

VCs fall for Moderna love with record-setting round



[Jonathan Gardner](#)

In one day Moderna Therapeutics has rewritten the instruction manual on what can be achieved by an early-stage biotech with a promising technology. Its \$450m venture round shattered all previous records, and brings the total raised by the four-year-old company to support its messenger RNA technology to nearly \$1bn.

The previous pace-setter, Intarcia Therapeutics, achieved a \$200m financing round to support a phase III project. Moderna is even more remarkable in that it has not a single candidate in clinical development. This fundraising shows how investor enthusiasm for all things biotech has filtered into the venture capital world.

Scaling up

The financing gives Massachusetts-based Moderna a war chest of \$800m and sets it up for a massive scale-up – most significantly, adding 100 employees to its current roster of 145. This will support advancing the group's 45 programmes towards human trials.

Moderna says its technology has mastered the drawbacks of using messenger RNA (mRNA) to stimulate therapeutic protein production by improving stability and avoiding immune response. It also claims that the big difference from previous approaches to protein therapies is its ability to use mRNA to manufacture intracellular proteins, rather than simply addressing deficiencies of secreted proteins.

It is currently working in rare disorders, cardiovascular disease and antibacterials. Separately, it spun out its 15 oncology candidates into Onkaido Therapeutics.

The technology is attractive enough to have snared AstraZeneca and Alexion Pharmaceuticals as partners, the former paying \$240m up front to work in oncology and cardiovascular disease and the latter \$100m in orphan disorders ([Astra's near-record research deal gets lost in the noise, March 21, 2013](#)). The US government's Defense Advanced Research Projects Agency (Darpa) has also backed a \$25m infectious diseases project.

New mark

The scope of those deals would seem to be a fairly big vote of confidence already, but now comes this funding round that sets a new benchmark in the biotech venture world (see table below). The round included new investors Viking Global Investors, Invus, RA Capital Management and Wellington Management Company. Astra and Alexion, which both made equity investments as part of their strategic collaborations, also stumped up cash for the new round.

Moderna rewrites the record books: previous top 10 biotech VC rounds since 2008*

Company	Financing date	Investment (\$m)	Financing round	Status of investment
Intarcia Therapeutics	2014	200	Series H	Active investment
Intarcia Therapeutics	2012	160	Series G	Active investment
Intrexon	2013	150	Series F	Exit (IPO)
Clovis Oncology	2009	146	Series A	Exit (IPO)
Juno Therapeutics	2014	134	Series B	Exit (IPO)
Juno Therapeutics	2013	120	Series A	Exit (IPO)
Moderna Therapeutics	2013	110	Series B	Active investment
Pacific Biosciences	2010	109	Series F	Exit (IPO)
Adaptimmune	2014	104	Series A	Active investment
Tesaro	2011	101	Series B	Exit (IPO)

**Data according to EvaluatePharma*

Consider that the previous top 10 is a who's who of companies that have managed to prosper in one way or another – Intarcia having signed a healthy licensing deal with Servier for \$170m up front while Juno, Intrexon, Pacific Biosciences and Tesaro successfully floated on public exchanges. This listing also shows how the haves of biotech continue to benefit at the expense of the have-nots; Moderna only amplifies this trend.

With \$800m in the bank, Moderna might not necessarily be in any hurry to follow the path of Juno, which moved from major fund raising to IPO in the space of six months – Moderna's chief executive, Stéphane Bancel, has said publicly that his company benefited from the focus afforded by having a smaller pool of investors and working stealthily. That said, if the company is to float, it might be wise to do so before the steam runs out of the biotech investment boom.

No matter its decision, it almost certainly has the cash to get to the next big milestones: the first trials in humans and proof-of-concept data. Financiers, partners and competitors alike will be looking to those dates with keen interest.

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