

■First Analysis



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E-commerce optimization

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First Analysis leads investment in highengagement video digital marketing company ViralGains

Company's machine learning platform lets brands make authentic connections with consumers through video

CHICAGO – September 21, 2017 – First Analysis, a leading venture capital investor, has made a new investment in ViralGains. Headquartered in Boston, ViralGains provides a machine learning platform for engaging consumers in a two-way conversation through video advertising. The company achieves outstanding results for its clients by using analytics and artificial intelligence to connect highly qualified consumers with relevant messages that generate awareness, motivate intent, and impact purchase decisions. The financing totaled \$13.5 million, with \$10 million in a Series B equity round led by First Analysis and \$3.5 million in debt from Square 1 Bank, and will enable ViralGains to expand its sales and marketing effort and invest in further advancing its technology.

With its video advertising platform, ViralGains offers consumers the opportunity to provide immediate feedback on their level of product interest and sentiment toward a brand, creating a conversation between the consumer and the brand not often seen in video advertising. Leveraging the data derived from these two-way conversations, ViralGains optimizes campaigns to achieve the best results for marketers. The company serves a number of the world's leading brands, including four of the top five automakers and four of the top five banks.

ViralGains CEO Tod Loofburrow commented, "The digital marketing field evolves so quickly, it's critical we have resources and partners that will help us navigate so we can continue to provide exceptional value to our clients. First Analysis is just such a partner. It has extensive experience in the sector and has already provided valuable insight."

First Analysis Managing Director Jim Macdonald, who has joined the ViralGains board, noted digital video is closing the gap with the \$75 billion TV advertising market, with tens of billions of dollars now being spent annually. "This is an enormous opportunity, and we think ViralGains has the strategy, technology, and talent needed to capitalize on and accelerate this shift," he said.

"The vision of the future of advertising is a future without ads as we've known them for the past several decades," according to First Analysis Senior Vice President Larry Berlin. "Instead, marketers will increasingly engage consumers with meaningful personal interactions like those enabled by ViralGains. ViralGains is at the center of this transformation." he said.

About ViralGains

ViralGains is a video ad journey platform that enables marketers to engage people with relevant brand stories in the contexts that people most favor. Using the platform to engage in a two-way conversation, brands discover exactly what people want -- and how they feel -- and build a unique journey that connects highly qualified consumers with relevant messages that generate awareness, motivate intent, and impact purchase decisions.

ViralGains is headquartered in Boston, with regional offices in Chicago, Detroit, Los Angeles, San Francisco, Atlanta, and New York. For more information, please visit www.viralgains.com.

About First Analysis

First Analysis is a leading venture capital investor, now in its fourth decade of venture investing and investing from its 13th fund. We use our integrative research process to uncover and leverage the best opportunities in emerging high-growth segments in technology and healthcare for the benefit of the investors and growth companies we serve, as well as our broader society and environment. The integrative research process drives success by unifying naturally divergent perspectives, capabilities, skillsets, and relationships. The process integrates 1) dynamic investment research on thousands of publicly traded and privately held companies with 2) thousands of relationships among executives, investors, and other key participants in our focus areas, yielding a deep, comprehensive understanding of each segment's near-term and longterm potential. We help established companies become profitable leaders in large markets, funding growth plans and working closely with management in areas including strategy, recruitment, sales and marketing, and corporate development. Our flexible approach targets investing \$3-10 million as lead investor or as a syndicate partner who brings valuable perspective.