

Process for Entrepreneurs



Chemical Angel Network

The Chemical Angel Network is the only national angel network providing capital and expertise to early-stage hard science ventures with a chemical component to the value proposition.

Broadly Defined Chemical Sector

Materials

- **Chemicals:**
polymers, biomaterials, green chemicals, coatings, plastics, dyes
- **Nanomaterials:**
silica, metal oxides,
- **Structured Materials:**
membranes, electrodes, electrolytes, packaging materials

Measurement

- **Analytical instruments:**
chemical tests
- **Chemical sensors:**
drugs, explosives, alcohol, toxic chemicals
- **Diagnostic tests:**
biomarkers, instruments

Manufacturing

- **Chemical manufacturing processes**
- **Biomass and biomaterial conversion processes**
- **Catalyst technologies**

INVESTMENT PARAMETERS



Geography

Collaborating member in close geographic proximity.



Stage

Seed and early stage but with a go-to-market strategy and defined path to revenue growth.



Team

Trustworthy, resourceful, committed, complementary teams.



Markets

Industry agnostic, but a chemistry component to the value proposition. Addresses a large and growing market with a scalable approach.



Structure

Preferred equity or convertible note with a target return of 50%+. Lead investor identified. Post-money valuation <15M.

How to Apply for Funding

Step 1: Apply to the Chemical Angel Network

- To begin the company application process, use the Chemical Angel Network website at <http://chemicalangels.com/> select the submit for funding option

This is a portal to Gust - an online investment platform which we use for deal flow management

Step 2: Office Hours

- You will be invited to give a 5-minute recorded presentation
- Open to all companies that apply

Step 3: Formal Meeting

- You will have a 30 minute time slot for your presentation and Q&A.
- Present: 15-20 min
- Q&A: 10-15 min

Step 4: Due Diligence

- CaN members who want to invest in your company conduct due diligence.
- Follow up with entrepreneur, lead investor(s) and customers

Weekly conference call scheduled for Thursdays at 10am Eastern Time Zone

INVESTMENT PROCESS



SCREENING

- Top prospects invited to monthly office hours
- First opportunity to engage Members
- Typically advance 2 deals



PRESENTATION

- Gaps from office hours presentation are addressed
- If office hours is favorable, company is invited for a formal presentation



DILIGENCE

- 2-5 members conduct diligence
- Diligence sources compiled & shared
- Capital call issued to determine interest



INVESTMENT

- Individual members agree to deal terms
- Funds committed
- Formal information rights & informal resource assistance



Reviewed

- Pool of companies where there is Network interest.
- The companies are on hold pending resolution of key issue(s). For example: executed license, lead investor identified, technical milestone



Hold for Updates



We typically invest in 4-6 new companies each year

Office Hours Ground Rules

- *First introduction of the presenting companies or reintroduction following achievement of significant milestones.*
- *Presentation consists of a 5 minute elevator presentation.*
- *Entrepreneurs present from their computer through WebEx screen sharing function.*
- *Meetings are recorded.*
- *Mute your connection when not presenting.*

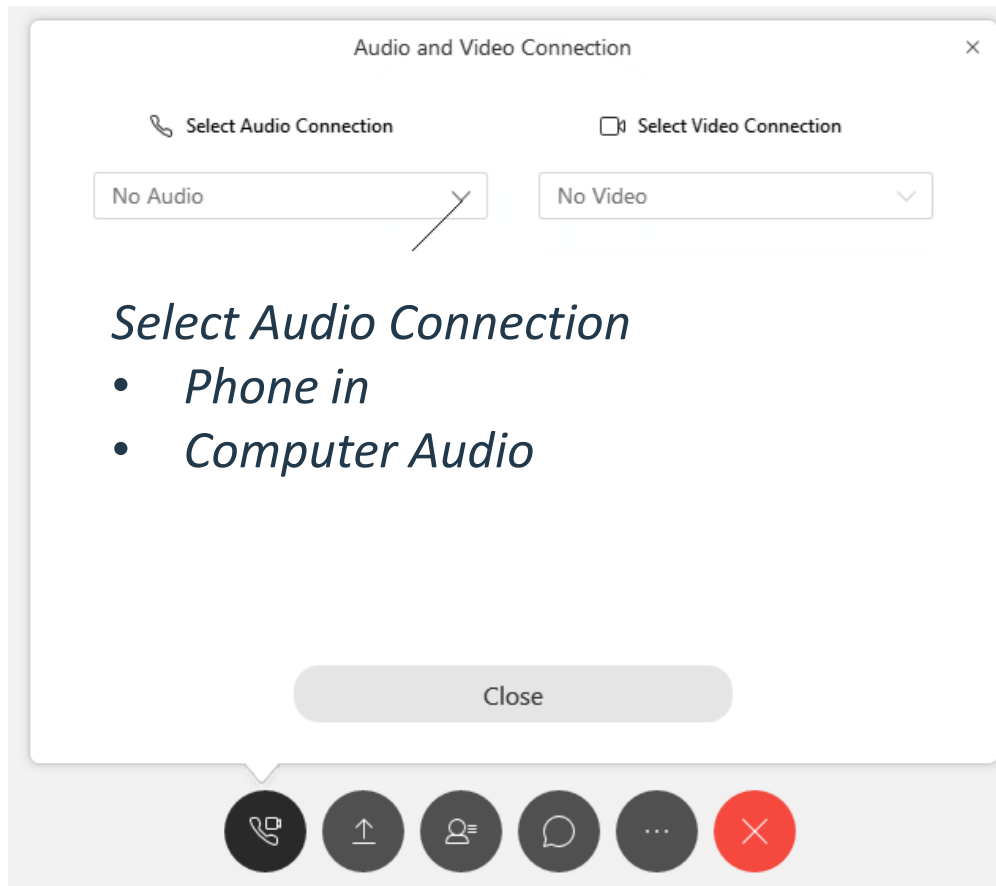
**Office hours are held monthly*

Office Hours
What to
Include

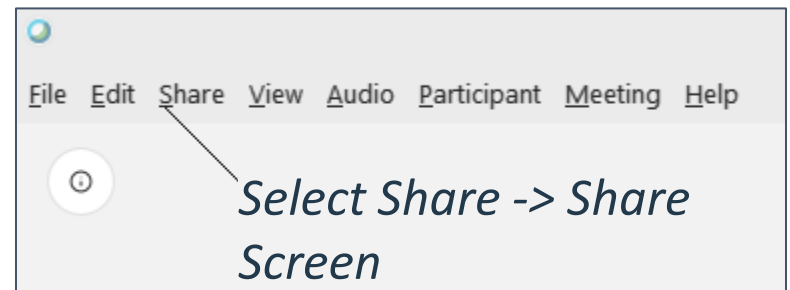
- *Customer Need*
- *Value Proposition*
- *Technology solution*
- *Path to market*
- *Deal Terms & Lead Investor(s)*

Group Communication with WebEx

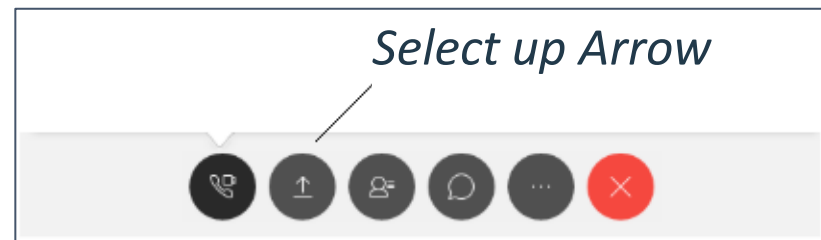
Step One: *Select Audio Connection
(Video Connection is Optional)*



Step Two: *Share Screen to Present
Slides*



-or-



Make sure you have a quality internet connection

Parameters Evaluated in Due Diligence

- **Management Team:**
Entrepreneur, team, investors, advisors, stakeholders
- **Business Opportunity:**
Business model, market size, customers
- **Context:**
Technology landscape, competition, industry trends, regulatory hurdles, IP
- **Terms:**
Deal terms and pricing
- **Chemical Angel Alignment:**
Specific relevance or experience

Chemical Angel
Network

THANK YOU!

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