

AFFIMED

Seeking to cure patients by harnessing the power of innate and adaptive immunity

Affimed was founded in 2000 based on an antibody engineering technology developed by Prof. Melvyn Little's group at the German Cancer Research Center (DKFZ) in Heidelberg. In 2007, based on promising preclinical data and also a maturing of the bispecific molecule landscape, the company was able to attract a consortium of high profile US and EU venture capitalist and strategic investors

the majority of immuno-oncology companies, Affimed focuses on the power of both T cells and natural killer (NK) cells, aiming to activate adaptive and innate immunity. "We have a particular interest in NK cells as the innate immune system is the first line of defense against malignant cells and our technology has the potential to activate these cells, overcoming tumour immune evasion," says Fischer.

"A key advantage of being listed on Nasdaq is the access to knowledgeable investors on the US capital markets."

Affimed was one of the first European biotech companies that profited from the open IPO window in the US. Since its listing on Nasdaq in 2014, Affimed has managed to raise more than US-\$140m. "In Europe, we didn't think it was possible for us to get our desired amount of money because we were at a very early stage in development in a novel field, that's why we focused on US investors early on," explains Florian Fischer.

which financed the company through 2014 and invested roughly €90m from this group. "Today it's understood that the development from a healthy cell into a tumour cell is closely related to the immune system and that therapies should activate the body's own immune cells to destroy the tumour. Back then, it was a novel solution," explains CFO Florian Fischer who joined Affimed in 2005, initially on a part time basis.

The Nasdaq proceeds in particular have helped to advance the two clinical projects AFM13 and AFM11. AFM13 has been developed to treat patients with Hodgkin lymphoma and in CD30-positive cutaneous T cell lymphoma. AFM13 is in development both as monotherapy (phase II) and in combination with US-pharma company Merck's anti-PD-1 antibody Keytruda (phase Ib). AFM11 on the other hand is a T cell engager targeting CD3/CD19. It's currently in phase I testing to treat non-Hodgkin lymphoma and acute lymphocytic leukaemia. "We are also highly active in our preclinical work, designing and developing the next generation of immune engagers," Fischer notes.

Today, the immuno-oncology specialists are among the most advanced in the field working with tetravalent bispecific antibody formats. This format allows Affimed's products to bind both the immune cell and the tumour with high specificity due to two binding sites on each, thereby aiding the immune cell to attack the tumour. Moreover, compared to

Affimed N.V., Heidelberg, Germany



Established	2000
Headquarters	Heidelberg
Field of activity	Immunotherapies with a focus on bispecific antibodies that trigger NK and T cells; several candidates to treat haematologic malignancies and solid tumours
Employees (2017)	74
Turnover (2016)	€6.3m
Market capitalisation 30 Sep 2017	€85.2m
Year of IPO Nasdaq	2014
Raised capital via IPO Nasdaq	€43.2m (US-\$56m)
Raised capital via follow-on financings	€75.9m (US-\$86.7m)
Major shareholders 30 September 2017	Calibrium (20.6%), Wellington Management Company (12.5%), New Enterprise Associates (9.0%), Bain Capital (7.4%) OrbiMed Advisors (4.2%), Tekla Capital Management (3.3%)

Interview



Florian Fischer joined Affimed in 2005 as CFO on a part-time basis. Since September 2014, Dr Fischer is fulltime employed by Affimed. He has a strong track record in various biotech and medtech executive positions. Dr Fischer is founder of MedVenture Partners - a corporate finance and strategy advisory company focusing on the life sciences and healthcare industry. He was CFO of Activaero GmbH (from 2002 until 2011) and served as CFO of Vivendy Ltd. (2008 until 2013) and as managing director of AbCheck in 2009. Prior to founding MedVenture Partners, Fischer worked with KPMG for more than six years and for Deutsche Bank AG. Dr Fischer holds a graduate degree in business administration from Humboldt University, Berlin and a Ph.D. in public health from the University of Bielefeld.

Why did you choose Nasdaq to go public in 2014 and was it the right decision?

A lot came together in 2014: at the time, we were looking for larger financing volumes to further develop our early clinical programmes in immunoncology. Simultaneously, there was an open IPO window, a high interest in this topic and other listed peers at the same development stage. This stage was perceived to be too early for an EU listing, so the IPO on Nasdaq was a logical consequence. With our story, we were perfectly suited to fit into this sweet spot. Today, a key advantage of being listed on Nasdaq is the access to knowledgeable investors on the US capital markets. Refinancing options are there at any given time because of the critical mass of biotech specialists.

You have raised more than US-\$ 140m on Nasdaq. What makes Affimed attractive to US investors?

With an approach that focuses on tetravalent bispecific antibodies engaging immune cells, we are top of the league in a highly competitive environment. With our competence in NK cell engagers in addition to the more common T cell approach and our unique technology platform, we're not doing the same as ten other companies. What makes us additionally attractive to in-

vestors, is the fact that the field we're in is not just a hype, it has already proven clinical efficacy. Several novel immunotherapeutics have entered the market and there is a growing understanding of the role of immune cells in cancer biology, allowing for rapid progress. Thus, immuno-oncology continues to be an attractive investment opportunity.

How are you differentiated from your competitors?

Our technology has many advantages. Firstly, we are the most advanced company in the field working with tetravalent bispecific immune engagers. By doing so, we are following a dual targeting approach to fight cancer cells: we attack each receptor twofold which makes the antibody highly specific and more effective than others. Secondly, we are able to target both T cells and NK cells. We are one of very few companies with an advanced NK cell approach, having specifically selected CD16A, as the key target receptor enabling NK cell activation. Our NK cell engagers are highly promising for both monotherapy and combination strategies. Thirdly, our engineering expertise has helped us to solve some of the technological challenges connected with bispecific antibody formats. This allows us to rationally design and develop molecules in a variety of formats and with profiles tailored specifically to patient's needs.

Why are Affimed's NK cell engager programmes a promising approach in cancer therapy and which advantages do they offer?

AFM13 is our most advanced NK cell engager and our trials serve to generate proof of concept and mechanism. We are especially interested in AFM13's potential in combination therapies which promise to eliminate tumours through multiple mechanisms. We believe that our preclinical NK cell engagers AFM24 and AFM26 are ideally suited to exploit NK cell mediated cytotoxicity in other indications and settings to AFM13. Both candidates are best-in-class NK cell engagers and, like AFM13, target CD16A, a key activating receptor on NK cells. In addition, AFM24 targets EGFR, relevant to solid tumours, while AFM26 binds to BCMA, a validated target in multiple myeloma. Current studies provide further preclinical evidence of favorable safety profiles for both NK cell engagers and also confirmed their ability to potently and effectively lyse tumor cells, even those with very low target expression.

DOs



Differentiated idea: You need to have a convincing story to tell the investors. Ideally, you are active in an attractive market and you already have clinical programmes with good data.

Experienced team: US investors look for serial entrepreneurs. You need to have a track record in the biotech industry and a broad management team with enough professional experience. With a good reputation, you will be able to convince investors.

Provide regular updates: You should keep the news flow ongoing with updates of your activities. Your investors will appreciate regular information on your pipeline and products.

DON'Ts



Start late: An IPO process needs good preparation. The earlier you start talking with investors, analysts and banks, the clearer you will see whether your story is good enough for the stock market.

Rush: Not every bank and not every advisor in the US will be the right one to prepare your company for an IPO. Take your time to carefully consider which partner fits your needs best.

Make yourself scarce: Don't underestimate the time you need to establish your company within the financial community in the US. It's time consuming and you have to follow a consequent approach. In the long-term perspective, European companies should plan to build up at least a core US team with continuous presence overseas.