



2022

# BIOPHARMA FUNDING REPORT

[MassBio.org/2022-funding-report](https://massbio.org/2022-funding-report)

# TABLE OF CONTENTS

The data presented in this report references Massachusetts-headquartered companies only.

## **3 EXECUTIVE SUMMARY**

## **4 VENTURE CAPITAL**


## **5 TOP VC FINANCING ROUNDS IN 2022**

## **6 LOCATION OF VC-BACKED COMPANIES IN 2022**


## **7 BIOPHARMA IPOS IN 2022**

## **8 TOP 2022 BIOPHARMA MERGERS AND ACQUISITIONS**

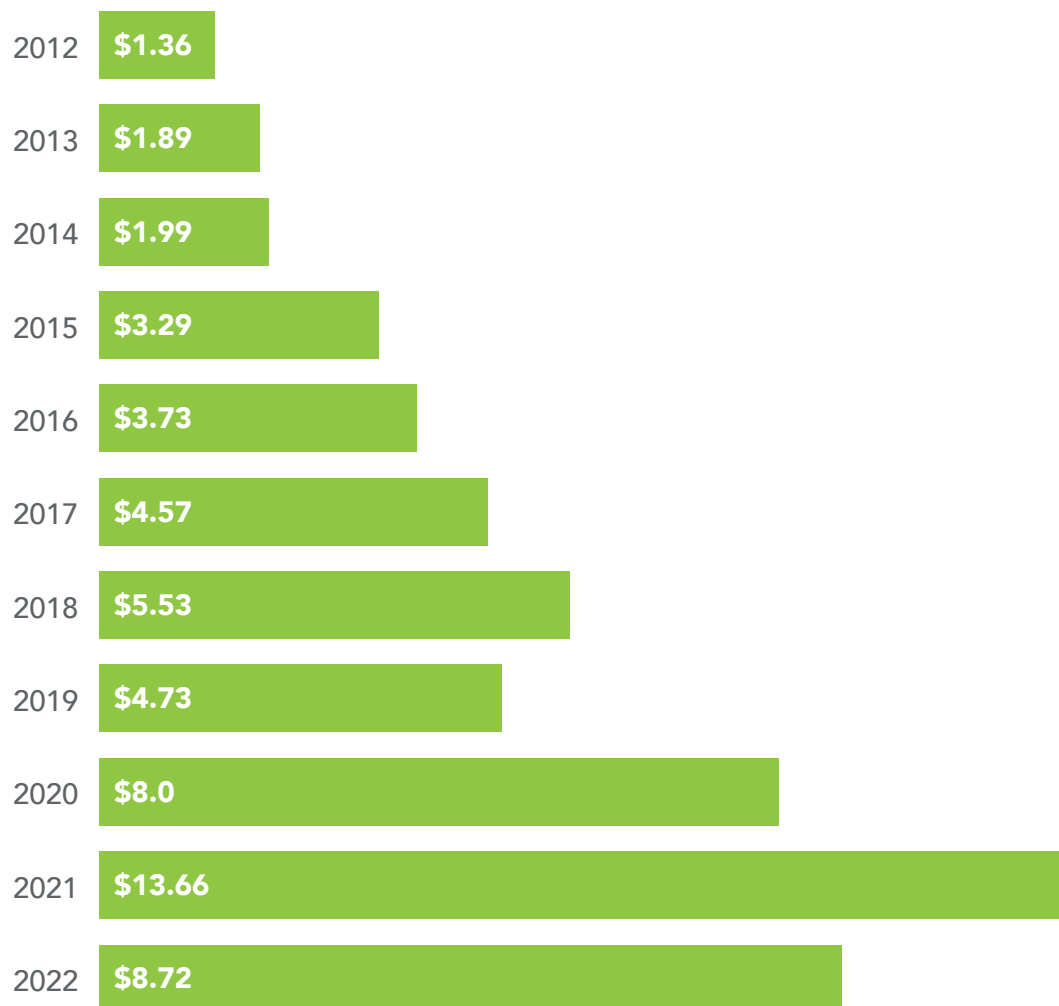
# EXECUTIVE SUMMARY

-  Biopharma companies headquartered in Massachusetts received \$8.72 billion in venture capital (VC) funding in 2022 – the second highest year on record, surpassing 2020's \$8 billion and only falling short of 2021's \$13.66 billion.
-  Yet, in a sign that biopharma investors are acting cautiously by seeking more data on a longer time horizon amid economic uncertainty, a market reset, and a closed IPO window, the average round size shrunk (\$35.3 million in 2022 compared to \$53 million in 2021) and investments flowed to more companies (246 in 2022 compared to 236 in 2021).
-  While Cambridge remains the hub of the Massachusetts life sciences industry, with companies headquartered there receiving 49% of funding, that percentage is down from 58% in 2021 indicating an ongoing regionalization of the industry to communities such as Waltham, Watertown, Bedford, Woburn, and Framingham. Boston continues to increase its share of funding at 23%, up from 17%.
-  Even though the impact of the global biotech reset on the IPO market has been dramatic with total IPOs declining significantly compared to 2021, Massachusetts companies did represent 33% of all biopharma IPOs in the U.S. in 2022 with 8 companies going public. Additionally, while acquisitions were predicted by some to explode in 2022, Massachusetts experienced a decline in M&A activity, with only 26 local companies acquired in 2022 (down from 34 and 28 in 2021 and 2020 respectively), matching national trends.
-  The substantial inflow of capital into the Massachusetts ecosystem indicates that demand for purpose-built lab and biomanufacturing facilities will remain strong in the near term even as companies seek smaller footprints, and some markets show signs of a plateau.
-  Massachusetts remains in a position of strength to receive continued, meaningful investment thanks to its well-known density of assets. However, the implementation of the drug pricing provisions of the Inflation Reduction Act, coupled with the fewest U.S. FDA approvals in years (down 31% in 2022), will give investors new reasons for pause. To counteract this chilling effect and address the enduring workforce challenges that endanger the industry's future growth here, the Commonwealth must renew its commitment to an industry that has proven its value to the state economy and its residents.

## HIGHLIGHTS

 25% of total VC funding went to Massachusetts-headquartered companies compared to 36% in 2021 and 29% in 2020.


### VC FUNDING YEAR OVER YEAR (IN BILLIONS)



Source: Pitchbook, January 2023

# INDUSTRY INVESTMENT: TOP VC FINANCING ROUNDS IN 2022

## HIGHLIGHTS

 246 companies received 273 rounds of investment. The average round was \$35.3 million compared to the national average of \$20.4 million.

COMPANY	MUNICIPALITY	INVESTMENT ROUND	AMOUNT (IN MILLIONS)
Tessera	Cambridge	Series C	\$300.00
Upstream Bio	Waltham	Series A	\$200.00
FogPharma	Cambridge	Series D	\$178.00
Affini-T Therapeutics	Boston	Series A	\$175.00
LifeMine	Cambridge	Series C	\$175.00
Odyssey Therapeutics	Cambridge	Series B	\$168.00
Frontera Therapeutics	Bedford	Series B	\$160.00
Aerium Therapeutics	Boston	Series A	\$150.00
Dewpoint	Boston	Series C	\$150.00
MoMa Therapeutics	Cambridge	Series B	\$150.00
RVAC Medicines	Boston	Series B	\$140.00
Saliogen Therapeutics	Cambridge	Series B	\$132.25
Be Biopharma	Cambridge	Series B	\$130.00
Nimbus Therapeutics	Boston		\$125.00
Inari	Cambridge	Series E	\$124.00

Source: Pitchbook, January 2023

# INDUSTRY INVESTMENT: LOCATION OF VC-BACKED COMPANIES IN 2022

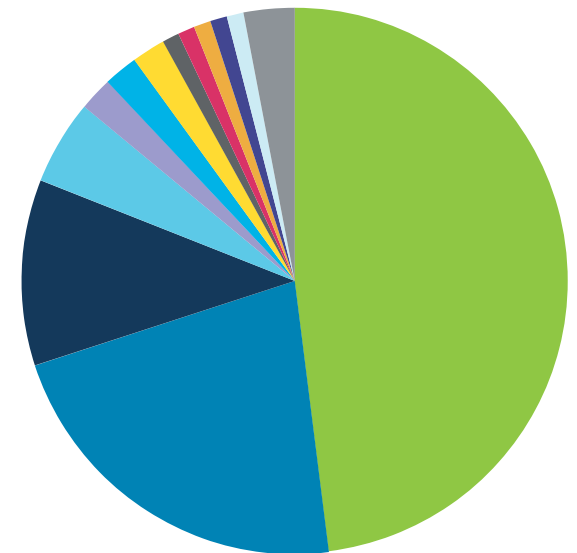
## HIGHLIGHTS

51% of VC money went to companies headquartered outside of Cambridge – up from 42% in 2021.

12 municipalities outside of Cambridge received at least 1% of the total VC funding statewide in 2022, up from 6 the previous year.

### VC INVESTMENT BY MUNICIPALITY

MUNICIPALITY	AMOUNT (IN MILLIONS)	PERCENTAGE OF TOTAL
Cambridge	\$4,298.61	49%
Boston	\$1,972.4	23%
Waltham	\$916.21	11%
Watertown	\$469.93	5%
Bedford	\$160.6	2%
Woburn	\$152.45	2%
Somerville	\$145.46	2%
Framingham	\$91.5	1%
Newton	\$80.99	1%
Natick	\$80.88	1%
Concord	\$60.00	1%
Medford	\$46.8	1%
Other	\$247.71	3%



Source: Pitchbook, January 2023

# INDUSTRY INVESTMENT: BIOPHARMA IPOS IN 2022

## HIGHLIGHTS

Although total IPOs declined significantly compared to 2021, 33% of all biopharma IPOs in the U.S. were from Massachusetts companies.



**\$230M**  
BOSTON



**\$216M**  
CAMBRIDGE



**\$193.6M**  
WALTHAM



**\$185.3M**  
CAMBRIDGE



**\$175M**  
CAMBRIDGE



**\$108M**  
CAMBRIDGE




**\$98M**  
CAMBRIDGE



**\$94.4M**  
WATERTOWN

# HIGHLIGHTS

 26 companies were acquired for a total of \$5.89B, down from 34 for a total of \$63.86B\* in 2021.

\* Includes two deals worth over \$50B

## MASSACHUSETTS-HEADQUARTERED COMPANIES ACQUIRED

ACQUIRING COMPANY	TARGET COMPANY	AMOUNT
		\$3.0B
		\$1.1B
		\$610M
		\$417M
		\$222M
		\$210M

Source: Pitchbook, January 2023



# INDUSTRY INVESTMENT: TOP 2022 BIOPHARMA MERGERS AND ACQUISITIONS

## MASSACHUSETTS-HEADQUARTERED COMPANIES MAKING ACQUISITIONS

ACQUIRING COMPANY	TARGET COMPANY	AMOUNT
		<b>\$604M</b>
		<b>\$320M</b>
		<b>\$300M</b>
		<b>\$200M</b>

Source: Pitchbook, January 2023

# ABOUT US

**MassBio's mission** is to advance Massachusetts' leadership in the life sciences to grow the industry, add value to the healthcare system, and improve patient lives. MassBio represents the premier global life sciences and healthcare hub, with 1,600+ members dedicated to preventing, treating, and curing diseases through transformative science and technology that brings value and hope to patients.

Learn more at [MassBio.org](https://massbio.org)



MASSBIO.ORG • 617.674.5100

**MASSBIO HQ**

700 TECHNOLOGY SQUARE, 5TH FLOOR  
CAMBRIDGE, MA 02139

**MASSBIO WEST**

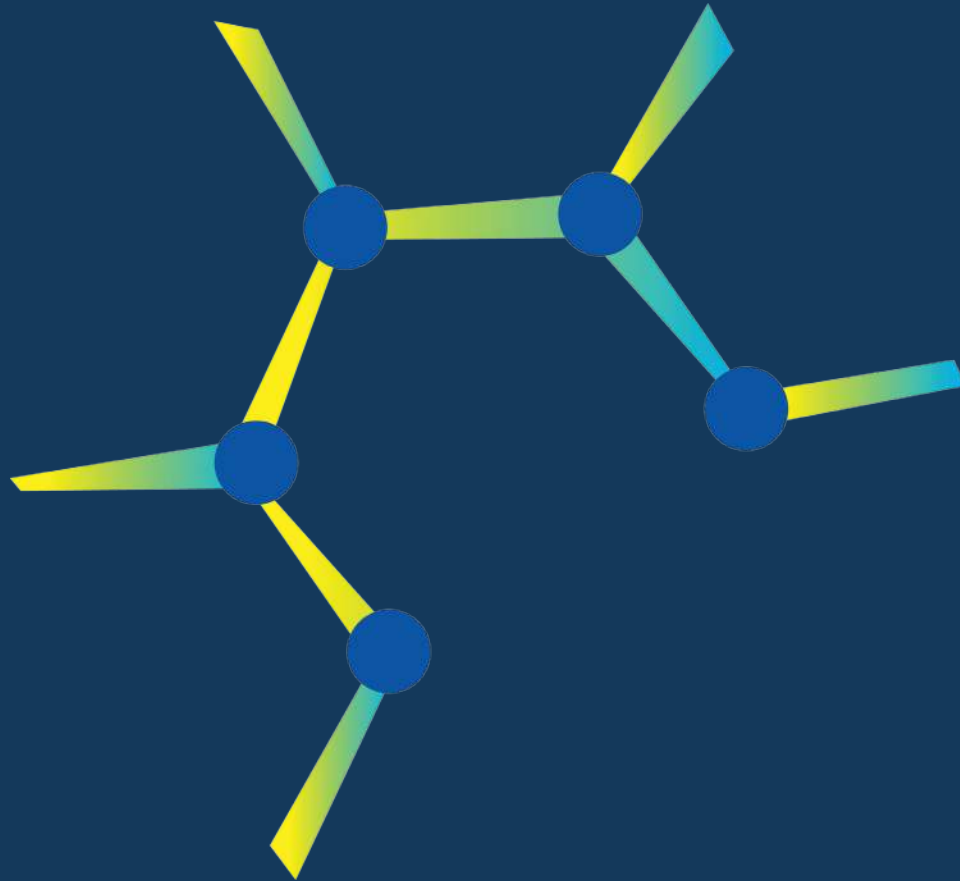
240 THATCHER ROAD  
AMHERST, MA 01003

**MASSBIO NORTH**

100 CUMMINGS CENTER, SUITE 222-F  
BEVERLY, MA 01915

**MASSBIO CENTRAL**

17 BRIDEN STREET  
WORCESTER, MA 01605



As the premier source of information on life sciences in Massachusetts, MassBio tracks industry statistics over time and issues an overview Industry Snapshot each year.

For more information, contact

**Ben Bradford**

*Vice President of Economic Development and Workforce*

**[Ben.Bradford@massbio.org](mailto:Ben.Bradford@massbio.org)**

with support from

**Evaluate**  **PitchBook** 