

Press release, 3 September 2015

Growing interest for crowdfunding in the life sciences

First overview of 18 crowdfunding platforms most relevant for life science companies in Europe/ More than €23m capital raised via 42 European campaigns since 2010/ Legal environment is improving

Berlin, 3 September 2015. European life science companies are increasingly interested in using crowdfunding as an additional financing instrument. In Europe, a total of 18 equity-based platforms can be identified as being the most relevant for life science companies – because they already had campaigns in the sector or had publicly stated they would soon initiate them. Between 2010 and June 2015, 42 life science companies successfully finished a campaign, bringing the total capital raised through crowdfunding in Europe to almost €23m. These are the key findings of the “Analysis of Crowd-based Financing in European Life Sciences”, published on 26 August on the occasion of the “Crowd Dialog Europe 2015” in Helsinki by German market analyst BIOCOM AG.

“With respect to the high capital demand in the life sciences, it was only a question of time before firms jumped on the bandwagon of crowdfunding”, says Sandra Wirsching, responsible for the report at Berlin-based BIOCOM AG. According to the analysis, the last two years in particular have seen a specific dynamic. In 2014, the number of life science related crowdfunding campaigns on the 18 analysed platforms increased to 18, twice as many as in 2013. By June 2015 alone, a total of 13 European life science companies had already opted for this alternative financing instrument.

As demonstrated within the analysis, the average amount per life science campaign was about €550,000. Ten biotech and medtech companies succeeded in raising around €1m or more in capital. “The seven case studies in the report underline that crowdfunding is an attractive financing option for biotech and medical device companies, regardless of their development stage or specific business area. Above all, it is considered as a marketing tool and add-on to other financing instruments”, says Wirsching. The most experienced platforms with respect to life sciences are based in Great Britain and France. This is mostly due to the fact that regulatory frameworks in these countries highly support investments in risky technology companies. The comparatively young British platform Syndicate Room ranks at the top with 16 campaigns, followed by French Wiseed with 15 financings since 2010. Both platforms follow a general approach without specifying a particular business sector. 2014 and 2015 saw the first life science campaigns outside the two established crowdfunding countries, the UK and France. In Germany, the big market players Seedmatch and Companisto added biotech or medtech firms to their portfolios, indicating that technology-orientated investments are evaluated as a growth segment within the crowdfunding market.

Moreover, in 2014 and 2015, a new trend in the European crowdfunding market emerged: the specialisation of platforms towards life sciences. According to the report, there are four European platforms with a health or life science focus. In France, the platform Wellfundr opened an equity-based investment scheme in April 2015, and in August 2015, the platform MyPharmaCompany launched its services based on its own investment model, which they call “royalty-based”. In Germany, medtech focused Aescuvest was founded in 2014 and began its first campaign in July 2015. In Spain, Capital Cell was founded in 2014 with a dedication to the financing of life science companies.

As a conclusion, the report underlines high dynamics and a growing professionalism, which has been observed in the crowdfunding market in recent years. “Platform operators more often cooperate with professional investors and VC capitalists, making also higher amounts of capital available for the firms”, Wirsching concludes. In addition, the legal background in most of the European countries has also improved. Here, the report includes an overview by legal experts from Dentons Europe, outlining the main characteristics of the legal environment in the most important European countries and in the US. A survey among the readers of European Biotechnology Magazine also reveals that the life science community is optimistic with respect to the future of crowdfunding. 50% of the people say that crowdfunding will become a relevant financing instrument for the life sciences, a further 28% think it is not yet the right time.

About the report

The “Analysis of Crowd-based Financing in European Life Sciences” investigates for the first time the relevance of crowdfunding for the life science sector. It is based on an analysis of the 18 most important equity-based crowdfunding platforms and a comparison of their main characteristics with respect to its members, partners, invested capital, minimum investment sums and life science experience. A comprehensive compilation of the legislative environment of the most important European countries (Germany, Austria, France, UK, Spain, Netherlands, Switzerland) as well as of the US and Canada was conducted by Dentons Europe LLP. In addition, the report includes the following case studies: Antabio ASA (Wiseed), Bactest Ltd (Syndicate Room); Cell Therapy Ltd (Crowdcube), EBS Technologies GmbH (Companisto); Eyebrian SARL (anaxago); Iproteos SL (Capital Cell); Riboxx GmbH (Seedmatch)

More information is available here: www.biocom.de/en/crowdfinancing2015

About BIOCOM AG

As a leading information specialist for biotechnology and Life Sciences in Europe, BIOCOM AG has extensive knowledge and experience in all biotech areas, from the pharmaceutical and agricultural sectors to industrial production. Experienced industry and scientific specialists at BIOCOM AG have been tracking the development of the biotech industry from research to market for more than 25 years. BIOCOM AG has its headquarters in Berlin and offices in Austria, Switzerland and Belgium. It is active throughout Europe in media, events and services.

Contact:

Sandra Wirsching
Division Manager
Consultancy & Research

BIOCOM AG
+49(0) 30-26 49 21-63
s.wirsching@biocom.de