Success

Through connecting entrepreneurial companies with high-value resources

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Empowering Entrepreneurs

For 35 years CED has connected entrepreneurial companies with high-value resources to accelerate business growth.

Since 1984, the Council for Entrepreneurial Development (CED) has cultivated the entrepreneurial ecosystem, turning NC into a leading hub for company growth and success. With more than 400 active companies, our expansive membership of industry veterans, successful innovators and enterprising startups comprises the largest and longest-running network for entrepreneurs in the country.

With just the right combination of opportunity, resources and talent, the Triangle region of North Carolina is experiencing explosive growth and business success. Behind that growth is a community with a 30-year commitment to fostering new insights in technology-based industries, and a track record of successful startups in North Carolina. At the core of this community is CED, which has formed a powerful network of investors, entrepreneurs, corporate partners, mentors and support organizations. CED offers a wide-variety of programs that will empower entrepreneurs to go further faster. By making the right connections and sharing experience, knowledge and resources, we can work together to ensure further growth and success for North Carolina’s entrepreneurs.

CED connects entrepreneurial companies with high-value resources to accelerate business growth. CED services and programs (including Connections to Capital, Venture Mentoring and signature conferences) empower member companies to go further faster. The CED Network of Partners, Investors and Collaborators fuel tomorrow’s success stories by investing in the ecosystem, today.

Visit CEDNC.ORG for more information on how you can engage with CED.

INNOVATORS REPORT

The only scorecard for entrepreneurial activity in North Carolina

As one of the few organizations in the US to compile data on technology-based entrepreneurs and the only organization in the Southeast tracking entrepreneurial activity, CED produces an annual Innovators Report, which is a must-read for investors, entrepreneurs, policy makers, researchers, economic development officials and the general public. CED is continually monitoring the progress of these companies and showcases that activity via this report.

"We love being at the conference because CED connected us with all the people we were interested in meeting! With other conferences, we’ve had to track people down, but CED sends them straight to our booth. It would have taken months of emailing back and forth to set up the number of meetings we’ve had at this conference without CED’s help." -dmanna

Visit our conferences page for all of the latest updates on upcoming Tech and Life Science Conferences.
Companies Completing Deals

104 Tech
76 Life Science
10 Advanced Manufacturing & Materials
7 Cleantech
10 Makers
A Record Year

North Carolina entrepreneurs raised a record $2.75B in 2018. The $1.25B financing of Cary-based Epic Games in October was the largest individual investment since CED began tracking fundraising. In line with overall national trends, the average deal size increased and the total overall deals decreased by 8% to 207.
Majority of Activity in Triangle

In an about-face from 2017 when the Charlotte area accounted for nearly 50% of the total venture dollars, in 2018 nearly 90% of funding was deployed in the Triangle surpassing the historical average of 75%. Looking at the number of deals, the Triangle fell in-line at 77%. This means 159 of the 207 deals statewide were with companies in the Triangle.

<table>
<thead>
<tr>
<th>Location</th>
<th>Funding</th>
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</thead>
<tbody>
<tr>
<td>Mountains</td>
<td>$31,001,120</td>
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<tr>
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<td>Triangle</td>
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<table>
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<tr>
<th>Location</th>
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<tr>
<td>Durham/RTP</td>
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<td>Chapel Hill/Hillsborough</td>
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<table>
<thead>
<tr>
<th>Location</th>
<th>Deals</th>
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</thead>
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<td>Eastern</td>
<td>4</td>
</tr>
<tr>
<td>Triangle</td>
<td>159</td>
</tr>
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</table>

Durham/RTP 73 deals
Raleigh/Garner 52 deals
Cary/Morrisville 23 deals
Chapel Hill/Hillsborough 11 deals
Balanced Ecosystem Growth

There was relative balance in ecosystem growth between both life science and technology companies in 2018. Epic Games had the largest private capital raise on record in NC, over a billion dollars, to pace the tech sector. It was a strong year for life science as well, noting raises for Humacyte, Precision Biosciences and Agbiome that included deals for $50M+.

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Investors

In 2018, CED tracked the highest number of institutional investors in North Carolina to-date with a total of 186 deploying capital in the state. Of note, 22% came from California and 12% came internationally, proving the attractiveness of the ecosystem.

186 Unique Institutional Investors

![Map of institutional investors by region and country]
Exits

Historical levels of institutional investor dry powder has created elite competition for deals and pushed private company valuations to the higher end of the spectrum. As a result, companies have a delayed approach to the public market. In evidence, we saw one IPO, one reverse merger and the majority of exits via acquisition.

IPO

$50,000,000

Acquisitions

Bivarus, Inc.
Castle Worldwide
DealCloud, Inc.
Element Genomics
Eview Technology
Farmshots
Hyperbranch Medical Technologies
InspectionXpert Corporation

Junxure
Kalisher
MercuryGate Intl
Mission Health
Noteninja
Parata Systems
Pisgah Labs
PlotWatt

Sageworks
Savii Care
Shoeboxed Inc.
TARGET PharmaSolutions
Technology Resource Associates
Transloc
Viamet Pharmaceuticals
Windsor Circle
Youth Digital

Mergers & Buyouts

Clinical Ink | Innovate Biopharmaceuticals | Keratin Biosciences, Inc. | XS, Inc.
Number of Deals by Size

2018
- < $1M: 90
- $1M-$4.9M: 61
- $5M-$14.9M: 29
- $15M-$29.9M: 12
- $30M-$49.9M: 4
- > $50M: 11

2017
- < $1M: 111
- $1M-$4.9M: 76
- $5M-$14.9M: 25
- $15M-$29.9M: 8
- $30M-$49.9M: 2
- > $50M: 2

2016
- < $1M: 78
- $1M-$4.9M: 68
- $5M-$14.9M: 27
- $15M-$29.9M: 10
- $30M-$49.9M: 5
- > $50M: 0
As institutional investors raise larger and larger funds, they must deploy more capital on average into each investment. As that manifests, the tendency has been for larger deals compared to prior years. In 2018, there were more than 5x as many $50M+ deals with 11 as compared to two in 2017.
CED is a nonprofit organization that provides support to the entrepreneurial community by deploying its own resources and resources from the CED Network of Partners. Donations made directly to CED enable us to track entrepreneurial and investor activity, then report out to you on an annual basis. For information on how you can support the work of CED, please contact us at 919.549.7500 or visit us on the web at CEDNC.org/Donate.

Information obtained from: CED, PitchBook, National Venture Capital Association (NVCA), North Carolina Biotechnology Center, Small Business Technology Development Center (SBTDC), Groundwork Labs NCIDEA, EY, PwC, SBIR.gov.