

# Impinj Raises \$26.5, Turns First Profit

The company says this fourth round will likely be its last, as it turns a profit this quarter and considers an IPO.

By Mary Catherine O'Connor

Dec. 19, 2005—Impinj, a Seattle, Wash.-based semiconductor company that manufactures passive RFID tags and interrogators, says it has closed its fourth round of funding, totaling \$26.5 million. The funding was led by GF Private Equity Group, based in Ignacio, Colo. Impinj president and CEO Bill Collieran says this is likely to be the company's final round of funding.

"We'll be profitable for this fourth quarter," says Collieran. "This is a little ahead of schedule and is due to more demand for our [Gen 2] products than we expected. This quarter is especially busy because companies are ramping up for Wal-Mart's next mandate deadline [January 2006]." Since its founding in September 2000, Impinj has raised a total of \$75 million.

Impinj expects 2006 to be a break-even year, though it might see a similar spike in inlay sales to pharmaceutical manufacturers ramping up to meet the FDA's recommendations and some states' impending requirements for keeping a pedigree that tracks the movement of drugs through the supply chain.

Within the next 18 months, Collieran says, Impinj might be making an initial public offering. "This depends on the state of capital markets, and how the markets for our end products continue to grow," he says.

GF Private Equity Group is a new investor in Impinj, as is VentureTech Alliance, which has offices in San Jose, Calif., Seattle and Taiwan, and is also a stakeholder in Taiwan Semiconductor Manufacturing Co. (TSMC), which manufactures Impinj's integrated circuits.

The remaining investment firms involved in the \$26.5 million funding are ARCH Venture Partners, Madrona Venture Group, Mobius Venture Capital and Polaris Venture Partners. All of these companies have previous Impinj investments, says Collieran, and seats on Impinj's board of directors.

Also contributing to this fourth round of funding are returning investors Unilever Technology Ventures, UPS Strategic Enterprise Fund (investment arms of Unilever and the United Parcel Service, respectively), and an investment firm called the Viterbi Group.

Collieran says Impinj will use the \$26.5 million in many different parts of its business, from marketing to operations. "We'll be growing the business aggressively on all fronts," he says, "and our present profitability and the amount of cash we've just raised should serve us so that we shouldn't need to get more funding [going forward]," he says.

Impinj announced earlier this year that it would be shipping more than 50 million of its Gen 2 chips in 2005, and that it had established supplier partnerships with Alien Technology and Texas Instruments (see Impinj to Ship 50M Gen 2 Chips in 2005 and TI Buys Impinj Gen 2 Chips for Inlays). Collieran says a number of large

retailers are currently testing the Gen 2 Speedway interrogator (reader) that Impinj announced in April (see [Impinj Announces Gen 2 Tags, Reader](#)), and that the unit will go into production in January. The Speedway design is being licensed to third parties that will manufacture the units and sell them under different brand names.

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