



Venture Capital Funding Quarterly

Biotechnology • Pharmaceuticals Medical Devices

4th Quarter, 2013 – North America

Publisher
[VentureDeal](#)

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Summary

Life Science companies secured \$2.57 billion in venture capital financing during the fourth quarter of 2013, representing an increase of 30% versus the previous quarter. The funding was allocated between 306 companies, a 21% increase versus the previous quarter in the aggregate.

The Biotechnology sector received the most amount of funding, raising \$1.36 billion among 134 companies. The Medical Devices sector came in second with \$748 million, representing a 7% funding increase among 127 companies versus the previous quarter. Pharmaceutical startups received \$493 million between 45 companies, a 20% quarter over quarter increase in amounts funded.

Funding Activity

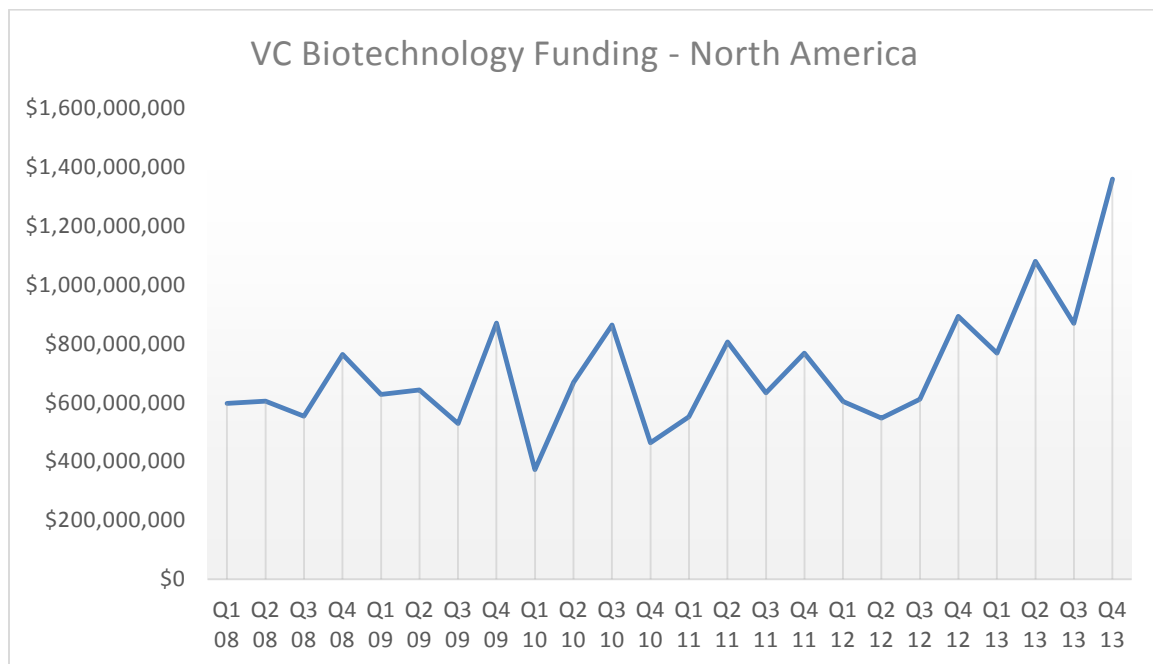
Biotechnology

Biotechnology funding amounts reversed a downward result in the previous quarter, increasing by a whopping 56% during the quarter. The number of companies funded also increased, by 22% versus the previous quarter.

The largest venture financing during the quarter was \$120 million for Seattle-based [Juno Therapeutics](#). The company is developing “a broad pipeline of breakthrough immunotherapies” by bringing together three of the world’s leading cancer centers. Proceeds purposes from the financing, one of the largest Series A rounds for a biotechnology startup, were not disclosed.

Corporate investors were active during the quarter. [Amgen Ventures](#) led a syndicate of top-tier venture capital firms for the \$18 million financing of Santa Maria Biotherapeutics (no site). The company, which is part of a trio of related firms, is developing therapies for ovarian cancer that promise to reduce the tumor burden and mitigate cachexia. Proceeds purposes from the financing were not disclosed.

At the seed stage, Michigan-based [Tetra Discovery Partners](#) received \$1 million to develop an innovative drug to treat cognitive impairment caused by Alzheimer’s disease. A second drug to treat depression and restore cognitive function in patients who have suffered traumatic brain injury is also under consideration.

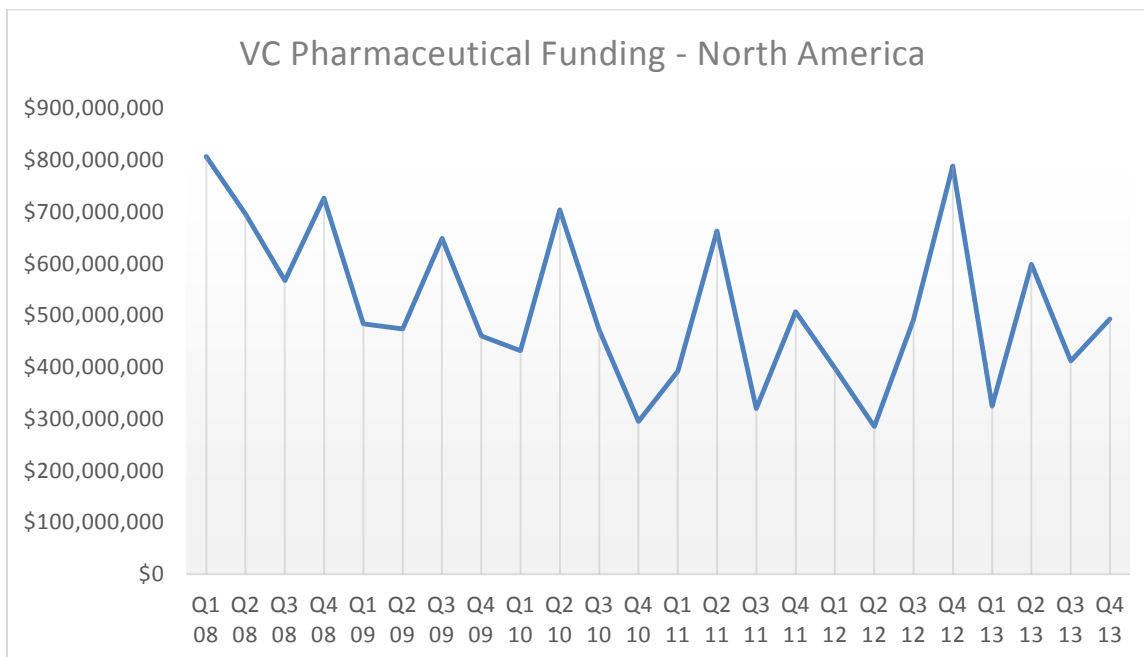
Chart 1 - Biotechnology Funding


Pharmaceuticals

Pharmaceutical fundings increased to \$493 million, representing a 20% increase in amounts funded and an increase of 13% in the number of companies funded versus the previous quarter. The average funding round size was \$11 million versus \$10.3 million in the previous quarter, a percentage increase of 7%.

Philadelphia-based [Iroko Pharmaceuticals](#) raised the largest financing of the quarter, garnering \$75 million in venture capital debt funding from active investor [OrbiMed Advisors](#). The company is focused on in-licensing, developing and commercializing clinically proven treatments in the area of pain management.

Chart 2 – Pharmaceutical Funding



Medical Devices

Venture capital funding for Medical Device companies increased by 7% in total amounts funded, to \$748 million. The number of companies funded also increased, by 10% to 127.

There were 5 disclosed early stage fundings (Seed and Series A), totaling \$11.6 million and which included the following companies:

Phi Optics	\$250,000
EchoPixel	\$2.35 million
GrayBug	\$1.5 million
Middle Peak Medical	\$3 million
Precise Light Surgical	\$4.5 million

The largest financing of the quarter was \$60.7 million from undisclosed investors for [Apollo Endosurgery](#)'s third round of venture capital investment. Apollo develops devices and procedures in the fields of transluminal and intraluminal surgery.

[CSA Medical](#) of Baltimore, Maryland, received \$16 million from a large syndicate of venture capital and private equity firms. The company has developed what it calls the "truFreeze" system of cryotherapy to quickly and easily ablate unwanted tissue.

Albuquerque, New Mexico-based [NanoMR](#) landed \$2.4 million in venture capital debt funding during the quarter. The company says it has developed "the first system for rapid isolation of rare cells from complex matrices at levels of 1 cell/mL or lower." Investors in the financing were not disclosed, nor was how the company intends to use the funding proceeds.

Chart 3 - Medical Device Funding

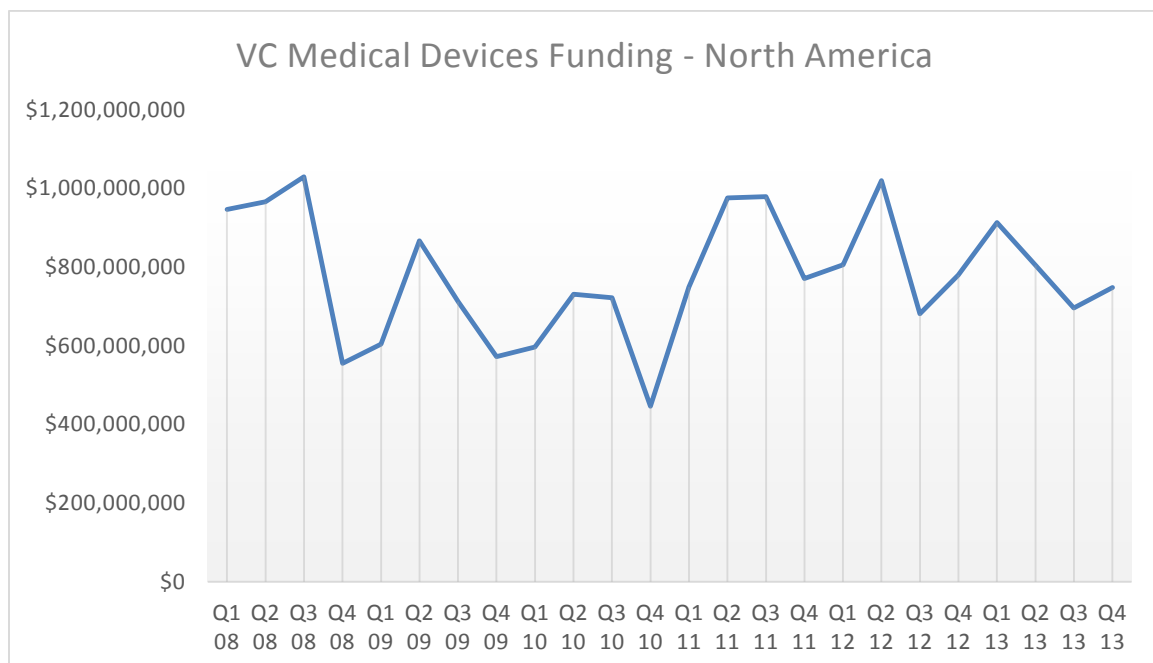


Table 1 - All Sectors

Venture Funding Activity – 4th Quarter 2013

Industry	Total Disclosed Funding	% Change Vs. Prior Quarter	Number of Companies Funded	% Change vs. Prior Quarter
Biotechnology	\$1.36 billion	+ 56%	134	+ 22%
Pharmaceuticals	\$493 million	+ 20%	45	+ 13%
Medical Devices	\$748 million	+ 7%	127	+ 10%
Total	\$2.57 billion	+ 30%	306	+ 21%

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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