

ANNUAL REPORT

2022



Battle Born Venture is the state venture capital program for Nevada. It makes **equity and equity-like investments in early stage, high potential Nevadan startups**. It is a component of the State Small Business Credit Initiative (SSBCI), Battle Born Growth, which is overseen by the Governor's Office of Economic Development (GOED). SSBCI is a federal program that seeks to expand access to capital for small businesses. SSBCI also promotes American entrepreneurship and democratizing access to startup capital including in underserved communities. The state venture program's investments are held by Nevada Battle Born Venture Escalator, Inc. a corporation for public benefit.

The American Rescue Plan Act of 2021 reauthorizes and expands the SSBCI which was originally established in 2010. Nevada is again participating, and has enlarged Battle Born Venture as a result.

1.

Portfolio Review

Battle Born Venture focused on developing the next iteration of its program in 2022. By year end, the new program under SSBCI 2.0 was live at its website and accepting applications.

2.

Battle Born Venture Stats

Applications to Battle Born Venture from the Las Vegas area again dominated, representing 57% of total apps. IT remained the most popular sector. We continued to invest disproportionately in minority entrepreneurs.

3.

Early Stage VC Market

The early stage VC market had a mixed year, with more angel, but fewer later stage fundings. By year end, the market had slowed, and we expect that 2023 will be a tougher year for VC.



1. Portfolio Review

In 2022, the Governor's Office of Economic Development (GOED) applied, and received approval for, an allocation from US Treasury under SSBCI 2.0. With approval in hand, Battle Born Venture designed a revised investment process, leading to the launch of its new program in December 2022.

Startups can now apply through a custom application process, created specifically for our Nevadan entrepreneurs. Going forward, our team will continue to build out a tech platform that will allow us to scale with minimal incremental cost.

In 2022, during the transition to SSBCI 2.0, Battle Born Venture made only selected investments under its narrower mandate, such as continuing to support its existing portfolio companies through an additional investment in furniture specialist **Semi Exact** as well as providing UNLV spinout **Quantum Copper** with pre-seed capital.



Access Health Dental is a Las Vegas-based dental practice company that brings an innovative, systematic approach to the delivery of dental care; it provides management support services for its dental offices so dentists can focus on providing the best care for patients.

During 2019, Battle Born Venture made an additional commitment to the Company in part to support a large dental practice acquisition that has led to a step change in revenue.



Fintech firm Base Venture has developed a fund administration automation product. FundManager.io streamlines fund management by connecting fund administrators, fund managers, and investors, and allowing fund managers to easily see their portfolio positions and communicate with clients.

The Company was acquired by financial services major FIS in 2019, representing a successful exit for Battle Born Venture .



Las Vegas-based CircleIn has developed a student-to-student tutoring app that allows students to study with one another, and to tutor one another, winning rewards in the process. Its advisory board includes the Education Director at Microsoft, and the former CTO of Merrill Lynch, AOL and News Corp.

During 2021, CircleIn raised a significantly larger round to support its continued rapid expansion.



Las Vegas-based Fandevor developed a hassle-free solution for door-to-door fan travel packages and VIP gameday experiences. Fandevor's "Build Your Own Experience" technology allows customers to seamlessly create custom travel packages on an easy to use online platform.

It deployed its robust software platform as the engine for large corporate customers' travel programs.

Battle Born Venture exited the investment in 2019.



Grrrl is a Las Vegas-based athleisure company that focuses on size-free clothing and targets niche women's sports such as MMA and Highland Games. Its philosophy is centered around women's empowerment, with an emphasis on fitness at any size.

Co-founded by a husband and wife team, the brand is fronted by professional athlete Kortney Olson as well as professional athlete brand ambassadors. The team relocated to Las Vegas in 2019, ahead of investment by Battle Born Venture .



Las Vegas-based Heligenics, incorporated in 2019, describes itself as the first major biotechnology company in Las Vegas. Heligenics says it is an industry disrupter on the leading-edge of drug development and diagnostic testing by defining the function of genetic variation with its proprietary GigaAssay technology. It can take years to identify a single genetic marker. Heligenics measures the impact of all mutations within a gene in months. Battle Born's investment is from second generation funds, that is, proceeds from exits from prior portfolio investments.



Outlaw Soaps is a Sparks, NV based personal care product company that is capitalizing on a resurgence in the male grooming market, and on consumers' demand for clean beauty. The Company was founded by a husband and wife team with experience in building digital brands at Oprah.com, and with building startups. The team relocated from California to Northern Nevada in early 2020, ahead of investment by Battle Born Venture.



Quantum Copper is an emerging global supplier of high-performing fire-retardant components for Batteries. At present, Quantum Copper is focused on providing innovative lightweight and self-extinguishing alternatives in the separators, current collectors and casings space to enhance the fire safety of lithium ion batteries.

The Company is a spinout from UNLV and Battle Born Venture invested in 2022.



Semi Exact exists to make it easy for everyone to say, "I made it" when asked where they got their furniture. The company is a DNVB (Digitally Native Vertically integrated Brand) with advanced manufacturing based in Minden, NV. Semi Exact is creating a new category in the consumer goods market that changes the way people think about making, purchasing, and enjoying furniture. This was Battle Born Venture's final investment in its initial portfolio, in mid 2021.



Taber Innovations is a Las Vegas-based company that has developed a technology suite that enables real time information to be captured and analyzed from a fire scene, so enhancing fire fighter safety.

Its advantage is that it allows monitoring of fire fighter condition (such as 3-dimensional location and several medical vital signs), this is currently done verbally via radio.

Battle Born Venture made an initial investment in the Company in 2019.

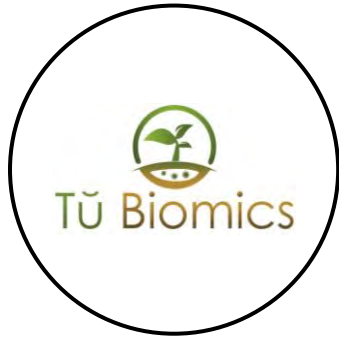


Talage is a Reno-based startup that has created a fully automated software platform to help small business owners compare and instantly purchase an increasing range of commercial insurance policies. Talage connects insurance brokers directly to insurance carriers, allowing them to save time and money.

Battle Born Venture invested in the Company in June 2018 in a round led by Bay Area-VC Merus Capital, and including venture debt major WTI. The Company raised an additional round in 2020.



Reno, NV-based TransWorldHealth provides productivity software to the \$1bn+ safety net healthcare market. The platform incorporates advanced fuzzy logic matching to identify and locate patients as well as sophisticated forecasting algorithms, such as, the likely number of patients that a clinic will see in the following week. The platform integrates with leading electronic health record (EHR) providers, rather than replacing their offerings.



Tu Biomics is a start-up spun out of the Desert Research Institute (DRI) in Reno, NV. It is focused on developing organic crop protection products for the global agriculture industry.

Battle Born's investment is from second generation funds, that is, proceeds from exits from prior portfolio investments.



Wedgies was a Las Vegas-based inline real time social media polling software company.

Battle Born's co-investors in the Company included Graycroft Partners and VTF Capital. Wedgies' other investors included 500 Startups and SVAngel.

In June 2018, Wedgies was sold in a private transaction and so, Battle Born Venture successfully exited the investment.

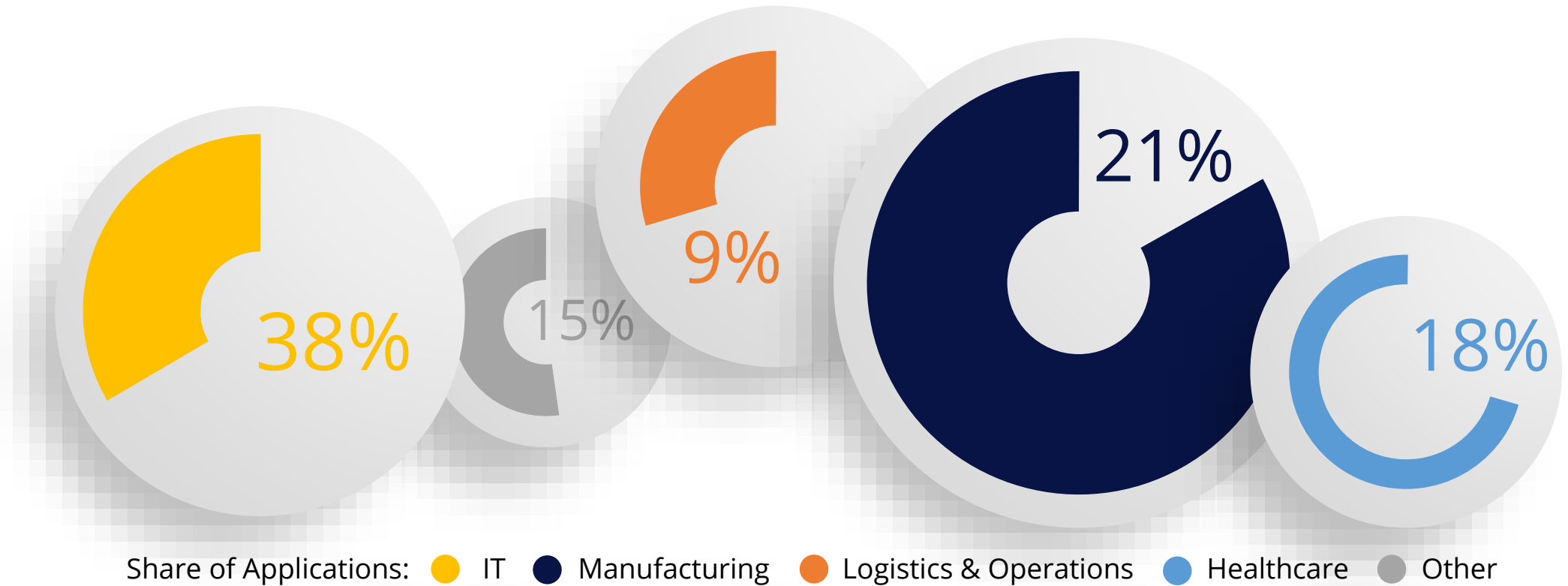


Las Vegas and New York based WiseBanyan was one of the fastest growing independent roboadvisors in the US. It offered free portfolio management, and an increasing range of other financial management tools. Battle Born Venture's co-investors included strategics, such as John Hancock and CFSI with founding partner JPMorgan Chase & Co.

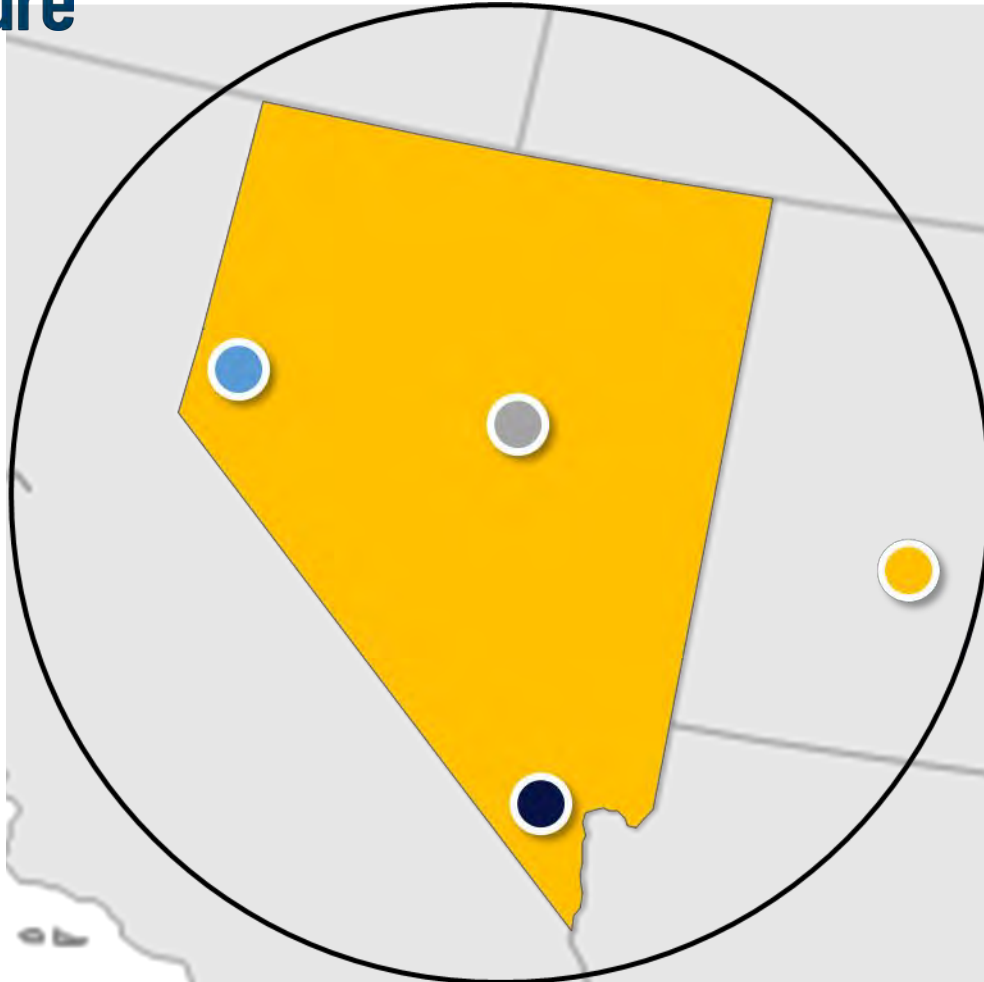
In October 2018, WiseBanyan was purchased by a subsidiary of NYSE-listed Axos Financial, Inc, so providing Battle Born Venture with an additional exit.



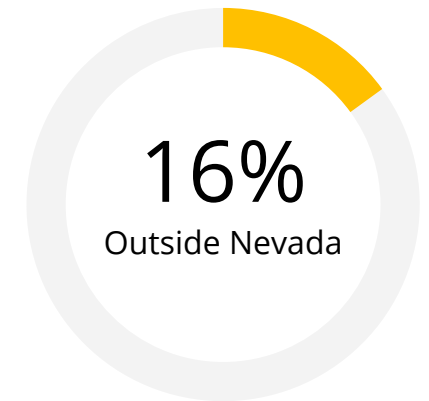
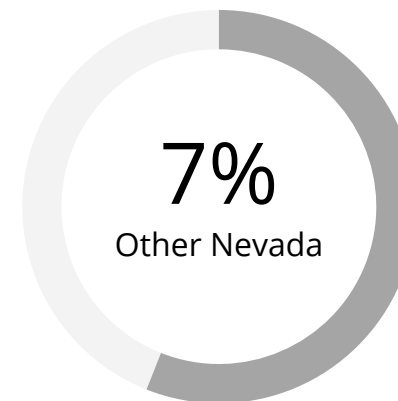
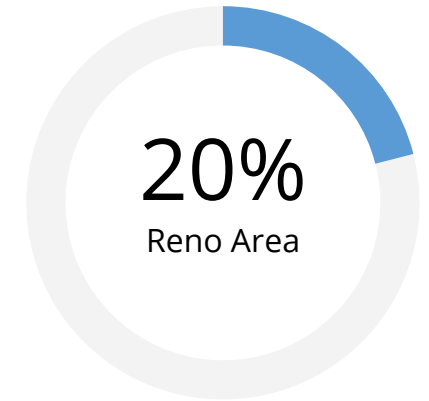
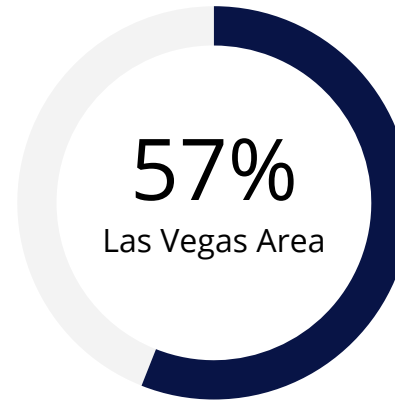
2. Battle Born Venture Stats

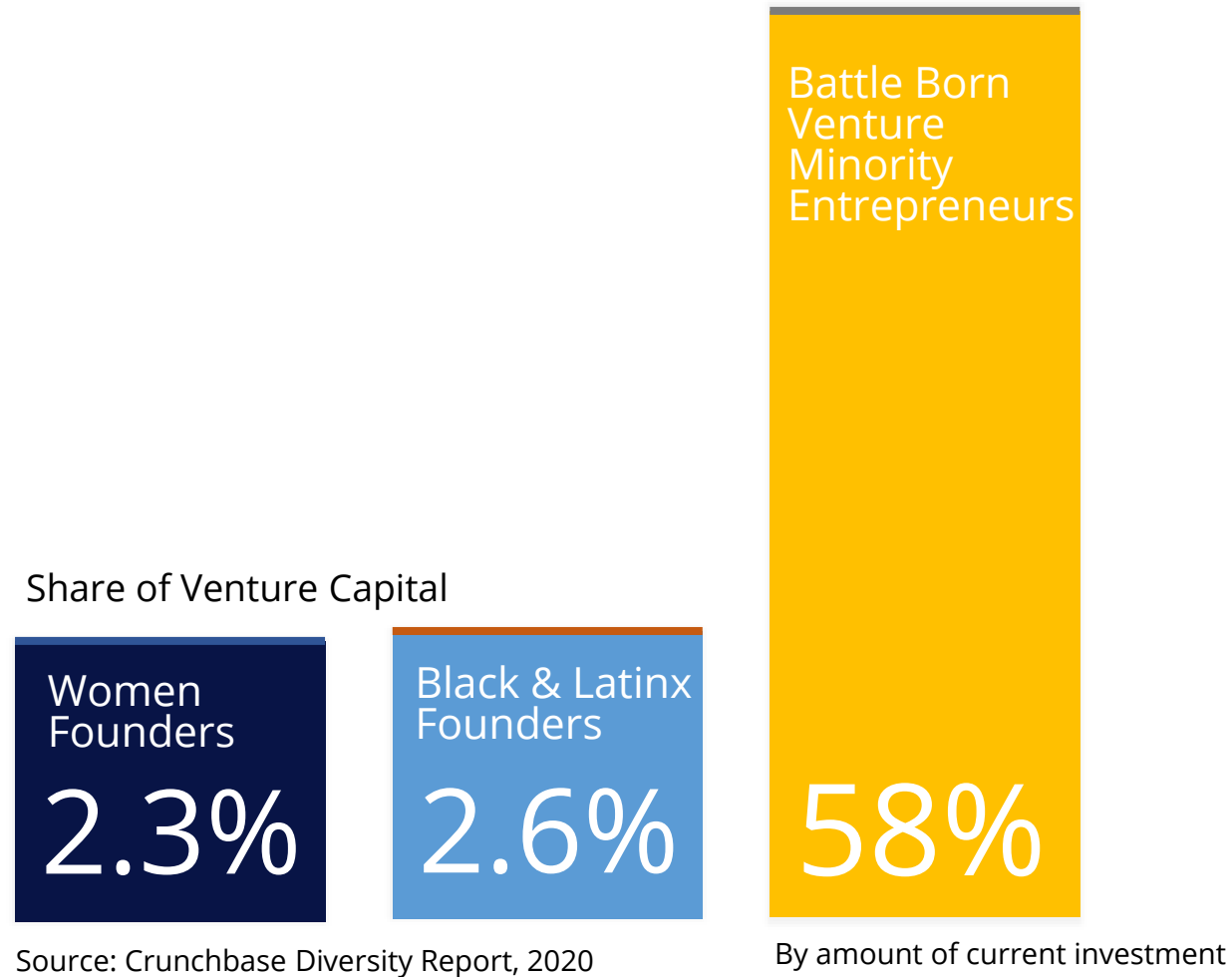


Source: Battle Born Venture, figures are for 1H 22



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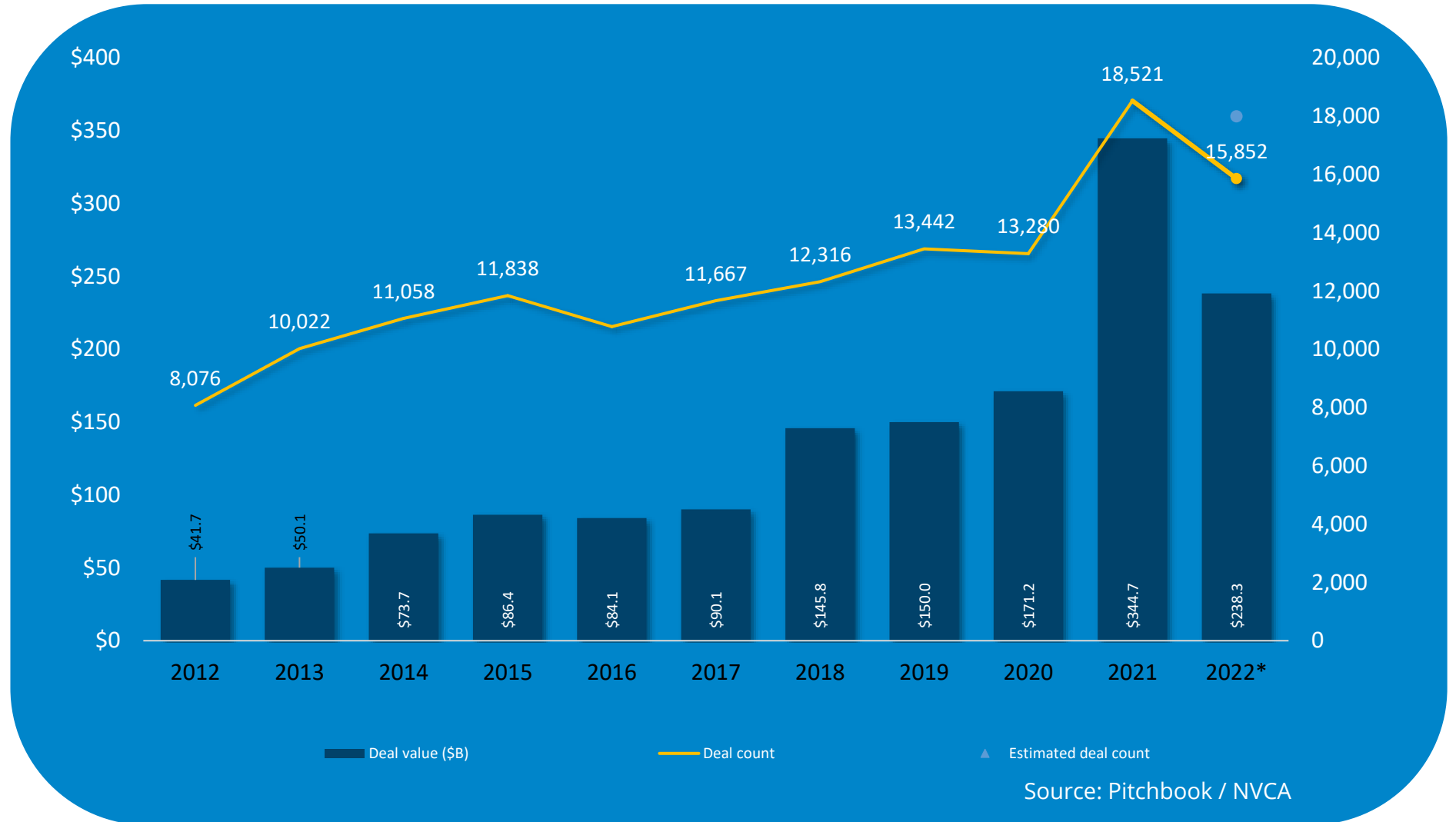




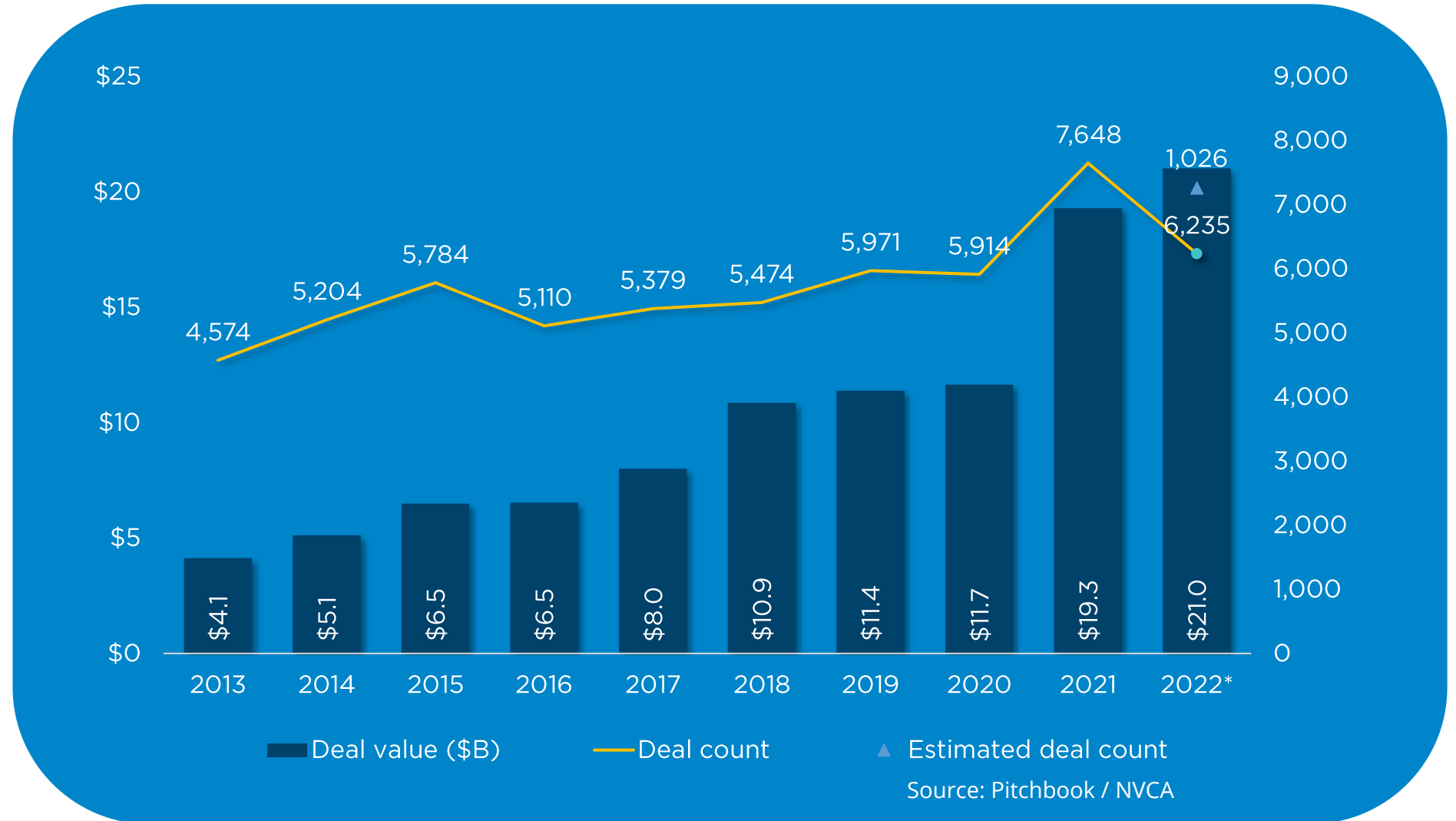


3. Early Stage Venture Capital Market

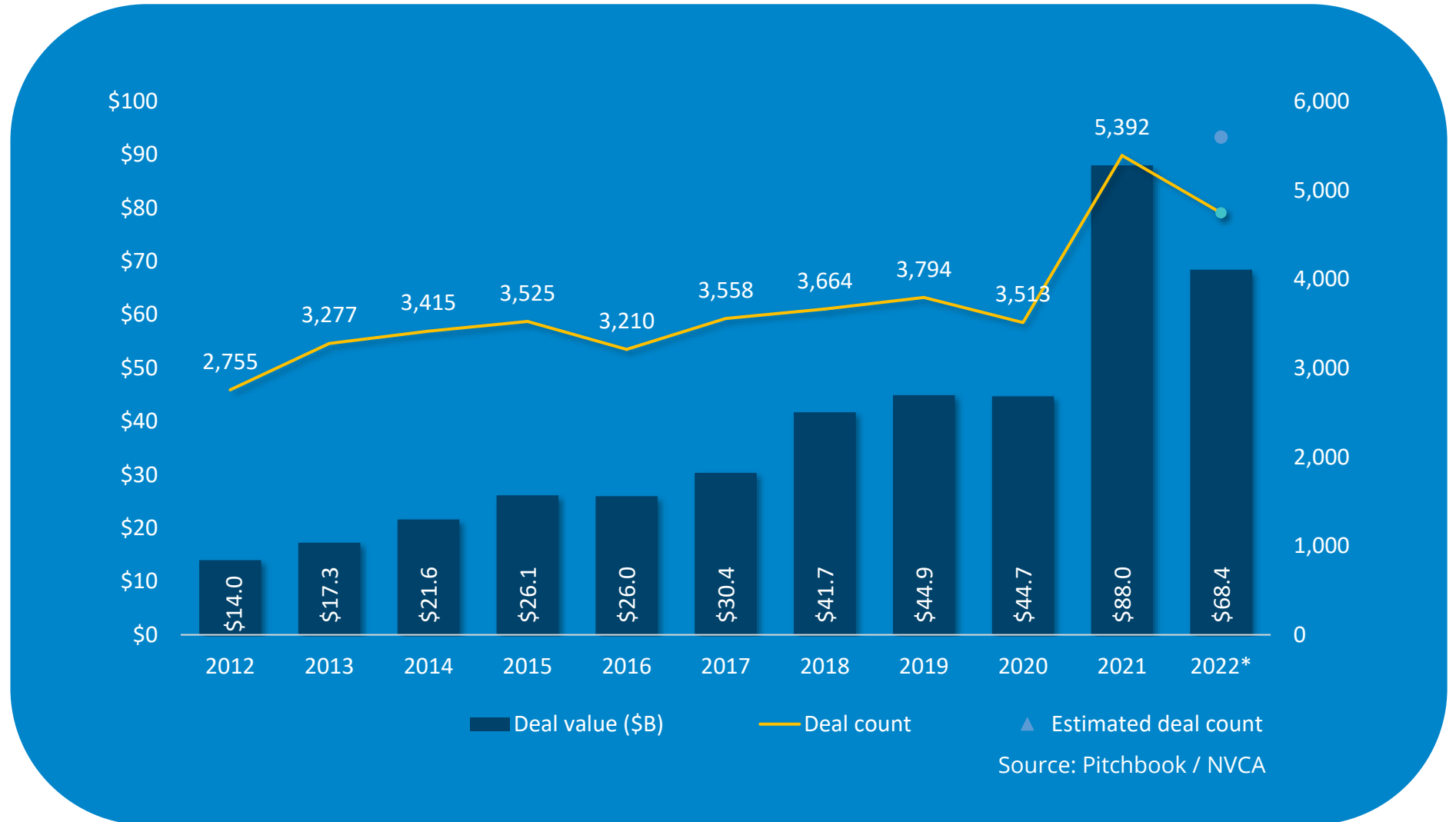
Venture capital funding as a whole fell 30%+ YOY



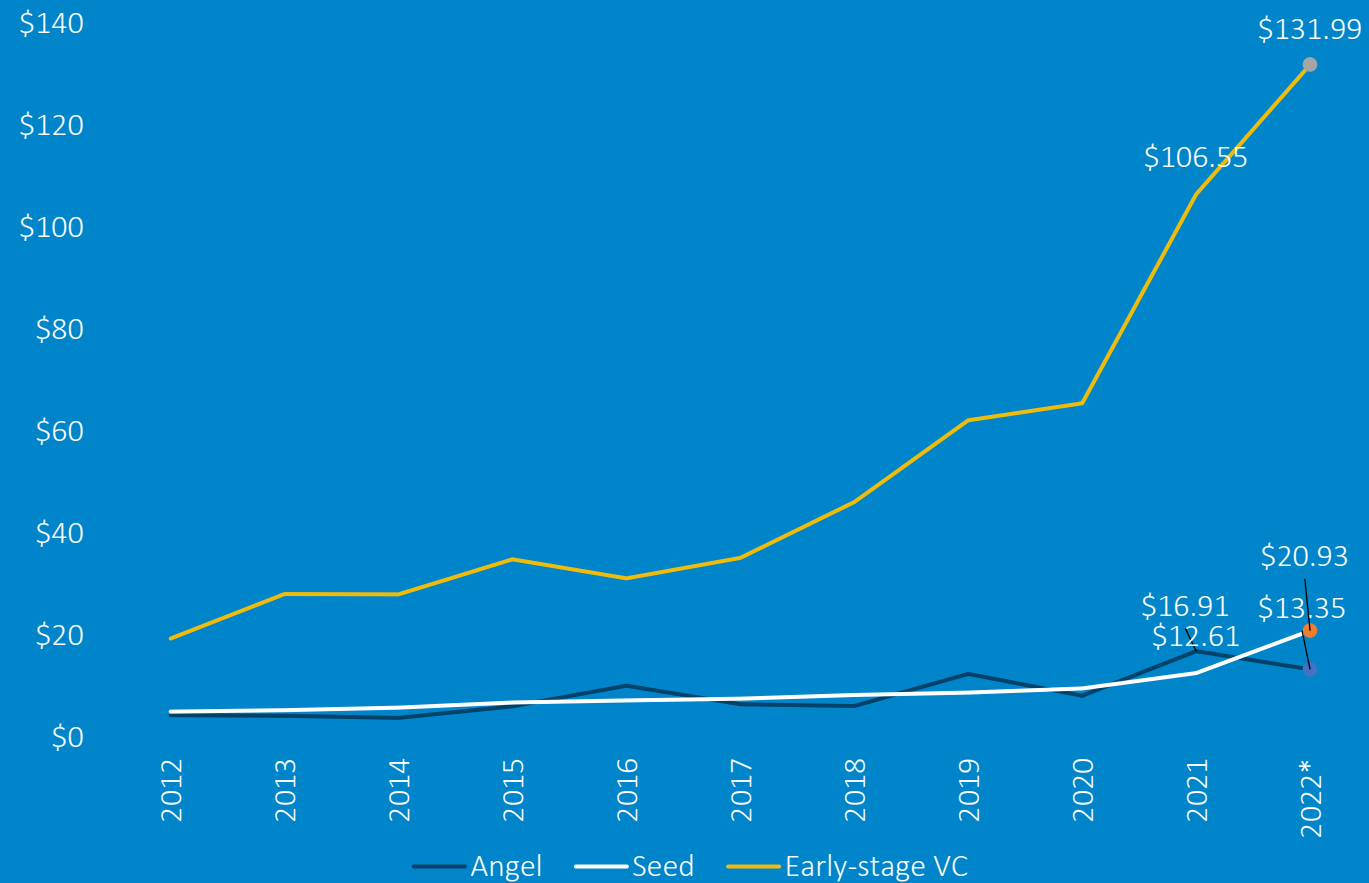
Angel & seed deal value rose 9%+ YOY



Early stage VC deals dropped 23% YOY



Deal values fell for angel deals, rose for later stages



Source: Pitchbook / NVCA. Figures are in \$mm.



 Image courtesy of Semi Exact
 battlebornventure.com
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