



# Venture Capital Funding Quarterly

## **Biotechnology • Pharmaceuticals Medical Devices**

3<sup>rd</sup> Quarter, 2013 – United States

Publisher  
[VentureDeal](#)

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## Summary

Life Science companies secured \$1.98 billion in venture capital financing during the third quarter of 2013, representing a decrease of 22% versus the previous quarter. The funding was allocated between 252 companies, a 7% increase versus the previous quarter in the aggregate.

The Biotechnology sector received the most amount of funding, raising \$870 million among 110 companies. The Medical Devices sector came in second with \$696 million, representing a 14% funding decrease versus the previous quarter. Pharmaceutical startups received \$412 million between 40 companies, a 31% quarter over quarter decrease in amounts funded.

## Funding Activity

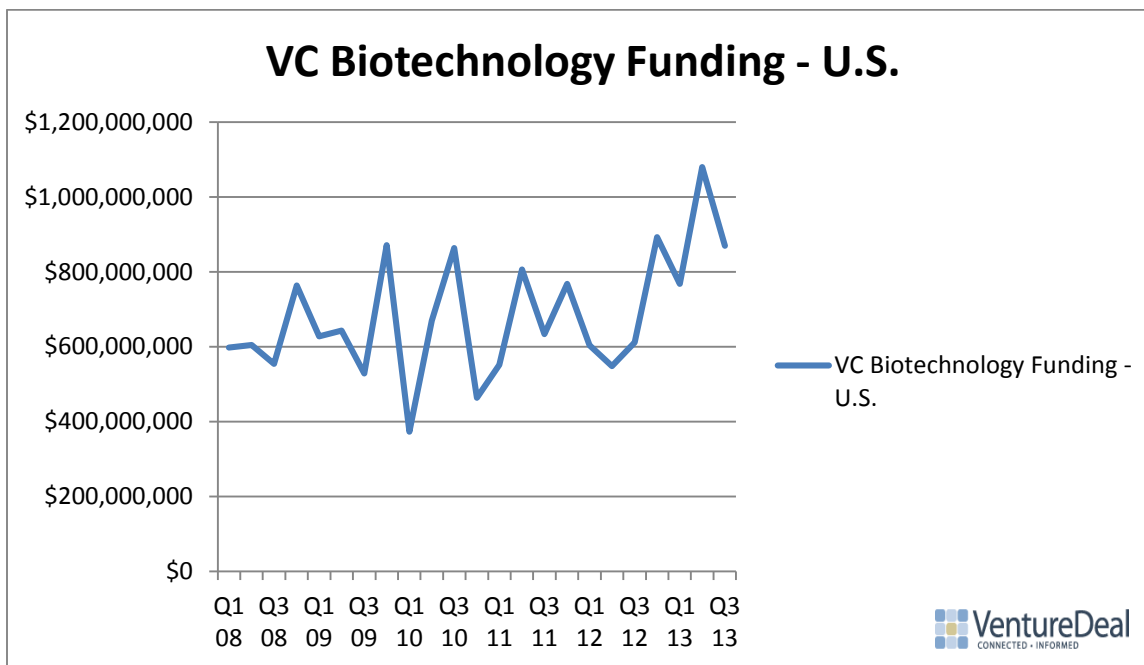
### Biotechnology

Biotechnology funding amounts reversed an upward trend in previous quarters, decreasing 20% during the quarter. The number of companies funded increased, by 43% versus the previous quarter.

The largest venture financing during the quarter was \$70.3 million for New York-based [Intra-Cellular Therapies](#). The company is developing therapies for the treatment of neuropsychiatric and neurologic diseases and other disorders of the central nervous system. Investors in the financing were not disclosed.

Corporate investors were active during the quarter. [SR One](#) led a large syndicate for the \$30 million financing of South San Francisco-based [iPierian](#), a developer of cellular reprogramming treatments. The company said it would use the proceeds from the financing to accelerate the clinical development program for its monoclonal antibody IPN007, which holds promise for a treatment of Alzheimer's disease and related symptoms.

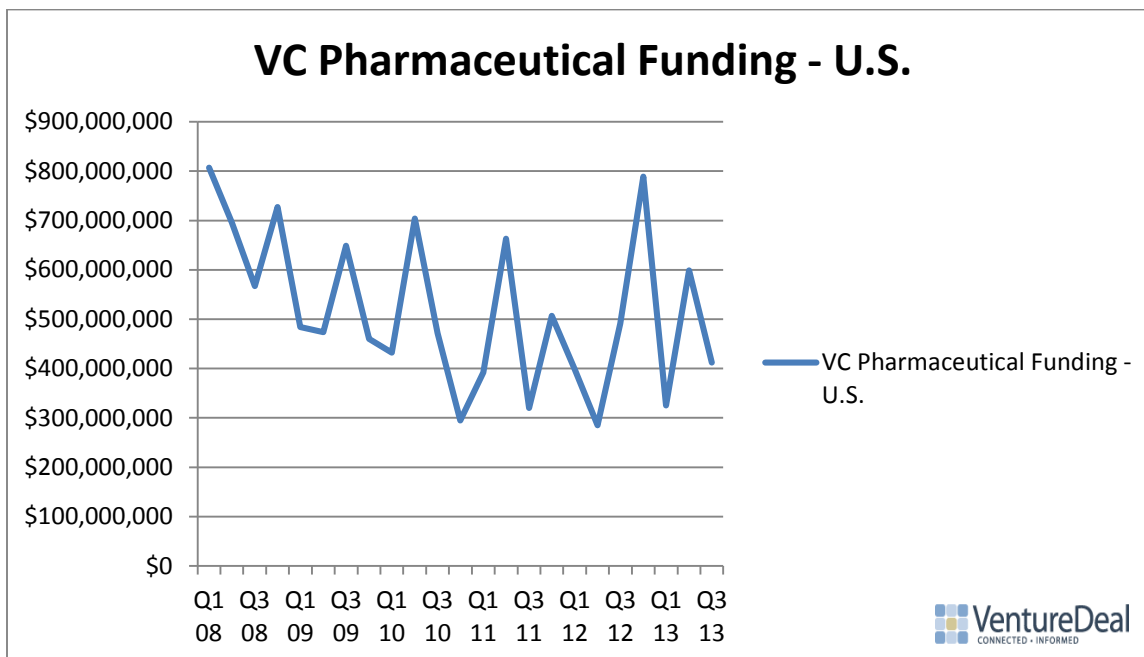
Drug discovery company [NGM Biopharmaceuticals](#) received \$50 million in its third round of institutional venture capital funding from a syndicate of private equity and venture capital firms. The company is developing Biologics for a variety of cardio metabolic diseases, such as diabetes, obesity and muscle wasting.

**Chart 1 - Biotechnology Funding**


## Pharmaceuticals

Pharmaceutical fundings increased to \$412 million, representing a 31% decrease in amounts funded and a decrease of 23% in the number of companies funded versus the previous quarter. The average funding round size was \$10.3 million versus \$11.5 million in the previous quarter, a percentage decrease of 10%.

[Acetylon Pharmaceuticals](#) raised the largest financing of the quarter, garnering \$100 million in strategic venture capital from [Celgene](#). The company is developing what it calls “the next generation selective small molecule histone deacetylase inhibitors” for the treatment of cancer. Funding proceeds will be used to advance its lead candidate ACY-1215 and its pipeline of three other candidates.

**Chart 2 – Pharmaceutical Funding**


## Medical Devices

Venture capital funding for Medical Device companies decreased by 14% in total amounts funded. The number of companies funded also decreased, by 4% versus the previous quarter.

There were 8 disclosed early stage fundings (Seed and Series A), totaling \$14.8 million and which included the following companies:

<a href="#">Acera Surgical</a>	\$600,000
<a href="#">Lift Labs</a>	\$1 million
<a href="#">Apama Medical</a>	3.2 million
<a href="#">BioDirection</a>	\$4 million
<a href="#">EternoGen</a>	\$1 million
<a href="#">Health &amp; Bliss</a>	\$Undisclosed
<a href="#">Intelomed</a>	\$4 million
<a href="#">Novocor Medical Systems</a>	\$1 million

The largest financing of the quarter was \$90.5 million for skin treatment firm [TRIA Beauty](#), a company that offers a professional-strength blue light acne therapy solution for consumers.

In the vascular space, [Sapheon](#) received \$19.8 million in its Series B venture capital investment round. The company is commercializing its VenaSeal treatment for vascular disease and said the proceeds would be used for its US pivotal study through final submission to the FDA of its PMA application.

In the sleep apnea treatment field, Maple Grove, Minnesota-based [Inspire Medical Systems](#) received \$2.49 million from top-tier venture capital firms to continue commercializing its upper airway stimulation medical device for the treatment of Obstructive Sleep Apnea.

**Chart 3 - Medical Device Funding**

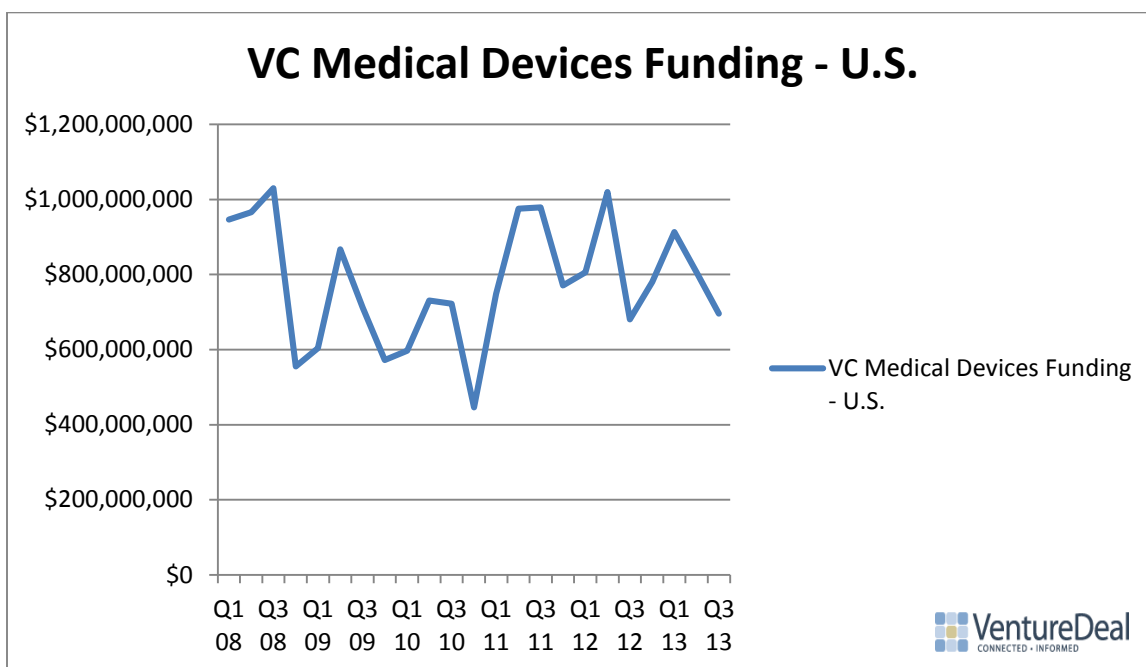


Table 1 - All Sectors

### Venture Funding Activity – 3<sup>rd</sup> Quarter 2013

Industry	Total Disclosed Funding	% Change Vs. Prior Quarter	Number of Companies Funded	% Change vs. Prior Quarter
Biotechnology	\$870 million	- 20%	110	+ 43%
Pharmaceuticals	\$412 million	- 31%	40	- 23%
Medical Devices	\$696 million	- 14%	102	- 4%
<b>Total</b>	<b>\$1.98 billion</b>	<b>- 22%</b>	<b>252</b>	<b>+ 7%</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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