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ANGEL RESOURCE INSTITUTE

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Present the

HALO Report™

Angel Group Update

2012 Year in Review

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2012 Highlights

Angel Group Update: Halo Report 2012

2012 Highlights

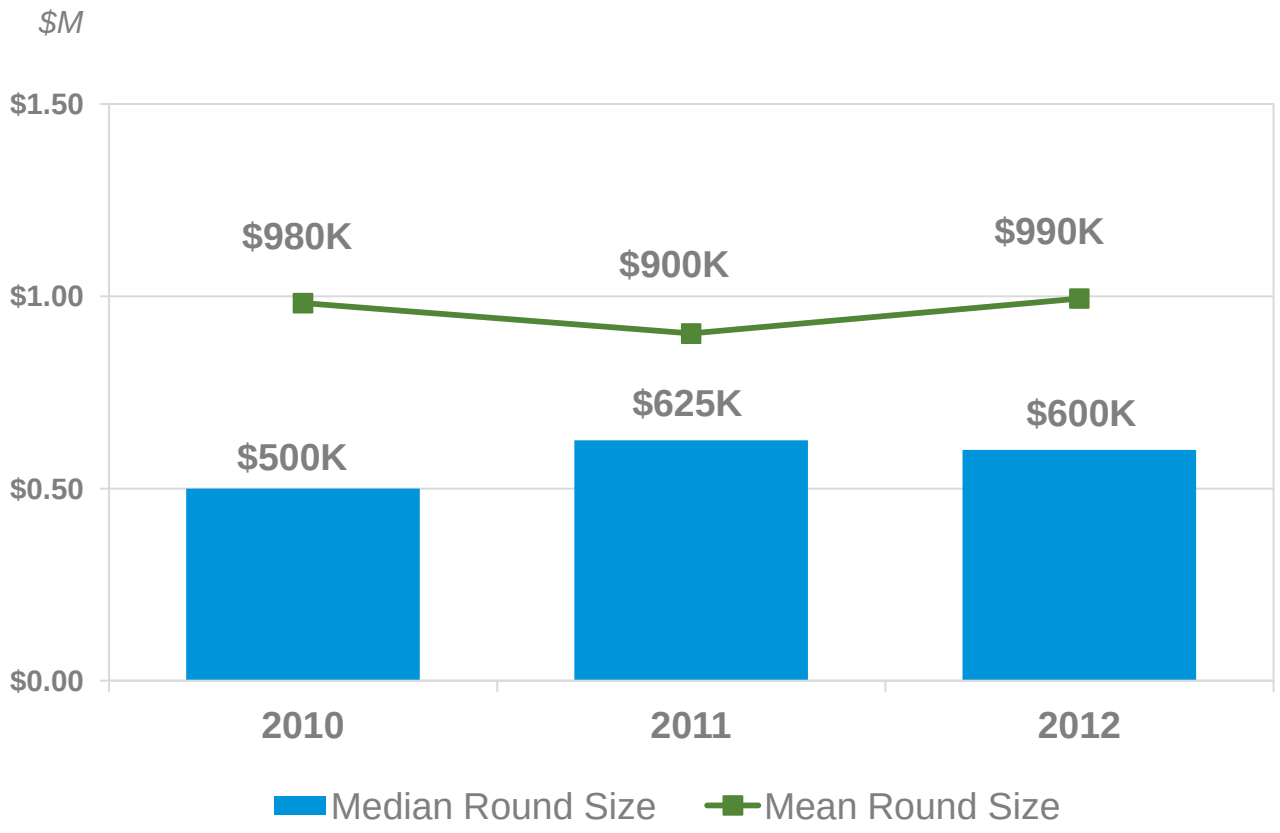
- **Median Angel Round Size is $600K, a dip from 2011, but trending up at year end**
- **Early Stage Pre-Money Valuations Remain Steady from 2011**
- **Mobile Sector Gains Share, Healthcare Drops in Deals and Dollars**
- **Angels Diversify: Northwest and Southwest Regions Gain Share of Deals and Dollars, California Loses Share**

Most Active Angel Groups

Rank	Group	Hometown
1	New York Angels	New York, NY
2	Tech Coast Angels	Southern CA
3	Launchpad Venture Group	Boston, MA
4	Central Texas Angel Network	Austin, TX
5	Golden Seeds	CA, MA, NY
6	Sand Hill Angels	Sunnyvale, CA
7	Investors' Circle	National Group
8	Alliance of Angels	Seattle, WA
9	CommonAngels	Boston, MA
10	Maine Angels	Portland, ME

National Trends

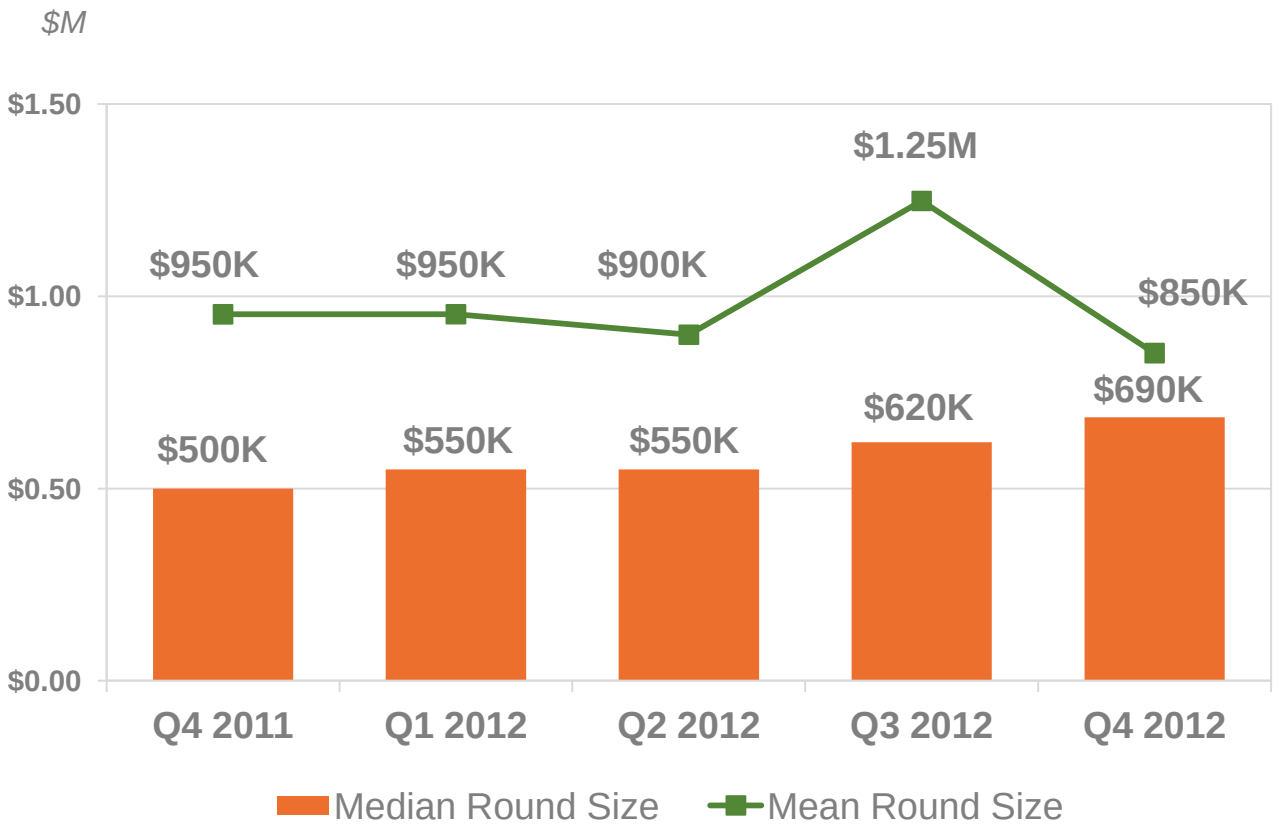
Median Angel Round Size Dips Slightly for the Year…



*Angel rounds include angels & angel groups only

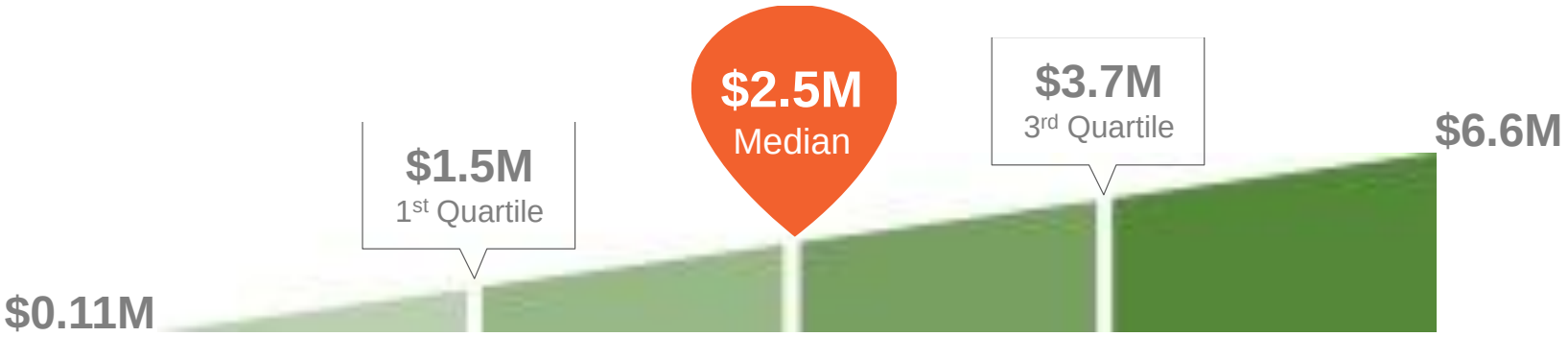
… But Trending Up at Year End

Median Angel Round Size Reaches Five Quarter High in Q4 2012



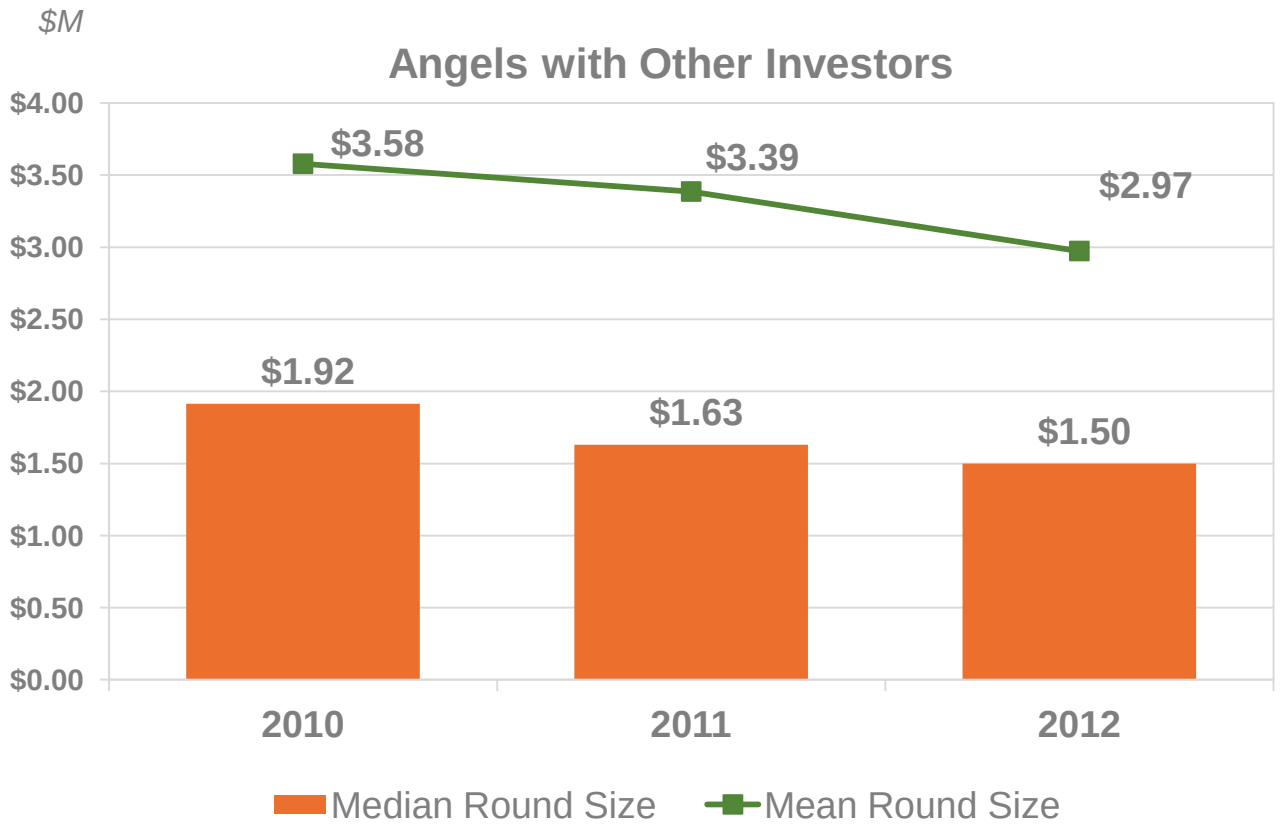
*Angel rounds include angels & angel groups only

Median Early Stage Pre-Money Valuation Stays the Same in 2012

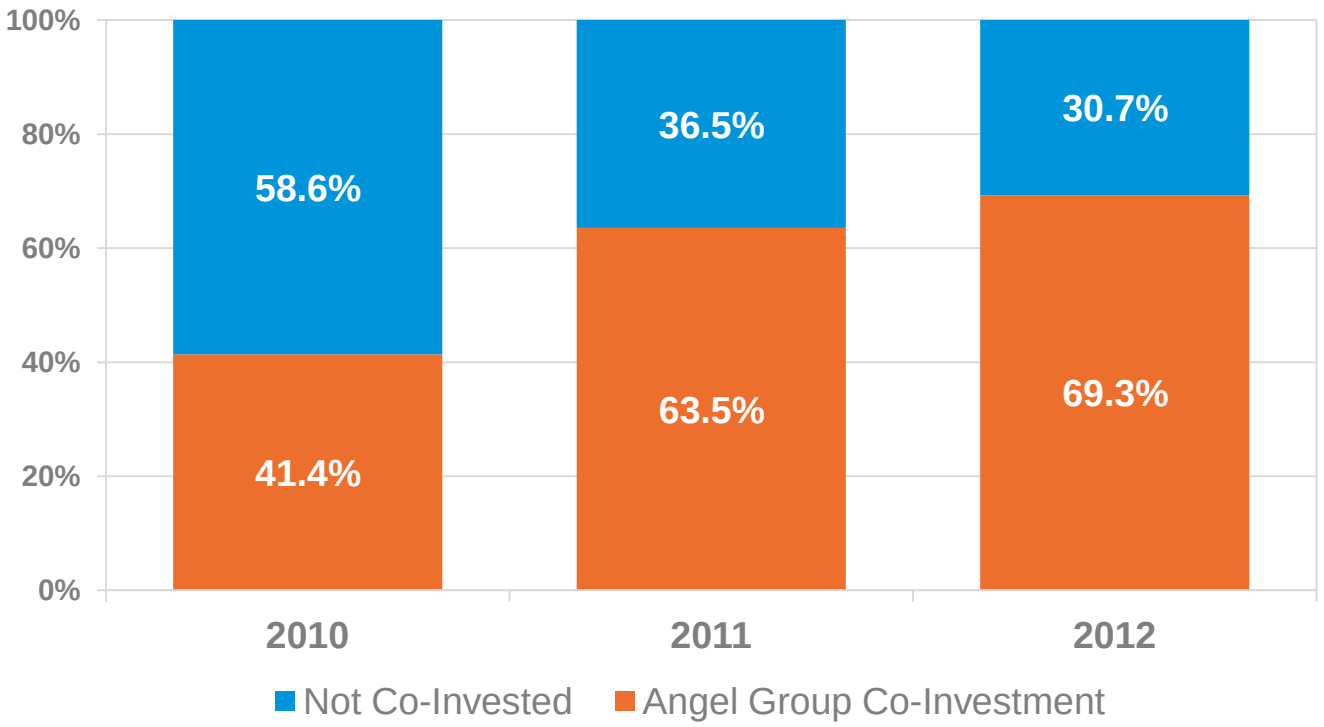


*Including all rounds with angel groups before Series A

Median Round Size Dips to $1.5M when Angel Groups Co-Invest
with Other Types of Investors



Share of Co-Invested Angel Group Deals Increases



Also of Note

More Convertible Debt Deals in 2012

11% of 2012 Deals were Convertible Debt; up from 6% in 2011

Majority of Invested Companies Have Revenue

63% of 2012 angel group deals were in companies with revenue

Angel Groups Invest in New Companies in 2012

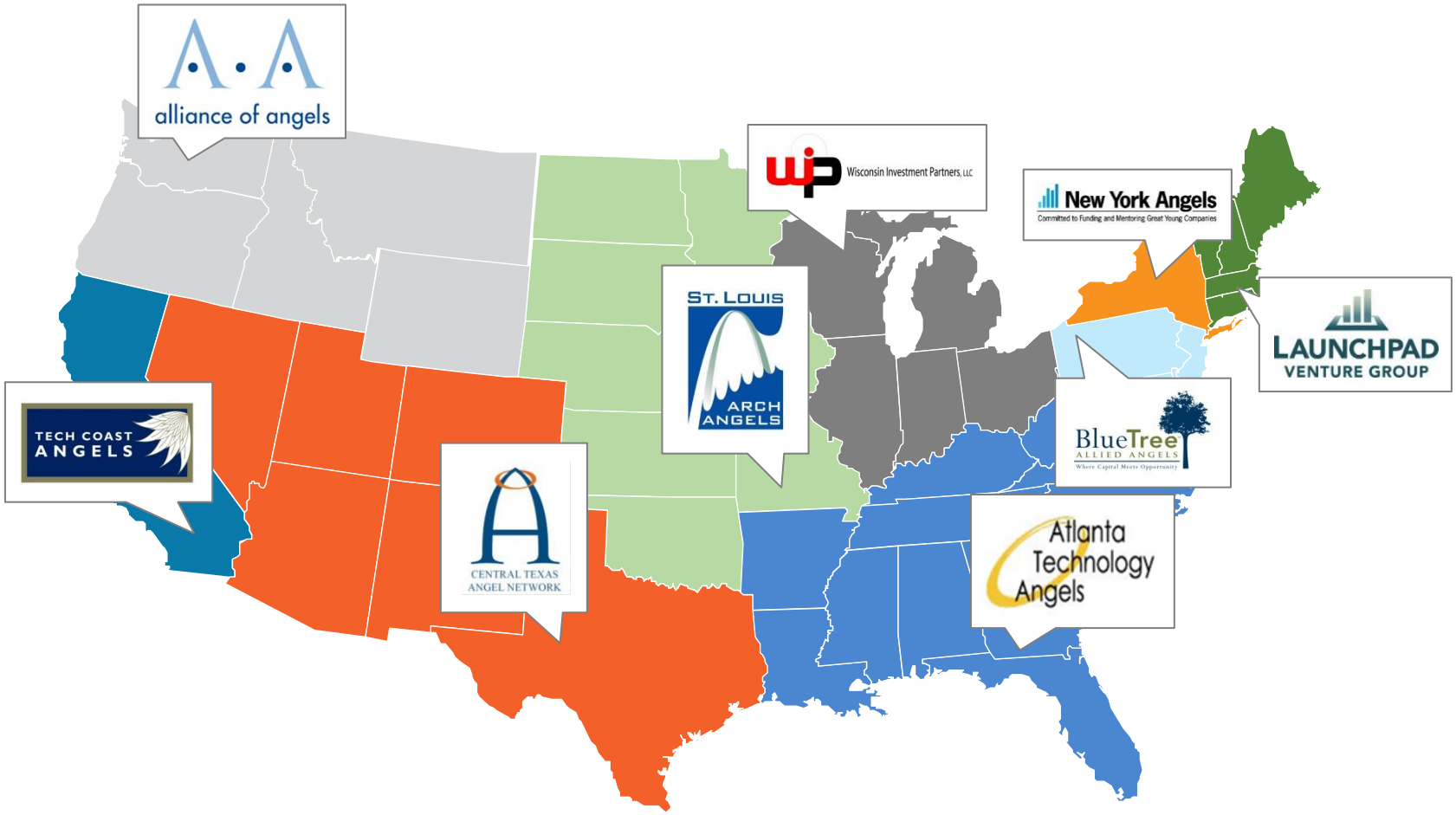
56% of 2012 angel group deals are in new companies; stable with 55% in 2011

Top Ten Angel Groups 2012

Most Active Angel Groups 2012 - Deals

1st	**New York Angels** New York, NY	New 2011
2nd	**Tech Coast Angels** Southern California	1st 2011
3rd	**Launchpad Venture Group** Boston, MA	2nd 2011
4th	**Central Texas Angel Network** Austin, TX	6th 2011
5th	**Golden Seeds** NY, MA, CA	5th 2011
6th	**Sand Hill Angels** Sunnyvale, CA	New 2011
7th	**Investors' Circle** National Group	9th 2011
8th	**Alliance of Angels** Seattle, WA	4th 2011
9th	**CommonAngels** Boston, MA	7th 2011
10th	**Maine Angels** Portland, ME	New 2011

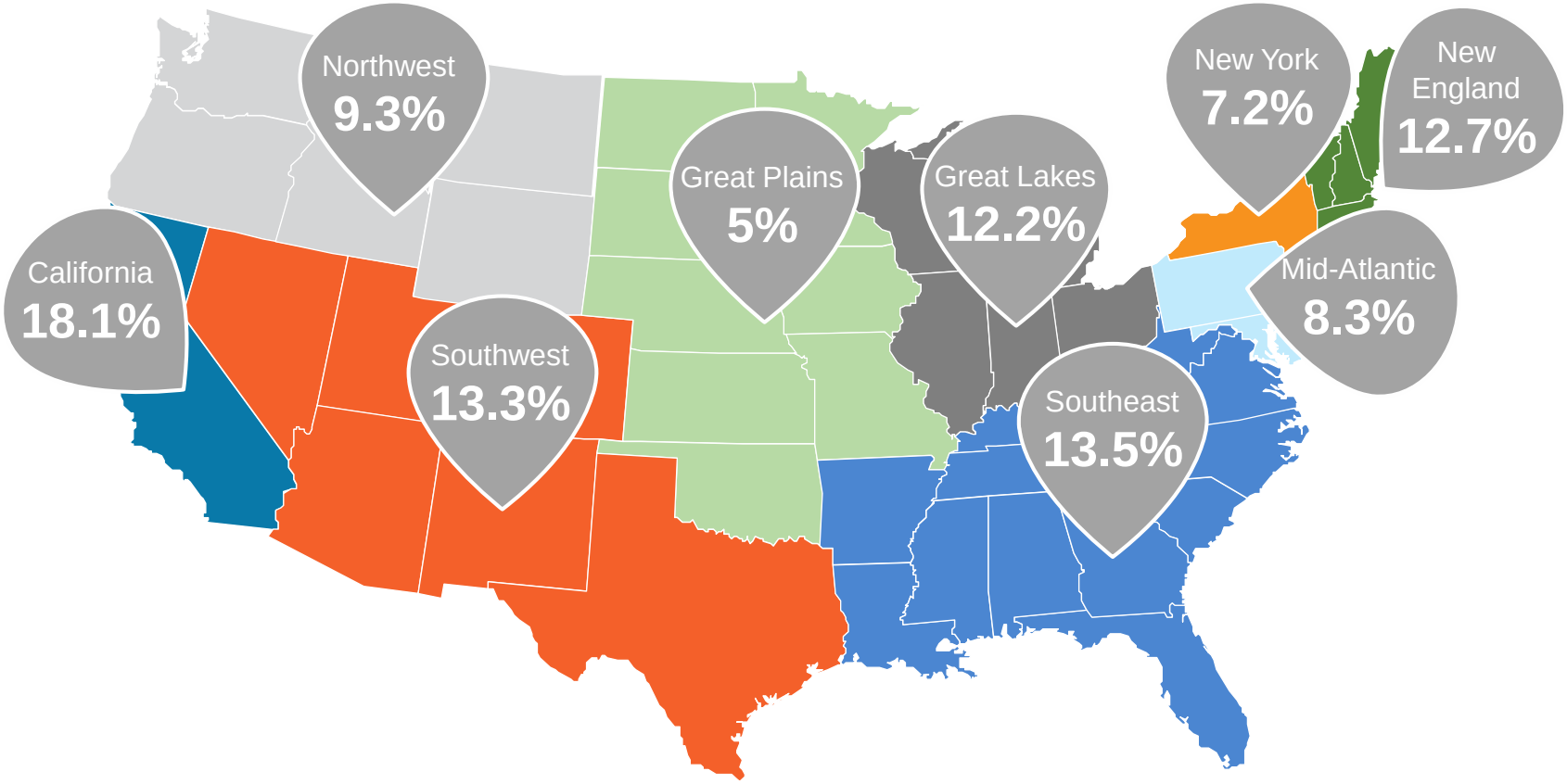
Most Active Angel Groups in Each Region 2012 - Deals



Regional Trends

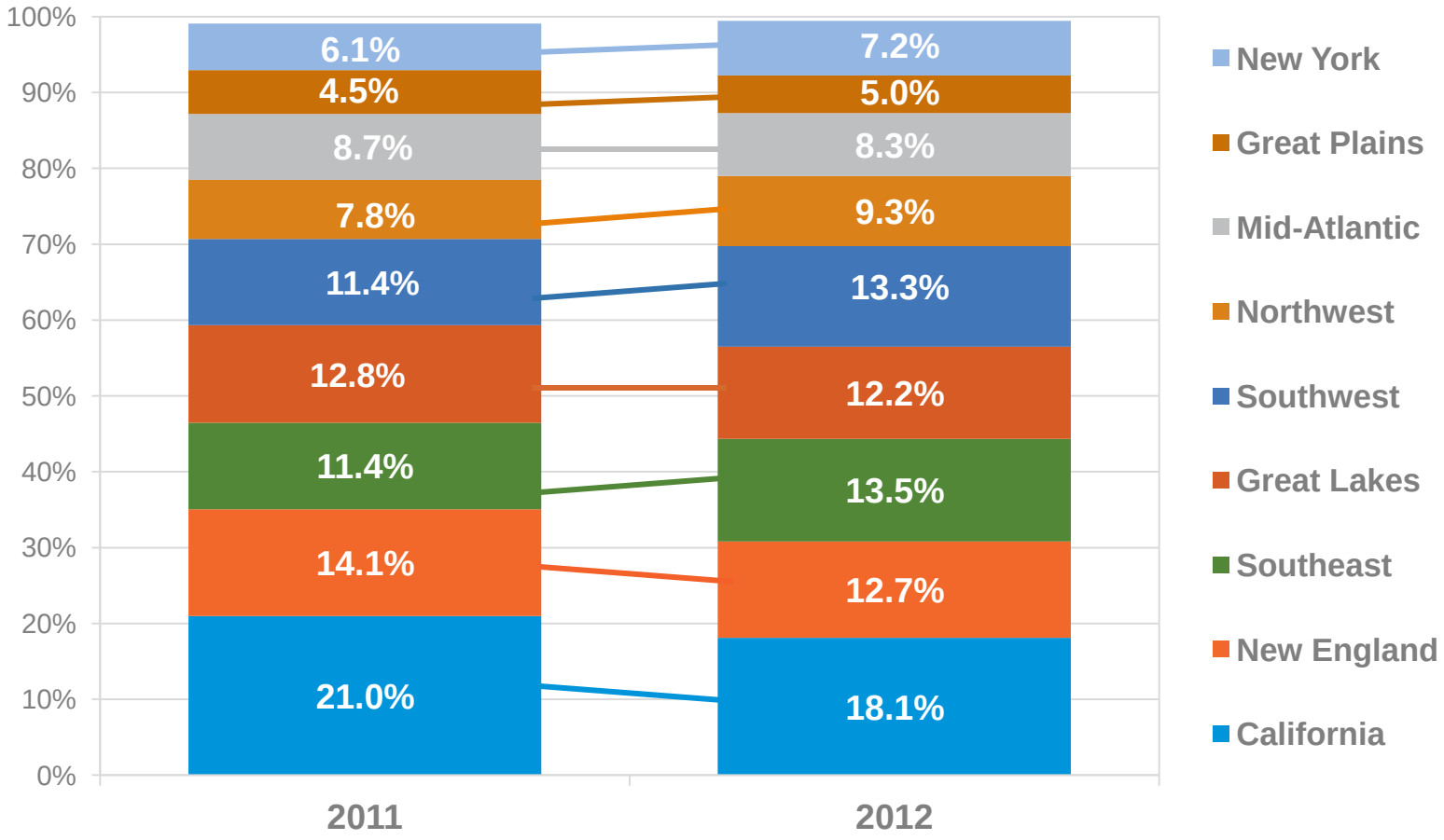
Angel Investment Deals Distributed Nationally

Share of Angel Group Deals by Region 2012



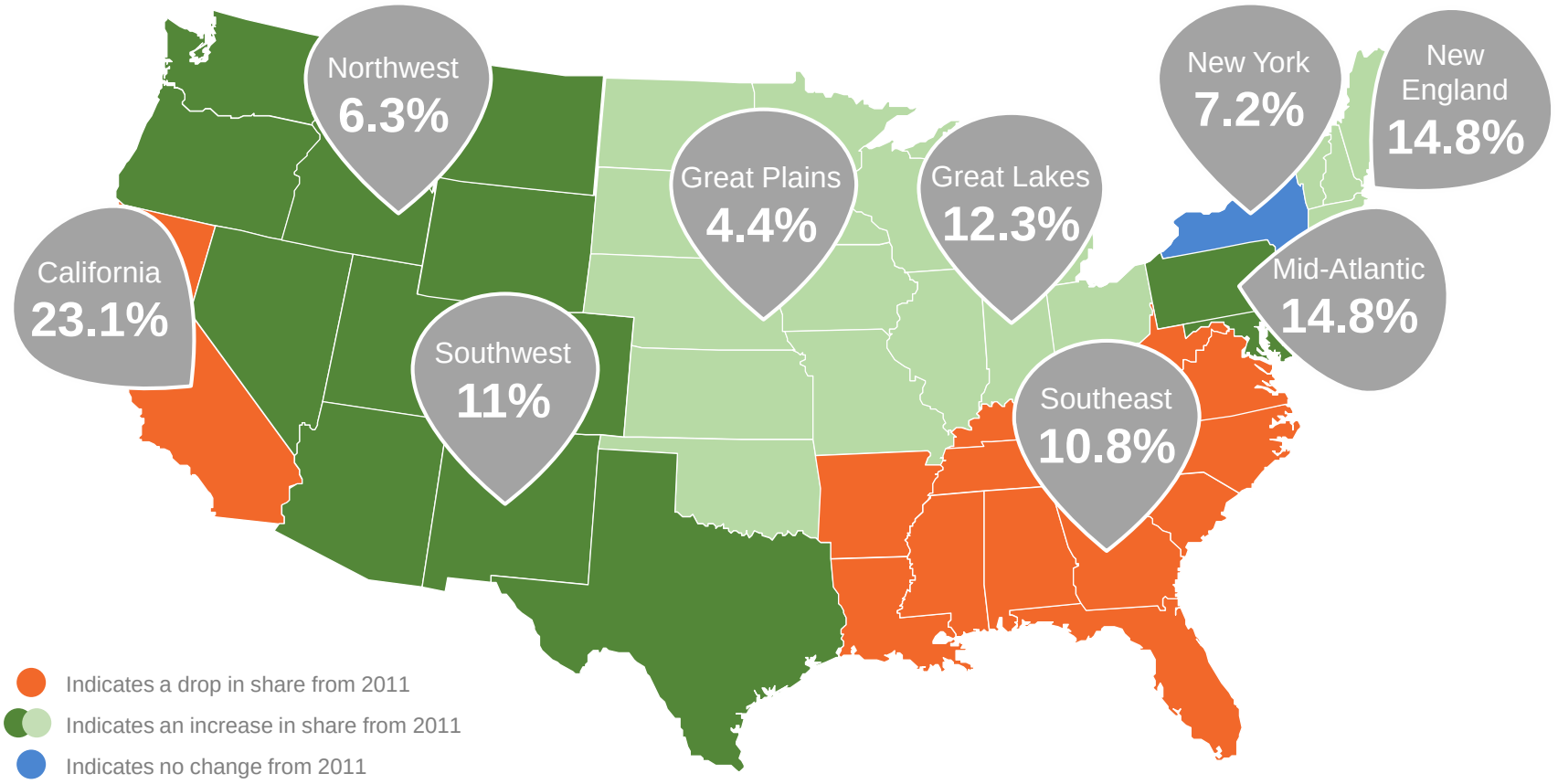
Regional Deal Activity Stable: Some growth in Southeast, Southwest & Northwest

Share of Angel Group Deals by Region 2012 vs 2011



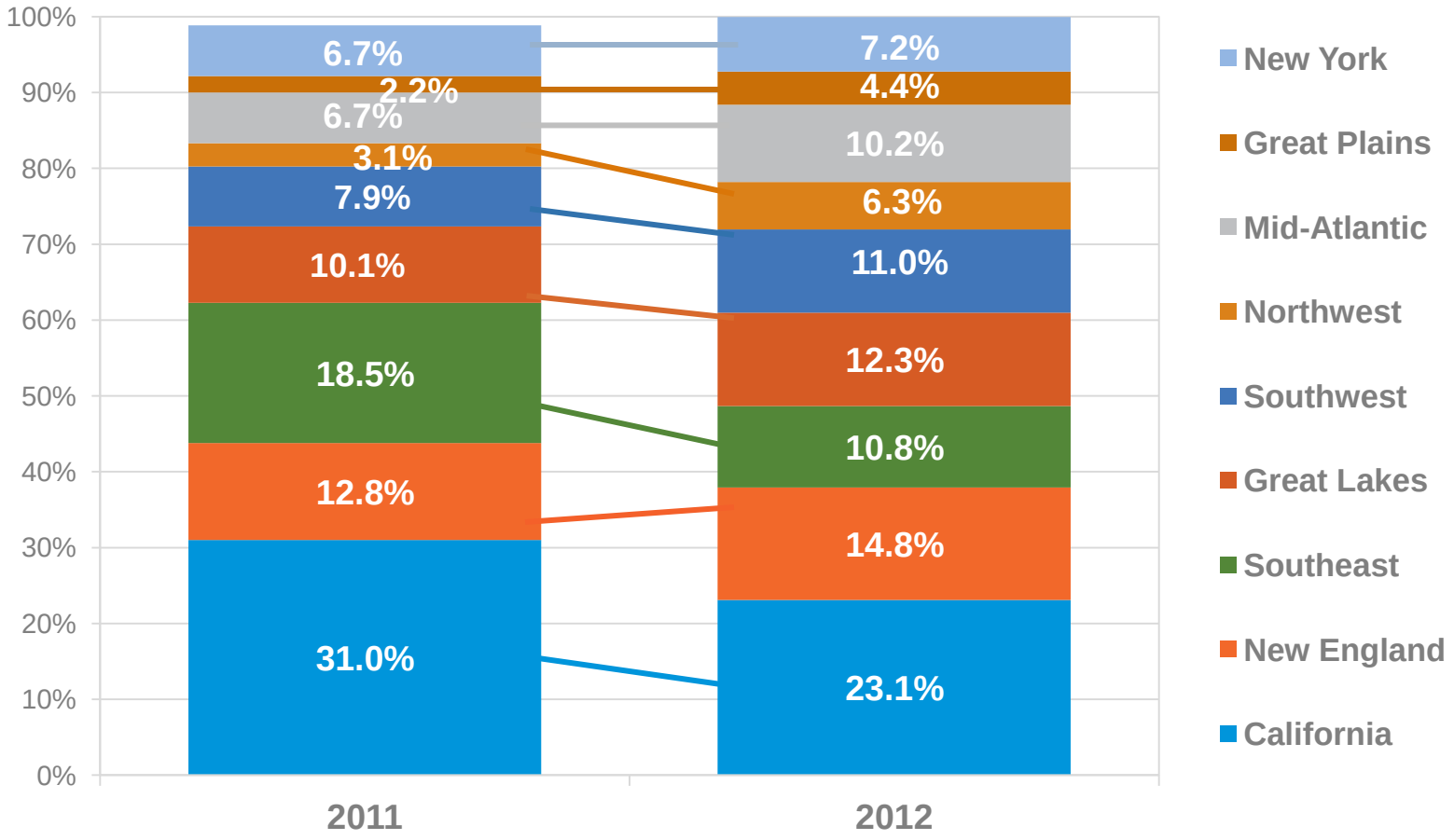
Investment Dollars Spreading Further Outside of California

Share of Angel Group Dollars by Region 2012



Regional Share of Investment Dollars Up For Most; Declines in California & Southeast

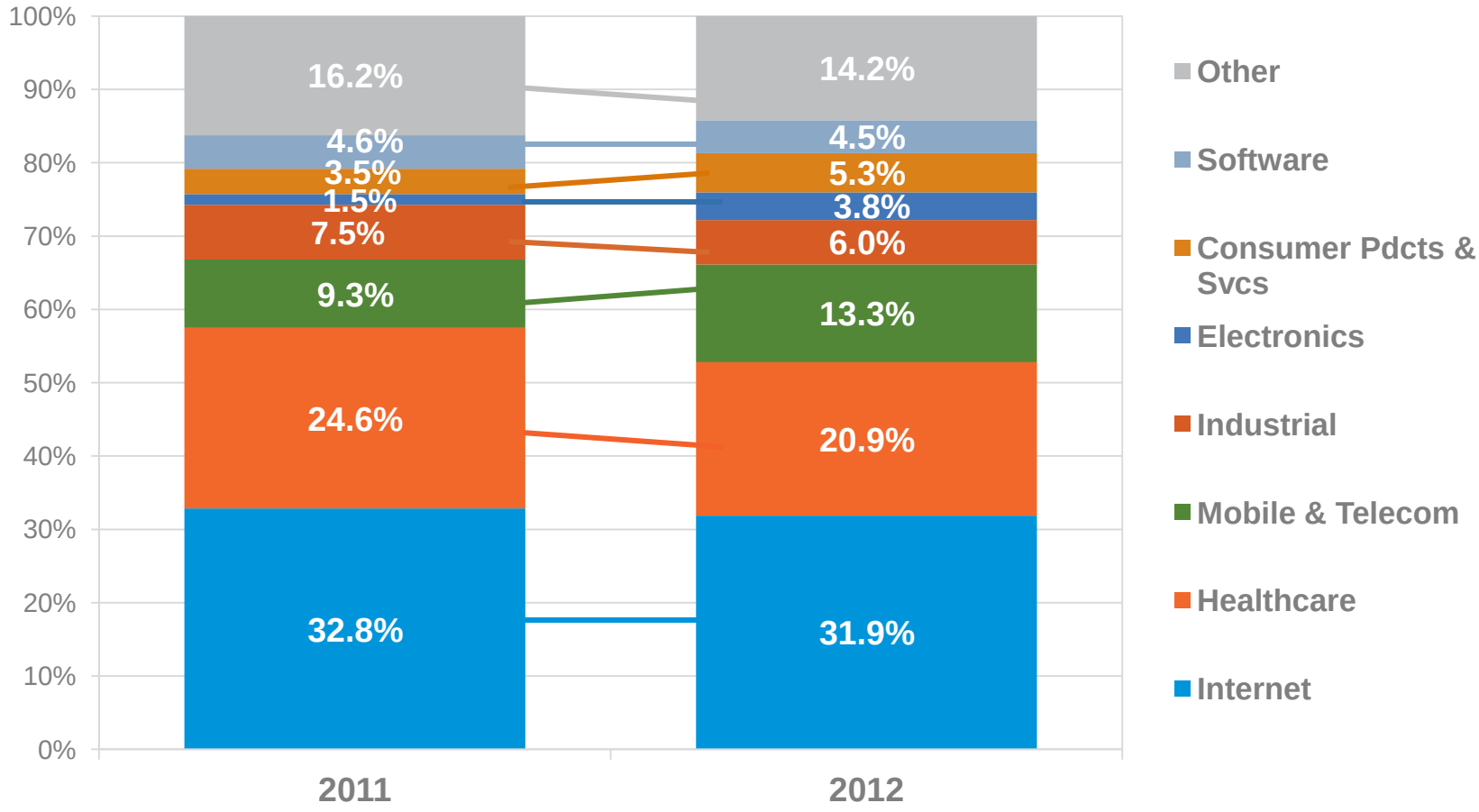
Share of Angel Group Dollars by Region 2012 vs 2011



Sector Trends

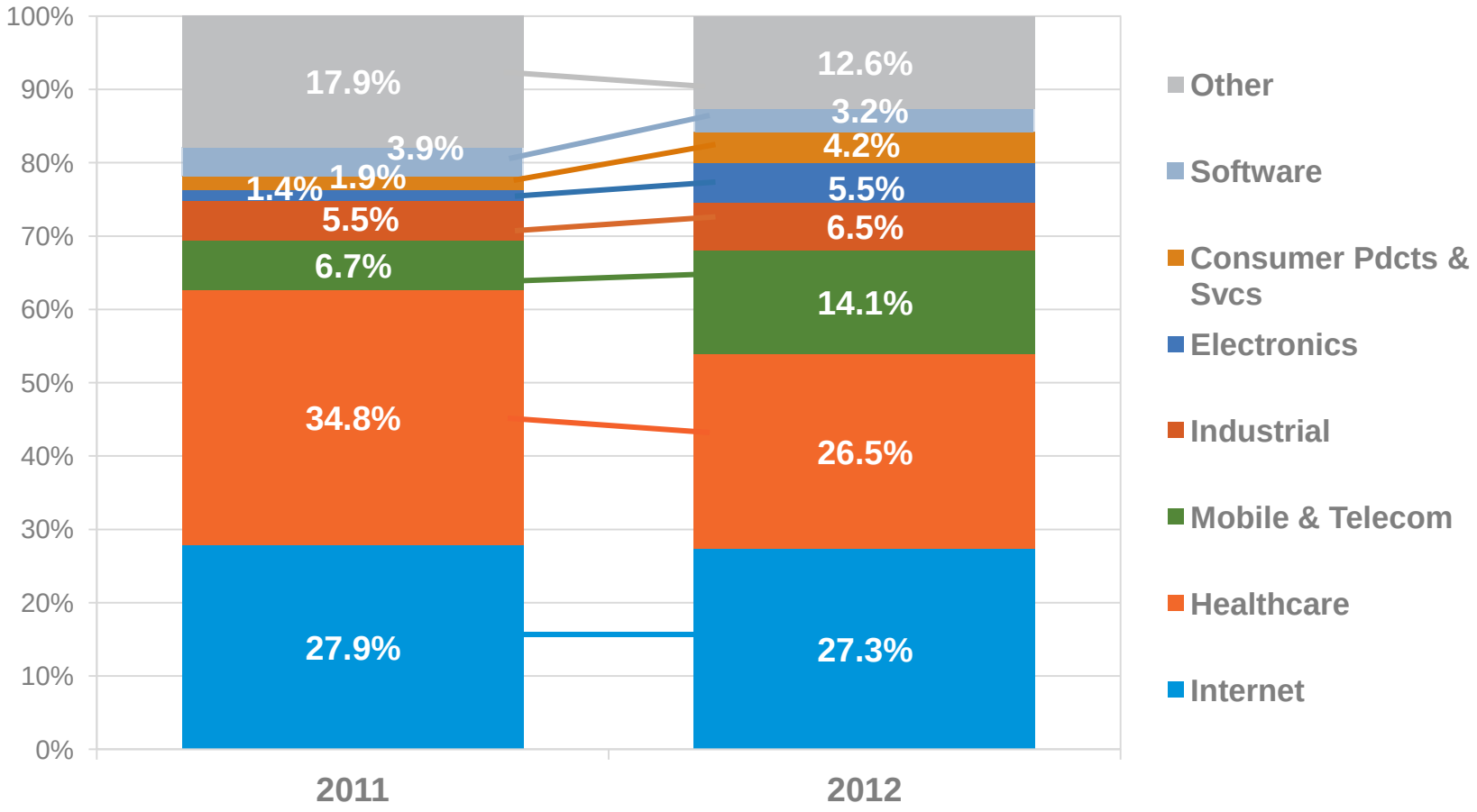
Share of Mobile Deals Grows, Healthcare Shrinks

Share of Angel Group Deals by Sector 2012 vs 2011



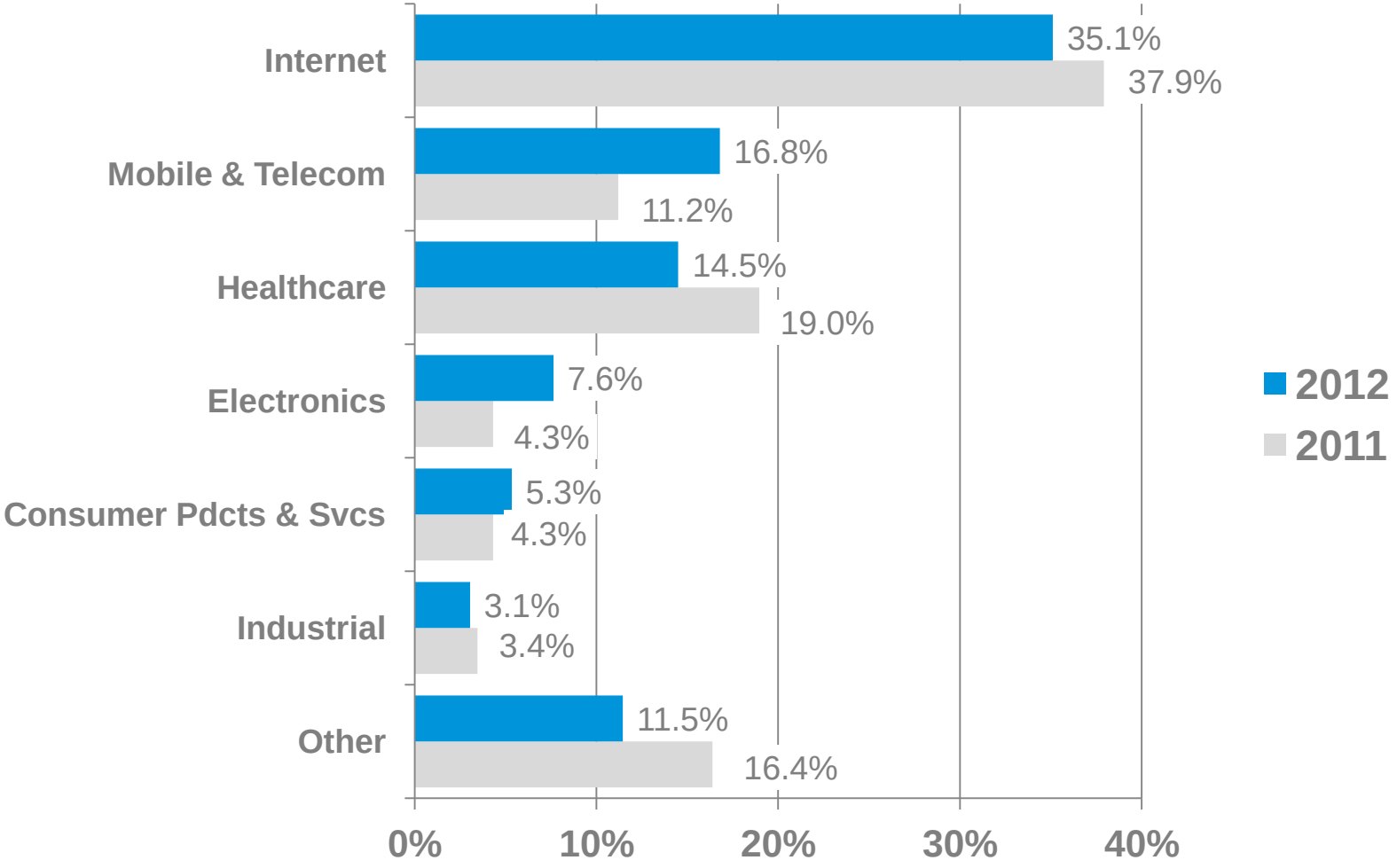
Mobile Doubles Share of Dollars, Healthcare Moves to #2

Share of Angel Group Dollars by Sector 2012 vs 2011

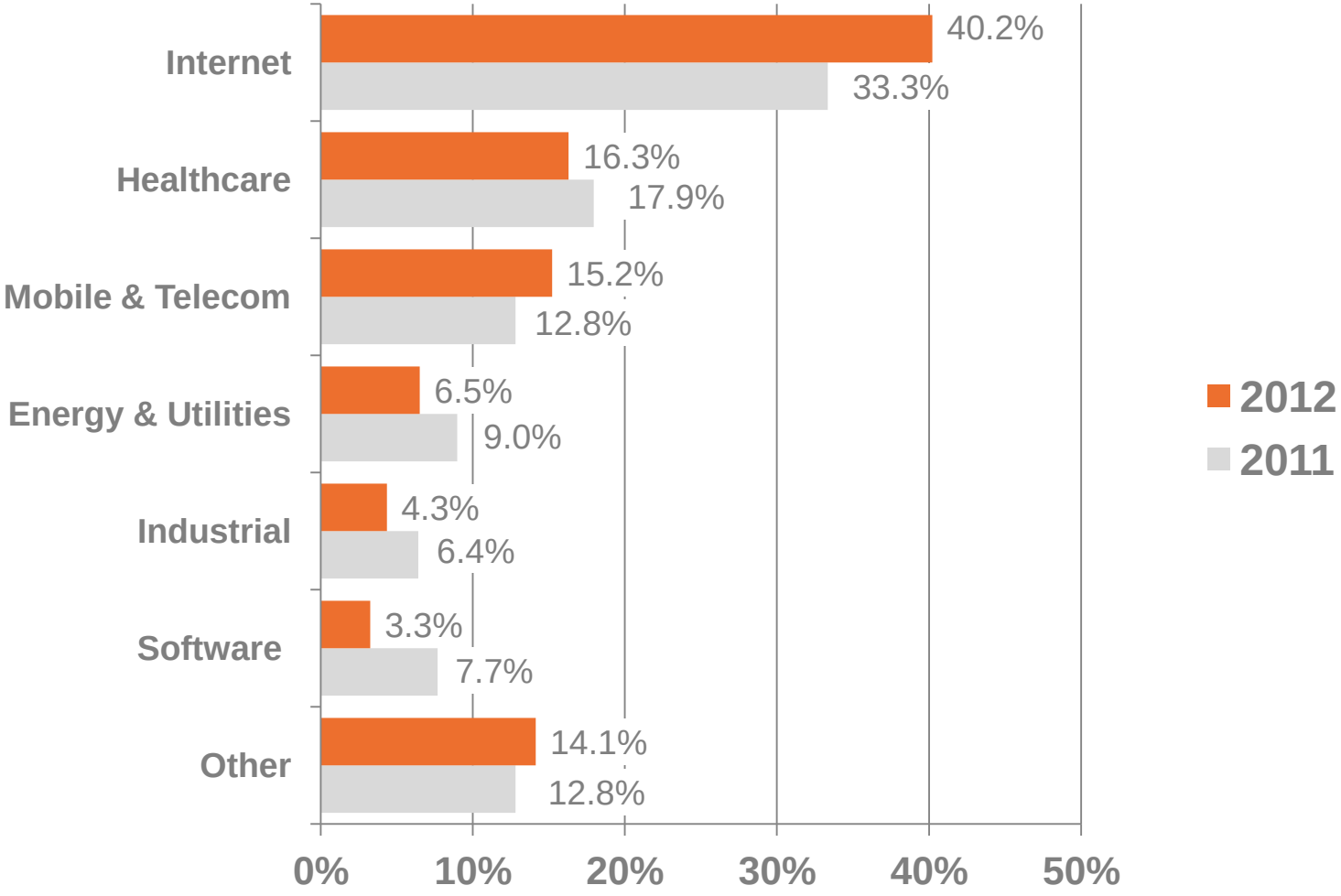


Super Regional – State Trends

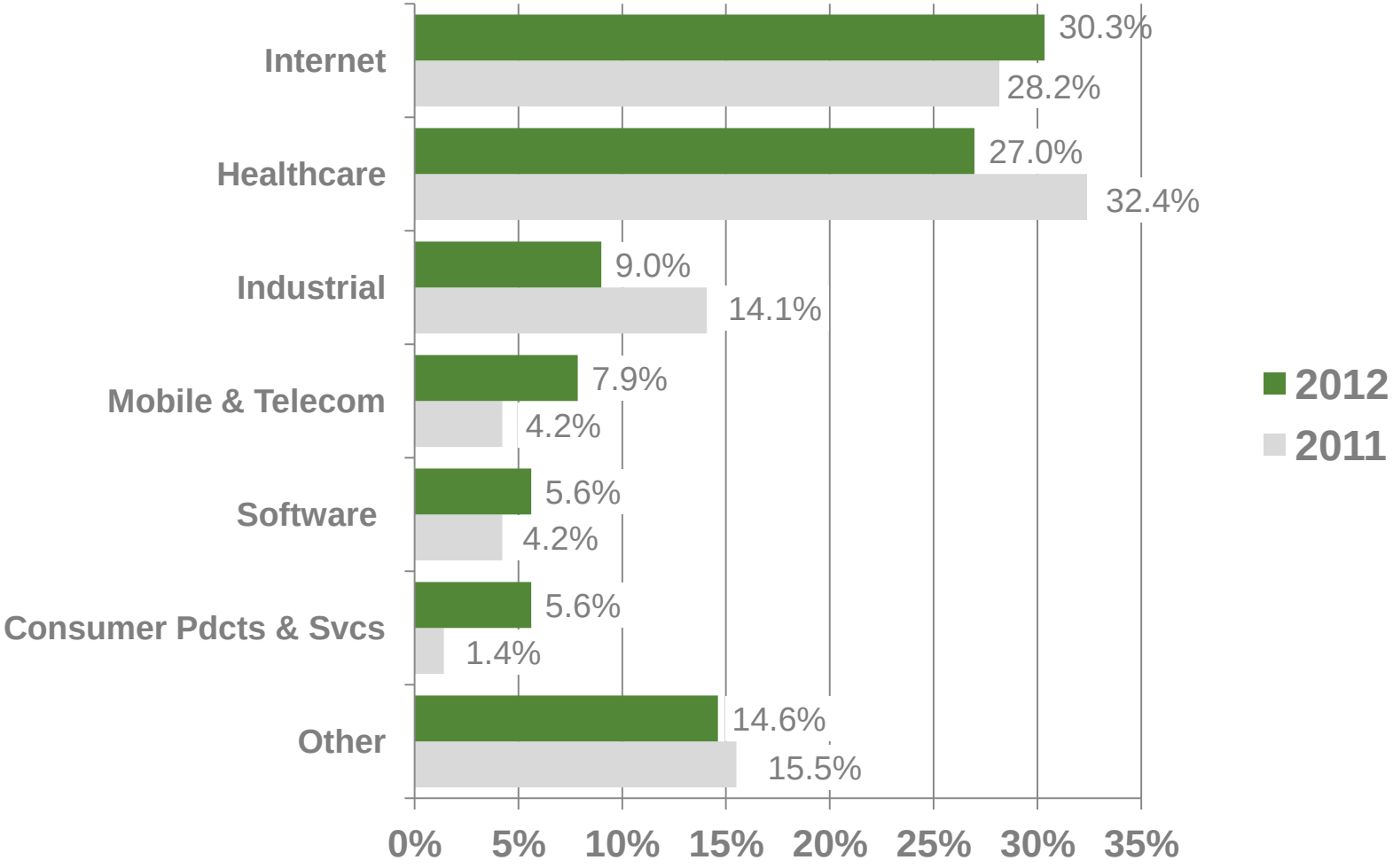
California 2012 Deals: Internet Down Slightly & Mobile Moves to #2



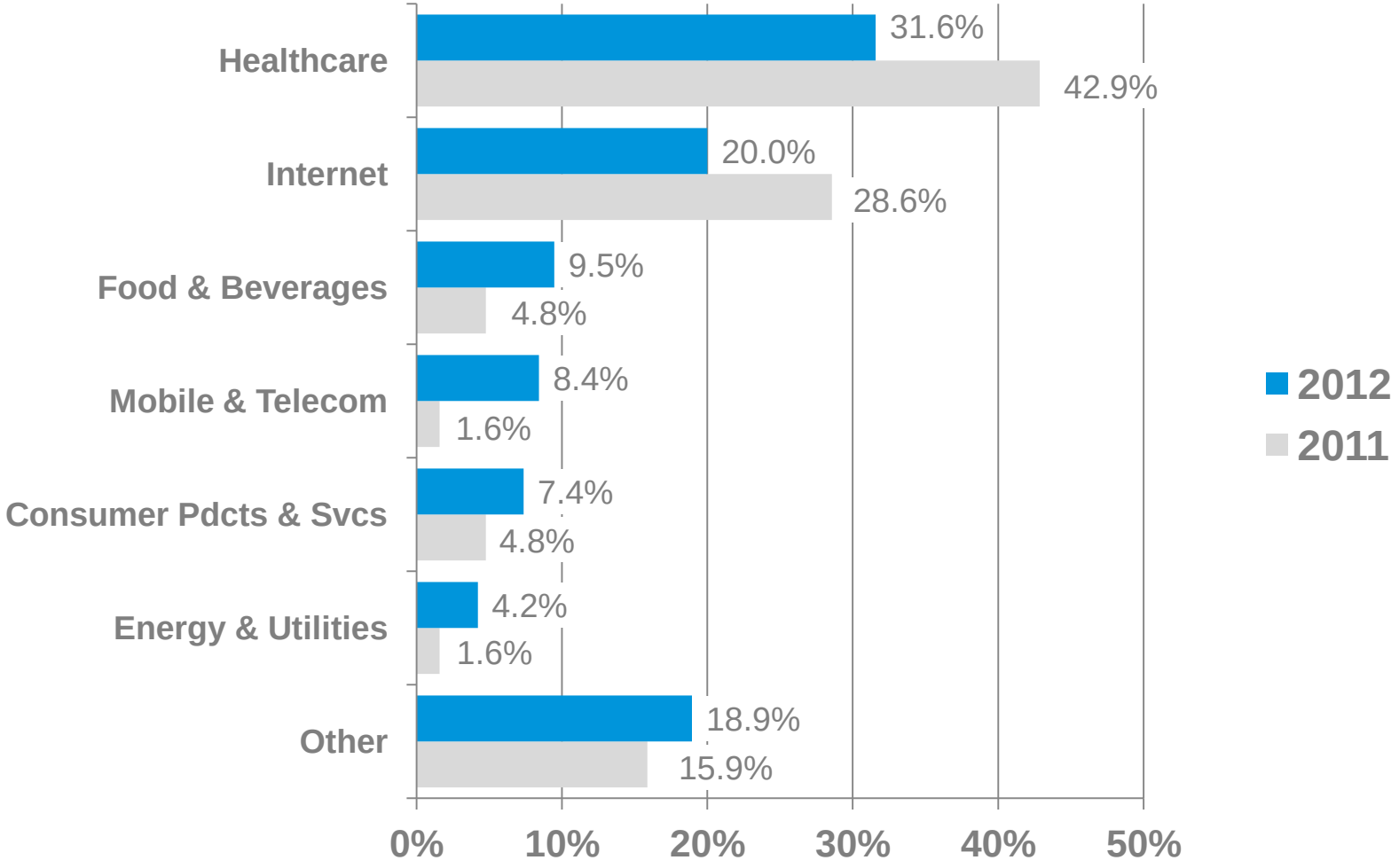
New England 2012 Deals: Internet Deals are 40% of Activity



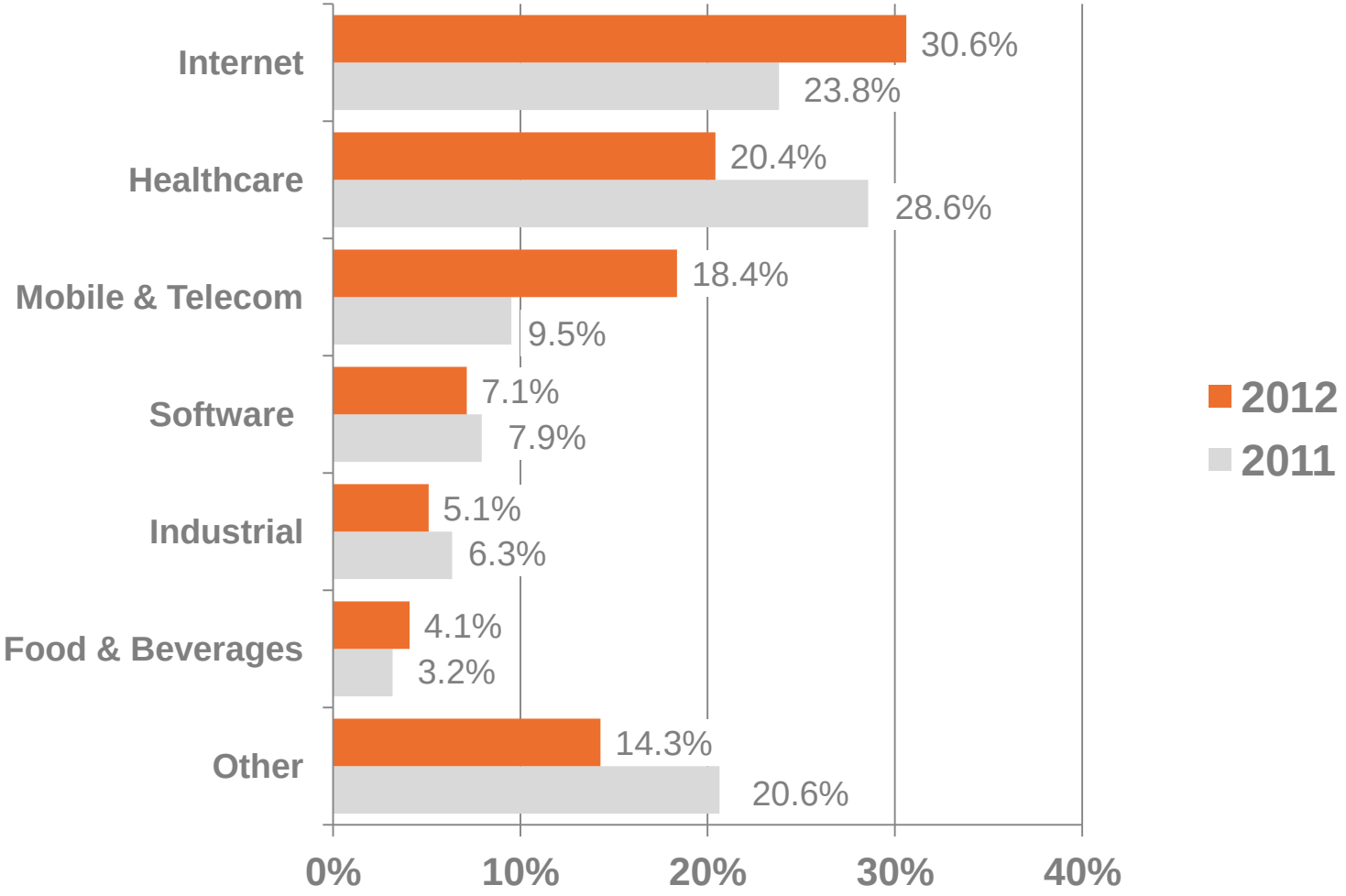
Great Lakes 2012 Deals: Internet Grows a Bit, Healthcare & Industrial Cool



Southwest 2012 Deals: Regional Investments Diversify, Healthcare & Internet are Down



Southeast 2012 Deals: Internet Deals Replace Healthcare at #1, Mobile Deals Double



About the Halo Report™

What is the Halo Report™?

Angel Group Investment Trends: The Angel Resource Institute, Silicon Valley Bank and CB Insights set out to raise awareness of early stage investment activities by angel investment groups. The Halo Report is the result. The research series highlights angel investment activity and trends in North America and provides much sought after data that has not been previously available to entrepreneurs or early stage investors.

The Halo Report includes aggregate analysis of investment activity by angels and angel groups and highlights trends in round sizes, location and industry preferences. The data is collected via survey and aggregation of public data using CB Insights innovative data analyses.

Get Involved: Angel groups and individual angel investors interested in including their data in the Halo Report should contact Sarah Dickey, ARI Research Director: 913-894-4700 and sdickey@angelcapitalassociation.org.

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.

This report discusses angel group investment trends for 2012 representing a total of 783 deals and $1.1B in total rounds including co-investors

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

Unless otherwise noted, values of less than <1% are included, but are not labeled or noted as a change in activity.

Halo Report Industry Sectors

Internet
Mobile & Telecom
Software
Energy & Utilities
Computer Hardware & Services
Healthcare
Industrial
Automotive & Transportation
Business Products & Services
Consumer Products & Services
Electronics
Environmental Services & Equipment
Financial Services
Food & Beverages
Leisure
Media
Metals & Mining
Retail
Risk & Security

Halo Report Contacts

Angel Resource Institute

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The **Angel Resource Institute** (ARI) is a charitable organization devoted to education, mentoring and research in the field of angel investing, a growing driver of our entrepreneurial economy. ARI was founded by the Ewing Marion Kauffman Foundation. The programs of ARI include educational workshops and seminars, research projects and reports, and information about angel investing for the general public. ARI is affiliated with the Angel Capital Association, the professional association of angel groups in North America. More information is available at www.angelresourceinstitute.org.

Silicon Valley Bank

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CB Insights

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Angel Resource Institute and Silicon Valley Bank co-produce the Halo Report™ with data powered by CB Insights. Angel Resource Institute and CB Insights are independent third parties and are not affiliates of Silicon Valley Bank.

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