

Ohio Third Frontier Commission & Advisory Board Meeting

June 14, 2018



Development
Services Agency



Third Frontier
Innovation Creating Opportunity

Call to Order and Approval of 3/22/2018 Meeting Minutes

David Goodman (Chair)

Introduction of New Advisory Board Appointees

David Goodman (Chair)

New OTF Advisory Board Appointees

Ann Rittgers

Dr. Ryan Hays

New OTF Executive Director

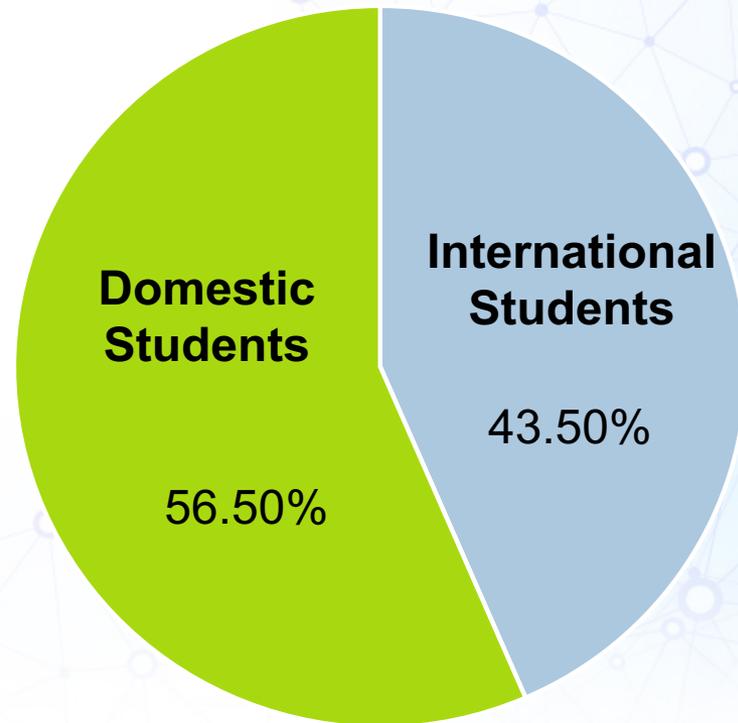
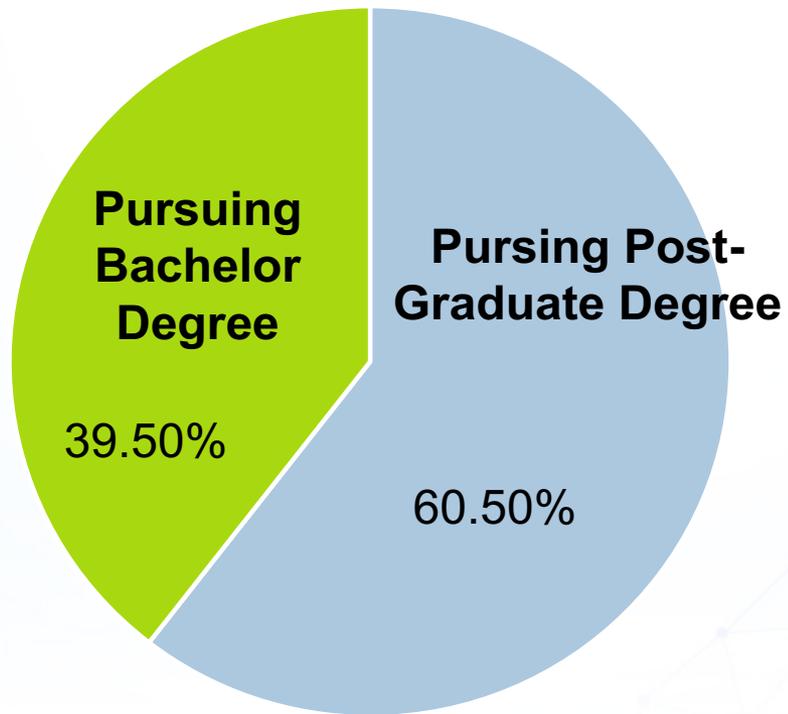
Edward Levine

Diversity & Inclusion Technology Internship Update

Padmini Roy-Dixon
Chief, Business Services Division

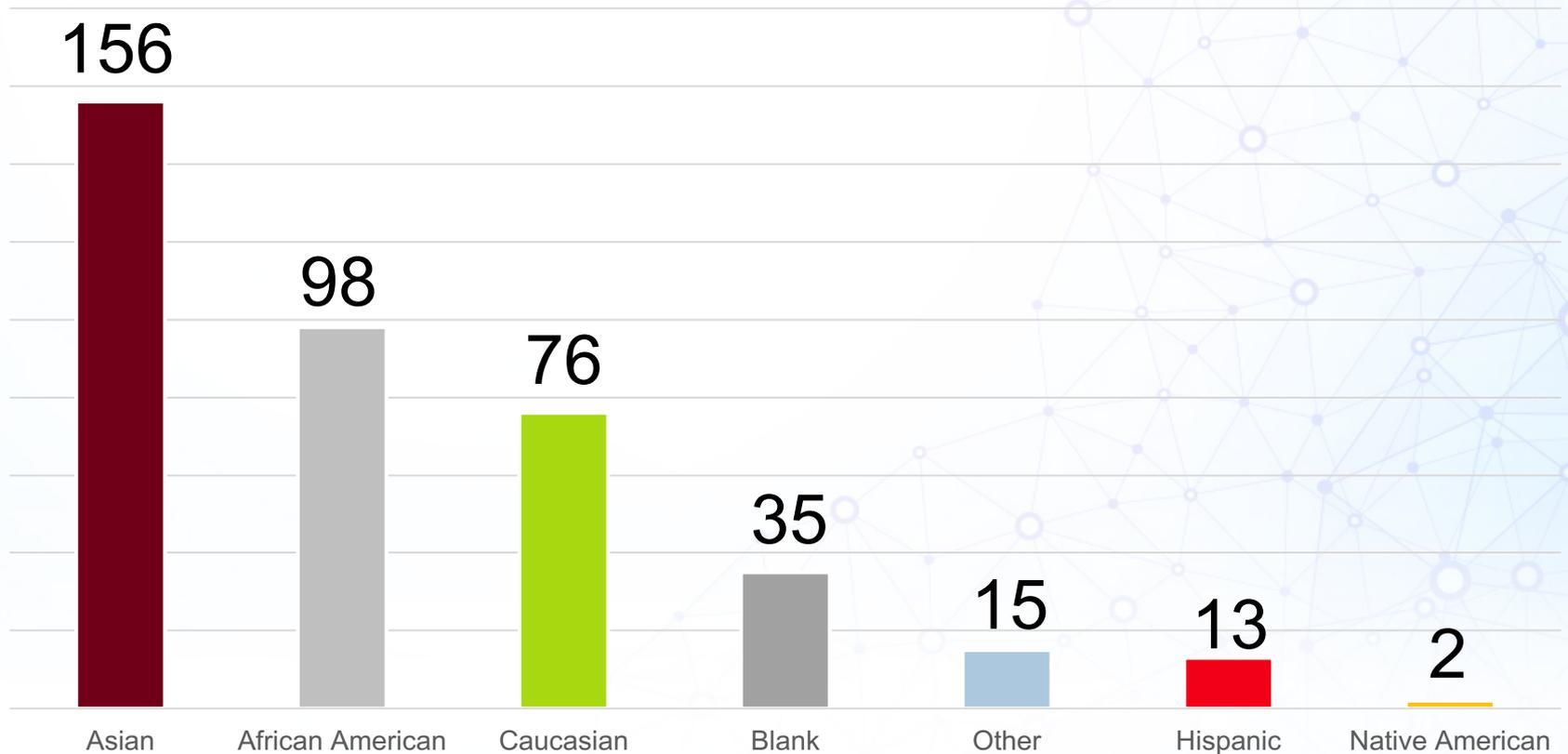
Diversity & Inclusion Technology Internship

395 Total Intern Applications



Diversity & Inclusion Technology Internship

395 Total Intern Applications



Diversity & Inclusion Technology Internship

224 Total Company Applications

0 – 4 Employees	102
5 – 15 Employees	71
16 – 100 Employees	36
100 + Employees	15

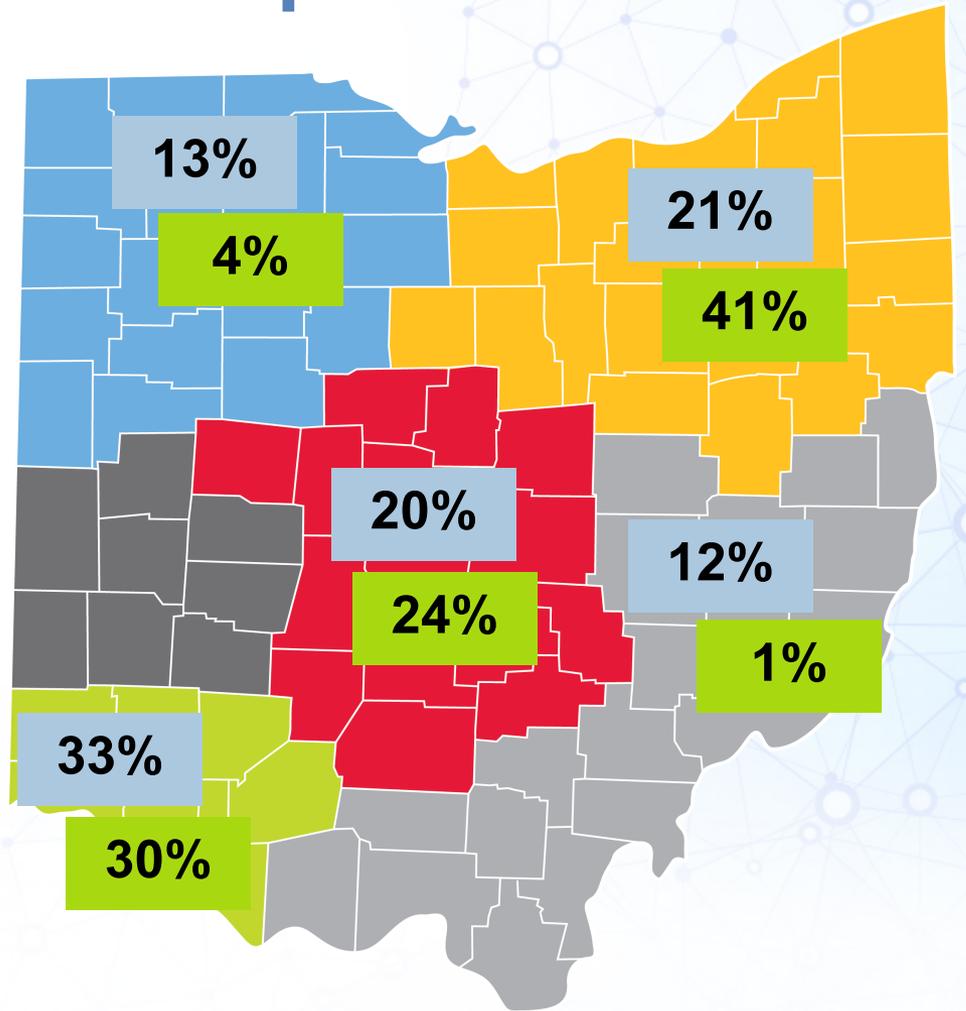
ESP Regions Participating: 5 of 5*

*Dayton/Cincinnati Combined

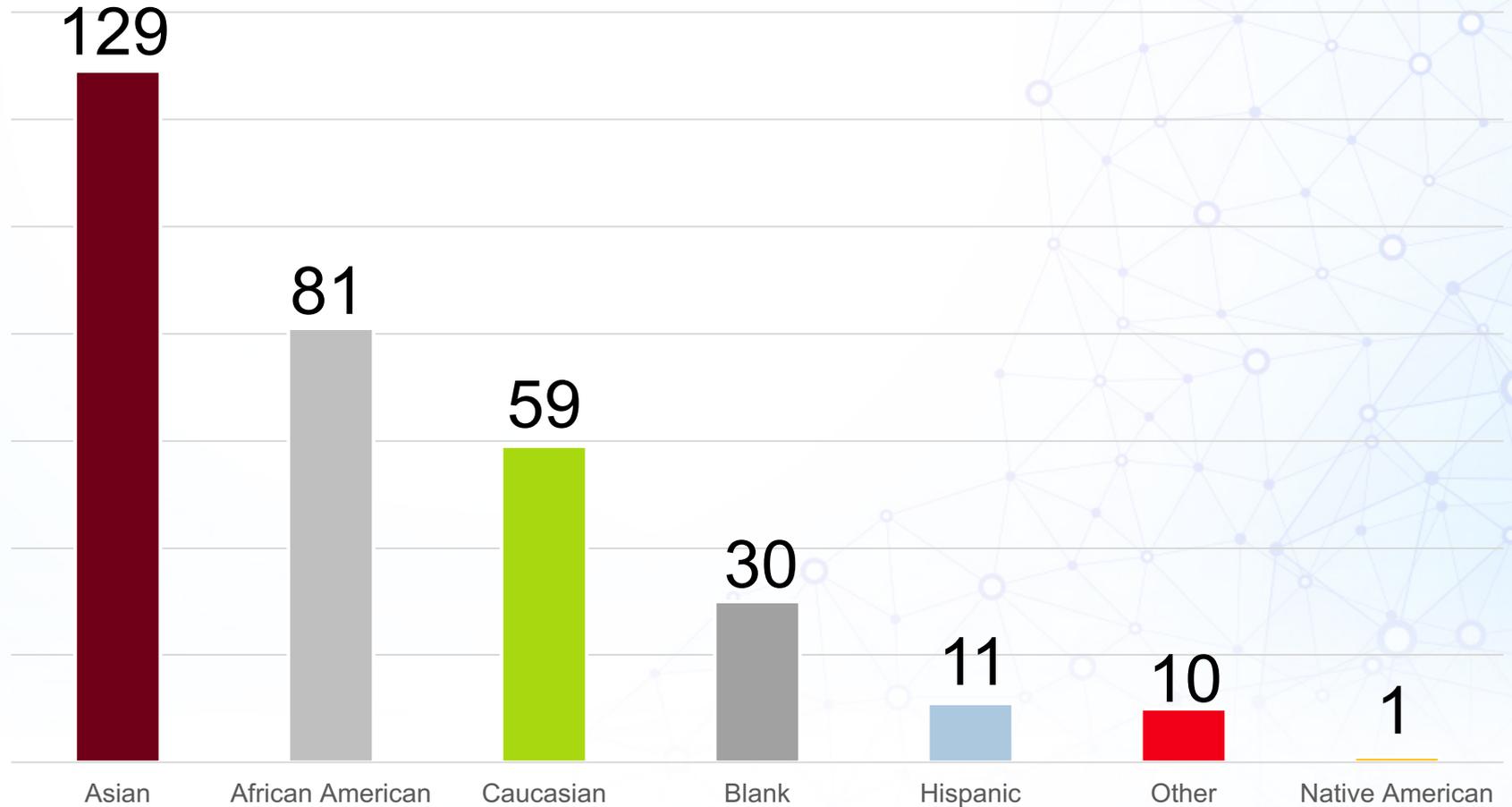
Diversity & Inclusion Technology Internship

Intern Requested Work Locations
% of total intern applications

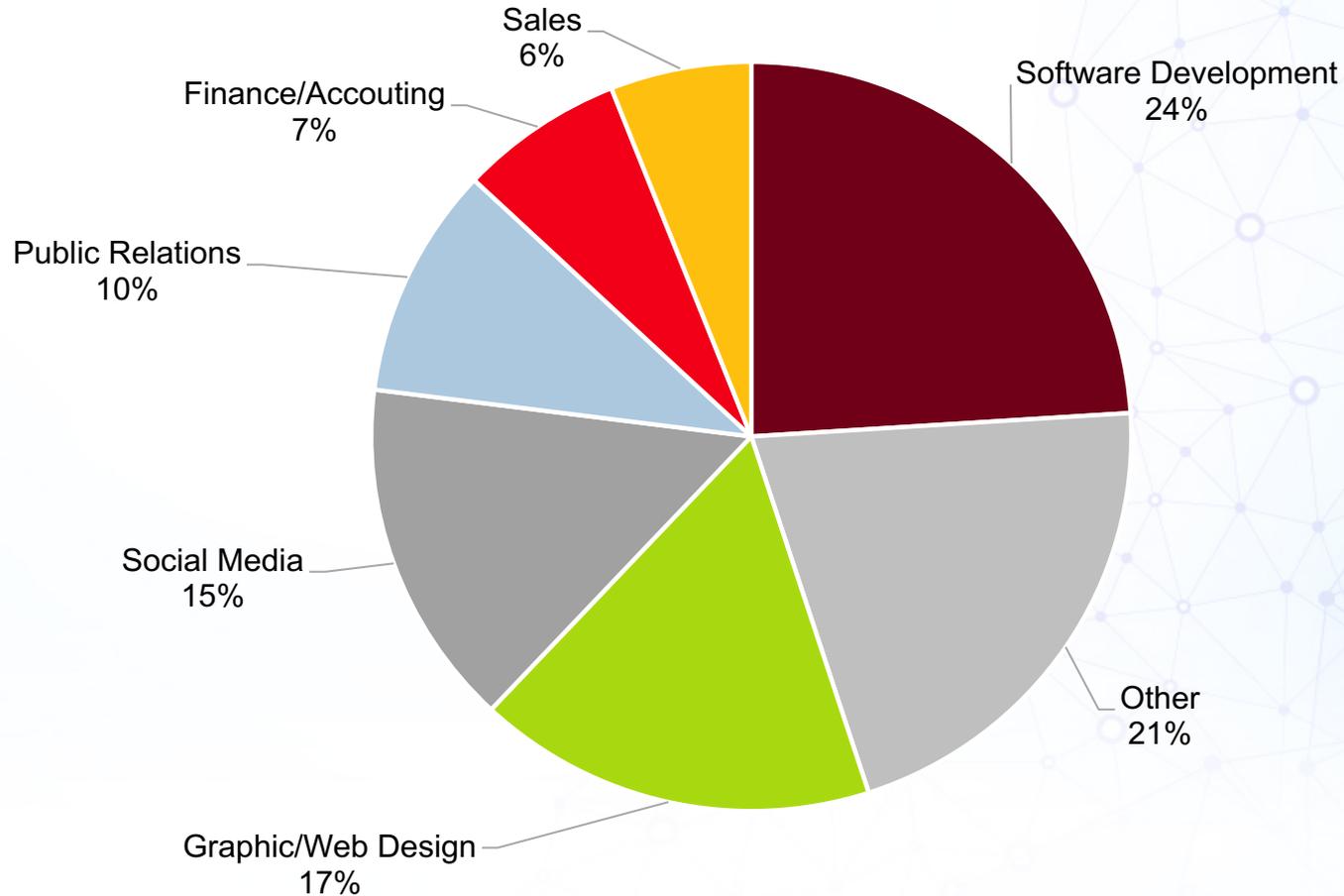
Company Locations
% of total company applications



Matched Interns



Intern Business Interests



Diversity & Inclusion Technology Internship

Matched and Hired Interns

38 hired

Anticipating over 50 by June 15 cut-off date

850% increase over past internship program

Venture for America Update

Elizabeth Brake

Erika Pryor



Ohio Third Frontier Fellowship Grant Report
June 14, 2018

Mission

Venture for America is creating economic opportunity in American cities by mobilizing the next generation of entrepreneurs and equipping them with the skills and resources they need to create jobs.

Approach

- We Recruit and Select Smart, Ambitious Recent Grads
- Train Them to Become Entrepreneurs
- Connect Them to Jobs in Cities that Need Talent
- Support Them in Starting Their Own Companies

Fellowship Recruitment

71%

Increase over
2017 with 2,418
applicants

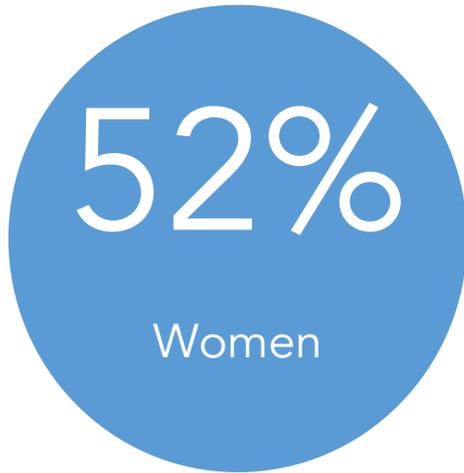
273

Schools
Represented

199

2018 Fellow Cohort

2018 Fellow Demographics



Gender	Number of Fellows	Percent of Fellows
Female	104	52%
Male	93	46%
Nonbinary	2	2%

2018 Fellow Demographics

Race/Ethnicity	Number	Percent
Latinx/Hispanic	13	7%
Black/African American	23	12%
Asian	41	21%
Middle Eastern/North African	3	2%
Two or more races	10	5%
White	120	60%

Total is greater than 100% because Fellows may identify Latinx/Hispanic ethnicity and race separately (as in Afro-Latino/a); therefore, 11 Fellows are counted twice.

Company Partner Recruitment

34

Ohio companies
have posted job
opportunities

	Company Partners	Job Opportunities
Cincinnati	12	18
Cleveland/Akron	17	22
Columbus	14	24

These company partners have posted positions to our Match platform as of April 30, 2018. We continue recruiting company partners through late June 2018 or until all 2018 Fellows have found jobs.

Other Grantee Activities

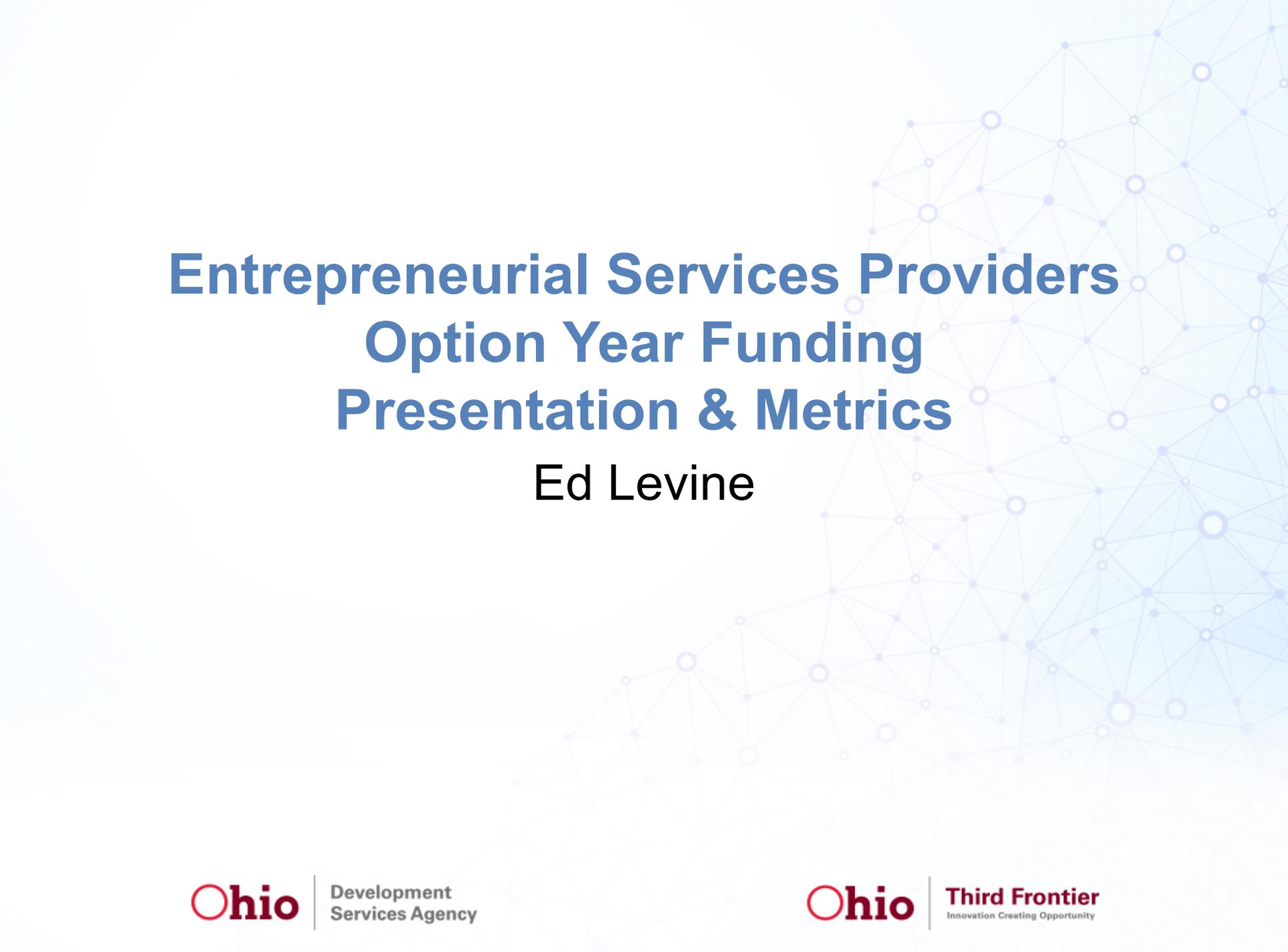
Hired Dr. Erika M. Pryor, Director of Columbus and Cincinnati. Since joining the team in early March, Dr. Pryor has:

- Recruited 12 company partners offering 25+ job opportunities,
- Held welcome receptions in Columbus and Cincinnati
- Worked closely with the recruitment team to execute the Midwest Job Fair, April 20 at Vue Columbus

- Elizabeth Brake, the former Director of Ohio, moved into a national role as the Senior Director of Company Partnerships as of April 13, 2018.
- She now leads the Match process and project-manages company sourcing across all VFA cities.

Other Grantee Activities

- Actively searching for a new [Director of Northeast Ohio](#).
- They will focus on the local Cleveland and Akron markets and needs.
- We have a robust pipeline of candidates and anticipate bringing a new director onboard in June 2018.
- Hired [Kathy Gledhill](#) as our new Director of Finance.
- Gledhill brings a wealth of experience in startup and nonprofit finance.
- She will lead establishing accounting and compliance processes to enable VFA to administer the Third Frontier Grant.

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Entrepreneurial Services Providers Option Year Funding Presentation & Metrics

Ed Levine

NEXTTECH
OHIO

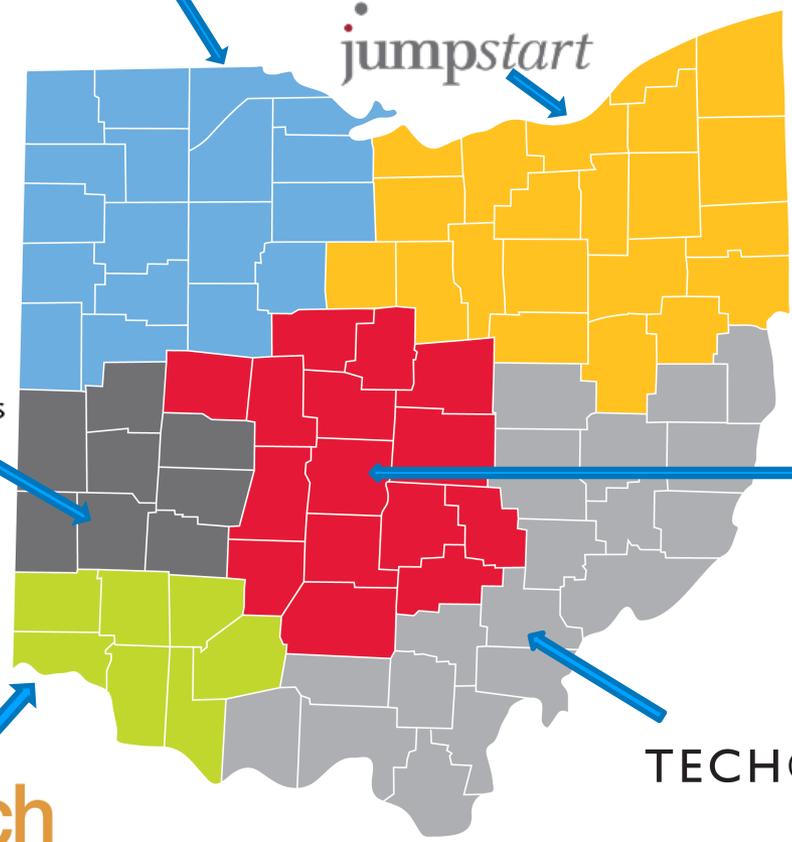
jumpstart

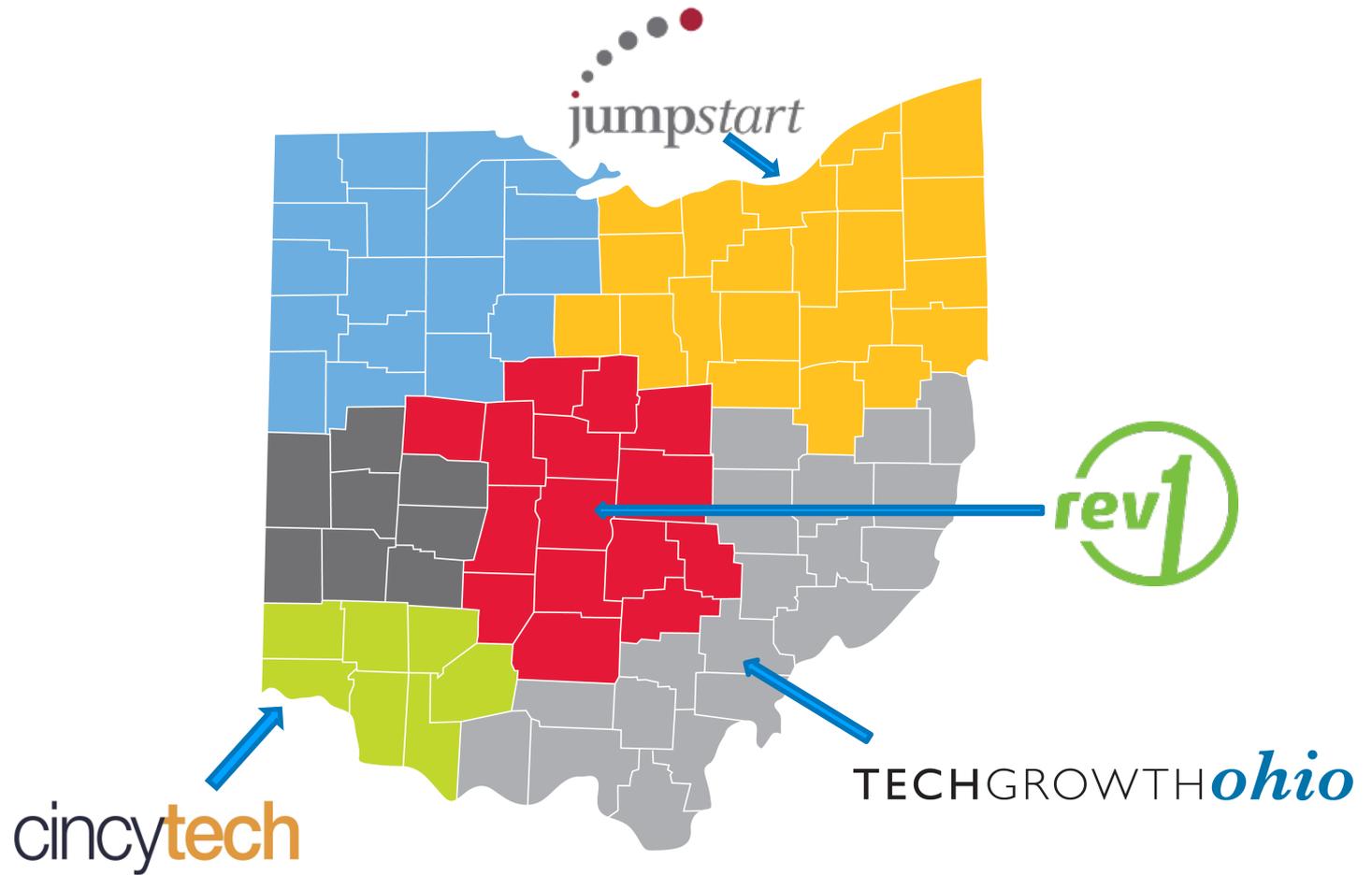
THE
Entrepreneurs
CENTER

rev1

cincytech

TECHGROWTH *ohio*





	Projected 2017	Actual 2017	Projected 2018	Updated 2018 Projection	Projected 2019	Updated 2019 Projection
New Ohio permanent, full-time jobs at Clients						
New Ohio 1099 contract jobs at Clients						
Total third-party professional investment raised by Clients (\$)						
Third-party professional investment attracted into Ohio(\$)						
New product sales (\$)						
Federal grants, licensing income and other revenue (\$)						
Qualified Deals ⁺						
Woman-owned/led ⁺⁺						
Minority-owned/led ⁺⁺						
Rural ⁺⁺⁺						
Active Clients ⁺⁺⁺⁺						
New Clients						
Woman-owned/led ⁺⁺						
Minority-owned/led ⁺⁺						
Rural ⁺⁺⁺						
New Clients attracted to Ohio						
New Clients that are research institution spinouts						
Number of Clients that raise at least \$250,000 in third-party professional investment capital						
Number of Clients that raise at least \$1 million in third-party professional investment capital						

Metrics Definitions

- Qualified Deal must meet the following requirements:
- Technology-based or technology-enabled opportunity in the Imagining, Incubating or Demonstrating phases of commercialization;
- Significant potential to create jobs, attract capital or achieve product sales and move to a point of sustainability after the engagement;
- Completed online application form; and
- Initial assessment of the opportunity by the Lead Applicant and/or the Collaborators through a direct interaction with the entrepreneur(s).
- ** At least 30% ownership and/or CEO/President position.
- *** Outside a Metropolitan Statistical Area.
- **** Active Client – Client that is actively receiving services from the Lead Applicant and/or the Collaborators.

Budget v. Actual CY2017

Budget Categories	CY2017		Actual Expenditures v. State Budget
	Approved State Funds Budget	Total Expended Budget CY2017	
Personnel/Fringe			
Supplies			
Purchased Services			
Travel			
Other Direct Costs			
Subtotal			
Indirect			
Subcontract/Subgrant			
Total Operating	\$ -	\$ -	



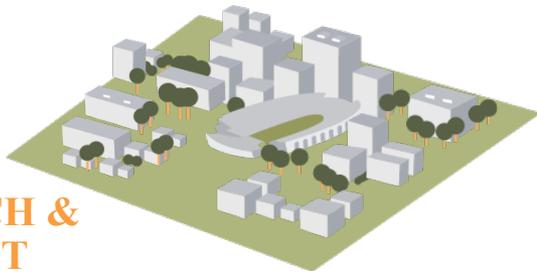
Central Ohio ESP Update

June 2018

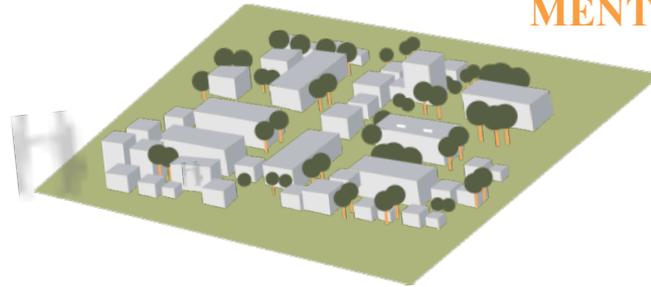
JUNE 2018

BACKYARD EFFECT

RESEARCH & TALENT

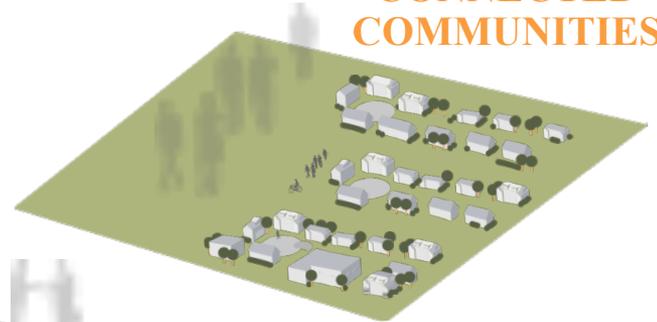


STARTUPS

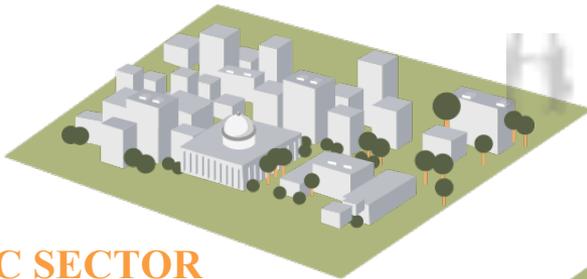


EXPERIENCED SERVICE PARTNERS & MENTORS

CONNECTED COMMUNITIES



PUBLIC SECTOR SUPPORT



CORPORATE PARTNERS



*Data is 2017 - Current



Central Ohio ESP Impact

2014 - Current

	<p>\$20.4MM ESP Grant \$9.9MM Loan Drawn</p>	<p>630 Clients</p> <p>76 Unique Companies Funded</p> <p>900 Total Net New Jobs</p> <p>\$79K Average Salary</p>
<p>Private Contributions to Rev1</p>	<p>\$37MM</p>	
	<p>\$24.2MM Invested</p>	
<p>Impact</p>	<p>\$482MM Capital Attracted \$562MM Revenue Generated</p>	
<p>Total</p>	<p>\$1.04B Investment + Revenue</p>	
<p>ROI</p>	<p>34:1 Total Leverage</p>	



Central Ohio ESP Impact

2017 - Current

	<p>\$8.86MM ESP Grant \$3.49MM Loan Drawn</p>	<p>275 Clients</p> <p>37 Unique Companies Funded</p> <p>277 Total Net New Jobs</p> <p>\$79K Average Salary</p>
<p>Private Contributions to Rev1</p>	<p>\$14MM</p>	
	<p>\$10.4MM Invested</p>	
<p>Impact</p>	<p>\$169MM Capital Attracted \$111MM Revenue Generated</p>	
<p>Total</p>	<p>\$280MM Investment + Revenue</p>	
<p>ROI</p>	<p>22:1 Total Leverage</p>	



Our Investor Startup Studio



TEAM

Building Capacity

- \$860,500 Discounted Services Provided
- **19 Executives Placed**
- 2,693 Mentor Hours



CONNECTIONS

to Customers

- **41 Corporate Partners**
- 40+ Pilots & Contracts



CAPITAL

Access

- 37 Companies Funded
- \$90MM+ Capital under Management, \$60MM New
- **91 New VC, Strategic, and Angel Co-investors**



SPACE

Startup & Scaleup

- 50+ companies, 100% capacity
- **Residents raise 28% more capital**
- 35% Annual Churn

*Data is 2017 - Current



CORPORATE COMMITMENT



260

Opportunities Reviewed

50

Clients Assisted

18

Spinouts Funded

\$2.8MM

Invested in Spinouts

\$80.2MM

Raised by Spinouts

*Data is 2017 - Current

COMMERCIALIZATION Since 2017



THE OHIO STATE UNIVERSITY

30% Increase in Spinouts YoY;
200% Increase since 2011



NATIONWIDE CHILDREN'S

Spinout company market value
increased over \$4B in last 6 months



OhioHealth



Third Frontier
Innovation Creating Opportunity

\$150MM

Third Party Capital Raised

21

New VC & Strategic Co-Investors

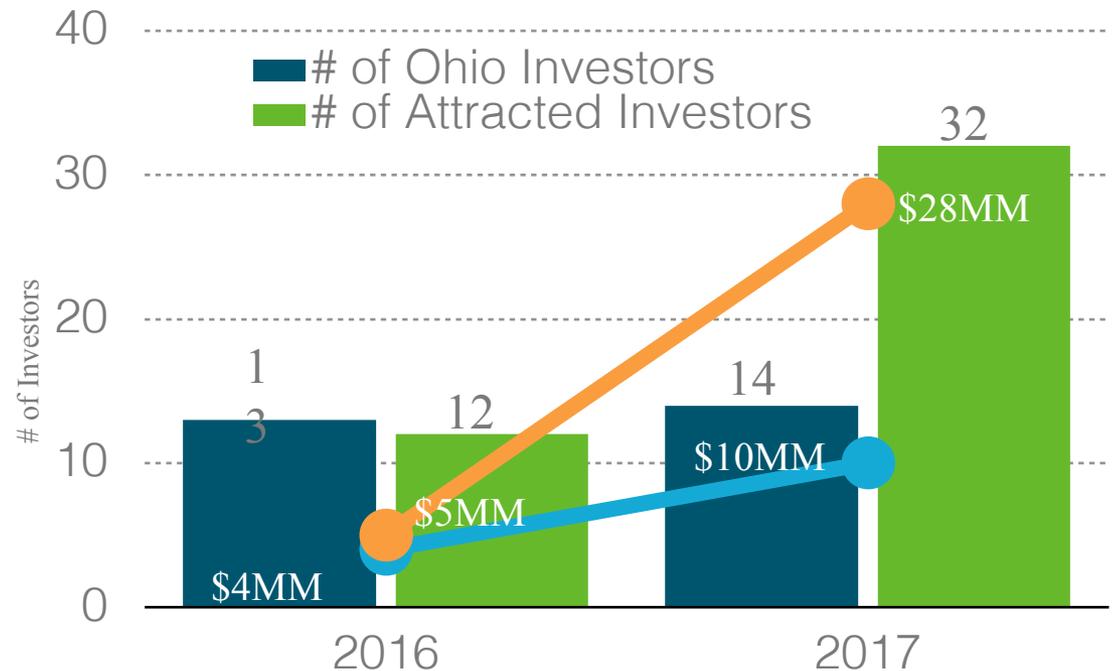
70+

New Angel Co-Investors

*Data is 2017 - Current

GROWING CO-INVESTOR NETWORK

Improving Long-Term Capital Access



Ohio | **Third Frontier**
Innovation Creating Opportunity

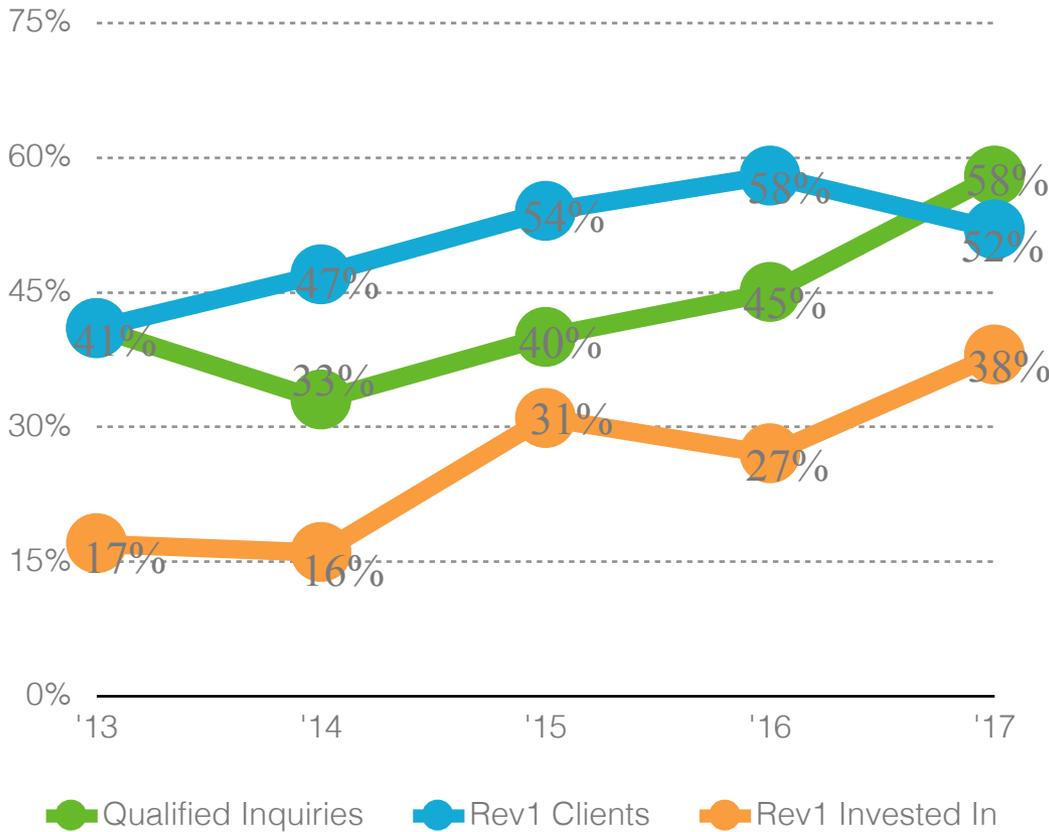


120+ ACTIVE CLIENTS | COMPANIES TO WATCH

	Source	Year		Stage	
		Engaged	Invested	Engaged	Current
	Community	2008	2009	Concept	Growth
prevedere	Community	2010	2012	Concept	Early
	Community	2016	2017	Concept	Seed
	Nationwide Children's	2016	2017	Concept	Phase I/IIA
	The Ohio State University	2012	2014	Concept	Seed

*Data is 2017 - Current





*Data is 2017 - Current ; Inclusion is defined as a company with a woman, minority, or veteran founder/inventor.

INCLUSION AT CORE

38% Diverse Portfolio

<BLK hack>

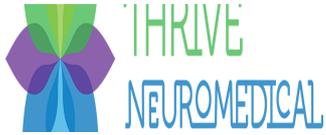


i.c.stars |*
COLUMBUS

REACH™ for
Commercialization



Third Frontier
Innovation Creating Opportunity



“Entrepreneurial and focused on value creation and business planning for success. Very supportive of the entrepreneur.”



“Rev1 has been an outstanding partner in every way. As an investor, board member, advisory resource, and land lord.”



FULL CYCLE Rx

“Rev1 brings a full service VC to a region where you might not expect that. They are patient with and helpful to first-time entrepreneurs, whereas others may take advantage.”



“The support we have received from Rev1 has been amazing and critical in our success to this point.”



“Rev1 provides sound counsel and advice to startups and is able to assemble requisite resources as they are available. It is an impressive group of professionals.”

*Data is 2017 - Current

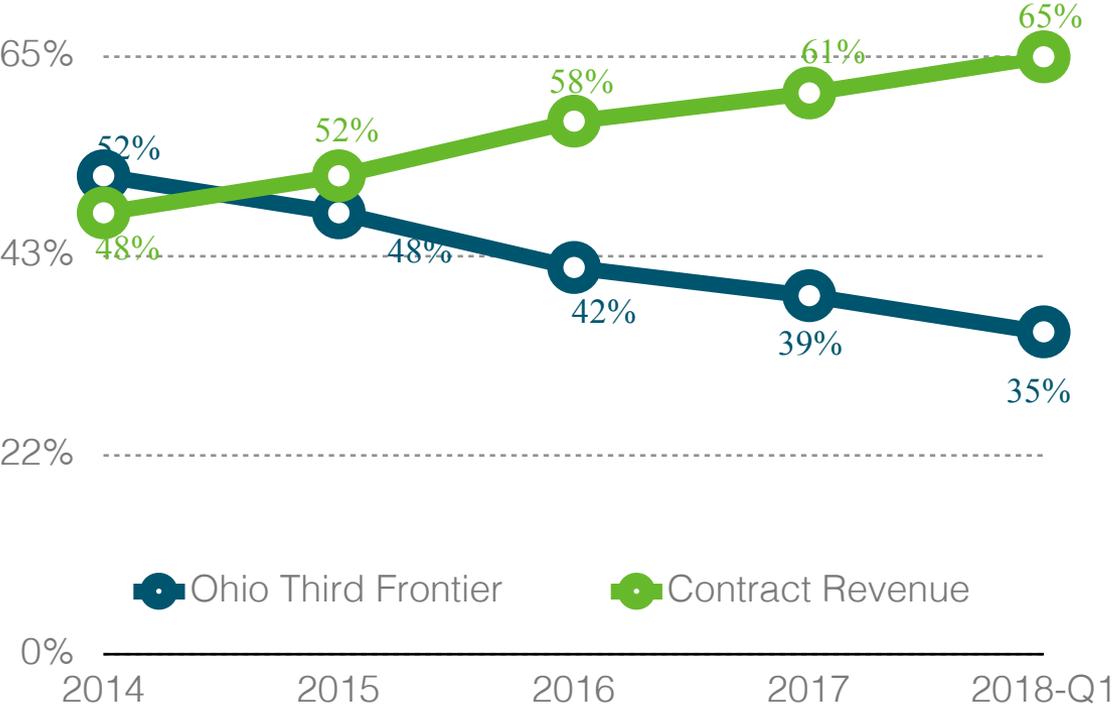
Voice of the Entrepreneur

73 Net Promoter Score

Compared to NPS of 45 for Financial Service Industry



SUSTAINABILITY via DIVERSIFICATION



*Data is 2017 - Current



**Fortune 500
Food & Agtech
Company**



COLUMBUS

#1

FASTEST GROWING
CITY FOR
STARTUP ACTIVITY

Kauffman
Foundation
2015

COLUMBUS

#3

CITY FOR GROWTH
ENTREPRENEURSHIP

Kauffman
Foundation
2017

COLUMBUS

#1

SCALING
STARTUPS

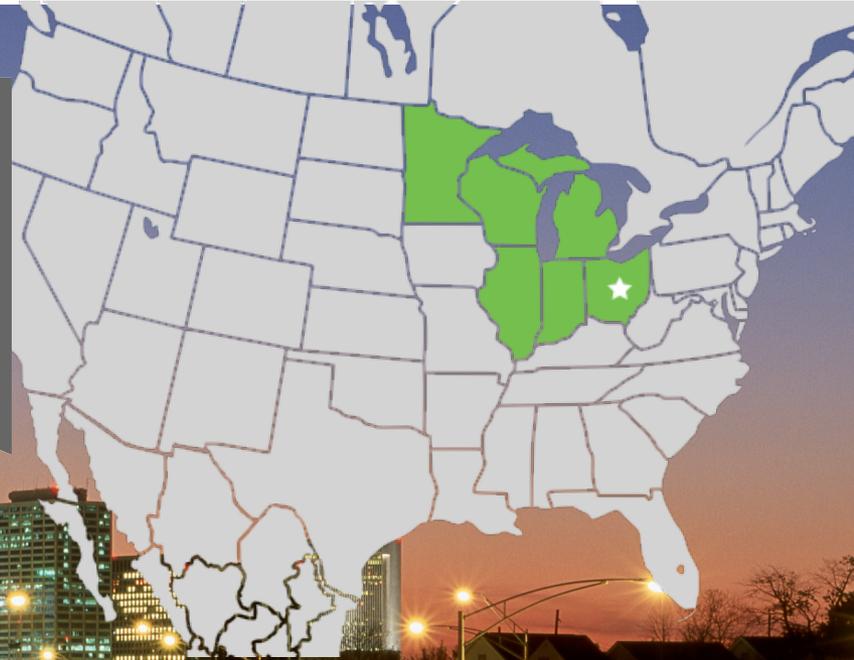
Kauffman
Foundation
2016 - 2017

Rev1

#1

MOST ACTIVE
VC IN GREAT
LAKES REGION

PitchBook
2015 - 2017



 PitchBook





Questions?

cincytech

Southwest Ohio ESP Update June 2018



Third Frontier
Innovation Creating Opportunity



ESP Collaborators

Name	Vintage	Impact
	2000	Affordable, flexible space and daily support for 50+ startups
	2006	Seed stage investment, full life-cycle syndication and advice for regional startups (75 companies, \$600mm)
	2009	Recruiting startups to SW Ohio from around the world (50+)
	2013	Increasing deal flow and advancing innovations from \$190mm in research and 40,000 students
	2013	Connecting Startups and BigCos, bringing VCs to the region w/ Syndicate Fund, driving top of funnel activity
	2017	Recruiting diverse founders from across the country to SW Ohio, providing programming and support for relocated startups

**Global Leader
in Pediatric
Research**



External
Research
Funding
(\$218mm)

- **629 Beds**
- **1.3mm Patient Encounters**
- **\$650mm Expansion**



- **10 Startups**
- **\$160mm+ Capital Raised**
- **Accelerating Deal Flow**



University of
CINCINNATI

- **\$193mm External Research Funding**
- **40,000+ Students**
- **New Innovation and Commercialization Leadership**
- **1819 Building - New Innovation Center**
- **\$120mm Lindner College of Business**



State Investment in SW Ohio

Operating Grants + Local Grants
\$20mm + \$16mm

270+ Startups

CONNEXUS

STACK

enable injections

ReadySet Surgical

ACTION STREAMER

Eccrine Systems, Inc. SWEATRONICS

LOSANT

AIRWAY THERAPEUTICS

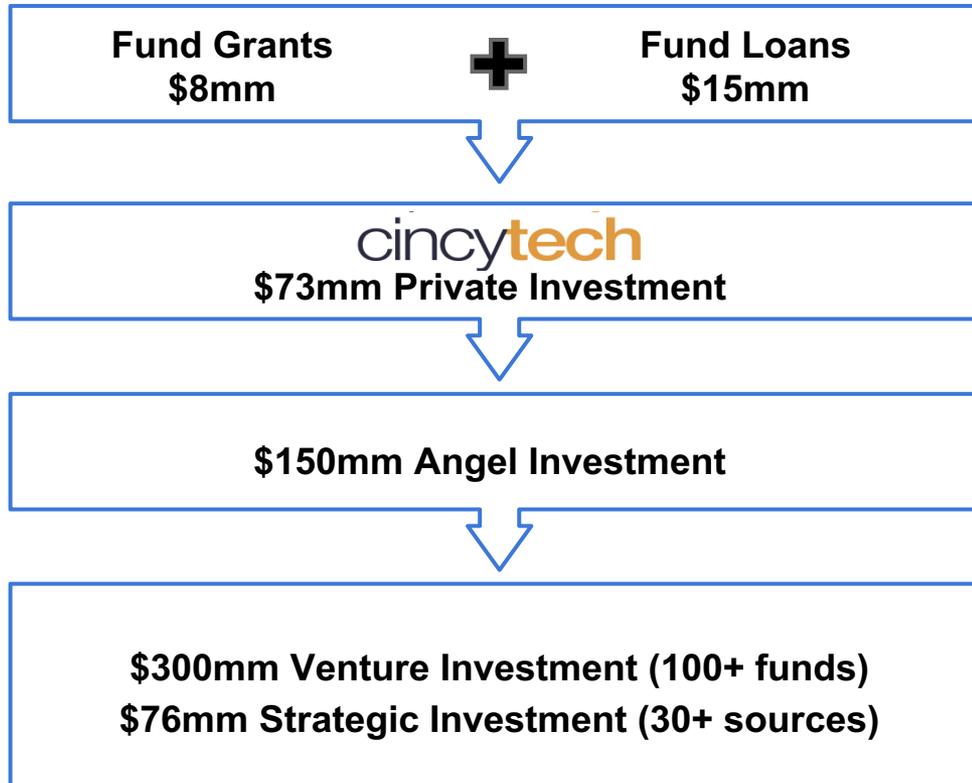
Genetesis SCIENCE MADE PERSONAL

CLADWELL

2000+ Jobs



Global Investment in SW Ohio



SEQUOIA CAPITAL
THE ENTREPRENEURS BEHIND THE ENTREPRENEURS

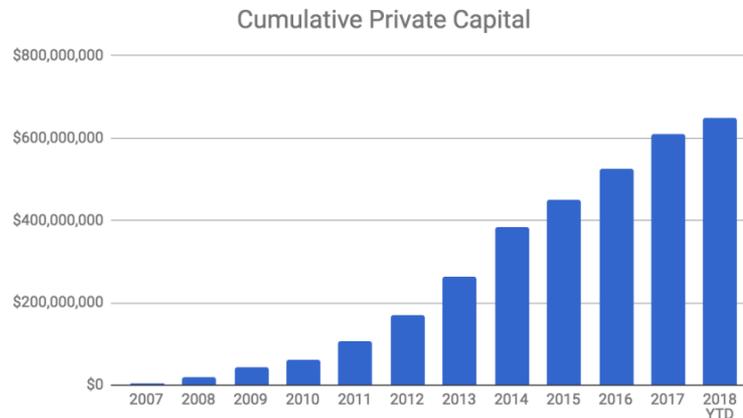
intel capital

techstars

NVF
FUNDED BY NOVARTIS

Cumulative Private Capital

\$23mm Ohio Third Frontier



\$600mm Private Coinvestment
(\$230mm since 2016)

High Potential Companies

Company	Market	Source	Invested
Airway Therapeutics	Biologic Drug	Cincinnati Children's	2011
Enable Injections	Drug Infusion	Cincinnati Children's	2009
Eccrine Systems	Sweat Sensor	University of Cincinnati	2014
Myonexus	Gene Therapy	Nationwide Children's	2017
Losant	Internet of Things	Network/Brandery	2016
Genetesis	Medical Imaging	Network	2016
Undisclosed Newco	Medical Imaging	Cincinnati Children's	2017
STACK	Construction Mgmt	Network	2013
LISNR	Authentication	Network	2012
ConnXus	Supplier Risk Mgmt	Network	2011
ReadySet Surgical	Surgical Cost Mgmt	Network	2016
Standard Bariatrics	Surgical Device	UC Health	2016

Questions

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TECHGROWTH *ohio*



CASE FOR OPTION YEAR FUNDING

OHIO THIRD FRONTIER COMMISSION MEETING

JUNE 14, 2018

Ohio University Voinovich School of Leadership & Public Affairs

CASE FOR OPTION YEAR FUNDING

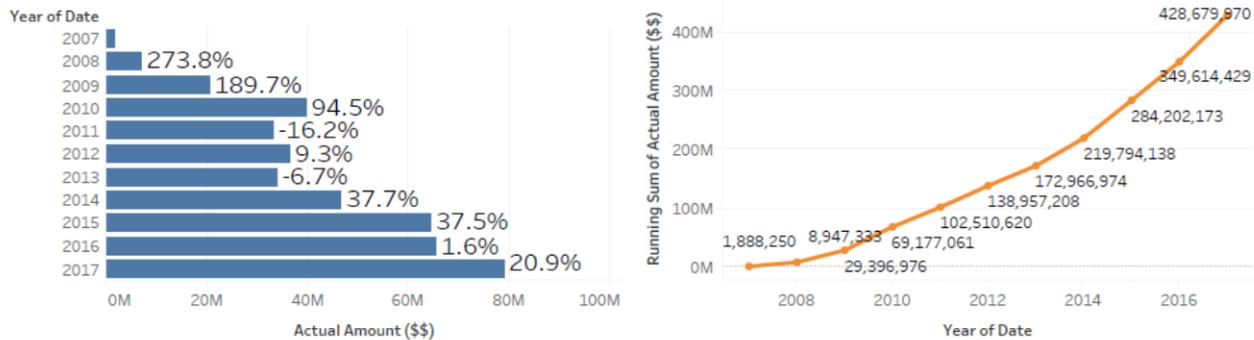
- 1) Successful Operational Performance in 2017
- 2) Organizational Strength & Record
- 3) Platform for Ecosystem Growth
- 4) Plans for Remainder of 2018 & 2019

SUCCESSFUL OPERATIONAL PERFORMANCE

- ✓ Met or beat key metrics goals in 2017
- ✓ Operating under budget

TECHGROWTH *ohio*

2017: Best Quarter, Best Year

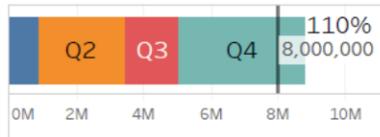


State Leverage Ratio: 20.0 to 1

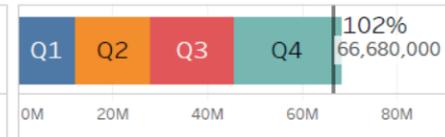
A-Metric Actual vs Target



Investment Actual vs Target



Revenue Actual vs Target



Other Actual vs Target



CONFIDENTIAL

ORGANIZATIONAL STRENGTH & RECORD

- ❑ Parent organization, Ohio University, a major engine of economic growth in communities, region and state
- ❑ TechGROWTH is only venture development service provider in southeast Ohio; has track record, trust and experience
- ❑ Manages TechGROWTH Ohio Fund – continued alignment of services and capital in 2018 & 2019

PLATFORM FOR ECOSYSTEM GROWTH

TechGROWTH Ohio has spun out, helped start, enhanced and strengthened these organizations to build out the southeast Ohio entrepreneurial ecosystem



- OU Center for Entrepreneurship
- I-Corps@Ohio
- Ohio Innovation Fund
- Spark 560 Accelerator (f/k/a MCBI)
- LIGHTS Program
- Social Enterprise Program
- OU Innovation Center
- OU Tech Validation & StartUp Fund

PLANS FOR REMAINDER OF 2018 & 2019

1. Accelerated work with OU Tech Transfer Office to advance more research and technologies to market:
 - Specifically recruited and embedded EIRs for selected technologies
 - Related to I-Corps@Ohio and TVSF efforts
2. Accelerated work through GROWTH Funding awards to client companies (structured grant funding under purchased services)
3. Accelerated work to finish deployment of current TechGROWTH Ohio Fund pre-seed award
4. Accelerated budget spend to fill and repurpose vacant positions aligned with above

THANK YOU !

TECHGROWTH *ohio*

Ohio University Voinovich School of Leadership & Public Affairs

Jerry Frantz

Senior Managing Partner,
Entrepreneurial Services & Investing
JumpStart



jumpstart

NEO ESP Program Update

June 14, 2018

Northeast Ohio ESP Overview

13

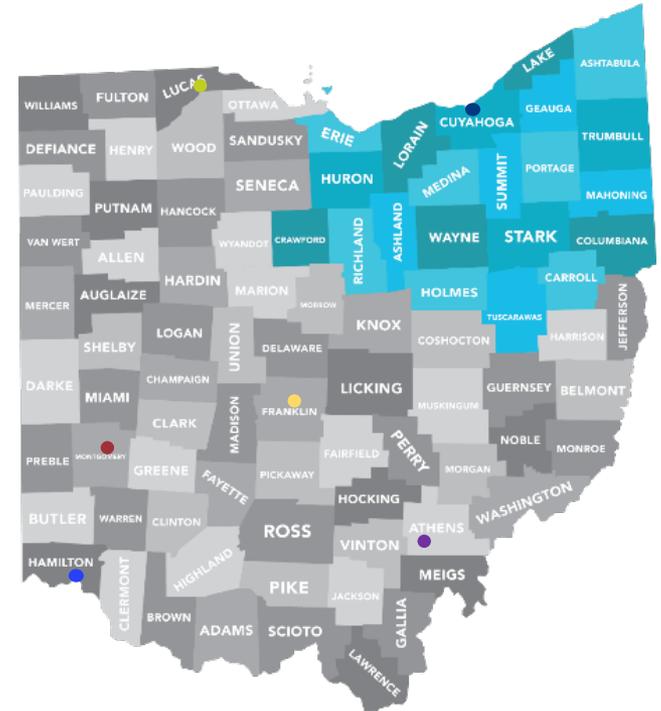
- Collaborators

21

- Counties

~38%

- Of Ohio GDP



2017: ESP Delivering Robust Results

**Inclusive deal flow
yields high potential
clients for NEO ESP
service providers**

453

Qualified
Deals

26% Women-led
28% Minority-led

130

New
Clients

35% Women-led
34% Minority-led

738

New Jobs

\$301M

Revenue

\$1.6B

5 Exits

2017: NEO Exit Highlights

Pipeline is delivering exits including Ohio's first Unicorn

Company	Amount	Acquirer	Years in Network
	\$1.1B+		8
 The Makers of 	Undisclosed		12
	\$40M		8

2017: NEO ESP Partnerships Expand

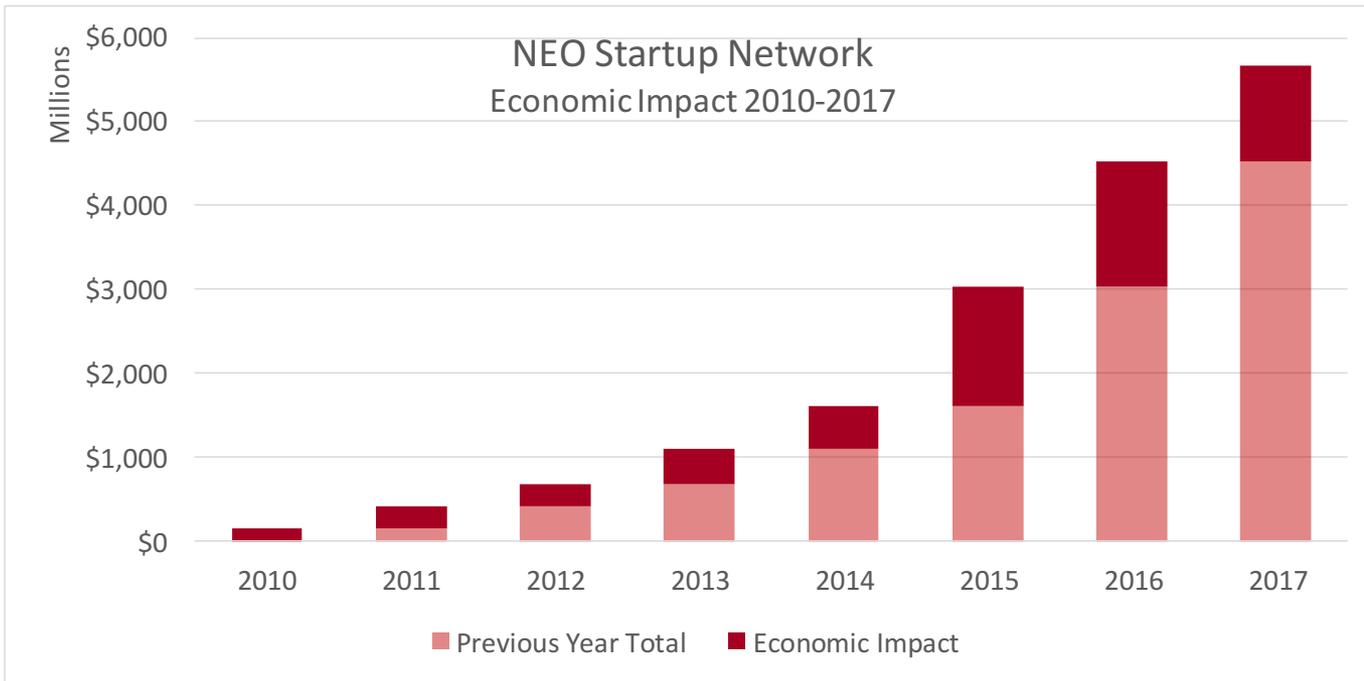
KeyBank makes 4-year, \$20M commitment!



Statewide Impact In The Billions

\$5.6B

Statewide Economic Impact Generated
by NEO ESP Companies Since 2010



CY 2017 Totals

\$1.1B

Economic Impact

\$102M

Taxes

\$287M

Household Earnings

Source: Maxine Goodman Levin College of Urban Affairs, Cleveland State University Based on IMPLAN model which calculates direct, indirect and induced impacts

2019 Plan: Accelerate Our Momentum

Deepen Corporate Connections

- Leverage Plug and Play, America Makes, Global Health Innovation Center to connect startups to Ohio corporations seeking innovation

Drive Research Institution Tech Commercialization

- Deliver services to guide promising technologies toward commercialization
- Align ESP with TVSF, OFRN and I-Corps@Ohio

Intensify Growth and Exit Planning

- Support scaling companies with growth and exit planning

Expand Access to Capital

- Collaborate with partners to showcase highest potential startups

Continue Statewide, Inclusive Collaboration

- KeyBank Center for Technology, Innovation and Inclusive Growth
- Source diverse talent from intern to C-suite

NEO ESP 2019 Metric Projections

**Sustain and grow
strong pipeline focused
on highest potential
clients to generate
outcomes**

450

Qualified
Deals

138

New
Clients

585

New Jobs

\$425M

Revenue

\$215M

Capital

NEO ESP 2019 Metrics

	Actual 2017	Updated 2018 Projection	Updated 2019 Projection
New Ohio permanent, full-time jobs at Clients	441	350	375
New Ohio 1099 contract jobs at Clients	297	200	210
3rd-party professional investment raised by Clients	\$267M*	\$210M	\$215M
3rd-party professional investment attracted to Ohio	\$78M*	\$75M	\$75M
New product sales (\$)	\$301M	\$380M	\$425M
Qualified Deals	453	450	450
Active Clients	381	385	385
New Clients	130	133	138
Woman-owned/led	46	46	46
Minority-owned/led	44	44	44
Rural	4	6	6
New Clients attracted to Ohio	1	6	7
New Clients that are research institution spinouts	28	28	28
* Excludes exits			

Some CY18 & CY19 projections are lower than CY17 actuals due to exited high growth companies who no longer complete surveys.

Other Business

Ed Levine



Adjourn – Thank you

David Goodman