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## **TTIP – Investment Discussion**



**Consulate General of Germany – November 5, 2014**

# TTIP Investment – Guiding Principles

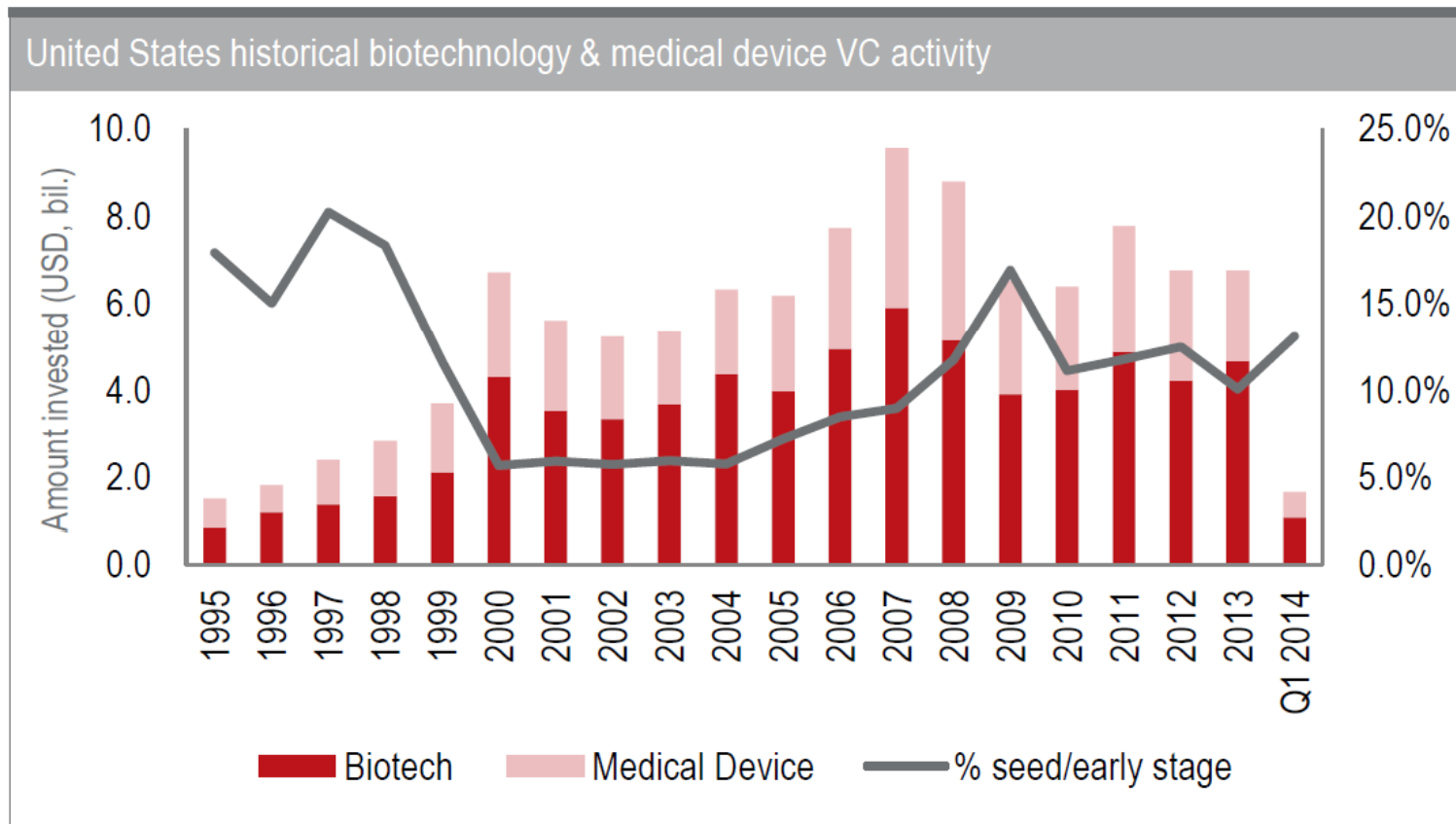
- Open and Non-Discriminatory Investment Climates
- A Level Playing Field
- Strong Protection for Investors and Investments
- Fair and Binding Dispute Settlement
- Robust Transparency and Public Participation Rules
- Responsible Business Conduct
- Narrowly-Tailored Reviews of National Security Considerations



# Investment Activity



# U.S. Venture Capital in Life Sciences



Source: PricewaterhouseCoopers MoneyTree Report, May 2014

# Biotech Investment Analysis

Analysis of **top 50** biotech investment firms by deal count between 2007-2011, with an investment floor of \$15M ...



- U.S. 42 (#1 Domain Associates – 39 deals for \$2.5B)
- Netherlands 2
- Switzerland 2
- U.K. 2
- Denmark 1
- Germany 1 (#23 TVM Capital GmbH – 17 deals for \$1.6B)

# U.S. and Germany – Life Science Clusters



## Economic scorecard

Workforce	Full time R&D personnel	% per thousand total employment	% researchers
R&D employment	1,412,639	9.4%	N/A
Education	% in science	% in engineering & manufacturing	
Tertiary graduates	8.0%	7.0%	
Funding	% of GDP	% in medical & health sciences	
GERD	2.8%	N/A	
Innovation	Total life sciences	% to total PCT applications	Year-over-year growth
PCT applications	10,324	39.2%	0.6%

Note: Complete R&D employment information not available for the United States. Figures reflect research employment only.

## Economic scorecard

Workforce	Full time R&D personnel	% per thousand total employment	% researchers
R&D employment	562,600	13.8%	59.8%
Education	% in science	% in engineering & manufacturing	
Tertiary graduates	13.0%	14.0%	
Funding	% of GDP	% in medical & health sciences	
GERD	2.8%	N/A	
Innovation	Total life sciences	% to total PCT applications	Year-over-year growth
PCT applications	1,952	7.4%	7.8%

Source: JLL Life Sciences Cluster Report 2014

# Case Study: Jado Technologies

- Spinout of Max-Planck Institute
- Completed A and B financing rounds in Germany (~\$11M)
- Sought funding for *bridge* round; and a larger C round upon completion of a phase 2a trial
- Secured PA-state funding and \$1M bridge investment
- Jado's motivations for U.S. market entry:
  - Ability to leverage larger number of U.S. capital sources
  - University (Lehigh) and organization collaboration opportunities
  - Establish operations in the U.S. to gain access to partners and market
  - High number of potential strategic exit sources



# Case Study: U.S. Secondary Fund

- Identified German-headquartered venture fund with five life science companies in its portfolio (covering Alzheimer, CNS, surgical implants, sepsis, etc.)
- Partnered with *Gates and Company* to assess fund and seek additional secondary opportunities in Germany
- Secondary Fund's motivations for German market:
  - Strong, identifiable pockets of innovation
  - Significant capabilities in life science and engineering
  - Strong history of collaboration, supporting expansion into the U.S.
  - History of conservative business practices and solid IP coverage
  - Ability to accelerate portfolio companies' expansion into global markets (primarily U.S. and Japan)



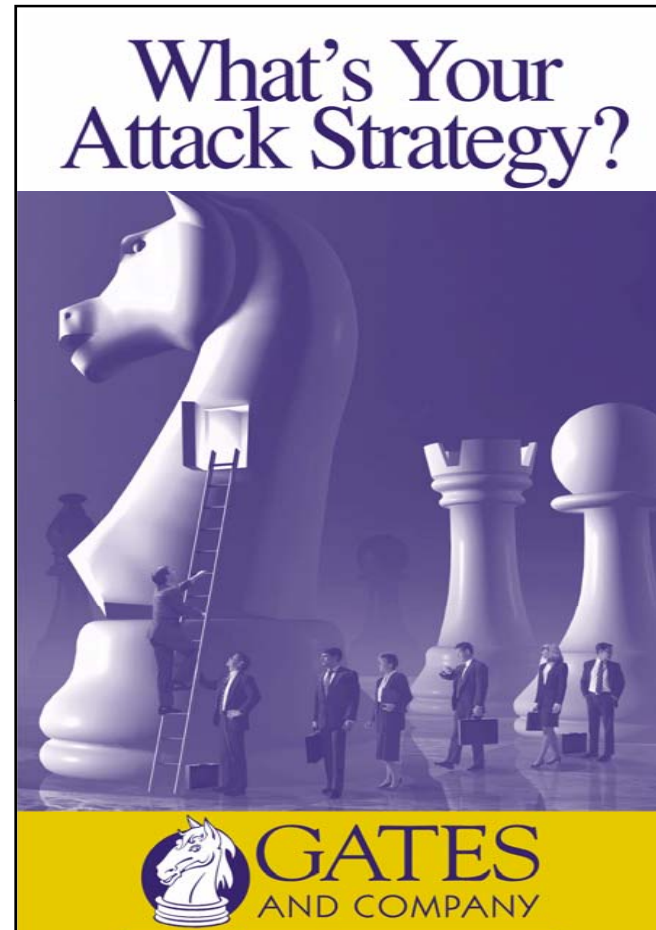
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