Innovation Programs Highlights

- NJEDA has **18 innovation programs** along with **6 programs** from CSIT.

- New Jersey offers a **continuum of support**, servicing businesses across all stages, from pre-seed to angel funded through venture capital backed companies.

- Programs are geared toward **strengthening components of the innovation ecosystem and stimulating job growth in New Jersey**.

- Support ranges from **capital access** and **technical assistance** to **place-based** and **ecosystem-building**.

- Several financing programs with a focus on **companies with prior investment activity or actively seeking investment**.

- CSIT predominantly focused on the **earliest companies** and **university commercialization**.

- Executing the **Governor's Fairer and Stronger Economic Development plan**.
Programs guided by two key strategies...

1. Continuum of Support:
New companies have a development life cycle. The NJEDA identified three distinct stages and built products providing targeted support at each stage.

2. Essential Economic Assistance:
The innovation economy requires various inputs to function. The NJEDA identified 5 critical areas to drive growth.
An Innovation Company in Phases...

Phase I: Pre-Seed
- ✓ Ideation - MVP – Alpha/Beta - Pilots
- ✓ Developing business organization
- ✓ Looking for guidance and support

Phase II: Early-Stage
- ✓ Product-market fit and traction
- ✓ Assembled core team – Growing employees
- ✓ Formal business structure

Phase III: Venture
- ✓ Already raised professional investments
- ✓ Can show growth & Looking to scale – revenue, customer-acquisition, employees
Programs guided by two key strategies...

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## Essential Components of the Innovation Economy

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<thead>
<tr>
<th>Ecosystem Building</th>
<th>Technical Assistance</th>
<th>Capital Access</th>
<th>Place-based</th>
<th>DE&amp;I</th>
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<tbody>
<tr>
<td>Develop Community Relationships - corporations/startups/Investors/universities/etc.</td>
<td>Tailored innovation programming</td>
<td>Direct financial support or investment – Grants/Notes/Tax Credits</td>
<td>Provide Space - coworking/office/Labs/etc</td>
<td>Targeted support to underserved communities.</td>
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<td></td>
<td>Access to mentorship and guidance</td>
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<td>Anchor programming and events</td>
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Highlighted Initiatives
NJ Founders and Funders
https://application.njeda.com/tls/

Program Overview:
Organized to facilitate warm introductions between New Jersey’s emerging technology companies and local investor community.

Event Highlights:
Companies will have scheduled 10 minute meetings with industry and stage appropriate investors.

Requirements:
To participate, a company must
• Be registered to do business in NJ
• Provide a 1 to 2 page Executive Summary
• Pre-register on the program website

Planning to resume in 2022
Golden Seeds

Program Overview:
Angel investor group dedicated to funding high-potential, women-led businesses.
Hosts office hours once a month for companies to pitch and receive feedback from members in the New Jersey Chapter.

>30
Members in the New Jersey chapter 90% attend office hours regularly.

>100
Connections between NJ Entrepreneurs and the New Jersey Chapter

17 NJ companies progressed beyond office hours.
Nationally, Goldenseeds has made 18 new investments in 2021.

NJ chapter invested almost $4.5 million in 2020
NJ Accelerate

Program Overview
Partner with best-in-class accelerator programs to provide access to NJ entrepreneurs and to support program graduates locating in the Garden State.

Accelerators - Curriculum, Cohorts, Fixed-term, Investment
Programs Nation-wide can apply

Benefits for Approved Accelerators

Promote Approved Accelerator program opportunities to the NJ innovation ecosystem
Cost-Sharing Sponsorship to host programmatic events in NJ

Benefits for Graduates of Approved Accelerators

Direct Funding Convertible note, matched 1:1 with Accelerator up to $250,000
Rent Support 50% of lease, up to 6 months at an approved NJ Ignite space

BENEFIT BONUSES for Diversity, Equity, and Inclusion
**NJ Ignite: Incubator / Collaborative Workspace Rent Initiative**

**Program Overview**

Provides a rent grant to early stage technology to in an approved NJ workspace.

- Over 20 approved collaborative spaces
- At least 50% of first lease will be free to the startup (Max least year of 18 months)

**COMPANY MUST**

- not have previously located in a collaborative facility
- Have less than $1M in Rev
- Be less than 7 years old

- Have 10 employees or less
- Have at least 1 employee in the office
- Be in a targeted industry

An additional month of support for:

- Workspaces Located in Opportunity Zones, Affiliated with NJ hospitals or Universities, Established Recently
- Businesses certified WMBE or Foreign new to the U.S.
Angel Tax Credit

Program Overview:
Investors in a qualifying NJ emerging technology or life science business may benefit from a 20%-25% investment tax credit.

Program requirements
- Full time employees
  - at least 1 no more than 225
  - 75% in New Jersey
- Must be an emerging technology – commercializing an eligible technology
- Investment must be a non refundable transfer of cash
- Fully submitted application within 6 months of closing investment
- Bonus for WMBE or Opportunity Zone companies

$659 Million
total investment leveraged

1,856
Angel investments
Program Overview:
Enables unprofitable NJ-based technology or biotechnology companies to sell a percentage of accrued losses to unrelated profitable corporations.

Tech or biotech companies with:
- At least 1/5/10 FTE working in NJ
- No more than 224 FTE in the US
- PPIP
- 2 consecutive years of operating losses
- CPA prepared financial statements
- Taxable corporate structure

$75M allocated annually
$1B+ to OVER 570 companies since program start
Direct Company Investment

Program Overview:
Convertible note financing to bridge funding gaps and/or drive rapid growth. Always matched to an outside funding round. Comes with warrant for future equity.

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<th>Edison Innovation Funds</th>
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<tr>
<td><strong>NJ CoVest Fund</strong></td>
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<tr>
<td>$100K-$250K Notes</td>
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<td>Match 1 to 2</td>
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<td>Unsecured</td>
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<td>Angels &amp; Funds</td>
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<tr>
<td>Sales Revenue</td>
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<td>FT Employees – 50% NJ</td>
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| **Angel Growth**        |
| $250K Notes             |
| 5yrs                    |
| Match 1 to 2            |
| Secured                 |
| Angels                  |
| Sales Revenue – Min $250K |
| FT Employees – 75% NJ   |

| **VC Growth**           |
| $1M Notes               |
| 5yrs                    |
| Match 1 to 1            |
| Secured                 |
| Funds                   |
| Sales Revenue – Min $1M |
| FT Employees – 75% NJ   |

| **Growth Stars**        |
| $500K Notes             |
| 5yrs                    |
| Match 1 to 1            |
| Secured                 |
| Funds                   |
| Sales Revenue – Min $2M |
| FT Employees – 75% NJ   |
NJ BioScience Center

Program Overview:
Developed to meet the research, manufacturing and office needs of entrepreneurial startups, emerging research companies, large established corporations in bioscience and pharmaceutical industries.

50 Acres, 5 Buildings, 3 Redevelopment sites

Prestigious tenants include:

Located in the heart of NJ’s Research Corridor
+$70 million invested
Incubator, post-incubator, independent R&D, and build to suit sites available

More information available at www.njeda.com/njbc
CSIT: Support for Entrepreneurs

**Research with New Jersey**
www.researchwithnj.com
On line portal to connect academia / entrepreneurs / industry

Showcases robust NJ STEM Research capabilities – Innovator profiles, Facilities, IP, Research output

5 University partners (Montclair, NJIT, Rowan, Princeton, Rutgers)

**Financial Support**

- Grant Awards of $15K-$150K
- SBIR/STTR Direct Funding Grants
- Clean Tech Seed Grant Program
- Clean Tech R&D Vouchers
- Catalyst Seed Grant program

**Diversity / Equity / Inclusion**

Focus on inclusive engagement in the innovation economy

Academic collaboration to increase commercialization by female entrepreneurs – NSF ADVANCE Partnership NJECC
Program Fit
Targeted Industries – Product Based “Technology”

1. Advanced transportation and logistics
2. Advanced manufacturing
3. Aviation
4. Autonomous vehicle and zero-emission
5. Clean energy
6. Life sciences
7. Hemp processing
8. Information and high technology
9. Finance and insurance
10. Professional services
11. Film and digital media
12. Non-retail food and beverage / food innovation
13. Other innovative industries disrupting current business
Company Stages with Key Structures

Phase I: Pre-Seed
✓ Developing your product
✓ Pulling together founders/team
✓ Building relationships
✓ Developing business organization
✓ Finding advisors

Phase II: Early-Stage
✓ Product
✓ Generating revenue
✓ Initial customer base
✓ Full C Suite / Management
✓ Formal payroll
✓ Internal operations and structure in place

Phase III: Venture
✓ Developing strategies to scale
✓ Improve operations
✓ Raised some capital but need additional levels
## Active Program Suite

<table>
<thead>
<tr>
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<th>Phase 1: Pre-Seed</th>
<th>Phase 2: Early-Stage</th>
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Thank You
Q&A
https://www.njeda.com/strategic-industry-support/