

BATTLE BORN VENTURE 2017 ANNUAL REPORT

In 2017, Battle Born Venture hit a key goal in the form of its first exit from a portfolio company. It continued to invest steadily in both existing portfolio companies and new opportunities. Its portfolio companies celebrated significant milestones such as major new clients and public awards.

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 2017

Battle Born Venture achieved its first exit in 2017, as well as continuing to expand its portfolio through investment in new and existing portfolio companies. It again worked with several of its portfolio companies to add value as the portfolio becomes more mature. Its 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.

At the end of 2017, Battle Born Venture agreed a partial exit of its investment in the firm, as part of a fundraising round that will support the business's ongoing growth.

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 2017, it averaged close to one major product release every two months in

production, such as, fully customizable digital dashboards across all major alternative investment fund types. It now has approaching 5,000 users on the platform and 300 funds live.

It was also listed in Red Herring's Top 100 North America for the second year in a row, a rare honor.

CircleIn. Henderson, NV-based CircleIn has developed a student-to-student tutoring app that had more than 17,000 pilot users during the most recent school year. It 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 CEO's background is in insurance, where he built a 100+ rep team for AFLAC and was responsible for \$30mn+ in enterprise sales

as a Regional Sales Manager. It has also built an impressive advisory board, one member of which is the Education Director at Microsoft, and another the former CTO of Merrill Lynch, AOL and News Corp.

Battle Born Venture made a conditional commitment to CircleIn in October 2017.

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 added a new line of business in late 2016, deploying its robust software platform as the engine for large corporate customers' travel programs. The team's hard work was rewarded in 2017 with contracts from new customers, such as FIFA sponsor Qatar Airways.

Further, it raised an additional round in early 2017, in which Battle Born Venture

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

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.

During 2017, the Company secured repeat customers for its base business as well as an additional software development contract from a large local company.

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.

During 2017, the Company continued to service the business to business market, serving large corporate clients.

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.

The Company now has 40,000 clients and processed over 5mn trades in 2017.

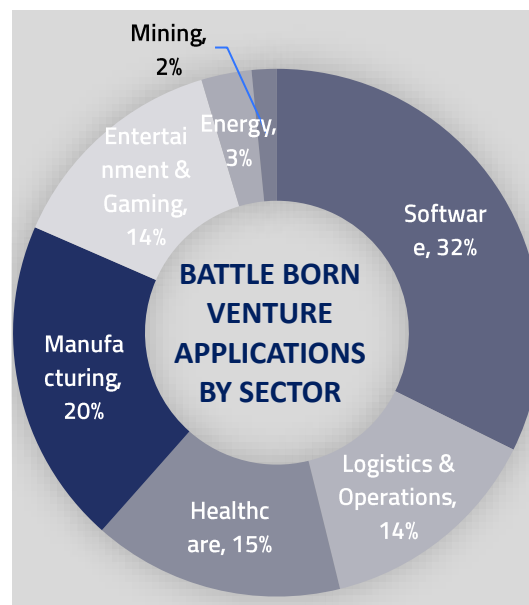
BATTLE BORN VENTURE'S DEMOGRAPHICS

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 180 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



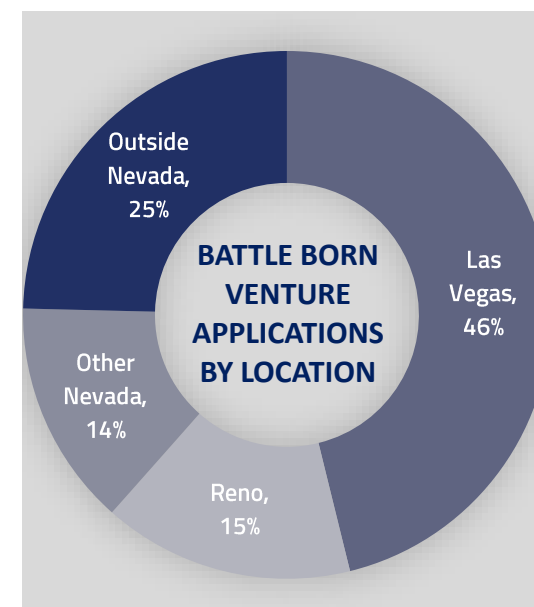
Source: Battle Born Venture

Applications to Battle Born Venture again reflected the broader venture capital market in that they came from the software and healthcare sectors. Reflecting the strength of Nevada in these sectors, manufacturing,

logistics & operations, and entertainment & gaming were also well represented.

There were again more applications from Las Vegas (46%) based startups than from those in Reno (15%) or elsewhere in Nevada (14%).

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:

I. Continuing Slow Investment

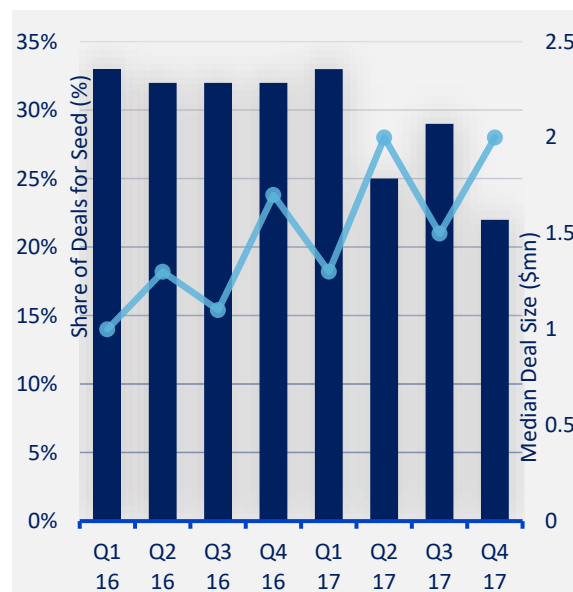
For the third year in a row, seed stage venture capital investment fell globally, from a peak of 13.3k deals in 2014 to 5.9k in 2017. The US followed this trend, seeing 5.3k deals in 2017, from 9.2k in 2014.¹

Technology blog TechCrunch attributes this fall to a drop off in funding of apps, SaaS and fintech companies, as well as a move towards later stage deals.²

Indeed, seed stage activity as a proportion of all deals fell to 22% in Q4 17, the lowest percentage in two years. After consistently being around a third of deals from Q1 16 to

Q1 17, seed stage share has been under 30% in each quarter since.³

2017 Venture Capital Deal Activity



Source: PWC / CB Insights

This ongoing trend illustrates the importance of funds such as Battle Born Venture that consistently focus on early stage investing.

2. Larger Average Deal Sizes

The average deal size has continued to rise across all stages. Median seed stage deal size was \$2mn in Q4 17, up 18% vs. prior year.³

3. Rising Corporate Participation

Corporate venture capital has long been a feature of the investment scene, and has grown in prominence as 75 of the Fortune 100 companies are now active in corporate venturing, 41 with a dedicated team.⁴ Its share of total venture capital investment rose a little, by 1% point, to 24% in 4Q 17.

Battle Born Venture has contributed to this trend, coinvesting alongside companies such as FIS and John Hancock.

¹ PitchBook figures

² "There's an implosion of early-stage VC funding, and no one's talking about it", Victor Basta, TechCrunch, November 30, 2017

³ PwC | CB Insights MoneyTree™ Report Q4 2017

⁴ Forbes figures