



## **For Immediate Release**

### **Innovation Works Matches the Commonwealth of PA to Create \$2 million Investment Fund to Respond to Needs of Regional Tech Startups**

**April 23, 2020 – Pittsburgh, PA --** Innovation Works (IW) and the Commonwealth of PA are creating a \$2 million fund for the relief of promising tech startups in southwestern Pennsylvania. The funds will further bolster startups that have already received previous investment from IW and/or the state to help see them through the COVID-19 economic downturn. The fund is comprised of \$1 million from the Commonwealth of PA through the Ben Franklin Technology Development Authority (BFTDA) and matched by IW through a combination of organizational funds, including \$150,000 from the RK Mellon Foundation which was recently awarded as part of the foundation's response to COVID 19. The entire \$2 million will be awarded to as many as 40 companies as part of IW's commitment to existing portfolio companies, many of whom need additional capital to catalyze funding rounds, customer acquisition and other operational needs. No new application is necessary, as the IW team is already assessing the extraordinary demand for assistance and deploying these funds where they will be most beneficial.

As the region's most-active early stage investor with hundreds of portfolio companies, Innovation Works has an unprecedented demand for financial support during the COVID-19 crisis. According to Rich Lunak, President & CEO of IW, "In response to this increased demand, IW is taking a number of steps to help startups in our portfolio survive this pandemic: 1) prioritize follow-on investments into existing portfolio companies to help stabilize them, 2) work aggressively to help companies put expense-reduction plans in place to extend their runway, 3) work with as many mentors, follow-on investors and potential customers as possible to provide additional paths of opportunity for the startups." Lunak continues, "However, current resources are not enough. As a response, IW is creating a COVID-19 Relief Fund to bring additional support to help bridge these high-potential companies beyond the immediate crisis, stabilize and grow."

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Most economic recovery programs overlook technology startups in favor of more established businesses or have terms that do not apply or are unfavorable to these entrepreneurs. Many early stage firms are extremely vulnerable — at the early stages of commercialization and product development — making the current crisis even more problematic. “These companies collectively employ tens-of-thousands of workers in the region,” said Mr. Lunak. He continues, “Tech startups can ignite economic recovery because they tend to create high-paying jobs and can generate greater job creation than many other businesses. The \$2 million fund is a way to bridge the current economic turmoil with our economic future. We are grateful for the state’s and our partners’ assistance in helping IW better serve the startups that count on us and will ultimately push the region forward.”

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Innovation Works is the Ben Franklin Technology Partner (BFTP) of SWPA. The BFTP network of four centers financially and operationally support startup, early-stage and high growth, innovative companies across the Commonwealth. The BFTP is supported in part by the Ben Franklin Technology Development Authority and is overseen by the state’s Department of Community and Economic Development. Innovation Works is one of the nation’s top 10 most active investors in seed stage technology companies and is the leading supporter of the Pittsburgh region’s tech startups with investment, business assistance and connections to other resources.