

About PwC's Cleantech Practice

PwC's Cleantech Practice provides services and advice in assurance, tax, transactions, market entry, and business performance improvement to companies across the Cleantech sector and the breadth of industries it impacts. Our broad network of industry sector specialists combines a detailed knowledge of government policy and regulation with strong private enterprise experience, providing us with an in-depth understanding of key industry issues around strategy, operations, regulations, risk, technology, and finance. As the service provider of choice for emerging and established Cleantech companies as well as organizations and utilities, we can help you to develop, commercialize, deploy, and maintain go-to-market strategies for your products and services across the Cleantech ecosystem.

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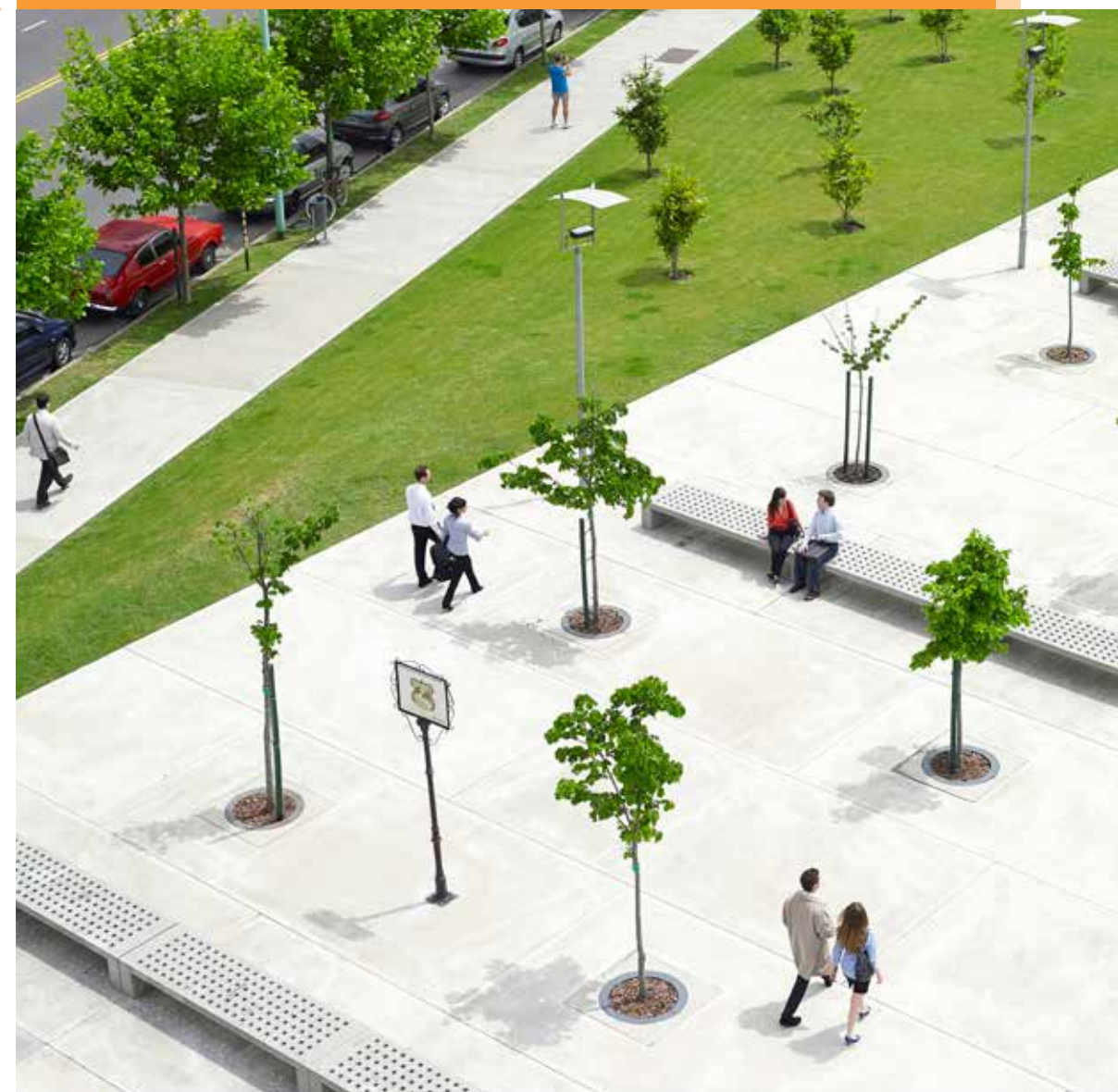
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Cleantech MoneyTree™ Report: Q4 2014

Based on the MoneyTree™ Report from PricewaterhouseCoopers and the National Venture Capital Association based on data from Thomson Reuters

Cleantech received \$521 million in 44 venture deals in the fourth quarter of 2014. Funding dollars increased 25 percent year over year, while deal volume increased 16 percent over the same period.

February 2015



Cleantech

Cleantech funding

The Cleantech sector, which crosses traditional MoneyTree industries and is composed of agriculture and bioproducts, energy efficiency, smart grid and energy storage, solar energy, transportation, water and waste management, wind and geothermal, and other renewables, saw a 25 percent increase in funding from the fourth quarter of 2013 to \$521 million.

“Venture investment showed strong growth in 2014, increasing 39% compared to 2013”, said Brian Carey, Cleantech Advisory Leader. “The solar industry had an outstanding year, with funding surpassing 2013 and 2012. In addition, first time investments into the industry are regaining momentum.”

Figure 1: Cleantech funding trends by quarter 2011–2014

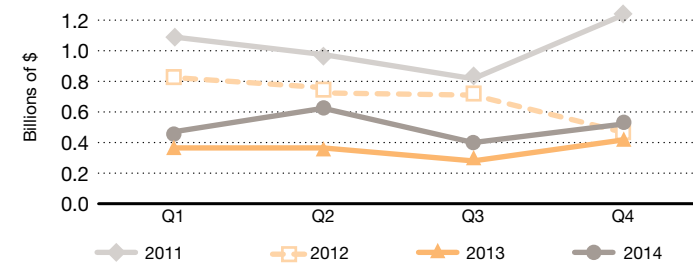
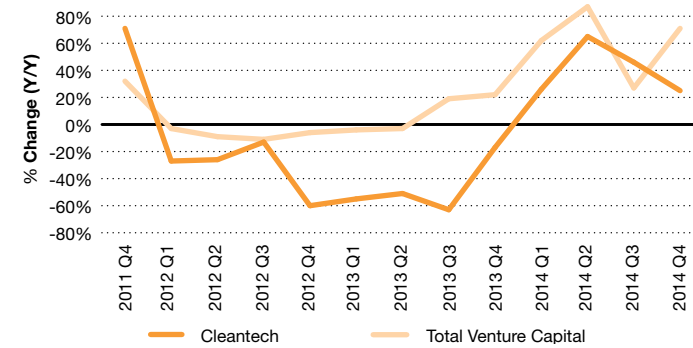


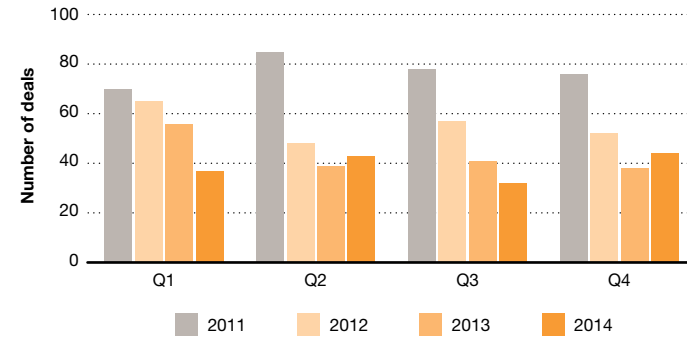
Figure 2: Growth in Cleantech funding compared with total venture funding



Cleantech deal volume

Compared to the fourth quarter of 2013, deal volume increased by 16 percent in the fourth quarter to 44. Average deal size was \$11.8 million, an increase of 8% percent year over year.

Figure 3: Cleantech deal volume by quarter 2011–2014

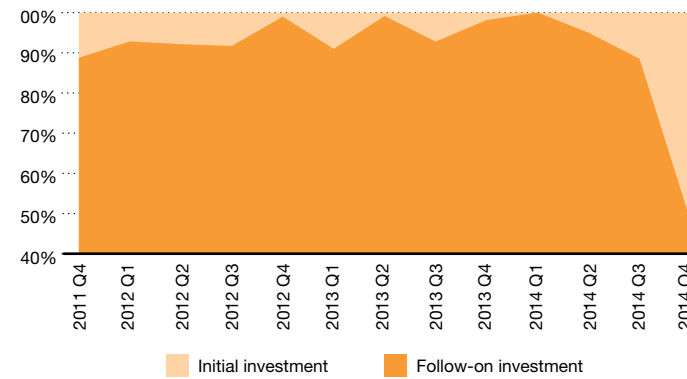


First-time funding compared with follow-on funding

Compared to the fourth quarter of 2013, first-time funding increased 3,526 percent to \$270 million. First-time deals in the Cleantech sector averaged \$22.5 million during the fourth quarter, an increase of 504 percent year over year, in 12 deals.

Year over year, follow-on funding decreased 39 percent to \$251 million in the fourth quarter. Follow-on funding average deal size was \$7.8 million, a 31 percent decrease from the same period in the previous year, in 32 deals.

Figure 4: Cleantech follow-on compared with initial investments 2011–2014



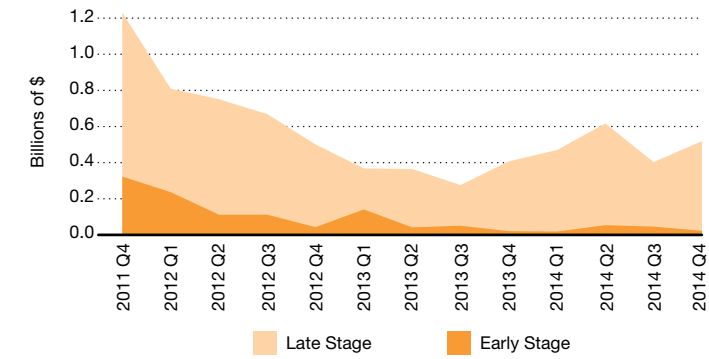
Cleantech funding by stage

Early stage investment was \$23 million during the quarter, an increase of 11 percent compared to the fourth quarter of 2013.

Cleantech investment for late stage opportunities increased year over year by 28% percent to \$496 million.

Early stage average deal size, at \$1.7 million, decreased 52 percent year over year in 14 deals, while late stage average deal size, at \$17.7 million, increased 42 percent over the same period in 28 deals.

Figure 5: Cleantech funding by stage each quarter 2011–2014



2014 fourth quarter sequential growth factors (Q/Q change)

	% Change in deal volume	% Change in avg deal size	% Change in investments
Early stage	180%	-82%	-49%
Late stage	4%	34%	39%

Cleantech funding by subsector

Cleantech subsectors receiving increased funding in the fourth quarter compared to the prior-year period were:

- Solar Energy increased 267 percent to \$291 million.
- Agriculture & Bioproducts increased 1,181% to \$78 million.
- Energy Efficiency increased from \$0 to \$35 million.
- Wind & Geothermal increased by 458 percent to \$6 million.

Cleantech subsectors receiving less funding in the fourth quarter compared to the prior-year period were:

- Water & Waste Management decreased 71 percent to \$32 million.
- Smart Grid & Energy Storage decreased 76 percent to \$30 million.
- Other Cleantech decreased 16 percent to \$49 million.
- Transportation decreased 100 percent to \$0.

Figure 6: Cleantech funding by subsector 2011–2014

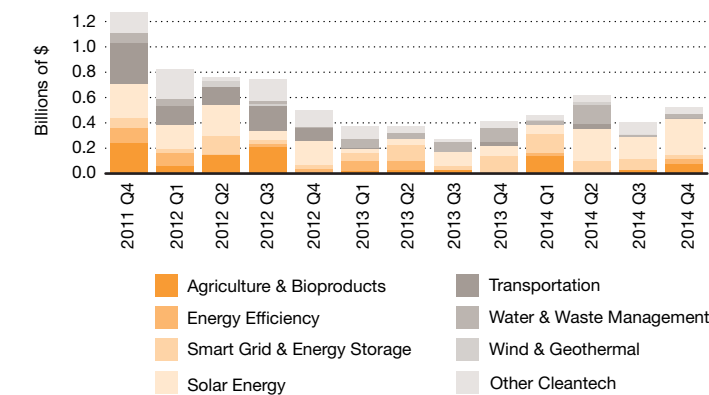
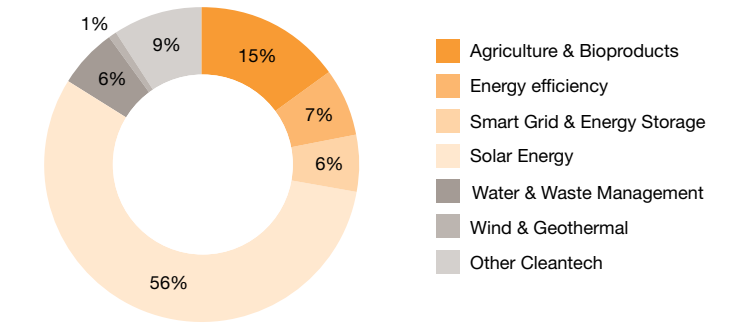


Figure 7: Cleantech funding by subsector fourth quarter 2014



Regional funding trends

Texas, Silicon Valley, Midwest, New England, and Colorado received the most Cleantech venture capital funding in the fourth quarter. Texas was the leading region with \$269 million.

Figure 8: Top five regions fourth quarter 2014

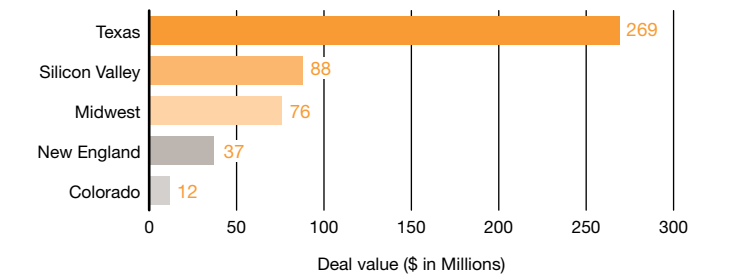


Figure 9: Funding trends in top five regions from 2011–2014

