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ASIA EDITION

Emerging Trends in Biopharma Deal-Making

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Biotech companies in U.S. awarded largest sums of capital, followed by Mainland China and UK



Clarivate Plc, a global leader in providing trusted information and insights to accelerate the pace of innovation, highlighted the new emerging market trends and features detailed analysis of the key deals of 2021 and potential implications for 2022.

Emerging trends suggest innovators and investors will drive the next great advances in human health. This year's Biopharma Deals report findings, include:

- **Investments continue record-breaking trends, while M&As track downward -** Continuing the record-setting pace in the first half of 2021, a new record was set for global biopharma licensing, collaborations and joint venture deals in all of 2021. A record 1,968 deals were announced in 2021, and the total value of these ventures for which financial details were disclosed was $213.6 billion, up from $198.2 billion in 2020. Overall, 2021 had the highest total financing and deals value over the past five years. This was driven by a number of high-value transactions; 72 deals were worth at least $1 billion for a combined value of $136.5 billion, reaching a new height. This compares with 58 such deals worth $118.0 billion in 2020, 40 such deals valued at $92.5 billion in 2019 and 31 such deals worth $63.6 billion in 2018.
- **Top deals are increasing** - Several of the top deals in 2021 involved co-development and/or co-commercialization of assets. Well-financed biotech companies are becoming less interested in capital investments and more interested in deals that grant them the ability to retain commercialization rights and integrate their assets across the development lifecycle.
- **Biotech companies in the United States awarded largest sums of capital** - A deep dive into BioWorld data showed that, in 2021, biotech companies based in the United States raised the majority from private and venture sources — accounting for 67% of all monies raised worldwide. Massachusetts-based companies accounted for 30% of all VC financing. Companies from the San Francisco Bay area collected 13% of the global total, just ahead of Mainland China-based biotechs, which had a 12% share of the global take. Biotech companies based in the United Kingdom attracted a 9% share of the total, nudging just ahead of the San Diego cluster (8%). In addition, partnerships established by companies in the Asia-Pacific (APAC) region indicate there is growing interest in accessing global markets, potentially with the goal of maximizing the returns on investment beyond what can be achieved in their local markets. These partnerships primarily focus on gene, RNA and oncology therapies, in keeping with the themes

observed across all deal-making in 2021.

- **RNA technology gains traction with investors -** The COVID-19 pandemic has propelled adoption of RNA-based vaccines and therapies, helping to pave the way for others to enter the market. Both established and start-up companies are investing money into determining where mRNA, self-amplifying RNA (saRNA), small interfering RNA (siRNA) and RNA interference (RNAi) will have the greatest benefit.
- **Investments in CRISPR are likely to benefit rare diseases -** CRISPR techniques also have the potential to transform therapeutic approaches for diseases with very few treatment options. As a result, CRISPR has emerged as a hot platform in the past decade, with a number of biotech companies developing therapeutic approaches using the technology.
- **Oncology-related deals and M&As dominate the landscape -** Oncology-focused deals accounted for a large proportion of global biopharma licensing, collaborations and joint venture transactions (29% of all deals) in 2021. Of these, 25 were valued at more than $1 billion, and nine reached at least the $2 billion mark.