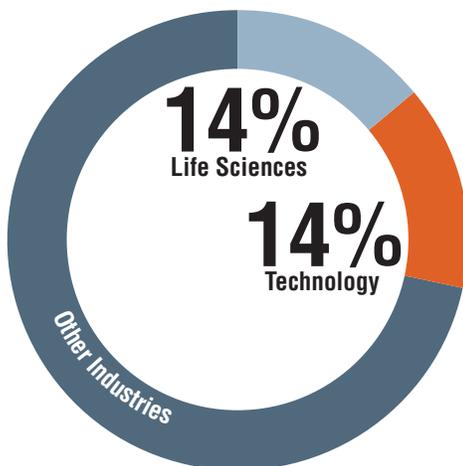


## Introduction

Greater Baltimore companies raised approximately \$1.27 billion in the last year through the exempt offering of securities.

Life sciences and health care services companies in the region raised nearly \$180 million through the exempt offering of securities. Greater Baltimore tech companies have raised over \$181 million.

Capital Raises by Industry  
in the last Year



Based on data collected from FormDs.com

The previous eight years indicate that Maryland companies typically receive approximately 50% of all venture capital and just below 50% of all deals going into the Baltimore-Washington region.

In the last year, Maryland companies have slightly deviated from this pattern. Since the beginning of 2012, almost 60% of all venture funds invested in the Baltimore-Washington corridor go to

Maryland companies, while those same companies represent just 36% of all deals in the region.

## Technology & Software

Companies in Maryland historically capture about 30% of the Baltimore-Washington corridor venture investment in software. Over the past six quarters, Maryland has received over 40% of software venture funds in the corridor.

Maryland companies have steadily increased the state's share of venture investment in IT services companies relative to the rest of the Baltimore-Washington region in terms of total dollar amount invested. After seeing 41% of the corridor's venture capital from 2007-2011, Maryland has captured 53% of the venture funds invested in the last six quarters on the strength of a small number of large deals.

**Companies in the  
region's incubators captured at least  
\$549 M  
since the beginning of 2012**

Based on reporting from regional incubators and data collected from FormDs.com

From 2002-2006 and 2007-2011, Maryland firms accounted for approximately 30% of the corridor's total number of IT deals. Since 2012, only 16% of Baltimore-Washington deals have gone to Maryland-based companies.

The State of Maryland also enjoys a majority of the venture funds

entering the Baltimore-Washington region directed toward networking and equipment, capturing approximately 70% of funds historically and 100% of venture investment in the last year.

Videology successfully raised over \$80 million in two different equity offerings in the last year, including a single \$60 million deal in 2013 Q2. The company represents a reinvestment into the region by Scott Ferber, previously of Advertising.com.

Based on historical trends, average investment per deal in the state will likely decrease, but Maryland may see an increase in total deals.

## Biotechnology & Pharmaceuticals

Maryland companies are responsible for the majority of biotechnology venture funding acquisition in the Baltimore-Washington CSA. Over the last six quarters, Maryland companies have earned about \$460 million in venture investment, nearly matching the state total for the previous four years. This tremendous figure is due in large part to the \$245 million earned in 2013 Q2.

Biopharmaceutical company Gliknik Inc. has raised over \$12.5 million in the last year through equity financing. Gliknik has since entered into a licensing agreement with Pfizer.

Cerecor Inc. also raised \$6.8 million across, which it intends to use to complete a technology transfer deal.

## Medical Devices

Companies in Maryland have historically drawn the majority of medical device investment to the Baltimore-Washington region. Since 2012, Maryland companies have earned 88% of the region's medical device venture investment. Maryland also sees a more consistent flow of venture funds, recording at least one deal in every quarter since 2008 Q3, except for 2012 Q4.

## Health Care Services

Despite being a national and international leader in the Health Care industry, no Greater Baltimore health care companies have acquired any venture capital in the last year. From 2007-2011, Maryland companies were responsible for over 82% of venture investment in health care companies in the Baltimore-Washington corridor.

Health insurance and other health care services companies in the Greater Baltimore region have raised funding through other forms of investment.

Riverside Health Inc. raised nearly \$5 million in 2012 Q4 in two separate equity offerings.

## Semiconductors & Manufacturing

The Washington-Baltimore corridor historically captures a relatively small amount of venture capital for semiconductor manufacturing. Since 2000, Greater Baltimore companies have received the majority of semiconductor venture funds.

While the region sees some venture investment in electronics & instrumentation and computers, it is

a relatively small portion of the total investment in the Baltimore-Washington corridor. Maryland companies capture very little of the investment directed toward these two industries.

Baltimore-based Pixelligent, a manufacturer of nanocrystal additives, received \$5.1 million in venture investment during 2013 Q2.

## Other Industries

Venture capital investment in companies in other industries has steadily decreased in both Maryland and the greater Baltimore-Washington corridor. In the last six quarters, only 15% of all venture funds has gone to other industries not specifically covered here, such as consumer products & services and financial services. This trend is especially pronounced in Maryland, where other industries made up just 3% of total venture capital investment.

Due to the region's strength in both technology and life sciences and the recent growth in employment in each of these industries, growth in venture investment in them is not surprising.

## Maryland Venture Fund

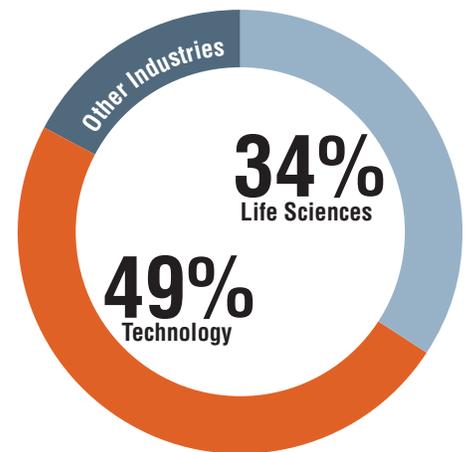
In the last year, the Maryland Venture Fund has invested \$7.9 million in companies based in the state. Of this, 33.5% has been invested in Greater Baltimore companies. An additional \$1.5 million is set aside for follow-on investments in those Greater Baltimore companies as they continue to grow.

Over the last four quarters, direct investment from the Maryland Venture Fund has contributed to the creation of over 500 new and over 400 retained jobs statewide.

The Maryland Venture Fund also

supports the InvestMaryland Challenge, which awarded three of \$100,000 grants to three firms in life sciences, technology, and general business. In 2013, the life sciences and technology winners were located in Greater Baltimore.

Maryland Venture Fund Industry Investment in the last Four Quarters



Based on reporting from the Maryland Venture Fund. Industries grouped by EAGB.

### A note regarding sources:

Historical data regarding venture capital investment is taken from PricewaterhouseCoopers MoneyTree Report. Data in this report covers 2012-2013 Q2 and is most recent as of October 2013. Information regarding specific deals is available only for the current quarter. Industries have been grouped by EAGB.

Information regarding individual deals is sourced from FormDs.com, which compiles and reports the SEC filings of startups and growing companies. Data from FormDs.com includes venture, angel, and certain pooled investment funds. Data from FormDs.com included in this report is up-to-date as of October 2013, and deals are listed by most recent date of Form D amendment.

Directors of regional incubators were surveyed to determine total investment in area incubator clients. Figure shown includes IPOs from incubator clients.

Data regarding investment by the Maryland Venture Fund was provided by the Maryland Venture Fund.