



## Welcome to Venture Valuation's VC Deal Summary

The Venture Capital deal summary is Venture Valuations way of giving you a bird's eye view of the deal side of the Biotech industry. This month's VC deal summary contains a big splash by investors into oncology, investors saving a company from IPO meltdown, and a fresh new business plan being implemented by Nimbus. Our month in review gives readers a summary of financing rounds, mergers and acquisitions and the biggest stories of the month. Check out the trends report for an additional analysis of Biotech deals over the last 12 months.

# June 2011: Financial highlights in the life sciences industry

## FINANCING ROUNDS

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### Crux receives USD12m investment

Crux Biomedical (Menlo Park, CA. USA) has completed a USD\$12m investment round which it plans to use for two US clinical trials for its implantable vena cava filter. Leading the investment round was Three Arch Partners who will join current investors Ventures and Emergent Medical Partners. Crux hopes to have its vena cava filter on the market by early 2012. (Source FierceBioTech)

### PolyRemedy announces USD 20m in Series C financing

PolyRemedy Inc.(Concord, MA. USA) makers of a personalized, and IT integrated, wound care system closed USD 20m in Series C financing this month. The round was lead by Delphi Ventures with current investors MedVenture Associates, Advanced Technology Ventures and Flybridge Capital Partners all contributing. Proceeds of the round will go to commercializing the wound care system. (Source Company Website)

### Venture Funds: A shining star for Constellation

Constellation Pharmaceuticals, (Cambridge, MA. USA) nabbed USD 15m in a Series B financing round led by Third Rock Ventures. The Series B extension will help bring to clinical trial enzymes that Constellation believes can control the mechanisms of disease. Also contributing to the round were The Column Group, Venrock Associates and SR One and Altitude Life Science Ventures. (Source FierceBioTech)



### **Regenesis gets USD 5.3m in equity financing round**

Regenesis Biomedical, (Scottsdale, AZ. USA) is set to receive USD 5.3m in a Series C equity financing round led by Fulcrum Equity Partners and TGap Ventures. Regenesis, who developed the Provant wound therapy system, will primarily use the cash flows to expand its sales force. (Source Company Website)

### **US Government grant allows Humanetics to combat Chemical Terrorism**

Humanetics Corp. (Minneapolis MI, USA) won a USD 3.5m government grant to develop a drug preventing injury to lungs during a nuclear explosion. The funds will be used for efficacy studies on the treatments that protect lungs during terrorist attacks or radiation treatments. (Source The Star Tribune).

### **Accentia raises USD 4m to develop Revimmune**

Accentia Biopharmaceuticals, Inc. (Tampa, FL. USA) has raised USD 4m to support the development of Revimmune an autoimmune disease treatment. Funds will also be used to cover corporate expenses. The funding is in the form of a secured convertible note with 5% interest and paid quarterly in cash or, at Accentia's determination, in common stock. Revimmune is promising in treating autoimmune disease like Multiple Sclerosis. (Source FierceBioTech)

### **Cyterix completes USD 9.2m series A financing**

Cyterix Pharmaceuticals, (San Francisco, CA. USA) is the recipient of USD 9.2m from SV Life Sciences and The Column Group. In exchange for the cash both venture capitalist will get to put members on Cyterix's board of directors. Funds will be used on targeting extra-hepatic cytochrome P450 enzymes, Cyterix's two lead compounds, as well as for exploration of new targets. (Source FierceBioTech)

### **Northwest Biotherapeutics to receive up to USD 25m**

Northwest Biotherapeutics, (Bethesda, MD. USA) announced a USD 3m investment earlier last month with access to another USD 25m at the company's discretion. Northwestern is a biotech company developing immunotherapy products to fight cancer who will use the initial USD 3m to push its lead brain cancer drug through its PII trials. (Source FierceBioTech)

### **Big Money for Ultragenyx**

Ultragenyx, (Novato, CA. USA) a biotech company focused on rare diseases, received a massive USD 45m in an early financing round. The A round financing was led by TPG Biotech and Fidelity Biosciences with contributions from HealthCap and Pappas Ventures as well. Ultragenyx lead product, suppose to enter the market this year, is a therapy for treatment of Hereditary Inclusion Body Myopathy. (Source Company Website)



### **Ambit Bio Raises USD 30m after IPO backout**

Days after Ambit Biosciences, ( San Diego, CA. USA) decided to pull out from an USD 86m IPO plan venture investors breathed new life into the biotech. Ambit, the kinase drug specialists, decided current market conditions didn't favor an untimely public offering instead announcing a USD 30m USD equity financing round just a few days later. Ambit Biosciences, with the help of lead investors Apposite Capital LLP as well as NovaQuest, Radius and Horizon Technology, Perseus-Soros Biopharmaceutical Fund, OrbiMed Advisors, Forward Ventures, Roche Venture Fund, MedImmune Ventures, GIMV, GrowthWorks, Genechem, will fund its lead drug AC220 a leukemia inhibitor. Ambit is a bio-tech focused on protein enzymes to combat leukemia and will use to USD 30m in the development of its Phase II lead product. Additionally, funding will go to other products in Phase I clinical trials. (Source FierceBioTech, WiredVC)

### **Stemgent Inc. USD 14.4m series B**

Stemgent Inc.(San Diego, CA. USA) a company specializing in the research and development of stem cell technology received USD 14.m in series B financing. Originally planning only USD 5.6m in financing the extra cash will help Stemgent in developing innovative reprogramming technologies and stem cell solutions for biomedical advancement. (Source Mass High Tech)

### **USD 6.2m to fill Gelesis's gut**

Gelesis,(Boston, MA. USA) has raised USD 6.2m in a series B financing round as well as receiving a USD 1.3m USD grant from Italy's Puglia region. Financial backing came via PureTech Ventures which led some other, undisclosed investors. The makers of Attiva, a polymer that expands in the stomach creating and gel and taking longer to digest, will use the funds to try to gain FDA approval. (Source FierceBioTech)

### **Tesaro nabs big bucks in B round**

Tesaro,(Boston, MA. USA) saw the biggest financing round of the month with a whopping USD 101m series B round led by Kleiner Perkins Caufield & Bayer. The equity injection will allow Tesaro to fund the development of its drug rolapitant through its phase 3 trials with plenty left over for other things including to "acquire and develop promising drug candidates" said Lonnie Moulder, Tesaro's CEO. InterWest Partners, T. Rowe Price, Pappas Ventures, Oracle Partners, Deerfield Management and Leerink Swann also contributed to the round. (Source Company Website)

### **Revance Announces USD 45m Financing**

Revance Therapeutics, Inc. (Newark, CA. USA) has finalized a USD 45m financing round which will see contributions from Essex Woodlands Health Ventures as well as NovaQuest Capital, CNF Investments, Vivo Ventures, Technology Partners, Shepherd Ventures, Palo Alto Investors, Pac-Link Ventures and Essex Capital Corporation. Revance is a biopharmaceutical company focused on platform technology allowing targeted delivery of macromolecules both topically and locally. (Source Company Website)



### **Nimbus: USD 24m and a fresh look at Biotech**

Nimbus, (Cambridge, MA. USA) has announced a USD 24m financing round from investors including SR One, Lilly Ventures, initial investor Atlas Venture, and computer mogul Bill Gates. On top of an impressive pipeline of drugs covering inflammation, cancer and metabolic disease, Nimbus brings to the table a unique idea for a new business plan. The biotech plans to keep their target drugs separate by creating individual subsidiaries for each that can be sold off to large pharma companies, preferable at early development stages. Investors believe this is an exciting new business model that can return quicker return on investment than that of the typical big splash acquisition or IPO. (Source FierceBioTech)

### **Russia grants USD 4.5m to ex-pat scientist**

Alexander "Sasha" Kabanov, director of the Center for Drug Delivery and Nanomedicine at the University of Nebraska Medical Center, has received a USD 4.5m grant from the Russian Government. Kabanov, who will split time between his Nebraska home and motherland, will be studying chemical formulation of enzymes and proteins for bionanomaterials to combat drug resistant bacteria. (Source FierceBioTech)

### **InfraReDx: USD 24.1m from shareholders**

InfraReDx, (Burlington, MA. USA) is set to receive USD 24.1m from an equity sale to current shareholders. Funds will be used to increase manufacturing operations for LipiScan IVUS, InfraReDX's coronary imaging system. The groundbreaking LipiScan IVUS system is capable of displaying structural parameters of the lesion, including location, length and degree of stenosis, while confirming placement of the stent while simultaneously providing analysis of location of lipid core plaques. (Source Company Website)

### **New Lotus Tissue Repair handed USD 26m round**

Upstart Lotus Tissue Repair, (Cambridge, MA. USA) a new biotech targeting the ultra rare dystrophic epidermolysis bullosa disease, received USD 26m in a series A round by single investor Third Rock Ventures. (Source FierceBioTech)

### **Sorbent raises USD 36m**

Sorbent Therapeutics, (Sunnyvale, CA. USA) has won USD 36m in a series B expansion round. Novartis Venture, the provider of the money, will join Sofinnova Ventures, ARCH Venture Partners, CMEA Capital and AgeChemand as venture funds providing funds to Sorbent. Sorbent plans to use the money to further develop their lead product CLP-1001 a polymer with indication for kidney failure and congestive heart failure. (Source FierceBioTech)



## Respiratory Medicine get a breath of fresh air from Prosonix

Prosonix, (Oxford, UK) developer of respiratory therapies has been awarded GBP 11.4m by Ventech, Gilde Healthcare Partners, and existing Investors including Entrepreneurs Fund, Quest for Growth and Solon Ventures. The B financing round will allow Prosonix to further develop a multi-component therapy through phase II trials. (Source FierceBioTech)

## MERGERS & ACQUISITIONS

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### Transdel files for bankruptcy

After failing to find enough funding to launch a late-stage study of its lead project Transdel, (La Jolle, CA. USA) was forced to file for bankruptcy. Assets, including Transdel's Ketotransdel, a topical formulation made up of an approved therapy mixed with Transdel's special cream formula, will be sold off to Cardium Therapeutics for USD 4m. (Source FierceBioTech)

### Luminex to acquire EraGen

Luminex, (Austin, TX. USA) is set to acquire EraGen Biosciences for USD 34m giving Luminex a larger portfolio of molecular diagnostic assays for pharmaceutical drug discovery, clinical diagnostics and biomedical research. (Source Company Website)

### Trimeris merges with Synageva in stock deal

Trimeris, (Durham, NC. USA) has struck an all stock merger deal with Synageva, (Lexington, MA. USA). The agreement has Synageva's management gaining control of merger operations, including Fuzeon a marketed HIV drug of Trimeris. With other companies struggling to secure appropriate funding in IPO's, this is a good strategy for the biotech to go public. (Source FierceBioTech)

### Teva captures Cephalon

Just a month after the acquisition of 57% of Taiyo, Teva Pharmaceutical Industries, (Petach-Tikva, Isreal) has wrestled Cephalon away from front runner Valeant Pharmaceuticals. The deal is worth a reported USD 6.8bn and will give Teva, among other, two established sleep disorder drugs Provigil and Nuvigil. Teva beat Valeant's offer by USD 8.50 per share. Teva says they expect to see the acquisition add to earnings immediately and figures about USD 500m from cost savings alone. But first golden parachutes will reportedly be handed out to Cephalon top management. CEO Kevin Buchi could get up to USD 14.6m with USD 4.4m in cash. (Source Company Website)



### **Astral sells dental division**

AstraZeneca has reported that it sold its dental and medical device division for USD 1.8bn to Dentsply International, (York, PA. USA). Dentsply was able to outbid others, such as private equity firm EQT, for the all cash deal. (Source FierceBioTech)

## **DEALS**

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### **Pfizer offers USD 169m to pSivida**

pSivida, (Watertown, MA. USA) is walking into a phase I/II study with USD 2.3m in new funds after the eye implant specialists struck a deal with Pfizer. The deal will allow Pfizer to take over the program after phase II for an additional USD 20m in payments and USD 146.6m in combined milestone payments and royalties. ( Source FierceBioTech)

### **EUR 379m diabetes deal between Boehringer and Zealand**

Boehringer Ingelheim, (Ingelheim, Germany) has signed a deal with Zealand Pharma, (Glostrup, Denmark) allowing the German company the opportunity to access Zealand's type-II diabetes candidate which may have blockbuster potential. The deal is reportedly worth EUR 379m plus EUR 41m in the first two years for R&D expenses. (Source Company Website)

### **Abbott makes deal with Biotest for antibodies program**

Abbott, (Lake Forest, IL. USA) and Biotest, (Dreieich, Germany) have inked a partnering deal worth a reported USD 470m. The deal is over Biotest's BT-061, an antibody that combats inflammatory disease, currently in preclinical trials. Abbott will receive co-production rights while helping Biotest with the marketing effort. (Source, FierceBioTech)

### **Merck and Hanwha come together of etanercept generic**

Merck is set to enter the arthritis market by teaming up with Hanwha Chemical, producers of a generic version of Amegen's blockbuster arthritis drug etanercept. The deal, worth USD 720m, will see Merck take care of development, manufacturing, and marketing upon approval of the drug. (Source Wall Street Journal)



### **Pfizer expands in China with new JV**

Pfizer is set to join to the Chinese generics maker after striking a deal with Zhejiang Hisun Pharmaceuticals. The joint venture will see both companies collaborating with each other on manufacturing and marketing of off-patent drugs as well as combining some existing products and other assets. The goal for Pfizer is to extend its reach in the fast growing Chinese market place. (Source FierceBioTech)



## FINANCING ROUNDS SUMMARY MAY 2011 FROM BIOTECHGATE

COMPANY NAME	SECTOR	AMOUNT IN USD (M)	TYPE OF ROUND	STAGE	COUNTRY
AB-Therapeutics, SL	Biotechnology - Therapeutics and Diagnostics	3.6	n/a	Equity - First stage	Spain
Accentia Biopharmaceuticals	Biotechnology - Therapeutics and Diagnostics	4	n/a	Debt financing	USA
Acetylon Pharmaceuticals	Biotechnology - Therapeutics and Diagnostics	27	Series B / 2. Round	Equity - Second stage	USA
Alzprotect	Biotechnology - Therapeutics and Diagnostics	5.8	n/a	Equity - First stage	France
Ambit Biosciences	Biotechnology - Therapeutics and Diagnostics	30	Series D / 4. Round	Equity - Later stage	USA
Constellation Pharmaceuticals	Biotechnology - Therapeutics and Diagnostics	15	Series B / 2. Round	Equity - Second stage	USA
Crux Biomedical, Inc	Medical Technology	12	Series C / 3. Round	Equity - Later stage	USA
Cyterix Pharmaceuticals, Inc.	Biotechnology - Therapeutics and Diagnostics	9.2	Series A / 1. Round	Equity - Start-up	USA
Esperance Pharmaceuticals, Inc.	Biotechnology - Therapeutics and Diagnostics	7.5	Series B / 2. Round	Equity - First stage	USA
Gelesis Inc.	Biotechnology - Therapeutics and Diagnostics	6.2	Series C / 3. Round	Equity - Second stage	USA
Humanetics Corporation	Biotechnology - Therapeutics and Diagnostics	3.5	Series A / 1. Round	Research grants	USA
InfraReDx, Inc.	Medical Technology	24	n/a	Equity - Later stage	USA
Lotus Tissue Repair Inc.	Biotechnology - Therapeutics and Diagnostics	26	Series A / 1. Round	Equity - Start-up	USA
Nimbus Discovery	Biotechnology - Therapeutics and Diagnostics	24	Series A / 1. Round	Equity - First stage	USA
PolyRemedy, Inc.	Medical Technology	20	n/a	n/a	USA
Prosonix Ltd	Biotechnology / R&D Services	18	n/a	Equity - First stage	UK
Revance Therapeutics, Inc.	Biotechnology - Therapeutics and Diagnostics	45	Series E / 5. Round	Equity - Later stage	USA
Saladax Biomedical, Inc	Biotechnology / R&D Services	9	n/a	Debt financing	USA
Sapiens Steering Brain Stimulation GmbH	Medical Technology	19	Series A / 1. Round	Equity - Start-up	Germany
Selvita	Biotechnology / R&D Services	5.5	n/a	Post-IPO	Poland
Shield Therapeutics	Biotechnology - Therapeutics and Diagnostics	13	Series A / 1. Round	Equity - Start-up	Switzerland
Sorbent Therapeutics	Biotechnology - Therapeutics and Diagnostics	36	Series B / 2. Round	Equity - Second stage	USA
Stemgent	Biotechnology / R&D Services	10	Series B / 2. Round	Equity - Second stage	USA
TESARO, Inc.	Biotechnology - Therapeutics and Diagnostics	101	Series B / 2. Round	Equity - First stage	USA
Ultragenyx Pharmaceutical Inc.	Biotechnology - Therapeutics and Diagnostics	45	Series A / 1. Round	Equity - Start-up	USA



## THERAPEUTIC BIOTECH FINANCING - LAST 12 MONTHS

### FINANCING ROUNDS WORLDWIDE

in USD million's	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	June 2011	12 month Total
<b>Biotechnology - Therapeutics</b>	679.1	305.6	413.4	250.1	180.8	219.4	471.5	430.5	173.1	295.3	222.4	401.9	<b>4043.1</b>

### FINANCING ROUNDS IN THE US

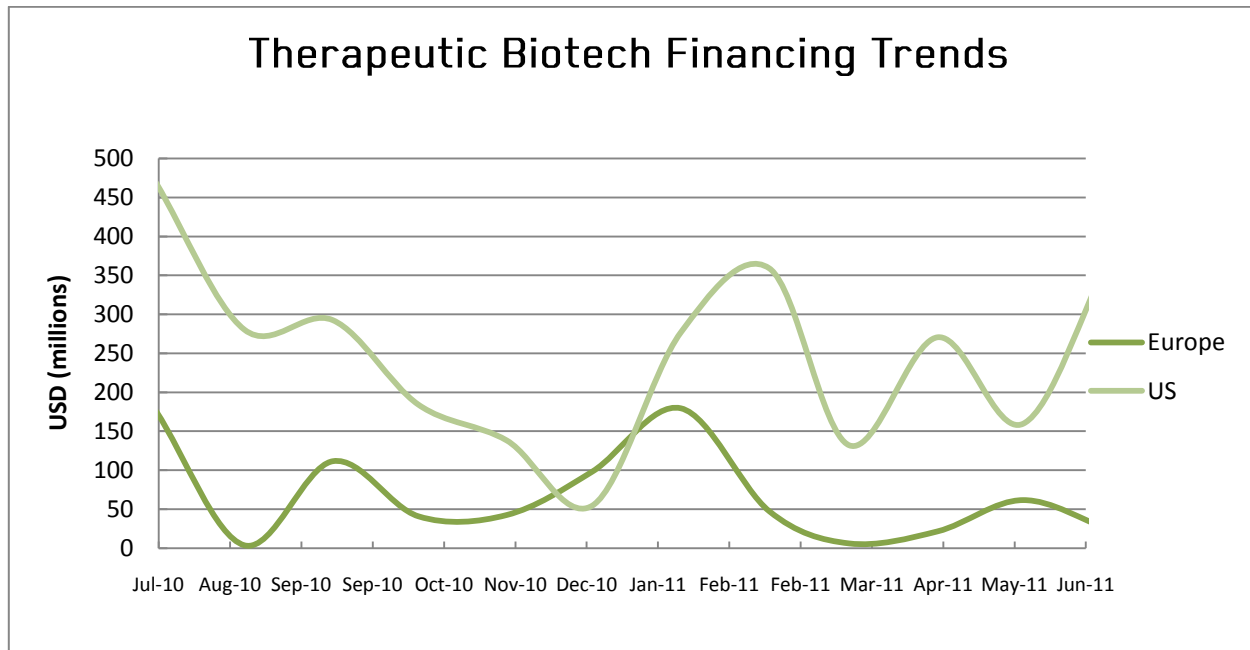
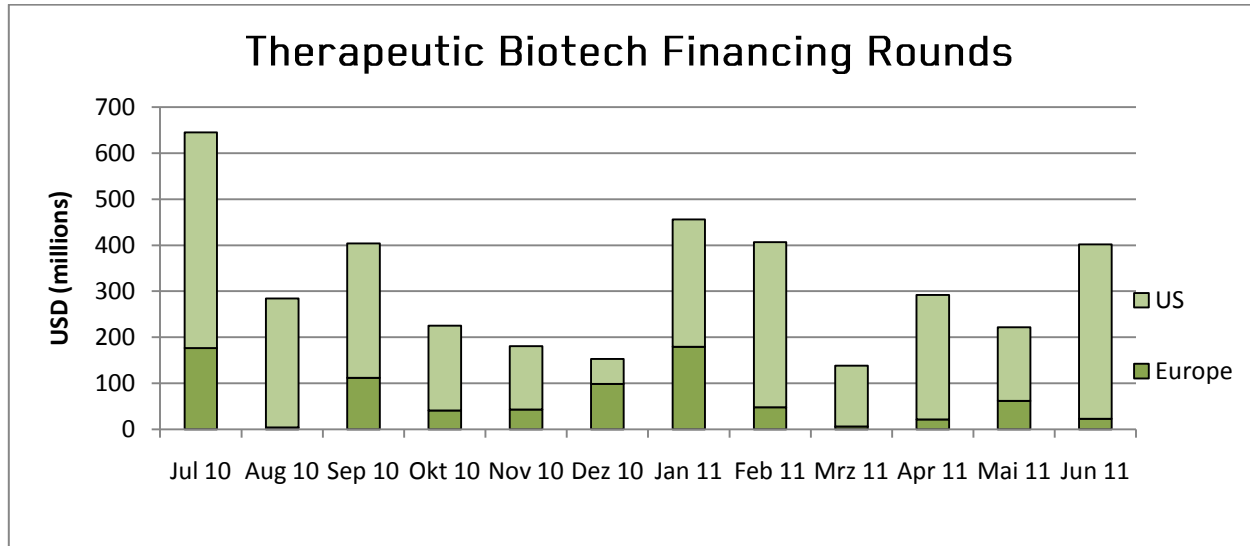
in USD million's	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	June 2011	12 month Total
<b>Biotechnology - Therapeutics</b>	469.2	280.4	292.5	184.1	138.1	54.5	276.7	359	131.9	270.5	159.6	379.4	<b>2995.9</b>

### FINANCING ROUNDS IN EUROPE

in USD million's	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	June 2011	12 month Total
<b>Biotechnology - Therapeutics</b>	176.3	3.85	111.6	41	42.7	98.4	473.5	47.5	6.2	21.7	61.8	22.6	<b>1107.15</b>



## THERAPEUTIC BIOTECH FINANCING - LAST 12 MONTHS



Source Biotechgate

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