



Quaker finds rich pickings in tight geographical focus

By Lisa Davies

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Quaker BioVentures has established itself as a specialist life sciences venture capital company focused on the mid-atlantic region of the US, from New York to North Carolina.

The company attributes its early success to this geographical focus, enabling it to invest \$280 million in four different funds in just three years.

"Historically, this area has received more NIH funding and has generated significantly more life science patents than the entire west coast, yet it receives less investor funding. In addition, the area is home to many big pharmaceutical companies that provide access to spin-out, collaboration and exit opportunities," said Richard Kollender, a principal at Quaker BioVentures.

"There are so many high-quality companies in the area and there is no end to the demand for funding opportunities," he added. Quaker invests in companies across the spectrum of the life science industry, including pharmaceutical and device and diagnostic companies in varying stages of development, from early-stage businesses to public companies.

It typically invests between \$5 million and \$20 million in each company, with initial investments ranging from \$2.5 million to \$10 million. It has participated in Series A as well as later-stage rounds.

So far, its portfolio consists of 12 companies, of which just one, Discovery Laboratories, is publicly traded. Other portfolio companies include Biolex, BioRexis, Eximias, Medmark, Neotropix, Nucleonics, TargetRx and Transport Pharmaceuticals.

Quaker intends to retain its investment in the companies for around five years, which means that it must not only create a diversified range of companies but must also ensure that they are in good enough shape to provide a reasonable exit for the investor after that time.

To this end, Mr Kollender sees Quaker's role as not only providing funding, but more importantly helping with business strategies to ensure that they are commercially attractive for an exit after the investment period has expired.

"We are keeping up our relationships with big pharma to understand their needs to make sure we guide our portfolio companies in the right direction. IPOs are not what they were, so we must work towards different exit strategies such as M&A activity," said Mr Kollender.

Quaker hopes to establish another fund in around a year's time.

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