



Chairman's Corner:



From start-ups to later-stage companies, the Danish biotech industry continues to make its mark both locally and on a global stage. In particular, it's very encouraging to see young companies secure solid financing.

Late September, immune-oncology company STipe Therapeutics raised EUR 20M in a Series A financing round. Initially funded by Novo Seeds, the early-stage investment arm of Novo Holdings A/S, this funding round was co-led by Novo Seeds and Arix Bioscience plc. The syndicate also included Wellington Partners Life Science V Fund and Sunstone Life Science Ventures A/S. STipe is a spin-out of the Aarhus University and was one of the first two companies accepted in the BioInnovation Institute (BII) Creation House program. STipe Therapeutics aims to help patients that either respond poorly or are completely resistant to immunotherapies. They are doing this by combining current immunotherapies with a direct sensitization of the innate immune system.

Meanwhile, fellow Aarhus University spin-out, Draupnir Bio, raised DKK 225M (\$33M) from Novo Seeds, Gilde Healthcare, High-Tech Gründerfonds and INKEF Capital. Draupnir Bio has developed a platform technology for exploring the glycome based on array technology, protein chemistry and advanced carbohydrate chemistry. Their lead candidate is a new type of cholesterol-lowering drug that prevents blood clots in the heart more effectively than current treatment.

These companies are the future leaders of our industry so it's great to see them supported in this important start-up phase and its particularly encouraging to see the first company from BII to reach Series A. It is especially encouraging to see Gilde Healthcare back as an investor in a Danish biotech company. Vækstfonden is a Limited Partner in Gilde, so great to see that this strategy is working. Now we hope that Vækstfonden's two investments in Sofinnova Partner's various funds will pay off as well.

At the opposite end of the spectrum, the Danish biotech industry is entering a new stage of maturity, with at least three companies (Orphazyme, Y-mAbs and Zealand) expected to file NDA/BLAs within the next year. While other Danish biotech companies have brought drugs to market, typically with a partner, this marks a first where several companies have reached this ground-breaking stage on their own.

[Orphazyme](#) is in the process of submitting arimoclomol for approval as a treatment for Niemann-Pick disease Type C (NPC), a genetic, progressively debilitating, and often fatal neurovisceral disease. Arimoclomol is an orally active drug candidate that crosses the blood brain barrier to amplify the production of heat-shock proteins (HSPs). These proteins can rescue defective misfolded proteins, clear protein aggregates, and improve the function of lysosomes.

Following a successful pre-BLA meeting with the FDA on a potential approval pathway, [Y-mAbs will seek approval for naxitamab](#) for the treatment of relapsed/refractory high-risk neuroblastoma. Naxitamab is a humanised anti-GD2 3F8 monoclonal antibody. GD2 is a disialoganglioside expressed on almost all of neuroblastoma cancer cells and in almost all osteosarcomas, but a highly restricted expression on normal tissue. Y-mABS has also announced their intention to file a BLA in 2020 for a radiolabelled antibody, [omburtamab](#), to treat CNS metastasis.

Meanwhile, Zealand Pharma plans to submit [dasiglucagon](#) in a stable, ready-to-use rescue treatment for severe hypoglycemia to the FDA by the end of 2019. Dasiglucagon is a stable peptide analog of human glucagon.

Two major acquisitions in recent months further indicate the transformation and maturing of the Danish biotech sector. [Bavarian Nordic acquired the rights to two commercial vaccines](#), Rabipur/RabAvert and Encepur, from GSK in an almost \$900 million deal. Rabipur/RabAvert provides pre- and post-exposure protection against rabies, while Encepur protects against European (Western) tick-borne encephalitis (TBE) virus. This transformation deal will establish Bavarian Nordic as a profitable independent vaccine company. [Zealand expanded its global presence with the acquisition of Encycle Therapeutics](#), a Toronto-based company that is developing macrocyclic peptides exhibiting enhanced drug-like properties.

The threat against the 'aktiesparekonto'

The social democratic government has a proposal in their draft budget for 2020 regarding the 'aktiesparekonto'. With this proposal, the maximum deposit in the scheme is kept at DKK 50,000 and not the DKK 100,000, increasing to DKK 200,000 in 2022, that the former government had outlined with political agreement from November 2017. DANSK BIOTEK is concerned with this proposal because such a low maximum deposit level would all but secure the demise of the scheme, as it will be far less attractive to investors with a ceiling at this low level. In an already cash strapped financial market in Denmark, where the taxation on capital gains is amongst the highest in OECD, this ending would be very problematic.

Need for political focus on the life science sector

While the current political business agenda is almost solely focused on the climate and namely a reduction in carbon dioxide production, DANSK BIOTEK is working towards securing a higher focus on the life science sector. Throughout the autumn, we have met with key stakeholders from both sides of the aisle in Christiansborg to remind the political system that the life science sector plays a pivotal role in the Danish economy. We are experiencing great interest in the biotech sector as well as a recognition of the life science sector's overall contribution to the economy. We are working hard to ensure that this interest is manifested through a higher focus on the sector in general.

Hans Schambye, Chairman, DANSK BIOTEK

Upcoming DANSK BIOTEK meetings

[Biotech Opportunities in China](#), 14:30-17:30, 4 December 2019, Plesner Advokatpartnerselskab, Amerika Plads 37, 2100 CPH Ø

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