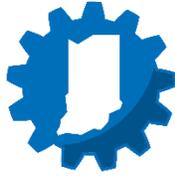


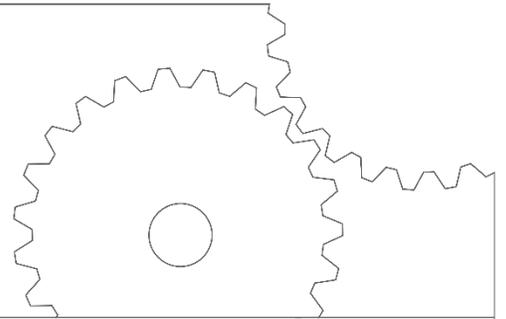
21 FUND QUARTERLY REPORT TO THE STATE BUDGET COMMITTEE

Q1 2016





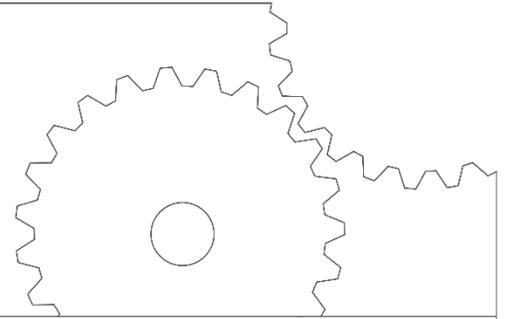
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In 1999, the General Assembly established the Indiana Twenty-First Century Research & Technology Fund ("21 Fund") to serve as a catalyst for innovation to transform our State's economy. Since 2005, the IEDC has improved Indiana's national competitiveness by focusing 21 Fund investments on the development of technologies by high-potential, high-growth entrepreneurial activities within the commercial sector.

This report is submitted pursuant to IC 5-28-16-4(g) to provide a quarterly report on the activities pertaining to grants and loans being made from the 21 Fund. The following grants and investment programs are funded by the 21 Fund and are addressed in this report.

- » 21 Fund Investments
- » SBIR/STTR Phase I Matching Program
- » Elevate Purdue Foundry Fund

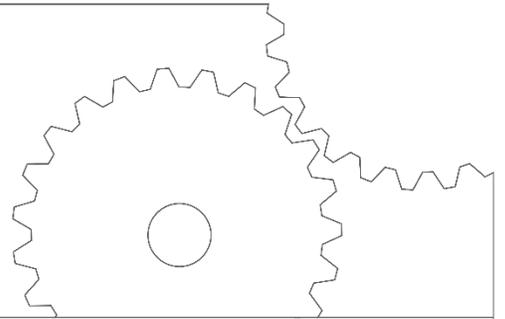
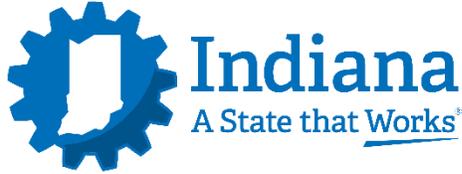


21 FUND INVESTMENTS

The 21 Fund is a dedicated investment fund to support early-stage investment opportunities. These are primarily companies with products or solutions already selling in the marketplace with meaningful customer traction. They have shown some mastery of operational infrastructure, expertise, and planning needed to pursue an initial scale-up from institutional investors or individual investors.

All following 21 Fund Investments have been reviewed and approved in public meetings of the Entrepreneurship Committee of the Board of Directors of the Indiana Economic Development Corporation, in accordance with the 21 Fund Investment Policy which was presented to the State Budget Committee in October 2015.

Company	City	County	Sector	21 Fund Investment \$	Investment \$ from Other Investors	Investment Approval Date
CloudOne Corporation	Fishers	Hamilton	Information Technology	\$912,500	\$8,087,500	02/26/16
Secured FTP Hosting DBA SmartFile	Indianapolis	Marion	Information Technology	\$500,000	\$500,000	03/29/16
Total				\$1,412,500	\$8,587,500	



CloudOne Corporation

Fishers, IN (Hamilton County)

Sector: Information Technology

Focus: Managed Services & SaaS Platform for IBM and Other Application Vendors



COMPANY SUMMARY

CloudOne is a fast-growing IBM Business Partner. It was created specifically to be the on-ramp for IBM Rational customers to the cloud, software-as-a-service and managed development operations. Rational Machines was founded by Paul Levy and Mike Devlin in 1981 to provide tools to expand the use of modern software engineering practices, particularly explicit modular architecture and iterative development. Rational was sold for US\$2.1 billion to IBM in February, 2003.

CloudOne relocated from Illinois to Indiana as a result of a 21 Fund investment in 2012 and has been growing steadily since then. The company has raised multiple rounds of capital to primarily build out its cloud infrastructure and related platform to onboard more software vendors and implementation service providers, both through continued IBM partnership and through direct customer acquisition efforts. The goal was to further diversify company's customer and partnership base.

In 2015, the company has also identified a new revenue growth area in development and deployment platform services for companies looking to create and maintain Internet of Things (IoT) programs in a secure virtual private cloud environment.

FINANCIAL SUMMARY

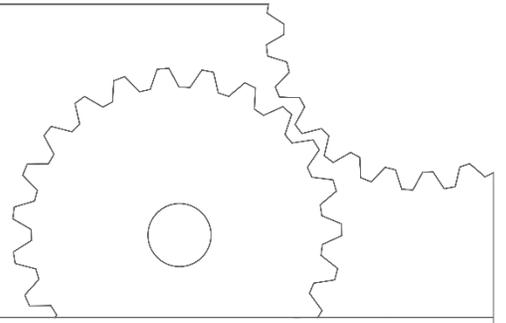
Year	2015	2016	2017
Revenue Projection (in Millions)	\$10.5	\$18.1	\$26.8
Cumulative Headcount	44	59	75

INVESTMENT SUMMARY

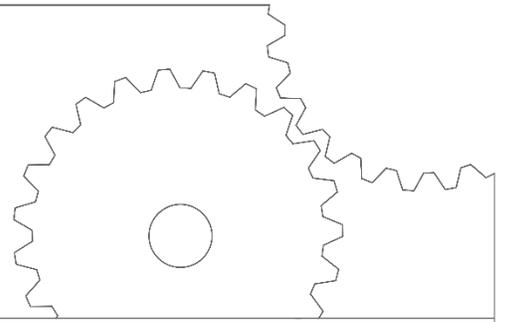
- » Previous Investment - State 21 Fund Dollars - \$2,000,000 | SSBCI Federal Dollars - \$125,000
- » Total Investment Round Target - \$9.0 million
- » 21 Fund Participation - Up to \$912,500 (10% of the total investment round)
- » Target Co-investors - existing individual and institutional investors, and regional venture funds

INVESTMENT ANALYSIS

- » Strengths
 - Team-complementary skills and prior startup and growth ventures experience
 - Market-sizable and growing market, initial demonstration of repeatable sales process



- Product—well-developed value proposition and technical scalability
- Customer—identified and proven target customers and use cases
- Return—capital structure reasonable for institutional investment



Secured FTP Hosting, LLC DBA SmartFile



Indianapolis, IN (Marion County)

Sector: Information Technology

Focus: Secure Hosted and Cloud File Sharing and Transfer Solutions

COMPANY SUMMARY

As data housed within organizations continues to grow and security is becoming more complex, the need to monitor, protect and audit content is increasingly important. This is especially difficult as end users bypass information technology to use products such as Google Drive and DropBox to share information both within and outside their organization.

SmartFile provides a File Management Platform, FileHub™, which allows businesses to connect, manage, and secure content across their entire network (existing file storage, homegrown, and third party Internet applications) to meet these needs.

SmartFile's solution provides flexibility with the ability to install as a physical server/appliance, deploy in a client's virtual environment, or on top of a client's existing operating system. SmartFile can leverage native storage across multiple geographic locations with high availability and integrate into existing software applications.

SmartFile serves a broad market both domestically and abroad (EU data protection and Canadian privacy). Most of these customers operate in rigorously regulated industries; manage content that must meet specific compliance standards; exchange files that require a high degree of security; and/or have a more heavily weighted need for local access speeds to files being exchanged.

FINANCIAL SUMMARY

Year	2015	2016	2017
Revenue Projection (in Millions)	\$1.5	\$2.4	\$4.3
Cumulative Headcount	14	37	55

INVESTMENT SUMMARY

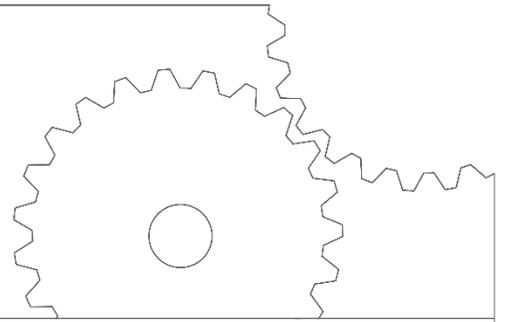
- » Previous Investment - none
- » Total Investment Round Target - Up to \$2.0 million
- » 21 Fund Participation - Up to \$500,000 (25% of total investment round)
- » Target Co-investors – VisionTech Partners and other individual and institutional investors

INVESTMENT ANALYSIS

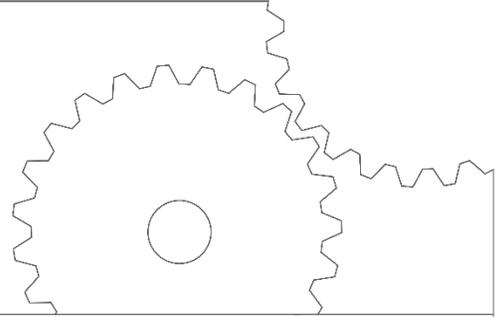
- » Strengths
 - Team – complementary skills, prior startup experiences and coachability



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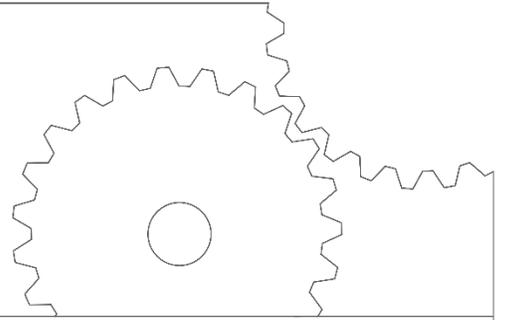
- Market – sizable market, initial demonstration of customer interest in the targeted segments
- Product – well-developed value proposition and technical scalability
- Customer – identified target customers and use cases
- Return – secured the right institutional investors for growth, capital structure reasonable for institutional investment



SBIR/STTR PHASE I MATCHING PROGRAM

After decades of existence, the Small Business Innovation Research and Small Business Technology Transfer programs (SBIR/STTR) have established themselves as two of the most effective technology commercialization programs in the federal government and important sources of pre-seed and seed-stage non-dilutive capital. SBIR/STTR programs are highly competitive and encourage small businesses to explore their technological potential. Federal agencies participating in the SBIR/STTR programs award funding in three phases. The State of Indiana provides matching grants to Phase I awardees.

Company	City	County	Grant Type	Federal Grant Amount	State Match Amount	State Match Approval Date	Project Description
Data2Discovery	Bloomington	Monroe	SBIR	\$150,000	\$50,000	1/18/16	Semantic Link Association Prediction for Phenotypic Drug Discovery
En'Urga	West Lafayette	Tippecanoe	SBIR	\$150,000	\$50,000	1/18/16	A Low Cost Sensor for Mid-Chord Offset Measurements
Mobile Enerlytics	West Lafayette	Tippecanoe	SBIR	\$150,000	\$50,000	1/18/16	Enabling Technologies for Energy-Centric Mobile App Design to Extend Mobile Device Battery Life
VinSense	West Lafayette	Tippecanoe	STTR	\$224,949	\$50,000	1/18/16	Visual Information Environment for Effective Agricultural Management and Sustainability
Kinasense	West Lafayette	Tippecanoe	SBIR	\$203,102	\$50,000	3/1/16	Development of an Assay Platform for Measuring Endogenous Kinase Activity
ZeroUI	West Lafayette	Tippecanoe	STTR	\$225,000	\$50,000	3/1/16	Dynamic Robust Hand Model for Gesture Intent Recognition
Anagin	Indianapolis	Marion	SBIR	\$267,381	\$50,000	3/30/16	nNOS-PSD95 inhibitors as novel treatments for TBI
Total				\$1,370,432	\$350,000		



ELEVATE PURDUE FOUNDRY FUND

Under a partnership among Purdue University, Elevate Ventures and the Indiana Economic Development Corporation, the Elevate Purdue Foundry Fund (the "EPFF") was established to provide funding and advisory support to seed-stage high-potential companies within the Purdue ecosystem. The EPFF has two stages of capital investments: Black Award and Gold Award. For the Black Award, the EPFF invests up to \$20k in seed-stage companies; for the Gold Award, the EPFF invests up to \$80k in Black Award winners that meet established milestones.

The EPFF is very active and engaged however there were no awards granted during this quarter.