

BATTLE BORN VENTURE 2018 ANNUAL REPORT

Battle Born Venture celebrated two exits, including one to a brand name tech firm, during 2018. It added to its portfolio in insurtech and first responder tech, as well as continuing to invest in its existing portfolio companies.

INTRO TO BATTLE BORN VENTURE

Battle Born Venture is the state venture capital program for Nevada. It makes equity and equity-like investments in early stage, high potential Nevadan startups. It is a component of the State Small Business Credit Initiative (SSBCI), a federal program that seeks to enhance local capital infrastructures across the US.

BATTLE BORN VENTURE'S 2018

During 2018, Battle Born Venture celebrated two significant exits from portfolio companies, one to a brand name tech major and another – that is pending SEC approval - to a listed financial services firm. It invested in new industry sectors, such as insurtech, as well as in existing portfolio companies. It continued to support

portfolio companies through introductions and informal advice. The current portfolio includes:

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

During 2018, Battle Born Venture made a conditional commitment to reinvest in the firm's next funding round in part to support a large dental practice acquisition.

Base Venture. Fintech firm Base Venture has developed a fund administration automation product. FundManager.io streamlines fund management by

connecting fund administrators, fund managers, and investors, and allowing fund managers to easily see their portfolio positions and communicate with clients.

In 2018, Base Venture doubled its number of users, introduced four new products and won 8 industry awards, so setting the stage for further growth in 2019.

CircleIn. Henderson, NV-based CircleIn has developed a student-to-student tutoring app that allows students to study with one another, and to tutor one another, winning rewards in the process. Once invited into a group, students can swap class notes and access libraries of these notes from across the country. Its advisory board includes the Education Director at

Microsoft, and the former CTO of Merrill Lynch, AOL and News Corp.

During 2018, it hit key revenue targets, again proved the stickiness of its approach through impressive usage figures and expanded its reach to include the college market.

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

Fandeavor's second line of business involves deploying its robust software platform as the engine for large corporate customers' travel programs.

Co-investors in the Company include VTF Capital (formerly VegasTechFund).

Taber Innovations. Battle Born Venture made a conditional commitment to Taber Innovations' current round in late 2018.

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

Its advantage is that it allows monitoring of fire fighter condition (such as 3-dimensional location and several medical vital signs), this is currently done verbally via radio. In turn, this reduces communication confusion at fire scenes and allows the incident commander to make better decisions as to when and where to send in recovery crews.

Talage Insurance. Talage is a Reno-based startup that has created a fully automated software platform to help small business owners compare and

instantly purchase an increasing range of commercial insurance policies. Talage connects business owners directly to insurance carriers, allowing them to save time and money when purchasing workers' comp, liability and property coverage. Its advantage is that it offers customers the ability to compare, select and purchase insurance in the space of less than ten minutes, most competitors instead refer the business to brokers and customers complete their purchase offline. Founded in 2015 by Adam Kiefer, Matt Donovan and Zachary Draper, the Company's goal is to be the first truly national digital insurance agency for the small business vertical. To date, Talage has partnered with eight AM Best A Rated insurance carriers including Chubb, Markel, Travelers, Employers, CNA, ICW, Acuity and Atlas General.

Battle Born Venture invested in the Company in June 2018 in a round led by Bay Area-VC Merus Capital, and including SaaS focused accelerator Acceleprise, and venture debt major Western Technology Investment (WTI).

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

TransWorldHealth's investors include the Reno Angels, along with several private angel investors.

Wedgies. Wedgies is a Las Vegas-based inline social media polling software

company. It allows you to: easily create attractive, responsive polls from a selection of templates, embed the same poll across multiple sites (WordPress, Twitter, Facebook, Tumblr), allows the user to respond directly in those sites, see responses in real time (hundreds of thousands of votes in milliseconds) collated across platforms, and display these to respondents. Battle Born's co-investors in the Company include Graycroft Partners and VTF Capital. Wedgies' other investors include 500 Startups and SVAngel.

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

WiseBanyan. Las Vegas and New York based WiseBanyan is one of the fastest growing independent roboadvisors in the US. It offers free portfolio management, and an increasing range of other financial management tools.

Battle Born Venture's co-investors include strategics, such as John Hancock and CFSI with founding partner JPMorgan Chase & Co.

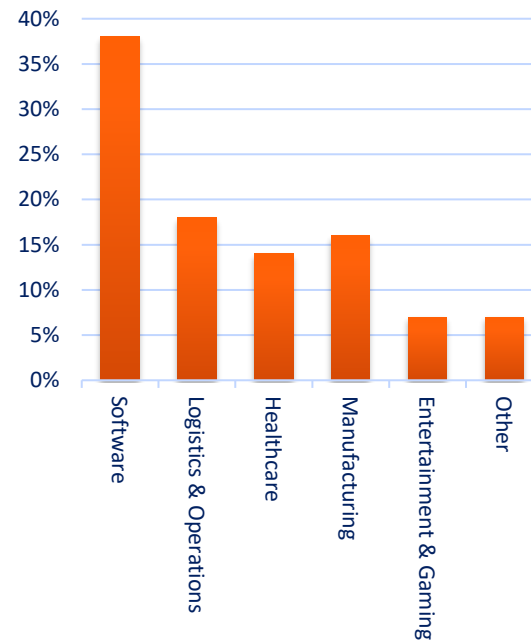
In October 2018, WiseBanyan was purchased by a subsidiary of NYSE-listed Axos Financial, Inc, so providing Battle Born Venture with an additional exit.

BATTLE BORN VENTURE'S DEMOGRAPHICS

Battle Born Venture accepts applications through the Gust platform, and all applications are evaluated by an independent Investment Advisory Committee. Investment decisions are ultimately made by the Nevada Governor's Office of Economic Development. Battle Born Venture's investments are held by Nevada Battle Born Growth Escalator, Inc. a corporation for public benefit.

Battle Born Venture has reviewed more than 240 applications since it began operations. The most common reason for an application to be rejected is that the startup is either based outside of the State or is too early stage: Battle Born Venture does not invest in pre-revenue companies nor in companies based outside Nevada. Unsuccessful applicants were each referred to free mentoring services in state at Nevada SBDC.

Battle Born Venture Applications By Sector



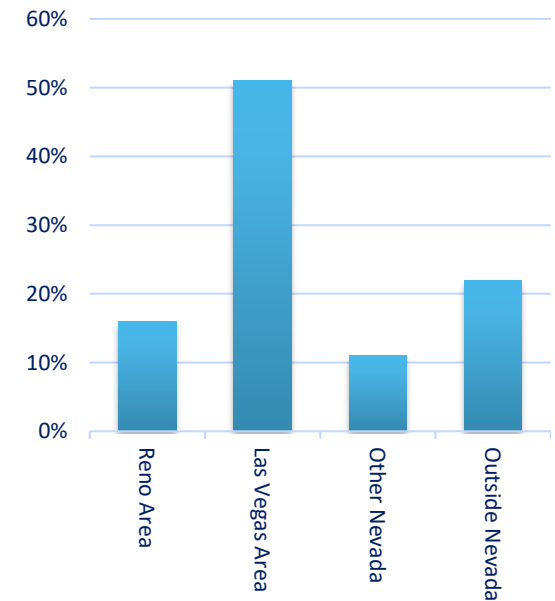
Source: Battle Born Venture

In 2018, most applications to Battle Born Venture were again from the software sector, 38% of applications vs. 32% in 2017. For the first time, applications from the “new Nevada” sectors of manufacturing and logistics & operations outpaced those from the

more traditional VC sector of healthcare.

As has been the case since the fund's inception, there were more applications from Las Vegas area (51%) based startups than from those in the Reno area (16%) or elsewhere in Nevada (11%).

Battle Born Venture Apps By Location



Source: Battle Born Venture

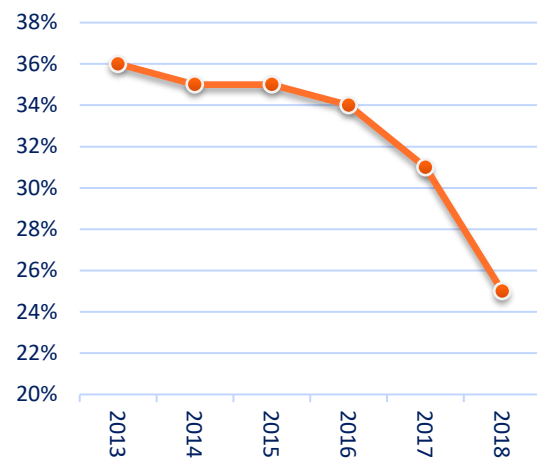
VENTURE CAPITAL MARKET TRENDS

Battle Born Venture focuses on the early stage venture capital market, the key trends in which were:

1. Move Towards Later Stage Deals

As has been the case for several years, later stage deals continued to dominate the venture capital landscape in 2018.

Seed Stage as Share of Deal Activity



Source: PWC / CB Insights

¹ PWC | CB Insights figures for 2018

Seed stage deals have fallen to only a quarter of all deal value¹, as the trend towards fewer, bigger VC deals continues. There were 49 mega-rounds in 4Q 2018, compared to 35 in 4Q 2017.¹

Yet, seed stage deal sizes have risen alongside those at other stages. Industry commentator Crunchbase calculates the average seed stage round at \$1.2mn in 4Q 2017 and \$1.7mn in 4Q 2018.²

Overall, nearly \$15 bn was invested in seed-stage deals globally in 2018, a more than 50% increase from 2017's total of \$10bn.

2. Changing Investor Constituency

There has been a seismic shift in the seed stage investment landscape over

² "Q4 2018 Closes Out A Record Year For The Global VC Market", Jason D. Rowley, Crunchbase, January 7, 2019

the last decade, driven by both access to alternate funding sources and by new investors joining the market. In turn, this has rendered the traditional clubby model of repeated co-investment by small cohorts of VCs near obsolete in early stage investing.

Instead, the most active investors are now brand-name accelerators, such as Y Combinator, 500 Startups and Techstars. Combined, these three accelerators alone invested in nearly 650 rounds in 2018.² The number of unique non-traditional investors investing in venture capital reached a decade high in 2018, according to industry researcher PitchBook.³

The rise of alternate funding sources, such as equity crowdfunding, means that it is now commonplace to see institutional investors co-investing

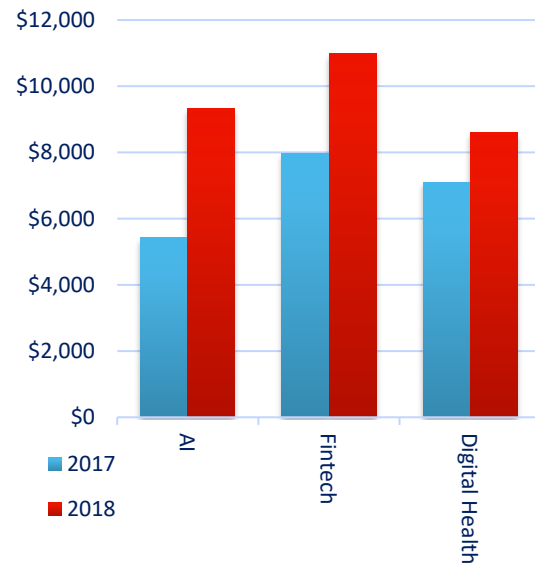
³ PitchBook 2019 Venture Capital Outlook

alongside these more novel instruments.

Battle Born Venture has participated in this trend, co-investing with groups such as 500 Startups.

3. Sector Trends

Venture Investing Sector Trends (\$mn)



Source: PWC | CB Insights

Artificial intelligence (AI), digital health and fintech each saw strong investor

interest in 2018. Battle Born Venture has invested in each of these sectors.

The rise of artificial intelligence investing is especially notable; nearly every early stage startup now plans a data overlay to its strategy, regardless of the industry in which it operates. We anticipate that this trend will continue well into 2019 as machine learning and artificial intelligence tools become more commonplace, cheaper and accessible to the lay user.