Investment in Pittsburgh’s technology sector
Trends and highlights, 2009–18
Ernst & Young LLP and Innovation Works, Inc. are proud to present our seventh annual review of Pittsburgh's technology investment landscape. This report provides a comprehensive review of investment and exit activity in the Pittsburgh region from 2009 to 2018.

The year 2018 represented another robust year, with 147 unique Pittsburgh area startups attracting over $550 million in funding. In the past 10 years, nearly 500 unique Pittsburgh companies attracted a total of $3.8 billion in investment. While the total amount of investment and number of companies funded declined slightly from 2017, the 10-year trend shows a clear growth trajectory. In that time period, the trailing three-year averages of total investment grew 102% and unique companies funded increased by 83%.

The amount of available investment capital resident in local venture capital funds declined for a second straight year in 2018, though out-of-town firms helped fill the gap, attracted by Pittsburgh’s growing reputation as a technology hub. Approximately 60 firms from around the world invested in Pittsburgh companies in 2018, including 31 making their first investment in our region.

Investment firms are increasingly attracted to Pittsburgh’s strengths in artificial intelligence (AI), robotics and life sciences, with autonomous robotics drawing the lion’s share of investment dollars in 2018. Over the past decade, several factors have made Pittsburgh an attractive destination for investors: world-class technical capabilities and talent pool; $10 billion of non-dilutive funding fueling innovation at local research universities; the capital efficiency of growing a tech company in the region and over $10.2 billion of exit proceeds. In addition, the global interest in Pittsburgh’s areas of strength have led to a number of very large venture financings and a growing presence of global tech giants establishing offices in our region.

Both EY and Innovation Works are committed to supporting entrepreneurial growth in the region. Tracking investment activity helps us begin conversations with new investors interested in regional deals, informs local investors about our status vs. other communities, and chronicles what’s working and where we need to focus efforts. We hope this report provides you with useful insights into the state of the local technology community and venture capital ecosystem and inspires new ways to move it forward.

Leon Hoffman
Pittsburgh Office Managing Partner,
Ernst & Young LLP

Rich Lunak
CEO, Innovation Works, Inc.

The year 2018 marked another strong year for investment in Pittsburgh tech companies and the second highest total over the past 10 years. Although the amount of funding from VCs decreased for the first time since 2015, both corporate and angel investors invested their largest amounts in at least a decade.

The total investment in technology companies experiences significant year-to-year fluctuations. To uncover the underlying trend, it is helpful to examine a three-year trailing average as shown in the adjacent chart. The value displayed for each year is the average of the total investment amount in the three prior years (i.e., the value for 2010 is the average of the total investment in 2008, 2009 and 2010). The three-year trailing average has grown 102% since 2010 and 70% in the last five years alone.
Pittsburgh offers a broad pipeline of investment opportunities

The total number of financing rounds and number of unique companies funded decreased slightly compared to 2017. However, the long-term trend is clear: the number of unique companies funded has risen steadily over the past 10 years, with a 77% increase since 2009.

Autonomous robotics companies attract major investments

Pittsburgh tech companies have attracted more than $3.8 billion in funding over the past 10 years, including $2.3 billion in the past 5 years. The amount of capital attracted by autonomous vehicle and robotics companies in 2018 dwarfed all other sectors. The four largest financing events captured in the 2018 data: Argo AI*, Aurora, Bossa Nova Robotics and IAM Robotics, all went to companies that create autonomous systems and attracted a combined $339 million in investment.

Nearly 500 unique local companies received funding in the past 10 years. The adjacent chart illustrates the industry sector composition of the unique companies receiving investment in each of the past 10 years. The contributions of energy, industrial and other sectors have declined for three consecutive years while the emphasis on hardware and robotics has increased.

The trailing three-year averages of the adjacent data reveals a 28% increase in funding rounds and 27% increase in the number of unique companies funded over the past five years. The three-year average of total investment exceeds the growth in funding rounds, leading to a 32% increase in the mean deal size over the same period. The primary driver is that the largest rounds are growing larger: the record for the largest VC financing round in Pittsburgh history has been set five years.

*In 2017, Ford announced a $1 billion commitment to Argo AI. Press releases from Ford and Argo AI described the financing round as a $1 billion commitment over five years. For the purposes of this report, it was assumed that $200 million would be invested each year over the five-year period. The 2017 investment amount for this report was prorated to reflect the fact that the financing round occurred in February.
The chart below estimates the annual supply of uncommitted funds at venture capital firms in the Pittsburgh region. This analysis considers the timing of new fund closings and assumes that a firm will commit 25% of a new fund's capital during each of the first four years post-closing. If a fund is managed by partners who are located outside of the Pittsburgh region, the amount of the fund's capital that is "located" in Pittsburgh is determined by multiplying the total amount by the percentage of the fund's partners who are located in the region.

Despite the emergence of several new funds, including Cyto Ventures and Next Act Fund, the estimated supply of local VC funding declined for a second straight year. This is largely a function of the venture capital fund life cycle. Several of the region's larger firms are nearing the end of their current funds and haven't yet closed new funds. This will be an important trend to monitor over the next 12–24 months, as a healthy local funding ecosystem streamlines the fundraising process for local startups and retains more of the proceeds from successful exits in the Pittsburgh region.

More than 90 Pittsburgh companies exited in the period from 2009 to 2018, generating over more than $10.2 billion in disclosed exit values. The terms of many deals are never disclosed, so the total value of exit proceeds in this window is larger than the disclosed value.

The year 2018 featured 11 exits with disclosed values of more than $1.5 billion. Companies that exited in 2018 represented an assortment of industries including cybersecurity, medical devices, IT infrastructure and health care IT. Each successful exit strengthens the regional tech ecosystem. Investors realize a positive return and are more likely to invest in the region again. Press coverage informs other investors and encourages them to consider Pittsburgh as an investment destination. The founders and employees receive windfall gains and may stimulate the ecosystem as angel investors or mentors in addition to being financially well-positioned to pursue new ventures themselves. In addition, acquisitions often attract major corporations to support and grow major offices in southwestern Pennsylvania.

### Supply of Pittsburgh-based venture capital

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital (in millions)</th>
</tr>
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<tbody>
<tr>
<td>2009</td>
<td>$46.3</td>
</tr>
<tr>
<td>2010</td>
<td>$16.0</td>
</tr>
<tr>
<td>2011</td>
<td>$7.1</td>
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<td>2012</td>
<td>$29.3</td>
</tr>
<tr>
<td>2013</td>
<td>$65.9</td>
</tr>
<tr>
<td>2014</td>
<td>$86.2</td>
</tr>
<tr>
<td>2015</td>
<td>$135.6</td>
</tr>
<tr>
<td>2016</td>
<td>$160.4</td>
</tr>
<tr>
<td>2017</td>
<td>$106.2</td>
</tr>
<tr>
<td>2018</td>
<td>$71.2</td>
</tr>
</tbody>
</table>

Source: Innovation Works and Pittsburgh VCs

### Representative deals

- **iGate** acquired by Capgemini 2015
- **GiftCards.com** acquired by Blackhawk Network 2016
- **Net Health** acquired by The Carlyle Group 2017
- **M*Modal** acquired by 3M 2018
- **Aesynt** acquired by Omnicell 2015
- **Creehan & Company** acquired by Inovalon 2016
- **Krystal Biotech** IPO 2017
- **Avere Systems** acquired by Microsoft 2018
- **Blue Belt Technologies** acquired by Smith & Nephew 2015
- **Think Through Learning** acquired by Imagine Learning 2016
- **NoWait** acquired by Yelp 2017
- **TandemLife** acquired by LivaNova 2018
- **Ottomatika** acquired by Delphi 2015
- **Thar Pharmaceuticals** acquired by Grunenthal 2016
- **ModCloth** acquired by Jet.com 2017
- **Wombat Security Technologies** acquired by Proofpoint 2018

### Reduction in supply of local funding

The emergence of several new funds, including Cyto Ventures and Next Act Fund, the estimated supply of local VC funding declined for a second straight year. This is largely a function of the venture capital fund life cycle. Several of the region's larger firms are nearing the end of their current funds and haven't yet closed new funds. This will be an important trend to monitor over the next 12–24 months, as a healthy local funding ecosystem streamlines the fundraising process for local startups and retains more of the proceeds from successful exits in the Pittsburgh region.

### Exits strengthen the regional ecosystem

More than 90 Pittsburgh companies exited in the period from 2009 to 2018, generating over more than $10.2 billion in disclosed exit values. The terms of many deals are never disclosed, so the total value of exit proceeds in this window is larger than the disclosed value.

The year 2018 featured 11 exits with disclosed values of more than $1.5 billion. Companies that exited in 2018 represented an assortment of industries including cybersecurity, medical devices, IT infrastructure and health care IT. Each successful exit strengthens the regional tech ecosystem. Investors realize a positive return and are more likely to invest in the region again. Press coverage informs other investors and encourages them to consider Pittsburgh as an investment destination. The founders and employees receive windfall gains and may stimulate the ecosystem as angel investors or mentors in addition to being financially well-positioned to pursue new ventures themselves. In addition, acquisitions often attract major corporations to support and grow major offices in southwestern Pennsylvania.
Pittsburgh attracts investors from around the world

More than 180 unique venture capital firms, angel groups and strategic investors have made investments in Pittsburgh companies in the past five years. The chart below contains a sampling of these firms. The 31 firms — listed in bold — made their first investments in the region in 2018.

- **California and Western region**
  - 3Lines Venture Capital
  - ARCH Venture Partners
  - Aspect Ventures
  - AVE Ventures
  - Blackhorn Ventures
  - Breakout Labs
  - BreakTrail Ventures
  - Bright Capital
  - Camp One Ventures
  - CapitalG
  - Cota Capital
  - CureDuchenne Ventures
  - Foundation Capital
  - Founders Fund
  - Gantry Venture Partners
  - Greylock Partners
  - Health Evolution Partners
  - Homebrew Ventures
  - Illumina Ventures
  - Indie,VC
  - Intel Capital
  - Kleiner Perkins Caufield & Byers
  - Lightspeed Venture Partners
  - Lucas Venture Group
  - Menlo Ventures
  - Motus Ventures
  - NewGen Capital
  - Norwest Venture Partners
  - Oriza Ventures
  - Partech Ventures
  - Paxion Capital Partners
  - Qualcomm Ventures
  - Rincon Venture Partners
  - Riverwood Capital Group
  - Rothenberg Ventures
  - Ryder Ventures
  - Silverton Partners
  - Space Angels Network
  - Stout Street Capital
  - Tech Coast Angels
  - Trident Capital
  - Western Digital Capital
  - Weiss Group

- **Midwest region**
  - Allons Ventures
  - Arborview Ventures
  - Artur Ventures
  - Ascension Ventures
  - Boeing Horizon Ventures
  - CapX Partners
  - Centennial Ventures
  - Chrysalis Ventures
  - CoreNetwork Fund
  - DNS Capital
  - Drive Capital
  - Ekistic Ventures
  - Firebrand Ventures
  - KB Partners
  - Liberty Global Ventures
  - M25 Group
  - New Stack Ventures
  - Salix Ventures
  - Stadia Ventures
  - Sterling Partners
  - West Capital Advisors

- **New England region**
  - Advanced Technology Ventures
  - Bain Capital Ventures
  - Castanea Partners
  - GE Ventures
  - Harborlight Capital
  - Hyperplane Venture Capital
  - L Catterton
  - LearnLaunch Accelerator
  - Providence Equity Partners
  - Saturn Partners
  - VentureWell
  - Volition Capital

- **New York region**
  - Allen & Co.
  - Blue Cloud Ventures
  - Eastern Advisors Capital Group
  - FI Venture Capital
  - Golden Seeds
  - Great Oaks Venture Capital
  - Grit Capital Management
  - Insight Venture Partners
  - KKR
  - Lead Edge Capital
  - Level Equity
  - New York Angels
  - Pfizer Venture Investments
  - Prospect Capital Corporation
  - Red Swan Ventures
  - Scout Ventures
  - Sony Innovation Fund
  - TechStars
  - Two Sigma Ventures
  - Union Square Ventures

- **Philadelphia region**
  - Activate Venture Partners
  - Commerce Health Ventures
  - DreamIt Health
  - Ekistic Ventures
  - Firebrand Ventures
  - KA Partners
  - Lead Edge Capital
  - Mid-12 Ventures
  - Novitas Capital

- **Baltimore/Washington, DC region**
  - ABS Capital
  - Azafran Capital
  - Bilgola Capital
  - BlueTree Capital Group
  - Cyto Ventures
  - Constellation Technology Ventures
  - Grotech Ventures
  - Harbert Growth Partners
  - Lavrock Ventures
  - New Enterprise Associates
  - Revolution Ventures
  - Rise of the Rest Seed Fund
  - SaaS Ventures
  - TF Ventures
  - Updata Partners
  - Vital Venture Capital

- **International**
  - Advevo Investment (Poland)
  - Advantech Capital (China)
  - Edmond de Rothschild Investment Partners (France)
  - Greencell Investments (Canada)
  - Hatcher Plus (Singapore)
  - HBM Healthcare Investments (Switzerland)
  - Hydra Ventures (Netherlands)
  - ITIC (Taiwan)
  - JAFICO (Japan)
  - Kenda Capital (Netherlands)
  - Northern Light Venture Capital (China)
  - Renewal Partners (Canada)
  - Runch Capital (Russia)
  - Softbank Group (Japan)
  - Tencent (China)
  - Total Energy Ventures International (France)
  - TVM Capital (Germany)
In a comparison of the 40 most populous metropolitan regions in the United States, where Pittsburgh ranks 26th in population, Pittsburgh ranked 13th in deals per million residents in 2018. Pittsburgh ranked 19th in the total number of funding rounds in the past 10 years.

In 2018, Pittsburgh ranked 30th among the 40 most populous metropolitan areas in dollars invested per capita. Pittsburgh ranked 23rd in total dollars invested over the past 10 years.

Source: PitchBook and US Census
Non-dilutive funding fuels innovation

Combined research budgets of Pittsburgh research universities ($ millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$900</td>
</tr>
<tr>
<td>2010</td>
<td>$994</td>
</tr>
<tr>
<td>2011</td>
<td>$1,068</td>
</tr>
<tr>
<td>2012</td>
<td>$1,067</td>
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<td>2013</td>
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<td>2014</td>
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<td>2015</td>
<td>$974</td>
</tr>
<tr>
<td>2016</td>
<td>$994</td>
</tr>
<tr>
<td>2017</td>
<td>$1,023</td>
</tr>
<tr>
<td>2018</td>
<td>$1,220</td>
</tr>
</tbody>
</table>

Source: Carnegie Mellon University, Duquesne University and the University of Pittsburgh

Pittsburgh's local research universities exhibited a nearly fourfold increase in the number of license agreements and patents issued in the past 10 years. Furthermore, the number of new spinout companies has increased 128%, and the number of investment disclosures — a leading indicator of patent and license activity — increased 100%.

Local research universities attracted over $10.2 Billion in research funding in the past decade. The year 2018 marked the largest year for research funding in at least 10 years. Additionally, in the past decade, local startups attracted more than $160 million in federal Small Business Innovation Research (SBIR) grant funding and millions more in other state, federal and foundation grants. In 2018 alone, local technology companies received over $30 million in other government and private research grants. These grants fund innovation without diluting founders or investors.

Growth in Pittsburgh’s technology economy took many forms in 2018: direct investment, company acquisitions, expansion of operations from some of the world’s biggest names in tech, and new campus initiatives to further increase commercialization and entrepreneurship. In quotes and blog posts, here’s a snapshot of the region’s progress from some of the people making deals happen or reflecting on them.

“Pittsburgh has quietly built a thriving startup ecosystem anchored by world class research universities and the momentum of numerous success stories. From our perspective as investors in many cities across the country, Pittsburgh has a bright future. We hope to invest in many more of the region’s most promising companies.”

Steve Fredrick
General Partner, Grotech Ventures

“Pittsburgh continues to amaze me about how we attract outside investors. Investors from California, Chicago, New York and other major startup hubs want to come to Pittsburgh to look at investment opportunities here. Our deal flow can compete with the deal flow on the West and East Coasts – enough for investors to get on a plane, pay for it, and spend time in our city. That sends a strong message and that interest continues to grow.”

Catherine Mott
President & CEO, BlueTree Capital Group

“Pittsburgh is a bigger, more capable, more influential robotics center than the world knows. Other regions are more commonly known for their progress. However, that is changing rapidly. Talent, investors, and customers are now paying attention to Pittsburgh, and this is due to our community’s collective effort to broadcast our story and create critical connections around the world.”

Joel Reed
CEO, IAM Robotics

“We’ve been impressed by the quality of the technical talent, accelerators, and investment partners in Pittsburgh. We’re spending more time in town because we think more game changing technology companies can and will be built there over the next decade.”

Matt Bressler
Principal, TDF Ventures
“The level of talent found in Pittsburgh is extraordinary. From its vibrant university system to its collaborative venture capital network, the environment is ideal for new business development. Additionally, what truly sets Pittsburgh apart is that participants throughout the ecosystem are genuinely eager to help each other out. We have been thrilled to make investments in Pittsburgh, and expect to do more there in the future.”

Toshimoto Mitomo
Senior Investment Executive, Sony Innovation Fund

“Even though Activate Ventures is a relatively new investment firm, our team’s history in Pittsburgh goes back 30 years to when our predecessor partnership, NEPA Venture Fund, made its first investment in Allegheny County. We have never been more optimistic about the region’s growing technology community and its entrepreneurial spirit. We decided to commit to investing in Pittsburgh, and never gave the decision a second thought.”

Don Yount
Chief Financial Officer, Activate Venture Partners

“I’ve been investing in Pittsburgh for 18 years. Pittsburgh’s deep tech and innovation in AI, core infrastructure, machine learning and robotics are the best in the industry. It’s also hard to beat the dedication of the people residing in Pittsburgh.”

Matt Howard
General Partner, Norwest Venture Partners

“Next Act Fund (NAF), a woman-focused angel investment fund, is thrilled to contribute to the entrepreneurial ecosystem of the Pittsburgh region. Pittsburgh supports great entrepreneurs coming out of our universities, accelerators, innovation centers, makers community, government and corporate arenas and offers us the perfect place to invest in women founded and led companies. We find it’s the right time, place and environment for NAF to support the diverse teams of the future!”

Yvonne Campos
President, Next Act Fund

“Pittsburgh is a wonderful place to start and grow a technology company. The talent and energy available in Pittsburgh is phenomenal, and essential to a high-tech startup. In my 30 years in Pittsburgh, I have never seen a more vibrant startup ecosystem. I believe the level of technology investment in the region will continue to accelerate.”

Anthony Gadient
Executive Vice Chairman, Chief Strategy Officer, and Co-Founder, Voci Technologies

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2018 Pittsburgh investment highlights

The following were among the Pittsburgh companies completing significant funding rounds in 2018:

**A|lung Technologies, Inc.**
A|lung is the leading provider of low-flow extracorporeal carbon dioxide removal (ECO2R) technologies for treating patients with acute respiratory failure.

www.alung.com

CEO: Pete DeCamo


**Allvision IO**
Allvision IO is a geospatial analytics company that turns high-definition, street-level data into actionable insights such as curb maps, parking assessments and municipal asset inventorystore.

www.allvision.io

CEO: Aaron C. Morris

Investors: IDEA Fund Partners, Lavrock Ventures, Robotics Hub, Sands Capital Ventures

**Aurora**
Aurora works at the intersection of rigorous engineering and applied machine learning to address one of the most challenging, important and interesting opportunities of our generation: transforming the way people and goods move. Our mission is to deliver the benefits of self-driving technology safely, quickly and broadly. We will deliver our mission with the Aurora Driver, a platform that brings together our software, hardware and data services to operate, as the driver, across vehicle makes and models, from the largest tractor-trailer or passenger bus to small cars and anything else that drives on the roads. Founded by three of the world’s leaders in the self-driving vehicle industry, Aurora has offices and tests its vehicles in Palo Alto, San Francisco and Pittsburgh.

www.aurora.tech

CEO: Chris Urmson

Investors: Amazon, Geodesic, Greylock, Index Ventures, Lightspeed Venture Partners, Robot Ventures, Sequoia Capital, Shell Ventures, T. Rowe Price Associates

**Cognition Therapeutics**
Cognition Therapeutics is a biopharmaceutical company developing Elayta™ and other small-molecule therapeutics that address the toxic oligomeric proteins that cause membrane trafficking dysfunction, triggering neurodegenerative diseases such as Alzheimer’s disease.

www.cogrx.com

CEO: Kenneth I. Moch


**Bossa Nova Concepts**
Bossa Nova maps the retail world, every store, every product, every day. Their data delivers value to partners by enabling them to redesign retail operations and reimagine the way people shop.

www.bossanova.com

CEO: Bruce McWilliams

Investors: Cota Capital, Paxson Capital, Walden International, WRF Capital

**CX|GRX**
CX|GRX

Investors: Amazon, Geodesic, Greylock, Index Ventures, Lightspeed Venture Partners, Robot Ventures, Sequoia Capital, Shell Ventures, T. Rowe Price Associates

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2018 Pittsburgh investment highlights

**Gecko Robotics**
Gecko Robotics make robots for industrial services, starting with inspections.
www.geckorobotics.com
CEO: Jake Loosararian
Investors: Mark Cuban, Founders Fund, Westley Group, Y Combinator

**IAM Robotics**
IAM Robotics developed the first autonomous material-handling robotic system that maximizes supply chain throughput. The patented Swift System brings together innovative technology and world-class engineering to bring the supply chain industry a system that works seamlessly with warehouse management systems and current infrastructures to save you time and money.
www.iamrobotics.com
CEO: Joel Reed
Investor: KCK Ltd

**Innovu**
Innovu delivers a full range of secure, cloud-based analytic solutions that empower employer clients and their business partners to navigate their human capital programs to mitigate risk while optimizing quality, cost, and utilization of benefits and risk programs.
www.innovu.com
CEO: Hugh O'Toole
Investors: Joel Adams, Jim O'Neill, Pat Stewart, Private Investors

**iraLogix**
iraLogix is a next-generation technology platform that enables financial institutions to make high-quality, affordable, retirement products and services available to everyone regardless of account size.
www.iralogix.com
CEO: David Bernard
Investors: Innovation Works, Integrated Retirement, Riverfront Ventures

**Knopp Biosciences**
Knopp Biosciences is a privately held drug discovery and development company focused on delivering breakthrough treatments for inflammatory and neurological diseases of high unmet need in clearly defined patient populations.
www.knoppbio.com
CEO: Michael Bezik, MD
Investors: Innovation Works, Kramer Capital, LaunchCyte, Saturn Management

**LegalSifter Inc.**
LegalSifter makes simple products that use artificial intelligence to help people review, negotiate and manage contracts faster.
www.legalsifter.com
CEO: Kevin Miller
Investors: Birchmere Ventures, Carnegie Mellon University, Private Investors

**Locomation**
Locomation is developing automated driving technologies to make ground transportation safer, faster and more affordable.
www.locamation.ai
CEO: Çetin Meriçli
Investors: Alrai Capital, Blackburn Ventures, Batshit Crazy Ventures, Draper Triangle Ventures, Firebrand Ventures, Fusion Fund, Homebrew, Mutos Ventures, Plug + Play, V1, WTI

**MedRespond**
MedRespond provides patient engagement solutions using video guides that support patients and their families along their critical care journey — understanding complex diseases and preparing for major surgeries — that are powered by conversational AI technologies developed at CMU.
www.MedRespond.com
CEO: Virginia (Ginny) Flavin Pribanic
Investors: Pittsburgh Life Sciences Greenhouse and affiliates; Private Investors

**NeuroKinetics**
NeuroKinetics, the world leader in clinical eye tracking and non-invasive neuro-functional diagnostic testing, has the Science to See™ neuro-functional biomarkers invisible to the naked eye.
www.neuro-kinetics.com
CEO: J. Howison Schroeder
Investors: Pittsburgh Life Sciences Greenhouse, Private Investors

**Niche**
Niche helps people choose where to live, work and go to school.
www.niche.com
CEO: Luke Skurman
Investors: Allen & Company, Tim Armstrong, Grit Capital Partners

**Roadbotics**
Roadbotics assesses the world's roads and roadways with AI.
www.roadbotics.com
CEO: Mark DeSantis
Investors: Elsdott Ventures, Hyperplane, Innovation Works, Radical Ventures, Urban Us, WAAAS, other angel and individual investors

**Voci Technologies**
Voci Technologies provides a leading enterprise speech analytics platform that enables contact centers to extract actionable intelligence from voice data to improve customer experience, sales effectiveness, operational efficiency and compliance.
www.vociinc.com
CEO: Michael Coney
Investors: Grotech Ventures, Harbert Growth Partners, Pittsburgh Equity Partners, Riverfront Ventures

**March 2019**
Methodology

The data in this report comes from a combination of the CB Insights, Dow Jones VentureSource and PitchBook; private company data collected by Innovation Works, Inc.; and information reported by Carnegie Mellon University, Duquesne University, the Pittsburgh Life Sciences Greenhouse and the University of Pittsburgh. The investment rounds tracked in these data sets were completed by companies in the Pittsburgh region from January 1, 2009 to December 31, 2018. Note that changes may occur in this report from year to year due to updates in third-party databases and adjustments made to best reflect the timing of investment for rounds that have “rolling closes.” For the purpose of this report, both equity investments and convertible note investments were counted as “venture” investment. The geographic boundary of the Pittsburgh region used in this report corresponds to the Pittsburgh Metropolitan Statistical area, as utilized by the U.S. Census Bureau. Throughout this report, the terms “deal” and “round” are used interchangeably, and refer to a single reported round of funding. Companies may complete more than one fundraising round in a single year, in which case each round is counted as a separate “deal.”

About EY

EY helps companies transform from private entity to public enterprise, while also advising business leaders on how to execute strategic transactions to fund growth, accelerate innovation and internationalization, and gain access to new pools of capital.

Initial public offerings (IPOs) can help companies raise the capital they need to accelerate growth, become market leaders and provide shareholders with greater liquidity alternatives. IPO-bound companies typically run multi-track strategies, assessing mergers and acquisitions (M&A) alongside an IPO, and evaluating listing options around the world to raise capital and deliver an optimal valuation to shareholders.

www.ey.com/ipocenter

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About Innovation Works

Innovation Works, Inc. (IW) invests capital, business expertise and other resources into high-potential companies with the greatest likelihood for economic impact in the Pittsburgh region. IW is the single largest investor in seed-stage companies in this region and is one of the most active seed-stage investors in the United States. In addition to the seed fund, Innovation Works, Inc. has two nationally ranked accelerators: Alphalab and Alphalab Gear. IW also manages Riverfront Ventures, LLC, an early-stage venture capital fund. Innovation Works, Inc. is an initiative of the PA Department of Community and Economic Development and is partially funded by the Ben Franklin Technology Development Authority.

For more information, please visit

www.innovationworks.org
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