

Press Release

Munich's Biotech Valley IZB is Booming

Over EUR 163 million in funding and deal flow in the start-up centre in 2021 highlights strong interest from biotech investors

Martinsried near Munich, January 28, 2022 – The German Biotechnology Innovation and Start-up Centre (IZB), one of the leading biotechnology centres in Europe with over 50 resident biotech start-ups, today provides a positive overview of its 2021 activity. "We are delighted with the fantastic development of our start-ups at the IZB, which received over EUR 163 million in financing and funding last year," said Dr Peter Hanns Zobel, who celebrated his 25th anniversary as Managing Director of the Biotechnology Innovation and Start-up Centre in 2021. "We are particularly proud of the fact that most of the financings concluded last year were follow-ons. This illustrates the sustained level of interest from investors in IZB start-ups. This growth, as well as the promising scientific progress of the companies, once again underpins the reputation of IZB as 'Munich's Silicon Valley', by offering excellent framework conditions for the development of new drugs and therapies."

Successful financings of IZB start-ups in the second half of 2021

Following a very successful first half in 2021 with financings of more than EUR 140 million – which was significantly influenced by the EUR 95 million investment in Origenis for its U.S. joint venture with Kleiner Perkins - the entrepreneurs at IZB were able to secure additional financing of approximately EUR 23 million in the second half of the year.

Biotechnology company **Eisbach Bio**, which targets the molecular machines that drive human disease, received funding of EUR 6.7 million from the Bavarian State Ministry in October for preclinical and clinical development of targeted antiviral agents against SARS-CoV-2. In July, the company announced an EUR 8 million grant from the German Ministry for Education and Research to support the clinical development of its first-in-class SARS-CoV-2 helicase inhibitor.

In November, **SciRhom GmbH**, a developer of novel antibody therapies, increased its seed funding by EUR 8 million to a total of EUR 16 million from the High-Tech Gruenderfonds (HTGF) and other private investors. The increase in seed capital is intended to drive forward the next development milestones for SciRhom's first-in-class drug candidates, bringing them into the clinic more rapidly. The antibodies against iRhom2 are being developed for the treatment of rheumatoid arthritis (RA) and inflammatory bowel disease (IBD).

In addition, IZB alum **Immunic Therapeutics** (Nasdaq: IMUX), a developer of oral immunology therapies focused on treating chronic inflammatory and autoimmune diseases, raised US\$ 45 million in a rights offering in July. The company is using the funds to finance ongoing clinical development of its three lead product candidates, in particular the start of the Phase III program for IMU-838 in multiple sclerosis.

2022 also began with a successful financing for **PreOmics GmbH** which develops innovative automation and sample preparation tools for unbiased, deep proteomics analysis by mass spectrometry. The company received EUR 13.5 million from Bruker Corporation (Nasdaq: BRKR) in a Series B financing round. This will enable the start-up to accelerate the research, development and commercialization of proteomics technologies.

Collaborations with international biotech and pharmaceutical companies

In July, **Bicoll**, an expert in synthesizing novel and relevant small molecules as a starting point for accelerated drug development, announced its collaboration with **Galyan Bio** to develop novel drug candidates for Huntington's disease. Galyan Bio Inc. is a California-based start-up that grew out of IZB start-up **Avergen Pharmaceuticals**. The collaboration with Bicoll also emerged from this network. The start of clinical trials is scheduled for 2022.

MODAG GmbH, which focuses on the research and development of therapeutics and diagnostics for neurodegenerative diseases, and **Teva Pharmaceutical Industries Ltd.** in Tel Aviv announced in October a strategic collaboration for the exclusive worldwide licensing and development of MODAG's lead compounds. The companies will initially co-develop the compounds for the indications multiple system atrophy, a rapidly progressive neurodegenerative disorder, and Parkinson's disease.

After acquiring **Exosome Diagnostics** in 2018 for up to US\$ 575 million, the buyer **Bio-Techne** eventually closed its site at the IZB in November. The start-up's goal was to develop diagnostic tests that detect tumour diseases using body fluids, thus saving patients from having to undergo a biopsy. This goal was successfully achieved with the market launch of ExoDx Prostate IntelliScore (EPI).

Innovative research projects and new start-ups at IZB

IZB companies are researching innovative active substances for use against severe, currently incurable diseases and COVID-19. This innovation also takes the form of new approaches in the design of clinical trials.

For example, **DoNatur GmbH** is working on a compound against cytokine storm, an uncontrolled, auto aggressive inflammatory reaction of the patient's immune system, which can lead to lung failure in COVID-19 patients.

With the approval of its innovative Phase IIA study design in patients with asthma by the Federal Institute for Drugs and Medical Devices, **sterna biologicals** has reached an important milestone. The trial will combine the start-up's novel antisense treatment with VisionHealth's Kata® Clinical digital therapy to provide the trial subjects with optimal drug delivery.

PELOBiotech GmbH, which offers high-quality stem cell culture products in R&D and GMP quality for clinical and industrial research, is launching the CellCor™ line, a unique and entirely chemically defined medium to advance stem cell research.

New biotech start-up **mk2 Biotechnologies** has moved into IZB. The company, which secured seed funding of several million euros, is working to implement its unique platform approach for the synthesis and purification of authentic peptides on a large scale that can be broadly applied in various market segments.

Singapore-based **SCG Cell Therapy Pte. Ltd.** opened a new research and development site at IZB in January 2022 to accelerate the development of new immunotherapeutic candidates. The site's mission is to expand the company's portfolio of innovative immunotherapy products and platforms.

New additions to the management teams of IZB start-ups

The second half of the year included several personnel changes at IZB companies. Finance expert **Arne Treinies** was appointed CFO and managing director of AMSilk GmbH in September and will continue to drive the expansion of the silk polymer manufacturer. Formulation development expert **Dr Sabine Hauck** took on the role of Senior VP Corporate Development at Leukocare AG in August and will take on strategic

tasks. Her previous position as Vice President R&D within the company was taken over by **Dr. Cornelius Pompe**, who moved from Amgen Research to Leukocare AG.

IZB Events

After a long hiatus due to COVID-19, the **6th Munich Life Science Pitch Day** was held in October as a face-to-face event at IZB. 10 start-ups presented their innovative drug development projects to more than 20 renowned venture capital companies. The partners HTGF, Bayer and Boehringer Ingelheim as well as the participating venture capital firms were enthusiastic about the quality of the research.

On December 1st, 2022, a new restaurant called "**THE BOWL Food Lounge**" opened at IZB with a new interior in a bright and modern design. The premises of the former Café Freshmaker were completely renovated for the new restaurant. Between 7.30 a.m. and 3 p.m., the location is now once again a popular meeting place for IZB start-ups and for guests from the surrounding area. THE BOWL offers a delicious and healthy range of homemade dishes of different cuisines. Both THE BOWL and SEVEN AND MORE restaurants are run by IZB.

About the Innovation and Start-up Centre for Biotechnology (IZB) in Martinsried near Munich

The development company IZB mbH, founded in 1995, is the operating company of the innovation and start-up centres for biotechnology in Planegg-Martinsried and Freising-Weihenstephan and has developed into a leading biotechnology centre. More than 50 biotech companies with over 700 employees are currently located on 26,000 m². Here, researchers are working on the development of drugs against the most serious diseases, such as cancer, Alzheimer's, and various autoimmune diseases. A key criterion for the success of the IZBs is the spatial proximity to top-level research on the Martinsried/Großhadern campus or the Weihenstephan campus. The new infrastructure measures such as the Faculty Club G2B (Gateway to Biotech), the IZB Residence CAMPUS AT HOME, the Elhardt Chemistry School, the two kindergartens Bio Kids and Bio Kids2 and the two restaurants SEVEN AND MORE and THE BOWL Food Lounge are also location features that are highly appreciated by company founders. Successful companies that have emerged from the IZB include Corimmun (today Janssen-Cilag), Coriolis, Exosome Diagnostics (bought by Bio-Techne), ibidi, Immunic Therapeutics, Medigene, Micromet (today Amgen), MorphoSys, Octopharma or Rigontec (today MSD). More information at www.izb-online.de

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Photo: Innovation and Start-up Center Biotechnology (IZB) in Martinsried by Munich