



## Press Release

### **CropDesign Awarded Major Research Grant**

#### **Government of Flanders' Grant for TraitMill Development**

GENT, BELGIUM, April 23, 2001 — CropDesign N.V. (CropDesign) announced today that it has been awarded a major Flemish government grant to support its on-going functional genomics research and product development program. The grant was awarded by the Institute of Science and Technology (IWT). Under the terms of the grant, CropDesign will receive 95 million Belgian Francs (approximately € 2.35 million) over the 3-year life of the project.

According to Dr. Herman Van Mellaert, CropDesign CEO, "this support from the Flemish government will greatly aid us in developing further our TraitMill functional genomics technology platform. Nearly all of our competitors in plant functional genomics are restricted to the use of Arabidopsis, an easy to grow small weed. While Arabidopsis is a useful model plant, many research findings cannot be easily extrapolated from it to the major crops, including cereals. Our goal is to be a leader in applying high-throughput genomics tools directly in cereals. Our applied TraitMill research in fact gives us an edge in building relevant utility-based intellectual property and in fast-tracking product leads for development of improved rice and other cereals. In this respect, IWT's support for the TraitMill has a definite strategic impact on us. High-technology companies such as CropDesign are able to compete for capital, technology, and business development at a global level in part because of the Flemish government's foresighted policy regarding biotechnology. In addition, the recognition from the IWT of the value of our technology and product development programs is a welcome endorsement of our corporate achievements and ambitions." Van Mellaert added that CropDesign will invest significantly in R&D infrastructure in Flanders this year, and in the years to come. In August of 2000, the company raised €25.7 million in equity financing to fund its near-term investment and operational requirements. In 2000 the company also nearly doubled its workforce to approximately 60 people, and expects to rapidly expand in 2001 as well.

The IWT grant will fund the development and use of the company's TraitMill for improved crop yield. Improved yield under varying conditions and environments is the fundamental goal of most crop breeding programs. Yield is in fact a complex trait involving many plant genes, making traditional plant breeding a difficult and laborious task. Plant breeders are confronted with a yield plateau in some major crops. CropDesign targets the specific use of genes linked to cell growth and division, including cell cycle genes, for yield improvement. The company uses its TraitMill tool for the high-throughput production and evaluation of plants, including plants expressing genes modified for improved yield.

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The TraitMill is designed to avoid some of the bottlenecks in classical plant breeding which now limit breeding for increased yield and other traits. Plant breeders work with entire plant genomes in order to generate the genetic diversity they require for developing new varieties and hybrids. As a result, undesirable characteristics are often introduced and mask the desirable ones that plant breeders seek. With the TraitMill, CropDesign can determine the effects on plants of changes from only single genes, or from determined gene combinations. The TraitMill also involves digital imaging and analysis throughout the plant's development to specifically monitor the effect on yield of the company's technology.

CropDesign, based in Gent, Belgium is an agbiotech company focussed on the application of functional genomics for improved crop performance, including higher yield, heightened tolerance to stress and diseases and better quality. CropDesign applies its technology in rice, wheat and other cereals. Founded in 1998, CropDesign employs over 60 people at its research facilities in Gent.

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