

Welcome to Venture Valuation's VC Deal Summary

It was another busy month for the biotech industry with the closing of USD 354m in financing deals. California's Intuity Medical lead the way with USD 76m and Verinata Health, also of California, followed suit with USD 46.5m. Read all about these and other exciting financing rounds, as well as the latest licensing deals, IPO's, mergers and acquisitions in this month's Venture Valuation VC Deal Summary.

August 2011: Financial highlights of the life sciences industry

FINANCING ROUNDS

NeurogesX gains USD 20m in debt financing

NeurogesX, Inc. (San Mateo, CA. USA) a biopharmaceutical company focused on developing novel pain management therapies, has entered into a USD 20m loan agreement with Hercules Technology Growth Capital. The loan agreement includes both a USD 5m accounts receivable line of credit and a USD 15m term loan. The funds will be used for commercialization of a capsaicin patch, development of a capsaicin topical cream, and other corporate purposes. (Source: Company website)

Department of Defence awards Neostem USD 1.78m to defend against Osteoporosis

NeoStem, Inc. (New York, NY. USA) has been awarded USD 1.78m from the Department of Defence towards the funding of NeoStem's very Small Embryonic-Like (VSEL) stem cells technology. The technology has the chance to drastically change the way broken bones and osteoporosis are treated. NeoStem has been granted worldwide exclusive license to VSEL technology for small stem cells found in adult bone marrow. (Source: Company website)

Verinata receives USD 46.5m in series C Round

Verinata Health (San Carlos, CA. USA) has secured USD 46.5m in series C financing this month. Financing of the maternal and fetal health company was lead by Mohr Davidow Ventures, Sutter Hill Ventures, and Alloy Ventures all of which were already investors in Verinata. Funds from the round will be used to fund continued research and development of non-invasive tests for early identification of fetal chromosomal abnormalities. (Source: Company website)

Second Genome gets USD 5m

Second Genome, Inc. (San Francisco, CA. USA) finalized a series A financing round co-lead by new investors Advanced Technology Ventures (ATV) and Morgenthaler Ventures. Previous investors Wavepoint Ventures and Seraph Group also participated in the financing. Second Genome, the microbiome signature identification and validation company, intends to use the USD 5m in new funds for the development of microbiome-based personalized medicine solutions for gastrointestinal diseases and disorders. (Source: Company website)

Emory University receives USD 26m from NIH

The National Institutes of Health (NIH) was at it again this month, this time awarding a USD 26m grant to Emory University for its work on HIV/AIDS vaccines. Over the next 5 years Emory will utilize the funding in the hopes of developing a vaccine. Partners such as The Yerkes National Primate Research Center, Mt. Sinai School of Medicine, La Jolla Institute of Allergy and Immunology, University of Nebraska and Louisiana State University Health Sciences Center will all help Emory in this endeavor. (Source: FierceBiotech)

Acix Therapeutics grabs USD 8m in new funds

Acix Therapeutics Inc. (Westborough, MA. USA) announce this month the closing of USD 8m in financing in an equity offering for their over the counter eye care products. While the filing did not disclose the names of any investors, Acix did disclose that Akorn Inc. has gained a minority stake in Acix. Raj Rai, CEO of Akorn will join Acix's Board of Directors. (Source: MassHightech)

Yaupon boosts cash with USD14.4m series D financing

Yaupon Therapeutics, Inc. (Malvern, PA. USA) has raised USD 14.4m in a private placement of preferred stocks. The series D financing round will help with the costs associated with their FDA applications for a proprietary gel formulation for the treatment of early stage T-cell lymphoma. The private placement included current investors Vivo Ventures, Palo Alto Investors and Burrill & Company, plus new investor, Aperture Venture Partners. (Source: Company website)

Spinifex finalizes AUD 18.25m B round

Spinifex Pharmaceuticals, (South Yarra, Australia) a biotech developing pain medications has closed a AUD 18.25m round of series B financing to further develop their pain management drug, EMA401. The drug is currently in phase II clinical trials. Investors include GBS Venture Partners, Brandon Capital, Uniseed and UniQuest. (Source: Company website)

KalVista attracts GBP 8m in Series A

KalVista Pharmaceuticals, (Southampton, UK) a new ophthalmology biotech, will open up its doors with the help of a GBP 8m series A financing round. The focus of KalVista will be small molecule plasma kallikrein inhibitors to treat diabetic macular edema. Novo A/S and SV Life Sciences both participated in the financing. (Source: Company website)

Ellipse receives USD 17.6m in series C financing

Ellipse Technologies, Inc. (Irvine, CA. USA) has closed USD 17.6m in private equity financing in their series C financing round last month. The round consisted of new investors HBM BioVentures and BioStar Ventures along with current investors Wexford Capital and the MedFocus Funds. The increase in funding will allow Ellipse to commercialize their products PRECICE, adjustable intramedullary rods or bone plates to treat long-bone abnormalities, and MAGEC, for orthopedic deformity prevention and management. (Source: Company website)

Intuity secures USD 76m in series D financing

Intuity Medical, Inc. (Sunnyvale, CA. USA) cleared USD 76m in preferred stock financing in a series D round last month. The company which develops a glucose monitoring technology for diabetes patients will use the funds to obtain approval from the FDA and, commercialize and distribute their POGO "all in one" system. Accuitive Medical Ventures will join a list of investors which already includes Investor Growth Capital, Thomas McNerney and Partners, Venrock, Versant Ventures and U.S. Venture Partners who also participated in this tranche of financing. (Source: Company website)

New Cambridge Spin-off on a "Mission" to secure funding

Mission Therapeutics, (Cambridge, UK) a spin-off from the University of Cambridge in partnership with Cancer Research Technology has announced the closing of a series A financing round worth GBP 6m. Mission will focus on translating DNA repair technology into drugs to improve the management of life threatening cancers. Sofinnova Partners led the financing round which also saw contributions from Imperial Innovations, SR One and Roche Venture Fund. (Source: FierceBiotech)

Autifony Therapeutics grabs GBP 10m

GalaxoSmithKline has spun-out yet another biotech from its pipeline and this time a few of GSK's senior scientists are going along for the ride. Investor Imperial Innovations and SV Life Sciences have each contributed GBP 5m to Autofony in a series A financing round. GSK will also have a minority stake in the new biotech start-up, which will develop therapeutics to treat hearing loss and tinnitus. (Source: GSK.com)

TheraSolve NV secures first financing round

TheraSolve NV, (Hasselt, Belgium) has closed its first financing round and can now further develop its adherence solution "MemoPatch." While financials of the deal were not disclosed, the round was co-led by Thuja Capital and LRM. MemoPatch, a disposable device to remind patients to take their medication, is now ready for commercialization. (Source: LMR website)

Change in strategy, change in funding for Cytos

Cytos Biotechnology Ltd. (Schlieren, Switzerland) has made changes in both its strategy and organizational structure in order to preserve the value of the biotech's lead product and confront its up-coming bond maturity. Cytos's aim is to significantly reduce costs and narrow their focus to lead drug CYT003-QbG10. To cut costs Cytos will make the Board of Directors smaller and decrease the employees from 80 to 30. (Source: Company website)

Proteon Therapeutics wins USD 15.2m

Proteon Therapeutics (Waltham, MA. USA) has raised USD 15.2m in exchange for equity and options. Funding will be used for the mid-stage trial costs of Proteon's lead drug which provides vascular access for chronic kidney disease in hemodialysis patients. Investors were not named. Currently, pharma company Novartis has exclusive rights to acquire Proteon pending certain clinical trials. (Source: FierceBiotech)

USD 14m to help Pulmatix put a strangle hold on COPD and Cystic Fibrosis

Pulmatix's (Lexington, MA. USA) recent USD 14m B financing round aims to advance a new class of inhaled therapeutics called iCALM currently in phase 2 trials. The biotech company is in the clinical development stage for its therapeutics to prevent, treat and control COPD, Cystic Fibrosis and other respiratory conditions. Investors included Polaris Venture Partners, 5AM Ventures, Arch Venture Partners, and Novartis Venture Fund as well as all of Pulmatix's other investors and brings total funding up to USD 60m. (Source: Company Website)

Embera combats smoking addiction with USD 4.5m

Embera NeuroTherapeutics Inc. (Sudbury, MA. USA) has closed a USD 4.5m series A financing round with proceeds going to their proprietary drug for fighting smoking addiction. Return investors include Louisiana Ventures LP, Louisiana Fund I and Themelios Ventures as well as some private investors. EMB-001, a drug for treating smoking and cocaine addiction will now proceed through Phase 1 clinical trials. (Source: Masshightech.com)

Enobia Pharma raises USD 40m

Enobia Pharma Inc. (Montreal, Que. Canada) a biotech company focused on therapeutics for bone disorders, has closed a private placement worth USD 40m. Proceeds will go to further development of ENB-0040, Enobia's enzyme replacement therapy for hypophosphatasia. ENB-0040 was recently awarded a US 1.2m grant by the FDA for orphan drugs. (Source: Company website)

Vivus sells stock, receives USD 45.8m

Vivus, (Mountain View, CA. USA) decided this month to sell over 6 million shares of common stock in a registered direct offering. The USD 6.65 per share will bring in USD 45.8m for the pharmaceutical company dedicated to the development and commercialization of novel therapeutic products in the fields of obesity, sleep apnea, diabetes and male sexual health. Funds managed by QVT Financial LP were lead investors in the offering with two other existing investors also participating. (Source: PRNewswire)

HemoShear wins bid to develop predictive drug database

National Heart, Lung and Blood Institute (NHLBI) of the National Institutes of Health (NIH) have awarded HemoShear, LLC (Charlottesville, VA. USA) a small business innovative research grant worth USD 4.3m. The grant is to be used for the development of a database, based on HemoShear's proprietary technology, in order to profile the effects of 50 known drugs upon the human blood vessel system and make predictions for the safety and efficacy of new drug candidates. (Source: Company website)

CardiOx nabs USD 8m

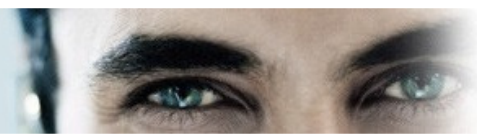
CardiOx Corp. (Arlington TX. USA) has completed a USD 8m financing round with the help of Co-Investment Fund, Early Stage Partners, Ohio TechAngels, Northcoast Angels, Glengary LLC as well as individual investors. The series C round will help with the commercialization and distribution in the US and Europe of CardiOx's non-invasive device for detecting heart shunts. (Source: Company website)

GI Dynamics closes USD 85m financing in IPO

GI Dynamics, the Lexington, Massachusetts Med-tech company, has gone to the land down-under for its IPO after claims earlier in the year that Australia would be the location of their initial public offering. GI Dynamics, with the help of, Advanced Technology Ventures, Cutlass Capital, Domain Associates, Johnson & Johnson Development, Polaris Venture Partners, and Seedling Enterprises, has raised USD 85m which will be used to develop its intestinal liner for reducing uptake of calories in the stomach of diabetics. (Source: Company website)

Ardelyx to receive USD 30m

Ardelyx, (Fremont, CA. USA) developers of non-absorbed small molecules to treat systemic functions in the cardio-renal, metabolic, and gastrointestinal fields by avoiding significant systemic exposure, has been awarded USD 30m in a series B financing round of preferred stock. The round was lead by previous investors including NEA, CMEA as well as new investor Amgen Ventures, LLC. Funds will help to advance three of Ardelyx's products a clinical stage IBS drug and two preclinical products for chronic kidney disease and type-2 diabetes. (Source: Company website)



Vaxxas wins USD 16.46m for nanopatch

Vaxxas, (Sydney, Australia) is set to receive USD 16.46m in venture capital financing to further develop its vaccine delivery technology. Nanopatch, a small postage stamp like vaccine delivery system, uses micro-needle technology to deliver vaccines. In some tests Nanopatch has shown to be 150 times more effective than syringes. The financing round was lead by OneVentures with additional support from Brandon Capital, the Medical Research Commercialization Fund (MRCF), the Brisbane Angels, and Health Care Ventures. (Source: Fierce Biotech)

MERGERS & ACQUISITIONS

Par Pharmaceutical to acquire Anchen

Par Pharmaceutical Companies, Inc. (Woodcliff Lake, NJ, USA) has announced the signing of a definitive agreement to acquire Anchen Pharmaceutical, a company focused on the development, commercialization and extended release of niche generic products. The acquisition is worth USD 410m and is expected to have an accretive effect on Par. The transaction was financed with cash on hand and a USD 350m term loan. (Source; Company website)

Paladin Labs to acquire Labopharm

Paladin Labs Inc. (Montreal, Que. Canada) has entered into a definitive agreement to acquire Labopharm Inc. Paladin, who is also currently trying to acquire Afexa Life Sciences, will acquire all of the issued and outstanding stock at a premium of over 57% per share. Labopharm fits nicely with Paladin's strategy to focus on researching, developing, acquiring or in-licensing innovative pharmaceutical products. Not all financial figures were released. (Source: Company website)

Hedge fund swoops in with USD 378m Amag bid

Hedge fund MSMB Capital Management has made an offer to acquire Amag Pharmaceutical instead of allowing the sale of Amag to Allos Therapeutics. The deal is worth a reported USD 378m or 18 dollars a share. The former deal between Amag, makers of the anemia drug Ferahema, and Allos, a blood cancer treatment firm, has met much criticism on Wall Street. MSMB Chief Investment Officer Martin Shkreli says, "MSMB is a long-term investor in Amag and believes that the management's current strategy does not protect the interests of Amag's stockholders or ensure Amag's long-term viability." (Source: FiercePharma)

DEALS

UCSD Health Sciences partners with Pfizer to speed drug delivery

In an attempt to increase open innovation and find a solution for spiraling drug costs, Pfizer has reached an agreement with the University of California, San Diego Health Sciences, adding the institution to Pfizer's Centers for Therapeutic Innovation (CTI). The research agreement could be worth up to USD 50m over the next 5 years. (Source: Company website)

Array strikes USD 713m cancer drug deal with Genentech

Array BioPharma (Boulder, CO. USA) has added Genentech as one more pact to its roster of big-name collaborations. The deal has Genentech paying USD 28m upfront for the rights to further develop ARRY-575, a preclinical cancer drug, in collaboration with its own drugs and get it to Phase I. Genentech will also provide development cost and a royalty stream. The deal could be worth up to USD 713m if all milestones are reached. Genentech's clinical goal is to show that ARRY-575 combined with their ChK-1 inhibitors will reduce the body's defenses against DNA damage, allowing chemotherapy drugs to do their intended work without interference from protein kinase. Array has many pacts with some of the largest names in the industry including Novartis, Amgen, Eli Lilly and AstraZeneca. (Source: FierceBiotech)

Ariad brings in USD 25m by reaching milestone

Ariad is set to receive USD 25m from Merck, its partner in the development of its cancer drug ridaforolimus, after clearing its regulatory application in the EMA. The drug, which has indications for metastatic bone cancer and soft tissue carcinomas, is now being brought to the US where it must gain similar approval from the FDA. Merck will pay Ariad an additional USD 35m if ridaforolimus gains approval in the US. (Source: FierceBiotech)

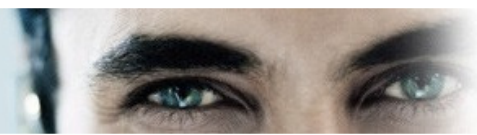
Zymeworks strikes deal with Merck

Zymeworks, (Vancouver, BC. Canada) has signed a deal with Pharma Giant Merck who will use the biotech's platform for developing bio-specific antibodies. The deal contains an upfront payment, which is not specified, but with milestone payments the deal could be worth upto USD 187m. (Source: FierceBiotech)

AUGUST 2011 FINANCING ROUNDS SUMMARY FROM BIOTECHGATE

Company name	Sector	Amount in USD million	Phase	Type of round	Financing stage / type	Ownership	Country
Cardiox Corporation	Medical Technology	8	n/a		n/a	Private / independent	USA
LaserGen, Inc.	Biotechnology / R&D Services	5	n/a		n/a	Private / independent	USA
Ardelyx	Biotechnology - Therapeutics and Diagnostics	30	n/a	Series B	Equity - Second stage	Private / independent	USA
CoLucid Pharmaceuticals	Biotechnology - Therapeutics and Diagnostics	7.5	n/a	Convertible note financing	Convertible loan	Private / independent	USA
Affinium Pharmaceuticals	Biotechnology - Therapeutics and Diagnostics	15	n/a		Equity - First stage	Private / independent	USA
to-BBB technologies BV	Biotechnology - Therapeutics and Diagnostics	2.6	Phase I	Additional Series-B Round	Equity - First stage	Private / independent	Netherlands
Metabolon, Inc.	Biotechnology / R&D Services	13.1	n/a		Equity - Later stage	Private / independent	USA
Aura Biosciences, Inc.	Biotechnology - Therapeutics and Diagnostics	2.95	n/a		Equity - Second stage	Private / independent	USA
HemoShear, LLC.	Biotechnology / R&D Services	4.3	Phase II		Research grants	Private / independent	USA
Acix Therapeutics, Inc.	Biotechnology - Therapeutics and Diagnostics	8	n/a		n/a	Private / independent	USA
Mission Therapeutics	Biotechnology - Therapeutics and Diagnostics	9.8	n/a		Equity - Start-up	Private / independent	United Kingdom
Kalvista Pharmaceuticals Ltd	Biotechnology - Therapeutics and Diagnostics	13.1	n/a		Equity - Start-up	Private / independent	United Kingdom
Spinifex Pharmaceuticals Pty Ltd	Biotechnology - Therapeutics and Diagnostics	19.2	Phase II		Equity - First stage	Private / independent	Australia
GI Dynamics, Inc.	Medical Technology	85	n/a		IPO	Private / independent	USA
VIVUS, Inc.	Biotechnology - Therapeutics and Diagnostics	45.8	NDA		Post-IPO	Public	USA
Cleveland HeartLab	Biotechnology / R&D Services	18.4	n/a	Series B	Equity - First stage	Private / independent	USA
GeoVax Labs, Inc.	Biotechnology - Therapeutics and Diagnostics	3.6	n/a		Research grants	Public	USA
Pulmatrix, Inc.	Biotechnology - Therapeutics and Diagnostics	14	Phase I	Series B1	Equity - First stage	Private / independent	USA
Embera NeuroTherapeutics, Inc.	Biotechnology - Therapeutics and Diagnostics	4.5	Preclinical		Equity - Start-up	Private / independent	USA
Brighter AB	Medical Technology	3.4	n/a		IPO	Private / independent	Sweden
Pulmatrix, Inc.	Biotechnology - Therapeutics and Diagnostics	14	n/a		Equity - Second stage	Private / independent	USA
Yaupon Therapeutics, Inc.	Biotechnology - Therapeutics and Diagnostics	14.4	n/a		Equity - Later stage	Private / independent	USA

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Kineta, Inc.	Biotechnology - Therapeutics and Diagnostics	2.8	n/a	Research grants	Private / independent	USA
Proteon Therapeutics, Inc.	Biotechnology - Therapeutics and Diagnostics	15.2	n/a	Equity - Later stage	Private / independent	USA
T2 Biosystems	Medical Technology	23	n/a	Equity - Later stage	Private / independent	USA
Verinata Health, Inc.	Biotechnology - Therapeutics and Diagnostics	46.5	n/a	n/a	Private / independent	USA
NeoStem, Inc.	Biotechnology - Therapeutics and Diagnostics	1.78	n/a	Research grants	Public	USA
Second Genome	Biotechnology / R&D Services	5	n/a	Equity - First stage	Private / independent	USA
NeurogesX, Inc.	Biotechnology - Therapeutics and Diagnostics	20	n/a	Debt financing	Public	USA
Enobia Pharma	Biotechnology - Therapeutics and Diagnostics	40	n/a	Post-IPO	Private / independent	Canada
Avedro, Inc.	Biotechnology - Therapeutics and Diagnostics	25	NDA	n/a	Private / independent	USA
Firefly BioWorks, Inc.	Biotechnology / R&D Services	2	n/a	Research grants	Private / independent	USA
D-Pharm Ltd	Biotechnology - Therapeutics and Diagnostics	4.7	n/a	Convertible loan	Public	Israel
BioSante Pharmaceuticals Inc.	Biotechnology - Therapeutics and Diagnostics	45	n/a	Post-IPO	Public	USA
Endocyte, Inc.	Biotechnology - Therapeutics and Diagnostics	66.8	On the Market	Post-IPO	Private / independent	USA
Intuity Medical, Inc.	Medical Technology	76	n/a	Equity - Later stage	Private / independent	USA
Avaxia Biologics, Inc.	Biotechnology - Therapeutics and Diagnostics	2.9	n/a	Government contract Research grants	Private / independent	USA



THERAPEUTIC BIOTECH FINANCING – LAST 12 MONTHS

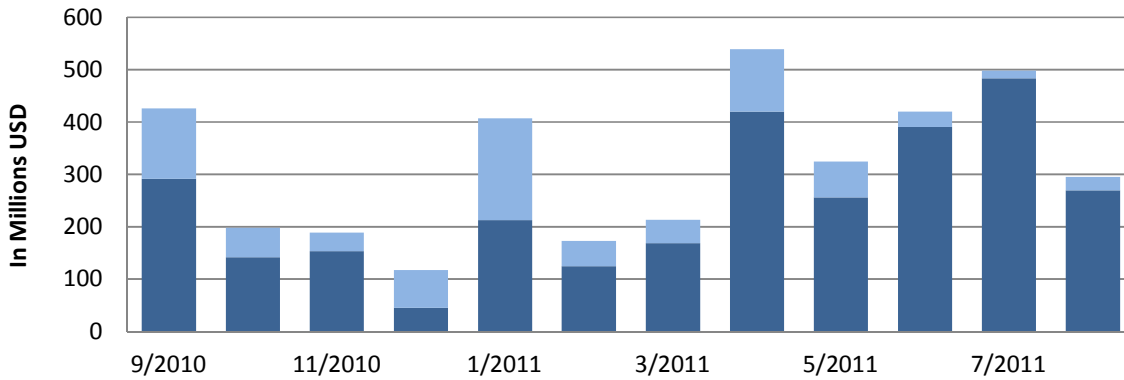
FINANCING WORLDWIDE

(IN USD MILLIONS)

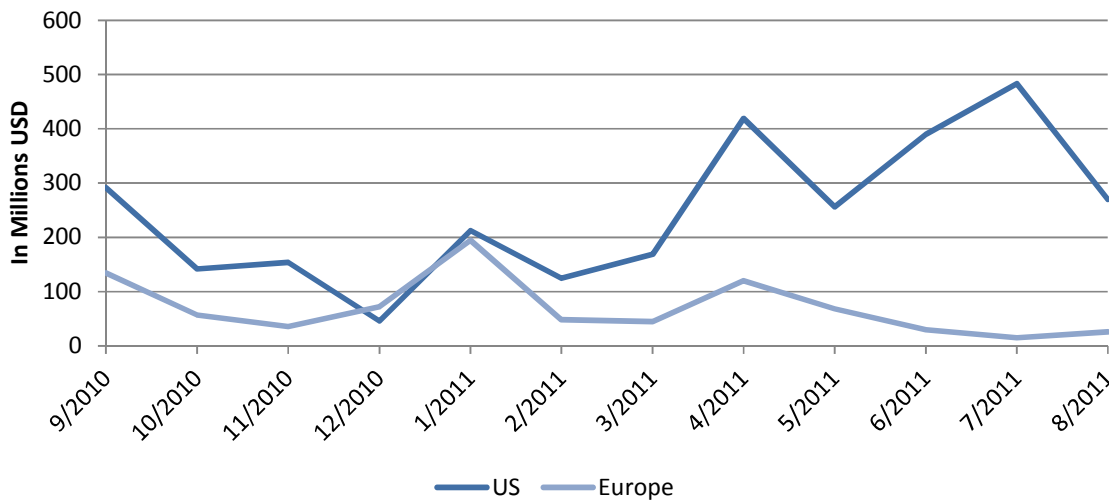
Biotechnology - Therapeutics and Diagnostics of Private/independent companies														
Year	2010	2010	2010	2010	2011	2011	2011	2011	2011	2011	2011	2011	2011	12 Month
Month	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Totals	
Regions														
US	291.7	141.7	153.7	45.5	212.3	124.7	168.6	419.3	256.2	390.2	483.4	269.6	2687.3	
Europe	134.2	56.5	35.2	72.0	194.4	48.2	44.5	119.7	68.2	29.6	14.7	25.5	817.3	
Rest of World	22.8	0.4	0.0	0.0	0.0	24.0	0.0	13.5	1.0	43.3	7.3	59.2	112.4	
Total	448.7	198.7	188.9	117.5	406.8	196.9	213.1	552.4	325.4	463.0	505.5	354.2	3617.0	

BIOTECH FINANCING

Therapeutic Biotech Financing Rounds



Therapeutic Biotech Financing Trends



Source Biotechgate

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