

HALL VENTURE FUND

HALL VENTURE PARTNERS: *BOLD INNOVATION...GLOBAL IMPACT*

A QUALIFIED OPPORTUNITY ZONE BUSINESS FUND



HVP
HALL VENTURE PARTNERS



Disclaimer



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Hall Venture Partners has evaluated the statute and proposed Treasury regulations pertaining to QOFs and believes Hall Opportunity Fund will be able to satisfy all of the legal requirements to make these tax benefits available to investors through investments in target portfolio companies. Due in part to the newness of the legislation, however, there are significant uncertainties and unresolved issues regarding QOFs and the businesses in which they may invest, and Hall Venture Partners cannot guarantee that investments in its target portfolio companies, as currently organized, will conform to the relevant statutes and regulations as ultimately interpreted by the Internal Revenue Service and the courts.

Securities offered through North Capital Private Securities Corporations, member FINRA/SIPC

EXPERIENCE HALL



“The Hall Opportunity Zone Fund stands out of the pack. It's much more than just a tech accelerator. Hall brings decades of experience, a concept to patent early and often, and a culture to dream big with the support of shared services necessary to execute. Their innovation campus thrived long before it's OZ designation and should be the example for other QOZBF's.”

--Jimmy Atkinson, CEO of
Opportunity-DB and OZ Pros

The **Opportunity Zones** program offers three tax incentives for investing in low-income communities through a qualified Opportunity Fund :



Example 1: Investor holds the O-Fund stake for 10 years

Susan has \$100 of unrealized capital gains in her stock portfolio. She decides in 2018 to reinvest those gains into an O-Fund that invests in distressed areas of her home state, and she holds that investment for 10 years. Susan is able to defer the tax she owes on her original \$100 of capital gains until 2026. Further, the basis is increased by 15% (effectively reducing her \$100 of taxable capital gains to \$85). Thus, she will owe \$20 (23.8% of \$85) of tax on her original capital gains when the bill finally comes due. In addition, since she holds her O-Fund investment for at least 10 years, she owes no capital gains tax on its appreciation. Assuming that her O-Fund investment grows 7% annually, the after-tax value of her original \$100 investment in 2028 is \$176. Susan has enjoyed a 5.8% effective annual return, compared to the 2.8% an equivalent non-O-Fund investment would have delivered.

Total tax bill in 2028: \$20

After-tax value of investment in 2028: \$176

Effective after-tax annual return on \$100 capital gain in 2018: 5.8%

Example 2: Investor holds the O-Fund stake for 7 years

As in Example 1, in 2018 Susan rolls over \$100 of capital gains into an O-Fund. She holds the investment for 7 years, selling in 2025. As in Example 1, she temporarily defers the tax she owes on her original capital gains and steps-up her basis by 15%, so that in 2025 she will owe \$20 (23.8% of \$85) of tax on her original capital gains. Unlike Example 1, however, Susan will owe capital gains tax on the appreciation of her O-Fund investment, since she holds the investment for less than 10 years. Assuming that her O-Fund investment grows 7% annually, in 2025 Susan will owe \$15 (23.8% of \$61) of tax on the O-Fund investment's capital gain. Susan did not take full advantage of the Opportunity Zone program but nevertheless received a 3.3% effective annual return compared to the 1.5% an equivalent non-O-Fund investment would have delivered.

Total tax bill in 2025: \$35

After-tax value of investment in 2025: \$126

Effective after-tax annual return on \$100 capital gain in 2018: 3.3%

Example 3: Investor holds the O-Fund stake for 5 years

As in Example 1, in 2018 Susan rolls over \$100 of capital gains into an O-Fund. She holds the investment for 5 years, selling in 2023. As in Example 1, she can temporarily defer the tax she owes on her original capital gains, but her step-up in basis is only 10%, so that in 2023 she will owe \$21 (23.8% of \$90) of tax on her original capital gains. As in Example 2, Susan enjoys no exemption from capital gains tax on the appreciation of her O-Fund investment, since she holds the investment for less than 10 years. Assuming that her O-Fund investment grows 7% annually, in 2023 Susan will owe \$10 (23.8% of \$40) of tax on the O-Fund investment's capital gain. Susan did not take full advantage of the Opportunity Zone program but nevertheless received a 1.8% effective annual return on her initial capital gains compared to the -0.1% effective annual return an equivalent non-O-Fund investment would have delivered.

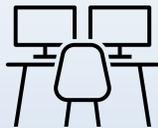
Total tax bill in 2023: \$31

After-tax value of investment in 2023: \$109

Effective after-tax annual return on \$100 capital gain in 2018: 1.8%***

*****www.eig.org**

BOLD INNOVATION...GLOBAL IMPACT



Job Growth and
Gig Economy
Support



Sustainability
and Climate



Transportation
and Automotive
Analytics



Communication
Power and Energy
Solutions



Adaptive Multi-use
Building and Smart
Home Solutions



Predictive Healthcare
Monitoring and
Safety Solutions

Hall Labs

Sample Companies



- ▶ Initial target portfolio companies located in a Qualified Opportunity Zone.
- ▶ 2020 Combined Rev of \$40.5M; Projected 2021 Combined Rev \$69M.



Vanderhall develops and manufactures conventional and electric roadsters that provide a truly unique motoring experience. Exceptional aesthetics and effortless performance.



Medic is developing advanced health monitoring systems and hardware that provide meaningful information for individuals and their healthcare team.



SmarterHome is a first-of-its-kind system that seamlessly integrates smart products for the home. Includes smart automation of blinds, windows, lighting, security, storage, and more.



Bacon is creating a new way to staff teams by connecting companies to pre-qualified available workers who will work on-demand for as little as one shift.



Sure-Fi has developed the world's first radio designed to connect reliably through heavy obstruction. Its patented radio features one-mile range with obstructions and 50+ miles line of sight.



Hall Logic's Near Field Perception Technology provides signals that support Autonomy, ADAS, and Driver Information Systems. The product derives novel sensor data from existing hardware.



Comfort Wall reinvents heating and cooling comfort through polished, multi-purpose, radiant tech-infused products that seamlessly slot into residential or commercial spaces.



RelChip offers reliable integrated circuit solutions for extreme environments, ranging from -55 to 300 degrees Celsius (-67 to 572 degrees Fahrenheit).

Past performance is not a guarantee of future results.

Industrial Revolution to Innovation Campus and Tech Hub

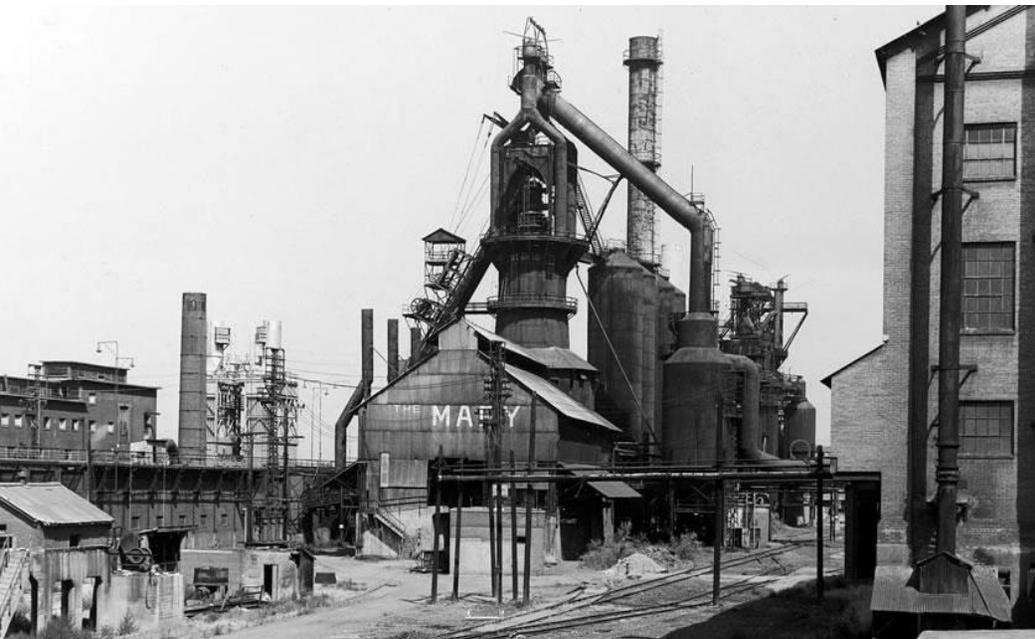
Then, in the 1980s, Hall Labs came to the area and set out to reclaim the land and revitalize the former industrial site. For nearly 40 years, Hall Labs and Provo City have worked together to resolve issues ranging from the cleanup of environmental hazards to the cleanup of messy property boundaries.

The goal of all the work is **to bring back the jobs** that were here at the peak of iron production operations in the 1940s, this time without any pollution and safety problems. All the major obstacles have been cleared, and the Ironton area is finally seeing a surge of redevelopment.



Industrial Revolution to Innovation Campus and Tech Hub

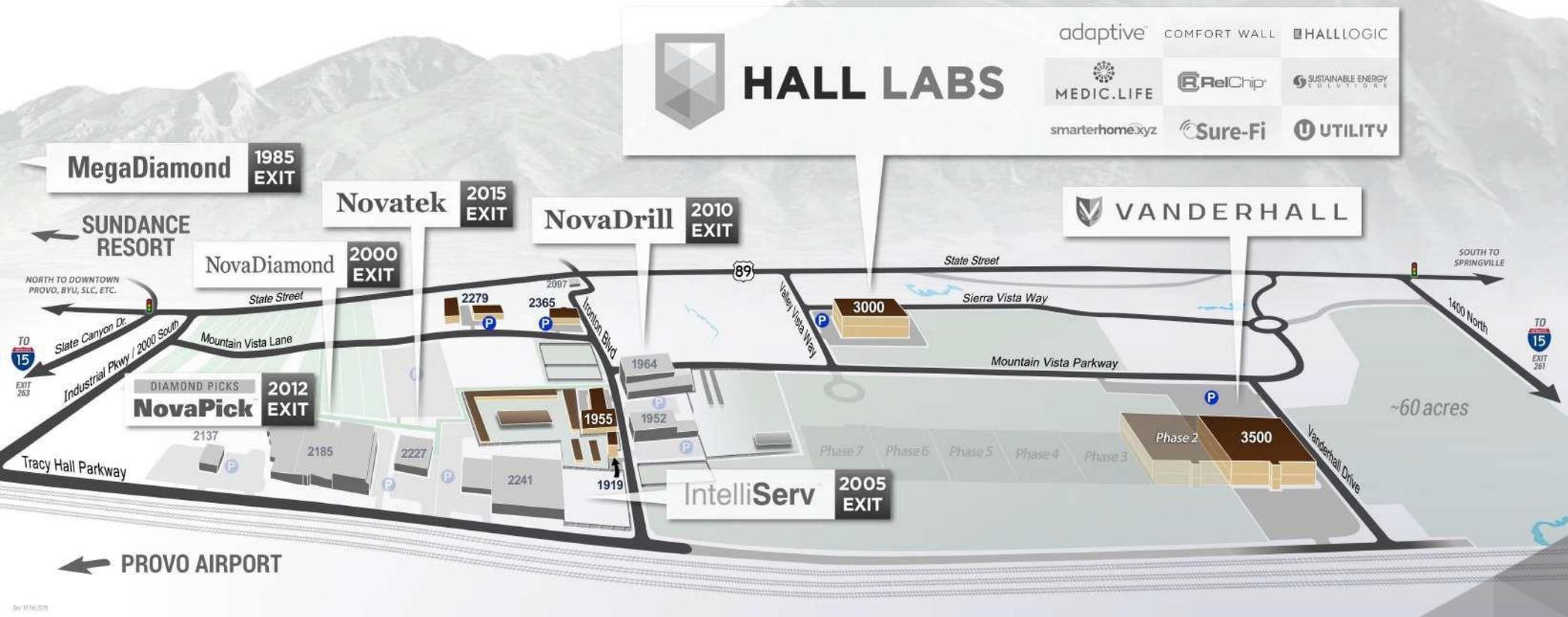
In the early 1900s, iron production and related industries **created thousands of jobs and robust economic activity** in the Ironton area of South Provo. All of that came to an end in 1966, and hundreds of acres of formerly productive industrial property sat largely abandoned for decades.



Provo, Utah Opportunity Zone Innovation & Growth Campus



- ▶ More than 130 total acres, nearly all contiguous; with room to grow
- ▶ 650,000 square feet of office and lab space supporting all stages of commercialization
- ▶ Operating businesses employ over 700 people
- ▶ As companies grow, they move out of the Lab and begin to build their own resources and independence



Provo, Utah Focused



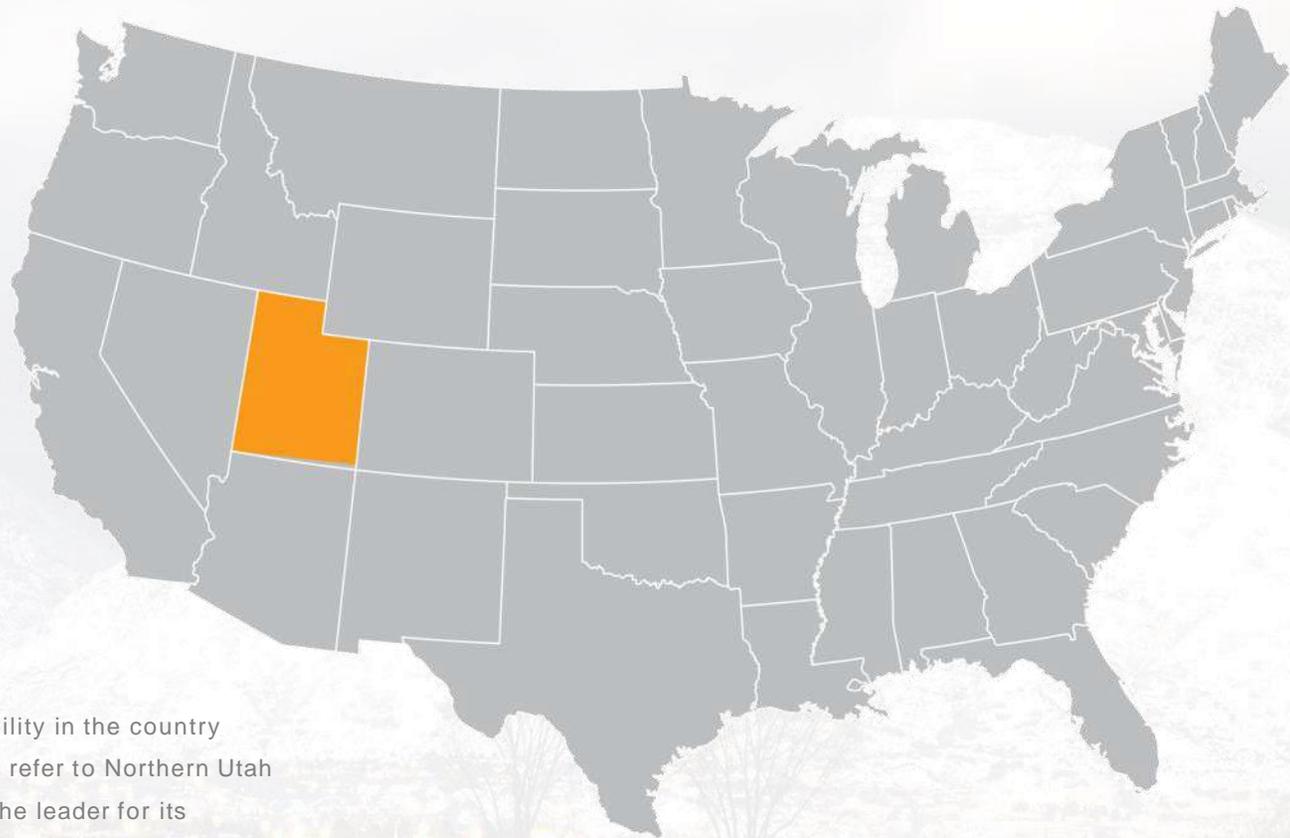
- ▶ Provo-Orem, Utah Tops Milken Institute’s 2021 Ranking of Best-Performing Cities – “*MILKEN INSTITUTE 2021*”

WHY INVEST IN UTAH?

- ▶ Salt Lake City ranked #2 of the “50 Best Places in America to Start A Business (Inc., 2018)
- ▶ Forbes #1 State for Business Ranking 2010, 2011, 2012, 2014 & 2015 (Forbes, 2015)
- ▶ #1 for Economic Outlook Rankings 9 years running (ALEC, 2016)
- ▶ Salt Lake City ranked in the “15 Best Cities to do Business Globally” (Fortune, 2014)

5 FACTS ABOUT INVESTING IN UTAH

- ▶ Utah has ranked #1 on Forbes “Best States for Business” four out of the last five years
- ▶ Utah has some of the best rates for upward mobility in the country
- ▶ “Silicon Slopes” is now a commonly used term to refer to Northern Utah
- ▶ U.S. Chamber of Commerce recognizes Utah as the leader for its “Enterprising States” project
- ▶ Utah is at the top of the nation for job creation



Campus Highlights



- Provo-Orem, Utah Tops Milken Institute's 2021 Ranking of Best-Performing Cities – **"MILKEN INSTITUTE 2021"**
- Located within minutes of Sundance
- Governor Gary Herbert and then-Mayor (now Congressman) John Curtis attend groundbreaking (180,000+ sq ft) Vanderhall building
- 80,000+ sq ft campus headquarters
- Provo, UT, identified as one of the Top 3 Opportunity Zones for growth in the US

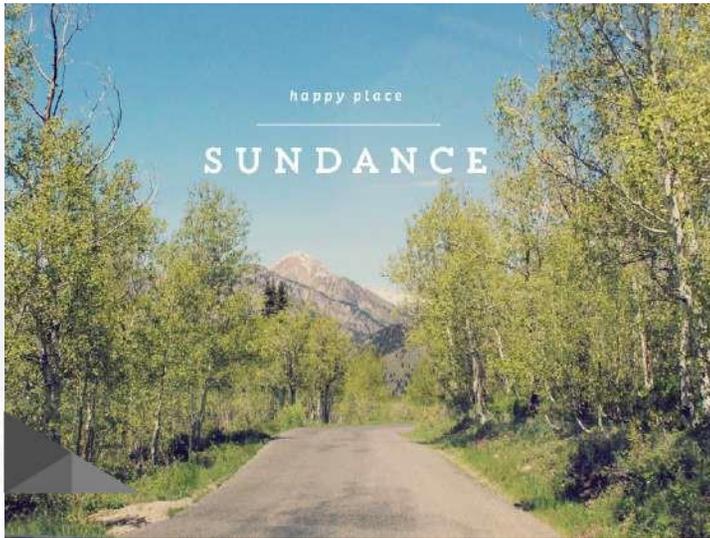


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I. HALL LABS HISTORY



Hall Labs brings together a team of innovators—scientists and engineers—at a modern, state-of-the-art campus located in Provo, Utah, to tackle some of the world’s most challenging problems ranging from sustainability to personal transportation. Like Edison Labs before it, **Hall Labs Labs** brings together all the resources needed to grow a new technology concept from idea to exit. Every critical piece of the business development process is covered in the **Hall Labs** system of innovation, all on one campus. The companies grown in **Hall Labs** have access to funding, research and development, machine learning, engineering, supply chains, patent support, and more. A vast team of unified engineers, chemists, strategists, accountants, attorneys, advisors, and other experts support the the projects.



Hall Labs Timeline



869 Patents filed - 272 Pending - \$650M Exit value

Over 70 years dedicated to Innovation; Creating high value, patent protected Technology solutions from idea to exit.

ERAS

1955

The Beginning

1956 - 1985

The Diamond Age

1986 - 2005

Building on Strengths Beyond Materials Science

2006 - 2015

The Golden Age

2015 - 2019

The Art of Innovation
Commercialization across multiple portfolio companies

EXITS

MegaDiamond
A Schlumberger Company



1985

Exit

NovaDiamond

2000

Exit

IntelliServ™

Grant Prideco

2005

Exit

NovaDrill
A Schlumberger Company

2010

Exit

DIAMOND PICKS
NovaPick

2012

Exit

Novatek
A Schlumberger Company

2015

Exit

INNOVATIONS

1955

H. Tracy Hall invents belt apparatus and man-made diamond while at GE

1978

First PCD for drilling

2000-2005

Intelligent drill pipe, steering and sensors

2010

Autocycle

2015

Advanced automotive sensing

1960

H. Tracy Hall invents cubic press and polycrystalline diamond (PCD)

1980

Network communications

2008

Medical toilet and radio technology

2013

Smart garage and smart home technology

2018

New method for effective heating and cooling

Past performance is not a guarantee of future results.

II. Hall Labs



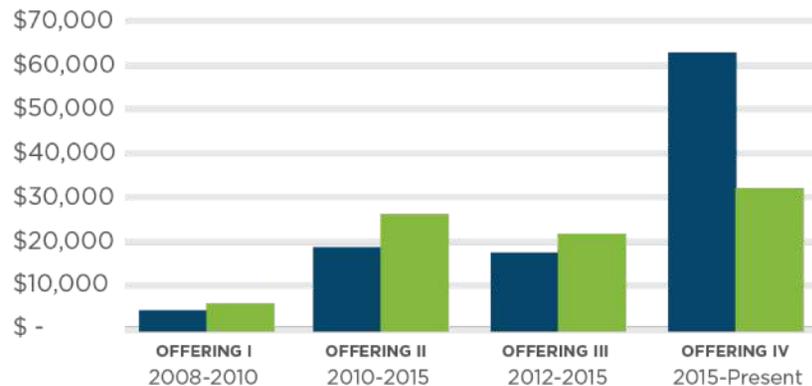
External Return of Capital

- ▶ Over the past 20 years, Hall has consistently performed in the top quartile.
Past performance is not a guarantee of future results.

2008 - Present

12% IRR Fixed Income Funds I-IV

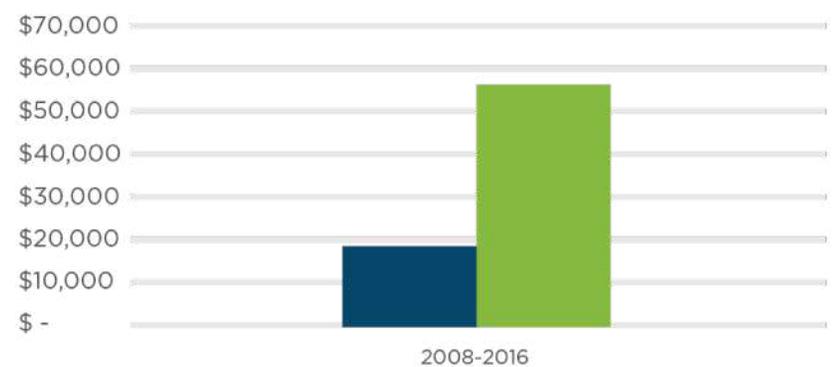
▶ RAISED \$106M ▶ RETURNED \$88M



2008-2016

127% IRR Proof of Concept Venture Investment

▶ RAISED \$19M ▶ RETURNED \$57.5M



	Q1	1-Year	3-Year	5-Year	10-Year	15-Year	20-Year
US VC Index Benchmark IRR							
Cambridge Associates LLC US Venture Capital Index®1	2.82	11.08	8.03	15.30	9.04	9.45	22.90

A Long History of Success



The Hall Family Office, **Hall Labs**, has a long and successful track record of producing strong risk-adjusted equity and debt returns for investors. The Hall family office and its debt investors, through Hall's four successful fixed-income offerings totaling \$125M, finance Hall's early-stage development companies until a company has secured strategic investors or has grown enough to support itself. To accelerate growth, Hall has partnered with strategic, distribution, financial and industrial investors who have made co-investments into Hall companies. Hall Labs has a history of generating strong industrial results; for example, companies that use Hall Labs technologies have generated over 3 million jobs. Financially, Hall's debt offerings, direct investment, and strategic co-invest strategies have created above market returns for investors.

HALL TRACK RECORD SINCE 2000
Over the last 20+ years, Hall has created companies and technologies that have produced over \$650M in exit value and a 5.5x return on invested capital (ROIC):

STRONG CO-INVESTMENT STRATEGY

In several instances, Hall has invested alongside capital partners to help companies grow, scale, and create successful exits. Combined 5.5x return on invested capital (ROIC) and an 8.3x ROIC to Strategic and Limited Partners.



Past performance is not a guarantee of future results

	INVESTED	RETURNED	ROIC	IRR
IntelliServ	20 M	250 M	12.5 x	100%
NovaDrill	19 M	57 M	3.0 x	127%
HaulGauge	1 M	9 M	8.9 x	48%
SES (Sustainable Energy Solutions)	1.7 M	30 M	17.7 x	102%
TOTAL	\$ 41.7 M	\$ 347 M	8.3 x	111%

Current & Historical Hall Portfolio



► The companies grown in Hall Labs have access to funding, research and development, machine learning, engineering, supply chains, patent support, and more. A vast team of unified engineers, chemists, strategists, accountants, attorneys, advisors, and other experts support the projects.

BUSINESS STAGES	PROOF OF CONCEPT	PROTOTYPE	BETA TESTING	EARLY SALES	MARKET INTRO	FULL SCALE ROLLOUT
REVENUE	PRE REVENUE			< \$250K	\$250K - \$5M	\$5M +
INTERNET				BACON		
CONSUMER PRODUCTS & SERVICES	OMD	smartwinch			smarterhomexyz	
HEALTHCARE			MEDIC			
INDUSTRIALS				HALLLOGIC	NOVA PICK 2012 EXIT	VANDERHALL
TRANSPORTATION						
CONSTRUCTION	BUILDING COMP	adaptive	COMFORT WALL			
MATERIALS		UTILITY				Novatek A Schlumberger Company 2015 EXIT
ELECTRONICS					RelChip	MegaDiamond A Schlumberger Company 1985 EXIT
ENERGY & UTILITIES			SES INNOVATION	NovaDrill A Schlumberger Company 2010 EXIT		NovaDiamond 2000 EXIT
NETWORK & COMMUNICATIONS				IntelliServ™ 2005 EXIT	Sure-Fi	

HALL REALIZED EXITS

MegaDiamond

A Schlumberger Company

Diamond drilling tech.

ACQUIRED BY:
SmithBits
EXIT: 1985

NovaDiamond

Diamond manufacturing.

ACQUIRED BY:
Reed Hycalog
EXIT: 2000

IntelliServ™

Intelligent down hole pipe.

ACQUIRED BY:
Grant Prideco
EXIT: 2005

NovaDrill

A Schlumberger Company

Electromechanical drilling tech.

ACQUIRED BY:
Schlumberger
EXIT: 2010

DIAMOND PICKS NovaPick

Diamond road milling.

ACQUIRED BY:
Caterpillar
EXIT: 2012

Novatek

A Schlumberger Company

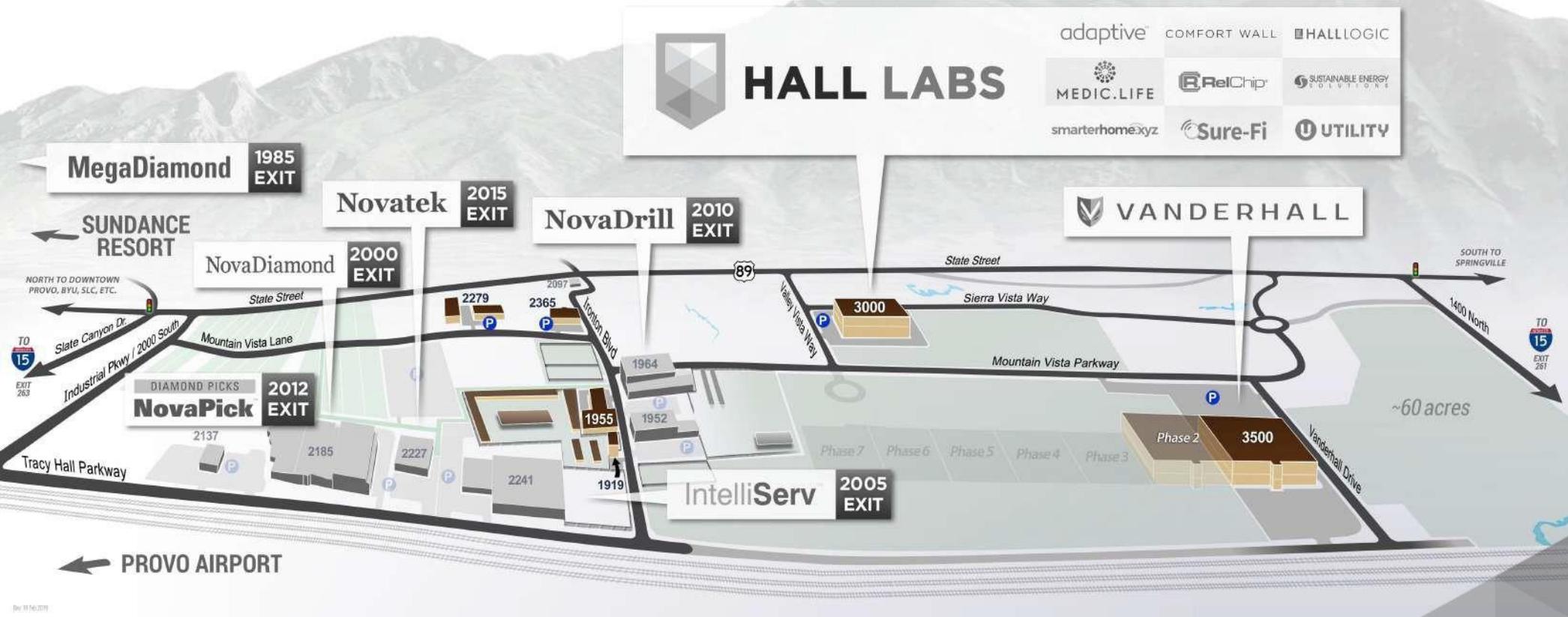
Diamond press & related tech.

ACQUIRED BY:
Schlumberger
EXIT: 2015

Provo, Utah Opportunity Zone Innovation & Growth Campus



- ▶ More than 130 total acres, nearly all contiguous; with room to grow
- ▶ 650,000 square feet of office and lab space supporting all stages of commercialization
- ▶ Operating businesses employ over 700 people
- ▶ As companies grow, they move out of the Lab and begin to build their own resources and independence



II. Hall Venture Partners



Hall Venture Partners – is an investment firm focused on partnering with differentiated businesses that **IMPACT** or **DISRUPT** the status quo with high patent value technology addressing large markets ripe for change. We look to identify companies that can benefit from our extensive industry knowledge and decades long experience. We have a deep understanding of and appreciation for building businesses given our operational roots and focus. We only deploy capital in partnerships where we have high conviction, a clear understanding of their market need and fit as well as how our capital and resources can make a difference in helping to **ACCELERATE** growth.



Hall Venture Partners

Management Team



- ▶ Hall Venture Partners is led by world-class Managing Partners and Directors; David Hall, Matt Van Dyke, David Kunz and Will Walker with a best-in-class operating team.

FIRM MANAGEMENT



DAVID HALL
Managing Partner

- ▶ David is a Family Office Principal and serial entrepreneur
- ▶ Exits of organically-grown companies in excess of \$450M and over 850 patent filings
- ▶ David Hall has a degree in mechanical engineering from Brigham Young University (1972), an MBA from Rider College (1976), and an honorary doctorate from Weber State University (2016)
- ▶ Under his leadership hundreds of millions in new technology has been developed and sold to the benefit of society



Will Walker
Head of Business Development

- ▶ Will has dedicated over 20 years to private equity and venture capital fund raising and corporate M&A.
- ▶ His experience spans multiple industries with a focus on acquisition and roll up strategies in TMT.
- ▶ Previously, Will was Head of Business Development for Crowd Create where he worked with Fortune 1000 to early-stage startups to develop brand strategies, raise capital and drive revenue growth.
- ▶ He developed a “Mastermind Series” to assist CEO’s and Founders build their Global Networks and Influencer Status through highlighting their expertise in this novel webinar series.



DAVID KUNZ
Managing Partner

- ▶ David is an experienced investor, advisor and corporate development executive in both the public and private markets
- ▶ 20 years of business development experience, with trusted relationships across Institutional, UHNWI, and Family Office Investors
- ▶ Senior leadership roles as CEO, Principal, Board Member, Corporate Development, Managing Director of Sales
- ▶ Generated over \$125M in revenue, raised more than \$80M in contributed equity invested capital



MATT VAN DYKE
Managing Partner / CFO

- ▶ Matt is a CPA with experience in fund-raising, tax strategy, M&A, and growth of early-stage companies
- ▶ Prior to joining Hall Venture Partners, Matt served as CFO for Hall Labs and its portfolio companies where he led exits in excess of \$100M
- ▶ Prior to Hall Labs, Matt worked for PwC in their tax department. Matt earned his masters’ in accountancy from Brigham Young University

PORTFOLIO MANAGEMENT & INVESTOR RELATIONS



CARL BELLISTON
Legal



WENDY COPLEN
Compliance



STEVE NORTON
Accounting



JEFF DUNCAN
Intellectual Property



NATE STITT
Marketing & Design



GREY SAVERIO
Administration



BRETT WILKEY
Investor Relations



SKY EVANS
Management



ANNA JENSEN
Investor Relations

III. Hall Fund

Initial Target Investments



- ▶ Initial target portfolio companies located in a Qualified Opportunity Zone.
- ▶ 2020 Combined Rev of \$40.5M; Projected 2021 Combined Rev \$69M.



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Silicon Slopes: Utah



- ▶ Utah is exploding with growth and it's through relationships like Silicon Slopes, that HVP can identify potential target portfolio companies currently outside the Hall campus. HVP will leverage the same process, honed and developed over 60+ years, that will supplement our sourcing of opportunities as we look to identify companies that can benefit from the process and structure Hall Labs provides.
- ▶ With more than 6,500 startup and tech companies in Utah, Silicon Slopes is home to entrepreneurs and leaders who have earned global recognition through hard work, and a focus on building exceptional companies. Dollar-per-deal, Utah leads the nation in venture capital tech funding, and for 3 years in a row, Forbes named Utah as the best state in the nation for business.



Opportunity Zone Overview



WHAT ARE OPPORTUNITY ZONES? Opportunity Zones are low-income census tracts nominated by governors and certified by the U.S. Department of the Treasury into which investors can now put capital to work financing new projects and enterprises in exchange for certain federal capital gains tax advantages. The country now has over 8,700 Opportunity Zones in every state and territory.*

WHAT ARE THE INCENTIVES THAT ENCOURAGE LONG-TERM INVESTMENT IN LOW INCOME COMMUNITIES? Opportunity Zones offer investors the following incentives for putting their capital to work in low-income communities:

A **temporary tax deferral** for capital gains reinvested in an Opportunity Fund. The deferred gain must be recognized on the earlier of the date on which the opportunity zone investment is sold or December 31, 2026.

A **step-up in basis** for capital gains reinvested in an Opportunity Fund. The basis of the original investment is increased by 10% if the investment in the qualified opportunity zone fund is held by the taxpayer for at least 5 years, and by an additional 5% if held for at least 7 years, excluding up to 15% of the original gain from taxation.

A **permanent exclusion from taxable income of capital gains** from the sale or exchange of an investment in a qualified opportunity zone fund, if the investment is held for at least 10 years. (Note: this exclusion applies to the gains accrued from an investment in an Opportunity Fund, not the original gains).*

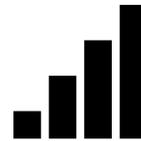
*www.eig.org

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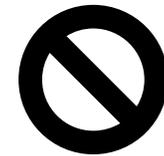
TEMPORARY DEFERRAL

A temporary deferral of inclusion in taxable income for capital gains reinvested into an Opportunity Fund. The deferred gain must be recognized on the earlier of the date on which the opportunity zone investment is disposed of or December 31, 2026.**



STEP-UP IN BASIS

A step-up in basis for capital gains reinvested in an Opportunity Fund. The basis is increased by 10% if the investment in the Opportunity Fund is held by the taxpayer for at least 5 years and by an additional 5% if held for at least 7 years, thereby excluding up to 15% of the original gain from taxation.**



PERMANENT EXCLUSION

A permanent exclusion from taxable income of capital gains from the sale or exchange of an investment in an Opportunity Fund if the investment is held for at least 10 years. This exclusion only applies to gains accrued after an investment in an Opportunity Fund.**

**www.eig.org

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After-tax value of investment in 2025: \$126

Effective after-tax annual return on \$100 capital gain in 2018: 3.3%

Example 3: Investor holds the O-Fund stake for 5 years

As in Example 1, in 2018 Susan rolls over \$100 of capital gains into an O-Fund. She holds the investment for 5 years, selling in 2023. As in Example 1, she can temporarily defer the tax she owes on her original capital gains, but her step-up in basis is only 10%, so that in 2023 she will owe \$21 (23.8% of \$90) of tax on her original capital gains. As in Example 2, Susan enjoys no exemption from capital gains tax on the appreciation of her O-Fund investment, since she holds the investment for less than 10 years. Assuming that her O-Fund investment grows 7% annually, in 2023 Susan will owe \$10 (23.8% of \$40) of tax on the O-Fund investment's capital gain. Susan did not take full advantage of the Opportunity Zone program but nevertheless received a 1.8% effective annual return on her initial capital gains compared to the -0.1% effective annual return an equivalent non-O-Fund investment would have delivered.

Total tax bill in 2023: \$31

After-tax value of investment in 2023: \$109

Effective after-tax annual return on \$100 capital gain in 2018: 1.8%***

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