



Venture Capital Funding Quarterly

Biotechnology • Pharmaceuticals Medical Devices

2nd Quarter, 2012 – United States

Publisher
[VentureDeal](#)

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Summary

Life Science companies secured \$1.86 billion in venture capital financing during the second quarter of 2012, representing an increase of 3% versus the previous quarter. The funding was allocated between 247 companies, a 17% increase versus the previous quarter in the aggregate.

The Medical Devices sector received the most amount of funding, raising just over \$1 billion among 124 companies. The Biotechnology sector came in second with \$548 million, representing a 9% decrease versus the previous quarter. Pharmaceutical startups received \$285 million between 40 companies, a 2% quarter over quarter decrease in amounts funded.

Funding Activity

Biotechnology

Biotechnology funding amounts showed a continued drop versus the previous quarter, decreasing 9% during the quarter. The number of companies funded increased however, by 5% versus the previous quarter.

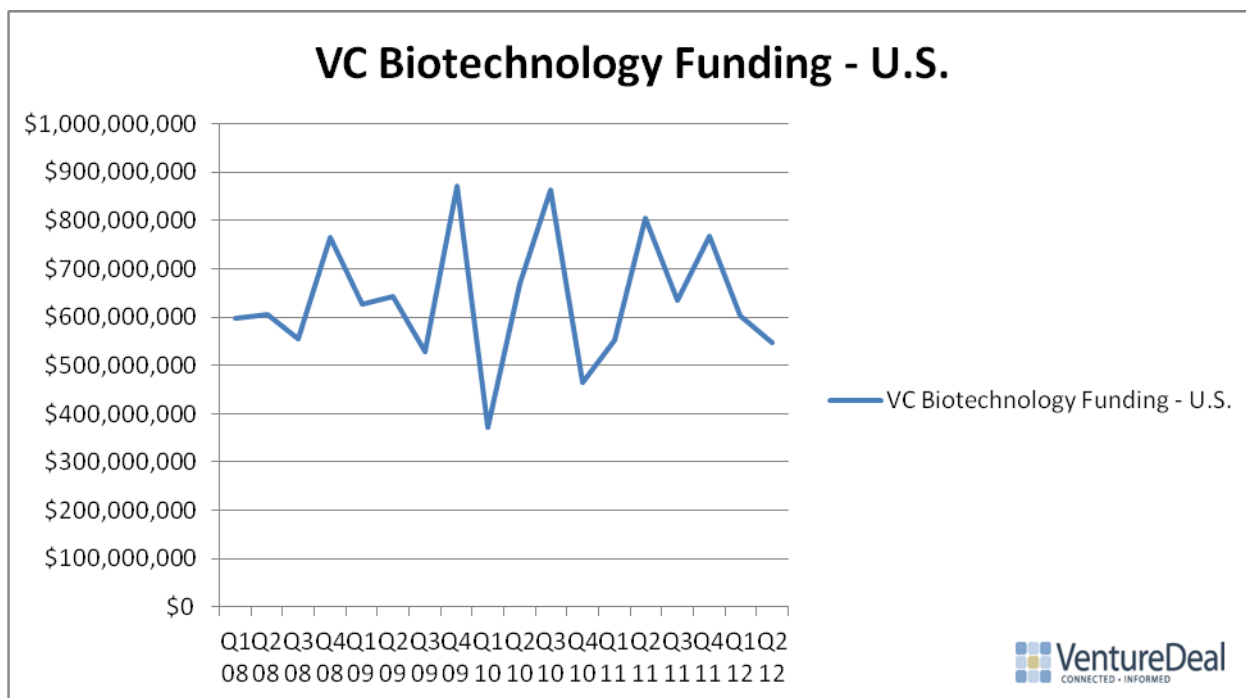
The largest venture financing during the quarter was for San Diego, California-based [Sangart](#), which received \$50.7 million in a round of strategic venture capital investment from [Leucadia National Corporation](#). The company is developing and commercializing oxygen transport agents but did not say how it would specifically use the funding proceeds.

Private equity investors were active during the quarter. [Hambrecht & Quist](#) participated in the \$3.7 million round for [Euthymics Bioscience](#). The company is developing next-generation treatments for depression, specifically for patients who do not respond adequately to existing SSRIs.

A syndicate of Angel groups co-invested in the series B recap round of \$1.9 million for [Molecular Detection](#). The Wayne, Pennsylvania company said it would use the proceeds to advance its Detect-Ready MRSA Panel diagnostic test for rapid detection of infectious diseases.

Chart 1 - Biotechnology Funding - See Next Page

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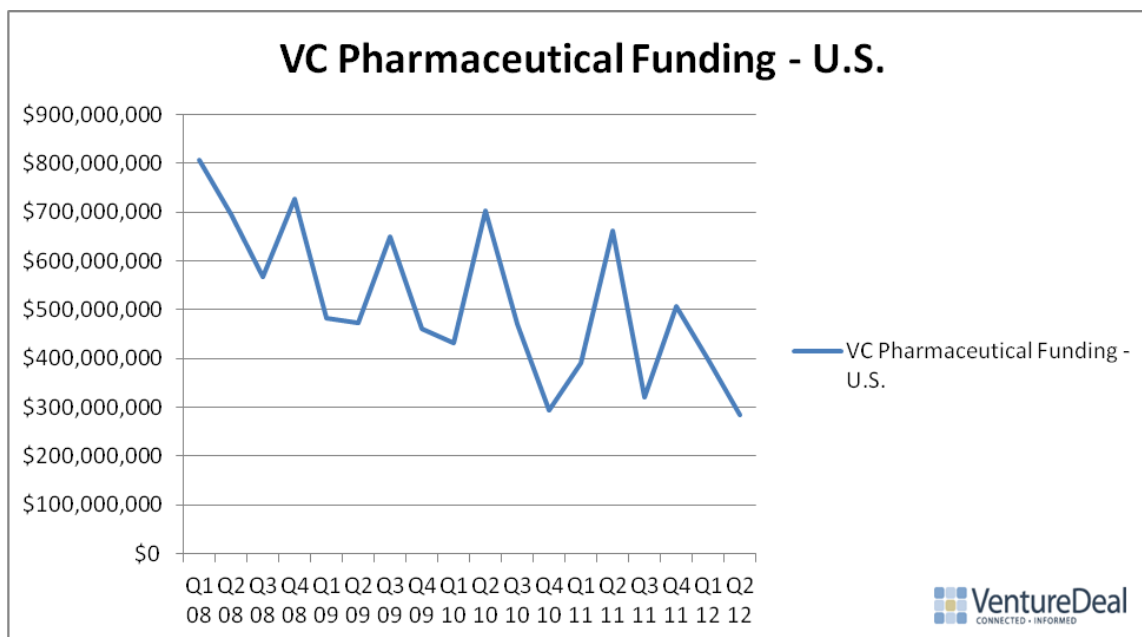


Pharmaceuticals

Pharmaceutical fundings decreased to \$285 million, representing a 28% decrease in amounts funded among 2% fewer companies versus the previous quarter. The average funding round size was \$7.1 million versus \$9.7 million in the previous quarter, a percentage decrease of 27%.

[SFJ Pharmaceuticals](#) of Pleasanton, California raised the largest financing of the quarter, garnering \$35 million in an unpublished round. The company provides development and strategic assistance to pharmaceutical companies hampered by the downward pressure of availability of drug development resources.

Corporate investor [Johnson & Johnson Development Corporation](#) participated in the \$23 million financing round for [PhaseBio Pharmaceuticals](#). PhaseBio said it would use the funding to support clinical studies for a variety of drug candidates in its pipeline.

Chart 2 – Pharmaceutical Funding


Medical Devices

Venture capital funding for Medical Device companies showed the only increase of the three sectors during the quarter, with 27% additional amounts funded. The number of companies funded increased to 124, a 36% increase versus the previous quarter.

There were 5 disclosed early stage fundings (Seed and Series A), totaling \$14.95 million and which included the following companies:

| | |
|---|----------------------|
| Quantum OPS | \$1.05 million |
| Ablative Solutions | \$5.3 million |
| CellScope | \$1.0 million (Seed) |
| Compact Particle Accel. | \$6.5 million |
| Cadence Biomedical | \$1.1 million |

The largest financing of the quarter was \$60 million for [Trivascular](#)'s series D round from a large syndicate of venture capital, corporate and private equity investors. The company said it will use the financing to pursue U.S. PMA approval of its abdominal stent graft system and support its ongoing sales and marketing efforts.

In the vision space, [PixelOptics](#) received \$7 million in venture capital debt, according to an SEC regulatory filing. The Roanoke, Virginia-based company is developing technologies for use in spectacle lenses for the correction of presbyopia.

[SpinalMotion](#) also secured venture capital debt, raising \$10.7 million during the quarter. The company is developing medical devices for treatment of patients with degenerative disc disease and is backed by a syndicate of venture capital firms. Proceeds purposes from the financing were not disclosed.

Chart 3 - Medical Device Funding

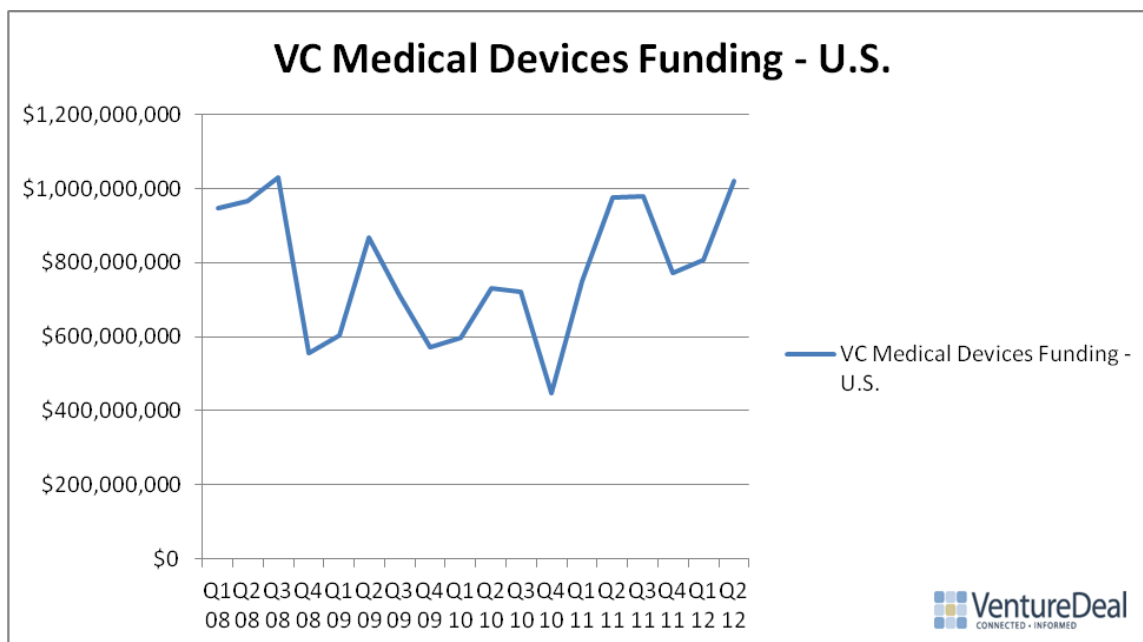


Table 1 - All Sectors

Venture Funding Activity – 2nd Quarter 2012

| Industry | Total Disclosed Funding | % Change Vs. Prior Quarter | Number of Companies Funded | % Change vs. Prior Quarter |
|-----------------|-------------------------|----------------------------|----------------------------|----------------------------|
| Biotechnology | \$548 million | - 9% | 83 | + 5% |
| Pharmaceuticals | \$285 million | - 28% | 40 | - 2% |
| Medical Devices | \$1.02 billion | + 27% | 124 | + 36% |
| Total | \$1.86 billion | + 3% | 247 | + 17% |

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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