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DIVE BRIEF

Two antibody startups file for IPOs amid summer slump

Bicara Therapeutics and Zenas BioPharma both registered plans for initial public offerings on Thursday.

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Zenas BioPharma and Bicara Therapeutics on Aug. 22, 2024, filed plans to go public on the Nasdaq stock exchange. Michael M. Santiago via Getty Images

Dive Brief:

- A pair of U.S. biotechnology companies on Thursday filed plans for initial public offerings, testing a market that's proven challenging to crack for young drug startups lacking clinical data or without the backing of a major investor syndicate.
- One of the two, Zenas BioPharma, is developing a bifunctional monoclonal antibody called obexelimab for several immune diseases. Its most advanced program is in what's known as immunoglobulin G4-related disease, for which it's enrolling a Phase 3 trial testing the drug.
- Hot on its heels is Bicara Therapeutics, a cancer drugmaker in Phase 1 testing with a bifunctional antibody called ficerafusp alfa, which it's developing for head and neck squamous cell carcinoma.

Dive Insight:

After a promising start, the pace of biotech IPOs has slowed. Fifteen drugmakers have successfully priced initial stock sales this year, putting 2024 on a similar trajectory as 2023, when 19 biotechs priced, and 2022, when 22 did, according to BioPharma Dive data.

Opportunities for investor exits still exist in IPOs and pharmaceutical company acquisitions, though largely for biotechs with clinical data, according to a Friday report from PitchBook, which tracks financing trends in biotech and healthcare.

“The IPO landscape showed a mixed picture, with high-quality companies going public, albeit in decreased quantities,” Kazi Helal, a senior analyst at PitchBook, wrote in the report.

Zenas and Bicara fit that profile, as they are both armed with clinical data and plenty of cash, having each raised north of \$350 million in venture investment.

Bicara brought much of its funding in last year via Series B and C rounds that totaled \$273 million. The biologics company launched in 2021 with a “deep pipeline” of programs, but has since focused its efforts on testing ficerafusp alfa in combination with Merck & Co.’s Keytruda.

Indian pharmaceutical company Biocon and its chairman Kiran Mazumdar-Shaw hold a combined 35% stake in Bicara, which was founded by Mazumdar-Shaw’s niece Claire Mazumdar, a former investor at Third Rock Ventures. Other life sciences venture firms, such as RA Capital Management, Red Tree Venture and Omega Fund, are also investors in the company.

Zenas is backed by a range of venture capitalists including Enavate Sciences, SR One and Longitude Capital. After licensing its drug obexelimab from Xencor, the company obtained Phase 2 data in IgG4-related disease that convinced Bristol Myers Squibb to pay

\$50 million upfront for certain regional rights to the drug.

Founded by former Tesaro founder Leon Moulder, Zenas was incorporated in 2019. Tesaro, which developed the PARP inhibitor Zejula, was acquired by GSK in 2018 for \$5.1 billion.

Neither Zenas nor Bicara has yet set a price range for its shares.

The last major biotech IPOs this year have come from Alumis and Artiva Biotherapeutics, which raised \$210 million and \$167 million, respectively, in their stock sales.