

VENTUREWIRE

Holaira Closes \$42M Series D to Test and Launch COPD Device

Timothy Hay

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Pharmaceutical companies have been paying big money to acquire startups offering medications to help sufferers of chronic obstructive pulmonary disease breathe easier.

But could a medical device do a better job of it? Holaira Inc. has raised another \$42 million to find out.

The Minneapolis company says its catheter-based device to treat COPD will offer patients better and longer-lasting results. The company is gradually moving toward a market launch in Europe and closed the \$42 million Series D round to make it happen.

Company spokeswoman Lorraine Marshall Wright said Holaira has now raised a total of \$72 million from investors. Valuation wasn't disclosed.

The Series D was co-led by new investors Vertex Venture Holdings, Windham Venture Partners and two undisclosed strategic investors, joined by return backers [Advanced Technology Ventures](#) , [Morgenthaler Ventures](#) , [Split Rock Partners](#) and [Versant Ventures](#) .

The company will use the funding to finish clinical trials of its denervation device in Europe, and it hopes to commercially launch in that market in the middle of next year, Ms. Wright said. The company will later pursue regulatory approval to sell in the U.S., she added.

Holaira aims to use a well-known treatment for hypertension--the denervation of sympathetic nerves--in the area of COPD and other lung conditions. Denervating, or deadening, the nerves within the lungs will cause muscles to relax and the patient's airway to open, offering permanent relief that is not offered by bronchodilator medications, which must be taken daily and long-term, Ms. Wright said.

If successful, Holaira would be the first company to bring denervation to the COPD treatment space, Ms. Wright said.

The company is looking to disrupt a multi-billion-dollar business segment crowded with top-name pharmaceutical companies like [GlaxoSmithKline PLC](#) , [Pfizer Inc](#) . and [AstraZeneca](#) PLC.

The past 18 months have seen consolidations in the space and acquisitions with large price tags.

[Sunovion Pharmaceuticals Inc](#) . acquired venture-backed [Elevation Pharmaceuticals Inc](#). for [\\$430 million](#) in 2012. The deal was followed last summer by another, as [AstraZeneca](#) announced it would [pay \\$1.15 billion](#) for [Pearl Therapeutics Inc](#) .

Chronic obstructive pulmonary disease, which includes emphysema and chronic bronchitis, narrows the airways of the lungs, which can make breathing difficult. Other treatments for the condition include inhaled corticosteroids, oxygen therapy or surgery to remove lung tissue.

Renal denervation--the approach taken by [Holaira](#)--is common in treating hypertension. [Medtronic Inc](#) ., [St. Jude Medical Inc](#) ., [Covidien PLC](#) and other top medical-technology makers offer devices to denervate areas of the body that regulate hypertension, or high blood pressure.

<http://holaira.com>

Write to Timothy Hay at timothy.hay@wsj.com