

Lincoln

Robotics and Drones

*National Funding Trends
and the Massachusetts Market*

August 2024

Lincoln Property Company



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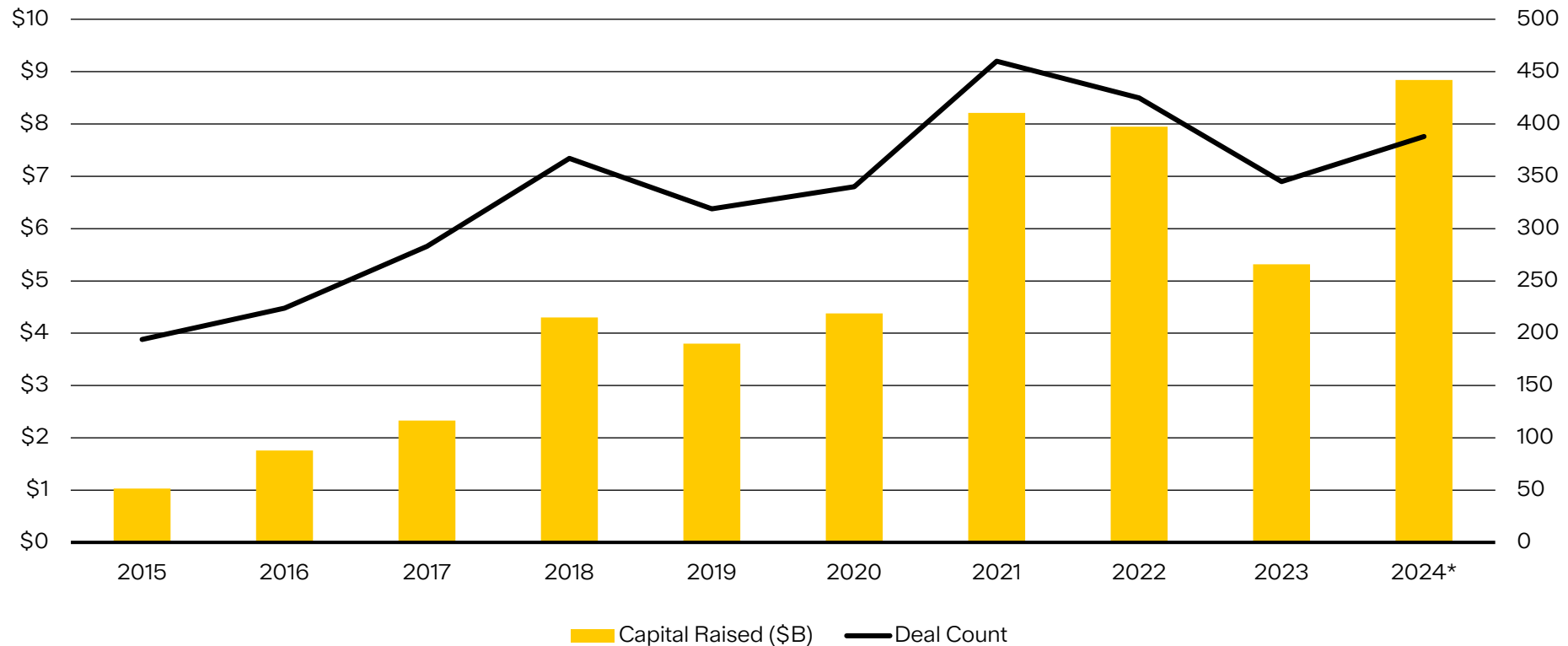
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National Funding Trends

The background is a solid light purple color. It features several large, semi-transparent geometric shapes: a large circle in the bottom-left corner, a large rounded rectangle in the top-right, and a large triangle pointing downwards from the top-left towards the center. The text is positioned on the left side of the slide, overlapping the circle and the triangle.

National Robotics & Drones Sector Venture Capital Funding (\$B)

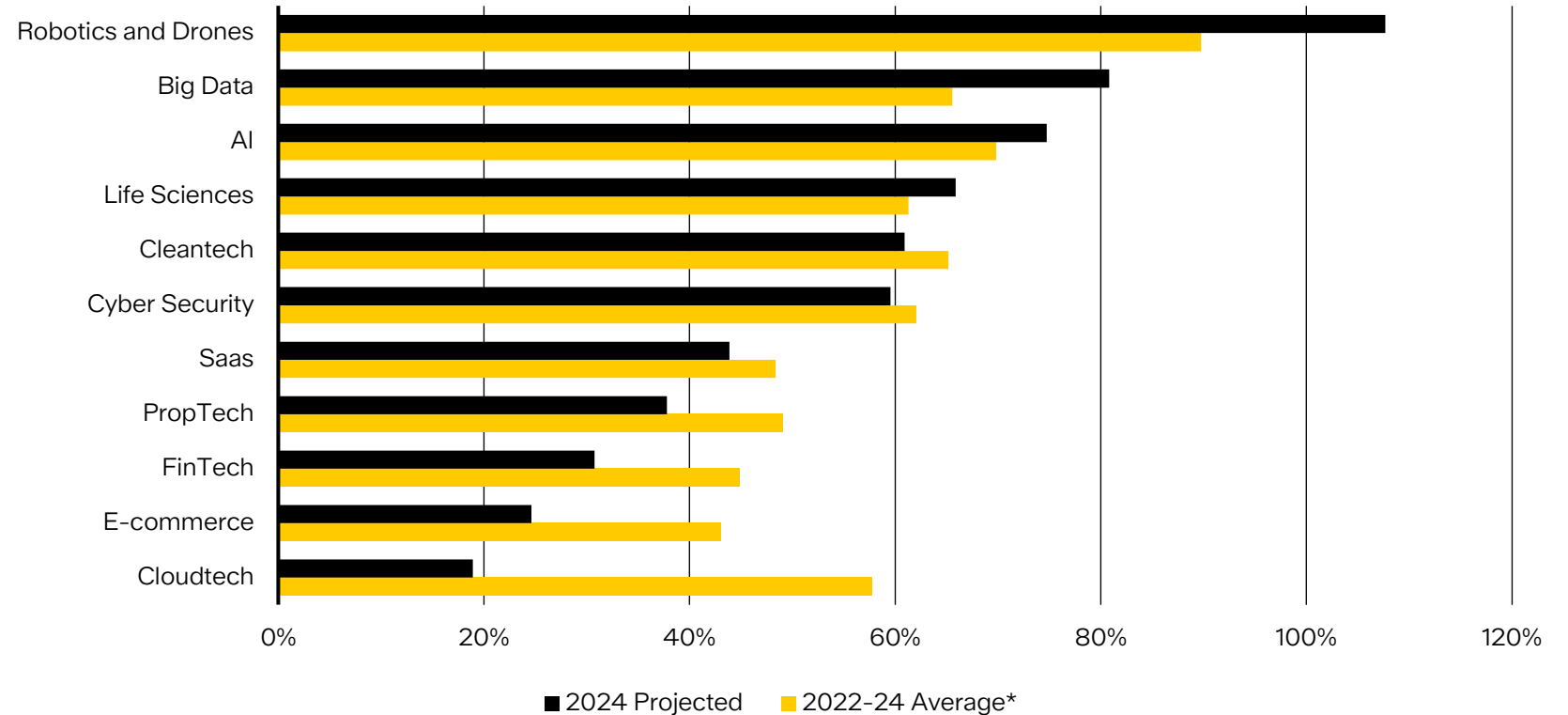
The robotics and drones sector has received significant interest over the last decade, with more than \$40 billion of venture capital investment raised nationally since 2015. About \$2 billion was raised in the first quarter of 2024, putting the sector on a record pace.



VC Funding by Industry, Relative to 2021 Totals

VC investment peaked across most industries in 2021, when interest rates were at record lows. Since then, robotics and drones has held up as one of the most resilient emerging technology sectors.

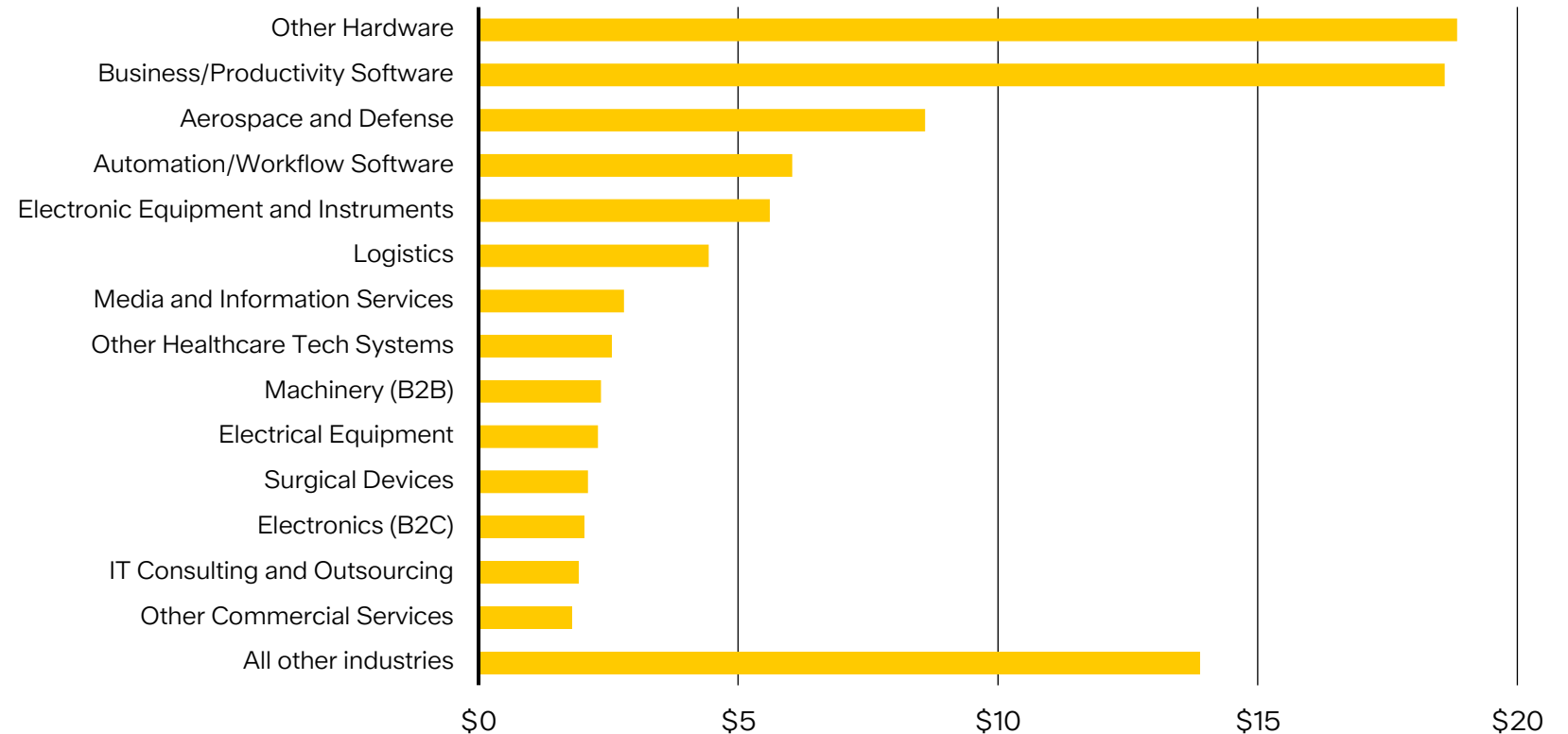
- Of 11 sectors researched, robotics and drones is the only one on pace to top 2021's fundraising peak in 2024.
- This is consistent with its performance over the last several years.
 - Including a projected total for 2024, VC investment over the last three years averaged about 90% of its 2021 peak.
 - The next closest sector is AI, at 70% of its 2021 total.
- VC investment for the other sectors has averaged about 55% of the 2021 peak over the last three years.



Capital Invested by Industry Since 2015 (\$B)

The robotics and drones sector is large and multifaceted, encompassing many industries and verticals.

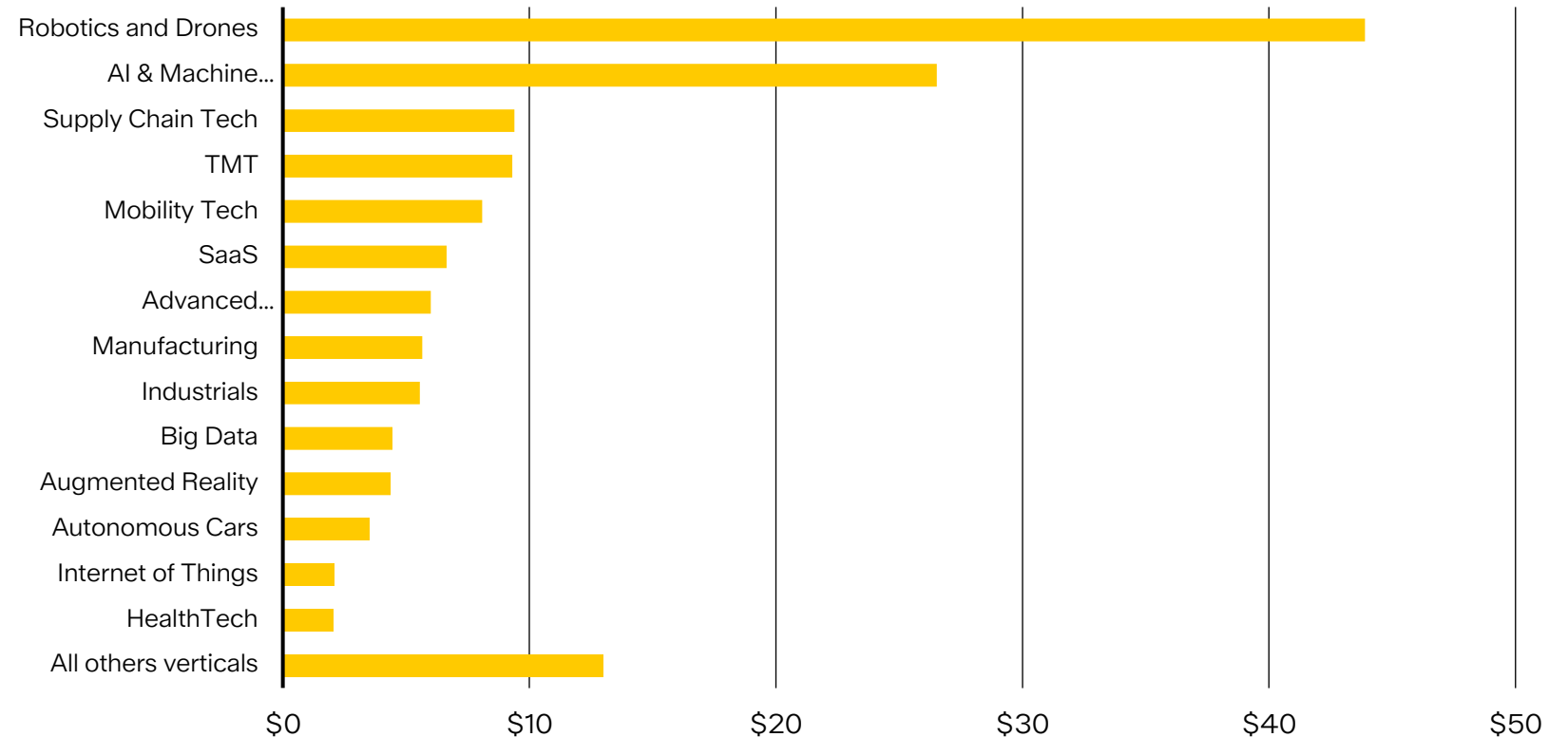
- Over the last decade, companies engaged in hardware production and/or business and productivity software have each received nearly \$19 billion cumulatively.
- Aerospace and defense, automation and workflow software, and electronic equipment and instruments companies have all received between \$5-\$10 billion.



Capital Invested by Vertical Since 2015 (\$B)

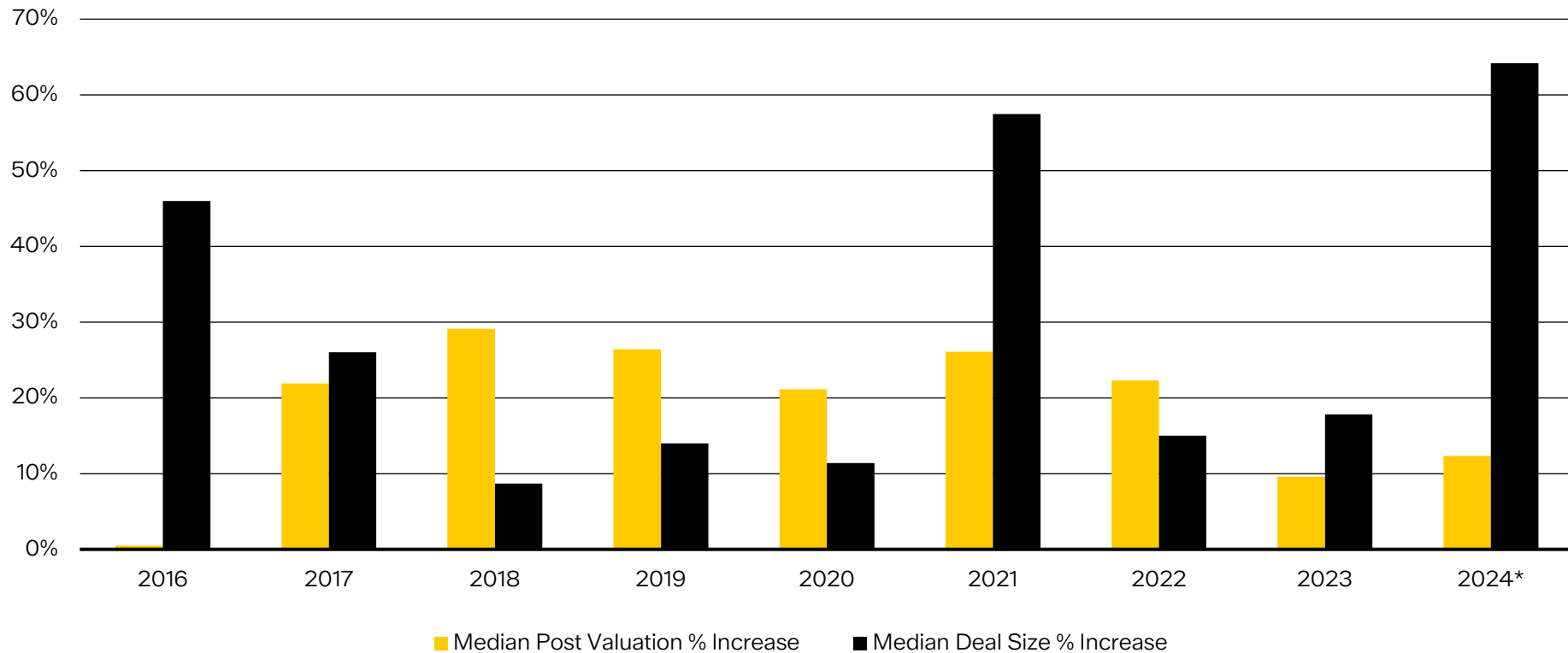
General robotics and drones R&D has been the best-funded vertical, but companies in this industry have put significant capital to many other verticals.

- More than \$25 billion has gone to companies engaged in AI & Machine Learning.
- Supply chain tech, technology, media, and telecommunications, mobility tech, and Software as a Service are other verticals engaged in by a large amount of robotics and drones companies.



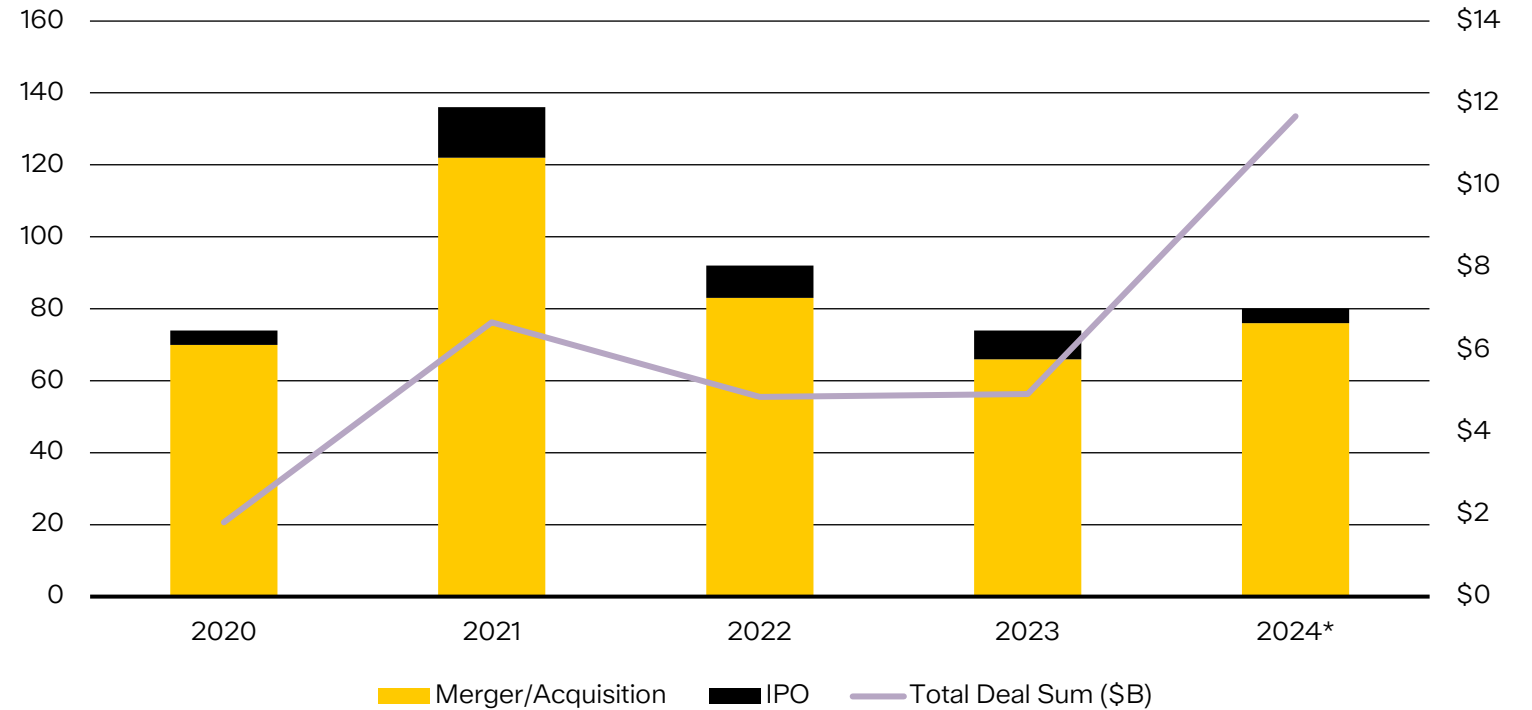
Median Post Valuation vs. Median Deal Size Increases


In three of the last four years, deal sizes have been increasing at a faster pace than post-valuations. The opposite was true across 2018-2020.



Robotics and Drones National Exit Activity

Exit activity has declined since peaking in 2021, with higher interest rates clogging the IPO market. Exits have primarily come through M&A activity. More than 130 exits occurred in 2021, compared with fewer than 100 in each of the last two years. Fewer than 100 exits are again projected in 2024, but deal values have increased. Exit values are projected to almost reach \$12 billion, which would nearly double the 2021 total.

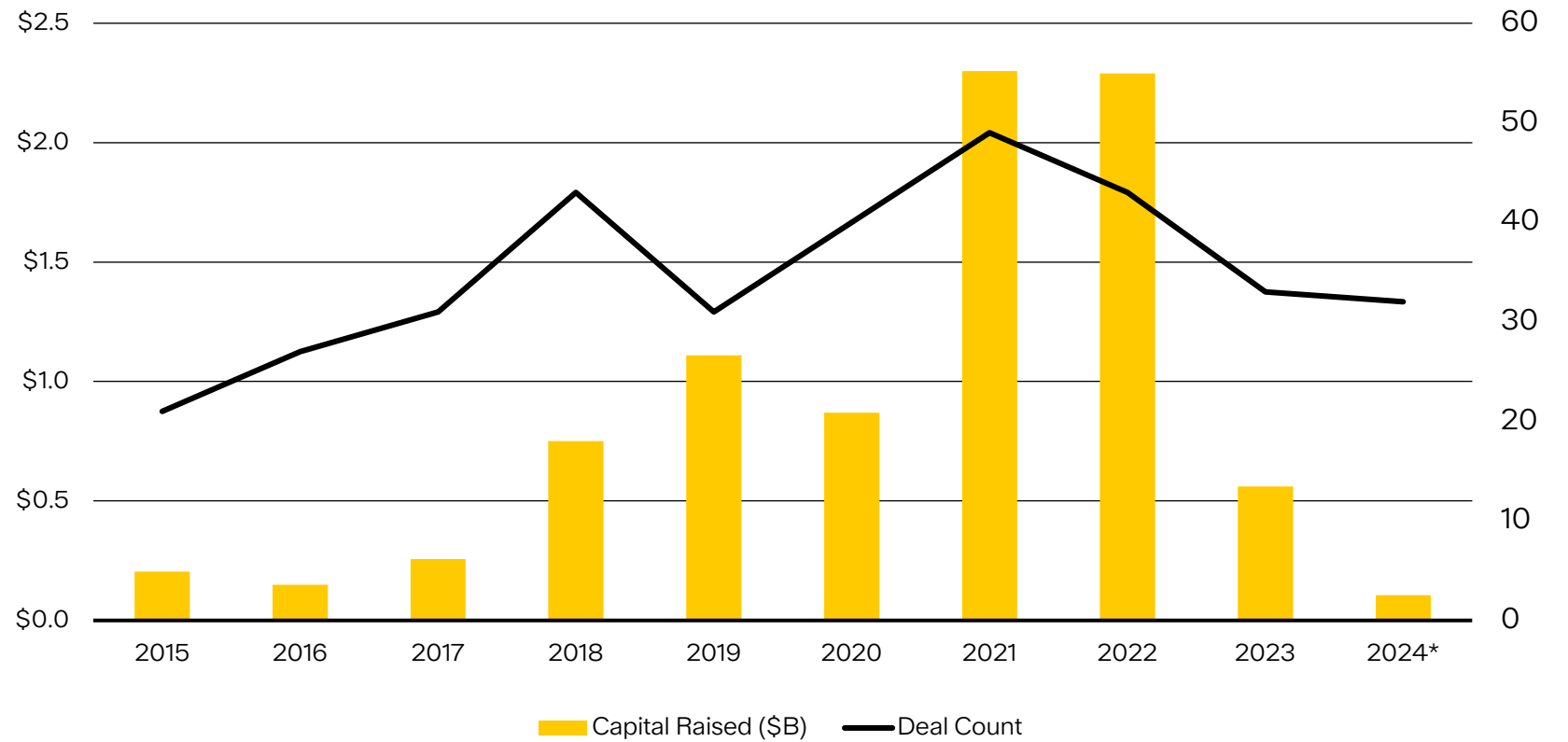




Massachusetts Funding Trends

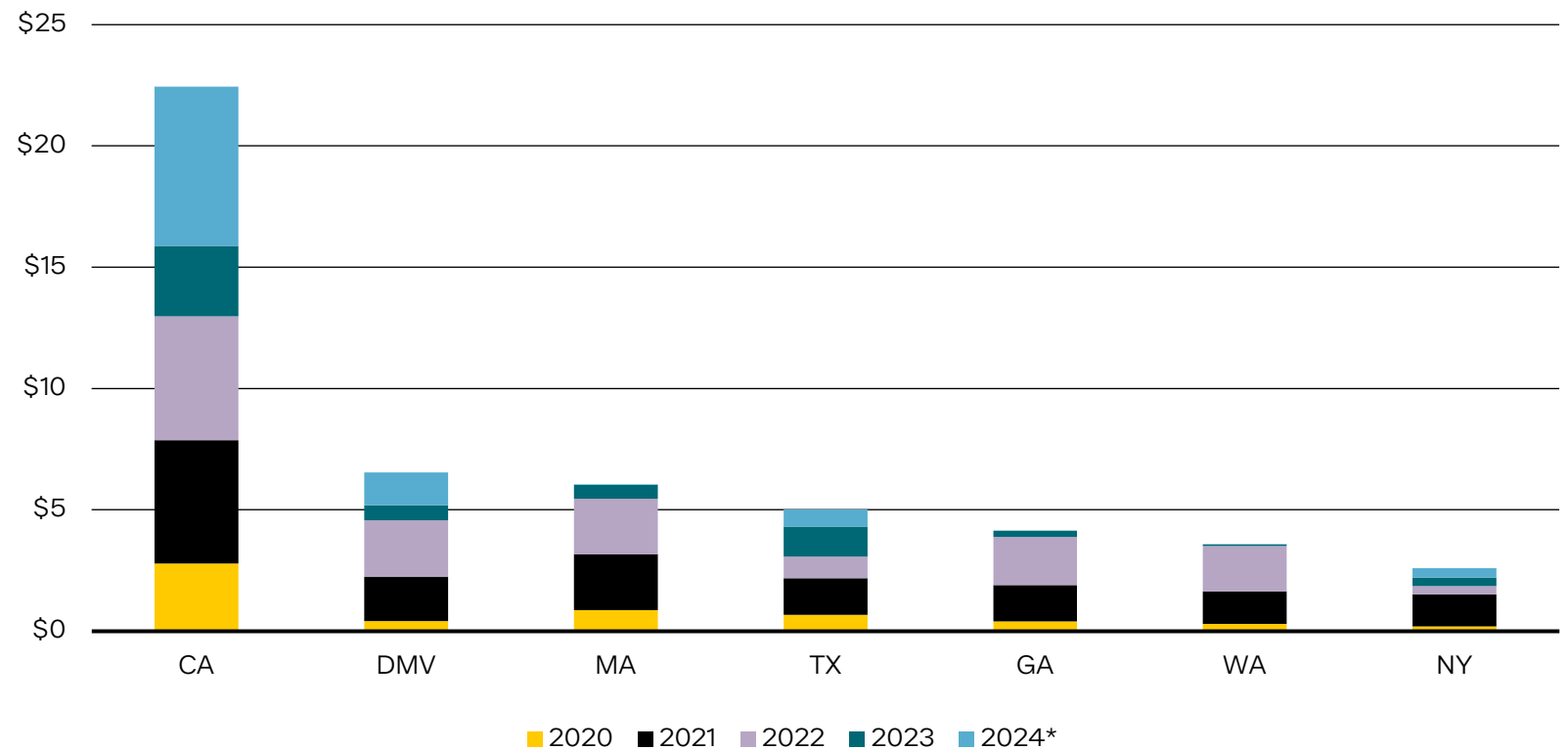
MA Robotics & Drones Sector Venture Capital Funding (\$B) (All companies with MA offices, including non-HQ)

VC funding held up well in 2022 for robotics and drones companies with Massachusetts offices, but has decelerated since last year.

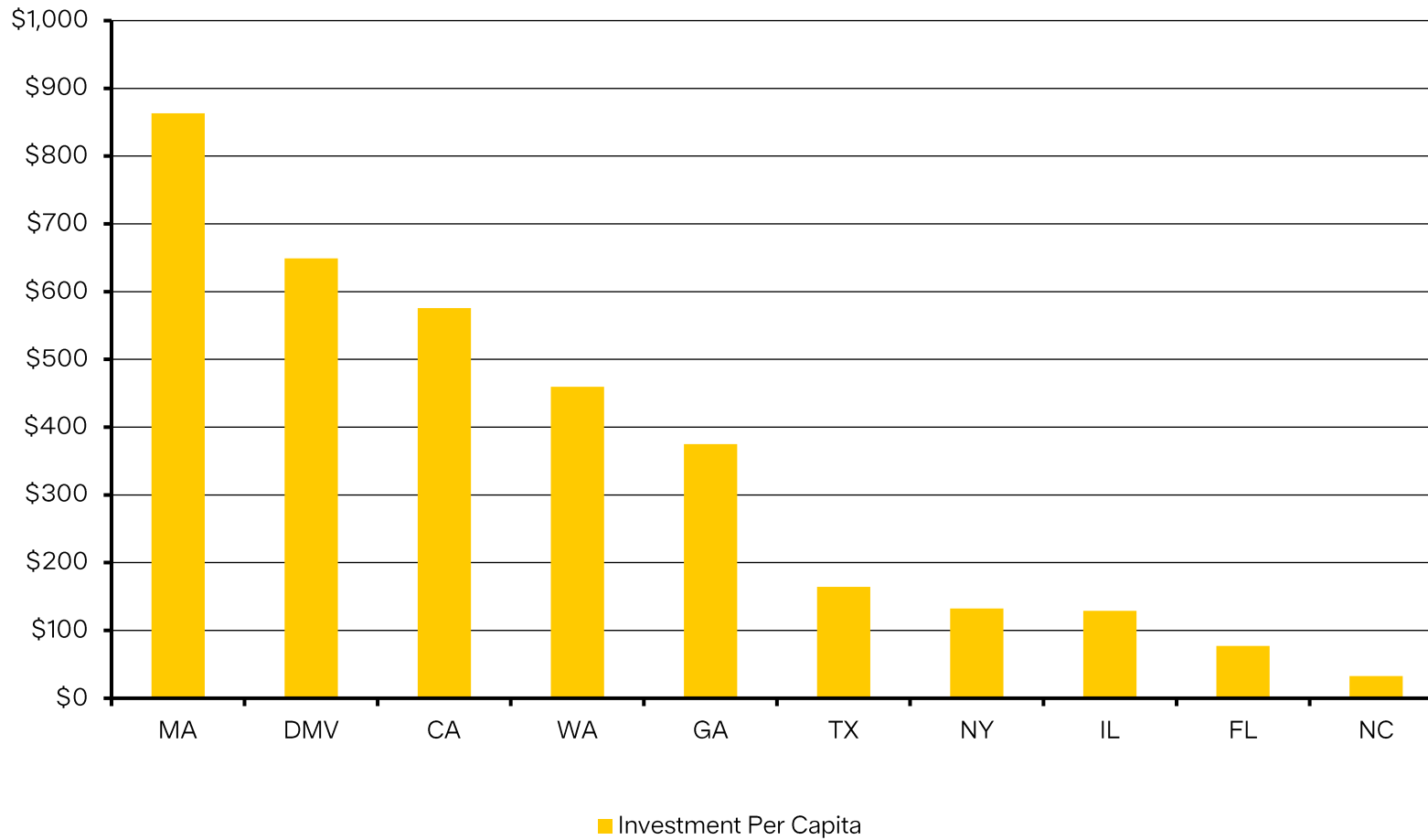


VC Investment by State

Despite the recent slump, Massachusetts still has one of the most significant robotics and drones economies in the country. In terms of total VC investment received since 2020, Massachusetts only trails California and the DC metro area. This is very impressive on a per capita basis, as California has a population 5x greater than Massachusetts', but received less than 4x the amount of VC money. The DMV is also home to a significant defense industry, which is heavily invested in robotics and drones technology. Massachusetts combination of tech, biotech, and strong universities supports a thriving robotics and drones ecosystem.



VC Investment Per Capita (\$ Raised Per Resident Since 2020)



On a per capita basis, Massachusetts leads all regions of the country in VC investment for robotics and drones this decade. More than \$800 has been raised per every resident of the state.

This about 33% more than per capita fundraising for the Washington D.C. region, which is home to a significant defense industry, and more than 50% higher than fundraising for California, home to Silicon Valley.

Largest Fundraising Deals Since 2023

(All robotics and drones companies with Massachusetts locations)

Company	Date	Deal Size (\$M)	Deal Type	Industry	MA Location
Gecko Robotics	12/5/23	\$173	Later Stage VC	Other Hardware	Boston
GreyOrange	12/10/23	\$135	Later Stage VC	Automation/Workflow Software	Somerville
Automata	7/31/23	\$40.3	Later Stage VC	Other Hardware	Boston
Realtime Robotics	6/9/23	\$33.4	Later Stage VC	Application Specific Semiconductors	Boston
Veo Robotics	4/25/23	\$29	Later Stage VC	Other Hardware	Waltham
Soft Robotics	2/21/23	\$26	Later Stage VC	Electronic Equipment and Instruments	Bedford
Guardian Agriculture	10/18/23	\$20	Later Stage VC	Other Hardware	Woburn
Suvie	5/18/23	\$20	Later Stage VC	Household Appliances	Cambridge
Verve Motion	7/28/23	\$11.45	Early Stage VC	Other Hardware	Cambridge
Cyberdantics	3/1/23	\$10.06	Later Stage VC	Other Healthcare Technology Systems	Boston

Largest Fundraising Deals

Company	Date	Deal Size (\$M)	Deal Type	Industry	MA Location
Corvus Robotics	7/24/23	\$8	Seed Round	Other Hardware	Boston
GPR	5/18/23	\$8	Later Stage VC	Business/Productivity Software	Somerville
Square Robot	9/25/23	\$5	Later Stage VC	Other Hardware	Marlborough
Zordi	2/1/23	\$5	Early Stage VC	Food Products	Boston
Sereact	8/8/23	\$4.27	Seed Round	Business/Productivity Software	Boston
Xnergy	6/28/23	\$3	Later Stage VC	Electronic Equipment and Instruments	Boston
Zulu Pods	3/25/24	\$2.65	Early Stage VC	B2C Non-Financial	Amherst
Alias Robotics	11/8/23	\$2	Grant	Network Management Software	Boston
Aura Intelligent Systems	3/19/23	\$1.8	Seed Round	Other Hardware	Boston
Flexxbotics	8/7/23	\$1.32	Later Stage VC	Automation/Workflow Software	Boston

Most Likely Companies to Fundraise

Pitchbook metric

Pitchbook projects which local companies are most likely to engage in new fundraising rounds. Projections are based on groups that last raised funds more than 18 months ago in a Seed-Series C round and have the highest post-valuations.

Company	Last Deal Type	Last Post Valuation (\$M)	Time Since Last Deal
Highland	Series A	\$953	38 months
Merlin Labs	Series B	\$650	21 months
RightHand Robotics	Series C1	\$245	24 months
Humatics	Series B	\$200	43 months
Raptor Maps	Series B	\$75	26 months
Rgo Robotics	Series A	\$71	23 months

Most Likely to IPO

Pitchbook metric

Four companies with Massachusetts locations have a greater than 50% chance of launching IPOs according to Pitchbook.

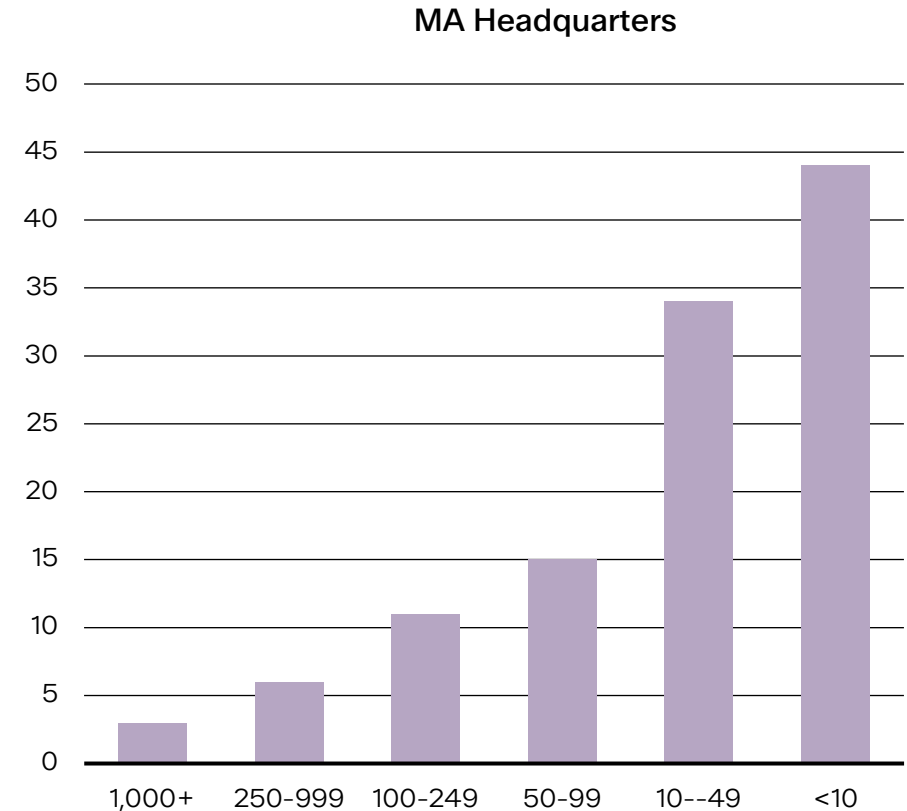
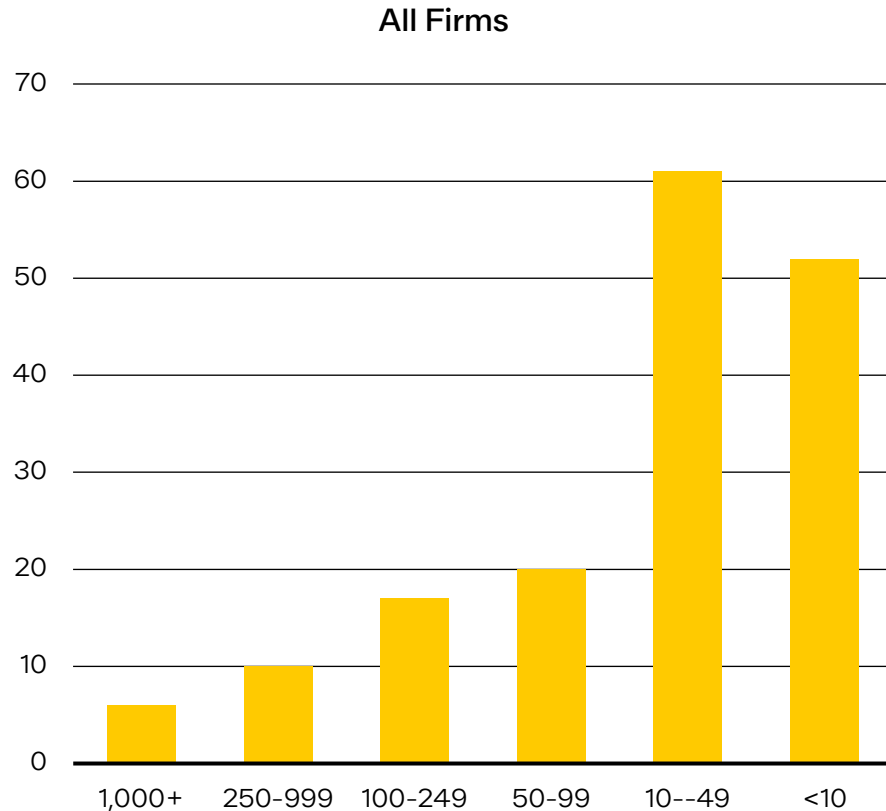
- GreyOrange: Provides robotics and AI for warehouse users. Headquartered in Georgia, with a local office in Somerville.
- Gecko Robotics: Developer of inspection robots for infrastructure. Headquartered in Pittsburgh, with a local office in Boston.
- Locus Robotics: Developer of automated warehouse robots. Headquartered in Wilmington, Massachusetts.
- Anduril: Develops robots and other products for the defense industry. Headquartered in California, with a local office in Boston.

Company	IPO Probability	Total Capital Raised (\$M)
GreyOrange	88%	\$339.48
Gecko Robotics	78%	\$222.28
Locus Robotics	78%	\$410.15
Anduril	58%	\$2,315.10
Saildrone	46%	\$186.20
Seoul Robotics	26%	\$44.32
Merlin Labs	20%	\$146.43
Realtime Robotics	14%	\$113.60
Vecna Robotics	11%	\$163.62

Massachusetts Robotics Market

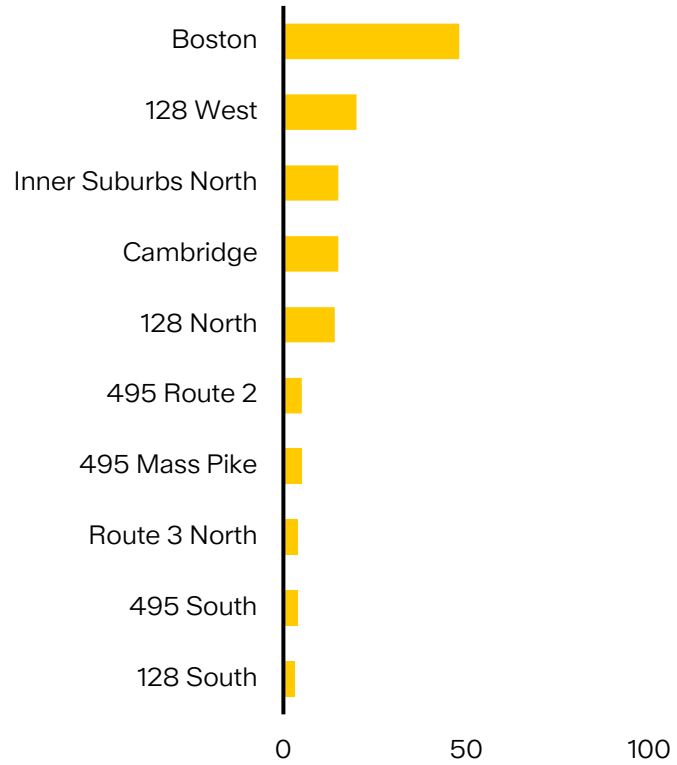
Company Size (#Employees)

Massachusetts hosts several multi-national robotics & drones corporations, but most firms with a presence in the state have fewer than 50 employees. Among companies headquartered locally, fewer than 10 employees is most common, highlighting the breadth of the startup market in the Bay State.

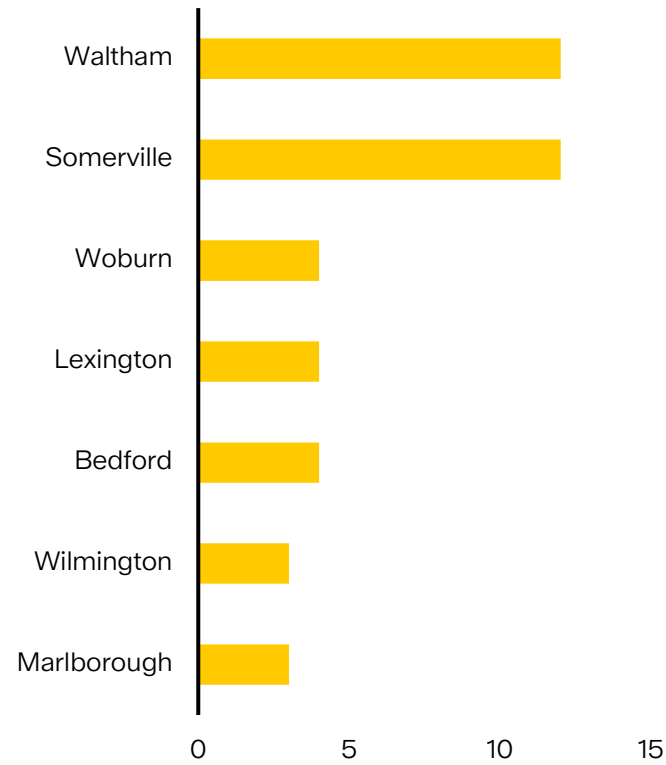


Company Locations

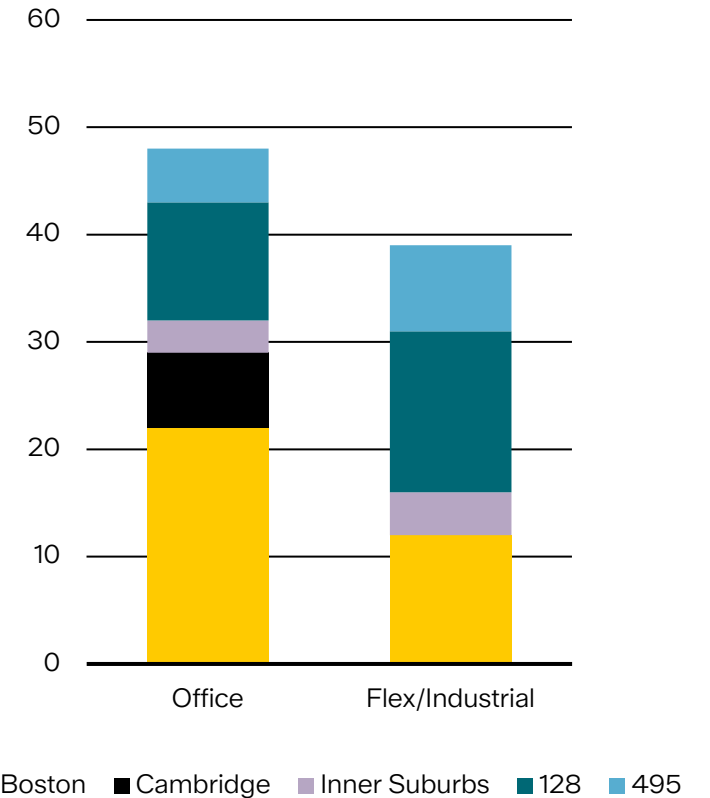
Top Submarkets



Top Suburbs



Office Vs. Flex/Industrial Locations



Company Locations

- Roughly half of the 100 biggest robotics and drones companies in Massachusetts have locations in Boston. The 128 West and Inner Suburbs North submarkets rank second and third, each with more firms than Cambridge.
- Within the suburbs, Waltham and Somerville are the most popular places for robotics companies to set up shop.
- Most firms have office locations in the urban core, while the 128- and 495-belts are more popular for flex and industrial space.
- The median year of founding is 2015 for all companies statewide, with younger startups concentrated in Boston and Cambridge

60%

Office tenants are in Boston or Cambridge

59%

Flex/Industrial tenants are in the 128 or 495 submarkets

11,859

Median Office tenant footprint

27,778

Median Industrial/Flex tenant footprint

Large Flex/Industrial Users

Company	SF	Address	City/Town	Submarket
Amazon Robotics	228,921	300 Riverpark Dr	North Reading	128 North
Locus Robotics	158,000	100 Fordham Rd	Wilmington	128 North
AutoGuide	148,284	600 Riverpark Dr	North Reading	128 North
Ingenia	147,370	125 Middlesex Tpke	Bedford	495 Route 2
iRobot	102,246	8 Crosby Dr	Bedford	495 Route 2
HighRes Biosolutions	80,154	102 Cherry Hill Dr	Beverly	128 North
Bluefin Robotics	80,000	553 South St	Quincy	128 South
Symbotic	76,400	200 Research Dr	Wilmington	128 North
Foster-Miller	72,000	350 Second Ave	Waltham	128 West

Large Flex/Industrial Users

Company	SF	Address	City/Town	Submarket
Berkshire Grey	71,200	140 South Rd	Bedford	495 Route 2
QinetiQ	68,356	350 Second Ave	Waltham	128 West
Locus Robotics	45,000	301 Ballardvale St	Wilmington	Route 3 North
Righthand Robotics	41,234	237 Washington St	Somerville	Inner Suburbs North
Locus Robotics	35,873	301 Ballardvale St	Wilmington	128 North
Guardian Agriculture	25,840	23 Rainin Rd	Woburn	128 North
Boston Dynamics	23,300	350 Second Ave	Waltham	128 West
Vecna Robotics	20,915	425 Waverley Oaks Rd	Waltham	128 West
American Robotics	18,000	411 Waverley Oaks Rd	Waltham	128 West

Large Office Users

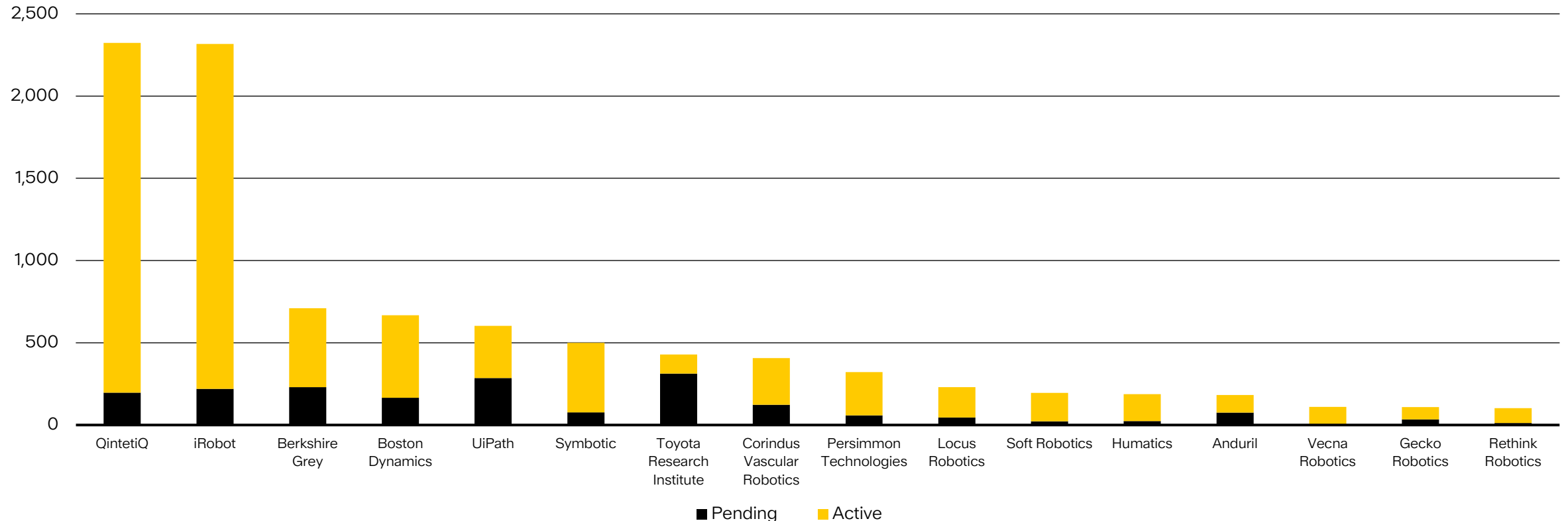
Company	SF	Address	City/Town	Submarket
Boston Dynamics	180,000	200 Smith St	Waltham	128 West
Medtronic Robotics	112,952	10-20 Channel Ctr	Boston	Seaport
Boston Dynamics AI Institute	107,100	145 Broadway	Cambridge	East Cambridge
Persimmon Technologies	33,000	200 Harvard Mill Sq	Wakefield	128 North
Gecko Robotics	30,905	10-24 School St	Boston	Financial District
RightHand Robotics	23,019	237 Washington St	Somerville	Inner Suburbs North
Soft Robotics	20,743	32 Crosby Dr	Bedford	495 Route 2
Humatics	20,000	152 Grove St	Waltham	128 West

Large Office Users

Company	SF	Address	City/Town	Submarket
Cyberdantics	19,283	179 Lincoln St	Boston	Midtown
Universal Robotics (Teradyne)	18,400	27 Wormwood St	Boston	Seaport
GreenSight	13,900	529 Main St	Charlestown	Inner Suburbs North
Realtime Robotics	11,859	27 Wormwood St	Boston	Seaport
ReWalk Robotics	11,854	200 Donald Lynch Blvd	Marlborough	495 Mass Pike
Assured Information Security	11,410	270 Billerica Rd	Chelmsford	Route 3 North
6 River Systems	11,378	307 Waverley Oaks Rd	Waltham	128 West
Piaggio Fast Forward	10,849	52 Roland St	Charlestown	Inner Suburbs North
Rethink Robotics	10,319	27 Wormwood St	Boston	Seaport

Patents Equal Potential

Massachusetts robotics and drones companies combine for more than 8,000 active patents and 2,000 pending patents. The five companies with the most pending patents are the Toyota Research Institute (313), UiPath (285), Berkshire Grey (230), iRobot (220), and QinetiQ (197).



Flex/Industrial Building Characteristics

- Flex/industrial properties housing robotics and drones tenants have a median year built of 1978.
 - Several properties have undergone full-scale renovations since their initial deliveries, and the median year of last major construction activity is 1994.
- Roughly 70% of flex/industrial tenants are in multitenant properties.
- The median floor size is 63,800 SF across the entire metro area. In the 128 Submarket, the median floor size is 74,000 SF, versus 63,000 SF in the 495 Submarket, and 38,000 SF in Boston and the Inner Suburbs.
- Masonry is the most common construction material, followed by steel.
- Most flex tenants find clear heights ranging from 10' to 25' suitable.

1978

Median Year Built

18'

Median Clear Height

63,800

Median Floor Size

70%

Multitenant properties

Lease Comps

Flex/Industrial Lease Comps

Locus Robotics

- 100 Fordham Rd, Wilmington
- 158,000 SF
- 10 years
- \$29.50 NNN
- 3% escalations
- \$25 TI
- Signed July 2023
- LCD 7/1/24



Locus Robotics

- 65 Sunnyslope Ave, Tewksbury
- 45,000 SF
- 3 years, 7 months
- \$12.50 NNN
- Signed October 2023
- LCD 11/1/23



Righthand Robotics

- 90 Cambridge St, Charlestown
- 41,234 SF
- 10 years
- \$25 NNN
- Signed January 2023
- LCD 11/1/23



Guardian Agriculture

- 23 Rainin Rd, Woburn
- 25,840 SF
- 6 years, 10 months
- \$14 NNN
- Signed January 2022
- LCD 2/1/22



Flex/Industrial Lease Comps

Boston Dynamics

- 350 Second Ave, Waltham
- 23,300 SF
- 3 years
- \$25.25 NNN
- Signed September 2022
- LCD 12/1/22



Locus Robotics

- 240 Ballardvale St, Wilmington
- 18,000 SF
- 1 year, 6 months
- \$16 NNN
- \$1.50 TI
- Signed November 2021
- LCD 12/1/21



American Robotics

- 411 Waverley Oaks Rd, Waltham
- 18,000 SF
- 7 years, 2 months
- \$26.25 NNN
- 3% escalations
- \$50 TI
- Signed October 2021
- LCD 3/1/22



American Robotics

- 53 Brigham St, Marlborough
- 10,450 SF
- 2 years
- \$16.75 NNN
- \$3.5% escalations
- Signed October 2023
- LCD 2/1/24



Office Lease Comps

Medtronic Robotics

- 10-20 Channel Ctr, Boston
- 112,952 SF
- 10 years
- \$61 Gross
- 2% escalations
- \$125 TI
- Signed November 2022
- LCD 12/1/22



Gecko Robotics

- 10-24 School St, Boston
- 30,905 SF
- 1 year, 9 months
- \$32.68 Gross
- Signed May 2023
- LCD 6/21/23



Boston Dynamics

- 145 Broadway, Cambridge
- 26,995 SF
- 4 years
- \$75 NNN
- 2.5% escalations
- Signed August 2023
- LCD 9/1/23



Cyberdantics

- 179 Lincoln St, Boston
- 19,283 SF
- 1 year, 9 months
- \$17.40 NNN
- Signed October 2023
- LCD 11/1/23



Office Lease Comps

Universal Robotics (Teradyne)

- 27 Wormwood St, Boston
- 18,400 SF
- 3 years, 3 months
- \$58 Gross
- 2% escalations
- \$15 TI
- Signed March 2022
- LCD 11/1/22

ReWalk Robotics

- 200 Donald Lynch Blvd,
Marlborough
- 11,854 SF
- 2 years
- \$23.50 Gross
- \$0.75 escalations
- Signed May 2023
- LCD 11/1/23

Realtime Robotics

- 27 Wormwood St, Boston
- 11,592 SF
- 5 years, 6 months
- \$55 modified gross
- 2% escalations
- \$27 TI
- Signed May 2022
- LCD 9/1/22



Contact

Adin Perera

Director of Research

Aperera@lpc.com

Lincoln

Thank You

Lincoln Property Company

53 State St

Boston, MA 02109

www.lpc.com