

POLY CANYON  
VENTURES

2019

# Annual Report

Poly Canyon Ventures thanks you for your support.



## Table of Contents

<b>Introduction.....</b>	<b>2</b>
<b>Mission.....</b>	<b>4</b>
<b>Portfolio Companies.....</b>	<b>5</b>
<b>Portfolio Selection Process.....</b>	<b>8</b>
<b>Impact and Development.....</b>	<b>9</b>
<b>Vision.....</b>	<b>15</b>
<b>Next Year’s Team.....</b>	<b>16</b>

## Introduction



The 2018-2019 PCV Team with Portfolio Companies NeoCharge, De Oro Devices, and PolyMuir.

Hello from all of us at Poly Canyon Ventures! Thank you for being a valued member of our network. We are a 501(c)(3) non-profit founded and managed by Cal Poly students. We provide high-impact Cal Poly student-led startups with funding, consulting, and other resources to help them grow and thrive!

Our mission is to:

1. Accelerate the progress of startups at Cal Poly that are making positive social and/or environmental impact.
2. Help Cal Poly students learn about entrepreneurship and early-stage investing by embodying the University's learn-by-doing philosophy.



The last twelve months have been terrific for us, and we hope the same holds true for you. In this report, we are excited to share with you the impact we have made this year. Here are some of the highlights:

- **We accelerated the progress** of four amazing startups by providing them with our resources. These startups are NeoCharge, De Oro Devices, DTE Materials, and PolyMuir.
- **We successfully launched the Climate Changer's Fund** in partnership with the Cal Poly Department of Energy, Utilities, and Sustainability (EUS) and the Mayor of San Luis Obispo, Heidi Harmon.
- **We were featured in several press pieces** including both the Cal Poly Sustainability Magazine and the SLO New Times Magazine. The Cal Poly Center for Innovation and Entrepreneurship (CIE) also produced a video about us which they shared with their network!
- **We engaged with the community** by participating in more than ten events.
- **We continued to build relationships** with startup accelerators, venture capital groups, and angel investors.
- **We developed relationships** with several sustainability-focused organizations at Cal Poly including Cal Poly Green Campus, Cal Poly Net Impact Club, Cal Poly Hyperloop Club, and Cal Poly Future Fuels Club.

In this year's annual report, you will learn about our mission, portfolio companies, selection process, impact and development, and vision. We will also introduce you to our incoming team for the 2019-2020 school year. By reading this report we hope you develop a more thorough understanding of the unique impact our team is having on the SLO and Cal Poly communities. Moreover, we aim to demonstrate how we're playing our part in nurturing the quickly growing entrepreneurship ecosystem on the Central Coast. We encourage you to reach out with any questions, comments, or ideas on how we can collaborate with you or others.

We would like to thank everyone who has contributed their time, money, and resources to helping Poly Canyon Ventures grow over the past three years. It is the support, financial and otherwise, from our donors, collaborators and advocates that make it possible for us to carry out our mission. For any reading who fall into one or more of these groups, THANK YOU!

Sincerely,

The Poly Canyon Ventures Team

## Our Mission

We'd like to elaborate on our mission so that you can understand it in more detail.

1. Accelerate the progress of startups at Cal Poly that are making positive social and/or environmental impact.
2. Help Cal Poly students learn about entrepreneurship and early-stage investing by embodying the University's learn-by-doing philosophy.

We exist primarily to accelerate and support Cal Poly startups. We specifically work with startups that have business models with the potential to generate a positive and measurable social and/or environmental impact. The support we provide includes:

- **Funding:** We provide \$500 - \$1,000 grants to idea-stage startups and \$5,000 - \$10,000 investments to pre-seed and seed-stage startups. For grants, we target startups in the Hatchery Program, an on-campus program that fosters entrepreneurship initiatives among the student body. For investments, we target startups in the HotHouse Program, a thirteen-week summer program designed to give startups everything they need to launch a real, scalable company.
- **Access to Capital:** In addition to our funding, we help startups access funding sources at Cal Poly and in the SLO community. We also make introductions to angel and venture capital investors if appropriate.
- **Free Services:** Our startups receive \$5,000 in AWS credits, domain names, web hosting, Office 365, email marketing, and other valuable services, all for free.
- **Consulting:** From business model iteration to product development, our team is here to help. When we fund a startup, we commit to doing whatever it takes to help founders' visions come to life.
- **Connections:** We help startups find mentors, advisors, team members, investors, beta users, customers, and partners.
- **Marketing:** We are our startups' biggest fans. We offer startups a chance to present at our events, market them on our social media pages and website, include their progress in our quarterly newsletter, and spread news of their progress to our personal networks by word of mouth.

The second part of the PCV mission revolves around helping students find opportunities to learn about entrepreneurship and early-stage investing. Participating in PCV gives students the opportunity to get hands-on experience in their areas of interest, whether that be investing,

marketing, sustainability, or operations. They are able to leverage their experience to develop their network, which helps them land internships and jobs. Particularly for our investing team, PCV is the only opportunity available to Cal Poly students to learn about venture capital investing in a learn-by-doing fashion!

Whether the student startups we fund succeed or not, the team members walk away with new skills, perspectives, and vision. By getting exposure to ideas such as B Corporations, 1% for the planet, and other socially and environmentally responsible business frameworks, startup founders and PCV student volunteers can take what they learn with them throughout their careers to be more conscientious members of society.

## PCV Portfolio Updates

This year we funded four amazing startup teams; De Oro Devices, NeoCharge, DTE Materials, and PolyMuir. Although many other great teams applied for funding, we ended up selecting these four based on their alignment with our mission and their potential to generate social, environmental, and financial returns. We are very excited to be supporting these startups and will be providing our network with updates on their progress in our quarterly newsletters. If you're not on our email list, you can register on the [homepage of our website](#).

### New Portfolio Companies



*\$1,500 Grant Recipient*  
Led by PCV Managing Director Tiffany Yeung

Founders Sidney Collin, Adam Schwartz, and William Thompson have created an innovative technology to improve the quality of life of Parkinson's patients. Their first product, [the Nexstride](#), helps Parkinson's patients overcome a symptom called freezing of gait.

#### De Oro Devices Highlights

- Completed \$500,000 Seed Round
- Winners of TCU Sly Award for Innovation and Entrepreneurship
- Prototype has already been put into work helping Parkinson's Patients
- 2018 Cal Poly HotHouse company



 **NEOCHARGE**

*\$10,000 Investment - Climate Changers Fund*  
Led by PCV Managing Director Vlad Killiakov

[NeoCharge](#) founders Spencer Harrision and Akhil Veluru are on a mission to help electric vehicle owners charge their cars. NeoCharge has developed a smart splitter that connects to a 220V dryer outlet and allows power sharing between the electric car charger and the dryer.

**NeoCharge Highlights**

- Closed \$175,000 Seed Round
- Won an Innovator Award from the Los Angeles Cleantech Incubator (LACI)
- Won a CalTech RocketFund Grant
- 2018 Cal Poly HotHouse Company



 **DTE Materials**

*\$5,000 Investment - Climate Changers Fund*  
Led by PCV Managing Director Vlad Killiakov

[DTE](#) has developed a natural fiber insulating concrete that will be deployed as prefabricated wall panels for residential and lite-commercial application. In an effort to reduce wildfire disaster damage, the insulation is engineered to be much more flame resistant than traditional insulation.

**DTE Materials Highlights**

- Won grants from VentureWell, CalSEED, and UC Davis BigBang!
- Currently participating in the LACI and Cleantech Open programs
- Currently working on a pilot project on the Central Coast
- 2017 Cal Poly HotHouse Company



## POLYMUIR

*\$1,000 Investment - Climate Changers Fund*

Led by PCV Managing Director Shobhit Asthana

[PolyMuir](#) is an algae-based bioplastics company accelerating the industry's adoption to sustainable materials by offering algae-based coatings, adhesives, and foams that have applications across several industries.

### **PolyMuir Highlights**

- Developed pilot projects with two SLO companies
- Moved into a lab to further develop their products
- 2019 Cal Poly Hatchery Company

## Update on Last Year's Portfolio Companies

### *Radical Bars - \$4,000 investment - Hatchery 2018*

Radical Bars, founded by Griffin Arkilic and Cannon Wong, was the first company that PCV funded. This year, the company officially closed. Reflecting on this investment, we came up with a more structured due diligence framework.

### *Posted - \$6,000 investment - Hatchery 2018*

Posted, founded by Jonah Heath and Andrej Ivanovic, was our second funded company. Currently, the company's operations are on pause. However, Jonah has gone on to join the SLO HotHouse Accelerator program as the co-founder of a company called Wayve Filtration. Leveraging the experience gained through our collaboration, both Jonah and the PCV Team have become much more competent in the areas of evaluating and building startups, an acumen rarely developed by undergraduate students.

## Portfolio Selection Process

We are committed to making the best use of our resources. To do this, we've reflected on our past investments to devise a structured process for evaluating and executing grants and investments in Cal Poly startups.

### Qualifying Criteria

1. Startups must have at least one Cal Poly student or recent graduate as a founder.
2. Startups must have a business model that has the potential to generate a positive and measurable social and/or environmental impact.

### Due Diligence

If a startup meets the criteria listed above, the PCV investment team performs two rounds of due diligence.

**Round One** - The first round of due diligence consists of an overall evaluation of the team, their commitment, and the impact potential. We gauge a team's commitment by looking at both their overall time spent on the startup and the progress they have made since starting. Making the team evaluation the first step of the due diligence process was something we started doing this year, heeding the advice of a wise mentor who told us, "In VC, you bet on the Jockey, not the horse."

**Round Two** - In the second round of due diligence, we analyze the team, product, intellectual property, business model, market, go-to-market strategy, competitive landscape, and risks. We also dive deeper into the potential for the business model to make a positive and measurable social and environmental impact.

For idea-stage startups, the PCV Investment Team makes funding recommendations to the Board of Directors after Round One. If the Board of Directors approves the deal, PCV provides the startup with a \$500 - \$1,000 grant and other resources on a case-by-case basis.

For pre-seed and seed-stage startups, the PCV Investment Team makes funding recommendations to the Board of Directors after Round Two of due diligence. Should the Board approve an investment, the Investment Team negotiates and executes a SAFE, convertible note, or other funding vehicle to fund the startup. The PCV team then begins working with the startup to provide non-financial resources to accelerate their progress.

## Impact and Development

### Environmental Impact - The Climate Changer's Fund

At the beginning of this year we launched the Climate Changer's Fund, a collaborative initiative between PCV, the Cal Poly Department of Energy, Utilities, and Sustainability (EUS), and Heidi Harmon, a SLO community member and the current Mayor of SLO. Our goal with this initiative is to accelerate the progress of cleantech startups at Cal Poly.



Officers from the CIE, PCV, SLO City, Cleantech Open, and EUS at the 2019 Central Coast Startup Mixer, hosted by PCV.

We are encouraging students to pursue ideas that have the potential to reduce greenhouse gas emissions, waste, and natural resource use. We've identified the following technology categories as priorities: Energy Generation, Energy Distribution & Storage, Energy Efficiency, Chemicals & Advanced Materials, Information & Communications Technologies, Green Building, Transportation, Agriculture, Water & Waste.

We accomplished a lot in the first year of this initiative. We funded and began working with NeoCharge and PolyMuir, we spread the word about our initiative through the Cal Poly

Sustainability Magazine and New Times SLO, and we developed relationships with other players in the growing Central Coast cleantech ecosystem such as Cleantech Open, PG&E, REC Solar, the City of San Luis Obispo, the Hourglass Project, and Cal Poly.

Heidi Harmon, Eric Veium, and Dennis Elliot are some of our biggest supporters and offered to share their thoughts on the initiative. Heidi Harmon: “I am excited to be able to help with this initiative. San Luis Obispo has a goal of being carbon neutral by 2035 and we see great promise for Cal Poly startups to play a role in this.”

Dennis Elliot and Eric Veium: “Cal Poly EUS is proud of what we have accomplished with this initiative this year, and we are happy to be providing an additional \$10,000 in funding for next year.”

## Events

- **Sustainability Leadership Summit:** This summit was comprised of Cal Poly’s leading sustainability advocates and focused on giving students the voice and power to enact change.
- **PCV-Organized Cleantech Meetup:** PCV began a monthly cleantech meetup which it will be continuing once Cal Poly starts back up again this Fall. Our first event was well attended by leaders in the SLO cleantech community.
- **Cleantech Innovation Roundtable:** This event was hosted by Cal Poly as part of Earth Day. It featured speeches by SLO Mayor Heidi Harmon and EUS representative Eric Veium and had a panel with PCV Board Member Nathan Johnson, Cal Poly Professor and CIE Team Member Tom Katona, and the Central Coast Cleantech Open Metro Director Susan Steeb.
- **Cal Poly Sustainability Charette:** This year we were invited to attend and contribute to Cal Poly’s annual event for developing and implementing Cal Poly’s sustainability plan. This event was attended by Cal Poly’s leadership team and its staff, faculty, and student sustainability advocates.
- **Camp PolyHacks:** PCV organized the sustainability track of this year’s Camp PolyHacks. We had our team members attend to help work with the hackathon participants to think of disruptive ideas to help solve climate change and other sustainability-related problems.

San Luis Obispo has one of the most aggressive carbon neutrality goals of any city in the country and PCV is seen as a key player in helping reach this goal. We are committed to

supporting this initiative by supporting startups that create products and services to fight climate change and make our society and economy more sustainable.



Camp PolyHacks: PCV presenting “Best Sustainability Hack Award.” PCV team members working together.

### Social Impact

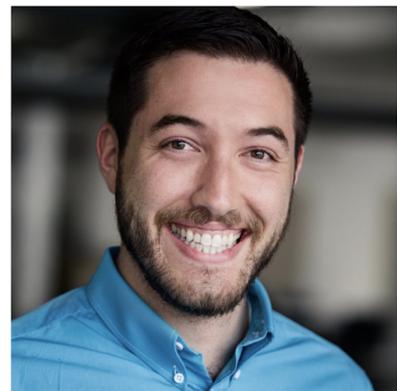
We recently awarded a grant to De Oro Devices, a company that is committed to improving mobility in patients with neurological degenerative diseases like Parkinson’s. These funds will allow De Oro Devices to provide their Nexstride product to six Parkinson’s patients in San Luis Obispo. De Oro Devices will get feedback from the recipients of these devices so the company can continue improving the design of their products. Here are the company’s founders.



Sidney Collin | Biomedical Eng. 2019



Adam Schwartz | Business 2019



William Thompson | MBA 2018

This year we had seven students hold official positions within our organization. They have been able to use their experiences with PCV to land great internships and jobs. Marc Rippee, our former Executive Director, is starting this Fall at PricewaterhouseCoopers’ Strategy& group, and has said that his experience at PCV was a significant factor in helping him land this job. Former Executive Director Sean Reilly landed a full-time job this year at Harvest Management Partners, an investment bank focused on providing services to startups in the Silicon Valley. Tiffany

Yeung, one of our Managing Directors, is working this summer as a Technical Marketing Intern at Albertsons Companies and is consulting with venture capital firms on the side. These are just some of the examples of where our team members have landed after their experience with PCV.

## Development Activities

### Organizational Development

PCV was able to start several successful development initiatives this year that will enable us to drive greater impact within both our portfolio and community. Here are the key developments:

- **Analyst Team** – Going into the 2019-2020 year of operations, we've added an analyst team consisting of 2<sup>nd</sup> and 3<sup>rd</sup> year students. These students will help analyze startups and assist portfolio companies. This team will help us support a greater number of startups going forward and will be trained to move up to more senior roles as they learn and grow.
- **Sustainability Team** – We've also added a sustainability team to help PCV partner with more sustainability-oriented organizations, as well as help our portfolio companies quantify their impact and develop and implement sustainable business practices.
- **Bootstrap Track** – This year, we worked to develop the Bootstrap Track. This program enables us to partner with companies that may not be prepared to receive funding. Through the Bootstrap Track, PCV offers non-monetary business resources to new teams in partnership with Google, Amazon (AWS), Stripe, and GoDaddy to help drive startups to the next stage where they can receive grants and/or investments.
- **Growth** – 2019 marked a spur in the growth of PCV. In our second year of operation, our portfolio has gone on to raise \$700k in secondary funding on \$27.5k of capital deployed. We are also excited to have grown our student team from seven to thirteen for the 2019-2020 school year. This will allow each team member an increased opportunity to make an impact and build a strong culture that values transparency, communication, and inclusion.

### Relationship Development

This year, we did a lot to strengthen our relationships within the SLO startup scene. Here are the highlights:

- **VC Network** – PCV has strengthened ties with several institutional venture capital firms to create an investment pipeline to further finance our portfolio. Selected firms include LDR Ventures, which recently gained residence in the Cal Poly HotHouse, and Valor EP.
- **Cal Poly CIE** – PCV held a presence at multiple events sponsored by the CIE including Startup Weekend, the Elevator Pitch Competition, Innovation Quest, and the Startup Career Fair.
- **PCV Alumni Network** – As PCV reaches another school year’s end, its alumni base has grown, expanding PCV’s reach outside of just SLO. The number of alumni will only accelerate as the team size grows, which will help expand the PCV network in years to come.

## Partnerships

**Cal Poly Department of Energy, Utilities, and Sustainability (EUS):** The 2018-2019 Academic year marked the beginning of our formal relationship with EUS. The Department, thanks to the advocacy of Eric Veium, entered into a funding agreement with PCV for the 2018-2019 year, with the option to continue funding each year through 2023. This agreement helped PCV create the Climate Changer’s Fund, out of which we made several investments and grants this year. We are excited to work with EUS again next year.

**Corporate Partnerships:** We are partnered with Google, Amazon, GoDaddy, and Stripe to enable companies in the PCV ecosystem to develop their companies with reduced operating expenses. From free advertising credits to cloud storage and incorporation services, PCV is excited to be partnered with industry leaders to accelerate innovation in the Cal Poly startup community. These partnerships are a key part of the Bootstrap Track program.

### 3rd Annual Central Coast Startup Mixer

Our annual event was a huge success this year. This year we hosted it at one of our donor’s houses in the Avila Hills and had over one hundred people attend. Our goal with this event is to bring together our team, donors, supporters, partners, and the greater SLO startup community to connect over food and drinks. We had three portfolio companies, NeoCharge, De Oro Devices, and PolyMuir make short pitches so that the community could get to know them better. We also had short speeches from Eric Veium and Nathan Johnson. Alex Minicucci, the Founder and CEO of RELENTLESS Management Group surprised us midway through the night with a \$5,000 donation to our cause. We also were very grateful to receive food, wine, and event

service donations from Chamisal Vineyard, Project XO, PLATE, and the Cal Poly Creamery. We have this event annually in mid-May so please keep this in mind for next year!



PCV team members accepting a donation from RELENTLESS Management Group.

## PCV's Vision

Now that we've laid out our mission, operations, and development activities, we would like to speak on what we see for the future of the organization.

We've outlined our two, five and ten-year vision below to paint a picture of how we see PCV evolving with the SLO startup scene in years to come:

- **Two Year:** We aim to continue developing the recognition of our brand as a nonprofit organization that supports students, entrepreneurs, and investors on the Central Coast. We plan to do this by partnering with student and faculty led organizations at Cal Poly, while at the same time continuing to build out our seed-stage funding pipeline. Lastly, we will tweak our fundraising, deal sourcing, and recruitment strategies moving forward to improve the overall effectiveness of the organization.
- **Five Year:** Over the next five years, we hope to prove the PCV model is sustainable by executing our first investment exit. To get here, the PCV team will persist in supporting our portfolio companies, fundraising from dedicated alumni and community members, and developing relationships with VCs and incubators. By Fall 2024, we hope to have a strong network of advisors, startups, and investors by our side to help PCV continue supporting positive social and environmental innovation and entrepreneurship in SLO.
- **Ten Year+:** Our ultimate goal is to become a self-sustaining funding vehicle for Cal Poly entrepreneurs. We hope to have successfully executed five-ten investment exits by 2030, using the proceeds to create an evergreen fund that invests, exits, and reinvests in Cal Poly startups in perpetuity. At this point, our goal is to have strong ties with early-stage institutional investors, and contribute to having solidified SLO as one of the major innovation hubs of California.

We recognize that turning our vision into a reality will not be easy. However, we believe that with the continued involvement of PCV alumni, new waves of fresh talent each year, and help from our advocates and advisors, we can all make it happen. We at Poly Canyon Ventures encourage any and all reading this report who are passionate about Cal Poly entrepreneurship, cleantech, sustainability, and innovation on the Central Coast to reach out. We'd love to work together to make California's Central Coast one of the next furnaces of American innovation. Thank you for reading this year's annual report! Be sure to check out the next few pages to see the awesome students who are taking over the team next year!

## Next Year's Team

### 2019-2020 Executive Leadership



#### **Shobhit Asthana** | Executive Director

Shobhit is a fourth-year undergraduate student studying Mathematics and Data Science. He has previously served as Managing Director of PCV and played a key role in driving the organization's growth over the last year. Shobhit has also interned at a SLO-based investment firm where he focused on fundamental analysis of private and public equities.

As Executive Director, Shobhit will lead the day-to-day activities of PCV to ensure our annual goals are met. In this role, he will serve as the head of our Investment Team, vetting all PCV investments.



#### **Saba Asghary** | Chair - Board of Directors

Saba is pursuing her master's degree in City and Regional Planning at Cal Poly. She completed her bachelor's degree, also from Cal Poly, in Environmental Management and Protection in 2017. She has over two years of experience working in the environmental planning sector and supporting various environmentally oriented nonprofit organizations.

As Chair, Saba will provide general guidance to the student team on how to achieve the PCV Mission, as well as represent the organization in San Luis Obispo.

## 2019-2020 Student Team

### Managing Directors



**Vlad Killiakov**  
4th year  
Electrical Engineering



**Greg Pantazis**  
4th year  
Business Admin &  
Finance



**Lauren Chamberlain**  
3rd year  
Economics



**Andrew Gunter**  
4th year  
Business Admin &  
Management

### Analysts



**Jeremy Heister**  
3rd year  
Business Admin &  
Accounting



**Mason Sapp**  
3rd year  
Economics/Finance &  
Statistics



**Yoav Nissan**  
2nd year  
Business Admin &  
Management



**Max Orloff**  
2nd year  
Business Admin &  
Management

## Sustainability Directors



**Anya Poplavska**  
2nd year  
Environmental Management



**Madison Weatherford**  
4th year  
Economics

## Marketing



**Cayden Phipps** | Director of Marketing  
3rd year  
Industrial Engineering



**Emily Rivera** | Marketing Associate  
4th year  
Business Admin & Management

## Alumni Board of Directors



### **Nathan Johnson**

Nathan graduated from Cal Poly in 2017 in Industrial Engineering and currently works as co-founder of San Luis Obispo-based startup Precision Waste Conversion. He previously worked at BoltAbout and WhiteFox, two student-founded Cal Poly startups. He also actively volunteers with Cleantech Open.



### **Saba Asghary**

Saba is pursuing her master's degree in City and Regional Planning at Cal Poly, where she completed her bachelor's degree in Environmental Management and Protection in 2017. She has over two years of experience working within the environmental planning sector and supporting various environmentally-oriented nonprofit organizations.



### **Sean Reilly**

Sean completed a dual-major this year in Aerospace Engineering and Applied Mathematics. He now works for Harvest Management Partners, a boutique investment bank in Silicon Valley. Sean is a former Executive Director of PCV and now serves as PCV's Treasurer.



### **Steven Larsen**

Steven has spent his career supporting the growth of products through partnerships, new verticals, and launching new products and services. He values strong, long-lasting professional relationships and beautifully built software. Steven formerly led BD at Xero and Zendesk, and spent his early career at Deloitte as a management consultant.



### **Francis Yuen**

While at Cal Poly, Francis founded and worked at multiple Cal Poly startups. After graduating in 2017, he went to work at GoDaddy as a Software Engineer - a role he has now been in for a little over two years. During his time at Cal Poly, Francis also held positions in the Cal Poly Investing and Entrepreneurship clubs.