2022

Launch Tennessee
Annual Report

We're working to make Tennessee
the most **startup-friendly state** in the nation.

Launch Tennessee

1321 6th Ave N., Nashville, TN 37208
info@launchtn.org

LaunchTN initiatives to promote entrepreneurship, technology advancement, capital formation and workforce development are funded through a grant contract with the State of Tennessee.
Find out more at comptroller.tn.gov.

On the cover, L to R: Kontji Anthony, Youdle; Tai Stanback, Youdle; Jessica Taveau, Epicenter; Kayla Graff, SweetBio; Danielle Gore, Epicenter

Entrepreneurship and economic engagement are important keys to our state's overall prosperity. The efforts of LaunchTN give Tennessee a leg up when recruiting new businesses to the state. From our urban centers to our rural communities, our state is invested in innovation. I'm proud to serve as the chair of the board of LaunchTN, engaging in the work to empower a collaborative statewide network to create jobs and invigorate local economies. **With Gov. Lee's focus on ensuring our state is future workforce ready, the opportunities for alignment across the state are attracting new opportunities. The time is right for Tennessee to step forward and take its place as the most startup-friendly state in the nation.** I believe that LaunchTN can and will achieve that mission, and I'm excited to be a part of the work.

Stuart McWhorter

TN Department of Economic and Community Development Commissioner

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Launch Tennessee plays an important role in developing our workforce and supporting innovation so that every Tennessean can thrive. I commend this public-private partnership for its continued work to prepare entrepreneurs and strengthen businesses across the state.

Gov. Bill Lee
Tennessee
Governor

Ashley Currie
Marketing &
Communications Director

Rachel Fleming
Adminstration Manager

Khrys Hatch
Senior Associate

Charles Layne
Innovation Manager

Emily Masters
Development Director

Evan Prislovsky
Capital Analyst

Katherine Reall
Finance & Administration
Director

Ashlin Smith
Network
& Talent Manager

Abby Trotter
Strategic Advisor

Monique Villa
Chief Investment Officer

Returning to LaunchTN to serve as CEO is a homecoming for me.

I'm so proud of the work I did as CEO of one of LaunchTN's Network Partners, The Company Lab (CO.LAB) in Chattanooga. Leaving that position, where I worked to revitalize legacy programs and put into place a team positioned to grow the entrepreneurial ecosystem in Chattanooga, was bittersweet. However, the promise of the opportunity to work toward fulfilling a mission still dedicated to providing entrepreneurial support, but with a statewide focus, was too strong to resist.

I previously spent a little more than six years with LaunchTN. During that time, I created the government relations team and oversaw the passage and administration of the state's Small Business Innovation Research (SBIR) Matching Program. I also had the opportunity to lead and reimagine 3686 Entrepreneurship Festival into a two-day celebration of startup founders, investors, and partners – generating national attention for our state's entrepreneurial ecosystem.

The energy at this year's 3686, the first in-person since 2019, was palpable – and it matched my own excitement about returning to LaunchTN at such a pivotal time for the organization. In addition to 3686, being able to embrace the opportunity to add team members and reinvigorate the culture of the organization – just in time to celebrate the impending launch of the BuildTN Fund, which will place the responsibility for administering $70 million in equity investments through the reauthorized State Small Business Credit Initiative (SSBCI) Program in the hands of LaunchTN – has been the focus of my first 90 days.

It is with great pride, as a native Tennessean, that I take notice of efforts beginning to take root in other states seeking to offer assistance to entrepreneurs. That pride grows from the fact that our state has had the foundation for meaningful and deeply impactful support for both our homegrown and our newly welcomed entrepreneurs for nearly a decade – in no small part thanks to the work of LaunchTN. Our longevity of service sets us apart in so many ways – perhaps most notably in our ability to deliver resources, the opportunities we are able to offer around commercialization, and our capital support framework.

While I appreciate the passion our state lawmakers have for attracting major players to our state, I am even more excited about their genuine support for our homegrown innovators. And I appreciate the care they take to help us and our partners grow startups all across Tennessee.

I'm proud to be a part of the work, and I'm grateful for the opportunity to serve as CEO of LaunchTN.

Lindsey

Lindsey Cox
CEO, LaunchTN

About Us

Launch Tennessee (LaunchTN) is a 501c3 public-private partnership uniquely positioned to cultivate and support collaboration among founders, investors, the private sector, institutions, and government. We support Tennessee's entrepreneurial ecosystem by coordinating resources, advancing capital access, and empowering our Network Partners and multiple stakeholders throughout the state to activate inclusive and sustainable economic growth in Tennessee.

Our mission is to make Tennessee the most startup-friendly state in the nation.

The Board

Stuart McWhorter
Commissioner
Tennessee Department of Economic
and Community Development

Calvin Anderson
President
Clear Strategies Group

A.J. Bahou
Partner
Waller Lansden Dortch & Davis, LLP

Tom Ballard
Chief Alliance Officer
Pershing Yoakley
& Associates (Emeritus)

Alan Bentley
Assistant Vice Chancellor
Center for Technology Transfer &
Commercialization, Vanderbilt University

Stephen Crawford
Senior Vice President
& Chief Technology Officer
Eastman Chemical Company

Bruce Doeg
Shareholder
Baker Donelson Bearman
Caldwell & Berkowitz (Emeritus)

Shawn Glinter
Founder & Chief Executive Officer
Pendant Biosciences, Inc.

Dr. H.M. "Hash" Hashemian
President & Chief Executive Officer
Analysis and Measurement Services
Corporation

Rep. Patsy Hazlewood
Tennessee General Assembly

Dr. Brian Noland
President
East Tennessee State University

Dawn Patrick
Managing Partner
Cherry Bekaert

Dr. Stacey Patterson
Vice President for Research, Outreach
and Economic Development
University of Tennessee, Knoxville

Julia Polk
Chief Strategy Officer
Decode Health

Denny Wayne Robinson
County Executive
White County, Tennessee

Sen. Bo Watson
Tennessee General Assembly

Frank Williamson
Founder & CEO
Oaklyn Consulting

Dr. Thomas Zacharia
Laboratory Director
Oak Ridge National Laboratory

As a champion of entrepreneurship, I have mentored and/or connected 100s of founders from early-stage companies across a variety of industries. I have witnessed firsthand the obstacles faced by every founder - and especially by founders from nontraditional backgrounds. I'm so proud of the great strides **LaunchTN has made in providing startup resources to entrepreneurs - from capital access to mentorship to training - and I'm excited to continue to be a part of the work still to come.**

Julia Polk
LaunchTN
Board Member

Our Why

LaunchTN has been helping entrepreneurs build companies and create jobs for nearly a decade. We are working to make Tennessee the most startup-friendly state in the nation. Formed by the State of Tennessee to function as the cornerstone of a public-private partnership, LaunchTN is a nonprofit organization uniquely positioned to cultivate and support collaboration among founders, investors, the private sector, institutions, and government. We nurture Tennessee's entrepreneurial ecosystem by coordinating resources, advancing capital access, and empowering our Network Partners and multiple stakeholders throughout the state to activate inclusive and sustainable economic growth in Tennessee.

Since our founding, LaunchTN program, network partner, and portfolio companies have spurred more than $900 million in economic impact to the State of Tennessee.*

5,616
STARTUP TOUCHPOINTS

$7M
IN SBIR FUNDS DEPLOYED (**67.5% TO DIVERSE FOUNDERS**)

645
JOBS CREATED STATEWIDE

**$348m SBIR/STTR Matching Fund, $102m Impact Fund, $237m Network Partner Companies, $215m INCITE Fund*

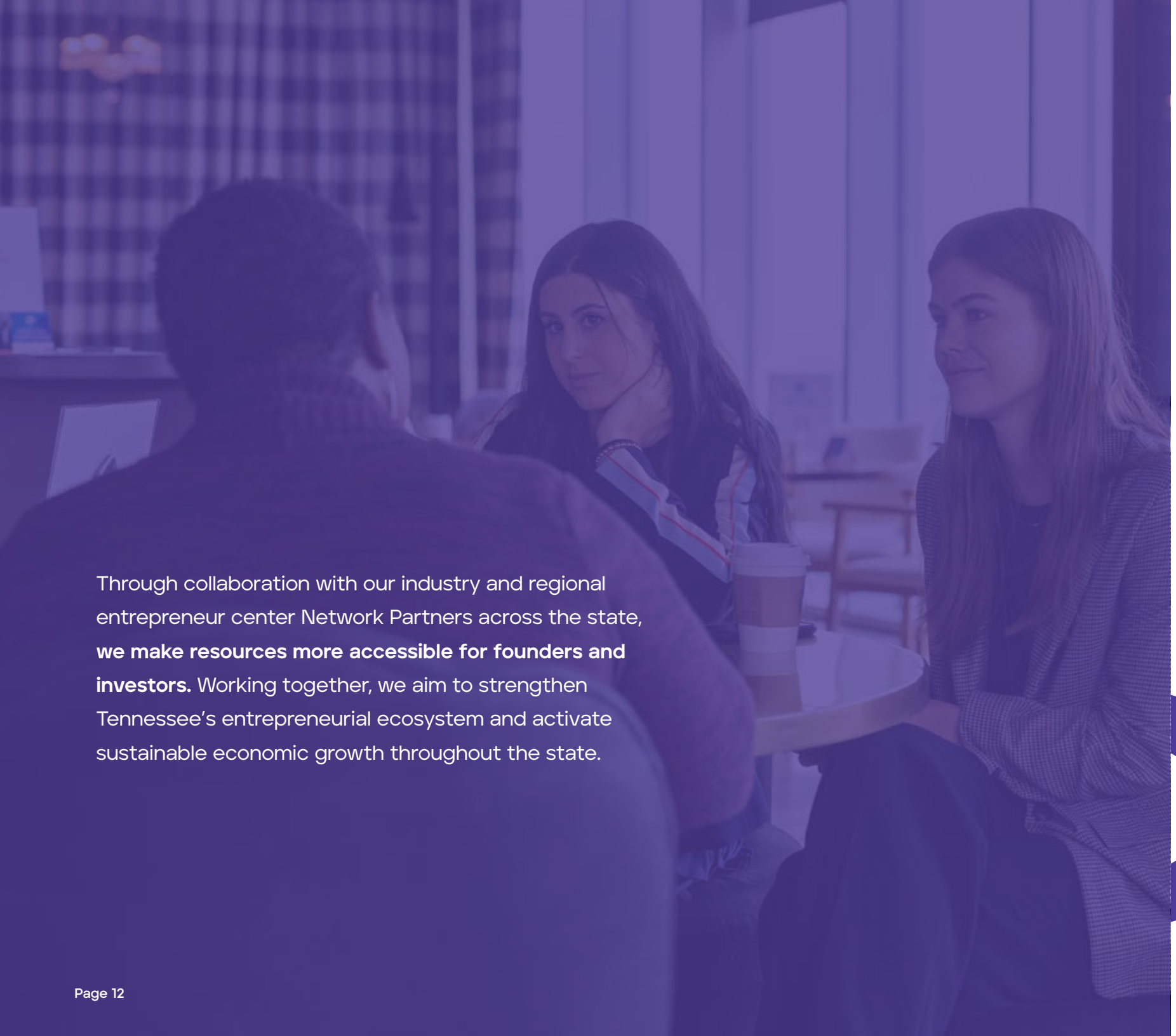
Meet Arvo

Entrepreneur Alane Boyd relied on the mentorship of Jeff Brown, CEO and President of The Biz Foundry in Cookeville, TN, as she prepared for pitch competitions and sought out SBIR opportunities for her startup. Alane and cofounder Micah Johnson went on to become LaunchTN 3686 Pitch Contest finalists and Nashville EC Panel & Pitch: Tech Edition finalists (where they won the "crowd favorite" award). They experienced a significant win in FY22 as they launched Arvo, raising $230,000 in less than 6 months for the cloud-based platform designed to reimagine standard operating procedures, playbooks and training manuals for today's evolved workforce of remote and hybrid teams.

They have already disrupted the documentation space, leading the way as companies shift away from their long form docs and take back their afternoons thanks to the Arvo platform.

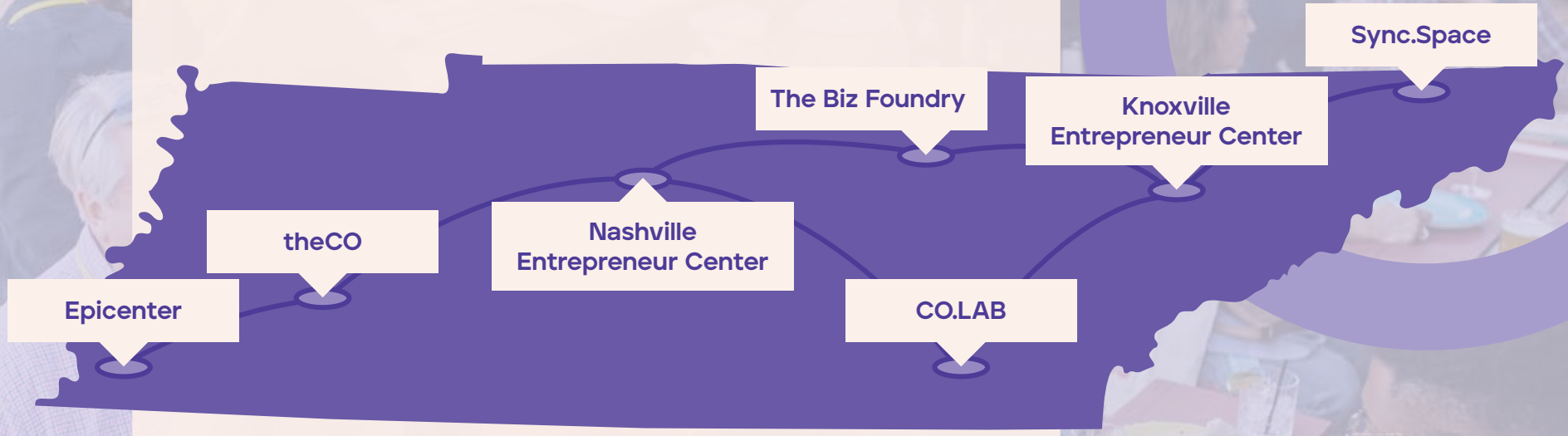
Alane Boyd
President, ARVO
Cookeville, TN

Network Partners



Through collaboration with our industry and regional entrepreneur center Network Partners across the state, **we make resources more accessible for founders and investors.** Working together, we aim to strengthen Tennessee's entrepreneurial ecosystem and activate sustainable economic growth throughout the state.

Regional Entrepreneur Centers



Statewide Industry Network Partners

- Bunker Labs
- TennSMART
- BioTN
- AgLaunch
- Tennessee Advanced Energy Business Council

Regional Entrepreneur Centers

CO.LAB is a 501c3 nonprofit dedicated to accelerating startups in the greater Chattanooga region, supporting companies from launch to scale.

FY22 Highlights

- **Hired new CEO Tasia Malakasis,** who has done a whirlwind tour of Chattanooga - meeting with hundreds of local business and community leaders.
- **Hired a rural outreach manager** to expand legacy CO.LAB programs, such as CO.STARTERS and Kiva, to nine Southeast Tennessee counties.
- **Won ChaTech's DEI Advocate in Tech award,** in part for their work to help women and Black founders fulfill zero-interest loans via Kiva.

Founder Story

Chattanooga entrepreneur Susan Vandergriff found a little bit of calm in a hectic world, when she started noticing the birds. That's what inspired her idea for personalized bird seed.

Since launching in late 2021, The Happy Birdwatcher has shipped to 37 states — and counting. The Chattanooga company personalizes the product based on zip code data. The custom seed attracts a more diverse group of birds. **With help from an interest-free loan through CO.LAB's Kiva program, Susan raised $11,000 to purchase inventory, invest in marketing and hire a part-time employee.**

The company is growing its sales, has been featured in national publications, and aims to create jobs as it expands.

Regional Entrepreneur Centers

THE BIZ FOUNDRY

The Biz Foundry is a nonprofit entrepreneur development center that helps businesses start and thrive in the Upper Cumberland. Entrepreneurship, innovation, and collaboration are intrinsic to economic and social vitality, so The Biz Foundry fosters these values through business resources, community programs, and one-on-one work with local businesses.

FY22 Highlights

- Conducted third successful **Made Here Market.**
- Expanded a **coworking space** in Cookeville.
- Celebrated **26 graduates** of the Start Up Your Startup program.
- Conducted a **Marketing Bootcamp** with Andrew Holliday.

sync.space

Sync.Space is the regional entrepreneurial hub in Northeast Tennessee connecting entrepreneurs and startups with partners, mentorship, investment, and pilot programs.

FY22 Highlights

- **Announced strategic corporate Partnership with D.R. Horton**, the nation's largest home builder, to create small business and workforce programs.
- Received **excellence awards** from the International Economic Development Council in Economic Development, Public-Private Partnerships, and Partnerships with Educational Institutions for Kingsport's innovation village.
- Received $375k from the Appalachian Regional Commission to **expand access to digital media equipment and training** for founders and to build a digital workforce.

Regional Entrepreneur Centers

NASHVILLE ENTREPRENEUR CENTER

The Nashville Entrepreneur Center (NEC) serves as Nashville's center for entrepreneurship, supporting visionaries—from every background, in any industry, and at all phases—by connecting them to critical resources and championing their desire to change the world.

FY22 Highlights

- Took the Twende program for Founders of Color statewide, **serving entrepreneurs of color beyond Nashville** and growing from 20 to 60 founders FY21 to FY22.
- **Hosted the inaugural Telehealth Academy for early stage innovators** and entrepreneurs to learn from experts across the country in telehealth and virtual care.

KE KNOXVILLE Entrepreneur Center

Knoxville Entrepreneur Center (KEC) is a business accelerator located in the heart of downtown Knoxville that believes in changing lives through entrepreneurship.

FY22 Highlights

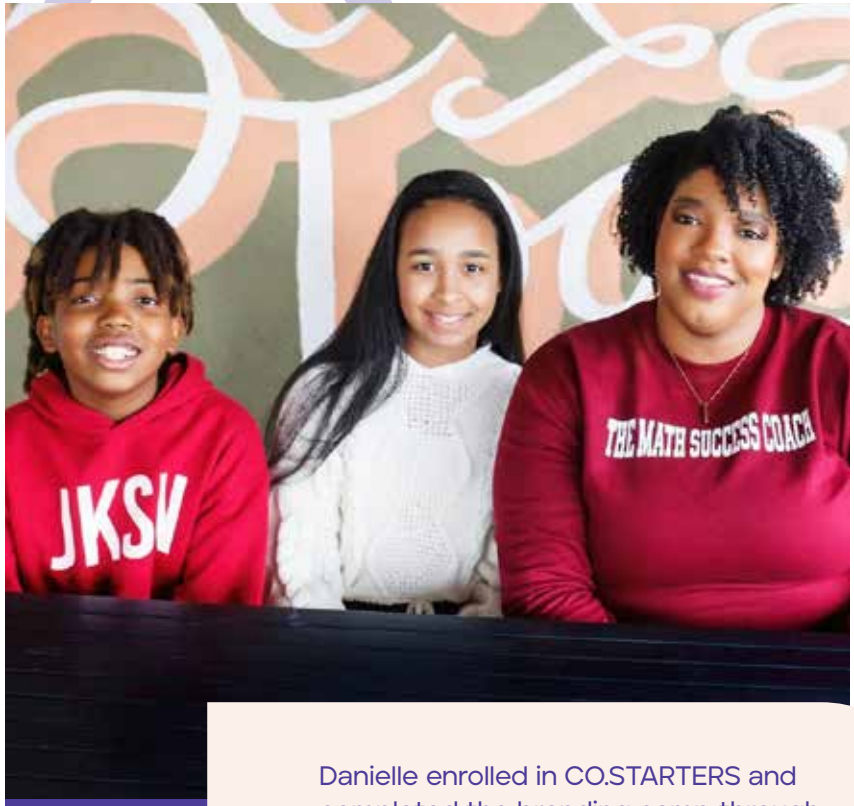
- Sold out the "Let Her Speak" summit in 18 hours.
- Continued success with the **100Knox program** - serving 20 founders and giving $100k in grants.
- Hosted the **Maker City Summit** and rebranded INC 5000 as **Growth & Grit** - with both record attendance and a record number of companies involved.

EPICENTER

Epicenter's mission is to provide equitable access to the networks, programs, people, capital, and customers that entrepreneurs need to launch a business and thrive in the greater Memphis area.

FY22 Highlights

- **Graduated five new startups from the ZeroTo510 Medical Device Accelerator** in December at an in-person Demo Day, and launched recruitment for a milestone 10th cohort of the program.
- **Reconvened in-person meetings of the Memphis Investment and Advisory Club**, which provides opportunities for angel investors to hear pitches from local startup founders who are raising funds and seeking connections to help them scale.
- **Recruited the second cohort of the Patents2Products PhD post-doc fellowship**, a collaboration with the University of Memphis that creates a funded position for research entrepreneurs and provides them with the necessary tools for launching a successful startup.



Founder Story

Danielle enrolled in CO.STARTERS and completed the branding camp through SOUL Collective, and she has seen nothing but immense growth in the past year. The Math Success Coach specializes in Math Tutoring for grade levels 3-12. They help make math simple, improve math skills, and increase confidence. They provide intervention, homework help, content reinforcement, and test preparation. **They were recently awarded a bid to work with The Jackson Madison County School System to help increase math scores at Liberty Technology Magnet High School.** They will work with the Algebra 2 students to help close achievement gaps and show growth on end of course exams.

Regional Entrepreneur Centers

THECO›

Located in Jackson, TN, theCO is a resource, a collaborative community, and a support system for everyone from serial entrepreneurs to those taking their first plunge into business ownership, problem-solving and innovating in the West Tennessee area.

FY22 Highlights

- **Created the Dev Catalyst Tech Tour of Tennessee,** a 3-day jaunt across the state visiting 10 tech-focused companies for top Dev Catalyst high school coding students. They were wowed by panels of engineers, designers and developers as they realized the potential for careers in TN. Host companies included Amazon, Branch Technologies, Oak Ridge National Lab, Ramsey Solutions, Whiteboard and more.
- Expanded the **SOUL Networking event for Black business owners into the SOUL Collective Incubator with workshops and programming** by Program Director Trunetta Atwater. Thanks to a partnership with the City of Jackson, SOUL Collective moved into Jackson's old train depot to offer workshops, host meetings, and serve as home to some of the incubator businesses.
- **Held second hackathon with 25 developers, engineers, designers, entrepreneurs and tech enthusiasts** gathered to tackle various ideas pitched by participants on challenging the way things have always been done. Four teams created tech solutions around concepts involving getting to actually know neighbors in this social media driven society, better solutions for people in recovery who are seeking active support meetings although new to town, screen modification for individualized use for traditional eyeglass users, and utilizing community recycling efforts to bring teachers more supplies needed for classroom projects.

Industry Network Partners

TAEBC

Tennessee Advanced Energy Business Council (TAEBC) champions advanced energy as an economic development and job creation strategy for Tennessee. They partnered with LaunchTN to lead the Energy Mentor Network and foster the growth of Tennessee advanced energy technologies and startups by connecting entrepreneurs with mentors and industry-specific expertise.

FY22 Highlights

- The Energy Mentor Network partnered with the Spark Innovation Center to **develop programming and support the launch of the CleanTech Accelerator Cohort One** and continued partnership with Oak Ridge National Lab and their Innovation Crossroads program, welcoming Cohort Five.
- **Eonix announced an exclusive, three-year collaboration with Schrodinger Inc** to accelerate the discovery and design of materials for safer, energy dense lithium ion batteries.
- **Active Energy Systems closed a $1m seed funding round** and moved into a new facility in Oak Ridge, TN.
- **SkyNano entered an ongoing partnership with the TVA** to work toward decarbonization of their natural gas power plant emissions.

Founder Story

Ryan Ginder developed a novel glass fiber recovery technology for large-scale recycling of wind turbine blades and other glass fiber reinforced plastics into new composites. Ginder was accepted into the inaugural cohort of the Spark Cleantech Accelerator, operated by the Spark Innovation Center and the University of Tennessee Research Park. Windfall received two Small Business Technology Transfer (STTR) grants funded by the U.S. Department of Energy's Wind Energy Technologies Office totaling $1.25M for further development of this technology. Windfall currently operates a one-ton pilot plant with plans to scale to a 20-ton per day facility in 2023.

Industry Network Partners

TennSMART leverages Tennessee's automotive manufacturing power and research assets to elevate the state to the forefront of smart mobility solutions. Through programs such as the Automotive & Mobility Mentor Network, TennSMART supports entrepreneurs bringing innovations to market that improve safety and accessibility, reduce emissions, and enhance infrastructure and operations.

FY22 Highlights

- Hosted the first ever **Tennessee Smart Mobility Expo** with more than 260 attendees, EV Ride + Drives, live demos and 30 speakers.
- **Supported four federal grants** for projects ranging from rural EVs to advanced manufacturing.
- Held an event series to **inform members of federal funding** opportunities in the Bipartisan Infrastructure Law.

AgLaunch is a non-profit organization utilizing a farm-centric innovation platform to efficiently bring new ideas into agriculture. By connecting entrepreneurs with growers to create innovative agricultural solutions, they forge farms of the future capable of meeting the demands of an ever-growing population. AgLaunch powers the TN Ag Mentor Program, creating a meaningful feedback loop for startups that engages industry veterans, startup experts, and farmers to bring additional investment and create more viable Agriculture startups in Tennessee.

FY22 Highlights

- Received the Small Business Regional Innovation Cluster Award to **launch the Southern Appalachian AgriFood Innovation Cluster.**
- AgLaunch Farmers **deployed dozens of on-farm trials** with promising startups.
- AgLaunch Portfolio Companies **collectively raised $80m** of investment capital.

BioTN changes lives with science by educating future scientists, developing Tennessee's workforce, and supporting its most motivated entrepreneurs.

FY22 Highlights

- Hosted **7th annual Venture Forum** during LSTCON in April featuring five companies vying for $10,000 in prize money from Waller. The winner was a renal technology company that is also a part of BioTN Mentor Network, Augment Health.
- Launched BioTN Mentor Office Hours and Meet-a-Mentor program to **connect very early stage companies directly with mentors** and to connect companies seeking advice from professional services firms that specialize in life sciences - including attorneys, accountants and investment consultants.

Industry Network Partners

BUNKER LABS

Bunker Labs provides community, programs, and courses to help military veterans and military spouses start and grow successful businesses and startups.

FY22 Highlights

- Hosted 48 veteran and military spouse entrepreneurs through 5 Veterans in Residence cohorts in Nashville and Knoxville.
- Launched the Ambassador Program (formerly City Leader Program) - onboarding 4 Tennessee-based Volunteer Ambassadors in Chattanooga, Knoxville, and Nashville.

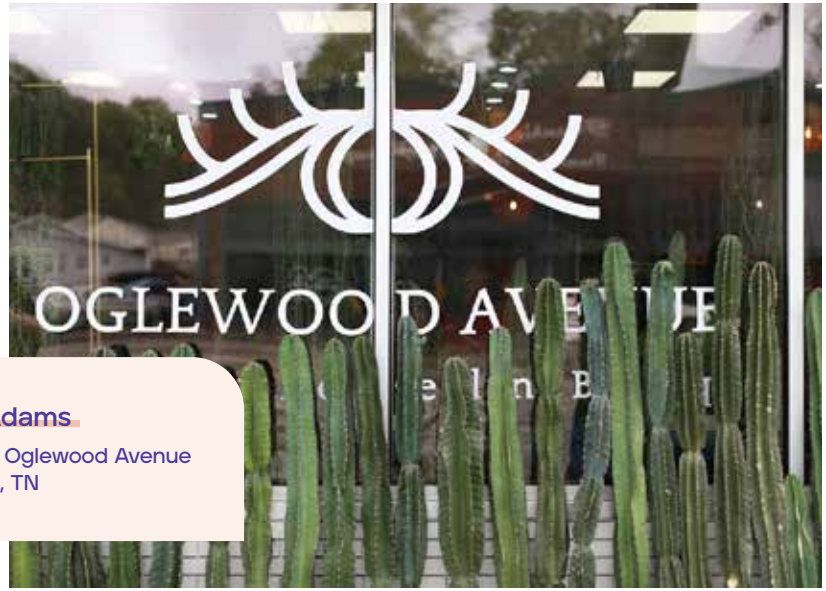
"Bunker Labs not only provided me a pathway to success through their resources and connections, but gave me the confidence to relentlessly scale my business. I participated in two ViR Cohorts, and was able to quit my real job, **obtain a half-million in funding, and launch Arbo's Cheese Dip in national retail, reaching $1M in annual revenue - all because of their support through the Veterans-in-Residence program."**

Andrew Arbogast
Founder, Arbo Cheese
Memphis, TN

Jade Adams
Founder, Oglewood Avenue
Knoxville, TN

Meet Oglewood Avenue

Jade Adams is the founder of Oglewood Avenue, a houseplant boutique that aims to make all people plant people. **As a member of the first cohort of KEC's 100Knoxville program, which aims to grow Black-owned businesses in Knoxville by $10,000,000 in 5 years, Jade received 5 weeks of intensive mentorship and a $5,000 grant to strategically grow her business.** She has already hired 8 employees as her business expands rapidly. Jade is also a digital host for HGTV on their "Handmade" crafting and DIY-focused YouTube channel.



Dextrous Robotics has developed the fastest solution for unloading shipping containers.

"We can confidently say that there has never been another robot like DX-1, and our team is proud to have built this intelligent machine that amazes us with its speed and strength and also does good for humankind. Thanks to the LaunchTN matching grant, Dextrous will be able to acquire more space to build the next round of robots as well as fabricate more parts in-house."

Evan Drumwright
CEO of Dextrous Robotics
Memphis, TN

Meet Whisper Aero

Whisper Aero is developing the next-generation of quiet, electric thrust. Crossville, TN based Whisper Aero is an air propulsion company that delivers thrust more cleanly, efficiently, and quietly than ever before. Whisper is integrating its electric propulsors into drones and aircraft to fundamentally reduce their noise and emissions. Over time, the company plans to apply this same ultra-quiet technology to items that touch everyday lives, such as air purifiers, HVACs, leaf blowers, and carbon capture devices. The aim is to lead the electric jet age and build a future that is as considerate as it is compelling.

With investment from LaunchTN's SBIR matching funds, Whisper has designed, built and validated 9 generations of its core technology over the past year and a half. Its propulsors have been proven through hours of ground tests and flights. The team has already been awarded $2.1M in contracts with the US Air Force and USSOCOM and is on track to complete its first propulsor sales in 2023.

Innovation Week

LaunchTN works to advocate for entrepreneur-friendly policies. We keep an active watch on legislation and work to develop and maintain positive relationships with policymakers at the local, state, and federal level.

March 2022 LaunchTN hosted an Innovation Week event in downtown Nashville showcasing Tennessee entrepreneurship and advocacy. More than 20 founders from across the state shared their technologies, and we brought together all 12 of our regional entrepreneur centers and industry network partners. **With more than 700 registered attendees,** we were thrilled to host this in-person gathering of Tennessee's entrepreneurial ecosystem at our first major event in more than two years.

Throughout the week, we featured an exposition of Tennessee startups, fireside chats with partners and industry experts, one-on-one investor meetings, startup pitches, intimate roundtable sessions, and legislative meetings. Pinnacle Financial Partners generously supported the week's activities.

SBIR/STTR Matching Fund Impact to Date

Tennessee companies awarded SBIR/STTR Matching Funds have **created 650 jobs, with an average wage of $81,330.**

$348M
IN ECONOMIC IMPACT TO THE STATE

$127M
FOLLOW-ON CAPITAL RAISED

$169M
LEVERAGED SBIR/STTR MATCHING FUNDS IN FEDERAL GRANTS

56%
HAVE SUCCESSFULLY ACHIEVED REVENUE, ACCOUNTING FOR
OVER $100M IN ANNUAL REVENUE

FY22 SBIR/STTR Matching Fund Overview

37
AWARDS

$7M
DOLLARS

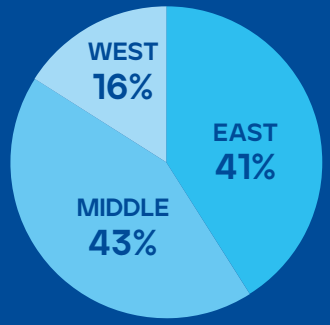
60
APPLICATIONS (A RECORD NUMBER OF APPLICATIONS FOR ANY ONE YEAR)

$27M
AWARDED IN FEDERAL RESEARCH FUNDING THROUGH THE SBIR/STTR PROGRAMS

91%
AWARDEES AFFILIATED WITH ECOSYSTEM OF LAUNCHTN INDUSTRY AND REGIONAL ENTREPRENEUR CENTER NETWORK PARTNERS

70%
FIRST TIME AWARDEES

Geographic Location



Demographic Breakdown

29%
FROM RURAL TN

67%
DIVERSE LEADERSHIP

10%
VETERAN LED

37%
FEMALE LED

Partnerships

#BuildTN Conversation hosted by Percy "Master P" Miller

LaunchTN hosted our first #BuildTN Conversation with Percy "Master P" Miller in the Fall of 2021 at The National Museum of African American Music. In person, we had an intimate gathering of invited entrepreneurs and investors. Virtually, the event garnered over 600 attendees who joined us from all over the country.

Percy Miller had countless insights and observations to share from his own entrepreneurial journey. We also had the great opportunity to partner with the Twende program, inviting three of their past founders to present Percy with a burning question on-stage.

3 FOUNDERS
ASKED PERCY A BURNING QUESTION AS PART OF OUR PROGRAMMING

600
ATTENDEES OVERALL

100
ATTENDED IN PERSON

Truist Foundation Funding Supported Twende

Twende is Kiswahili for "let's go," and that's the spirit of the Nashville Entrepreneur Center's (NEC's) program - passionately and strategically driving the growth of entrepreneurs of color.

Created by the NEC, Twende is a pre-accelerator, membership-based program that offers a full year of support and resources specifically created for founders of color (from all industries) looking to significantly grow their businesses and gain access to world-class curriculum, a supportive community, and individualized mentorship.

Recognizing the potential benefit of the program beyond Middle Tennessee, LaunchTN pursued grant funding from the Truist Foundation and was awarded $100,000 to support the NEC in expanding the Twende program beyond the borders of Nashville, allowing for a focus on entrepreneurs of color across the state.

Thanks to the Truist Foundation's commitment to inspiring and building better lives and communities, Twende grew from 20 to 60 founders from FY21 to FY22, serving founders from Knoxville to Murfreesboro to Memphis.

Johnson City Road Trip to visit our Friends at Sync.Space

The LaunchTN team had an amazing time traveling to visit our partners at Sync.Space over the summer. We were able to check out all of the great work being cultivated in the Tri-Cities from **Create Appalachia's efforts to the work of the ETSU Research Corporation.**

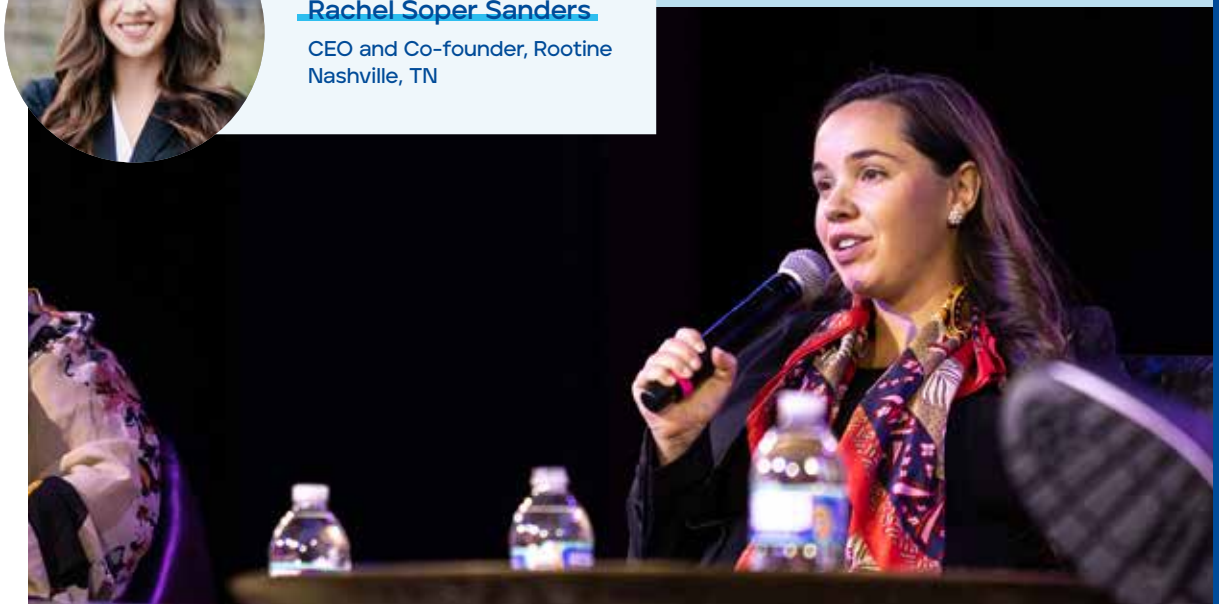
We also had a wonderful chance to sit down with several growing Tri-Cities companies, including Good Batch Mama and rpl University. Heath Guinn and the team at Sync.Space are truly cultivating a strong entrepreneurial ecosystem in East Tennessee.

LaunchTN's Impact Fund capital helped us to launch a new color-matching device for sale in all the Sherwin-Williams stores in North America in the middle of COVID-19 shortages. The new device brings not only the ability for contractors and painters to match paint colors but helps them get the right sheen. **With the help of the Impact Fund, we manufactured more devices in 9 months of 2022 than in the entire 2021 year.**

George Y. Yu, Ph.D.
CEO/CTO, Variable, Inc
Chattanooga, TN

"We're going after a big mission of enabling millions to leverage their health data to achieve optimal health, and in the process, creating a world where every health and wellness decision is based on individual biology and real time health data. **Building in Nashville allows us to stay close to the $50B healthcare ecosystem and attack challenges in ways that make a real impact on member health. LaunchTN invested in our Seed and Series A playing a role in our success to date!** We've leveraged programming at the Nashville Entrepreneur Center early in the company lifecycle and have also participated in 3686 both as an attendee and most recently as a panelist - all of which have opened many doors and expanded our network. "

Rachel Soper Sanders
CEO and Co-founder, Rootine
Nashville, TN



Impact Fund

The Impact Fund provides pre-seed and seed-stage capital to Tennessee startups from a mix of industries, backgrounds, and geographies. Our portfolio of programs, relationships, and resources helps maximize investors' ROI in the form of real dollars, jobs, capital investment, and innovation leadership.

$1,578,007
IN TOTAL INVESTMENTS FROM THE IMPACT FUND

SUPPORTING
10
NEW COMPANIES FROM ACROSS THE STATE

$24M
PRIVATE CAPITAL LEVERAGED

119
JOBS CREATED FOR TENNESSEANS

Portfolio Companies

LaunchTN's Portfolio spans all regions of Tennessee and represents prominent industries across the state such as healthcare, advanced energy, automotive, consumer products and Web3, to name a few.

Impact Fund Portfolio Company Highlights

Linus, a fintech company that connects investors to the economic benefits of digital asset credit markets, was acquired in May 2022

Daily Crunch won the Good Housekeeping 2020 Best Healthy Snack Award

Derek Brown, founder and CEO of Bunches, testified on behalf of a bill passed making Tennessee the second state to pass DAO legislation

Rootine (Nashville)
Optimizing health and human performance with precision nutrition

PaintJet (Nashville)
Robotics for the Commercial and Industrial Painting Industry

Variable (Chattanooga)
Cloud-based systems and intelligent sensor technology for the world's largest color brands

Bunches (Nashville)
Web3's messenger built for creators and communities

Daily Crunch (Nashville)
Uniquely Crunchy™ Non-GMO sprouted superfood snack (Vegan, Gluten-Free, Keto-Friendly)

Winter Innovations (Knoxville)
Developing simple tools for overlooked areas in surgery

Sparkz (Knoxville)
Commercializing a cobalt-free, American-made lithium-ion battery

Couture Technologies (Nashville)
Software solutions designed to reduce returns for the apparel industry

Beast Brands (Nashville)
Grooming and personal care products for Beasts of all kinds

CircumFix Solutions (Memphis)
Medical device technology developing a new standard in sternal closure for Cardiothoracic patients

Founder Story

"CircumFix plans to launch its first product, a novel implantable device for the improved repair and recovery of the chest wall following invasive open heart procedures, in early 2023. **From the beginning it's been very important to us, to be based in Tennessee and leverage local and regional resources and expertise in all facets of our business.** Memphis is world-renowned as a logistics and supply chain mecca, but perhaps less well known is the region's rich heritage as a medical device design and manufacturing hub. As we scale our organization over the coming years, we intend to enrich and invest in the community that helped us realize our dream of improving patient care across the world."

Louis A Houff
CEO, CircumFix Solutions
Memphis, TN

Launch TN

"**LaunchTN has been elated to be a part of the CircumFix journey as their product fits our thesis of upending entrenched medical device options.** Louis and Ken are very knowledgeable about the market through years of industry experience. We were able to work pretty closely with them, even virtually through the pandemic, and witnessed their successful capital raise from Evonik, a large multinational materials corporation. We are very excited for their upcoming commercialization efforts."

Khrys Hatch
Senior Associate, LaunchTN

Policy + Advocacy

For the first time ever, LaunchTN used our legislative advocacy week to specifically invite investors from across the southeast to come and be a part of the conversation. We had forty investor attendees from Tennessee and nearby states such as Georgia, North Carolina, Illinois, Missouri and Texas. Some traveled from as far as New York and even Australia. Those investors represented a total of $100 billion in assets under management. We also hosted more than 130 one-on-one meetings between investors and entrepreneurs with at least one company receiving an investment commitment during the event. We also, for the first time ever, had 15 startup CEOs pitch their startups to our audience.

Capital Formation: Looking Ahead

#BuildTN Fund

In 2022, the State of Tennessee will receive $117M in capital as part of the reauthorized State Small Business Credit Initiative (SSBCI) Program totaling $10B from the U.S. Department of the Treasury. Launch Tennessee joins the Tennessee Department of Economic and Community Development (TNECD) as applicants, with $70M to be administered by LaunchTN for equity investments.

For more information on our Capital Formation programs, please get in touch with Launch Tennessee's Capital team:

Monique Villa, Chief Investment Officer
Monique@launchtn.org

Khrys Hatch, Senior Associate
Khrys@launchtn.org

Evan Prislovsky, Capital Analyst
Evan@launchtn.org

Talent + Workforce Development

The Launch Tennessee Internship program is an incredible asset to the entrepreneurial ecosystem across Tennessee. As a small startup, i**t's provided our company with the opportunity to connect with and utilize top talent and has led to measurable marketing outcomes and revenue growth** - while hopefully inspiring the next generation of Tennessee entrepreneurs.

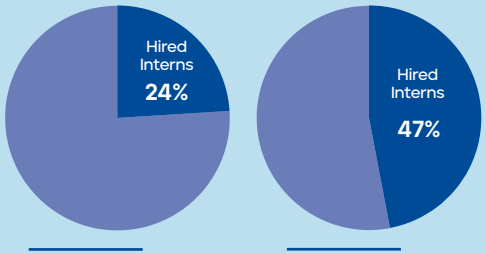
Stacey Baugues
CEO, PowerUp Fitness
Knoxville, TN

The LaunchTN Summer Internship Program

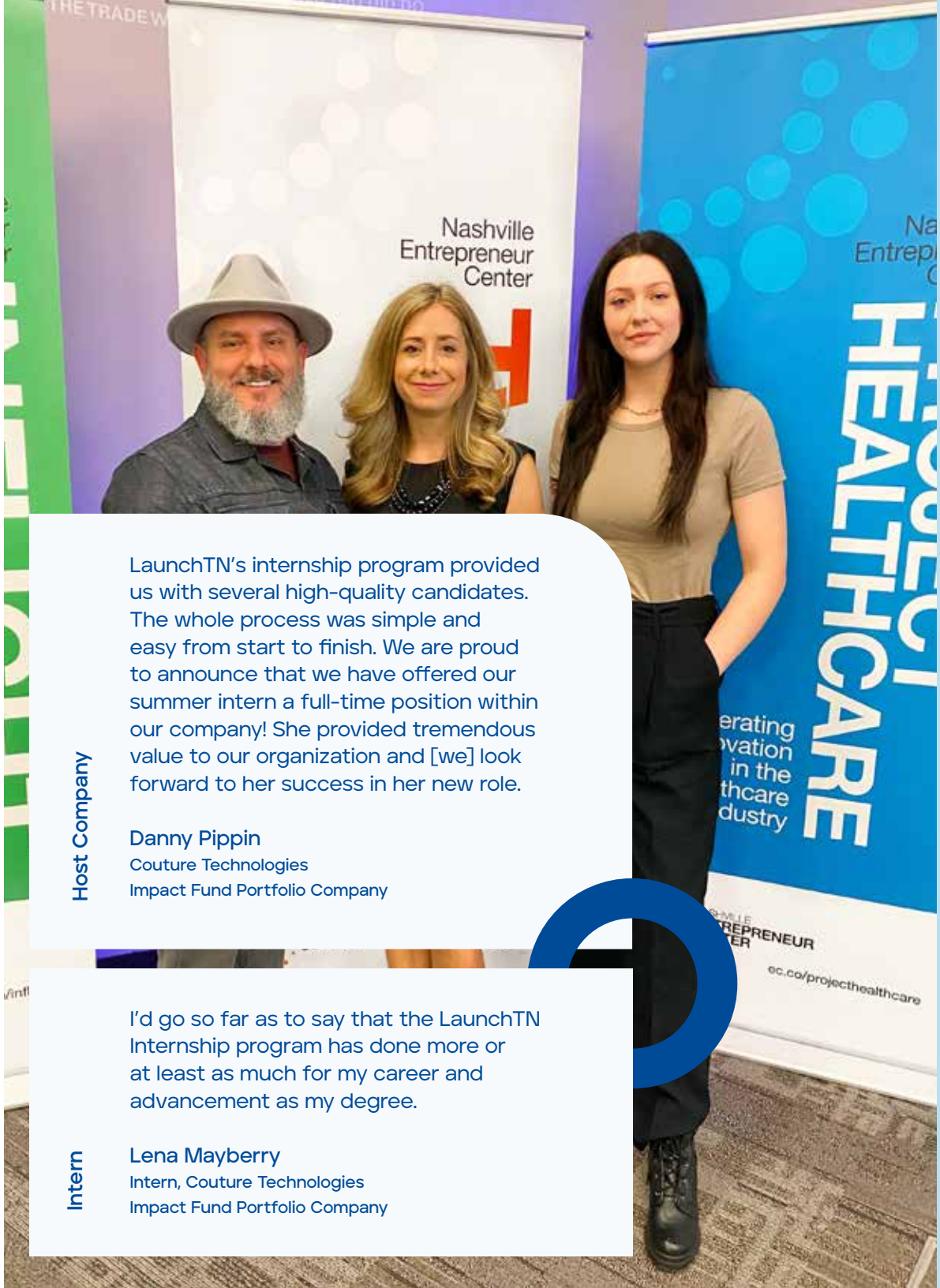
The LaunchTN Summer Internship Program provides students with experiential, paid opportunities to work and learn within a growing startup or an ecosystem builder in Tennessee. Innovative host companies welcome interns and quickly integrate them into their high impact work environments. Alumni of the program consistently share that they found their experiences as interns to be meaningful and highly relevant, and they often state that they would recommend the program to anyone interested in pursuing an innovative career path.

Representation
The number of Black/African American students in the recruitment pool increased by 7.4% from 2021 to 2022. The number of Hispanic/Latinx students increased by 4.6%.

Retention
Summer 2021 24% of interns continued their roles with their host companies, and Summer 2022 47% of interns continued their roles with their host companies post-internship (through extensions, contracting or employment).



Hired Interns **2021** Hired Interns **2022**



Host Company

LaunchTN's internship program provided us with several high-quality candidates. The whole process was simple and easy from start to finish. We are proud to announce that we have offered our summer intern a full-time position within our company! She provided tremendous value to our organization and [we] look forward to her success in her new role.

Danny Pippin
Couture Technologies
Impact Fund Portfolio Company

Intern

I'd go so far as to say that the LaunchTN Internship program has done more or at least as much for my career and advancement as my degree.

Lena Mayberry
Intern, Couture Technologies
Impact Fund Portfolio Company

Recruitment
We recruited more than 60 Tennessee startups and entrepreneur centers to participate in the program. As a result, we saw a 43% increase in host applications and a 20% increase in student applicants from 2021 to 2022: increasing our Summer Internship Program cohort by 21% from 2021 to 2022.

The Host Companies
During FY21 we worked with 23 startups and 9 entrepreneur centers. In FY22 we worked with 33 startups and 10 entrepreneur centers: 21 in East TN, 18 in Middle TN, 4 in West TN.

The Interns
During FY21 we placed 41 interns (24 women and 17 men). In FY22 we placed 51 interns:

- 21 women, 30 men
- 27 Tennessee natives, 24 from other states
- 28 Tennessee students, 23 out-of-state students

Pictured L to R, Danny Pippin, Deanna Meador, Lena Mayberry

Meet Borrego + Bendel

Borrego & Bendel Corporation is a multi-international award-winning smart mobility startup focused on revolutionizing safety and efficiency and producing accurate data to shape the future of traffic management. Its starship product "ATLAS" (Advanced Traffic Light Automation System) has the ability to move vehicular, pedestrian and micro mobility traffic 5% more efficiently than the leading competition. **ATLAS just completed two successful pilots in Knoxville and Sevierville and recently took first place at the "Global Fundraising Stage Miami."** Borrego & Bendel Corporation was also awarded an international "Best Companies Award" for its contribution to technology advancement at the Internet 2.0 Conference Las Vegas.

Nick Borrego
Borrego + Bendel
Knoxville, TN

Financials

Economic development assets increased to $14,432,870 from $13,009,861 due to the purchase of new investments in Tennessee startups. Looking ahead to FY23, the State of Tennessee has again allocated $7 million in matching grants to be awarded to Tennessee companies receiving federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) grants. These allocations are awarded through LaunchTN.

ECONOMIC DEVELOPMENT ASSETS INCREASED TO
$14,432,870

$7 MILLION
IN MATCHING GRANTS ALLOCATED FOR FY23

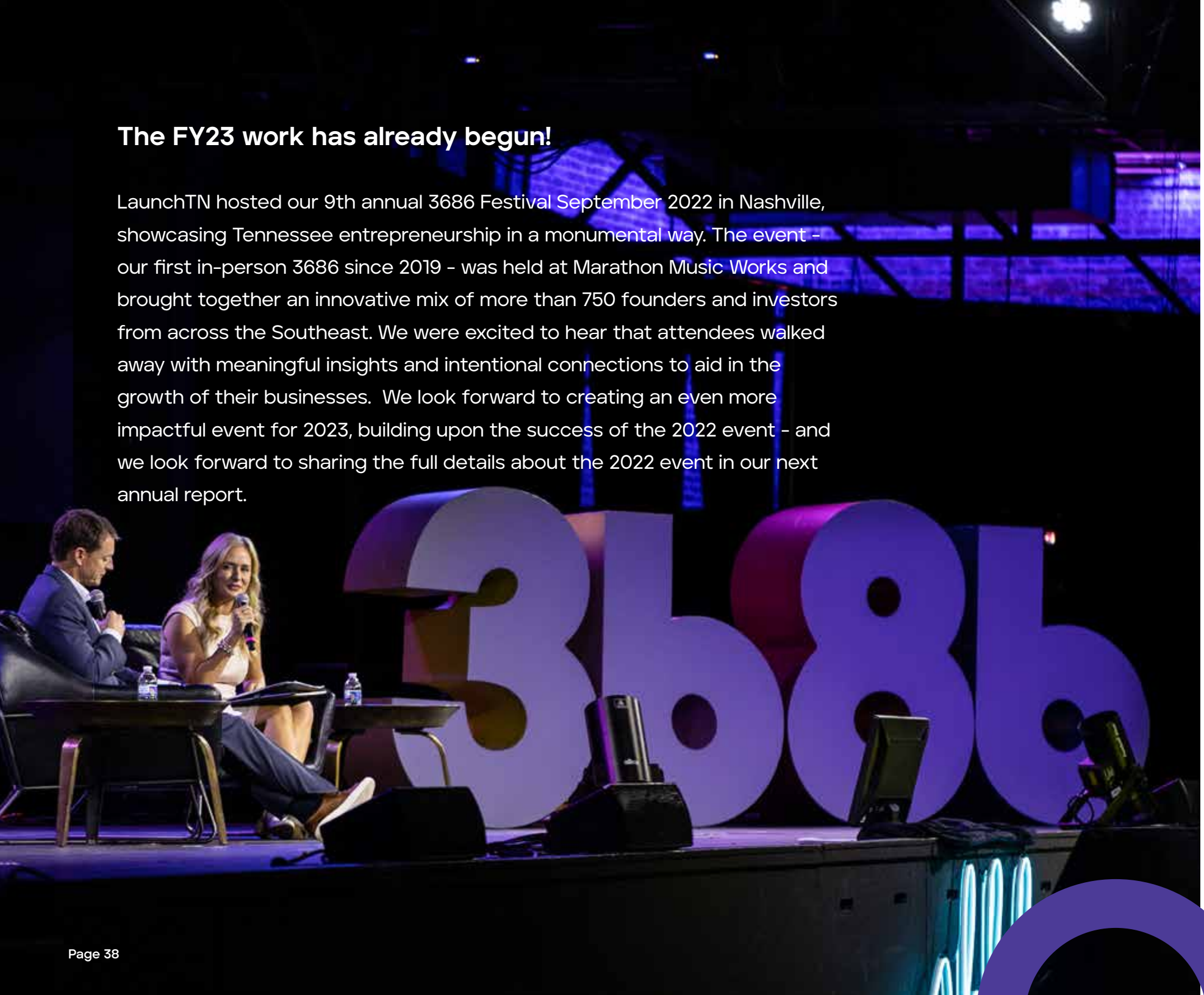
FY23 - Looking Ahead

We are looking forward to a number of exciting new initiatives and expansions as we move further into FY23.

- **Launching the BuildTN Technology Fund**, which will include $70m in equity investments to be administered by LaunchTN
- Expanding initiatives in the areas of **statewide talent recruitment and retention**
- Adding **new Industry Partners** in the areas of Financial Technology and Consumer Products
- Increasing the **reach and impact** of our **Network Partners**

The FY23 work has already begun!

LaunchTN hosted our 9th annual 3686 Festival September 2022 in Nashville, showcasing Tennessee entrepreneurship in a monumental way. The event - our first in-person 3686 since 2019 - was held at Marathon Music Works and brought together an innovative mix of more than 750 founders and investors from across the Southeast. We were excited to hear that attendees walked away with meaningful insights and intentional connections to aid in the growth of their businesses. We look forward to creating an even more impactful event for 2023, building upon the success of the 2022 event - and we look forward to sharing the full details about the 2022 event in our next annual report.



Thanks to our Partners and Supporters

The relationships with our partners and sponsors are integral to the success of LaunchTN.

We are so grateful for the investments made by our supporters - from both the public and private sectors. By investing in our vision, these stakeholders become a part of our work to connect entrepreneurs to funds, mentors, training, employees, and other necessities for achieving success and building longterm sustainability.

Pinnacle Financial Partners, Truist Foundation, Oak Ridge National Laboratories, University of Tennessee, Vanderbilt University, University of Tennessee Research Foundation, and the State of Tennessee are all among those who supported our work in FY22.

2022

Launch Tennessee

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