

2024

INDIANA VENTURE REPORT



Data as of 12/31/2024

2024 INDIANA VENTURE REPORT

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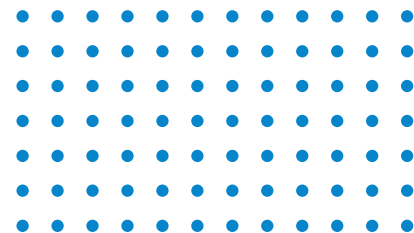
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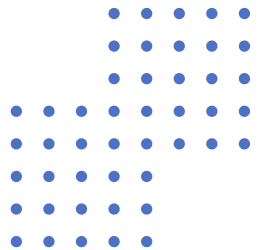
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2024 INDIANA VENTURE REPORT

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Indiana Venture Community,

It is with great pleasure that I present to you the 2024 Indiana Venture Capital Report, a comprehensive analysis of the evolving landscape of venture capital (VC) in the United States as it relates to Indiana. To expand our analysis and showcase innovation and access to capital across all verticals, we collaborated across the Central Indiana Corporate Partnership (CICP) to include additional industries and verticals in this annual report.

The data for 2024 indicates a year of strategic adaptations and recalibrations within venture capital activities and shows challenges in the VC landscape. We observed a total investment of approximately \$209 billion across 13,776 deals, demonstrating a robust increase in deal value juxtaposed with a reduction in the number of deals, compared to the previous year. This pattern underscores a deeper selectivity and a focus on quality and scalability in investment choices that align with the shifting dynamics of the national and global economy.

The continuation of bottlenecked exit activities has kept return distributions low, and signals a need to revitalize our approach to facilitating larger and more lucrative exits if we are to sustain the health and vibrancy of our venture ecosystem.

We did see data, however, that demonstrates Indiana is a significant player on the national scene. Indiana's total 2024 deal value of \$1.05 billion was the state's highest ever. Even more promising, the data indicates Indiana will continue this upward trajectory, driven by targeted support and strategic initiatives.

As we look ahead, we remain committed to adapting our strategies to meet the demands of an ever-changing market. We are poised to leverage insights from this year's data to enhance our approaches, support innovative entrepreneurs, and ultimately drive more growth in Indiana. Thank you for your continued trust and engagement. We look forward to another year of turning challenges into opportunities as we collectively push the boundaries of innovation and entrepreneurship in the Hoosier state.

Sincerely,

A handwritten signature in black ink that reads "Chelsea Linder". The signature is written in a cursive, flowing style.

Chelsea Linder, VP Innovation & Entrepreneurship, TechPoint

NATIONAL VENTURE MARKET OVERVIEW

The national venture market in 2024 navigated a complex economic landscape, characterized by evolving investor strategies and shifting sector dynamics. PitchBook reported the total amount of venture capital invested in the US in 2024 was approximately \$209 billion, through approximately 13,776 deals. This represents an increase in deal value, yet a decrease in deal count compared to 2023's numbers.

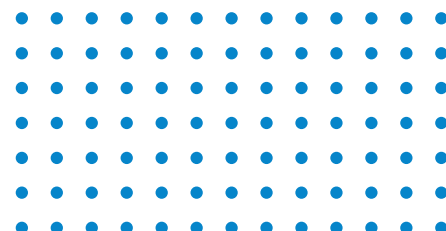
US VC DEAL ACTIVITY

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Deal value (\$B)	\$74.5	\$87.0	\$83.6	\$90.9	\$146.7	\$153.9	\$174.7	\$354.6	\$238.2	\$162.17	\$209.04
Deal count	11375	12074	11203	12015	12749	13820	13986	19373	18027	14712	13776

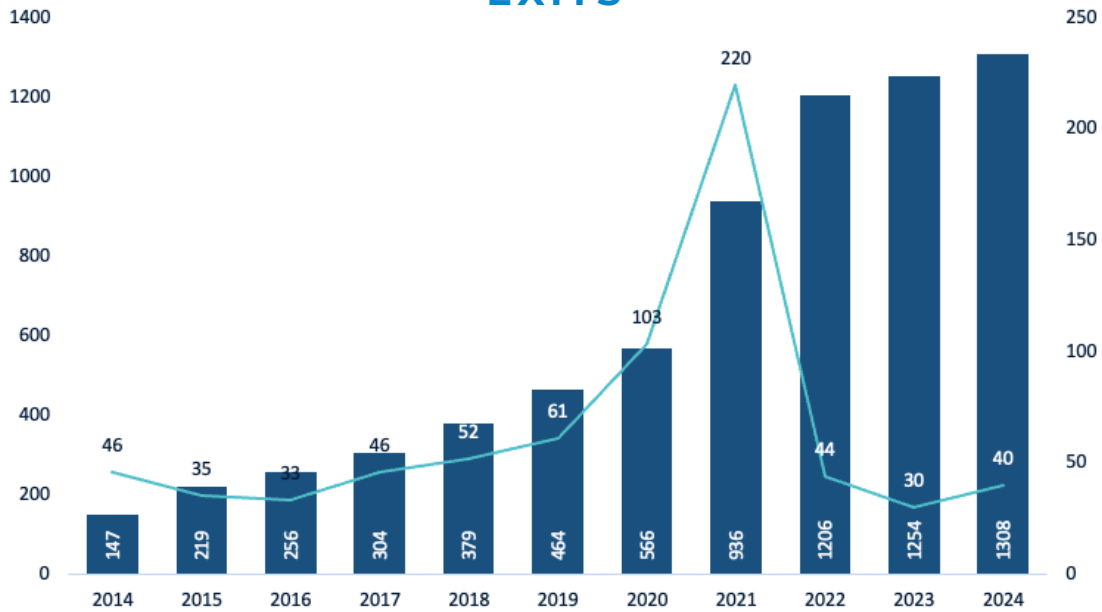
As of 12/31/24. Source: PitchBook NVCA Venture Monitor

Silicon Valley and the West Coast continued to dominate the VC landscape, regaining footing year over year through increased deal volume and size. The geographical diversification observed from 2020-2023 is slowing, although this data may be skewed due to outsized rounds in California-based companies such as Nvidia and Anthropic. PitchBook reports the excitement over these large artificial intelligence-related (AI) investments created a false sense of growth in the market.

VC activity in the United States in 2024 was characterized by a continued bottleneck in exit activity, especially return-generating and large-scale exits. In 2024, nearly 90 percent of exits took place in Series B stage companies, meaning the average exit value was limited. In 2021, for example, 220 companies exited with a price of \$500 million or more. In 2024, only 30 similar exits took place.



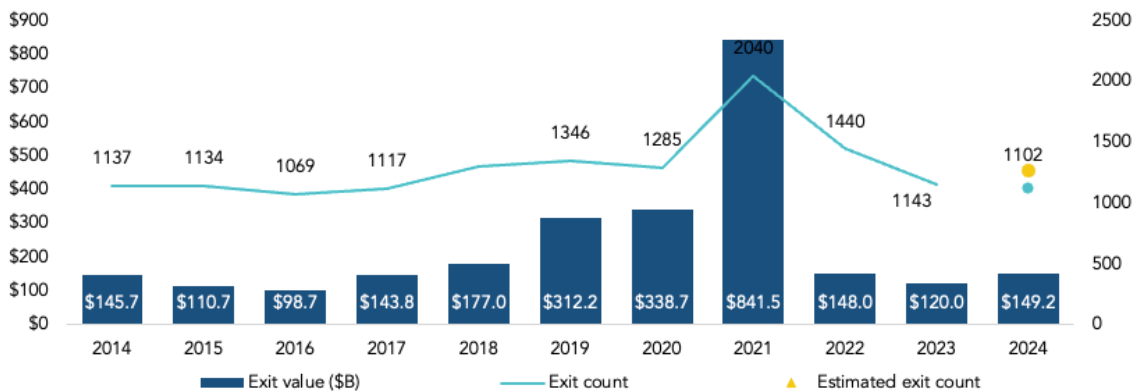
AGGREGATE COMPANY COUNT OF US VC-BACKED COMPANIES WITH \$500M+ VALUATIONS VERSUS \$500M+ EXITS



As of 12/31/24. Source: PitchBook NVCA Venture Monitor

In order for the VC market to return to previous highs, the number of large and revenue-generating exits needs to increase. Instead, the rate of distributions has continued to stay low and won't increase until exit activity picks up. In 2024, exit activity increased about \$20 billion from 2023's numbers, but remains low compared to 2018-2022's numbers. The 2024 increase was largely driven by large company exits worth more than \$1 billion, which increased by \$16 billion year over year. There was also an increase in extremely small exits, (companies that exit after raising a seed round) which PitchBook attributed to increased desire from investors to get a low return instead of shuttering a zombie startup.

US VC EXIT ACTIVITY



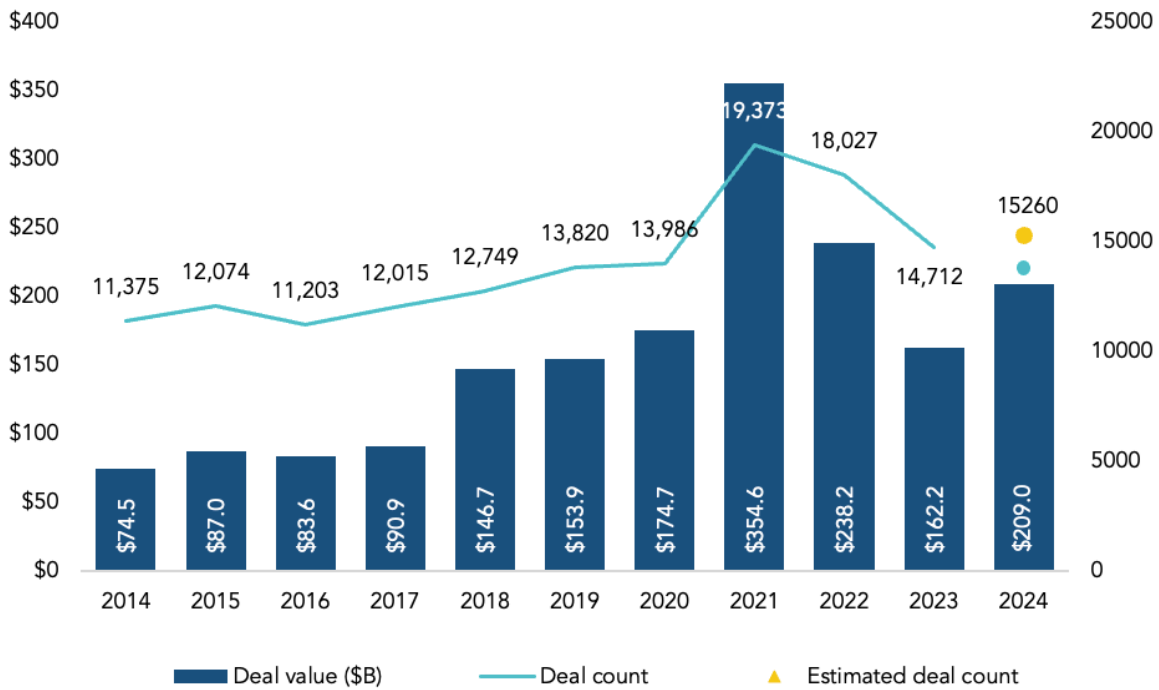
As of 12/31/24. Source: PitchBook NVCA Venture Monitor

For VC to return to previous levels, more large exits need to take place. PitchBook predicts this will happen due to changes at the Federal Trade Commission which will make it easier for acquisitions and initial public offerings (IPOs) to occur.

DEAL ACTIVITY

The total amount of VC invested in 2024 was approximately \$209.04 billion, about a 29 percent increase compared to 2023. PitchBook reported 13,776 venture capital deals in 2024, a 23 percent decrease from the 14,712 deals reported in 2023.

US VC ACTIVITY



Source: PitchBook NVCA Venture Monitor

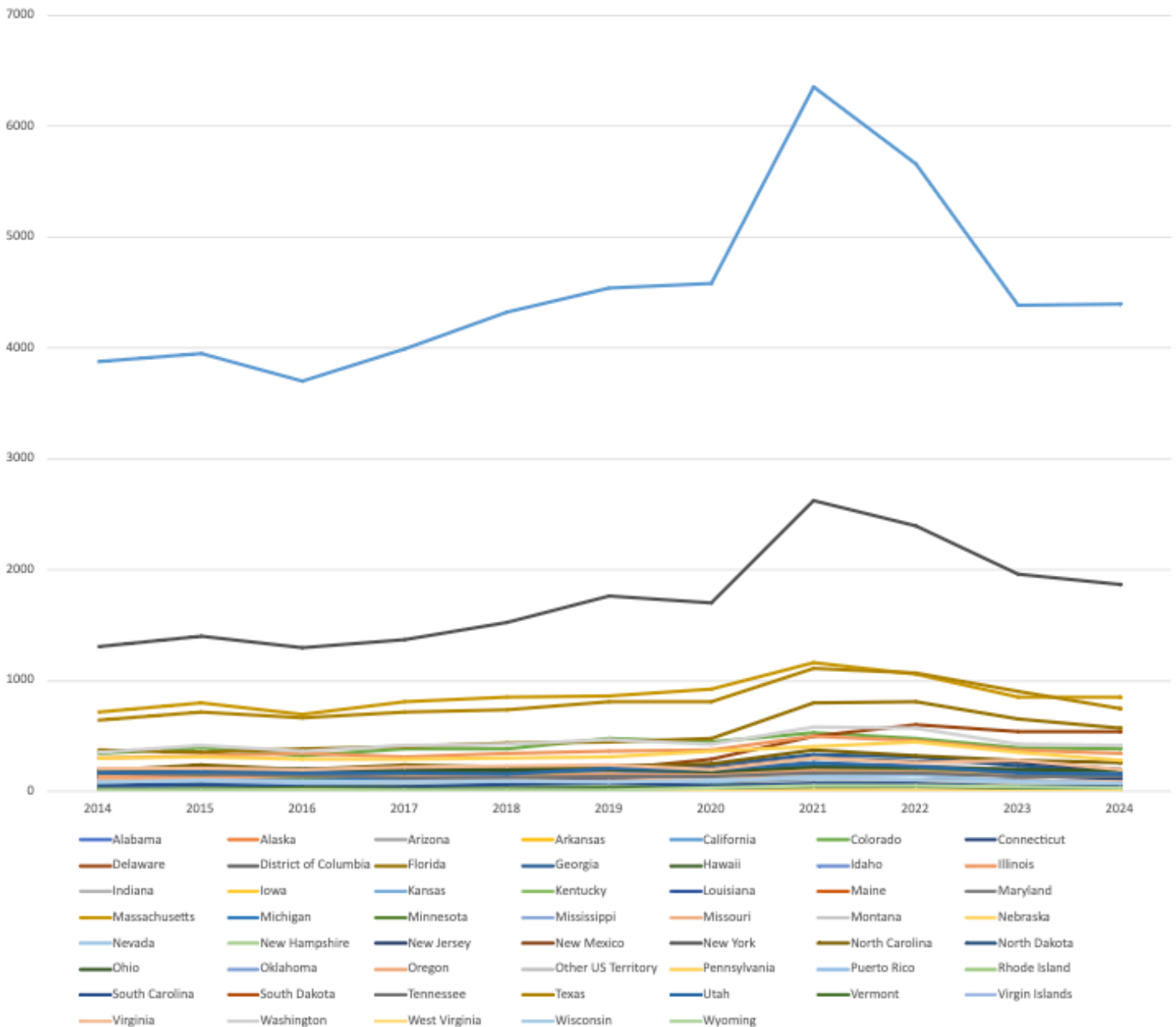
PitchBook & TechPoint originally reported 13,608 deals in 2023. The number increased as additional deals were confirmed by PitchBook.

For Indiana, PitchBook reported 166 deals in 2024, an increase of 10 deals from last year's 156 deals and close to the 169 deals reported in 2021. PitchBook reports Indiana's total 2024 deal value of \$1.05 billion was the state's highest ever.

DEAL COUNT

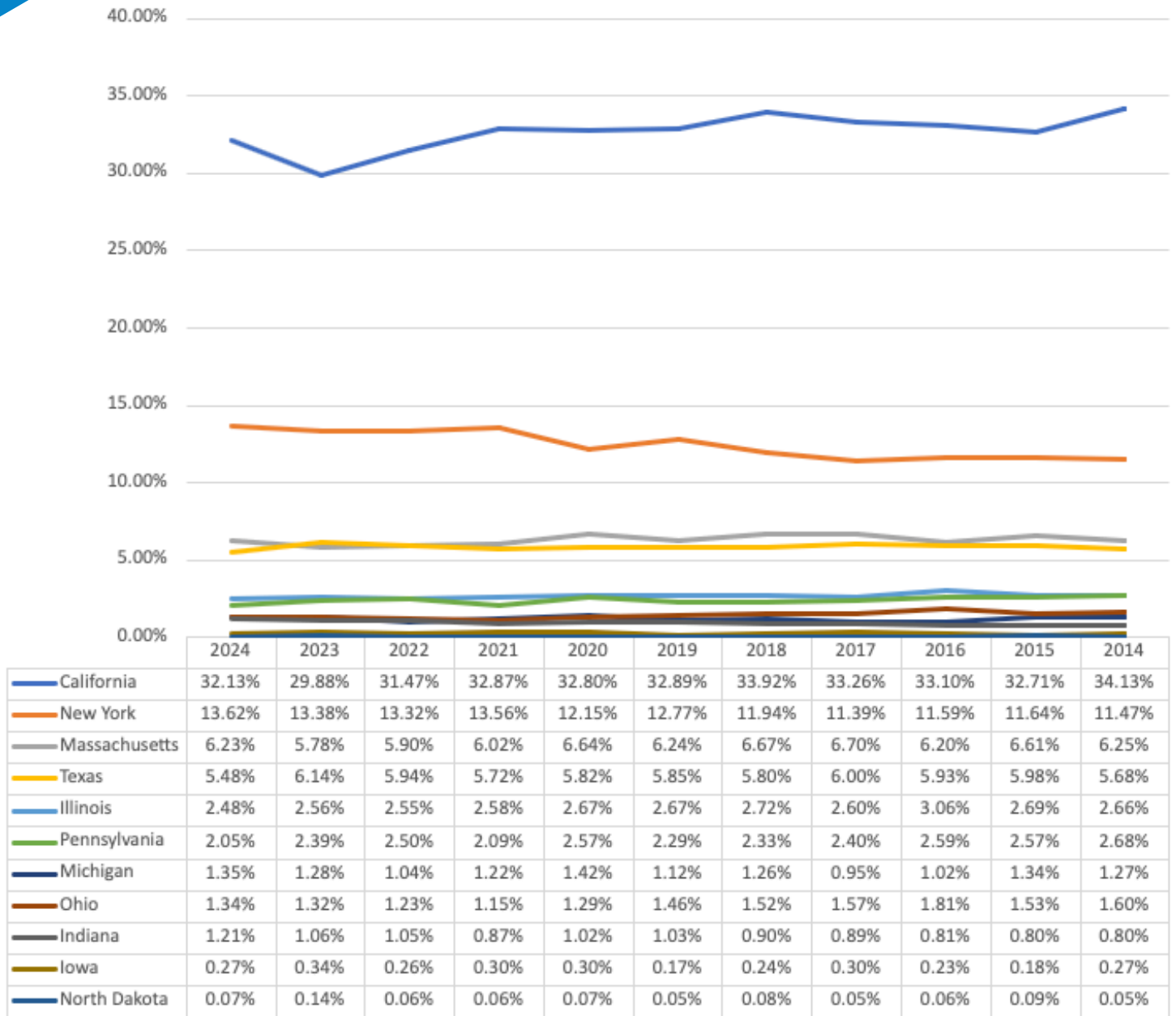
Indiana’s share of deal count growth, which rose 0.14 percent to a total of 1.2 percent, made it the 6th highest growth state. Only 12 states increased their percentage of deal count year over year. California’s deal count remained at the top of the list, increasing by more than 2 percent after declining the same amount in 2023.

US VC DEAL COUNT BY STATE



Source: TechPoint analysis of PitchBook data

SHARE OF US VC DEAL COUNT



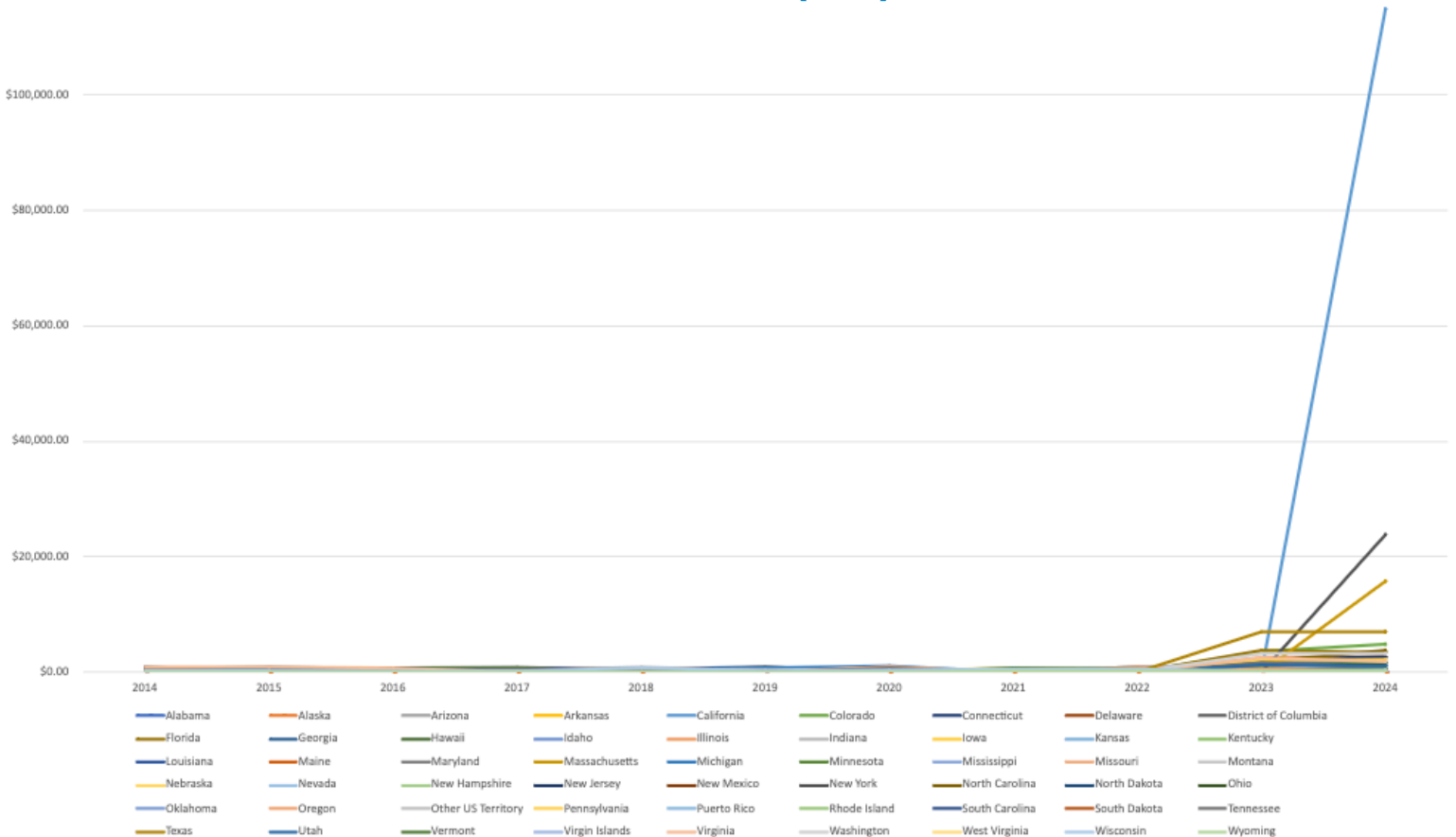
Source: TechPoint analysis of PitchBook data

DEAL VALUE

Unsurprisingly, California led the country in deal value as well, increasing its share by 7.84 percent and crossing the 50-percent line with a total deal share of 54.95 percent. The next highest share states — New York, Massachusetts and Texas — all decreased in share of deal value.

Indiana ranked 23rd in share of deal value and 6th in share increase: from 0.26 percent in 2023 to 0.50 percent in 2024. Only 16 states increased their share of deal value this year. We expect Indiana’s percentage of deal value to continue to increase in 2025 as the state and its tech ecosystem continue to focus on supporting entrepreneurship and venture growth.

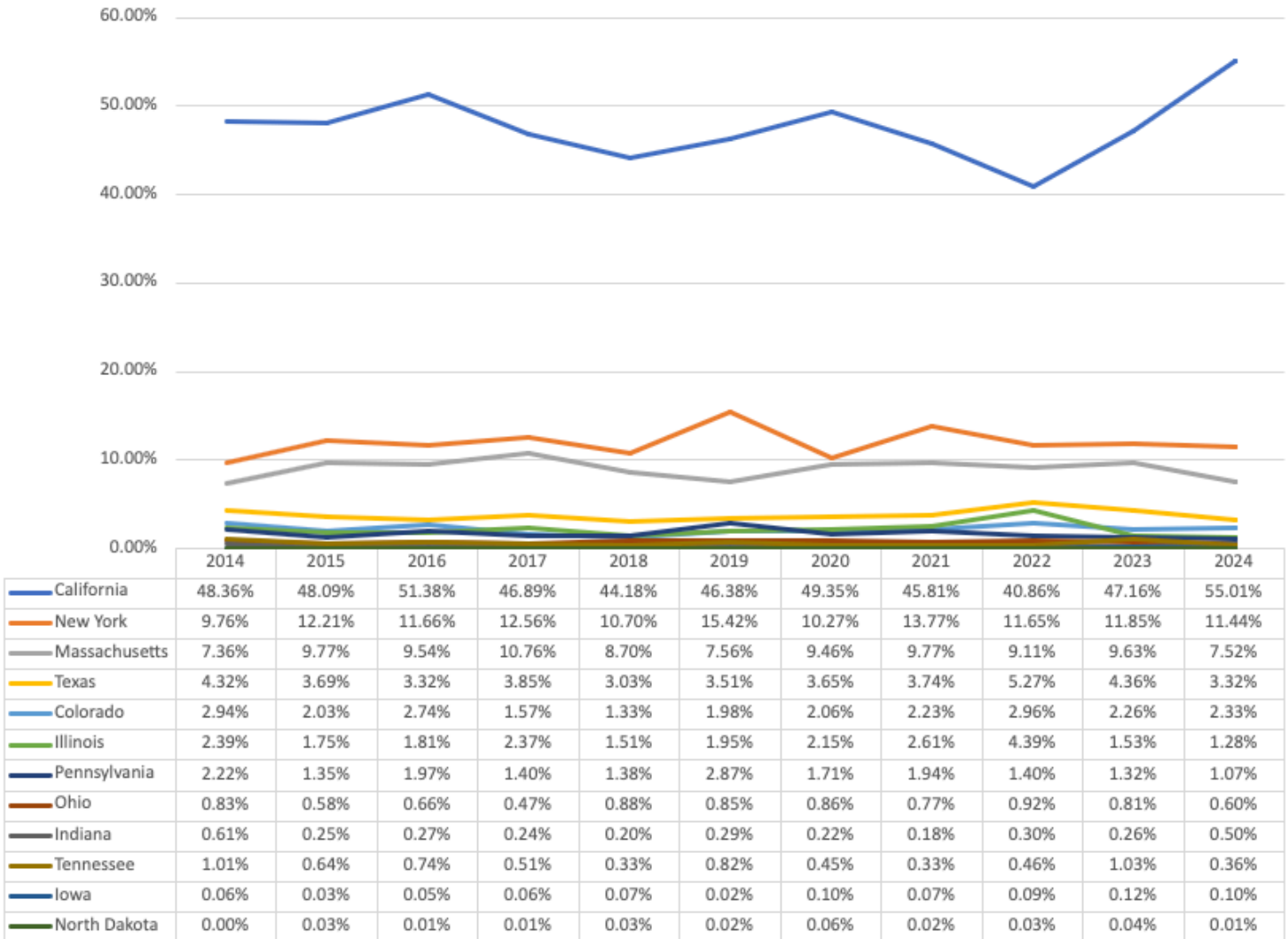
US VC DEAL VALUE (\$M) BY STATE



Source: TechPoint analysis of PitchBook data

California’s total deal value increased drastically due to AI focused mega deals in 2023 and 2024.

SHARE OF US VC DEAL VALUE



Source: TechPoint analysis of PitchBook data

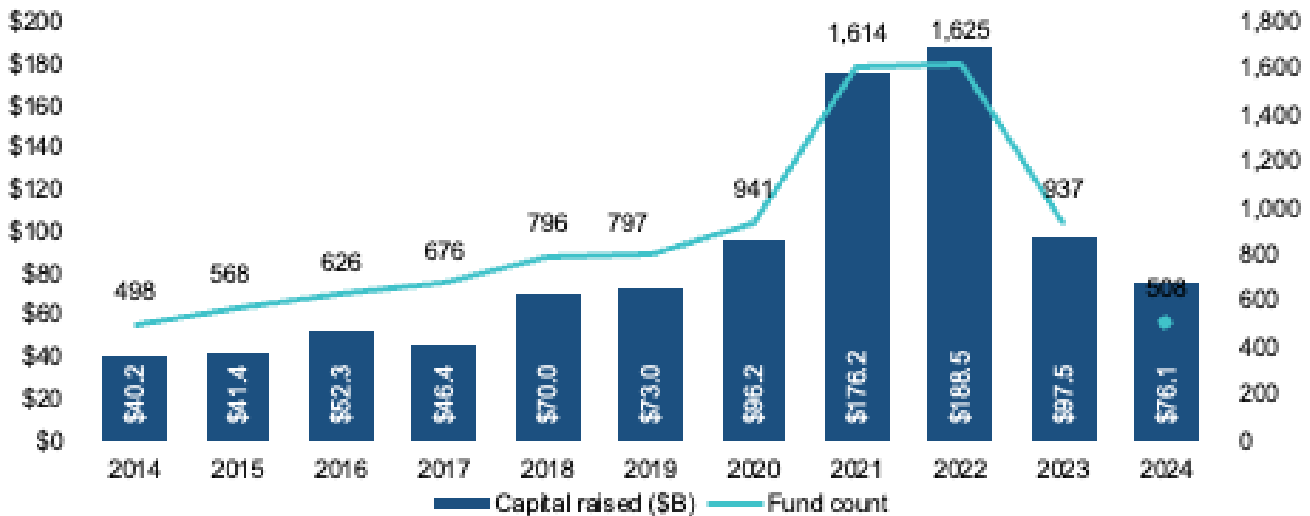
The combined deal count and deal stage data demonstrates a re-consolidation of deals into California after 2020-2024's period of geographic diversification.

FUNDRAISING ACTIVITY

As a result of continued trailing exit activity, VC fundraising declined again in 2024, as it has done since its peak in 2022. The continued slowdown of limited partnerships receiving returns has resulted in decreased new investments, especially into first-time fund managers.

Distributions as a percent of net asset value (NAV) was down to 6.5 percent in 2024, in a drastic decline from 31 percent in 2022. First-time funds raised only \$5 billion in 2024 out of the total \$76.1 billion raised. In 2024, more large funds, defined as having more than \$1 billion assets under management (AUM,) successfully raised VC as investors pooled capital to facilitate mega deals, particularly in AI companies.

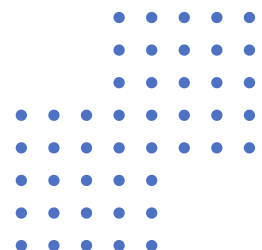
US VC FUNDRAISING BY YEAR



Source: PitchBook NVCA Venture Monitor

CUMULATIVE DRY POWDER

For the first time since 2013, US VC dry powder did not increase. There remains a surplus of \$308 billion, about \$2 billion less than last year. Funds with \$500 million or more, along with 2022 or 2023 vintages maintain the majority of dry powder, which is expected with new and large funds.



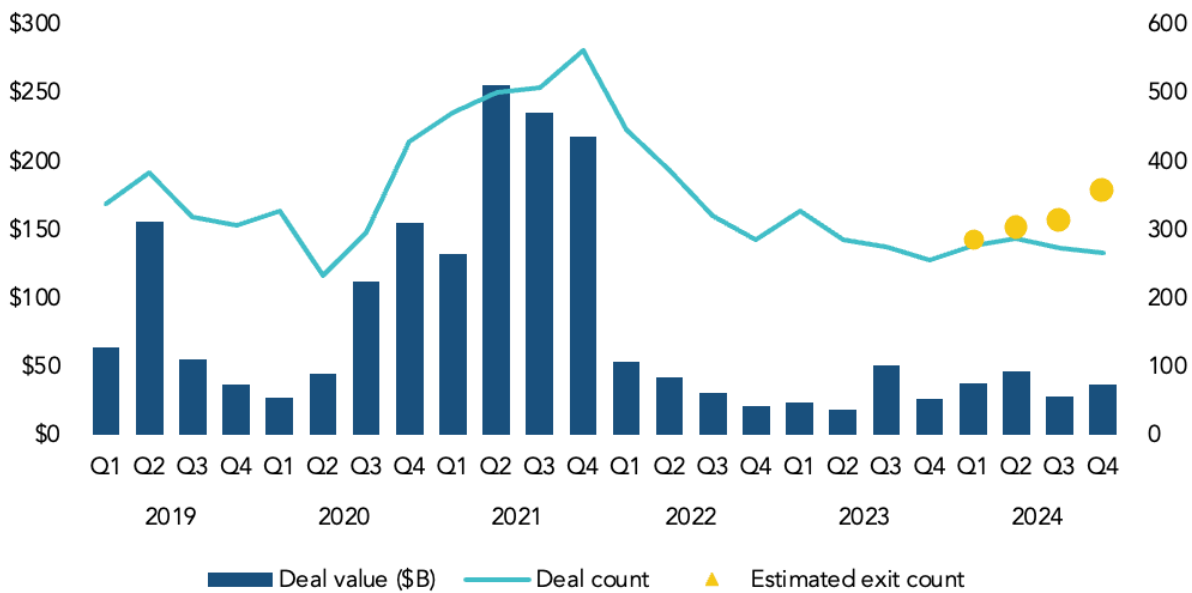
EXIT ACTIVITY

BoPitchBook reported 1,259 exits in 2024, with an aggregate value of \$149.2 billion. The exit count was on par with pre-pandemic levels (2019) but the value of the exits was less than half of 2019's value. This was due to a shortage of large exits, particularly IPOs, which typically drive a significant amount of exit value.

MBX Biosciences was Indiana's only IPO during 2024. The company successfully raised a total of \$187.7 million in gross proceeds on September 16, 2024, which exceeded market expectations.

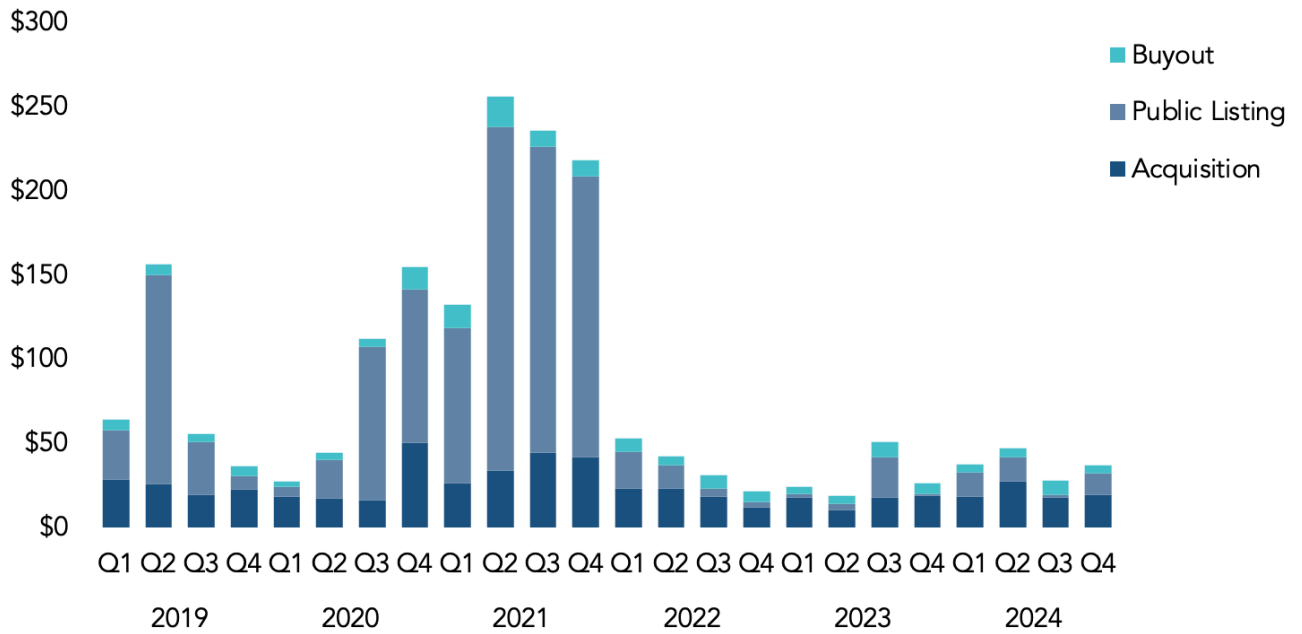
Earlier in the year, exit activity appeared to be picking up, especially in Q2. The activity declined again in Q3 and Q4 which is attributed to economic uncertainty and companies deciding to wait and see how things would shape out before pursuing an exit.

US VC EXIT ACTIVITY BY QUARTER



Source: PitchBook NVCA Venture Monitor

QUARTERLY VC EXIT VALUE (\$B) BY TYPE

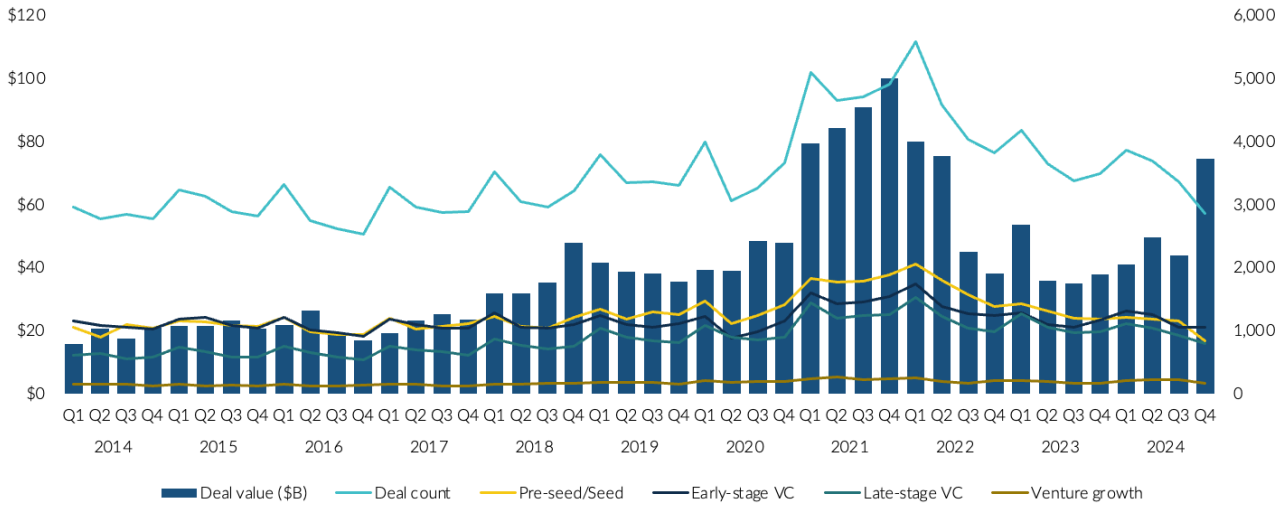


Source: PitchBook NVCA Venture Monitor

DEALS BY STAGE

While deal count by stage remained mostly flat nationally year over year, round size decreased across all stages. Seed stage deal count declined, as well.

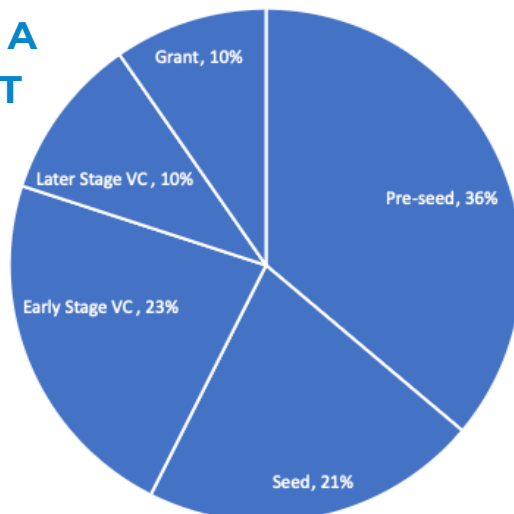
QUARTERLY US VC DEAL ACTIVITY BY STAGE



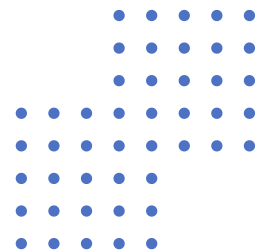
Source: PitchBook NVCA Venture Monitor

In Indiana, 67 of the 222 deals reported in 2024 did not have disclosed raise amounts. Out of the remaining deals, there was a standard distribution across stages, with the majority of deals in the pre-seed and seed stages, and the fewest deals at the latest stages. This is aligned with typical VC trends, as fewer startups are able to grow to raise increasingly large rounds. PitchBook also included several deals which were grants rather than VC investments. We separate those items for this deal count by stage metric.

2024 INDIANA DEAL COUNT BY STAGE



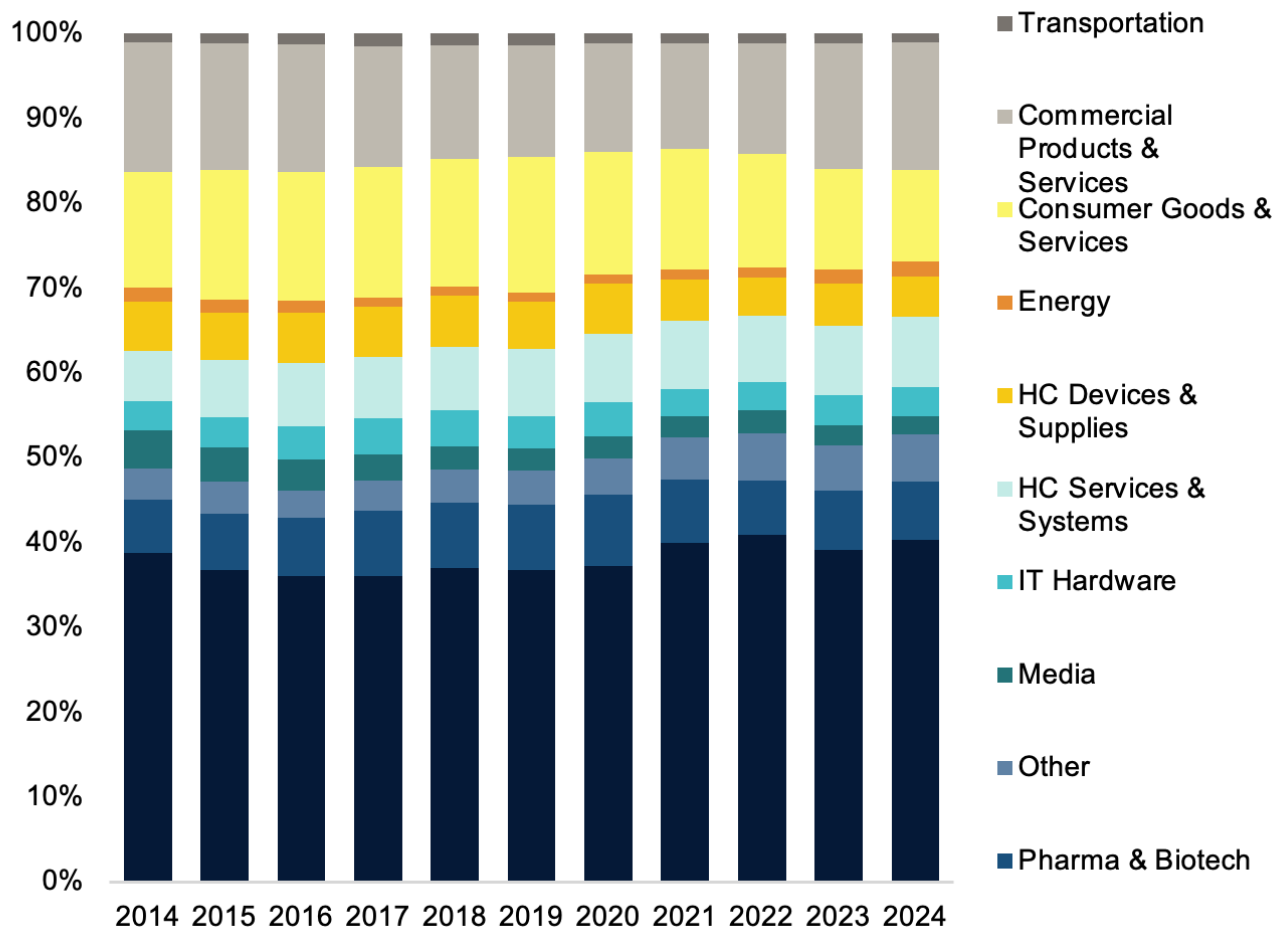
Source: TechPoint analysis of PitchBook data



DEALS BY VERTICAL

Venture capital continued to be largely driven by software investments in 2024. More information on Indiana’s verticals can be found in the following sections.

US VC DEAL COUNT BY SECTOR



Source: PitchBook NVCA Venture Monitor

CONCLUSION

The VC landscape in 2024 displayed mixed trends, with an increase in deal count nationally, but stagnant or decreased deal value, signaling investor hesitancy to commit to larger funding rounds amidst continued exit challenges. The majority of funding activity remains concentrated on the coasts.

Despite that long-standing trend, Indiana demonstrated notable growth, with 166 deals and a deal value slightly exceeding \$1 billion in 2024, which marked the 6th highest growth rate in deal count share when compared to other states. Exit activity in 2024, however, remained minimal, with a significant decline in exit value, driven by a shortage of large exits typically demonstrated via IPOs. Additionally, the decreased amount of dry powder signaled a more selective and cautious investment environment in both VC Funds and startups.

Regional ecosystems such as Indiana's will need to continue fostering strong, scalable startups to capture an increasing share of venture capital if funding limitations intensify.

As the market faces tighter capital deployment and exit delays, Indiana can position itself as an emerging player in the national VC landscape by doing three things:

- Maintaining consistent growth in deal count
- Increasing its focus on entrepreneurship; and
- Fostering a strong pipeline of VC-backable companies.

This focus will offer the state an opportunity to create a more diversified, broader geographic, and resilient VC ecosystem in 2025 and beyond.

We further breakdown key verticals in the sections below. The same deal may be represented in multiple verticals, so the data referenced in the below sections is not mutually-exclusive and does not add up to 100 percent.

SECTOR ANALYSIS: TECH

Tech-specific venture investments in Indiana reached \$549.36 million in 2024 across 139 deals. This represents an increase in both deal count and deal value year over year. Similar to the national VC data from 2024, these numbers include a few large deals which inflate the overall deal value.

Quarter	1	2	3	4	Total
Deal Value (\$M)	78.88	215.81	51.41	203.26	549.36
Deal Count	28	48	27	36	139

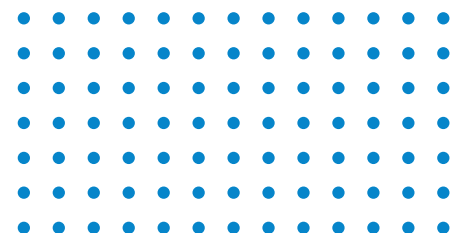
Source: TechPoint analysis of PitchBook data

The largest tech VC deal in 2024 was Remodel Health's raise of \$100 million from investors including Hercules Capital (NYS: HTGC) and Oak HC/FT.

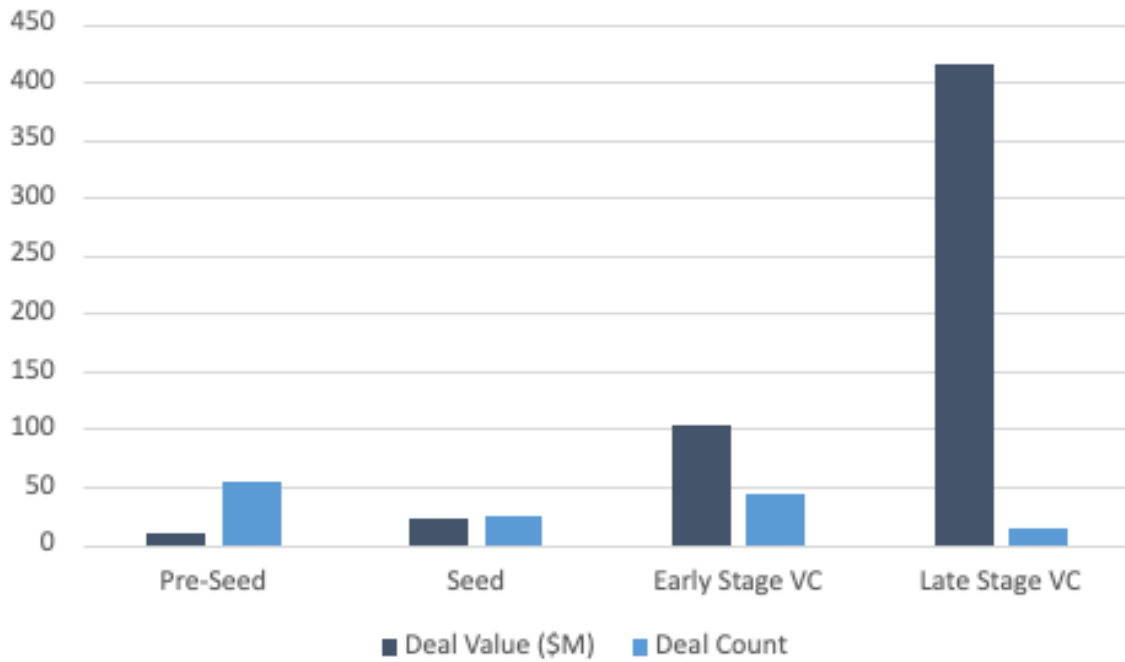
Continuing historical trends, the majority of tech venture deals took place in central Indiana. Northwest Indiana had 20 tech venture deals. North Central and Northeast tied for the regions with the second-most deal value, at around \$59 million each. Just as in 2023, each of the regions completed at least one deal in 2024.

On the exit side, tech mergers and acquisitions (M&As), IPOs and Private Equity (PE) investments continued to slow. There were zero tech IPOs in 2024 and 17 tech exits. This soft exit market in tech is aligned with national trends, as discussed earlier in this report.

As anticipated, pre-seed thru early-stage deals comprised the majority of deal count, while late-stage deals captured the majority of deal value.



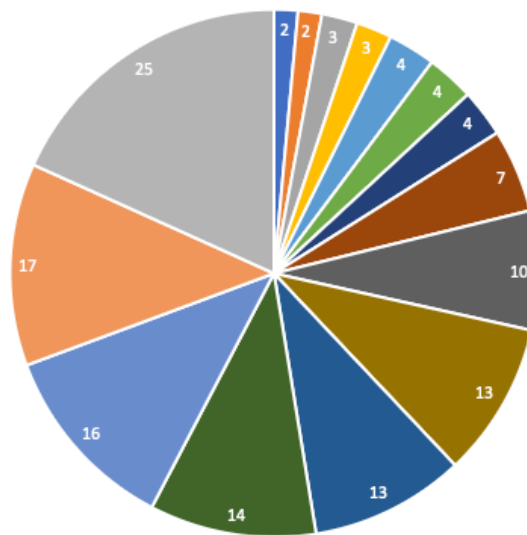
2024 INDIANA TECH VENTURE DEALS BY STAGE



Source: TechPoint analysis of PitchBook data

The year saw continued diversification in vertical tech investments in Indiana as technology adoption has been rapidly accelerating in traditionally non-tech industries and AI was more widely leveraged.

2024 INDIANA TECH VENTURE DEALS BY VERTICAL



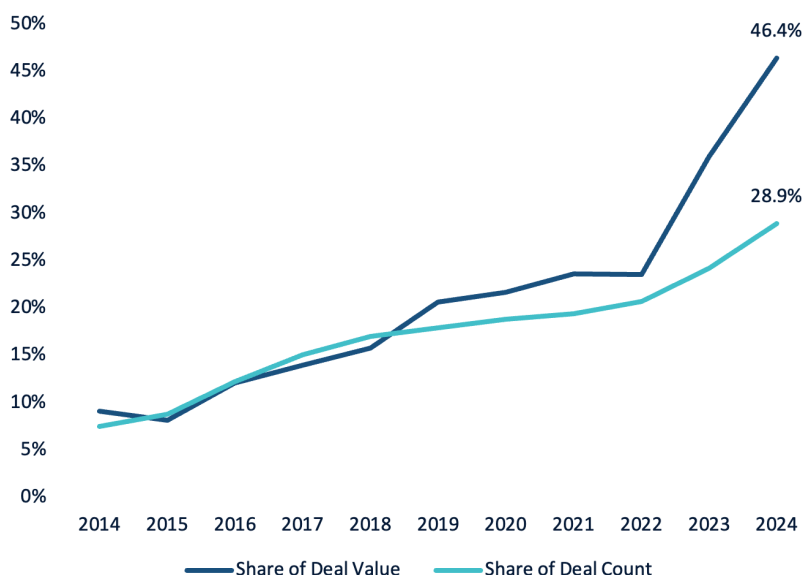
- Real Estate Technology
- insurtech
- Mobility
- Climate Tech
- CyberSecurity
- E-Commerce
- Entertainment
- Other
- FinTech
- Ag Tech / AgBioScience
- Martech
- Manufacturing / HardTech
- EdTech & Workforce Tech
- Business/Productivity Software
- Digital Health / Health Tech / Life Sciences

Source: TechPoint analysis of PitchBook data

AI CONTINUES TO LEAD THE SECTOR

Technology investment was largely driven by AI adoption in 2024, claiming 46.4 percent of all VC deal value. AI has spurred transformative changes across various industries. Innovations in machine learning models have driven substantial progress in AI capabilities, enhancing predictive analytics, natural language processing, and image recognition. AI applications in healthcare have seen breakthroughs in drug discovery, personalized medicine, and patient care management, driven by collaborations between tech firms and healthcare providers. Continued advancements in AI have propelled the development of autonomous vehicles and robotics, particularly in industrial automation and consumer technology.

AI & ML VC DEAL ACTIVITY AS A SHARE OF ALL US VC DEAL ACTIVITY



Source: PitchBook NVCA Venture Monitor

There has been a heightened focus on ethical AI development, with increased regulatory oversight and the implementation of guidelines to address issues such as bias, privacy, and transparency.

The growth trajectory of AI in 2024 contrasts with previous years by showcasing a shift towards sustainability and ethical practices in AI development. Investments have increasingly favored companies that prioritize these aspects alongside technological innovation.

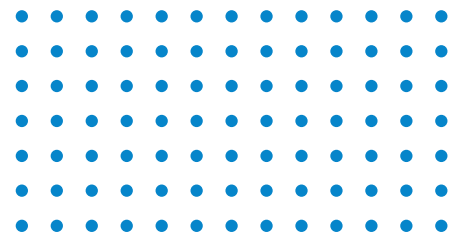
The AI sector continues to grapple with challenges related to data privacy, security, and the socio-economic impacts of automation. These issues remain at the forefront of discussions on the future trajectory of AI development.

SECTOR ANALYSIS: LIFE SCIENCES

Indiana has established itself as a leading hub for life sciences innovation, driven by a distinctive culture of collaboration and a strong foundation of excellence with now four Research 1-level (R1) institutes. Life Sciences is typically defined by the following verticals: therapeutics, medical devices/diagnostics and health tech. Ongoing capital investment is vital to sustaining momentum of the ecosystem, as demonstrated by the substantial financial commitments outlined in this year's report. These investments reflect a deep confidence in Indiana's potential, fueling groundbreaking advancements that improve global health outcomes. Beyond driving economic growth, this funding serves as a catalyst for transformative innovation, reinforcing Indiana's role as a key player in the industry. The metrics presented track investment within the ecosystem and act as early indicators of future breakthroughs, which are critical to the sector's long-term success.

These investments stem from multiple sources, including friends and family, angel investors, family offices, private venture capital, public markets, strategic corporate investors, and other financial institutions.

In 2024, PitchBook reported a total of \$48 billion in VC funding for life sciences and health tech companies across the US, an increase from \$41 billion in 2023. In contrast, deal count decreased by 62 deals in 2024, and median deal size was higher by more than \$1 million, indicating more capital being invested in fewer companies. This demonstrates a more difficult fundraising environment for companies without proven track records and companies at later stages, as there was a decrease in PE and strategic M&A, both in deal count and capital raised in 2024 compared to 2023. However, the IPO market improved from \$4.95 billion in 2023 to \$5.41 billion in 2024.



2024 INDIANA LIFE SCIENCES VC ACTIVITY BY QUARTER

Life Sciences VC deals in Indiana totaled \$260 million across 36 companies in 2024, slightly down from \$287.5 million raised across 34 companies in 2023. Of the 2024 deals, \$125.6 million, or 38 percent of the deals, were closed in the second quarter of the year. These Indiana investments ranged from a low of \$20,000 to a high of \$63.5 million. Of the 36 deals, 32 disclosed the amount of capital raised.

Quarter	Number of Deals	Deal Size (\$M)	Average Deal Size (\$M)
Q1 2024	9	\$42.37	\$6.05
Q2 2024	14	\$125.6	\$8.97
Q3 2024	8	\$81.15	\$11.59
Q4 2024	5	\$10.33	\$2.58
Totals	36	\$259.45	\$7.29

Source: BioCrossroads analysis of PitchBook data

ACTIVITY BY DEAL STAGE

Pre-Seed “<\$0.5M”: Early-stage capital sources—specifically, fundraising rounds less than \$500,000—are in high demand globally and are often bolstered by non-dilutive grant funding to help mitigate technological risks. At this nascent stage, companies face significant challenges, as technical, financial, marketing, and execution risks remain largely unaddressed, making the potential for failure notably high. In 2024, Indiana recorded 11 such fundraising rounds, raising a total of \$1.37 million, a significant decrease compared to 2023, which saw 17 deals totaling \$2.27 million.

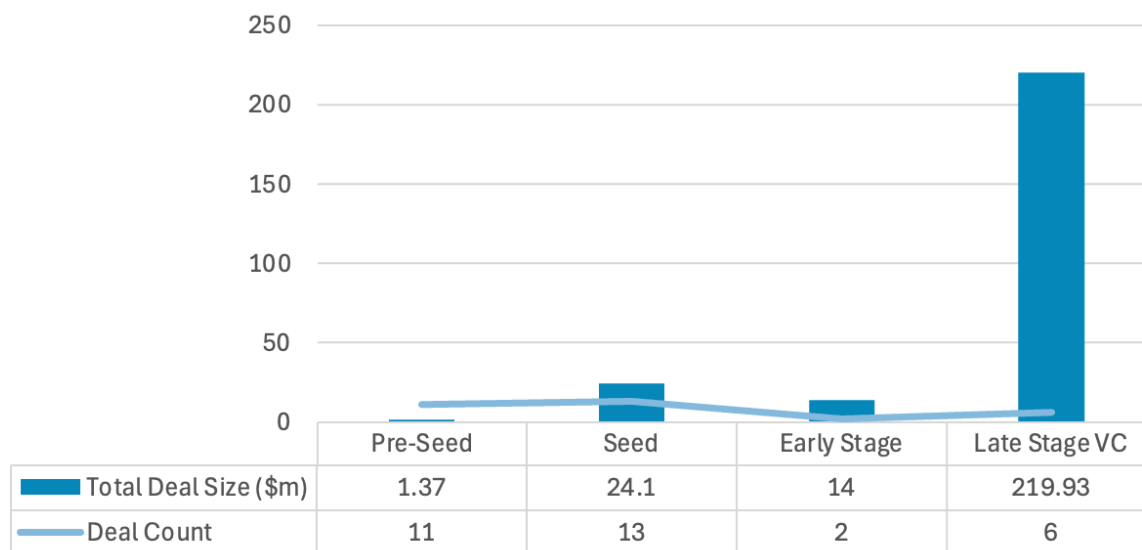
This trend may suggest a few key developments: investors might be increasingly cautious, preferring to see technologies that have already been de-risked before committing capital, or the ecosystem itself might be maturing, with more companies advancing beyond the earliest stages to attract seed-stage investments. In either scenario, these shifts reflect a broader movement towards backing ventures with more validated business models and reduced inherent risks.

Seed: In 2024, Indiana saw an increase in investments, with 13 companies successfully raising a total value of \$24.1 million. This is a significant improvement from 2023, which recorded only three deals in the seed stage and a total deal size of \$1.99 million. The sharp increase in early-stage investments can be attributed to several factors, including a growing recognition of Indiana’s innovation ecosystem, increased availability of local and regional venture capital, and a more supportive environment for startups.

Early-Stage: In 2024, Indiana saw two life sciences fundraising rounds completed, raising a total of \$14 million—figures comparable to 2023. This stability suggests a potential stagnation in early-stage capital availability within the Indiana ecosystem. Later-stage deals have shown growth, but the consistency in early-stage funding may indicate challenges in attracting new investments or a gap in capital support for emerging startups.

Late Stage: In 2024, Indiana saw six fundraising rounds completed, totaling \$219 million. This marks an increase in deal volume compared to 2023, which saw four deals totaling \$252.33 million. The total check size decreased, but the uptick in the number of deals suggests growing investor activity and broader access to funding. Additionally, one company successfully completed an IPO, signaling the ecosystem’s ability to support startups through later stages of growth and into the public markets. This trend highlights a maturing investment landscape, with more companies securing funding, though at potentially more conservative valuations.

LIFE SCIENCES VC ACTIVITY BY STAGE & DEAL SIZE



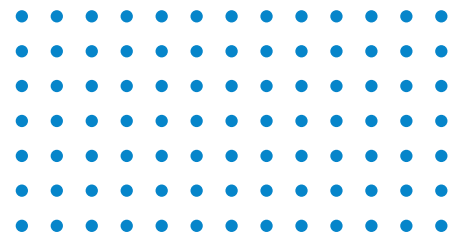


ACTIVITY BY VERTICAL

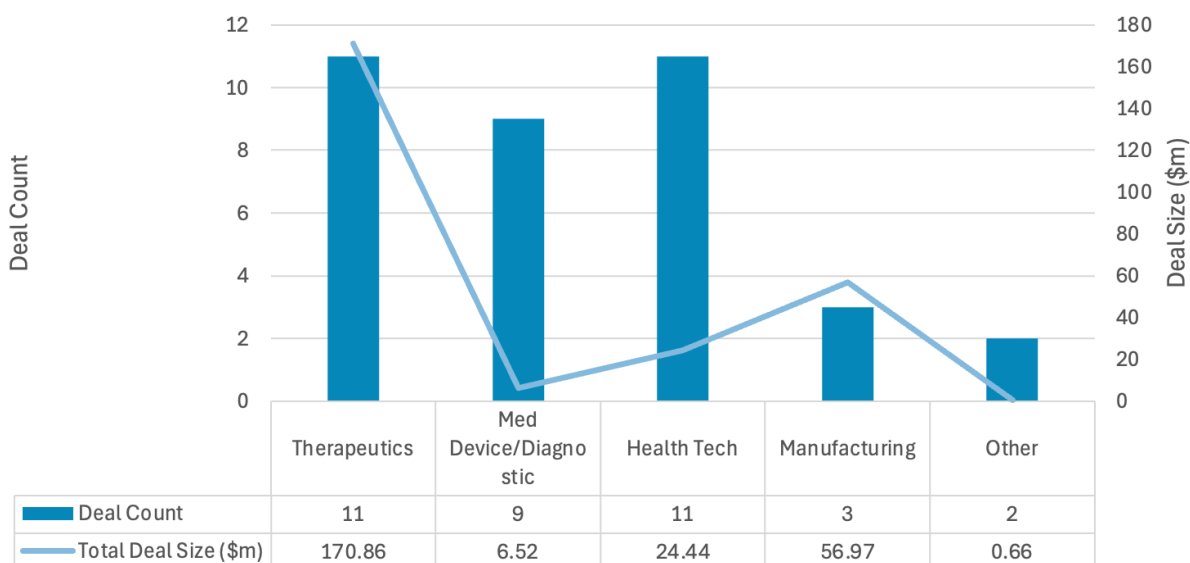
In 2024, life sciences VC activity in Indiana reflected a diversified investment landscape across key sector verticals, including therapeutics, medical devices/diagnostics, and health tech. Historically, venture dollars have been heavily allocated to therapeutics. But given the long development timelines and high risk associated with drug development, the ecosystem is showing a growing interest in health tech and medical devices/diagnostics, which offer a more predictable path to commercialization and return on investment.

To better capture emerging trends, we further segmented health tech to highlight manufacturing-related deals, given Indiana’s rising prominence as a biomanufacturing hub. We excluded any insurance-tech deals, as these were highlighted within the greater Tech sector. This shift has been fueled by the state’s recent designation as a Regional Tech Hub by the Biden administration, attracting increased attention and resources to biomanufacturing opportunities. When breaking down deal volume, the three primary verticals showed fairly similar investment activity: 11 deals in therapeutics, nine in medical devices/diagnostics, and 11 in health tech. However, if manufacturing-related health tech deals are included, that number rises to 14—suggesting that Indiana’s ecosystem may begin prioritizing health tech opportunities more aggressively.

Additionally, we categorized an additional segment we labelled “other.” It included one animal health company and one ag tech company—two sectors that are gaining traction as investors explore new areas of innovation. The presence of these deals highlights an increasing diversification of Indiana’s investment landscape, with growing interest in adjacent life sciences and technology-driven industries. Therapeutics remains a cornerstone of venture activity, but the shift toward health tech, medical devices, and biomanufacturing signals a maturing ecosystem that is balancing risk while leveraging Indiana’s existing strengths in advanced manufacturing and life sciences. Moving forward, tracking the expansion of these verticals—particularly in manufacturing and emerging sectors like animal health and ag tech—will be crucial in understanding how Indiana’s venture landscape continues to evolve.



LIFE SCIENCES VC ACTIVITY BY VERTICAL



Source: BioCrossroads analysis of PitchBook data

In 2024, Indiana’s Life Sciences VC landscape demonstrated remarkable stability, with number of deals and total capital invested closely mirroring 2023 figures. This consistency is particularly noteworthy given the broader national context, where the VC ecosystem has faced significant headwinds. Venture investments in 2024 have shifted from 50 percent pre-seed stage deals in 2023 to a majority of deals occurring at the seed and late stages. This trend highlights the ecosystem’s continued strength and the ability of companies to secure funding as they progress through later investment stages.

In 2023, Indiana recorded nearly \$3.5 billion in M&A activity, which steadily grew to more than \$5.2 billion in 2024. The year also saw a handful of M&As, including three transactions exceeding \$1 billion. The largest reported transaction involved the acquisition of Indianapolis-based Morpheic Holdings, Inc., a biopharmaceutical company developing oral integrin therapies for inflammatory bowel disease. The company was acquired by Eli Lilly and Company in a transaction valued at approximately \$2.6 billion. Indiana’s unique and comprehensive capabilities in drug research and discovery are strengthened and expanded by these types of acquisitions.

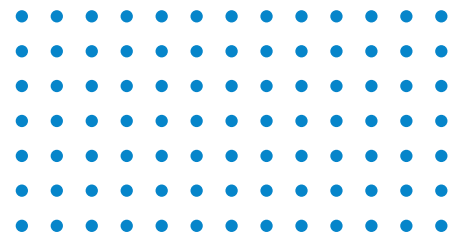
Indiana’s public life sciences companies raised a total of \$223 million in capital through public offerings in 2024, an increase from \$160.7 million raised in 2023. One company raised \$187.7 million in its IPO, and two additional public companies—Syra Health Corp. and Inotiv, Inc.—raised \$35.5 million in secondary public offerings.



SECTOR ANALYSIS: AGBIOSCIENCE

Investment in Indiana agbioscience continued to grow in 2024. A total of \$33.25 million was deployed into agbioscience in 2023. In 2024, the growth of investment into the sector increased to 14 deals totaling \$64.25 million. The largest deal was a \$43 million growth investment for 120Water, indicating market validation and traction for that platform. With that late-stage round accounted for, there were 13 additional deals that happened at seed stage and earlier with an average raise of \$1.63 million per round. Most of the investment closed during the first half of 2024, following a similar trend to other verticals where activity during Q3 and Q4 trailed off considerably.

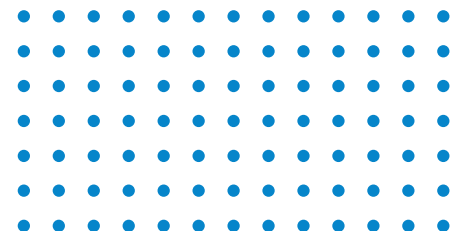
Analysis of the deals shows that a trend in addressing operational efficiencies and labor/regulatory challenges have become opportunities that are driving impact and activity in the agbioscience sector. Additionally, companies that are offering data insights, analysis, and actionability also have made headway with investors. Croft, for example, has brought a worker management platform to the farm to help navigate the complexities of hiring seasonal workers. The company gained customer validation, which led to a successful Seed II round in 2024. With the continued challenges in-market becoming magnified, companies with similar focuses of improving operations and driving impact are expected to be key drivers of addressing the most pertinent issues for producers in 2025.



SECTOR ANALYSIS: ADVANCED MANUFACTURING & HARDTECH

Hardtech is an emerging term used to describe the VC investment vertical of innovative technologies that are typically based on scientific breakthroughs, advanced engineering, and complex hardware. Conexus Indiana, CICP's advanced manufacturing and logistics-focused initiative, defines **hardtech as physical product innovation with hardware, software and manufacturing components**. There are no strict criteria for categorizing a company within the hardtech vertical, but generally firms will contain at least two of these three elements. Indiana's economic engine is largely driven by its advanced manufacturing and logistics (AML) industries, which are the largest combined sectors in the state—providing 37 percent of GDP and approximately 840,000 jobs. More than 9,400 manufacturing companies operate within the state, meaning Indiana has immense product development, contract manufacturing, engineering, and design expertise at its disposal. Many AML firms are also willing to partner with early stage hardtech companies and entrepreneurs to enter new markets, develop new products, or provide contract manufacturing services.

Due to the complexity of these physical technology startups, they often require substantial VC investment for research and development (R&D), specialized engineering expertise and talent, as well as a lengthy period of product development and testing before they move into the commercialization stage and pursue late-stage capital, such as series A or B. The deal size to catalyze an early stage hardtech startup can be demanding for VCs, but Indiana's hardtech ecosystem has been growing in recent years through emerging and established fund managers, including HG Ventures, Elevate Ventures, Ivy Ventures, VisionTech Partners, Purdue Strategic Ventures, and IU Ventures. These Indiana-based VC firms have well-defined hardtech investment verticals, which focus on materials, infrastructure, energy, industrial systems, robotics, and other physical hardware products (i.e., advanced sensors, drones, connected products, etc...)



2024 INDIANA AM & HARDTECH VC ACTIVITY BY QUARTER

Quarter	Number of Deals	Deal Size (\$M)	Average Deal Size (\$M)
Q1 2024	7	12.83	2.57
Q2 2024	4	15.23	3.81
Q3 2024	3	2.52	1.26
Q4 2024	5	60.37	20.12
Totals	19	\$90.95	\$6.50

Source: Conexus analysis of PitchBook data

In 2024, Indiana gained 19 manufacturing and hardtech deals, totaling \$90.95 million with an average deal size of \$6.5 million. Five of the 19 deal amounts were undisclosed and unable to be verified by Conexus and TechPoint. The total deal flow and average deal size were primarily driven through a late stage \$59.35 million investment by Macquarie Asset Management, Mitsubishi, RA Capital Management, and T. Rowe Price Group in [Sortera Technologies](#). Based in Markle, the manufacturer has developed proprietary automated sorting systems with integrated AI capabilities designed to reuse metals recovered from end-of-life products. Excluding the Sortera Technologies investment as an outlier, Indiana-based hardtech and manufacturing startups secured approximately \$31.6 million worth of VC investments.

When 2024 totals are compared to prior year numbers, the Indiana hardtech vertical gained slightly more deals in 2024 (19 vs. 11 deals in 2023) but a much higher total deal size (\$90.95 million vs. \$38.02 million in 2023). Approximately 63 percent of the VC deals were closed at the early or late stage and included several growing Indiana-based hardtech startups, such as PAXAFE, which is highlighted later in the featured deals section. One reason the hardtech deal stage trends may differ from overall Indiana VC numbers is that investors tend to wait until a hardtech company reaches proof of concept, which can somewhat limit the pre-seed and seed investment potential.

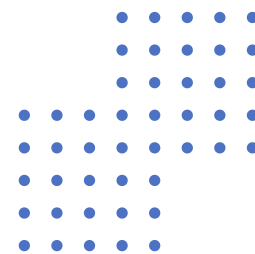
ACTIVITY BY DEAL STAGE

Deal Stage	Number of Deals	% of Total Deals
Pre-Seed	5	26%
Seed	2	11%
Early Stage	8	42%
Late Stage	4	21%
Total	19	

Source: Conexus analysis of PitchBook data


There are clear signals that Indiana’s hardtech and manufacturing startup community is succeeding and leveraging valuable Indiana resources to support manufacturing growth and product development. These resources include Innovation Vouchers administered by the Applied Research Institute (ARI) and Technical Assistance grants administered by the Indiana Small Business Development Center. Another noteworthy example is the Indiana Economic Development Corporation’s Manufacturing Readiness Grants (MRG) program administered by Conexus.


Since 2020, the MRG program has provided direct financial assistance to encourage manufacturers to make innovative capital investments in smart manufacturing technologies: \$74 million in grants have supported \$1.06 billion in total project budgets at 607 unique companies in 85 counties. Furthermore, 12 percent of the total program awards have been provided to firms younger than five-years-old. MRGs can be awarded to early-stage manufacturing and hardtech companies, provided the funding is used for capital investment related to manufacturing production and not product development. MRGs are filling a significant ecosystem gap for hardtech and manufacturing startups via non-dilutive grant funding, providing capital and an advantage to entrepreneurs looking to rapidly expand their manufacturing footprint in the state.




FEATURED DEALS

Company name	MBX Biosciences (NAS: MBX)	
CEO	Kent Hawryluk	
Website	https://mbxbio.com/	
Headquarters	Carmel	
Venture Investors	BioCrossroads, DeepTrack Capital, Driehaus Capital Management, Frazier Healthcare Partners, Luson Bioventures, IU Ventures, New Enterprise Associates, Norwest Venture Partners, OrbiMed, RA Capital, T. Row Price Group, Twilight Venture Partners, Wellington Management, 50 South Capital Advisors	
Company description	MBX Biosciences, Inc. is a clinical-stage biopharmaceutical company pioneering Precision Endocrine Peptide™ (PEP™) therapeutic candidates to help people with endocrine and metabolic disorders live fuller and healthier lives. MBX is advancing a pipeline of PEPs for clinically validated targets designed to deliver superior pharmaceutical properties and overcome key limitations of native peptide therapeutics.	
Finance Round Details	\$187.7M IPO in September 2024, underwritten by JPMorgan, Jefferies, Stifel and Guggenheim Securities.	
Quote from the company	“Our recent successful IPO marks a significant milestone in our journey to develop innovative new therapies leveraging our Precision Endocrine Peptide™, or PEP™ platform. This achievement reflects our team’s dedication, as well as strong support from our investors. I am optimistic about MBX’s future and excited to continue advancing our clinical stage and discovery programs forward to improve clinical outcomes and simplify disease management for patients.” - Kent Hawryluk, President & CEO	

Company name	Remodel Health	
CEO	Austin Lehman	
Website	https://remodelhealth.com/	
Headquarters	Indianapolis	
Venture Investors	Hercules Capital, Oak HC/FT	
Company description	<p>Remodel Health is a developer and provider of an online platform designed to offer employees of the organization's health benefits. The company's web-based platform facilitates organization administrators and staff with a simple dashboard allowing users to engage, connect, and assess the options for health insurance, enabling organizations to cut costs by offering the employees to choose insurance as per their requirements.</p>	
Finance Round Details	<p>Remodel Health raised more than \$100 million in growth funding.</p>	
Quote from the company	<p>"This moment marks a transformative step in Remodel Health's journey to reshape the health benefits landscape. By focusing on innovative solutions like ICHRA, we're enabling employers to offer flexible, cost-effective health insurance options that meet the unique needs of their teams. Our platform simplifies the entire process, from plan design and administration to seamless integration with payroll and HR systems, ensuring an effortless experience for both employers and employees." - Austin Lehman</p>	

Company name	120 Water	
CEO	Megan Glover	
Website	https://120water.com/	
Headquarters	Zionsville	
Venture Investors	Edison Partners, Allos Ventures	
Company description	<p>120 Water offers a subscription-based water testing platform designed to test harmful contaminants in water supplies. The company's platform is engaged in the implementation of water testing for unhealthy and harmful contaminants such as lead, arsenic, and nitrate, on a subscription basis, enabling government agencies and water utilities to understand its quality and identify possible health risks.</p>	
Finance Round Details	<p>120 Water raised \$43M in growth equity.</p>	
Quote from lead investor	<p>“Over the past seven years, 120Water has built a highly scalable, cloud-based, end-to-end platform unlike any others, while also becoming recognized as a thought leader on LCRI compliance and remediation,” said Edison General Partner Ryan Ziegler, who joins the company’s board of directors. “Co-founder and CEO Megan Glover is a water quality expert with strong vision, matched with a highly effective team. We’re proud to partner with 120Water, which is helping utilities, at all levels of scale, tackle these daunting federal and state requirements efficiently, affordably and with modern technology.”</p>	

Company Name	PAXAFE	
CEO	Ilya Preston	
Website	https://www.paxafe.com/	
Headquarters	Indianapolis	
Venture Investors	<p>Comeback Capital, Cream City Ventures, Danielle Salters, Dave Sachse, FinTech Ventures Fund, gAngels, gener8tor, GreenGage Capital, Greenlight Capital Re, Hoyt Morgan, Jett McCandless, Levo Capital, N29 Capital Partners, Northwestern Mutual Future Ventures, Peter Rentschler, Right Side Capital Management, Rondo Ventures, RSLP Ventures, Sachse Family Fund, Sure Ventures, Ubiquity Ventures, Venture 53</p>	
Company Description	<p>Paxafe offers “autonomous cold chain logistics”, leveraging AI and advanced hardware systems to proactively manage and mitigate risks in cold chains.</p>	
Finance Round Details	<p>\$9 million</p>	
Quote from the Company	<p>“We are on a mission to quantify strategic and operational cold chain risk through AI-powered automation,” said Ilya Preston, co-founder and chief executive officer of Paxafe. “For the past decade, we’ve witnessed the industry adopt IoT sensors as a means for addressing mission-critical issues such as on-time, in-full product deliveries, yet real-time sensor data is useless without contextual analysis and prescriptive, recommended action.”</p>	

METHODOLOGIES & REPORTING

INDIANA VENTURE DATA REPORTING

Our data tracking relies on multiple sources of information, including primary data through deal monitoring activities as well as secondary sources like PitchBook and Carta. 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.

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 CICP, 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.
Stage: Seed	\$500,000 to \$5 million without identifiable investment by professionally-managed pool of capital primarily for financial returns.
Stage: Early Stage VC	\$1 million - \$10 million with identifiable investment by professionally-managed pool of capital primarily for financial returns.
Stage: Late Stage VC	\$10 million+ with identifiable investment by professionally-managed pool of capital primarily for financial returns.
Region:	We rely on the Indiana Department of Workforce Development regions, found here .
Vertical:	Rely primarily on PitchBook vertical definitions.