

## Global gene therapy deals sky-rocketed to nearly \$5 bn in 2014

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The total number of deals in the global gene therapy market more than doubled from 16 in 2013 to 36 in 2014, with their combined value rising spectacularly from \$122.8 million to \$4.9 billion over the same period, representing a forty-fold increase, says research and consulting firm GlobalData.

The company's latest report states that merger and acquisition (M&A) activity is typically low in the gene therapy field, as the technology remains highly experimental and the majority of products are in early-stage clinical development.

Despite this, the impressive growth in the overall deals value for 2014 was boosted primarily by Abbott Laboratories' \$2.9 billion acquisition of CFR Pharmaceuticals (CFR), a Chilean biotechnology company developing gene therapeutics for alcoholism and chronic pain.

CFR has a product in its clinic that targets aldehyde dehydrogenase, an enzyme produced in the liver and kidneys aiding alcohol rejection.

Mr Adam Dion, GlobalData's senior industry analyst, says: "Licensing and partnerships, together with capital raisings, have represented the largest number of gene therapy deals struck since 2009.

Licensing deals have so far outpaced historical levels, with over \$1.8 billion signed in 2015.

"These deals include Bristol-Myers Squibb's \$1 billion licensing agreement with UniQure to develop S100AI, UniQure's Phase I candidate for congestive heart failure, representing the deal with the greatest financial impact so far this year. Voyager Therapeutics also signed an \$845 million agreement with Genzyme to develop three Phase I programs concerning the central nervous system."

The analyst adds that as well as licensing agreements, equity offerings are a common strategy for companies to raise funds, enabling them to advance clinical pipelines and bring gene therapies to market.

Mr Dion continues: "Nearly \$1.5 billion was raised in the gene therapy arena from 2014 to 2015, of which almost \$750 million resulted from Avalanche, bluebird bio and Spark Therapeutics going public. Furthermore, Paris-based Cellectis announced in March 2015 that it had raised \$230 million in an initial public offering, which the company will use to advance its blood cancer pipeline from preclinical testing to Phase I clinical trials.

"This rise in financial investment may be indicative of renewed investor confidence, and could lead to higher-than-expected deal activity for gene therapies in the future," the analyst concludes.