

Covid or not, venture financing breaks records



[Jacob Plieth](#)



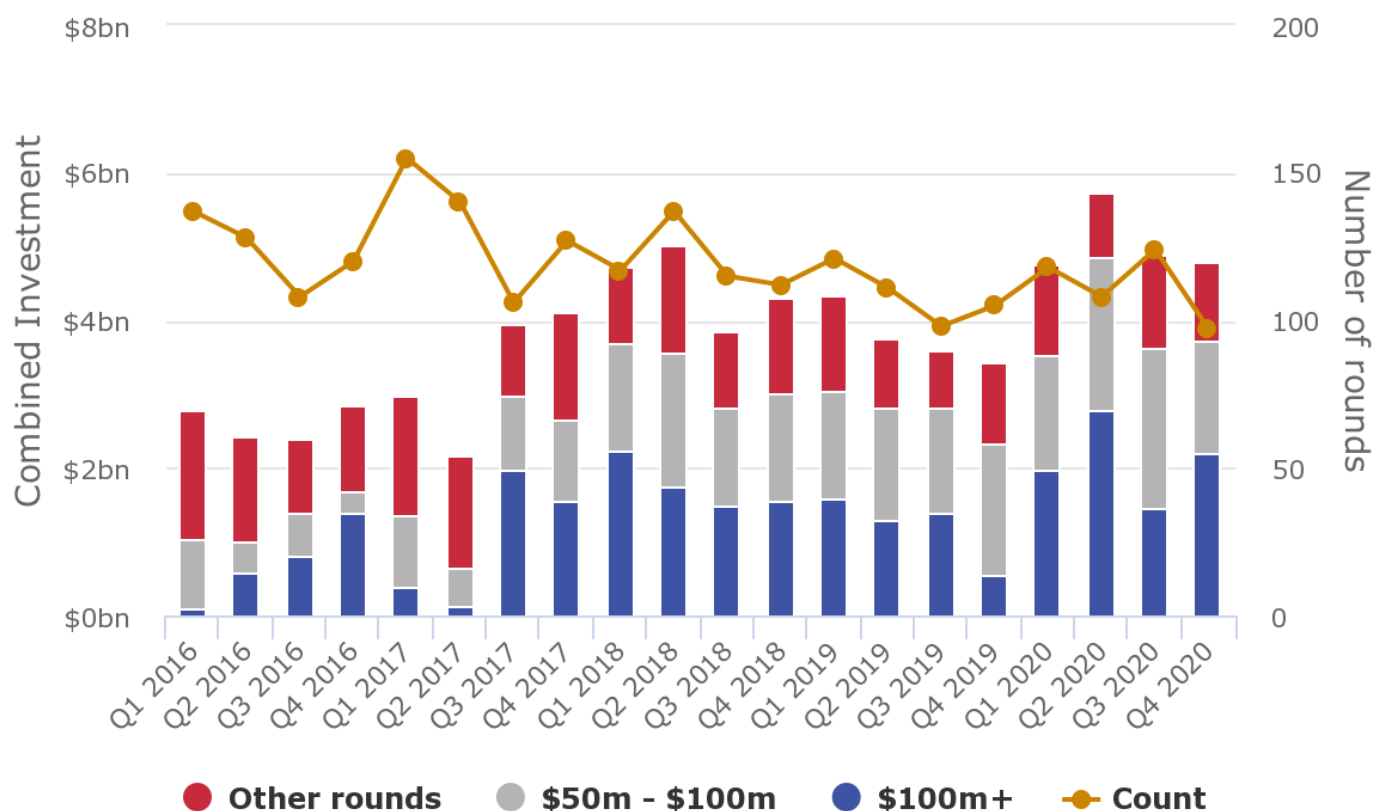
Private biotechs attracted more venture cash in 2020 than in any other year of the current cycle.

A year that started with cautious optimism over biotech venture financing has wound up breaking records. Private biotechs ended 2020 having raised just under \$20bn, eclipsing even the boom year of 2018, the latest *EvaluatePharma* data have revealed.

Back [in the first quarter of 2020](#), as the coronavirus pandemic was starting to spread, the hope was that biotech would prove sufficiently resilient to allow VC financing to fall only to 2017 levels, making 2018 an outlier. In fact the full-year totals seem to have blown even the rosier expectations out of the water.

The numbers are so stunning that it is difficult to find negative trends. If there is one it is that 2020's absolute number of VC rounds was around the 450 mark, despite the record-breaking total cash raised; this is lower than 2017's 528, and even than the 492 rounds in 2014, when only a total \$7.2bn was raised.

Quarterly biopharma VC rounds



Evaluate

The clear trend is towards ever bigger venture rounds. Indeed, the average financing per round last year came in at nearly \$45m, almost \$10m higher than the average in 2019.

This rising average was driven by a few truly monstrous individual company raises. The secretive cell therapy player Lyell Immunopharma topped the first quarter with a \$493m raise, while June saw Sana Biotechnology close an astounding \$700m series A round; both companies are linked to Hans Bishop, the former chief executive of Juno.

It was Sana that pushed the second-quarter VC funding total above \$5bn – the first time that quarterly total had been breached in the current cycle. And it was only because of Sana that the third and fourth quarters looked like a retrenchment; in reality, of course, each period brought in nearly \$5bn of private cash.

Annual biopharma venture investments

	Investment (\$bn)	Financing count	Avg per financing (\$m)	No of rounds ≥\$50m	No of rounds ≥\$100m
2020	19.99	448	44.63	154	59
2019	15.12	435	34.76	119	38
2018	17.89	481	39.06	130	38
2017	13.21	528	27.40	76	19
2016	10.44	493	22.51	52	15

Source: EvaluatePharma

While Covid-19 ravaged other sectors, the fact that biopharma is seen as the solution to the global crisis probably accounts for the huge funding inflow. This analysis includes only companies developing human therapeutics, and excludes medtech, diagnostics and digital health, which have also thrived in the pandemic.

Looking specifically at the fourth quarter, Lianbio's \$310m might seem unimpressive compared with the likes of Sana, but in reality this is still a great series A round, putting the cardio/oncology group's raise in fourth position over the whole of 2020.

It will not go unnoticed that Lianbio is one of three Chinese biotechs in the fourth quarter's private top five. Only one of these, the speciality group Nuance, is not a cancer player, and Carsgen is a Car-T company that [presented impressive anti-BCMA data at the recent Ash meeting](#).

It seems likely that once all the numbers are in – there are typically a few small rounds that are not announced until some time after closing – the 2020 VC total will exceed \$20bn. What does 2021 do for an encore?

2020's biggest biotech venture rounds			
Company	Country	Investment (\$m)	Financing round
<i>The top five of Q4 2020...</i>			
Lianbio	China	310.0	Series A
Recursion Pharmaceuticals	US	245.9	Series D
Ambrx	US	200.0	Undisclosed
Carsgen Therapeutics	China	186.0	Series C
Nuance Biotech	China	181.0	Series D
<i>...and the best of 2020 overall</i>			
Sana Biotechnology	US	700.0	Series A
Lyell Immunopharma	US	493.0	Undisclosed
Everest Medicines	US	310.0	Series C
Lianbio	China	310.0	Series A
Mabwell	China	279.0	Series A
<i>Source: EvaluatePharma</i>			

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