



2024 PHILADELPHIA VENTURE REPORT



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Introduction

The past few years have been challenging for the startup and venture capital communities. Following the frenzy of 2021 and 2022, the markets went “cold” with reduced investment and exit activity. The IPO pipeline dried up, and entrepreneurs that raised significant sums at high valuations hunkered down, focused on executing while waiting for a better time to raise more capital. Philadelphia was certainly not immune from this cycle; however, its strong and broad foundation of entrepreneurial activity not only sustained the region but produced deal volumes still not seen prior to 2020. In short, the community continued to execute, driven by strength in life sciences, healthcare, and enterprise tech. As generative AI emerged as the next big tech revolution, Philadelphia was well positioned with advanced research at multiple universities and many companies—big to small—already working on applications of AI in financial services, life sciences, healthcare, and manufacturing. There was also an increase in investment activity from private equity and corporate venture, which is critical to growth investments and, ultimately, exits. Philadelphia is well positioned for future growth, and with anticipation for continued positive investment and exit progress in 2025, there is optimism about its continued position as one of the top five most-active regions for venture deals nationally.

Please join me in thanking our 2024 report sponsors. PACT looks forward to working with them and all of you to continue to elevate Philadelphia.

Dean Miller, President & CEO 

Contents

Dealmaking 3
Market trends 4
Sector trends 6
Healthcare & AI 8
Outside support 9
Q&A with Scott Nissenbaum 10

Data pull date: December 31, 2024

This report covers the Philadelphia-Camden-Wilmington Metropolitan Statistical Area (Philadelphia), which includes parts of Pennsylvania, New Jersey, Delaware, and Maryland. All data and charts cited throughout the report are based on companies and/or investors headquartered in this region.

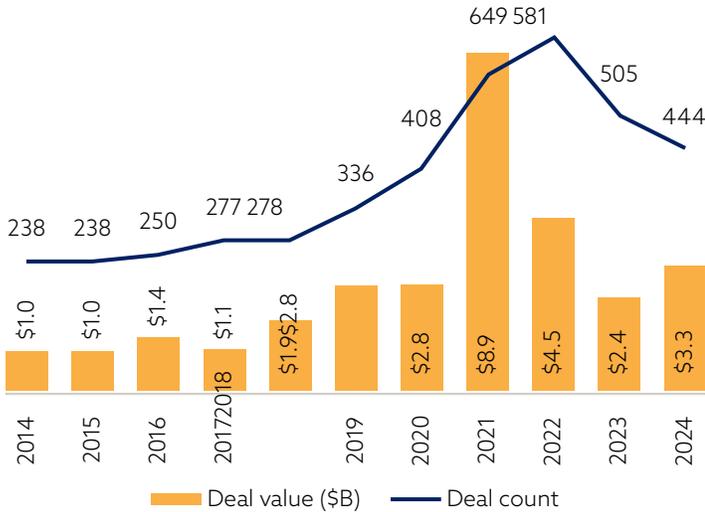
The reference to all-women founders refers to individuals who identify as a biological female. We do not track the age, nationality, or sexuality of individuals, so LGBTQ+ data is not available through PitchBook. Furthermore, we respect individual identities and will not assume a person's gender. Male or female gender is determined using publicly available information like pronouns and prefixes from official biographies during our standard data collection and verification processes. If this information is not available, the gender field is left blank.

PACT is the go-to resource for fast-growing companies and a driver of entrepreneurship and innovation in the Philadelphia region. PACT provides its members with valuable content and connections to capital, coaching, and customers that will accelerate their growth and success, and collaborate with other organizations to drive innovation and entrepreneurship in the region.

The Chamber, through its CEO Council for Growth and Select Greater Philadelphia programs, is strengthening the region's innovation economy by promoting Greater Philadelphia's assets and strengths in the cell therapy, gene therapy, and gene editing sectors. By telling the story of our 11-county region, helping companies expand locally, connecting businesses to valuable resources, assessing, and solving for the talent needs of the sector and supporting the development of critical infrastructure for the sector's growth, the Chamber is ensuring that the Greater Philadelphia region is recognized as a worldwide leader in life sciences.

Dealmaking

Philadelphia VC deal activity



Source: PitchBook | Geography: Philadelphia | As of December 31, 2024

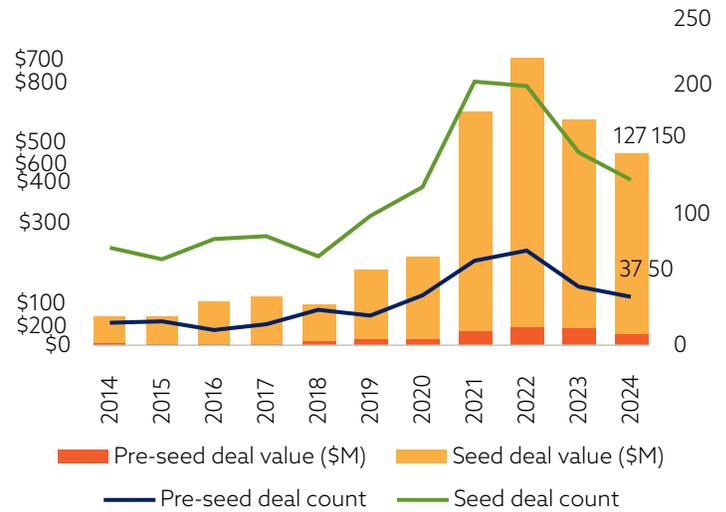
Philadelphia’s venture ecosystem sustained another challenging year as deal volumes declined for a second consecutive year. In 2024, Philadelphia’s startups raised \$3.3 billion across 444 deals. The backslide in deal volumes and larger capital-raised figures signals a more competitive dealmaking environment compared with the previous year. Early-stage startups in the region and the broader US market were resilient, as their share of deal volumes rose again in 2024. Nonetheless, an overall difficult dealmaking climate inflicted the US venture ecosystem, which Philadelphia was not immune to, as 205 fewer deals closed in 2024 compared with 2022.

In a more competitive dealmaking environment, investors consolidated capital deployment, driving up check sizes. Deal values increased by 34.4% YoY, bolstered by a larger share of deals exceeding \$50 million. Capital consolidation was more conspicuous in 2024, bolstered by an uptick in megadeals—VC deals exceeding \$100 million. The megadeal count rose from two in 2023 to four the next year, with 75% of 2024’s megadeals in early-stage companies.

Fewer startups that raised capital at the heights of dealmaking did so in 2024 due to shifts in monetary policy. Only 419 startups raised capital in 2024, a decline from 600 and 484 companies in 2022 and 2023, respectively. Interest rates impact valuations, cost of capital, and exit volumes. Startups that raised capital during near-zero interest rates in 2021 and 2022 did so more easily because lower rates created a more favorable dealmaking and business environment. The Federal Reserve’s (the Fed’s) rate hikes toward the second quarter of 2022 reversed these trends and resulted in a broader drop-off in private market activity.

Philadelphia remains a robust seed and early-stage ecosystem, with sustained support from angel investors at the earliest stages and

Philadelphia pre-seed and seed deal activity



Source: PitchBook | Geography: Philadelphia | As of December 31, 2024

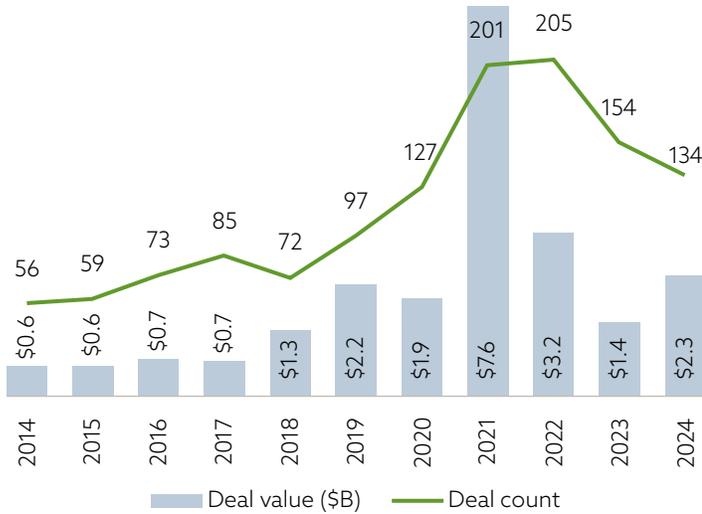
resilient pre-seed and seed investment activity. In 2024, angel investors participated in 28 deals totaling \$5.8 million, which is on par with 2023 deal values. Most notably, Band of Angels, a group of over 150 high-tech angel investors in the US, invested in the pharmaceutical company SOLUtion, founded by female entrepreneur Julia Anthony. Angel investors are experienced entrepreneurs or industry veterans who bring capital, relevant expertise, and networks to their portfolio companies—a critical resource to outcompete peers in a challenging operational environment. Pre-seed and seed deal activity sustained its decline since 2022, ending 2024 at a 15% YoY decline in volume. However, the share of pre-seed and seed deal volume of 37% is at near parity to the 37.6% median percentage for the past decade. This resilience at the earliest stages exhibits how investors sourced growth potential in companies more insulated from macroeconomic challenges.

Philadelphia’s early-stage ecosystem is maturing at a steady pace, creating a stronger pipeline of companies transitioning to the growth stage. Early-stage deals, which includes Series A and B, climbed to 37% of deal volumes in 2024, maintaining an annual increase of 3% since 2022. This meant more seed-stage companies with defensible business models entered a new development stage, necessitating capital to grow and scale. Ben Franklin Technology Partners’—the region’s most active investor by investment count—GO PA Fund will play a critical role in investing growth capital to more than 600 of its Pennsylvania-based portfolio companies, injecting much needed capital into the ecosystem and enabling startups to extend their cash runways.¹ As companies mature, they demand larger checks and, eventually, a well-defined exit strategy—both areas where the ecosystem is well positioned to deliver through robust acquisitions and the prevalence of capital-abundant investors.

1: “A Global Opportunity in Pennsylvania’s Commonwealth of Innovation,” GO PA Fund, n.d., accessed February 25, 2025.

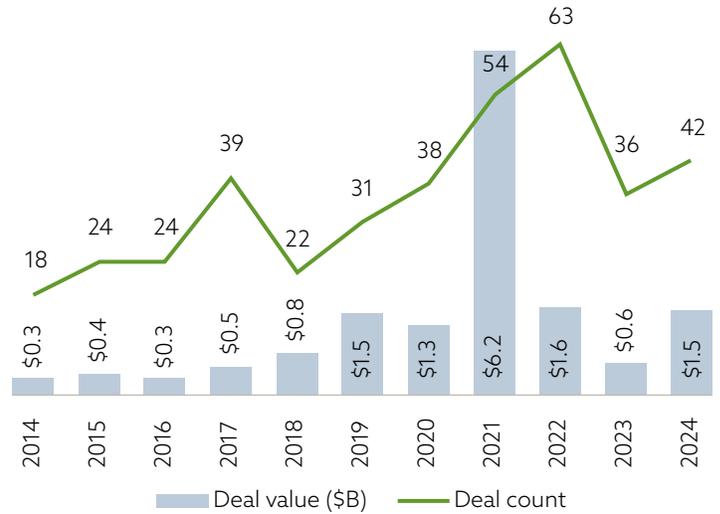
Market trends

Philadelphia VC deal activity with nontraditional investor (NTI) participation



Source: PitchBook | Geography: Philadelphia | As of December 31, 2024

Philadelphia VC deal activity with PE investor participation



Source: PitchBook | Geography: Philadelphia | As of December 31, 2024

In 2024, Philadelphia’s VC ecosystem trends paralleled the muted dealmaking activity across broader private markets. VC deal volumes declined to 444 deals, reflecting a 12.1% YoY decrease, compared with a 6.4% YoY decline in the US.² The ecosystem saw notable involvement from PE firms, NTIs, and corporate venture capital (CVC) firms, which played a critical role in supporting VC activity amid tighter macroeconomic conditions and increased demand for distributions from LPs. Despite challenges in private capital funding, post-pandemic normalcy and economic productivity is back, creating a favorable business environment for local startups to thrive in the long run.³

The share of VC deal volume with PE investor participation grew from 8.9% in 2023 to 12.6% in 2024, while NTI participation increased to 40.1%, up from 38% in 2023. PE firms often operate on longer investment horizons, while NTIs—a diverse group of nontraditional VC investors ranging from CVCs to university endowments—carry out varying objectives, enabling them to fill the funding gaps left behind by traditional VC firms. Oncology drug developer Third Arc Bio highlights healthcare as a sector where traditional VC may lag, creating opportunities for NTIs to step in. In its \$165 million Series A round, 12 of the 14 investors were NTIs. The mix of asset manager, PE, and hedge fund investors that participated was well suited for a clinical stage drug developer, given its extended timelines to profitability and risk-return profile via a potential Big Pharma buyout.

PE firms and NTIs demonstrated a marked interest in larger deals. NTIs participated in fewer deals overall, but their share of deal value increased modestly from 65.3% to 78.1%. This trend underscores

a strategic pivot toward high-value investments, like in business and productivity software, which accounted for 38 deals with NTI participation.

PE investor participation in VC deals also increased, with six more deals completed in 2024 than in 2023. While broader PE deal activity saw slight declines—falling by 27 deals to a total of 163—PE deal values more than doubled. Notably, the most active PE firms in the region over the past five years include OrbiMed, Cormorant Asset Management, and Udata Partners—all headquartered in other US venture hubs. Deep-pocketed PE firms played a role in accelerating the pace of capital consolidation in a handful of startups, particularly early-stage VC-backed companies. PE firms participated in early-stage deals totaling \$922.5 million in invested capital—the largest figure in the past decade, excluding 2021’s \$1.3 billion figure. PE penetration into the earliest segments of the VC ecosystem may be a positive indicator of Philadelphia’s startup ecosystem maturing, as these growth-stage investors guide founders toward an eventual exit.

CVCs drove the region’s dealmaking across a greater share of early-stage deal participation compared with the previous year. The proportion of Philadelphia deal volume involving CVCs rose to 59.5% from 46.7%, and the total capital raised nearly doubled to \$1.8 billion in 2024. Historically, CVCs primarily invested in seed and early-stage rounds, with most deals concentrated in seed rounds. By 2024, just as PE investors pivoted into the early-stage ecosystem, so too had CVC investors, as early-stage deals surpassed seed rounds by 14 transactions. This shift reflects a growing emphasis on investing in

2: “PitchBook-NVCA Venture Monitor First Look,” PitchBook, January 6, 2025.
 3: “Key Takeaways From the State of Center City 2024,” Center City District, May 24, 2024.

companies with market-proven products that align strategically with the parent company’s objectives. One such example is Latus Bio, a gene therapy startup, which raised over \$50 million with the backing of Samsung Group’s life sciences fund. This strategic investment, alongside its other US gene therapy financings, aligns with Samsung’s efforts to strengthen its position in frontier drug research.

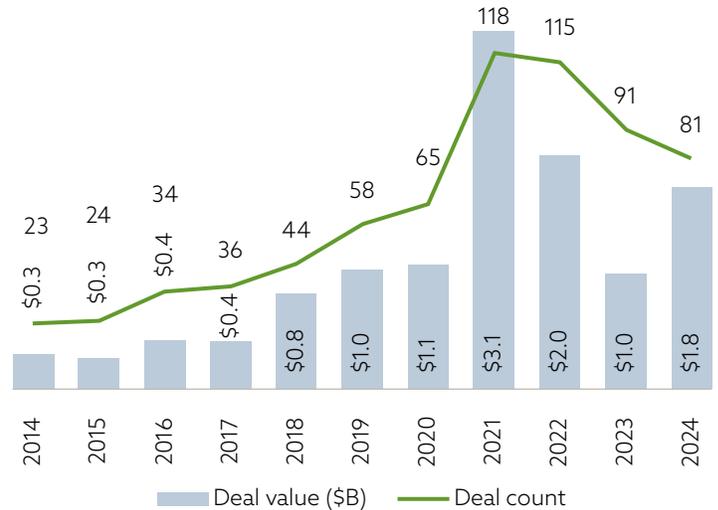
Over the past two years, fund managers have doubled down on follow-on investments instead of new ventures, pivoting their strategic approach to navigate current market dynamics. The number of follow-on investors rose to 255, surpassing pre-pandemic levels. With fewer new investors entering deals, the emphasis on established relationships and experienced investors is evident.

VC exits surge may fuel rebound

VC exits offered a promising signal for the ecosystem’s recovery, with exit counts rising by eight to a total of 36 in 2024, matching the pre-pandemic high of 2019. Strategic acquisitions and LBOs dominated exit activity, collectively accounting for 97.2% of exit volume. Unlike the US exits slump with three straight years of declining volumes, the region’s resurgence in liquidity may enable fund managers to raise larger funds and spur heightened dealmaking activity if economic conditions align.⁴ Korea Exchange-listed HLB Innovation’s acquisition of Verismo Therapeutics demonstrates how outside investors are capitalizing on the region’s talent to enhance their drug development and educational software offerings. The exits of these local companies, founded by local talent, is a nod to Philadelphia’s ability to support an innovative tech and life sciences startup environment. Public listings—another crucial exit channel—remained scarce, with only one IPO recorded in 2024. These trends may allude to a PE-led recovery if public markets cannot provide the liquidity that GPs need to distribute returns and raise fresh capital.

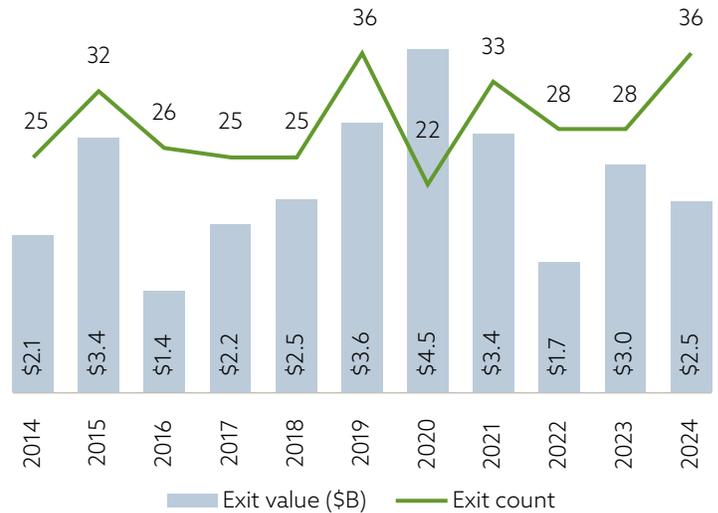
Philadelphia’s VC ecosystem demonstrated resilience in 2024 despite economic headwinds. The sustained participation of PE investors, NTIs, and CVCs underscores the adaptability of the ecosystem and its ability to attract diverse sources of capital. In the past year, Ben Franklin played a critical role in supporting the region’s ecosystem, having invested \$6.6 million in 31 companies that attracted \$522 million in follow-on capital. Furthermore, Governor Josh Shapiro launched the Pennsylvania Economic Development Strategy in January 2024, which is a first-of-its-kind 10-year plan aligning government priorities with business needs.^{5, 6} The plan tackles local challenges—talent acquisition, entry barriers for entrepreneurs, and underfunded initiatives—while guiding strategic industry growth. This will boost Philadelphia’s

Philadelphia VC deal activity with CVC participation



Source: PitchBook | Geography: Philadelphia | As of December 31, 2024

Philadelphia VC exit activity



Source: PitchBook | Geography: Philadelphia | As of December 31, 2024

economic productivity, create jobs, and enhance its startup ecosystem. While challenges remain, the foundation is being laid for a recovery. A rebound in liquidity, coupled with strategic investments in high-potential sectors like tech and life sciences, could position Philadelphia’s private markets for renewed growth in the coming years.

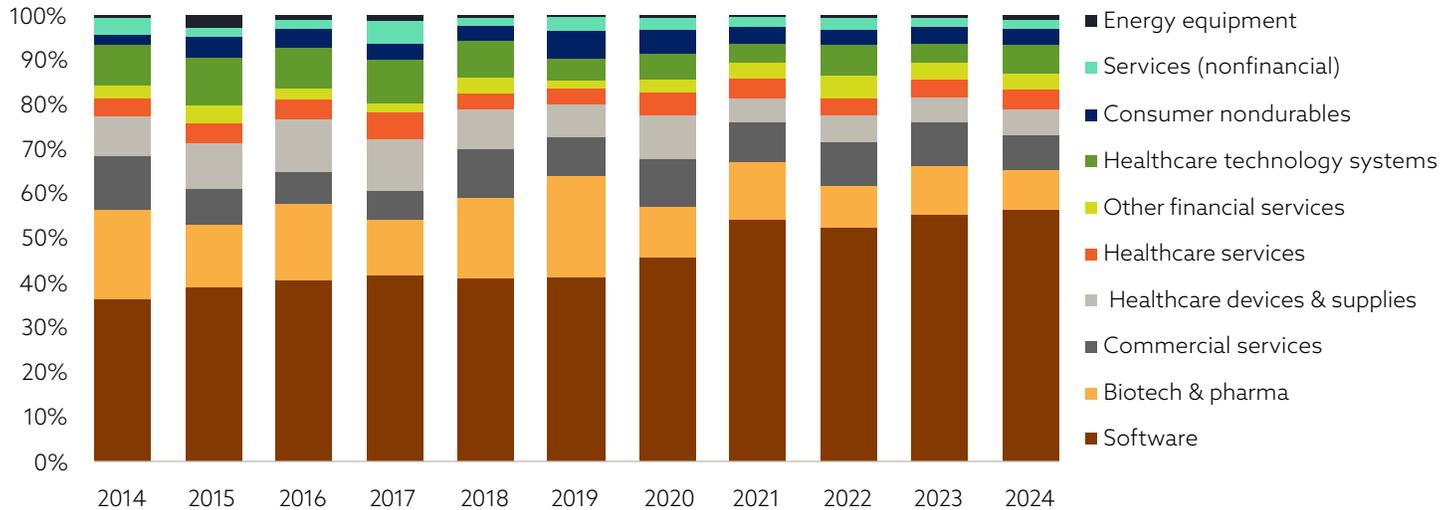
4: “Q3 2024 PitchBook-NVCA Venture Monitor,” PitchBook, Kyle Stanford, Emily Zheng, and Kaidi Gao, October 9, 2024.

5: “Pennsylvania Gets It Done: Governor Josh Shapiro Launches First Statewide Economic Development Strategy in Nearly Two Decades,” Pennsylvania Department of Community & Economic Development, January 30, 2024.

6: “Where Best-in-Class Meets Cutting-Edge,” Pennsylvania Gets It Done, n.d., accessed February 6, 2025.

Sector trends

Share of Philadelphia VC deal count by top 10 sectors



Source: PitchBook | Geography: Philadelphia | As of December 31, 2024

Software & biotech remain investment hot spots

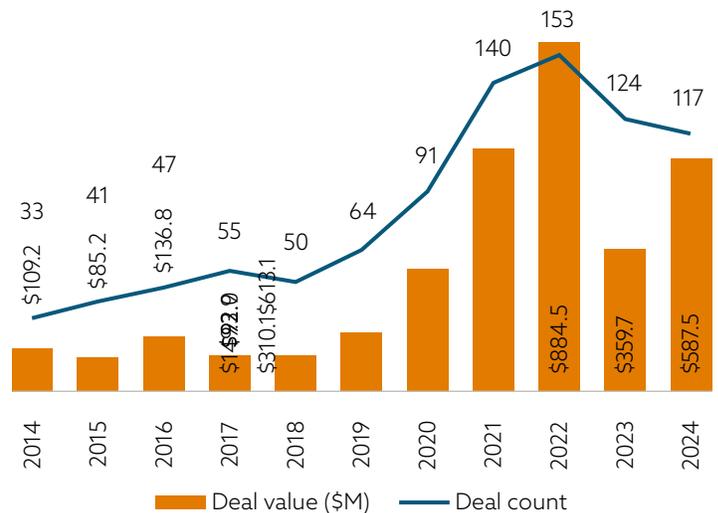
Philadelphia's strengths as an innovation hub are exemplified by the sustained funding strength in its software and biotech & pharma sectors. Investors also funneled capital into industry-leading AI and fintech solutions. AI-adjacent sectors like enterprise tech also saw upswings in its check sizes despite more modest dealmaking activity relative to 2023. Life sciences remains a pillar of the region's venture and innovation ecosystem, bolstered by local academic powerhouses and favorable initiatives, as exemplified by EpiVario's success and the recent founding of GEMMABio, showcasing the region's commitment to advancing cell & gene therapies.

The software and biotech & pharma sectors remained the primary drivers of venture activity in the region. At 208 completed deals and \$1.1 billion in capital raised in 2024, software companies captured nearly half of total deal volumes in Philadelphia. Biotech & pharma was also a significant contributor to deal value growth, benefiting from a supportive ecosystem and a deep pool of technical expertise.

AI applications accelerate software and fintech innovation

AI became a staple investment for investors active in Philadelphia. The total amount of invested capital soared to \$576 million in equity funding across 127 deals. A confluence of falling deal volumes and rising deal values signals a trend toward larger checks to meet the ever-growing funding needs of capital-intensive AI startups. Among the 127 completed AI deals, niche AI application cases in healthcare and financial services showcase Philadelphia's entrepreneurial dynamism, as founders quickly capitalized on AI-driven solutions for

Philadelphia enterprise tech VC deal activity



Source: PitchBook | Geography: Philadelphia | As of December 31, 2024

clients across industries, like XponentL Data's AI-powered data insights platform backed by Databricks' CVC arm.

The fintech sector is a burgeoning sector in Philadelphia, as robust deal activity growth and the presence of reputable financial institutions position the area as an emerging financial services hub. Proximity to finance industry giants, like Vanguard, SEI, and Susquehanna, enables an emerging fintech ecosystem to flourish by attracting talent and becoming a test bed for fintech solutions. In 2024, fintech startups received unprecedented levels of capital compared with the past

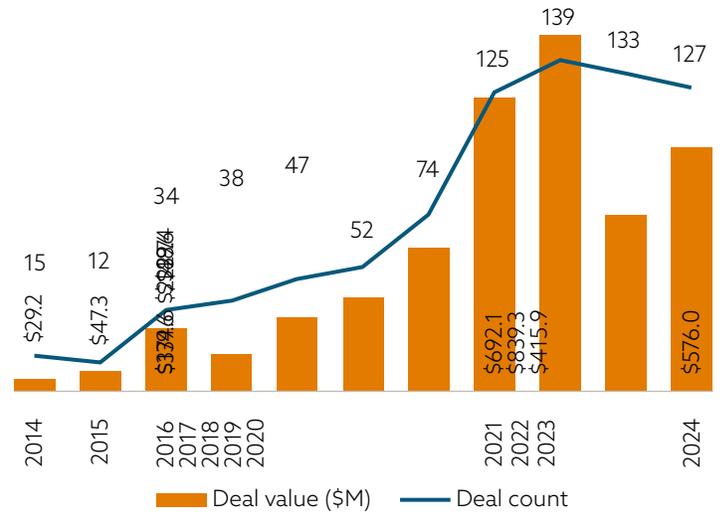
decade, with an aggregate of \$851.8 million raised across 64 deals—over a two-fold increase in deal value from 2023. AI has penetrated the financial industry with Protecdiv’s AI-powered insurance solutions, which helps enterprises across industries secure tailored coverage. The significance of AI and fintech was underscored by Patrick T. Harker, the 11th president and CEO of the Federal Reserve Bank of Philadelphia, who emphasized the importance of fintech innovations, AI’s role in transforming financial services, and the impact of these technological advancements on the Fed’s dual mandate.⁷

Economic considerations moderately dampened the demand for enterprise tech, but the AI fervor carried deal values in 2024 beyond levels raised the prior year. The sector’s deal volumes moderated down to 117 deals, while deal values rose to \$587.5 million. In fact, 61 deals, or 52% of enterprise tech funding, were completed in AI software companies. These tools, addressing workforce or data management, automation, and operational efficiency, are poised to draw sustained investment in 2025 as AI transforms the software industry and beyond. For instance, Partium’s AI-powered image recognition system streamlines spare parts identification, saving businesses time by automating this process.

Where world-class research meets life sciences funding

Philadelphia remains a leading hub for life sciences venture funding, driven by institutions like the University of Pennsylvania (UPenn) and the Children’s Hospital of Philadelphia (CHOP). Supportive policies, including expanded research & development tax credits and the

Philadelphia AI & machine learning VC deal activity



Source: PitchBook | Geography: Philadelphia | As of December 31, 2024

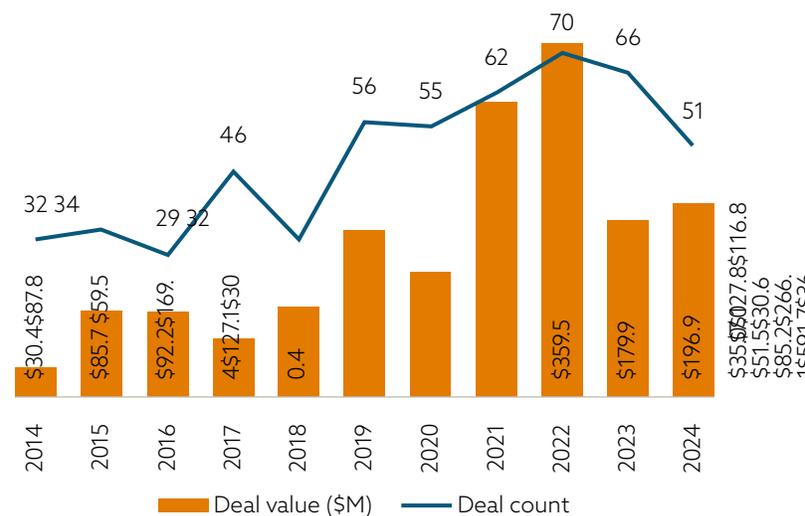
Keystone Innovation Zone, have fueled regional biotech investment. UPenn spin-out EpiVario, an epigenetics therapy developer, has raised \$1.5 million to date and secured two small business innovation research federal grants. The city’s focus on cell & gene therapy and advanced clinical trials cements its reputation for medical innovation. Founded in October 2024 by UPenn’s Dr. James M. Wilson, GEMMABio exemplifies the region’s strengths in academic excellence and groundbreaking medical research.

Philadelphia fintech VC deal activity



Source: PitchBook | Geography: Philadelphia | As of December 31, 2024

Philadelphia B2C VC deal activity

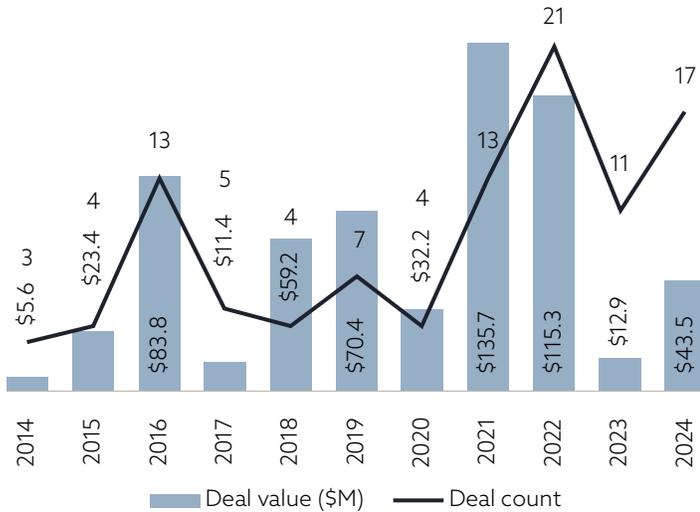


Source: PitchBook | Geography: Philadelphia | As of December 31, 2024

7: “Fintech, AI, and the Changing Financial Landscape,” Federal Reserve Bank of Philadelphia, Patrick T. Harker, November 12, 2024.

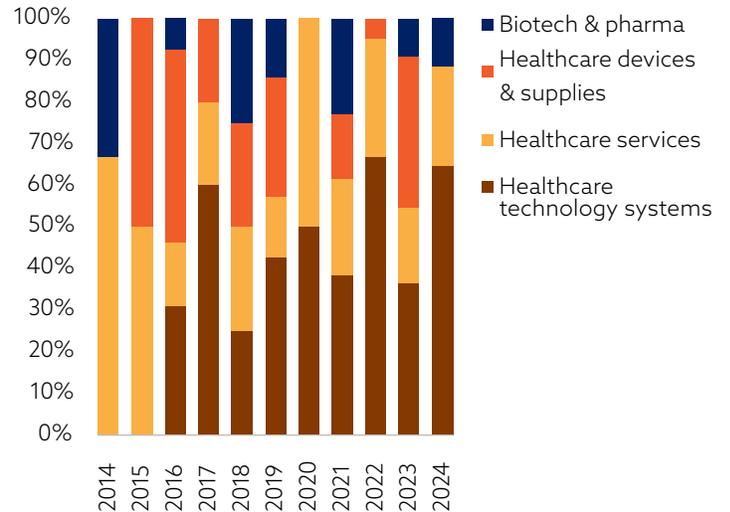
Healthcare & AI

Philadelphia healthcare & AI VC deal activity



Source: PitchBook | Geography: Philadelphia | As of December 31, 2024

Share of Philadelphia healthcare & AI VC deal count by sector



Source: PitchBook | Geography: Philadelphia | As of December 31, 2024

The AI sector is maturing and segmenting into various cross-industry applications, as founders push the boundaries of where AI can be applied to solve real-world problems in the industry. Healthcare continues to drive employment in Philadelphia, making the area an appropriate sandbox to test novel healthcare solutions.⁸ Healthcare is an industry that is ripe for a digital transformation with low hanging fruits in automation of administrative tasks. It can also be used in more advanced application areas, such as drug discovery and biotech research, where the boundaries of medical research can be pushed beyond the constraints of the human mind and outdated systems. As a tech hub primed with innovations across industries, Philadelphia is a natural incubator for healthcare & AI-integrated solutions.

Healthcare & AI companies—defined as healthcare companies with an AI component integrated into their product/service offerings—flourished amid the challenging venture dealmaking environment. In contrast to declining YoY deal volumes in the region, deal activity in the healthcare & AI space grew in 2024, raising \$43.5 million across 17 deals. As entrepreneurs continue to commercialize and scale AI solutions for healthcare applications, healthcare technology systems were the most receptive to a digital transformation. Quarvis Health, which completed its first equity financing round in December 2024, lies at the intersection of AI and telehealth and offers a centralized digital platform for mental health coaching, personalized health tracking, and doctor-patient interactions.

The space remains largely dominated by all-men founder teams, but funding secured by biotechnology startup BioLattice was a milestone for startup founder diversity. Led by an all-women executive team, the company offers engineered cornea tissue as an alternative to donor tissue and waitlists. As one of 14 Philadelphia startups with a woman founder to receive funding in 2024, it showcases the technical strength of women-led medical innovations.

Healthcare & AI also served complex research needs in the biotech & pharma space. Proscia’s software converts pathology image data into actionable insights for oncology. Its \$46 million Series C funding will enable it to accelerate global adoption of its digital pathology solutions, addressing the growing demand for advanced cancer diagnostics. Researchers are also applying AI toward clinical trial settings. Software developer BioPhy leverages predictive and generative AI to expedite and optimize clinical trial outcomes.

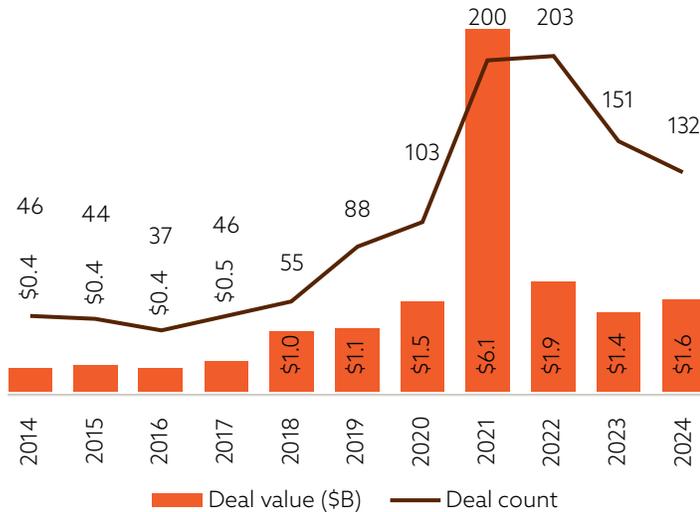
The healthcare industry is on the cusp of scientific breakthroughs with the aid of AI-assisted modeling, imaging, and analysis, transforming sophisticated fields of research like cancer, genetics, and cellular research. With a strong track record of AI in healthcare applications and revived funding trends in 2024, the successes seen are solidifying the staying power of AI in healthcare and expanding the boundaries of scientific research beyond human capabilities.⁹

8: “Philadelphia’s Quarterly Labor Market Report,” Philadelphia Works, December 19, 2024.

9: “AI and Cancer: The Emerging Revolution,” Cancer Research Institute, January 14, 2025.

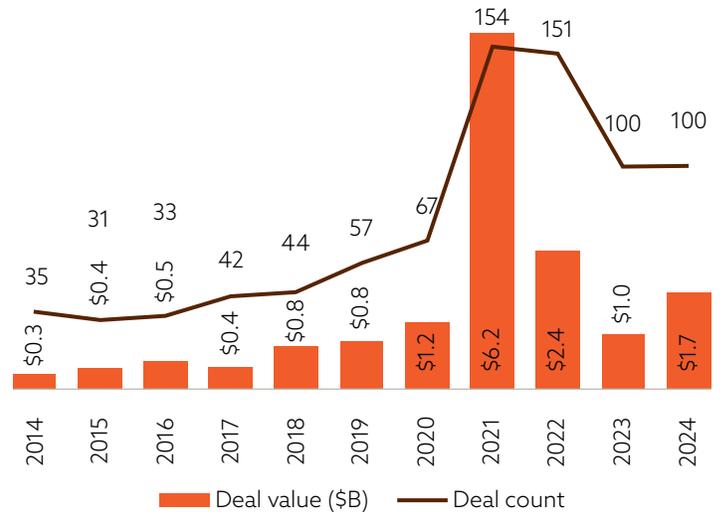
Outside support

Philadelphia VC deal activity with Bay Area investor participation



Source: PitchBook | Geography: Philadelphia | As of December 31, 2024

Philadelphia VC deal activity with New York investor participation



Source: PitchBook | Geography: Philadelphia | As of December 31, 2024

Investors participate in cross-border deals to access new high-growth markets, diversify portfolios, and support founders in promising ecosystems—like Philadelphia’s. Cross-border activity trends reveal the concentration of US venture capital in major hubs, like San Francisco, New York, and Boston, while emerging hubs like Philadelphia are catching up—having ranked fifth nationally by deal volume, according to the Q4 2024 PitchBook-NVCA Venture Monitor.¹⁰ Participation from investors in major venture hubs, including the Bay Area and New York, is a boon to Philadelphia’s founders, because they bring mentorship, experience, and expertise from a mature ecosystem to an emerging one. Investors from these two major ecosystems continued to flock to Philadelphia to source more deals in software companies, which command greater growth potentials compared with other industries. Philadelphia, with over 235,000 tech jobs and average tech salaries exceeding \$120,000, has become one of the fastest-growing tech hubs in the US, enabling it to secure 12th place in PitchBook’s global VC ecosystem rankings.^{11, 12}

In 2024, New York investors maintained strong activity, keeping deal volumes steady at 100 closed deals while nearly doubling deal values to \$1.7 billion from \$950.6 million in 2023. As broader Philadelphia deal activity fell by 61 deals down to 444 in 2024, the share of deals with New York investor participation rose from 19.8% to 22.5% of deal volume. These investors focused on deals within the \$1 million to \$10 million range, constituting 42% of Philadelphia deals with New York investor participation. These check sizes are typical of seed and

early-stage rounds, comprising 71% of VC deal volumes involving New York investors.

Bay Area investors scaled back but remained relatively active in Philadelphia. Their deal volumes declined at a slower pace in 2024, with a 12.6% YoY drop compared with the 34.4% YoY decline in 2023. Nearly half of Bay Area deals in Philadelphia were in seed rounds, with business software and financial software accounting for 52, or 39.4%, of deals with Bay Area investor participation. While unfavorable fund economics may have caused Bay Area investor participation declines in the region, this will not deter Bay Area fund managers for long as they seek portfolio diversification and unique business models in other innovative startup hubs.

Despite these challenges, Bay Area and New York investor capital remain a cornerstone of early-stage capital support in Philadelphia, and the ecosystems’ overlapping industry strengths in tech and financial services align investors and Philadelphia founders more closely. Local investors and government entities bolster the region’s main forte—its life sciences sector. In August 2024, Governor Shapiro invested nearly \$3 million in Adare Pharma Solutions to relocate from New Jersey to Philadelphia, creating jobs and strengthening the local life sciences innovation cluster.¹³ The area will continue to be an attractive and diverse innovation hub, backed by its robust talent pipeline, active investor base, and founders’ ingenuity.

10: “Q4 2024 PitchBook-NVCA Venture Monitor,” PitchBook, Kyle Stanford, Emily Zheng, and Kaidi Gao, January 14, 2025.

11: “The World’s Top Startup Cities,” PitchBook, Nalin Patel and Jordan Rubio, September 23, 2024.

12: “Ranking the Top 10 High-Paying Tech Jobs in Philadelphia in 2025,” Nucamp, Chevas Balloun, January 3, 2025.

13: “Shapiro Administration Invests Nearly \$3 Million To Bring Adare Pharma Solutions’ Headquarters to Pennsylvania, Creating 115 New, Well-Paying Jobs in Philadelphia,” Pennsylvania Department of Community & Economic Development, August 1, 2024.

Q&A with Scott Nissenbaum

How does Philadelphia’s talent pool, initiatives, and entrepreneurial landscape position the city as a startup hub in the US?

Philadelphia is experiencing an entrepreneurial renaissance, making it a rising startup hub in the US. The city’s affordability—compared with traditional innovation centers like New York, Washington, DC, and San Francisco—is a major draw for founders and talent alike, particularly in a remote work era where cost efficiency matters more than ever.

Beyond affordability, Philadelphia boasts an unparalleled academic ecosystem with 128 universities, making it the highest concentration of higher education institutions of any US city. This provides startups with a deep well of talent, research opportunities, and collaboration potential.

Additionally, the region’s growing investment in startup-friendly initiatives, incubators, and accelerators—such as Pennovation, University City Science Center, and Ben Franklin Technology Partners—fosters innovation across industries from biotech to fintech. Combined with a collaborative, tight-knit entrepreneurial community, these resources make Philadelphia an ideal launchpad for ambitious founders looking to build and scale.

Can you provide examples of how accelerated technological advancements, particularly in AI, have spilled over into Philadelphia’s startup environment?

AI is transforming industries across the US, and Philadelphia is not just keeping pace—it is ahead of the curve. The city is already home to a thriving ecosystem of AI-driven startups, particularly in robotics and automation.

Leading the way are companies like Ghost Robotics, known for its advanced quadrupedal robots; Exyn Technologies, a pioneer in autonomous drone navigation; Asylon, with AI-powered drone surveillance tech; Verge Aero, with its precision drone displays; Proscia, a digital pathology platform; Burro, creator of autonomous agricultural tools; and Sojo Industries, with its industrial automation robotics.

Philadelphia’s deep talent pool, cutting-edge research institutions, and strong network of incubators and investors provide the perfect launchpad for AI innovation. As AI continues to reshape industries, the city’s startups are proving that Philadelphia is not just adopting the future—it is building it.

What industries or technologies in Philadelphia stood out to you in 2024?

Precision medicine has been the standout industry in Philadelphia this year. With the region’s designation as an EDA Tech Hub for precision



Scott Nissenbaum
President and CEO
Ben Franklin Technology
Partners of Southeastern
Pennsylvania

medicine, Philadelphia has solidified itself as the best place in the US to launch and scale a company in this field.

World-class institutions like CHOP and the University of Pennsylvania have been at the forefront of groundbreaking advancements, fueling major biotech successes. Notable breakthroughs include CRISPR-Cas9 technology from Editas Medicine, Zolgensma from AveXis, LentiGlobin from Bluebird Bio, and KYMRIAH from Novartis—all of which are reshaping the future of cell & gene therapy.

As innovation accelerates, Philadelphia is becoming the epicenter for precision medicine, attracting top talent and investment to bring life-changing therapies to market.

How inclusive is Philadelphia’s venture funding landscape in terms of diversity of founders, particularly regarding race and gender?

Venture capital has historically failed to be inclusive. Fortunately, much work has already been done and continues to be done. For example, 46% of Ben Franklin’s investments over the past five years had racial diversity in the C-suite, and 49% of the investments over the past five years had gender diversity in the C-suite.

What are the primary challenges faced by startups in Philadelphia when seeking venture capital?

Philadelphia has a robust seed and early-stage investor community. The region is also strong for late-stage growth and private equity. The primary challenge is in the middle—Series A, Series B, and Series C. Too much of our capital comes from outside the region, and some of our best and brightest companies are lured away because of the need for growth capital.

However, Philadelphia’s lower cost of living, highly trained workforce, strong academic research, and the community’s “get it done” attitude enables the region to continue climbing global ranks as a great place to start a company.