Hello,

In 2002, Michigan Venture Capital Association (MVCA) was founded with the goal of supporting the state’s investors and entrepreneurs in driving the growth of our economy. In particular, our aim has been to work with these individuals and organizations in an effort to increase the amount of capital available to fuel the success of businesses. Now, nearly 20 years after that founding, we are excited to present the 2020 MVCA Research Report, which documents the continued achievements made by Michigan in this regard.

Over the years, our research has consistently found that Michigan capital invested in Michigan startups brings us significantly more capital from out of state. Last year, this cycle of growth reached new heights, with every Michigan $1 invested attracting nearly $50 from out-of-state sources. Other findings point to the successes of our businesses and investors as well. Entrepreneurial and investment activity has been strong across a range of sectors, demonstrating the robustness and health of Michigan’s economy. Additionally, the number of startups in our state has increased by 39%, while the amount of capital invested in startups has increased by a staggering 913%. Capital is that key ingredient in a recipe for economic growth and innovation, and so this data highlights that the State of Michigan maintains a positive trajectory; in fact, our research indicates that we are outpacing the growth of other states as we are ahead of national trends on many key metrics.

While Michigan’s economic development has indeed been remarkable, it is important to note that there is still work to be done if we wish to sustain our creation of jobs and generation of innovative ideas. Looking forward to the next two years, our research suggests that $1.2 billion of additional venture capital will be required to adequately fund the growth of Michigan’s 144 startup companies. Our entrepreneurs and investors have achieved much, but we must all consider what we as a community can do to continue promoting the strength, vibrancy, and progress of our state.

Ultimately, this report serves as both a celebration of the significant strides made by Michigan in the last year, as well as a starting point for us to plan the actions necessary to maintain our pace of success. It is, therefore, our pleasure to share with you the key trends in Michigan’s entrepreneurial and investment community.

Sincerely,

Michael Gross
Chairman of the MVCA Board of Directors
Managing Director, Beringea
CHARGING INTO MICHIGAN’S FUTURE

General Motors is designing the next generation of transportation with a vision for an all-electric future. GM Ventures is proud to be a member of the Michigan Venture Capital Association and supports those who invest in driving innovation. Together, we can create economic opportunities for our state, its residents and our members.
We salute the Michigan venture capital community on its exceptional year, as well as the many MVCA members who volunteer their time and talents to support our state’s entrepreneurial ecosystem.

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A transatlantic venture capital firm supporting rapidly growing companies

Differentiated Growth Capital for Midwest Tech Companies

Business
B2B software
Tech-enabled services
Midwest presence

Financial
$3-8MM+ revenue
High growth
Clear growth catalysts

Structure
Flexible growth equity
Minority ownership
Active board role

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Impact by the Numbers

A SNAPSHOT OF MICHIGAN’S GROWING ENTREPRENEURIAL AND INVESTMENT COMMUNITY:

- **26** Venture Capital Firms
- **$2.0B** Venture Capital Invested in 71 Michigan Startups in 2019
- **144** Venture-Backed Companies in Michigan
- **80** Venture Capital Professionals
- **$73.6M** Angel Capital Invested in 106 Michigan Startups in 2019
- **542** Venture Firms from Outside of Michigan have Invested in Michigan-based Startups
- **$4.3B** Total Capital Under Management
- **1,322** Angel Investors
- **$2.0B** Venture Capital Invested in 71 Michigan Startups in 2019

For every $1 INVESTED in a Michigan Startup by a Michigan-Based Venture Capital Firm, $45.71 OF INVESTMENT is attracted from outside of Michigan.
Michigan’s Investment Pipeline

Michigan’s university funds, economic development funds and angel investors play a critical role in building the entrepreneurial community by providing access to capital and mentorship for startup companies at their earliest stages of development. Additionally, these funds offer a pipeline of investment opportunities for the state’s venture capital investors.

UNIVERSITY AND ECONOMIC DEVELOPMENT-RELATED FUNDS

- Biosciences Research & Commercialization Center (WMU)
- Invest Michigan
- Michigan Biomedical Venture Fund (UM)
- Red Cedar Ventures (MSU)

ANGEL ORGANIZATIONS

- Individual Angel Investors
- Ann Arbor Angels
- BELLE Michigan

BlueWater Angels Investment Network
Capital Community Angels Investors
Detroit Regional Angels
Grand Angels
Harvard Angels
Innovation Shore Angels Network
Ka–Zoo Angels
Michigan Angel Fund
Muskegon Angels
Northern Michigan Angels
Woodward Angels

University and Economic Development-Related Funds

- Total funds under management of university and economic development-related funds in Michigan in 2019 was $46.2 million, a decrease of 2% from the prior year.
- Out of the total $46.2 million under management in Michigan, 79% of the capital has already been invested into companies, 16% is reserved for follow-on investment into existing companies and 5% is available for new startups seeking funding.
- Capital available for new investments in 2019 was $2.3 million, a decrease of 22% from the prior year.
- In Michigan, 37 startups received more than $3.4 million from university and economic development-related funds in 2019.
- There are 110 startup companies in Michigan that are gaining traction with the support of these funds. While economic development and university funds support a variety of sectors, the life science and information technology sectors are the focus of capital development. Unsurprisingly, this is similar to the activity in later venture capital rounds of financing.
- 78% of total capital from Michigan university and economic development-related funds is invested in companies that are in the seed stage. Companies in this stage are developing prototypes and identifying customers. Typically, these companies have investment from founders, family, friends, and perhaps angel investors, and are preparing to raise venture capital as well.

Angel Investors

- In Michigan, 106 startups raised over $73.6 million from angel investors in 2019.
- Information technology companies made up nearly half of the companies receiving angel investment in 2019.
- In 2019, Michigan had 1,322 angel investors, a 415% increase over the course of the last five years. These investors either invested individually or alongside others in one of the state’s 13 angel groups.
- There are 958 people employed at the 106 Michigan startups that received angel investment in 2019.

Source: 2019 Michigan Angel Community Research Report
*Data not available for 2016
Venture Capital in Michigan

An Analysis of Michigan’s Venture Capital Activity

There are 26 private venture firms operating in Michigan. Of the 26 venture firms, 20 are headquartered in Michigan and an additional six are headquartered elsewhere with a Michigan office. In addition to venture firms, there are two fund of funds and five corporate venture funds in Michigan. Altogether, these firms employ a total of 107 investment professionals in the state.

MICHIGAN-BASED VENTURE CAPITAL FIRMS
- Arboretum Ventures
- Augment Ventures
- Beringea
- BioStar Ventures
- Detroit Venture Partners
- eLab Ventures
- Fontinalis Partners
- Grand Ventures
- Hopen Life Science Ventures
- Huron River Ventures
- Invest Detroit Ventures
- Ludlow Ventures

MICHIGAN-BASED VENTURE CAPITAL FUND OF FUNDS
- Michigan Accelerator Fund I
- Narrow Gauge Ventures
- North Coast Technology Investors
- Plymouth Growth
- RPM Ventures
- Tamarind Hill
- Tappan Hill
- Wakestream Ventures

OUT-OF-STATE VENTURE CAPITAL FIRMS WITH A MICHIGAN PRESENCE
- Arsenal Venture Partners
- Baird Capital
- Draper Triangle Ventures
- Mercury Fund

MICHIGAN-BASED CORPORATE VENTURE FUNDS
- Dow Venture Capital
- Eighteen94 Capital
- General Motors Ventures
- Kelly Services
- Spectrum Health Ventures
Capital Under Management

- Venture capital under management among venture capital firms headquartered in Michigan continues a steady growth trend. **Total venture capital funds under management of firms headquartered in Michigan in 2019 was $2.7 billion, an increase of 52% over the last five years.**

- Total venture capital funds under management in Michigan in 2019 was $4.3 billion, an increase of 14% over the prior year but a decrease of 12% over the last five years.

- Out of the total $4.3 billion under management in Michigan, 71% of the capital has already been invested into companies. 11% is reserved for follow-on investments into existing companies and 18% is available for new startups seeking venture capital.

- Capital available for new investments in 2019 was $694 million, a decrease of 21% over the last five years.

- Approximately $396 million is reserved for follow-on financings for existing Michigan-based portfolio companies, a decrease of 2% from last year. **MVCA survey respondents estimate $1.2 billion of additional venture capital will be required to adequately fund the growth of Michigan’s 144 startup companies in the next two years.**
2019 Venture Investment Activity

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

- In Michigan, 71 startups received more than $2.06 billion in venture capital investment in 2019; this is a 39% increase in the number of startups and a 913% increase in the amount of capital over the last five years.
- Excluding Rivian (see Rivian’s profile on the right), 70 startups received more than $514 million in venture capital investment in 2019. This is a staggering 152% increase in the amount of venture capital invested in startups over the last five years.

There are 144 venture-backed startup companies in Michigan, an increase of 12% over the last five years. Startup companies move Michigan forward economically by attracting and hiring talent in the state and securing out-of-state capital investment.

- While Michigan venture funds invest in a wide variety of sectors, the life science and information technology sectors continued to be the focus of capital deployment in 2019. Of the startups that received venture funding from Michigan venture capital firms in 2019, 30% were life science companies and 49% were information technology companies.

### Annual Venture Capital Investment in Michigan

- Amount of venture capital Michigan startups are receiving (in millions)
- Number of Michigan startups receiving venture capital investment each year

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount Invested</th>
<th>Number of Startups</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$131 million</td>
<td>25</td>
</tr>
<tr>
<td>2010</td>
<td>$215 million</td>
<td>27</td>
</tr>
<tr>
<td>2011</td>
<td>$191 million</td>
<td>38</td>
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<tr>
<td>2012</td>
<td>$242 million</td>
<td>34</td>
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<td>2013</td>
<td>$120 million</td>
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<tr>
<td>2017</td>
<td>$179 million</td>
<td>68</td>
</tr>
<tr>
<td>2018</td>
<td>$385 million</td>
<td>61</td>
</tr>
<tr>
<td>2019</td>
<td>$514 million</td>
<td>71</td>
</tr>
</tbody>
</table>

RIVIAN is a Plymouth-based mobility company founded by Robert J. Scaringe. This automotive technology company develops products and services to advance the shift to sustainable mobility. Rivian believes there is a more responsible way to explore the world and are determined to make the transition to sustainable transportation an exciting one. In their mission of keeping the world adventurous forever, Rivian designed their emissions-free Electric Adventure Vehicles to challenge what’s possible.

In 2019, the company raised $1.55 billion from global corporations Ford Motor Company, Amazon, and Cox Automotive. Later in the year, they raised an additional $1.3 billion in a private equity round.
Ann Arbor Area Community Foundation (AAACF) is the Ann Arbor area’s leading public charity that aims to enrich its community by distributing millions of dollars annually in grants and scholarships. Founded in 2002, AAACF has raised more than $575 million in the last 15 years, making it one of the largest and most successful community foundations in Michigan. AAACF’s mission is to improve life in the Ann Arbor area by distributing funds to organizations that help people reach their full potential and pursue their highest aspirations. AAACF has awarded more than $150 million in grants and scholarships to more than 1,500 organizations that serve the Ann Arbor area.

AAACF launched the Ann Arbor Entrepreneurs Fund (A2EF), a resource designed to connect local high-growth entrepreneurs to each other and the community. Over the next three years, A2EF will develop into a learning and networking hub that aims to raise the visibility of local entrepreneurs, draw new talent to the area and engage founders and their staff with the community. A2EF will also cultivate and distribute new ideas and innovations within an accessible and high-energy workspace. A2EF also engages in grassroots outreach efforts to promote entrepreneurial education in the community. In 2019, Ferris Wheel achieved 92% occupancy.

Arboretum Ventures is an Ann Arbor-based venture capital firm that fosters partnerships with companies in the life science sector. In 2019, Arboretum Ventures raised a $195 million fund, the largest fund raised in Michigan’s history and surpassing the firm’s previous $220 million fund raised in 2015. Since its founding in 2002, Arboretum Ventures has raised a total of $700 million over five funds to advance technologies in the life science sector.

As a Detroit and Spring Lake-based consumer products company, Censys is focused on bringing plant-based food products to the consumer. The company has received investment from multiple Michigan investors, including Detroit Venture Partners, 808 Ventures, Invest Michigan and Ludlow Ventures, and recently received a Series A backing round of $7.5 million. The company currently employs 19 people and has plans to grow its team, increase greenhouse processing facilities nationwide, and expand the variety of plants available.

Censys is an Ann Arbor-based information technology company founded by David Adrian, David Corcoran, J. Alex Halderman and Zakir Durumeric that provides continuous digital asset tracking and detection. The company has raised investment from multiple Michigan investors, including Detroit Venture Partners, world-renown rapper Eminem, and angel investor Jonathan Triest, among others. With support from its partners, Censys currently employs 35 people. The company’s platform delivers personalized, tissue-specific treatments with unparalleled precision and control.

CryoSis is an Ann Arbor-based information technology company founded by David Adrian, David Corcoran, J. Alex Halderman and Zakir Durumeric that provides continuous digital asset tracking and detection. The company has raised investment from multiple Michigan investors, including Detroit Venture Partners, world-renown rapper Eminem, and angel investor Jonathan Triest, among others. With support from its partners, Censys currently employs 35 people. The company’s platform delivers personalized, tissue-specific treatments with unparalleled precision and control.

Ferris Wheel is a first-of-its-kind for entrepreneurs and innovators who seek a modern and collaborative office environment. The hub is designed to promote the exchange of information, ideas and innovations within an accessible and high-energy workspace. Ferris Wheel also engages in grassroots outreach efforts to promote entrepreneurial education in the community. In 2019, Ferris Wheel achieved 92% occupancy.

Grand Ventures is a Grand Rapids-based venture capital firm that fosters partnerships with companies in the information technology sector. In 2019, Grand Ventures raised its third fund, a $38 million fund focused on seed and early-stage software-as-a-service (SaaS) companies making them one of the largest debut funds in the Midwest. Since its founding in 2017, Grand Ventures has made 7 investments and expects to fuel the growth of up to 20 information technology companies.

HistoSonics is an Ann Arbor-based life science company that has developed a non-invasive robotic platform and innovative sonic beam therapies. In 2019, the company secured a Series C financing of $10 million. HistoSonics currently employs 35 people. The company’s platform delivers personalized, tissue-specific treatments with unparalleled precision and control.

Orbion Space Technology is a Michigan-based advanced materials and manufacturing company founded by Jason Sommers and Brad King that develops and manufactures satellite propulsion systems. The company has received investment from multiple Michigan investors, including Invistate Ventures, Invest Michigan, and 808 Ventures. Orbion currently employs 10 people and plans to double their workforce over the next two years.

StockX is a Detroit-based technology company that enables the buying and selling of high-demand consumer products. In 2019, the company secured a record-breaking Series C funding round of $110 million, the largest venture capital raise in Michigan’s history. The company received investment from Michigan investors, including Detroit Venture Partners, world-renown rapper Eminem, and angel investor Jonathan Triest, among others. With support from its partners, StockX currently employs 35 people and plans to extend its international reach by diversifying product categories and establishing more physical locations in its key markets around the world.

Venture Investors is an Ann Arbor-based venture capital firm that fosters partnerships with companies in the life science sector. In 2019, Venture Investors raised a $75 million fund to support the development and commercialization of medical breakthroughs. Founded in 1982, Venture Investors is one of the oldest venture capital firms in Michigan. Venture Investors has invested a total of $1.1 billion over six funds, investing $194 million in Michigan-based companies.

Highlights

Michigan’s entrepreneurial and investment community saw a great deal of success over the course of 2019. Key capital events and significant investment milestones helped to fuel the growth of businesses in the state, enabling those companies to continue producing groundbreaking solutions in their respective sectors. Meanwhile, emerging organizations engaged with businesses like this to help them connect to their local communities. Here are just a few of the firms, companies, and organizations that are contributing to Michigan’s development:

**Ann Arbor Area Community Foundation (AAACF)** is an Ann Arbor-based public charity that aims to enrich its community by distributing millions of dollars annually in grants and scholarships. This past year, AAACF launched the Ann Arbor Entrepreneurs Fund (A2EF), a resource designed to connect local high-growth entrepreneurs to each other and the community. Over the next three years, A2EF will develop into a learning and networking hub that aims to raise the visibility of local entrepreneurs, draw new talent to the area and engage founders and their staff with the community. A2EF will also cultivate and distribute new ideas and innovations within an accessible and high-energy workspace. A2EF also engages in grassroots outreach efforts to promote entrepreneurial education in the community. In 2019, Ferris Wheel achieved 92% occupancy.

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Diversity in Michigan’s Entrepreneurial & Investment Community

Michigan, along with the rest of the nation, is seeing success and profits from diverse professionals within the entrepreneurial and investment landscape. However, statewide funding data indicates that companies led by underrepresented groups are systemically underfunded.

**Diversity in Michigan’s Entrepreneurial Community***

There are currently 144 venture-backed startup companies in Michigan.

- 13% of Michigan venture-backed startups were led by a CEO who is a racial minority, compared to 5.6% of CEOs of Fortune 500 companies nationally.\(^1\)
  39% of the U.S. population are racial minorities.\(^2\) Since the start of this research in 2014, there has been a 138% increase in the number of racial minority-led startups in Michigan.

- 10% of Michigan venture-backed startups were led by a female CEO, compared to 7.2% of CEOs of Fortune 500 companies nationally.\(^1\) 50% of the U.S. population are female.\(^2\)

- 2% of Michigan venture-backed startups were led by a CEO who identifies as LGBTQ+. 5% of the U.S. population identifies as LGBTQ+.\(^3\)

**Total Capital Invested in Michigan**

In Michigan, 71 startups received over $2.1 billion from venture capital firms in 2019. Of that, $146 million was invested in 22 Michigan startup companies led by a CEO who is a member of an underrepresented group.

- $29.4 million invested in female-led startups.
- $109.2 million invested in racial minority-led startups. Over the past five years, there has been nearly a 30x increase in the amount invested in minority-led startups which mirrors fundraising trends in the Michigan entrepreneurial community overall. In the last year, significant rounds were raised by Clinc, Llamasoft, Ocuphire Pharma and Movellus among others which attributed to the sharp increase in this subset of the data.
- $7.6 million invested in LGBTQ+-led startups.

**Diversity in Michigan’s Venture Capital Community***

There are currently 80 venture capital professionals in Michigan.

- 16% of venture capital professionals in Michigan are racial minorities, compared to 24% of venture capital professionals nationally.\(^4\) 39% of the U.S. population are racial minorities.\(^2\)

- 16% of venture capital professionals in Michigan are female, compared to 21% of venture capital professionals nationally.\(^4\) 50% of the U.S. population are female.\(^2\)

- None of the venture capital professionals in Michigan identify as LGBTQ+. 5% of the U.S. population identifies as LGBTQ+.\(^3\)
Attracting Capital to MICHIGAN

MICHIGAN’S VENTURE CAPITAL COMMUNITY PLAYS A CRITICAL ROLE IN ATTRACTING AND LEVERAGING OUTSIDE INVESTMENT CAPITAL. LOCAL FIRMS ARE OFTEN THE FIRST TO IDENTIFY STRONG MICHIGAN-BASED INVESTMENT OPPORTUNITIES AND CAN THEN PROVIDE DEAL LEADERSHIP.

There are 144 venture-backed startup companies in Michigan, an increase of 12% over the last five years, that are strengthening Michigan’s economy by attracting and hiring talent in the state.

An estimated $1.21 billion of additional venture capital will be required to adequately fund the growth of Michigan’s 144 startup companies in the next two years.

An estimated $396 million is reserved for follow-on financing into existing portfolio companies across the United States.

For every $1 invested in a Michigan startup by a Michigan-based venture capital firm, $45.71 of investment is attracted from outside of Michigan.

542 venture capital firms from outside of Michigan have invested in Michigan-based startups.

Michigan venture capital firms contributed 2% of the total capital invested in Michigan startups in the last year. The remaining investments came from venture capital funds outside of Michigan.
Diversifying Michigan’s Economy

Venture capital investors in Michigan support startup companies across a wide variety of sectors, stages and backgrounds, resulting in a robust and diversified economy in the state.

- The life science sector continues to be the focus of capital deployment with 38% of total capital invested. Medical device startups accounted for 43% of all investment made in the life science sector.
- The information technology sector received 34% of total capital invested. Software companies accounted for 85% of all investments made in the information technology sector.
- 48% of total capital invested by Michigan venture capital firms is in companies that are in the startup/early stage. Companies in the startup/early stage have a developed product or service they are selling to a target market. These startups fund activities with venture capital and are starting to earn revenues from operations, but are not yet cash flow-positive.

Stage Diversification Analysis

BY DOLLARS INVESTED

- Capital Invested by All Venture Firms in Michigan
- Idea / Pre-Seed: 23%
- Seed: 7%
- Startup / Early: 20%
- Growth / Expansion: 20%
- Mezzanine: 2%

- Capital Invested by All Venture Firms in Michigan
- Idea / Pre-Seed: 34%
- Seed: 5%
- Startup / Early: 18%
- Growth / Expansion: 13%
- Mezzanine: 9%

- Information Technology Diversification
- Hardware: 6%
- Software: 85%
- Services: 5%
- Other: 4%

- Life Science / Healthcare Diversification
- Devices: 43%
- Pharmaceuticals: 8%
- Diagnostics: 9%
- Other: 9%

- Alternative Energy
- Advanced Materials & Manufacturing
- Media
- Consumer Products
- Mobility
- Other

Sector Diversification Analysis

BY DOLLARS INVESTED

- Life Science / Healthcare
- Information Technology
- Alternative Energy
- Media
- Advanced Materials & Manufacturing
- Business Services
- Consumer Products
- Mobility
- Other
Fundraising Analysis

- In the last year, Michigan-based venture firms managed 61 funds, while out-of-state firms with Michigan offices managed 25 funds. Together, these 86 funds had 444 active portfolio companies, a 10% decrease from five years ago.
- The average venture capital fund size among Michigan-based firms is $60 million. If out-of-state funds with a Michigan office are included, the average fund is $68 million.

Fundraising Targets

- In 2019, venture firms with a presence in Michigan were targeting to raise a total of $722 million. The total amount reported to have been raised in 2019 was $623 million, only 14% less than targeted.

Venture Firm Experience

- There are 80 venture capital professionals living, working and investing in Michigan, a decrease of 30% from five years ago.
- Although the number of venture capital firms in Michigan has decreased, existing venture capital firms are finding success raising new funds and building a greater track record of investment in Michigan. 54% of venture capital firms in Michigan have managed three or more funds.
  - Venture firms with headquarters in Michigan managed an average of 3 funds.
  - Venture firms with an office in Michigan but headquartered elsewhere managed an average of 4 funds.

Sources of Capital for Michigan Venture Firms

- 12 of the existing venture firms in Michigan are currently targeting to raise $627 million in 2020. The average target fund size is just over $92 million.
- The most common sources of capital for venture firms in Michigan are individuals, small family offices, large family offices, pension funds and fund of funds. This is a shift from the prior year, in which large corporate offices were a more common source of capital than pension funds.

Popular Sources of Capital for the 26 Venture Firms in Michigan

- Individuals/Small Family Offices: 23
- Large Family Offices: 18
- Pension Funds: 13
- Fund of Funds: 12
- Economic Development Organizations/Funding Programs: 11
- Charitable Foundations: 11
- Endowments: 11
- Large Corporations: 10
- Other: 5

Distribution of Michigan Venture Capital Fund Sizes

- 2009: 24 Funds (4 firms)
- 2010: 25 Funds (5 firms)
- 2011: 27 Funds (6 firms)
- 2012: 29 Funds (7 firms)
- 2013: 35 Funds (8 firms)
- 2014: 38 Funds (9 firms)
- 2015: 36 Funds (10 firms)
- 2016: 33 Funds (11 firms)
- 2017: 29 Funds (12 firms)
- 2018: 27 Funds (13 firms)
- 2019: 26 Funds (14 firms)

- Funds raised categories: >$100 Million, $76-$100 Million, $51-$75 Million, $26-$50 Million, $5-$25 Million

- 2009: 4 Funds >$100 Million
- 2010: 2 Funds >$100 Million
- 2011: 2 Funds >$100 Million
- 2012: 1 Fund >$100 Million
- 2013: 2 Funds >$100 Million
- 2014: 3 Funds >$100 Million
- 2015: 2 Funds >$100 Million
- 2016: 2 Funds >$100 Million
- 2017: 3 Funds >$100 Million
- 2018: 3 Funds >$100 Million
- 2019: 4 Funds >$100 Million
Michigan’s Role in the National Landscape

Michigan is a leader of innovation and has successfully created an attractive environment for early-stage investing. In the last five years, Michigan’s venture capital community has demonstrated strong growth in many key metrics, outpacing the national venture capital landscape over the same time period.

### NATIONAL VENTURE CAPITAL STATISTICS

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of VC Firms in Existence</th>
<th>Total Capital Under Management ($B)</th>
<th>Average Venture Capital Under Management per Firm ($M)</th>
<th>Average Venture Capital Fund Size ($M)</th>
<th># of Startups Receiving Venture Capital</th>
<th>Venture Capital Investment ($B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>981</td>
<td>$285.5</td>
<td>$291</td>
<td>$130</td>
<td>9,922</td>
<td>$72</td>
</tr>
<tr>
<td>2015</td>
<td>1,041</td>
<td>$315.6</td>
<td>$303</td>
<td>$127</td>
<td>10,366</td>
<td>$83</td>
</tr>
<tr>
<td>2016</td>
<td>1,094</td>
<td>$334.4</td>
<td>$306</td>
<td>$142</td>
<td>9,219</td>
<td>$78</td>
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<tr>
<td>2017</td>
<td>1,200</td>
<td>$347.1</td>
<td>$289</td>
<td>$138</td>
<td>9,853</td>
<td>$87</td>
</tr>
<tr>
<td>2018</td>
<td>1,284</td>
<td>$425.1</td>
<td>$331</td>
<td>$203</td>
<td>9,939</td>
<td>$142</td>
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<tr>
<td>2019</td>
<td>1,328</td>
<td>$444.3</td>
<td>$335</td>
<td>$189</td>
<td>10,430</td>
<td>$133</td>
</tr>
</tbody>
</table>

Source: 1 National Venture Capital Association 2020 Yearbook

### MICHIGAN VENTURE CAPITAL STATISTICS

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of VC Firms in Existence</th>
<th>Total Capital Under Management ($B)</th>
<th>Average Venture Capital Under Management per Firm ($M)</th>
<th>Average Venture Capital Fund Size ($M)</th>
<th># of Startups Receiving Venture Capital</th>
<th>Venture Capital Investment ($B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>26</td>
<td>$1.7</td>
<td>$67</td>
<td>$38</td>
<td>51</td>
<td>$204</td>
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<tr>
<td>2015</td>
<td>25</td>
<td>$2.2</td>
<td>$88</td>
<td>$45</td>
<td>74</td>
<td>$282</td>
</tr>
<tr>
<td>2016</td>
<td>25</td>
<td>$2.4</td>
<td>$96</td>
<td>$50</td>
<td>54</td>
<td>$222</td>
</tr>
<tr>
<td>2017</td>
<td>21</td>
<td>$2.2</td>
<td>$103</td>
<td>$50</td>
<td>68</td>
<td>$179</td>
</tr>
<tr>
<td>2018</td>
<td>20</td>
<td>$2.2</td>
<td>$110</td>
<td>$48</td>
<td>61</td>
<td>$385</td>
</tr>
<tr>
<td>2019</td>
<td>20</td>
<td>$2.7</td>
<td>$133</td>
<td>$60</td>
<td>70</td>
<td>$514</td>
</tr>
</tbody>
</table>

*Venture Capital Firms Headquartered in Michigan
**Excluding Rivian investment in 2019 for this analysis

### FIVE YEAR TRENDS

- **Venture Capital Investment**: 152%
- **# of VC Firms in Existence**: -23%
- **Average Venture Capital Under Management per Firm**: 98%
- **Total Capital Under Management**: -23%
- **Average Venture Capital Fund Size to Date**: 15%
- **# of Startups Receiving Venture Capital**: 37%
- **Venture Capital Investment**: 46%
About Michigan Venture Capital Association

MVCA OVERVIEW

The MVCA Board of Directors and staff are dedicated to expanding opportunities for the growth of Michigan’s entrepreneurial and investment community through the following programs, services, and publications:

ADVOCACY
Core to MVCA’s mission is serving as the statewide voice for Michigan’s growing entrepreneurial and investment community. MVCA educates, advocates and communicates to legislators, the media and the general public regarding entrepreneurial investment opportunities, challenges and successes in Michigan.

EVENTS
MVCA facilitates the development of a strong network within the Michigan entrepreneurial and investment community and builds connections with out-of-state angel and venture investors through targeted meetings and events.

RESEARCH
MVCA distributes an annual research report that provides a comprehensive summary of venture capital investment activities across Michigan. MVCA works with the National Venture Capital Association, Pitchbook, the U.S. Census Bureau and the Angel Capital Association to provide information about Michigan’s entrepreneurial and investment activities relative to national trends. The annual research report is the critical source of quantitative information used to unite the Michigan entrepreneurial and investment community in driving initiatives that encourage growth in the state.

OUTREACH
MVCA broadens the reach of Michigan’s entrepreneurial and investment community by building relationships and educating national partners on opportunities and trends in Michigan.

PROGRAMS
MVCA provides program development assistance to Michigan’s entrepreneurial and economic support organizations on matters targeting Michigan’s talent and capital gaps. In this role, MVCA collaborates with organizations by facilitating research, providing direction and assembling feedback within the proposed programs’ scope, aiming to help shape the ultimate goals and desired outcomes of these programs so that they best suit the identified needs of Michigan’s entrepreneurial and investment community.
GET CONNECTED with Michigan’s Entrepreneurial & Investment Community

Check out the Michigan Entrepreneurial & Investment Landscape Guide and interactive Map on MichiganVCA.org — it connects people with the resources and organizations in Michigan to launch and grow their business!

Michigan Venture Capital Association fosters a collaborative entrepreneurial and investment community to help companies find capital, talent and research, creating more economic opportunities for everyone in the long run.

1. Find overviews, contact information, and investment criteria for angel groups and venture capital firms.

2. Identify programs offered, resources available, and company stages/sectors served by entrepreneurial support organizations and service providers.

3. Search by a specific region using the interactive Landscape Map online to find all these organizations PLUS startup companies!

ACCESS THE INFORMATION ANYTIME, ANYWHERE:
www.MichiganVCA.org

SAVING THE DATE

2020 MVCA Annual Awards Dinner

NOVEMBER 10, 2020
20900 Oakwood Blvd, Dearborn, MI.
Digital invitation to follow.
Jaffe is recognized throughout the nation as a relationship-based, highly qualified, full-service business law firm with an outstanding reputation for providing sophisticated legal services and counsel to businesses of all sizes, family-owned enterprises, individuals and entrepreneurs.

We are proud to serve Michigan’s Entrepreneurial and Venture Capital Community.