

DARPA Venture Horizons

John Spirtos, DIRO Commercial Lead, DARPA

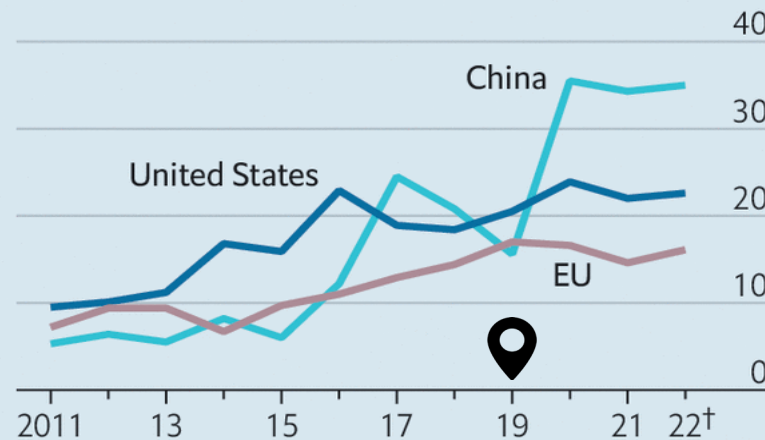
July 25, 2025



Commercial Strategy Overview

Tectonic shift





Share of domestic venture-capital investment going to advanced-tech* startups, %



Sources: The Economist, Pitchbook, 2022

The **DARPA Commercial Strategy Office** was formed in **2019** in response to trends that threaten DARPA interests and American technology supremacy

Commercial Strategy Objectives

-  Prevent adversarial investment and influence in DARPA-funded technologies to protect DoD interests
-  Accelerate the commercialization of DARPA-developed technologies to secure national and economic security
-  Set the “gold standard” for commercializing high-risk technologies for the rest of the DoD/USG to replicate
-  Ensure DARPA technologies survive the “Valley of Death” through transition to the warfighter

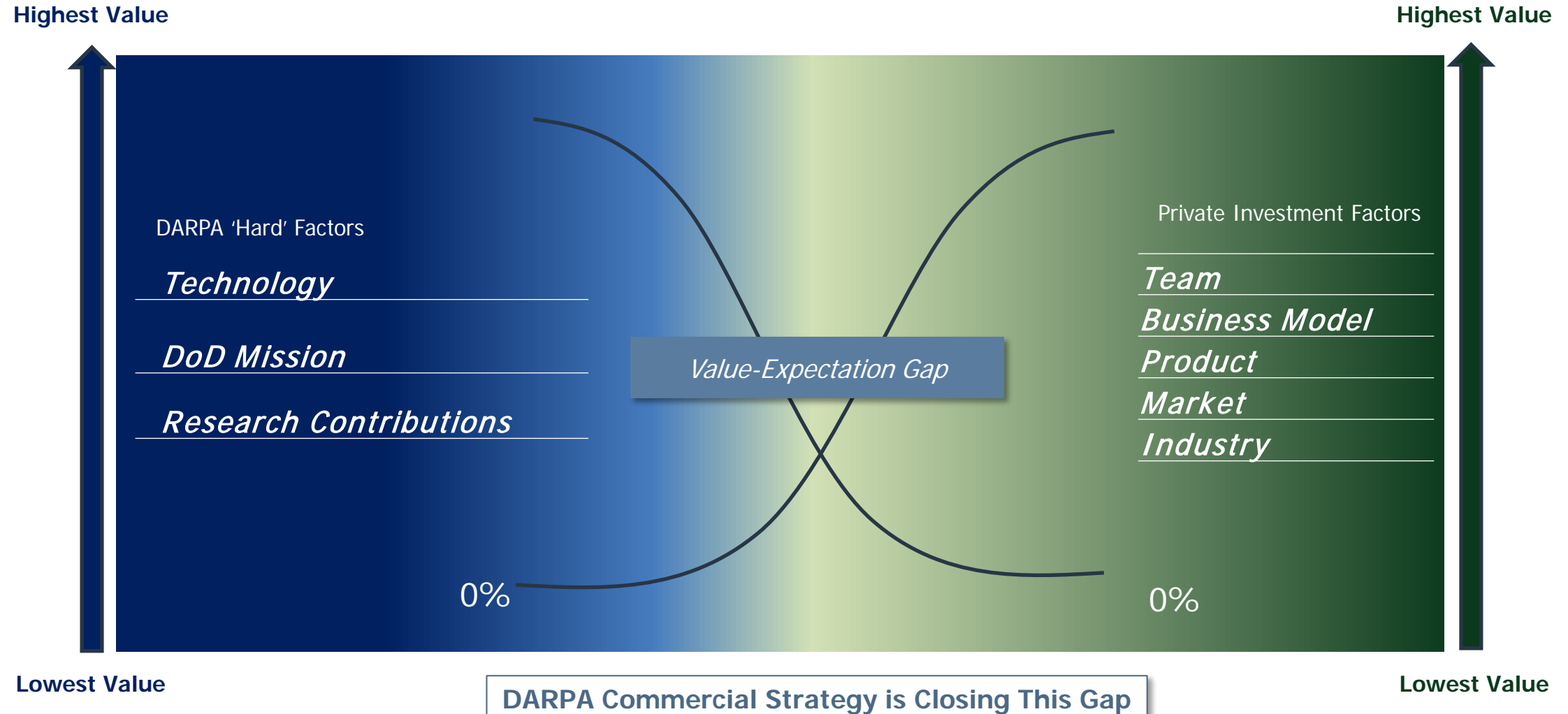


“In retrospect, I can’t help wondering what would have happened if our team, suitably augmented, had been given the responsibility for **developing the business opportunity as well as the technology.**”

- George H. Heilmeier
Former DARPA Director, 1975-1977



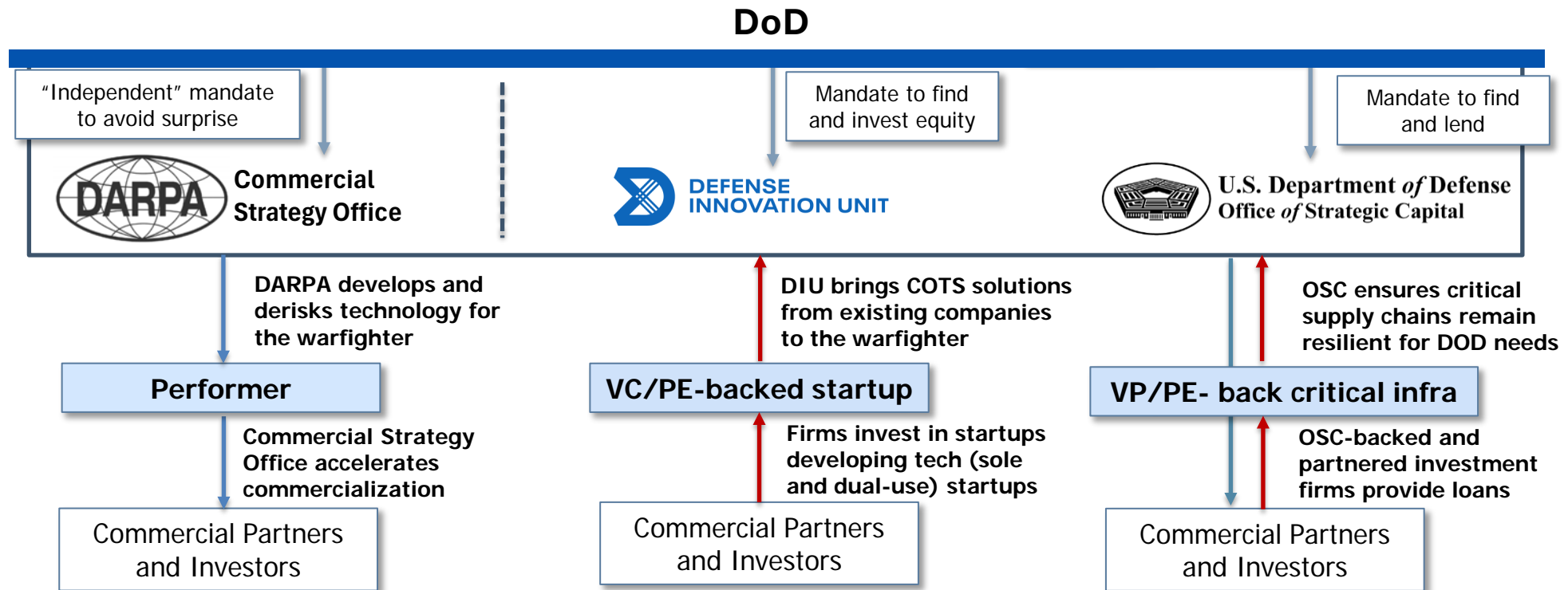
The Value-Expectation Gap between DARPA and Investors



Harvard Business Review study surveyed 1,000 private investors for their *most important factors for investment decisions*.
<https://academic.oup.com/jleo/article-abstract/35/3/513/5530735>;
<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8888446/>



DARPA Provides the DoD with a Uniquely Differentiated Innovation Model – Leveraging External Capital to Decrease Time to Warfighter



Investment Sizes: **S** **M** **L** **XL**
Mandate: Prevents technical surprise by investing in early-stage, often radical, research, fostering entirely new technologies with potential future military and commercial applications.
Outbound Deal Flow

Investment Sizes: **S** **M** **L** **XL**
Mandate: Focuses on transitioning existing commercially-available technologies for military use.
Inbound Deal Flow






Investment Sizes: **S** **M** **L** **XL**
Mandate: Invests through loans, loan guarantees, and potential equity investments, aiming to resshore or secure essential supply chains.
Targeted Deal Flow




Commercial Strategy's Initiatives for DARPA's Six Technology Offices



DARPA COMMERCIAL STRATEGY'S INITIATIVES

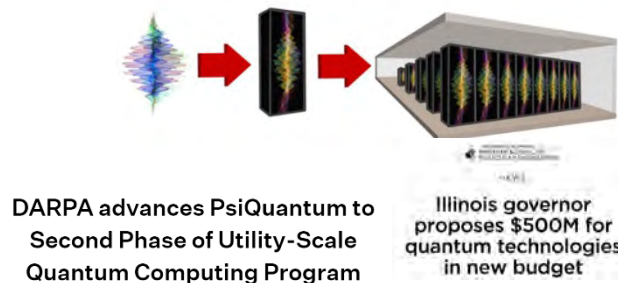
 Embedded Entrepreneur Initiative <i>Connecting Brilliant Technical Minds to Brilliant Business Minds</i> Program Manager (PM) validates technology and nominates performer Entrepreneur joins a DARPA Performer R&D Team for 12+ months Performer receives access to techno-economic market mapping and curated capital opportunities	 Accelerators <i>Scale the Embedded Entrepreneur Initiative</i> 5 Accelerators regionally dispersed facilitate rapid commercialization, talent attraction, and commercial ecosystem development Performer receives mentoring, commercialization support, and guidance	 Tiger Teams <i>Tailored Commercial Strategies for Programs</i> Nominated by DARPA Office Director or Deputy Director, Program Manager, or Liaison Officer Less frequent, often classified Commercialization opportunities with high-value national and economic security considerations	 Minimum Viable Products <i>Prove Commercial Viability, Service, and/or Capability</i> Program Manager nominates for Senior Commercialization Advisor review Performer brings technology to market with the goal of generating sales and productizing	 Venture Horizons <i>Bring Investment to DARPA</i> Investment community interested in working with DARPA performers (as needed) through the deployment of non-adversarial capital Program kicked off Q4 2024 100+ qualified firms responded to RFI 1
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ADDITIONAL COMMERCIAL STRATEGY SUPPORT TO PROGRAM MANAGERS

 Commercial Strategy Program Support	Proposal Preparation Commercialization Planning Transition Support
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US2QC and QBI, *MTO*

Determining if an underexplored approach to quantum computing can achieve utility-scale operation much faster than conventional predictions



TIMELY, *STO*

(Classified)

Exploring the first 'commercial as a service' to DoD customers. Conducted reverse-pitch to generate market interest in absorbing tech as a service to speed up DoD adoption



FSHARP, *BTO*

Developing a deployable, shelf-stable, universal whole blood substitute as a hemorrhage countermeasure to sustain injured warfighters in pre-hospital settings



SemaFor, *I2O*

Creating forensic semantic technologies to help mitigate online threats perpetuated via synthetic and manipulated media



NOMARS, *TTO*

Challenging the traditional naval architecture model by designing and building long-duration modular autonomous ships



Resilient Software Systems, *I2O*

Leveraging formal mathematical methods to create resilient systems (including hardware, cyber-physical, and software) and improve DoD system resilience to adversarial attacks





Venture Horizons' Q1 2025 Conference Recap – 92 Firms >\$100B of capital



Attendance Summary

- Event hosted on March 7th, 2025 at DARPA
- 125 investors from 92 firms
- Guest Speaker: Dr. Eliahu Niewood - *Director, USAF ICO*
- 6 Tech Office Directors presented
- 11 DARPA performers presented
- 4 PMs presented
- DIRO, LNOs, Service Chief Fellows, ACO
- Pentagon (OSC, Army, A&S, Navy, USAF)

Survey Summary and Next Steps

Post-Event Survey to Investors

- DARPA is at the leading edge of emerging technologies
- Better understanding by participants of DARPA's mission and objectives
- Participants feedback to the effect that Investors want to engage and be involved, regularly

Next Steps

- Consensus is to meet 3 times/year, with focus on domain, stage, sector to support engagement
- Explore reverse pitch mechanism and information exchange for investors to share portfolio companies

Investor Breakdown: 125 Attending Investors across 92 Firms

Average AUM by Fund Type

- VC: \$923M
- PE: \$6.6B
- FO: \$312M++
- CVC: \$278M
- Total Average: \$2B

Additional Fund Details

- 75% of Firms looking to deploy capital now; remaining looking to deploy within 6 months
- Firms are geographically closest to DC, San Francisco, and Boston
- 11 First Time Funds (handful of SBICCTs)

Performer Breakdown: 11 Attending Performers across 6 Tech Offices

Company Stage

- Early Stage: 6
- Series B/C: 4
- Non-Profit: 1

Revenue Status

- Pre-Revenue: 7
 - Average Raised: \$24.8M
- Generating Revenue: 3
 - Vector Atomic \$22M, STR \$50M, Viridian \$8M
- Non-Profit: 1

EEI and Follow On Status

- 3 with existing EEI Awards
- 5 submitting to EEI
- 8+ Handshake deals, so far
 - \$500K; \$1.5M; \$1-3M+

This was, without a doubt, the most valuable financing-focused event that a government agency has organized."

–Haima Therapeutics, FSHARP, BTO



VENTURE HORIZONS

SUMMER SERIES



SESSION 1
**Intelligent &
Resilient Systems**
National Landing, VA
June 5

SESSION 2
**Engineering the
Future Battlefield**
Ballston, VA
June 11

SESSION 3
**Quantum Benchmarks,
Biology, and the Brain**
McLean, VA
June 26



12 Performers



13 Performers



15+ Performers



Over \$2.5B in Additional Third-Party Private Capital Invested Into DARPA Commercial Strategy's Performers Since 2021



2021 - Present, Commercial Strategy Fast Facts*:

145

Private Funding Rounds Closed



~\$1.26B

Private Investment Capital Raised



~\$639M

Merger and Acquisition Value



20

New Products & Services



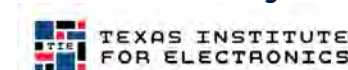
~\$381M

Additional USG Awards



~\$662M

State Funds Allocated Towards Projects in 2024



*Only reporting publicly available data

*Private investments reported per PitchBook & SCAs

*Cumulative, since the EEI's pilot expansion in 2021 to March 31, 2025

*Logos are a sample, not holistic



www.darpa.mil