
Fra: Vada Helene
Sendt: 30. januar 2018 10:27
Til: Postmottak NFD
Emne: VS: BerGenBio / Biotechnology
Vedlegg: BGB-one-pager-Jan 18- briefing.pdf

Hører til sak 17/3835 "Innspill til arbeid med Meld. St. om helsenæringen"

Fra: Richard Godfrey [<mailto:richard.godfrey@bergenbio.com>]
Sendt: 29. januar 2018 16.31
Til: Richard Godfrey <richard.godfrey@bergenbio.com>; Vada Helene <Helene.Vada@nfd.dep.no>
Emne: BerGenBio / Biotechnology

Dear Helene

Nice to meet you on the plane, I understand you would appreciate a written summary of my contribution to the health industry inquiry this morning.

See attached for the brief summary hand out I provided this morning.

In summary, my thoughts where from the perspective of an entrepreneur working in biotechnology: I proposed a few key factors for success:

1. **Innovation** Is fast moving, complex, global and competitive Increasingly so!
 - a. 'Innovation' that is to be commercialized must be significant, address real medical or technical needs and future proof.
 - b. Patents are essential, they are the assets of a biotech company, and must be protected, globally.
 - i. Strong Patents are not easily drafted, prosecuted or defended, experts (often international) are required.
 - c. Support for innovation is essential, distinguishing from academic research and innovation would be helpful
 - i. Don't expect innovation to come from academic research
 - ii. Biotechs have to be intuitive and take risk so to maintain momentum, this skill and leadership is very different to academic research.
2. **Management** Like all start ups the biotech entrepreneur needs to be a 'jack of all trades'. However because of the long time lines for development and protracted risk profile sustained motivation can be challenging.
 - a. BioPharma is a sector Norway has little experience or competence in, therefore recruitment of suitably qualified talent is required to navigate the development of the nascent Norwegian biotechnology sector.
 - b. Possible solutions include an adjusted reward incentive to balance the high risk for individuals tempted to take a role in this development. EG Recruitment Incentives, Founder tax relief, Share Options taxed as capital gains not income.
 - c.
3. **Capital**
 - a. Biotech is capital intensive and development time lines long (NOK10bn and 15 years to develop a new drug)
 - i. Specialist investors required who can support and nurture start up biotechs

- b. Non-dilutive complementary funding is essential, Norway systems are good, but must be maintained and even enriched.
 - c. Tax relief for seed investors, in North Dakota private investors in approved R&D companies can claim tax relief on the money they invest in the start up.
 - d. Competition for location of biotech companies is strong, EG France, Canada and Australia offer 40% cash back on all R&D spend made through (not in!) a local subsidiary, this is very tempting.
 - e.
4. **Network** ... the pace of innovation development is very fast and increasing, even if it does take 15 years, it is therefore essential ideas, risks, costs (and rewards) are shared to maximize the probability of success. Embracing collaboration and risk sharing is cultural and often counter intuitive, but without doubt in the biopharma industry it is the engine of new medicines. Today 4 out of 5 new medicines were initially invented in biotechs and ultimately commercialized by big Pharma, and along the way the assets change hands several times through well administered license arrangements.
- a. World class innovation and development cannot be achieved in a vacuum, strategic collaboration within a trusted network, supported by robust patents and diligent collaboration agreements are essential.

I hope this helps, please revert with any questions, kind regards,

Richard.



Richard S. Godfrey

Chief Executive Officer
richard.godfrey@bergenbio.com
+ 47 917 86 304

BerGenBio ASA
Jonas Lies vei 91, 5009 Bergen,
NORWAY
www.bergenbio.com

This email is sent on behalf of BerGenBio ASA. The contents are confidential, and are for recipient or authorized colleague only. Any unauthorized review, use, disclosure or distribution is prohibited. If you have received this communication in error, please notify us and delete it promptly.

BerGenBio ASA. Registered Number 992219688. Registered in Norway at Jonas Lies vei 91, 5009 Bergen.