

Growth... Realized



Director's Report

We are pleased to share with you Rocket Ventures' 2008 annual report. The information within this document details the highlights of our first year. Please note, we couldn't have been as successful without community support like yours. Thank you.



Greg Knudson,
Director
Rocket Ventures

2008 represented the first full year of operations for Rocket Ventures – and our results have exceeded our expectations.

Knowing that relationships are key to any business's success, we've worked hard to connect with 3,500 direct contacts within Northwest Ohio. We estimate that we have made over 12,000 indirect contacts within that marketplace as well.

One of the ways we measure our success is by the number of inquiries we receive within a year. In 2008, Rocket Ventures heard from 225 start-up entrepreneurs and inventors. From these inquiries, we helped start-up and commercialize 32 technology-based companies and we were able to award 12 Ignite! Development Grants. In addition, three major investments were made in biosciences, alternative energy and advanced materials.

Our staff has grown to 15 professional members who focus on: generating quality deal flow opportunities; providing high level enhanced management services to our clients; and, making early stage investments.

Our marketing and merchandising program is like no other. The objectives of this program

were to 1) establish a presence and visibility throughout our area, and 2) create and enhance our position as the "Go-To Entrepreneurial Organization" in Northwest Ohio.

To do this we launched a public relations and regional outreach program which included giving keynote speeches and presentations to over 160 audience groups across our 18-county footprint. We regularly stay in touch with our clients, prospects and business community through our quarterly Rocket Report newsletters, press releases and a traditional direct marketing campaign. This campaign included collateral materials, the Rocket Ventures website and electronic communications on events, announcements and client company successes to over 3,000 readers.

In addition we have reached over 3,500 people across the region through our events, sponsorships, town hall meetings, technology Innovation Luncheons, Entrepreneurial Boot Camps,

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President's Letter

Over the past several years, our region has made great strides in its commitment to transition to a knowledge-based economy. Our community's resolve to diversify the regional economy has allowed for the successful creation of Rocket Ventures, which already has reported many significant accomplishments. This venture capital

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Steve Weathers
President & CEO
Rocket Ventures





Client Success Stories

Our success is built with the help of our clients. Two clients have proven to be success-centers for us: Mithridion, Inc. and Xunlight, Corp. Here are a few of their accomplishments this past year:

President

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organization complements Launch, which provides business assistance services to early-stage technology companies. Both Rocket Ventures and Launch fall under the umbrella of the Regional Growth Partnership, which offers a unique model by providing these technology programs along with traditional business development services as well as a dynamic marketing program, all under one roof. These technology initiatives, combined with the our traditional strengths in work force and manufacturing, has contributed to northwest Ohio's growth and positioned our region for future success in the global economy.

Merged with University of Toledo-based Cognitive Pharmaceuticals in early 2008, Mithridion, Inc. has been taking Alzheimer's and other central nervous system disorders head on by developing disease-modifying drugs.

- Mithridion has raised over \$5 million since its first investment in July 2008. The initiative was lead by Venture Investors, a Madison, Wisconsin-based fund, including \$550,000 from The Rocket Ventures Fund.
- The company's lead drug candidate is progressing through Phase 1 clinical trials. This was completed under budget and ahead of schedule!
- The company is currently focusing its efforts on increasing intellectual property production on the company's leading drug candidate.

Xunlight, Corp. is a manufacturer of high-efficiency, flexible and lightweight solar panels. Their management team has 60+ years of managing production line processes.

- \$40 million in Venture Capital has already been invested in Xunlight, including \$1 million invested by Rocket Ventures.
- Received over \$15 million in research grants to date.
- The company's successes are getting noticed! Here is a smattering of some of the national media attention they've received to date:

ABC World News with Charles Gibson - December 2008

Wall Street Journal article - December 2007

Newsweek article - October 2007

CNN - March 2008



Igniting the Fuse!

With Rocket Ventures getting off the ground in earnest in early 2008, the Ignite! fund awarded its first grant in February. By the end of December, 12 grants had been awarded for a total of \$578,800, and four of those had been closed. The portfolio was weighted toward Biosciences, with half of the grants awarded to companies in the drug development, healthcare IT, and medical device industries. The remainder of the grants went to companies in advanced materials, alternative energy, information technology, and instrumentation, controls, and electronics.

Since the Ignite! fund is designed to help very early stage companies with proof of technical concept or validation of market opportunity, Rocket Ventures is very proud to announce that these 12 companies made great strides toward commercialization. They have accomplished milestones

as varied as completing third-party testing of software integrity to European patent filings to building prototypes to market research studies. Several of these companies, such as TechTol Imaging LLC, Solargystics LTD and Blue Water Satellite INC have attracted equity investment. Others such as ADS Biotechnology LTD and PhysioSim LLC have established strategic relationships with suppliers and distributors and set the stage for further development.

One third of the way through our grant period, and one third through the allocation of grants, *the Ignite! Development Fund is poised to be a significant contributor to the new technology-based economy of Northwest Ohio.*



Craig Ortega,
Program Director



Rocket Ventures Fund, LLC Balance Sheet December 31, 2008

ASSETS

Current Assets

National City Bank - Investors	\$671,451	
Fifth Third - ODO	5,666,932	
Total Current Assets		6,338,383

Investments

Mithridion	300,000	
Midwest Optoelectronics	999,976	
Aqua Blok	460,238	
Total Investments		1,759,214

Total Assets \$8,097,597

LIABILITIES AND FUND BALANCE

Current Liabilities

Investment Payable	\$100,000	
Total Current Liabilities		100,000

Long-Term Liabilities

ODO Investment	6,370,000	
Total Long-Term Liabilities		6,370,000
Total Liabilities		6,470,000

Fund Balance

Investor Equity	1,587,500	
Net Income	40,097	
Total Fund Balance		1,627,597
Total Liabilities & Fund Balance		\$8,097,597



2008 Investment Fund Highlights

- Completed due diligence on five companies
- Three investments completed at \$1,767,697
- Investments diversified into three technology clusters:
 - Alternative/Advanced Energy
 - Biosciences
 - Advanced Materials/Manufacturing Technologies
- Started diligence on three new companies in late Q4
- Awarded 12 Ignite! Grants and have 34 companies on our client roster

Director

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networking events (Tech Connect), and technology sector conferences and symposiums

Based on these 2008 performance results during this first year of operation, Rocket Ventures is now well positioned in 2009 to meet significantly more entrepreneurs and inventors, help commercialize an additional 30 start-up companies and make substantially more investments in all three technology sectors. As we combine innovation with entrepreneurship, we will continue to generate greater wealth and grow higher value jobs in Northwest Ohio.

Client Roster

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|---|-----------------------------|
| Accelerated Healing | InSitu Foods, Inc. |
| Advanced Ceremetrics INC - Ohio | Maumee Authority Stamping |
| ADS Biotechnology | Mithridion Pharmaceuticals |
| AlphaInnovations | Physician Technology LLC |
| Aqua Blok | Physicians Angels |
| Blue Water Satellite | PhysioSim, LLC |
| Branam Oral Health Technologies Inc (GIBBY) | RADAR Medical Systems, LLC |
| CeutiCare, LLC | Red Lion Bio-Energy LLC |
| Correction Controls | Roamer Technologies, Inc. |
| CrossHair Technologies Inc | Shadeplex, LLC |
| DoX Systems | Solargystics |
| Esclapeus Biopharmaceuticals | Standardized Genomics |
| Genziko, Inc. | Suganit Systems Inc |
| H2 Engine Systems | TechTol Imaging |
| Horse Power Sales.Net | Third Millennium Metals LLC |
| Innovative Thin Films LTD | Turning Point |
| | Xunlight (MWOE) |