



Launch
Tennessee

FY23 January 19, 2023

Board of Directors Meeting

AGENDA

+ Welcome and Approval of Minutes

+ CEO Report

Lindsey Cox

+ Capital Report

Monique Villa

+ Talent Report

Evan Prislovsky

+ Financial Report

Katherine Reall

+ Marketing Report

Ashley Currie

+ Communications Report

Chloe Morrison

+ Commercialization Report

Charles Layne

+ Network Partner Report

Emily Masters

+ Executive Session

- New team members
- Quarterly company priorities
- SSBCI 2.0 update
- Innovation Week dates

CEO Report

BOARD OF DIRECTORS

Calvin Anderson

Clear Strategies Group

A.J. Bahou

Waller Lansden Dortch & Davis, LLP

Tom Ballard

Pershing Yoakley & Associates

Alan Bentley

Center for Technology Transfer & Commercialization, Vanderbilt University

Steve Crawford

Eastman Chemical Company

Ann Kathryn Dettwiller

DET Distributing Company

Bruce Doeg

Baker Donelson Bearman Caldwell & Berkowitz

Ryan Egly

Lawrence County Chamber of Commerce

Shawn Gliner

Pendant Biosciences, Inc.

Dr. H.M. Hashemian

Analysis and Measurement Services Corporation

Rep. Patsy Hazlewood

Tennessee General Assembly

Stuart McWhorter

Tennessee Department of Economic & Community Development

Dr. Brian Noland

East Tennessee State University

Dawn Patrick

Cherry Bekaert LLP

Dr. Stacey Patterson

University of Tennessee, Knoxville

Julia Polk

Decode Health / New Ventures Consulting

Denny Wayne Robinson

White County, Tennessee

Sen. Bo Watson

Tennessee General Assembly

Frank Williamson

Oaklyn Consulting

Dr. Thomas Zacharia

Oak Ridge National Laboratory

- FY23 Q3 company priorities
- FY23 goals
- FY25 goals

Strategic Initiatives

FY23 company priorities (quarterly)

FY23 Q2 → 5 company priorities

- + BuildTN Fund (SSBCI) in deployment by quarter end
- + Hire 3 of 5 open rolls / mini-reviews to get on annual schedule
- + Annual report (11/1) + communications refresh
- + Fundraising + development case for support live w/ 15 target calls complete
- + Technology + data plan implementation

FY23 Q3 → 5 company priorities

- + Fund Tennessee launch
- + InvestTN launch
- + Innovation Week (March 27-31)
- + Website update live
- + Fundraising asks of \$500k out

Look ahead FY23 → FY25

What will we get done by June 30?

- ✚ InvestTN Fund invests \$1M
- ✚ Non-state, non-federal funding of \$500k secured // current asks \$330k
- ✚ Net promoter score of 70 for 3686 // current 88
- ✚ 70 county coverage for program participants // current 55
- ✚ 40 interns placed

What will we get done over the next 3 years?

- ✚ InvestTN Fund invests \$20M
- ✚ Non-state, non-federal funding of \$2M secured
- ✚ Net promoter score of 70 both external and internal
- ✚ 1,000 job placements supported
- ✚ 95 county coverage for program participants

- INCITE & Impact Fund Report
- Fund Tennessee (SSBCI 2.0)
- InvestTN Platform Updates
- Q3 Looking Ahead

Capital Report

Update: Fund Performance + Portfolio Values

INCITE

(2011)

- + **\$28.9M** Invested over 5 yrs; **\$128M** in leveraged capital
- + Active Portfolio Company Value: **\$10M** LaunchTN investment; **\$162M** total capital raised; **\$311M** in aggregate valuation
- + To-date **\$5.7M** returned from exit proceeds
- + **19** companies (~50%) still active
- + **Federal** program
- + LaunchTN served only as **admin**, with no vote on guidelines or investment decisions

IMPACT

(2017)

- + To date, **\$4.4M** invested since 2018 from INCITE exit proceeds
- + Made **1** new investment commitment, yet to be announced and **3** follow-on commitments
- + Reviewed **18** follow-on investment opportunities, with **6** in-progress
- + Over **319** people employed across the state by **25** Impact Fund portfolio companies
- + Both INCITE and Impact Fund exits are still generating returns for re-investment into existing portfolio companies, serving as follow-on capital

InvestTN

(2023)

- + **\$70M** for Equity Investments
- + LaunchTN has **investment discretion**
- + Finalized 3 Fund Model + Allocations:
 - o **\$30M** InvestTN Technology Fund
 - o **\$28M** InvestTN Regional Seed Fund
 - o **\$12M** InvestTN Multi-Fund Strategy
- + Direct investment into startups of **\$25k-\$3M**
- + LP commitments into venture funds of **\$1M-\$3M**

Capital Program: Fund Tennessee (SSBCI 2.0)

- ✚ Proposed program accepted, final U.S. Treasury approval pending the General Assembly's approval of budget expansion to add SSBCI 2.0 funds into TNECD's budget
- ✚ BuildTN Fund is now InvestTN
 - Coordinating with TNECD on state program brand and messaging
 - InvestTN as the equity program to complement LendTN as the loan program
 - Will debut the new InvestTN logo and website this quarter
- ✚ InvestTN launch objectives
 - Successful implementation of SSBCI program guidelines, including compliance
 - Securing bank and legal partners across 3 fund strategies: *Regional Seed Fund, Technology Fund, Multi-Fund Strategy*
 - Creation of marketing collateral across web and print to clearly communicate:
 - InvestTN's areas of focus (industry, stage, geography)
 - How to apply for funding
 - InvestTN's value-add platform for portfolio companies

Capital Program: InvestTN Platform Updates

✚ Co-Investor Network Growth

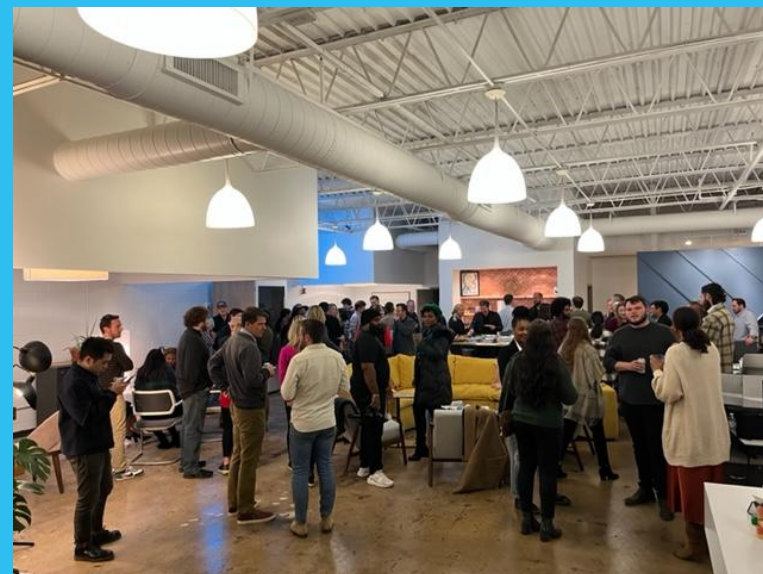
- Quarterly LaunchTN Open House event series
 - Launched in December 2022 @ LaunchTN HQ
- Co-Investor network growth
 - Currently 585 contacts & growing quarterly
 - Southeast Capital Call returns early 2023

✚ Ongoing Statewide Industry Research

- Published the Tennessee VC Deal Report, a quarterly report on Tennessee funding activity
- 3 BuildTN Fund Venture Fellows Completed Program
 - Researched industries of interest for InvestTN: Biotech, Fintech, and Mobility

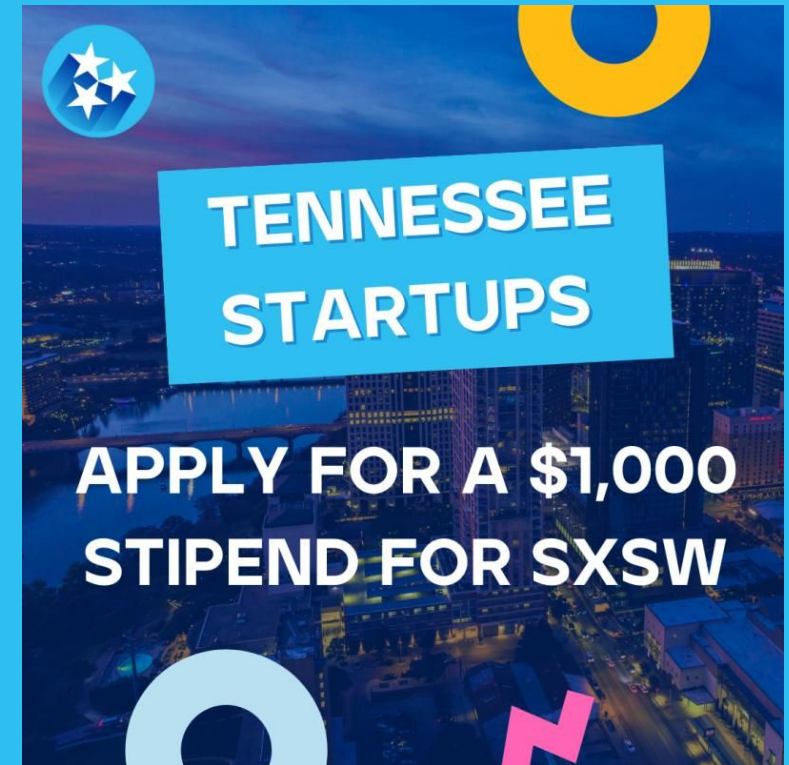
✚ Perks Database Completed

- 28+ discounted software tools and services for portfolio companies



Capital Program: Q3 Looking Ahead

- ✚ InvestTN website launch
- ✚ Capital Team @ SXSW March 9-14
 - Hosting TNxTX happy hour with co-investors
 - Organizing SSBCI program meetup via SSTI
 - Awarding \$5,000 to Tennessee startups for travel expenses (help us spread the word!)
- ✚ Fund Tennessee Launch Tour
 - Tentative dates held with TNECD in 9 markets across Tennessee to celebrate the launch of Fund Tennessee (InvestTN + LendTN)
- ✚ Capital Programming @ Innovation Week
 - Network Partner training for the Regional Seed Fund (\$28M for 7 regional entrepreneur centers)
 - Portfolio company CEOs invited to meet legislators
 - InvestTN program announcement
 - Quarterly Open House celebration @ LaunchTN HQ



- Intern program update
- Job board
- Talent Coordinator introduction

Talent Report

Talent Updates

+ Internship Program

- + **Student Applications will open soon**
 - New Tracks: **Startups, Commercialization, Venture Capital, and Ecosystem Builders**
 - FY23 Goal: **200** applications for **40** intern positions
- + **Host Companies being recruited now**
 - FY23 Goal: **60** applications for **30** host companies accepted

+ Job Board

- + **93** companies with **154** job openings

+ Team News

- + **Welcome New Talent Coordinator:
Zach Ford**



LaunchTN summer 2023 internships

Calling STUDENTS



Apply today for a paid summer internship with a high-growth Tennessee startup or an entrepreneur center.

LaunchTN.org

“Having an intern through LaunchTN is always a great experience! We love having some extra help on special projects over the summer and we love to be able to show them the entrepreneurial ecosystem world! I have taken interns to goat farms, radio interviews, chamber meetings, and had them help plan some awesome events!”

- Biz Foundry (Cookeville)

- FY22 990
- FY23 Q2 Financials

Financial Report

**Launch Tennessee
Statement of Operations
As of December 31, 2022**

| | Year Ending 06/30/2023 | | Year To Date 12/31/2022 | |
|--|---------------------------|----------------------|----------------------------|---------------------|
| | Revised Budget | Actual | Revised Budget | Budget Diff |
| Revenue | | | | |
| Government Contracts and Grants | 5,951,020.00 | 4,300,266.72 | 3,851,770.00 | 448,496.72 |
| Sponsorship and Program | 250,000.00 | 0.00 | 125,000.00 | (125,000.00) |
| 36186 & Other Events | 310,000.00 | 230,516.85 | 250,000.00 | (19,483.15) |
| SBIR | 7,000,000.00 | 7,000,000.00 | 7,000,000.00 | 0.00 |
| Interest / Management Fee / Other | 223,310.00 | 20,400.53 | 223,310.00 | (202,909.47) |
| Total Revenue | 13,734,330.00 | 11,551,184.10 | 11,450,080.00 | 101,104.10 |
| Expenditures | | | | |
| Network Partners | 3,175,000.00 | 1,589,000.00 | 1,587,500.00 | 1,500.00 |
| SBIR Match | 7,000,000.00 | 3,528,471.26 | 3,500,000.00 | 28,471.26 |
| Strategic Initiatives | 502,650.00 | 95,051.61 | 174,000.00 | (78,948.39) |
| 36186 & Other Events | 285,000.00 | 276,806.90 | 250,000.00 | 26,806.90 |
| Other SG&A | 807,939.00 | 389,380.30 | 441,192.02 | (51,811.72) |
| Salaries & Benefits | 1,963,741.00 | 800,000.27 | 897,185.20 | (97,184.93) |
| Total Expenditures | 13,734,330.00 | 6,678,710.34 | 6,849,877.22 | (171,166.88) |
| Total NET REVENUES (EXPENDITURES) | 0.00 | 4,872,473.76 | 4,600,202.78 | 272,270.98 |

- Q2 Marketing Highlights
- Innovation Week

Marketing Report

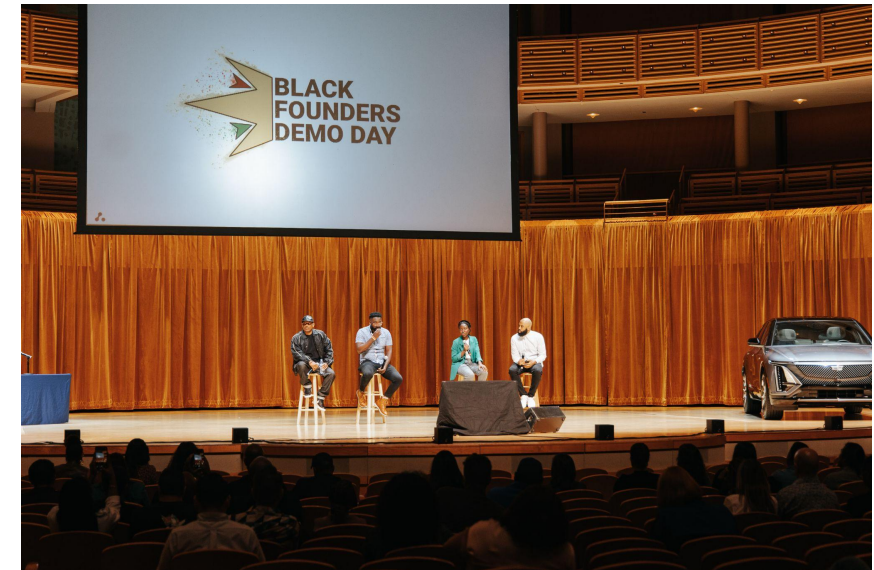
Marketing Highlights

- We launched 3 new branding projects to kick-off the year.
 - Fund Tennessee - a branding project to bring the new SSBCI Fund to market in Feb 2023, including the launch of our new fund, InvestTN.
 - LaunchTN Brand + Web Refresh to ensure increase in brand awareness and understanding of the work LaunchTN does across the state and beyond.
- Successfully on-boarded new Google Ad Grants agency partner



Black Founder Demo Day Miami

- Launch Tennessee was a partner at the inaugural Black Founder Demo Day Miami in December 2022.
- LaunchTN hosted the demo day wrap event including Khrys Hatch + Ashley Currie giving remarks during the event.
- The event brought over 300+ black and brown founders together and garnered over 3M+ social impressions allowing LaunchTN to build brand reach out of market.



Innovation Week 2023

- Innovation Week will be held March 27-31, 2023
- Registration will open the week of January 23
- Intentional networking and connection of our ecosystem will happen via our Network Partner meetup, popup events and a fun Innovator Story content series
- Updated branding to ensure visuals are fresh and thoughtfully carried across the full event footprint



InnovationWeek.

Looking Ahead

- Event Coordinator hire, adding to the marketing team
- Video content project featuring all 7 of our Regional Entrepreneur Centers to use for promotion, website, social media and brand awareness
- Branding updates to our new sponsor deck and development collateral
- 3686 planning kick-off and Save the Date announcement at Innovation Week



- Communications highlights
- Media mentions
- New hires + travel
- Looking ahead

Communications Report

Communications Highlights

The Pitch

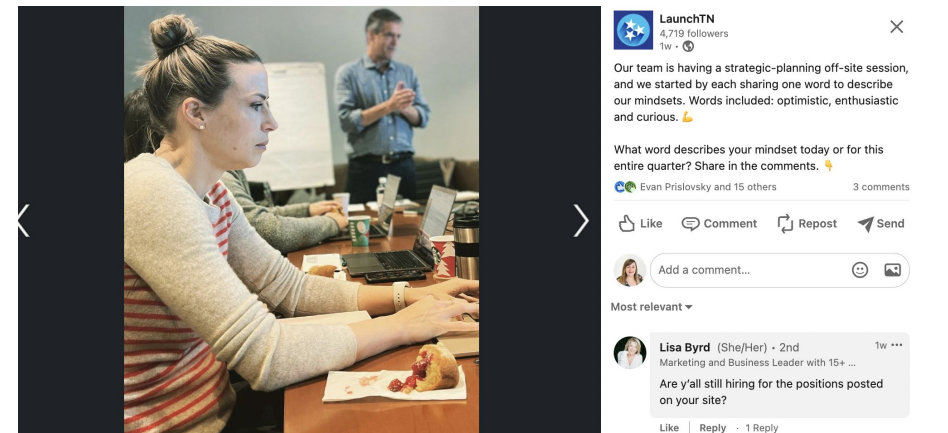
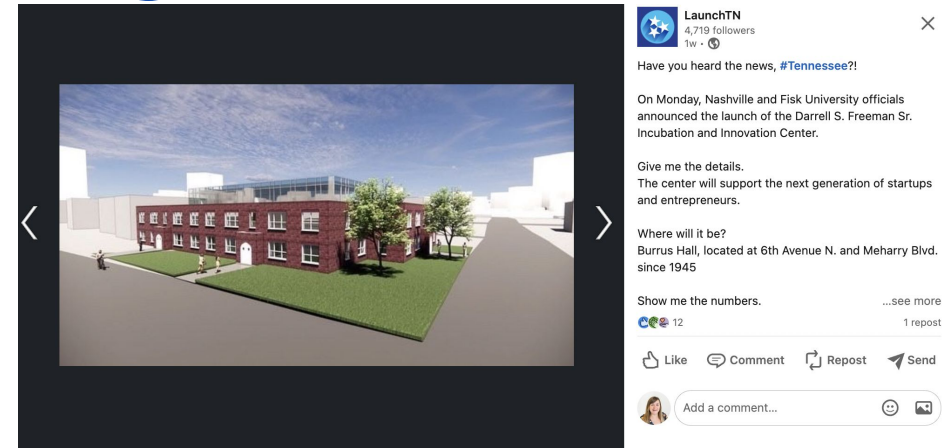
- Current **Open Rate Avg: 39%** (Industry Avg: 21.56%)
- Highest performing story: [Launch Tennessee Seeks FinTech, Consumer Product Partners \(RFP\)](#)

Social Media

- Total average monthly reach: **35K**
- LinkedIn outpaced Twitter as our top performing platform this quarter
- Top posts Fisk University announcement; Strategic planning

Website

- Revamp in the works



New on the team

Director of Communications



Chloé Morrison joined the team in late November.

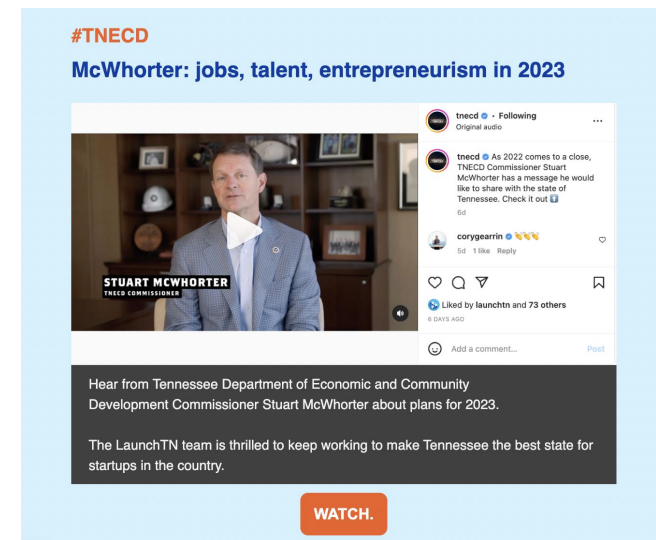
Social Media Coordinator



Abbey Lerner started part-time on Jan. 10. She will go full-time in May.

In the news

- CIO Monique highlighted in 2022 most impactful conversations
- Mentions from ECD, City of Chattanooga
- Founders on Forbes 30 under 30



Team goes to Memphis

- The LaunchTN team visited Memphis to attend ZeroTo510 Demo Day and Epicenter's Holiday Reception
- Five founders pitched ideas to help problems — from smoking addiction to sleep apnea — at ZeroTo510 Demo Day.
- The team had founder meetings, attended networking events, worked out of Epicenter, met with area investors.



Looking ahead

The communications team will be contributing to several upcoming projects:

- Innovation Week
- Fund Tennessee/InvestTN/LendTN launch/communications
- Website refresh

Long-term goals include:

- successful execution of above projects
- increased positive media attention for LaunchTN and founders
- thought leadership via social media and newsletter content

- SBIR Matching Fund update
- Innovators Summit

Commercialization Report

Commercialization Updates

FY23 SBIR/STTR Matching Fund

- **Midpoint Interviews**

- Lab Resource Expansion
 - Ex. SkyNano LabShare MVP
- Translational Research Funding
 - Ex. Ford/EV Manufacturing > EV Research
- State Procurement Channels (Startup Specific)
 - Ex. DoT Charging Stations > Startup Tech

- **Program Updates (Pending Budget)**

- \$9M Budget Request (\$12M Demand Projection)
 - Aiming for annual allocation
- Greater match flexibility
 - DOE FOA's / Cost Share Matching
- Proof of Concept Funding
 - Ex. Commercialization Incubator @ UTC Smart City Corridor

- **SBIR/STTR Matching Fund - 5 Year Report**

- Advocacy material for program impact to date



Commercialization Updates

FY23 Innovation Week

- **Innovators Summit (Wednesday, March 29th)** *tentative times, subject to change
 - NIH/HHS Workshop (9-10am)
 - NSF/iCorp Workshop (11-12am)
 - SBIR/STTR DoD Awardee Mixer (12-1pm)
 - DoD Agency & Purchasing Officer Panel
 - DoE Policy Roundtable Conversation (TBD)
 - Mentor Network Training (2-4pm)
 - LTN Open House (4-7pm)
- **Lab Day (Thursday, March 30th)**
 - The Wond'ry @ Vanderbilt (TBD)
 - TSU Agriculture Research & Extension Center (TBD)
 - Cumberland Emerging Technologies (TBD)
 - NashTech <> University Reception (5:30pm)

- Network Partner updates

Network Partner Report

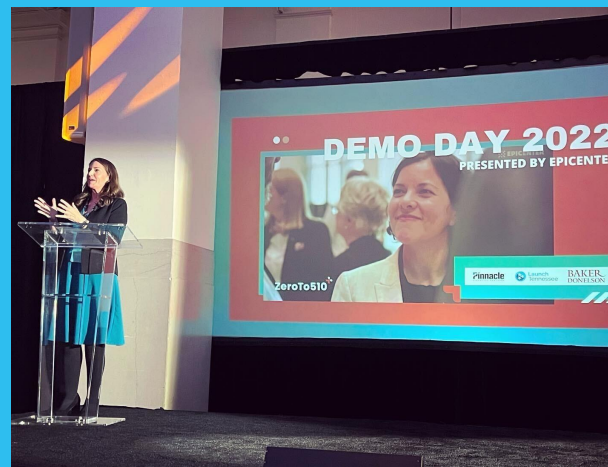
Network Partner Updates

+ LaunchTN Team Travels

- **East TN:** The Biz Foundry Start Here Pitch Competition, Beer & Biotech with BioTN, Create Appalachia with Sync.Space
- **Middle TN:** Twende Graduation
- **West TN:** ZeroTo510 Demo Day, Epicenter Holiday Celebration

+ Upcoming in Q3

- Innovation Week
- Announcement of new Industry Network Partners



Executive Session