GOED
NEVADA GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT

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November 30, 2025

The Honorable Joseph Lombardo
Office of the Governor
One Hundred One North Carson Street
Carson City, Nevada 89701

Ms. Diane Thornton, Director
Legislative Counsel Bureau
401 South Carson Street
Carson City, Nevada 89701

Re: Nevada Battle Born Growth Escalator, Inc. Annual Report 2025

Governor Lombardo and Director Thornton:

Pursuant to NRS 231.0545, an annual report is required to be submitted by the Board of Directors of the nonprofit corporation formed to promote, aid, and encourage economic development. The report is attached and covers the reporting period of November 1, 2024 through October 31, 2025.

Please feel free to contact me should you have any questions via telephone at 702-486-3702 or via e-mail at tjburns@goed.nv.gov.

Sincerely,

Thomas J. Burns
Executive Director
cc:

Ryan Cherry, Governor's Chief of Staff
Tiffany Greenameyer, Director, Governor's Finance Office
Wayne Thorley, Senate Fiscal Analyst
Sarah Coffman, Assembly Fiscal Analyst

Morgan Barlow, Program Analyst, Fiscal Analysis Division
Shayne Powell, Executive Branch Budget Officer, Governor's Finance Office
Angie Mathiesen, Director of Administration, Governor's Office of Economic Development
Karsten Heise, Senior Director Strategic Programs & Innovation, Governor's Office of Economic Development
Sherry Lloyd, Program Compliance Officer, Governor's Office of Economic Development

Nevada Battle Born Growth Escalator, Inc. Annual Report 2025

Per NRS 231.0545, the annual report must include:

1. *An accounting of all money received and expended by the nonprofit corporation, including, without limitation, any matching grant funds, gifts or donations:*

For the reporting period November 1, 2024, to October 31, 2025, the nonprofit corporation has received a total of $19,442,766.87 and expended a total of $19,347,577.70.

2. *The name and a brief description of all businesses receiving an investment of money from the nonprofit corporation formed pursuant to NRS 231.0545:*

The federal State Small Business Credit Initiative ("SSBCI") was originally created by P.L. 111-240, the Small Business Jobs Act of 2010, as a means to assist small businesses following the Great Recession (2007-2009). The $1.5 billion program ("SSBCI 1.0") was administered by the Secretary of the Treasury from 2010 through September 27, 2017. As Nevada SSBCI's administrator the Nevada Governor's Office of Economic Development (GOED) had contracted with the Nevada Microenterprise Initiative, Inc. ("NMI") to act as a custodian for Battle Born Growth Escalator, Nevada's state-sponsored venture capital program.
After receiving authorization through Assembly Bill No. 17 of the 78th (2015) Session of the Nevada Legislature ("AB 17"), GOED subsequently formed of a nonprofit corporation in July of 2016 as *Nevada Battle Born Growth Escalator, Inc.* ("NBBGEI"). GOED terminated the contract with NMI and entered into an agreement with NBBGEI for the latter to serve as custodian of all investment and loan holdings.

In recognition of small business's economic difficulties, Congress passed budget reconciliation legislation (P.L. 117-2, the American Rescue Plan Act of 2021) that includes an appropriation of $10 billion for another round of funding for the State Small Business Credit Initiative ("SSBCI").
In October 2022, The United States Treasury announced it had approved up to $112.9 million for Nevada's State Small Business Credit Initiative ("SSBCI 2.0") to be distributed to the state in three tranches. Nevada's SSBCI Program received the first tranche of $34.87 million in October 2022 and its second tranche of $38.511 million in October 2025. On November 12, 2025 the Nevada Board of Examiners approved a new contract between GOED and NBBGEI for the latter to serve as the sole contractor to operate the Nevada SSBCI Program. GOED as the contracting counterparty with U.S. Treasury oversees Nevada's SSBCI Program "Battle Born Growth", which contains three Loan Participation Programs and one Collateral Support Program in addition to its Venture Capital Program. The SSBCI Technical Assistance Program is provided by the Small Business Development Center (SBDC) under contract from GOED but does not involve a contractual relationship with NBBGEI.

I. **SSBCI 1.0** and Second Generation (recycled funds) Venture Capital Portfolio Holdings prior to the second SSBCI Program (SSBCI 2.0) launch in 2022

ACCESS HEALTH DENTAL

(Investment: April 2015, Partial Divestment: November 2017, Participation in follow-up investment round: December 2018)

Based in Las Vegas, NV, Access Health Dental is a Las Vegas-based dental practice company that brings an innovative, systematic approach to the delivery of dental care; it provides management support services for its dental offices so dentists can focus on providing the best care for patients.
Communicated in March and April of 2025 the original Convertible Note has been extended to April 1, 2027 with Good Faith Payments on December 1st, 2025 and December 1st, 2026.

CIRCLEIN

(Investment Round 1 - first tranche: January 2018, second tranche: October 2018; Investment Round 2 – first tranche: August 2019, second tranche: February 2020)

CircleIn has developed a student-to-student tutoring app. It allows students to study with one another, and to tutor one another, winning rewards in the process. Once invited into a group, students can swap class notes and access libraries of these notes from across the country. CircleIn has shown increasing amounts of data to support beneficial student outcomes from using the app, and it offers a "safe space" for students. Since Battle Born's original investment, CircleIn has expanded to also include the college market, a more lucrative target market than its original focus. The company is a recipient of a highly competitive National Science Foundation SBIR Phase II grant. In July 2022, CircleIn successfully raised a $3.5M Series A round. Most recently, the company added an AI Tutor to its service offerings and has reached a nearly 90 percent retention rate. According to the company's Q4 2025 update one in three students on campuses across the country are studying on CircleIn.

GRRRL

(Investment: December 2019)

Grrrl is a Las Vegas-based athleisure company that focuses on size-free clothing and targets niche women's sports such as MMA and Highland Games. Its philosophy is centered around women's empowerment, with an emphasis on fitness at any size. Co-founded by a husband-and-wife team, the brand is fronted by professional athlete Kortney Olson as well as professional athlete brand ambassadors. The team relocated to Las Vegas in 2019, ahead of investment made.

Since investment, while a Las Vegas outlet was opened revenues have dropped substantially which resulted in job losses.

HELIGENICS
(Investment: October 2020)

Heligenics is a spinout company from UNLV and originates from a 2013 Knowledge Fund investment seeding the Nevada Institute of Personalized Medicine (NIPM) and subsequent project funding. Based on the GigaAssay technology developed at the University of Nevada, Las Vegas in the Schiller Laboratory of Applied Bioinformatics, Heligenics' GigaAssay is a massively parallel biological platform that can simultaneously measure how tens of thousands of genetic variants or other sequence variables affect a molecular function or a cell process. To date, there are no other established high-throughput assays that assess biological function. The company focuses on functional genomics research and services offering comprehensive genomic solutions to pharmaceutical and biotechnology companies, as well as healthcare providers, to advance personalized medicine and precision therapeutics. Heligenics provides custom services in the drug development and molecular diagnostic space. This includes the construction of large variant libraries (consisting of every variant in a gene with 100s of copies) and the development of cell-based GigaAssays for testing these libraries.
Most recently in early 2025, Heligenics obtained a highlight competitive SBIR Phase II grant from the National Institute of Allergy and Infectious Diseases.

INNEVATOR II, LLC
(Investment: first tranche: August 2018; second tranche: June 2019)

InNEVator was a one-of-a-kind Internet of Things (IoT) focused bootcamp hosted through the Innevation Center at University of Nevada, Reno. InNEVator selected early-stage startups to participate in the 8-week bootcamp. InNEVator invested in 14 companies with investment amounts ranging from $10,000 to $30,000. Of the 14 original companies six startups remain in operation.
For this investment, which is not part of the SSBCI 1.0 program portfolio, Battle Born utilized second generation SSBCI funds. Second Generation SSBCI Funds are defined as proceeds resulting from divestments of Battle Born Venture and/or repayment of collateral and associated fees under Nevada's SSBCI Collateral Support Program (CSP), Nevada's second SSBCI program. Second Generation Funds are the sole funding source for Nevada Battle Born Growth Escalator, Inc.

OUTLAW SOAPS
(Investment Round 1: October 2020; Investment Round 2: August 2021)

Founded in 2013, Outlaw Soaps was a Sparks-based personal care company that focuses on Millennial men. Its products range from traditional offerings, such as bar soap, body wash and hand wash, to beard and hair elixir and air fresheners. The company was founded by a husband-and-wife team with experience in building digital brands at Oprah.com, and with building startups. The Venture Program participated in the company's follow up investment round this year given the positive traction of the company since 2020.
For Investment Round 2 Battle Born utilized second generation SSBCI funds. Second Generation SSBCI Funds are defined as proceeds resulting from divestments of Battle Born Venture and/or repayment of collateral and associated fees under Nevada's SSBCI Collateral Support Program (CSP), Nevada's second SSBCI program.
Outlaw Soaps ceased operations on February 27, 2025, as announced on their official website.

QUANTUM COPPER
(Investment Round 1: August and October 2022)

Quantum Copper is a licensee from UNLV based on research sponsored by NSF & UNLV and a direct result of a Knowledge Fund project. The company is developing next generation fire prevention battery materials to improve the mechanical capabilities of separators, current collectors, battery packaging and housing.

Since its founding, Quantum Copper ("QC") has focused on mitigating fire risks in lithium batteries with inside-the-cell innovation. It is minimizing the technical and execution risk with global collaborative stakeholders. Currently pilot level scalable projects are being undertaken with partners to accelerate the adoption of these technologies.

For Investment Round 1, Battle Born utilized second generation SSBCI funds. Second Generation SSBCI Funds are defined as proceeds resulting from divestments of Battle Born Venture and/or repayment of collateral and associated fees under Nevada's SSBCI Collateral Support Program (CSP), Nevada's second SSBCI program. Quantum Copper's CEO passed away from health complications in March of 2025, but long-standing executive team member John Minnick has taken over as CEO.

SEMI EXACT
(Investment Round 1: June 2021; Investment Round 2: August 2022)

Semi Exact started as a custom furniture company, in Minden, NV which is creating a new category in the consumer goods market that changes the way people think about making, purchasing, and enjoying furniture. The company can be described as a DNVB (Digitally Native Vertically integrated Brand) with advanced manufacturing.

Investment Round 1 took the SSBCI Venture Capital Program to fully invested status for First Generation funds. First Generation SSBCI Funds are defined as funds originating from the initial SSBCI allocation and do not include proceeds from divestments. It was also the first investment in a company that is based in rural-Nevada.

For Investment Round 2, Battle Born utilized second generation SSBCI funds. Second Generation SSBCI Funds are defined as proceeds resulting from divestments of Battle Born Venture and/or repayment of collateral and associated fees under Nevada's SSBCI Collateral Support Program (CSP), Nevada's second SSBCI program. Second Generation Funds are the sole funding source for Nevada Battle Born Growth Escalator, Inc. Semi Exact also attracted local investors Reno Seed Fund and StartUpNV as matches in its respective rounds.

NBBGEI was notified on April 3rd, 2025 that Semi Exact performed an asset sale to MRCA LP. The shares NBBGI owned in Semi Exact were transferred to MRCA.

TABER INNOVATION

(Investment: January 2020)

Taber Innovations is a Las Vegas-based company that has developed a technology suite that enables real time information to be captured and analyzed from a fire scene, thus enhancing fire fighter safety. Its advantage is that it allows monitoring of fire fighter condition, this is currently done verbally via radio. This reduces communication confusion at fire scenes and allows the incident commander to make better decisions as to when and where to send in recovery crews.

The convertible promissory note of $100,000 book value has been extended and is being repaid by the company in 36 monthly payments with the first payment due on January 1 2024, and subsequent payments due on the first day of each following month until December 1, 2026, at which time any unpaid balance, shall be due in its entirety (if not previously paid). To date, $56,708.35 has been repaid.

TU BIOMICS

(Investment Round 1: April 2020; Investment Round 2: July 2021)

Tu Biomics was a spinout company from the Desert Research Institute (DRI) and originates from a 2013 Knowledge Fund investment seeding the Applied Innovation Center of Advanced Data Analytics (AIC) and subsequent project funding. Tu Biomics is focused on developing organic crop protection products for the global agriculture industry of industrial-scale farming. In conjunction with DRI's plant and molecular biology scientists, Tu Biomics is developing a platform of organically derived biocontrol agents (BCAs) as a sustainable, effective alternative to currently available synthetic chemistry options.

For this investment, Battle Born utilized second generation SSBCI funds. Second Generation SSBCI Funds are defined as proceeds resulting from divestments of Battle Born Venture and/or repayment of collateral and associated fees under Nevada's SSBCI Collateral Support Program (CSP), Nevada's second SSBCI program. Second Generation Funds were the sole funding source for Nevada Battle Born Growth Escalator, Inc.

Tu Biomics dissolved in May of 2025.

TALAGE INSURANCE
(Investment: June 2018)

Talage is a Reno-based startup that has created a fully automated software platform to help small business owners compare and instantly purchase an increasing range of commercial insurance policies. Talage connects business owners directly to insurance carriers, allowing them to save time and money when purchasing workers' comp, liability and property coverage. Its advantage is that it offers customers the ability to compare, select and purchase insurance in the space of less than ten minutes. Most competitors instead refer the business to brokers and customers complete their purchase offline.

Battle Born Venture invested in the Company in June 2018 in a round led by Bay Area-VC Merus Capital, and including SaaS focused accelerator Acceleprise, and venture debt major Western Technology Investment (WTI). In March 2022, the company raised $9M of additional venture capital funding.

TRANSWORLDHEALTH
(Investment: July 2014)

Reno, NV-based TransWorldHealth provides productivity software to the $1bn+ safety net healthcare market. The various software modules were developed in response to the identified market need for better reporting, analytics and forecasting for easier ways to improve physician productivity and to provide a solution for effective coordination of care of patients between different clinical settings.

II. SSBCI 1.0 Fully Exited Venture Capital Investments

WEDGIES
Investment: November 2014, Exit Process Completed: June 2018

WISEBANYAN
Investment Round I: September 2016; Investment Round II: March 2018, Exit Process Completed: February 2019

BASE VENTURE
Investment Round I: July 2015; Investment Round II: July 2016, Exit Process Completed: July 2019

FANDEAVOR
Investment Round I: July 2014; Investment Round II: January 2017, Exit Process Completed: August 2019

III. SSBCI 2.0 Venture Capital Portfolio Holdings – 1st Tranche

ADARACT
(Investment: June 2023), SEDI[1] transaction
Valuation: At book cost $200,000

Adaract, a Nevada-based startup, develops and markets high performance artificial muscle actuators for plug-and-play use in hydraulic systems; ultra compact Hydraulic Power Units for size-conscious systems requiring significant power output; and a new, potentially fruitful frontier in prosthetic R&D that's working on a synthetic-muscle-powered leg prosthesis. Once developed, the resulting device could be lighter, stronger, and more affordable than currently available powered prostheses.

AIFOUNDATION (AI.XYZ)
(Investment: August 2023)
Valuation: At book cost $50,000 adjusted to $250,000 following acquisition of company by 1mind

AI.XYZ is a life management tool providing customized suggestions, ideas and support through a personalized AI. This includes Generative AI, Interactive AI, Personal AI, Proactive AI, AI for

[1] SEDI = "Socially and Economically-Disadvantaged Individuals", US Treasury definition: see https://home.treasury.gov/system/files/136/SSBCI-Capital-Program-Policy-Guidelines.pdf, pp. 8-12

Workplace, AI for Employees, Your own AI, AI for Enterprise, Artificial Intelligence, AI Voice, AI Avatar, AI SaaS, Private-Label AI, Onboarding & Training, Employee Engagement, Company Knowledge Support, Personal Knowledge Support, AI Fine-tuning, AI co-pilot, and AI assistant.

AIR CORP
(Investment: January 2024), SEDI transaction
Valuation: At book cost $50,000

AIR Corp develops state-of-the-art remote-control robots and vision inspection software. Unlike traditional drones and land rovers, AIR Corp's robots have the ability to climb up walls and navigate a variety of difficult-to-reach infrastructure using hybrid magnetics, propellers, and land locomotion.

BELOIT KOMBUCHA
(Investment: June 2023 and May 2025)
Valuation: At book cost $145,454.05

Beloit Kombucha (MightyWell Foods) manufactures and markets kombucha food products and additives to consumers. Kombucha is produced by symbiotic fermentation of sugared tea using a symbiotic culture of bacteria and yeast (SCOBY) commonly called a "mother" or "mushroom" and numerous health benefits have been claimed to correlate with drinking kombucha, including gut health.

BRAKESENS
(Investment: February 2025)
Valuation: At book cost $50,000

BrakeSens is a Nevada-based startup developing advanced brake monitoring systems for vehicles and heavy equipment. Its technology provides continuous wear sensing, temperature alerts, and real-time diagnostics to prevent brake failures and reduce maintenance costs. Designed to retrofit existing systems, BrakeSens offers affordable, high-performance sensors suited for automotive, trucking, defense, and rail industries. Founded in 2024, the company aims to modernize safety standards across multiple transportation sectors.

BUILDQ
(Investment: May 2025), SEDI transaction
Valuation: At book cost $716,540

BuildQ is a cutting-edge project finance platform that integrates software, AI, and services to streamline renewable energy financing. The platform simplifies workflows by providing tools for financial modeling, AI-assisted due diligence, and end-to-end transaction management.

BuildQ is in the early stage of development but has demonstrated strong momentum. It boasts over $17 million in project pipeline traction but has not yet realized revenue at scale. The company is actively developing its platform, with plans for features like BuildQ Vision™, automated financial valuations, and HITL workflows.

CAREWEAR
(Investment: August 2023 and October 2025), SEDI transaction
Valuation: At book cost $750,000

CareWear is a Nevada-based medical technology company that develops wearable light therapy patches designed to relieve pain, improve muscle recovery, and increase circulation. Its system combines printed LED patches with a wireless controller and reusable hydrogel adhesives, offering a drug-free alternative for managing soreness, strains, and stiffness. The technology is FDA-registered as a Class II medical device and has earned recognition in the photonics and wearable tech industries. CareWear's products are used by professional athletes, physical therapists, and consumers seeking faster recovery and enhanced performance. The company blends advanced photonic innovation with everyday usability to make clinical-quality therapy accessible anywhere.

CARTWHEEL ROBOTICS
(Investment: September 2024 and June 2025), SEDI transaction
Valuation: At book cost $950,000

Cartwheel Robotics is a Nevada-based startup founded in 2021 that develops small humanoid robots designed for companionship and everyday interaction. Their flagship prototype, "Yogi," is built with soft materials, human-like proportions, and expressive movement to make robots feel approachable in homes, care centers, and social settings. The company was founded by Scott LaValley, a veteran engineer who previously worked at Boston Dynamics and Disney Imagineering. Cartwheel combines advanced AI, soft robotics, and motion-generation systems to create machines that feel alive rather than mechanical. The company recently emerged from stealth with early investment backing and is preparing pilot programs in hospitality, education, and assisted living environments.

CIQ
(Investment: September 2025)
Valuation: At book cost $2,000,000

CIQ is a software infrastructure company founded in 2020, headquartered in Reno, Nevada. It leads the development and commercial support of the open-source operating system Rocky Linux, and builds a stack tailored for enterprises running high-performance, cloud, hybrid, and AI workloads. Their product suite includes Enterprise Linux distributions, automation tools like Ascender, and orchestration/cluster management platforms such as Fuzzball and Warewulf. CIQ

positions itself as providing the "OS + stack" to let organizations focus on innovation rather than infrastructure, with strong emphasis on performance, security, compliance and hybrid scale. They have formed strategic partnerships (for example with NVIDIA) to optimize the stack for AI/HPC workloads, and are active in upstream open-source governance through their Open Source Program Office.

CLOTHESLYNE
(Investments: December 2022 and March 2023), SEDI transaction
Valuation: At book cost $30,000

Clotheslyne is looking to disrupt the laundry industry with a unique laundry service model where they pick up laundry, clean/wash it and deliver it back to their customer. What's unique is that their service providers are either established laundromats or freelancers who are vetted and trained by Clotheslyne. Clotheslyne currently offers their laundry pickup and delivery services throughout Reno, Las Vegas/Nevada, Upstate NY, Northern NJ, and Charlotte, NC and the surrounding areas.

CUTS CLOTHING
(Investment: August 2025)
Valuation: At book cost $1,500,000

Cuts Clothing is a men's (and increasingly women's) apparel brand focused on premium basics and elevated essentials designed for performance, style, and daily versatility. They mix tailored aesthetics (curve-hem tees, elongated cuts, split hems) with technical fabrics like their proprietary "PYCA Pro" blend, which offers softness, wrinkle resistance and stretch. The brand's positioning is for people who move between business-casual, travel and weekend in one wardrobe — "for the sport of business." Since its founding in 2016, Cuts has scaled rapidly direct-to-consumer and retail, speaking to customers seeking higher quality staples rather than fast fashion. They emphasize fit, fabric and finish, and aim to upgrade fundamental pieces (tees, polos, joggers, hoodies) with premium construction. While they have grown large, they still strive to present themselves as a modern essentials brand bridging comfort and sophistication.

CLICKBIO
(Investment: May and July 2024, March 2025), SEDI transaction
Valuation: At total book costs $300,000

ClickBio, Inc. is a Reno-based company that designs and manufactures advanced labware solutions tailored for automation in life-science research. Their products—like deep-well plates, large-volume reservoirs and magnetic bead separation tools—seamlessly integrate with automated liquid-handling systems to boost throughput and efficiency. With a core focus on solving workflow challenges in next-generation sequencing, cell culture and assay workflows, ClickBio partners with biotech and research labs to develop custom solutions. The company

emphasizes high-quality design, patented plastics technology and agile production to meet evolving demands in life-science automation.

COCO CODERS
(Investment: June 2025)
Valuation: At book cost $250,000

Coco Coders provides live, online coding lessons for kids ages roughly 6–12 (sometimes up to 14). Classes are small-group or 1:1, run about 60 minutes weekly, and use playful four-week themes to keep engagement high. The curriculum is designed to build core coding skills while also developing creativity, communication, and collaboration. New students typically start with a short "bootcamp" to ramp into regular lessons. The program is led by an experienced team (founded by Elizabeth Tweedale) and has received recognition on education marketplaces and parenting outlets. They promote an easy trial (often discounted) and flexible pause/cancel options for families.

CREATE GOOD FOODS
(Investment: January 2024), SEDI transaction
Valuation: At book cost $50,000

crEATe Good Foods (CGF) offers sustainable plant-based crEATe meats that are heart-healthy, cruelty free and, most importantly, delicious! crEATe meats are shelf stable and lightweight making shipping and logistics a breeze. crEATe Good Foods are rehydrated with water and oil instantly, can be used to make a complete meal in less than 20 minutes and is much more versatile than current plant-based offerings that come premade.

DAYA MEDICAL
(Investment: November 2023 and May 2024), SEDI transaction
Valuation: At total book costs $1,000,000

DayaMed (the "Company") is a digital health company focused on medication adherence. The DayaMed platform combines the resources of a clinical care organization with an advanced mobile application that allows patients and their families to access medications, communicate with healthcare providers, and monitor medication adherence. DayaMed's offering is a covered benefit by Medicare, Medicaid and most private insurers. The Company's reimbursable services include telehealth outpatient visits, remote patient monitoring, medication therapy management, and chronic care management services. There are additional opportunities to expand clinical revenue stream as providers identify and address patient care needs, for example, annual wellness exams, preventive screens, and other care management services. More than half of all Americans have at least one chronic condition.

Treating people with chronic conditions accounts for 86% of healthcare spending.

Only 40% of people with chronic conditions adhere to prescribed medication therapies. Nearly 1 in 3 adverse events leading to hospitalizations are associated with medication mismanagement. Over $300B is spent annually on misuse, underuse & overuse of medications. DayaMed takes a holistic approach to medication adherence by offering the following benefits: Prescription refills, lowest drug prices, adherence driven rewards, organize, track and assist the patients with their adherence, and share this information with the patient's caregivers and physician. The Company's clinical staff works to support the primary care physician, the patients, and their caregivers in real-time to make sure they take the correct medications at the right time, every time. The DayaMed mobile application carries an accurate list of medications on their mobile device for all healthcare visits.

DOG & WHISTLE
(Investment: October 2024), SEDI transaction
Valuation: At book cost $50,000

Dog & Whistle is revolutionizing the pet food industry with a focus on sustainability, health, and transparency. They produce high-quality, upcycled pet food that prioritizes pet health and reduces environmental waste. Products include meals, treats, and toppers made from responsibly sourced ingredients, ensuring both nutritional value and sustainability. The company's use of upcycled ingredients differentiates it from traditional pet food companies and aligns with growing consumer demand for sustainable products.

DRAIN DRAWER
(Investment: February 2024)
Valuation: At book cost $50,000

Drain Drawer Pots sells high-quality houseplant pots made of recycled plastic. The product line incorporates a unique, patent-pending design that revolutionizes how customers take care of their plants at home, in the office, or outside. The design consists of a unique and innovative design of a pot with a removable drawer that has multiple features to make plant care effortless.

DREV TECHNOLOGIES
(Investment: October 2025)
Valuation: At book cost $500,000

DREV develops Vault Systems for contamination control in battery manufacturing and recycling, including Vault Mobile, Autonomous, and Stationary units. These IoT-enabled systems use dry brush technology, advanced filtration, and sealed canisters to safely manage hazardous dust in explosive environments, meeting ATEX/IECEx and ISO cleanroom standards. Backed by patents and partnerships with MANN+HUMMEL and Kollmorgen, DREV is transitioning from beta testing to commercial deployment, with Vault Mobile in paid pilots and production units set for delivery in Q1 2026.

ECOATOMS
(Investment: May 2024), SEDI transaction
Valuation: At book cost $500,000

The core of Ecoatoms business model is designing custom payloads to facilitate larger volume testing and production of biotech products. Customers to date for this product include L'Oreal and NASA. Ecoatoms is also leveraging IP developed around their experimentation platforms to develop their own microgravity IP around novel micro medical devices. Ecoatoms is generating revenue selling capacity on a lab unit that is launched into microgravity. The beauty of this model is that they are earning enough from their clients to cover the launch, but they have additional experimental capacity on their lab unit (sometimes as a separate unit) that they get to use for their own experiments in diagnostics. As such they become profitable with? their clients while getting to perform research for their own inventions. They believe they will be successful in selling their lab unit space and then over time as they keep doing their own experiments, they will discover something quite remarkable which will result in an over-the-top outcome due to that discovery.

ELLY HEALTH
(Investment: September 2024), SEDI transaction
Valuation: At book cost $50,000

Elly Health is a digital health company that focuses on providing personalized mental health and chronic disease support through AI-driven technology. The platform offers tailored, evidence-based therapeutic content that is accessible, user-friendly, and science-backed.

FANUP
(Investment: July 2025), SEDI transaction
Valuation: At book cost $750,000

FanUp is a mobile fantasy-sports and pop-culture gaming platform launched around 2020, targeting younger fans, casual players, and social communities. Users enter contests (free or paid) for sports, esports and pop-culture events, picking players or outcomes with simplified mechanics (no drafts or salary caps) for prizes or brand rewards. The app emphasizes social features — squads of friends, trash-talking, sharing picks, and big-brand prize ties (e.g., apparel, VIP experiences). It also supports responsible play features like self-exclusion and deposit limits. The business has raised venture funding and seeks to expand global growth in the fan engagement/gaming space.

GRANTCYCLE
(Investment: November 2022), SEDI transaction
Valuation: At book cost $50,000

Grantcycle (Atlas Solutions) has developed a collaborative grant management software for managing funding and reporting impact. Their SaaS solution streamlines and automates grant management, so grant funders and recipients can spend less time on manual tasks and more time creating impact.

HIBEAR
(Investment: December 2023 and June 2024), SEDI transaction
Valuation: At book cost $100,000

Hibear, located in Reno, created an "All Day Adventure Flask" for the outdoor market, regarding it as the Swiss Army tool of insulated bottles. It is built to provide a "kitchen counter like coolness" for the outdoors. The insulated flask is capable of crafting anything from coffee to cocktails. Product range is continuously being expanded. The product is available via four distinct channels – direct to consumer, corporate, events, and retail (55 current retailers).

INFINADECK
(Investment: October 2025)
Valuation: At book cost $500,000

Infinadeck is a hardware and technology company pioneering next-generation locomotion for virtual reality through its patented omnidirectional treadmill. The system allows users to walk naturally in any direction while remaining stationary, using precision motion control and sensor feedback to create a seamless, full-range experience in VR. Founded in California and now operating in Nevada, Infinadeck focuses on making movement in virtual environments intuitive and physically engaging — bridging the gap between digital and real-world motion. The technology supports diverse applications including gaming, simulation, rehabilitation, defense training, and enterprise visualization. Infinadeck's approach combines robust mechanical engineering with advanced software integration to deliver a realistic and safe movement platform. As VR and AR adoption expands, the company positions itself as a foundational enabler of immersive, human-scale experiences across industries.

LET'S ROLO
(Investment: November 2022), SEDI transaction
Valuation: Book cost $50,000 adjusted to $159,225 following acquisition of company

Let's Rolo offers a suite of micro customer relationship management (CRM) products including digital business cards, Zoom® backgrounds and email signatures for people to store and manage contact information. Rolo interfaces all contacts to the CRM of choice.

LISTENING POST
(Investment: September 2025)
Valuation: At book cost $1,000,000

Listening Post is an innovative AI platform that simplifies collaborative AI workflows by integrating directly into an organization's Business Logic Layer. Co-founded by Dan and Seth Steele, it enables "Multiplayer AI" through shared sessions where intelligent manager agents automatically distribute tasks to the most suitable resources, leveraging full organizational context for informed decisions—all without requiring complex technical setups. Currently in late-stage development with strong investor interest, it's positioned to transform team-based AI adoption in businesses.

LONGSHOT SPACE TECHNOLOGIES
(Investment: August 2025), SEDI transaction
Valuation: At book cost $500,000

Longshot Space is a deep-tech aerospace startup rethinking how to get cargo into orbit by using a long-distance kinetic launcher ("space gun") instead of traditional rockets. Based in the Bay Area, the company has demonstrated proof-of-concept barrels capable of accelerating projectiles to hypersonic speeds, and has secured contracts and funding from military and government programs for hypersonic testing. Their vision is to build much larger ground-based launch infrastructure (hundreds of meters or more) in desert environments to accelerate mass into space at a dramatically lower cost per kilogram. The leadership team brings aerospace startup and propulsion experience, and the firm is backed by well-known venture firms and government SBIR programs. Their technology focuses on simplicity, repeatability, and cost reduction — targeting niche applications like rapid test of materials and eventually small satellite launches. They position themselves as potentially a disruptive alternative to rocket-based launch for certain classes of payload.

LOOP SOFTWARE
(Investment: November 2022 and August 2024)
Valuation: Book cost $50,000 adjusted to $0 as company has ceased operations

Loop Software has developed and is now marketing a convenience web-based platform that connects people and their vehicles to automotive service centers for repairs and maintenance. Customers schedule to have their vehicles picked up by Loop's drivers, who take the vehicles to the customer's preferred auto service center.
NBBGEI was notified on February 2nd, 2025 that Loop Software had ceased operations.

LUCIHUB
(Investment: December 2023 and August 2025)
Valuation: At book cost up to $750,000 adjusted to $1,050,000 following final company raise at $11M company valuation

Lucihub is a next-generation video production platform that blends professional human editing with AI-based tools to streamline content creation. It enables teams to upload footage (often from smartphones) to the cloud, where Lucihub supplies graphics, music, branding and editing to deliver polished videos in hours rather than weeks. The company emphasizes affordability and speed, helping brands, agencies, and internal communications teams keep up with the high volume and short lifespan of modern video content. It offers features for scripting, shot-listing, voice-over, global collaboration, and uses its "Creative Copilot" AI assistant to ease pre-production. Founded with the goal of making professional quality video creation accessible, Lucihub is built to serve enterprise workflows as well as smaller teams. The company's leadership brings deep experience across media, technology and creative services.

MELZI
(Investment: February 2025), SEDI transaction
Valuation: At book cost $500,000

Melzi is a medical device manufacturer headquartered in Reno. Operating Room teams, Surgeons and Nurses, will sometimes lose small items like needles, fragments and tools in patients during surgery. Sometimes the OR team knows an item has been misplaced. Sometimes surgical item counts reveal that an item is missing. In many cases, it's been discovered that tool counts thought to be correct were incorrect. Currently surgical teams must spend time hunting for lost items and when not found call for X-ray. X-ray's, however, are not recommended for smaller items as X-Ray frequently will not see items smaller than 15mm.

Melzi's product, the Melzi Sharps Finder, which has been developed by the company and is FDA registered (Class II: Exempt) offers a solution. The product was introduced to the hospital surgical device market in early 2023. As of end August 2024, Melzi Sharps Finder purchased and in use at 34 hospitals. Melzi is setting the stage to go from the early adopter phase to the high growth market phase.

NEUORESERVE
(Investment: June 2023 and March 2025), SEDI transaction
Valuation: At total book cost $421,503.07

NeuroReserve Inc., based in Las Vegas, develops advanced nutritional-supplement products designed to support lifelong brain health by addressing nutrient gaps associated with cognitive decline. The company's flagship product uses a blend of 17 nutrients, informed by research around Mediterranean-type and MIND diets, aiming to protect memory and cognitive performance as people age. The business is built on a scientific advisory board of neurologists, nutrition researchers and clinicians, and it positions its offerings for both consumer wellness and preventive-health markets. NeuroReserve integrates nutrition science with product development to create targeted brain-health supplements rather than general wellness vitamins.

NIVATI
(Investment: August 2025), SEDI transaction
Valuation: At book cost $350,000

Nivati is a corporate wellness platform that delivers a holistic mental-health and well-being experience to employees. It combines on-demand access to licensed therapists, AI-powered self-help tools, and wellness content spanning six dimensions—mental, physical, social, spiritual, financial and occupational. Companies using Nivati benefit from higher employee engagement, reduced absenteeism and improved retention, as it replaces traditional EAP models with more proactive, breadth-oriented support. Founded in 2010 and headquartered in South Jordan, Utah, the company has scaled into a B2B offering serving mid-sized and large employers. With a leadership team rooted in therapy, tech and wellness, Nivati emphasizes accessibility, personalization and measurable outcomes.

ONBOARDED
(Investment: August 2025)
Valuation: At book cost $1,000,000

Onboarded is a Nevada-based startup (headquartered in Lake Tahoe) founded in 2022 that provides an embedded worker onboarding and HR-compliance platform. It helps companies streamline the tedious processes of contract execution, compliance checks, and onboarding so that workers can start sooner and firms can reduce risk. The platform is API-first and designed to integrate seamlessly with staffing, recruiting and workforce systems, enabling fluid mobility of workers across assignments. Onboarded focuses especially on deskless, blue-collar, gig and contract labor segments that traditionally face friction in getting onboarded. Driven by a team with roots in both tech and the trades, the company emphasizes the dignity of work and the human right of access to employment. They are positioning their product for staffing platforms, enterprise workforce teams and HR systems looking to modernize.

OTSY
(Investment: June 2025), SEDI transaction
Valuation: At book cost $750,000

Otsy is a Las Vegas-based travel-tech startup that combines social media, user-generated content and booking functionality in one app. It allows users to discover, share and monetize their travel experiences, provides a personalized travel feed and facilitates one-click bookings. With its "creator fund" and referral programs, Otsy leverages influencer and community input to build engagement and accelerate growth. Its model addresses both the consumer desire for authentic travel content and the platform trend toward experiential bookings. Headquartered in Las Vegas,

the firm is positioned to tap into the global travel market while maintaining a strong local base in Nevada.

PHONE2
(Investment: December 2023), SEDI transaction
Valuation: At book cost $50,000

Phone2's cloud-based telephone system enables businesses to customize their caller ID display with their unique brand information, including logos, names, and reason for calling. This ensures that calls are instantly recognizable and instill confidence in customers, leading to a substantial increase in call answer rates, up to 4x higher than regular calls. This improved accessibility enables companies to engage with more customers, boost sales opportunities, and provide exceptional customer service. Phone2 seamlessly integrates with existing business phone systems, ensuring a smooth transition without disrupting ongoing operations. This allows businesses to leverage the benefits of branded calls without major infrastructure changes or additional costs. Phone2 offers comprehensive call analytics and reporting, enabling businesses to gain valuable insights into their communication patterns. This data helps identify bottlenecks, monitor call performance, and optimize business processes to drive efficiency and better serve customers.

PROSPER
(Investment: December 2022), SEDI transaction
Valuation: At book cost $50,000

Prosper Technologies was founded to address a business marketing issue: many companies rely on digital ads to reach new users, but very few of them ever see a positive return on their ad spend. Word-of-mouth marketing is more effective, but there is no easy way for most companies to integrate or track their word-of-mouth marketing efforts. Prosper was built to solve this and make it possible for any company to integrate and scale their word-of-mouth marketing efforts.

QUANTUM COPPER
(Investment: August 2022; October 2022 and November 2023), SEDI transaction
Valuation: At total book costs $300,000

Quantum Copper (QC), a Las Vegas based company founded in 2021, aims to develop and manufacture battery components that will help in making batteries less fire prone. They are currently developing flame-retardant non-active battery materials, particularly Battery packaging, Separator & Current collector. Company claims their products will be more cost effective, easy to manufacture and highly adaptable into various configurations, when pitted against currently existing battery solutions. QC uses a phosphorous based flame-retardant polymer to achieve flame retardancy in the battery components.

REVONATE
(Investment: November 2022)
Valuation: Book cost $50,000 adjusted to $0 as company has ceased operations

Revonate had developed and is now marketing a construction sales platform that provided contractors with a streamlined system to capture lead information & automate follow-ups, generated instant quotes and contracts, provide real-time revenue forecast reports and accelerate customer payments.

SAGE MEDICAL
(Investment: December 2022)
Valuation: Book cost $50,000 adjusted to $0 as company has ceased operations

Sage Medical was an AI-driven medical coding and billing platform that remedy the gaps in the healthcare coding and billing system. Their solution combined medical coding, billing & dictation into one fully baked real-time platform, saving physicians dollars while increasing productivity.

SAGE BRANDS dba BATTLE BORN BEER
(Investment: July 2024)
Valuation: At book cost $250,000

Sage Brands, Inc. dba Battle Born Beer ("BBB") is a Reno-based brewery that has established its brewing operations and tasting room in downtown Reno, in the popular 4th Street corridor. BBB is pursuing a different brewing model, as compared to the traditional, much more common craft breweries. Many if not most "craft" brewery startups that operate as a brewpub with a portfolio of beer styles and target primarily local "on premise" type business with a marginal focus on retail distribution. This category is highly saturated and often not scalable. Simply stated, the company is keenly focused on positioning Battle Born Beer as an easy-drinking golden lager brewed with the pioneering spirit of Nevada.

SARCOMATRIX
(Investment: August 2025), SEDI transaction
Valuation: At book cost $300,000

Sarcomatrix Therapeutics is a biotech company focused on developing first-in-class therapeutics to treat muscle-wasting diseases such as muscular dystrophies, cachexia and sarcopenia. Their research centers on small-molecule enhancers of the α7β1 integrin pathway, which stimulates muscle regeneration by activating satellite cells and increasing myofiber fusion. The company is in the pre-clinical development stage, with lead assets targeted toward severe forms of muscular dystrophy and a path to broader indications in age-related muscle loss and disease-related muscle wasting. Headquartered in Nevada, Sarcomatrix is backed by early-stage investors and is actively

seeking partnerships and collaborations in the life-sciences ecosystem. Its mission emphasizes delivering regenerative medicine solutions for underserved muscle-tissue conditions.

SEE ID
(Investment: November 2022 and December 2023)
Valuation: Book costs total $451,000 adjusted to $698,352 (11/11/2025) as company went public via SPAC Initial Public Offering (IPO). NASDAQ ticker: DAIC

SeeID is an active tagging system for logistics that tracks packages and items, both in stationary and mobile environments. The company has developed proprietary software that allows it to precisely locate items for security and safety purposes. To accomplish this task the company uses 3rd party RFID sensors and hardware that work in coordination to properly locate and identify packages and items. This feature is highly valuable and elusive to most companies to achieve due to the complexities of antenna systems and RFID algorithms. The future for the company with its RFID array tracking system is to create a 5G chip to make them faster and have even lower power requirements.
SeeID went public in 2025 and is now known as Dot AI Corp (DAIC). The 269,624 shares at $1.67269 have been provided to NBBGEI through Continental Stock Transfer & Trust.

SEMI EXACT
(Investment: June 2021; August 2022; September 2024)
Valuation: At total book costs $1,000,000 adjusted to $400,000 following company's asset sale

Historically, Semi Exact sold furniture components and a limited offering of kits. The company has expanded its offering, based on demand, to include a larger assortment of finished goods for both consumers and business customers. Products include metal items produced by the company such as table bases, seating, and shelving as well as bed frames (one such frame includes a design patent) and sourced goods such as wood tabletops, cushions and accessory items. The Company offers a very large assortment of sizes and finishes. This customization and diversity of product offerings set it apart from import competitors that only offer standard sizes and finishes. Most of its products are designed for a closed loop using recycled steel and environmentally friendly finishes.

We were notified on April 3rd, 2025 that Semi Exact did an asset sale to MRCA LP. The entity Semi Exact remains in place as is the number of NBBGEI shares.

SILICA NEXUS
(Investment: August 2023)
Valuation: At book cost $250,000

Silica Nexus (Convergence of 4 Dimensions) is creating the operating layer that will bring all AR/VR, 2D and 3D platforms onto one real-time multiplayer platform, and is building a community ecosystem that will drive the in-game virtual economy onto the blockchain and into the real-world lives of developers, creators, and players.

STANDARD MEASURE TECHNOLOGIES dba NAILSTRY
(Investment: December 2023), SEDI transaction
Valuation: At book cost $50,000

Standard Measure Technologies Corp provides consumers, brands, and e-commerce platforms with virtual sizing solutions to simplify online shopping. Their first product, Nailstry, provides a sizing solution for the press-on nail industry. It utilizes computer vision and machine learning, to detect and measure the customer's fingernails in real-time. This eliminates the need for excess press-on nails and sizing kits, reduces waste, and lowers sizing-based returns. Overall customers receive a truly personalized shopping experience while ecommerce brands and platforms see an increase in profits.

SURGISTREAM
(Investment: March 2024), SEDI transaction
Valuation: Book cost $352,000 adjusted to $316,800 following markdown by lead investor

Surgistream automates scheduling and communication processes - and allows information sharing among the parties. Surgistream is a cloud-based (iOS, Android and Desktop), dynamic calendar app that integrates all aspects of the surgery scheduling process, allowing real-time messaging among all parties. People unfamiliar with the medical device world might think of Surgistream as a metaphorical cross between Uber and Amazon Prime for surgery scheduling and surgical device delivery. In many cases, both the medical device and vendor are both required. It's like trying to coordinate multiple Ubers for a party of 50 going to multiple locations; several individuals require order transparency and real-time coordination simultaneously.

TENSORWAVE
(Investment: February 2024), SEDI transaction
Valuation: Book cost $500,000 adjusted to $2,2675,000 given subsequent round raising at higher valuation

TensorWave Cloud—a revolutionary solution addressing the AI compute supply crisis. The company's advanced fabric architecture enables efficient scaling of AMD GPUs, outperforming current-gen NVIDIA GPUs. TensorWave aims to complete a Proof of Concept (POC) for enterprise use, and with key launch partners like AMD, Lamini, Supermicro, and GigaIO, anticipates a 5700+ customer waitlist at launch. In October 2024, TensorWave announced that it had raised $43M in SAFE Funding which made it the largest in Nevada Startup History.

TERBINE
(Investment: November 2022), SEDI transaction
Valuation: Book cost $225,000 adjusted to $562,500

TerbineLink is designed to synchronize all of the key elements involved with EV charging infrastructure. Operating in the cloud, the software-based platform has been developed to give system operators the ability to monitor and manage increasingly complex multi-vendor environments spread across wide geographies.

TILT A.I.
(Investment: September 2024 and September 2025), SEDI transaction
Valuation: Total book costs $750,000 adjusted to $1,170,000 given subsequent round raising at higher valuation

TILT.ai is a Nevada-based software company (headquartered in Reno) that provides an AI-powered platform for managing freight, transportation and logistics operations. The product offers real-time tracking, load-matching automation, carrier & shipper visibility, fraud prevention and sustainability analytics all in one system. It is designed to help logistics brokers, carriers and shippers reduce manual processes, optimize routing and cut carbon footprint. TILT.ai emphasizes data + analytics + artificial intelligence to deliver a "smarter ecosystem" where shipments are traced end-to-end and decisions are proactive. The company positions itself as delivering cost efficiencies, operational accuracy and environmental benefits in the freight industry. As a logistics technology innovator based in Nevada, it is part of the growing cohort of deep-tech firms in the state.

TU BIOMICS
(Investment: August 2023)
Valuation: At book cost $200,000 adjusted to $0 as company ceased operation

Tu Biomics is focused on developing crop protection products from microbial extracts, capable of countering economically impactful soil borne diseases. The company is a Knowledge Fund spinout from DRI. The August, 2023 marked the consistent third time NBBGEI participated in the company's investment round.
Tu Biomics dissolved in May of 2025

ULTION TECHNOLOGIES
(Investment: June 2025)
Valuation: At book cost $1,000,000

Ultion Technologies Inc., headquartered in Las Vegas, Nevada, is a vertically integrated battery manufacturer specializing in lithium iron phosphate (LFP) cells and complete battery systems. The company provides cells, packs and energy storage solutions for applications ranging from

industrial and medical to transportation and grid storage. Having shipped at scale and produced "fully North American" LFP battery cells, Ultion emphasizes high performance, safety and a U.S.-based supply chain. With its manufacturing facility in Nevada, the company is positioned to play a key role in the U.S. energy transition and battery supply-chain reshoring.

VENA VITALS
(Investment: July 2025), SEDI transaction
Valuation: At book cost $500,000

Vena Vitals Inc., founded in 2019, is developing a wearable, flexible sticker sensor that continuously and non-invasively monitors beat-to-beat blood pressure in real time. The device is designed to adhere comfortably to the skin and deliver monitoring performance comparable to invasive arterial lines but with fewer risks and lower cost. It targets both hospital settings (operating room, critical care) and consumer/home health applications, addressing the large unmet need for continuous blood pressure tracking. The company leverages novel materials and advanced signal processing to track cardiovascular events such as hypotension or hypertension more precisely than traditional cuff-based methods.

VISIONAID
(Investment: April 2023)
Valuation: At book cost $50,000

VisionAid (Project Cornell) has developed an electronic glasses product that is designed to improve visual performance for legally blind and low vision individuals.

VISTRO
(Investments: November 2022 and July 2023), SEDI transaction
Valuation: At book cost $100,000 adjusted to $50,000 given company reorganization

Vistro is a collection of virtual food delivery brands and ghost kitchens focused on creating technology to streamline how food is ordered, cooked, and delivered.
Investors in Vistro were notified in March of 2025 that Vistro filed for Chapter 7 and dissolved. However, a new venture called Soarin Concepts was launched. NBBGEI and other investors' shares will receive equity in the new company.

VOLTAIRE (KNOWRISK.AI)
(Investment: May 2025), SEDI transaction
Valuation: At book cost $698,999.91

KnowRisk is a Las Vegas-based startup specializing in AI-powered claims automation for the insurance industry. Its flagship platform enables insurance carriers and third-party adjusters to generate accurate claims correspondence in under 30 seconds, dramatically reducing manual

work and error risks. The system integrates seamlessly into existing claims workflows via API, requiring minimal IT overhaul while delivering major productivity gains. By leveraging large language models and domain-specific templates, KnowRisk enables faster, more compliant settlements and supports scalability during high-volume periods like catastrophes. Founded in 2023, the company is rapidly gaining traction among property and casualty insurers seeking digital transformation. KnowRisk was renamed to Voltaire.

WAVR TECHNOLOGIES
(Investment: May 2025), SEDI transaction
Valuation: At book cost $500,000

WAVR Technologies, based in Las Vegas, develops high-output atmospheric water harvesting systems capable of producing water even in very low humidity levels, around 10 percent. Their technology uses a proprietary hydrogel membrane and liquid desiccant process to extract water from ambient air continuously, achieving up to twenty times greater efficiency than traditional methods. Founded as a spinout from the University of Nevada, Las Vegas, WAVR is scaling its systems for commercial, industrial, agricultural, and municipal use. The company's innovation positions it as a leader in sustainable water solutions for arid regions.

ZENCENTIV
(Investment: August 2024 and October 2025)
Valuation: At total book costs $500,000 adjusted to $1,400,000 given subsequent round raising at higher valuation

ZenCentiv is a cloud-based software platform that automates and simplifies incentive compensation management for sales teams. The system eliminates manual commission calculations by integrating directly with CRM and payroll tools, ensuring accuracy and real-time visibility into performance data. Companies use ZenCentiv to improve transparency, reduce administrative costs, and motivate their teams with timely, error-free payouts. The platform's analytics provide insights into trends and commission effectiveness, helping leaders align compensation with company goals. Overall, ZenCentiv streamlines sales operations and drives accountability across revenue organizations.

I. **SSBCI 1.0** and Second Generation (recycled) Funds Loan Portfolio Holdings prior to the second SSBCI Program (SSBCI 2.0) launch in 2022

a. **Loan Participation Standard Loans** (greater than $250k)

ROARING 20s
(October 2023)

Roaring 20s is a wholly owned subsidiary of Pinnacle Nevada Corp. Pinnacle Nevada Corp. and its affiliate, Pinnacle Homes Inc., are local Las Vegas home builders and have been in business since 1992. As of October 31, 2024, more than 80 per cent of the original loan has been repaid by Pinnacle Homes, Inc.

II. SSBCI 2.0 Loan Portfolio – 1st Tranche

a. Collateral Support

Since inception of SSBCI 2.0 in January 2023, a total of $7,332,087 of collateral support has been expended.

CHARETTE
(July 2025), SEDI transaction
This is a SBA 504 bridge where collateral support is provided for a bridge loan from GenuBank until tenant improvements are completed and the SBA debenture is funded. The borrowing entity was formed for the purchase and ownership of the owner-occupied building. The operating entities are Diazo Wealth LLC, a financial planning firm, and TNA Enterprises LLC, doing business as CPA Financial Architects, a CPA Firm. This a locally small business is expected to not only maintain current 8 positions, but also adding five new additional jobs to the local economy. It is also a SEDI loan.

CHAVDA JUNAG NEUROLOGY
(August 2025), SEDI transaction
The borrower is a start-up medical practice with two key physicians Dr. Jiang and Dr. Chavda who specialize in pediatric neurology and epilepsy practice. The physicians are affiliated with Sunrise Children's Hospital, UMC, and Mountain View Hospital and continue to have privileges. This is an SEDI loan, provided by GenuBank, that will create 5 jobs while maintaining 12 jobs. Additionally, the Nevada market is in need of physicians who specialize in pediatric specialties.

FULL TILT LOGISTICS
(November 2022), SEDI transaction

Based in Reno, Full Tilt Logistics is a Certified Women-Owned WBENC Company. The company is an expert in freight brokerage services. Its Reno Freight Logistics Company and dedicated trucking fleet provide expert support in logistics and transportation management, so shipments can be delivered faster and at a lower cost. Full Tilt is a 3PL company that provides a 24/7 shipment locator and clean, courteous, professional drivers whose number one focus is on customer service.

FULL TILT LOGISTICS, FULL TILT TRANSPORTATION, FULL TILT WAREHOUSING & DISTRIBUTION
(October 2024), SEDI transaction

This is a renewal as Full Tilt will continue to utilize the CSP Investment albeit for a reduced amount. The company is continuing to grow and is being recognized nationally. Plumas Bank requested that the collateral support stay in place for one or two more years. It is expected that the collateral support will drop off after the next renewal. Since the landlord is more comfortable with the company's cash flow and ability to pay, the required amount of the letter of credit is being reduced. Full Tilt Logistics, LLC (FTL) is a full-service logistics company organized in Nevada in 2014. The company hires independent haulers to move products. Full Tilt has industry knowledge and a well-developed database. They serve over 300 customers worldwide. Full Tilt Warehousing & Distribution LLC was organized in 2021 to bring warehousing in-house instead of outsourcing the logistics component. This is a SEDI loan which is advantageous for the state creating new jobs as the company adds more employees.

INNOVOLT ELECTRIC, LLC
(September 2025), SEDI transaction

GenuBank is providing a revolving line of credit to support the cash flow cycle to electrical contractor lnnovolt Electric LLC. The company was formed in March 2018 and operated as a full-service electrical contractor. Services span from residential, commercial, industrial and system integration. On a combined basis, the owners bring over sixty years of combined experience with low voltage systems for residential and commercial projects. lnnovolt Electric specializes in large non-union projects on the Strip and Downtown as well as venues like Downtown Summerlin, Harry Reid Airport, Nellis and Creech Air Force Bases, Las Vegas Premium Outlet and Cultivation Plants. This is also a SEDI transaction

KR PROPERTIES
(September 2024), SEDI transaction

The owner-occupied property will be constructed in Reno. Meadows Bank requested a collateral support bridge loan until the SBA debenture is funded (usually eighteen months to two years) and the collateral support loan (2nd) is paid back. Once a Certificate of Occupancy is received, NBBGEI's part will be paid off by the debenture funded through the SBA. After construction is completed, Meadows will have a 1st deed of trust at 50% of the loan amount. The term of the loan will be a 20-year amortization with a 5-year term.

KR Properties LLC is a single-asset LLC for the purpose of holding the property being developed. It is owned by physicians with an existing medical practice and began operations in 1987 under family ownership. 100 per cent of the practice was purchased by the daughter in 2019. The second partner in this project will co-locate in the property upon completion. This is a SEDI qualified loan, offering a larger owner-occupied space that will be an advantage for the community. It enables the hiring of more physicians, which will increase access to healthcare services. This could make Reno a more attractive area for medical professionals looking to establish their practice.

NEUROLOGY VEGAS, LLC
(August 2025), SEDI transaction

The GenuBank loan was to a single-asset entity specifically established to acquire an owner-occupied medical building in Las Vegas, NV. The property serves as the premises for a newly formed pediatric practice operated by the associated entity. The loan has a 10-year term, with a 25- year amortization.
Chavda Juang Neurology and Epilepsy Specialists PC, the operating entity, focuses on pediatric neurology and epilepsy. This is an SEDI Loan that will create 5 jobs while maintaining 12 jobs. Additionally, the Nevada market is in need of physicians who specialize in pediatric specialties.

NORTH STAR ELECTRIC
(September 2023), SEDI transaction

Based in Las Vegas, Northstar Electric was first established in 1998. The company has lengthy experience on Commercial, Residential and Industrial projects, and has been very efficient in providing the necessary service to go above and beyond our customers' satisfaction. In 2005, Northstar Electric Inc. became a corporation. At this time, Northstar Electric Inc. has expanded across several States. Northstar Electric Inc. strives to provide services exceeding the norm.

TRAIN OUT LOUD
(July 2024)

The loan was to refinance an SBA 7A loan that was originally financed with Meadows Bank. By refinancing the loan, the interest rate was reduced, which improved the borrower's cash flow. This improves the coverage ratio and frees up cash flow for the facility. Train Out Loud was established in 2005 and is a holding company for the real estate portion of the facility. The tenant is The Strength Center Las Vegas, a small personal training gym. Train Out Loud is not a SEDI transaction, but it serves the purpose of hiring more staff, and it helped a small business obtain a more favorable interest rate, which insured sustainability of the organization.

VANTAGE CONCEPTS
(February 2024)

This working capital loan with GenuBank is being used as working capital for the company. The funds were used to support operating needs and bridge the collection of accounts receivable.

Vantage Concepts LLC was established and incorporated in 2006. It is a landscape contractor and operates in Nevada. It has over 500 residential customers along with commercial accounts that include Terrible Herbst Inc., KB Homes, Toll Brothers, and Commerce Construction. The benefit to the state is the continuation of the company to employee workers

VISION FLOORING HOLDINGS
(August 2025), SEDI transaction

Purchase of an owner-occupied building financed by a loan provided by Silver State Schools Credit Union. The borrower is a single-asset entity established for the purpose of acquiring an owner-occupied warehouse facility located in Henderson, NV. The property is occupied by a related company engaged in commercial flooring contracting, offering services ranging from material selection to installation. The operating entity (related entity) is a commercial flooring contractor that provides end-to-end flooring services, including material selection and professional installation. This loan is an SEDI loan. It is expected that two jobs will be created while maintaining the same number of jobs.

XL LANDSCAPING
(August 2025), SEDI transaction

This revolving line of credit provided by GenuBank is being utilized for working capital supports ongoing operations as XL Landscape Development continues to expand in Nevada.

XL Landscape Development has served residential, commercial, and general contractor clients across Nevada for 25 years. This is a locally owned business that started in Las Vegas. The borrower is expected to add 10 jobs while not losing any current jobs.

b. Nevada Loan Participation

The "Nevada Loan Participation Program", formerly known as Loan Participation Program - Standard Loans, was authorized by US Treasury in April 2025 following a modification request submitted by GOED that removed the minimum loan size of $250,000, and replaced it with a minimum loan size of $20,000. This enabled the Program to be utilized by the Rural Nevada Development Corporation (RNDC) for microloans of less than $250,000 to small businesses in rural Nevada.

Since inception of SSBCI 2.0 in January 2023, a total of $2,215,285 of Loan Participation has been expended.

METRO CENTER HOTEL GROUP
(July 2025)

Heritage Bank provided a bridge construction/non-revolving line of credit for financing an acquisition and improvements of a 128 room Staybridge Suites hotel located in Phoenix, AZ. The hotel is closed during renovation. It will open once renovation is complete and will operate under the Staybridge Suites franchise. The property is owned by a Nevada entity with the principals residing in Nevada. While the project is located in AZ it strengthens the owning Nevada entity securing jobs in Nevada.

COATES BROADCASTING
(September 2025), SEDI transaction

This is the first transaction with Rural Nevada Development Corporation (RNDC) under the newly created Microloan Program for Rural Nevada under the auspices of the Nevada LPP Program. The loan request was for the purpose of purchasing an owner-occupied building located in Ely. The operating entity is a radio station located in Ely. It has been in operation since 1996, with the current operator servicing it since 2006. This is a SEDI loan which will result in maintaining four jobs in rural Nevada.

c. **Loan Participation Microloans** (less than $250k)

Under the US Treasury approved SSBCI Program NBBGEI contracted with Calvert Impact, Inc. for a Small Loan 80/20 Fund model for loans under $250,000 with Calvert Impact Capital as fund manager and Community Reinvestment Fund as fund administrator. Calvert Impact created a subsidiary special purpose vehicle (SPV) that will purchase Eligible Loans made by eligible Originating Lenders which are participating in Community Development Financial Institutions (CDFIs). The SPV will purchase up to 80 percent of eligible loans from those CDFIs. Funding for the first tranche of $5.3M of this Microloan Program under SSBCI has been transferred to Calvert Impact to fund the SPV and be matched with SSBCI required private capital funds. From this $3.8M has been returned to NBBGEI.
During the 1st Tranche, the Microloan Program purchased 12 loans with a total of $1,880,000 using $884,000 worth of SSBCI Funds. 10 transactions were SEDI loans. So far, two loans have defaulted, and one loan is expected to be written-off in the next reporting period.
The Program is expected to be restructured in 2026.

Borrower	Term Months	Location	Jobs Added	Jobs Retained	SEDI Y/N	Write Off Y/N
AAA Evolution Inc.	60	Las Vegas	0	9	Y	Y
Draco Logistics	60	Las Vegas	4	2	Y	Y
Validity Construction	60	Las Vegas	3	7	Y	N
Aspire Behavioral	60	Las Vegas	5	20	Y	N
Full Function Physical Therapy	60	Henderson	2	3	N	N
CBK Salon	60	Las Vegas	1	6	Y	N
Global Fertility	72	Las Vegas	0	1	Y	N
HH Management	60	Las Vegas	1	1	N	N
Fingerprinting Express	72	Reno	28	20	Y	N
Cutting Edge Contractors	72	Las Vegas	0	7	Y	N
JMA Chocolates LLC	72	Las Vegas	3	31	Y	N
T4 Construction LLC	72	Las Vegas	5		Y	N

d. C-PACE

No transactions. GOED has submitted a modification request to Treasury to reduce the program allocation to $5M. This will be followed by a modification request in early 2026 to amend the structure of the program. To that effect, GOED and NBBGEI have been working with the Nevada Clean Energy Fund as well as a leading national C-PACE lender to redesign this program.

III. Public Interest assessment of NBBGEI's Investment and Loan Activities

NBBGEI's venture capital investment and loan activities are being conducted under the auspices of the State Small Business Credit Initiative (SSBCI). GOED is the implementing entity for the Nevada SSBCI program and NBBGEI is the administering entity contracted by GOED.

SSBCI provides funding to states for programs that catalyze lending and investing in small businesses, build ecosystems of opportunity and entrepreneurship, and create high-quality jobs. SSBCI is designed to catalyze private capital in the form of loans to and investments in small businesses, especially in historically underserved communities and among entrepreneurs who may have otherwise lacked the support needed to pursue their business ambitions. SSBCI support can be transformative in a range of industries, including small manufacturing, supply chain, and other sectors promoting key national priorities. Hence, by its program design SSBCI is structured to further the public interest of the state in which it operates.
We assess the public interest through a combination of three parameters: 1. General Economic Impact Analysis based on IMPLAN Model assessment performed by UNR at the application stage of the SSBCI Program and subsequently extrapolating those impact estimates; 2. An Economic Impact Analysis based on Lightcast performed by GOED; and 3. Other Considerations such as SEDI proportion, number of highly scalable technology-based companies, supporting small businesses and startups whose products are generally considered as benefitting society.

1. UNR Economic Impact Analysis – IMPLAN Model

Economic impact can be considered the most important measure of public interest. In August 2022 as part of Nevada's SSBCI application preparation Prof. Tom Harris of the University of Nevada, Reno (UNR) Department of Economics conducted an economic impact assessment of all of the proposed SSBCI programs. The economic impact was assessed as economic, employment, labor income, value added, and financial impact estimated by employing the IMPLAN microcomputer input-output model.

i. Venture Capital Program

During the operation phase the Venture Capital Program is expected to sustain total employment of 7,115 (that is, the summation of direct, indirect and induced jobs), with total labor income, value added, and financial impacts of approximately $369.2 million, $610.4 million, and $1,037.9 million, respectively. These operation impacts are projected to reoccur.

The IMPLAN model estimates annual recurring total tax impacts. Impacts during the operation phase assume the Venture Capital Program projects are at fully 100 percent employment capacity. The IMPLAN model estimates that the Venture Capital Program projects will generate approximately $144.9 million in combined total annual tax revenues

For our IMPLAN extrapolation calculation we used a total of $22,315,494.82 that have been expended which represents 61.98 per cent of the total $36,000,000 allocation to the Venture Capital Program upon which the economic impact assessment conducted by UNR is based, the above adjusted *pro rata* numbers of economic impact would be:

- Total employment 4,410 (that is, the summation of direct, indirect and induced jobs), with total labor income, value added, financial impacts of approximately $228.83 million, $378.33 million, and $643.29 million, respectively. These operation impacts are projected to reoccur.

- The IMPLAN model estimates that the Venture Capital Program projects will generate approximately $89.81 million in combined total annual tax revenues.

ii. Collateral Support Program

The Collateral Support Program will generate lasting impacts on the entire state which can be assessed by estimating respectively the initial construction and operational expenditures from the Collateral Support Program indirect effects. Those are caused by interactions of the state's economic sectors from purchases from other economic sectors. Induced effects from the Collateral Support Program are the impacts on all state economic sectors caused by the expenditures of new household income generated by the direct and indirect effects.
Results will be shown for the Construction Phase and Operation Phase of the Collateral Program.

a. Construction phase

Direct employment from collateral Support Program would yield 246 jobs with a total state employment impact of 397 jobs. In other words, the Collateral Support Program generated an additional 151 jobs through indirect and induced economic activity in the state of Nevada economy.

Direct labor income, value added, and financial impacts in the economy of the state of Nevada was estimated to be approximately $17.2 million, $23.2 million, and $40.6 million, respectively. Additionally, due to economic linkages in the state of Nevada economy from indirect and induced linkages, total labor income, value added, and financial impacts to the economy for the state of Nevada was estimated to approximately $25.1 million, $38.2 million, and $66.5 million, respectively.

b. Operation phase

During the operation phase (after construction phase is completed), the Collateral Support Program projects are expected to sustain total employment of 792 (that is, the summation of direct, indirect and induced jobs), with total labor income, value added, and financial impacts of approximately $40.8 million, $69.4 million, and $118.4 million, respectively. These operation impacts are projected to reoccur.

IMPLAN model's tax output during Collateral Support Program operation phase. These estimates represent annual recurring total tax impacts. Impacts during the operation phase assume the Collateral Support Program projects are at fully 100 percent employment capacity. The IMPLAN model estimates that the Collateral Support Program projects will generate approximately $6.2 million in combined total annual tax revenues.

For our IMPLAN extrapolation calculation we used a total of $7,332,087 that have been expended which represents 72.2 per cent of the total $10,156,523 allocation to the Collateral Support Program upon which the economic impact assessment conducted by UNR is based, the above adjusted pro rata numbers of economic impact would be:

- Construction Phase

  Collateral Support Program generated an additional 109 jobs through indirect and induced economic activity in the state of Nevada economy. Direct labor income, value added, and financial impacts in the economy of the state of Nevada was estimated to be approximately $12.42 million, $16.75 million, and $29.31 million, respectively. Additionally, due to economic linkages in the state of Nevada economy from indirect and induced linkages, total labor income, value added, and financial impacts to the economy for the state of Nevada was estimated to approximately $18.12 million, $27.58 million, and $48.01 million, respectively.

- Operation Phase

  During the operation phase the Collateral Support Program (after construction phase is completed), projects are expected to sustain total employment of 572 (that is, the summation of direct, indirect and induced jobs), with total labor income, value added, and financial impacts of approximately $29.45 million, $50.11 million, and $85.48 million, respectively. These operation impacts are projected to reoccur.

  IMPLAN model's tax output during Collateral Support Program operation phase. These estimates represent annual recurring total tax impacts. Impacts during the operation phase assume the Collateral Support Program projects are at fully 100 percent employment capacity. The IMPLAN model estimates that the Collateral Support Program projects will generate approximately $4.48 million in combined total annual tax revenues.

iii. Loan Participation – Microloan Program

During the operation phase the LPP Micro Loan Program projects are expected to sustain total employment of 1,235 (that is, the summation of direct, indirect and induced jobs), with total labor income, value added, and financial impacts of approximately $64.1 million, $105.9 million, and $180.1 million, respectively. These operation impacts are projected to reoccur.

Impacts during the operation phase assume the LPP Micro Loan Program projects are at fully 100 percent employment capacity. The IMPLAN model estimates that the LPP Micro Loan Program projects will generate approximately $25.1 million in combined total annual tax revenues.

For our IMPLAN extrapolation calculation we used a total of $1,264,000 of SSBCI funds that have been expended which represents 7.95 per cent of the total $15,900,000 allocation to the Microloan program upon which the economic impact assessment conducted by UNR is based, the above adjusted pro rata numbers of economic impact would be:

- During the operation phase the LPP Micro Loan Program projects are expected to sustain total employment of 98 (that is, the summation of direct, indirect and induced jobs), with total labor income, value added, and financial impacts of approximately $5.1 million, $8.42 million, and $14.32 million, respectively. These operation impacts are projected to reoccur.

- Impacts during the operation phase assume the LPP Micro Loan Program projects are at fully 100 percent employment capacity. The IMPLAN model estimates that the LPP Micro Loan Program projects will generate approximately $2 million in combined total annual tax revenues.

iv. Nevada Loan Participation

- Construction Phase
  During the construction phase, the Nevada LPP Program would yield a total state employment impact of 60 jobs. Also, direct labor income, value added, and financial impacts in the economy of the state of Nevada was estimated to be approximately $2.6 million, $3.5 million, and $6.1 million, respectively.

  Additionally, due to economic linkages in the state of Nevada economy from indirect and induced linkages, total labor income, value added, and financial impacts to the economy for the state of Nevada was estimated to approximately $3.8 million, $5.7 million, and $10.0 million, respectively.

  The IMPLAN model estimates that construction phase of the LPP Standard Loan Program projects will generate approximately $1.2 million in combined total tax revenue.

- Operation Phase

  During the operation phase the LPP Standard Loan Project projects are expected to sustain total employment of 1,520 (that is, the summation of direct, indirect and induced jobs), with total labor income, value added, and financial impacts of approximately $78.4 million, $133.2 million, and $227.3 million, respectively. These operation impacts are projected to reoccur.

  The IMPLAN model estimates that the LPP Standard Loan Program projects will generate approximately $31.1 million in combined total annual tax revenues.

For our IMPLAN extrapolation calculation we used a total of $2,215,285 of SSBCI funds that have been expended which represents 13.93 per cent of the total $15,900,000 allocation upon which the economic impact assessment conducted by UNR is based, the above adjusted pro rata numbers of economic impact would be:

- Construction Phase

  During the construction phase, the Nevada LPP Program would yield a total state employment impact of 8 jobs. Also, direct labor income, value added, and financial impacts in the economy of the state of Nevada was estimated to be approximately $362k, $488k, and $850k, respectively.

  Additionally, due to economic linkages in the state of Nevada economy from indirect and induced linkages, total labor income, value added, and financial impacts to the economy for the state of Nevada was estimated to approximately $529k, $794k million, and $11.39 million, respectively.

  The IMPLAN model estimates that construction phase of the LPP Standard Loan Program projects will generate approximately $167k in combined total tax revenue.

- Operation Phase

  During the operation phase the LPP Standard Loan Project projects are expected to sustain total employment of 211, with total labor income, value added, and financial impacts of approximately $10.92 million, $18.55 million, and $31.66 million, respectively. These operation impacts are projected to reoccur.

  The IMPLAN model estimates that the LPP Standard Loan Program projects will generate approximately $4.33 million in combined total annual tax revenues.

2. GOED Economic Impact Analysis – Lightcast

In addition to the economic impact assessment conducted as part of Nevada's SSBCI application preparation by Prof. Tom Harris of the University of Nevada, Reno (UNR) Department of Economics, GOED has conducted its own economic impact analysis using Lightcast's EMSI modeling.

In contrast to the UNR utilized IMPLAN microcomputer input-output model which calculated economic impact based on the total allocation at the respective SSBCI program level, the Lightcast model which was applied by GOED, analyzes economic impact *for each individual company* that received an investment or loan from a SSBCI program.

EMSI's multi-regional social accounting matrix (MR-SAM) modeling system is a "comparative static" type model in the same general class as RIMS II (Bureau of Economic Analysis) and

IMPLAN (Minnesota Implan Group)[2]. It relies on a matrix representation of industry-to-industry purchasing patterns originally based on national data which are regionalized with the use of local data and mathematical manipulation (i.e., non-survey methods). Models of this type estimate the ripple effects of changes in jobs, earnings, or sales in one or more industries upon other industries in a region. The EMSI model shows final equilibrium impacts—that is, the user enters a change that perturbs the economy, and the model shows the changes required to establish a new equilibrium. As such, it is not a "dynamic" type model that shows year-by-year changes over time (as REMI's does).

i. Venture Capital Program

Total Economic Impact of Venture Capital Program Portfolio Company

Adaract	$ 1,961,507.93
Air Corp	$ 5,730,177.15
AI Foundation	$ 2,011,143.07
Brakesens	$ 908,129.14
BuildQ	$ 3,122,127.47
Carewear	$ 4,094,692.45
Cartwheel Robotics (total, 2 rounds)	$ 3,015,478.35
CIQ	$28,707,059.53
Click Bio (total, 3 rounds)	$ 3,229,093.78
Clotheslyne (total, 2 rounds)	$ 273,881.66
Coco Coders	$ 9,597,795.17
Create Good Foods	$ 2,073,308.28
Cuts Clothing	$ 3,086,434.26
Daya Medical (total, 2 rounds)	$13,614,976.48
Dog & Whistle	$ 605,223.00
Drain Drawer	$ 347,492.45
Drev Technologies	$ 4,782,337.91
Ecoatoms	$ 8,668,630.38
Elly Health	$ 2,773,587.83
Grant Cycle	$ 955,029.53
Hibear (total, 2 rounds)	$ 381,363.89
Infinadeck	$ 4,580,281.14
Know Risk Inc.	$11,693,567.68
Let's Rolo	$ 1,196,558.35

[2] The MR-SAM model is thus not an "econometric" model or an econometric-I-O hybrid model such as Policy Insight (developed by Regional Economic Models Inc.).

Luci Hub (total, 2 rounds)	$ 3,201,776.79
Longshot	$ 926,795.75
Melzi	$ 1,917,395.44
Mighty Well Foods (total, 2 rounds)	$ 610,327.38
Neuroreserve (total, 2 rounds)	$ 4,190,644.66
Onboarded	$ 5,874,379.32
Otsy Inc.	$ 3,130,109.55
Phone2	$ 1,910,696.37
Prosper Technology (total, 2 rounds)	$ 2,865,088.58
Quantum Copper	$ 2,256,994.48
SAGE Brands/ Battle Born Beer	$ 1,352,598.96
Sarcomatrix Therapeitics	$ 6,094,427.26
SeeID (total, 2 rounds)	$ 3,851,411.66
Semi Exact	$ 2,427,774.29
Silica Nexus	$ 5,399,734.84
Standard Measure Tech/ Nailstry	$ 518,945.96
Surgistream	$ 1,767,454.58
Terbine	$ 3,285,141.54
Tensorwave	$ 1,076,754.59
Tilt AI (total, 2 rounds)	$36,633,572.25
Tix4	$33,478,252.40
Ultion Technologies Inc.	$ 3,831,520.93
Project Cornell/ Visionaid	$ 855,869.26
Vena Vitals	$ 5,862,066.17
Vistro (total, 2 rounds)	$ 967,752.59
WAVR Technologies Inc.	$ 1,428,000.35
Zencentiv	$ 2,651,181.86
Total	$255,776,544.97

ii. Collateral Support Program

Total Economic Impact of Collateral Support Program Portfolio Company

Charette Ltd.	$ 2,641,735.18
Chavda Junag Neurology	$ 4,860,782.53
Full Tilt Logistics	$ 4,667,249.25
Innovolt Electric	$13,102,073.13

KR Properties	$ 7,720,850.74
Neurology Vegas, LLC	$ 3,911,578.32
Train Out Loud	$ 3,340,507.85
Vantage Concepts	$30,389,037.27
Vision Flooring Holdings	$ 4,770,024.82
XL Landscaping	$18,920,909.28
Total	$94,324,748.37

iii. Loan Participation Microloan Program

Total Economic Impact of LPP Microloan Program Portfolio Company

Aspire Behavioral Services	$ 2,937,279.28
CBK Salon	$ 507,278.51
Cutting Edge Contractors	$ 3,980,632.22
Fingerprinting Express	$ 3,553,977.03
Full Function Physical Therapy	$ 410,986.79
Global Fertility	$ 345,801.58
HH Management	$ 117,332.17
JMA Chocolates	$22,259,578.22
T4 Construction LLC	$ 2,640,385.76
Validity Construction Services	$ 3,541,387.68
Total	$40,294,639.23

iv. Nevada Loan Participation Program (Nevada LPP)

Total Economic Impact of Nevada LPP Program Portfolio Company

Coates Broadcasting	$ 511,454.51
Metro Center Hotel Group	$ 13,496,541.48
Total	$ 14,007,995.99

v. Total Economic Impact, Lightcast of SSBCI Program (based on current holdings)

Venture Capital	$255,776,544.97
Collateral Support	$ 94,324,748.37
LPP Microloan	$ 40,294,639.23
Nevada LPP	$ 14,007,995,99
Total Across All Programs	**$404,403,928.57**

3. Other Considerations for public interest assessment

i. Socially and Economically Disadvantaged Individuals run small businesses[3] (SEDI)

SSBCI is designed to catalyze private capital in the form of loans to and investments in small businesses, especially in historically underserved communities and among entrepreneurs who may have otherwise lacked the support needed to pursue their business ambitions. Specifically, the SSBCI statute, 12 USC 5704(e)(8), requires states to report to the US Treasury Department how the state plans to use federal program funds to provide access to capital for small businesses in low- and moderate-income, minority, and other underserved communities, including women- and minority-owned small businesses (collectively, underserved communities).

US Treasury's disbursement to Nevada's SSBCI Program contains a SEDI Allocation of $13,629,033 that must be allocated to eligible small businesses, as part of the state's total $112,956,523 SSBCI Capital Program allocation. In addition, Nevada would qualify for a further $7,268,818 if the state met its SEDI Objective target of 48.85 percent[4]. SEDI-owned businesses are defined as business enterprises owned and controlled by socially and economically disadvantaged individuals (SEDI). In September 2025, in its application for the second tranche of

[3] US Treasury definition: see https://home.treasury.gov/system/files/136/SSBCI-Capital-Program-Policy-Guidelines.pdf, pp. 8-12

[4] By meeting this objective, the state will become eligible for SEDI Incentive allocation during the second tranche of the SSBCI Capital Program.

SSBCI funds disbursement GOED submitted to US Treasury an allocation rate of **68 per cent to Nevada SEDI small businesses**, comfortably exceeding US Treasury's target.

Investment and/or loans to SEDI companies are making a crucial contribution to the equitable distribution of capital benefitting companies that previously have had challenges accessing financing. Capital distribution in line with Nevada's SEDI Objective should also mirror the state's demographic structure. It is one of Nevada's SSBCI Program goals that over time approved applications to our SSBCI Programs should reflect the population structure of this state.

ii. Increasing the number of highly scalable technology-based companies

The Venture Capital Program is committed to supporting commercialization of Nevada's research university's IP by offering capital during a phase in which most traditional VC will not participate. Technology-based firms (aka deep-tech[5]) develop solutions for highly novel and urgent, often global, challenges instead of just adopting innovation to new markets or providing new solutions to existing problems. As such, they can create entirely new industries and markets that have tremendous impact on shaping our futures. As a result, technology-based firms create comparatively more jobs outside the tech sector than, for example, manufacturing firms do. Risk capital provided by the Venture Capital Program increases the chance of the company passing the "valley of death" to reach commercial viability. The investment will make a valuable contribution to the formation and growth of deep-technology[6] startups and early-stage companies in Nevada, a segment where the state that has lagged behind other states. NBBGEI has been investing in an increasing number of deep-tech companies with links to Nevada's research universities. Examples are:

- Adaract – synthetic muscle powered prosthesis
- Cartwheel Robotics – robotics actuator technology (the company is forming a collaboration with UNR)
- Ecoatoms – payloads for space flights facilitating testing and production of biotech products (the company is a UNR NCAR affiliated company and has obtained federal contracts such as NASA)
- Heligenics – UNLV spinout company based on UNLV IP, and which is developing diagnostics, gene variant testing
- Longshot Space Technologies - aerospace startup rethinking how to get cargo into orbit by using a long-distance kinetic launcher ("space gun") instead of traditional rockets

[5] https://goed.nv.gov/what-are-deep-tech-startups/

[6] Deep-tech companies have a higher propensity to scale and employ highly skilled staff which presents opportunities for Nevada's science and engineering graduates. However, such companies in this early stage require longer capital support.

has secured contracts and funding from military and government programs for hypersonic testing

- Quantum Copper – UNLV spinout company based on UNLV IP, and which is applying polymer technologies to build fire retardant battery components (the company has recently won an NSF SBIR Phase 1grant)
- Sarcomatrix – UNR spinout company based on UNR Medical School IP developing first-in-class therapeutics to treat muscle-wasting diseases such as muscular dystrophies, cachexia and sarcopenia
- SEE ID – industrial IoT for active tagging system for logistics that tracks packages and items, both in stationary and mobile environments, and has developed proprietary software that allows it to precisely locate items for security and safety purposes (the company has won numerous SBIR grants/ contracts)
- WAVR Technologies – UNLV spinout company based on UNLV IP, develops high-output atmospheric water harvesting systems capable of producing water even in very low humidity levels, around 10 percent which is directly targeted at solving for Nevada's primary challenge (the company also obtained grant support from the NSF Engines and WaterStart

iii. Small businesses with products benefiting society

Many small businesses that have been recipients of investment and/or loan capital target specific problems which represent a positive *auxiliary* impact beyond mere economic considerations, therefore, furthering the public interest. Examples are:

- Adaract – synthetic muscle powered prosthesis
- Carewear – pain treatment and remote therapeutic monitoring
- Chavda Junag Neurology and Neurology Vegas – pediatric neurology and epilepsy
- Coates Broadcasting – rural Nevada radio station
- Daya Medical – medication adherence
- Dog & Whistle – reducing environmental waste
- Fingerprinting Express – investigation services
- Full Function Physical Therapy – physical therapy
- Global Fertility – family planning
- Grantcycle – grant impact monitoring
- Melzi – medical device manufacturer
- Neuroreserve – neurological health
- Quantum Copper – Li battery fire safety
- Sarcomatrix - therapeutics to treat life threatening muscle-wasting diseases such as muscular dystrophies, cachexia and sarcopenia
- Terbine – improving EV charging infrastructure

- Vena Vitals – medical device for non-invasive continuous blood pressure tracking
- WAVR Technologies – addressing and providing solution for Nevada's no1 challenge: water
- Vision Aid – improve performance for legally blind and low vision individuals
- Full Tilt Logistics – delivering cost advantages for logistics and transportation

IV. NBBGEI Financials

i. Financials and Audit

Nevada Battle Born Growth Escalator, Inc. (NBBGEI) current financials for the year ending June 30, 2024 including Balance Sheet, Income Statement, and Business Cash Flow Summary can be found in the Appendix. NBBGEI has engaged Barnard Vogler & Co. to audit the entity's most recent financial statements ending June 30, 2025. The engagement letter is included in the attachment of this report. Barnard Vogler & Co. is expected to issue their final report by February 2026.

ii. "Component Unit" of the State of Nevada

NBBGEI met with the Chief Deputy Controller in early November 2024, and it was determined by the Office of the State Controller that NBBGEI is **not** being categorized as a "Component Unit" of the state. A memo by the Office has been issued which is attached to this report.

V. APPENDIX

- NBBGEI Financial Statements as of June 30, 2024
- Audit Engagement Letter dated July 28, 2025
- "Component Unit" of the State of Nevada – Memo Office of the State Controller

NEVADA BATTLE BORN GROWTH ESCALATOR, INC.
(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS

JUNE 30, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Nevada Battle Born Growth Escalator, Inc.

Report on the Financial Statements

Opinion

We have audited the modified cash basis financial statements of the governmental activities and the general fund of Nevada Battle Born Growth Escalator, Inc. (the "Organization"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Nevada Battle Born Growth Escalator, Inc.'s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements, referred to above, present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and the general fund of Nevada Battle Born Growth Escalator, Inc. as of June 30, 2024, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Nevada Battle Born Growth Escalator, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Nevada Battle Born Growth Escalator, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Nevada Battle Born Growth Escalator, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Nevada Battle Born Growth Escalator, Inc.'s basic financial statements. Management's discussion and analysis is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2025, on our consideration of Nevada Battle Born Growth Escalator, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Nevada Battle Born Growth Escalator, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Nevada Battle Born Growth Escalator, Inc.'s internal control over financial reporting and compliance.

Barnard, Vogler & Co.

Reno, Nevada
July 8, 2025

The management's discussion and analysis of Nevada Battle Born Growth Escalator, Inc.'s (the "Organization") financial condition and activities for the fiscal year ended June 30, 2024 is presented in conjunction with the audited financial statements.

The Organization is a 501(c)(3) incorporated in the State of Nevada. The Organization was formed by the Nevada Governor's Office of Economic Development ("GOED") in accordance with Nevada Revised Statute 231.0545 in 2015 and has evolved into an independent entity which is not classified as a component unit of the state and is not included in the State of Nevada's Financial Statements.

Under contract from GOED, the organization operates Nevada's Small Business Credit Initiate ("SSBCI") program. SSBCI is a federal program through which the State of Nevada was allocated federal funding to support small businesses and entrepreneurship in communities across the State by providing capital to promote small business stability, growth, and success. The Organization operates five (5) individual SSBCI programs, maintains and holds all investments, including legacy investments from prior SSBCI programs.

Financial Highlights

The Organization's net position at year-end 2024 increased over year-end 2023 by $6,468,713.

Overview of Annual Financial Report

The Organization filed the enclosed financial statements pursuant to the Governmental Accounting Standards Board (GASB). GASB Statement No. 76 sets establishes the test for whether an independent organization is considered a governmental entity for purpose of accounting. An independent organization may be required to present its financial statements in accordance with GASB if:

- Popular election of officer or appointment (or approval) of a controlling majority of the members of the organization's governing body by officials of one or more state or local governments.

The Organization's governing body (Board of Directors) consists of (a) the Executive Director of Governor's Office of Economic Development ("GOED"), acting as chairman; (b) four persons chosen from the private sector who have at least ten (10) years of experience in the field of investment, finance, accounting, technology, commercialization or banking, who are appointed by the Executive Director and approved by the GOED Board; (c) one member appointed by the Nevada Speaker of the Assembly; and (d) one member appointed by the Nevada Senate Majority Leader. Because the Organization's Board is appointed by officials of the State, it is considered to be a governmental entity for accounting and financial reporting purposes.

The Board of Directors have selected to use the modified cash basis accounting for financial reporting. The financial statements have been prepared in accordance with modified cash basis as it applies to governmental entities. The financial statements include a statement of net position/fund balance – modified cash basis and governmental fund balance sheet, a statement of activities and changes in fund balance – modified cash basis and governmental fund revenue, expenditures and changes in fund balance, and notes to the financial statements.

The basic financial statements include:

The statement of net position and governmental fund balance sheet present the financial position of the Organization on the modified cash basis. This statement provides information about the nature and amounts of resources and obligations at year-end including the Organization's assets and liabilities, with the difference reported as net position and fund balance. Over time, increases and decreases in net position and fund balance are one indicator of whether the financial position of the Organization is improving or deteriorating.

The statement of activities and governmental fund revenue, expenditures and changes in fund balance present the results of the activities over the course of the fiscal year and information as to how the fund balance and net position changed during the year. The fund balance and net position changes under the modified cash basis when revenue is received, or expenditures are made.

The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the financial statements. The notes present information about the Organization's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events, if any.

Financial Analysis

The following is a summary of financial position (modified cash basis) based upon the government-wide financial statement as of June 30:

	2024	2023
Current Assets	$ 891,824	$ 747,614
Long-term Assets	16,376,520	10,271,017
Total Assets	17,268,344	11,018,631
Total Liabilities	-	219,000
Unrestricted/Total Net Position	$ 17,268,344	$ 10,799,631

The following is a summary of revenue and expenses/expenditures (modified cash basis) for the years ended June 30:

	2024	2023
Contribution and grant income	$ 8,711,057	$ 8,130,480
Interest income	111,934	22,567
Admin fee income	-	4,380
Misc. income	1,191	-
Total Revenues	8,824,182	8,157,427
Total Expenditures/Expenses	2,355,469	1,794,931
Change in Net Position	$ 6,468,713	$ 6,362,496

Results of Operations

For the year ended June 30, 2024, net position grew by $106,217 more than in the previous year. Total income increased by $666,755 mainly due to an increase of $580,577 in operating contracts awarded, an increase of $89,367 in investment income from interest bearing convertible promissory notes and cash collateral program, and a decrease of $3,189 from administrative fee income and miscellaneous income. Total expenditures increased by $560,538, mainly due to the net effect of a bad debt expense of $937,697, decrease in expenditures for operating contracts of $292,094, and decrease in other expenses of $85,065.

Capital Asset and Debt Administration

The Organization has no capital assets or debt obligations.

Final Comments

This report is designed to provide the reader with a general summary of the Organization's financial positions and operations. As such, it should be reviewed in conjunction with the audited financial statements and the accompanying disclosure notes. Questions concerning the information provided in this report, or requests for additional information should be addressed to the Chairman of the Board, Thomas Burns, at 808 W. Nye Lane, Suite 204, Carson City, NV 89703.

NEVADA BATTLE BORN GROWTH ESCALATOR, INC
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET -
MODIFIED CASH BASIS
JUNE 30, 2024

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Current Assets			
Cash and cash equivalents	$ 891,824	$ -	$ 891,824
Total Current Assets	891,824	-	891,824
Long-term Assets			
Interest receivable	109,269	-	109,269
Contingent receivable, net of allowance of $937,697	-	-	-
Investments	8,848,251	-	8,848,251
Collateral support	919,000	-	919,000
Loan participation program	1,300,000	-	1,300,000
Small business loans	5,200,000	-	5,200,000
Total Long-term Assets	16,376,520	-	16,376,520
Total Assets	17,268,344	-	17,268,344
LIABILITIES AND NET POSITION			
Fund Balance			
Unassigned	$ 17,268,344	(17,268,344)	
Net Position			
Unrestricted		17,268,344	17,268,344
Total Net Position		$ -	$ 17,268,344

See accompanying notes

NEVADA BATTLE BORN GROWTH ESCALATOR, INC
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Adjustments	Statement of Activities
Expenditures/Expenses			
Operating contracts	$ 1,248,562	$ -	$ 1,248,562
Bad debt expense	937,697	-	937,697
Investment impairment loss	100,000	-	100,000
Facilities and equipment	24,595	-	24,595
Insurance	7,268	-	7,268
Business expense	36,184	-	36,184
Bank service fees	1,163	-	1,163
Total Expenses	2,355,469	-	2,355,469
General Revenues			
Contribution and grant income	8,711,057	-	8,711,057
Interest income	111,934	-	111,934
Misc. income	1,191	-	1,191
Total Revenues	8,824,182	-	8,824,182
Change in Fund Balances/Net Position	6,468,713	-	6,468,713
NET POSITION, beginning of year	10,799,631	-	10,799,631
NET POSITION, end of year	$ 17,268,344	$ -	$ 17,268,344

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principal Business Activity: Nevada Battle Born Growth Escalator, Inc. (the "Organization") is a 501(c)(3) incorporated in the State of Nevada which operates Nevada's State Small Business Credit Initiative (SSBCI) programs including an evergreen venture capital program under contract from the Nevada Governor's Office of Economic Development ("GOED"). The Organization's primary purpose is to promote, aid, and encourage economic development in the State of Nevada.

Measurement Focus: In the governmental statement of net position and statement of activities, the Organization's activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting. In the fund financial statements, the current financial resources measurement focus or the economic resources measurement focus, as applied to the modified cash basis of accounting, is used as appropriate. Only assets and liabilities recognized in accordance with the modified cash basis of accounting are included on the statement of net position. The statement of revenues, expenditures, and changes in fund balance presents sources and uses of available spendable financial resources during the reporting period. This fund uses fund balance as the measure of available spendable financial resources at the end of the period.

Basis of Accounting: The financial statements are presented in accordance with the modified cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles ("GAAP") as established by the Governmental Accounting Standards Board. This basis of accounting involves modifications to the cash basis of accounting to report, in the statement of net position or balance sheet, cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments, interfund receivables and payables, capital assets and related depreciation, and short-term and long-term liabilities arising from cash transactions or events. Donated investments to the Organization are not reported under the modified cash basis of accounting because they were not derived from a cash transaction.

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

If the Organization were to use GAAP, governmental fund financial statements would be prepared using the modified accrual basis of accounting. However, all governmental financial statements are presented on the modified cash basis.

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents: Cash and cash equivalents are short-term, highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted for long-term purposes.

Interest Receivables: Interest receivable is recorded on a modified cash-basis. Under this approach, interest receivable is recorded on an accrued basis to account for interest income earned but not yet received as of the balance sheet date. This ensures that interest income from these notes is allocated to the periods in which it is earned, rather than only when cash is received.

Investments: Investments are recorded at cost under the modified cash basis of accounting. These include equity holdings in small and medium-sized Nevada-based enterprises. No adjustments are made to reflect fair market value fluctuations, and the carrying amounts remain at cost until a gain or loss is realized through a sale, settlement, or other disposition.

Collateral Support: Collateral support is cash deposited by the Organization to guarantee a borrower's obligations under a loan and is recorded at cost under the modified cash basis. It represents funds held as security for the loan facility provided by financial institutions for the benefit of certain borrowers. Collateral support is maintained at its transaction value without fair value adjustments and carries credit risk. In the event of a default by the borrowers, the funds may be used to cover outstanding liabilities.

Loan Participation Program: The Organization participates as a co-lender in a loan participation program in which it extends capital to businesses in partnership with a bank. Under the modified cash-basis of accounting, the Organization records its share of each loan at cost, representing the actual cash disbursed as part of these joint lending arrangements. Consistent with the treatment of other interest-bearing assets, interest income earned on the participating share is recorded on an accrued basis until received.

Small Business Loans: Small business loans are recorded at cost under the modified cash basis of accounting. This represents the amount of cash disbursed by the Organization for loans that remain outstanding as of the reporting date. The recorded balance reflects the actual cash provided to the borrower, excluding any accrued interest or other adjustments.

Estimates: The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make judgments affecting reported amounts of assets, liabilities, and changes therein. Actual results may differ from these estimates.

Income Taxes: The Organization is organized as a nonprofit entity under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes. It is required to file a Return of Organization Exempt from Income Tax (Form 990) annually with the Internal Revenue Service. Additionally, the Organization would be subject to income tax on net income derived from activities unrelated to its exempt purposes. Management has determined that the Organization had no unrelated business income for the year ended June 30, 2024, and, accordingly, no provision for income taxes has been made in the accompanying financial statements. The Organization believes it has adequate support for the tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements.

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications:

In the government-wide financial statements, net position is classified as follows:

Net investment in capital assets – consists of capital assets, net of accumulated depreciation. The Organization does not have net investment in capital assets.

Restricted net position – consists of net position with constraints placed on their use either by (1) external group such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Organization does not have restricted net position.

Unrestricted net position – consists of all other net position that does not meet the definition of net investment in capital assets or restricted net position.

The Organization's policy is to first apply expenditures against restricted net position balances, if applicable, and then unrestricted net position balances.

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – represents amounts that are either not in spendable form or are legally or contractually required to remain intact. The Organization does not have any nonspendable fund balances.

Restricted – represents amounts which can be spent only for specific purposes because of state or federal laws, or externally imposed conditions. The Organization does not have any restricted fund balances.

Committed – represents amounts which can be spent only for specific purposes determined by the members of the governing board's formal action through a resolution or action. The Organization does not have any committed fund balances.

Assigned – represents amounts which can be used only for specific purposes but do not require action by the governing board. The Organization does not have any assigned fund balances.

Unassigned – represents all amounts not included in other classifications.

The Organization's policy is to first apply expenditures against restricted fund balance, if applicable, and then committed, assigned, and then unassigned balances.

NOTE 2 - CASH AND CASH EQUIVALENTS

The Organization manages deposit concentration risk by placing cash with financial institutions believed to be creditworthy. Accounts are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 per depositor, per insured bank, for each account ownership category. As of June 30, 2024, the Organization held cash deposits totaling $891,824 with JP Morgan Chase, of which $641,824 exceeded FDIC-insured limits. To date, the Organization has not experienced losses in any of these accounts. The Organization does not currently have a deposit policy related to custodial credit risk.

NOTE 3 - INTEREST RECEIVABLE

The Organization holds investments in interest-bearing convertible promissory notes, as well as receives interest from its Loan Participation Program (LPP) and Collateral Support Program (CSP). The convertible promissory notes carry annual interest rates ranging from 2% to 12%, and interest accrues until conversion. The interest receivable account, as presented on the statement of net position, represents accrued interest earned but not yet received from these sources. For the year ended June 30, 2024, the Organization recognizes total interest income of $111,934. As of June 30, 2024, the interest receivable balance stands at $109,269, reflecting accrued interest from the convertible promissory notes, LPP, and CSP.

NOTE 4 - INVESTMENTS

The Organization holds investments in convertible promissory notes and other equity instruments issued by small and medium-sized companies in the State of Nevada.

As of June 30, 2024, the total investments amounted to $8,848,251, which includes $1,755,000 in interest-bearing convertible promissory notes and $7,093,251 in equity holdings. The convertible promissory notes are intended to be converted into equity securities at a future date. Management does not intend to collect interest payments on these notes, and interest income is recognized to allocate the economic benefits derived from these notes to periods beyond the period of conversion.

Issuer	Purchase Price	Maturity Date	Interest Rate	Inception Date
Atlas	$ 40,000	2023	5%	2022
Prosper	40,000	2024	5%	2022
Taber	100,000	2025	5%	2020
Terbine	225,000	2025	6%	2022
Carewear	250,000	2025	8%	2023
Daya Medicals Note 1	500,000	2026	8%	2023
Daya Medicals Note 2	500,000	2026	12%	2024
ClickBio	100,000	2026	8%	2024
Total notes receivable	1,755,000			
Equity investment	7,093,251			
Total Investments	$ 8,848,251			

NOTE 5 - COLLATERAL SUPPORT

As of June 30, 2024, the Organization's collateral support arrangements consist of $219,000 held at Plumas Bank, earning an annual fee of 2%, and two separate arrangements at GenuBank totaling $700,000, each carrying an annual fee of 3%. All cash collateral remains on deposit until the related obligations are satisfied or may be applied by the lender in the event of default.

NOTE 6 - SMALL BUSINESS LOAN

As of June 30, 2024, the Organization's outstanding small business loans to CI Small Business Nevada, LLC total $5,200,000. Calvert Impact Small Business, LLC acts as lead servicer, managing payments, documentation and compliance. Interest on these loans is recognized upon receipt. The Organization mitigates credit risk through ongoing servicer reports on the Borrower's financial condition and retains the right to recover any unpaid balances under the loan agreement in the event of default.

NOTE 7 - LOAN PARTICIPATION PROGRAM

As of June 30, 2024, the Organization's participating share in the Genubank loan program totals $1,300,000 and carries an annual interest rate of 1%.

NOTE 8 - IMPAIRMENT LOSS

The Organization recognizes a $100,000 impairment loss during the year ended June 30, 2024, due to the default of a small business loan. This loss represents an adjustment to the underlying asset and the Organization does not believe there is a recoverable value after evaluating available information, including asset liquidation. The impairment is recorded in the statement of activities under expenditures/expenses.

NOTE 9 - BAD DEBT EXPENSE AND CONTINGENT RECEIVABLE

The Organization recognizes a bad debt expense of $937,697 during the year related to a disbursement made in August 2024 to invest in Allegiant Electric, Inc. Subsequent to this transaction, it was discovered that a third party, unaffiliated with Allegiant Electric, Inc., used fraudulent representations to misappropriate the funds. Accordingly, the fully disbursed amount has been recorded as a bad debt expense in the financial statements. A contingent receivable of $937,697 and an equal allowance for doubtful accounts is presented on the statement of net position, reflecting the receivable recognized and the full allowance established. The matter is currently under ongoing federal and state investigation, and no provision for recovery has been recorded as of June 30, 2024.

NOTE 10 - RELATED PARTY TRANSACTIONS

During the fiscal year 2024, the Organization engaged in transactions totaling $112,313 with service provider whose CEO and Founder was a voting member of the Organization's Investment Committee. These transactions, involving contracted services and business expenses, have been conducted at arm's length under terms comparable to those with unrelated parties and were approved by the Board of Directors to ensure compliance with governance policies and mitigate potential conflicts of interest.

NOTE 11 - COMMITMENTS

The Organization has entered into contractual commitments requiring future use of financial resources, including service agreements with multiple parties. These agreements include a contract with Amaze LLC to pay $102,000 per year for services; a contract with Flynn Giudici Government Affairs for $126,000 per year; a contract with Guerci Law PLLC to pay $150,000 per year for combined Legal Counsel and Chief Compliance Officer services, and a contract with Kyle Ferguson to pay $105,000 per year for the Chief Program Officer position

NOTE 12 - SUBSEQUENT EVENTS

The Organization evaluated subsequent events through July 8, 2025, the date the financial statements were authorized for issue.

Subsequent to the financial statement date of June 30, 2024, management determined that an investment has become impaired. As of June 12, 2025, the amount of the impairment loss is not reasonably estimable, and no adjustment has been recorded. If future analysis establishes that the impairment loss is both material and reasonably estimable, an appropriate adjustment will be recognized in the financial statements of that period.

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BARNARD VOGLER & CO.
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Nevada Battle Born Growth Escalator, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and general fund of Nevada Battle Born Growth Escalator, Inc. (the "Organization") as of and for the year ended June 30, 2024, and the related notes to financial statements, which collectively comprises the Organization's basic financial statements, and have issued our report thereon dated July 8, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompany schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2024-001 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Organization's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The organization's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Barnard, Vogler & Co.

Reno, Nevada
July 8, 2025

2024-001 **Internal Control Over the Preparation of Financial Statements**

Material Weakness

Criteria: An internal control system is properly designed, implemented, and operating effectively for the preparation of financial statements in accordance with the modified cash basis of accounting.

Condition: The Organization has formal procedures to record investment purchase agreements, recognize investment income, and prepare related disclosures. However, these procedures operate in isolation rather than within a unified control framework.

Cause: Reconciliation processes are not governed by a defined review timetable or documented approval workflow. Reconciliations and monthly closing general ledger reports are prepared but not reviewed promptly after each reporting period, so data-entry errors, missing transactions, and classification mistakes remain unnoticed. Without consistent, timely management oversight of reconciliations to underlying investment purchase agreements, discrepancies persist in the general ledger until year end.

Effect: This lapse in the review and approval process constitutes a material weakness in internal control over financial reporting. During the audit, management identified, reviewed, and proposed all necessary adjustments to correct misstatements in investment balances and investment income. Those adjustments have been incorporated into the financial statements, and no additional disclosure note was required to explain the corrections.

Recommendations: Adopt a formal reconciliation policy with clear timelines, standardized templates linking each ledger entry to the underlying transaction, and documented preparer and reviewer sign-offs with assigned ownership. Automate data imports where possible to minimize manual entry errors. Require monthly reconciliation status reports to management and train staff on the new procedures to ensure timely oversight.

Management Response: Management is in agreement with the finding, and as of the date of this report, has completed the implementation of a sufficient financial accounting/reporting system to address this finding.

BARNARD VOGLER & CO.
Certified Public Accountants

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July 28, 2025

Mendy Elliot
Chief Executive Officer
Nevada Battle Born Growth Escalator, Inc.
Carson City, Nevada

You have requested that we audit the modified cash-basis financial statements of the governmental activities and the general fund of Nevada Battle Born Growth Escalator, Inc. (the Organization) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements.

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller general of the United States (*Government Auditing Standards*) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Auditor Responsibilities

We will conduct our audits in accordance with (GAAS), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

As part of an audit of financial statements in accordance with GAAS, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Nevada Battle Born Growth Escalator, Inc's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of Nevada Battle Born Growth Escalator, Inc's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. To provide us with:
    a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
    b. Additional information that we may request from management for the purpose of the audit;
    c. Unrestricted access to persons within the entity and others from whom we determine it necessary to obtain audit evidence.
4. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by us;
5. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
6. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
7. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;

8. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
9. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and
10. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
11. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
12. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in the system of internal control and others where fraud could have a material effect on the financials; and
13. For the accuracy and completeness of all information provided;
14. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit, including your understanding of your responsibilities as defined in this letter to us in your management representation letter.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Nonattest Services

We will provide the following nonattest services outlined as follows:

1. We will prepare Nevada Battle Born Growth Escalator, Inc's federal information return, Form 990, for the year ending June 30, 2025.

2. We will assist in the preparation of the modified cash-basis financial statements of the governmental activities and general fund of Nevada Battle Born Growth Escalator, Inc.

We will not assume management responsibilities on behalf of Nevada Battle Born Growth Escalator, Inc. However, we will provide advice and recommendations to assist management of Nevada Battle Born Growth Escalator, Inc. in performing its responsibilities.

Nevada Battle Born Growth Escalator, Inc.'s management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the engagement are as follows:

- We will perform the services in accordance with applicable professional standards, including the Standards issued by the AICPA.
- The nonattest services are limited to preparation of the federal information return (Form 990) and the financial statement preparation assistance previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries. Our firm will advise Nevada Battle Born Growth Escalator, Inc with regard to tax positions taken in the preparation of the tax return, but Nevada Battle Born Growth Escalator, Inc must make all decisions with regard to those matters.

Reporting

We will issue a written report upon completion of our audit of Nevada Battle Born Growth Escalator, Inc's basic financial statements. Our report will be addressed to the board of directors of Nevada Battle Born Growth Escalator, Inc. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

We also will issue a written report on our testing of internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing upon completion of our audit.

Other

Jamie Lawson is the engagement director for the audit services specified in this letter. Her responsibilities include supervising Barnard, Vogler & Co.'s services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. We estimate that our fee will not exceed $47,000 for the audit, $3,000 for preparing the Organization's Form 990 return for the fiscal year ending June 30, 2025. Further, we will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the Organization's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit.

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

The audit documentation for this engagement is the property of Barnard, Vogler & Co. and constitutes confidential information. However, we may be requested to make certain audit documentation available to federal and/or state agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or

to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Barnard, Vogler & Co.'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

Our firm may transmit confidential information that you provided us to third parties in order to facilitate delivering our services to you. For example, such transmissions might include, but not be limited to technology contractors and data storage providers. We will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. By your signature below, you consent to having confidential information transmitted to entities outside the firm. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the firm.

Should we receive any request for the disclosure of privileged information from any third party, including a subpoena or IRS summons, we will notify you. In the event that we are required to respond to a subpoena, court order, or other legal process for the production of documents and/or testimony relative to information obtained and/or prepared during the course of our engagement, you agree to compensate us at our hourly rates for forensic or litigation services, for the time we expend in connection with such responses, and to reimburse us for all of our out-of-pocket expenses incurred in that regard, including but not limited to reasonable attorneys' fees incurred by us in connection with responding or objecting to the scope of an information request, or incurred as a result of your refusal to provide written consent to produce subpoenaed documents or provide the required testimony.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditors' report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to the Board of Directors the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any, and;
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirement of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements and compliance over major award programs, including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Sincerely,

Barnard, Vogler & Co.

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Nevada Battle Born Growth Escalator, Inc.:

Mendy K Elliott	
Officer Signature	Board Signature
Chief Executive Officer	Secretary/Treasurer
Title	Title
07.30.2025	7/30/2025
Date	Date

ANDY MATTHEWS
Controller

STATE OF NEVADA

JAMES SMACK
Chief Deputy Controller

OFFICE OF THE
STATE CONTROLLER

November 22, 2024

Potential Component Unit in question:

NBBGEI = Nevada Battle Born Growth Escalator, Inc.
This is a nonprofit corporation formed under AB17 (2015). There are seven board members. The Executive Director of the Office of Economic Development serves as the chair of the board of directors and appoints four members from the private sector. Two other members serve on the board, one appointed by the Speaker of the Assembly and one appointed by the Senate Majority Leader.

Discussion:

On November 8, 2024, James Smack and Jocelyn Holly of the Controller's Office and Kurt Schlicker and Laura Nelson of Eide Bailly held a conference call with Christine Guerci, legal counsel for Nevada Battle Born Growth Escalator, Inc. (NBBGEI), about the potential component unit.
There was some confusion about the relationship between Battle Born Venture and NBBGEI. Christine clarified that Battle Born Venture is not an entity, but a program run by GOED that is in BA 1521 - NV SSBCI Program. NBBGEI is a separate entity that holds investments for the program in a custodial capacity, along with federal funds.
It was discussed that NBBGEI has a separate board, of which the Director of GOED appoints a majority; however, the board can outvote the chair.
The parties continued through a series of if/then questions through a GASB 61 flowchart to ensure all parties were comfortable with the same conclusion.

Conclusions:

Based on the findings from the GASB61 flowchart, the Controller's Office and Eide Bailly concluded that NBBGEI is a related organization and does not qualify as a component unit under GASB 61 since:

- The State cannot impose its will:
    - Board members can only be removed for cause, not at will
    - No ability to modify NBBGEI's budget

    - N/A for fees/rates
    - No ability to veto, overrule or modify the decisions of the board
    - Does not have the ability to appoint, hire, reassign, or dismiss management (the NBBGEI board does)
- There is no financial benefit/burden to the State
    - The State is not legally entitled to or can otherwise access NBBGEI's resources
    - The State is not legally obligated nor assumed obligations of NBBGEI
    - There are no non-exchange transactions between the State and NBBGEI that would give an implicit benefit/burden relationship, it is a contractual relationship and/or grantor/grantee relationship.
- It is not misleading to exclude under GASB 39
    - Resources are not for the benefit of the State itself or indirectly benefiting the State government. NBBGEI serves Nevada start-up businesses.

Therefore, NBBGEI will not be reported as a component unit of the State.

Respectfully submitted,

James Smack
Chief Deputy Controller