

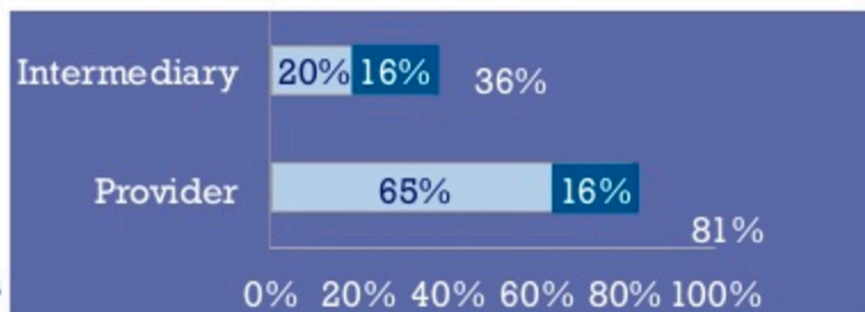
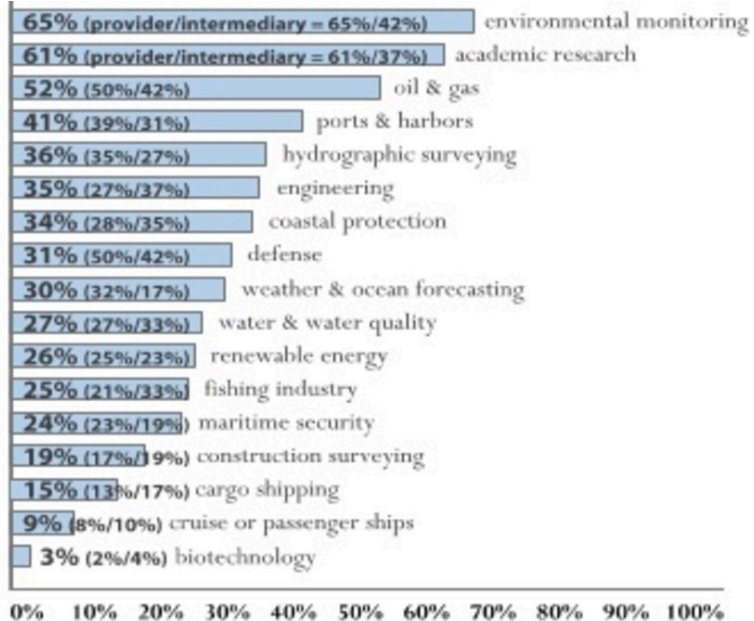
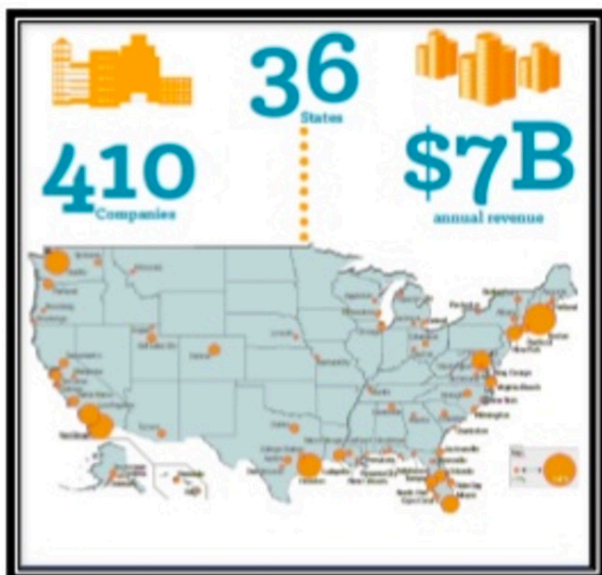
CMR Funding Panel Discussion

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Steve An

- Serial Entrepreneur, Co-founded LocaModa, Connected Sports Ventures and AppliedQ, served as CTO or CEO.
- 2 funded by multiple VCs and Corporate Ventures, 1 self funded
- Currently angel investing and assisting other entrepreneurs and startups
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It's a \$7B fragmented industry!



How to get aquaculture beyond a cottage industry ?

- Angels Groups to get you started?
 - Often they can't help bridge the funding gap*
- Corporate customers as funding partners
- Most boutique VCs are hyper focus
 - 2 year investment, 5 year exit
 - Aquaculture VCs emerging (e.g. David Sze (ex-Sequoia), Alimentos etc..)
 - Large VC/PE/Corp. firms (e.g. Andreessen-Horowitz, Cargill, Mitsui)
- Ecosystem? Adjacent, enabling industries? There is a need for an Open Consortium.
 - Open Data Exchange
- How do we leverage marine robotics in aquaculture?

What makes a Startup “VC fundable”?

1. Founders and Advisors

- Previous industry experience and-or a significant prior exit

2. Huge Market

- Nearly every company funded by a top-quartile returning VC will have a potential market size of at least \$10bn. Startups invariably specialize and therefore end up hitting a more specific market segment, but you have to start huge to scale big

3. Clear Potential Exit Partners and Tiers

- Which huge companies will see potential acquisition value in what startups are building. Why each major player would consider them, at what stage, and for what sort of price

4. The Right Referral

- While top-VCs certainly scour the market for opportunities, and have a presence at public events etc., the right referral - either by an individual friend of the fund or another firm investing in the deal, can make all the difference

Talking to VCs?

- Paint the big picture but focus on what/how you do
 - Be part of, not The Ecosystem, i.e. infrastructure, platform are 4-letter words to VCs
 - Resist being too far ahead of the curve, i.e. pain reliefs not vitamins
 - Talk about your game plan and experience not your brilliance! (put in appendix)
- Know your VCs
 - Is this their 1st fund?
 - Serial funds & ex-entrepreneurs often good choices
 - Where they are in their funding cycle* (2*, 5, 10)
 - Their ROI sweet spot and current focus
 - 85% of them underperform S&P
 - Research their portfolio companies, entrepreneurs
 - VCs want to make \$, end of story. They are long term greedy.
- Other sources of funding (seeds, angels, grants, corp. partners etc..)
- Look for good investors, don't chase early valuation
- Don't forget Lawyers, term sheet and fine prints

Thank You!

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