



Mike Mathia, Quicc CEO (HB 2689 Testimony)

Esteemed Members of the Committee,

My name is Mike Mathia, Founder of a company named KNOXX and Co-Founder of Quicc, a brand created by the KNOXX company. Quicc is a technology startup based in Wichita which enjoys customers from 86 countries around the world using our automated video captioning product including recognizable corporate brands such as Adobe and Blizzard Entertainment. We have a team of 7 talented professionals and have raised in excess of \$1 million in capital funds. The global inflow of our revenue from the US and abroad is a direct injection into the Kansas economy.

I share the highlights of this story and what our Quicc team has achieved because it would not have been possible without the Kansas Angel Investor Tax Credit Program. Flash back to 2017 when I was a solo entrepreneur with ambitious dreams of growing a business that had a positive impact on the Wichita community and well beyond.

I had many conversations with investors who praised my creativity and innovative drive but were hesitant to invest. This was driven by a number of factors – I had no previous “exits” as a Founder, my product had proven itself in Wichita but not outside of it, and I had some modest revenue but hadn’t yet scaled it. Lastly, Wichita investors were unfamiliar with tech-based investments. In short, like all startups, my venture was a high-risk investment proposition to them and as a bootstrapped Founder, I faced the very real prospect that the business would fail due to a lack of operational capital.

I remember a team exercise that many of us have participated in during our professional lives where we stand with our hands out, allow ourselves to fall backwards with the trust that the other members of our team will catch us and that we won’t hit the ground. The KAITC is that trust exercise for investors, the safety net if you will, that incentivizes them to be bold and support startups to secure the needed capital to launch and scale their businesses knowing that a large percentage of their perceived risk as an investor has been offset with a State tax credit.

When our firm was awarded tax credits, it changed the narrative completely with investors. They came off the sidelines, issued checks, and joined the startup ecosystem because they were properly incentivized to do so. The KAITC program should not be mistaken as just another program to give high net worth individuals a State tax break. Rather, it brings more investors into the process and activates their capital allowing our State to grow businesses. The revenue from those newly funded businesses create more jobs and as a result, Kansas wins. In fact, our firm received investment capital from 7 first time investors representing \$425,000.00 of capital. Each has told me that had it not been for the KAITC, they may never have been bold enough to make an investment.

I and my organization are strong proponents of this bill because we understand from first hand experience, the impact the program has on driving entrepreneurship here in Kansas allowing the State and its startup companies to ultimately compete on a global scale as demonstrated by the success of Quicc. As such, we ask the committee and your colleagues in the State legislature to place your support behind this measure. Thank you for allowing me to contribute to this discussion and I am happy to answer any questions from members of the committee.

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A handwritten signature in blue ink, appearing to read "Mike Mathia".