



VCET

Vermont Seed Capital Fund, LP

Investing in Entrepreneurs since May 2010

Annual Report to Limited Partners and State of Vermont Stakeholders
Fiscal 2021

VCET Capital Corporation
General Partner and Fund Manager
December 22, 2021

Dear Stakeholder,

Please see enclosed the FY21 Vermont Seed Capital Fund (VSCF) Annual Report for public stakeholders and the audited financial statements. Included in the annual report is the Subsequent Events summary as of December 21, 2021. As ever, the portfolio remains active, dynamic and with strong market signals from several holdings that real growth, value creation and economic impacts are being realized. Consistent with an inflection in growth in FY19, this year has also seen revenue, payroll and capital raised increasing at healthy levels. COVID-19 impacted many companies with deferred growth principally and supply chain complications. Unfortunately, three portfolio firms ultimately failed in FY21 with specific COVID-19 impacts as major contributing factors. As observed last year, COVID conditions in most instances accelerated the future trends on which these businesses are built. With the exception of lingering supply chain constraints, this has created positive tailwinds for many in the portfolio to gain new customers faster and access greater sources of risk capital.

Vermont's most pressing constraint on the success of this portfolio of companies remains difficulty in hiring. Talent availability for both startup and scaling firms remains an acute barrier to more Vermont based payroll growth. The issues are clear: (1) **housing** quality, availability and cost and (2) **childcare** access and cost.

During FY21 the fund concluded its investment in SemiProbe with the return of all capital invested. The Fund led a local investor syndicate in December 2010 to salvage and build this semiconductor equipment company. Congrats and best of continued success to Denis, Doug & Mostafa! Additionally, a second significant portfolio company merger occurred in December 2021 as a Subsequent Event which will produce substantial unrealized gains for the Fund. As in about half of the Fund's transactions over time, our team led an investment syndicate into this company in 2013 and had become the largest investor on an ownership basis over time.

As of June 30, 2021, active portfolio companies in aggregate reported below for the prior 12 months:

- \$35 million in new capital raised
- \$29 million in wages paid across 325 jobs with an average VT Salary of \$63,000
- \$36 million in revenues

Over the Fund's lifetime, the cumulative portfolio numbers for 25 firms are:

- \$218 million in cumulative capital or 49x leverage to the Fund's invested capital
- \$154 million in cumulative payroll, with record \$29 million payroll in FY21
- \$171 million in cumulative revenues, with a record \$36 million in FY21

With a return of capital realized and the State of Vermont contributing \$900,000 in new funding, the Fund began actively investing into new firms in the spring of 2021. The Fund was also instructed to support, source and

invest to a greater degree into “BIPOC, Women and Veteran” owned businesses as “prioritization areas.” Having this new “dry powder” from the Fund’s capital revolving and new State of Vermont contributions has allowed for **five new investments** as of December 2021 to occur into the following companies:

- [Widewail](#) - Co-Founded by Matt & Angela Murray, this enterprise software company provides trust marketing and reputation management services.
- [Vernal Biosciences](#) - Founded by pandemic era transplant into Vermont Christian Cobaugh, Vernal develops and manufactures clinical grade mRNA from its Colchester facility.
- [Geopipe](#) - Cofounded by Thomas Dickerson and Christopher Mitchell, Geopipe builds whole earth digital twins for use in gaming, mobility, planning and the metaverse from offices in VT and NY.
- [ZestBloom](#) - Co-founded by Jasmine Farrell, Evan Maltz and Ryan Farrell, this Morrisville, VT based company is an Algorand blockchain technology innovator and operates an NFT marketplace.
- [MySuperSitter](#) - Offering thoughtful childcare solutions, Seymour Gregorio and his cofounders bring technology innovation coupled with experiential learning and care programs to families in New England and New York.
- 3 of 5 new investments above meet the prioritization area guidance as well.

At present, the Fund has three additional investment commitments outstanding awaiting final closing conditions. All three are within the prioritization areas as well. Overall, our pipeline of founders seeking startup expertise, help from a trusted and long term aligned investor remains healthy, deepening and in some of the planet’s most exciting business sectors such as mRNA, crypto, ecommerce, new mobility, energy and the metaverse.

The Fund is managed and supported by the [Vermont Center for Emerging Technologies \(VCET\)](#) and as of December 2021 has now invested into 28 diverse early stage companies since May 2010. There remains much to do and we are focused, committed and working hard each day to help entrepreneurs succeed. It is always dynamic and risky given this stage of investment, but the Fund's challenges and uncertainties ahead pale in comparison to the incredible efforts, ambition, innovation and risks undertaken by these entrepreneurs, employees, co-investors and partners. Though taking a few years longer than hoped for, the forward outlook for the Fund's investing returns and social impacts has never been brighter. 2022 is shaping up to be an inflection point for rapid company scaling, realized gains from the current portfolio and exciting new investments into diverse sectors and teams across Vermont.

Thank you for your continued support for the Fund, VCET and for Vermont's entrepreneurs and start-ups. If I can answer any questions or assist, please contact me at david@vcet.co.

Thank you.

DAVID

David Bradbury

VCET Capital Corporation

Fund Overview

The Vermont Seed Capital Fund, LP launched for investing in May 2010. The for-profit impact Fund is managed by the VCET Capital Corporation as General Partner. This entity is a wholly owned subsidiary of the non-profit Vermont Center for Emerging Technologies (VCET). VCET was selected as manager following a competitive process conducted by the Vermont Economic Development Authority (VEDA). The for-profit Fund is capitalized with \$6.1M, is professionally managed and designed as a revolving or “evergreen” venture capital investor to support a select number of seed and early stage companies. The Fund’s two investors are **VCET** Capital Investors (\$1.9M), a wholly owned subsidiary of VCET and **VEDA** Capital Investors (\$4.2M), a wholly owned subsidiary of VEDA.

Unlike most venture funds seeking to maximize financial return, the evergreen Fund’s **four** performance objectives are:

- Financial return commensurate with high risk investing in order to revolve the fund, after write-offs and expenses.
- Next generation job and payroll creation across Vermont.
- Capital leverage achieved for each \$1 invested by the Fund.
- Innovation ecosystem benefits (college technologies, founder diversity, internships,, cluster benefits, recruitment, natural resource utilization, climate technologies, energy, etc).

The Fund initially invests between \$25,000 and \$250,000 per transaction via a variety of debt and equity instruments. The Fund's manager, which is an entity, not an individual, makes investment recommendations for review and action by the Fund’s three person Investment Committee.

Because of a strategic relationship with VCET, portfolio firms and capital seekers also have access to substantive programs, employee recruitment assistance, coworking facilities, partners, mentors, national investor syndicates and other value-adding services. In 2013, VCET was named the #11 incubation program in the world by the UBI Index and VCET received the February 2018 Rural Impact program by the InBIA. The VCET website is www.vcet.co

Fund Activity and Impact So Far

The Vermont Seed Capital Fund, LP (“Fund”) was created to provide early stage, high risk companies with risk capital to start, create wealth and grow next generation employment opportunities. Prior to the Fund’s capitalization in May 2010, Vermont was one of a handful of U.S. states without an early stage, state sponsored venture fund.

As of June 30, 2021 (fiscal year end), the Fund has invested in 25 companies for a total of \$4,421,914. This is comprised of \$2,954,544 in initial investments into 25 firms and \$1,467,369 in follow-on investments into 12 companies. The average initial investment per company is \$118,182.

This initial amount has trended lower over time as the available funds to deploy have decreased and the average new initial commitment has likewise decreased. Total investment per company ranges from \$25,000 to \$629,306 with an average of \$176,877 invested per company.

The Fund's syndicate of co-investors, whether accredited angels, family offices, institutional venture capital firms or strategic corporate investors remains significant and diverse. This is very positive for portfolio firms, the Fund and in exposing new investors to the Vermont innovation ecosystem. So far, the Fund has co-invested with others such as Boston Seed Capital, Launch Capital, Atlas Ventures, Vermont Community Foundation, 406 Ventures, VEDA, Fairhaven Capital, Ascent Ventures, Silicon Valley Bank, Fresh Tracks Capital, Russell Investments, TFO, TransAmerica Ventures, HULA, FinTech Collective, VSJF Flexible Capital Fund, and Google Ventures, among others. It is important to note that other accredited individuals, family offices, institutional investors and lenders are responsible for their own due diligence and investment decisions. Our syndicate of investors is deepening across all sectors and all investment stages which is a great benefit for the ecosystem. Many of the portfolio companies and prospects receive direct financing from the Fund's syndication partners and network without the Fund's investment participation. These impacts are not included in this report's data.

The Fund is required to report on total capital at the time of initial investment per company as a measure of capital leverage. The total capital investment secured by the **25** portfolio companies at the time of the Fund's initial investments is **\$23,905,128**. The Fund's leverage at time of initial investment is **8.1x** on average. During Fund formation, capital leverage at time of initial investment was expected to be 2x on average. This significant variance is largely evidence of companies and teams who are better prepared for capital raising, are benefitting from healthy private capital markets, and to a large degree, the positive network effect from within the portfolio and the Fund Manager's reputation and success at syndication. High risk capital is the protein source for emerging companies on their way to identifying a repeatable and sustainable business model.

As of June 2021, the **cumulative capital** reported by portfolio companies now totals **\$218,114,705** for a capital leverage ratio of **49.3x** the Fund's invested capital of \$4,421,915. There was \$35.4 million in new capital raised in FY21. The portfolio has raised **\$151 million over the last six years**. This trend is healthy, sustaining and reflects the maturity, markets and momentum of the companies.

Nationally on average, about 80% of all capital in the early and scaling stages of a company's life is used for personnel (full, part-time & consultant). Most of the Fund's investment proceeds are used for employees, marketing & sales, product development and general working capital purposes.

As a standard practice, for each \$1 invested by the Fund, an additional amount is held in reserve for follow-on growth financing, if it makes sense (and cents) to support further any one firm's situation. Not all firms who receive initial capital support, however, will receive follow-on funding. Since investing began in May 2010, the Fund has invested capital into 25 firms during its first capital revolve cycle. At inception, the Fund had targeted +/- 16 initial investments for diversification and in meeting fund performance objectives during its first 10 years of operation. Additionally, the Fund has assisted, without making a direct Fund investment, no fewer than 35 other diverse companies secure and raise capital from sources such as federal grants, high risk lenders, venture capital firms and large accredited angels and private family offices. These Fund and VCET related impacts regarding capital,

revenues and payroll generated are excluded in the impact metrics reported.

In general, investments are not anticipated to return capital until years 5-8 post initial investment although there may be exceptions and circumstances requiring a longer time horizon. Per company investment losses are likely to occur during the first 1- 4 years post initial investment. During FY21, there were three realized losses for Ceres Greens, CPX Security (Pwnie Express) and Budnitz Bicycles. There were no new unrealized losses booked. There was also a return of \$250,000 in capital invested into SemiProbe, which concluded a multi-year buyout of investors by the company. The remaining portfolio remains very well positioned to return the Fund's invested capital and substantive capital gains. Not assured by any means given the risk of this asset class, but the investment return outlook and recent transactions within the portfolio are very positive.

The communities in which these first 25 startup employers have been supported are: Barre, White River Junction, Woodstock, Richmond, Burlington, Colchester, Shoreham, Winooski, St. Johnsbury, S. Ryegate, Montpelier, Colchester, Middlebury, Barre, Stowe, Charlotte, Berlin, Waterbury and Waitsfield. Additional remote workers and offices are located around Vermont, around the US and across the globe. There still remain challenges on visibility and pipeline in some Vermont counties but relationships with innovation hubs and local investors are changing this.

The trend from last year continues in that there is a lot more coordination, awareness and exchange between and among local innovation hubs, programs and investment groups than ever before. Entrepreneurs and companies are getting increased access to VCET and the Fund for advice and when appropriate investment consideration too. Our ecosystem is healthier, stronger and more active than ever in assisting and funding startups, scale-ups and aspiring entrepreneurs and business owners. **The limits to more rapid scaling are (1) lack of workforce (Housing & Childcare are root causes) (2) distance to/lack of large local customers and (3) equity capital for pre-revenue companies.**

The Fund's team has screened and reviewed an estimated 470 firms and entrepreneurs since inception. Capital seekers have come from across Vermont, the U.S., Quebec, alumni networks, portfolio company referrals, coworking members @VCET spaces, North Country Angels, other venture capital firms and elsewhere globally. At any given time, the Fund is tracking 3-5 firms for investment consideration. The investment process from initial screening to closing can range from 8 weeks to 2 years, depending on the readiness of the business proposition, team, co-investors required for a sufficient, credible round of finance and signals of market traction/demand for its products or services. The process now averages about 2-5 months from start to closing. The Investment Committee meets as needed to review portfolio situations and new financings.

New Initial Investments: During FY21, the Fund closed **2 initial** company transactions starting in May 2021 once new and revolving capital was confirmed.

Follow on Investments: During FY21, there were **0 follow-on** financings made due to available cash to invest, pricing for the rounds and the availability of other investors to fill the need.

Realized Losses: During FY21, the Fund experienced **three** realized losses.

Realized Gains: During FY21, the Fund experienced **one** realized gain.

Subsequent Events (July 2021 - Dec 2021)

Subsequent to the Fund's June 30, 2021 fiscal year end thru December 21, 2021, the following items warrant disclosure and sharing at this time:

- **New Capital:** The State of Vermont granted \$900,000 in one time monies to VCET for contribution into the evergreen Fund. The Funds were received in August 2021.
- **Northern Reliability:** The company was acquired and merged into a larger energy storage company. A public announcement by the acquirer is pending. Even when discounted for illiquidity and other factors, significant new unrealized gains are expected in FY22 as a result. The Vermont operation is expanding and vital to the combined entity.
- **NOMAD Transportable Power:** This is a new portfolio company resulting from a joint venture spinout by Northern Reliability and a strategic partner. No cash investment was made by the Fund for this new holding. [NOMAD](#) makes portable battery storage units for the electric grid and is located in Waterbury, Vermont.
- **Three New Investments: Geopipe, ZestBloom and Gregorio Wealth (dba MySuperSitter)** received new investment from the fund totaling \$120,000.
- **Seven Experts Added:** The VCET Board added two new Directors with substantial national investment expertise and the Seed Fund Advisory Board was updated. Read [here](#).

Fund Manager's Outlook into 2021

Since investing began in May 2010, the Fund's principal milestones and activities so far have been to organize (quickly and properly), complete the initial capitalization (two investors), make 25 initial investments (so far) into diverse companies, make follow-on investments into 12 companies, provide oversight and support to 25 portfolio firms, limit realized losses to 12 companies so far, achieve 5 returns from portfolio company sale / repayment, conduct annual Fund audits and reporting, prospect for high opportunity investments in support of Vermont's next generation of employers, and manage towards fulfilling the Fund's **four** principal impact objectives around:

- Financial return sufficient to revolve the Fund
- Employment & payroll
- Capital leverage and
- Innovation ecosystem benefits

Given finite capital resources, statutory fund requirements and an increasingly active entrepreneurial sector in Vermont, the Fund must say "no thanks" or "not yet" much more frequently than "yes" to capital seekers. Fortunately, the Fund's team is able to assist entrepreneurs and firms even if an investment is not made via a relationship with the non-profit Vermont Center for Emerging Technologies (VCET) and its network of mentors, partner organizations, angel investors, venture capital firms and higher education institutions.

Consistent with prior years, an independent Audit was performed and contained no material deficiency

findings or any corrective actions - this is another solid result in CPA parlance. Among other areas, the audit covered topics such as accounting, governance, conflict of interest policy, portfolio valuation, cash management and other internal processes and practices. Fund operating expenses were 3.28% which consists of a 2% annual management fee and certain direct professional services fees such as legal, insurance and audit.

As we look ahead this year, the Fund will make another 3-5 initial investments from available capital. Likely, there will be more follow-on investment decisions to be made among the active portfolio for which a portion of remaining investment proceeds are being reserved. As determined by the Investment Committee and the company's performance, some portfolio companies may warrant additional funding, while others may not. One of the drawbacks and limitations of a small fund this size is being unable to maintain pro-rata ownership percentages in some of the rapidly scaling and most promising investments. Continued fund recapitalization and new investment sources by public sources are recommended for broader and continued new company capitalization and syndication. Two possibilities are on the horizon for this in 2022.

Currently, there are 7 companies in the active portfolio experiencing significant revenue scaling and product acceptance. The outlook for continued growth and success is pretty exciting for these teams. Interestingly, these 7 firms are ones in which VCET supported prior to capital raising in areas such as corporate strategy, team formation, coworking/acceleration, capital formation roadmap, etc. Also of note is that the Fund was the first institutional investor committed to these Vermont startups. Each company has a deeply technical product and the majority are a combination of hardware/software addressing a specific and growing industry pain point. These Fund investing traits and operating practices of:

- (1) Supporting startup teams at VCET with our strategic academic partners like the University of Vermont, Middlebury College and Norwich University and our expert mentor network of over 130 professionals in preparing companies for launch, growth, scaling and exit.
- (2) Taking on the more technically challenging companies and using our available mentors, corporate relationships and college partners to better understand the science/technology, de-risk the investment decisions/milestones and assist the founding teams along the way.
- (3) Committing as the first institutional investor (despite being a tiny fund) into technical companies seems to be working well for the companies and for the Fund's realized and forward looking investment returns.

As to liquidity expectations from current investments, that outlook appears encouraging. COVID caused a delay in anticipated liquidity in 2020-21 but the companies today are progressing meaningfully by and large. There are no guarantees on the amount or timing, but several are very well positioned for significant value creation, revenue scaling and operating profits. At the end of FY21, the Fund's Cumulative IRR stands at -2.15%, which is effectively the fund's operating expenses and 2% management fee. Though perhaps three years longer than originally anticipated given the J-Curve dynamics in seed stage investing, the Fund is now well postured for positive IRR (i.e. % returns) and positive multiples on cash invested returns. We have a great active portfolio today.

We continue to seek to maximize the benefits to Vermont and meet the Fund's four operating objectives for impact. The Fund is designed to revolve its capital for future investment making. As a result, the pace of new initial investment making will increase to 3-5 firms per year as available cash for investment permits. A greater focus on achieving some liquidity from existing positions held will grow more important, absent new capital contribution inflows. However, companies coming to the Fund are still being assisted in finding appropriate capital investment from third parties within the Fund's investor network.

In accordance with policies and accounting standards, the Fund determines estimated market value adjustments at mid-year and year-end, or on an as realized, interim basis. These adjustments can include unrealized gains or losses and any realized gains or losses among its investments.

VCET Capital Corporation (the Fund Manager and General Partner) would also like to acknowledge and thank the Seed Fund Advisory Board (SFAB) members for their efforts and assistance. During FY21, the SFAB was reconstituted. The volunteer members are Diane Abruzzini (Entrepreneur), Cassie Polhemus (VEDA CEO), Andrew Allen (Entrepreneur), Gwen Pokalo (Center for Women & Enterprise) and Ernie Spears (Entrepreneur). SFAB was established under the enabling statutes, can receive confidential information on investments, receives the Fund's audit and members are invited to the semi-annual portfolio review meetings with the Investment Committee. Investment Committee members also attend the SFAB meetings. The SFAB convened as a group in FY21.

Fund Investment decisions are made by a three member committee consisting of VCET Capital Corporation's David Bradbury and two independent Investment Committee members with deep early stage investing and fund operation experiences. James Robinson and Ken Merritt serve as volunteer investment committee members providing independent domain expertise and guidance. VCET's Sam Roach-Gerber is a standing member of this committee for pre and post investment diligence, decisions and support to the founders. The General Partner wishes to thank these professionals for their considerable volunteer time, expert skills, and thoughtful deliberation on these high risk, early stage investments. Since inception, the Investment Committee and the General Partner have followed a Conflict of Interest policy.

As cautioned each year, early stage investing can be described as a "team contact sport" in that this stage is high risk, always dynamic, subject to inevitable losses, requires significant post investment support, and yet offers the greatest potential for high wage job growth, risk capital inflows and new wealth generation for employees, founders and Vermont as a whole.

We remain fully engaged, proactive in outreach and active in investing into appropriate high risk opportunities, supporting entrepreneurs statewide and fulfilling the Fund's four principal performance objectives. Thank you for your continued support.

Sincerely,

David Bradbury

David Bradbury, President
VCET Capital Corporation

STARTUP: “A temporary organization formed to search for
a *repeatable* and *scalable* business model”

-Steve Blank

Some of the Portfolio’s sectors both past and present include:

Renewable Energy Storage

Advanced Manufacturing Equipment

Enterprise Software

Internet of Things

Consumer Products

Financial Services Technologies

Artificial Intelligence / Marketing

Aerospace & Aviation

Mobility

Consumer Media & Commerce Platforms

Agriculture Technology

Blockchain and De-Fi

and more...

Vermont Seed Capital Fund. LP Impact Measures @ June 30, 2021

The Vermont Seed Capital Fund, LP is a \$6.1M for-profit, professionally managed, permanently revolving, early stage investment fund. Investors are the Vermont Center for Emerging Technologies (\$1.9M) and the Vermont Economic Development Authority (\$4.2M) as limited partners. The Fund Manager is the VCET Capital Corporation, a subsidiary of the non-profit Vermont Center for Emerging Technologies (VCET). Unlike private investment funds, four objectives and priorities guide our investments: **Financial Return to Revolve the Fund, Capital Leverage, Jobs/Payroll Impacted and Innovation Ecosystem Benefits.**

<p>Financial Return (IRR)¹</p> <p>Target IRR > 20% Cumulative IRR -2.15%</p> <p>Returns are not anticipated until after year 5 post investment and are typical of the “J Curve” timing effect. Typically, outsized returns from just a few companies in a portfolio make or break the Fund’s IRR and cash-on-cash returns.</p>	<p>Jobs Impacted</p> <p>Target > 150 (Permanent FTE) Actual 325 Cumulative² 2,000</p> <p>Early stage firms can be expected to experience employment volatility associated with capital, revenues earned, cash flows and talent availability over time.</p>
<p>Capital Leverage</p> <p>Total VSCF Investment (25) \$4,421,915 Total Capital Investment \$218,114,705 Leverage Lifetime 49.3x Leverage Initial 8.1x</p>	<p>Innovation Ecosystem Benefits</p> <p>Prioritization areas for investment into “BIPOC, Women and Veteran” owned businesses continue and are expanding. The Fund has additional focus on investing into rural areas, energy technology companies and companies leveraging University and College technologies and communities.</p>
<p>Total Revenue</p> <p>Actual (LTM³) \$35,941,268 Cumulative \$170,953,935</p> <p>Annual LTM Revenues are up 44%. This is a great signal.</p>	<p>Total Payroll (VT and Non-VT)</p> <p>Actual (LTM³) \$29,054,692 Cumulative \$154,454,214</p> <p>Vermont’s share in payroll growth is deeply limited by talent shortage due to quality housing and childcare access.</p>
<p>Vermont Coverage Barre, WRJ, Richmond, Woodstock, Shoreham, Bristol, Middlebury, Winooski, Burlington, Montpelier, Colchester, S. Ryegate, St. Johnsbury, Barre, Waitsfield, Waterbury, Stowe, Charlotte, S.Burlington</p>	<p>Investment Roadmap (first revolve)</p> <p>Target # Firms 16 Actual # Firms 25</p> <p>The Fund’s evergreen model has proven sustainable.</p>

PORTFOLIO COMPANIES @ JUNE 30, 2021

¹ IRR : Internal rate of return is the standard Fund financial performance measure of cash outflows and cash inflows adjusted for timing.

² Job-years: This seeks to represent the cumulative Job Years in portfolio companies as reported by firms annually.

³ LTM: Last twelve months.



Sound Innovations

Location	White River Junction, VT
Fund Investment	\$150,000
Date of Investment	5.18.10
Date of Exit	2.28.14
Capital Returned:	\$450,000

Description Sound Innovations (SI) offers an Active Noise Reduction (ANR) technology platform for headsets, ear plugs and communication systems serving military, industrial, commercial and consumer markets. The company was a Dartmouth College technology licensee.

Use of Funds Working Capital, Payroll, R&D, and S&M

Status **ACQUIRED February 2014.** Returned 3x capital invested.



SemiProbe

Location	Winooski, VT
Fund Investment	\$250,000 ; \$114,585 ; \$43,478
Date of Investment	12.20.10 ; 10.4.13 ; 11.5.14
Capital Returned	\$54,348 (Nov 2017)
(partial):	\$160,338 (Dec 2018)
	\$250,000 (June 2021)

Description SemiProbe designs and manufactures the most innovative probing, inspection and test semiconductor solutions available today. Customers include the top foundries, research centers and corporations in the world. www.semiprobe.com

Use of Funds Working capital, payroll, IT development, equipment and sales

Status **Exited in June 2021 with management buyout.** Overall, invested \$408,063 and returned \$464,686 for \$56,623 gain.



Aprexis

Location	Montpelier
Fund Investment	\$200,000
Date of Investment	1.25.11

Description Aprexis Health Solutions empowers pharmacists with tools to increase medication adherence among patients. The easy to use, web-based software revolutionizes delivery of personalized medication therapy management (MTM) and patient-centric clinical services while increasing revenues for pharmacies. www.aprexis.com

Use of Funds Working capital, payroll, SaaS platform, customer services, and business development.

Status Active



Elo

Location	Los Angeles Burlington/Boulder
Fund Investment	\$50,000
Date of Investment	10.17.14

Description Now operated as a unit of L.A. based TalentHouse, Elo's mission is to transform the way creative people connect by fueling a worldwide movement based on beauty, positivity, and transparency. Elo is a Benefit Corporation

Use of Funds Personnel, Vermont company/office creation and development

Status Active



ElectroCell

Location	Colchester, VT
Fund Investment	\$99,544
Date of Investment	12.30.11

Description ElectroCell provides liquid waste treatment services to livestock farms, municipal wastewater treatment plants and industrial customers. Its bioelectric treatment uses precisely managed electrical pulses to open organic cells with breakthrough efficiency. www.Electrocell.us

Use of Funds Working capital, personnel, pilot projects, equipment, and sales

Status **Active**



Rapid Focus Security/ Pwnie Express

Location	Burlington and Boston
Fund Investment:	\$629,306 (12 transactions)
Date of Investments:	Oct 2012 - Nov 2017

Description **CPX Security** is the new d.b.a for Rapid Focus Security. CPX Security is the first security management solution designed exclusively for manufacturers' connected products and the Internet of Things.

Use of Funds Working capital, personnel, product development and business development

Status **Dissolved in May 2021.** Company had raised \$32 million in total capital



Northern Reliability

Location	Waterbury / Waitsfield, VT
Fund Investment	\$150,000 ; \$75,000
Date of Investment	4.1.13 ; 3.27.15

Description As remote and back-up power experts, Northern Reliability offers premium stand-alone power systems and microgrids providing solutions for customers needing a reliable energy source for their business or community, no matter the location or environment. www.NorthernReliability.com

Use of Funds Working capital, personnel, product development and business development

Status **Active** - Strategic merger/acquisition announcement pending



Faraday

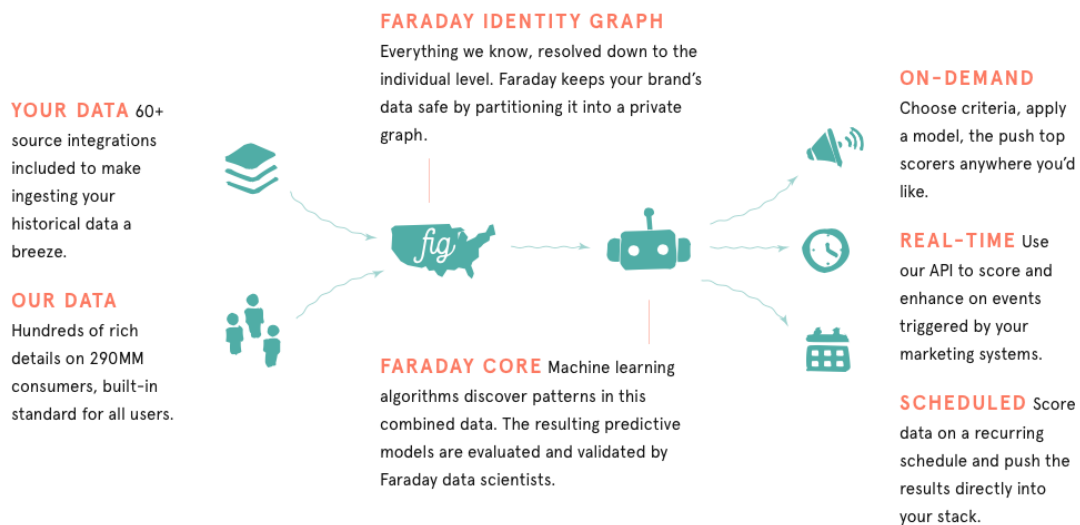
Location	Middlebury, Burlington
Fund Investment	\$75,000; \$100,000; \$25,000; \$25,000
Date of Investment	2.13.14 ; 1.21.15 ; 5.12.16 ; 6.5.17
Capital Returned:	\$100,000 (Oct 2017)

Description Faraday assists direct business to consumer (DTC) companies unlock third party and internal data for insights, customer acquisition and marketing returns. The company uses big data sources on over 145 million US households, proprietary learning algorithms and leading visualization tools. Visit www.faraday.io

Use of Funds Working capital, personnel, product development and business development

Status **Active** and employing 70 professionals.

Here's how the Faraday platform works



NextCapital Group

Location	Burlington, Chicago
Fund Investment	\$250,000 ; \$50,000 ; \$100,000
Date of Investment	5.13.14 ; 12/11/15 ; 12/14/17

- Description** NextCapital is a digital enterprise wealth adviser technology platform that allows large institutions, wealth managers and investors to build and manage personal, objective, and affordable world-class investment portfolios and services. www.NextCapital.com
- Use of Funds** Personnel, Vermont company/office creation, customer deployments and business development
- Status** **Active** with 8 employees in VT.

Your Retirement Plan ⓘ

Based on a [retirement age](#) of 67, we estimate you'll have an [annual retirement income](#) of \$51,022. [Personalize more.](#)

\$51K

target: \$53K

New Personalized Portfolio ⓘ [detail](#)

Stocks	Bonds	Cash
76.00%	21.05%	2.95%

Age 50

Age 95

Your portfolio changes with you over time and is personalized to your unique circumstances.

New Savings Rate ⓘ [detail](#)

6% (\$5,100/yr) ✎

Save 1% more annually until you're saving 15%

You're currently saving 5% pre-tax (\$4,250/yr)

Projections ⓘ [detail](#)

Retirement Income
Wealth Over Time

Enrollment Status: Not Enrolled

Download Plan PDF

Powered by nextcapital.



Visura.co

Location	Stowe
Fund Investment	\$75,000
Date of Investment	11.19.15

Description Visura.co is a professional global networking platform for visual artists and photographers, large media buyers and organizations. The company is located in Stowe. www.visura.co

Use of Funds Personnel, Vermont company/office creation and business development

Status Active

VISURA Discover Tools About Log in Sign up

Join the movement to empower Visual Storytelling.

Discover images, videos & stories.
Hire Visual Storytellers.
Build websites & share news.

[Explore Stories](#) [For Visual Storytellers](#)

← Check out Aviva Klein, curated by Adriana Teresa Letorney

NEWS — **SPOTLIGHT** EVENTS ON MEDIA REFRAME BOOKS VIDEOS [BECOME A MEMBER](#)



Green Power Monitoring Systems, Inc (GPMS)

Location	Shoreham
Fund Investment	\$75,000
Date of Investment	6.15.16

Description Design, improve, and support the best available prognostic health management system (HUMS) globally, for rotorcraft such as helicopters and eVOTL aircraft. Visit www.GPMS-VT.com

Use of Funds Personnel, Product design, Vermont company/office creation and business development and working capital.

Status **Active** with 15 employees today



Our HUMS product offers a full range of features

- ⚙ Engine Performance Monitoring
- ⚙ Mechanical System Monitoring
- ⚙ Flight Regime Recognition
- ⚙ Flight Data Monitoring
- ⚙ Rotor Track and Balance

[More About Foresight MX](#)

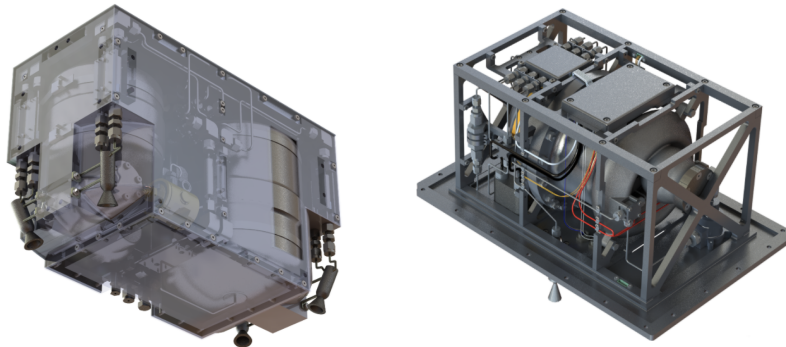


Location	Burlington, VT / CA
Fund Investment	\$100,000; \$50,000; \$25,000
Date of Investment	3/5/18; 12/19/19 ; 5/15/20

Description Benchmark Space Systems designs and manufactures micro propulsion and navigation systems for the rapidly growing small and cube satellite markets. The company is a UVM technology licensee. www.benchmarkspacesystems.com

Use of Funds Personnel, Product design, Vermont company/office creation and business development and working capital.

Status **Active** with 41 employees today in VT and CA



Ceres Greens, LLC

Location	Barre
Fund Investment	\$25,000
Date of Investment	2.19.19

Description Ceres Greens is a hydroponic, vertical farming operation in a revitalized and repurposed former industrial building in downtown Barre, Vermont.

Use of Funds Personnel, farm/manufacturing facility and customer development

Status **Dissolved in June 2021.**

NEW INVESTMENTS IN FY21



Widewail, Inc.

Location	Burlington
Fund Investment	\$50,000
Date of Investment	5.12.21

- Description** Widewail offers trust marketing and reputation management via its SaaS offerings. Founded by Angie and Matt Murray, this team of Widewailers are advancing the technologies, tools and tactics for online and traditional sellers to engage and serve their customers and manage their brands. www.Widewail.com
- Use of Funds** Working capital, new employee growth and technology development
- Status** **Active** and rapidly growing with over 30 employees



Vernal Biosciences, Inc.

Location	Colchester
Fund Investment	\$50,000
Date of Investment	5.17.21

- Description** Vernal Biosciences is founded by [Christian Cobaugh](#) to formulate and manufacture mRNA for global research, medical and pharmaceutical companies. The company is supported by serial life science partners and co-investors. www.Vernal.bio
- Use of Funds** Personnel, equipment and working capital
- Status** **Active** with 7 employees and accelerated expansion plans.

[End FY21]

Total Firms invested into: 25 so far.

Lifetime Realized Gains:

The Fund is at the point where some investments are beginning to mature to a point that produces a return of capital. In summary, 3 companies over 5 transactions thus far have returned capital to the Fund. This liquidity can be produced any number of ways via sale, merger, recapitalizations, liquidations, employee buyout, etc. This financial return is by design and necessary to cover Fund expenses, losses and for revolving the fund forward in order to make new investments into entrepreneurs and growth companies. During FY21, there was one new realized return from within the portfolio.

Summary Data (3 Firms / 5 Transactions)

Fund Capital Invested:	\$ 634,561
Capital Returned to Fund:	\$1,014,686
Cash on Cash Return Multiple:	1.6x

Sound Innovations, Inc. (Sale FY14)

Fund Investment	\$150,000 (May 2010)
Capital Returned	\$450,000 (Feb 2014)

Faraday, Inc. (Partial sale FY18)

Fund Investment	\$76,498 (2015/2016)
Capital Returned	\$100,000 (Oct 2017)

SemiProbe (Loan repaid FY18)

Fund Investment	\$43,437 (Nov 2014)
Capital Returned	\$54,348 (Nov 2017)

SemiProbe (3 Convertible Notes repaid FY19)

Fund Investment	\$114,585 (2013-2014)
Capital Returned	\$160,338 (Dec 2018)

SemiProbe (Preferred Stock repaid FY21)

Fund Investment	\$250,000 (Dec 2010)
Capital Returned	\$250,000 (June 2021) + Warrant

Fund Investment
Capital Returned

Fund Investment
Capital Returned

Lifetime Realized Losses:

For FY21, CPX Security, Budnitz Bicycles (cited in FY20 report also) and Ceres Greens became realized losses. Each was heavily impacted by COVID-19 conditions. These 12 now failed businesses and teams worked tirelessly towards finding a sustainable business model. While these risk takers did not reach their lofty goals, the work and impacts of the employees, founders and investors nevertheless contributed to Vermont's start-up ecosystem and in meeting three other intended Fund objectives for capital leverage, revenues and payroll creation.

Summary Data (12 Firms)

Total Fund Investment:	\$2,239,306
Cumulative Capital Raised:	\$69,063,576
Capital Leverage:	30.8x
Cumulative Wages:	\$32,129,122
Cumulative Revenues:	\$25,352,711

True Body Products (FY12)

Fund Investment	\$50,000 ; \$10,000
Date of Investment	Jul 9 2010 ; Aug 8 2011

eCorp English (FY12)

Fund Investment	\$200,000
Date of Investment	Oct 22 2010

Thermal Storage Solutions (FY12)

Fund Investment	\$75,000 ; \$25,000
Date of Investment	Feb 22 2011 ; Nov 7 2011

Evergreen Behavioral Solutions (vTrim) (FY12)

Fund Investment	\$150,000 ; \$25,000
Date of Investment	Sep 6, 2011 ; Apr 27, 2012

BuysideFX (FY14)

Fund Investment	\$100,000 ; \$100,000
Date of Investment	5.16.12 ; 7.24.13

Green Mountain Digital (Yonder) (FY16)

Fund Investment	\$300,000 over 4 transactions
Date of Investment	Sept 2010 - May 2015

BityBean, Inc (FY17)

Fund Investment	\$30,000
Date of Investment	April 2014

GroupZoom (BRDJ/Campus Connector)(FY17)

Fund Investment	\$50,000
Date of Investment	July 2013

Horse Network (FY19)

Fund Investment	\$100,000
Date of Investment	October 2015

Budnitz Bicycles (FY21)

Fund Investment	\$370,000 over 3 transactions
Date of Investment	May 2015 thru Dec 2016

CPX Security/Pwnie/Rapid Focus (FY21)

Fund Investment	\$629,306 over 12 transactions
Date of Investment	2012 thru 2017. \$32M raised

Ceres Greens (FY21)

Fund Investment	\$25,000
Date of Investment	February 2019