

2017

WISCONSIN PORTFOLIO

A PUBLICATION OF THE WISCONSIN TECHNOLOGY COUNCIL

A large graphic featuring a white silhouette of the state of Wisconsin on a dark background. Overlaid on the map is a large red target with three concentric rings. The words "STARTUPS" and "INVESTMENT CAPITAL" are written in black, bold, sans-serif capital letters along the left side of the outer and middle rings, respectively. The word "CORPORATIONS" is written in black, bold, sans-serif capital letters along the right side of the inner ring. Three red arrows with black fletching are shown hitting the bullseye of the target.

STARTUPS

INVESTMENT CAPITAL

CORPORATIONS

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SUCCESS**

MAKING THE CASE
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"FUND OF FUNDS"

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Ensuring access to strong financial institutions
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Supporting Governor Walker's
efforts to accelerate the growth
of Wisconsin businesses.

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- Link to state and national resources through our Business Creation Resource Center
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2017 WISCONSIN PORTFOLIO

INTRODUCTION

page 2

EXECUTIVE SUMMARY

page 4

THE VENTURE ECONOMY

page 6

ACCESS TO INVESTMENT CAPITAL

page 8

INVESTOR SPOTLIGHT

page 10

TECH COUNCIL INVESTOR NETWORKS

page 12

ACT 255

page 13

FULL YEAR 2016 DEALS

page 14

FULL YEAR 2016 ANALYSIS

page 16

CORPORATE FUND OF FUNDS

page 20

2017 DEAL PREVIEW

page 26

INVESTOR RESOURCES

page 28

THANKS

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INSIDE FRONT COVER

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of Financial Institutions

3 AT&T

9 State of Wisconsin
Investment Board

11 Capital Midwest Fund

11 American Transmission Company

21 Husch Blackwell

22 Johnson Bank

22 Wisconsin Economic
Development Corp. (WEDC)

23 Exact Sciences

25 BDO

25 WIPFLI

27 Venture Investors

27 University of Milwaukee
Research Foundation

27 River Valley Bank

29 Baird Capital

BACK COVER

University Research Park

Welcome to the 2017 Wisconsin Portfolio, an annual publication of the Wisconsin Technology Council through its Tech Council Investor Networks and its partner, the Wisconsin Economic Development Corporation.



Wisconsin
Technology
Council



TECH COUNCIL
INVESTOR
NETWORKS
IGNITING EARLY
STAGE INVESTMENT





INTRODUCTION

Dear Readers,

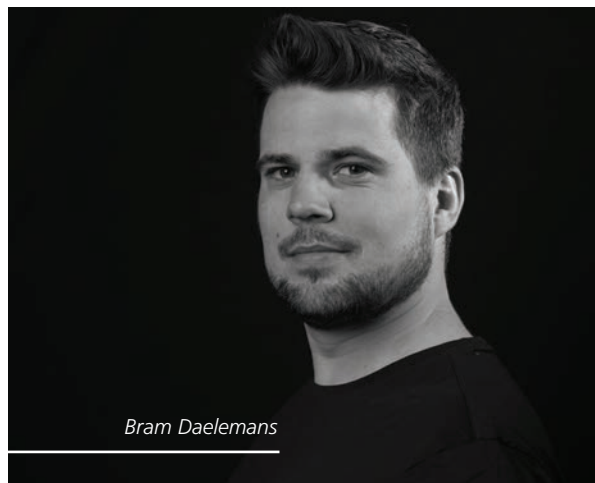
The Wisconsin Tech Council and the Tech Council Investor Networks are proud to present the 2017 Wisconsin Portfolio, Wisconsin's premier investing report containing the most complete compilation of deals. The 2017 Portfolio provides a more in-depth analysis of entrepreneurial and investment activity in Wisconsin. Our report shows continued growth of the early stage capital industry in Wisconsin: the number of companies receiving funding has steadily increased since 2011.

This year, 20 of the state's leading early stage investment groups participated in the study. In total, 137 companies headquartered in Wisconsin secured funding with 61 percent of them receiving continued support from investors.

The Tech Council tracked the gender of the leader/founder of the startup again this year and found that a growing share of Wisconsin early stage companies that received funding in 2016 are women-led, or women-owned, businesses. Wisconsin's share of women-led or women-owned businesses at about 20 percent is better than the national average of 17 percent per the Angel Resource Institute.

This publication also features:

- A profile on Carl Gulbrandsen, the 2016 inductee into the Wisconsin Investor Hall of Fame
- A resource guide and policy highlights
- A primer on early stage investing in Wisconsin
- Expanded data analysis
- Commentary on a corporate fund of funds



Bram Daelemans

Entrepreneurs and their companies will ultimately be driving Wisconsin's future success, and the capital our investors provide continue to be a driving factor. With the momentum on our side, we look forward to fulfilling our organization's important mission: fuel the growth of investment capital in Wisconsin. We thank you for your support and hope you enjoy the read!

All the best,

Bram Daelemans

Bram Daelemans
Director, Tech Council Investor Networks
A program of the Wisconsin Technology Council





Networking matters

Making connections is critical to success. In Wisconsin and across the nation, AT&T links businesses with their customers and the world through our wireless network with access to the nation's largest Wi-fi network. It's just another way we help communities stay connected.

AT&T proudly supports the 2017 Wisconsin Portfolio.

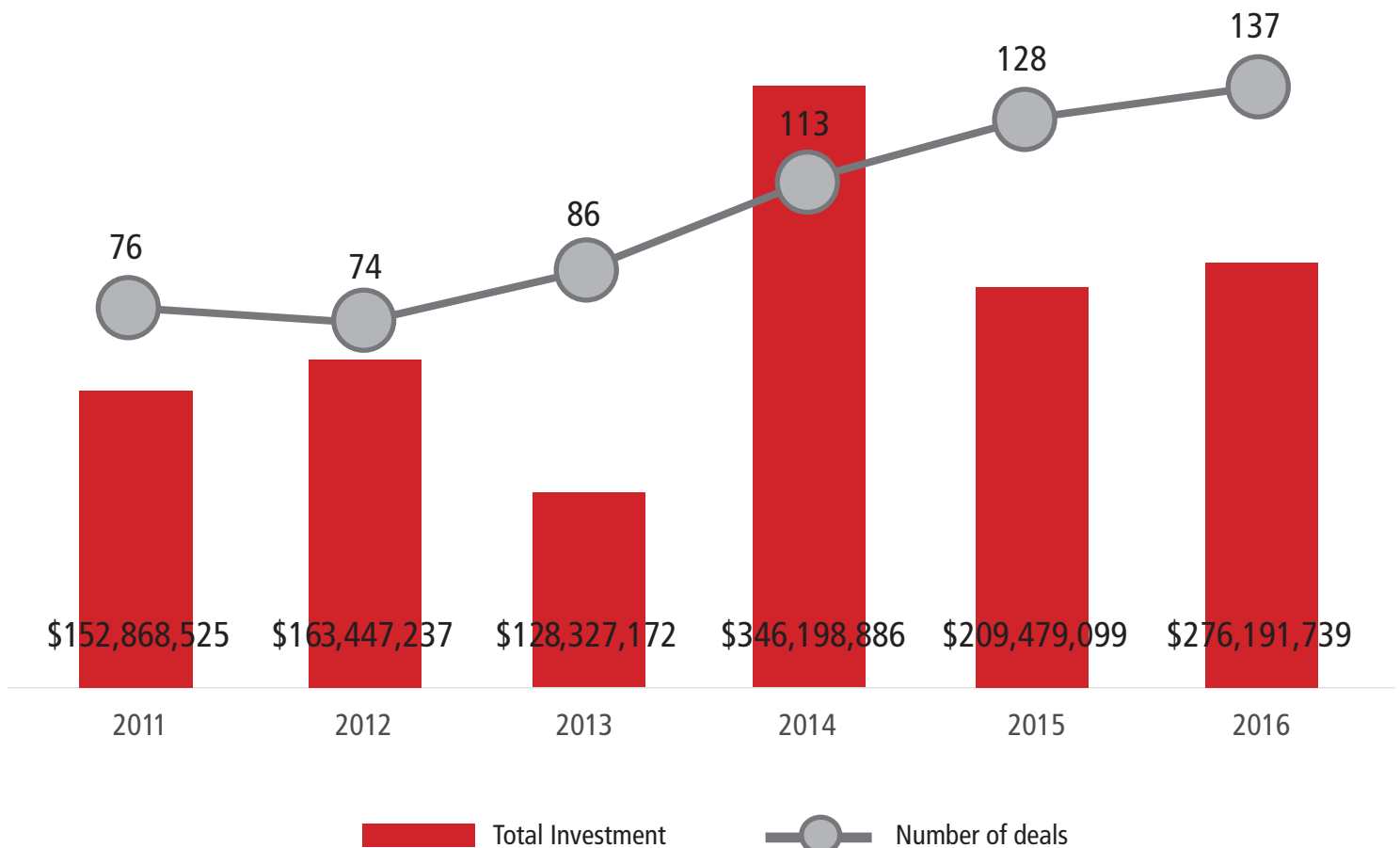




EXECUTIVE SUMMARY

At least 137 Wisconsin early stage companies raised investment capital in 2016, a 7 percent increase from the prior year. More than \$276 million was raised by those 137 companies, which is considerably more than the \$209 million in 2015. The number of companies that are receiving funding continues to grow each year and has nearly doubled over the past five years.

ANNUAL TRENDS



Using public reports, filings and surveys, the Wisconsin Technology Council and its Tech Council Investor Networks tracked a total of 276,191,739 that was invested in the 137 companies (see pages 14-19 for detailed reporting and analysis). The largest deals reported were **Propeller Health** (\$21.5 million), **Midwestern BioAg** (\$21.3 million), **Engineered Propulsion Systems** (\$15.2 million), **SHINE medical Technologies** (\$11.5 million), **Eatstreet** (\$11 million).

Fifty-three Wisconsin companies each raised at least \$1 million from investors, up from 46 companies in 2015. The average deal size was more than \$2.0 million for all 137 companies, a 25 percent increase from 2015. For 39 percent of early stage companies that secured funding, 2016 was the first year doing so while 61 percent of startups received continued support. The increased share of follow-on investment in 2016 explains, in part, the jump in average deal size.

More than two thirds of the investments are equity based (71 percent) with the remainder either seed or debt funding, 11 percent and 18 percent respectively. About 20 percent of Wisconsin early stage companies that received funding in 2016 are women-led, or women-owned businesses.

Wisconsin's tech-sector diversity also shows in the report, which includes deals ranging from advanced manufacturing to digital health, from biotechnology to consumer products and from software to medical devices.

Much like 2015, investors from outside Wisconsin's borders again played a significant role in funding state companies in 2016. Investors from Chicago, Boston, New York and California showed up in about 17 percent of deals in which the investors are known, down slightly from 20 percent last year.

According to WEDC data (current as of May 23rd) the total of angel and early stage seed tax credits approaches last year's totals. 2016 did see an interesting development with regards to the verified tax credits for QNBV companies. In 2015, angel tax credits accounted for about two thirds of the total while in 2016, angel and early stage seed (venture capital) split the tax credits almost evenly. This is also in line with expectations based on the later stage funding and larger funding rounds.

Wisconsin Investment Partners was once again identified as one of the most active groups in the region. Other state groups are actively looking for exits for their portfolio companies, and a few were also waiting for the rollout of new state initiatives.

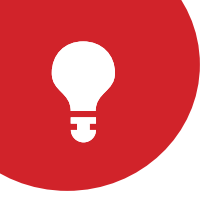
The Great Lakes region, which includes Wisconsin, is fourth in the nation with 9.5 percent of angel activity. We are down from 10.3 percent last year and 13 percent the year prior, according to the Halo Report, produced by the Angel Resource Institute.

In addition to the 137 companies listed in this report, several angel networks invested unspecified amounts in other Wisconsin companies. Those dollars are not reflected in the year-end totals because the networks declined to participate in the survey.



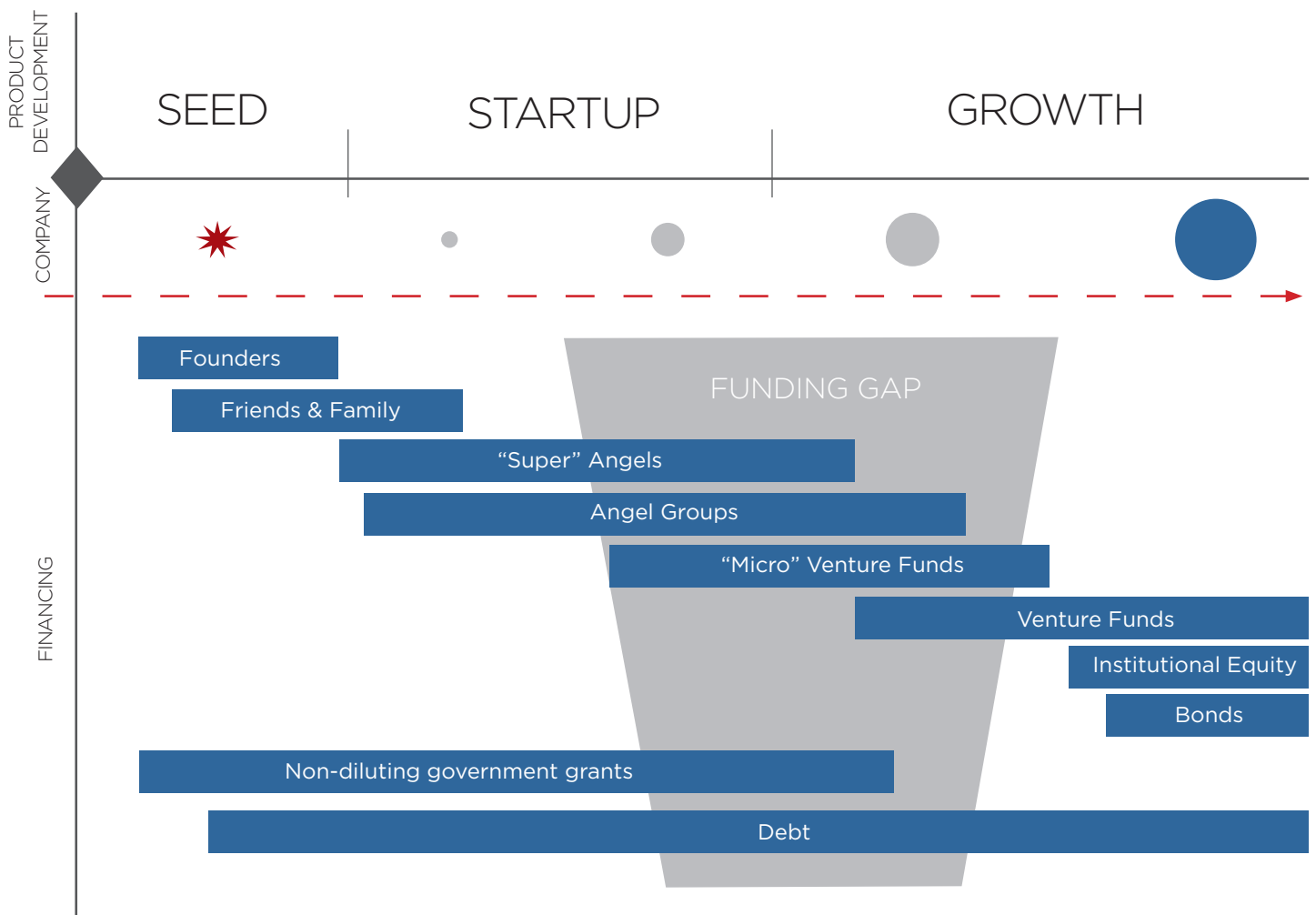
“The number of early-stage companies reporting investments has nearly doubled since 2012. It’s evidence that angel and venture investors are finding solid deal flow.”

Tom Still, president
Wisconsin
Technology Council



THE VENTURE ECONOMY: A PRIMER

At the very early stages of most businesses, funding comes from founders, friends and family, debt and grants. This initial funding can take a new venture only so far. Startups often need additional funding to accomplish additional goals in further expanding the business. A few examples include securing patent protection, building early prototypes of technology and also hiring business development and management personnel.



The source of the money needed to reach one of these goals often comes from the early stage capital market, making it a critical link in the development of entrepreneurial ventures. Early stage capital is comprised of individual angels, angel groups, early stage funds and some early stage venture funds. If a venture survives long enough to enter into a rapid growth stage or, in the case of life sciences, far enough in the regulatory process, the venture capital market sometimes takes the reins.

Fueling rapid growth, VC involvement often results in significant increases in company valuation. Through this increase in valuation, the VCs exit the business by one of two means, taking the venture public (Initial Public Offering or IPO) or selling it to strategic acquirers. It is through these “exits” the previous investors, including the founders, angels and others, can receive a payback on their investments. Exits, or the potential of an eventual exit, provide the incentive necessary to attract investors to a startup business and to keep them active in the early stage market.

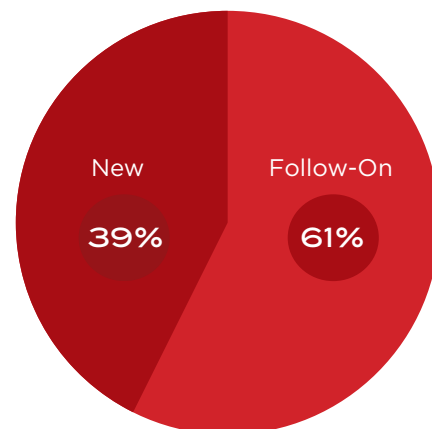
Opposite is a graphic, called the financing continuum, representing the stages of business development and the typical investors through those stages. The triangle highlights the portion of the early stage market that is considered the most challenging. Often referred to as the funding gap, this area represents entrepreneurs in search of investments between \$1 million and \$5 million.

This size of investment is typically too large for a single angel network but not large enough for a venture fund. Angel investors and venture capitalists form a vital partnership that results in a startup evolving into a

successful business providing well-paying jobs and commercializing new technologies. A number of businesses, originally funded by angel investors, have received follow-on rounds of investment from venture capitalists.

In Wisconsin, it can be a challenge for companies as they attempt to raise early stage capital, including larger, follow-on funding rounds. Over the past months, several new funds or angel networks were announced: 37 Celsius Capital Partners, CMFG Ventures, Northwestern Mutual Future Ventures and Rock River Capital Partners.

TYPE OF INVESTMENT (2016 INVESTMENT RECIPIENT COMPANIES)



In 2016, a larger share of deals received follow-on funding than was the case in 2015. Leads to higher average dollar amount and more dollars invested overall.



HOW CAN WISCONSIN IMPROVE ACCESS TO INVESTMENT CAPITAL?

Here are some recommendations from the Wisconsin Technology Council's 2017 report, "Investing in Wisconsin's Future."

ITEMS OF STATE INTEREST:

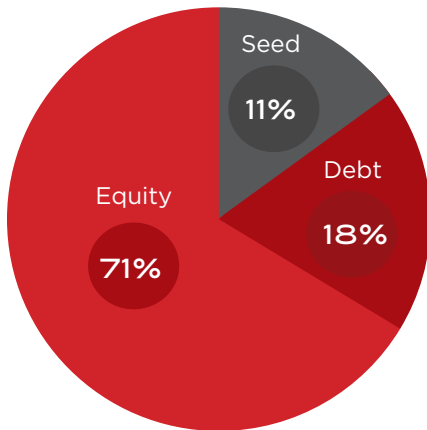
- Raise the \$8 million cap on credit-eligible investments in an ACT 255 firm, unchanged since 2005, to \$12 million. Part of the current 2017-19 biennial budget proposal.
- Raise the ACT 255 credit from 25 percent to 40 percent for the first \$1 million in eligible investments.
- Eliminate state capital-gains taxes on investments held, three years or longer, in a Wisconsin business.
- End tax on capital raised by C corps deemed "foreign corporations" making sure changes are targeted to firms of a certain size, age and other factors.
- Create a state-leveraged "Grameen Bank" micro-loan.
- Make it easier to succeed as an entrepreneur in Wisconsin by rethinking non-compete agreements, re-examine professional and occupational licensing, help Wisconsin participate in the "sharing" economy and adopt a benefit corporation as a new corporate legal entity.
- Create a WEDC "Welcome Wagon" for companies that acquire, merge or establish strategic partnerships with young companies in Wisconsin and help them and the families that are relocating acclimate to the state.

- Monitor best practices by leading "think thank" organizations that chart the entrepreneurial and tech-based economy.
- Continue to raise the profile of Wisconsin companies with out-of-state investors.

ITEMS FOR FEDERAL INTEREST:

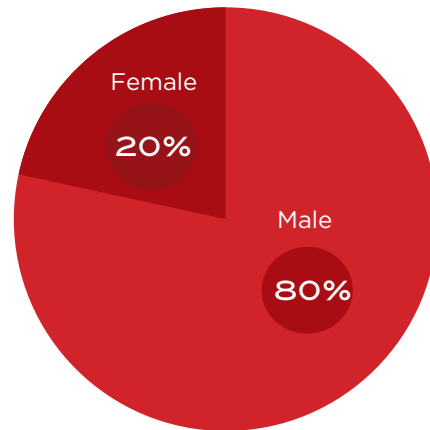
- Keep the existing "accredited investor" threshold currently being reviewed by the Securities and Exchange Commission.
- Support for the HALOs Act, or "Helping Angels Lead Our Startups Act."
- Create a federal tax credit, similar to Wisconsin's Act 255 tax credit program.
- Make permanent the 100 percent exclusion on capital gains from investments in small startup companies.
- Support the "CHANCE in TECH Act," a proposal to address tech-based workforce issues in the 50 states.
- Advance tax and regulatory policies that spur innovation.
- Address availability and delivery of broadband communications.
- Expand markets and advocate for sensible rules of global trade.

INVESTMENT SECURITY TYPE (2016 INVESTMENT RECIPIENT COMPANIES)



Equity financing became an even more popular security type in 2017.

FOUNDER/OWNER GENDER (2016 INVESTMENT RECIPIENT COMPANIES)



The share of woman-led or woman-owned businesses that received funding increased by 5.7 percent year over year. The national average for 2016 is 17 percent.

SWIB STATE OF WISCONSIN
INVESTMENT BOARD

*Investing in Wisconsin's
brightest businesses.
Turning ideas into opportunities.*

The image features a hand holding a glowing lightbulb, symbolizing innovation and investment. The background is a blurred image of a person in a suit. The bottom of the image is decorated with a row of white lightbulb icons.



INVESTOR SPOTLIGHT

2016 INVESTOR HALL OF FAME INDUCTEE CARL GULBRANDSEN
LEAVES SIGNATURE ON WARF INVESTMENT PORTFOLIO

By: AnnaKathryn Kruger



Carl Gulbrandsen

The mission of the Wisconsin Alumni Research Foundation has always involved patenting and licensing the intellectual property of UW-Madison inventors.

Under managing director Carl Gulbrandsen, that mission grew to include investing in promising startups. It was a change that helped persuade other investors in Wisconsin's angel and venture capital community to take risks, too.

"I always say that if you have one lawyer in town he starves to death, but if you have two lawyers in town it becomes a burgeoning industry," Gulbrandsen said. "If you've got one venture firm in town it's hard to get others really interested in coming to town. But if you've got more than one, and you've got a lot of activity going on, then they want to participate."

After receiving a Ph.D. in physiology from UW-Madison and a J.D. degree from the University of Wisconsin Law School, Gulbrandsen represented WARF in major patent litigation early on in his career. He spent the following years working in industry as in-house General Counsel at Lunar Corporation. He was eventually contacted by his predecessor, Dick Leazer, and joined WARF in 1997 as the director of patents and licensing. Upon Leazer's retirement Gulbrandsen became managing director in 2000, an appointment that he held until mid-2016.

When it comes to investing, Gulbrandsen believes that partnership is key. He cites the trust between WARF and the UW-Madison as an especially unique and lucrative partnership. "I fully believe that there

will never be another WARF, and there will never be another partnership like the one between WARF and the university," he said. "The stars were aligned 91 years ago when this started, and it's been a tremendous success."

WARF is chiefly responsible for licensing technologies developed at the UW-Madison to companies who wish to bring these technologies to the global market. They also provide funding for research, and their contributions represent a significant portion of UW-Madison's overall budget. More recently WARF has worked to support entrepreneurship in Wisconsin by strategically investing in tech start-ups and businesses in the early stages of their development.

The practice of taking equity in budding companies began during Dick Leazer's tenure. Among the successful investments made at this time were the tech companies ThirdWave and TomoTherapy. With Gulbrandsen at the helm, however, WARF pushed further to aid companies in their most vulnerable stages.

To this end WARF established a facilitating fund for start-ups and joined with the State of Wisconsin Investment Board to create the venture fund 4490. They also partnered with UW-Madison to launch Discovery to Product, an accelerated program focused on helping further develop technologies that arise from the university before they go to market.

Gulbrandsen maintains that the most profitable investments have come where WARF has invested first and foremost in the people. “WARF never really bet on the science, we loved the science, it was something we protected,” he said. “What we look for are the people, we invest in good people, and that’s been true in all of our success stories.”

Such is the case for WARF’s spinoff organization WiCell, founded during Gulbrandsen’s term to privately subsidize the work of stem cell pioneer Jamie Thompson and his colleagues. Gulbrandsen also oversaw the construction of the Wisconsin Institute for Discovery, a hub of medical research, study, and community engagement, which stands at the heart of the UW-Madison campus. Funded in part by WARF and the Mordgridge Institute for Research, it is one of the largest edifices of its kind in existence and is a staple of the campus experience.

Considering his impactful contributions to Wisconsin’s economy and tech industry, Gulbrandsen was inducted into the Wisconsin Technology Council’s ‘Investor Hall of Fame’ on Nov 16, 2016. For the time being Gulbrandsen serves on the boards of WiCell, the Mordridge Institute, and WiSys, a foundation that assists faculty and staff on state campuses outside of Madison and Milwaukee in much the same capacity as WARF. He also works for two not-for-profit organizations, Tandem Press and the Autumn Foundation. His tireless effort in support of Wisconsin’s investors and entrepreneurs will long outlast his departure from WARF.

Kruger was a student in a UW-Madison course (LSC640) taught by Tech Council president Tom Still




contact: marc.cayle@onkol.net

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Moving energy forward, from the source to where it's used, is what American Transmission Co. is all about. That's why as we plan for the electric grid of the future, we're also keeping close watch on the grid of today to make sure you don't miss a beat.

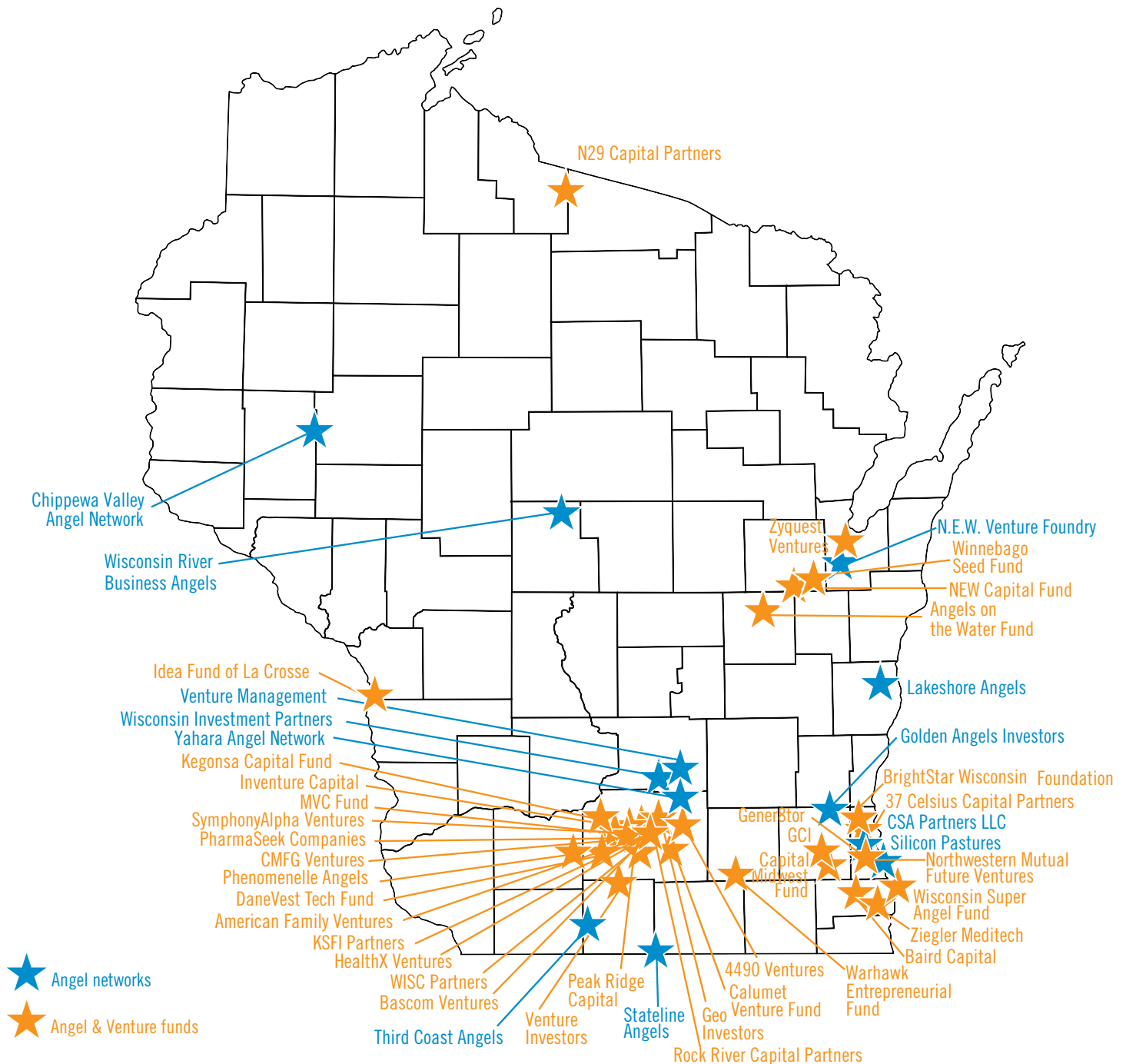
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TECH COUNCIL INVESTOR NETWORKS

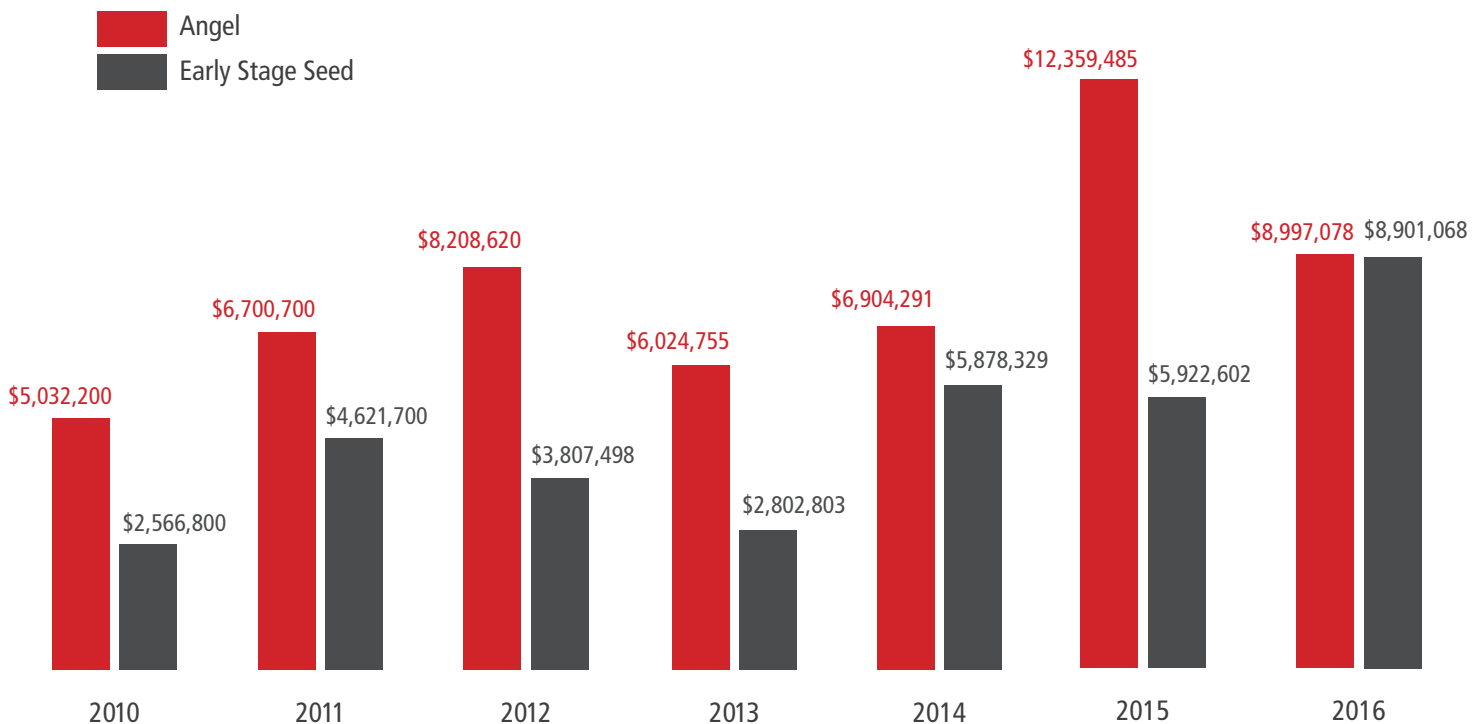


HOW WE DO IT!



ACT 255 UPDATE

Verified tax credits for QNBV companies





2016 DEAL REPORTING

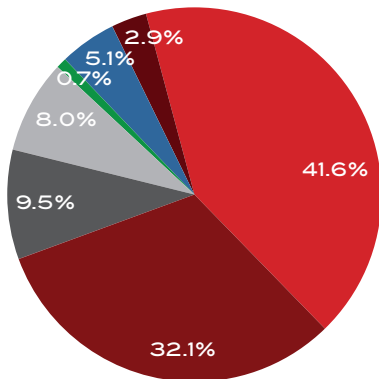
Wisconsin Company	Total Investment	Primary Investor(s)
Abodo	4,817,429	4490 Ventures, AmFam Ventures, Flyover Capital, Dundee Venture Capital, N29 Capital Partners, Individual Investor(s)
Access HealthNet	1,450,000	Wisconsin Super Angel Fund, Brightstar WI Foundation, Undisclosed Investor(s)
AkitaBox	1,100,000	Rock Oak Capital Partners, Stateline Angels
Allergy Amulet	1,100,000	Colle Capital, Bulldog Innovation Group, Foley Ventures, Gopher Angels, Mendota Venture Capital, Wisconsin Medical Society Foundation, Gener8tor, Individual Investor(s)
Amiran Technologies	5,100,207	Undisclosed Investor(s)
Asto CT	200,000	Undisclosed Investor(s)
Atterx Biotherapeutics	375,000	Undisclosed Investor(s)
Biolonix	700,000	Chippewa Valley Angel Investor Network, Wisconsin Investment Partners, Undisclosed Investor(s)
Black River Systems	550,000	Undisclosed Investor(s)
BluDiagnostics	1,150,000	WI, Cali, East Coast
Breathe for Change	100,000	Individual Investor(s)
Bright Cellars	30,000	Individual Investor(s)
Capio Biosciences	2,900,000	Betta Pharmaceuticals, Undisclosed Investor(s)
Carex Consulting Group	250,000	Individual Investor(s)
Cellara	602,500	Undisclosed Investor(s)
Cellular Logistics	185,000	Individual Investor(s)
CenterX	3,325,380	Undisclosed Investor(s)
Centrose	450,000	Undisclosed Investor(s)
Chefs for Seniors	125,000	500 Startups
CODAworx	25,000	Undisclosed Investors
Coinigy	400,000	Undisclosed Investor
Complex Rehab Systems	300,000	Undisclosed Investor(s)
ConsortiEx	3,191,102	Serra Ventures, Individual Investor(s), Undisclosed Investor(s)
Crystal Medtech	400,000	Undisclosed Investor(s)
Curate Solutions	90,000	Gener8tor
Datica (formerly Catalyze)	6,464,265	Lewis & Clark Ventures, Arthur Ventures, Baird Venture Partners, Chicago Ventures, Individual Investors
Digsite	400,000	Madison Development Corp
Dock Technologies	Undisclosed	Undisclosed Investor(s), Individual Investor(s), Golden Angels Investors
Dynamis Software Corporation	529,071	Golden Angels Investors, Undisclosed Investor(s)
Eatstreet	10,999,996	Undisclosed Investor(s)
Ebullient	2,266,213	Undisclosed Investor(s)
Elucent Medical	7,250,000	Venture Investors
EmOpti	1,378,000	Undisclosed Investor(s)
Energy Bank	1,365,625	Undisclosed Investor(s)
Engineered Propulsion Systems	15,179,900	Chippewa Valley Angel Investor Network, Undisclosed Investors
EnsoData	550,000	HealthX Ventures
Exit 7C	365,000	Gener8tor
Expedient Imaging Solutions	30,000	Individual Investor(s)
EyeKor	600,000	Undisclosed Investor(s)
Fasetto	350,000	Undisclosed Investor(s)
Field Table	232,000	Individual Investor(s)
Fishidy	50,000	Individual Investor(s)
FloraSeq	25,000	Brightstar Wisconsin Foundation
FluGen	3,600,000	Venture Investors, Wisconsin Investment Partners
Forward Health Group	4,018,000	Wisconsin Investment Partners, Undisclosed Investor(s)
FreMarq Innovations	150,000	N29 Capital Partners
Gearbox Express	450,000	Undisclosed Investor(s)
Gener8tor	600,000	AmFam Ventures, Individual Investor(s)
Getter	50,000	Undisclosed Investor(s)
GoHitList	95,000	BrightStar WI Foundation, Undisclosed Investor(s)
Grocerkey	50,000	Individual Investor(s)
GymDandy	196,670	Stadia Ventures, Undisclosed Investor(s)
Health eFilings	400,000	Madison Development Corp, Undisclosed Investor(s)
Health LX	405,000	Undisclosed Investor(s)
Healthdecision	65,000	Undisclosed Investor(s)
Healthfinch	7,500,000	Adams Street Partners, JumpStart Ventures, Chicago Ventures, OCA Ventures, Abundant Ventures
HealthMyne	2,365,750	Venture Investors, 4490 Ventures, WARF, Wisconsin Investment Partners
HuTerra	605,874	Undisclosed Investor(s)
iDAvatars	1,288,000	Undisclosed Investor(s)
Imbed Biosciences	600,000	WISC Partners, Undisclosed Investor(s)
Insulete	300,000	Individual Investor(s)
Invenra	3,012,881	Wisconsin Investment Partners, NEW Capital Fund, Madison Development Corporation, Undisclosed Investor(s)
ioGenetics	420,000	Undisclosed Investor(s)
Ionic	8,878,810	General Catalyst, Arthur Ventures, Founder Collective, Lightbank
Isomark	130,000	Individual Investor(s)

Wisconsin Company	Total Investment	Primary Investor(s)
Jaystreet Technologies	80,000	Undisclosed Investor(s)
Keystone Insights	1,142,688	Individual Investor(s)
Kiio	1,777,000	Phenomenelle Angels, Stateline Angels, Undisclosed Investor(s)
Kilter	150,000	Individual Investor(s)
Lanehub	500,000	Undisclosed Investor(s)
Lumanu	Undisclosed	Undisclosed Investor(s)
Madison Vaccines	1,500,000	Wisconsin Investment Partners
Magma Flooring	80,700	NEW Capital Fund
ManageCore	1,240,000	Undisclosed Investor(s)
Markable	1,939,358	Undisclosed Investor(s)
Match Grade Medical	1,200,000	Undisclosed Investor(s)
Megalodon Insurance Systems	15,000	Undisclosed Investor(s)
Midwestern BioAg	21,300,000	S2G Ventures, Bison Capital Asset Management, Franciscan Sister of Mary, Madison Bay Capital Partners, McKnight Foundation, Tau Investment Management
Moxe Health	5,500,000	Safeguard Scientifics, Brightstar WI Foundation
Murfie	Undisclosed	WISC Partners, Wisconsin Investment Partners, Individual Investor(s)
Northern Imaging Solutions	50,000	Undisclosed Investor(s)
NovaScan	75,000	Undisclosed Investor(s)
Novo Health	25,000	Individual Investor(s)
Omega Foods	25,000	Undisclosed Investor(s)
One Solstice	450,000	Individual Investor(s)
oneEvent Technologies	750,000	Undisclosed Investor(s)
OrgPix	182,500	Undisclosed Investor(s)
Patina Solutions	3,450,000	Individual Investor(s)
Pegasus Sustainability Solutions	4,000,000	Capital Midwest Fund, WISC Partners, N29 Capital Partners
Peptimed	200,000	Undisclosed Investor(s)
Perfect Cross	50,000	Undisclosed Investor(s)
Phoenix Nuclear Labs	790,686	Knox LLC, Wisconsin Investment Partners, Venture Management, Chippewa Valley Valley Angel Investment Network, Silicon Pastures, Brightstar Wisconsin Foundation
Pinpoint Software	112,189	Wisconsin Investment Partners
Promentis Pharmaceuticals	8,787,399	F-Prime Capital Partners, Golden Angels Investors, Undisclosed Investors
Propeller Health	21,500,000	3M Ventures, S.R. One, Hikma Ventures, Safeguard Scientifics, Social Capital
Quietyme	50,000	Individual Investor(s)
Re Mixers	249,999	N29 Capital Partners
Remindabill	100,000	Undisclosed Investor(s)
Rent College Pads	945,001	Wisconsin Super Angel Fund, Brightstar WI Foundation, Individual Investor(s)
Rowheels	925,000	WISC Partners, Undisclosed Investor(s)
SafeLumin (LEDSENS)	135,000	Wisconsin Capital Partners, N29 Capital Partners, Individual Investor(s)
Scanalytics	1,500,000	Wakestream Ventures, M25 Group, Start Garden, N29 Capital Partners
Seven Marine	18,000	Individual Investor(s)
SHINE Medical Technologies	11,534,972	Wisconsin Investment Partners, Undisclosed Investor(s)
Silatronix	7,999,806	Hitachi Chemical, Inabata, Venture Investors, Wisconsin Investment Partners, NEW Capital Fund
Simplifide	1,000,000	Undisclosed Investor(s)
Simply Incredible Foods	460,000	NEW Capital Fund, Undisclosed Investor(s)
Skin Analytics	20,500	Wisconsin Investment Partners, Undisclosed Investor(s)
SKY Imaging Services	100,000	Undisclosed Investor(s)
Slipstream	25,000	Undisclosed Investor(s)
Smart Choice MRI	7,000,000	Edward-Elmhurst Health, ThedaCare
SmartUQ	750,000	Madison Development Corp, Undisclosed Investor(s)
Snotco	200,010	Undisclosed Investor(s)
Snugb	50,000	Individual Investor(s)
Somna Therapeutics	1,014,000	Undisclosed Investor(s)
Stealth Therapeutics	65,000	Foley Ventures, Undisclosed Investor(s)
Stem Pharm	33,333	Undisclosed Investor(s)
Stemina Biomarker Discovery	2,649,408	Wisconsin Investment Partners, Undisclosed Investor(s)
Stepping Stone Dental Partners	1,600,000	Undisclosed Investor(s)
Swallow Solutions	156,500	NEW Capital Fund, Venture Management, Wisconsin Investment Partners, Wisconsin Super Angel Fund
TAI Diagnostics	3,000,000	Wisconsin Investment Partners
Tech Canary	200,000	Undisclosed Investor(s)
Telematic	40,000	Global Insurance Accelerator
Titan Spine	7,880,305	Southlake Equity Group
TrafficCast International	500,000	Madison Development Corp
Understory	7,498,498	4490 Ventures, Monsanto Growth Ventures, CSA Partners, True Ventures, RRE Ventures, SK Ventures, N29 Capital Partners
Undisclosed Company	11,000,000	Undisclosed Investor(s)
Undisclosed Company	1,300,000	Brightstar Wisconsin Foundation, Capital Midwest Fund
United Community	128,104	Undisclosed Investor(s)
Vibetech	194,449	Undisclosed Investor(s)
Wantable	2,842,359	Undisclosed Investor(s), Individual Investor(s)
Wellbe	1,343,583	WISC Partners, Undisclosed Investor(s)
WellIntel	359,750	Undisclosed Investor(s)
Wholetrees	141,900	Undisclosed Investor(s)
WiCab	3,375,002	Undisclosed Investor(s)
Woundzoom	565,000	Undisclosed Investor(s)
Zurex Pharma	6,236,068	Wisconsin Investment Partners, Undisclosed Investor(s)

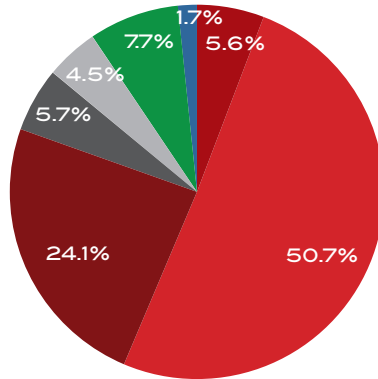


CHARTS AND GRAPHS

2016 DEALS
BY INDUSTRY



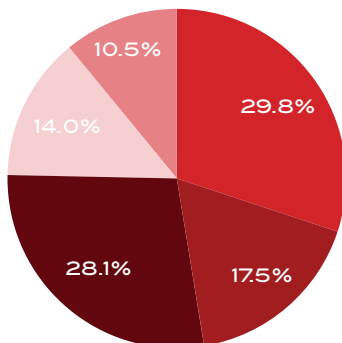
2016 CAPITAL
BY INDUSTRY



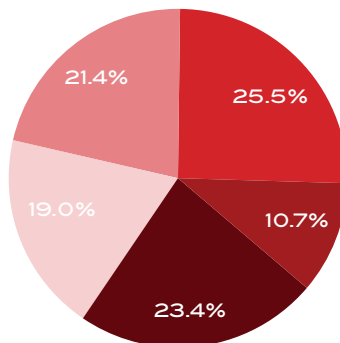
- Adv. Materials and Mfr.
- Agriculture
- Biotech
- Business/Consumer Products
- Healthcare
- Information Technology
- Other

Healthcare and IT continue to be the focus of investor attention in 2016, both in number of deals and dollars invested.

HEALTHCARE DEALS
BY SECTOR



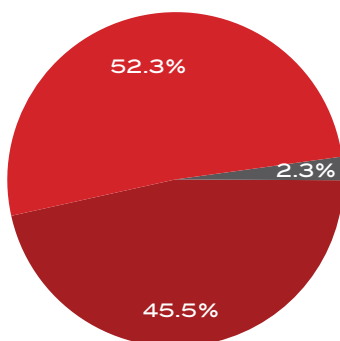
HEALTHCARE CAPITAL
BY SECTOR



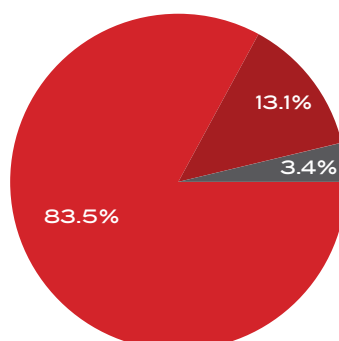
- Devices
- Diagnostics
- IT
- Pharmaceuticals
- Services

The healthcare sector sees a fairly even split amongst deals and capital deployed between the various subsectors.

IT DEALS BY SECTOR



IT CAPITAL BY SECTOR

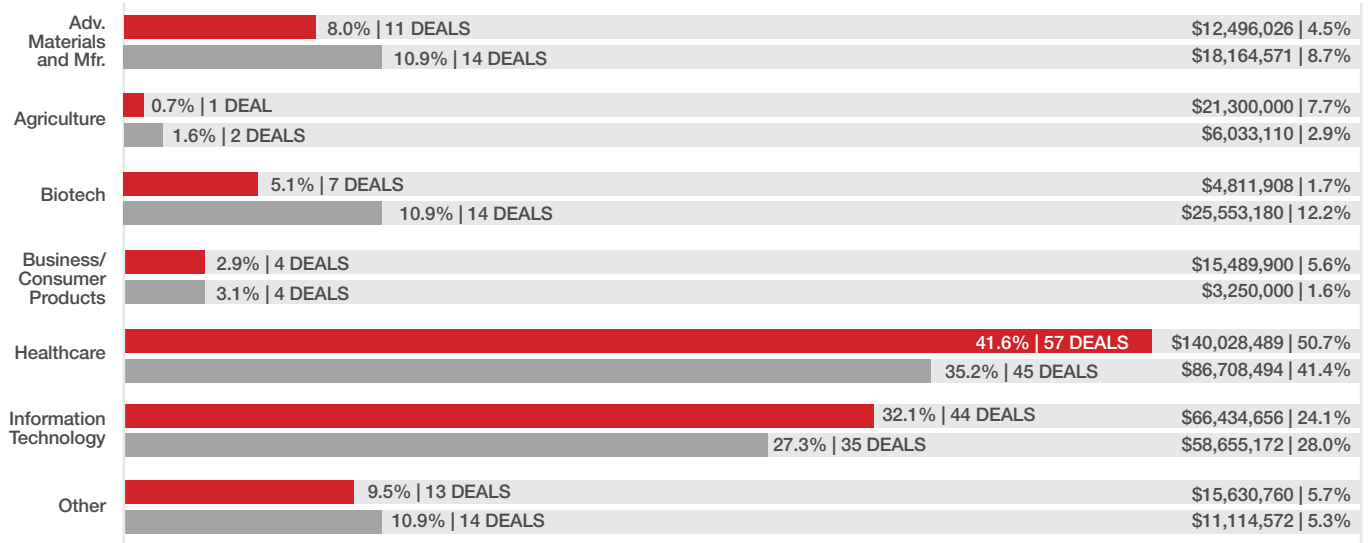


- IT Hardware
- IT Software
- IT Services

In the information technology sector, both software and services were active in terms of deals while the software subsector collected 83.5 percent of the capital deployed.

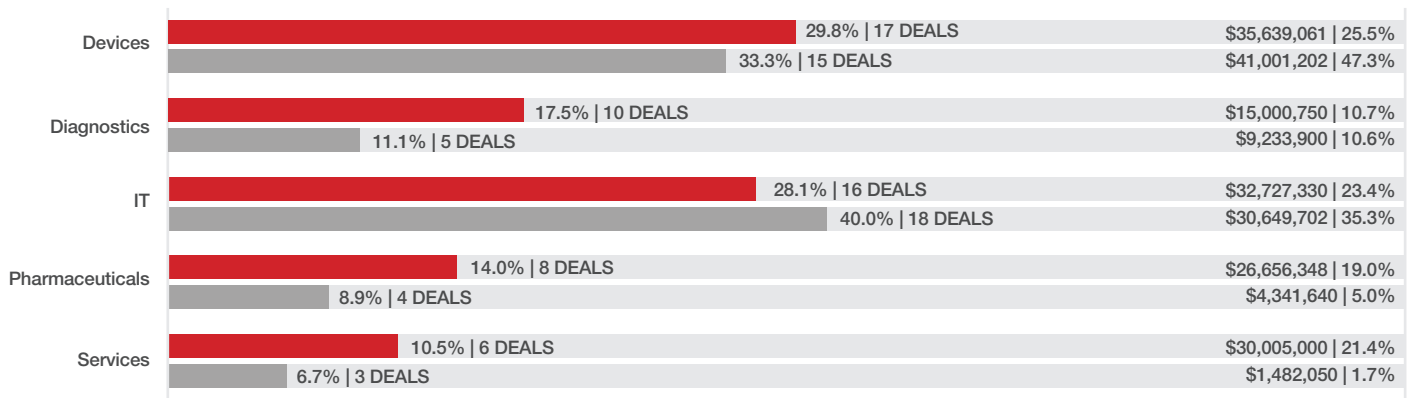
INDUSTRY TRENDS

■ 2016 Deals
■ 2015 Deals



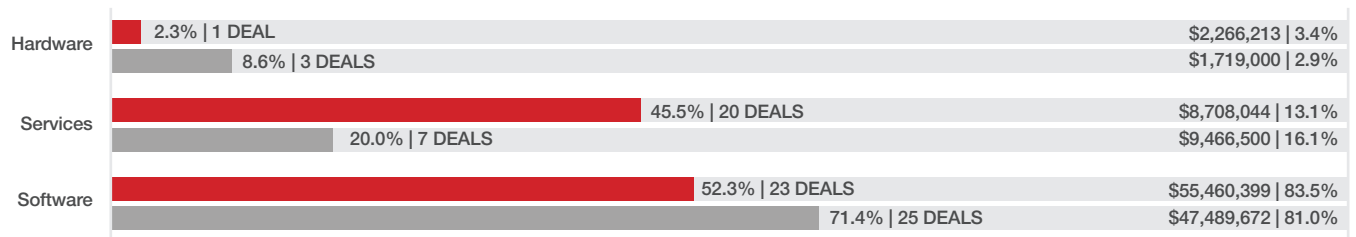
HEALTHCARE

■ 2016 Deals
■ 2015 Deals

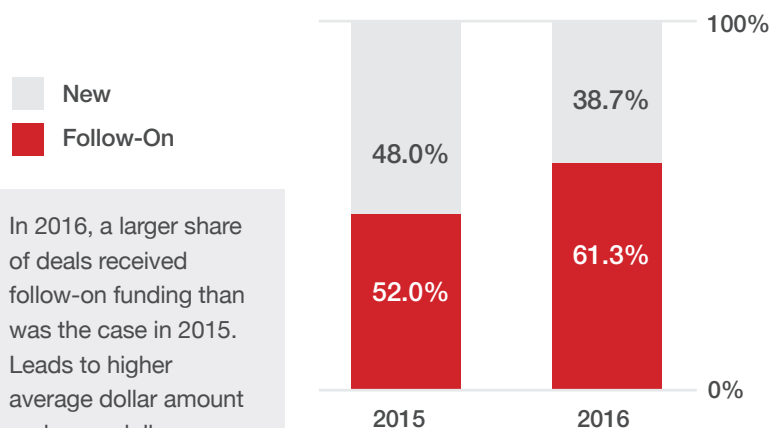


INFORMATION TECHNOLOGY

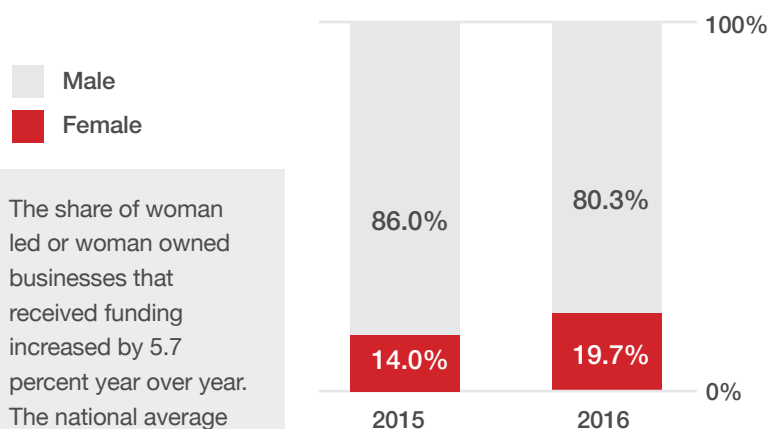
■ 2016 Deals
■ 2015 Deals



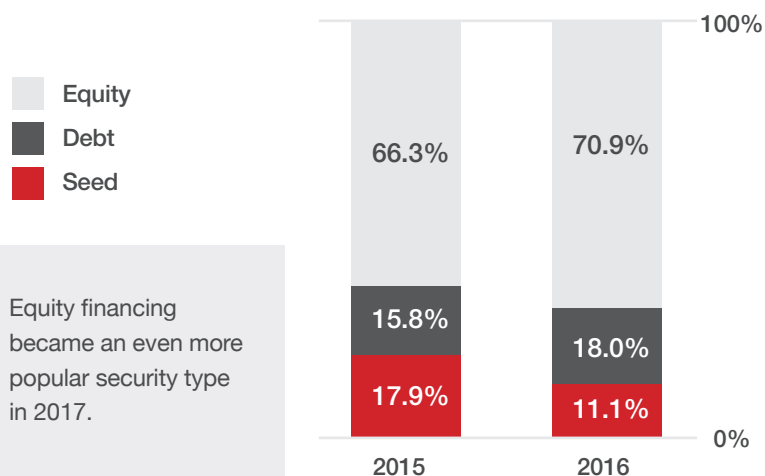
ANNUAL TRENDS



In 2016, a larger share of deals received follow-on funding than was the case in 2015. Leads to higher average dollar amount and more dollars invested overall.



The share of woman led or woman owned businesses that received funding increased by 5.7 percent year over year. The national average for 2016 is 17 percent.



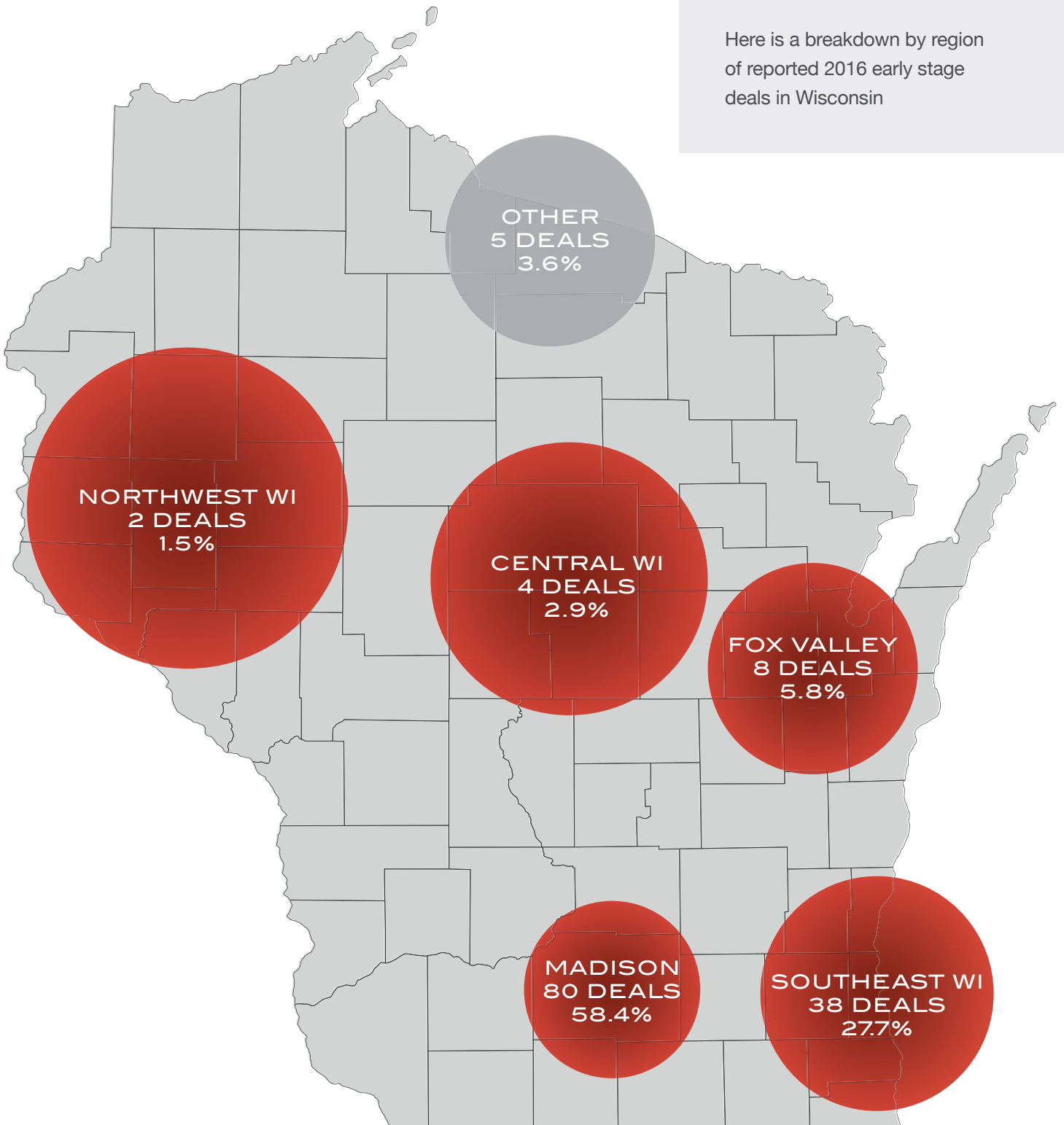
Equity financing became an even more popular security type in 2017.

LARGEST DEALS

Propeller Health	21,500,000
Midwestern BioAg	21,300,000
Engineered Propulsion Systems	15,179,900
SHINE Medical Technologies	11,534,972
Undisclosed Company	11,000,000
Eatstreet	10,999,996
Ionic	8,878,810
Promentis Pharmaceuticals	8,787,399
Silatronix	7,999,806
Titan Spine	7,880,305
Healthfinch	7,500,000
Understory	7,498,498
Elucent Medical	7,250,000
Smart Choice MRI	7,000,000
Datica (formerly Catalyze)	6,464,265
Zurex Pharma	6,236,068
Moxe Health	5,500,000
Amiran Technologies	5,100,207
Abodo	4,817,429
Forward Health Group	4,018,000
Pegasus Sustainability Solutions	4,000,000

REGIONAL SPOTLIGHT

Here is a breakdown by region of reported 2016 early stage deals in Wisconsin





CORPORATE FUND OF FUNDS

By: Tom Still



Chris Rizik, Renaissance

When Chris Rizik talks about Michigan's Renaissance Venture Capital Fund, it's not just a feel-good story about major companies stepping forward in a time of crisis to invest in their home state.

It's the tale of a double bottom line: Investment in Michigan's startup economy and strong returns for those who took the risk.

Rizik, chief executive officer and fund manager for Ann Arbor-based Renaissance, spoke March 27 at the Wisconsin Tech Summit in Pewaukee. His message: Wisconsin is primed for a similar corporate fund of funds.

All that's needed is for a relative handful of corporate "champions" to take a calculated chance.

Because it is home to large legacy companies, one of the nation's leading research universities and an increasingly diverse startup sector, "Wisconsin is a natural place" for a fund of funds built along the same lines as Renaissance, Rizik told the Tech Summit crowd.

A fund of funds is a vehicle for pooling capital and investing in emerging firms. Renaissance is an early example of such a fund led by Michigan's major corporations, such as Ford, DTE Energy, Whirlpool, Meijer, La-Z-Boy and more. It was created in 2008



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FUND OF FUNDS, CONT'D.

when Michigan's unemployment rate had soared into double digits, major companies were cutting employees and internal research and there was a chronic shortage of risk capital for young companies.

The first two Renaissance funds raised nearly \$124 million from corporate and institutional investors. Money invested in Renaissance is re-invested in 25 venture capital funds across the nation, bringing those experienced funds to Michigan in a physical sense – sometimes opening a local office – to kick tires and invest in promising startups.

Rizik said some early investors never expected to see their money again but were committed to helping Michigan bust out of its rustbelt doldrums. Those investors have been pleasantly surprised.

Financial returns for Renaissance over nine years have outperformed national benchmarks for rate of return and rate of profit distributions. The fund ranks in the top quartile of the venture capital asset class and is now rated “investment grade,” which means pension funds, endowments and foundations may invest in Renaissance on a returns basis alone.

The first Renaissance fund attracted more than \$24 into Michigan for every dollar invested. That's reflected in the \$868 million invested so far by the 25 participating funds in young Michigan companies. Sixty percent of those funds were first-time investors in Michigan companies.

Michigan's status as a venture capital hub went from middle of the 50-state pack to among the U.S. leaders. Total capital under management in Michigan stood at \$1.41 billion in 2015, according to the National Venture Capital Association. That was good for 12th among the states. Wisconsin had \$171 million under management in the same year, ranking 27th among the states.

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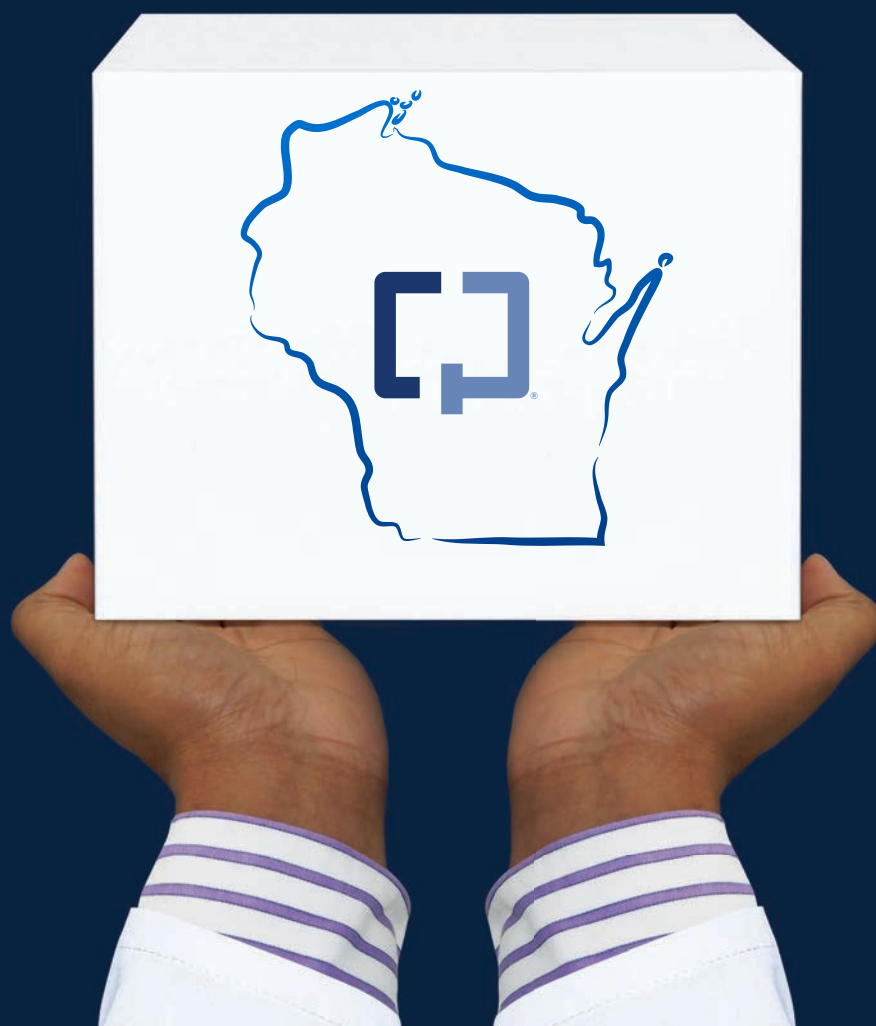
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FUND OF FUNDS, CONT'D.

Michigan reported \$281 million in venture capital commitments in 2015, the NVCA reported, which was ninth among the states. Wisconsin reported \$30 million, standing 21st on the list.

Although rooted in a sense of civic urgency, the Renaissance Venture Capital Fund is not a charity. There is a sense of enlightened self-interest, however, that emerges when mature industries recognize they have a role in helping nurture emerging businesses that revitalize local economies and communities.

The Renaissance fund was born in a time of deep crisis for Michigan, but Rizik believes a fire drill is not necessary for a similar fund to emerge in Wisconsin. There was no crisis in Cincinnati when a group of corporations led by Proctor and Gamble created Cintrifuse, a similar corporate fund of funds.

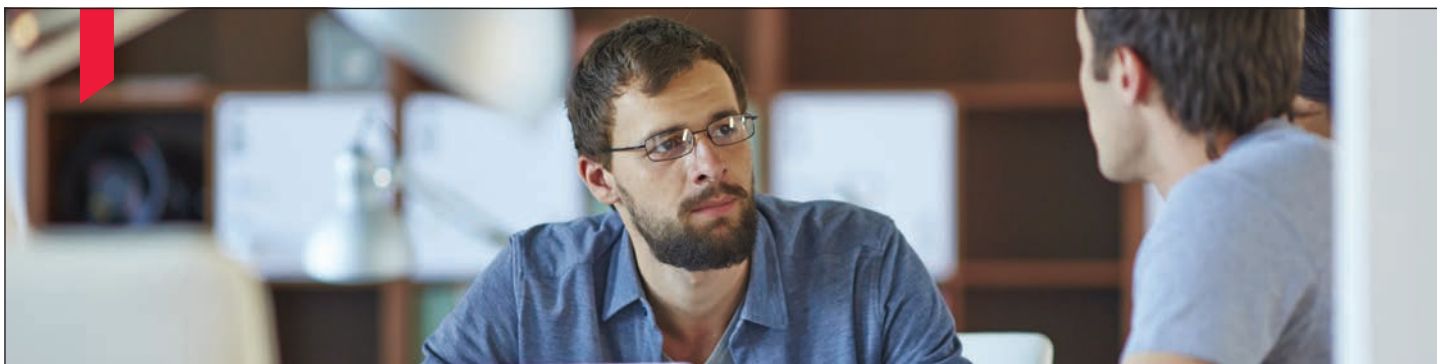
Rizik's advice to Wisconsin is to use the state's natural strengths, to remove the friction that keeps investors from participating in Wisconsin and to create a fund that is profitable and thus maintains the interest of its stakeholders.

Several major Wisconsin corporations have started in-house funds or made direct investments in recent years. The list includes American Family Insurance, Northwestern Mutual, CUNA Mutual, Direct Supply, Logistics Health and Kimberly Clark. While other BigCos may be investing in early stage companies, they're mostly quiet about it ... for now.

Wisconsin has a cadre of major companies. It has experienced investors in the angel and small fund end of the spectrum. Increasingly, it has the right talent and ideas. What's needed is a shared sense of opportunity about reinvesting in Wisconsin. If its home-grown companies won't do so, why should others?

Still is president of the Wisconsin Technology Council, which produced the Wisconsin Tech Summit at the GE Healthcare Institute in Pewaukee. He can be reached at news@wisconsintechcouncil.com.





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2017 DEAL REPORTING

So far in 2017, 28 Wisconsin deals worth about \$111 million have been tracked, continuing the momentum in Wisconsin angel and venture capital investing that has been building for the better part of a decade.

Those 28 deals include three at \$100,000 or less each, 17 at \$1 million or less each, and 8 in excess of \$1 million, with an overall average approaching \$3.9 million per deal.

Industry sectors are diverse with software, IT services, health information technologies, social media, manufactured products, consumer products, medical imaging, recreational products and engineered solutions all a part of the mix.

At least a dozen and a half different investment groups are involved in those 28 deals, including some from outside Wisconsin.

Here is the tentative list of the largest deals through the first five months of 2017:

Wisconsin Company	Total Investment
Networked Insights	30,000,015
UAS Laboratories	21,249,221
SHINE Medical Technologies	17,811,269
Promentis Pharmaceuticals	17,200,000
Redox	9,000,000
Bunker	6,000,000
SmartUQ	1,906,323
Fasetto	1,305,755
Fetch Rewards	799,309
Dynamis Software Corporation	750,000
Grocerkey	700,000

CONTACTING THE LEGISLATURE

The Wisconsin Legislature is in session throughout the remainder of 2017 and early 2018, with floor periods and committee work scheduled at various times.

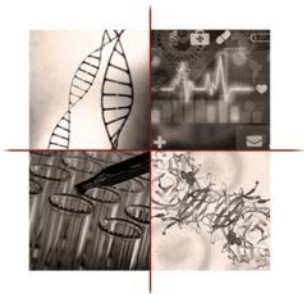
Based on historic patterns, the Legislature will debate Gov. Scott Walker's 2017-2019 budget proposal until late June or early July 2017. The state's next fiscal year starts July 1 and runs until June 30, 2018. The budget bill covers the following fiscal year, as well.

Other 2017 floor periods are set for Sept. 12-21, Oct. 10-12 and Oct. 31-Nov. 12. The 2018 floor periods are scheduled for January through April in roughly one-week increments.

Visit legis.wisconsin.gov for information on 2017-2019 session acts, bill proposals, a citizens' guide to the Legislature, how a bill becomes a law and a detailed explanation of the budget-making process.

Also, legis.wisconsin.gov is where you can find biographies on all 132 state legislators (33 Senate and 99 Assembly) as well as an interactive map to help you find your state Senate and Assembly members where you live.

Visit legis.wisconsin.gov/lfb to read bill analyses and background papers by the Legislative Fiscal Bureau, a non-partisan service agency that staffs the Legislature's Joint Committee on Finance.



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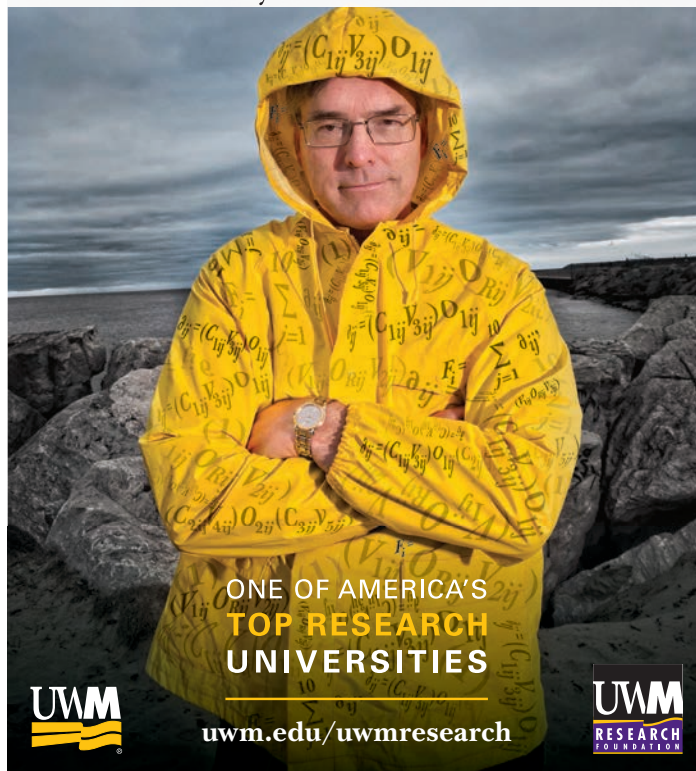
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INVESTOR RESOURCE GUIDE

WISCONSIN TECHNOLOGY COUNCIL

The Tech Council is the science and technology advisor to Wisconsin's governor and Legislature. It is an independent, non-profit and non-partisan board with members from tech companies, venture capital firms, public and private education, research institutions, government and law. The Tech Council Investor Networks (see below) is among its programs.

CONTACT: Tom Still, president

(608) 442-7557 | Tstill@wisconsintechcouncil.com

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TECH COUNCIL INVESTOR NETWORKS (TCIN)

A program of the Wisconsin Technology Council, the mission of the TCIN is to fuel the growth of entrepreneurial, early stage financing throughout Wisconsin. TCIN produces and provides resources to the early stage investing community. Those resources include the "Deal-flow Pipeline," an online connection point for investors and entrepreneurs; assisting with angel network and early stage fund formation; facilitating investor collaboration, investor education events, communications, and other resources designed to help entrepreneurs seeking capital.

CONTACT: Bram Daelemans, director

(608) 442-7557 | Bram@wisconsintechcouncil.com

STATE OF WISCONSIN INVESTMENT BOARD (SWIB)

SWIB is the state agency that invests the assets of the Wisconsin Retirement System, the State Investment Fund and other state trust funds. As of December 31, 2016, SWIB managed about \$104.5 billion in assets.

CONTACT: Chris Prestigiacomo, portfolio manager, private markets group

(608) 266-6723 | Chris.Prestigiacomo@swib.state.wi.us

www.swib.state.wi.us

WISCONSIN ALUMNI RESEARCH FOUNDATION (WARF)

WARF is a non-profit organization that supports research, transfers technology and ensures that the inventions and discoveries of UW-Madison benefit humankind. The UW-Madison is a premier research institution with world-class faculty and staff who attract more than \$1 billion in sponsored research each year. WARF receives about 350 disclosures per year and has taken an equity share in 38 active companies.

CONTACT: Erik Iverson, managing director

(608) 263-9396 | eiverson@warf.org | www.warf.org

WISCONSIN SYSTEM TECHNOLOGY FOUNDATION (WISYS)

WiSys is a non-profit WARF subsidiary established to identify innovative technologies developed beyond the UW-Madison campus, primarily within 11 other UW System campuses and the UW Extension. It helps to bring those technologies to the marketplace for the benefit of the inventors, their universities, Wisconsin's economy and society.

CONTACT: Arjun Sanga, executive director

(608) 316-4015 | ASanga@wisys.org | www.wisys.org

UWM RESEARCH FOUNDATION

UW-Milwaukee has annual research expenditures of about \$60 million. UWM Research Foundation's mission is to foster research, innovation and entrepreneurship at the UW-Milwaukee. The Foundation manages a growing portfolio of patents, with more than 100 issued or applied-for patents. The UWMRF Catalyst grant program has provided about \$4 million to seed projects with strong commercial potential.

CONTACT: Brian Thompson, president

(414) 906-4653 | briant@uwmfdn.org | www.uwmfdn.org

WISCONSIN ECONOMIC DEVELOPMENT CORP.

This agency offers technology loans and grants to qualified companies, assists in site and location matters, and manages the Qualified New Business Venture (QNVB) program for investor tax credits, among other programs.

CONTACT: Mark Hogan, chief executive officer and secretary

(608) 210-6701 | Kathie Colbert | kathie.colbert@wedc.org

FOR SPECIFIC QNVB INFORMATION CONTACT: Chris Schiffner

(608) 210-6826 | chris.schiffner@wedc.org | www.inwisconsin.com

WISCONSIN DEPARTMENT OF FINANCIAL INSTITUTIONS (DFI)

DFI's mission is to ensure the safety and soundness of Wisconsin's financial institutions, to protect the consumers of financial services and to facilitate economic growth. The agency regulates and licenses financial service providers who do business in Wisconsin.

CONTACT: Jay Risch, secretary

(608) 264-7800 | askthesecretary@dfi.state.wi.us | www.wdfi.org

MEDICAL COLLEGE OF WISCONSIN OFFICE OF TECHNOLOGY DEVELOPMENT

The MCW Office of Technology Development is responsible for managing the discoveries, inventions and other intellectual property assets of the Medical College of Wisconsin and advancing these discoveries. The MCW conducts about \$140 million in sponsored research each year.

CONTACT: James Antczak, office of technology development

(414) 955-4894 | jantczak@mcw.edu | www.mcw.edu/OTD.htm

MARSHFIELD CLINIC INFORMATION SERVICES

Marshfield Clinic Information Services (MCIS) is an information technology company dedicated to delivering and managing cutting edge products and services for healthcare providers. MCIS is the product of Marshfield Clinic's 50 year commitment to the use of IT to benefit patients and physicians in the pursuit of excellent medical care.

CONTACT: Denise Webb,

chief executive officer, MCIS/chief information officer;

(715) 221-8388 | denise.webb@mcis.com | www.mcis.com

GENER8TOR

gener8tor is a Wisconsin-based accelerator that invests its community, capital, expertise, mentorship and network in capable, early-stage entrepreneurs with innovative business models. gener8tor works with the startups in its portfolio to create successful, scalable companies. Sponsored by American Family Insurance, gener8tor seeks to invest in technology-enabled businesses. Accepted companies receive \$70,000 and 12-weeks of mentorship-driven programming.

CONTACT: Troy Vosseller, co-founder; Joe Kirgues, co-founder

(414) 502-8880 | troy@gener8tor.co | joe@gener8tor.com

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ANGEL CAPITAL ASSOCIATION

ACA is a collective of accredited investors that supports the success of angel and private investors in high-growth, early-stage ventures. The organization is the source for critical information and data that aligns the needs of angels, entrepreneurs, and the startup support community. Among its members are more than 240 angel groups and platforms and more than 13,000 individual accredited investors.

CONTACT: Sarah Dickey, ACA membership director

(913) 894-4700 | sdickey@angelcapitalassociation.org

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