

OFFICE OF PERFORMANCE MANAGEMENT & OVERSIGHT

FISCAL 2013 ANNUAL REPORT GUIDANCE

The Office of Performance Management & Oversight (OPMO) measures the performance of all public and quasi-public entities engaged in economic development. All agencies are required to submit an Annual Report, which includes all of the following information and demonstrates progress made against the Annual Plan submitted for the same year.

Based on review of Performance to Plan, the Office of Performance Management and Oversight will annually re-evaluate the goals and measures established by the agencies. The Office will recommend changes to goals and measures as appropriate to align with the statewide economic development policy and plan.

The annual reports of each agency will be published on the official website of the Commonwealth, and be electronically submitted to the clerks of the Senate and House of Representatives, the Chairs of the House and Senate Committees on Ways and Means and the House and Senate Chairs of the Joint Committee on Economic Development and Emerging Technologies.

Filing Instructions:

The Fiscal Year 2013 report is due no later than **Friday, November 1, 2013**. An electronic copy of the report and attachments A & B should be e-mailed to Anne.Struthers@state.ma.us.

1) AGENCY INFORMATION

Agency Name	Massachusetts Technology Development Corporation d/b/a MassVentures
Agency Head	Walter M. Bird
Title	President
Website	www.mass-ventures.com
Address	308 Congress Street, Boston MA 02210

2) MISSION STATEMENT

Please include the Mission Statement for your organization below.

The purpose of MTDC is to provide financial and other assistance to innovative enterprises in Massachusetts that have the potential to expand and generate new jobs and tax revenue.

3) PERFORMANCE ON GOALS AND OBJECTIVES

Please provide details on the agency's progress and accomplishments for Fiscal Year 2013 as it relates to the Fiscal Year 2013 Plan submitted by your agency. This information should be included as **Attachment A and should include prior year perspective**. In addition to your Performance to Plan Report, Questions 5 through 10 provides guidance on the specific information required under Chapter 240 of the Acts of 2010.

4) ACCOUNTING

Please provide financial information for your agency. Below please give a summary of *Receipts and Expenditures* during the fiscal year, and include the *Assets and Liabilities* at the end of the fiscal year. Please include the most recent audited financial report for the agency as **Attachment B**.

	AMOUNT	
Receipts	\$936,160	
Expenditures	\$3,377,021	
Assets	\$19,902,601	
Liabilities	\$1,298,624	

5) INVESTMENTS OR GRANTS TO BUSINESSES OR INDIVIDUALS

Does your agency make **investments** and/or provide **grants** to businesses or individuals? **Yes** **No**

If **Yes**, please provide detailed information on investments and/or grants made during FY13 in the **Performance on Goals and Objectives** section of this report. Information should include the number, nature and amounts of investments made and grants awarded by your agency along with job, investment and/or other economic development impact. Please list the name(s) of the investment and/or grant programs offered by your agency in the space provided below:

The SBIR Targeted Technologies Program

6) DEBT OR EQUITY INVESTMENT DETAILS

Is your agency involved in **debt** or **equity investments** for businesses? **Yes** **No**

If **Yes**, please provide detailed information on debt and/or equity investments made during FY13 in the **Performance on Goals and Objectives** section of this report along with job, investment and/or other economic development impact. Please list the name(s) of the debit and/or equity investments programs offered by your agency in the space provided below:

Traditional Investment Program & Commonwealth Fund III Investment Program

7) LOAN DETAILS

Is your agency involved in **real estate loans, working capital loans, or any other type of loan or guarantee**? Yes No

If **Yes**, please provide detailed information on loan(s) and/or guarantee(s) made during FY13 in the **Performance on Goals and Objectives** section of this report along with job, investment and/or other economic development impact. Please list the types of loan(s) and/or guarantee(s) offered by your agency in the space provided below:

Federal Revolving Loan Fund

8) OTHER FORMS OF FINANCING OR FINANCIAL ASSISTANCE?

If your agency provides any other form of financing or financial assistance, please include FY13 details in the **Performance on Goals and Objectives** section of this report along with job, investment and/or other economic development impact. Please list the types of other forms of financing offered by your agency in the space provided below:

N/A

9) PATENTS OR PRODUCTS

Does your agency track **patents or products** resulting from agency-funded activities? Yes No

If **Yes**, please include details in the **Performance on Goals and Objectives** section of this report along with job, investment and/or other economic development impact. Please list the agency-funded activities of your agency that promote patent and product advancement in the space provided below:

Traditional Investment Program

10) TECHNICAL ASSISTANCE

If your agency provides technical assistance, please provide detailed information on technical assistance provided during FY13 in the **Performance on Goals and Objectives** section of this report along with job, investment, and/or other economic development impact. Please list the name(s) of the technical assistance programs offered by your agency in the space provided below:

Management Assistance Program



ANNUAL REPORT—
FYE JUNE 30, 2013

Executive Summary

It was a busy year at MassVentures, the venture capital arm of the Commonwealth of Massachusetts. Originally named Massachusetts Technology Development Corporation, it was formed to support the formation and fuel the growth of innovative technology-driven companies in Massachusetts.

This year marked a significant milestone for MassVentures. With its recent investment in Content Raven, we have now attracted over \$1B of outside investment capital to our portfolio companies. Through its investment gains, MassVentures has leveraged \$14M of state funding into \$91M of its own investments. More importantly, because of the capital and commitment of over 50 venture funds and angel groups with whom we partnered, more than \$1 billion has been invested in 138 portfolio companies, contributing to the growth of the Massachusetts economy.

From its existing traditional investment program, MassVentures invested \$1.2 million in eight Massachusetts companies, leveraged by over \$20 million of private capital. The company was able to exit or begin to exit from 7 other investments which returned \$400 thousand that can be used for future investments. The existing portfolio of investments is valued at approximately \$16 million.

Through MassDevelopment's Emerging Technology Fund, MassVentures manages a \$5 million traditional investment capital fund to fill capital gaps (1) in emerging market segments not adequately served by the venture community, (2) of first-time entrepreneurs, and (3) with companies transitioning from seed to Series A funding. MassVentures expects to invest in four to seven new companies each year using this new pool of capital.

In 2013 MassVentures also announced the 15 winners of the 2013 START program. START is a \$6 million initiative funded by the Patrick-Murray Administration to help growing companies commercialize technologies developed under Small Business Innovation Research (SBIR) contracts. The program is intended to help high-growth companies grow employment opportunities, promote manufacturing and commercialization, and stimulate innovation across the Commonwealth.

CANDIDATE ACTIVITY REVIEW

Fiscal 2012

FY 2013 By Sector

- The vast majority of opportunities reviewed this year have been in:
 - Internet Technology / Services
 - Life Sciences
 - Software
 - Clean/Green Energy
 - Mobile

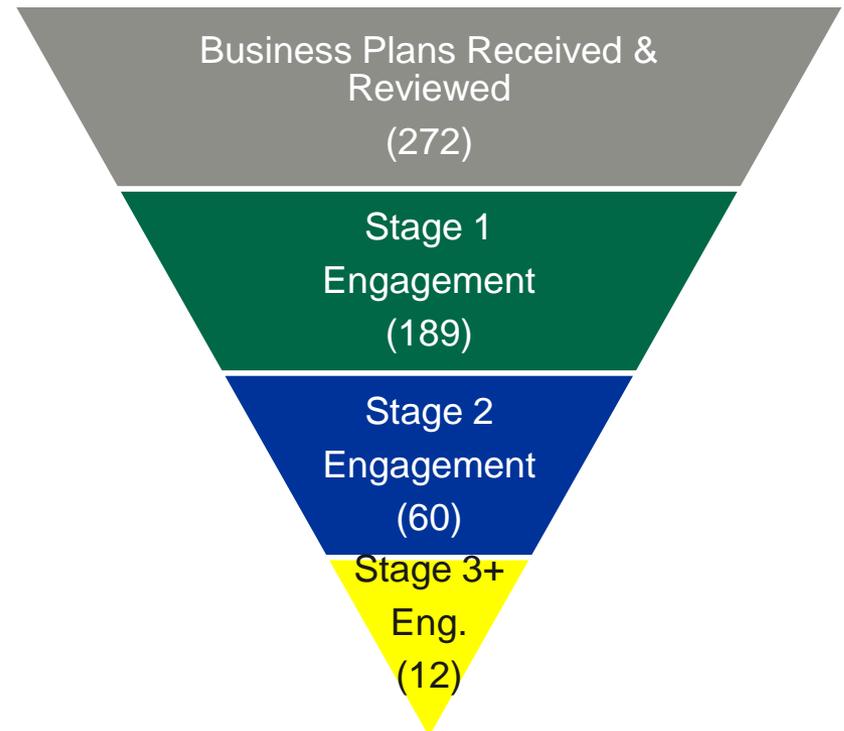
FY 2013 Candidates By Sector

Sector	Total	Percent
INTERNET TECHNOLOGY / SERVICES	109	40%
LIFE SCIENCES	28	10%
SOFTWARE	24	9%
CLEAN ENERGY / GREEN TECH	19	7%
MOBILE	18	7%
CONSUMER	16	6%
OTHER	13	5%
HEALTHCARE IT	12	4%
INDUSTRIAL TECHNOLOGY / AUTOMATION	10	4%
TELECOMMUNICATIONS	9	3%
BIOTECH / PHARMACEUTICALS	8	3%
HARDWARE	4	1%
MATERIAL SCIENCE	2	1%
Grand Total	272	100%

FY 2013 Activity Review

- MV Staff received and reviewed 272 business plans in fiscal year 2013
- MV met with 189 companies and devoted meaningful time and assistance to 60 companies
- Definitions:
 - Stage 1: Intro meeting / pitch
 - Stage 2: Deeper dive
 - Stage 3: Reference checks
 - Stage 4: Brought to MV Board

FY 2013 Candidate Summary



INVESTMENT ACTIVITY & IMPACT

Fiscal 2013

Portfolio Transaction Summary

	No. of Companies	\$ Amount (000s)
Portfolio Value at June 30, 2012		\$17,108
Investments	8	\$1,255
Exits	7	\$(428)
Depreciation in value of Investments		<u>\$(1,434)</u>
Portfolio Value at June 30, 2013		\$16,501

Closer Look at Investments

- Invested \$525k in 2 new companies
(Content Raven & Ubiqi Health including \$450k from Commonwealth Fund III)
- Invested \$1,171k in 6 existing companies
(Harvest, Libboo, LifeImage:81%)
- Total \$1.7 million of investment leveraged
with \$20 million of outside capital

Employment Data

Jobs

- 19 Portfolio companies have 535 employees in MA.
- Est. jobs created in MA since 1978: >7,000;
average tenure: 8 yr

Taxes and Wages

- Total est. 2012 Gross MA Payroll from current and former portfolio companies: \$221million
- Total est. 2012 MA Payroll Tax from current and former companies: \$13million

Efficiency

- Avg. current (since 2004) investment cost per job year created: \$11,227

Proud Supporters of:

Mass Challenge

State Science and Technology
Institute

Mass Technology Leadership Council

The Venture Forum

NEVCA

Associated Industries of MA

SBANE

MIT Enterprise Forum of Cambridge

Angel Capital Association

START Program Recipients

Company Name	Business Description	Location	Award Phase	Award Amount
Artaic	Custom artistic tile mosaics, using proprietary CAD software and advanced robotic manufacturing systems	Boston	Phase II	\$200,000
Locately	Mobile technology to engage with shoppers while they're making decisions	Boston	Phase II	\$200,000
Metamagnetics	Advanced materials and electronics to develop novel microwave materials and device solutions	Canton	Phase II	\$200,000
Muzzy Lane	Creator of innovative, award-winning educational games	Newburyport	Phase II	\$200,000
Physical Sciences Inc.	Developing Instant Eye - a personal micro-air vehicle for surveillance and security applications	Andover	Phase II	\$200,000
Boston Engineering Corp.	Next Generation homeland security, military and commercial underwater AUV/HROV capability	Waltham	Phase I	\$100,000
Energid Technologies Corp.	Robotic systems comprising hardware and software	Cambridge	Phase I	\$100,000
Fluidity Software, Inc.	Big Data Analytics in Real-Time	Somerville	Phase I	\$100,000
Ginkgo BioWorks, Inc.	Biotechnological production of natural products including flavors, fragrances & nutritional ingredients	Boston	Phase I	\$100,000
Intrinsic Corp.	Integrated circuits uniquely combined for a wide range of markets	Marlborough	Phase I	\$100,000
Metamagnetics Inc.	Defense and commercial electronics (military and commercial radar, automotive radar, wireless communications systems)	Canton	Phase I	\$100,000
mZeal Communications, Inc.	Cybersecurity, Industrial Control/SCADA, Network Healthcare, Infrastructure, Energy Industries	Littleton	Phase I	\$100,000
Radiation Monitoring Devices, Inc.	Radiation awareness, protection and monitoring; residential, nuclear power and research	Watertown	Phase I	\$100,000
Reactive Innovations, LLC	Oxygen separation from air in a portable device for medical breathing	Westford	Phase I	\$100,000
Triton Systems, Inc.	Manufacturing prototype for FRA™ diesel engine piston for OEM validation	Chelmsford	Phase I	\$100,000

Traditional Investment Program

Investments

Company Name	Location	Investment Purpose	Investment	Private Investment
Content Raven, Inc*	Marlborough	Equity Investment to Fund Operations	\$ 500,000	\$ 1,609,246
Forerun, Inc	Waltham	Equity Investment to Fund Operations	\$ 125,000	\$ 284,000
Harvest Automation Inc	Billerica	Debt Investment to Fund Operations	\$ 243,000	\$ 2,757,000
Illume, Inc	Needham	Equity Investment to Fund Operations	\$ 50,000	\$ 275,000
Incentive Targetting, Inc	Cambridge	Debt Investment to Fund Operations	\$ 50,000	\$ 950,000
Liboo, Inc	Boston	Equity Investment to Fund Operations	\$ 140,000	\$ 1,398,768
LifelImage, Inc	Newton	Equity Investment to Fund Operations	\$ 562,814	\$ 16,437,186
Ubiqi Health, Inc	Boston	Debt Investment to Fund Operations	<u>\$ 25,000</u>	<u>\$ 250,000</u>
			\$ 1,695,814	\$ 23,961,200

*Includes \$450,000 investment from Commonwealth Fund III

Portfolio Patent and Product List

Company Name	Product and Patent Technology
Cambridge Viscosity -	Developed fluid sensing and analysis tools for high value capital equipment using patented technology.
Clarity Imaging Systems, Inc -	Manufactures high efficiency laser toner cartridges using patented technology.
Content Raven -	Using patent pending technology
Courion -	Developed password and directory management software to increase security and decrease costs.
Forerun -	Developed software support systems for hospital emergency departments enabling clinical team to deliver high quality outcomes, high patient satisfaction at efficient costs.
Harvest Automation, Inc. -	Developed team of agile mobile robots used in large commercial nurseries using patented technology.
Illume Software, Inc. -	Developed mobile application to address distracted driving due to phone email and text using patent pending technology.
Impress Systems, Inc -	Designed specialty, digital printing equipment and consumables.
Libboo, Inc -	Using patent pending technology
LifImage, Inc -	Invented a secure medical imaging inbox for use by patients and referring physicians using patented technology.
MedAptus, Inc -	Developed an array of hand-held solutions for physicians to reduce administrative workload.
Ntirety, Inc. -	Developed remote database administration software using patented technology.
OwnerIQ, Inc. -	Provides data analysis and marketing services to internet advertisers.
Segerra, Inc. -	Developed proprietary software that provides web-based personalized nutrition and exercise plans for customers.
Terratherm, Inc. -	Provides remediation services of volatile and semi-volatile contaminated soils using In-Situ Thermal Desorption processes.
Tomophase Corp. -	Developed a minimally invasive diagnostic tissue imaging system.
Utest, Inc. -	Developed a proprietary web based global marketplace for software application testing.

Management Assistance Recipients

Company

Artaic
Aspen Aerogels, Inc.
Binj Laboratory, Inc.
Biomimetic Systems, Inc.
Capesym, Inc.
Ceranova Corp.
Empire Robotics
File 2 Parts Technologies
Go-Biz Solutions, Inc.
Incom, Inc.
Kazak Composites, Inc.
Leverage Point
Locately
Metamagnetics, Inc.
Myomo, Inc.
Muzzy Lane Software, Inc.
Persimmons
Physical Sciences, Inc.
Startup Blvd.
Worksource Partners, Inc.

Location

Boston
Northborough
Scituate
Cambridge
Natick
Marlborough
Billerica
Needham
Waltham
Charlton
Woburn
Boston
Boston
Canton
Cambridge
Newburyport
Boston
Andover
Newton
Boston