

Press Release

The investments in biotechnologies and biomedicine in Czech Republic in the next few years should increase the economy's competitiveness and bring some added value

Prague, 24. 2. 2016 - In comparison with other EU countries (and even with many countries in the former Eastern bloc) Czech Republic doles out only mediocre funds for health care research. Czech Republic is behind with even Portugal, Greece or Cyprus, the difference between Czech Republic and comparatively large Austria or Denmark is sixfold, respectively eighteen.

The way to improve this situation, they are mostly private investment. They agreed that the BioSpot conference participants - the first event in Czech Republic, which seeks to combine research and development with private investments. The most promising projects in Czech academia were presented to investors. The investments in biotechnologies and medicine are an attractive opportunity for superior appreciation of the invested money for private investors. For science and research the private funds are the way to get funding for ambitious projects. Such investments bring Czech economy a real added value. Biospot conference was organized by MedChemBio Cluster, Institute of Molecular and Translational Medicine, Faculty of Medicine and Dentistry, Palacky University, Olomouc, and Institute of Organic Chemistry and Biochemistry, Academy of Sciences, Prague. RSJ PE private equity fund was a partner.

"Although exact figures are not available, private investors have put already several billion crowns to biotechnologies in Czech Republic. I suppose that in next few years this number will increase several times," Marian Hajdúch, director of Institute of Molecular and Translational Medicine declares. Biotechnologies and life sciences are, according his opinion, typical fields of science and research where the results can be very well used in business. Despite high investment risk, the profit from a successful project may be significantly higher than in other high-tech fields. It could therefore be an example of this kind of cooperation which generally lags behind in Czech Republic.

Investments in biotechnologies and so called life sciences have been soaring worldwide. According to PwC MoneyTree Report study, in 2015 venture capital investments in biotechnologies increased by 17% in the US, in life sciences by 12%. The same company then estimated that the global pharmaceutical market in 2020 could be worth 1.6 trillion USD.

"In the Czech Republic we see a growing interest of investors in the field of biotechnologies and we also encounter projects that search such investors. As advisers who help Czech and foreign investors and owners to sell or buy firms, we can see that there is an interest for such investments.", Jan Hadrava, transaction expert, PwC Czech Republic, declares.

"RSJ focuses on early investments in life-sciences. At the moment we invest in the US, for example, in diabetes treatment research. Czech Republic has a lot of interesting opportunities for investments and a large part of them are still unused. Therefore, it is the right time to support this investment segment.", Michal Votruba, director of RSJ PE life sciences investment group, declares.

"Currently, for example, we are helping the company BARD, s.r.o. (Bio Agens Research and Development) with searching for an investor to provide funding for a preclinical testing phase and

the first and the second phase of newly developed drug for diabetic foot treatment.", Jan Hadrava documents the trend in drugs against diabetes development.

The other representatives of investors who attended BioSpot event agreed on this trend. Many financial groups have already invested in biotechnologies. For example, Penta acquired a minority stake in Czech PrimeCell biotechnology company, which specializes in a development and production of preparations for stem cell therapy. PPF has invested, among other things, in a company called Sotio that is working in laboratories in Czech Republic and China on cancer treatment drugs. Andrej Babiš has a majority stake in Slovak biotechnological companies Imunoglukan and Pleuran. They develop and manufacture drugs to enhance immunity. Karel Komarek's KKCG has invested in Medic company that is testing drugs in the field of gynecology and tissue regeneration.

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