



February 2009

Global Life Science Ventures: 2008 Highlights

Dear Sir/ Madam,

As in previous years, we would like to share with you a retrospective look at the past year. During 2008 the financial markets deteriorated steadily and resulted in a down turn of the world economy that also affected both our portfolio and our fund raising.

Consequently, like many other Venture Capital firms, we have been concentrating on our portfolio and evaluating strategic options. This led to the streamlining of businesses and in a number of cases to the extension of previous financing rounds. None of them were down-rounds which in light of the current market conditions can be regarded as a success. One portfolio company even was able to close a new round of finance at a sizable premium. In addition to the support already provided, our GLSV II funds are well positioned for further support with additional capital available for draw-downs. We also continue to enjoy a very strong deal flow from Europe and the United States which, compared to 2007, has remained stable.

At the turn of the year, our portfolio shows 15 active companies. Of these, three already generate revenue, one filed for market approval, another one received market approval and will enter the market this year, six reported important break-throughs in clinical trials and two signed major deals with big pharma in 2008. Overall, our portfolio has proven to be robust and, according to Cambridge Associates, GLSV II again belongs to the group of top performers of all venture capital in Europe as per their latest available bench marking data as of September 2008.

This ranking had also been confirmed previously, by our team of GLSV receiving an award as "European Life Science Investor of the Year" at the Sachs Associates European Life Science CEO Forum in Zurich, in recognition for its achievement of building an excellent portfolio. The award was sponsored by DyoDelta and the winners were elected by an international jury of peers.

For **GLS I**, the year started with the final execution of a takeover of listed Coley Pharmaceuticals for \$164 million by Pfizer (at about 2x market value). Later in the year, public company Memory had agreed to be sold to Swiss drug maker Roche for \$50 million cash. Of the other public stocks held by GLS I some were continued to be divested without affecting the markets. In December, we exited from DeveloGen and wrote-off our investment in HealthGate.

For **GLSV II**, the year started with a \$25 million private placement for public NeurogesX led by SV Life Science and a €25million Series B financing round of Pieris, where Orbimed, one of the large US Life Science funds, took the lead at a sizeable premium in March. Later-on, GLSV II paid tranches to Fibrex, IMI and Action Pharma upon meeting of milestones and supported

follow-on rounds of IMI, Nitec, and Pelikan as well as a convertible loan financing to 7TM. Two portfolio companies were written-off: Neuraxo due to the failed proof-of-concept of its lead product candidate and listed Cyberkinetics that filed for insolvency.

Apart from these milestone/ financing events, the following selection of news demonstrates the considerable progress made within our portfolio that includes several potential stars:

In January, **Agendia** entered into the US market with the first FDA-approved breast cancer diagnostic test. In May, **Action Pharma** initiated a phase II study for its lead program AP 214 in the US for organ protection after cardiac surgery, and in July a phase Ib study for its AP 1030 program for diabetes/obesity. In June, **IMI** reported a major break-through of its retinal system in a clinical trial, when a patient who had gone blind over 20 years ago could recognize moving objects and grab a small white ball. **Cytos** announced positive phase II results for its monotherapy allergy vaccine in July, and a partnership with Pfizer in August. In September, **Fibrex** published results from its phase IIa proof-of-concept study for prevention of reperfusion injury in patients with acute myocardial infarction demonstrating a 58% smaller necrotic core in the treated area vs. placebo. Also in September, **MediGene** reported on excellent 12-month survival data for EndoTAG™ from its phase II study with 200 pancreas cancer patients. MediGene expects to start a phase III trial during 2009 with a development and marketing partner, and is already in contact with several interested parties from big pharma. In December, **Nitec** received European marketing approval for Lodotra™, its lead product for the treatment of rheumatoid arthritis and associated morning stiffness. Also in December, **Santaris** signed a R&D deal with Wyeth whereby both companies will collaborate on up to 10 targets using the Santaris LNA technology. This is already the second big deal for Santaris following an agreement with GSK back in 2007. In December, the FDA accepted **NeurogesX's** New Drug Application to review its investigational product candidate, NGX-4010, for the management of pain due to post-herpetic neuralgia.

We would like to thank you once again for your interest in Global Life Science Ventures and are looking forward to our continued good relationship. Should you have any questions, please, do not hesitate to contact us at any time.

Best regards,

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