



Venture Capital Funding Quarterly

Biotechnology • Pharmaceuticals Medical Devices

2nd Quarter, 2014 – North America

Publisher
[VentureDeal](#)

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Summary Life Science companies secured \$3.4 billion in venture capital financing during the second quarter of 2014, representing an increase of 55% versus the previous quarter. The funding was allocated between 261 companies, a 14% increase versus the previous quarter in the aggregate.

The Biotechnology sector received the most amount of funding, raising \$1.65 billion among 109 companies. The Medical Devices sector came in second with \$1.16 billion, representing a 28% funding increase among 103 companies versus the previous quarter. Pharmaceutical startups received \$635 million between 49 companies, a 1% quarter over quarter increase in amounts funded.

Funding Activity

Biotechnology

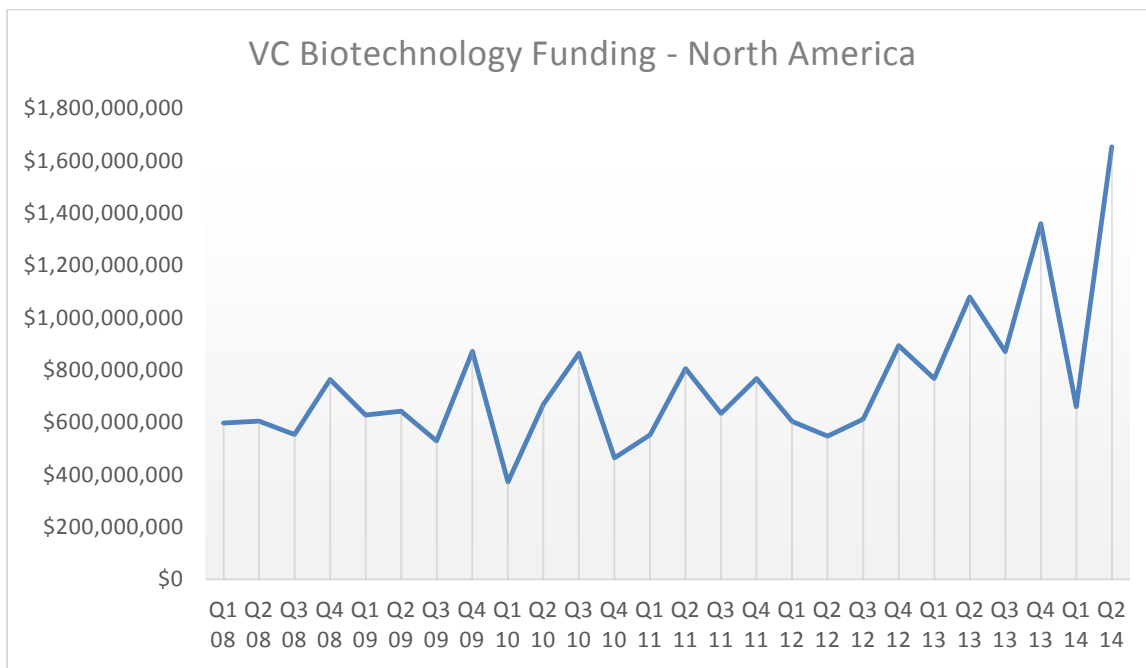
Biotechnology funding amounts achieved a record result, increasing by 150% during the quarter. The number of companies funded also increased, by 24% versus the previous quarter.

The largest venture financing during the quarter was \$105 million for Seattle-based [Adaptive Biotechnologies](#). The company is developing high throughput T-cell receptor sequencing technologies to break open the field of genomics immunology. Proceeds purposes from the financing will be used to expand its immunoresearch sequencing platform globally.

Corporate investors were active during the quarter. Woburn, Massachusetts-based [AdvanDx](#) landed \$12 million in its Series B-1 financing round from investors led by the [Merck Global Health Innovation Fund](#). AdvanDx markets molecular-based in vitro diagnostic tests that speed up the process of infectious disease diagnosis and prevention. The company said it would use the proceeds to expand its product offerings and for US and international sales and marketing efforts.

At the seed stage, Cambridge, Massachusetts-based [Lysosomal Therapeutics](#) secured \$4.8 million from a large syndicate of top-tier venture capital and corporate investors. The company is developing a new approach to discovering drugs for neurodegenerative diseases.

Chart 1 - Biotechnology Funding

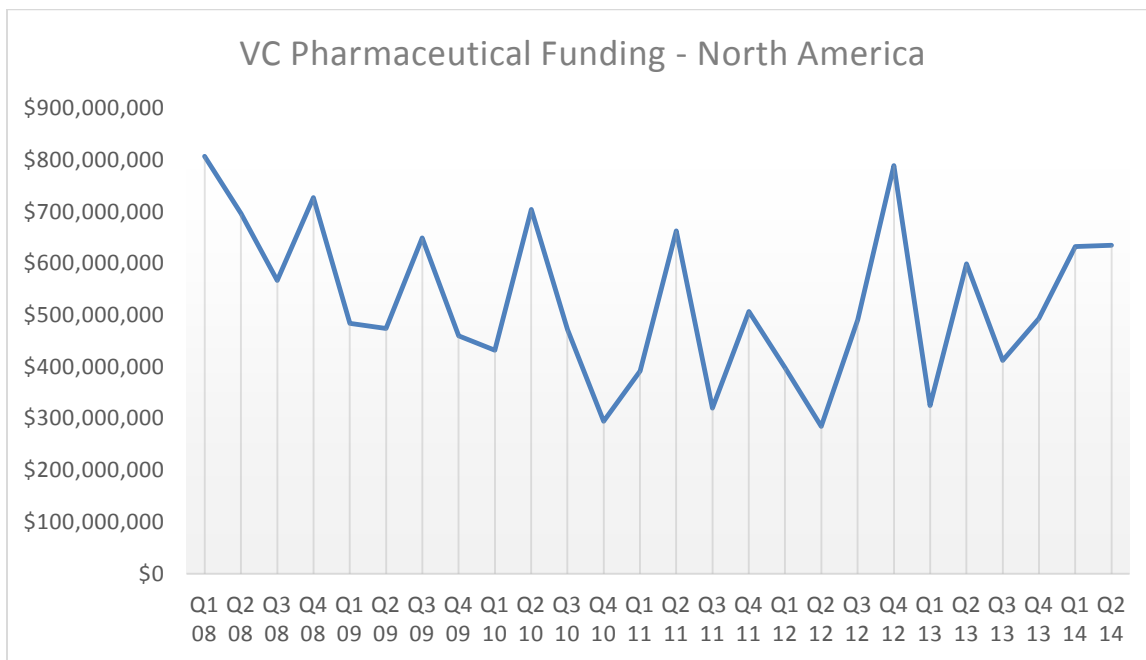


Pharmaceuticals

Pharmaceutical fundings increased to \$635 million, representing a 1% increase in amounts funded and a 9% increase in the number of companies funded - 49 - versus the previous quarter. The average funding round size was \$13 million versus \$14 million in the previous quarter, a percentage decrease of 7%.

Boston, Massachusetts-based [Intarcia Therapeutics](#) raised the largest financing of the quarter, garnering \$200 million in late stage financing from venture capital, private equity and public equity investors. The company is focused on developing treatments for cancer, immunological and infectious diseases. Intarcia said it would use the funding proceeds in part to advance its once-yearly type II diabetes treatment candidate. [RA Capital](#) led the round, which included a large syndicate of investors.

Chart 2 – Pharmaceutical Funding



Medical Devices

Venture capital funding for Medical Device companies increased by 28% in total amounts funded, to \$1.16 billion. The number of companies funded also increased, by 8% to 103.

There were 5 disclosed early stage fundings (Series A), totaling \$58.3 million and which included the following companies:

Breathe Technologies	\$7.2 million
Chrono Therapeutics	\$32 million
Genomind	\$5 million
InsideTracker	\$2.5 million
Reflexion Medical	\$11.6 million

One of the largest financings of the quarter was \$120 million from undisclosed investors for [Proteus Digital Health](#). The company is developing an ingestible medical sensor that emits information for use by consumers and medical professionals via the company’s companion software system. Proteus is backed by a large syndicate of venture capital and strategic investors, including enterprise database company [Oracle](#).

Corporate investor [Pfizer Venture Investments](#) was active during the quarter, participating in the Series A round of [RefleXion Medical](#). RefleXion raised \$11.6 million to continue developing what it calls the “first biologically guided radiation therapy system for treating solid tumors throughout the body.” The investor syndicate also included venture capital firms [Sofinnova Ventures](#) and [Venrock](#).

Chart 3 - Medical Device Funding

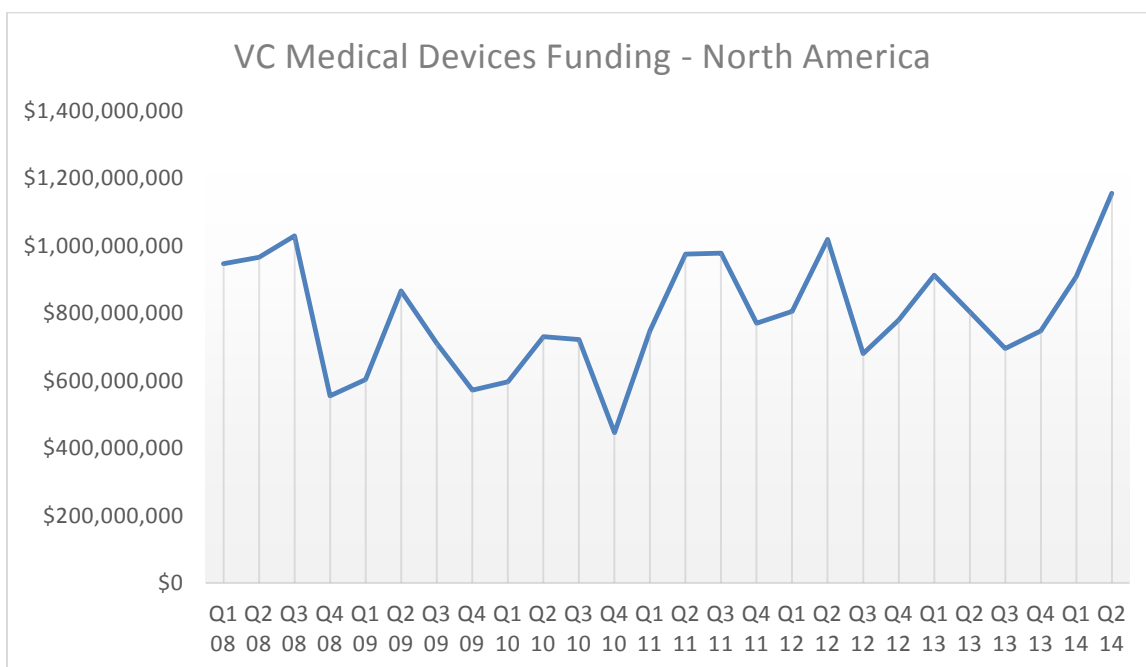


Table 1 - All Sectors

Venture Funding Activity – 2nd Quarter 2014

Industry	Total Disclosed Funding	% Change Vs. Prior Quarter	Number of Companies Funded	% Change vs. Prior Quarter
Biotechnology	\$1.65 Billion	+ 150%	109	+ 24%
Pharmaceuticals	\$635 million	+ 1%	49	+ 9%
Medical Devices	\$1.16 billion	+ 28%	103	+ 8%
Total	\$3.4 billion	+ 55%	261	+ 14%

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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