

Qualified Investment Report

July 1, 2022 - September 30, 2022

FY 2023 Q 1

Economic Development Article, Section 10-415(b)

Maryland Technology Development Corporation

January 31, 2023



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The Honorable Wes Moore
Governor, State of Maryland
100 State House
Annapolis, Maryland 21401

Dr. Margaret Wood and Mr. Ed Coleman, Co-Chairs
Maryland Economic Development Commission
401 E. Pratt Street
Baltimore, Maryland 21202

The Honorable Adrienne A. Jones
Speaker of the House of Delegates
Maryland General Assembly
State House, H-101
Annapolis, Maryland 21401

The Honorable Bill Ferguson
President of the Senate
Maryland General Assembly
State House, H-107
Annapolis, Maryland 21401

The Honorable Jared Solomon
House Chair
Joint Audit and Evaluation Committee
222 House Office Building
Annapolis, Maryland 21401

The Honorable Clarence K. Lam
Senate Chair
Joint Audit and Evaluation Committee
420 James Senate Office Building
Annapolis, Maryland 21401

Ladies and Gentlemen:

Pursuant to Section 10-415(b) of the Economic Development Article, I am pleased to submit, on behalf of the Board of Directors of the Maryland Technology Development Corporation (TEDCO), the quarterly report detailing investments for the 1st quarter of fiscal 2023 (July 1, 2022 – September 30, 2022).

As required, the report includes the list of the businesses that received support each quarter from programs administered by TEDCO; including the number of employees in the state; capital investment; and projected job creation. TEDCO made 10 investments across TEDCO programs in the 1st quarter of fiscal 2023, deploying \$4.5 million to Maryland Qualified Businesses throughout the State. These investments will support the creation of 36 new Maryland jobs in biotechnology, cybersecurity, medical devices, and other advanced technology.

Also, in response to the Maryland Economic Development's Commission's request for additional information on TEDCO funds and supported companies, and investment performance, the following page provides the related descriptions. The Board appreciates the support the Administration and General Assembly have provided TEDCO to carry out its mission, and we trust that we have fulfilled the responsibility that you have entrusted to the Directors and management.

Sincerely,

Troy A. LeMaile-Stovall
Chief Executive Officer

cc: The Honorable Vanessa E. Atterbeary
The Honorable Delores G. Kelley
The Honorable Guy Guzzone
The Honorable Ben Barnes
Sarah Albert, DLS

1Q2023 TEDCO Quarterly Report - Program & Supported Company Descriptions

Seed Fund:

TEDCO's [Seed Fund](#) works alongside our entrepreneurs as partners to drive the next wave of early-stage technology startups. TEDCO leverages our diverse operating and investing experience to uncover opportunities to add value throughout the life cycle of our portfolio companies. The Seed Fund program qualifications include a Maryland principal place of business and least one full-time employee. The following received support from the Seed Fund in 1Q23:

- Quidient has developed a family of patents for what they call "5 dimensional" photo-scanning for the purposes of 3d modelling of photo realistic objects.
- Balance Theory is a future of work platform built to enable cybersecurity professionals, vendors and organizations to better execute against their cyber initiatives. In addition, users can collaborate and curate artifacts, stories, and collections from the broader community or from select trusted peers that bootstraps or extends their initiatives further than they can produce on their own. Additionally, organizations can build knowledge resiliency around their cyber program and all of their assets. Cyber leaders will be able to view, manage and task outcomes holistically from a dashboard that provides insight into freshness of assets, total spend, and maturity of components.
- Hopr is an end-to-end encrypted communication platform with an initial focus servicing application program interface (API) mesh communications. Hopr's security is based on both black chain technology and time and place specific RGN passwords.

Maryland Venture Fund:

TEDCO's [Maryland Venture Fund](#) is an early-stage, evergreen venture capital fund dedicated to funding and growing the next generation of outstanding technology-based business in Maryland, with the goal of making meaningful investments into venture trajectory businesses as their first institutional partner. The following received support from TEDCO's MVF in 1Q23:

- Medcura, formerly known as Gel-e, has been a TEDCO portfolio company since 2016 when we invested \$200,000 from the LSIF portfolio. The revenue generating platform material science company is focused on hemostatic products – which stop the flow of blood. The products created by Medcura are engineered to provide improved bleeding management while creating antibacterial barriers and improved healing environments. The product line ranges from consumer applications like their Rapid-Seal™ first aid product, which is sold over the counter, at 6,500 CVS locations, plus Walmart, Target, Walgreens, and Amazon.com. Future products will be for military, trauma, and surgical applications which will be sold to hospitals, surgical centers, and the military when they become FDA approved. The surgical/military products are for internal and implantable uses and have successfully been evaluated in established pre-clinical models. Clinical trials will be supported by this Series B financing and are planned for 2023.
- Zero Point Five Therapeutics Inc. has been a TEDCO portfolio company since 2021 when we invested \$200,000 from the LSIF portfolio. This biotech company has created a chewable, single dose pill as a solution for soil-transmitted helminths (STH). STH is a common medical issue where parasitic worms – roundworms, whipworms and hookworms enter the body and cause medical issues. It largely affects poor and disadvantaged communities especially in tropical or subtropical regions and is the result of poor sanitation, especially children walking barefoot. Untreated, STH can result in significant health issues such as: anemia, malabsorption, malnutrition, inflammation, abdominal pain, weakness, malaise, loss of appetite, respiratory issues, which can lead to impaired mental development, poor school performance,

reduce productivity, and can be life-threatening. In the US, there is a population in Alabama living in poverty affected by this issue.

Builder Fund:

TEDCO's social impact, [Pre-Seed Builder](#) fund typically invests in startup companies via convertible notes. Funded companies are also provided Builder Fund resources which may include both hands-on and educational executive support, peer-to-peer mentorship/collaboration, and networking opportunities. The Builder Fund welcomes pre-seed technology start-ups from all industries to apply. However, to be applicable, a company must meet all the following qualifications: (1) principal place of business is in Maryland; (2) at least one full-time employee, and (3) no less than 50% of founders demonstrate economic disadvantage. The following received support from the Builder fund in 1Q23:

- Black Brain Trust is DEI scoring system for corporations. Ability to compare and contrast DEI policies and results among companies and provide guidance on how to improve the DEI score and policies at the corporate level.
- Elite Gaming is for Esports leagues that increase engagement from grade school students on attendance, engagement and retention for STEM topics. Company has seen high engagement from league participants, during the pandemic, and school districts are still asking the company to support their student populations.
- Tao Treasures is Micro detectors for chemical signals. Use in bandages to detect infection, use in bio-chemical sensors for dangerous materials. Company has raised NSF non-dilutive financing grants from NSF and others.
- Tuzmo Technology matches travelers with artisans. AirBnB meets souvenir/experience traveling. As travel has exploded in the summer, and higher end travelers are looking to acquire more than \$5 souvenirs of their trips, Tuzmo is positioned to support tourism bureaus and commerce departments in various countries attract visitors.
- Temperature Safenet (DBA Safety Check) College campuses have a heightened interest in making sure that students are able to attend classes and engage on campus. Safe Check policies and documentation will allow the population to be aware when incidences have happened, and how to protect members of the community.

TEDCO Total Value to Paid-In Capital

TEDCO has had an average TVPI of ~ 1.2 for the last 5 years. TVPI stands for Total Value to Paid-In capital and represents the combined realized and unrealized value of a fund relative to paid-in capital. As the name suggests, TVPI shows the overall value of a fund compared to its cost (a higher TVPI would indicate higher value). Anything above 1 means that there is growth in the fund and the mean average according (to Pitchbook) was less than our reported number, making TEDCO fund performance slightly above average for the period.

TEDCO Investments - Quarterly - FY Q1 2023

Company Name	City	County	State	Amount	Investment Date	Employees	MD Employees	Industry	Fund
Quident, LLC	Columbia	Howard	MD	\$ 500,000	7/14/2022	11	6	IT/Software - Other	Seed Funds GAP
Balance Theory, Inc	Columbia	Howard	MD	\$ 500,000	9/2/2022	6	4	IT/Software - Enterprise/Management	Seed Funds CIF
hopr corporation	Ellicott City	Howard	MD	\$ 200,000	7/29/2022	1	1	IT/Software - Security	Seed Funds CIF
Medcura	Riverdale	Prince George's	MD	\$ 1,000,000	8/8/2022	9	7	Life Science/Health - Vaccine/Therapeutic	Venture Funds - SSBCI
Zero Point Five Therapeutics	Potomac	Montgomery	MD	\$ 1,500,000	9/2/2022	3	3	Life Science/Health - Vaccine/Therapeutic	Venture Funds
The Black Brain Trust	Potomac	Montgomery	MD	\$ 100,000	2/11/2022	1	1	IT/Software - Enterprise/Management	Social Impact Funds -Builder
Elite Gaming Live	Columbia	Howard	MD	\$ 200,000	9/27/2022	7	4	IT/Software - Other	Social Impact Funds -Builder- SSBCI
Tao Treasures DBA NanoBioFab	Fredrick	Frederick	MD	\$ 200,000	9/30/2022	5	5	Life Science/Health - Diagnostics	Social Impact Funds - Builder
Tuzmo	Gaithersburg	Montgomery	MD	\$ 100,000	9/2/2022	5	4	IT/Software - Other	Social Impact Funds - Builder
Temperature Safenet DBA Safety Check	Potomac	Montgomery	MD	\$ 200,000	9/15/2022	1	1	Life Science/Health - Diagnostics	Social Impact Funds - Builder
Total	10			\$ 4,500,000		49	36		