

**MINUTES OF THE
MEETING OF THE INVESTMENT COMMITTEE OF
THE BOARD OF DIRECTORS OF
MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION**

February 13, 2024

The Investment Committee (the “Committee”) of the Board of Directors of Maryland Technology Development Corporation (“TEDCO”) convened at 1:12 p.m. on February 13, 2024, via a Zoom video conferencing link provided for that purpose. Two out of the total four members of the Committee attended the meeting; a quorum was **not** present. This meeting did not have a closed session due to lack of a quorum.

Committee Members Present:

Chung Hei Sing, Chair
Myra Norton

Representatives, TEDCO Staff, and Guest Present:

Jack Miner, Staff Liaison to Committee
Theodore Gresser, Staff
Jean Luc Park, Staff
Avanti Shetye, Staff
Mark Crosby, Staff
Katherine Hill-Ritchie, Staff
Leah Franklin, Staff
Renee Winsky, Maryland Venture Fund Member, Observer to Committee
Jigita Patel, Office of Attorney General (“OAG”)

Committee Members Not Present:

David Tohn
Kathie Callahan Brady

I. Meeting called to Order/Roll Call:

The meeting was called to order by Mr. Sing, the Chair, at 1:12 p.m.

II. Action Item: Review & Approval of the December 12, 2023, Meeting Minutes

Due to not having a quorum, the approval for the December Minutes was deferred until the next committee meeting.

III. Discussion: Maryland Equity Investment Fund – Regulation Changes

Mr. Miner and Ms. Hill-Ritchie requested a change in the Maryland Equity Investment Fund (“MEIF”) regulations, specifically, to remove the “early stage” requirements for a new MEIF investment. Particularly, Mr. Miner requested that the requirement that the business has commenced operations within 7 years and has raised less than \$30

million in financing should be removed for the MEIF, thereby giving TEDCO the opportunity to invest in later-stage venture companies and in later/mature financing rounds.

In response to Committee members' questions, Ms. Patel provided a brief background regarding MEIF as follows:

- MEIF is a replacement for Maryland Innovation Opportunity Fund, with the \$10 million funding provided by the State Retirement Pension Systems ("MSRPS").
- MEIF was created by the General Assembly and provides relief to TEDCO regarding certain requirements (guarantee terms) in the MIOF's agreement with MSRPS.
- TEDCO will have to reimburse 50% of the MEIF's earnings to MSRPS.

Mr. Miner noted that he will work with Ms. Patel to seek written approval by email from all the Committee members for MEIF regulation changes as discussed.

IV. Discussion: Industry Trends/Sector Trends

The investment team provided a summary of Industry Trends as follows:

- Valuations saw slight increases, most apparent in Series A, however, round sizes fell gently as companies are seeking financing from current investors rather than new investors.
- Venture fund sizes rose despite a slow market.
- Diversity and inclusion efforts are losing steam because of the market downturn.
- Artificial Intelligence ("AI") has become the flavor of the year.
- AI presents risks as most technology is labeled as such, which is not always true AI.
- Blockchain has slowed down.
- There is a move to Series A rounds and an increased need for follow-on investments.

Mr. Sing noted that as interest rates stabilize and decrease gradually, the venture capital industry will see more activity and will have a brighter outlook enabling companies to receive more funding.

V. Adjournment

Thereafter, the meeting was adjourned in Closed Session at 1:41 p.m.