Qualified Investment Report

FY 2022 Q 2

Economic Development Article, Section 10-415(b)

Maryland Technology Development Corporation

April 1, 2022

TEDCO

LEADING INNOVATION TO MARKET

April 1, 2022

The Honorable Larry Hogan
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 Carol L. Krimm
House Chair
Joint Audit and Evaluation Committee
422 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 2nd quarter of fiscal 2022 (4th quarter of calendar 2021).

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 6 investments across 3 programs in the 2nd quarter of fiscal 2022, deploying over $1.8 million to Maryland Qualified Businesses throughout the State. These investments will support the creation of 16 new Maryland jobs in healthcare, fintech, 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 Maggie McIntosh
Sarah Albert, DLS

2Q2022 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. Haystack Solutions, Inc., QuoLab Technologies, Inc. and SkySquad received support from the Seed Fund in 2Q22:

- Haystack Solutions, Inc. located in College Park, has a technology that provides assessment and consulting services, to help cybersecurity professionals find jobs matching their abilities and aptitude.
- QuoLab Technologies, Inc. this is a co-investment in the Maryland Venture Fund and is based in Howard County, is a cybersecurity company that creates solutions to big/complex data management, visualization, analysis and sharing challenges.
- SkySquad, located in Montgomery County, is a consumer technology company that provides support services for families departing, on layovers, or upon arrivals.

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. QuoLab Technologies, Inc. and Transformania Inc. received support from TEDCO's MVF in 2Q22:

- QuoLab Technologies, Inc. this is a co-investment in the Seed Fund and is based in Howard County, is a cybersecurity company that creates solutions to big/complex data management, visualization, analysis and sharing challenges.
- Transformania Inc. based in Montgomery County, is a software company that provides CRM data quality solutions.

Rural Business Pre-Seed Fund:

TEDCO's Rural Business Pre-Seed fund is an early-stage investment fund targeting rural companies currently being mentored through TEDCO Rural Business Innovation Initiative (RBII) program. The fund invests $25,000 into these businesses to advance them to sustainability or position them for a seed investment. Opal HTM received support from the Rural Business Pre-Seed fund in 2Q22:

- Opal HTM, based in Charles County, is devoted to hospitals safety and efficiency by improving the management of medical equipment. Their patented system of wireless sensor modules and adaptive algorithms detects conditions that impact equipment reliability and utilization.

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 Q2 2022

Company	City	County	State	Amount	Investment Date	Employees	Maryland Employees	Industry	TEDCO Program
Haystack Solutions, Inc	College Park	Prince George's	MD	$200,000.00	11/17/2021	5	4	Cybersecurity	Seed Investment Funds
QuoLab Technologies, Inc.	Columbia	Howard	MD	$200,000.00	12/13/2021	6	6	Cybersecurity	Seed Investment Funds
QuoLab Technologies, Inc.	Columbia	Howard	MD	$700,000.00	12/13/2021	6	6	Cybersecurity	Venture Funds
SkySquad	Bethesda	Montgomery	MD	$200,000.00	12/29/2021	1	1	Technology	Seed Investment Funds
Opal HTM	White Plains	Charles	MD	$25,000.00	10/26/2021	2	2	Software	Rural Pre-seed Fund
Transformania Inc.	N. Bethesda	Montgomery	MD	$499,999.35	10/13/2021	3	3	Software	Venture Funds
Total				$1,824,999.35		17	16		