

Focusing on Life Sciences in Vienna

LIFE SCIENCES Austria successfully brought the renowned biotech partnering conference “BIO-Europe Spring” to Vienna, and for good reason: The sector is growing and regularly offers impressive new business ideas, VC rounds, licensing deals, and M&As.

As shown by the latest data [1], at the end of 2017 Austria was home to more than 917 companies and 55 research institutions in the life science sector, over half of which are headquartered in Vienna. Together, these organizations employed around 77,000 people, a 7% increase from 2014. The companies’ revenues totalled €22.4 billion (a 17% increase compared to 2014), of which more than 50% also went to Vienna. Behind these impressive figures lie a number of success stories that are themselves based on significant international demand for medicines, digital health solutions, medical products, research reagents, bio-economy products, and highly-specialized services. Their development relies on the availability of the right financial resources at the right time. In Vienna, national and regional funding for trend-setting life science projects in the scientific and economic sectors totalled €109.4 million in 2017.

Start-ups gain 360° support

In order to harness new business opportunities that can’t be self-financed, the Austrian government and the City of Vienna offer a range of appropriate support measures. Start-ups and scale-ups benefit from different subsidies, loans, guarantees, and services, as well as a world-class infrastructure. The Vienna Life Science Platform LISAvienna provides information through free, personalized consultations and connects these emerging players with appropriate



contacts – including within the framework of international trade events like BIO-Europe Spring. High-tech start-ups in Austria can raise a total of €1 million to get off the ground, thanks to aws PreSeed and Seedfinancing, the funding programs of Austria Wirtschaftsservice (aws), the Austrian Federal Promotional Bank. Through the financial tool aws Double Equity, aws can also double private investments in Austrian start-ups. Furthermore, aws provides equity instruments through its VC initiative, as well as the Seed fund “Gründerfonds” and the Growth capital fund “Mittelstandsfonds”. That’s funding in addition to up to €3 million in financing from the Austrian Research Promotion Agency FFG for R&D projects. The Vienna Business Agency’s offers round out the national support for innovative companies in various ways. In the past year, the agency approved €3.47 million in funding for 12 projects through which companies in Vienna will develop new products, processes, and services for the health sector.

Deal volumes: €606 million

With these investments, the public sector helps start-ups to prepare for

private investors and partnerships with large companies. The Vienna Life Science Report 2018/19 [2] noted a total deal volume of €606 million for the life science sector from 2015 to 2017. This sum reflects publicly announced venture capital investments, as well as IPOs/capital increases, and the real value is undoubtedly higher, since there are deals whose sums aren’t publicized. The sum also excludes numerous licensing deals and mergers & acquisitions, whose financial details generally aren’t made available either. Success stories in this time period, like those of APEIRON, Hookipa, Marinomed, mySugr, Nabriva, Panoptes, and Themis also stand out by international standards.

Biotech pioneers & spin-off nuclei

Austria’s biotech industry enjoys the legacy of the entrepreneurship, boldness, and foresight of key figures from earlier generations. The Vienna BioCenter is the oldest biotech hotbed in Vienna. Several power players have set up offices and labs there, in the vicinity of the fundamental research centre IMP, which is supported by Boehringer Ingelheim, and of the basic research institutes IMBA, GMI, and MFPL. These include AFFiRiS, APEIRON, Hookipa, Lexogen, Thermo Fisher Scientific, and Valneva. The 21 biotech companies in the Vienna BioCenter also include start-ups like Accanis, Ares Genetics, and Scarletred. In other parts of the city, too, academia can be seen as the springboard for start-

ups: The Medical University of Vienna's portfolio, for example, includes Biomay, contextflow, Viravaxx, and Zytotec. The University for Natural Resources and Life Sciences (BOKU) boasts several spin-offs including Evercyte, TAmiRNA, and The Antibody Lab. Meanwhile, Aelian, Allcyte, Haplogen, MyeloPro, and other companies got their start at the Center for Molecular Medicine (CeMM) of the Austrian Academy of Sciences. And the already mentioned Marionmed has its origin in the University of Veterinary Medicine, Vienna.

Biotechnology's growth trajectory

When it comes to OECD-defined biotechnology-focused companies, Vienna can pride itself in continuous growth. Their numbers grew from 50 companies in 2012, to 67 in 2014, and 78 in 2017. As far as their focus areas is concerned, medical biotechnology continues to dominate by a wide margin. In Vienna, the top three subjects within this concentration are infectious diseases, cancer, and respiratory diseases. Recently, APEIRON proved that a small biotech company based in Vienna can, despite enormous development costs and a long development period, put a drug on the European market. There's plenty more in the pipeline: At the end of 2017, Vienna's dedicated biotechnology companies were developing 77 new therapeutic substances. Most potential products are currently in the pre-clinical development stage, though 29 substances are already in the clinical development phase.

Prime location for digital health

The intersections between biotech, pharma, medical technology, and IT offer compelling niche markets. Therefore, we include a brief look at the development of dedicated medical device companies in Vienna. Their number grew by more than 50% between 2012 and 2017, to 46 companies. Traditional strengths lie in electromechanical medical devices, special products for people with physical disabilities, as well as disposa-

ble products. However, the dynamic development of software solutions for the medical sector, including eHealth tools, is outstanding: from seven companies in 2012 (2014: 10), the number has grown to 20 companies, nearly tripling within five years. This development makes Vienna a leading city for the development of digital products and services in the health sector. The company mySugr is just one of Vienna's incredible success stories: Roche's acquisition in 2017 makes it the biggest deal of its kind in Europe.

A rosy outlook

A string of current developments suggests that this positive trend in the life sciences sector will continue: Proven technology platforms by emerging biotech companies will be used for new indications; eHealth start-ups are successfully making use of crowdfunding; new cooperations will be forged; and companies are working on going public, like Marinomed did in February 2019. Furthermore, the pharmaceutical industry is committed to investing and several players are significantly expanding research and production capacities, as seen in these Austrian examples:

- Boehringer Ingelheim is investing around €700 million in Vienna.
- Octapharma is investing over €142 million in Vienna.
- Novartis is investing €200 million in Tyrol.

The Vienna BioCenter is also being expanded, with the Vienna Business Agency renovating a structure for use by research institutions and biotech companies. One particular highlight is a flexible start-up space with no minimum rental period. Finally, the BoB – Best of Biotech international business plan competition organized by aws is an exciting opportunity for all new entrepreneurs in 2019. The best founding ventures in the categories of biotech/pharma, digital health, and medical technology will each receive €5,000, while the best start-ups in these fields will be rewarded with €7,500 each. Once again, LISAvienna will sponsor the Medtech Prizes.

Download sources are available for free at

www.LISAvienna.at:

- [1] Life Science Report Austria 2018
- [2] Vienna Life Science Report 2018/19.

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