Despite Economic Headwinds, Greater Baltimore’s Start-Up Companies Report Stellar Q2 Investment

At the very least, the COVID-19 pandemic has brought tremendous challenges to businesses across Greater Baltimore and around the world. However, even amidst this public health and economic crisis, Greater Baltimore’s innovative start-up ecosystem received over $114 million in total investment for the second quarter of 2020. This number follows over $205 million received in Q1. In total, the first six months of 2020 have seen over $321 million in investments in Greater Baltimore’s start-up and early-stage companies, an increase of almost $200 million year-over-year.

The $114 million total for Q2 does not include investments in real estate development, or in Greater Baltimore's existing high-value companies. Investments were tracked for companies at the pre-seed, seed, Series A, Series B, Series C, and Series D rounds, as well as Private Equity investments in early- and mid-stage growth companies.

While the first quarter of 2020 saw almost $175 million invested in cybersecurity and information technology companies across Greater Baltimore, the coronavirus pandemic brought renewed attention to the need for investment in the healthcare and life science industries. Greater Baltimore’s dynamic ecosystem of life science innovation attracted significant national and international attention. Global audiences relied on up-to-date data from Johns Hopkins University & Medicine to tell the story of the coronavirus pandemic. The University of Maryland School of Medicine’s Center for Vaccine Development & Global Health was the first institution in the United States to implement human trials of a coronavirus vaccine.
being developed by a partnership between Pfizer and BioNTech. Finally, Greater Baltimore’s Emergent BioSolutions – already a world-leading vaccine contract manufacturer – secured contracts to produce several of the leading COVID-19 vaccine candidates. Seen in the light of these successes, the nearly $93 million invested in Greater Baltimore’s life science start-ups in Q2 reflects potential for significant growth in the Region.

April saw over $34 million invested across all industry sectors, led by Lifesprout’s $28.5 million Series A round. A Johns Hopkins spinout, Lifesprout is developing new methods of synthetic soft tissue reconstruction. May’s $16 million investments were led by Traitify, an IT company which aims to use workers’ “personality data genomes” towards the improvement of employment matching services.

Earlier in May, Baltimore County’s BurnAlong raised $4 million to support its personalized fitness app for employee wellness. June led the way with over $64 million in investments, all in the healthcare and life science industries. These were led by AsclepiX Therapeutics’ $35 million Series A round. A Johns Hopkins spinout, AsclepiX has developed novel treatments for certain eye diseases. Fellow Hopkins spinout Glyscend raised $20.5 million for a novel treatment of Type II diabetes, while University of Maryland Baltimore spinout Protaryx Medical raised $8.3 million for a first-of-its-kind device for use in open heart surgeries.
Given the particular focus of many investors towards healthcare and life sciences, Baltimore City’s strong hubs of medical innovation led the Region in Q2. **Baltimore City** reported the most deals and the highest total investment value, with 11 deals valued at over $110 million. This follows a strong Q1, in which Baltimore City was the location of 11 deals valued at $107 million. In total, Baltimore City has already surpassed its total investment of $155 million across all of 2019. **Howard County** and **Baltimore County** each followed with one deal in Q2, with Howard County’s **Intralytix** (deal value not reported) and Baltimore County’s **BurnAlong** coming in at $4 million. These investments are shown in the Deals by Related Industry chart, in which the lone “Other” categorization went to another coronavirus-related area: online education. Baltimore City’s **StraighterLine**, a developer of online education programs for academic institutions, raised an undisclosed sum.

**In the Non-Profit and Government sectors…**

Since the onset of the coronavirus pandemic, Greater Baltimore’s businesses, non-profits, and local governments have assisted hundreds of at-risk small business and thousands of families. Among these investments were the millions of dollars invested by local jurisdictions and the State of Maryland towards the prevention of small business closures.

Additionally, the State of Maryland and City of Baltimore have invested considerable resources towards the development of personal protective equipment (PPE) by local manufacturers. The State has distributed over $3.2 million to PPE manufacturers, with 67% of the companies receiving funds based in Greater Baltimore. The City of Baltimore also contributed $100,000 to 10 PPE manufacturers within its jurisdiction.
Amidst the national conversation on race…

The combined outreach of businesses, non-profits, and governments took on additional significance in light of the killing of George Floyd and the subsequent nationwide protests. The protests, including those across Greater Baltimore, focused particular attention towards the needs of black-owned small businesses and the black community at-large. The EAGB looks forward to reporting back in future quarterly updates about this renewed investment focus, and the ways in which investing in black-owned enterprises can lead to positive impacts across Greater Baltimore.