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Exclusive: BioAdvance portfolio generated \$450M in fiscal 2014

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BioAdvance's portfolio companies brought in \$450 million into the region in private investments and sale proceeds during its soon-to-end current fiscal year, the highest mark ever for the operator of the Biotechnology Greenhouse of southeastern Pennsylvania.

The bulk of the money — about \$400 million — came through the sale of two BioAdvance-based life sciences companies: Ceptaris and NuPathe. NuPathe was [sold to Teva](#) for \$144 million earlier this year. Ceptaris was [sold to Actelion](#) for \$250 million last year,

The other \$50 million was private investments secured from the more than three dozen companies that received early investments from BioAdvance, product sales and contract revenue.

"It's been a fabulous year," said [Barbara Schilberg](#), CEO of BioAdvance. "We're bringing money in and putting it back out on the street."

During its fiscal year that concludes June 30, the organization — [established in 2003](#) as one of three biotech greenhouses in the state using \$100 million from Pennsylvania's share of the tobacco industry settlement — invested \$854,000 in four new companies [VenatoRx, BioDetego, Well Track One and HealthQx] and allocated another \$1.7 million in follow-up investments or lines of credit for nine of its existing portfolio companies.

BioAdvance's investments are typically made in the form of a loan that can be converted into an equity stake in a company.

Schilberg said within the past few months they expanded into backing health IT companies through deals with Well Track One and HealthQx. She also said while their focus will also be Pennsylvania, the organization is looking in the entire Mid-Atlantic region for investment opportunities.

Here's a breakdown of the new investments: Well Track One, \$500,000; VenatoRx, \$123,000; HealthQx, \$200,000; and BioDetego, \$31,000

Follow-on investments went to Relmada, \$300,000; Merganser, \$270,000; Infrascan, \$250,000; Ossianix, \$225,000; Enzium, \$180,000; Immunome, \$100,000; and Midway, \$15,000

BioAdvance also provided line of credit to ISS, \$40,000, and OptoFluidics, \$100,000. BioAdvance expects to close on a separate \$250,000 investment deal with OptoFluidics, a Philadelphia [medical device company](#), by the end of this week.

You can read about all the companies [here](#).

BioAdvance, which had explored the idea of licensing and commercializing technology [on its own](#) [starting with a hand sanitizer and a hearing-assistance technology], is no longer pursuing that strategy.

"Neither one of those progressed and we are so busy now," Schilberg said. "We what did learn is we didn't have the time. You have people like [Jane Hollingswoth](#) and [Joan Lau](#) who have created an accelerator. That's probably the best model — where you can get a team of experienced people who amortize themselves over multiple technologies. We really like that approach. It doesn't have to be us (commercializing technology) In fact, we probably aren't the best at doing it because we have a big portfolio to manage. We are up to 38 seed investments. That's a lot. Keeping up with a growing portfolio is a challenge."

Schilberg said starting back in 2008, which the economic downturn touching all industries, they started looking to invest in firms that didn't need to attract venture capital investments to survive.

She said while some of its companies have raised large sums from venture capitals firms, such as the more than \$25 million raised by Novira Therapeutics, others have taken different routes. Optofluidics is generating revenues from a product, the NanoTweezer microscope attachment for researchers, it got into the market. Remalda, former Theraquest, has transformed itself and is in the process of completing a reverse merger. Treventis got a \$4.4 million Wellcome Trust grant to support its research.

Two other products developed by companies that BioAdvance backed, and were later sold, received regulator approval within the past year. One product was Valchlor, a lymphoma treatment developed by Ceptaris. The other was Mirvaso, a rosacea treatment discovered by SansRosa, which was acquired by Galderma.

Overall, Ten companies that BioAdvance has helped grow have been acquired.

Schilberg said of the 38 companies and technologies BioAdvance have supported, just five have failed.

"The others are all making progress," she said. "They may not be getting big venture deals, but they are doing work that is going to be meaningful down the road. We are not just keeping them alive."

Heading into fiscal 2015, BioAdvance — because it reinvests proceeds from early investments into new companies — expects to have about \$20 million to support early-stage companies and its

“That’s the same place we started 10 years ago,” she said. “We’ve recycling all the time. I think we’ve proven this model works.”

John George covers health care, biotech/pharmaceuticals and sports business.