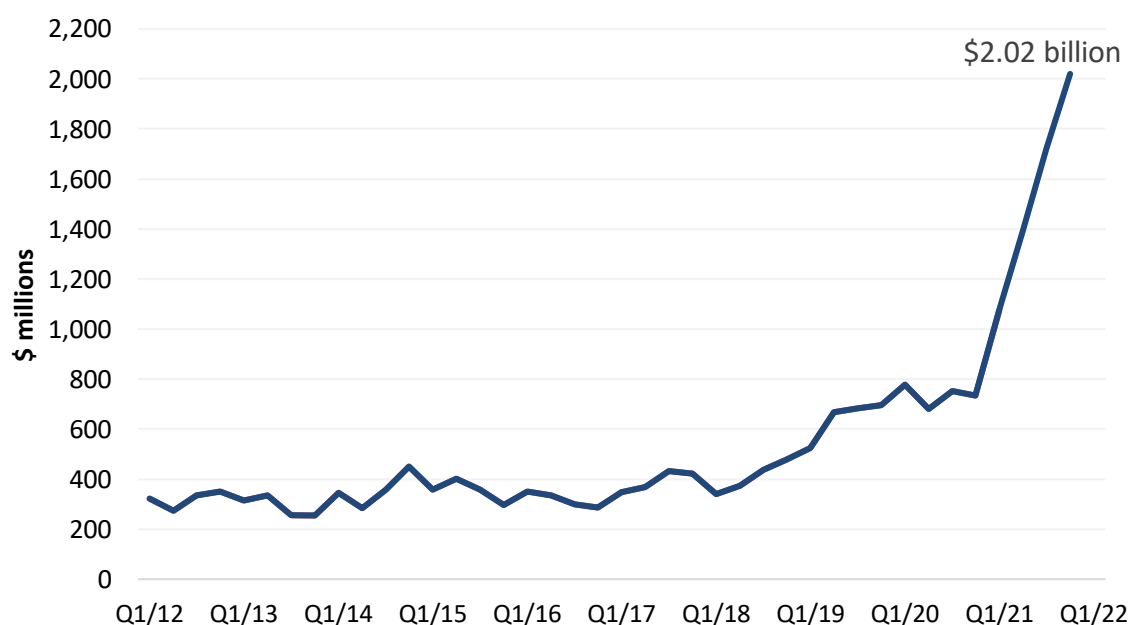


The Partnership sends updates for the most important economic indicators each month. If you would like to opt-in to receive these updates, please click [here](#).

February 14, 2022

Houston companies raised \$389.6 million in venture capital (VC) funding in Q4/21, up from \$92.0 million in Q4/20, according to a Partnership analysis of PitchBook data. For the four quarters ending in Q4/21, Houston companies raised a record high \$2.02 billion—a near tripling of VC funding over the prior year.

**Venture Capital Funding in Houston
(4-quarter Total)**



Note: Funding includes all Venture Capital types (Angel & Seed, Early Stage, Later Stage)
Source: Partnership analysis of PitchBook data through Q4/21

Both investment volumes and deal counts are up compared to pre-pandemic totals. For the four quarters ending in Q4/21, Houston companies closed 219 VC deals, up 26.6 percent from 173 deals the prior year.

The average deal size was \$11.6 million during the most recent four-quarter period, up from \$5.5 million the year before. Several large, growth stage deals contributed to the jump in funding. The three largest deals of the past year (Solugen, HighRadius, and Lancium) account for over \$800 million in VC funding.

HOUSTON VENTURE CAPITAL SUMMARY

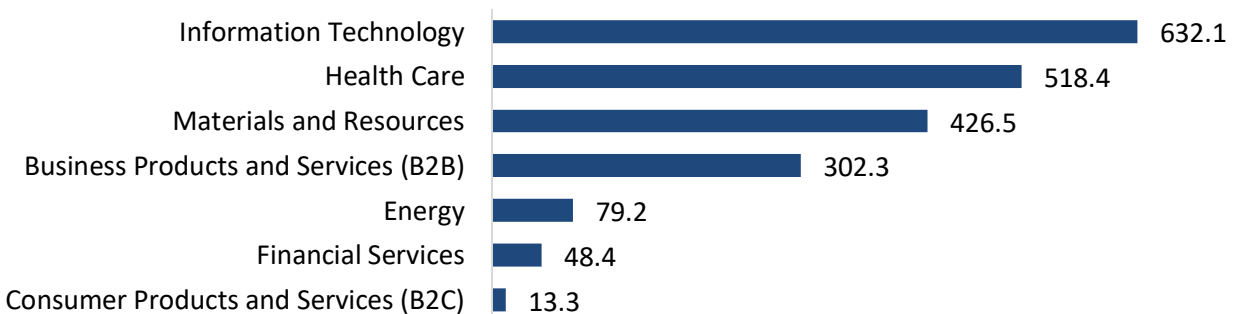
| | Q4/21 | Q4/20 | % Change |
|--|---------|-------|----------|
| Deals | 45 | 40 | 12.5 |
| Funding (\$ millions) | 389.6 | 92.0 | 123.6 |
| Average Deal Size (\$ millions) ¹ | 10.5 | 2.6 | 312.0 |
| 4-quarter Total | | | |
| | Q4/21 | Q4/20 | % Change |
| Deals | 219 | 173 | 26.6 |
| Angel and Seed | 122 | 111 | 9.9 |
| Early-Stage VC | 49 | 31 | 58.1 |
| Late- Stage VC | 48 | 31 | 54.8 |
| Funding (\$ millions) | 2,020.2 | 734.2 | 175.1 |
| Angel & Seed | 188.5 | 97.9 | 92.6 |
| Early-Stage VC | 687.4 | 149.1 | 361.0 |
| Later-Stage VC | 1,144.3 | 487.3 | 134.9 |
| Average Deal Size (\$ millions) ¹ | 11.6 | 5.5 | 110.3 |

¹ Only deals with reported deal sizes are used in the calculation.

Source: Partnership analysis of PitchBook data

On an industry basis, information technology raised \$632.1 million in the four quarters ending in Q4/21, up 190 percent from \$217.9 million during the prior four-quarter period. Healthcare raised \$518.4 million, up 65 percent from the prior period. Materials and resources raised \$426.5 million, up 628 percent largely on account of the \$357 million Solugen deal. Business products and services (B2B) are up 745 percent, largely due to the \$98 million Cart.com deal. Energy is up 78 percent, and financial services are up 90 percent from the previous 4-quarter period. However, consumer products and services (B2C) are down 64 percent.

VC Funding by Industry, \$ millions Q4/21 (4-quarter Total)



Source: Partnership analysis of PitchBook data

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