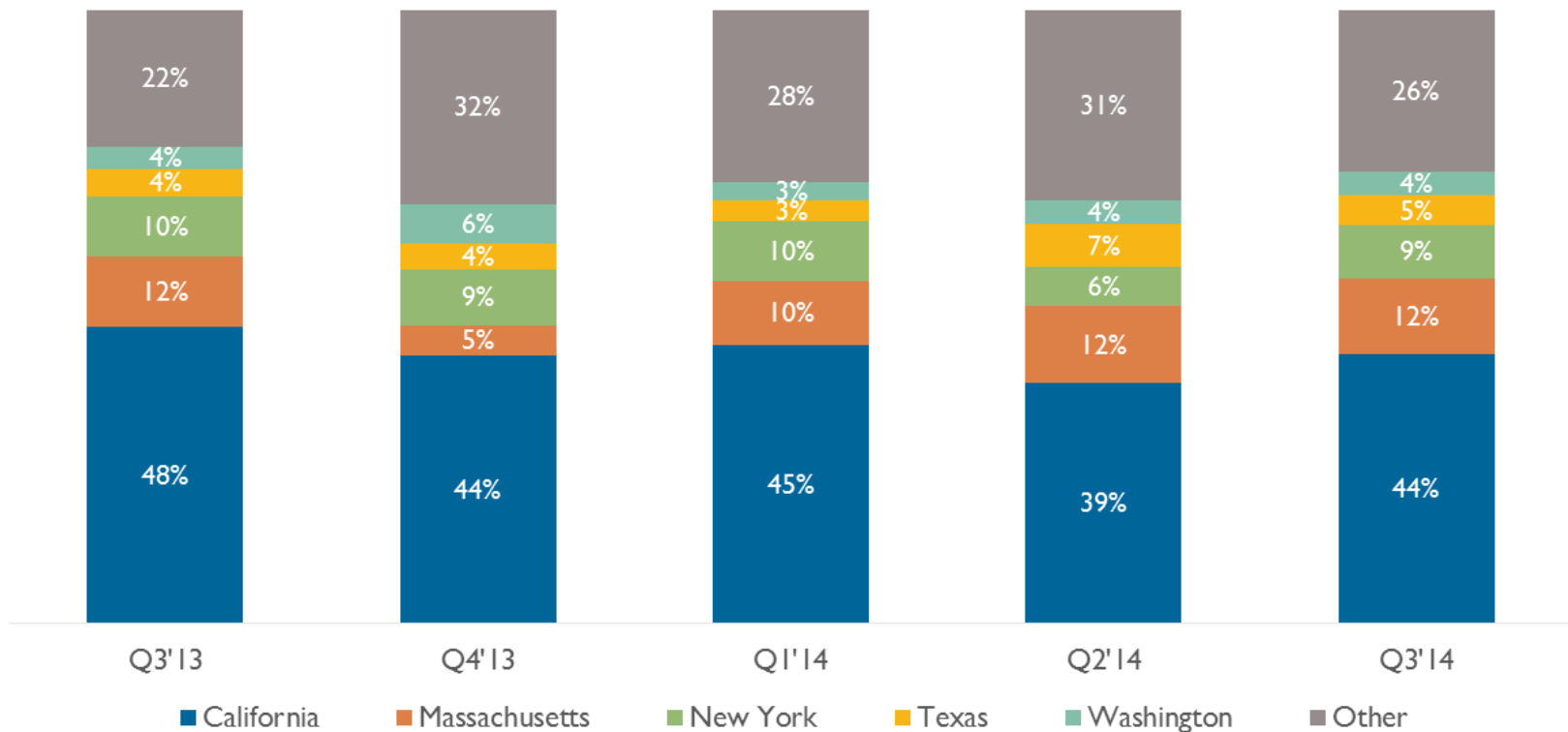
M&A Exits
By Geo, Five Quarter Trend



CALIFORNIA VC-BACKED M&A SHARE REBOUNDS

California saw its share of VC-backed M&A rise from 39% of all deals to 44% in Q3. VC-backed M&A in NY also rebounded – jumping from 6% to 9% on a quarter-over-quarter basis.

M&A Exits
By Geo, Five Quarter Trend

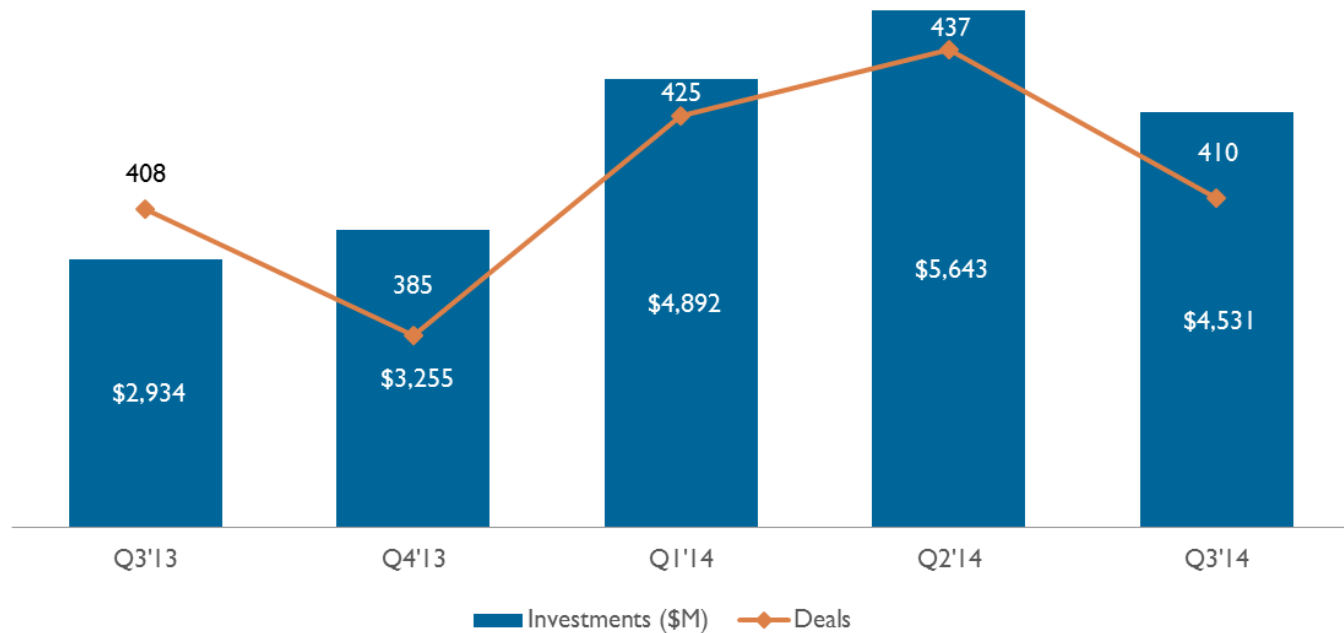


VENTURE CAPITAL FINANCING TRENDS: INTERNET

INTERNET VC FUNDING FALLS TO \$4.53B AFTER SIX-QUARTER RISE

After several straight quarters of rising funding, Internet VC funding dropped 20% on a quarterly basis, while deals fell 6%. The \$4.53B invested was still a notable 54% rise compared to the same quarter last year.

Internet VC Investment and Deal Volume Trend
Five Quarter Trend



TOP INTERNET VENTURE CAPITAL DEALS AND CITIES

San Francisco once again topped the list of U.S. cities for Internet venture capital deals and funding. Vice Media's \$250M growth deal was the largest Internet deal with VC participation of the quarter.

Top Cities for Internet: Q3 2014

Top Cities	Deals	Dollars (M)
San Francisco	80	\$920
New York	75	\$853
Palo Alto	15	\$316
San Mateo	12	\$100
Chicago	11	\$86
Boston	11	\$104
Seattle	11	\$87
Mountain View	9	\$64
Sunnyvale	8	\$52
Brooklyn	8	\$305

Top Internet Deals: Q3 2014

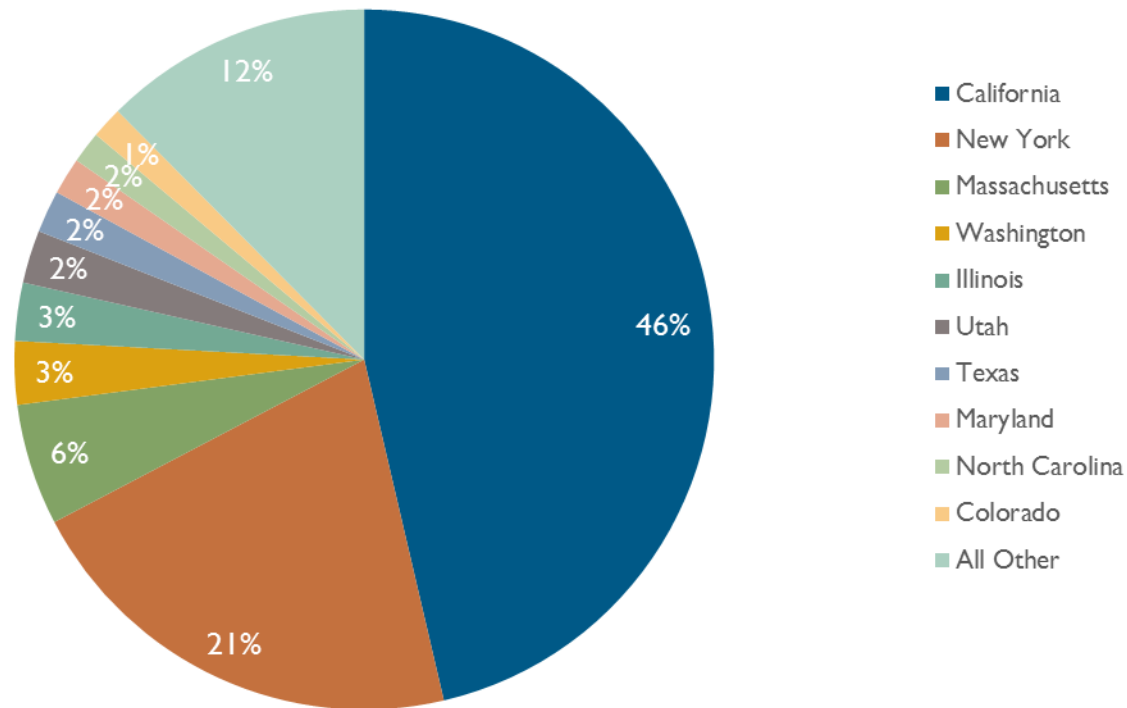
Company	Round	Amount (M)
Vice Media	Growth Equity	\$250
Houzz	Series D	\$165
Qualtrics	Series B	\$150
Pluralsight	Series B	\$135
DataStax	Series E	\$106

Note: Venture capital deals included in the ranking may be tranched fundings. AirBnB's \$475M financing raise was included in Q2 2014.

NEW YORK SEES OVER 3X AS MANY INTERNET DEALS AS MASSACHUSETTS IN Q3

New York saw more than three times as many Internet VC deals as rival tech hub Massachusetts. Other states that saw 10+ VC deals included Washington, Illinois and Utah.

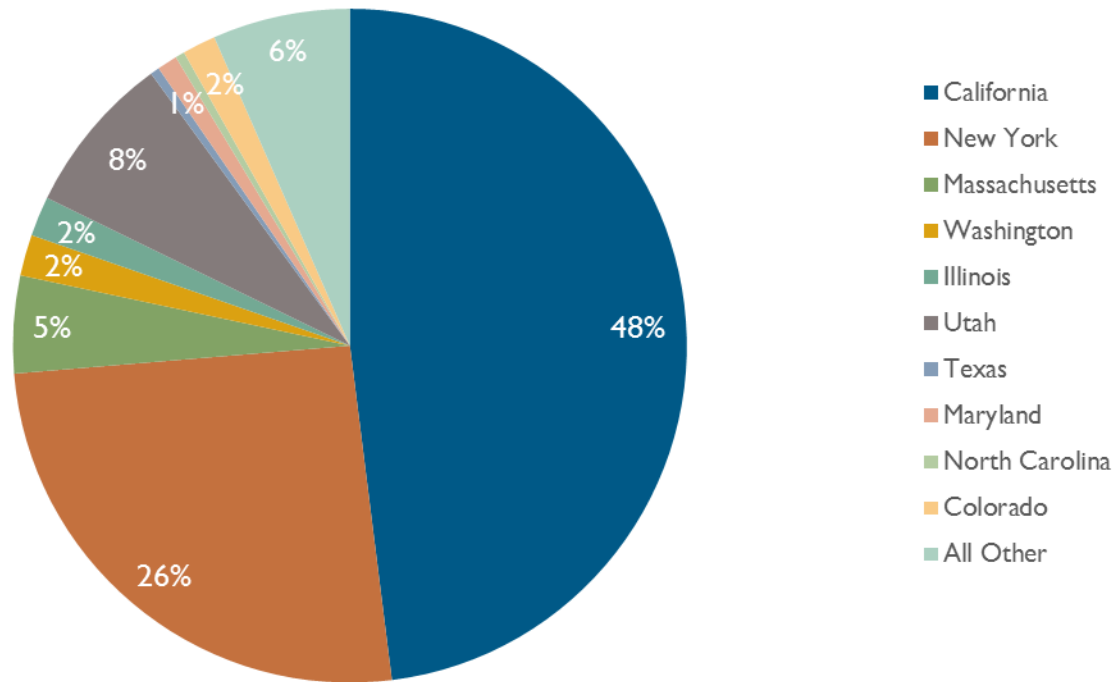
Share of Internet VC by State - Number of Deals
Q3 2014



UTAH SEES MONSTER QUARTER, TOPS MASSACHUSETTS FOR INTERNET VC FUNDING

Behind two huge deals to Pluralsight and Qualtrics, Utah saw over \$350M in Internet funding in Q3. Most notably, the mega deals alone pushed Utah past Mass. in overall VC funding share.

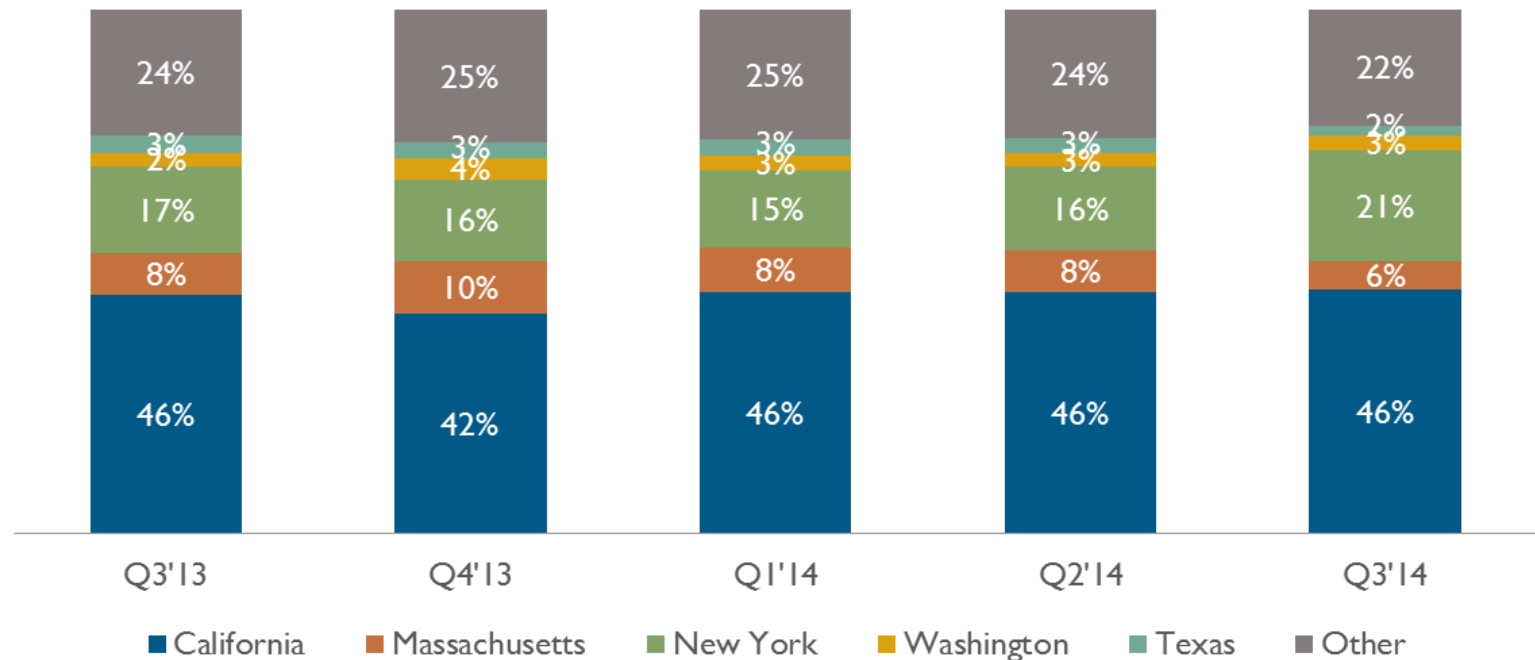
Share of Internet VC by State - Dollars of Funding
Q3 2014



NEW YORK'S SHARE OF INTERNET DEALS RISES TO FIVE-QUARTER HIGH

Behind a number of large financings, NY took over 1/5th of all Internet VC funding. Massachusetts saw internet funding share fall from 8% to 6%. Cali reigns supreme again.

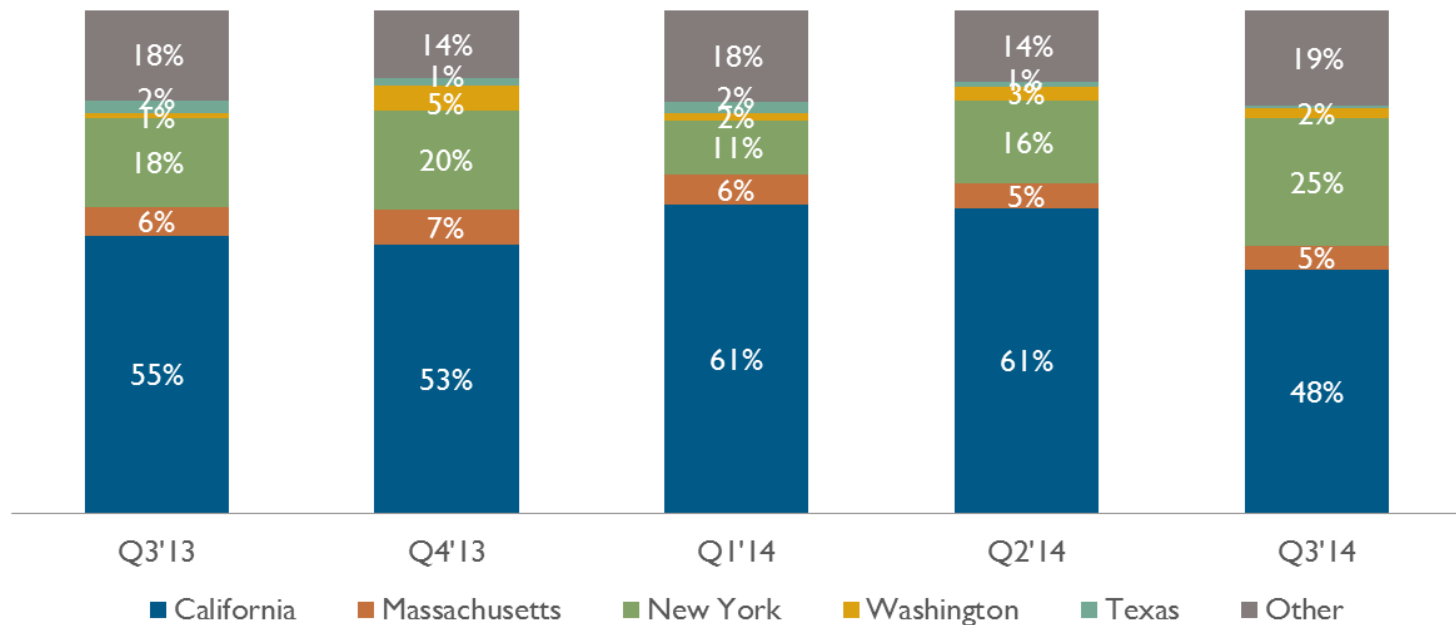
Share of Internet VC by State - Number of Deals
Last Five Quarters



CALIFORNIA INTERNET FUNDING SHARE FALLS TO FIVE-QUARTER LOW

California saw \$2.2B invested in the Internet sector in Q3, but its share of Internet funding fell to its lowest tally in five-quarters at 48%. NY took 1/4th of all Internet funding dollars – a five-quarter high.

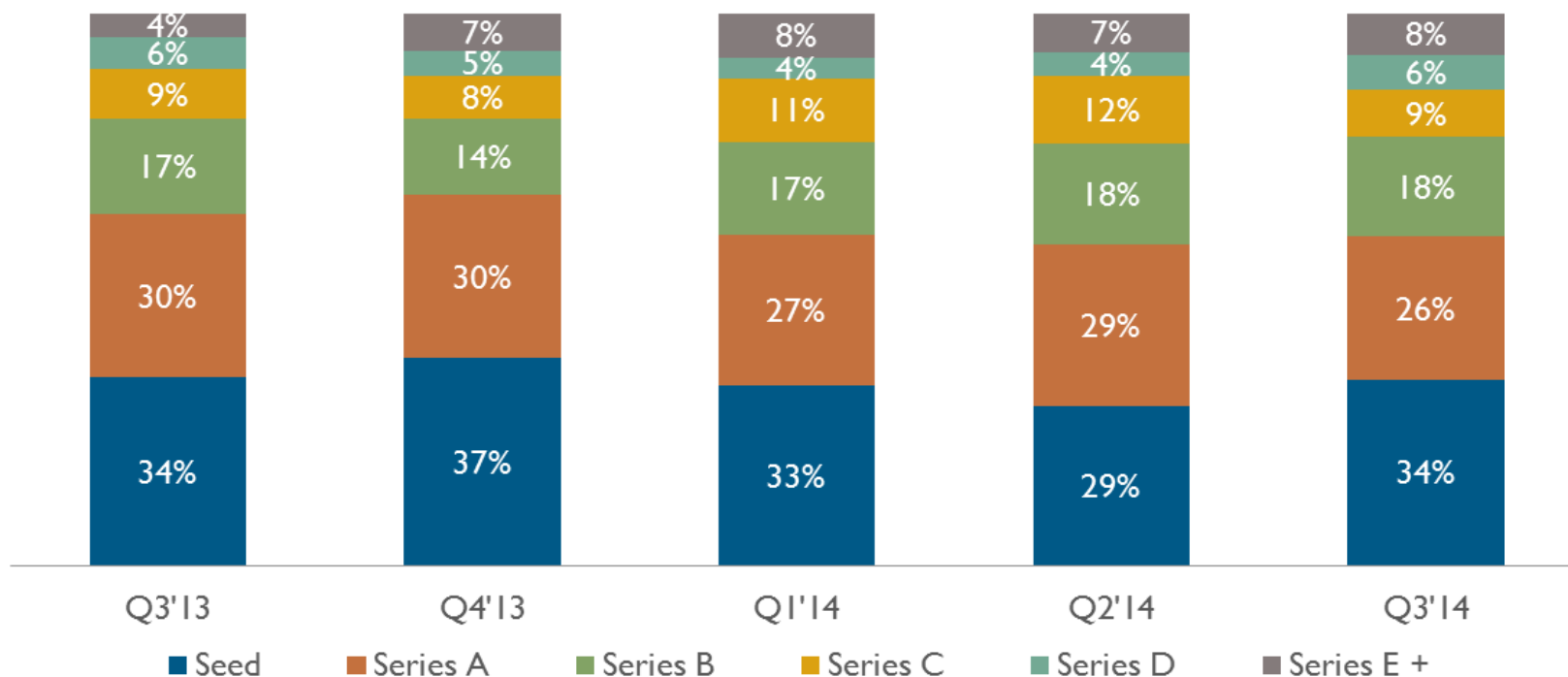
Share of Internet VC by State - Dollars of Funding
Last Five Quarters



INTERNET SEED DEALS BUMP UP AFTER FALLING IN Q2

Internet seed VC deal share rose to 34% after dropping to 29% in Q2. Overall, early-stage activity comprised 1/2 of all Internet deals.

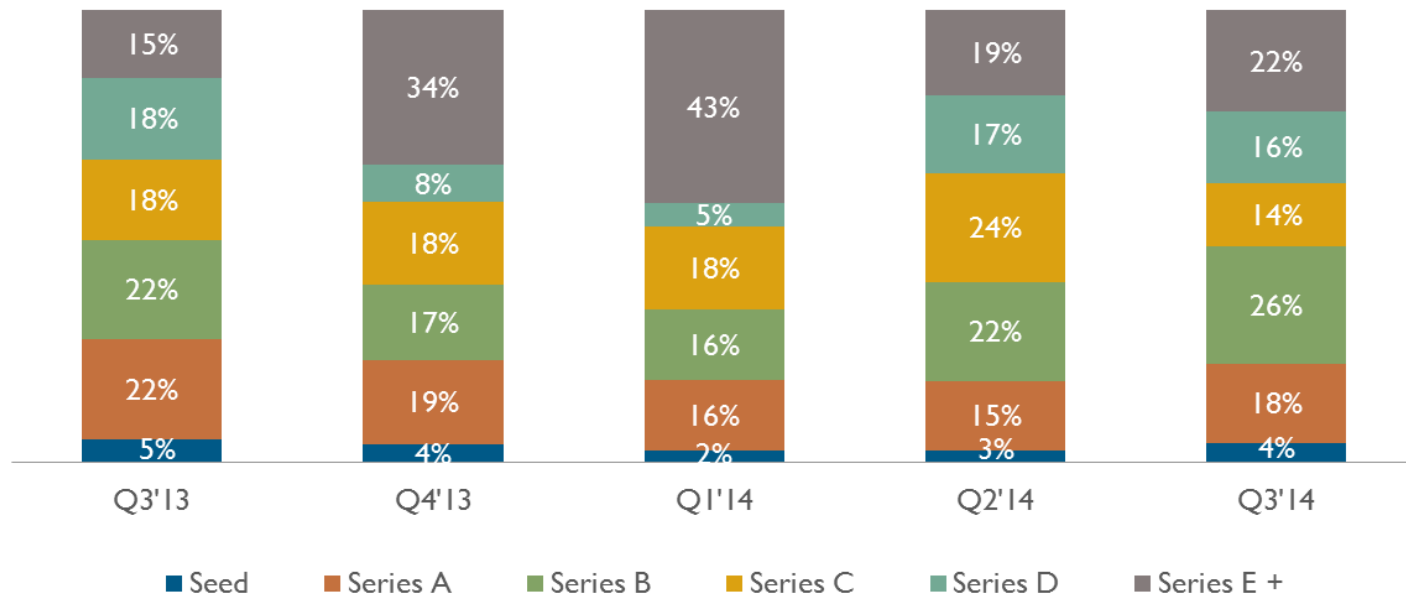
Share of Internet VC by Series - Number of Deal
Last Five Quarters



VCs CROWDED OUT OF LATE-STAGE DEALS? MID-STAGE AGAIN TOPS LATE-STAGE BY VC FUNDING SHARE

For the second straight quarter, more VC funding went to mid-stage companies than late-stage in the Internet sector. Series A funding ticked up after losing share since the same quarter last year.

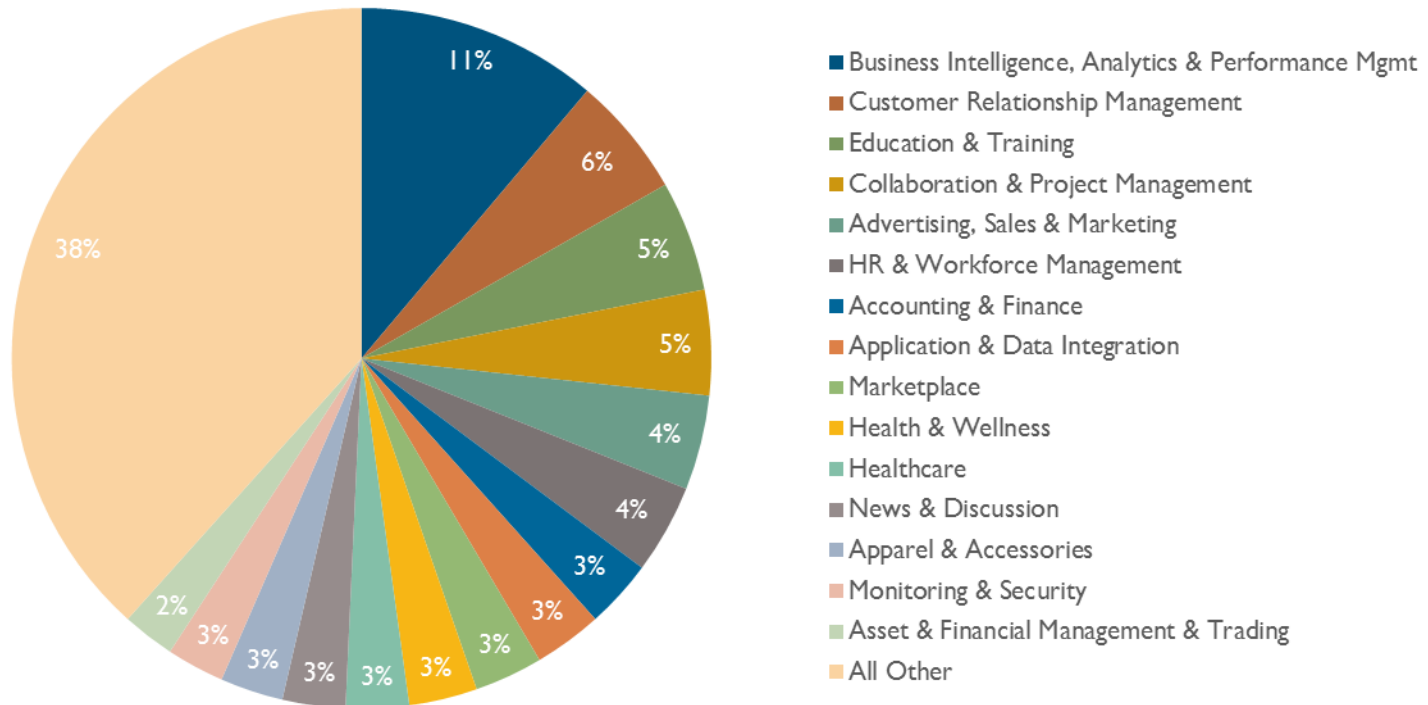
Share of Internet VC by Series - Dollars of Funding
Last Five Quarters



BI & ANALYTICS TOPS DIVERSE SET OF INTERNET DEALS

62 different sub-industries within the Internet sector notched a VC deal in Q3. BI, CRM, Ed Tech and Collaboration & Project Management saw the highest share of deals over the three month period. 'Other' Internet industries to receive funding ranged from real estate to government to sports.

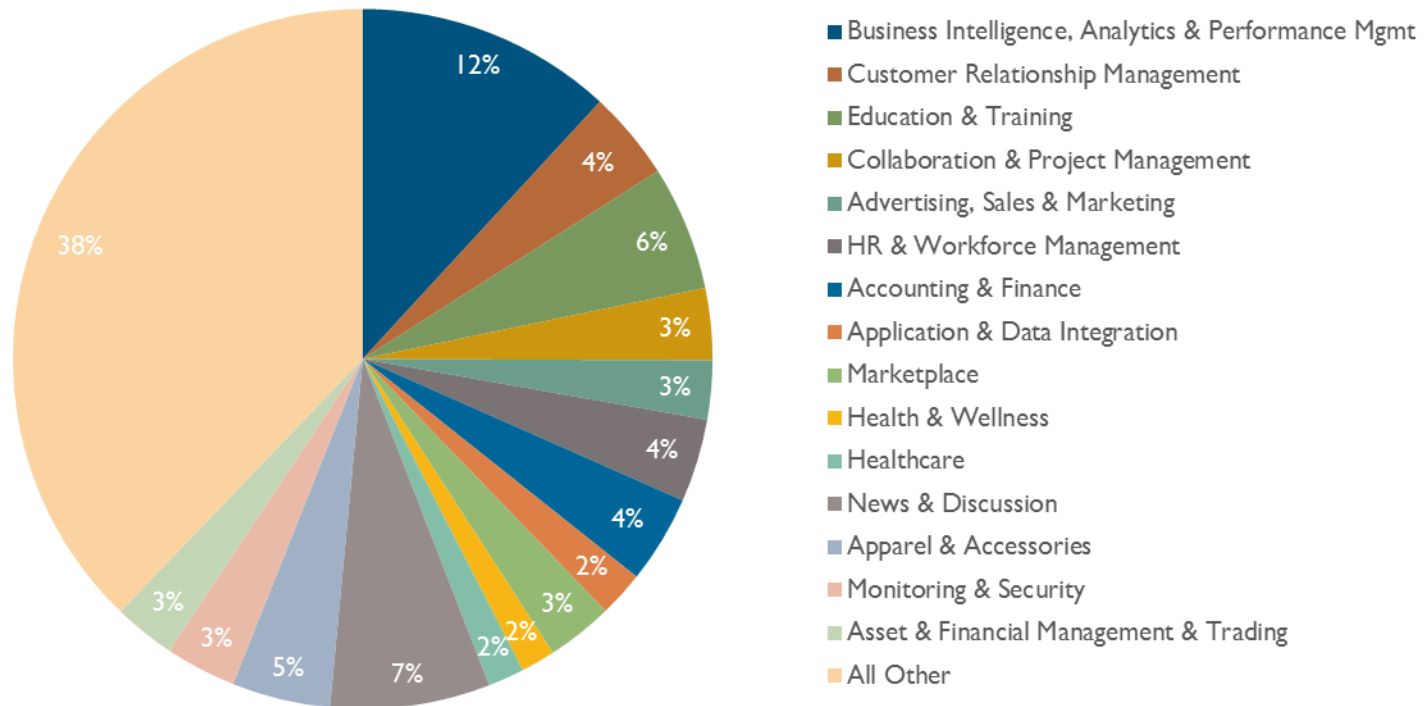
Internet VC Deal Volume by Industry
Q3 2014



VICE AND BUZZFEED CATALYZE HUGE QUARTER TO NEWS STARTUPS

Behind BuzzFeed and Vice, which took a combined \$300M in VC funding in Q3, News & Discussion (Content) companies took 7% of all Internet VC funding share. BI, Analytics & Performance Mgmt topped funding share at 12%. The heterogeneity of the internet sector was on display in Q3.

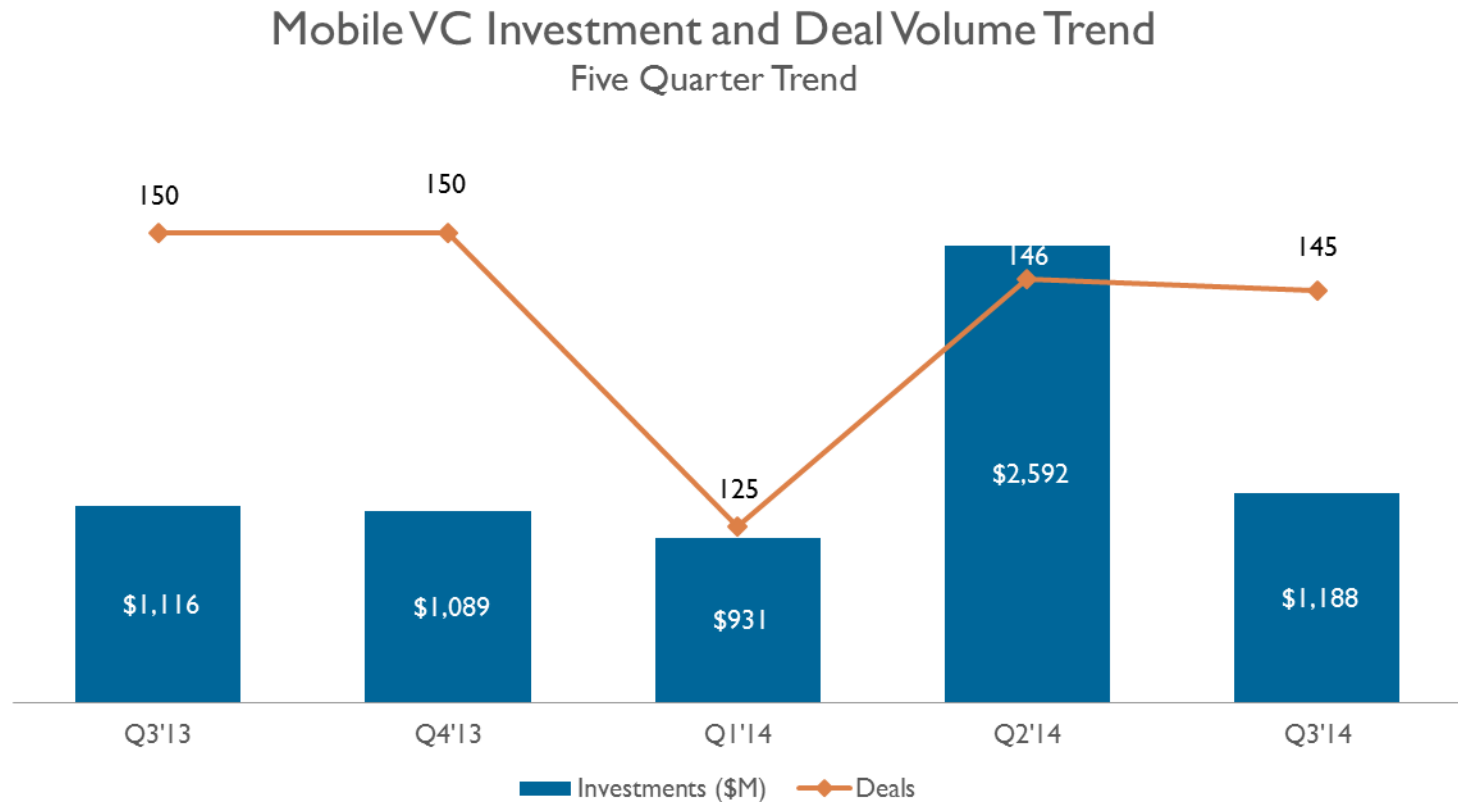
Internet VC Dollar Share by Industry
Q3 2014



VENTURE CAPITAL FINANCING TRENDS: MOBILE & TELECOM

MOBILE VC FUNDING TOPS \$1B, BUT FALLS FROM Q2 HIGH

While deal pace remained high, VC funding to the mobile & telecom sector fell 54% on a quarterly basis. After Q2 saw funding driven by familiar names like Uber, Lyft and Instacart, Q3's largest fundings were to the likes of Lookout, NextNav and Xamarin. But the size of these Q3 financings paled in comparison to those in Q2.



TOP MOBILE VENTURE CAPITAL DEALS AND CITIES

San Francisco dominated the list of U.S. cities for Mobile & Telecom venture capital deals and funding – taking 39% of all mobile funding.

Top Cities for Mobile: Q3 2014

Top Cities	Deals	Dollars (M)
San Francisco	37	\$460
New York	22	\$117
Palo Alto	8	\$39
Boston	4	\$15
Chicago	4	\$37
Mountain View	3	\$50

Top Mobile Deals: Q3 2014

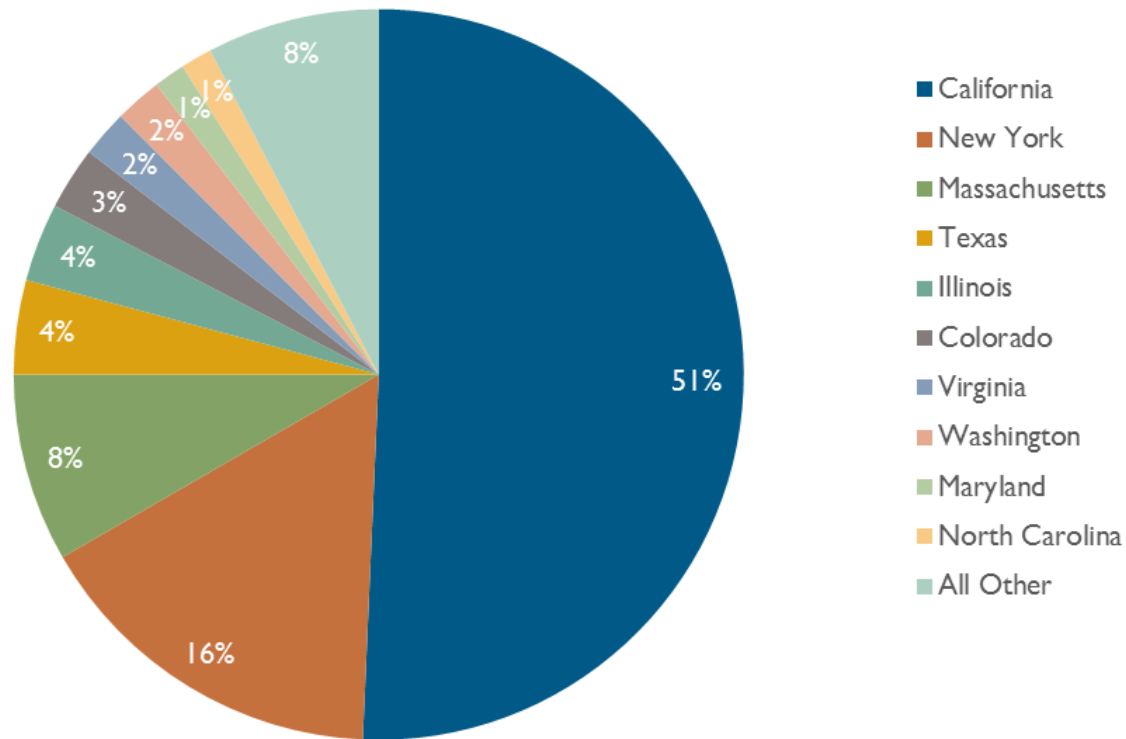
Company	Round	Amount (M)
Lookout	Series F	\$150
NextNav	Series D	\$70
Xamarin	Series C	\$54
xAd	Series D	\$50
Remind	Series C	\$40

Note: Venture capital deals included in the ranking may be tranchéd fundings.

BAY AREA STILL KING OF MOBILE DEALS

For the second straight quarter, California companies took 51% of all mobile VC deals in Q3. NY saw deal share hit 16%, while Mass. came in third with 8% of deals.

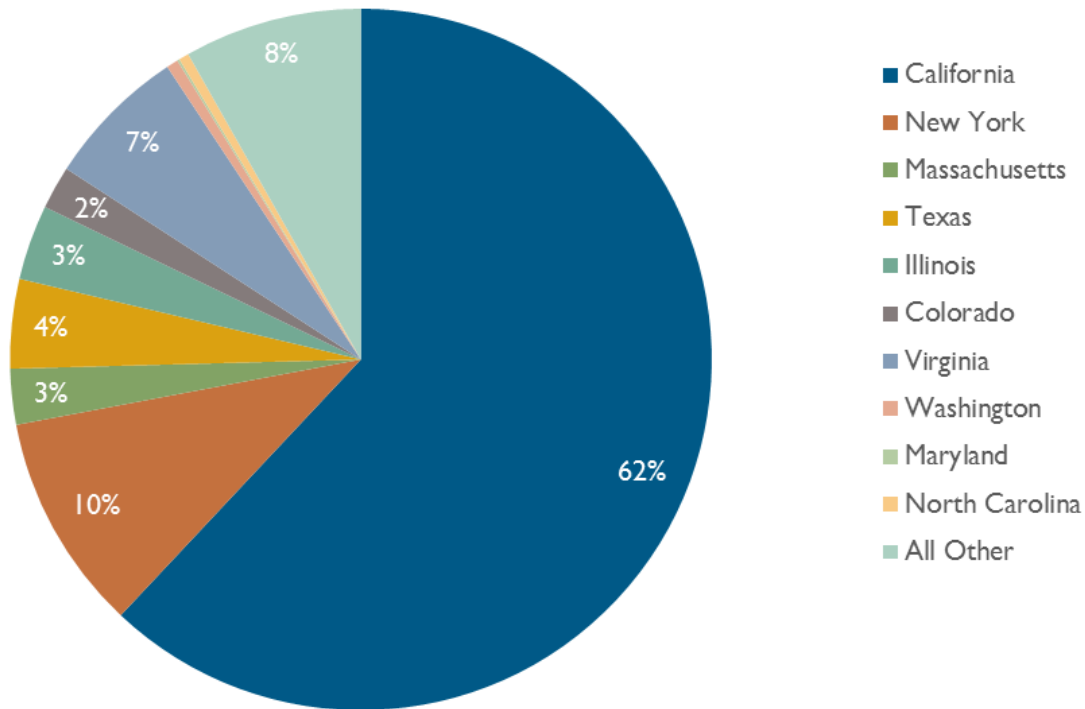
Share of Mobile VC by State - Number of Deals
Q3 2014



CALIFORNIA TAKES 60%+ OF MOBILE VC FUNDING IN Q3

After taking a whopping 86% of all mobile VC funding in Q2, investors continued to pile dollars into California-based mobile companies. NY took second at 10% of funding share, while Virginia came in a surprising third.

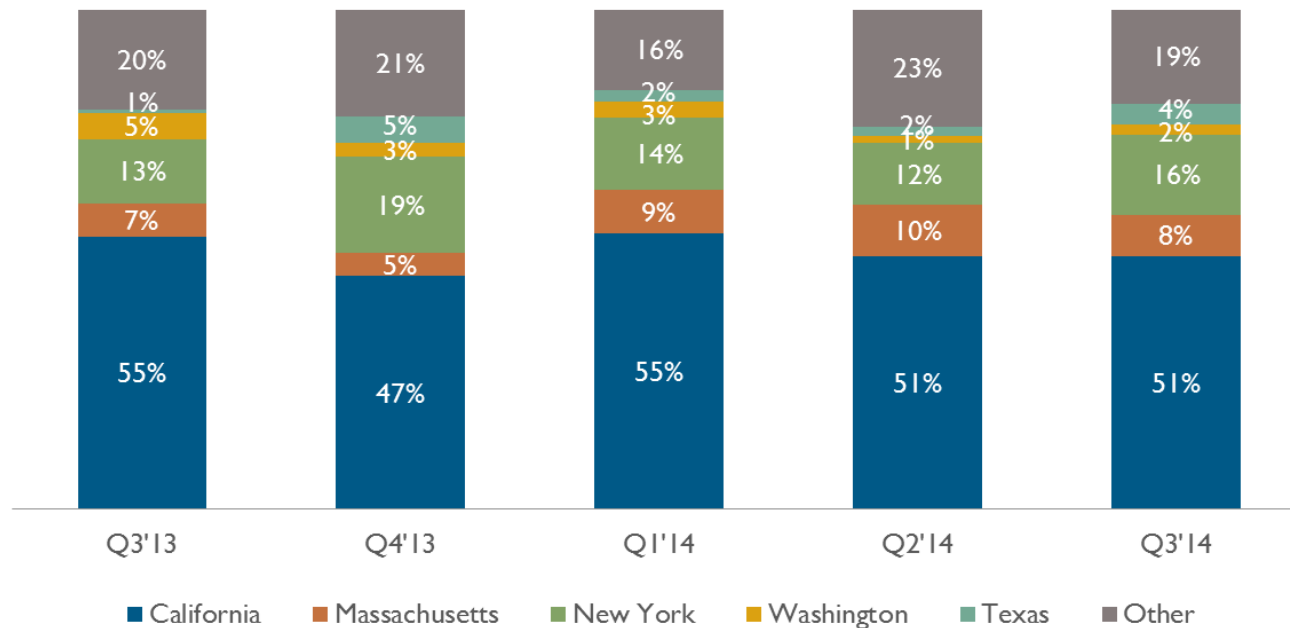
Share of Mobile VC by State - Dollars of Funding
Q3 2014



FLURRY OF EARLY-STAGE ACTIVITY BOOSTS NY MOBILE DEAL SHARE

NY VC deal share to the mobile sector rose to 16% after dropping for two consecutive quarters. 9 of every 10 mobile deals in NY were at the early-stage. California continues to take half of all mobile VC deals on a quarterly basis.

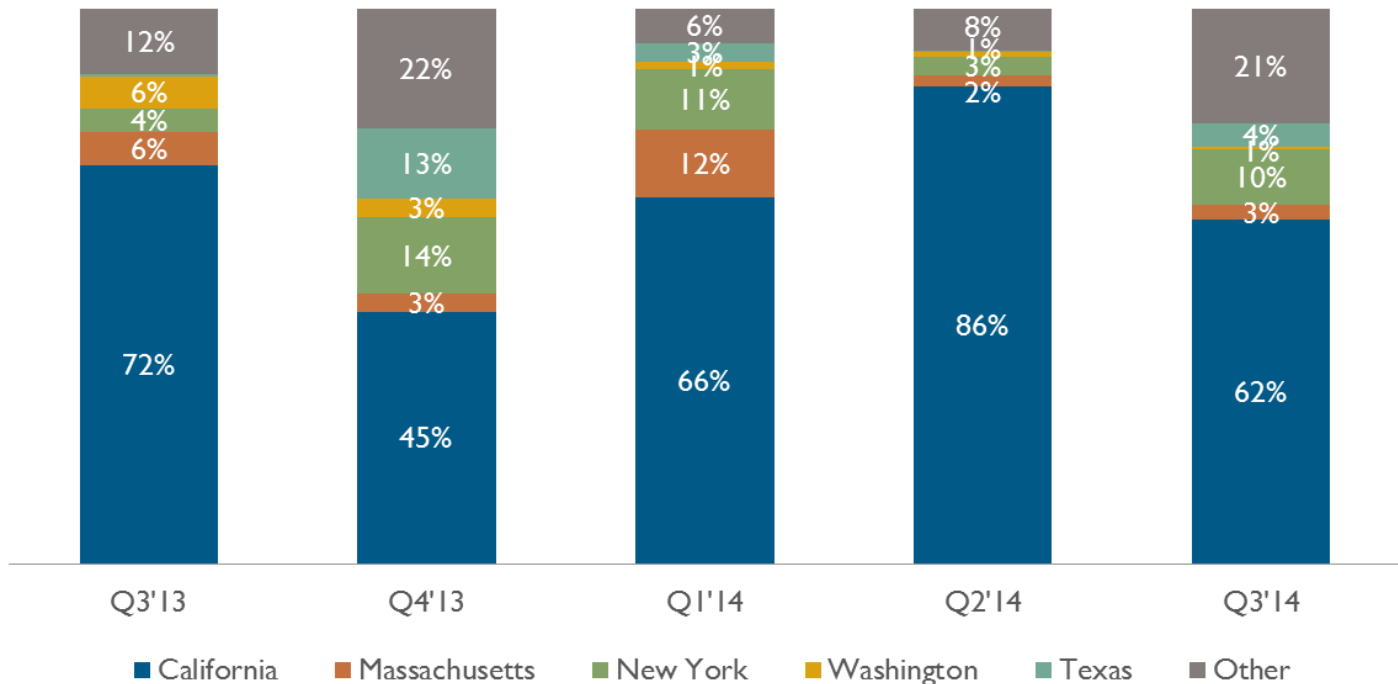
Share of Mobile & Telecom VC by State - Number of Deals
Last Five Quarters



CALIFORNIA VC FUNDING SHARE STAYS ABOVE 60%

Despite fewer Bay Area mega deals, mobile VC funding share to California kept above 60% for the third consecutive quarter in Q3'14.

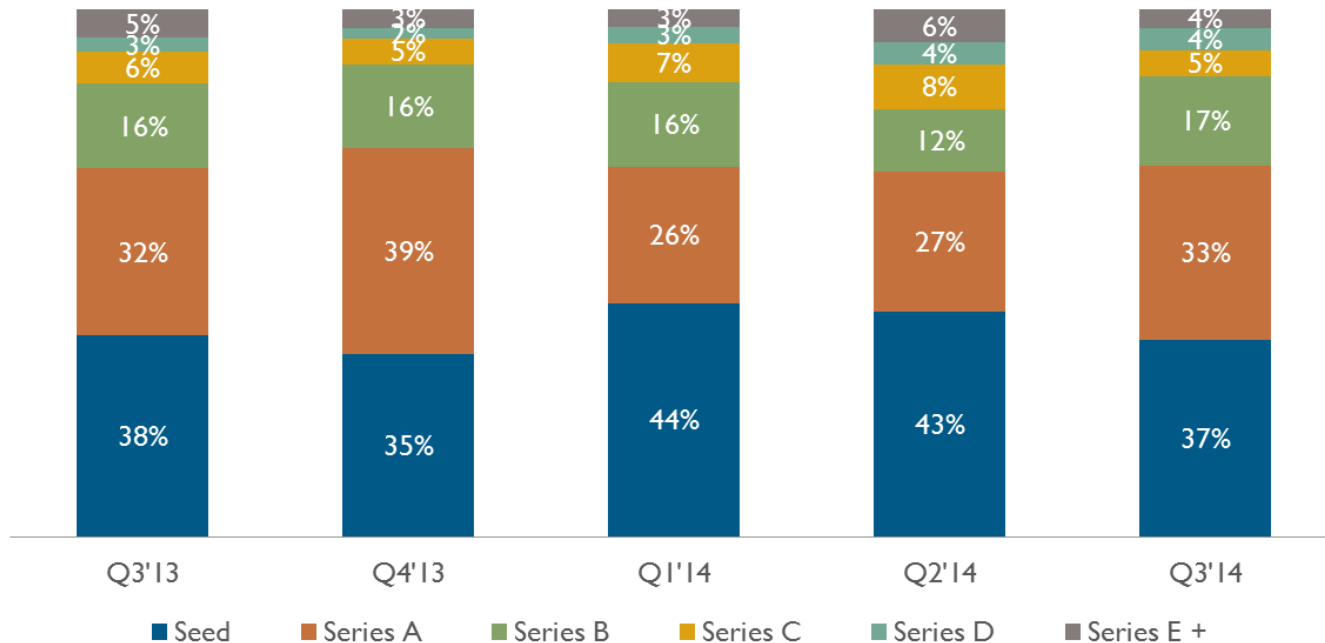
Share of Mobile & Telecom VC by State - Dollars of Funding
Last Five Quarters



SERIES B MOBILE DEAL SHARE RISES TO FIVE-QUARTER HIGH

After falling to 12% in Q2, mobile deals at the Series B stage rose to 17% in Q3. Series A deal stage hit 33% after falling below 30% in each of the prior two quarters.

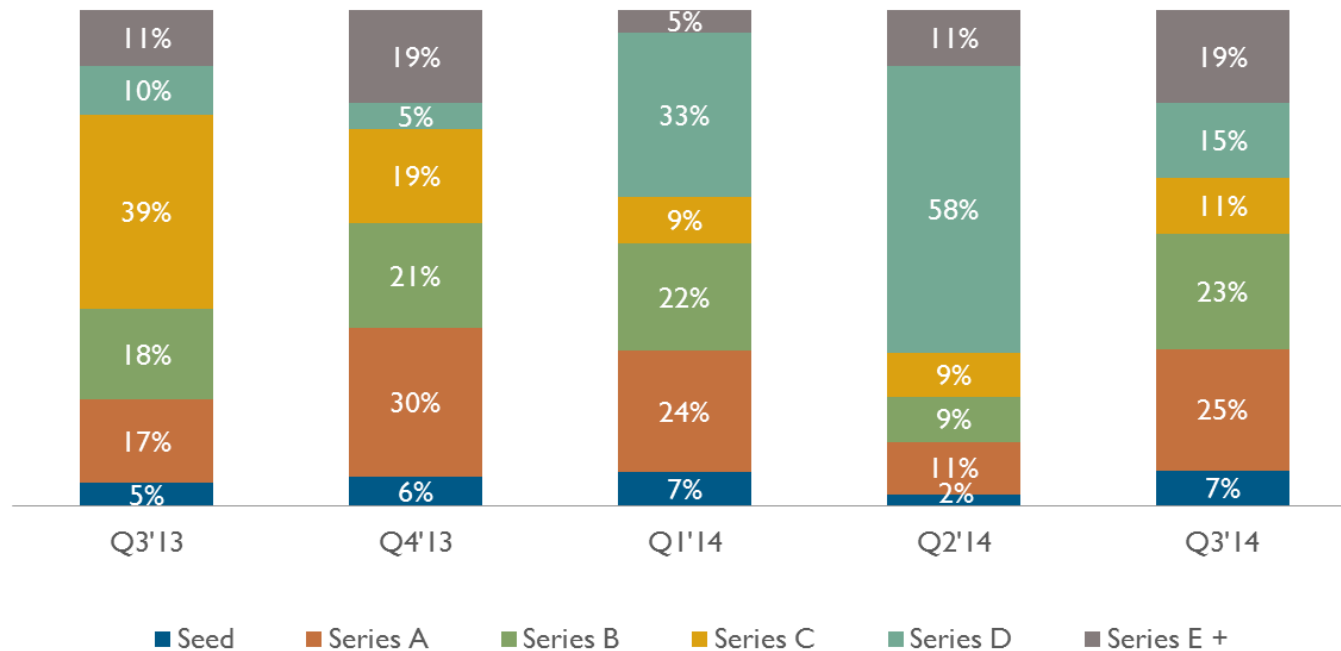
Share of Mobile & Telecom VC by Series - Number of Deals
Last Five Quarters



AFTER SERIES D FUNDING EXPLOSION, MOBILE DOLLARS DISTRIBUTED MORE EVENLY IN Q3

After huge Series D deals to Uber and Lyft which took 58% of all mobile VC funding activity in Q2'14, early, mid and late-stage activity all took over 30% of funding in mobile.

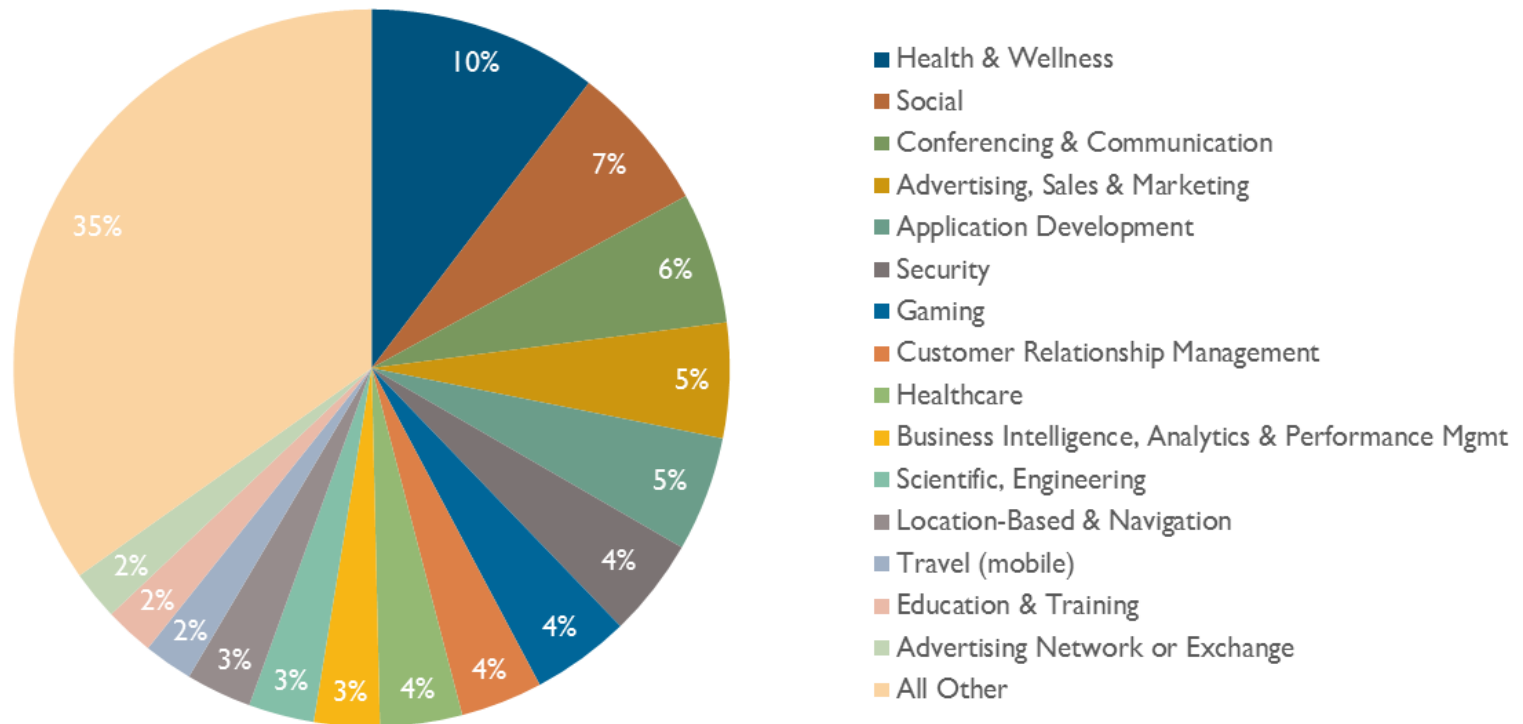
Share of Mobile & Telecom VC by Series - Funding Dollars
Last Five Quarters



DIGITAL HEALTH TOPS MOBILE VC DEAL VOLUME

Health and wellness topped mobile deal volume in Q3, taking 10% of all share. Interestingly, social mobile deals including Secret and Hinge took second at 7% share.

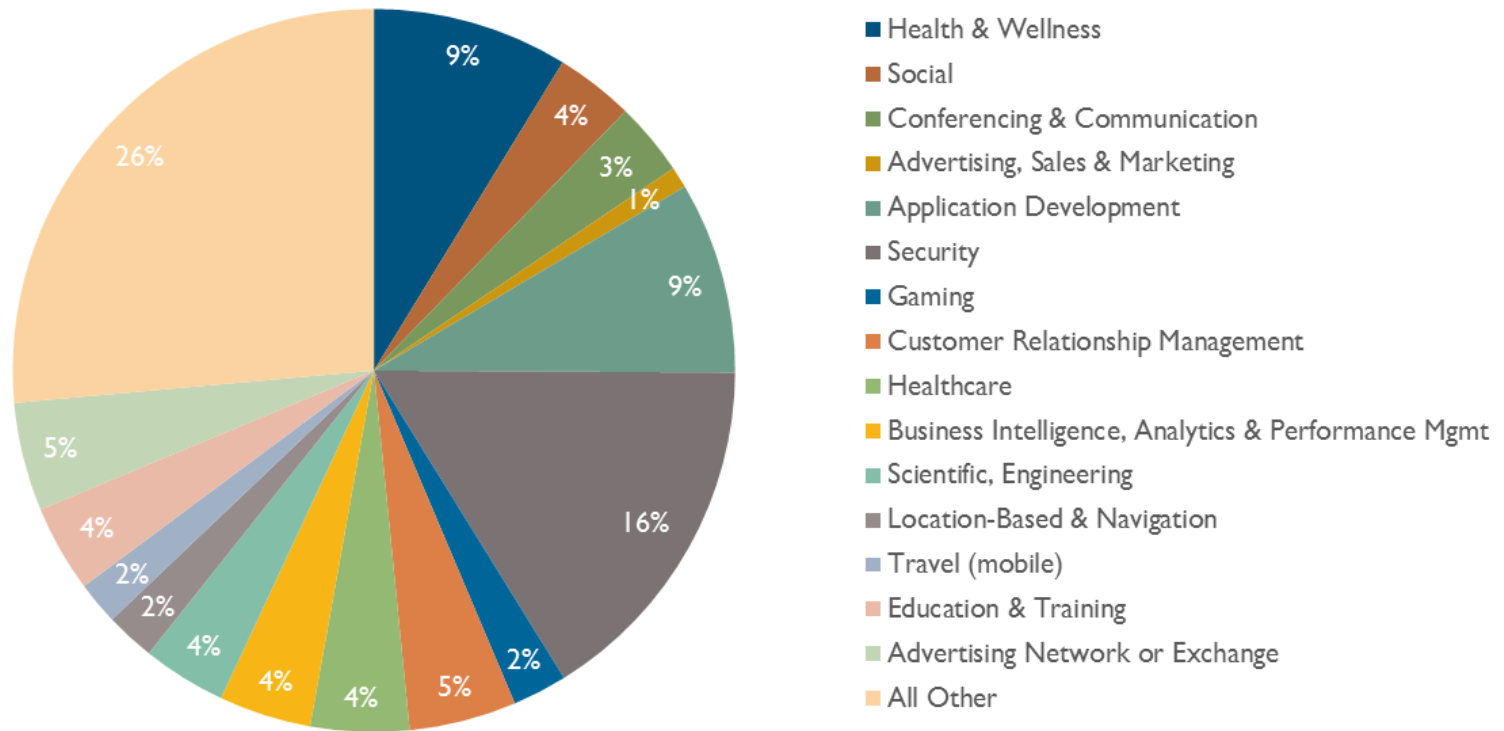
Mobile VC Deal Volume by Industry
Q3 2014



LOOKOUT'S MEGA-ROUND BUMPS UP MOBILE SECURITY

16% of all mobile VC funding dollars in Q3 2014 went to mobile security, catalyzed by Lookout's \$150M round at a \$1B valuation. Digital health and mobile app development both took 9% of funding share.

Mobile VC Dollar Share by Industry
Q3 2014

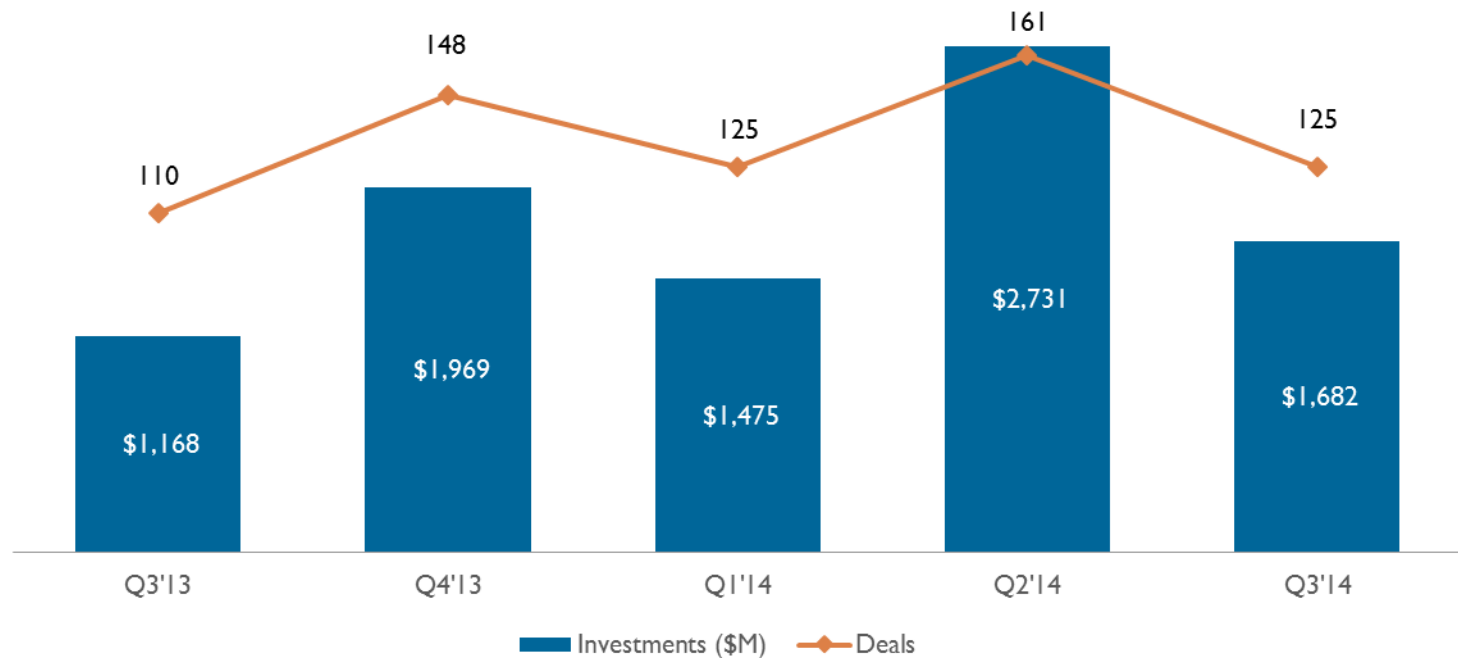


VENTURE CAPITAL FINANCING TRENDS: HEALTHCARE

HEALTHCARE VC FUNDING AND DEALS FALL FROM Q2 HIGH

After jumping to \$2.73B across 161 deals in financing in Q2, healthcare VC funding and deals dropped 38% and 22% on a sequential basis. But compared to the same quarter last year, Q3'14 saw a 44% increase in healthcare VC funding dollars.

Healthcare VC Investment and Deal Volume Trend
Five Quarter Trend



TOP HEALTHCARE VENTURE CAPITAL DEALS AND CITIES

Both Redwood City and San Diego topped Mass. healthcare hub Cambridge by deals in Q3'14. Clinical stage cancer immunotherapy company Juno Therapeutics' \$134M Series B was the largest healthcare VC funding of the quarter.

Top Cities for Healthcare: Q3 2014

Top Cities	Deals	Dollars (M)
Redwood City	8	\$190
San Diego	6	\$91
Cambridge	5	\$82
Sunnyvale	4	\$42
Menlo Park	4	\$21
Seattle	3	\$163

Top Healthcare Deals: Q3 2014

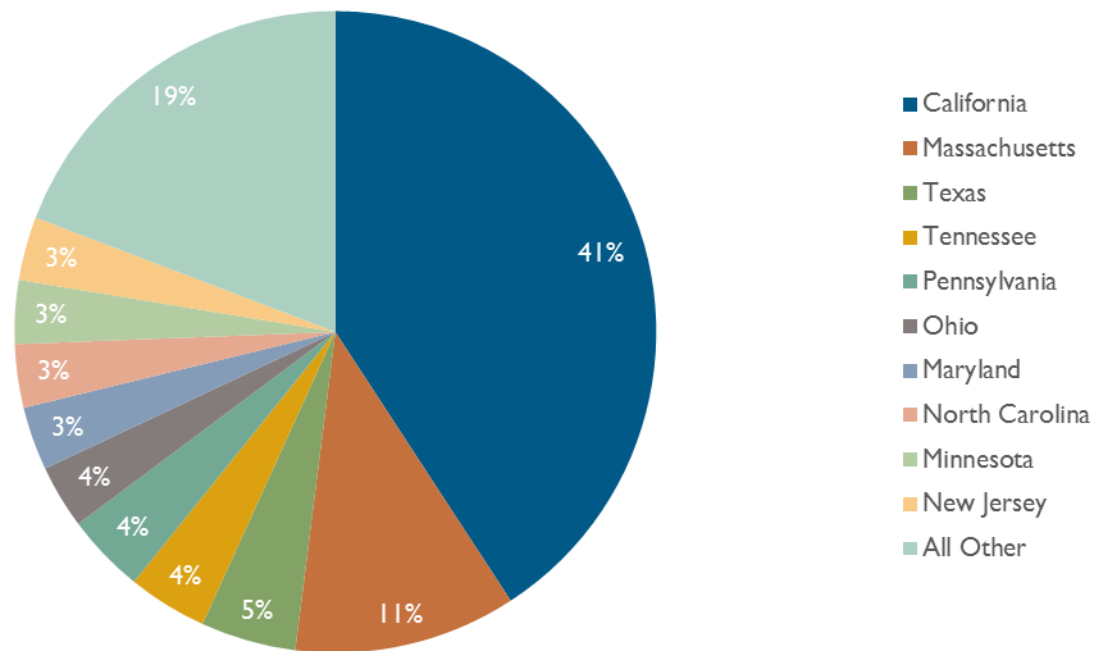
Company	Round	Amount (M)
Juno Therapeutics	Series B	\$134
Data Driven Delivery Systems	Series B	\$61
Civitas Therapeutics	Series C	\$55
Bellicum Pharmaceuticals	Series C	\$55

Note: Venture capital deals included in the ranking may be tranchied fundings.

CALIFORNIA DOMINATES MASSACHUSETTS IN VC DEAL SHARE

California took 41% of all healthcare VC deals in Q3, more than 3x the amount of the next largest healthcare VC hub, Massachusetts which took 11% share.

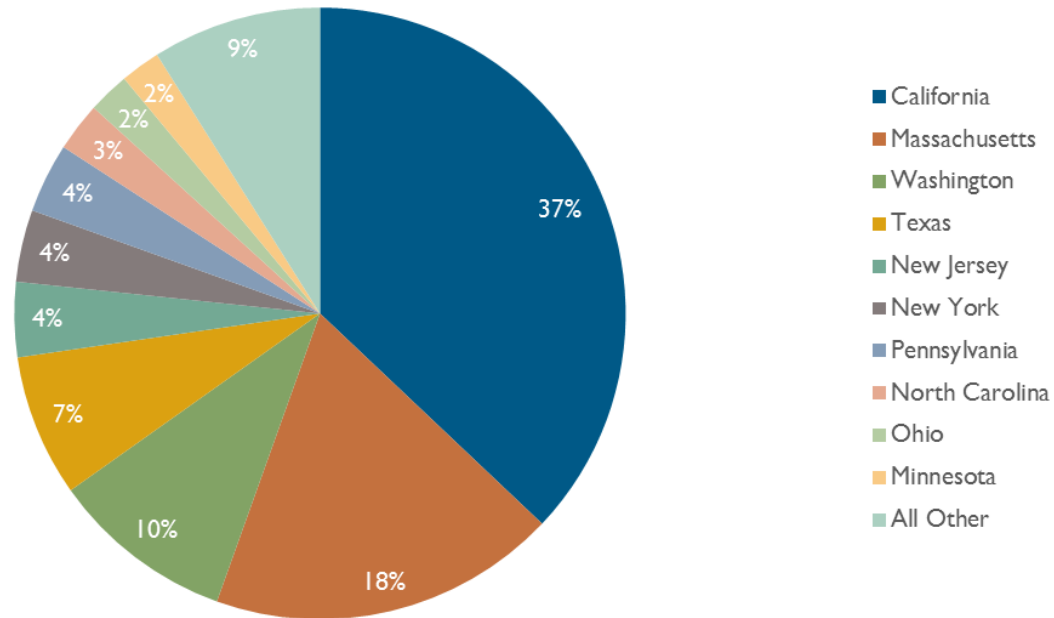
Share of Healthcare VC by State - Number of Deals
Q3 2014



HEALTHCARE VC DOLLARS MORE DISTRIBUTED IN Q3

After taking over half of all healthcare VC dollars in Q2, California took 37% of healthcare funding share in Q3, followed by Mass. at 18%. Washington came in third with 10% of share.

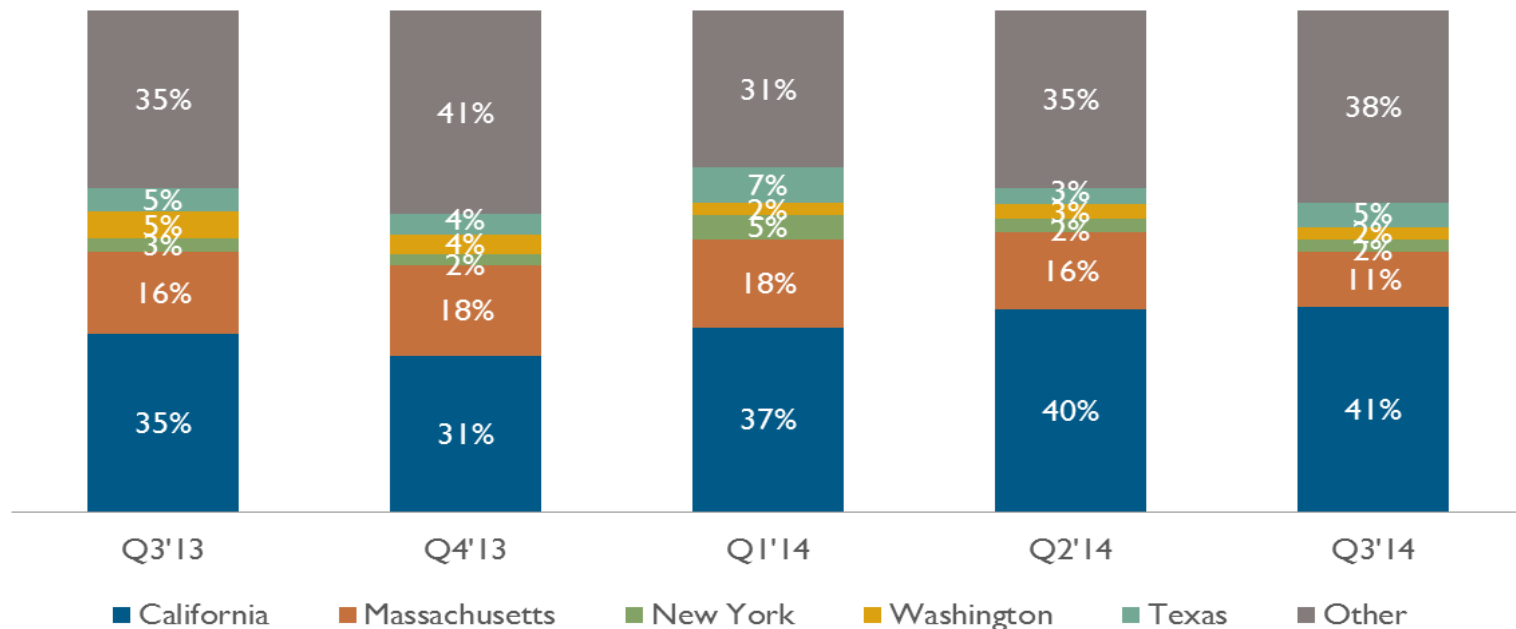
Share of Healthcare VC by State - Dollars of Funding
Q3 2014



MASSACHUSETTS HEALTHCARE DEAL SHARE HITS FIVE-QUARTER LOW

After consistently taking 15%+ of healthcare deal share over the past four quarters, Mass. saw its share of deals fall to 11% in Q3'14.

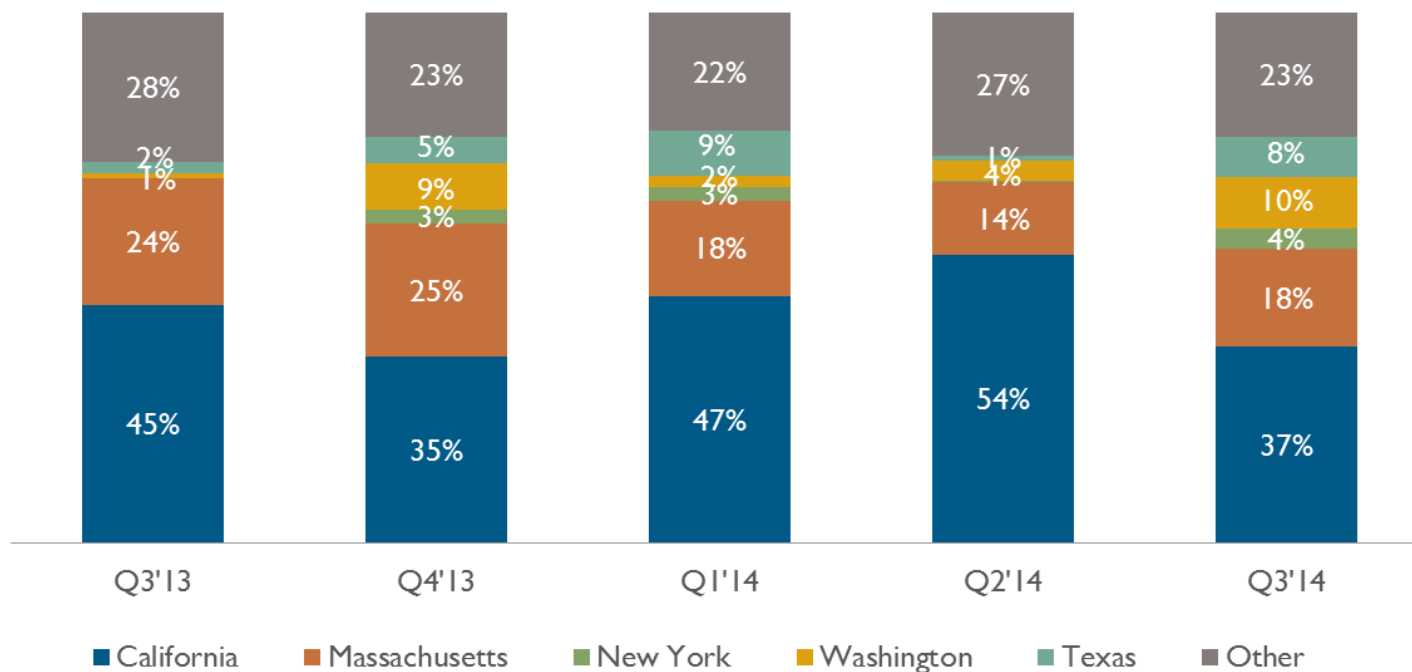
Share of Healthcare VC by State - Number of Deals
Last Five Quarters



WASHINGTON HEALTHCARE VC FUNDING HITS FIVE-QUARTER HIGH

After dropping below 5% share in each of the past two quarters, Q3'14 saw Washington reach a five-quarter high in funding share at 10%. California VC funding share fell from 54% to 37%.

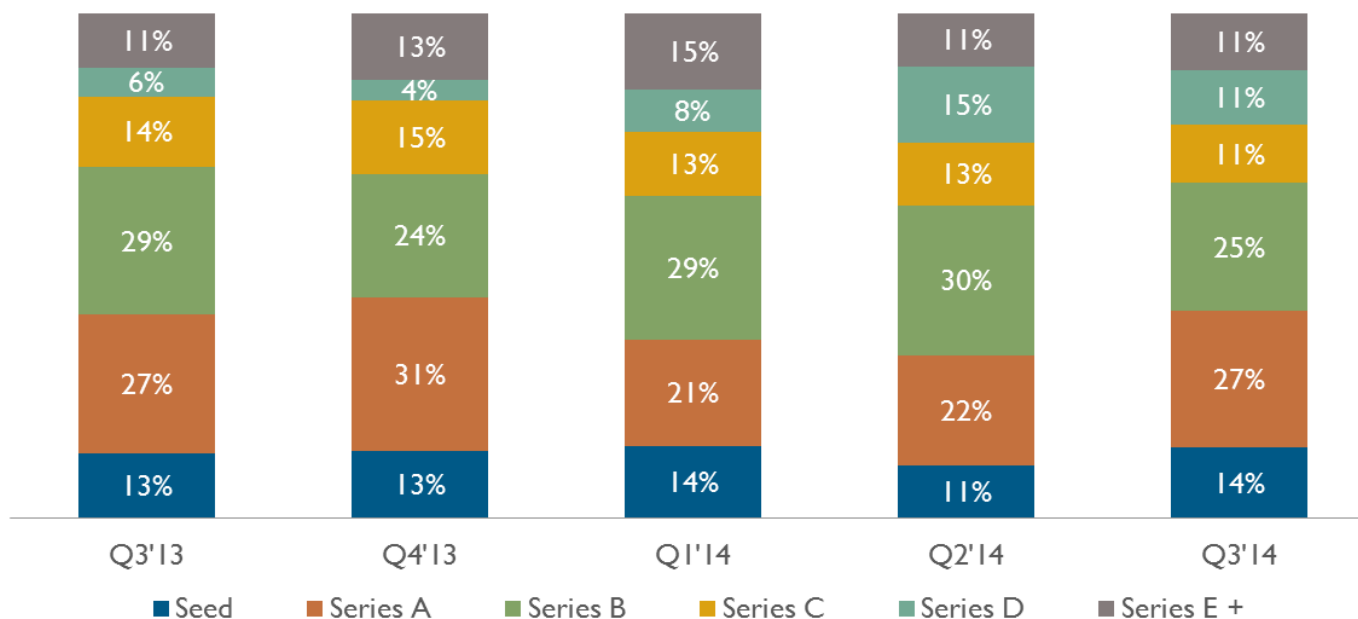
Share of Healthcare VC by State - Dollars of Funding
Last Five Quarters



EARLY-STAGE HEALTHCARE VC DEAL SHARE GAINS GROUND

After early-stage healthcare VC deals fell to a cumulative 33% in Q2'14, a five-quarter low, seed and Series A rose to a cumulative 41% share of all healthcare deals in Q3.

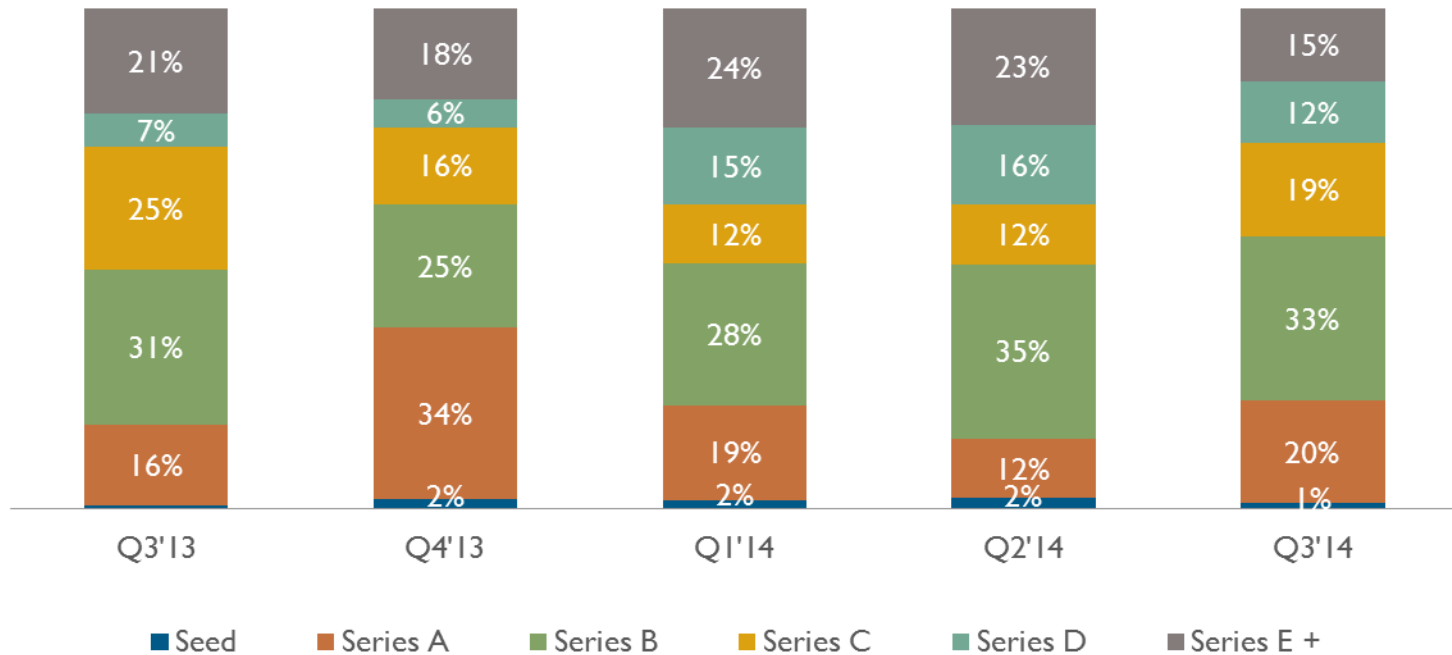
Share of Healthcare VC by Series - Number of Deals
Last Five Quarters



SERIES B HEALTHCARE VC FUNDING SHARE STAYS STRONG

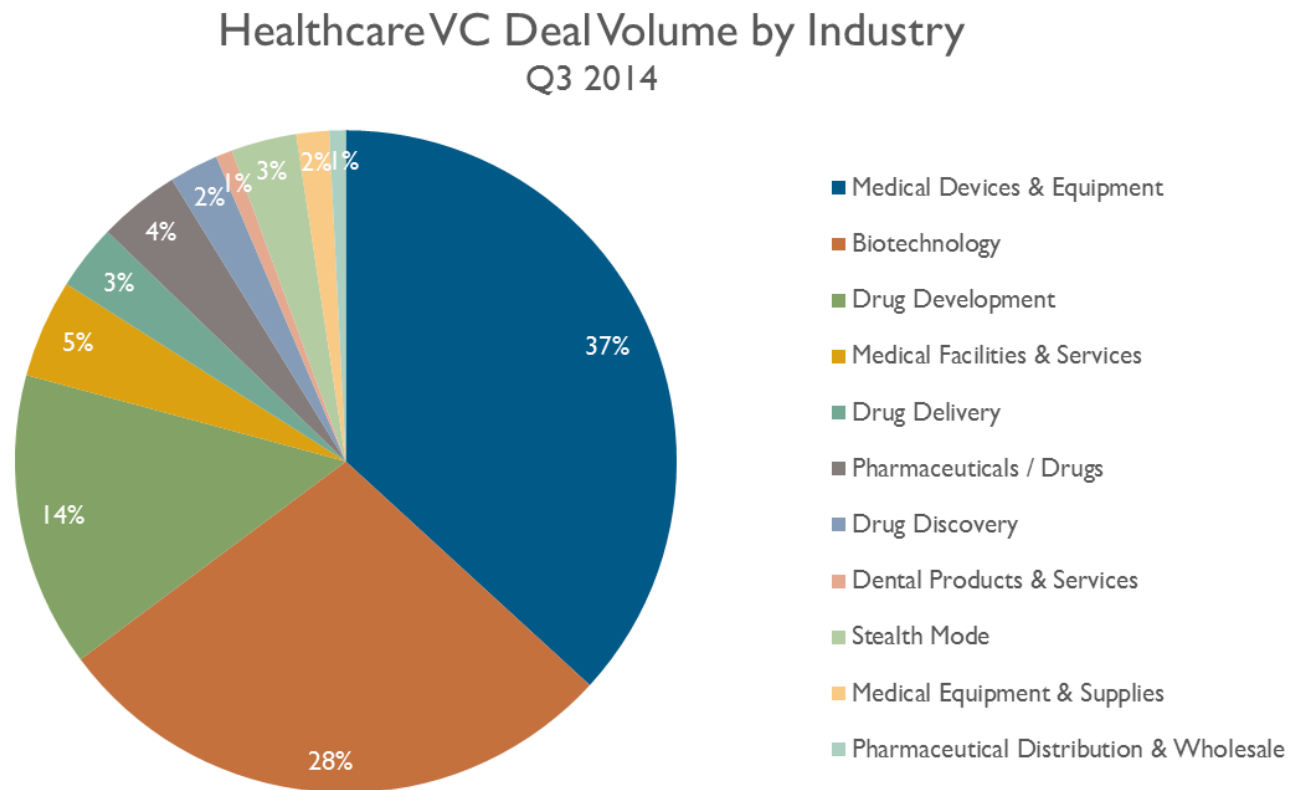
Series B funding share matched Q2's five-quarter high as late-stage deal share fell to a combined 27% from 39% in Q2.

Share of Healthcare VC by Series - Dollars of Funding
Last Five Quarters



MEDICAL DEVICES, BIOTECH TAKE 65% OF HEALTHCARE DEALS IN Q3

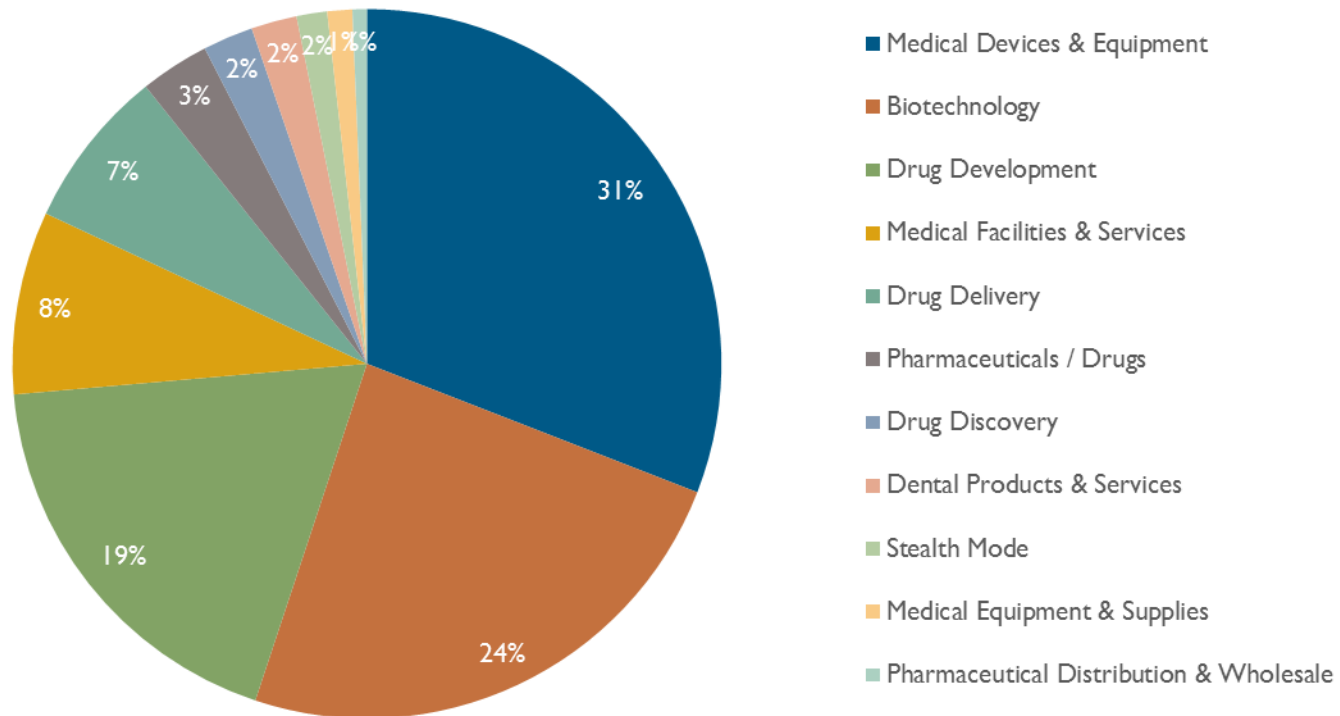
Q3'14 saw the medical devices industry capture 37% of all healthcare VC deals, another strong quarter after taking 36% of deals in Q2. The top 3 by deal share was rounded out by biotech and drug development, which notched 28% and 14% of all healthcare VC deals in the three months.



3 OF EVERY 4 HEALTHCARE VC DOLLARS GO TO THREE INDUSTRIES IN Q3

Medical devices, biotech and drug development took 71% of all healthcare VC funding in Q2. In Q3, that expanded to 74% of all funding in the sector.

Healthcare VC Dollar Share by Industry
Q3 2014

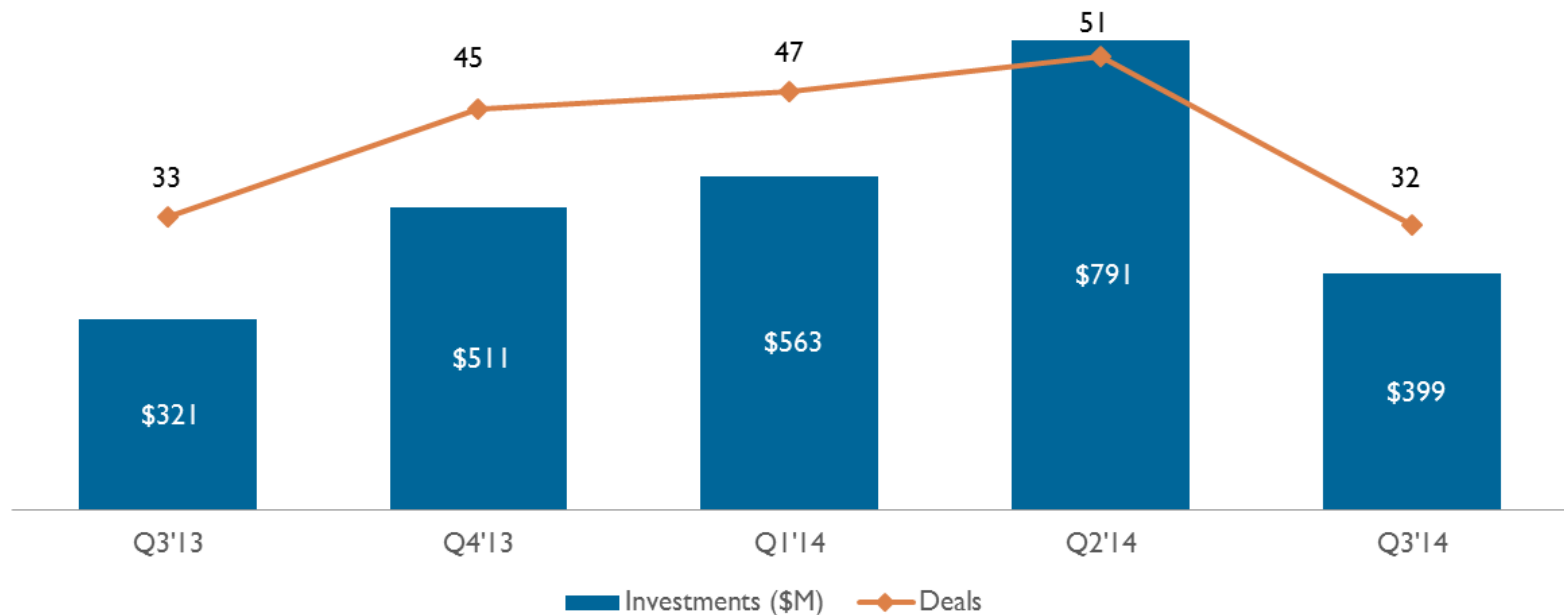


VENTURE CAPITAL FINANCING TRENDS: GREEN TECH

GREEN TECH VC DEALS & DOLLARS FALL OFF Q2'14 HIGHS

Green Tech startups cooled down hitting a four-quarter low on funding dollars and a five-quarter low on deals. Funding and deals fell 50% and 37% respectively compared to the previous quarter, which saw multi-quarter highs in both metrics.

Green VC Investment and Deal Volume Trend
Five Quarter Trend



TOP GREEN TECH VENTURE CAPITAL DEALS AND CITIES

San Diego and Boston led the list for Green Tech VC by overall deals. The largest rounds went to solar company GlassPoint Solar and OLED production technology company Kateeva.

Top Cities for Green Tech: Q3 2014

Top Cities	Deals	Dollars (M)
San Diego	3	\$24
Boston	2	\$14

Top Green Tech Deals: Q3 2014

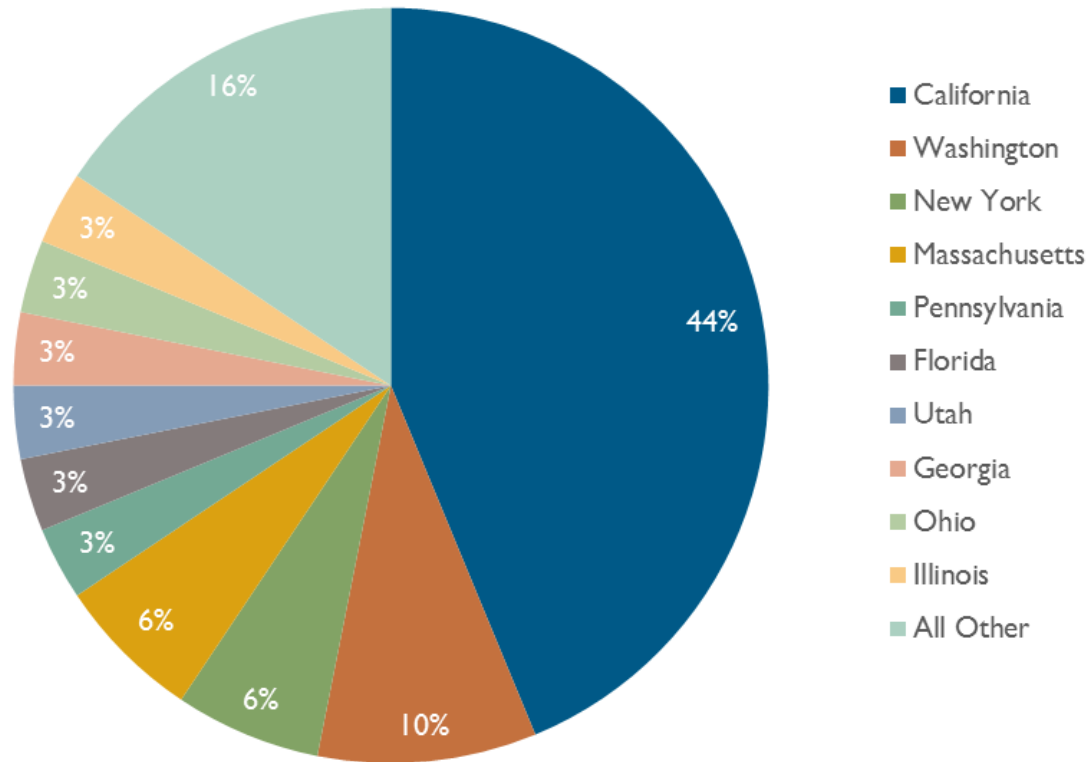
Company	Round	Amount (M)
GlassPoint Solar	Series C	\$53
Kateeva	Series D	\$35
Solexel	Series D	\$31
Siluria Technologies	Series D	\$30
Transphorm	Series G	\$27

Note: Venture capital deals included in the ranking may be tranchied fundings. This was the case for Cool Planet.

CALIFORNIA DOMINATES GREEN TECH VC DEALS

California again dominated green tech VC, taking 44% of deals in Q3 2014 followed by Washington at 10%.

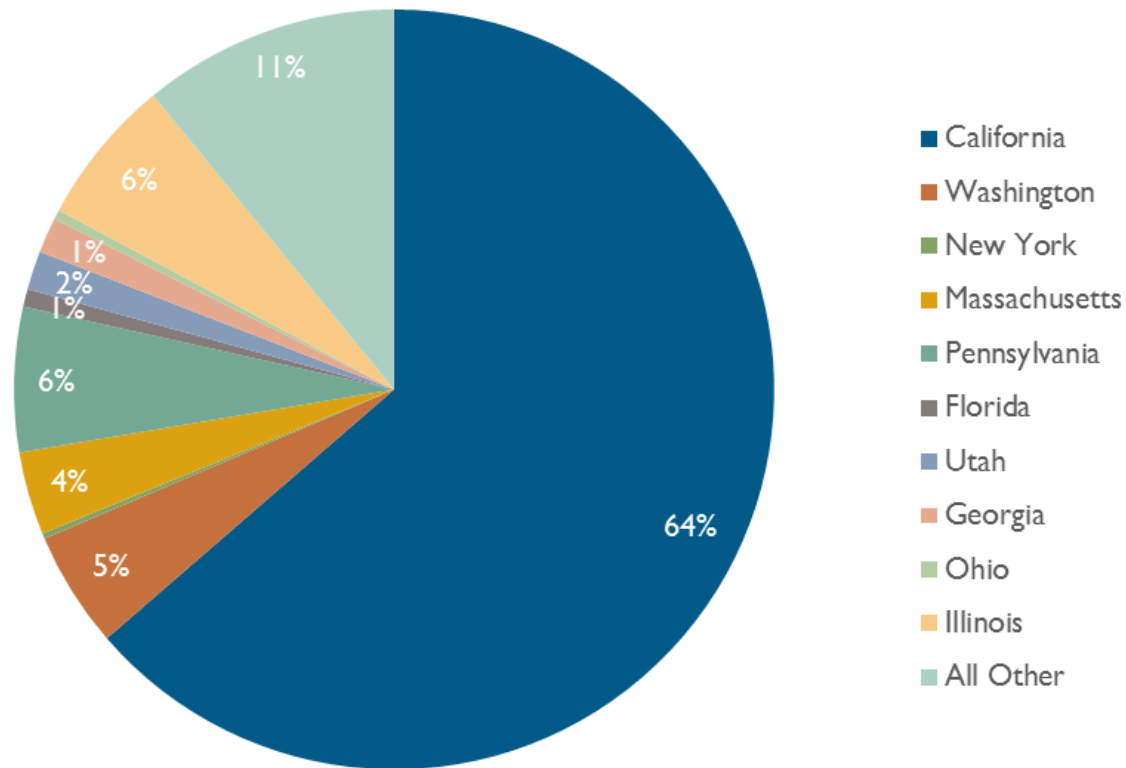
Share of Green Tech VC by State - Number of Deals
Q3 2014



CALIFORNIA TAKES NEARLY 2/3 OF ALL GREEN TECH FUNDING

California led all states with a 64% funding share, while Pennsylvania and Illinois each captured 6% behind a pair of \$10M+ deals.

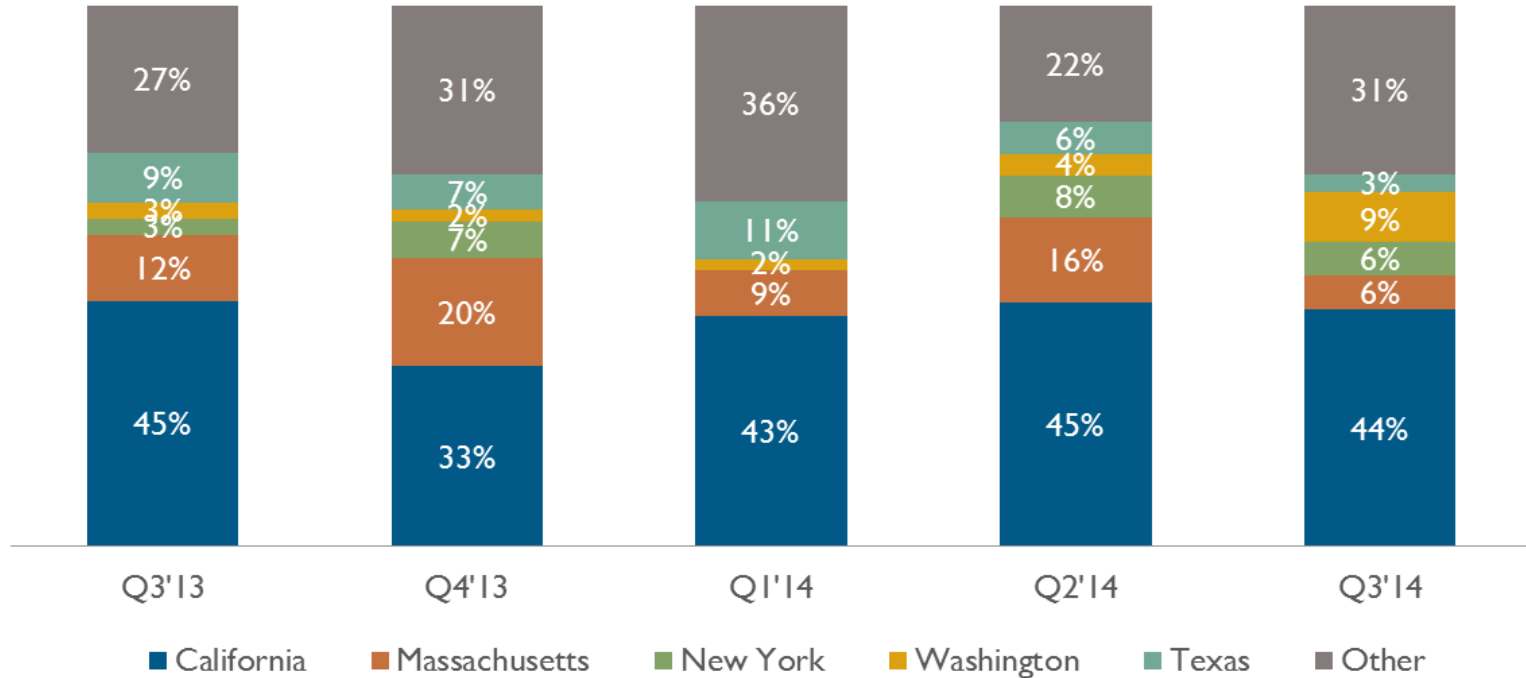
Share of Green Tech VC by State - Dollars of Funding
Q3 2014



WASHINGTON DEAL SHARE HITS FIVE-QUARTER HIGH

Behind multiple green tech investments, Washington grabbed a 9% deal share in Q3'14, it's highest in the past five-quarters. Cali retained the top spot with 44% of deals.

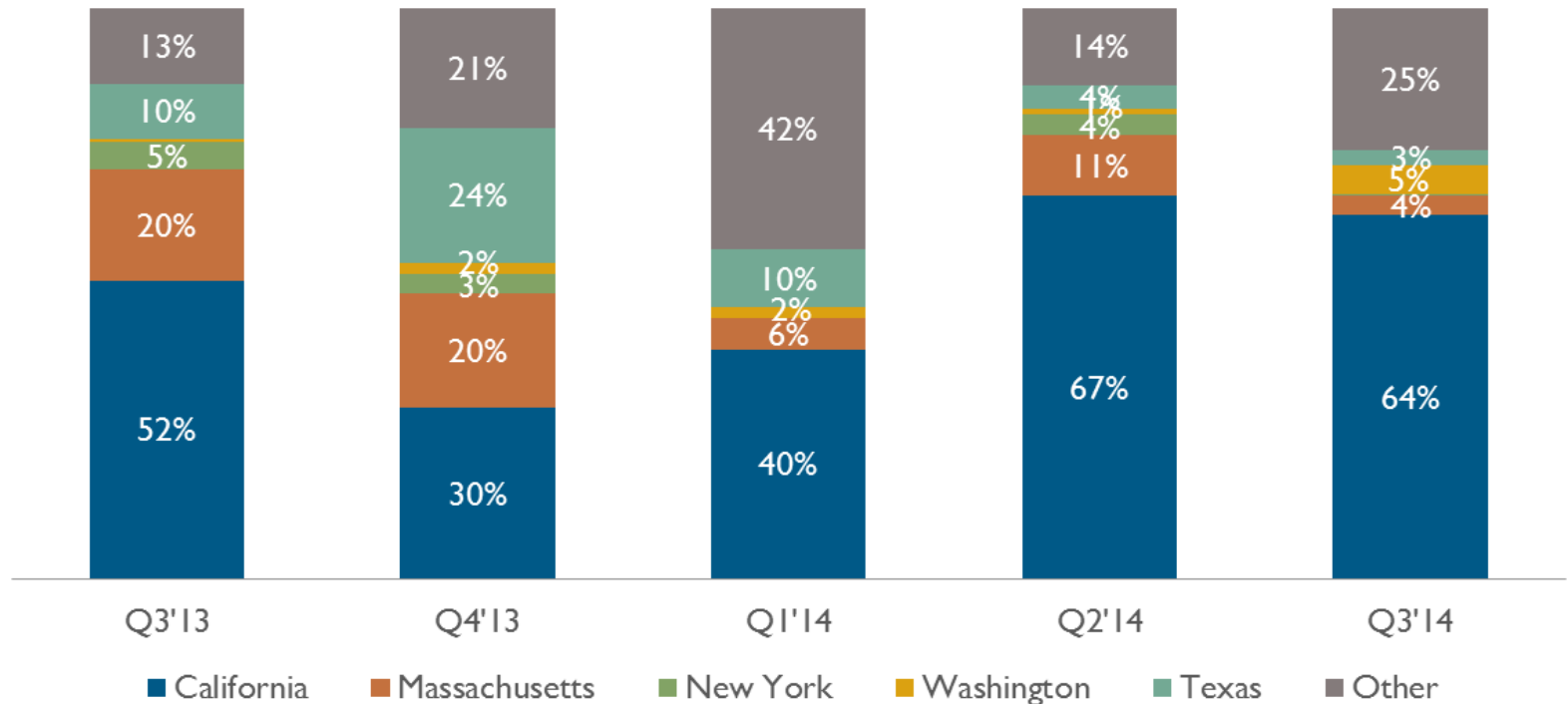
Share of Green VC by State - Number of Deals
Last Five Quarters



CALIFORNIA VC FUNDING SHARE LEADS

California kept its dominant funding dollars compared to the pre-Q2'14 funding shares. Other markets' funding share increased to 25% while Massachusetts fell to a five-quarter low of just 4%.

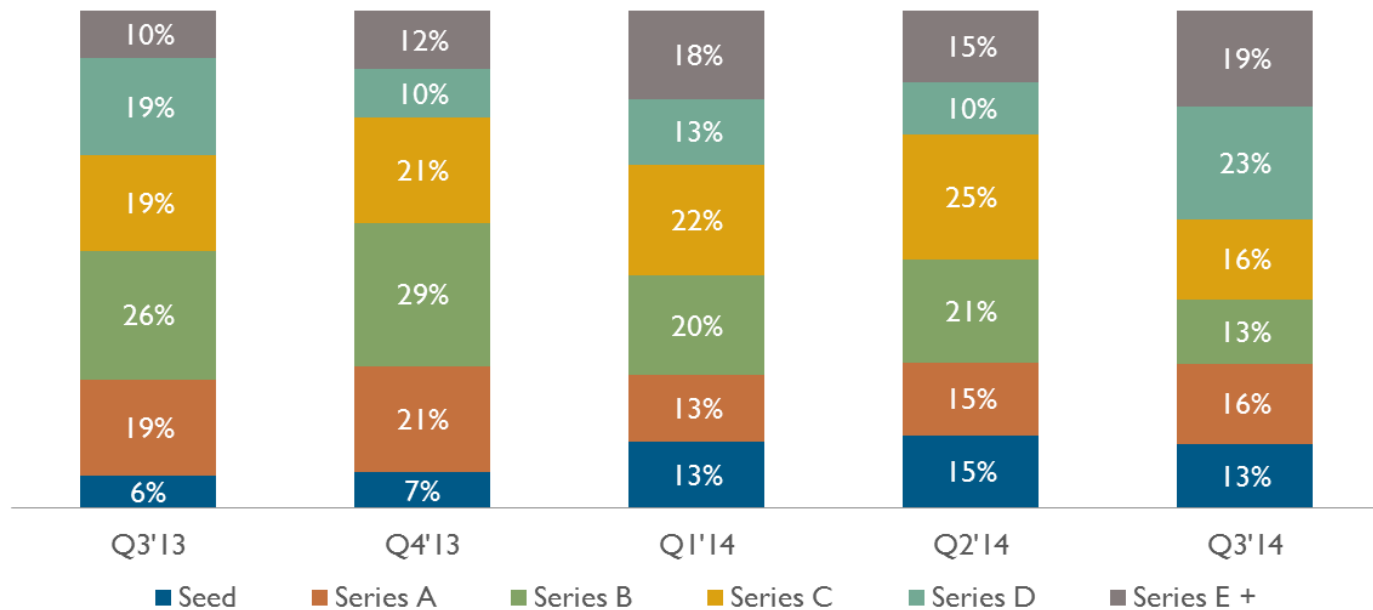
Share of Green VC by State - Dollars of Funding
Last Five Quarters



LATE-STAGE GREEN TECH VC DEAL SHARE BOUNCES BACK TO HIGH

Q3 saw VCs move back into the late-stage as Series D+ rounds accounted for 42% of deals, a five-quarter high and a large jump from Q2's 25% cumulative deal share. Mid-stage was hit the hardest falling to a five-quarter low deal share of just 29%.

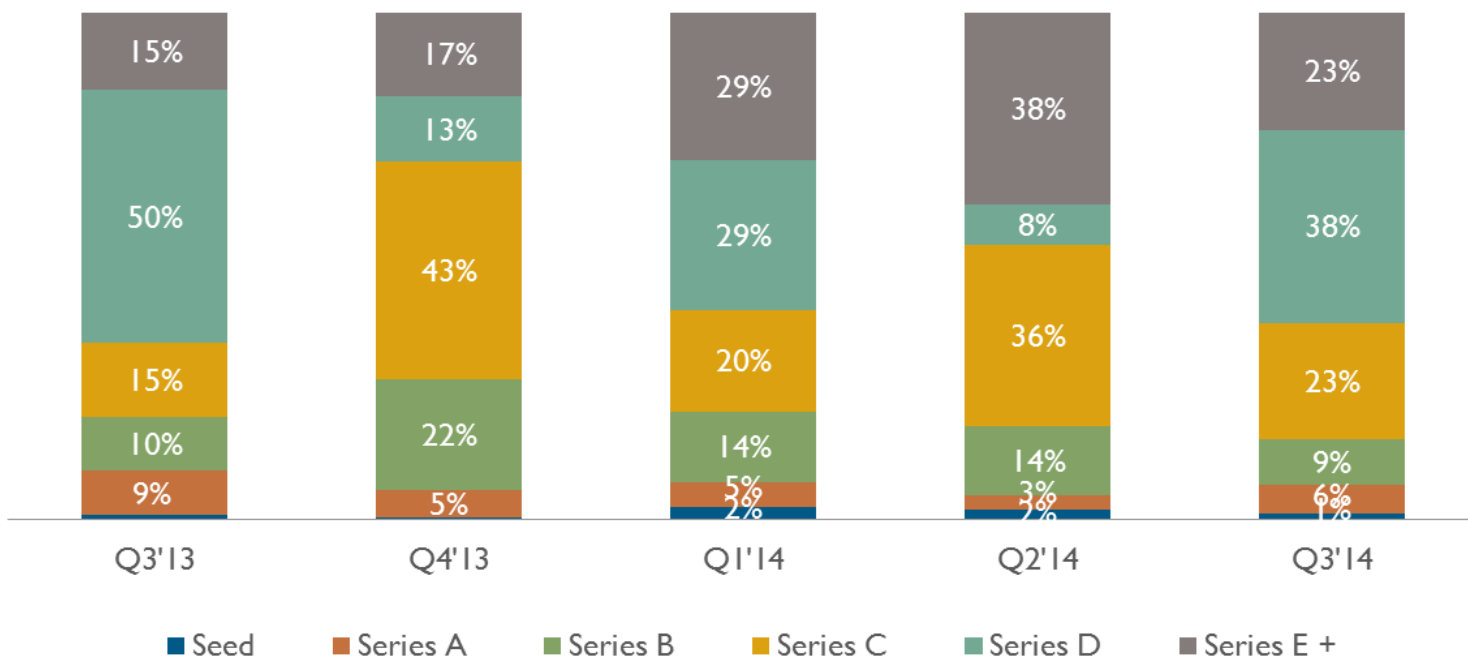
Share of Green VC by Series - Number of Deals
Last Five Quarters



LATE-STAGE GREEN TECH FUNDING DOMINATES

Behind multiple \$30M+ deals, Series D+ rounds accounted for 61% of all green tech VC funding in Q3. Mid-stage financings cumulatively accounted for just 32% of funding, it's lowest figure since Q3'13.

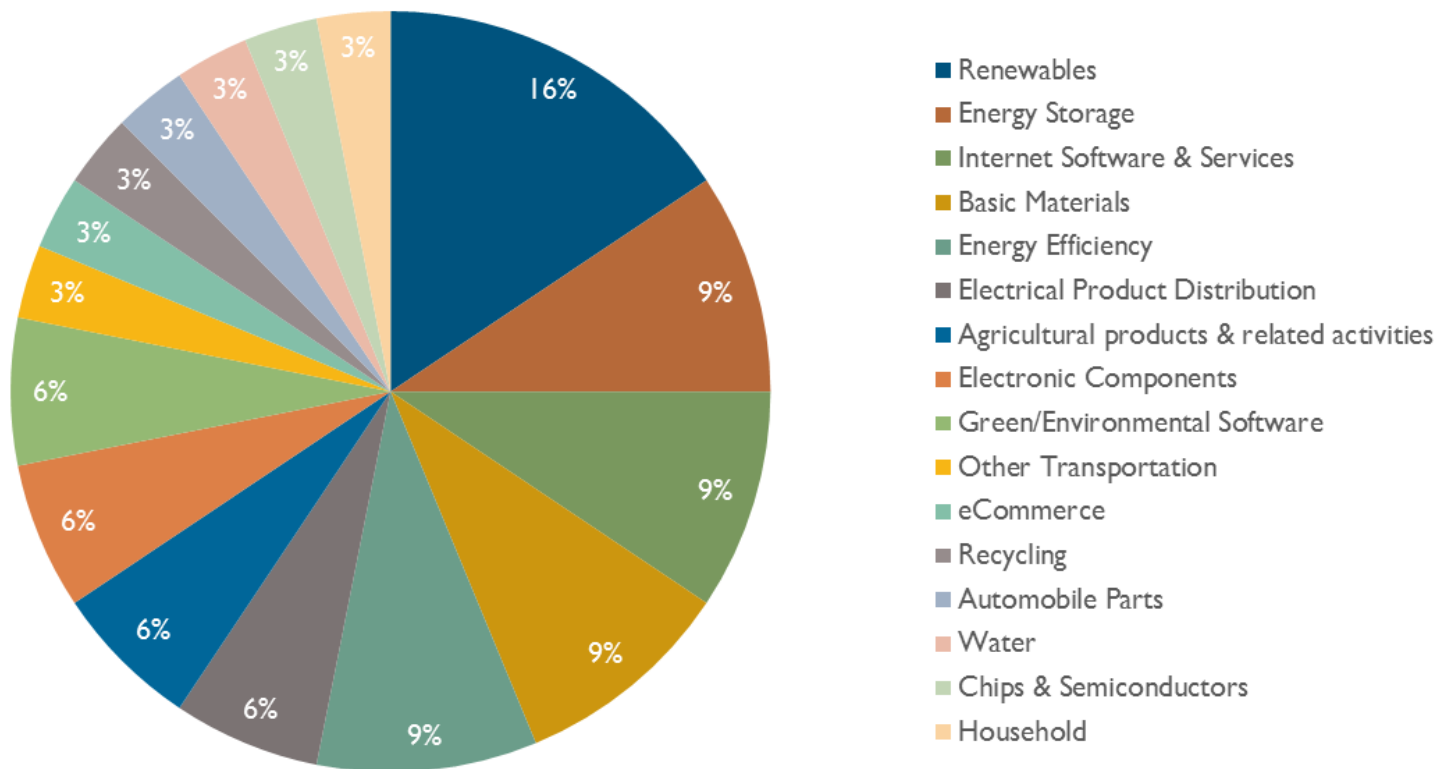
Share of Green VC by Series - Dollars of Funding
Last Five Quarters



RENEWABLES TOPS GREEN TECH VC DEAL ACTIVITY

Renewables took 16% of green tech VC deals in Q3 2014, followed by Energy Storage, Internet Software & Services, Basic Materials, and Energy Efficiency all at 9%.

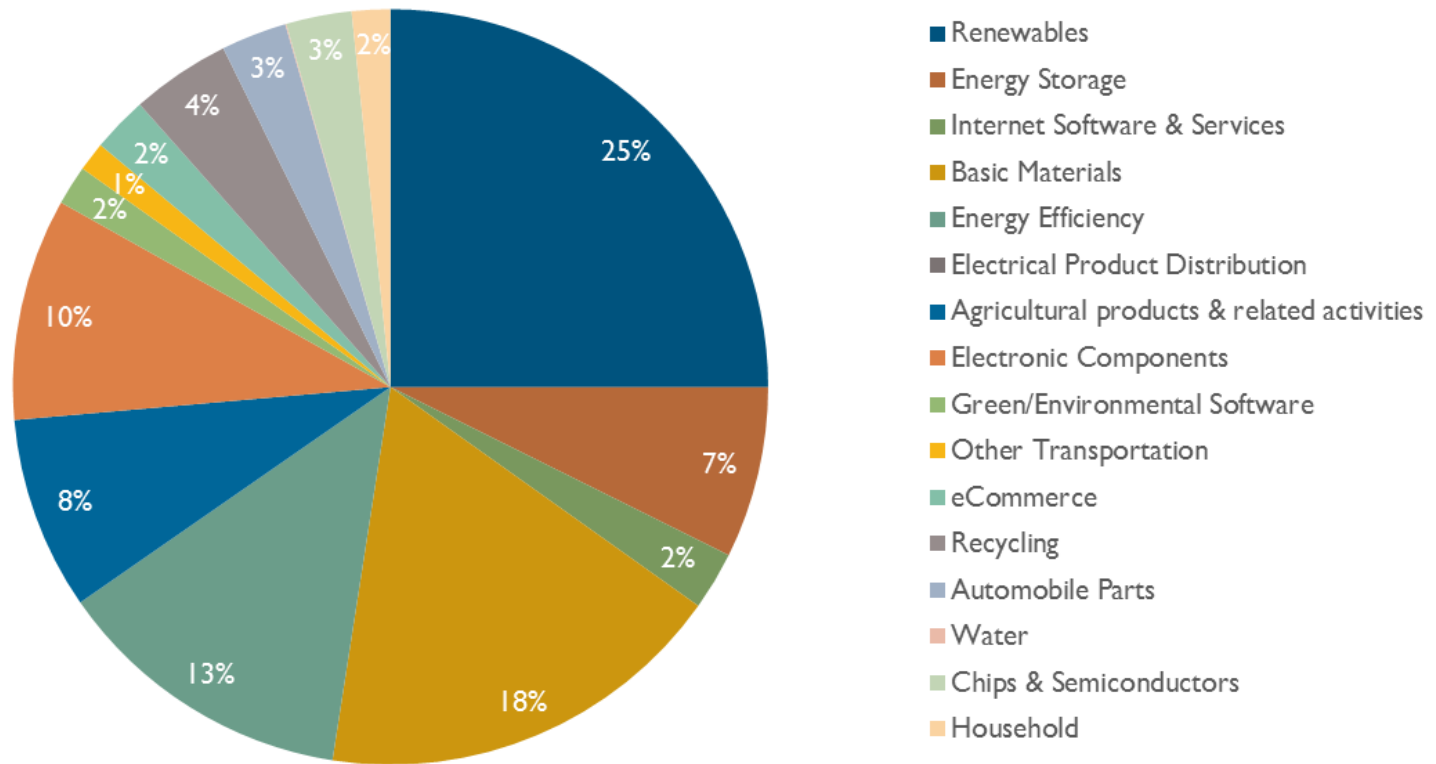
Green Tech VC Deal Volume by Industry
Q3 2014



RENEWABLES TAKES 25% OF FUNDING SHARE

Renewables led all industry's for the second straight quarter with a 25% dollar share in Q3'14. Basic Materials garnered 18% of all funding, while Energy Efficiency rounded out the top 3 at 13%.

Green Tech VC Dollar Share by Industry
Q3 2014

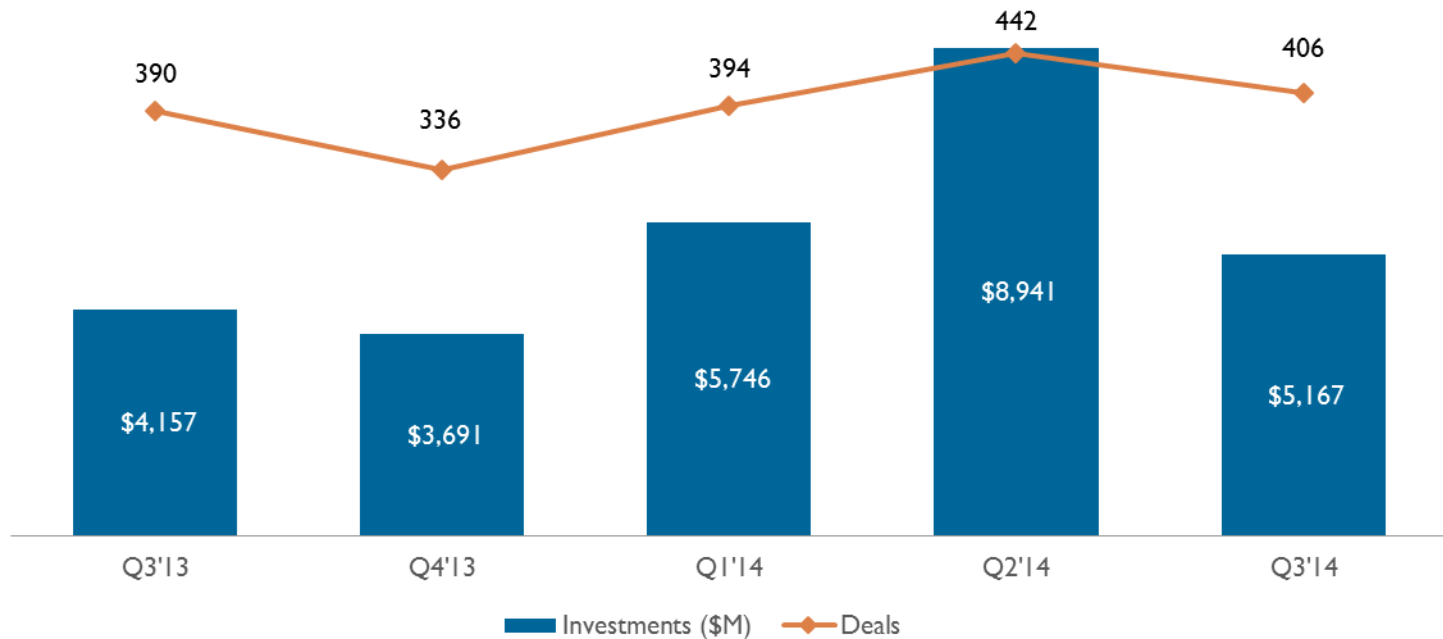


VENTURE CAPITAL FINANCING TRENDS: CALIFORNIA

BACK TO REALITY: CALI SEES \$5.17B INVESTED ACROSS 406 DEALS

California VC financing came off Q2's massive quarter as funding and deal levels fell 42% and 8% respectively. Uber's Q2 mega-financing's impact was massive.

California VC Investment and Deal Volume Trend
Five Quarter Trend



TOP CALIFORNIA VENTURE CAPITAL DEALS AND CITIES

San Francisco dominated all California cities in deals and dollars. Palantir Technologies, Houzz, and Lookout were on the receiving end of the three largest deals in Q3.

Top Cities in California: Q3 2014

Top Cities	Deals	Dollars (M)
San Francisco	141	\$1,628
Palo Alto	30	\$837
San Jose	20	\$315
Mountain View	20	\$189
Redwood City	17	\$296
Sunnyvale	16	\$144
San Mateo	14	\$110
San Diego	14	\$206
Santa Clara	10	\$132
Santa Monica	9	\$167

Top California Deals: Q3 2014

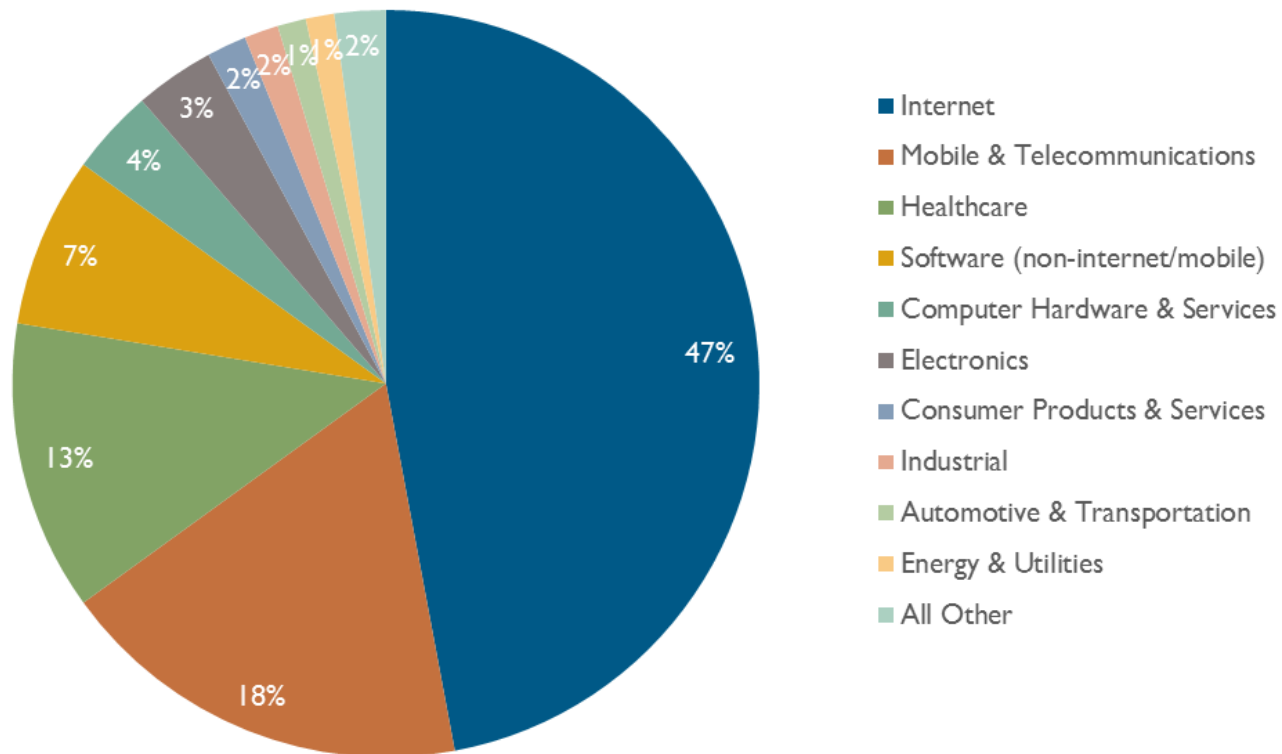
Company	Round	Amount (M)
Palantir Technologies	Series H	\$337
Houzz	Series D	\$165
Lookout	Series F	\$150
DataStax	Series E	\$106
Thumbtack	Series D	\$100

Note: Venture capital deals included in the ranking may be tranchied fundings.

MAJORITY OF CALIFORNIA VC DEAL ACTIVITY WENT TO INTERNET AND MOBILE COMPANIES

The Internet and Mobile & Telecom sectors accounted for 65% of all VC deals in Q3 2014.

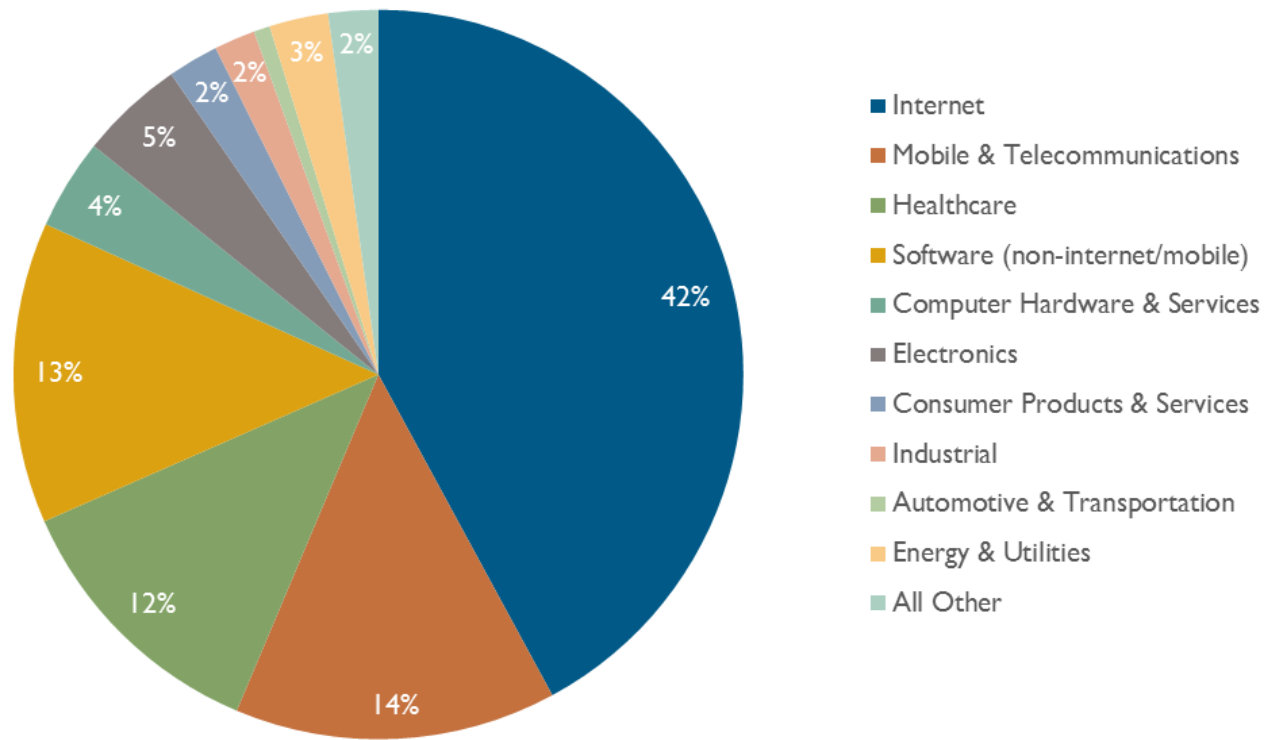
Share of California VC by Sector - Number of Deals
Q3 2014



INTERNET SECTOR TAKES OVER 1/3 OF ALL CALIFORNIA FUNDING

Internet companies took 42% of California's VC funding share in Q3 behind 3 \$100M+ rounds by Houzz, DataStax, and Thumbtack.

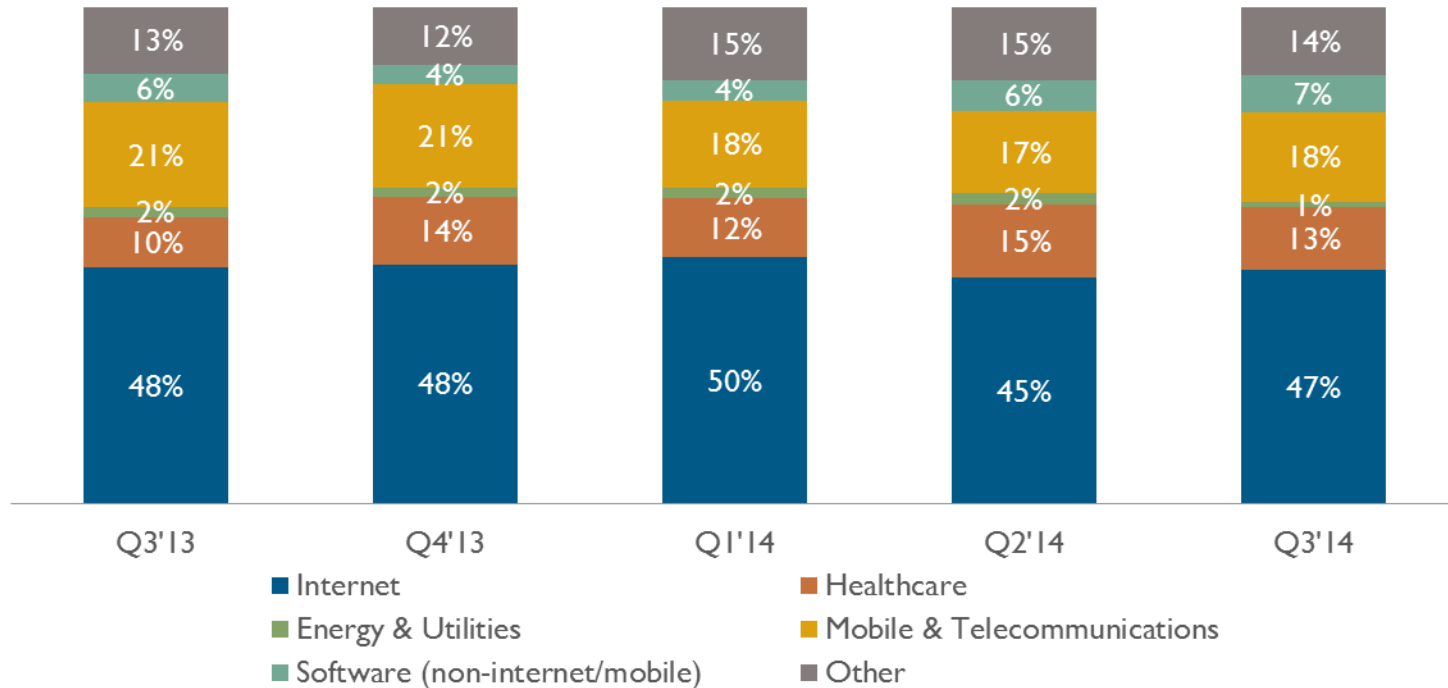
Share of California VC by Sector - Dollars of Funding
Q3 2014



INTERNET AND MOBILE SECTORS CONTINUE TO ATTRACT MAJORITY OF CALIFORNIA VC DEALS

Off of a slight increase from Q2, Internet and mobile companies have combined to take over 60% of all California VC deals in each of the past five quarters.

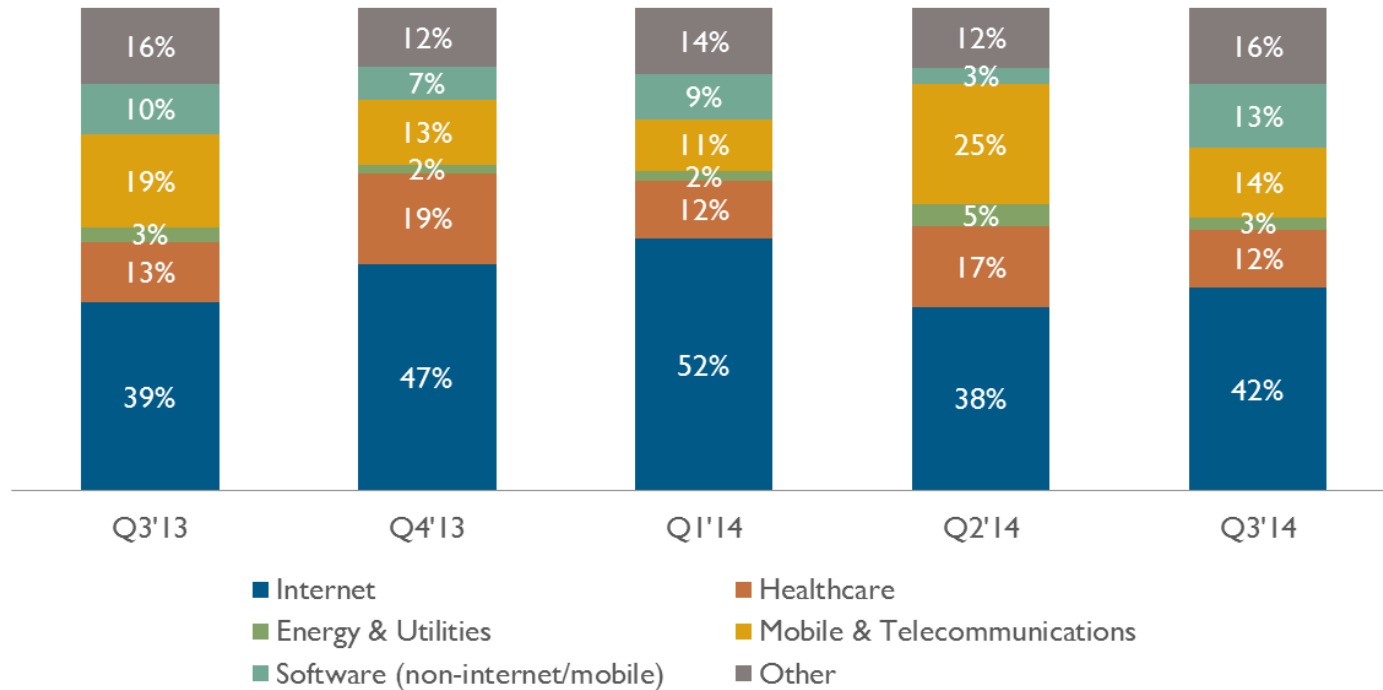
Share of VC in California by Sector - Number of Deals
Last Five Quarters



POST-UBER, MOBILE FUNDING SHARE FALLS BACK TO ITS HISTORICAL RANGE

California mobile funding share fell back to 14% after Uber's \$1.2B Series D saw California funding share rise to 25% in Q2'14. Other sectors remained fairly range bound, while Software (non-internet/mobile) reached a five-quarter high of 13%.

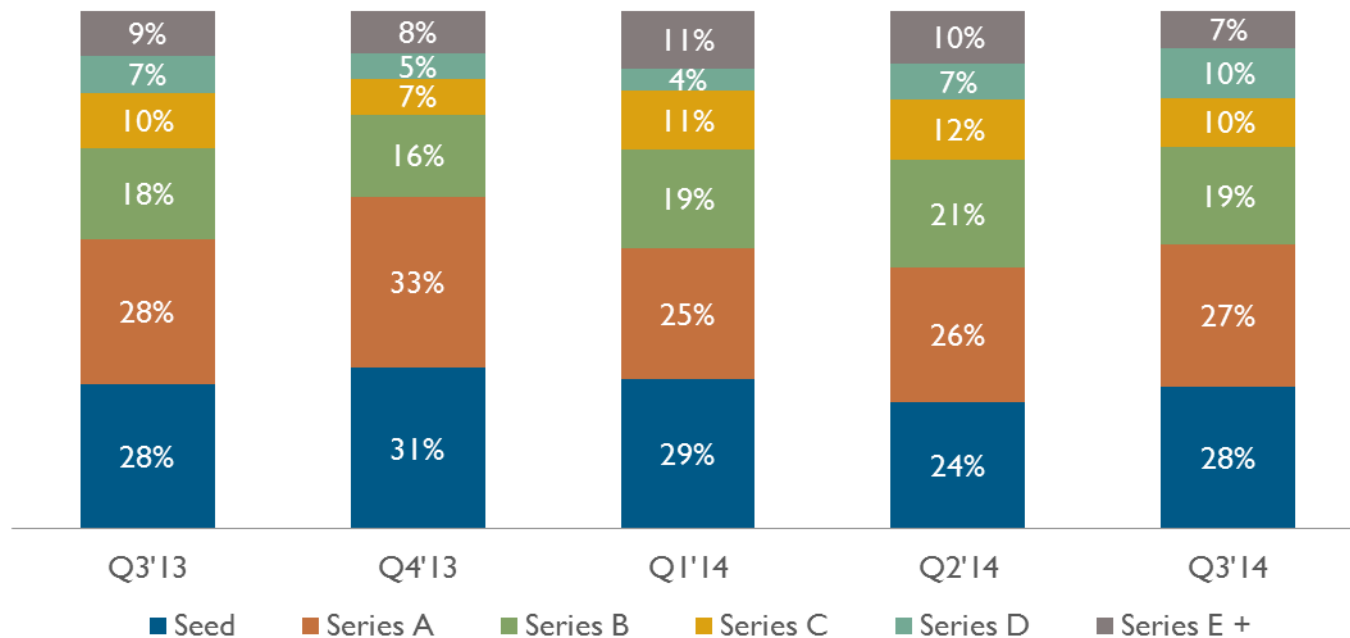
Share of VC in California by Sector - Dollars of Funding
Last Five Quarters



LATE-STAGE DEAL SHARE MATCHES FIVE-QUARTER HIGH IN CALIFORNIA

Late-stage deal share matched Q2's high of 17% of cumulative deal share, while deal share remained largely range-bound for the rest of the financing stages.

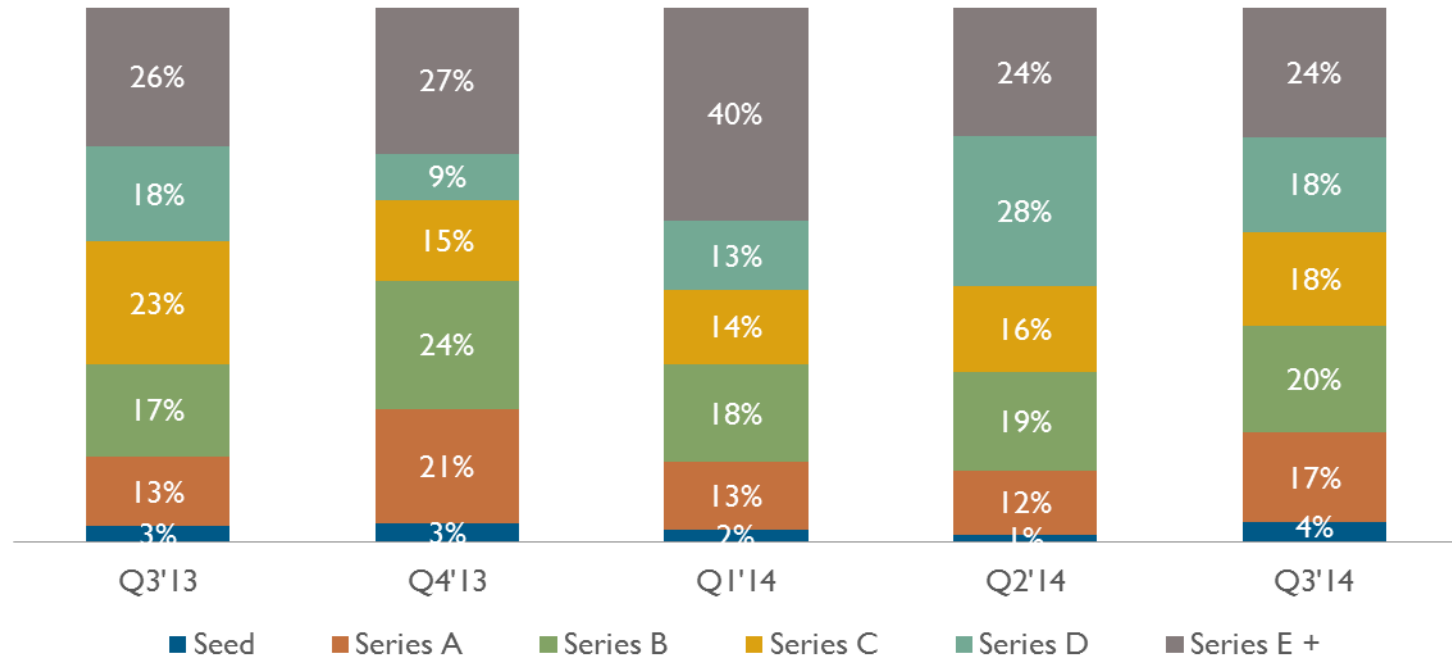
Share of VC in California by Series - Number of Deals
Last Five Quarters



LATE-STAGE CALIFORNIA VC FUNDING FALLS BELOW 50%

Series D+ VC funding in California companies fell below 50% for the first time since Q4'13, as Series A funding share bumped up to 17% versus 12% the previous quarter.

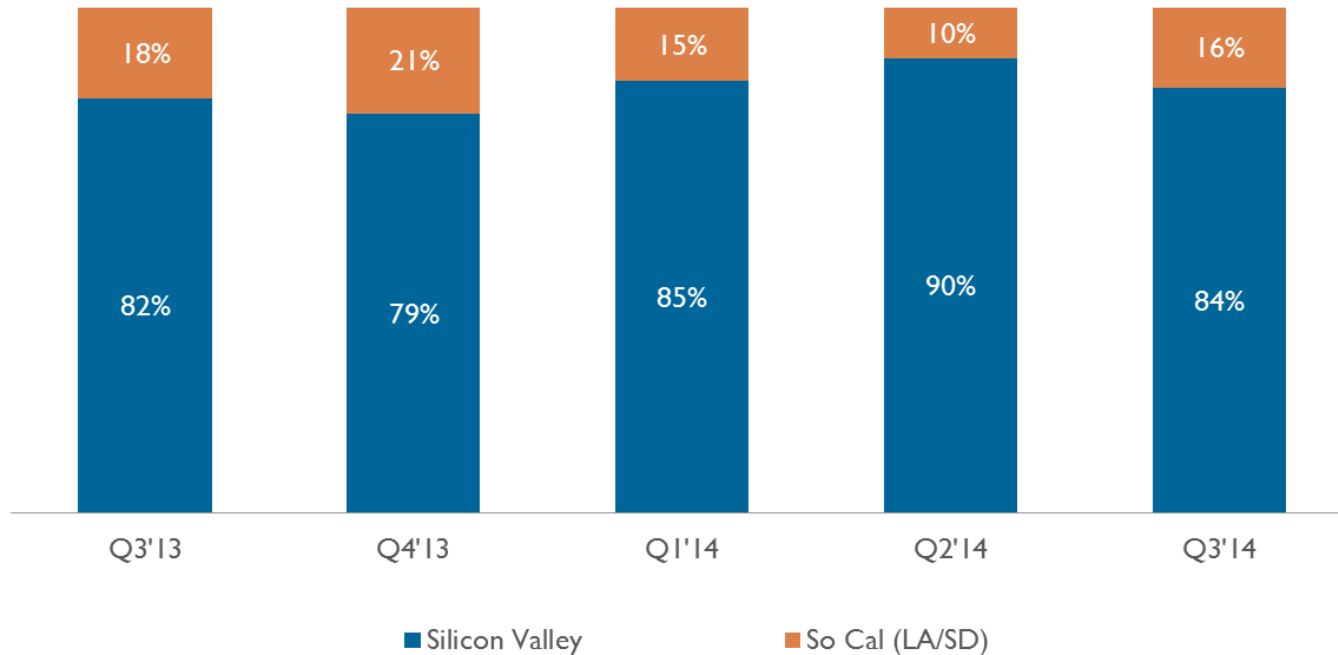
Share of VC in California by Series - Dollars of Funding
Last Five Quarters



SILICON VALLEY CONTINUES TO FLEX ITS VC FINANCING MUSCLE OVER SoCAL

Silicon Valley took 84% of California's overall VC financing deals in Q3 2014, the 4th time in 5 quarters that deal share has topped 80%.

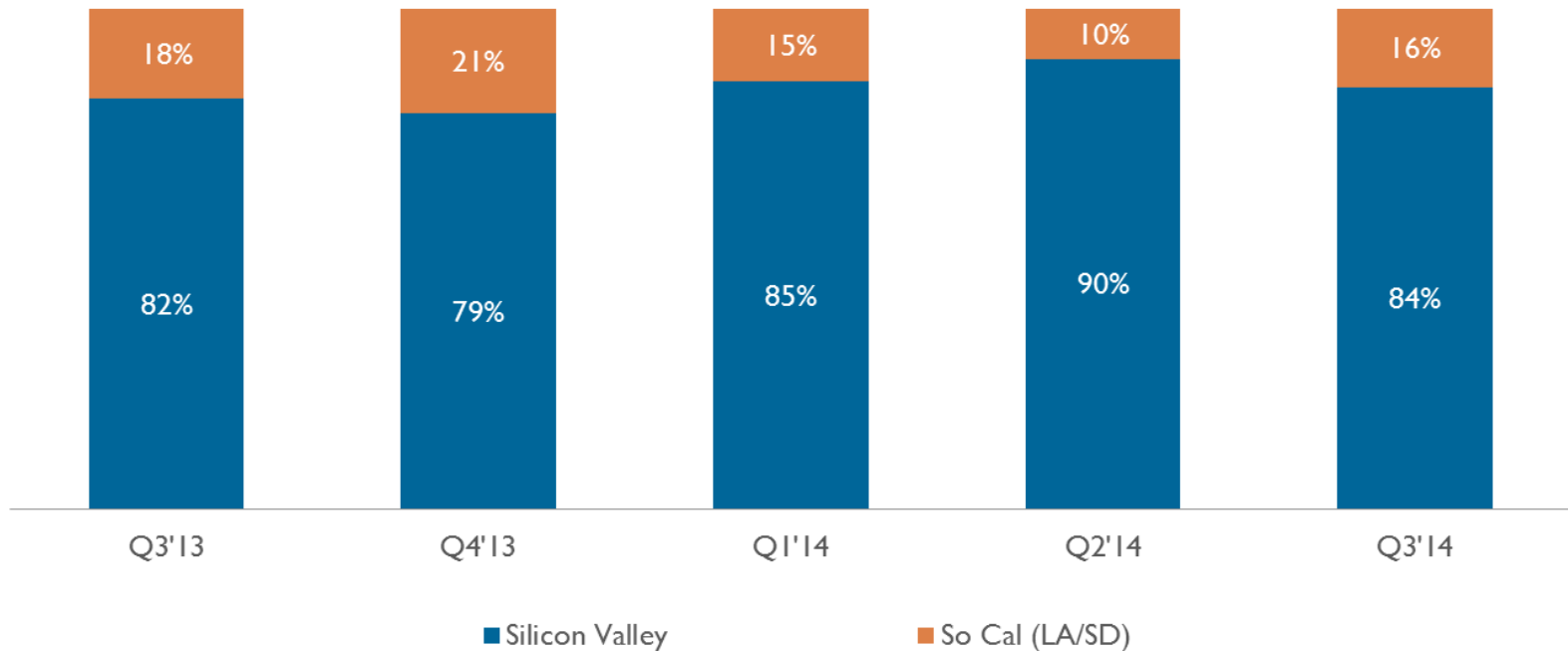
Share of VC in California by Region - Dollars of Funding
Last Five Quarters



SoCAL BOUNCES BACK A BIT ON FUNDING – BUT 84% OF CALI VC DOLLARS IN Q3 STILL WENT TO SILICON VALLEY

After a dominant Q2, SoCal narrowed its funding deficit in Q3, with 16% of the California's financing dollars. All 5 of the largest California-based financings went to Silicon Valley firms.

Share of VC in California by Region - Dollars of Funding
Last Five Quarters

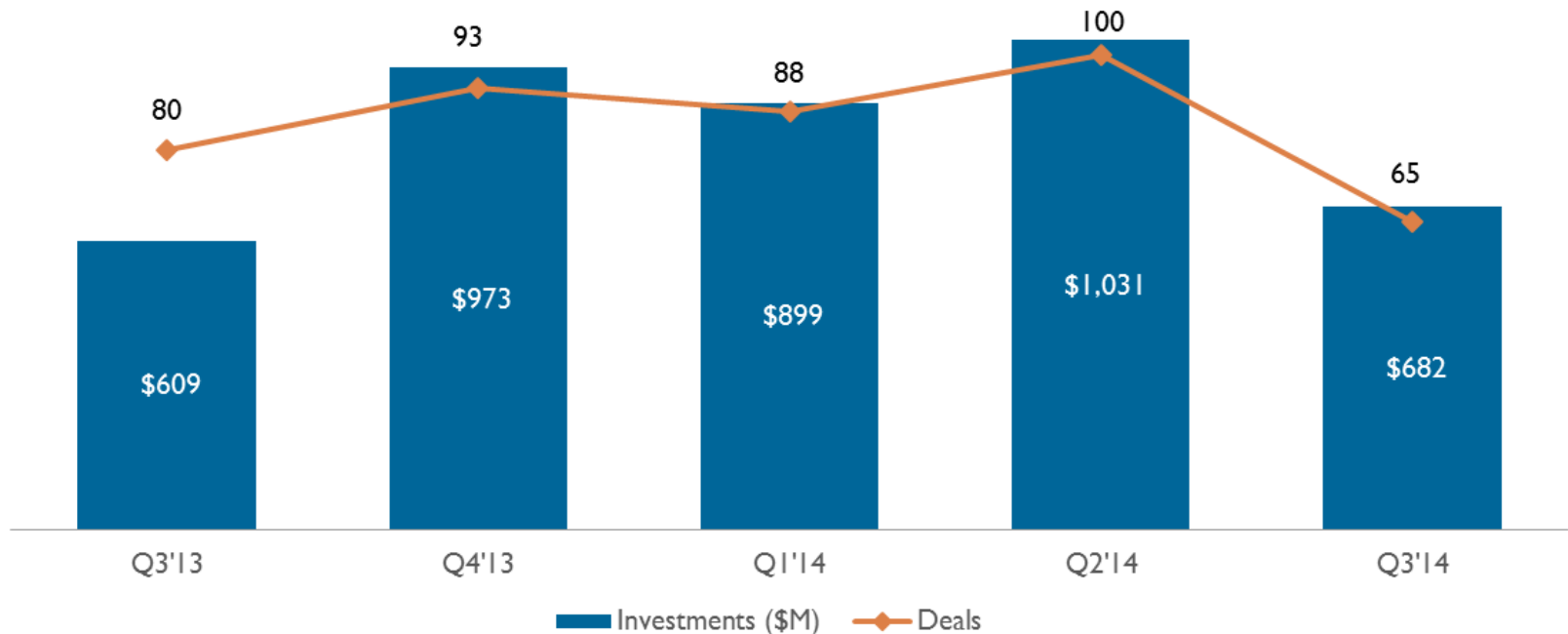


VENTURE CAPITAL FINANCING TRENDS: MASSACHUSETTS

MASSACHUSETTS FINANCING FALLS AFTER Q2's FIVE-QUARTER HIGHS

After a five-quarter high of funding in Q2, Massachusetts saw funding fall 34% in Q3 on a sequential basis. On a deal basis, volume fell 35% reaching a five-quarter low of just 65 deals. Deal levels hit a five quarter low.

Massachusetts VC Investment and Deal Volume Trend
Five Quarter Trend



TOP MASS. VENTURE CAPITAL DEALS AND CITIES

Cambridge and Boston were neck and neck with Boston firms closing just 2 more deals. Biopharmaceutical company Civitas Therapeutics' \$55M Series C was the largest in the quarter.

Top Cities in Massachusetts: Q3 2014

Top Cities	Deals	Dollars (M)
Boston	21	\$198
Cambridge	19	\$150
Burlington	3	\$90
Watertown	3	\$11
Waltham	2	\$51

Top Massachusetts Deals: Q3 2014

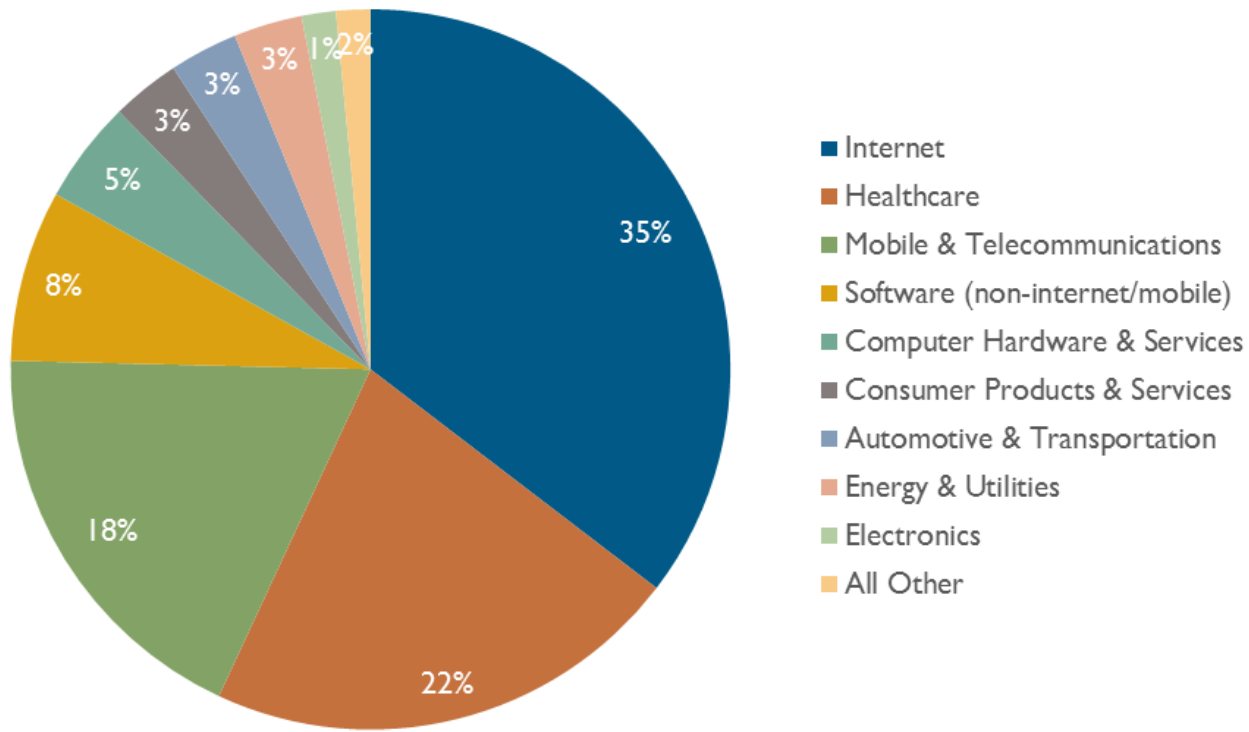
Company	Round	Amount (M)
Civitas Therapeutics	Series C	\$55
DraftKings	Series C	\$41
Flex Pharma	Series A	\$40
Veracode	Series F	\$40
Fractyl Laboratories	Series C	\$40

Note: Venture capital deals included in the ranking may be tranchéd fundings.

INTERNET AND HEALTHCARE TAKE OVER 1/2 OF MASSACHUSETTS VC DEALS

Internet led Massachusetts' deal share in Q3 2014 at 35% followed by healthcare at 22%. Mobile & Telecom came in third in the state at 18%.

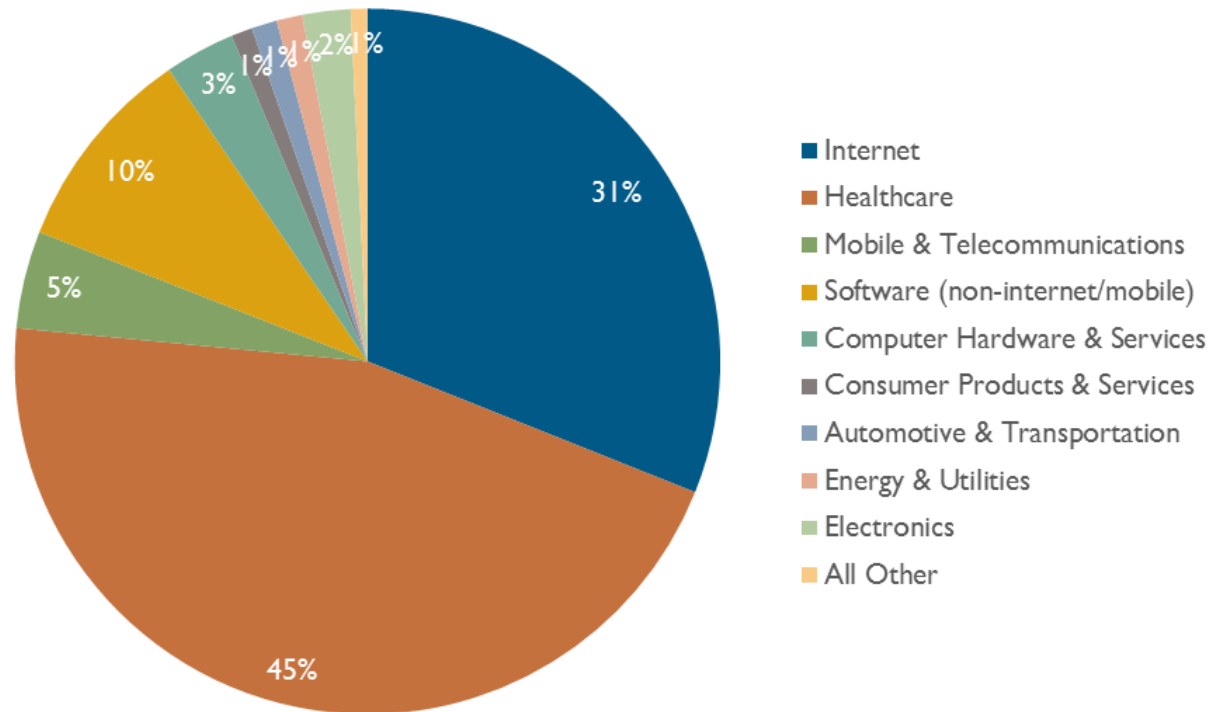
Share of Massachusetts VC by Sector - Number of Deals
Q3 2014



HEALTHCARE TOPS INTERNET FUNDING IN MASS.

With 6 of the 10 largest deals in Q3'14, the Healthcare sector edged out Internet by share of the state's funding in Q3 at 45%. Internet was a distant second with a 31% funding share.

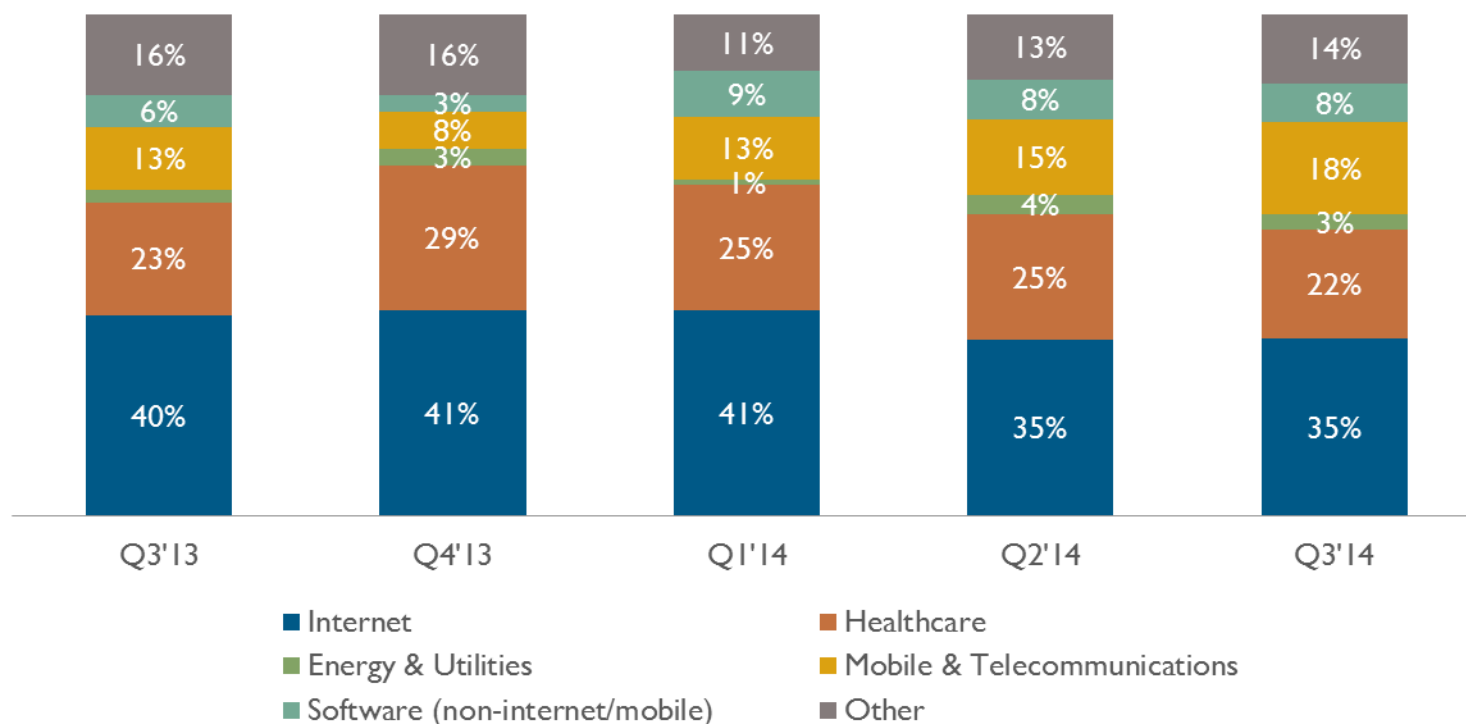
Share of Massachusetts VC by Sector - Dollars of Funding
Q3 2014



MOBILE SECTOR DEAL SHARE GROWS FOR FOURTH STRAIGHT QUARTER

The Mobile sector captured 18% of Mass. VC deals in Q3, up from the previous five-quarter high of 15% in Q2. Healthcare fell to a five-quarter low of 22%.

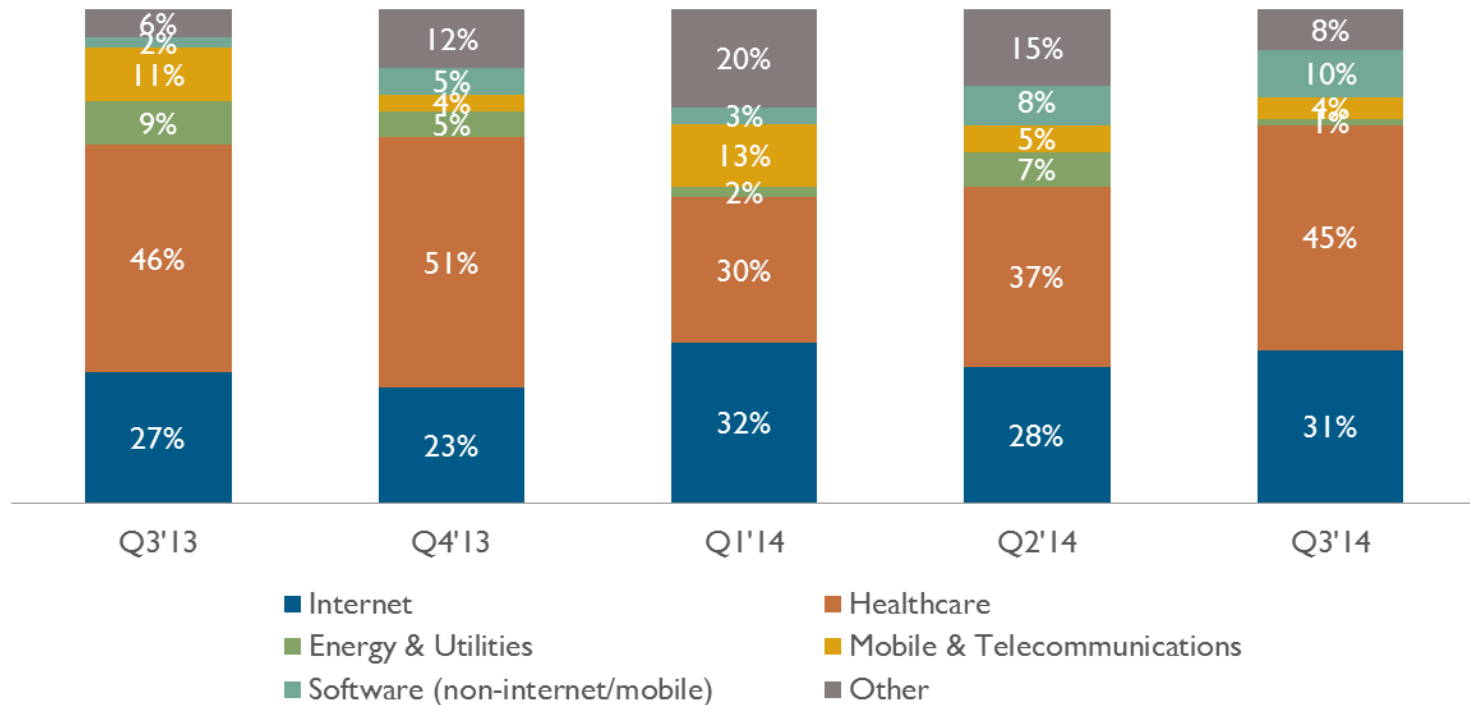
Share of VC in Massachusetts by Sector - Number of Deals
Last Five Quarters



HEALTHCARE FUNDING TOPS INTERNET SHARE FOR THIRD STRAIGHT QUARTER

After Internet funding share's brief quarter on top in Q1'14, Healthcare increased its lead with a 45% funding share in Q3'14.

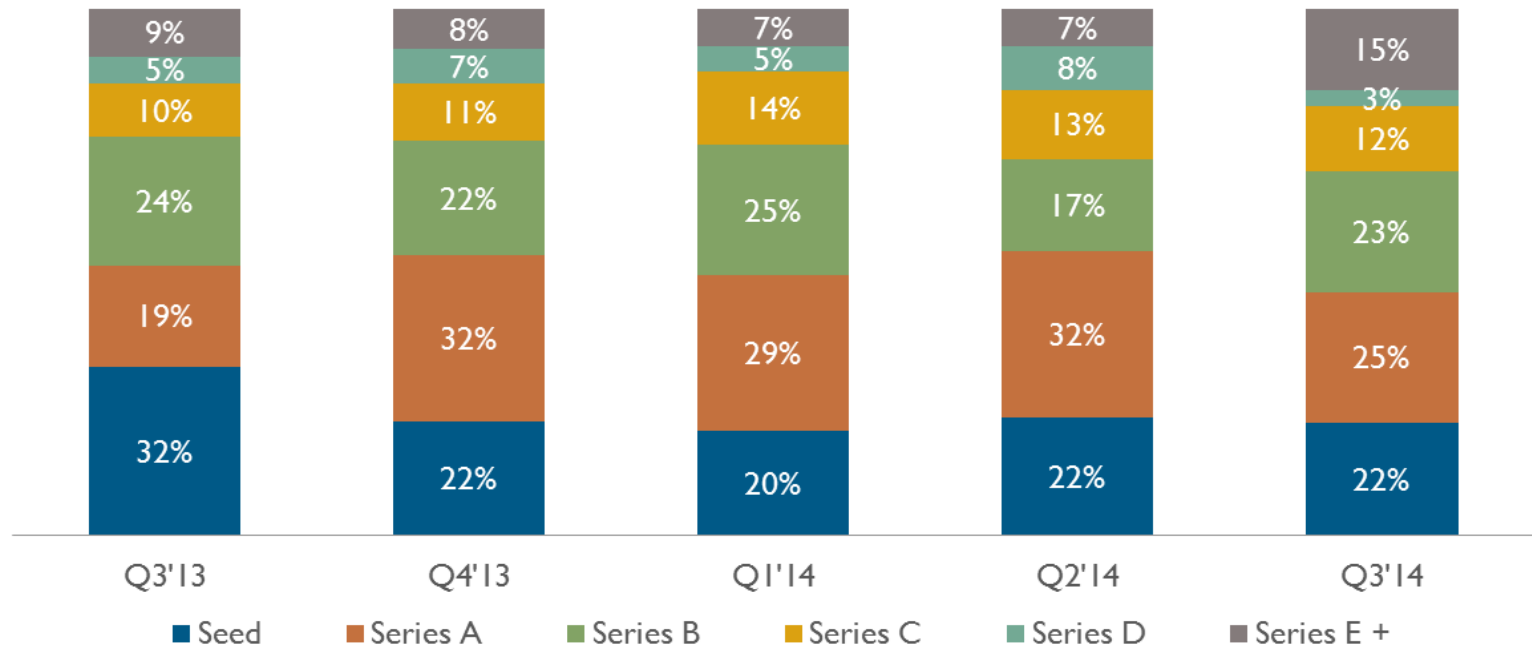
Share of VC in Massachusetts by Sector - Dollars of Funding
Last Five Quarters



LATE-STAGE DEALS IN MASSACHUSETTS REACH FIVE-QUARTER HIGH

After an up quarter for Mass. early-stage deals in Q2'14, early-stage financing share shrunk from 54% in Q2 to 47% in Q3. Late-stage deals hit a five-quarter high at 18% in Q3, up from 15% a quarter prior.

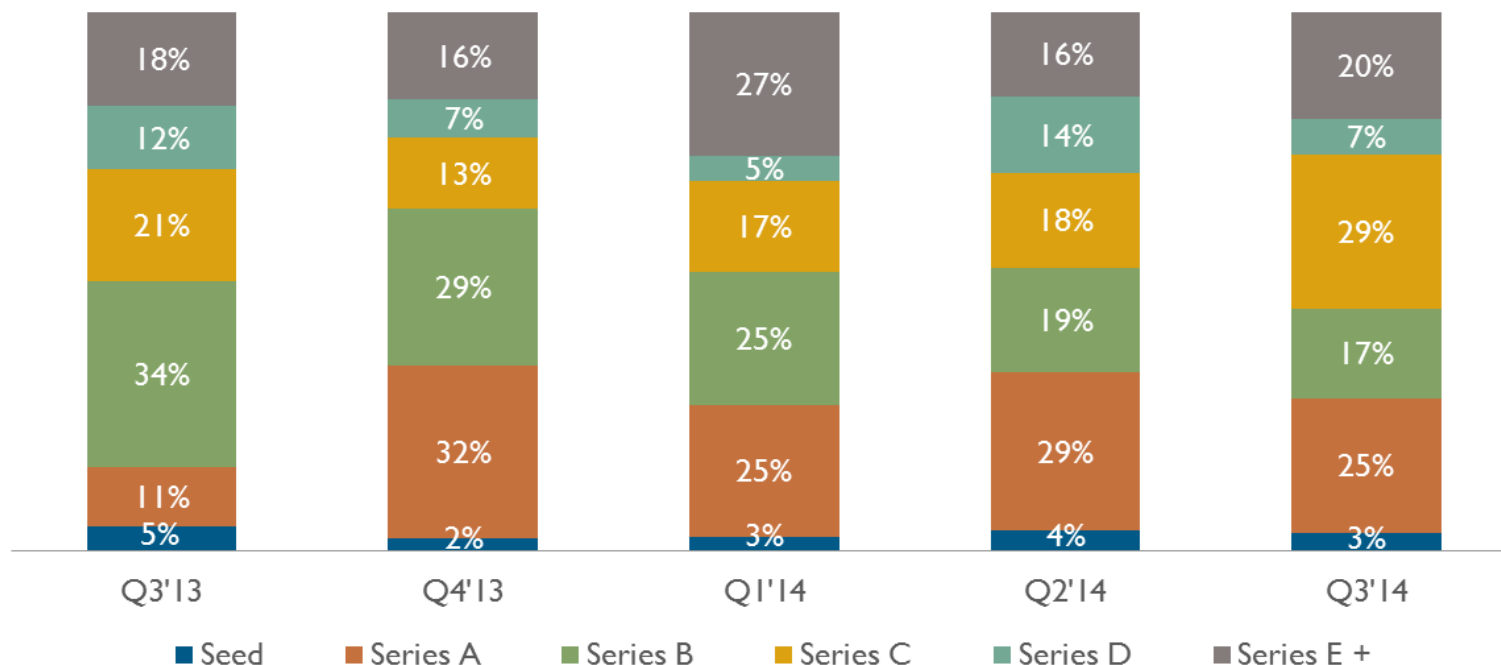
Share of VC in Massachusetts by Series - Number of Deals
Last Five Quarters



SERIES C FUNDING SHARE BOLSTERED BY TOP DEALS

Mass. Series C funding share reached a five-quarter high at 29% behind 3 of the four largest rounds in Massachusetts, all coming in at \$40M+.

Share of VC in Massachusetts by Series - Dollars of Funding
Last Five Quarters

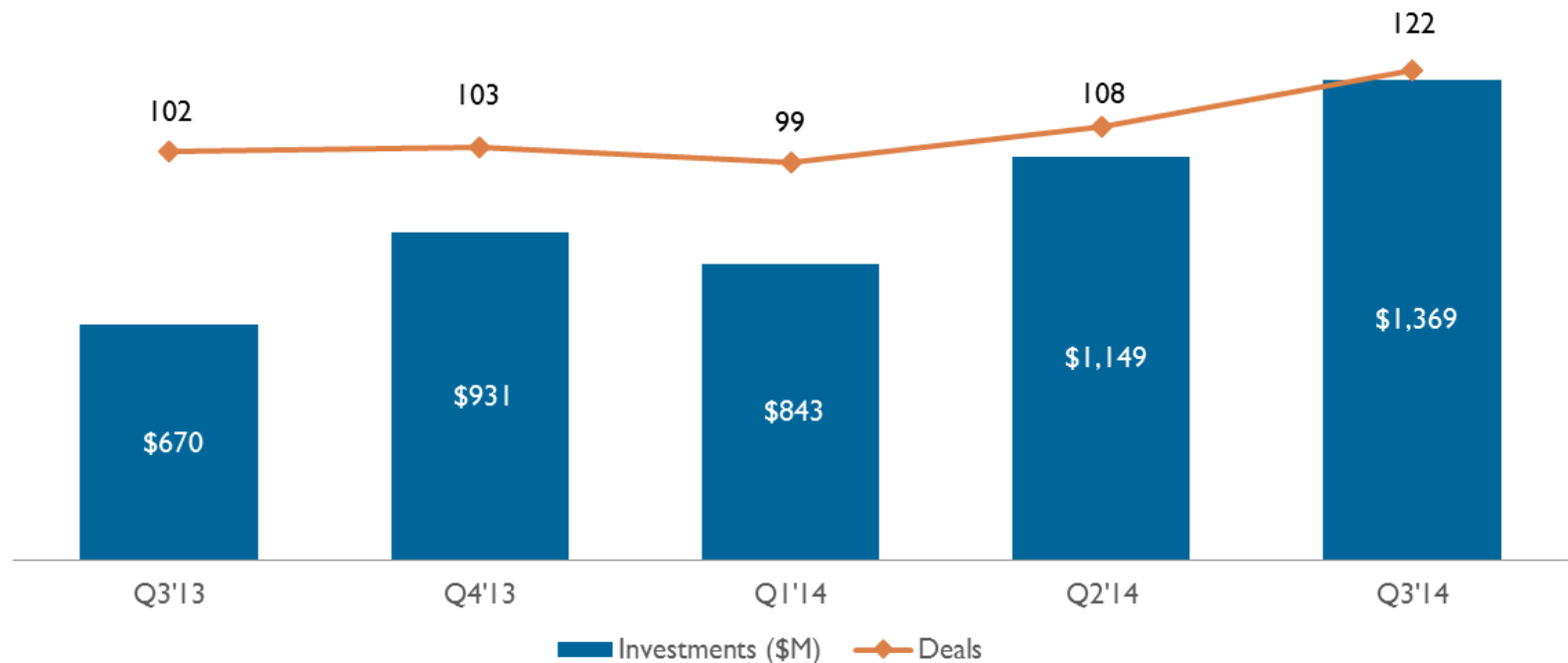


VENTURE CAPITAL FINANCING TRENDS: NEW YORK

NEW YORK VENTURE CAPITAL CONTINUES TO BE ON A TEAR IN Q3

Venture capital deal and funding levels hit ten-quarter highs in Q3 2014 as investors deployed over \$1B to NY-based startups for the second straight quarter. Q3 funding and deal levels grew 19% and 13% on a sequential basis.

New York VC Investment and Deal Volume Trend
Five Quarter Trend



TOP NEW YORK VENTURE CAPITAL DEALS AND CITIES

New York City saw a host of notable mid and late-stage deals in Q3 2014 including Vice Media, IEX Group, FanDuel, Pond5, and Data Driven Delivery Systems.

Top Cities in New York: Q3 2014

Top Cities	Deals	Dollars (M)
New York	107	\$1,055
Brooklyn	10	\$308
Forest Hills	2	\$5

Top New York Deals: Q3 2014

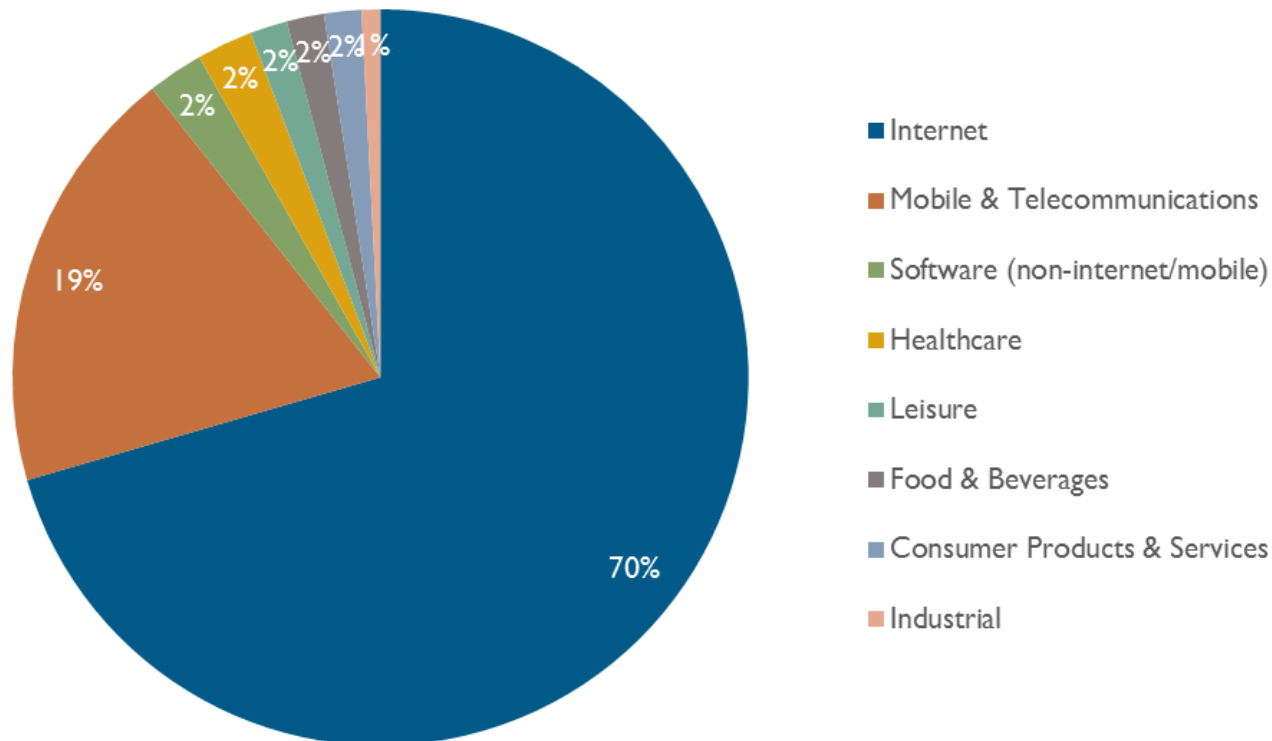
Company	Round	Amount (M)
Vice Media	Growth Equity	\$250
IEX Group	Series C	\$75
FanDuel	Series D	\$70
Pond5	Growth Equity	\$61
Data Driven Delivery Systems	Series B	\$61

Note: Venture capital deals included in the ranking may be tranchied fundings.

INTERNET DEALS DOMINATE NEW YORK VC

The Internet sector claimed over two-thirds of all NY deals in Q3 2014 while mobile sat in a distant second with 19% deal share.

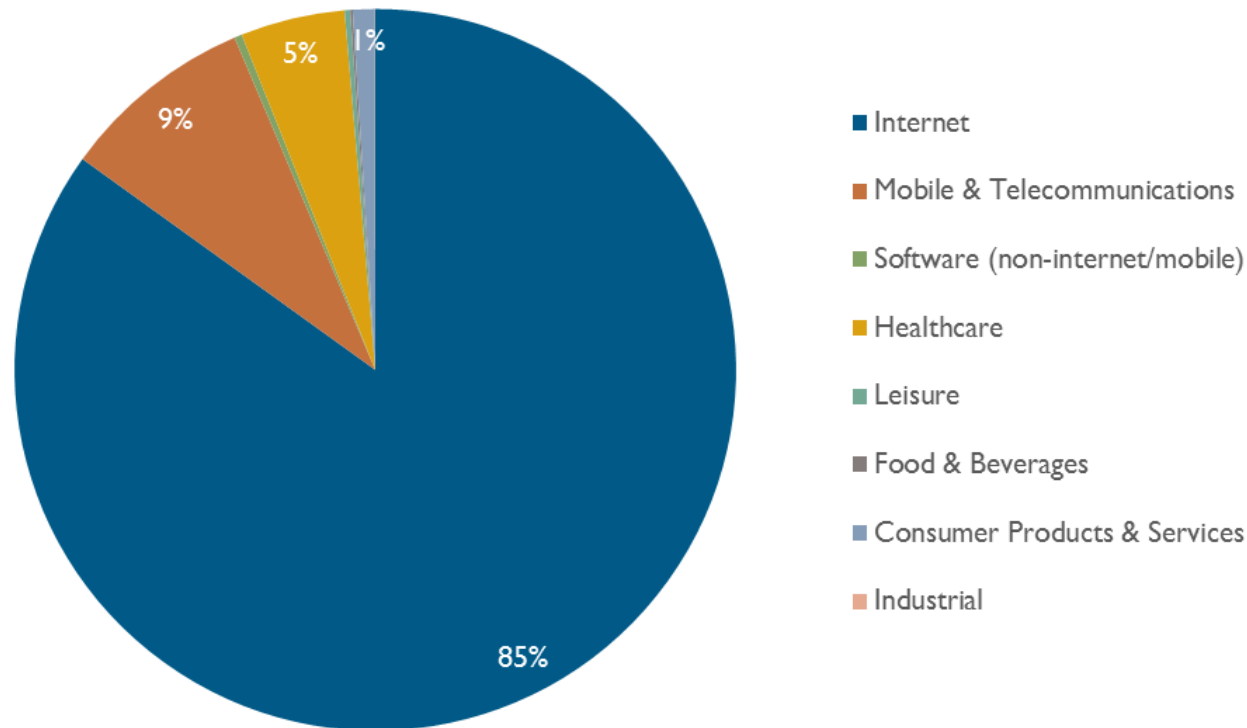
Share of New York VC by Sector - Number of Deals
Q3 2014



OVER 90% OF NEW YORK VC DOLLARS GO TO INTERNET AND MOBILE SECTORS

Q3 2014 saw the Internet sector garner 85% of NY VC dollars, with 8 of the 10 largest VC deals in NY being Internet firms. Mobile trailed with 9% funding share.

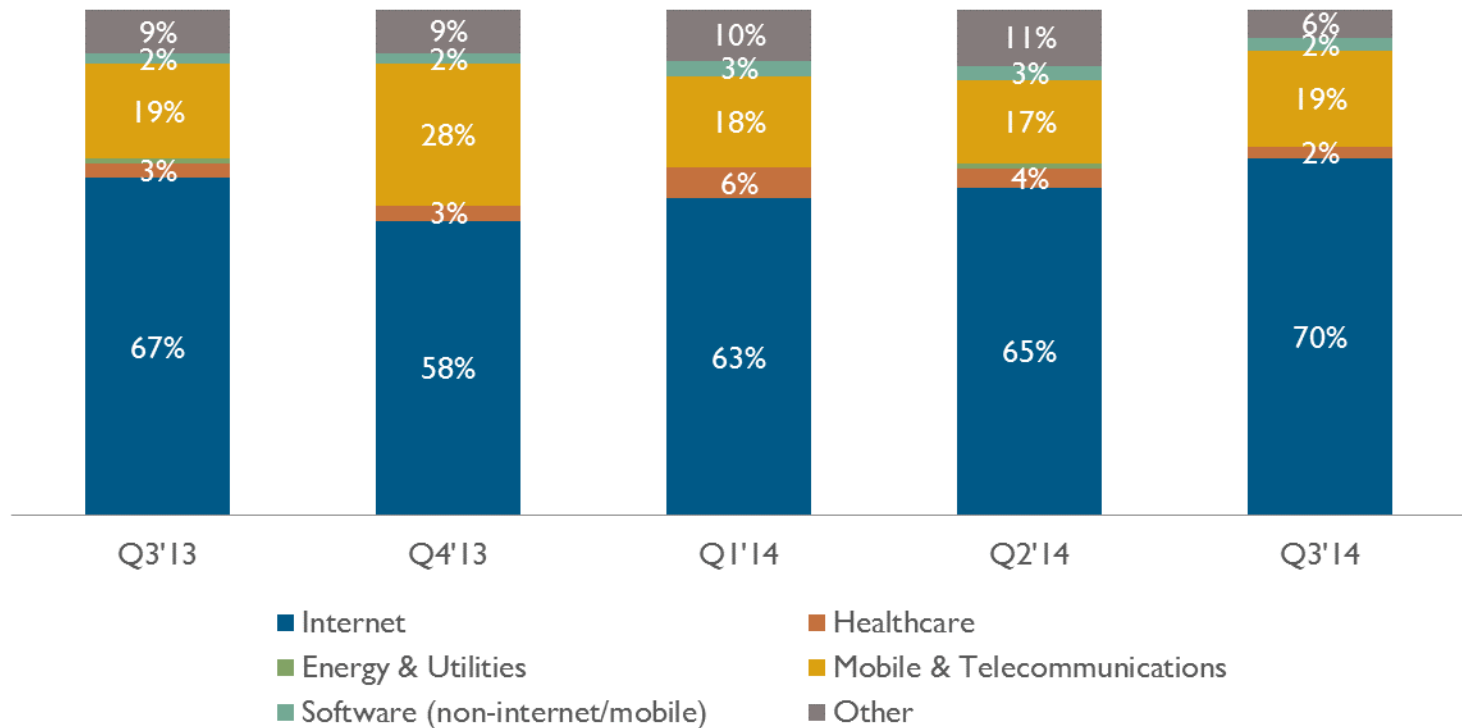
Share of New York VC by Sector - Dollars of Funding
Q3 2014



INTERNET SECTOR CONTINUES GROWTH AND HITS FIVE-QUARTER HIGH

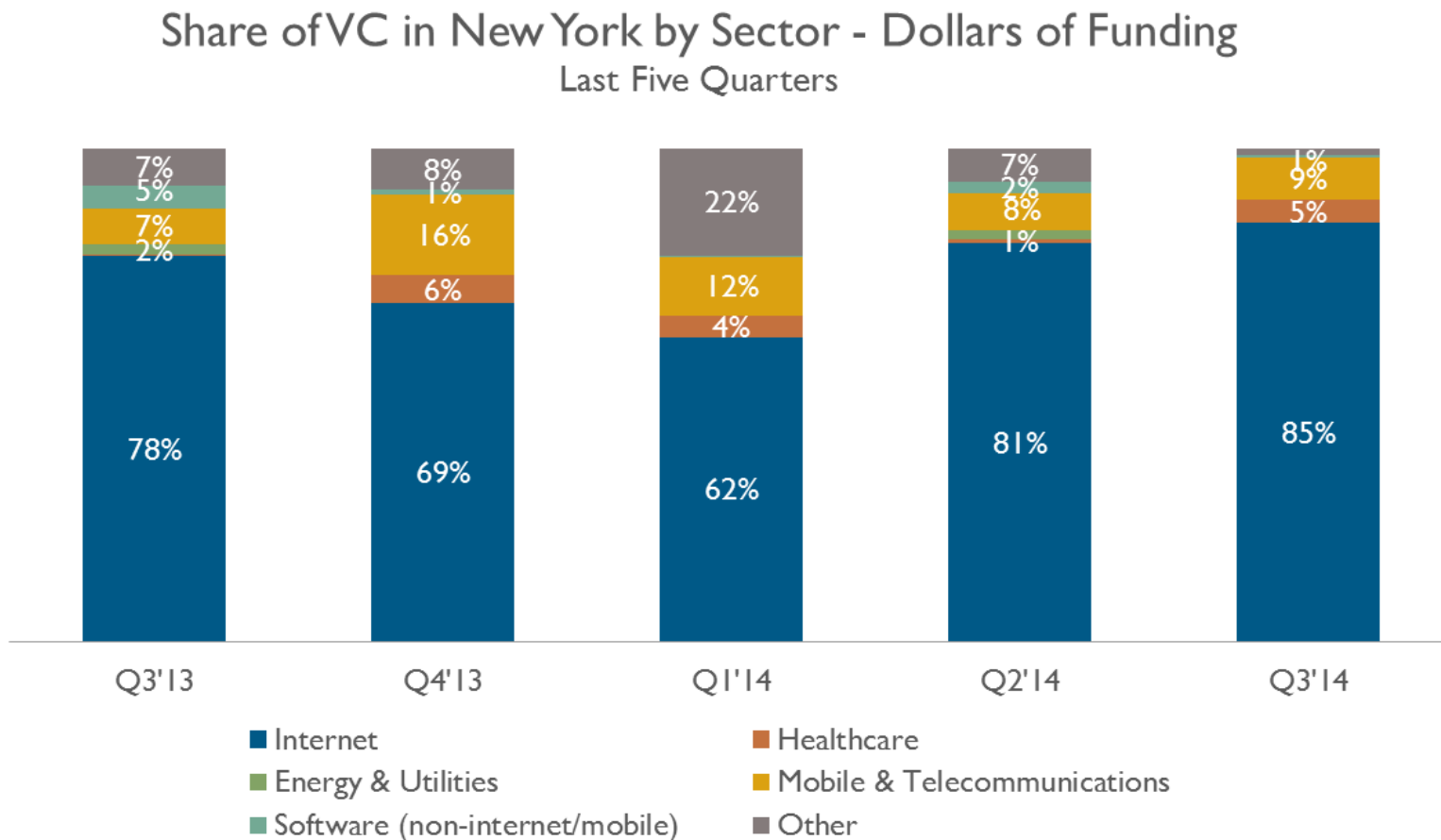
Internet VC deal share in New York increased for the fourth straight quarter to a five-quarter high of 70% in Q3'14. Mobile VC deal share rose slightly to 19%.

Share of VC in New York by Sector - Number of Deals
Last Five Quarters



INTERNET DOMINATION IN NY CONTINUES IN Q3

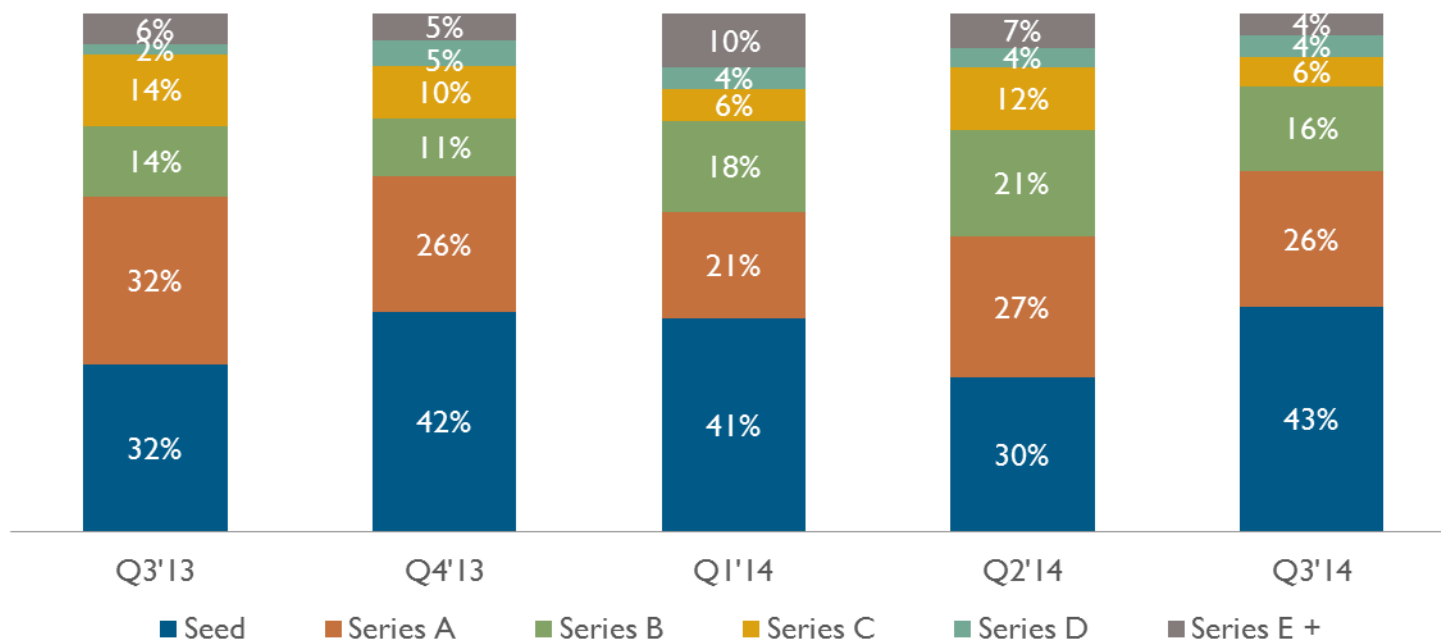
Internet continued to lead NY VC as funding share reached a five-quarter high hitting 85%. Other sectors fell for the second straight quarter to just 1%, while healthcare bounced back with a 5% funding share.



SEED DEAL SHARE IN NY BOUNCES OFF LOWS

Seed VC deal share in NY bounced off of Q2'14's five-quarter low of 30% to reach a five-quarter high of 43% in Q3. After all other stages grew from Q1 to Q2, deal share reverted back, with Series A-E+ share all falling or staying even in Q3.

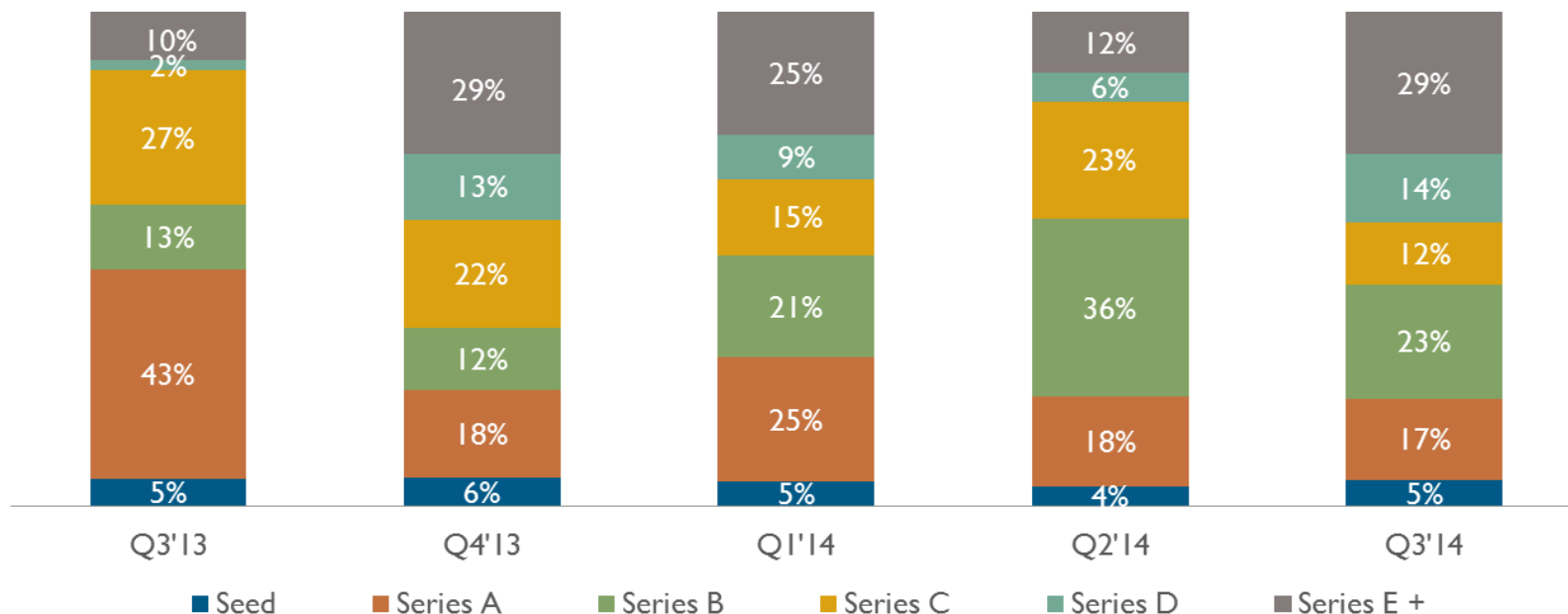
Share of VC in New York by Series - Number of Deals
Last Five Quarters



MID-STAGE FUNDING SHARE DECREASES AMID LARGER LATE-STAGE ROUNDS

Vice Media's \$250M growth equity financing buoyed Series E+ funding share in NY as cumulative mid and early-stage shares dropped on a sequential basis.

Share of VC in New York by Series - Dollars of Funding
Last Five Quarters

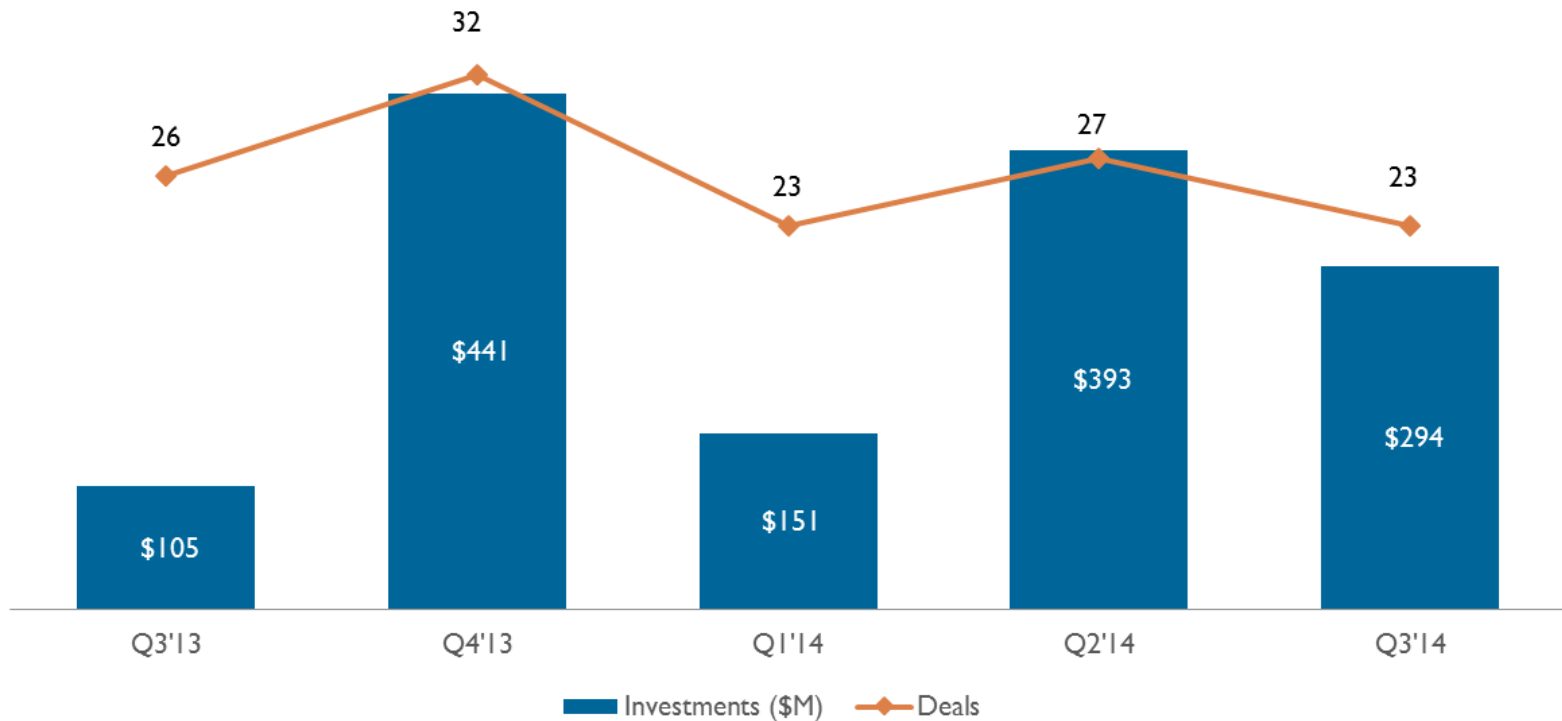


VENTURE CAPITAL FINANCING TRENDS: WASHINGTON

WASHINGTON VC INVESTMENTS' UPS AND DOWNS CONTINUE

After Washington's funding and deal growth in Q2, both deals and dollars shrunk to \$294M invested across 23 deals in Q3.

Washington VC Investment and Deal Volume Trend
Five Quarter Trend



TOP WASHINGTON VENTURE CAPITAL DEALS AND CITIES

Seattle took the lion's share of venture capital deals and dollars in Washington. Clinical stage cancer immunotherapy company Juno Therapeutics led all deals with a \$134M Series B financing from ARCH Venture Partners, Venrock, Bezos Expeditions, and Alaska Permanent Fund.

Top Cities in Washington: Q3 2014

Top Cities	Deals	Dollars (M)
Seattle	18	\$268
Redmond	2	\$4

Top Washington Deals: Q3 2014

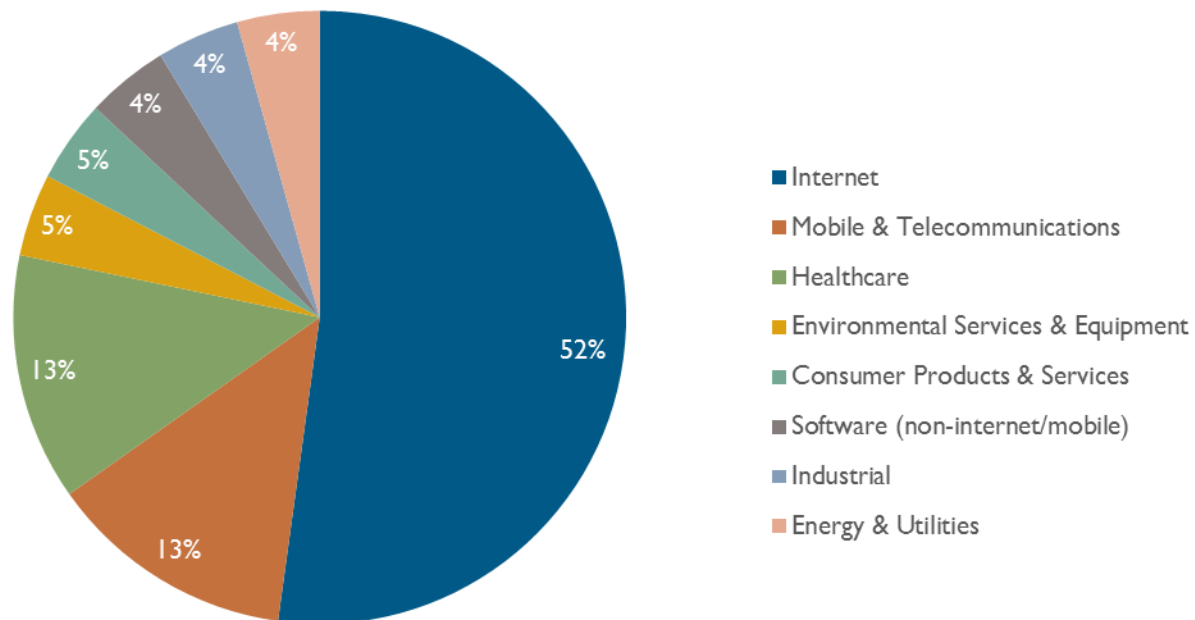
Company	Round	Amount (M)
Juno Therapeutics	Series B	\$134
Porch	Series A	\$28
VentiRx Pharmaceuticals	Series A	\$26
MicroGreen Polymers	Series D	\$17

Note: Venture capital deals included in the ranking may be tranchéd fundings.

INTERNET ACCOUNTS FOR HALF OF WASHINGTON DEALS

The Internet sector took 52% of all venture capital deals in Washington in Q3 led by Porch's \$27.6M Series A. Mobile and Healthcare came in second with a 13% deal share each.

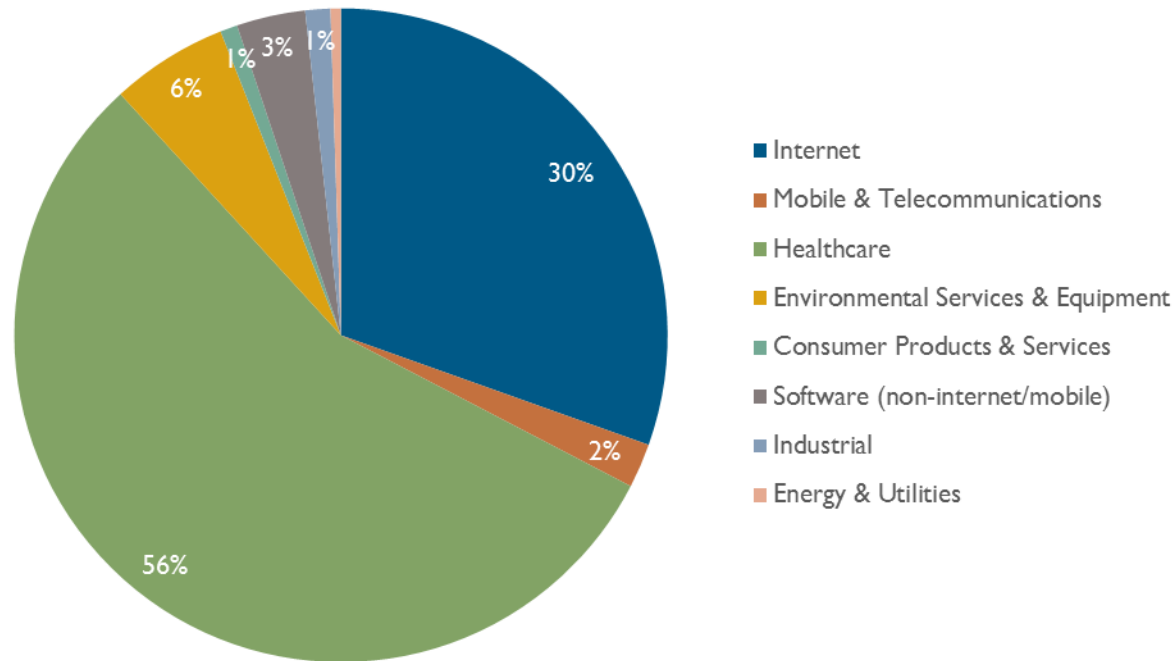
Share of Washington VC by Sector - Number of Deals
Q3 2014



OVER 85% OF WASHINGTON VC DOLLARS GO TO INTERNET AND HEALTHCARE SECTORS

Behind Juno Therapeutics massive fundraise, Healthcare accounted for 56% of all VC dollars to Washington-based companies. Internet came in second with a 30% funding share.

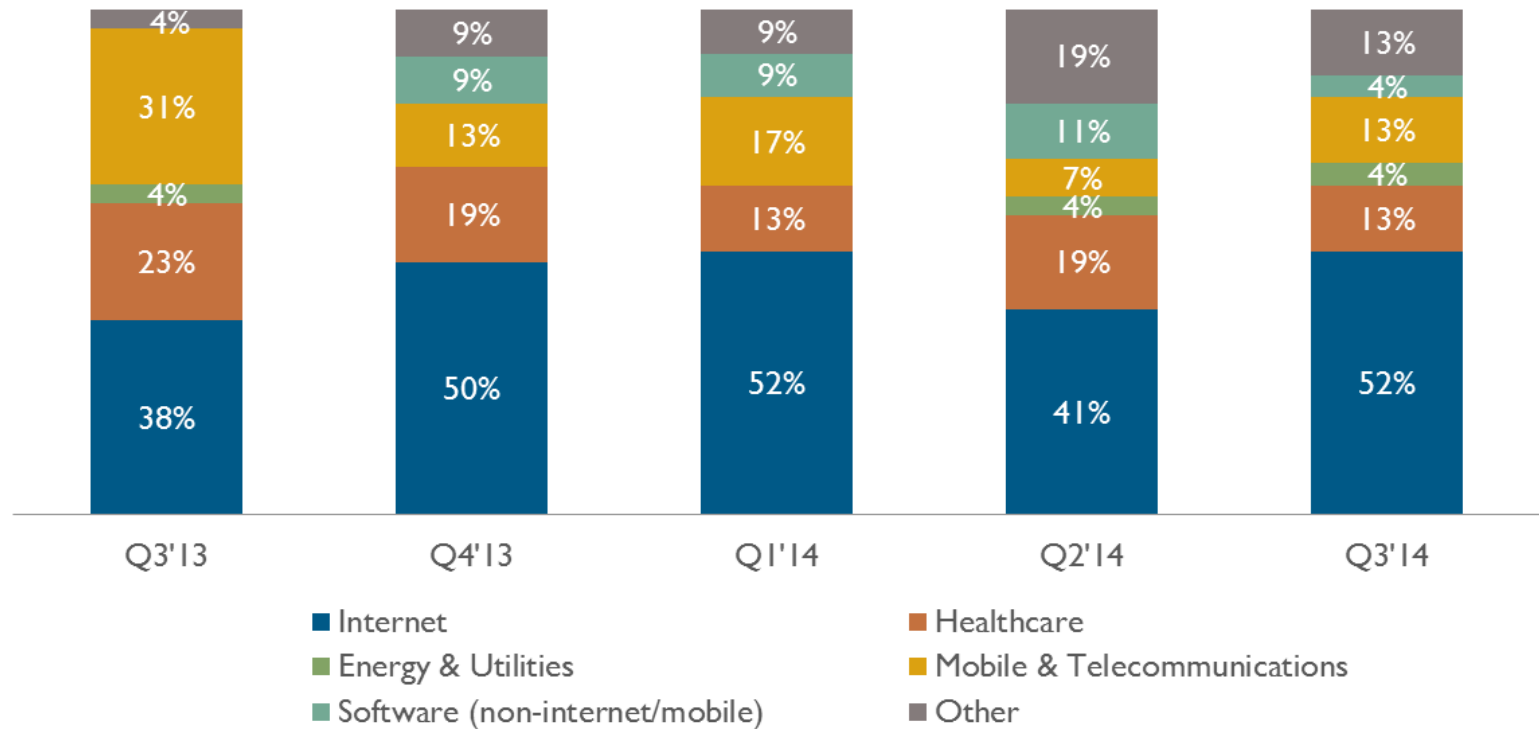
Share of Washington VC by Sector - Dollars of Funding
Q3 2014



INTERNET AND MOBILE DEAL SHARES GROW

After down quarters for both Internet and Mobile deal share, both sectors bounced back with Internet taking 50% of all VC deals in Washington, and Mobile garnering a 13% deal share. Software fell of its high in Q2 to a new four-quarter low of 4%.

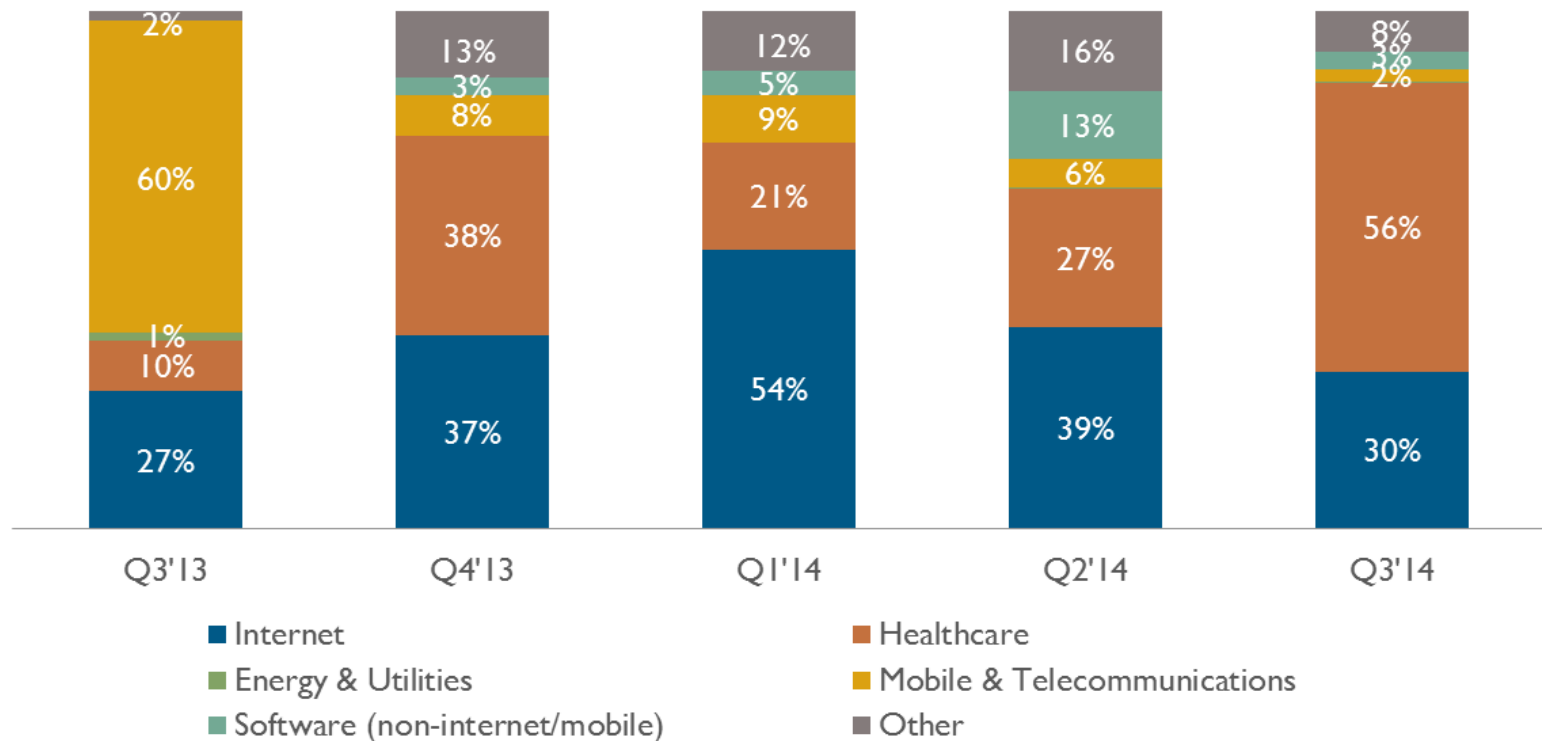
Share of VC in Washington by Sector - Number of Deals
Last Five Quarters



HEALTHCARE UP AS FUNDING SHARE SLIPS FURTHER

Washington VC funding share to the Internet sector fell for the second straight quarter to 30% in Q3'14 as Healthcare hit a five-quarter high of 56% behind Juno's mega-round.

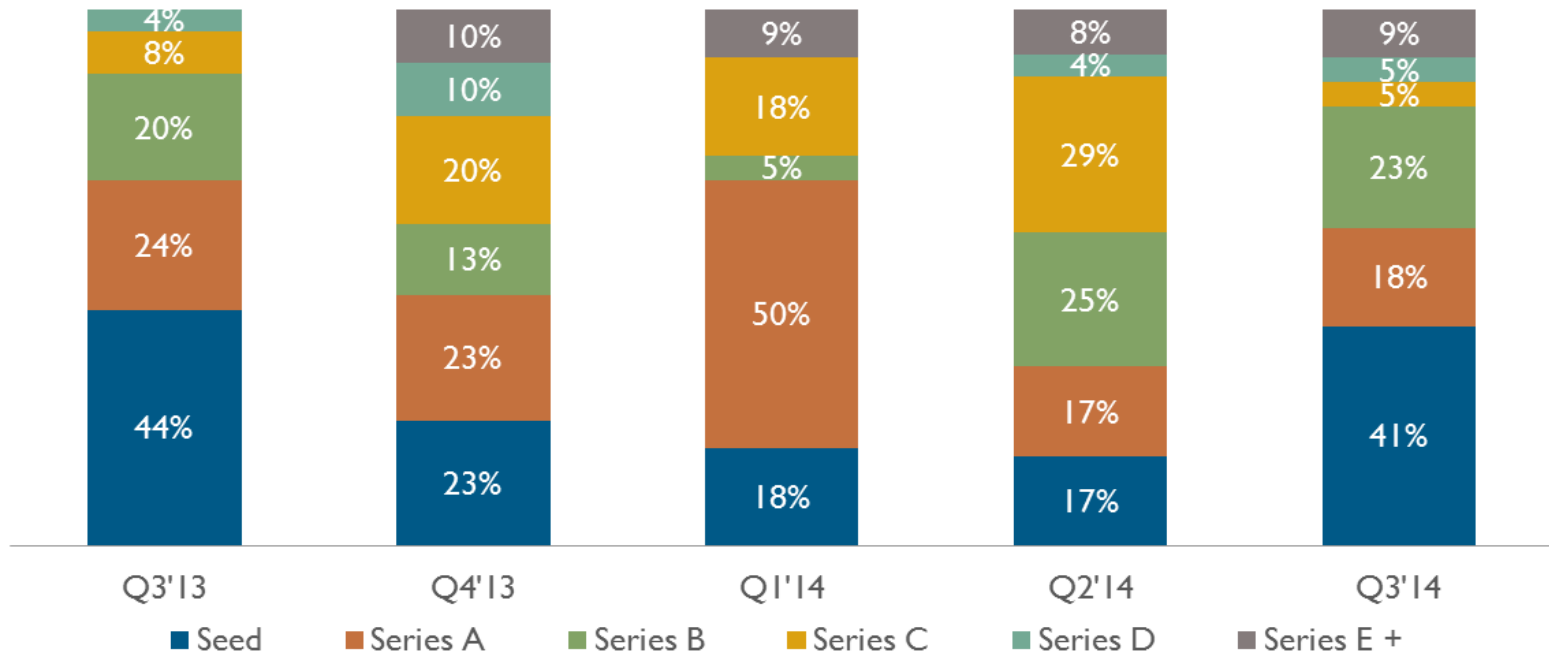
Share of VC in Washington by Sector - Dollars of Funding
Last Five Quarters



SEED DEAL SHARE REACHES FOUR-QUARTER HIGH

After a low in Q2'14, Seed deal share grew to 41% in Q3 while Series C share fell from 29% in Q2 to just 5% in Q3.

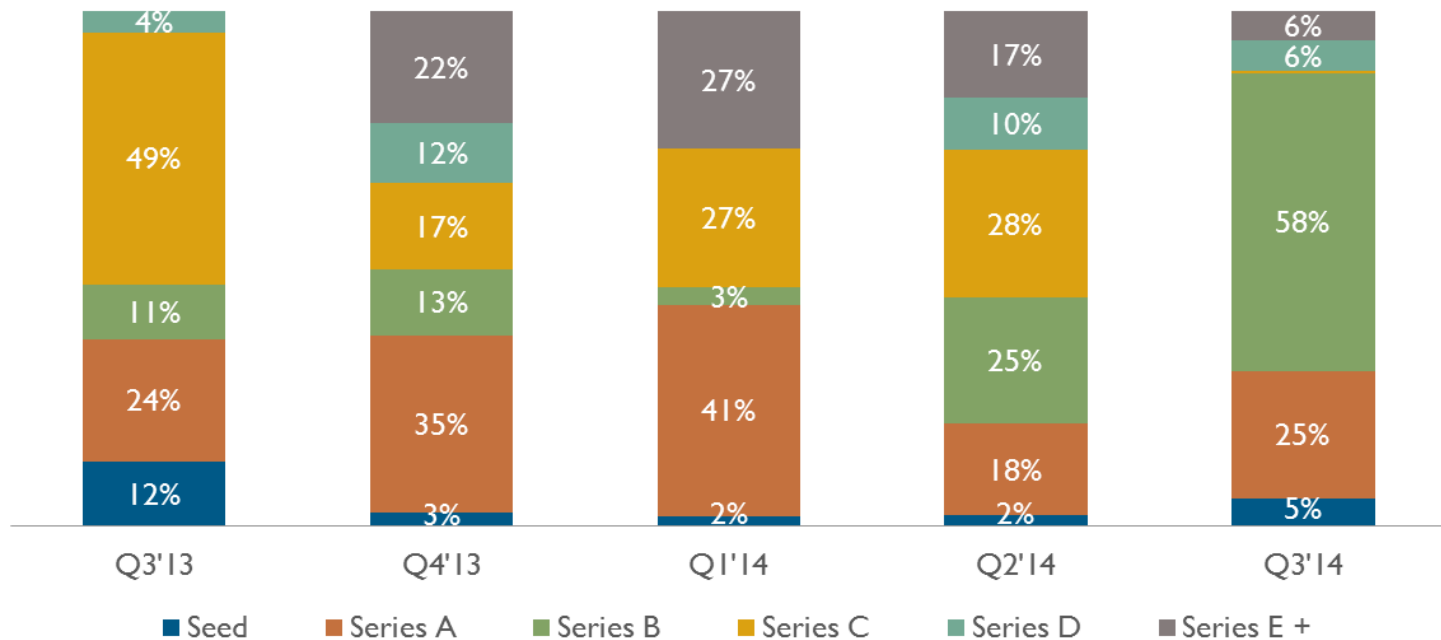
Share of VC in Washington by Series - Number of Deals
Last Five Quarters



SERIES B FUNDING SHARE ACCOUNT FOR 58% OF ALL WASHINGTON VC DOLLARS

Juno's \$134M Series B drove a massive funding share of 58% in Washington VC. Late-stage funding fell from a cumulative 27% to 11% in Q3 while Series A funding share grew from 18% to 25%.

Share of VC in Washington by Series - Dollars of Funding
Last Five Quarters

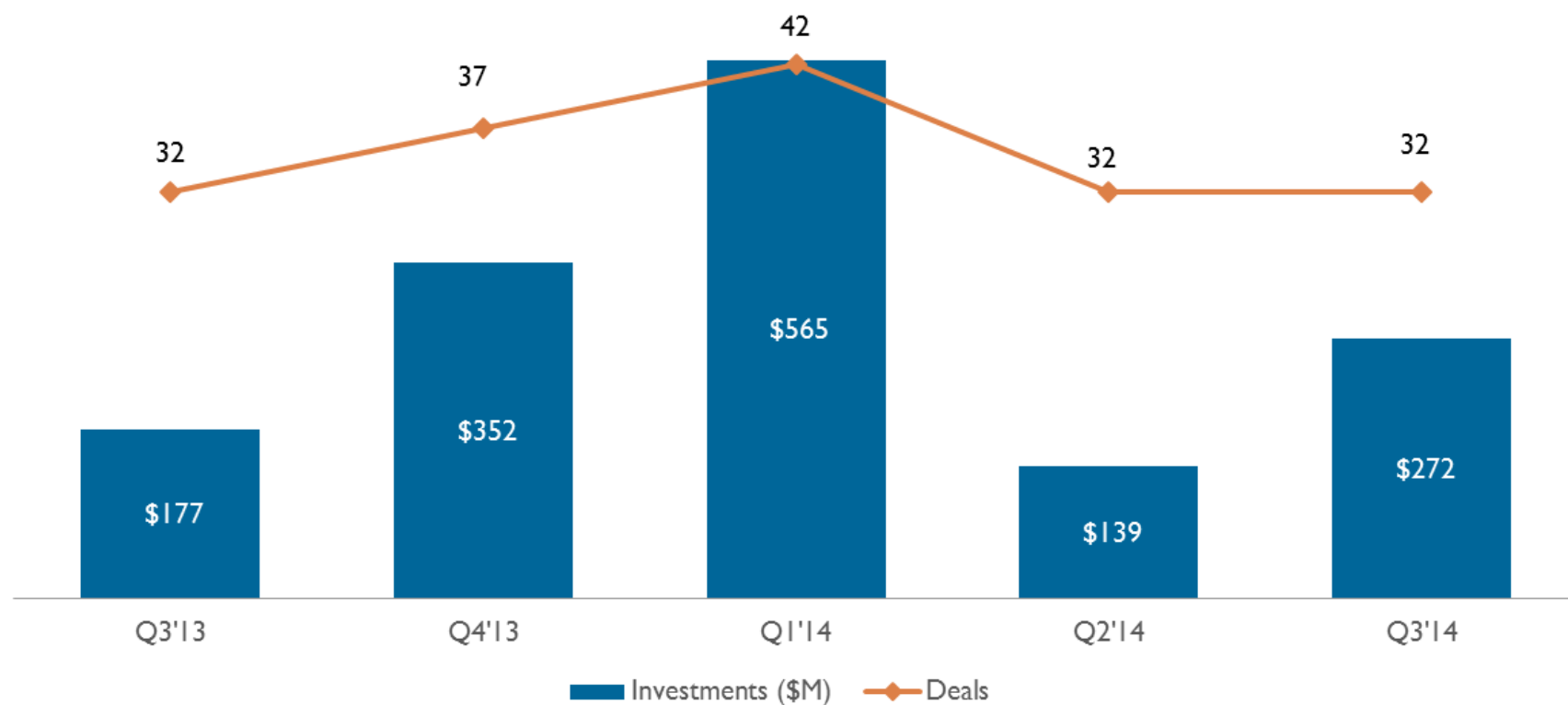


VENTURE CAPITAL FINANCING TRENDS: TEXAS

TEXAS VC FUNDING SEES FUNDING NEARLY DOUBLE

Texas VC funding grew modestly from Q2's lows, with a 96% sequential funding growth across the same number of deals.

Texas VC Investment and Deal Volume Trend
Five Quarter Trend



TOP TEXAS VENTURE CAPITAL DEALS AND CITIES

Austin once again dominated Texas venture capital financing activity in Q3, seeing over 5x as many deals as the second most active city, Dallas. Drug development company Bellicum Pharmaceuticals' \$55M Series C topped the list of largest Texas financings, followed by telehealth company TelaDoc's \$50M Series F.

Top Cities in Texas: Q3 2014

Top Cities	Deals	Dollars (M)
Austin	16	\$67
Dallas	3	\$56
Houston	2	\$59

Top Texas Deals: Q3 2014

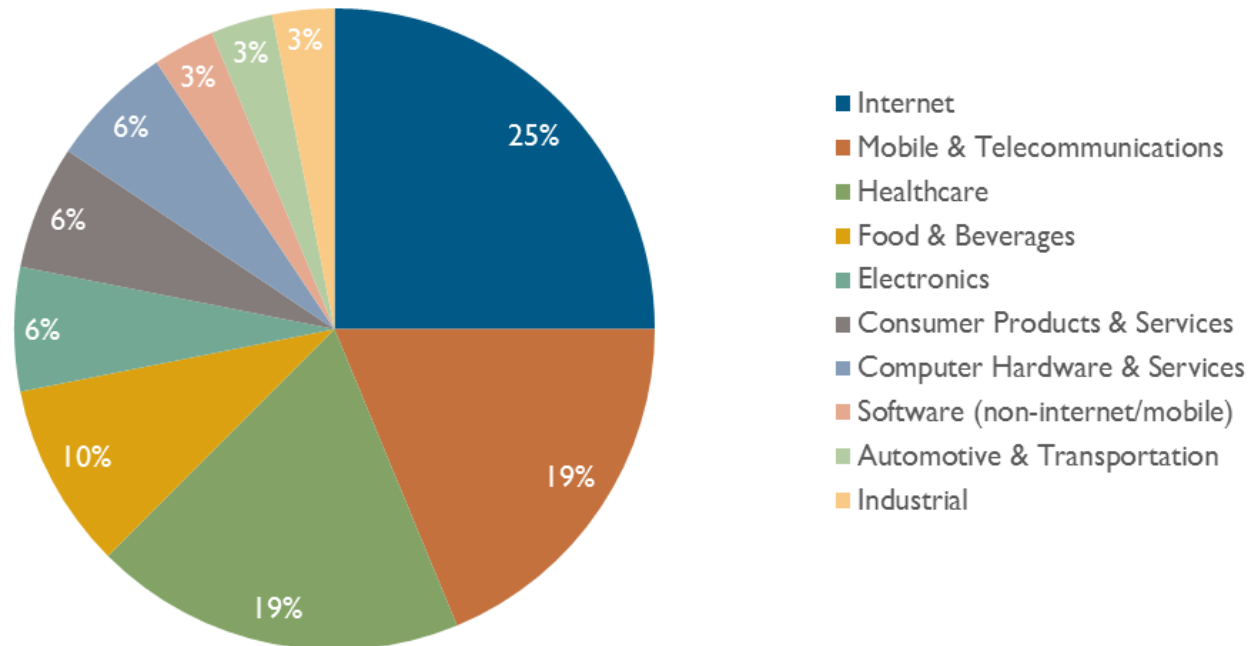
Company	Round	Amount (M)
Bellicum Pharmaceuticals	Series C	\$55
TelaDoc	Series F	\$50
Airstrip Technologies	Unattributed	\$25
Sandlot Solutions	Growth Equity	\$23
SilverCar	Series B	\$14

Note: Venture capital deals included in the ranking may be tranchéd fundings.

INTERNET TAKES 1/4 OF TEXAS DEALS

The Internet sector accounted for 25% of Texas VC deal share, while Mobile and Healthcare sectors trailed with 19% deal share each.

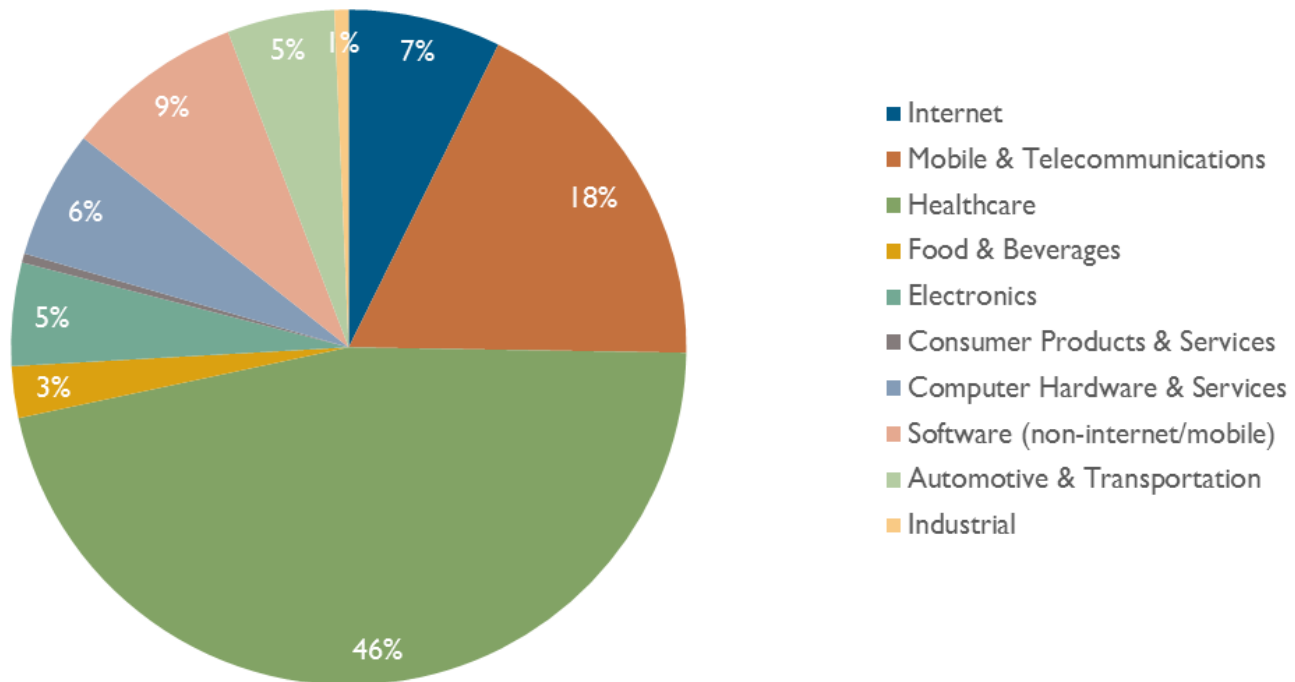
Share of Texas VC by Sector - Number of Deals
Q3 2014



HEALTHCARE FUNDING SHARE TOPS ALL SECTORS IN TEXAS

On the funding front, Healthcare saw the highest share of funding in Texas behind 2 of the largest 3 deals. Mobile was second with an 18% share.

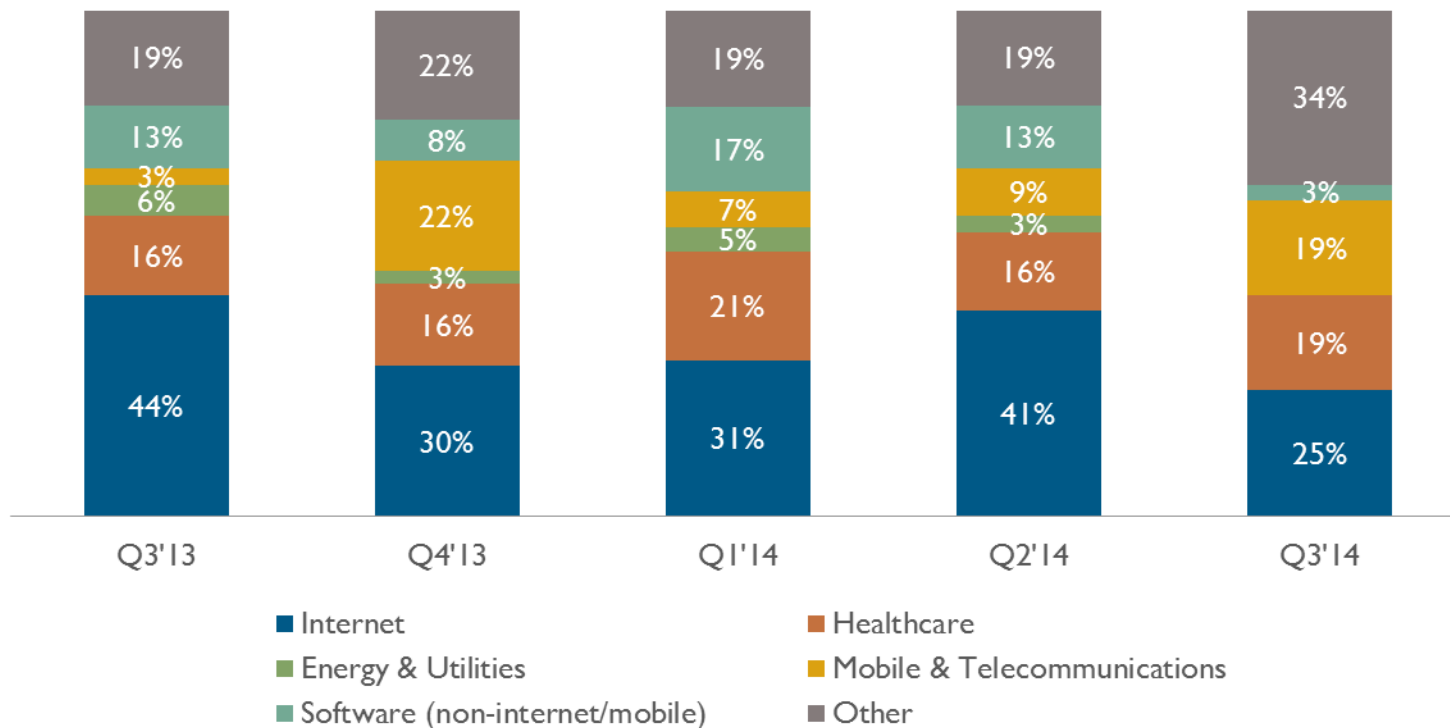
Share of Texas VC by Sector - Dollars of Funding
Q3 2014



INTERNET REACHES FIVE-QUARTER LOW IN DEAL SHARE

Internet deal share fell to a five-quarter low of 25% in Q3. Deal share increased for Healthcare, Mobile, and Other sectors amid shrinking deal shares for Energy and Software.

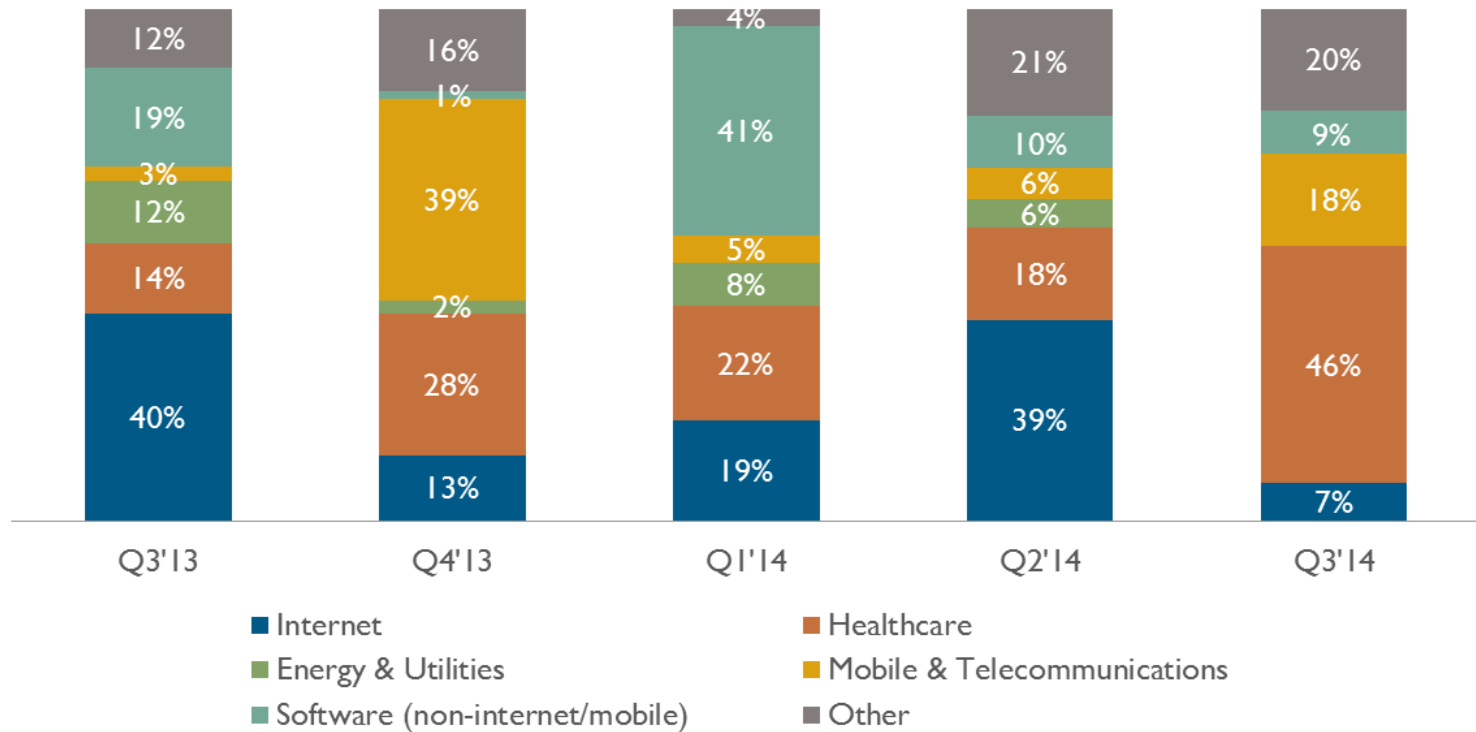
Share of VC in Texas by Sector - Number of Deals
Last Five Quarters



INTERNET FUNDING SHARE CRATERS AS HEALTHCARE TAKES BULK OF VC DOLLARS

Multiple large Healthcare VC financings led to a 46% funding share in Texas VC. Internet reached a five-quarter low, as funding share cratered from 39% in Q2 to just 7% in Q3.

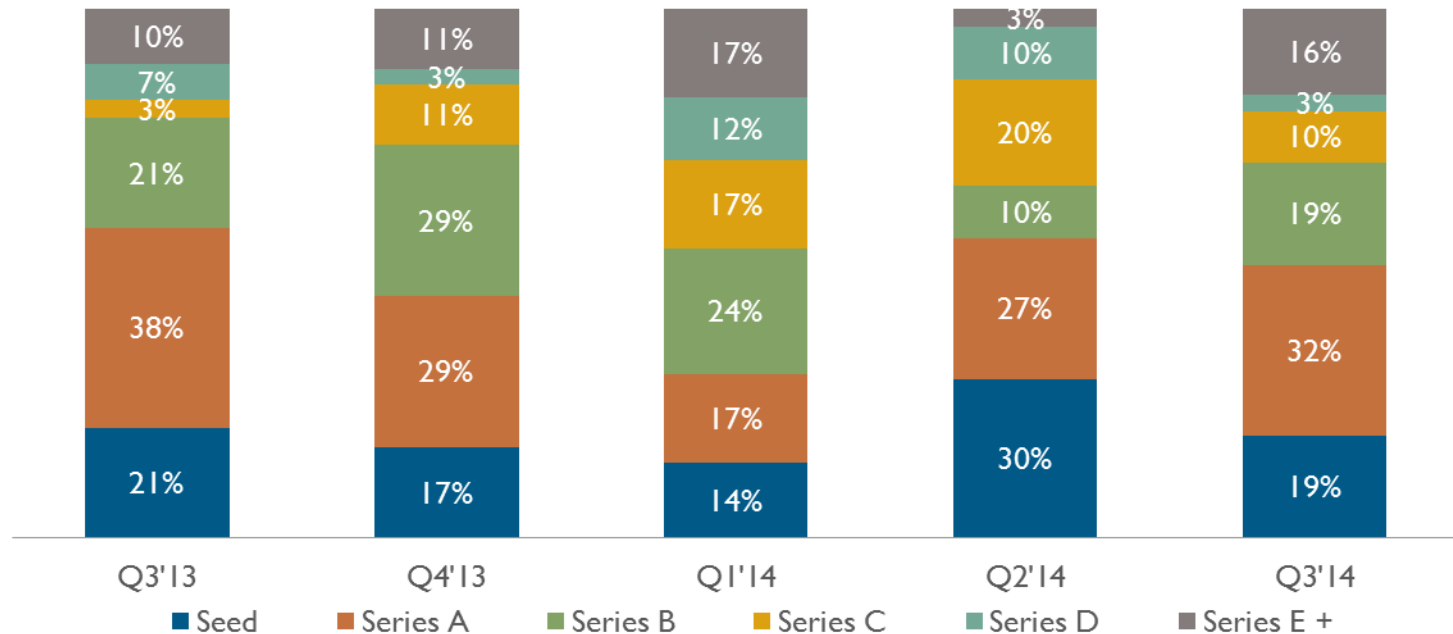
Share of VC in Texas by Sector - Dollars of Funding
Last Five Quarters



EARLY-STAGE ACCOUNTED FOR OVER HALF OF ALL DEALS IN Q3

For the second straight quarter, early-stage deals accounted for 51% of deal share in Q3. Series E+ deal share bounced back off of Q2's lows, reaching 16% in Q3.

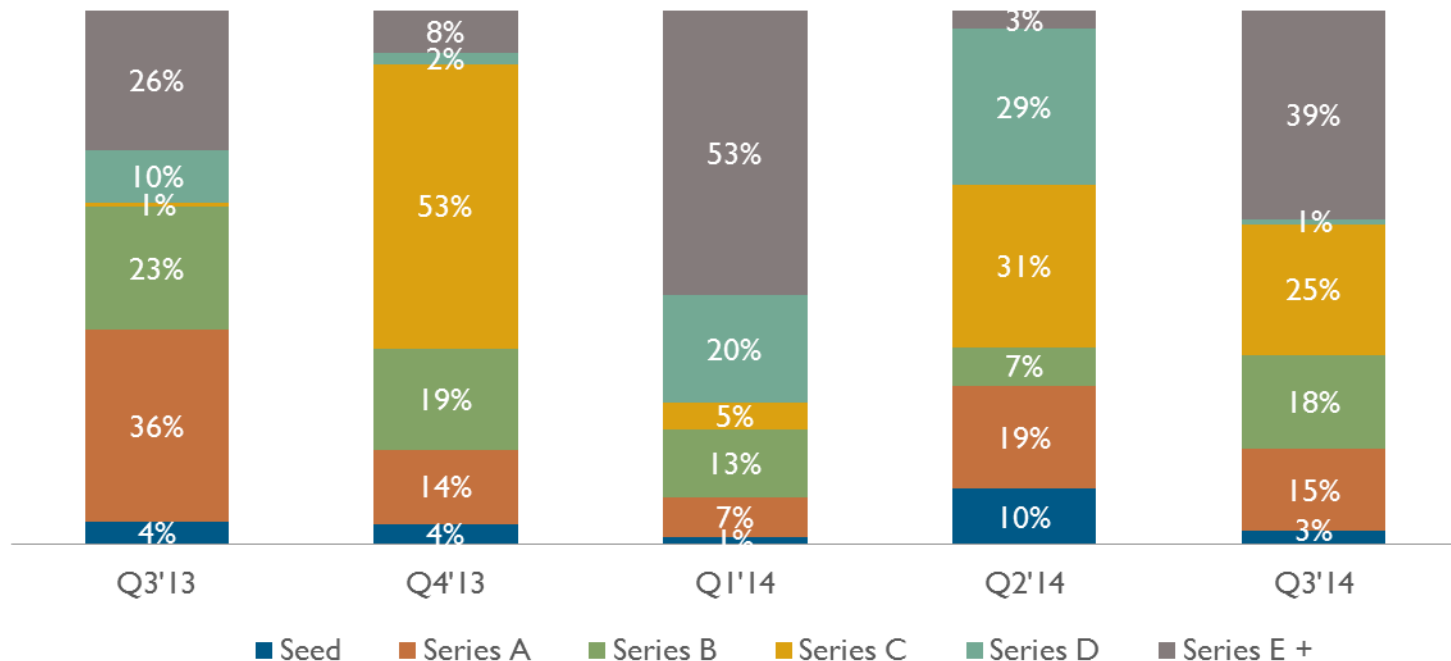
Share of VC in Texas by Series - Number of Deals
Last Five Quarters



MID-STAGE FUNDING SHARE REACHES HIGHEST TOTAL SINCE Q4'13

Mid-stage financings reached their highest cumulative funding share in Q3 since Q4'13. Both Seed and Series A funding shares fell off of Q2's figures, as Series E+ financings jumped from 3% in Q2 to 39% in Q3.

Share of VC in Texas by Series - Dollars of Funding
Last Five Quarters



METHODOLOGY – WHAT’S INCLUDED? WHAT’S NOT?

We encourage you to review the methodology and definitions employed by us to better understand the numbers presented in this report. If you have any questions about our definitions or methodological principles, we encourage you to reach out to us directly.

What is included?

Equity financings into emerging companies. Funding must come from venture capital firms including corporate venture groups.

- Fundings of only private companies. Public companies of any kind on any exchange (including Pink Sheets) are excluded from our numbers even if they received investment by a venture firm(s)
- Companies must be headquartered in the USA. Our geographic data is based on the city and state where the company receiving investment is headquartered. If a company has a satellite office/presence in multiple cities or was founded in a particular city but has moved its HQ, our results reflect only this HQ address.
- Only include the investment made in the quarter for tranchéd investments. If a company does a second closing of its Series B round for \$5M and previously had closed \$2M in a prior quarter, only the \$5M is reflected in our results.
- Round #s reflect what has closed –not what is intended. If a company indicates the closing of \$5M out of a desired raise of \$15M, our numbers reflect only the amount which has closed.
- Only verifiable fundings are included. Fundings are verified via (1) various federal & state regulatory filings (2) direct confirmation with firm or investor or (3) press release.
- Funding close date matters. Fundings are provided based on funding close date and not on announcement date.
- Percentages in five-quarter trend charts are rounded to the nearest whole number.

What is not?

- Angel investment. These are not included in numbers unless an investment round included Angels investing alongside a venture capital firm or corporate venture group.
- No contingent funding. If a company receives a commitment for \$20M subject to hitting certain milestones but first gets \$8M, only the \$8M is included in our data.
- No business development/R&D arrangements whether transferable into equity now, later or never. If a company signs a \$300M R&D partnership with a larger corporation, this is not equity financing nor is it from venture capital firms. As a result, it is not included.
- Buyouts, Consolidations and Recapitalizations. All three of these of transaction types are commonly employed by private equity firms and are tracked by CB Insights. However, they are excluded for the purposes of this report. Private equity investments into companies which may have received venture capital investment prior are also not included.
- Private placements. These investments also known as PIPEs (Private Investment in Public Equities) even if made by a venture capital firm(s)
- are not included.
- Debt/loans of any kind. Venture debt or any kind of debt/loan issued to emerging, startup companies even if included as an additional part of an equity financing is not included. If a company receives \$3M with \$2M from venture investors and \$1M in debt, only the \$2M is included in these statistics.
- Government funding. Grants, loans, equity financings by the federal government, state agencies or public-private partnerships to
- emerging, startup companies are not included. Strictly venture or corporate venture outfits.
- Incubator investments. Investments of money as equity or debt and/or services by incubators are not included.
- Strategic corporate investments. Corporations making strategic investments in companies but not as part of a specific organized venture group are not included.



Web | www.cbinsights.com

Twitter | [@cbinsights](https://twitter.com/cbinsights)

Tel | 212.292.3148