

Equity Investments and Venture Debt FAQ Section

1. What is the typical size of a MassCEC investment?

The average size of a MassCEC equity investment is \$500,000, most commonly ranging between \$250,000 to \$600,000 (but investments have ranged anywhere from \$100,000 - \$1,500,000). Additionally, MassCEC reserves significant capital per company for follow-on investments and continued support. Our financial support is designed to decrease over time in accordance with MassCEC's [follow-on investment policy](#).

2. What is the typical size of a MassCEC venture debt investment?

MassCEC's venture debt investments can be anywhere from \$100,000 to \$1,000,000.

3. How does MassCEC compare to a typical private investor?

As an industry-specific publicly-funded investor focused solely on cleantech/climatetech, MassCEC acts as a strategic, value-add investor. We seek to be actively involved in our portfolio companies through board or board observer roles in order to bring as much value to the company as possible. As a public agency deeply involved in the cleantech ecosystem, we can also offer a variety of resources to our portfolio companies beyond financial support by leveraging MassCEC's other various programs and contacts.

Contrary to most traditional investors, MassCEC's role as a public investor is particularly prominent in the early stages of a company's development, and tends to lessen over time as the private sector increases its involvement in the company. This is also reflected in our follow-on policy, as MassCEC's relative level of financial support tends to decrease over time.

MassCEC makes its investments alongside other private investors, so we invest on standard commercial terms and seek to make a financial return with our investments. However, financial return is only one of several goals, and MassCEC seeks to optimize overall impact with its investments. Some examples of this impact include advancement of technology, job creation and long-term cost reduction to the ratepayer.

Finally, due to its funding structure, MassCEC can provide more "patient capital" than a typical investor. While we always seek investments with exit opportunities, we do not have stringent timelines for those exits.

Additional details on MassCEC's investment policy and strategy can be found [here](#).

4. What does the "significant Massachusetts presence" requirement mean?

Your company must have a majority of the following offices based in Massachusetts (as applicable) in order to have a “significant Massachusetts presence”:

- Company headquarters
- Primary research and development operations
- Primary sales and marketing office
- Primary manufacturing operations