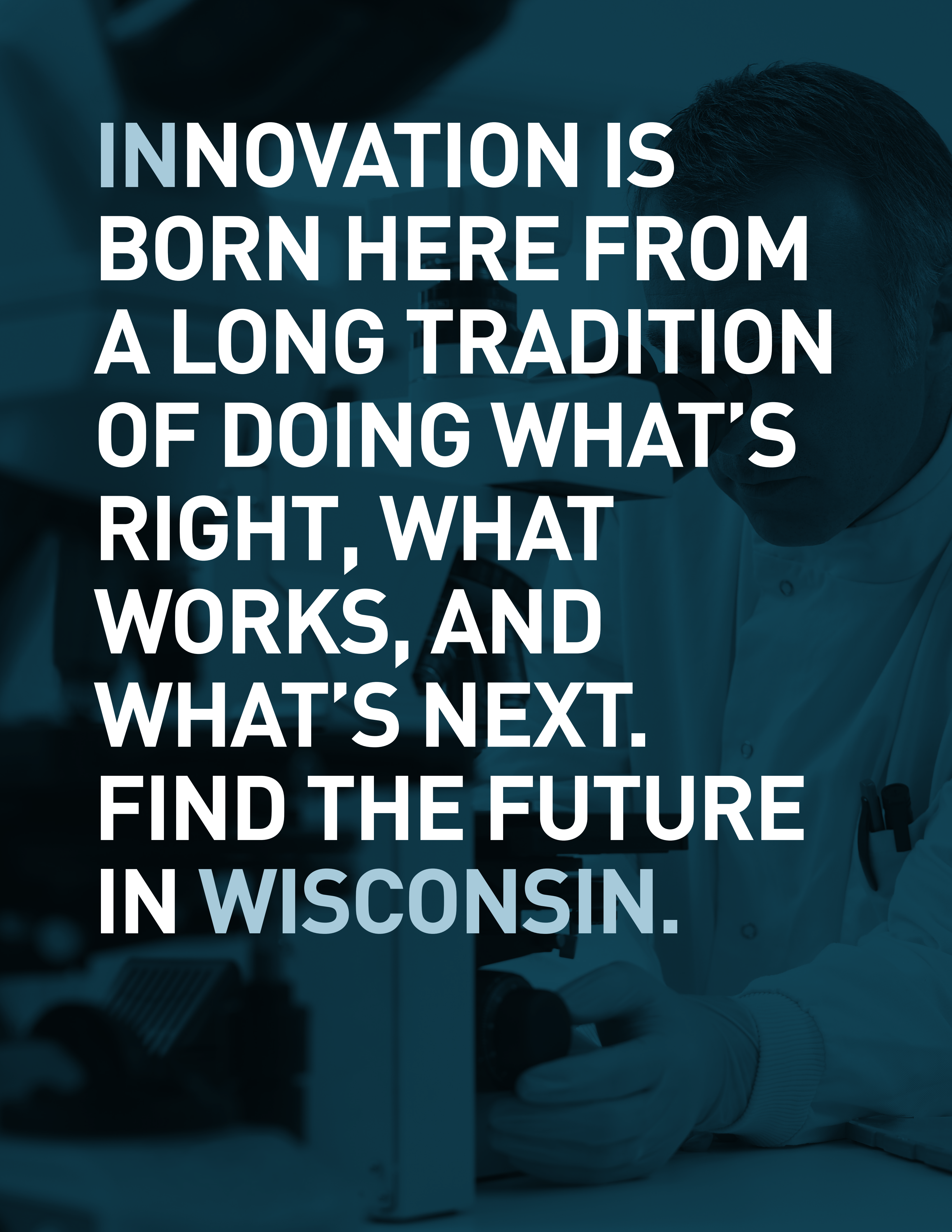
WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

DRIVING INVESTMENT TO HIGH-GROWTH BUSINESSES IN WISCONSIN

QUALIFIED NEW BUSINESS VENTURE (QNBV)

EARLY STAGE SEED BUSINESS TAX CREDIT PROGRAM
2012 ANNUAL REPORT



INNOVATION IS BORN HERE FROM A LONG TRADITION OF DOING WHAT'S RIGHT, WHAT WORKS, AND WHAT'S NEXT. FIND THE FUTURE IN WISCONSIN.

Wisconsin has a rich history of home-grown innovation. Visionary Wisconsin startup companies with humble beginnings are today global leaders in their industries—Harley-Davidson, Trek, Cellular Dynamics, Kohler, Miller, Johnson Controls and Rockwell Automation. While our legacy is impressive, Wisconsin needs new businesses based on technology and innovation to remain competitive in a global, technology-driven marketplace.

Given today's financial realities, most new high-growth companies need outside investment to bring their ideas to market. That is where Wisconsin's Act 255 Qualified New Business Venture (QNBV) Program comes into action. This 2012 QNBV Annual Report details the program's success in helping qualified new business ventures leverage tax credits to attract the startup and growth investment they need.

The results of the QNBV Program have been overwhelmingly positive as seen throughout this report. The companies enrolled in the QNBV Program provide jobs with average wages nearly three times the average Wisconsin per capita wage. These high-paying jobs provide opportunities for Wisconsin's skilled workforce and lead to a more productive and resilient economy.

From its inception in 2005 through December 31, 2012, the QNBV Program has distributed $58.8 million in tax credits. More importantly, the companies in the program have attracted over $916 million in capital that has been invested in new technologies.

One of the Wisconsin Economic Development Corporation's main goals is to build the economic infrastructure that allows for robust business creation. By spurring direct capital investments into new, high-growth companies the QNBV Program helps our state foster new ideas and lay the foundation for future business success and job growth.

Reed E. Hall
Secretary and Chief Executive Officer

2012 QNBV Program Highlights

160 CERTIFIED COMPANIES

$12.1M CREDITS ISSUED

$201.8M TOTAL FUNDING

Leverage

16:1 LEVERAGE RATIO

$12.1 million in credits helped certified companies attract over $201.8 million in total funding.

Credits

INVESTING IN NEW BUSINESS GROWTH IN WISCONSIN

The Qualified New Business Venture (QNBV) Program, also known as the Early Stage Business Tax Credit Program, allows eligible investors to claim a 25 percent tax credit on the amount they invest in QNBV company. The tax credit applies to equity investments made by individual investors, angel groups and venture capital investors. This innovative capital incentive program establishes a critical model of cooperation between the public and private sectors.

In 2012, 44 new companies received QNBV certification, bringing the number of companies currently in the program to 160. WEDC verified $12.1 million in tax credits for 63 of those certified companies, directly leveraging $48.4 million of private investment. QNBV companies also attracted an additional $116.3 million of private capital that did not utilize the credit and $37.1 million in grants, bringing the total amount of funding to $201.8 million. However, certified companies indicated to WEDC that their anticipated financial need for the year was $372.4 million, leaving a financial gap of over $170 million for certified companies.

QNBV SUCCESS IN WISCONSIN

Pinpoint Software, a software development company based in Whitewater, has developed Date Check Pro expiration date management software. The company has attracted over $425,000 in capital from angels (both groups and individuals). The company has been certified for up to $110,000 in tax credits through the program.

> It is certainly a credibility-builder to say that we have been certified.
>
> — Andrew Hoeft, Owner
> Pinpoint Software

"As a startup, it's been a challenge to be fundraising at the same time I'm developing and testing Date Check Pro and bringing it to the marketplace," said Andrew Hoeft, Pinpoint's owner. "Many investors have asked if we have received QNBV status. It is certainly a credibility-builder to say that we have been certified."

"We have an aggressive vision for growth, including our national sales campaign that we launched at the National Grocers Association conference in Las Vegas in February 2013. We're ready to become a larger company and are taking steps to move out of the startup stage. QNBV certification is a good tool to have as I explore future investment," Hoeft said.

2012 QNBV Summary

$12.1M

$8.1 million in angel tax credits were issued along with $4 million in early stage seed credits. See tables 5 and 6 (page 14), for more detail.

$201.8M

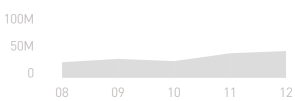
Total funding received by certified companies including qualifying investments, other private investments and grant funding. See table 1 (page 10), for more detail.

Historical QNBV Summary

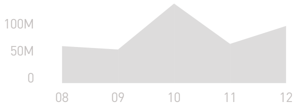
$58.8M

$35.9 million in angel tax credits were issued along with $22.9 million in early-stage seed credits since the QNBV program's inception. See table 5 and 6 (page 14), for more detail.

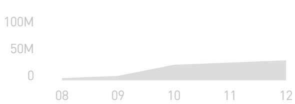
$58.8M QNBV CREDITS



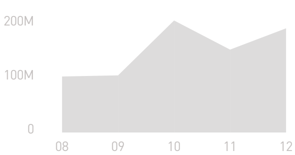
$235.2M QUALIFYING INVESTMENT



$567.8M OTHER FINANCING



$113.1M GRANTS



$916.1M TOTAL INVESTMENTS

$916.1M

Total funding received by certified companies including qualifying investments, other private investments and grant funding. See table 1 (page 10), for more detail.

LEVERAGING HIGH-TECH BUSINESS INVESTMENT IN WISCONSIN

Since the program's inception in 2005, 237 companies have been certified, and WEDC has verified $58.8 million in tax credits based on $235.2 million in qualified investment. QNBV companies have brought in over half of a billion dollars in additional outside investment and $113.1 million in grant funding to bring the total amount of funding generated to over $916 million.

QNBV SUCCESS IN WISCONSIN

The QNBV (Act 255) Program has provided angel investors additional incentives to invest in Wisconsin companies. Prior to the program, Chippewa Valley Angel Investment Network had invested only $1 million in Wisconsin companies. At the end of 2012, the Chippewa Valley Angel Investment Network had over $4 million invested in nine ventures based in Wisconsin and Minnesota. One has had a positive exit, while another is no longer operating. Five of the ventures are Wisconsin QNBVs, representing a total investment of about $1.9 million. The network, supported by Momentum West, was organized in 2003 to provide private equity financing for early-stage and startup entrepreneurial ventures in the greater Chippewa Valley.

> "The QNBV program with angel investor tax credits is a good program. While it will never be a reason to invest in a company without solid fundamentals, my belief is that it will generally mean a larger investment."
>
> — Pete Marsnik, Manager
> Chippewa Valley Angel Investors Network

"The QNBV program with angel investor tax credits is a valuable program. While it will never be a reason to invest in a company without solid fundamentals, my belief is that it will generally mean a larger investment. This helps startup entrepreneurs hit their funding targets sooner with fewer investors, saving time to work on the business," said Pete Marsnik, manager of the Chippewa Valley Angel Investors Network.

DRIVING HIGH-GROWTH SECTORS IN WISCONSIN

Emerging growth companies verified for QNBV certification represent a range of industry sectors, but all must have the potential for creating new innovative solutions and have the potential to increase both capital investment and jobs in Wisconsin.

Historically, the biotechnology sector has lead QNBV certifications. However, the number of companies receiving certification has shifted from biotechnology to information technology. Investments in these two key technology sectors represent a total of 60 percent of the qualifying investment activity in the program for 2012.

2012 Industry Portfolio

$48.4M TOTAL QUALIFIED INVESTMENTS

$29.3M QUALIFIED INVESTMENTS IN BIOTECHNOLOGY AND INFORMATION TECHNOLOGY

Biotechnology and information technology represent 60 percent of the total $48.4 million in qualified investments.

QNBV SUCCESS IN WISCONSIN

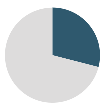
In 2012 HarQen LLC closed the final leg of its third fundraising round, raising $4.3 million in venture funding. This brings to more than $7 million the amount that the company has raised from outside investors. HarQen was certified as a QNBV in 2009.

> "... (T)he tax credits provide that extra bit of incentive to keep good investment dollars in the state."
>
> — Ane Ohm, President
> HarQen LLC

Founded in 2007, HarQen's intelligent Voice Service enables meetings, interviews and other conversations to be captured, enriched, organized and shared, improving collaboration. For example, their Voice Advantage solution allows users to create and share video or phone interviews, allowing companies and job candidates greater interview convenience.

"The ability to offer tax credits to our Wisconsin investors was critical for us to successfully reach our goals during this latest round of fundraising. In our experience, angel investors in Wisconsin like the idea of supporting the local startup community. At the same time, the tax credits provide that extra bit of incentive to keep good investment dollars in the state," said Ane Ohm, HarQen's president.

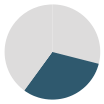
$14.1M INVESTED IN BIOTECHNOLOGY



29% OF QUALIFIED INVESTMENT

$14.1 million in qualified investments have been made in certified biotechnology companies. See table 3 (page 12), for more detail.

$15.2M INVESTED IN INFORMATION TECHNOLOGY



31% OF QUALIFIED INVESTMENT

$15.2 million in qualified investments have been made in certified information technology companies. See table 3 (page 12), for more detail.

EARLY-STAGE IMPACT ON JOBS IN WISCONSIN

1,102 2012 FULL-TIME POSITIONS

Full-time positions based in Wisconsin as of the end of 2012. See table 2 (page 11), for more detail.

$76,581 AVERAGE SALARY

Average salary for full-time positions reported by the certified companies in 2012. See table 2 (page 11), for more detail.

$84.4M ANNUAL PAYROLL

Estimated total annual payroll for full-time positions employed by certified companies in 2012.

The long-term success of the QNBV Program is based on the additional jobs and wages generated as the enrolled companies grow over time. The portfolio companies created 170 net new full-time jobs and 40 part-time jobs in 2012, for a total of 1,102 full time and 220 part time positions. While this is relatively modest job growth, when combined with an average full-time salary and payroll of over $76,000 and $84 million respectively, the total direct economic impact of these companies is significant. Add in the fact that QNBV companies have an average of less than seven full-time employees, and it becomes clear that these companies have substantial room for growth and the potential for tremendous economic impact.

The certified businesses provide annual reports with information on jobs and average wages to WEDC. Companies that no longer are in the program do not report job and salary information to WEDC, so the overall job creation impact of the QNBV Program is well beyond what is reported by companies still in the program.

QNBV SUCCESS IN WISCONSIN

Embedtek, located in Hartland, was formed in 2002. The company designs and manufactures embedded computers and integrated display solutions for original equipment manufacturers.

Some of Embedtek's applications include medical equipment, military vehicle simulators, fitness displays and portable AV recorders. The company grew from 23 to 36 full time employees in 2012 and expects its workforce to exceed 50 by the end of 2013. Embedtek had nine employees at the beginning of 2010, the year it obtained QNBV status.

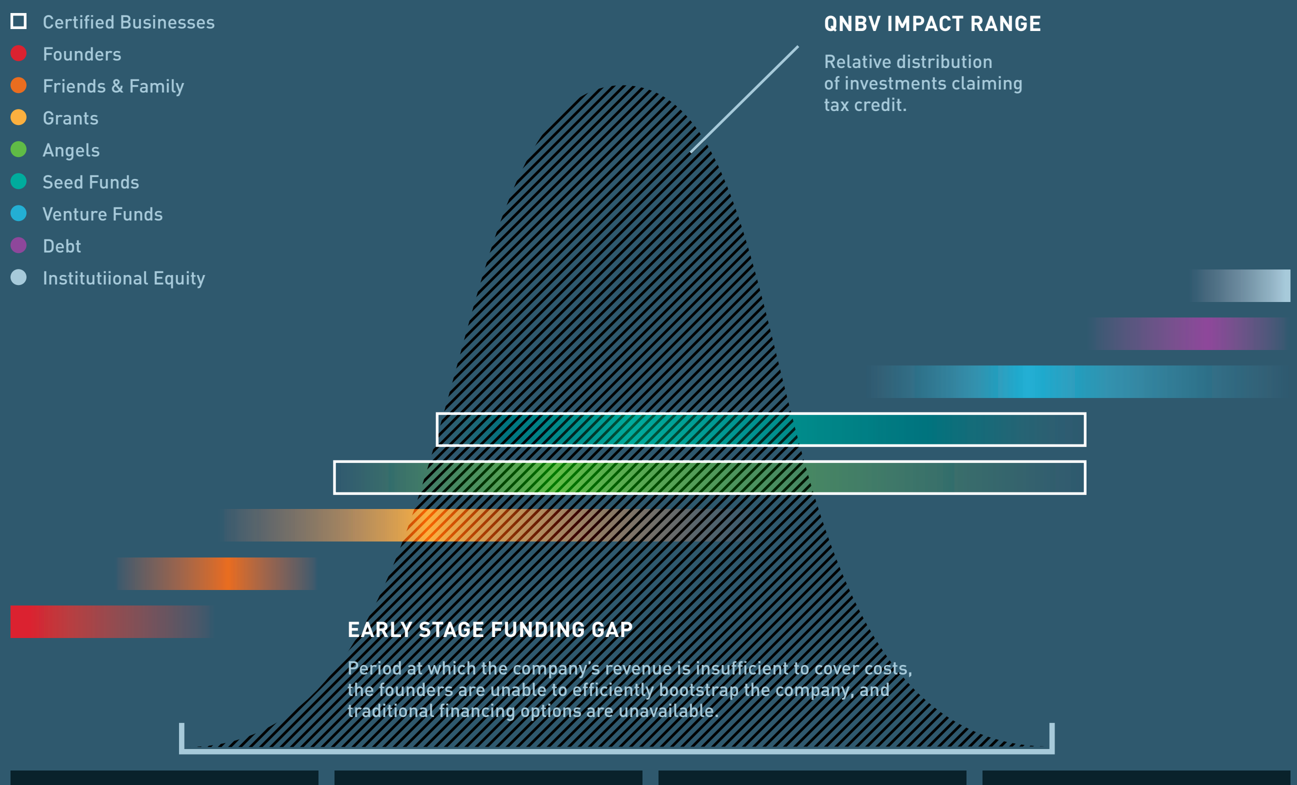
"We're not only winning business, which has been responsible for our recent growth in production and our workforce, but we're bringing business to Wisconsin by sourcing many components locally. This wouldn't have happened if we hadn't been able to expand. Whenever you make an investment to grow a business, you are taking a big risk in building production capacity and a workforce. The QNBV program helped mitigate that risk," said Tom Fotsch, chief operating officer of Embedtek.

> "We're not only winning business ... but we're bringing business to Wisconsin by sourcing many components locally."
>
> — Tom Fotsch, COO Embedtek

FUNDING TIMELINE FOR EMERGING TECHNOLOGY COMPANIES

EFFECTS OF THE QNBV PROGRAM

The QNBV program is designed to target companies at the earliest stages of development, helping to attract angel and seed venture funding. Companies use the program starting late in the conceptualization stage through the early growth stages. However, the program has the most impact in fund-raising during the validation stage, where the investment risk is still very high and the funding needed is significantly more than typical founders or their friends and family can support.



CONCEPTUALIZATION

Company founders develop an idea for a product or service, refine the idea and complete initial prototyping. Actual company formation is not a requirement at this stage.

VALIDATION

The company continues technology development activities including further refinement and testing. The company also starts conducting business development activities such as seeking early market validation and gathering market feedback on its new products or services.

COMMERCIALIZATION

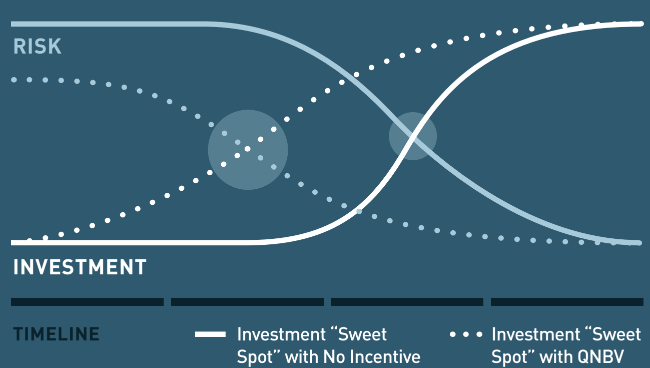
The goal in this stage is to go to market with the company's initial products or services. Activities typically include commercialization planning, production model development, marketing, and new product or service rollout.

GROWTH

Growth after initial commercial-ization often requires rapid and repeated expansion. However, companies may not yet be profitable or may have insufficient history to support traditional financing.

QNBV MITIGATES INVESTMENT RISK FOR EARLY-STAGE COMPANIES

Any high growth startup faces significant risk, especially in the early stages when funding is the most precarious. As a company secures adequate investment, through any of the various sources, its risk begins to decline, because it has the cash to continue to advance its concept into the market. The QNBV Program helps reduce the risk by providing an incentive for investment earlier in the funding life of a company.



QNBV PROGRAM TRENDS

QNBV PROGRAM IMPACT

Biotechnology companies have lead Wisconsin industry sectors represented in the QNBV Program since 2005.

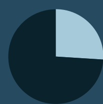
In the last few years the information technology industry has grown to the same level or slightly above the biotechnology industry in the total amount of qualified investments received on an annual basis. In addition, the number of new businesses certified has declined over time for the biotechnology industry, while there has been recent growth in the number of new information technology businesses certified.

These industries represent over 60 percent of the qualified investment activity and 55 percent of the total businesses certified. The growth potential within these industries underscores the importance of the QNBV Program in helping these companies continue to attract the capital needed to complete development and launch products.

COMPARISON AS OF 2012

BIOTECHNOLOGY

41 QNBV CERTIFIED COMPANIES



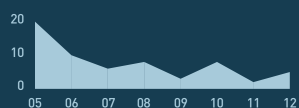
26% OF PORTFOLIO

Of the 160 companies within the QNBV portfolio, 41 were biotechnology companies.

5 NEWLY CERTIFIED BIOTECHNOLOGY COMPANIES

11% CERTIFIED

Of the 44 new companies certified in 2012, 5 were biotechnology companies.



NEW BIOTECH BUSINESSES CERTIFIED TREND

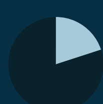
Number of new biotechnology businesses certified each year.

13 BUSINESSES RECEIVED QUALIFIED INVESTMENT

32% CERTIFIED

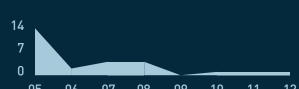
13 of the 41 certified biotechnology businesses received qualified investments.

1 2012 CERTIFIED COMPANY RECEIVED CREDIT



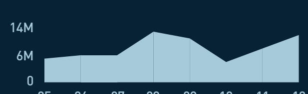
20% AWARDED

One of the 5 new businesses certified in 2012 received QNBV tax credits.



NEW BIOTECH BUSINESSES RECEIVING CREDIT TREND

The number of new biotechnology businesses certified that have been successful in attracting qualified investment in the year they were certified.

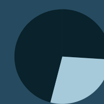


$80.5M TOTAL RECEIVED

Investments that qualified for tax credits for biotechnology companies.

INFORMATION TECH

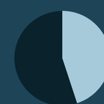
45 QNBV CERTIFIED COMPANIES



28% OF PORTFOLIO

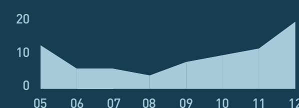
Of the 160 companies within the QNBV portfolio, 45 were information technology companies.

20 NEWLY CERTIFIED INFORMATION TECH COMPANIES



45% CERTIFIED

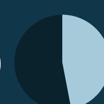
Of the 44 new companies certified in 2012, 20 were information technology companies.



NEW INFO TECH BUSINESSES CERTIFIED TREND

Number of new information technology businesses certified each year.

21 BUSINESSES RECEIVED QUALIFIED INVESTMENT



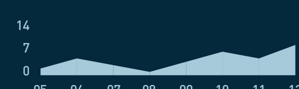
47% CERTIFIED

21 of the 45 certified information technology businesses received qualified investments.

9 2012 CERTIFIED COMPANY RECEIVED CREDIT

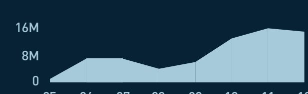
45% AWARDED

Nine of the 20 new businesses certified in 2012 received QNBV tax credits.



NEW INFO TECH BUSINESSES RECEIVING CREDIT TREND

The number of new information technology businesses certified that have been successful in attracting qualified investment in the year they were certified.



$72.1M TOTAL RECEIVED

Investments that qualified for tax credits for information technology companies.

ABOUT THE PROGRAM

SUPPORTING INVESTMENT IN WISCONSIN COMPANIES

Wisconsin's Qualified New Business Venture Program (QNBV) works to spur investment in early-stage Wisconsin businesses with the potential for significant economic impact and job growth. The program is as simple as it is effective, creating mutually beneficial outcomes for investors, businesses and Wisconsin's economy.

HOW IT WORKS

Early-stage businesses developing innovative products, processes or services may be designated as QNBVs. Investments in QNBVs made by angel investors, angel investment networks and qualified venture capital funds are eligible to receive a tax credit equal to 25 percent of the amount of equity investment.

QNBV CERTIFICATION REQUIREMENTS

To achieve QNBV certification, companies must meet the following criteria:

- Headquartered in Wisconsin
- At least 51 percent of employees based in the state
- Have fewer than 100 employees
- In operation for 10 consecutive years or less
- Offer significant potential for increasing jobs or increasing capital investment in Wisconsin
- Have not received aggregate private equity investment in cash of more than $10 million

With a focus on technological advancements, QNBV certification does not apply to companies primarily engaged in real estate development, insurance, banking, lending, lobbying, political consulting, professional services, wholesale or retail trade, leisure, hospitality, transportation, or construction (except the construction of power production plants that derive energy from a renewable resource).

CLAIMING EARLY STAGE BUSINESS INVESTMENT CREDITS*

Businesses can receive up to a total of $8 million in tax-eligible cash equity investment (for up to $2 million in tax credits for the investors).There is no limit on the amount of credits investors can claim.

- A business must be certified as a QNBV by WEDC prior to the initial investment in order to be eligible for investment tax credits
- A venture fund must be certified as a Qualified Venture Fund (QVF) by WEDC prior to the initial investment in order to be eligible for investment tax credits**
- Angel investors are required to be accredited/sophisticated investors and must submit documentation to WEDC following the investment
- The investment is considered complete upon deposit of the cash investment into the QNBV

Investments must be:

- Clearly identifiable as being cash investments
- In the form of common stock, preferred stock, partnership or membership interest, or equivalent ownership interest. Cash exchanged for debt is not eligible unless the debt is later converted into equivalent ownership interest
- Investments made by QVF, with principal offices based outside of this state, must be made side by side with equity investors based in Wisconsin with a minimum participation by state investors as determined by WEDC

The following will not qualify for tax credits:

- 401(k), IRA, Roth IRA or similar tax deferred or tax advantaged accounts are not eligible investment vehicles for the Angel tax credit programs
- Investor cannot control or cannot be closely related (spouse, grandparent, parent, sibling, child, stepchild, grandchild) to someone who controls more than 20 percent of the ownership interest in the company at the time of the investment
- Corporations, operating business entities, non-profit companies or foundations will not qualify under the Angel tax credit but may be eligible if investments are made in a QVF

TAKING ADVANTAGE OF WISCONSIN'S EARLY STAGE BUSINESS INVESTMENT AND QNBV PROGRAMS

For more information about investment opportunities available through the Early Stage Business Investment Program or achieving QNBV certification, contact a Wisconsin Economic Development Corporation (WEDC) Technology Investment Manager:

Chris Schiffner
Technology Investment Manager, WEDC
Division of Entrepreneurship and Innovation
(608) 210-6826
chris.schiffner@wedc.org

Aaron Haggar
Technology Investment Manager, WEDC
Division of Entrepreneurship and Innovation
(608) 210-6825
aaron.hagar@wedc.org

For QNBV certification, you should be prepared to submit an up-to-date business plan or executive summary. The initial review of your QNBV application will take four to six weeks.

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* The Wisconsin Economic Development Corporation (WEDC) does not endorse the quality of management or the potential for earnings for the certified Qualified New Business Venture. Furthermore, the Qualified New Business Venture's use of the phrase "certified" and/or "qualified new business venture" is not a recommendation or endorsement of the investment or the company by WEDC.

** Certification of a fund by the WEDC is not an endorsement of the quality of management of that fund. The WEDC is not liable for damages or losses to an investor.

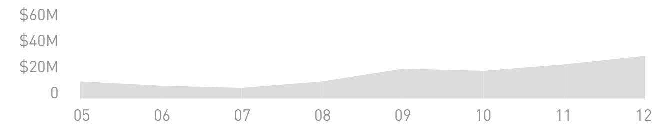
DIAGRAM 1

Annual Results by Investment Type

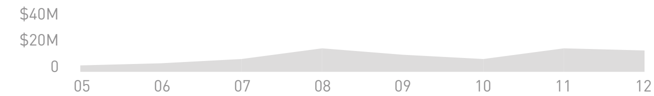
Qualified angel investments have grown steadily since 2007, while qualifying venture capital investments have remained relatively flat. Other financing including investments that do not qualify for credits such as out of state equity, debt and founder's investments have grown since 2005. Please note that the spike in 2010 is primarily due to two companies whose financing amounts represent nearly half of the total other financing for that year. Grants were not tracked separately early in the program. In the last three years federal and other grants have grown to represent nearly twenty percent of the total funding received by qualified companies.

$916.1M TOTAL INVESTMENTS

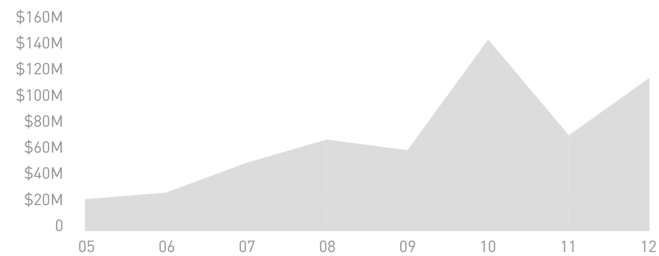
ANGEL INVESTMENTS



VENTURE CAPITAL FUND INVESTMENTS



OTHER FINANCING



GRANTS

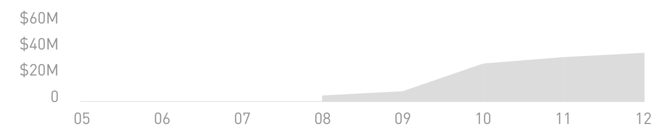


TABLE 1

Annual Results

Source: Reporting from QNBV Certified Companies

	ANGEL	VC FUND	TOTAL CREDITS	OTHER FINANCING	GRANTS	TOTAL
2012	32,214,915	16,229,991	12,111,227	116,254,652	37,177,266	201,876,824
2011	26,802,916	18,486,944	11,322,465	72,498,556	33,155,828	150,944,244
2010	20,160,566	10,267,268	7,606,959	144,561,009	29,400,466	204,389,309
2009	22,116,868	12,902,148	8,754,754	61,487,213	8,141,039	104,647,268
2008	12,423,716	17,137,844	7,390,390	68,116,873	5,358,571	103,037,004
2007	8,201,848	10,400,808	4,650,664	51,573,820	N/A	70,176,476
2006	9,672,712	5,693,752	3,841,616	28,933,536	N/A	44,300,000
2005	11,959,056	501,284	3,115,085	24,339,660	N/A	36,800,000
Total	143,552,597	91,620,039	58,793,160	567,765,319	113,233,170	916,171,125

DIAGRAM 2

Average Employee Base of Certified Companies

Certified companies on average employ 9.2 positions per company. This is up from 6.1 positions per company in 2007.

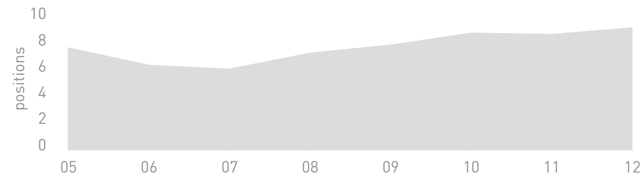


DIAGRAM 3

Average Salary Base of Certified Companies

Average salaries of certified companies have consistently remained well above median household incomes for the state of Wisconsin. These companies help the state attract and retain highly-educated, trained and talented individuals.

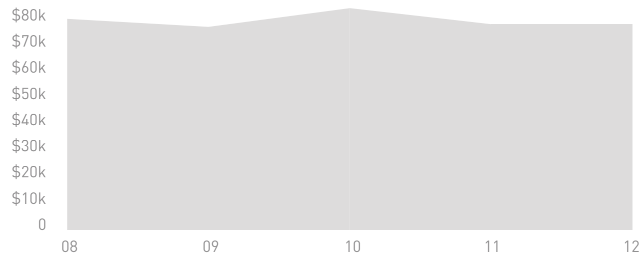


TABLE 2

Annual Employment and Wages

Source: Reporting from QNBV Certified Companies

	CERTIFIED COMPANIES	NET NEW WI JOBS	WI FULL-TIME JOBS	WI PART-TIME JOBS	TOTAL JOBS	AVERAGE SALARY
2012	160	210	1,102	220	1,476	76,581
2011	138	207	934	181	1,206	76,564
2010	125	N/A	N/A	N/A	1,107	83,346
2009	106	N/A	N/A	N/A	846	76,627
2008	89	N/A	N/A	N/A	655	78,582
2007	76	N/A	N/A	N/A	461	N/A
2006	60	N/A	N/A	N/A	384	N/A
2005	44	N/A	N/A	N/A	339	N/A

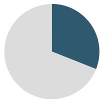
DIAGRAM 4

2012 Qualified Investments by Industry

Qualified investments represent the amount of investments that are eligible for tax credits.

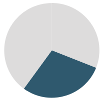
$48.4M TOTAL QUALIFIED INVESTMENTS

$15.2M INVESTED IN INFORMATION TECHNOLOGY



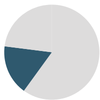
31% CERTIFIED

$14.1M INVESTED IN BIOTECHNOLOGY



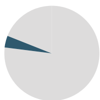
29% CERTIFIED

$7.9M INVESTED IN HEALTHCARE TECHNOLOGY



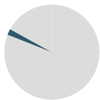
17% CERTIFIED

$1.9M INVESTED IN NANOTECHNOLOGY



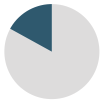
4% CERTIFIED

$1M INVESTED IN ENERGY



2% CERTIFIED

$8.3M INVESTED IN OTHER



17% CERTIFIED

TABLE 3

2012 Qualified Investments

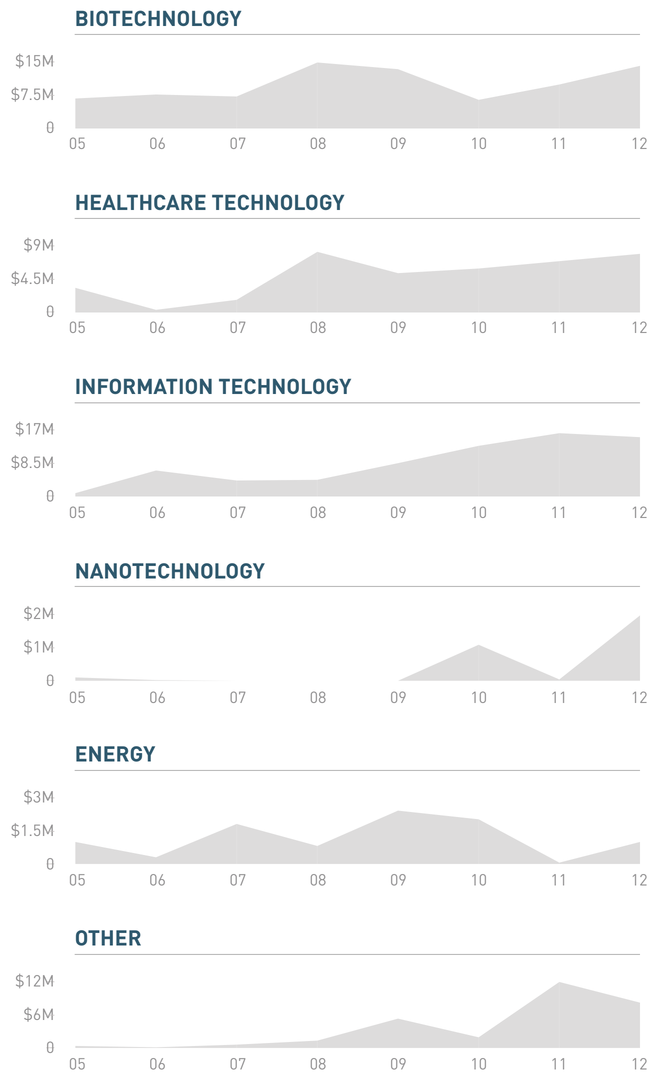
Source: Reporting from QNBV Certified Companies

TYPE OF INDUSTRY	TOTAL PARTICIPATING BUSINESSES	TOTAL BUSINESSES THAT RECEIVED CREDITS	QUALIFIED INVESTMENT	OTHER FINANCING	GRANTS
Biotech	41	13	14,124,638	36,118,731	17,083,698
Health Technology	29	15	7,907,684	19,975,707	1,145,229
Information Technology	45	21	15,174,447	32,601,819	1,096,853
Nanotechnology	4	3	1,954,998	194,000	100,000
Energy	7	1	1,000,000	17,484,078	5,065,000
Other	34	10	8,283,139	9,880,317	12,626,486
Total	160	63	48,444,906	116,254,652	37,117,266

DIAGRAM 5

Annual Qualified Investments by Industry

In 2012 Biotechnology and Healthcare technologies returned to funding levels previously seen in 2008 and 2009. IT and Other products appear to be on the up swing in 2012, being at or near the highest activity levels since the program's inception. Energy was coming off a low point in activity in both number of certified companies and investments. Nanotechnology certifications and funding were more active in 2012 than at any other point.



$235.2M TOTAL QUALIFIED INVESTMENTS

TABLE 4

Annual Qualified Investments

Source: Reporting from QNBV Certified Companies

	BIOTECH	HEALTH TECH	INFO TECH	NANOTECH	ENERGY	OTHER	TOTAL
2012	14,124,638	7,907,684	15,174,447	1,954,998	1,000,000	8,283,139	48,444,906
2011	9,981,389	6,953,353	16,261,914	45,000	66,900	11,981,308	45,289,864
2010	6,434,855	5,926,707	12,975,731	1,080,000	2,064,502	1,946,030	30,427,825
2009	13,311,025	5,347,361	8,562,056	0	2,412,772	5,385,800	35,019,014
2008	14,915,461	8,206,001	4,264,903	0	820,200	1,355,000	29,561,565
2007	7,260,451	1,741,000	7,188,012	0	1,838,200	575,000	18,602,663
2006	7,604,047	473,699	6,775,219	5,004	338,500	170,000	15,366,469
2005	6,825,504	3,350,552	874,094	105,000	999,998	305,194	12,460,342
Total	80,457,370	39,906,357	72,076,376	3,190,002	9,541,072	30,001,471	235,172,648

TABLE 5

Angel Tax Credit

This table represents the total amount of Angel tax credits available to the program in each year less the actual credits issued. In 2009 and 2010 unallocated credits were transferred to the Jobs Tax Credit Program. The remaining balance of credits available is then rolled into the next year' s available credit limit. In 2012 there were $28 million in unallocated credits that will be added to the 2013 credit allocation for a total of over $48 million in credits available for 2013. (Source: Reporting from QNBV Certified Companies)

	INITIAL CREDITS	PREV YEAR ROLLOVER	TOTAL AVAILABLE	CREDITS VERIFIED	BALANCE AVAILABLE	ALLOCATED TO JTC	AVAILABLE ROLLOVER
2012	20,000,000	16,373,967	36,373,967	8,053,729	28,320,238	0	28,320,238
2011	20,000,000	3,074,696	23,074,696	6,700,729	16,373,967	0	16,373,967
2010	6,500,000	2,997,479	9,497,479	5,032,178	4,465,301	1,390,605	3,074,696
2009	5,500,000	3,343,609	8,843,609	5,529,217	3,314,392	316,913	2,997,479
2008	5,500,000	949,538	6,449,538	3,105,929	3,343,609	0	3,343,609
2007	3,000,000	0	3,000,000	2,050,462	949,538	0	949,538
2006	3,000,000	0	3,000,000	2,418,178	581,822	0	0
2005	3,000,000	0	3,000,000	2,989,764	10,236	0	0

TABLE 6

Early Stage Seed Credit (Venture Fund Credit)

This table represents the total amount of Early Stage Seed tax credits available to the program in each year less the actual credits issued. In 2009, 2010, and 2011 unallocated credits were transferred to the Jobs Tax Credit Program. The remaining balance of credits available is then rolled into the next year's available credit limit. In 2012 there were $28 million in unallocated credits that will be added to the 2013 credit allocation for a total of over $48 million in credits available for 2013. (Source: Reporting from QNBV Certified Companies)

	INITIAL CREDITS	PREV YEAR ROLLOVER	TOTAL AVAILABLE	CREDITS VERIFIED	BALANCE AVAILABLE	ALLOCATED TO JTC	AVAILABLE ROLLOVER
2012	20,500,000	11,481,201	31,981,201	4,057,498	27,923,703	0	27,923,703
2011	20,500,000	2,602,937	23,102,937	4,621,736	18,481,201	7,000,000	11,481,201
2010	8,000,000	2,615,337	10,615,337	2,566,817	8,048,520	5,445,583	2,602,937
2009	6,000,000	2,615,337	8,615,337	3,225,537	5,389,800	2,774,463	2,615,337
2008	6,000,000	899,798	6,899,798	4,284,461	2,615,337	0	2,615,337
2007	3,500,000	0	3,500,000	2,600,202	899,798	0	899,798
2006	3,500,000	0	3,500,000	1,423,438	2,076,562	0	0
2005	3,500,000	0	3,500,000	125,321	3,374,679	0	0


INSPIRATION LAUNCHES ORIGINAL DISCOVERIES THAT START, GROW AND PROSPER IN WISCONSIN.
Access WEDC's Qualified New Business Venture (QNBV) 2012 Annual Report online at InWisconsin.com/2012qnbv.

APPENDIX A

Current QNBV Certified Companies

COMPANY	CONTACT	LOCATION	CERTIFICATION
Platypus Technologies, LLC -Duh	Kim Toussaint	Madison	1/19/2005
NeoClone Biotechnology International LLC	Deven McGlenn	Madison	1/7/2005
Virent, Inc.	Andrew Wickizer	Madison	1/7/2005
Lucigen Corporation	Jeff Williams	Middleton	1/19/2005
Marvel Medtech, LLC	Raymond D. Harter	Verona	2/7/2005
Quintessence Biosciences, Inc.	Kay Groff	Madison	1/28/2005
BellBrook Labs, LLC	Robert Lowery	Madison	2/18/2005
Sirkpath, Inc.	Mark D. Westfall	Neenah	3/1/2005
ioGenetics, LLC	Jane Homan	Madison	3/22/2005
Quincy Bioscience Holding Company, Inc.	Michael Beaman	Madison	3/30/2005
GWC Technologies, Inc.	Stephen C. Weibel	Madison	5/5/2005
Cytophil, Inc.	Bill Hubbard	East Troy	8/18/2011
Esker Technologies, LLC	Brad Rake	Richfield	5/5/2005
Biolonix, Inc.	James Tretheway	Mc Farland	5/10/2005
U.S. Trail Maps, Inc.	Eric Antonson	Wausau	6/28/2005
Semba Biosciences, Inc.	Robert Mierendorf	Madison	6/30/2005
NovaScan LLC	Bill Gregory	Milwaukee	6/28/2005
ConjuGon, Inc.	Steve Watt	Madison	3/11/2005
Tascet, Inc.	Larry Aubol	Madison	9/20/2005
Invivo Sciences, INC	Ayla Annac	Madison	11/1/2005
StrandVision, LLC	Mike Strand	Menomonie	11/22/2005
Horizon Systems & Services, Inc.	Bob Agazzi	Sheboygan	1/6/2006
Kenergy, Inc.	Stephen Denker	Thiensville	4/18/2006
PDM Solar, Inc.	David Baker	Wausau	7/24/2006
Alpha Universe, LLC	Alexey G. Zdanovsky	Madison	9/21/2006
C5-6 Technologies	David Mead	Middleton	9/27/2006
DeltaHawk Engines, Inc.	Dennis Webb	Racine	9/13/2006
ProCertus BioPharm, Inc.	Todd Argall	Madison	1/16/2007
Morgan Aircraft, LLC	Brian H. Morgan	Milton	7/2/2007
Stratatech Corporation	Robert Barnard	Madison	3/26/2007
Stemina Biomarker Discovery, Inc.	Elizabeth L. R. Donley	Madison	4/16/2007

Centrose LLC	James Prudent	Madison	5/16/2007
Medical Cyberworlds, Inc.	Karen Kron	Verona	8/20/2007
AhR Pharmaceuticals, Inc.	Jiasheng Song	Madison	10/16/2007
Echometrix LLC	Terry Duesterhoeft	Madison	8/20/2007
Cytometix	John Luellwitz	Brookfield	12/14/2009
FluGen Inc.	Maggie Coluccy	Madison	11/12/2007
Sonoplot, Inc.	Brad Larson	Middleton	1/23/2008
Isomark LLC	Mark E. Cook	Madison	11/12/2007
PlantPharm Biomed, Ltd.	Bob Britt	Delavan	2/20/2008
Silatronix, Inc.	Mark Zager	Madison	3/12/2008
Perscitus Biosciences, LLC	Chris Thomas	Madison	5/28/2008
Phoenix Nuclear Labs	Ross Radel, PhD	Middleton	6/3/2008
NanoMedex Pharmaceuticals, Inc.	David Cooper	Middleton	7/22/2008
Swallow Solutions, LLC	Bob Carlson	Madison	8/18/2008
Pabst Engineering & Manufacturing, Inc.	John Dietrich	Onalaska	9/2/2008
Eso-Technologies, Inc.	Bonnie Reinke	Middleton	10/13/2008
Idle Free Systems, Inc.	Robert Hopton	Watertown	10/20/2008
Promentis Pharmaceuticals, Inc.	Chad E. Beyer	Milwaukee	11/3/2008
Flex Biomedical, Inc.	Charlie Goff	Little Chute	2/2/2009
Evrisko Systems, LLC	Charles Betz	Eau Claire	5/18/2009
HarQen, Inc.	Kelly Fitzsimmons	Milwaukee	7/22/2009
Aurizon Ultrasonics	Greg Benrud	Kimberly	7/9/2009
Extend Manufacturing, LLC	Chris D. Osswald	Weston	8/26/2009
NeuroGenomeX, Inc.	Jacqueline Doeler	Madison	8/31/2009
AquaMOST, INC	Todd Asmuth	Madison	12/14/2009
Lumen Healthcare, Inc.	Brian D. Curry	Pewaukee	12/14/2009
Vatrix Medical, Inc.	Matthew Ogle	Madison	11/23/2009
Vibetech, Inc.	Jeff Leismer	Sheboygan	4/1/2010
Bill-Ray Home Mobility, LLC	Joseph Vosters	Appleton	5/12/2010
Montage Talent, Inc.	Martine Schumacher	Delafield	4/19/2010
Engineered Propulsion Systems, Inc.	Steven Weinzierl	New Richmond	5/24/2010
Stablebody Technologies, LLC	Harry Horn	Madison	7/22/2010
Surgical Site Solutions, Inc.	James Kregel	Sheboygan	7/6/2010
Zurex Pharma, Inc.	Carmine Durham	Middleton	7/12/2010
TermSync, Inc.	Mark Wilson	Madison	8/2/2010
U.S. Pride Products, LLC	Joni VanDusartz	Hammond	8/9/2010
PerBlue, Inc.	Justin Beck	Waunakee	7/28/2010

Murfie Inc.	Matthew Younkle	Madison	8/2/2010
Xolve, Inc.	John Biondi	Middleton	8/16/2010
Smoke-Break, LLC	Brett Roth	Milwaukee	4/5/2011
Aurora Spectral Technologies LLC	Thomas Mozer	Milwaukee	10/4/2010
Odyne Systems, LLC	Joseph Dalum	Waukesha	11/1/2010
Shoutlet, Inc.	Aaron Everson	Madison	10/27/2010
Blue Planet Strategies, LLC	Patrick James	Madison	11/15/2010
Shamrock Energy Corporation	Charles Gibson	Saukville	11/22/2010
Procubed, LLC	Teresa Maerzke	Kenosha	11/8/2010
Microscopy Innovations, LLC	Mark Nelson	Marshfield	11/22/2010
Phyllotech, LLC	Ryan W. Shepherd	Madison	4/6/2010
Medical Engineering Innovations, LLC	Richard C. Schmidt	Madison	1/12/2011
HMA Fire LLC	Thomas Crabb	Middleton	1/25/2011
Zurex PharmAgra, LLC	Carmine J. Durham	Middleton	3/8/2011
Super Vitamin D, LLC	Ted Schwarzrock	Eau Claire	4/18/2011
Renewegy, LLC	Dan Epstein	Neenah	5/23/2011
HSM, LLC	Richard Kranitz	Grafton	5/23/2011
Reciprocal Labs Corporation	Mark Gehring	Madison	6/9/2011
Dynamis Software Corporation	Mark Priestaf	West Allis	7/6/2011
Okanjo Partners, Inc.	Hendrik Vlietstra	Milwaukee	9/1/2011
Aver Informatics, Inc.	Roger Orlady	Green Bay	10/5/2011
Medtrak Holding Company LLC	Steve Hushek	Milwaukee	11/3/2011
Innosoft, Inc.	Thomas Culver	Cleveland	11/9/2011
Pilot Training System, LLC	Christopher M. Johnson	Madison	11/21/2011
SnowShoeFood Inc.	Claus C. Moberg	Madison	12/28/2011
Enhancement Medical, LLC	Robert A. Hofschulz	Milwaukee	11/10/2011
Northstar Medical Radioisotopes, LLC	George Messina	Madison	3/13/2012
Invenra, Inc.	Roland Green	Madison	1/18/2012
Pinpoint Software, Inc.	Andrew Hoeft	Onalaska	2/1/2012
NCD Technologies, LLC	Patrick Heaney	Madison	1/25/2012
Deka Systems LLC	Rob Gaddis	Sun Prairie	2/8/2012
Golf Pipeline, Inc	Brian Wroblewski	Menomonee Falls	3/22/2012
Imaging Biometrics, LLC	Mike Schmainda	Elm Grove	3/27/2012
Somna Therapeutics, LLC	Nick Maris	Germantown	4/13/2012
Keystone Insights, LLC	William Mortimore	Menomonee Falls	4/23/2012

SpeechTails, Inc	Todd Reno	Elm Grove	6/8/2012
WholeTrees, LLC	Amelia Swan Baxter	Stoddard	6/18/2012
Alithias, Inc	Ross Bjella	Milwaukee	6/25/2012
Hopster, Inc	Nicholas Herdrich	Middleton	6/28/2012
Flatsix, LLC	Han Angermeier	Milwaukee	7/2/2012
Radiant Fabrication Inc.	Nathan Patterson	Madison	7/23/2012
Outdoor InSite, LLC	Brian Jensen	Madison	7/23/2012
Dynamis, LLC	Christopher Henshue	Madison	9/4/2012
Perfect Cross	Jeffery Smith	Nashotah	9/4/2012
Strategic Fishing Systems, LLC	Dan Reed	Madison	9/4/2012
Mox eHealth, LLC	Dan Wilson	Madison	9/4/2012
PeptiMed, Inc	Scott Schneider	Madison	9/17/2012
Rowheels, Inc	Rimas Buinevicius	Madison	10/1/2012
The Good Jobs, Inc	Anne Nimke	Milwaukee	11/7/2012
intuitive Bioscience, Inc	Shawn Guse	Madison	11/5/2012
C-Motive Technologies, Inc.	Justin Reed	Madison	12/3/2012
Always In Touch	Chris Crosse	Mequon	1/14/2013
Regenerative Medical Solutions, Inc	Tom Joyce	Madison	12/10/2012
The Art Commission, LLC	Terry Maxwell	Madison	12/10/2012
Mobileigniter, Inc	Dominic DiMarco	Madison	12/27/2012
Kayo Technology, Inc	David Grandin	Madison	12/20/2012
Wellintel, LLC	Marian Singer	Milwaukee	12/26/2012
Wellbe, Inc.	Abraham Palmbach	Madison	12/20/2012
Nextt, Inc	Mark McGuire	Madison	12/20/2012
EASENET, Inc.	Jeremy Anderson	Milwaukee	1/14/2013
United Community, LLC	David Meyers	Sherwood	1/14/2013
U Connect, Inc	Matt Howard	Madison	1/23/2013
US Biomarkers, Inc.	Victor Levenson	Buffalo Grove	1/22/2013
NexVex, Inc.	William Bazeley	Whitewater	2/4/2013
SpanDeX, Inc.	Gregori Kanatzidis	Franksville	2/4/2013
Magma Flooring LLC	Jeff Cernohous	River Falls	10/22/2012
Winstruments, Inc	Alex Kubicek	Madison	3/18/2013
Badger Max, Inc	Brandon Duck	Waunakee	3/18/2013
SOLOMO Technology, Inc.	Liz Eversoll	Madison	3/11/2013
MPSP, LLC	McGee Young	Milwaukee	4/17/2013

APPENDIX B

2012 Qualified Investments and Credits

CERTIFIED COMPANY	ANGEL INVESTMENT	QVF INVESTMENT	TAX CREDIT
Lucigen Corporation	$1,428,819	$0	$357,205
Quintessence Biosciences, Inc.	$293,000	$0	$73,250
Esker Technologies, LLC	$150,000	$0	$37,500
Biolonix, Inc.	$2,194,974	$0	$548,744
NovaScan LLC	$50,000	$0	$12,500
Tascet, Inc.	$655,000	$0	$163,750
NeuWave Medical, Inc.	$301,578	$223,176	$131,189
DeltaHawk Engines, Inc.	$30,000	$0	$7,500
Stratatech Corporation	$1,000,000	$0	$250,000
Stemina Biomarker Discovery, Inc.	$340,284	$0	$85,071
Centrose LLC	$75,000	$0	$18,750
Echometrix LLC	$550,000	$0	$137,500
Cytometix	$937,500	$0	$234,375
FluGen Inc.	$17,835	$787,223	$201,265
Isomark LLC	$70,000	$0	$17,500
Stealth Therapeutics, Inc.	$558,050	$383,000	$235,263
Phoenix Nuclear Labs	$340,500	$200,000	$135,125
Swallow Solutions, LLC	$70,000	$0	$17,500
Eso-Technologies, Inc.	$6,750	$164,292	$42,761
Flex Biomedical, Inc.	$496,668	$385,000	$220,417
StudyBlue, Inc.	$747,000	$0	$186,750
HarQen, Inc.	$1,710,400	$725,000	$608,850
Aurizon Ultrasonics	$50,000	$0	$12,500
Vibetech, Inc.	$55,000	$0	$13,750
Montage Talent, Inc.	$398,794	$1,848,794	$561,897
Engineered Propulsion Systems, Inc.	$959,000	$0	$239,750
Zurex Pharma, Inc.	$550,000	$4,450,000	$1,250,000
TermSync, Inc.	$2,243,000	$0	$560,750
Imagination Trends	$200,000	$0	$50,000
Murfie Inc.	$1,261,500	$646,165	$476,916

Xolve, Inc.	$125,000	$1,545,000	$417,500
Aurora Spectral Technologies LLC	$750,000	$0	$187,500
Shamrock Energy Corporation	$265,000	$0	$66,250
Microscopy Innovations, LLC	$350,003	$0	$87,501
Medical Engineering Innovations, LLC	$50,000	$0	$12,500
SHINE Medical Technologies, Inc.	$0	$2,699,091	$674,773
HMA Fire LLC	$50,000	$0	$12,500
Zurex PharmAgra, LLC	$150,000	$100,000	$62,500
Dynamis Software Corporation	$940,000	$0	$235,000
Okanjo Partners, Inc.	$50,000	$0	$12,500
Aver Informatics, Inc.	$345,000	$0	$86,250
Medtrak Holding Company LLC	$100,000	$0	$25,000
Innosoft, Inc.	$180,000	$0	$45,000
SnowShoeFood Inc.	$144,000	$0	$36,000
Enhancement Medical, LLC	$350,000	$0	$87,500
Northstar Medical Radioisotopes, LLC	$1,514,808	$0	$378,702
SoLoMo Identity, LLC	$458,796	$0	$114,699
Invenra, Inc.	$900,000	$0	$225,000
Pinpoint Software, Inc.	$303,000	$0	$75,750
NCD Technologies, LLC	$19,998	$0	$5,000
Shindigs Inc.	$100,000	$0	$25,000
Somna Therapeutics, LLC	$950,000	$0	$237,500
InControl Medical, LLC	$1,955,420	$0	$488,855
Hopster, Inc	$599,998	$550,000	$287,500
Flatsix, LLC	$250,000	$0	$62,500
Seven Marine, LLC	$1,924,740	$0	$481,185
Rowheels, Inc	$315,000	$0	$78,750
GreenWhey Energy, Inc.	$0	$1,000,000	$250,000
The Good Jobs, Inc	$168,000	$0	$42,000
The Art Commission, LLC	$410,000	$0	$102,500
Kayo Technology, Inc	$465,500	$523,250	$247,188
Wellbe, Inc.	$200,000	$0	$50,000
Nextt, Inc	$90,000	$0	$22,500
TOTAL	**$32,214,915**	**$16,229,991**	**$12,111,227**

The Wisconsin Economic Development Corporation (WEDC) leads economic development efforts for the state by advancing Wisconsin's business climate. WEDC nurtures business growth and job creation by providing resources, technical support and financial assistance to companies, partners and communities in Wisconsin. WEDC has four focus areas: business and industry development, economic and community development, entrepreneurship and innovation and international business development. Together with more than 600 regional and local business development partners, it represents a highly responsive and coordinated network.

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FOR QUESTIONS ABOUT THIS REPORT CONTACT

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