



Chairman's Corner:

The first half of 2022 has brought with it some important changes within the Danish biotech sector. One of the most crucial for Danish R&D based biotech companies, which DANSK BIOTEK has been championing for some time, was the decision by Folketinget (the Danish Parliament) to remove the so-called phantom tax (Fantomskatten).

As a reminder, this tax forces share- and option-holders to pay the tax upfront on potential future milestone payments in case of a sale of a company. This is income that you may never receive, and in biotech is never guaranteed.

DANSK BIOTEK has been fighting this tax for years and finally we found an MP ally, Mona Juul, who is also a very experienced business person, to champion the change in legislation. We are closely monitoring the preparation of the new law, where taxes will be paid when the income is received and not before, and will continue to push for a solution that will make the lives of Danish biotech companies much simpler. We believe the new legislation will be voted in before the end of the year. It is fair to say that this is a success that would not have happened without the relentless push from DANSK BIOTEK.

This successful lobbying for a significant tax change, as well as the tax credit that came into effect some years back, show how a small organization like DANSK BIOTEK can change the business conditions in Denmark. However, we were only able to make an impact because our political advisor, Morten Engsbjerg, could engage actively with politicians and other organizations, like Dansk Erhverv, and because we helped draft legal documents that persuaded other parties to support the motion.

Recognizing the success and excellence of the Danish biotech sector is very important, so on May 6, we held our first ever DANSK BIOTEK gala party. It was great to see so many excited and engaged people, and celebrate the great progress being made by Danish biotechs. Our plan is to hold this event on an annual basis and look forward to doing it all again in 2023! We are very thankful to Dansk Erhverv, who hosted us in the beautiful Børsen building.

The gala also marked the first time that our biotech awards were presented. Congratulations to the well-deserved winners of 2022:

Biotech Company of the Year (2021)

Ascendis Pharma: Raised \$380 million from US and European investors and received regulatory approval for TransCon™ hGH for pediatric growth hormone deficiency in US and EU. Ascendis has maintained R&D operations in Denmark, while in parallel built US operations.

Rising Star

Sundew: Promising bio-industrial company targeting aquatic pests, diseases, and invasive species. An experienced team from Evolva has taken the strategic step to move to Denmark, has raised capital from leading bio-industrial investors, such as The Yield Lab and SOSV, and acquired another biotech company, MicroSynbiotix.

CEO/Special Person

Henrik Stage, ADCendo: In 2021, Henrik Stage led the company in its EUR 51 million Series A financing. This is the latest of Henrik's many achievements in the Danish biotech sector. Previously Henrik was the CEO of Santaris and oversaw the successful sale to Roche.

Lifetime Achievement

Søren Carlsen, Founder of Novo Ventures and Novo Seeds: Søren originally came up with the idea that Novo Holdings (NNFs holding company) should internally make private life science investments instead of only finding external managers to invest in stocks/bonds. He has made significant contributions to the biotech sector, both in life sciences and industrial biotech. Søren was a key driver in establishing DANSK BIOTEK and was its chairman for many years.

Sector Updates

Working in biotech is tough. As we all know, biology is complicated, and the path to success is often fraught with obstacles. Not least, many aspects of drug development are extremely challenging, and even a positive outcome from a clinical program is no guarantee for regulatory approval and market success. We have probably all followed the events at Orphazyme over the recent years. This company, which used to be a shining star in the Danish biotech sector, has seen a series of setbacks in the last two years, with failed trials and ultimately a rejection from both FDA and EMA. This has been tough for the patients, who were hoping for a new treatment, but also employees and investors who have seen years of hard work and millions of kroner potentially wasted. Fortunately, their compound, arimoclolol, has been given a new lifeline by the acquisition of the asset by Kempharm. The team at Kempharm has an impressive track record in reverted Complete Response Letters from the FDA. I wish them the best of luck, not least because the Niemann Pick type C patients and their parents deserve any treatment they can get.

Thomas Kledal and his team at Synklino continue to impress and pave new paths for biotech financing. This time, they have raised €30 million following their successful, but unorthodox financing in Nov 2021, where they secured €14 million from primarily private investors. In fact, they have managed to do what Danish biotech companies have failed to do for years by getting a Danish pension fund, PKA, to be a direct investor in addition to Eir Venture, the Danish Growth Fund, and Mai Invest. Congratulations to the team and may your success continue!

Finally, late June the most recent thrilling news was published, as Fujifilm announced their plans to Invest USD 1.6 billion to enhance and expand its global offering of cell culture manufacturing services in FUJIFILM Diosynth Biotechnologies' sites in Hillerød, Denmark, and Texas in the United States. As part of this investment, FUJIFILM Diosynth Biotechnologies is further expanding its capacity to support large-scale cGMP fed batch production by adding 8 x 20,000L bioreactors and two downstream processing streams in its Hillerød, Denmark facility. The additional production capacity will make the Hillerød facility the largest end-to-end CDMO in Europe, offering a total of 20 x 20,000L bioreactors for drug substance production complemented by comprehensive drug product and finished goods services. DANSK BIOTEK is excited to learn that the investment is expected to create approximately 450 new jobs and that the Denmark facility will be enhanced with sustainability measures to support Fujifilm's new "Green Value Climate Strategy" with climate action targets including operating on carbon-free energy¹ and achieving net zero CO₂ emissions by the end of Fiscal Year 2040.

On the formal side, DANSK BIOTEK held its annual general meeting in May, where the board had proposed an alignment of the organization's new, more international style with our name such that the official name would be changed to **DANISH BIO - DANSK BIOTEK**. As the general meeting

did not constitute quorum to adopt the board's proposal, we called for an extraordinary general meeting 27th June, by which the proposal was approved. Our Articles of Association have been changed accordingly, and the name change will be officially filed with the Danish Business Authority.

At the annual general meeting, our organization also said goodbye to Anders Hinsby who had decided to leave his board seat after many years of service. In replacement, the AGM elected Thomas Kongstad Petersen, Chief Operating Officer at NMD Pharma, who is an established and experienced biotech entrepreneur bringing in new energy and ideas to the board. Furthermore, a board observer was elected, Jørgen Godt Olsen, Executive Vice President of NCK A/S. We are incredibly pleased to be working together with both in the strengthened board - setting the new strategy for DANISH BIO – DANSK BIOTEK.

We look forward to seeing you all again after the summer!

Hans Schambye, Chairman, DANISH BIO - DANSK BIOTEK

Upcoming DANSK BIOTEK meetings

15th Sept 2022: Biotek Salon #25 - Value creation in life sciences by Farmantra

Read more news at www.danskbiotek.dk

All members are welcome to submit news and press releases to DANSK BIOTEK, which we publish at www.danskbiotek.dk. Topics of relevance are financing rounds, licensing deals, mergers and acquisitions, research and development news, people news, etc. As a member, feel free to submit your news to office@danskbiotek.dk.

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