



Venture Capital Funding Quarterly

Biotechnology • Pharmaceuticals Medical Devices

1st Quarter, 2014 – North America

Publisher
[VentureDeal](#)

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Summary

Life Science companies secured \$2.2 billion in venture capital financing during the first quarter of 2014, representing a decrease of 14% versus the previous quarter. The funding was allocated between 228 companies, a 25% decrease versus the previous quarter in the aggregate.

The Medical Devices sector received the most amount of funding, raising \$909 million among 95 companies. The Biotechnology sector came in second with \$660 million, representing a 51% funding increase among 88 companies versus the previous quarter. Pharmaceutical startups received \$632 million between 45 companies, a 28% quarter over quarter increase in amounts funded.

Funding Activity

Biotechnology

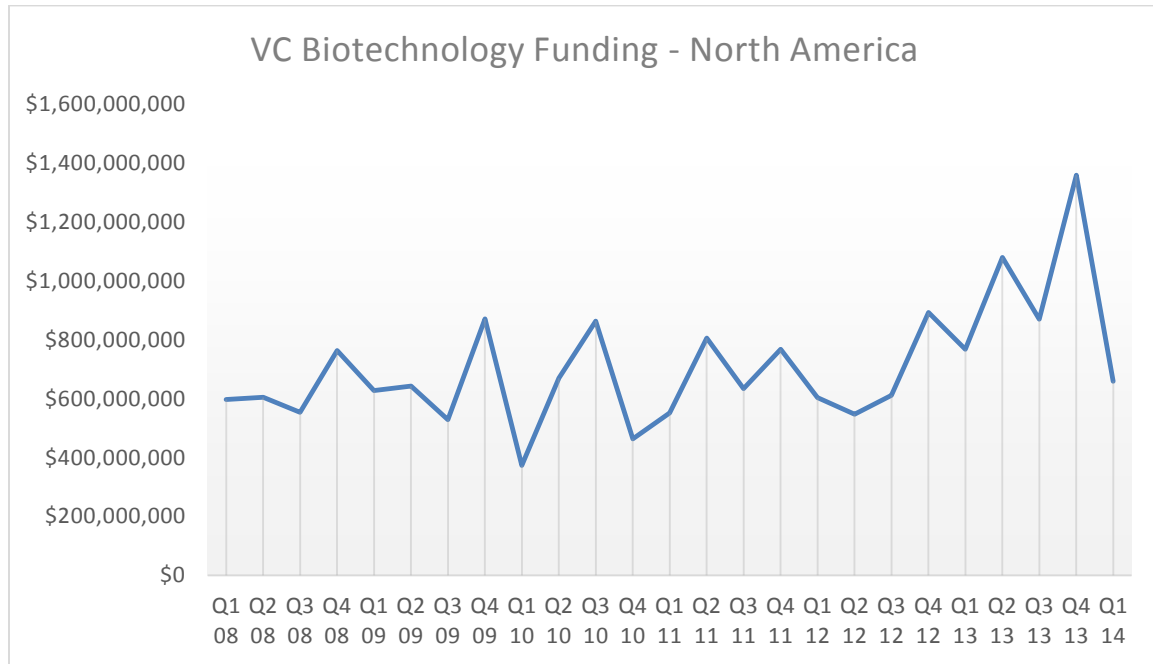
Biotechnology funding amounts reversed a record result in the previous quarter, decreasing by 51% during the quarter. The number of companies funded also decreased, by 34% versus the previous quarter.

The largest venture financing during the quarter was \$70 million for San Diego-based [Human Longevity](#). The company has an ambitious goal to “extend and enhance the healthy, high-performance lifespan and change the face of aging.” Proceeds purposes from the financing were not disclosed.

Corporate investors were active during the quarter. [Moderna Therapeutics](#), itself a relatively new and well-funded company, provided \$20 million to Cambridge, Massachusetts-based [Onkaido Therapeutics](#). Onkaido is researching how messenger RNA therapeutics can deliver novel oncology drugs. Specific proceeds purposes from the funding were not disclosed by the company.

At the seed stage, Seattle-based [ActX](#) secured \$1.9 million from the [Alliance of Angels](#) angel group. ActX says that it is “focused on making patient genomic information truly useful in everyday medical practice.” Proceeds purposes from the financing were not disclosed.

Chart 1 - Biotechnology Funding

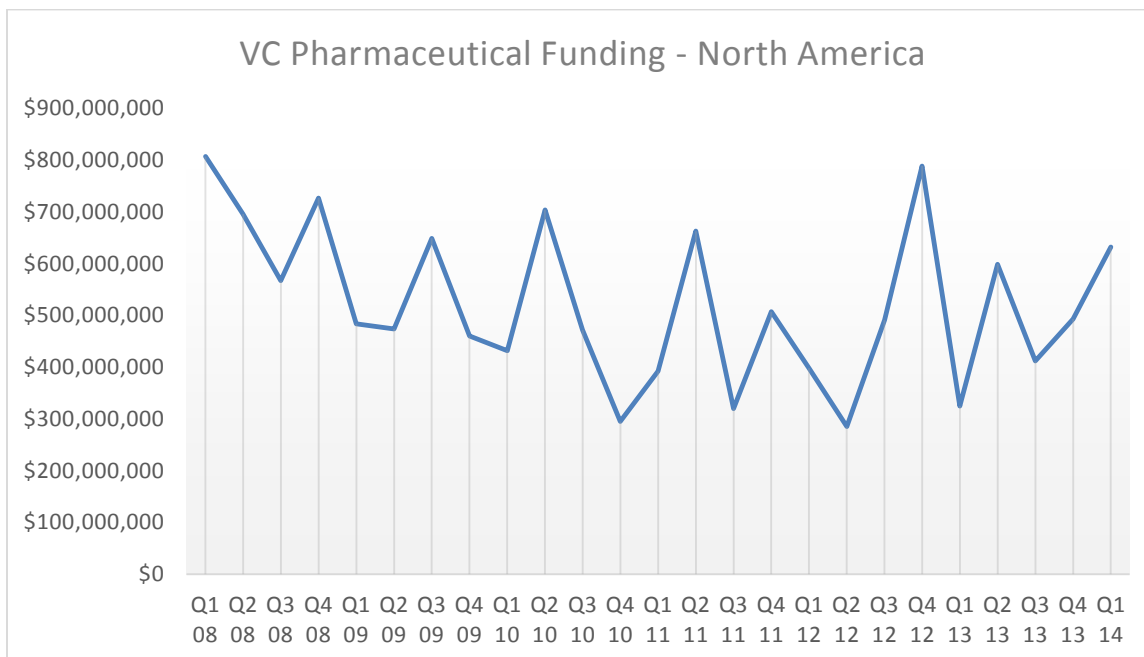


Pharmaceuticals

Pharmaceutical fundings increased to \$632 million, representing a 28% increase in amounts funded and no change in the number of companies funded - 45 - versus the previous quarter. The average funding round size was \$14 million versus \$11 million in the previous quarter, a percentage increase of 27%.

New Haven, Connecticut-based [Melinta Therapeutics](#) raised the largest financing of the quarter, garnering \$70 million in its Series C round. The company is focused on developing antibiotics to overcome drug-resistant infections. Melinta said it would use the funding proceeds in part to advance its treatment for individuals with uncomplicated gonorrhea through an ongoing Phase 3 study. [Vatera Healthcare Partners](#) led the round, which included other undisclosed investors.

Chart 2 – Pharmaceutical Funding



Medical Devices

Venture capital funding for Medical Device companies increased by 22% in total amounts funded, to \$909 million. The number of companies funded decreased however, by 25% to 95.

There were 4 disclosed early stage fundings (Seed and Series A), totaling \$57.1 million and which included the following companies:

Axonics Modulation Tech.	\$32.6 million
Guardant Health	\$10 million
Shockwave Medical	\$12.5 million
Vigilant Biosciences	\$2 million

One of the largest financings of the quarter was \$50.5 million from undisclosed investors for [NeoTract](#), according to an SEC regulatory filing. The company has developed the UroLift System that helps treat BPH by lifting or holding the enlarged prostate tissue out of the way so it no longer blocks the urethra. The company was still seeking \$6 million in additional financing as of the date of the filing, in January, 2014.

Corporate investor [PDL BioPharma](#) (NASDAQ: PDLI) was active during the quarter, funding two companies. [Paradigm Spine](#), a provider of non-fusion spinal implant solutions, raised \$75 million from PDL in the largest financing of the quarter. [Direct Flow Medical](#) secured \$50 million in debt financing from PDL for its percutaneous aortic tissue valve prosthesis technology. Direct Flow said it would use the proceeds to support commercialization of its transcatheter aortic valve implantation system.

Chart 3 - Medical Device Funding

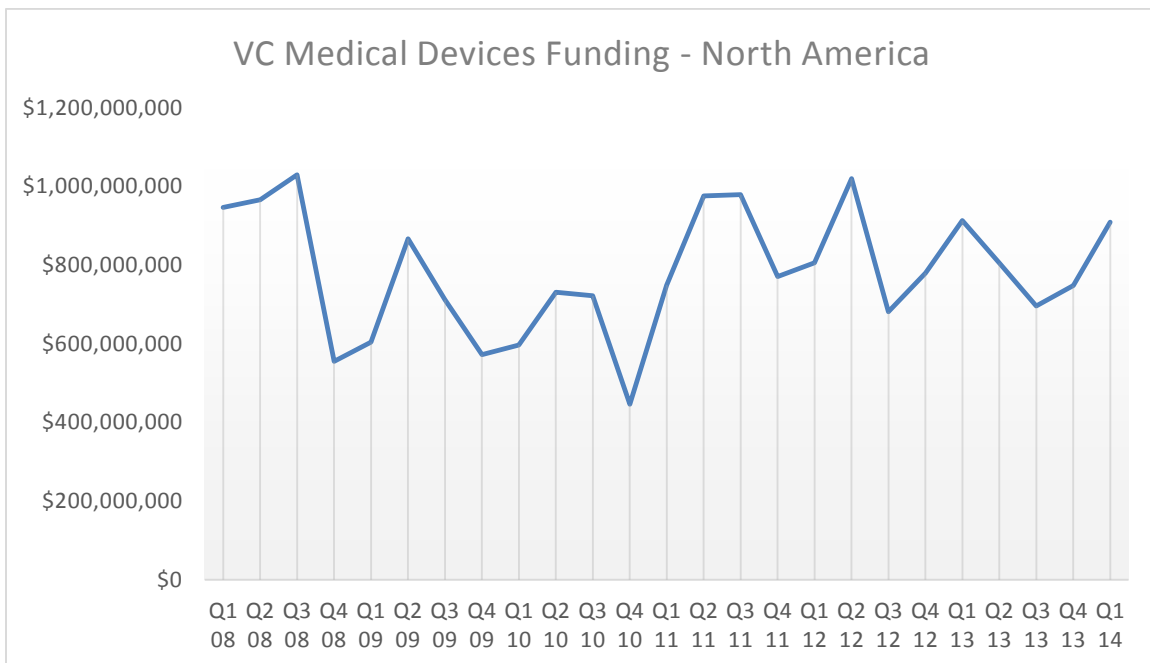


Table 1 - All Sectors

Venture Funding Activity – 1st Quarter 2014

Industry	Total Disclosed Funding	% Change Vs. Prior Quarter	Number of Companies Funded	% Change vs. Prior Quarter
Biotechnology	\$660 million	- 51%	88	- 34%
Pharmaceuticals	\$632 million	+ 28%	45	--
Medical Devices	\$909 million	+ 22%	95	- 25%
Total	\$2.2 billion	- 14%	228	- 25%

Notes

This report was prepared by the staff of VentureDeal, LLC.

The information source used was the VentureDeal.com database. VentureDeal is a curated venture capital database that provides the latest information about venture-backed technology companies, venture capital firms and transactions in the United States.

The database obtains transaction and company information from a wide variety of reputable public and private sources. While this report is free of charge, users may view the individual transactions supporting the totals herein by subscribing to VentureDeal.

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