

INDIANA

Venture Report

1H 2022



elevate
ventures

Table of Contents

- 3 Forward
- 4 National Venture Capital Trends
- 6 Regional Venture Capital Community
- 7 Venture Capital Investments in Indiana
- 9 Distribution of Deals by Region
- 11 Conclusion

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Forward

The 1H 2022 Indiana Venture Report is a brief mid-year assessment of venture investment activities in Indiana. The report begins with a general look at the national venture capital trends, followed by 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 different sectors, stages and Indiana regions.

PitchBook Data Inc., a database of private capital markets including venture capital (VC), private equity (PE) and mergers & acquisitions (M&A) transactions, was the primary source of investment information used in this report. This database was used alongside 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.

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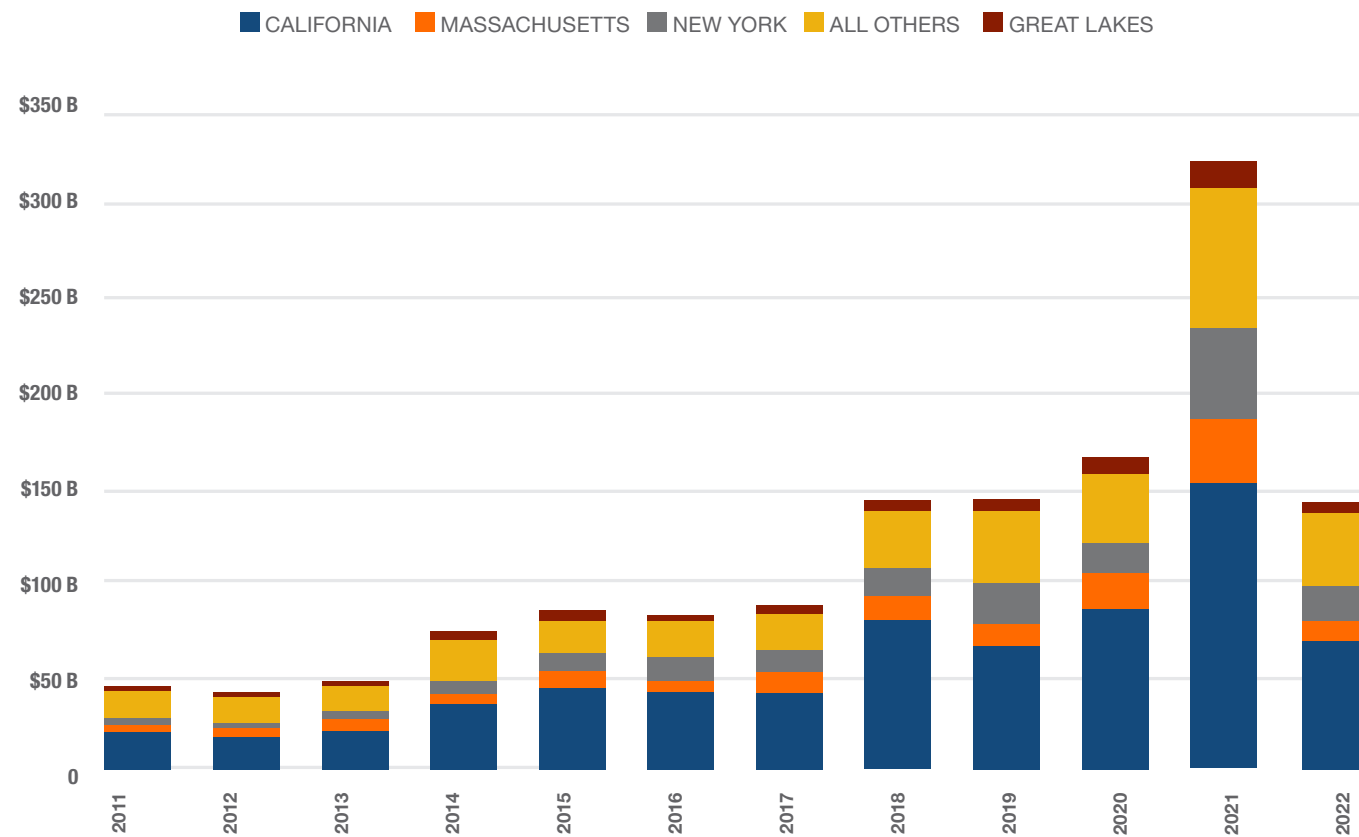


National Venture Capital Trends

ACTIVITY REMAINS STRONG DESPITE ECONOMIC CONDITIONS

Despite negative economic growth in the first half of the year, 2022 venture activity remains relatively strong. According to PitchBook, 7,929 venture capital deals from seed stage to later-stage were completed. This amounts to approximately \$144.9B in capital invested. While 2022 is likely not going to be another record-setting year in venture activity and capital invested, it is on track to be the second-highest year, just below 2021 levels. According to the PitchBook NVCA Venture Monitor, one explanation for the tapering of deal activity is that mega deals that were popular in 2021 are not coming to fruition in 2022 as investors become more cautious. Nevertheless, strong U.S. venture capital fundraising of over \$120B in 2021 means that venture funds will have the dry powder to continue deploying capital and driving deal activity.

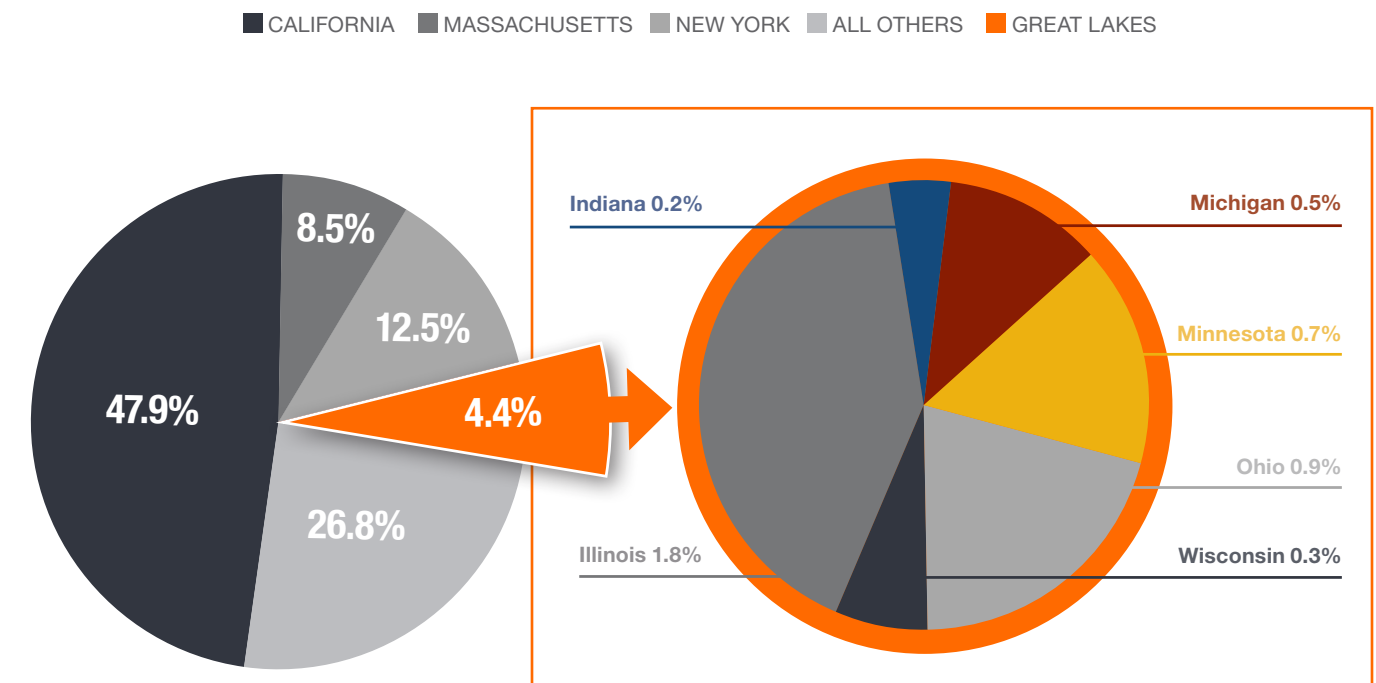
VENTURE CAPITAL ACTIVITY - U.S. (BILLIONS)



Sources: PitchBook Data, Elevate Ventures proprietary data, BioCrossroads, AgriNovus, High Alpha and TechPoint.

Looking at the regional breakdown, California and New York continue to lead the way in venture capital invested in the U.S. California and New York account for just over 60% of the \$145B in capital invested. The Great Lakes region accounts for 4.3%, and Indiana accounts for 0.2%. This is a slight decline but still relatively in-line with previous years. In 2021, the Great Lakes region accounted for 4.5% of capital invested and Indiana accounted for 0.4%.

VENTURE CAPITAL INVESTED IN 1H 2022 IN THE U.S.



Sources: PitchBook Data, Elevate Ventures proprietary data, BioCrossroads, AgriNovus, High Alpha and TechPoint.
 Note: "Venture capital deals" only include Seed Round, Early-Stage and Later-Stage VC deals, based on the deal type reported by PitchBook Data.

According to PitchBook, **7,929** venture capital deals from seed stage to later-stage were completed. This amounts to approximately **\$144.9B** in capital invested.

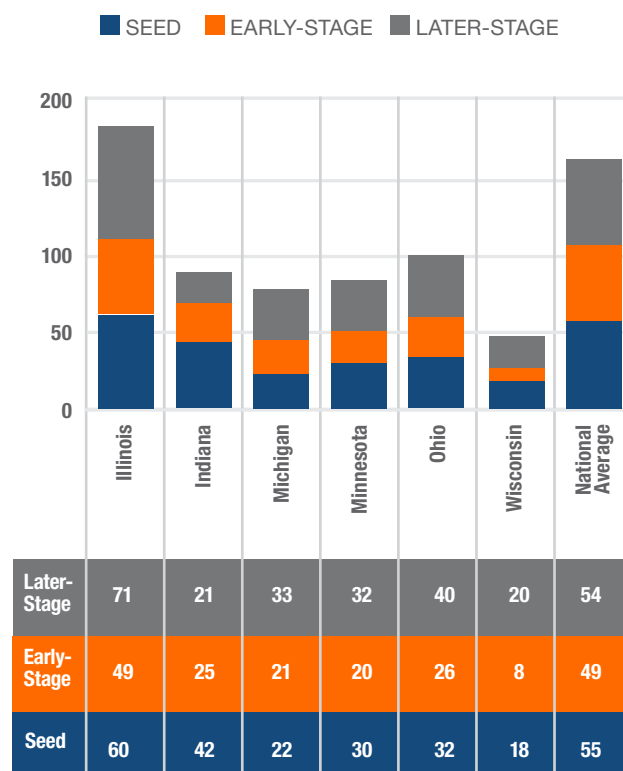
Regional Venture Capital Community

THE GREAT LAKES REGION REMAINS STRONG

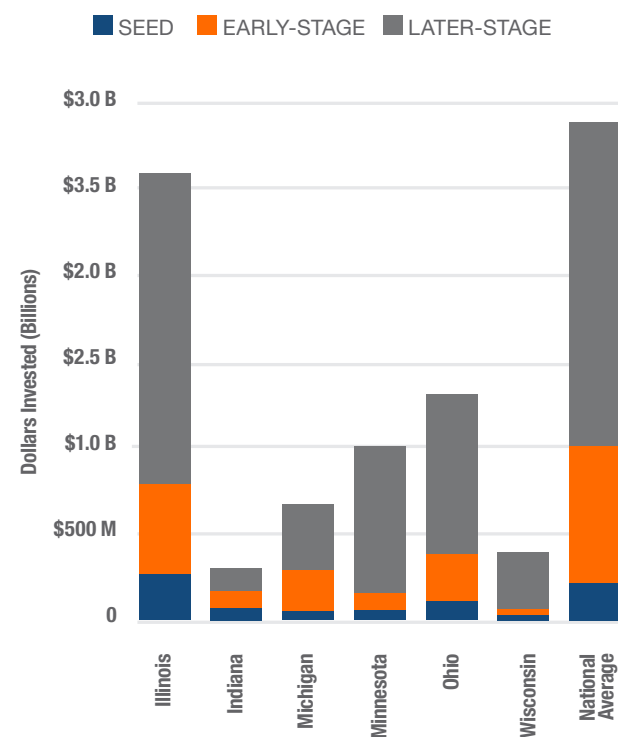
The Great Lakes region closed 570 venture deals from seed stage to later-stage in the first half of 2022. Activity was led by Illinois, which surpassed the national average of 158 in total deals completed for 2022. Illinois was followed by Ohio, which completed 98 deals. Indiana completed 88 deals.

From a dollars invested perspective, Illinois once again led the way but fell behind the national average of \$2.9B invested. Ohio invested the second largest amount of money, followed by Minnesota. Later-stage deals drove the bulk of the dollars invested in those states. In Indiana, approximately \$304M was invested in the first half of 2022.

VC DEAL COUNT BY STATE - 1H 2022



VC DOLLARS INVESTED BY STATE - 1H 2022



Venture Capital Investments in Indiana

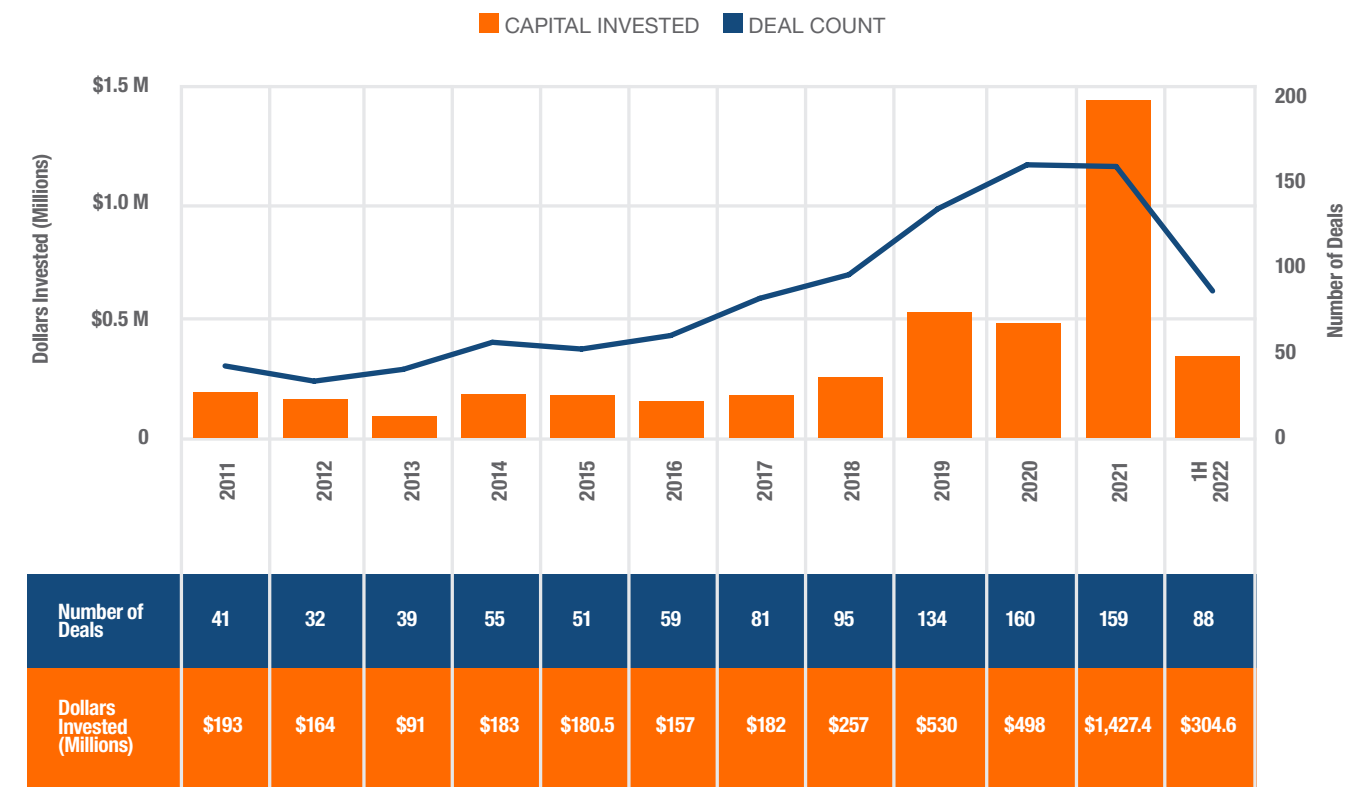
2022 VENTURE ACTIVITY IN INDIANA HAS TAPERED

Over the past decade, the Indiana venture ecosystem has experienced consistent growth. Both 2019 and 2020 represent record years for deal count and dollars invested, compared to the last decade. While the number of deals in 2021 was similar to 2019 and 2020, total dollars were nearly triple that of either year.

Capital invested in 2021 surpassed 2019 and 2020's numbers combined, exceeding the \$1B mark for the first time ever. It remains to be seen whether 2022 can hit the \$1B mark again this year.

The poor economic outlook has caused a significant slowdown in deal count and venture capital invested in Indiana.

INDIANA HISTORICAL VC DOLLARS & DEALS



Source: PitchBook Data, Elevate Ventures proprietary data, BioCrossroads, AgriNovus, High Alpha and TechPoint.

*Note: The VC Deal Count by State chart does not include debt financing deals in the total of seed, early stage, and later stage VC deals represented.

Source: PitchBook Data, Elevate Ventures proprietary data, BioCrossroads, AgriNovus, High Alpha, TechPoint and fund managers active in Indiana.

Distribution of Deals by Deal Value and Sector

DISTRIBUTION OF DEALS BY DEAL VALUE		
Although Indiana venture activity still consists primarily of small, early-stage deals, larger deals are becoming more prevalent.		
DEAL SIZE	DEALS	% OF DEAL COUNT
UNKNOWN/UNDISCLOSED	12	13.6%
BELOW \$500K	27	30.7%
\$500K-\$0.99M	8	9.1%
\$1M-\$4.99M	28	31.8%
\$5M-\$9.99M	7	8%
\$10+M	6	6.8%
TOTAL	88	100%

DISTRIBUTION OF DOLLARS INVESTED BY SECTOR		
B2B tech remains a top sector for venture activities in Indiana, pulling in over \$199M in 2022. The life sciences sector has also seen continued momentum.		
SECTOR	DEAL VALUE	DEALS
ADVANCED MANUFACTURING	\$28.09M	9
B2B	\$199.33M	60
B2C	\$10.19M	14
LIFE SCIENCES/AG SCIENCES	\$66.99M	5
TOTAL	\$304.6M	88

Source: PitchBook Data, Elevate Ventures proprietary data, BioCrossroads, AgriNovus and TechPoint.
 Note: There is an increasing number of cross-sector venture opportunities. Our categorization is based only on the primary sector. Healthcare IT, for instance, is categorized under B2B or B2C tech as primary sector, with secondary sector in life sciences.

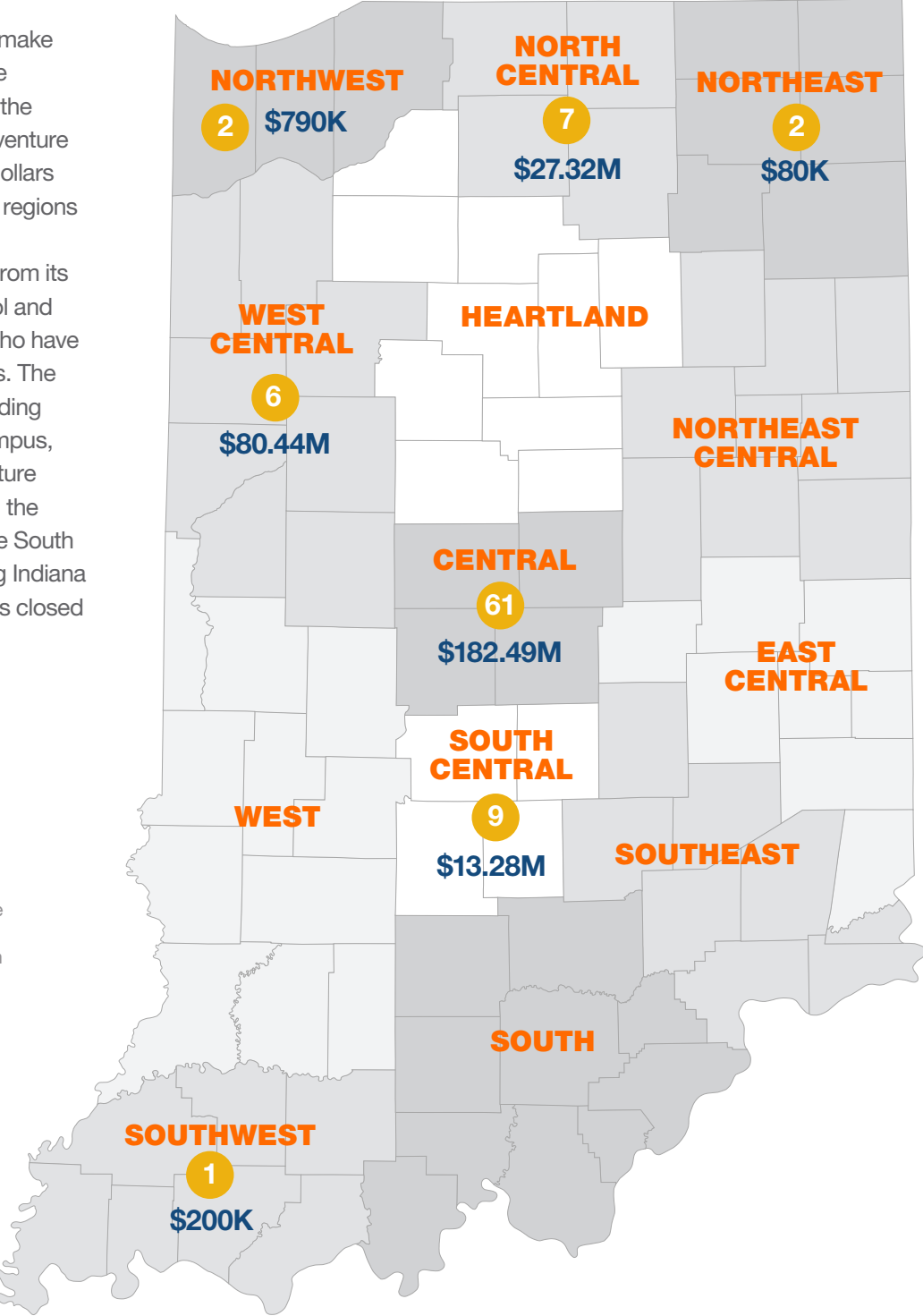
Indiana venture activity still consists primarily of small, early-stage deals, but larger deals are becoming more prevalent.

Distribution of Deals by Region

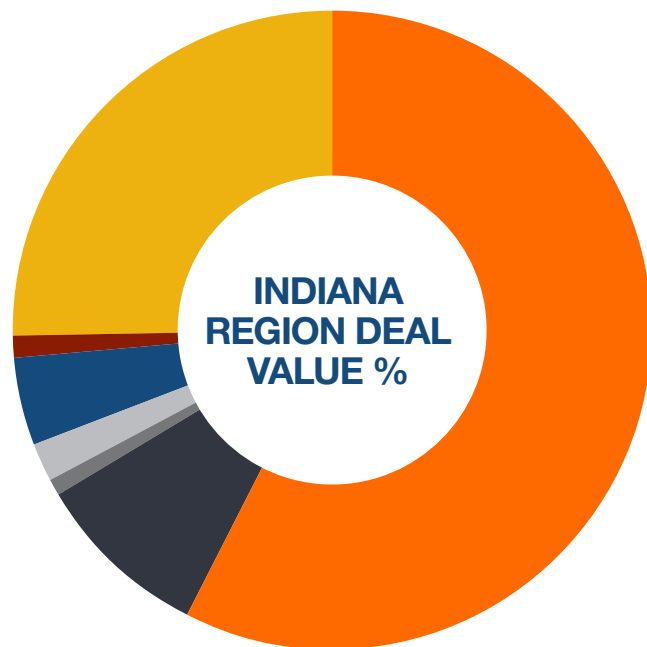
Central Indiana continues to make up most of the state's venture capital activities. In 1H 2022, the region generated 69% of all venture deals, representing 60% of dollars invested. Compared to other regions in the state, Central Indiana's venture ecosystem benefits from its large size, growing talent pool and presence of entrepreneurs who have had previous successful exits. The West Central region, surrounding Purdue University's main campus, has also seen expanded venture activities, including 6 deals in the first half of 2022. Similarly, the South Central region encompassing Indiana University's main campus has closed 9 venture investments.

Grand Total:
88 Deals
\$304.6 M

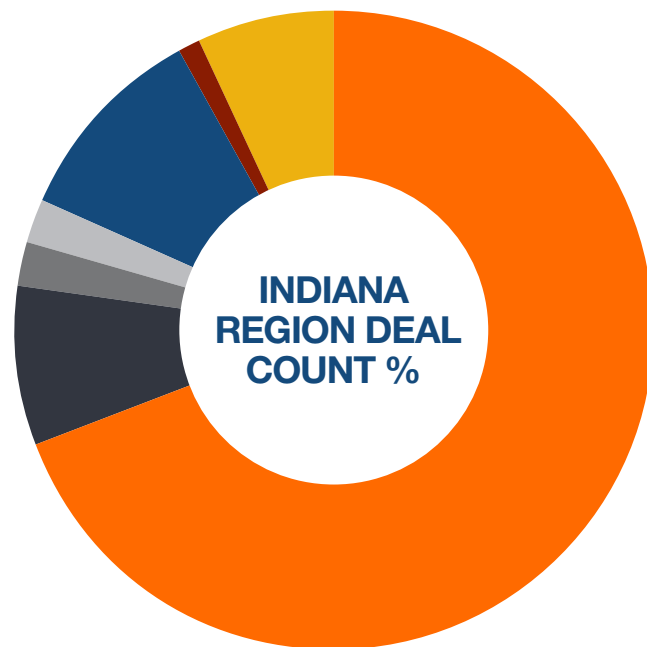
Source: PitchBook Data, Elevate Ventures proprietary data, BioCrossroads, AgriNovus, High Alpha and TechPoint.



Indiana Deal Value and Deal Count



- Central: **59.91%**
- North Central: **8.97%**
- Northeast: **0.03%**
- Northwest: **0.26%**
- South Central: **4.36%**
- Southwest: **0.07%**
- West Central: **26.41%**
- East Central: **0.00%**
- Southeast: **0.00%**



- Central: **69.32%**
- North Central: **7.95%**
- Northeast: **2.27%**
- Northwest: **2.27%**
- South Central: **10.23%**
- Southwest: **1.14%**
- West Central: **6.82%**
- East Central: **0.00%**
- Southeast: **0.00%**

Conclusion

While Indiana venture investment slowed in the first half of 2022, activity remains on track to drive a strong year. Cautious investors retain large amounts of dry powder and continue to deploy capital and drive deal activity.

Indiana is well-positioned to take advantage of this opportunity with a strong pipeline of companies and a growing ecosystem of support.

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