

# Biotech financing update

March 2019–May 2019

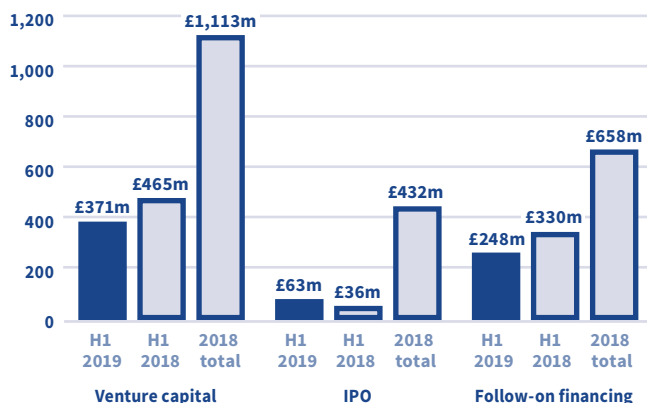


# Overall figures

UK biotech fundraising has accelerated in the second quarter of 2019 fuelled by the public markets, with two IPOs and significant follow-on financing.

The total of £682m for the first half of the year is behind that achieved in 2018 but is on track to be the third best year for the sector. However, if activity picks up, it remains possible to beat the £1.87bn raised in 2015.

## UK biotech fundraising



Source: Informa Finance Intelligence. Period: 1 March 2019–31 May 2019.  
Fundraising data based on location of the company HQ.

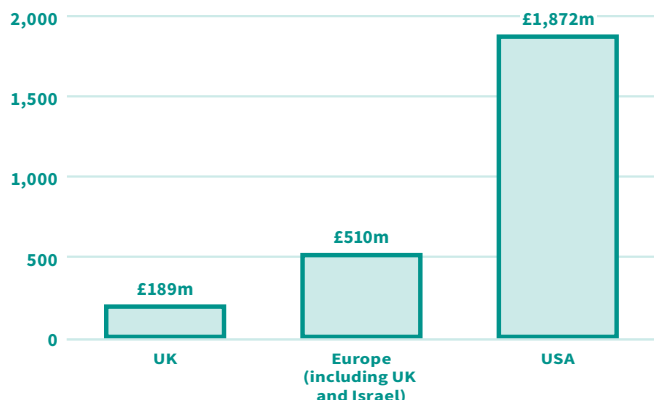
# International venture capital

Biotech companies across the globe saw a quarter-on-quarter drop in VC financings. Indeed, US biotechs, which still accounted for 64% of all VC funds raised, saw a 47% drop off during the second quarter of 2019 compared with the previous three months.

Against this backdrop, the UK's steady performance is welcome. The UK also commanded over a third (37%) of the £510m raised by European (including Israeli) companies.

Massachusetts was the most successful biotech fundraising cluster, raising £798m. It was followed by China where nine companies raised £481m, with San Diego in third with £337m raised and San Francisco in fourth with £204m.

## Global biotech VC financing



# IPOs

The first UK biotech to IPO in 2019 was Belfast-based Diaceutics, a data analytics and implementation services company that services the global pharmaceutical industry. It raised £17m on AIM in March. Following the IPOs of Sensyne Health and Renalytix AI last year, Diaceutics shows AIM investors still have a taste for data-services focussed biotechs.

Despite lower biotech IPO activity on US markets, Bicycle Therapeutics raised \$60.6m (£46.3m) on NASDAQ in late May. The Cambridge-based company is pioneering a new class of therapeutics based on its proprietary bicyclic peptide product platform. It continues the trend of UK drug developers looking across the pond for bigger public fundraises, following Orchard Therapeutics and Autolus Therapeutics in 2018.

The pace on the public markets will need to increase if last year's record-breaking performance is to be exceeded. £432m was raised by UK biotechs through IPOs in 2018.

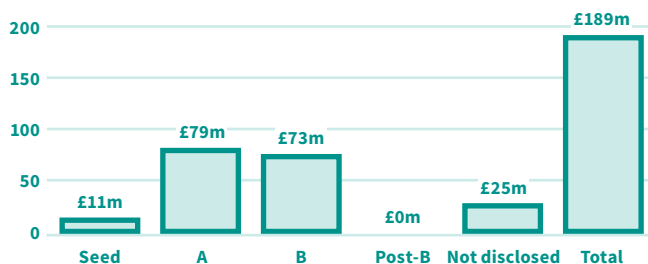


UK biotech IPOs have raised **£63.3m** so far in 2019

# Venture capital funding

Private biotech financing has remained steady, with £189m raised between March and the end of May 2019, following £182m in the preceding three months. Post-B funding rounds continue to be elusive but early-VC and seed financing, which is probably understated as many transactions are not publicly disclosed, remain fairly robust.

## UK VC financing by round, March–May 2019



## Top UK biotech VC fundraisers, March–May 2019

Company name	Deal date	Round	Value (£m)
Inivata	28/03/2019	B	39.80
Quell Therapeutics	20/05/2019	A	35.00
Storm Therapeutics	20/05/2019	A	30.00
Congenica	30/04/2019	B	23.30
Gyroscope Therapeutics	07/03/2019	A	14.13
EMMAC Life Sciences	08/03/2019	ND	11.00
TTS Pharma	23/05/2019	B	10.30

# Follow-on financing

Five UK biotech follow-on financings raised £151m between March and May 2019. This was over 60% more than in the preceding three months and also a much better performance than the same period in 2018.

The increase was led by Autolus Therapeutics, which raised \$115m (£88.56m) in a NASDAQ follow-on offering. And Oxford Biomedica topped the AIM-listed biotechs when Novo Holdings A/S agreed to invest up to £53.5m.

## Follow-on financings by market

	Q2 2019 (£m)	Q2 2018 (£m)	2018 (£m)
AIM 2PO	64	44	205
LSE 2PO	0	21	72
NASDAQ 2PO	89	0	381
<b>Total</b>	<b>151</b>	<b>65</b>	<b>658</b>



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