

Seed and Early Stage Investing

Presented to:

Chatham Technology Networking Group

at

The Buckman Group Offices

By

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Founder and CEO

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This presentation is not an offer to sell equities

Agenda

- Who am I
- Angel Investing & Jumpstart NJ Angel Network
- TechLaunch – Technology Accelerator

My Background

- 25+ Year Career in Defense Electronics Industry
- Electronic Engineer with 12 Patents issued.
- Industry experience at ITT, Raytheon, ERI, Honeywell
- 1982 Founder & CEO of Electro-Radiation Inc. (ERI)
- 1998 SBA National Tibbetts Award winner
- 2004 sold ERI to Honeywell
- 2007 Founder of Casabona Ventures, LLC
- 2009 Chairman Emeritus, Jumpstart NJ Angel Network
- 2010 NJTC Financier of the Year
- 2011 Founder of TechLaunch, LLC
- Member IEEE, VANJ, NJTC, NDIA, AOC...
- Board Member of For-Profit and Non-For-Profit Organizations
- Currently Angel Investor and Entrepreneur

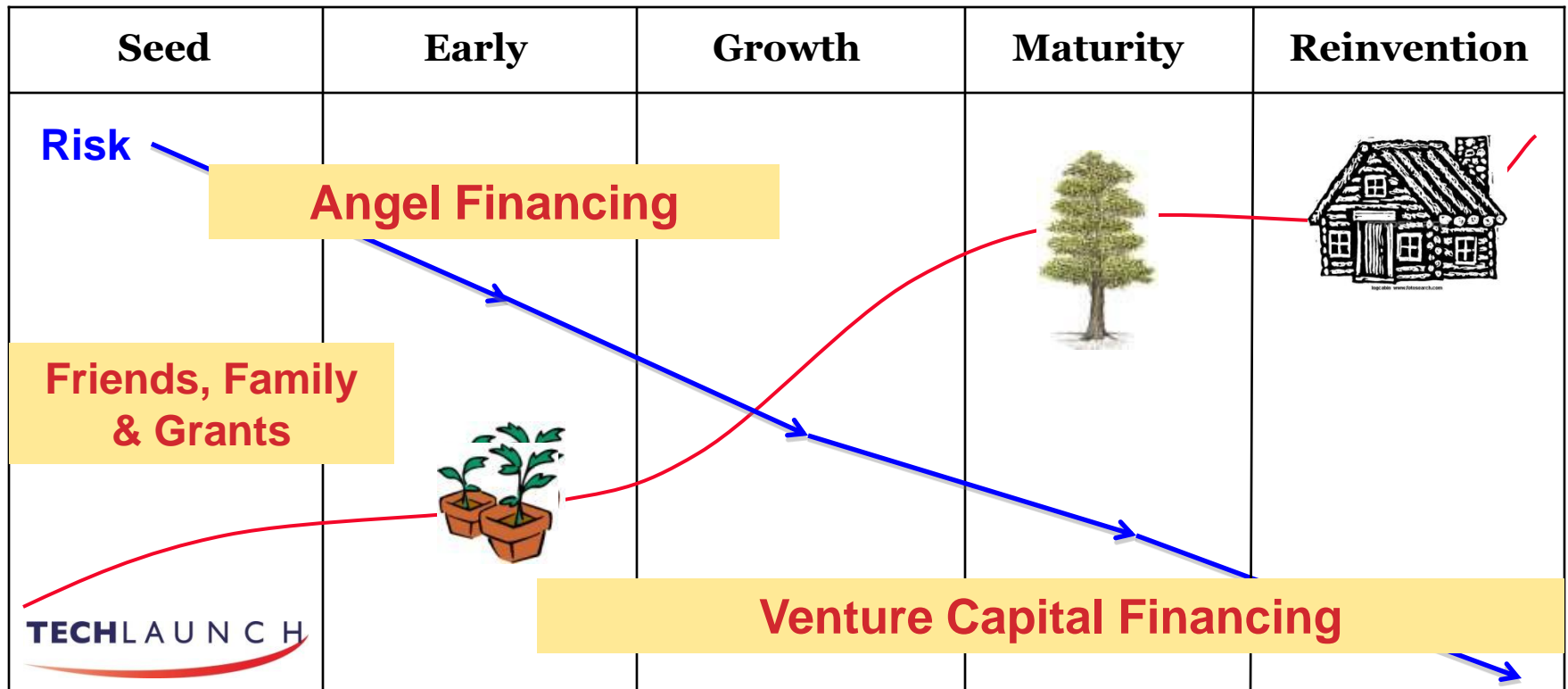
My Portfolio Companies



Oil Exploration Company

Oil Drilling Equipment

Funding Eco-System



Angel Investing and Jumpstart NJ Angel Network

Mario Casabona, Chairman Emeritus

www.JumpstartNJ.com



Angel Investors



Bridge Gap Between

TECHLAUNCH

Founders
Financing



Venture Capitalist

Angels vs. Venture Funds

Angel Investors 2011

- US \$22.5 billion
- ~66,200 deals
- 42% seed/startup
- 57% early/expansion stage
- 318,500 individuals

Venture Capital 2011

- US \$28.4 billion
- ~3,750 deals
- 3% seed/startup/ 29% early stage
- 68% later/expansion capital
- 462 firms active

Millionaires vs. Angel Groups

**U.S.
Millionaires**

8,600,000

**Informal
Investors
(3 study
estimates)**

1,000,000

**Active
Angels
(Center for
Venture
Research)**

265,000

**Investors
in Angel
Groups**

15,000

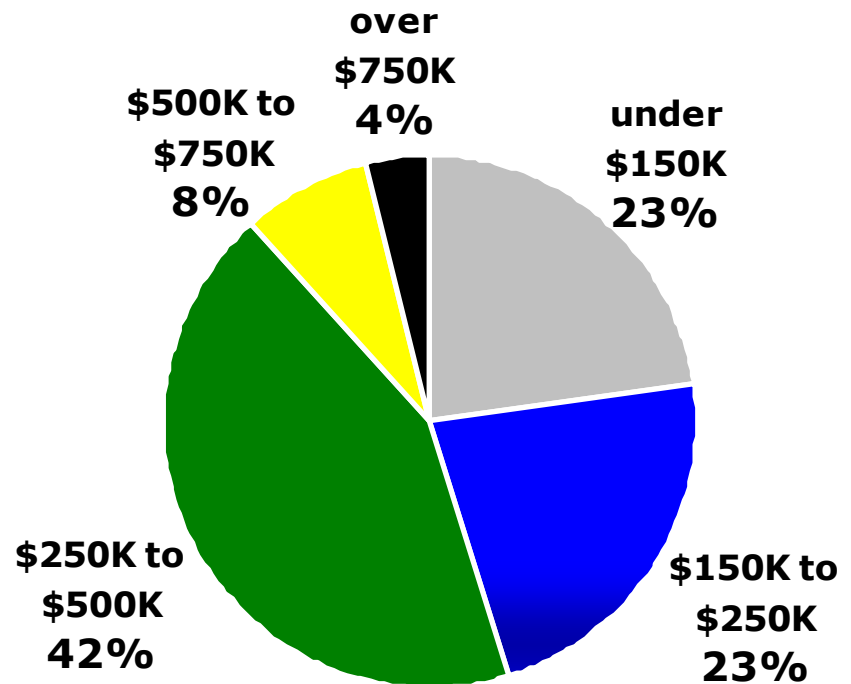
Sources: Spectrum, academic studies, 2012

Typical Angel Group Investment Size

67% of Angel Groups Invest \$150K to \$500K per Deal

- Investment surprisingly broad
- Average deal size increasing
- Syndication needed among groups to fill rounds entrepreneurs need

Angel Group Investment Size



Source: ACA Confidence Survey, 2012

Advantages of an Angel Group

- Pivot on Individual Experiences
- Negotiate “group” Term Sheet
- Deal Flow
- Deal Screening and Due Diligence effort is shared
- Shared Expenses for Operations
- Build Peer Relationships

Typical Angel Investor Selection Criteria

- Seed, start-up, and early stage
- Product or Services market need
- Founders commitment
- Sound business plan for building equity
- Strong and Experienced management team
- Proof of concept achieved?
- IP Strategy for sustainable advantage
- Reasonable valuation
- Realistic exit strategy
- Funding needs for initial and subsequent financing
- Geographic location – Angels vs VC financing

How to Find Angels

- Angel Capital Association-directories
- Events with companies and investors: VANJ, NJEN, NJTC Venture Conference, Accelerator Demo Days
- Angel Group open events –Jumpstart Princeton Innovation Forum; Jumpstart Meet the Angels
- Angel groups websites list events where they will attend or speak
- Talk with other early stage entrepreneurs
- University Tech Transfer Offices
- Meet Ups
- LinkedIn
- BEST– Warm Handshake--Introduction

Jumpstart Highlights

- About 42 active and accredited members
- Members have invested over \$33 Million -- 60% in NJ Companies
- Members have invested in 45 Companies, 71 Rounds
- Largest \$ angel investor group in the Mid Atlantic region with the highest dollar investment from CT to Virginia (except for NY Angels)



Jumpstart Invests in (generally)

- High growth capital efficient companies solving pain points.
- Sectors where we can add value - Smart Money
- Clean Tech, B2B enterprise services and software, MedTech, SocMed, Healthcare IT and diagnostics, advanced materials. devices and IT, Communications



Portfolio Companies (some)



www.TechLaunch.com

TECHLAUNCH



New Jersey's Technology Accelerator

**Seed Capital, Co-Working Space, Mentors, Business
Training, Professional Services and Access to Investors**

Mario M. Casabona, Founder and General Partner

Objectives



1. Identify and Invest in most promising ideas, technologies and teams
2. Accelerate the commercialization of new technology to shorten “time to exit”
3. Provide **LaunchPad** business program to de-risk early stage obstacles and raise Valuation
4. Provide a venue for young entrepreneurs to showcase cutting edge technology (“Demo Day”) to aid fundraising efforts
5. Provide access to early stage funding

Opportunity

TECHLAUNCH

NJ Economic Development Authority (EDA) has chosen to co-invest with **TechLaunch** to create a private/public Technology Accelerator in NJ

First 3 years

New Jersey EDA
\$150,000 per year

Investor Match
\$300,000 per year

Provide seed capital to vetted ideas and mentoring to de-risk start-up obstacles

Industry Focus

TECHLAUNCH



Social Media
Web Technology
Information Technology
Health Care
Pharmaceutical
Electronics
Communications

Security
Bio-Tech
Medical Technology
Chemical
Manufacturing
Environmental
Energy...

LaunchPad 1 (12 weeks) Activities



LP 1 Portfolio Companies **TECHLAUNCH**



LaunchPad 2 (2013) Program Overview

Seed Investment

- Raw Idea, Product and Team
- Up to \$25K Seed Capital
- 10% Equity
- Shared Workspace
- Optional Living Space on Campus

16-Week LaunchPad Program

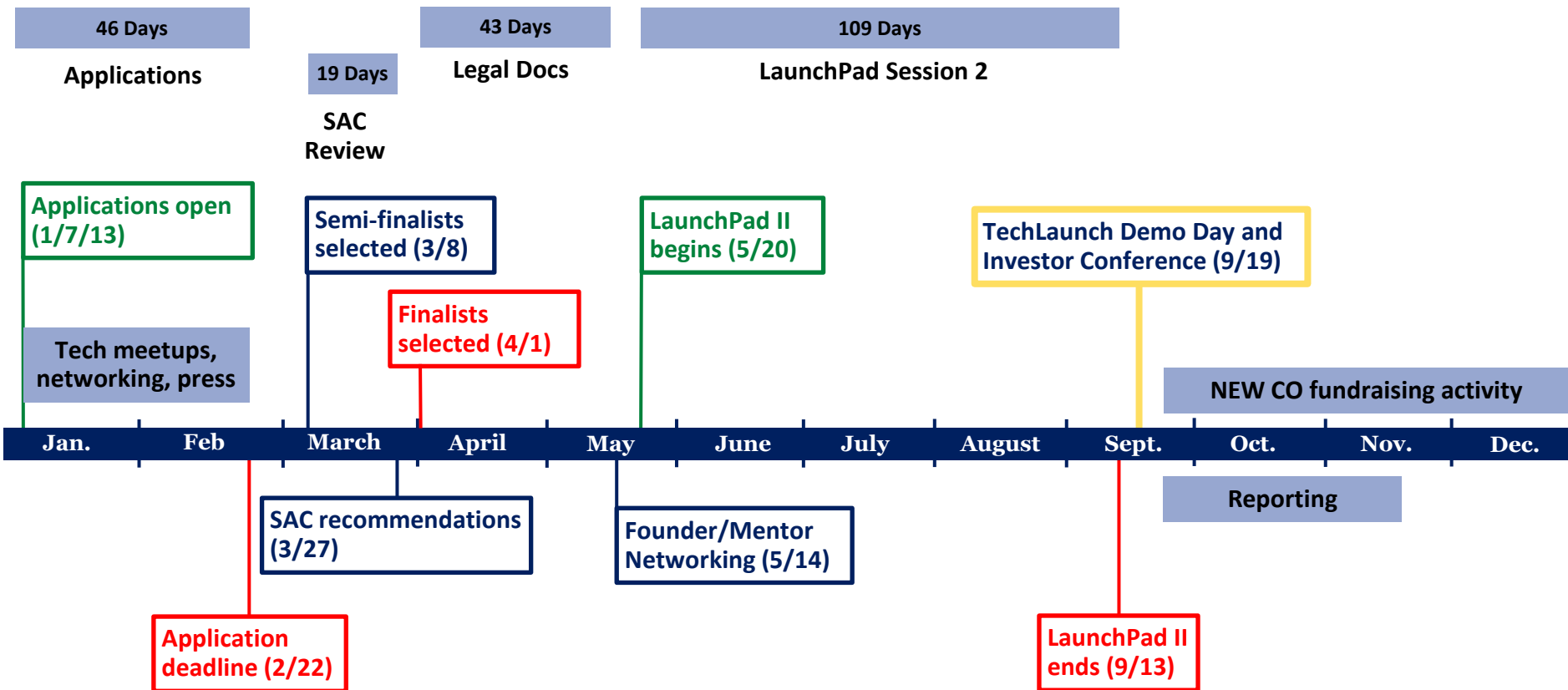
- 1-on-1 Mentorship
- Business Training: Product Development, Operations, Sales and Marketing, IP, Fundraising, etc.
- Special Guest Speakers
- Social Events
- Investor Access
- Build Investor Pitch

Follow-on Funding

- Investor Conference and Demo Day
- Continued access to early-stage investors
- Networking
- 3 Month Co-working Space

TECHLAUNCH

TechLaunch 2013 Timeline



Contact Information

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Thank You for the
Opportunity to Present