



# 2020 INNOVATORS REPORT

Tracking North Carolina's Entrepreneurial Activity

600 Park Offices Drive, STE 100  
Research Triangle Park, NC 27709

[cednc.org](http://cednc.org)

# IT'S NOT A RISK WHEN YOU HAVE WHAT IT TAKES.

We believe in the risk-takers, the game-changers and the disrupters — those committed to leveraging innovation to make the world a better place. The Technology and Life Sciences Banking Groups at Bridge Bank provide flexible financial solutions to emerging and late stage companies across the U.S. in the technology & innovation and life sciences sectors and work with venture and non-venture backed companies from inception to IPO and beyond. We provide the following creative and flexible debt financing solutions:

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# Matching Entrepreneurs with the Resources they need

The Council for Entrepreneurial Development (CED) was formed in 1984 with the mission of empowering and growing entrepreneurial companies in North Carolina.

CED provides many avenues that support growth. Through high-touch support, programs, access to capital and quality connections, we provide the resources that entrepreneurs need to become a success.

## GET SUPPORT | [cednc.org/get](https://cednc.org/get)

### Connect to Capital

Connects entrepreneurs with potential investors via formal introductions and is responsible for over 300 introductions a year.

### GRO Incubator

A twelve-week incubator program is aimed at supporting high-growth, high-impact companies looking to grow their venture through valuable programming and coaching.

### Venture Mentoring Service (CED-VMS)

A free, team-based mentoring program developed by MIT and adapted to meet the needs of our entrepreneurs, CED-VMS is responsible for graduating over 200 companies and has clocked over 6,700 hours.

### Venture Connect Summit

We provide valuable connections and programming each year over multiple days at our annual Venture Connect Summit. [cednc.org/venture-connect](https://cednc.org/venture-connect)

CED has a passion for entrepreneurship and a desire to help people build their companies. We have seen the results of creating powerful connections and strengthening our ecosystem through growth. Visit our [website](#) and connect with us today!

## GIVE SUPPORT | [cednc.org/give](https://cednc.org/give)

### Partner

CED is a community of companies that need support and give support. Partnering with CED as an entrepreneurial resource, you'll collaborate with Triangle-based companies and share your knowledge and professional resources.

### Build

Investments from CED Builders allow us to increase the capacity and overall impact of our programs and services while allowing us to tackle big initiatives that transform the ecosystem.

### Collaborate

Our Collaborators are the foundation of CED. Through knowledge, financial support or both, these are key components to supporting the growth of entrepreneurial companies alongside CED.



The mission at  
**CED** is to  
connect  
entrepreneurial  
companies with  
high-value  
resources to  
**accelerate**  
business  
**growth.**

"I've been a partner of CED for the past six years and have benefitted so much from the ecosystem. The resources and connections CED has facilitated, in terms of mentors, colleagues, and friends, have all contributed to the decisions I've made to lead my company towards success."

**Courtney Tellefson,**  
Founder/The Produce Box

# Companies Completing Deals

Total Deals By Sector

118

Tech

75

Life Science

13

Advanced Manufacturing & Materials

11

Makers

6

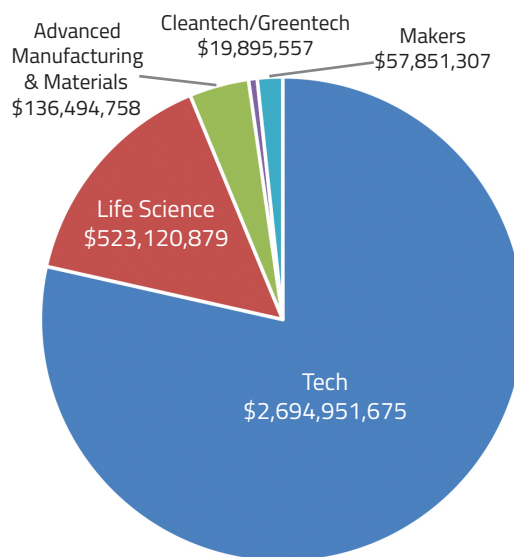
Cleantech/Greentech



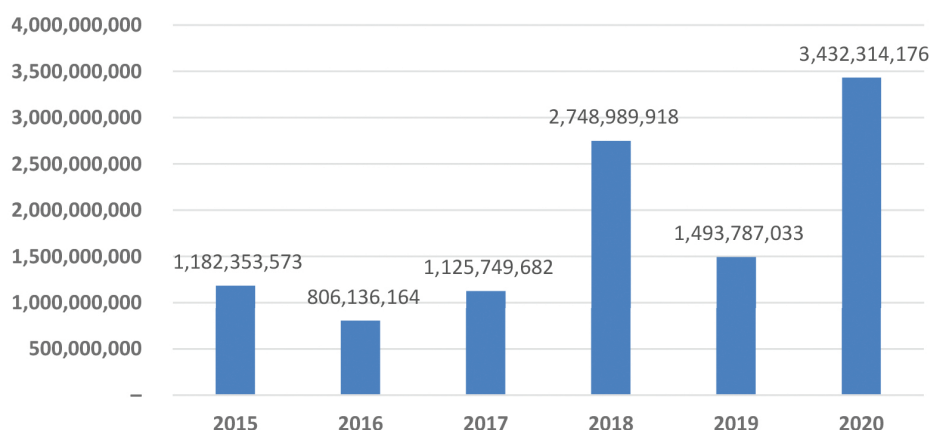
# A Year in Numbers

Even against the backdrop of a global pandemic, 2020 was a record year for fundraising in North Carolina. Over \$3.4B was raised by North Carolina companies, powered by \$1.8B by Epic Games and \$450M from AxidXChange.

The 187 unique companies that raised a round was also a record, showing the resiliency of the private capital markets for venture during a recession.



## total funding

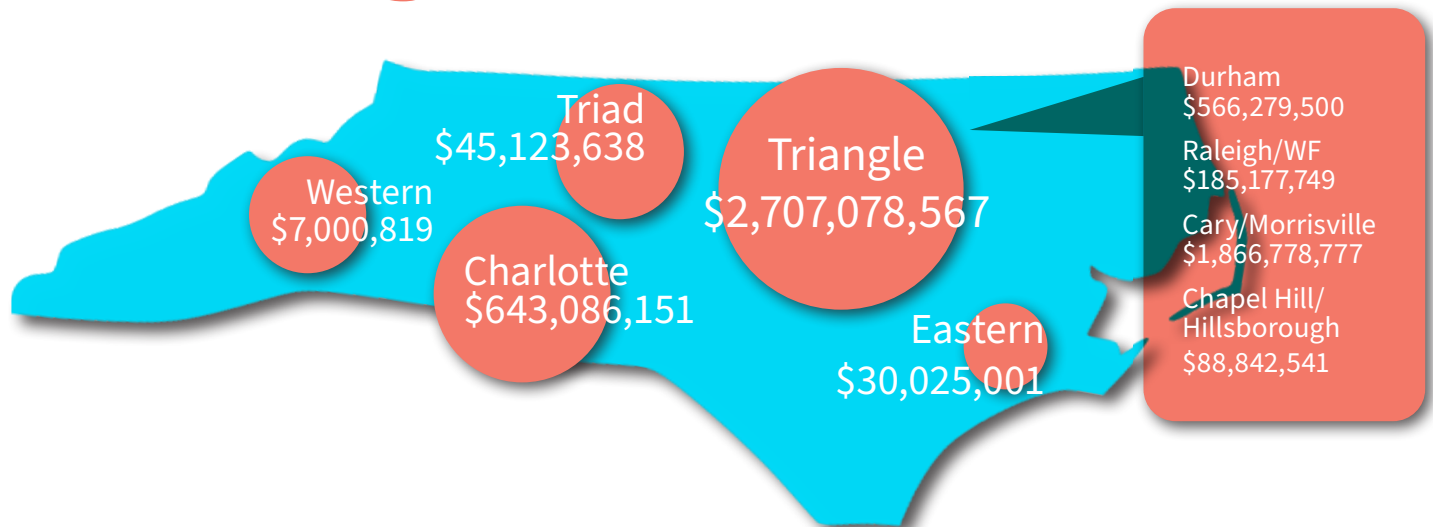


total number of deals

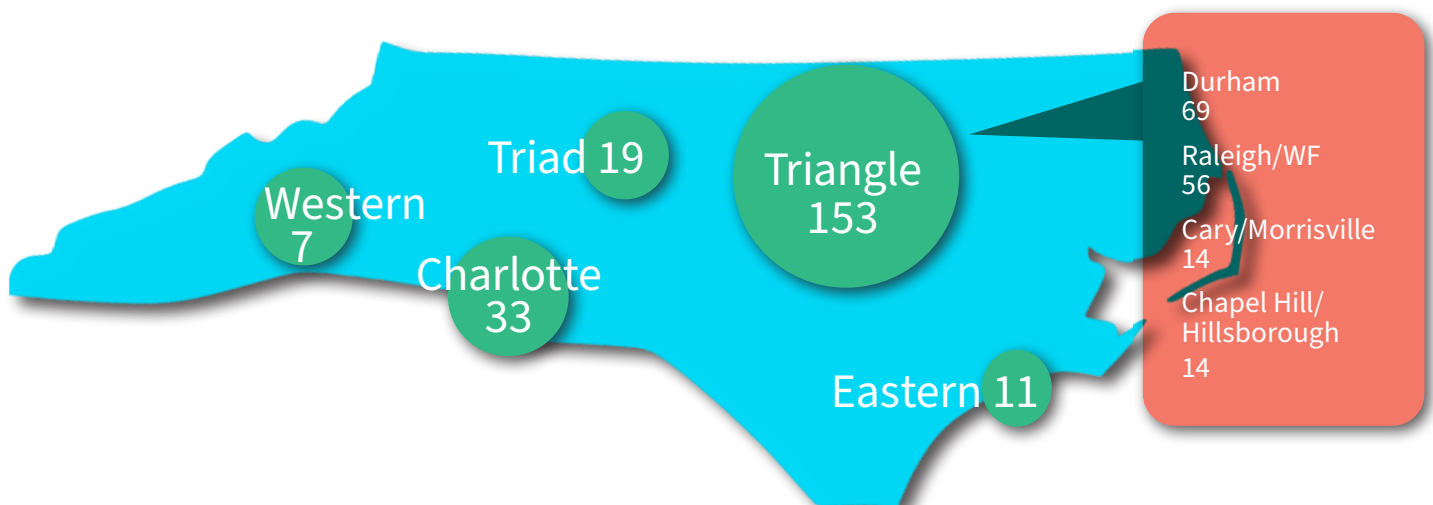
# 223

	2020	2019	2018	2017	2016	2015
Number of Deals	223	184	207	224	188	191
Number of Companies	187	146	176	173	154	173
Dollars	3.4B	1.5B	2.7B	1.1B	806M	1.2B

# Funding by Location



# Deals by Location



## Majority of Activity in Triangle

Nearly 80% of the total dollars in North Carolina were invested into Triangle companies, in line with the majority of the activity happening in the area. However, less than 70% of the total deals were in the Triangle, showing the enormous impact that the large fundraising from Epic Games has on the data. Multiple large deal closings by AvidXChange supported the Charlotte area with nearly 20% of the state's dollars. Outside of those two large metro areas, Apiture of Wilmington had the largest fundraiser with their \$20M Series A.

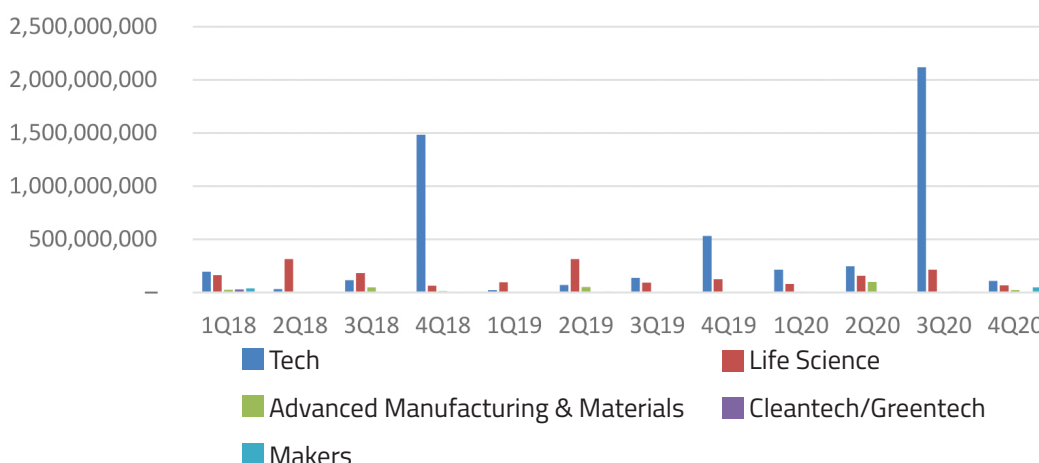


# Ecosystem Report

Unlike 2019 which was nearly in balance between sectors, Tech dominated 2020 in North Carolina with nearly 80% of the investment dollars. Again, this was evidence of a few mega rounds from tech companies having an outsized impact on the data. As for Life Science industry, Shattuck Labs raised a \$118M crossover round early in the year prior to their IPO.

The middle of the year in 2020 was when the majority of the deal activity occurred. Companies were able to close on these deals in the middle of the pandemic as the relationships and discussions began months and sometimes years ahead of closing, and once investors recovered from initial recessionary shocks, they quickly went to work on allocating the record amount of dry powder that exists in venture capital funds.

## Funding by Quarter



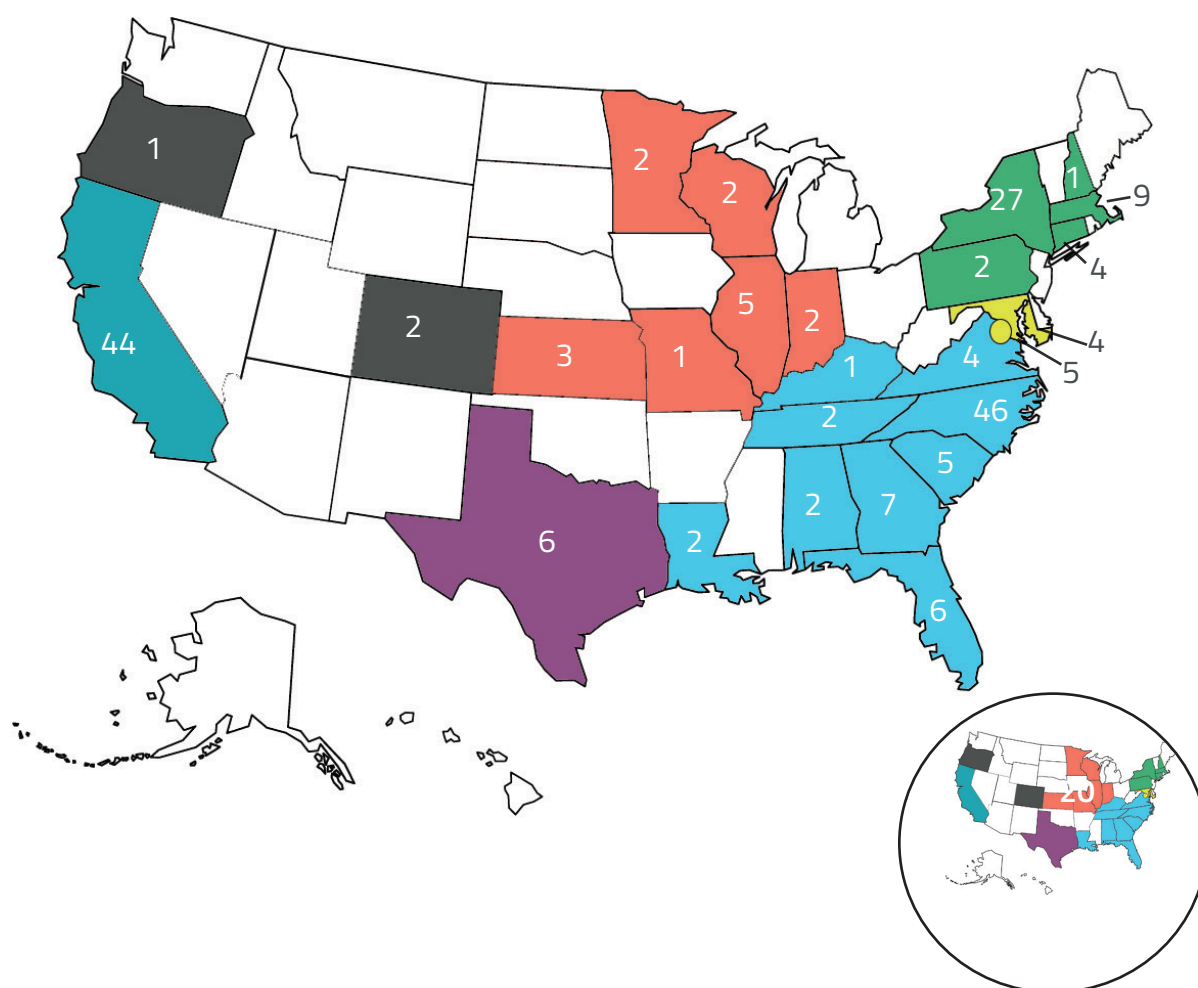
2020	1Q	2Q	3Q	4Q
Tech	217M	249M	2,000M	110M
LS	81M	158M	215M	68M
AM&M	10M	101M	-	25M
CT/GT	3M	6M	11M	-
Makers	1M	1M	6M	49M

2019	1Q	2Q	3Q	4Q
Tech	24M	71M	138M	532M
LS	98M	316M	94M	126M
AM&M	765K	52M	-	-
CT/GT	-	500K	100K	9M
Makers	8M	10M	6M	6M

2018	1Q	2Q	3Q	4Q
Tech	197M	32M	117M	2,000M
LS	166M	316M	184M	65M
AM&M	26M	5M	50M	14M
CT/GT	30M	2M	290K	2M
Makers	38M	3M	6M	9M

# Investors

North Carolina had the most institutional investors participate in rounds in recent record as over 200 funders supported NC companies, including over 40 from California and 27 from New York. In the global lens, the state continues to grow in interest to international corporations and funds with at least 20 foreign-based entities investing here from 12 countries.



## International breakdown

Antigua	1	Japan	2
Canada	2	Netherlands	1
Cayman Is.	1	Spain	1
China	4	Switzerland	1
France	2	UAE	1
Germany	1	UK	3

## Regional breakdown

Northeast	43	Midwest	15
Mid-Atlantic	9	West	3
Southeast	75	California	44
Southwest	6	International	20



# Exits

Three North Carolina companies took advantage of conditions and entered the public markets via IPO: PPD, nCino and Shattuck Labs. nCino had an exceptionally strong opening, surging more than 150% on its first day of trading. Strategic buyers and financial sponsors also looked to the state more than anytime in recent memory as there were 33 combined mergers, acquisitions and buyouts.



## IPO

# Deals by Size

	<\$1M	\$1M-\$4.9M	\$5M-\$14.9M	\$15M-\$29.9M	\$30M-\$49.9M	>\$50M
2020	90	75	33	11	4	10
2019	86	53	22	11	4	8
2018	90	61	29	12	4	11

# Funding by Deals by Size

	<\$1M	\$1M-\$4.9M	\$5M-\$14.9M	\$15M-\$29.9M	\$30M-\$49.9M	>\$50M
2020	\$33.4M	\$187.5M	\$249.4M	\$235.2M	\$174.4M	\$2.6B
	1.0%	5.5%	7.3%	6.9%	5.1%	74.2%



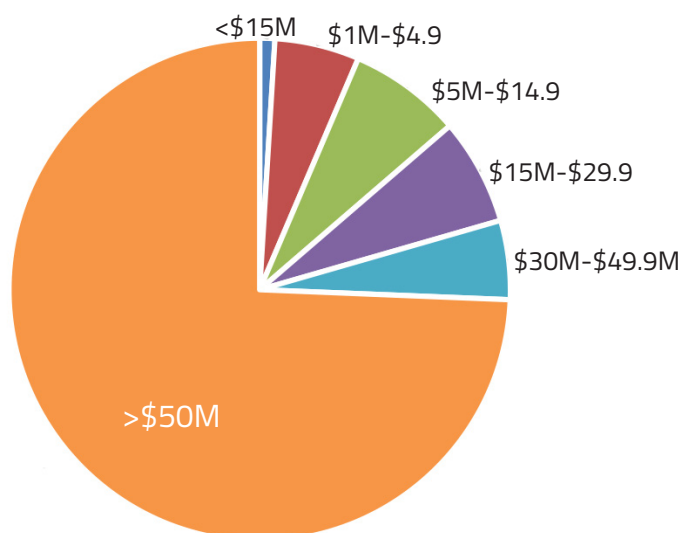
# Deal Size Remains Large

Nearly 75% of the total aggregate deal dollars came from the 10 transactions that were larger than \$50M - this follows the trend of companies generally staying private longer and raising more mega-rounds. As such, average deal size jumped to over \$15M while median deal size stayed just below \$2M. In a sign of potentially more large follow-on fundraisings on the horizon, there were 108 deals between \$1M - \$15M in 2020 compared to only 75 in 2019. The pipeline for more growth-stage companies is expanding.

"North Carolina has every ingredient that we look for in a robust venture ecosystem: Numerous leading educational institutions that produce entrepreneurial tech talent and new technologies, a growing corporate technology presence that supports early-stage innovation, and a low cost of living that extends startups' runway and enables them to hit more milestones before needing additional funding. We're excited to continue supporting exceptional North Carolina entrepreneurs in the coming years and, hopefully, help narrow the funding gap so local startups don't have to go elsewhere for capital."

**Justin Wright-Eakes,**  
Oval Park Capital

## Funding by Deal Size



# You can make a difference

The entrepreneurial ecosystem in North Carolina is a result of collaboration of resources across our region. Through financial support and skilled volunteerism, CED is able to make a significant impact. Entrepreneurs, mentors, investors, and business partners all contribute to our success. Learn how you can make a difference: [cednc.org/give/donate](https://cednc.org/give/donate)

Empowering Entrepreneurs to go further faster



**In Partnership With:**



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/give/donate](http://CEDNC.org/give/donate).

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