The 2021 Indiana Venture Report is a year-end assessment of venture investment activity in Indiana. The report begins with a general look at the national venture capital trends and follows with an analysis of venture capital activity in the Great Lakes states of Minnesota, Wisconsin, Michigan, Illinois, Indiana, and Ohio. Finally, venture capital activity in Indiana is compared across sectors, firms, stages and regions.

2021 continues to see market momentum across a number of investment stages and sectors. For the first time, the Indiana venture market surpassed $1B in venture capital investment, a historical milestone. This is largely due to several Indiana scale-ups leveraging their momentum into sizable growth rounds. Elevate is excited to feature some of the founders and their respective stories in this report.

PitchBook Data Inc., a database of private capital markets including venture capital (VC), private equity (PE) and mergers and acquisitions (M&A) transactions, was the primary source of investment information used in this report. The PitchBook database was coupled with Elevate Ventures’ proprietary deal information and secondary data collected from Elevate Ventures’ key co-investment partners.

THANKS TO THE PARTNERS WHO COLLABORATED WITH US AND CONTRIBUTED TO THE DEVELOPMENT OF THIS REPORT.
NATIONAL VENTURE CAPITAL TRENDS

ANOTHER RECORD-SETTING YEAR; INDIANA’S VC SHARE INCREASED OVER 2020

According to PitchBook’s Q4 2021 Venture Monitor, U.S. VC-backed companies raised $329.6B in 2021, nearly double the previous record of $166.6B in 2020. Investment activity (total dollars invested and total deals) for seed and angel, early-stage and late-stage companies hit records in all categories. Records were achieved in investment activity for companies receiving first equity rounds of institutional financing and for companies raising VC mega-rounds ($100M or more). Moreover, deal count in 2021 increased to an estimated 17,054, up from 12,173 in 2020; however, the increase did not match the pace of the surge in additional capital, continuing the trend of increasing deal sizes.

The outperformance of the U.S. VC market compared to previous years is partly driven by the robust later-stage investor activity, including active participation by nontraditional investors, and the increase in exit value that continues to create significant value creation for VC investors along the investment cycle.

According to the same PitchBook report, $253.5B in deal value included participation from such nontraditional investors as corporate VC funds, hedge funds, PE firms and sovereign wealth funds (76.9% of total annual deal value). Deals worth $138.9B were led by at least one nontraditional investor (42.1% of total annual deal value). Regarding exits, approximately $774.1B in annual value was created by VC-backed companies. The overwhelming majority of the dollars, some $681.5B, was realized through public listings—a testament not only to the favorable conditions presented by robust public markets and strong valuations but also to the availability of special purpose acquisition companies (SPACs) as an acceptable and popular alternative to IPOs. It is important to note that the robust 2021 activity took place despite market uncertainties caused in part by labor market and supply chain challenges.

Momentum from 2021 is likely to continue in 2022 as VC fundraising topped $100B in 2021 for the first time, with $128.3B raised across 730 funds—$40B more than 2020’s previous record.

From a VC market share standpoint, California, Massachusetts and New York continue to dominate. The three states accounted for nearly 73% of all dollars invested in the U.S. The Great Lakes region also demonstrated significant momentum in overall venture capital deal value, with over $13B invested in 2021 compared to $10.5B in 2020. Most notably, Indiana companies took advantage of the momentum and captured a larger share of national VC activity, attracting 0.4% in 2021 compared to 0.3% in 2020.
**REGIONAL VENTURE CAPITAL COMMUNITY**

**INDIANA REMAINS SECOND HIGHEST IN ACTIVITY IN THE REGION, SEE UPTICK IN VC INVESTED IN LATER-STAGE DEALS**

Indiana’s deal count through 2021 was strong with 159 reported, nearly on par with 160 during 2020. Consistent with 2020 data, Indiana remained the second highest state in deal activity in the Great Lakes region, behind only Illinois. In addition to strong deal count across all stages, venture capital dollars invested in later-stage deals in Indiana saw a meaningful uptick in 2021, thanks to five companies raising mega-rounds ($100M or more). This was also a first, reflecting the continued maturation of our venture ecosystem, as quality deals with proven team and market traction, particularly through the pandemic remain highly attractive investment targets.

![VC DEAL COUNT BY STATE - 2021](image)

![VC DOLLARS INVESTED BY STATE - 2021](image)

**VENTURE CAPITAL INVESTMENTS IN INDIANA**

**2021 INVESTMENT EXCEEDS $1B; TOTAL CAPITAL INVESTED SURPASSES COMBINED INVESTMENTS MADE IN 2019 AND 2020**

Over the past decade, the Indiana venture ecosystem has experienced consistent growth. Both 2019 and 2020 were record years for deal count and dollars invested. A similar deal count was recorded in 2021, while total dollars invested tripled when compared to 2019 and 2020. In other words, capital invested in 2021 surpassed 2019 and 2020’s numbers combined. Much of the deal flow can be attributed to the strong pre-seed deal flow below $500K in 2021. Total capital invested in the state increased by 186% from 2020 ($498M) to 2021 ($1.4B). This can be attributed to the increase in later-stage deals ($10M+ in size). A strong uptick in the later-stage activity is particularly encouraging, as venture-backed companies continue to mature and attract investments from large out-of-state VC funds. Companies also benefitted from a strong post-pandemic economic rebound and a robust overall venture market, as evidenced by the company-friendly deal terms. Startups that navigated the pandemic with reasonable growth track records remain strong targets for investors across all stages.

![DISTRIBUTION OF DEALS BY DEAL VALUE](image)

![DISTRIBUTION OF DOLLARS INVESTED BY SECTOR](image)

**B2B tech remains a top sector for venture activities in Indiana, pulling in nearly $1B in 2021.**

Life sciences also saw great momentum, in part thanks to a few deals targeting the agr sector in plant and animal health and in crop protection. B2C startups had a tremendous year driven primarily by one large deal in 2021.
The Central Indiana region continues to generate most of the venture activity in the state. In 2021, 55% of all venture deals occurred in Central Indiana, representing 62% of dollars invested. Compared to other regions in the state, Central Indiana’s venture ecosystem benefits from its size, growing talent pool and presence of entrepreneurs who have experienced previous successful exits. The West Central region, surrounding Purdue University’s main campus, has also seen expanded venture activities. The region was responsible for four of the 10 largest deals in the state in 2021.

The map on this page depicts the geographic distribution of venture capital deals in Indiana based on deal count and dollars invested. Significant deal flow, in terms of dollars invested can be noted in the Central, West Central and Northeast regions. The entrepreneurial and deal flow activities observed in the South Central, West Central and North Central regions can likely be attributed to the venture development activities led by Indiana’s three major research higher-ed institutions.

**DISTRIBUTION OF DEALS BY REGION**

**IN REGION DEAL VALUE %**
- Central: 62.16%
- East Central: 0.02%
- North Central: 2.45%
- Northeast: 1.06%
- Northwest: 0.4%
- South: 0.38%
- South Central: 7.52%
- Southwest: 0.04%
- West: 0%
- West Central: 26.33%

**IN REGION DEAL COUNT %**
- Central: 4.7%
- East Central: 1.3%
- North Central: 14.5%
- Northeast: 4.4%
- Northwest: 1.9%
- South: 3.1%
- South Central: 10.7%
- Southwest: 1.3%
- West: 0.6%
- West Central: 7.5%

**GRAND TOTAL:**
- 159 DEALS | $1.4B


**NOTABLE INDIANA VENTURE CAPITAL DEALS**

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>DEAL SIZE</th>
<th>PRIMARY SECTOR</th>
<th>REGION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formstack</td>
<td>$425M</td>
<td>B2B</td>
<td>Central</td>
</tr>
<tr>
<td>Inari Agriculture*</td>
<td>$208M</td>
<td>Life Sciences/Ag</td>
<td>West Central</td>
</tr>
<tr>
<td>Greenlight Guru</td>
<td>$120M</td>
<td>B2B</td>
<td>Central</td>
</tr>
<tr>
<td>Advise Insurance Agency</td>
<td>$100M</td>
<td>B2C</td>
<td>South Central</td>
</tr>
<tr>
<td>Passageways</td>
<td>$100M</td>
<td>B2B</td>
<td>West Central</td>
</tr>
<tr>
<td>Terminus**</td>
<td>$90M</td>
<td>B2B</td>
<td>Central</td>
</tr>
<tr>
<td>Sólinftec</td>
<td>$26.6M</td>
<td>B2B</td>
<td>West Central</td>
</tr>
<tr>
<td>SIMBA Chain</td>
<td>$25M</td>
<td>B2B</td>
<td>North Central</td>
</tr>
<tr>
<td>On Target Laboratories</td>
<td>$21M</td>
<td>Life Sciences/Ag</td>
<td>West Central</td>
</tr>
<tr>
<td>IntelinAir</td>
<td>$20M</td>
<td>Life Sciences/Ag</td>
<td>Central</td>
</tr>
</tbody>
</table>

*Founded in Cambridge, MA, Inari has majority of its current operations in Indiana.
**Terminus holds dual offices in Atlanta and Indianapolis.
## MOST ACTIVE VENTURE CAPITAL FIRMS IN INDIANA

<table>
<thead>
<tr>
<th>FIRM</th>
<th>TOTAL ASSETS UNDER MANAGEMENT (AUM)</th>
<th>MANAGING DIRECTORS</th>
<th>OTHER INVESTMENT PROFESSIONALS</th>
<th>INVESTMENT STAGE</th>
<th>SEEKING NEW INVESTMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>50 South Capital</td>
<td>$12.8B</td>
<td>6</td>
<td>15</td>
<td>Early and Late Stage</td>
<td>Yes</td>
</tr>
<tr>
<td>Allos Ventures</td>
<td>$160M</td>
<td>3</td>
<td>2</td>
<td>Early Stage</td>
<td>Yes</td>
</tr>
<tr>
<td>BioCrossroads</td>
<td>$24M</td>
<td>2</td>
<td>4</td>
<td>Seed</td>
<td>Yes</td>
</tr>
<tr>
<td>Boomerang Ventures</td>
<td>---</td>
<td>4</td>
<td>2</td>
<td>Seed and Early Stage</td>
<td>No</td>
</tr>
<tr>
<td>Elevate Ventures</td>
<td>$150M</td>
<td>3</td>
<td>12</td>
<td>Seed and Early Stage</td>
<td>Yes</td>
</tr>
<tr>
<td>Flywheel Fund</td>
<td>$1.5M</td>
<td>2</td>
<td>---</td>
<td>Seed</td>
<td>Yes</td>
</tr>
<tr>
<td>gener8tor</td>
<td>$23M</td>
<td>5</td>
<td>28</td>
<td>Seed</td>
<td>Yes</td>
</tr>
<tr>
<td>Gravity Ventures</td>
<td>$1.5M</td>
<td>4</td>
<td>0</td>
<td>Seed</td>
<td>Yes</td>
</tr>
<tr>
<td>HG Ventures</td>
<td>$270M</td>
<td>4</td>
<td>6</td>
<td>Seed, Early Stage, Late Stage</td>
<td>Yes</td>
</tr>
<tr>
<td>High Alpha</td>
<td>$266M</td>
<td>4</td>
<td>9</td>
<td>Seed and Early Stage</td>
<td>Yes</td>
</tr>
<tr>
<td>IU Ventures</td>
<td>$22M</td>
<td>2</td>
<td>5</td>
<td>Seed and Early Stage</td>
<td>Yes</td>
</tr>
<tr>
<td>M25</td>
<td>$44M</td>
<td>2</td>
<td>6</td>
<td>Seed</td>
<td>Yes</td>
</tr>
<tr>
<td>Purdue Foundry</td>
<td>$23M</td>
<td>1</td>
<td>1</td>
<td>Seed</td>
<td>Yes</td>
</tr>
<tr>
<td>Sixty8 Capital</td>
<td>$17.5M</td>
<td>1</td>
<td>1</td>
<td>Seed</td>
<td>Yes</td>
</tr>
<tr>
<td>VisionTech Partners</td>
<td>$23M</td>
<td>1</td>
<td>1</td>
<td>Seed and Early Stage</td>
<td>Yes</td>
</tr>
</tbody>
</table>

---

### CAPITAL PARTNERS

JMI Equity

### FOUNDER STORY

After years of analysis of the mission and market opportunity, there was a desire and opportunity to improve the quality of life.

### FUNDRAISING

We were motivated to take on capital partners to increase our ability to execute our mission. We felt like we could do more to improve the quality of life. That quality of life includes patients served by medical device companies. This can be a child given the ability to walk via new technology, a patient on a life support system, or a life saved by a surgical device. It also includes our customers and the dramatic improvement we can make in the quality of their work and lives.

We also put tremendous focus on the quality of life of our team. Everything starts with our team. They are energized by the mission and that energy gives the company soul.

### CAPITAL PARTNER FIT

We developed the organization leading with the culture—capital partners had to be a strong fit with the company culture.

### VENTURE-BACKED EXPERIENCE

We found that with strong partners, we can accelerate our vision and mission. This is true not only in our ability to invest in growth, but also to increase our access to expertise and knowledge. That knowledge and confidence gives us increased velocity, quality, and focus.

### KEY LEARNINGS AS A VENTURE-BACKED LEADER

We have worked extremely hard to build a strong company culture. Most companies subscribe to the notion of a strong culture but very few know what that means or what it takes. The culture has been a magnet for high performance and high integrity leaders and teams.

---

**FEATURED VENTURE-BACKED FOUNDER**

DAVID DERAM
CEO & Co-Founder

*greenlight guru*

**Founded: 2013**

WE DEVELOPED THE ORGANIZATION LEADING WITH THE CULTURE - CAPITAL PARTNERS HAD TO BE A STRONG FIT WITH THE COMPANY CULTURE.
CAPITAL PARTNER FIT
1. A culture of collaborative leadership—not just a “blank check,” but a partner and team that truly invested their capital and expertise in a true hands-on partnership.
2. A track record of success—which is certainly something JMI Equity has with their portfolio, including Kronos, ServiceNow, and more.

VENTURE-BACKED EXPERIENCE
When running your team on your own in a self-funded way, you’re privy only to your own experiences, experiments—and those you can glean from your network. Within a venture-backed investment, you are able to access a diverse portfolio of companies on the same trajectory. So now you are building and growing with a much more wide and deep pool of best practices with an investment team that’s developed blueprints for success many times over.

KEY LEARNINGS AS A VENTURE-BACKED LEADER
Our company was truly founded in the spirit of collaboration, or sahyog, which means “spirit of togetherness” in Sanskrit. It’s in every line of code in our products and drives everything we do. That has become a profoundly important skill now that we’re a venture-backed team.

Passageways and OnBoard have also been fortunate beneficiaries of the broader macro-trend of digital transformation and it will continue to be a tailwind for the business.

More recently, COVID and the shift to predominantly remote work have helped elevate the importance of virtual collaboration tools like OnBoard. While we certainly did not anticipate either of those macro trends, we did see a noticeable gap 10 years ago that boards needed to be more efficient, effective, and collaborative. Based on that, we developed a long-term vision that is now being realized.

Having a trusted partner with the ability and resources to help us guide the organization through the ideation and execution of our vision for the future is paramount.

FOUNDER STORY
Passageways, the parent company of OnBoard, was founded as an outcome of a business plan I developed as a graduate student at Krannert School of Management (Purdue). The thesis was to produce a web-based business collaboration hub for all the content, information, and data that is created and exchanged by any company in a collaborative and informative way. That idea resonated with our first customer, who provided $100,000 in seed capital. It was this moment when our first product, OnSemble, an employee intranet collaboration platform, came to be. In the coming years, OnSemble grew both its capabilities and customer base, helping to allow Passageways to reach profitability and gain the attention of investors and business publications like Inc. Magazine. In 2009, Passageways and OnSemble were recognized as one of Inc’s 5000 fastest growing companies, a huge milestone for the business.

In 2011, a customer asked that we design a product specifically to help its board and its directors collaborate more effectively. That product became OnBoard, which grew even more successfully and became our flagship product.

I believe that boards and board-led organizations have the potential to—and do—change the world. Think about the teams working to cure the world’s worst diseases, or solve huge problems like climate change, or send humans to Mars. Those are all led by boards and their directors. So, if we can design a solution in OnBoard that makes these boards and their organizations more effective, more efficient, and fully enabled to focus on fulfilling their mission, we can and will change the world for the better.

OnSemble, OnBoard, and the Passageways parent organization primarily thrived as a bootstrapped organization all the way up until 2018 when we took our first round of private equity led investment from Five Elms Capital. That $5M investment significantly accelerated our growth plans. In 2020 and early 2021, we began to recognize that to grow at a faster rate, and to capitalize on a fast-growth total addressable market and target more categories, we needed to seek a new growth-focused investment partner.

FUNDRAISING
OnSemble, OnBoard, and the Passageways parent organization primarily thrived as a bootstrapped organization all the way up until 2018 when we took our first round of private equity led investment from Five Elms Capital. That $5M investment significantly accelerated our growth plans. In 2020 and early 2021, we began to recognize that to grow at a faster rate, and to capitalize on a fast-growth total addressable market and target more categories, we needed to seek a new growth-focused investment partner.

PAROON CHADHA
CEO & CO-FOUNDER
OnBoard
FOUNDED: 2003

I BELIEVE THAT BOARDS AND BOARD-LED ORGANIZATIONS HAVE THE POTENTIAL TO—AND DO—CHANGE THE WORLD.
FEATURED VENTURE-BACKED FOUNDER

CHRIS BYERS
CEO
formstack
Founded: 2006

WE DEVELOPED THE ORGANIZATION LEADING WITH THE CULTURE - CAPITAL PARTNERS HAD TO BE A STRONG FIT WITH THE COMPANY CULTURE.

CAPITAL PARTNERS
PSG, Silversmith Capital Partners

FOUNDER STORY
I joined Formstack as CEO in 2010, when there were only seven people working for the company. Today we have nearly 260 employees around the globe. I originally came to Formstack to help Ade Olonoh (Formstack’s founder) run the business for six months, and I’ve been here since. I didn’t have a traditional route to the CEO role. I graduated from Anderson University with a degree in finance, became a financial advisor, then the Vice President of Finance and Investor Relations at Foundation Surgery Affiliates. I left the traditional business world behind to become President of Blue Door Ministries and moved my family to London to start a church in 2010, before taking on the CEO role at Formstack. I had worked with Ade in many capacities before, including co-founding another company in 2000. I trusted Ade’s vision of building workplace productivity solutions for the non-technical employee. And being an early user of the product myself, I knew there was a need for this kind of technology.

FUNDRAISING
There’s a massive market opportunity right now. The no-code/low-code software market is $97 billion internationally right now, and Gartner estimates that it is growing at 23% each year. Formstack has grown revenue by 222% and employees by 66% in the past three years. The momentum we are seeing continues to validate our belief that the key to digital transformation success is all about empowering non-technical employees with no-code workflow automation solutions. By engaging our strategic investment partners, we are able to accelerate Formstack’s growth in key business areas, including go-to-market, product development, and expansion of our remote-first team.

CAPITAL PARTNER FIT
It was a priority for Formstack to find partners that shared our vision of a digital, paperless future. Silversmith Capital Partners has been a big supporter of no-code technology for many years. They were an early investor in the no-code development platform Webflow, and they came to us with a successful track record investing in workflow automation platforms, which made them a perfect fit for Formstack.

KEY LEARNINGS AS A VENTURE-BACKED LEADER
I think the biggest skill set any CEO or leader can have is to hire really talented leaders. Having the right team in place, which we do at Formstack, is the backbone to our success.

OBSERVATIONS
Following a resilient 2020, the venture market shattered records nationwide in total deal count, total dollars invested, venture exits and VCs’ fundraising activities. Indiana companies were able to take advantage of the general venture momentum in 2021, not only surpassing the $1B total investment mark but also captured a larger VC investment share nationally, from 0.3% in 2020 to 0.4% in 2021.

A strong uptick in later-stage VC deal activity (over $10M in size) and the emergence of mega-rounds in Indiana are particularly encouraging, as venture-backed companies continue to mature and attract investments from large out-of-state VC funds.

The general outlook for 2022 is upbeat, as VC fundraising topped $100B in 2021 for the first time. Venture investors active in Indiana share such optimism for the market as well. Through a quick straw poll, half of the investors we spoke with expect 2022 deal count and total investment in Indiana to remain on par with 2021, while the other half expect more deals and more dollars invested in 2022.