

southwest michigan innovation center

AureoGen to be Southwest Michigan Innovation Center's First Graduate Company

October 23, 2006

KALAMAZOO, Mich. – In a press conference today, the Southwest Michigan Innovation Center, a business incubator dedicated to the growth of life science companies in the Kalamazoo Region, announced that AureoGen Biosciences has expanded and will soon move to its own facility, making it the first company to graduate from the Center.

“We thank Southwest Michigan First and the Innovation Center for their support during our company’s formation and early growth. We are confident that the Innovation Center will help many more incubator companies grow and graduate as we have,” said CEO of AureoGen Biosciences, Ake Elhammer, Ph.D.

AureoGen Biosciences, which focuses on the development of novel, genetic engineering technologies for the discovery and production of cyclic peptide-based drugs, was one of the Innovation Center’s original tenants. It was incorporated in 2003 by Dr. Ake Elhammer and Dr. Jerry Slightom – both former employees of Upjohn and Pharmacia.

“AureoGen is the first company to take this step in growing their company and we couldn’t be happier for them,” said Southwest Michigan First’s CEO, Ron Kitchens. “This is the model that we encourage all entrepreneurs to follow. They followed their entrepreneurial spirit, we worked with them to start their company at the Innovation Center and now they have learned enough to go begin the next stage of growth in their own facility.”

The Innovation Center is proud of the progress AureoGen has made in just three years and it acknowledges the community collaboration that has gone into the success of every company at the Center.

“AureoGen’s graduation is a great success story for the community. It is a demonstration of how different community partners can come together for the common success of a company,” said CEO of the Southwest Michigan Innovation Center, Fred Einspahr. “The Innovation Center and Southwest Michigan First have worked with the City of Kalamazoo and Western Michigan University for five years to create opportunities like this one for entrepreneurs who want to grow a business in Kalamazoo.

“I am thrilled at the success of AureoGen,” said Southwest Michigan First Vice President, Paul Neeb who works to identify growth opportunities for life science companies like AureoGen. “It further affirms the importance of investing in the growth of the region’s life science cluster.”

Since the company's incorporation three years ago, AureoGen has been awarded more than \$6 million in state and federal funding from the Michigan Economic Development Corporation, the National Institute of Standards and Technology Advanced Technology Program (NIST ATP), the National Institute of Health Small Business Innovative Research (NIH SBIR) program and the Biosciences Research and Commercialization Center (BRCC) at Western Michigan University.

"We always had confidence in Dr. Elhammer. We're pleased that our investment helped AureoGen stay in Michigan and grow their business here," said Jack Luderer, M.D., Executive Director BRCC.

The company will relocate to new space off 9th Street in Oshtemo Township, approximately five miles from the Innovation Center.

About AureoGen Biosciences

AureoGen was founded in 2003 by Ake Elhammer, Ph.D., and Jerry Slightom, Ph.D. Dr. Elhammer inspired the company's creation and selected its business area and scope. As Chief Executive Officer, he is responsible for the organization and business development of the company. Dr. Slightom is AureoGen's Chief Operating Officer. His responsibilities include development of the company technology and the realization of AureoGen's research goals.

AureoGen's primary focus is the development of novel, genetic engineering technologies for the discovery and production of cyclic peptide-based drugs. Until recently, any structural modifications required for conversion of a native cyclic peptide molecule into a functional drug had to be introduced by complicated and expensive synthetic chemistry. This hampered the development of promising drug candidates, as well as prevented optimization (such as reduction of side effects) of many existing drugs. AureoGen is developing a novel technology that allows efficient, cost-effective modification, optimization and production of cyclic peptide base drugs. Recent advances in the understanding of the biology and genetics of cyclic peptide producing organisms have produced tools and knowledge which allow many types of modifications (to cyclic peptides) to be introduced by altering the sequence of the genes encoding the cyclic peptide generating non-ribosomal peptide synthase (NRPS) complexes, in the producer organisms. Engineering of these genes allows for the design of organisms capable of producing cyclic peptides with the properties required for a finished drug molecule, or a molecule requiring only minor chemical modifications. Utilizing this knowledge, AureoGen is developing a set of (genetic) tools that will greatly reduce the production cost of cyclic peptide-based drug molecules requiring structural modifications. AureoGen's technology also allows for efficient and cost-effective in-depth exploration of the pharmacological properties of virtually any cyclic peptide, as well as simple and economical generation of entirely novel cyclic peptides.

About The Southwest Michigan Innovation Center

The Southwest Michigan Innovation Center is a 58,000-square-foot incubator/accelerator which provides web-lab space, access to venture funding, and comprehensive business support services to emerging companies in the life science industry. For more information, visit www.kazoosmic.com

About Southwest Michigan First

Southwest Michigan First is the catalyst stimulating growth across the Kalamazoo region. Whether you're a site selector, an investor, an entrepreneur or part of an existing company looking to grow, SMF has the resources and expertise to assist you in identifying and surpassing your goals. For more information, visit www.southwestmichiganfirst.com.

