

Biotech financing update



December 2019–February 2020

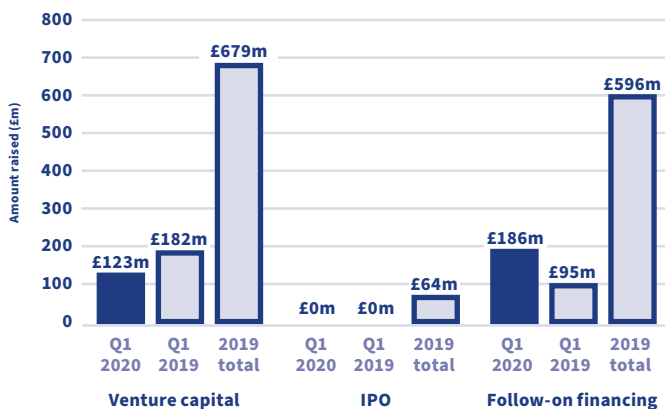


Overall figures

The UK biotech sector has seen a reasonably strong start to 2020*, raising a total of £309m, driven by public market follow-on financings.

Private investment between December and February was down compared to the past two years. However, public financings were significantly improved, despite there being no initial public offerings (IPOs). These figures reflect activity before the coronavirus outbreak. With the global economic outlook now very uncertain, biotech, along with all other sectors, is likely facing a period of lower investment activity.

UK biotech fundraising



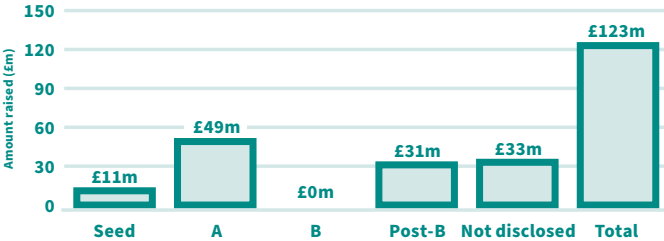
* The dataset in this report covers the period from 1 December 2019 to 29 February 2020. It provides fundraising data based on the headquarters location of the company. The data is provided by Informa Pharma Intelligence with additional data sourced from Pitchbook. The analysis is by BIA.

UK venture capital funding

£123m was raised by UK-based biotech companies between December and the end of February.

Syncona backed Freeline and Omass with further funds for therapeutics R&D. DNA-sequencing technology company Oxford Nanopore raised £29.3m in fresh capital from both new international investors and existing shareholders. The total deal value was £109.5m, however, as there was a £80.2m secondary sale of shares, which included the sale of shares owned by Neil Woodford.

UK biotech VC investment by series



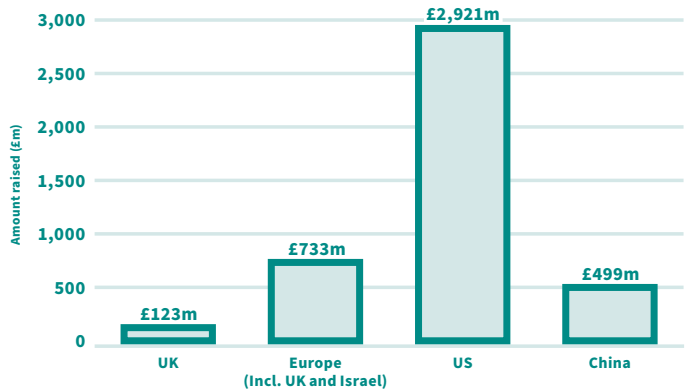
Company Name	Deal Date	Round	Value (£m)
Freeline Therapeutics	19/12/2019	C	30.6
Oxford Nanopore Technologies	02/01/2020	ND	29.3
Omass Therapeutics	17/02/2020	A	27.5
Emergex Vaccines Holding Ltd	09/01/2020	A	8.6
Ori Biotech Ltd	08/01/2020	Seed	7

International venture capital

£4.2bn was raised globally by private companies this quarter. The US continues to ride high with VC investment, accounting for almost three-quarters of the global total. However, at £2.9bn compared to £3.5bn in Q1 2019, the US saw a significant drop.

Europe was slightly down, by £38m, compared to the same period in 2019, and China was down by £329m.

Biotech VC investment by region



IPOs

The first months of the year are always a quiet time for public launches, and 2020 is no exception. There were no IPOs for European biotechs, including those in the UK.

Eight US companies listed, raising £933m, all on Nasdaq. However, this came before the public market volatility caused by the coronavirus outbreak, which could put the shutters on any further IPOs in the coming months.

This follows a significant cooling in IPO activity for UK biotechs. In 2019 only £64m was raised by two companies, down from a healthy £432m in 2018.

However, if conditions improve, a few launches could be expected later in the year or early next year following large VC investments in a collection of Syncona-backed companies: Achilles and Gyroscope, which received capital in 2019, and Freeline and Omass in this latest quarter.

Other public financings and activity

The first quarter public follow-on financings provided the sector with a welcome boost, contributing £186m. AIM-listed 4D Pharma received £22m in a private placing from Aquarius Equity Partners and others. Over on Nasdaq, Adaptimmune raised \$97m and Autolus \$80m.

In M&A activity, hVIVO, a viral therapy development company running clinical trials for COVID-19, was acquired by Dublin-based Open Orphan for £13m.

Follow-on financings by market

	Q1 2020 (£1m)	Q1 2019 (£1m)	2019 (£1m)
AIM 2PO	41	35	124
LSE 2PO	1	0	126
Nasdaq 2PO	144	60	347
Total	186	95	596



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