TECHPOINT

2023 INDIANA

TECH VENTURE REPORT

CONTRIBUTORS

- Chelsea Linder, VP Innovation & Entrepreneurship
- Roger Shuman, Director of Venture Engagement
- Logan White, Innovation Program Manager

COLLABORATORS

- Ting Gootee, President & CEO
- Dennis Trinkle, Senior Vice President of Talent, Strategy & Partnerships
- Merillat Flowers, Senior Vice President of Engagement

EDIT & DESIGN

- Cheryl Reed
- Ed Schneider (Schneider Graphics)

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LEGAL COUNSEL

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INTRODUCTION

DEAR READERS,

It is my privilege to introduce our annual report on the tech venture landscape in Indiana for 2023. This report, meticulously compiled and analyzed, offers an in-depth look into the evolving dynamics of venture capital investment across various sectors, with a special focus on the burgeoning opportunities and challenges within our state.

The year 2023 has been a landmark year in many respects. As we continue to navigate through a rapidly transforming economic and technological environment, the role of technology and venture capital in shaping the future of innovation has never been more critical. Our report aims to provide valuable insights into these transformative trends, highlighting the sectors that have garnered significant attention and the emerging areas poised for growth.

In particular, our analysis delves into sectors including Artificial Intelligence (AI), EdTech, Biotech and Clean Tech, exploring how these fields are reshaping industries and society. Furthermore, we have dedicated a section to offer a granular view of the venture capital trends within Indiana, reflecting our commitment to fostering a robust ecosystem for innovation and entrepreneurship in our region.

INTRODUCTION

As we present this report, we hope it serves as a useful tool for entrepreneurs, investors and community stakeholders in the entrepreneurial community. Our goal is to inform and inspire action and collaboration towards building a more vibrant and sustainable future for our industries and communities. We welcome you to engage with the findings of this report and join us in shaping the trajectory of innovation and entrepreneurship.

I would like to extend my gratitude to our dedicated team at TechPoint, our partners, and all the contributors who have made this report possible. Your insights, expertise, and unwavering commitment to innovation continue to drive our collective success.

Thank you for your interest and support. We look forward to an exciting and prosperous journey ahead.

Sincerely,
Chelsea Linder
VP Innovation & Entrepreneurship
TechPoint

NATIONAL VENTURE MARKET OVERVIEW

The national venture market in 2023 reflected an evolving economic climate and the emergence of new technological frontiers. The year's unique economic conditions, including significant macroeconomic factors like interest rate changes, inflation, etc..., had a noticeable impact on investment strategies throughout the venture capital (VC) and merger and acquisitions (M&A) markets.

Silicon Valley Bank's collapse in March led many to believe 2023 would be devastating to the venture market, however the swift resolution of the situation reduced its impact greatly. The market did remain consistently slow. The net effect of this market shake-up, from equity to debt players, is that everybody

NATIONAL VENTURE MARKET OVERVIEW

is more conservative but venture debt players are now reorganized and ready to work.

The total amount of VC invested in 2023 was approximately $170.6 billion, about a 30 percent decrease compared to 2022. PitchBook reported 13,608 VC deals in 2023, marking a 23 percent decrease from 2022's 17,592 deals.

In 2023, sectors such as AI, biotechnology and renewable energy received considerable attention, attracting substantial investments. We saw a continued decrease in investments in apps and consumer packaged goods. These trends reflect the industry's growing interest in technological advancement and adoption, human health and sustainability.

While traditional hubs like Silicon Valley continued to dominate, other regions such as Miami, Fla. emerged as significant players in the VC scene. This geographical diversification indicates a broadening of the entrepreneurial ecosystem in the U.S.

Overall, 2023 was a landmark year for VC in the U.S., characterized by decreased deal value, renewed focus on emerging sectors and geographical shifts. These trends reflect the current economic and technological landscape and set the tone for future investments and innovations in the VC ecosystem.

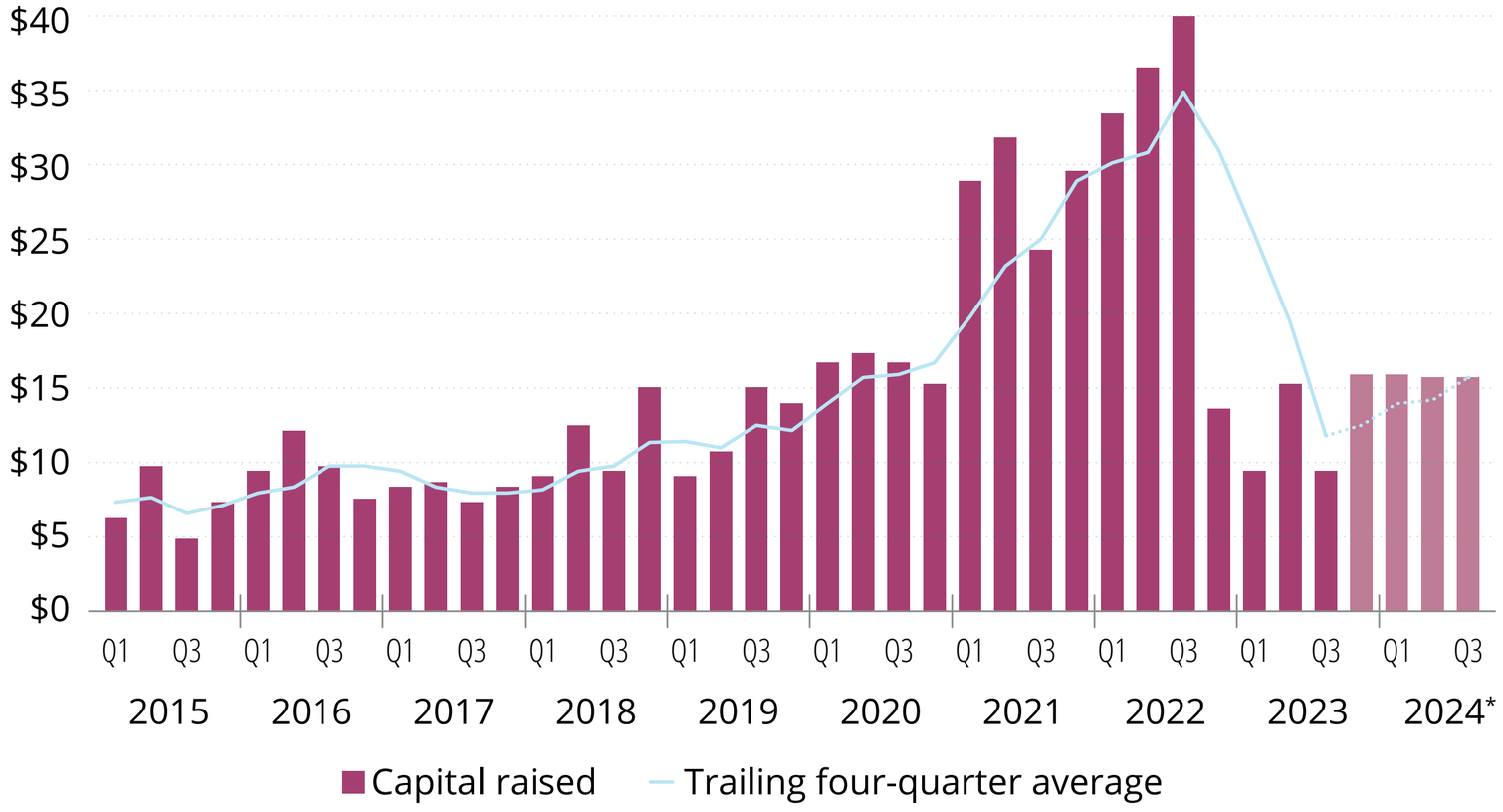
With news from the Federal Reserve that interest rates will be cut three times in 2024, we anticipate an upturn in venture activity. PitchBook predicts U.S. VC

NATIONAL VENTURE MARKET OVERVIEW

fundraising is expected to increase in 2024, making it stronger than 2023 and most comparable to 2020 performance.

2023 displayed continued sluggish exit activity as the PitchBook data shows below, which means Limited Partners (LPs) have continued to see delayed returns. This, in turn, will decrease the amount of dry powder available as LPs seek alternative asset classes for investment.

Quarterly VC capital raised ($B) with trialing four-quarter average and one-year forecast



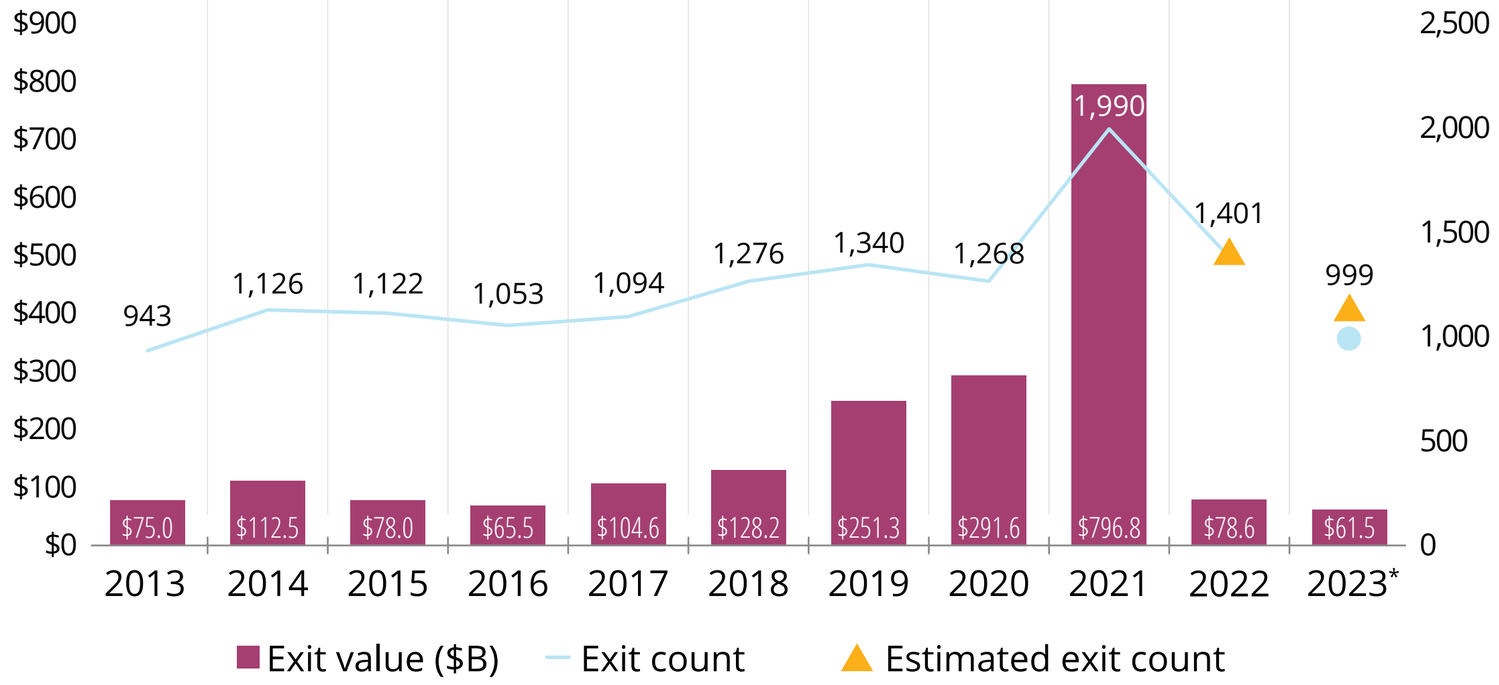
Source: PitchBook | Geography: US | *As of November 16, 2023

NATIONAL VENTURE MARKET OVERVIEW

With the continued venture market slowdown, tech startups in Indiana must compete for VC investment locally, nationally and globally. PitchBook predicts a decrease in average fund size in 2024, which means Indiana must increase its venture activity to stay competitive and give local tech startups better chances to raise much needed seed capital.

US VC exit activity

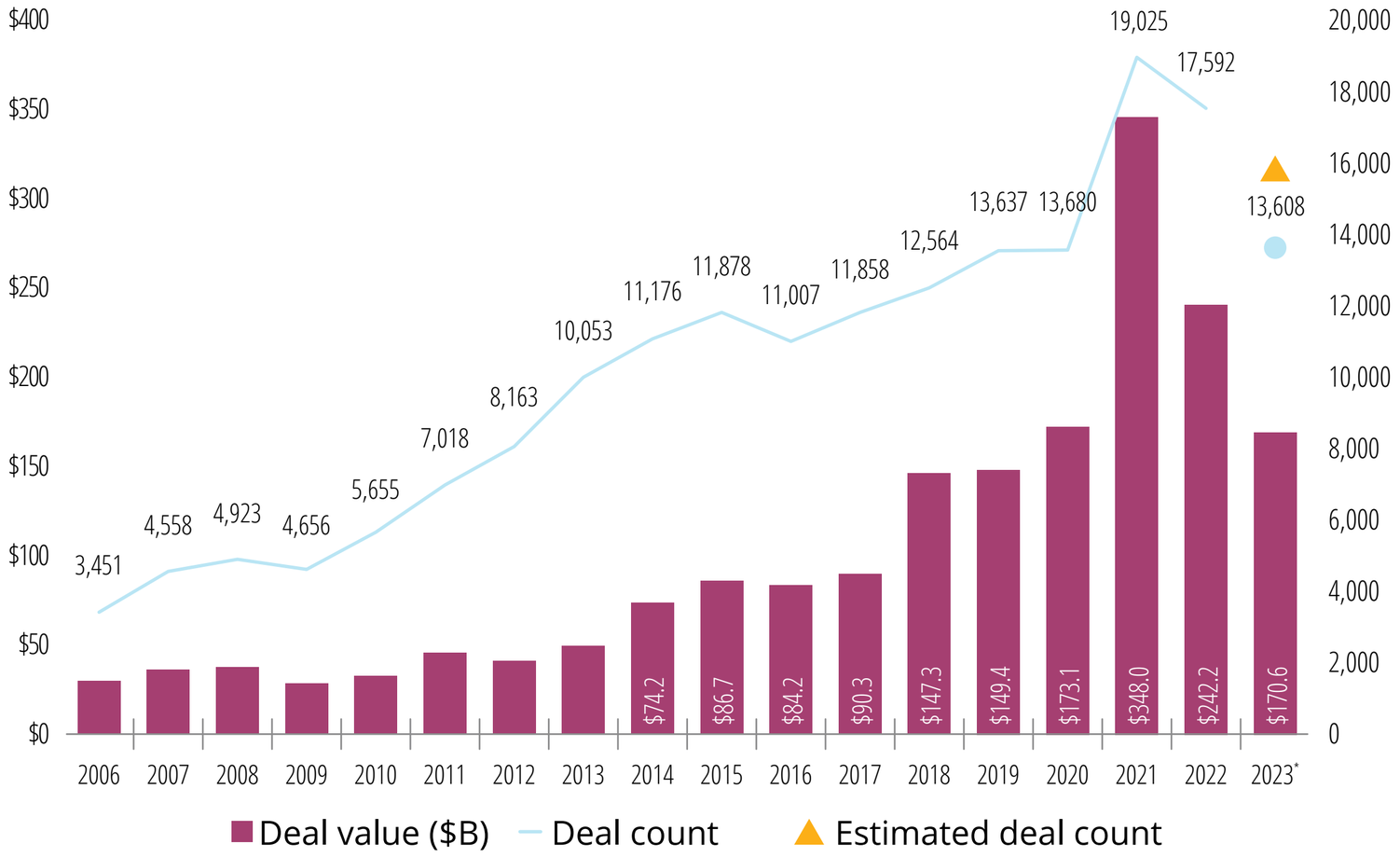
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Exit value ($B)	$75.0	$112.5	$78.0	$65.5	$104.6	$128.2	$251.3	$291.6	$796..8	$78.6	$61.5
Exit count	943	1,126	1,122	1,053	1,094	1,276	1,340	1,268	1,990	1,401	999
Estimated exit count											130
Acutal+est. count											1,129



*As of December 31, 2023

DEAL ACTIVITY

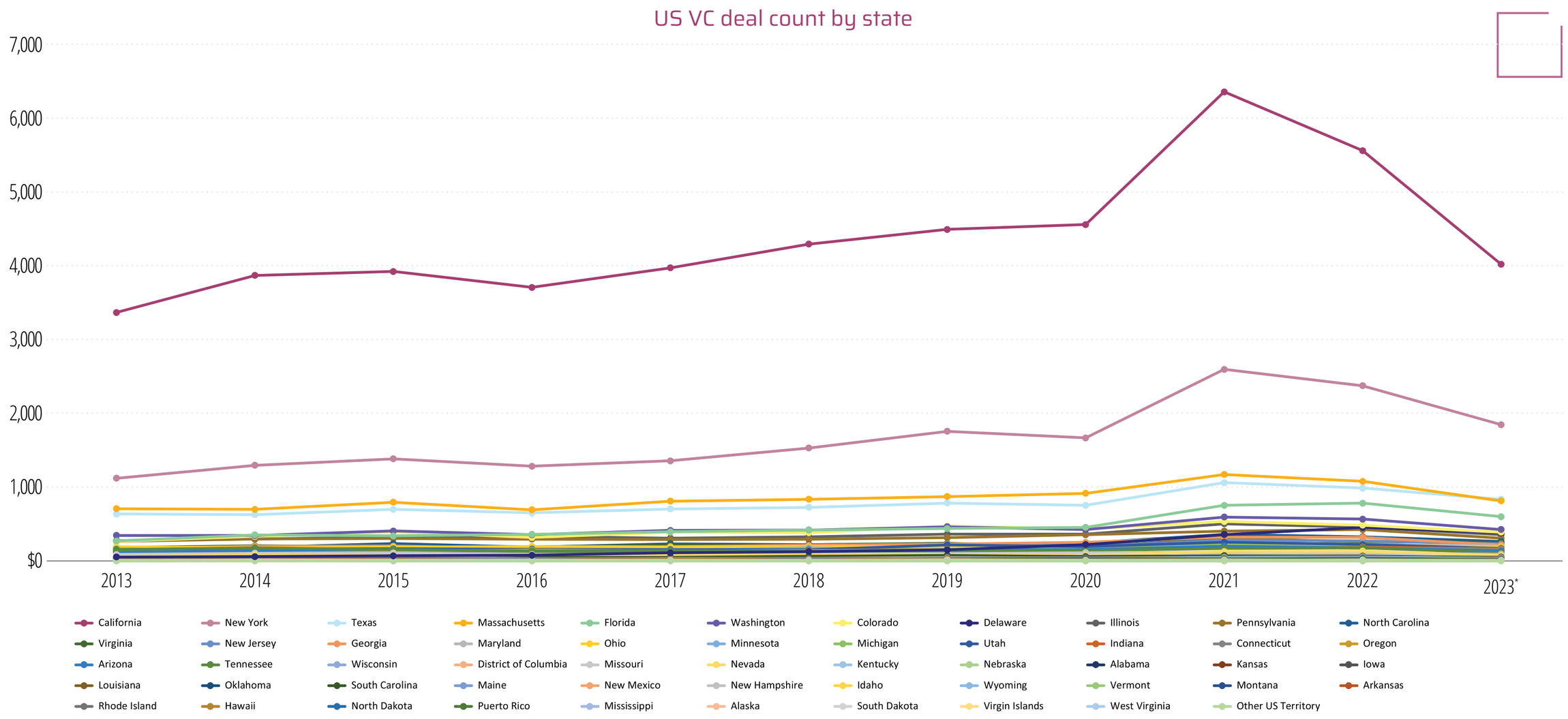
The total amount of VC invested in 2023 was approximately $170.6 billion, about a 30 percent decrease compared to 2022. PitchBook reported 13,608 venture capital deals in 2023, marking a 23 percent decrease from 2022's 17,592 deals.



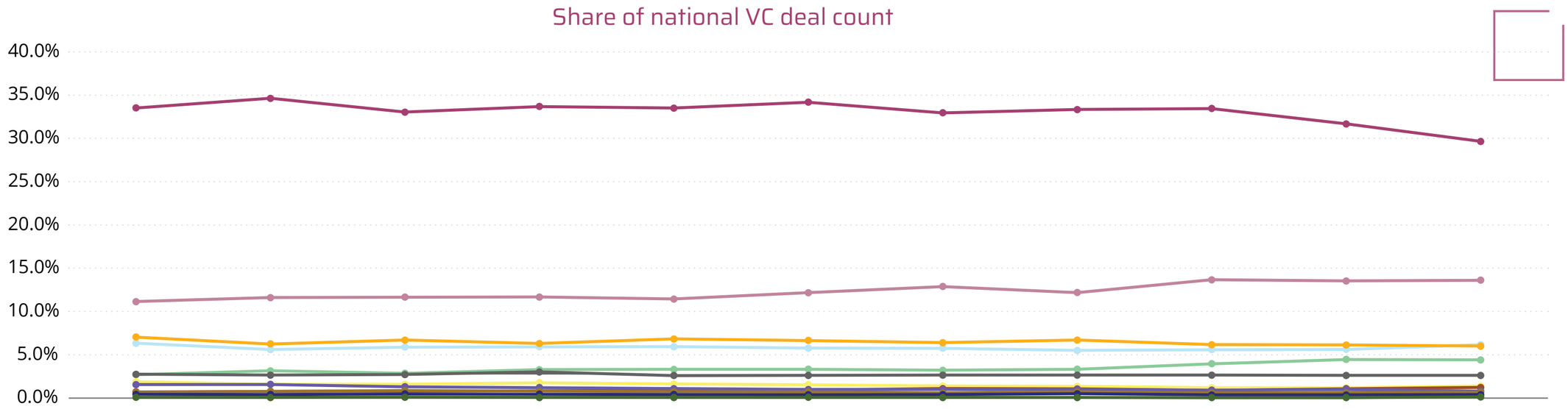
DEAL COUNT BY STATE

Indiana's share of deal count increased from 1.1 percent in 2022 to 1.2 percent in 2023. This 0.1 percent change was in the top 10 states with increased deal count year over year. California's deal count notably decreased by more than 2 percent while Texas' deal count increased the most (0.5 percent.) This data demonstrates the geographic diversification of the VC market in the U.S.

DEAL COUNT BY STATE



DEAL COUNT BY STATE

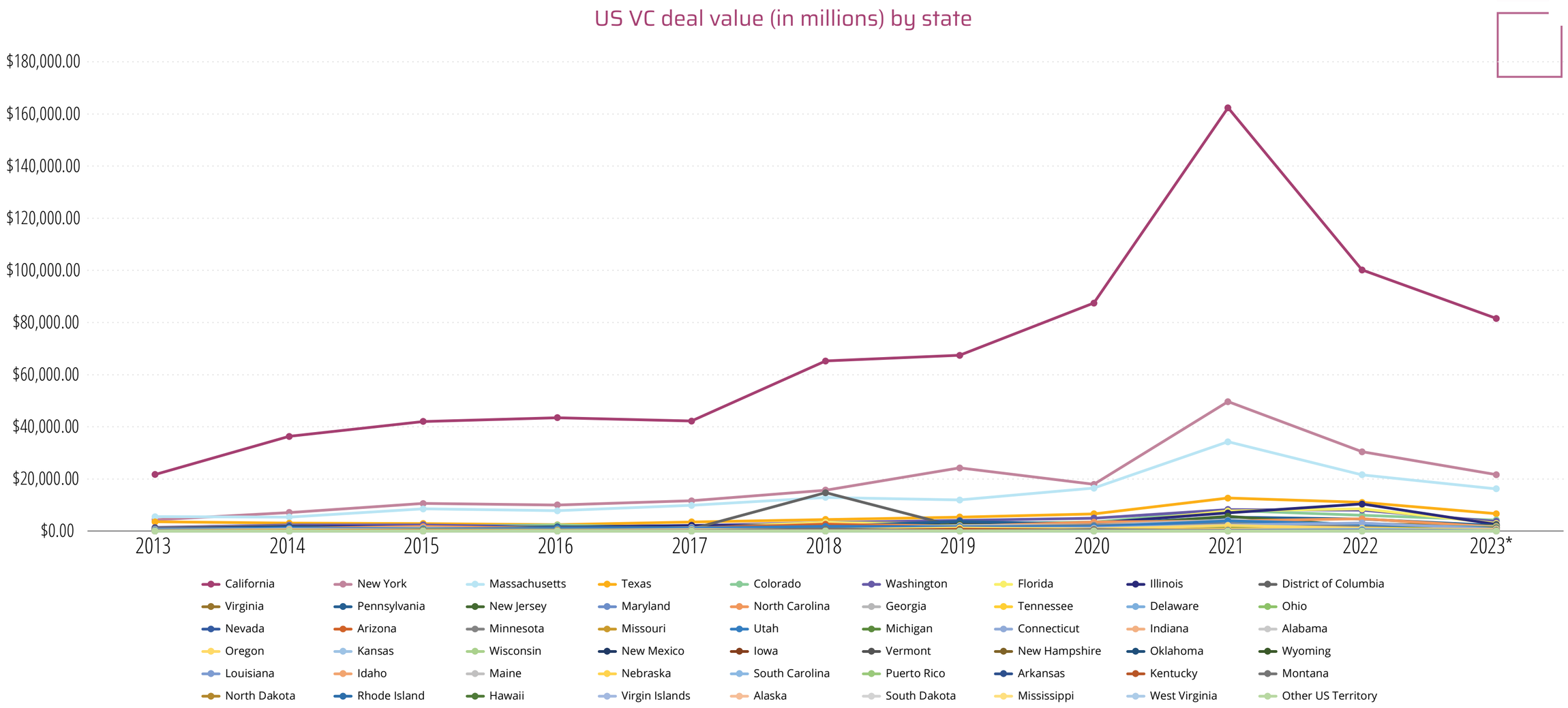


	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023*
California	33.5%	34.6%	33.0%	33.7%	33.5%	34.2%	33.0%	33.3%	33.5%	31.7%	29.7%
New York	11.1%	11.6%	11.7%	11.7%	11.4%	12.2%	12.9%	12.2%	13.7%	13.5%	13.6%
Texas	6.3%	5.6%	5.9%	5.9%	5.9%	5.8%	5.7%	5.5%	5.6%	5.6%	6.2%
Massachusetts	7.0%	6.2%	6.7%	6.3%	6.8%	6.6%	6.4%	6.7%	6.2%	6.1%	6.0%
Florida	2.7%	3.2%	2.9%	3.3%	3.3%	3.3%	3.2%	3.3%	4.0%	4.5%	4.4%
Illinois	2.7%	2.7%	2.7%	3.0%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Ohio	1.9%	1.6%	1.6%	1.8%	1.6%	1.5%	1.4%	1.4%	1.2%	1.2%	1.4%
Indiana	0.7%	0.8%	0.8%	0.8%	0.9%	0.9%	1.1%	1.1%	0.9%	1.1%	1.2%
Tennessee	1.5%	1.6%	1.3%	1.2%	1.1%	1.0%	1.0%	1.0%	0.9%	1.0%	0.8%
Wisconsin	0.6%	0.8%	0.9%	0.8%	0.7%	0.7%	0.6%	0.7%	0.6%	0.6%	0.7%
Kentucky	0.4%	0.4%	0.5%	0.4%	0.4%	0.4%	0.4%	0.5%	0.4%	0.4%	0.4%
North Dakota	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.1%

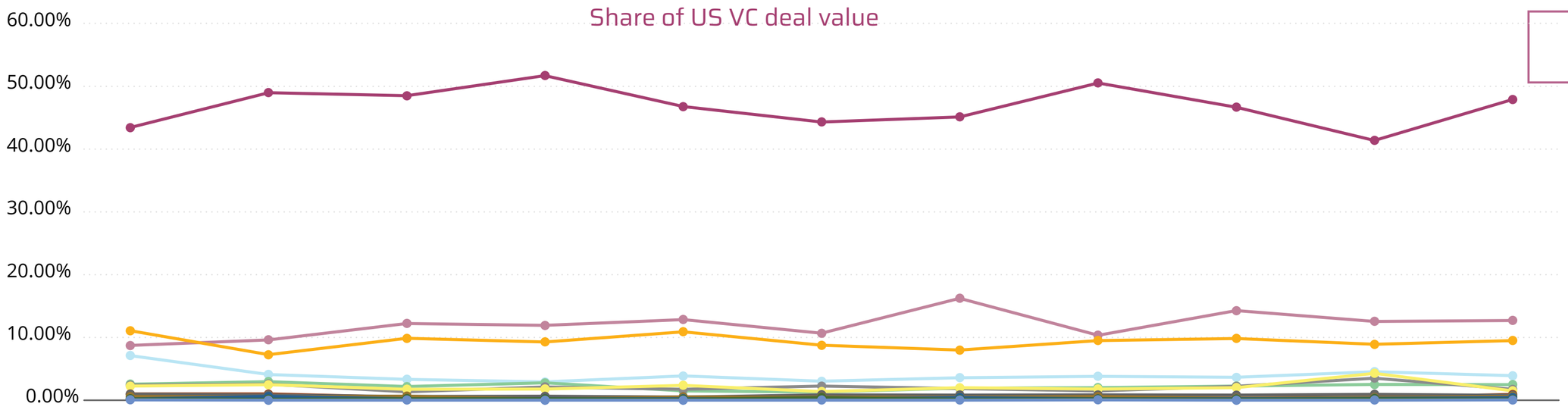
DEAL VALUE BY STATE

The deal value numbers are very different than the deal count numbers. California's percent of deal value increased year over year by more than 6 percent. This means that startups in California are raising fewer, larger rounds than other states. Texas' percent of deal value decreased by 0.6 percent meaning more startups are raising smaller rounds there. Indiana had a 0.1 percent increase in share of deal value. In 2024 we expect Indiana's percentage of deal value to continue to increase alongside an increase in exit activity.

DEAL VALUE BY STATE



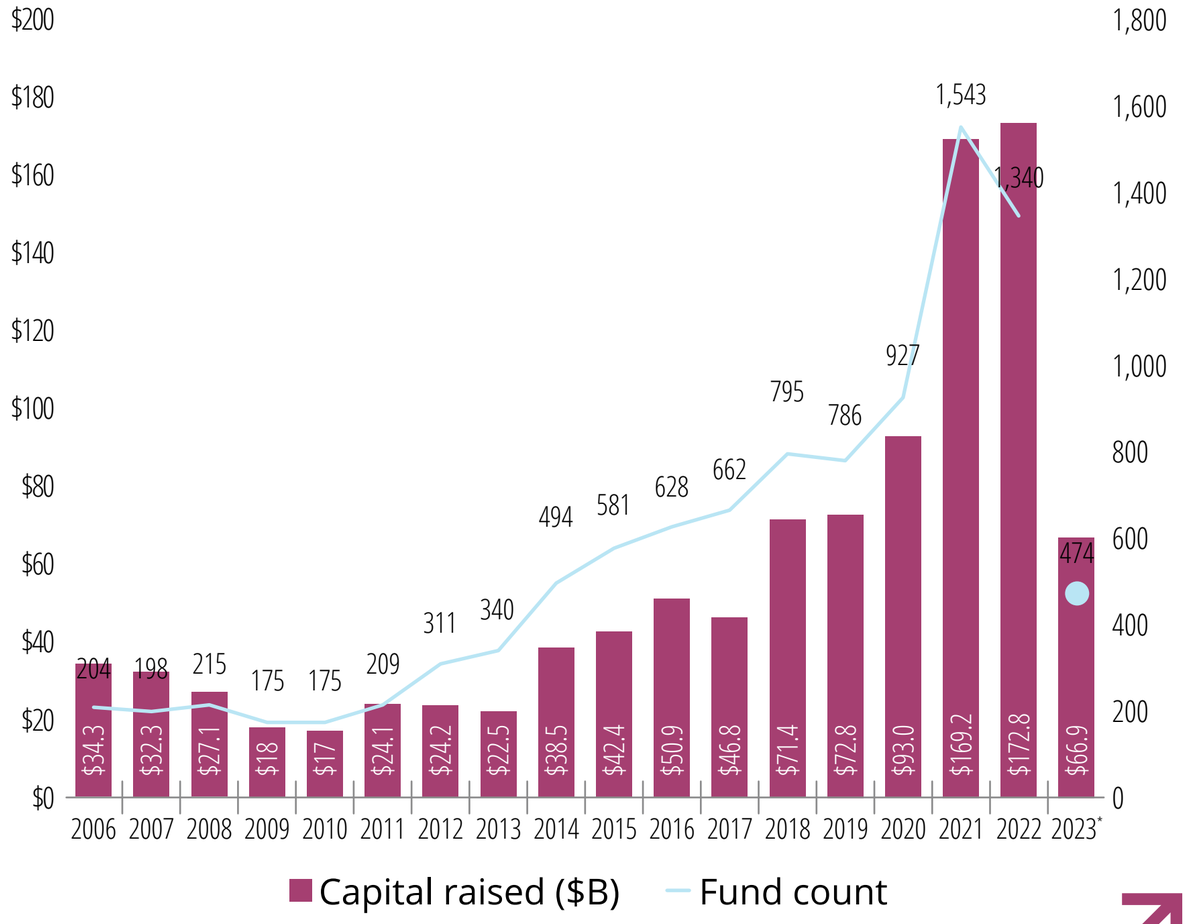
DEAL VALUE BY STATE



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023*
California	43.4%	49.0%	48.5%	51.7%	46.8%	44.3%	45.1%	50.5%	46.7%	41.4%	47.9%
New York	8.7%	9.6%	12.2%	11.9%	12.9%	10.7%	16.2%	10.4%	14.3%	12.6%	12.7%
Massachusetts	11.1%	7.2%	9.8%	9.3%	10.9%	8.8%	8.0%	9.5%	9.8%	8.9%	9.5%
Texas	7.1%	4.1%	3.3%	2.9%	3.9%	3.0%	3.6%	3.8%	3.6%	4.5%	3.9%
Colorado	2.6%	3.0%	2.2%	2.8%	1.5%	1.3%	1.9%	2.0%	2.3%	2.5%	2.5%
Florida	2.4%	2.6%	1.3%	2.1%	1.7%	2.3%	1.9%	1.5%	2.2%	3.5%	1.7%
Illinois	2.3%	2.5%	1.7%	1.8%	2.4%	1.4%	2.0%	1.8%	2.0%	4.3%	1.5%
Tennessee	1.0%	1.0%	0.5%	0.5%	0.5%	0.3%	0.4%	0.4%	0.3%	0.5%	0.9%
Ohio	1.0%	0.8%	0.6%	0.6%	0.5%	0.9%	0.8%	0.8%	0.8%	0.9%	0.8%
Michigan	0.6%	0.5%	0.7%	0.2%	0.5%	0.5%	0.5%	0.6%	0.3%	0.4%	0.6%
Indiana	0.2%	0.6%	0.2%	0.3%	0.2%	0.2%	0.4%	0.2%	0.2%	0.3%	0.4%
Wisconsin	0.2%	0.2%	0.2%	0.2%	0.2%	0.4%	0.2%	0.2%	0.2%	0.2%	0.2%
North Dakota	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%

US VC FUNDRAISING ACTIVITY

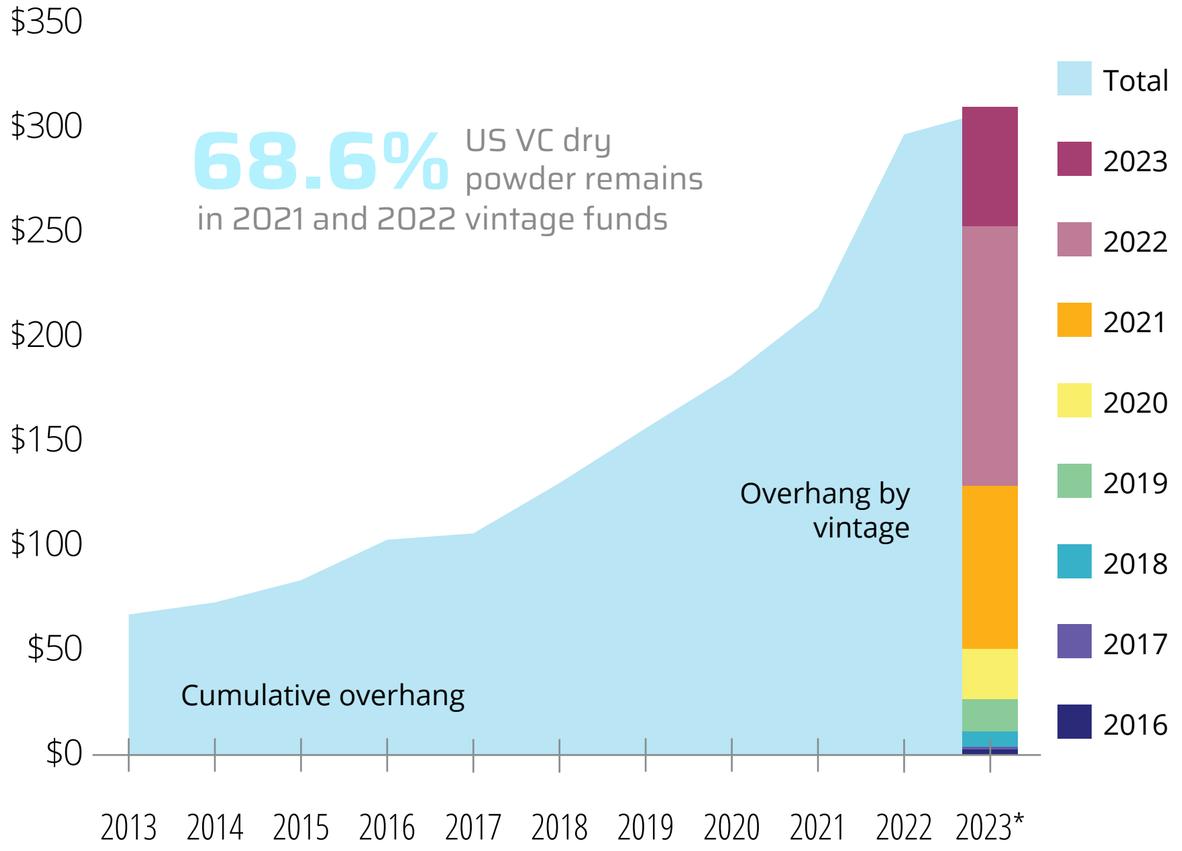
Unlike 2022, 2023 sharply declined in both capital raised and fund count. This is a result of trailing exit activity over the past several years, which has decreased LP returns and the overall amount of reinvestment into existing and new VC funds. The average fund size grew more than 50 percent, from $108.3 million in 2019 to $166.3 million in 2022 due to the increase in multi-billion-dollar funds. PitchBook predicts as deal activity and outsized financing rounds have waned, billion-dollar funds are no longer required to effectively participate at the upper end of the VC market.



US VC CUMULATIVE DRY POWDER

The surplus of $311 billion in dry powder is a testament to the strength of this asset class and its continued growth. Nearly 60 percent - 57.5 percent - of this dry powder sits in funds with commitments of $500 million or more, and 68.6 percent in 2021 and 2022 vintage funds. This demonstrates a clear concentration of capital among new funds with established fund managers, and according to PitchBook, has caused an increase in competition amongst startups even while the amount of dry powder continues to increase.

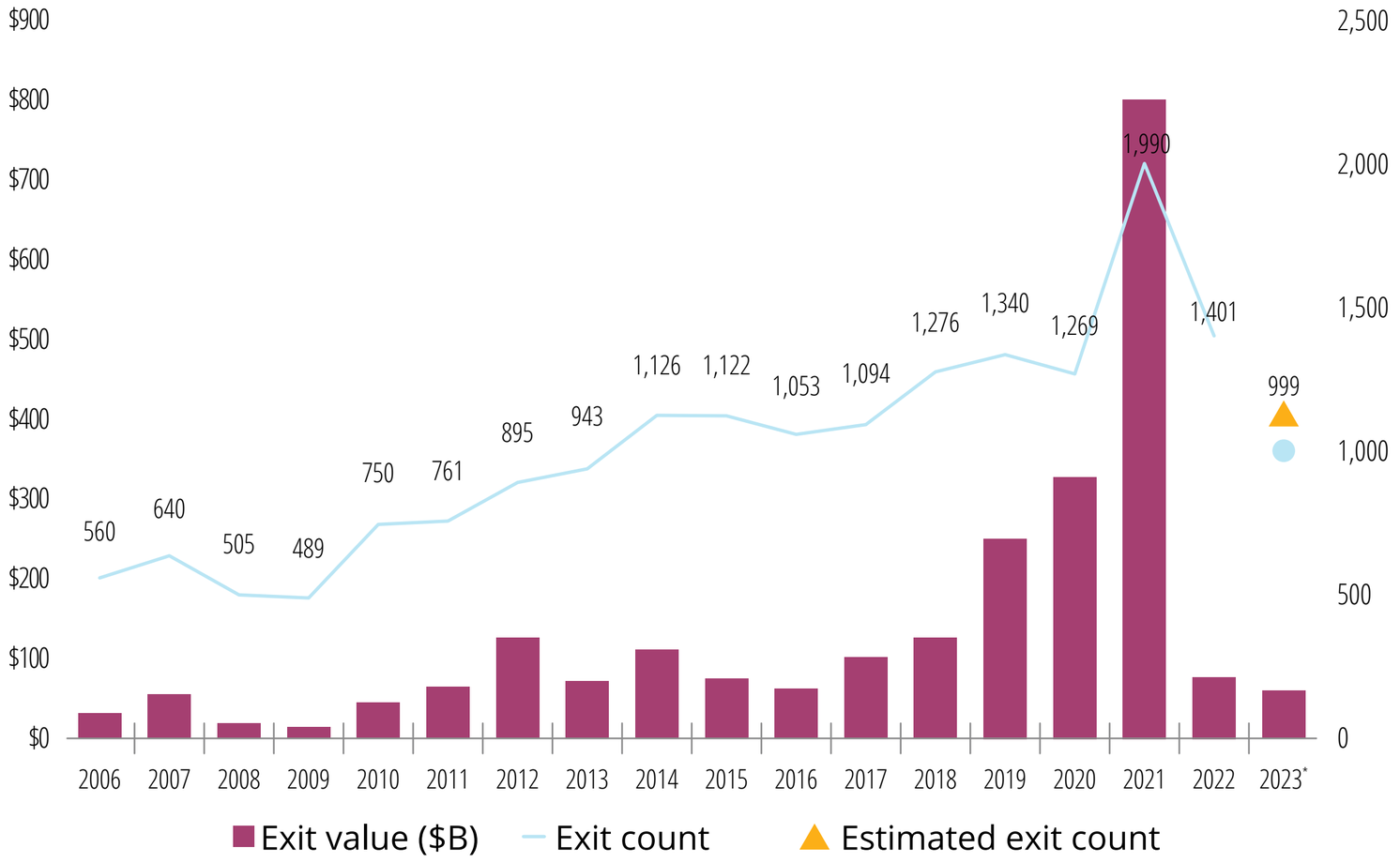
US VC dry powder ($B) by vintage



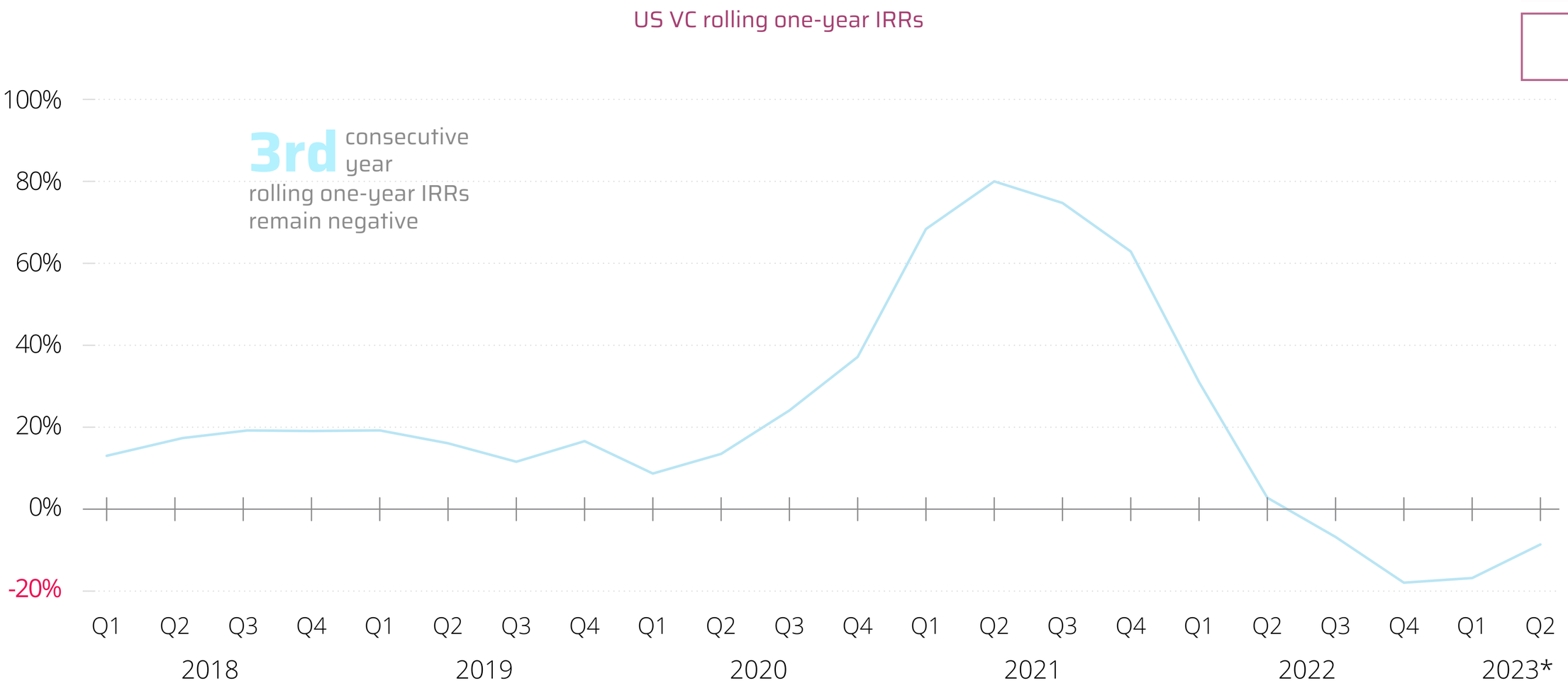
PitchBook - NVCA Venture Monitor | *As of March 31, 2023

EXIT ACTIVITY

Exit activity continues to trend downwards after 2021's meteoric increase, as startups continue to face right-sizing valuations, a tight Initial Public Offering (IPO) market and slowing M&A activity.



EXIT ACTIVITY



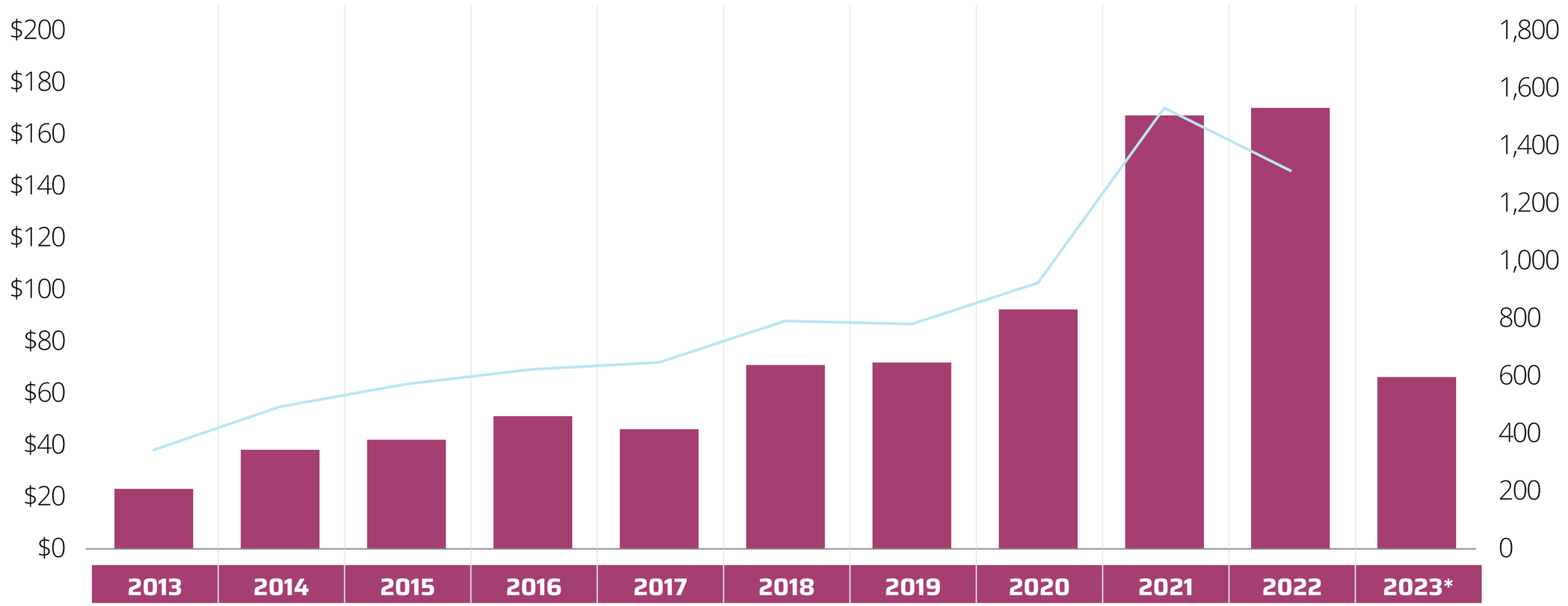
PitchBook - NVCA Venture Monitor | *As of June 30, 2023

FUNDRAISING ACTIVITY

According to PitchBook, U.S. VC fundraising did not meet last year's annual high of $162.6 billion in 2022. 2022's increase was attributed to the closing of funds raised during 2021 prior to the economic downtown. This year, we saw a 22 percent decrease year over year and the lowest fundraising amount since 2017. The investments into new fund managers continued to decline, signaling continued investor risk aversion by capital allocation preference for existing managers with proven track records, rather than new or emerging managers.

FUNDRAISING ACTIVITY

US VC fundraising activity

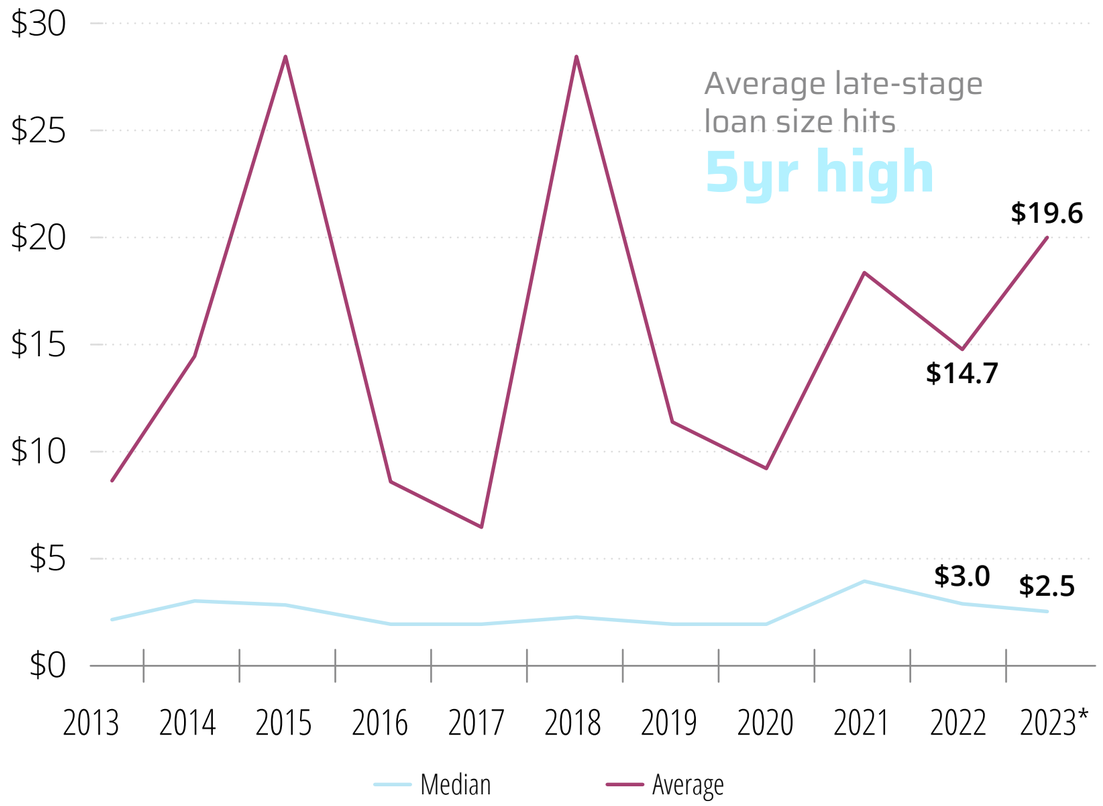


	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023*
Capital raised ($B)	$22.5	$38.5	$42.4	$50.9	$46.8	$71.4	$72.8	$93.0	$169.2	$172.8	$66.9
Fund count	340	494	581	628	662	795	786	927	1,543	1,340	474

*As of December 31, 2023

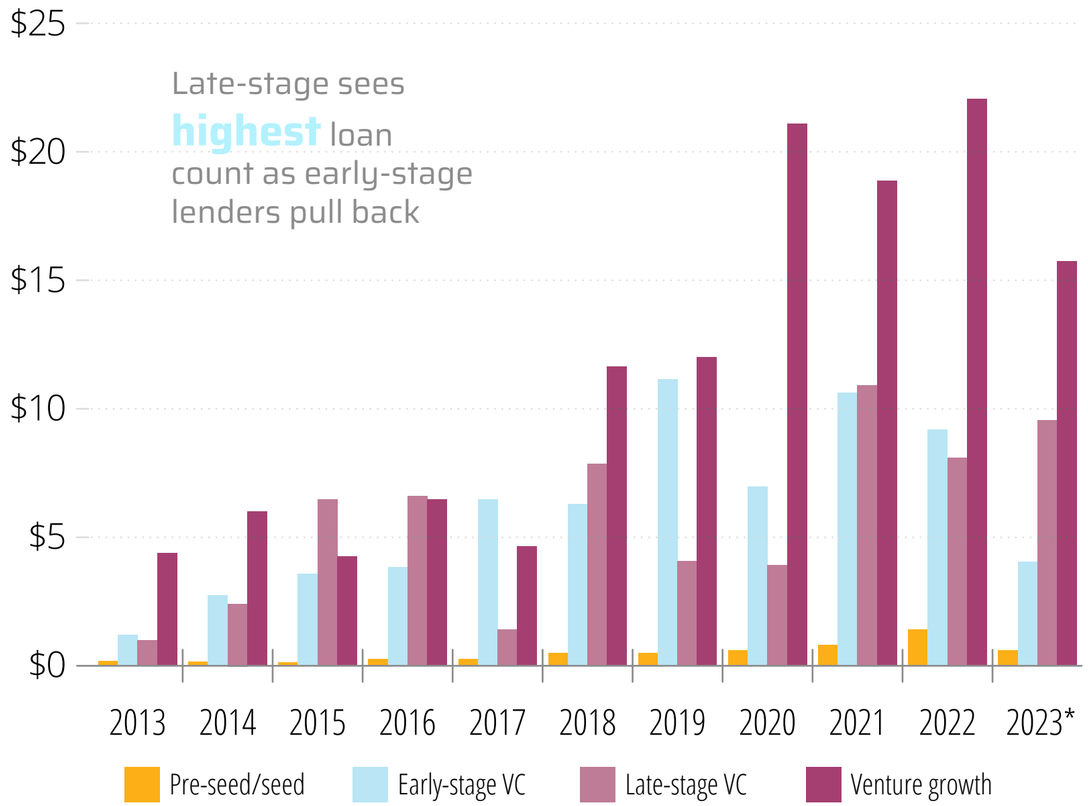
VENTURE DEBT

Median and average US late-stage venture debt VC deal value ($B)



PitchBook - NVCA Venture Monitor | *As of December 31, 2023

US venture debt VC deal value ($B) by stage



PitchBook - NVCA Venture Monitor | *As of December 31, 2023

2023 INDIANA TECH VENTURE MARKET

In 2023, Indiana's VC landscape displayed moderate change, reflective of its evolving economic and technological environment.

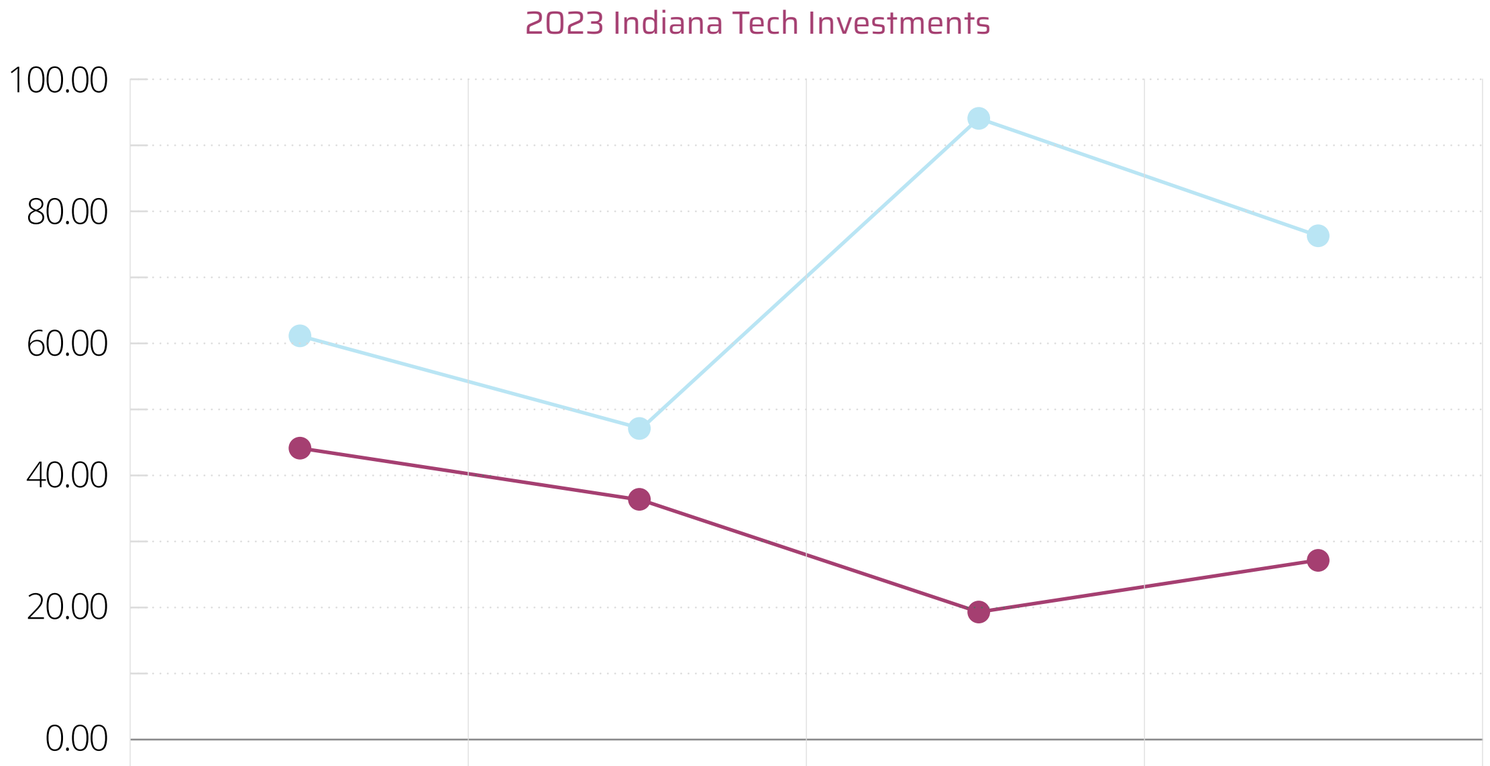
PitchBook reported the following totals for Indiana as of December 31, 2023:

201	244	178	$116M	$827.72M
Companies	Deals	Investors	Largest Deal	Capital Invested

This data shows increases in companies, deals, largest deal and total amount of capital invested compared to 2022. While the increases are small, they are notable due to the slowdown of the national VC market.

Tech specific venture investments in Indiana reached approximately $278 million in deal value through 115 deals in 2023. This demonstrates a 20 percent increase in the number of deals, a 40 percent decrease in total venture capital invested and a 50 percent decrease in average deal value compared to 2022.

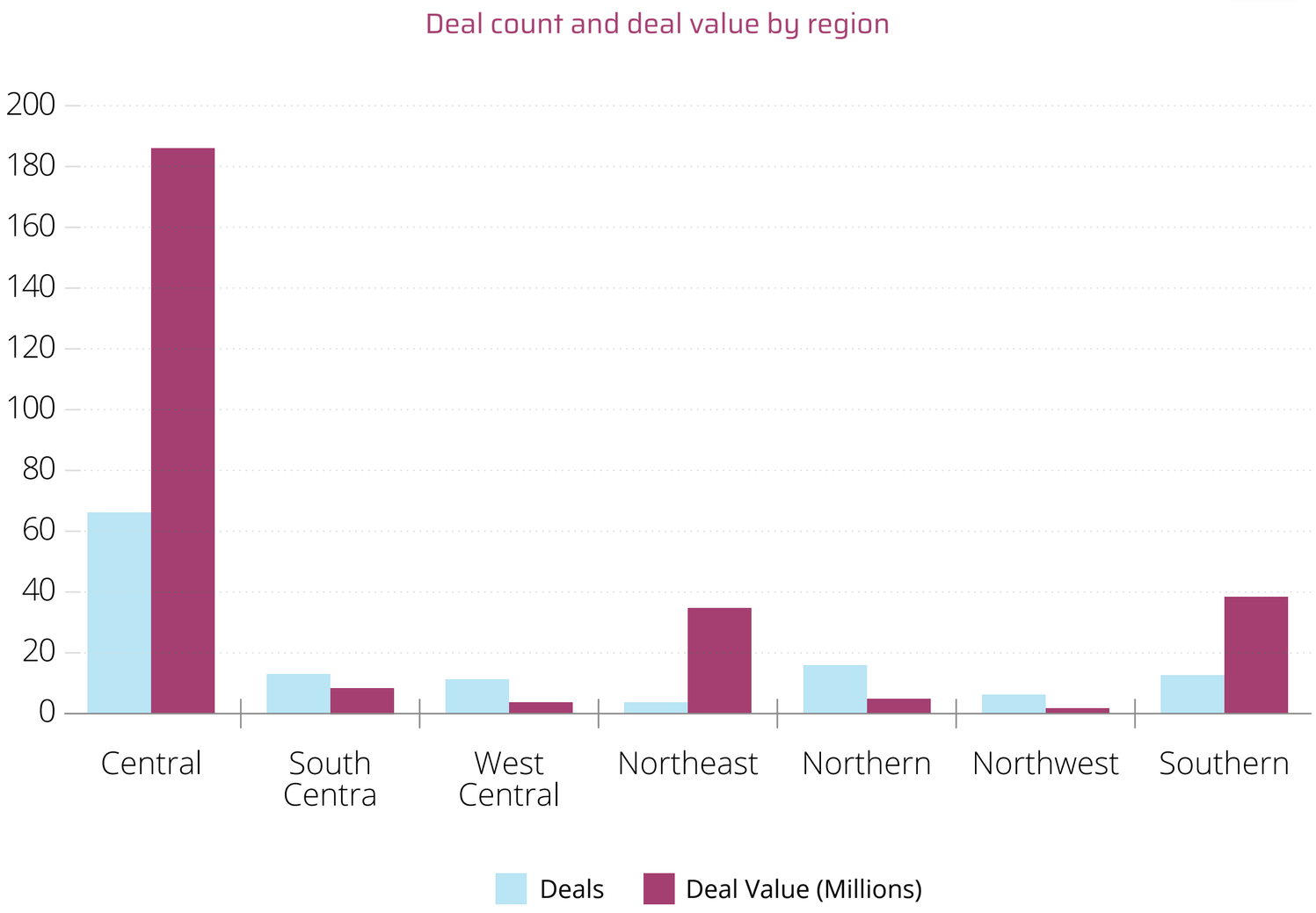
2023 INDIANA TECH VENTURE MARKET



2023	Q1	Q2	Q3	Q4	TOTAL
Quarterly Deal Value (In Millions)	$60.68	$47.05	$93.89	$76.12	**$277.74**
Deal Count	44	36	19	27	**115**

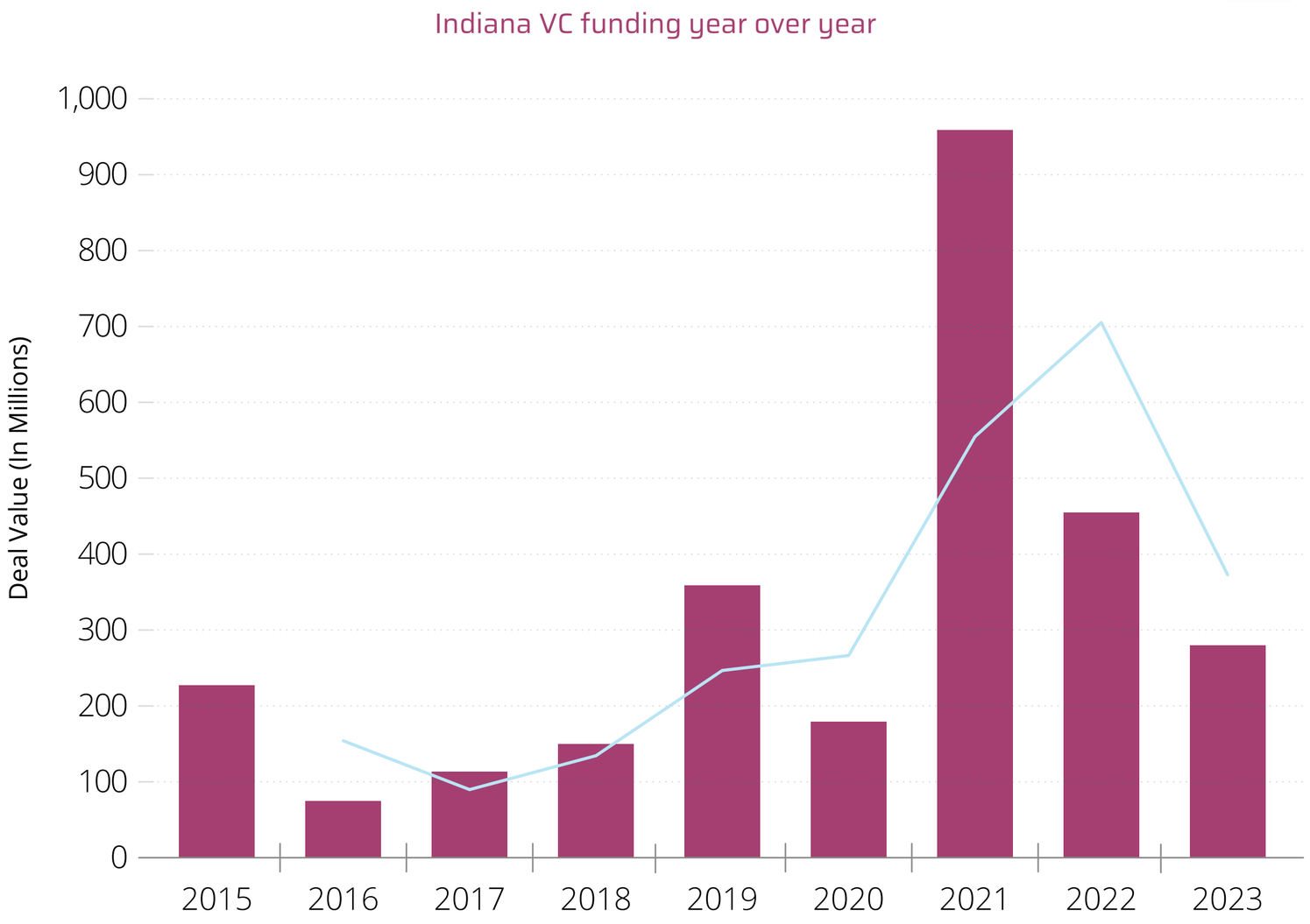
2023 INDIANA TECH VENTURE MARKET

As anticipated, the bulk of tech venture activity was concentrated in major cities such as Indianapolis and Bloomington, with these areas hosting a significant number of startups and VC firms. There was, however, a noticeable trend of VC reaching more smaller cities, expanding the entrepreneurial ecosystem beyond central Indiana. Northeast Indiana demonstrated a significant deal value via a few large deals. Each of Indiana's regions completed at least one deal.



2023 INDIANA TECH VENTURE MARKET

Indiana's 2023 tech venture activity continued a trend of underperforming compared to recent years, but also demonstrated consistency and growth. The year marked the fourth largest amount of annual Indiana tech VC investments, following 2022, 2021 and 2019, which aligns with national trends.



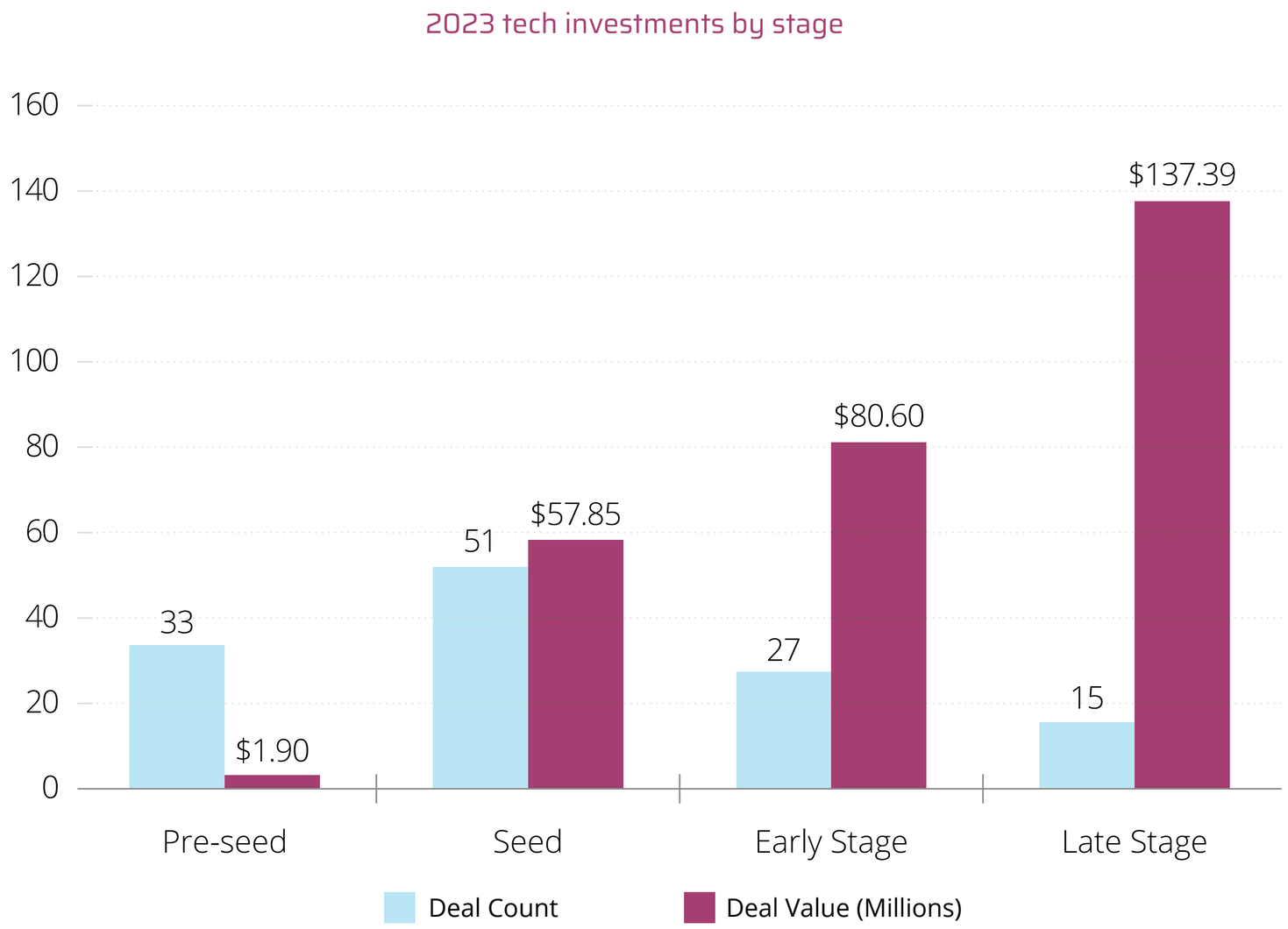
2023 INDIANA TECH VENTURE MARKET

On the exit side, while tech M&As, IPOs and Private Equity (PE) investments have been experiencing varying degrees of activity, they continue to represent an important source of capital investments in supporting tech companies' expansion in Indiana. Indiana tech saw 19 tech exits in 2023 through M&A. This continues Indiana's 2022 trend of a soft exit market for Indiana tech companies, which again, is consistent with national trends. As more and more VC-backed tech companies in Indiana are developing, we expect a commensurate level of exit activities in PE, M&A and IPOs.

Quarters 2 and 3 showed strong momentum, but Q4 experienced slowdown in both deal count and deal value, which is aligned with historical benchmarks.

Pre-seed, seed and early-stage investments continue to show good velocity accounting for 88 percent of total deal count. This is a decrease from 94 percent last year. Late-stage deals, while capturing 12 percent of total deal count, accounted for 49 percent of total deal value, again for the second year pointing to the importance of quality deals and bigger rounds.

2023 INDIANA TECH VENTURE MARKET

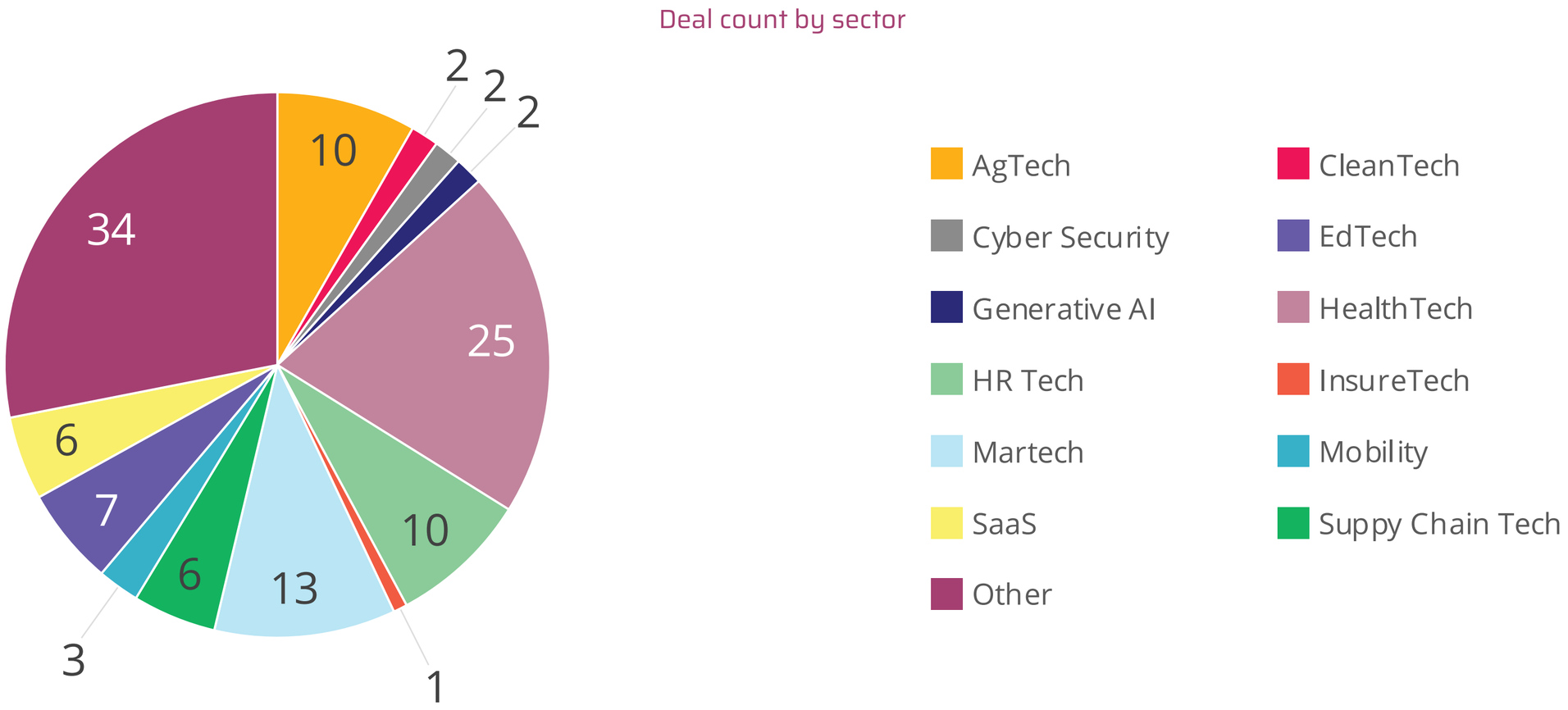


The year continued to see diversification in vertical tech investments in Indiana. This is encouraging as technology adoption has been rapidly accelerating in traditionally non-tech industries. Indiana's digital innovators are applying technology solutions to solving problems in agriculture, manufacturing and logistics, healthcare and human resources industries, all sectors in which Indiana has strength on both demand and supply sides.

2023 TOP THREE INDIANA TECH VERTICALS BY VC INVESTMENTS

Tech Vertical	2023 Deal Count	2023 Deal Value	PitchBook Vertical Definition
HealthTech	25	$73.92M	These companies provide mobility and other information technologies to improve healthcare delivery while decreasing costs. It entails the use of technology and services – including cloud computing, internet services and social mobility – to optimize patient-centric healthcare.
AgTech	10	$33.77M	The agricultural technology vertical consists of technologies that increase crop yield, improve farming efficiency and resilience, and provide financial resources for agricultural operations. Agricultural technologies include software, biotech inputs, and hardware, such as wearable sensors and large machinery. Investment in agtech is buffered by a growing litany of factors that constrict food supply while increasing demand.
HRTech	10	$29.86	Human resources technology companies develop software designed to improve human resource management operations and hiring processes. This includes applications used for recruiting, applicant tracking, applicant screening, performance management, benefits administration, employee engagement and employee analytics.

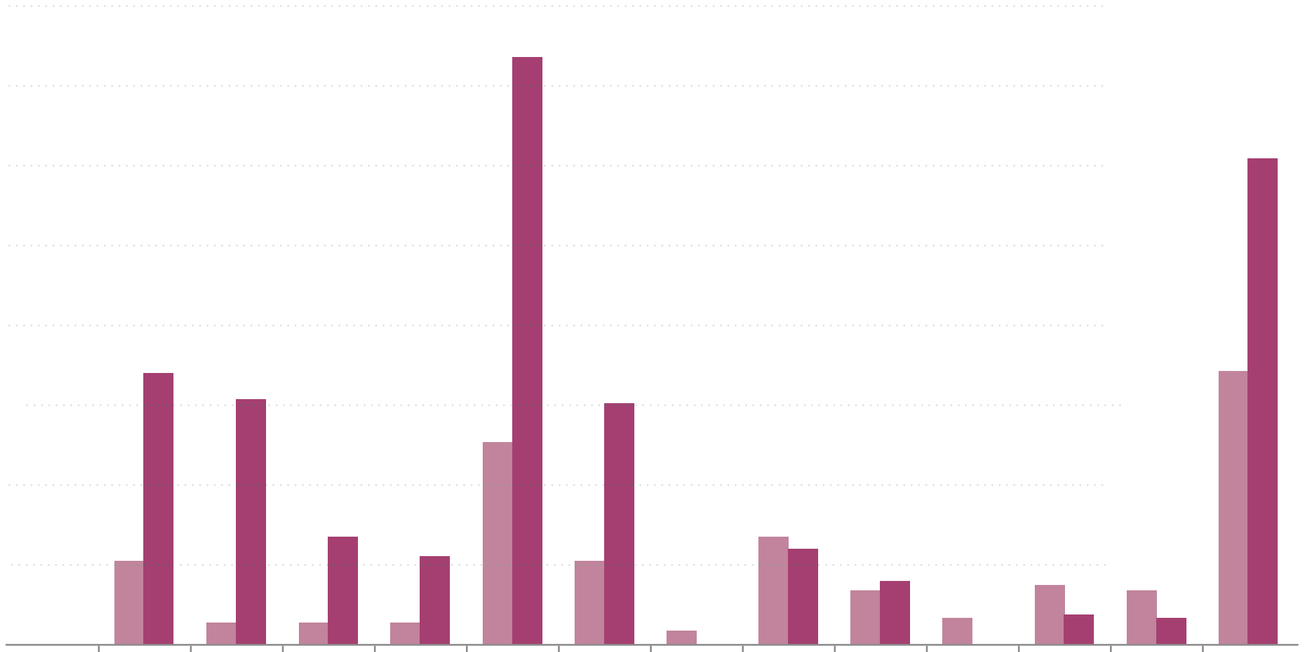
2023 TOP THREE INDIANA TECH VERTICALS BY VC INVESTMENTS



2023 TOP THREE INDIANA TECH VERTICALS BY VC INVESTMENTS

HardTech, including mobility, cleantech and supply chain tech, in total represents 11 deals with a total deal value of $38.02 million. AgTech saw another successful year with 10 deals totaling $33.77 million. HealthTech was the highest performing sector again this year, with 35 deals and almost $74 million in deal value. These top venture-invested sectors reflect the strongest economic base in Indiana's economy.

Deal count & deal value by sector



Sector	AgTech	Clean Tech	Cyber Security	Genera-tive Ai	Health-Tech	HR Tech	Insure Tech	Martech	Supply Chain Tech	Mobility	EdTech	SaaS	Other
Deal Count	0	10	2	2	2	25	10	1	13	6	3	7	6	34
Deal Value (Millions)	0	33.77	30.52	13.00	10.5	73.92	29.86	0	11.39	7.06	0.44	3.14	2.47	61.09

METHODOLOGIES

Because private market transactional activity is usually kept confidential and is challenging to track, we rely on PitchBook data and charts to show historical trends. The PitchBook data sets have gone through a high-level validation process by TechPoint, to ensure we are accurately including tech and tech-centric companies, as opposed to traditional industries that are using technology products. For data labeling consistency, we did not change PitchBook's labelling between PE and VC for instance, even though cross-over investors have been investing across stages. Instead, we include tech PE, VC, M&A and IPOs in Indiana for the last decade.

Stage:	
Pre-seed	less than $500,000, without identifiable investment by professionally-managed pool of capital primarily for financial returns. Funds with dual-mandates will account for professionally-managed pool of capital only when it's co-investing with other venture capital firms.
Seed	$500,000 to $5 million without identifiable investment by professionally-managed pool of capital primarily for financial returns.
Early-stage	$1 million - $10 million with identifiable investment by professionally-managed pool of capital primarily for financial returns.
Late-Stage	$10 million+ with identifiable investment by professionally-managed pool of capital primarily for financial returns.
Regions:	Following Indiana Department of Workforce Regional definitions
Vertical:	Rely primarily on PitchBook vertical definitions

FEATURED 2023 TECH INVESTMENTS

Company name	Authenticx
CEO	Amy Brown
Website	https://authenticx.com/
Headquarters	Indianapolis
Venture investors	Blue Heron Capital led the round with participation from Beringea, Indiana Next Level Fund/50 South Capital Advisors, High Alpha, Mutual Capital Partners, Signal Peak Ventures, Allos Ventures, Elevate Ventures and M25.
Company description	Authenticx is the new standard for humanizing conversational intelligence in healthcare by analyzing millions of customer interactions (like voice, chat, or emails) to surface immersive and intelligent insights at scale. Authenticx was founded to aggregate, analyze and activate customer interaction data to surface transformational opportunities in healthcare. Using existing data that's likely being stored and ignored in your organization, Authenticx reveals hidden barriers, motivators, and strategies so healthcare organizations can make confident, data-backed decisions.
Finance round details	$20 million Series B Round (January 2023)
Quote from the company	"By listening at scale, business leaders can feel confident that the strategies they implement in their organization are backed by data generated from the authentic words of their customers," said Amy Brown, CEO of Authenticx. "Whether identifying areas of frustration for customers or listening for good news, conversational data can be used to revolutionize the patient experience and remind the workforce of their noble purpose. With this funding, we'll be able to continue driving innovation in conversational intelligence and machine learning to streamline the patient journey and help staff do their best work."
Quote from the lead venture investor	"As healthcare organizations focus on building customer-centric solutions, they need a way to understand the truth of what customers truly want," said Tom Benedetti, Co-Founder and Managing Partner at Blue Heron Capital. "We're excited to partner with Authenticx and their strategic vision as they continue to align business decisions with patient experience."

FEATURED 2023 TECH INVESTMENTS

Company name	Elate
CEO	Brooks Busch
Website	https://www.goelate.com/
Headquarters	Indianapolis
Venture investors	WestWave Capital led the Series A funding round, with additional new investment from The Pritzker Group Venture Capital, Hyde Park Angels (HPA) and Capital Midwest Fund. Elevate Ventures also made a significant follow-on investment in the round along with continued participation from Serra Ventures, M25 and the Flywheel Fund.
Company description	Elate provides a strategic planning platform to help companies communicate vision, create alignment, and drive outcomes all in one place. Partnering alongside world-class Strategy and Operations leaders, Elate helps increase operations visibility to define and measure key initiatives in a unified view for real-time decision making and collaboration.
Finance round details	$4.9 million Series A Round (March 2023)
Quote from the company	"Elate is redefining the way companies go about strategic planning by simplifying the experience for employees and surfacing insights for strategy and operations leaders that show results in a measurable way," said Brooks Busch, Chief Executive Officer at Elate. "With this investment and the team we have in place, I am more confident than ever Elate has the ability to become the most dynamic and comprehensive platform to drive the future of strategic planning forward."
Quote from the lead venture investor	"In just 18 months since launching their platform, the trajectory, direction and vision of Elate speaks volumes to how they are driving strategic planning and engagement in a new way," said Warren Weiss of WestWave Capital. "From our own experience, many of the platforms in this space have failed to connect vision with execution to enable a proactive, dynamic strategy. Elate is leveraging innovative tech combined with expert guidance and direction to solve this pain point and serve world-class strategy and operations leaders."

FEATURED 2023 TECH INVESTMENTS

Company name	Afterschool HQ
CEO	Darye Henry
Website	https://go.afterschoolhq.com
Headquarters	Fishers
Venture investors	AfterSchool HQ's funding round is led by Reach Capital with participation from Black Tech Nation Ventures, Sixty8 Capital, Ruthless for Good Fund, Elevate Ventures, Start Something Ventures and the Flywheel Fund.
Company description	AfterSchool HQ offers a comprehensive online platform that combines state-of-the-art technology with a curated experience for youth-serving organizations. The company assists youth-serving organizations to fill classes, manage enrichment programs and measure impact. AfterSchool HQ provides an easy-to-use program management platform tailored to the unique needs of every after-school program, eliminating extra administrative work and allowing organizations to stay focused on serving the students they love. The platform hosts a diverse range of organizations, including STEM, arts, languages, sports and more, ensuring well-rounded and accessible experiences for students on evenings, weekends and during the summer.
Finance round details	$3 million Seed Round (June 2023)
Quote from the company	"We are thrilled to have successfully raised $3 million in our seed funding round," said Darye Henry, Founder and CEO of AfterSchool HQ. "This investment is a significant milestone for us and reaffirms our commitment to transforming after-school education for providers. As someone who ran an after-school program, I understand the challenges program providers face to manage all aspects of a successful experience. With these funds, we will continue to innovate and develop our platform, empowering children to discover and cultivate their passions while learning in a fun and interactive environment."
Quote from the lead venture investor	"Quality education should be accessible to all, regardless of location or socioeconomic background," added Jennifer Carolan, Co-founder and Partner at Reach Capital. "AfterSchool HQ provides children with after-school experiences that ignite their curiosity, foster their love for learning, and equip them with the skills they need for success."

AfterSchool HQ
Your home for afterschool experiences

FEATURED 2023 TECH INVESTMENTS

Company name	RxLightning
CEO	Julia Regan
Website	www.rxlightning.com
Headquarters	Greenville
Venture investors	The round was led by LRVHealth, with participation from McKesson Ventures and existing investors Novartis (dRx Capital), Onco360 (BrightSpring Health Services), Hearst Ventures and HealthX Ventures.
Company description	RxLightning digitizes, automates, and streamlines the historically manual specialty medication onboarding process. With RxLightning, providers can quickly and easily complete patient enrollment for every specialty medication in every therapeutic area, helping reduce paperwork, streamline communication, and accelerate speed-to-therapy. Through the company's MedAccess Ecosystem, patients, providers, specialty pharmacies, and pharmaceutical manufacturers have insights into each step of the patient onboarding journey.
Finance round details	$17.5 million Series A Round (June 2023)
Quote from the company	"Many people have tried to fix the slow, manual specialty medication onboarding process, but they've approached it with a single drug, pharmacy, or isolated part of the process in mind. RxLightning is the first to provide an end-to-end solution that covers the entire market – from every medication and destination to every stakeholder in the process," said Julia Regan, CEO and founder at RxLightning. "This new investment will help us further scale our medication access capabilities, support infrastructure and personnel growth, and maintain the unprecedented rate at which we've grown our partner base – all while receiving strategic guidance from leading industry experts."
Quote from the lead venture investor	"RxLightning has gone far beyond creating a digital experience that replaces paper forms, and has created a first-of-its-kind ecosystem that connects every part of the specialty medication process," said Josh Flum, managing partner at LRVHealth. "As the specialty market continues to grow and transform the treatment of diseases, RxLightning will play an important role in improving access while minimizing cost and burden on the system. We're proud to be standing alongside such a talented team on this journey."

FEATURED 2023 TECH INVESTMENTS

Company name	Conversight
CEO	Ganesh Gandhieswaran
Website	http://www.conversight.ai/
Headquarters	Indianapolis
Venture investors	The round was led by Surface Ventures with participation from Techstars, Augment Ventures, Elevate Ventures and existing investors.
Company description	ConverSight humanizes the interaction between computer systems and business users. The AI and analytics-based platform uncovers actionable business insights for enterprises through natural language conversations. ConverSight's comprehensive platform empowers users to engage with systems using simple dialogue, enabling organizations to make informed and accurate decisions through Natural Language Conversational Interaction, generative AI and its patented knowledge graph.
Finance round details	$9 million Series A Round (August 2023)
Quote from the company	"ConverSight goes beyond offering businesses an intuitive interaction with their data by opening the dialogue and putting the user first." said Ganesh Gandhieswaran, CEO and Co-founder of ConverSight.ai. "LLMs and generative AI are quickly defining the future of business analytics. ConverSight is easing this critical step in an organization's digital transformation journey by delivering descriptive, predictive, and prescription interactions with data. The best part is that anyone and everyone can use it, allowing true data democratization for improving decisions across a business."
Quote from the lead venture investor	"It has been a pleasure to be part of the continued growth and momentum that ConverSight has experienced in the last 20 months," said Gyan Kapur, Surface VC. "While many companies have incorporated generative AI into analytics over the past year, ConverSight has been working on this problem for more than 5 years and we believe has a critical head start in ensuring accuracy for mission critical analytics. We see potential for ConverSight's platform to continue to extend its market leadership and are excited for ConverSight to raise this Series A to amplify its go to market efforts."

FEATURED 2023 TECH INVESTMENTS

Company name	VitalView
CEO	Ray Fraser
Website	https://vitalviewtech.com/
Headquarters	South Bend
Venture investors	Leading the seed extension round were Pier 70 Ventures and the Notre Dame Pit Road Fund, with participation from Red Rock Equity Group and Elevate Ventures.
Company description	Vital View Technologies is a Medical IoT company developing break-through sensor based connected solutions that produces new actionable insights to solve real-world challenges. Their Congestive Heart Failure monitoring platform features a proprietary non-contact, noninvasive at-home medical monitor that tracks total body fluid change over time. This provides early, actionable data to clinicians, informs patient care plans and prevents costly hospitalizations.
Finance round details	$4.6 million Seed Round (November 2023)
Quote from the company	"Our goal was to raise enough capital to advance our program toward FDA 510(k) submission," said Ray Fraser, CEO. "Given the challenging economy, we are excited to announce that we actually exceeded our initial goal, reaching $4.6 million. This is thanks to an amazing core group of investors who recognize Vital View's contactless sensor platform for congestive heart failure as having the potential to be a true healthcare disruptor."
Quote from the lead venture investor	"When I was introduced to Vital View in 2022, I was intrigued by their non-contact, non-invasive way of monitoring those with congestive heart failure at home—it's just so easy for patients and caregivers to use," said Shaun Hawkins, managing partner with Pier 70 Ventures. "The potential impact on patient care due to near real-time monitoring and intervention is significant and fills an unmet need, particularly in underserved communities that don't always have physical access to their doctors."

For a full summary of Indiana's Q4 tech investments please review the final section of this report.

2023 INDIANA TECH EXITS

In 2023, TechPoint tracked 19 Indiana tech exits through M&A. This is a 44 percent decrease from 2022's 43 tech exits. Most of the exits did not disclose the transactional amount. Unlike 2022, there was no apparent trend in sector or category for these M&A transactions, which included Financial Tech (FinTech), SportsTech and CleanTech.

2023 INDIANA TECH EXITS

Below are highlighted Indiana tech M&A activities from Q4:

AMETEK, Inc. (NYSE: AME), located in the Philadelphia metro area, entered into a definitive agreement to acquire Paragon Medical of Pierceton. Paragon, which was owned by affiliates of American Securities LLC, is a provider of highly engineered medical components and instruments. This all-cash transaction was valued at approximately $1.9 billion.

American Resources Corporation (NASDAQ:AREC) of Fishers, is a next generation and socially responsible supplier of rare earth and critical elements, carbon and advanced carbon materials to the new infrastructure and electrification marketplace. It used a special purpose acquisition vehicle (SPAC) it had sponsored, American Acquisition Opportunity Inc., to acquire Royalty Management Co (RMC), also of Fishers. RMC is a royalty company building shareholder value to benefit its shareholders and communities by acquiring and developing high value assets in a sustainable market environment and trade on the Nasdaq Capital Market under the ticker RMCO and RMCOW. Financial information regarding this transaction were not shared by the companies.

Huizenga Group Automation of Grand Rapids, Mich. acquired Adaptek Systems of Fort Wayne. Adaptek Systems is a highly qualified, solutions-driven design and build engineering firm. Financial details were not disclosed.

2023 INDIANA TECH EXITS

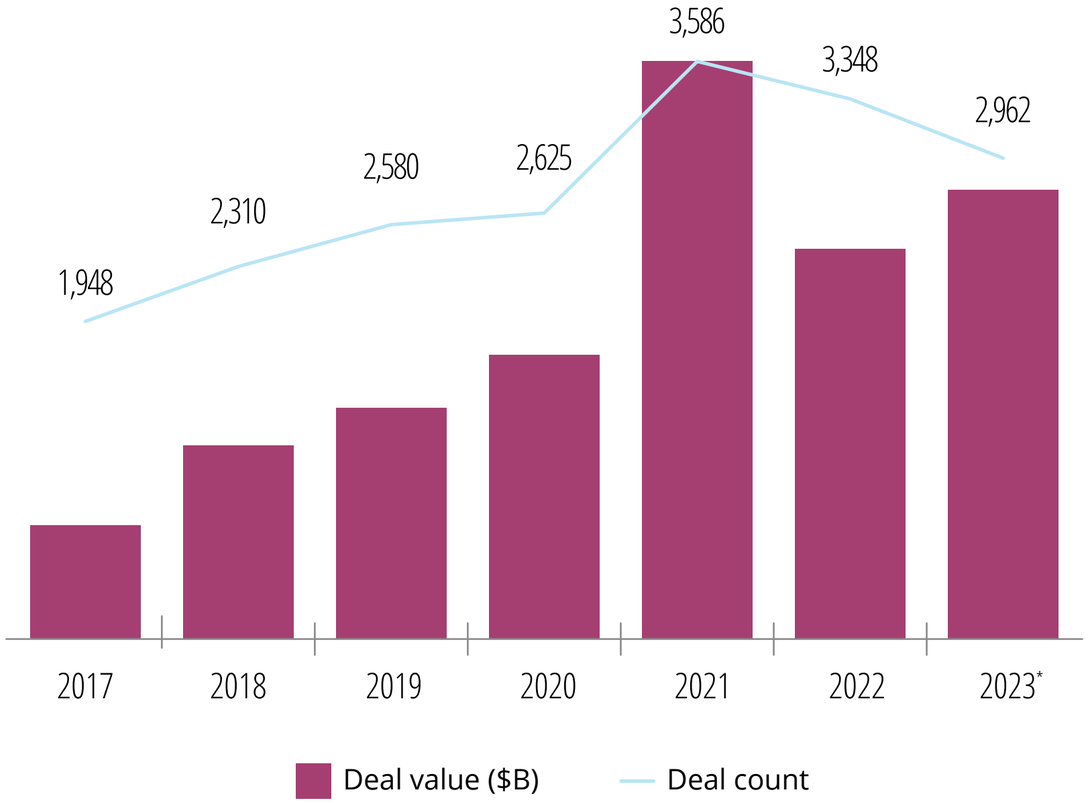
iMedical Healthcare Solutions, a Virginia-based corporation specializing in the sales, service, rental and innovation of medical equipment, strategically acquired Bed Techs, Inc. Based in Lawrenceburg, Bed Techs is the world's largest producer of used, refurbished and reconditioned hospital beds, stretchers, medical equipment and replacement parts. Financial details were not disclosed.

Theia, a Bloomington-based tech company that produces an AI-powered personal growth coach app, was acquired by Miri, a Bay Area tech company. The company did not share financial details of the transaction.

SECTOR ANALYSIS: AI

The AI sector in 2023 has continued to be a focal point for VC investment, reflecting its growing importance across various industries. The AI sector attracted approximately $62.6 billion in VC in 2023. In opposition with the overall market performance, this was a 15 percent increase compared to 2022. Nationally, there were about 2,962 deals in the AI sector, showcasing a rise in investor interest. There were two AI-related deals in Indiana in 2023, which represents about 0.07 percent of the total AI deals nationwide.

US AI & ML VC deal activity

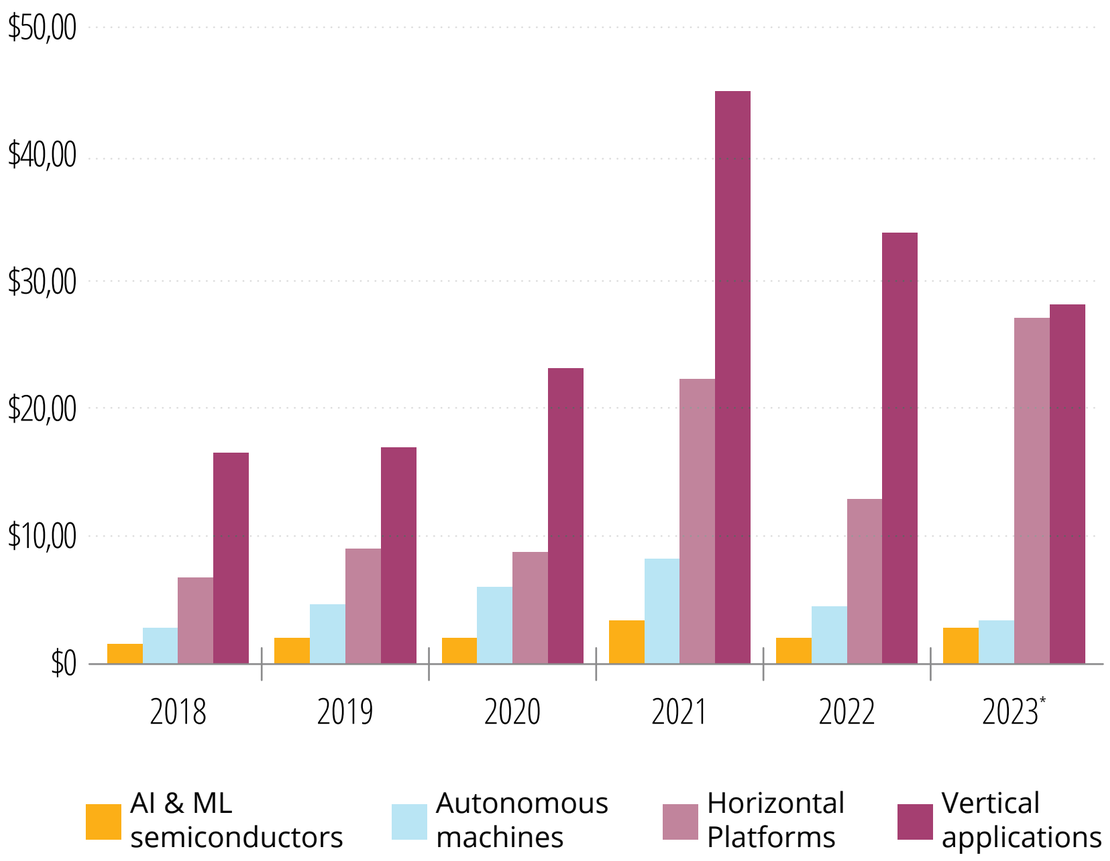


PitchBook - NVCA Venture Monitor | *As of December 31, 2023

SECTOR ANALYSIS: AI

Innovations in machine learning, natural language processing and generative AI have been at the forefront. AI has seen increased application in industries such as healthcare, manufacturing and mobility, with ventures focusing on specific applications like diagnostics, ambient health record documentation, decision intelligence and autonomous driving. The landscape featured a mix of both established players and emerging start-ups, with notable start-ups such as Anthropic receiving significant funding. Anthropic's $4 billion round raised this year represents 4 percent of all VC invested in the U.S. Indianapolis- based ConverSight, a unified decision intelligence solution leveraging generative AI and Large Language Models, raised a Series A round of $9 million in August.

US AI & ML deals value ($M) by segment



PitchBook - NVCA Venture Monitor | *As of December 31, 2023

SECTOR ANALYSIS: AI

Despite the growth, the sector faced challenges related to ethical concerns, data privacy and regulatory compliance. These have influenced investment decisions and the direction of research and development in AI.

Looking forward, the AI sector is expected to continue to grow dramatically in 2024. Continued development in areas such as ambient applications of generative AI are anticipated to attract significant attention and investment. The role of regulatory frameworks and ethical considerations will become increasingly important, influencing the future trajectory of AI development and investment.

SECTOR ANALYSIS: AGTECH

In 2023, the AgTech sector has continued to be a major focus for VC due to its potential for revolutionary advancements in agriculture and environmental science. There were 838 AgTech VC deals in 2023, with a total deal value of $7.35 billion.

There was a surge in investments into synthetic biology startups, focusing on applications such as sustainable materials and bio-manufacturing. Innovations in agricultural biotech aimed at enhancing crop yield and sustainability gained attention, especially in the context of global food security challenges.

SECTOR ANALYSIS: AGTECH

Additionally, the integration of AI and machine learning technologies has become increasingly prominent. Indiana company Smart Apply, which developed an AI-enabled precision crop sprayer, for example, was acquired in July by John Deere.

The Agtech sector continues to navigate challenges related to its capital-intensive nature, complex research and development processes and customer adoption pathways. With its critical role in addressing some of the most pressing challenges of our time, however, AgTech remains a key area for investment and innovation, promising significant advancements and societal impact in the years ahead.

SECTOR ANALYSIS: EDTECH

The Edtech sector experienced a decline in 2023, however, optimism prevails due to the fact that technology will continue to drive growth in education and the workforce. The sector attracted approximately $9.82 billion in VC in 2023, with 1,245 deals made and 1,159 companies receiving investment. In 2022, approximately 21.50 billion was invested into Edtech companies through VC funding (with 2,177 deals made and 1,967 companies receiving investment).

Significant investments were directed towards Edtech companies with AI components. The industry as a whole is optimistic about the use of AI in the classroom due to its ability to drive down costs and reach more students. AI has been used to create lesson

SECTOR ANALYSIS: EDTECH

plans, personalize exams, provide tutoring to individual students and generate content for teachers to use with their students. For example, SoapBox labs, a voice AI company that aids in screening, assessment and practice for literacy, math and language learning, was acquired by Curriculum Associates in November. Besides AI, companies in data analytics, mobile learning, and tutoring have also been major players in the space and have received funding while others struggled.

Significant investments were also being made outside the kindergarten through 12th grade space with an emphasis on workforce innovation in 2023. The traditional education route is being put to the test, especially with the emergence of new technologies. This trend allows for more inclusivity, but also a focus on lifelong learning as job roles continue to shift. The Butler Accelerator for Education and Workforce Innovation, a partnership between Butler University, gener8tor and TechPoint, will launch in early 2024. Ten founders will each receive an investment of $100,000 and participate in a 12-week program to help them grow their business. Programming will take place at Butler University and the 16 Tech Innovation District in Indianapolis.

Despite 2023 challenges, the long-term outlook for the EdTech industry remains strong. The Butler Accelerator for Education and Workforce Innovation is designed to address these challenges by investing in founders with diverse perspectives and experiences, who will ultimately help the sector grow.

SECTOR ANALYSIS: SUSTAINABILITY/CLEANTECH

The CleanTech sector was affected by the major decline in early-stage funding for tech companies globally in 2023. Crunchbase notes that $13.94 billion in global funding went towards sustainability/cleantech focused startups, down from the previous two years, but still up from 2019 and 2020. In the U.S. market, $4.95 billion was invested in this space, also down from the previous two years but higher than 2020.

Early-stage investors generally want their portfolio companies to have an executable plan to scale so they will earn a return on their investment. A recent PwC report notes that the biggest growth experienced in the CleanTech and sustainability

SECTOR ANALYSIS: SUSTAINABILITY/CLEANTECH

sector over the past five years has been in the area of mobility—specifically batteries and battery powered vehicles. VC firms and other private investors played a part in the early growth of the mobility industry as it pertains to CleanTech. Today, those industries have matured. Battery-powered vehicles are commonplace, and battery manufacturing is on the rise in Indiana (source). In the U.S., we are seeing less investment in mobility by VCs because of this maturation. These industries now receive a majority of their funding from more traditional sources like large manufacturers, banks and even government grants. PwC and Crunchbase note the areas with the biggest potential growth appear to be associated with carbon capture, utilization and storage companies that are capturing carbon created in the manufacturing process. This carbon is either stored or converted into something useful and less damaging to the environment.

Indiana experienced growth in the number of early-stage CleanTech companies participating in local accelerator programs. Nearly 30 percent of the 44 companies participating in gener8tor's Indiana gBETA program could be classified as cleantech/sustainability. Moreover, hundreds of these companies from all over the globe participated in gener8tor's Agriculture Conference and Manufacturing Conference, both held in Indianapolis in 2023. These conferences are specifically designed

SECTOR ANALYSIS: SUSTAINABILITY/CLEANTECH

to connect early-stage tech companies with potential investors. Indianapolis-based The Heritage Group has run a hard tech accelerator for the past five years. Nearly all of the companies that have gone through that accelerator have had a CleanTech or sustainability focus.

As concern for the environment grows, we will continue to see a rise in CleanTech companies. They will still, however, need to demonstrate an ability to scale to receive VC funding.

TECHPOINT'S IMPACT

80
Industry Members

11
University Members

60
Community Partners

6
Talent Programs

180+
Engaged Employers

10K+
Engaged Tech Learners

6
Innovation Programs

160+
Annuyal Startups Served

440+
Annual Capital Connections

170K+
Annual Content Engagement

750+
Annual Earned Media

4K+
Annual Stakeholders Convened

INDIANA TECH VENTURE DATA REPORTING

TechPoint's data tracking relies on multiple sources of information, including primary data through our deal monitoring activities as well as secondary sources like PitchBook. We aggregate and cross reference such data to ensure high-quality reporting.

To help ensure quality data, we invite you to share your investment or exit transactional information with us by emailing Chelsea@techpoint.org. Stay connected to TechPoint Index by subscribing to our weekly newsletter.

As Indiana's tech industry champion, we provide a number of programs to support digital innovation and venture development including the Indiana Founder's Network, Venture Connect, Venture Support, Indiana VCI Marketplace and Indiana CIO Network. We encourage you to learn about them and participate to help us better support Hoosier entrepreneurs.

ALL Q4 INDIANA TECH INVESTMENTS

On Target Laboratories, Inc., a privately held West Lafayette-based biotechnology company developing intraoperative molecular imaging agents to target and illuminate cancer during surgery, completed a $30 million Series C financing in November. This significant investment will play a pivotal role in accelerating commercialization of the company's novel compound, CYTALUX, the only FDA approved molecular imaging agent that illuminates lung and ovarian cancer as an adjunct during surgery, enabling surgeons to detect more cancer for resection.

Prevounce Health, a leading provider of remote care management software, devices and services, closed a $7 million Series A funding in October. The raise was led by Cloud Hill Partners and Michael Hammond, former co-founder of Hammond Hanlon Camp LLC and H2C Securities, with participation from additional returning investors. The Indianapolis-based company will use the latest financing to advance its product and service offerings and scale its team to meet growing market demand.

ALL Q4 INDIANA TECH INVESTMENTS

Vital View Technologies, Inc., a medical IoT company and University of Notre Dame startup, closed a $4.6 million seed extension round. Pier 70 Ventures and the Notre Dame Pit Road Fund led the round with participation from Red Rock Equity Group and Elevate Ventures. Vital View's patented digital health platform provides in-home and in-hospital remote, contactless monitoring that enables healthcare providers and patients to make health decisions based on data from wireless, touchless, vital sign monitoring technology.

The novel system, which detects change in total body fluids, aims to provide a greater understanding of a person's health in near real time, thus facilitating the timeliest delivery of healthcare services and avoiding unnecessary hospitalizations. Vital View participated in TechPoint's November Innovation Pitch Night held at 16 Tech.

ALL Q4 INDIANA TECH INVESTMENTS

Indianapolis-based Yourco, a Short Message Service (SMS)-based platform designed to bridge the communication gap between non-desk employees, raised $2 million in seed funding. The round was led by Ground Game Ventures with additional support from Allos Ventures, Start Something Ventures, Elevate Ventures and Flywheel Fund. The investment will accelerate the company's mission to empower the 2.7 billion employees working outside an office setting with effective workplace communication and automation tools.

Laxis, a Newburgh AI startup, raised $1.5 million in seed funding from a group of investors, including Elevate Ventures, Flywheel Fund, Allos Ventures, Ground Game Ventures, VisionTech Partners and Lofty Ventures. Its AI assistant tailored to empower revenue teams, helps users enhance productivity and drive accelerated growth.

ALL Q4 INDIANA TECH INVESTMENTS

Primary Record raised $1 million in a round co-led by Boomerang Ventures of Indianapolis and Render Capital of Louisville with participation from BAMco Enterprises. The Fishers-based company developed a secure and user-friendly mobile health app that consolidates personal health data from various sources, simplifying communication and sharing between family members to improve the coordination of care while reducing costs. Co-founders Jean Ross, RN, and Jim McIntosh participated in one of TechPoint's Innovation Pitch Nights in 2023.

Aerovy, a Purdue University-connected startup, completed a round of pre-seed funding, raising $800,000 from Purdue Innovates, M25 and Flywheel Fund. It is expanding industry partnerships around the world. Aerovy develops cloud-based software solutions for the advanced air mobility, or AAM, sector, which includes electric-powered urban and regional aircraft.

ALL Q4 INDIANA TECH INVESTMENTS

Crown Point-based Carosh Compliance Solutions, which specializes in providing affordable HIPAA solutions tailored specifically for small to medium sized medical practices, solo practitioners, other covered entities and their business associates nationwide, raised $80,000 via crowdfunding.

Airwave, a new High Alpha Studio company with team members in Indianapolis, San Francisco and Chennai, launched and took on an undisclosed investment. The company's push-to-talk app allows teams to connect, reduce misinterpretation, and move work forward on the go to keep productivity high and make every voice heard, without interruptions.

ALL Q4 INDIANA TECH INVESTMENTS

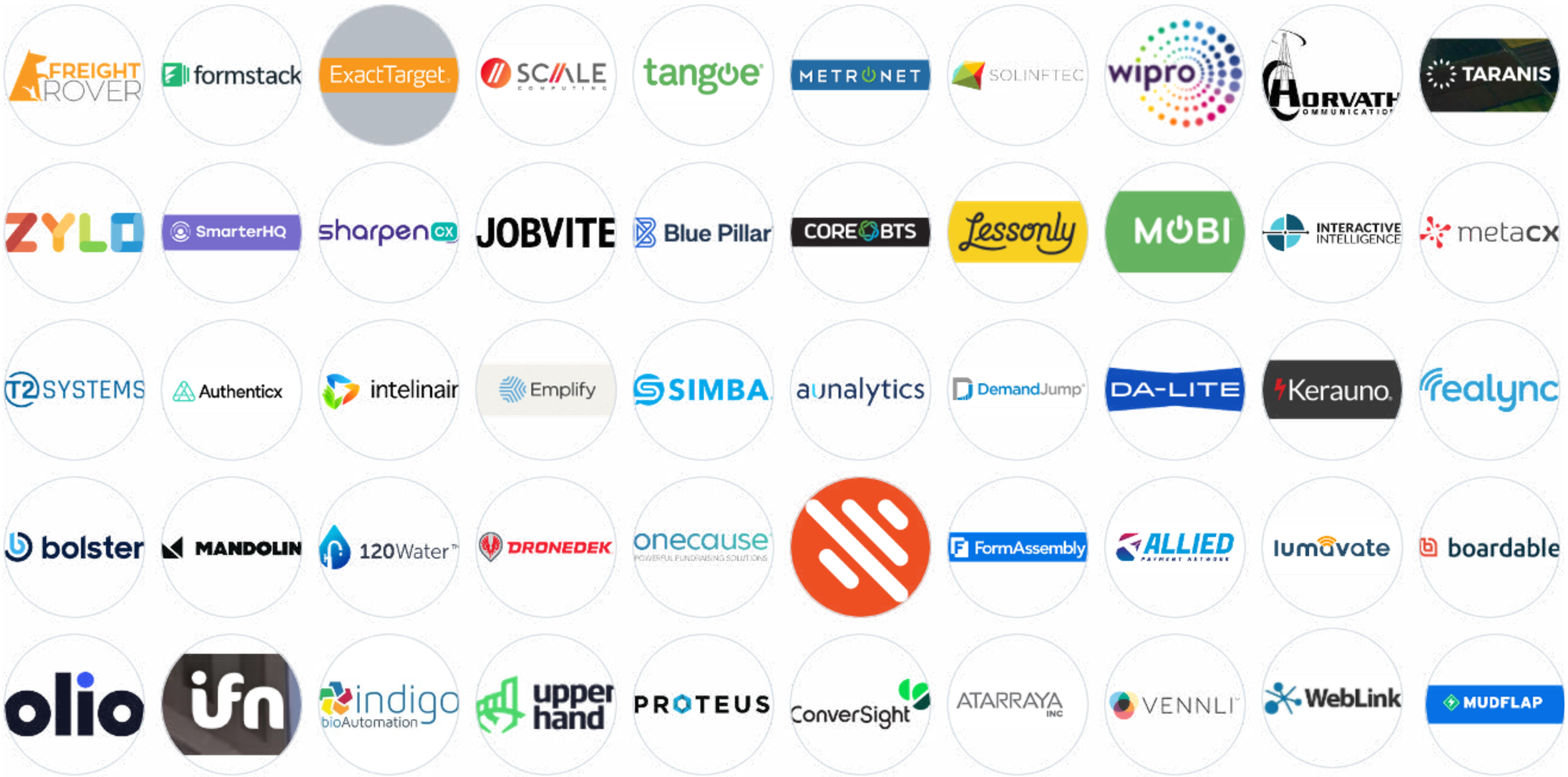
Elevate ventures announced the winners of the 2023 Elevate Nexus Statewide Pitch Competition. Each of the winners received a $100,000 seed or $40,000 pre-seed investment to propel them as they create high-growth businesses across the state. Representing a range of industries and Indiana communities, the winning companies also join Elevate's venture development portfolio. ReproHealth Technologies, an Indianapolis-area Ag/Biotech device manufacturing company associated with Purdue University, received a $100,000 investment along with Laxis, Inc. of Newburgh. HUMN Capital, a B2B SaaS human resources company led by CEO Angela Goldenstein and associated with Purdue University, Kings Safety of South Bend and Soloist of Bloomington each raised $40,000 in pre-seed funding. Kinga Safety is a personal safety and EdTech company led by Founder Ambrose Kamya and associated with the University of Notre Dame and enFocus Inc. Soloist is a B2C music technology platform for musicians led by CEO Parker Busick and associated with Indiana University and The Dimension Mill. Parker Busick was one of the four participants in TechPoint's November Innovation Pitch Night.

ALL Q4 INDIANA TECH INVESTMENTS

Engineered Innovation Group raised an undisclosed amount of venture funding from High Alpha in November. The Indianapolis firm helps clients develop their ideas into products and services. Their combined experience covers all aspects of SaaS product strategizing and engineering.

Innovative Consulting Group (ICG), an Evansville-based provider of Healthcare IT consulting support, recapitalized with support from SV Health Investors. ICG plans to use the capital to expand services and reach in the healthcare Information Technology consulting industry.

REPRESENTATION OF INDIANA TECH COMPANIES



REPRESENTATION OF INDIANA TECH COMPANIES

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