

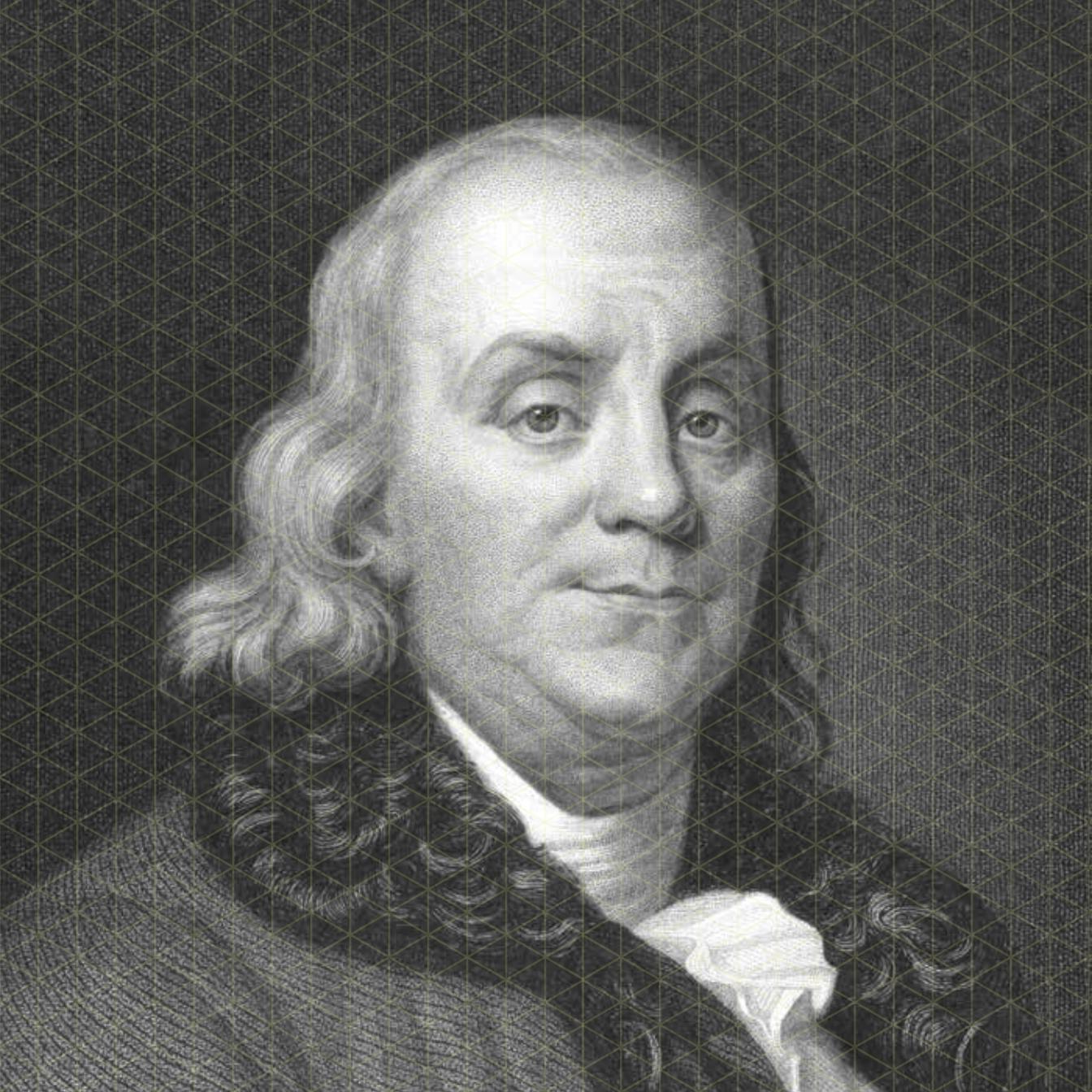


Ben Franklin
Technology PARTners

DRIVING INNOVATION WITH:

CAPITAL, KNOWLEDGE & NETWORKS

2013-2014 ANNUAL REPORT



BEN FRANKLIN TECHNOLOGY PARTNERS

Regional Focus. Statewide Strength. Global Impact.

On December 6, 1982, Ben Franklin Technology Partners (BFTP) was founded by Governor Dick Thornburgh and the Pennsylvania legislature. BFTP has since become the gold standard for technology-based economic development in the country. BFTP is a national and international model, honored with numerous awards and commendations from the President, U.S. Dept. of Commerce, International Economic Development Council and others.

BFTP has played a central role in the Commonwealth's transition to a globally competitive knowledge economy. The success of BFTP's portfolio clients ripples throughout the Pennsylvania economy, contributing to new jobs, new growth, new investments and higher Gross State Product.

For example, since 1989, BFTP has:

- Boosted the PA economy by more than \$23.5 billion
- Generated 51,000 jobs in client firms
- Added 89,000 additional jobs beyond those in client firms, yielding a total of 140,000 new jobs attributable to BFTP's support

And especially compelling for these challenging times:

- From 2007-2011, the Commonwealth received \$358 million in additional state tax receipts, plus \$144 million in state tax receipts from related BFTP client services, for a total increase of \$502 million in state revenue as a direct result of BFTP investments in client firms.
- New state tax revenue generated as a result of BFTP represents a 3.6-to-1 payback to the Commonwealth on its \$137.7 million investment in BFTP.



Ben Franklin's involvement was a vote of confidence that drew in a series of local and international investors.

—NICHOLAS NICOLAIDES, PH.D., CO-FOUNDER, PRESIDENT & CEO, MORPHOTEK, EXTON

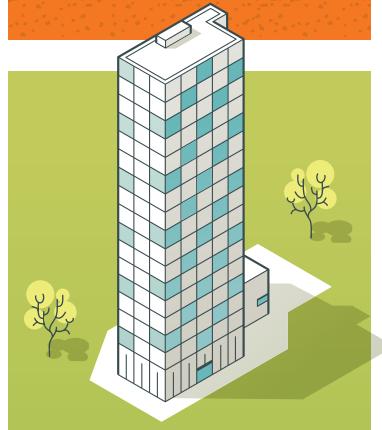
IMPACTS 2013

Ben Franklin rigorously measures and quantifies its impact annually.

1,365
Jobs created
by client companies



951
Jobs retained
by client companies



\$468,448,160
Post-Ben Franklin financing
secured by client companies

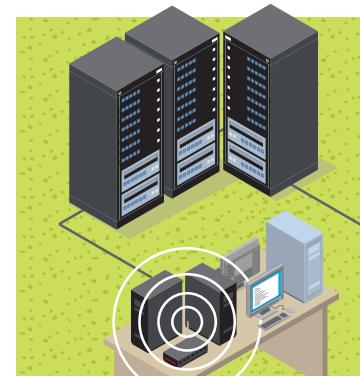
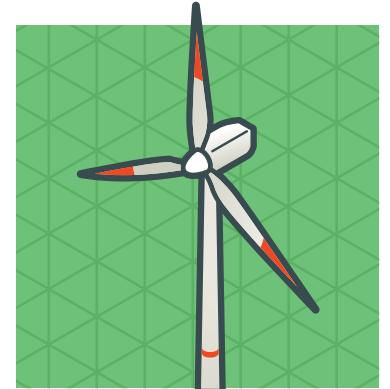
1,275
Companies assisted
by Ben Franklin



318
New products &
processes launched
by client companies

98
New companies formed

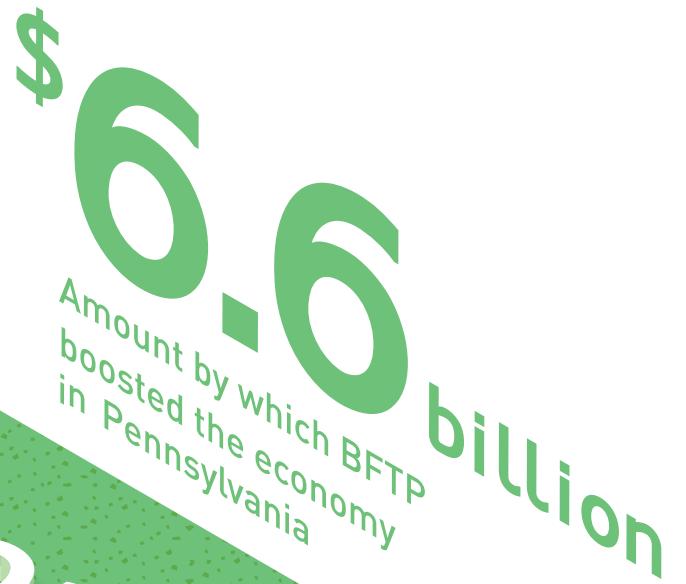
118
Patents and software
copyrights awarded
to client companies



\$412,710,610
Sales revenue generated by client companies

FIVE-YEAR RETURN ON INVESTMENT: 2007-2011

BFTP partnered with the Pennsylvania Economy League and KLIOS Consulting — both nonpartisan research organizations — to conduct an independent, objective evaluation of the economic impact of the program from 2007 to 2011. The report focused on BFTP's role in providing financing and related services to early-stage and established technology firms in Pennsylvania.



CAPITAL

Ben Franklin provides critical seed and risk capital to start and grow technology firms throughout the Commonwealth. Thanks to a rigorous vetting process, a BFTP investment is respected as a key endorsement for our client companies. This enables companies to attract the follow-on investment they need to move beyond start-up and into full-fledged commercialization, or to secure the necessary partners and resources to move products into the marketplace.

BFTP is also an investor in a number of seed and early-stage PA venture funds, working closely with venture capitalists, angel groups and other sources of public and private investment to help our portfolio companies secure the capital they need to grow their businesses. In the midst of the current challenging economic environment, BFTP is committed to accelerating economic growth.

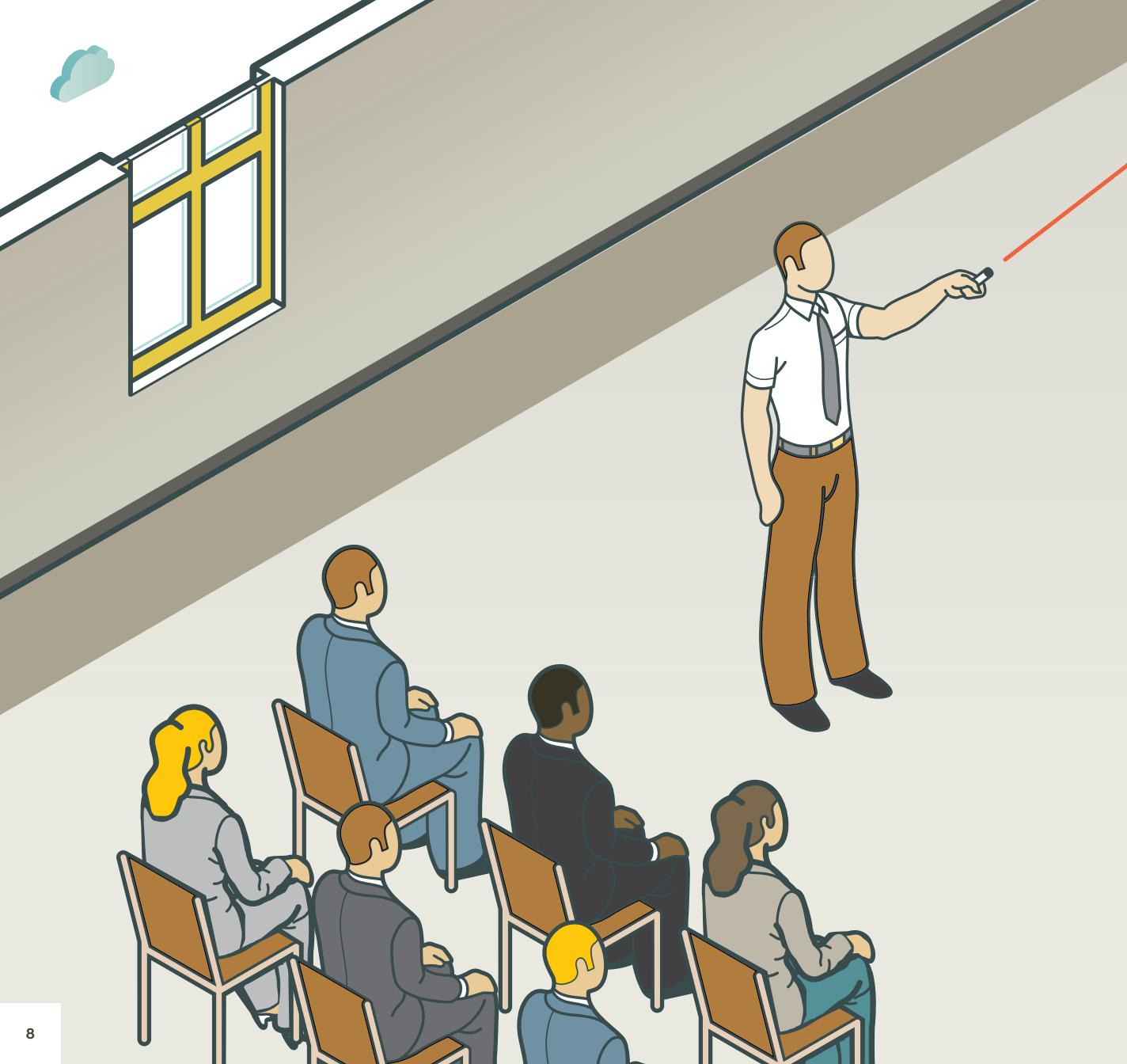


I wouldn't have started my company without the help of Ben Franklin. It's not just the funding. It's the expertise and access they provide to legal and financial advisors, experienced entrepreneurs and venture capital.

—DON CHARLTON, FOUNDER & CEO, THE RESUMATOR, PITTSBURGH

Now more than ever, BFTP's disciplined investment approach is necessary to strengthen the resilience of the state's economy-boosting businesses and programs that spur innovation and commercialization. By prudently investing scarce public resources, BFTP nurtures and supports Pennsylvania's most promising technology enterprises.





KNOWLEDGE

Ben Franklin knows from experience that new and established companies have many needs beyond funding. Our multidisciplinary team of professionals provides client companies with real-world expertise in product development, marketing, fundraising, accounting, operations, human resources and more.

Each of our four regional partner offices couples its financial commitment with access to a wide range of mentoring, business and technology development services — through both the BFTP staff and our established network of partners — to chart a clear growth path for these enterprises. We also build regional technology commercialization partnerships to bring products to market faster.



Without Ben Franklin's financial and non-financial assistance, we would not exist. Their backing at a very crucial stage was the key to our getting past our initial launch phase.

—ETHAN WENDLE, FOUNDER & CEO, DIAMONDBACK TRUCK ACCESSORIES, PHILIPSBURG

In addition, we invest our time — providing the state's brightest technical minds with access to the business, marketing and financial acumen needed to take their company from concept to commercialization. BFTP support includes business plan preparation, investor presentations, market channel strategies and other elements that are critical for success.

NETWORKS

Ben Franklin seeds and fosters valuable business and technology networks that bring ideas and operational talent together to grow new businesses in Pennsylvania. These networks are often the early elements in regional clusters that spawn new companies and improve the region's and state's capacity for innovation.

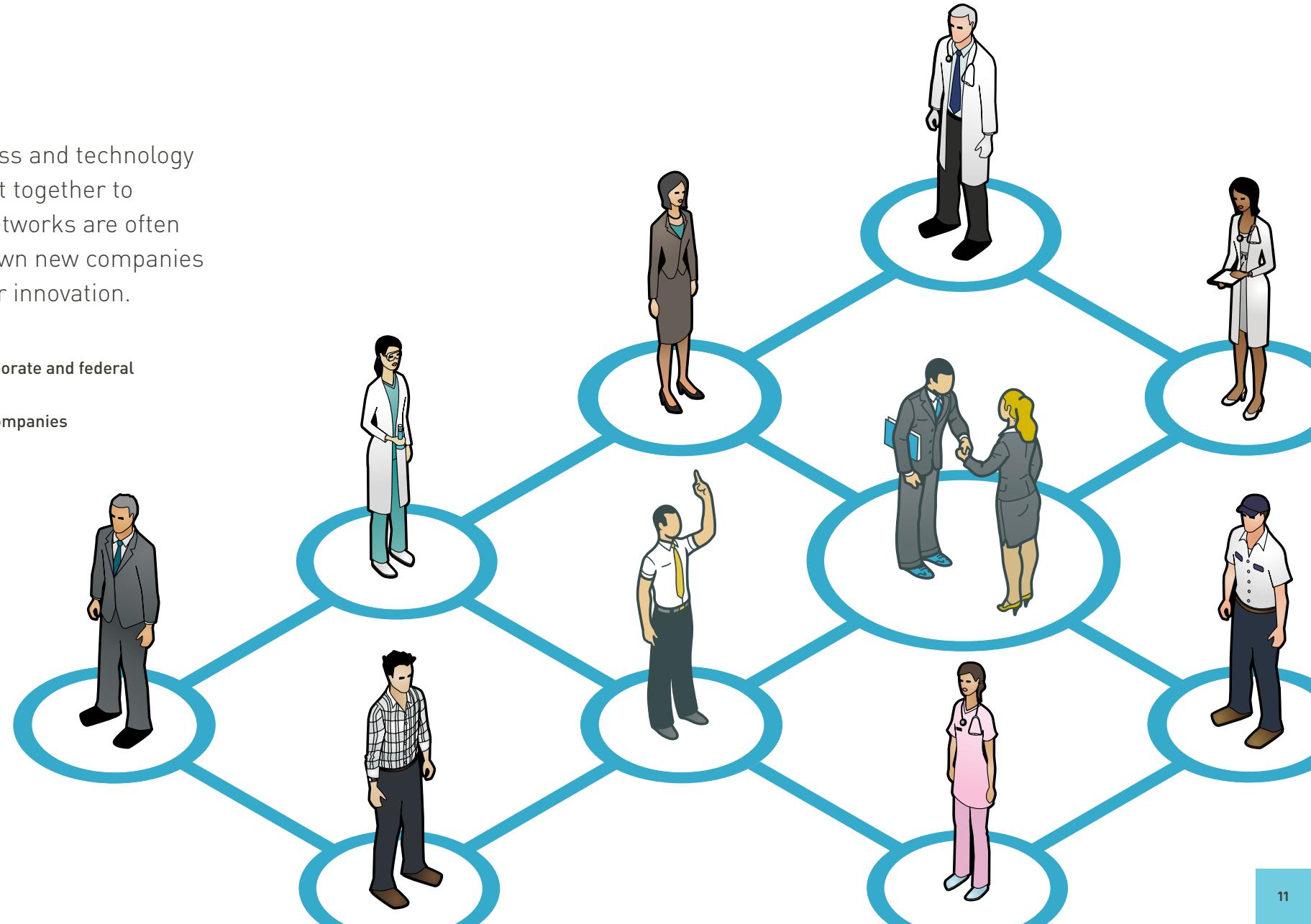
Network members include:

- Entrepreneurs
- Angel investors and venture capitalists
- Business incubators and university-based Centers of Excellence
- State, regional and local business assistance and economic development organizations
- University, corporate and federal research labs
- BFTP alumni companies
- Corporations
- Government



Ben Franklin has been with us from the start. They know our business intimately and have helped us overcome many challenges. Without them, we wouldn't be here today.

—GREGG SHEMANSKI, PRESIDENT,
CUSTOM PROCESSING SERVICES, READING

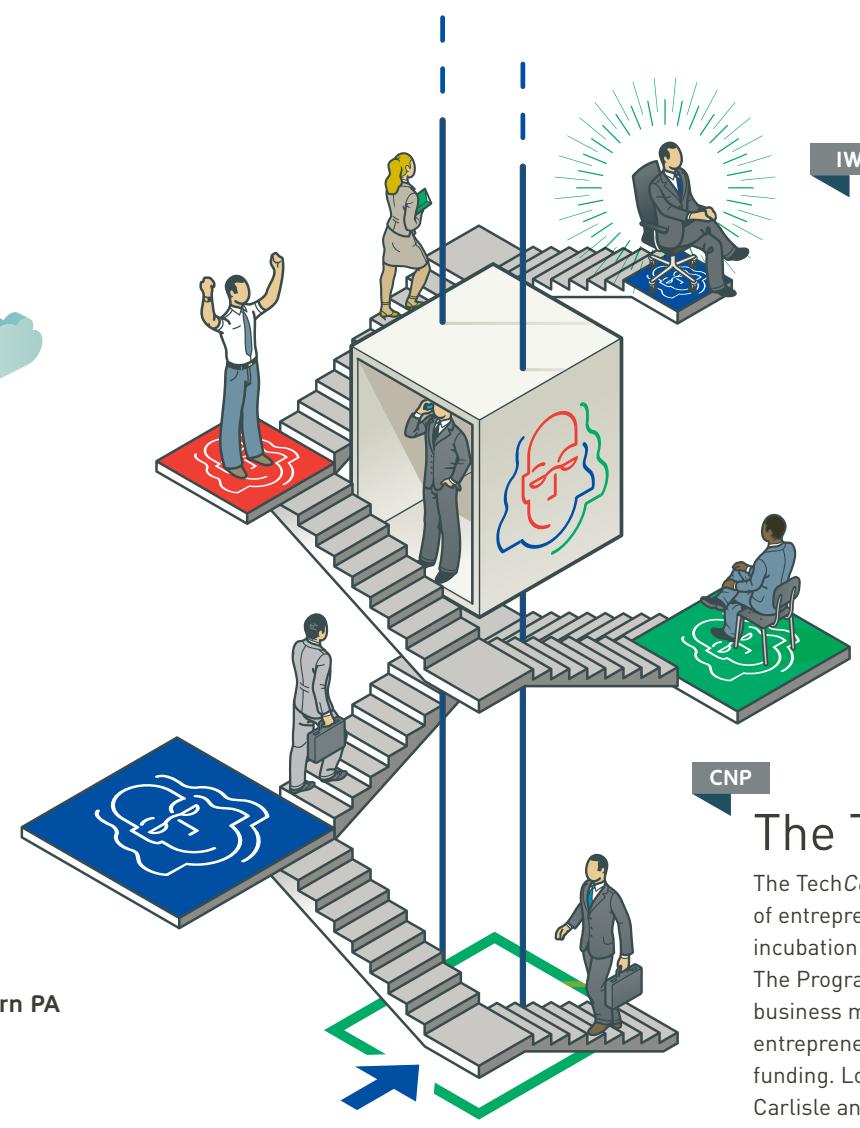




Years of
Ben Franklin
Successes

LEGEND:

- CNP** BFTP of Central & Northern PA
- IW** Innovation Works/BFTP of Southwestern PA
- NEP** BFTP of Northeastern PA
- SEP** BFTP of Southeastern PA



IW

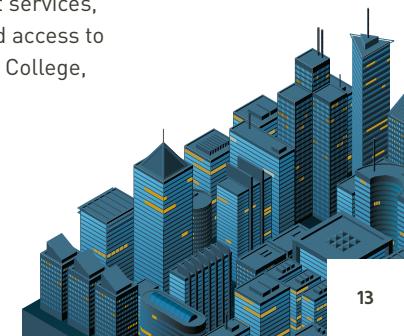
The Resumator

Launched in early 2009 through Ben Franklin’s AlphaLab accelerator program, The Resumator (Pittsburgh) provides HR recruiting solutions. More than 2,000 companies and organizations around the world use The Resumator to source and evaluate job candidates – including both presidential campaigns in the last election. In 2013, Salesforce.com, the world’s top software platform to manage customer relationships, became an investor and strategic partner. The infusion of capital led the company to open a second office, add to its leadership team and grow its staff.

CNP

The TechCelerators

The TechCelerators offer the “next generation” of entrepreneurial support and business incubation in central and northern Pennsylvania. The Program provides designated work space, business mentoring and support services, entrepreneurial Boot Camps and access to funding. Locations include State College, Carlisle and Hershey.





NEP

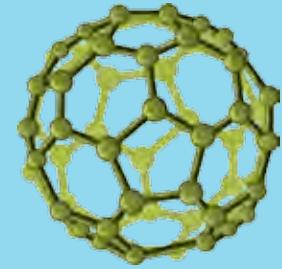
TMG Health

Supported by Ben Franklin as a start-up in 1998, TMG Health (Scranton) emerged as a major job creator in the region, employing more than 1,300 people today. TMG Health provides turnkey business process outsourcing services and information systems to the Medicare, Medicaid and retiree health plan markets.

SEP

The Nanotechnology Institute™

This unique, multi-institutional partnership continues to be a leader in accelerating commercialization and company formation. To date, the NTI has created 47 companies, executed 68 licenses and attracted \$300M+ in public and private investment to the region. The model, created by Drexel University, Ben Franklin and University of Pennsylvania, with funding from PA, is now informing new collaborations in the area of advanced manufacturing.



CNP

Transformation Business Services Network

Ben Franklin's Transformation Business Services Network offers services to portfolio companies that include strategic planning, market research, financial management, human resource planning, accounting, office practices and advertising. This intensive, expert one-on-one mentoring, provided to approximately 120 companies per year, is an invaluable benefit that most early-stage companies simply cannot afford.

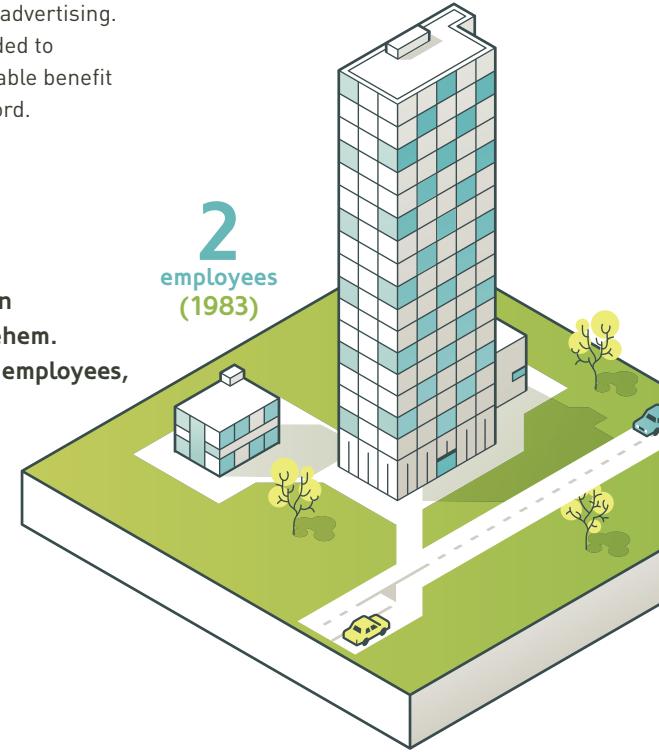
NEP

Computer Aid

In 1983, Computer Aid (Allentown) launched in the Ben Franklin Business Incubator in Bethlehem. Now a global operation with more than 4,000 employees, Computer Aid provides productivity solutions for the information technology software sector — typically engineering a 30% cost reduction with improved quality and capabilities. Clients include numerous Fortune 1,000 companies.

4,000+
employees
(2014)

2
employees
(1983)



SEP

Monetate

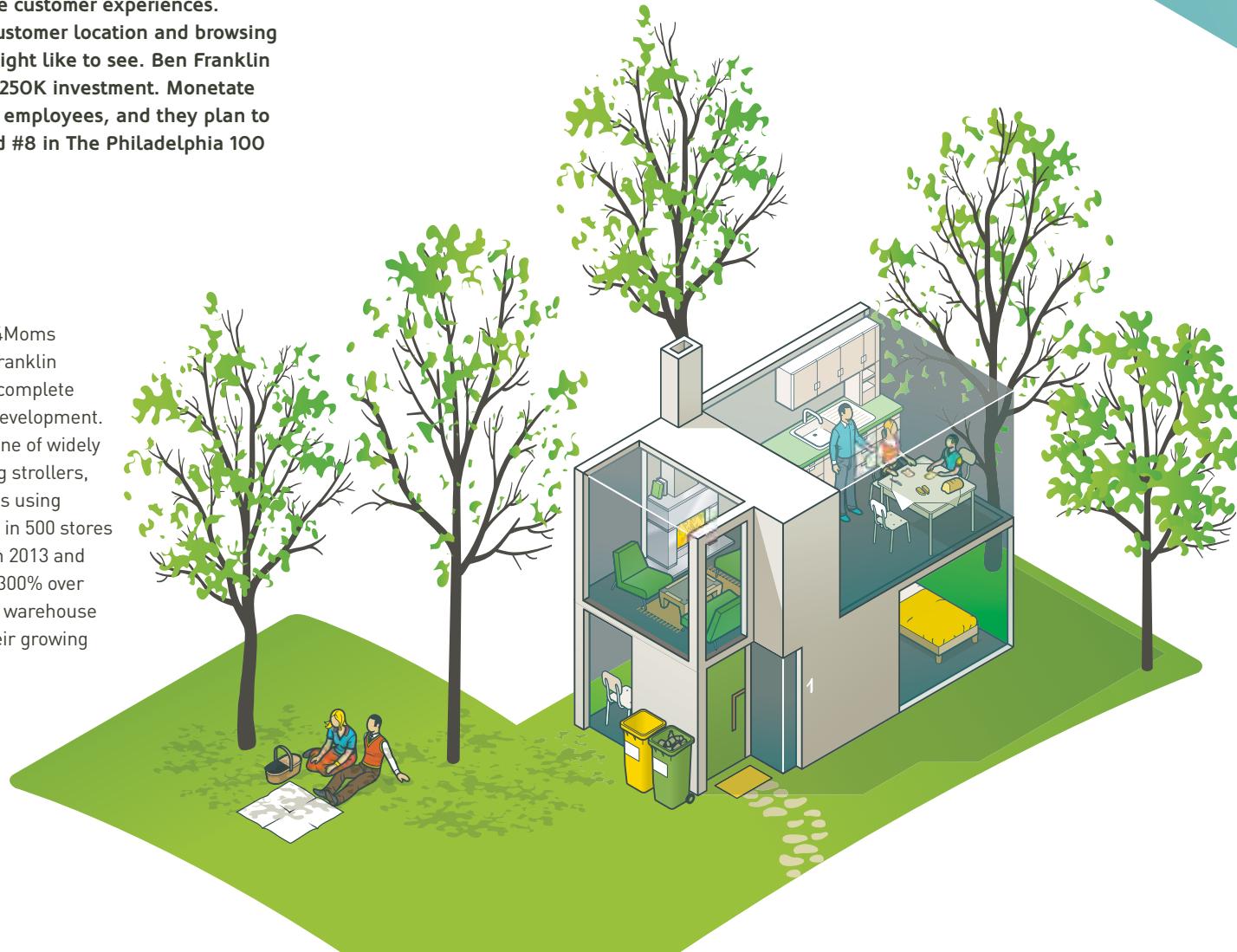
Monetate (Conshohocken) generates new revenue for businesses by creating in-the-moment e-commerce customer experiences.

Their platform analyzes data such as customer location and browsing habits to figure out what each visitor might like to see. Ben Franklin supported their vision in 2008 with a \$250K investment. Monetate has grown from three to more than 150 employees, and they plan to hire 50 more. In 2012, Monetate ranked #8 in The Philadelphia 100 Fastest-Growing Private Companies.

IW

4Moms

Founded in 2005, baby products company 4Moms (Pittsburgh) received \$300,000 from Ben Franklin in its first two years, helping the founders complete essential market research and prototype development. This support enabled 4moms to launch a line of widely acclaimed baby products. Their self-folding strollers, baby rockers, play yards and other products using advanced robotics and electronics are sold in 500 stores in 24 countries. Sales topped \$30 million in 2013 and the company expects to grow revenues by 300% over the next three years. 4moms added a local warehouse and other location expansions to house their growing staff of 113 and counting.



SEP

PA Life Sciences Connect

Finally, a lifeline to displaced life sciences talent! PA Life Sciences Connect (Connect) is a regional partnership that eases the transition from displacement to entrepreneur or a new position. Connect identifies ready-to-go technologies in PA universities and works with expanding companies to create new growth opportunities. Led by Ben Franklin and the MCEDC, and working with PA Bio and other key life science partners, Connect focuses the region's life sciences resources for new job growth and economic impact.

IW

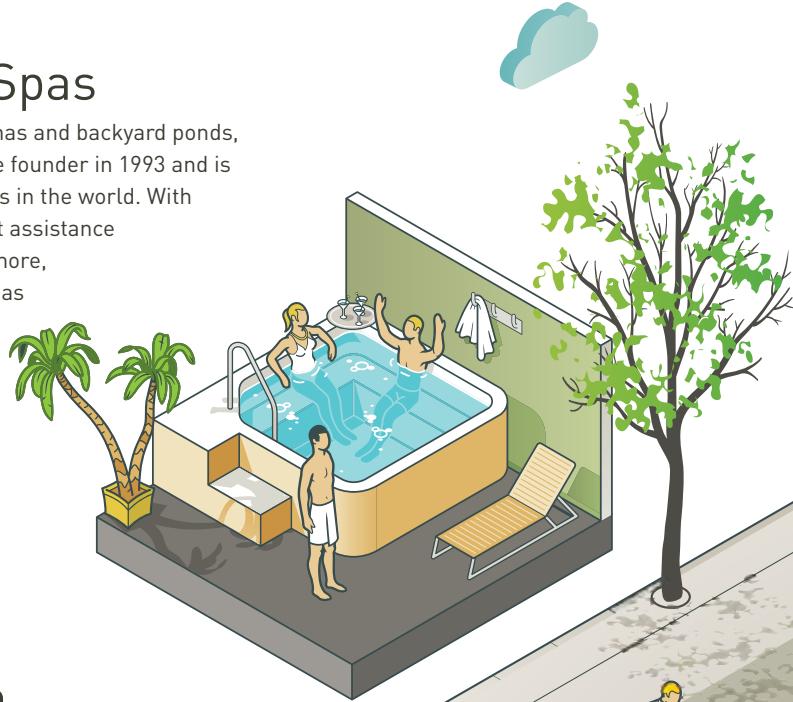
Community Development

In partnership with Catalyst Connection, National Center for Defense Manufacturing and Machining, and Westmoreland/Fayette Workforce Investment Board, Ben Franklin SWPA has helped secure two federal, multi-agency awards to provide business development, workforce training and energy reduction services to manufacturing companies. The companies assisted by the programs reflect both traditional strength of the region as well future opportunities for growth: metal manufacturing, electrical equipment clusters, advanced electronics, energy and life sciences.

NEP

Strong Pools and Spas

Manufacturer of plastic pools, spas, saunas and backyard ponds, Strong (Northumberland) began with one founder in 1993 and is now one of the largest spa manufacturers in the world. With repeated BFTP investments and frequent assistance in operations, finances, technology and more, the company currently employs as many as 325 people in peak periods, making it a significant regional employer in Northumberland County.



CNP

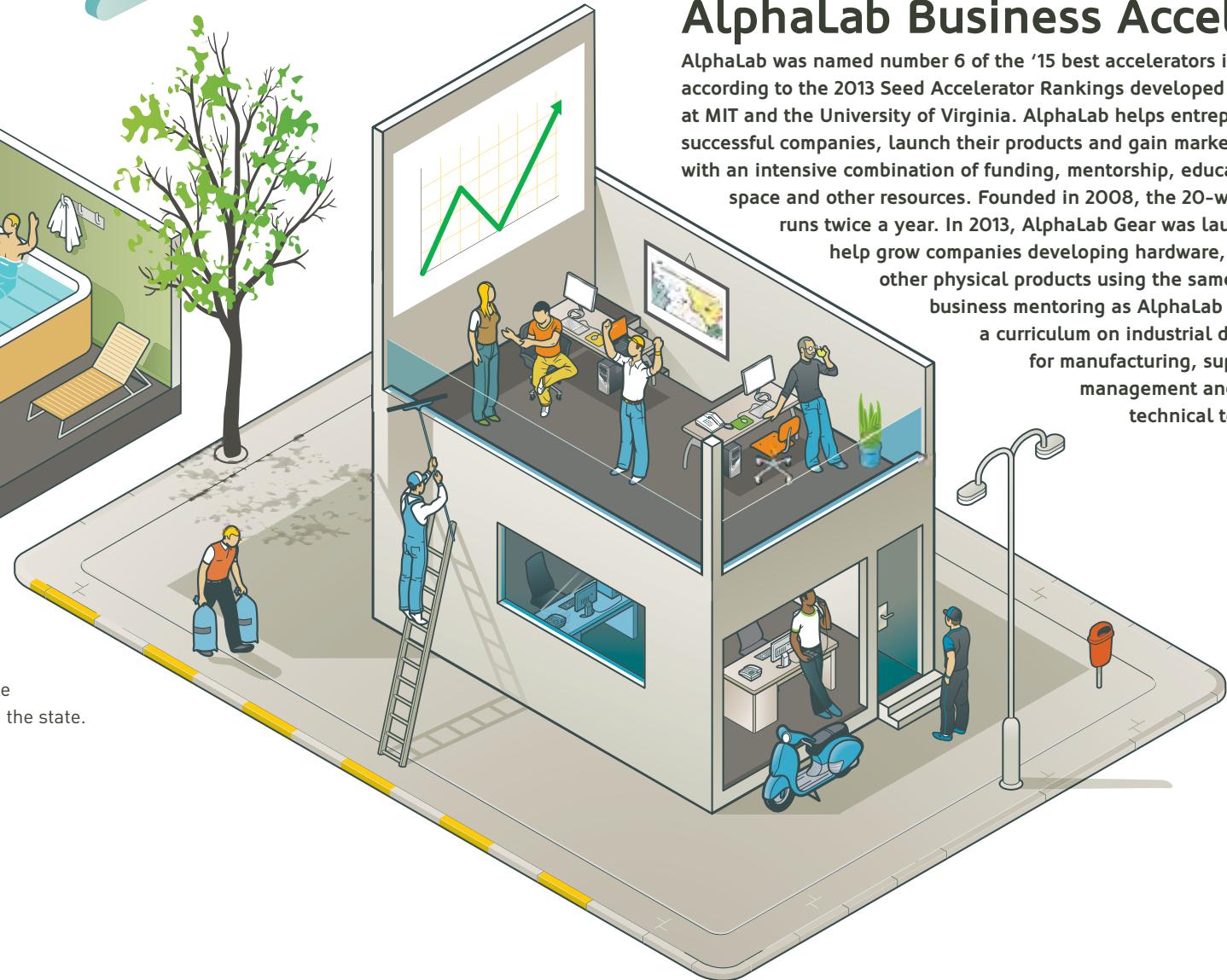
Shale Gas Innovation and Commercialization Center (SGICC)

Since its inception in 2011, SGICC has focused on innovations related to the Marcellus and Utica shale formations. The center supports and helps commercialize technologies and early-stage businesses that enhance responsible stewardship of the environment while also increasing sustainable employment in the state.

IW

AlphaLab Business Accelerator

AlphaLab was named number 6 of the '15 best accelerators in the U.S. according to the 2013 Seed Accelerator Rankings developed by researchers at MIT and the University of Virginia. AlphaLab helps entrepreneurs start successful companies, launch their products and gain market traction with an intensive combination of funding, mentorship, education, office space and other resources. Founded in 2008, the 20-week program runs twice a year. In 2013, AlphaLab Gear was launched to help grow companies developing hardware, robotics and other physical products using the same approach to business mentoring as AlphaLab and adding a curriculum on industrial design, design for manufacturing, supply-chain management and other technical topics.



NEP

Ben Franklin TechVentures®

Since 1983, the award-winning Ben Franklin TechVentures (Bethlehem) has graduated 55 successful companies that have grossed more than \$984 million in annual revenue and created more than 6,400 jobs. Just 18 months after the grand opening of a new facility in 2007, TechVentures was filled to near capacity. With a major expansion in 2011, 30 early-stage firms are currently located there, employing 171 people.



IW

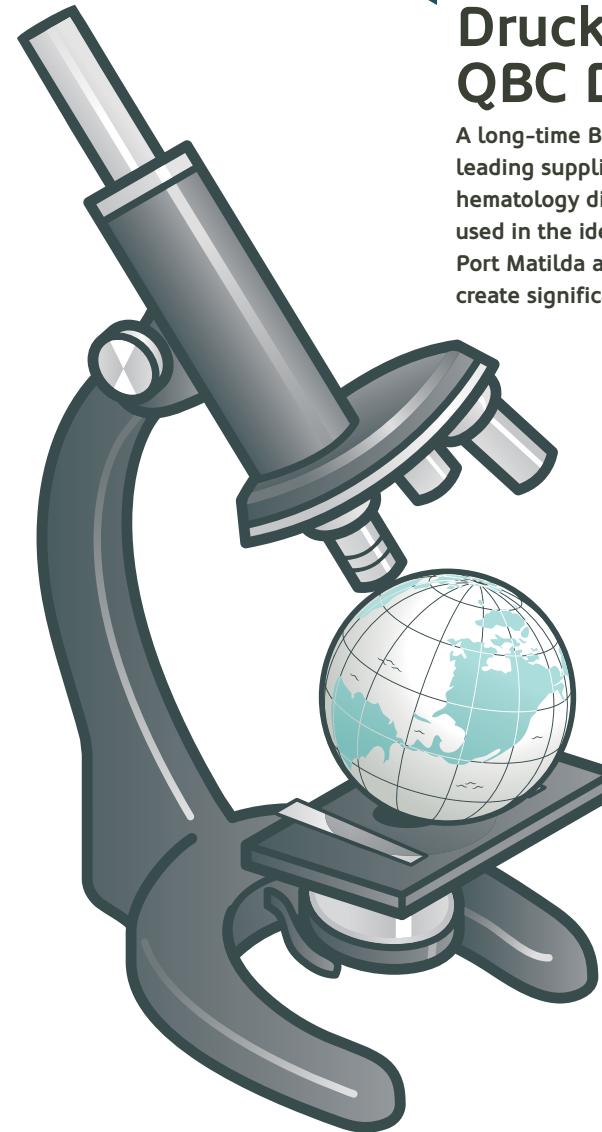
Vocollect

Vocollect (Pittsburgh) received early support from Ben Franklin to build its team and develop Vocollect's pioneering voice-recognition technology. In the years since its founding in 1987, the company has grown to more than 350 employees, and was acquired in 2013 by Honeywell, a Fortune 100 company which is a diversified technology and manufacturing leader.

CNP

Drucker Company/ QBC Diagnostics

A long-time Ben Franklin portfolio company, Drucker/QBC is a leading supplier of affordable, reliable laboratory centrifuges, hematology diagnostic tools and fluorescent microscopy products used in the identification of infectious diseases. With locations in Port Matilda and Philipsburg, the company continues to grow and create significant job opportunities in rural central PA.



SEP

InstaMed

InstaMed (Philadelphia) has made healthcare communications and transactions a breeze by developing an integrated network that securely links healthcare providers, payers and patients. Since its founding in 2004, the company has processed more than \$3.5 billion in healthcare payments, which translates to several hundred million dollars in savings for the economy. Ben Franklin supported company growth from five to more than 70 workers, and has invested \$500K since 2005. In 2013, InstaMed was named a 2013 North American Deloitte Technology Fast 500 Award Winner.

Ben Franklin Business Incubator Network

The concept of business incubators in Pennsylvania originated with the Ben Franklin Technology Partners in 1983. BFTP has since collaborated with other economic development organizations to establish and support a 10-incubator network of facilities in northeastern Pennsylvania—now one of the largest in the nation. The greatly enhanced success rate of incubated companies is an important element in Ben Franklin's strategy for developing the technology infrastructure in the state.

The Ben Franklin Business Incubator Network includes:

- Ben Franklin TechVentures®
- Bloomsburg Regional Technology Center
- Bridgeworks Enterprise Center, Allentown
- Enterprise Center, Sayre
- Carbondale Technology Transfer Center
- Greater Hazleton Business Innovation Center
- East Stroudsburg University Business Accelerator
- Innovation Center @ Wilkes-Barre
- Pottsville/Schuylkill Technology Incubator
- Scranton Enterprise Center

Technology Commercialization Initiatives

Ben Franklin developed a suite of programs to support commercialization efforts in southwestern Pennsylvania's research institutions. University Innovation Grants support prototype development and early marketing analysis. The Technology Commercialization Initiative spurs development of robotics and advanced electronics. The Agile Innovation in Manufacturing (AIM) project helps small, existing manufacturers develop new products and supply chain relationships. Ben Franklin provides funding for manufacturers to expand their capabilities, capacities and product lines and strategic consultation on agile innovation, product development, and networking for new and existing businesses in the local hardware supply chain.

Project Liberty

The Project Liberty Digital Incubator stimulates the growth of digital media start-up companies by providing free office space and an opportunity to build a relationship with a major media company. Project Liberty alumni have successfully raised more than \$9 million and created more than 30 jobs. Among the alumni are DreamIt Ventures graduates, Ben Franklin portfolio companies, and commercial partners with Interstate General Media (IGM). Project Liberty is hosted at the headquarters of IGM (parent company of *The Philadelphia Inquirer*, *Philadelphia Daily News*, *Philadelphia SportsWeek* and *Philly.com*) and is operated by Ben Franklin. Project Liberty was the first incubator in the nation to reside within a traditional media company, a model now followed by *The New York Times*, *The Boston Globe* and other media outlets.

NEP

OraSure Technologies

The founders of OraSure (Bethlehem) formed SolarCare in 1987 within the Ben Franklin Business Incubator. After a merger with another company, OraSure (NASDAQ: OSUR) was born, and is now a leader in oral fluid diagnostic and collection technologies to detect and diagnose critical medical conditions. Its OraQuick® product is the first over-the-counter rapid HIV test that uses saliva rather than blood, with monumental public health improvement ramifications. OraSure now employs 313.

SEP

Ceptaris

Early-stage skin cancer may have met its match. Ceptaris' (Malvern) mission was to develop a drug to combat lymphoma. In 2005, Ben Franklin was one of their first financial supporters with a \$250K investment, which helped the company grow to more than 10 employees. In August 2013, Ceptaris received FDA approval for VALCHLOR™, a lymphoma cancer fighting gel; and in September 2013, Actelion acquired Ceptaris for \$250 million.



CNP

MacuLogix

MacuLogix (Hummelstown) developed AdaptDX™, the first practical diagnostic tool for early detection of age-related macular degeneration (AMD). It's estimated that AMD affects roughly 30 million people worldwide. Based on advances in the measurement of dark adaptation, AdaptDx™ can be used right in a physician's office.

IW

ALung

Supported by Ben Franklin starting in 2001, ALung (Pittsburgh) now employs more than 30 people and has raised more than \$40 million in follow-on funding to support the continuing development of the company's core product, the Hemolung RAS. A major innovation in the support of respiratory failure patients, the Hemolung RAS is currently being sold in Europe and Canada, while clinical trials are ongoing in China and other countries.

CNP



Venture Investment Forum

The Venture Investment Forum (VIF), offers entrepreneurs training on the ins-and-outs of accessing follow-on funding (angel and venture capital), while the eMarketing Learning Center, a new VIF initiative, provides seminars on topics related to eCommerce, eMail marketing, social media, SEO, Google Analytics and more.



SEP

Building 100 Innovation Center

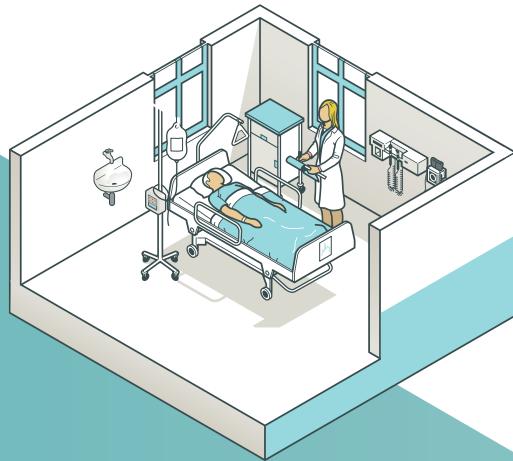
The Building 100 Innovation Center, Ben Franklin's headquarters at the Philadelphia Navy Yard's business campus, became a catalyst for regional focus on physical sciences and alternative energy development. The center has played host to numerous events and visitors, such as the Innovate in PA Launch, Almanack Series Venture Showcases and Workshops and Ben Bernanke's tour of the Navy Yard.



NEP

Saladax Biomedical

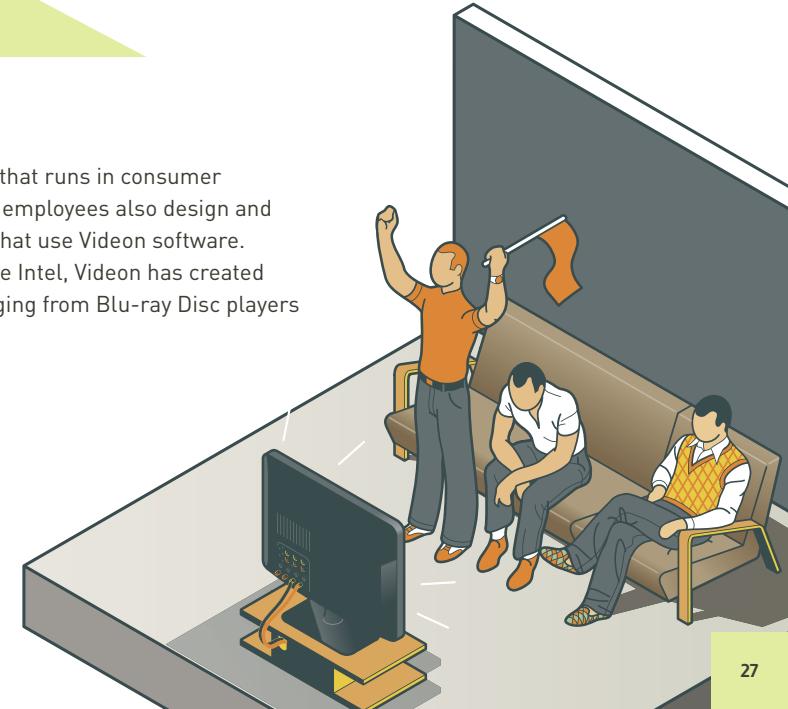
BFTP client Saladax (Bethlehem), located in Ben Franklin TechVentures, developed MyCare™ tests that enable doctors to assess the dosage of chemotherapy drugs needed for individual cancer patients with far more precision than ever before. Saladax is also developing biomarkers for the early detection of Alzheimer's disease. The company now holds 82 international patents, has raised \$43+ million in follow-on equity funding and employs 45.



CNP

Videon

Videon (State College) develops software that runs in consumer electronics worldwide. The company's 80 employees also design and create video players and media systems that use Videon software. Through relationships with companies like Intel, Videon has created technologies for millions of products ranging from Blu-ray Disc players to in-flight entertainment centers.



NEP

East Penn Manufacturing Co.

The new Deka UltraBattery® from East Penn Manufacturing Co. (Lyon Station) is used in wind turbines, solar power installations and hybrid electric vehicles. East Penn employs more than 6,700 people in the Reading area. BFTP has worked with the company repeatedly since 1987, partnering them with Lehigh University, Enterprise Systems Partners, Penn College of Technology's Plastics Innovation and Resource Center and Northampton Community College's Emerging Technology Applications Center.

IW

Vivisimo

Begun in 2000, Vivisimo (Pittsburgh) quickly blossomed into one of southwestern Pennsylvania's most promising early-stage companies. Seeded with \$500,000 from Ben Franklin, Vivisimo and its enterprise search engine analytics technology was acquired by IBM in 2012. IBM has incorporated Vivisimo technology into its Big Data platform and employs more than 120 Pittsburgh employees as part of the IBM Software Group.

CNP

Penn Venture Partners

Affiliated with Ben Franklin, Penn Venture Partners (PVP) provides follow-on funding to PA companies possessing a proprietary technology that enables them to gain a competitive advantage. The Fund makes investments in industries such as manufacturing, software, interactive media, educational products and energy to name just a few. Several BFTP alumni companies have received investments from PVP, including NanoHorizons, Probity, CyberPatrol and Thermacore.

SEP

Brad's Raw Foods

Looking for a delicious snack that won't pack on the pounds? Then head to your local Whole Foods where you will find Brad's Raw Foods snacks. Manufactured in Pipersville, with an advanced dehydration system, the company creates healthy, crunchy snacks made from raw, healthy foods—such as fresh vegetables, nuts and seeds. In 2013, the company expanded its line of products to include doggie treats. Currently, the company is developing other raw food products including dips, granola, pizza crust and crackers. All of the company's products are free of chemicals, preservatives, trans-fats and gluten. Since 2012, Ben Franklin has invested \$200K, helping the company grow from 45 to more than 100 employees.



REGIONAL BEN FRANKLIN PARTNERS

1 CENTRAL AND NORTHERN PA

Stephen Brawley
President & CEO
115 Technology Center
University Park, PA 16802
(814) 863-4558
www.cnp.benfranklin.org

2 NORTHEASTERN PA

R. Chadwick Paul, Jr.
President & CEO
116 Research Drive
Bethlehem, PA 18015-3715
(610) 758-5200
www.nep.benfranklin.org

3 SOUTHEASTERN PA

RoseAnn B. Rosenthal
President & CEO
Building 100 Innovation Center
4801 S. Broad Street, Suite 200
The Navy Yard
Philadelphia, PA 19112
(215) 972-6700
www.sep.benfranklin.org

4 SOUTHWESTERN PA

Innovation Works
Rich Lunak
President & CEO
2000 Technology Drive, Suite 250
Pittsburgh PA 15219
(412) 681-1520
www.innovationworks.org



STATEWIDE COORDINATION

Ryan Glenn
Director of Statewide Initiatives
1010 North Seventh Street, Suite 307
Harrisburg, PA 17102
(717) 948-4317
ryanglenn@benfranklin.org
www.benfranklin.org