Biotech Financing Update

Dec 2017-Feb 2018

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Biotech Financing Update

Overall figures

These figures capture biotech financing data from December 2017 and take a first look at how the sector is doing in 2018 following the publication of our annual finance report Pipeline Progressing in January 2018.

Like last year, the UK public markets have got off to a slow start but this may pick up in the second quarter with talk of potential new public financings in March and April. Secondary financings have had a strong start and venture capital figures are on track to meet or surpass 2017's total.

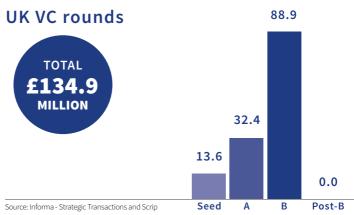| IPO	All other public financings	Venture capital
Q1 2018	**Q1 2018**	**Q1 2018**
£0	**£265.5**	**£134.9**
MILLION	**MILLION**	**MILLION**
TOTAL 2017	**TOTAL 2017**	**TOTAL 2017**
£234* MILLION	**£452* MILLION**	**£515 MILLION**

*Includes public financing of UK companies on non-UK exchanges
Source: Informa, Strategic Transaction and Scrip

Venture capital funding

Overall venture capital funding is on track to meet or surpass 2017 at just over a quarter of last year's total. Seed funding (nearly half of 2017's total) and B round venture financing (more than half of 2017's total) are both doing well.

Within seed funding, Juvenescence raised £8.9m and the B round figure is almost entirely Orchard Therapeutics' £85m round.

UK VC rounds

TOTAL
£134.9
MILLION

Seed	A	B	Post-B
13.6	32.4	88.9	0.0

Source: Informa - Strategic Transactions and Scrip

Company Name	Deal Date	Round	£m
Orchard Therapeutics	20/12/2017	B	85
Vaccitech Ltd	15/01/2018	A	20
Juvenescence	08/01/2018	Seed	8.9
Biosceptre International Ltd	14/12/2017	A	8

Source: Informa - Strategic Transactions and Scrip

IPOs

Like 2017, the UK has got off to a slow start on IPOs with nothing on the UK market and this lack of activity reflects the global trend with just 12 biotech IPOs worldwide. In Europe, the only IPOs were Germany's BioFrontera ($16m ADS on Nasdaq, February) and Advicenne (€27m on EuroNext Paris, December).

Fusion Antibodies plc raised £5.5m with an AIM IPO in December but as a contract research organisation, they fall outside the biotech definition of this data set.

Last year, the only IPO we saw in the first half of the year was SkinBio Therapeutics at £4.5m, which means the year is so far off to a similar start. However, there are already possible public financings in the pipeline for March and April and we will be watching these closely for the next Biotech Financing Update in June.

Fusion
Antibodies plc
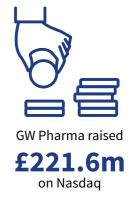raised

£5.5m

with an AIM IPO

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Follow on financings

AIM has started the first quarter with £43.5m in follow on financings but the main market has so far been very quiet in the first two months of the year.

In January, Dechra Pharmaceuticals raised £105m on the main market but it is a veterinary health company so outside this data set. In February only £31m was raised in IPOs in any sector and £233m in follow on financing on the main market.

The majority of secondary financings total for 2018 to date is made up by the impressive GW Pharma follow-on public offering on Nasdaq for £221.6m. It is positive to see global demand for innovative British biotech companies on the international markets.

GW Pharma raised

£221.6m

on Nasdaq

Follow on financing by market in £ million	
Main Market follow on	0
AIM follow on	43.88
Nasdaq follow on	221.6

Source: Informa - Strategic Transactions and Scrip

Debt financing

Three UK companies have already used debt financing as a source of financing this year - Mereo BioPharma, Midatech Pharma and Sinclair Pharma. This represents around a quarter of the total used last year but the company count is already more than half. We will continue to monitor whether this is a growing source of finance for UK companies throughout 2018.

Region	Debt* total £m	Count	Average £m
Wisconsin	444.4	1	444.4
New Jersey	322.8	1	322.8
Washington	253.2	2	126.6
San Francisco	240.7	3	80.25
Ireland	88.6	1	88.6
Canada	49.19	1	49.19
Denmark	44.4	1	44.4
UK	18.8	3	6.3
Israel	1.48	1	1.48
San Diego	0	0	0

* Debt, senior and convertible notes
Source: Informa - Strategic Transactions and Scrip

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