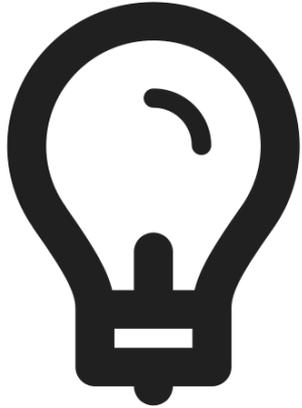


# TALLWAVE AND CITY UPDATE



# Building the Innovation Economy

# KEY INGREDIENTS



Entrepreneurs



Success



Investment



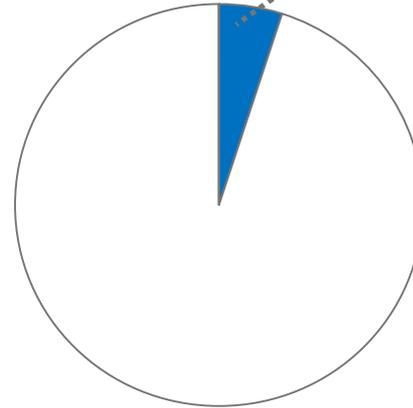
Universities



Support & Connectivity

# \$484M

Venture Capital  
Invested in 2012 in AZ

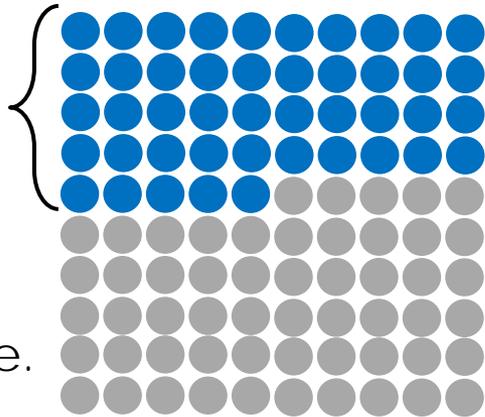


*Less than 5%  
Pre-Seed, Seed,  
or Series-A  
Only 9% women  
invested  
companies*



# 45%

Went to  
*THREE* deals.  
All later stage.



# Less Than \$20M

to Pre-Seed, Seed,  
or Series-A

Source: Dow Jones VentureSource



Support & Connectivity

SEED·SPOT  
LOCALLY GROWN INNOVATION

SKYSONG  
ARIZONA STATE UNIVERSITY

edson student  
entrepreneur initiative



AzTE Arizona Technology Enterprises



H HIGH TIDE

GRAND CANYON  
UNIVERSITY

AZ Tech Celerator  
Surprise, Arizona

Bioinspire™

STARTUP  
TUCSON

McGuire  
Center  
for Entrepreneurship

Chandler · Arizona

ARIZONA  
COMMERCE  
AUTHORITY

Arizona Center  
for Innovation  
Office of University Research Parks

CEI  
CENTER FOR  
ENTREPRENEURIAL  
INNOVATION

Tallwave

ARIZONA INNOVATION CHALLENGE

MAC<sup>6</sup>

northern arizona  
naceta  
center for entrepreneurship  
and technology

Startup  
Weekend

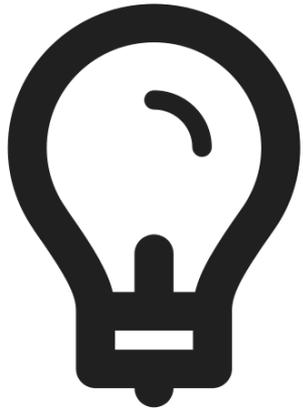


Gangplank

BioAccel  
Catapulting Arizona Bioscience

Greater Phoenix  
ECONOMIC COUNCIL

- 75% CITIES SAID YES TO AN INNOVATION STRATEGY
- 50% TARGET NEW, BUILDING AND ESTABLISHED STARTUPS
- 58% HAVE INCUBATORS
- 65% HAVE ALLOCATED FUNDS TO SUPPORT INNOVATION AND GROWTH LEADING TO JOB CREATION
- 88% SEE INNOVATION AND START UP ACTIVITY AS KEY TO THE CITY ECONOMIC DEVELOPMENT STRATEGY
- CORE COMPETENCIES: HC APPEARED MOST OFTEN,
- SEVERAL ARE UNSURE OF THEIR PATH TO THE INNOVATION ECONOMY TO SUPPORT THEIR GROWTH



Drive more successful  
Entrepreneurs



**WebPT™**

Brad & Heidi Jannenga

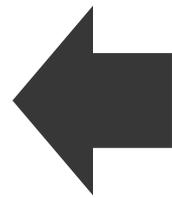
**Infusionsoft®**

Clate Mask





Investment



Yet, seed funding  
is grossly lacking.

# SUMMARY: INNOVATION GAP

Entrepreneurs  
Innovators  
Accelerators  
Incubators  
Universities  
Gov't Entities  
Angel Investors

Consistent Seed &  
Series A Investors

Systems of execution to decrease  
risk in Seed-stage ventures

Series B+  
Investors

Seasoned  
Executives

Idea

Validation

Launch

Commercial  
-ization

Growth

Scale

Exit

# WE NEED:

**MORE** early venture

**MORE** commercialization

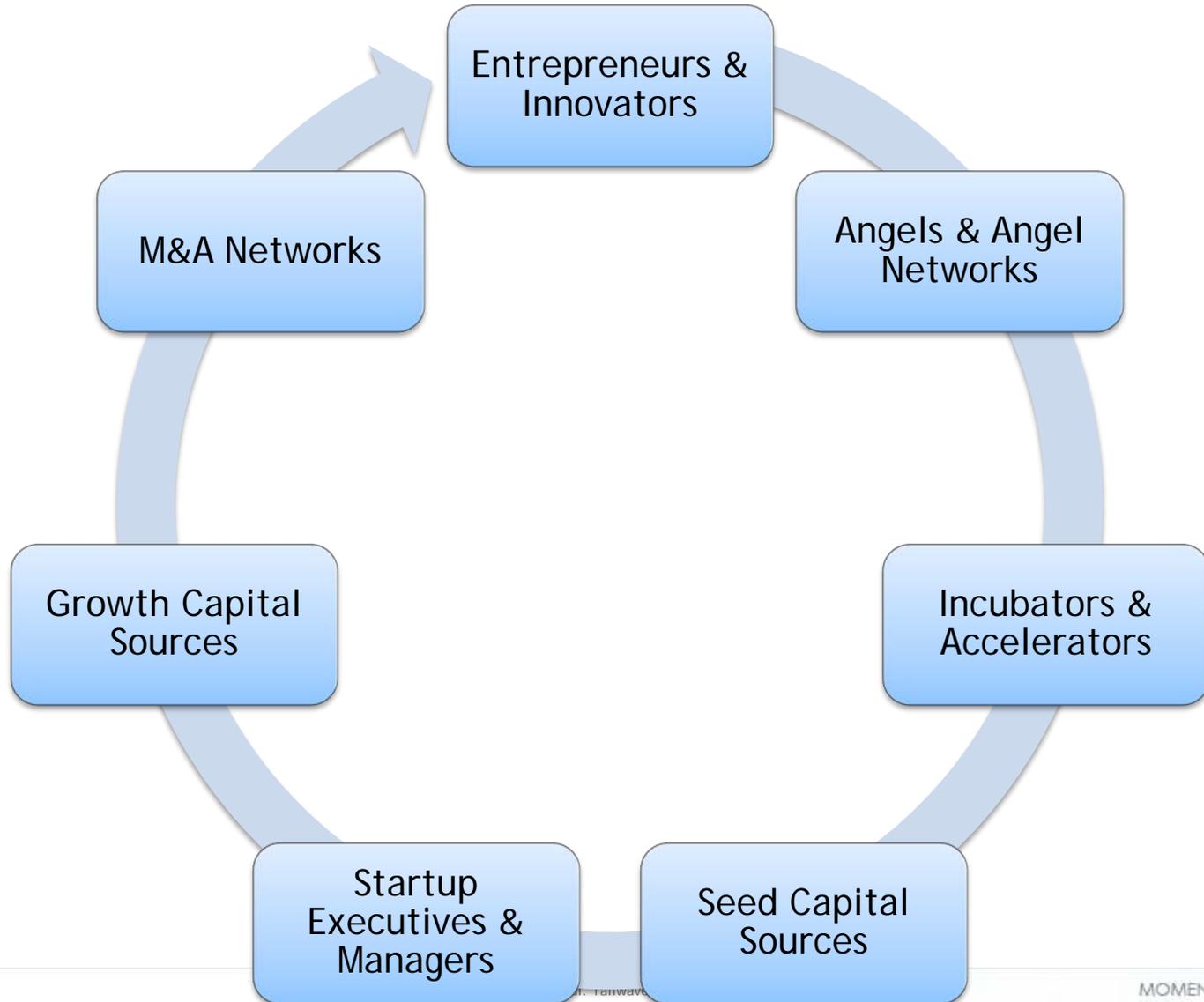
**BETTER** connectedness

**STRATEGY** on the governmental level

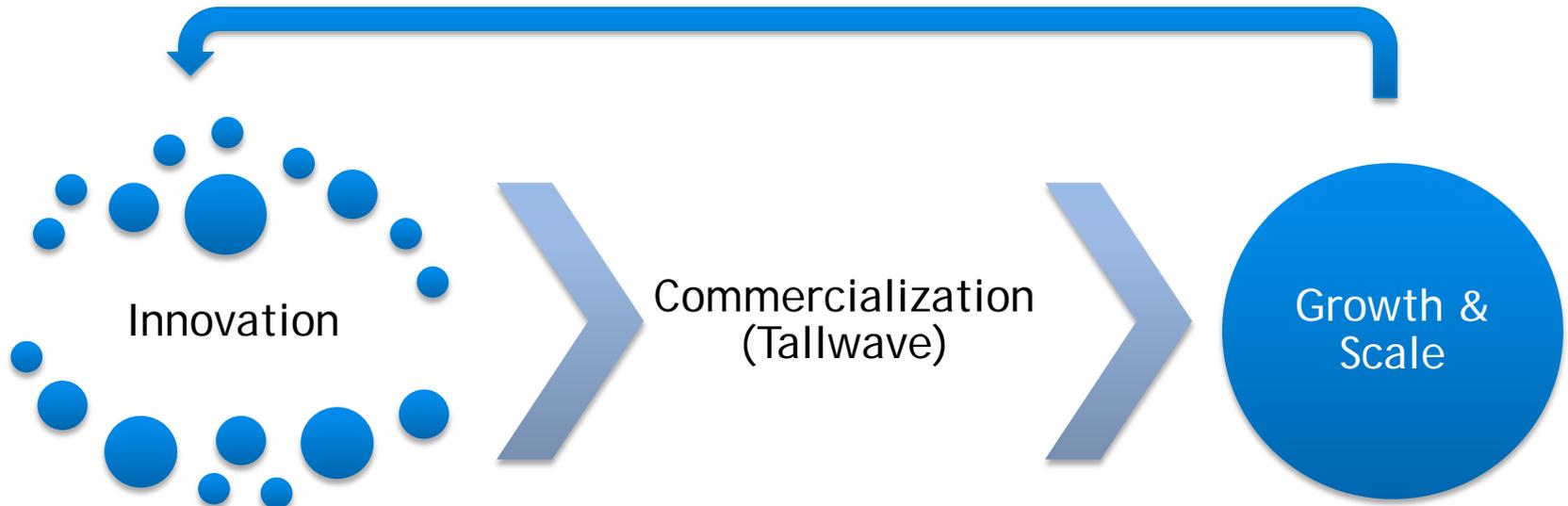


Here's what  
Tallwave is doing.

A MATURE ENTREPRENEURIAL ECO-SYSTEM (I.E. SILICON VALLEY)



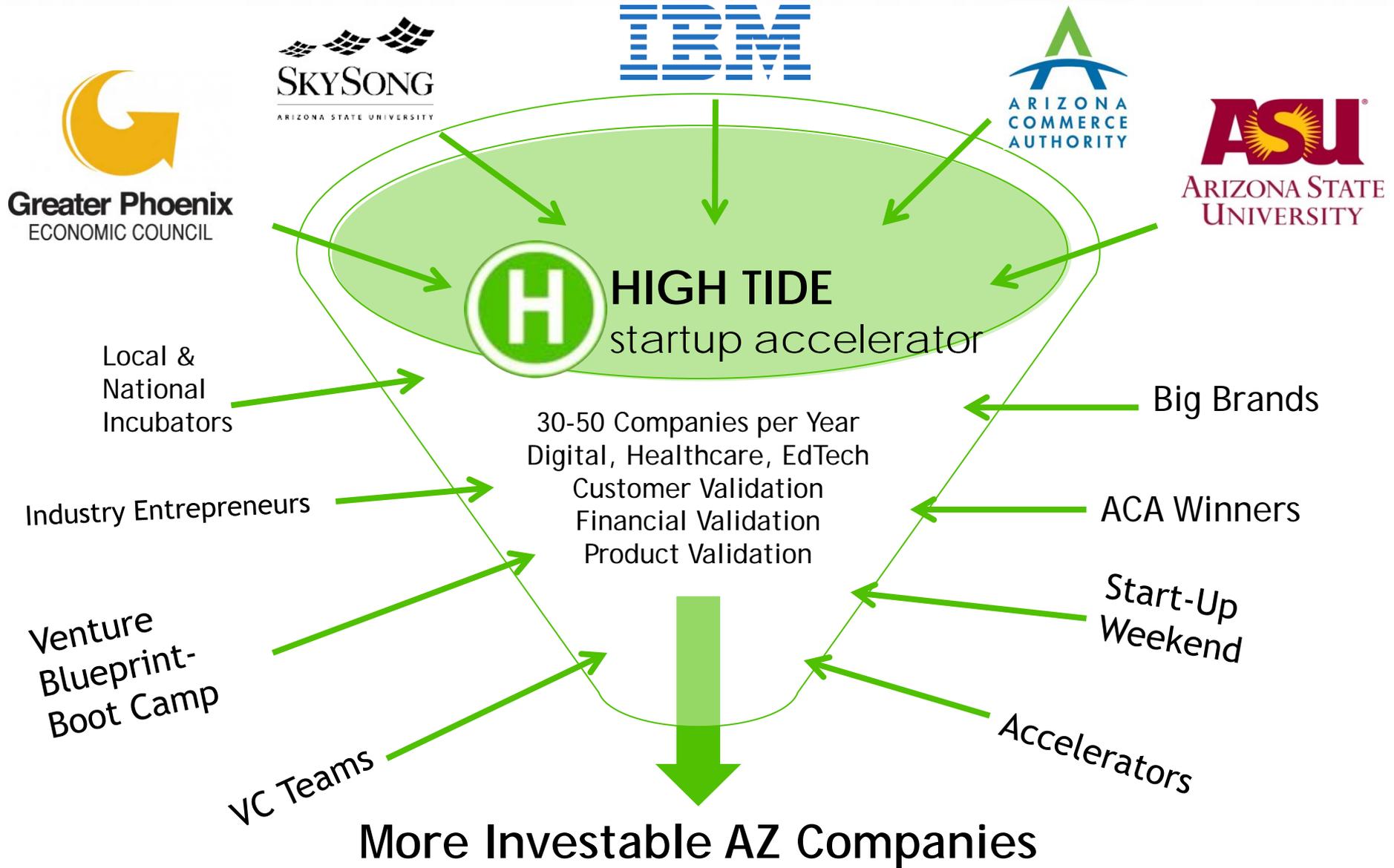
## THE ARIZONA ENTREPRENEURIAL ECO-SYSTEM



- Venture Blueprint
- University Partnerships
- Incubator Partnerships
- Cities engaged
- Angel Networks Nurtured
- VeloCity supported
- Corporate Ventures Engaged

- Venture Development & Management
- Support the next stages of Growth with Partners
- Tallwave Capital - Seed & Series A

- Nurture and attract:
- Growth Capital
  - Private Equity



TALLWAVE IS EXPANDING ITS HIGH TIDE PROGRAM TO INCLUDE PARTNERS IN CORPORATE VENTURES, INDUSTRY VERTICALS AND SOCIOECONOMIC HORIZONTAL OPPORTUNITIES FOR SECTORS LIKE: MOBILITY, HEALTHCARE IT, EDUCATION IT, CLEAN TECH, AND MINORITY-DEVELOPED STARTUPS.



Winning the fight against cancer, every day.®

85Broads



## HIGH TIDE

Funnel and Due Diligence  
\$500K per Wave

Vet Deals at Volume

## COMMERCIALIZATION FUND

Full Deployment  
\$3.5M-\$5.5M per Wave

1 High Tide

20 Semifinalists

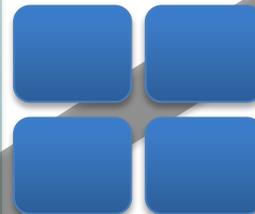


\$150k is paid to Tallwave for Feasibility services for semifinalists

6 Finalists



\$210k is paid to Tallwave for PM-Fit or GTM services for finalists



4 Seed Round

2 Venture Dev.



2-3 A-Round

3 Outside Co's

No money is paid to Tallwave for additional services unless the company chooses to fund services from Operations

Supply Capital to Commercialize at Scale

Fund anticipates deploying 3-4 "waves". Each "wave" is \$4M-\$6M and 6-7 funded companies.



100+ Applicants



THANK YOU

Donna Kent  
SVP- Venture Development  
May 5, 2014

# Tallwave



Kevin Goldman

// We design the stuff you interact with on screens.  
It's not magic. Just hard work and good process. //