



2023 Annual Report

To: Governor Brian Kemp
Lieutenant Governor Burt Jones
Speaker of the House of Representatives, Jon Burns
Chairperson of the Senate Finance Committee, Chuck Hufstetler
Chairman of the House Ways and Means Committee, Shaw Blackmon

From: Knox Massey, Executive Director, Invest Georgia
LCG Associates, Fund Administrator to Invest Georgia

RE: End of Year Report on the Invest Georgia Program, 2023

Date: December 31, 2023

Invest Georgia Fund Portfolio Overview

The Invest Georgia Fund (created by legislation passed in 2013) has committed 100% of the state allocated funds to 16 seed, venture capital and growth equity funds as of June 30, 2023. The funds have called 68% of total capital to make investments; capital yet to be called stands at 32% as of the end of the third quarter.

Since inception of the Invest Georgia program in 2015, Invest Georgia’s portfolio of 16 venture capital and growth funds have, in the aggregate, invested in **117 companies based in Georgia. Companies in the Invest Georgia portfolio employ 3979 Georgia residents, a 10.6% increase compared to the number reported in 2022 (3596 employees).**

The Georgia based companies address multiple markets including: Artificial Intelligence, Machine Intelligence; Data and Analytics; Financial Technology, “fintech” for payments and other automated financial services; Software supporting a variety of business services ranging from sales lead generation to supply chain management; Transportation and Logistics businesses including robotics and drones; Healthcare Information Technology; Healthcare Services; Cybersecurity and Fraud Detection platforms.

Highlighted Georgia-based companies:

Slip Robotics

Slip Robotics is a warehousing and freight Robotics-as-a-Service company automating the truck loading and unloading process in logistics operations. The Company’s technology allows for faster loading and unloading time while reducing material handling damages to improve overall operating efficiency. The founding team, John Jakomin, Chris Smith and Dennis Siedlak, had previously worked at Tesla, Waymo

and GE. They relocated from Silicon Valley to Georgia, a major hub for manufacturers and logistics because of its interstate connections, international airport and the Port of Savannah. The Company joined cohort 7 of Engage's Go-to-Market Accelerator Program and raised seed capital followed by a Series A round in 2023 from Tech Square Ventures. The capital was used to help finance the building of a new 43,000 square foot manufacturing and assembly facility in Norcross, GA. Slip expects to begin assembling its robots in the new facility in June 2024.

Featurespace

Featurespace was founded in Cambridge UK in 2008 and introduced to TTV by one of its strategic investors. TTV led early rounds of financing to help the Company expand its operations into the US and made introductions to other investors including additional corporate sponsors. In 2017, Featurespace set up US headquarters in Georgia's Transaction Alley, Atlanta's thriving fintech community. Featurespace is a leader in enterprise grade technology that prevents fraud and financial crime. The Company invented Adaptive Behavioral Analytics and is the creator of the ARIC platform. ARIC is a real time, Artificial Intelligence ("AI") software system, the first to profile both genuine and fraudulent behavior to identify and block criminal activity as it occurs. In October 2023, Featurespace launched the World's First Large Transaction Model that understands transactional data better than anything on the market today improving fraud detection by up to 71%.

Cove.Tool

Cove.Tool creates software tools and processes to help architects, engineers and developers design energy efficient and sustainable buildings. The software product grew from tools and processes developed by co-founders, Patrick Chopson and Sandeep Ahuja (both building scientists and licensed architects) at their prior sustainability consulting firm. Co-founder Daniel Chopson saw the vision to address climate change and joined to design Cove.Tool's web-based SaaS platform. The company offers mechanical energy modeling, 3D visualization and parametric optimization tools allowing users to achieve their targets in conserving energy, water and radiation while reducing construction costs. Cove.Tool received seed capital from Invest Georgia funds Southern Equity (aka Tech Square Capital) and Knoll Ventures and has raised Series A and B rounds from outside investors with Knoll and Southern Equity participating.

Saleo

Saleo is a private company based in Alpharetta, GA. It was founded by local, serial entrepreneurs Daniel Hellerman, Justin McDonald and Alexey Svetliakov. Saleo is a "Live Demo Experience" platform helping software companies create sales demo environments with live data. The company offers services related to financial aspects of an organization like graphs, metrics, tables, text, images and icons enabling businesses to connect directly and visually to customers. Invest Georgia fund Tech Square Ventures led the seed round along with angel investors in 2022. The company recently raised a Series A round from a venture capital firm recognized as a leader in cloud enterprise, artificial intelligence and Software-as-a-Service.

Codoxo

Codoxo, located in Duluth, Georgia, was founded by Musheer Ahmed who developed the technology as part of his Ph.D. dissertation at Georgia Institute of Technology. Codoxo's Forensic Artificial Intelligence ("AI") Platform uses patented technology for early identification of problems and suspicious behavior ensuring that healthcare dollars get directed to real patient care. Mosley Ventures participated in the

early seed rounds along with Tech Square Capital. The Company's customers include some of the largest healthcare payers and government agencies in the US. In 2022, Codoxo raised a Series B round allowing the company to expand its product offerings to Pharmacy Benefit Management Services. Codoxo has been recognized by Inc. Magazine as one of the Southeast's fastest growing private companies.

2023 Investments:

In 2023, Invest Georgia completed allocating its capital with the approval by the Board of Noro-Moseley Partners IX ("NMP IX"). NMP IX began investing in the third quarter of 2023.

Noro-Moseley Partners

Noro-Moseley Partners ("NMP" or the "Firm"), based in Atlanta, Georgia, is an early growth equity and venture capital firm investing in information technology and healthcare companies. NMP was founded in 1983 by Charlie Moseley and 2 other founders all of whom transitioned to retirement between 2001 and 2005. Allen Moseley and Alan Taetle both joined the firm in 1998 and have demonstrated that they are experienced investors enabling their portfolio companies to build their businesses to meaningful realizations. The Firm's success is also attributable to the team's development. John Ale joined NMP in 2015 and has been promoted to Partner. Ryan Collins and Elizabeth Feidler Stephens have been promoted to Principal. While it is still a small team, Allen and Alan have plans to add associates and have supplemented the team with interns from Morehouse College.

Other Activities:

Invest Georgia serves on the Limited Partner Advisory Governance Committees ("LPAC") of 15 of the 16 Invest Georgia investments and plays an active role in monitoring the underlying investments in the funds. As a member of the LPAC, the Executive Director meets regularly with the Partners of each fund and is informed on the progress of IG Fund portfolio companies, any additional investments to portfolio companies, specific amendments to any partnership rules or regulations and any current or anticipated changes in the partnerships.

In 2023, the State of Georgia was awarded \$200,000,000 by the US Treasury as part of the amended Small Business Jobs Act which funded the State Small Business Credit Initiative, SSBCI. The Georgia Department of Community Affairs oversees this program. Invest Georgia has partnered with DCA to implement a new \$50,000,000 Venture Capital Direct Investment Program and a new Venture capital "Fund of Funds" Investment Program. These Venture Capital SSBCI Programs will run from 2023 through 2028.

Knox Massey, III

Executive Director, Invest Georgia Program

knox@investgeorgia.net

www.investgeorgia.net

LCG Associates

Investment Consultant to Invest Georgia

www.lcgassociates.com

Appendix

History of the Program

The Invest Georgia legislation was passed by the General Assembly in 2013, amending Chapter 10 of Title 10 of the OCGA and thus creating the Invest Georgia Fund. The purpose of the Invest Georgia fund is to increase the amount of private investment capital available for Georgia based business enterprises in the seed, early or growth stages of business development. In 2023, the Invest Georgia Fund completed allocating the capital dispersed to it through the board of Regents. The Fund is now fully committed to sixteen Georgia-based seed, venture capital and growth equity funds. These funds are: TTV Capital IV, Mosley Ventures, Engage Venture Fund, Tech Square Capital, Knoll Ventures, Noro-Moseley Partners VIII, Technology Operators III, MSouth IV, TTV Capital V, Kinetic Ventures X, Tech Square Venture Fund II, Engage Venture Fund II, Atlanta Seed Fund, TTV VI, Knoll Ventures II and Noro-Moseley Partners IX.

An initial allocation of \$10,000,000 was distributed to Invest Georgia in 2014. In fiscal years 2016, 2017, 2018 and 2019, an additional \$40,000,000 was allocated to the Invest Georgia Fund. These allocations were disbursed to Invest Georgia monthly each fiscal year through the Board of Regents. There have been no Annual Allocations since fiscal 2020.

Invest Georgia Fund Profiles:

TTV Capital IV, V and VI

The Invest Georgia Fund subscribed as a Limited Partner in TTV Capital IV, (“TTV”) in 2015 for a total commitment of \$3,000,000. TTV Capital is based in Georgia; the investing partners of TTV Capital include: Gardiner W. Garrard, W. Thomas Smith, Jr; Mark A. Johnson and Sean M. Banks. TTV Capital’s strategy focuses on innovative companies in Financial Services Technology, a rapidly growing and dominant industry sector in the State of Georgia, sometimes referred to as Transaction Alley for the number of payments processed in the State and the large and growing number of financial services companies located in Georgia. In 2019, Invest Georgia committed \$5,000,000 to TTV V. Tom Smith, co-founder, has become a Senior Advisor to the fund. Invest Georgia committed \$2,000,000 to TTV VI in December 2022. TTV’s reputation in fintech investing and its connections within the payments industry have made it a preferred partner for larger Venture sponsors both inside and outside the state. The investing partners are Gardiner Garrard, Co-Founder; Mark Johnson; Sean Banks; Neil Kapur; Laney Lewis and Lizzie Guynn. Tom Smith, Co-Founder is the Senior Advisor.

Mosley Ventures

Moseley Ventures is based in Georgia. The Invest Georgia Fund subscribed as a Limited Partner to Mosley Ventures in 2016 for a total capital commitment of \$3,250,000. This fund began its investment period in 2013 and is in a harvest mode, i.e., investments are being realized through mergers and acquisitions or outright sales. The investing partners are Sig Mosley, Wei-Chun Tai and John Vecchio. Mosley Ventures’ strategy is to invest at the seed and early stage in Atlanta and the Southeast. The primary focus is on Security software, “Big Data”, Digital Media and to a lesser extent, ecommerce technology.

Southern Equity (aka Tech Square Capital)

Southern Equity is headquartered in Atlanta, Georgia. The Invest Georgia Fund subscribed as a Limited Partner to Tech Square Capital (“TSC”) for a total commitment of \$1,000,000 in 2017. The Fund focuses

on investing in privately held seed or early-stage software and technology companies that are based or founded in Atlanta, Georgia. The General Partner is Allen Nance; Janet Mulroy is partner and CFO. As a result of pre-fund investments contributed to the fund, TSC has had some realizations through mergers, acquisitions and one initial public offering.

Engage Venture Fund I and II

Engage is headquartered in Atlanta, Georgia within the Georgia Institute of Technology campus. The Invest Georgia Fund subscribed to Engage Venture Fund in 2017 for a total commitment of \$1,500,000 and committed \$3,000,000 to Engage II. Engage is a Venture Capital fund formed by a consortium of Georgia corporations and the Georgia Institute of Technology for the purpose of investing in early and seed stage technology companies. The mission of Engage is to strengthen collaboration and partnership between leading corporations and top entrepreneurs by helping start-up founders get their products to market. To accomplish this mission, Engage operates an accelerator program using office space and resources provided by Georgia Tech in which promising start-ups receive the training and mentoring that they need to Go-to-Market. Tech Square Ventures is the Manager and Advisor to Engage; the Managing Partner of Tech Square Ventures and Engage is Blake Patton; Bill Nussey is Managing Director of the Program; Dr. Namaratha “Nammy” Vedire is Director, Platform & Operations. EVF I includes 44 startups from cohorts 1-6 and 47 start-ups in cohorts 7-13.

Technology Operators Fund III

Invest Georgia subscribed to Technology Operators Fund III (“Tech Operators”) in 2018 for a total commitment of \$5,000,000. Tech Operators is based in Atlanta, Georgia. The investing partners are Said Mohammadioun, David Gould, Tom Noonan, Daniel Ingevaldson and Tom McNeight. Each of the General Partners has experience as an entrepreneur and as a CEO of software and/or cyber security businesses. The strategy focuses on early-stage software, cybersecurity and technology companies located in the Southeast and Midwest.

MSouth Equity Partners IV

Invest Georgia subscribed to MSouth IV in 2018 for a total commitment of \$5,000,000. MSouth is headquartered in Georgia. The investing partners for MSouth IV are: Michael Long, Barry Boniface, Dan Campbell, Mark Feidler, Peter Pettit, Charles Stubbs and Buddy Bacon. MSouth was founded in 2007 as the successor firm to Atlanta based Cravey Green & Wahlen. MSouth’s strategy focuses on lower middle market companies primarily in the Southeast with strong management teams and established business models that enable growth at rates exceeding their underlying industries. The firm primarily targets business services, healthcare, specialty distribution and manufacturing and media/telecommunications companies.

Noro-Moseley Partners VIII and IX

Invest Georgia subscribed as a Limited Partner to Noro-Moseley Partners VIII (“NMP”) in 2018 for a total commitment of \$5,000,000. In June 2023, Invest Georgia made its final allocation as a commitment to NMP IX of \$3,000,000. NMP is based in Atlanta, Georgia; the investing partners are Allen Moseley, Alan Taetle, Spence McClelland and John Ale. Noro-Moseley Partners is one of the oldest venture capital firms in Atlanta. NMP’s strategy is to invest in early growth Information Technology and Healthcare companies that have rapidly scaling revenues, a capital-efficient business model and a clear pathway to profitability. NMP looks for opportunities that are in the Southeast and Southwest.

Knoll Ventures Fund I and II

Invest Georgia subscribed as a Limited Partner to Knoll Ventures (“Knoll”) in 2018 for a total commitment of \$1,000,000. Invest Georgia made a commitment of \$2,000,000 to Knoll II in 2022. Knoll Ventures is based in Georgia. The investing partners are Andrew Dorman and Richard Fraim. Knoll’s strategy is to fill the funding gap between seed stage investing and the Series A round by being the lead or co-lead in \$1-3 million post-seed stage companies. Knoll will lead or co-lead these rounds and reserve capital for follow-on needs providing value by adding a syndicate partner and preparing the management team or founders for the type of diligence and reporting standards expected by funds that will come in at later stage rounds of financing.

Tech Square Ventures II

Invest Georgia committed \$7,000,000 to Tech Square Ventures II. TSV II is the successor to a smaller fund founded by Blake Patton in 2015. Tech Square Ventures II is located in Atlanta, Georgia and was formed to make early stage and Series A investments with a focus on enterprise (B2B) marketplace technology and tech enabled services companies. TSV II will make investments in operating companies as a minority investor in the form of equity, debt or convertible securities to fund the go-to-market stages of development. The Investment team and Investment Committee includes Blake Patton, Founder and Managing Partner of the General Partner; Vasant Kamath, Partner; Bill Nussey, Partner; Joelle Fox, CFO and Operating Partner of the General Partner and Scott Lopano, Principal.

Kinetic Ventures Fund X

Invest Georgia committed \$2,000,000 to Kinetic Ventures X in 2020. Kinetic Ventures X formally includes Cam Lanier as Senior Director along with William Heflin, Jake Tarr and Nelson Chu as Managing Directors. Kinetic has offices in West Point, GA, Atlanta, GA and Chevy Chase, Maryland. Kinetic will build a balanced portfolio of venture stage investments in enterprise software, mobility and related emerging concepts. Kinetic prefers to invest in a company’s first institutional round.

Atlanta Seed Fund

In 2021, Invest Georgia made a commitment of \$1,000,000 to Atlanta Seed Fund (“ASF”). ASF was founded by Jamie Hamilton, a 15-year veteran of seed and angel investing in Atlanta and the Southeast, and Connor Davidson. The Atlanta Seed Fund is more stage focused than industry focused. Seed and early-stage capital is important to the development of the start-up ecosystem in Georgia and the Southeast. Seed funds tend to be relatively small, so a community of seed and early-stage investors is needed to support the continued development of startup companies in Georgia.