



Venture Capital Funding Quarterly

Biotechnology • Pharmaceuticals Medical Devices

3rd Quarter, 2014 – North America

Publisher
[VentureDeal](#)

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Summary

Life Science companies secured \$2.3 billion in venture capital financing during the third quarter of 2014, representing a decrease of 32% versus the previous quarter. The funding was allocated between 266 companies, a 2% increase versus the previous quarter in the aggregate.

The Medical Devices sector received the most amount of funding, raising \$962 million among 116 companies. The Biotechnology sector came in second with \$853 million, representing a 48% funding decrease among 103 companies versus the previous quarter. Pharmaceutical startups received \$525 million between 47 companies, a 17% quarter over quarter decrease in amounts funded.

Funding Activity

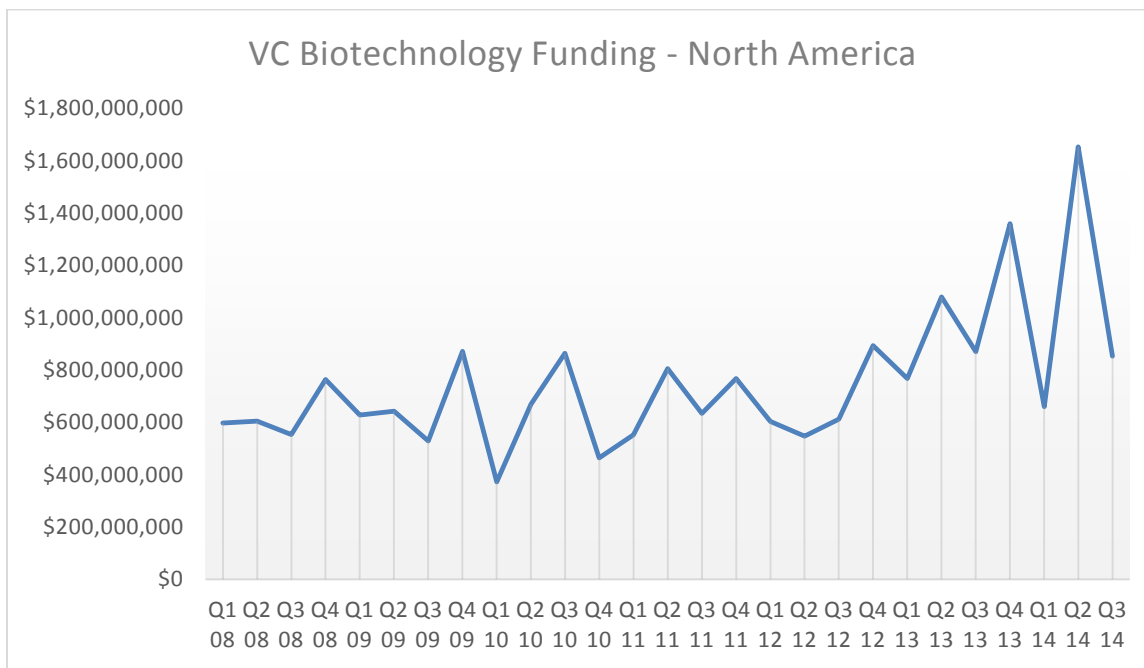
Biotechnology

Biotechnology funding reversed its previous quarter's record result, decreasing by 48% during the quarter. The number of companies funded also decreased, by 6% versus the previous quarter.

The largest venture financing during the quarter was \$134 million for Seattle-based [Juno Therapeutics](#). The company is developing treatments for a broad range of cancers. The round included [Venrock](#) in the investor syndicate. Proceeds purposes from the financing will be used to "move forward with multiple CAR-T and TCR therapies."

Corporate investors were active during the quarter. Austin Texas-based [Aeglea BioTherapeutics](#) landed \$5.6 million in early-stage investment from [Lilly Ventures](#). Aeglea is developing two cancer treatment drugs based on engineered human enzymes that degrade the amino acids of tumors. The company did not say how the funding proceeds would be used.

At the seed stage, San Francisco-based [Nirmidas Biotech](#) raised \$2 million from investors to continue development on its biological testing assay and imaging technologies based on novel red to infrared fluorescence enhancing detection.

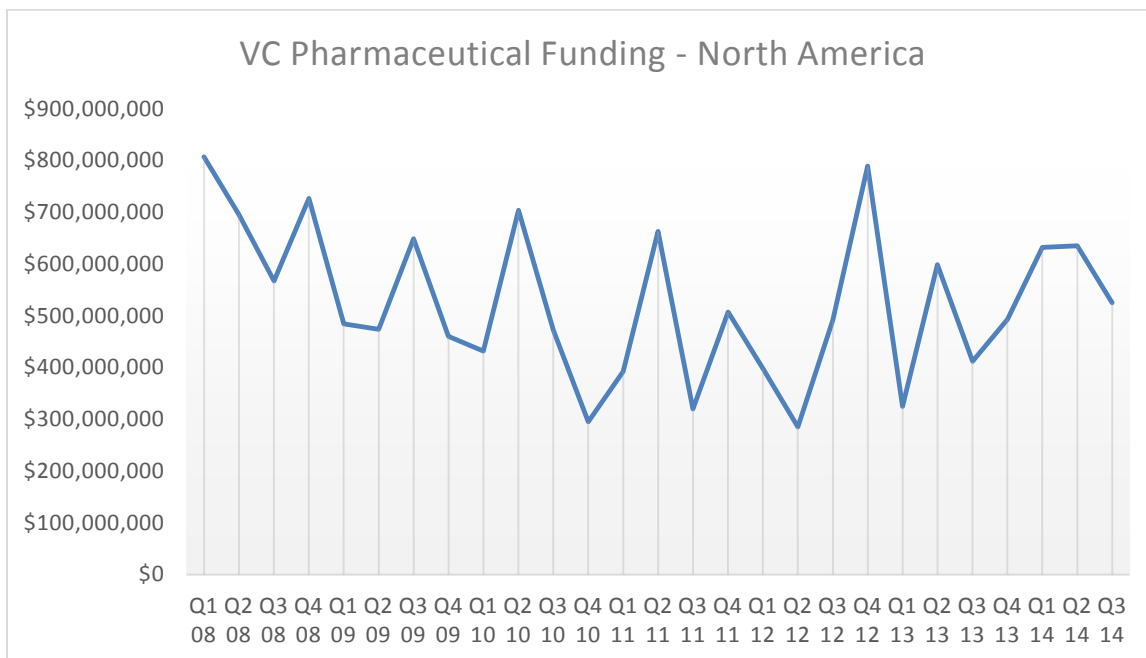
Chart 1 - Biotechnology Funding


Pharmaceuticals

Pharmaceutical fundings decreased to \$525 million, representing a 17% increase in amounts funded and a 4% decrease in the number of companies funded - 47 - versus the previous quarter.

Boston, Massachusetts-based [Paratek Pharmaceuticals](#) raised the largest financing of the quarter, garnering \$93 million in financing from undisclosed venture capital investors. The company is focused on developing an antibiotic treatment for community-acquired bacterial infections. Subsequent to the financing, Paratek merged with public company Transcept Pharmaceuticals (NASDAQ: PRTK).

Chart 2 – Pharmaceutical Funding



Medical Devices

Venture capital funding for Medical Device companies decreased by 17% in total amounts funded, to \$962 million. The number of companies funded increased, by 13% to 116.

There were 6 disclosed early stage fundings (Series A), totaling \$41.75 million and which included the following companies:

Emulate	\$12 million
Livongo Health	\$10 million
BacterioScan	\$5 million
Bluegrass Vascular	\$4.5 million
Harpoon Medical	\$3.75 million
Advanced Cooling Therapy	\$1.5 million

The largest financing of the quarter was a total of \$62.5 million from a variety of corporate and private equity investors for [InSightec](#). The company has developed a product that integrates magnetic resonance imaging with focused ultrasound in order to replace numerous invasive procedures.

Corporate investor [Merck Global Health Innovation Fund](#) was active during the quarter, participating in the financing round of [electroCore](#). electroCore raised \$10 million to continue developing therapies that “directly and non-invasively target nerve signal imbalances and restore normal neurological function.” The company said it would use the funding proceeds to continue its clinical trials in Europe with the eventual application to the US FDA.

Chart 3 - Medical Device Funding

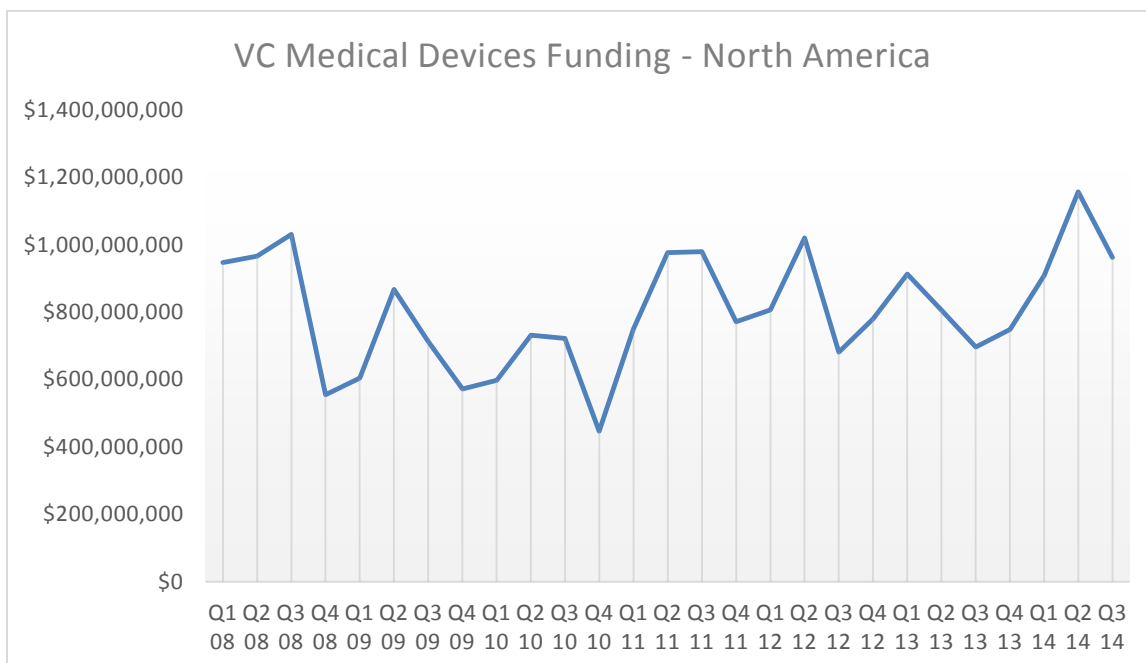


Table 1 - All Sectors

Venture Funding Activity – 3rd Quarter 2014

Industry	Total Disclosed Funding	% Change Vs. Prior Quarter	Number of Companies Funded	% Change vs. Prior Quarter
Biotechnology	\$853 million	- 48%	103	- 6%
Pharmaceuticals	\$525 million	- 17%	47	- 4%
Medical Devices	\$962 million	- 17%	116	+ 13%
Total	\$2.3 billion	- 32%	266	+ 2%

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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