Wilson Sonsini Goodrich & Rosati
PROFESSIONAL CORPORATION

THE ENTREPRENEURS REPORT
Private Company Financing Trends

Q1 2017

An Interview with Justin Klein of New Enterprise Associates

Wilson Sonsini Goodrich & Rosati partner James Huie recently sat down with Justin Klein, a partner at New Enterprise Associates (NEA), one of the world's largest and most active venture capital firms. Among other topics, Justin discussed NEA's mission and commitment to investing in early-stage companies, the current state of the healthcare investment industry, and the advice he'd offer to entrepreneurs. This article provides a selection of highlights from their discussion.

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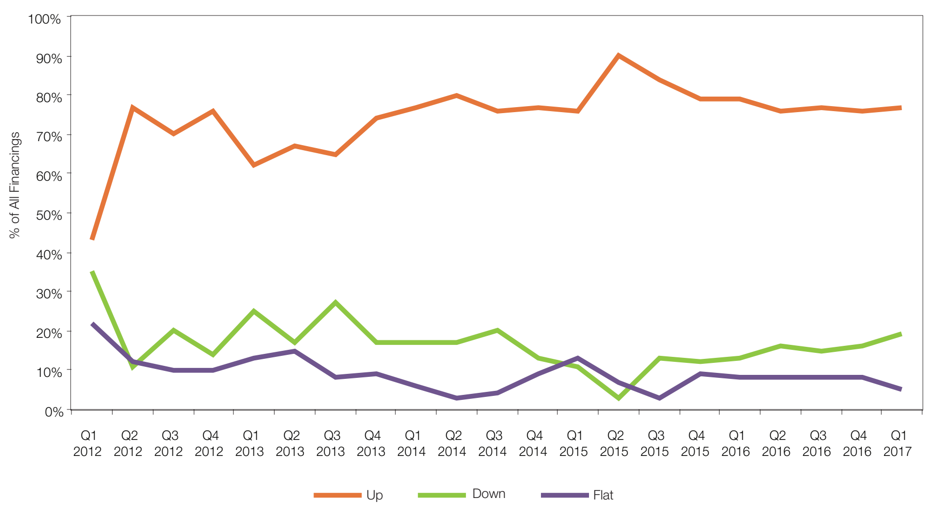
From the WSGR Database: Financing Trends for Q1 2017

Up and Down Rounds by Quarter



Strong median pre-money valuations for late-stage financings accompanied a record-breaking $25.0 million median amount raised for Series C and later financings in Q1 2017—twice the median amount raised in Q4 2016. Similarly, the $1.9 million median amount raised in Q1 2017 post-Series A bridge loans nearly matched the all-time high of $2.0 million recorded in Q1 2016, and remained well ahead of the five-year median of $1.2 million. Pre-money valuations for early-stage financings in Q1 2017 declined from the historic highs of 2016, but remained above the five-year median of $8.5 million.

Despite the decline in valuations, median amounts raised in Seed, Series A, and Series B financings closely tracked those of 2016.

Up and Down Rounds

Down rounds were slightly more prevalent in Q1 2017 compared to recent quarters, constituting 19% of Q1 2017 financings. Nonetheless, up rounds represented 77% of Q1 2017 financings, one percentage point over that of Q4 2016. Flat rounds fell to 5% of financings in Q1 2017, down from 8% in Q4 2016.

(Continued on page 2)

Valuations

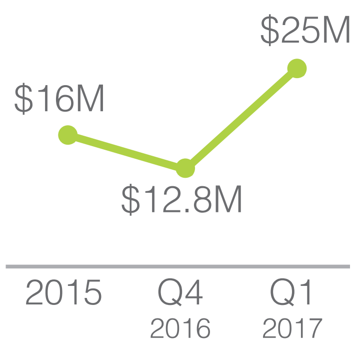
Early-stage valuations tapered off from the historic highs of 2016, with Q1 2017 median pre-money valuations for Series A and Seed financings falling to $9.6 million from $15.0 million in Q4 2016. Similarly, the median pre-money valuation for Series B rounds fell to $27.3 million from $34.3 million in Q4 2016. On the other hand, the median pre-money valuation for Series C and later deals rose to $143.0 million in Q1 2017, well above the full-year 2016 median of $89.1 million, but just below the 2016 quarterly high of $147.5 million, set in Q3.

Amounts Raised

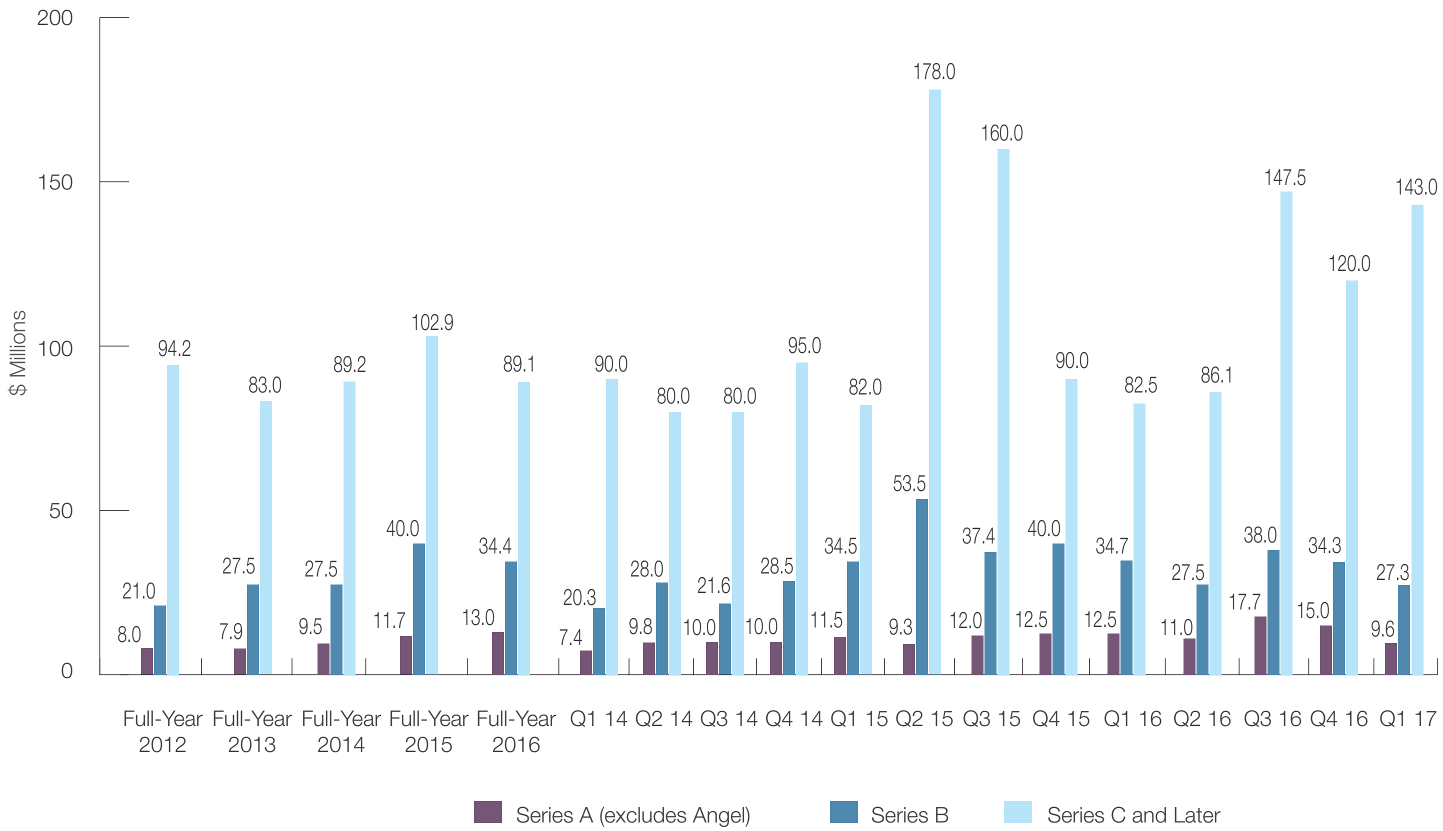
While the Q1 2017 median amount raised for Seed and Series A rounds fell to $3.1 million, slightly below 2016's historic full-year high of $3.4 million, the median amount raised in Series B financings in Q1 2017 increased to $7.2 million, just over the full-year 2016 median amount of $7.0 million.

Median Amount Raised

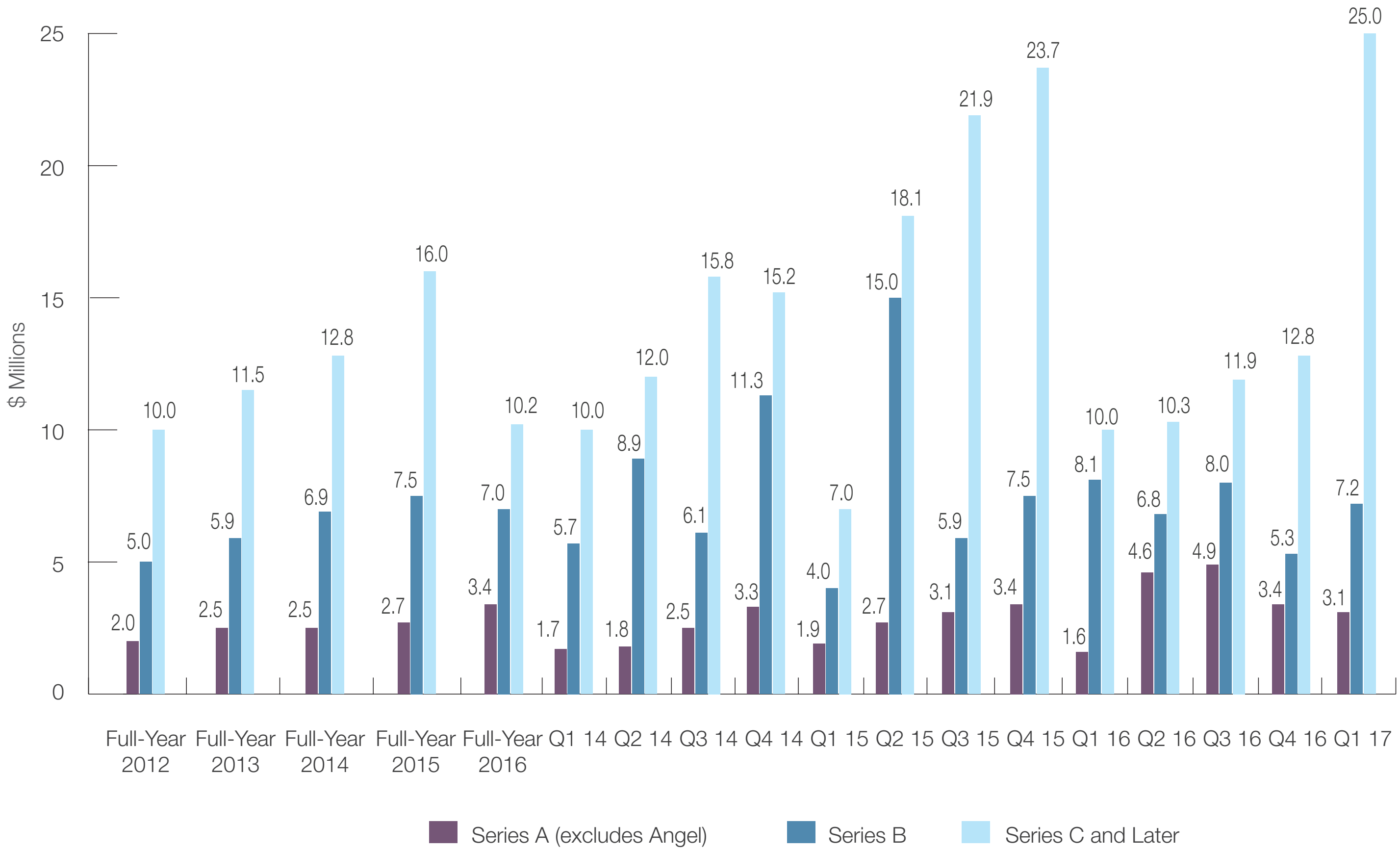
The median amount raised in Series C and later financings spiked to an all-time high in Q1 2017



Median Pre-Money Valuation



Median Amount Raised – Equity Financings



The median amount raised in Series C and later financings spiked to an all-time high of $25.0 million in Q1 2017, nearly twice the median of the prior quarter and well over the five-year high reached in 2015 of $16.0 million.

Valuations have been relatively stable over the past three quarters, however, so the increase in amounts raised may reflect companies' desire to raise funds at relatively high valuations, investor confidence in those valuations, and strong liquidity opportunities.

Deal Terms – Preferred

The use of senior liquidation preferences in post-Series A rounds continues to increase, from 38% of all such rounds in 2016 to 45% in Q1 2017. *Pari passu* liquidation preferences dipped slightly, from 57% in 2016 to 53% in Q1 2017.

The percentage of financings having a liquidation preference with participation remained steady for all financings at 21%.

Data on deal terms such as liquidation preferences, dividends, and others are set forth in the table on page 4. To see how the terms tracked in the table can be used in the context of a financing, we encourage you to draft a term sheet using our automated Term Sheet Generator, which is available in the Start-Ups and Venture Capital section of the firm's website at www.wsgr.com.

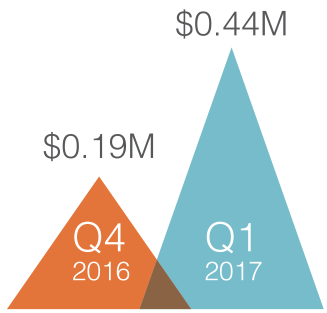
Private Company Financing Deal Terms (WSGR Deals)[1]

	2014 All Rounds[2]	2015 All Rounds[2]	2016 All Rounds[2]	Q1 2017 All Rounds[2]	2014 Up Rounds[3]	2015 Up Rounds[3]	2016 Up Rounds[3]	Q1 2017 Up Rounds[3]	2014 Down Rounds[3]	2015 Down Rounds[3]	2016 Down Rounds[3]	Q1 2017 Down Rounds[3]
Liquidation Preferences - Series B and Later												
Senior	40%	33%	38%	45%	32%	31%	36%	42%	68%	35%	41%	63%
Pari Passu with Other Preferred	56%	62%	57%	53%	64%	66%	62%	55%	21%	53%	45%	38%
Junior	0%	1%	1%	0%	0%	1%	0%	0%	0%	0%	5%	0%
Complex	2%	3%	4%	3%	2%	1%	2%	3%	5%	12%	9%	0%
Not Applicable	3%	1%	0%	0%	2%	1%	0%	0%	5%	0%	0%	0%
Participating vs. Non-participating												
Participating - Cap	12%	8%	9%	8%	14%	11%	10%	9%	13%	12%	22%	38%
Participating - No Cap	14%	11%	11%	13%	11%	12%	13%	9%	32%	35%	4%	25%
Non-participating	74%	81%	81%	79%	76%	77%	77%	81%	55%	53%	74%	38%
Dividends												
Yes, Cumulative	13%	3%	6%	3%	11%	3%	7%	0%	24%	24%	22%	13%
Yes, Non-cumulative	72%	82%	73%	77%	74%	86%	78%	69%	71%	76%	70%	88%
None	15%	15%	21%	20%	15%	11%	15%	31%	5%	0%	9%	0%
Anti-dilution Provisions												
Weighted Average - Broad	85%	80%	92%	91%	90%	86%	92%	91%	92%	75%	91%	100%
Weighted Average - Narrow	9%	13%	1%	5%	6%	12%	1%	6%	5%	19%	0%	0%
Ratchet	1%	1%	1%	0%	1%	1%	2%	0%	0%	0%	0%	0%
Other (Including Blend)	1%	1%	3%	2%	1%	1%	3%	3%	0%	0%	9%	0%
None	4%	5%	3%	2%	2%	1%	2%	0%	3%	6%	0%	0%
Pay to Play - Series B and Later												
Applicable to This Financing	4%	5%	5%	10%	1%	3%	3%	6%	16%	18%	9%	25%
Applicable to Future Financings	0%	1%	1%	0%	0%	0%	1%	0%	0%	12%	0%	0%
None	96%	94%	94%	90%	99%	97%	96%	94%	84%	71%	91%	75%
Redemption												
Investor Option	17%	13%	11%	11%	22%	19%	20%	19%	24%	12%	9%	13%
Mandatory	3%	2%	2%	6%	3%	3%	3%	13%	3%	0%	0%	0%
None	80%	85%	87%	83%	75%	78%	77%	68%	74%	88%	91%	88%

[1] We based this analysis on deals having an initial closing in the period to ensure that the data clearly reflects current trends. Please note the numbers do not always add up to 100% due to rounding.
[2] Includes flat rounds and, unless otherwise indicated, Series A rounds.
[3] Note that the All Rounds metrics include flat rounds and, in certain cases, Series A financings as well. Consequently, metrics in the All Rounds column may be outside the ranges bounded by the Up Rounds and Down Rounds columns, which will not include such transactions.

Bridge Loans

The median amount raised for bridge loans increased for both pre- and post-Series A deals in Q1 2017, with pre-Series A bridges jumping to $0.44 million from just $0.19 million in Q4 2016, and post-Series A bridges rising to $1.99 million, effectively matching the $2.00 million high of Q1 2016.



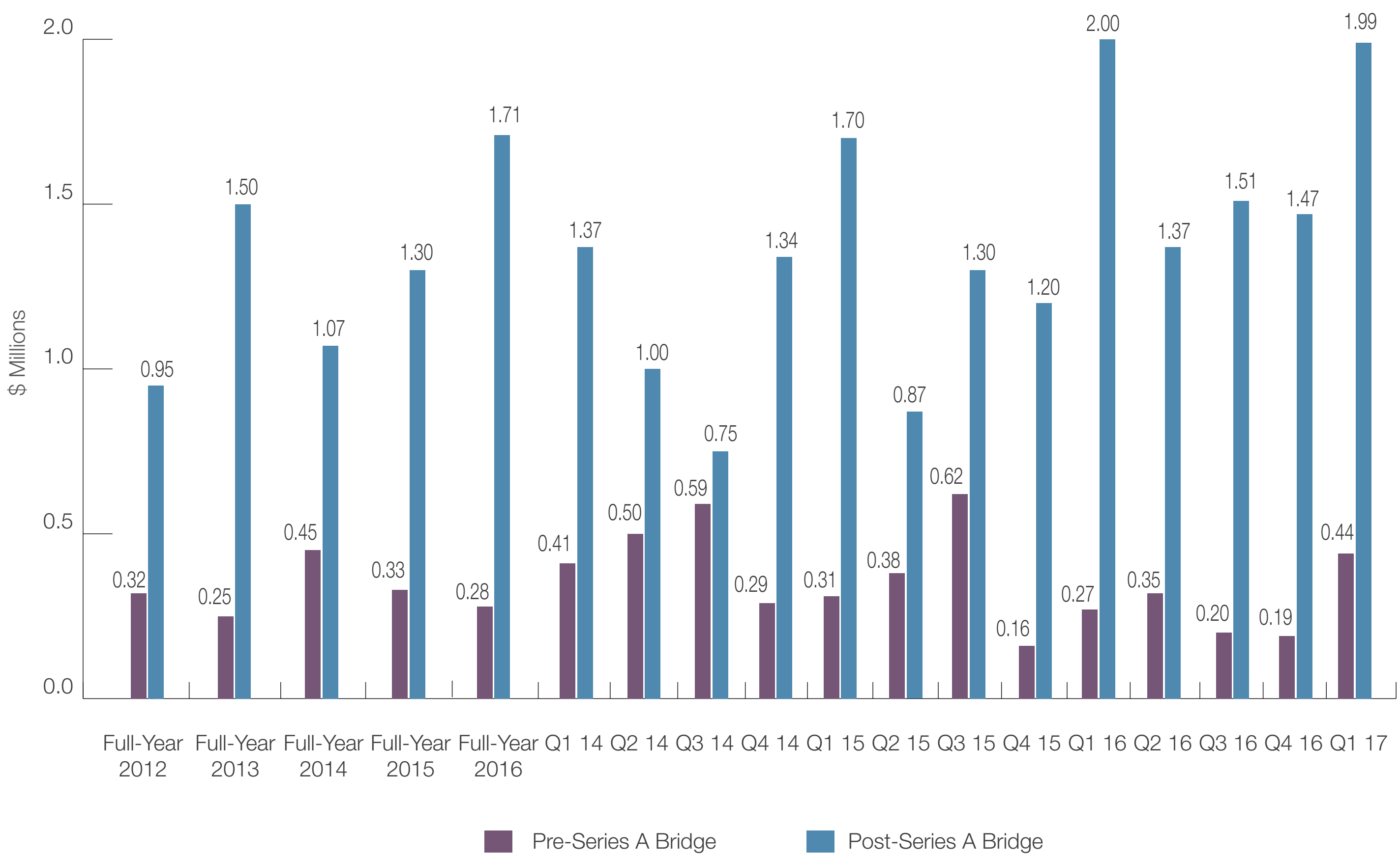
Median Amount Raised for Bridge Loans

The median amount raised for pre-Series A bridges increased significantly from Q4 2016 to Q1 2017

Deal Terms – Bridge Loans

Thirty-one percent of post-Series A bridge loans had interest rates greater than 8% in Q1 2017—a significant increase from the 17% figure in 2016. In addition, the percentage of loans with maturity periods of less than 12 months increased from 29% in 2016 to 38% in Q1 2017, perhaps reflecting a trend towards shorter-term, higher-interest loans. The proportion of post-Series A bridge loans with warrants increased from 17% in 2016 to 31% in Q1 2017, although half of those had warrant coverage of less than 25%. Fewer loans were convertible in Q1 2017, at 79% compared to 92% in 2016, but 88% of them received a discount rate of 20% or more on conversion and 25% also had warrants.

Median Amount Raised – Bridge Loans



Bridge Loans – Deal Terms (WSGR Deals)[1]

Bridge Loans	2014 Pre-Series A	2015 Pre-Series A	2016 Pre-Series A	Q1 2017 Pre-Series A	2014 Post-Series A	2015 Post-Series A	2016 Post-Series A	Q1 2017 Post-Series A
Interest rate less than 8%	72%	74%	76%	86%	43%	54%	52%	46%
Interest rate at 8%	22%	19%	19%	14%	42%	33%	30%	23%
Interest rate greater than 8%	6%	7%	5%	0%	15%	13%	17%	31%
Maturity less than 12 months	12%	17%	17%	43%	24%	34%	29%	38%
Maturity at 12 months	16%	9%	5%	0%	39%	8%	23%	23%
Maturity more than 12 months	71%	74%	78%	57%	37%	58%	49%	38%
Debt is subordinated to other debt	22%	15%	20%	43%	48%	38%	45%	46%
Loan includes warrants[2]	5%	3%	8%	0%	19%	25%	17%	31%
Warrant coverage less than 25%	20%	100%	80%	N/A	69%	47%	23%	50%
Warrant coverage at 25%	0%	0%	0%	N/A	0%	7%	15%	25%
Warrant coverage greater than 25%	80%	0%	20%	N/A	31%	47%	62%	25%
Principal is convertible into equity[3]	98%	93%	97%	100%	94%	86%	92%	79%
Conversion rate subject to price cap[4]	67%	64%	79%	86%	23%	26%	29%	17%
Conversion to equity at discounted price[5]	81%	78%	82%	43%	73%	71%	74%	73%
Discount on conversion less than 20%	10%	11%	12%	0%	25%	25%	25%	13%
Discount on conversion at 20%	72%	73%	76%	100%	44%	47%	49%	63%
Discount on conversion greater than 20%	17%	16%	12%	0%	32%	27%	26%	25%
Conversion to equity at same price as other investors	16%	18%	13%	14%	24%	25%	19%	27%

[1] We based this analysis on deals having an initial closing in the period to ensure that the data clearly reflects current trends. Please note the numbers do not always add up to 100% due to rounding.

[2] Of the 2014 post-Series A bridges with warrants, 38% also had a discount on conversion into equity. Of the 2015 post-Series A bridges with warrants, 58% also had a discount on conversion into equity. Of the 2016 post-Series A bridges with warrants, 33% also had a discount on conversion into equity. Of the Q1 2017 post-Series A bridges with warrants, 50% also had a discount on conversion into equity.

[3] Of the 2016 pre-Series A convertible bridges, 90% had automatic conversion and 10% had voluntary conversion. Of the Q1 2017 pre-Series A convertible bridges, 100% had automatic conversion and 0% had voluntary conversion. Of the 2016 post-Series A convertible bridges, 92% had automatic conversion and 8% had voluntary conversion. Of the Q1 2017 post-Series A convertible bridges, 91% had automatic conversion and 9% had voluntary conversion. The 2016 median dollar threshold for a qualified financing in pre- and post-Series A bridges was $1M and $4M, respectively. The Q1 2017 median dollar threshold for a qualified financing in pre- and post-Series A bridges was $2M and $10M, respectively.

[4] The 2016 median price cap in pre- and post-Series A bridges was $6M and $25M, respectively. The Q1 2017 median price cap in pre- and post-Series A bridges was $8M and $29M, respectively.

[5] Of the 2014 post-Series A bridges that had a discount on conversion into equity, 10% also had warrants. Of the 2015 post-Series A bridges that had a discount on conversion into equity, 21% also had warrants. Of the 2016 post-Series A bridges that had a discount on conversion into equity, 8% also had warrants. Of the Q1 2017 post-Series A bridges that had a discount on conversion into equity, 25% also had warrants.

WSGR Methodology

- The Up/Down/Flat analysis is based on WSGR deals having an initial closing in the period reported to ensure that the data clearly reflects current trends.
- The median pre-money valuation is calculated based on the pre-money valuation given at the time of the initial closing of the round. If the issuer has a closing in a subsequent quarter, the original pre-money valuation is used in the calculation of the median for that quarter as well.
- A substantial percentage of deals have multiple closings that span fiscal quarters. The median amount raised is calculated based on the aggregate amount raised in the reported quarter.
- For purposes of this report, Series Seed transactions are included with Series A transactions.

For purposes of the statistics and charts in this report, our database includes venture financing transactions in which Wilson Sonsini Goodrich & Rosati represented either the company or one or more of the investors.

An Interview with Justin Klein (continued from page 1)

Tell us about NEA. What's the firm's overall mission and how does NEA try to differentiate itself across its core markets?

NEA is a classically constructed venture capital firm. We're going to celebrate our 40th anniversary this year, making us one of the oldest and—because of our firm size and strategies—one of the largest, most active venture capital firms across all sectors. Technology innovation, which broadly includes categories like consumer or enterprise-oriented technologies and electronics, makes up a substantial portion of where NEA invests. And healthcare is the other major category in which we focus our efforts. Within each NEA investment fund, which we tend to raise every 2.5 to 3.5 years in regular cycles, we're committing about a third of our dollars to the healthcare space, which includes biopharma therapeutics, medical devices, and healthtech, as well as healthcare services and healthcare IT.

One of the things we prioritize as a capital partner to entrepreneurs is being in a position to actively guide our portfolio companies to expand their market opportunities and scale with our capital and other resources over time. We raise some of the largest funds in the industry, and we believe that being able to invest capital at scale allows us to be an entrepreneur's partner throughout his or her company's lifetime, from seed and Series A stages all the way through growth equity, and potentially as they go public and beyond. What we've found is that in almost all of our sectors, it is increasingly capital-efficient to start a business and demonstrate early traction in multiple markets. But to really scale, a business continues to take resources, and NEA strives to be in a position where we can partner with those entrepreneurs early, help them craft and further expand their vision, and then be their lead financial partner for every step of the journey.

> "We like to build companies and franchise opportunities predicated on solutions that address significant unmet clinical needs, and do so at reduced costs"

What are you looking for in your portfolio companies in terms of unique qualities or traits of success, particularly in the healthcare space?

In the healthcare space, we're most focused on investing in companies that present open-ended business opportunities, such as standalone businesses that could go public and self-finance over time, or those that become coveted acquisition candidates for some of the larger players in the industry. We like to build companies and franchise opportunities predicated on solutions that address significant unmet clinical needs, and do so at reduced costs. I think the pairing of those phrases is important. It's something we've been focused on for our entire history. To be something big, we believe a company really has to demonstrate evidence to convince all stakeholders to adopt new technologies or new ways of delivering healthcare.

Of course, we also look at other things like the nature of the unmet need, the clinical development hurdles, the regulatory path, reimbursement/payment structures, and the go-to-market opportunities to commercialize something. These are all critical elements. Thematically, we try to stay open-minded, focusing on different subsectors, whether it's therapeutics, devices, or services, and over time we migrate toward the larger, open-ended opportunities in each category.

In the last few years, you've been a part of some of the largest-ever exits for venture-backed medical device companies. Looking forward, what opportunities do you see and what concerns you most about the current healthcare market?

Broadly, we remain very enthusiastic about investing in healthcare. We try to be mindful of things like economic and political cycles that could affect our portfolio companies and therefore our investments. If possible, we try to identify long-term secular trends that we think our companies will succeed in, regardless of some of the shorter-term market or political cycles.

Our system faces real challenges in terms of the affordability of—and access to—healthcare. We expect that to continue to be a very hot topic. Ultimately though, healthcare is one of the most important dimensions of a person's life. It's close to 20 percent of our GDP, and the opportunity for technology to improve clinical outcomes or reduce costs still remains fairly open-ended. We want to be careful not to invest in entities that bear significant political risks, where opinions about how to do things fall in or out of favor, which could completely derail an investment opportunity. But we do believe there are some durable trends that allow us to invest in a number of these companies and to support them from their earliest stages all the way through to being mature businesses.

Do you feel like the healthcare industry is on an upward trend? Do you envision more activity in the next few years, or at least in 2017?

We're coming out of a significant bull market in the biopharma space as of a couple of years ago. Of course, there also have been some pullbacks along the way, but most people believe there can be a relatively healthy IPO window this year in multiple healthcare subsectors. Public market investors continue to look for growth opportunities in their portfolios, and strategic acquirers need to find revenue growth opportunities in new businesses to expand their markets, particularly after a period of consolidation among a lot of the big pharma and medtech companies. And we're seeing financing environments and acquisition/IPO discussions look fairly positive across all of our categories. So, we think it's going to continue to be a fairly healthy time in the ecosystem.

In January 2016, you gave an interview at the J.P. Morgan Healthcare conference where you underscored NEA's commitment to investing in early-stage companies and, specifically in your case, early-stage medical device companies. Can you offer some insights into NEA's reasoning and commitment to early-stage companies?

I recently did a quick tabulation of our medical device investment activity in our last two funds, and between those, we made 13 new investments, nine of which were at the Series A or seed stage,

> "Overall, the medtech venture market has shifted away from pre-regulatory approval or pre-data-stage medical device companies since around 2008"

including companies that we seeded in incubators. Those numbers would probably surprise most folks, because overall, the medtech venture market has shifted away from pre-regulatory approval or pre-data-stage medical device companies since around 2008. On the contrary, we have deliberately tried to embrace that stage of investment because, one, there are still a lot of opportunities and, frankly, there is less competition from other investors investing in those deals. And two, at a high level, we're trying to invest in the parts of the medtech ecosystem where we as investors and our start-up companies have some competitive advantage. There can be merits to a late-stage investment focus, but it's also important to recognize that there are competencies that big, established companies have in these channels, like commercial distribution or manufacturing, that are difficult for a start-up to compete with.

Where our companies excel is in identifying unmet needs, developing innovative products that have IP protection, and executing on a development plan that generates evidence for the FDA, payers, patients, and physicians to really embrace things and bring them to market. Some of our peers have moved away from earlier-stage investing, but I don't think that's irrational. From 2008 to 2012, particularly for medical devices, there were a lot of headwinds, particularly around the U.S. regulatory process. Although we've seen the regulatory climate become much more reasonable and predictable in recent years, that era was so taxing for investors and their portfolio companies that it's hard to stomach re-testing earlier-stage investment where capital requirements and timelines were extended pretty significantly, almost beyond the reach of a lot of our peers.

We are intentional in our strategy to raise relatively large funds, which gives us the ability to sustain our commitment to companies over the long term, and gives them the opportunity to complete the mission. When we invest in early-stage companies, we try to be very thoughtful about the total capital requirement and syndicate formation. I think maybe 10 to 15 years ago, we might have taken on some Series A innovations or technologies that would have required a series of multiple de-risking financings over time, whether it's validating technology development, clinical evidence, regulatory approval, reimbursement, or commercial traction. There are probably fewer of those types of opportunities we're willing to step up for. We try to find spaces where our companies are in an overall strong position to execute on a plan that answers really hard stakeholder questions relatively early in the process of building that company or funding that program.

"We are intentional in our strategy to raise relatively large funds, which gives us the ability to sustain our commitment to companies over the long term, and gives them the opportunity to complete the mission"

What are some of the key events that you look forward to attending each year? Are there any new conferences that you're eyeing?

Annually, there are a handful of events I try to attend that are fairly spaced out during the course of the year. It probably starts in January with the J.P. Morgan Healthcare Conference, which is kind of the annual "must attend." There are a couple of conferences in the spring and early summer, whether it's WSGR's Medical Device Conference, the MedTech Investing Conference in Minneapolis, or Piper Jaffray's annual conference. Then, in the fall, there are some different events that investment banks or other industry groups put together, and those are a great way to keep in regular touch with people.

Throughout the year, I typically attend a handful of conferences that focus on clinical areas where we have active portfolio companies, such as cardiovascular disease, interventional pain, or personalized medicine. And sometimes I attend conferences that overlap the due diligence we're doing on a new space.

Outside of the U.S., are there any particular markets that you or your companies are most interested in?

As a firm, NEA is certainly global in its reach. Our interest in start-up companies, as well as the markets where they'll bring their innovations, is global. We have a very active investment practice in Asia, largely on the tech side, though we've made some select healthcare investments there over time. More recently, we've expanded our investment practice to include more opportunities in Europe. One of the companies I'm involved with is called FIRE1 (Foundry Ireland), which is an Ireland-domiciled medical device incubator that we funded in partnership with the Foundry, Lightstone Ventures, and Medtronic. Since creating the incubator, we've advanced the program to include an outstanding senior management team that's based on the ground in Ireland, and we're actively building the company there. Some other examples of investments in our biopharma practice have been companies coming out of Western Europe and the UK, including Adaptimmune in the immuno-oncology space, NightstaRx in the gene-therapy space, and CRISPR Therapeutics in the gene-editing space. Overall, something like 90 percent of our dollars are committed to U.S.-domiciled companies. But we recognize that terrific innovation is happening all over the globe, and we're comfortable with backing teams based in those countries. We're working with them to build our companies across the Atlantic, sometimes opening offices and/or taking them public in the United States, and in other cases growing them for the long term, regardless of borders.

Do you have any advice for entrepreneurs who are looking to work with NEA or who may be trying to start a company for the first time?

First, I think it's encouraging that the past five years have been a fantastic time to start a company and raise capital for that company, whether it's in tech or healthcare. There's a lot of fundamental innovation happening in all sectors of the venture ecosystem that's creating tremendous opportunities for new businesses. We like to see entrepreneurs who are passionate about an area where they have a lot of deep experience. And in general, we try to support them, recognizing that their time is the most precious thing that any of us have to commit to one of these ventures. So, if it's an entrepreneur that really knows their space well and they've identified a problem and developed a technology-driven solution that we share an interest in, we'd love to talk to them as early as possible in the company's formation process. Whether or not we choose to invest can be affected by a variety of different considerations, but we look for opportunities to get involved where we can make an impact on that company's trajectory. That may mean funding them with the right amount of capital, or it may mean helping them set a vision that aims for something bigger or more expansive than they would have otherwise if they hadn't had that conversation.

It's often the case that we meet entrepreneurs but may not invest for three or four years. But along the way, we're able to track their progress and help provide introductions to folks who may join their team, or we may introduce other investors who get involved earlier than we do. Then, at the right opportunity, we'll sign up to lead a financing and, once we do, we are fully committed to them. Having those early conversations during that relationship-building process is fundamental, because these can be very durable partnerships. It's rarely an 18-month relationship; usually it's three, five, seven, or even 10 years, and hopefully what comes out of it is interest in doing it again. Around 60 percent or more of our investment opportunities are introduced to us through entrepreneurs or folks that we worked with in the past, and if we had a great experience together, we'd love to find that next venture to do it again and again.

> "Around 60 percent or more of our investment opportunities are introduced to us through entrepreneurs or folks that we worked with in the past, and if we had a great experience together, we'd love to find that next venture to do it again and again"

I think that touches one last point. You've been an investor for quite some time now. What would you say the biggest differences are between being an investor now and being an investor when you first started?
From a personal perspective, this is my 11th year of investing and I've had the benefit of being part of NEA and working with some fantastic folks who came before me in our medical technology practice. I started at NEA as an associate, where I was entirely supporting other partners. Today I'm proud to be on a dozen boards and am actively trying to grow our medical device and healthcare technology investment practice with my colleagues in the service of our companies and our industry. With board responsibilities and other leadership opportunities outside of the firm, I've only become busier over time, which is great. It's been a fantastic experience.

In each of these investing climates, the markets move in cycles, whether it's related to politics or the economy, and there's always something to learn or figure out how to do better. It could be solving some sort of complicated financing or M&A transaction, or creating investment opportunities that wouldn't otherwise exist. There are always new, creative ways to do this job better and be a better partner or entrepreneur. So, I don't know whether there have been dramatic differences from my first day to yesterday, but it's a continual process that's been a lot of fun.

Justin Klein joined NEA in 2006 and is a partner on the healthcare team. Justin focuses on medical device, healthcare technology, and biopharmaceutical company investments. He serves as a director of Advanced Cardiac Therapeutics, Cartiva, ChromaCode, FIRE1, Intact Vascular, Personal Genome Diagnostics, PhaseBio Pharmaceuticals, Relievant Medsystems, Senseonics

(NYSE: SENS), VertiFlex, Vesper Medical, and VytronUS. Justin's past board memberships and investments include CV Ingenuity (acquired by Covidien), Nevro (NYSE: NVRO), Topera (acquired by Abbott), TriVascular (NASDAQ: TRIV, acquired by Endologix), and Ulthera (acquired by Merz). Justin is also a member of the advisory boards for Duke's Innovation & Entrepreneurship Initiative, the Johns Hopkins Center for Bioengineering Innovation & Design, and the National Venture Capital Association's Medical Industry Group and its Medical Innovation and Competitiveness Coalition (MedIC), as well as a member of AdvaMed's Business Development Committee.

Prior to NEA, Justin worked for the Duke University Health System—reporting directly to the hospital CEO on health system strategy, finance, and clinical service unit operations—as Duke built one of the nation's first and largest healthcare integrated delivery systems. Justin concurrently earned his M.D. from the Duke University School of Medicine and his J.D. from Harvard Law School. He has also served as a member of the board of trustees of Duke University, where he earned his A.B. in economics and his B.S. in biological anthropology and anatomy.

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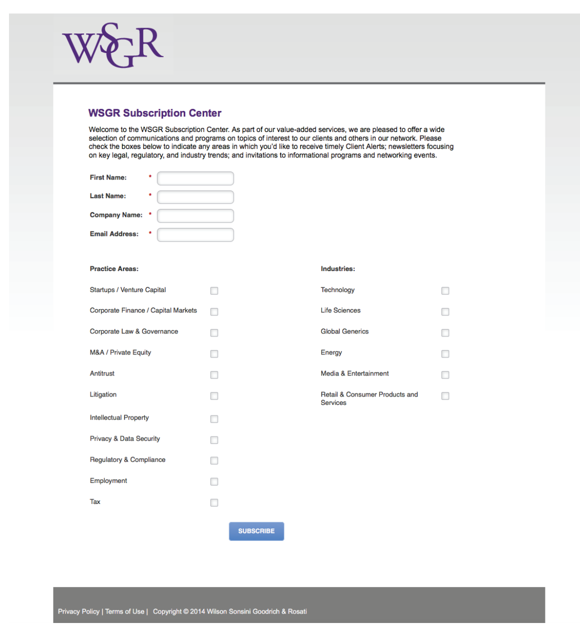

WSGR Ranked No. 1 for Q1 2017 Venture Financings

Dow Jones VentureSource recently ranked Wilson Sonsini Goodrich & Rosati as the leading law firm for U.S. venture financings in the first quarter of 2017.

Dow Jones VentureSource's legal rankings for Q1 2017 issuer-side venture financing deals placed WSGR ahead of all other firms by the total number of rounds of equity financing raised on behalf of clients. The firm is credited as the legal advisor in 61 rounds of financing, while its nearest competitor advised on 42 rounds of financing.

According to VentureSource, WSGR ranked first for Q1 2017 issuer-side U.S. deals in the following industries: business and financial services (tie), clean technology, communications and networking, consumer goods (tie), consumer services, healthcare, industrial goods and materials, information technology, medical devices and equipment, and software. The firm ranked second in biopharmaceuticals, and electronics and computer hardware.

WSGR also ranked first in the Bay Area region, where the firm was credited with 35 venture deals in Q1 2017, while its nearest competitor advised on 15 deals. In addition, the firm ranked first in Southern California, the Pacific Northwest, and Texas.

WSGR

Wilson Sonsini Goodrich & Rosati

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For more information on the current venture capital climate, please contact any member of Wilson Sonsini Goodrich & Rosati's start-ups and venture capital practice. To learn more about WSGR's full suite of services for entrepreneurs and early-stage companies, please visit the start-ups and venture capital section of wsgr.com.

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