



# NORTH CAROLINA VENTURE REPORT

2022 Funding Insights and Entrepreneurial Activity

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

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

# 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.

Over the decades, CED has been the leader in providing quality, curated support for scalable companies with a high propensity for success. That support is delivered by founders, operators, investors, and business leaders united by their commitment to growing the startup ecosystem in North Carolina.

## 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 Connect Summit

We provide valuable connections and programming each year over multiple days at our annual Venture Connect Summit.

## 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.

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](https://cednc.org) and connect with us today!



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

# Companies Completing Deals

Total Deals By Sector

153

Tech

76

Life Science

19

Makers

11

Advanced Manufacturing & Materials

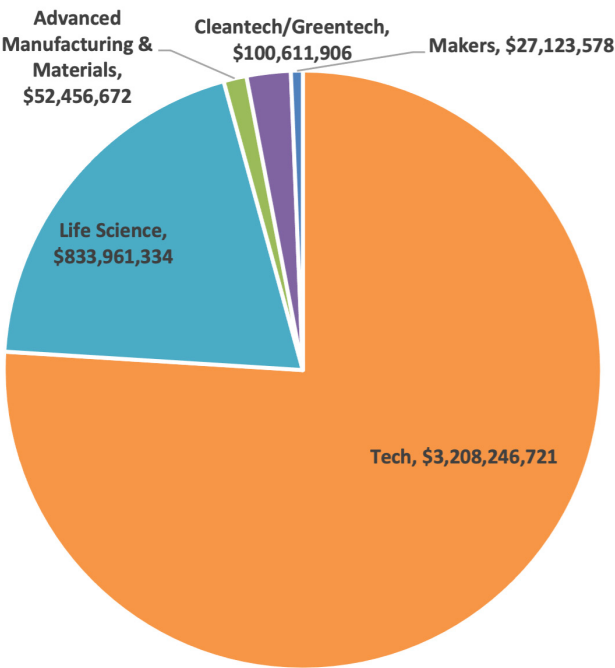
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Cleantech

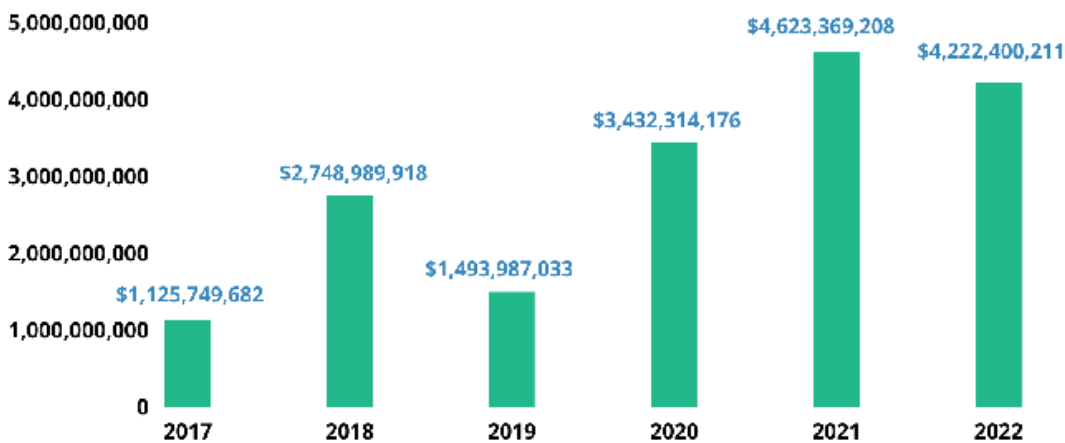
# The Year in Numbers

A sign of a more mature ecosystem, North Carolina companies still raised over \$4 billion in equity capital in 2022 even while facing much discussed economic headwinds in the second half of the year created by inflationary fears and geopolitical risks. 2022 was the second largest year of venture and growth fundraising in North Carolina, trailing only the monstrous output in 2021. The major difference in 2022 was there were less large deals (>\$50 million fundraise) than the prior year. On a national scale, North Carolina’s small decrease was relatively more impressive compared to some of the larger decreases across the county.

Total number of unique companies closing a deal was once again a new record at 246 entities across a record total number of deals (269).



## total funding



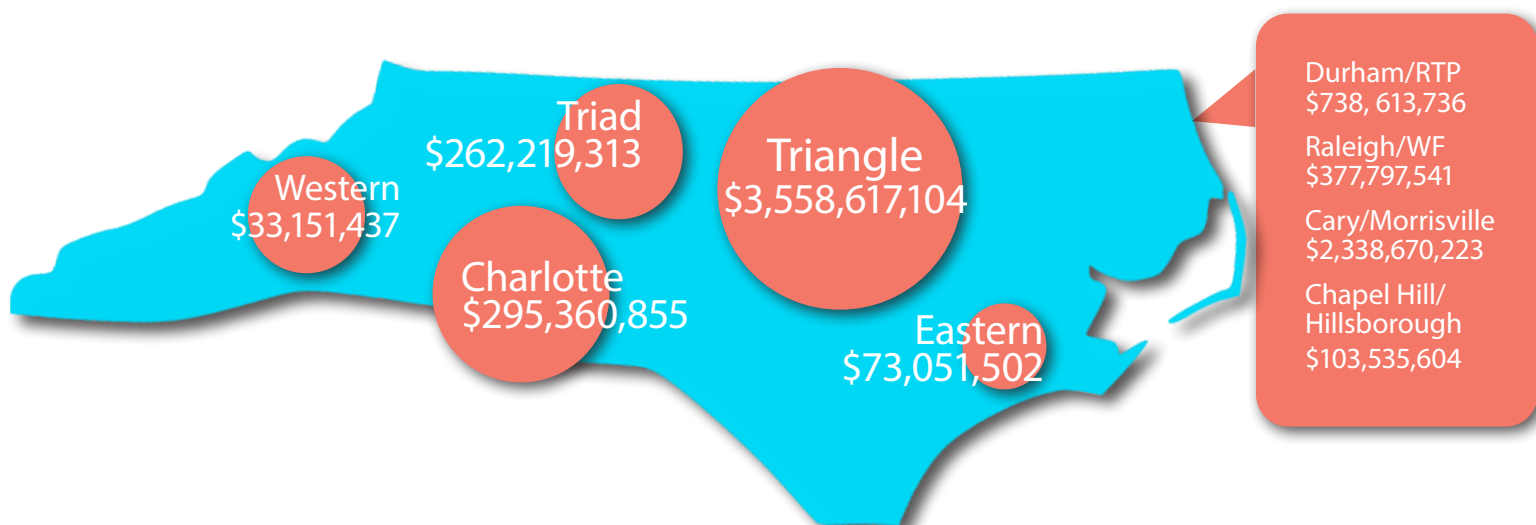
total number of deals

269

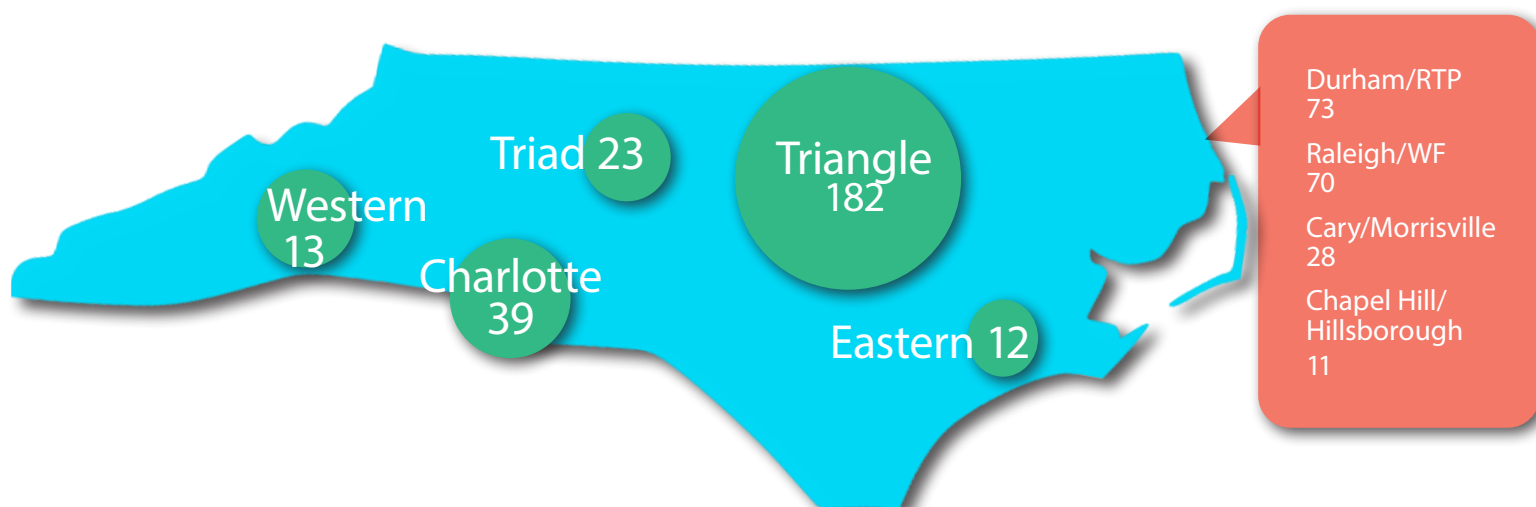
	2022	2021	2020	2019	2018	2017
Number of Deals	269	250	223	184	207	224
Number of Companies	246	222	187	146	176	173
Dollars	\$4.2B	\$4.6B	\$3.4B	\$1.5B	\$2.7B	\$1.1B



# Funding by Location



# Deals by Location



## Majority of Activity in Triangle

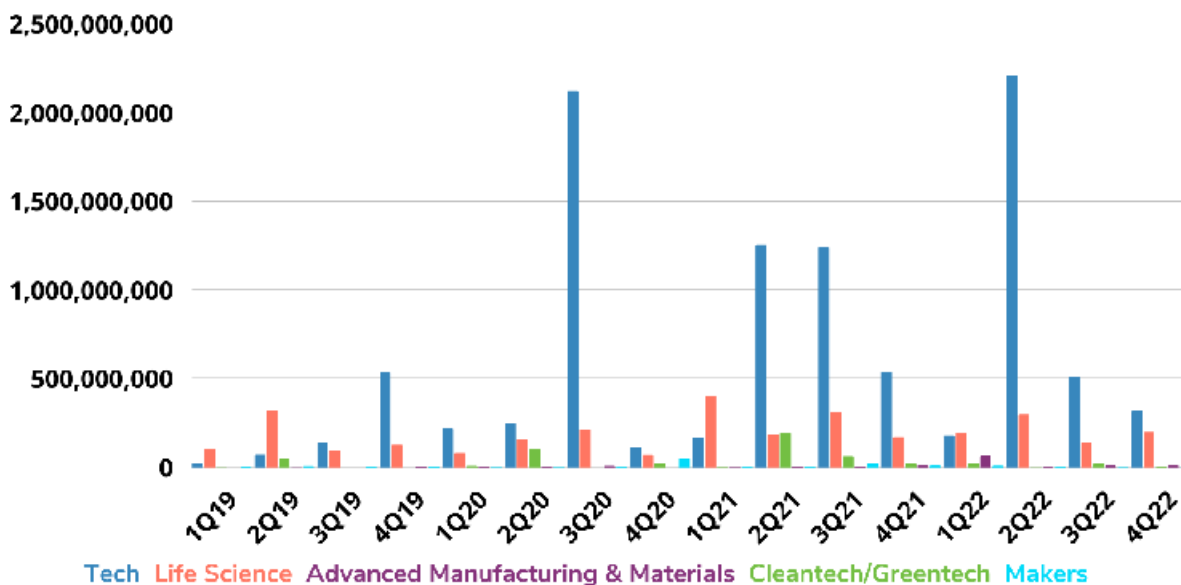
As is historically the case, the majority of the venture investment dollars in North Carolina (84%) were directed to Triangle companies. And as has become a common occurrence in recent years a megadeal by Epic Games (\$2 billion in April 2022) has an outsize impact in the overall funding landscape. However, UpstreamCare in Greensboro raised \$140 million in December, proving that the venture landscape in other regions of the state are maturing. In fact, the Triad more than tripled the amount of dollars raised over 2021, and nearly doubled the total deals (from 12 to 23). Charlotte, always known as a financial technology hub, continues to diversify beyond that sector with cleantech power delivery solution provider ATOM Power and tech-enabled veterinary care provider Petfolk having the largest deals completed in the Metrolina region.

# Sector Diversification Deepens

The sentiment in 2022 was that the first half of the year was booming with venture deals and economic fears led to a major slowdown in the second half of the year. However, more deals actually closed in the second half of the year (138 vs. 131) and when removing Epic Games' \$2M funder in Q2, more dollars closed in the second half as well.

Cleantech companies raised a record \$101 million lead by Biomason's \$65 million fundraise, evidence of greater investor focus on sustainability not only globally but here in North Carolina. Life Science had the second largest year on record at \$834 million with AgTech a continued strength in the Triangle region. The Tech sector claimed over 75% of the total dollars raised, with B2B software in sectors such as energy, healthcare and finance leading the way.

## Funding by Quarter



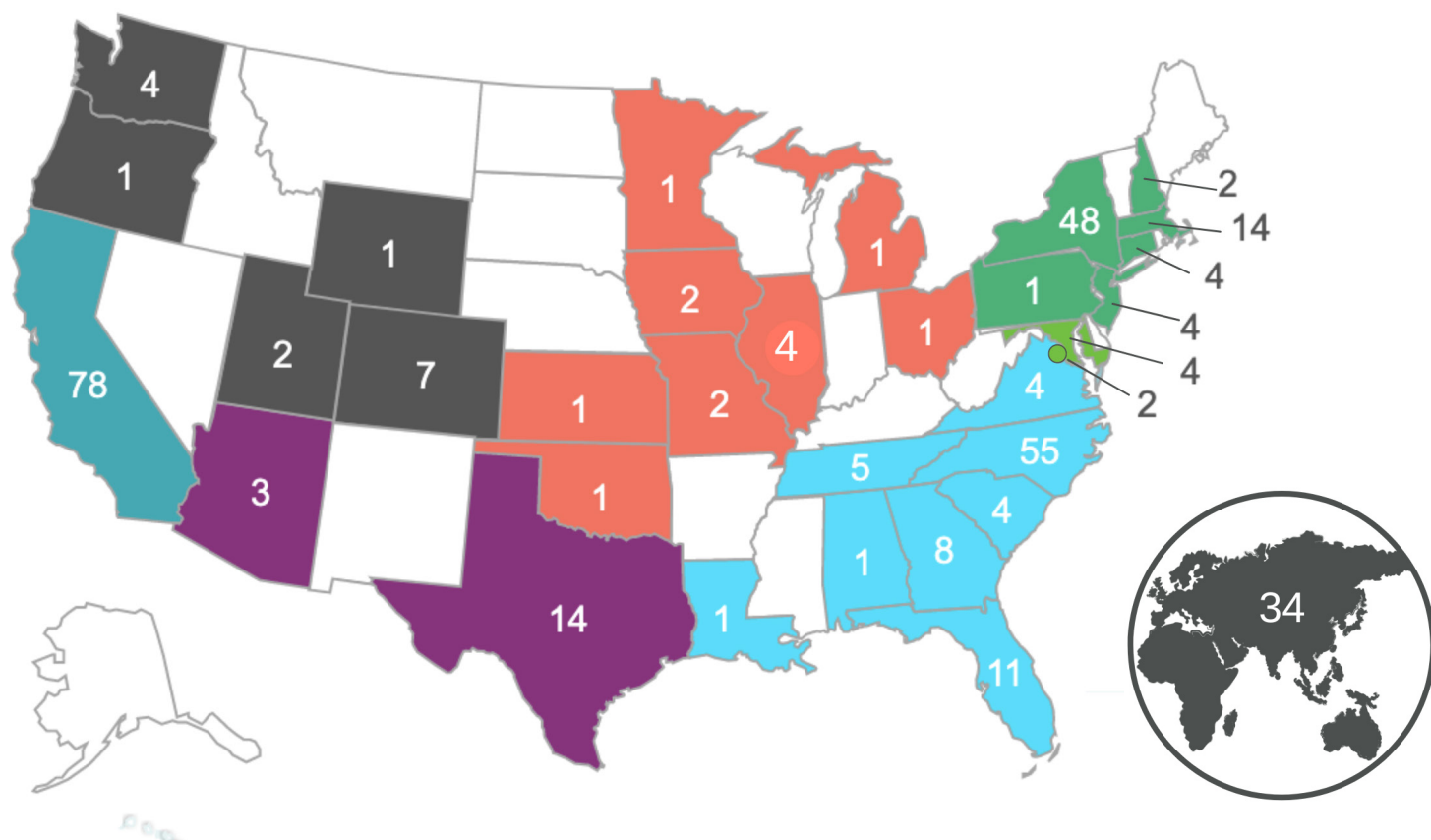
2022	1Q	2Q	3Q	4Q
Tech	178M	2B	508M	316M
LS	195M	299M	140M	200M
AM&M	23M	823K	22M	6M
CT/GT	66M	7M	14M	15M
Makers	11M	5M	1M	9M

2021	1Q	2Q	3Q	4Q
Tech	167M	1B	1B	539M
LS	402M	188M	310M	172M
AM&M	1M	195M	65M	21M
CT/GT	2M	5M	6M	16M
Makers	3M	4M	23M	12M

2020	1Q	2Q	3Q	4Q
Tech	217M	249M	2B	110M
LS	81M	158M	215M	69M
AM&M	10M	101M	-	25M
CT/GT	3M	6M	11M	-
Makers	1M	1M	6M	49M

## Money Travels - California Investors Top the Charts

Once again, a record number of investors from across the globe closed deals in North Carolina. Over 325 groups invested in companies in the state, including 34 funds from 18 different countries outside the United States. With North Carolina no longer a secret, the majority of the investors actually came from the west coast (93), marginally larger than those from the local southeast region. Traditional venture capital funds made up over 200 of the unique investors groups, however there were also over 50 corporate funds and strategic investors mining the state for deals. Finally, a trend among investment funds that actually began before the pandemic has accelerated - investors relocating a partner or team member to live in North Carolina to “wave the flag with boots on the ground”, using a physical presence to take advantage of local dealflow (with the cost of living and quality of life benefits as well).



### International breakdown

Argentina	1	Israel	2
Australia	1	Japan	2
Bahamas	1	Malaysia	1
Bermuda	1	South Korea	2
Canada	3	Spain	1
Cayman Islands	1	Switzerland	1
China	2	UAE	1
Denmark	1	UK	8
Estonia	1		
Germany	4		

### Regional breakdown

Northeast	73	Midwest	13
Mid-Atlantic	6	West	15
Southeast	89	California	78
Southwest	17	International	34

# Exits

Investors need liquidity events, and in 2022 there were 4 public listings (via either SPAC or IPO), as well as 46 mergers, acquisitions and buyouts. While IPOs can help any region raise its profile as a home for corporate innovation, bringing the added attention of Wall Street investors and analysts, large acquisitions like those of Global Data Consortium can also benefit the region by helping further the flywheel effect and creating a belief system about founding or joining a startup.



## IPO/SPAC



# Deals by Size

	<\$1M	\$1M-\$4.9M	\$5M-\$14.9M	\$15M-\$29.9M	\$30M-\$49.9M	>\$50M
2022	95	79	52	25	8	10
2021	89	74	45	19	7	16
2020	90	75	33	11	4	10

# Funding by Deals by Size

	<\$1M	\$1M-\$4.9M	\$5M-\$14.9M	\$15M-\$29.9M	\$30M-\$49.9M	>\$50M
2022	\$31.5M	\$204.7M	\$441.2M	\$518.4M	\$288.3M	\$2.7B
	1%	5%	10%	12%	7%	65%



# Early Stage Funding has Momentum

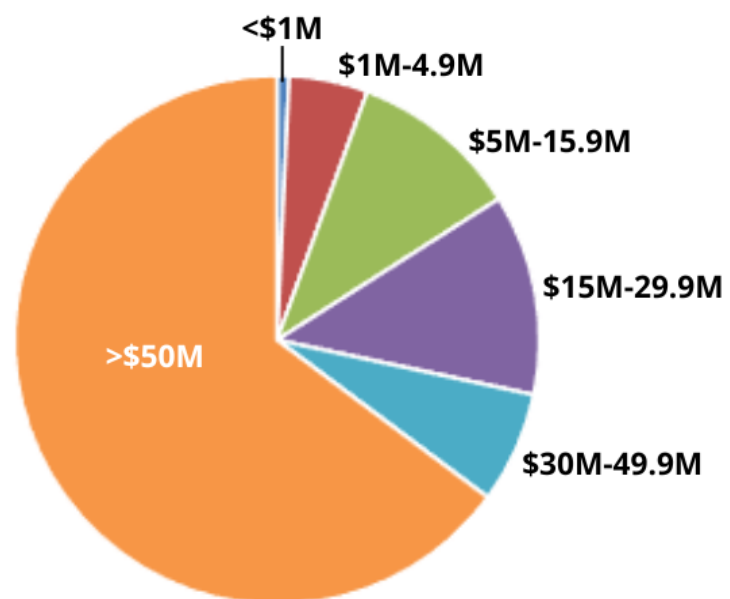
“North Carolina is home to several of the fastest-growing cities in the U.S. and a rapidly growing, dynamic startup ecosystem that continues to impress, excite, and gain the attention of investors and leading global corporations alike. NC offers a unique blend of resources and culture with all the right ingredients for startups to thrive. Consistently recognized as a top place to live, work, and do business, North Carolina is a priceless gem. Its vibrant economy, coupled with a low cost of living relative to other startup markets, continue to make it an attractive location for entrepreneurs and investors primed with unparalleled opportunity for investment and innovation.”

Chrissy Whitty,  
Jurassic Capital

While there were less mega-deals (\$50 million+) in 2022 compared to 2021, there were a record amount of deals less than \$5 million.

Helping drive that early stage funding momentum is an expanding group of NC-based investor groups which have been founded within the last 3 years, including the Triangle Tweener Fund, Oval Park Capital and Front Porch Venture Partners, as well as mainstays such as Cofounders Capital, Bull City Venture Partners and IDEA Fund Partners. These 174 early stage transactions will be critical in building the pipeline for larger fundraises in the near future when the macroeconomic climate has normalized.

## Funding by Deal Size



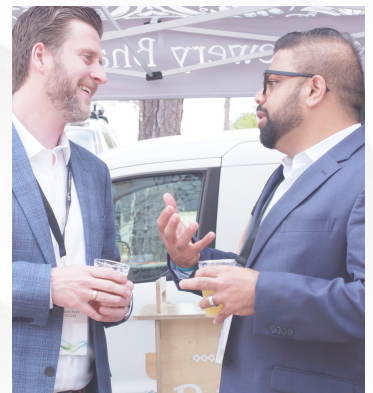
# You can make a difference

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



180 STARTUPS  
200+ INVESTORS  
1200 ATTENDEES



[CEDNC.ORG/VENTURE-CONNECT](https://cednc.org/venture-connect) | MARCH 29-30, 2023

This report is created by data collected from the following sources: CED, PitchBook, National Venture Capital Association (NVCA), North Carolina Biotechnology Center, Small Business Technology Development Center (SBTDC), NC Idea, EY, Px & SBIR.gov