



Venture Funding Trends

► **Trending now:** Report shows an increase in funding for rare diseases and a decrease in funding for chronic diseases.

SEVENTY-EIGHT percent of U.S. venture investment for therapeutics went toward novel drug R&D, suggesting innovation is a core priority for venture investors, according to the Biotechnology Industry Organization (BIO) in a first-of-its-kind study on venture financing broken down by disease area and novelty of research over the period from 2004 to 2013. The study encompasses \$38 billion of venture capital into more than 1,200 U.S. drug companies, receiving more than 2,000 rounds of funding from 2004 to 2013.

“Since venture financing is the lifeblood of our industry, we wanted to better understand trends in venture financing over the last decade by conducting the broadest, most comprehensive study possible,” says Cartier Esham, Ph.D., executive VP of emerging companies.

Other findings include:

- Total venture funding of drug R&D dropped 21%, from \$21.5 billion to \$16.7 billion, comparing five-year periods before and after the recent financial crisis (2004-2008 vs. 2009-2013).
- Disease areas affecting large populations — diabetes, psychiatry, gastrointestinal, respiratory, cardiovascular — have seen a decline in novel drug R&D venture funding.
- Rare disease funding has seen a large increase over the past decade in terms of both dollars raised and number of companies funded.
- There are fewer first-time Series A financings in recent years, down 30% from a peak in 2006, but higher dollar amounts for novel drug R&D venture funding.



Dr. Cartier Esham

Biologics Market to Increase

The global biological drugs market will reach a value of \$287.14 billion by 2019. It is expected to grow at a relatively strong CAGR of 10.1% from 2014 to 2020 upon its 2014 value of \$161.056 billion, according to Persistence Market Research.

The increase in the spread of chronic diseases all over the world is a major driver for the global biological drugs market; the increasing population of geriatric citizens is a driver linked with it. Increasing support from numerous governments for biological drugs is also expected to drive the global biological drugs market.

All three of these drivers for the growth of the global biological drugs market can be found in developed and populous regions such as North America and Europe. This makes these the prime market for biological drugs.

Rising demand from North America is expected to drive the global biological drugs market in the report's forecast period, with increasing governmental support in the Asia Pacific region bringing the most populous region in the world to the fore.

Physicians Rank Non-Adherence Solutions



Dr. Katrina Firlik

A newly released survey conducted by HealthPrize Technologies shows that physicians recognize medication adherence as an extremely important factor in clinical outcomes for patients with chronic conditions. The survey focused on diabetes, hypertension, and high cholesterol. Survey results also showed that while co-pay discount programs sponsored by pharmaceutical companies are important in promoting adherence, rewards programs rank equally in the minds of physicians.

“In ranking the importance of medication adherence to outcomes on a scale from one to 10, 96% of respondents put it at an eight or above,” says Katrina Firlik, M.D., co-founder and chief medical officer of HealthPrize.

Despite the physicians' recognition of the importance of adherence, however, fewer than half include medication adherence counseling upon a

new prescription. Counseling was more likely to be offered at follow-up visits instead.

Survey respondents were also asked about various interventions designed to improve adherence rates and improve clinical outcomes. While education ranked low on the list, the two solutions ranked highest were rewards (40%) and co-pay discounts (39%). ^{PV}

Therapeutic Trax

Cancer

The global non-small cell lung cancer (NSCLC) treatment market value will increase from \$5.1 billion in 2013 to slightly more than \$7.9 billion by 2020, expanding at a CAGR of 6.6%. This growth will be driven primarily by the introduction of numerous premium therapies, particularly in second-line and squamous cell treatment settings, which either replace or combine with generic chemotherapies.

Source: GBI Research

The value of the colorectal cancer (CRC) therapeutics market will increase moderately, from \$8.3 billion in 2013 to \$9.4 billion by 2020, representing a CAGR of 1.8%. This growth, which will occur across eight major developed countries, namely the US, UK, France, Germany, Spain, Italy, Japan, and Canada, will be limited by the patent expirations of Avastin and Erbitux during the forecast period, which will prompt the uptake of lower-priced biosimilars.

Source: GBI Research

CNS

Insomnia drug sales will fall rapidly from \$2.1 billion in 2013 to \$1.4 billion by 2016, before steadily recovering to \$1.8 billion by 2023, driven by the launch of two products, Merck & Co.'s Belsomra and Eisai's E-2006, and an increase in the prevalent cases of insomnia.

Source: GlobalData

Gastrointestinal

The global therapeutics market for irritable bowel syndrome (IBS) is set to rise from \$589.6 million in 2013 to \$1.5 billion by 2023, a CAGR of almost 9.9%. This will be driven by rising IBS prevalence, along with the increasing uptake of Ironwood/Actavis/Almirall/Astellas' Linzess.

Source: GlobalData