

# Venture Capital Funding Quarterly

## **Biotechnology • Pharmaceuticals Medical Devices**

4<sup>th</sup> Quarter, 2010 – United States

Publisher  
[VentureDeal](#)

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## Summary

Life Science companies secured \$1.2 billion in venture capital financing during the fourth quarter of 2010, representing a drop of 43% versus the third quarter of 2010. The funding was allocated between 181 companies, a 15% decrease versus the previous quarter in the aggregate.

The Biotechnology sector continued to receive the most amount of funding, raising \$464 million among 64 companies. The Medical Devices sector came in second with \$446 million, representing a 38% decrease versus the previous quarter. Pharmaceutical startups received \$295 million between 38 companies, a 38% decrease in amounts funded.

## Funding Activity

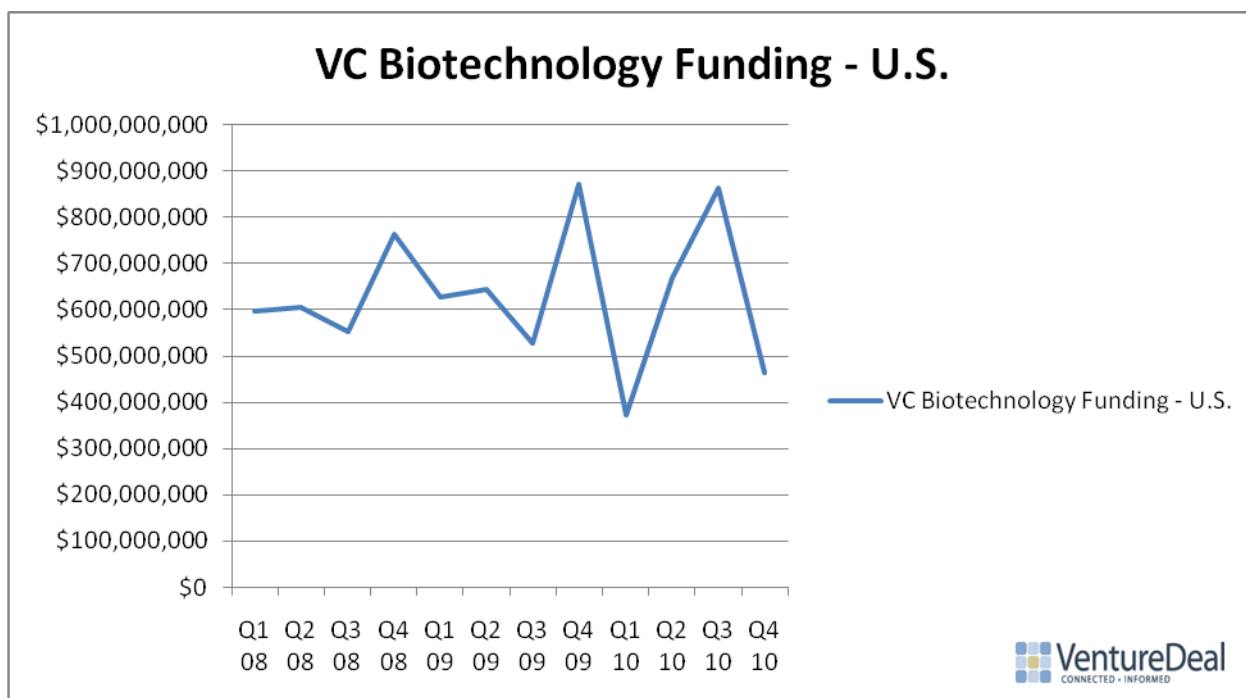
### Biotechnology

Biotechnology funding amounts dropped precipitously versus the third quarter yearly high, dropping 46% during the quarter to reverse a recent quarterly uptrend. The number of companies funded decreased by 28% versus the previous quarter.

The largest venture financing during the quarter was for [Intrexon](#), which received \$37.5 million from undisclosed investors. The company is developing technologies to help reduce the time cost and technical risks in engineering biological and cellular systems. Intrexon is backed by [Third Security, LLC](#) and [NewVa Capital Partners](#).

[Sutro Biopharma](#) raised \$36.5 million in its series C investment round from Corporate venture arms [Amgen Ventures](#) and [Lilly Ventures](#) along with its previous venture capital firm investors. The company said it would use the financing to support the management of its biochemical protein synthesis platform.

### Chart 1 - Biotechnology Funding - See Next Page



## Pharmaceuticals

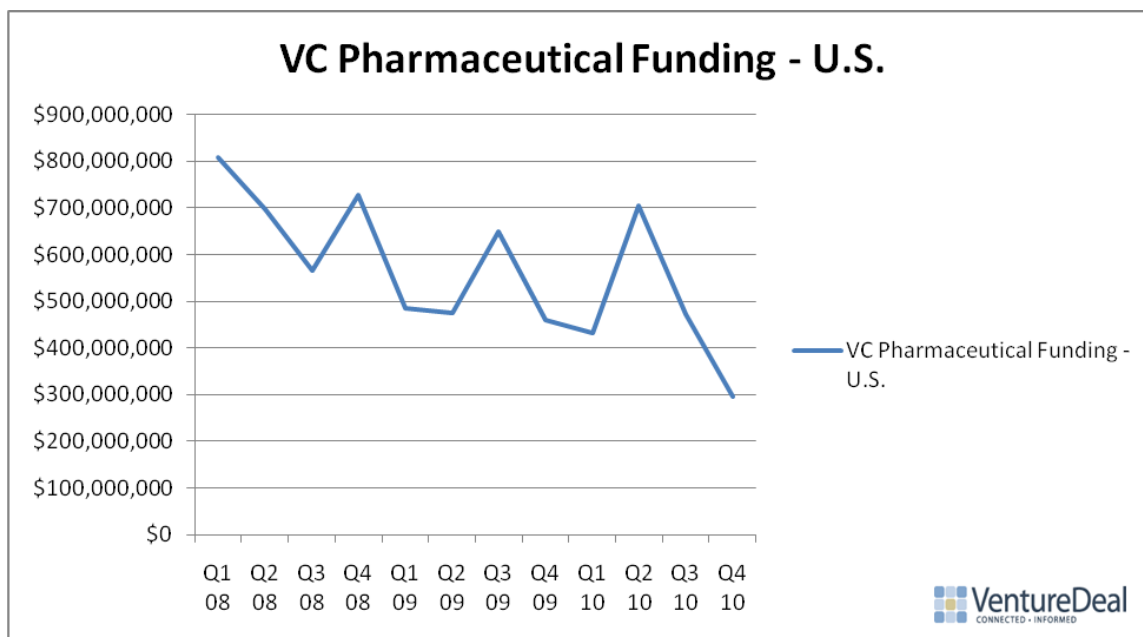
Pharmaceutical fundings decreased to \$295 million, representing a 38% decrease in amounts funded among 12% fewer companies funded versus the previous quarter. The average funding round size was \$7.8 million versus \$11 million in the previous quarter, a percentage decrease of 29%.

Private equity firms were active during the quarter, with [TPG](#) and others providing \$10 million to [Galleon Pharmaceuticals](#) in an unpublished round. Galleon is an early-stage company developing medicines for medical specialties including pulmonology, neurology, cardiology, sleep medicine and pediatrics.

[Pearl Therapeutics](#) raised the largest financing of the quarter, garnering \$69 million that it said it would use to complete the entire Phase 2b program for its lead product. The company is backed by a syndicate of venture capital firms and has raised in excess of \$100 million for its pipeline of treatments for chronic respiratory disorders.

### Chart 2 - Pharmaceutical Funding - See Next Page

## Chart 2 - Pharmaceutical



## Medical Devices

Venture capital funding for Medical Device companies dropped significantly versus the previous quarter, with a 38% decline in amounts funded. The number of companies funded dropped to 79, a 4% reduction versus the previous quarter.

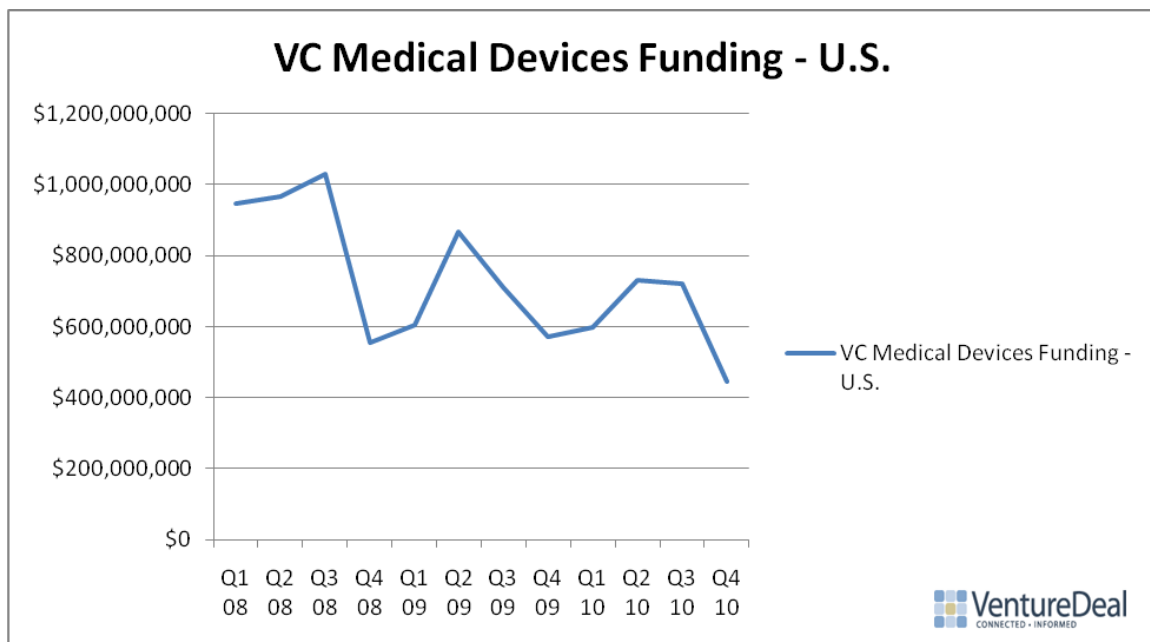
There were 5 disclosed later stage fundings (series D & F), totaling \$115 million and which included the following companies:

<a href="#">Small Bone Innovations</a>	\$15 million	Series F
<a href="#">nContact Surgical</a>	\$16 million	Series D
<a href="#">InfraReDx</a>	\$21 million	Series D
<a href="#">TriReme Medical</a>	\$17 million	Series D
<a href="#">Idev Technologies</a>	\$46 million	Series D

Ear nose and throat (ENT) technology company [Intersect ENT](#) garnered \$30 million in its third venture capital financing round from both venture capital and corporate investors. The company said it would use the funding proceeds to commercialize its initial product, a bioabsorbable drug eluting stent to treat patients with chronic sinusitis.

In the orthopedic space, [ExtraOrtho](#) raised \$3.6 million in an unpublished round. The company is developing technologies dedicated to external fixation solutions. [Innova Memphis](#), a Tennessee focused seed and early stage biomedical fund, made the investment.

**Chart 3 - Medical Device Funding**



**Table 1 - All Sectors - See Next Page**

Table 1 - All Sectors

## Venture Funding Activity – 4<sup>th</sup> Quarter 2010

Industry	Total Disclosed Funding	% Change Vs. Prior Quarter	Number of Companies Funded	% Change vs. Prior Quarter
Biotechnology	\$464 million	- 46%	64	- 28%
Pharmaceuticals	\$295 million	- 38%	38	- 12%
Medical Devices	\$446 million	- 38%	79	- 4 %
<b>Total</b>	<b>\$1.2 Billion</b>	<b>- 43%</b>	<b>181</b>	<b>- 15%</b>

### Notes

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

The information source used was good job 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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