

**Technology Innovation
Virtual
July 2024 Office Hours**

Innovation Programs

Team

- ▶ Clark Smith – Director
- ▶ Monika Athwal – Manager
- ▶ Sara Cadeddu – Senior Officer
- ▶ Christopher Shyers – Senior Officer
- ▶ Fariha Sheikh – Analyst
- ▶ Abdelrhman Seliman – Analyst
- ▶ Syed Fatmi – FT Summer Intern
- ▶ Varun Bharti – FT Summer Intern
- ▶ Daniela Diaz – FT Summer Intern

Programs

- ▶ Angel Investor Tax Credit
- ▶ Technology Business Tax Certificate Transfer Program (NOL)
- ▶ NJ Entrepreneur Support Program
- ▶ Angel Match Program
- ▶ NJ Accelerate

Angel Tax Credit (ATC) Program – Refundable Tax Credit

Program Overview

- ▶ Investors in a qualifying NJ emerging technology or life science business may benefit from a 20%-25% investment tax
- ▶ Annual program allocation of \$35 million
- ▶ Full-time employees (FTE)
 - ▶ at least 1, fewer than 225
 - ▶ 75% in New Jersey
- ▶ Must be an emerging technology – commercializing an eligible technology
- ▶ Investment must be a non-refundable transfer of cash
- ▶ Fully submitted application within 6 months of closing investment
- ▶ Bonus for W/MBE or Opportunity Zone companies

NOL Program – Sellable Tax Credit

Program Overview

Enables unprofitable NJ-based technology or biotechnology companies to sell a percentage of accrued losses to unrelated profitable corporations

Tech or biotech companies with:

- ▶ At least 1/5/10 FTE working in NJ
 - ▶ Fewer than 225 FTE in the US
- ▶ Protected, Proprietary Intellectual Property (PPIP)
- ▶ 2 consecutive years of operating losses
- ▶ CPA prepared financial statements
- ▶ Taxable corporate structure

NJ Entrepreneur Support Program (ESP) – Loan Guarantee

Program Overview

- ▶ Provides a guarantee of up to 80% to investor loans/convertible notes advanced for working capital to businesses
- ▶ Multiple guarantees per company up to the \$400,000 cap may be eligible
 - ▶ Up to \$400K
 - ▶ 1 year term
 - ▶ 80% Note /Loan Amount
 - ▶ Note/loan maturity must be at least 1 year
 - ▶ Angels & Funds
 - ▶ No Revenue Requirement
 - ▶ FT Employees – 50% in NJ
 - ▶ \$5 million allocation

Angel Match Program - Direct Investment

Program Overview

- ▶ Matches investors' direct investment in early-stage, product-based technology companies within targeted industries on a 1-to-1 basis with unsecured convertible notes ranging from \$100,000 to \$500,000
- ▶ Investments must be made by at least two external investors and be structured as preferred equity with a defined price per share
 - ▶ \$100K-\$500K Notes
 - ▶ 10-year term, 3% interest rate
 - ▶ No payments for first 7 years
 - ▶ 1-to-1 match
 - ▶ Unsecured
 - ▶ Angels & Funds eligible
 - ▶ Product based sales revenue – Min \$100K
 - ▶ FT Employees – 50% & 2 Founders in NJ

NJ Accelerate (Pilot)

NJEDA partners with “best in class” Accelerator programs to support graduate companies in NJ.

Accelerators

- ▶ NJ or US
- ▶ Targeted Industry
- ▶ Curriculum
- ▶ Mentors
- ▶ Graduation
- ▶ Investment

Graduates

- ▶ Complete a program
- ▶ Located in NJ
- ▶ NJ 50% FTEs
- ▶ NJ 2 Founders FT

Benefits

- ▶ Accelerator Events
- ▶ Workplace Rent
- ▶ Matching Convertible Note

Other NJEDA Highlighted Initiatives

Venture Programs

- ▶ NJ Founders & Funders
- ▶ Golden Seeds
- ▶ NJ Innovation Evergreen Fund
- ▶ Other focused funds

Commission on Science Innovation & Technology (CSIT)

- ▶ Catalyst Seed Grants
- ▶ Catalyst R&D Vouchers

www.njeda.gov/strategic-industry-support/
www.njeda.gov/csit/

Featured Presentations



Supporting early-stage entrepreneurs / academics developing (R&D) innovation-based companies

Encouraging collaboration and connectivity between industry and academia

Grant Programs - www.njeda.com/csit	Eligibility Requirements (Standard)	Timeline (Target)
Catalyst R&D Voucher - \$40K	<ul style="list-style-type: none"> < 50 employees 50% of employees work in NJ 1-2 Full-time employees < \$5 million in prior yr. revenue In good standing to do business in NJ (Current Valid Tax Clearance listing CSIT) 	Rolling - Open
Catalyst Seed Grant - \$75K - \$150K		Yearly 2 nd Quarter
Clean Tech R&D Voucher -\$40K		Rolling - Open
Clean Tech Seed Grant -\$75K		Yearly – 4th Quarter
Clean Tech Pilot Demonstration - \$250K		Will Open June 2024
Food / Agriculture Seed Grant - \$75K		Open – close 5/10/24
Maternal / Infant Health Seed Grant - \$75K		Will Open June 2024
SBIR/STTR Matching Grant - \$25K - \$50K		Rolling - Open



Information on capabilities at NJ universities www.researchwithnj.com

Grant submission assistance for federal SBIR/STTR - NJSBDC - <https://njsbdc.com/techteam/>

Contact Us



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NJEDA Diversity and Inclusion Unit



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NJEDA Diversity & Inclusion Unit supports the Authority's commitment to growing New Jersey's economy and increasing equitable access to opportunity.

The NJEDA believes that diversity, equity, and inclusion are inherent to creating a stronger and fairer New Jersey economy and building a diverse workforce increases business performance. The Authority is guided by the concept of "diversity on purpose," the idea that diversity at the NJEDA and in the businesses and communities the Authority serves should not only be recognized but intentionally fostered. This principle drives the NJEDA to produce innovative programs and services that best serve New Jersey's diverse residents, communities, and businesses.

Minority/Women Business Enterprise (M/WBE)

www.business.nj.gov/pages/certifications/



NJ FOUNDERS & FUNDERS

The New Jersey Founders & Funders event is a semi-annual networking forum to facilitate warm introductions between New Jersey's emerging companies and the investor community. The day-long event hosts a series of 10-minute 1on 1 meetings between start-up founders and appropriate investors based on investment thesis.



NJFoundersFunders@njeda.gov



njeda.gov/founders-and-funders

NJ FOUNDERS & FUNDERS



- **75+ investors** and over **400 companies** have participated since 2014
- Approximately **250 meetings** arranged at each event, curating nearly **3,000 introductions** over the program's life



- **Free** event with opportunities to meet with **8-12 investors** tailored to your company's profile.
- **Over 90%** of those participants **secured additional meetings** with at least one investor



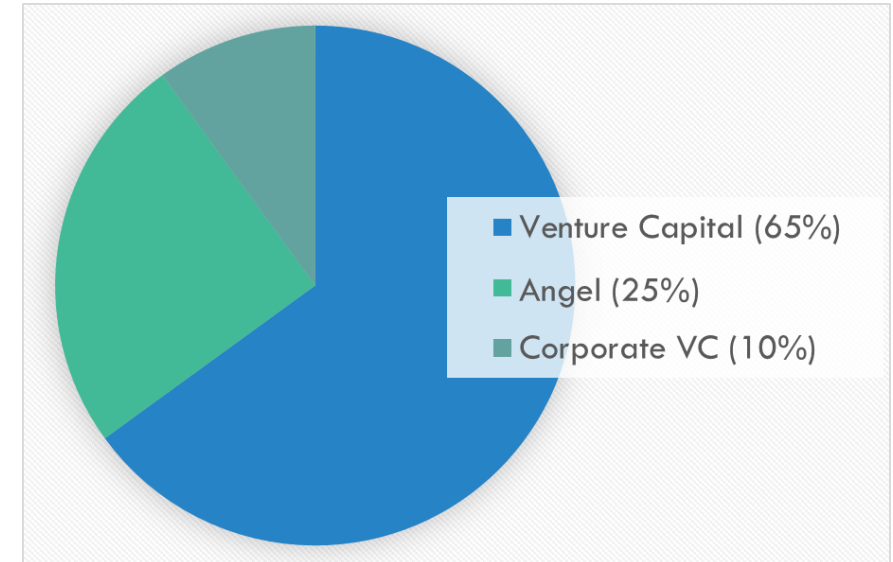
- To participate, a company must:
 - Be **registered** to do business in NJ
 - Provide a 1-to-2-page **Executive Summary**
 - **Register** on the program website:
 - www.njeda.gov/nj-founders-and-funders-form/



Registrations made now will be invited to attend the **Spring 2025** event.





NJ FOUNDERS & FUNDERS

- Events feature a balanced mix of **VC, Angel, and Corporate VC** investors.
- Companies spanned the **Life Sciences, Financial Services, Technology, Manufacturing, and Clean Energy** industries



Attendees reported an average of **6 follow up** meetings with investors post-event

Venture Capital Sources For You: Life Sciences/Healthcare and SEDI* Funds

	<u>Life Sciences/Healthcare</u>	<u>SEDI*</u>	<u>Life Science/Healthcare Managers</u>	<u>SEDI Managers</u>
Total program size	\$60M	\$20M		
Use of funds	Open	Open		
Instrument	Varies	Varies		
Maximum amount available to company	\$5M	\$5M		
Can be used in conjunction with other NJEDA programs	Yes	Yes		
Program criteria				
New Jersey headquarters	No	Yes	Signet Healthcare (growth)	Include Venture Partners
New Jersey presence	50% of FTE, base of operations in NJ	NJ HQ		
Definition of FT employees	W2	N/A		
Maximum employees	750	N/A	Tech Council Ventures (early-stage)	Gener8tor Management
Sectors	Life Sciences, Healthcare	Targeted innovative industries		
Contacts				
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Program Manager	Lexie Demirali	Emmanuel Esochaghi		

* SEDI: Socially Economically Disadvantaged Individuals

For More Information:

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Thank You!

NJEDA