



Venture Capital Funding Quarterly

Biotechnology • Pharmaceuticals Medical Devices

2nd Quarter, 2013 – United States

Publisher
[VentureDeal](#)

Contents

Summary	2
Funding Activity	2
Notes	6

Summary

Life Science companies secured \$2.49 billion in venture capital financing during the second quarter of 2013, representing an increase of 24% versus the previous quarter. The funding was allocated between 235 companies, a 6% decrease versus the previous quarter in the aggregate.

The Biotechnology sector received the most amount of funding, raising \$1.08 billion among 77 companies. The Medical Devices sector came in second with \$805 million, representing a 12% decrease versus the previous quarter. Pharmaceutical startups received \$599 million between 52 companies, a 46% quarter over quarter increase in amounts funded.

Funding Activity

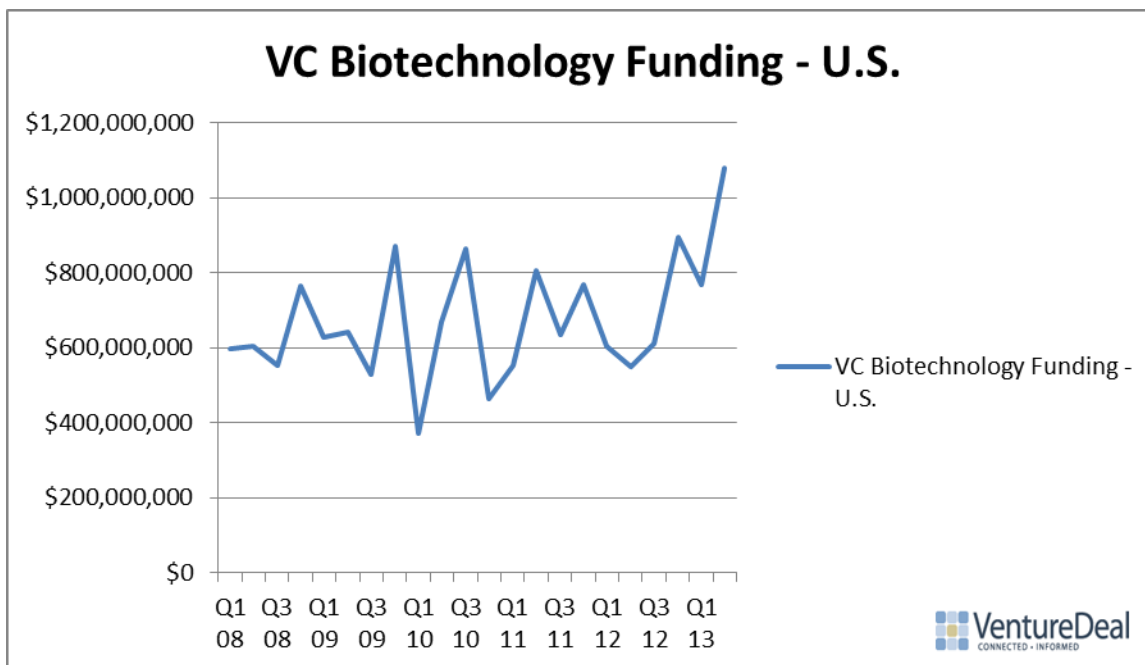
Biotechnology

Biotechnology funding amounts reversed a downward trend in previous quarters, increasing 41% during the quarter. The number of companies funded decreased, by 21% versus the previous quarter.

The largest venture financing during the quarter was \$175 million for Princeton, New Jersey-based [OphthoTech](#). The company is developing therapies for the treatment of major ophthalmic diseases. The financing round consisted of \$125 million from [Novo A/S](#) in exchange for royalties on Fovista sales and \$50 million from a syndicate of venture capital investors. The funding is structured in three equal tranches, the first of which has already closed.

Other corporate investors were active during the quarter. [Johnson & Johnson](#) and [Lilly Ventures](#) participated in the \$14 million Series B round for [Protagonist Therapeutics](#). Protagonist is developing disulfide-rich peptides as the basis for treating life-threatening diseases for which small molecule and/or biologic options are unavailable.

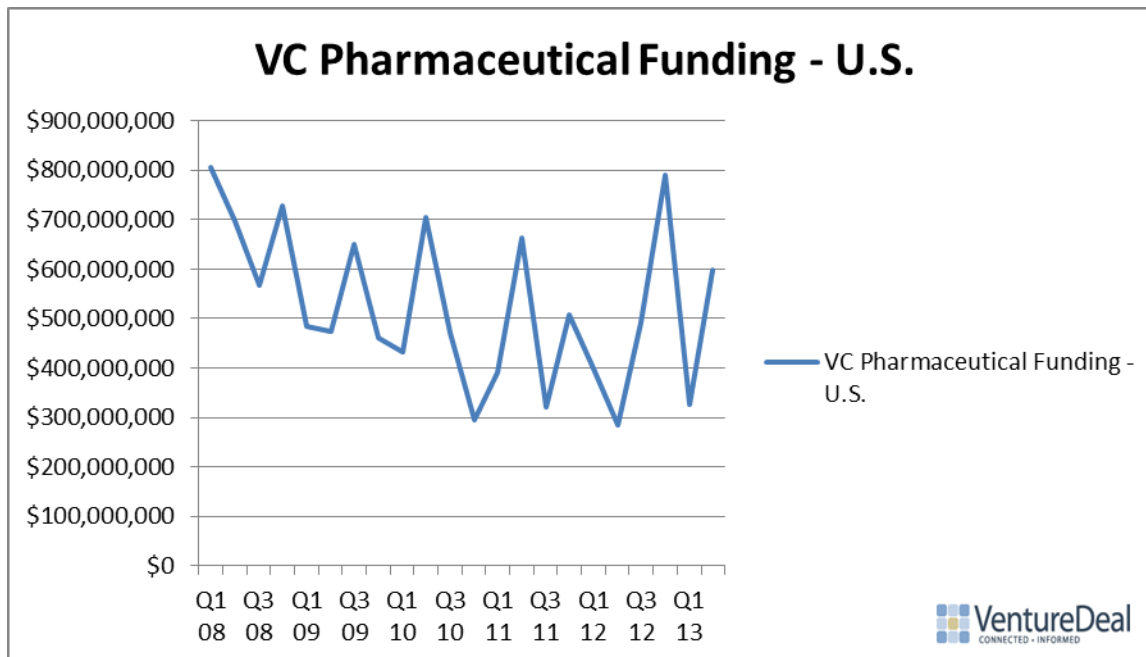
Synthetic biology company [Gen9](#) landed \$21 million in financing from [Agilent Technologies](#). Gen9 believes it is at the forefront of multiple “trillion dollar industries” by introducing genes that program microorganisms to produce synthetic pharmaceuticals, biofuels and chemicals.

Chart 1 - Biotechnology Funding


Pharmaceuticals

Pharmaceutical fundings increased to \$599 million, representing a 46% increase in amounts funded and an increase of 37% in the number of companies funded versus the previous quarter. The average funding round size was \$11.5 million versus \$8.6 million in the previous quarter, a percentage increase of 34%.

[Karyopharm](#) raised the largest financing of the quarter, garnering \$48.2 million in Series B commitments. The company is developing drugs for the treatment of cancer, inflammation and diseases related to cell proliferation. Funding proceeds will be used to advance its pipeline of Selective Inhibitors of Nuclear Export (SINE) drug candidates for the treatment of advanced hematologic and solid tumors.

Chart 2 – Pharmaceutical Funding


Medical Devices

Venture capital funding for Medical Device companies decreased by 12% in total amounts funded. The number of companies funded also decreased, by 6% versus the previous quarter.

There were only 4 disclosed early stage fundings (Seed and Series A), totaling \$16.45 million and which included the following companies:

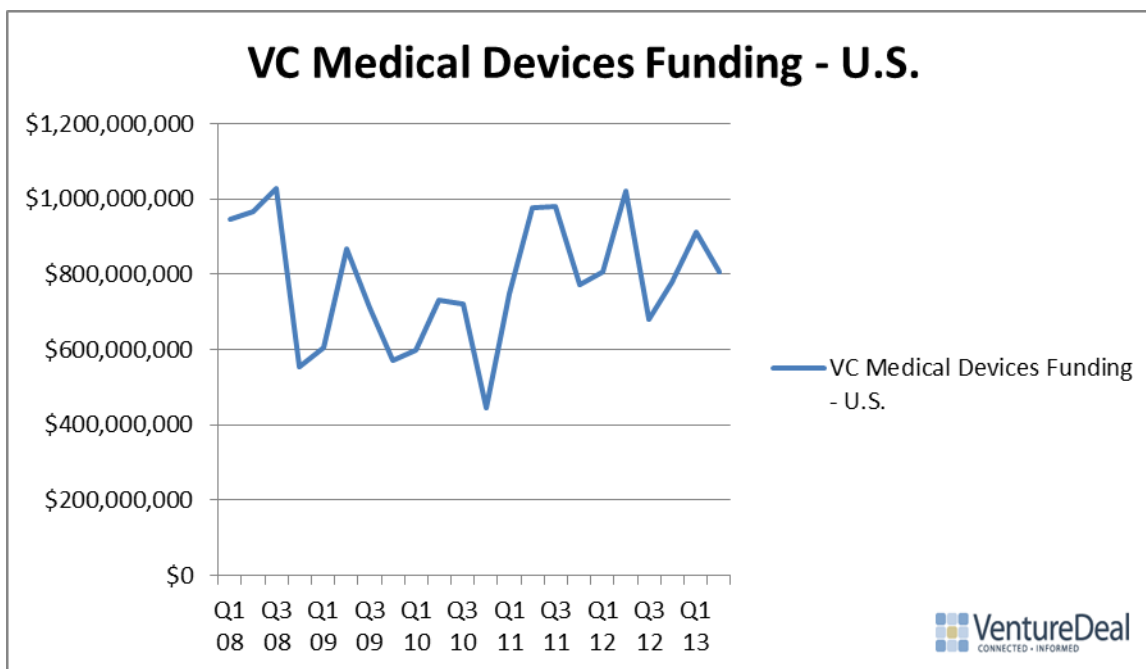
Middle Peak Medical	\$8.5 million
Provista Diagnostics	\$6 million
Kaleidoscope Medical (no site)	\$1.45 million
Active Life Scientific	\$500,000

The largest financing of the quarter was \$62.5 million for [Proteus Digital Health](#), a company that is “pioneering a new category of products, services and data systems based on ingestible sensing.”

In the drug delivery space, [Mercator MedSystems](#) received \$6.2 million according to an SEC regulatory filing. The company is commercializing a catheter-guided micro-fluid infusion system for applications in vascular disease, oncology and regenerative medicine.

In the sleep apnea field, San Diego, California-based [ImThera Medical](#) raised \$730,000 for its patent-pending neural stimulation device for the treatment of Obstructive Sleep Apnea.

Chart 3 - Medical Device Funding



Venture Funding Activity – Table 1: Next Page

Table 1 - All Sectors

Venture Funding Activity – 2nd Quarter 2013

Industry	Total Disclosed Funding	% Change Vs. Prior Quarter	Number of Companies Funded	% Change vs. Prior Quarter
Biotechnology	\$1.08 billion	+ 41%	77	- 21%
Pharmaceuticals	\$599 million	+ 46%	52	+ 37%
Medical Devices	\$805 million	- 12%	106	- 6%
Total	\$2.49 billion	+ 24%	235	- 6%

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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