

# Biotech financing update



December 2018–February 2019

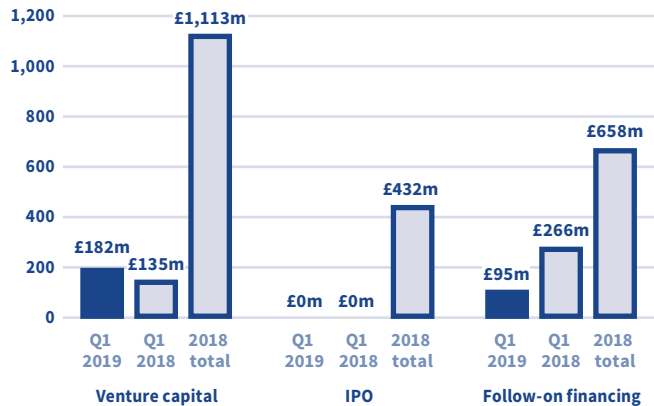


# Overall figures

Private UK biotechs got off to a strong start in 2019, with venture capital fundraising surpassing that seen in the same period a year earlier. This bodes well given that 2018 was a record-breaking year.

Public markets were not so buoyant. There were no IPOs and lower than usual follow-on financing. This reflects suppressed public market activity around the world in sectors beyond biotech, caused by geopolitical uncertainty.

## UK biotech fundraising

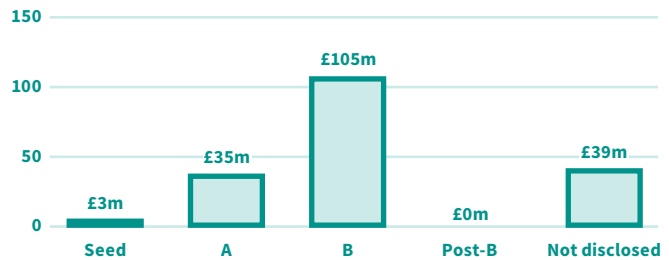


Source: Informa Finance Intelligence. Period 1 December 2018–28 February 2019. Fundraising data based on location of the company HQ.

# Venture capital funding

Overall, UK companies raised approximately £182m compared with £135m 12 months earlier. The largest sum put to work was the £36m allocated by Medicixi to finance the spinning out of both Inexia and Orexia from Sosei Heptares.

## UK VC financing by round



## Top UK biotech FC fundraisers

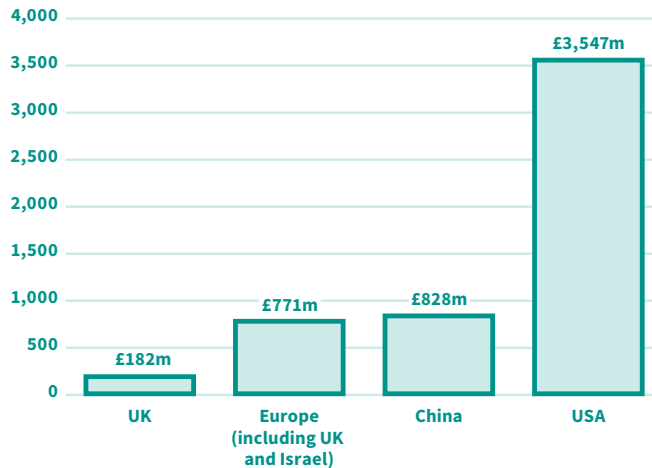
Company name	Deal date	Round	Value (£m)
Inexia and Orexia	04/02/2019	ND	36.00
Juvenescence	16/01/2019	B	35.42
Exscientia Ltd	07/01/2019	B	20.54
Synthace Ltd	12/12/2018	B	20.22
Morphogen-IX	18/12/2018	B	18.40
Wren Therapeutics	22/01/2019	A	18.00
Grey Wolf Therapeutics	11/02/2019	A	10.00

# International venture capital

The UK biotech sector has so far raised more VC funding than any other European country except Iceland, which was boosted by Alvotech's £231m fundraising. The UK made up almost a quarter of the £771m raised across Europe.

Biotech companies around the globe raised just under £5.2bn in the three months covered by this report. £1.5bn was raised in the San Francisco bay area and £830m in Massachusetts. China pulled into the second global position ahead of Europe, raising £828m in total.

## Global biotech VC financing



# IPOs

The first months of the year are always a quiet time for public launches, and 2019 is no exception.

In 2018 we saw an increasing trend for UK biotechs to remain private for longer, allowing them to develop their assets to a more advanced stage before seeking public investment. This could continue in 2019.

Across the globe, only 19 IPOs were completed, raising a total of £1.93bn. The US led the way with 10, including Moderna Biosciences which raised \$604m (£465m), followed by China (four), South Korea (three), Canada (one) and Israel (one).



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# Follow-on financing

Five UK companies completed follow-on offerings, raising £95m, during the period covered by this report. Leading the way was Scottish diagnostics company Quotient with a \$78m offering on NASDAQ. Summit Therapeutics and MidaTech Pharma were the other two significant transactions (£25m and £13.4m, respectively) on London's AIM.

While the total is way down on the £266m raised in the year earlier period, that number included an unusually-high £222m NASDAQ follow-on completed by GW Pharma.

## Follow-on financings by market

	Q1 2019 (£m)	Q1 2018 (£m)	2018 (£m)
AIM 2PO	35	44	205
LSE 2PO	0	0	72
NASDAQ 2PO	60	222	381
<b>Total</b>	<b>95</b>	<b>265</b>	<b>658</b>



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