



**Venture Capital
Authority**

Venture Capital Authority Annual Report 2022

Thea Chase, Chair
Nikhil Mankekar, Vice Chair
Lena Giacomini, Treasurer





Venture Capital Authority

c/o Office of Economic Development & International Trade

Business Funding and Incentives

1600 Broadway, Suite 2500

Denver, CO 80202

January 31, 2023

Dianne E. Ray

State Auditor

Office of the State Auditor

State Services Building

1525 Sherman St., 7th Floor


Denver, CO 80203

Dear Dianne E. Ray:

This letter contains the Venture Capital Authority's annual report on the "Venture Capital Program" in accordance with C.R.S. 24-46-206 and documents implementation of the legislative declaration in C.R.S. 10-3.5-102.

Thank you for your time and attention in this matter. Please contact Sonya Guram, staff for the Venture Capital Authority at (720) 541-1030, if you have any questions pertaining to this report.

Sincerely,

DocuSigned by:

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Thea Chase

Chair, Venture Capital Authority

SUMMARY

This report contains the Venture Capital Authority's mission and goals, along with program results for the life of the program through calendar year 2022.

History:

In 2005, the Venture Capital Authority was created and given the authority to issue tax credit certificates - for a total value of fifty million dollars - to qualified taxpayers. The VCA successfully completed the sale of these tax credits at an average price of eighty-six cents on the dollar—with no individual transaction completed for less than eighty cents on the dollar. The insurance companies fulfilled their contract to purchase annual premium tax credits through the contract period (2014). The funds received from the sale of the tax credits created the initial certified capital with which the VCA was able to partner and invest in professional venture capital funds to invest in Colorado businesses.

The VCA committed \$21,766,408 towards Colorado Fund I and \$25,374,260 towards Colorado Fund II in certified capital to Colorado Fund II over each of the 10-year terms of each fund from payments the Venture Capital Authority received from the insurance companies that purchased the premium tax credits.

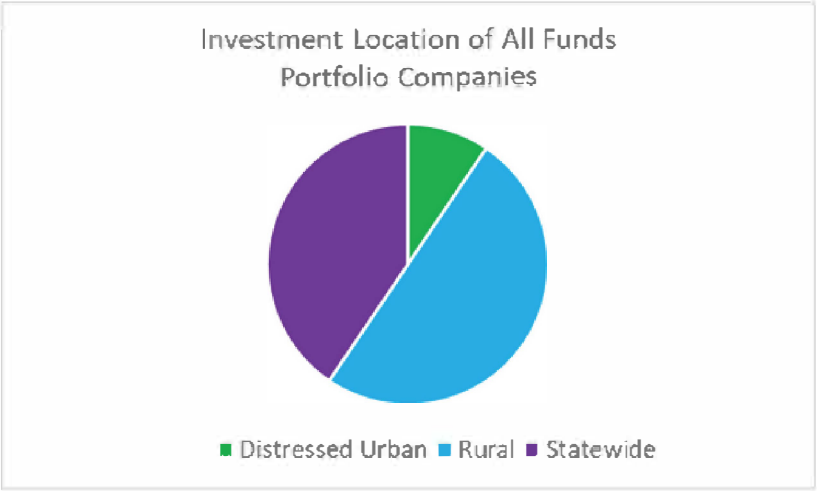
SUMMARY

Present:

Currently the VCA manages an enterprise fund as a revolving evergreen fund to provide continued seed and early-stage investment capital to qualified businesses. The VCA has entered into Limited Partnership Agreements that provide for return of principal and a negotiated percent of profits to create a mechanism for a revolving evergreen fund.

The VCA has currently committed a cumulative \$38,375,000 in certified capital towards the current 4 funds with the goal to invest in businesses that are headquartered and have principal business operations in Colorado and are based in different geographical areas including rural, urban distressed and statewide. The VCA and fund managers may set specific location goals for each fund.

Additionally, in August 2022, US Department of Treasury approved the Colorado Venture Capital Authority to receive federal funds as an Other Credit Support Program (OCSP), from the State Small Business Credit Initiative (SSBCI), under The American Rescue Plan Act of 2021. With these funds, the Venture Capital Authority program will use allocated funds to invest funds to underserved startups and provide additional venture capital across geography and to diverse founders. Eligible businesses are, by definition, either Very Small Businesses and/or SEDI-Owned Businesses.



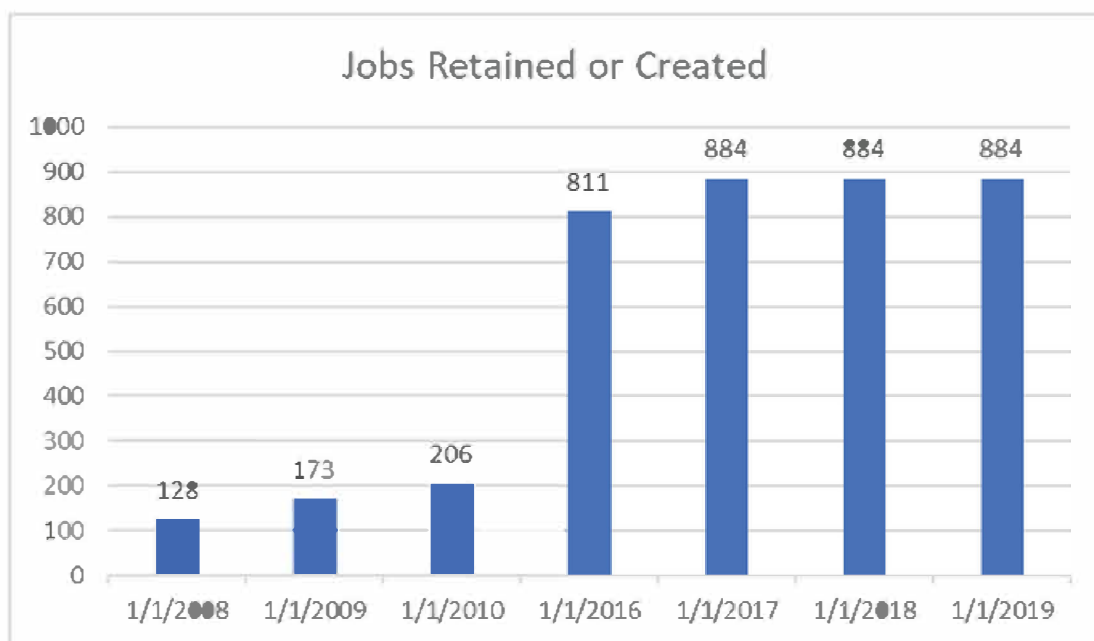
COLORADO FUND I

Colorado Fund I, L.P. was formed in June 2005 was the initial fund in which the Venture Capital Authority was a limited partner. The geographic focus of the fund is Qualified Investments in Business in Urban Distressed, Rural and Statewide as defined in VCA Statute.

Colorado Fund I completed investments in 2014. Colorado Fund I had invested a total of \$24,350,717.

The capital contributed by the VCA to make investments was \$21,766,408 per the terms of the Colorado Fund I limited partnership agreement.

The number of jobs created in Colorado from qualified investments in CFI were 884 as of December 31, 2018, the final report for the Fund prior to dissolution.



COLORADO FUND I

Colorado Fund I was paid expenses related to managing and operating Fund I from certified capital (contributed by the VCA) of \$3,823,106 since the program's inception through 2018.

This partnership was dissolved in 2018. The VCA received distributions of proceeds from 4 investments totaling just under \$39 million.

The portfolio businesses and their geographic location are provided in the table below:

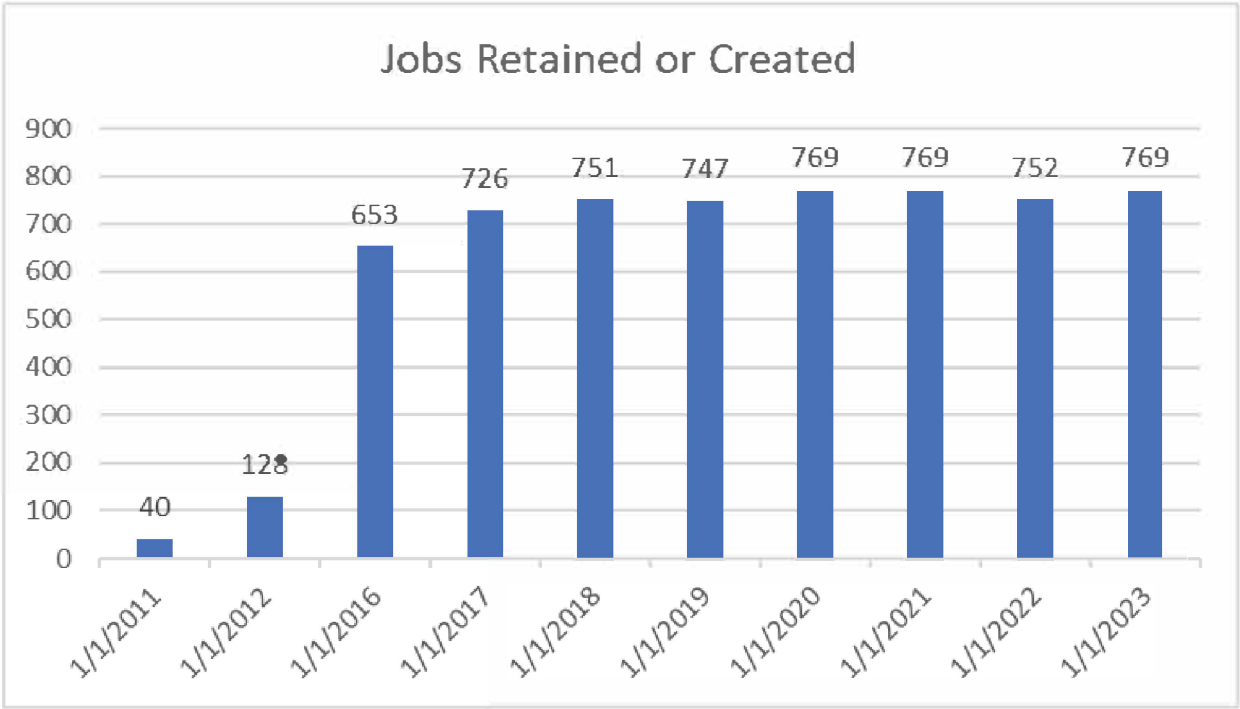
Company	Investment Location	County
Atrato (Sherwood)	Statewide	Jefferson
Digabit (Aftama)	Rural	Mesa
EnVysion, Inc.	Statewide	Boulder
Lijit Networks, Inc.	Statewide	Boulder
LogRhythm, Inc.	Statewide	Boulder
Oberon	Rural	Clear Creek
Qualvu	Statewide	Jefferson
Sierra Neuro	Distressed Urban	Adams
Sinopsys (DCS Surgical)	Statewide	Boulder
Smart Care Clinics, Inc.	Statewide	Arapahoe
Surginetics, LLC	Statewide	Boulder
Taligen Therapeutics, Inc.	Distressed Urban	Adams
Theratogs, Inc.	Rural	San Miguel

COLORADO FUND II

Colorado Fund II, L.P. was formed in January 2010 and is the second fund in which the Venture Capital Authority engaged as a limited partner. The geographic focus of the fund is Qualified Investments in Business in Urban Distressed, Rural and Statewide as defined in VCA Statute.

The VCA has contributed \$25,477,981, based on capital called, for investments in Colorado Fund II per the terms of the limited partnership agreement.

The number of jobs retained or created in Colorado from qualified investments in the fund were 769 as of December 31, 2022.



COLORADO FUND II

To date, VCA has received distributions of proceeds from investments in the portfolio businesses totaling almost \$9 million.

The portfolio businesses and their geographic location are provided in the table below:

Company	Investment Location	County
AktiVax	Rural	Gilpin
BirdBox	Statewide	Boulder
Clarimedix	Distressed Urban	Arapahoe
Collective IP (Covalent)	Distressed Urban	Boulder
Digabit (Aftama)	Rural	Mesa
EndoShape	Rural	Bouler
EnVysion	Statewide	Boulder
FitBionic	Rural	Clear Creek
Full Contact	Statewide	Denver
Kapost (Grogger)	Statewide	Boulder
Lijit	Statewide	Boulder
Mosaic	Distressed Urban	Arapahoe
Mosoro	Statewide	Jefferson
Oberon (Nutrinsic)	Rural	Clear Creek
QualVu	Statewide	Jefferson
Sinopsys (DCS Surgical)	Statewide	Boulder
Trisalus (Surefire)	Statewide	Jefferson
VetDC	Distressed Urban	Larimer
ViroCyt	Distressed Urban	Denver

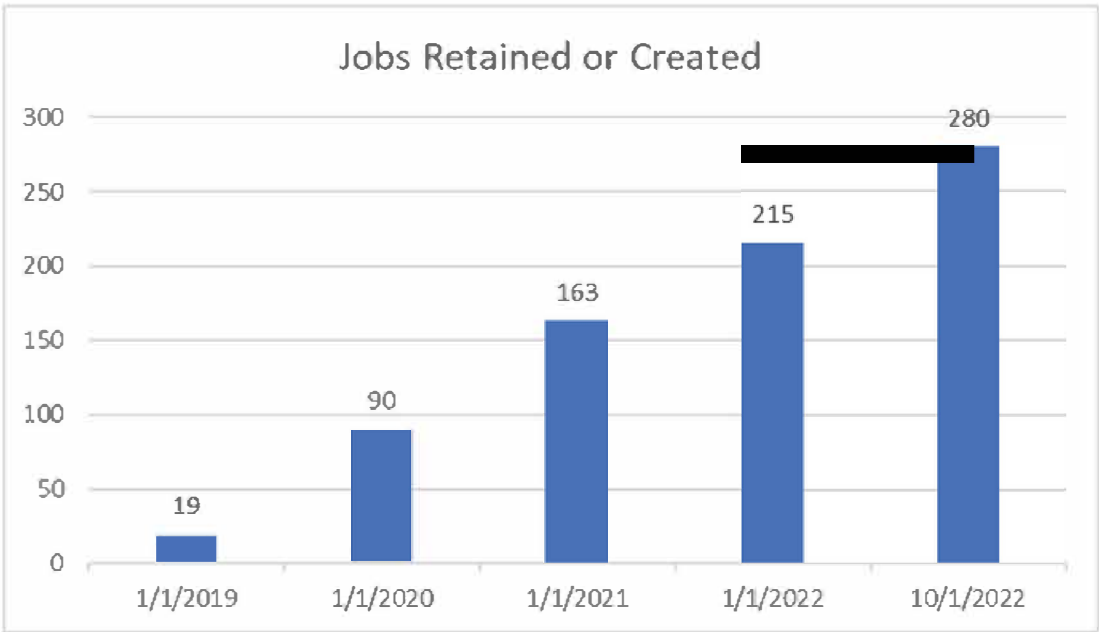
GREATER COLORADO VENTURE FUND I

Greater Colorado Venture Fund I, L.P. was formed in July 2018 is the third fund in which the Venture Capital Authority has invested as a limited partner. The geographic focus of the fund is Qualified Rural Businesses as defined in VCA Statute.

The VCA has contributed \$9,019,989 towards investments, based on capital called, for Greater Colorado Venture Fund I per the terms of the limited partnership agreement.

Through December 31st, 2022, distributions of proceeds to the VCA from investments totaled \$5,519,500.

The number of jobs retained or created in Colorado from qualified investments in the fund were 280 as of September 30, 2022.



GREATER COLORADO VENTURE FUND I

To date, VCA has received distributions of proceeds from investments in the portfolio businesses totaling over \$5 million.

The portfolio businesses and their geographic location are provided in the table below:

Company	County
32 Waves	Mesa
Agile Space Industries, Inc.	La Plata
Barn Owl	Otero
Bravrr, Inc.	Fremont
Campground Booking (Nomad)	Montrose
Cloudrise	Mesa
Felt, Inc.	San Miguel
Glade Optics, LLC	Summit
Hacker Noon (ArtMap Inc.)	Eagle
Haekka (Day Zero, Inc.)	Routt
Healthy Young Minds	Eagle
InFocu5 (Focus Commerce, LLC)	San Miguel
IONA Tech	San Miguel
Iron-IQ	Mesa
Ivy Camps	Pitkin
Leopard	Pitkin
Marble Distilling Company, Inc.	Garfield
MUNIREvs, Inc.	Montezuma
Online Web Services US, Inc.	Montezuma
QuietKat, Inc.	Eagle
Revel Bikes, Inc (Why Cycles)	Garfield
Rever Moto, Inc.	Eagle
SheFly Apparel, LLC	Gunnison
Sky Peak Technologies	Mesa
Smart Media Tech (FastG8)	Garfield
Three Guys Farm, Inc	Alamosa
Venga Group, Inc	Routt
Western Rise, Inc.	San Miguel

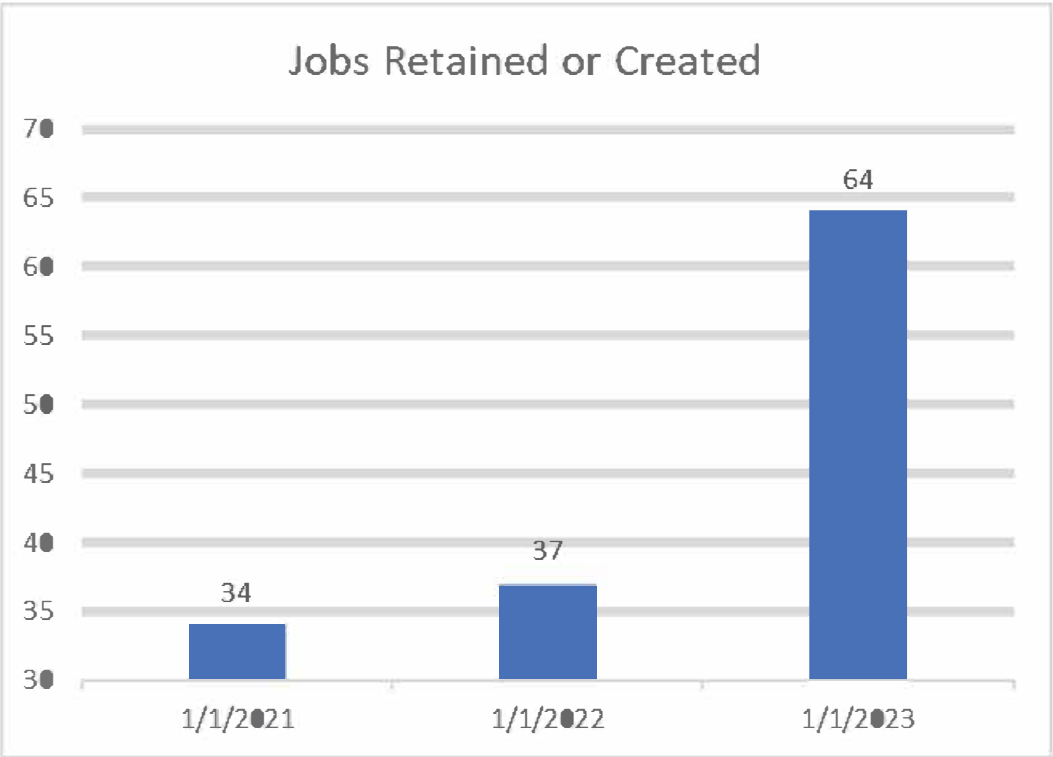
FIRSTMILE VCA 2020

FirstMile VCA 2020, L.P. was formed in February 2021 as the fourth fund in which the Venture Capital Authority has partnered. The geographic focus of the fund is Qualified Business in Colorado as defined in VCA Statute.

The VCA has contributed \$4,245,463, based on capital called, towards investments for FirstMile VCA 2020 Fund per the terms of the limited partnership agreement.

Through December 31st, 2022, no distributions of proceeds from investments have been made.

The number of jobs retained or created in Colorado from qualified investments in the fund were 64 as of December 31, 2022.



FIRSTMILE VCA 2020

The portfolio businesses and their geographic location are provided in the table below:

Company	County
Barn Owl Tech, Inc.	El Paso
Credo Health Solutions, Inc.	Denver
Giide Audio, Inc.	Boulder
IA Technologies, Inc.	El Paso
Magenta Care Continuum, Inc.	Denver
Monocle Insights, Inc.	Arapahoe
Nyla Technologies, Inc.	Larimer
Pomp Beauty, Inc.	Denver
Precog Data, Inc	Boulder
Resurface Labs, Inc.	Boulder
Rook Technology Holdings, Inc.	Boulder
Sway Health Inc. (Pain Theory)	Denver
Swivel Demos (DemoFlow)	Denver

GREATER COLORADO VENTURE FUND II

Greater Colorado Venture Fund II, L.P. was formed in October 2022 as the fifth fund in which the Venture Capital Authority has invested as a limited partner. The geographic focus of the fund is Qualified Rural Businesses as defined in VCA Statute and the SSBCI Guidelines.

The VCA has contributed \$231,020, based on capital called, towards investments for Greater Colorado Venture Fund II per the terms of the limited partnership agreement.

VCA has not yet received distributions of proceeds from investments in the portfolio businesses.

The single portfolio qualified business invested in is a qualified Rural and SSBCI business called InBuild Inc. At the time of investment, the company had 3 jobs in CO with expectation to reach 6 after investment.

The portfolio businesses and their geographic location are provided in the table below:

Company	Investment Location	County
InBuild, Inc	Rural	Pitkin

NCTF - COLORADO PARALLEL FUND I

NCTF - Colorado Parallel Fund I, L.P. was formed in October 2022 as the sixth fund in which the Venture Capital Authority has invested as a limited partner. The geographic focus of the fund includes Qualified Businesses and Qualified Urban Distressed Business as defined in VCA Statute and the SSBCI Guidelines.

The VCA has contributed \$400,360, based on capital called, towards investments for NCTF - Colorado Parallel Fund I per the terms of the limited partnership agreement.

VCA has not received distributions of proceeds from the portfolio businesses.

~End of Report~

