

# LIFE SCIENCE FINANCING SUMMARY

July 2024

## Biotech Financing Summary

As we wrap up the first half of 2024, biotech and life sciences funding has been a mixed bag. Life science companies secured 340 financing rounds totaling USD 13.8bn from January to June 2024. While investments surged in AI, weight loss, and cell and gene therapy manufacturing, the market showed caution with fluctuating investment values and rounds. This suggests that investors are navigating these sectors carefully amidst promising yet volatile conditions.

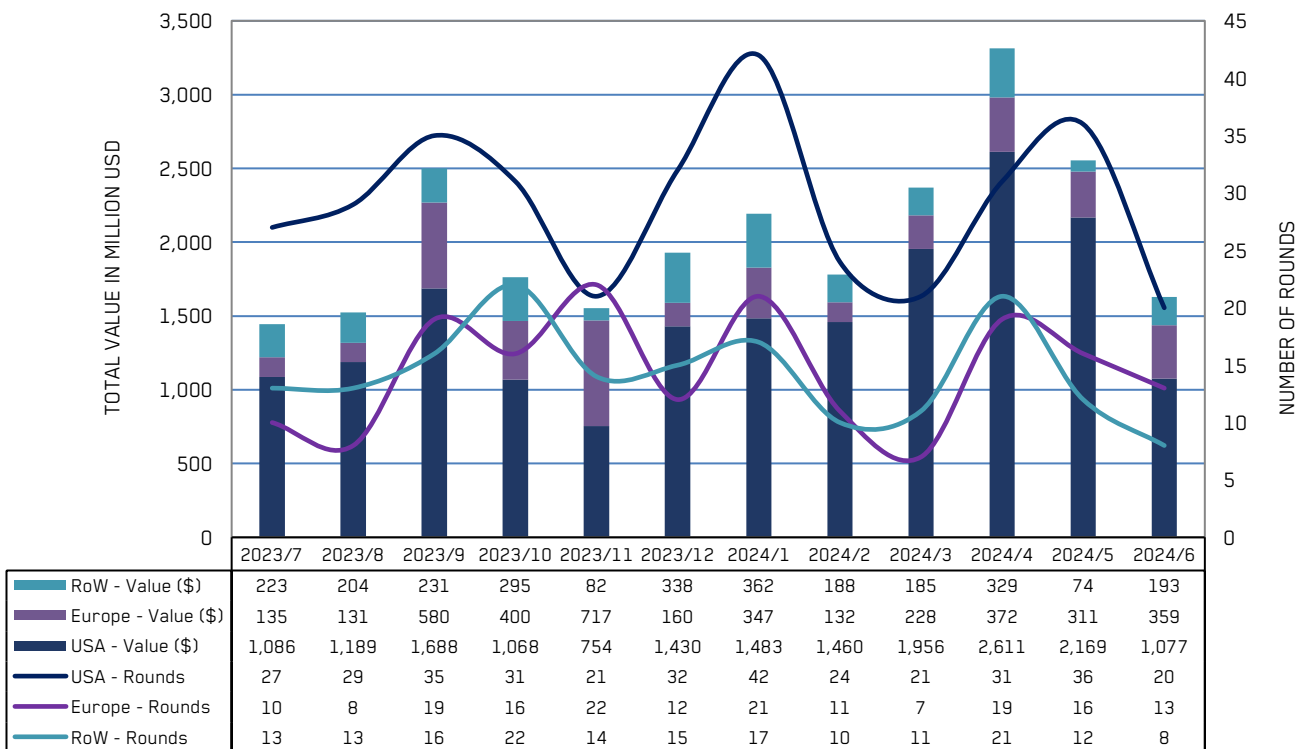
Private biotech fundraising slowed down slightly in June 2024 compared to previous months, as the biotech sector experienced a notable decline in both the number of funding rounds and their total value for the second consecutive month. Life science companies secured 41 financing rounds, down from 64 in May, with the total funding amounting to USD 1,629m, a 36% decrease from USD 2,554m in the previous month. Despite this downturn, US-based biotech companies remained highly attractive to investors, securing 66% of the total funding value (USD 1,077m) across 20 rounds. European biotech firms followed, receiving 22% of the funding (USD 359m) over 13 rounds. Interestingly, companies outside the US and Europe saw a significant rise in investment, jumping from USD 74m in May to USD 193m in June across 8 rounds, highlighting a broader geographic spread of investments. Overall, while the sector faced a funding slump, the US maintained its dominance, and increasing investments in other regions could signal a diversifying investment landscape in biotech (Chart 1).

In June 2024, the Nasdaq Biotech Index (NBI) reflected broader investor sentiment with notable volatility. The index opened at 4,467 and closed at 4,545, marking a 17% gain. The index reached 4,545 within the first 10 days, peaked at 4,634 on June 24, and then settled back at 4,545.

Deals exceeding USD 30m represented 41% of private equity rounds in June 2024, with an average deal value of USD 78m. Series A rounds made up 24%, Series B accounted for 29%, and Series C comprised 12% of these high-value deals. Deals valued between USD 5 and 15m constituted 32% of rounds, those between USD 15 and 30m made up 20%, and deals under USD 5m accounted for 7%. Overall, Seed rounds represented 29% of all rounds, followed closely by Series A at 27%, Series B at 17%, and Series C at 7%. This distribution highlights a robust interest in early-stage investments, particularly in high-value rounds, indicating investor confidence in emerging biotech ventures despite market volatility (Chart 2).

Formation Bio, Alumis, and Rapport Therapeutics were among the notable recipients of substantial funding in June 2024. Formation Bio, based in the US, secured USD 372m in a Series D round, focusing on expanding its AI capabilities and acquiring new drug candidates. Alumis, a California-based biotech specializing in immune drug development, raised USD 210m in one of the year’s largest biotech IPOs. Additionally, Rapport Therapeutics closed its USD 174 million IPO, including a full underwriters' option and private placement, aimed at advancing precision small molecule medicines for CNS disorders like epilepsy and bipolar disorder.

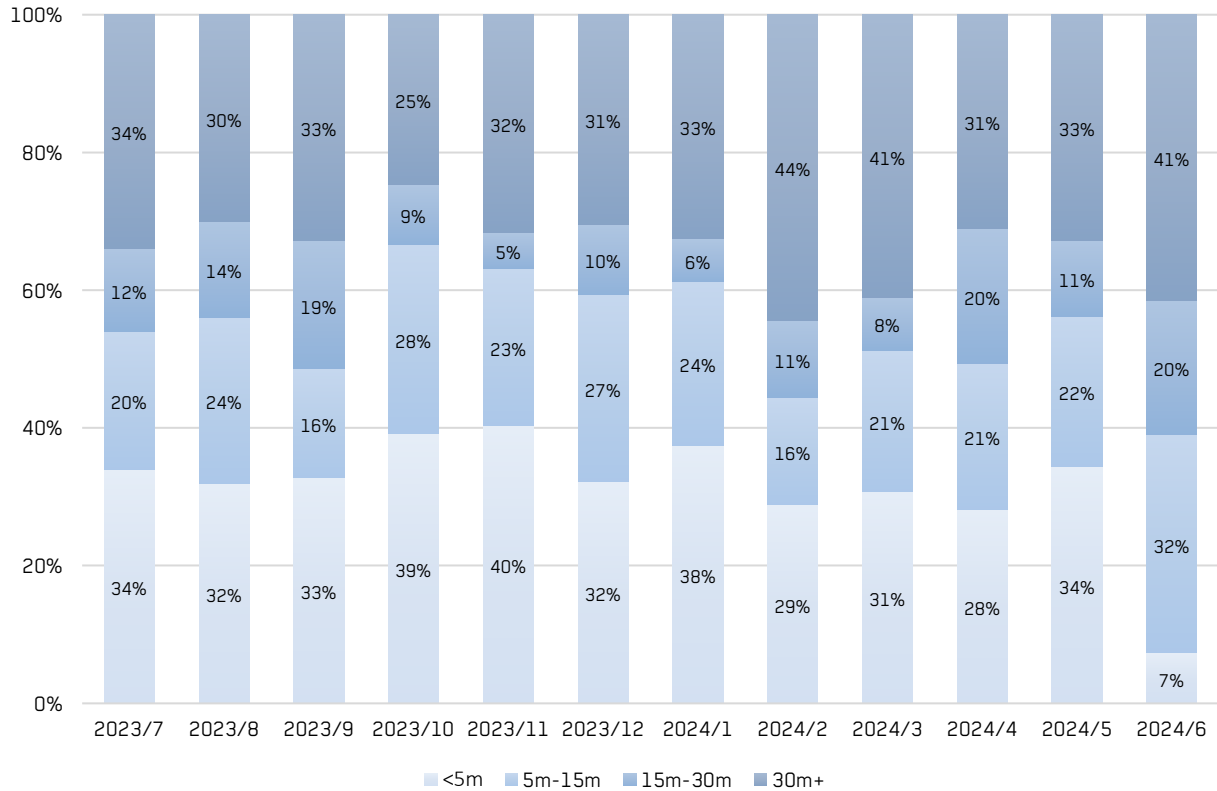
Biotech Therapeutic Financing Rounds Private Equity



Source: Biotechgate.com

**Chart 1.** The graph shows equity financing rounds of private and independent biotech therapeutic & diagnostic companies (not included are IPOs, research grants, and loans). Financing amounts and the number of rounds from previous months may alter as new information on financing rounds is received and/or new tranches to existing financing rounds are added.

### Proportion of Number of Rounds by Investment Size



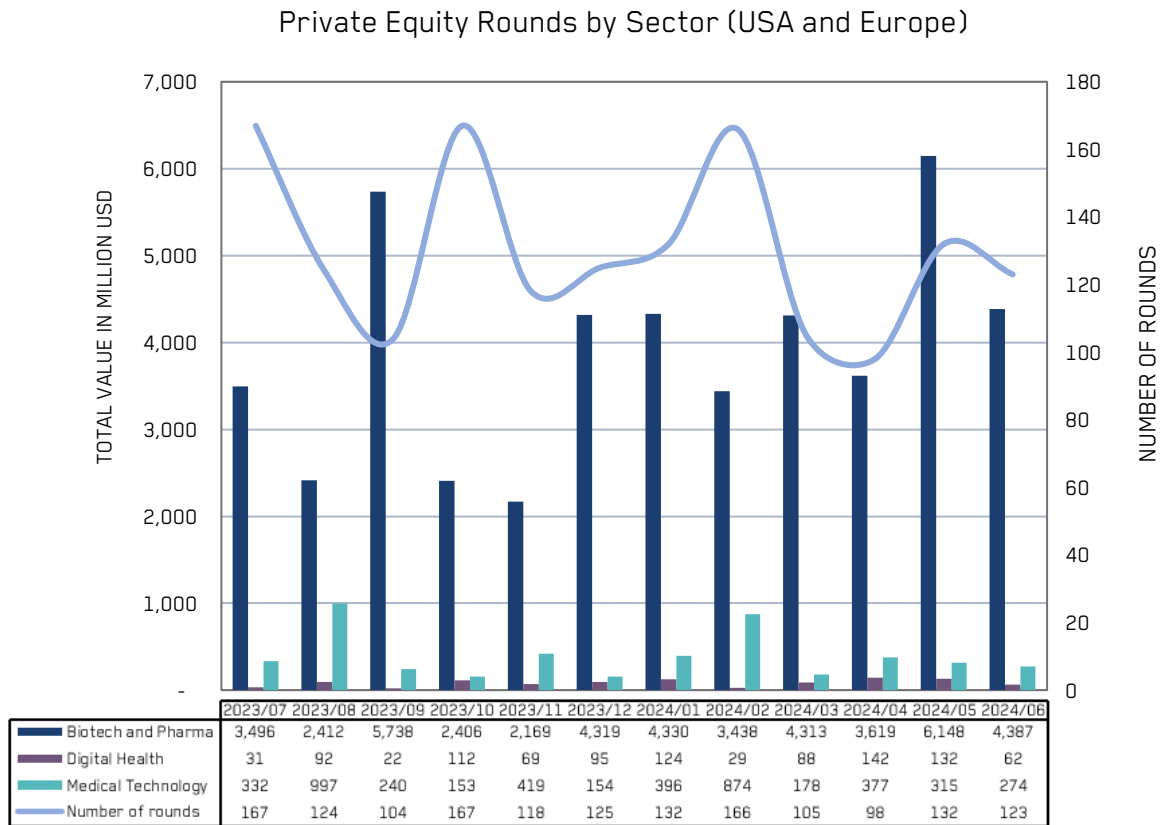
Source: Biotechgate.com

**Chart 2.** The graph shows the proportion of private equity financing rounds by investment size (not included are IPOs, research grants, and loans), covering 12 months. The dataset includes private Biotech (human therapeutics & diagnostics) companies located worldwide. The value of financing rounds from this month may alter as new information on financing rounds is received and/or new tranches to existing financing rounds are added.

## The Private Equity Rounds by Sector in the US and Europe

Chart 3 illustrates the distribution of deal values and total number of rounds across the Biotech & Pharma, Digital Health, and Medical Technology sectors in the US and Europe. Biotech & Pharma dominates the chart with investments totaling USD 4,387m (93% of the total). Medical Technology follows with investments amounting to USD 274m, while Digital Health lags significantly behind with USD 62m (1% of the total).

Compared to May 2024, there has been a noticeable decrease in total funding amounts across all sectors. In June 2024, a total of 123 funding rounds were completed, raising USD 4.7bn collectively across these three sectors (Chart 3).



Source: Biotechgate.com

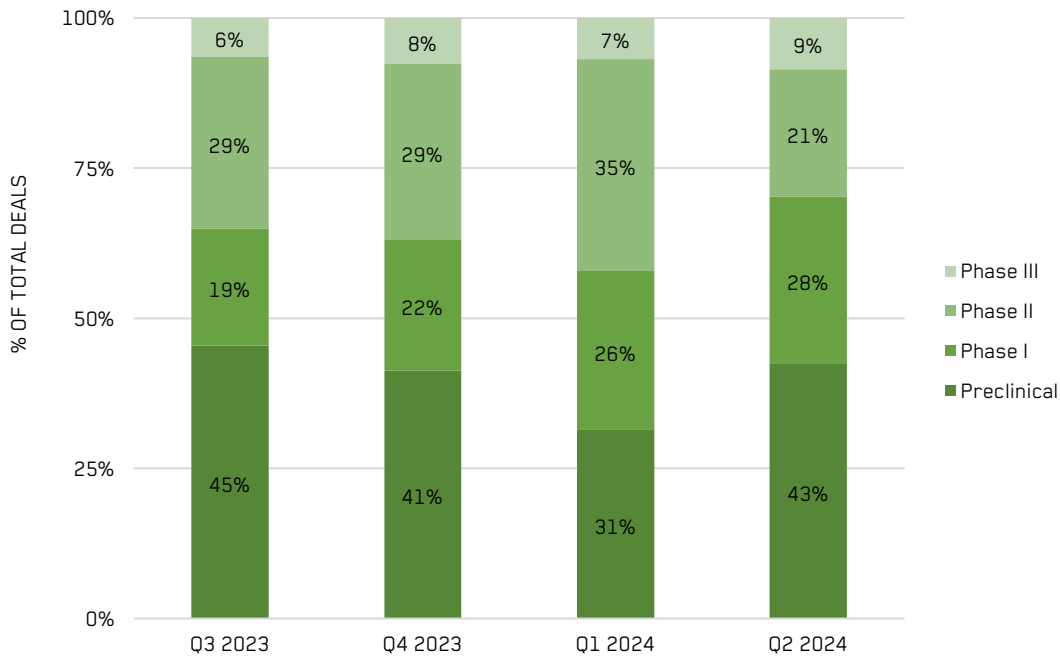
**Chart 3.** The graph shows private equity financing rounds of life science companies in USA and Europe by the company’s sector and the number of rounds. Not included are IPOs, research grants and loans. Financing amounts and the number of rounds from previous months may alter as new information on financing rounds is received and/or new tranches to existing financing rounds are added.



## The Proportion of Number of Rounds by Development Phase of Lead Product

In Q2 2024, a substantial number of fundraising rounds were observed for companies in the preclinical stage, comprising 43% of total rounds, up from 31% in Q1 2024. Rounds raised by companies with a lead asset in Phase I increased from 26% in Q1 to 28% in Q2. Phase II saw a significant drop from 35% in Q1 to 21% in Q2. Phase III increased by 2 percentage points to 9% in Q2. This indicates a shift in investment focus towards early-stage development. The overall trend shows a consistent preference for preclinical investments over the last four quarters (Chart 4).

Proportion of Number of Rounds by Product Development Phase



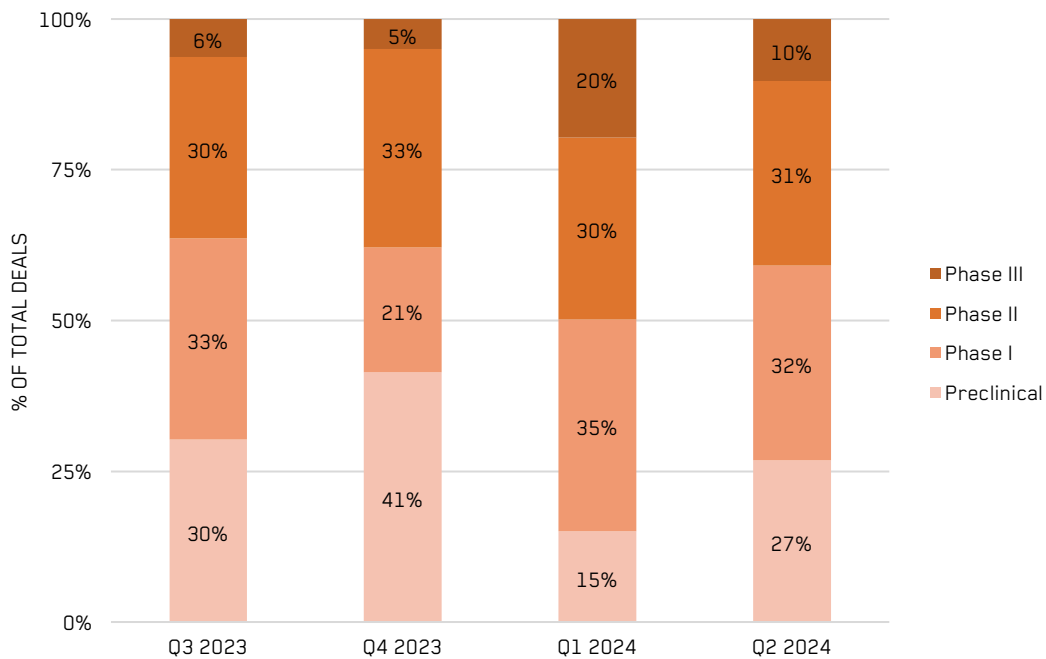
Source: Biotechgate.com

**Chart 4.** The graph above shows the proportion of the number of private equity financing rounds of biotech companies (human therapeutics and diagnostics) by product development phase. The dataset includes private Biotech (human therapeutics & diagnostics) companies located worldwide. The value of financing rounds from previous months may alter as new information on financing rounds is received and/or new tranches to existing financing rounds are added.

## The Proportion of Financing Value (USD) by Development Phase of Lead Product

During Q2 2024, the financing value distribution by product development phase shows a notable shift compared to Q1 2024. The proportion of preclinical financing value increased by 12 percentage points to 27%, while Phase II financing saw a slight rise from 30% to 31%. Conversely, Phase I funding decreased modestly from 35% to 32%, and Phase III funding dropped by 10 percentage points to 10%. Overall, innovations in the early stages of clinical development continued to attract increased investor interest, with a notable increase in preclinical funding, suggesting confidence in early-stage innovation. This trend also aligns with the increased number of rounds for companies with lead assets in preclinical development observed in the second quarter of 2024. The overall distribution reflects a balanced investment approach across various stages of product development (Chart 5).

Proportion of Financing Value (USD)  
by Product Development Phase

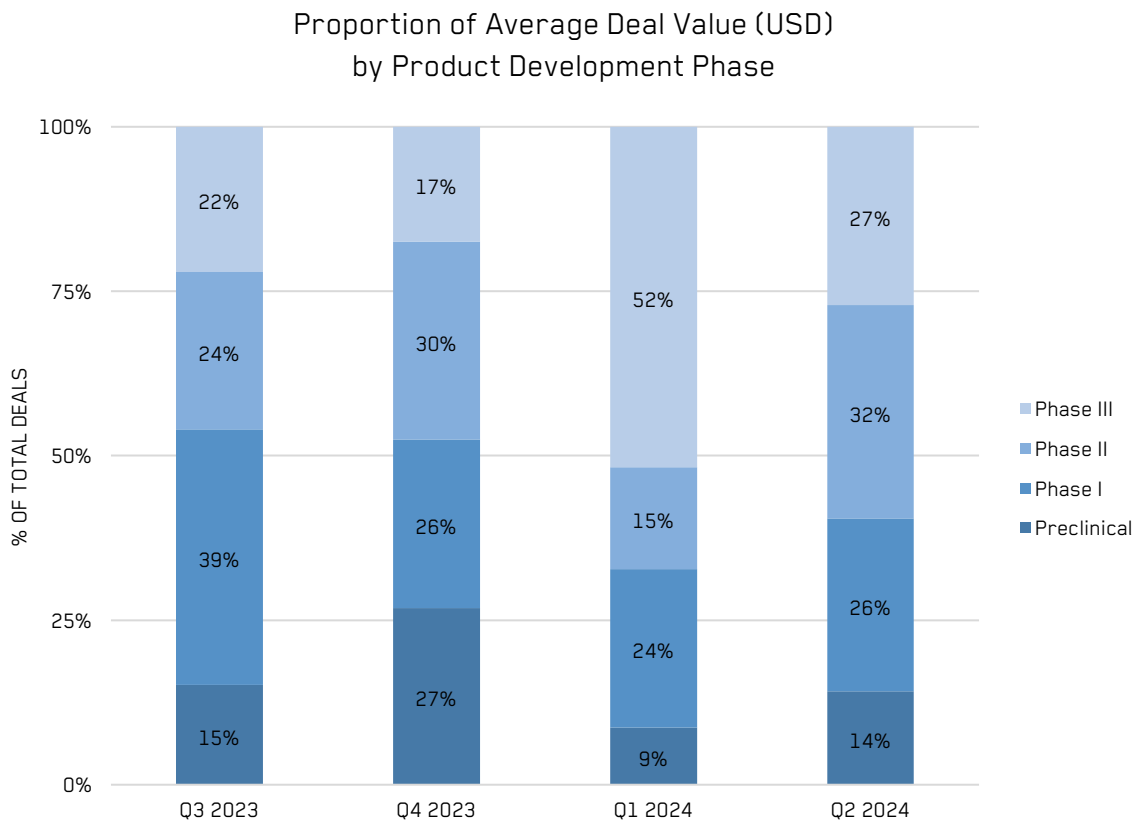


Source: Biotechgate.com

**Chart 5.** The graph above shows the allocation of capital towards various rounds. It shows the proportion of the financing value (in million USD) for private equity financing of biotech companies (human therapeutics and diagnostics) by development phase of the lead product. The dataset includes private Biotech (human therapeutics & diagnostics) companies located worldwide. The value of financing rounds from previous months may alter as new information on financing rounds is received and/or new tranches to existing financing rounds are added.

## The Proportion of Average Deal Value (USD) by Development Phase of Lead Product

In Q2 2024, the distribution of average deal values for companies with lead products in different trial phases demonstrated notable variations. Phase III deal value decreased from 52% to 27% compared to the previous quarter, indicating a substantial reduction in late-stage investments. Phase II deal value increased by 17 percentage points to 32%, showing growing interest in mid-stage developments. Phase I deal value rose from 24% to 26%. Preclinical deal value increased slightly by 5 percentage points to 14%. These changes reflect a diversified investment strategy with increased funding in earlier stages, highlighting investor confidence in early-stage innovations (Chart 6).



Source: Biotechgate.com

**Chart 6.** The graph above reflects the value of rounds by series. It shows the proportion of the average financing value (in million USD) for private equity financing of Biotech companies (human therapeutics and diagnostics) by product development phase. The dataset includes private Biotech (human therapeutics & diagnostics) companies located worldwide. The value of financing rounds from previous months may alter as new information on financing rounds is received and/or new tranches to existing financing rounds are added.

## Selected Biotech Financing Highlights June 2024

### Formation Bio secures USD 372M in Series D financing

#### Formation Bio

Formation Bio, a tech-driven and AI-native pharmaceutical company, announced a successful USD 372m Series D financing round led by 16z with significant participation from Sanofi. Existing investors like Sequoia, Thrive, Emerson Collective, and Lachy Groom, as well as new investors such as SV Angel Growth and FPV Ventures also joined the round. This funding round significantly exceeds the company's Series C valuation and underscores its strategic growth trajectory. The capital infusion will bolster Formation Bio's capabilities in acquiring and in-licensing clinical stage assets, enhancing its NewCo model to efficiently develop drug candidates beyond clinical proof of concept. Additionally, the funds will drive expansion in AI technologies aimed at optimizing drug development processes, including workflow automation and augmented decision-making capabilities.

[Source / Press release](#)

### Alumis raises USD 250m in IPO amid biotech sector revival



Alumis, formerly Esker Therapeutics, successfully raised USD 250m through its IPO, priced at USD 16 per share, valuing the company at approximately USD 902m upon its Nasdaq debut as ALMS on June 28th. The funds will primarily advance ESK-001, a TYK2 inhibitor, into Phase III trials for treating moderate to severe plaque psoriasis, alongside Phase II trials for systemic lupus erythematosus. Despite being downsized, Alumis managed to secure one of the largest IPOs in the biotech sector this year.

[Source / Press release](#)

### Rapport Therapeutics debuts on NASDAQ, raising USD 174m IPO



Rapport Therapeutics, Inc. has closed its IPO, raising approximately USD 174m, including full underwriters' option exercise and a concurrent private placement. The IPO comprised 9.2 million shares at USD 17 per share, trading on the Nasdaq under the symbol "RAPP" since June 7, 2024. Rapport also completed a private placement on June 10, 2024. The company specializes in advancing precision small molecule treatments for CNS disorders such as epilepsy and bipolar disorder, leveraging its RAP technology platform for neuroanatomical specificity. Leading with RAP-219, currently in Phase I clinical trials for epilepsy, neuropathic pain, and bipolar disorder, Rapport also develops programs for chronic pain and hearing disorders in preclinical and late-stage phases.

[Source / Press release](#)

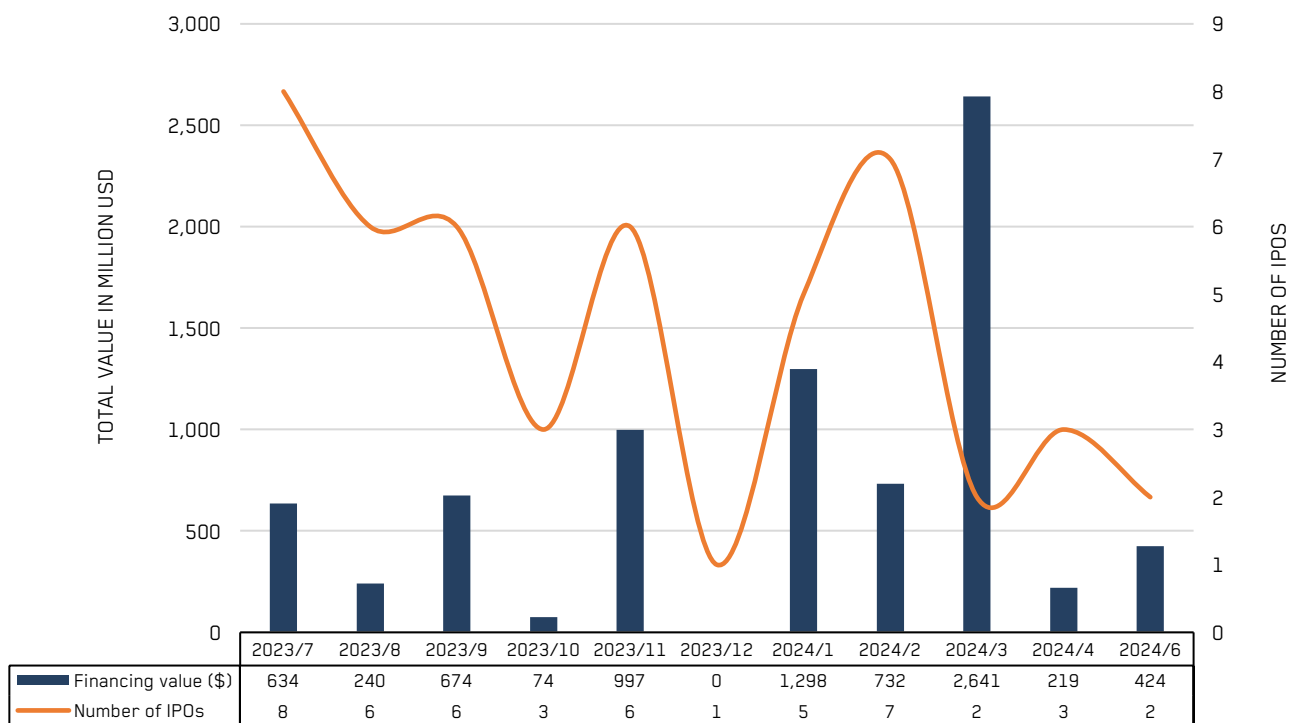


## Initial Public Offerings of Life Science Companies

After a quiet period, the IPO market picked up with two US-based companies completing significant financial milestones. Boston's Rapport Therapeutics (Nasdaq: RAPP) closed its USD 174m IPO, emphasizing precision CNS treatments using its RAP technology platform. Its lead candidate, RAP-219, is in Phase I trials for epilepsy, neuropathic pain, and bipolar disorder. Meanwhile, Alumis, based in San Francisco, USA, raised USD 250m in an initial public offering securing one of the largest IPOs in the biotech sector this year. The company plans to use part of the proceeds to advance its lead asset ESK-001 into multiple Phase III trials for moderate to severe plaque psoriasis treatment and Phase II for lupus erythematosus.

Alumis' IPO reflects renewed interest in biotech IPOs in 2024, despite market challenges that led some firms, such as Telix Pharmaceuticals, to withdraw their plans. Alumis joins CG Oncology and Kyverna Therapeutics as notable biotech IPOs this year, highlighting a robust market reception (Chart 7).

Life Science Company IPOs Worldwide



Source: Biotechgate.com

**Chart 7.** The graph contains IPO rounds of life science companies (Biotech, Pharma, MedTech, and Digital Health) from around the world. Financing amounts and the numbers of rounds from previous months may alter as new information on financing rounds is received.



## Life Science Financing Rounds Summary June 2024

Source: [Biotechgate](#)

Company Name	Sector	Amount (in Million USD)	Type of Round	Financing Stage	Ownership	Country
xxxxxxxxxx	Biotech - Therapeutics*	900.0	NA	Post-IPO	Publicly listed	Denmark
xxxxxxxxxx	Biotech - Therapeutics*	547.4	NA	Post-IPO	Publicly listed	USA
xxxxxxxxxx	Biotech - Therapeutics*	400.9	NA	Post-IPO	Publicly listed	USA
xxxxxxxxxx	Pharma (fully integrated)	372.0	Series D	Equity (private)	Private	USA
xxxxxxxxxx	xxxxxxxxxx	xxxx	xxxx	xxxxxx	xxxxxx	xxxxxx

Biotech - Therapeutics\* = Biotechnology - Therapeutics and Diagnostics

Please request a trial [here](#) or log-in to your existing account to download the full report with all **232** financing rounds in June 2024.

## About this summary

The Biotech Financing Summary is published on a monthly basis by Venture Valuation and can be downloaded for free either from our newsletter or from the website [www.biotechgate.com/financing](http://www.biotechgate.com/financing)

The data used for this summary is taken from Venture Valuation's global life science database Biotechgate, if not explicitly stated otherwise. Biotechgate is a popular source for company and licensing deal information. If you are interested in learning more, please do not hesitate to contact us and apply for a trial.

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