

NOVO SEEDS



# Sowing the seeds of tomorrow's biotech successes

## Novo Seeds – Unlocking the potential of early stage research

### An eventful 2009 – The Novo Seeds program is more important than ever

In 2009, Novo Seeds screened more than 100 new project proposals and companies, awarded pre-seed grants to two new projects and invested in three new seed stage companies. Furthermore, follow on investments were made in two existing portfolio companies, and in total Novo Seeds has now made commitments for investments and grants totalling more than DKK 50 million since its inception in September 2007. Although this amount may seem modest compared with other activities in Novo A/S, it provides vital support for early stage life science companies.

Few other investors are as active in the early stage, and even government supported programs, such as Innovationsmiljøer in Denmark provides less than DKK 200 million/year for early stage investments across all sectors such as IT, biotech and cleantech.

The pivotal role of Novo Seeds is highlighted by the fact that among the ten new biotech companies created in Denmark in 2009, Novo Seeds played a leading role in the formation or financing of four of them through the pre-seed and seed programs.

### About Novo Seeds

Novo Seeds was launched in 2007 as a collaboration between the Novo Nordisk Foundation and Novo A/S. The mission is clear: bridge the gap between promising commercially relevant research and life science venture capital.

Novo Seeds is anchored within Novo A/S which has a proven track record in global life science investments, a heritage from world class pharmaceutical and biotech companies, and backing from the Novo

Nordisk Foundation. With a long-standing and highly successful commitment to life science, Novo Seeds is in a unique position to act as catalyst in the creation of new successful life science companies.

### The pre-seed program

Novo Seeds administers a pre-seed program on behalf of the Novo Nordisk Foundation. This program provides financial, managerial and strategic support to Scandinavian projects with commercial potential. The funding is given as grants under the same terms as other grants offered by the Novo Nordisk Foundation with no claims for equity or payback.

Novo Seeds is actively involved in helping pre-seed projects develop into new biotech endeavours, which hopefully over time aspire to be included in the Novo Seeds portfolio.

### Seed investments

Novo Seeds invests in new Scandinavian biotech companies via the seed program. The focus is on companies with outstanding potential typically at a stage too early to attract financing from other investors.

The Novo seed program operates on commercial terms, whereby investments in projects and companies are made in exchange for ownership or other rights to the companies and/or projects.

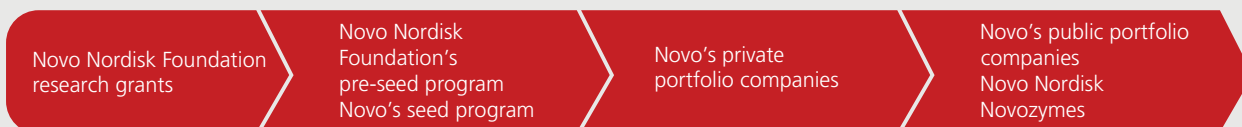
Novo Seeds is an active investor and ensures that its portfolio companies have the full benefits of the broad network and capabilities of the Novo organisation. The Novo Seeds team also assists with strategic, operational and business development issues.

## The Novo Group – from basic research to commercial products and companies

Stage of innovation/research



Novo Nordisk Foundation grants and Novo A/S investments



# Seed investments



## Cytoguide ApS

CytoGuide develops novel two-component drugs, specifically targeting the macrophage. The company's lead candidate has the potential to maximise the effectiveness of a well-known Rheumatoid Arthritis treatment while drastically minimising its side effects.



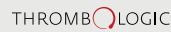
## EpiTherapeutics ApS

EpiTherapeutics is a drug discovery and development company formed in 2008 based on discoveries at the Biotech Research and Innovation Centre (BRIC) at Copenhagen University. The company develops new drugs with the ability to regulate epigenetic mechanisms. The company's lead program targets prostate cancer.



## Inagen ApS

Inagen was formed in 2007 to develop new therapies for viral diseases. The company's primary candidate is treatment for Cytomegalovirus (CMV). Inagen has shown good preclinical data against human CMV virus, and is currently working to further optimise the drug candidate. Inagen's approach may potentially be used against other viral infections with Herpes viruses.



## Thrombologic ApS

Thrombologic was founded in October 2009. The company is focusing on a novel treatment for intensive care unit patients suffering from thrombocytopenia associated organ failure. The therapy addresses a major unmet clinical need.



## MycoTeQ

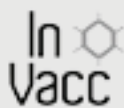
MycoTeQ discovers and develops novel natural antibiotics against gram-negative bacteria. The pipeline of the company is based on natural small molecules produced by microfungi. A proprietary compound library representing microfungi from a range of biological niches forms the core of the discovery process.



## Aros Pharma

Aros Pharma is developing novel treatment of visceral pain in Irritable Bowel Syndrome (IBS). The company was established in 2009 and anticipates to initiate clinical studies in late 2010.

# Pre-seed grants



## InVacc

InVacc possesses a proprietary platform for enhancing the potency of DNA-vaccines. The InVacc technology delivers faster, stronger and more extended immune responses to acute and chronic infections.



## Orphazyme

Orphazyme develops drugs that target a series of lethal orphan diseases known as lysosomal storage diseases. Based on research at the Danish Cancer Society, Orphazyme ApS was established in 2009 and received a pre-seed grant in July 2009.



## Pcovery ApS

Pcovery develops pioneering drugs that target specific membrane ion-channels. The main objective of Pcovery is development of novel safe and powerful broad-spectrum antifungal antibiotics. Pcovery was established in 2009 and received a pre-seed grant in May 2009.



# SeedSummit09

In December Novo Seeds hosted its first SeedSummit with great success.

Scandinavian university tech transfer decision makers, entrepreneurs, biotech, pharma leaders and venture capitalists attended the summit for a day of discussion and networking.

Timothy Barnes from University College London (UCL) and Peter Aalbæk, former Director of Zentropa AVS, were invited as keynote speakers.

Timothy Barnes shared his important experiences from the UCL Advances initiative, a program at UCL that aims at promoting entrepreneurship and innovation.

Timothy Barnes' valuable insight in tech transfer and entrepreneurship resulted in a fruitful discussion about the Scandinavian environment within these areas.

Peter Aalbæk gave a vibrant presentation of the entrepreneurial spirit within the Danish film industry and the creation of Zentropa as a highly innovative and successful story machine. Although a different world, there are many parallels between film and biotech: limited funds, tight timelines, uncertainties, and a dynamic environment with creative individuals. It was an entertaining experience to hear the views of the always colourful Peter Aalbæk.



*“Make stuff happen; failure to engage is worse than failing to deliver”*

**Timothy Barnes**

*“Never come to your first investor meeting with a small budget”*

**Peter Aalbæk**

