



## Press Release

August 11, 2005

### **AVONTEC GmbH raises Euro 14.5 million in a Series B financing round led by a fund, co-founded by AnGes MG and Nikko Principal Investments**

Munich, Germany - The biotechnology company AVONTEC GmbH announces today that it has raised EUR 14.5 million in a Series B round of financing led by an investment fund managed by Bio-Sight-Capital, co-founded by AnGes MG and Nikko Principal Investments as a strategic lead investor. The round is co-led by DVC Deutsche Venture Capital, further investors are BioMedinvest, an early-stage venture capital company based in Basel, Switzerland and KfW, which invested out of the "ERP Startfonds". All existing investors, Innovations-Capital Goettingen, ubg Goettingen, Hildesheim and Mediport Venture Fond II participated in this financing round.

The new money will provide financing for two Phase IIa clinical trials in moderate-to-severe asthma and psoriasis. World-class clinical experts will advise AVONTEC on the preparation of the clinical studies and conduct them at their facilities.

The advisory board will be extended by Lee Cheng Liu, Ph.D., COO, of AnGes, Inc., Hongzhi Bai, MD, Ph.D., MBA, a consultant acting on behalf of AnGes MG, Dr. Markus Hosang, a former Roche executive and venture partner at MPM Capital and now a Managing Partner at BioMedinvest and Dr. Joerg Neermann, Managing Partner at DVC.

A cross license agreement between AVONTEC and AnGes MG underlines the commitment of both companies to tightly cooperate at the operational as well as strategic level. Based on AVONTEC's decoy-based transcription factor technology, both companies aim to establish the leading nucleic-acid based drug-developing platform in the area of novel anti-inflammatories.

AnGes MG, a leader in genetic medicine, is a public company listed on the Tokyo Stock Exchange since September 2002. With respect to the development of decoy-based anti-inflammatory drugs, both companies have successfully translated their preclinical projects into clinical development programs. Here, AVONTEC and AnGes MG perfectly complement each other and expect to realize valuable gains by creating strategic synergies in the near future.

The technology developed by AVONTEC is based upon the improved cellular uptake of its decoys and the novel anti-inflammatory target which the company



addresses. This combination of innovative technologies offers the potential to establish a novel anti-inflammatory principle.

“Together with AnGes and the commitment of our new and existing investors, AVONTEC now can further develop its virtual business model – having outsourced almost all developmental activities – to select the most efficient product development route making sensible use of the funds”, says Thomas Schulze, CEO of AVONTEC, and adds: “This particular investment and partnering model offers very attractive opportunities down the road.”

Dr. Ei Yamada, CEO of AnGes MG, says: “Through this new alliance by investing into AVONTEC, AVONTEC and AnGes will be able to expedite their development programs of Decoy Oligonucleotide, by creating a synergetic effect, and furthermore, be able to strengthen our mutual pipelines. AnGes is fully committed to support AVONTEC in its development in Decoy Oligonucleotides.”

Dr. Markus Hosang, a Managing Partner at BioMedinvest AG in Basel, and new member of the Advisory Board, says: “AVONTEC’s decoy-based transcription factor modulation technology provides a promising and exciting platform for the development of innovative anti-inflammatory medicines. The strategic partnership with AnGes MG will expand the number of targets which can be pursued, and increase the chances of successfully bringing a new medicine to the market.”

Dr. Alexander Asam, Chairman of AVONTEC and Partner at DVC, says: “We are pleased that an international syndicate is contributing to AVONTEC’s further growth. This financing round provides the basis for the next value enhancing milestones. The proceeds will enable AVONTEC to conduct various clinical trials and to exploit different indication areas with high market potential.”

### **About AVONTEC GmbH**

AVONTEC GmbH is a biopharmaceutical company that develops new anti-inflammatory approaches using the innovative Decoy Oligonucleotide Technology. The company focuses its activities on chronic inflammatory diseases such as asthma and psoriasis and cardiovascular complications such as restenosis after angioplasty. Currently AVONTEC runs two clinical phase II programs in asthma and psoriasis. AVONTEC was founded in 2001 and won the prestigious German Founders Award in 2003.

### **About AnGes MG**

AnGes MG is a Japanese biotech, founded in December 1999 based on innovative discoveries by researchers of Osaka University. AnGes specializes in R&D and commercialization of gene related pharmaceuticals. At present, AnGes is in the development of two (2) lead products which are, Hepatocyte Growth Factor (HGF) gene transfer to improve blood circulation by regenerating blood vessels, and NF- $\kappa$ B decoy oligonucleotides which is being developed for treating various inflammatory diseases, including atopic dermatitis. The HGF gene transfer



program for treating peripheral arterial disease (PAD) is under the pivotal clinical trial in Japan, and the Phase II clinical trial in the U.S. The other program for treating ischemic heart disease (IHD) is in the Phase I clinical trial in the U.S.

### **About BioMedinvest AG**

BioMedinvest is a leading, Swiss-based venture capital fund focusing primarily on investments in innovative start-up, early stage and spin-off companies in the human healthcare sector within the Alpine Rim region. The group currently advises and manages funds of nearly CHF 100 million. Since its inception in 2003, BioMedinvest has financed 8 leading biotech & medtech companies, two of which have already completed a successful exit through IPO or M&A. With its highly experienced management and advisors team BioMedinvest takes on an active investor role and intends to build a diversified portfolio of leading companies in the pharmaceuticals, diagnostics, medical devices, and biotechnology sectors.

### **DVC Deutsche Venture Capital**

DVC Deutsche Venture Capital, a leading venture capital firm based in Munich, focuses primarily on European growth companies in the areas of information, telecommunication, semiconductor and industrial technologies as well as life sciences. In the field of life sciences DVC invests in the development of therapeutic and diagnostic products as well as in platform and medical technologies. DVC's total administrated fund volume amounts to 300 million Euro. For investments in private companies, DVC invests approximately 1 - 10 million Euro as lead investor or, in the case of larger financing rounds, as co-lead investor. DVC is a "value-added" financial investor. Each sector team consists of experienced investment managers with relevant backgrounds. Since its formation in 1998, DVC has invested in approximately 70 companies.

### **Mediport Venture Fonds II GmbH**

Mediport Venture Fonds Zwei GmbH, managed by Gradus Venture GmbH, is specialised in seed and early stage financing in life science companies, investing up to 2 Mio. Euro in total. With its hand on management in the early stages of new founded companies, founders are supported to establish their business

### **Contact Information**

#### **AVONTEC GmbH**

Dr. Thomas Schulze, CEO

Thomas Niederfeld, CFO

Fraunhoferstr. 15

D-82152 Martinsried

Phone: +49 (89) 85 65 16 05

Fax: +49 (89) 85 65 16 20

E-mail: [t.schulze@avontec.de](mailto:t.schulze@avontec.de)

[t.niederfeld@avontec.de](mailto:t.niederfeld@avontec.de)