
The Founding Angel Concept: Very Early-Stage Engagements as Attractive Investment Strategy

Background, Approach, Selected Biotech Examples

BIEM Symposium "Gründung und Innovation"

Potsdam, June 5, 2008



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Background and Motivation

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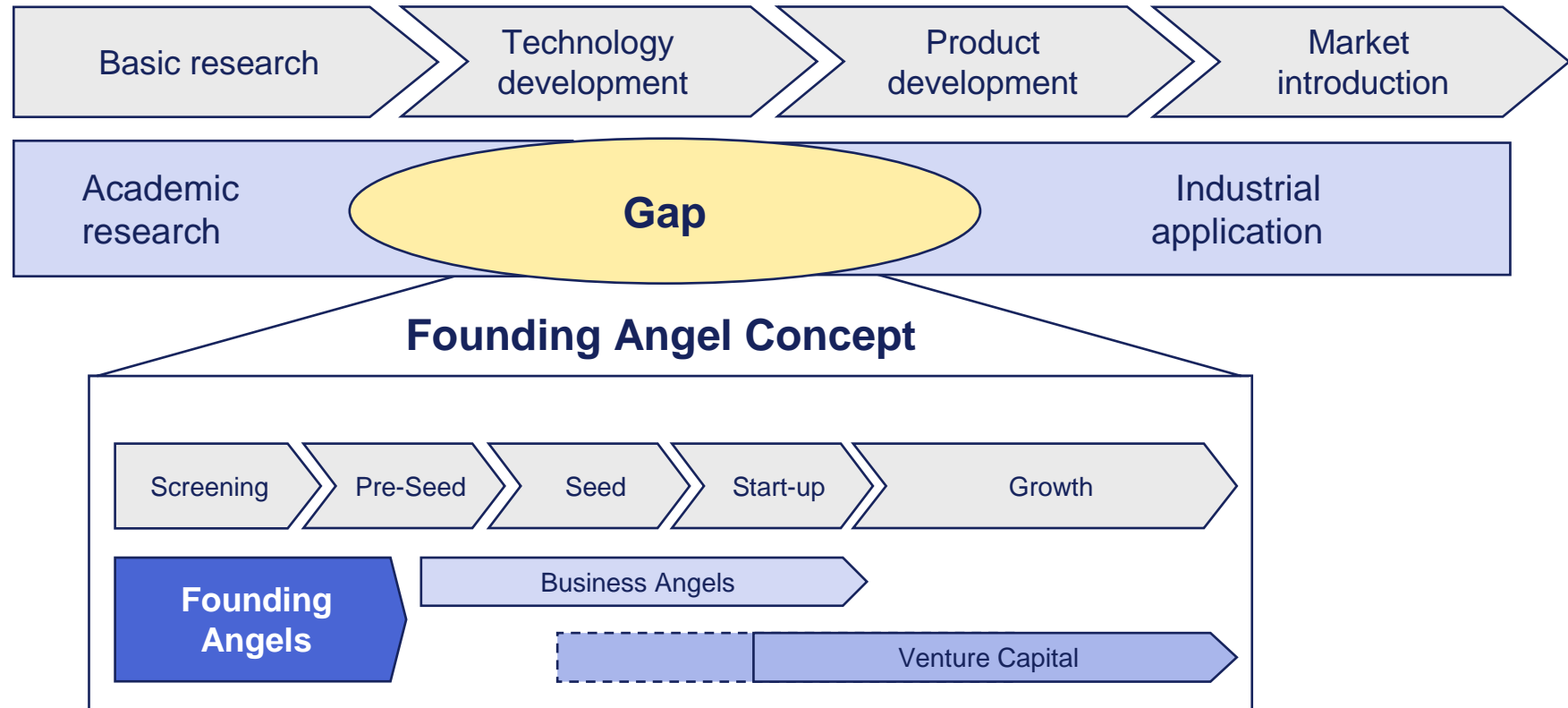
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Selected Biotech Examples

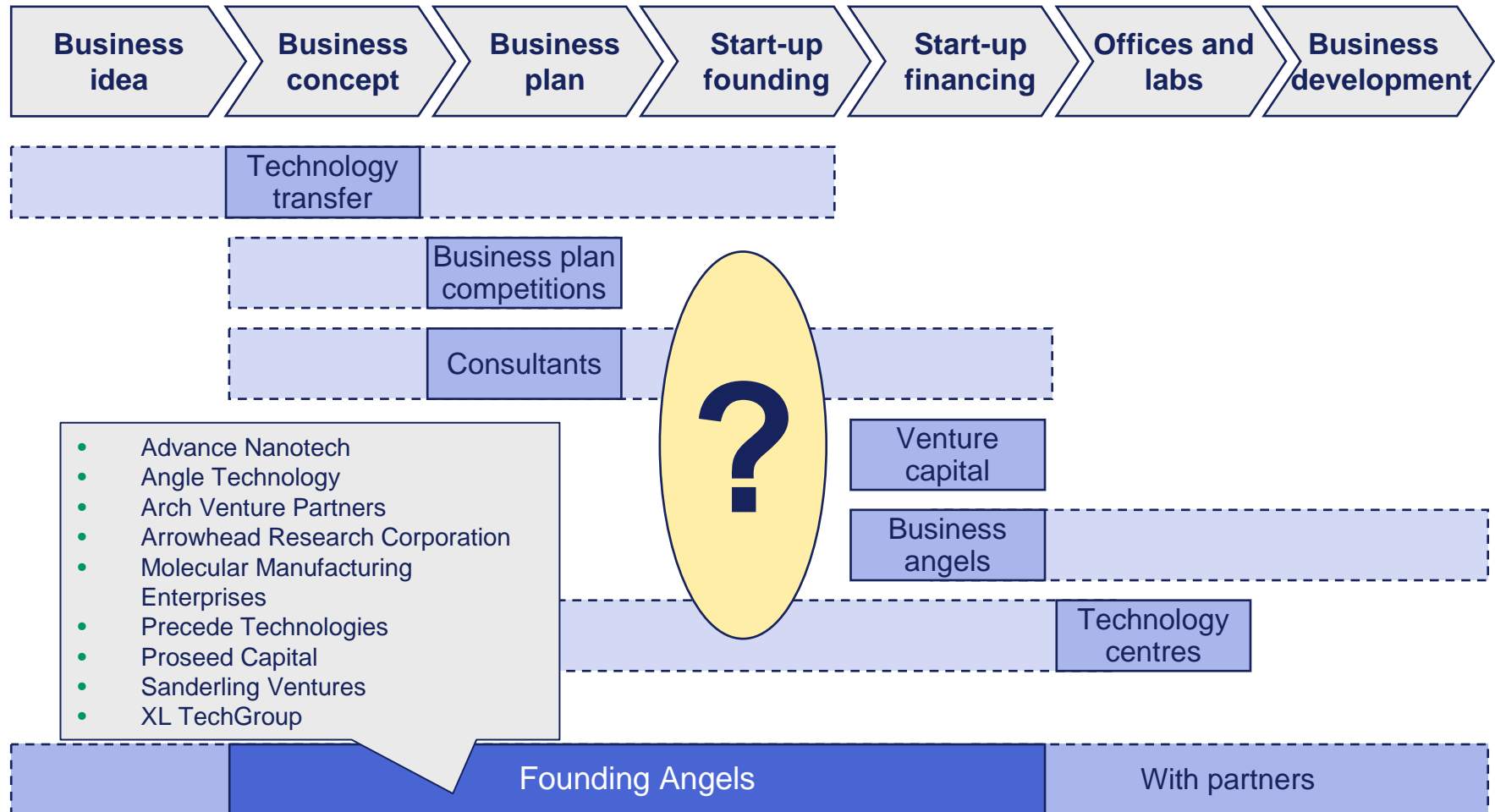
Background and Motivation - Founding Angels

The Founding Angel science-to-business concept is to close the gap between academic research and the commercialisation of the research results



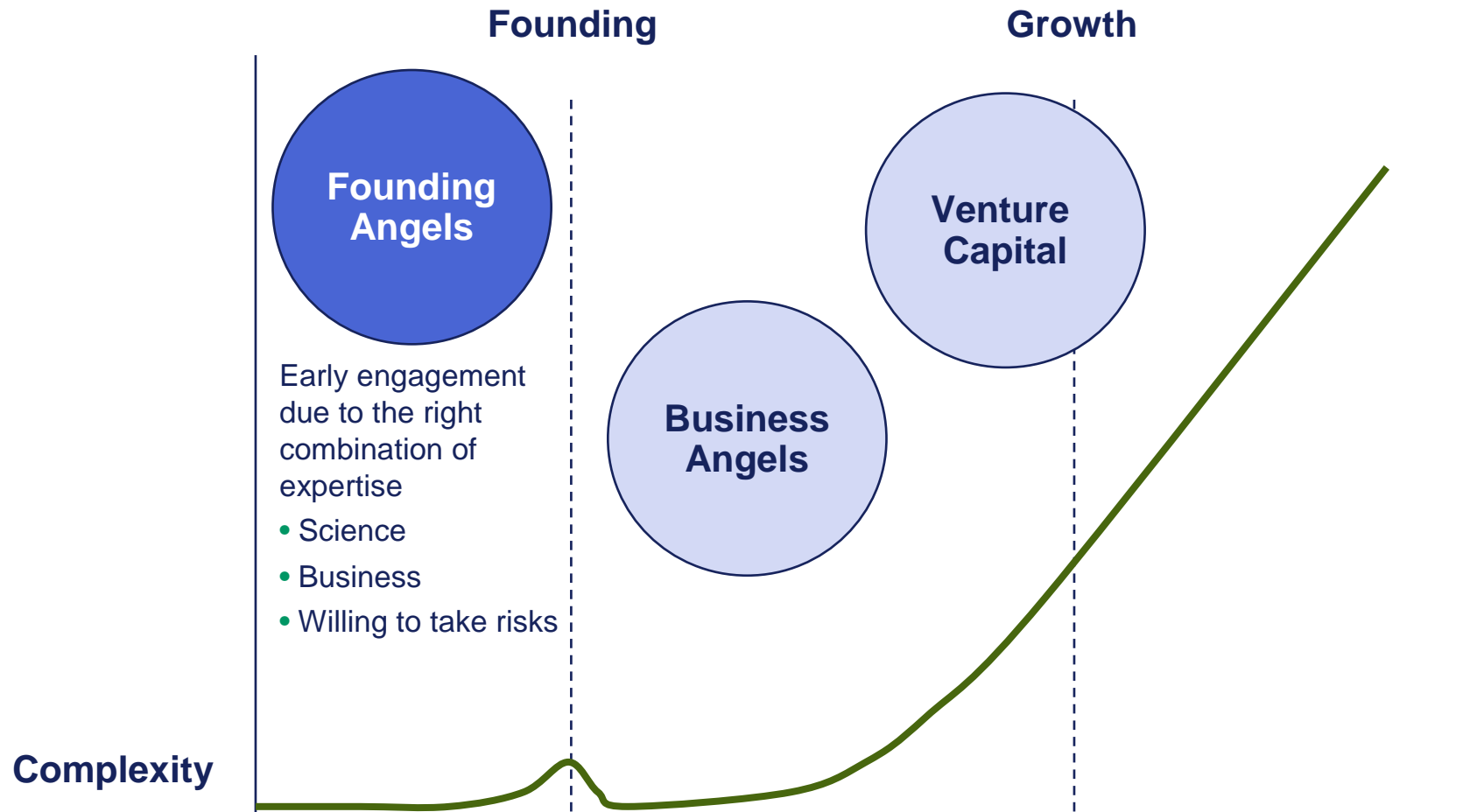
Background and Motivation - Founding Angels

Founding Angels are filling the gap between established business models within the start-up area

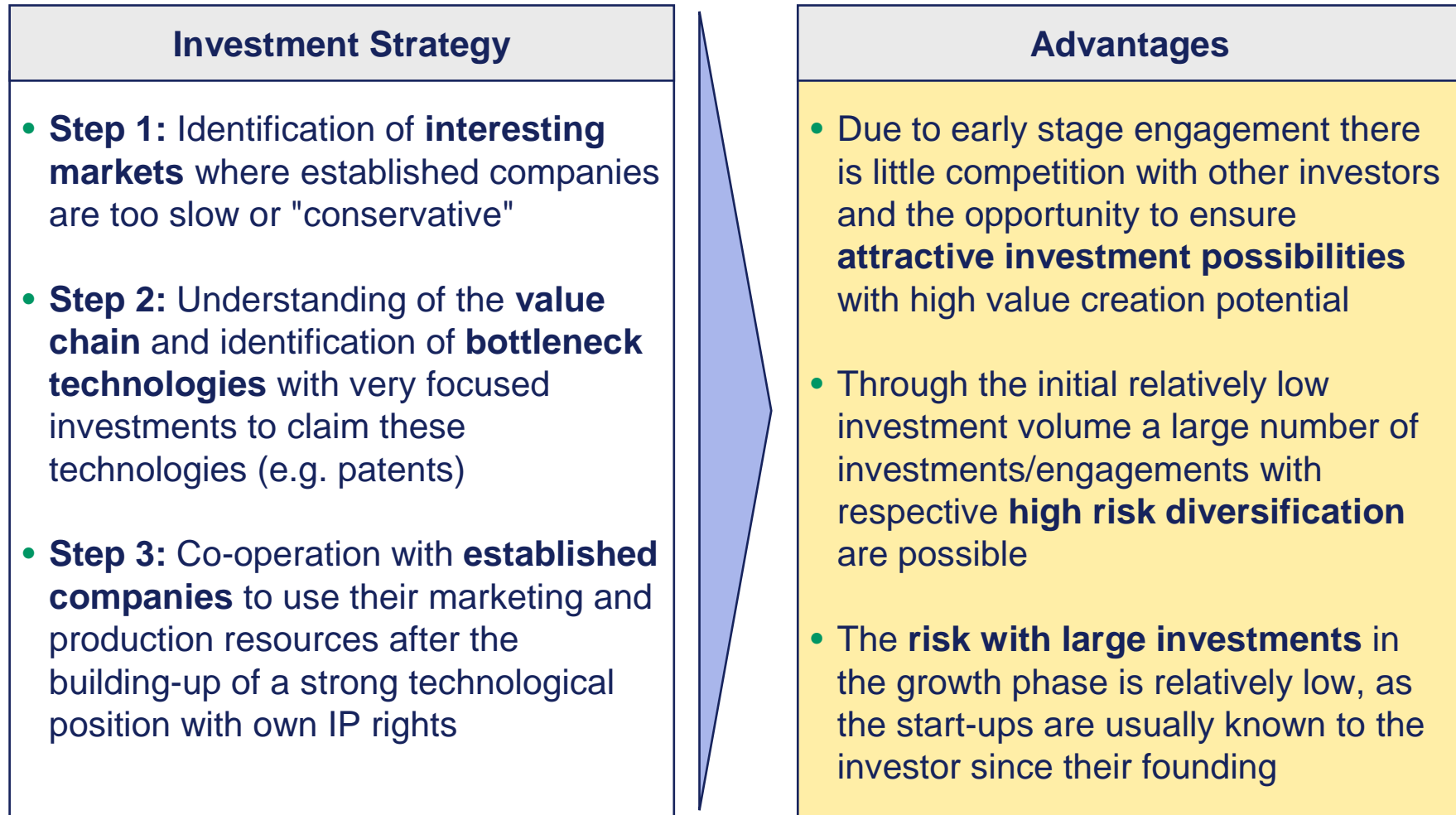


Background and Motivation - Basic Principle

Founding Angels are engaged in very early phases typically before the engagement of Business Angels and Venture Capital



The Founding Angel science-to-business concept offers clear advantages due to its innovative concept



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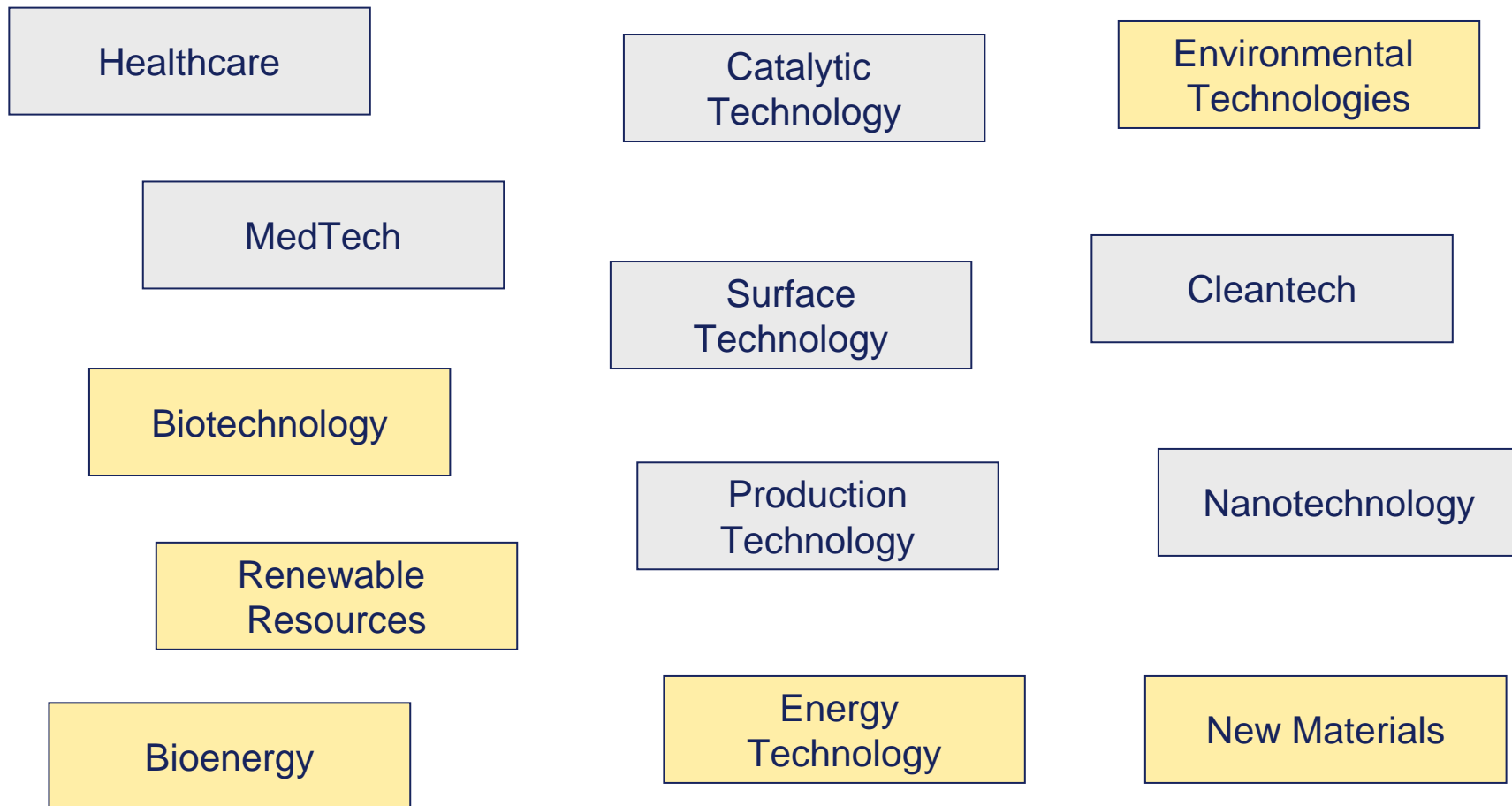
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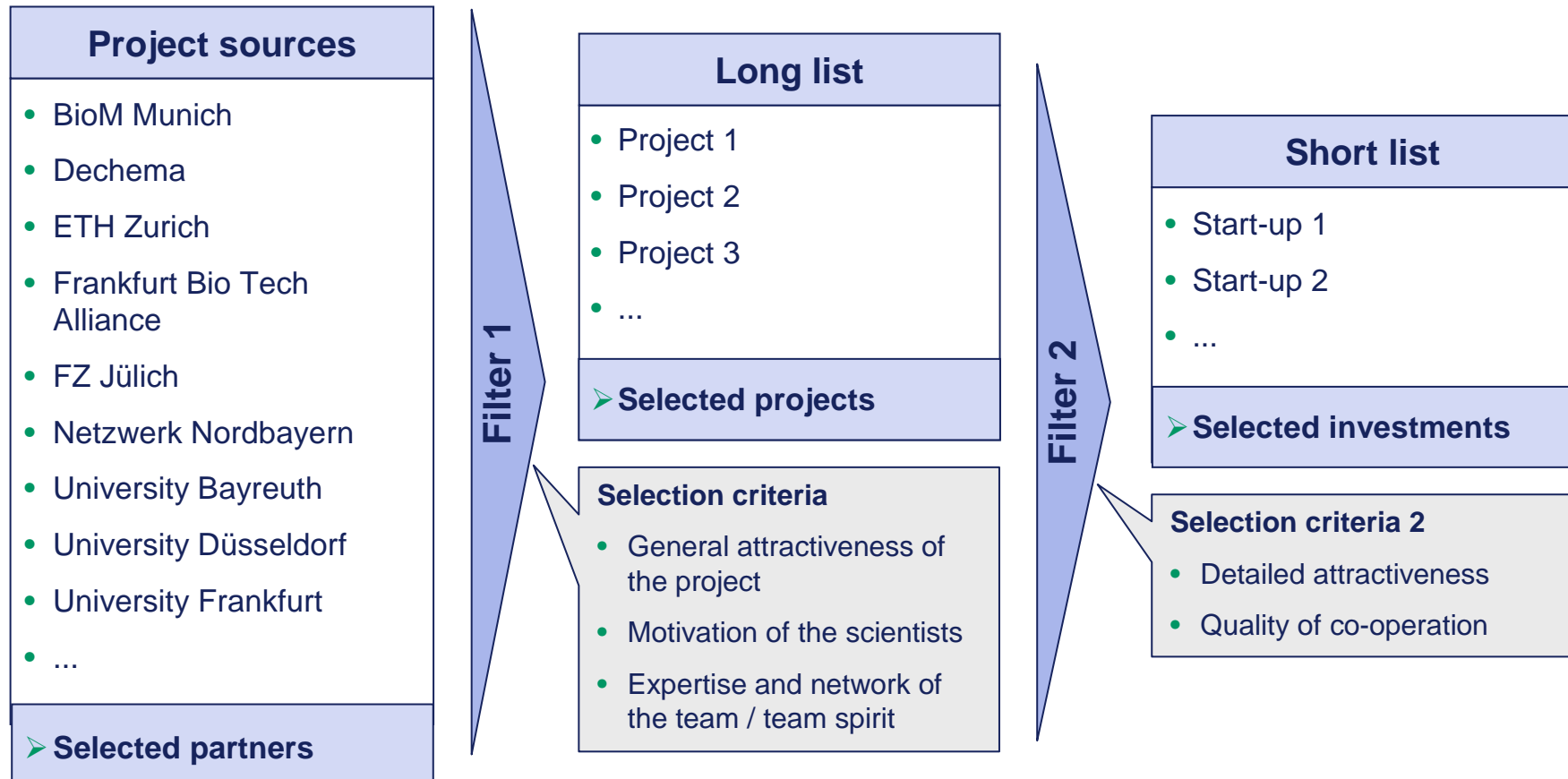
Approach and Technologies - Technology Fields

The Founding Angel science-to-business concept is focused on chemical / lifescience and physics related technology fields

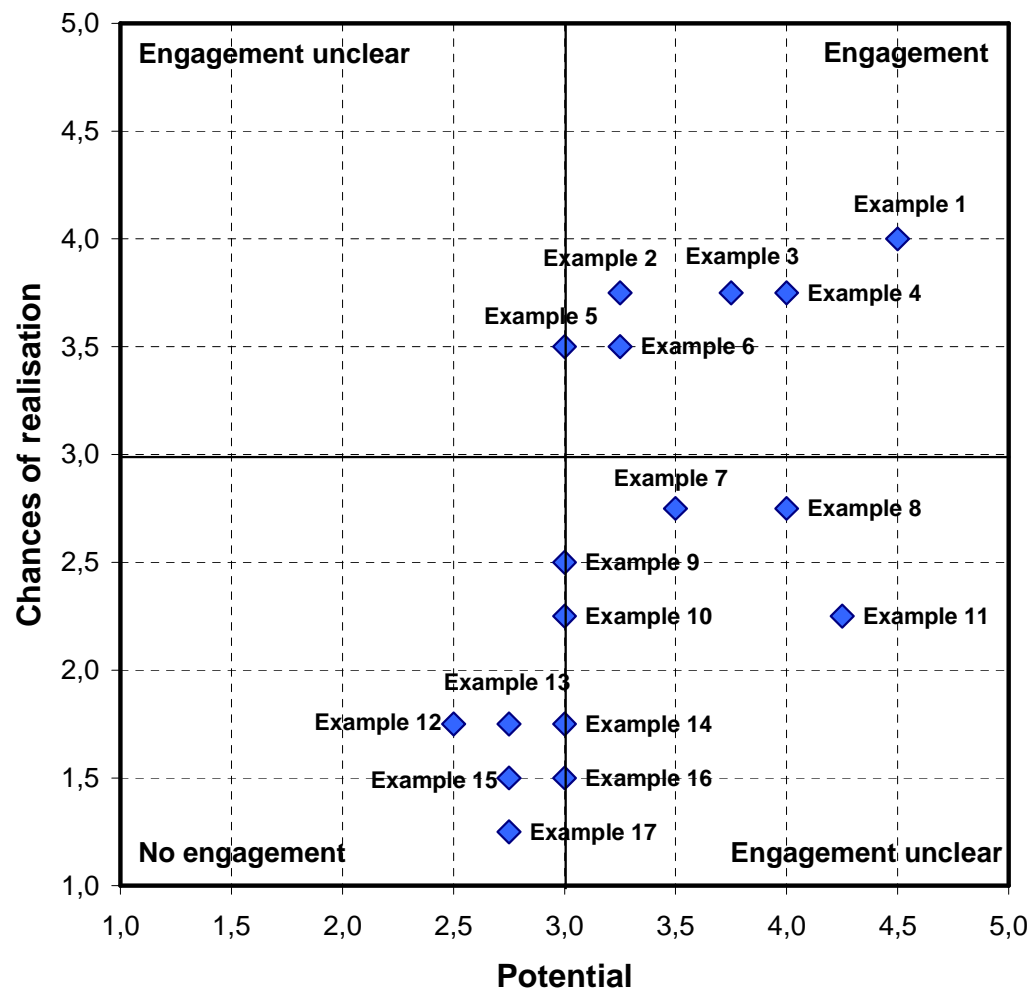


Approach and Technologies - Selection Process

The most attractive projects are identified with a two stage selection process



In the meantime, around 20 projects have been evaluated and 4 of the most promising projects realised



Examples

1. Biofuel technology
2. Biotech company
3. Biomass/bioenergy technology
4. Biotech company
5. Energy saving technology
6. Wound healing
7. Drug discovery
8. Molecular diagnostics, biochips
9. Bioactives, functional food
10. Nanomaterials
11. Wellness
12. Chemical compounds
13. Waste water treatment
14. Drug discovery
15. Wound healing
16. Energy technology
17. Hydrogen technology

See next
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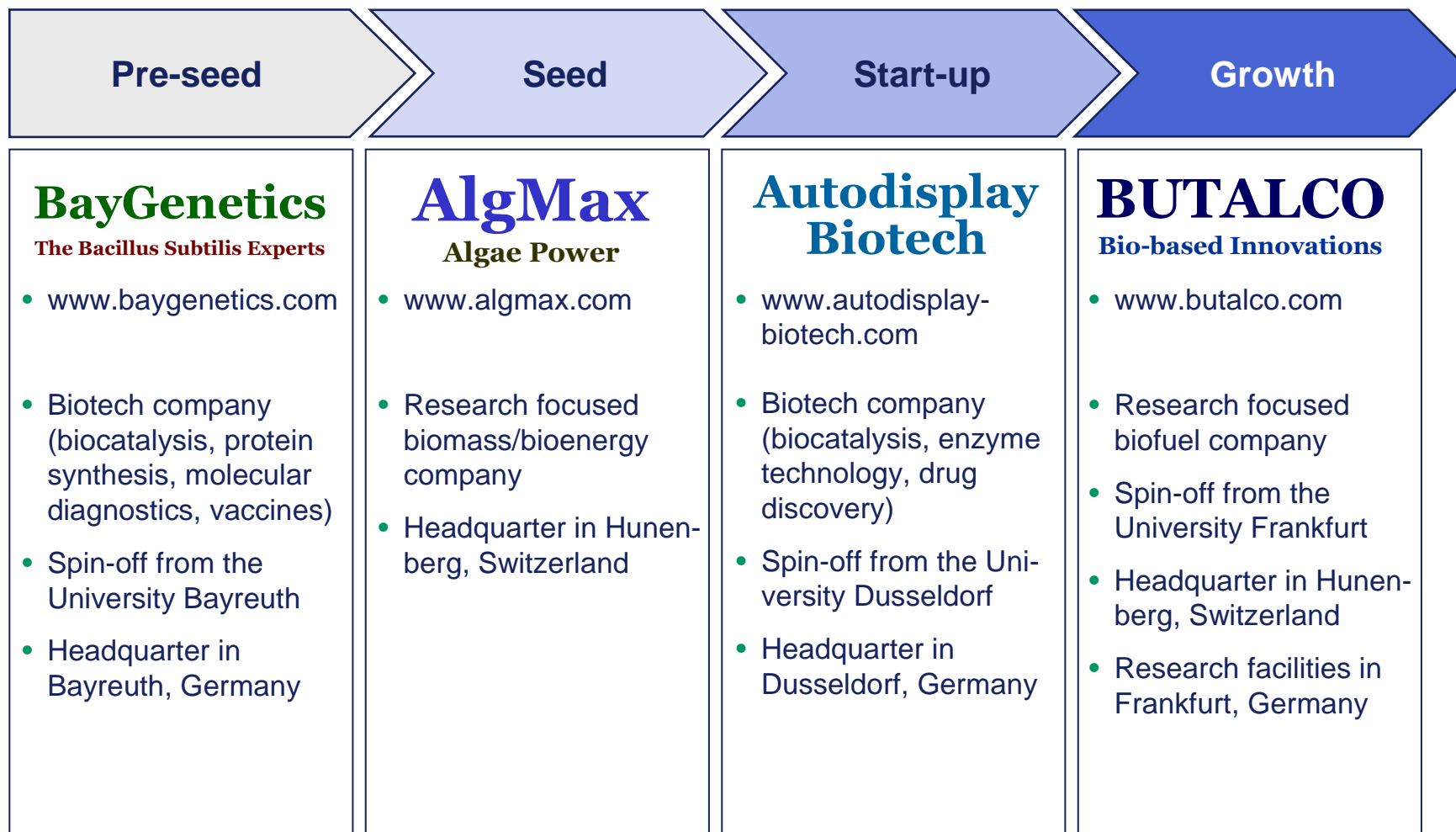
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Selected Biotech Examples

Selected Biotech Examples - Overview

Four companies in the field of biotechnology have been founded and show the proof-of-concept of the Founding Angel science-to-business concept



Selected Biotech Examples - BayGenetics

BayGenetics is in the pre-seed stage and is performing first steps towards the proof-of-concept of its technology

BayGenetics

The Bacillus Subtilis Experts

BayGenetics GmbH / Bayreuth, Germany

- Research results of Prof. Wolfgang Schumann from the University Bayreuth enable new applications in the areas of biocatalysis, protein synthesis, molecular diagnostic and vaccine development
- In 2007, Dr. Gunter Festel financed work into the investigation of market potential and patent situation, took care of external recruitment and developed a business plan
- Dr. Markus Helfrich with the help of an EXIST grant strengthened the management and scientific team
- Prof. Wolfgang Schumann, Dr. Markus Helfrich and Dr. Gunter Festel founded BayGenetics in April 2008
- A co-operation contract with the University Bayreuth enables BayGenetics to use resources at the university
- Currently, first discussions with industrial partners and investors are being held

Selected Biotech Examples - AlgMax

AlgMax is in the seed phase looking for investors to strengthen research and development

AlgMax GmbH / Hunenberg, Switzerland

AlgMax
Algae Power

- Dr. Andreas Maack as algae expert is developing an interesting algae technology to produce biomass and bioenergy with higher yields compared to existing technologies
- Dr. Andreas Maack and Dr. Gunter Festel founded AlgMax in April 2008 to secure funding of the further research and development work
- The first patent application is in progress and co-operations with industrial partners in discussion

Selected Biotech Examples - Autodisplay Biotech

Autodisplay Biotech is in the start-up phase and focused on business development

Autodisplay Biotech / Dusseldorf, Germany

Autodisplay Biotech

- Prof. Joachim Jose from the University Dusseldorf has developed the autodisplay technology as basis for new applications in the areas of biocatalysis, enzyme technology and drug discovery
- Prof. Joachim Jose, Dr. Ruth Maas and Dr. Gunter Festel founded Autodisplay Biotech in April 2008
- A co-operation contract with the University Dusseldorf enables Autodisplay Biotech to use resources at the university
- A co-operation contract with IPB AG gives access to intellectual property gained within research projects financed by IPB AG
- Currently, first discussions with industrial partners and investors are being held

Selected Biotech Examples - Butalco

Butalco has found an external investor and is now in the growth phase

Butalco GmbH / Hunenberg, Switzerland

BUTALCO
Bio-based Innovations

- Prof. Eckhard Boles from the University Frankfurt has developed a very promising scientific approach for the production of 2nd generation biofuels and other bio-based chemicals
- Prof. Eckhard Boles and Dr. Gunter Festel founded Butalco in August 2007 for the further development and commercialisation of the results
- Meanwhile, Butalco has three co-operation contracts with the University Frankfurt, two patent applications claiming important bottleneck technologies and an agreement regarding the takeover of patents from partners
- Butalco's aim is to become a leading yeast and biofuel technology company in Europe
- The wind energy company Volkswind GmbH, as external investor, gives Butalco the financial power to realise this aim