

European biotech financing is maturing but the gap with the US keeps growing

European biotech financing is maturing . . .



3x to **\$2.3 billion** Venture financing has tripled since 2012

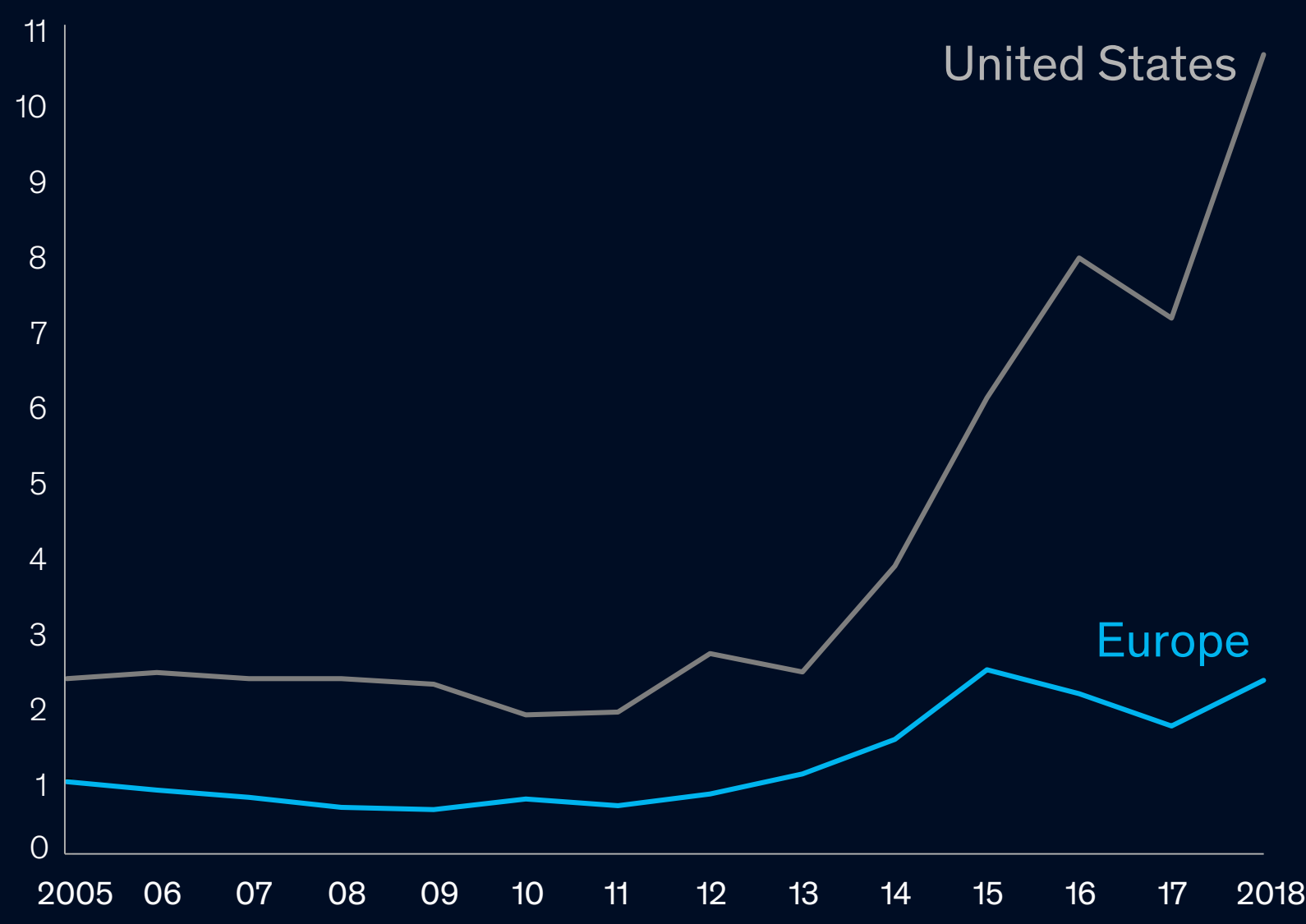
2x European venture capital funds have doubled in size since 2012

4x The size of Series A funding rounds¹ has quadrupled since 2012

3x to **\$165 million** Biotech deal values have tripled since 2012

. . . but the gap with the US keeps growing

Annual venture funding raised, \$ billion



5x more venture financing available in the US

60% larger early- and late-stage rounds of venture capital funding in the US

3x larger offering size for IPOs on US public markets versus European markets

Due to the financing challenges in Europe, European biotechs are looking to the US for financing

~30% of private investments come from venture capitalists in the US

32% of European biotechs are now first filing for an IPO directly in the US

~\$80 million average IPO value for both US and European biotechs on US markets

Since 2012
98% of all follow-on public financing² raised by European biotechs was raised on US markets

¹ "Round A" refers to the first significant round of fundraising for biotechs, typically financed by venture capital.

² A public company's issuance of shares to investors, which occurs after the IPO. Used to raise additional capital to fuel growth.

Sources: PitchBook, February 2019; Preqin, March 2019; BCIC, March 2019; IQVIA Pharma Deals, February 2019; press search; expert interviews; McKinsey analysis