

ENABLING

DEVELOPMENT and

A letter from CEO Kathie Callahan Brady

Dear Friends,

FITCI's 2020-2021 experience was a roller coaster – full of ups, downs, and hairpin turns. You know that feeling, where the world tilts, but you hold on tight and plunge ahead? Now, we must assimilate the lessons learned and choose what to do next.



In one swift turn, we went from commemorating FITCI's 15th anniversary in 2019 with grand events to being effectively shuttered, along with the rest of the world. This was especially hard because, while FITCI is a place, it is so much more than walls and furniture. FITCI is a key to unlocking potential. By nourishing innovation and boosting capabilities,

FITCI unleashes transformational power. It is the magic that happens when passionate, forward-thinking people connect to the resources and talent they need to change the world, one company at a time.

FITCI does this through:

Connecting proven CEOs to the emerging entrepreneurs who will be our future.

Targeted, founder-focused classes that explore what it really takes to grow a solid, worthwhile business.

Collaboration that opens doors to new opportunities.

Supportive relationships and networking opportunities that strengthen community bonds.

It's a scope of benefits that is rich with interactive opportunity, but a distinct challenge to maintain when people are locked away from the pulse of human interaction.

Our members, supporters, business resource partners and community stakeholders faced challenges, too. A few were forced to shut down while others jumped onto the forefront of Covid response, swiftly refocusing their expertise for the common good. Funding and project timelines shifted wildly in reaction to the resultant economic uncertainty. And FITCI was forced to reduce staff commensurately.

In the best conditions, America's smallest businesses, those nascent kernels of potential, are its most fragile. They fall off the radar by simply closing a door. So, the question became: "how can we serve the needs of a rapidly evolving pandemic marketplace while upholding FITCI's high standard of startup support?"

We followed our own advice: embrace change and pivot.

FITCI's Strategic Growth and Advisory Boards went virtual, so members were not left to weather the storm alone, as did other programs like our StartUp U classes, including our Business Model Canvass class. We initiated "GAP" meetings to provide members with supplemental access to mentorship and their fellow FITCI companies for help with everything from emergency funding to navigating new workplace health standards. We also partnered with Betamore, an incubator in Baltimore, to create Founder City, a multifaceted online resource for emerging business leaders statewide.

Despite adversity, FITCI's membership grew by 22 companies between July 2020 through June 2021, up to 70 total (FITCI had just 14 members in 2016). This truly stellar growth illustrates FITCI's value as a foundational component of Frederick's thriving business ecosystem... and its potential to contribute even more.

Overall, FITCI's 2020-2021 story is one of triumph over adversity. It is written into FITCI's existence. You will find details here, including FITCI's economic impact, vital statistics, member success stories, and a brief history of the grants that transformed FITCI. You will also learn about our exciting (r)evolutionary step, FITCI 2.0. The initiative builds upon five years of momentum with plans for a new Innovation Center, outfitted with top-notch laboratory facilities and expanded amenities, a substantial community space, among a community of partners and established entities, creating a truly collaborative intersection of enterprise in Frederick. Best of all, the transition will enable FITCI to become self-sustaining, another rarity among incubators, recapturing vital resources to use where they are most effective.

If you have any questions or want to know how you can help build a strong business community, please feel free to reach out.

Thank you for reading, for caring, and for taking this ride with us.

Sincerest regards,

KATHIE CALLAHAN BRADY / PRESIDENT & CEO, FITCI

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What Has FITCI Been Up to?

Last year, the COVID-19 pandemic hit businesses with difficulties no one could have expected. At FITCI, we faced the challenge: how do we best support our startups in a time of great uncertainty?

Normally bustling, FITCI has been atypically quiet for the last year and a half. Our organization, like many of our companies, had to pivot a bit. We doubled down and focused on on-site operations and direct support to all the startups that call FITCI home. Stay at home orders, restrictions on gathering, as well as resurgences of the virus in the local community dictated a pause on some of our favorite aspects of FITCI: mainly, our in-person networking events.

We pivoted to online content and initiated dedicated email updates for our startup companies and wider ecosystem. We considered other ways to build useful content, such as providing daily updates: compiling data from multiple news sources with the latest Covid-19 statistics and relevant stories. As things calmed, we transitioned to weekly updates.

On Wednesdays, FITCI shares Lessons Learned. These emails cover relevant articles, podcasts, and news releases for our entrepreneurial ecosystem. Whether the topic be FDA approval, best practices, an

economic outlook, CEO advice, or an industry-focused study, the FITCI team summarizes core information in a quick-and-easy read with links and more.



While all this was happening, we didn't want to slow down and we didn't. Only one company that was with FITCI pre-pandemic was forced to shut down, all others are still in operation. In fact, we have added 27 NEW CLIENTS, including:

Biosolution Designs

Boötes Inc

Deepspace Apps

Fuego Farms CBD

Lactea Therapeutics

Healion Bio

lyotee Inc

Medical Biotechnology Engineering

Minnodi LLC

Nanocrine

Oncology Digital Therapeutics

Planet A

ReVacc Bio

The Security Nerd

Shelly News LLC

UP Therapeutics

VirIntel

Viroforge Technologies

WerlPower



Zoom meetings held by FITCI to keep operations moving and growing

FUNDED & BREWS







Early in the pandemic (before virtual events were exhausting) FITCI held our typical **Funded** & Brews event via Zoom. The new format allowed us to host successful entrepreneurs from across the county for a Q&A.

Inside FITCI offices, interaction was minimal. People weren't socializing past a quick, "hello." To replicate the kind of social environment we usually encourage, we put together a virtual client meet and greet.





In summer of 2020, FITCI held our Community Growth Accelerator program, The Edge Accelerator. Rather than postpone the event until 2021 when we assumed things would be better, we utilized an online format to engage local entrepreneurs. Refocusing and reformatting the entire program was no easy task, but with the help of over 40 local volunteer CEOs and business leaders, it was a success. The Edge's 2nd cohort welcomed 10 new graduate companies.

For 12 weeks, these companies embraced a boot-camp style course aimed at revving the startup learning curve. It focused on topics like building a better business model, conducting market research, concise communications, and capital considerations.

The Edge's culminating Demo Day top \$5,000 prize went to Lissen Laboratories with a check presented to CEO Nick van Terheyden at the FITCI/Ft. Detrick Alliance Tech Showcase. Seven invitees attended the presentation in FITCI's lobby (doors open, masks required) while it was livestreamed online.





FITCI's pride and joy, our Strategic Growth and Advisory Boards (SGAB), also went virtual. Normally, members meet quarterly at one of our two locations with others in a similar development stage or industry and mentors chosen for their specific business acumen. Despite shutdowns, FITCI startups and volunteer advisors adapted, increasing program flexibility while preserving the meetings' most rewarding qualities.

FITCI also instituted GAP meetings for our client companies. A lot can happen in 3-months, so we initiated more informal GAP meetings (to "fill in the gap") between each SGAB, boosting interaction with those who call FITCI home during this difficult time. We understood that, if nothing else, FITCI is always here for members.

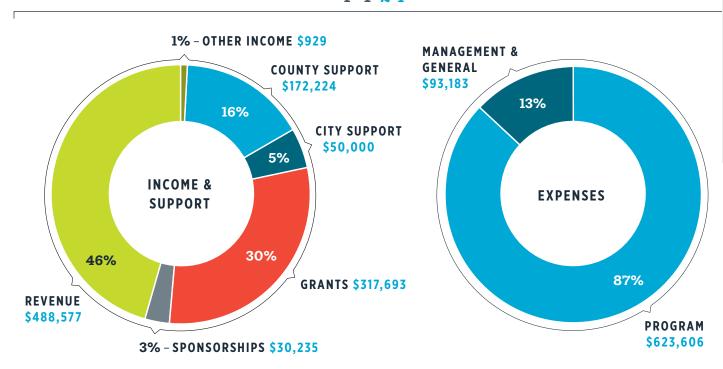
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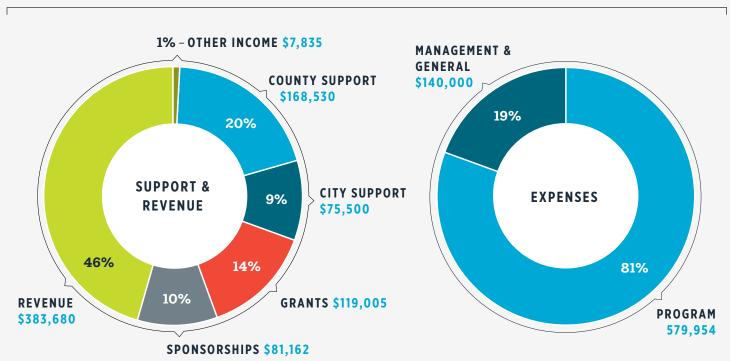


How We Add Up

FY21



F Y 2 0





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Our RMC Grant Story – Transformative Support

As a nonprofit, FITCI relies upon supporters who share a vision and a commitment to nourishing the seeds of entrepreneurship that, in turn, improves quality of life, enhances local business opportunities, and feeds robust economic development.

But in 2016, FITCI was fighting back from an extended economic downturn. Operational challenges left it without an executive director for nearly 5 years. Still, its Board of Directors recognized FITCI's untapped potential and its distinct value to Frederick's business ecosystem. The board engaged a seasoned CEO. teacher and investor, to lead FITCI forward.

> She recalls her early days with FITCI, "We started with 14 companies but no staff, old equipment, inefficient space, and no money for improvements. So, we weren't getting the full benefit of having this resource in Frederick. We needed to think strategically, like a business."

Stakeholders really stepped up their commitments, but FITCI needed more to truly transform from a struggling traditional incubator into a dynamic force for startup success.

"The Rural Maryland Council (RMC) was the first big grant to take a chance on us," says Kathie.



"That infusion launched FITCI into a new realm of possibilities, especially in the shared lab space,"



Rural Maryland Prosperity Investment Fund (RMPIF) \$77,528

- > 10-bench shared biotech lab
- > Multipurpose center
- > Big-ticket equipment upgrades new autoclave, centrifuge and PCR machine

Earning the Rural Maryland Prosperity Investment Fund's (RMPIF) \$77,528 award in October 2016 started FITCI's transformation from a struggling traditional incubator into a dynamic force for startup success. It enabled creation of a 10-bench shared biotech lab, a multipurpose center, and acquisition of big-ticket equipment upgrades, including an autoclave, centrifuge, and PCR machine.

continues Kathie. Biotech startups take years longer to find their footing than other startups, simply because of the research and regulation involved. This expanded FITCI's ability to serve them exponentially. Within a year, FITCI added 16 new clients, with 22 applicants in the pipeline.





Rural Maryland Prosperity Investment Fund - Entrepreneurship (RMPIF)

\$200,000

- > The EDGE Community Growth Accelerator
- > Online portal for members

RMC's second grant award (\$200,000) in 2018 afforded more far-reaching improvements. Notably, FITCI developed The EDGE Community Growth Accelerator, an intensive, proprietary, 12-week cohort-based program led by seasoned entrepreneurs. The premiere session encompassed mentorship, education, connection, and seed investment, culminating in a pitch event. It engaged a broad spectrum of community partners and helped 14 startups hone their focus through 51 in-person hours of instruction. FITCI also added an online portal for members. The EDGE continues to benefit emerging local businesses

In late 2019, with 60 client companies – quadruple 2016 – a \$165,000 RMPIF grant allowed FITCI to expand and renovate its shared labs again. The project inspired other support, with Frederick National Lab for Cancer Research donating equipment worth more than \$86,000. The effort added a -80°C freezer, monitors, centrifuge with cell culture package, a super high-pressure mercury lamp and more.



Rural Maryland Prosperity Investment Fund - Infrastructure (RMPIF)

\$165,000

> Expansion and renovation of shared labs



on-demand.

Rural Maryland Prosperity Investment Fund (RMPIF) \$250,000

- > Opening of Root
 - The Root Cellar
 - Open workshops around equipment
 - Cooperative event space

FITCI's 2nd location in the heart of downtown Frederick, ROOT, opened in 2018. Designed as a hub for technology startups, plans for ROOT included a dedicated tech shop, a.k.a. the Root Cellar, a space devoted to innovation and accelerated development of commercially viable technology-based businesses. The place would provide open workshops and host cooperative events, such as "Hackathons." Bridging into 2019, RMC stepped up again, matching local support with \$250,000 for the initiative.

FREDERICK NATIONAL LAB FOR CANCER RESEARCH - 2019 \$86,000+

- > -80°C freezer
- > Monitors
- > Centrifuge with cell culture package
- > Super high-pressure mercury lamp
- > Additional eyewash stations



The most recent RMC grant (\$112,500) created FITCI's "C Suite" program, a solution for startups verging into the next level of development but lacking resources for crucial leadership support. The program gives founders access to experienced CFOs, COOs and other specialists to personally guide them toward success. The first pairing matched FITCI member CarrTech Corp with a proven CEO. In turn, the company secured nearly \$600,000 in investments within six months. Beneficiaries then commit their own support to the C Suite program, ensuring its sustainability.



Rural Maryland Prosperity Investment Fund - Entrepreneurship (RMPIF) \$112.500

- > "C Suite" program
 - Access to experienced CFOs, COOs and other specialists
 - CarrTech: nearly \$600,000 in investments



Rural Business Development Grant (RBDG)

\$96,000

> Equipment and upgrades



In tandem, FITCI partnered with Betamore to produce a free, multifaceted online conference called Founder City, focused on connecting all Maryland startups to investors. mentors, and statewide thought leaders.

In 2021, FITCI earned its first federal grant of \$96,000 toward equipment and upgrades due to RMC grant matching.

"FITCI's transformation due to this funding is incredible," says Kathie. "Grant writing is a huge effort, but it's necessary as a nonprofit and we are beyond grateful. Whether supporters donate a million dollars or one dollar, we multiply that by strengthening tomorrow's industry leaders, employers, taxpayers, and community anchors. It makes a difference because companies that start at FITCI overwhelmingly stay in Frederick."



Established in 2006, the Rural Maryland Prosperity Investment Fund (RMPIF) was a key step forward in addressing disparities in the State's rural areas. This fund is used for targeted investment to promote economic prosperity in Maryland's traditionally disadvantaged and underserved rural communities. In FY 2021, almost 1.7 million people were served, trained, or reached through

the projects funded. Additionally, over \$12 million in private sector dollars was leveraged for rural development projects in Maryland.

- CHARLOTTE DAVIS

EXECUTIVE DIRECTOR, RURAL MARYLAND COUNCIL



FITCI STARTUPS

BioSolution Designs

Raises seed round, full operations begin in May - 05/21

CarrTech

Among winners of the competitive Spring Shore Hatchery pitching competition – 06/20

Receives its fourth patent and is awarded a \$50,000 grant by TEDCO - 07/20

Old Line Capital invests in CarrTech to extend product development, sales, and marketing of CarrTech's innovative filter needle, F.R.O.G. - 06/21

Cornerstone Genomics

Earns \$1.000.000 NSF SBIR - 02/21

Mesa Science Associates

Mesa Science Associates and Bryn Pharma Publish the pre-clinical study of a New Approach to Treating Anaphylaxis - 06/20

Receives positive feedback from FDA's Center for Veterinary Medicine - 09/21

M Power Education

Records explosive growth during the COVID-19 pandemic, with an increase of 7x the enrollment of the year prior - 03/21

NanoBioFAB

Awarded a \$250,000 Defense Health Agency SBIR grant - 09/20

Co-founder Dr. Ruoting Yang in Molecular Psychiatry on biotypes for PTSD - 07/21

Earns \$1.1M Defense Health Agency SBIR Grant for Al-powered platform - 09/21

Nanocrine

Raises \$350,000 from the sale of common stock - 01/21

ReVacc

Announces Multivalent Nanoparticle Vaccine Candidate for COVID-19 - 12/20

Tellor

Coinbase adds Tellor, a Frederick-Based Cryptocurrency Startup - 05/21

Trivance Design

Launches new website - 10/20

Velocidy Bio

Starts distributing NEXTGENPCR, an instrument capable of analyzing 22,860 SARS-CoV-2 coronavirus tests in 24 hours -

Ultrafast RT-PCR for COVID-19 by Molecular Biology Systems draws Dutch government support - 06/20

Leading diagnostics laboratory in the Caribbean selects NextGenPCR for SARS-CoV-2 testing - 03/21

Veralox

Appoints Life Sciences industry veteran Alex Martin as Chairman of the Board of Directors - 07/20

Announces IND FDA submission for VLX-1005 to treat Heparin-Inducted Thrombocytopenia - 01/21

Announces FDA Orphan Drug designation for VLX-1005 - 01/21

Closes \$16.6 Million Series A financing and announces new Board Members - 06/21

Appoints Michael Hanna as Chief Medical Officer - 06/21

Appoints Henry Flanner as Senior Vice President of Pharmaceutical Development - 07/21

VirIntel

Launches VirIntel COVID-19 Antibody test Demonstrating 100% specificity and 94% sensitivity - 09/20

Announces partnership with Clinical Diagnostic Laboratories (CDL) in DC Metro Area - 10/20

FITCI GRADUATES:

SUCCESS STORIES

Key City Compost -August 2020 Graduate

Frederick's first residential/commercial composting service, closing the loop on Frederick's food waste.

Started in 2016 with one dedicated visionary and a few 5-gallon buckets, Key City Compost weathered the pandemic and supply chain issues to drive its important mission forward. The company diverts tons of would-be food waste and other compostables from landfills into creating productive assets that nourish people and preserve the planet.

Now, with a small fleet of trucks, expanded staff, and a retail/wholesale component, Key City Compost continues to grow both residential and commercial services, working with individuals, communities, HOAs and business leaders alike.

Key City Compost relaunched its web store which features compostable alternatives to common plastic items and local artisan creations.

The company is expanding its capabilities with a 5-acre "large scale" composting facility in Frederick County, that can eventually process more than 4,000 tons of material per year. 08/20

Akonni Biosystems

Developer/Commercializer of novel microarraybased systems to rapidly and economically analyze complex samples, with more than 20 patents issued and 30+ patent applications pending worldwide. Started with 3 employees at FITCI and now has more than 36 employees in 20,000 ft.² of office space in downtown Frederick, with institutional investments totaling over \$17 million.

Alizee Pathology & Tox Path Specialists

Graduates Alizee Pathology and Tox Path Specialists merge with Histo-Scientific Research Laboratories, and Vet Path Services, Inc., to form StageBio, a well-respected international provider of GLP-compliant research, preclinical and clinical histology, pathology and specimen archiving services for the biopharmaceutical, medical device and contract research industries. 11/19



Biofactura

Developer of high-value biosimilar and biodefense drugs with \$75+ million in grants/contracts awarded to date, continues making headlines.

- + Awarded \$1 Million SBIR Contract for Development of a Marburg Virus Therapeutic – 07/20
- Activated a BARDA contract option worth \$13 million to advance development of a smallpox biodefense therapeutic – 02/21
- Initiated a pivotal Phase 1 Clinical Trial for its Ustekinumab Biosimilar (BFI-751), compared to the biologic medicine, Stelera® – 05/21

Blue Pillar

An Industrial Internet of Things (IoT) platform provider connecting critical power systems.

- + Releases new OnsitePower Solution for remote generator monitoring 10/20
- Releases one-of-a-kind remote facility solution for healthcare solution with 24x7 web-based access – 12/20
- Partners with Black Cat Integrated Power to provide a turnkey power solution for remote generator monitoring and control across territories – 03/21
- Partners with Covalen to deliver revolutionary IIoT Technology Platform to water and wastewater sector – 06/21

Kemp Proteins

Delivering timely, high-quality gene-toprotein services and innovative solutions to protein expression problems.

- LabsExplorer highlight's Kemp Proteins' team of "protein-problem-solvers" helping diagnostic and pharmaceutical companies develop materials to address the detection and treatment of COVID-19 infections 03/20
- Selected to provide assay development for potential first-in-class therapy for chronic spinal cord injury – 09/20
- Strategic partnership for commercialization of ArtiaBio Technology Platform for stable cell line development – 10/20

Medigen Inc.

Providing vaccine development and contract manufacturing services to develop new vaccines and medications.

Acquired new space in Frederick, MD, doubling its functional areas and increasing productivity, with 12,000 ft.² including GMP manufacturing, office, laboratory, and support areas, allowing increased staffing and contract support

RoosterBio

Supplier of human mesenchymal stem/ stromal cell (hMSC) bioprocess systems for cell and gene therapy product developers.

- + After raising \$21.5 million in 2019 and winning Frederick County's Best Place to Work Award, the company plans to double its workforce
- First patient dosed in Phase I Clinical Trial using RoosterBio's Cellular Starting Materials – 03/20
- Partners with Senti Biosciences to rapidly translate Gene Circuit Cell Therapy into the Clinic for ovarian cancer and other tumors 03/20
- Recognized by MTEC with a multiinstitution team "Prototype of the Year" Award to accelerate regenerative medicine – 04/20
- Launches a Closed System Extracellular Vesicle Collection Medium enabling scalable and standardized cGMP manufacturing – 05/20
- Named a 2020 Top Washington-area Workplace by the Washington Post – 07/20
- Signs cooperative R&D agreement with The Geneva Foundation and the Uniformed Services University – 09/20
- Partners with Sartorius to Advance Cell and Gene Therapy Manufacturing 01/21
- Announces Winners of RoosterBio's own 2020 hMSC Development Grants 03/21
- Released RoosterGEM™, cell and gene therapy's first complete transduction medium – 05/21

Theradaptive

- + Selected for Governor Hogan's Maryland's Future 20 (for innovation, future growth potential and "wow factor")
- Closes Series A round, bringing total investment to \$17.4M to date – 01/21

ICI'S DGE

Largest incubator in Maryland for **3 consecutive years**

\$160+ Million in funding raised by our startups

500 community leaders within our business resources

\$84 Million - FITCI's ecosystem adding to the local economy

Over **430 hours** of volunteer contributions from our advisors each year

93% of our startups become **successful businesses**

97% - FITCI's current member **retention rate**

500% growth in client base since 2016, **80%** from referrals

SGAB, our secret sauce - built-in advisory board for members

ECONOMIC IMPACT OF FITCI

500+ volunteer hours between our Board, Advisors, and Mentors

\$43,200 - SGAB advisors contribute 432 hours/year at \$100 an hour

\$445,000 - if clients had to pay a professional advisor, each would spend upwards of \$1,000/month

287% - combined **ROI** for both City and County

County alone is 296% City alone is 267%

4.7 stars - FITCI's Google rating



What's Next: True Growth

FITCI's client base tripled over three years, up to a record-setting 72 on-site, virtual, and accelerator members. Despite pandemic lockdowns and economic turmoil, 27 companies joined FITCI between January 2020 and September 2021. It's proof that the entrepreneurial spirit is indomitable!

Since launching in 2004, FITCI helped 200+ business founders create nearly 1,000 estimated jobs and generate more than \$160 million in economic growth for Frederick County and City; all while creating a dynamic environment where emerging business leaders, graduates, and partners can learn, collaborate, and grow.

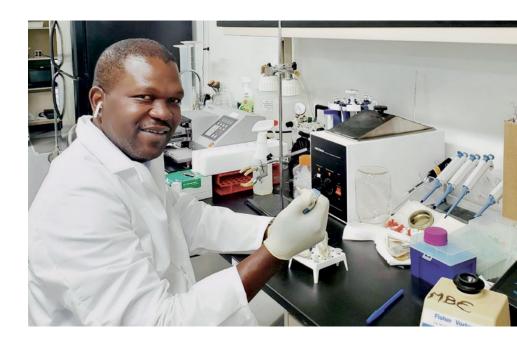
NOW, FITCI IS RAISING THE BAR

As one of the region's most vibrant, founder-forward start-up growth engines with programs that attract motivated business leaders here, we are at capacity. Several challenges block FITCI's ability to meet surging demand.

FITCI's building and revenue model inhibit future growth.

Both must change. Although dozens of start-ups called our Metropolitan Court location home, the building is in desperate need of repairs that can't happen without hurting or forcing our member companies elsewhere. Structural decline and other inherent inefficiencies negatively impact member companies and delicate (and pricey) equipment, research, and development.

Because FITCI doesn't own the building and nearly all rental income from clients merely passes through, there is no room for remediation or improvements. Ten years ago, when FITCI was small, the system worked. Now, progress hinges upon what we do next.



FITCI leadership is now planning a new Innovation Center - The EDGE @ 321. The chosen site will double capacity for growth, is convenient to I-270 and I-70, and is minutes from Downtown Frederick.

THE EDGE @ 321 WILL:

- + Serve 100+ founders, makers, inventors, and innovators
- + Expand affordable lab space
- + Support robust economic development
- Nurture Bioscience, IT, Renewable Energy and Ag-Tech enterprises – generating highpaying jobs
- Augment cooperative opportunities in the community with a substantial Community Space
- + Concentrate on-site resources
- + Incorporate advanced, environmentally friendly design
- + Enable FITCI's long-term financial independence
- Become a self-sustaining force for the Frederick community's economic health
- + Importantly, changing FITCI's own rent structure will break its dependence upon public funds and grants, freeing that money to better support our mission



We've learned the spirit of public-private collaboration drives every FITCI success story. We know we can thrive and grow because we've done it before. And FITCI's record of accomplishments proves that this is something worth doing for all the greater Frederick region.

SUPPORT OUR CAPITAL CAMPAIGN

- + Join the development team
- Pledge financial support
- + Sponsor a space in the center
- Donate services or equipment
- + Join our Business Resource Center

- + Introduce science/ tech companies to FITCI
- + Engage strategic partners devoted to encouraging entrepreneurship
- + Attend an event
- Offer insight
- + Spread the word

Contact the FITCI home team at 301.694.2999 or at info@fitci.org.

Together, we can continue moving the local business ecosystem forward.

#FITCIForward

Leaders on Loan Program

In late 2021, the Frederick County Chamber of Commerce's Leaders on Loan program members chose FITCI as their annual nonprofit assistance project. Participating individuals are from local businesses, corporations, government agencies, and nonprofits who have a passion for making Frederick a better place to work and live.

Their objectivity and diverse perspectives provide valuable insight – across industries – on how we can shape FITCI's future for the greatest impact on the local community. Because "community" is the heart of this community space. Stay tuned for what they come up with!





We are very grateful for these Leaders and for Frederick County Chamber of Commerce for allowing us to participate, once again, in their wonderful and rewarding program.



Thank You, Partners & Sponsors

We are forever grateful for those who have given so much to our organization and community.

Thank you for believing in our mission.



























































2020 / 2021



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