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Ascenion Information Letter
November 2011

10 Years' Ascenion and the Life-Science Foundation – What Really Counts

Ascenion: 10 Milestones

Foundation

In 2001, four life-science institutes of the Helmholtz Association teamed up to create a new vehicle for technology transfer. They set up the Life-Science Foundation for the Promotion of Science and Research and launched its wholly-owned subsidiary, Ascenion GmbH. As an independent service company, Ascenion was to provide professional support for technology transfer.

Offices Across Germany

In 2002, Ascenion moved out of the GSF (now the Helmholtz Zentrum München) in Neuherberg near Munich. The team set up its headquarters in the heart of Munich, with three further offices in Neuherberg, Braunschweig and Berlin. Central competencies and services – market analysis, legal advice, etc. – were concentrated in Munich, while scouting, IP management and inventors' support were assigned to the offices located near Ascenion's partners.

Focused Expansion

In 2005, Ascenion decided to focus on the life sciences and expand its client base to integrate further life-science institutes from the Leibniz Association. The idea was to bring together a critical mass of technologies that would be highly visible and attractive to industry.

Extended Support for Entrepreneurs

From the beginning, Ascenion provided equity management for the spin-offs from its partner institutes. However, the team realized that more was needed to get promising spin-offs up and running. So it added start-up coaching to its range of services, covering all aspects from business planning and financing through to foundation and corporate growth. Furthermore, Ascenion became an accredited referee and coach with the HTGF (High-Tech Gründerfonds), IHK (Industrie und Handelskammer) and BayernKapital.

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Creative Deals & Commercialization Tools

During its early years, Ascenion focused on consolidating existing IP portfolios, setting up processes for scouting and managing IP, and building trusting relationships with scientists. Then gradually, the commercialization of IP moved to centre stage. As an innovative approach to material transfer, Ascenion established the Mouse Genetics Cologne (MGC) Foundation to market the animal models invented by Prof. Klaus Rajewski. Also, a number of licensing deals were closed including a prominent agreement on a potential new tuberculosis treatment between the Leibniz Institute for Natural Product Research and Infection Biology (Hans Knoell Institute, HKI) and Inverness Medical Innovations.

Sustained Growth

The concept of life-science-focused technology transfer attracted further partners from the Helmholtz and Leibniz Associations, together with the Hannover Medical School (MHH) as the first representative of Ascenion's third client segment, university hospitals. The idea of a 'critical mass' has become reality: today, the partners' collective IP portfolio comprises more than 750 technologies and commercially interesting materials such as antibodies and vectors.

Crossing Borders

With its new technology transfer event, BioVaria, Ascenion translated its idea of a 'critical mass' to the pan-European level: During the 4th BioVaria, held in May 2011, 15 technology transfer organizations and their 37 academic partner institutes from eight European nations presented around 70 licensable life-science projects. The joint offer attracted many deal-makers and investors from the international biopharmaceutical industry.

Product Launches

2009 saw the market launch of Removab[®], a new anti-cancer treatment invented at the Helmholtz Zentrum München. The drug provides a new treatment option for cancer patients suffering from malignant ascites, a particularly painful condition that can occur in conjunction with certain forms of cancer. Removab[®] is not the first marketed product to originate from Ascenion's partners, however, it highlights how successfully transferred technology can impact our lives.

Profitability

Ascenion has been self-sustaining since its launch in 2001. Furthermore, in three of the past ten years (including 2011), revenues from commercialization (commissions and exit proceeds) have exceeded the costs of running Ascenion. Ascenion's profits are passed on to the Life-Science Foundation to provide research funds for its members. There are also plans to invest a portion of these profits directly into new technology transfer instruments.

New Translational Tool

This year, Ascenion, together with the venture capitalist Vesalius Biocapital and the German Federal Ministry of Education and Research (BMBF), launched a new tool for turning academic projects into commercial opportunities: the Spininnovator. Experienced technology managers and venture capitalists will work together with Ascenion's partner institutes to select the most promising findings from life-science research, build spin-off companies around them and grow them into viable businesses. It is the first project of its kind in Germany, and the first translational tool to integrate venture capital right from the beginning. Vesalius Biocapital and the BMBF have earmarked around EUR 40 million for the initiative.

LifeScience
Stiftung

HELMHOLTZ
GEMEINSCHAFT

Leibniz
Gemeinschaft

mgc-foundation
mouse genetics cologne

MHH
Medizinische Hochschule
Hannover

BioVaria

spininnovator
ascenion

EUR 30 mil revenues

400 new jobs

30 spin-offs

450 patent applications

24 partner institutes

750 technologies

700 invention disclosures

650 agreements with industry

Five Questions for the Life-Science Foundation



Michael Lankeit

Administrative Director of the German Primate Center and Chairman of the Council of the Life-Science Foundation for the Promotion of Science and Research

Source: German Primate Center

Q: The Foundation was established 10 years ago. What was the primary idea of the founding institutes?

Lankeit: The goal was to provide research institutes with access to the knowledge, expertise and services they urgently need to translate promising research results into application. For a single institute, it would be hard to build such resources and attract the attention of industry. So the founding institutes came up with the idea of creating a central service unit for technology transfer.

Q: Why was this service company structured as a subsidiary of the Life-Science Foundation?

Lankeit: The structure was a brilliant idea. First, Ascension can operate independently from the formal constraints of public institutions; second, the endowing institutes reap the financial rewards of successful technology transfer initiatives. Revenues from Ascension's operative business

activities and equity holdings are forwarded to the Foundation and made available for research projects that address the needs of science, society and the economy.

Q: How has the Foundation developed since its inception?

Lankeit: Today we can say that the idea has lived up to its promise. Ascension has developed into a broadly acknowledged player in the field of technology transfer, with an exceptionally strong client base. And it has turned into a profitable and sustainable business. Since 2003, Ascension has turned in rising profits, forwarding a total of EUR 6.6 million to the foundation so far. This does not include the licensing income of the research institutes that has been enabled by Ascension's work.

Q: What are your plans for the future development of the Foundation?

Lankeit: In addition to Ascension, the Foundation has set up another subsidiary,

Kepos GmbH, providing human resources services to research institutes. However, the focus has always been in the field of technology transfer and this will remain so in the foreseeable future. We will continue our path of moderate but steady growth, and hope to further increase our endowment funds.

Q: How do you want to achieve this?

Lankeit: First, we plan to attract further institutes and also private donors to endow the Foundation. Secondly, we support Ascension as our main source of revenue in its growth strategy. We very much welcome Ascension's recent steps to further broaden its client base and extend its range of services to embrace translational and investment activities. These initiatives will be instrumental in getting more promising research projects off the ground. And in the event that a project succeeds, Ascension will be able to capture a bigger portion of the value that has jointly been created.

What Really Counts

Let's start with those outcomes that can be put into numbers: since Ascension's foundation, the team has negotiated over **650** revenue-carrying agreements between research and industry, has coached more than **40** companies and taken equity in **30** spin-offs, providing over **400** new jobs. The combined revenues from licensing agreements and the sale of equity amount to **EUR 30 million** to date for Ascension's partner institutes. This is considerably more than the partners have invested into technology transfer, resulting in a positive balance sheet overall.

This certainly does not imply that every research institute is already turning a profit with Ascension's technology transfer support. Only a few are earning relatively large amounts, others are doing pretty well,

but for about half of the research institutes, technology transfer remains an investment in the future.

Is this what 'really counts'? Yes, in part. Revenues from successful technology transfer projects flow back to basic research and fund projects that otherwise would not have been possible. However, Ascension believes – and understands from its partners – that there is something else that counts. First

and foremost, many research institutes want to see their results being translated into valuable applications, even when the commercial prospects are moderate at best, e.g. in the field of tropical or rare diseases. Taking this ambition seriously, technology transfer organizations have turned from 'mediators' who support the patenting and licensing process to 'creative partners' who work together with academia, public bodies,



industry and investors to advance as many high-potential projects towards the market as possible – even those that target niche markets.

Ascenion's history – and that of many other technology transfer organizations in Germany – shows that a lot has been achieved in this field over the last decade. A range of new funding programmes and translational tools have been established. What is needed next is a coherent, nationwide reporting system for measuring

activities, investments and outcomes in the field. This would significantly add to the transparency and visibility of the sector at an international level. Moreover, it would help in further shaping and improving technology transfer in the best interests of the research institutes and the general public.

Together with the Life-Science Foundation for the Promotion of Science and Research, Ascenion has organized a symposium in which experts from Germany and abroad will discuss this very question of 'What counts in

technology transfer', hopefully bringing new impetus into the ongoing discussion. The Symposium takes place on the 16 November 2011, to mark the 10-year anniversary of the Life-Science Foundation and Ascenion, and will be conducted in German.

Inventor's View



Dr Enno Klussmann

is together with Prof. Walter Rosenthal leader of the group 'Anchored Signalling' at the Max Delbrück Center for Molecular Medicine Berlin-Buch (MDC) and he is co-founder of Scaffion

I first got involved with technology transfer when...

... I worked with Ascenion on a patent application relating to my work. Later on, together with Ascenion, I prepared a GO-Bio application to obtain funding for the further development of my project.

I was most surprised about...

... the complexity of the drug development process, the vast amount of money it takes and the extent to which each single step is regulated.

If I could choose one project to reach the market this would be...

... the small molecule we are currently working on. Results from animal studies indicate that it could provide a new approach for treating chronic heart failure.

I believe a major obstacle to technology transfer is...

... the lack of money. Investors with deep pockets tell us that our project is at too early a stage. And those who believe in our project, regardless of its early development stage, do not have sufficient money to fund further development up to a point where professional investors typically get involved. Programmes such as GO-Bio have improved

this situation, but there is still a huge gap in financing promising early-stage projects.

My personal gain from participating in technology transfer projects is...

... a broader horizon. I have learnt a lot about the drug development process – the approach is completely different from that in an academic environment. Moreover, I have gained a much better understanding of the IP-relevant aspects of my work and business concepts. All this has greatly influenced the way I think about my project and research in general.

What I would like to know about tech transfer:

There is no question that immediately springs to my mind. However, there is one issue I would like to put up for discussion: although we have very much appreciated Ascenion's support throughout the years, the relationship became critical for us when it came to negotiating the spin-out terms with the originating institution. There is a potential conflict of interests between Ascenion's various roles as representative of the institution, shareholder and coach. I am glad that we have been able to solve the issue, but it was challenging. I think it can be a 'predetermined breaking point', and

I wonder if there should not be clearer rules on how to deal with it.

Ascenion's comment

We are enthusiastic in our support of spin-offs and their founding scientists, and help them to the best of our abilities. However, it is true that our roles come with potential conflicts of interest – for us as well as for the spin-off founder, with his other role as an employee of the institution he works for. As in the case of Scaffion, most conflicts can be solved as all parties generally share the same goal. However, where we encounter a conflict, we will adhere to and serve the interests of our contractual partner, the public research institution. We communicate this very clearly to the founder and – in some cases – advise him to employ an independent consultant to support him during the negotiation process.



Dr Christian Stein
CEO
Ascenion GmbH

Ascenion Appoints Management Team

In 2011, Ascenion took a long overdue step in response to its continued growth over the years. It has enlarged its management team to improve the services delivered to its clients and shape the company's strategic growth. Two of the three new directors were recruited from inside the company and combine life-science backgrounds with several years' industry experience and good connections in the sector. The third directorship was an external appointment. The management team is completed by a new Authorized Signatory, our Senior Legal Counsel.



Tina Damm
Director Technology Management

Tina Damm has 17 years' professional experience in IP asset management and strategic business consulting, with a focus on due diligence auditing during mergers and acquisitions. In addition, she gained substantial expertise in working with internationally recognized quality and environmental management systems according to DIN EN ISO 9001/14001. Tina started her career with ERM, a global environmental consulting firm, and then moved to KPMG, where she became manager and authorized signatory (Prokurist). She joined Ascenion in 2002 to set up the Braunschweig office, together with her colleagues. Tina received a dual degree as Diplôme d'Ingénieur en Biotechnologie / Diplom-Biotechnologin from the Ecole Supérieure de Biotechnologie de Strasbourg, following a tri-national education at universities in France, Germany and Switzerland. In addition, she holds a European Master Degree in Environmental Management, granted by the European Association for Environmental Management Education (EAEME).



Dr Hinrich Habeck
Director Technology Management

Hinrich Habeck has 10 years' industry experience. From previous positions as research scientist, and product and technology manager with Exelixis Deutschland and Greiner Bio-One he gained extensive expertise in the fields of biopharmaceutical drug development and diagnostic test systems. He joined Ascenion in 2006, where he was instrumental in building up the Hamburg office. Hinrich holds a PhD in biology from Eberhard Karls University Tübingen.



Dr Christian Wunsch
Director Technology Management

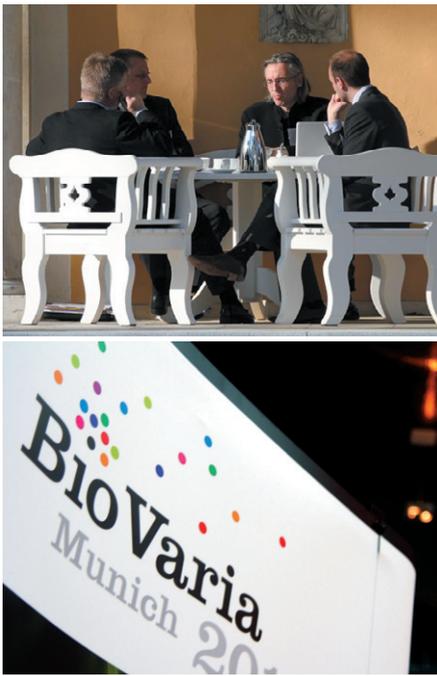
Christian Wunsch has 15 years' professional experience across pharmaceutical drug development, technology transfer and strategic technology acquisition. He joined Ascenion this year from IP-Bewertungs AG, an IP asset management service partner to Deutsche Bank. Prior to this he was technology manager and authorized signatory (Prokurist) with technology transfer specialist ipal Gesellschaft für Patentverwertung Berlin mbH. Before he moved to the field of technology transfer, he was project coordinator and finally global project manager at Schering (now Bayer Healthcare) steering international diagnostic and therapeutic development projects. Christian studied biology at the University of Bonn and Tokyo Metropolitan University, Japan. He holds a Japanese PhD in plant cell biology.



Thiess Gert Matzke
Senior Legal Counsel, Authorized Signatory (Prokurist)

Thiess Gert Matzke has 14 years' professional experience across the full spectrum of legal issues relevant to IP asset management, from structuring and negotiating complex licensing contracts, to research cooperation agreements and university spin-off financing deals. Prior to joining Ascenion in 2002, he was lawyer for intellectual property rights with Beiten Burkhardt Mittl & Wegener. He has been licensed to practice as a lawyer in Germany since 1998. In addition, Thiess received a Master of Law in Intellectual Property from the Franklin Pierce Law Center, Concord NH, in 2002 and was admitted to the bar in New York in 2003.

Fostering Networks



For Entrepreneurs:

Save the Date for the 6th Biotech NetWorkshop

The 6th Biotech NetWorkshop takes place from 25–27 January 2012 at Schloss Ringberg (Ringberg Castle), high above the banks of the Tegernsee lake. In the familiar and inspiring atmosphere of Schloss Ringberg, life-science entrepreneurs will have the unique opportunity to exchange experience and learn from seasoned investors and life-science executives. Key topics for 2012 include working with private investors and improving reimbursement strategies. In addition, experienced professionals will provide valuable insights and training in presentation and negotiation techniques. The workshop is jointly organized by Max Planck Innovation and Ascenion and is intended exclusively for entrepreneurs from Ascenion's partner institutions or Max Planck Institutes. For further information please contact: Anja Kroke, T: +49 (0)89 318814-30, E: kroke@ascenion.de

For Inventors, Investors and Business Developers:

Save the Date for the 5th BioVaria

On 15 May 2012, biopharma dealmakers and venture capitalists will come together in Munich with leading scientists and technology transfer organizations from all over Europe to learn about the top commercial opportunities that public research institutions and universities have to offer. During this year's 4th BioVaria, 15 technology transfer organizations and their 37 academic partner institutes from eight European nations presented some 70 licensable projects. BioVaria is unprecedented in the wealth and quality of the projects it presents. Ascenion has just commenced marketing activities for BioVaria 2012. Learn more about our partnering and sponsoring opportunities at www.biovaria.org or contact us directly: Esther Lange, T: +49 (0)89 318814-22, E: lange@ascenion.de

Meet us at these forthcoming events:

Symposium 'Technology Transfer – What Really Counts', 16 November 2011, Munich

6th Biotech NetWorkshop, 25–27 January 2012, Schloss Ringberg, Tegernsee

ASTP Masterclasses, 17–18 November 2011, Amsterdam, The Netherlands

ASTP Training Course 'Fundamentals of Technology Transfer', 25–27 January 2012, Leuven, Belgium

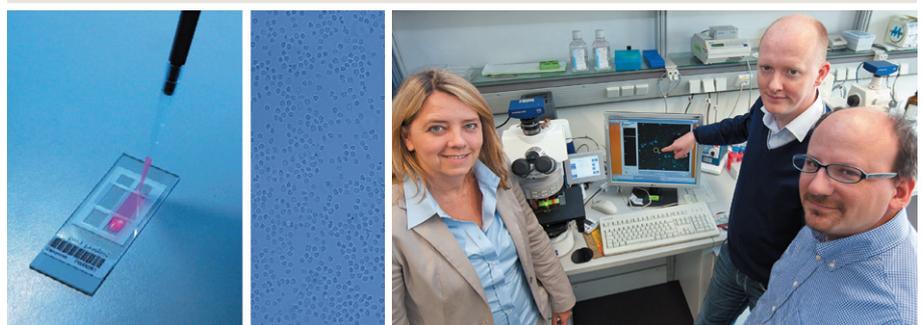
Spinning Innovation

Ascenion was instrumental in securing funding for three of its portfolio companies: Tube Pharmaceuticals, eADMET and iThera Medical. Moreover, Ascenion helped a research team at the Medical School Hannover (MHH) secure a Phase I grant under the GO-Bio programme, which is financed by the German Ministry of Education and Research (BMBF) and managed by Projektträger Jülich.

Phase I GO-Bio Grant for MHH

Project: ChipCytometry – Over and Over Again

Researchers and physicians frequently have only a very few cells available for analysis, but many questions to answer. In immunology research, for instance, it may be highly desirable to screen for 30 or more markers per cell, even when the cells of interest represent a rare population. As this is not possible with available techniques such as flow



cytometry, Christian Hennig and his team at the Hannover Medical School (MHH) have developed a new approach: ChipCytometry. Living cells are immobilized on dedicated slides and can be analysed again and again for an almost infinite number of intracellular or surface markers. Sample volumes of 0.5 to 10 µl with just a few hundred cells suffice. Given the strong potential of this approach for basic and applied research as well as clinical diagnostics, Ascenion, the MHH's technology transfer partner, worked together with the team to secure appropriate patent protection and find ways to advance the technology towards the market. Together, the partners prepared their first presentations to an industrial audience – for example, during this year's BioVaria – and Ascenion supported the team in applying for funding under the GO-Bio programme. In spring 2011, the ChipCytometry project was selected as one of six winners in the 4th round of the programme and will receive funding for the further development of its approach for up to three years. The objective is to consolidate the current prototype into a fully automated platform comprising a dedicated carrier system that can be moved precisely, a highly sensitive imaging unit, and specific software for system control and data evaluation.

'The GO-Bio funding is an exceptional chance,' Christian Hennig says. 'It enables us to explore further opportunities and optimize our system to the best possible extent with regard to robustness, ease of use and reliability.' Once a beta-version is

Successful Funding for Three Spin-offs

Tube Pharmaceuticals GmbH

- Seed financing with Austria Wirtschaftsservice (aws)
- Development of tubulysins, particularly powerful cell cycle inhibitors, as a novel class of anti-cancer drugs
- Spin-off from the Helmholtz Centre for Infection Research (HZI)

eADMET GmbH

- Seed financing with the High-Tech Gründerfonds (HTGF) and Bayern Kapital; Phase II GO-Bio grant
- Development of new IT solutions for the prediction of physical and ADME/Tox ('drug-like') properties of new potential medicines
- Spin-off from the Helmholtz Zentrum München

iThera Medical GmbH

- Series A financing with BayBG Bayerische Beteiligungsgesellschaft mbH, and Mey Capital Matrix GmbH, a Munich-based family office, as lead investor; Phase II GO-Bio grant
- Development of a novel optoacoustic imaging technology for preclinical and clinical applications
- Spin-off from the Helmholtz Zentrum München

available, the team will start a broad testing period with industry partners. 'During our presentations at BioVaria and other industry events we met with a strong response from the biopharmaceutical community. Many players have expressed a strong interest in collaborating with us,' Hennig adds. The partners will send their cells – already immobilized on cytometry chips – and then set up and monitor cell analysis through a user-friendly interface that can be accessed

from anywhere. If everything goes well, Hennig plans to spin out an independent business in about a year. 'Overall, things are running very smoothly and progressing much faster compared to when I set up my first start-up some years ago. Last but not least, this is due to the professional and remarkably comprehensive support we have received for this project from Ascenion and the MHH, right from the beginning, and to the BMBF's GO-Bio program which is unique in Europe.'

Noteworthy

RTTP – Take your technology transfer career to the next level

There is increasing recognition of technology transfer as a profession at many levels, but it does not currently have the mechanisms associated with a profession: a well-established body of knowledge, clearly defined entry criteria and a recognized professional development pathway. The Alliance of Technology Transfer Professi-

onals (ATTP) takes leadership for developing the profession and establishing a global standard of professional achievement. The organization has recently launched an internationally recognized registration program called 'Registered Technology Transfer Professional' (RTTP) that is intended for technology transfer professionals who

have already demonstrated a competence in their field. Many technology transfer organizations across the globe, including Ascenion, actively support the program and encourage their employees to participate. Depending on the level of experience, there are different routes to becoming a RTTP. Learn more at www.attp.info



News in Brief

Ascenion Team News



Stanislava Zollner
Team Assistant
Team Munich

Stanislava Zollner joined Ascenion in September 2011 to assist the team in general administration and PR-related projects. From her former positions with a foreign language publishing house and an international event agency she brings over 10 years' relevant professional experience to the team. Stanislava is a certified trilingual secretary (Europa-Sekretärin).

Joining the ASTP Board

Christian Stein, Ascenion's CEO, was elected Vice President and Board Member of the Association of European Science & Technology Transfer Professionals (ASTP). With over 600 technology transfer professionals from 41 countries as members, the ASTP is Europe's largest and most influential professional organization in the sector. It plays a key role in developing the profession and facilitating the transfer of knowledge and technologies between Europe's public sector science base and industry. As

member of the ASTP Board, Christian Stein will focus on the further development of the organization's training concepts and programs. He has also been appointed to the Board of Directors of the Alliance of Technology Transfer Professionals (ATTP), a global alliance of technology transfer associations that aims to improve and standardize the recognition of technology transfer professionals.

Joining the BAY TO BIO Board

Ascenion's Hamburg-based director Hinrich Habeck was appointed to BAY TO BIO's Board of Directors. The BAY TO BIO Förderverein Life Science Nord e.V. has some 125 members in the region including life-science start-ups, mid-sized companies and global players as well as universities, clinics, public research institutes and technology transfer organizations. BAY TO BIO's new Board of Directors intends to improve links between the biotech and medtech sectors, foster collaboration among the various players and drive the sector's further development in the region.

Schrödinger Prize for iThera Medical's Co-founder

Prof. Vasilis Ntziachristos of the Institute for Biological and Medical Imaging at the Helmholtz Zentrum München and Prof. Gooitzen Michell van Dam of the University Medical Center Groningen were awarded

the Erwin Schrödinger Prize 2011 by the Stifterverband for their innovative imaging technology. They have jointly developed a break-through imaging process that enables the detection of tumour cells in real time during surgery.

Prof. Ntziachristos was also instrumental in developing multispectral optoacoustic tomography (MSOT), an imaging technology that was exclusively licensed to iThera Medical for further development and commercialization in preclinical and clinical markets. He is also co-founder of iThera Medical, which has recently received financing (see Spinning Innovation).

Editorial

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