Back to a Billion

Entrepreneurial companies in NC collectively raised over $1 billion in 2017. Similar to 2015, a few big deals launched the dollars over the billion benchmark. But the best news is that funding activity remains strong. NC entrepreneurs raised money through a record-setting total of 224 deals, a 19% increase versus 2016.

$1,125,749,682
Total for 2017

- Life Science: $269,850,572 (80 deals)
- Tech: $784,522,003 (110 deals)
- Advanced Manufacturing & Materials: $22,892,743 (18 deals)
- Cleantech: $48,484,364 (16 deals)

Total Funding
- 2017: $1,125,749,682
- 2016: $806,136,164
- 2015: $1,182,353,573
- 2014: $532,641,991

# of Companies Completing Deals
- Life Science: 57
- Tech: 94
- Advanced Manufacturing & Materials: 14
- Cleantech: 8

Total # of Deals
- 2017: 224
- 2016: 188
- 2015: 191
- 2014: 180

# of Companies
- 2017: 173
- 2016: 154
- 2015: 173
- 2014: 137
Sector Swap

In 2015 and 2016, life science companies raised more money than tech companies in North Carolina. But we saw a flip in 2017. The top two deals were in the tech sector and account for over 40% of total funding for the year.

Raised $300 million; Named a Unicorn

Raised $176 million

In contrast to tech’s monster year, the life science sector was missing big deals in 2017, but the pipeline of younger life science companies is encouraging and will likely lead to big deals in the near future.

Equity Funding by Quarter/Sector
Charlotte on the Rise

Typically, we see over 75% of the dollars in North Carolina going to Triangle-based companies. In 2017, Charlotte brought in the bulk of dollars. The top four deals of the year were all to Charlotte-based companies, accounting for a combined $552 million (almost 50% of total funding).

But the Triangle accounted for two-thirds of the deals. Durham had the most deal activity of any city in the state with 62 deals, and Raleigh came in second with 49 deals.
Active Early Stage Ecosystem

National funding reports for 2017 reflect a rise in large investments in late stage companies, while the number of seed deals decreased as a whole across the U.S. But in North Carolina, we continue to see an active early stage ecosystem. Over 80% of the deals for NC companies were under $5 million.

Number of Deals by Size

<table>
<thead>
<tr>
<th></th>
<th>≤ $999K</th>
<th>$1M-4.9M</th>
<th>$5M-$14.9M</th>
<th>$15M-$29.9M</th>
<th>$30M-49.9M</th>
<th>≥ $50M</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>111</td>
<td>76</td>
<td>25</td>
<td>8</td>
<td>2</td>
<td>2</td>
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<tr>
<td>2016</td>
<td>78</td>
<td>68</td>
<td>27</td>
<td>10</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>2015</td>
<td>89</td>
<td>62</td>
<td>21</td>
<td>11</td>
<td>5</td>
<td>3</td>
</tr>
</tbody>
</table>

Funding by Deal Size

- 2017:
  - $36M ≤ $999K
  - $181M $1M-4.9M
  - $195M $5M-$14.9M
  - $160M $15M-$29.9M
  - $76M $30M-49.9M
  - $475M ≥ $50M

- 2016:
  - $31M ≤ $999K
  - $151M $1M-4.9M
  - $213M $5M-$14.9M
  - $196M $15M-$29.9M
  - $216M $30M-49.9M
  - $425M ≥ $50M

- 2015:
  - $27M ≤ $999K
  - $145M $1M-4.9M
  - $169M $5M-$14.9M
  - $237M $15M-$29.9M
  - $179M $30M-49.9M
  - $425M ≥ $50M
30 Exits in 2017

IPOs

1st Order Pharmaceuticals, Inc.
BioSignia, Inc.
Blogads
BoostSuite
Care Management Technologies
Cempra Pharmaceuticals, Inc
Chembria, USA
Coventor
Digital Health Department
DILIsym
GridBridge, Inc
Impulsonic
iScribes

KnowledgeTree Inc.
MaxPoint
Polyglot Systems Inc.
Rival Health
Skia
Source3
TearScience, Inc.
TrialCard Inc.
WedPics
Whitespace Health
Yodil
Zift Solutions, Inc.
Investors

112 Unique Institutional Investors

International Breakdown

- Canada: 2
- China: 3
- Germany: 1
- Ireland: 2
- Israel: 3
- Nepal: 1
- Singapore: 1

Regional Breakdown

- Northeast: 22
- Mid-Atlantic: 7
- Southeast: 37
- Midwest: 13
- West: 2
- California: 18
- International: 13
And that’s direct from one of America’s greatest venture capitalists. North Carolina entrepreneurial companies continue to attract investment from funds across the U.S. and around the world. As part of tracking funding activity in North Carolina, CED’s Innovators Report identifies institutional investors participating in the deals. CED tracks investors by location, fund type, and sector interests as part of CED’s Connections to Capital, a highly curated, targeted and strategic investor-entrepreneur matching service.

What’s the Deal?

Meet Jay, CED’s Director of Entrepreneurship and head of Connections to Capital. By fostering relationships with North Carolina entrepreneurs and investors from across the country, he is able to make introductions by pairing specific investment criteria with NC company data. His work increases investments to the region and helps entrepreneurial companies scale.

“At CED, we know how North Carolina fuels entrepreneurial companies. It’s the combination of a great quality of life, talent and universities, low cost of living, and supportive community,” said Jay Bigelow, CED’s Director of Entrepreneurship. “The 2017 Innovators Report data helps show the strength of the state’s entrepreneurial activity, with increases in both total funding and number of deals over 2016.”

Engage with CED

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.

Partners of CED are fueling tomorrow’s success stories by investing in today’s ecosystem.

Visit our website for more information on how you can engage with CED.

cednc.org

“This region, North Carolina, I love it. . . . The people, the climate, the culture, the great universities, the entrepreneurial atmosphere. You have something very special here.”

—John Doerr of Kleiner Perkins, legendary Silicon Valley venture capitalist in a fireside chat with Steve Nelson, Co-Founder of Carbon, Inc. during the CED Tech Venture Conference 2017, his first time ever speaking in North Carolina