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## Episode #5 - The tough journey of building a biotech company, with Federico Bürgens, GNA Biosolutions, Germany

### KEY TAKEAWAY\*

- Founding:
  - Spin-off of University of Munich
  - Connected to PhD of one co-founder → studying nanoparticles
  - Step-by-step founding followed: file patent → 3 founders' future interests overlap → write business plan → business plan competition → government grants (non-diluting) → independent research group at university set up towards commercialization → funding 2 yrs later from an angel investor from Munich
  - They had a solution and they looked for a problem to solve
- Technology: for molecular diagnostics (analysing pathogens)
- Uniqueness of technology: 4-10x faster than existing technologies for DNA detection
- Finances:
  - Series B investment round closed (6 million EUR) for launching product
  - Angel-investors: their decision to invest based more on their gut feeling
  - Also private money was invested
  - Dilution when investors come on board: depends on the maturity of the techn.
- Biomed. field: highly regulated (documentations, traceability of the entire process)
- Validation of business model/strategy: by talking to industrial experts, big companies they told them which market might need their solution
- Staff: having 3 founders beneficial → quick decisions, odd number in voting; position of CEO handed over recently to a professional CEO with industry experience
- Main hurdle financing (no salary for  $\frac{1}{2}$  to  $\frac{3}{4}$  of a year)
- Manufacturing: outsourced (locally = inside Germany) also considering regulations of biomedical field (requirements on manufacturing)

\* excludes the "ultrafast round"