Access to Finance at Different Stages of Business Development

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4-Stages of Business Development

1. SEED STAGE
   ✧ SBA Loans, SBIR & STTR Grants
   ✧ Angel and VC funding
   ✧ Crowd Funding

2. EARLY STAGE

3. GROWTH STAGE

4. LATER STAGE

EACH STAGE GETS A DIFFERENT DEAL
R&D PROJECTS MUST:
1. MEET FEDERAL R&D OBJECTIVES
2. HAVE HIGH POTENTIAL FOR COMMERCIALIZATION
ANNUAL VENTURE CAPITAL INVESTMENT TOPS $48 BILLION IN 2014, REACHING HIGHEST LEVEL IN OVER A DECADE-PWC 2015

<table>
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<tr>
<th>STAGE</th>
<th>VC INVESTMENT ACTIVITY (2014)</th>
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<tr>
<td>SEED STAGE</td>
<td>719 million - 192 companies Lowest level since 2002 Average deal $3.7 million, down from $4.3 million in 2013.</td>
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<td>EARLY STAGE</td>
<td>15.8 billion- 2,165 deals Average deal increased to $7.3 million, up from $4.8 million in 2013.</td>
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<td>EXPANSION STAGE</td>
<td>$19.8 billion- 1,156 deals Average deal increased to 17.1 million compared to $9.6 million in 2013.</td>
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<td>LATER STAGE</td>
<td>$12.0 billion – 843 deals Average deal increased to 14.3 million compared to $11.2 million in 2013.</td>
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Current Paradigm: Government funds pioneering research, Universities research & train scientists, engineers, technologists and managers, Industry conducts applied R&D-commercializes products, services, and new technologies and drives growth.

Disruption: Innovation is open and does not have to bounded by established players. Creative communities operating within innovation ecosystems create novel solutions to solve complex local/regional problems, and bring them to local/regional markets.

Case Study: San Diego Incubator for Innovation is an example of potential for disruption and inclusive growth.