Cooley

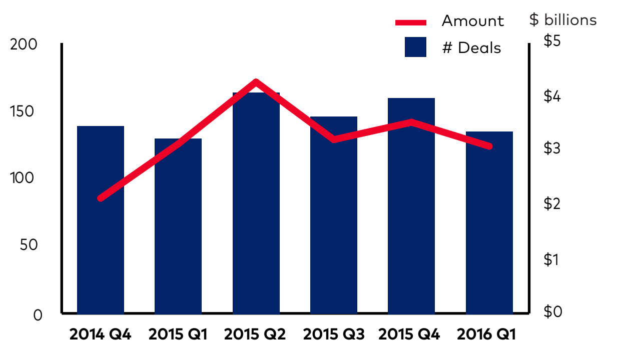
Venture Financing Report

Q1 2016—Transaction Volumes Slow on Mixed Deal Terms

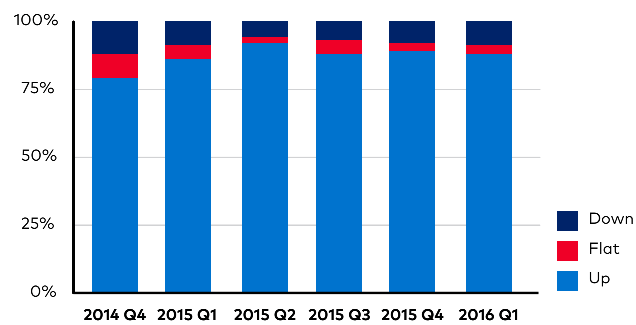
Overall financing activity in the first quarter of 2016 slowed from prior quarters. In Q1 2016, Cooley handled 135 disclosable deals, representing more than $3.1 billion of invested capital. Deal volume was down by 15% from Q4 2015, while invested capital decreased by 12% from the prior quarter. Of note, Series A deals made up 48% of Q1 transactions, a level not seen in over a year. Median pre-money valuations increased in both Series A and Series C transactions, while declining in Series B and D+ deals. In general, valuations remained relatively strong based on historical data from prior quarters. The percentage of up rounds remained strong at 88% of Q1 transactions. Deal terms during the quarter remained mixed. The utilization of fully participating preferred provisions decreased from the prior quarter, while the utilization of drag-along provisions increased, primarily in Series A deals. We also saw a slight increase in the percentage of recapitalization transactions, while the percentage of deals structured in tranches decreased during the quarter.

For more venture financing trends, view our interactive data visualization on Cooley GO: **www.cooleygo.com/trends**

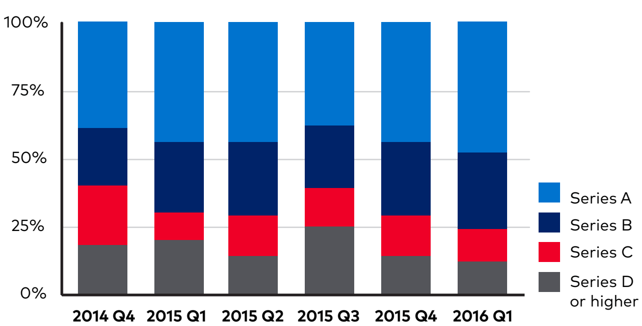
Total Deal Volume and Aggregate Dollars Raised



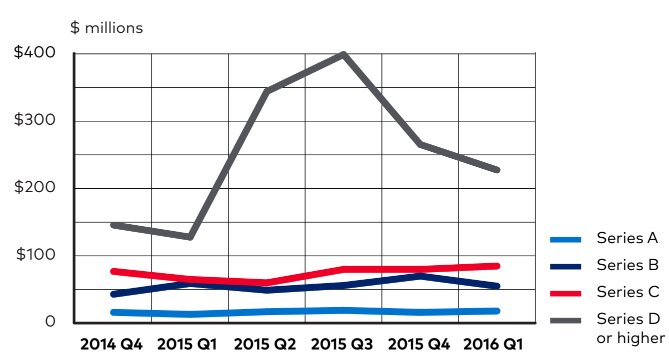
Up, Down and Flat Rounds



Deal Breakdown by Series



Median Pre-Money Valuation



About The Cooley Venture Financing Report. This quarterly summary provides data reflecting Cooley's experience in venture capital financing terms and trends. Information is taken from a subset of the transactions in which Cooley served as counsel to either the issuing company or investors. For more information regarding this report, please contact the Cooley attorneys listed below.

About Cooley. Cooley's attorneys solve legal issues for entrepreneurs, investors, financial institutions and established companies. Clients partner with Cooley on transformative deals, complex IP and regulatory matters, and bet-the-company litigation, often where innovation meets the law.

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