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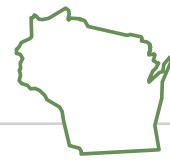


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Biofuels company Virent Energy has attracted angel and venture investment from Wisconsin and well beyond

Lee Edwards, CEO Virent Energy



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EXECUTIVE SUMMARY

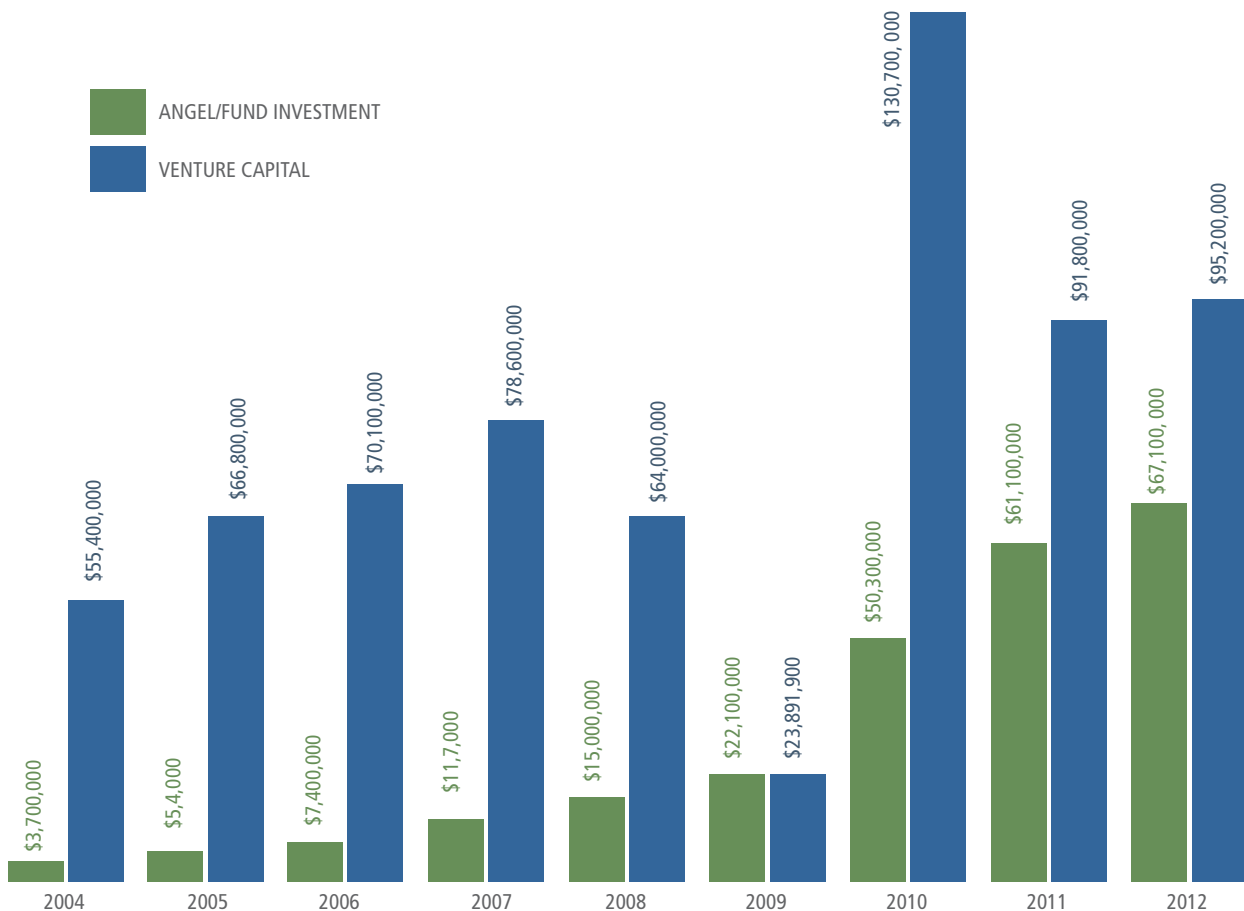
Welcome to the *2013 Wisconsin Portfolio*, an annual publication of the Wisconsin Technology Council through its Wisconsin Angel Network and its partner, the Wisconsin Economic Development Corporation.

Wisconsin saw a healthy jump in early stage investments in 2012, with about **\$163 million pumped** into emerging state companies from investors as far away as the Netherlands, Spain and China.

Although the lines have continued to blur in classifying

early stage investment by type, Wisconsin continues to see steady support for emerging companies overall. Small venture funds popped up across the state recently, along with several new angel groups in 2012, helping to push up total investment amounts and the number of deals statewide.

2012 VENTURE CAPITAL & ANGEL INVESTMENT



Top 10 trends from this year's data:

- 1** Almost half of all deals involve at least one out-of-state or international investor. This is a sign that investors are “discovering Wisconsin” and it underscores the timing of the state’s early stage capital fund, which should serve to attract investment from outside Wisconsin’s borders. Health IT is one sector where companies reported raising outside capital.
- 2** Total deal activity is up about 7 percent, which outperforms the national trend, according to Center for Venture Research (up 1.8 percent for angels) and National Venture Capital Association figures.
- 3** The NVCA reported slightly more than \$95 million in Wisconsin venture deals for 2012, but the actual total is elusive because some deals included a mix of reported and unreported venture, angel and other institutional dollars. The overall picture remains challenging, however: Two companies raised more than half of the venture capital invested in the state; Wisconsin’s share of national venture capital dollars remains at one-half of 1 percent; and the state continues to lag in the number of venture capital deals compared to peer states.
- 4** Wisconsin continues to rank in the middle of the 50-state pack for venture capital dollars invested and well down the list for venture capital under management. That is despite the fact that Wisconsin out-performs, on a per capita basis, most states when it comes to patents and academic research and development spending.
- 5** There is continued interest on the part of super-angel investors with one Milwaukee super-angel engaged in more than a dozen state-based deals.
- 6** Wisconsin Investment Partners (WIP) were identified as the angel group having done the most deals in the Great Lakes region (16 deals for about \$2.5 million).
- 7** The Great Lakes region continues to show relatively well, according to the Angel Capital Association’s Halo Report, with \$135 million invested in nearly 100 companies.
- 8** Continued diversity in company sectors, showing that Wisconsin has expertise across the board.
- 9** Information technology deals made up 33 percent of all angel investment deals in Wisconsin, by far the largest category. Related sectors were gaming, consumer services and business services, which combined for another 9 percent.
- 10** Other leading investment sectors were health-care services, biotechnology, medical instruments, “cleantech” and manufacturing.

In addition to data gathered from local groups, individual angels and national venture firms, this year’s Portfolio also outlines the people and industries that are continuing the state’s strong entrepreneurial heritage.





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 need additional funding to accomplish one of two goals—to achieve positive cash flows or to raise more money to further expand the business.

The source of the money needed to reach one of these goals 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

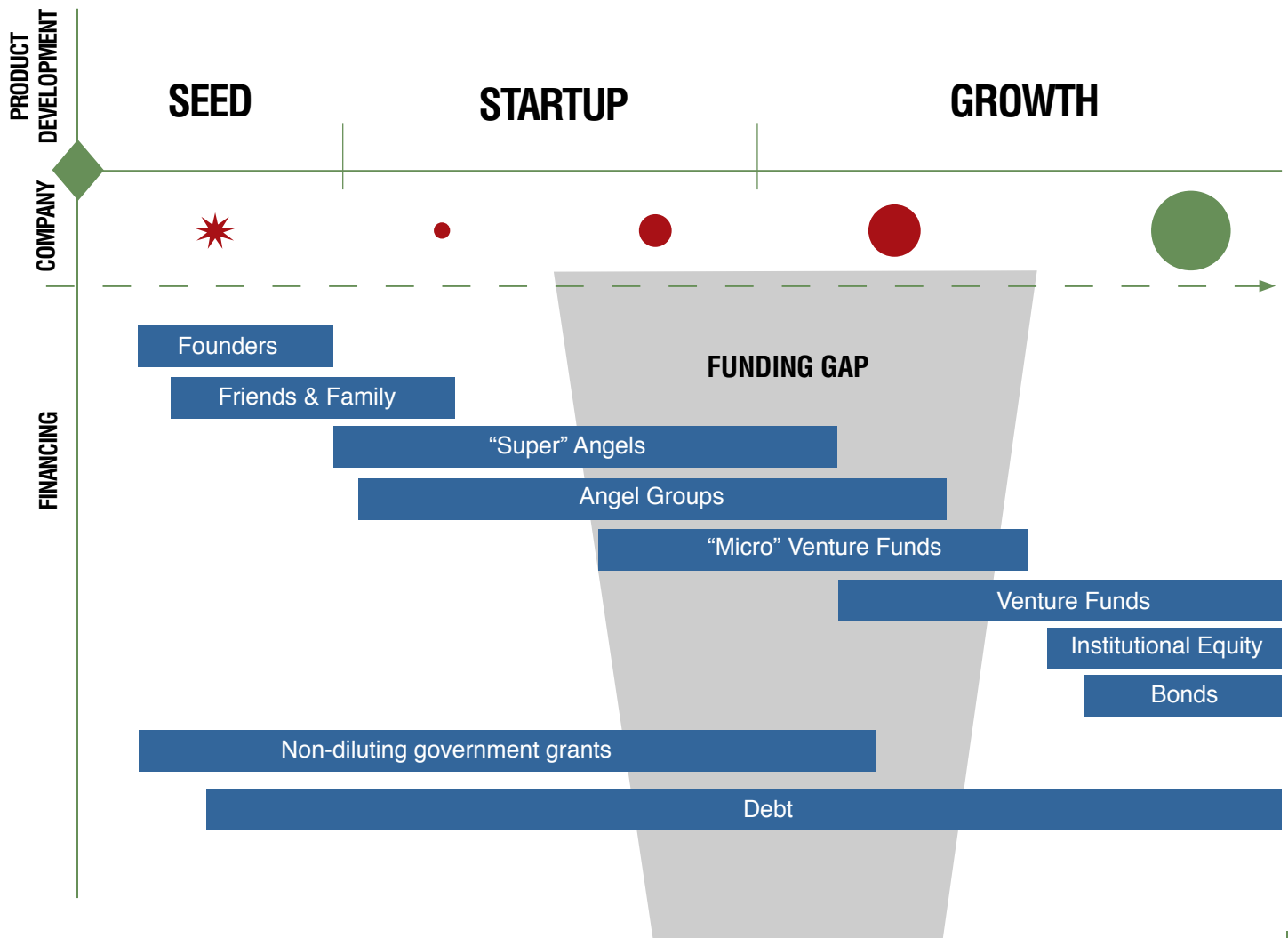
investments. Exits, or the potential of an eventual exit, provide the incentive necessary to attract investors to a startup business and to keep them active in the early stage market. Below is a graphic, called the financing continuum, representing the stages of business development and the typical investors through those stages.

The diamond 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.

Angel investors and venture capitalists form a vital partnership that results in a start-up 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.





EARLY STAGE INVESTMENT PROGRAM FAQs

The Wisconsin Legislature is considering creation of a state-leveraged early stage fund. The state's investment of \$25 million would be matched on a 2-to-1 basis by private investors, and a private fund-of-funds manager would be selected to manage the entire fund. Here are some frequently asked questions related to the proposal, currently in bill form as Assembly Bill 181 and Senate Bill 169.

Q: How would an early stage investment program help the Wisconsin economy?

A: Company creation is vital to Wisconsin's economy. While companies may occasionally be attracted from beyond our borders, almost all successful companies in Wisconsin were born and bred here. That includes some iconic names – Kohler, S.C. Johnson, Johnson Controls, Harley-Davidson and many more – as well as most of today's emerging firms.

Young companies yield all net new jobs in the United States, according to the Ewing Marion Kauffman Foundation and other observers. Investing in an early stage capital plan designed specifically to lift up emerging companies is a smart bet. If the goal is to create high-paying, secure jobs over time, the best way to do so is to help launch and grow new companies in the economy's fastest-growing sectors.

Q: What is the risk to the state of Wisconsin in taking part in an early stage capital program?

A: As currently structured, the State of Wisconsin would be a limited partner in such a program, which means it would share in the risks – and rewards – just like private investors that may choose to take part. Since 1981 nationally, there has been only one year in which funds created in that year lost money on average. In time, those same national averages suggest the State of Wisconsin could see a return on its investment.

Today, the state's primary economic development tools are grants and loans, which have a very limited direct payback – if any.

Venture- and angel-backed companies have high survival rates compared to young companies financed in more traditional ways. Because investors provide advice and management background, as well as money, venture-backed companies nationally have a 60-plus-percent survival rate.

The state also gets an indirect but important benefit: Economic growth. That helps the state's tax base grow over time. Because it's a more diversified tax base, it is also more secure and recession-proof.

Q: How do emerging companies spend the dollars invested in them by angels and venture capitalists?

A: The money is invested in ways that provide immediate, carefully managed help for the companies and the state of Wisconsin. Investor dollars are used to hire and retain competitive talent, buy equipment, build sales, rent space, complete research and generally conduct business. In short, investor dollars flow back into the economy – and usually very close to home.

Q: Don't a lot of those young companies move away from Wisconsin before the state reaps the benefits?

A: Far fewer move away than one might think. In a dynamic market economy, some companies move to be closer to customers, talent or capital. Wisconsin increasingly has the talent, the facilities and the specialized equipment. All it needs is more capital, which an early stage investment program would help provide.

Most young companies born in Wisconsin tend to stay in Wisconsin. In those relatively rare occasions in which a company is acquired and moved, the talent tends to stay here – and start other new companies. Of note: Acquisitions can be very good news for Wisconsin. Major companies such as Roche first came to Wisconsin because they acquired startups here.

Q: What should be done to protect such a program from undue political influence, or the appearance of such?

A: Build investment firewalls. A firewalled structure and a competitive RFP process should lead to selection of a private, fund-of-funds manager. The State of Wisconsin Investment Board could play a role in helping to identify such managers in concert with others. This would insulate the selection of recipient funds, or “limited partners,” from political influence, or the appearance of such.

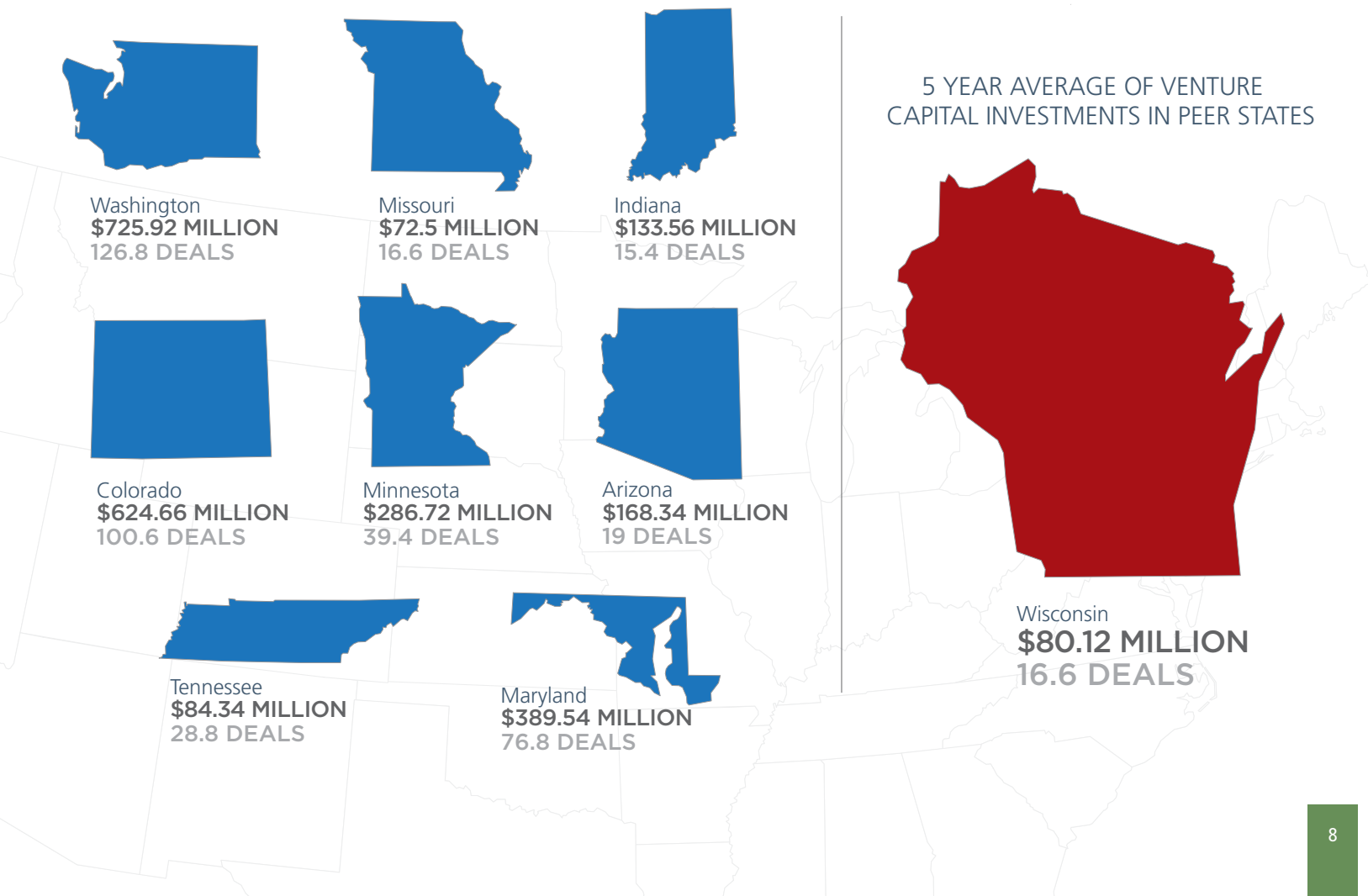
Q: Why should the State of Wisconsin get involved at all? Is this really something that should involve state government?

A: The angel and venture capital industry in the United States is north of \$50 billion in total assets. Wisconsin has what it takes to compete for its fair share of that industry – if it makes the right moves. That means competing with at least 30 other states that are vying for the attention of investors, who in turn help create companies and jobs.

According to IHS Global Insight, venture-backed companies in the United States account for 11 percent of all private sector jobs – even though the asset class represents about 1 percent of investments. Smart economic development policy is a legitimate role of state government.

That's why the competition isn't standing still. Wisconsin put itself on the national map in 2004 with the creation of investor tax credits, which quickly contributed to an explosion in angel capital deals. Other states are catching up, however, and Wisconsin should build on that momentum while it can. If Wisconsin passes an early stage capital plan, the word would spread like wildfire in the nation's entrepreneurial and investor communities.

PEER STATES WITH WISCONSIN WORKFORCE SIZE





IT TAKES A VILLAGE TO BUILD A STARTUP

In many ways, Scott Fulton has the classic entrepreneurial story.

He developed an idea into new cutting-edge technology in his basement; his friends and family bootstrapped his startup; he pitched repeatedly to angel investors; he pivoted his company's business model and even feared going out of business.



Scott Fulton, founder, BioSystem Development.

Agilent Technologies AssayMAP system, developed jointly with BioSystem Development.



But Fulton and his Madison company, BioSystem Development, were also able to find a successful exit in being acquired in 2011 by a major Silicon Valley firm.

“Like a lot of entrepreneurs, we had a lot to learn along the way,” Fulton recalled. “Our idea was really ambitious.”

As with many entrepreneurs, Fulton identified a market need from previous experience. For Fulton, it was 30 years working in the biopharmaceutical industry, including in Boston where he saw a number of bottlenecks and inefficiencies.

“I saw a market need and some of the things I had worked on would apply,” Fulton explained. “It was originally just me in my basement screwing around.”

As a result of that tinkering, in 2002, Fulton launched BioSystem, which created and manufactured tools for biopharmaceutical development. He started out by entering the first Governor’s Business Plan Contest in 2004 and was a co-winner.

“That was a fabulous exercise,” Fulton remembered. “Getting a lot of eyes looking at it and asking difficult questions. It was a lot of help.”

Fulton next worked with the UW-Madison Office of Corporate Relations to partner with a professor and a number of undergraduate students to help develop BioSystem's technology.

"I was able to move it out of my basement," Fulton said. One of the original students who came on board then is still with the company 10 years later. After getting some grant funding, along with winnings from the contest, Fulton began a "very difficult" process of finding angel funding.

"It took me awhile to learn how to talk to (angels)," Fulton said, who, through repeated meetings, was able to attract funding from several state angel groups including Milwaukee's Silicon Pastures, Chippewa Valley Angel Network and Marshfield Investment Partners. He also had investors from Stevens Point and Appleton.

There were times when the company had hard times after missing milestones and employees like himself cut out their salaries. But Fulton said he was able to convince his investors to "hang in there."

Over five rounds of financing, Fulton raised just under \$6 million from around 75 mostly-Wisconsin investors. Fulton wouldn't disclose the terms when publicly-traded Agilent Technologies, of Santa Clara, Calif., acquired the company in December 2011, but said the lowest return for any investor was three times their original investment. Some made more.

One early investor was the owner of a company located in a small town in central Wisconsin, who helped developed a critical manufacturing process and still makes parts used in BioSystem's disposable cartridge devices. The devices are packed with activated chemical beads, which help drug developers prepare samples for analysis and testing.

Agilent has kept an office in Madison with 15 employees. Fulton said the acquisition was a 3 ½-year process from the point of first discussion to closing.

"We were lucky in stretching the limits of angel investment to the breaking point," he said, adding that his company struggled getting interest from venture capital firms. "If we would have gone another year we would have been in trouble."



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Aver Informatics co-founders Kurt Brenkus, left, and Matt Frohlinger, right.



GREEN BAY STARTUP SETS TONE FOR REGION'S GROWTH

Aver Informatics CEO Kurt Brenkus is describing his new company when his infant daughter starts crying.

The 32-year-old Green Bay native, whose wife is pregnant with their third child, apologizes and jokes that his daughter probably just wants to join in on the interview.

He continues on about the often-floated term “big data” after handing the child to his wife. He agrees he currently has a lot on his plate, with a new company, two children and another one on the way. But it’s easy to tell he’s also passionate about growing his company.

“It’s (big data) a giant sandbox. You can ask any question and it can be very overwhelming, but you have the power of everything at your disposal,” he explains.

A former chief of staff at United Healthcare who supervised an \$80-million budget and 3,000 employees, Brenkus now runs a startup that symbolizes Wisconsin’s emerging health IT cluster. The company, started in 2010, has grown to 10 employees with money from some of Wisconsin’s best-known investment groups and is serving a number of major national customers.

“Our primary source of investors have all been Wisconsin-based,” Brenkus says, citing Madison’s Wisconsin Investment Partners (WIP), Oshkosh-based Angels on the Water, and Milwaukee angel group Silicon Pastures as early investors. Tom Shannon, an angel investor and successful entrepreneur himself, is the company’s board chairman.

Aver, founded by Brenkus and Chief Technology Officer Matt Frohlinger, 30, also a Green Bay native, was recently accepted into a competitive three-year entrepreneurship program run by GE and StartupHealth, a healthcare incubator. The company was one of 13 companies selected out of 400 that applied from 22 countries.

“They’re really on top of new technologies that come out,” Brenkus said, adding that the program would be taking him to San Francisco, Washington D.C. and New York for learning events with government experts, business leaders, and potential investors.

“With all of these things it’s really you get out what you put in,” Brenkus said. “It’s like a master’s course in doing a healthcare startup.”

Brenkus, who studied philosophy at St. Norbert College and DePaul University, said Aver’s business can sometimes be hard to describe in layman’s terms, but said people in the information-technology space are “going crazy for this type of technology.”

Aver’s platform, which it describes as a “web-based collaborative data exploration software to the healthcare market,” offers a pre-packaged way for companies to get at their data, at differing levels of sophistication. One focus for the company is in packaging together bills for “episodes of care” health care situations, such as transplants.

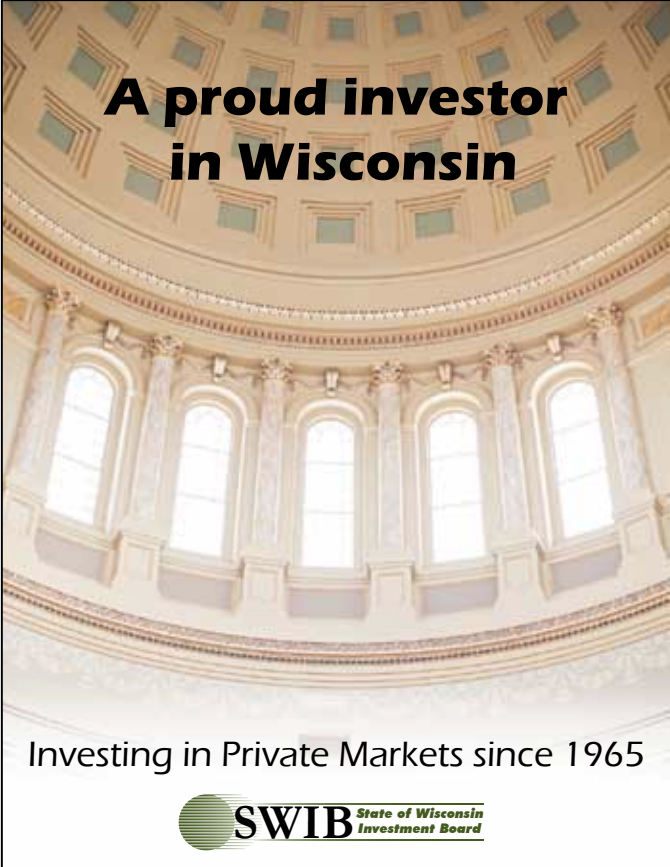
“My parents would say, ‘What is it you do again?’” Brenkus recounted, as he prepared to mentally-connect them to Aver through the familiar and complicated nature of healthcare billing across a continuum of care. “And then we say, ‘We package it so it’s one bill’ and then they realize it.”

Brenkus and Frohlinger, also a St. Norbert graduate, consider themselves “stewards” of the northeast Wisconsin economy.

“We feel we offer quality-of-life jobs. We get offers to move to New York, Silicon Valley and even Madison and Milwaukee, but we feel like there is a great amount of talent here,” Brenkus

says. “It’s kind of a hidden gem. We need to help keep the brain drain from happening up here.”

“ *It’s (big data) a giant sandbox. You can ask any question and it can be very overwhelming, but you have the power of everything at your disposal.* ”



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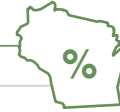
2012 DEAL REPORTING



TOTAL 2011 INVESTMENT:
\$152,868,525
TOTAL DEALS 76



TOTAL 2012 INVESTMENT:
\$163,447,237
TOTAL DEALS 74



PERCENT CHANGE:
7%

Wisconsin Company	Total Investment	Primary Investor(s)
A-Peer Holding Group	\$1,815,144	Undisclosed investor(s)
Alice.com	\$3,823,833	DaneVest Tech Fund, undisclosed investor(s)
AquaMost	\$620,500	Wisconsin Investment Partners (WIP), Golden Angels, undisclosed investor(s)
Aurora Spectral Technologies	\$750,000	Startup Republic, Individual investor(s)
Aver Informatics	\$495,000	ZyQuest Ventures, WIP, Shannon/Harris Shamrock,
Biolonix	\$1,522,000	WIP, Chippewa Valley Angel, undisclosed investor(s)
Blue Moon Learning, Inc.	\$320,000	Silicon Pastures, undisclosed investor(s)
C.O.P.E. LLC	\$1,000	ZyQuest Ventures
CalStar Products	\$22,221,000	Enertech Capital, Foundation Capital, Nth Power LLC
Cellular Dynamics	\$21,091,664	Tactics II Investments, Rose Ventures
Compact Particle Acceleration Corporation	\$1,600,000	Open Prairie Ventures
Connecture	\$19,696,553	Great Point Partners LLC, Chrysalis Ventures, undisclosed investor
Cytometix	\$25,000	Individual angel
Dynamis	\$940,000	Golden Angels
Echometrix	\$285,707	Undisclosed investor(s)
Enhancement Medical LLC	\$150,000	Silicon Pastures, undisclosed investor(s)
EPS	\$2,497,500	Chippewa Valley Angel Network, New Richmond Angel Investment Network, Undisclosed invesotr(s)
Faculte	\$300,000	Calumet Venture Fund
Flex Biomedical	\$881,668	WIP, NEW Capital Fund, Silicon Pastures, undisclosed investor(s)
Golf Pipeline	\$217,500	Individual investor(s)
GreenWhey Energy	\$1,000,000	Geo Investors Funds
HarQen	\$2,500,000	Phenomenelle Angels, DaneVest, Golden Seeds, Silicon Pastures, undisclosed investor(s)
HealthFinch	\$550,000	I2A, Adundant Venture Partners, individual investor(s)
Heartfelt Celebrations	\$50,000	Undisclosed investor(s)
Hopster	\$1,500,000	NEW Capital Fund, WIP, WHEDA, undisclosed investor(s)
HuTerra	\$525,000	NEW Capital Fund, Zyquest Ventures
In Control Medical LLC	\$3,200,000	Undisclosed investor(s)
Invenra	\$1,200,000	Rose Ventures, undisclosed investor(s)

Wisconsin Company	Total Investment	Primary Investor(s)
Kay-O Technologies	\$1,310,000	Danevest, Phenomenelle Angels, WIP
Liveality	\$1,410,000	Undisclosed investor(s)
Lucigen	\$1,699,919	WIP, Silicon Pastures, undisclosed investor(s)
Microscopy Innovations	\$450,000	Individual investor(s)
MoxeHealth	\$300,000	Great Oaks, individual investor(s)
Murfie	\$2,350,000	DaneVest, Second Market, Great Oaks, WIP, MDC, individual investor(s)
MyHealthDirect	\$2,300,000	Chrysalis Ventures, Arboretum Ventures, undisclosed investor(s)
Neuwave Technologies	\$14,000,000	H.I.G. Capital, Venture Investors, SWIB and WARF, Madison Development Corporation
Northstar Medical Technologies	\$5,200,000	Stateline Angels, Hendricks Holding Co.
PassingLeads	\$175,000	Angels on the Water, Zyquest Ventures
PerBlue	\$1,000,000	Golden Angels, WEDC, Madison Development Corporation
Phoenix Nuclear Labs	\$590,500	WIP, Frederick Mancheski
Piiku	\$602,350	Undisclosed investor(s)
Pinpoint	\$300,000	WIP, Warhawk Entrepreneurial Fund, Gener8tor
Quintessence	\$1,486,000	Undisclosed investor(s)
Radiant Fabrication	\$110,000	Undisclosed investor(s)
Rapidforce	\$110,000	Undisclosed investor(s)
Ratio	\$221,500	Stateline Angels, WIP
Reciprocal Labs Corp. (Asthmapolis)	\$1,907,000	Undisclosed investor(s)
Rowheels	\$120,000	Undisclosed investor(s)
Seven Marine	\$108,000	Individual angel
Shoutlet	\$15,200,002	FTV Capital
Slipstream	\$150,000	Warhawk Entrepreneurial Fund
SnowShoe Food	\$500,000	WIP, undisclosed investor(s)
SoLoMo	\$459,000	WIP, SLM Investments, Silicon Pastures, individual investor(s)
Somna Therapeutics	\$1,150,000	Shannon/Harris Shamrock, undisclosed investor(s)
Spaulding Clinical	\$870,000	Undisclosed investor(s)
Speech Tails	\$550,000	Angels on the Water, Zyquest Ventures, individual investor(s)
StageBloc	\$110,000	Individual investor(s)
Stealth Therapeutics	\$50,000	Individual angel
Stemina	\$415,000	WIP, Madison Development Corporation
Stepping Stone Dental	\$195,000	Silicon Pastures, individual angel(s)
StreamFIT	\$100,000	Undisclosed investor(s)
StudyBlue	\$2,940,000	WARF, Great Oaks, undisclosed investor(s)
Subsidence	\$18,000	Gener8tor
TASCET	\$2,400,000	Undisclosed investor(s)
TermSync	\$2,243,000	WIP, undisclosed investor(s)
The Art Commission	\$510,000	Undisclosed investor(s)
The Good Jobs, Inc.	\$168,000	Gener8tor, undisclosed investor(s)
Uconnect (EatStreet.com)	\$452,637	Gener8tor, Great Oaks, Angels on the Water, undisclosed investors
Vidmaker	\$652,260	Graham Weston, individual angel(s)
Wellbe	\$230,000	Undisclosed investor(s)
WholeTrees	\$250,000	Hanifl Family
Xolve	\$2,100,000	NEW Capital Fund, DSM Venturing BV, WHEDA
Zurex	\$6,200,000	Baird Venture Partners, Peak Ridge Capital, SWIB, undisclosed investor(s)
ZyMo Entertainment	\$5,000	ZyQuest Ventures



UW-Madison Microbial Sciences

HEALTH IT BOOM REACHING 'EPIC' PROPORTIONS

As Epic Systems continues to expand at its sprawling 385-acre farm campus in Verona, a number of healthcare-related startups are also developing their own growing community.

Partly because of demands for skills related to Epic and other large, established companies' EHR systems, a number of startups have set up shop in a state with an already strong health infrastructure home to GE Healthcare, Marshfield Clinic and large research institutions.

"There's a lot of resources in the area that have experience in the healthcare space," explained MoxeHealth CEO Dan Wilson, a former Epic project manager with Detroit roots. "They're the types of things we need to grow and scale a business."

Wilson, who started his health-applications company with another former Epic employee from Pennsylvania, recently spent time in San Francisco participating in a healthcare accelerator program. They plan to return to Wisconsin and hire two new employees in 2013.

Wilson has also partnered with Jonathan Baban, the founder of HealthFinch, to hold healthcare meetups in Madison where company leaders can learn from each other.

“When we have a problem, there are five guys that I can get on the phone who have been through the process and done it before,” Baban said. The startup syndication seems to be working. HealthFinch has grown to eight employees and plans to add five more in 2013. It offers a technology to automate the prescription renewal process in clinics, among other services.

RevolutionEHR is another health IT startup that has emerged with a cloud-based records system for optometry. The company was founded in 2006 after raising money from several Wisconsin angel investors and has since grown to 34 employees, with customers in all 50 states and Canada. A finalist in the 2007 Governor’s Business Plan Contest, Revolution was recently identified by *Inc. Magazine* as one of the state’s fastest growing companies in the state.

Also in Madison, Forte Research Systems, founded in 2000, develops and markets clinical research management

software to academic medical centers, research hospitals and cancer centers.

Meanwhile, consulting agencies have launched offerings services to organizations implementing Epic’s EHR systems. Madison’s Nordic Consulting recently surpassed 275 consultants and was ranked No. 1 in Epic staffing and implementation by KLAS, an influential rating firm.

BlueTree Network is also growing its lineup of consulting services. The Madison company, which is currently headquartered on State Street, has also partnered with a group of ex-Epic employees on a co-working space in their offices so new ideas can grow, potentially into new companies.

There will definitely be plenty of places to look for inspiration.

<p>REVENUES OF \$2.5 BILLION*</p>	<p>15,000 EMPLOYEES GLOBALLY*</p>	<p>\$2.8 BILLION RAISED AND MANAGED</p>	<p>Baird Capital </p>
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Engineered Propulsion Systems engine prototype, the Vision 350, shown in New Richmond



HIGH-FLYING STARTUP PROPELS AEROSPACE SECTOR

Engineered Propulsion Systems (EPS) is one example of how Wisconsin continues to stake a claim with a growing presence in the aerospace industry.

Co-founded in 2006 by Michael Fulks and Steven Weinzierl, the New Richmond company has been building a new light-weight diesel engine that could transform the aviation industry.

Experienced engineers Fulks and Weinzierl saw an opportunity for innovation in the aircraft engine sector. Their company is in the process of developing and manufacturing Vision 350, a high-powered engine that can run on diesel and jet fuel. Their engine can be fitted to different aircraft designs, and can be used for helicopters, rapid response vehicles and drones.

The company adds to a growing list of state assets that range from university-based space research in Madison to the world-renowned AirVenture show in Oshkosh to commercial manufacturers such as Gulfstream, a General Dynamics subsidiary with a plant in Appleton.

Kestrel Aircraft Corp., a maker of small passenger planes, also recently decided to move its headquarters from Maine to Superior, Wis. with a plan to create 600 jobs by 2016.

In 2012, EPS raised about \$2.5 million from several Wisconsin investors, including the Chippewa Valley and New Richmond Angel Investment Networks. EPS also won a \$2.95 million U.S. Air Force Rapid Innovation Fund Grant and obtained a loan from the state.

It recently began a Round C financing to help continue to fuel its growth.

With current low-lead aviation fuel environmental and cost concerns, EPS is confident the Vision 350 can bring clean and efficient power to aviation engines.

The Vision 350 would continue to strengthen a state which is already home to some 140 suppliers who work with Boeing, and also companies like DeltaHawk Engines, which has a plant in Racine, and Morgan Aircraft, which recently announced plans to build a production facility in Sheboygan.



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Biolonix CEO Jim Tretheway

McFarland-based Biolonix manufactures a process to disinfect water and other contaminants in liquid streams.



SUCCESS STORIES RUN BORDER-TO-BORDER

Founded in Watertown, Idle Free Systems Inc. is a leading provider of battery powered idle elimination systems for over-the-road trucks and day cabs.

With sales that grew by more than 250 percent in 2012, the company has received interest and offers to move its growing company to other states in an ultra-competitive economic environment. But CEO Robert Hopton said state support, along with the camaraderie in the business community, has kept the company in Wisconsin.

“The support the state provides to young, fledgling companies like ours is very, very strong,” said Hopton who is from the East Coast. “It’s something I’ve never seen anywhere else.” Idle Free’s technology enables fleets to

significantly reduce operating expenses and comply with all states’ anti-idling laws.



Robert Hopton, CEO Idle Free Systems

The system captures and stores waste energy from the truck’s alternator in a battery bank while the truck is moving. When the engine is off, the power in the battery bank is converted into electricity to power all the driver’s needs such as air conditioning, heat, TV and computer.

The Idle Free electric APU has been the recommended auxiliary power unit for Mack trucks since 2007 and is both EPA SmartWay verified and CARB compliant.

The company doubled the size of its manufacturing facility in 2012 and is currently hiring. Hopton said it is expecting to increase its staff by over 50 percent in the next three months.

ADDITIONAL PROFILES:

LOGISTICS HEALTH INC. – Founded by Don Weber, an entrepreneur whose military service convinced him there was room for a better system of managing the health of armed services personnel, Logistics Health Inc. went from under 20 employees 10 years ago to about 1,000 today. With an investment round led by TA Associates, Logistics Health grew into one of the mainstays of the La Crosse economy. It was recently acquired by UnitedHealth Group Inc.

U.S. TRAILMAPS – This Wausau-based venture was a past finalist in the Governor’s Business Plan Contest and is a leading provider of GIS-derived map data for recreational trail activities. Founded in 2005, U.S. Trailmaps provides mapping data to leading GPS-device manufacturers. The company also provides data for map and smartphone application developers and co-develops related social media sites. Kegonsa Seed Fund and Kegonsa Coinvest Fund were early investors.

AURIZON ULTRASONICS – Aurizon is a technology spinout from the Fox Valley’s Kimberly-Clark Corp. The ultrasonic technology uses sound waves, rather than glue, to do high-speed bonding of materials such as the plastic in diapers. NEW Capital fund invested in the company’s seed round and is a partner alongside Kimberly-Clark.

FROZEN CODEBASE – Based in Green Bay, Frozen Codebase is an independent video game developer founded in 2006. The company develops games for Microsoft’s Xbox 360, Microsoft Windows, Sony’s Play Station 3, Nintendo’s Wii and WiiWare. The NEW Fund was an early investor.



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SUCCESS STORIES CON'T.

XOLVE – This is a Platteville-based firm that is developing nanotechnology solutions for a variety of uses, including materials science and electronics. It was a past winner of the Governor’s Business Plan Contest. Four investors so far include Royal Dutch DSM and Peak Ridge Capital.

HUTERRA LLC – This is a De Pere company that is creating a new social network that combines gaming, social networking, and charitable giving in one convenient platform that empowers members and creates new experiences in giving. The NEW Fund is an investor.

GREENWHEY ENERGY – This Turtle Lake company takes waste from multiple food processors and turns it into energy. It will be one of the largest privately owned waste water treatment facilities in the United States. It is locally

owned and developed by a former dairy owner and the owners of the waste hauling company that disposes of dairy wastes. They saw the need and opportunity to deliver a long-term solution to food companies in northwest Wisconsin.

NEXVEX INC. – With roots in Whitewater and Jefferson County, NexVex is a web-based marketplace for roof replacements. It recently raised its first round of angel investment from a Milwaukee-based fund.

VECTOR SURGICAL – This Oconomowoc company won the Governor’s Business Plan Contest in 2007 and today is selling surgical instruments in 300 hospitals and clinics in 48 states, plus Canada and northern Europe.



looking beyond next

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Wisconsin Health and Educational Facilities Authority (WHEFA)

WHEFA has been providing active capital financing assistance to Wisconsin health care institutions since 1979. In 1987, WHEFA’s charter was expanded to include the issuance of bonds for the benefit of independent colleges and universities and certain continuing care facilities. In 2004, WHEFA’s charter was further expanded to include the issuance of bonds for the benefit of private, non-profit elementary or secondary educational institutions. In 2009, WHEFA’s charter was further expanded to include the issuance of bonds for the benefit of non-profit research facilities. During fiscal year 2012, 26 financings totaling approximately \$1.6 billion were successfully completed. Sixty-six percent of the bonds issued were used to refinance outstanding debt, thus substantially reducing debt service costs. One borrower used WHEFA for the first time. As of December 31, 2012 WHEFA has cumulatively completed 716 bond issues totaling over \$19 billion.

WHEFA Members

Richard Canter, Chairperson
Tim Size, Vice Chairperson
Jim Dietsche, Kevin Flaherty,
Dick Keintz, Robert Van
Meeteren, Bruce Colburn

WHEFA Staff

Dennis Reilly, Executive Director
Tatiana Bashell, Manager of Finance
Tanya Coppersmith, Manager of Operations
Stephanie Schirripa, Senior Admin. Assistant

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info@whefa.com – E-mail; www.whefa.com – Web Site

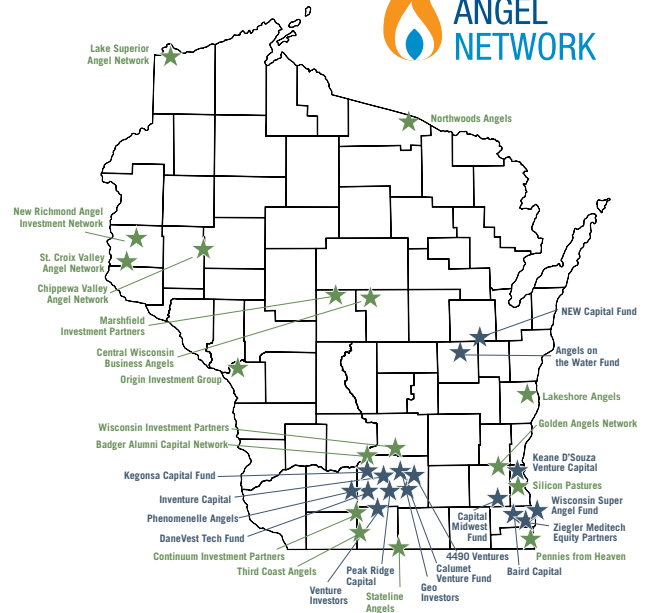




WISCONSIN ANGEL NETWORK



The mission of the Wisconsin Angel Network (WAN) is to build early stage capital capacity throughout Wisconsin, increasing the number and amount of equity investments in Wisconsin's entrepreneurs.



ANGEL/FUND GROUPS:

Angels on the Water
www.angelsonthewater.com

Chippewa Valley Angel Network
momentumwest.org

DaneVest Capital
danevestcapital.com

Golden Angels Investors
goldenangelsinvestors.com

Northwoods Angels
vilascountyedc.org

Origin Investment Group
http://www.uwlax.edu/sbdc/Origin-Investment-Group.htm

Pennies From Heaven
angelmoney.org

Phenomenelle Angels
phenomenelleangels.com

Silicon Pastures
siliconpastures.com

St Croix Valley Angel Network Inc
stcroixedc.com/services.htm

Wisconsin Investment Partners
wisinvpartners.com

Wisconsin Super Angel Fund
wsafund.com

VENTURE CAPITAL FUNDS:

Baird Venture Partners
bairdventurepartners.com

Calumet Venture Fund
calumetvc.com

Capital Midwest
capitalmidwest.com

Geo Investors
geo-investors.com

Kegonsa Capital Partners
kegonsapartners.com

Lubar & Company
lubar.com

Madison Development Corporation
mdcorp.org

Peak Ridge Capital
peakridgecapital.com

NEW Capital Fund
newcapitalfund.com

Venture Investors
ventureinvestors.com

UMBRELLA ORGANIZATIONS:

Angel Capital Association
angelcapitalassociation.org

National Venture Capital Association
nvca.org

Wisconsin Angel Network
wisconsinangelnetwork.com

View the map online at wisconsinangelnetwork.com

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WholeTrees co-founders
Roald Gundersen and
Amelia Baxter



STARTUP SEES FOREST AND TREES

“What we’re doing is making trees much more valuable, and Wisconsin has a stake in it,” says Roald Gundersen, a co-founder of 6-year-old La Crosse-based WholeTrees, which offers timber-construction solutions and technologies to the forest products industry.

WholeTrees is innovating in a sector undergoing major changes as demand for paper products has dropped and U.S. housing starts have been anything but stable.

The company offers technology that helps makes small diameter “cullings,” or smaller parts of trees, like branches, useful in the construction industry. Research has shown that such whole, unmilled trees can support 50 percent more weight than other larger pieces of lumber.

species, we expand the market base and marketability substantially,” Gundersen explained.

The company also licenses technology solutions to the forest products industry, allowing companies to quickly capture the characteristics of non-uniform timber and design values for sorting, grading and inventory, according to company co-founder Amelia Baxter.

“It’s really the information technology required to quickly

“The industry is often looking for big trees with a certain



“It’s really the information technology required to quickly turn this waste stream into a useable product in the construction industry.”

turn this waste stream into a usable product in the construction industry,” Baxter explains. The company’s headquarters is on a 134-acre farm and forest near La Crosse and also recently opened a Madison office.

WholeTrees has grown to 17 full-time employees and is looking to fill two upper-level positions. It recently closed a \$250,000 funding round, in addition to raising a similar amount in 2012. It’s also entering its third SBIR grant process.

Gundersen said some of the changing market conditions in forest products is an area where WholeTrees’ technologies can add value.

“We keep trying to encourage that issue,” Gundersen said. “We’ve really targeted and designed our program around sourcing around the supply chain that’s available in Wisconsin.”

Michael Best & Friedrich LLP’s emerging technology practice, Venture Best™, provides legal services to emerging and high-growth companies and the angel investors and venture capitalists who fund them. Venture Best represents both investors and companies with their investment capital needs and a substantial number of start-up and emerging companies in biotechnology, information technology and software, medical device, electronics, and other high-technology sectors. This emerging company practice allows Michael Best to introduce venture capital and private equity investors to early- and mid-stage investment opportunities. This benefits both our company clients and those investors who work with us.



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INVESTOR RESOURCES

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, investment groups, public and private education, research institutions, government and law. The Wisconsin Angel Network (see below) is among its programs.

CONTACT: Tom Still, President I (608) 442-7557

tstill@wisconsintechcouncil.com

www.wisconsintechcouncil.com

WISCONSIN ANGEL NETWORK (WAN)

WAN's mission is to fuel the growth of entrepreneurial, early stage financing throughout Wisconsin. WAN 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 collaboration between investors; on-demand videos, templates and other resources designed to help entrepreneurs seeking capital; and more.

CONTACT: Dan Blake, Director I (608) 442-7557

Dblake@wisconsinangelnetwork.com

www.wisconsinangelnetwork.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 Dec. 31, 2012, SWIB managed about \$90 billion in investments.

CONTACT: Chris Prestigiacomio, Portfolio Manager, Private Markets Group I (608) 266-6723

Chris.Prestigiacomio@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 \$1 billion in sponsored research each year. WARF receives about 350 disclosures per year and has taken an equity share in about 40 companies.

CONTACT: Carl Gulbrandsen, Managing Director
(608) 263-2824 | carl@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 Marshfield Clinic Applied Sciences. It helps to bring those technologies to the marketplace for the benefit of the inventors, their universities, Wisconsin's economy and society.

CONTACT: Maliyakal John, Managing Director I (608) 316-4033

maliyakal@wisys.org

www.wisys.org

UWM RESEARCH FOUNDATION

UW-Milwaukee researchers in engineering, business, the natural sciences, the social sciences, and the arts and humanities are looking for partners to bring their discoveries to the world. The campus managed about \$68 million in sponsored research in 2010-2011.

CONTACT: Brian Thompson, President I (414) 906-4653

briant@uwmfdn.org

www.uwmresearchfoundation.org/

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION (WEDC)

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.

CONTACT: Reed Hall, Secretary and CEO

Wisconsin Economic Development Corporation I (608) 210-6701

Sara.anderson@wedc.org

FOR SPECIFIC QNVB INFORMATION CONTACT:

Chris Schiffner I (608) 210-6826

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: Peter Bildsten, Cabinet 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 \$166 million in sponsored research each year.

CONTACT: Joseph Hill, Vice President and Director
(414) 456-4381 | jhill@mcw.edu
www.mcw.edu/OTD.htm

MARSHFIELD CLINIC APPLIED SCIENCES

Marshfield Clinic Applied Sciences promotes the exchange of knowledge between patient care services and research programs by helping to determine the commercial potential of advances. The division aligns research projects with health care needs and assists in the patent process. The clinic conducts about \$25 million in sponsored research each year.

CONTACT: Marsha Barwick, Director of Applied Sciences
(715) 389-3430 | Barwick.Marsha@marshfieldclinic.org
www.marshfieldclinic.org/business

MIDWEST RESEARCH UNIVERSITY NETWORK (MRUN)

MRUN is an alliance of professionals dedicated to facilitating growth of university technology spinout companies through start-up formation. MRUN is built around the idea that regional cooperation in new business formation can foster commercialization of university research.

CONTACT: Allen J. Dines, founder and president
(608) 262-2797 | ajdines@wisc.edu
www.mrun.us

BIOFORWARD

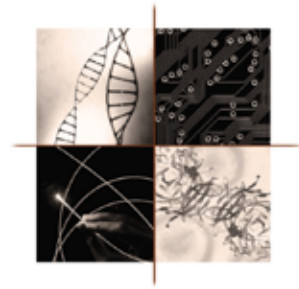
BioForward is the independent, member-driven state association that is the voice of Wisconsin's bioscience industry. It focuses on making innovation happen: helping members find partners and funding, advocating for public policy that fosters innovation and growth, offering group purchasing discount, and providing tools for recruiting and developing talent.

CONTACT: Bryan Renk, Executive Director
(608)-236-4753 | brenk@bioforward.org
www.bioforward.org

WISCONSIN GROWTH CAPITAL COALITION (WGCC)

The Wisconsin Growth Capital Coalition is a group of early stage investors, emerging companies and service professionals who work with the state's high-growth economy. The coalition's goal is to see the adoption of an early stage capital bill.

CONTACT: Steve Lyons, President
608-258-7131 | wisconsininvests.com/contact-us/
www.wisconsininvests.com



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