

Press release

Geleen (NL), 27 March 2008

New biotechnology company Isobionics chooses Chemelot

Isobionics is a new company that will develop and produce flavors and fragrances. This will be done on the basis of technological knowledge of DSM that is also used by DSM itself in its food activities, making this a unique example of open innovation. Isobionics has chosen the Chemelot Research & Business Campus in Geleen, the Netherlands, as its home base. The company has secured a broad financing base consisting of NV Industriebank LIOF, Limburg Ventures and TechnoStars.

Isobionics is a recently founded company that will focus its activities on flavors and fragrances produced by means of fermentation. Its final products are natural substances, the so-called *isoprenoids*. The first product that Isobionics wants to produce is *valencene*, or citrus aroma, a substance that is currently distilled from orange peels, making it relatively expensive. Toine Janssen, Chief Executive Officer of Isobionics: *“The current method of producing valencene is extremely laborious, uses a lot of energy and is dependent on seasonal influences and the harvest, among other things. The new production process will enable us to deliver a better and constant quality, which in particular means a higher purity. In combination with a substantially lower cost price, this will give us a decisive edge over existing competitors.”*

Unique example of open innovation

DSM possesses a great deal of knowledge on products and processes. However, the company cannot or does not want to exploit all this knowledge itself. DSM has a clear innovation strategy, as formulated in *Vision 2010 – Building on Strengths*. It uses a recognizable strategic focus, and market segments not included in this focus have lower priority. In fact, this means that DSM offers scope for initiatives by other parties that are able and willing to add value to this DSM knowledge in such market segments. DSM is therefore deliberately looking for such initiatives, an approach that leads to accelerated exploration of the technology involved. Isobionics makes use of patented DSM knowledge in the field of biotechnology. Isobionics is unique in that it is the first company to have been formed on this basis.

The Chemelot organization brought together the various parties involved – DSM and Isobionics as well as the financiers. Ger Wagemans, Managing Director of Chemelot: *“Isobionics is a fine example of open innovation. New combinations are formed by linking together various parties. This is how new products and processes are developed, which offers market opportunities and leads to new activities. Chemelot is a breeding ground for innovation and Isobionics is not an isolated case. As far as we are concerned this is the first in a series of initiatives designed to add value to DSM knowledge outside DSM.”*

In fact it is no more than logical that Isobionics has selected Chemelot as its home base; Chemelot has clear links with biotechnology. Researchers on this site are actively working on the combination of high-quality chemistry and biotechnology, for instance fermentation and biocatalysis, as the future green and sustainable routes to many types of products, including complex flavors and fragrances. For Isobionics it is important to be able to link up with this.

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Broad base

The new company has secured a broad financing base. Venture capital in the form of shares and subordinated loans has been made available by NV Industriebank LIOF, Limburg Ventures and TechnoStars. Jérôme Verhagen, Managing Director of LIOF: *“The foundation of this new company once again demonstrates that Limburg has many opportunities in the field of biotechnology. This certainly holds for spin-offs from existing knowledge carriers such as in this case DSM. We consider Isobionics to be a promising initiative that will result in high-quality jobs for Limburg. That is the reason why we are prepared to stick our neck out for this company already at an early stage of its development.”*

Isobionics expects it will be able to offer the citrus aroma to, for instance, soft drinks and detergent manufacturers within two years. That will make Isobionics the first Dutch producer of this aroma. After that, Isobionics will bring other aromas, such as pineapple, strawberry or menthol, to the market.

Isobionics

Isobionics Biotechnology was founded in early 2008 and will focus its activities on so-called *isoprenoids*, vegetable flavors and fragrances. These products are prepared in a biotechnological way, which implies that use is made of a fermentation process and microorganisms. As a result, entirely natural final products are obtained.

LIOF

NV Industriebank LIOF in Maastricht, the Limburg development company, aims to further strengthen the economic base of the Dutch province of Limburg. LIOF has a strategic approach which targets opportunities for long-term economic development. In this it has a bridging role between government and business.

Limburg Ventures

Limburg Ventures, in which LIOF and DSM cooperate, is a specialist venture capital fund that invests in promising start-up companies in advanced chemistry and the related fields of life sciences and materials. The fund focuses on companies that are willing to relocate to the Dutch province of Limburg, and preferably to the Chemelot Research & Business Campus.

TechnoStars

TechnoStars, of Eindhoven, the Netherlands, invests in innovative start-ups specializing in the development and distribution of new products. A ‘technostarter’ is a young company that wants to market an innovative product. TechnoStars interprets its mission in a broad sense, providing venture capital as well as guidance and advice to start-ups.

Chemelot

Chemelot is a major player in Western Europe in terms of investments in activities in the fields of chemicals and high-performance materials. Forming a community of businesses in this sector, Chemelot is centrally located in Northwest Europe, has an excellent infrastructure and can easily be reached by car and by public transport. The site has everything that is needed to facilitate accelerated business growth, both for new investments in research activities and for innovative



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start-ups and chemical installations. Chemelot offers them feedstocks, utilities, facilities and an innovative campus. Several businesses located at Chemelot are top players in their fields. But Chemelot is more than the sum of its parts: it is a chemical innovation community where people and companies share knowledge and pursue innovation and accelerated business growth in creative cooperation.

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