2016 QNBV REPORT

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

INVESTMENTS IN WISCONSIN STARTUPS HAVE RECORD YEAR

Annual investment levels in Wisconsin startups nearly doubled between 2011 and 2016. Companies across numerous industries are finding the investment they need to drive more innovation, launch products and grow their teams with some of the best and brightest minds from Wisconsin and across the globe.

2016 was a record year for investments in Qualified New Business Venture (QNBV) companies. The total amount of funding received by QNBV companies reached $281.7 million, up 60 percent from $177 million in 2015. In contrast to past years with large investment totals, 2016 did not have one or two very large deals boosting the results. Rather, a larger number of companies brought in investments over $10 million relative to prior years, indicating that investors are seeing more good opportunities in Wisconsin.

WEDC's QNBV Program helped 84 startups throughout the state draw $71.7 million in qualified investment with the support of $17.9 million in tax credits. A total of 211 companies are certified, which is helping to create a thriving startup ecosystem in Wisconsin.

Buoyed by the ability to attract capital, an increasing number of entrepreneurs and innovators are recognizing that Wisconsin is an attractive place for startups. From an educated workforce, to an excellent quality of life that is a draw to top-notch talent, to cost-effective resources and more, Wisconsin is becoming a destination for entrepreneurs seeking personal and professional fulfillment.

211
CERTIFIED COMPANIES

$281.7 MILLION

2016 RESULTS
QUALIFIED NEW BUSINESS VENTURE (QNBV) PROGRAM

The Qualified New Business Venture (QNBV) Program is established under Wis. Stat. §238.15 to help tech-based companies attract the capital necessary to fuel their growth. QNBV certification is available to early-stage businesses developing innovative products, processes or services. While the QNBV Program provides mutually beneficial outcomes for investors, startups and Wisconsin's economy. By supporting investment in cutting-edge companies, the QNBV Program sets the stage for Wisconsin's future success in a globally competitive environment.

As the numbers in this report show, this was a record year for investments in QNBV companies. Venture capital investors are significantly more active in Wisconsin than ever before, and are a key factor in providing capital as companies grow and scale.

The QNBV Program has shown positive results, driving Wisconsin's economic future through innovation and new opportunities. Along with partners across the state, the Wisconsin Economic Development Corporation (WEDC) is committed to providing assistance and resources to help bridge gaps and support startups at every stage of their growth.

See these related links on WEDC's website for more information:

Support and resources for startups:
InWisconsin.com/entrepreneurs

Innovation Investment Portfolio:
InWisconsin.com/entrepreneurs/innovation-investment-portfolio

TOTAL INVESTMENTS

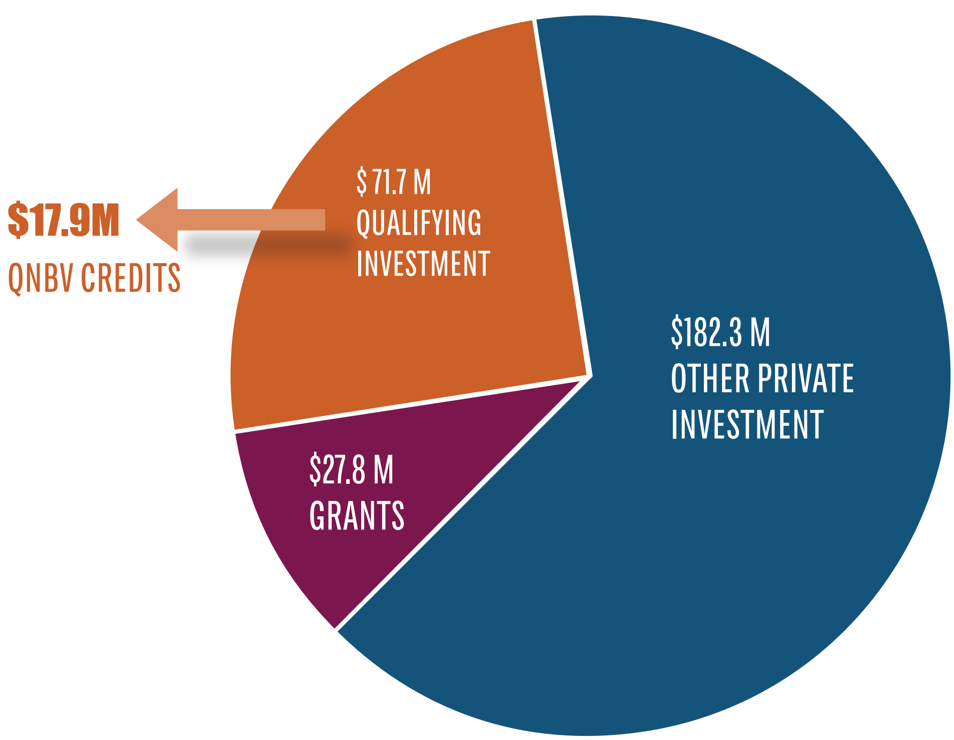
Total funding received by certified companies including qualifying investments, other private investments and grant funding

$281.7M

TOTAL CREDITS ISSUED

$17.9M

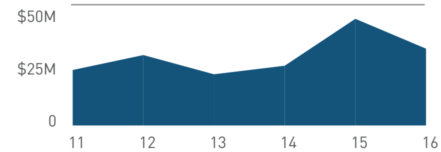
Total tax credits provided in 2016 for investments in certified businesses



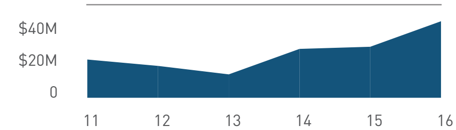
ANNUAL RESULTS BY INVESTMENT TYPE

Qualified angel investments and qualified venture capital investments have both grown over the duration of the program. Other financing, including investments that do not qualify for credits (such as out-of-state equity, debt and founders' investments) have fluctuated with the needs of individual companies, but overall, have also grown since the program's inception. Grants were not tracked separately until 2008. In the past few years, federal and other outside grants have represented approximately 15 percent of the total funding received by qualified companies.

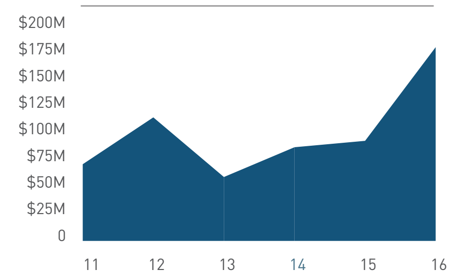
ANGEL INVESTMENTS



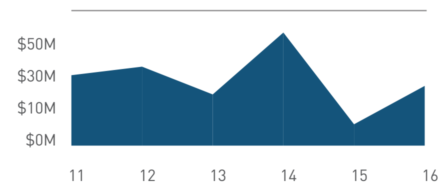
EARLY-STAGE INVESTMENTS



OTHER FINANCING



GRANTS



$1.7 BILLION

Total funding received by certified companies including qualifying investments, other private investments and grant funding since program's inception in 2005

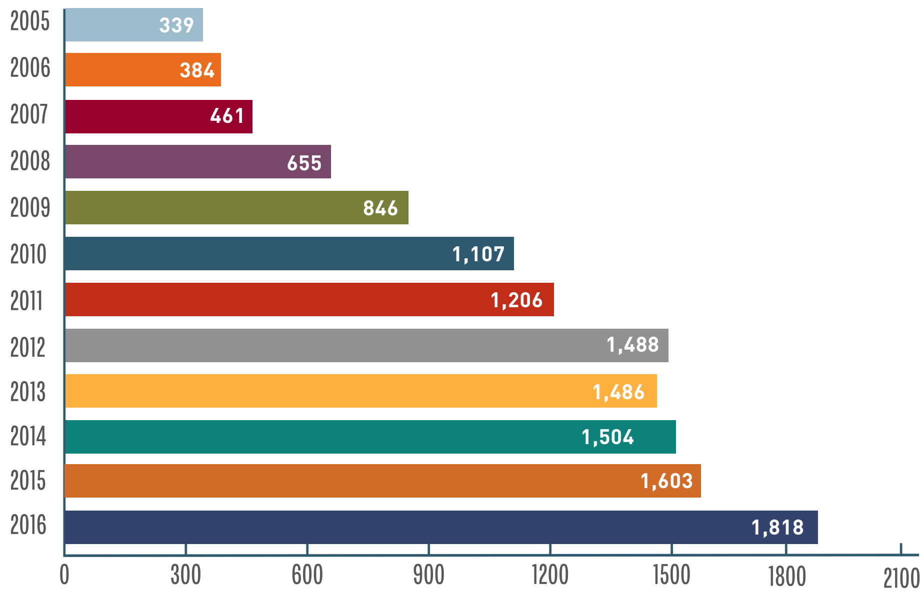
ANNUAL RESULTS

Source: Reporting from QNBV-certified companies

YEAR	ANGEL	EARLY-STAGE INVESTMENTS	TOTAL CREDITS	OTHER FINANCING	GRANTS	TOTAL
2016	$36,088,212	$35,604,273	$17,923,147	$182,295,113	$27,762,015	**$281,749,613**
2015	$49,437,940	$23,690,405	$18,282,087	$94,382,685	$9,064,800	**$176,575,830**
2014	$27,902,165	$22,642,644	$12,433,852	$87,211,420	$53,042,706	**$190,798,935**
2013	$24,099,020	$11,211,212	$8,827,558	$60,891,701	$24,315,133	**$120,517,066**
2012	$32,834,480	$15,229,992	$12,016,118	$116,254,652	$37,177,266	**$201,436,390**
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**

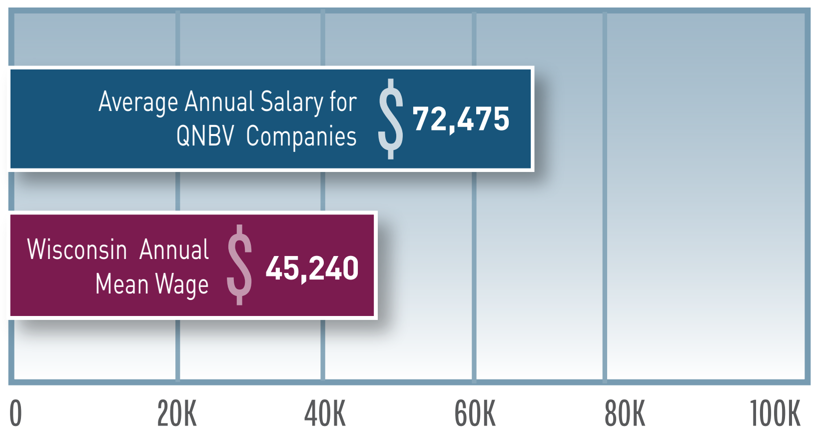
TOTAL JOBS AT QNBV–CERTIFIED COMPANIES

As more companies become QNBV-certified, the total number of jobs has grown. These companies are responsible for creating high-paying, high-skilled jobs throughout Wisconsin, demonstrating the program's expanding impact on the state's economy.



2016 AVERAGE FULL-TIME SALARY BASE OF CERTIFIED COMPANIES

The average salary paid by QNBV-certified companies is well above the average salary for the state as a whole. The companies that are part of the QNBV Program help the state attract and retain highly educated, trained and talented individuals.



Source: May 2016 State Occupational Employment and Wage Estimates Wisconsin (All Occupations);BLS

ANNUAL EMPLOYMENT AND WAGES

Source: Reporting from QNBV-certified companies

YEAR	CERTIFIED COMPANIES	NET NEW WI JOBS	WI FULL-TIME JOBS	WI PART-TIME JOBS	TOTAL JOBS (INCLUDING OUTSIDE WI)	FULL-TIME AVERAGE SALARY
2016	211	238	1268	348	1818	**$72,475**
2015	180	182	1107	312	1603	**$73,373**
2014	178	208	1111	228	1504	**$72,610**
2013	180	106	1074	247	1486	**$71,149**
2012	160	210	1,102	220	1488	**$76,581**
2011	138	207	934	181	1206	**$76,564**
2010	125	N/A	N/A	N/A	1107	**$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**

QUALIFIED INVESTMENTS BY INDUSTRY

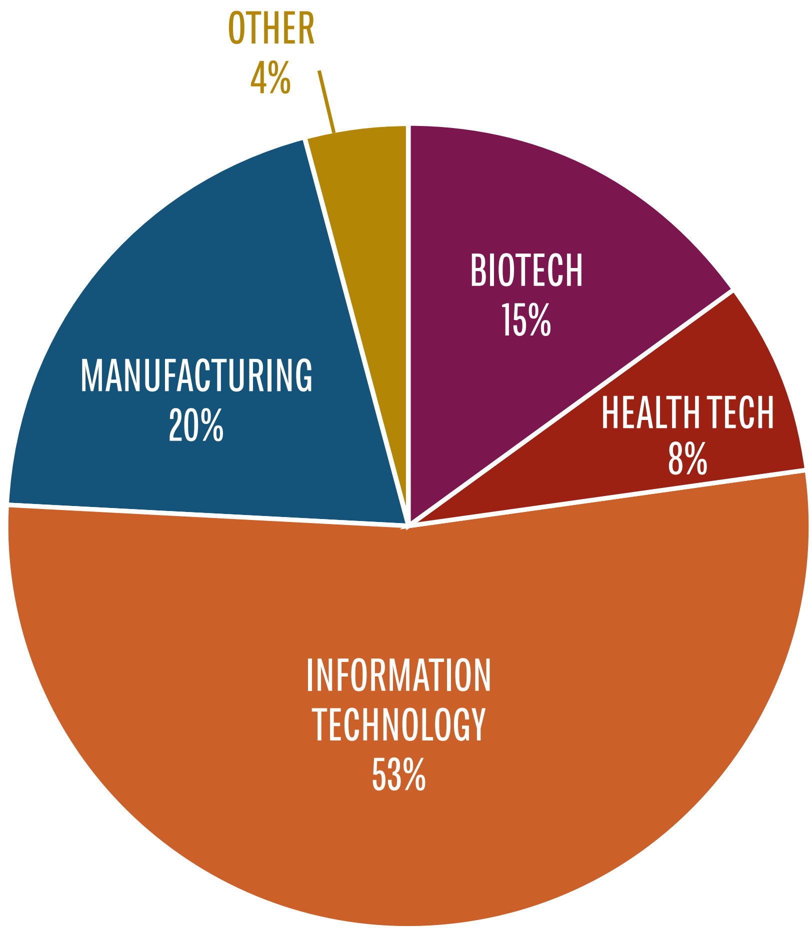
Qualified investments represent the amount of investments that are eligible for tax credits.

$71.7M

211
TOTAL CERTIFIED COMPANIES

47
NEW CERTIFICATIONS IN 2016

375
COMPANIES ASSISTED SINCE INCEPTION



Source: Reporting from QNBV-certified companies

ANNUAL QUALIFIED INVESTMENTS

Source: Reporting from QNBV-certified companies

YEAR	BIOTECH	HEALTH TECH	INFO TECH	ENERGY	MANUFACTURING	OTHER	TOTAL
2016	$10,701,272	$5,829,400	$37,900,820	$0	$14,327,868	$2,933,228	**$71,692,588**
2015	$16,667,877	$12,476,705	$30,624,584	$21,000	$9,324,831	$4,013,348	**$73,128,345**
2014	$11,384,562	$2,294,275	$25,053,007	$111,052	$8,076,744	$4,210,840	**$51,130,480**
2013	$8,284,226	$3,081,059	$15,821,454	$1,150,000	N/A	$6,973,493	**$35,310,232**
2012	$14,124,638	$7,907,684	$15,174,447	$1,000,000	N/A	$9,857,703	**$48,064,472**
2011	$9,981,389	$6,953,353	$16,261,914	$66,900	N/A	$12,026,308	**$45,289,864**
2010	$6,434,855	$5,926,707	$12,975,731	$2,064,502	N/A	$3,026,030	**$30,427,825**
2009	$13,311,025	$5,347,361	$8,562,056	$2,412,772	N/A	$5,385,800	**$35,019,014**
2008	$14,915,461	$8,206,001	$4,264,903	$820,200	N/A	$1,355,000	**$29,561,565**
2007	$7,260,451	$1,741,000	$7,188,012	$1,838,200	N/A	$575,000	**$18,602,663**

ANNUAL INVESTMENTS BY INDUSTRY

In 2016, information technology companies, including health care IT, accounted for roughly one-third of investments received by QNBV-certified companies. While this was Wisconsin's strongest industry category, the other major category, manufactured products, received 54 percent more funding in 2016 than in 2015.

INVESTED IN INFORMATION TECHNOLOGY **$37.9M**

INVESTED IN BIOTECHNOLOGY **$10.7M**

INVESTED IN HEALTH CARE TECHNOLOGY **$5.8M**

INVESTED IN MANUFACTURED PRODUCTS **$14.3M**

INVESTED IN OTHER CATEGORIES **$2.9M**

CUMULATIVE TOTAL OF QUALIFIED INVESTMENTS SINCE INCEPTION 2005

$465M

TYPE OF INDUSTRY	TOTAL PARTICIPATING BUSINESSES	TOTAL BUSINESSES THAT RECEIVED CREDITS	QUALIFIED INVESTMENT	OTHER FINANCING	GRANTS
Biotech	43	12	$10,701,272	$58,198,093	$12,819,888
Health technology	41	15	$5,829,400	$29,263,356	$9,602,692
Information technology	78	39	$37,900,820	$63,298,353	$4,288,435
Manufactured products	34	15	$14,327,868	$24,964,130	$705,000
Energy	5	0	$0	$1,791,100	$346,000
Other	10	3	$2,933,228	$780,888	$0
Total	**211**	**84**	**$71,692,588**	**$182,295,113**	**$27,762,015**

2016 QUALIFIED INVESTMENTS AND CREDITS

CERTIFIED COMPANY	FUND INVESTMENT	ANGEL INVESTMENT	TAX CREDIT
Access Healthnet Holdings Inc.	$200,000	$655,000	$213,750
AkitaBox Inc.	$120,000	$500,000	$155,000
Always In Touch LLC	$400,000		$100,000
Amiran Technologies LLC	$5,100,207		$1,275,052
AquaMost Inc.		$2,448,228	$612,057
Brandbumps Marketing Group Inc.		$530,390	$132,598
Catalyze Inc.	$749,999	$62,879	$203,220
Cellara LLC		$602,500	$150,625
Complex Rehab Systems LLC		$300,000	$75,000
ConsortiEX Inc.		$1,212,065	$303,016
Crystal Medtech LLC		$400,000	$100,000
Curate Solutions Inc.	$20,000		$5,000
Dock Technologies		$100,000	$25,000
Dynamis Software Corporation		$419,785	$104,946
Ebullient Inc.		$1,131,797	$282,949
Emopti Inc.		$811,499	$202,875
energybank Inc.		$1,395,625	$348,906
Engineered Propulsion Systems Inc.		$423,500	$105,875
EnsoData Inc.	$250,000		$62,500
EyeKor Inc.		$429,998	$107,499
Fasetto		$1,108,000	$277,000
Fetch Rewards Inc.	$1,000,000		$250,000
FloraSeq LLC	$25,000		$6,250
Forward Health Group Inc.		$882,500	$220,625
Getter		$30,000	$7,500
GoHITLIST Corporation	$95,000		$23,750
GymDandy LLC		$177,500	$44,375
Health eFilings LLC		$884,500	$221,125
HealthMyne Inc.	$1,786,892	$1,697,992	$871,221
HuTerra LLC		$605,874	$151,469
iDAvatars Inc.		$853,000	$213,250

2016 QUALIFIED INVESTMENTS AND CREDITS

CERTIFIED COMPANY	FUND INVESTMENT	ANGEL INVESTMENT	TAX CREDIT
Intuitive Biosciences Inc.	$334,000		$83,500
Invenra Inc	$404,207	$965,908	$342,554
ioGenetics LLC		$420,000	$105,000
Isomark LLC		$60,000	$15,000
Keystone Insights Inc.		$300,000	$75,000
Kiio Inc	$33,210	$122,877	$39,022
Kilter LLC		$150,000	$37,500
Lanehub Inc.		$500,000	$125,000
Ledsens LLC		$85,000	$21,250
Madison Vaccines Inc.	$670,000	$198,970	$217,243
Magma Flooring LLC	$575,224	$257,462	$208,172
Match Grade Medical LLC	$1,200,000		$300,000
MCT of Wisconsin Inc.	$354,152	$147,850	$125,501
Megalodon Insurance Systems Inc.		$15,000	$3,750
Microscopy Innovations LLC		$100,002	$25,001
Movein Inc.	$3,749,999	$637,770	$1,096,942
Moxe Health Inc.	$250,000		$62,500
Murfie Inc.	$255,000	$160,000	$103,750
NovaScan LLC		$75,000	$18,750
Okanjo Partners Inc.	$750,000	$975,000	$431,250
Omega Foods		$25,000	$6,250
oneEvent Technologies Inc.	$750,000		$187,500
OrgPix Inc.	$25,000	$157,500	$ 45,625
Pegasus Sustainability Solutions Inc.	$4,499,943		$1,124,986
PerBlue Entertainment Inc	$1,334,131	$4,436,552	$1,442,671
Perfect Cross LLC	$50,000		$12,500
Phoenix Nuclear Labs	$770,139	$929,861	$425,000
Pinpoint Software Inc.		$99,281	$ 24,820
Promentis Pharmaceuticals Inc.	$2,867,043	$116,081	$745,781
Quietyme Inc.		$100,000	$25,000

2016 QUALIFIED INVESTMENTS AND CREDITS

CERTIFIED COMPANY	FUND INVESTMENT	ANGEL INVESTMENT	TAX CREDIT
Re Mixers Inc.		$250,000	$62,500
Remindabill Inc.		$100,000	$25,000
Rent College Pads LLC	$399,998	$545,003	$236,250
Rowheels Inc.	$925,000		$231,250
Scanalytics Inc	$845,000	$407,340	$313,085
Silatronix Inc	$684,568	$252,929	$234,374
SimplifIDe Inc.		$795,000	$198,750
Simply Incredible Foods LLC	$410,000	$50,000	$115,000
Slipstream LLC		$25,000	$6,250
SmartUQ LLC		$570,000	$142,500
Snotco LLC		$200,010	$50,003
Somna Therapeutics LLC		$988,800	$247,200
Stealth Therapeutics Inc.	$155,000		$38,750
Stem Pharm Inc.		$33,333	$8,333
Stemina Biomarker Discovery Inc.		$533,097	$133,274
TAI Diagnostics	$854,034	$1,082,001	$484,009
The Art Commission LLC		$25,000	$6,250
Understory Inc.	$2,681,778	$173,500	$713,819
United Community LLC		$128,104	$32,026
Vibetech Inc.		$194,449	$48,612
Wellntel Inc.		$359,750	$89,938
WholeTrees LLC	$29,750	$112,150	$35,475
WoundZoom Inc.		$565,000	$141,250

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 through the Early-Stage Business Investment Program to receive a tax credit equal to 25 percent of the amount of the equity investment.

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 a single investor can claim.

TO LEARN MORE

Information on applying for QNBV certification, along with a list of QNBV-certified companies, can be found at InWisconsin.com/qnbv.

For more information about available investment opportunities or about achieving QNBV certification, contact a WEDC technology investment manager:

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