

Biotech financing update

June 2019–August 2019

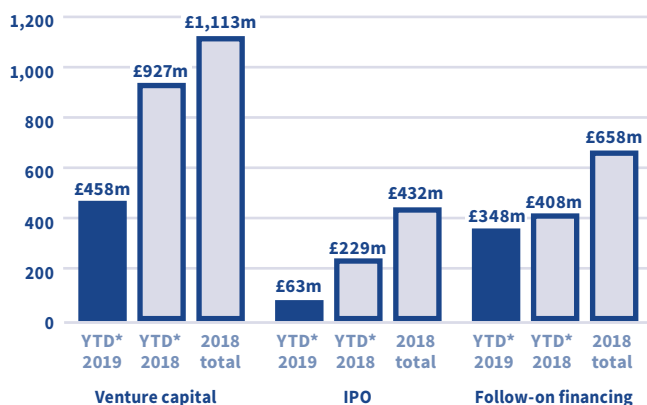


Overall figures

National and global uncertainty appears to be holding back fundraising across all sectors in the UK, and biotech is no different. After a small pick-up in Q2, the third quarter has disappointed with £214m raised by UK biotech companies across public and private markets.

The total of £869m for the year up to 31 August is behind that achieved in each of the past four years. However, another pick-up in the fourth quarter could still see 2019 equal or surpass the totals for 2016 and 2017 to deliver the third best year ever.

UK biotech fundraising



* Year to date = 1 December 2018 to 31 August 2019.

All data in this report is provided by Informa Finance Intelligence.

Q3 period = 1 June 2019 to 31 August 2019.

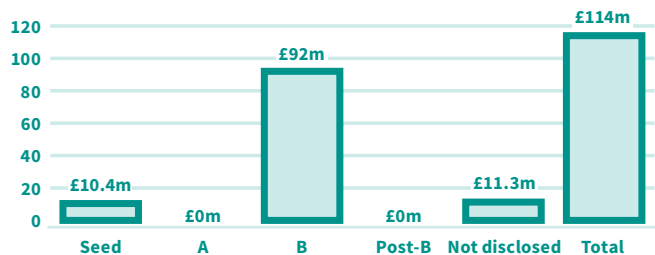
Fundraising data based on location of the company HQ.

Venture capital funding

Private fundraising in the third quarter shrunk by 30% to £114m and was dominated by Juvenescence's £82m B round. Another impressive raise – Achilles Therapeutics' £100m B round led by Syncona – came too late for inclusion in this report, but will boost the overall figures for 2019.

Seed funding was also robust. AstronauTx, a spin-out from the Alzheimer's Research UK Drug Discovery Institute, secured the largest seed financing, raising £6.5m from the Dementia Drug Discovery Fund.

UK VC financing by round, June–August 2019



Top UK biotech VC fundraisers, June–August 2019

Company name	Deal date	Round	Value (£m)
Juvenescence	19/08/2019	B	82
Predictimmune	30/07/2019	B	10
AstronauTx Ltd	12/08/2019	Seed	6.5
Biosignatures	07/08/2019	ND	4.8

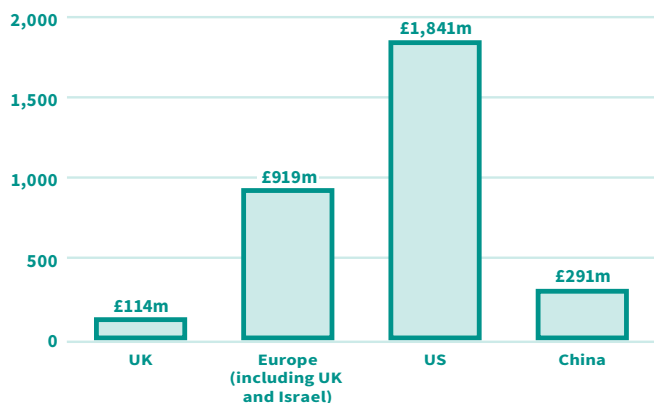
International venture capital

Biotech companies across the globe saw VC financings recover gently, increasing by just under 10% quarter-on-quarter. US biotechs continued to dominate fundraising but saw their share of the global take slip to 56%, down from 64% of all VC funds raised in the previous quarter.

The UK also slipped to fourth place in European venture financing behind Germany (£280m), Switzerland (£249m) and the Netherlands (£148m). The £267m series B round completed by Germany's BioNtech was Europe's largest.

Companies in the San Francisco Bay area were the most successful fundraisers collecting £829m, followed by Massachusetts raising £302m. During the quarter, Chinese biotechs raised a total of £291m from venture sources.

Global biotech VC financing, June–August 2019



IPOs

There have been no UK biotech IPOs over the summer and that lack of activity has been mirrored across Europe, where there have also been no launches.

However, across the globe, 21 companies floated raising nearly £3bn, which was a dramatic jump compared with the previous three months.

Action on the Hong Kong stock exchange, which is becoming a biotech focal point following rule changes last year, contributed to the jump. The largest IPO was completed by the Chinese company Hansoh Pharmaceutical Group, which raised just over £820m. There's been a cooling on Nasdaq but US biotechs still accounted for the next six largest IPOs, followed by two other Chinese companies that went public.



UK biotechs have raised **£63m** through IPOs so far in 2019

Follow-on financing

Oxford Therapeutics was the only UK biotech to raise money on the public markets in the third quarter but follow-on financing was not poor by historical standards.

The company raised total gross proceeds of \$128m (£100m) on Nasdaq in a secondary offering. The majority of the fundraise will be used to advance a range of candidates in the clinic and approximately \$10m will fund ongoing commercialization of Strimvelis in Europe and the expansion of its marketing and sales infrastructure in key markets.

Follow-on financings by market

	Q3 2019 (£m)	Q3 2018 (£m)	2018 (£m)
AIM 2PO	0	78	205
LSE 2PO	0	0	72
NASDAQ 2PO	100	0	381
Total	100	78	658