

## Venture funding stays strong despite the gloom



[Edwin Elmhirst](#)



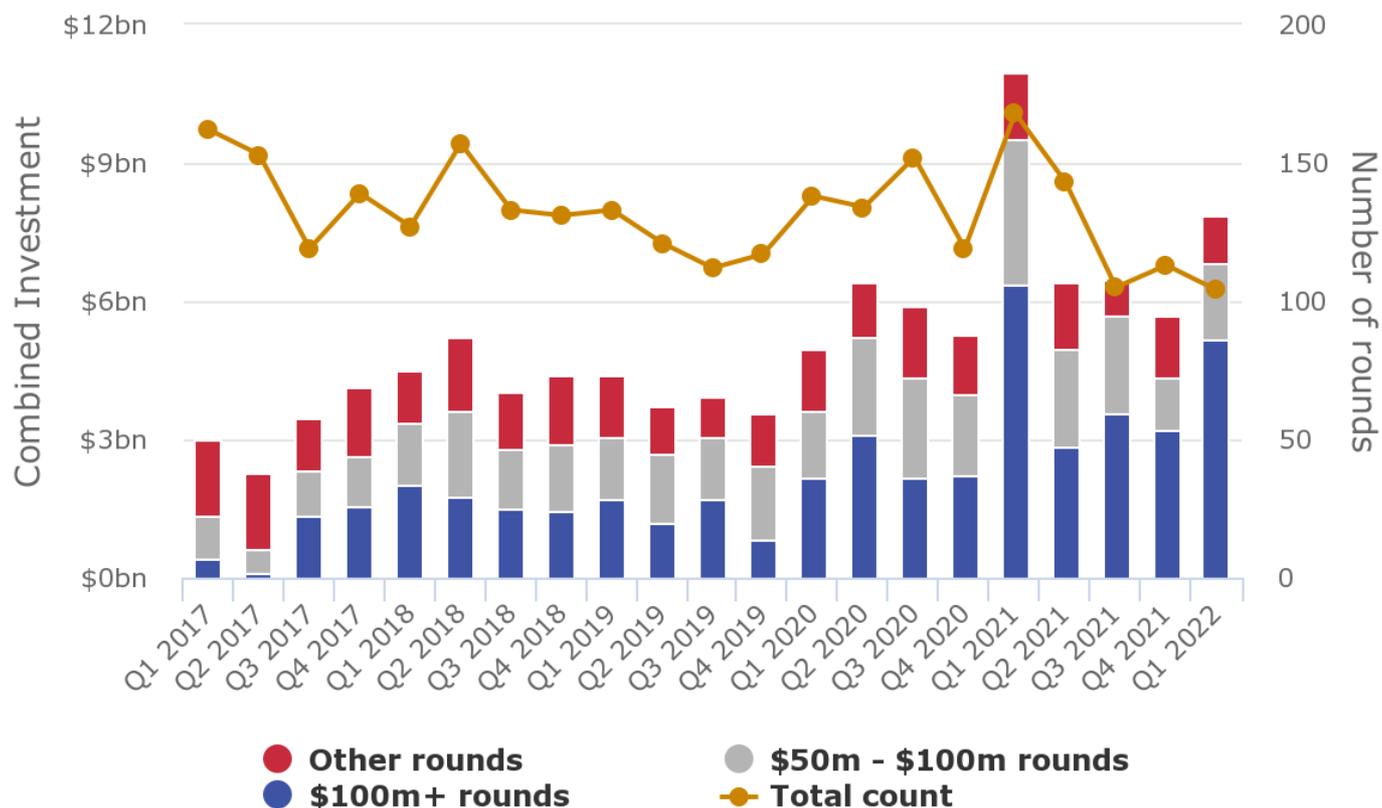
### But how long can the money keep rolling in?

Biotech companies are struggling on the public markets, the IPO window is all but closed, and big pharma is not buying. Despite all this, venture financing for young biotech groups remains in rude health.

In fact, the first quarter of this year outperformed every other barring 2021's monster first quarter, the latest analysis of *Evaluate Pharma* data shows. The big question now is how long this source of funding can hold up given the broader issues the sector is facing.

Ultimately, venture backers want their exits, and if these are not available it will become harder for private companies to attract cash.

## Quarterly biopharma VC rounds



Evaluate

At least one VC, Bruce Booth of Atlas Venture, believes that the money will not dry up, at least in the near future. He [noted](#) that various funds had recently “reloaded”, with this cash earmarked for biotech.

However, he sounded a note of caution: the formation of new US biotech groups appears to have fallen off a cliff, based on the number of first financings, which might be an early sign of souring sentiment.

### Live forever

For now, though, early-stage groups still have the opportunity to rake in huge amounts of cash. The first quarter demonstrated this neatly with a \$3bn round for the newest anti-ageing specialist on the block, Altos Labs.

Altos will be headed by Glaxosmithkline’s Hal Barron, and is said to count Jeff Bezos among its investors; with a focus on “cellular rejuvenation programming” it is perhaps on the fringes of what can be classed as biotech. Removing this fund raising from the analysis makes the first quarter look more ordinary, but only in the context of the past two years, [which set records for VC investment](#).

This analysis concerns pure-play drug developers only, and excludes sectors like medtech and digital health.

A look at the other big rounds shows that gene therapy and editing remain popular, despite the fact that this sector has largely failed to live up to the hype, and genetic medicine specialists have seen their stocks languish as a result.

Still, Maze Therapeutics has not put all its eggs in the gene therapy basket, and is also developing large and small molecules against genetically defined targets. And Metagenomi gained validation via [a partnership last year with Moderna](#).

For now, these young private groups – and others like them – appear to have little reason to worry. But if the current downturn persists then this picture is likely to change.

Top five rounds of Q1 2022			
Company	Investment (\$m)	Financing round	Description
Altos Labs	3,000	Undisclosed	Cellular rejuvenation programming
Kallyope	236	Series D	Gut-brain axis therapies
Maze Therapeutics	190	Undisclosed	Rare and common genetically defined diseases
Affini-T Therapeutics	175	Undisclosed	T cell therapies
Metagenomi	175	Series B	Gene editing

*Source: Evaluate Pharma.*

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Evaluate HQ  
[44-\(0\)20-7377-0800](tel:44-020-7377-0800)

Evaluate Americas  
[+1-617-573-9450](tel:+1-617-573-9450)

Evaluate APAC  
[+81-\(0\)80-1164-4754](tel:+81-080-1164-4754)

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