



September 1, 2019

Mr. Daniel Timberlake  
Director  
Department of Planning and Budget  
1111 East Broad Street, Room 5040  
Richmond, Virginia 23219

Dear Mr. Timberlake:

Enclosed please find the FY2019 Report on Broadband, the Growth Accelerator Program (GAP) and the Cyber Security Accelerator (MACH37) for the Innovation and Entrepreneurship Investment Authority and the Center for Innovative Technology. The attached report fulfills the requirements of the 2019 Appropriation Act, Item 126.10.N.1-4.

Please feel free to call me at 703-689-3021 if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads 'Susan Aitcheson'.

Susan Aitcheson  
CFO  
Center for Innovative Technology

cc: The Honorable Brian Ball, Secretary of Commerce and Trade  
Mr. Robby Demeria, Deputy Secretary, Commerce and Trade  
The Honorable Emmett W. Hanger, Jr., Co-Chairman, Senate Finance Committee  
The Honorable Thomas K. Norment, Jr., Co-Chairman, Senate Finance Committee  
The Honorable S. Chris Jones, Chairman, House Appropriations Committee  
Mr. Robert P. Vaughn, Staff Director, House Appropriations Committee  
Mr. Jason Powell, Staff Co-Director, Senate Finance Committee  
Ms. April Kees, Staff Co-Director, Senate Finance Committee  
Ms. Toni Walker, Associate Director, Department of Planning and Budget  
Ms. Samantha Martin, Budget and Policy Analyst, Department of Planning and Budget  
Mr. Rob Quartel, CIT Board of Directors Finance Committee Chairman  
Mr. Bernard Mustafa, CIT Board of Directors Vice Chairman  
Mr. Michael Steed, CIT Board of Directors Chairman

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In accordance with Item 126.1.N of the 2019 Appropriation Act, the Center for Innovative Technology (CIT) is pleased to submit the following report on behalf of the Innovation and Entrepreneurship Investment Authority (IEIA). This item requires that information be reported annually on three of CIT's programs designed to grow the innovation and entrepreneurship sectors of Virginia's economy.

1. Activities associated with providing localities with broadband assistance.
2. Activities associated with the Growth Accelerator Program (GAP).
3. Activities associated with the cyber security accelerator (MACH37).
4. Reports should include prior fiscal year outcomes, program since inception, and changes anticipated in the subsequent fiscal year.

#### **Section 126.1.N.1 – Broadband**

During FY2019, CIT's Broadband program was funded through Commonwealth's appropriation of \$550,000. The state funded program is designed to accelerate Virginia's socio-economic growth through the application and use of broadband telecommunications.

CIT's Broadband program is charged with providing broadband technical assistance to underserved localities throughout the Commonwealth. CIT serves as Virginia's leading resource for broadband technical assistance and a repository for broadband-related information and tools. CIT works collaboratively with other state and federal entities including but not limited to: National Telecommunications and Information Administration (NTIA), Department of Housing and Community Development (DHCD), Virginia Tobacco Region Revitalization Commission (TRRC), Virginia Resources Authority (VRA), Virginia Department of Education (VDOE), Virginia Information Technologies Agency (VITA), Virginia Tech's Center for Geospatial Information Technology (CGIT), Virginia Municipal League (VML), Virginia Association of Counties (VACO), Virginia Planning District Commissions (VAPDC), Virginia Department of Transportation (VDOT), Go Virginia, Virginia Broadband Association (VCTA), Virginia Telecommunications Industry Association (VTIA), Virginia localities and others to help close the digital divide in the Commonwealth. CIT also staffs the Office of the Chief Broadband Advisor and the Broadband Advisory Council. CIT also leverages its methodology, *The Broadband Path*, to assist Virginia localities in conducting assessments and helps to facilitate public-private partnerships. CIT's Broadband Path has been nationally recognized and is distinctive because it produces tangible, goal-driven, fiscally achievable broadband solutions at no cost to the locality.

The FY2019 activity summarized below, in response to Section 126.1.N.1 of the Appropriation Act, was state funded activity.

- I. Broadband technical assistance provided:
  - a. Delivered four comprehensive assessments.

- b. Provided assistance to 23 Virginia localities and many state and federal agencies, associations and legislators.
- c. CIT continued to staff the Office of the Chief Broadband Advisor, as key members of the Commonwealth Broadband Team.
- d. CIT continued to staff the Broadband Advisory Council.
- e. CIT responsibilities have been expanded to support Go Virginia Broadband efforts and is a member of the Go Virginia Broadband Advisory Workgroup.
- f. CIT continued to maintain Virginia’s resources and tools used in assessing needs, planning broadband deployments, and raising awareness to increase adoption and utilization.
- g. Based on a request from the Chief Broadband Advisor, CIT led the transition from the Office of Telework Promotion and Broadband Assistance website to the new Commonwealth Connect website, which required a technology overhaul and content refresh.
- h. In partnership with the Chief Broadband Advisor, CIT adapted its existing planning resources to create new local planning assistance documents that are available on the new Commonwealth Connect website.
- i. CIT is continually creating and updating local planning “toolkit” materials that are available on the new Commonwealth Connect website.
- j. CIT continues to maintain and analyze Virginia broadband data. This includes new coverage mapping layers to help identify areas of need and to track progress in closing the digital divide.
- k. CIT partnered with the National Telecommunications and Information Administration (NTIA) to plan and implement the Virginia Broadband Summit, including participating on and moderating summit session panels.
- l. CIT supports ongoing digital equity efforts as a member of the Virginia Department of Education’s KLIP Workgroup. Through that process, CIT assisted with the planning and implementation of the Virginia Digital Equity Summit, including participating on summit session panels.
- m. CIT continued to leverage its proven methodology – *The Broadband Path* – to assist localities by conducting a comprehensive assessment, identifying the locality’s unique needs, and facilitating public-private partnerships.
- n. Assisted the Chief Broadband Advisor in writing and editing the annual Commonwealth Connect Broadband Report.
- o. Provided expertise on broadband-related bills during the 2019 Virginia General Assembly.

The estimated number of households and localities with populations lacking wired broadband access:

- a. Based on December 2017 data (the most recent FCC Form 477 data available), 24% of Virginia localities have 30% or more households that have no fixed broadband access based on the FCC’s definition of broadband (25 Mbps download and 3 Mbps upload).
- b. 1.4% of households have no access to even basic fixed broadband (10 Mbps download and 1 Mbps upload).
- c. 24% of households (816,248) do not currently have a subscription to at least a basic fixed broadband connection (10 Mbps download and 1 Mbps upload)

### **Section 126.1.N.2 – The Growth Accelerator Program (GAP)**

The GAP Fund was established to meet the early stage capital demands challenging the Commonwealth's most promising science and technology-based start-ups whose funding requirements could not be met by traditional financing means. GAP Fund investments are governed by the goal of developing the next generation of Virginia's science and technology economy and the entrepreneurial ecosystem required to support that economy. To this end, the GAP Fund places equity and convertible debt investments in tech, clean-tech and life science companies at the earliest stages of company formation, in a manner conducive to stimulating significant private investment or "leverage cash" as a result of CIT's deployment of public dollars.

Fundamental to CIT's ability to successfully deliver private capital is that, unlike grant programs, CIT holds an ownership position in the investee company and maintains that ownership for a multi-year holding period of indeterminate length while the company grows in scope of operations and value. CIT recovers GAP Program investments only upon a liquidity event such as a public offering or change of control for the company.

Underwritten by an annual appropriation from the Virginia General Assembly, the GAP Fund Program functions as a double-bottom-line investment fund focused on creating significant economic outcomes for the Commonwealth, entrepreneurs and co-investors, with the goal of recovering investment capital for redeployment. Since inception, the GAP Fund Program has considered investing in over 6,000 companies and has invested \$28.1M in 219<sup>1</sup> seed and early stage technology, life science, and energy companies across the Commonwealth of Virginia.

Over the 15-year life of the program, CIT has found that the following metrics most closely align with program objectives:

- Venture and Angel Capital Attracted - Venture and angel capital dollars invested in the GAP Fund Program's portfolio companies as a result of CIT investing dollars appropriated to IEIA and obtained from federal and private sources. CIT calculates its annual leverage factor by dividing the total of venture and angel capital by all GAP Fund Program portfolio companies in a given year by the dollars deployed in new investments in that year.
- GAP Fund Program Return - The ratio of capital returned and anticipated to return to CIT, as a result of portfolio companies being acquired, divided by total GAP Fund Program dollars deployed.

Venture and Angel Capital Attracted. For the period FY19 and inception-to-date, the GAP Fund Program achieved the following leverage cash totals:

- FY19 – During FY19, CIT GAP Funds invested \$2.9M. In FY19, CIT attracted \$143.5M in angel and venture dollars – inclusive of FY19 new investments, FY19 follow-on investments and pre-existing investments in which CIT did not invest in FY19, for an annual leverage factor of 48.8.
- Inception-to-Date – Since inception, CIT GAP Funds has invested \$28.1M. CIT has attracted \$922.7M in angel and venture dollars, for an inception-to-date leverage factor of 32.8.

Important to note in these ratios is the impact of economic conditions with respect to the ability of GAP portfolio companies to attract leverage capital. Poor economic conditions may result in a lower capital attraction ratio due to investor withdrawal from the early stage asset class which is not a direct reflection of changes or performance in the GAP program structure and operations.

GAP Fund Program Return. By the end of FY19, CIT had secured and invested a total of \$28,113,645 program inception-to-date and had a projected capital return of \$35,778,498 on invested funds, resulting in a capital return factor of 1.3. This number indicates that CIT is managing Virginia's GAP Funds Program appropriation consistent with its goal to return funds to preserve the base of funds for future investment in Virginia's early stage companies.

Company Residency Requirements – CIT GAP Funds requires that all companies be headquartered and have substantial business operations in Virginia at the time of investment and for a minimum three-year period thereafter. MACH37 requires that all companies establish a significant presence in the Commonwealth within a 24-month period of graduation from the MACH37 Accelerator. Significant economic penalties – discussed below - apply to companies in breach of these requirements.

CIT Enforcement of GAP Portfolio Company Residency – Over the life of the GAP Program, CIT's policy and practice regarding remedies that invoked as a result of an investee company's departure from the state has evolved, matured and become more specific:

In FY05, with the start of the GAP Fund program, CIT established its initial policy regarding company residency requirements. As at that time all CIT's investments were in the form of a convertible debenture, our loan covenants explicitly addressed this issue. Under that policy, if a portfolio company were to relocate to another state, CIT -- at its option -- could invoke one of two remedies: (1) CIT could demand the immediate payback of all principal and interest; or, (2) upon note conversion to equity, CIT could invoke a deeper discount percentage (50% v the 20% of the initial note).

In FY13, CIT revisited this policy and added redemption language to address all equity agreements. In FY14, CIT further refined this language. The current policy and practice, memorialized in CIT GAP Funds transaction covenants, is as follows:

- Equity Investments: If a company relocates its primary business from the Commonwealth within 36-months of CIT investment, CIT retains its equity position in the company and is repaid a penalty fee equal to two times CIT's investment. Also within 36-months of CIT's investment, if the Company accepts any direct or indirect funding from a publicly funded economic development or company attraction entity requiring temporary or permanent relocation of the Company's headquarters or any member of the Company's senior management outside of the Commonwealth of Virginia, Company shall be required to pay CIT a penalty equal to two times (2x) CIT's principal investment.
- Convertible Debt Investments: If a company relocates its primary business from the Commonwealth within 36-months of CIT investment, CIT can convert into common shares at a 50% discount or elect to be paid back principle plus interest. If the note has previously been converted, then CIT will be paid a penalty fee equal to CIT's principle investment. Also within 36-months of CIT's investment, if the Company accepts any direct or indirect funding from a publicly funded economic development or company

attraction entity requiring temporary or permanent relocation of the Company's headquarters or any member of the Company's senior management outside of the Commonwealth of Virginia, Company shall be required to pay CIT a penalty equal to two times (2x) CIT's principal investment, regardless of whether CIT holds debt or equity in the Company.

MACH37 Accelerator investments are transacted as \$50K common stock equity investments designed to attract or retain cyber startups in Virginia. All companies receiving investments from MACH37 are located at CIT's offices in Herndon, VA for the three-month duration of their acceleration period and then have 24 months to establish a significant presence in Virginia. Covenants call for a full redemption of CIT's investment in the event that companies fail to establish a significant presence in Virginia. Also within 36-months of CIT's investment, if the company accepts any direct or indirect funding from a publicly funded economic development or company attraction entity requiring temporary or permanent relocation of the company's headquarters or any member of the company's senior management outside of the Commonwealth of Virginia, the company shall be required to pay CIT a penalty equal to two times (2x) CIT's principal investment.

The FY2019 activity below is provided in response to Section 126.10.N.2 of the Appropriation Act. Since GAP investments are, by design, seed stage and intended to leverage private investment and stimulate the next generation of new technology companies, job creation and tax revenue impact are longer term objectives. Four of these companies were formed during FY19 to participate in MACH37 Cyber Security Accelerator.

- I. The number of companies receiving investment from the fund:
  - a. FY19: 32 companies
  - b. Inception-to-date: 219 companies
  
- II. The state investment and amount of privately leveraged investments per company:
  - a. FY19: CIT invested \$2.9M and leveraged \$53.9M in angel and venture dollars on FY19 investments. During FY19, CIT's inception-to-date investments leveraged \$143.5M.
  - b. Inception-to-date: CIT has invested \$28.1M and has leveraged \$922.7M in angel and venture dollars, \$143.5M of which was leveraged during FY19.
  
- III. The estimated number of jobs created or preserved during FY19:
  - a. FY19: 468 jobs in companies invested in by CIT in FY19
  - b. Inception-to-date: In FY19, companies reported that 2,708 jobs were created or preserved in FY19 by companies invested in by CIT in FY19 or before<sup>ii</sup>
  
- IV. The estimated tax revenue generated during FY19:
  - a. FY19 investments:
    - i. Estimated 2019 corporate income tax: \$453,058.91<sup>iii</sup>
    - ii. Estimated 2019 personal income tax on jobs: \$3,363,750<sup>v</sup>
  - b. Inception-to-date:
    - i. Estimated 2019 corporate income tax: \$3,970,468.91<sup>v</sup>
    - ii. Estimated 2019 personal income tax on jobs: \$18,198,750<sup>vi</sup>

- V. The number of companies who have received investments from the GAP fund still operating in Virginia
    - a. FY19 investments: 32 out of 32
    - b. Inception-to-date: 126 out of 219
      - i. 10 have moved from the Commonwealth
        - 1. 3 moved from Virginia to other states after the 3 year requirement to be headquartered in Virginia timed out.
        - 2. 7 are part of MACH37
          - a. 6 are part of MACH37 and have returned to their place of origin and are working to establish a Virginia presence. CIT maintains a high level of visibility into those companies, including frequent interaction with the CEO and team, Board of Director observation rights and receipt of a required quarterly statute report.
          - b. 1 is part of MACH37 and has returned to its place of origin and is past the required time horizon to establish a place of business in Virginia. The company has issued CIT a note for the amount of the penalty.
      - ii. 44 have failed
      - iii. 37 have been acquired or paid back CIT
      - iv. 2 additional companies have been acquired by companies not located in the Commonwealth and CIT had not sold its shares as of 6/30/2019.
- VI. Return on investment
  - a. FY19 investments: \$0
  - b. Inception-to-date: \$8,254,637.58
- VII. The number of investment that failed:
  - a. FY19 investments: 0
  - b. Inception-to-date: 44 failures, \$4,661,600 invested
- VIII. Number of companies created or expanded and the number of patents filed during FY19:
  - a. FY19:
    - i. Companies created or expanded: 32 companies
    - ii. Number of Patents filed: 93
  - b. Inception-to-date:
    - i. Companies created or expanded: 219
    - ii. Number of Patents filed during FY19: 281

**Program Changes Anticipated in FY20**

The combination of the GAP Funds, MACH37 Seed Fund, and Commonwealth Energy Fund will produce a projected 20 to 30 new investment transactions for Fiscal Year 2020. CIT will continue its work in

examining how best to establish one or more private sector regionally-based or sector specific funds to augment financing obtained from the Commonwealth of Virginia for the purpose of investing in early stage companies.

MACH37 will enter its seventh year of accelerator operations in Fiscal Year 2020. The program will continue to conduct two annual cohort sessions, one in the spring and one in the fall. Each cohort session will contain between 5 and 8 companies. In FY20, MACH37 operations will continue to be self-sustaining through private sector participation.

### **Portfolio Companies**

Attached is a listing of GAP portfolio companies for the prior year and program since inception. CIT's loan and equity covenants contain confidentiality provisions that strictly govern the disposition of company-sensitive information obtained thereunder. CIT obtains information on third-party, private investment from its portfolio companies under the constraints of this confidentiality language. Release of that private information by CIT, and subsequent availability to a third party under the Freedom of Information Act, could be construed as a breach of the confidentiality provisions, exposing CIT and the Commonwealth of Virginia to legal action by an investee company, its shareholders or other investors. This exclusion is also discussed in § 2.2-3705.6 (3) of Virginia's Freedom of Information Act.

### **Section 126.1.N.3 – Cyber Security Accelerator (MACH37)**

MACH37 is the premier accelerator for cybersecurity entrepreneurs and startups nationally. This unique program goes beyond the traditional model of typical business accelerators by providing innovators with focused mentoring and support from an extensive network of visionaries, practitioners, and successful entrepreneurs in cybersecurity. The Spring and Fall sessions of MACH37's 90- day program are designed to propel graduating companies into the marketplace with validated cyber security concepts and pipelines for accelerated growth.

The program emphasizes the validation of cohort company product concepts and the development of relationships to attract an initial customer base and investment capital. MACH37 employs a tailored approach to address the priority needs of each company, based on their individual strengths and weaknesses.

MACH37 was championed by the Commonwealth's technology community and launched on September 12, 2013 and started its first cohort that same month. Companies selected for the program typically constitute a team of 2 to 4 entrepreneurs and a technical co-founder working to build alpha or prototype cyber security solutions that address the drivers of a demand for innovations in cybersecurity, including:

- New mainstream demand for advanced capabilities;
- Porous network perimeters that are making traditional solutions less relevant;
- Opportunities created from software defined networking; and
- Challenges of a hyper-connected world with an Internet-of-everything.

At the close of the Spring 2019 cohort class, the list of successful graduates included 63 new cyber companies that have been attracted from around the country to grow these critical businesses in Virginia. MACH37 has also attracted applications from companies desiring to launch from the Northern Virginia based accelerator from 11 countries beyond the United States and Canada.



The FY2019 activity below is provided in response to Section 126.10.N.3 of the Appropriation Act. As in the case of the GAP Fund, MACH37 companies are very early stage and the program is designed to leverage private investment and stimulate the growth of the cyber industry in Virginia. Therefore, there is not sufficient operating history to develop meaningful job creation data or to anticipate equity returns.

- I. The number of companies assisted with the cyber accelerator program in:
  - a. FY19: 11 companies
  - b. Inception-to-date: 63
  
- II. The number of companies operating in Virginia as a result of the program in:
  - a. FY19: 11 of the 11
  - b. Inception-to-date: 39 of the 63
    - i. Of the 24 companies that are not currently operating in Virginia:
      1. 14 of the companies have failed
      2. 3 have been acquired or paid back
      3. 7 are not currently operating in Virginia:
        - a. 6 have returned to their place of origin and are working to establish a Virginia presence. CIT maintains a high level of visibility into those companies, including frequent interaction with the CEO and team, Board of Director observation rights and receipt of a required quarterly statute report.
        - b. 1 has returned to its place of origin and is past the required time horizon to establish a place of business in Virginia. The company has issued CIT a note for the amount of the penalty.
  
- III. The estimated number of jobs created or preserved during FY19:
  - a. FY19: 30 jobs in companies invested in by MACH37 in FY19
  - b. Inception-to-date: 296
  
- IV. The value of proceeds from the sale of equity in companies that received capital support from the program:
  - a. Two MACH37 graduate company has been acquired since inception of this program.
  - b. One MACH37 graduate company has paid back the investment since inception of this program.
  
- V. The number of state investments that failed and the state investment associated with failed investments:
  - a. 14 MACH37 graduate companies have failed since inception of this program; \$673,000 state investment
  
- VI. Number of companies created or expanded and the number of patents filed:
  - a. FY19:
    - i. Companies created or expanded: 11
    - ii. Number of Patents filed: 0
  - b. Inception-to-date:
    - i. Companies created or expanded: 63
    - ii. Number of Patents filed by inception-to-date portfolio: 22

<b>CIT GAP Funds - FY19 Investments</b>	
<b>Company</b>	<b>CIT Investment</b>
Anova Intelligence (Societas)	\$50,000.00
Ario Technologies, LLC	\$50,000.00
ARtGlass	\$50,000.00
Atomic Corp	\$104,850.00
Babylon	\$50,000.00
ChurnZero	\$74,518.21
Dark3	\$100,000.00
DivvyCloud	\$250,000.00
DroneUp	\$200,000.00
Embody	\$250,000.00
Fenris	\$125,000.00
FourStay	\$200,000.00
FRNGE	\$50,000.00
Gathering (DBA Rize)	\$100,000.00
HyperCube	\$50,000.00
LiteSheet	\$100,000.00
Lumin (aka Coulum)	\$200,000.00
Manor (UpSideDoor)	\$36,652.50
Metallum3D	\$25,000.00
Micronic	\$50,000.00
NOVI, LLC	\$50,000.00
Ostendio	\$123,378.90
Plutus Privacy Security	\$50,000.00
Pype	\$100,000.00
Quirk	\$25,000.00
RunSafe	\$100,000.00
SceneThink	\$50,000.00
Senseware	\$100,000.00
Skyphos	\$25,000.00
Stratus Digital Solutions	\$50,000.00
Student Opportunity Center	\$100,000.00
Tympanogen	\$50,000.00
	<u>\$2,939,399.61</u>

<b>CIT GAP Funds - Inception to Date</b>	
<b>Company</b>	<b>CIT Investment</b>
Anova Intelligence (Societas)	\$50,000.00
26Labs	N/A
418 Intelligence	\$150,000.00
4FrontSecurity	\$50,000.00
4Stay	\$200,000.00
4Wave	\$100,000.00
ADI Engineering	\$200,000.00
Adlumin	\$49,000.00
ADR Software	\$100,000.00
Advanced Aircraft	\$50,000.00
Aida Health	\$50,000.00
Airak	\$100,000.00
Airside	\$100,000.00
Altruista Health	\$100,000.00
Antatrobe	\$50,000.00
AppTap	\$100,000.00
Aquanta (Sunnovations)	\$500,000.00
ArcheMedX	\$200,000.00
Ario Technologies, LLC	\$50,000.00
ARtGlass	\$50,000.00
Atomic Corp	\$254,850.00
Atriceps	\$50,000.00
AutomatedDL	\$49,000.00
Axon Ghost	\$150,000.00
Babylon	\$50,000.00
BentSystems	\$100,000.00
BiJoTi	\$112,500.00
Biotherapeuticis	\$125,000.00
Bloompop	\$200,000.00
Blue Triangle	\$200,000.00
Brazen Careerist	\$207,550.00
BrightContext	\$133,758.34
Broadbridge	\$49,000.00
bThere	\$50,000.00
C3RS	\$200,000.00
Canvas	\$200,000.00
CardKill	\$50,000.00
CargoSense	\$200,000.00
Cavion	\$550,000.00
Cavitronix	\$200,000.00
ChurnZero	\$274,518.21
Cirrus Works	\$200,000.00
ClearEdge 3D	\$127,500.00
Conatix	\$25,000.00
Cont3nt (PhotoHires)	\$50,000.00
Contraline	\$250,000.00

<b>CIT GAP Funds - Inception to Date</b>	
<b>Company</b>	<b>CIT Investment</b>
Corsha (Hashlit)	\$50,000.00
Cyber 20/20	\$50,000.00
Cyber Algorithms	\$50,000.00
Cynja Tech	\$50,000.00
Cyph	\$150,000.00
CytoRecovery	\$50,000.00
Dark3	\$200,000.00
DataRPM	\$199,999.59
DeepSig	\$200,000.00
Disrupt6	\$50,000.00
Distil	\$200,000.00
DivvyCloud	\$450,000.00
DroneUp	\$200,000.00
EdConnective	\$50,000.00
Efficient Photon	\$75,000.00
EkARE	\$50,000.00
Ekran Systems	\$49,000.00
Embody	\$250,000.00
Encore	\$100,000.08
Engineered Products of VA	\$200,000.00
Eunomic	\$150,000.00
EVS	\$50,000.00
Extinction	\$15,000.00
EyeQ	\$100,000.00
FarmRaiser	\$100,000.00
Fast Orientation	\$50,000.00
Fenris	\$125,000.00
FITNET	\$224,911.67
FRNGE	\$50,000.00
Gathering (DBA Rize)	\$100,000.00
GCPay	\$100,000.00
Global Cell Solutions	\$50,000.00
GovTribe	\$75,000.00
Gryphn/Uppidy	\$50,000.00
Gyomo	\$50,000.00
Harbinger	\$100,000.00
Heyo, Inc.	\$100,000.00
Hideez	\$50,000.00
Hill Top Security	\$130,000.00
Hungry	\$100,000.00
Hunt	\$150,000.00
Huntress Labs	\$50,000.00
HyperCube	\$100,000.00
iAspire	\$50,000.00
ID.Me	\$419,025.64
Identia	\$50,000.00

<b>CIT GAP Funds - Inception to Date</b>	
<b>Company</b>	<b>CIT Investment</b>
INF Robotics	\$45,000.00
Innovative Biologics	\$200,000.00
Intelligence Framework	\$49,000.00
IntroHive	\$50,000.00
Invincea	\$312,694.56
iTi Health (ZielBio)	\$200,000.00
JeKuDo	\$50,000.00
Kaprica	\$100,000.00
Key Cybersecurity	\$150,000.00
KZO Innovations	\$50,000.00
Latista	\$175,000.00
LendPro	\$100,000.00
Lewis & Clark	\$200,000.00
LiteSheet	\$300,000.00
LiveSafe	\$117,618.35
Loci	\$15,000.00
Locurity	\$50,000.00
Loop88	\$125,000.00
LT Technologies	\$100,000.00
Lumin (aka Coulum)	\$250,000.00
MarginEdge	\$200,000.00
Marz Industries	\$75,000.00
Maternity Neighborhood (Private Practice)	\$200,000.00
Metallum3D	\$25,000.00
Micronic	\$50,000.00
MiserWare	\$316,100.00
Mobile System 7	\$100,000.00
MobilSense (aka MobilePhire)	\$100,000.00
Moment Snap	\$100,000.00
MSB Associates	\$50,000.00
Naaya	\$100,000.00
Natural Insight	\$150,000.00
NBE	\$50,000.00
Neoantigenics	\$249,999.33
NeoEyed	\$49,000.00
NexVortex	\$100,000.00
NormShield	\$50,000.00
NOVI, LLC	\$50,000.00
NS8	\$49,000.00
nVite	\$100,000.00
OhMyGov	\$150,000.00
OnDialog	\$200,000.00
Oppleo Security	\$50,000.00
Ostendio	\$323,378.90
OTraces	\$100,000.00
Ovastasis	\$25,000.00

<b>CIT GAP Funds - Inception to Date</b>	
<b>Company</b>	<b>CIT Investment</b>
Parabon NanoLabs	\$80,000.00
Paxfire	\$100,000.00
PCPursuit	\$50,000.00
PerformYard	\$200,001.13
PhosImmune	\$125,000.00
Phtsisis	\$50,000.00
Piedmont BioProducts	\$100,000.00
Pierce Global	\$150,000.00
Plutus Privacy Security	\$50,000.00
PocketShip	\$100,000.00
Power FingerPrinting	\$149,995.16
ProvenCyber	\$50,000.00
Public Relay	\$200,000.00
Pype	\$200,000.00
Qrvey	\$100,000.00
Quirk	\$25,000.00
RealPage/Senior Living	\$100,000.00
RecargaX	\$100,000.00
Riff Digital	\$5,000.00
Ringio	\$200,000.00
Riogin	\$200,002.23
Rivanna	\$50,000.00
ROI2	\$150,000.00
RollStream	\$200,000.00
Router Solutions	\$100,000.00
RunSafe	\$250,000.00
Rybbon	\$100,000.00
SceneThink	\$50,000.00
Scryb	\$100,000.00
Secure Home	\$49,000.00
SecureDB	\$150,000.00
Senseware	\$300,000.00
Servhawk	\$200,000.00
Shevirah	\$150,000.00
Sitscape	\$50,000.00
Skyphos	\$25,000.00
SL8Z	\$150,000.00
Soft Tissue Regeneration	\$100,000.00
Speek	\$200,000.00
Sphynx	\$150,000.00
SpydrSafe	\$150,000.00
SquareLoop	\$150,000.00
Status Identity	\$100,000.00
Steel Mountain	\$49,000.00
Stratus Digital Solutions	\$50,000.00
Student Opportunity Center	\$150,000.00

<b>CIT GAP Funds - Inception to Date</b>	
<b>Company</b>	<b>CIT Investment</b>
SwipePay	\$100,000.00
Syncurity	\$50,000.00
Tear Soutlion	\$473,956.00
Tenant Turner	\$100,000.00
Tensor Wrenc	\$50,000.00
Territory	\$200,000.00
ThreatLocker	\$50,000.00
ThreatQuotient	\$500,000.68
ThreatSwitch	\$49,000.00
Triblio	\$150,000.00
Trovolone	\$49,000.00
Tympanogen	\$50,000.00
Type Zero	\$350,000.23
Ubiquiti Link	\$50,000.00
Uknow.com	\$175,000.00
Unblinkr	\$50,000.00
UpSideDoor	\$286,652.50
Urgently	\$100,000.74
VanGogh Imaging	\$200,000.00
Veenome	\$200,000.00
Verical	\$239,633.04
Verication	\$100,000.00
VidRunner	\$100,000.00
Virgil	\$50,000.00
Visure	\$100,000.00
VividCortex	\$199,999.00
VoicePass	\$10,000.00
vThreat	\$150,000.00
WealthForge	\$50,000.00
WireTough	\$300,000.00
WorkProducts	\$100,000.00
YaSabe	\$200,000.00
Zoobean	\$149,999.98
ZoomData	\$200,000.00
Zoomph	\$200,000.00
	<u>\$28,113,645.36</u>

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<sup>i</sup> CIT has placed initial investments in 219 companies. Two of these companies Xydina and Tau Therapeutics merged forming Cavion, resulting in net total of 218 companies. In 2016 CIT exited Invincea. As a result of the exit CIT received shares in 26Labs, a company spun-out of Invincea at the time of exit. This brought the net total back to 219.

<sup>iii</sup> Based on company actual revenue in CY2017 Q1 and Q2 and estimated revenue in Q3 and Q4, assumes a 25% profit

<sup>iv</sup> Assumes an average salary of \$125K per Virginia employee.

<sup>v</sup> Based on company actual revenue in CY2017 Q1 and Q2 and estimated revenue in Q3 and Q4, assumes a 25% profit.

<sup>vi</sup> Assumes an average salary of \$125K per Virginia employee.