

BioAdvance investments topped \$3M in fiscal 2017

Aug 14, 2017, 10:00am EDT



BioAdvance CEO Barbara Schilberg

BioAdvance invested \$3.2 million in 12 early-stage life sciences companies in the Mid-Atlantic region during its recently completed fiscal year, adding seven new companies to its portfolio and making follow-on investments in five of its existing companies.

The figure was slightly about the \$2.9 million [it invested the previous year](#).

“The deal flow was up [in fiscal 2017] and we liked the quality of the opportunities that are being brought to us,” said [Barbara Schilberg](#), BioAdvance’s CEO.

“The region’s rich innovation pipeline produced tremendous diversity of start-up opportunities across the health care sector, which is reflected in the variety of investments BioAdvance made this year.”

The companies it backed are involved in helping everybody from the hearing impaired and to people with rare skin disorders, cancer and diabetes.

Schilberg said they have already completed two deals this fiscal year, and have another seven in various stages of discussion.

BioAdvance got its start in 2003 as the operator of the Biotechnology Greenhouse of Southeastern Pennsylvania — one of three greenhouses set up by the state, using \$100 million from Pennsylvania’s tobacco industry settlement funds — to incubate and help nurture young biotech firms. Today BioAdvance has evolved into a largely self-supported venture capital firm that provides early-stage capital for companies developing technologies to improve human health. Its initial investment in a company or technology is typically \$250,000 to \$500,000.

Since making its first investments 14 years ago, BioAdvance has committed \$35.7 million in funding to 80 organizations. Those portfolio companies have leveraged \$2.65 billion in subsequent capital — including proceeds from 12 acquisitions. Eleven products developed by the group have received FDA approval.

Schilberg said they focus on companies and entrepreneurs along the I-95 corridor in the Mid-Atlantic. “There is plenty of deal flow here, so we don’t feel the need to go further out,” she said. “Most of our investments are in Pennsylvania because we want to do deals here, not because we have to.”

Among the trends she saw last year were more student entrepreneurs looking to launch companies, particularly students from the University of Pennsylvania, and entrepreneurs becoming more willing to invest in other entrepreneurs.

BioAdvance’s largest investment during fiscal 2017 was its \$850,000 investment in the Mebias Discovery, a Philadelphia company that is developing a compound known as a “biased mu opioid agonist” to treat pain without the debilitating side effects and addiction potential of traditional opioids.

While it continues to be the first institutional investor for many new companies, Schilberg said, BioAdvance is also seeing more opportunities to syndicate with other investors in early-stage firms.

The venture fund invested \$600,000 investment in New York city-based Cohero Health as part of a \$10.5 million series A financing for the company, which is working on smart mobile technology to transform respiratory disease management. BioAdvance was joined by other investors in six other deals during fiscal 2017.

Last month, BioAdvance made a follow-on investment of \$250,000 in [VenatoRx](#) — a Wayne, Pa., biopharmaceutical company developing next-generation antibiotics — as **part of a \$42 million series B round** led by Versant Ventures, Abingworth and Foresight Ventures.

“This new financing will enable us to accelerate and expand our portfolio of novel investigative therapies to address the growing global threat of multi-drug resistant infections,” said Christopher Burns, the co-founder, president and CEO of [VenatoRx](#).

BioAdvance in July also invested \$500,000 in Philadelphia-based TalexMedical to support the manufacturing and launch of a Children’s Hospital of Philadelphia-invented device for pediatricians to use to correct deformities of infant’s ears.

Here is a rundown of BioAdvance's fiscal 2017 investments:

- Mebias Discovery of Philadelphia, \$850,000, non-opioid pain medications.
- Cohero Health of New York City, \$600,000, mobile technology for respiratory disease management.
- Keriton of Philadelphia, \$500,000, breast milk management system for neonatal ICUs.

- Palvella Therapeutics of Wayne, Pa., \$500,00, topical formulation of a marketed drug to treat a rare skin disorder.
- Pillo Health of New York, \$250,000, interactive home health care hub that includes medication dispensing.
- Immunome of Philadelphia, \$200,000, cancer immunotherapies.
- Genome Profiling of Newark, Del., \$100,000, novel epigenetic biomarker discovery.
- Jenrin Discovery of Chadds Ford, Pa., \$60,000, treatments for diabetes, obesity and NASH.
- Cytovas of Philadelphia, \$50,000, informatics platform to analyze flow cytometry data.
- Olive Devices of Philadelphia, \$50,000, technologies for the hearing impaired.
- Ride Health of Philadelphia, \$50,000, medical transportation technology platform
- WellTrackONE of New York City, \$25,000, wellness programs



John George
Senior Reporter
Philadelphia Business Journal