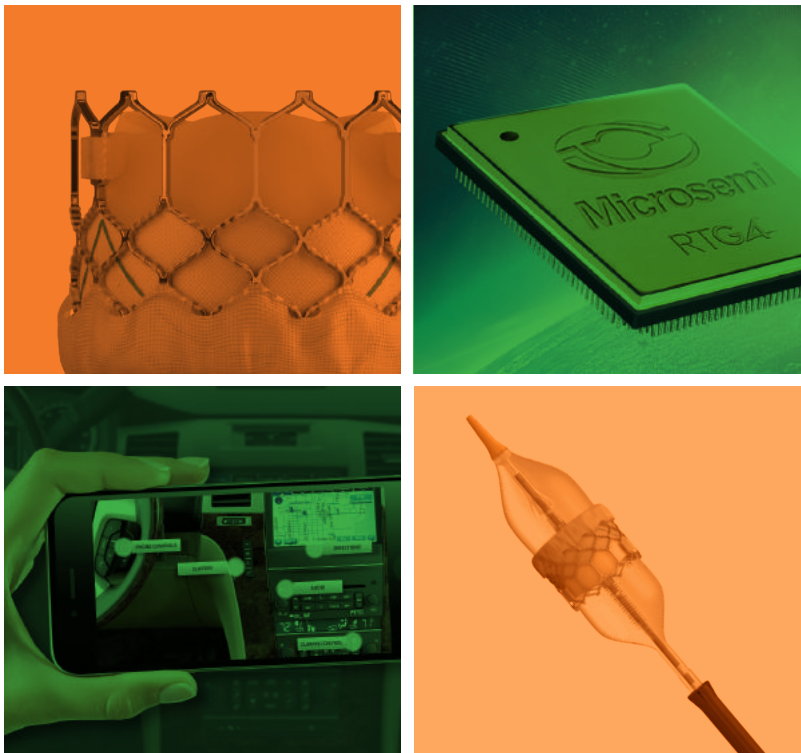




OCTANE
2017 Annual Impact Report



Building the SoCal of Tomorrow
Published March 2018



CEO Update

SoCal's Innovation Growth Engine Is Working Well

February 1, 2018

The year 2017 was pivotal for innovation in Orange County and the entire Southern California region. It became clear we needed to look beyond just OC and to all of Southern California, which has some of the nation's best engineering talent, top-ranked universities, and a community of investors and innovators. With that in mind, OCTANe has been creating collaborative and strategic relationships with many organizations and creating the SoCal of tomorrow.

Highlights of OCTANe's Vision 2025 Strategy:

- **SoCal Region** – we believe there is strength in size and a combined ecosystem that includes all of the region will create more impact locally and awareness globally.
- **LaunchPad** – reviewed 571 companies since 2010. Generated 8,203 jobs, \$1.7B in capital, and an 88% success rate with 502 companies still in operation.
- **Visionary Venture Fund** – was closed for new investors in 2017 and has already made 8 investments. The fund was ranked #3 in deal quantity for Q2-17 by PWC.
- **Innovation Conferences** – both TIF and MTIF convene investors, entrepreneurs, universities, and industry. OTS, our ophthalmology conference, gained national recognition. All conferences include rich content, thought leadership and line of sight to innovation.
- **Capital** – LaunchPad companies continue to raise initial and subsequent rounds of capital from our investor network. A driving force is high-quality deal flow, inflows of capital from New York, Boston, the Bay Area, and offshore locations have accelerated.
- **Universities** – our region enjoys access to many world-class universities and OCTANe has extended the reach for these institutions to participate across the ecosystem. SoCal universities combined have the highest engineering graduate enrollment (10,945) and undergraduate (65,780) in the nation.

The year 2018 will begin a new growth period for OCTANe as we execute our Vision 2025 Strategy, the cornerstone metric being the creation of 22,000 high paying jobs. Our Growth Services platform will provide access for companies in our LaunchPad portfolio as well as SMB's to participate as we leverage resources resulting in company growth. All of this will only be accomplished with the engagement, support, and collaboration of our entire community.

Thank you for your continued confidence in OCTANe.



Bill Carpou
 Chief Executive Officer
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Vision 2025 Dashboard

	Actual 2010-2017	Annual Goal	Forecast 2025
LaunchPad Alumni	571	40	681
Funded Companies	502	30	506
Capital Infusion	\$1.7b	\$250m	\$3.65b
Jobs Created	8,203	1,653	22,000
Payroll	\$680m	–	\$1.6b
Economic Tax Impact	\$62.5m	–	\$150.6m
Commercial Square Feet	1.6m	372k	4.9m
Liquidity Events	No.	16	39
	Value	\$653m	\$140m
		\$1.8b	

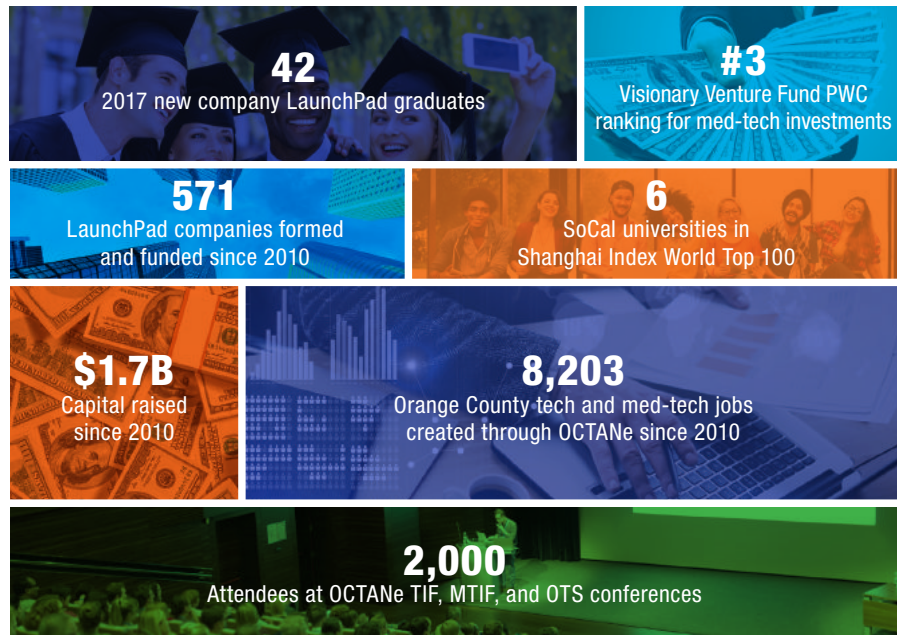


Success Built on Focus

The past year reinforced the strength of OCTANe’s model and our ability to function as both driver and convener of growth activity for Southern California’s technology ecosystem. In short, OCTANe has grown into a robust economic development force while maintaining the scrappiness and agility of a startup. Since 2010, OCTANe has been focused on the lifeblood of growth – connecting ideas and people with resources and capital. The infographic below highlights the impact of this sustained focus on the things that matter most to technology and lifesciences entrepreneurs and growing companies.

“OCTANe’s mission is important for the entire ecosystem, enabling the beneficial impact of creating great jobs in our local community and for supporting an innovative environment to serve patients worldwide.”

Mike Mussallem
CEO, Edwards Lifesciences



The year 2017 was an unqualified success. But that is in the past. The focus going forward is to expand on OCTANe’s strong foundation in company formation, early-stage growth capital, and creating vital connections. We will put a major emphasis on services to help companies grow, and on leveraging the collective educational and capital strengths that are unique to Southern California. All of this will help OCTANe, Orange County, and Southern California achieve our Vision 2025 goal of creating 22,000 new technology jobs by 2025.



Proven Success in Launching New Companies

42 New LaunchPad Grads in 2017

Hundreds of entrepreneurs applied to participate in the LaunchPad business development program in 2017. Each entrepreneur gains valuable access to information, relationships, and resources. However, only the top entrepreneurs and ideas are accepted into the LaunchPad process for consulting, guidance, and mentoring. In fact, 100 percent of companies accepted into LaunchPad in the past two years have graduated.

Forty-two companies graduated from LaunchPad in 2017. Sixteen of them were showcased in presentations at either the Technology Innovation Forum (TIF) in May or the Medical Technology Innovation Forum (MTIF) in October. These companies, along with the other LaunchPad companies raised over \$226 million in capital last year.



Tom Albright, President and CEO (center), of Recros Medica accepts the LaunchPad Company of the Year award at the 2017 MTIF conference, receiving over \$130,000 in professional services from OCTANe sponsors.

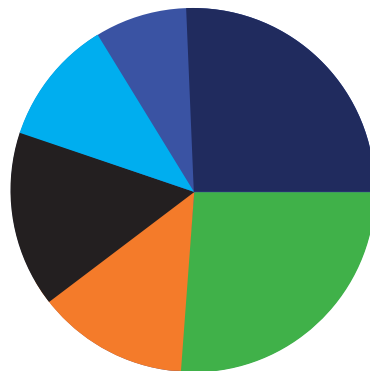
"The LaunchPad process was instrumental in our early funding. We have raised \$89 million and expanded our employee base by 260 professionals. OCTANe has provided invaluable support."

Ray Grainger
CEO, Mavenlink

A Strong, Diverse Tech Ecosystem

Since 2010, LaunchPad companies have been formed in a diverse range of business sectors, creating over 8,200 new high-paying jobs in Orange County alone. While software and medical device companies lead the way, these two segments represent only about half of all tech startups that have graduated from LaunchPad. This sector diversity creates a vibrant and promising outlook for the future of SoCal innovation.

LaunchPad Business Sectors



- Software
- Medical Device
- Business Products
- Consumer Products
- Biotech
- Industrial



Creating Access to New Sources of Capital

\$1.7 Billion Raised By LaunchPad Companies

Access to capital is vital for early-stage companies and this year was a major milestone for OCTANe and the 571 LaunchPad company graduates. LaunchPad companies have now raised \$1.7 billion in capital since the program began in 2010.

Much of this capital comes from SoCal venture firms, angel investors, and family offices. However, we are seeing a very encouraging trend in venture capital coming to Orange County and the surrounding communities from New York and Boston as well as sources in Asia and Europe. OCTANe's executive staff has placed a major focus on cultivating capital sources and relationships outside the region. This work is paying off.

"OCTANe's new growth services platform, support of company growth, and access to capital have positioned them as the leader for driving collaboration among the various components of this vibrant community."

Jason Lantgen
Vice President, JLL



Visionary Venture Fund Validates New VC Model

Three years ago, OCTANe initiated the development of a unique venture capital model. The model was developed on the thesis where a fund focused on a specific medical specialty (ophthalmology) with physician investors and advisors that could gain access to a higher quantity and quality of opportunities. Then, with the advice and counsel of the physicians, smart investments could be made.

In 2017, PWC ranked the Visionary Venture Fund as the number three med-tech investment fund in terms of investments made for Q2. Visionary Venture Fund has made eight investments and has closed the first fund. Based on the strength of this model, additional funds are planned for ophthalmology and other medical specialties.



The Premier Point of Connection for SoCal Tech

“Programs like OCTANe are essential to building a strong network for collaboration and growth by providing tools and resources to startups in the area that help reduce obstacles to growth.”

Leo Petrossian
Neural Analytics

Orange County – The Epicenter for SoCal Tech

Orange County sits at the epicenter of a Southern California ecosystem which leads the nation in producing engineers, leads the world in concentration of Shanghai World Index Top 100 universities, and ranks second in the nation in terms of U.S. patents issued – ahead of New York, Boston, and Seattle. A 2017 Jones Lange Lasalle study validated Orange County’s role as the SoCal tech hub by finding that a net of over 130,000 workers from surrounding SoCal counties (total daily in-migration less total daily out-migration) commute to Orange County to work each day.

Signature Events Set Attendance Record

OCTANe’s signature events – Technology Innovation Forum (TIF), Medical Technology Innovation Forum (MTIF), and the Ophthalmology Technology Summit (OTS) – were attended by over 2,000 people in 2017. TIF, MTIF, and OTS set both individual and collective records for participation in 2017 and attracted participants from across the United States as well as China, South Korea, the UK, and other nations. These three events represent distinct areas where OCTANe uniquely connects information technology and medical technology entrepreneurs, industry-leading executives, investors, academics, government leaders, and clinicians to capitalize on growth opportunities that are unique to Southern California.



Industry leaders Doug Holte, President at The Irvine Companies; James Doti, President Emeritus at Chapman University; and Jim Mazzo, Global President at Carl Zeiss Meditec join OCTANe CEO, Bill Carpou on stage at the 2017 MTIF conference.



The OCTANe TIF and MTIF conferences each attracted over 850 participants in 2017.



Growth Services – A 21st Century Tech Accelerator

"I've seen how the LaunchPad platform prepares entrepreneurs to think boldly, strategically, and better communicate with investors like me. LaunchPad has introduced us to exciting companies."

Akhil Saklecha
Partner, Artiman Ventures

Creating a Growth Framework for Startups and SMBs

The next phase of OCTANe's support for tech and med-tech industry acceleration is the full launch of our Growth Services platform. This platform of support services and capital access expands beyond startups to include over 500 LaunchPad alumni companies and the thousands of small and mid-size tech businesses that exist in Orange County alone. The required service and structure was validated in 2017 and is ready for full launch in 2018.

Companies accessing the Growth Services platform will enter into an Engagement Agreement with OCTANe prior to engaging in the LaunchPad program. This engagement agreement defines the terms by which companies can access the Growth Services platform after graduating from the LaunchPad SBDC program and creates a revenue stream for OCTANe that enables the foundation's work to become self-sustaining over time. Growth Services engagement is not mandatory, however, the upfront agreement creates a clear understanding of the financial relationship and seamless access to vital business and capital support services for LaunchPad graduates.

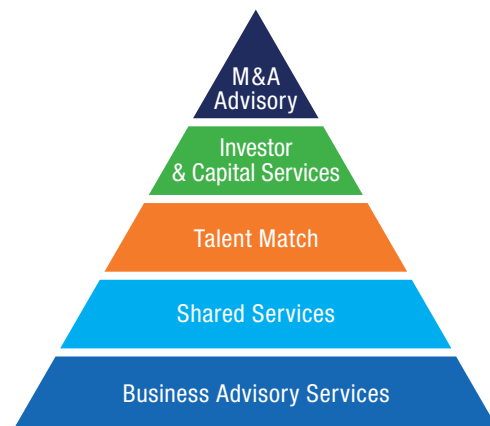


"As a global technology leader invested in the local community, Microsemi has benefitted from its involvement with OCTANe and continues to support the organization's mission of driving technology industry growth throughout the region."

James Peterson
CEO, Microsemi

Growth Services – Cost-Effective Access to Vital Resources

OCTANe Growth Services provides startups, small to mid-size tech and med-tech businesses access to a vital, integrated suite of services. These range from basic business advisory services – financial, marketing, regulatory, and engineering – to sophisticated capital access and M&A advisory support. Through this process, OCTANe will receive compensation from either the companies accessing Growth Services, the companies providing services, or both. The goal is to make access to proven growth accelerating resources easily accessible and to make OCTANe a more sustainable growth engine for decades to come.





Contact OCTANe



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