

# *Launch NY*



ANNUAL  
REPORT

Celebrating 10 Years  
Growing Our Startup  
Economy

20  
22

# BOARD OF DIRECTORS



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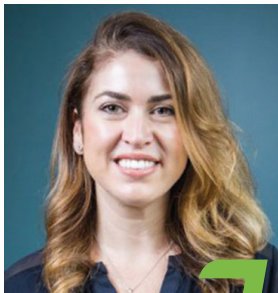
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# A LETTER FROM LAUNCH NY PRESIDENT AND CEO

Two thousand twenty-two was a landmark year for Launch NY. We were thrilled to commemorate our 10th anniversary with numerous celebratory events, which brought together entrepreneurs, investors, mentors, and many of our other partners from across our entire Upstate NY territory. And if you believe in the rule of three, then you will appreciate that last year also saw us achieve over \$10 million in local startup investments from our InvestLocal Financing Programs and \$10 million in total historical funding commitments from the Ralph C. Wilson, Jr. Foundation to grow our mentorship and financing programs.

Through those vital programs, Launch NY has in the past ten years supported nearly 1,500 startup companies, which altogether have created 4,547 local jobs, generated more than \$228 million in annual revenues, and raised over \$1.2 billion in follow-on capital. Launch NY's InvestLocal Financing Programs have played a vital role, not only in directly fueling our most promising startups, but also in attracting 20-35 times more capital from other funders into our portfolio companies.



These remarkable results helped make Buffalo the fifth fastest-growing startup city in the US in 2021, based on its venture capital growth, and continued Launch NY's track record as the most active seed fund in New York State by volume of transactions. Plus, last year we earned a major national SeedRound ranking among the top five nonprofit seed funds in the country.

We completed making our first-time company investments from our first limited partner (LP) fund, LP Fund I, yielding 55 portfolio companies since inception in 2019. These startups are primed to build on some early exits to date, with more significant ones expected in 2023 and beyond. Launch NY's Nonprofit Seed Fund had its biggest year yet with 2022 investments totaling over \$1.3 million, representing a 39% increase from 2021. Additionally, we made our largest-ever first-time investments last year, totaling \$125,000 each, into AireXpert and Sign Speak, led by a Black man and a Black woman founder, respectively.

Our Investor Network, the only digital platform offering exclusively local deal-by-deal investments, supported another four companies last year, while growing its membership to 252 accredited investors who share the passion to InvestLocal and successfully hosting its first minority founder-led startup round of featured deals on the Investor Network. As one of a small number of women fund managers in the country, I am proud that our region is providing thought leadership in leveling the playing field for underserved founders. Last year, we published our first white paper on our award-winning Founders Go Big initiative, *Lessons Learned and Voices from an Entrepreneurship Program for Underrepresented Founders*, which we will disseminate in 2023, supported by our second grant from JPMorgan Chase earned in 2022.

Overall, Launch NY earned a total of \$4.44 million in new sponsorship and grant commitments in 2022, including expanded funding from the New York State Energy-Research and Development (NYSERDA) for our Emerging Cleantech Opportunity (ECO) Incubator, as well as new awards from the Economic Development Administration, including the Build Back Better program, and the Ralph C. Wilson, Jr. Foundation.

Compared to ten years ago when we founded Launch NY, the momentum in our regional startup ecosystem is palpable! Thanks to the support of so many of you, the team at Launch NY continues to be a workhorse, supporting entrepreneurs with our mentorship and investment infrastructure, including new digital tools. Together, we're driving sustainable long term systemic change and economic development that our community will enjoy for generations to come.

I invite you to be in touch to explore ever-evolving ways to support the entrepreneurial ecosystem through our wide array of for profit and nonprofit programs, affording you the opportunity to do well while doing good in our community.

*Marice LaVigne, PhD*



STARTUPS  
MENTORED

**1,489**



FUNDS RAISED  
BY MENTORED  
COMPANIES

**>\$1.2 billion**



JOBS  
SUPPORTED

**4,547**



REVENUE  
GENERATED BY  
MENTORED  
COMPANIES

**>\$228 million**



MINORITY AND/  
OR WOMEN-LED

**44%**

# MAKING STARTUPS INVESTMENT READY

## 10 YEARS OF BUILDING STARTUP COMPANIES



As a woman-led SaaS company and proud Launch NY portfolio company, we have experienced an incredibly high level of support and engagement from the EIRs, the CEO, and the staff. One of the most interesting strengths of this organization has been their ability to organically evolve their mentoring approach in lock-step with the growth of our company. They are both creative and quality-focused."

**Carley Hill**  
CEO and Founder, CAHill TECH  
Workplace Training & Safety  
Company



**WE SUPPORT ENTREPRENEURS**  
**WE EMPOWER INVESTORS**  
**WE CONNECT SUPPORTERS**

### EVER-EXPANDING MENTORSHIP

Launch NY supports startup companies on a path to achieve at least \$10 million in annual revenues by years 5-7 via pro bono mentorship delivered by dozens of Entrepreneurs-in-Residence, augmented by additional subject matter experts and other programming, based on best practices. Our new resources in 2022 include:

- More demographically diverse Entrepreneurs-in-Residence (EIRs)
- New online Resource Navigator directory
- Expanded National Mentor Network from 2,000 to more than 500,000 subject matter experts, through a partnership with University at Buffalo
- Enhanced Fast Forward portfolio company coaching, in partnership with Upstate Venture Connect



# 360

SERVICED  
CLIENTS  
IN 2022



# NAMED AMONG TOP 5 NONPROFIT SEED FUNDS IN US

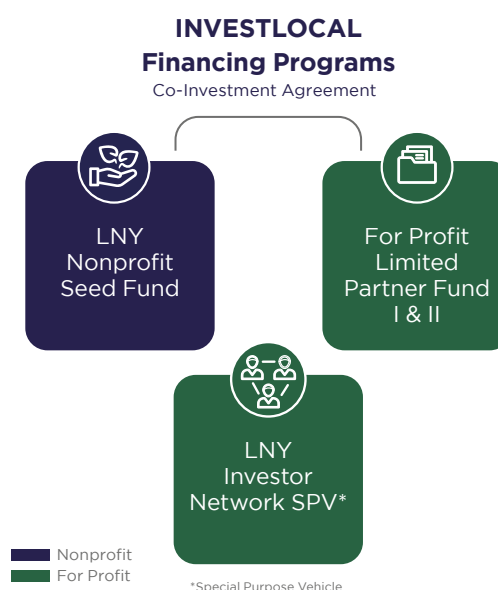
## FUNDING PROMISING STARTUPS BRINGS NATIONAL RECOGNITION TO THE REGION

Introduced in 2016, Launch NY's Nonprofit Seed Fund quickly became the most active seed fund in New York State by number of transactions, investing up to 2-4 times monthly totaling nearly \$6 million by the end of 2022 in 86 companies with over 300 follow-on and co-investors bringing 35x in additional funding to our portfolio companies.

In 2022, Launch NY was recognized as one of the top five nonprofit seed funds in the United States by SeedRound, a directory of investors and funding organizations. SeedRound tracks over 200,000 investors and 1,000,000 key employees in these firms and uses this data to highlight top performers in the industry.

Launch NY was selected based on its track record of success, executive leadership, market share, innovation, and ESG rating. Among fewer than 15% of venture funds led by women in the U.S., this recognition is a testament to Launch NY's commitment to supporting startups and entrepreneurs regardless of background in Upstate New York through its seed funding programs and other resources.

Responding to the demand among other investors to invest in a region they want to see grow, Launch NY introduced its expanded InvestLocal Financing Programs starting in 2019 by adding for profit



programs that offer an opportunity for financial returns to investors. Launch NY's 10th anniversary in 2022 was also marked by total investments of over \$10 million to date from Launch NY and over 300 additional individual and institutional funders. Launch NY is targeting building its overall investor pool formally involved in its InvestLocal Financing Programs to 500 by the end of 2025.

### TOTAL LNY INVESTLOCAL INVESTMENTS

**\$10.01  
MILLION**

### PORTFOLIO COMPANY INVESTMENT ATTRACTED FROM OTHER FUNDERS

**35X**

### NUMBER OF LNY PORTFOLIO COMPANIES

**86**

### WOMEN AND/OR MINORITY-LED PORTFOLIO COMPANIES

**51%**

### JOBS CREATED BY PORTFOLIO COMPANIES

**498**

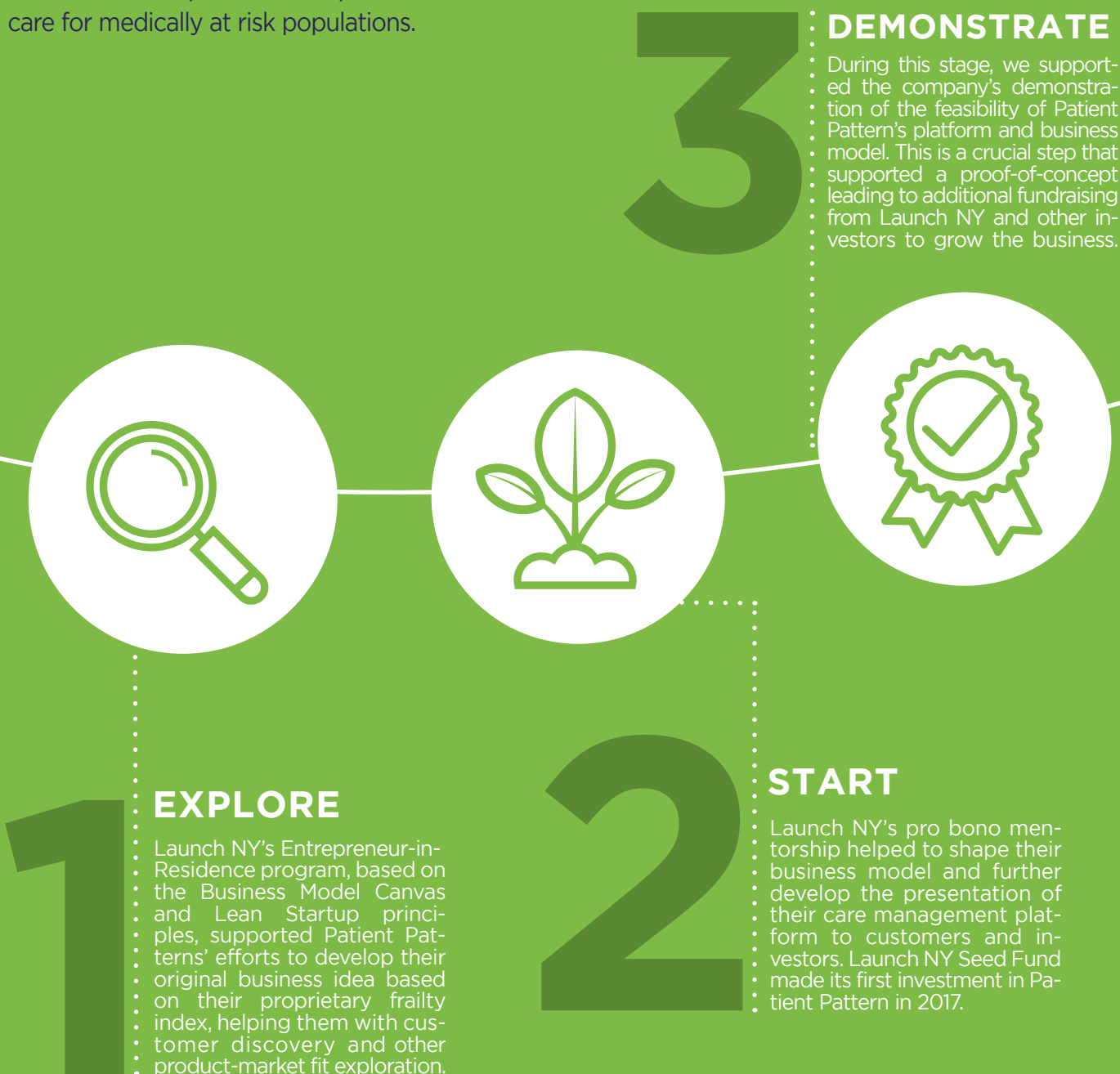
### NUMBER OF INVESTORS IN LP FUND I AND/OR INVESTOR NETWORK

**301**

Reporting Period: 1/1/16 to 12/31/22 / Note: portfolio company statistics reflect LNY Nonprofit Seed Fund

# CLIENT COMPANY SPOTLIGHT: PATIENT PATTERN'S JOURNEY

Since 2015, Launch NY has provided pro bono mentorship to Patient Pattern, a care management platform used to improve outcomes by managing communications, information, and value-based care for medically at risk populations.



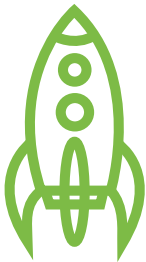
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**GROW**

With strong product-market fit, the company leveraged an expanding network of support and funding from Launch NY and others to grow their customer base, generate significant revenues, and consider their future strategy.

**EXIT**

Fueled by total lifetime funding of \$280,000 from Launch NY that helped the company attract seven figures from other investors along the way, Patient Pattern ended 2022 with over 20 employees and perfectly positioned for growth and ultimately a successful exit to any number of industry leaders.



4

**LIFTOFF**

Faced with the pandemic and important market feedback, the company responded with an evolution of their product, leveraging continuing support from Launch NY and building traction on their new pathway.

6

“

I really needed someone to mentor me along the way around the operations, capital, and raising process. So we found a home with Launch NY. When you are early, everybody is quick to say NO to giving you capital because you have just an idea often, and so with Launch NY I found that I was able to stick with that guy and get to YES.”

**Steven Buslovich, M.D.**  
Co-Founder of Patient Pattern  
with Co-Founder **Margaret Sayers**





TOTAL FGB  
COMPANIES  
SERVED:

68



TOTAL ANNUAL  
COMPANY  
REVENUES

**\$2.07 million**



JOBS  
SUPPORTED BY  
FGB COMPANIES:

83



TOTAL  
FUNDS RAISED

**\$6.3 million**

Reporting Period:  
1/1/20-12/31/22

# FUELING UNDERREPRESENTED FOUNDERS IN BUILDING HIGH-GROWTH POTENTIAL STARTUPS

## FOCUS ON DIVERSITY, EQUITY, INCLUSION AND ACCESSIBILITY

Launch NY's mission includes promoting diversity, equity, inclusion, and accessibility (DEIA) opportunities. Bucking alarming national statistics reflecting that venture capital continues to bypass women and minority founders, Launch NY's portfolio comprises over 50% underrepresented founder-led companies who have received nearly 60% of Launch NY's investment capital.

The Founders Go Big (FGB) DEIA program that was started in 2020 with grant support from JPMorgan Chase has served 68 companies and hosted over 30 events, including advisory board meetings, in 2022. Launch NY collaborated with the WNY CDFI Consortium and onboarded more demographically diverse Entrepreneurs-in-Residence to better serve its client companies. Launch NY also published a white paper on FGB lessons learned at year end in preparation for dissemination in 2023. In July 2022, Launch NY featured DEIA investment deals on its Investor Network platform that yielded \$150,000 in new capital from over a dozen investors to support company growth.

LaunchNY | Founders Go Big

### **Lessons Learned and Voices from an Entrepreneurship Program for Underrepresented Founders**



**Launch NY Founders Go Big Program**  
*Identify, Educate, Inspire, Engage*

Meet the founders in the *Lessons Learned and Voices from an Entrepreneurship Program for Underrepresented Founders* Publication.

## FUNDERS STEP UP TO SUPPORT INCLUSION AND GROWTH

In 2022, JPMorgan Chase stepped again with a second award to advance the FGB program. Since 2020, Launch NY has invested \$745,000 in eight of the 68 FGB companies, and those companies now have supported 83 jobs and attracted \$6.3 million in funding.



## HIGHLIGHT FROM FOUNDERS GO BIG (FGB) LESSONS LEARNED WHITE PAPER

“FGB has addressed the ‘elephant in the room’ since day one. Considering the steeper curve for underrepresented potential founders nationwide, but especially in our region, we mindfully designed a program to provide access to resources for founders who are Black, Brown, Women, Disabled, Veterans, or excluded for other historical differences, to turn their ideas into something big.”

## LARGEST-EVER SINGLE FIRST TIME INVESTMENT BY LAUNCH NY



It’s gratifying to receive such a significant investment, combined with all the other support we’ve received from Launch NY. This funding will help us accelerate our tech build-out dramatically and enable us to start building up our sales and marketing infrastructure as well.”

**Andy Hakes**  
Founder and CEO of  
AireXpert

COMPANY	NONPROFIT SEED FUND	LP FUND I	INVESTOR NETWORK
AIREXPART	\$75K	\$50K	\$85K

Buffalo-based startup AireXpert received a historic investment of \$125,000 from Launch NY during Black History Month from Launch NY’s Nonprofit Seed Fund and for profit Limited Partner Fund I, which was augmented in the second half of 2022 with \$85,000 from Launch NY’s Investor Network. AireXpert’s digital platform helps airlines manage unscheduled aircraft maintenance, reducing the likelihood of delays or cancellations.

# TRANSFORMING CLEAN ENERGY IDEAS INTO HIGH-GROWTH BUSINESSES

Launch NY's Emerging Cleantech Opportunity (ECO) Incubator has operated since 2018 as one of the six incubators designated by New York Energy Research and Development Authority (NYSERDA), dedicated to supporting high-growth cleantech startups that align with New York State's sustainability goals. ECO Incubator offers resources and guidance for clients in various industries, from energy efficiency to transportation. Its focus is on measurable and scalable impacts on the state's renewable energy, greenhouse gas reduction, and sustainability targets.

OUR ECO COMPANIES ARE FUELING ENERGY EFFICIENCY AND ENVIRONMENT-FRIENDLY INITIATIVES WHILE GROWING OUR CLEANTECH ECONOMY.

TOTAL ECO  
COMPANIES  
SERVED

35

TOTAL  
ANNUAL  
COMPANY  
REVENUES

\$18.1M

JOBS  
SUPPORTED  
BY ECO  
COMPANIES

302

TOTAL FUNDS  
RAISED

\$286M

Reporting Period: 12/31/21 to 12/31/22

## ECO COMPANY SPOTLIGHT

Launch NY cleantech portfolio company Dimensional Energy, led by Niagara Falls native **Jason Salfi**, now based in Ithaca, is establishing one of its first production facilities for its Sustainable Aviation Fuel (SAF) in the region.

In 2022 the company earned an investment from United Airlines, including a purchase agreement for 300 million gallons of SAF.





# 10TH ANNIVERSARY FOUNDERS & INVESTORS CELEBRATIONS





# OUR INVESTLOCAL FINANCING PROGRAM INVESTMENTS OF >\$10 MILLION HAVE ATTRACTED 20-35 TIMES MORE CAPITAL FROM OTHER FUNDERS



## NONPROFIT SEED FUND

In 2016, Launch NY created the Nonprofit Seed Fund, fed by grants and donations, with the goal of providing self-sustaining, “evergreen” equity capital source for startups for proof-of-concept.

- **\$1.325 million invested in 2022**
- **25 transactions in 22 companies**
- **86 total portfolio companies**
- **\$5.595 million total invested since inception (2016)**



## LIMITED PARTNER (LP) FUND I AND II

LP Fund I is Launch NY’s for profit fund that was introduced in 2019 and closed in 2020 at \$5.425 million. LP Fund II was formed in 2022. As a co-investment vehicle with the Nonprofit Seed Fund, doubling the capital injected into Launch NY portfolio companies, LP Fund I includes over 70 like-minded individuals, businesses, and philanthropic organizations who care about innovation and regional economic prosperity.

- **\$715,000 invested in 2022**
- **16 transactions in 13 companies**
- **55 total portfolio companies**
- **\$2.94 million total invested since inception (2019)**



## INVESTOR NETWORK

Launch NY’s Investor Network is the only online marketplace featuring investment opportunities exclusively in Upstate NY startups introduced in 2020. Over 252 (and growing) accredited investor members easily review due diligence on the Venture 360 platform and invest as little as \$10,000 per company through an LLC managed by Launch NY.

- **\$280,000 Invested in 2022**
- **4 transactions in 4 companies**
- **13 total Investor Network-funded companies**
- **\$1.475 million total invested since inception (2020)**



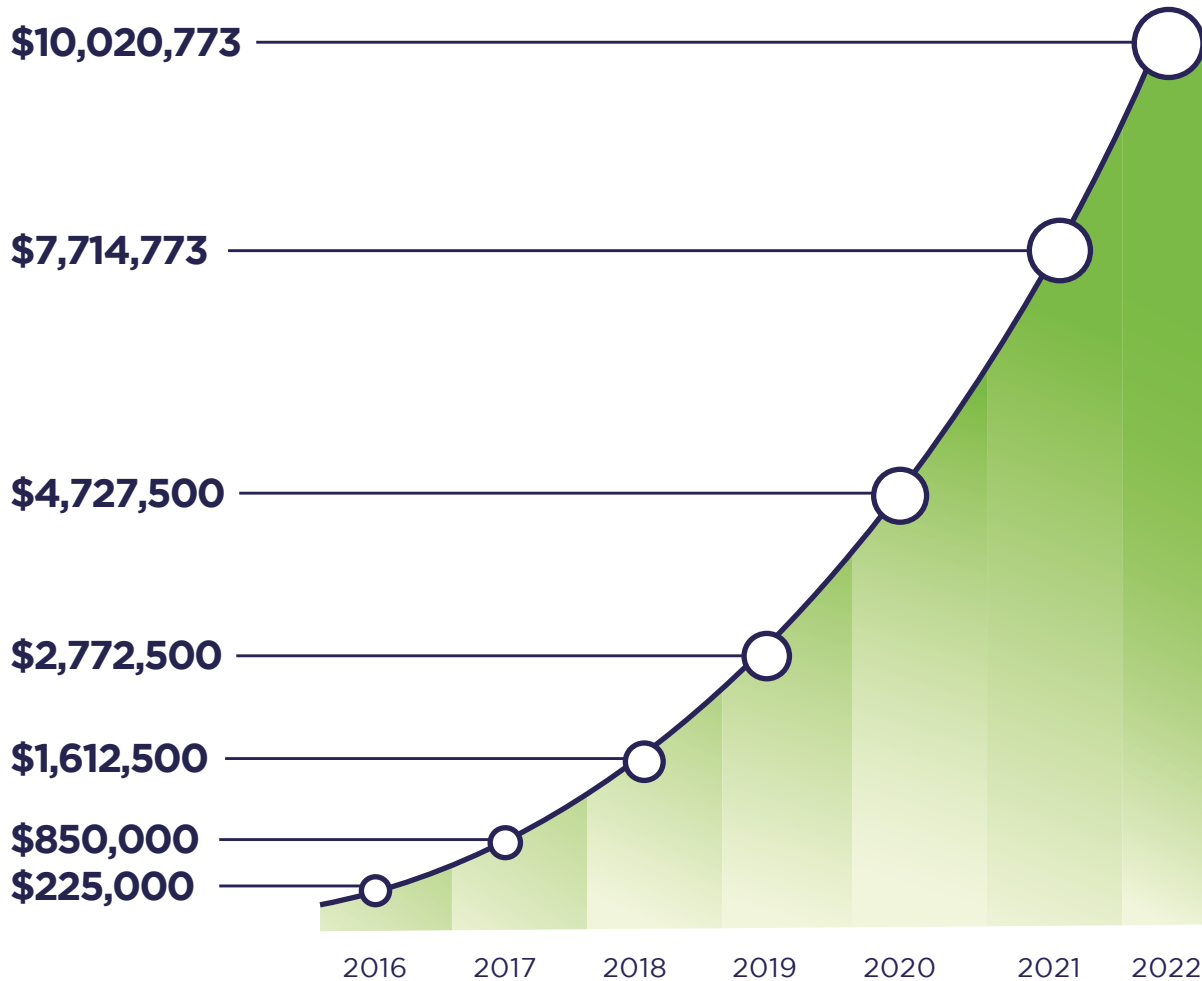
“As a long-standing community financial institution, we are always looking at innovative ways to support the renaissance in the communities we serve. We have been proud to support both Launch NY’s Nonprofit and for profit Limited Partner Seed Funds to ensure greater access to equity capital for promising entrepreneurs.”

**David Nasca**, President and CEO of Evans Bank N.A.



# INVESTLOCAL FINANCING PROGRAMS

TOTAL CUMULATIVE INVESTMENT BY YEAR



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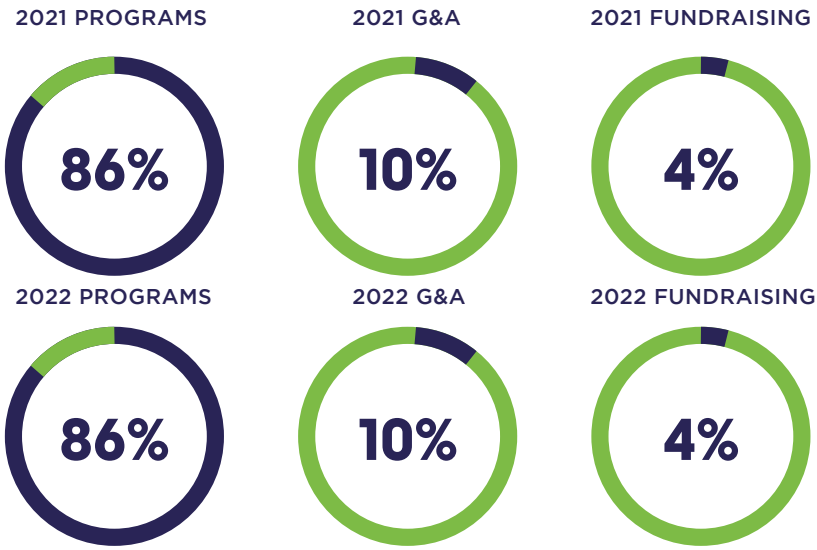
“Having built my business and career right here in Western New York, I wanted to support others trying to do the same thing, so Launch NY’s for profit InvestLocal impact investing programs were a perfect fit for my personal and financial goals.”

**Holly Hubert**, Founder and CEO of  
GlobalSecurityIQ

# EXPENSES

	2021	2022
PROGRAM	\$1,670,909	\$2,042,358
G&A	\$199,281	\$248,246
FUNDRAISING	\$62,790	\$83,013
TOTAL EXPENSES*	\$1,932,980	\$2,373,617

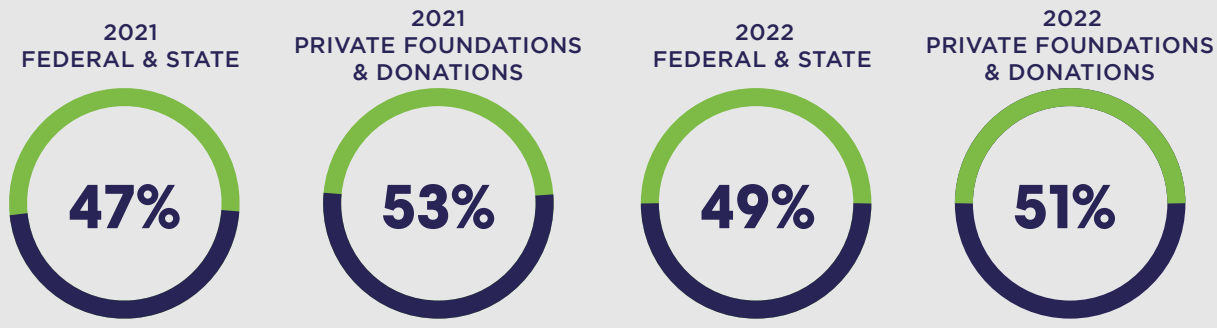
\*Exclusive of Seed Fund investments. Launch NY Nonprofit Seed Fund investments are primarily categorized as long-term note receivables through convertible debt notes.



# REVENUES

	2021	2022
FEDERAL & STATE	\$1,384,013	\$2,145,955
PRIVATE FOUNDATIONS & DONATIONS	\$1,682,872	\$2,174,003
TOTAL REVENUES	\$3,066,885	\$4,319,958

Note: This also includes other revenues such as interest.



## PLATINUM SUPPORTERS


**NYSERDA**

**RALPH C. WILSON, JR.**  
FOUNDATION

## GOLD SUPPORTERS

**JPMORGAN CHASE & Co.**
**M&T Bank**
**nationalgrid**


## FOUNDERS' CIRCLE MEMBERS

**43x79**  
Venture Group

**blount**  
consulting solutions

**COLLIGAN | LAW**  
LLP  
ADVOCATES FOR BUSINESS AND COMMUNITY


**EVANS**  
BANK  
BANKING | INSURANCE  
EMPLOYEE BENEFITS

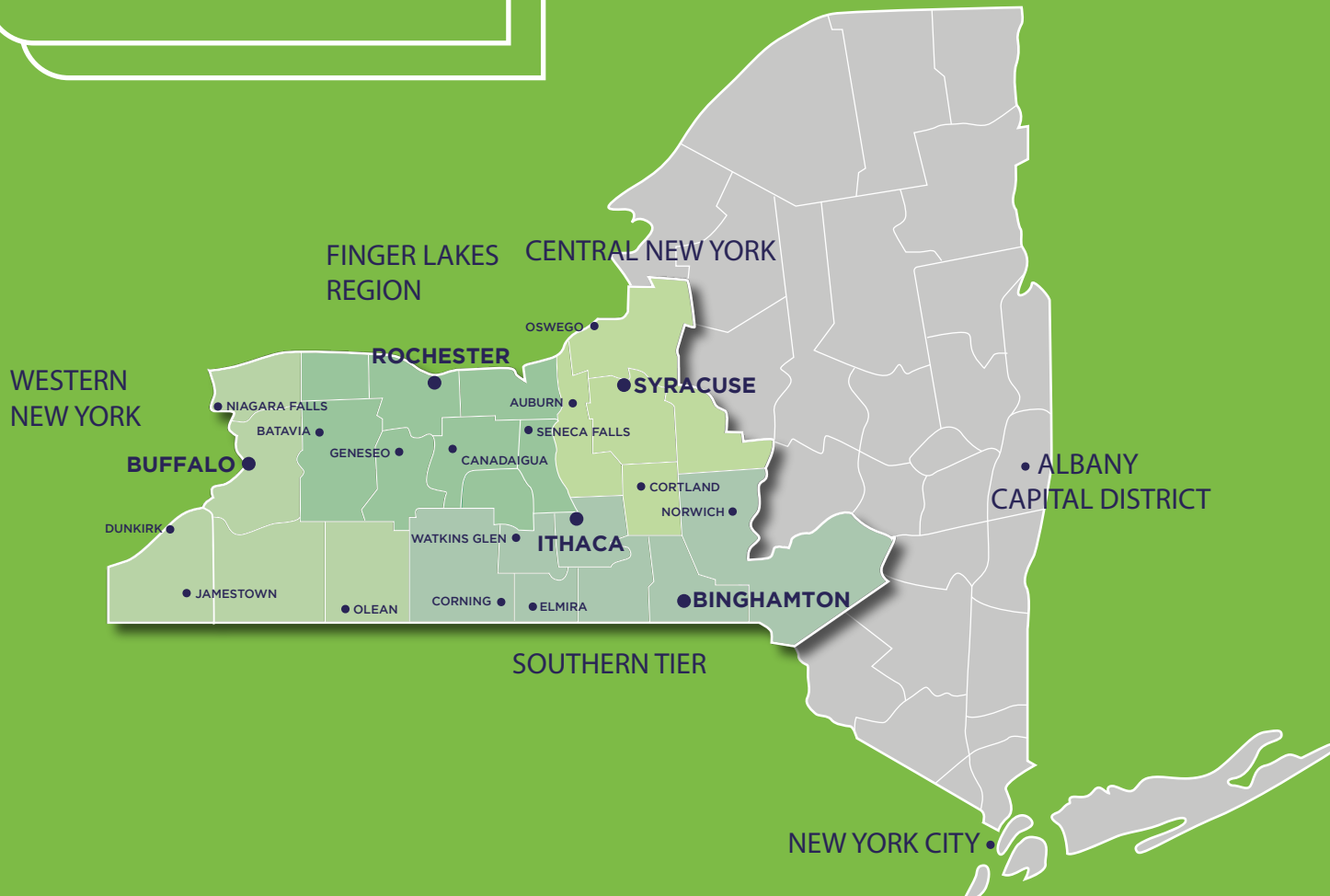
**Viaduct**

**COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION**

The United States Department of the Treasury's Community Development Financial Institutions (CDFI) designation is awarded to organizations dedicated to delivering responsible, affordable financial solutions to create economic revitalization in low to moderate income communities. Launch NY is among fewer than 20 venture financing CDFIs in the country and is the only CDFI in New York State deploying capital directly into startup businesses. Since receiving CDFI designation, Launch NY has been awarded funding six years running for a total of \$2,113,000 from the CDFI Fund to fill regional gaps in access to "proof-of concept" venture funding.

# FUELING THE STARTUP ECOSYSTEM IN THE 27 WESTERNMOST COUNTIES OF NEW YORK STATE

Launch NY is a nonprofit Venture Development Organization providing high-growth potential startups in the region with pro bono mentorship and access to the most active seed fund in New York State.



# Launch NY

77 Goodell Street, Suite 201 • Buffalo, NY 14203 • [LaunchNY.org](http://LaunchNY.org)