

BioCentury

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SOFINNOVA STEPS UP

With fewer crossover investors participating in its private biotech financings, Sofinnova Ventures has raised a new \$650 million fund that will allow it to invest more capital per company to see them through key milestones.

Sofinnova Venture Partners Fund X closed on Oct. 17. It is the firm's third dedicated life sciences fund and its largest to date. Fund IX, previously its biggest, closed at \$500 million in 2014.

Sofinnova's James Healy told BioCentury that in mid-2015 Sofinnova's syndicates began to shift toward more traditional VCs as the market downturn decreased crossovers' appetite for private biotech investments.

"In our experience, there's been a decrease in the number of public investors that participate in private financings," said Healy. "We're not backing away from crossovers, they're just fewer and further between."

Crossovers were absent from both of Sofinnova's 2016 investments, infectious disease company [Iterum Therapeutics Ltd.](#) and immunoncology play [NextCure Inc.](#) And since the start of 3Q15, only four of nine syndicates Sofinnova participated in included crossover investors. In 1H15 all five of Sofinnova's financings included crossovers.

"The amount of capital it takes to run well-powered clinical studies is significant, and we want to be able to fund those companies and programs through key inflection points," said Healy.

Sofinnova now plans to invest \$15-\$35 million per company across 20-25 companies. Healy declined to break down per-company

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JAMES HEALY, SOFINNOVA VENTURES

investments from prior funds, but in 2014 the firm said Fund IX was to be spread across 20-22 companies (see [BioCentury Extra, July 23, 2014](#)).

He added that investing more will allow Sofinnova to take a greater stake in each company.

The firm will stick to its strategy of targeting mid- to late-stage therapeutics companies, mostly in the U.S. but also in Europe, with a focus on Orphan diseases and specialty products.

Sofinnova will also continue to invest in public companies, earmarking up to 30% of the new fund for public investments. The firm's public investment team has two new portfolio managers: Eric Delbridge, who joined Sofinnova in May from Balyasny Asset Management, and Tommy Nguyen, who joined Sofinnova as a senior analyst in 2014.

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