



DIVE BRIEF

Flagship-backed Generate raises \$273M as its first drugs move to the clinic

Generate's Series C round appears to buck a trend of declining investment in platform-based biotechs this year.

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Founded in 2019, Generate Biomedicines has one drug in the clinic and plans bring another into testing in early 2024. Permission granted by Generate Biomedicines

Dive Brief:

- Generate Biomedicines on Thursday said it has raised another \$273 million to fund its pipeline of drugs for autoimmune disorders, cancers and infectious diseases.
- The startup, incubated by Flagship Pioneering, recently brought an experimental monoclonal antibody to treat COVID-19 into clinical testing. Dubbed GB-0669, the drug is the first of Generate's programs to enter the clinic.
- New investors Amgen, chip maker Nvidia's venture capital arm, MAPS Capital and Pictet Alternative Advisors joined the Series C round. Prior investors who participated in this latest financing include Flagship, Arch Venture Partners and Abu Dhabi's sovereign wealth fund.

Dive Insight:

When Generate raised its Series B round in 2021, the Somerville, Massachusetts company had 80 employees and a handful of drug leads sourced from a machine learning platform that it boasted could speed up drug discovery timelines.

Now, with nearly \$700 million in financing, the company employs over 280 staff and plans to soon file an application for a second experimental drug to enter clinical trials in Europe, said Mike Nally, Generate's CEO.

The Series C funds will give the company enough cash for several years, paving the way for future clinical testing of GB-0669 and other drugs to emerge from a pipeline that now includes 17 research programs.

GB-0669, which targets the SARS-CoV-2 spike protein, entered Phase 1 clinical testing over the summer. The experimental drug could be a "more durable option" for people who are immunocompromised and may have a harder time mounting a response to a COVID infection, Nally said.

Developing GB-0669 from its start to clinical testing took a year and a half — a "pretty darn fast" turnaround that Nally attributed to Generate's platform.

"What we're finding with these machine learning tools is we can survey a much more broad spread of potential combinations of proteins and therefore find the optimal answers to specific biological challenges," Nally said. "If you're only searching a local space, you may find a small mountain. You may not find Mount Everest because you're not searching the whole landscape."

Generate's second drug program, designed to treat severe asthma, could enter clinical trials as soon as the beginning of 2024.

That Generate was able to raise so much money matches analysts' views that drugmakers seeking late-stage private financing in the current market need to be near or in human testing. Overall, investment in platform-focused biotechnology companies has declined this year, according to a July report from HSBC Innovation Banking, though Generate appears to buck that trend.

"A platform that does not produce great products does not help humanity in a profound way," Nally said.

Founded in 2019, Generate has also pulled in partnerships with Amgen and The University of Texas MD Anderson Cancer Center.