**QUARTERLY PERFORMANCE REPORT**

**Q4 2017**

- **NUMBER OF ASSISTED COMPANIES**
  - Total: 15
  - Prior Qtr: -44.4%
  - Y-o-Y: 0.0%

- **INITIAL JOBS FROM ASSISTED COMPANIES**
  - Total: 719
  - Prior Qtr: -78.8%
  - Y-o-Y: -66.6%

- **NUMBER OF BUILD OUT JOBS**
  - Total: 1,539
  - Prior Qtr: -68.3%
  - Y-o-Y: -50.7%

- **AVERAGE WAGE PAID BY ASSISTED COMPANIES**
  - Total: $25.08
  - Prior Qtr: 43.4%
  - Y-o-Y: 56.5%

- **ASSISTED COMPANY INVESTMENTS (PROJECTED)**
  - Total: $57.2M
  - Prior Qtr: -63.8%
  - Y-o-Y: -10.7%

- **NUMBER OF LEADS**
  - Total: 108
  - Prior Qtr: -28.0%
  - Y-o-Y: 68.8%

- **NUMBER OF PROSPECTS**
  - Total: 83
  - Prior Qtr: -26.5%
  - Y-o-Y: 66.0%

- **NUMBER OF WINS**
  - Total: 15
  - Prior Qtr: -44.4%
  - Y-o-Y: 0.0%

**DIVISIONS**

- **GLOBAL ENGAGEMENT**
  - Q4 2017: 39 Active Leads
  - Jan - Jun 2017: 547 Number of Contracts
  - Number of Active Prospects: 13

- **EMERGING SMALL BUSINESS PROGRAM**
  - Total Contracts: $4,497,936

- **COMMUNITY DEVELOPMENT BLOCK GRANTS**
  - Number of Grants: 19
  - Total Allocation: $3,263,851

- **PROCUREMENT TECHNICAL ASSISTANCE CENTER**
  - Total Clients: 1,497
  - Total Award Amount: $74,046,804

- **NEVADA FILM OFFICE**
  - Number of Productions: 62
  - Client Satisfaction: 5.0 (Out of a 5 pt. scale)
JOBS ANNOUNCED BY ASSISTED COMPANIES
In the fourth quarter, 15 companies added 719 jobs to Nevada’s economy. This brings the annual total to 6,014 additional jobs by 74 companies. Once these companies are fully staffed, the build-out job estimate is 9,681.
For the year, 43 percent of the assisted companies were manufacturers followed by logistics and operations (26 percent), and information technology (11 percent). The remaining 20 percent were essentially evenly split between the mining, healthcare, aerospace, and tourism sectors.

WAGES PAID BY ASSISTED COMPANIES
The average hourly wage paid by assisted companies in the fourth quarter was $25.08. This reflects a $7.59 hourly increase from the previous quarter, and $9.05 from a year ago. Worker pay for companies receiving incentives was $29.97 per hour as compared to non-incentivized company pay of $19.05 an hour. The average hourly wage for all assisted companies in 2017 was $19.48.

ANNUAL ASSISTED COMPANY STATISTICS

As new incentivized companies add staff, the number of actual jobs has exceeded those that were contracted.
ASSISTED COMPANY INVESTMENT

Capital investment by assisted companies came in at $57.2 million in the fourth quarter. This reflects a $101.0 million, or 63.8 percent decline from the third quarter. For the year, total capital investment was $392.0 million, a 10.9 percent decline from investments reported last year.

Note: Excludes large scale projects like Boulder Solar Power ($1B), Apple ($1B), Tesla ($5B), or companies that qualified for Aviation or Data Center abatements.

RECRUITMENT ACTIVITY

2016 Q4 - 2017 Q4

There were 15 wins in the fourth quarter. This represents a 44.4 percent decrease from the third quarter, but the same amount as reported last year.

The number of New Leads and Prospects as reported by RDA’s across the state were also down in the current quarter (28.0 and 26.5 percents, respectively), but were above those reported last year (68.8 and 66.0 percents, respectively).

CAPITAL INVESTMENT BY ASSISTED AVIATION AND DATA CENTER COMPANIES

No companies applied for Aviation Tax Abatements in the fourth quarter. Since July 2015, there have been 16 aviation companies approved for the abatement. In total, these companies are expected to invest $1.1 billion.

No companies applied for the Data Center Tax Abatements in the fourth quarter. Since inception in July 2015, total capital investment by the four companies approved for Data Center abatements was $3.2 billion.
In the fourth quarter, there were an additional 33 leads and four prospects added to the Global Recruiting Pipeline.

After removing those which have become inactive, the current inventory of all active global leads and prospects now stands at 39 and 13, respectively.

There were no new wins in the fourth quarter.

GOED conducted a Governor-led trade mission to Poland in October, which resulted in multiple new agreements focusing on education and technology innovation with Polish officials at national and provincial levels, as well as business leaders, for reciprocal trade missions to Nevada for the purposes of cooperation, investment and site selection.

Agreements were signed between the University of Nevada, Reno College of Business and the Warsaw School of Economics (SGH), and between the Nevada Institute of Autonomous Systems (NIAS) and the Institute of Aviation in Warsaw (ILOT). These partnerships are expected to open up a stream of other business opportunities.

Governor Sandoval and Marshal Sławomir Sosnowski of Lublin Province signed a letter of intent for a joint recruiting platform project, bridging Nevada and the Polish region, eventually to be expanded to also include many other countries in Europe.

GOED’s international team also traveled to Germany and Finland in December to attend and present at the SLUSH conference in Helsinki, to follow up on collaboration and foreign business recruitment opportunities. The core purpose of the SLUSH conference is to facilitate founder and investor meetings and to build a world-wide startup community.
The Nevada Procurement Technical Assistance Center (PTAC) has had a very successful first six months of this fiscal year by exceeding full-year contract and contract amounts on record. The number of clients slipped slightly in the most recent quarter, but the year-to-date average is still well above historical counts.

The Nevada PTAC credits much of its recent success to resource partners like the U.S. Small Business Administration, the Nevada Department of Business and Industry, the Nevada Small Business Development Center, and local chambers of commerce in promoting their counseling services, training seminars, and networking events.

The current number of Certified Emerging Small Businesses (ESB’s) has expanded by 34.2 percent since the end of last year to a total of 1,139.

Local government agencies have until the end of March to report contract metrics. Soon after those are received, the complete annual ESB activity report of both state and local agencies will be sent to the Governor’s Office, the Legislative Council Bureau, and posted to the GOED website.
NEVADA FILM OFFICE

RURAL COMMUNITY DEVELOPMENT BLOCK GRANTS

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NO. OF GRANTS</th>
<th>ALLOCATION</th>
<th>AVERAGE GRANT AWARD</th>
<th>PERCENT ECONOMIC DEVELOPMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>32</td>
<td>$2,612,161</td>
<td>$81,630</td>
<td>17%</td>
</tr>
<tr>
<td>2012</td>
<td>27</td>
<td>$2,170,726</td>
<td>$80,397</td>
<td>13%</td>
</tr>
<tr>
<td>2013</td>
<td>22</td>
<td>$2,445,704</td>
<td>$111,168</td>
<td>9%</td>
</tr>
<tr>
<td>2014</td>
<td>24</td>
<td>$2,439,168</td>
<td>$101,632</td>
<td>22%</td>
</tr>
<tr>
<td>2015</td>
<td>20</td>
<td>$2,544,500</td>
<td>$127,225</td>
<td>84%</td>
</tr>
<tr>
<td>2016</td>
<td>18</td>
<td>$2,487,320</td>
<td>$138,184</td>
<td>68%</td>
</tr>
<tr>
<td>2017</td>
<td>13</td>
<td>$2,803,961</td>
<td>$215,689</td>
<td>75%</td>
</tr>
</tbody>
</table>

» During the fourth quarter, $613,133 was paid to three rural counties and four rural cities.

» CDBG staff closed three grants in three rural communities representing $184,973 in CDBG funds. These projects contributed an additional $4,589,605 in leveraged funds.

» Closed grants in the quarter assisted 4,400 Nevadans; 4,367 (99.3 percent) were considered Low to Moderate Income.

» There are currently 24 open grants: 11 from 2016 and 13 from this year’s program funds.

URBAN CDBG GRANTS

» Carson City reverted to the state’s CDBG program in 2017 receiving $459,890 in HUD allocation to fund six projects. Carson City’s focus is urban with different priorities than GOED’s existing rural programs.

» Future urban project recommendations for funding will be reviewed to award grants with greater economic development impact.

NEVADA FILM OFFICE

ANNUAL PRODUCTION REVENUE

<table>
<thead>
<tr>
<th>FISCAL YEAR</th>
<th>NUMBER OF PRODUCTIONS</th>
<th>REVENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>789</td>
<td>$120,208,978</td>
</tr>
<tr>
<td>2006</td>
<td>776</td>
<td>$102,945,418</td>
</tr>
<tr>
<td>2007</td>
<td>425</td>
<td>$113,748,400</td>
</tr>
<tr>
<td>2008</td>
<td>436</td>
<td>$82,727,400</td>
</tr>
<tr>
<td>2009</td>
<td>361</td>
<td>$91,900,600</td>
</tr>
<tr>
<td>2010</td>
<td>367</td>
<td>$81,130,250</td>
</tr>
<tr>
<td>2011</td>
<td>479</td>
<td>$102,525,600</td>
</tr>
<tr>
<td>2012</td>
<td>520</td>
<td>$88,783,700</td>
</tr>
<tr>
<td>2013</td>
<td>559</td>
<td>$67,571,708</td>
</tr>
<tr>
<td>2014</td>
<td>370</td>
<td>$58,716,755</td>
</tr>
<tr>
<td>2015</td>
<td>500</td>
<td>$65,159,732</td>
</tr>
<tr>
<td>2016</td>
<td>495</td>
<td>$73,160,712</td>
</tr>
<tr>
<td>2017</td>
<td>501</td>
<td>$40,134,588</td>
</tr>
<tr>
<td>2018YTD</td>
<td>156</td>
<td>24,611,491</td>
</tr>
</tbody>
</table>

 =~More than $500,000 in local production expenditures.

CLIENT SATISFACTION INDEX

Very Good = 101.5 - 100.9 | Good = 100.9 - 100.3 | Average = 100.3 - 99.7 | Poor = 99.7 - 99.1 | Very Poor = 99.1 - 98.5

Customer responses to the Nevada Film Office Client Satisfaction Survey slipped slightly in the most recent quarter, but is still well within the “very good” range of 101.5 and 100.9.

The Index is an aggregate measure on how customers rated their experience on availability, responsiveness, knowledge, willingness to help, and overall level of service. Since inception in 2014, client responses to the Nevada Film Office’s Satisfaction Survey has consistently been very good.

NEVADA FILM OFFICE

SIGNIFICANT PROJECTS’ FY2018 YTD

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>PROJECT TYPE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Who Wants To Be A Millionaire - Season 16</td>
<td>TV Series</td>
</tr>
<tr>
<td>Mustang</td>
<td>Feature Film (Independent)</td>
</tr>
<tr>
<td>2017 Miss Universe</td>
<td>Other</td>
</tr>
<tr>
<td>Gloria</td>
<td>Feature Film (Independent)</td>
</tr>
<tr>
<td>Smiley Face Killers</td>
<td>Feature Film (Independent)</td>
</tr>
<tr>
<td>Asics “As I Move Me”</td>
<td>Commercial</td>
</tr>
<tr>
<td>Ultimate Fighter Season 26</td>
<td>TV Special</td>
</tr>
<tr>
<td>VMA’s Remote Performance at Palms</td>
<td>TV Special</td>
</tr>
</tbody>
</table>

Revenue to Nevada, i.e. local production expenditures.
NEVADA JOBS AND UNEMPLOYMENT

Nevada’s job count hit record levels in December by peaking at 1,359,800 bringing the annual average count to 1,341,400. This reflects a gain of 42,600 positions when compared to last year and a gain of 223,600 jobs since the recessionary low of 1,117,900 in 2010.

Over the year, the annual unemployment rate has dropped by 8.7 percentage points from the recessionary high of 13.7 percent to the current annual rate of 5.0 percent.

AEROSPACE AND DEFENSE

There are currently 13,800 workers in Nevada’s Aerospace and Defense sector with the addition of 79 jobs in the current quarter. Average annual earnings also improved by $1,100 and now stand at $84,800. When compared to last year there has been a 5.3 percent increase in jobs and a 1.7 percent increase in earnings.

BUSINESS INFORMATION TECHNOLOGY

There were an additional 790 jobs added to Nevada’s Business Information Technology sector in the fourth quarter. This reflects an annualized growth rate of 7.0 percent and brings the total employment base to 62,800. Annual earnings also improved by $611 in the current quarter to $47,600. Earnings are now 3.0 percent above what they were this time last year.
HEALTH AND MEDICAL

When compared to last quarter, an additional 1,360 jobs were added to Nevada’s Health and Medical sector for a total of 109,200 workers employed in the sector. Average annual earnings also grew by $900 and currently stands at $56,400. When compared to last year, job counts in Nevada’s healthcare sector have expanded by 3.8 percent and earnings by 2.2 percent.

NATURAL RESOURCE TECHNOLOGIES

Nevada’s Natural Resource Technologies sector showed solid growth in the fourth quarter with the addition of 765 jobs and $795 in annual earnings. Over the year, jobs have improved by 2.9 percent and wages by 2.7 percent. The sector now represents 51,000 workers with average annual earnings of $66,200.

MANUFACTURING AND LOGISTICS

The number of jobs and average annual earnings in Nevada’s Manufacturing and Logistics sector both improved in the fourth quarter. Job counts grew by almost 1,600 for a total of 120,600 workers employed in the sector. Average annual earnings also grew to $58,600 with the addition of $1,000 per year. For the year, jobs have grown by 3.9 percent and earnings by 2.6 percent.

MANUFACTURING

With the addition of 430 workers in the current quarter there are now 44,000 workers employed in Nevada’s Manufacturing sector. Average annual earnings also improved by $834 and now stands at $55,700. When compared to last year sector growth has been solid with a 3.6 percent increase in jobs and a 2.8 percent increase in earnings.
Tourism, Gaming, and Entertainment

Both the number of jobs and annual earnings grew in Nevada’s Tourism, Gaming, and Entertainment sector in the fourth quarter. Job growth was especially strong with the addition of 8,600 workers, while earnings improved by a slight $170 a year. When compared to last year, job counts grew by 2.3 percent and worker pay by 4.3 percent. Currently, Nevada’s largest industry sector employs 416,400 workers who make, on average, $34,000 per year.