



January 2012

Global Life Science Ventures: 2011 Review

Dear Sir/ Madam,

As we have traditionally been doing at the start of each new year, we would like to share with you a retrospective look at major news and portfolio events over the last twelve months.

The biotech industry in 2011 was marked by scarcity of risk capital, a difficult environment for deals and trade sales for small and mid-size biotech companies as well as short IPO windows scattered throughout the year. Our efforts again concentrated on securing the value of GLSV II by supporting the existing portfolio companies which continue to focus on their most important development programs and on extending their cash reach.

Compared to 2010, GLSV II's portfolio in 2011 has decreased by one investment (**Pelikan**) which was written-off. On the other hand, one portfolio company, **Horizon** Pharma, was one of the few to succeed in going public. Unfortunately, another one, **Agendia**, decided to postpone its IPO. I.e., as per the year end of 2011, there are three public and eight private companies with overall four generating sales revenues. Unfortunately, the effects of the economic turbulences have also arrived in GLSV II's portfolio which moved from top to second quartile ranking for the 2001 vintage year compared to the latest available Cambridge Associates' bench mark of all venture capital in Europe as of June 2011. However, we are confident that we can regain the top ranking during 2012 as several portfolio companies are in negotiations with industrial partners pre/ after receipt of term sheets.

A number of portfolio companies were actively raising capital in 2011: four by private financing rounds and one by going public after a last internal financing round. Specifically, **Agendia** extended its second Series C, **Nabriva** issued a convertible loan, **IMI** received several convertible loan tranches and **Action** Pharma received a final convertible loan tranche before raising a Series F, and finally, **Horizon** Pharma (HZNP) raised money by going public on NASDAQ. In addition, several portfolio companies received revenues through upfront or milestone payments from external collaborators.

Apart from these financing events, the following news selection demonstrates the ongoing progress made within GLSV II's portfolio:

In January, **Zalicus** (ZLCS) announced that Novartis had exercised its option to extend the oncology discovery research collaboration with Zalicus. **Nabriva** completed recruitment for the phase II clinical study of Pleuromutilin antibiotic BC-3781.

In February, **Pieris** presented interim data from the phase I clinical trial of PRS-050 at the Molecular Medicine Tri-Conference and **Agendia** received the fifth FDA Clearance for its industry leading MammaPrint® assay for breast cancer patients.

In March, **Santaris** Pharma published in Nature Genetics that tiny LNA-based compounds can specifically inhibit disease-associated microRNAs, which provides a potential new approach for treating a variety of diseases including cancer and viral infections.

In April, **Pieris** and Daiichi Sankyo signed a therapeutic collaboration to develop Anticalin® therapeutics, which triggered a substantial up front payment of more than €7m. **Nabriva** reported positive results from a phase II clinical trial of the Pleuromutilin antibiotic BC-3781 in skin diseases. **Horizon** Pharma received FDA approval of DUEXIS® against rheumatoid arthritis and osteoarthritis, thereby achieving the last milestone before going-public. **NeurogesX** (NGSX) received a patent covering NGX-1998, a liquid formulation of capsaicin for topical application against certain types of chronic pain.

In May, **Action** Pharma completed dosing of a phase IIb clinical trial with AP214 to prevent acute kidney injury associated with cardiac surgery, and **Agendia** announced a colorectal cancer collaboration with AstraZeneca and the Netherlands Cancer Institute. **Zalicus** was selected to join the NASDAQ Biotech Index.

In June, **Agendia** announced the postponement of its IPO due to pricing in an extraordinarily volatile period. It had announced its intention to float in May and started its book building process early June. **Zalicus** announced initiation of a phase IIb trial of its Synavive® in patients with rheumatoid arthritis.

On July 28, **Horizon** Pharma announced the pricing of its IPO raising \$42 million net.

In August, **NeurogesX** secured a \$20 million debt facility and **Action** Pharma reported that the last patient completed the last visit in its phase IIb clinical trial with AP214.

In September, **NeurogesX** submitted a supplemental new drug application (NDA) for Qutenza® (capsaicin 8% patch) for HIV-associated peripheral neuropathy. **Nabriva** Therapeutics presented positive results of its extended phase II trial for its Pleuromutilin antibiotic BC-3781. **Action** Pharma demonstrated positive top-line results of its phase IIb clinical trial with AP214.

In October, **Santaris** Pharma reported new positive clinical data from miravirsen® phase IIa study to treat Hepatitis C. **Pieris** reported on the receipt of a European € 6 million grant award (EUROCALIN) on anticalin pipeline development.

In November, **Santaris** Pharma announced phase IIa data of miravirsen® which showed dose-dependent, prolonged viral reduction of 2-3 logs HCV RNA after four-week treatment in Hepatitis C patients, and that the US patent Office upheld its key patents in two re-examination cases brought against the company by ISIS Pharmaceuticals. **NeurogesX** published positive phase II results for NGX-1998 for the treatment of Postherpetic Neuralgia and received FDA acceptance for review of the supplemental NDA for Qutenza®. **Pieris** reported on the results and successful completion of its PRS-050 Anticalin phase I clinical trial at an international cancer therapeutics conference. Finally, **Horizon** Pharma announced the FDA's acceptance of its second product, LODOTRA®, as a NDA for review for the treatment of rheumatoid arthritis.

The above listed developments are very encouraging and will support the upcoming exits of GLSV II's portfolio companies in line with the combined funds' life time.

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.

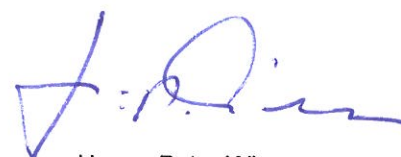
With kind regards,



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