



INNOVATION FUND TAX CREDIT PROGRAM

2022 ANNUAL REPORT

IOWA[®]
economic development

The Innovation Fund Tax Credit (Iowa Code Chapter 15E.52) was created to stimulate venture capital investment in innovative Iowa businesses. IEDA's rules for administering the program can be found at 261 IAC Chapter 116.

Individual investors receive tax credits equal to 25% of an equity investment in a certified Innovation Fund. Certified Innovation Funds make investments in businesses whose principal place of business is Iowa that are applying novel or original methods to the manufacture of a product or the delivery of a services. "Innovative businesses" include, but are not limited to, businesses engaged in advanced manufacturing, biosciences and information technology.

To be eligible as a certified innovation fund, the fund must meet the following criteria:

- Proposes to provide multiple rounds of funding and early-stage private sector funding to innovative businesses with a high growth potential, and proposes to focus such funding on innovative businesses that show potential to produce commercially viable products or services within a reasonable period of time
- Proposes to evaluate all prospective innovative businesses using a rigorous approach and proposes to collaborate and coordinate with the authority and other state and local entities in an effort to achieve policy consistency
- Proposes to collaborate with the Regents institutions of Iowa and to leverage relationships with such institutions in order to potentially commercialize research developed at those institutions
- Proposes to obtain at least \$15 million in binding investment commitments and to invest a minimum of \$15 million in companies that have a principal place of business in Iowa

Applications for certification are reviewed by IEDA staff to determine if all criteria have been met and make a recommendation to the Board. If all the criteria are met, the Board certifies the fund. Three funds were certified as of June 30, 2022: Next Level Ventures Fund I LLLP, Next Level Ventures Fund II LLLP, and ISA Ventures Fund LLLP.

To receive a tax credit certificate, an investor must submit an application by March 31 of the year following the calendar year in which the equity investment was made. Tax credits are available on a first-come, first-served basis, with the requirement to place applications on a wait list if the amount of tax credits applied for exceeds the cap. A tax credit certificate may be transferred once. Any tax credit in excess of the taxpayer's liability for the tax year may be credited to the tax liability for the following five years or until depleted, whichever comes first.

The total amount of tax credits available for investment in Innovation Funds for fiscal year (FY) 2022 was \$8 million. IEDA issued a total of \$4,262,000.50 in tax credits in FY 2022.

During FY 2022, Innovation Fund Tax Credit claims totaled \$3,047,684. The amount of tax credits transferred totaled \$80,001.

FUND INFORMATION

Fund	Date Certified	Tax Credits Issued in FY 2021	Investments in fund in FY 2021	Investments in fund since creation
Next Level Ventures Fund I	May 17, 2013	\$0	\$1,000,000	\$37,684,220
Next Level Ventures Fund II	April 20, 2018	\$2,952,625	\$ 10,229,234	\$29,132,407
ISA Ventures Fund	October 18, 2019	\$1,309,375	*\$5,237,500	*\$6,546,875

**ISA Ventures Fund investment amounts reported for FY 2021 included all investments committed to the fund. Investment amounts for FY 2022 represent investments received by the fund.*

BUSINESS/INVESTMENT INFORMATION

Business	Investment	Industry	Location	Employees based in Iowa at the time of initial investment	Employees based outside Iowa at the time of initial investment	Current number of Iowa employees	Current number of non-Iowa employees
Igor Technology	\$500,000.00	Information Technology	Johnston	3	0	14	1
SmartScripts Holdings	\$500,000.00	Life Sciences	Washington	12	0	80	5.5
MakuSafe Corp.	\$300,000.00	Information Technology	Des Moines	4	0	18	6
Vertex Software, LLC	\$1,000,000.00	Information Technology	Ames	68	0	13	5.5
SmartScripts Holdings	\$2,500,000.00	Life Sciences	Washington	24	0	80	5.5
VIDA Diagnostics	\$100,000.00	Biosciences	Coralville	20.5	12.5	34	29
Dwolla	\$1,000,000.00	Information Technology	Des Moines	86	3	83	54
Igor Technology	\$2,000,000.00	Information Technology	Johnston	21	7	14	1
Mazen Animal Health	\$1,060,000.00	Biosciences	Ames	2	1	10	7
Openloop	\$200,000.00	Information Technology	Des Moines	5	7	32	76
Gross-Wen Technologies	\$800,000.00	Biosciences	Slater	15	3	16.5	3
Dryland Genetics	\$1,200,000.00	Biosciences	Ames	4	2	4	2
Stratafolio	\$200,000.00	Information Technology	Cedar Rapids	2	7	2	7
Apprenticeship America	\$75,000.00	Educational Technology	Ankeny	1	0	3	0
Groov, Inc.	\$25,000.00	Information Technology	Clive	5	0	5	0
Gross-Wen Technologies	\$850,000.00	Biosciences	Slater	12	1	16.5	3
Haggle Technologies, Inc.	\$25,000.00	Information Technology	LeClaire	1	0	1	0
Koloni, Inc.	\$99,999.28	Information Technology	Rolfe	3	4	3	5
Line Call, Inc.	\$25,000.00	Information Technology	Cedar Rapids	2	0	2.5	1
Mazen Animal Health	\$999,996.00	Biosciences	Ames	2	3	10	7
Member Marketplace	\$100,000.00	Information Technology	Marion	5	0	7	0
Openloop	\$64,968.33	Information Technology	Des Moines	2	4	32	76
Pitchly	\$100,000.00	Information Technology	Des Moines	5	10	7	10
SmartScripts Holdings	\$1,262,465.75	Life Sciences	Washington	83	12	80	5.5
Spanton Board	\$100,000.00	Life Sciences	Fairfield	2.5	1	2.5	1

Business	Investment	Industry	Location	Employees based in Iowa at the time of initial investment	Employees based outside Iowa at the time of initial investment	Current number of Iowa employees	Current number of non-Iowa employees
Sprayer Mods	\$25,000.00	Biosciences	Iowa City	3.5	1	3.5	1
Steel Therapeutics	\$609,661.19	Life Sciences	North Liberty	3	0	4.5	0
Stratafolio	\$105,315.07	Information Technology	Cedar Rapids	2	6	2	7
The Hummingbirds	\$25,000.00	Information Technology	Des Moines	2	1	3	1
StrataFolio	\$50,000	Information Technology	Cedar Rapids	2	4	2	4
SwineTech	\$75,000	Agricultural Tech	New Sharon	11	0	12	0
TapOnIt	\$300,000	Information Technology	Davenport	12.5	4	10.5	9
The Agenda	\$100,000	Educational Tech	Brighton	1	1	1	0
TractorZoom	\$250,000	Agricultural Tech	Urbandale	15	0	15	2
VetMeasure	\$100,000	Biosciences	Ames	2	9	2	0
Viewpoint Molecular Targeting	\$1,000,000	Biosciences	Coralville	8	0	13	1
WinPro	\$500,000	Biosciences	Coralville	2	0	2	0

Investor details related to this credit are confidential individual tax information pursuant to 701 IAC 5.13.