2015 Annual Report
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2015 Highlights
Pre-money valuation of seed deals reaches $4.6M, 53% increase from 2014

Valuation growth and larger round sizes highly related, but percentage ownership after angel rounds remains relatively stable

New England has doubled share of deals and dollars nationwide in the past year

Most angel groups invest close to home
- 75% to 80% of investments take place in within the region of the investors
- California, New York, and Mid-Atlantic angels most likely to invest out-of-region
National Trends
Median and Mean Round Sizes – Angels Only
2015 Shows Round Sizes Increasing, Mean Ownership of Angel round is Relatively Stable 20-25%
Median and Mean Round Sizes – Angel Co-Investments

Round Sizes Trending Up When Angel Groups Co-Invest With Non-Angels

- **2012**: Median $1.21M, Mean $1.21M
- **2013**: Median $1.45M, Mean $1.50M
- **2014**: Median $1.50M, Mean $1.60M
- **2015**: Median $1.60M, Mean $1.91M

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Median Round Size — Mean Round Size
Median Seed Stage Pre-Money Valuation
Median Valuation Up 53% From 2014, Highest Valuation in HALO History

2014
- $13.5M
- 1st Quartile: $2.0M
- 3rd Quartile: $4.4M
- Median: $3.0M

2015
- $23.5M
- 1st Quartile: $3.1M
- 3rd Quartile: $7.5M
- Median: $4.6M

$0.30M
$23.5M
$13.5M
$0.22M
$3.0M
$3.1M
$4.6M
$7.5M
$4.4M
$2.0M
$13.5M
$0.30M
$23.5M
$7.5M
$4.4M
$2.0M
$3.0M
$3.1M
$4.6M
$7.5M
$4.4M
$2.0M
$3.0M
$3.1M
$4.6M
$7.5M

Median Seed Stage Pre-Money Valuation
Median Valuation Up 53% From 2014, Highest Valuation in HALO History
Most Active Angel Groups 2015 – Total Deals

- Alliance of Angels
- Central Texas Angel Network
- Desert Angels
- Houston Angel Network
- Hyde Park Angels
- Keiretsu Forum
- Launchpad Venture Group
- Maine Angels
- New York Angels
- Sand Hill Angels
- Tech Coast Angels
- Wisconsin Investment Partners

Angel Resource Institute

HALO Report

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Angel Group Update: Halo Report 2015

Most Active Angel Groups
Total Deals 2015 (descending order)
1. Keiretsu Forum¹
2. Tech Coast Angels²
3. Central Texas Angel Network
4. Houston Angel Network
5. Alliance of Angels & New York Angels (tied)
6. Wisconsin Investment Partners
7. Hyde Park Angels & Maine Angels (tied)
8. Desert Angels, Launchpad Venture Group & Sand Hill Angels (tied)

¹ Twenty-two chapters; ² Five chapters
National Trends
2015 Share of Angel Group Deals by Region

- California: 20.9%
- Northwest: 8.7%
- Southwest: 7.9%
- Great Plains: 4.3%
- Great Lakes: 10.3%
- New York: 9.5%
- New England: 11.9%
- Texas: 10.3%
- Southeast: 12.2%
- Mid-Atlantic: 4.1%
2015 Share of Angel Group **Dollars** by Region

Northwest: 9.8%
Southwest: 9.9%
Great Plains: 3.9%
Great Lakes: 12.2%
Southeast: 12.8%
Mid-Atlantic: 4.2%
New England: 15.0%
New York: 7.5%
Texas: 6.9%
California: 17.9%
2015 Share of Angel Group Dollars by Region

- **California**: 18.5% (2012), 17.5% (2013), 17.2% (2014), 17.9% (2015)
- **Great Lakes**: 12.7% (2012), 8.1% (2013), 17.9% (2014), 12.2% (2015)
- **Great Plains**: 3.4% (2012), 4.2% (2013), 6.5% (2014), 3.9% (2015)
- **Mid-Atlantic**: 4.4% (2012), 7.3% (2013), 7.3% (2014), 4.2% (2015)
- **New England**: 11.8% (2012), 10.4% (2013), 5.0% (2014), 15.0% (2015)
- **New York**: 6.4% (2012), 10.4% (2013), 7.3% (2014), 7.5% (2015)
- **Northwest**: 13.5% (2012), 12.8% (2013), 10.6% (2014), 9.8% (2015)
- **Southeast**: 12.5% (2012), 15.3% (2013), 9.8% (2014), 12.7% (2015)
- **Southwest**: 6.3% (2012), 8.1% (2013), 14.1% (2014), 9.9% (2015)
- **Texas**: 10.7% (2012), 10.5% (2013), 5.8% (2014), 6.9% (2015)
2015 Percentage of Deals in Region vs. Out of Region by Angel Group HQ Region

Northwest
In: 78.8%
Out: 22.2%

California
In: 65.8%
Out: 34.2%

Southwest
In: 76.1%
Out: 24.0%

Great Plains
In: 76.0%
Out: 24.0%

Texas
In: 75.9%
Out: 24.1%

Southeast
In: 79.1%
Out: 20.9%

Great Lakes
In: 83.7%
Out: 16.3%

Mid-Atlantic
In: 62.2%
Out: 37.8%

New England
In: 88.8%
Out: 11.3%

New York
In: 58.5%
Out: 41.5%

Great Plains
In: 76.0%
Out: 24.0%

Mid-Atlantic
In: 62.2%
Out: 37.8%

New England
In: 88.8%
Out: 11.3%
2015 Percentage of Investments in Region vs. Out of Region by Angel Group Region

Approximately 3 out of every 4 investments by angels are within their region.
Percentage of Investments Made In-Region by Angel Group Region, 2013-2015
California, Mid-Atlantic, and New York angels invest most frequently outside of region
Sector Trends
Yearly Share of Angel Group Deals by Sector
Software and Healthcare comprise 48% of investments in 2015
Yearly Share of Angel Group Dollars by Sector
Healthcare investment continues to rise, Pharma & Biotech declines

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<th>Year</th>
<th>Software</th>
<th>Commercial Services</th>
<th>Healthcare</th>
<th>Media</th>
<th>Consumer Goods &amp; Recreation</th>
<th>Pharma &amp; Biotech</th>
<th>IT Hardware</th>
<th>Energy</th>
<th>Other</th>
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<tr>
<td>2013</td>
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<td>2014</td>
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<td>4.8%</td>
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<td>2015</td>
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<td>6.4%</td>
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<td>6.3%</td>
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<td>22.6%</td>
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Understanding the Data:
Special Round Types and Industry Sectors

The HALO Report™ provides analysis and trends on US angel and angel group activity.

Angels and angel groups invest alone, together, and with many other types of investors. Unless otherwise noted the HALO Report™ data includes all rounds that have at least one angel group participating and may include other types of investors in those rounds.

A few charts report on an “Angel Round,” a special classification of investment when angel groups invest alone or only with other angels and angel groups.

Unless otherwise noted, values of less than 1% in the industry sectors are included, but are not labeled directly.

HALO Report™ Industry Sectors

- Commercial Services
- Healthcare
- Pharma & Biotech
- Consumer Goods & Recreation
- IT Hardware
- Software
- Energy
- Media
- Other
The Angel Resource Institute (ARI) is a 501(c)(3) charitable organization devoted to education, mentoring and research in the field of angel investing, housed at Willamette University. ARI was founded by the Ewing Marion Kauffman Foundation, and is a sister organization of the Angel Capital Association, the professional association of angel groups in North America. The programs of ARI include educational workshops and seminars, research projects and reports, and information about angel investing for the general public. More information is available at: www.angelresourceinstitute.org

PitchBook

PitchBook is an impartial private equity and venture capital research firm that provides premium data, news and analysis. Through a combination of publicly available sources and rigorous firsthand research with industry professionals, PitchBook has developed an extensive database with in-depth information and statistics on hundreds of thousands of companies, deals, investors, service providers and limited partners.

Willamette University MBA

Willamette University MBA is a leader in early stage investment research and entrepreneurship. In addition to being the home of the Angel Resource Institute, Willamette launched the world’s first student run angel investment fund in 2008. Willamette faculty and researchers published the world’s largest and most cited study on angel investor returns, Returns to Angel Investors in Groups (2007), and one of the most widely used textbooks on entrepreneurship, Effectual Entrepreneurship (2011). They also perform data analysis for the HALO Report.