



ANNUAL REPORT 2008

St.Gallen, February 3rd 2009

HIGHLIGHTS 2008

venture kick is a new initiative launched in 2007 by GEBERT RÜF STIFTUNG, ERNST GÖHNER STIFTUNG and OPO-STIFTUNG to stimulate entrepreneurship and start-up projects from Swiss universities. The foundations committed 12 MCHF for 5 years.

As of December 2008, venture kick has:

- donated 1.77 MCHF to Swiss start-up projects;
- 71 renowned jury members across Switzerland evaluating all projects;
- 3 Jury sessions per month;
- funded 53 start-up projects with up to 130 KCHF each;
- created 37 new Swiss companies;
- raised 15 MCHF by supported start-ups;
- created 66 new jobs (FTEs) in Switzerland.

The management of venture kick constantly focuses on the identification of the high tech Swiss start-ups of tomorrow.

INTRODUCTION

Launched on June 12th 2007, at the TV show "Start-up" of the Swiss television, the venture kick initiative closes a gap in the innovation chain, addressing a well-known issue of the technology transfer between academia and business. In principle, many research projects performed in the Swiss universities could and should be turned into promising business ideas. Unfortunately, this transfer between academia and market often fails due to a lack of business interest or know-how from the potential entrepreneur, as well as a missing so-called pre-seed capital required to explore the market potential and structure a strong business case.

While the situation in terms of growth capital for established and proven start-ups has been improving in Switzerland, the financing gap at the early stage remains critical. The problem seems to have additionally been aggravated by the current financial and economical crisis, which has led to a strong reduction in investment activities of venture capitalists.

venture kick aims for an early identification, structuring and promotion of promising business ideas with a clear vision: to double the number of spin-offs at Swiss universities, to accelerate the founding process and raise the attractiveness of these young companies for professional investors.

venture kick is an initiative of private donors and is supported by three leading foundations: GEBERT RÜF STIFTUNG, ERNST GÖHNER STIFTUNG and OPO-STIFTUNG. "Fondation des Fondateurs", an independent foundation of private founders, serves as legal entity to the donors for their common project. This foundation operates under the supervision of the Federal foundation authority, and offers individuals as well as other foundations and institutions a flexible and functional platform to launch support initiatives in a cost effective and professional manner.

An average of 5 MCHF per year is needed in order to achieve the ambitious goals of venture kick.

ORGANISATION

1. Governing documents

- venture kick concept (see www.venturekick.ch under "About us/Concept");
- Rules of the fund venture kick approved by the Board of Trustees of Fondation des Fondateurs (July 4th, 2007);
- Agreement about the fund venture kick between GEBERT RÜF STIFTUNG and ERNST GÖHNER STIFTUNG with Fondation des Fondateurs (4th July 2007);
- Agreement about the fund venture kick between GEBERT RÜF STIFTUNG, ERNST GÖHNER STIFTUNG and OPO-STIFTUNG (April 24th 2008);
- venture kick bylaws approved by the Strategy Board venture kick (Sept 5th 2007 and April 21st 2008);
- Framework agreement for the venture kick fund, between Fondation des Fondateurs, represented by the Strategy Board venture kick and the Institut für Jungunternehmen AG (IFJ) (Sept 5th 2007).

2. Purpose of the organization

The venture kick name stands for a constituted fund in Fondation des Fondateurs.

The fund's objectives are to promote entrepreneurship and spin-offs from Swiss universities: a major potential for innovative ideas is present in Swiss universities, which transfer into practice is too rarely implemented. venture kick aims to help these innovative ideas prevail at the early stage of their development.

3. Organisation/Governing bodies

Board of Trustees of Fondation des Fondateurs

venture kick is a fund without legal personality within Fondation des Fondateurs (FdF). The FdF Board of Trustees delegated all strategic and managerial competence of venture kick to the Strategy Board venture kick. The FdF Board controls the business activities of venture kick based on an annual reporting (annual activity and accounting reports).

FdF members of the Board of Trustees: Dr. jur. Thomas Sprecher, President; Dr. phil. Philipp Egger, vice-president; Lori Lutz-Dinkel, Member, Evelyn S. Braun, Member.

Strategy Board venture kick

The Strategy Board defines the medium and long-term objectives and orientations of venture kick. It is composed of representatives of the supporting foundations and successful entrepreneurs. The representatives of the Fondateurs are always the majority of the Strategy Board and select the additional members.

Members of the Strategy Board, elected 2007 for 2 years: Dr. Pascale Vonmont, representative GEBERT RÜF STIFTUNG, delegate, Dr. Roger Schmid, representing ERNST GÖHNER STIFTUNG and OPO-STIFTUNG, Dr. Igor Fisch, Selexis SA.

Persons accountable for the management

The Strategy Board has given the operational management mandate to the Institute für Jungunternehmen in St. Gallen.

The management is assumed by two managing directors: Beat Schillig (head of German-speaking Switzerland) and Jordi Montserrat (head of the French-speaking Switzerland).

Staff: Dr. Pius Küng, start-up support; Kai Glatt, Betr. oec. FH, start-up support; Thomas Rüegg, lic. oec. HSG, start-up support; Derek Barras, Betr. oec. FH, pre-scouting; William Lüthi, Betr. oec. FH, pre-scouting; Daniel Leutenegger, HSG, pre-scouting, Simon May, topic. oec. FH, promotion and management Support Center; Nadine Reichenthal, promotion and administration; Flavio Agosti, promotion and administration; Diego Probst, promotion and administration, Peter Stöckling, media relations and communications; Mario Schwendener, dipl. Wirtschaftsinformatiker FH, internet and communications; Raphael Huber, administration.

Pool of experts

The evaluation of projects during the process is ensured by a pool of qualified and competent technical and business experts, which compose the jury present at the jury sessions.

The list of experts can be found at www.venturekick.ch under "About Us/Experts."

ACTIVITY REPORT 2008

Overview of Activities

Advisory Board

- 4 ordinary quarterly meeting on January 25th, April 11th, September 11th and November 24th, 2008.
- Several meetings between the management and the delegate of the Strategy Board.

Jury sessions

Eight projects are presented at stage 1, and four at stage 2 and 3. The Jury is composed of approximately eight to twelve members at each session.

- 9 Jury sessions stage 1, venture pitch (support of projects with CHF 10'000):
January 23rd, February 21st, March 11th, Mai 21st, July 2nd, August 27th, September 24th, November 5th and December 3rd, 2008

- 9 Jury sessions stage 2, venture pitch (support of projects with CHF 20'000):
January 24th, February 22nd, April 11th, Mai 22nd, July 3rd, August 28th, September 6th, December 4th, 2008
- 5 Jury sessions stage 3, venture pitch (support of project with CHF 100'000):
April 21st, Mai 19th, September 1st, October 13th and November 24th, 2008

Kickers Camp

- 17 two days intensive workshops for start-ups in the support process.

After each stage, the successful candidates can benefit from two days of intensive support. They receive a detailed feedback from the jury and are intensively prepared for the next stage.

Venture Summit

A large part of the venture kick supported start-ups and members of the jury have participated to the venture summit, a unique in its kind 24-hour networking event held in Muotatal on Friday, July 4th, 2008 (www.venturesummit.ch)

Communication

The launch of the venture kick initiative took place on June 12th 2007, in the context of the Swiss TV show "Start-up". It was first presented during the evening event in front of 300 selected guests, and then in the frame of an interview with Beat Schillig broadcasted the same evening during the evening news "10 to 10", which gathers 700,000 viewers. The evening event presentation of venture kick was integrated in the show that went on TV the following week, providing more details about the initiative to an additional 200,000 more targeted viewers.

On September 26th 2007, the first 12 beneficiaries of venture kick received their stage 1 grant in front of over 400 key people from the Swiss start-up and innovation scene during the Swiss Innovators Gala in Bern.

Thanks to a strong and continuous communication campaign, venture kick benefited from a large echo in the media. Numerous articles and reports were published in the press and online platforms (Handelszeitung, CASH special, Swiss Equity Magazine, Basler Zeitung, KMU magazine, L'Agefi, Le Temps, PME Magazine, Le Matin, etc.). Details can be found on www.venturekick.ch under "About Us/Media/Press".

In addition, many universities, colleges and other relevant institutions in the Swiss innovation and start-up scene talked about venture kick in their newsletters and on their online platforms.

The initiative was published in well anchored online platforms of the Swiss start-up and innovation scene (venturelab.ch, inno-swiss.com, ifj.ch, eStarter.ch, startup.ch, businessplan.ch), in the IFJ and venturelab newsletters (over 60,000 subscribers) and the start-Channel news.ch.

It was also presented at several events related to start-ups, such as the multiple "venture aperos" from IFJ in German-speaking Switzerland (about 10 monthly, reaching more than 800 people directly), and the Rezonance events in the French speaking part.

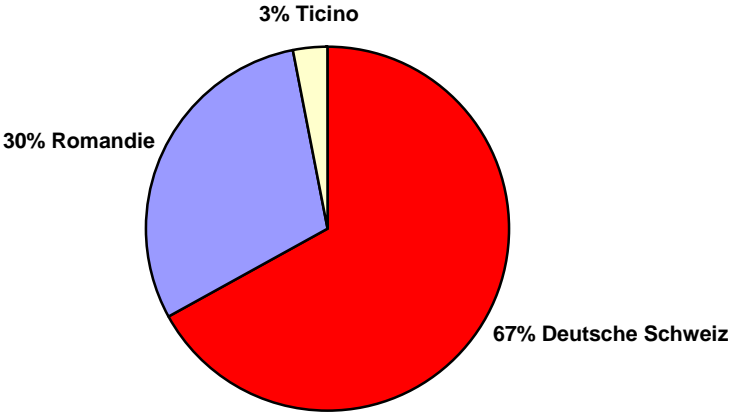
Finally, the initiative was intensively promoted directly to all academic institutions, source of the potential spin-offs supported by venture kick. Intense and recurrent communication activities have been conducted through specific newsletters and mailing campaigns, personal promotion to partners (such as technology transfer offices, coaching and support organisms, ...), presentation of the initiative in lectures or start-up related events on campuses (e.g. venturelab courses and events), poster and flyer campaigns directly on site.

Project Selection

From June 2007 to December 2008, a total of 324 projects applied to venture kick. A total of 59 registrations were registered during the first two months of June and July 2007 after the launch, the number of applicants slightly decreased by the end of 2007. After a strong first quarter in 2008, the summer was stable with a regular 15 registrations per month. The registration increased again towards the end of 2008, to reach a record number of 26 applicants in December.

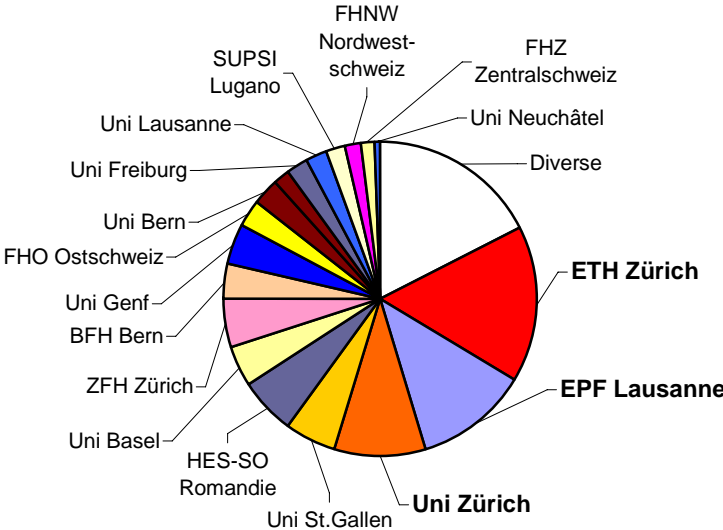
Regarding the regional origin of applications, approximately two third come from the German part of Switzerland, and one third from the French part.

Registrations per Region: Balanced Distribution



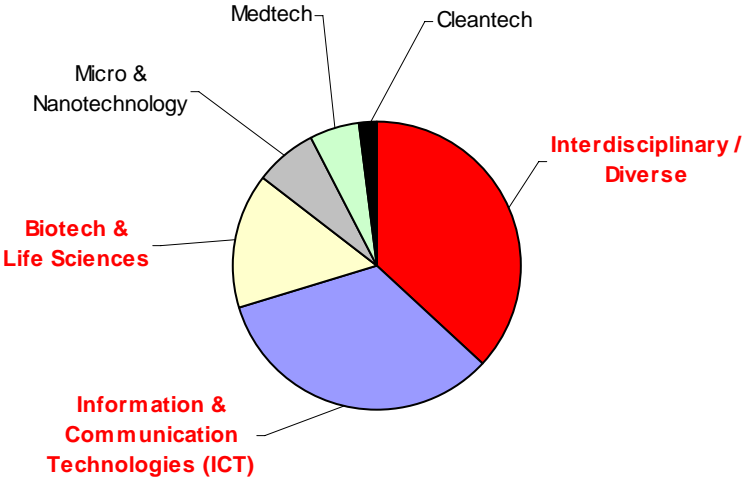
Not surprising is that 90 registered projects (27%) come from the Swiss Federal Institutes of Technology of Zurich and Lausanne. It is to be noted however that the other application are distributed among 20 different universities and universities of applied sciences. It gives a good indication that venture kick has been able to launch a national initiative within a short time frame, that is now anchored in all parts of the country and at all universities.

Registrations per Universities: Nationwide Presence



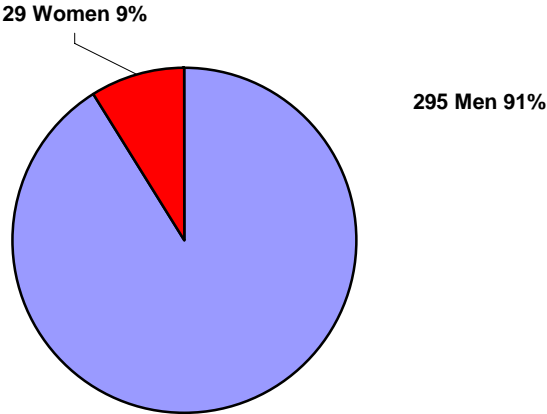
The analysis of submissions by sector shows that all high-tech disciplines are represented. Most projects can be classified in the "Biotech/Life Sciences/Medtech" and "Information & Communication Technologies" and "Micro/Nanotechnology" categories. The remaining applications are difficult to assign to a specific category due to their diversity and interdisciplinary content and target.

Registrations by Sector: Important Diversity and Interdisciplinary



The exclusive focus of the initiative on the high-tech sector inevitably leads to a low representation of women, representing 9% of application. This figure is nevertheless quite encouraging when compared to the proportion of women among doctoral students, professors or assistants in the scientific and technological disciplines or with the proportion of women in the high-tech entrepreneurs leading high-tech companies (e.g. CTI label Companies).

Registrations by Gender: 9 Women for 100 Applications



IMPACT ANALYSIS

Supported projects

By December 31st, 2008, exactly 100 candidates out of 324 registrations have been invited for a stage 1 presentation (with 28 in 2007 and 72 in 2008)

Out of the 100 presented projects, 53 have received CHF 10'000 (with 16 in Q4 2007 and 37 in 2008)

Out of the 53 projects supported at stage 1, 39 have already been invited to present at stage 2 (with 6 in Q4 2007 and 33 in 2008) and 22 received the additional support grant of CHF 20'000 (with 4 in 2007 and 18 in 2008).

Out of these 22 projects the first 16 projects have been presented in stage 3, of which 8 spin-offs were granted the final kick of 100'000 CHF:

- Dr. Stefan Tuchs Schmid c/o Virtamed AG, www.virtamed.com
- Dr. Jochen Munding c/o Routerank SA, www.routerank.com
- Stéphane Doutriaux c/o Poken SA, www.doyoupoken.com
- Dr. Bettina Ernst c/o Preclin Biosystems AG, www.preclinbiosystems.com
- Dr. Manuel Aschwanden c/o Optotune GmbH, www.optotune.com
- Dr. Martin Bartholet c/o Celeroton AG, www.celeroton.com
- Dr. Sadik Hafizovic c/o Zurich Instruments AG, www.zhinst.com
- Dr. Vincent Schickel c/o Prediggo SA, www.prediggo.com

The complete list of supported projects can be found under www.venturekick.ch under "Supported Projects".

The high quality of projects should be emphasized: The number of project that would deserve a support grant from the experts jury perspective has regularly been above the financial resources currently available. Consequently, some promising projects could unfortunately not be supported.

37 newly created high-tech start-ups with 133 jobs

The quality projects supported by venture kick can be observed through the impressive number of effectively created companies, as well as the amount of funds raised by these spin-offs. Out of the 53 supported projects with a cumulated 1.77 MCHF:

- 37 have turned into spin-offs;
- they have raised 15 MCHF in additional financial resources (own funds, business angels/VC's investments, loans, CTI projects, prizes, etc.);
- they created 133 new positions, 66 of which are fully paid jobs.

The survey of the 47 projects which did not obtain support at stage 1 shows that 12 of them incorporated a company and that they were able to obtain 2.03 MCHF of financing.

Taking in account the temporal gap between the company creation and the financing round, the current impact of venture kick is only partially visible. The company incorporation, fund raising and job creation of the projects supported in the second semester of 2008 are still to be expected.

If one only considers the first 17 projects support during the 2nd semester of 2007, the following figures can ! here is a part missing!

91 % have effectively created the company within 1 year

The cumulated venture kick support of CHF 990'000 for the 17 projects contributed to generate an additional 10.7 MCHF in financing. Hence for each franc of support granted by venture kick, the spin-offs were able to raise an additional CHF 10.8.

OUTLOOK

The above expectations' results and very positive feedbacks from the experts, Universities and spin-offs strongly motivate the initiators to further develop the support programme. For 2009, the following figures are planned:

- 210 applications;
- 168 projects presented in 29 jury sessions (96 venture pitch / 48 venture case / 24 venture kick);
- 82 projects funded (47 at CHF 10'000 / 23 at CHF 20'000 / 12 at CHF 100'000);
- Granted support: CHF 2'130'000;
- 24 Kickers Camps (2-day intensive workshops in small groups).

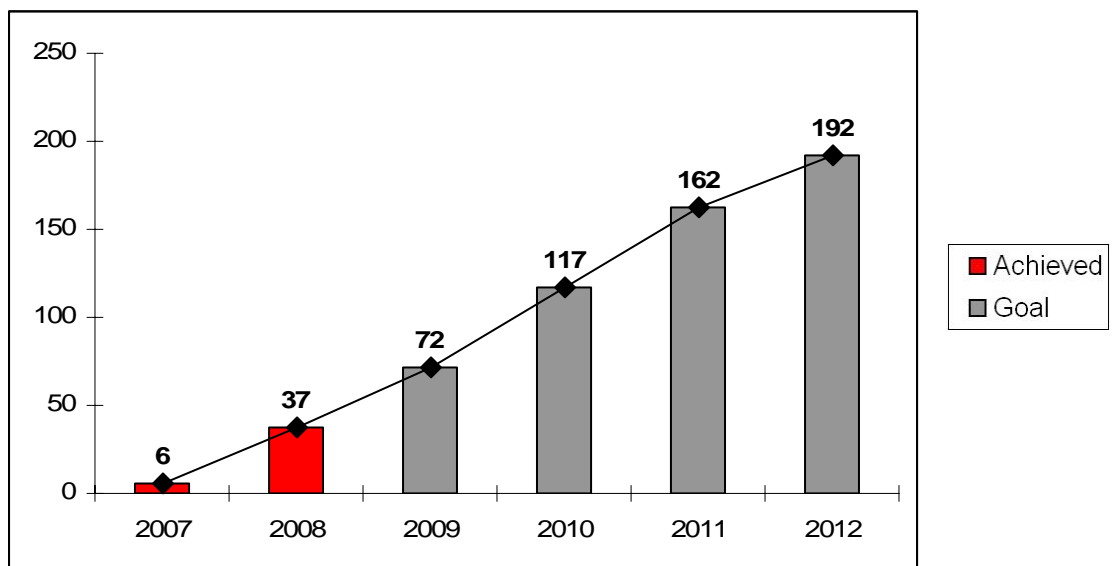
A major challenge is to secure the financing of venture kick for the coming years: an additional CHF 2 mio per year would be needed for the 2010 and 2011 budget, in order to valorise the existing innovation potential of the Swiss Universities and to realize the vision of doubling the number of spin-offs in Switzerland. To address this financing gap, relevant foundations and private individuals with entrepreneurial background will be systematically approached as potential donators.

With the existing commitment of the donating foundations, and the additional required CHF 4 mio, the initiative should achieve the following objectives by 2012:

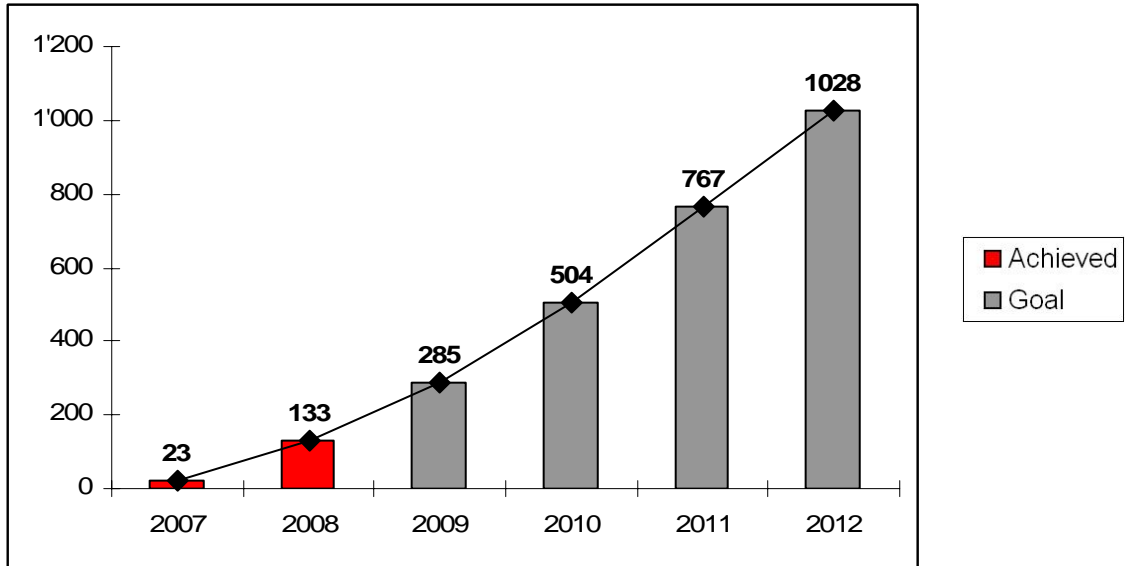
- Approximately 200 newly established innovative high-tech companies,
- with more than 1,000 high-quality and sustainable jobs,
- triggering over 100 MCHF of investments.

The planned objectives can be considered as realistic based on the results obtained by the end of 2008. Regarding the development of new jobs and investments, our calculation is based on a recently published study by ETH transfer ("The performance of spin-off companies at the Swiss Federal Institute of Technology Zurich"), which analyses in details the development of 130 spin-off companies in the period 1998 to 2007.

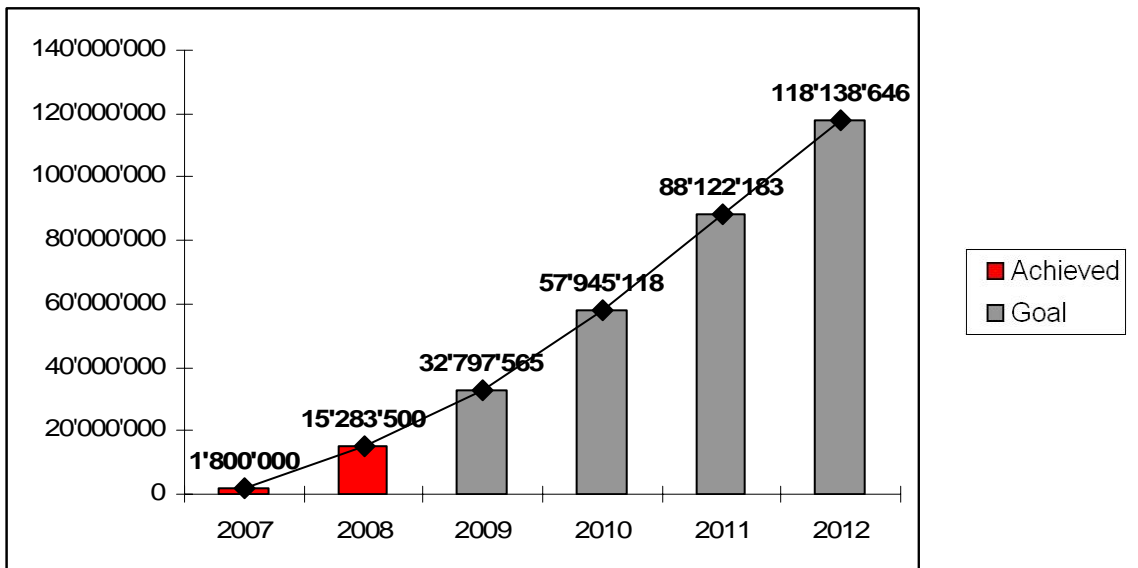
37 New Hightech-Start-Ups (cumulated value by end 2008)



133 New Jobs Created (cumulated value by end 2008)



15 Millions Investment (cumulated value by end 2008)



FINANCES

The expenditures of CHF 2'869'620 for 2008 were held within the established budget.

Expenditures 2008	Projects	CHF	%
Funding Contributions		1'530'000	53.7%
Funding contribution of CHF 10'000	37 Projects	370'000	
Funding contribution of CHF 20'000	18 Projects	360'000	
Funding contribution of CHF 100'000	8 Projects	800'000	
Support Process		540'000	18.7%
Individual feedbacks on projects			
Development/Supply of Tools und Checklists			
„Kickers Camps“ – Organisation and execution			
Jury Sessions		285'000	9.8%
Evaluation Applications/Selection of processes			
Preparation Jury Sessions			
Implementation Jury Sessions (incl. Expenses)			
Overall Administration and expenses			
Promotion und Communication		240'000	8.3%
Direct promotion (phone, promotion on site, ...)			
Press and Ads			
Promotional material in universities and events			
Online-marketing (Newsletters, Banners, Partner-Sites)			
Development internet web site			
Development intranet web site			
Translation			
Promotional expenses (travel, ...)			
Management		180'000	6.2%
Reporting /Strategy/Planning/Development			
Conception and design of support process			
Optimisation of selection's process			
Conception and composition of Jury			
VAT.		94'620	3.3%
Total (incl. VAT.)		2'869'620	100%

In addition to the funding contributions, the "Support Process" and "Jury Sessions" are to be considered as "direct project expenses" (according to Swiss GAAP FER 21). For the year 2008 the project vs. operations part are of approximately 85% vs. 15%. For the first full year of operation, this can be considered as good. The 2009 budget forecasts a reduction of the operating ratio to 10.5% and a project share of 89.5%.

venture kick

c/o IFJ Institut für Jungunternehmen

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