



VERMONT SEED CAPITAL FUND, LP

ANNUAL REPORT TO LIMITED PARTNERS AND STATE OF
VERMONT STAKEHOLDERS

FISCAL 2024

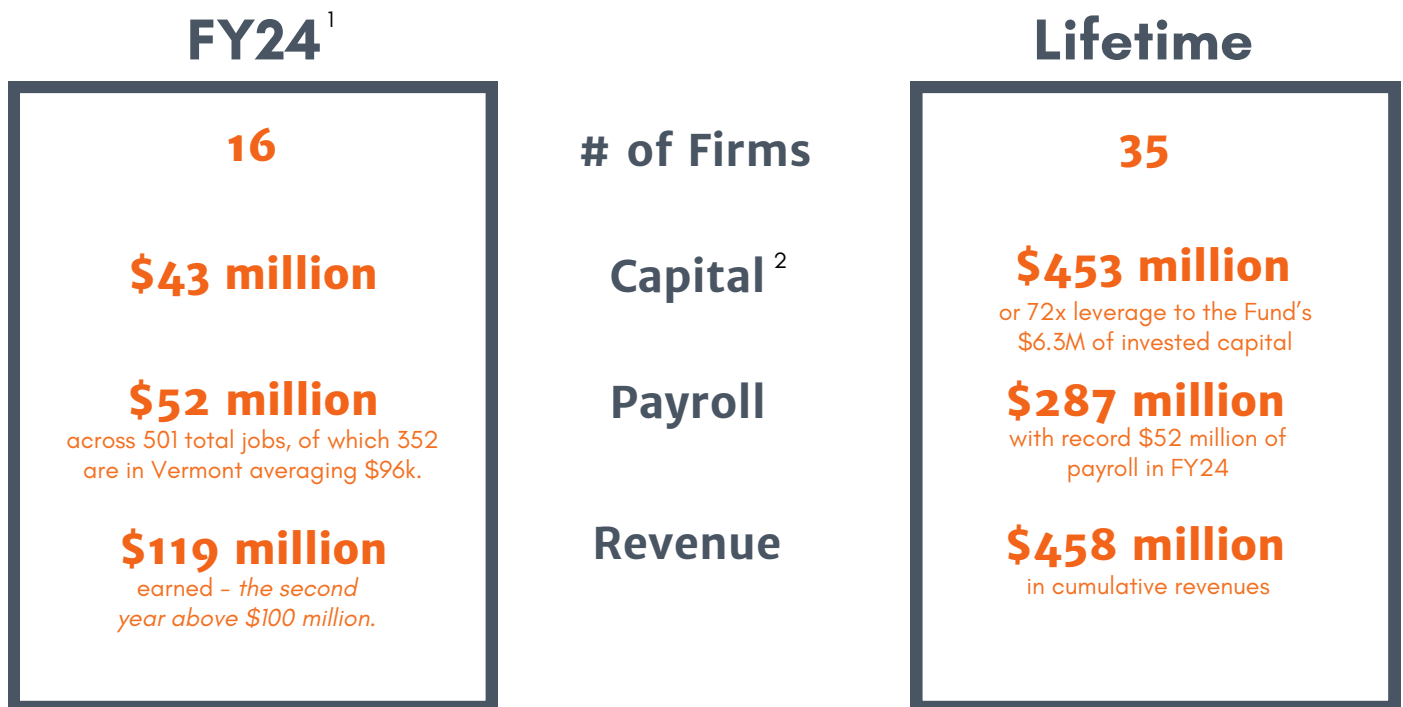
VCET Capital, LLC
General Partner and Fund Manager
November 15, 2024

Dear Stakeholder,

Please see enclosed the FY24 Vermont Seed Capital Fund (VSCF) Annual Report for public stakeholders and the audited financial statements. The portfolio remains active, dynamic and with strong market signals from several holdings that real growth, value creation and economic impacts are being realized. Despite national and Vermont economic headwinds, the portfolio overall has produced record payroll, wages and employment levels.

During FY24, the Fund added no new companies to the portfolio despite several attempts that ultimately did not materialize. The Fund made two follow investments into existing portfolio companies. Additionally, four companies ceased and moved to realized losses. Of the four companies, three had been in operation for over 10 years. The majority of the portfolio companies improved operations and made progress in revenues earned, capital raised and payroll reported. On the whole it was a solid year for performance as the daily hard work by so many founders, employees and co-investors is driving aggregated results.

Local headwinds and challenges do continue primarily related to filling open jobs with local talent and identifying housing options. 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 easing of interest rates, moderation of inflation, and reasonable availability of early stage capital are helping. However, certain Vermont policy choices and potential policy decisions are increasing angst among founders and their capital providers as to the general climate conditions for technology enabled businesses to start and thrive in Vermont. That is more prevalent this year than in the last decade or so. As we did last year, we are advising all companies to harden their balance sheets, focus on operational efficiency, and proactively engage Vermont policymakers on their startup & small business employer needs and concerns. We continue to expect fundraising headwinds for Series A stage financing into FY25 which is consistent with national trends.



¹ As of June 30, 2024, active Fund portfolio companies in aggregate reported for the prior 12 months.

² Capital: Debt, equity, and non-dilutive grants reported.

In FY24, the Fund made two (2) follow-on investments into existing portfolio companies: **Benchmark Space** (satellite propulsion and control) and **Verde Technologies** (thin film, flexible solar panels). Additionally, in early FY25 as a subsequent event, the Fund made an additional follow-on investment into **OhMD** (patient messaging) to support its next exciting stage of growth.



Benchmark Space Systems



Verde Technologies



OhMD

The Fund continues to improve its support, sourcing and investment to a greater degree into “BIPOC, Women and Veteran” owned businesses as “prioritization areas.” Of the 35 total companies in which Fund investments were made, 17 (48%) included an individual within these prioritization areas as business owners/founders. Additionally, the Fund has prioritization instruction for supporting “rural” and “energy / climate” sector investments. 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, battery storage, 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 May 2010. However, there remains much to do. Our team is focused, committed and working hard each day to help entrepreneurs start, scale and 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. The forward outlook for the Fund’s investing returns and social impacts remains very encouraging.

Lastly, I wish to express sincere gratitude to departing investment committee members, Ken Merritt and Sam Roach-Gerber for their diligence, care, perspectives and contributions to the Fund’s operations over these many years. 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, LLC

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 LLC 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** Investors LLC (\$1.9M), a wholly owned subsidiary of VCET and **VEDA** Capital Investors LLC (\$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, 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 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 2024, VCET was named an **Inc. Magazine Power Partner**. Additionally, VCET was named the #11 incubation program in the world by the UBI Index (2013) and an InBIA Rural Impact Award (2018). 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 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, 2024 (FY24), the Fund has invested in 35 companies for a total of \$6.3 million. This is comprised of \$3.9 million of initial investments into 35 firms and \$2.4 million in follow-on investments into 16 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 \$181,311.

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 2024, the **cumulative capital** reported by portfolio companies now totals **\$452,910,201** for a capital leverage ratio of **72x** the Fund's invested capital of **\$6,295,885**. There was **\$42,543,803** million in new capital raised in FY24. Capital includes debt, equity and non-dilutive grants. The portfolio has raised **\$288 million over the last five years**. This trend is healthy, sustaining and reflects the maturity, markets and momentum of the companies and attraction of new investors from local and national locations.

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 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 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 45 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 and circumstances. Per company investment losses are most likely to occur during the first 1- 4 years post initial investment. During FY24, there were four new realized losses. Three of the firms had been at it over 10 years and all had been held as unrealized losses. Overall, the portfolio remains very well positioned to return the Fund's invested capital and generate substantive capital gains to revolve forward. This is not assured by any means given the risk of this asset class, but the investment return outlook and recent transactions within the portfolio are on the whole 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 new SSBCI Funds continue to improve this.

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 580 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 4 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 Investment Committee meets regularly to review portfolio companies and new financings.

FY24 Recap

New Initial Investments	The Fund closed 0 initial investments in FY24.
Follow on Investments	There were 2 follow-on financings into 2 existing portfolio companies: Benchmark Space (satellite propulsion and control) and Verde Technologies (thin film, flexible solar panels).
Realized Losses	During FY24, the Fund experienced 4 realized losses. Three of which had been working on their startups for over 10 years and each had been carried as an unrealized loss.
Realized Gains	During FY24, the Fund experienced 0 new realized cash gains.
Subsequent Events	In early FY25, an additional follow on investment was made into OhMD to support its growth. Widewail was acquired and an investment gain was realized.

Fund Manager's Outlook into 2025

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 16 companies, provide oversight and support to 35 portfolio firms, limit realized losses to 16 companies so far, achieve 7 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 1.58% which consisted of an annual management fee to VCET Capital LLC and certain direct professional services fees such as legal, insurance and audit.

As we look ahead this year, the Fund will make another 1-3 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 (5 companies over 7 transactions) when it invests first, has advised and supported 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 FY25 given general market conditions beyond the one new sale experienced thus far. There are no guarantees on the amount or timing of a realized gain, but several are very well positioned for significant value creation, revenue scaling and operating profits. We anticipate perhaps 1-2 more investment write-offs as well from investments made in FY22 as follow-on financings and/or product market fit have failed to materialize for these companies. At the end of FY24, the Fund's Cumulative IRR stands at +3.78%. 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.

The Fund is dependent currently on a few portfolio companies for substantial unrealized gains. This reliance on power law fund return dynamics is typical for realized and unrealized portfolio gains. In other words, a few very large financial winners over time shape overall portfolio returns in this seed stage investing segment. Overall, the \$6.1M in original capital invested into the Fund has a \$9.6M (+57%) estimated fair market value as of June 30, 2024.

During FY24, the Fund Manager changed its corporate form and legal name from VCET Capital Corporation, Inc. to "VCET Capital LLC". It remains a fully owned subsidiary of VCET.

VCET Capital LLC (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 FY24.

At the conclusion of due diligence using internal and external domain experts as appropriate, Fund Investment decisions are made by a four member committee consisting of VCET Capital LLC's David Bradbury, VCET's Samantha Roach-Gerber and two independent Investment Committee members with deep early stage investing and fund operation experiences. James Robinson and Ken Merritt serve as independent investment committee members providing 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, Manager

VCET Capital, LLC

VERMONT SEED CAPITAL FUND. LP

Impact Measures @ June 30, 2024

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 VCET Capital LLC, 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.**

Financial Return (IRR)

Target IRR ¹	> 20%
Cumulative IRR	+3.78%

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 \$9.6M, up from \$6.1M in contributed capital *(+57%).**

Jobs Impacted

Target	> 150 (Permanent FTE)
Actual	501
Cumulative ²	3,438

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

352 employed in VT <=> Lifetime VT payroll >\$132M

Capital Leverage

Total Fund Investment (35)	\$6,295,885
Total Capital Investment	\$452,910,201
Leverage Lifetime	71.9x
Leverage Initial (3x target)	8.6x

Innovation Ecosystem Benefits

Prioritization areas for investment into "BIPOC, Women and Veteran" owned businesses continue. 17 of 35 (48%) companies fall under these prioritization areas. The Fund has additional focus on investing into rural areas and climate technology companies.

Total Revenue

Actual (LTM) ³	\$118,626,407
Cumulative	\$457,687,939

Revenue increases per company remain a strong signal.

Total Payroll (VT and Non-VT)

Actual (LTM) ³	\$51,502,333
Cumulative	\$287,354,569

Vermont's share in payroll growth is limited by talent shortage due to quality housing and childcare access.

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.

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

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

³LTM: Last twelve months

Portfolio Companies @ June 30, 2024



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

Use of Funds

Working capital, payroll, IT development, equipment and sales

Status: Active

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

Use of Funds

Personnel, working capital, product development and sales

Status: Active



Acquired Northern Reliability

Location: Waterbury / Waitsfield

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

Date of Investment: 4.1.13 ; 3.27.15



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)

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

Use of Funds

Working capital, personnel, product development and business development

Status: Active

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

Use of Funds

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

Status: Acquired

in August 2022 by Goldman Sachs. Local employees are assumed into an existing GS office in Burlington, VT.

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



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

Use of Funds

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

Status: Active

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

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; \$50,000

Date of Investment: 3.5.18; 12.19.19; 5.15.20; 6.3.22;
11.21.22; 6.29.23; 5.10.24



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

Use of Funds

Working capital, new employee growth and technology development

Status: Acquired

in July 2024 (FY25 Subsequent Event). Remains a fast scaling Vermont company with greater than 60 employees.

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, GMP facilities and working capital

Status: Active



Location: Colchester

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.geopi.pe/#>

Use of Funds

Working capital, new employee growth and technology development

Status: Active

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: Active

Non-Responsive to Annual Survey



MySuperSitter

Location: Burlington, VT

Fund Investment: \$50,000

Date of Investment: 11.4.21



Location: Ferrisburgh, VT

Fund Investment: \$100,000

Date of Investment: 1.28.22

Description

Lost Lantern is a multi-award winning independent bottler of American whiskey. <https://www.lostlanternwhiskey.com/>

Use of Funds

Personnel, inventory, marketing and working capital

Status: Active

Description

OhMd is a HIPAA compliant telehealth technology company providing clinical care coordination and patient communication services and capabilities. www.OhMD.com

Use of Funds

Personnel, technology, marketing and working capital

Status: Active

A follow investment was made in early FY25 and disclosed as a subsequent event.



Location: Burlington, VT, Remote

Fund Investment: \$100,000

Date of Investment: 2.7.22



Cannatrol™

Location: North Springfield, VT

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

Date of Investment: 5.31.22; 12.29.22

Description

Cannatrol 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

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



Location: Waterbury, VT

Fund Investment: \$1.00

Date of Investment: 8.1.21



Location: S. Burlington, VT

Fund Investment: \$100,000

Date of Investment: 12.9.22

Description

AutoPilot provides FAA approved flight planning and compliance tools for commercial drone pilots via its software and apps. www.autopilot.io

Use of Funds

Personnel, technology, and working capital

Status: Active

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

Use of Funds

Personnel, technology, production and working capital

Status: Active



Location: Burlington, VT

Fund Investment: \$200,000; \$75,000

Date of Investment: 12.31.22; 4.3.24



Location: Williston, VT

Fund Investment: \$250,000

Date of Investment: 5.9.23

Description

Rigorous Technology makes automation software and industrial robotics to tackle the dull, dirty and dangerous functions within manufacturing operations. www.rigorous.co

Use of Funds

Personnel, technology, production, and working capital

Status: Active

Lifetime Realized Gains

5 companies over 7 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 FY24, there was no realized gain. Subsequently in July 2024 (FY25), Widewail sold for a realized gain which is reflected below:

Summary Data (5 Firms / 7 Transactions)

Fund Capital Invested:	\$1,098,520
Capital Returned to Fund:	\$2,651,733
Cash on Cash Return Multiple:	2.4x

Sound Innovations

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

Faraday, Inc.

Sale:	Partial Sale FY18
Fund Investment:	\$76,498 (2015/2016)
Capital Returned:	\$100,000 (Oct 2017)

Semiprobe

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

Semiprobe

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

Semiprobe

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

NextCapital

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

Widewail

Sale:	Acquired in FY25
Fund Investment:	\$50,000 (May 2021)
Capital Returned:	\$168,095 (July/Nov 2024)

Lifetime Realized Losses

For FY24, there were four realized investment losses. Three of the four had been in operation for over 10 years and had been carried as unrealized losses. In total, these 16 now failed businesses and their teams worked tirelessly towards finding a sustainable business model. While these risk takers did not reach their 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 other objectives for capital leverage, revenues, payroll creation and ecosystem impacts. Below is a summary of the Fund's Lifetime and most recent FY realized losses and impacts.

Summary Data (16 Firms)

Total Fund Investment:	\$2,633,850
Cumulative Capital Raised:	\$88,918,890
Capital Leverage:	33.8x
Cumulative Wages:	\$39,780,760
Cumulative Revenues:	\$28,262,245

Realized Company Losses in FY24:

Aprexis (1.0)	13 years	Electrocell	13 years
Fund Investment:	\$200,000	Fund Investment:	\$99,544
Date of Investment:	Jan 2011	Date of Investment:	Dec 2011
Elo	10 years	ZestBloom	3 years
Fund Investment:	\$50,000	Fund Investment:	\$45,000
Date of Investment:	Oct 2014	Date of Investment:	Oct 2021



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