



# Venture Capital Funding Quarterly

## **Biotechnology • Pharmaceuticals Medical Devices**

4<sup>th</sup> Quarter, 2014 – North America

Publisher  
[VentureDeal](#)

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**Summary** Life Science companies secured \$2.6 billion in venture capital financing during the fourth quarter of 2014, representing an increase of 13% versus the previous quarter. The funding was allocated between 223 companies, a 16% decrease versus the previous quarter in the aggregate.

The Biotechnology industry received the largest share of funding, raising \$1.1 billion between 88 companies. The Medical Devices & Instruments industry came in second with \$1 billion, representing a 4% funding increase among 97 companies versus the previous quarter. Pharmaceutical startups received \$543 million between 38 companies, a 3% quarter-over-quarter increase in amounts funded.

## Funding Activity

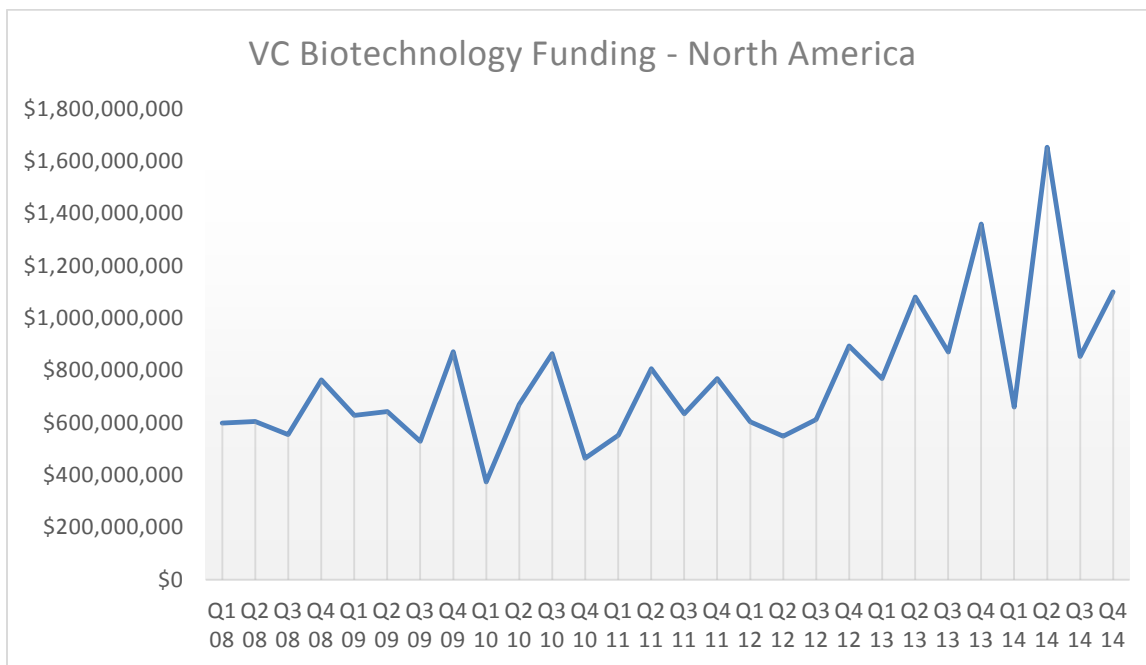
### Biotechnology

Biotechnology funding reversed its previous quarter's drop, increasing by 29% during the quarter. The number of companies funded decreased, by 14% versus the previous quarter.

The largest venture financing during the quarter was \$120 million in pre-IPO funding for San Francisco-based [Invitae](#). The company is developing treatments for a range of hereditary genetic disorders for disciplines including oncology, neurology and pediatric medicine. The round included a large number of private equity, hedge fund and late stage venture capital firm investors. The company subsequently floated its IPO in 1Q 2015.

Corporate investors were active during the quarter. Cambridge-based [Intellia Therapeutics](#) landed \$15 million in its Series A investment round from Novartis BioVentures and Atlas Venture. Intellia is developing "therapeutic gene editing utilizing the promise of the CRISPR/Cas9 technology." The company did not say how the funding proceeds would be used.

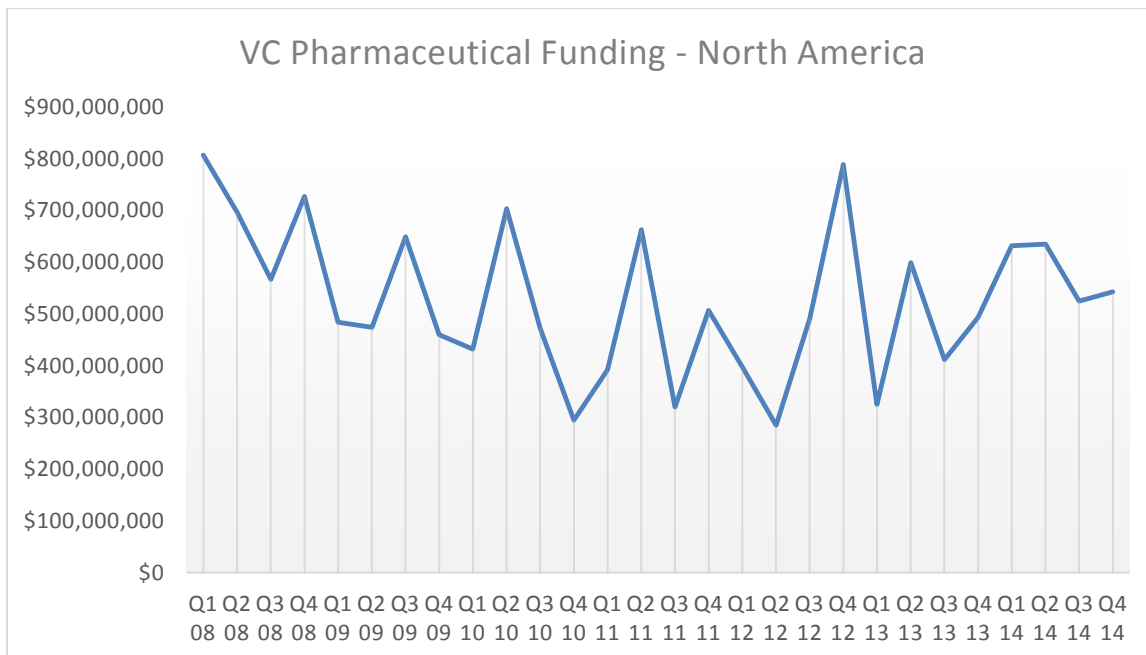
At the seed stage, San Francisco-based Cortexyme raised \$1 million from Dolby Family Ventures and other investors to develop treatments related to altering the course of Alzheimer's and other neurological diseases. Proceeds will be used to fund preclinical research efforts.

**Chart 1 - Biotechnology Funding**


## Pharmaceuticals

Pharmaceutical fundings increased to \$543 million, representing a 3% increase in amounts funded and a 19% decrease in the number of companies funded - 38 - versus the previous quarter.

Evanston, Illinois-based [Naurex](#) raised the largest financing of the quarter, garnering \$80 million in financing from undisclosed venture capital investors, according to an SEC regulatory filing. The company is focused on developing therapies for depression and other central nervous system disorders based on modulating the N-methyl-D-aspartic acid receptor.

**Chart 2 – Pharmaceutical Funding**


## Medical Devices

Venture capital funding for Medical Device companies increased by 4% in total amounts funded, to \$1 billion. The number of companies funded decreased, by 6% to 97.

There were 4 disclosed early stage fundings (Seed and Series A), totaling \$19 million and which included the following companies:

<a href="#">Portal Instruments</a>	\$11 million
<a href="#">Aortica</a>	\$7 million
<a href="#">PharmRight</a>	\$902,000
<a href="#">Spring Loaded</a>	\$270,000 (Seed)

The largest financing of the quarter was for \$125 million in debt funding for [SHINE Medical Technologies](#) from private equity investor Deerfield Capital. The company has developed “safe, clean, affordable...medical tracers and cancer treatment elements.” SHINE said it would use the proceeds to build a manufacturing plant to produce more than 25% of world supply for the nuclear medicine isotope molybdenum-99.

Corporate investor PDL BioPharma was active during the quarter, participating in the financing round of [Direct Flow Medical](#). The company raised \$32 million in venture equity and debt funding to complete its U.S. SALUS pivotal trial and fund growth initiatives of its system in use outside the U.S.

### Chart 3 - Medical Device Funding

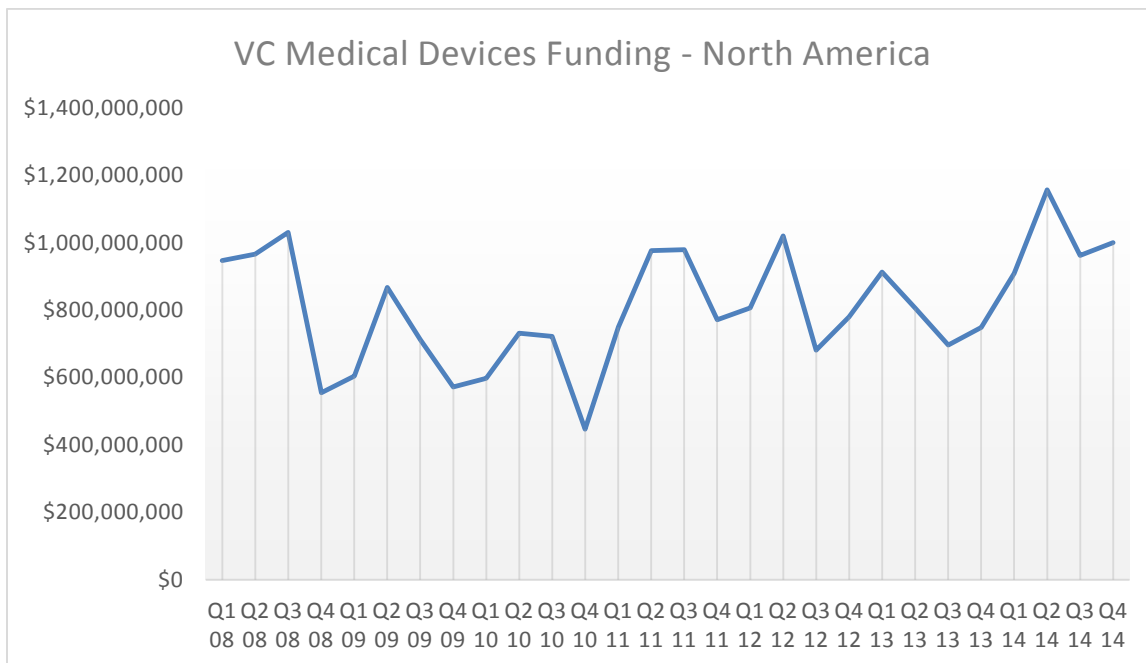


Table 1 - All Sectors

## Venture Funding Activity – 4<sup>th</sup> Quarter 2014

<b>Industry</b>	<b>Total Disclosed Funding</b>	<b>% Change Vs. Prior Quarter</b>	<b>Number of Companies Funded</b>	<b>% Change vs. Prior Quarter</b>
Biotechnology	\$1.1 billion	+ 29%	88	- 14%
Pharmaceuticals	\$543 million	+ 3%	38	- 19%
Medical Devices	\$1 billion	+ 4%	97	- 6%
<b>Total</b>	<b>\$2.6 billion</b>	<b>+ 13%</b>	<b>223</b>	<b>- 16%</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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