

Biotech financing update



June 2021–August 2021



Overall figures

Strong investment in UK biotech has continued into the second half of the year, with a total of £576m raised across public and private markets between June and August.

Private deals made up the bulk of investments in the sector in the quarter. £429m was raised in venture capital, £70m through IPOs, and £78m in follow-on public financings. The figures are down compared to the exceptional Q2 of 2021, but significantly above historic levels.

The continuing strong fundraising performance means the sector is set to significantly exceed £3 billion in a single year for the first time ever.

UK biotech fundraising



* The dataset in this report covers the period from 1 June to 31 August 2021. It provides fundraising data based on the headquarters location of the company. The data is provided by Clarivate, with additional data sourced from Pitchbook and verified by Clarivate. The analysis is by BIA.

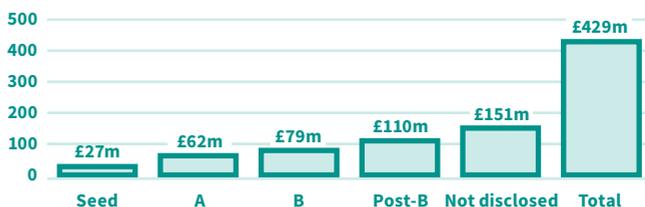
UK venture capital funding

UK biotechs raised a total of £429m in private capital in June to August.

Two companies secured over £100m, both led by US investors, and a further three raised over £20m, drawing on international investors.

Funding was readily available across all series, from seed to B and beyond. Seed funding for start-ups was notably raised compared to previous quarters and years, signalling a strong pipeline of companies will be looking to scale up in the coming years.

UK VC financing by round, June 2021–August 2021



Top UK biotech VC fundraisers, June 2021–August 2021

Company name	Deal date	Round	Value (£m)
Artios Pharma	27/07/2021	Series C	110.0
Apollo Therapeutics	17/06/2021	Series ND	103.7
Beckley Psytech	16/08/2021	Series B	58.4
Iksuda Therapeutics	07/06/2021	Series A	33.2
Nerre Therapeutics	07/07/2021	Series B	20.5

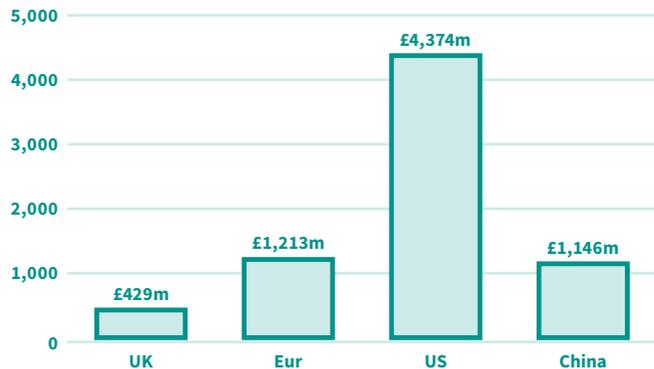
International venture capital

Across the globe there was a dip in venture funding following the strong Q2, but levels remain healthy by historical standards. £7.3bn was raised compared to £9.4bn in the previous quarter.

Investment in the US dropped from £6.2bn in Q2 to £4.4bn in Q3. China, however, remained fairly stable with approximately £1.2bn raised.

The UK remains the European leader, making up approximately a third of the continent's total, which fell from £1.9bn to £1.2bn.

Global biotech VC financing



IPOs

The London Stock Exchange welcomed four new biotech companies between June and August, signalling that the market's enthusiasm for the sector has not waned following last year's frenetic fundraising activity.

Arecor, a drug developer for diabetes, was valued at £62.6m when it launched on AIM, whilst Poolbeg Pharma was valued at £50m. Both are using innovative drug development platforms to bring new medicines to the market.

Oxford Nanopore and Exscientia both achieved large IPOs in September, outside the date range for this report. The two listings, on AIM and Nasdaq, respectively, will be amongst the largest of the year.

UK biotech IPOs, June 2021–August 2021

Company name	Deal date	Market	Value (£m)
Poolbeg Pharma	19/07/2021	AIM	25
Arecor Therapeutics	03/06/2021	AIM	20
LungLife AI	08/07/2021	AIM	17
BiVictriX Therapeutics	11/08/2021	AIM	7.5
Total			70

Other public financings and activity

Follow-on financings on public markets have been subdued throughout 2021, as most companies took advantage of strong market conditions in 2020 to raise fresh funds. As a result, the third quarter continued to return low figures, but money was raised on both AIM and Nasdaq.

Follow-on financings by market

	Q3 2021 (£m)	Q2 2021 (£m)	Q3 2020 (£m)
AIM	69	58	110
LSE	0	0	40
Nasdaq	9	0	451
Total	78	58	601