



Welcome to Venture Valuation's new VC Deal Summary

The VC deal summary is Venture Valuations way of giving you a bird's eye view of the deal side of the Biotech industry. It is essentially a month in review of financing rounds, mergers and acquisitions and the biggest stories of the month. Also readers can see the trends in financing rounds of therapeutics, diagnostics and other biotech start-ups over the past 12 months and disparities between financing in Europe and United States.

May 2011: Financial highlights in the life sciences industry

FINANCING ROUNDS

Radius receives \$91M USD for late stage osteoporosis drug trial

Radius Health (Cambridge Mass. USA) wrapped up a \$91M USD financing round with \$66M in equity and approx. \$25M in a loan facility. Funds will be used for Phase III trial of BA058, a subcutaneous injection therapy for osteoporosis. Coinciding with the financing round Radius merged into an unlisted public company with plans to become listed on a national exchange. Financing came from those already invested including MPM Capital, BB Biotech Ventures, MPM Bio IV NVS Strategic Fund, The Wellcome Trust, HealthCare Ventures, and Scottish Widows Investment Partnership as well as some new faces BB Biotech AG, Brookside Capital, Saints Capital, Nordic Bioscience, and Ipsen Pharma. (source FierceBiotech)
<http://www.fiercebiotech.com/story/radius-lands-91m-plans-listing-it-executes-ph3-osteoporosis-drug-trial/2011-05-24>

TetraLogic to start Series C-1 with \$6M Investment

TetraLogic Pharmaceuticals(Malvern Penn. USA) secured an additional \$6M USD to go along with the \$37M raised over the past year for their drug TL32711, a molecule to treat cancer currently in Phase IIa. The funding came from Zurich based oncology experts Nextech Invest Ltd. Data from the TL32711 Phase 2a clinical studies will be available during the first half of 2012. (source FierceBiotech)
<http://www.fiercebiotech.com/press-releases/tetralogic-closes-6-million-series-c-1-investment-nextech-invest-ltd>



Pathway secures \$7.5M financing after FDA approval

Pathway Therapeutics (San Francisco CA, USA) announced on the 25th of May that the FDA has approved their drug PWT33597 into Phase 1 clinical trial. PWT33597 is a selective, dual inhibitor of PI3K kinase alpha and mTOR. The first drug with such a profile to enter clinical studies. To go along with the FDA approval GBS Ventures and CM Capital Investments, two of Pathway Therapeutics' existing investors, have invested an additional \$7.5 million into the company. (source FierceBioTech) http://www.fiercebiotech.com/press-releases/fda-approves-trial-pathway-therapeutics-cancer-drug-75-million-financing-pl?utm_medium=nl&utm_source=internal#ixzz1NSCjEyNC

Trius Therapeutics announces \$30M in Financing

Trius Therapeutics, (San Diego CA, USA) a biopharmaceutical company focused on innovative antibiotics for life-threatening infections, today announced funding from the sale of shares. A definitive agreements with unnamed investors will see Trius, upon the closing of the transaction, receive approximately \$30M USD in exchange for the issuance of 4,750,000 shares of Trius common stock and warrants to purchase 1,662,500 shares. Trius will use to use the proceeds to fund the clinical development of its torezolid phosphate. (source FierceBioTech) http://www.fiercebiotech.com/press-releases/trius-therapeutics-announces-pricing-30-million-financing?utm_medium=nl&utm_source=internal#ixzz1NSCmoeQo

Rigel receives \$130M for trial of asthma drug

Rigel Pharmaceuticals Inc. (San Francisco CA, USA) the makers of R343, an inhaled syk inhibitor designed to block the major pathways triggered by asthma, announced yesterday that it was offering 13.3 million shares of stock for \$8 each, for gross proceeds of \$130.4 million. The funding will support mid-stage development of Rigel's most advanced drugs as well as Rigel's other pipeline candidate. (source FierceBioTech) <http://links.mkt1985.com/ctt?kn=3D8&ms=3DMzQ3NjMxNwS2&r=3DMjMOMDY2NTQ1Nj=YS1&b=3D0&j=3DMTA5NTA3MDUyS0&mt=3D1&rt=3D0=>=20>

Department of Defense funds AcelRx's Pain Product Candidate

AcelRx Pharmaceuticals, Inc. (Redwood City CA, USA) has been awarded a \$5.6M grant by the US Army Medical Research and Material to support the development of a new product candidate, ARX-04. The grant is to support development of ARX-04, a fast-onset pain medication, through completion of a Phase II study, which we will begin in the second half of 2011. Under the terms of the grant, the USAMRMC will reimburse AcelRx for development, manufacturing and clinical costs needed for Phase II dose-finding trials, and to prepare to enter Phase III development. (source Company website) <http://news.acerlx.com/phoenix.zhtml?c=241441&p=irol-acerlxnewsArticle&ID=1568891&highlight=>

BerGenBio Secures Funding for Breakthrough RNAi Cancer Research Discovery Platform

BerGenBio (Bergen, Norway) has secured \$1.3M from local Sarsia Seed and Development funds to continue its leading research and development activities into CellSelect, the companies Cancer Discovery Platform. In addition to private equity, BerGenBio has also been awarded grants from Innovation Norway and FORNY. (source Company website) http://www.bergenbio.com/news_events/view/pr_1304994278



Top Health Care Investors provide \$28.8M in funding to Crown

Crown Biosciences, Inc. (Santa Clara CA, USA) a leading oncology CRO has announced the closing of a US\$28.8 million Series C financing. The proceeds will be used for expanding services in integrated cancer drug discovery and translational oncology, as well as to fund new initiatives in other therapeutic areas. The transaction was led by OrbiMed Advisors Caduceus Asia Partners Fund, Argonaut Private Equity, the CID Group, IBT, and CDIB Capital Investment. Existing shareholders Qiming Venture Partners and CRCI also participated. (Source yahoo Finance) <http://finance.yahoo.com/news/Crown-Bioscience-Inc-prnews-3307799797.html?x=0>

Delenex extends its A round to CHF 30.2 million

Delenex Therapeutics AG (Schlieren, Switzerland) which develops therapeutic antibody fragments for diseases with high unmet need, has secured an additional \$19.3M mio, providing a total Round A investment of \$34.8M. The lead investor for this venture equity investment round was Novo Ventures, with the existing A round major investors SV Life Sciences, HBM BioCapital, HBM BioVentures, BioMedInvest and VI Partners all contributing. The increased funding will be used to enable Delenex to bring DLX105 to trail in addition to evaluating the potential of Delenex' PENTRA[®] antibodies against other targets.(source company website) <http://www.delenex.com/news-en.xhtm?id=48>

Excelimmune Completes \$10.5 Million Series B Financing

Excelimmune, Inc. (Woburn Mass, USA) has finalized a \$10.5M Series B financing. Proceeds will enable Excelimmune to advance Staphguard, a human recombinant polyclonal antibody (HRPA) candidate against methicillin-resistant Staphylococcus aureus (MRSA) into clinical trial. Additionally, the financing will help the company's discovery platform and manufacturing systems. The Series B funding was provided by a syndicate of new and existing high net worth individual investors not named in the article. (source company website) <http://www.excelimmune.com/>

GenKyoTex raises \$21.5M Series C Financing to develop NOX enzyme inhibitors

GenKyoTex S.A. (Geneva, Switzerland) has raised \$21.5M in a Series C financing round led by Edmond de Rothschild Investment Partners. New investors include Vesalius Biocapital Partners and MP Healthcare Venture Management. Existing investors, Ecllosion, SEFTI SGAM and Fondation d'Aide aux Entreprises also participated in the financing. Clinical development of the lead compound GKT137831 for the treatment of diabetic nephropathy slated for Phase I clinical trials later this year will benefit most from the proceeds. (source company website) http://www.genkyotex.com/cdpdf/1306218831_Press_release_20110524.pdf

SpringLeaf Therapeutics Raises \$15M Series B Financing

SpringLeaf Therapeutics (Boston, Mass. USA) has closed a \$15M Series B financing round led by new investor SR One, the venture capital arm of GSK. Existing investors Flybridge Capital Partners and North Bridge Venture Partners also participated in the funding.



SpringLeaf is developing breakthrough therapies by that combine existing pharmaceuticals with a proprietary self-contained subcutaneous delivery system. By expanding the uses of biologic drugs SpringLeaf is developing a patient-centric platform essentially enabling more effective, better tolerated and cost-efficient therapies to address the core forces for change in health care. (source company website) <http://springleaf.com/docs/Press-Release-2011-05-12-Springleaf-Therapeutics-Raises-15M-Series-B-Financing.pdf>

MERGER & ACQUISITION

Stada looking for drug portfolios

Stada Arzneimittel AG, (Bad Vilbel, Germany) intent on expanding its portfolio outside its home country, claims to be negotiating to buy a portfolio of drugs from Grunenthal. Now Stada has announced it is in talks to buy Spirig Pharma's generics business in Switzerland. The Wall Street Journal reports Stada entering talks with Grunenthal to acquire a product portfolio worth about EUR360M consisting of mostly prescription pain killers, sold in Central and Eastern Europe. Stada expects a sales contribution from the acquisition of about EUR68.6 million for fiscal 2011, and EBITDA from the deal should be approximately EUR25.6M. The Spirig acquisition would be comprised of 56 prescription drugs and 15 non-prescription remedies. Stada CEO Hartmut Retzlaff said he is looking at three acquisitions to shift its geographic focus eastward to reduce dependence on German sales. sources WSJ.com and FierceBioTech) <http://www.fiercepharma.com/story/stada-talks-grunenthal-spirig-drug-portfolios/2011-05-20> <http://online.wsj.com/article/BT-CO-20110512-705645.html>

Nestlé strengthens Health Sciences division with Prometheus Acquisition

Nestlé Health Sciences (Vevey, Switzerland) has acquired San Diego-based Prometheus Laboratories, a gastrointestinal diagnostics company, for a price estimated to be more than \$1.4B. The buyout is all part of Nestlé's plans to develop "personalized nutrition strategies that will help in the management and prevention of chronic health conditions. Prometheus's leading edge diagnostics and highly experienced medical sales representatives together constitute a robust platform for Nestlé Health Science to accelerate its current and future healthcare business. It will enable new personalized healthcare solutions based on diagnostics, pharma and nutrition." said Luis Cantrell, CEO of Nestlé Health Sciences. (Source FierceBiotech) <http://www.fiercebiotech.com/story/nestl-sweetens-chronic-disease-division-14b-prometheus-buyout/2011-05-24>

Vyteris leaving delivery for CRO sector

Vyteris (Fairlawn NJ, USA) a drug delivery systems developer wants to sell its struggling transdermal technology business in order to move into CRO's. Vyteris is currently seeking a buyer for its technology platform only a few months after it the CRO [MediSync BioSrvices](#). Vyteris has apparently identified multiple small CRO's as potential takeover targets. (source OutsourcingPharma.com) <http://www.outsourcing-pharma.com/Clinical-Development/Vyteris-wants-out-of-delivery-tech-biz-and-into-CRO-sector>



Valeant, \$314M to Acquire Santias

Valeant(Montreal, Quebec, Canada) says it will buy Lithuania's Sanitas for about 314M EURO in a bid to expand its stable of branded generics in Europe. This should be a good opportunity for Valeant as Sanitas has in-house development capabilities in dermatology, ophthalmology and hospital injectables as well as a well established pipeline. Annual revenues for Sanitas are expected to be over 100 M EURO with above average revenue growth also expected over the next few years. (source company website)

<http://phx.corporate-ir.net/phoenix.zhtml?c=90887&p=irol-newsArticle&ID=1567000>

OTHER

CHMP backs GSK, Merck, BMS

The European Medicines Agency's Committee for Medicinal Products for Human Use (CHMP) has approved three drugs which recently received approval from the FDA. **GlaxoSmithKline** and Human Genome Sciences' lupus drug Benlysta, **Merck's** new hepatitis C drug Victrelis, **Bristol-Myers Squibb's** Yervoy for melanoma all received approval.

All three of these meds are expected to become blockbusters which should aid in the revenues lost when the three companies other drugs go off patent. Estimated have Benlysta hitting \$3.5 billion in annual sales with Victrelis bringing in more than \$1 billion in annual sales as well. Yervoy is expected to see revenue in the area of of \$1.2 billion.(source FierceBioTech) <http://www.fiercepharma.com/story/ema-nod-key-new-drugs-gsk-merck-bms/2011-05-20>



FINANCING ROUNDS SUMMARY MAY 2011 FROM BIOTECHGATE

Company name	Sector	Amount in USD million	Type of round	Financing stage / type	Country
AcelRx Pharmaceuticals	Biotechnology - Therapeutics	5.6	n/a	Research Grant	USA
BerGenBio AS	Biotechnology / R&D	1.3	Series A/Round 1	Equity Start-up	Norway
Crown Bioscience, Inc.	Biotechnology / R&D	28.8	Series C	Equity Later Stage	USA
Delenex Therapeutics AG	Biotechnology - Therapeutics	36.1	Series A/Round 1	Equity First Stage	Switzerland
Excelimmune, Inc.	Biotechnology - Therapeutics	10.5	Series B / 2. Round	Equity - First stage	USA
GenKyoTex S.A.	Biotechnology - Therapeutics	21.5	Series C / 3. Round	Equity - First stage	Switzerland
Mithridion, Inc.	Biotechnology - Therapeutics	1.2	Series C / 3. Round	Equity - Later stage	USA
Pathway Therapeutics	Biotechnology - Therapeutics	7.5	n/a	Equity - Early Stage	USA
Radius Health	Biotechnology - Therapeutics	91	Series C / 3. Round	Equity - Later stage	USA
Sensor TAG Solutions bv	Supplier & Engineering	0.37	Series A / 1. Round	Equity - Seed	Netherlands
SpringLeaf Therapeutics	Biotechnology - Therapeutics	15	Series B / 2. Round	Equity - Second stage	USA
Stimatix GI Ltd	Medical Technology	1	Series B / 2. Round	Equity - Start-up	Israel
Transcatheter Technologies GmbH	Medical Technology	2.5	Series A / 1. Round	Equity - First stage	Germany



BIOTECH AND THERAPEUTIC FINANCING – LAST 12 MONTHS

FINANCING DEVELOPMENT WORLDWIDE

in USD million's	Jun 2010	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	12 month Total
Biotechnology - Therapeutics	473.5	679.1	305.6	413.4	250.1	180.8	21.4	471.5	430.5	173.1	295.3	222.4	4114.7

FINANCING DEVELOPMENT IN US

in USD million's	Jun 2010	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	12 month Total
Biotechnology - Therapeutics	424.1	469.2	280.4	292.5	184.1	138.1	54.5	276.7	359	131.9	270.5	159.6	3040.6

FINANCING DEVELOPMENT IN EUROPE

in USD million's	Jun 2010	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	12 month Total
Biotechnology - Therapeutics	23.4	176.3	3.85	111.6	41	42.7	98.4	179.5	47.5	6.2	21.7	61.8	1107.95



Biotech Financing 2011

