



# Venture Capital Funding Quarterly

## **Biotechnology • Pharmaceuticals Medical Devices**

3<sup>rd</sup> Quarter, 2012 – United States

Publisher  
[VentureDeal](#)

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## Summary

Life Science companies secured \$1.78 billion in venture capital financing during the third quarter of 2012, representing a decrease of 4% versus the previous quarter. The funding was allocated between 226 companies, a 9% decrease versus the previous quarter in the aggregate.

The Medical Devices sector received the most amount of funding, raising \$681 million among 99 companies. The Biotechnology sector came in second with \$612 million, representing a 12% increase versus the previous quarter. Pharmaceutical startups received \$491 million between 40 companies, a 72% quarter over quarter increase in amounts funded.

## Funding Activity

### Biotechnology

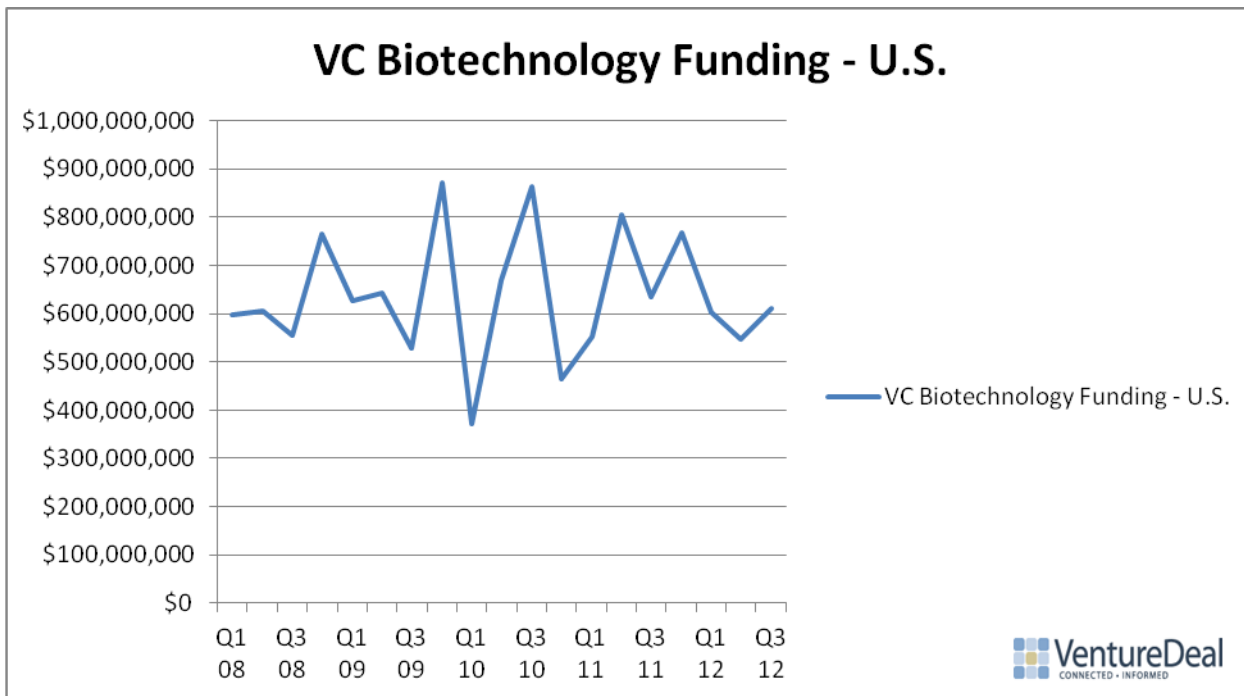
Biotechnology funding amounts showed an upward trend versus the previous quarter, increasing 12% during the quarter. The number of companies funded also increased, by 5% versus the previous quarter.

The largest venture financing during the quarter was for San Diego, California-based [Genomatica](#), which received \$41.5 million in its fourth round of strategic and venture capital investment. The company is developing and commercializing bio-manufacturing processes for the sustainable production of high-value chemical products.

Private equity investors were active during the quarter. Credit Suisse and HBM Bioventures participated in the \$30 million round for [PTC Therapeutics](#). The company said it would use the financing to continue development of its ataluren treatments for certain types of muscular dystrophy and cystic fibrosis.

[Marval Biosciences](#) received \$2.5 million toward a \$30 million round, according to an SEC regulatory filing. The Houston, Texas-based company is developing a less toxic dye for CT scans.

### **Chart 1 - Biotechnology Funding - See Next Page**

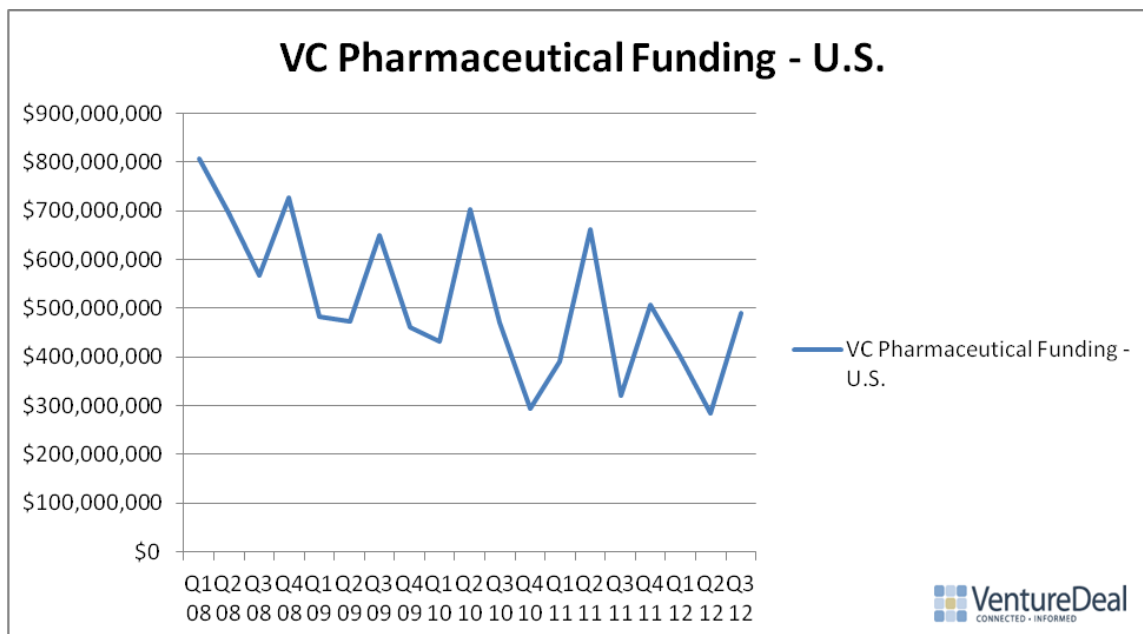
**Chart 1 - Biotechnology Funding**


## Pharmaceuticals

Pharmaceutical fundings increased to \$491 million, representing a 72% increase in amounts funded among the same number of companies versus the previous quarter. The average funding round size was \$12.2 million versus \$7.1 million in the previous quarter, a percentage increase of 73%.

[Bluebird bio](#) of Cambridge, Massachusetts raised the largest financing of the quarter, garnering \$60 million in its fourth institutional round from a syndicate of private equity, venture capital and strategic investors. The company is developing genetic treatments for childhood cerebral adrenoleukodystrophy, beta-thalassemia and sickle cell disease.

Corporate investor [Pfizer Venture Investments](#) participated in the \$27 million Series A financing round for [Mersana Therapeutics](#). Mersana said it would use the funding to advance its Fleximer-based ADC technology and further develop its pipeline of ADCs.

**Chart 2 – Pharmaceutical Funding**


## Medical Devices

Venture capital funding for Medical Device companies showed the only decrease of the three sectors during the quarter, with a reduction of 33% in total amounts funded. The number of companies funded decreased to 99, a 20% decrease versus the previous quarter.

There were 7 disclosed early stage fundings (Seed and Series A), totaling \$80.7 million and which included the following companies:

<a href="#">Provista Diagnostics</a>	\$7.45 million
<a href="#">Intact Vascular</a>	\$15.5 million
<a href="#">Retia Medical</a>	\$7.0 million
<a href="#">DxUpClose</a>	\$1.0 million
<a href="#">First Warning System</a>	\$.5 million
Lucidux (no site)	\$.25 million (Seed)
<a href="#">Histogenics</a>	\$49 million

The largest financing of the quarter was \$58 million for the [CardioDx](#) series F round from a large syndicate of venture capital, corporate and private equity investors. The company said it will use the financing to

support the commercial expansion of its gene expression test for obstructive coronary artery disease.

In the vision space, [EyeNetra](#) received \$1 million in venture capital equity, according to an SEC regulatory filing. The Somerville, Massachusetts-based company aims to transform the eyecare industry by providing on-demand access to eyecare from anywhere at any time.

[Lanx](#) secured venture capital during the quarter, raising \$6.7 million. The company markets 15 different product lines, implants and instrumentation for spinal fusion surgery. Lanx was still seeking \$8.3 million in additional financing at the time of the filing, on 9/25/2012. Proceeds purposes from the financing were not disclosed.

**Chart 3 - Medical Device Funding**

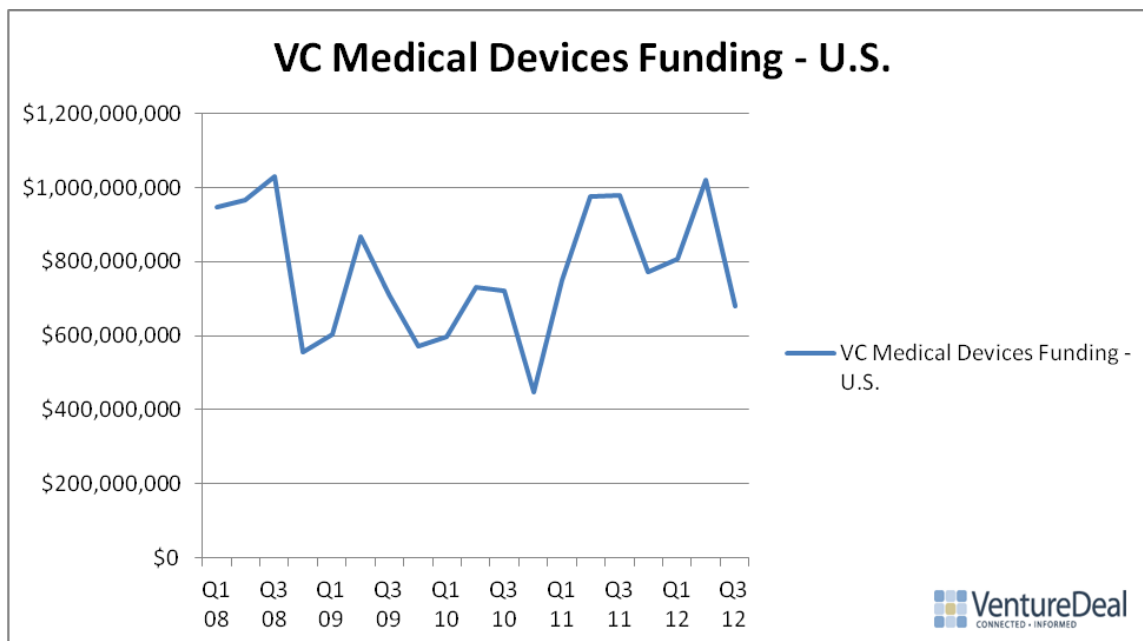


Table 1 - All Sectors

## Venture Funding Activity – 3<sup>rd</sup> Quarter 2012

Industry	Total Disclosed Funding	% Change Vs. Prior Quarter	Number of Companies Funded	% Change vs. Prior Quarter
Biotechnology	\$612 million	+ 12%	87	+ 5%
Pharmaceuticals	\$491 million	+ 72%	40	-- %
Medical Devices	\$681 million	- 33%	99	- 20%
<b>Total</b>	<b>\$1.78 billion</b>	<b>- 4%</b>	<b>226</b>	<b>- 9%</b>

### Notes

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

The information source used was the [VentureDeal.com](http://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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