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November 30, 2024

The Honorable Joseph Lombardo
Office of the Governor
One Hundred One North Carson Street
Carson City, Nevada 89701

Mr. Nick Anthony, Director
Legislative Counsel Bureau
401 South Carson Street
Carson City, Nevada 89701

Re: Nevada Battle Born Growth Escalator, Inc. Annual Report 2024

Governor Lombardo and Director Anthony:

Pursuant to NRS 231.0545, an annual report is required to be submitted by the Board of Directors of the nonprofit corporation formed to promote, aid, and encourage economic development. The report is attached and covers the reporting period of November 1, 2023 through October 31, 2024.

Please feel free to contact me should you have any questions via telephone at 702-486-3702 or via e-mail at tjburns@goed.nv.gov.

Sincerely,

Thomas J. Burns
Executive Director

cc:

Ryan Cherry, Governor's Chief of Staff
Amy Stephenson, Director, Governor's Finance Office
Wayne Thorley, Senate Fiscal Analyst
Sarah Coffman, Assembly Fiscal Analyst

Morgan Barlow, Program Analyst, Fiscal Analysis Division
Roxana Gifford, Executive Branch Budget Officer, Governor's Finance Office
Leandra Diossa, Director of Administration, Governor's Office of Economic Development
Karsten Heise, Senior Director Strategic Programs & Innovation, Governor's Office of Economic Development
Sherry Lloyd, Program Compliance Officer, Governor's Office of Economic Development

Annual Report Regarding the Nevada Battle Born Growth Escalator, Inc.

Per NRS 231.0545, the annual report must include:

1. *An accounting of all money received and expended by the nonprofit corporation, including, without limitation, any matching grant funds, gifts or donations:*

For the reporting period November 1, 2023, to October 31, 2024, the nonprofit corporation has received a total of \$6,670,038.27 and expended a total of \$5,678,768.43.

2. *The name and a brief description of all businesses receiving an investment of money from the nonprofit corporation formed pursuant to NRS 231.0545:*

GOED had contracted with the Nevada Microenterprise Initiative, Inc. (“NMI”) to act as a custodian for Battle Born Growth Escalator, Nevada’s venture capital program, administered by GOED, under the federal State Small Business Credit Initiative (“SSBCI”). After receiving authorization through Assembly Bill No. 17 of the 78th (2015) Session of the Nevada Legislature (“AB 17”) and upon subsequent formation of the nonprofit corporation in July of 2016 as *Nevada Battle Born Growth Escalator, Inc.* (“NBBGEI”), GOED terminated the contract with NMI and now has an agreement with NBBGEI for the latter to serve as custodian of all investment and loan holdings.

In October 2022, The United States Treasury [announced](#) it had approved up to \$112.9 million for [Nevada’s State Small Business Credit Initiative](#) (SSBCI). Nevada’s Program has received the first tranche of \$34.87 million and is overseen by GOED. On October 11, 2022, the Nevada Board of Examiners approved a new contract between GOED and NBBGEI for the latter to serve as the sole contractor to operate the new SSBCI Program for GOED. Nevada’s SSBCI Program contains three Loan Participation Programs and one Collateral Support Program in addition to its Venture Capital Program. Nevada’s SSBCI Program launched in January 2023.

I. SSBCI 1.0 and Second Generation (recycled funds) Venture Capital Portfolio Holdings prior to the second SSBCI Program (SSBCI 2.0) launch in 2022

STARTUPNV AND GENER8TOR (Funding provided: March 2022 to June 2024)

While not a traditional investment, NBBGEI provided funding support for gener8tor’s operations in [Reno](#) and [Las Vegas](#) through a two-year contract with gener8tor and for

[StartUpNV](#)'s statewide operation through a three-year contract. The objective is to generate regular deal flow for the new SSBCI Program to invest in.

This provision of *operational* support is not part of the SSBCI program, and Battle Born utilized second generation SSBCI funds. Second Generation SSBCI Funds are defined as proceeds resulting from divestments of Battle Born Venture and/or repayment of collateral and associated fees under Nevada's SSBCI Collateral Support Program (CSP), Nevada's second SSBCI program.

Post contract expiration, NBBGEI will continue to co-invest with both accelerators for SSBCI venture capital transactions.

ACCESS HEALTH DENTAL

(Investment: April, 2015, Partial Divestment: November, 2017, Participation in follow-up investment round: December, 2018)

Based in Las Vegas, NV, 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.

CIRCLEIN

(Investment Round 1 - first tranche: January, 2018, second tranche: October, 2018; Investment Round 2 – first tranche: August, 2019, second tranche: February, 2020)

CircleIn has developed a student-to-student tutoring app. 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. CircleIn has shown data to support beneficial student outcomes from using the app, and it offers a “safe space” for students by using “bad word” and “bad image” screens that are immediately flagged to the relevant school. It has both Android and iOs apps available. Since Battle Born's original investment, CircleIn has pivoted to focus on the college market, a more lucrative target market than its original focus. Contracts are based on total number of full-time freshmen enrolled, and most contracts are paid annually upfront with typically two-year terms. In July 2022, CircleIn successfully raised a \$3.5M Series A round.

GRRRL

(Investment: December, 2019)

Grrrl is a Las Vegas-based athleisure company that focuses on size-free clothing and targets niche women's sports such as MMA and Highland Games. Its philosophy is centered around women's empowerment, with an emphasis on fitness at any size. Co-founded by a husband-

and-wife team, the brand is fronted by professional athlete Kortney Olson as well as professional athlete brand ambassadors. The team relocated to Las Vegas in 2019, ahead of investment by Battle Born.

HELIGENICS

(Investment: October, 2020)

Heligenics is a spinout company from UNLV and originates from a 2013 Knowledge Fund investment seeding the Nevada Institute of Personalized Medicine (NIPM) and subsequent project funding.

Based on the GigaAssay technology developed at the University of Nevada, Las Vegas in the Schiller Laboratory of Applied Bioinformatics, Heligenics' GigaAssay is a massively parallel biological platform that can simultaneously measure how tens of thousands of genetic variants or other sequence variables affect a molecular function or a cell process. To date, there are no other established high-throughput assays that assess biological function.

The company focuses on functional genomics research and services offering comprehensive genomic solutions to pharmaceutical and biotechnology companies, as well as healthcare providers, to advance personalized medicine and precision therapeutics.

Heligenics provides custom services in the drug development and molecular diagnostic space. This includes the construction of large variant libraries (consisting of every variant in a gene with 100s of copies) and the development of cell-based GigaAssays for testing these libraries.

INNEVATOR II, LLC

(Investment: first tranche: August, 2018, second tranche: June 2019)

InNEVator is a one-of-a-kind Internet of Things (IoT) focused bootcamp hosted through the Innevation Center at University of Nevada, Reno.

InNEVator's goal is to add to Reno's technology community by helping to grow companies within a supportive community. Companies selected to participate in the 8-week bootcamp will work directly with experts to accelerate development of prototyping, creative thinking, commercialization, seed-funding, planning and operations, customer engagement, and other aspects of business. Mentorship and introductions to investors are core elements of the bootcamp. InNEVator invested in 14 companies. As these are companies in the very early stages of their development the investments made by InNEVator II are highly risky but fill a crucial gap in the entrepreneurial ecosystem.

For this investment, which is not part of the SSBCI program portfolio, Battle Born utilized second generation SSBCI funds. Second Generation SSBCI Funds are defined as proceeds resulting from divestments of Battle Born Venture and/or repayment of collateral and associated fees under Nevada’s SSBCI Collateral Support Program (CSP), Nevada’s second SSBCI program. Second Generation Funds are the sole funding source for Nevada Battle Born Growth Escalator, Inc.

OUTLAW SOAPS

(Investment Round 1: October, 2020; Investment Round 2: August, 2021)

Founded in 2013, Outlaw Soaps is a Sparks-based personal care company that focuses on Millennial men. Its products range from traditional offerings, such as bar soap, body wash and hand wash, to beard and hair elixir and air fresheners. It offers 7 signature scents, that include fragrances such as, campfire, leather, whiskey, sagebrush, pine, and fresh cut grass.

The company was founded by a husband-and-wife team with experience in building digital brands at Oprah.com, and with building startups. The Venture Program participated in the company’s follow up investment round this year given the positive traction of the company since 2020.

For Investment Round 2 Battle Born utilized second generation SSBCI funds. Second Generation SSBCI Funds are defined as proceeds resulting from divestments of Battle Born Venture and/or repayment of collateral and associated fees under Nevada’s SSBCI Collateral Support Program (CSP), Nevada’s second SSBCI program.

QUANTUM COPPER

(Investment Round 1: August and October, 2022)

Quantum Copper is a licensee from UNLV based on research sponsored by NSF & UNLV and a direct result of a Knowledge Fund project. The company is developing next generation fire prevention battery materials to improve the mechanical capabilities of separators, current collectors, battery packaging and housing.

Since its founding, Quantum Copper (“QC”) has focused on mitigating fire risks in lithium batteries with inside-the-cell innovation. It is minimizing the technical and execution risk with global collaborative stakeholders. Currently pilot level scalable projects are being undertaken with partners to accelerate the adoption of these technologies.

For Investment Round 1, Battle Born utilized second generation SSBCI funds. Second Generation SSBCI Funds are defined as proceeds resulting from divestments of Battle Born Venture and/or repayment of collateral and associated fees under Nevada’s SSBCI Collateral Support Program (CSP), Nevada’s second SSBCI program.

SEMI EXACT

(Investment Round 1: June, 2021; Investment Round 2: August, 2022)

Semi Exact a custom furniture company, in Minden, NV which is creating a new category in the consumer goods market that changes the way people think about making, purchasing, and enjoying furniture. The company can be described as a DNVB (Digitally Native Vertically integrated Brand) with advanced manufacturing.

Investment Round 1 took the SSBCI Venture Capital Program to fully invested status for First Generation funds. First Generation SSBCI Funds are defined as funds originating from the initial SSBCI allocation and do not include proceeds from divestments. It was also the first investment in a company that is based in rural-Nevada.

For Investment Round 2, Battle Born utilized second generation SSBCI funds. Second Generation SSBCI Funds are defined as proceeds resulting from divestments of Battle Born Venture and/or repayment of collateral and associated fees under Nevada's SSBCI Collateral Support Program (CSP), Nevada's second SSBCI program. Second Generation Funds are the sole funding source for Nevada Battle Born Growth Escalator, Inc. Semi Exact also attracted local investors Reno Seed Fund and StartUpNV as match in its respective rounds.

TABER INNOVATION

(Investment: January, 2020)

Taber Innovations is a Las Vegas-based company that has developed a technology suite that enables real time information to be captured and analyzed from a fire scene, thus enhancing fire fighter safety. Its advantage is that it allows monitoring of fire fighter condition, this is currently done verbally via radio. This reduces communication confusion at fire scenes and allows the incident commander to make better decisions as to when and where to send in recovery crews.

The convertible promissory note of \$100,000 book value has been extended and is being repaid by the company in 36 monthly payments with the first payment due on January 1 2024, and subsequent payments due on the first day of each following month until December 1, 2026, at which time any unpaid balance, shall be due in its entirety (if not previously paid).

TU BIOMICS

(Investment Round 1: April, 2020; Investment Round 2: July, 2021)

Tu Biomics is a spinout company from the Desert Research Institute (DRI) and originates from a 2013 Knowledge Fund investment seeding the Applied Innovation Center of Advanced Data Analytics (AIC) and subsequent project funding. Tu Biomics is focused on developing organic crop protection products for the global agriculture industry of industrial-

scale farming. In conjunction with DRI's plant and molecular biology scientists, Tu Biomics is developing a platform of organically derived biocontrol agents (BCAs) as a sustainable, effective alternative to currently available synthetic chemistry options.

For this investment, Battle Born utilized second generation SSBCI funds. Second Generation SSBCI Funds are defined as proceeds resulting from divestments of Battle Born Venture and/or repayment of collateral and associated fees under Nevada's SSBCI Collateral Support Program (CSP), Nevada's second SSBCI program. Second Generation Funds are the sole funding source for Nevada Battle Born Growth Escalator, Inc.

TALAGE INSURANCE

(Investment: June, 2018)

Talage is a Reno-based startup that has created a fully automated software platform to help small business owners compare and instantly purchase an increasing range of commercial insurance policies. Talage connects business owners directly to insurance carriers, allowing them to save time and money when purchasing workers' comp, liability and property coverage. Its advantage is that it offers customers the ability to compare, select and purchase insurance in the space of less than ten minutes. Most competitors instead refer the business to brokers and customers complete their purchase offline.

Founded in 2015 by Adam Kiefer, Matt Donovan and Zachary Draper, the Company's goal is to be the first truly national digital insurance agency for the small business vertical. To date, Talage has partnered with eight AM Best A Rated insurance carriers including Chubb, Markel, Travelers, Employers, CNA, ICW, Acuity and Atlas General. Battle Born Venture invested in the Company in June 2018 in a round led by Bay Area-VC Merus Capital, and including SaaS focused accelerator Acceleprise, and venture debt major Western Technology Investment (WTI). In March 2022, the company raised \$9M of additional venture capital funding.

TRANSWORLDHEALTH

(Investment: July, 2014)

Reno, NV-based TransWorldHealth provides productivity software to the \$1bn+ safety net healthcare market. The various software modules were developed in response to the identified market need for better reporting, analytics and forecasting for easier ways to improve physician productivity and to provide a solution for effective coordination of care of patients between different clinical settings.

II. SSBCI 1.0 Fully Exited Venture Capital Investments

WEDGIES

Investment: November 2014, Exit Process Completed: June 2018

WISEBANYAN

Investment Round I: September 2016; Investment Round II: March 2018, Exit Process Completed: February, 2019

BASE VENTURE

Investment Round I: July 2015; Investment Round II: July 2016, Exit Process Completed: July, 2019

FANDEAVOR

Investment Round I: July 2014; Investment Round II: January 2017, Exit Process Completed: August 2019

III. SSBCI 2.0 Venture Capital Portfolio Holdings – Year 1

ADARACT

(Investment: June 2023), SEDI¹ transaction

Valuation: At book cost \$200,000

Adaract, a Nevada-based startup, develops and markets high performance artificial muscle actuators for plug-and-play use in hydraulic systems; ultra compact Hydraulic Power Units for size-conscious systems requiring significant power output; and a new, potentially fruitful frontier in prosthetic R&D that's working on a synthetic-muscle-powered leg prosthesis. Once developed, the resulting device could be lighter, stronger, and more affordable than currently available powered prostheses.

AIFOUNDATION

(Investment: August 2023)

Valuation: At book cost \$50,000 (the company has been acquired and valuation will be adjusted)

AI.XYZ is a life management tool providing customized suggestions, ideas and support through a personalized AI. This includes Generative AI, Interactive AI, Personal AI, Proactive AI, AI for Workplace, AI for Employees, Your own AI, AI for Enterprise,

¹ SEDI = “Socially and Economically-Disadvantaged Individuals”, US Treasury definition: see <https://home.treasury.gov/system/files/136/SSBCI-Capital-Program-Policy-Guidelines.pdf>, pp. 8-12

Artificial Intelligence, AI Voice, AI Avatar, AI SaaS, Private-Label AI, Onboarding & Training, Employee Engagement, Company Knowledge Support, Personal Knowledge Support, AI Fine-tuning, AI co-pilot, and AI assistant.

BELOIT KOMBUCHA

(Investment: June 2023)

Valuation: At book cost \$100,000

Beloit Kombucha (MightyWell Foods) manufactures and markets kombucha food products and additives to consumers. Kombucha is produced by symbiotic fermentation of sugared tea using a symbiotic culture of bacteria and yeast (SCOBY) commonly called a "mother" or "mushroom" and numerous health benefits have been claimed to correlate with drinking kombucha, including gut health.

CAREWEAR

(Investment: August, 2023), SEDI transaction

Valuation: At book cost \$250,000

CareWear is a medical device firm headquartered in Reno that provides patient home use therapeutic wearables using a PhotoBioModulation (PBM) delivery system for treatment of pain, arthritis, soft tissue injury and muscle recovery. Carewear provides Remote Therapeutic Monitoring of its medical devices through its App and Cloud infrastructure to document patient treatment compliance and reporting of pain and functional status.

CLOTHESLYNE

(Investments: December, 2022 and March, 2023), SEDI transaction

Valuation: At book cost \$30,000

Clotheslyne is looking to disrupt the laundry industry with a unique laundry service model where they pick up laundry, clean/wash it and deliver it back to their customer. What's unique is that their service providers are either established laundromats or freelancers who are vetted and trained by Clotheslyne. Clotheslyne currently offers their laundry pickup and delivery services throughout Reno, Las Vegas/ Nevada, Upstate NY, Northern NJ, and Charlotte, NC and the surrounding areas.

GRANTCYCLE

(Investment: November, 2022), SEDI transaction

Valuation: At book cost \$50,000

Grantcycle (Atlas Solutions) has developed a collaborative grant management software for managing funding and reporting impact. Their SaaS solution streamlines and automates grant

management, so grant funders and recipients can spend less time on manual tasks and more time creating impact.

LET'S ROLO

(Investment: November 2022), SEDI transaction

Valuation: Book cost \$50,000 adjusted to \$159,225 following acquisition of company

Let's Rolo offers a suite of micro customer relationship management (CRM) products including digital business cards, Zoom® backgrounds and email signatures for people to store and manage contact information. Rolo interfaces all contacts to the CRM of choice.

LOOP SOFTWARE

(Investment: November 2022 and August 2024)

Valuation: At book cost \$50,000

Loop Software has developed and is now marketing a convenience web-based platform that connects people and their vehicles to automotive service centers for repairs and maintenance. Customers schedule to have their vehicles picked up by Loop's drivers, who take the vehicles to the customer's preferred auto service center.

NEURORESERVE

(Investment: June, 2023)

Valuation: At book cost \$150,000

NeuroReserve, a nutritional supplement company focused on neurological health in the DTC/eCommerce channel. The company's initial product, ELEVATE, is a brain supplement that fills the gaps between what most people eat, and the diets proven to be healthiest for your brain. RELEVATE is the first and only nutritional supplement based on the Mediterranean and MIND (Mediterranean-DASH Intervention for Neurodegenerative Delay) dietary patterns, shown to be the most effective for strengthening memory and cognitive performance, as well as reducing risk of neurodegenerative disease and dementia.

PROSPER

(Investment: December, 2022), SEDI transaction

Valuation: At book cost \$50,000

Prosper Technologies was founded to address a business marketing issue: many companies rely on digital ads to reach new users, but very few of them ever see a positive return on their ad spend. Word-of-mouth marketing is more effective, but there is no easy way for most companies to integrate or track their word-of-mouth marketing efforts. Prosper was built to solve this and make it possible for any company to integrate and scale their word-of-mouth marketing efforts.

REVONATE

(Investment: November, 2022)

Valuation: Book cost \$50,000 adjusted to \$0 as company has ceased operations

Revonate has developed and is now marketing a construction sales platform that provides contractors with a streamlined system to capture lead information & automate follow ups, generate instant quotes and contracts, provide real-time revenue forecast reports and accelerate customer payments.

SAGE MEDICAL

(Investment: December, 2022)

Valuation: Book cost \$50,000 adjusted to \$0 as company has ceased operations

Sage Medical is an AI-driven medical coding and billing platform that remedy the gaps in the healthcare coding and billing system. Their solution combines medical coding, billing & dictation into one fully baked real-time platform, saving physicians dollars while increasing productivity.

SILICA NEXUS

(Investment: August, 2023)

Valuation: At book cost \$250,000

Silica Nexus (Convergence of 4 Dimensions) is creating the operating layer that will bring all AR/VR, 2D and 3D platforms onto one real-time multiplayer platform, and is building a community ecosystem that will drive the in-game virtual economy onto the blockchain and into the real-world lives of developers, creators, and players.

SEE ID

(Investment: November, 2022)

Valuation: Book costs \$351,000 (November 2022) and \$100,000 (December 2023) adjusted to \$1,954,333 as company is [preparing for Initial Public Offering](#) (IPO)

SEE ID, Inc. helps businesses transform their operations with a single goal in mind: increased safety and efficiency. Through extensive research and development, SEE ID's main focus includes Industrial IoT, Indoor & Outdoor tracking with seamless transitions from inside to outside, Passive RFID (including Bluetooth and 5G) and software applications

TERBINE

(Investment: November 2022), SEDI transaction

Valuation: Book cost \$225,000 adjusted to \$562,500

TerbineLink is designed to synchronize all of the key elements involved with EV charging infrastructure. Operating in the cloud, the software-based platform has been developed to give system operators the ability to monitor and manage increasingly complex multi-vendor environments spread across wide geographies.

TU BIOMICS

(Investment: August 2023)

Valuation: At book cost \$200,000

Tu Biomics is focused on developing crop protection products from microbial extracts, capable of countering economically impactful soil borne diseases. The company is a Knowledge Fund spinout from DRI. The August, 2023 marked the consistent third time NBBGEI participated in the company's investment round.

VISIONAID

(Investment: 2023)

Valuation: At book cost \$50,000

VisionAid (Project Cornell) has developed an electronic glasses product that is designed to improve visual performance for legally blind and low vision individuals.

VISTRO

(Investments: November 2022 and July, 2023), SEDI transaction

Valuation: At book cost \$100,000

Vistro is a collection of virtual food delivery brands and ghost kitchens focused on creating technology to streamline how food is ordered, cooked, and delivered.

IV. SSBCI 2.0 Venture Capital Portfolio Holdings – Year 2

AIR CORP

(Investment: January 2024), SEDI transaction

Valuation: At book cost \$50,000

AIR Corp develops state-of-the-art remote-control robots and vision inspection software. Unlike traditional drones and land rovers, AIR Corp's robots have the ability to climb up

walls and navigate a variety of difficult-to-reach infrastructure using hybrid magnetics, propellers, and land locomotion.

CARTWHEEL ROBOTICS

(Investment: September 2024)

Valuation: At book cost \$500,000

Using Cartwheel actuator IP and state-of-the-art robotics technology, they are developing a small, expressive, capable, 1-meter-tall humanoid platform and partner with Inworld, a leader in character AI, to develop Artificial Individual Intelligence (AII), the opposite of Artificial General Intelligence, to make each robot unique. We will focus first on addressing the human-robot interaction (HRI) problem from a safety and social perspective and then move toward utility. Per Cartwheel, “Our solution begins by developing a foundational small humanoid that can entertain and have meaningful interactions with humans - winning hearts.” The entertainment industry/market will be the beachhead to generate early revenues. As the technology evolves and the costs come down, they will naturally expand into other markets (e.g., hospitality, service) and eventually achieve general purpose where the robot can augment the human labor force and enter the home.

CLICKBIO

(Investment: May and July 2024), SEDI transaction

Valuation at total book costs \$200,000

ClickBio specializes in developing innovative solutions tailored to address challenges at the intersection of biological processes and engineered automation systems. Our technical design team is comprised of mechanical engineers and seasoned scientists. This blend of expertise enables us to address complex laboratory workflows, thereby facilitating the creation of impactful solutions. Within our product portfolio, we offer a variety of consumable plastics, magnetic bead separation products, as well as small devices and instrumentation. Additionally, ClickBio excels in crafting labware solutions tailored to the specific needs of clients within the realms of Big Pharma, Contract Research Organizations (CROs), Biotechnology, and Agricultural sectors.

CREATE GOOD FOODS

(Investment: January 2024), SEDI transaction

Valuation at book cost \$50,000

crEATe Good Foods (CGF) offers sustainable plant-based crEATe meats that are heart-healthy, cruelty free and, most importantly, delicious! crEATe meats are shelf stable and lightweight making shipping and logistics a breeze. crEATe Good Foods are rehydrated with water and oil instantly, can be used to make a complete meal in less than 20 minutes and is much more versatile than current plant-based offerings that come premade.

DAYA MEDICAL

**(Investment: August 2023 and May 2024), SEDI transaction
Valuation at total book costs \$1,000,000**

DayaMed (the “Company”) is a digital health company focused on medication adherence. The DayaMed platform combines the resources of a clinical care organization with an advanced mobile application that allows patients and their families to access medications, communicate with healthcare providers, and monitor medication adherence. DayaMed’s offering is a covered benefit by Medicare, Medicaid and most private insurers. The Company’s reimbursable services include telehealth outpatient visits, remote patient monitoring, medication therapy management, and chronic care management services. There are additional opportunities to expand clinical revenue stream as providers identify and address patient care needs, for example, annual wellness exams, preventive screens, and other care management services. More than half of all Americans have at least one chronic condition.

Treating people with chronic conditions accounts for 86% of healthcare spending. Only 40% of people with chronic conditions adhere to prescribed medication therapies. Nearly 1 in 3 adverse events leading to hospitalizations are associated with medication mismanagement. Over \$300B is spent annually on misuse, underuse & overuse of medications. DayaMed takes a holistic approach to medication adherence by offering the following benefits: Prescription refills, lowest drug prices, adherence driven rewards, organize, track and assist the patients with their adherence, and share this information with the patient’s caregivers and physician. The Company’s clinical staff works to support the primary care physician, the patients, and their caregivers in real-time to make sure they take the correct medications at the right time, every time. The DayaMed mobile application carries an accurate list of medications on their mobile device for all healthcare visits.

DOG & WHISTLE

**(Investment: October 2024), SEDI investment
Valuation: At book cost \$50,000**

Dog & Whistle is revolutionizing the pet food industry with a focus on sustainability, health, and transparency. They produce high-quality, upcycled pet food that prioritizes pet health and reduces environmental waste. Products include meals, treats, and toppers made from responsibly sourced ingredients, ensuring both nutritional value and sustainability. The company’s use of upcycled ingredients differentiates it from traditional pet food companies and aligns with growing consumer demand for sustainable products.

DRAIN DRAWER

(Investment: February 2024)

Valuation: At book cost \$50,000

Drain Drawer Pots sells high-quality houseplant pots made of recycled plastic. The product line incorporates a unique, patent-pending design that revolutionizes how customers take care of their plants at home, in the office, or outside. The design consists of a unique and innovative design of a pot with a removable drawer that has multiple features to make plant care effortless.

ECOATOMS

(Investment: May 2024), SEDI investment

Valuation at book cost \$500,000

The core of Ecoatoms business model is designing custom payloads to facilitate larger volume testing and production of biotech products. Customers to date for this product include L'Oreal and NASA. Ecoatoms is also leveraging IP developed around their experimentation platforms to develop their own microgravity IP around novel micro medical devices. Ecoatoms is generating revenue selling capacity on a lab unit that is launched into microgravity. The beauty of this model is that they are earning enough from their clients to cover the launch, but they have additional experimental capacity on their lab unit (sometimes as a separate unit) that they get to use for their own experiments in diagnostics. As such they become profitable on their clients while getting to perform research for their own inventions. They believe they will be successful in selling their lab unit space and then over time as they keep doing their own experiments, they will discover something quite remarkable which will result in an over-the-top outcome due to that discovery.

ELLY HEALTH

(Investment: September 2024), SEDI transaction

Valuation at book cost \$50,000

Elly Health is a digital health company that focuses on providing personalized mental health and chronic disease support through AI-driven technology. The platform offers tailored, evidence-based therapeutic content that is accessible, user-friendly, and science-backed.

HIBEAR

(Investment: December 2023), SEDI transaction

Valuation at book cost \$50,000

Hibear, located in Reno, created an “All Day Adventure Flask” for the outdoor market, regarding it as the Swiss Army tool of insulated bottles. It is built to provide a “kitchen counter like coolness” for the outdoors. The insulated flask is capable of crafting anything

from coffee to cocktails. Product range is continuously being expanded. The product is available via four distinct channels – direct to consumer, corporate, events, and retail (55 current retailers).

LOOP SOFTWARE

(Investment: November 2022 and August 2024)

Valuation: At book cost \$50,000

Loop Software has developed and is now marketing a convenience web-based platform that connects people and their vehicles to automotive service centers for repairs and maintenance. Customers schedule to have their vehicles picked up by Loop’s drivers, who take the vehicles to the customers’ preferred auto service center.

LUCIHUB

(Investment: December 2023)

Valuation: At book cost \$242,500

LuciHub is an Ai-powered hybrid video production platform and mobile app that captures user-generated content from collaborators of a certain project and outputs professionally edited videos in hours. Collaborators can also request revisions if there is something that needs to be fixed or refined. LuciHub provides professionally curated content to customers at a speed and affordability that has not been seen in the space before while leveraging both AI and human editors to guarantee the final product’s quality. They released the ‘Butterfly’ component this April. Butterfly uses AI to convert ideas into gripping scripts, precise shot lists, and engaging marketing content allowing the user to focus on bringing the vision to life

MELZI

(Investment obligated: September 2024), SEDI investment

Valuation at book cost \$500,000

Melzi is a medical device manufacturer headquartered in Reno. Operating Room teams, Surgeons and Nurses, will sometimes lose small items like needles, fragments and tools in patients during surgery. Sometimes the OR team knows an item has been misplaced. Sometimes surgical item counts reveal that an item is missing. In many cases, it’s been discovered that counts thought to be correct were incorrect. Currently surgical teams must spend time hunting for lost items and when not found call for X-ray. X-ray’s, however, are not recommended for smaller items as X-Ray frequently will not see items smaller than 15mm.

Melzi’s product, the Melzi Sharps Finder, which has been developed by the company and is FDA registered (Class II: Exempt) offers a solution. The product was introduced to the hospital surgical device market in early 2023. As of end August 2024, Melzi Sharps Finder

purchased and in use at 34 hospitals. Melzi is setting the stage to go from the early adopter phase to the high growth market phase.

PHONE2

(Investment: December 2023), SEDI transaction

Valuation: At book cost \$50,000

Phone2's cloud-based telephone system enables businesses to customize their caller ID display with their unique brand information, including logos, names, and reason for calling. This ensures that calls are instantly recognizable and instill confidence in customers, leading to a substantial increase in call answer rates, up to 4x higher than regular calls. This improved accessibility enables companies to engage with more customers, boost sales opportunities, and provide exceptional customer service. Phone2 seamlessly integrates with existing business phone systems, ensuring a smooth transition without disrupting ongoing operations. This allows businesses to leverage the benefits of branded calls without major infrastructure changes or additional costs. Phone2 offers comprehensive call analytics and reporting, enabling businesses to gain valuable insights into their communication patterns. This data helps identify bottlenecks, monitor call performance, and optimize business processes to drive efficiency and better serve customers.

QUANTUM COPPER

(Investment: August 2022; October 2022 and November 2023), SEDI transaction

Valuation: At total book costs \$300,000

Quantum Copper (QC), a Las Vegas based company founded in 2021, aims to develop and manufacture battery components that will help in making batteries less fire prone. They are currently developing flame-retardant non-active battery materials, particularly Battery packaging, Separator & Current collector. Company claims their products will be more cost effective, easy to manufacture and highly adaptable into various configurations, when pitted against currently existing battery solutions. QC uses a phosphorous based flame-retardant polymer to achieve flame retardancy in the battery components.

SEE ID

(Investment: November 2022 and December 2023)

Valuation: Book costs \$351,000 (November 2022) and \$100,000 (December 2023) adjusted to \$1,954,333 as company is [preparing for Initial Public Offering \(IPO\)](#)

SeeID is an active tagging system for logistics that tracks packages and items, both in stationary and mobile environments. The company has developed proprietary software that allows it to precisely locate items for security and safety purposes. To accomplish this task the company uses 3rd party RFID sensors and hardware that work in coordination to properly

locate and identify packages and items. This feature is highly valuable and elusive to most companies to achieve due to the complexities of antenna systems and RFID algorithms. The future for the company with its RFID array tracking system is to create a 5G chip to make them faster and have even lower power requirements.

STANDARD MEASURE TECHNOLOGIES dba NAILSTRY

(Investment: March 2024), SEDI transaction

Valuation: At book cost \$50,000

Standard Measure Technologies Corp provides consumers, brands, and e-commerce platforms with virtual sizing solutions to simplify online shopping. Their first product, Nailstry, provides a sizing solution for the press-on nail industry. It utilizes computer vision and machine learning, to detect and measure the customer's fingernails in real-time. This eliminates the need for excess press-on nails and sizing kits, reduces waste, and lowers sizing-based returns. Overall customers receive a truly personalized shopping experience while ecommerce brands and platforms see an increase in profits.

SAGE BRANDS dba BATTLE BORN BEER

(Investment: July 2024)

Valuation at book cost \$250,000

Sage Brands, Inc. dba Battle Born Beer (“BBB”) is a Reno-based brewery that has established its brewing operations and tasting room in downtown Reno, in the popular 4th Street corridor. BBB is pursuing a different brewing model, as compared to the traditional, much more common craft breweries. Many if not most “craft” brewery startups that operate as a brewpub with a portfolio of beer styles and target primarily local “on premise” type business with a marginal focus on retail distribution. This category is highly saturated and often not scalable. Simply stated, the company is keenly focused on positioning Battle Born Beer as an easy-drinking golden lager brewed with the pioneering spirit of Nevada...With the quality of a craft beer but with the easy drinking profile of popular American lagers, BBB maintains a simple truth; Good beer doesn’t need to be complicated; it just needs to be good.

SEMI EXACT

(Investment: June, 2021; August, 2022; September 2024)

Valuation at total book costs \$600,000

Historically, Semi Exact sold furniture components and a limited offering of kits. The company has expanded its offering, based on demand, to include a larger assortment of finished goods for both consumers and business customers. Products include metal items produced by the company such as table bases, seating, and shelving as well as bed frames (one such frame includes a design patent) and sourced goods such as wood tabletops, cushions and accessory items. The Company offers a very large assortment of sizes and

finishes. This customization and diversity of product offerings sets it apart from import competitors that only offer standard sizes and finishes. Most of its products are designed for a closed loop using recycled steel and environmentally friendly finishes.

SURGISTREAM

(Investment: January 2024), SEDI transaction

Valuation: Book cost \$352,000 adjusted to \$422,400

Surgistream automates scheduling and communication processes - and allows information sharing among the parties. Surgistream is a cloud-based (iOS, Android and Desktop), dynamic calendar app that integrates all aspects of the surgery scheduling process, allowing real-time messaging among all parties. People unfamiliar with the medical device world might think of Surgistream as a metaphorical cross between Uber and Amazon Prime for surgery scheduling and surgical device delivery. In many cases, both the medical device and vendor are both required. It's like trying to coordinate multiple Ubers for a party of 50 going to multiple locations; several individuals require order transparency and real-time coordination simultaneously.

TENSORWAVE

(Investment: February 2024), SEDI transaction

Valuation: Book cost \$500,000 adjusted to \$2,2675,000

TensorWave Cloud—a revolutionary solution addressing the AI compute supply crisis. The company's advanced fabric architecture enables efficient scaling of AMD GPUs, outperforming current-gen NVIDIA GPUs. TensorWave aims to complete a Proof of Concept (POC) for enterprise use, and with key launch partners like AMD, Lamini, Supermicro, and GigaIO, anticipates a 5700+ customer waitlist at launch. In October 2024, TensorWave announced that it had raised \$43M in SAFE Funding which made it the largest in Nevada Startup History.

TILT A.I.

(Investment: September 2024), SEDI investment

Valuation at total book costs \$315,000

TILT's platform provides an end-to-end solution for freight brokerage. The platform brings AI technology to the forefront of supply chain logistics, whilst offering a TMS, real-time tracking, dynamic pricing, intelligent matching, predictive analytics, carbon emissions tracing and chatbot to streamline logistics process. The TILT platform reduces brokerage staff by 40%, drives margins up, and increases supply chain reliability and visibility.

ZENCENTIVE

(Investment: August 2024), SEDI investment

Valuation at total book costs \$500,000

ZenCentiv (ZC) operates in the Sales Performance Management / Incentive Compensation Management (SPM / ICM) vertical, selling their SaaS solution to middle-sized to enterprise-sized companies with sales force sizes of 100 to 10,000 people or payees. ZC's sweet spot is serving companies with 250 to 1000 payees. It has initial traction and "product-market fit" type feedback from real customers/users. With a working solution and great reference customers, the company is ready to go to market significantly and scale.

V. SSBCI 1.0 and Second Generation (recycled) Funds Loan Portfolio

a. Loan Participation Standard Loans (greater than \$250k)

ROARING 20s

(October, 2023)

Roaring 20s is a wholly owned subsidiary of Pinnacle Nevada Corp. Pinnacle Nevada Corp. and its affiliate, Pinnacle Homes Inc., are local Las Vegas home builders and have been in business since 1992. As of October 31, 2024, more than 80 per cent of the original loan has been repaid by Pinnacle Homes, Inc.

VI. SSBCI 2.0 Loan Portfolio – Year 1

a. Collateral Support

FULL TILT LOGISTICS

(November, 2022), SEDI transaction

Based in Reno, Full Tilt Logistics is a Certified Women-Owned WBENC Company. The company is an expert in freight brokerage services. Its Reno Freight Logistics Company and dedicated trucking fleet provide expert support in logistics and transportation management, so shipments can be delivered faster and at a lower cost. Full Tilt is a 3PL company that provides a 24/7 shipment locator and clean, courteous, professional drivers whose number one focus is on customer service.

NORTH STAR ELECTRIC
(September 2023), SEDI transaction

Based in Las Vegas, Northstar Electric was first established in 1998. The company has lengthy experience on Commercial, Residential and Industrial projects, and has been very efficient in providing the necessary service to go above and beyond our customer's satisfaction. In 2005, Northstar Electric Inc. became a corporation. At this time, Northstar Electric Inc. has expanded across several States. Northstar Electric Inc. strives to provide services exceeding the norm.

b. Loan Participation Standard Loans (greater than \$250k)

No transactions for Year 1.

c. Loan Participation Microloans (less than \$250k)

Under the US Treasury approved SSBCI Program NBBGEI contracted with Calvert Impact, Inc. for a Small Loan 80/20 Fund model for loans under \$250,000 with Calvert Impact Capital as fund manager and Community Reinvestment Fund as fund administrator. Calvert Impact created a subsidiary special purpose vehicle (SPV) that will purchase Eligible Loans made by eligible Originating Lenders which are participating Community Development Financial Institutions (CDFIs). The SPV will purchase up to 80 percent of eligible loans from those CDFIs. Funding for the first tranche of this Microloan Program under SSBCI has been obligated and transferred to Calvert Impact to fund the SPV and be matched with SSBCI required private capital funds.

During Year 1, the Microloan Program purchased two loans with a total of \$400,000 using \$200,000 worth of SSBCI Funds. Both transactions were SEDI loans. Subsequently, in July 2024 one loan had to be written off due to the business ceasing operation.

Borrower	Term Months	Location	Jobs Added	Jobs Retained	SEDI Y/N	Write Off Y/N
Draco Logistics	60	Las Vegas	4	2	Y	Y
Validity Construction	60	Las Vegas	3	7	Y	N

d. C-PACE

No transactions for Year 1.

VII. SSBCI 2.0 Loan Portfolio – Year 2

a. Collateral Support

Since inception of SSBCI 2.0 in January 2023, a total of \$3,633,253.88 of collateral support has been expended.

FULL TILT LOGISTICS, FULL TILT TRANSPORTATION, FULL TILT WAREHOUSING & DISTRIBUTION
(Currently in progress), SEDI transaction

CSP Letter of Credit Renewal.

This is a renewal as Full Tilt will continue to utilize the CSP Investment albeit for a reduced amount. The company is continuing to grow and is being recognized nationally. Plumas Bank requested that the collateral support stay in place for one or two more years. It is expected that the collateral support will drop off after the next renewal. Since the landlord is more comfortable with the company's cash flow and ability to pay, the required amount of the letter of credit is being reduced. Full Tilt Logistics, LLC (FTL) is a full-service logistics company organized in Nevada in 2014. The company hires independent haulers to move products. Full Tilt has industry knowledge and a well-developed database. They serve over 300 customers worldwide. Full Tilt Warehousing & Distribution LLC was organized in 2021 to bring warehousing in-house instead of outsourcing the logistics component. This is a SEDI loan which is advantageous for the state, as it could create new jobs, as the company adds more employees.

KR PROPERTIES
(September 2024), SEDI transaction

Bridge CSP to facilitate SBA 504 loan.

The owner-occupied property will be constructed in Reno. Meadows Bank requested a collateral support bridge loan until the SBA debenture is funded (usually eighteen months to two years) and the collateral support loan (2nd) is paid back. Once a Certificate of Occupancy is received, NBBGEI's part will be paid off by the debenture funded through the SBA. After construction is completed, Meadows will have a 1st deed of trust at 50% of the loan amount. The term of the loan will be a 20-year amortization with a 5-year term.

KR Properties LLC is a single-asset LLC for the purpose of holding the property being developed. It is owned by physicians with an existing medical practice and began operations

in 1987 under family ownership. 100 per cent of the practice was purchased by the daughter in 2019. The second partner in this project will co-locate in the property upon completion. This is a SEDI qualified loan, offering a larger owner-occupied space that will be an advantage for the community. It enables the hiring of more physicians, which will increase access to healthcare services. This could make Reno a more attractive area for medical professionals looking to establish their practice.

TRAIN OUT LOUD **(July 2024)**

SBA 7A loan refinancing.

The loan was to refinance an SBA 7A loan that was originally financed with Meadows Bank. By refinancing the loan, the interest rate was reduced, which improved the borrower's cash flow. This improves the coverage ratio and frees up cash flow for the facility. Train Out Loud was established in 2005 and is a holding company for the real estate portion of the facility. The tenant is The Strength Center Las Vegas, a small personal training gym. Train Out Loud is not a SEDI transaction, but it serves the purpose of hiring more staff, and it helped a small business obtain a more favorable interest rate, which insured sustainability of the organization.

VANTAGE CONCEPTS **(February 2024)**

Working capital loan.

This loan with GenuBank is being used as working capital for the company. The funds were used to support operating needs and bridge the collection of accounts receivable.

Vantage Concepts LLC was established and incorporated in 2006. It is a landscape contractor and operates in Nevada. It has over 500 residential customers along with commercial accounts that includes Terrible Herbst Inc., KB Homes, Toll Brothers, and Commerce Construction. The benefit to the state is the continuation of the company to employee workers

b. Loan Participation Standard Loans (greater than \$250k)

No transactions for Year 2.

c. Loan Participation Microloans (less than \$250k)

Under the US Treasury approved SSBCI Program NBBGEI contracted with Calvert Impact, Inc. for a Small Loan 80/20 Fund model for loans under \$250,000 with Calvert Impact Capital as fund manager and Community Reinvestment Fund as fund administrator. Calvert Impact created a subsidiary special purpose vehicle (SPV) that will purchase Eligible Loans made by eligible Originating Lenders which are participating Community Development Financial Institutions (CDFIs). The SPV will purchase up to 80 percent of eligible loans from those CDFIs. Funding for the first tranche of this Microloan Program under SSBCI has been obligated and transferred to Calvert Impact to fund the SPV and be matched with SSBCI required private capital funds.

During Year 2, the Microloan Program purchased seven loans with a total of \$1,080,000 using \$524,000 worth of SSBCI Funds. Five transactions were SEDI loans.

Borrower	Term Months	Location	Jobs Added	Jobs Retained	SEDI Y/N	Write Off Y/N
Aspire Behavioral	60	Las Vegas	5	20	Y	N
Full Function Physical Therapy	60	Henderson	2	3	N	N
CBK Salon	60	Las Vegas	1	6	Y	N
Global Fertility	72	Las Vegas	0	1	Y	N
HH Management	60	Las Vegas	1	1	N	N
Fingerprinting Express	72	Reno	28	20	Y	N
Cutting Edge Contractors	72	Las Vegas	0	7	Y	N

d. C-PACE

No transactions for Year 2.

VIII. Public Interest assessment of NBBGEI's Investment and Loan Activities

NBBGEI's venture capital investment and loan activities are being conducted under the auspices of the State Small Business Credit Initiative (SSBCI). GOED is the implementing entity for the Nevada SSBCI program and NBBGEI is the administering entity contracted by GOED.

SSBCI provides funding to states for programs that catalyze lending and investing in small businesses, build ecosystems of opportunity and entrepreneurship, and create high-quality jobs. SSBCI is designed to catalyze private capital in the form of loans to and investments in small businesses, especially in historically underserved communities and among entrepreneurs who may have otherwise lacked the support needed to pursue their business ambitions. SSBCI support can be transformative in a range of industries, including small manufacturing, supply chain, and other sectors promoting key national priorities. Hence, by its program design SSBCI is structured to further the public interest of the state in which it operates.

1. Economic Impact Analysis – IMPLAN Model

Economic impact can be considered the most important measure of public interest. In August 2022 as part of Nevada's SSBCI application preparation Prof. Tom Harris of the University of Nevada, Reno (UNR) Department of Economics conducted an economic impact assessment of all of the proposed SSBCI programs. The economic impact was assessed as economic, employment, labor income, value added, and financial impact estimated by employing the IMPLAN microcomputer input-output model.

i. Venture Capital Program

During the operation phase the Venture Capital Program is expected to sustain total employment of 7,115 (that is, the summation of direct, indirect and induced jobs), with total labor income, value added, and financial impacts of approximately \$369.2 million, \$610.4 million, and \$1,037.9 million, respectively. These operation impacts are projected to reoccur.

The IMPLAN model estimates annual recurring total tax impacts. Impacts during the operation phase assume the Venture Capital Program projects are at fully 100 percent employment capacity. The IMPLAN model estimates that the Venture Capital Program projects will generate approximately \$144.9 million in combined total annual tax revenues

As a total of \$8,343,451.84 has been expended which represents 23.18 per cent of the total \$36,000,000 allocation to the venture capital program upon which the economic

impact assessment conducted by UNR is based, the above adjusted pro rata numbers of economic impact would be:

- Total employment 1,649 (that is, the summation of direct, indirect and induced jobs), with total labor income, value added, financial impacts of approximately \$85.58 million, \$141.49 million, and \$240.58 million, respectively. These operation impacts are projected to reoccur.
- The IMPLAN model estimates that the Venture Capital Program projects will generate approximately \$33.5 million in combined total annual tax revenues.

ii. Collateral Support Program

The Collateral Support Program will generate lasting impacts on the entire state which can be assessed by estimating respectively the initial construction and operational expenditures from the Collateral Support Program indirect effects. Those are caused by interactions of the state's economic sectors from purchases from other economic sectors. Induced effects from Collateral Support Program are the impacts on all state economic sectors caused by the expenditures of new household income generated by the direct and indirect effects.

Results will be shown for the Construction Phase and Operation Phase of the Collateral Program.

a. Construction phase

Direct employment from collateral Support Program would yield 246 jobs with a total state employment impact of 397 jobs. In other words, the Collateral Support Program generated an additional 151 jobs through indirect and induced economic activity in the state of Nevada economy.

Direct labor income, value added, and financial impacts in the economy of the state of Nevada was estimated to be approximately \$17.2 million, \$23.2 million, and \$40.6 million, respectively. Additionally, due to economic linkages in the state of Nevada economy from indirect and induced linkages, total labor income, value added, and financial impacts to the economy for the state of Nevada was estimated to approximately \$25.1 million, \$38.2 million, and \$66.5 million, respectively.

b. Operation phase

During the operation phase (after construction phase is completed), the Collateral Support Program projects are expected to sustain total employment of 792 (that is, the

summation of direct, indirect and induced jobs), with total labor income, value added, and financial impacts of approximately \$40.8 million, \$69.4 million, and \$118.4 million, respectively. These operation impacts are projected to reoccur.

IMPLAN model's tax output during Collateral Support Program operation phase. These estimates represent annual recurring total tax impacts. Impacts during the operation phase assume the Collateral Support Program projects are at fully 100 percent employment capacity. The IMPLAN model estimates that the Collateral Support Program projects will generate approximately \$6.2 million in combined total annual tax revenues.

As a total of \$3,633,253.88 has been expended which represents 36 per cent of the total \$10,156,523 allocation to the Collateral Support Program upon which the economic impact assessment conducted by UNR is based, the above adjusted pro rata numbers of economic impact would be:

- Construction Phase

Collateral Support Program generated an additional 54 jobs through indirect and induced economic activity in the state of Nevada economy. Direct labor income, value added, and financial impacts in the economy of the state of Nevada was estimated to be approximately \$6.2 million, \$8.3 million, and \$14.6 million, respectively. Additionally, due to economic linkages in the state of Nevada economy from indirect and induced linkages, total labor income, value added, and financial impacts to the economy for the state of Nevada was estimated to approximately \$9 million, \$13.7 million, and \$23.9 million, respectively.

- Operation Phase

During the operation phase the Collateral Support Program (after construction phase is completed), projects are expected to sustain total employment of 285 (that is, the summation of direct, indirect and induced jobs), with total labor income, value added, and financial impacts of approximately \$14.7 million, \$24.9 million, and \$42.6 million, respectively. These operation impacts are projected to reoccur.

IMPLAN model's tax output during Collateral Support Program operation phase. These estimates represent annual recurring total tax impacts. Impacts during the operation phase assume the Collateral Support Program projects are at fully 100 percent employment capacity. The IMPLAN model estimates that the Collateral Support Program projects will generate approximately \$2.2 million in combined total annual tax revenues.

iii. Loan Participation – Microloan Program

During the operation phase the LPP Micro Loan Program projects are expected to sustain total employment of 1,235 (that is, the summation of direct, indirect and induced jobs), with total labor income, value added, and financial impacts of approximately \$64.1 million, \$105.9 million, and \$180.1 million, respectively. These operation impacts are projected to reoccur.

Impacts during the operation phase assume the LPP Micro Loan Program projects are at fully 100 percent employment capacity. The IMPLAN model estimates that the LPP Micro Loan Program projects will generate approximately \$25.1 million in combined total annual tax revenues.

As a total of \$524,000 of SSBCI funds has been expended which represents 3.3 per cent of the total \$15,900,000 allocation to the venture capital program upon which the economic impact assessment conducted by UNR is based, the above adjusted pro rata numbers of economic impact would be:

- During the operation phase the LPP Micro Loan Program projects are expected to sustain total employment of 40 (that is, the summation of direct, indirect and induced jobs), with total labor income, value added, and financial impacts of approximately \$2.1 million, \$3.49 million, and \$5.94 million, respectively. These operation impacts are projected to reoccur.
- Impacts during the operation phase assume the LPP Micro Loan Program projects are at fully 100 percent employment capacity. The IMPLAN model estimates that the LPP Micro Loan Program projects will generate approximately \$828,300 in combined total annual tax revenues.

2. Economic Impact Analysis – Lightcast

In addition to the economic impact assessment conducted as part of Nevada’s SSBCI application preparation by Prof. Tom Harris of the University of Nevada, Reno (UNR) Department of Economics, GOED has conducted its own economic impact analysis using Lightcast’s EMSI modeling.

In contrast to the UNR utilized IMPLAN microcomputer input-output model which calculated economic impact based on the total allocation at the respective SSBCI program level, the Lightcast

model which was applied by GOED, analyzes economic impact *for each individual company* that received an investment or loan from a SSBCI program.

EMSI's multi-regional social accounting matrix (MR-SAM) modeling system is a “comparative static” type model in the same general class as RIMS II (Bureau of Economic Analysis) and IMPLAN (Minnesota Implan Group)². It relies on a matrix representation of industry-to-industry purchasing patterns originally based on national data which are regionalized with the use of local data and mathematical manipulation (i.e., non-survey methods). Models of this type estimate the ripple effects of changes in jobs, earnings, or sales in one or more industries upon other industries in a region. The EMSI model shows final equilibrium impacts—that is, the user enters a change that perturbs the economy, and the model shows the changes required to establish a new equilibrium. As such, it is not a “dynamic” type model that shows year-by-year changes over time (as REMI’s does).

i. Venture Capital Program

Total Economic Impact of Venture Capital Program Portfolio Company

Adaract	\$ 1,961,507.93
Air Corp	\$ 5,730,177.15
AI Foundation	\$ 2,011,143.07
Carewear	\$ 4,094,692.45
Cartwheel Robotics	\$ 1,074,558.17
Click Bio (total, 2 rounds)	\$ 1,556,837.89
Clotheslyne (total, 2 rounds)	\$ 273,881.66
Create Good Foods	\$ 2,073,308.28
Daya Medical (total, 2 rounds)	\$13,614,976.48
Dog & Whistle	\$ 605,223.00
Drain Drawer	\$ 347,492.45
Ecoatoms	\$ 8,668,630.38
Elly Health	\$ 2,773,587.83
Grant Cycle	\$ 955,029.53
Hibear (total, 2 rounds)	\$ 381,363.89
Let’s Rolo	\$ 1,196,558.35
Luci Hub	\$ 1,723,836.92
Loop Software (total, 2 rounds)	\$ 1,614,273.54
Melzi	\$ 1,917,395.44

² The MR-SAM model is thus not an “econometric” model or an econometric-I-O hybrid model such as Policy Insight (developed by Regional Economic Models Inc.).

Mighty Well Foods	\$ 518,327.07
Neuroreserve	\$ 1,561,450.55
Phone2	\$ 1,910,696.37
Prosper Technology (total, 2 rounds)	\$ 2,865,088.58
Quantum Copper	\$ 2,256,994.48
Semi Exact	\$ 2,427,774.29
Silica Nexus	\$ 5,399,734.84
Terbine	\$ 3,285,141.54
TuBiomics	\$ 3,467,452.15
SAGE Brands/ Battle Born Beer	\$ 1,352,598.96
SeeID (total, 2 rounds)	\$ 3,851,411.66
Standard Measure Tech/ Nailstry	\$ 518,945.96
Surgistream	\$ 1,767,454.58
Tensorwave	\$ 1,076,754.59
Tilt AI	\$35,336,092.43
Project Cornell/ Visionaid	\$ 855,869.26
Vistro (total, 2 rounds)	\$ 967,752.59
Zencentiv	\$ 2,651,181.86

ii. Collateral Support Program

Total Economic Impact of Collateral Support Program Portfolio Company

Full Tilt Logistics	\$ 4,667,249.25
KR Properties	\$ 7,720,850.74
Train Out Loud	\$ 3,340,507.85
Vantage Concepts	\$30,389,037.27

iii. Loan Participation Microloan Program

Total Economic Impact of LPP Microloan Program Portfolio Company

Aspire Behavioral Services	\$2,937,279.28
CBK Salon	\$ 507,278.51
Cutting Edge Contractors	\$3,980,632.22

Draco Logistics	\$ 748,938.87
Fingerprinting Express	\$3,553,977.03
Full Function Physical Therapy	\$ 410,986.79
Global Fertility	\$ 345,801.58
HH Management	\$ 117,332.17
Validity Construction Services	\$3,541,387.68

iv. Total Economic Impact, Lightcast of SSBCI Program (based on current holdings)

Venture Capital	\$124,645,196.15
Collateral Support	\$ 46,117,645.11
LPP Microloan	\$ 16,143,614.13

3. Other Considerations for public interest assessment

i. Socially and Economically Disadvantaged Individuals run small businesses

SSBCI is designed to catalyze private capital in the form of loans to and investments in small businesses, especially in historically underserved communities and among entrepreneurs who may have otherwise lacked the support needed to pursue their business ambitions. Specifically, the SSBCI statute, 12 USC 5704(e)(8), requires states to report to the US Treasury Department how the state plans to use federal program funds to provide access to capital for small businesses in low- and moderate-income, minority, and other underserved communities, including women- and minority-owned small businesses (collectively, underserved communities).

US Treasury’s disbursement to Nevada’s SSBCI Program contains a SEDI Allocation of \$13,629,033 that must be allocated to eligible small businesses, as part of the state’s total \$112,956,523 SSBCI Capital Program allocation. In addition, Nevada would qualify for a further \$7,268,818 if the state met its SEDI Objective target of 48.85 percent³. SEDI-owned businesses are defined as business enterprises owned and controlled by socially and economically disadvantaged individuals (SEDI)⁴. **As of October 31, 2024, NBBGEI has reported an**

³ By meeting this objective, the state will become eligible for SEDI Incentive allocation during the second tranche of the SSBCI Capital Program.

⁴ SEDI = “Socially and Economically Disadvantaged Individuals”, US Treasury definition: see <https://home.treasury.gov/system/files/136/SSBCI-Capital-Program-Policy-Guidelines.pdf>, pp. 8-12

allocation of 71 percent to Nevada SEDI small businesses, comfortably exceeding US Treasury's target.

Investment and/or loans to SEDI companies are making a crucial contribution to the equitable distribution of capital benefitting companies that previously have had challenges accessing financing. Capital distribution in line with Nevada's SEDI Objective should also mirror the state's demographic structure. It is one of Nevada's SSBCI Program goals that over time approved applications to our SSBCI Programs should reflect the population structure of this state.

ii. Increasing the number of technology-intensive companies

The Venture Capital Program is committed to supporting commercialization of Nevada's research university's IP by offering capital during a phase in which most traditional VC will not participate. This increases the chance of the company passing the "valley of death" to reach commercial viability. The investment will make a valuable contribution to the formation and growth of deep-technology⁵ startups and early-stage companies in Nevada, a segment where the state that has lagged behind other states. NBBGEI has been investing in an increasing number of deep-tech companies with links to Nevada's research universities. Examples are:

Adaract – synthetic muscle powered prosthesis

SEE ID – industrial IoT (the company has won numerous SBIR grants/ contracts)

Cartwheel Robotics – robotics actuator technology (the company is forming a collaboration with UNR)

Ecoatoms – payloads for space flights facilitating testing and production of biotech products (the company is a UNR NCAR affiliated company)

Heligenics – diagnostics, gene variant testing (UNLV spinout company based on UNLV IP)

Quantum Copper – fire retardant battery components (UNLV spinout company based on UNLV IP)

⁵ Deep-tech companies have a higher propensity to scale and employ highly skilled staff which presents opportunities for Nevada's science and engineering graduates. However, such companies in this early stage require longer capital support.

iii. Small businesses with products benefitting society

Many small businesses that have been recipients of investment and/or loan capital target specific problems which represent a positive *auxiliary* impact beyond mere economic considerations, therefore, furthering the public interest. Examples are:

Adaract – synthetic muscle powered prosthesis

Carewear – pain treatment and remote therapeutic monitoring

Daya Medical – medication adherence

Fingerprinting Express – investigation services

Full Function Physical Therapy – physical therapy

Global Fertility – family planning

Grantcycle – grant impact monitoring

Melzi – medical device manufacturer

Neuroreserve – neurological health

Vision Aid – improve performance for legally blind and low vision individuals

Full Tilt Logistics – delivering cost advantages for logistics and transportation

IX. NBBGEI Financials

i. Financials and Audit

Nevada Battle Born Growth Escalator, Inc. (NBBGEI) current financials as of October 31, 2024 including Balance Sheet, Income Statement, and Business Cash Flow Summary are included in the attachment of this report. NBBGEI has engaged Barnard Vogler & Co. to audit the entity's most recent financial statements as of June 30, 2023. The engagement letter is included in the attachment of this report.

Barnard Vogler & Co. commenced their audit field work in October 2024 and will issue their final report end November / beginning December, 2024. NBBGEI's Board of Directors will subsequently approve the audit report at their next board meeting.

Upon completion of the June 30, 2023 financial audit and NBBGEI Board approval, NBBGEI will commence the audit of its financials ending June 30, 2024.

ii. “Component Unit” of the State of Nevada

NBBGEI met with the Chief Deputy Controller in early November 2024, and it was determined by the Office of the State Controller that NBBGEI is **not** being categorized as a “Component Unit” of the state. A memo by the Office is currently being prepared.

The component unit question is also being addressed in NBBGEI’s current audit report.

X. APPENDIX

- NBBGEI Balance Sheet as of October 31, 2024
- NBBGEI Income Statement as of October 31, 2024
- NBBGEI Business Cash Flow Summary as of October 31, 2024
- Audit Engagement Letter dated August 12, 2024
- “Component Unit” of the State of Nevada – Memo Office of the State Controller

Balance Sheet

Nevada Battle Born Growth Escalator Inc As of October 31, 2024

OCT 31, 2024

Assets

Current Assets

Cash and Cash Equivalents

Chase - Funding Account - 8055	735,549.55
Chase - Operating - 8030	618,474.83
Total Cash and Cash Equivalents	1,354,024.38

Accounts Receivable	129,632.32
Fidelity	650,341.25
Total Current Assets	2,133,997.95

Long Term Assets

Accrued Interest - LPP	177,558.96
Investments - Program Related - CSP	3,371,228.97
Investments - Program Related - LPP	130,901.74
Investments - Program Related - MicroLoan	5,300,000.00
Investments - Program Related - VC	11,217,999.30
Total Long Term Assets	20,197,688.97

Total Assets	22,331,686.92
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Liabilities and Equity

Liabilities

Current Liabilities

Accounts Payable	9,578.23
Chase - CC - Mendy - 1418	243.96
Total Current Liabilities	9,822.19

Total Liabilities	9,822.19
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Equity

Current Unrestricted funds	3,439,221.28
Current Year Earnings	4,529,474.61
Retained Earnings	14,353,168.84
Total Equity	22,321,864.73

Total Liabilities and Equity	22,331,686.92
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These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

Income Statement (Profit and Loss)

Nevada Battle Born Growth Escalator Inc
For the 12 months ended October 31, 2024

NOV 2023-OCT 2024

Income

Direct State Support	10,244,502.23
Investments: Interest Income - CSP	6,608.97
Investments: Interest Income - LPP	23,547.61
Investments: Interest Income - VC	29,846.50
Other Types of Income:Miscellaneous Revenue	70.00
Total Income	10,304,575.31

Gross Profit

10,304,575.31

Operating Expenses

Business Expenses	231.69
Business Expenses:Business Registration Fees	123.00
Business Expenses:Website	4,733.22
Contract Services	1,177,088.30
Facilities and Equipment:Rent, Parking, Utilities	22,486.06
Loan Fees - CSP	(58,500.00)
Operations	9,875.33
Operations:Bank service fees	942.47
Operations:Books, Subscriptions, Reference	1,990.91
Operations:Insurance - Liability, D and O	6,824.19
Operations:Printing and Copying	607.27
Operations:Telephone, Telecommunications	1,041.84
Travel and Meetings	1,363.55
Travel and Meetings:Travel	4,867.31
Total Operating Expenses	1,173,675.14

Operating Income

9,130,900.17

Net Income

9,130,900.17

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

Business Cash Flow Summary

Nevada Battle Born Growth Escalator Inc
For the 12 months ended October 31, 2024

NOV 2023-OCT 2024

Operating Activities

Receipts from customers	10,174,942.99
Payments to suppliers and employees	(1,313,596.91)
Net Cash Flows from Operating Activities	8,861,346.08

Investing Activities

Other cash items from investing activities	(7,862,704.44)
Net Cash Flows from Investing Activities	(7,862,704.44)

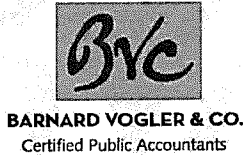
Financing Activities

Other cash items from financing activities	170.98
Net Cash Flows from Financing Activities	170.98

Net Cash Flows	998,812.62
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Cash and Cash Equivalents

Cash and cash equivalents at beginning of period	355,211.76
Net cash flows	998,812.62
Cash and cash equivalents at end of period	1,354,024.38
Net change in cash for period	998,812.62



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bvcpas.com

August 12, 2024

Mendy Elliot
Chief Executive Officer
Nevada Battle Born Growth Escalator, Inc.
Carson City, Nevada

The following represents our understanding of the services we will provide Nevada Battle Born Growth Escalator, Inc.

You have requested that we audit the modified cash-basis financial statements of the governmental activities and the general fund of Nevada Battle Born Growth Escalator, Inc. (the Organization) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements.

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller general of the United States (*Government Auditing Standards*) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Accounting principles generally accepted in the United States of America, (U.S. GAAP), as promulgated by the Governmental Accounting Standards Board (GASB) require that management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- 1) Management's Discussion and Analysis

Auditor Responsibilities

We will conduct our audits in accordance with (GAAS), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

As part of an audit of financial statements in accordance with GAAS, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Nevada Battle Born Growth Escalator, Inc.'s ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of Nevada Battle Born Growth Escalator, Inc.'s compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

- 1) For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
- 2) For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and

- 3) To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit;
 - c. Unrestricted access to persons within the entity and others from whom we determine it necessary to obtain audit evidence.
 - d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
 - e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
- 4) For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by us;
- 5) For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
- 6) For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
- 7) For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
- 8) For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
- 9) For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and
- 10) For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
- 11) For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
- 12) For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in the system of internal control and others where fraud could have a material effect on the financials; and
- 13) For the accuracy and completeness of all information provided;
- 14) For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit, including your understanding of your responsibilities as defined in this letter to us in your management representation letter.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Nonattest Services

With respect to any nonattest services we perform, we will assist in the preparation of the financial statements and related notes as of June 30, 2023..

We will not assume management responsibilities on behalf of Nevada Battle Born Growth Escalator, Inc. However, we will provide advice and recommendations to assist management of Nevada Battle Born Growth Escalator, Inc. in performing its responsibilities.

Nevada Battle Born Growth Escalator, Inc.'s management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities. .

Our responsibilities and limitations of the engagement are as follows:

- We will perform the services in accordance with applicable professional standards, including the Standards issued by the AICPA.
- The nonattest services are limited to the financial statement preparation assistance previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Reporting

We will issue a written report upon completion of our audit of Nevada Battle Born Growth Escalator, Inc.'s basic financial statements. Our report will be addressed to the board of directors of Nevada Battle Born Growth Escalator, Inc. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

We also will issue a written report on our testing of internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing upon completion of our audit.

Other

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

Our firm may transmit confidential information that you provided us to third parties in order to facilitate delivering our services to you. For example, such transmissions might include, but not be limited to technology contractors and data storage providers. We will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. By your signature you consent to having confidential information transmitted to entities outside the firm. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the firm.

Jamie Lawson is the engagement director for the audit services specified in this letter. Her responsibilities include supervising Barnard, Vogler & Co.'s services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. We estimate that our fee for the audit will be \$43,000 for the audit. Further, we will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the Organization's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit.

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

At the conclusion of our audit engagement, we will communicate to the Board of Directors the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of Barnard, Vogler & Co. and constitutes confidential information. However, we may be requested to make certain audit documentation available to federal and/or state agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Barnard, Vogler & Co.'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report. Below, you consent to having confidential information transmitted to entities outside the firm. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the firm.

Should we receive any request for the disclosure of privileged information from any third party, including a subpoena or IRS summons, we will notify you. In the event that we are required to respond to a subpoena, court order, or other legal process for the production of documents and/or testimony relative to information obtained and/or prepared during the course of our engagement, you agree to compensate us at our hourly rates for forensic or litigation services, for the time we expend in connection with such responses, and to reimburse us for all of our out-of-pocket expenses incurred in that regard, including but not limited to reasonable attorneys' fees incurred by us in connection with responding or objecting to the scope of an information request, or incurred as a result of your refusal to provide written consent to produce subpoenaed documents or provide the required testimony.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

In accordance with the requirement of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements and compliance over major award programs, including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Sincerely,

Barnard, Vogler & Co.

RESPONSE:

This letter correctly sets forth our understanding.

Nevada Battle Born Growth Escalator, Inc.

Acknowledged and agreed on behalf of Nevada Battle Born Growth Escalator, Inc.

Officer signature: *Mandy K. Elliott*

Title: Chief Executive Officer

Date: 08/13/2024

Board signature:

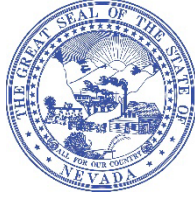
A handwritten signature in black ink, appearing to be 'J. Platt', written over a horizontal line.

Title:

Secretary

Date:

8/14/2024



**OFFICE OF THE
STATE CONTROLLER**

November 22, 2024

Potential Component Unit in question:

NBBGEI = Nevada Battle Born Growth Escalator, Inc.

This is a nonprofit corporation formed under AB17 (2015). There are seven board members. The Executive Director of the Office of Economic Development serves as the chair of the board of directors and appoints four members from the private sector. Two other members serve on the board, one appointed by the Speaker of the Assembly and one appointed by the Senate Majority Leader.

Discussion:

On November 8, 2024, James Smack and Jocelyn Holly of the Controller's Office and Kurt Schlicker and Laura Nelson of Eide Bailly held a conference call with Christine Guerci, legal counsel for Nevada Battle Born Growth Escalator, Inc. (NBBGEI), about the potential component unit.

There was some confusion about the relationship between Battle Born Venture and NBBGEI. Christine clarified that Battle Born Venture is not an entity, but a program run by GOED that is in BA 1521 - NV SSBCI Program. NBBGEI is a separate entity that holds investments for the program in a custodial capacity, along with federal funds. It was discussed that NBBGEI has a separate board, of which the Director of GOED appoints a majority; however, the board can outvote the chair.

The parties continued through a series of if/then questions through a GASB 61 flowchart to ensure all parties were comfortable with the same conclusion.

Conclusions:

Based on the findings from the GASB61 flowchart, the Controller's Office and Eide Bailly concluded that NBBGEI is a related organization and does not qualify as a component unit under GASB 61 since:

- The State cannot impose its will:
 - Board members can only be removed for cause, not at will
 - No ability to modify NBBGEI's budget

- N/A for fees/rates
- No ability to veto, overrule or modify the decisions of the board
- Does not have the ability to appoint, hire, reassign, or dismiss management (the NBBGEI board does)
- There is no financial benefit/burden to the State
 - The State is not legally entitled to or can otherwise access NBBGEI's resources
 - The State is not legally obligated nor assumed obligations of NBBGEI
 - There are no non-exchange transactions between the State and NBBGEI that would give an implicit benefit/burden relationship, it is a contractual relationship and/or grantor/grantee relationship.
- It is not misleading to exclude under GASB 39
 - Resources are not for the benefit of the State itself or indirectly benefiting the State government. NBBGEI serves Nevada start-up businesses.

Therefore, NBBGEI will not be reported as a component unit of the State.

Respectfully submitted,



James Smack
Chief Deputy Controller