



THE STATE OF THE START-UP

A LETTER FROM THE TOP

This past year TEDCO has experienced profound change. Governor Hogan appointed eleven new Board members, the Maryland Venture Fund and the BioMD grants were transferred from the Department of Commerce and we launched three new programs with federal partners. This activity has placed TEDCO in a nationally leading role of being able to identify technologies, be they in a university lab, a federal lab or an entrepreneur's garage, and support their growth from proof-of-concept through a venture investment.

It is no coincidence that the Entrepreneurial and Innovations communities in Maryland have experienced extraordinary growth at the same time TEDCO has been expanding its ability to help these communities. Not only was the demand for TEDCO support at an historically high level this year, TEDCO helped more entrepreneurs and companies in 2015 than any time in its history. For example, TEDCO received more than 410 applications for funding support, we were able to provide grants or investments to 108 companies and technologies, and these same awardees attracted more than \$129 million of additional grant and/or investment capital subsequent to TEDCO's support.

TEDCO's direct funding activity only scratches the surface of those we supported this year. In addition to funding, TEDCO mentored almost 200 companies in the rural parts of the state, facilitated peer roundtables, provided executive support to high potential portfolio companies and staged community events throughout the year culminating in our signature event, the Entrepreneur Expo, which attracted almost 700 attendees.

Our Board sees the increasing momentum and synergies for innovation and entrepreneurial activities all over Maryland as just the beginning. TEDCO will not be resting on its laurels. We believe there is more work to be done. During 2016, not only will we continue to mature and refine our newly expanded suite of programs, we will continue listening to our stakeholders and plan activities and programs that meet the ever-changing demands of innovation and entrepreneurship.

Sincerely,



Newt Fowler
Chair
TEDCO Board of Directors



John Wasilisin
President and Chief Operating Officer



TEDCO was created by the Maryland State Legislature in 1998 to facilitate the transfer and commercialization of technology from Maryland's research universities and federal labs into the marketplace, and to assist in the creation and growth of technology based businesses in all regions of the State. Today, TEDCO is more than an early-stage funding resource—it is the hub of Maryland's entrepreneurial network, where start-ups find mentors, organizational assistance, facilities for daily operations and a roadmap for success. TEDCO does it all:

- Establishes and manages programs that **support innovation**
- Establishes and manages programs that **promote entrepreneurship**
- Provides **funding** for **technology** transfer development
- Provides **funding** for business **formation**, **growth** and **expansion**



OUR VISION FOR THE FUTURE

TEDCO is a public corporation that serves as Maryland's leading source for entrepreneurial business assistance and seed funding for the development of start-up companies in our innovation economy. We believe that Maryland will be internationally recognized as a premier location for innovation, entrepreneurship and company formation. This includes multiple innovation clusters, a large and established entrepreneurial community and a thriving venture capital network.

2015 YEAR IN REVIEW

Since 1998, TEDCO has played a critical and effective role in the innovation and entrepreneurship ecosystem in Maryland. And fiscal year 2015 was a watershed year for TEDCO with the addition of six new programs.



The Maryland General Assembly passed and Governor Hogan signed a bill that **transferred the management of the Maryland Venture Fund** to TEDCO.



The Cybersecurity Investment Fund (CIF) was launched with a new state appropriation of \$1 million, and funded eight start-ups within eight months of its launch.



The Executive Exchange program engaged 10 start-up companies with loaned executives and coaches and set up four active roundtables that serve 48 companies.



TEDCO won a \$300,000 contract **with Naval Air Warfare Center Aircraft Division (NAWCAD)** at Pax River to support their technology transfer efforts.



TEDCO won Maryland's first three-year \$500,000 **i6 grant** from the federal Economic Development Administration, which is designed to help medical device companies efficiently navigate the FDA regulatory process.



TEDCO designed, in collaboration with NIST, **a federally-funded \$1.4 million program to support NIST post-doctoral fellows in licensing technologies** in order to start technology businesses.

These new programs will increase TEDCO's impact on both the innovation community and as well as the economic well being of the State. An updated study by the Battelle Technology Partnership Practice found TEDCO's economic contribution to the Maryland economy totaled almost **\$1 billion in 2015**, generating a total of **4,358 jobs** with average labor income per job estimated at **\$74,700**.

TEDCO is immensely proud of the economic impact of our programs; we are equally as proud of our ability to build awareness and community around entrepreneurship and innovation among a broad cross section of stakeholders.

For the second consecutive year, TEDCO put on a technology showcase for legislators during the 2015 session. The event presented more than 20 of our portfolio companies, drew more than 50 legislators, was attended by Lt. Governor Rutherford.





70%
increase in
Economic Activity

50%
increase in
Job Creation



\$1B
Economic Contribution
to Maryland

4,358
Jobs Generated




\$74,700
Average Salary/Job

412
Applications Received




TEDCO 2015 Impact



\$16.5M
Awarded

186
Rural Companies
Mentored



329
Portfolio Companies

\$137M
Research Support



1,750
TEDCO
Event Attendees

\$35.8M
In Government Revenues
From TEDCO Activities



Our annual ICE award event drew over 200 attendees to see 23 companies show off their technologies and to celebrate this year's Innovation, Corporate Excellence and Entrepreneurship award winners. We co-hosted the annual Incubator Company of the Year awards which drew 200 attendees. Finally, we produced the 5th annual Entrepreneur Expo that drew a record crowd of almost 700. Taken together, TEDCO was instrumental in showing more than 1,700 people that Maryland's entrepreneurs are a vibrant and valuable part of our State's economy.

As much as we do, however, TEDCO does not forge the path alone. There are many other contributors to the community ranging from legislatively-created boards and commissions, universities, incubators, angel investors, non-profits and innumerable public agencies. TEDCO staff participated on no less than 40 boards, commissions and panels this year, ensuring that our fingers remain on the pulse of Maryland innovation ecosystem.

2015 was a successful year for TEDCO, and we are excited about what 2016 brings, with the addition of the Maryland Venture Fund and the Life Science Investment Fund. Stay tuned!

IMMUNOMIC THERAPEUTICS:

A TEDCO SUCCESS STORY

Immunomic Therapeutics, Inc. (ITI) is a privately-held clinical stage biotechnology company with a mission to pioneer vaccines that transform lives. The company is developing next generation vaccines based on the patented Lysosomal Associated Membrane Protein, or LAMP, Technology. The LAMP-vax platform utilizes the body's natural biochemistry to develop a complete immune response, including antibody production, cytokine release and critical immunological memory directed toward a chosen protein.

"The LAMP-vax platform has enormous potential to broadly impact human health. Our recent work in developing a new approach to treating allergies could be life-changing for allergy sufferers, including those that are at high risk for a strong reaction to peanut," said Dr. William G. Hearl, chief executive officer of ITI.

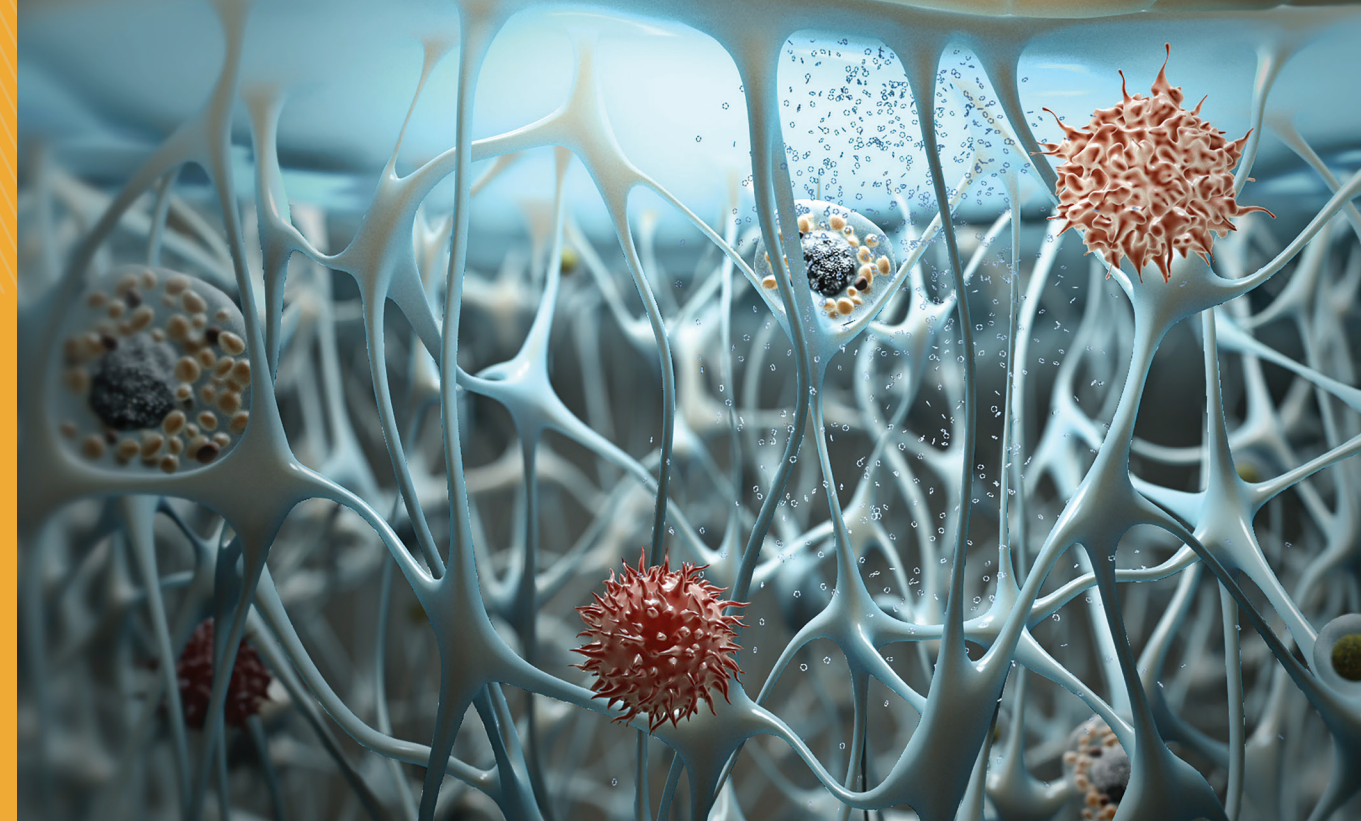
LAMP developed from \$20 million of NIH-funded research conducted by distinguished scientist Dr. Tom August at the Johns Hopkins University School of Medicine. Dr. William Hearl, the founder and chief executive officer of ITI, worked closely with Dr. Tom August and Johns Hopkins University to capture the LAMP technology for ITI and began operations in 2006.

Right after incorporating in Rockville, Maryland, ITI applied for TEDCO's Technology Commercialization Fund (formerly called Maryland Technology Transfer Fund) and was awarded with \$75,000. ITI used the TEDCO funds to test their delivery method of the DNA to produce an immune response. The project delivered successful results and helped ITI secure their first collaboration partner, OncoCell Research, a Brazilian company that was treating patients with dendritic cancer vaccines. The results of their TEDCO project also helped ITI to form the basis of the preliminary data for their SBIR application.

"The original support from TEDCO was critical for the success of our start-up, helping us get started on the road to product development. The fund enabled the first experiments of the LAMP Technology platform to be performed in our labs. I believe that TEDCO is one of the most important programs supporting start up biotech companies," said Dr. William G. Hearl, chief executive officer of ITI.

After completing the TEDCO project, ITI and Nature Technology agreed to collaborate and cross-license vaccine technologies. ITI was selected as Frost & Sullivan Award Winner for 2010 Biotechnology Innovation of the Year Award in Vaccines.

In 2012, ITI received authorization from FDA to proceed with its Phase I clinical study for Japanese red cedar immunotherapeutic vaccine.



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-Dr. William G. Hearl, chief executive officer of ITI

The company announced in 2015 that it has entered into an exclusive worldwide licensing agreement with Astellas Pharma Inc. on LAMP-vax products for the treatment or prevention of any and all allergic diseases in humans. Upon execution of the agreement, Immunomic Therapeutics will receive an upfront payment of \$300 million and be entitled to receive 10 percent royalties based on net sales of the potential products for allergic diseases while retaining the rights to the LAMP-vax platform for other applications, including cancer immunotherapy.

Under the terms of the agreement, Astellas has acquired the exclusive worldwide rights to research, develop, manufacture, and commercialize any potential LAMP-vax products designed to prevent and treat allergic diseases in humans, including ARA-LAMP-vax for peanut allergy as well as other research-stage programs for food or environmental allergies.

ITI now has 20 employees and they are continuing to grow. The company is expanding their Rockville facilities to support the expansion of applications of LAMP in oncology.

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