Late-Stage Edition

State of the Markets

Inside Views on the Health and Productivity of the Innovation Economy

Q3 2021

State of the Markets Q3 2021

Executive Summary

Full Steam Ahead

The world remains focused on addressing the COVID-19 pandemic. With the rise of infections and variants of the virus, we recognize that the pandemic is not over and, as always, support innovators and their investors who are addressing our global challenges in new ways.

By most measures, this year has been completely gangbusters for the innovation economy. Venture fundraising, investment and exits are all on pace to shatter last year's records — if they haven't done so already. Fundraising continues to tick up, buoyed by mega funds that are coming back to market quicker than ever. Investment has skyrocketed driven in part by nontraditional investors seeking healthy returns and pouring more money into late-stage companies.

Firms like Tiger Global Management have increased their venture deal making pace nearly 4x compared to 2020. Venture-backed, late-stage tech companies have hit the public markets at an astonishing rate, with the highest number of venture-backed tech IPOs since 2014 and an aggregate value that has already surpassed last year's record. Even SPACs outpaced an astronomical 2020 in just the first quarter of this year — though activity has slowed as looming regulatory scrutiny, a tighter PIPE market and mixed public market De-SPAC performance cast a cloud over the blank-check boom.

As the tech economy moves toward normalizing, so too have late-stage tech company operating and financial metrics. Benchmarks such as cash runway and operating margins have started to return to lower pre-pandemic levels. Yet valuations and multiples have reached new heights as investors remain willing to pay a premium for growing tech companies.

A healthy venture ecosystem is defined by a strong cohort of companies, record dry powder in need of deployment and an active investment community. This is what we are seeing in 2021, which gives us optimism for the remainder of this year.

Bob Blee
Head of Corporate Banking
Silicon Valley Bank

Macro:
Pulse Check

Signals Point to a Healthy Ecosystem

The depths of the COVID-19 pandemic seem like a long time ago. Economic output bounced back and has been growing at the highest rate since 2011. The same can be said for public markets, with the S&P 500 hovering around its record high. It is not all positive though, stimulus and supply chain issues have spiked inflation — although potentially transitory — and the USD continues to depreciate.

For the venture ecosystem, things appear exceptionally positive. Venture fundraising and investment are both on track to exceed previous highs while late-stage valuations jumped significantly. Calls of a bubble have yet to be silenced, but for now sentiment towards venture and tech remains positive; with record capital available to be deployed. While debt markets ebb and flow, and the complexities have different impacts on the innovation ecosystem, trading volumes are near their peak.

Liquidity in the system is high with record exit activity across venture-backed IPOs, SPACs and M&A. This bodes well for maintaining momentum, with capital being returned to entrepreneurs, employees and investors (limited partners), further enhancing the hype around venture and is likely to draw in more capital.

Innovation Economy Indicator Dashboard: Q2 2021

Macro

Change in Real GDP[1]	1.6% QoQ	0.4% YoY
Change in S&P 500 Performance	19.5% QoQ	36.6% YoY
Change in Money Supply (M2)	3.7% QoQ	18.1% YoY
Change in CPI Index	2.3% QoQ	5.3% YoY
Change in VIX	-18.4% QoQ	-48.0% YoY
Change in USD Index[2]	-0.8% QoQ	-4.9% YoY

Equity

Quarterly VC Fundraising	$29.7B	-17% QoQ	75% YoY
Quarterly VC Investment	$80.0B	7% QoQ	115% YoY
Median Late-Stage Valuation[3]	$300M	89% QoQ	300% YoY

Debt

Current 10-Year Treasury Yield	1.45%	-17% QoQ	120% YoY
Quarterly Levered Loan Volume[4]	$193B	15% QoQ	135% YoY
Investment Grade Credit Spreads[5]	86	-11% QoQ	-46% YoY

Liquidity

Quarterly VC-Backed Tech IPOs	23	92% QoQ	1050% YoY
Quarterly VC-Backed M&A	278	-11% QoQ	55% YoY
Quarterly VC-Backed De-SPACs	19	12% QoQ	533% YoY
Nasdaq Private Markets Secondary Volume[6]	>$3B	196% QoQ	794% YoY

Notes: 1) Real Gross Domestic Product (GDP) data as of Q1 2021. 2) Measured using the DXY index. 3) Late-stage category defined by PitchBook. 4) Includes pro-rata and institutional levered loans. 5) ICE BofA US Corporate Index Option-Adjusted Spread. 6) Based on transaction volume; Nasdaq Private Market was launched as a joint venture between SVB, Nasdaq, Citi, Morgan Stanley, and Goldman Sachs. More details can be found here.
Source: PitchBook, S&P Cap IQ and SVB Analysis.

Capital:
Is Bigger Better?

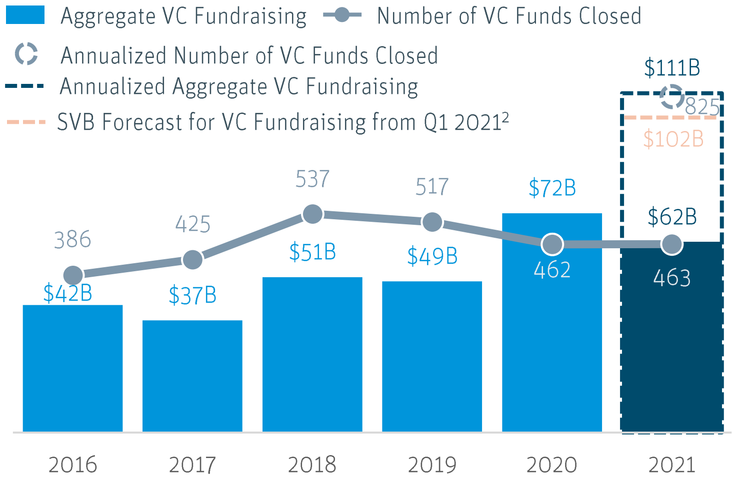
Fund-amentally Different Fundraising

US venture capital (VC) fundraising has experienced exponential growth since 2019. In the first half of 2021, venture fundraising has already seen $61B in funds raised, just $10.7B less than all of 2020, a record year, and $11.6B more than all of 2019. At its current pace, venture fundraising is on track to hit $110B for the first time — $9B more than our highest estimate at the beginning of the year.

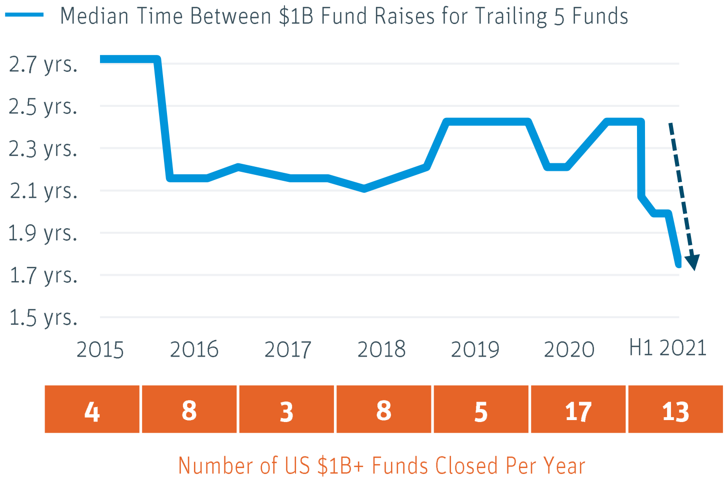
The distribution of funds raised has changed dramatically since 2015. The number of funds over $1B+ has substantially increased, with their share of fundraising now accounting for 47% of US VC fundraising — 28 percentage points higher than 2015. At the same time, $1B+ funds have been deploying capital faster and subsequently coming back to limited partners (LPs) quicker. Like traditional venture, CVC funds also have become more active, along with other nontraditionals like private equity (PE) and crossover investors.

It's clear a barbell is developing, where midsize firms are contemplating either raising unprecedented amounts of capital (sparked initially by SoftBank) or pivoting to focus on a specific niche. In addition, with the commoditization of capital, venture firms are attempting to diversify their offerings to provide value to their portfolio companies.

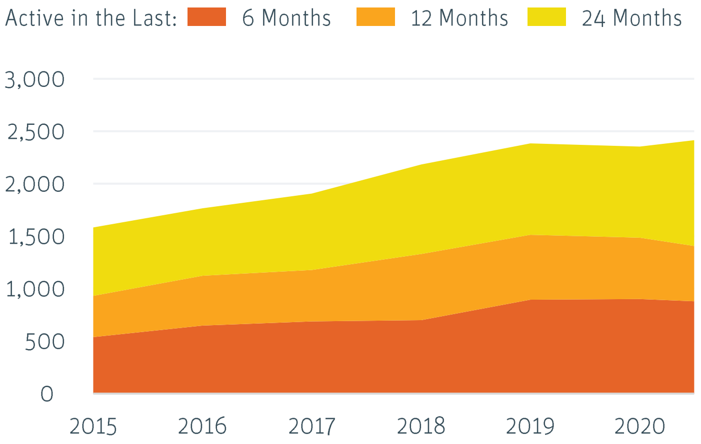
US Venture Fundraising by Year[1]



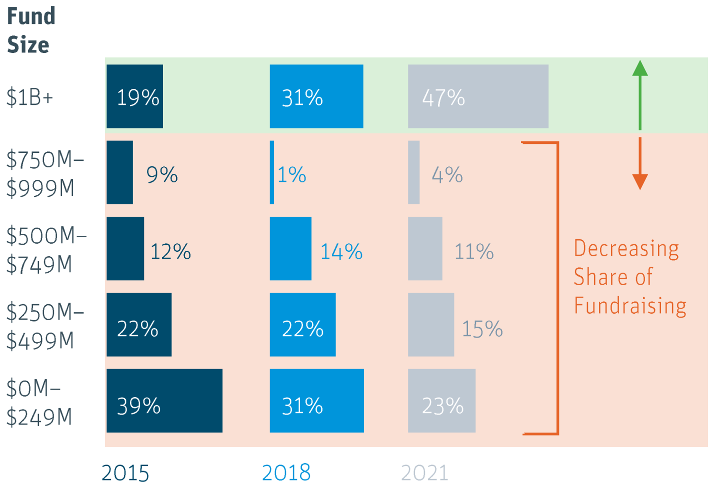
Time Between $1B+ Fund Raises[3]



CVC Investor Activity by Year[4]



Share of US VC Fundraising ($) by Fund Size



Notes: 1) Includes only traditional venture funds; excludes PE funds such as Growth Equity and Buyout; data as of 7/22/2021. 2) Upper end of 90% prediction interval for VC fundraising forecast model; calculated January 2021. 3) Time between consecutive $1B+ funds raised for a US-based firm, aggregated across all US-based firms. 4) Based on time since last investment was made.
Source: Preqin, PitchBook, CB Insights and SVB Analysis.

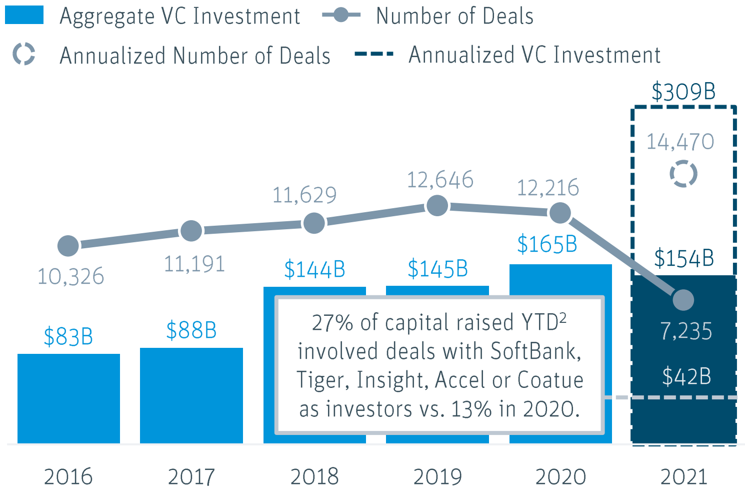
Investors Pouncing on Opportunity

Venture investment continues to reach new heights with each passing year, and 2021 is no different. Halfway through the year, venture investment is nearly at 2020's full-year total. Deal count is up 18% over the same period last year, and capital invested is up more than 110%.

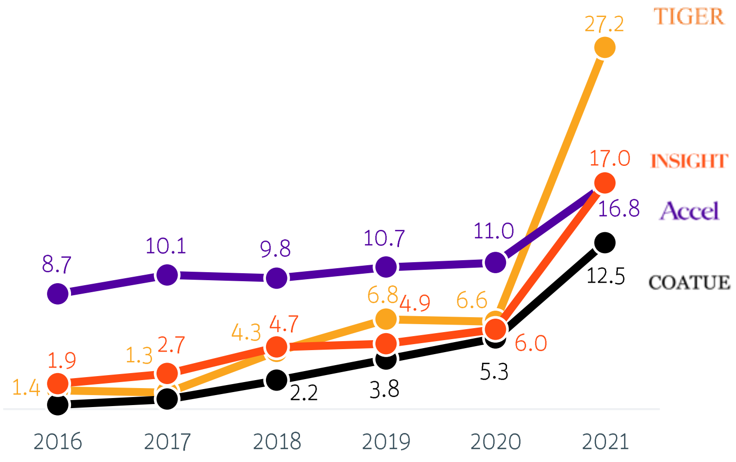
So what exactly is causing this surge? A few years ago, SoftBank rewrote the venture playbook by deploying unprecedented capital into the ecosystem, causing a massive spike in investment in 2018 and moving venture goalposts along with it. Fast-forward a couple years, and a few high-profile fallouts, and SoftBank is being eclipsed by a new onset of investors. Among them, Tiger Global Management has emerged as the successor — with an outsourced and shortened due diligence process, often no requirement of board seats, and aggressive term sheets leading to an accelerated deal pace. This shift was further buoyed by the pandemic, as access to founders became easier as companies went remote.

The activity of investors like Tiger Global Management has pushed valuations to record highs. When a nontraditional venture investor is present in the deal, the differential in median valuation compared to a traditional-only venture round becomes more significant the later the deal stage. This differential has been increasing year-over-year.

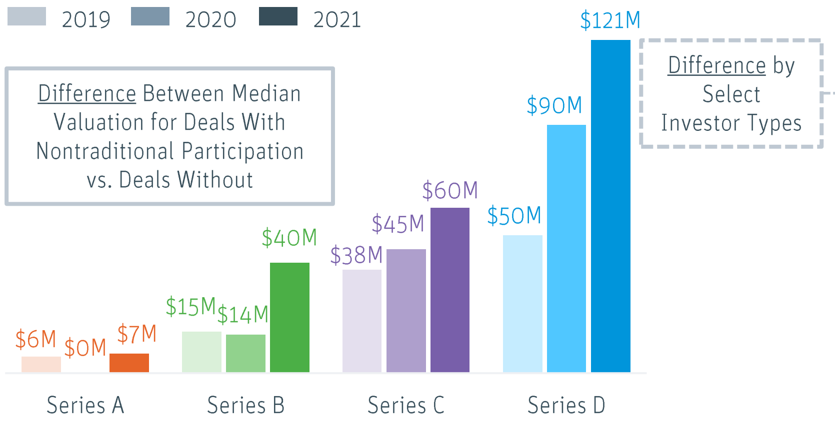
US Venture Investment by Year[1]

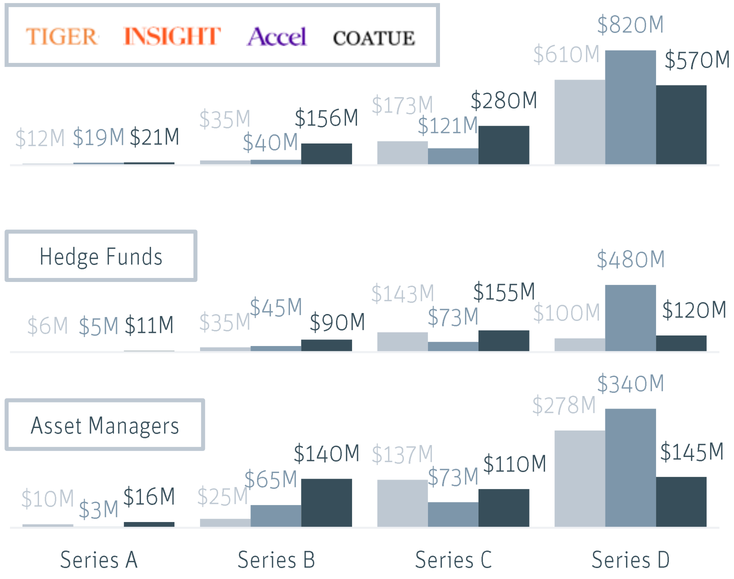


VC Investments[3] Per Month by Select Investment Firms by Year[2]



Valuation Differentials Between Traditional and Nontraditional Investors by Year[2,4]





Notes: 1) Includes only traditional venture investments; excludes PE Growth Equity and Accelerator/Incubator; data through 6/30/2021. 2) Data through 7/22/2021. 3) Global venture investments. 4) US venture investments.
Source: PitchBook and SVB Analysis.

Benchmarking:

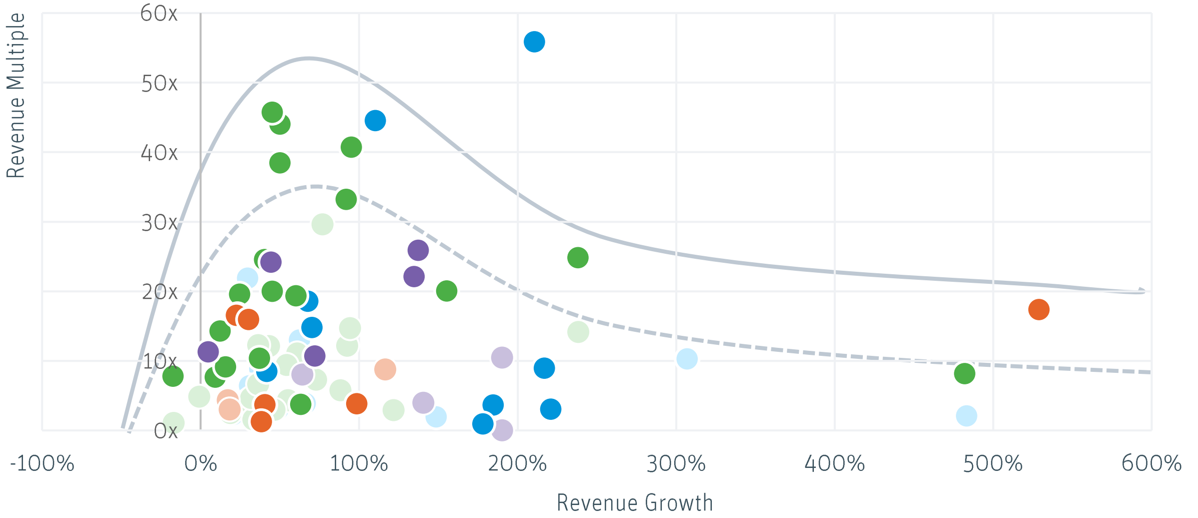
Late-Stage Benchmarking Bites

Valuations Experience Rapid Takeoff

Multiples for late-stage companies remain on the rise as investors put a premium on growth. With the exception of frontier tech, revenue multiples have expanded two to three times across the major tech sectors since last year. The distribution of a representative cohort of late-stage US tech companies that raised in 2021 is noticeably higher peaked than that of a similar cohort from roughly five years ago. Companies in industries such as marketplaces, media and entertainment, digital health, and workflow management have seen the largest jump in their revenue multiple.

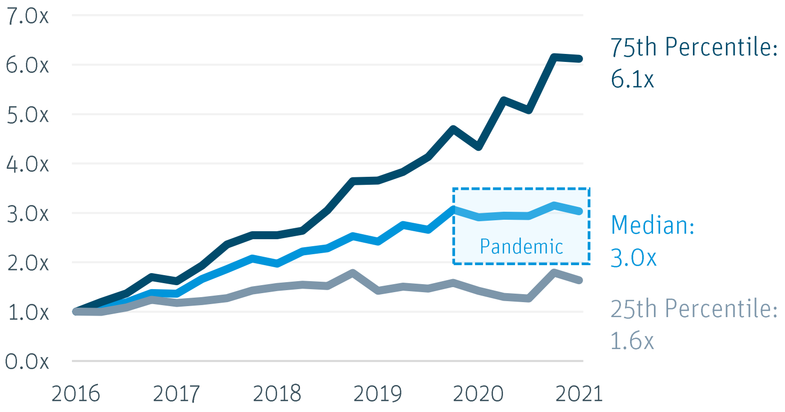
To measure the true trajectory of revenue growth, we analyzed a cohort of midstage[5] tech companies over the last five years, indexing their growth to 2016. Even with a modest slowdown due to the pandemic, companies were able to triple their revenue growth — with the median revenue increasing to roughly $60M. The top-tier companies, depicted by the 75th percentile, saw their revenue growth accelerate during the pandemic from forced digital adoption during lockdowns and remote work (the Zooms of the world). However, less-discussed industries such as transportation software, logistics platforms and payment solutions were also net beneficiaries of the changes to how we lived and conducted business.

US Late-Stage[1] Company Revenue Run Rate Multiples and Growth by Sector[2,3,4]

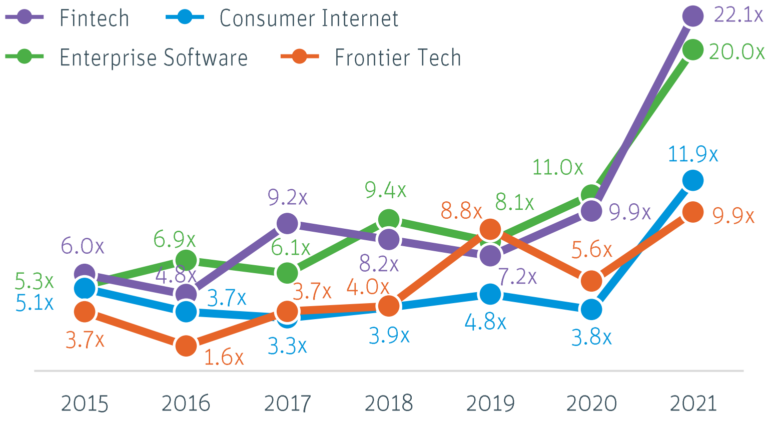


Revenue multiples for 2021 track above 2015 levels for companies with similar revenue growth rates — indicating multiple expansion, especially for enterprise software companies.

US Tech Company Revenue Run Rate Growth Index[5]



US Late-Stage[1] Company Revenue Run Rate Multiples by Sector[2,4]



Notes: 1) Late-stage defined as companies with $50M+ revenue run rate. 2) Sectors defined by SVB's proprietary taxonomy. Frontier Tech describes new and emerging corners of innovation that are still in R&D or just starting to gain early adoption. 3) As of Q1 2021. 4) Based on companies that raised in the specified year. 5) Cohort of companies that had between $10M and $25M in revenue run rate in 2016 indexed to 1 for each company. Median figure taken for each quarter for the cohort of companies with complete financials.
Source: SVB Proprietary Data and SVB Analysis.

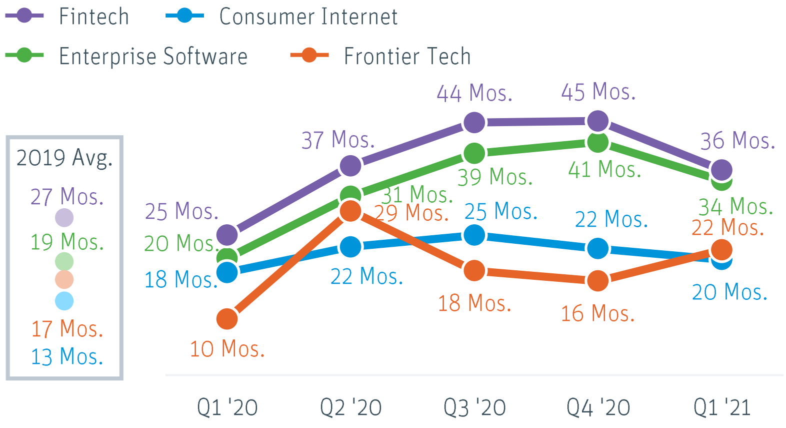
Cash Metrics Begin to Normalize

As the economy reopens and things begin to normalize, so are the operating and financial metrics of late-stage tech companies. Cash runway, in particular, saw its first material decline across most tech sectors. Frontier tech was the notable outlier, actually seeing a slight uptick in cash runway.

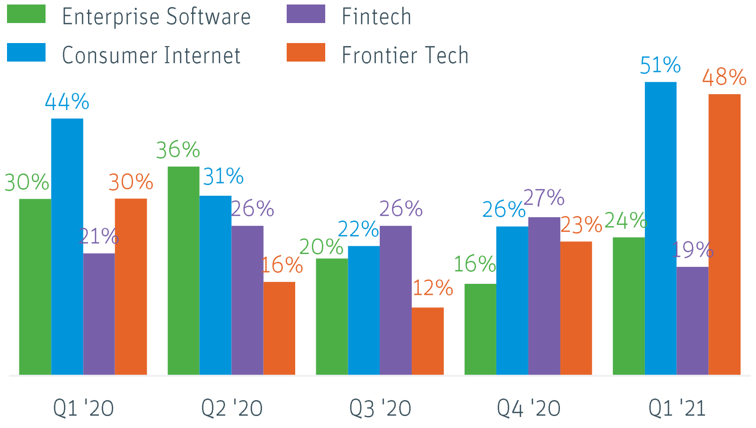
Derivatives of cash runway are revenue, operating profit (loss) and cash balance. When we double-click on these individual metrics by sector, the share of companies seeing a decline in the latter two increased in Q1 2021. As companies rushed to raise funds, cut operating expenses and preserve cash during the COVID-19 pandemic, fewer companies had declining cash balances and deteriorating margins. Simultaneously, declines in revenue were also playing a role. As expected, when the pandemic hit, a larger proportion of companies experienced drops in revenue, especially consumer internet companies. The number of companies with declining revenue plateaued until Q1 2021, when it rose again, especially for consumer internet and frontier tech companies.

Combine all these factors together and we believe it's indicative of a recovery taking hold and confidence growing to a point where companies are willing to lean into a higher burn rate in pursuit of growth, all while cash runway remains healthy. However this can all change quite rapidly should concerns over the rise of the Delta variant and it's potential implications begin to surface.

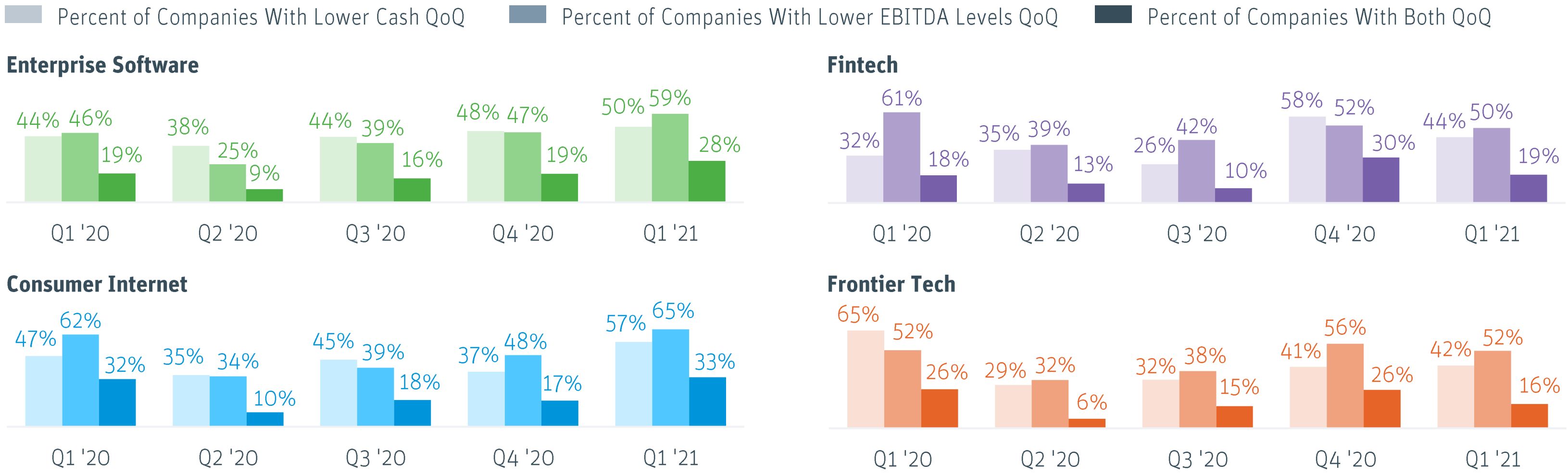
US Late-Stage[1] Companies: Cash Runway by Sector[2]



US Late-Stage[1] Companies: Proportion of Companies with Revenue Decline QoQ[2,3]



US Late-Stage[1] Companies: Changes in Cash on Hand and EBITDA Levels QoQ by Sector[2,3]



Notes: 1) Late-stage defined as companies with $50M+ revenue run rate. 2) Sectors defined by SVB's proprietary taxonomy. Frontier Tech describes new and emerging corners of innovation that are still in R&D or just starting to gain early adoption. 3) Percent of companies with lower applicable financial metric level quarter over quarter (QoQ).
Source: SVB Proprietary Data and SVB Analysis.

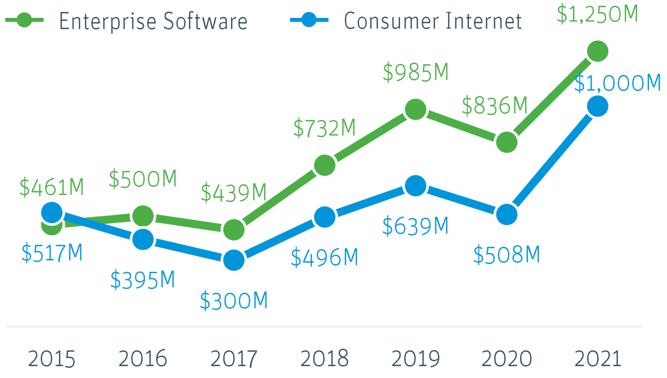
Valuations Step Up to the Plate

As late-stage companies continue to raise at a higher clip in 2021, valuations also continue to climb. Notably, valuations for consumer internet companies have jumped up, with the median valuation at the billion-dollar threshold, owing to a surge of commerce companies tapping investors for capital. In a less dramatic leap, the median valuation for enterprise software breezed past the billion-dollar threshold in 2021.

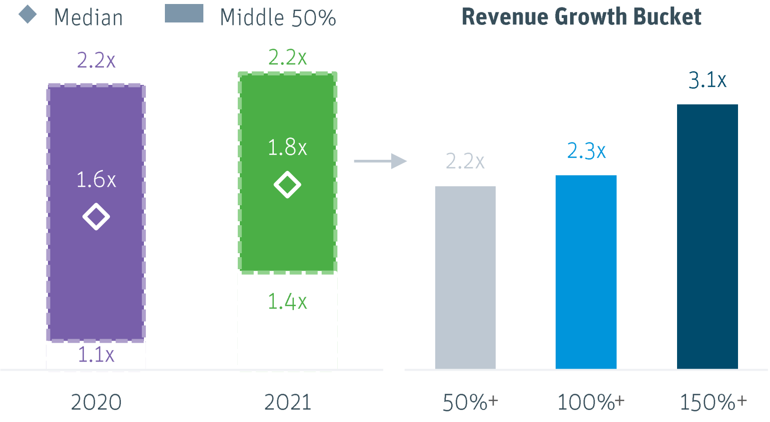
The availability of late-stage capital allows companies to stay private longer and achieve scale, which we define as surpassing a $100M revenue run rate. Companies that reached scale (and maintained that scale) are seeing a greater step-up in valuation compared to last year — with the median step-up now 1.8x, above the 1.6x step-up for the broader late-stage market[1]. Furthermore, those companies that achieved higher growth experienced an even bigger uptick in valuation — potentially widening the gap between the haves and have-nots.

When we switch to the bottom half of the income statement, operating margins sharply improved at the beginning of the pandemic before plateauing. For consumer internet companies, margins have started to decline again as revenues have seen a larger decline in the most recent quarter relative to other tech sectors. Marketplaces and cybersecurity companies have seen the largest dip in operating margins within the consumer internet and enterprise software sectors, respectively.

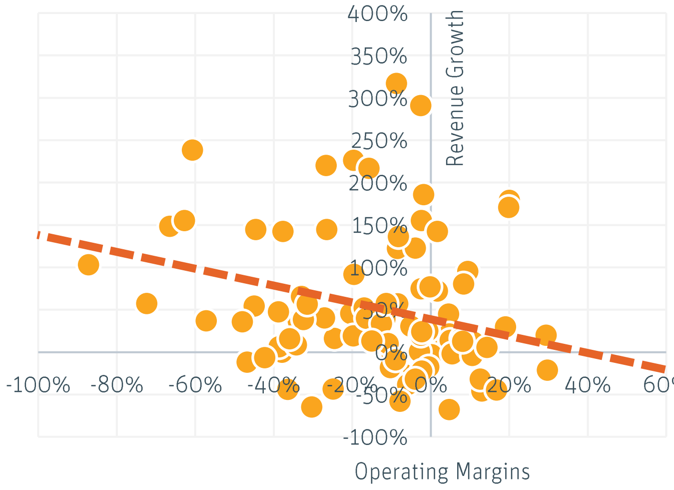
US Late-Stage[2] Company Median Valuation by Sector[3]



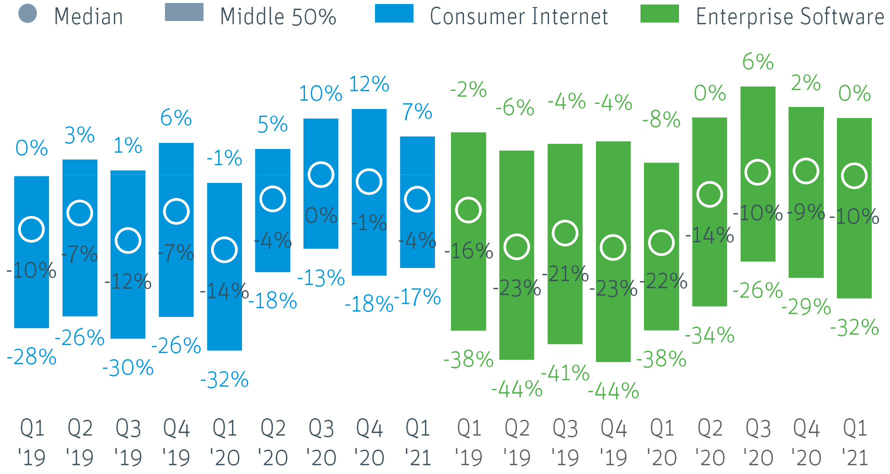
Scaled[4] US Company Valuation Step-Ups



"Rule of 40" for US Late-Stage[2] Enterprise Companies[3,5]



Operating Margins[6] for US Late-Stage[2] Companies by Sector[3]



Notes: 1) Based on PitchBook's Q1 2021 Valuations Report. 2) Late-stage defined as startups with $50M+ revenue run rate. 3) Sectors defined by SVB's proprietary taxonomy. 4) Scaled defined as startups that have reached $100M+ revenue run rate consistently for the first time in the specified year. Includes all companies defined as tech by SVB's proprietary taxonomy. 5) As of Q1 2021. 6) Operating margin = quarterly EBITDA ÷ quarterly revenue.
Source: PitchBook, SVB Proprietary Data and SVB Analysis.

Bolstering the Board

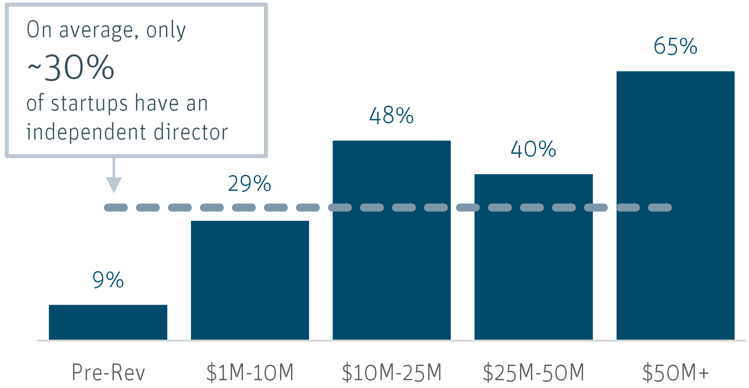
When building a company, the importance of having a strong bench of advisors often gets overlooked. Companies like Bolster[1] — a talent marketplace for CEOs to find and hire on-demand executives, independent board directors, coaches, and advisors — have partnered with hundreds of companies to get a sense of the board of directors (BOD) landscape for startups and explore how independent advisors, as well as diversity and inclusion, can play a critical role in better board composition and long-term success.

Surprisingly, only one-third of private company boards have independent directors today, which means that they're potentially duplicating shared viewpoints, rather than establishing strong corporate governance. Furthermore, more than 60% of boards without either racial or gender diversity occurred at the Series A stage and earlier.

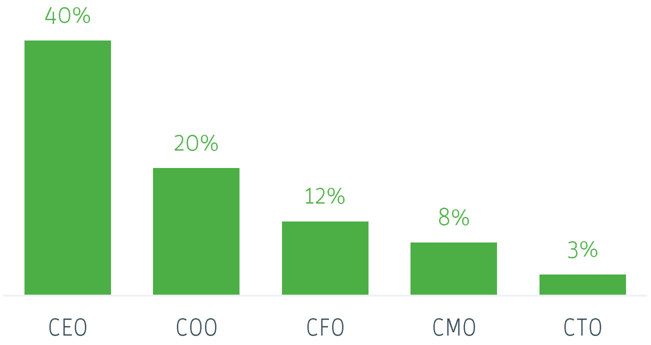
State regulators have taken notice and are beginning to act. A dozen states have enacted or are poised to enact requirements to enhance diversity on boards. California led the charge in 2018 by mandating gender diversity on the BOD of publicly traded corporations with their "principal executive office" in the state. Other states are seeking to implement regulations modeled on California's legislation, but they currently only require increased disclosures on BOD diversity. This increased urgency on BOD diversity is a welcomed sign that should lead to increased inclusion.

bolster

Percent of Startups With an Independent Director by Revenue Band[2]

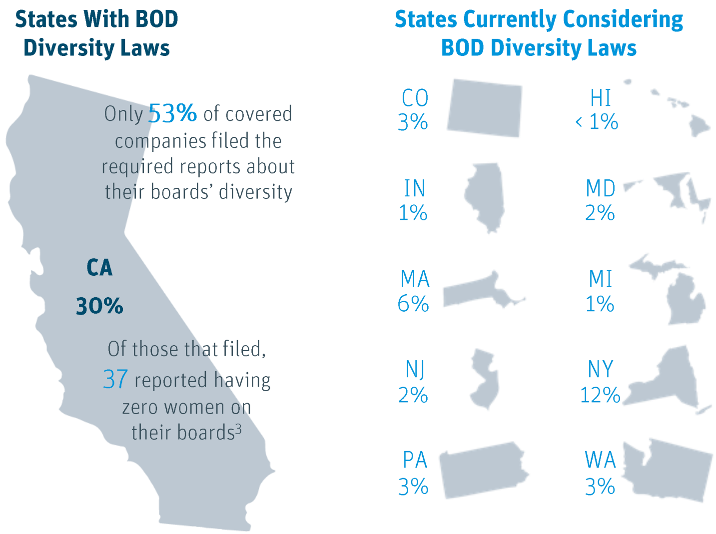


Independent Director Work Experience[2]

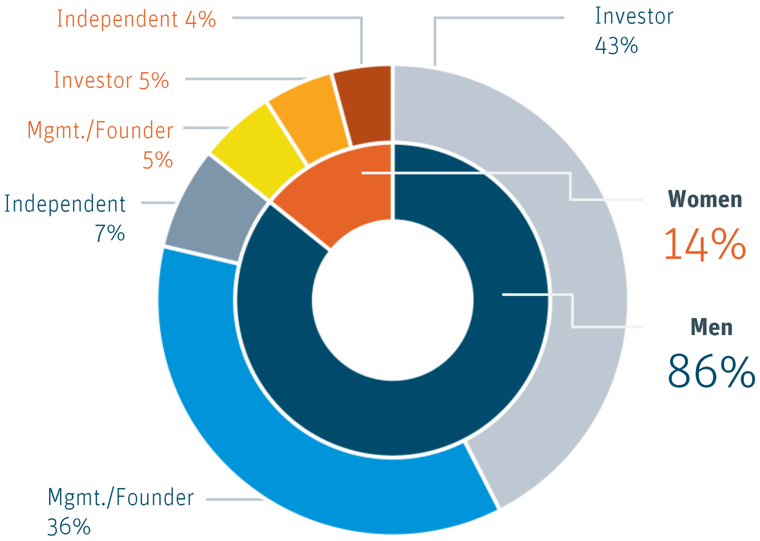


States With Laws Requiring BOD Diversity[2,3]

% = State's Percentage Share of All VC-Backed Companies



Gender of BOD by Director Type[2]



svb

Notes: 1) Bolster is an affiliate and partner of Silicon Valley Bank. 2) We encourage you to read Bolster's latest Board Benchmarking Survey, which can be found here. 3) Percent of VC-backed companies by state headquarters.
Source: Bolster, PitchBook, Harvard Law School Forum on Corporate Governance and SVB Analysis.

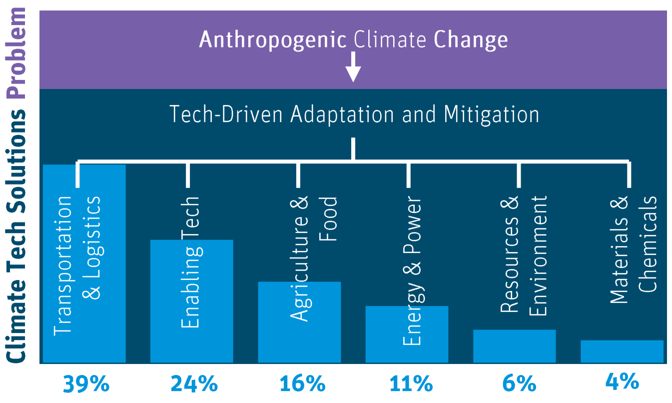
Spotlight:
Climate Tech

Climate Tech Starting To Heat Up

Climate tech is the collective term for technologies and solutions being developed in industries including transportation and logistics, agriculture and food, energy and power, resources and environment, materials and chemicals, etc. The majority of investment flows to three main sectors: transportation and logistics, agriculture and food, and energy and power. Emerging technologies comprise nearly a quarter of investment, including artificial intelligence (AI) and LiDAR sensors.

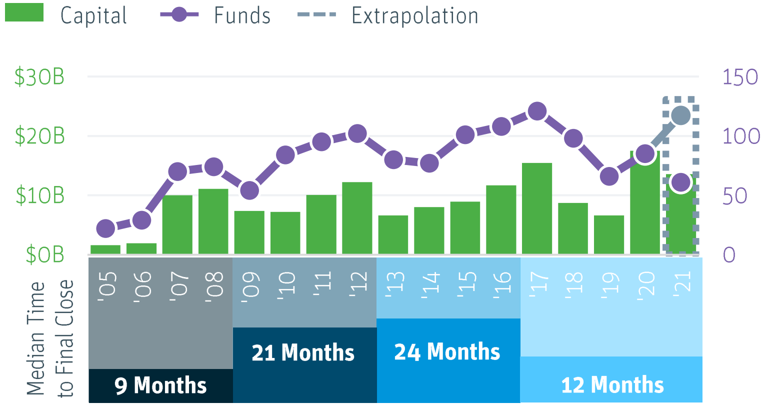
Environmental, social and governance (ESG) factors have become a priority for limited partners (LPs). Major financial institutions such as BlackRock and Fidelity have made definitive statements on climate change and backed this up by funding climate tech startups. Today, the average climate tech fund takes a year to close, five months less than the industry average, emphasizing the appeal of the strategy. Furthermore, public support, political will and investor interest will catalyze deployment of capital and (hopefully) expedite bringing solutions to market. The early signs are good, as venture investment in climate tech startups is on track for another record year. The majority of companies being funded are at the early stage, with the modal series being Series A. For an in-depth look into the world of climate tech, refer to SVB's "The Future of Climate Tech" report here.

Overview of Climate Tech Landscape

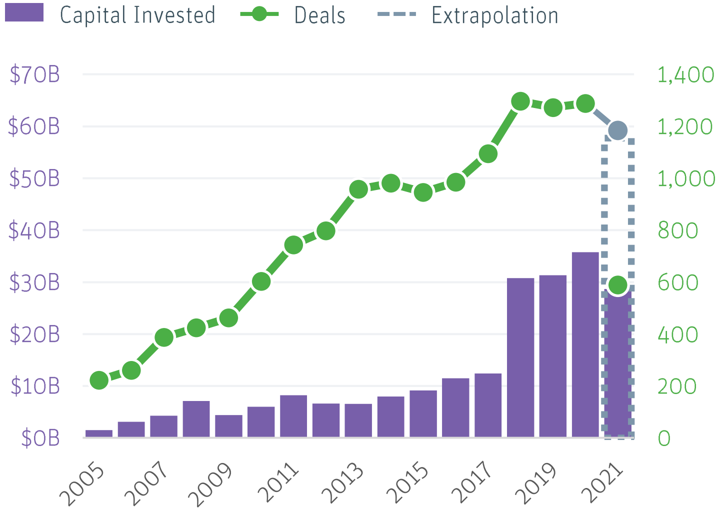


Share of 2020 Climate Tech VC Investment[1]

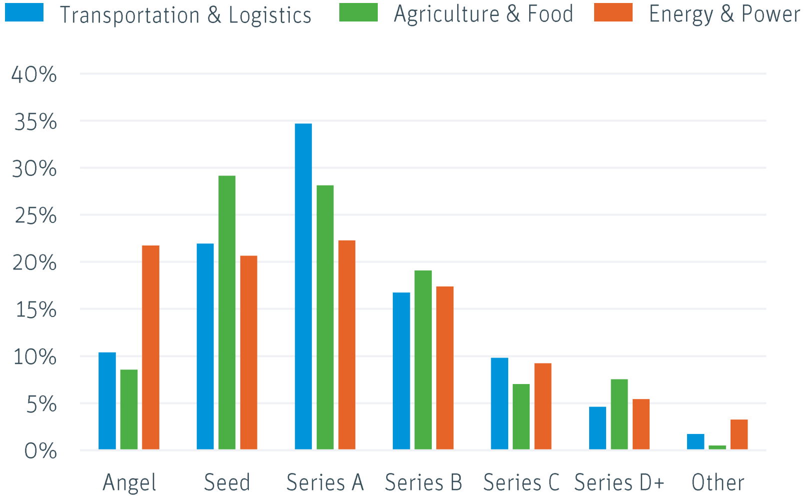
Global VC Fundraising: Climate Tech–Focused[2]



US Climate Tech VC Investment Activity[3,4]



US Sector Deals by Stage: Last 18 Months[4,5]



Notes: 1) From CleanTech Group's i3 database. 2) Global funds with a stated interest in cleantech and agtech. 3) US companies; from CleanTech Group's i3 database, including enabling technologies that serve more than the climate tech sector. 4) As of 6/30/2021. 5) US companies; from CleanTech Group's i3 database.
Source: PitchBook, Cleantech Group, Preqin and SVB Analysis.

Liquidity:
Window Wide Open

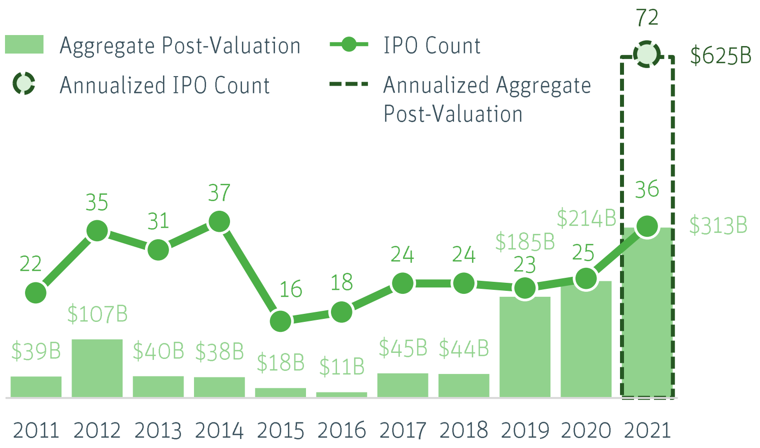
IP-Whoa! Tech Taps the Public Markets

While SPACs have garnered much of investors' attention over the last year, the traditional IPO route has exploded in 2021 — signaling that the window remains wide open. The aggregate number of VC-backed tech IPOs has already outpaced last year and is on track to be the highest since 2014. The size of companies going public continues to increase as demonstrated by higher revenue figures and valuations. Meanwhile, multiples continue to move in lockstep as investors remain hungry for tech assets and are willing to pay the premium for perceived growth stocks.

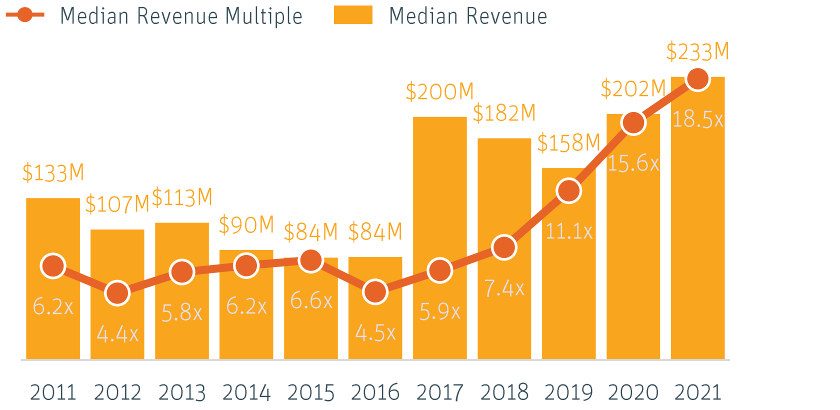
Venture ecosystems — both mature and nascent — continue to produce companies of notable scale securing sizable exits at an unprecedented velocity. Abundant growth-stage capital has provided the means for companies to stay private longer and scale more before hitting public markets — helping to mitigate the need to exit early. Access to capital continues to not be an issue and the results of the maturing ecosystems are coming to fruition.

In the United States, 17 of the largest 25 domestic VC-backed tech exits ever have occurred since January 2019 — representing 73% of the total value. What's more is that four of the top 25 went public via a direct listing — an exit avenue we expect to be utilized more in the future as founders and investors look to leave less money on the table.

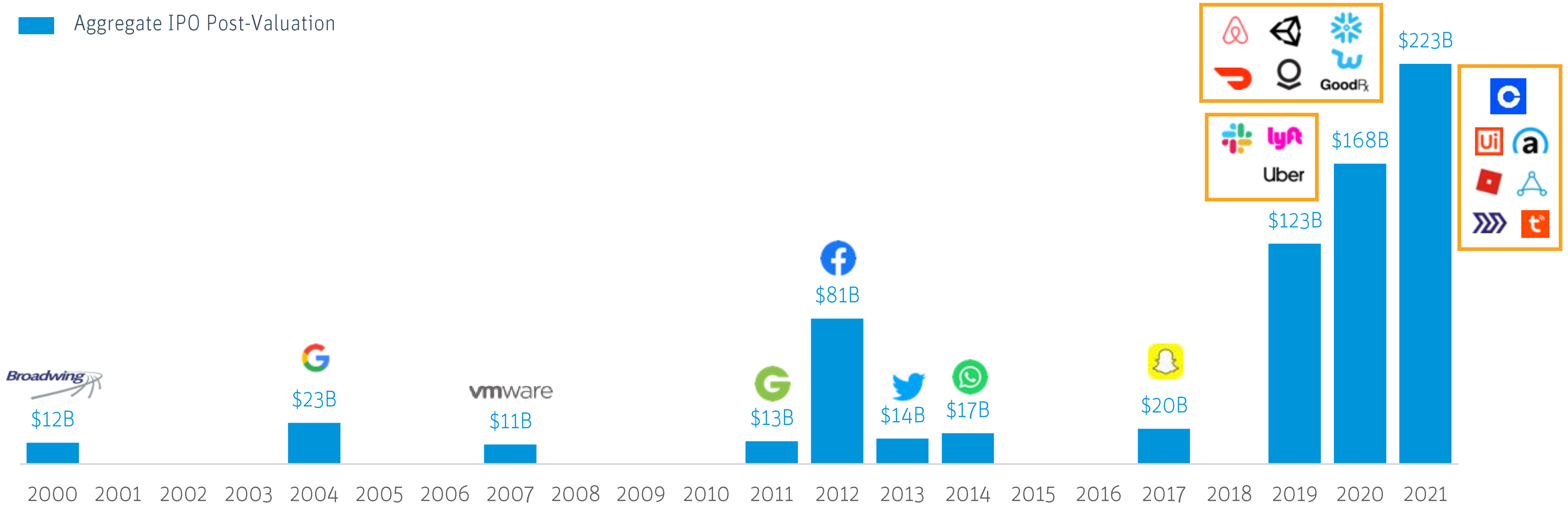
US VC-Backed Tech IPOs by Year[1]



US VC-Backed Tech IPOs Revenue & Multiples[1]



Top 25 United States VC-Backed Tech Exits[1,2]



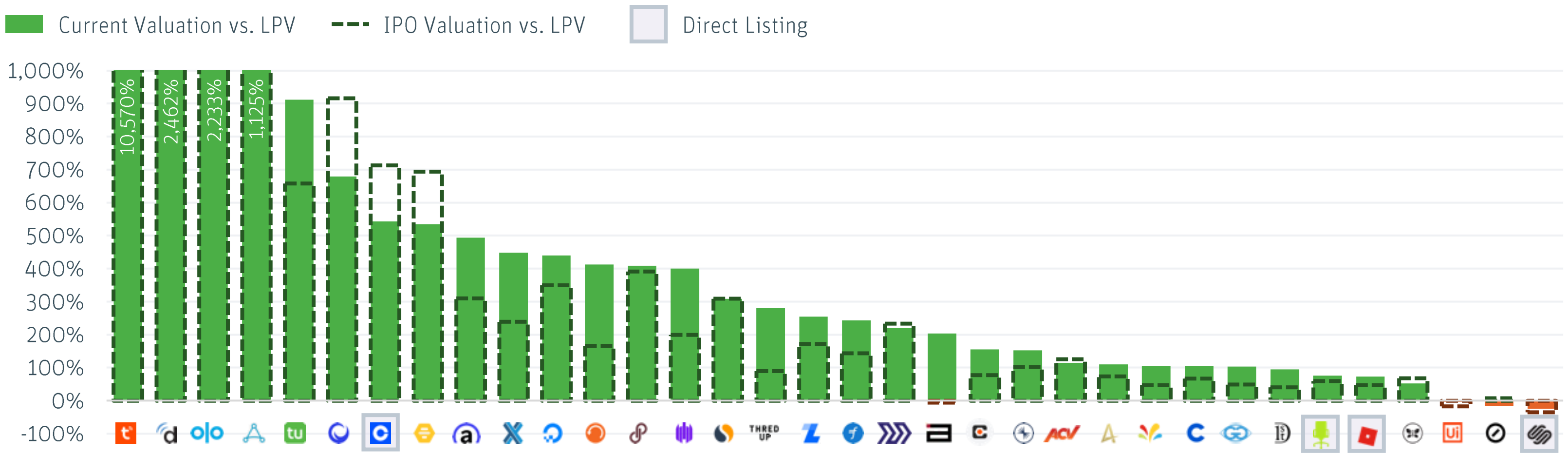
Notes: 1) As of 7/16/2021.
Source: PitchBook, S&P Cap IQ and SVB Analysis.

Don't Take Performance at Face Value

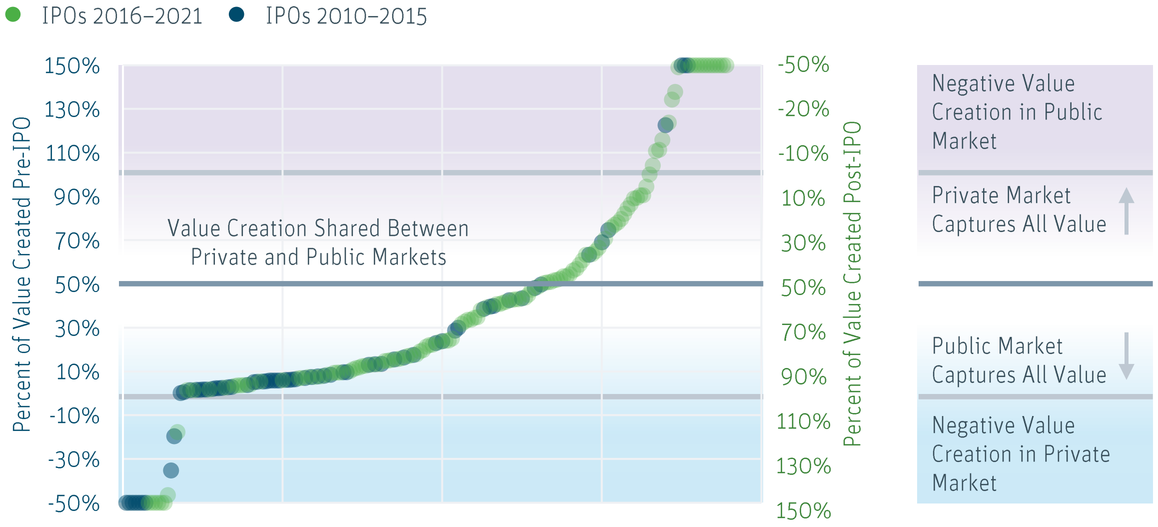
The 2021 cohort of VC-backed tech IPOs has performed well since going public, with more than 90% of the companies trading above their last private valuation (LPV) and the median return reaching nearly 250%. Notably, the companies that have underperformed are the ones that went public via a direct listing, with three of the four being in the bottom six in terms of performance since going public. Additionally, those same three had some of the smallest "first-day pops" — although, this could be a good sign that at IPO these companies were fairly priced.

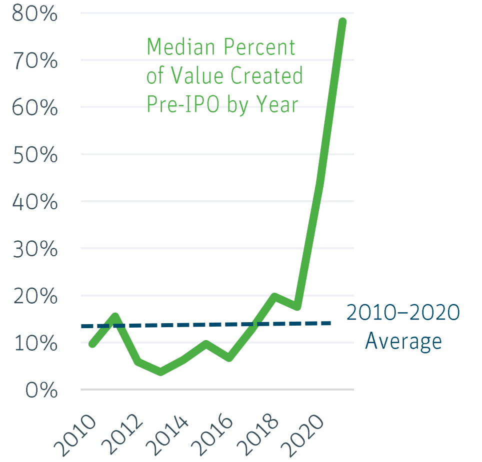
When evaluating the investment potential of companies going public, investors will consider the amount of value created when the companies were private and if there is more to come. Do venture investors reap most of the gains while the retail investor is left high and dry? The answer is mixed. An analysis of US VC-backed tech IPOs over the last decade showed the vast majority created more value — around 86% of value on average — once public. In 2021, this trend flipped, although this is likely due to the short length of time those companies have been public.

VC-Backed Tech IPOs in 2021: Current Market Capitalization vs. Last Private Valuation[1]



Pre-IPO and Post-IPO Value Creation for US VC-Backed Tech IPOs[2]





Notes: 1) Market capitalization as of 7/12/2021. Last private valuation data based on available data from PitchBook. 2) Total value creation is market capitalization less pre-IPO paid in capital less public offerings. Value creation capped at 150%, with values over 100% reflecting situations where value creation for one group of investors was negative.
Source: PitchBook, JPMorgan, S&P Cap IQ and SVB Analysis.

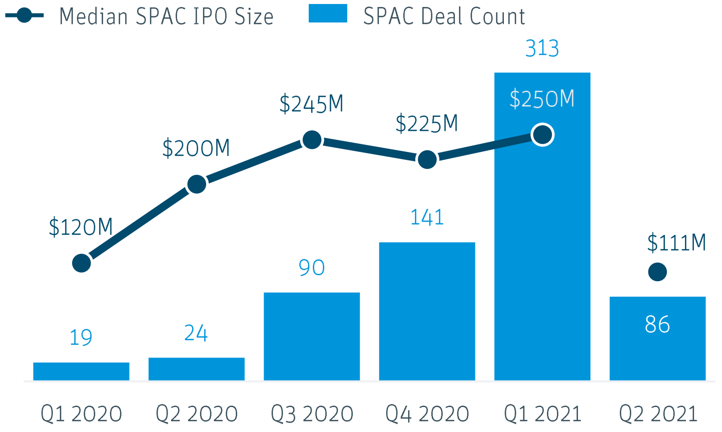
Are SPACs Just a PIPE Dream?

The SPAC market has not only provided late-stage companies with exit opportunities, but has also given investors investment opportunities. With abundant capital and investor friendly unit economics, institutional capital flooded the PIPE market in 2020. However, activity has cooled off tied to several factors, from potential regulatory changes coming down the PIPE-line (pun intended!) to an excess of SPACs looking for sponsors following an explosive 2020 and poor De-SPAC public market performance. Peripheral factors such as looming interest rate rises, inflated valuations and increased scrutiny of company fundamentals have also contributed.

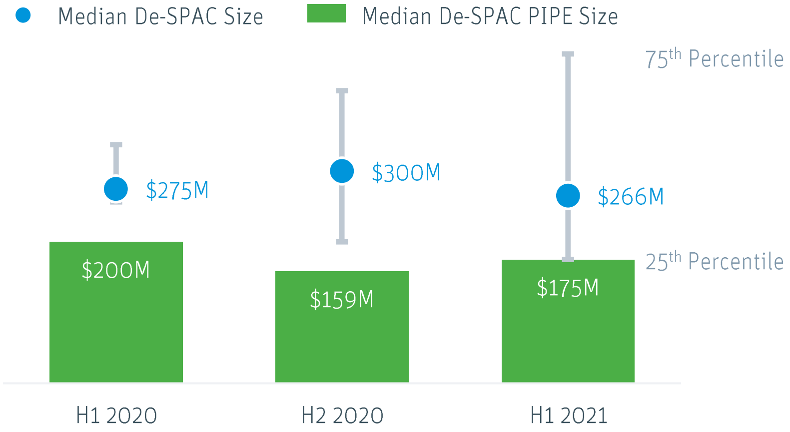
The median PIPE deal size as a percentage of the overall SPAC has remained relatively constant. De-SPACs with the highest PIPE to SPAC size ratios have seen PIPEs become a relatively less important capital source. Between 2020 and 2021 the 90th percentile PIPE to SPAC IPO size ratio fell 92 percentage points, signaling PIPE investors are pulling back from more extreme transactions.

Major players such as BlackRock and Fidelity continue to invest in large PIPE deals. Between May and June, the average PIPE size decreased from $240M to $190M. PIPEs are also taking longer to close, with currently an estimated $45B in unfunded PIPE commitments. With PIPE investment reaching a saturation point, expectations for growth in the De-SPAC market are tempering. If the trend continues, PIPEs will likely be the limiting factor that prevents some SPAC IPOs from successfully acquiring a target.

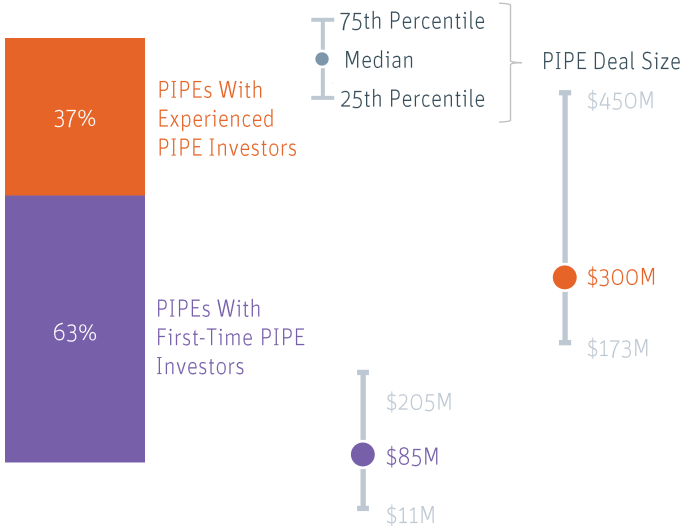
US SPAC IPO Activity[1]



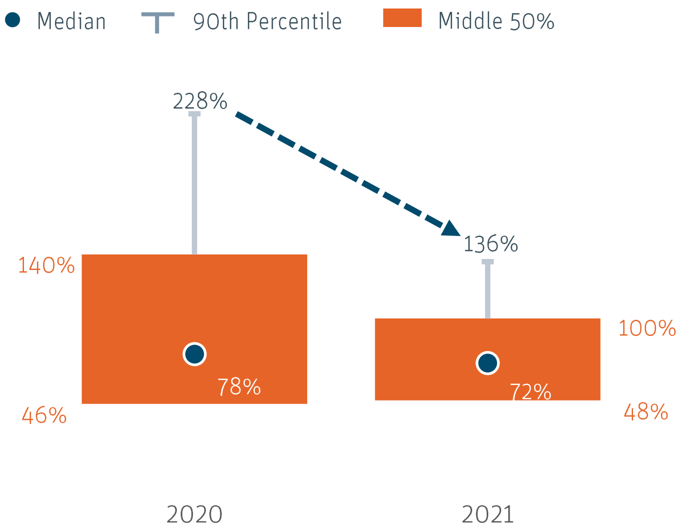
US De-SPAC and US PIPE Deal Sizes



US PIPEs by Investor Experience[2]



US PIPE as a Percentage of US SPAC IPO Size



Notes: 1) Data as of 6/30/2021. 2) Recurring PIPEs where specific investors that had contributed to 2+ SPAC deals during 2020 and 2021.
Source: PitchBook, Goldman Sachs and SVB Analysis.

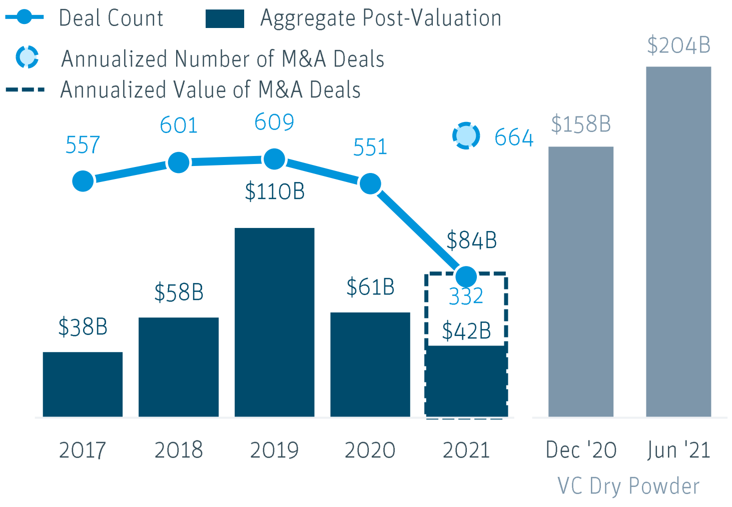
Acquisition Activity Accelerating

Despite record dry powder, investors hungry for tech assets and a pandemic that many thought would push startups towards an early exit, acquisition activity was muted over the last year. However, the tide is beginning to turn.

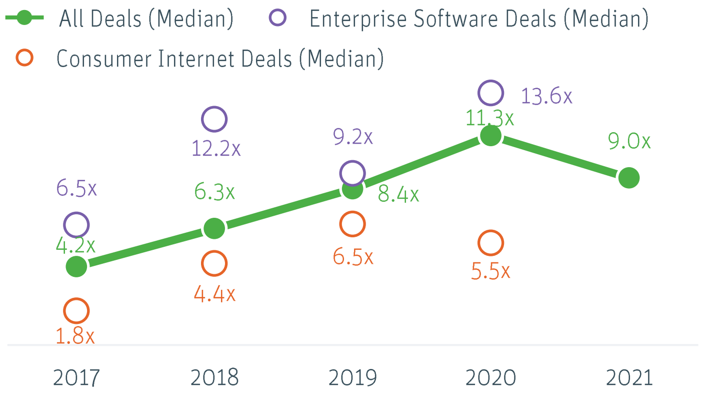
With pandemic restrictions loosening, more deals are getting done. Deal volume in the first half of 2021 was more than 60% higher than the same period last year, with deal count also rising roughly 10%. This puts M&A volume on track to reach its highest level over the last five years (ignoring IBM's $34B acquisition of Red Hat in 2019). Acquisition revenue run rate multiples have also climbed over the prior four years, though they remain materially lower (~25%) than their IPO counterparts in 2021.

Buyout activity has also begun to pick up, highlighted by Thoma Bravo's $10B acquisition of RealPage. In fact, Thoma Bravo has been the most active buyout firm over the last five years, which is noteworthy given its participation in both private and public transactions. The firm has participated in the recent SPAC phenomena, with its blank-check company merging with ironSource, and joined in the late-stage venture rounds (its first since 2007 according to PitchBook) of Illumio and ServiceTitan at multiples more than 3x the 7.6x median multiple for its 2021 buyout deals. In addition, the firm recently announced plans to fundraise less than a year after it raised nearly $23B across three funds. The question is whether this activity will spur similar firms to increase their investment in the tech industry.

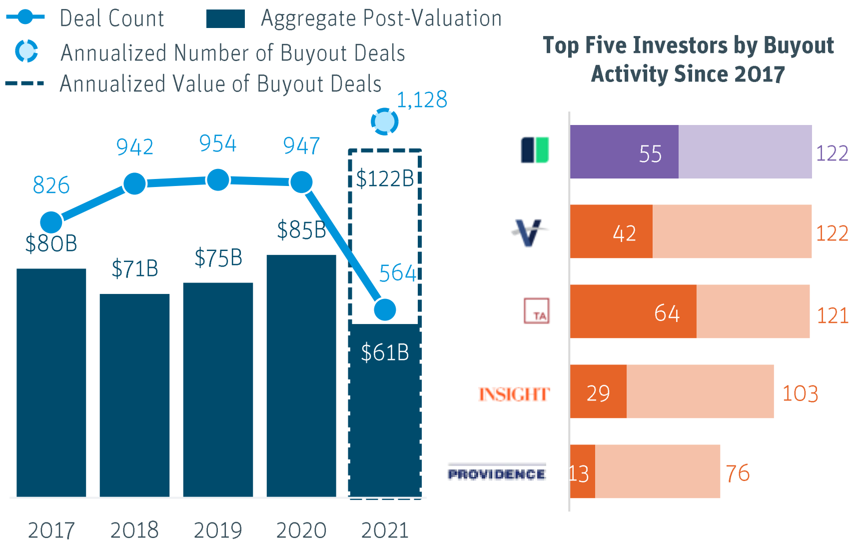
US Tech[1] M&A Activity



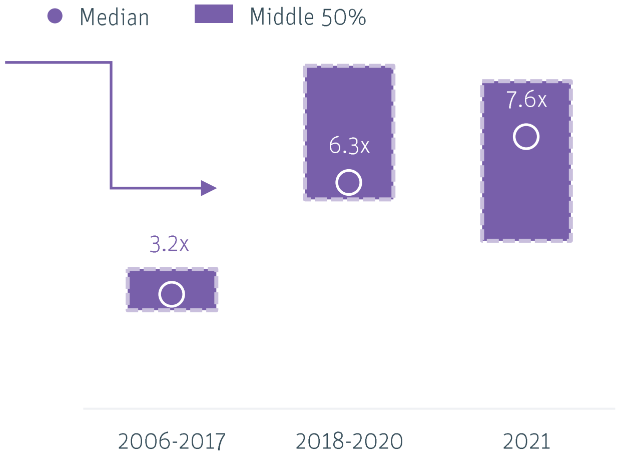
US Tech[2] M&A Revenue Run Rate Multiples



US Tech[1] Buyout Activity



Case Study: Thoma Bravo Buyout Revenue Multiples by Period[3]



Notes: 1) VC-backed; tech defined using PitchBook's methodology. 2) Excludes Buyouts; tech defined by SVB's proprietary taxonomy. 3) Includes deals where revenue and transaction values are discoverable.
Source: PitchBook, Preqin, SVB Proprietary Data and SVB Analysis.

Authors

Bob Blee
Head of Corporate Finance
bblee@svb.com

Andrew Pardo
Senior Associate,
Market Insights
apardo@svb.com

Calvin Otis
Senior Associate,
Market Insights
cotis@svb.com

Eli Oftedal
Senior Associate,
Market Insights
eoftedal@svb.com

Disclaimers

1. The material contained in this document, including without limitation the statistical information herein, is provided for informational purposes only. The material is based in part upon information from third-party sources that we believe to be reliable, but which has not been independently verified by us and, as such, we do not represent that the information is accurate or complete. This information should not be viewed as tax, investment, legal, or other advice, nor is it to be relied on in making an investment or other decision. You should obtain relevant and specific professional advice before making any investment decision. Nothing relating to the material should be construed as a solicitation, offer, or recommendation to acquire or dispose of any investment or to engage in any other transaction.
2. All credit products and loans are subject to underwriting, credit, and collateral approval. All information contained herein is for informational and reference purposes only and no guarantee is expressed or implied. Rates, terms, programs and underwriting policies subject to change without notice. This is not a commitment to lend. Terms and conditions apply.
3. SVB Private Bank is a division of Silicon Valley Bank. Banking and loan products and services are offered by Silicon Valley Bank. Loans and credit cards are subject to credit and/or collateral approval. Financing is available and varies by state. Restrictions may apply.
4. SVB Leerink LLC is a member of SVB Financial Group. Products and/or services offered by SVB Leerink LLC are not insured by the FDIC or any other federal government agency and are not guaranteed by Silicon Valley Bank or its affiliates. SVB Leerink LLC is a member of FINRA and SIPC.
5. To execute your wealth plan we work with third party unaffiliated specialist in the areas of Tax, Insurance and Trust & Legal Services. Founders Circle Capital is a third party and not affiliated with SVB or SVB Wealth Advisory, Inc. Silicon Valley Bank does not have a direct relationship with Founders Circle Capital (FCC) and has no responsibility or affiliation. Silicon Valley Bank, as a member of SVB Financial Group, has an indirect financial interest in Founders Circle Capital ("FCC") and, as a result, has an indirect interest in making client referrals to FCC. FCC is a registered investment adviser and is not a bank or member of the Federal Reserve System.
6. All companies listed throughout this document, outside of Silicon Valley Bank, and the related entities, non-bank affiliates and subsidiaries listed on this 'Disclaimer' page are an independent third parties and are not affiliated with SVB Financial Group.
7. Wealth planning and investment and stock option strategies are provided through SVB Wealth Advisory, Inc., a registered investment advisor, and non-bank affiliate of Silicon Valley Bank.
8. Foreign exchange transactions can be highly risky, and losses may occur in short periods of time if there is an adverse movement of exchange rates. Exchange rates can be highly volatile and are impacted by numerous economic, political and social factors as well as supply and demand and governmental intervention, control and adjustments. Investments in financial instruments carry significant risk, including the possible loss of the principal amount invested. Before entering any foreign exchange transaction, you should obtain advice from your own tax, financial, legal and other advisors and only make investment decisions on the basis of your own objectives, experience and resources.
9. SVB Asset Management, a registered investment advisor, is a non-bank affiliate of Silicon Valley Bank and a member of SVB Financial Group.
   SVB Securities is a non-bank affiliate of Silicon Valley Bank and a member of SVB Financial Group. Member FINRA and SIPC.
   SVB Wealth Advisory is a registered investment advisor, non-bank affiliate of Silicon Valley Bank and a member of SVB Financial Group.
10. Any predictions are based on subjective assessments and assumptions. Accordingly, any predictions, projections or analysis should not be viewed as factual and should not be relied upon as an accurate prediction of future results.

Investment Products:

Are not insured by the FDIC or any other federal government agency	Are not deposits of or guaranteed by a bank	May lose value

Disclaimers

1. Silicon Valley Bank, an authorized foreign bank branch under the Bank Act (Canada).
2. SPD, SHANGHAI PUDONG DEVELOPMENT BANK, and 浦发银行有限公司 are trademarks, separately and in combination, of Shanghai Pudong Development Bank, Ltd. in China, and are used under license. SPD Silicon Valley Bank is a Sino-U.S. joint-venture bank of Silicon Valley Bank, the California bank subsidiary and commercial banking operation of SVB Financial Group, and Shanghai Pudong Development Bank.
3. Silicon Valley Bank is not licensed to undertake banking business in Denmark or to undertake any other regulated activity in Denmark.
4. Silicon Valley Bank UK Limited is registered in England and Wales at Alphabeta, 14-18 Finsbury Square, London EC2A 1BR, UK (Company Number 12546585). Silicon Valley Bank UK Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (Firm Reference Number 543146).
5. Silicon Valley Bank Germany Branch is a branch of Silicon Valley Bank. Silicon Valley Bank, a public corporation with limited liability (Aktiengesellschaft) under the laws of the U.S. federal state of California, with registered office in Santa Clara, California, U.S.A. is registered with the California Secretary of State under No. C1175907, Chief Executive Officer (Vorstand): Gregory W Becker, Chairman of the Board of Directors (Aufsichtsratsvorsitzender): Roger F Dunbar. Silicon Valley Bank Germany Branch with registered office in Frankfurt am Main is registered with the local court of Frankfurt am Main under No. HRB 112038, Branch Directors (Geschäftsleiter): Christian Hoppe, Dayanara Heisig.
6. Silicon Valley Bank and SVB Financial Group UK Limited are not licensed in Ireland to undertake banking business in Ireland or to undertake any other regulated activity in Ireland. SVB Financial Group UK Ltd is registered in England and Wales at Alphabeta, 14-18 Finsbury Square, London EC2A 1BR, UK under No. 5572575.
7. SVB Israel Advisors Ltd. is a subsidiary of SVB Financial Group. Neither SVB Israel Advisors nor SVB Financial Group is licensed to conduct banking business or provide other financial services in Israel and neither engages in unlicensed banking activities. Banking services are provided by Silicon Valley Bank, a member of FDIC. Silicon Valley Bank is not supervised by the Supervisor of Banks in the Bank of Israel but by the US Federal Reserve Bank and the California Department of Financial Protection and Innovation (DFPI).
8. If you no longer wish to receive marketing communications from SVB Financial Group or Silicon Valley Bank, you may unsubscribe. Read about our Privacy Policy. If you have any questions or concerns about our privacy policies, please contact us by email privacyoffice@svb.com.

About Silicon Valley Bank

For nearly 40 years, Silicon Valley Bank has helped innovative companies and their investors move bold ideas forward, fast. SVB provides targeted financial services and expertise through its offices in innovation centers around the world. With commercial, international and private banking services, SVB helps address the unique needs of innovators.

See complete disclaimers on previous page.

www.svb.com

@SVB_Financial

Silicon Valley Bank

@SVBFinancialGroup