

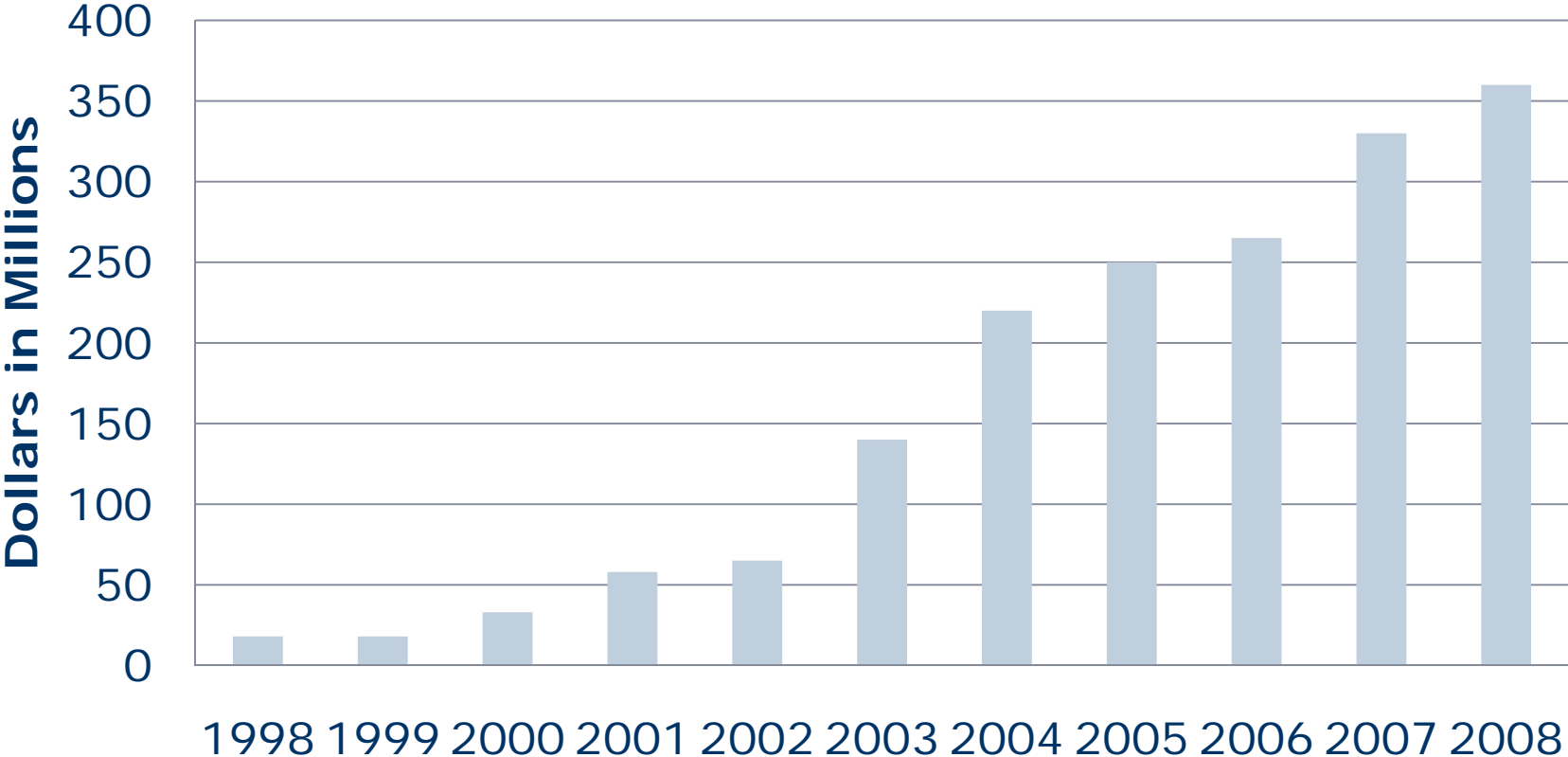
The State of Venture Capital in New Mexico

*Thursday, September 17, 2009
Presentation to the Coronado Venture Forum*



New Mexico SIC Commitments to New Mexico Venture

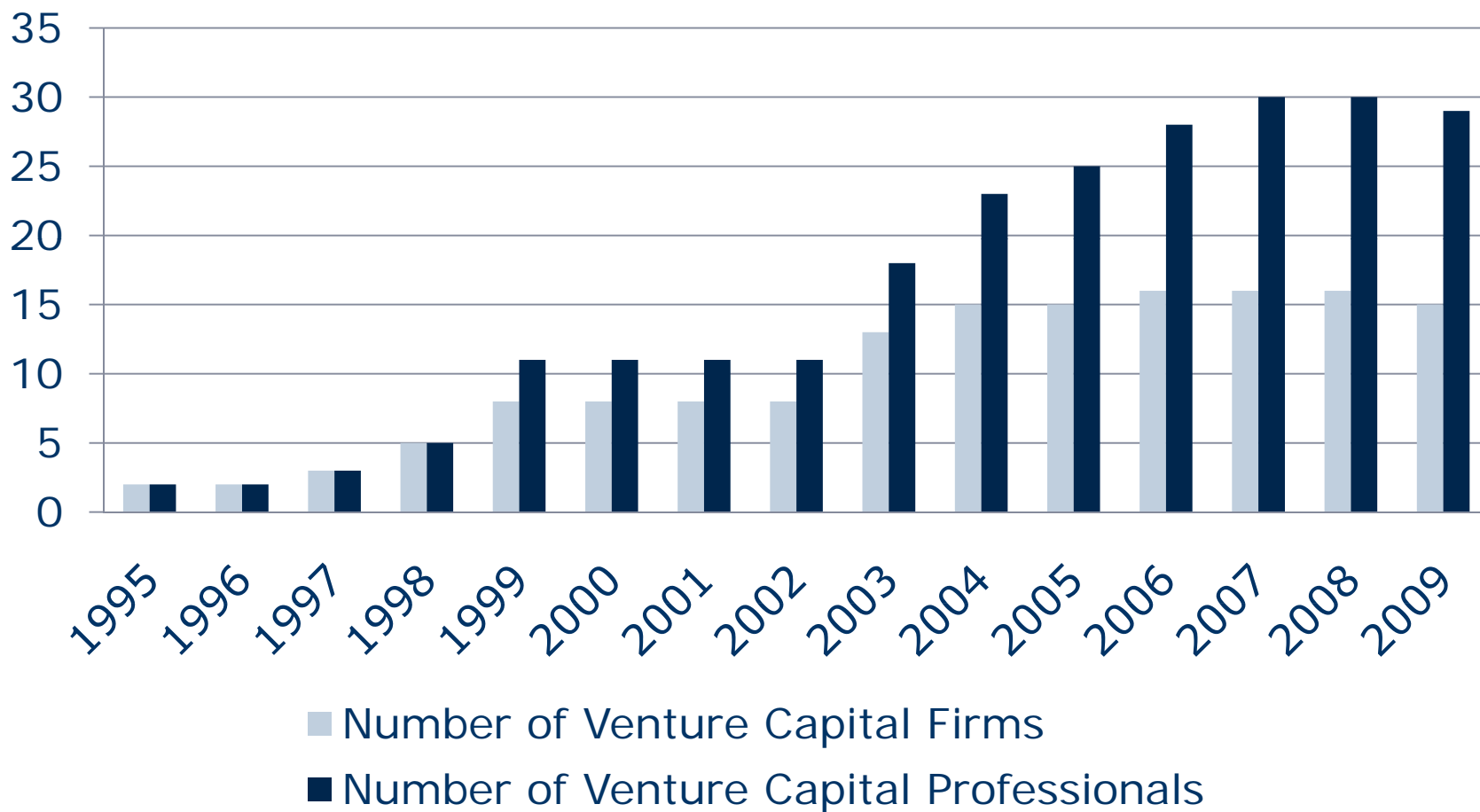
Cumulative SIC Commitments



Source: Sun Mountain



1995 – 2009 Growth in Venture Capital Firms and Professionals

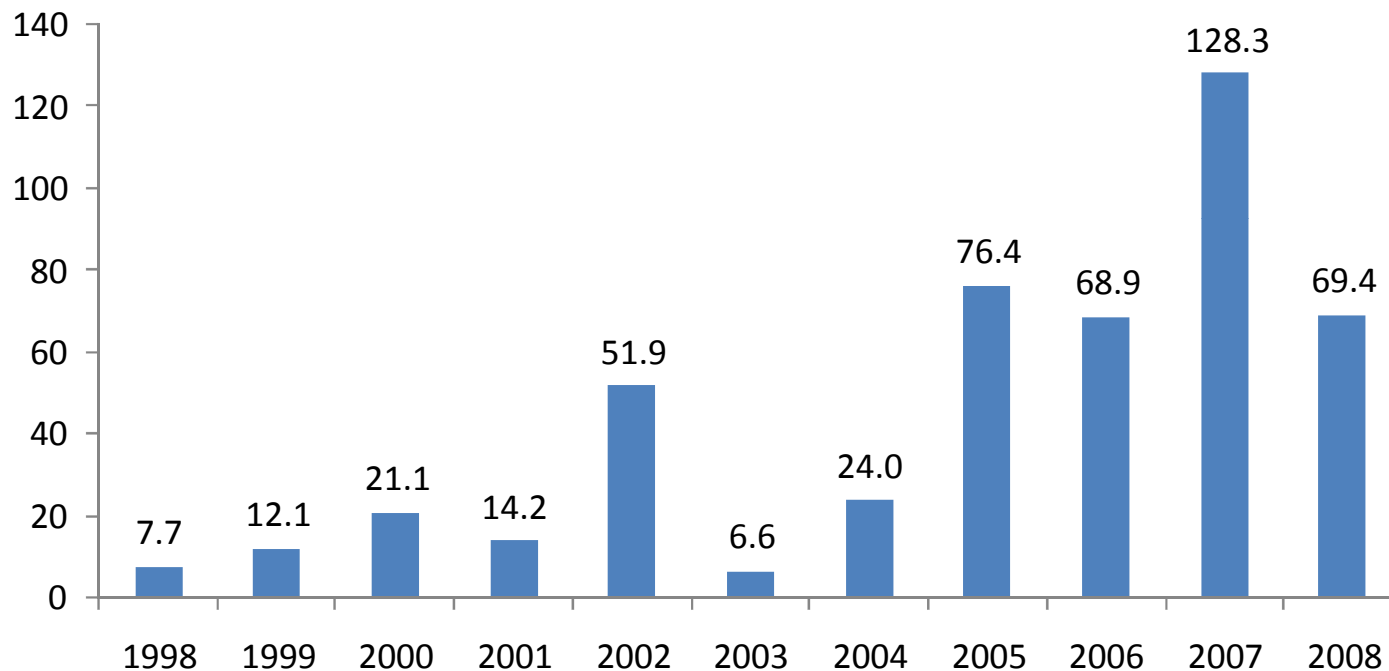


Source: NMVCA



New Mexico Venture Capital Activity

New Mexico Venture Capital Activity Volume (\$M)



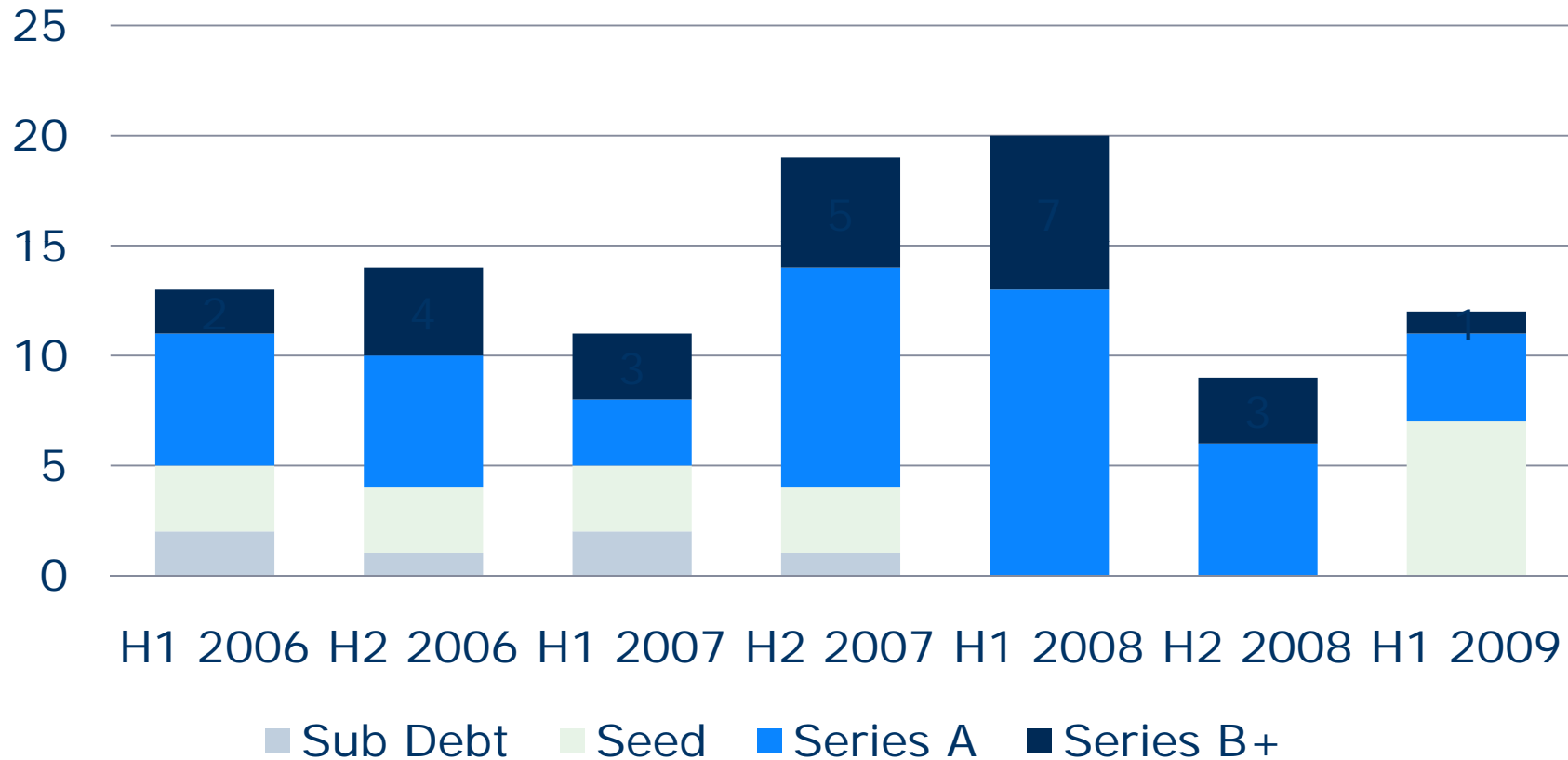
Source: PWC MoneyTree and Sun Mountain



2006 - 2009 New Mexico Financings

Number of Financings

Financings

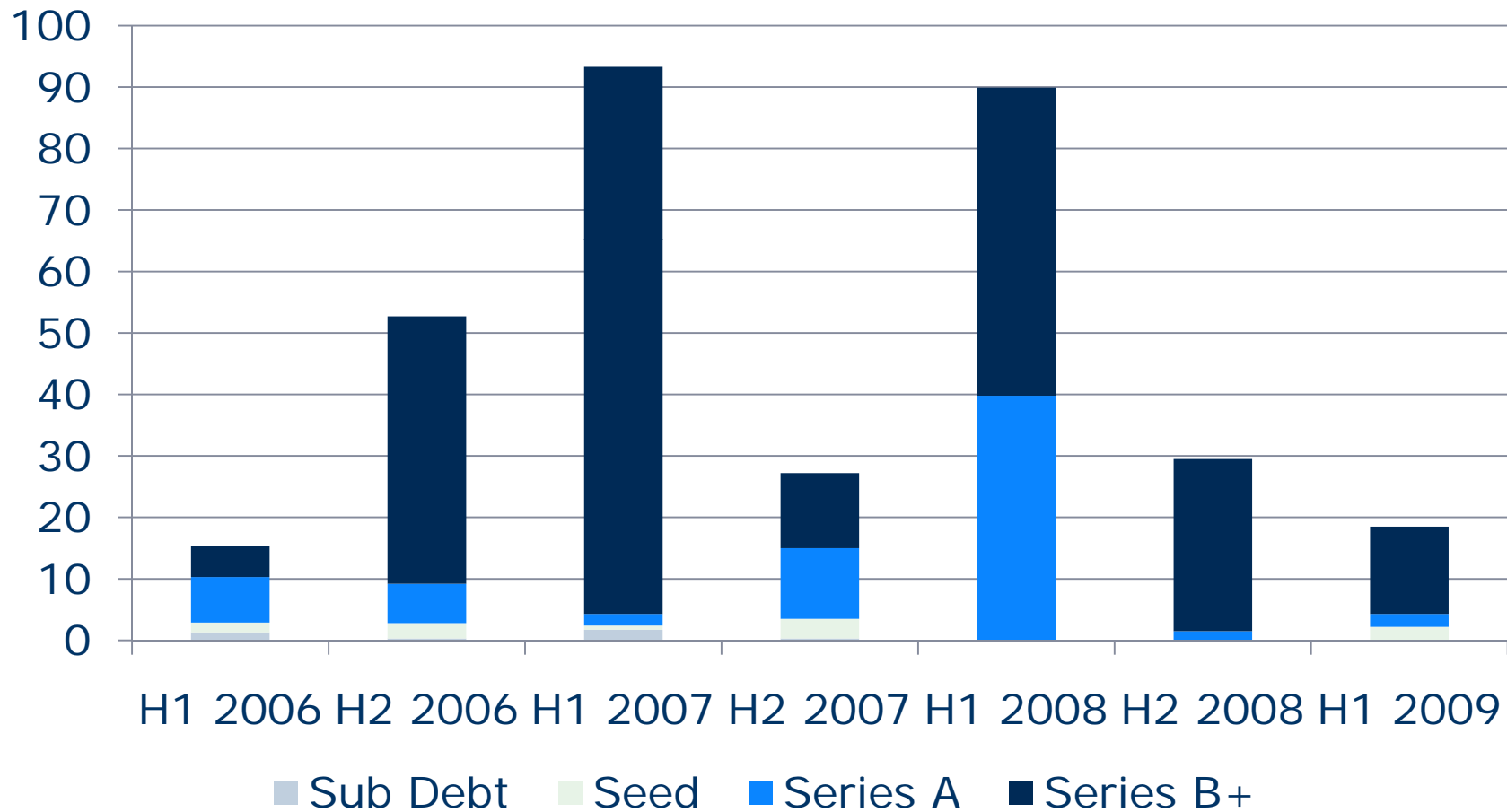


Source: NMVCA, with special thanks to Tom Stephenson and Perry Bendickson



2006 - 2009 New Mexico Financings

Dollars in Millions



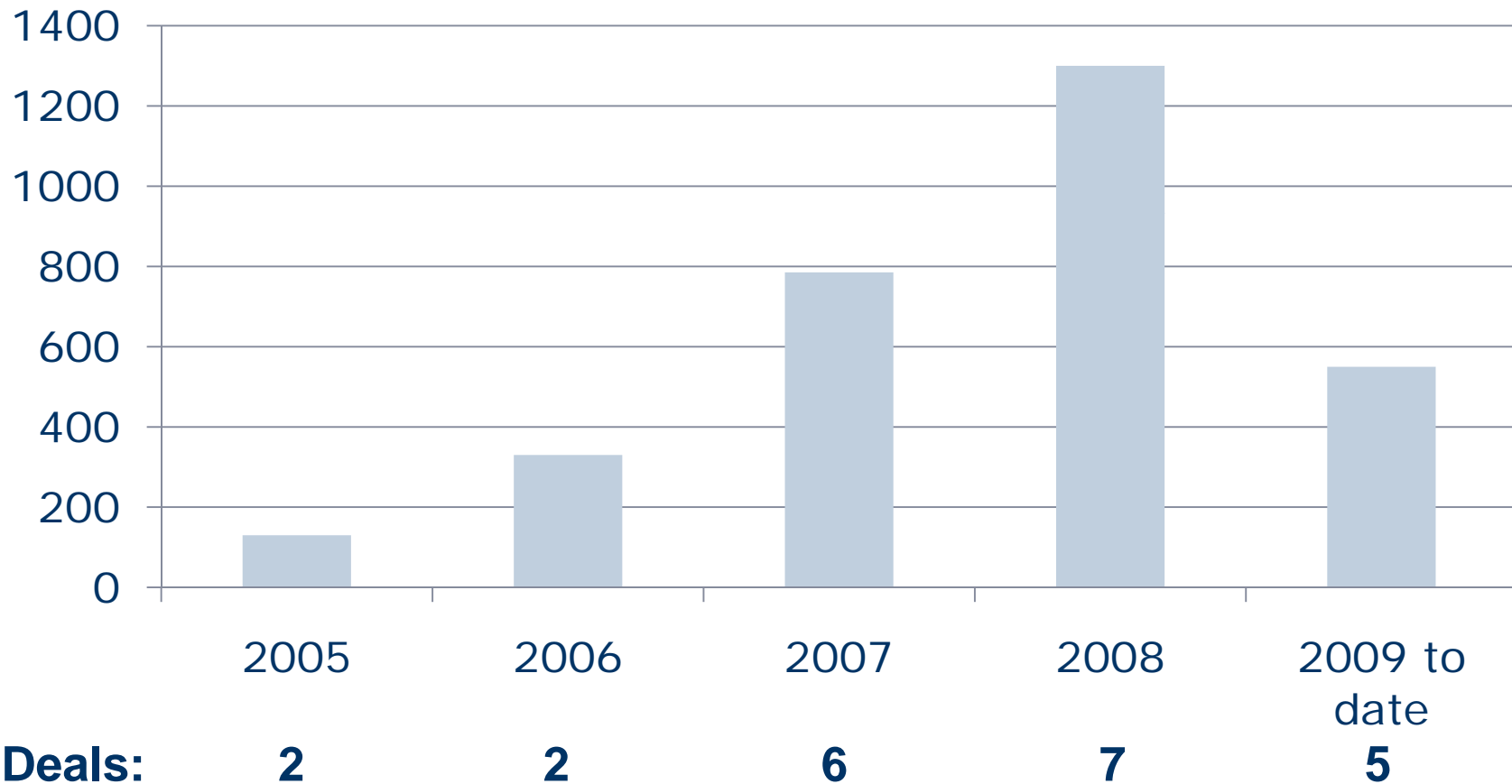
Source: NMVCA, with special thanks to Tom Stephenson and Perry Bendickson



New Mexico Angels Financings

Dollars in thousands

Amount Raised (\$000)



Deals:

2

2

6

7

5



New Mexico Angels 2008 – 2009 Highlights

- **2008**

- First deal lead with Vista Therapeutics
- First exit with ACS

- **2009**

- First cross border deal lead with Protein Genomics, syndicated with Arizona angels
- Lead Vertical Power Series B
- Looking to seed licensing deals with UNM and LANL
- 60+ members



New Mexico Ecosystem Report

Recommendation #1: Nurture High-Growth Potential Industry Clusters in Alternative Energy, Life Sciences and Digital Media

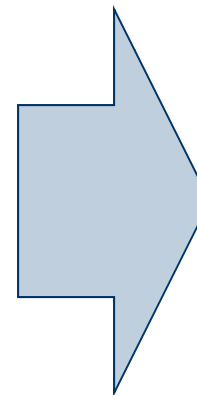
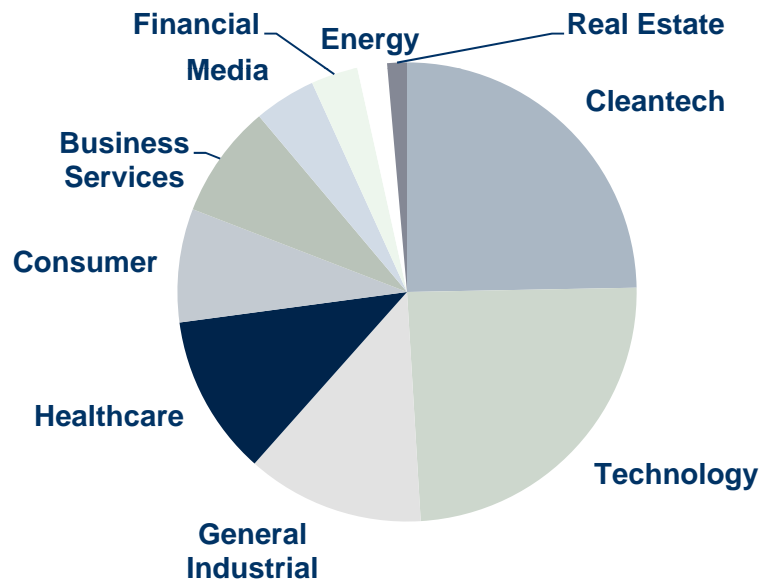
“Potentially the highest impact activity to improve the New Mexico ecosystem is to establish high-growth industry that can serve as the engine for future growth...There do appear to be some potential, emergent clusters around alternative energy, life sciences or digital media.”

Source: Mike Masqualier and Dr. Nathan Furr, in cooperation with the McCune Charitable Foundation and New Mexico Community Capital
– “New Mexico Ecosystem Report, March 2009”



New Mexico Venture Capital Deal Flow By Sector

Sector Concentration by Number of Companies Screened



- **Cleantech and Technology sectors dominate raw deal flow, with quality deals emerging especially in alternative energy**
- **Healthcare / Life Sciences shows lower raw deal quantity but significant number of deals with strong teams and clear market goals**

Source: Sun Mountain and EPIC Ventures



New Mexico's Emerging Reputation in Renewable Energy

“Within the last decade, venture capitalists have begun to identify and nurture companies by following the trail of innovation across the U.S. – even to states and regions with little or no previous venture capital history but with vibrant research communities and ambitious entrepreneurs.

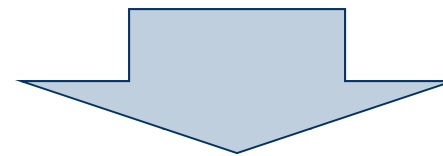
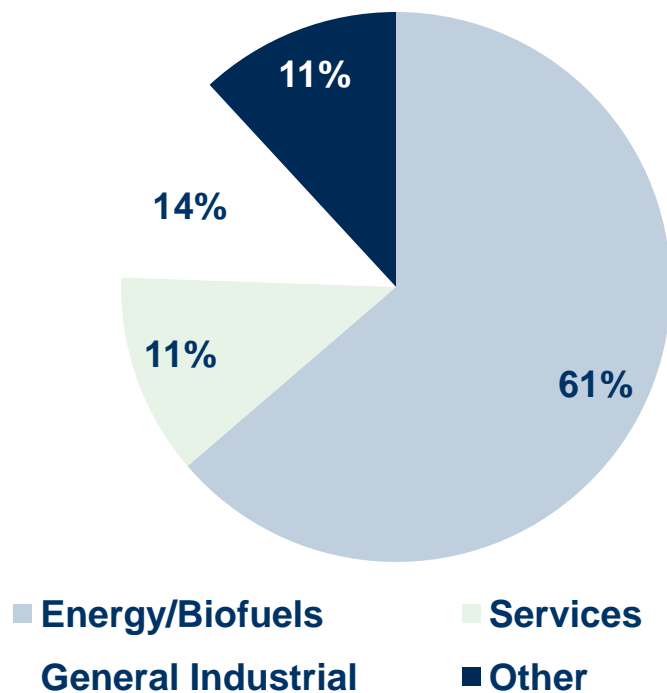
As a result, certain regions have grown into venture capital hubs for different industry sectors....Emerging specialty hubs include Tennessee for healthcare and financial services, New Jersey for biotechnology, and ***New Mexico and the Southwest for solar and renewable energies.***”

Source: IHS Global Insight report – “2009 Venture Impact: The Economic Importance of Venture Backed Companies to the U.S. Economy”



New Mexico Deal Flow – Cleantech/Renewable Energy

Deals Screened (2007-2009)



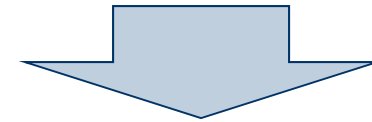
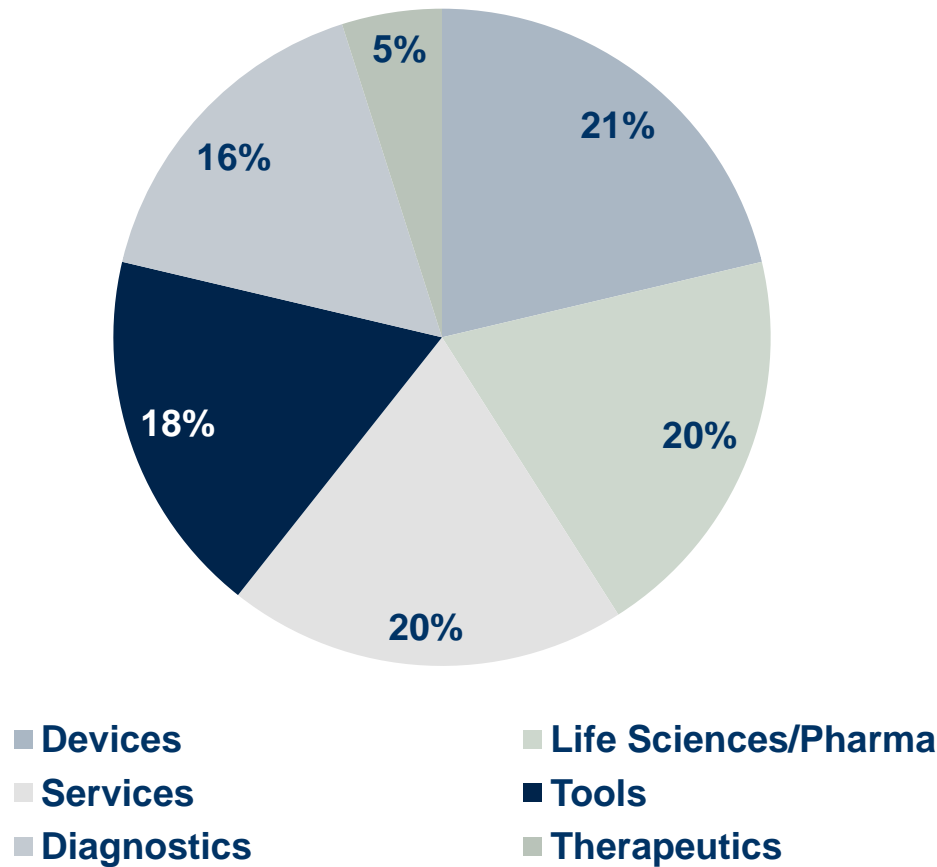
Cleantech deal flow offers real opportunity in New Mexico, with Renewable Energy / Biofuels providing an increasing number of quality deals

Source: Sun Mountain and EPIC Ventures



New Mexico Deal Flow – Life Sciences/Healthcare

Deals Screened (2007- 2009)



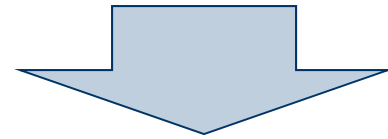
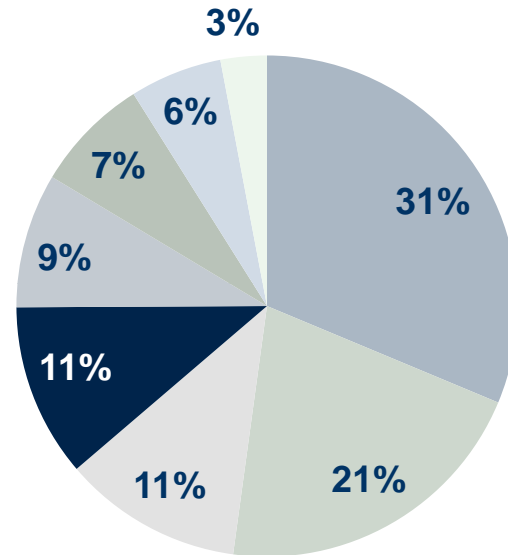
**Experienced
management teams
stand out in this sector,
although raw number
of deals is lower**

Source: Sun Mountain and EPIC Ventures



New Mexico Deal Flow – Technology

Deals Screened (2007 – 2009)



Broad range of technologies in this sector reflects New Mexico's growing diversity of investment opportunities

- Software
- Business Services
- Consumer
- Other
- Telecommunications
- Internet/Web
- Security
- Materials/Nanotechnology

Source: Sun Mountain and EPIC Ventures

