



Vermont Seed Capital Fund, LP

Annual Report to Limited Partners and State of Vermont Stakeholders
Fiscal 2026 Ending June 30, 2026

VCET Capital, LLC
General Partner and Fund Manager
October 16, 2026

Dear Stakeholder,

Please see enclosed the FY26 Vermont Seed Capital Fund (“VSCF” or “Fund 1”) Annual Report for public stakeholders and the audited financial statements. On the whole, this was a dynamic, nearly breakeven year. FY26 saw one loss realized due to a business closing, another recapitalization downround and the realized write-off of a large FY25 unrealized loss in another holding. However, these were offset primarily by the substantial unrealized gain from the July 2026 transaction whereby NOMAD was acquired via a reverse merger. The volatility among major core holdings within the portfolio appears to have now settled. There was ample progress across the portfolio as a whole among today’s 13 active companies. During FY26, the Fund added no “new” companies to the portfolio and made no new “follow-on” investments as it focused on supporting founders and multiple transactions. In FY25, 1 new investment and 3 follow-on investments were conducted.

Subsequent to this fiscal year end, two long held companies were acquired for stock. NOMAD now trades on the NASDAQ as “NMAD” and KORE Power Solutions was acquired by T1 Energy and trades on the NYSE as “TE”. The Fund has not yet experienced liquidity from these acquisitions due to lockup periods, but anticipates the opportunity for cash returning in 2027. Each remains an active employer and growing company in Waterbury, Vermont. The outlook for liquidity in 2027 from these public stocks and other anticipated portfolio transactions is positive and will allow for additional new and follow-on investing opportunities.

Overall, the portfolio remains active, dynamic and with good market signals from several holdings. Fund 1 has investments in energy, robotics, healthtech, space, energy, aviation, CPG, and more exciting sectors. Since inception in 2010, Fund 1 has invested \$6.5M into 36 lifetime companies as an “evergreen” or “revolving” venture capital provider. The original goal was to invest into 16 companies. Despite ongoing national and geopolitical headwinds, the Fund 1 portfolio (13 active companies) reported attracting an additional \$30M in capital, \$61M in revenues earned and \$22M in Vermont payroll.

VCET operates two other venture Funds from its balance sheet that complement Fund 1 and its portfolio. VCET’s “Fund 0” benefits from stock donated or gifted to support its non-profit charitable and mission work, and as a way for Founders to “pay it forward”. Using proceeds from a large federal grant, VCET’s “Fund 2” began investing in December 2023 as the Vermont Growth Fund 2, LLC. Fund 2 has invested \$4.8M thus far into 10 companies. This includes investing \$1.1M into Fund 1 companies GPMS International (aviation), Rigorous Technology (robotics), and Aprexis (healthtech) to support their growth.

As of June 30, 2026, active Fund portfolio companies (13) in aggregate reported below for the prior 12 months:

- **Capital - \$30 million** raised via debt, equity or non-dilutive grants
- **Payroll - \$32 million** across 293 total jobs, of which 200 are in Vermont averaging \$111k.
- **Revenues - \$61 million** earned.

Over the Fund's lifetime since 2010, the cumulative portfolio numbers for 36 firms are:

- **\$502 million in cumulative capital** or 77x leverage to the Fund's \$6.5M of invested capital
- **\$360 million in cumulative payroll**
\$600 million in cumulative revenues

Fund 1 is managed by the [Vermont Center for Emerging Technologies \(VCET\)](#) organization. The Fund's capitalization is contributed from the Vermont Economic Development Authority (VEDA), VCET and public donations & private support. As capital availability permits, Fund 1 invests more into existing and new firms. Fund 1 maintains prioritization areas to support underrepresented founders, climate sectors and rural areas in Vermont. However, there remains much to do. Our team is focused and working hard each day to help entrepreneurs start, scale and succeed across Vermont.

This stage of investing is always dynamic and risky. But, the Fund's challenges and uncertainties ahead pale in comparison to the steadfast efforts, ambition, innovation and risks undertaken by these entrepreneurs, employees, co-investors and partners. The outlook for investing returns and social impacts is encouraging

Lastly, I wish to express sincere gratitude to the VCET team and investment committee members, James Robinson, Chuck Bush, and VCET's Nicole Eaton and Geoff Robertson for their diligence, care, perspectives and contributions to the Fund's operations. 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 ("Fund") launched for investing in May 2010. The for-profit impact Fund is managed by 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:

1. **Financial return in order to revolve** the fund, after write-offs and expenses associated with this very risky asset class.
2. **Capital leverage** achieved for each \$1 invested by the Fund.
3. Next generation job and **payroll creation** across Vermont and within these companies.
4. **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. For the last three years, VCET has been 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, 2026 (FY26), the Fund has invested in 36 companies for a total of \$6.5 million. This is comprised of \$4.0 million of initial investments into 36 firms and \$2.5 million in follow-on investments into 17 of these companies. The average initial investment per company is \$111,793. Total investment per company ranges from \$25,000 to \$635,766 with an average of \$181,435.

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 Features VC, Ampersand, Charles River Laboratories, C2, Hearst Ventures, Tech Stars, Boston Seed Capital, Launch Capital, Atlas Ventures, Vermont Community Foundation, 406 Ventures, Lever, 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 **36** portfolio companies at the time of the Fund's initial investments is **\$34,578,128**. The Fund has invested \$4,024,537 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 2026, the **cumulative capital** reported by portfolio companies now totals **\$501,583,230** for a capital leverage ratio of **76.8x** the Fund's invested capital of **\$6,531,649**. There was **\$30,096,714** million in new capital raised in FY26. Capital includes debt, equity and non-dilutive grants. The portfolio has raised **\$283 million over the last five 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. 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 36 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 **53 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. 2027 is looking likely to see substantial return of capital opportunities as market conditions warrant.

Overall, the portfolio remains very well positioned to return the Fund's invested capital and generate substantive capital gains to revolve forward. But, 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. Over Fund 1's lifetime, 6 companies (17% of 36) have returned capital for revolving investment and 18 companies (50% of 36) have closed and produced realized losses. For these closed businesses, their teams worked tirelessly towards finding a sustainable business model.

While these risk takers did not reach their goals, the 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. These economic impacts include:

- attracting \$135M in capital (44x leverage on the Fund's \$3.1M invested)
- paying \$56M in payroll
- earning \$30M in revenues during their years of operation.

The communities in which these first 36 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 include:

- Lack of workforce (Housing & Childcare are root causes)
- Potential "outlier" state policies on unrealized wealth gains and artificial intelligence
- Distance to/lack of large local customers
- Cost, access and viability of Vermont's healthcare system

The Fund's team has screened and reviewed an estimated 650 firms and entrepreneurs since inception. Capital seekers have come from across Vermont, the U.S., Quebec, alumni networks, portfolio company referrals, coworking locations, local angels, other venture capital firms and elsewhere globally. At any given time, the Fund is tracking 2-3 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.

Fund Manager's Outlook into 2027

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 36 initial investments (so far) into diverse companies, make follow-on investments into 17 companies, provide oversight and support to 36 portfolio firms, limit realized losses to 18 companies so far, achieve 6 returns from portfolio company sale / repayment, conduct annual Fund audits and reporting, prospect

for high opportunity investments towards fulfilling the Fund's **four** principal impact objectives around:

- ✓ Financial return sufficient to revolve the Fund
- ✓ Capital leverage
- ✓ Employment & payroll growth
- ✓ 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 2.47% 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 or 2 initial investments from available capital. There also may 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 (6 companies over 8 transactions) when it invests first, has advised and supported the team regularly and in sectors that are more technical in nature.

Currently, there are several 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 scaling 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. The Fund is often the first institutional investor and a catalyst for a round and syndicate to form.

As to liquidity expectations from current investments, that outlook appears encouraging in 2027 given general market conditions and two public holdings with lockups expiring. While there are no guarantees on the amount or timing of a realized gain, several are very well positioned for significant value creation, revenue scaling and operating profits. At the end of FY27, the Fund's Cumulative IRR now stands at (.06%) - breakeven. On the whole, the Fund remains well postured for positive IRR (i.e. % returns) and positive multiples on cash invested from realized returns within the current

portfolio.

In accordance with policies and accounting standards, the Fund determines estimated fair market value (FMV) 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.

VCET Capital LLC (the Fund Manager and General Partner) would also like to acknowledge the Seed Fund Advisory Board (SFAB) members for their efforts and assistance. The volunteer members are Diane Abruzzini (Entrepreneur), Joan Goldstein (VEDA ex-CEO), Andrew Allen (Entrepreneur), Gwen Pokalo (Business Owner) and Ernie Spears (Entrepreneur). SFAB was established under the enabling statutes, receives confidential information on new investments and receives the Fund's audit. The SFAB did not convene in FY26.

At the conclusion of due diligence using internal and external domain experts as appropriate, Fund Investment decisions are made by a three member committee consisting of VCET Capital LLC's David Bradbury, and two independent Investment Committee members with deep early stage investing and fund operation experiences. James Robinson and Chuck Bush serve as independent investment committee members providing domain expertise and guidance and VCET's Nicole Eaton is an active committee member. 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.

With a stagnant population and affordability crisis in Vermont, this generation of entrepreneurs selecting to start, build, scale and sustain here has never been more important or needed.

Thank you for your continued support.

Vermont Seed Capital Fund. LP

Impact Measures @ June 30, 2026

The Vermont Seed Capital Fund, LP is a \$6.1M for-profit, professionally managed, revolving, early stage investment fund. Investors are the Vermont Center for Emerging Technologies (\$1.9M) and the Vermont Economic Development Authority (\$4.2M). 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 guide our investments: **Financial Return to Revolve the Fund, Capital Leverage, Jobs/Payroll Impacted and Innovation Ecosystem Benefits.**

Financial Return (IRR)¹ Target IRR > 20% Cumulative IRR (0.06)% Typically, outsized returns from just a few companies in a portfolio make or break IRR and cash-on-cash returns. IRR is <u>one of four</u> fund objectives. Partners Capital is now \$6.0M and is revolving.	Jobs Impacted Target > 150 (Permanent FTE) Actual 293 Cumulative ² 4,068 Early stage firms experience employment volatility associated with capital, revenues earned, cash flows and talent availability over time. Remote employment trends continue. 200 employed in VT <====> Lifetime VT payroll >\$182M
Capital Leverage Total Fund Investment (36) \$6,531,649 Total Capital Investment \$501,583,230 Leverage Lifetime 76.8x Leverage Initial (3x target) 8.6x	Innovation Ecosystem Benefits Prioritization areas for investment into “BIPOC, Women and Veteran” owned businesses continue. 18 of 36 (50%) 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) \$61,121,211 Cumulative \$600,209,717 Lifetime Revenue > Capital increases remain a strong signal across the portfolio.	Total Payroll (VT and Non-VT) Actual (LTM ³) \$31,558,7200 Cumulative \$359,709,260 VT’s share in payroll growth is limited by talent shortage due to quality housing & 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) 36 #Firm Exits - Capital Returns 6 The Fund’s evergreen model has proven sustainable.

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.

ACTIVE PORTFOLIO COMPANIES @ JUNE 30, 2026

– 13 Active with 2 Newly Acquired –



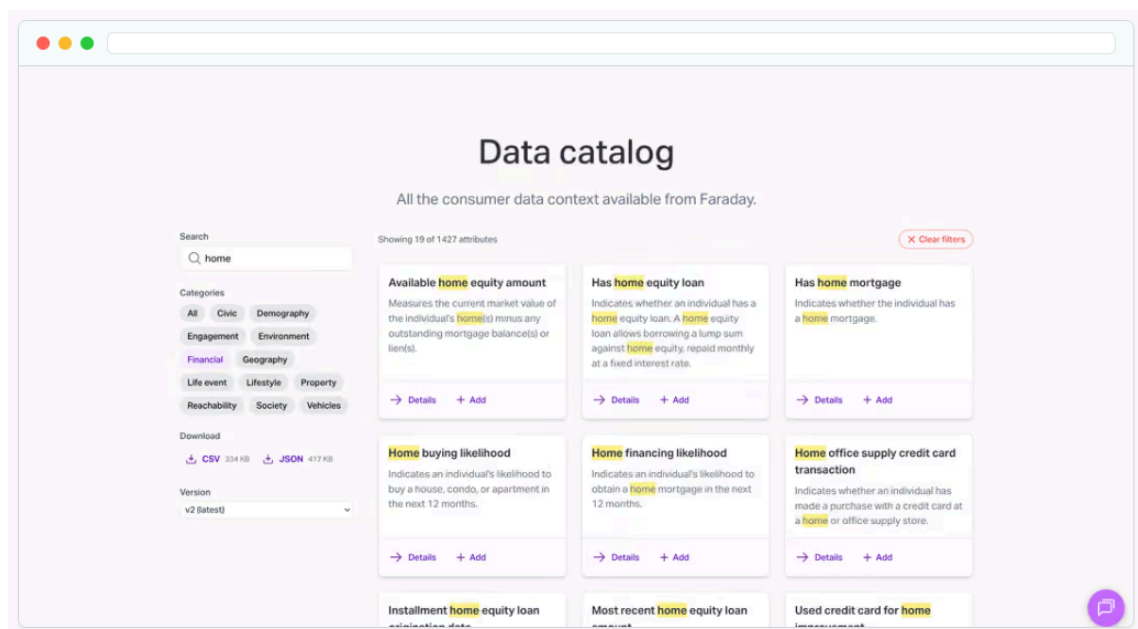
Faraday

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 to provide prediction infrastructure for commerce Visit www.faraday.io

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

Status Active





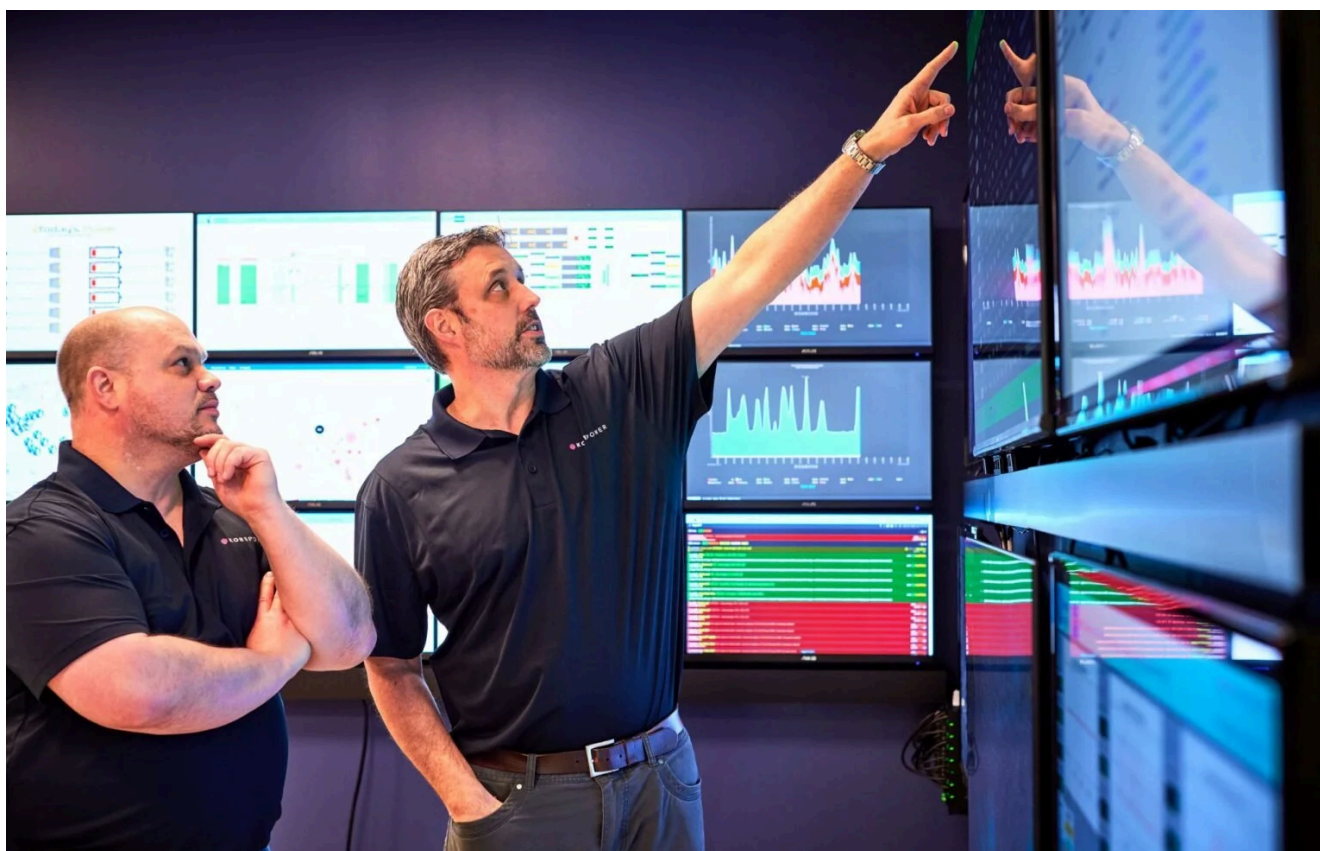
KORE Power **ACQUIRED**

Location	Waterbury / Waitsfield, VT
Fund Investment	\$150,000 ; \$75,000
Date of Investment	4.1.13 ; 3.27.15
Sold for Stock	7.1.26
NYSE:	TE

Description KORE (formerly Northern Reliability (NRI)) offers battery energy storage systems (BESS). NRI was acquired in December 2021 via a stock merger by [KORE Power](#). On July 1, 2026, KORE was acquired for stock, subject to milestones, by **T1 Energy**, a \$1B in revenues advanced solar systems and storage company headquartered in Austin, TX. The Waterbury, VT solutions group is focused on grid connected backup energy storage systems (BESS) and AI infrastructure.
www.T1Energy.com

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

Status **Active** in Vermont since acquisition





Visura.co

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

Description Powering the future for verified visual storytelling, Visura is a platform built to support and connect visual storytellers, audiences, and organizations around the world that rely on their work. www.visura.co

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

Status Active

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Join the movement to empower Visual Storytelling.

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Build websites & share news.

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GPMS International, Inc

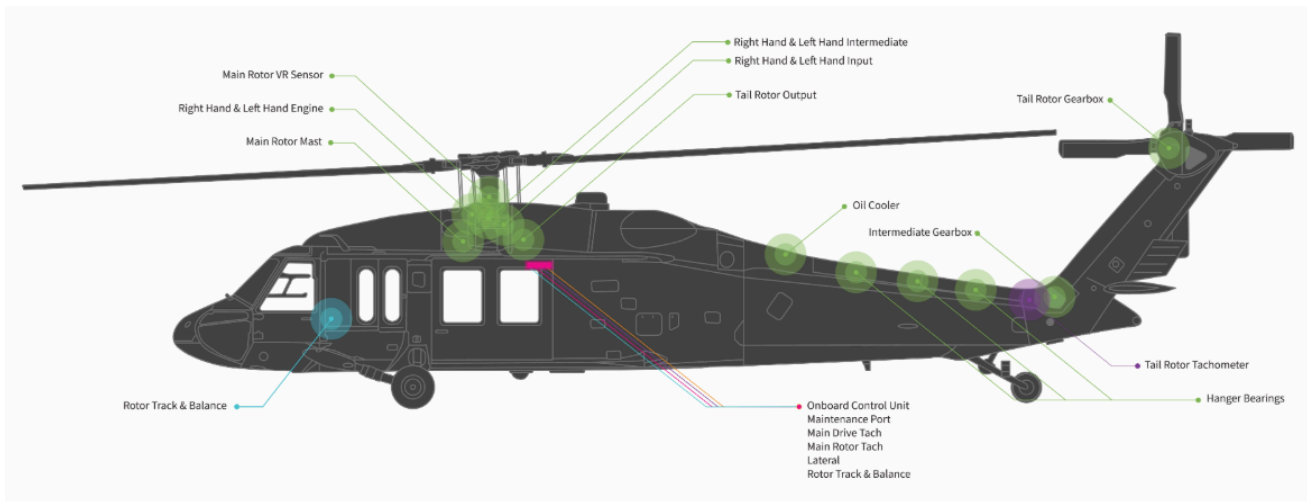
Location	Waterbury; Shoreham
Fund Investment	\$75,000
Date of Investment	6.15.16

Description Prognostic health management systems (HUMS) for rotorcraft such as helicopters, large vehicles, motors / pumps and eVOTL platforms. Things of high value or with risk of life that spin or vibrate need HUMS for predictive maintenance, safety and revenue optimization. Visit www.GPMS-VT.com

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

Status **Active**

Foresight MX HUMS for UH-60 Black Hawk



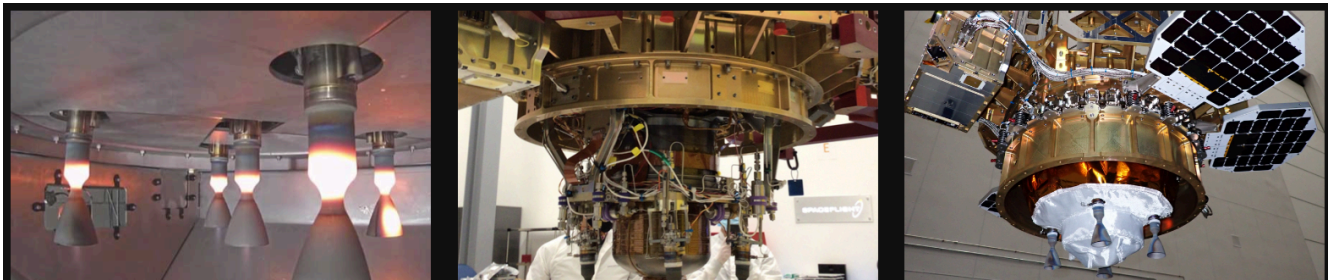
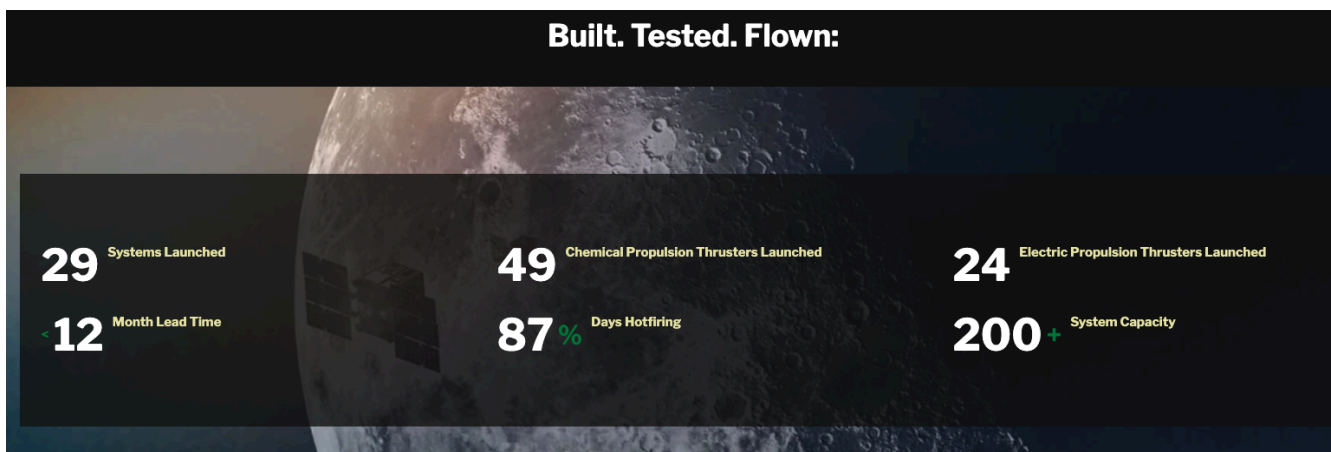


Location	Burlington, VT / CA / TX
Fund Investment	\$100,000; \$50,000; \$25,000; \$100,000; \$125,000; \$100,000; \$50,000; \$50,000 \$35,764
Date of Investment	3.5.18; 12.19.19 ; 5.15.20; 6.3.22; 11.21.22; 6.29.23; 5.10.24; 10.16.24; 6.10.25

Description Benchmark Space Systems designs and manufactures propulsion and navigation systems for the rapidly growing small and cube satellite markets. It serves government, defense and commercial customers globally.
www.benchmarkspacesystems.com

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

Status Active





Lost Lantern, LLC

Location	Ferrisburgh
Fund Investment	\$100,000
Date of Investment	1.28.22

Description Lost Lantern is an award winning, independent bottler of American whiskey.
<https://www.lostlanternwhiskey.com/>

Use of Funds Personnel, inventory, marketing and working capital

Status Active



OUR ONE-OF-A-KIND WHISKIES



SINGLE DISTILLERY SERIES



UNITED STATES OF BOURBON



BLEND SERIES



OhMD, Inc.

Location	Burlington
Fund Investment	\$100,000; \$50,000
Date of Investment	2.7.22; 7.12.24

Description OhMD is an AI led, 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**

Patient communication that cuts costs in half and captures new revenue

68%

Fewer staff-answered calls

Automate routine patient calls and texts and efficiently handle the more complex conversations with texting.

65%

Cost savings

Eliminate call hold times and abandonment without hiring additional staff. Now, appointments can be booked 24/7.

4%

More new patients

With patient self scheduling over voice and text, you'll never miss an opportunity to book a new patient appointment.



VTDC Holdings, Inc., (Cannatrol)

Location	N. Springfield
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

SYSTEMS FOR COMMERCIAL CULTIVATION

Maximize yield, preserve terpenes,
and ensure consistency at scale
with our GMP-ready systems that
leading commercial cultivators
trust

LEARN MORE



SHOP COOL CURE

The perfect cure every time, preserve terpenes
and elevate your personal harvest with the one-
and-only, Cool Cure

SHOP NOW



NOMAD Transportable Power Systems

ACQUIRED

Location	Waterbury
Fund Investment	\$1.00 (spin out)
Date of Investment	8.1.21
Sold Reverse Merger	7.1.26
NASDAQ:	NMAD

Description NOMAD manufactures portable and grid connected energy storage systems for maximum flexibility, resiliency and efficiency for AI infrastructure, backup power and peak shaving needs. NOMAD was a spin-out from Northern Reliability (NRI) in 2021. Post acquisition, NOMAD is experiencing rapid growth and momentum.

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

Use of Funds Personnel, technology, production and working capital

Status **Active** in Vermont since acquisition

POWER FOR EVERY SCALE

From 500 kW rapid-response to 1 MW utility-scale solutions. Every unit is transportable, autonomous, and ready in under one hour.

Voyager Eagle

POWER 999 kW	STORAGE 2.0 MWh
DEPLOY < 1 hr	VOLTAGE 480V

• LFP • Semi Trailer

Voyager Falcon

POWER 500 kW	STORAGE 2.0 MWh
DEPLOY < 1 hr	VOLTAGE 480V

• LFP • Semi Trailer

Voyager Hawk

POWER 500 kW	STORAGE 1 MWh
DEPLOY < 1 hr	VOLTAGE 480V

• LFP • Semi Trailer



AutoPilot

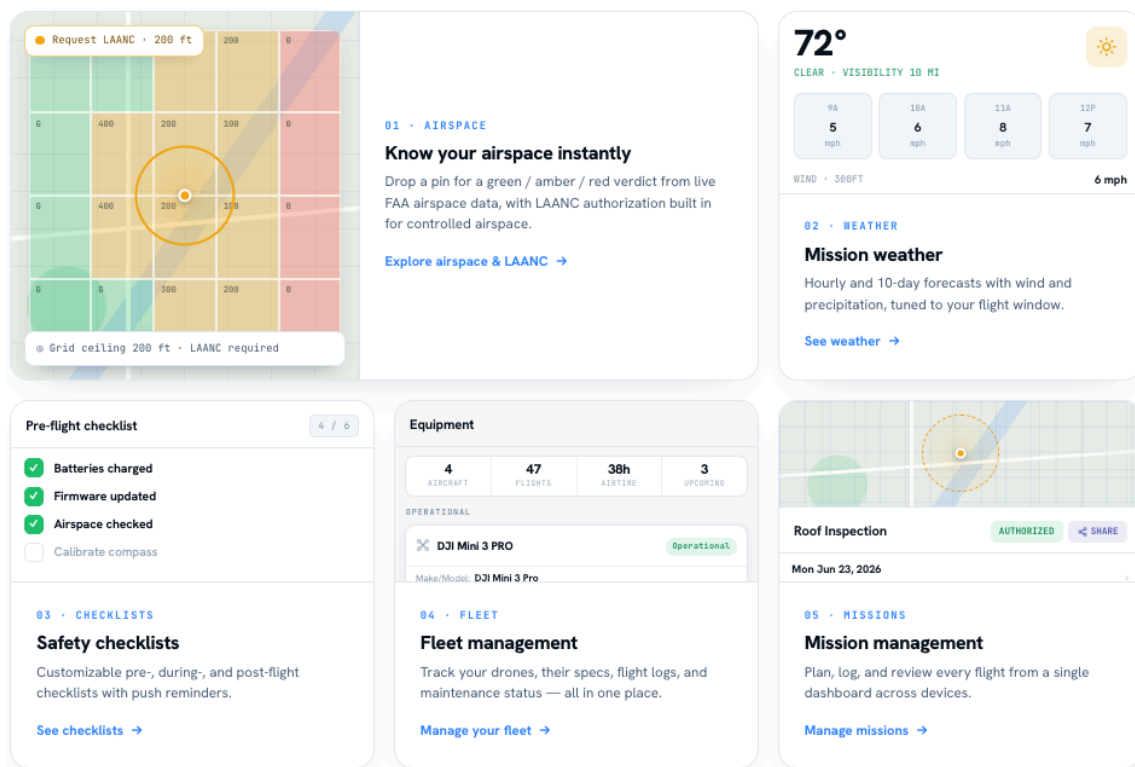
Location	S. Burlington - Boston
Fund Investment	\$100,000
Date of Investment	12.9.22

Description AutoPilot provides FAA approved flight planning, insurance 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**





Verde Technologies, Inc.

Location	Waterbury & Burlington
Fund Investment	\$200,000; \$75,000
Date of Investment	12.31.22; 4.3.24

Description Verde Technologies has developed a lightweight, perovskite mineral based, flexible solar panel to achieve >28% efficiency and be 10 times lighter than silicon panels. www.verdertechnologies.com

Use of Funds Personnel, technology, production and working capital

Status **Active**

**PEROVSKITE STARTUP PRIZE
*** WINNER *****

Verde Technologies
BURLINGTON, VT

cash prize
technical support voucher

Accelerating perovskite solar commercialization through rapid iteration, scalable deposition, and thoughtful collaboration.

AMERICAN MADE SOLAR PRIZE
U.S. DEPARTMENT OF ENERGY

FULL-SCALE ROLL-TO-ROLL TRIALS

DOE PEROVSKITE STARTUP PRIZE WINNER

- Domestic manufacturing**
U.S.-based manufacturing with a domestic supply chain, built for strategic markets that need scalable solar made closer to demand.
- Roll-to-roll scalability**
Successfully completed full-scale roll-to-roll trials, showing a practical path toward scalable, distributed production.
- Demonstrated >24% PCE**
Verde has demonstrated over 24% power conversion efficiency using scalable techniques — progress built around manufacturability, not just lab records.
- Space-first, earth tomorrow**
Focused on the markets where next-generation solar can win first — space and defense — with future terrestrial applications where lightweight power changes the economics.
- World-leading perovskite expertise**
A global team of perovskite solar experts who have been advancing the field from its earliest days — bringing deep materials, device, and scale-up experience together at Verde.
- Award-winning**
Grand prize winner of the DOE Perovskite Startup Prize, with backing from NSF, DOD, and DOE, plus investment from industry veterans.

DOE DOD NSF



Rigorous Technology

Location	Williston
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 high mixed use / high up time manufacturing operations. www.rigorous.co

Use of Funds Personnel, technology, production and working capital

Status Active

Products

The Rigorous team tailors plug-and-play products to your specific requirements. Unlimited no-code configurations without sacrificing customization. Available as turnkey robot cells or as plug-and-play software packages.

TURNKEY ROBOTS
The RIG

INTEGRATED ROBOTICS PLATFORM
Rigorous Studio

THE RIG PALLETIZER



Aprexis (2.0 reboot)

Location	Montpelier
Fund Investment	\$100,000
Date of Investment	10.16.24

Description Aprexis is a health technology company serving healthplans, providers and pharmacists with population health and medication therapy management. This is a re-boot from prior Fund 1 investment loss into Aprexis (1.0).
www.aprexis.com

Use of Funds Personnel, technology, marketing and working capital

Status Active

Bridging clinical care and financial performance
to drive **better outcomes** for health plans.

Our Solutions



MTM-Resolve
Maximizing Medication Therapy Management performance.
[LEARN MORE →](#)



STAR-Resolve
Delivering 5-Star performance that drives plan success.
[LEARN MORE →](#)



Adherence-Resolve
Targeted outreach. Proven engagement. Better adherence.
[LEARN MORE →](#)



Gap-Resolve
Closing gaps. Improving quality. Driving results.
[LEARN MORE →](#)



CLINICAL EXCELLENCE
Evidence based strategies and clinician oversight that improves outcomes.



FINANCIAL STEWARDSHIP
Reducing avoidable medical and pharmacy spend by resolving the drug therapy problems driving it.



PERFORMANCE INSIGHTS
Claims data and analytics that show exactly which members, measures, and dollars are at stake.



STRATEGIC PARTNERSHIP
SaaS or fully delegated, implemented for **YOUR** pharmacy team.



TRUSTED EXPERTISE
Deep pharmacy expertise you can rely on in an evolving landscape.*



Vermont Seed Capital Fund, LP

Investing in Entrepreneurs since May 2010

FINANCIAL STATEMENTS JUNE 30, 2026 and 2025



VERMONT SEED CAPITAL FUND, L.P.

FINANCIAL STATEMENTS

JUNE 30, 2026 and 2025

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INDEPENDENT AUDITOR'S REPORT

To the General and Limited Partners of
Vermont Seed Capital Fund, L.P.
Burlington, Vermont

We have audited the accompanying financial statements of Vermont Seed Capital Fund, L.P. (a limited partnership) which comprise the statements of assets, liabilities, and partners' capital as of June 30, 2026 and 2025, and the related statements of operations, changes in partners' capital, and cash flows for the years then ended, and related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vermont Seed Capital Fund, L.P. as of June 30, 2026 and 2025, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Vermont Seed Capital Fund, L.P. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Vermont Seed Capital Fund, L.P.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



To the General and Limited Partners of
Vermont Seed Capital Fund, L.P.
Burlington, Vermont
Page 2

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Vermont Seed Capital Fund, L.P.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Vermont Seed Capital Fund, L.P.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in black ink that reads "Davis & Hodgdon Chartered CPAs, PLLC". The signature is written in a cursive, flowing style.

Williston, Vermont
September 9, 2026

VERMONT SEED CAPITAL FUND, L.P.

STATEMENTS OF ASSETS, LIABILITIES AND PARTNERS' CAPITAL

June 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 234,232	\$ 411,788
Accounts receivable	--	5,432
Prepaid expenses	<u>9,166</u>	<u>11,005</u>
Total current assets	<u>243,398</u>	<u>428,225</u>
OTHER ASSETS		
Investments, at fair value	5,697,872	5,680,258
Accrued interest, convertible notes	<u>90,774</u>	<u>99,809</u>
Total other assets	<u>5,788,646</u>	<u>5,780,067</u>
Total assets	<u><u>\$ 6,032,044</u></u>	<u><u>\$ 6,208,292</u></u>
LIABILITIES AND PARTNERS' CAPITAL		
CURRENT LIABILITIES		
Due to related parties	<u>\$ 2,220</u>	<u>\$ 45,579</u>
Total liabilities	<u>2,220</u>	<u>45,579</u>
PARTNERS' CAPITAL	<u>6,029,824</u>	<u>6,162,713</u>
Total liabilities and partners' capital	<u><u>\$ 6,032,044</u></u>	<u><u>\$ 6,208,292</u></u>

See Independent Auditor's Report and Notes to Financial Statements.

VERMONT SEED CAPITAL FUND, L.P.

STATEMENTS OF OPERATIONS
For the Years Ended June 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
INVESTMENT INCOME		
Interest income	\$ 55,029	\$ 74,489
Realized investment loss	<u>(2,764,469)</u>	<u>(559,209)</u>
Total investment loss	<u>(2,709,440)</u>	<u>(484,720)</u>
EXPENSES		
Management fees	121,628	121,628
Insurance	11,893	11,296
Professional fees	16,521	14,328
Franchise tax	<u>250</u>	<u>250</u>
Total expenses	<u>150,292</u>	<u>147,502</u>
Net investment loss before unrealized gain (loss)	<u>(2,859,732)</u>	<u>(632,222)</u>
OTHER INCOME (LOSS)		
Unrealized investment gain (loss) arising during the current period	<u>2,726,843</u>	<u>(2,786,553)</u>
Net investment loss	<u>\$ (132,889)</u>	<u>\$(3,418,775)</u>

See Independent Auditor's Report and Notes to Financial Statements.

VERMONT SEED CAPITAL FUND, L.P.

STATEMENTS OF CHANGES IN PARTNERS' CAPITAL
For the Years Ended June 30, 2026 and 2025

	General Partner	Limited Partners		
	VCET Capital, LLC	VCET Investors, LLC	VEDA Capital Investors, LLC	Total
BALANCE, July 1, 2024	\$ --	\$ 3,110,103	\$ 6,471,385	\$ 9,581,488
Net investment loss	--	(1,055,376)	(2,363,399)	(3,418,775)
BALANCE, June 30, 2025	<u>\$ --</u>	<u>\$ 2,054,727</u>	<u>\$ 4,107,986</u>	<u>\$ 6,162,713</u>
BALANCE, July 1, 2025	\$ --	\$ 2,054,727	\$ 4,107,986	\$ 6,162,713
Net investment loss	--	(41,023)	(91,866)	(132,889)
BALANCE, June 30, 2026	<u>\$ --</u>	<u>\$ 2,013,704</u>	<u>\$ 4,016,120</u>	<u>\$ 6,029,824</u>

See Independent Auditor's Report and Notes to Financial Statements.

VERMONT SEED CAPITAL FUND, L.P.

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net investment loss	\$ (132,889)	\$ (3,418,775)
Adjustments to reconcile change in investment loss to net cash used by operating activities		
Realized and unrealized loss on investments	37,626	3,345,762
Changes in:		
Accounts receivable	5,432	(5,432)
Prepaid expenses	1,839	(39)
Investments in portfolio securities	(55,240)	(72,266)
Accrued interest	9,035	(34,451)
Due to related parties	<u>(43,359)</u>	<u>42,497</u>
Net cash used by operating activities	(177,556)	(142,704)
Cash and cash equivalents, beginning of year	<u>411,788</u>	<u>554,492</u>
Cash and cash equivalents, end of year	<u>\$ 234,232</u>	<u>\$ 411,788</u>

See Independent Auditor's Report and Notes to Financial Statements.

VERMONT SEED CAPITAL FUND, L.P.

NOTES TO FINANCIAL STATEMENTS

June 30, 2026 and 2025

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of operations

Vermont Seed Capital Fund, L.P. (the Partnership), is a limited partnership formed under the laws of Vermont on March 11, 2010. The General Partner of Vermont Seed Capital Fund, L.P., is VCET Capital, LLC, formerly, VCET Capital Corporation and wholly owned by Vermont Center of Emerging Technologies, Inc. (VCET) (the General Partner). VCET is also the sole stockholder in VCET Investors, LLC, a Limited Partner in the Partnership. VEDA Capital Investors, LLC is the other Limited Partner in the Partnership.

The Partnership is organized: (1) to increase the amount of investment capital provided to firms within the State of Vermont and to support job creation and preservation in the State of Vermont; (2) to acquire, directly or indirectly, hold for investment, convert and distribute or otherwise dispose of Portfolio Investments and other Securities in accordance with the Entrepreneurs' Seed Capital Fund as set for in the Fund Act promulgated by the Vermont legislature; (3) to provide favorable investment returns to the Partners; and (4) carry on any other activities necessary in connection with or incident to the foregoing.

Key partnership performance objectives include: (1) generating a sufficient market financial return in order to revolve the fund, after expenses and any distributions; (2) creating jobs and positive payroll impact in the Vermont business community; (3) adequately leveraging the Fund's capital; and (4) creating positive synergies with Vermont businesses, the State's economy, Vermont colleges and universities, and other venture capital firms looking to invest in Vermont businesses.

The Partnership Agreement states that the Partnership shall terminate on December 31, 2060, unless otherwise extended or terminated earlier by the General Partner with consent of a majority-in-interest of the limited partners, as defined.

Advisory board and investment committee

Prior to making its first investment, the Partnership created an advisory board consisting of five members: two appointed by the Limited Partners, two members appointed by the General Partner, and one member appointed jointly by the Limited and General Partners. The Advisory Board provides non-binding advice and recommendations and represents the economic interests of the State of Vermont with respect to the management of the Partnership. The Partnership advises the Advisory Board of investments made and provides access to all information held by the Partnership with respect to investments. The General Partner also appoints an investment committee of at least three people qualified to make investment decisions on behalf the General Partner and the Partnership. A majority approval of investment committee members is required for any investment to be made with Partnership assets.

VERMONT SEED CAPITAL FUND, L.P.

NOTES TO FINANCIAL STATEMENTS

June 30, 2026 and 2025

Note 1. Nature of Operations and Summary of Significant Accounting Policies (continued)

A summary of significant accounting policies follows:

Basis of accounting

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

Cash and cash equivalents

The Partnership considers all investments with an original maturity of three months or less to be cash and cash equivalents.

Income taxes

The Partnership files its income tax returns as a partnership for federal and state income tax purposes, and thus no income tax expense has been recorded in the statements. Each member separately accounts for their pro-rata shares of the Partnership's items of income, deduction, loss and credits.

Accounting for uncertain tax positions

The Partnership files income tax returns in the U.S. Federal jurisdiction and the State of Vermont. The Partnership is no longer subject to U.S. Federal income tax examination by authorities for the years prior to June 30, 2023. With respect to the State of Vermont, with limited exceptions, the Partnership is no longer subject to examination by authorities prior to June 30, 2023. In the normal course of business, the Partnership is subject to examination by various taxing authorities. Although the outcome of tax examinations is always uncertain, the Partnership believes that there are no significant unrecognized tax liabilities at June 30, 2026.

Allocation of profits and losses

In accordance with the Partnership agreement, the general rule (subject to modification, as defined) is that net income (and items thereof) and net loss (and items thereof) for any fiscal year shall be allocated among the Partners in a manner such that the capital account of each Partner, immediately after giving effect to such allocation, is, as nearly as possible, equal (proportionately) to the amount equal to the distributions that would be made to such Partner during such fiscal year, as defined, if (1) the Partnership were dissolved and terminated; (2) its affairs were wound up and each Partnership asset was sold for cash equal to its book value; (3) all Partnership liabilities were satisfied; and (4) the net assets of the Partnership were distributed to the Partners immediately after giving effect to such allocation. For purposes of this calculation, the Partnership will assume that the net assets are distributed and not reinvested in the Partnership. The General Partner may, in its discretion, make such other assumptions (whether or not consistent with the above assumptions) as it deems necessary or appropriate in order to effectuate the intended economic arrangement of the Partners so that capital accounts are maintained in accordance with Section 704(b) of the Internal Revenue Code.

VERMONT SEED CAPITAL FUND, L.P.

NOTES TO FINANCIAL STATEMENTS

June 30, 2026 and 2025

Note 1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Distributions

The General Partner, at its sole discretion, can make distributions of distributable cash, as defined, to the partners in a priority of (1) return of capital to the Limited Partners, (2) return of capital to the General Partner, (3) carried ownership interest of the Limited Partners and the General Partner, all as computed and defined in the partnership agreement. Certain distributions require reinvestments in the partnership as additional capital contributions, as defined.

Fair value measurements

Professional literature defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The guidance states that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions market participants would use in pricing the asset or liability under current market conditions at the measurement date. As a basis for considering market participant assumptions in fair value measurements, the guidance establishes a fair value hierarchy that is based on the subjectivity of inputs.

It distinguishes between observable inputs (Levels 1 and 2) which are either observable from market data or corroborated by observable market data and those that are unobservable (Level 3).

Three levels of inputs that may be used to measure fair value are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities that are traded in an active exchange market.

Level 2 – Inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly. Such inputs may include quoted prices for similar assets, observable inputs include quoted prices (interest rates, yield curves, etc.) or inputs derived principally from or corroborated by observable market data by correlation or other means. This category generally includes certain U.S. Government and agency mortgage-backed debt securities and investments using net asset value (NAV) per share for which the Partnership has the ability to redeem its investment at or close to the measurement date.

Level 3 – Inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. The inputs reflect the Partnership's assumptions based on the best information available in the circumstances. This category generally includes certain private debt and equity instruments, alternative investments where the investee at NAV per share or the redemption date is not close to the measurement date. This category also includes investments held in trust where the Partnership is not the trustee and the beneficial interest is in perpetual trust.

VERMONT SEED CAPITAL FUND, L.P.

NOTES TO FINANCIAL STATEMENTS

June 30, 2026 and 2025

Note 1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Fair value measurements (continued)

All long-term investments (see Note 3.) have been valued in accordance with the definition of Level 2 and Level 3 inputs as described above.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, although the Partnership believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain amounts for the year ended June 30, 2025 have been reclassified for comparative purposes to conform to the presentation used in the June 30, 2026 financial statements. The reclassifications have no effect on total partners' capital for the year ended June 30, 2025.

Subsequent events

Subsequent events have been evaluated through September 9, 2026, which is the date the financial statements were issued.

VERMONT SEED CAPITAL FUND, L.P.

NOTES TO FINANCIAL STATEMENTS

June 30, 2026 and 2025

Note 2. Investments

Investments are stated at fair value and consisted of the following at:

	<u>Cost</u>	<u>Unrealized Gain</u>	<u>Market Value</u>
June 30, 2026			
Equity Investments	\$ 1,214,256	\$ 4,058,616	\$ 5,272,872
Convertible Notes	<u>425,000</u>	<u>--</u>	<u>425,000</u>
Total investments	<u>\$ 1,639,256</u>	<u>\$ 4,058,616</u>	<u>\$ 5,697,872</u>
June 30, 2025			
Equity Investments	\$ 1,497,869	\$ 3,482,389	\$ 4,980,258
Convertible Notes	<u>700,000</u>	<u>--</u>	<u>700,000</u>
Total investments	<u>\$ 2,197,869</u>	<u>\$ 3,482,389</u>	<u>\$ 5,680,258</u>

All of the Partnership's investments in portfolio securities are illiquid interests in early stage, high risk U.S. companies mainly located in the state of Vermont. Investments consist of equity investments (including common and preferred stock and other equity investments) and three convertible promissory notes with interest rates ranging between 5% and 10%.

The following schedule summarizes the net return on investments reported in the Statement of Operations for the years ended June 30:

	<u>2026</u>	<u>2025</u>
Realized investment loss	\$ (2,764,469)	\$ (559,209)
Unrealized investment gain (loss)	2,726,843	(2,786,553)
Interest accrued and received on portfolio securities	<u>55,029</u>	<u>74,489</u>
Net return on investments	<u>\$ 17,403</u>	<u>\$ (3,271,273)</u>

VERMONT SEED CAPITAL FUND, L.P.

NOTES TO FINANCIAL STATEMENTS

June 30, 2026 and 2025

Note 3. Fair Value Measurements – Investments

The table below segregates all financial assets and liabilities as of June 30, 2026 and 2025 that are measured at fair value on a recurring basis (at least annually) into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date as of June 30:

	<u>2026</u>	<u>2025</u>
Level 2	\$ 3,747,974	\$ --
Level 3	<u>1,949,898</u>	<u>5,680,258</u>
Total investments	<u>\$ 5,697,872</u>	<u>\$ 5,680,258</u>

The Partnership estimated the fair value of its Level 2 investment in a private held company using the transaction value implied by a merger with a publicly traded company, which closed on July 2, 2026 (see Note 8.). The investment was classified within Level 2 of the fair value hierarchy due to the indirect observable inputs and judgments related to the valuation.

In addition to quoted market prices in active markets, valuation techniques for Level 3 inputs included:

Level 3 investments were valued by the General Partner utilizing valuation metrics specific to the investment and the industry in which it operates. The Partnership's investment has been classified as Level 3 as it has unobservable inputs, as they trade infrequently or not at all. The Level 3 investments currently include convertible notes, common and preferred stock, warrants for common stock and equity interests in limited liability companies. When observable prices are not available for these securities, the General Partner uses one or more valuation techniques (e.g., the market approach, the income approach or, the cost approach) for which sufficient and reliable data is available. Within Level 3, the use of the market approach generally consists of using comparable market transactions, while the use of the income approach generally consists of the net present value of estimated future cash flows, adjusted as appropriate for liquidity, credit, market, and/or other risk factors.

The inputs used by the General Partner in estimating the value of Level 3 investments include the original transaction price, recent transactions in the same or similar instruments, completed or pending third-party transactions in the underlying investment or comparable issuers, subsequent rounds of financing, recapitalizations and other transactions across the capital structure, offerings in the equity or debt capital markets, and changes in financial ratios or cash flows. Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the General Partner in the absence of market information.

The fair value measurement of Level 3 investments does not include transaction costs that may have been capitalized as part of the security's cost basis. Assumptions used by the General Partner due to the lack of observable inputs may significantly impact the resulting fair value and therefore the Partnership's results of operations.

VERMONT SEED CAPITAL FUND, L.P.

NOTES TO FINANCIAL STATEMENTS

June 30, 2026 and 2025

Note 3. Fair Value Measurements – Investments (continued)

The General Partner, along with an independent investment committee, meet semi-annually to conduct an investment review whereby the fair value methodology is applied and investments are adjusted.

The table below sets forth a summary of changes in the fair value of the Partnership's Level 3 investment assets for the year ended June 30:

	<u>2026</u>	<u>2025</u>
Beginning balance	\$ 5,680,258	\$ 8,953,754
Realized and unrealized loss on investments	(37,626)	(3,345,762)
Purchases	55,240	135,733
Return of capital	<u>--</u>	<u>(63,467)</u>
Ending balance	<u>\$ 5,697,872</u>	<u>\$ 5,680,258</u>

Note 4. Management Fee and Other Partnership Expenses

The Partnership Agreement provides for the payment of a quarterly management fee to the General Partner of 2% of the aggregate capital contributions to the Partnership, excluding any cash distributed from the Partnership.

As manager, the General Partner bears all normal operating costs and expenses incurred in connection with the management of the Partnership; the Partnership bears all costs and expenses incurred in the purchase, holding, sale or exchange of securities, as well as interest on indebtedness incurred by the Partnership, certain legal and accounting fees and other expenses which are specifically defined in the Partnership Agreement.

Note 5. Related Party Transactions

Pursuant to the Partnership Agreement the Partnership incurred management fees for services provided by the General Partner in the amount of \$121,628 for the years ended June 30, 2026 and 2025. There were no outstanding management fees due to the General partner at June 30, 2026 and 2025.

Occasionally, the Partnership will advance funds to or borrow funds from related parties. The following is a summary of the net amounts due to related parties at June 30:

	<u>2026</u>	<u>2025</u>
Due to VCET	\$ 1,592	\$ 14,765
Due to VCET Capital, LLC	<u>628</u>	<u>30,814</u>
Total net due to related parties	<u>\$ 2,220</u>	<u>\$ 45,579</u>

VERMONT SEED CAPITAL FUND, L.P.

NOTES TO FINANCIAL STATEMENTS

June 30, 2026 and 2025

Note 6. Financial Highlights

The Partnership is required to disclose certain financial highlights for the common interest in the Partnership (i.e., the Limited Partners' interest). These financial highlights consist of the operating expenses and net investment loss ratios for the period ended June 30, 2026 and the Internal Rate of Return since inception (IRR) of the Limited Partners, net of all fees and profit allocations (carried interest) to the General Partner, through June 30, 2026. The following summarizes the Limited Partners' financial highlights:

	<u>2026</u>	<u>2025</u>
Net investment income (loss) ratio	(2.18%)	(43.43%)
Operating expense ratio	2.47%	1.87%
Cumulative IRR	(0.06%)	0.15%

The net investment loss and operating expense ratios are computed as a percentage of average partners' capital. The IRR was computed based on the actual dates of cash inflows (capital contributions), outflows (cash distributions), and the balance at the end of the year (residual value) of the Limited Partners' capital account as of the measurement date.

These financial highlights might not be indicative of the future performance of the Partnership. An individual partner's return may vary from this calculated return based on the timing of capital transactions.

Note 7. Concentration of Credit Risk

Bank balances are insured by the Federal Deposit Insurance Corporation (FDIC). At various times during the year the Partnership may maintain its balance with one financial institution in excess of the federally insured limit.

Note 8. Subsequent Events

KORE Power sold to T1 Energy (NYSE: TE) on July 1, 2026. The actual exchange into T1 shares is subject to several milestones.

NOMAD merged with Lixte Biotechnology Holdings (LIXTE) through a reverse merger, after which the company changed its name to Nomad Power (NASDAQ: NMAD). (See Note 3.).