



Industrifonden

Scandinavian Life Science Funding Report 2017

Introduction

The Scandinavian Life Science Funding Report 2017 covers the investment landscape and financing activities in the life science sector in Scandinavia, mapping investment activities in around 130 companies throughout 2017.

The report includes private fundraising from Scandinavian specialist life science venture capital investors as well as public capital raising activities in connection with IPOs and new issues. Marketplaces included are Nasdaq Stockholm, Oslo Axess, Nasdaq Copenhagen, Nasdaq First North and Aktietorget.

Industrifonden is a leading venture capital investor in the Nordic region, with focus on the Life Science and Technology areas. Within Life Science, Industrifonden focuses on pharmaceuticals, medical devices and digital health. Current holdings include Oncopeptides, Calliditas Therapeutics and AMRA. www.industrifonden.com

Executive Summary

2017 - a very strong year for Scandinavian life science funding

- Scandinavian life science companies raised \$2.2bn in 2017, doubling from 2016 and equivalent to the total funding amount for 2014-2016 (\$2.4bn), with strong growth across IPOs, refunds and venture funding
- Biotech/pharma raised a total of \$500m through IPOs, equivalent to 12% of the total U.S. biotech/pharma IPO value

Stockholm maintains its position as the main market for funding of innovative companies, accounting for ~85% of total Scandinavian funding

- More and larger IPOs across all marketplaces (except for Aktietorget); 34 companies raising \$950m. Nasdaq Stockholm median IPO size up 70% from 2016
- First North is an increasingly important marketplace, raising \$386m in IPOs and refunds, up 129% from 2016
- Mixed performance post IPO with ~50% of companies trading above subscription price could result in raised bar for upcoming listings

Private VC funding market also saw strong growth during 2017

- Specialist life science VCs increased investments by 25%, investing an estimated \$95m in private Scandinavian companies
- Industrifonden leading VC investor with 22% of estimated total Scandinavian funding

Total Life Science Investment Activities 2017

Total public and VC funding activities in Scandinavia amounted to \$2.2bn in 2017, making it a very strong year.

This is equivalent to the total funding amount for 2014-2016 (\$2.4bn), and 120% up from 2016.

	Public		Private	Total
	IPO	Refund	VC	
mUSD				
2016	236	674	76	986
2017*	950	1121	95	2167
Growth	302%	66%	25%	120%

\$2.2bn

Total funding activities
in Scandinavia in 2017*

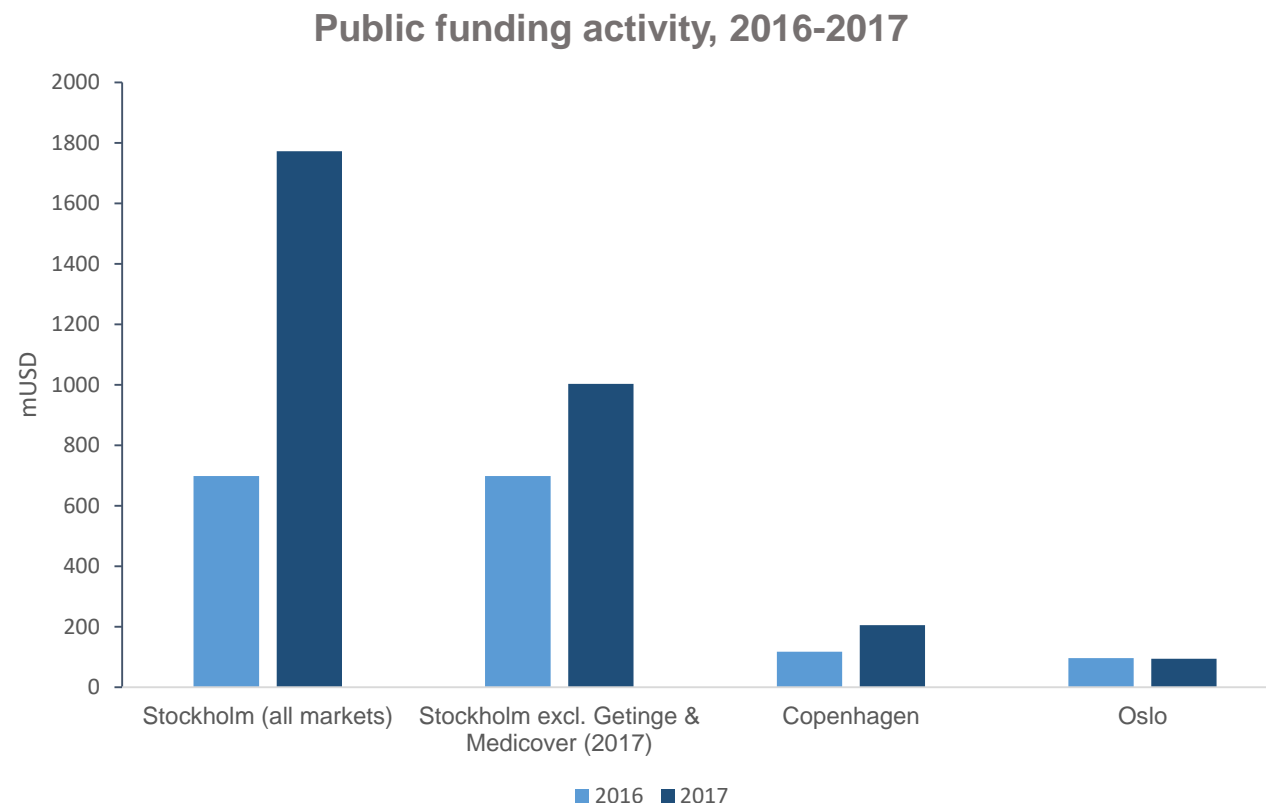
4 Note: This includes IPOs and refunds at the five Scandinavian public marketplaces and specialist VC funds investments in Scandinavia

* Estimates of data points for 2014-2016 have been updated based on new input. Including Getinge refund and Medicover IPO, which account for \$0.75bn

Sources: Nasdaq, Oslo Axess, Aktietorget, Industrifonden analysis and estimates.

Stockholm Remains the Main Public Marketplace

- Stockholm continues to dominate with \$1.8bn public funding raised in 2017
- 44% increase from 2016 driven by more and larger IPOs (155% increase including Getinge and Medicover)
- Oncopeptides, Medicover, Bonesupport, Handicare, BioArtic went public in Stockholm with a median IPO raise of \$600m
- Copenhagen and Oslo with one IPO each (Orphazyme and BergenBio respectively)

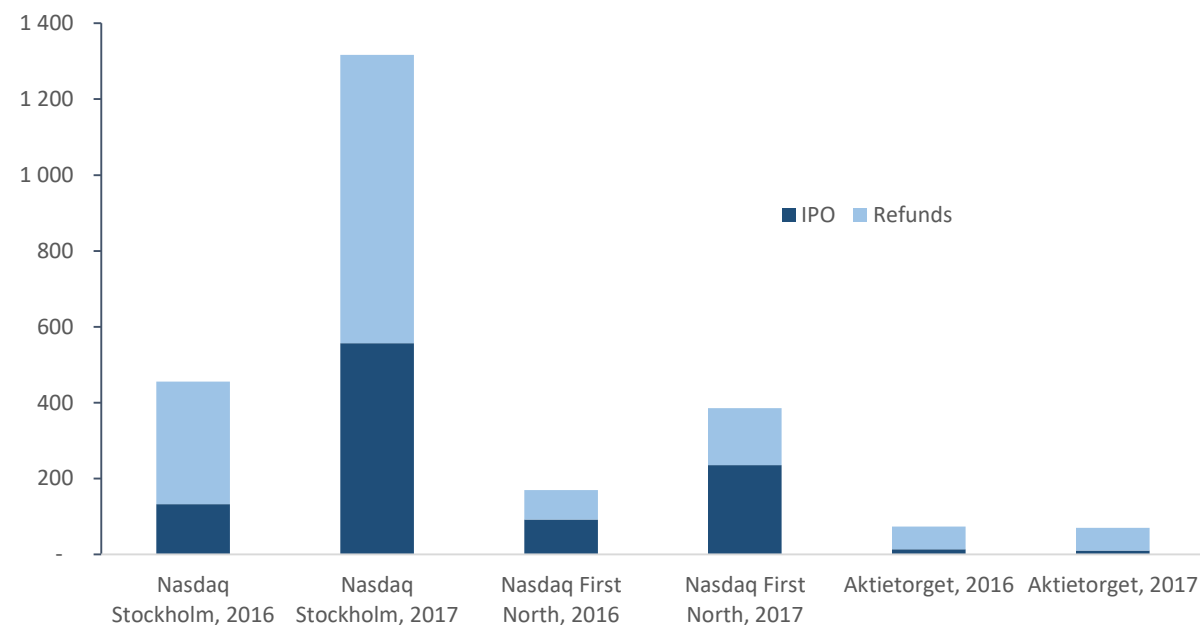


More and Larger IPOs in Stockholm

- Average IPO size increased substantially compared to 2016: 153% on Nasdaq Stockholm and 36% on First North
- First North companies raised \$386m, increase of 129% compared to 2016
- Growing list of companies reflected in substantial refund amounts on First North

(mUSD)	Nasdaq Stockholm	Nasdaq First North	Aktietorget
Number of IPOs	5	21	6
IPO capital raised	557	235	10

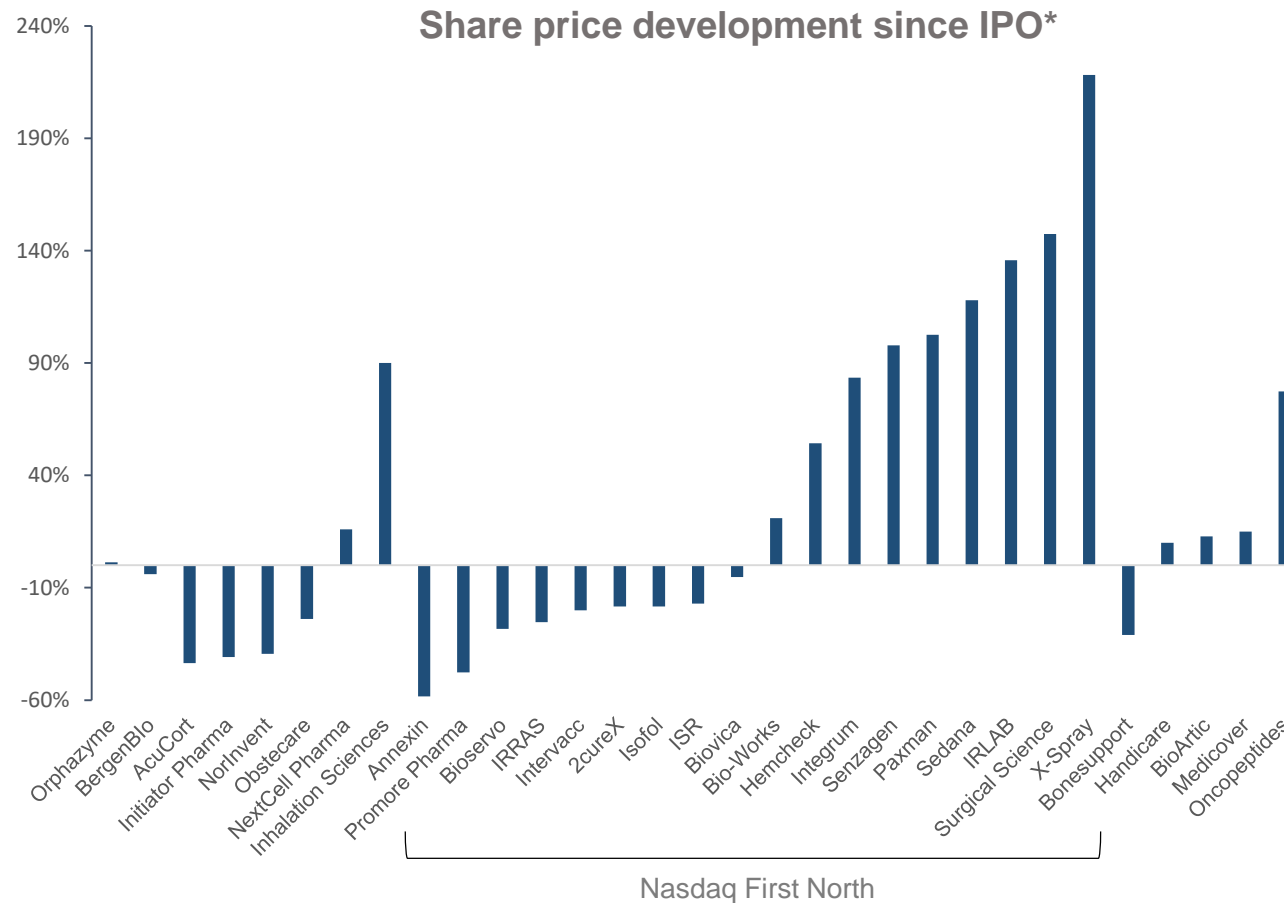
Public funding to Stockholm markets in 2016-2017



Post IPO Performance Could Raise Bar for New Entrants

50%

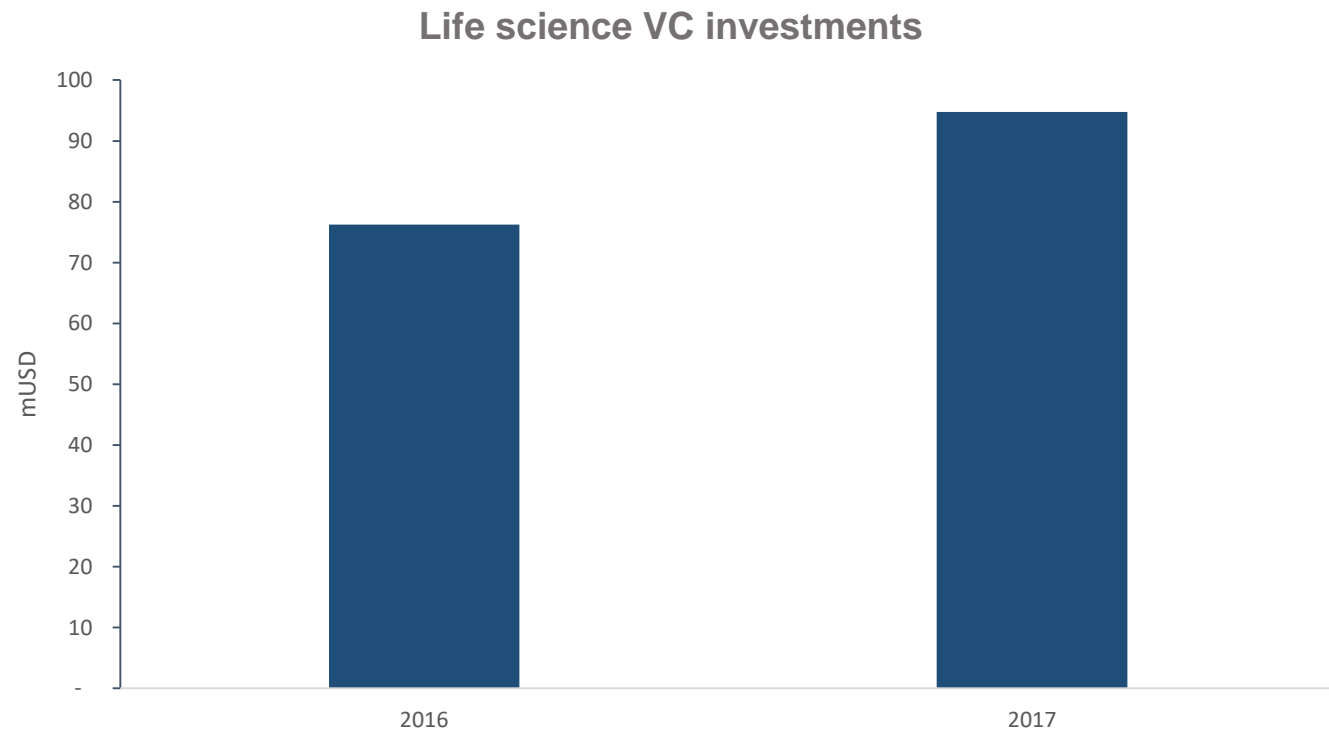
show positive share price development post IPO



Significant Increase in Private VC Financing 2017

Total VC investments by specialist life science VC funds estimated at \$95m in 2017, a 26% increase from 2016.

Driven by both new and follow-on investments.



Industrifonden leading VC investor in 2017

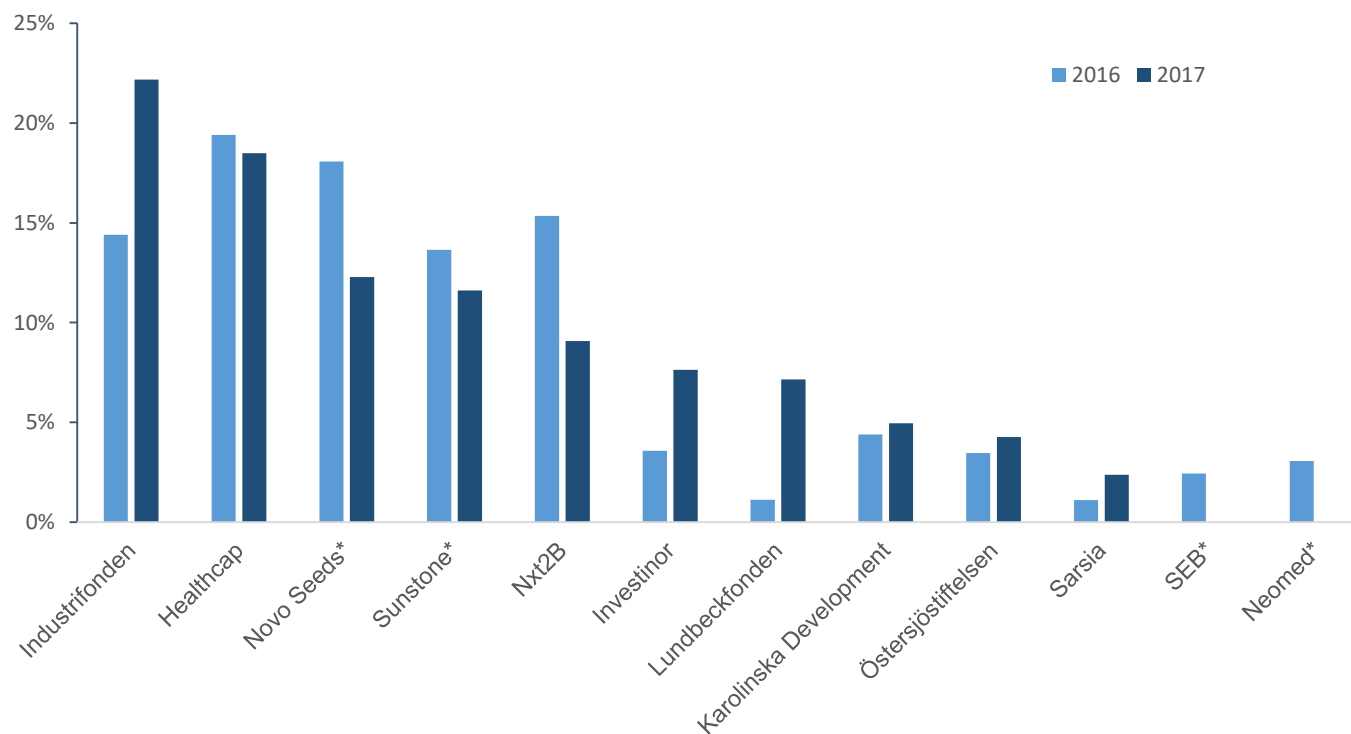
22%

of total VC investments by Industrifonden

Industrifonden, HealthCap, Novo Seeds and Sunstone combined account for 65% of total specialist VC capital.

Limited pool of well-funded specialist life science VC investors in Scandinavia.

Share of VC funding in private companies, 2016-2017



Share price performance post IPO

Number of IPOs included in the analysis

IPO	Number of companies
Copenhagen	1
Oslo Axess	1
Nasdaq Stockholm	5
First North	18
Aktietorget	6
Total	31
<i>Excl. 3 list changes</i>	

Share price performance post IPO for the companies included in the analysis

Post-IPO performance	Number of companies
Negative	14
Positive	15
Oslo (BergenBio practically unchanged)	+/-
Copenhagen (Orphazyme practically unchanged)	+/-
Negative Nasdaq Stockholm	1
Positive Nasdaq Stockholm	4
Negative Nasdaq First North	9
Positive Nasdaq First North	9
Negative Aktietorget	4
Positive Aktietorget	2

Assumptions and sources

- This report covers public and private funding in Scandinavian life science companies by Scandinavian public marketplaces and VCs
- Following five Scandinavian public marketplaces: Nasdaq Stockholm, Oslo Axess, Nasdaq Copenhagen, Nasdaq First North and Aktietorget
- Investments by active Scandinavian life science VCs
- Equity issues below USD 0.5m excluded
- IPOs included as biotech/pharma: Orphazyme, BioBergen, Oncopeptides, BioArtic, Bonesupport, Isofol, Xspray, IRLAB and nine smaller transactions at a total of \$498m
- Source of \$4bn US IPO data point is Fierce Biotech

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