Venture Capital Funding Quarterly

Biotechnology • Pharmaceuticals
Medical Devices

4th Quarter, 2009 – United States

Publisher

VentureDeal

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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 The largest venture financing during the quarter was the unpublished Clovis Oncology $65.6 million funding round from a large syndicate of top-tier life science venture capital firms.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:

- **TriVascular** $30 million
- **ClearCount Medical** $3.4 million
- **QSpex Technologies** $12 million
- **TransEnterix** $55 million
**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 – 4th Quarter 2009**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Total Amount Funded</th>
<th>% Change Vs. Prior Quarter</th>
<th>Number of Companies Funded</th>
<th>% Change vs. Prior Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biotechnology</td>
<td>$871 Million</td>
<td>+ 65 %</td>
<td>69</td>
<td>+ 19 %</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>$460 Million</td>
<td>- 29 %</td>
<td>45</td>
<td>--</td>
</tr>
<tr>
<td>Medical Devices</td>
<td>$572 Million</td>
<td>- 20 %</td>
<td>78</td>
<td>+ 10 %</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1.9 Billion</strong></td>
<td>--</td>
<td><strong>192</strong></td>
<td>+ 10 %</td>
</tr>
</tbody>
</table>
Notes

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

The information sources used were the 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.

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