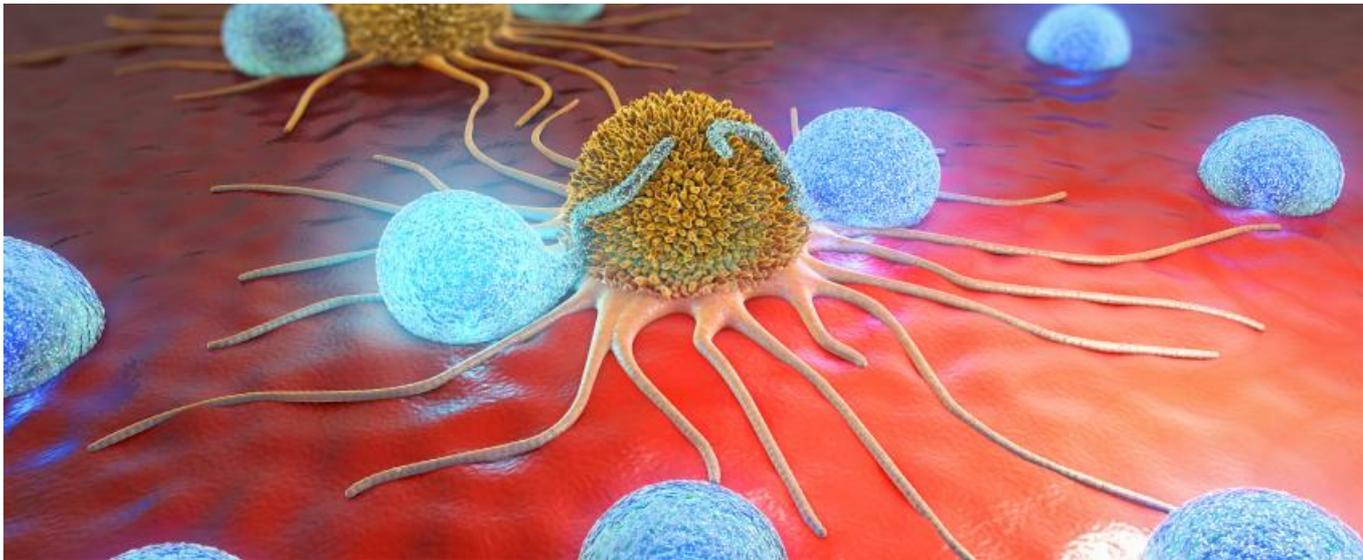


## A Nasdaq float is scrapped, but for Poseida that's great news



[Jacob Plieth](#)



### **The CAR-T company cancels its Nasdaq IPO after securing more in a Novartis-led private financing.**

Poseida Therapeutics has long been seen as one of the most promising of a new crop of cell therapy players, so eyebrows were raised when all went quiet about its planned \$115m Nasdaq flotation. Yesterday the markets found out that, far from signalling a worsening of market conditions, the group actually had an even better plan.

Instead of braving the volatility of the public markets Poseida has secured \$142m in private funding. Even better, the financing has been led by Novartis, a fact that in many investors' minds will point the way to an eventual takeover by the Swiss company.

That said, were it not for the investment Novartis would not be seen as an obvious acquirer. True, it was the first big company to back CAR-T, and in Kymriah launched the first such product commercially, but it has spent the past three years blowing hot and cold on cell therapy, [at one point disbanding a division](#) dedicated specifically to it.

Indeed, Novartis's perceived lack of commitment and staff reductions are rumoured to have contributed to the University of Pennsylvania team, which had originated Kymriah, setting up a separate start-up, Tmunity Therapeutics.

### **New generation**

Tmunity and Poseida represent a new generation of CAR-T players that have piqued investors' attention of late, and it was during January's JP Morgan conference that the latter caused a splash, filing to raise \$115m in a Nasdaq IPO.

However, while two other cell therapy floats – Precision Biosciences and TCR2 Therapeutics – got away, there had been no news from Poseida ([Off-the-shelf approaches keep cell therapy investors keen](#), March 2, 2019). Until yesterday, that is; announcement of the \$142m private raise was accompanied by a [request from Poseida](#) that its IPO registration statement with the US SEC be withdrawn.

The fact that Novartis was willing to lead a private round worth more than Poseida was looking to raise in an IPO is reason enough to forgo flotation. Add to this the validation provided by the Swiss firm, which will keep the M&A rumour mill active, and the move becomes a no-brainer.

Other biotechs eyeing the public markets will also take heart: the first quarter looked average in terms of new issues, though this might have been down to the US government shutdown. But many were keen to see evidence of a pick-up, and had Poseida canned its IPO citing “adverse market conditions” sentiment would have been dealt a blow.

## Attraction

As it stands the attractions of Nasdaq and of Poseida remain intact. One of Poseida’s is that its CAR-T constructs do not use an antibody sequence to bind the target antigen, but have instead an artificial scaffold based on Centyrins technology licensed from Johnson & Johnson. This could make them more specific as well as intellectual property advantages.

The company also boasts a gene-editing technology called Cas-Clover, which appears to be a variation of Crispr/Cas9 and is employed in an allogeneic project that could enter the clinic this year or in 2020. Poseida’s autologous assets are more advanced, of course, and investors have focused most on P-BCMA-101, an anti-BCMA CAR the company plans to file for US approval next year.

Novartis putting financial backing behind a BCMA CAR could be seen as a threat to several players in this crowded field, notably Celgene (soon to be part of Bristol-Myers Squibb), which in BCMA has rights to two Bluebird assets, bb2121 and bb21217, as well as three derived from Juno: JCARH125, MكارH171 and FCARH143.

Perhaps most surprisingly, however, Novartis itself is already developing CART-BCMA under its deal with Penn, so perhaps this project is now destined not to go anywhere fast.

Also going nowhere fast is Bellicum, a CAR-T company that at one point claimed to have exclusive rights to an iCasp9/rimiducid-based safety switch that several groups, Poseida included, now use routinely. It will not go unnoticed that Poseida’s private round exceeded the value of Bellicum’s entire market capitalisation.

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