

Venture Capital Funding Quarterly

Biotechnology · Pharmaceuticals Medical Devices

4th Quarter, 2009 – United States

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 The largest venture financing during the quarter was the unpublished [Clovis Oncology](#) \$65.6 million funding round from a large syndicate of top-tier life science venture capital firms.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

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[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

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 %
Total	\$1.9 Billion	--	192	+ 10 %

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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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