

# A unique approach to venture investing

## Bringing the best of both worlds

Novo A/S is an active and independent company in its support of biotech ventures. The aspiration is to bring together the best of both worlds: industry insight and network from our pharma/biotech inheritance combined with a venture capital mindset that focuses on results and value creation.

## Novo – a long term commitment to life science

The potential impact of life science applications on human life remains profound and the untapped opportunities are vast, and Novo is therefore continuing its strong commitment to venture investments in life science opportunities. Since 2000, when Novo started to build its portfolio with primarily Danish investments, the venture activities have matured and Novo is now recognised as a significant force within life science venture capital – operating globally out of locations in Copenhagen, London and San Francisco. Since 2000, 56 companies have been part of the evolving venture portfolio in Novo.

## Independent investor

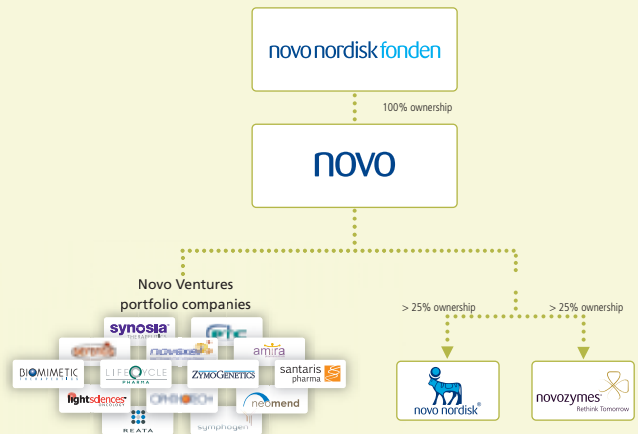
Novo’s approach to venture capital investments is unique due to its special ownership structure. Although Novo has significant shareholdings in Novo Nordisk A/S and Novozymes A/S, its venture investments are fully independent of the two major Novo Group companies. At Novo there is a focus on building and realising financial value in the portfolio – just like any other specialised life science venture capital investor. In order to sustain the focus on financial return, all venture partners have a carried interest in the financial result of Novo’s venture activities.

## A significant evergreen fund

Novo’s venture investments are structured as an ‘open evergreen’ fund with a single investor. This unique funding structure allows Novo to take a long-term perspective in its investments and also has the advantage that it precludes some of the restrictions to which traditional venture capital funds are subject, for instance when they pursue investments in the interim between a fully vested and newly raised fund. Novo invests around USD 100 million annually in venture capital in the life science space, and thus acts at a pace comparable to a traditional USD 400 million fund.

## A simple formula: outstanding people and strong science

Scientific uniqueness and insightful leadership are cornerstones in building life science-based companies and a prerequisite for sustainable value creation. With scientific uniqueness comes the opportunity to establish defensible intellectual property rights, to gain a leadership position in a given field and ultimately, to have a real chance of creating a competitive edge in a market. But only with the right people skills to lead the venture through challenges and to seize opportunities as they arise can tangible and sustainable value be built. At Novo, scientific uniqueness and the calibre of the people involved will therefore continue to be the prime criteria when selecting future additions to the portfolio of companies.



Novo A/S has significant shareholdings in Novo Nordisk A/S and Novozymes A/S. The venture investments are fully independent of the other Novo Group companies. Since 2000, Novo has invested DKK 2.4 billion in venture capital in 56 portfolio companies across the globe.

Novo A/S established

1999

Venture investments initiated, 8 in Denmark, 1 in the USA

2000

9 new companies in USA, Canada and Denmark

2001

2002

5 new companies, UK partner hired

2003