



HIGHLIGHTS

- Provided advisory services to 111 Oklahoma high-growth start-up companies.
- Assisted 27 companies in raising \$35M in private capital.
- Awarded Concept funding to 4 companies through the OCAST Technology Business Finance Program.
- Established a Tulsa SeedStep Angels chapter.
- Partnered with the Greater OKC Chamber to develop the Office of Entrepreneurial Development.
- Reached a milestone through our entrepreneurial development initiatives in providing \$1 million in scholarships, fellowships and cash awards to college students.
- Named winner of the Excellence in Technology Based Economic Development award by the State Science and Technology Institute.

OUR MISSION

Our mission is nurturing entrepreneurs and building high-growth companies in Oklahoma.

We achieve our mission by working directly with entrepreneurs, researchers and companies to help them develop their technologies, launch and grow new businesses and access needed capital. Busy entrepreneurs tell us that our model works for them because we not only provide high quality venture advice, capital and entrepreneurial development, we act as a portal to other private and public resources — making it easier to access the right information, expertise and investment at the right time.

i2E's commitment to transparency in our operations, along with demonstrated evidence of strong corporate governance and management were recognized in October 2010 when we received the Certificate of Excellence by the national Standards for Excellence Institute.

The certification reflects fundamental values of honesty, integrity, fairness, respect, trust, responsibility and accountability that we show in our everyday operations. i2E's programs and services, management, fundraising and financial practices were examined in-depth before the certification was awarded. i2E was one of the first organizations to be certified under the national Standards accreditation program that began in 2006 and only the second non-profit in Oklahoma to achieve the certification.

In July 2010, the U.S. Department of Commerce's Economic Development Administration (EDA) partnered with i2E to provide a new initiative to expand growth services to area entrepreneur. The EDA provided a \$1 million grant to create the Oklahoma City Technology business Launch Initiative, which was matched by \$1 million from five local partners: the Greater Oklahoma City Chamber, the City of Oklahoma City, the Oklahoma Medical Research Foundation, the Oklahoma Business Roundtable and the Presbyterian Health Foundation. The \$2 million project already has made an impact on area entrepreneurs, with 30 companies receiving venture advisory services through the new initiative.



It's hard to believe that another year has passed. These have been tough times in our country. Our state has enjoyed better economic conditions than most, but we're all certainly in a different era.

At i2E we've taken the market conditions seriously and have added resources for area entrepreneurs to start and grow companies in our state. The capital markets have been unpredictable for the past decade which appears to be more the norm as opposed to an anomaly. Yet, in Oklahoma we have responded by continuing to create initiatives that provide access to concept, seed stage and startup capital.

As you browse this Annual Report, consider that i2E had only a dozen years of history behind it during fiscal 2011. Yet our impact on Oklahoma's community of entrepreneurs and the state's economy hardly reflects a company that had been operating for little more than a year when the new millennium began.

We've supplied venture advisory services to more than 1,100 Oklahoma entrepreneurs over the past dozen years. We provided critical capital to more than 200 companies. We provided training for 900 student entrepreneurs through the Donald W. Reynolds Governor's Cup. We added to that legacy with new programs, services, people, national recognition, and the physical space in which to carry it all out.

Let me describe just a few highlights from last year of those highlights for you:

We launched a program that brought in nationally recognized entrepreneurs and investors to provide insight on business development issues to Oklahoma entrepreneurs. Our first Entrepreneur-in-Residence workshop, "Trends in Raising Capital," was led by our lead Entrepreneur-in-Residence Bill Payne followed by "Building a High Performance Team." Entrepreneurs enthusiastically tell us they are finding value in the workshops as the series continues in the new fiscal year.

In a new joint venture with the Greater Oklahoma City Chamber of Commerce, we created the Office of Entrepreneurial Development. The Office is lead by Josh O'Brien, Director, with the mission to grow resources and programs for Oklahoma Entrepreneurs.

We added talent and depth to our team in fiscal 2011, beginning with Vice President of Entrepreneur Services Wayne Embree, who brings years of experience as an investor and fund manager. Kenneth Knoll joined us as Concept Investments Manager. Michael Kindrat-Pratt, Coordinator of the SeedStep Angels Network, signifies the first time Oklahoma has a dedicated individual focused on growing organized angel activity in our State. Rounding out our team are Mark Lauinger, Venture Advisor, and Jay Sheldon, eMedia Specialist.

The Venture Advisory Services we provide Oklahoma Entrepreneurs gained new structure during the year, designed to more quickly move emerging entrepreneurs from the pre-startup stage to being positioned for funding and through to the launch of a product.

We also established a Tulsa chapter of the rapidly growing SeedStep Angels in January. By the end of June, the group already had screened twelve investment opportunities, seen six presentations, and made its first investment of \$200,000. The Oklahoma City SeedStep Angels continued to build momentum, investing in portfolio companies during the year, as well.

i2E was named winner of the Excellence in Technology Based Economic Development award by the State Science and Technology Institute. The award recognized our organization for managing the Technology Business Finance Program that has provided concept funding to more than 100 startups over the past dozen years.

Perhaps no achievement was more noteworthy in 2011 than news that i2E had been awarded the Seal of Excellence by the national Standards of Excellence Institute. The Seal of Excellence represents i2E's efforts to ensure operational transparency along with evidence of strong corporate governance and management.

These are but a few of the highlights from an incredibly productive year. We look forward to continuing to serve Oklahoma and our state's entrepreneurs as i2E enters our teenage years and our programs continue to grow.

Tom D. Walker



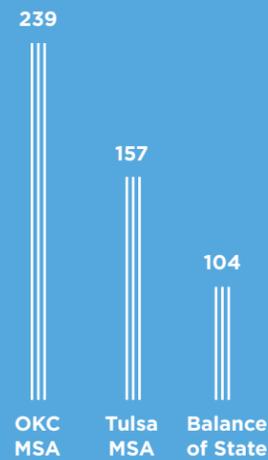
Venture Advisory

i2E takes a team approach in providing advisory services to Oklahoma entrepreneurs, bringing the deep business experience of our Business Analyst, Venture Advisors, Investment Team and Executives in Residence to help them focus on the steps needed for the new business to flourish.

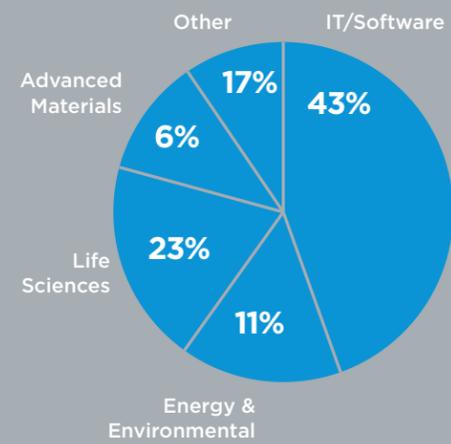
In the past year, we launched a novel Entrepreneur-in-Residence program in which nationally recognized business development and investment experts deliver meaningful information to Oklahoma entrepreneurs through a series of workshops and one-on-one mentoring.

We also added a Sales Executive-in-Residence, which provides expertise and assistance in developing a sales channel for entrepreneurs. We have worked with 500 new high-growth ventures across Oklahoma over the 13-year history of our company.

Portfolio Companies by Geography



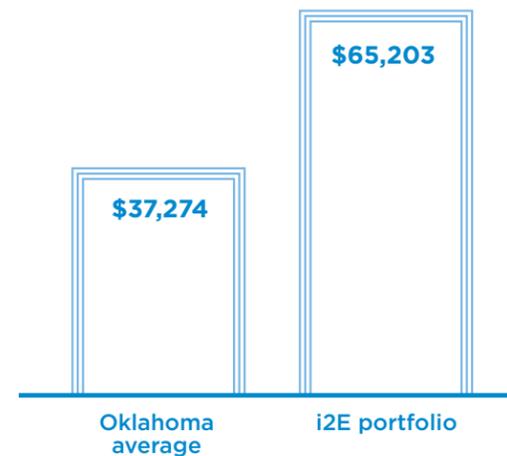
Portfolio Companies by Industry



i2E's team of venture advisors and investment professionals mentored 111 Oklahoma startup companies over the past year that are working to provide high-paying jobs, bring new revenue to the state and create wealth as they build an innovation-based economy.

FY2011 Reported Economic Impact

- **\$89M** in annualized revenues
- **79%** of revenues obtained outside the state
- **\$49M** in annualized payroll
- **681** current full time equivalent employees
- Average wage of **\$65,203**
- **65** patents filed and **15** issued



*They are true small businesses, with 78% employing 10 people or less and averaging \$65,203 in annual wages, **paying 75% higher than the state average of \$37,274***



Our funding resources, concept, seed and angel, are targeted to help companies move from one development stage to the next.

From concept through growth, our team of investment professionals position Oklahoma companies for funding to match the appropriate capital source for their development stage.

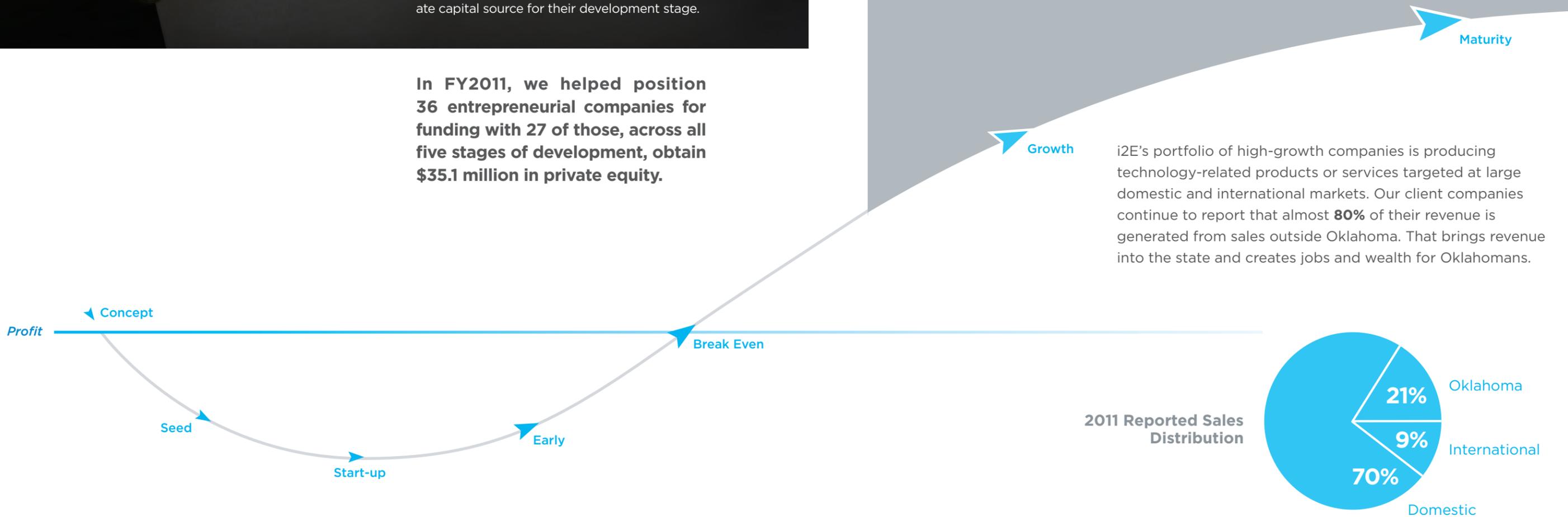
In FY2011, we helped position 36 entrepreneurial companies for funding with 27 of those, across all five stages of development, obtain \$35.1 million in private equity.

2011 Reported Job Growth

	2008	2009	2010	2011
State Average	1.4%	-1.9%	-0.1%	1.2%
i2E Portfolio Companies	26%	36%	20%	22%

Portfolio Companies Positioned for Funding by Development Stage

- Concept **8**
- Seed **9**
- Start-up **9**
- Early **6**
- Growth **4**



Entrepreneurial Development



Promising new technologies were spotlighted and thousands of dollars in prize money were awarded in the 2011 Donald W. Reynolds Governor's Cup collegiate business plan competition, but the most important accomplishment from the competition was its impact on Oklahoma's future entrepreneurs.

More than 150 college students from college campuses across the state took their first steps down the entrepreneur's pathway in the 2011 competition. They formed teams, researched the market, wrote a business plan and then pitched it before a panel of investors and Oklahoma business leaders.

For some, prize money in excess of \$100,000 was reward enough for the challenges of the competition. For others, the awards dinner represented a momentary celebration as they prepare to begin a life of building high growth startup businesses.



First place teams in both divisions of the Oklahoma competition won \$20,000 each, while second place earned \$10,000 each and third place \$5,000 each. They described new medical technologies to treat and monitor epilepsy and heart disease, as well as diagnose influenza, recover oil and gas more efficiently and manage complicated land leasing issues.

The Governor's Cup is underwritten by the Donald W. Reynolds Foundation and local sponsors. It is managed by i2E.

Entrepreneurial Development

2011 GOVERNOR'S CUP WINNERS



GRADUATE DIVISION

First Place: \$20,000
First Place Tri-State: \$25,000
CerebroGen Pharmaceuticals
University of Oklahoma

Faculty Advisor: Elaine Hamm
Team Leader: Benjamin West
Team Members: Chase Roberts, Tobi Olusola, Majed Gharfeh

CerebroGen is developing an antibody-based drug therapy to treat epilepsy. Building on more than a decade of research, the company's drug removes a recently discovered cause of epilepsy unaddressed by existing treatments. With a regulatory approval strategy focused on reaching the market quickly through orphan status, CerebroGen is committed to bringing a much-needed therapeutic to Juvenile Epileptics, followed by a product indicated for the broader market.

GRADUATE DIVISION

Second Place: \$10,000 IASO
University of Tulsa
Faculty Advisor: Michelle Witt
Team Leader: Stephen Fain
Team Members: Ryan Eslicker, Nathan Garrett

IASO has developed "SPI Gel," an environmentally friendly, silica-based enhanced oil recovery system that seals off inefficient reservoir zones, allowing more trapped oil to be recovered. Well operators that use SPI Gel can expect up to a 50 percent increase in daily oil recovery and decreased expenses. IASO's mission is to provide oil recovery systems that allow operators to conveniently "get more oil" while being safe for personnel and the environment.

Third Place: \$5,000 TerraCoda Software
Oklahoma City University
Faculty Advisor: Kwei Sha
Team Leader: Adele Rehm
Team Members: Alexis Caron, Bridget Poputa-Clean

TerraCoda provides real time enterprise land management, geo-spatial analysis tools, and report generation and mapping solutions for the land, energy, realty, right-of-way procurement, and municipal markets. TerraCoda's Landman 360 software will provide full end-to-end visibility into the leasing process by providing effective tools that manage the leasing lifecycle. User-friendly technology combines communication, reporting, and cost management tools within TerraCoda's Software-as-a-Service (SaaS) solution, which will reduce errors and increase efficiency through real time reporting and management tools that allow users to deliver a project on time and on budget.

UNDERGRADUATE DIVISION

First Place: \$20,000
LumiDX
University of Oklahoma
Faculty Advisor: Jim Wheeler
Team Leader: Amy Henderson
Team Members: Ashley Zumwalt, Mimi Nguyen, Kaelyn Lu

LumiDX is an influenza diagnostics company that offers ChemLight, a fast, highly accurate tool that harnesses chemiluminescent technology to offer a cutting edge innovation in the point-of-care diagnostic market. LumiDX aims to be first to market with diagnostic tests that are simple, accurate and fast enough to provide results at the point-of-care.

Second Place: \$10,000
Vita Rhythm
University of Oklahoma
Faculty Advisor: Blake Gudgel
Team Leader: Jessica Wills
Team Members: Brett Gudgel, Brittany Myers, Erikka Roberts

Vita-Rhythm has developed a medical device to treat heart failure. The AdvaHeart is a left ventricular assist device that helps eject blood from the left ventricle of a weakened heart. It is smaller and more easily and safely implanted in patients.

Third Place: \$5,000
Dreamcatcher Services, LLC
Oklahoma City University
Faculty Advisor: Robert Greve
Team Leader: Michael Roselle
Team Members: Feng Dong, David Scott, Patrick Kennedy

Dreamcatcher Services, LLC has created technology to apply video-EEG monitoring capabilities to the medical diagnostic area of epilepsy. The company has at its disposal a critical mass of talent and individuals necessary for the efficient, speedy and profitable application of video-EEG technologies in the target market.

Entrepreneurial Development

► Other 2011 Governor's Cup Opportunities

In fiscal 2011, Governor's Cup participants competed for nearly **\$200,000** in cash, **\$10,000** in scholarships and over **\$40,000** in fellowships and other opportunities.

OG&E Positive Energy Award

went to Brandon Mikael and Matthew Huber from the University of Oklahoma, with the assistance of faculty advisor Lowell Busenitz, based on their work writing a plan around a tension and gauge device that saves time and money for utility companies. The OG&E Positive Energy Award supports Oklahoma college students in developing a business plan based on a technology product in the area of alternative energy, energy storage, unique energy generation, energy conservation technologies, new delivery methodologies, enhanced energy controls, and energy infrastructure optimization techniques.

Al Tuttle Business Incubation Award

winner TerraCoda Software from Oklahoma City University. The award brings a year of office space and business services in one of four participating Oklahoma business incubators for the graduate division team in which at least one of the students plans to go forward with the business.

Oklahoma Business Roundtable Paulsen Scholarships

were awarded to Ashley Zumwalt from the University of Oklahoma and Faith Garlington from Oklahoma State University. The Paulsen Award, which provides a \$5,000 scholarship that can be used to pay tuition at any Oklahoma college or university, was named in honor of Don Paulsen, long-time President of the Oklahoma Business Roundtable.



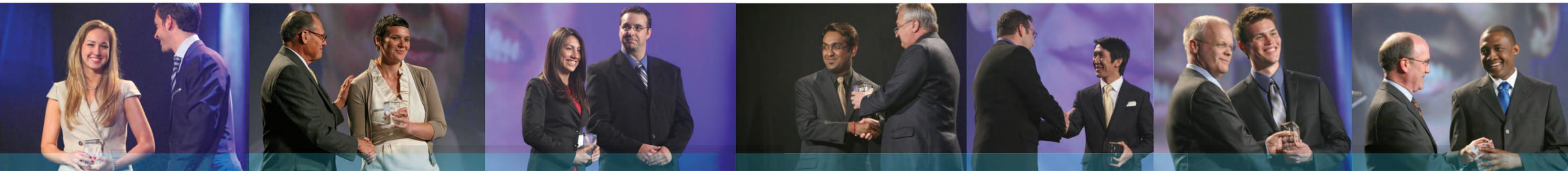
Seven-year impact:

- **26 campuses** from across the state
- **950** college students
- **290** innovative ideas
- **\$1 million-plus** in cash awarded
- **\$40,000** in scholarships
- **\$85,240** in fellowships



The i2E Fellows Program was redesigned and expanded as part of the OKC Technology Business Launch Initiative funded by the federal Economic Development Administration, the Greater Oklahoma City Chamber, the Oklahoma Business Roundtable, the Oklahoma Medical Research Foundation, the Presbyterian Health Foundation and the City of Oklahoma City.

The program provided nine paid Fellowships to eight students, two Spring Fellowships and seven Summer Fellowships, during 2011. The two Spring i2E Fellows included one MBA student from Oklahoma City University and one undergraduate student from the University of Oklahoma. The seven Summer i2E Fellows were comprised of five client-hosted Fellows and two i2E-hosted Fellows representing four Oklahoma universities. The Summer i2E Fellows included two undergraduate students, four MBA students and one PhD candidate including international students from France, Mongolia and India.



Orgil Batsaikhan, MBA and Master of Finance candidate at the University of Tulsa.
Company: Consolidated Networks Corp.
Project: Orgil developed statistical models to optimize Consolidated Networks' technical support services to school districts and government agencies across the United States.

Alexis Caron, MBA graduate at Oklahoma City University
Company: Consolidated Networks Corp.
Governor's Cup teams: Lenio Medical, 2010; TerraCoda Software, 2011
Project: Alexis develops Consolidated Networks' partner relationship program, recruiting software and content providers for the company's engineered network solutions.

Arun Kumar Devarakonda, MBA graduate at Oklahoma City University
Company: WeGoLook.com
Governor's Cup team: CrowdLure, 2011
Project: Arun assisted WeGoLook.com on launching, tracking and evaluating multiple new social media marketing initiatives.

Howard Haines, Ph.D. candidate in Entrepreneurship at the University of Oklahoma
Company: i2E, Inc.
Project: Howard assisted i2E staff with reporting, process design and providing venture advisory services to its clients.

Laura Medcalf, senior Computer Science major at East Central University
Company: Mintiva
Project: Laura managed Mintiva's social media marketing campaigns and provided return-on-investment analysis on those efforts.

Audrey Metzler, MBA Candidate at Oklahoma City University
Company: Otologic Pharmaceuticals
Project: Audrey performed capital development for Otologic along with project management on competitive analysis and creation of compelling business presentations.

Anthony Moorehead, MBA candidate at Oklahoma City University
Company: i2E, Inc.
Project: As a Spring 2011 Business Fellow for i2E, Anthony worked with i2E's business advisory and operations teams on business plan review and consulting and new i2E initiative projects.

Lucas Rice, junior Industrial Engineering major at the University of Oklahoma
Company: i2E, Inc.
Governor's Cup team: UniPHI, 2010
Project: An Investment Fellow for i2E, Lucas worked with the investment team on financial modeling, market and competitive analysis and business plan revisions.



Media and Marketing

Oklahoma startups to receive U.S. aid

i2E create alliance for entrepreneurs

Finding partners aids i2E expand assistance

Who Wants To Be An Entrepreneur? | Answers at hand

i2E put on a new online face in fiscal 2011 when it launched a completely redesigned website that invited users in with bright graphics, new features and easy navigation.

The site at www.i2E.org added expanded information about i2E's many services provided to entrepreneurs, video interviews and a new blog to i2E's presence on the Web.

The new website provides visitors with plenty of reasons to linger, with in-depth sections on our venture advisory services, access to capital and entrepreneurial development. Users can even read every page of i&E magazine, both current edition and back issues, as well as annual reports and **The Entrepreneur's Path: A handbook for high-growth companies**, which was written and published by i2E during the past year.



The new i2E blogging presence also invites users to return frequently to the site. The i2E blog offers insight into programs, clients and the current state of entrepreneurship, among other topics that were featured during the year. Bloggers included i2E team members, i2E Fellows and Entrepreneurs in Residence, who produced 81 posts in little more than six months after it was launched in December.

The i2E blog pushed us deeper into the use of social media during the fiscal year, complementing our active Twitter and Facebook pages. The Twitter feed was often used to link users back to blogs or news articles posted on the i2E website. By the end of the fiscal year, the number of people following i2E on Twitter approached 300.

Over on the Donald W. Reynolds Governor's Cup page on Facebook, the number of users who "liked" the page grew rapidly, with more than 450 followers by the end of fiscal 2011.

i2E's media activity was not limited to an online presence, however. We wrote or pitched client stories to media that resulted in 58 articles published on 23 separate clients in Oklahoma newspapers during the year. An i2E client also was highlighted in a USA Today story that profiled people who left California to do business in Oklahoma.

In addition, another 62 articles were published with news about i2E initiatives, the Governor's Cup, i2E Fellows program and other related activities.

There is a bottom line to all the various routes that i2E has taken to establish a presence in both traditional and social media: We are telling the stories of our clients and of i2E as we work tirelessly to fulfill our mission to nurture home grown economic development and build wealth in Oklahoma.



Six new i2E Fellows selected for summer

i2E works to broaden funding with new partners

Fed funds open doors for state entrepreneurs

Chamber, i2E team to assist startups

State aims for dolla

Access to Capital

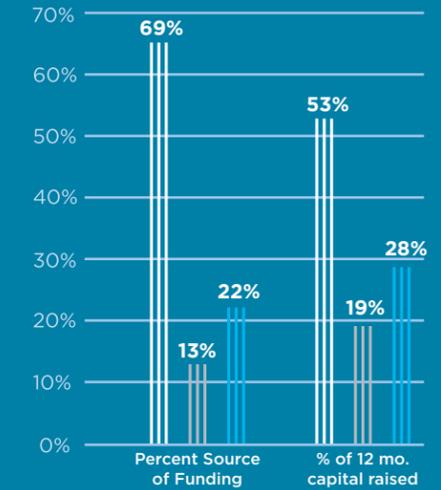
i2E has been a primary source of concept, seed stage and start-up capital for Oklahoma's high-growth companies for more than a decade. Through the state-funded **Concept Fund** and the **Oklahoma Seed Capital Fund**, i2E has provided critical capital to more than 111 early stage ventures since 1998, ensuring that financing was in place to help them weather the pre-revenue funding gap.

i2E also manages the **SeedStep Angels**, a network composed of successful Oklahomans who seek the opportunity to contribute to the success of new entrepreneurs while receiving a high rate of return on their investment.

Five of the six Oklahoma tech companies that received venture capital investment during FY 2011 were i2E Clients, receiving **90%** of the total amount raised.

i2E's portfolio attracts investment to the region with more than **\$650** million in funding. Approximately **\$580** million of this has been in private investment from venture capital, angels and strategic investors participating in more than **345** financing rounds.

||| Angel
||| Venture Capital
||| Strategic Partners



2011 data showed a significant shift in sources of capital from 2010. Capital raised from angel investors more than doubled to 53% while capital raised from VC investors fell from 65% to 19%.

Access to Capital

Concept Fund

Since 1999, a total of 107 Oklahoma companies have received over \$10 million in critical concept funding through the OCAST Technology Business Finance Program.

The fund has also proven to be a success in collecting and reinvesting repayments. Nearly \$4 million, or 37%, of capital available for new investments has been provided by repayments from past recipients.

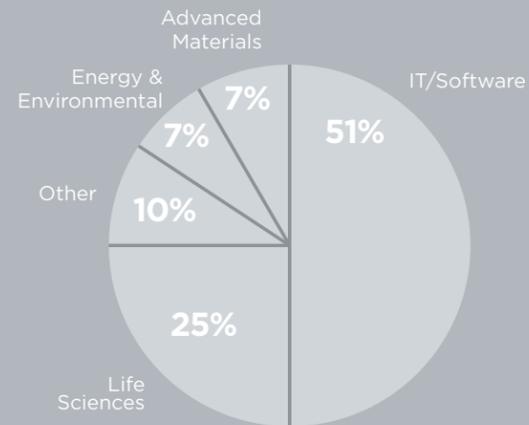


107
Companies Funded

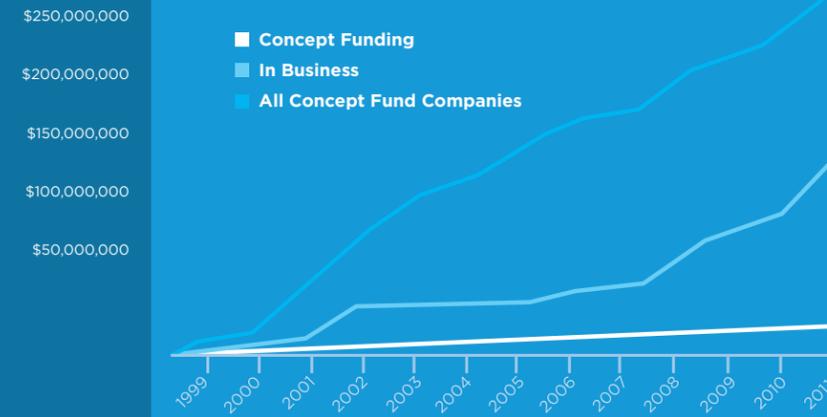
37%

Entrepreneurs Funding Entrepreneurs

Portfolio Companies by Industry 1999-2011



Private Equity Investment 1999-2011



Concept Funding **\$10,194,877**
 In Business **\$142,377,710**
 All Concept Companies **\$253,218,948**

Over its history, Concept funding has helped companies subsequently raise **\$253 million** in private capital, creating a leverage ratio of **29:1** for the state's investment



Access to Capital

► Concept Fund

We added to the long history of providing critical capital to Oklahoma's early stage ventures last year by financing four companies. The funding brings the total number of companies receiving funds to 105 since the state-appropriated fund began operating in 1998. Concept funded companies are creating new intellectual property, with 163 patents issued and 71 new products developed.

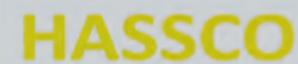
2011 CONCEPT INVESTMENTS

2011 Reported Economic Impact

- **\$33M** in annualized revenues
- **86%** of revenues outside state
- **\$24M** in annualized payroll
- **324** full time employees equivalent
- Average wage of **\$68,910**
- **34** patents filed, **11** issued



TokenEX is a Tulsa-based Enterprise Data Security company that helps merchants reduce their risk and the cost of Payment Card Industry (PCI) compliance, thereby enabling them to focus on their core retail competency, not Information Technology. Tokenization is a relatively new concept where a "token" is a surrogate value that replaces the payment card number, but unlike encryption, the token cannot be used to decipher the real card number. While TokenEx is not the only provider of tokenization, the company has a proprietary process that provides tokens at the front-end of the merchant's operation, thereby removing a greater portion of the merchant's systems from PCI compliance requirements.



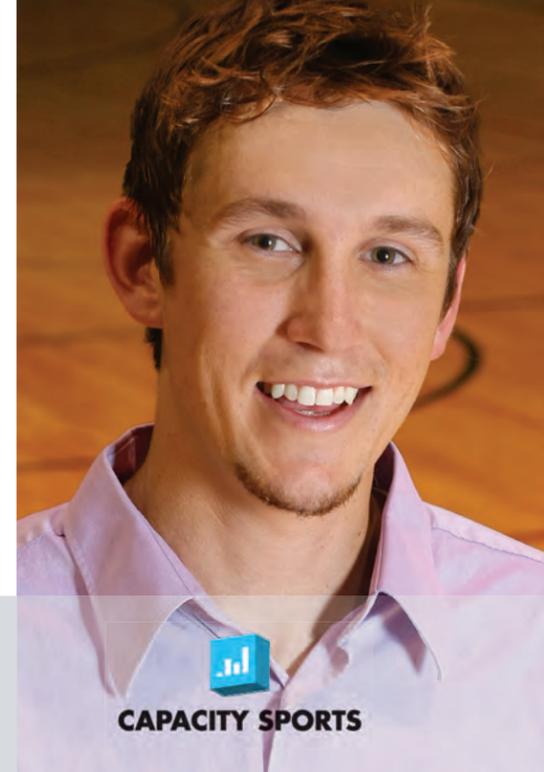
Hassco is an Oklahoma City-based Medical-Device startup developing new medical devices for laparoscopic procedures. The company currently holds a provisional utility patent on its flagship device, the Robotic Articulating Laparoscopic System (RAL SYSTEM) which will allow for improved range of motion and faster, more effective surgeries. In the US alone, there are approximately 9,500,000 procedures performed annually via Minimally Invasive Surgeries (MIS) while the global MIS device and instrument market is estimated at \$18.5 billion annually.



Failsafe Hazmat is a Tulsa-based startup company developing software to assist and support companies that ship hazardous products and materials. Among a daily 800,000 hazmat shipments, approximately 300,000 are classified as posing extreme risk. In a single year, there were 19,277 US hazmat incidents resulting in \$72,600,000 in property damage, not including the related litigation costs. The Failsafe Hazmat software is designed to keep companies compliant with all domestic and international shipping regulations and to help avoid costly accidents.



Capacity Sports is a Tulsa-based startup developing mobile concussion management software, beginning with the iOS (iPhone) platform, to evaluate concussion symptoms in athletes and reduce the risk of permanent brain injury in sports. Driven by heightened concussion awareness, the Capacity Sports application will evaluate balance, motor function, reaction time and memory to better manage athlete screening and provide improved information for safe return to play decisions.



Access to Capital

Seed Capital Fund

The Seed Capital Fund provides Oklahoma entrepreneurs with the capital and support needed to move a technology from concept to product launch.

The Fund has invested almost **\$4.4 million** in **nine companies**. These companies attracted more than **\$25 million** of co-investment.



2011 Reported Economic Impact

- **50** full time employees
- **35%** job growth rate
- Average Annual wage of **\$93,466**
- **10** patents filed, **4** issued
- **\$3M** in revenue
- Nearly **\$7M** in federal grants

2011 SEED FUND INVESTMENTS



Expert TA is a Tulsa-based educational software company that has developed a powerful partial credit grading system for engineering and science based collegiate course work. The company provides a web-based homework assessment application to engineering, physics, and math departments.



Real Time Rehab, LLC is a Tulsa-based company servicing clinicians, physical therapists, chiropractors, sports rehabilitation and occupational specialists, by increasing their ability to improve a patient's recovery from injury or illness. RTR has created the industry's first proprietary Software as a Service that provides the clinician with both high quality video and printed materials that instruct a patient on how to perform exercises at home.

2011 FOLLOW-ON INVESTMENTS



Altheus Therapeutics, Inc. is located in Oklahoma City and is working to develop therapies to treat the two most common forms of inflammatory bowel disease that afflicts about 1.2 million Americans. Ulcerative colitis and Crohn's Disease, are chronic lifelong conditions which significantly impact the quality of life. The Altheus therapy combines two FDA approved drugs in a novel way and has been shown to be highly effective in animal models.



Emotion Media, LLC (EMM), is based in Tulsa and provides media services to the \$7 billion dollar professional photography market. EMM has developed a proprietary DVD technology that gives photographers a higher quality, less expensive way to present and sell their photos. DVDs are created in a fraction of the time (minutes vs. hours) using technology automation and include a professional, production quality media presentation with music, motion, and special effects.



Exerbotics, LLC, is located in Tulsa and manufactures advanced technology equipment and devices for commercial fitness applications such as: Collegiate/Professional Athletics, Physical Medicine Rehabilitation and Occupational/Industrial Medicine. This technology has been engineered, manufactured and tested in Oklahoma. Exerbotics' patent pending technologies are the only real advancement in resistance strength training equipment - ever.



Access to Capital



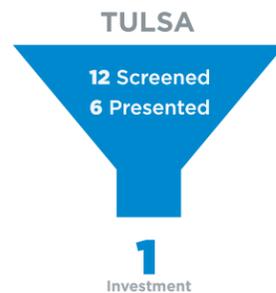
FY2011 INVESTMENTS

SeedStep Angels

SeedStep Angels, founded in 2009 as a source of risk capital for start-up Oklahoma companies, moved forward in 2011 with growth, best practice, and investment initiatives.



January 2011 marked the kickoff event for the Tulsa chapter of the SeedStep Angels. Marianne Hudson, the Executive Director of the Angel Capital Association, traveled to Tulsa to give a keynote speech to a dozen interested Angel investors regarding the state of the Angel investing industry. The group formally met for the first time in February. It has screened 12 companies, seen six companies present, and has made an investment of \$200K in DermaMedics.



In Oklahoma City, the focus shifted to integrating national Angel best practices within the group. The group had the opportunity to attend private events with out-of-state experts - Bill Botts, Bill Payne and Tom Churchwell - all of whom are successful entrepreneurs or venture capitalists. The SeedStep Angels group also focused on building relationships with regional Angel groups surrounding Oklahoma. These relationships will be used to syndicate Oklahoma deals to outside investor networks to properly aggregate capital in investment rounds for Oklahoma companies. Good relationships with other Angel groups are also key to sharing best practices and to avoiding the mistakes other groups have made in the past. Initially, SeedStep Angels has been in contact with the Midwest Venture Alliance out of Wichita, Kansas. In 2011, the Angels screened 23 companies, saw 10 companies present, and made three investments.



In 2012, the group looks forward to continuing to work with the Angel Capital Association and pursuing best practices by instituting a formal group due diligence process, creating a membership committee, and growing through recruitment of Angels in rural areas of Oklahoma.



DermaMedics has developed and markets topical anti-inflammatory products to prevent burns in cancer patients and patients undergoing cosmetic procedures, as well as products to treat a variety of common skin diseases such as psoriasis, acne, eczema and rosacea, and skin aging.



Expert TA has created Web-based homework assessment software that is capable of human-like grading of complex questions like those found in engineering, physics and mathematics courses.



Search and Clear had developed a Web-based collaborative software platform for any type of business that depends upon collaboration and communication, such as the entertainment industry, health care, attorneys, information technology, financial institutions and government contractors.

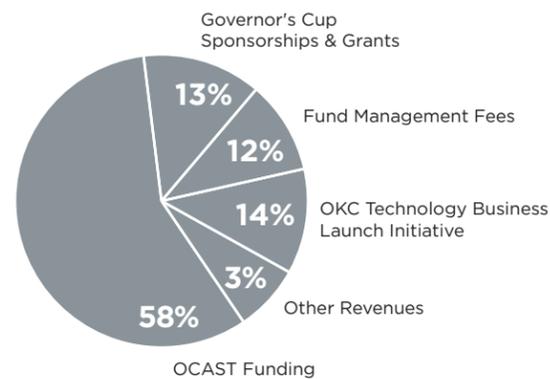


i2E FY2011 FINANCIAL REPORTS

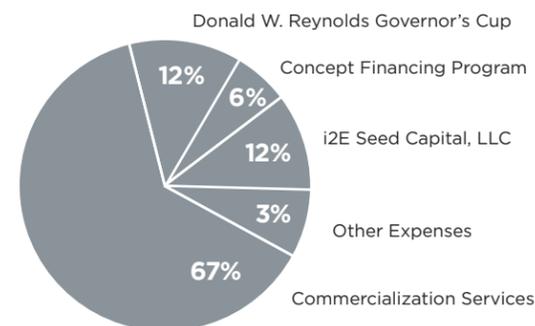
Statement of Financial Position	FY2011	FY2010
Assets		
Current Assets		
Cash & Cash Equivalents	219,589	295,646
Accounts Receivable	191,895	271,695
Certificates of Deposit	697,001	474,674
Total Current Assets	1,108,485	1,042,015
Furniture, Fixtures and Equipment, Net	43,580	50,557
Investment in Oklahoma Seed Capital Fund	78,822	78,822
Other Assets	4,551	4,551
Total Assets	1,235,438	1,175,945
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	8,474	30,994
TBFP Reinvestment Fund Payable	120	106
Accrued Liabilities	51,462	42,172
Deferred Revenue	63,570	-
Total Current Liabilities	123,626	73,272
Accrued Liabilities, Noncurrent	4,551	4,551
Total Liabilities	128,177	77,823
Net Assets		
Unrestricted	312,369	283,418
Unrestricted - Board Designated	794,892	814,704
Total Unrestricted Net Assets	1,107,261	1,098,122
Total Liabilities and Net Assets	1,235,438	1,175,945

Statement of Activities	FY2011	FY2010
Revenues		
OCAST Funding	1,812,821	2,074,782
Governor's Cup Sponsorships & Grants	402,299	438,625
Fund Management Fees	375,000	220,093
Grants	-	46,864
OKC Technology Business Launch Initiative	423,968	-
Other Revenues	101,866	120,784
Total Revenues	3,115,974	2,901,148
Expenses		
Commercialization Services	2,081,411	1,852,680
Concept Financing Program	194,487	203,987
i2E Seed Capital, LLC	375,061	220,024
i2E Management Company, LLC	310	28,673
Donald W. Reynolds Governor's Cup	374,917	379,933
Other Expenses	80,649	137,514
Total Expenses	3,106,835	2,822,811
Excess of Revenues Over Expenses	9,139	78,337
Net Assets at Beginning of Year	1,098,122	1,019,785
Net Assets at End of Year	1,107,261	1,098,122

FY2011 Revenues



FY2011 Expenses



Sources of State Funding: OCAST provides funding for i2E Commercialization Services, the TBFP Concept Fund and is the primary investor in the Oklahoma Seed Capital Fund.

BOARD OF DIRECTORS

- Roy Williams**, Chairman, Greater Oklahoma City Chamber
- Michael LaBrie**, Secretary, McAfee & Taft
- Jonathan Adamson**, Argonaut Private Equity
- Howard Barnett, Jr.**, OSU - Tulsa and OSU-CHS
- Leslie Batchelor**, The Center for Economic Development Law
- James Bode**, Bank of Oklahoma, N.A.
- Michael Carolina**, OCAST
- Bob Craine**, TSF Capital, LLC
- Steve Cropper**
- Phil Eller**, Eller Detrich, P.C.
- Suzette Hatfield**, Crawley Ventures
- David Hogan**, HoganTaylor, LLP
- Phil Kurtz**, Benefit Informatics
- Hershel Lamirand, III**, Oklahoma Health Center Foundation
- Merl Lindstrom**, ConocoPhillips, Inc.
- Dan Luton**, OCAST
- Scott Meacham**, Crowe & Dunlevy
- Fred Morgan**, The State Chamber
- Mike Neal**, Tulsa Metro Chamber
- David Pitts**, Stillwater National Bank
- Mark Poole**, Summit Bank
- Stephen Prescott**, OMRP
- Darryl Schmidt**, BancFirst
- Sheri Stickley**, OKBio
- Wes Stucky**, Ardmore Industrial Development Authority
- Dick Williamson**, TD Williamson, Inc.
- Duane Wilson**, LDW Services, LLC
- Don Wood**, Norman Economic Development Coalition

Institutional Governance

i2E strives to have the highest standards of corporate governance practice and ethical conduct by all board members and staff. Consistent with those intentions, i2E has adopted the following charters for its Board of Directors and Board Committees:

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.

i2E TEAM

- Tom Walker**, President and CEO
- David Thomison**, VP of Investments
- Rex Smitherman**, VP of Operations
- Sarah Seagraves**, VP of Marketing
- Wayne Embree**, VP of Entrepreneur Services
- Tom Francis**, Director of Investment Funds
- Josh O'Brien**, Director of Entrepreneurial Development
- David Daviee**, Director of Finance
- Richard Rainey**, Venture Advisor
- Mark Lauinger**, Venture Advisor
- Sonja Wilson**, CFO-in-Residence
- Scott Thomas**, IT Manager
- Grady Epperly**, Marketing Manager
- Kenneth Knoll**, Concept Investments Manager
- Michael Kindrat-Pratt**, SeedStep Angels Coordinator
- Casey Harness**, Business Analyst
- Jim Stafford**, Communications Specialist
- Jay Sheldon**, eMedia Specialist
- Katelynn Henderson**, Event Specialist
- Cindy Williams**, Investment Assistant
- Jennifer Buettner**, Executive Assistant

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

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 annually. The results of the evaluation are compiled and presented to the full Board for review and discussion.



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i2E is a 501(c)(3) private not-for-profit corporation focused on wealth creation by growing the technology-based entrepreneurial economy in Oklahoma. We are able to accomplish our mission through support from the Oklahoma Center for the Advancement of Science and Technology (OCAST). We would like to thank OCAST, the state of Oklahoma, and all of our partners for their ongoing financial support. The success of i2E and our client companies also relies on the contributions of many individuals and organizations who invest their time, expertise, and capital in Oklahoma's start-up technology companies.

The economic impact statistics used throughout this report are based on client company responses to i2E's annual impact survey and internal database.

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