



## DIVE BRIEF

# Radiopharmaceutical drugmaker RayzeBio signals plans to go public

The San Diego-based biotech is developing a cancer drug for the same kind of tumors as targeted by Novartis' approved radiopharmaceutical Lutathera.

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**Dive Brief:**

- RayzeBio, a San Diego-based startup developing radiopharmaceutical drugs for cancer, is the latest biotechnology company to take a shot at going public in a market that's largely been unwelcoming to new stock offerings.
- The company, which filed plans to go public Thursday, previously raised \$418 million in private funding to advance its lead drug candidate for neuroendocrine tumors into late-stage clinical testing.
- Biotech IPOs have slowed considerably amid a sector-wide slowdown dating back to last year. Analysts have predicted filings will pick up in the second half of this year, but only a few have joined the queue so far.

**Dive Insight:**

Radiopharmaceuticals are designed to precisely deliver radiation into the body, usually to combat cancer. They have seen a surge in industry interest, particularly following approvals for Novartis' drugs Lutathera and, last year, Pluvicto.

The drugs are tricky to make and even tougher to produce at scale. Though sales of the first radiopharmaceuticals approved were modest, Pluvicto and Lutathera are proving more successful.

"Much like antibody drug conjugates emerged as a new and transformative treatment modality in certain cancers, we see an opportunity for innovative radiopharmaceutical therapeutics to follow a similar path," RayzeBio wrote in its regulatory filing.

RayzeBio, which is developing a drug that targets the same tumors as Lutathera, wants to break in on the emerging market. The most richly funded of more than a dozen radiopharmaceutical startups, the company began a Phase 3 trial for its experimental neuroendocrine tumor drug RYZ101 in May.

RayzeBio's private backers included Viking Global Capital, VenBio, Versant Ventures, Samsara Biocapital and Sofinnova Investments. Viking, Sofinnova and Wellington Investments co-led a \$160 million Series D round for RayzeBio in September.

Viking is known for backing so-called crossover rounds, which often act as a bridge for private companies to prepare for an IPO.

RayzeBio is led by Ken Song, who also co-founded Ablaze Pharmaceuticals, a startup focused on radiopharmaceuticals in China. Its leadership also includes Susan Moran, the former chief medical officer of QED Therapeutics and Arvind Kush, a former managing director at Bank of America Securities.

While there have been some signs of life, the pace of biotech IPOs has remained sluggish in 2023, with just one company, Mira

Pharmaceuticals, going public in August. Data compiled by BioPharma Dive shows that about half of successful IPOs in 2023 have at least one drug candidate in mid-stage clinical trials or later. By comparison, in 2021 60% of biotechs that went public were in preclinical or Phase 1 testing.

Two other drugmakers, Adlai Nortye and Jyong Biotech, also joined the IPO queue in the past month.