

A stylized map of Michigan is the background, rendered in dark blue. Overlaid on the map are numerous concentric circles in a lighter blue shade, each with a small brown dot at its center. These circles are scattered across the map, with some appearing in clusters. The years '2014' and '2015' are written in a large, light green, sans-serif font, with '2015' positioned directly below '2014' and slightly offset to the right.

2014
2015

MICHIGAN VENTURE CAPITAL

ANNUAL RESEARCH REPORT

Growing Businesses
in Michigan



When it comes to growing business,
we're **all in.**



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EVERYTHING VENTURED, EVERYTHING GAINED.

GM Ventures is proud to support the Michigan venture capital community and recognizes the economic growth potential it provides the state of Michigan.



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Dear Friends

Michigan is proud to be the Comeback State, and a large part of our ongoing reinvention is credited to our investment in a strong entrepreneurial environment. We have worked hard to build one of the most complete support systems in the country.

At the center of Michigan's support for innovators looking to launch and grow new business ventures in Michigan is an active and thriving venture capital community driven by the Michigan Venture Capital Association and its members. Venture capital firms and angel investors continue to invest in startups, not only bringing capital, but also sharing their expertise in launching successful businesses with companies that are expanding Michigan's economic base.

The role of venture capitalists in Michigan's entrepreneurial economy is critical to our state's long-term economic success. As startups continue to grow, we are retaining more young talent, creating a better business environment, and expanding opportunities for Michiganders to live, work and raise a family in our state for generations to come.

Your efforts to invest in our state's future and promote all the exciting things happening in Michigan are greatly appreciated. Thanks in part to your support, entrepreneurs and investors from across the country and throughout the globe are choosing to do business right here in Michigan.

On behalf of the state of Michigan, thank you to the Michigan Venture Capital Association for your leadership in helping to reinvent our state, grow new businesses, and create more and better jobs.

Sincerely,

A handwritten signature of Rick Snyder in orange ink. The signature is written in a cursive, flowing style.

Rick Snyder
Governor

Dear Readers

We are pleased to present the 2015 MVCA Annual Research Report, which reflects a growing and vibrant angel and venture capital community in Michigan. Michigan's entrepreneurial ecosystem continues to build momentum and has been integral to the state's long-term economic recovery.

Thanks to the diligent participation of Michigan's venture capital firms and angel investors, our report is able to present an accurate look at our industry and its contribution to Michigan's economy. There are currently 129 venture-backed companies in Michigan, a 70% increase over five years ago. Michigan venture firms actively support the state's fastest growing young companies, with local investors involved in 97% of all startup funding rounds in 2014. Add to that an almost doubling of the number of venture capital professionals living, working and investing in Michigan and 45% growth in the number of investors in angel groups, and it's easy to see how vital the venture capital and angel community is to creating long-term viability for a robust entrepreneurial ecosystem in our state.

As we analyze the past year, we do so knowing that the demand for venture capital funding is growing in Michigan. MVCA's survey of venture capital investors in Michigan found that their Michigan-based portfolio companies will require at least \$1.3 billion over the next few years, from firms that have approximately \$108 million available for follow-on investments. This creates a need for more venture capital firms to locate here and more capital to be raised by firms already dedicated to investing in the state, in order for more startup companies to be funded, grown and permanently located in Michigan.

We've also added some new metrics to our annual survey this year; throughout the 2015 report, we'll explore:

- The geographic distribution of venture capital throughout the state, introducing you to some of the remarkable synergies that are created in communities which have promoted venture capital as a critical component of economic development.



- Not just what our industry contributes, but who is making the contributions to the growth of venture capital. In particular, we assess the number of women and minorities in the industry and are working to establish a benchmark for future analysis.
- Angel-backed companies, highlighting the significant early-stage contributions angel investors make in some of Michigan's most exciting startups. We invite you to take a closer look at these angel-backed businesses, nominated by their investors as examples of the promising companies supported by Michigan's angel groups.

We're grateful for the participation and support of our entire community to make the 2015 MVCA Research Report an accurate, reliable reflection of angel and venture capital activity in Michigan. As we build on the momentum our members and Michigan startups create, we vow to keep Michigan a premier Midwest and national venture capital center of excellence for many years to come.

All the best,

Maureen Miller Brosnan

Maureen Miller Brosnan
Executive Director

The Venture Capital
Environment in
Michigan



Michigan's Venture Capital Firms

There are 37 private venture firms operating in Michigan. Twenty six are headquartered in Michigan and an additional 11 are headquartered elsewhere with a Michigan office. There are also two fund of funds and two corporate venture funds in Michigan. All together, these firms employ a total of 130 investment professionals in Michigan.

VENTURE CAPITAL FIRMS HEADQUARTERED IN MICHIGAN

Apjohn Ventures
 Arbor Partners
 Arboretum Ventures
 Augment Ventures
 Beringea, LLC
 BioStar Ventures
 Cascade Partners
 Detroit Innovate*
 Detroit Venture Partners
 EDF Ventures
 First Step Fund
 Fontinalis Partners, LLC
 Griffon Ventures
 Hopen Life Science Ventures
 Huron River Ventures
 IncWell*
 Ludlow Ventures
 Michigan Accelerator Fund-I
 Michigan eLab
 North Coast Technology Investors
 Plymouth Ventures
 Resonant Venture Partners
 RPM Ventures
 Start Garden*
 TGap Ventures
 Wolverine Venture Fund

OUT-OF-STATE VENTURE CAPITAL FIRMS WITH A MICHIGAN PRESENCE

Arsenal Venture Partners
 Baird Capital
 Cultivian Sandbox Ventures
 Draper Triangle Ventures*
 Early Stage Partners
 Flagship Ventures
 Fletcher Spaght Ventures
 Mercury Fund*
 MK Capital
 Open Prairie Ventures
 Venture Investors

MICHIGAN-BASED VENTURE CAPITAL FUND OF FUNDS

Renaissance Venture Capital Fund
 Venture Michigan Fund

CORPORATE VENTURE FUNDS

Dow Venture Capital
 GM Ventures

**New from prior year*



Venture Capital Environment in Michigan

Michigan's economic health depends on the existence of a diverse range of active, growing businesses. The most-promising Michigan companies are often fast-growing technology, life science, or advanced manufacturing companies that need to scale operations quickly in order to reach their potential. These companies, in hyper-growth mode and in need of employees, sales and back-end support, seek capital from early-stage investors in order to realize their potential as a new driver of economic activity in the state.

When the capital these startups need is plentiful and proximate, founders tend to grow the company where it was "planted." In Michigan, access to early-stage capital has been a long-running challenge and, if unaddressed, could give high-growth businesses a reason to relocate to more capital-rich markets.

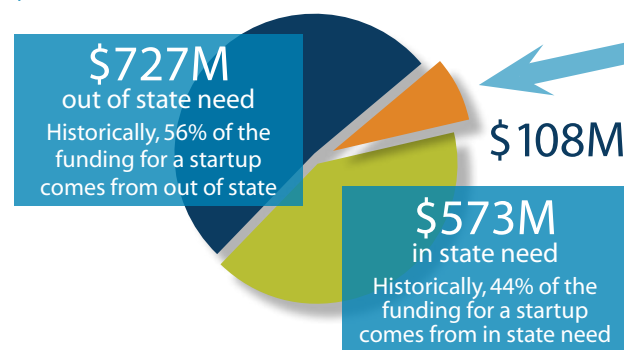
Examining the known demand for future venture capital investment in Michigan reveals the total demand for capital is likely much higher than the capital currently available in the state. Michigan venture capital professionals estimate that companies in their current portfolio requiring more capital — the known demand — will approach \$1.3 billion in the next few years. Coupled with the unknown demand, the total future demand for venture capital exceeds \$1.3 billion.

- There are currently 129 venture-backed companies in Michigan, a 70% increase in the last five years. This figure doesn't include startup companies that are preparing to seek investment or are currently fundraising.
- Venture capital firms in Michigan have an estimated \$108 million reserved for additional investment into these existing successful Michigan-based companies.

CAPITAL AVAILABLE FOR NEW INVESTMENT 2010-2014



\$1.3 BILLION NEED FOR FOLLOW ON INVESTMENT



The disparity between the demand for venture capital by these high potential companies and the supply of capital available to them in Michigan strongly reflects the need for the growth trend of venture capital in Michigan to continue.



Venture-backed startups that find success scaling operations and growing their workforce post-investment often reach a critical inflection point where a new infusion of capital is required for future growth. This further investment by existing investors is called **Follow-on Funding**.

Even with evidence of a projected disparity, Michigan has seen 86% growth in the last five years of total venture capital under management:

Total venture capital funds under management of firms headquartered in Michigan in 2014 was \$1.7 billion, an increase of 45% in the last five years

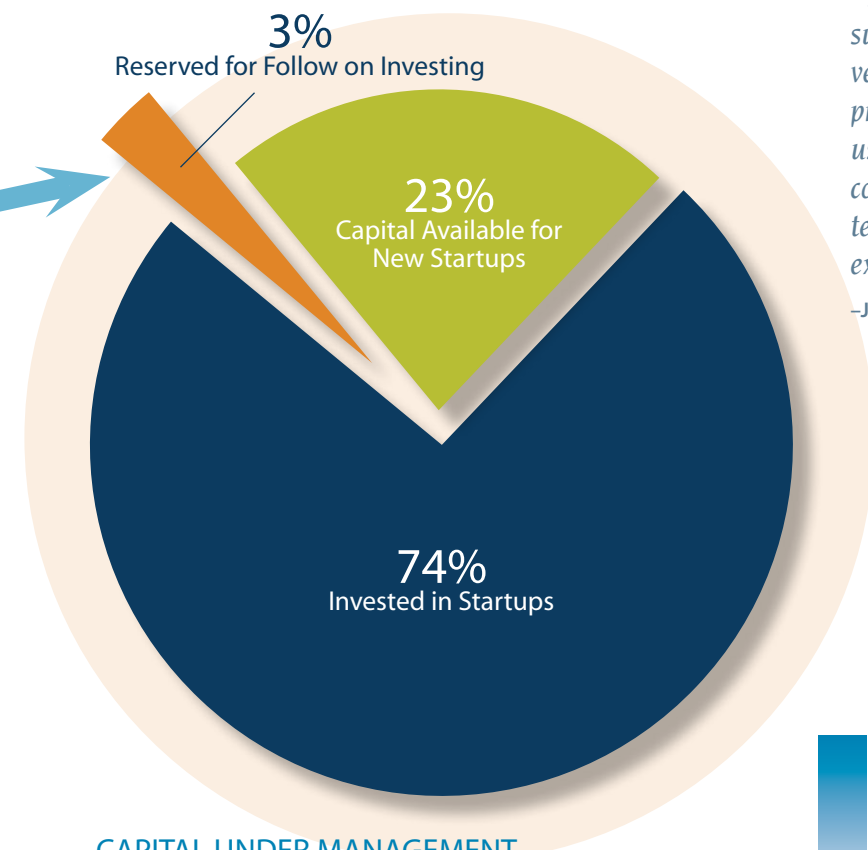
- Total venture capital funds under management of national firms with an office in Michigan in 2014 was \$3.1 billion, an increase of 122% in the last five years

National firms often bring additional out-of-state investors into Michigan deals, further growing the amount of capital flowing into Michigan from outside of the state



Total venture capital available for new investments of firms headquartered in Michigan or national firms with an office in Michigan in 2014 was \$876 million, an increase of 158% in the last five years. This capital is available for new investment opportunities across all stages, industry sectors, and geographical regions.

BREAKDOWN OF THE \$4.8 BILLION UNDER MANAGEMENT IN MICHIGAN

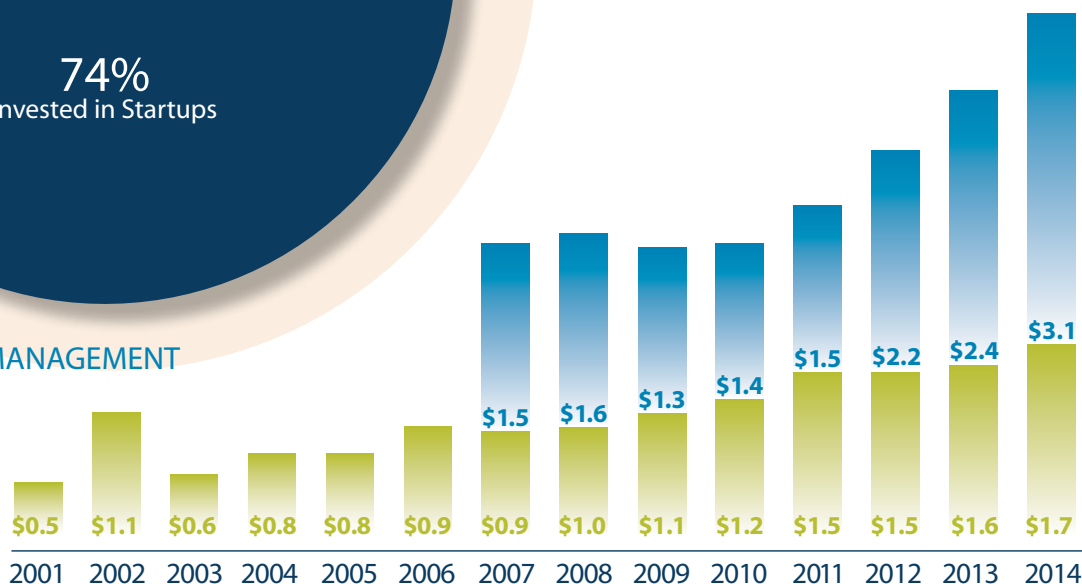


"TRS has had tremendous support from Michigan venture firms who have provided substantial funding used to establish our company, develop our technology and successfully execute our business plan."

—Jim Fitzsimmons, CEO, Tissue Regeneration Systems



CAPITAL UNDER MANAGEMENT 2001-2014



Out of the total \$4.8 billion under management in Michigan, the majority of the capital has already been deployed into promising companies, with a small amount reserved for follow-on investments and a portion available for new companies seeking venture capital.



Michigan's Venture Capital Firms Support Michigan Businesses

Michigan venture firms are a critical factor in Michigan startups success. With Michigan venture investors backing **97%** of all Michigan venture-funded startups, the health of our state's entrepreneurial economy hinges on local venture firms' ability to provide capital to our high-growth potential companies.

Fifty one companies in Michigan received more than \$204 million from Michigan venture capital firms in 2014. This is an **89%** increase in the last five years (and a 247% increase in the last ten years!). There are now 129 venture-backed companies growing and hiring in Michigan, an increase of 70% in the last five years.

"Michigan venture capital firms have played a significant role in Larky at every stage of the company; from initial concept through customer acquisition and growth. This has included feedback on our business concept, introductions to key partners and prospective clients, funding, and much more."

—Gregg Hammerman, CEO, Larky

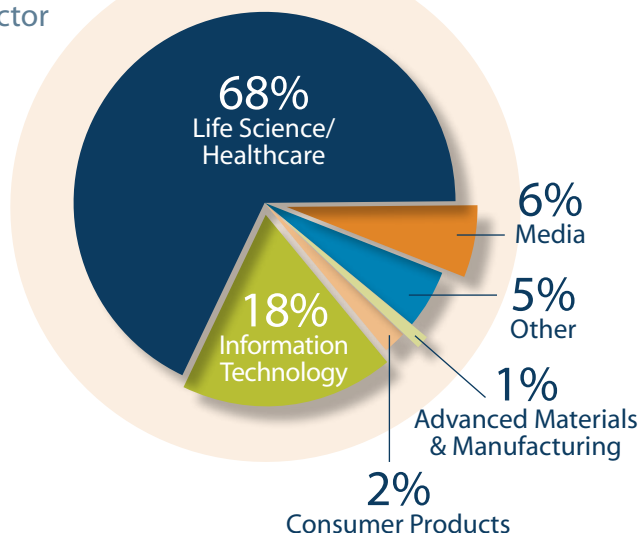


- While Michigan venture funds invest in a wide variety of sectors, the Life Science and Information Technology sectors continued to be the main focus of capital deployment in Michigan in 2014. Thirty six percent of the companies that received venture capital funding in Michigan in 2014 were life science companies. Forty four percent of the companies that received venture capital funding in Michigan in 2014 were Information Technology companies.

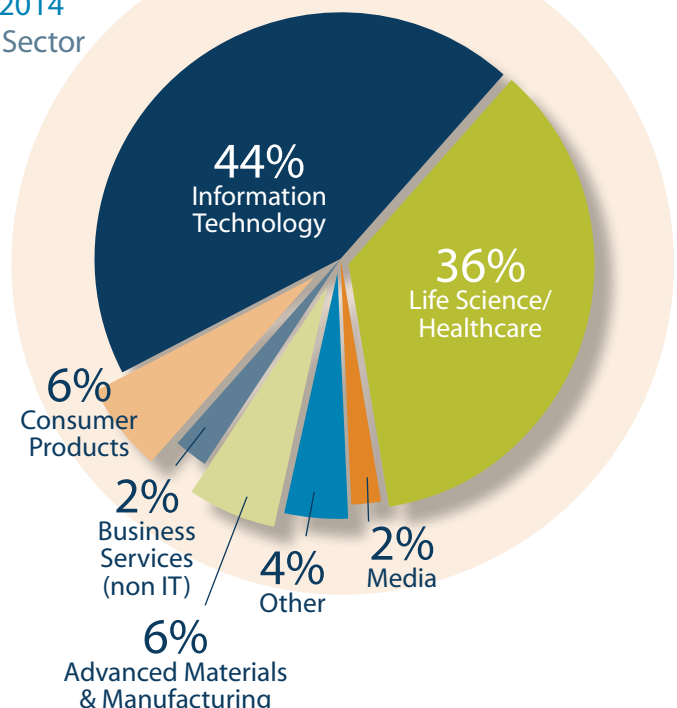
8% of the 51 venture-backed companies in Michigan had CEOs who were women and none had CEOs who were minorities.

9% of the 129 active venture-backed companies in Michigan had CEOs who were women and 6% had CEOs who were minorities.

TOTAL AMOUNT INVESTED IN MICHIGAN STARTUPS IN 2014
by Sector



VENTURE CAPITAL INVESTMENT IN MICHIGAN IN 2014
by Sector



MICHIGAN STARTUPS THAT RECEIVED VENTURE CAPITAL INVESTMENT IN 2014

ADVANCED MATERIALS & MANUFACTURING

Detroit Materials
Energetx
Fusion Coolant

BUSINESS SERVICES (non IT)

Lynx Network
Group, Inc.

CONSUMER PRODUCTS

American Mountain
Company
Detroit Institute of
Music Education
Turtlecell

INFORMATION TECHNOLOGY

A2B Bikeshare
AdAdapted
Amplifinity
Blackbird RSVP
Career Now
Cribspot
Flip Learning, LLC
Larky
Nutshell
OwnThePlay
PrograMax
Reach Influence
SirionLabs, Inc
Sky Specs
Social Proof

Spirit Shop
Sportsman Tracker
Stratos, Inc.
Tome
UpTo
Varsity News Network
When To Manage
XanEdu Publishing, Inc.

LIFE SCIENCE/ HEALTHCARE

Akadeum
Algal Scientific
ArborMetrix
Axonia
CytoPherx
DeNovo Sciences
Diplopia

Great Lakes Caring
HistoSonics
Meditory
Metabolic Solutions
nanoRETE
NeuMoDX
ProNAi
Respondwell
Tissue Regeneration
Systems
Tolera Therapeutics
Vesterson

MEDIA

GSTV

OTHER

FarmLogs
Zipments



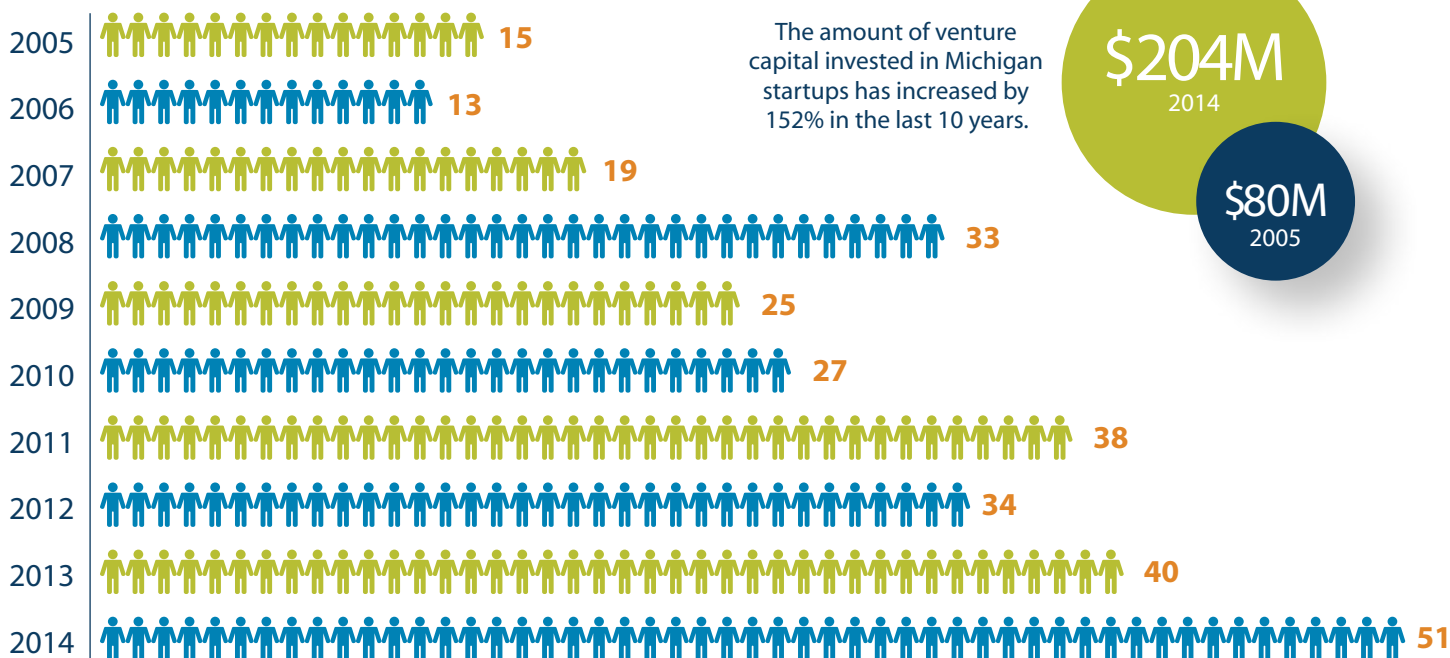
Venture-backed startups that find success scaling operations and growing their workforce post-investment often reach a critical inflection point where a new infusion of capital is required for future growth. This further investment by existing investors is called **Follow-on Funding**.

2014 INVESTMENTS

58%
Initial
Investment

42%
Follow-On
Investment

NUMBER OF MICHIGAN STARTUPS RECEIVING VENTURE CAPITAL INVESTMENT EACH YEAR



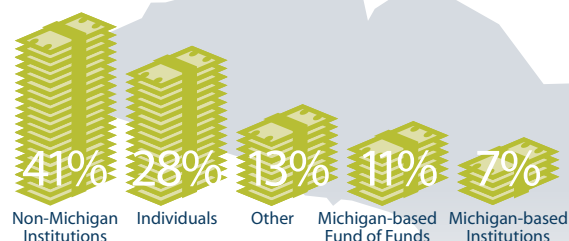
The amount of venture capital invested in Michigan startups has increased by 152% in the last 10 years.

\$204M
2014

\$80M
2005

Attracting Capital to Michigan's Growing Businesses

Michigan's venture capital community plays a critical role in bringing and leveraging outside startup and investment capital to Michigan startups. Michigan-based venture capital firms are often the first to identify strong Michigan investment opportunities, and can then provide deal leadership and connections to potential out-of-state syndicate partners.



MICHIGAN-BASED
VENTURE CAPITAL FIRMS



OUT OF STATE
VENTURE CAPITAL FIRMS

**\$204
Million**

Every \$1
invested in a Michigan Startup Company
by a Michigan-based Venture Capital Firm
Attracts \$2.90
of Investment from Outside
of Michigan

51
Michigan
Startups
Received
Venture Capital
Investment
in 2014

Michigan venture capital firms invested in **97%** of all Michigan startups that received any venture capital in 2014.



\$2.90

Getting Michigan's growing companies the capital they need

- For every \$1 invested by Michigan venture firms in a Michigan company, **\$2.90** was invested by out-of-state partners.

Most early stage, fast-growing companies need more money than is available to them from one venture firm. When that happens, Michigan venture firms already involved with (or interested in) the opportunity will make connections and advocate for the startup in order to assemble the additional capital it needs to succeed.



- 61% of all startups that received investment in 2014 received investment from more than one investor, **24% of all startups that received investment in 2014 received investment from MORE THAN ONE Michigan investor.**



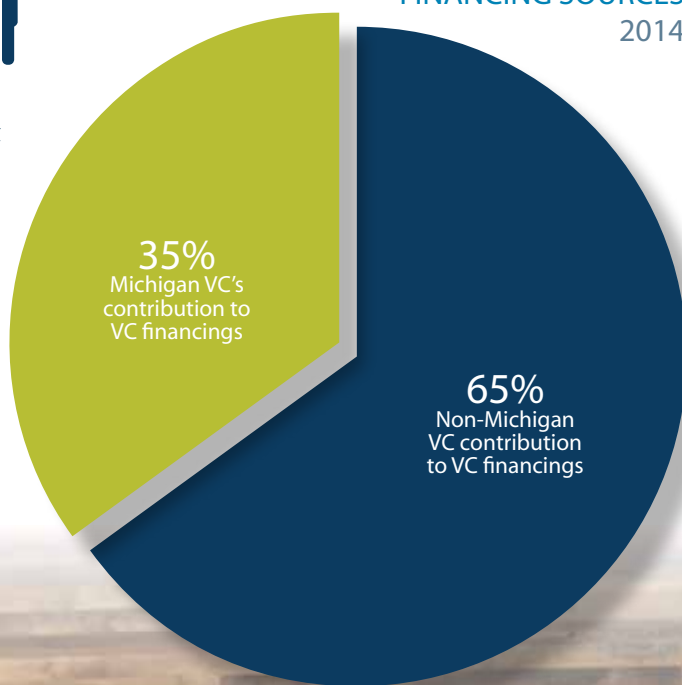
"Our most recent investment was in a Detroit company, and it wouldn't have happened without an introduction to the deal from one Michigan venture firm and the participation by two others as co-investors. It's a great example of Michigan's venture capital community using their strong national network to support a fast-growing local company."

– Dov Rosenberg, Director, Allos Ventures (Cincinnati, Ohio)

Attracting out of state capital to Michigan businesses

- 264 venture capital firms from outside of Michigan have invested in startups in Michigan.** Of all venture capital invested in Michigan companies last year, **a full 65% of all capital invested came from venture firms located outside of Michigan who were brought into Michigan-based deals by, in many cases, Michigan venture firms.** In order to keep attracting out-of-state investment into Michigan companies, we need a large and diverse group of Michigan venture professionals who are well-connected to the national VC community.

MICHIGAN VENTURE CAPITAL FINANCING SOURCES 2014



Michigan's Diversified Economy

Venture capital investors in Michigan support companies in a wide variety of sectors and stages. As startup companies grow and thrive, Michigan's economy becomes increasingly diverse. Having a full pipeline of businesses at all stages of growth and across many sectors creates a breadth of opportunities for the people and businesses in Michigan.

Sector

While Michigan venture funds invest in a variety of sectors, historically, **53%** of early-stage capital invested in Michigan was invested in Life Science companies. More specifically within the sector, more than half of that Life Science investment went to Pharmaceuticals and Medical Devices startups.

- **There are currently 38 venture backed Life Science companies located in Michigan**

8%
of these Life Science startups have a CEO who is a woman.

3%
of these Life Science startups have a CEO who is a minority.

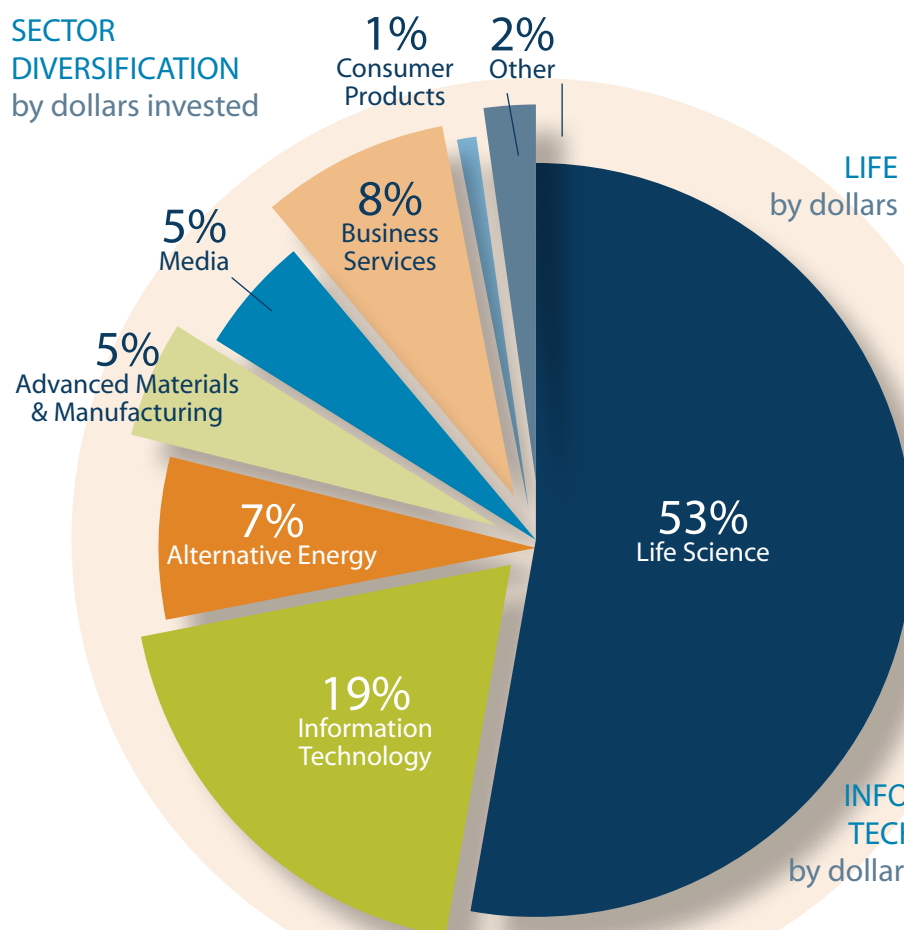
Startups in the Information Technology sector also receive a significant amount of venture capital investment, Nineteen percent of dollars invested by Michigan venture capital firms. Of those investments, Software companies accounted for 84% of all investments made in the IT sector.

- **There are currently 55 venture backed IT companies located in Michigan**

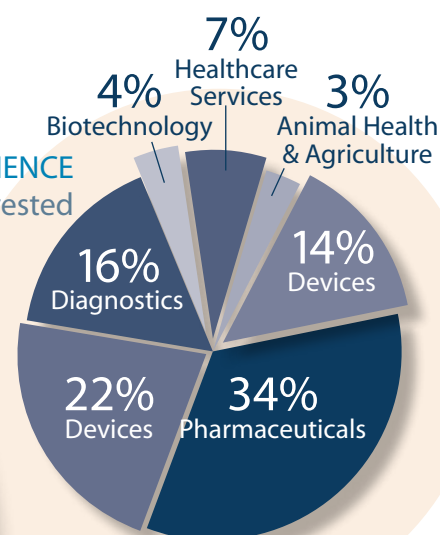
11%
of these Information Technology startups have a CEO who is a woman

5%
of these Information Technology startups have a CEO who is a minority.

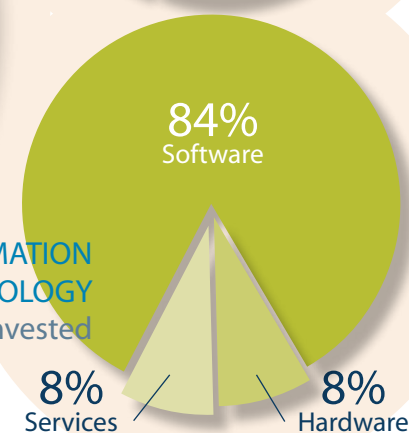
SECTOR DIVERSIFICATION by dollars invested



LIFE SCIENCE by dollars invested



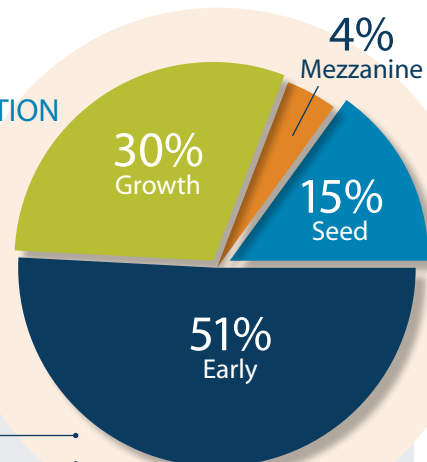
INFORMATION TECHNOLOGY by dollars invested



Stage

About half (51%) of the total amount invested by Michigan venture firms has been invested in the early stage of a company's development, while 30% has been invested in the growth/expansion stage.

STAGE DIVERSIFICATION by dollars invested



FUNDERS

- Augment Ventures
- Michigan Accelerator Fund-1
- Arbor Partners
- Cascade Partners
- Hopen Life Science Ventures
- Baird Capital
- MK Capital
- Open Prairie
- Beringea, LLC
- Fletcher Spaght Ventures
- Early Stage Partners
- Apjohn Ventures
- Fontinalis Partners, LLC
- IncWell
- North Coast Technology Investors
- Start Garden
- Tgap Ventures
- Arsenal Venture Partners
- Cultivan Sandbox Ventures
- Flagship Ventures
- Venture Investors
- Arboretum Ventures
- Detroit Innovate
- Detroit Venture Partners
- EDF Ventures
- First Step Fund
- Griffon Ventures
- Huron River Ventures
- Ludlow Ventures
- Michigan eLab
- Resonant Venture Partners
- RPM Ventures
- Wolverine Venture Fund
- Draper Triangle Ventures
- Mercury Fund
- Plymouth Ventures



Venture capital investors invest in startup companies at various stages of maturity. Typically, companies need venture capital from "seed" stage until they grow into the "mezzanine" stage.



Seed

Companies in the seed stage have already put their own money into their company, may have angel investment, and are now looking to raise venture capital, develop prototypes, and identify customers

Startup/Early

The stage where companies fund activities with the above types of capital and start to earn revenues from operations but is not yet cash flow positive (with more money coming in than going out)

Growth/Expansion

The stage where companies fund activities with the above types of capital, start to earn revenues from operations and is cash flow positive, and is potentially able to obtain bank financing

Mezzanine

The stage where companies fund activities with the above types of capital, earns revenues from operations, is cash flow positive, and is potentially able to obtain bank financing or private debt.

Michigan's Startup Successes

Ideally, every early-stage investment made by a Michigan venture firm would result in a stable, large company whose identity and employee-base are closely tied to the Michigan community where it began. In many cases, this has in fact been the result. But this outcome is secondary to the venture firm's main objective of keeping the startup healthy and able to take advantage of every opportunity for growth. Sometimes, these opportunities take the startup outside of the state, but the return on investment always comes back to the Michigan venture firm, freeing capital to invest again in new Michigan-based startups.

A TIMELINE OF MICHIGAN SUCCESSES

2000	Blue Gill Technologies, Genitor Corporation, Genvec
2002	Mechanical Dynamics
2004	Esperion Therapeutics, Healthcare Solutions, Intralase, Stoneage Corporation, Colorbok
2005	Arbortext, Afmedica
2006	Asterand
2008	HealthMedia, Sircon, Sensicore
2009	HandyLab, Assay Designs, Applimation, Pump Engineering
2010	Arbor Networks, Mobius Microsystems, QuatRx Pharmaceuticals
2011	Accuri Cytometers, EcoSynthetix (IPO), Micronics
2012	Arbor Photonics, V.I.O
2013	Esperion (IPO), Livio Radio, Pioneer Surgical Technology, Relume Technologies
2014	Seelio, ForeSee Results

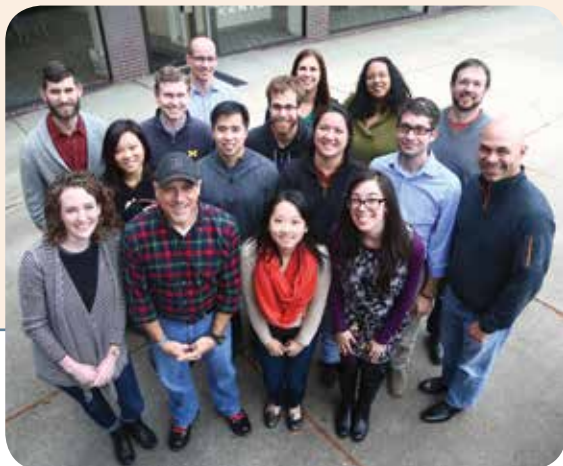
An **exit** is an event that allows a venture capital firm to realize a return on their investment in a startup company. An initial public offering (IPO) or an acquisition (being bought out by a larger player in the industry) is an opportunity for further financing and growth for a startup company.



Exits

Seelio

Seelio partners with higher education institutions to create student lifecycle portfolios™, which prepare students for a successful future starting at orientation all the way through to graduation. In June, the company was acquired by PlattForm, a marketing and enrollment management partner for colleges and universities worldwide. Seelio expects to add to its 22-person team in Ann Arbor over the next five years, as the company grows its partnerships, technology, service, and design teams.



2014 EXITS BY MICHIGAN VENTURE FIRMS

Company	Location	Sector	Michigan Venture Firm(s)
CardioMEMS	Atlanta, GA	Life Science/ Healthcare	Arboretum
DramaFever	New York, NY	Media	MK Capital
ForeSee Results	Ann Arbor, MI	Information Technology	Not Disclosed
Image Integration Systems	Perrysburg, OH	Information Technology	Plymouth Ventures
Luvocracy	San Francisco, CA	Marketplace	RPM Ventures
PODS Westrock	Clermont, FL	Other	Plymouth Ventures
RedPath Integrated Pathology	Pittsburgh, PA	Life Science/ Healthcare	Plymouth Ventures, Seneca Health Partners
Reverse Medical	Irvine, CA	Life Science/ Healthcare	Early Stage, BioStar
RideScout	Austin, TX	Other	Huron River Ventures
Seelio	Ann Arbor, MI	Information Technology	First Step Fund
SilverPop	Atlanta, GA	Media	Wolverine Venture Fund, Draper Triangle
Simbionix	Cleveland, OH	Life Science/ Healthcare	Early Stage
Stylecaster	NY	Information Technology	Detroit Venture Partners
TOA	Cleveland, OH	Information Technology	Early Stage, Draper Triangle
Xtime	Redwood City, CA	Other	RPM Ventures, Draper Triangle

ForeSee Results

A pioneer in customer experience analytics, ForeSee continuously measures satisfaction across customer touch points and delivers insights on where to prioritize improvements for maximum impact. Using a technology spun-out from the University of Michigan, ForeSee made Ann Arbor its home and has stayed in the city even after a 2014 acquisition by Answers.com.



Building on the Momentum: Future Demand for Venture Capital in Michigan

The 37 venture firms in Michigan estimate that their Michigan-based portfolio companies will need more than \$1.3 billion in additional venture capital investment in the near future, as the companies continue to grow and bring on new employees. Additionally, Michigan-based venture firms are actively investing in new Michigan-based startups which will require continued support as they grow. In order to encourage and support this extraordinary statewide business development, Michigan venture firms are actively fundraising to meet this demand.

Where will this investment capital come from? The MVCA survey indicates that 41% of the money in Michigan-based venture capital funds comes from institutions outside of Michigan.

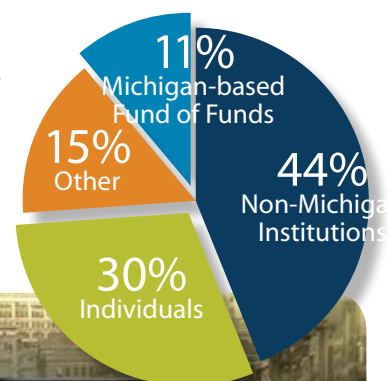
Venture capital firms are a great conduit for bringing money into the state of Michigan from other states. Not only do Michigan venture firms raise money from outside of the state of Michigan but they also work hard to find co-investors for great Michigan startups from outside of the state of Michigan.



Current funds under management in Michigan will not meet the known future venture capital demand, so successful fundraising is critical to the growth of Michigan startups. Venture firms in Michigan must work hard to find the critical early-stage investment capital our Michigan economy relies on. **Reliable in-state fundraising targets, including endowments, fund-of-funds, pension plans and foundations, are important players in the long-term health of Michigan's entrepreneurial ecosystem and the venture community that invests in them.**

As the number of investment-worthy startups in Michigan grows, so does the level of activity in the venture community. Demand for venture capital, the number of venture firms active in the state, and the number of investments in and amount of capital available to Michigan businesses are metrics we expect to increase alongside growth of the startup community.

SOURCES OF CAPITAL FOR MICHIGAN VENTURE CAPITAL FUNDS

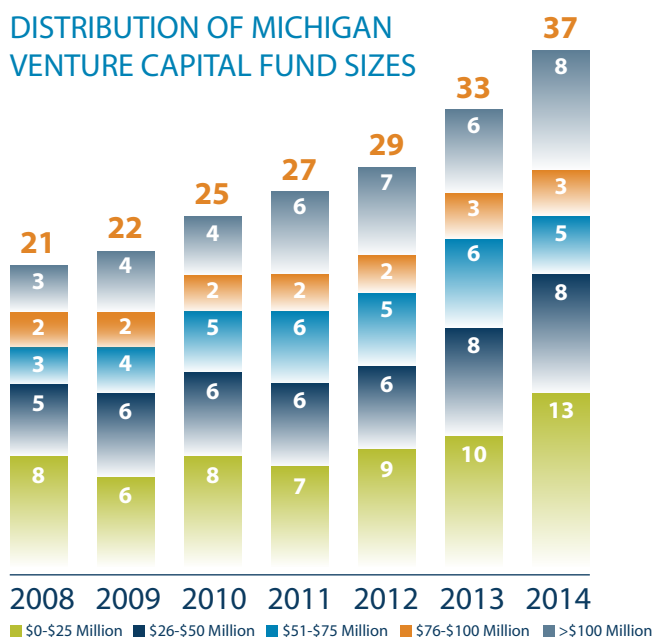


"Over the past 15 years, a set of very successful, serial entrepreneurs has developed in Michigan. This 'class' of repeat entrepreneurs means the growth of exciting new companies will only accelerate, creating more demand for early stage capital and even more top-notch deal flow for Michigan VCs."

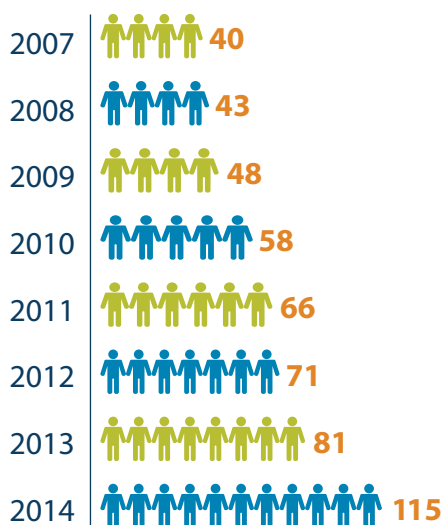
– Tim Petersen, Managing Director, Arboretum Ventures.



DISTRIBUTION OF MICHIGAN VENTURE CAPITAL FUND SIZES



NUMBER OF VENTURE INVESTMENT PROFESSIONALS IN MICHIGAN



In 2014
12 FIRMS

were actively raising
\$652 million
to invest in new businesses

In 2015
9 FIRMS

will be actively raising
\$599 million
to invest in new businesses

In 2016
13 FIRMS

will be actively raising
\$676 million
to invest in new businesses



2014 Spotlights

Michigan's rich entrepreneurial tradition is characterized by daring founders of young companies acting boldly and commercializing innovative ideas, and the growth-oriented businesses of today's venture-backed community are no exception. MVCA members provide funding at a crucial point in the company's development, when the capital and guidance of seasoned investors can be invaluable. Although the structure, size and style varies greatly from deal to deal, all portfolio companies share the common need for outside capital to keep the business on a successful trajectory, and the continued good health of the Michigan venture community ensures there will be support for these businesses for years to come.

For this report, we've chosen to feature a few MVCA member portfolio companies, representing every stage of development and at different points on the capital continuum, to showcase the diverse and flourishing population that can be found in our vibrant Michigan entrepreneurial ecosystem.

Tissue Regeneration Systems



Founded in 2008, Tissue Regeneration Systems, Inc. ("TRS") has built a technology platform that creates skeletal and bone implants using 3-D printing. The implants are bioresorbable, porous, and coated with a mineral that encourages natural bone regrowth in patients who undergo craniomaxillofacial, orthopedic, or spine fusion surgeries.

Why Michigan?

The TRS technology platform was originally licensed from the University of Michigan, which later provided technical staff as well. "We continue to work very closely with our academic founders, so the Ann Arbor area was a natural location for our business," said TRS CEO and President Jim Fitzsimmons.

2014 Highlights

TRS closed a \$3.25 million bridge financing and established/certified an independent, GMP-compliant implant fabrication operation in Plymouth, Michigan. The company signed its first major corporate partnership deal, a collaboration with Johnson and Johnson Corporation to co-develop a new long bone reconstruction implant.



Larky

Larky develops mobile-first engagement platforms for banks, credit unions, health insurers, universities and employers. Its mobile apps use location awareness to notify users when they are near an offer or discount that they are entitled to based on their memberships.

Why Michigan?

CEO Gregg Hammerman says proximity to talent is what makes Michigan a good home for his business. "Michigan is a great place to find smart, hard-working, innovative talented people who are increasingly interested in being a part of an early stage company and contributing its success," he says.

2014 Highlights

North Coast Technology Investors led a funding round that closed in May. Since then, Larky has added more than a dozen enterprise clients including Lake Trust Credit Union and Disney, while growing its staff by eight.



HistoSonics

HistoSonics uses a pulsed sound energy technology called histotripsy to treat a variety of clinical conditions without incision or heat effects, thereby reducing patient trauma, improving clinical outcomes and lowering overall cost of care. The company is advancing its first clinical application in the U.S. and Canada, applying the Vortex RX® device to the treatment of Benign Prostatic Hyperplasia (BPH).



Why Michigan?

Histotripsy, the core technology on which the company is based, started with an exclusive license of the intellectual property portfolio from the University of Michigan, said CEO Chris Gibbons. "Histotripsy had been developed over many years of research by an incredible team of scientific and clinical co-inventors at U-M. We continue to have a strong relationship with the founding University team and mutually benefit from an ongoing collaboration," she said.

Michigan is also a state rich in resources,

starting first with a highly skilled workforce, the majority of whom were originally based in Michigan. We have also benefited greatly from a strong, capable supply base knowledgeable in the requirements of supplying to the medical device industry. Lastly, locating in Ann Arbor has allowed us to position ourselves in the midst of a thriving entrepreneurial community with access to investors, other entrepreneurs and service providers who support them.

2014 Highlights

A key highlight was the completion of enrollment in HistoSonics' first-ever clinical study of its investigational device, the Vortex RX. Final results are pending, but thus far the device demonstrates an excellent safety profile and impressive symptom improvement. HistoSonics and U-M teams also continue work on future clinical applications for the technology, including congenital heart defect in infants.



TOME Software

Tome Software develops connectivity products to keep people mobile and active, and creates value as a focused niche within the larger "Internet of Things" movement.

Why Michigan?

Founder Jake Sigal and his business partner couldn't be persuaded to move to the coasts after they sold their previous company, Livio, to Ford in 2013, despite many pleas to do so. "We chose to stay in Michigan for the access to available engineers. At Livio, we started relationships with Michigan State, Michigan, Lawrence Tech, and Kettering for both recent graduates as well as hiring alumni that want to return to Michigan. We have continued the same process with our new venture, Tome Software," Sigal says.

2014 Highlights

In just its first year of operation, Tome Software was profitable and raised \$250,000 in convertible debt from previous Livio investors.



ProNAi

ProNAi Therapeutics is a private company dedicated to developing and commercializing a new class of therapies based on its proprietary DNAi platform, for patients with cancer and other diseases. ProNAi's lead DNAi drug is PNT2258, which is specifically designed to treat cancers that overexpress BCL2. To date, 35 patients have been treated with PNT2258 in a Phase I and a pilot Phase II trial, with compelling efficacy and safety results.



Why Michigan?

The company credits the collaboration among Michigan's Life Sciences community, including its entrepreneurs, investors, ex-Pfizer scientists, universities, drug development consultants, legal support, and state programs/infrastructure, for providing ProNAi a fertile environment in which to grow.

Proximity to a global airport hub has also helped the team introduce ProNAi's innovative technologies to the world.

2014 Highlights

In May 2014, ProNAi raised approximately \$60 million from new and existing investors. The oversubscribed Series D round added to more than \$30 million already raised since the company's founding.



ForeSee Results

A pioneer in customer experience analytics, ForeSee continuously measures satisfaction across customer touch points and delivers critical insights on where to prioritize improvements for maximum impact. ForeSee is a Software as a Service (SaaS) technology that connects the customer experience to the bottom line, resulting in better business decision-making for companies and a better experience for consumers.

Why Michigan?

Using a technology spun-out from the University of Michigan, ForeSee naturally made Ann Arbor its first home. It stayed in the city even as it grew its workforce to over 300 people because the area supplied employees with "a hard-working attitude, high integrity and loyalty," recalls founder Larry Freed. Despite pressures from outside stakeholders to relocate, Freed says the positive attributes of Michigan, the support of the local community and MEDC, and the company's continued success in Ann Arbor gave it compelling reasons to stay in Michigan.

2014 Highlights

Integrating the ForeSee solution with the SaaS platforms of acquirer Answers.com remained a major focus in 2014 for the company, as it continued on its growth trajectory.



ArborMetrix

"Michigan Venture Capital Association continues to demonstrate the important contributions its programs are making to stimulate economic growth. ArborMetrix has directly benefited from MVCA programs by leveraging their market experience and outreach, as well as vast networks of strategic partners, which have certainly accelerated our growth. Every state should have a similar advocate for investing in local companies that can contribute so much to the business environment."

— Brett Furst, CEO of ArborMetrix

Founded in 2011 by leading clinical and economic researchers, ArborMetrix provides a cloud-based platform for performance measurement and clinical intelligence in acute and specialty healthcare. Target markets include specialty societies focused on improving quality and "at-risk" entities (plans, health systems and ACOs) that want to identify variation in care while improving clinical value.

Why Michigan?

ArborMetrix has grown its team by tapping Michigan's best and brightest business minds, statisticians, software intelligence developers and engineers. The company has relied on the state's culture of embracing the entrepreneurial spirit and passion for taking ideas from the drawing board to the marketplace. "There's tremendous support and resources for new start-up companies in

Michigan, from the Governor's office to local business and economic development sources such as Ann Arbor SPARK," comments Brett Furst, CEO of ArborMetrix

2014 Highlights

ArborMetrix closed \$1.3 million in additional Series B funding (for a total raise of \$9.8 million) from Michigan investors Renaissance Venture Capital Fund and Detroit Innovate. It was honored with several industry awards, including Frost and Sullivan's "2014 Best Practices Award" and Healthcare Informatics' "Up and Comers Award".



Tetra Discovery Partners

Tetra Discovery Partners designs drugs to restore clarity of thought in patients suffering from Alzheimer's disease, schizophrenia or traumatic brain injury. Its novel, first-in-class therapy for improving learning and memory will enter human clinical trials in 2015.

Why Michigan?

According to Mark Gurney, PhD, Chairman & CEO of Tetra Discovery Partners, locating the company in West Michigan allows for easy access to high quality life science incubators, an educated work force, and access to financing appropriate for start-ups through a combination of

angel investors, MEDC funds and venture capital. Additionally, he says, "Michigan features a high quality of life, the people are friendly and housing is affordable."

2014 Highlights

Tetra raised \$2 million from private investors to leverage \$15 million in funding through the National Institutes of Health; current Michigan investors include Grand Angels, Muskegon Angels, Invest Michigan, SPARK, and Western Michigan University's Biosciences Research & Commercialization Center.





MVCA

MICHIGAN VENTURE CAPITAL ASSOCIATION

97%

Michigan VC firms invested in 97% of all Michigan startups that received any venture capital in 2014.

2014
2015

ANNUAL RESEARCH REPORT

48%

The number of venture firms with an office or headquarters in Michigan has increased by 48% in the last five years.

98%

The number of venture capital investment professionals living, working, and investing in Michigan has increased by 98% in the last five years.

70%

There are currently 129 venture-backed companies in Michigan, a 70% increase in the last five years.

KEY FACTS

37 Venture Funds, 2 Corporate VC firms, 2 fund of funds

129 Venture-Backed Companies active in MI in 2014

\$4.8B Total Capital under Management - \$1.7B Total Capital under Management for firms headquartered in Michigan

51 companies in Michigan received more than \$204 million in venture capital funding in 2014

9 Angel Groups in Michigan with 272 Active Angel investor Members

214 Angel-Backed Companies Active in Michigan in 2014

45%

In 2014, Michigan-based venture capital firms had \$1.7B in capital under management, an increase of 45% in the last 5 years.

89%

Fifty one companies in Michigan received more than \$204 million from Michigan venture capital firms in 2014. This is an 89% increase in the last five years.

45%

In 2014 there were 9 Angel Groups in Michigan with 272 Active Angel Investor Members, a 45% increase in membership in the last five years.

206%

There are currently 214 startup companies in Michigan that have received funding from a Michigan angel group, a 206% increase in the last five years.

MAP KEY

Venture-Backed Companies

Angel-Backed Companies

Both

LELAND
Michelle's Miracle, Inc.

GRAWN
Altus Brands, LLC

TRAVERSE CITY
CloudAccess.net
Salamander Technologies
Silikids
Tellurex Corporation

HARRIETTA
Harrieta Hills Trout Farm

CLARE
Advanced Battery Concepts

GRAND RAPIDS AREA
Blackbird RSVP
Blue Medora
Empirical Bioscience, LLC
Grand Rapids Aceptic Manufacturing
PrograMax
Pipp Mobile Storage Systems
Ranir
Respondwell
Sequenom Center for Molecular Medicine
Sportsman Tracker
Tetra Discovery Partners LLC
TransCorp Spine
Varsity News Network
Zipments Corp

SARANAC
Conceivex

HASLETT
Diplopia
Inventure
Enterprises, Inc.

FLINT AREA
Global Energy Innovations Inc

LEXINGTON
Huron Inc

PORT HURON
ParkingCarma, Inc.

SPRING LAKE
American Glass Mosaics

HOLLAND
AlSentis
Conpoto
Creative Byline, Inc.
Energetx Composites

KALAMAZOO
Ablative Solutions
Armune BioScience
Aursos, Inc.
Axonia Medical
Lynx Network Group, Inc.
Metabolic Solutions Development
Mophie
RealBio Technology Inc.
Tolera
Vestaron Corporation

WHITE PIGEON
Exo
Fiber By-Products

ALLEGAN
Advanced Architectural Products

LANSING
AFID Therapeutics, Inc.
IDV Solutions, LLC
nanoRETE
XG Sciences, Inc

EAST LANSING
Benefit
Biophotonic Solutions, Inc.
Gema Diagnostics
Supported Intelligence, LLC

BRIGHTON
Meditory

JACKSON
Great Lakes Caring

DEERFIELD
Limo-Reid, Inc.

ANN ARBOR AREA
3D Biomatrix, A2B Bikeshare LLC, Accio Energy, AdAdapted, Akadeum Life Sciences, AlertWatch, Inc., Amplifinity, Arbor Blue, LLC, Arbor Photonics, Inc., Arborlight, LLC, ArborMetrix, ArborWind, LLC, Atterocor, Inc., Avegant, Biotectix, LLC, Blaze Medical Devices, LLC, Covaron, Cribspot, Current Motor Company, CytoPherx, Deepfield Networks, Duo Security, Eloquence Communications, Epsilon Imaging, ERT Systems, LLC, Esperion, FarmLogs, Flock Tag LLC, FreeStride Therapeutics, Inc., HistoSonics, InfoReady Corporation, Janeeva, Larky, Inc., Life Technologies Corp., LLamasoft, Local Orbit, Lycera, Mandy & Pandy, Memloom, Molecular Imaging, Inc., MyFab5 Inc, NanoBio, Nanocerox, NeuMoDx Molecular, New Eagle Products, Inc., NextGen Metabolomics, Nutshell, Nymirum, Inc., OcuSciences, Inc, ONL Therapeutics, OptoAtmospherics, OWN POS, Phrixus Pharmaceuticals, Pinnocio, Pixel Velocity, Inc., Portal Architects, RetroSense Therapeutics, LLC, Reveal Design Automation, Inc., Root3, Sakti3, Seelio, Inc., SkySpecs Inc., STKR.it, Inc., Stratos, Inc., Swift Biosciences, Tangent Medical Technologies, Inc., TECAI Performance Systems, TurtleCell, Volution Capital, White Pine Systems, LLC, XanEdu Publishing, Inc.,

OAKLAND COUNTY
365 Retail Markets, Arbor Plastics Technologies, LLC, Ardent Cause, AutoBike, Inc., BoroPharm, Inc, Carbon Media, Career Now, Clicktivated Video, CMS Technologies, Coliant Corporation, CureLauncher, Emiliem, Estrakon, Excel Rehabilitation Services, Firebolt Group, Inc., First Sense Medical, gloStream, GSTV, iTrack, LLC, Law Enforcement Intelligent Devices, LLC, Lipari, Meditory, MyineElectronics, OwnThePlay, Oxus America, Inc, Peachworks, RazorThreat, Inc, Reach Influence, Relume, RevSpring, Sentio, LLC, TM3 Systems, Inc., VENTech, LLC SherTrack LLC, SirionLabs, Inc., Tome, Unitask, Weathershield, LLC

DETROIT AREA
Algal Scientific Corporation, American Mountain Co., Are You a Human Inc., BEET, LLC, BioSavita, Inc, BoostUp, Clean Emission Fluids, Inc, Delphinus Medical Technologies, DeNovo Sciences, Inc., Detroit Institute of Music Education, Detroit Materials, Eco-Fueling, Inc, ENT Biotech Solutions Inc., Fusion Coolant Systems, Inc., FutureNet Group, Inc., Ginkgotree, Grand Circus, Greenlancer Energy, IC Data Com, Intervention Insights, Inc., iRule, LevelEleven, Mitostem, Inc., NextCat Inc., ProNai Therapeutics, Quickly, Reach Influence, SocialProof, Spider9, Inc., Spirit Shop, Tissue Regeneration Systems, Unitask, UpTo

THE IMPORTANCE OF VENTURE

Washtenaw County Ann Arbor Area

With over half of all Michigan venture firms operating in the Ann Arbor area, this home of the University of Michigan is a hub of entrepreneurial and investment activity. The high concentration of early-stage capital in the Ann Arbor area has led to increased cooperation among venture firms to ensure startup companies are able to fill their funding rounds. Of the 44 venture-backed Ann Arbor area startups, those in Life Sciences and Information Technology received the bulk of venture capital investment in 2014.

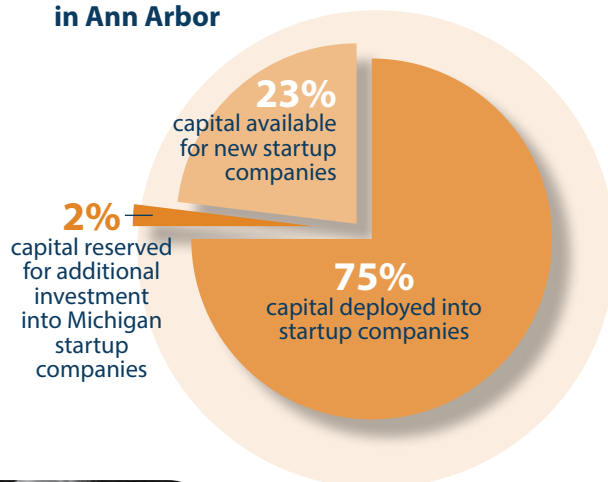
Venture Capital in the Ann Arbor Area

- There are currently **20 venture firms** with headquarters or offices located in Ann Arbor, which represents 54% of all firms with offices in Michigan
- Just 23% of venture capital managed in Ann Arbor is available for new investment

24%
of the venture professionals located in Ann Arbor are minorities.

16%
of the venture professionals located in Ann Arbor are women.

Venture Capital in Ann Arbor



Startups in the Ann Arbor Area

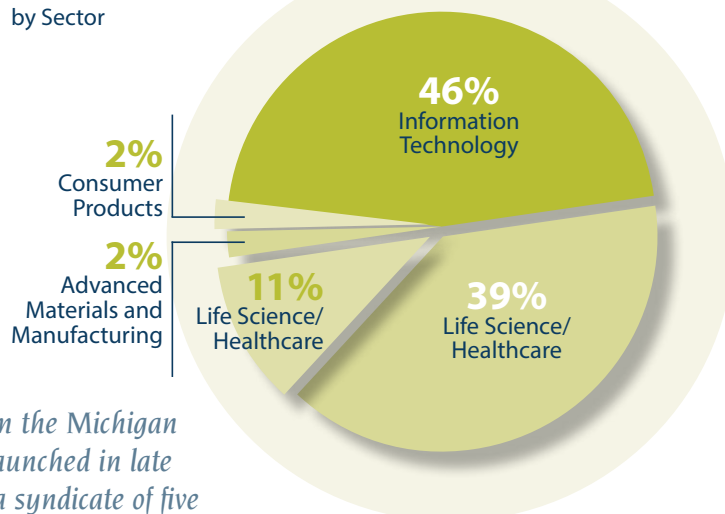
- There are currently **44 growing Ann Arbor companies** that have received more than **\$590M** in venture capital funding
- While Michigan venture funds invest in a wide variety of sectors, the Information Technology and Life Science sectors have been the main focus of capital deployment in the Ann Arbor area. Currently, 39% of the companies that received VC funding in the region were life science companies and 46% of the companies were Information Technology companies.

11%
have a CEO who is a minority

18%
have a CEO who is a woman

Venture Capital Investment in Ann Arbor Companies in Business Today

by Sector



"HistoSonics would not be where it is today without the strong support from the Michigan venture community. HistoSonics was launched in late 2009 with the infusion of capital from a syndicate of five venture funds; four of those funds have ties to Michigan and all share the vision we have in our technology's potential to positively impact patient care. A startup goes through many peaks and valleys in its early years. Our investors have been there with us, shoulder-to-shoulder, as we addressed challenges head-on, cleared technology hurdles and built a strong foundation in this platform technology and clinical device for non-invasive therapy."

– Chris Gibbons, CEO, HistoSonics

Startups in the Ann Arbor Area in 2014

- In 2014, **19 growing Ann Arbor companies** received more than **\$72M** in venture capital funding
- In 2014, in Ann Arbor, **100%** of all venture backed companies that received investment in 2014 received support from at least one Michigan venture firm.

5% have a CEO who is a woman

0% have a CEO who is a minority

37% of these venture-backed startups received support from more than one Michigan venture capital firm which is an indication that the Ann Arbor area has a very collaborative entrepreneurial ecosystem.

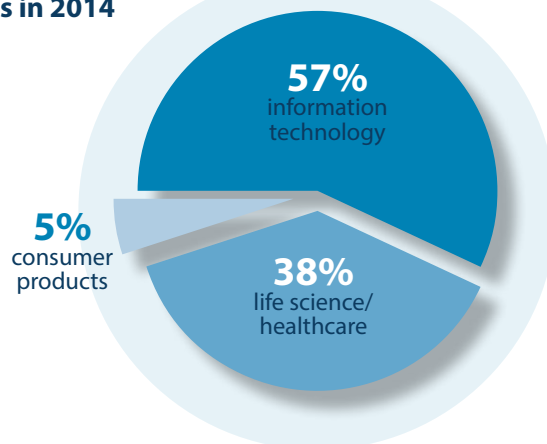


Venture capital firms typically invest in geographic areas they can easily travel to or in areas they have strong co-investors. Michigan venture capital firms have a strong reputation nationally and frequently utilize these national ties to attract more money for a Michigan startup.

- While Michigan venture funds invest in a wide variety of sectors, the Life Science and Information Technology sectors continued to be the main focus of capital deployment in the Ann Arbor area in 2014. 38% of the companies that received VC funding in this region in 2014 were life science companies. 57% of companies that received VC funding in the Ann Arbor area in 2014 were Information Technology companies.

Venture Capital Investment in Ann Arbor Area Startups in 2014

by Sector

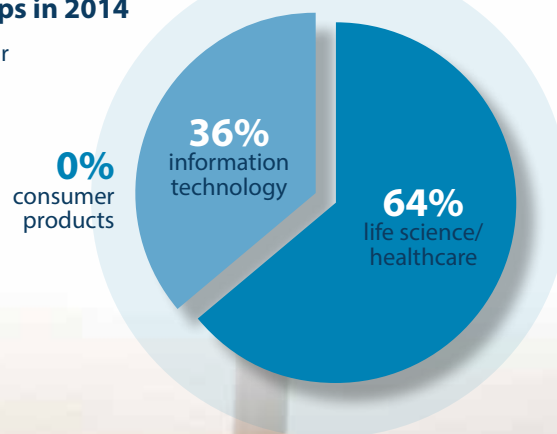


Life Science companies typically tend to require more capital to grow their businesses than other sectors.



Total Amount Invested in Ann Arbor Area Startups in 2014

by Sector



THE IMPORTANCE OF VENTURE

Wayne County Detroit Area

The Detroit area is quickly becoming a new center of venture capital activity in Michigan. More remarkable than the number of new venture investments in Detroit is the rate at which those new investments are being made: the amount of new venture investments made in Detroit startups doubled in the last five years.

Venture Capital in the Detroit Area

- Over **15 venture capital firms** in Michigan have invested in startups in Wayne County
- There are currently **5 venture firms** with headquarters or offices located in Detroit, which represents **14%** of all firms with offices in Michigan
- Just **31%** of venture capital managed in Detroit is available for new investment

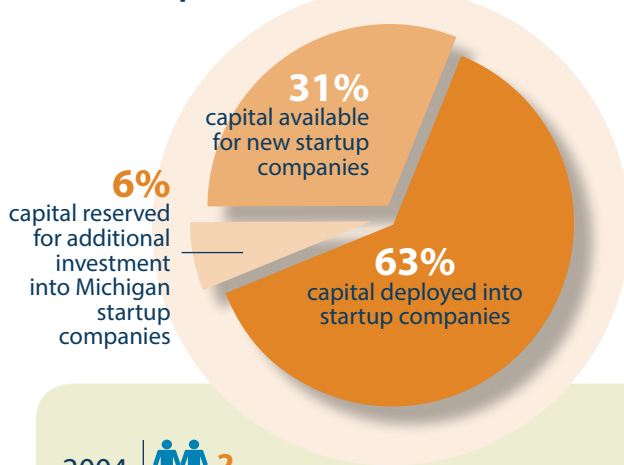


Startups in the Detroit Area

- There are currently **24 venture-backed startups** in the Detroit area who have collectively received more than **\$186M** in venture capital funding
- While Michigan venture funds invest in a wide variety of sectors, the Information Technology sector has historically been the main focus of capital deployment in the Detroit area. Currently, **54%** of the startup companies that have received venture capital funding in the region were information technology companies.

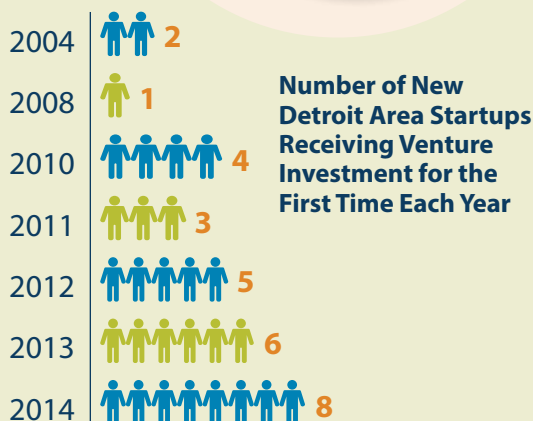
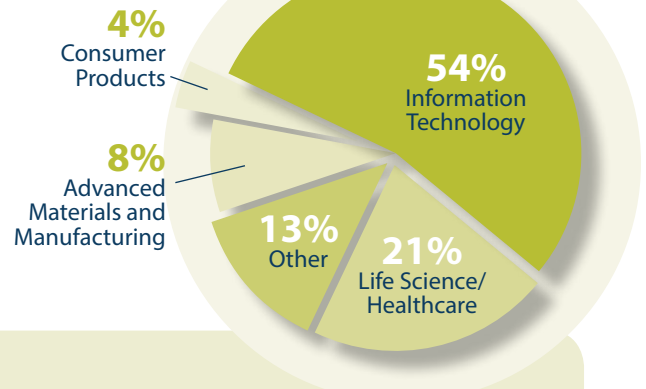


Venture Capital in the Detroit Area



Venture Capital Investment in Detroit Area Startups in Business Today

by Sector



Detroit is quickly becoming a new center of entrepreneurial and venture capital activity in Michigan.

The number of Detroit-based companies receiving venture capital investment for the **first time** has increased 100% in the last five years.

The diversity of startups receiving venture capital investment in Detroit is even more striking, as the eight new investments in Detroit are spread among companies in five different industries.

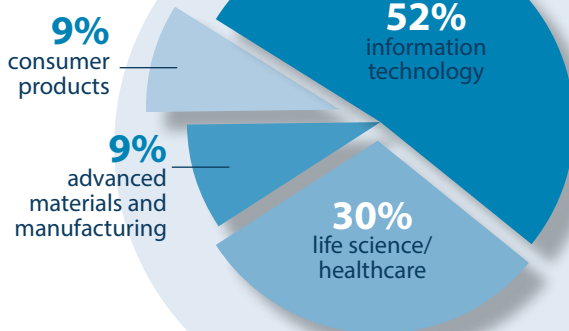
2014 Activity in the Detroit Area

- In 2014, **12 growing Detroit area companies** received more than **\$88M** in venture capital funding
 - In 2014, in Detroit, **100%** of all venture backed companies that received investment in 2014 received support from at least one Michigan venture firm.
- 33% of these venture-backed startups received support from more than one Michigan venture capital firm which is an indication that the Detroit Area has a very collaborative entrepreneurial ecosystem.**
- While Michigan venture funds invest in a wide variety of sectors, Information Technology is the main focus of capital deployment in the Detroit area in 2014. 52% of startups that received venture capital funding in the Detroit area in 2014 were information technology companies.



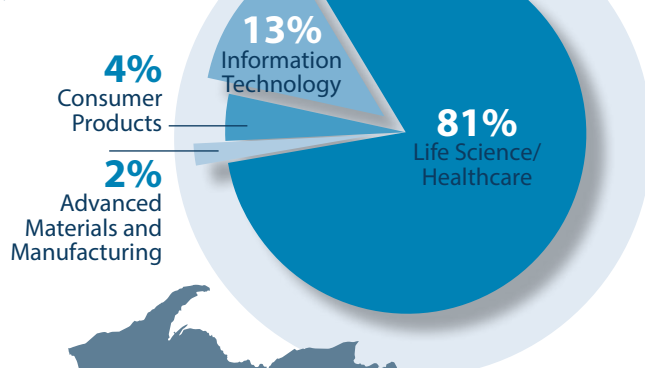
Venture Capital Investment in Detroit Area Startups in 2014

by Sector



Total Amount Invested in Detroit Area Startups in 2014

by Sector



"Detroit has seen explosive growth in the last few years

with entrepreneurs setting up shop in downtown Detroit's thriving technology hub. Detroit Venture Partners is thrilled to be a part of that growth, by investing in many of the early stage startups who are part of Detroit's new innovation economy."

– Gabe Karp, Partner, Detroit Venture Partners



THE IMPORTANCE OF VENTURE

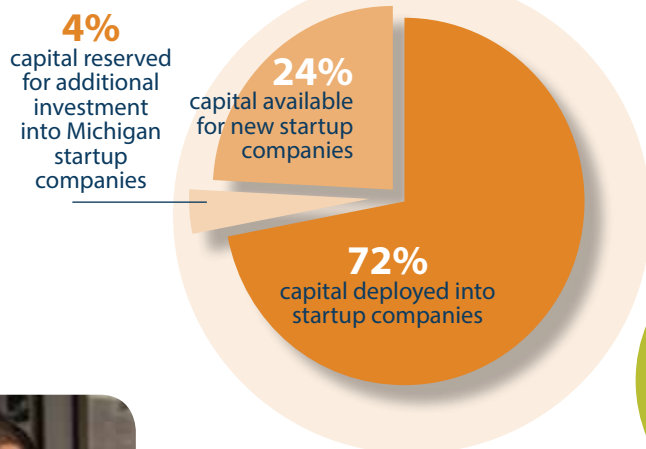
Oakland County

Oakland County is home to some of Michigan's longest-tenured venture professionals, whose deep experience in venture capital helped form and support Michigan's entrepreneurial community over several decades. Entrepreneurial companies and their founders like Oakland County's proximity to a large potential customer base and its central location in SE Michigan's economic power region.

Venture Capital in Oakland County

- There are currently 3 venture firms with headquarters or offices located in Oakland County. Historically, **7 Michigan venture firms** have invested in Oakland County startups – many of these firms have a strong track record of investing in Oakland County dating back to the 1990s when there was much less venture capital available in Michigan. With 37 venture firms located in Michigan and dedicated to investing in great Michigan companies, there is opportunity for increased investment in Oakland County.
- Of the 7 Michigan-based venture firms that have a strong track record of investing in Oakland County, 72% of their capital has already been deployed, leaving only 24% to be invested in new startups. **This highlights the importance of continued fundraising by these firms in order to keep up with the demand by new and existing startups for venture capital investment.**

Venture Capital in Oakland County



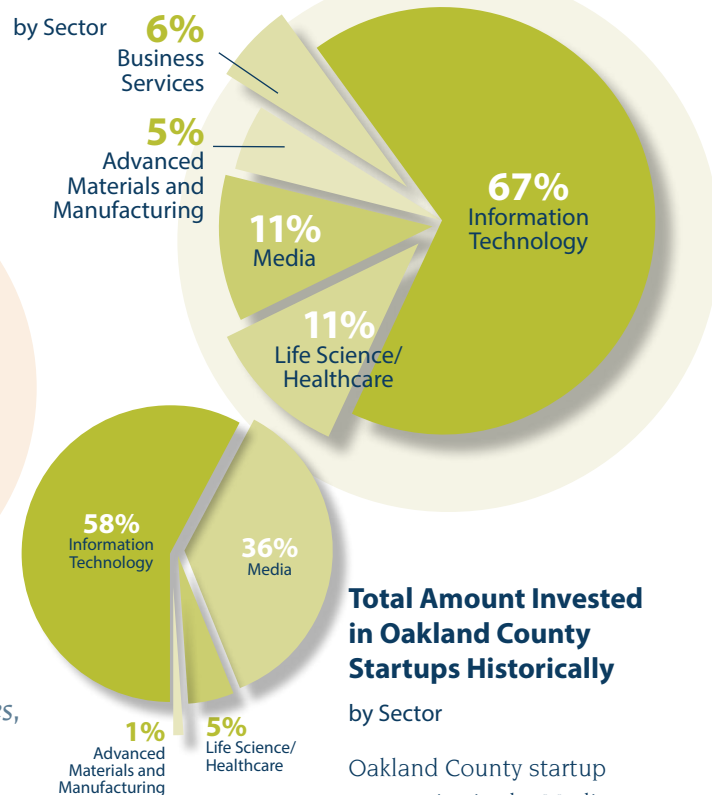
"Attracting the best STEM talent to our region requires the best companies, the coolest projects, and dependable support from local government. Oakland County has been a great partner and advocate for tech in the region for our previous company, Livio (acquired by Ford), and our new business Tome Software."

– Jake Sigal, CEO, Tome Software

Startups in Oakland County

- There are currently **18 venture-backed startups** in Oakland County, half of which have received an investment from a Michigan venture capital firm within the last two years. This spike in activity is a reflection of the momentum building in the venture community and playing out in Oakland County.
- Historically, venture capital investment in Oakland County has been in three main sectors: Information Technology, Life Science, and Media. Currently, 67% of the companies that have received venture capital funding in the region were Information Technology startups.

Venture Capital Investment in Oakland County Startups in Business Today



Total Amount Invested in Oakland County Startups Historically

by Sector

Oakland County startup companies in the Media and Information Technology sectors secured 94% of venture capital dollars invested in the region.

2014 Activity in Oakland County

- In 2014, 6 growing Oakland County companies received more than \$19M in venture capital funding
- In 2014, in Oakland County, 83% of all venture backed companies that received investment in 2014 received support from a Michigan venture firm.



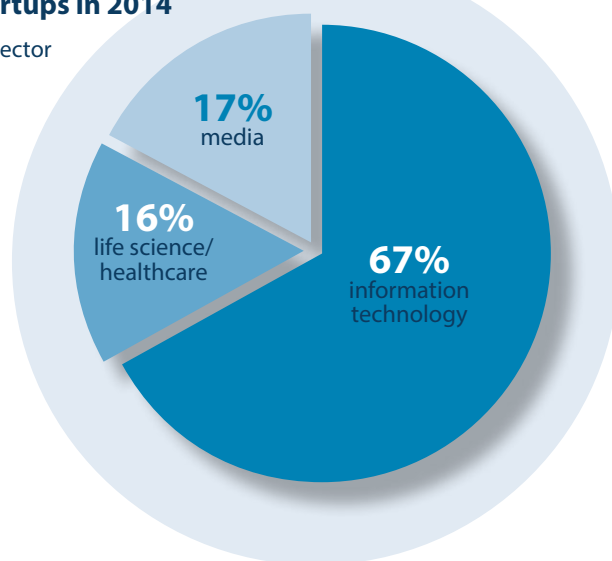
None of these venture-backed startups received support from more than one Michigan venture capital firm, pointing to the opportunity for increased networking and collaboration within the county.



- Information Technology was the main focus of investment in Oakland County in 2014. 67% of startups that received venture capital funding in Oakland County in 2014 were information technology companies.

Venture Capital Investment in Oakland County Startups in 2014

by Sector



"In choosing to locate IncWell in Oakland County, we have placed ourselves in the midst of an arsenal of resources that have helped us invest in 27 companies since launching our first fund in 2013."

Oakland County is also an ideal place for startups.

We are a stone's throw away from the top automotive, manufacturing, and technology companies and their vast research and development facilities. The state of Michigan is also home to some of the finest universities in the country and provides an excellent technology home base for startups. We are able to utilize these connections to help the startup companies in our portfolio. "

– Tom LaSorda, Founder & Managing Partner, IncWell



THE IMPORTANCE OF VENTURE

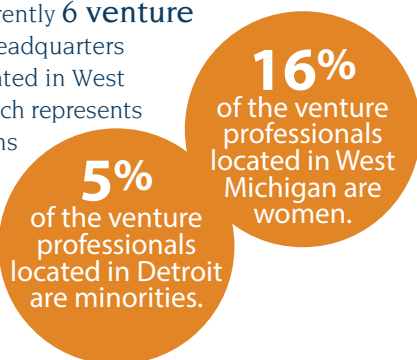
West Michigan

Grand Rapids, Kalamazoo, and surrounding areas

West Michigan's active angel investors, two large universities (Grand Valley State University and Western Michigan University), and an entrepreneurial community with a strong dedication to West Michigan are large contributors to the diverse investment activity in the region. In addition, six venture firms are headquartered or have offices in West Michigan, with the highest concentration of activity in Grand Rapids and Kalamazoo.

Venture Capital in West Michigan

- There are currently **6 venture firms** with headquarters or offices located in West Michigan, which represents 16% of all firms with offices in Michigan.
- Only 3% of venture capital managed in West Michigan is available for new investment, reflecting the need for additional fundraising by Michigan venture firms to help West Michigan's growing companies.

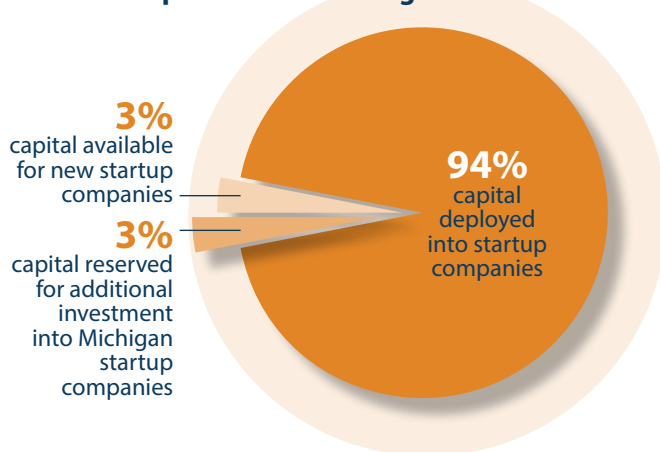


Startups in West Michigan

- There are currently **24 venture-backed startups** in West Michigan who have collectively received more than **\$185M** in venture capital funding.
- Venture capital investment is particularly diverse in West Michigan, with a large variety of sectors receiving investment by Michigan venture capital firms. The Information Technology and Life Science sectors have historically been the main focus of capital deployment in West Michigan; currently, 42% of the startup companies that have received venture capital funding in the region were information technology companies and 34% were life science companies.

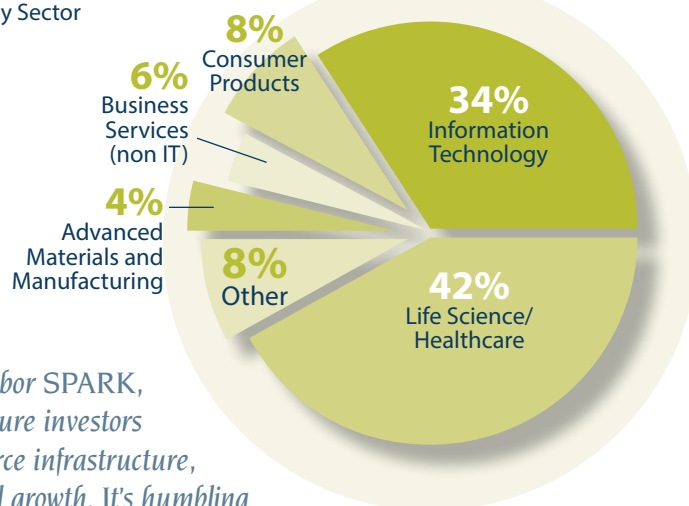


Venture Capital in West Michigan



Venture Capital Investment in West Michigan Startups in Business Today

by Sector



"Organizations like StartGarden, Ann Arbor SPARK, and Michigan's network of angel and venture investors have created an increasingly robust resource infrastructure, which has been critical to VNN's continued growth. It's humbling to be a part of the amazing growth of this community."

– Ryan Vaughn, CEO, Varsity News Network

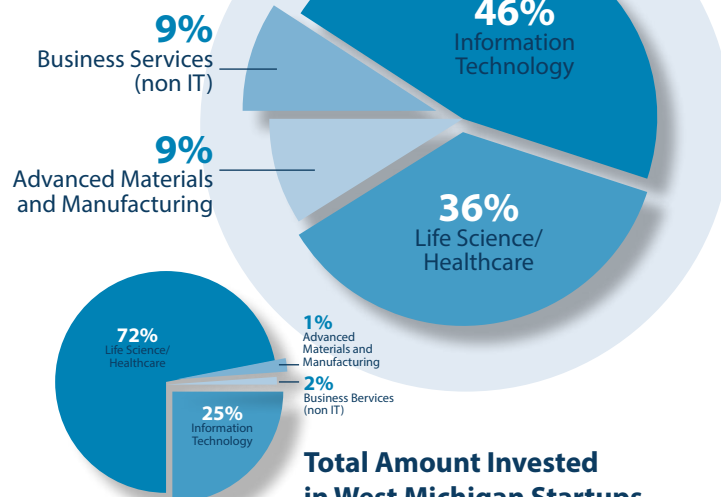
2014 Activity in West Michigan

- In 2014, 12 growing West Michigan companies received more than \$29M in venture capital funding
 - In 2014, in West Michigan, 92% of all venture backed companies that received investment in 2014 received support from at least one Michigan venture firm.
- 25% of these venture-backed startups received support from more than one Michigan venture capital firm.**



Venture Capital Investment in West Michigan Startups in 2014

by Sector



Total Amount Invested in West Michigan Startups in 2014

by Sector

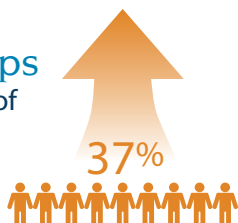


Angel Groups in Michigan

There are currently **210 startup companies in Michigan** that have received funding from a Michigan angel group, a 200% increase in the last five years.



In 2014, the **nine angel groups in Michigan** were comprised of **257 investors**, a 37% increase in angel participation in the last five years.



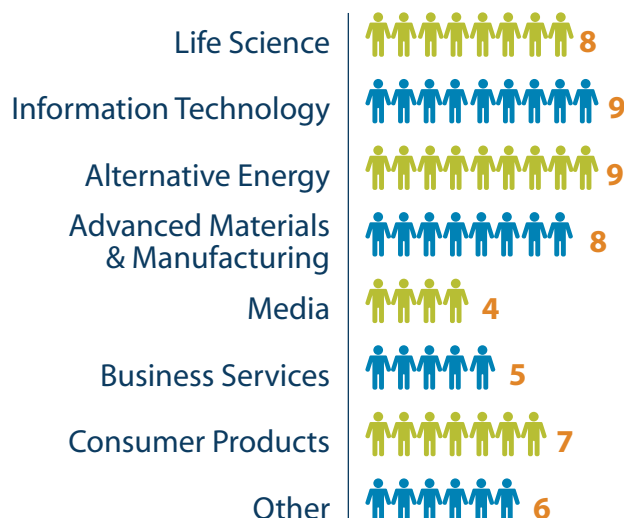
Angel investors in Michigan support companies in a wide variety of sectors. Having a rich pipeline of angel-backed startups across many sectors creates diverse opportunities for later-stage investment by Michigan venture firms.

In 2014, **18%** of the startups who received angel investment in Michigan were women.

In 2014, **6%** of the startups who received angel investment in Michigan were minorities.

INDUSTRY SECTORS OF INTEREST

Information Technology and Alternative Energy are sectors of focus for all nine angel groups in Michigan, followed by Life Science and Advanced Materials and Manufacturing.



Who are angel investors?

Angel investors are high net worth individuals who invest in startups. Since angel investors are very often individuals that have held executive positions at large corporations or former founders of a successful business, they can provide valuable advice and introductions to the entrepreneur, in addition to funding.

What is an angel group?

An angel group (or network) is an organization of multiple angels who pool capital available to invest in startups and share information on new investment opportunities. Angel groups typically meet monthly in order to view fundraising pitches made by startups.

How much do angel groups invest in startups?

A typical angel group investment into a single company ranges between \$25,000 and \$3 million.



ANN ARBOR ANGELS

Ann Arbor Angels was founded in 2004 and has evolved into a member-driven angel investment organization, comprised of former CEOs and founders as well as business and investment leaders in the Ann Arbor community. We invest in young companies with breakthrough products or services. In addition to providing capital, we share our expertise, provide mentoring, and facilitate connections to the broader marketplace.

www.annarborangels.org

BELLE MICHIGAN

Our mission is to provide superior returns for our investors while serving the early stage capital needs of women-led companies. The companies we invest in will have access not only to our capital but to a network of limited partners, who bring years of experience as entrepreneurs, professionals, and corporate executives to support the success of our portfolio companies.

www.michbelles.com

BELLE Michigan
focuses on investing
in women owned
businesses in
Michigan!

BLUEWATER ANGELS INVESTMENT NETWORK

The BlueWater Angels Investment Network is a private for-profit organization established to provide members a significant return on equity investments. While providing risk capital to promising businesses, we recognize the value of supporting and nurturing the entrepreneurial community for the economic benefit of our region and the State of Michigan.

www.bluewaterangels.com

Featured Angel-Backed Companies in Michigan



Reveal Design Automation develops software solutions to guarantee that the complex, low-power semiconductor systems critical to consumer products, storage, networking, automotive, medical, security, and space applications are functionally correct and bug-free.

2014 Highlights

Reveal Design Automation leveraged seed grant and angel investments to take its flagship product to the market in 2014. That initial product launch was successful, which will allow sales revenues to drive company growth for the next 18 months.



Light years beyond the online banner ads of yesteryear, AdAdapted's platform brings ease and scale to integrated advertising and branded experiences in mobile applications. From headquarters in Ann Arbor, the company connects brand advertisers to consumers in the apps that simplify their lives, including their favorite grocery lists, organizers and shopping environments.

2014 Highlights

AdAdapted raised \$725,000 in a Seed Round, with Michigan investors that include BELLE Michigan and StartGarden, and started working through agencies with major national brands like Campbell's, Bank of America, and Jimmy Dean.



RetroSense Therapeutics is developing gene therapies to restore vision to people whose blindness was caused by retinal degeneration.

2014 Highlights

The company closed a \$7 million Series A financing round and secured key intellectual property from Wayne State University and Massachusetts General Hospital. It was selected as a "Top Project to Watch" by Therapeutic Area Partnerships and received Orphan Drug designation from USFDA.



Angel Groups in Michigan, continued

CAPITAL COMMUNITY ANGELS

Capital Community Angel Investors is a nonprofit organization that seeks to introduce qualified entrepreneurs to its member investors. The group looks for Michigan-based “disruptive” early stage investments that offer sustainable competitive advantage.

www.ccangels.org

GRAND ANGELS

Grand Angels will make investments that will have a positive effect on our region through business growth, job creation, and the retention of local talent. Through mentoring, strategic advice, expanding networks, and connections to customers, management and venture capital, Grand Angels investments fuel the entrepreneurial economy of innovative companies throughout Michigan.

www.grandangels.org

GREAT LAKES ANGELS

Great Lakes Angels focuses on providing funding to capital-efficient early-stage companies located in Midwest. We are open to pre-revenue companies that are close to revenue and can demonstrate strong potential customer interest.

www.glangels.org

Angel-Backed Companies in Michigan



ONL Therapeutics (ONL) is a biopharmaceutical company committed to protecting and improving the vision of patients with a range of retinal diseases and conditions. Its breakthrough technology is designed to protect photoreceptors against programmed cell death, the root cause of vision loss and the leading cause of blindness.

2014 Highlights

ONL closed a \$1 million Seed Stage funding round, including support from Capital Community Angels, and received \$1.5 million in grant funding from National Eye Institute with Michigan ETF matching funds. The company appointed several new executives and was invited to present at the Ophthalmology Innovation Summit @ AAO, an event for ophthalmic investors, entrepreneurs, physicians and pharma leadership.



Tetra Discovery Partners designs drugs to restore clarity of thought in patients suffering from Alzheimer's disease, schizophrenia or traumatic brain injury. Its novel, first-in-class therapy for improving learning and memory will enter human clinical trials in 2015.

2014 Highlights

Tetra raised \$2 million from private investors to leverage \$15 million in funding through the National Institutes of Health; current Michigan investors include Grand Angels, Muskegon Angels, Invest Michigan, SPARK, and Western Michigan University's Biosciences Research & Commercialization Center.



Blaze Medical Devices develops technology for analyzing damage to red blood cells from medical devices/drugs, storage, or disease. Blaze hopes to offer initial versions of its testing systems as a much-awaited tool in many areas of industrial R&D and product design as well as basic science and clinical research.

2014 Highlights

Blaze Medical Devices received a NIH/NHLBI SBIR Phase 1 grant and secured international patents and trademarks. The company is backed by angel investors and the Michigan Pre-Seed Fund.

MICHIGAN ANGEL FUND

Michigan Angel Fund focuses on providing funding to capital-efficient early-stage companies located in Michigan. We work closely with other stakeholders in the Michigan entrepreneurial ecosystem to ensure that we invest in the most promising companies and to ensure the future success of these companies and our investments.

www.miangelfund.com

MUSKEGON ANGELS

The Muskegon Angels is a member-led organization committed to finding, funding, and mentoring great young companies from pitch through a successful exit. Our priority is job creation, with a particular emphasis on Muskegon-area development.

www.muskegonangels.com

NORTHERN MICHIGAN ANGELS

Northern Michigan Angels is a premier network of successful entrepreneurs and business leaders in Northern Michigan who provide accredited investment capital, strategic advice, and mentoring to early-stage companies. The mission of the network is to help grow the economic base of the region and to provide members an outstanding financial return on their time and invested capital.

www.northernmichiganangels.com



ECO Fueling provides a fuel injection system for diesel engines that improves engine efficiency and emissions. The system increases engine torque and horsepower through proprietary controls algorithms.

2014 Highlights

After raising most of a \$1 million seed round in 2014, the company is now pursuing new investors to close the round. Its successful customer pilot program is yielding double-digit fuel economy gains, and a due diligence report on its intellectual property estate resulted in the submission of new inventive claims.



Combining Italian artistry, craftsmanship and design with disciplined Midwestern manufacturing methods, American Glass Mosaics operates the only full scale formed glass mosaics factory in the United States. Its formed mosaics are made with 100% recycled glass and are manufactured exclusively in West Michigan.

2014 Highlights

American Glass Mosaics, backed by the Muskegon Angels, began operations in 2014, creating over 700 colors and styles of mosaics along with its first two collections. Additionally, more than 25 distributors, covering a majority of major U.S. metropolitan areas plus Great Britain and Canada, carry or will carry the company's product line.



Taking plastic utensils off the table and replacing them with a stylish, affordable silicone alternative is the aim of Silikids, founded by two mothers in search of non-toxic, hypoallergenic tableware products for kids.

2014 Highlights

Silikids, a winner of several "green" product awards, debuted its patented Siliskin, a shock absorbing silicone sleeve used to cover various glassware and ceramic. The company closed a \$400,000 funding round and expanded its international and national distribution.



Entrepreneurial Activity Humming Across Michigan's Universities

A rich startup culture is now firmly engrained in Michigan, and it hasn't taken long for that spirit of innovation and risk-taking to permeate out to Michigan's universities, where entrepreneurship is more than a class. Fueled by hackathon weekends, inter-department entrepreneurial programs and student incubators, Michigan college students can now launch a business or test the waters of a career in venture investing from within the supportive confines of the academic setting, without sacrificing their entrepreneurial ambitions for a college degree.

We asked students from five Michigan universities to describe, in their own words, how the entrepreneurial environment at their university has impacted their studies, personal expectations, and future career aspirations. These students' experiences, and those of hundreds more Michigan students like them, provide a hopeful glimpse into the promising future of entrepreneurial and venture activity in Michigan:

KATHRYN CHRISTOPHER, GRAND VALLEY STATE UNIVERSITY

Before coming to Grand Valley, I had a hard time visualizing my career path. I knew that I was creative and good at science and math, but I wasn't sure how I might practically apply those skills and interests in the work world. Grand Valley allowed me to explore innovation and product development through classes in the College of Engineering, and my internal drive helped me to continue working on these projects even after my classes were complete.

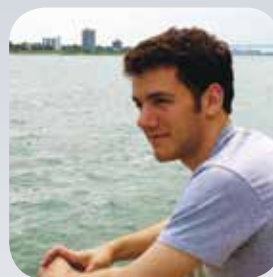
Through this work, I was connected to the The Richard M. and Helen DeVos Center for Entrepreneurship and Innovation (CEI) in the Seidman College of Business, a champion and catalyst for student-entrepreneurs which provides us with guidance, resources, funding, and, most importantly, a support system. The benefits I received from my experiences at CEI not only increased my self-confidence but they also increased the expectations I had for myself. I knew that with the knowledge, resources, and entrepreneurial support system at GVSU, I could do anything.

I now know exactly what my ideal job is and how to accomplish my dream of getting there. I have no doubt that using the education, resources, and encouragement I received through the entrepreneurial ecosystem at GVSU, I will be able to successfully develop my own business. Grand Valley has truly started an innovative spark in Grand Rapids, and I could not be more thankful to be a part of it.



DAVID KIRCOS, MICHIGAN STATE UNIVERSITY

I started my entrepreneurial journey during my junior year at Michigan State University, when I attended an event called Startup Weekend, a transformative 54-hour whirlwind where entrepreneurs and aspiring entrepreneurs can find out if startup ideas are viable. There, I saw my first business pitches, learned about venture capital, and hacked together a working product in one short weekend. I didn't know it at the time, but this event was a tipping point for me and I would never look at a job the same way again.



I became fascinated by startups, obsessed with learning what made them work. The next summer I became an intern at Detroit Venture Partners, an early-stage venture firm that focuses on technology startups. Looking through the eyes of a venture capitalist made me view

startups in a new light and gain a new appreciation for the amount of effort involved in building a new business. The most valuable part of the internship was being able to take my questions to real VCs. This fed my appetite for business knowledge much faster than reading blogs or books, and for the first time I knew what I wanted to do after I graduated.

Two years ago I thought finding a job at a place like Google or Wolfram Research was what I wanted. Now I know I will start my own company within four years of graduation. Innovative businesses and their founders are driving the biggest changes in Michigan's economy and venture capital is bringing many of those companies to life. I can't wait to join their ranks.

MICHIGAN STATE
UNIVERSITY



JAMARR HILL, WAYNE STATE UNIVERSITY

Before attending WSU, I assumed entrepreneurship was for college graduates or the eccentric. Despite growing up with self-employed parents who showed me the value of working for yourself, it just didn't register at the time that I had the acumen to be an entrepreneur. After leaving the military, I decided to attend WSU and found Blackstone Launchpad (BLP), which offers career guidance, resources, and advice to entrepreneurs, innovators, and inventors at Wayne State University.

At BLP I was introduced to the ideas of synergy, leverage and execution. This changed my mentality about what being an entrepreneur entailed and I decided to start my own journey in self-employment. My startup, Transwer, is a mobile application aimed at helping Detroit residents who depend on public transportation. My app helps people connect to opportunities and get to their destination, not unlike how BLP and Wayne State has helped me realize my entrepreneurial dreams.

TROY PRILL, CENTRAL MICHIGAN UNIVERSITY

I wandered into the Central Michigan University entrepreneurship department as a freshman looking for someone to talk to about business ideas. Four years later, I am graduating with a degree in finance and successfully run two startups, thanks to the support and guidance of the faculty, students and alumni of CMU.

Central Michigan University has encouraged me to look at life through a disruptor's perspective, and to follow my passions through to business launch by using tools learned in accounting and management courses, among others. Every interview I have focuses on my startup businesses and the opportunities that Central Michigan has given me, including my experience in programs like the New Venture Competition (where CMU students from any discipline can create a business, learn from experts, and earn capital).

I have found my drive and my passion: launching and running a startup company. At the end of my time here, I am able to look back and realize how much I have truly grown since the start of my career as a Chippewa and an entrepreneur.



MATT ROSS, UNIVERSITY OF MICHIGAN

At my pre-school graduation, when asked what I wanted to be when I grew up, I exclaimed "A chemist! Or a Ninja Turtle." Dreams of becoming a giant turtle fell by the wayside, but I did stay interested in engineering and creating new things.

The first organization I joined at U-M was the Zell Lurie Commercialization Fund, a pre-seed investment fund established to identify and accelerate the commercialization of ideas generated within the University community and the surrounding area. As a seed investor on the

technology team, I was given the opportunity to contact the founder of a business completing its Series A funding round. I asked him tough questions on behalf of our Fund, ranging from why they have not made traction with certain strategic partners to why their cost-per-click rates were what they were. I got the rare chance to try on the shoes of a venture capitalist and saw I could walk in them. I pivoted my career search and am now trying to break into the VC world.

During U of M's annual Design + Business and West Coast Forum trip I was able to tour Google Ventures and conduct informational interviews with three venture firms. Among them was a startup technology company bridging the gap between private equity and public investing, a firm that has become a target in my post-graduation job search. Without my experience at Ross School of Business at U-M, I never would have had the courage to go down this path. While I may not be on track to be a Ninja Turtle, this Wolverine is definitely on his way to being part of the innovation economy when he "grows up."



Michigan

as Part of the
National Landscape



Michigan's Growing Presence in the National Landscape

Since 2010, Michigan has positioned itself as a state of innovation that has created an attractive environment for entrepreneurs. Relative to the national landscape, from 2010 – 2015, the Michigan venture capital community has demonstrated strong growth, while the national VC landscape has slowed or contracted over the same time period.

NATIONAL VENTURE CAPITAL STATISTICS

	2010	2011	2012	2013	2014
Number of VC Firms in Existence	853	881	883	874	803
Number of Investment Professionals	6,328	6,231	5,887	5,891	5,680
Total Capital Under Management (\$B)	\$185	\$199	\$200	\$193	\$157
Average Venture Capital Under Management per Firm (\$M)	\$216.5	\$226.2	\$226.7	\$220.7	\$194.9
Average Venture Capital Fund Size (\$M)	\$144.5	\$149.3	\$150.1	\$144.9	\$129.8

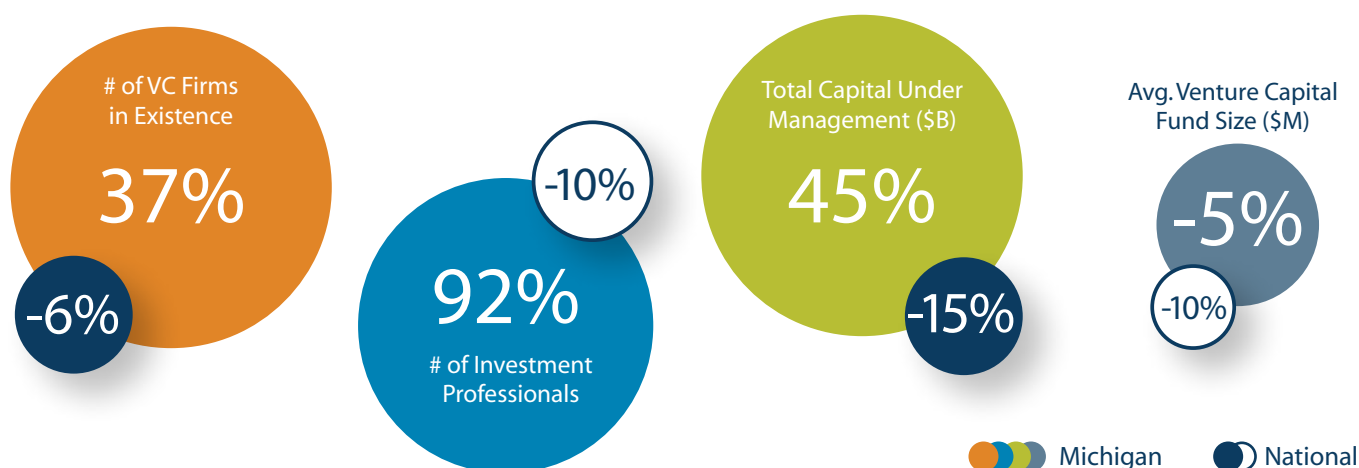
Source: National Venture Capital Association

MICHIGAN VENTURE CAPITAL STATISTICS*

	2010	2011	2012	2013	2014
Number of VC Firms in Existence	19	20	20	23	26
Number of Investment Professionals	53	60	60	81	102
Total Capital Under Management (\$B)	\$1.2	\$1.5	\$1.5	\$1.6	\$1.7
Average Venture Capital Under Management per Firm (\$M)	\$74	\$75	\$75	\$72	\$67
Average Venture Capital Fund Size (\$M)	\$40	\$41	\$43	\$42	\$38

Source: Michigan Venture Capital Association, *This data represents venture firms headquartered in Michigan

FIVE YEAR TRENDS



The Michigan Opportunity

Venture capital activity in Michigan has grown tremendously in the last decade. In 2014, \$219 million in venture capital was invested in Michigan startups, a 97% increase in capital invested compared to the previous year.

Nationally Michigan ranks 21st in venture capital invested and MVCA believes there is additional investment opportunity based on three key indicators: research spending, number of PhDs in science and engineering, and the number of invention patents issued.

STATE	VC Invested
CA	\$27,151,513,000
MA	\$4,678,599,700
NY	\$4,263,917,000
TX	\$1,506,448,000
WA	\$1,246,773,300
IL	\$1,069,269,700
FL	\$862,460,900
UT	\$800,996,600
CO	\$793,054,800
PA	\$774,665,400
CT	\$521,384,800
GA	\$495,851,800
VA	\$475,986,300
MN	\$368,434,800
MD	\$363,462,400
NC	\$341,541,500
NJ	\$320,431,700
OH	\$268,686,800
AZ	\$257,026,000
DC	\$242,247,100
MI	\$218,983,000

Source for this graph: PricewaterhouseCoopers/National Venture Capital Association
MoneyTree™ Report, Data:
Thomson Reuters Investments by State 2014

Research

Michigan has the highest research spending-to-venture capital investment ratio in the nation.

For every \$1 invested in venture capital in the state, \$149 is invested in research in Michigan. The resulting discoveries and technology can be commercialized to a much greater extent than is happening now, creating a fertile ground for venture capital investment activity.

STATE	Investment in Research for every dollar of Venture Capital invested
MI	\$ 149
MD	\$ 117
NJ	\$ 111
OH	\$ 85
NC	\$ 57
AZ	\$ 56
VA	\$ 53
MN	\$ 42
PA	\$ 39
CT	\$ 35
IL	\$ 31
DC	\$ 31
WA	\$ 30
TX	\$ 30
GA	\$ 25
FL	\$ 21
CO	\$ 20
UT	\$ 10
NY	\$ 9
MA	\$ 9
CA	\$ 7

Source for this graph: National Science Foundation/National Center for Science and Engineering Statistics.

Talent

Michigan has the 7th highest number of PhDs in science and engineering. For every 100,000 Michigan residents, 13 have PhDs. Not only are these PhDs more likely to launch a startup company to commercialize their research, this high proportion of PhDs mean Michigan startups have abundant access to a talent pool that can advise and advance the company's product or service offering.

STATE	# of PhDs for every 100,000 people
DC	56
MA	30
NY	26
MD	15
CT	14
PA	13
MI	13
UT	13
IL	13
MN	12
CA	12
VA	12
CO	12
NC	11
OH	10
TX	10
GA	9
AZ	9
WA	8
NJ	8
FL	7

Source for this graph: National Science Foundation/National Center for Science and Engineering Statistics And U.S. Department of Commerce, Bureau of the Census. Population Division

Ideas

Michigan ranks 6th nationally in the number of invention patents issued (aka utility patents), making it one of the most idea-rich states in the nation. Many of these innovations have commercial applications that lead to new business creation, fueling an increase in need for early-stage capital. That demand now greatly surpasses the amount of venture capital available in Michigan.

STATE	# of Utility Patents (ie. Patents for Invention)
CA	36,193
TX	9,222
NY	8,489
MA	6,409
WA	5,878
MI	5,119
NJ	4,717
IL	4,644
MN	4,292
PA	3,961
FL	3,953
OH	3,689
NC	3,143
CO	2,793
GA	2,505
AZ	2,225
CT	2,168
VA	1,886
MD	1,748
UT	1,228
DC	133

Source for this graph: National Science Foundation/National Center for Science and Engineering Statistics And U.S. Department of Commerce, Bureau of the Census. Population Division

MVCA Staff

MAUREEN MILLER BROSNAN

Executive Director, Michigan Venture Capital Association

Maureen has 27 years experience in the non-profit sector. As the Executive Director of the Michigan Venture Capital Association she oversees the organization's strategy and direction, and creates awareness of and support for Michigan venture capital firms and activity. In addition to her role at MVCA, Maureen is currently president of the Livonia City Council and has served on the city council for almost 16 years. She is also chair of the board of directors of St. Mary Mercy Hospital in Livonia, Mich., and is a member of the executive committee of the Board of Directors of the St. Joseph Mercy Health System.

She is a former member of the Michigan State Transportation Commission where she chaired the audit subcommittee. She served on the executive team for Governor Jennifer Granholm's 2002 campaign and as the campaign manager in Judge Connie Kelley's statewide race for the Michigan Supreme Court in 2012.

Brosnan is a graduate of Central Michigan University, where she earned a bachelor of applied arts degree in journalism and public relations.



EMILY HEINTZ

Associate Director, Michigan Venture Capital Association

With a background in economic development, capital markets, and finance, Emily Heintz brings technical and practical expertise to her role as Associate Director of the Michigan Venture Capital Association. Heintz supports Michigan's vibrant venture capital community by developing the MVCA Research Report, planning educational and networking events, managing talent programs, and advocating for Michigan's entrepreneurial community.

Prior to joining the MVCA in 2013, Heintz was a Capital Markets Associate at the Michigan Economic Development Corporation. She designed, implemented and managed the MEDC's capital markets programs, including the 21st Century Investment Fund, Accelerator Funds, Venture Development Fund, EB-5 Immigrant Investor Program, Urban Investment Program, and direct investments made in venture capital firms around the state. Earlier, Heintz was the Accounting Manager at Ann Arbor SPARK, a non-profit economic development organization aimed at establishing the Ann Arbor region as a destination for business expansion, retention, and location by identifying and meeting the needs of business at every stage. She also worked as an auditor with Plante Moran, the 13th largest certified public accounting and business advisory firm in the United States offering audit, accounting, tax and business advisory consulting services.

Heintz holds both a Bachelors of Arts and Masters of Science in Accounting from the Michigan State University.



JENNIFER ROMBERG

Communications and Events Manager, Michigan Venture Capital Association

Jennifer Romberg is a graduate of the University of Michigan Ford School of Public Policy and comes to the Michigan Venture Capital Association with experience managing political campaigns. As the Communications and Events Manager of the MVCA, she will carry over her project management skills to ensure that MVCA events continue to be successful and help the organization build a stronger investor network in Michigan.



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Michigan Venture Capital Association

CREATING AND SUSTAINING A VIBRANT VENTURE CAPITAL COMMUNITY IN MICHIGAN

The Michigan Venture Capital Association is a catalyst for building a strong, diverse, and entrepreneurial ecosystem in Michigan.

MVCA represents venture capitalists, angel investors, industry service providers, economic development organizations and higher-education institutions – all working together to create new business opportunities and foster Michigan's growing role as a center of innovation, entrepreneurship, and company creation.

MVCA advocates, builds relationships, and sponsors programs that further the interests of its members.

Bucking national trends toward declining venture capital activity, Michigan has enjoyed consistent, steady growth in venture capital investment, number of venture capital firms, and numbers of investment professionals. Michigan's burgeoning community of entrepreneurs, venture capital firms, and angel networks has created an environment ripe with demand for the programs and services the MVCA offers. Successful exits have matured founders into serial

entrepreneurs, inspiring repeat investments and encouraging sustained innovation in diverse, cutting-edge technology sectors.

Advocacy

Core to the MVCA's mission is serving as the statewide voice for Michigan's growing venture capital industry. To advance this objective, the MVCA educates, advocates and communicates to legislators, the media

and the general public on entrepreneurial investment opportunities, challenges, and successes in Michigan. An annual legislative outreach day is just one of the many MVCA advocacy activities.



MVCA at the 2014 Mackinac Policy Conference



Education and Outreach

The MVCA facilitates the development of a strong network within the Michigan venture capital community and builds connections with out-of-state angel and venture

investors through targeted meetings and events. MVCA staff attends local and national industry conferences to advocate for the Michigan investment community.

- **Networking Receptions & Events:** The MVCA hosts a series of networking events around the state focused on building a stronger investor network within the state. The most popular of these events each year is the MVCA Annual Awards Dinner, which highlights venture capital successes from the prior year. In 2014, a record crowd recognized several exceptional portfolio companies and their investors for achievements in fundraising, exit size and product growth. The evening also honored 2014 MVCA Lifetime Achievement Award Mike Finney, CEO of the Michigan Economic Development Corporation.



MVCA Networking Session



- **Immersion Days:**

Out-of-state investors come to Michigan for an all-day series of meetings, tours, and social events custom-designed to meet their informational needs by the Michigan venture community. Investors obtain first-hand knowledge of the wealth of resources, partnerships and entrepreneurial ideas available in the state.

- **Outreach Visits:**

Through targeted meetings with out-of-state investors, MVCA communicates key research report outputs, opportunities and successes and builds relationships to be leveraged by Michigan investors. These out-of-state investors are invited to networking events in Michigan to increase collaboration with angel and venture investors.

Annual Research Report

MVCA develops and distributes an annual research report, which is a comprehensive summary of venture capital investment activities across Michigan. MVCA works with the National Venture Capital Association, Thomson Reuters and PricewaterhouseCoopers to analyze Michigan activities relative to national trends. The research report is the critical source of quantitative information used to drive initiatives to grow the venture capital community.



2014 MVCA Annual Awards Dinner

Michigan Venture Capital Association

CREATING AND SUSTAINING A VIBRANT VENTURE CAPITAL COMMUNITY IN MICHIGAN

Talent Programs

MVCA offers the Michigan Venture Fellows Program and the Executive Attraction Program, both funded by the Michigan Economic Development Corporation.

These programs have played a critical role in building Michigan's entrepreneurial ecosystem and help our members attract the best talent to their firms and portfolio companies.

- **The Michigan Venture Fellows Program:**

This program is designed to increase the number of venture professionals in Michigan, in order to accelerate the fundraising and deployment of capital into early-stage companies. Venture Fellows are hired for two years by a Michigan-based venture firm and expected to continue their careers with the firm after the fellowship. Grants for the program are leveraged against salary contributions from venture firms.

Congratulations Venture Fellow Graduates!



LINDA CHAMBERLAIN

"The process of venture investing offers the honor of sharing in the big vision of the entrepreneur, as well as the practical roadmap on how they are going to make it happen. It affords – at least at that first pitch! – the time to refrain from applying objective filters, applaud the dream, and for me, exercise my inner technology geek and get excited about the commercial possibilities!"



SAM HOGG

"I learned during my Fellowship how much the people matter in this industry. You envision venture capital as picking winning ideas, but A teams with B technologies will outperform the opposite every time. It makes you realize that successful VC firms aren't necessarily the ones that have the smartest people, but rather the ones that have surrounded themselves with networks for success."



ADRIAN FORTINO

"I spent several years as a venture backed entrepreneur prior to becoming a Venture Fellow, so I was very familiar with the industry. While we've had a successful launch for Detroit Innovate, I've found that fundraising for a venture fund can be just as challenging as it was when I was running my companies."



WILLIAM BLAKE III

"Following my fellowship, I have been afforded the opportunity to remain with Beringea and I am looking forward to continuing to invest and manage the Michigan Growth Capital Partners series of funds. I have enjoyed being a part of the wonderful culture and work environment Beringea has developed and am anxious to participate in Beringea's promising future."



JARED STASIK

"Michigan is home for me, and the MVCA Venture Fellows program helped me make the transition home from California. I was lucky enough to join Detroit Venture Partners just as the Fund was making its first investments. I loved the entrepreneurial environment, and even more so, I loved that everything we did was directly impacting Detroit. I'm looking forward to continuing to help Detroit Venture Partners and our more than 20 startups in every way that I can."



Welcome New 2014 MVCA Venture Fellows!

DANIEL RATLIFF

"The Fellows program seemed like a great opportunity to get involved in the venture capital community, particularly as a younger professional. Having lived in downtown Detroit over the past few years, I've seen a lot of traction in the startup community and the growing number venture investors, particularly in Detroit and Ann Arbor, and the Fellows program offered a unique way for a young professional like myself to connect with a firm like Fontinalis that was seeking to add a new member to their investment team to support the firm's growth."



KATHRYN GARDNER

"There are many attractive aspects of venture capital, but what really hooked me was the opportunity to help invest in life-changing technologies. I believe that the best way to grow the economy is to build small businesses and provide them pathways for success that otherwise wouldn't be available to them. I am looking forward to developing in my role as an analyst and contributing to the venture capital community in Michigan."



REDA JABER

"I chose to pursue a career in healthcare venture capital because I felt that I could make a significant impact on patient lives, on a large scale, in this role. I hoped to be able to build my career as a venture capital professional in my home state of Michigan, and the MVCA Venture Fellows program allowed me to do that. I'm looking forward to contributing to the stellar team at IncWell where I can help grow exciting early-stage healthcare startups that have the highest potential to make a systemic impact on patient care."



- **The Executive Attraction Program:** Entrepreneurial executives are crucial to supporting the continued growth of technology-based businesses and jobs in Michigan. While there is an increasing group of experienced startup executives located in Michigan, the state lacks a deep pool of executives with experience leading angel or venture-backed companies. The MVCA Executive Attraction Program helps companies recruit high-quality candidates through a matching grant program designed to increase the number of portfolio companies in Michigan.

Congratulations to our Newest Executive Attraction Professional!

SHANE BLIEMASTER

"Nutshell is a cloud-based Customer Relationship Management platform that was started with a small seed investment, and the team focused intently on building the best product. They've grown without any marketing, so being able to build on that is exciting. I feel incredibly lucky and excited to have the opportunity to join such a talented team in Michigan where my skills can contribute to building something great."



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Plymouth Ventures is a growth stage venture capital fund that is actively investing \$2 to \$6 million in companies throughout the Great Lakes region, with an emphasis on Michigan. The fund invests in revenue producing companies with the potential for significant growth through a defined, catalytic event or milestone. With the successful fundraise for Plymouth Venture Partners III in 2014, Plymouth Ventures now has over **\$100 million in committed capital under management.**

Current Plymouth Ventures II & III Portfolio Companies

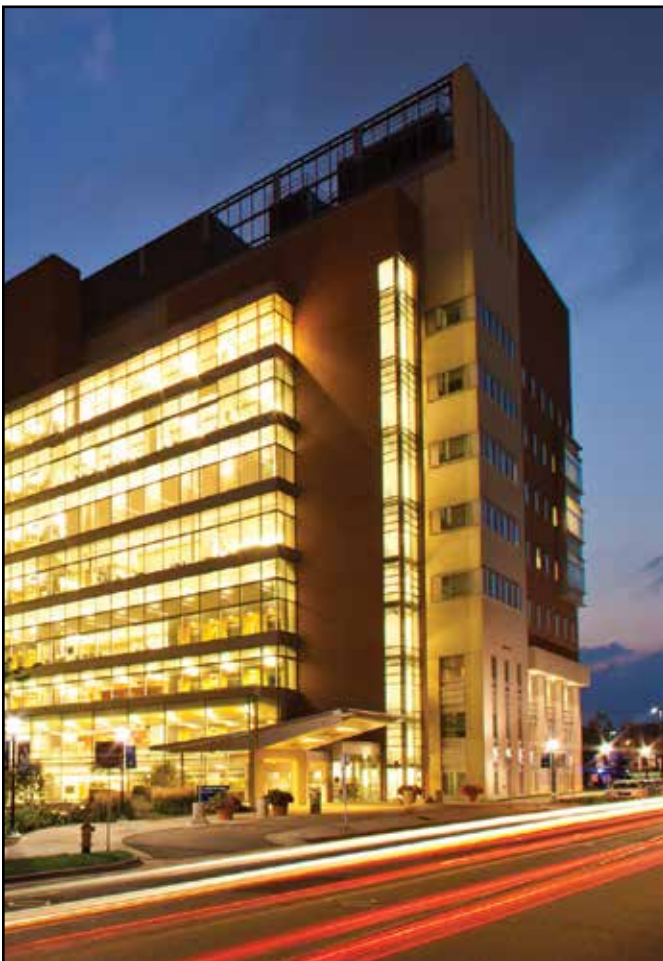


MGCS MICHIGAN GROWTH CAPITAL SYMPOSIUM



The MGCS is the State's largest and most highly sought after venture capital event. It is hosted by the University of Michigan with support from the Michigan Venture Capital Association. This year marks the 34th edition of the MGCS. Thank you for making it a success!

www.MichiganGCS.com



With over \$1 billion invested in U-M startups over the past 10 years by 30 of the nation's most successful venture capital firms, UM Tech Transfer is the go-to resource for venture investment deals in the midwest.

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