

# Connecticut Innovations

## Investment Philosophy

At Connecticut Innovations, we take a double-bottom-line approach to investing. This means that we use private sector principles and standards to achieve our goal of building economic value. And we create value not only through market rate returns on our investments, but also by leveraging private sector capital, building high-revenue and income-generating companies and by helping to spur high quality job growth.

The Connecticut Innovations venture investment team consists of experienced entrepreneurs, managers and investors. As such, we employ a proactive, long-term investment strategy that leverages our expansive network of contacts, our venture investment team's experiences and our commitment to succeed. We draw on our company-building skills and business experiences to help our partner entrepreneurs create highly successful and sustainable technology-based businesses in Connecticut. We emphasize capital-efficient business models, proper governance and advisors (including a quality board of directors), the importance of building experienced management teams, and milestone achievement to attract the next level of capital investment at an increased valuation.

CI typically invests between \$500,000 and \$1,000,000 per round into our companies. Our focus is on building technology and technology-enabled enterprises in Connecticut, in industries where Connecticut has a strong position and competitive advantage. To date, we have primarily invested in software and IT, bioscience, clean tech, digital media and technologies important to advanced manufacturing such as photonics and advanced materials. We actively seek pre-seed, seed and early stage (Series A) investments.

We look for components of the following three characteristics in evaluating investment opportunities, each of which we believe are necessary to build extraordinary companies:

- Management – it is critically important to have the right people in the right job, and we recognize that one of our essential responsibilities is to help our partner entrepreneurs build their management teams, advisory groups and board of directors;
- Market – the product(s) or service(s) must represent significant innovation and fulfill a critical need within a large potential or existing market; and
- Technology – the company must hold a proprietary and defensible position through its intellectual property estate, a significant first-mover advantage, or its deep technical know-how.