



**VCET**

PEOPLE PLACES CAPITAL

# VERMONT SEED CAPITAL FUND, LP

ANNUAL REPORT TO LIMITED PARTNERS AND STATE OF  
VERMONT STAKEHOLDERS

**FISCAL 2023**

**VCET Capital Corporation**  
**General Partner and Fund Manager**  
**October 17, 2023**

# Dear Vermonters,

Please see enclosed the FY23 Vermont Seed Capital Fund (VSCF) Annual Report for public stakeholders and a link to the audited financial statements. Included in the annual report is the Subsequent Events summary as of October 19, 2023. The portfolio remains active, dynamic and with strong market signals from several holdings where growth, value creation and economic impacts are being realized. Consistent with an inflection in growth that began in FY19, this year has seen revenue, payroll, average wages paid and capital raised at record levels.

In addition to adding **3 new companies** to the portfolio this past year, the Fund experienced no new realized company failures and closed the acquisition of NextCapital by Goldman Sachs in August 2022. The majority of the portfolio companies improved operations and progress during FY23. On the whole it was a breakout year for performance and impacts. The continued hard work of so many founders, employees and co-investors is paying off.

Local headwinds and challenges do continue primarily related to filling open jobs with local talent. 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. Nationally, the US budget uncertainty, high interest rates, inflation, and general population stress are impacting stock markets, venture investor outlooks and general economic risks for businesses of any size and stage. Although generally healthy still, Vermont firms are now experiencing first and second order effects as reflected by operating cost increases, access to capital, and terms & valuations of capital available. As we did last year, we are advising all companies to harden their balance sheets, get more operationally efficient and continue to expect fundraising headwinds into FY24



<sup>1</sup>Capital: Debt, equity, and non-dilutive grants reported.

<sup>2</sup>Since its acquisition in August 2022, NextCapital jobs are not included which reduces the job count by 154.

In FY23, the Fund invested into three (3) new firms: **AutoPylot** (Drone mission software), **Verde Technologies** (Thin-film solar panels), and **Rigorous Technology** (Industrial robotics) and made four (4) follow on investments into three (3) existing portfolio companies: **Benchmark Space** (satellite propulsion and control), **Vernal Biosciences** (mRNA manufacturing & research) and **VTDC Holdings** (dba Cannatrol, an appliance manufacturer).

 <b>AutoPylot</b> Drone mission software	 <b>Verde Technologies</b> Thin-film solar panels
 <b>Rigorous Technology</b> Industrial Robotics	<b>2 out of 3 new companies meet the prioritization areas.</b>

The Fund continues to improve its support, sourcing and investment into “BIPOC, Women and Veteran” owned businesses as “prioritization areas.” Additionally, the Fund has prioritization instruction for rural and energy sector investments. Having new “dry powder” from the Fund’s capital revolving and a spring 2021 State of Vermont contribution has allowed for **11 new** initial cash investments totaling \$1,070,000. Of note, 7 of 11 of these new portfolio companies are within the **prioritization areas** for founder diversity, rural locations and energy sector firms. Only 4 of the 11 included another Vermont based institutional investor as part of this group’s \$13 million in total initial capital raised. We continue to build new relationships, conduct outreach and build upon existing networks to increase the pipeline of potential investments into these prioritization areas.

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, energy, ecommerce, new mobility, robotics, data science, climate tech and healthcare, among others.

The Fund is managed and supported by the Vermont Center for Emerging Technologies (VCET) and as of this report has now invested into 35 diverse early stage companies since launching in May 2010. However, there remains much to do and we are focused, committed and working hard each day to help entrepreneurs succeed. This stage of investing is always dynamic and risky, 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. With a recent realized sale, new capital contributed, and several companies who continue to scale rapidly, the forward outlook for the Fund’s investing returns and social impacts remains very bright.

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](mailto: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 or active private investors seeking to maximize financial return, the evergreen Fund’s four performance objectives are:



**Financial return in order to revolve** the fund, after write-offs and expenses associated with this very risky asset class



Next generation job and **payroll creation** across Vermont and within these companies



**Capital leverage** achieved for each \$1 invested by the Fund



**Innovation ecosystem benefits** (college technologies, founder diversity, rural, 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 four 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, 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](http://www.vcet.co).

# Fund Activity and Impact

The Vermont Seed Capital Fund, LP (“Fund”) was created to provide early stage, high risk companies with 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 or affiliated venture fund.

As of June 30, 2023 (FY23), the Fund has invested in **35 companies** for a total of **\$6.171 million**. This is comprised of \$3.925 million of initial investments into 35 firms and \$2.246 million in follow-on investments into 15 companies. The average initial investment per company is \$112,130. Total investment per company ranges from \$25,000 to \$629,306 with an average of \$176,311.

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 as the Fund is exposing new investors into the Vermont innovation ecosystem. So far, the Fund has co-invested with others such as Ampersand, Charles River Laboratories, C2, Hearst Ventures, Tech Stars, 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, Dudley Fund, JH Capital 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. Many prospects receive direct financing from the Fund's syndication partners and network **without** the Fund's direct 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 **35** portfolio companies **at the time of** the Fund's **initial** investments is **\$33,778,128**. The Fund has invested \$3,924,544 of initial investment capital. The Fund's leverage at time of initial investment is **8.6x** 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 capital 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 2023, the **cumulative capital** reported by portfolio companies now totals **\$410,366,398** for a capital leverage ratio of **66.5x** the Fund's invested capital of \$6,170,885. There was a record \$136.7 million in new capital raised in FY23. Capital includes debt, equity, and non-dilutive grants. The portfolio has raised **\$251 million over the last five years**. This trend is healthy, sustaining and reflects the maturity, markets and momentum of the companies, new local investors and national syndication.

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 35 firms. 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 38 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 6-10 post initial investment although there may be exceptions. Per company investment losses are likely to occur during the first 1-4 years post initial investment. During FY23, there was no new realized loss on any investment and the conclusion of the sale of NextCapital to Goldman Sachs. The portfolio remains very well positioned to return the Fund's invested capital and generate 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 35 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, Ferrisburgh, North Springfield, Williston and Waitsfield. Consistent with national trends, 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 new and expanding innovation hubs, VCET partners and local investors continue to improve this. We are particularly encouraged by innovation hub initiatives in Springfield, Rutland and Lyndonville.

There continues to be consistent and healthy coordination, awareness and exchange between and among local innovation hubs, programs and investment groups. 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**
- (3) equity capital for pre-revenue companies**

The Fund's team has screened and reviewed an estimated 540 firms and entrepreneurs since inception. Capital seekers have come from across Vermont, the U.S., Quebec, alumni networks, portfolio company referrals, coworking locations, 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, or 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 company situations and new financings.

# FY23 Recap

<b>New Initial Investments</b>	The Fund made <b>3 initial</b> investments into: <b>AutoPylot</b> (Drone mission software), <b>Verde Technologies</b> (Thin film solar panels), and <b>Rigorous Technology</b> (Industrial robotics)
<b>Follow on Investments</b>	There were <b>4 follow-on</b> financings into 3 existing portfolio companies: <b>Benchmark Space</b> (satellite propulsion and control), <b>Vernal Biosciences</b> (mRNA manufacturing & research) and <b>VTDC Holdings</b> (dba Cannatrol, an appliance manufacturer).
<b>Realized Losses</b>	During FY23, the Fund experienced <b>0</b> realized losses.
<b>Realized Gains</b>	The Fund experienced <b>1</b> realized gain from the cash sale of NextCapital to Goldman Sachs.
<b>Subsequent Events (June 2023 - Oct 2023)</b>	A credible financing and valuation event has occurred in one portfolio company that will significantly positively impact the portfolio's overall fair market value (FMV) in FY24. This holding is currently held at \$0 FMV as of June 30, 2023.

## Fund Manager's Outlook into 2024

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 35 initial investments (so far) into diverse companies, make follow-on investments into 15 companies, provide oversight and support to 35 portfolio firms, limit realized losses to 12 companies so far, achieve 6 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 growth



Capital Leverage



Innovation ecosystem benefits

Given finite capital resources, statutory fund requirements, eligibility limitations, 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 Financial 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 2.20% 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 2-3 initial investments from available capital, and 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. Our data and insights show that the Fund sees returns of capital (4 companies over 6 transactions) when it invests first, has advised the team regularly and in sectors that are more technical in nature.

Currently, there are 8 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, the majority of these 8 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 is often 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:



Supporting startup teams at VCET with our strategic academic partners like the University of Vermont, Middlebury College, Champlain College, Norwich University and our mentor network of over 130 professionals in preparing companies for launch, growth, scaling and exit.



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.



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 though perhaps not in FY24 given general market conditions. There are no guarantees on the amount or timing, but several are very well positioned for significant value creation, revenue scaling and operating profits. We anticipate a handful of initial investment write-offs as well from 1-3 investments made in FY23 as follow-on financings and/or product market fit have failed to materialize for these companies. At the end of FY23, the Fund's **Cumulative IRR stands at +3.33%**. On the whole, the Fund remains well postured for continued positive IRR (i.e. % returns) and positive multiples on cash invested returns from the current portfolio whose futures are brighter than ever for sustainable, profitable and significant growth.

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. 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 and receives the Fund's audit. The SFAB convened in FY23.

Fund Investment decisions are made by a four member committee consisting of VCET Capital Corporation's **David Bradbury**, VCET's **Samantha Roach-Gerber** and two independent Investment Committee members with deep early stage investing and fund operation experiences. **Jim Robinson** and **Ken Merritt** serve as volunteer investment committee members providing independent domain expertise and guidance. 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 diverse 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

# VERMONT SEED CAPITAL FUND. LP

Impact Measures @ June 30, 2023

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: **(1) Financial Return to Revolve the Fund, (2) Capital Leverage, (3) Jobs/Payroll Impacted and (4) Innovation Ecosystem Benefits.**

## Financial Return (IRR)

Target IRR <sup>1</sup>	> 20%
Cumulative IRR	+3.33%

Typically, outsized returns from just a few companies in a portfolio make or break the Fund's IRR and cash-on-cash returns. IRR is but one of four stated fund objectives. Trend and outlook here is strongly positive. **The Fund's Partners Capital is now \$8.8M, up from \$6.1M in contributed capital (+44%).**

## Jobs Impacted

Target	> 150 (Permanent FTE)
Actual	479
Cumulative <sup>2</sup>	2,937

Early stage firms experience employment volatility associated with capital, revenues earned, cash flows and talent availability over time. Remote employment trends continue. **341 employed in VT**

## Capital Leverage

Total Fund Investment (35)	\$6,170,885
Total Capital Investment	\$410,366,398
Leverage Lifetime	66.5x
Leverage Initial (3x target)	8.6x

## Innovation Ecosystem Benefits

Prioritization areas for investment into "BIPOC, Women and Veteran" owned businesses continue. The Fund has additional focus on investing into rural areas and energy technology companies.

## Total Revenue

Actual (LTM) <sup>3</sup>	\$125,433,560
Cumulative	\$339,061,533

Revenue increases per company remain a strong signal.

## Total Payroll (VT and Non-VT)

Actual (LTM) <sup>3</sup>	\$40,972,297
Cumulative	\$235,852,236

Vermont's share in payroll growth is deeply limited by talent shortage due to quality housing and childcare access. **Lifetime VT payroll >\$98.6M.**

## Vermont Coverage

Barre, WRJ, Richmond, Woodstock, Shoreham, Bristol, Middlebury, Winooski, Burlington, Montpelier, Colchester, S. Ryegate, St. Johnsbury, Barre, Waitsfield, Waterbury, Stowe, Charlotte, S.Burlington, N. Springfield, Morrisville, Ferrisburgh, Williston

## Investment Roadmap

Target # Firms (1st Revolve)	16
Actual # Firms (Lifetime)	35

The Fund's evergreen model has proven sustainable.

<sup>1</sup>IRR : Internal rate of return is a standard financial performance measure of cash outflows and inflows adjusted for timing.

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

<sup>3</sup>LTM: Last twelve months

# Portfolio Companies @ June 30, 2023



## Exited management buyout

Location: Winooski, VT

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](http://www.semiprobe.com)

### Use of Funds

Working capital, payroll, IT development, equipment and sales

**Status:** Active



### 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](http://www.aprexis.com)

### Use of Funds

Working capital, payroll, SaaS platform, customer services, and business development

**Status:** Active



Location: Montpelier, VT

Fund Investment: 12.20.10 ; 10.4.13 ; 11.5.14

Date of Investment: 1.25.11

# Ello



Location: Los Angeles, CA  
Burlington/Boulder

Fund Investment: \$50,000

Date of Investment: 10.17.14

## Description

Now operated as a unit of L.A. based TalentHouse, Ello's mission is to transform the way creative people connect by fueling a worldwide movement based on beauty, positivity, and transparency. Ello was formed as a Benefit Corporation. [www.ello.co](http://www.ello.co)

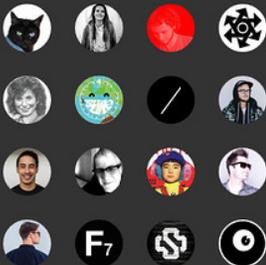
## Use of Funds

Personnel, Vermont company/office creation and development

**Status:** Active

Ello is invite only.

Check out some of our favorite user profiles:



## 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](http://www.Electrocell.us)

## Use of Funds

Working capital, payroll, SaaS platform, customer services, and business development

**Status:** Active



Location: Colchester, VT

Fund Investment: \$99,544

Date of Investment: 12.30.11



# KORE POWER

## Acquired Northern Reliability

Location: Waterbury / Waitsfield

Fund Investment: \$150,000 ; \$75,000

Date of Investment: 4.1.13 ; 3.27.15

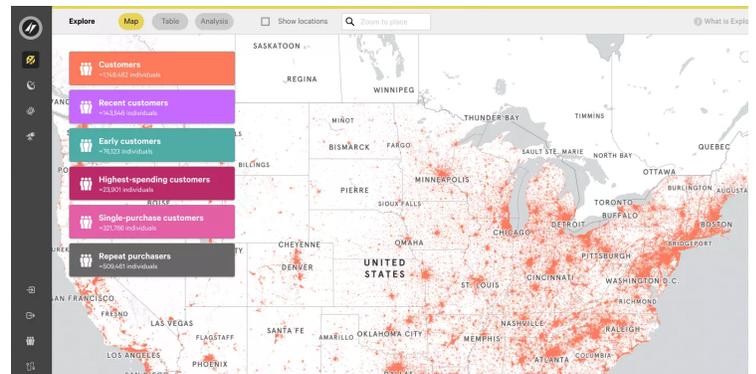
### Description

KORE Solutions (formerly 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. Acquired in December 2021 via a stock merger by KORE Power. Waterbury, Vermont is home to the rebranded KORE Solutions group. At the time of the merger, the Fund was the largest investor as a % ownership in Northern Reliability. [korepower.com](http://korepower.com)

### Use of Funds

Personnel, working capital, product development and sales

Status: Active



### 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 to provide prediction infrastructure for commerce Visit [www.faraday.io](http://www.faraday.io)

### Use of Funds

Working capital, personnel, product development and business development

Status: Active



Location: Middlebury, Burlington, Remote

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)

# Goldman Sachs

## Acquired 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

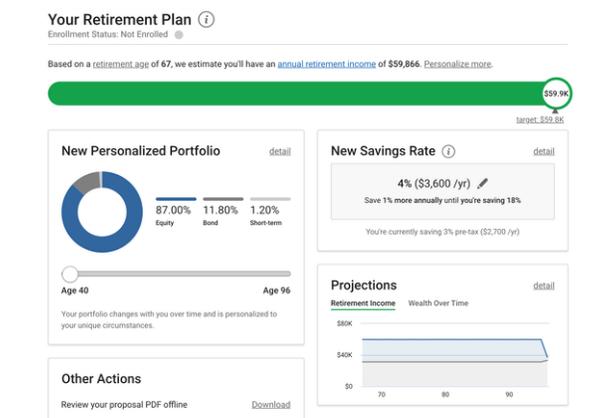
### Description

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](http://www.NextCapital.com)

### Use of Funds

Personnel, Vermont company/office creation, customer deployments and business development

Status: **Acquired**



### 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

### 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](http://www.visura.co)

### Use of Funds

Personnel, Vermont company/office creation and business development

Status: **Active**

# visura

Location: Stowe

Fund Investment: \$75,000

Date of Investment: 11.19.15



Location: Waterbury; 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, large vehicles, motors / pumps and eVOTL aircraft. Visit [www.GPMS-VT.com](http://www.GPMS-VT.com)

## Use of Funds

Personnel, Vermont company/office creation, business development, and working capital

Status: **Active**



## 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](#)



## Description

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

[www.benchmarkspacesystems.com](http://www.benchmarkspacesystems.com)

## Use of Funds

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

Status: **Active**



Location: Burlington, VT/CA/UK

Fund Investment: \$100,000; \$50,000; \$25,000; \$100,000; \$125,000; \$100,000

Date of Investment: 3.5.18; 12.19.19; 5.15.20; 6.3.22; 11.21.22; 6.29.23



Location: Burlington, VT

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](http://www.Widewail.com)

### Use of Funds

Working capital, new employee growth and technology development

Status: Active

### How does Widewail stack up?

	Automated Review Generation Via SMS	Personalized Review Invitations	Review Generation Multi-GMB Support	Review Response Managed Service	Social Media Interact Managed Service
Widewail	✓	✓	✓	✓	✓
Reputation.com	✓	✗	✗	✓	✗
Yext	✗	✗	✗	✗	✗
Birdeye	✓	✗	✗	✗	✗
TrustPilot	✗	✗	✗	✗	✗



### 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](http://www.Vernal.bio)

### Use of Funds

Personnel, equipment, GMP facilities and working capital

Status: Active



Location: Colchester, Essex

Fund Investment: \$50,000; \$111,050; \$242,928

Date of Investment: 5.17.21; 5.6.22; 6.2.23



Location: Burlington; NYC; Remote

Fund Investment: \$24,093

Date of Investment: 8.23.21

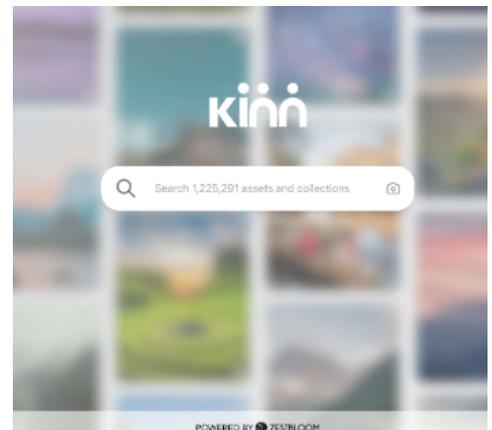
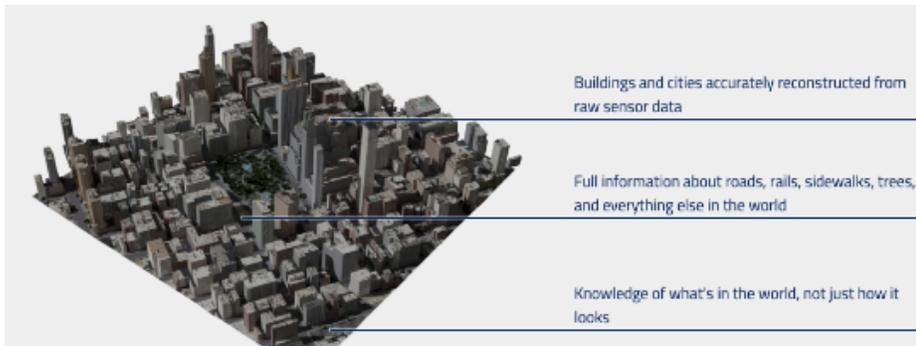
## Description

Real-world cities as immersive digital twins and rich 3D data, instantly accessible for games, simulations, training, architecture, and beyond. Detailed virtual environments of the Earth, and the semantic data underneath, are a vital component of today's digital infrastructure. Whether you're immersing humans or machines in a virtual copy of our reality, or building the Metaverse of the real world, Geopipe's environments are the instantly available foundation. <https://www.geopipe/#>

## Use of Funds

Working capital, new employee growth and technology development

**Status:** Active



## Description

Zestbloom has created a state-of-art Web3 search engine with AI and blockchain applications by pioneering infrastructure to train and run useful neural networks with on-chain components.

## Use of Funds

Personnel, product design, company formation/expansion, patenting, business development and working capital

**Status:** Pivot under way

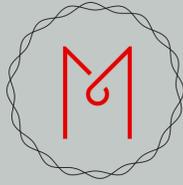


# Zestbloom, Inc.

Location: Morrisville, VT

Fund Investment: \$45,000

Date of Investment: 10.8.21



## MySuperSitter

Location: Burlington, VT

Fund Investment: \$50,000

Date of Investment: 11.4.21

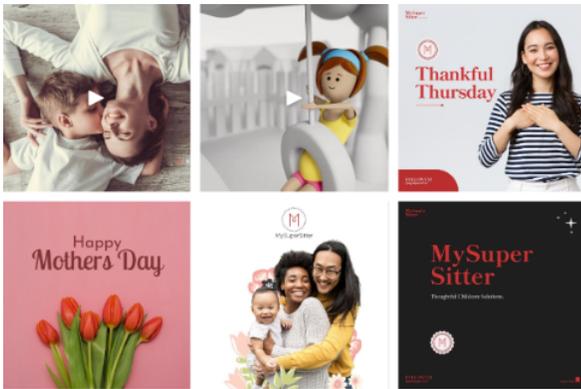
## Description

Life just got a little bit easier with MySuperSitter as your childcare technology company. Parents have high-quality, on-demand childcare right at their fingertips. MySuperSitter's exclusive membership gives access to its mobile application which automates the childcare experience from start to finish.

## Use of Funds

Personnel, formation, technology and working capital

**Status:** Pivot under way



## Description

Lost Lantern is an Independent bottler of American whiskey.

<https://www.lostlanternwhiskey.com/>

## Use of Funds

Personnel, inventory, marketing and working capital

**Status:** Active



Location: Ferrisburgh, VT

Fund Investment: \$100,000

Date of Investment: 1.28.22



Location: Burlington, VT

Fund Investment: \$100,000

Date of Investment: 2.7.22

## Description

OhMd is a HIPAA compliant telehealth technology company providing clinical care coordination and patient communication services and capabilities. [www.OhMD.com](http://www.OhMD.com)

## Use of Funds

Personnel, technology, marketing and working capital

**Status:** Active

### Improve the Patient Conversation with OhMD

Two-way Texting

Auto Messages

Broadcasts & Reminders

Forms, Surveys & Files

Video Visits

Live Website Chat

Reputation Management

EHR Integrations



## Description

Cannatrols manufactures and supports proprietary drying, curing and storage technology to cultivators of all sizes. <https://www.cannatrols.com/>

## Use of Funds

Personnel, technology, marketing and working capital

**Status:** Active



# Cannatrol™

Location: North Springfield, VT

Fund Investment: \$100,000; \$100,000

Date of Investment: 5.31.22; 12.29.22



Location: Waterbury, VT

Fund Investment: \$1.00

Date of Investment: 8.1.21

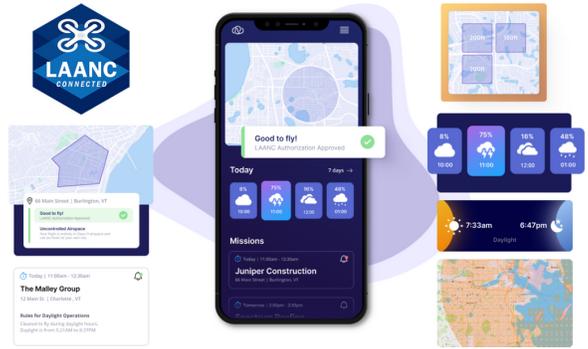
### Description

NOMAD manufactures large portable backup and grid connected energy storage systems for maximum flexibility, resiliency and efficiency. NOMAD was a spin-out from Northern Reliability (now owned by KORE Power). <https://www.nomadpower.com/>

### Use of Funds

Personnel, technology, production and working capital

Status: Active



## New Investments in FY23

### Description

AutoPylot provides FAA approved flight planning and compliance tools for commercial drone pilots via its software and apps. [www.autopylot.io](http://www.autopylot.io)

### Use of Funds

Personnel, technology, and working capital

Status: Active



Location: S. Burlington, VT

Fund Investment: \$100,000

Date of Investment: 12.9.22



Location: Burlington, VT

Fund Investment: \$200,000

Date of Investment: 12.31.22

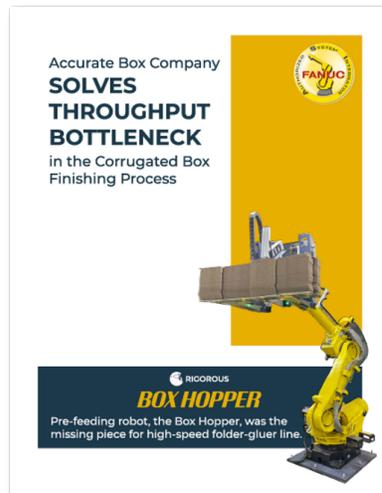
### Description

Verde Technologies is developing a lightweight, perovskite mineral based, flexible solar panel to achieve 28% efficiency and be 10 times lighter than traditional silicon panels. The panels are installed by a peel-and-stick method, making them easily installable and cost-effective for all users. Verde is a UVM Technology Licensee. [verde-technologies.com](http://verde-technologies.com)

### Use of Funds

Personnel, technology, production and working capital

Status: Active



### Description

Rigorous Technology makes automation software and industrial robotics to tackle the dull, dirty and dangerous functions within manufacturing operations. [www.rigorous.co](http://www.rigorous.co)

### Use of Funds

Personnel, technology, production, and working capital

Status: Active



Location: Williston, VT

Fund Investment: \$250,000

Date of Investment: 5.9.23

# Lifetime Realized Gains

4 companies over 6 transactions so far have returned capital (i.e. cash) to the Fund to revolve. 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 FY23, there was one substantial cash return realized in the sale of NextCapital to Goldman Sachs.

## Summary Data (4 Firms / 6 Transactions)

Fund Capital Invested:	<b>\$1,048,561</b>
Capital Returned to Fund:	<b>\$2,483,638</b>
Cash on Cash Return Multiple:	<b>2.4x</b>

### Sound Innovations

<b>Sale:</b>	Acquired FY17
Fund Investment:	<b>\$150,000</b> (May 2010)
Capital Returned:	<b>\$450,000</b> (Feb 2014)

### Faraday, Inc.

<b>Sale:</b>	Partial Sale FY18
Fund Investment:	<b>\$76,498</b> (2015/2016)
Capital Returned:	<b>\$100,00</b> (Oct 2017)

### Semiprobe

<b>Sale:</b>	Loan Repaid FY18
Fund Investment:	<b>\$43,437</b> (Nov 2014)
Capital Returned:	<b>\$54,348</b> (Nov 2017)

### Semiprobe

<b>Sale:</b>	3 Convertible Notes repaid FY19
Fund Investment:	<b>\$114,585</b> (2013-2014)
Capital Returned:	<b>\$160,338</b> (Dec 2018)

### Semiprobe

<b>Sale:</b>	Preferred Stock repaid FY21
Fund Investment:	<b>\$250,000</b> (Dec 2010)
Capital Returned:	<b>\$250,000</b> (June 2021) + Warrant

### NextCapital

<b>Sale:</b>	Acquired by Goldman Sachs in FY23
Fund Investment:	<b>\$414,000</b> (2014-2017)
Capital Returned:	<b>\$1,468,952</b> (Aug 2022)

# Lifetime Realized Losses

For FY23, there were no realized losses from investments. 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 the Fund's three other objectives for capital leverage, revenues and payroll creation and ecosystem impacts and prioritization areas.

## Summary Data (12 Firms)

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

### True Body Products FY12

Fund Investment: **\$50,000 ; \$10,000**  
Date of Investment: Jul 2010 ; Aug 2011

### eCorp English FY12

Fund Investment: **\$200,000**  
Date of Investment: Oct 2010

### Thermal Storage Solutions FY12

Fund Investment: **\$75,000 ; \$25,000**  
Date of Investment: Feb 2011 ; Nov 2011

### Evergreen Behavioral Solutions (vTrim) FY12

Fund Investment: **\$150,000 ; \$25,000**  
Date of Investment: Sep 2011 ; Apr 2012

### BuysideFX FY14

Fund Investment: **\$100,000 ; \$100,000**  
Date of Investment: May 2012 ; Jul 2013

### Green Mountain Digital (Yonder) FY16

Fund Investment: **\$300,000** over 4 transactions  
Date of Investment: Sep 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: Oct 2015

### Budnitz Bicycles FY21

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

### CP Security/Pwnie/Rapid Focus FY21

Fund Investment: **\$629,306** over 12 transactions  
Date of Investment: 2012 - 2017 (\$32M raised)

### Ceres Greens FY21

Fund Investment: **\$25,000**  
Date of Investment: Feb 2019



# **VERMONT SEED CAPITAL FUND, LP**

[2023 Audited Financial Statements](#)