



January 2010

Global Life Science Ventures: 2009 Review

Dear Sir/ Madam,

Once more, we would like to inform you of news and developments that occurred during the previous year. 2009, like 2008, was marked by the serious economic downturn.

Our efforts therefore focused on securing the value of the funds' existing portfolio companies. If not already done in 2008, all companies streamlined their businesses in order to focus on their most important development programs and extend their cash reach. Seven of them achieved further funding including participation from GLSV, five in form of convertible loans invested by insider syndicates, one company raised an external round of finance and another one extended its last round – both at flat conditions. Further to the financial support provided, the GLSV II funds still have 10% of committed capital available for draw-downs.

As per the year end, our portfolio shows two public and eleven private companies with three of them generating sales. Despite of the difficult financial environment most of the companies reported ongoing substantial progress as summarized further below. Four of them, however, were down-valued for delays in their product development that might lead to further corrections in 2010. In late December, one company received a non-binding offer for an acquisition, which confirms the continuing interest in innovative products and companies. Overall, our portfolio performance has remained stable and, according to Cambridge Associates, GLSV II again belongs to the group of top performers of all venture capital in Europe as per their newest bench marking data as of September 2009.

GLS I saw the last divestment steps of the two remaining public portfolio companies during 2009 and will thus progress towards its liquidation by the end of Q1 2010.

At **GLSV II**, financing was provided to Fibrex in May with an internal round in form of a convertible loan, which, however, was only paid-out partly due to the signing of a license deal with Ikaria Inc.. In June, IMI followed with another convertible loan financing, followed by Action Pharma in July, Pelikan in August and Coapt in December. In August, Agendia had raised \$23 million in a flat round from a syndicate of new and old investors including GLSV. In September, Nabriva extended its Series A round of finance (that raised €42.5 million in early 2006) raising another €15 million from existing investors including GLSV. In October, GLSV purchased additional shares in Santaris by exercising its pre-emption rights in a secondary transaction.

Apart from these financing rounds, the following event calendar confirms the important ongoing progress made within our portfolio that includes several potential stars:

In January, **Santaris Pharma** announced a world-wide partnership with Wyeth (now Pfizer) to discover, develop and commercialize new medicines based on Santaris Pharma's proprietary

Locked Nucleic Acid (LNA) Drug Platform with a potential deal value of more than \$750 million. In June, **Agendia**'s breast cancer recurrence test MammaPrint was included in the important St. Gallen's 2009 International Expert Consensus recommendation on the primary therapy of early breast cancer. In July, **CombinatoRx** (NASDAQ: CRXX) and the Canadian company Neuromed signed a merger agreement. The combined entity will benefit from an improved pipeline and new management. In August, **Coapt** launched an in-licensed hyaluronic acid dermal filler with lidocaine (for pain-relief), the first of its kind that has been approved by the FDA, to the US market. This product represents a significant revenue potential for Coapt. Also in August, Icaria acquired world-wide rights to **Fibrex**' product portfolio that resembles a take-over at back-loaded conditions at a non-disclosed substantial valuation. In September, **Nitec** reported positive results from a phase III study of Lodotra in the USA which raised interest from speciality pharma companies. Sales of Lodotra, that was launched in Germany, are developing as planned, and market approvals have been received for 13 European countries. In the same month, **Pieris** entered into an agreement with Allergan in the field of ophthalmology which resulted in a \$10 million upfront payment. This deal underscores the attractiveness of Pieris' Anticalin technology. In October, **Action Pharma** continued the phase II clinical trial in Europe for its lead product AP214, investigating its effect on organ protection in patients undergoing cardiac surgery. In November, **Neurogesx** obtained FDA approval for their capsaicin patch Qutenza. Back in June, NeurogesX and Astellas entered into a Commercialization Agreement for Qutenza in Europe resulting in an upfront payment of \$42 million. In December, **Santaris** made headlines with a study published in Science reporting a breakthrough microRNA therapy. This therapy holds promise as a novel treatment for patients infected with the Hepatitis C virus. Also before year's end, **Agendia** received reimbursement coding from Medicare for MammaPrint strengthening its market position in the USA.

In spite of the progress made, it cannot be ruled out that further development may be delayed or that an ongoing constrained financial environment may negatively impact some of the companies. However, the above achievements are encouraging and give us the confidence to look forward to additional partnering agreements and/ or exits in 2010.

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

With kind regards,

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