



i2E, Inc.



FY2020
ANNUAL
REPORT

NATIONAL RECOGNITION

Southern Growth Policies Board 2006 Innovation Award recognized for fresh approaches to solving problems and creating opportunity in the South's rural regions

Kauffman Foundation 2008 Entrepreneurship Summit recognized as a principal source of high value-added human & intellectual capital




International Economic Development Council 2009 Best Practices Award for comprehensive commercialization services

State Science & Technology Institute 2010 Excellence in Technology-based Economic Development for increasing Access to Capital

Standards for Excellence Institute 2010 Standards for Excellence only second Oklahoma non-profit organization certified

Regional Innovation Acceleration Network 2011 Venture Development Market Leader recognized as a leader in this field

CONTENT

	Access to Capital & Investments	5
	Venture Advisory Services	10
	Entrepreneurial Development	12
	Financials	13
	Institutional Governance	14

MISSION

Our mission is to invest in Oklahoma Entrepreneurs and build High Growth Companies.

WHAT WE DO

- Evaluate the potential of new concepts through a rigorous venture assessment process to determine product-market fit
- Assist with development of business plans, evaluation of marketing plans and assessment of capital needs
- Provide guidance in building a management team, choosing an optimal business structure and creating financial forecasting
- Assist with developing an effective investor presentation
- Assist in obtaining non-dilutive funding through federal and state funding sources or private investment
- Work with universities to encourage commercialization of university-based innovation
- Provide assistance in raising capital
- Make equity and near equity investments to help start new companies and grow existing companies



OUR PARTNERS



i2E TEAM

Scott Meacham, President & CEO
Rex Smitherman, Senior Vice President, Operations
Sarah Seagraves, Senior Vice President, Marketing
Mark Lauinger, Senior Vice President, Client Services
Jon Sunthimer, Senior Vice President & Director of Portfolio Management
Judy Beech, Vice President & Director of Finance
Carol Curtis, Vice President & Director of Investments
Ryan Cargill, Vice President & Director Investor Relations
Richard Rainey, Venture Advisor & Director, SBRA Program
Stacey Brandhorst, Venture Advisor & Director of Business Development
Darcy Wilborn, Client Engagement Director
Melissa Kempkes, Investment Portfolio Manager
Cindy Williams Henson, Senior Underwriter & Investment Compliance Officer
Katelynn Henderson, Events Specialist
Shaun O'Fair, Underwriting Specialist
Natalie Greer, Office Administrator, Tulsa
Jennifer Buettner, Executive Assistant

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Brien Thorstenberg, Tulsa Regional Chamber
Rose Washington, Tulsa Economic Dev. Corp.
Roy Williams, Greater Oklahoma City Chamber
Richard Williamson, T.D. Williamson
Duane Wilson, LDW Services

ACCESS TO CAPITAL

i2E has been a primary source of concept, seed stage, start-up and early growth investment capital for Oklahoma’s emerging small businesses for two decades. The rigorous approach of its investment process has built a reputation for producing companies that are well positioned for success in the marketplace.

i2E’s portfolio of Oklahoma-based companies have attracted **\$882,539,371** in private investment from banks, venture capital funds, angel investors and other strategic investors.

FY2020	CLOSED INVESTMENTS SUMMARY		SINCE INCEPTION
	CONCEPT FUND		
8	\$390,000	\$12,663,846	151
	SEED FUND		
9	\$4,720,000	\$29,895,365	80
	ACCELERATE FUND		
5	\$2,429,254	\$18,384,678	58
	ANGEL FUNDS		
3	\$1,100,000	\$5,449,994	21
	PLAINS VENTURE PARTNERS		
2	\$4,250,000	\$4,250,000	2
	TOTAL ALL FUNDS		
27	\$12,889,254	\$70,643,883	312

ACCESS TO CAPITAL

With more than **\$87 million** of investment capital under management, i2E is focused on serving companies in all phases of the business life cycle, from startups looking for their first round of capital all the way to established businesses seeking funding to expand their markets or products.

Since 1999, i2E has managed **9** early stage investment funds, making **322** investments totaling over **\$73.6 million** to **179** companies.

Technology Business Finance Program (TBFP) Concept Fund

This fund is designed to provide Oklahoma start-up companies with pre-seed, proof-of-concept funding to develop a marketable concept or product.

133
companies

Oklahoma Seed Capital Fund

This early stage fund targets new companies and existing companies looking to move into a new product or market. This investment enables companies to build a business infrastructure around their concept or product, take their concept to market or scale concepts that have received market validation. Investment terms are typically convertible debt or preferred equity on market terms and involve a rigorous due diligence and approval process. The Oklahoma Seed Capital Fund is a state appropriated investment fund through the Oklahoma Center for the Advancement of Science and Technology, managed by i2E.

44
companies

Accelerate Oklahoma Fund

This early stage fund provides critical capital and co-investment for Oklahoma entrepreneurs at specific stages of their companies' lifecycles. Investment terms are typically convertible debt or preferred equity on market terms and involve a rigorous due diligence process.

32
companies

SeedStep Angels

This is a network of Accredited Oklahoma investors who provide capital, strategic advice and mentoring to emerging growth companies to help them succeed. Typical investments range from \$50,000–\$500,000 with individual members making investment decisions.

56
companies

Oklahoma Angel Fund I & II

The Oklahoma Angel Funds target companies with high-growth potential that require capital to assist with proof of concept, go to market, scaling or expansion into new products and/or new markets. The fund is designed to capitalize on the growth in entrepreneurial activity and venture financing, primarily in the state of Oklahoma, and in selective states within the region.

16
companies

Plains Venture Partners

PVP is a growth-oriented venture fund focused on investing in entrepreneurs and technologies with a strong potential for disruption. The fund evaluates companies that have established proof of concept, including strong market validation and a demonstrated ability to execute. The fund is committed to deploying capital across the region in teams that are capable, efficient and poised for growth.

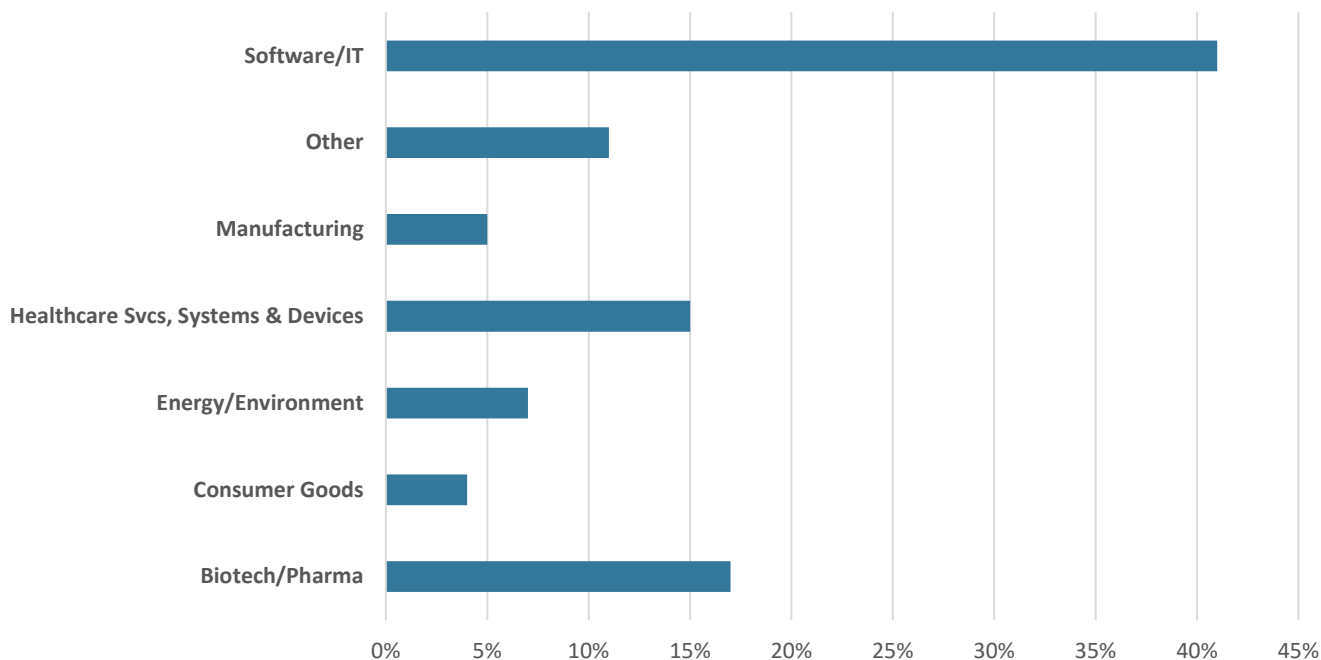
2
companies

Technology Business Finance Program (TBFP)

Since it's inception in 1999, the Program has invested **\$12.66 million** in **133** companies with repayments totaling **\$6.51 million**. Recipients have raised more than **\$534 million** in private capital, a ratio of **\$54** for **every dollar** invested by the state.

Over the past 10 years, these companies have reported creating nearly **678** new jobs.

TBFP CLIENTS BY INDUSTRY since inception



2019 Economic Impacts

ANNUAL REVENUE

\$15.7M

FTE

128

ANNUAL PAYROLL

\$7.0 M

AVERAGE
ANNUAL WAGE

\$55,019

JOB GROWTH

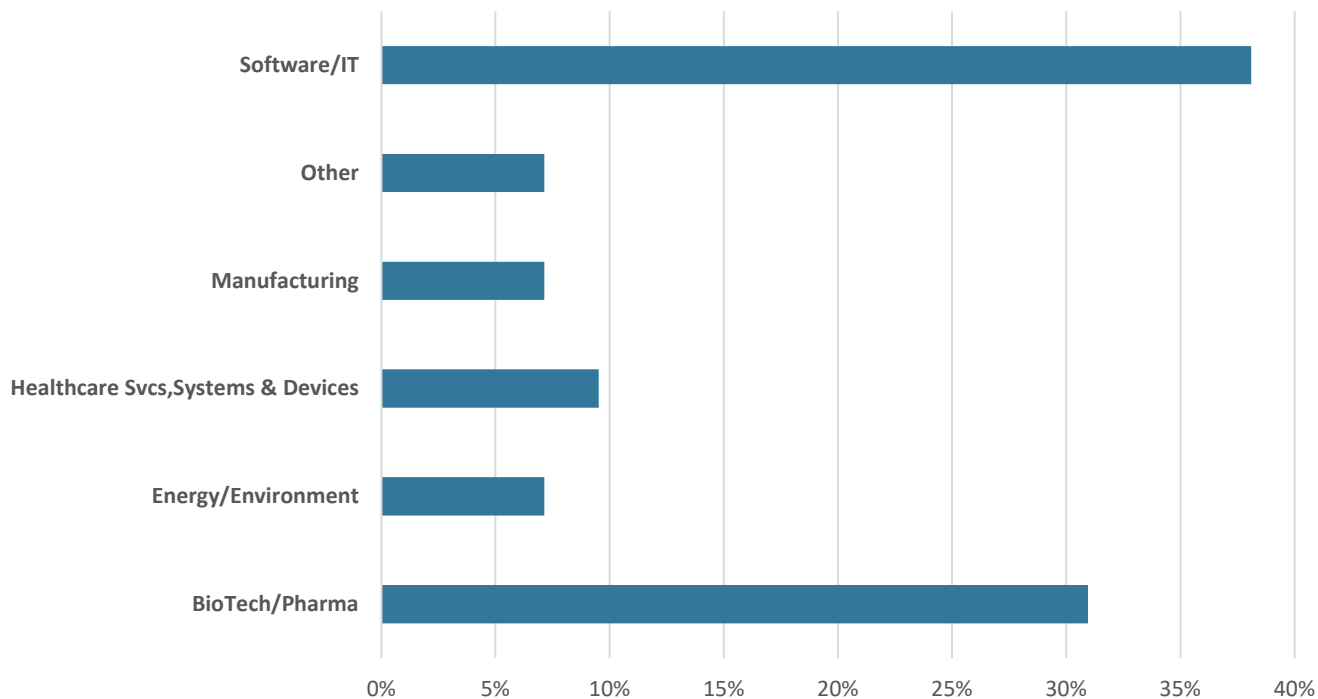
16%

Oklahoma Seed Capital Fund

Since the Fund's inception in 2007, the Seed Fund has invested **\$29,895,365** in **44** companies leveraging over **\$439 million** in private investment capital, or **\$15** for every **\$1** invested by the state.

Companies receiving Seed fund investment have reported creating **462** new jobs.

SEED FUND CLIENTS BY INDUSTRY since inception



CY2019 Economic Impacts

ANNUAL REVENUE
\$25.0M

FTE
168

ANNUAL PAYROLL
\$15.0M

AVERAGE
ANNUAL WAGE
\$84,213

JOB GROWTH
17%

FY2020 CLOSED INVESTMENTS



Aevus Precision Diagnostics, Oklahoma City
TBFP - \$52,000

Aevus is building an AI powered prescription guidance platform (PrecisionRx) for treating Type 2 Diabetes.



BlyncSync Technologies, LLC , Oklahoma City
TBFP - \$50,000

BlyncSync offers a proprietary safety software platform designed to address the increasing problem of fatigue related accidents in the trucking industry.



Biolytx Pharmaceuticals, Oklahoma City
Seed Fund II - \$170,000

Biolytx is developing a class of novel antibiotic peptides for use in treatments of ophthalmic wound care and serious hospital-acquired infections.



RxDestruct

Clear River Enviro, Edmond
Seed Fund II - \$375,000

Clear River Enviro has developed a proprietary hospital and surgery-based technology used to destroy unused DEA Controlled Substances (opioids) and EPA regulated pharmaceuticals.



Datebox, dba Happily, Inc., Oklahoma City
Seed Fund III - \$275,000

Datebox is a monthly subscription service that provides a novel date night activity and related conversation topics for people in committed relationships.



Dex-Pump, LLC, Oklahoma City
TBFP - \$100,000

DEX-Pump has developed a patent-pending down-hole pumping system for late in life horizontal wells that facilitates maximum economic recovery.



Grant Holster, LLC, Tulsa
TBFP - \$35,000

Grant Holster is a cloud-based software platform that integrates project management with CRM, providing a best-practices grant management process that meets the needs of the estimated one million professional grant writers in the U.S.



Kirrhos Pharmaceuticals, LLC, Oklahoma City
Accelerate - \$425,000

Kirrhos Pharmaceuticals is advancing a novel, "first-in-class" therapeutic to treat a progressive non-alcoholic fatty liver disease.



Linear Health Sciences, LLC, Norman
Accelerate, Angel Fund 2, Plains Venture Partners - \$4,000,000

Linear Health Sciences is seeking FDA regulatory approval for a new break away technology for IV lines and catheter tubes.



MaxQ, Stillwater
Seed Fund II - \$250,000

MaxQ is revolutionizing the shipping of temperature-sensitive biologics with advanced breakthroughs in thermal insulation sciences.

FY2020 CLOSED INVESTMENTS - continued



Monscierge, Oklahoma City

Accelerate - \$ 504,254

Monscierge is an international interactive software company that connects hotels and their guests through both in-room solutions and guest experience solutions

MasSpec Pen

MS Pen Technologies, Inc., Tulsa

Seed Fund III - \$500,000

The MasSpec Pen System is composed of a handheld and biocompatible pen-like device connected to a mass spectrometer that rapidly identifies the molecular profile of tissues during surgery.



Paldara, Inc., Broken Arrow

TBFP - \$28,000

Paldara is an early stage biotech company focused on developing a time-release hydrogel solution containing antimicrobial material to address the problem of Catheter Associated Urinary Tract Infections.



PrivacyBrain

PrivacyBrain, Oklahoma City

TBFP - \$65,000

PrivacyBrain is a cyber security platform that removes sensitive employee information from the web.



Progentec, Oklahoma City

Seed Fund III, Angel Fund II, Plains Venture Partners - \$2,750,000

Progentec has developed a Lupus test to help physicians to diagnose lupus patients much earlier than symptoms appear, monitor disease activity, and predict flare-ups.



Send-A-Ride, Oklahoma City

Seed Fund II - \$750,000

SendaRide provides nonemergency medical transportation for the health care industry that is customized to each patient's needs and provided through the Send-A-Ride's own network of drivers.



Ten-Nine Technologies, LLC, Tulsa

Seed Fund III, Angel Fund 2, Accelerate – \$2,500,000

Ten-Nine Technologies makes new materials for longer-lasting and more powerful batteries.



Virtuoso, LLC, Tulsa

TBFP - \$60,000

Virtuoso is an embedded systems design workflow and content platform that allows custom embedded application hardware to be effortlessly virtualized.



WhiteBoard, Edmond

Seed Fund III – \$250,000

Whiteboard Mortgage CRM provides a platform for high-margin, low-frequency sales personnel to create better relationships, and increase referrals by making it easy to stay in touch with contacts, clients and partners.

VENTURE ADVISORY SERVICES

Our venture advisors work closely with each client, assisting them in the commercialization of their concept from initial technology development to business launch to scaling of proven concepts. These services involve assessing product-market fit, determining optimal go to market strategies, business planning, determining capital needs and positioning for funding.

i2E completed the rebrand and restructure of Venture Assessment Program (VAP) into the *e3 Series* in FY2020. The goal of *e3* is to evaluate opportunities, equip entrepreneurs with the tools they need to launch, and empower them to create high growth companies. This series of workshops addresses the most critical factors for startup success based on learnings from hundreds of i2E advisory and portfolio companies.

The GrowOK program explored the product/market fit of a new business concept focused on opportunities in rural Oklahoma. This EDA-funded initiative ran for three years and was completed in November 2019.

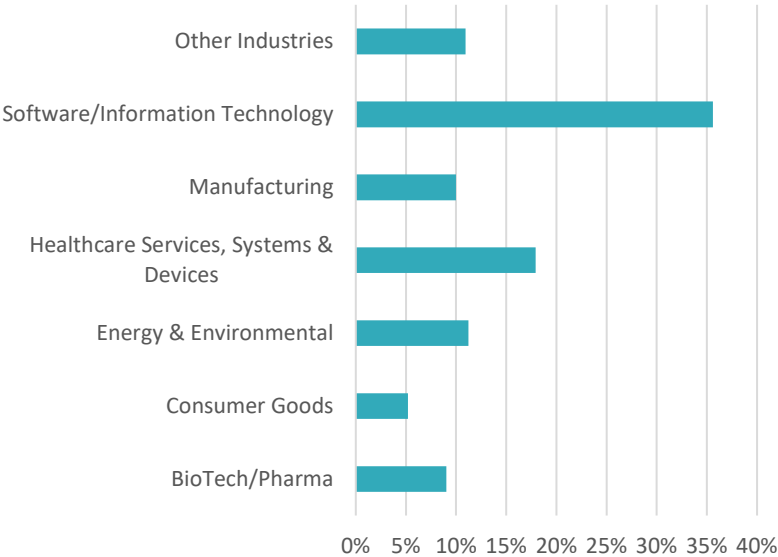
This past year, i2E has:

- Responded to **228** inquiries
- Conducted **108** intake meetings
- Hosted **30** *e3* (Venture Assessment Program) participants
- Hosted **20** GrowOK Program participants
- Added **12** new clients
- Closed **27** investments in **19** companies
- Provided advisory services to **97** active companies
- Helped **28** clients raise more than **\$31M** in private equity capital



i2E CLIENT ECONOMIC IMPACT since inception

BY INDUSTRY



BY GEOGRAPHY



3,693
NEW JOBS
CREATED

\$8.82M
PRIVATE CAPITAL
RAISED

67%
HIGHER
WAGES

i2E CLIENT ECONOMIC IMPACT 2020

ANNUAL REVENUE

\$184M

FTE

1185

ANNUAL PAYROLL

\$104.6M

NEW PATENTS
ISSUED

15

AVERAGE
ANNUAL WAGE

\$75,542

JOB GROWTH

16%

ENTREPRENEURIAL DEVELOPMENT

Our Entrepreneurial Development programs encourage entrepreneurship through a variety of events and activities including a statewide collegiate business plan and pitch competition that expose students to early stage businesses with practical, hands-on application of what they are learning in the classroom.



Entrepreneurial Summit and *Who wants to be an Entrepreneur?*

The Oklahoma Entrepreneurial Summit is a half day event that targets startup veterans, first time entrepreneurs and other Oklahomans wanting to explore starting their own business. The Summit offers information on local funding sources and business resources that are vital to assisting entrepreneurs in starting, growing or expanding their businesses. In the afternoon, we kick off *Who wants to be an Entrepreneur?* (WWTB), which is open to college-level entrepreneurs, students and faculty members. The session includes the must-haves for a business plan, the how-to for developing financial documents, and the “do-this” for creating an energizing and compelling investor pitch.



ENTREPRENEUR'S CUP



Love's Entrepreneur's Cup

Team building, academic diversity, market research and financial projections are all key elements that go into creating a winning team in the Love's Entrepreneur's Cup. Students take what they've learned in the classroom and apply it to real world opportunities as they assemble a team, identify a product, research the market, formulate financial projections, write business plans and then pitch the opportunity to a panel of potential investors.

Over the life of our event, nearly 2,500 collegiate students have taken the challenge producing more than 750 innovative ideas from 36 campuses statewide. Participants have received a total of \$2,105,000 in cash prizes, \$155,000 in scholarships and \$250,000 in fellowships as a result of their efforts.

FY2020 FINANCIALS as of June 30

Statements of Financial Position	FY2020	FY2019
Assets		
Cash & Cash Equivalents	3,468,292	2,754,101
Cash Held for Accelerate OK investments	1,959,905	3,930,583
Accounts Receivable	293,742	252,721
Investment in Oklahoma Seed Capital Fund	147,186	292,870
Investment in Oklahoma Angel Fund I, LP	91,243	150,414
Investment in Oklahoma Angel Fund II, LP	73,881	74,802
Investment in Plains Venture Partners, LLC	339,540	-
Accelerate Oklahoma Funds Investment	16,932,422	17,679,003
Other Investments	1,536,030	1,554,559
Furniture, Fixtures and Equipment, Net	52,759	8,997
Total Assets	24,895,000	26,698,050
Liabilities and Net Assets		
Liabilities		
Accounts Payable	100,528	159,067
Deferred Revenue	137,758	42,634
Accrued Liabilities	1,052,390	1,139,401
Total Liabilities	1,290,676	1,341,102
Net Assets		
Without donor restrictions:		
Undesignated	4,060,147	3,074,315
Contractually obligated for investments	19,544,177	22,282,633
Total Unrestricted Net Assets	23,604,324	25,356,948
Total Liabilities and Net Assets	24,895,000	26,698,050
Statements of Activities	FY2020	FY2019
Revenues		
OCAST Contracts	1,344,149	1,656,315
Fund Management Fees	1,537,555	1,006,611
Event Sponsorships and Fees	486,614	491,968
Corporate Contributions	495,500	575,000
Client Service Fees	306,471	119,625
EDA Grant Revenues	35,870	125,001
Realized & Unrealized Gains/Losses -Investments	(2,559,655)	4,366,773
Interest Income (Expense)-Investments	-	(87,853)
Other Income	110,303	183,665
PPP Grant Revenue	338,400	-
Total Revenues	2,095,207	8,437,105
Expenses		
OK Technology Commercialization Center	1,312,550	1,466,273
i2E Seed Capital Fund	95,108	802,785
Love's Entrepreneur's Cup	305,896	340,409
Technology Business Financing Program	197,104	186,915
OK Bioscience Institute	156,946	248,904
Accelerate Oklahoma Program	14,881	25,602
EDA Grant Expenses	36,767	128,127
i2E Management Co, Inc.	1,209,108	192,690
Ascend BioVentures, Inc.	183,153	152,011
Non-Program	170,469	258,448
Income Tax provision for for-profit subsidiaries	165,849	-
Total Expenses	3,847,831	3,802,164
Change in Net Assets	(1,752,624)	4,634,941
Net Assets at Beginning of Year	25,356,948	20,722,007
Net Assets at End of Year	23,604,324	25,356,948

GOVERNANCE

i2E strives to have the highest standards of corporate governance practice and ethical conduct by all board members and staff.

Board of Directors Charter of Governance: Sets and ensures fidelity to i2E's mission. Reviews and approves organizational strategy, goals, plans, and budgets. In addition, the board is charged with establishing policies, approving major engagements in public policy, and ensuring that management systems are in place for compliance.

Executive Committee Charter: The function of the Executive Committee is to exercise powers of the Board of Directors on matters which arise between regularly scheduled Board meetings or when it is not practical or feasible for the Board to meet. This Committee also reviews and monitors all compensation, benefit and human resource policy matters, plus monitors and evaluates the performance of the corporation's CEO.

Finance and Audit Committee Charter: The primary purpose of this Committee is to assist the Board of Directors in fulfilling its fiscal oversight responsibilities. It serves as an independent and objective party to monitor the integrity of the Corporation's financial accounting and reporting processes and internal control system.

Nominating and Governance Committee Charter: The Committee assists the Board in developing and overseeing the Corporation's policies and procedures regarding Board composition and recommendations of candidates for nomination to the Board.

Investment Committee Charters: The Board engages two Investment Committees, The Oklahoma Seed Capital Fund Investment Committee and the Accelerate Oklahoma Committee, to consider and approve applications for investment within the requirements of the investment programs.

Resource Development Committee: The primary function of the Resource Development Committee is to assist i2E in attaining sustainability of its programs and services and to diversify its funding sources by formulating strategies for fundraising in the short and long-term, establish clear goals for sustainability of the organization, and achieve diversity in funding sources, as well as, assisting the Board of Directors in identifying and cultivating donors and funding partners on the behalf of i2E.

Code of Ethics and Conflict of Interest: The i2E Code of Ethics and Conflict of Interest Policy outlines principles and standards of honesty and ethical accountability by which all board members and employees agree to adhere to with respect to the company and its associates.

Board Evaluation: The Board completes a board evaluation survey biannually. The results of the evaluation are compiled and presented to the full Board for review and biannual discussion.

i2E, Inc. is a 501(c)(3) private not-for-profit corporation focused on growing innovative small businesses in Oklahoma and making a positive impact on the state's economy. i2E receives state appropriations from the Oklahoma Center for the Advancement of Science and Technology and is an integral part of Oklahoma's Innovation Model.

