

# Biotech financing update



March 2020–May 2020

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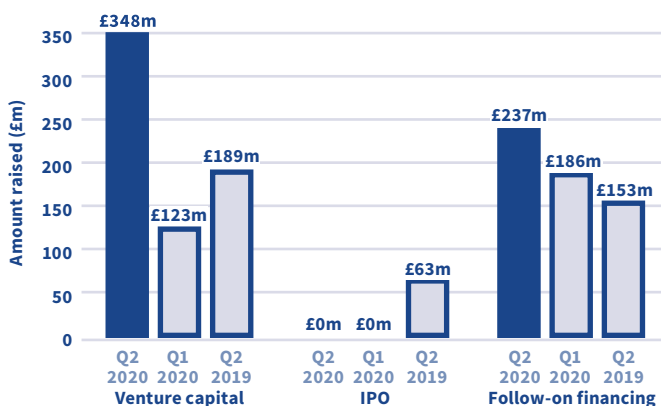
# Overall figures

UK biotech financing since the beginning of March has been very positive.\* Total investments of £585m have been made, driven by later-stage private deals and follow-on financings on the public markets.

COVID-19 appears to have hit early-stage private financings, however, with many deals being abandoned or paused as investors wait to see the full impact of the pandemic.

A total of £894m has now been raised from all sources in the first half of 2020, surpassing the £831m raised in the same period in 2018, which was a record-breaking year.

## UK biotech fundraising



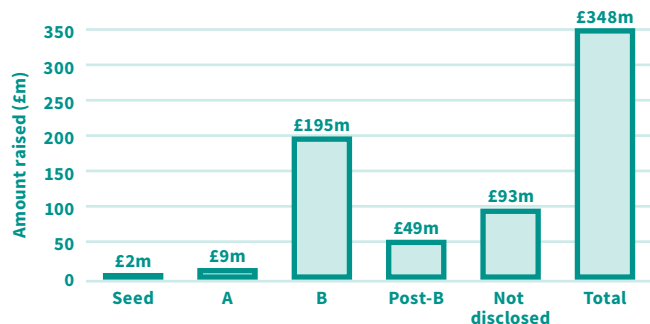
\* The dataset in this report covers the period from 1 March 2020 to 31 May 2020. It provides fundraising data based on the headquarters location of the company. The data is provided by DRG, part of Clarivate, and BioWorld, with additional data sourced from Pitchbook. The analysis is by BIA.

# Venture capital funding

Six companies contributed £322m to the £348m total for VC investment. All were later-stage deals, and the largest – Immunocore’s £106m series B – closed in early March before the pandemic hit the UK and US.

Seed funding dropped from £11m in Q1 to £2m in Q2, and series A investments were down from £49m to £9m.

## UK VC financing by round, March–May 2020



## Top UK biotech VC fundraisers, March–May 2020

Company Name	Deal Date	Round	Value (£m)
Immunocore	02/03/2020	B	105.7
Compass Pathways	27/04/2020	B	65.0
Exscientia	26/05/2020	C	48.8
Oxford Nanopore	26/05/2020	ND	48.4
Perspectum Diagnostics	14/04/2020	ND	29.3
Evonetix	02/03/2020	B	24.4

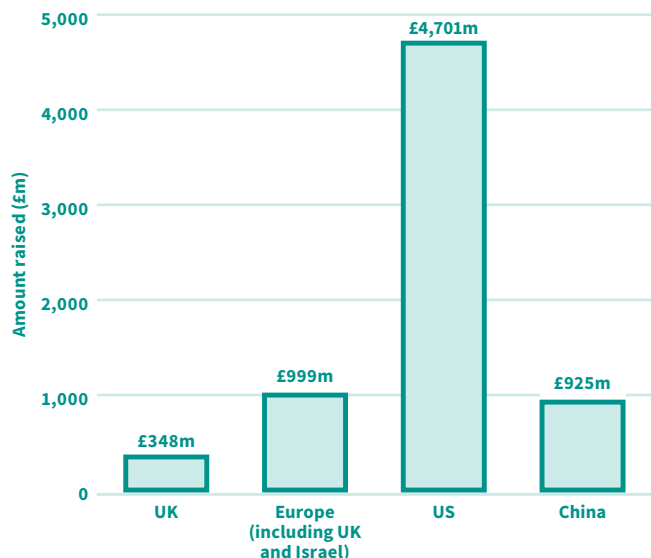
# International venture capital

Despite the coronavirus sweeping the globe, VC financing picked up considerably, as is common for the second quarter of the year.

£7.6bn was raised globally, with the US accounting for £4.7bn of that. These figures were up from £4.2bn and £2.9bn in the first quarter, respectively. China also almost doubled its take.

Europe was more sluggish, raising only £366m more than the previous quarter; a difference largely driven by the UK's improved performance.

**Global biotech VC financing, March–May 2020**



# IPOs

With public markets spooked by COVID-19 and travel impossible, it is perhaps unsurprising that there have been no UK biotech IPOs so far this year. However, US exchanges have been active, suggesting there is appetite out there.

Lining up to take this opportunity is the UK's Silence Therapeutics, currently on London's AIM. The company's share price has almost increased ten-fold in the past year and it has now outlined plans to list on Nasdaq, giving it access to US investors to support the progress of its internal and AstraZeneca-partnered RNA therapeutics.

Five US and one Israeli company listed on Nasdaq, raising a total of £279m for the US biotechs and £43m for Ayala Pharmaceuticals from Israel. Switzerland's ADC Therapeutics raised \$268m on the New York Stock Exchange. As is becoming a common sight, there were some large IPOs on the Hong Kong Stock Exchange too. Three companies netted £692m between them.



Silence Therapeutics' share price has increased ten-fold in the past year.

# Follow-on financing

The London public markets have been exceptionally active, with a total of £237m fresh capital raised. This compares favourably to £189m in Q1 and £153m in the same period last year.

Leading the pack was AIM-listed Abcam, which raised £110m in April. 4D Pharma and Silence Therapeutics, both also on AIM, raised £22m and £17m respectively.

## Follow-on financings by market

	Q2 2020 (£m)	Q1 2020 (£m)	Q2 2019 (£m)
AIM 2PO	218.4	41	64
LSE 2PO	0.6	1	0
NASDAQ 2PO	17.6	144	89
<b>Total</b>	<b>237</b>	<b>186</b>	<b>153</b>



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