Qualified Investment Report

FY 2022 Q 3

Economic Development Article, Section 10-415(b)

Maryland Technology Development Corporation

July 1, 2022

TEDCO

LEADING INNOVATION TO MARKET

July 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 3rd quarter of fiscal 2022 (1st quarter of calendar 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 15 investments across 3 programs in the 3rd quarter of fiscal 2022, deploying over $3.7 million to Maryland Qualified Businesses throughout the State. These investments will support the creation of 37 new Maryland jobs in healthcare, cybersecurity, data analytics, 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

3Q2022 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. Krydus, Inc., RallyBright, Inc., U Startups LLC., and SAFE received support from the Seed Fund in 3Q22:

- Krydus, Inc. located in Crofton, specializes in the development and integration of AI products for data analytics and data processing pipelines.
- RallyBright, Inc. located in Bethesda, uses behavioral science and professional development tools to strengthen client employee dynamics and improve performance.
- U Startups LLC, located in Gaithersburg, creates opportunities for students and lifelong learners to expand their worlds beyond a traditional curriculum. The organization empowers students by fostering an entrepreneurial mindset.
- SAFE, located in Rockville, provides automated royalty tracking, collection, and distribution for music NFTs.

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. SharpRank, LLC, and DataKwip Holdings LLCreceived support from TEDCO's MVF in 3Q22 (Veralox achieved a milestone payment due through an investment commitment in 2021):

- SharpRank, based in Timonium, is an independent cross-sport ratings agency delivering the data with an information edge.
- DataKwip Holdings LLC, located in Frederick, integrates with existing client systems and fills in data gaps to provide energy consumption, cost, and improvement insights.
- Veralox Therapeutics, based in Frederick, is a biotechnology company developing first-in-class small molecule therapeutics that treat the underlying pathologies of diseases with significant unmet medical needs.

Builder Fund:

TEDCO's social impact, Pre-Seed Builder fund typically invests in amounts 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. Astek Diagnostics, Inc., CyDeploy, LLC, Dogwood Gaming LLC., Givhero, Inc., Temperature Safenet Inc. DBA SafeCheck, The Black Brain Trust, and The Magruder Project | Pet Connect received support from the Builder fund in 3Q22:

- Astek Diagnostics, Inc. located in Halethorpe, is a medical device company, formed in 2020 to commercialize a novel technology for detecting bacterial infections in blood.

- CyDeploy, LLC, based in Baltimore City, is an intelligent, automated testing system that demonstrates how an update will affect a client's system, giving the client the control to maintain cybersecurity and cybersecurity compliance while avoiding workforce delays.

- Dogwood Gaming, is an Indie Video Game Development Studio located in Silver Spring.
- Givhero, Inc., located in Gaithersburg, is an employee wellness and reward solution built for organizations that give back to their communities.
- Temperature Safenet INC DBA SafeCheck, located in Potomac, Maryland, is a comprehensive company wellness data gathering platform consisting of a primary database that keeps daily staff wellness data and a mobile or web-based application whereby individuals can capture daily wellness results through a combination of testing and survey responses.
- The Black Brain Trust, located in Baltimore City, is a social technology company that helps individual and corporate citizens take data-driven actions that create more equitable companies that create a more equitable world.
- The Magruder Project | Pet Connect, located in Silver Spring, works to provide pet service providers with an easier, more cost-effective way to manage their digital solutions.

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 Q3 2022

Company Name	City	County	State	Amount	Investment Date	Employees (Total)	Maryland Employees	Industry	TEDCO Program
Astek Diagnostics, Inc.	Halethorpe	Baltimore	MD	$100,000.00	2/16/2022	4	3	Healthcare	Builder Fund
CyDeploy, LLC	Baltimore	Baltimore City	MD	$100,000.00	2/9/2022	1	1	Software	Builder Fund
DataKwip Holdings LLC	Frederick	Frederick	MD	$750,000.00	3/8/2022	2	2	Data Analytics	Maryland Venture Fund(Enterprise)
Dogwood Gaming LLC	Silver Spring	Montgomery	MD	$50,000.00	3/18/2022	1	1	Gaming	Builder Fund
Givhero, Inc.	Gaithersburg	Montgomery	MD	$100,000.00	1/11/2022	2	2	Software	Builder Fund
Krydus, Inc	Crofton	Anne Arundel	MD	$200,000.00	3/2/2022	5	3	Cybersecurity	Seed Investment Funds (CIF)
RallyBright, Inc.	Bethesda	Montgomery	MD	$500,000.00	3/7/2022	3	1	Technology	Seed Investment Funds (GAP)
SAFE	Rockville	Montgomery	MD	$200,000.00	1/21/2022	2	2	Technology	Seed Investment Funds (TCF)
SharpRank, LLC	Timonium	Baltimore	MD	$1,000,000.00	3/4/2022	6	6	Data Analytics	Maryland Venture Fund (Enterprise)
Temperature Safenet INC DBA SafeCheck	Potomac	Montgomery	MD	$100,000.00	1/21/2022	1	1	Healthcare	Builder Fund
The Black Brain Trust	Baltimore	Baltimore City	MD	$100,000.00	2/11/2022	6	6	Data Analytics	Builder Fund
The Magruder Project | Pet Connect	Silver Spring	Montgomery	MD	$60,000.00	3/15/2022	2	2	Software	Builder Fund
U Startups LLC	Gaithersburg	Montgomery	MD	$300,000.00	1/7/2022	4	3	Education	Seed Investment Funds (GAP)
U Startups LLC	Gaithersburg	Montgomery	MD	$200,000.00	1/7/2022	4	3	Education	Seed Investment Funds (TCF)
Veralox Therapeutics Inc	Frederick	Frederick	MD	$125,000.00	2/2/2022	6	4	Life sciences/bi	Maryland Venture Fund(Enterprise)
Total				**$3,760,000.00**		**43**	**36**		