



WISCONSIN ECONOMIC
DEVELOPMENT CORPORATION

ENTREPRENEURSHIP AND INNOVATION **IN WISCONSIN**

PROGRAMS DESIGNED TO HELP EARLY-STAGE BUSINESSES SUCCEED

Dreamers welcome

- Startups are an engine for job growth
- Innovation creates high-wage, high-skill positions
- Capitalize on existing investments and assets
- Economic diversification
- Puts Wisconsin “on the map” in a competitive, global environment

Our objective

To advance Wisconsin's startup and emerging growth businesses by integrating a system of **increased deal flow**, **entrepreneurial development/support networks**, and **access to early-stage capital** and investment incentives.

Strategy

Connect opportunities to resources

Close technical and resource gaps

Develop the framework allowing ideas to turn into viable businesses

UNIQUE WISCONSIN OPPORTUNITIES

h IT
software
ntific tools
nostics
and tissue
ue therapy
cal devices
nced materials
neered products
ypically pharma



QNBV PROGRAM



Who is it for?

Innovative Wisconsin startups seeking equity investors



What is the purpose?

Investors receive tax credits for investing in qualified startups, which means startups have an easier time raising funds.

QNBV PROGRAM

Created by statute in 2005 (Act 255)

Provides a tax credit for cash equity investments in Wisconsin-based technology companies

Targeted at start-up and emerging growth companies developing and commercializing new technology

Available for angel investors or venture capital funds

Up to \$3 million in credits per company

Designed to create and sustain high-wage, high-skill jobs

Does not apply to real estate, insurance, banking, consulting, professional services, health care, education, entertainment, leisure, hospitality, transportation, wholesale or retail trade, or construction.

QNBV qualification criteria

Engaged in developing innovative products, processes or services

Headquartered in Wisconsin; 51% of employees in-state

Startup or early stage-businesses; fewer than 100 employees, in operation no more than 10 consecutive years

High potential for job creation or capital investment in Wisconsin

Company is seeking equity financing; has not received aggregate private cash equity investment of more than \$10 million

Application process

Initial conversation with WEDC staff

Request/submit application with business plan, pitch deck or executive summary

WEDC will review with final approval by secretary/CEO

Company is informed and sent contract for execution

Approved companies listed on WEDC website

Reporting and credit requests due in March of each year

Based on annual report WEDC recertifies companies each year

QNBV Impact 2019

PARTICIPATING COMPANIES

\$488.3M

Includes qualifying investments, other private investments, debt and grant funding

TOTAL CREDITS ISSUED

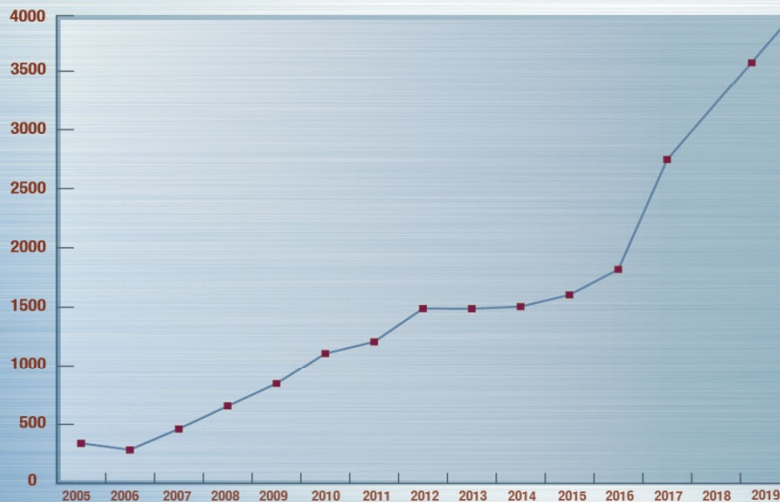
\$14.6M

Total tax credits provided in 2019 for investments in certified businesses

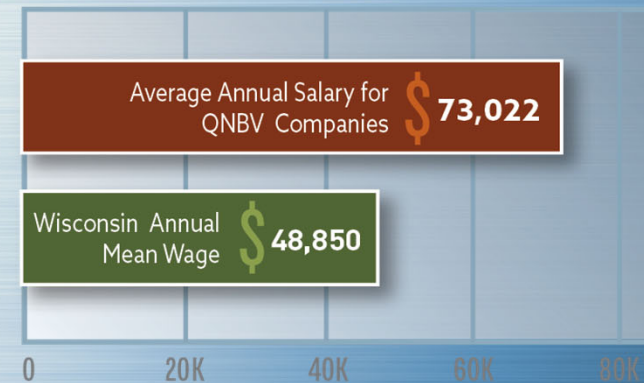
NEW QNBV CERTIFICATIONS

37

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.



TOTAL JOBS AT QNBV-CERTIFIED COMPANIES



QNBV DIRECT COMPANY BENEFIT

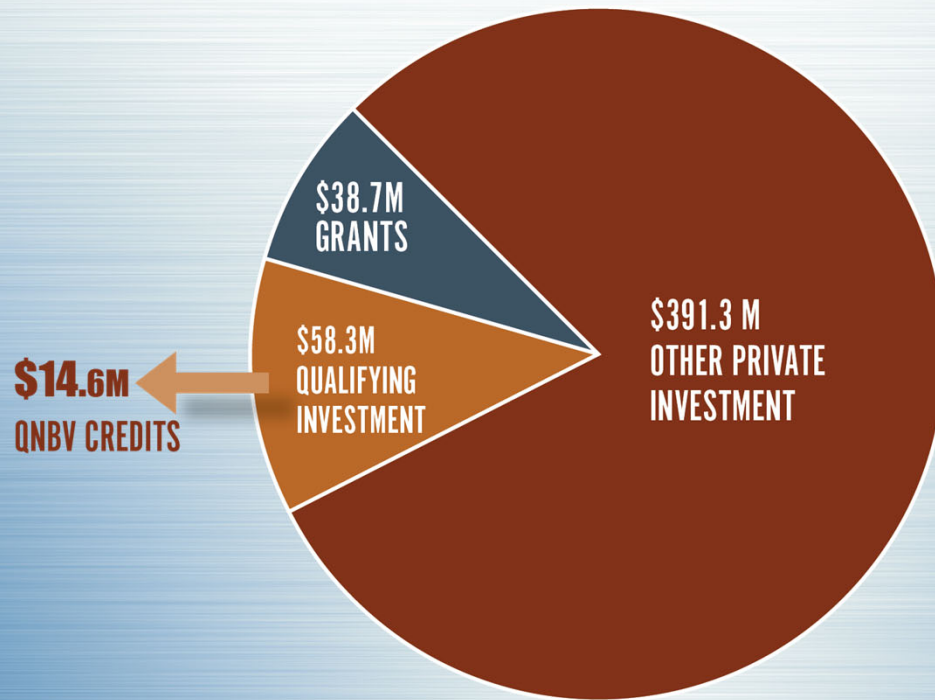
2019

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

\$488.3M

\$14.6M

Total tax credits provided in 2019 for investments in certified business



TECHNOLOGY DEVELOPMENT LOAN



What is the purpose?

Support young companies in product/process development, product/service commercial launch, and growth/expansion.

- Qualification similar to QNBV program
- Funding generally ranges from \$100,000 to \$750,000
- WEDC can provide ~ 20-25% of project cost
- Average loan is \$275,000
- Funding tied to funding round and released based on match
- 104 active loans



Who is it for?

Wisconsin startups in the technology space

TECHNOLOGY DEVELOPMENT LOAN

2019 PORTFOLIO IMPACT

2019 NEW LOANS

16

TOTALING

\$4.1M

ACTIVE LOANS

101

TOTAL COMPANIES

82

NEW FUNDING

\$97.9M

REVENUE GENERATED

\$175M

TOTAL TDL COMPANY EMPLOYEES

1,577

AVERAGE ANNUAL SALARY

\$62,246

Portfolio

15 Businesses Assisted

approximately **3,481 jobs**

average salary of **\$73,022 for QNBV** and **\$62,246 for TDL**

total payroll of **\$157 million**

total new capital generation of **\$1 billion**

Tax Credits Available to Investors

Angel Tax Credit- Credit issued for cash for equity investment in QNBV certified companies via individual investment or through group

Angel credit is non sellable or refundable tax credit that offsets Wisconsin income tax liability. Only going to be useful for an investor with Wisconsin tax liability. Does not have to be a resident but does need liability.

Must be claimed in year the credit is received and can be carried forward for 15 years

Early Stage Seed Credit- Credit issued for cash for equity investment in QNBV certified companies via a Qualified Venture Fund
Can be sold or transferred and there is a marketplace of investors looking to buy the credit.

Resources for Investors

- **Wisconsin Tech Council Investor Network**
- **Angel Capital Association**
- **Wisconsin Venture Capital Association**
- **National Venture Capital Association**
- **Wisconsin Syndication Meetings**
- **Wisconsin Startup Coalition**

Investment portfolio

wedc.org/entrepreneurs/innovation-investment-portfolio/

The screenshot displays the WEDC Innovation Investment Portfolio website. The top navigation bar includes links for Blog, Newsroom, Newsletters, Contact, and inwisconsin.com. The main navigation menu features categories such as BUSINESS DEVELOPMENT, ENTREPRENEURS, EXPORT, COMMUNITY, INDUSTRY DEVELOPMENT, MARKETING, and INSIDE WEDC. A search bar is located in the top right corner.

The main content area is titled "BIOSCIENCES/MEDICAL DEVICES" and features a grid of 15 company cards. Each card includes the company name, logo, and a small icon indicating the investment program type (QNBV or TDL). The companies listed are:

- Alpha Universe, LLC (QNBV)
- AmebaGone (QNBV)
- Asto CT (QNBV)
- Atrility Medical, LLC (QNBV)
- Aurora Spectral Technologies LLC (TDL)
- BellBrook Labs (QNBV)
- bluDiagnostics (TDL, QNBV)
- Cellular Logistics (QNBV)
- Co-D Therapeutics, Inc. (QNBV)
- Crystal Medtech LLC (QNBV)
- Cytometix (QNBV)
- Cytophil, Inc. (QNBV)
- DOCK TECHNOLOGIES (QNBV)
- ENDECE (TDL)
- EyeKor, Inc. (QNBV)

On the left side, there are search filters for "Search by Company" (with a search bar), "Search by Industry" (with checkboxes for Aviation/Aerospace [1], Biosciences/Medical Devices [61], Energy, Power and Control [9], Food and Beverage [4], Health Technology [38], Information Technology [100], Manufacturing [31], and Water/Clean Technology [9]), and "Search by Program Type" (with checkboxes for QNBV [237] and TDL [63]). A green "RESET" button is located below the filters.

Partners



Slide 18

AH2

Only KSP logos or add More?

Aaron Hagar, 3/22/2016

ENTREPRENEURSHIP AND INNOVATION



Aaron Hagar



Chris Schiffner



Joey Frayne



Ed Javier



Vincent Rice