SBIR Transition:
The Funding Continuum ... Some Thoughts

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Venture Capital on the Continuum

- VENTURE CAPITAL
- Rapid Scaling

- ANGEL
- Proof of Concept

- CROWDFUNDING
- Market Traction

- FRIENDS and FAMILY
- Out of the Garage

- GRANTS
- Science Project
## Typical Spectrum of Angel/Early Stage Investing

<table>
<thead>
<tr>
<th>Investment Vehicle</th>
<th>Individual</th>
<th>Group</th>
<th>Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct every deal</td>
<td>Direct</td>
<td>Volunteer managed partnership entity each deal</td>
<td>One managed fund across all deals</td>
</tr>
<tr>
<td>Self</td>
<td>Pooled volunteer efforts</td>
<td>Professional Fund Managers</td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>Pass the hat/vote</td>
<td>Investment Committee</td>
<td></td>
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<tr>
<td>DIY</td>
<td>DIY with peer</td>
<td>Ensured</td>
<td></td>
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<tr>
<td>Portfolio Approach</td>
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Seed and Early Stage Landscape

- Activity recently trending down from historical highs
- Initial investment and valuations both increasing
Overview of Sectors

Software as % of total VC ($)

US VC activity in life sciences

PitchBook-NVCA Venture Monitor
*As of June 30, 2018

Confidential and Proprietary
FAN Fund

- The natural evolution of a successful “pass the hat” model
- Professionally managed & committed micro-VC fund

Investing in opportunities with the following characteristics
- Growth-oriented technology and life science “lite” sectors in Florida
- Committed team with demonstrated experience
- Large, growing, and understood market
- Demonstrated GTM strategy with early traction
- Multiple exit paths within reasonable timeline
- Supportive of a hands-on investment approach

- Fund 1 Typical investment size $200K-$500K, Fund 2 3x this level
  - Plus additional LP co-investment potential
  - In round sizes of $500K-$1,500K
  - Collaborating with eco-system partners
Questions and Answers
Seed and Early Stage Landscape (2016)

- Activity recently trending down from historical highs
- Valuations gradually increasing