

### Liquidia To Advance Influenza Vaccine With Series C Funding

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With \$7 million in new funding under its belt, nanotechnology company Liquidia Technologies Inc. is boosting its manufacturing operations to begin Phase I trials for its lead influenza vaccine next year.

New investor Canaan Partners led the Series C round, an investment that followed Venture Partner Seth Rudnick's appointment as chairman of the company last year. That appointment came after Liquidia got to know Canaan while raising its 2007 Series B round, said Liquidia Chief Operating Officer Luke Roush. Canaan General Partner Stephen Bloch will join Liquidia's board.

"We felt like we knew the people there," Roush said of choosing Canaan over other potential Series C investors. "We felt like they were going to be very value-added to us as an organization."

The Series C, which closed July 1, included new investor Pappas Ventures and existing investors Firelake Capital Management and New Enterprise Associates. Previous investors Siemens AG and Wakefield Group did not participate in the round, but are still shareholders, according to Roush.

Siemens, which provided seed and Series A investments to the company, has not been as involved since the company's change in focus from materials science and microfluidics about two and a half years ago, Roush said. Wakefield, an early-stage investor that participated in the company's fund-raising prior to the Series C, is still very active with the company and continues to hold a board seat, he said. Neither Siemens nor Wakefield returned requests for comment by press time.

With the Series C, Liquidia has the ability to take in an undisclosed amount of additional capital, Roush said, but has not made any commitments at this time. The new round, with an undisclosed valuation, brings Liquidia's total equity fund-raising to \$31.5 million.

The Research Triangle Park, N.C.-based company plans to use the new funds to bring its manufacturing environment in line with good manufacturing practice regulations. That move is aimed at facilitating the company's planned start of Phase I trials for its lead influenza vaccine candidate late next year.

Liquidia focuses on the development of vaccines, small interfering RNA delivery and inhaled therapeutics through its nanotechnology platform that uses a combination of films manufacturing and microelectronics. Liquidia, which formed a partnership with Abbott Laboratories late last year, has formed three additional, undisclosed new partnerships since then, Roush said. The company plans to continue to pursue new partnership deals.

Liquidia added Thomas Templeman as senior vice president of integrated supply chain in June to further the company's manufacturing efforts. Templeman previously was general manager of a manufacturing site at Centocor Biologics, an operating company of Johnson & Johnson.