



DIVE BRIEF

Neumora, a richly funded brain drug developer, readies for an IPO

The Arch-backed startup has raised more than \$600 million in venture financing to fund testing of neurological disease therapies.

Published Aug. 25, 2023



Gwendolyn Wu
Reporter

Neumora Therapeutics CEO Henry Gosebruch. Permission granted by Neumora Therapeutics

Dive Brief:

- Neumora Therapeutics on Friday filed plans for an initial public offering, one month after announcing it would soon begin late-stage testing for a new kind of depression drug.
- The Watertown, Massachusetts-based biotechnology company emerged publicly in 2021 with half a billion dollars in funding from Arch Venture Partners, Amgen and other venture investors. Built from several startups merged together, Neumora was a major bet that advancing science could open up new drugmaking opportunities for challenging-to-treat diseases.
- With its filing, Neumora is one of four biotechs to set plans for an IPO since late July, following closely after another high-profile startup, RayzeBio, filed to do so earlier this week. Their attempts to go public will test investor demand for biotech offerings in a slow year for IPOs.

Dive Insight:

In many ways, Neumora fits the profile of a company that could successfully pull off an IPO amid a market downturn that's stalled other biotechs' march to Wall Street. Importantly, it already has two drug candidates in clinical trials, giving investors near-term catalysts on which the company's fortunes could rise.

One, called navacaprant, is being studied in patients with moderate-to-severe major depressive disorder. In July, Neumora announced results showing that patients given Neumora's oral treatment experienced meaningful improvements in depression symptoms. It plans to start a Phase 3 trial by the end of September, and will soon begin a Phase 1 trial in bipolar depression as well.

A second experimental drug dubbed NMRA-511 is in early clinical evaluation as a potential treatment for agitation related to Alzheimer's disease. Other therapies in Neumora's pipeline include treatments for schizophrenia and amyotrophic lateral sclerosis, or ALS.

Half of the companies that have completed an IPO in 2023 had a drug in mid-to-late stage clinical trials, according to data from BioPharma Dive. In 2020 and 2021, when biotech IPOs boomed, many companies were going public before they had even begun human testing of their drugs.

With investors like Arch and Amgen, Neumora also has strong financial backing to test the IPO waters. The company pulled in \$112 million in a Series B round in October.

"The public markets are ultimately where biotechs have to go to fund large-scale innovation, but we're really happy that we're in a very strong position from a balance sheet perspective," Joshua Pinto, Neumora's CFO, said in an interview with BioPharma Dive then.

The company recently added former AbbVie chief strategy officer Henry Gosebruch as its CEO.

RayzeBio, which is developing drugs to more precisely deliver radiation into the body, filed to go public one day before Neumora. Two more clinical-stage biotechs, Adlai Nortye and Jyong Biotech, are also waiting in the queue.

Analysts and investors expect the pace of public offerings to pick up in the coming months. Just 14 companies have completed an IPO so far this year, compared to 22 last year and 104 in 2021, BioPharma Dive data show.