Presentation to Michigan House Tax Policy Committee

September 7, 2016

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"Michigan is growing in activity and stature in angel investing, and I believe that's a testament to the infrastructure groups like MVCA have established. It is great to see so many strong, active angel groups funding and mentoring startups in Michigan."
Marianne Hudson, Executive Director
Angel Capital Association
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What are Angels and Angel Groups?

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Michigan's 10 angel groups represent nearly 300 individual, accredited investors.

What Do Angels Invest In?

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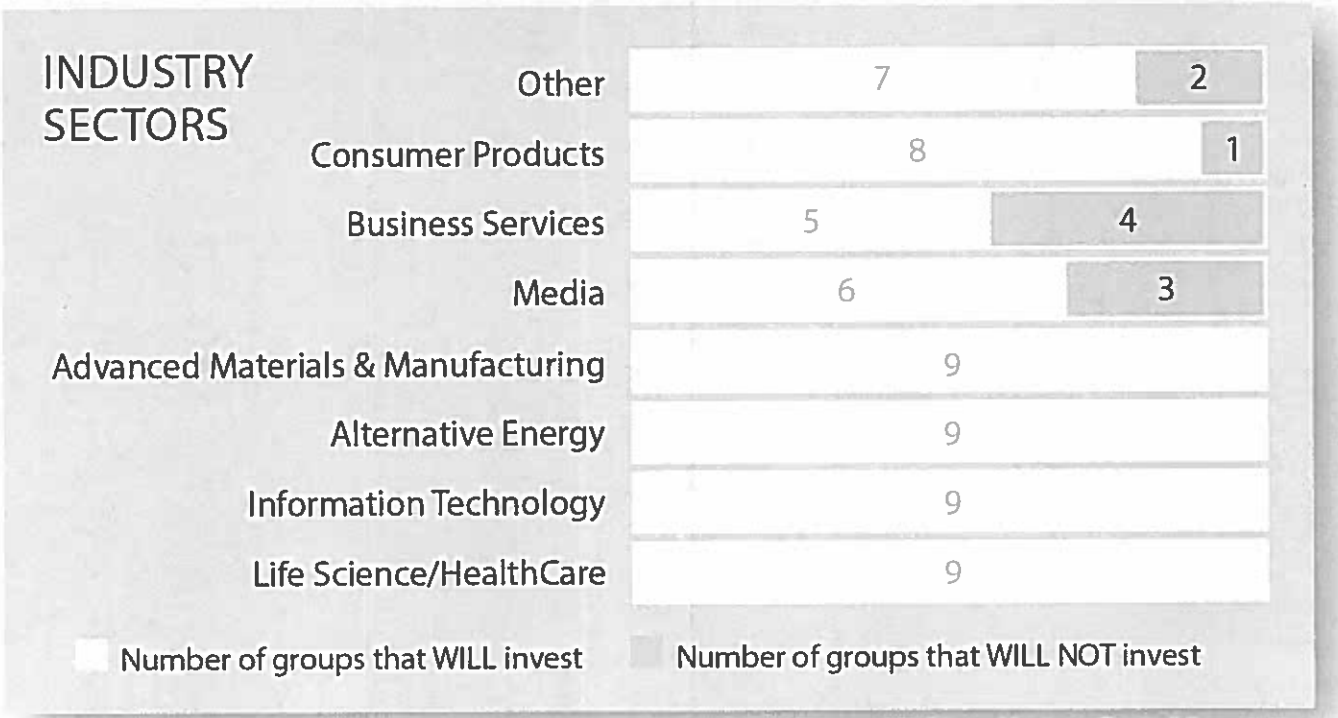
Angel investors in Michigan support companies in a wide variety of sectors and stages. As startup companies grow and thrive, Michigan's economy becomes increasingly diverse. Having a full pipeline of businesses at all stages of growth and across many sectors creates a breadth of opportunities for the people and businesses in Michigan.



Source: Michigan Venture Capital Association

In late 2010 the Michigan Legislature recognized the important role of Michigan's angel investors in fostering innovation and entrepreneurship. They implemented a tax incentive program designed to attract angel investors and a momentum was created.

Skip Simms, Managing Member
Michigan Angel Fund

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Key Indicators of Momentum

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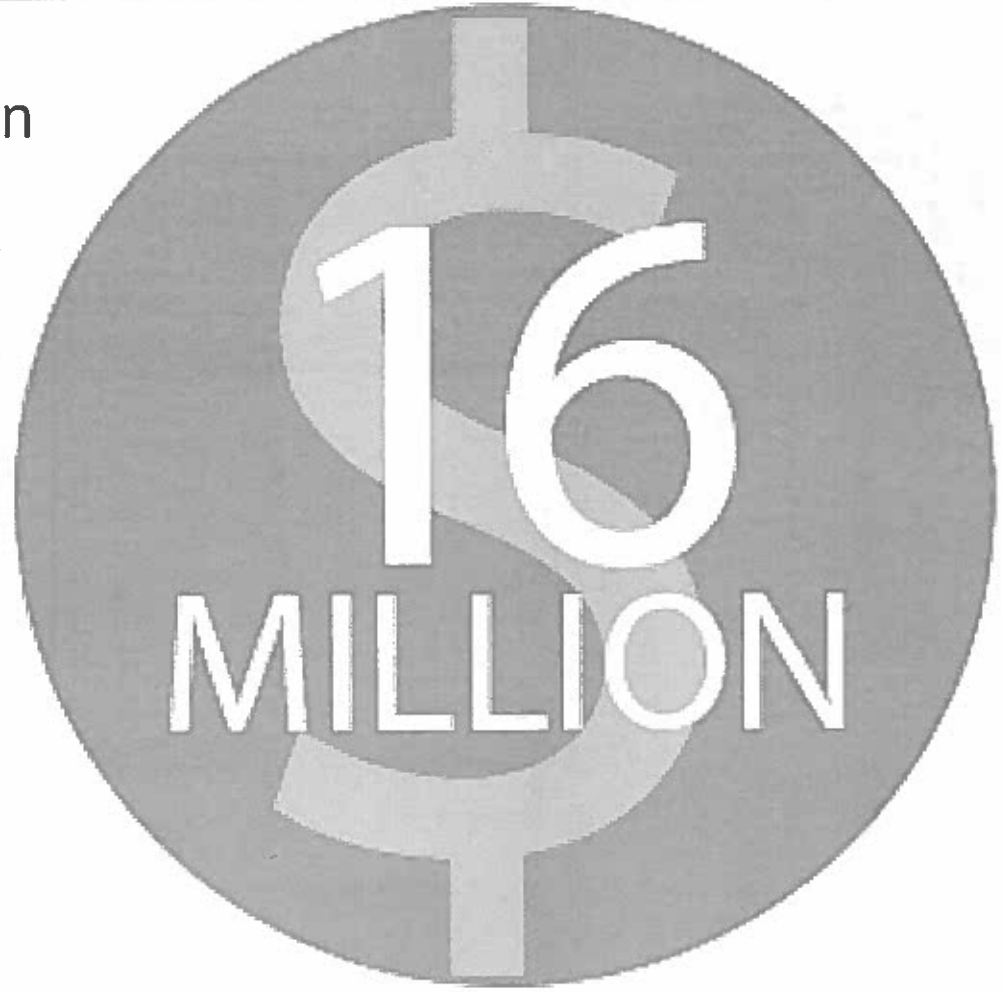
Angel Capital Invested

Michigan companies received more than $16 million from angel groups in 2015, compared to $9.5 million in 2010. This is a 68% increase in the last five years.



Key Indicators of Momentum

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Angel-Backed Startups

There are currently 128 startup companies in Michigan that have received funding from a Michigan angel group, a 42% increase in the last five years.

Key Indicators of Momentum

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Angel Investors

In 2015, nine angel groups in Michigan were comprised of 294 investors, a 59% increase in angel participation in the last five years. This does not include the numerous investments made by individual angels who did not invest through an organized angel group.

The Great Lakes Region has received national recognition for its angel investment community. The National Halo Report, published by Pitchbook and Angel Resource Institute, shows astronomical growth in the angel community in the Great Lakes Region.
Jody Vanderwel, President
Grand Angels
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The Need to Compete

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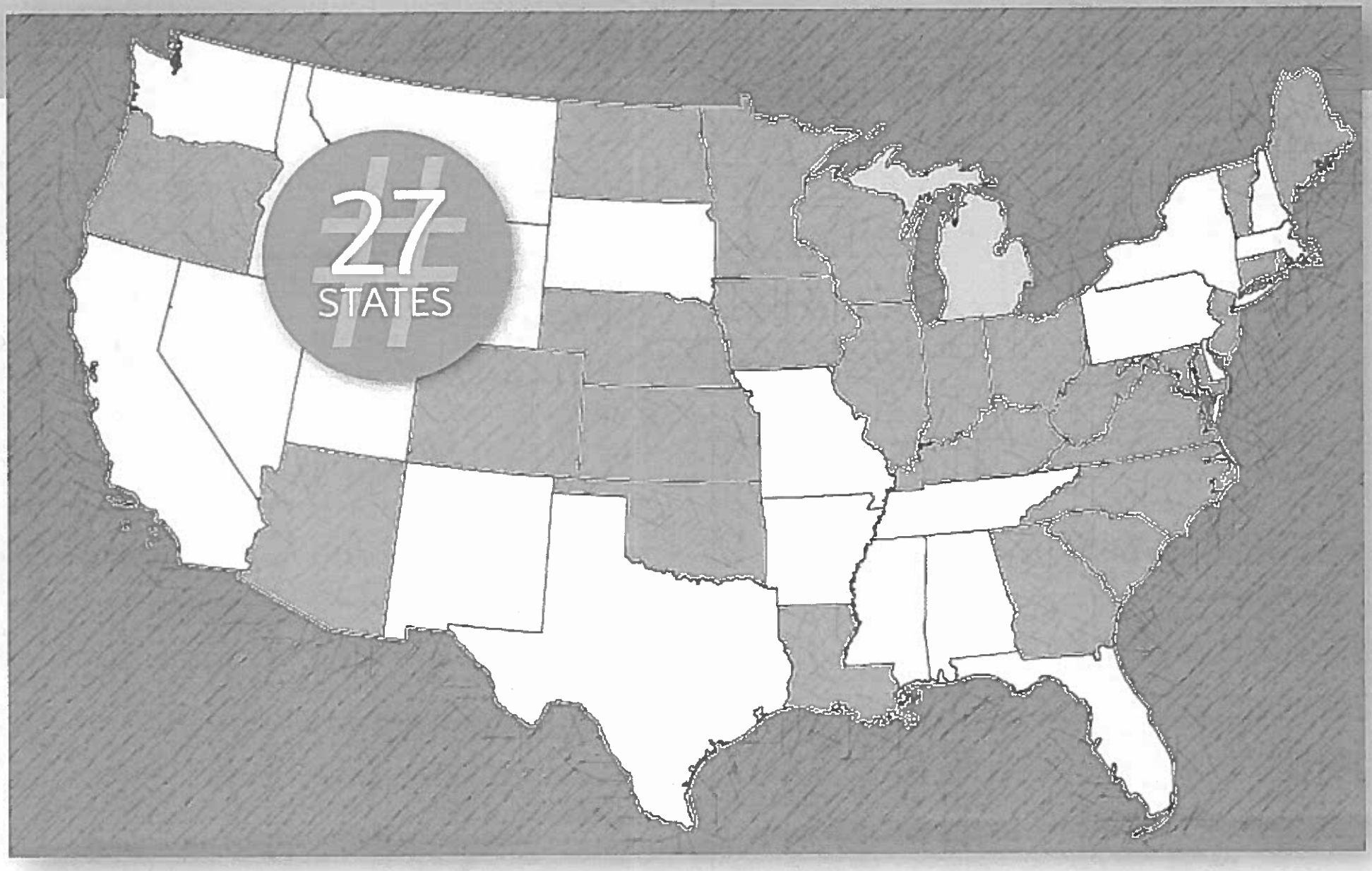

The most promising Michigan companies are often fast-growing technology, life science or advanced manufacturing companies that need to scale operations quickly in order to reach their potential. These companies, in hyper-growth mode, seek capital from early-stage investors in order to realize their potential as a new driver of economic activity in the state.
Ken Kousky, President
Blue Water Angels Investment Network
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Angel-Backed Company Success

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RetroSense Therapeutics, a Michigan angel-backed biotech company, was awarded the Angel Capital Association's prestigious Luis Villalobos Award, honoring the most innovative ACA portfolio company in the country. RetroSense was selected from a field of 60,000 companies who were financed by angel groups from across the country.

Need for Angel Capital Investment

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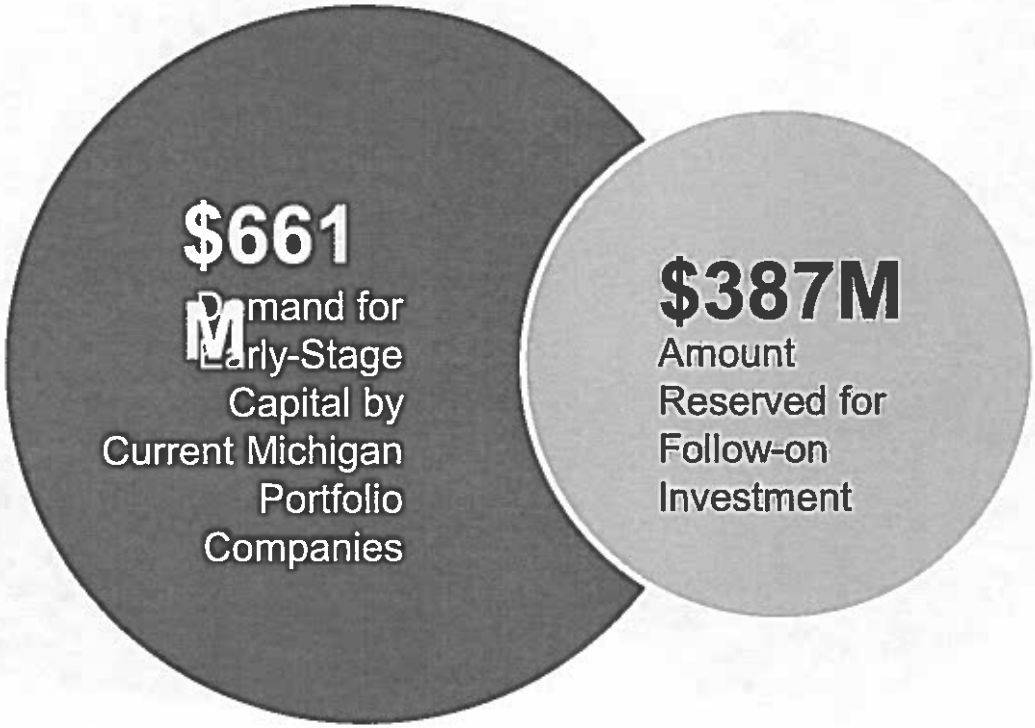
The Early-Stage Investment Program proposed in House Bills 5786 and 5787 will capitalize on the momentum that is building. It will help make Michigan one of the nation's leading places to start and build a high technology business.



Questions? We've Got The Answers!

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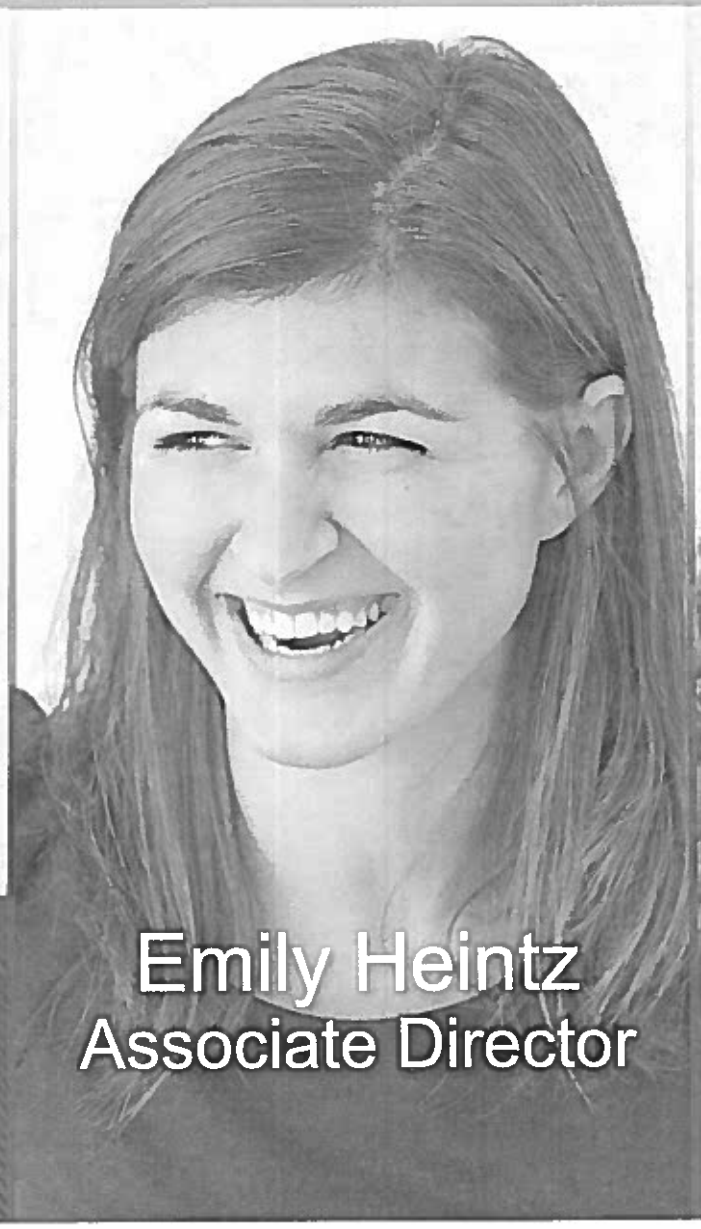

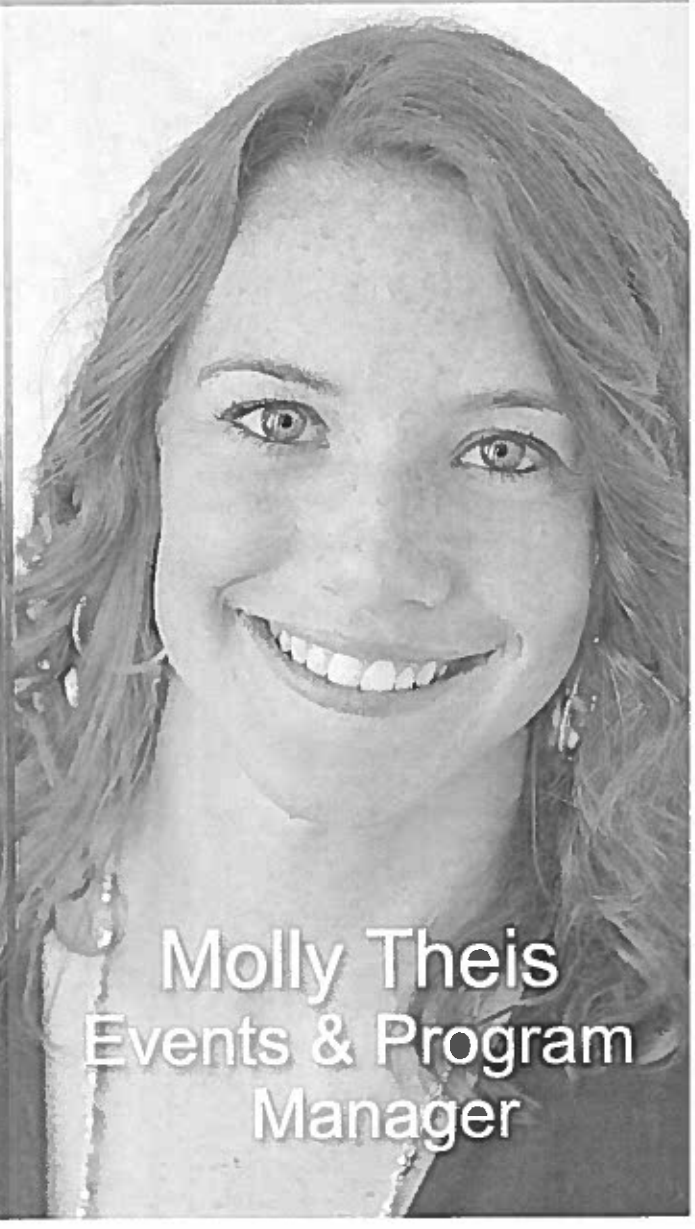

2015 Angel Investment Activity

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128
Active Companies

$16M
Invested in 2015

59
Investments in 2015

Angel Groups

141
Active Companies

$282M
Invested in 2015

113
Investments in 2015

Venture Capital Firms