

# Venture Capital Funding Quarterly

## **Biotechnology · Pharmaceuticals Medical Devices**

4<sup>th</sup> Quarter, 2009 – United States

Publisher  
**VentureDeal**

### **Contents**

Summary	2
Funding Activity	2
Notes	5

This material has been prepared and issued by VentureDeal, LLC. The information contained herein is based on current information that VentureDeal considers reliable, but we make no representation that it is accurate or complete, and it should not be relied upon as such. It is provided with the understanding that VentureDeal is not acting in a fiduciary capacity. © 2010 VentureDeal. [Some Rights Reserved.](#)

## Summary

Life Science companies secured \$1.9 billion in venture capital financing during the fourth quarter of 2009, representing virtually no change versus the third quarter. This continues a relatively stable trend of overall funding for the three sectors of Biotechnology, Pharmaceuticals and Medical Devices. The funding was allocated between 192 companies, a 10% increase versus the previous quarter in the aggregate.

The Biotechnology sector received the most amount of funding by a significant margin, raising \$871 million among 69 companies. The Medical Devices & Instruments sector came in second with \$572 million, representing a 20% decrease versus the previous quarter and reversing its previous upward trend. Pharmaceutical startups received \$460 million between 45 companies, a 29% decrease in amounts funded, representing the largest decline of the three sectors.

## Funding Activity

### Biotechnology

Biotechnology funding amounts increased a whopping 65% during the quarter, reversing its previous downward trend, while the number of companies funded increased by 19% versus the previous quarter. The largest venture financing during the quarter was the unpublished [Clovis Oncology](#) \$65.6 million funding round from a large syndicate of top-tier life science venture capital firms. The company is developing therapies for a variety of cancer diseases by licensing or acquiring rights to oncology compounds in various stages of clinical development.

Basking Ridge, New Jersey-based [Regado Biosciences](#) completed a fourth round of funding, receiving \$40 million from a number of investors. The company said that the funding would be used to continue the development of its lead program in arterial thrombosis.

## Pharmaceuticals

Pharmaceutical fundings decreased to \$460 million, representing a 29% decrease in amounts funded among the same number of companies funded versus the previous quarter. The average funding round size was \$10.2 million, versus \$14.4 million in the previous quarter, a percentage decrease of 29%.

[Virdante Pharmaceuticals](#) raised the largest funding round of the quarter, receiving \$47.75 million from a large syndicate of strategic, venture capital and private equity investors. The company said it would use the funding proceeds to pursue development of a second drug in the anti-inflammatory market.

Gaithersburg, Maryland-based [GlycoMimetics](#) added \$38 million to its series A funding round, which included venture capital and strategic investors. The company is "developing a new class of glycol biology-based therapies for a broad range of indications." It said it would use the funding proceeds to fund a Phase 2 trial of its leading drug candidate for treating vaso-occlusive crisis of sickle cell disease.

## Medical Devices

Venture capital funding for Medical Device companies continued its previous quarterly decrease, with 78 companies receiving \$572 million during the quarter, a 20% dollar volume decrease.

There were a significant number of second round fundings (series B), which included the following companies:

<a href="#">TriVascular</a>	\$30 million
<a href="#">ClearCount Medical</a>	\$3.4 million
<a href="#">QSpex Technologies</a>	\$12 million
<a href="#">TransEnterix</a>	\$55 million

This material has been prepared and issued by VentureDeal, LLC. The information contained herein is based on current information that VentureDeal considers reliable, but we make no representation that it is accurate or complete, and it should not be relied upon as such. It is provided with the understanding that VentureDeal is not acting in a fiduciary capacity. © 2010 VentureDeal. [Some Rights Reserved](#).

[EndoGastric Solutions](#) closed two tranches of its series E funding round totaling \$31 million during the quarter. The company has developed a "Natural Orifice Surgery" platform for the treatment of upper gastrointestinal diseases such as GERD and obesity.

[CorNova](#) raised \$3 million from undisclosed investors to assist it in its development of endovascular products "designed to integrate new technologies into existing products and procedures." The company is first developing a standard deployment catheter that will enable the physician to deploy a stent and measure the lumen area during the procedure.

[Spinal Modulation](#) garnered \$27.4 million in its third round of institutional venture capital investment, which also included [Johnson & Johnson Development Corporation](#). The company is developing spinal implants for pain management. Its most recent investment was \$15 million in the first quarter of 2008. Proceeds purposes from the new financing were not disclosed.

Table 1

### Venture Funding Activity – 4<sup>th</sup> Quarter 2009

Industry	Total Amount Funded	% Change Vs. Prior Quarter	Number of Companies Funded	% Change vs. Prior Quarter
Biotechnology	\$871 Million	+ 65 %	69	+ 19 %
Pharmaceuticals	\$460 Million	- 29 %	45	--
Medical Devices	\$572 Million	- 20 %	78	+ 10 %
<b>Total</b>	<b>\$1.9 Billion</b>	<b>--</b>	<b>192</b>	<b>+ 10 %</b>

This material has been prepared and issued by VentureDeal, LLC. The information contained herein is based on current information that VentureDeal considers reliable, but we make no representation that it is accurate or complete, and it should not be relied upon as such. It is provided with the understanding that VentureDeal is not acting in a fiduciary capacity. © 2010 VentureDeal. [Some Rights Reserved.](#)

## Notes

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

The information sources used were the [VentureDeal.com](http://VentureDeal.com) database. VentureDeal is a 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.

This publication may be re-produced or re-transmitted for non-commercial purposes, subject to the copyright notice herein.

While all attempts have been made to verify information provided in this publication, neither the author nor the publisher assumes any responsibility for errors, omissions or contrary interpretation of the subject matter herein.

This publication is not intended for use as a source of any advice such as legal, medical, or accounting. The information contained herein may be subject to varying international, federal, state and/or local laws or regulations. The purchaser or reader of this publication assumes responsibility for the use of these materials and information. Adherence to all applicable laws and regulations, including international, federal, state and local, governing professional licensing, business practices, advertising and all other aspects of doing business in the US, Canada or any other jurisdiction is the sole responsibility of the purchaser or reader. Neither the author nor the Publisher assume any responsibility or liability whatsoever on the behalf of any purchaser or reader of these materials.

[\(C\) 2009 VentureDeal, LLC. Some Rights Reserved.](#)