

June 30th, 2023

Dear Perry,

This report is coming out late to the typical cycle and as such, numbers reported in this update are “as of end of Q2.” You can expect to get two quarter-end statements from Carta (Q1 and Q2) in the next two weeks.

We have focused on completing the yearly audit which, this year for the first time, entailed coordination with the “books” now held at and maintained by Carta and the auditors, Eisner-Amper, who we have worked with from the start of the fund. Eisner also had staff changes with a new auditor assigned to our account. This created a bit more back and forth between 1855, Carta and Eisner so that all documentation was synchronized and wholly accurate. It has finished well as of this week and the resulting auditors report is attached.

There is nothing particularly remarkable in the Auditors report. You will note in the numbers reported below some changes in the carried value since the audit date of December 31st (unrealized gains/losses) which is reflecting the evolving realities of the portfolio, some difficult (e.g. Arbitrator) and some good (e.g. Cromptix, Reflexion). We continue to report generally conservative views of value based only either on face value purchase price, documented interest rates or completed later round valuations. Below is the summary view from the audit report.

EisnerAmper Opinion

We have audited the financial statements of 1855 Capital Fund I, LP (the “Partnership”), which comprise the statement of assets, liabilities, and partner’s capital, including the schedule of investments, as of December 31, 2022, and the related statements of operations, changes in partners’ capital, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of 1855 Capital Fund I, LP as of December 31, 2022, and the results of its operations, changes in its partners’ capital and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Their report summarizes the partner asset list as below:

Assets	
Investments, at fair value (cost \$5,869,454)	\$ 7,202,399
Cash, cash equivalents and restricted cash	1,051,303
Interest receivable	177,069
Escrow receivable	2,867
Total assets	8,433,638

This asset listing can be compared with the year-end report we provided in March. You will note that the fair value of the investments is slightly lower than that report which is largely attributable to the valuation method applied to Bliley. As we have a third party offer on the table for Bliley the valuation reflects the information in that offer discounted by “the risk” associated with closing that offer. Upon review with Eisner we applied a slightly different risk discount method which accounts for the difference.

Investment Activity and Company Updates

As we reported last time, investment activity comprised only follow-ons in existing portfolio companies, specifically we continued to support Croptix and Reflexion which we are pleased to report both closed their needed investment rounds.

As reported last quarter **Croptix** closed the first tranche of a Seed Round Financing of up to \$2.5M led with \$1.1M by a strategic investor, Advancing Eco Agriculture (AEA). AEA's investment also includes a co-development agreement that will develop and productize the use of **Croptix's** miniature spectrophotometer to non-destructively assess plant nutritional uptake. There was a first close in February and we have subsequently followed on with an additional \$150K equity investment. Our investment carry value moved up measurably as a result of this closing reflecting the benefit of our 20% equity purchase discount when converting our early debt investments to equity.

Additionally, Reflexion closed a \$900K financing with participation by White Rose Ventures, Ben Franklin, a private investor and 1855 Capital contributing \$100K to the round. Reflexion CEO, Matt Campagna, has put a plan together to assure this financing carries Reflexion through the end of 2024. The round also created a slight value increase in our investment, again, mostly as we were able to take advantage of a discount at the conversion. The team is using the runway to enhance their product and customer portfolio. They are nearing completion of the launch of a Virtual Reality version of the product running on Meta Quest platform that has already attracted several dozen customers paying a nominal fee to participate in a Beta release. Reflexion plans a production release sometime this summer.

As an update on Bliley we continue to progress in a potential transaction with a strategic customer. This was intended to conclude by the end of Q2, however, the "strategic" requires some government approvals that did not conclude before the end of the quarter. We remain optimistic that the deal will close and, again, look forward to disclosing details at that time.

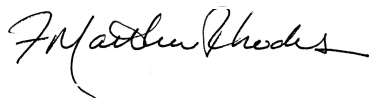
Regarding other companies: Pledge IT has been making significant progress in their business model and are advancing toward cash flow break-even somewhat faster than originally anticipated. Pledge IT will hold an investor update Zoom meeting at 1pm EST on July 20th. CEO Scott Shirley would welcome your attendance but asks that you register in advance at this link:

https://us02web.zoom.us/webinar/register/WN_XmU37b5VSKktS22vPHlrrg

Finally, Phospholutions is also progressing to close a new round of financing and appears to have over \$9M of new investment money soft circled in anticipation of a July close. This continues to be a very positive story and value creation for our portfolio. The details of this pending transaction are not yet included in our carry values.

Please reach out to me with any questions. Arts Festival is in two weeks, look me up if you are here.

Sincerely,



Matt Rhodes
Managing Director
matt@1855capital.com

Portfolio Summary

Investable Cash

	Fund Total	Your Investment
Capital Called	\$7.89M / \$11.3M	\$350k / \$500k
Money Market Accrued Interest	\$74,333	\$3,295
Investments	-\$6,145,365	-\$272,445
Management Fees	-\$1,409,770	-\$62,500
Investable Cash	\$408,565	\$18,442

Numbers in this table are approximations

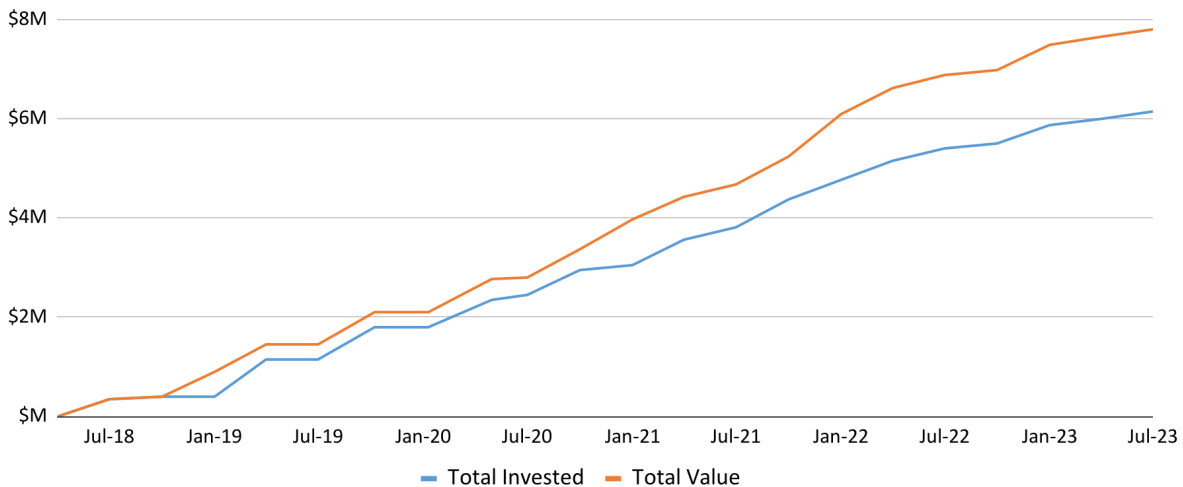
Portfolio Value

	Fund Total	Your Investment**
Current Estimated Invested Portfolio Value	\$7,799,859	\$345,795
Current Cash + Invested Portfolio Value	\$8,208,424	\$363,908
Principal + Preferred Return Hurdle	\$10,291,093	\$456,240

Numbers in this table are approximations

**The values shown in "Your Investment" include estimated General Partner carry calculations

Invested vs. Portfolio Value over time



Portfolio Investment History

Date	Company	Series	Shares	Purchase/Strike Price	Invested	Current Carry Value
6/10/2018	Pledge It	Seed II	43,533	\$8.04	\$350,000	\$166,457
9/30/2018	Reflexion	Conv Debt->EQ	2,396	\$30.00	\$50,000	\$74,645
12/31/2018	Bliley Tech	Stock Acquisition	79,990	\$25	\$500,000	\$858,740
2/15/2019	Phospholutions	Seed - Tranche 1	1,136,364	\$0.2200	\$250,000	\$738,637
8/1/2019	Bliley Tech	Bridge->Conv Debt	-	-	\$300,000	\$441,240
8/30/2019	Tallyx	A	570,776	\$0.35	\$200,000	\$0
9/19/2019	Daasity	Seed	27,676	\$5.42	\$150,004	\$515,276
1/16/2020	Phospholutions	Seed - Tranche 2	841,751	\$0.2970	\$250,000	\$547,138
2/6/2020	Reflexion	Bridge->EQ	2,265	\$30.00	\$50,000	\$70,564
2/10/2020	SpotLESS Mat	SAFE Note	-	-	\$100,000	\$100,000
2/12/2020	Pledge It	Conv Debt->EQ	13,225	\$3.8237	\$50,000	\$50,568
3/16/2020	Reflexion	Bridge->EQ	2,249	\$30.00	\$50,000	\$70,065
4/22/2020	Arbitrator Int	Conv Debt	-	-	\$50,000	\$50
6/25/2020	Pledge It	Seed III	26,153	\$3.8237	\$100,002	\$100,001
7/22/2020	Arbitrator Int	Conv Debt	-	-	\$50,000	\$50
7/28/2020	Reflexion	Seed	6,667	\$30.0000	\$200,010	\$207,704
8/13/2020	Benefix	Series A	358,566	\$0.6972	\$249,999	\$249,999
10/13/2020	Bliley Tech	Conv Debt	-	-	\$100,000	\$129,003
1/8/2021	Phospholutions	A - Tranche 1	636,363	\$0.5500	\$350,000	\$413,636
1/15/2021	StudioBE	Bridge Loan->Equity	56,432	\$1.12	\$60,000	\$79,118
2/12/2021	Bliley Tech	Conv Debt	-	-	\$101,470	\$130,137
4/21/2021	StudioBE	Bridge Loan->Equity	40,550	\$1.26	\$50,000	\$56,851
8/1/2021	Reflexion	Warrants	3,334	\$5.4900	\$0	\$11,202
5/21/2021	Reflexion	Bridge Equity	3,334	\$30.00	\$100,020	\$103,867
5/21/2021	Arbitrator Int	Conv Debt	-	-	\$100,000	\$100
7/6/2021	Croptix	Conv Debt->Equity	-	\$2.2945	\$50,000	\$108,506
8/1/2021	Reflexion	Warrants	711	\$5.4900	\$0	\$2,389
7/6/2021	Reflexion	Bridge Equity	711	\$30.00	\$21,330	\$22,150
7/9/2021	StudioBE	Seed	135,520	\$1.40	\$189,999	\$189,999
7/26/2021	Bliley Tech	Conv Debt	-	-	\$50,000	\$63,416
8/1/2021	Bliley Tech	Warrants	1,000	\$5.9800	\$0	\$4,168
8/30/2021	Magnitude Inst	Conv Debt	-	-	\$100,000	\$100,000
9/10/2021	Data Inventions	Seed	8,647	\$5.78	\$50,000	\$0

9/22/2021	5Metis	Seed - T1	50,000	\$2.00	\$100,000	\$100,000
11/1/2021	Croptix	Conv Debt->Equity	-	\$2.29	\$50,000	\$106,508
12/2/2021	Daasity	Series A	11,924	\$18.62	\$222,003	\$222,003
12/17/2021	Reflexion	Follow-on Conv->Eq	4,588	\$24.92	\$108,255	\$142,949
12/30/2021	Data Inventions	Seed 1 - Pay-to-Play	3,066	\$4.37	\$13,393	\$0
1/18/2022	Data Inventions	Seed 1 - Completion	124	\$4.37	\$543	\$0
2/14/2022	Teamology	Conv Debt	-	-	\$50,000	\$50,000
2/14/2022	Croptix	Conv Debt->Equity	-	\$2.29	\$50,000	\$104,783
3/1/2022	Phospholutions	A - Tranche 2	358,974	\$0.65	\$233,333	\$233,333
3/15/2022	Pledge It	Conv Debt	-	-	\$50,000	\$50,000
5/19/2022	Teamology	Conv Debt	-	-	\$200,000	\$200,000
5/25/2022	Bliley Tech	Conv Debt	-	-	\$50,000	\$62,956
8/29/2022	Magnitude Inst	Conv Debt	-	-	\$100,000	\$100,000
10/12/2022	Croptix	Conv Debt->Equity		\$2.29	\$15,000	\$30,264
10/28/2022	Croptix	Conv Debt->Equity		\$2.29	\$20,000	\$40,252
11/14/2022	5Metis	Seed - T2	50,000	\$2.00	\$100,000	\$100,000
11/18/2022	Croptix	Conv Debt->Equity		\$2.29	\$10,000	\$20,058
12/1/2022	Croptix	Conv Debt->Equity		\$2.29	\$25,000	\$50,040
12/1/2022	Croptix	Warrants	5,506	\$0.01		\$13,600
12/12/2022	Bliley Tech	Demand Note	-	-	\$125,000	\$140,762
12/15/2022	Croptix	Conv Debt->Equity		\$2.29	\$25,000	\$49,926
12/15/2022	Croptix	Warrants	5,506	\$0.01		\$13,600
12/23/2022	Pledge It	Conv Debt	-	-	\$50,000	\$50,000
1/27/2023	Reflexion	Bridge Equity Round	3,210	\$31.15	\$100,004	\$100,004
1/30/2023	Croptix	Conv Debt->Equity		\$2.29	\$25,000	\$49,545
1/30/2023	Croptix	Warrants	5,507	\$0.01		\$13,602
6/8/2023	Croptix	Equity Investment	33,039	\$4.54	\$150,000	\$149,997
TOTAL					\$6,145,365	\$7,799,858

Portfolio Carry Value

Investment Portfolio	Invested \$	Carried Value	Note Int Receivable
Bliley Tech	\$1,226,470	\$1,830,422	\$114,132
Phospholutions	\$1,083,333	\$1,932,744	\$0
Pledge It	\$600,002	\$417,026	\$6,675
Reflexion	\$679,619	\$805,539	\$0
StudioBE	\$299,999	\$325,968	\$0
Benefix	\$249,999	\$249,999	\$0
Arbitrator Int	\$200,000	\$200	\$0
Tallyx	\$200,000	\$0	\$0
Daasity	\$372,007	\$737,279	\$0
SpotLESS Mat	\$100,000	\$100,000	\$0
Magnitude Inst	\$200,000	\$200,000	\$16,142
5Metis	\$200,000	\$200,000	\$0
Croptix	\$420,000	\$750,681	\$0
Data Inventions	\$63,936	\$0	\$0
Teamology	\$250,000	\$250,000	\$17,532
TOTAL	\$6,145,365	\$7,799,858	\$154,482