Introduction to Panel and Discussion

The Changing Nature and Role of Investors in European High Growth Businesses

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Introduction to Go4Venture Advisers

- International corporate finance advisory firm dedicated to working with fast growing technology companies and their investors.
  - Equally involved in M&A and private placements

- 10+ professionals in London, Paris and Stockholm + 10+ sector / country advisors. Team comprised of international backgrounds with experience from:

  Investment Banking & Corporate Advisory
  - UBS
  - Goldman Sachs
  - Jefferies
  - BNP Paribas
  - ING
  - J.P. Morgan
  - PAGEMILL
  - Rothschild

  VC, PE & Principal Investments
  - ATLAS VENTURE
  - FRG
  - STAR Capital Partners
  - SVB Capital
  - BEAUFORT CAPITAL
  - Allianz Global Investors

  Industry & Consulting
  - Intel
  - BAIN & COMPANY
  - Coopers & Lybrand
  - LexisNexis
  - MERCER

- Proprietary database of private placement transactions
  - Headline Transactions Index (HTI) as an early indicator of market activity
  - One page profiles of each transaction of more than £5mn / €7.5mn / $10mn in Monthly Bulletin
  - Joint publication with BoA Merrill Lynch, DFJ Esprit, European Investment Fund (EIF)
  - >11k subscribers; has been referenced by: Bloomberg, FT, FINANCIAL TIMES, ALM, ALTERNATIVE INVESTING
Eight Facts About European Large Venture

Based on rounds of more than £5mn / €7.5mn / $10mn

1. The European venture market is at near double the pre-2009 crisis level
2. This is driven by a new generation of large rounds which more than tripled since 2010
3. Average round sizes up by more than 50% from Series B onwards
4. It’s becoming a case of ‘haves’ and ‘have-nots’
5. The investor landscape is near unrecognisable vs. 5-10 years ago
6. US investors now count for more than 50% of European investments ≥ €7.5mn
7. Activity by corporates is increasing dramatically
8. We have seen more than 100 opportunistic investors since 2012
"We are seeing positive indications for a strong 2015. [...] Within both the private equity environment and the broader economy, there is enthusiasm for investment and putting capital to work in the coming year." (January 2015)

"Happy trails are here again for private equity and venture capital fundraising." (February 2015)

* Includes Rocket Internet raising €768mn in August 2014
Source: Go4Venture Advisers HTI Database
This Is Driven By A New Generation Of Large Rounds Which More Than Tripled Since 2010

Number of Landmark (+€20mn) and Mega (+€100mn) Rounds in Europe (2010-2014)

- # of Landmark Rounds
- # of Mega Rounds

<table>
<thead>
<tr>
<th>Year</th>
<th>Landmark Rounds</th>
<th>Mega Rounds</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>17</td>
<td>56</td>
<td>+47%</td>
</tr>
<tr>
<td>2012</td>
<td>38</td>
<td>4</td>
<td>+111%</td>
</tr>
<tr>
<td>2014</td>
<td>52</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

Source: Go4Venture Advisers HTI Database

European Mega (+€100mn) Rounds (2002-2015)

<table>
<thead>
<tr>
<th>Year</th>
<th>Mega Rounds</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>€768mn</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>€496mn</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>€306mn</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>€271mn</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>€227mn</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>€203mn</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>€185mn</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>€118mn</td>
<td>+111%</td>
</tr>
<tr>
<td>2008</td>
<td>€115mn</td>
<td>+47%</td>
</tr>
<tr>
<td>2007</td>
<td>€109mn</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>€101mn</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>€100mn</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>€100mn</td>
<td></td>
</tr>
</tbody>
</table>
Average Round Sizes Up By More Than 50% From Series B Onwards

**Series A**

*Average Series A Investment Size in Europe*  
(2010-2014, investments ≥€7.5mn)

- **2010:** €17mn
- **2014:** €16mn  
  *-9%*

**Series B**

*Average Series B Investment Size in Europe*  
(2010-2014, investments ≥€7.5mn)

- **2010:** €24mn
- **2014:** €36mn  
  *+52%*

**Series C**

*Average Series C Investment Size in Europe*  
(2010-2014, investments ≥€7.5mn)

- **2010:** €17mn
- **2014:** €26mn  
  *+55%*

**Late Stage**

*Average Late Stage Investment Size in Europe*  
(2010-2014, investments ≥€7.5mn)

- **2010:** €22mn
- **2014:** €53mn  
  *+137%*

*Source: Go4Venture Advisers HTI Database*
It’s Becoming A Case Of ‘Haves’ And ‘Have-nots’

If you’re not internet 

... at a growth equity stage...

...or a serial entrepreneur

<table>
<thead>
<tr>
<th>Selected Rounds</th>
<th>Previous Companies</th>
<th>Investors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prezi</td>
<td>€47mn Series C – November 2014</td>
<td></td>
</tr>
<tr>
<td>number four</td>
<td>€29mn Series A - June 2013</td>
<td></td>
</tr>
<tr>
<td>hyperopic</td>
<td>€59mn Series A - May 2013</td>
<td></td>
</tr>
</tbody>
</table>

Share of Number of Internet Investments in Europe (2010-2014, investments ≥€7.5mn)

Share of Number of Growth Equity Investments in Europe (Excluding in Internet Companies) (2010-2014, investments ≥€7.5mn)

Source: Go4Venture Advisers HTI Database
Source: Pitchbook
Source: Go4Venture Advisers HTI Database

Then Good Luck!

4
### Top 40 Investors per # of Investments (2004-2014, investments ≥ €7.5mn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Investors that did not appear in following period</th>
<th>Investors that did not appear in previous period</th>
<th>New funds which have become active in Europe in the last 10 years</th>
</tr>
</thead>
</table>

Source: Go4Venture Advisers HT1 Database
US Investors Now Count For More Than 50% Of European Investments ≥ €7.5mn

**# and Share of US Investments in Europe**
(2010-2014, investments ≥ €7.5mn)

- 2010: 34
- 2012: 56
- 2014: 85

- 43% Share of US Investments in Europe in 2010
- 49% Share in 2012
- 55% Share in 2014
- +65% Increase from 2010 to 2014

**Top 10 US Investors by Number of Deals in Europe**
(2010-2014, investments ≥ €7.5mn)

<table>
<thead>
<tr>
<th>#</th>
<th>Investor</th>
<th># of Deals In Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ACCEL PARTNERS</td>
<td>36</td>
</tr>
<tr>
<td>2</td>
<td>HIGHLAND CAPITAL PARTNERS</td>
<td>22</td>
</tr>
<tr>
<td>3</td>
<td>Intel Capital</td>
<td>21</td>
</tr>
<tr>
<td>4</td>
<td>greylock partners.</td>
<td>14</td>
</tr>
<tr>
<td>5</td>
<td>DFJ Esprit</td>
<td>13</td>
</tr>
<tr>
<td>6</td>
<td>INSIGHT VENTURE PARTNERS</td>
<td>10</td>
</tr>
<tr>
<td>7</td>
<td>Sequoia Capital</td>
<td>8</td>
</tr>
<tr>
<td>8</td>
<td>USV</td>
<td>7</td>
</tr>
<tr>
<td>9</td>
<td>General Atlantic</td>
<td>6</td>
</tr>
<tr>
<td>10</td>
<td>KPCB</td>
<td>6</td>
</tr>
</tbody>
</table>

*Note: As DFJ Esprit is part of US-Based DFJ’s Global Network, it has been classified as a US Investor with European Offices*

Source: Go4Venture Advisers HTI Database

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March 2015
Activity By Corporates Is Increasing Dramatically

# and Share of Corporate Investments in Europe
(2010-2014, investments ≥ €7.5mn)

- **# of Investments**
  - 2010: 8
  - 2012: 16
  - 2014: 49

- **Share of Investments**
  - 2010: 3%
  - 2012: 6%
  - 2014: 14%

**Source:** Pitchbook

**Top 10 Corporate Investors by Number of Investments**
(2010-2014, investments ≥ €7.5mn)

“Over the past five years the number of corporate-venture units worldwide has doubled to 1,100.”
(Nov-14) - The Economist

“Forty-seven of the 100 biggest US companies do venture capital investing.”
(Jan-15)
We Have Seen More Than 100 Opportunistic Investors Since 2012

Share of Value and Number of Family Office (FO) / Hedge Fund (HF) / Private Equity (PE) Investments in Europe (2010-2014, investments ≥ €7.5mn)

- Between 2012 and 2014, 119 investors who had never appeared in the previous 10 years invested for the first time
- Of these, 75% have not reappeared since

Source: Go4Venture Advisers HTI Database
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