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Welcome to Venture Valuation

Venture Valuation is a young company specialized in the **assessment, valuation and monitoring of start-up companies**. Customers are entrepreneurs looking for capital who would like to know the value of their emerging company. Other clients are venture investors who plan to invest in growing start-up companies and therefore appreciate an independent valuation (Valuation Report) or who wish to have a permanent reporting of an existing portfolio of companies (Valuation Radar).

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Venture Valuation AG

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Services

Services for Investors

Whether you wish to re-valuate or monitor an existing portfolio, track company performance progress or participate in new venture financing, we deliver independent and competent valuations of single investment projects or your whole portfolio.

Valuation Report High growth companies cannot be evaluated with traditional methods. At Venture Valuation, we see the value of a high growth company in its future earnings potential. Based on an analysis of the management, the market as well as the implemented technology, we do a comprehensive valuation according to new methods and concepts bearing in mind traditional approaches. These cutting edge financial valuation methods, tailored to high growth companies, are based on research by the founder and CEO, Patrik Frei, at the University of St. Gallen (HSG) and the Swiss Federal Institute of Technology in Lausanne (EPFL), Switzerland. Specialised operational, scientific and technical due diligence is provided by experts with relevant business and/or science experience.

Valuation Radar Venture Capital investors and Business Angels usually have a portfolio of growing companies which requires constant monitoring and controlling. With its Valuation Radar, Venture Valuation provides a standardised and periodical updated report that comprises a view and analysis of the development and state of the market environment, financial forecasts, customers, corporate strategy as well as the company's growth expectations. The Valuation Radar's concept is based on a balanced scorecard-cockpit which shows the information in an easy and straight forward way. The Valuation Radar is an excellent instrument for the communication between investors and the fund management. In addition, this product can be used to outsource the companies' investor relations activities.

*Portfolio Performance
Messung* For fund managers Venture Valuation offers an independent portfolio performance measurement and valuation according to 'The Performance Measurement Principles' of the European Private Equity & Venture Capital Association (EVCA). It is recommended that an independent party, such as Venture Valuation, should conduct these performance measurements and valuations.

Services for Entrepreneurs

Valuation Report A pre-financing Valuation Report from an independent third party, such as Venture Valuation, provides an invaluable tool in the hands of an emerging enterprise to successfully complete financing rounds at all stages of investment. Additional advantages of a Valuation Report are:

- You receive a solid and comprehensive expert opinion in form of an independent valuation of your company in which we depict the value of the company in its future earnings potential.
- Our neutral third party opinion on the value and development potential of your company can provide you with a solid and structured base for negotiations with potential investors.
- Moreover, the Valuation Report contains recommendations on how the company value can sustainably be increased (value based management). You get information that can help you for further strategic decisions.
- Venture Valuation also provides expert assistance in identifying and targeting appropriate investors throughout Europe and North America.

Valuation Radar Our Valuation Radar allows to keep an eye on the evolution of the company with regard to value, milestones and environment. Some of our entrepreneur clients use it as an outsourcing tool for their investor relations.

Valuation Report

Our comprehensive Valuation Reports contain detailed information on the facts and assumptions that create the company's value. As specialists in the valuation of companies, we write reports of 15 – 20 pages including:

- the assessment of the technology, the products and the management,
- the company's business model as well as its market environment,
- implications for the further strategic alignment,
- value drivers for the successful development of the company,
- assumptions for the valuation,
- the calculation of the company's value which is done by up to five acknowledged methods.

The Valuation Report is not merely a calculation of a valuation range, but includes a thorough assessment of the company by professionals in the concerning fields. Of course, all information provided by our customers is treated confidentially. These independent Valuation Reports we prepare for both investors and entrepreneurs.

Valuation Radar

The Valuation Radar is an external reporting tool primarily tailored to venture capital funds and corporate investors wishing to have an independent and comprehensive assessment of their portfolio companies. Selected or each company in the fund's portfolio is assessed using Venture Valuation's standard methods and criteria of our expertise. The framework is based on the balanced scorecard cockpit with the following five dimensions:

- Vision and Strategy
- Customers
- Company Development
- Market
- Finance

It is our objective not to focus exclusively on financial aspects but rather to expand the scope to other less measurable criteria (soft factors). We believe that only a forward-looking reporting can provide the customers with sufficient lead-time to be proactive instead of reactive. The Valuation Radar includes a valuation up-date and is most effective when employed on an ongoing basis.

Information

Methods

In order to calculate the value of a growing company, numerous assumptions have to be taken into account. Therefore we carry out a comprehensive analysis of the company as a basis for the following valuation. In addition to the quantifiable factors we analyze the non quantifiable factors that play a major part of our Valuation Report.

The analysis of those factors is mainly based on the following subjects:

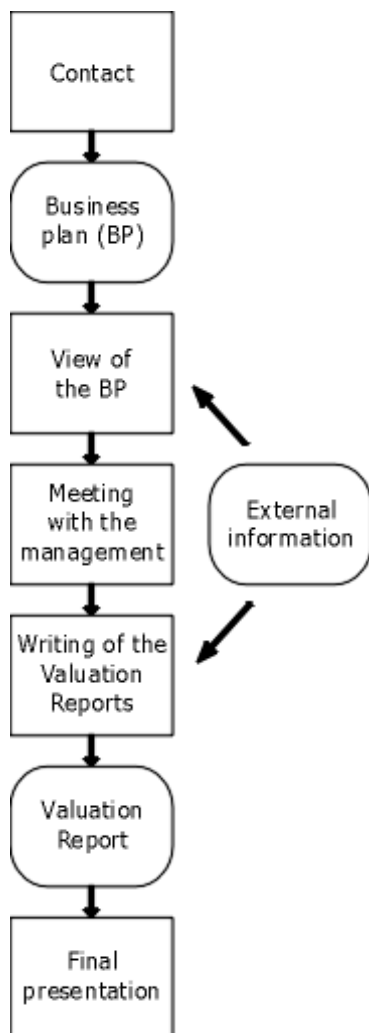
- Management
- Market
- Science and technology

To get a wide base for the valuation we use different proven valuation methods. This allows a more diversified calculation.

In adaptation to the particular company's circumstances we can not always use the same number and kinds of methods. Usually a combination of the following methods is used:

- Discounted cash flow method
- Venture capital method
- Market comparable method
- Comparable transactions method
- Real options method

Valuation Process



A valuation takes around 3 to 5 weeks. A quick overview and description of the whole valuation process can be found below:

In the beginning, we inform you of all details about the process of creating a Valuation Report.

Your business plan allows us to get a first impression of your business. This document as well as various external information and our own research are the basis for the further procedure.

The meeting usually includes 2 specialists from Venture Valuation and the most involved members of the management of the company. It starts normally with a short presentation of the company by the management. Then we discuss crucial factors with regard to the valuation. This gives us additional knowledge for doing the valuation. By using the value based management approach, we can also give support for strategic decisions. Depending on the company as well as the available documents this meeting takes from half a day to two days.

Finally we write the Valuation Report according to all accumulated information. We also use external data, especially information on the market, the customers and suppliers. As experience shows, the writing of a Valuation Report is an interactive procedure between us and the management team. Therefore we repeatedly request the management for additional information.

After completing the Valuation Report, we present you the results and hand out the required number of hard copies.

Our cooperation partners

A lot of cooperations already occurred due to our specialization on the valuation and monitoring of high growth companies. It has proved, that collaborations like the mentioned below were an enrichment for all parties. Maybe, we can compliment your business as well.

Are you interested? Please feel free to contact us.

Recent cooperation partners are:

- Novartis Venture Fund
- Dr. Heiko Borchert & Co.
- High Tide Ventures Inc.
- ICB Innovation Capital AG
- Network of independent consultants noic.ch

Information for students

Venture Valuation has a lot of information on the valuation of start-up companies that we can provide to students. In addition, all interested parties have the opportunity to get a free copy of Patrik Frei's thesis „Stufenweise Finanzierung und Neubewertungsproblematik von Venture Capital Projekten“. Please contact us for this by e-mail (thesis@venturevaluation.ch) with the remark “thesis”.

Frequently Asked Questions (FAQ)

Who needs Venture Valuation's services?

Anyone who wants an independent assessment and valuation of a high growth company, be it the management of the company, existing or potential investors. To-date around half of our clients are the entrepreneurs running the business, the other half being investors having already invested or wanting to invest in a high growth company.

What are Venture Valuation's greatest advantages?

Venture Valuation is solely focused on the assessment, valuation and monitoring of start-up companies. This differentiates us from our competitors, who do not concentrate on this service. Additionally, Venture Valuation has already developed strong internal know-how with over 70 company valuations, which can be levered to provide even better services for its future clients. Finally, we are constantly in contact with entrepreneurs and investors, which gives us a great overview of the development of the industry.

What does assessment, valuation and monitoring of a high-growth company mean?

Assessment is the process of understanding the business model and understand the strengths and weaknesses of the market, the management and the science & technology. Based on this information a risk analysis of the company is established.

Valuation is the calculation with financial models (Discounted Cash Flows, Market Comparables, Comparable Transactions, Venture Capital Method, Real Options) of a value range for the company. This is based on the assessment and risk analysis.

Monitoring means the follow-up of the company over time with regard to milestones set. It is an external reporting tool for funds, corporate investors, but also the companies themselves to have valuation tracking. For the monitoring we use a balanced score card approach with the five dimensions: Vision & Strategy, Company Development, Customers, Market and Finance.

On which industries does Venture Valuation focus?

Venture Valuation offers its services to high growth companies in any industry. However, the strongest focus to-date has been on life sciences, with close to fifty percent of the companies valued coming from the biotechnology and medical devices fields. Other assessments and valuations have been done in IT, high-tech, media, telecom and wireless/mobile.

Why should you go to Venture Valuation to get an independent valuation?

First, Venture Valuation has very few competitors focusing on the assessment and valuation of high growth companies. Most do many other things and only address this segment as a

secondary service. This gives Venture Valuation the obvious advantage to be able to really concentrate on its core competency: the assessment, valuation and monitoring of high growth firms. Second, Venture Valuation has already developed a long track record and keeps on analysing past valuations and compare them to new ones. Third, we are dedicated to high quality services and offer our clients a unique personalized and well structured report.

How is Venture Valuation getting paid?

Venture Valuation has chosen to be a completely independent services company. Therefore we do not accept shares or a percentage of future revenues from the companies we value. Our business model is based on affordable flat fees for all services. We are dedicated to transparency and always offer our clients an amount including all expenses. This way you will know exactly how much our services will cost you.

What is Venture Valuation success rate?

Our relationship to our clients is very important and we always ask for a feedback from the involved people after valuing a company. This way we try to constantly increase the quality of our services. In addition, our strongest asset is our reputation and it is not in our interest to spoil it through favouring either entrepreneurs or investors in the reports we deliver.

What is the benefit to the customer of the Valuation Report?

An independent Valuation Report provides the company or the investor with an basis for negotiation and the decision to make an investment. Since we are independent, we show the real future potential of a company, but also the risk factors involved and thus provide an objective view. Moreover it helps underline the strengths, weaknesses and value drivers.

How long does it take to make a Valuation?

To complete the whole process of a Valuation Report, it takes about 4 weeks. For that we normally spend about 1/2 to 2 days with the management of the company on-site in a workshop. In this workshop we can already provide the management with suggestion how to increase the long-term value of the company (value based management).

Does Venture Valuation provide financing?

Venture Valuation is not a venture capitalist. However, due to our close relation with customers in the VC sector, we can help companies to find the right investor and do a first introduction after we have worked with the company. Since Venture Valuation has established itself in the market as an independent valuation company, some investors use our reports as a first information source to decide whether to continue the investment process with a specific company.

About us

Team

Patrik Frei
Ph.D., lic. oec. HSG



CEO
Venture Valuation AG, Switzerland

Founder of Venture Valuation

Previous occupations: CFO of a trucking company; training at several international corporations: LeCroy (Geneva, New York), Hans Merensky Holding (South Africa), Swatch Group - EM Microelectronic (Marin).

Jost Renggli
M.A.



Partner and Analyst Finance
Venture Valuation AG, Switzerland

Previous occupations: Teacher at several commercial and management schools; election campaign coaching as well as a personal political commitment.

Christoph Gaisbauer
M.Sc., Dipl.- Informationswirt
(FH)



Information Technology
Venture Valuation AG, Switzerland

Previous occupations: Several Web development and IT-consulting projects, Master thesis on visualisation of semantic networks at the Institute for Computer Science and Social Studies, Albert-Ludwigs-University, Freiburg im Breisgau.

Helena Kaelin
B.Sc.



Business Analyst
Venture Valuation AG, Switzerland

Previous occupations: Assistant to Finance Director, J. Walter Thompson AG, Zurich; Forex Assistant, Bank of Tokyo, Zurich; Technical Assistant, Swiss Federal Institute of Technology (ETH), Zurich; Scientific Programmer, Hudson Bay Mining and Smelting Co. Ltd., Toronto.

Susanne E. Acklin
Ph. D.



President and CEO
Venture Valuation Inc., Canada

Owner of High Tide Ventures Inc.

Previous occupations: Vice President, Product Development, Viron Therapeutics Inc.; Management, Clinical Research and Regulatory Affairs, Eli Lilly and Company.

Ronald E. Layden
Ph. D.



Technology Assessment and Valuation
Venture Valuation Inc., Canada

Dalhousie University, Halifax, CANADA

Previous occupations: Biotech CEO, venture capitalist and cofounder of several businesses; senior management in the pharmaceutical industry with assignments at Roche, Bayer and Eli Lilly; Research and laboratory experience in oil field chemistry, cell biology, molecular biology and genetics.

David S. Simpson
MBA



Senior VP Finance
Venture Valuation Inc., Canada

Founder and managing Director of DSS Financial Corporation, a private Investment Banking Firm. Over the last 15 years DSS has owned and operated numerous companies and provided financial advisory services across a broad range of industries.

Sylvie Masson
M.Sc., MBA



Representative Québec, Canada

Owner of SM BioConsult; corporate finance and M&A consulting

Previous occupation: Senior position as Investment Director at La Société Innovatech du Grand Montréal, a venture capital investment fund; many years experience in fundamental and applied research at the Biotechnology Research Institute of the National Research Council of Canada and at the Clinical Research Institute of Montreal.

Dieter Hammer

M. A.



Head Office Germany

Member of the Advisory Board of Chinaconsulting Dr. Rummel & Partner, deputy chairman of the advisory board of Domipro AG.

Previous occupations: Advisory activities in the area of Venture Capital and New Economy companies; partner of a consulting company in St. Gallen, Switzerland; editor in the area of business and politics; association of the Bavarian industry, Siemens AG, Sotheby's (London).

Alexander Klaussner

Dipl.-Ing. (Wi.-Ing.)



Representative Berlin, Germany

Occupations: Consultant for Business Development in the field of fast growing companies; Lecturer for Balanced Scorecard, Project- and Process-Management among others at Siemens academy of engineering, TU Berlin and at the Fraunhofer Society. Several Projects in the field of Organization, Public Relations and Marketing. PhD at the European Business School (ebs) in Oestrich Winkel with the focus „Assessment and Development of fast growing companies”.

Benoit Chalvignac

IEP Strasbourg, Economics & Finance; KM



Head Office France (Paris, Strasbourg, Toulouse)

Previous occupations: Advisor to innovative business creator. Currently developing business consulting services for innovation focusing and facilitation.

Son U Michael Paik
MBA (Yale);
Dr. iur. (Columbia Law School)



Representative Director, Seoul, Korea

Adjunct Professor and Director, Technology Incubation Network, College of Engineering, Seoul National University
Partner, Hanol Law Offices.

Previous occupations: Attorney in New York and Palo Alto for start-ups through Fortune 500 Clients. Counsel to some of Silicon Valley's most prominent companies in the areas of venture capital, public offerings and merger transactions, as well as Korean Clients including Hankook Tire Company, Ltd., Inje Foundation, LG Venture Investments, Samsung Ventures, LG Electronics, Samsung Electronics, the Korean Venture Capital Association and the Incheon Free Economic Zone Authority. Assistant Professor at Yonsei University's Law and Medical Schools (Seoul) and Lecturer at the Global MBA Program (Graduate School of Business).

Advisory Board

Cuno Pümpin
Prof. Dr. oec.

Extraordinarius for management at the University of St. Gallen.

Eight years practice as manager, therefrom three years as CMO at the Swiss affiliate of a US computer manufacturer; Habilitation in Marketing; Publication of several books in the area of strategic management; Advisor for strategic business management; docent at international congresses; administrative board member.

Christian Suter
Ph.D.

Formerly Director of Research and Development of Hoffmann-LaRoche's Vitamin Division.

During his tenure he established a global R&D organization with focus on biological, biotechnical and chemical technologies and on developing new ingredients for the food, pharma and feed industries. He had held various leadership positions in Roche's pharma and vitamins divisions including that of VP, Chemical Operations, in the USA.

Gamil G. de Chadarevian
lic. oec. publ.

Gamil G. de Chadarevian has served as Vice Chairman of the Board since 1995 and as Executive Vice President International from 1998 to 2001 of Antigenics Inc. (NASDAQ: AGEN).

Until April 1998, Mr. de Chadarevian was Managing Director of Special Projects at Alza International and the Vice President

of Corporate Development for Corange London Limited, two pharmaceutical companies. Prior to 1992, he held positions at Pasfin Servizi Finanziaria SpA, GEA Consulenza and Credit Suisse.

Mr. de Chadarevian is the founder and Lead Director of OphthalmoPharma Ltd. and a co-founder of Ikonisys Inc. and CambriaTech Holding SA. He serves on the advisory board of Syntek Capital AG and is a non-executive board member of Friends of San Patrignano, Inc., a charitable organization. In Italy he is an advisor for biotechnology to Sviluppo Italia, a government agency dedicated to promoting Italian investment opportunities, and to Lay Line Genomics SpA, a biotechnology company.

Mr. de Chadarevian received his degree from the University of Zurich in Switzerland.

History

Venture Valuation was founded in spring 1999 based on research work by the founder and CEO, Patrik Frei, at the University of St. Gallen (HSG) and the Swiss Federal Institute of Technology in Lausanne (EPFL). Since the very beginning, Novartis Venture Fund (part of the worldwide life science company Novartis International AG) is a main customer for which Venture Valuation carries out all external valuations. After two years in Lucern, Switzerland, the company moved to Zurich for the purpose of expansion. At the same time, Venture Valuation opened additional offices in London, Canada as well as in Munich, Germany.

Locations

Switzerland

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References

Our customers and cooperation partners

Venture Valuation has numerous customers of various sectors. Customers are both investors and start-up companies.

One of the main customers as well as cooperation partner of Venture Valuation is the Novartis Venture Fund – part of the worldwide Life Science company Novartis International AG – for whom we have conducted numerous Valuation Reports in the life science area.

Further customers include: (Please note: Venture Valuation lists only the names of companies who gave the permission for their publication.)

Investors

<i>Novartis Venture Fund, Switzerland</i>	Corporate Investor of Novartis International AG
<i>European Investment Bank (EIB), Luxembourg</i>	European Union's financing institution
<i>BioM AG, Germany</i>	Seed-investor Biotech
<i>Sulzer Innotec, Switzerland</i>	Corporate R&D center of Sulzer AG
<i>Otto's AG, Switzerland</i>	Supermarket chain, investor

Companies

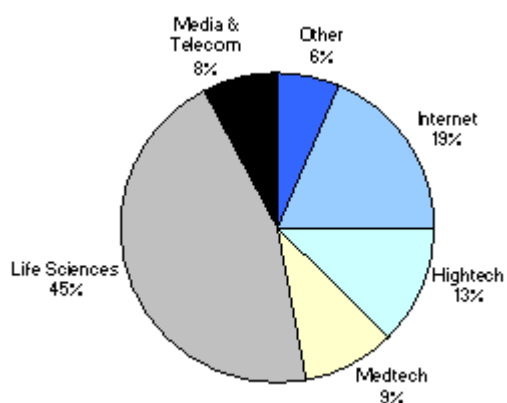
<i>Ambrilia, Canada</i>	Quoted (TSE: AMB) Biotech company (cancer therapeutics)
<i>Adcom Group AG, Switzerland</i>	Multimedia company (production of CD-ROMs, several services)
<i>Biolytix AG, Switzerland</i>	Biotech company (molecular analysis)
<i>ChemOvation, UK</i>	Biotech company (combinatorial chemistry)
<i>CIN AG, Switzerland</i>	Trading platform for venture capital
<i>Destiny Pharma, UK</i>	Biotech company (licensing of patents)

<i>Discovery Genomics Inc., USA</i>	Biotech company (functional genomics)
<i>Fachhochschule Salzburg, Austria</i>	University (IT, Communication, Digital TV)
<i>GeneData AG, Switzerland</i>	Biotech company (bioinformatics)
<i>Heliobus AG, Switzerland</i>	Start-up company
<i>Igeneon, Austria</i>	Biotech company, (cancer research)
<i>Photonfocus AG, Switzerland</i>	Hightech company (CMOS cameras and sensors)
<i>Sinus Point AG, Switzerland</i>	Medtech start-up company
<i>Swiss Pharma Contract, Switzerland</i>	Biotech company (clinical research)
<i>Thommen Medical AG, Switzerland</i>	Medtech company (dental implants)
<i>Viron Therapeutics Inc., Canada</i>	Biotech company (drug discovery)
<i>VitaPlant AG, Switzerland</i>	Medtech start-up company

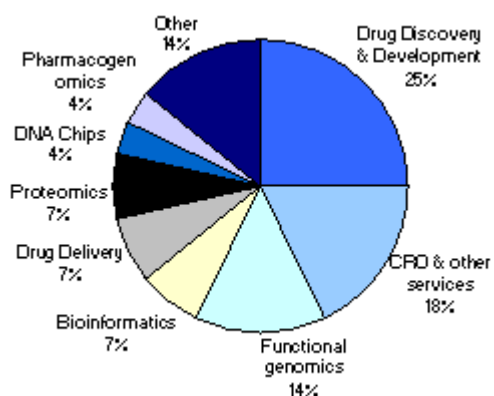
Company Valuations Statistics

Below you find information and statistics on all analyses and valuations we have carried out for our customers so far. Since our foundation, we assessed more than 100 companies from various sectors. The geographical range of these projects concentrates on Switzerland, the rest of Europe as well as North America. The orders' principals are investors as well as the companies' management.

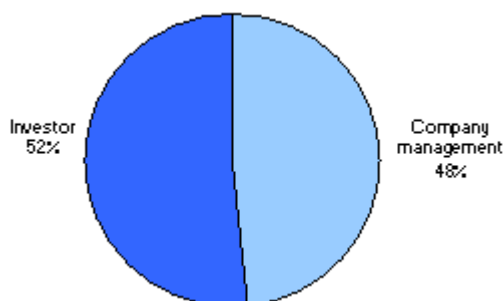
Main Industries



Breakdown by Life Sciences sub-categories



Orders from...



Our cooperation partners

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- Novartis Venture Fund
- Dr. Heiko Borchert & Co.
- EBD Group Inc.
- High Tide Ventures Inc.
- Network of independent consultants noic.ch
- Info Veille Services
- IMD business school
- RTD Services
- Valysco