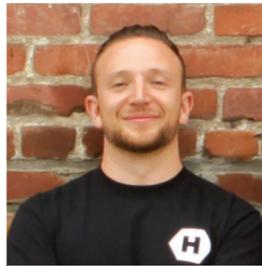


# THE LACI EXPERIENCE

## DON'T JUST TAKE OUR WORD FOR IT.

Here's what some of our Portfolio Companies have to say about their experience with LACI.



"With each step that our company has taken, we've received invaluable advice from the Los Angeles Cleantech Incubator. Whether that is learning how to design a manufacturing run, or even things as simple as making proper budgets and understanding how much of our revenue we can divide between further research and design, or into marketing, or into hiring new employees."

- Jon Miller | CTO and Co-Founder | **Hive Lighting**

"California Lithium Battery has found a great business mentor in the LA Cleantech Incubator. LA is emerging as the new global test center for advanced energy technologies and LACI is a great example of public private partnership that is helping small businesses do big things. The help and connections of LACI enable us to create good manufacturing jobs stemming from our new energy storage made in LA for export to the global community."

- Phil Roberts | CEO | **CalBattery**



"We are thrilled to be a part of such a groundbreaking group. LACI has helped Repurpose secure investment and build our team. Over the past year, we have expanded across the nation to become #1 in our category and we continue to grow our brand in national retail stores. It has been a great partnership that we expect to continue adding value."

- Lauren Gropper | CEO | **Repurpose®**

"I came to LACI at a time of great transition and need: Isidore had suffered a major fire, my co-founder had quit, and we badly needed support. In essence, LACI became my team and helped me build back up. Two years later, we are now very firmly on our feet and find that LACI has not only helped us build a fiercely strong team and infrastructure, they are truly our partner. From developing programs to get more value out of the e-waste of the City of Los Angeles, to our weekly strategy sessions, we couldn't have done it without them."

- Kabira Stokes | Founder and CEO | **Homeboy Recycling Powered by Isidore**



"LACI has been a fantastic partner for FreeWire through each stage of our development. Their staff has a diverse set of backgrounds that we've leveraged for everything from investor introductions and pitch deck advice to customer acquisition and production planning. LACI is always ready to help when asked and even goes a step further by taking a proactive role in finding ways to add value."

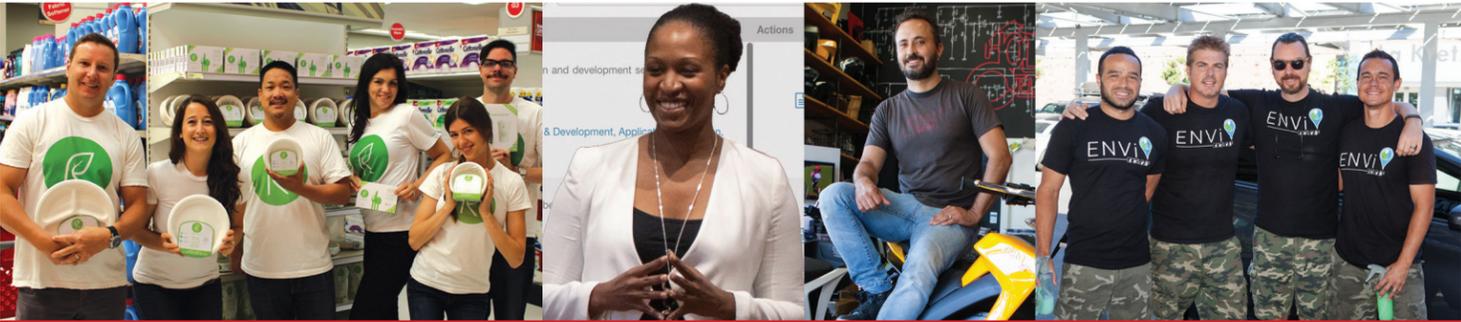
- Arcady Sosinov | Founder & CEO | **FreeWire Technologies**

## APPLY TODAY

### GO TO [LACI.ORG](http://LACI.ORG) FOR MORE INFORMATION AND TO APPLY TODAY.

Once you hit apply, we vet your plan and experts help with the first filter. If that looks good, the next step includes an in-person interview, financial review and reference check. If that looks good (and we're both still excited), then the real work begins! Expect 3-6 weeks once you hit submit.

LACI is a non-profit, public-private partnership that helps promising companies deliver market-ready cleantech solutions and the jobs that come with them. LACI combines access to capital, universities, research, government support, entrepreneurs, corporate partners, and business leaders in order to drive innovation throughout the regional, state, and global economy. LACI recently moved into the 60,000 square foot La Kretz Innovation Campus in Downtown Los Angeles. Owned by the Los Angeles Department of Water and Power, the campus features collaborative workspace, offices, R&D and prototyping labs, conference rooms, a workforce-training center, and more. Recognized as the #3 Global Incubator in 2015 by UBI, in just 5 years LACI has helped 64 companies who have raised \$118 Million and have created over 1200 jobs.



# BECOMING A LACI PORTFOLIO COMPANY

## PROGRAMS

### Making the leap to join an incubator or accelerator is a big decision for startup founders.

Many factors play into the decision process: What services are provided? How long is my company supported in the program? How robust is the partner and investor network? What resources are brought to bear to facilitate my success?

### We've put together a winning program at LACI:

Our mission is helping startups secure investment, find customers, and hire the best talent. This overview will help you with some of your decision points as you consider joining us.

### ACCELERATION OF YOUR BUSINESS

Our team of experts and commercialization programs will help you solve your toughest problems and get to market faster. We offer our Portfolio Companies coaching and expert advice aimed at helping you build your business. Daily, weekly and monthly, we cover the full spectrum of issues from how to build and lead a team, to developing a financial model based on reality, to a go-to-market strategy with the emphasis on "go." Our on-site Advanced Prototyping Center and LADWP Validation Labs help you design, prototype and validate your solutions. When you're ready to go to market, our demonstration and deployment programs are there to speed your path to revenue. Best of all, these aren't canned programs—they're customized to your specific needs and target market and change focus as often as you do.



### BEST OF BREED EXECUTIVES IN RESIDENCE

We partner each of our portfolio companies with an Executive in Residence (EIR) who has walked in your shoes. Our EIRs are seasoned business executives, many of whom have started, funded, grown and exited tech businesses. Many are also active Angel investors in the cleantech sector. These EIRs come with extensive experience and a robust network that will help you with your customer engagement and talent sourcing efforts. They are available on a weekly basis to help with business plan development, capitalization analyses, strategic planning, growth strategies, organizational issues, channels development, outsourcing or whatever else you face in building your business. Your EIR will also help ensure that your fundraising preparation and strategy have the best chance of resonating with prospective investors. Once a quarter, we'll hold business reviews with the entire EIR team to provide insights, opportunities and help maintain your progress.

## PROGRAMS

SERVICES PROVIDED	LACI INVESTMENT PREP	INVESTMENT BANK
Business Planning	•	•
Pre-Audit Readiness	•	•
Investor Identification	•	•
Industry Database Access	•	•
Comps Analysis	•	•
Investment Structuring	•	•
Deal Doc Templates	•	•
Investor Relationship Mgt	•	•
Discounted Legal Partner Rates	•	
Direct Deal Negotiation		•

Company Stage Focus	Early	Mid to Late
Retainer	None	\$45k-\$90k
Cash Fees	None	\$50k-\$500k
Equity	3-5%	6-10%

### INVESTMENT PREP THAT WORKS HARD FOR YOU

We have developed unique Boot Camps and a targeted C-Level Series of “boots in the stirrup” seminars that give you access to wisdom you can’t get in school, and might take a decade of mistakes and experience to amass. The LACI Investment Boot Camp preps you just the way a top tier investment bank would. This program alone is worth its weight in gold.

### SPECIALISTS FOR EARLY GROWTH STAGE NEEDS

From accounting to design for manufacturability, grants to HR or IP, we have an extensive network of mentors and advisors able to help decode the business alphabet and keep you on track. We can help you access local Universities for fundamental and applied research or local economic development resources. You need ‘em, we’ll help find ‘em.

### ACCESS TO THE RIGHT PEOPLE

We are your (absolutely biased) advocates. The LACI network is strong, and we do whatever it takes to open the right doors and make the connections you need to succeed. Getting doors opened is only part of the benefit. Collaborating on ideas, being the first to hear about an important new technological development, working with a set of peers who share a common goal is the intangible component of being part of the LACI community.

## FEES + EQUITY

### WHAT ARE THE FEES?

**LACI Membership with EIR & Investment Services:** \$500/month

**Dedicated desk space at the incubator:** \$500/desk/month

### WHAT ABOUT EQUITY?

We know building a cleantech business is hard work and a very long haul. We’re in that long haul with you and we go in fully expecting to give 5 years of our resources to get you to market. We keep fees very low and align our long term interests in the form of a small warrant position in the company.

The warrant stake depends upon your company’s stage of growth and is based on the following:



#### WE DELIVER SIGNIFICANT ONGOING VALUE.

We don’t invest cash like a VC. We do invest time, expertise, resources, and connections that have significant value (between \$500k - \$1.5M) at the riskiest stage in your development. We provide access to discounted or no cost help from HR, accounting, legal specialists, interns and grant organizations.



#### KEEP CASH IN YOUR HANDS.

Investors want their money to go to building your business. So do we. We don’t want to take precious cash out of your pocket when you need it to run your business. The small membership fees that do exist are far below market rate for the services provided.



#### WE’RE FULLY ALIGNED WITH YOUR GOALS.

LACI is a nonprofit, initially funded by public and private philanthropic sources. We aim to leverage the success of the companies we help to build a sustainable operating fund that ensures our ability to support startups well into the future.



#### MOST IMPORTANTLY, TO ENSURE WE’RE FIGHTING FOR YOU EVERY DAY.

We’re in this for the long haul, and to help give you the best chance to succeed. With equity we’re incentivized to focus on your long-term success, whatever that means along the way (investment, recruiting, business development, etc.) The equity is worthless to us unless you have a liquidity event, so we don’t win unless you do.



LA KRETZ INNOVATION CAMPUS

### SPACE IN THE ARTS DISTRICT OF LA & SILICON VALLEY

You’ll feel right at home with no personal guarantees, TI’s or long-term agreements. Just flexible space that’s ready for you to plug in and get to work. We’ve taken all of the hassles off the table and offer our portfolio companies the chance to focus on their business rather than their offices. And it’s right in the heart of the tech scene, whether in our 60,000 ft. state of the art La Kretz Innovation Campus or our home in Silicon Valley.

And when you’re ready to expand beyond home base, we’ll plug you into our Network for Global Innovation (NGIN) when you’re ready to expand internationally. We’re in 14 major cities around the world and growing with our collaborative Landing Pad programs.

Warrants aren’t effective until after the initial probationary period, which means we both can make sure the fit is right before making that long-term commitment. And if we ever do part ways, the percentage stake is automatically converted into shares effectively putting a cap on our investment.

**In addition, there are a couple other important points to communicate either before or with the offer:**

### % WHY A WARRANT FOR A PERCENTAGE AND NOT SHARES?

We don’t have a fund to re-up every time there’s another round of financing to protect our equity position (although we’ll continue to invest time and other resources). A percentage warrant allows us to maintain our alignment without getting diluted to a fraction of a percent early on.

### 🔍 WHAT DOES THE WARRANT SAY IN PLAIN ENGLISH?

That in exchange for our help, we’re entitled to buy a small slice of your company. Here’s a breakdown of the sections in the warrant that aren’t self-explanatory.

- **Exercise of Warrant:** This covers how we buy shares of your company, and how the number of shares will be determined. The percentage we are allowed to purchase does not change with the capitalization.
- **Extraordinary Transactions:** In essence, this says that if you sell more than half of your company, you’ll give us time to convert the warrant beforehand (or transfer it to NewCo).
- **Assignment / Exchange:** This gives us the ability to assign the warrant (for example, if you want to buy it back from us in the future to keep more equity in your company).
- **Investor Call Right:** This is a safety valve to protect you. In the event your future investor doesn’t like this warrant for some reason, they have the right to take us out of the picture.