



2024 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

RE: End of Year Report on the Invest Georgia Program, 2024

Date: December 31, 2024

Invest Georgia Fund Portfolio Overview

The Invest Georgia Fund (created by legislation passed in 2013) has committed 104% of the \$49,600,000 allocated by the State between 2015-2019 to 18 seed, venture capital and growth equity funds as of the end of December, 2024. These 18 Georgia-based venture funds have called just over 75% of capital committed with the remaining 25% yet to be called, largely from more recent commitments.

The Invest Georgia Fund (“IG”, “the Fund”) is a fund of funds – a portfolio of funds all of which are based in Georgia and whose investment strategies include a regional focus, specifically Georgia and the Southeast. The benefit of a fund of funds is that it is diversified by the General Partners’ different experiences, expertise, networks and industry focus. Invest Georgia funds in the aggregate constitute a portfolio of investments at various stages of maturity, industry exposure and management talent. This diversification has mitigated the risk most often associated with venture capital and growth companies.

The Program is also diversified by the mix of established managers and emerging managers. Invest Georgia’s established managers are proven in their ability to raise capital, attract deal flow, provide valuable resources to their portfolio companies and assist entrepreneurial teams in managing to successful outcomes. They tend to raise larger funds and often invest at a stage when companies have some revenue and the potential for very high growth rate. It is likely that companies in the established managers’ portfolios will have the possibility of a liquidity event sooner. The emerging managers, on the other hand, may provide a fresh approach and new insights but need assistance in raising their funds until they become proven. Emerging managers typically raise smaller funds and participate as valuable providers of pre-seed and seed capital to start-ups often at a point where valuations are more reasonable, and the capital required to meet the next milestone is less.

Invest Georgia is pleased to report that despite cycles in the macro-economy, Invest Georgia's portfolio of funds has increased in value over a holding period of just 9 years (since the first investment). More significantly, the Fund is beginning to experience some liquidity which, over the long term, will allow the Program to meet its objectives of stimulating growth in Georgia-based technology companies and job creation.

Since inception of the Invest Georgia program in 2015, Invest Georgia's portfolio of 18 venture capital and growth funds have, in the aggregate, invested in **over 100 companies based in Georgia. Companies in the Invest Georgia portfolio have employed 4,377 Georgia residents, a 10% increase compared to the number reported in 2023 (3,979 employees).**

2024 Investments:

In 2024, Invest Georgia's Board of Directors approved the use of recent distributions to make two new commitments to early-stage venture capital funds: Valor Ventures III and Overline Seed Fund II. These recent commitments were made possible by re-deploying proceeds received from the sale of portfolio companies in earlier venture fund commitments. These proceeds represent a return on investment as they have enabled Invest Georgia to advance the Program's objectives,

Valor Ventures III

("Valor" or the "Firm"), based in Atlanta, Georgia, was founded in 2015 by Lisa Calhoun to lead seed rounds in B2B software start-ups in the South. Gary Peat joined as General Partner in 2020. The investment team also includes William Leonard. Jean Luc Van Hulst and Lynne Laube, formerly CEO of Cardlytics, serve as Operating Partners. Valor's strategy focuses on under-represented founders in the South, a region under-served by larger venture capital firms. Valor founded the [Startup Runway Foundation](#), a 501(c) 3, to provide investor introductions for underrepresented founders. Start-up Runway is the largest pitch event in the country for minority and women founders. Valor looks for B2B software start-ups in industries including healthcare, workflow automation, manufacturing, accounting, and integrations of AI into platforms for education, sales, brand management and corporate risk and compliance.

Overline Seed Fund II

Overline Seed Fund II ("Overline", "the Fund") is an Atlanta based seed stage investor focused on opportunities in the Southeast. Overline was founded by Michael Cohn and Sean O'Brien in 2019. Both Sean and Michael had served as mentors and advisors to early-stage businesses before they teamed up in Overline. The Fund takes a generalist approach to making investments and does not target particular economic sectors or industry verticals. Instead, they look for businesses that have attractive scale characteristics such as software companies, software enabled marketplaces and certain consumer-oriented businesses. The Fund does not typically invest beyond the pre-seed and seed rounds. An investment by Overline may be deployed in a single funding event or across multiple funding events tied to the Portfolio Company's achievement of certain milestones.

Highlighted Georgia-based companies:

The Georgia-based companies in the Invest Georgia portfolio address multiple markets. During 2024, as in 2023, Artificial Intelligence continued to be of pre-eminent interest. Other areas of interest include: 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.

Featurespace

Last year Featurespace, a portfolio company of TTV IV, was highlighted as a leader in enterprise grade technology to prevent fraud and financial crime. Featurespace was an early adopter of AI. TTV led initial rounds of financing to help the Company expand its operations into the U.S. (Georgia became the US headquarters) and made introductions to other investors. In September 2024, it was announced that Visa would acquire Featurespace to complement and strengthen its ability to detect fraud and provide risk-scoring solutions used by clients around the world to grow and protect their businesses. After clearing all regulatory hurdles, the acquisition was closed. Invest Georgia received its share of the distributed proceeds in late December 2024.

NthDegree

Located in Duluth, Georgia, MSouth portfolio company Nth Degree provides event management services that help build stronger brands. The company specializes in trade show planning, event strategy and architecture, communications, experimental marketing and sponsorship sales. The Company was hit hard by the Covid pandemic when the trade show business closed but as the world opened for business again, the company bounced back re-hiring workers and increasing its revenue by expanding services. Its success made it an attractive candidate for acquisition. A private equity fund bid for and acquired Nth Degree in September 2024. Invest Georgia received its share of distributed proceeds in late September 2024.

Aetos Imaging

Aetos Imaging has developed advanced 3-D scanning technology with applications in commercial real-estate and industrial manufacturing. Aetos’ visual management platform is disrupting the way that facilities are maintained and managed. The technology is as applicable to Class A building in New York as it is to an 800,000 square foot steel manufacturing plant. It allows property managers to have accurate information about every key asset in a specific facility. In industrial plants, the Aetos technology enables Operations managers to see their equipment remotely, plan maintenance and track critical data about their equipment. Aetos is based in Atlanta, Ga and is led by Connor Offut. In 2024, Aetos was honored as the “Coolest Technology Start-up” by The Technology Association of Georgia (“TAG”). The Company was incubated at ATDC (Advanced Technology Development Center), raised pre-seed capital from Atlanta Seed Fund (ASF) and raised a subsequent seed round from Valor Ventures and ASF. Aetos joined Engage’s Go-

to-Market Accelerator Program in the spring of 2024 and completed its Series A round in the fall of the same year with TechSquare Ventures II as lead investor.

Danti

Danti is an advanced AI-powered search engine designed to explore collections of Earth observation data. Early in its existence, the Company secured multiple government contracts with agencies that include NGA, FEMA, USMC and Space Force. Danti is now exploring product market fit within Property and Casualty insurance, real estate, utility and rail industries. Danti was founded by Jesse Kallman, a Georgia Tech alum and is based in Atlanta. TechSquare Ventures II led the pre-seed round in 2023 making a subsequent investment in a later seed round in 2024.

Rainforest

Rainforest assists vertical software companies in embedding, managing and monetizing payments directly through their platform. The Company is a PayFac-as-a Service (Payment Facilitator) solution for traditional and next-gen software companies. Embedded payments is a rapidly growing segment of US financial transactions. Rainforest was the 2023 winner of Venture Atlanta and was recognized as one of the Top 50 Most Promising Start-ups nationally. Rainforest is based in Atlanta and was founded by Joshua Silver, co-founder and former CTO (Chief Technology Officer) of PatientCo, a Georgia based healthcare payments start-up with a successful exit. TechSquare Ventures II participated in the company's founding seed round in 2022 alongside Accel and Infinity Ventures. Matrix Partners led the Series A round raising \$20 million.

Other Activities:

Invest Georgia serves on the Limited Partner Advisory Governance Committees ("LPAC") of 16 of the 18 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. In 2024, Invest Georgia expanded its team due to increased demand for due diligence for the SSBCI/DCA Program. Subsequently, the Invest Georgia team has allocated more than \$13,000,000 in 3 fund investments and 6 Georgia-based direct investments. Funds in the SSBCI Fund of Funds Program include Collab Capital II, Atlanta Seed Fund II and Dogwood Ventures. Invest Georgia has made 6 investments in the Direct Investment Program: Carputty, Inc., Johnson Energy Storage, Huxley Medical, Moonlight Therapeutics, Servescape and Dragonfly.

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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. After completing the allocation of capital dispersed through the board of Regents, Invest Georgia began to re-cycle proceeds from the sale of certain portfolio companies to continue to advance its purpose. The Fund is now fully committed to eighteen 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, Noro-Moseley Partners IX, Valor Ventures III and Overline Seed Fund II.

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; Maddie Harper is manager of the Accelerator Program. EVF I includes 44 startups from cohorts 1-6 and 55 start-ups in cohorts 7-14.

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 Vasant Kamath. 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; Bill Nussey, Partner; Scott Lopano, Partner; Joelle Fox, CFO and Operating Partner of the General Partner.

Kinetic Ventures Fund X

Invest Georgia committed \$2,000,000 to Kinetic Ventures X in 2020. Partners include William Heflin, Jake Tarr and Nelson Chu as Managing Directors. With gratitude for his many contributions, Kinetic remembers Cam Lanier who passed away in 2024. Kinetic has offices in 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.

Valor Ventures III

Invest Georgia finalized its investment in Valor Ventures III. Valor was founded by Lisa Calhoun; Gary Peat joined as General Partner in 2020. Valor’s strategy focuses on under-represented founders in the South. Valor looks for B2B software start-ups in industries including healthcare, workflow automation, manufacturing, accounting and integrations of AI into platforms for education, sales, brand management and corporate risk and compliance.

Overline Seed Fund II

In 2024, Invest Georgia made its commitment to Overline Seed Fund II. Overline was founded by Michael Cohn and Sean O'Brien. The Fund takes a generalist approach to making investments and does not target particular economic sectors or industry verticals. As experienced company builders and mentors, the two founders look for opportunities that have attractive scale characteristics and typically invest only at the pre-seed and seed rounds.