

Funding Size + Trends

2016 FIN/ES 329/629 COMPANIES

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Methodology

This document was created to provide additional insight to the founders, mentors, and students of the 2016 FIN/ES 326/629 class on the follow questions:

- How much funding has already been poured into similar companies?
- What is the typical seed funding size for my company?
- How fast are similar companies burning that money?
- What are the most common types of funding given to companies like mine?

The author has done his best to find good comparable companies to help answer the question above but inevitably, no two companies are identical. If you have questions about the companies that were used to create the analyses, the data is accessible from the link at the bottom of this page. In one case, there were no comparable companies that could be identified.

Note on Burn Rate Calculations

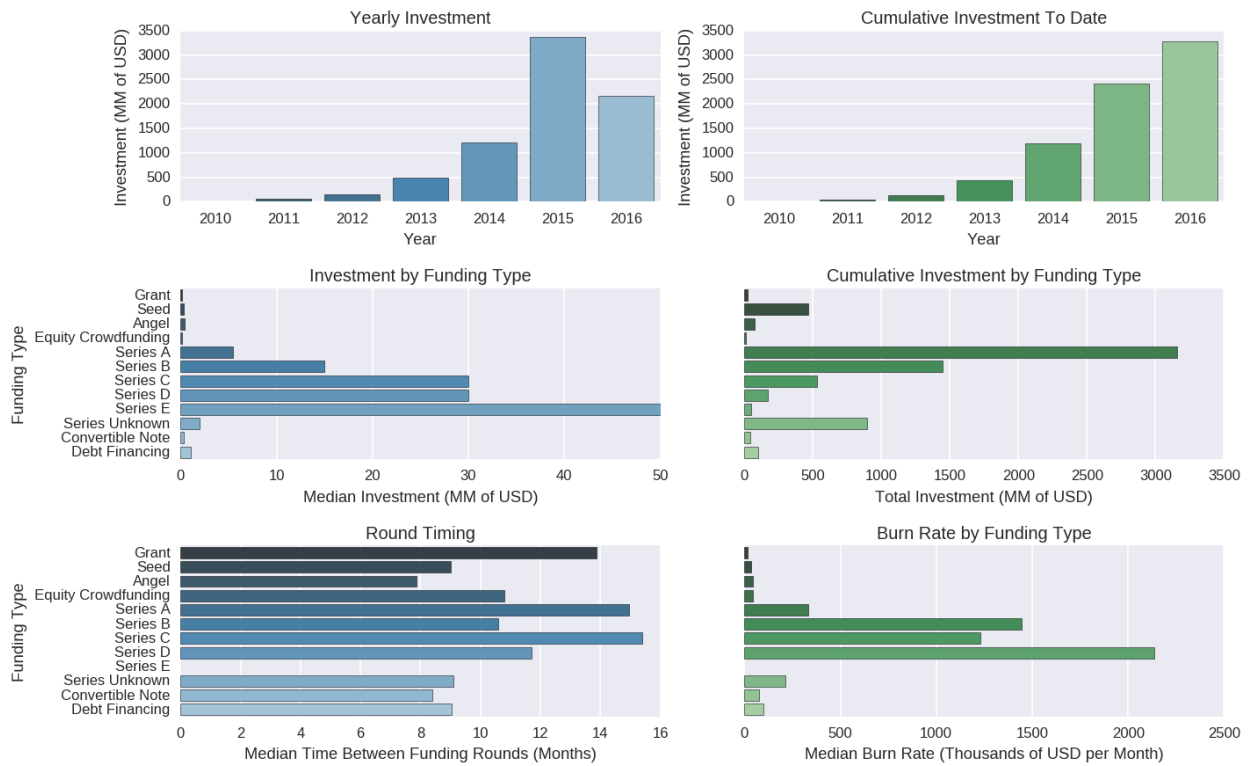
The burn rate calculation is not as straight forward as the other parts of the analysis. To calculate a burn rate, the author assumed that from one funding round to the next all the money from the previous round was spent. More formally, the calculation is:

$$\text{Burn Rate} = \frac{\text{Money Raised in Last Round}}{\text{Months Between Funding Rounds}}$$

We collected the data used to create the analyses below from the service Crunchbase. All the data and the code for the analyses are available from:

https://github.com/bradfordlynch/fin629_2016_analysis_of_companies

Summary of Data on All the Comparable Companies



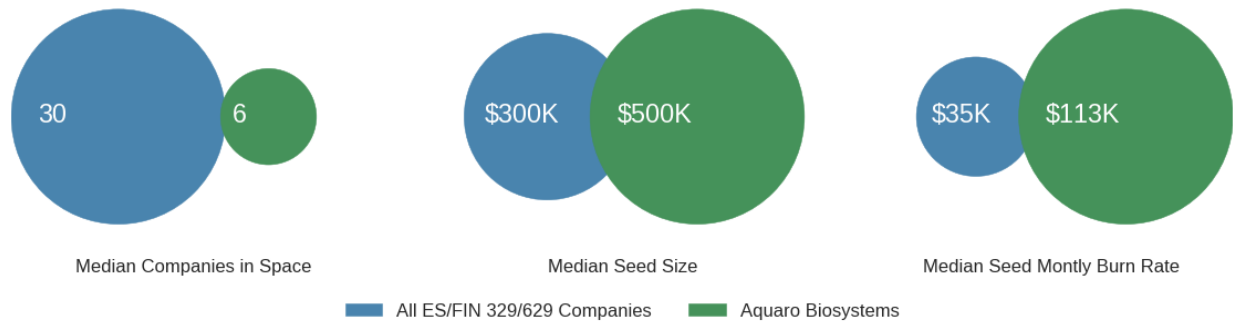
Over the past 5 years, the comparable companies had approximately \$3.3B worth of funding. The bulk of this funding came in the form of Series A rounds. As would be expected, later funding rounds were of larger size on average. Companies receiving later series funding also exhibited higher burn rates.

Aquaro Biosystems

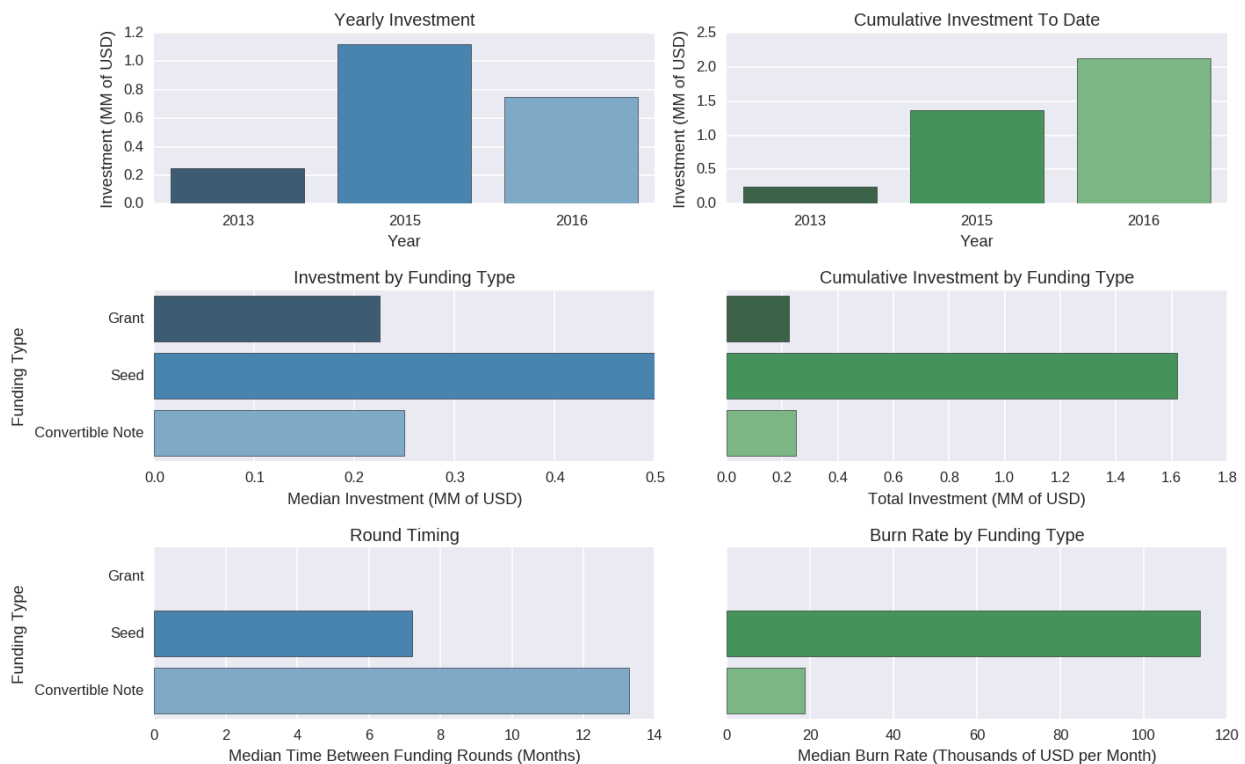
Value Proposition

Aquaro's technology reduces the time required to prepare a histology sample. This can increase the throughput of labs, reduce the time to get results for a single sample, etc.

Other Entrants in the Space



Data from Crunchbase indicates that over the past 5 years, there has been \$2.1MM worth of investments into two other companies which are working on improving histology. First, HistoWiz processes, cuts, and stains mouse tissue samples for cancer researchers, and returns the results in a digitized format within 3-days. The second entrant, Visikol, is focused on improving imaging technology by bringing a 3D imaging technology to market.



Potential Pivots

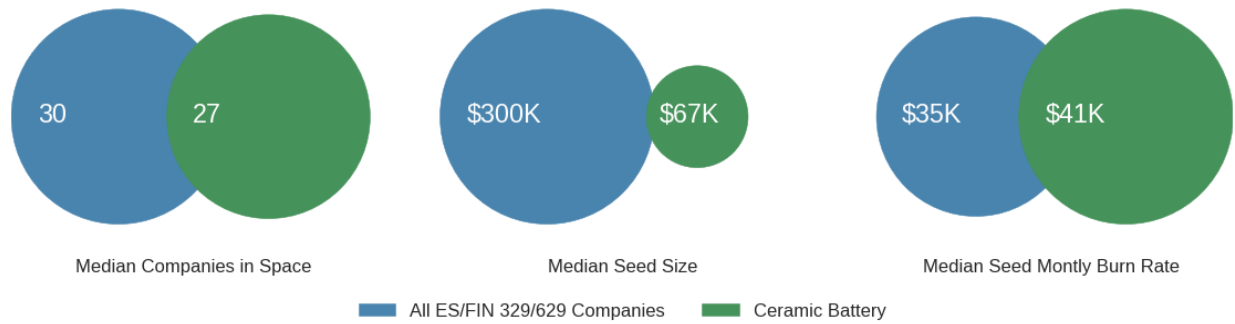
Depending on the average volume that Aquaro's customers need to process, it seems like they may have two different types of customers. Those that need to process lots of samples and will thus directly benefit from the increased throughput, as well as other customers that don't need to process as many samples but would benefit from "Histology as a Service" where they get a fast turnaround.

Ceramic Battery

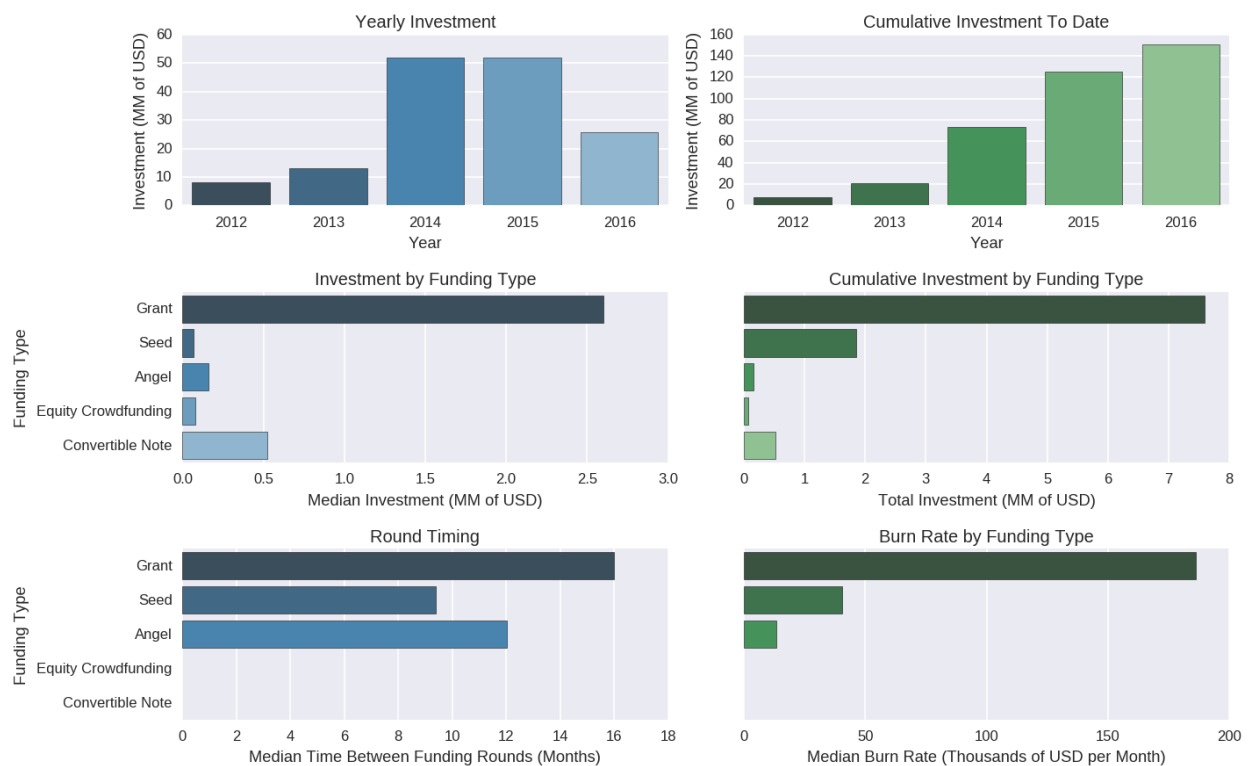
Value Proposition

Ceramic Battery alleviates range anxiety and safety concerns by offering a solution with significantly higher energy density and a design that cannot catch on fire.

Other Entrants in the Space



Data from Crunchbase indicates that over the past 5 years, there has been \$150MM of investments into companies founded within the past 5 years who working on improving battery technology.

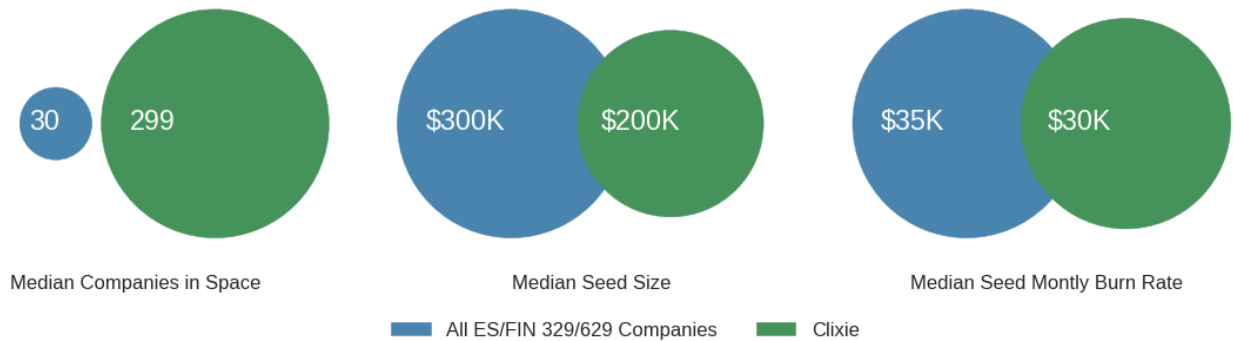


Clixie Video

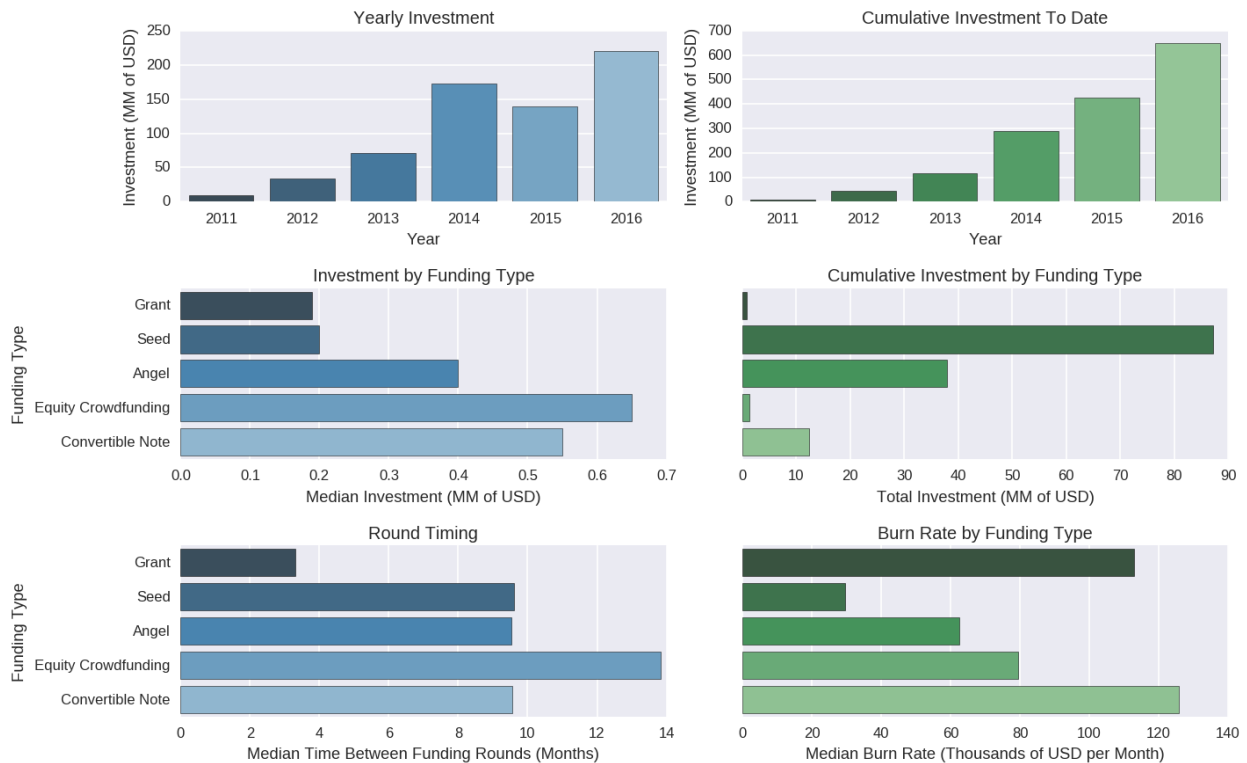
Value Proposition

Increase user engagement and click through rates on video ads through an interactive video content development platform.

Other Entrants in the Space



Data from Crunchbase indicates that over the past 5 years, there has been \$640MM worth of investments into companies working on improving user engagement in video advertising.

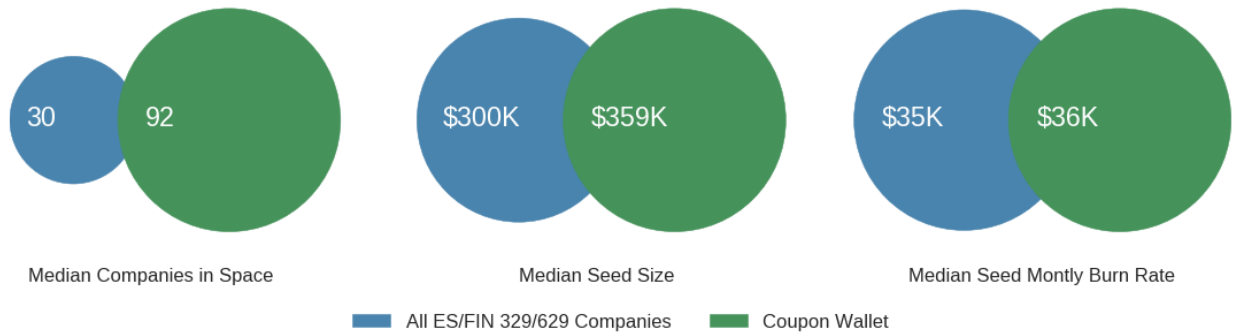


Coupon Wallet

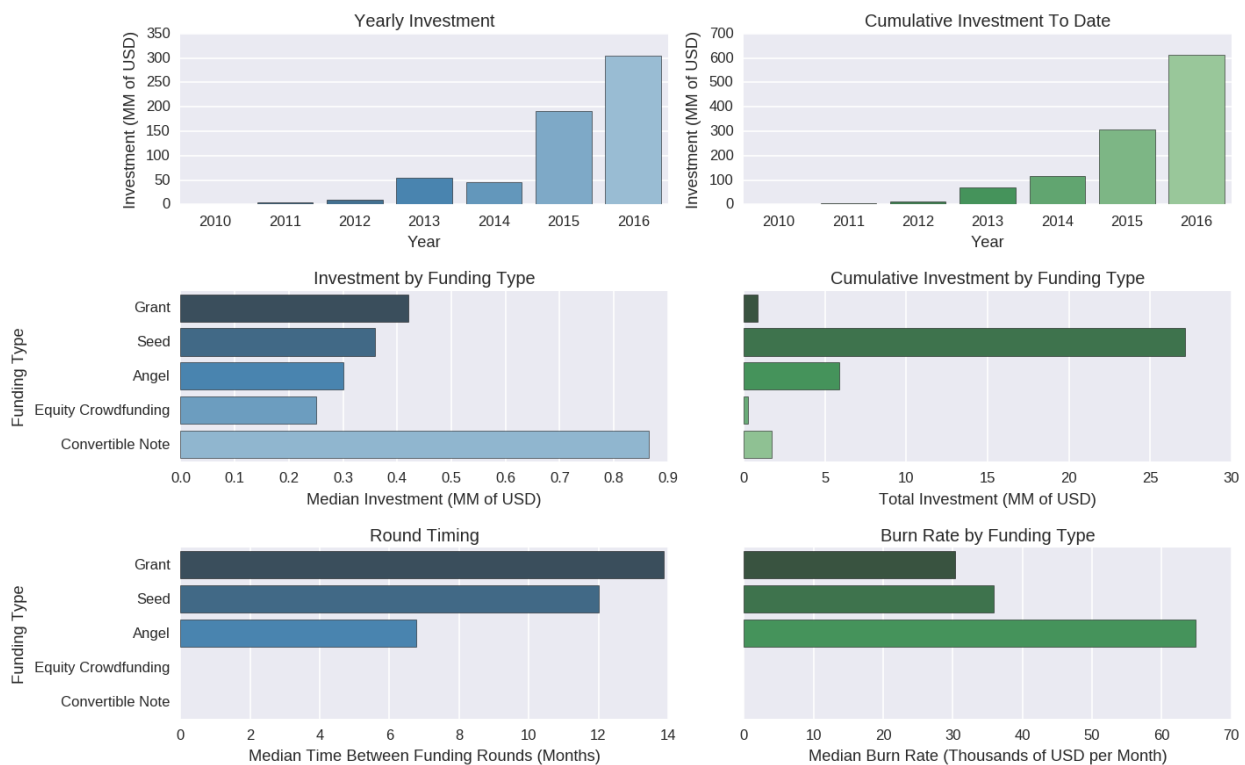
Value Proposition

Increased redemption rates of coupons by enabling targeted distribution of coupons to the right customer at the right time via an online platform and mobile apps.

Other Entrants in the Space



Data from Crunchbase indicates that over the past 5 years, there has been \$605MM worth of investments into companies working on platforms for digital coupons.

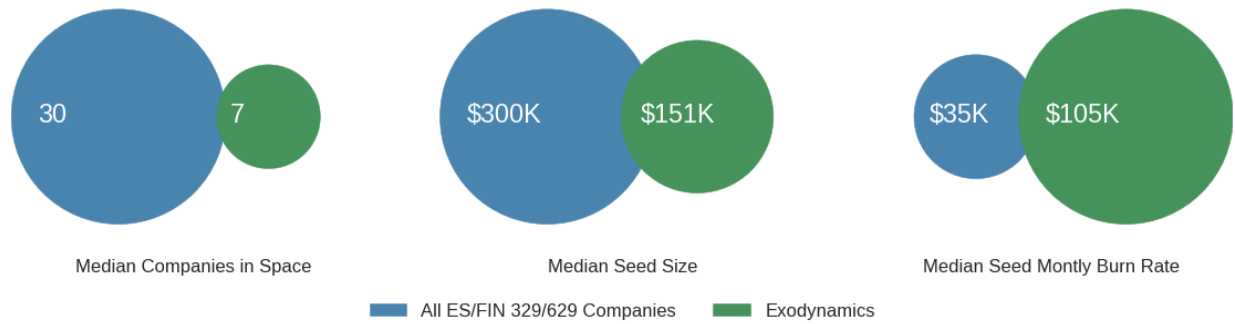


Exodynamics

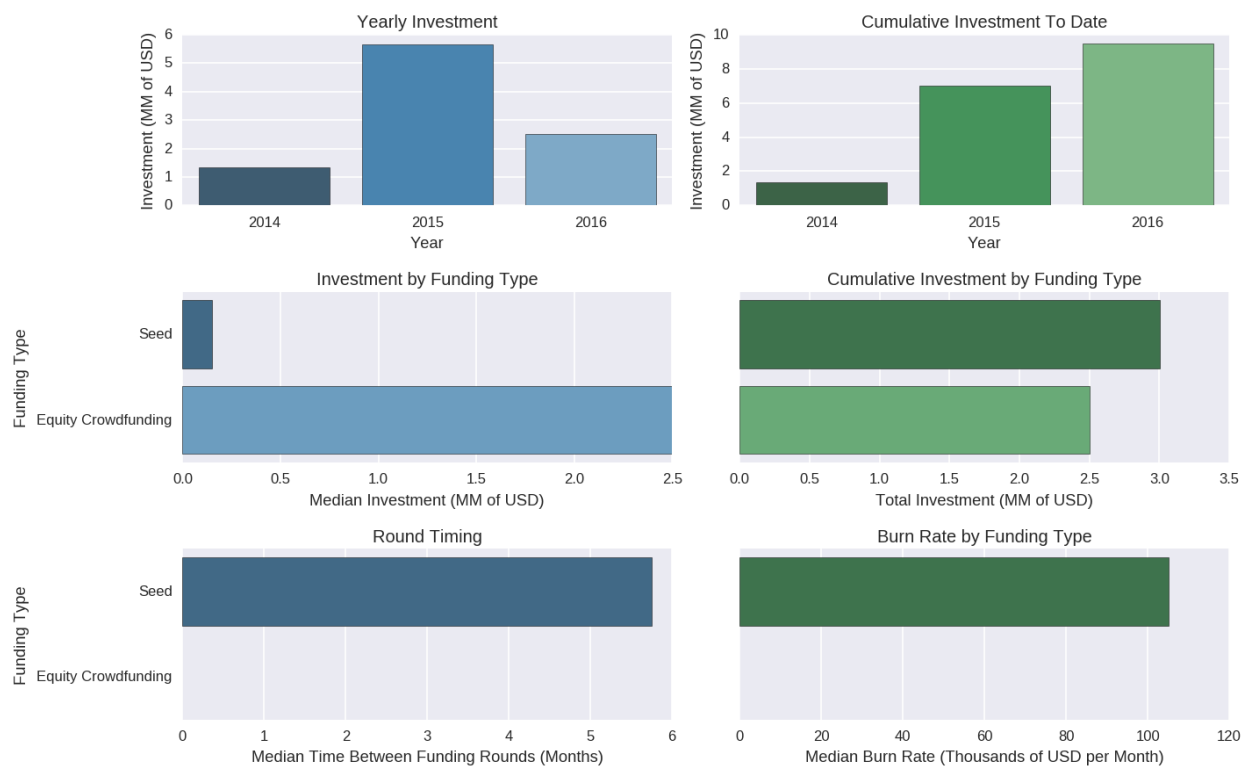
Value Proposition

Alleviates back pain, giving customers their life back, by providing users with a back brace that provides rigid support and responsive range of motion through innovative technology.

Other Entrants in the Space



Data from Crunchbase indicates that over the past 3 years, there has been \$9MM worth of investments into companies working on improving back braces/support devices.

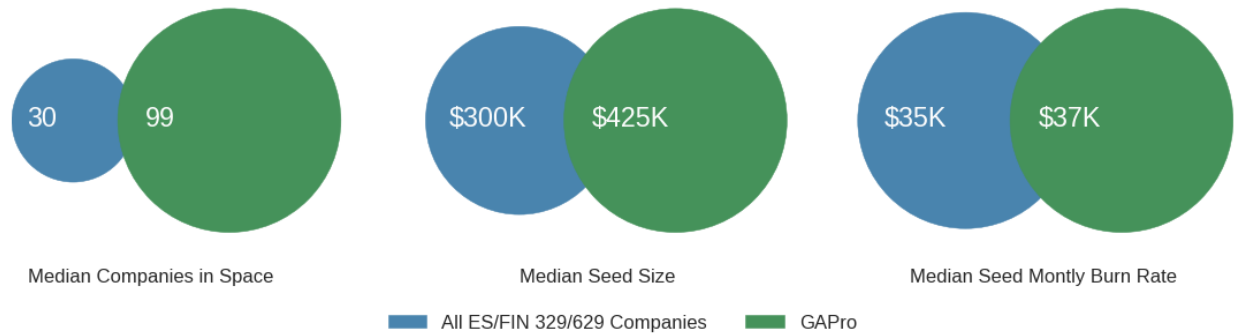


GAPro Systems

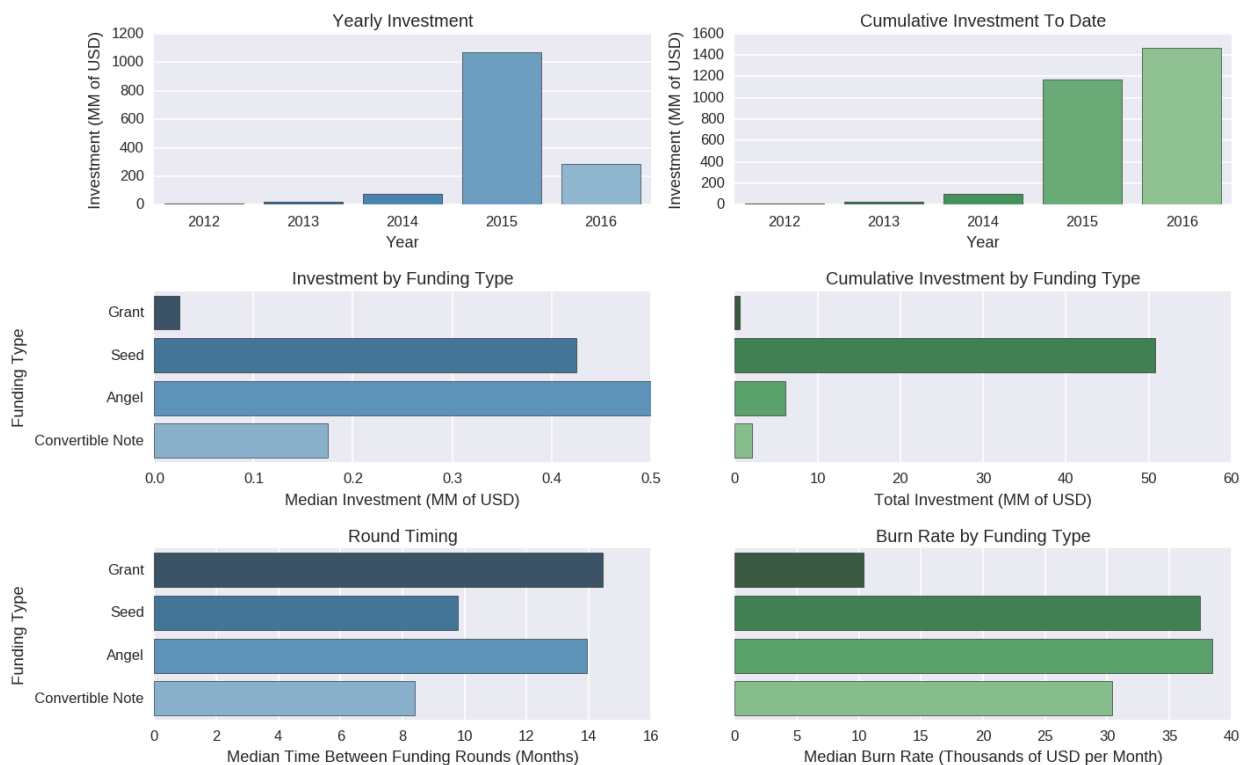
Value Proposition

Insurance verification is currently static and generally paper or card based. GAPro provides verification of insurance in real-time via a cloud based platform.

Other Entrants in the Space



Data from Crunchbase indicates that over the past 5 years, there has been \$1.4B worth of investments into companies founded with the past 5 years who are building platforms for the insurance industry.

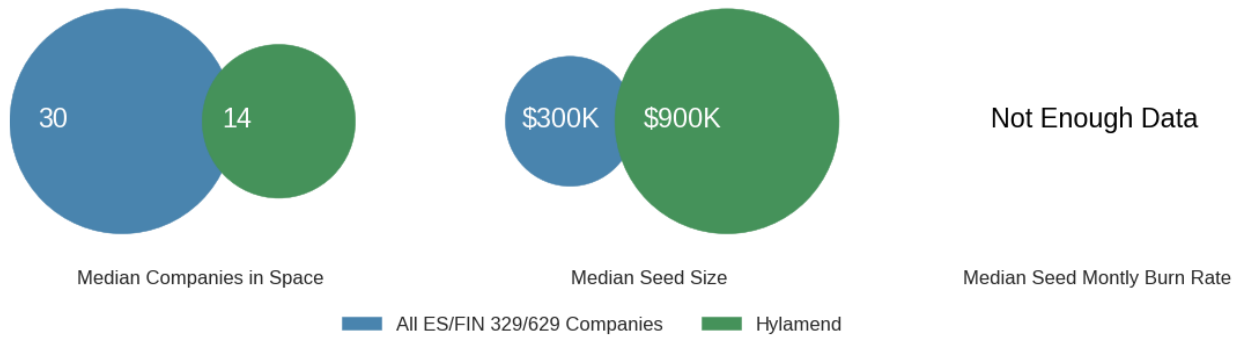


Hylamend

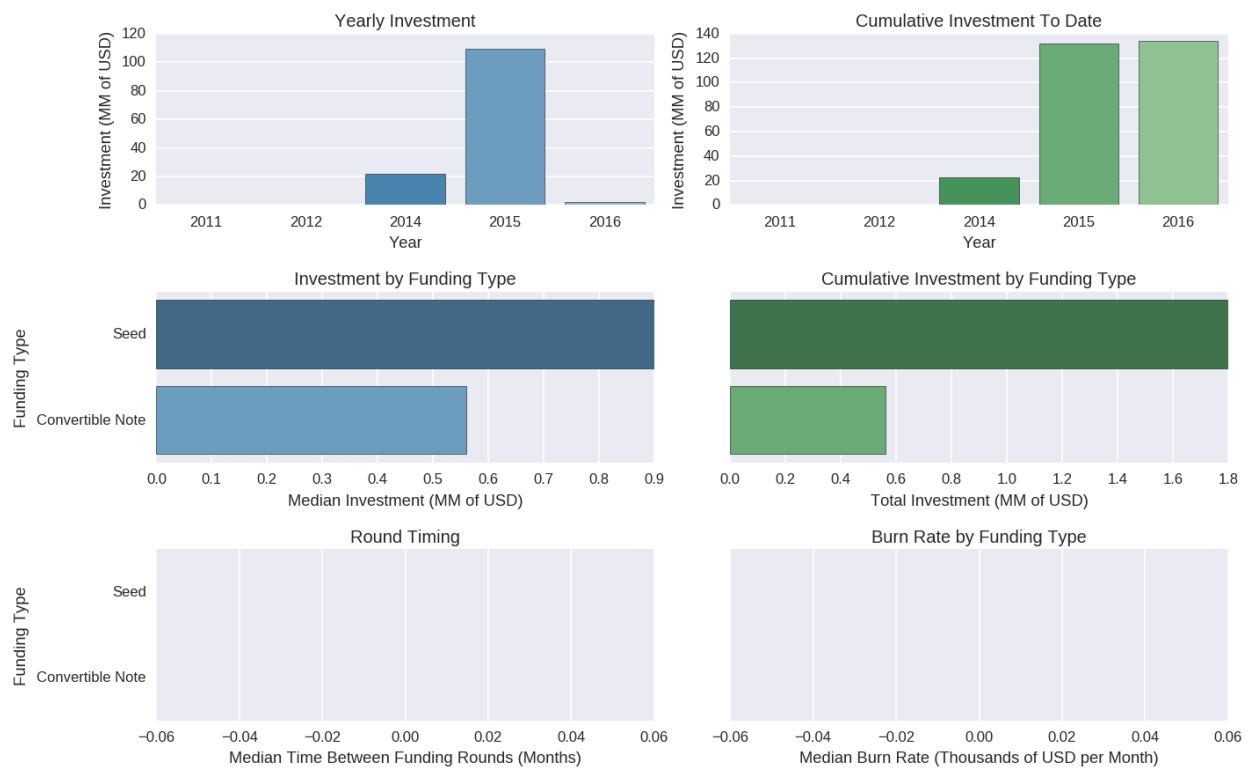
Value Proposition

Enables patients to get back to their lives sooner and with a lower probability of readmittance by healing bone fractures faster.

Other Entrants in the Space



Data from Crunchbase indicates that over the past 5 years, there has been \$130MM worth of investments into companies working on improving the rate at which bones heal.

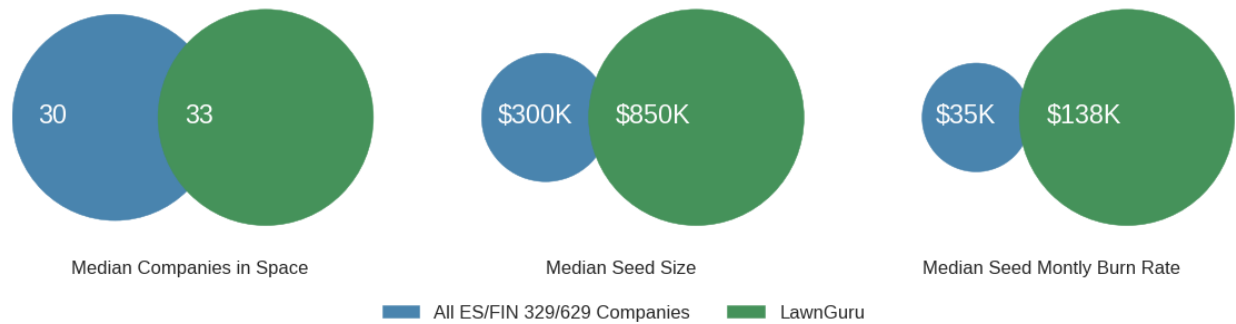


LawnGuru

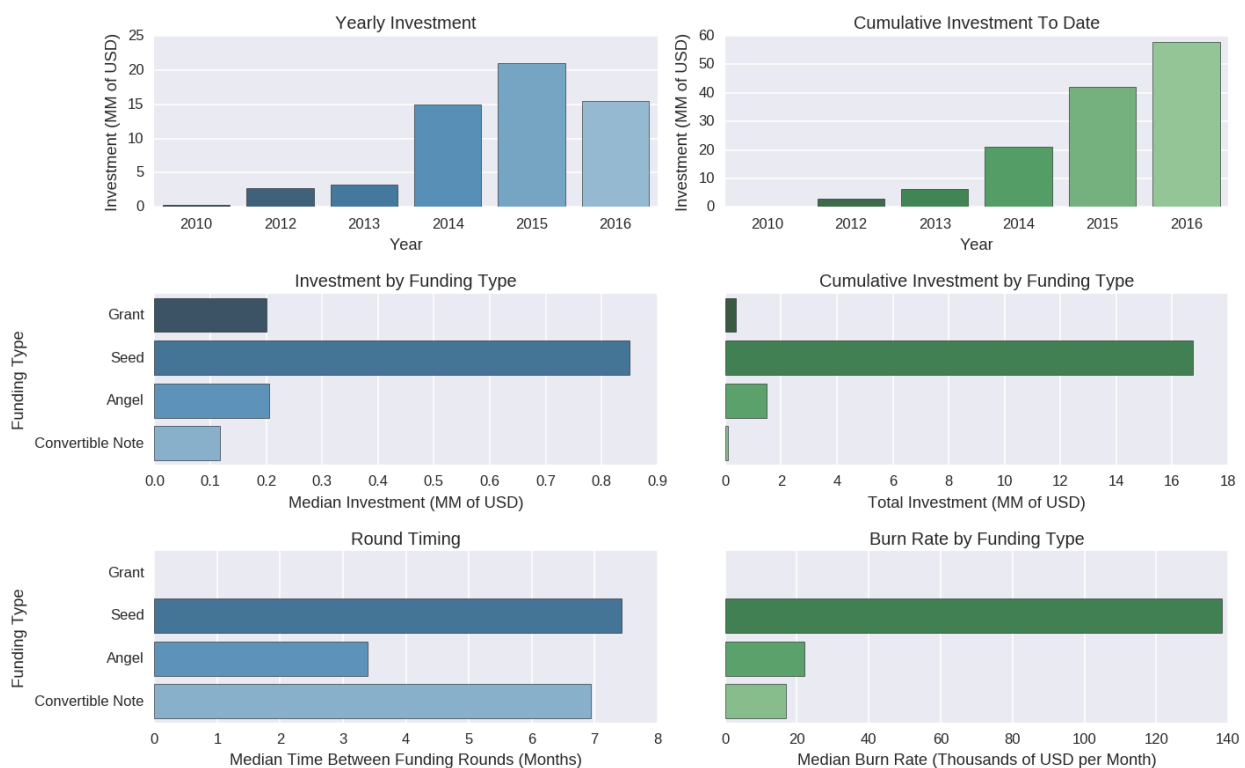
Value Proposition

LawnGuru is a multi-sided platform for lawncare and snow removal services promising home owners quality on-demand services, increased revenue for service providers, and ease of payment.

Other Entrants in the Space



Data from Crunchbase indicates that over the past 5 years, there has been \$58MM worth of investments into companies building platforms for on-demand services targeted at home owners.



Potential Pivots

One of the biggest challenges to this value proposition is that lawncare and snow removal are predictable recurring needs. For users, this reduces the transaction cost of building a relationship between vendors and home owners and scheduling a recurring service. To address this challenge,

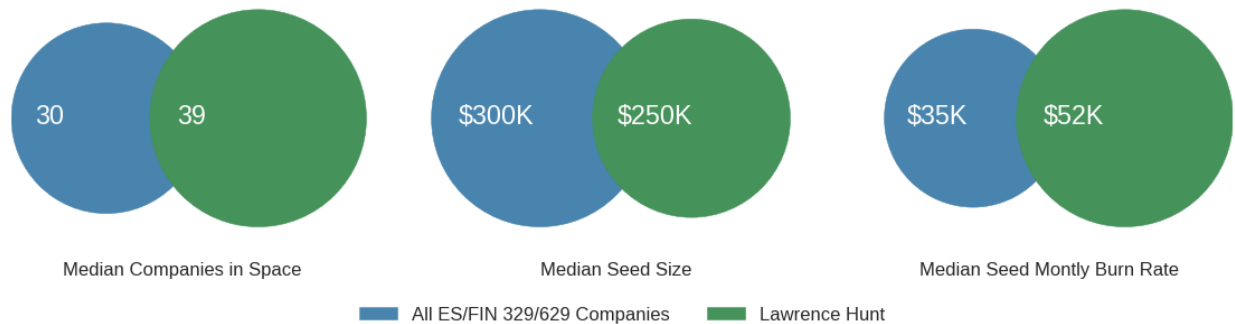
LawnGuru should consider leveraging its existing platform to connect home owners with service providers that meet less predictable needs. These could include: pest removal, electricians, plumbers, locksmiths, etc.

Lawrence Hunt

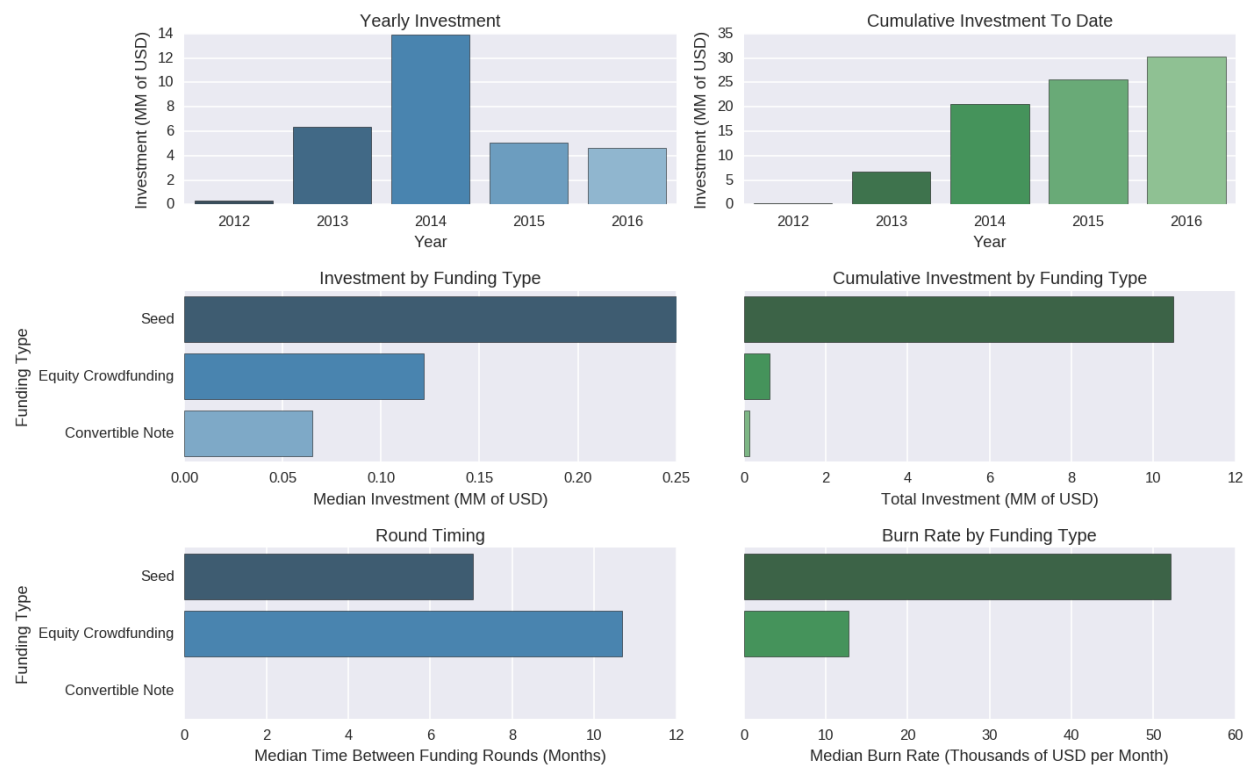
Value Proposition

Never worry about sweating through your dress shirts again thanks to LH's athleisure wear with sweat wicking armpit material.

Other Entrants in the Space



Data from Crunchbase indicates that over the past 5 years, there has been \$30MM worth of investments into companies developing direct to consumer clothing products.

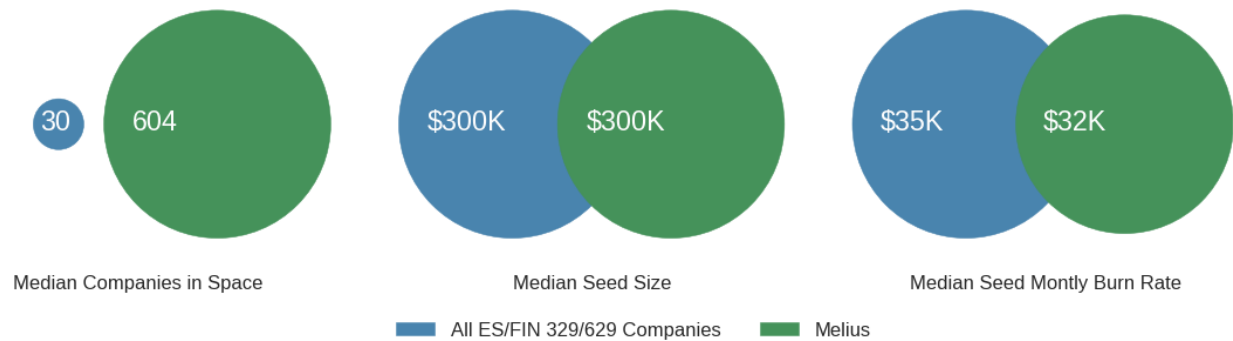


Melius

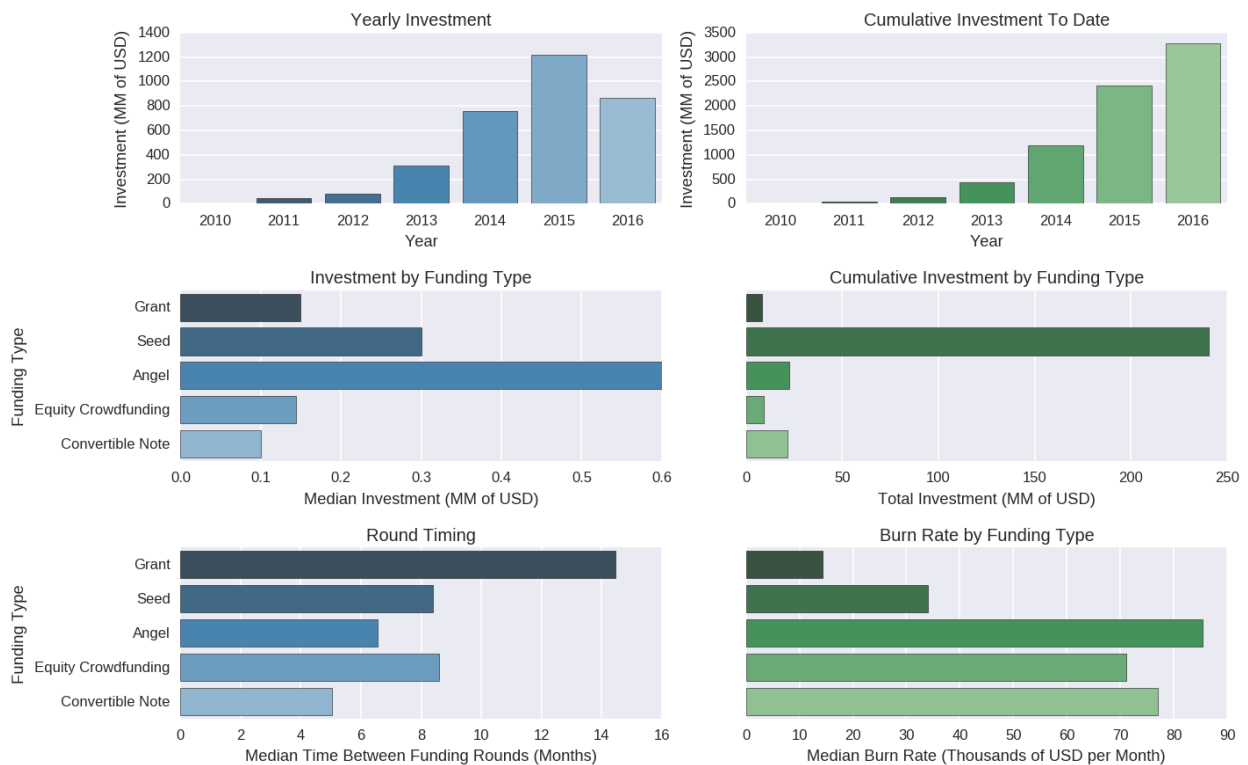
Value Proposition

Improved patient outcomes through improved data analytics.

Other Entrants in the Space



Data from Crunchbase indicates that over the past 5 years, there has been \$3.2B worth of investments into companies building platforms to improve patient outcomes.

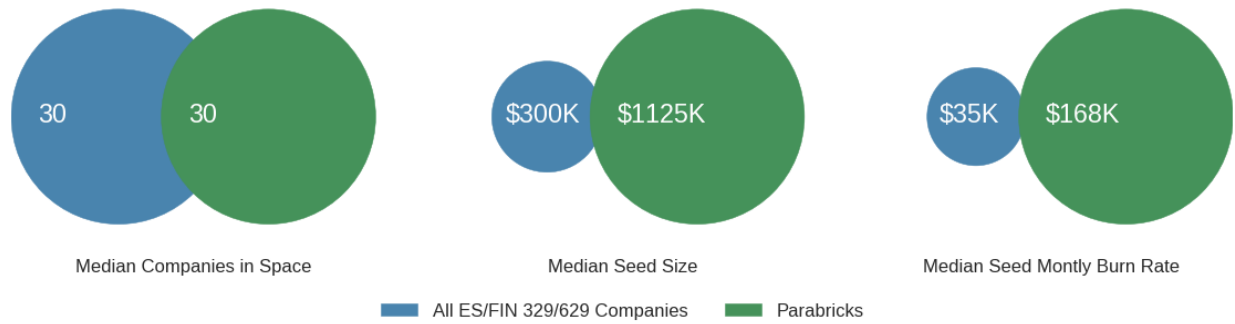


Parabricks

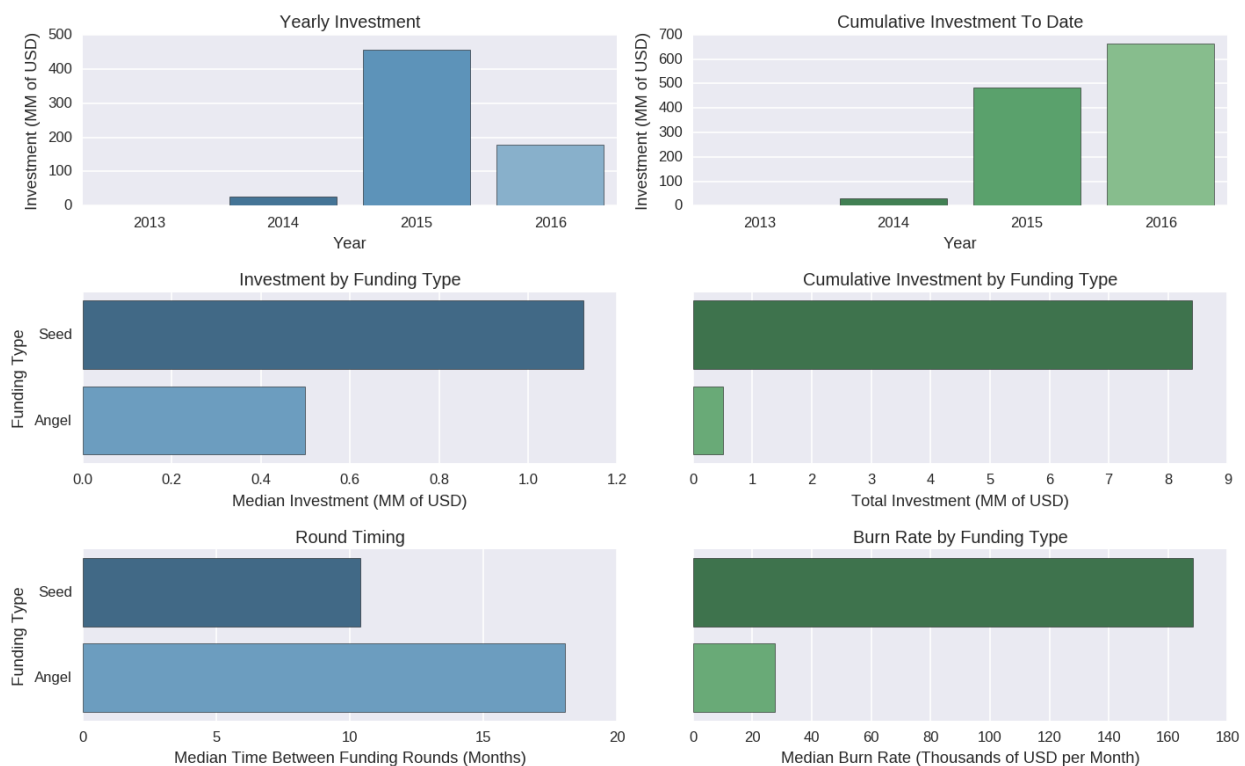
Value Proposition

Parabricks' technology saves lives and enables new treatments by drastically reducing the time required to analyze DNA sequences.

Other Entrants in the Space



Data from Crunchbase indicates that over the past 4 years, there has been \$650MM worth of investments into companies working on speeding up DNA analysis.



Closest comparable companies: Biota, NGS Pipeline, Edico, Bina

Potential Pivots

Other companies could benefit from Parabricks' services. One example is Helix, which is trying to build a platform for products tailored to individual's DNA and thus needs to process large amounts of DNA.

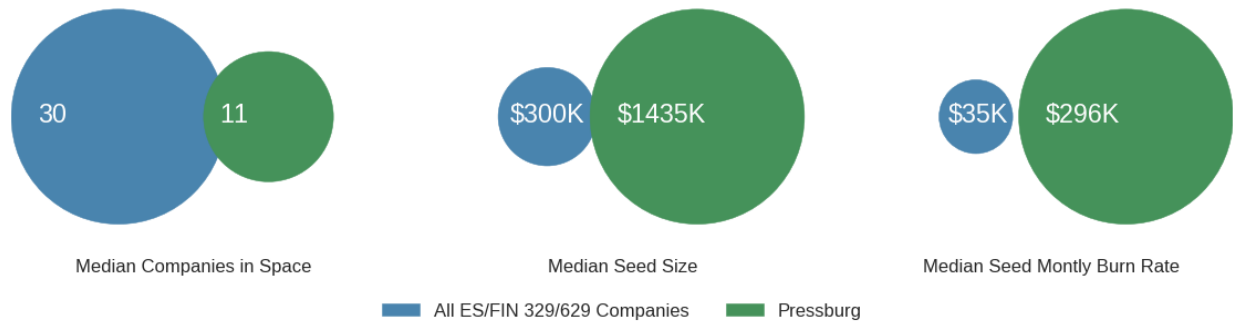
Alternatively, Parabricks could avoid the middle price range by targeting compute workloads that aren't time sensitive at a much lower price point and charging a price that is more comparable to its competitors for time sensitive jobs.

Pressburg

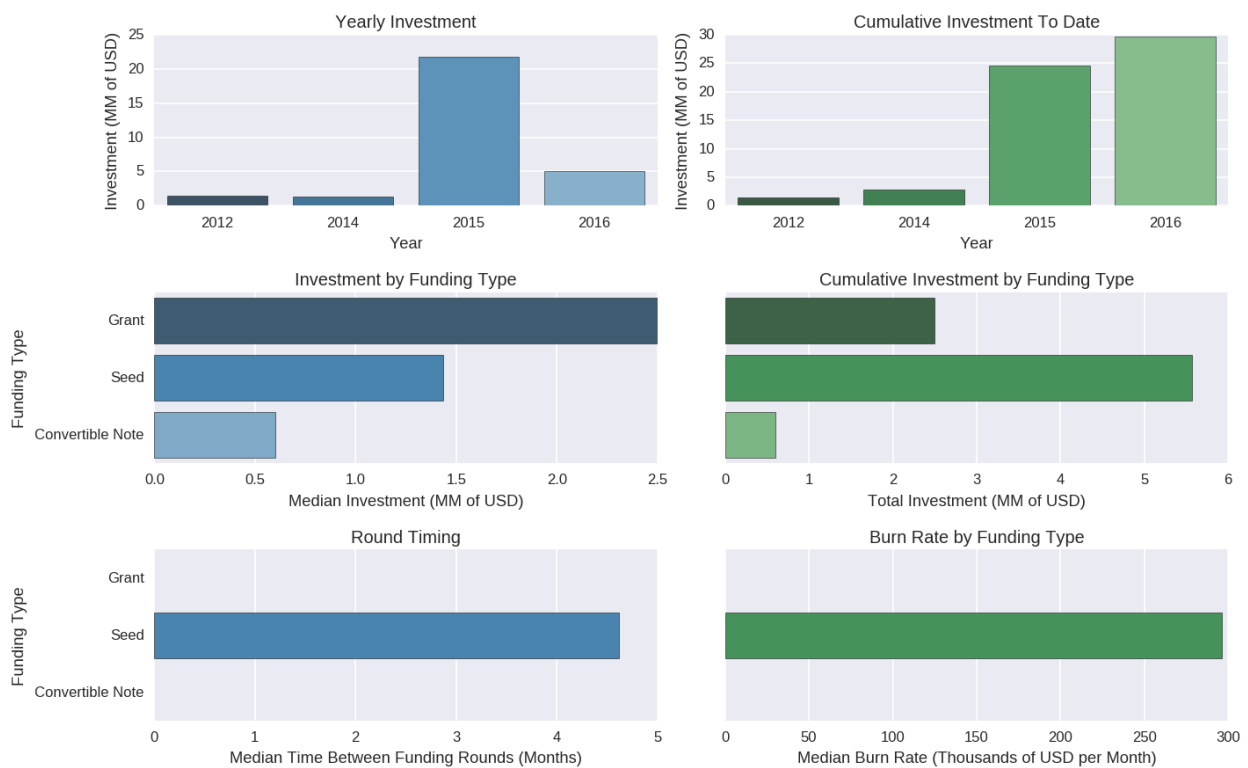
Value Proposition

Collect data from new and unique sources through the use of soft flexible sensors enabled by Pressburg's technology.

Other Entrants in the Space



Data from Crunchbase indicates that over the past 4 years, there has been \$30MM worth of investments into companies working on flexible circuits and technology enabling flexible circuits.



SenSigma

Value Proposition

Drastically reduces welding defects and costly rework through advanced defect detection in a nondestructive manner.

Other Entrants in the Space

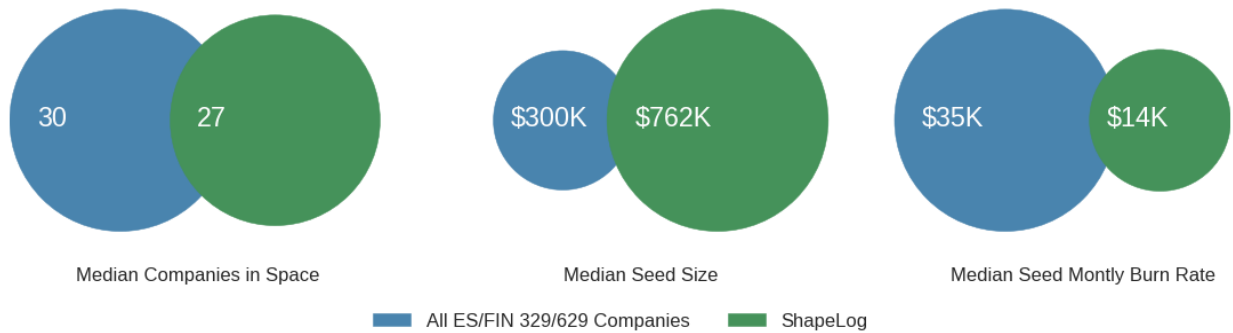
We were not able to find any companies in Crunchbase that are working on defect detection in welds.

ShapeLog

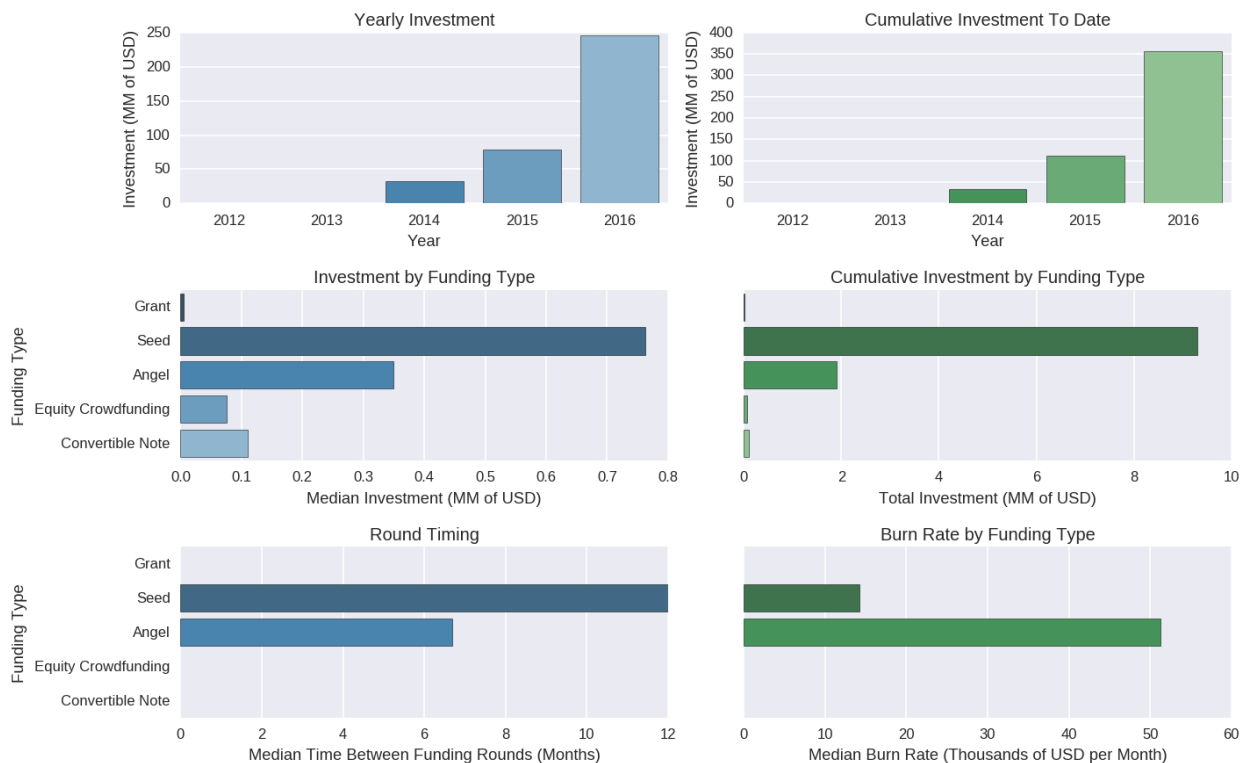
Value Proposition

Finally be able to track progress toward strength training goals and improve form in an automated way.

Other Entrants in the Space



Data from Crunchbase indicates that over the past 5 years, there has been \$350MM worth of investments into companies working on wearables for strength training and weight lifting.



Potential Pivots

Tracking of exerted effort is also applicable to other fields such as jobs that involve manual labor. In these jobs worker's compensation claims can be a significant expense for companies due to lost productivity, training of temporary employees and/or overtime to cover absent workers, and simply the

expenses paid to the injured worked. ShapeLog's technology could be used in this area as a tracking device to reduce and prevent injuries. See the company Kinetic for one entrant into this space.