

Investor Considerations from the Silicon Valley

3 Case Studies

- 1. Successful Exit, Amyris Inc.
- 2. Unsuccessful Exit, Green Plug, Inc.
- 3. Initial Success, Unknown Future, SmartCar, Inc.

Amyris Inc. (Part 1)

Nasdaq: AMRS

- Formed in 2003 as Amyris Biotechnologies by three Phds from UC Berkeley.
- Initial focus was the use of a synthetic biology platform to develop molecules for pharmaceutical drugs and energy. Science was based on fermentation technology. (they did brew beer once for us)
- The Company's initial focus was in the drug development area. During 2003 and 2004 they were awarded a few small grants from the National Science Foundation, total of approximately \$400,000. This allowed them to develop their platform to the stage that they were able to obtain a significant grant from the Gates Foundation of approximately \$15.0 million. At this time the founders owned 100% of the Company.
- In 2007 the Company completed its first Preferred Stock financing, raising approximately \$14.1 million in a Series A financing that had a post money valuation of approximately \$30.0 million. The price of the Series A was \$2.174 per share. After the closing of the financing the founders owned approximately 50% of the Company and a 20% option pool was put in place. The main financial investors were Kleiner Perkins, Khosla Ventures and TPG Ventures.

Amyris Inc. (Part 2)

- Later in 2007 and 2008, the Company was able to complete a Series B financing, raising approximately \$41.5 million at a post money valuation of approximately \$350 million and per share price of \$24.88 per share. Yes, an almost 10x increase! After the close the founder's percentage dropped to approximately 22.80% and the option pool was increased to 19.16%. The principal new investor was DAG Ventures. What justified the 10x increase in valuation?
- In 2008 and 2009, the Company sold an additional approximate \$66.1 million of Series B-1 Preferred Stock in at a slightly increased valuation and a per share price of \$25.26 per share.

Amyris Inc. (Part 3)

- In late 2009, the US recession hit Amyris as well. They sold approximately \$47.8 million of Series C Preferred Stock at a valuation of approximately \$200.0 million or \$12.46 per share.
- June 2010, they sold Series D Preferred Stock at \$18.75 per share for an aggregate purchase price of approximately \$133.2 million, and at a post money valuation of approximately \$350.0 million.
- On September 28, 2010 as the US is coming out of recession, Amyris went public on the Nasdaq at a valuation of approximately \$687.7 million. At this point the founders owned approximately 12.20% of the Company, and the option pool was approximately 24.17%.

Green Plug, Inc.

- Formed in 2006, between 2006 and 2012 the Company raised approximately \$18.0 million in 5 financings at valuations ranging from \$3.0 million and \$27.4 million.
- Green Plug developed a universal power supply and also had technology for DC charging.
- The Company had a strong technology platform with over 24 patents and partnerships with various technology companies, including UK based Imagination Technologies; and a strong team that included the former chief engineer for Apple's power supplies. Despite their technology and team, Green Plug failed because the consumer electronic companies did not want to introduce the technology into the market. Without these companies allowing for the technology to interface with their products the technology would not function as desired.
- The Company dissolved in December 2014.
- At the time of closing, the founder owned approximately 10% and the option pool was approximately 19%.

SmartCar, Inc.

- Formed in 2015, the Company has developed a platform to allow for the introduction of software into automobiles.
- SmartCar was able to raise \$2.0 million in a seed financing with a post money valuation of \$10.0 million.
- The investors received a 20% stake in the Company.
- At the closing of the financing, the founders owned approximately 60% and there was an option pool of approximately 20%.

Questions

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