

From Inception to Trade Sale: The Entrepreneur's Perspective

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YSIOS CAPITAL PARTNERS

VIII Reunión Científica, AEETS
Zaragoza, November 12, 2008

Company evolution – Snap shot

2001

- Operational start (Spin-off; Swiss Federal Institute of Technology, Zurich)
- Seed financing round: EUR 2 million

2002

- First research collaboration with an antibody biotech company
- Bridge financing round: EUR 1.3 million

2003

- Closed EUR 12 million series A round
- Initiated collaboration to validate GlycoMAb in the clinic
- First patent issued

2004

- Started three preclinical programs
- First partnership with Roche Pharma
- Production of clinical grade material for pilot Phase I/IIa trial comparing marketed antibody against the GlycoMAb-based next-generation molecule

2005

- Initiated clinical trial: first patient receives next-generation molecule
- Complete the comparative Phase I/IIa study: technology proof of concept in man
- Roche Group acquires GLYCART for EUR ~150 million (July 2005)

Biotech sector

*Aprox. 150 core
biotech companies
in Switzerland*

*Considering
number of
inhabitants and
citation index...*

*5X larger than the
US industry*

- Complex Industry
- Highly Competitive
- Large Markets
- Capital Intensive
- Long Term Investment
- New Industry: Genentech ~ EU biotech

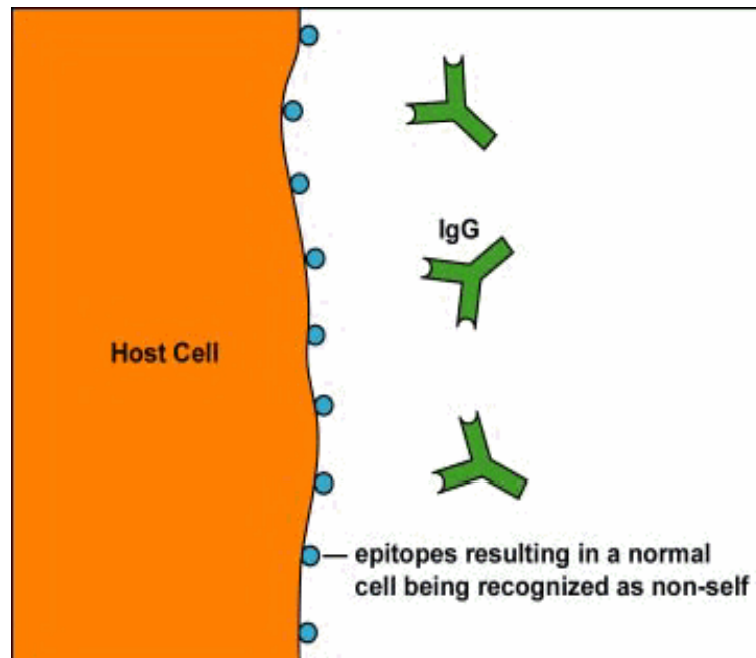
Field specific background

*25% of all protein
therapeutics are
monoclonal
antibodies*

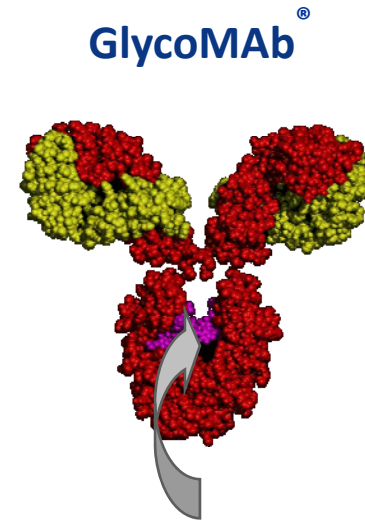
- Now over 20 marketed antibodies
- Clinical validated concept
- Fastest and cheapest way to market a drug
- Increasingly valuable as new disease targets proliferate
- Some 500 Antibodies in development
- Global market of \$ 16 bn in 2006 and estimated \$26 bn by 2010

Known mechanisms of action- ADCC/CML/Apoptosis/neutralization

Antibodies recruit human immune cells to the diseased cell
(Antibody-dependent cellular cytotoxicity)



GlycoMAb boosts this natural mechanism of action



Addition of human-like sugar leads to

A new generation of more potent antibody drugs

GlycoMAb® Ex-vivo proof of concept

Antibody	Increased Potency (ex vivo)
Rituximab	1 000 x
Cetuximab	1 000 x
huHMFG1	300 x
Alemtuzumab	1 000 x
Anti-neuroblastoma	100 x

- Increased binding to a specific receptor; a key step in Antibody Dependent Cellular Cytotoxicity
- No impact in pharmacokinetics
- Robust production process
- Cell growth and MAb productivity are not affected
- Solid intellectual property position

Corporate strategy

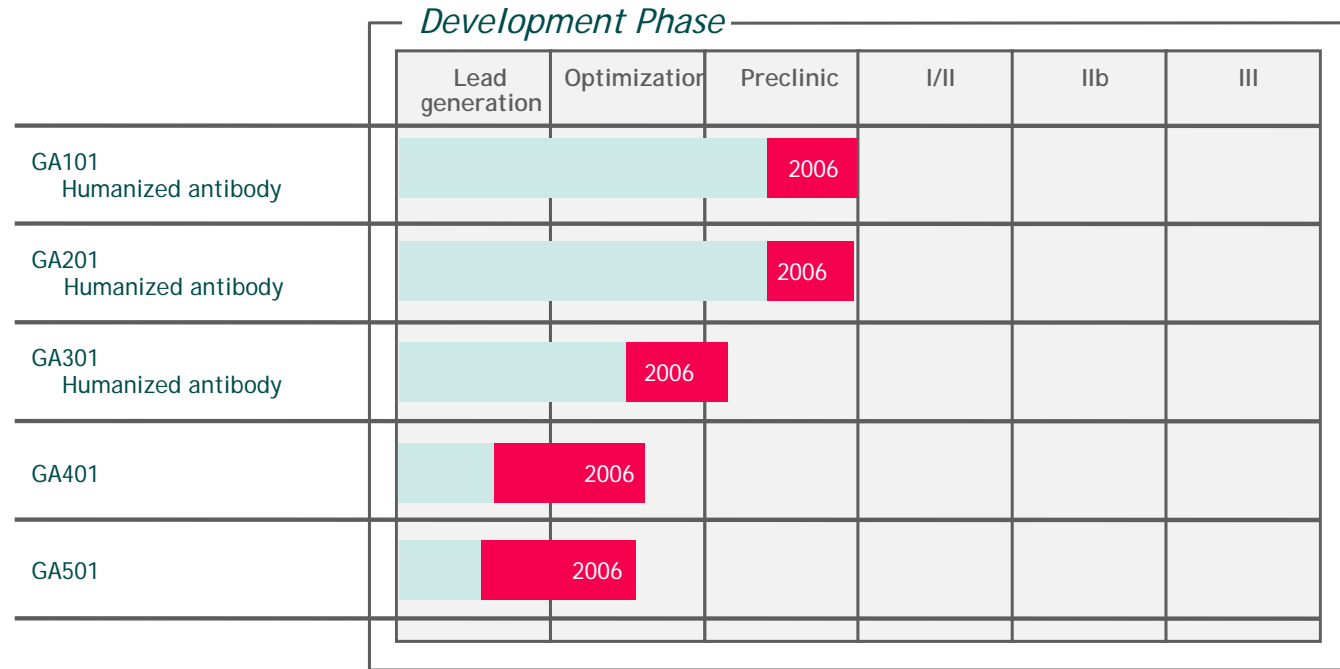
*Integrated antibody
development
company from target
to early clinical trials*

- Focus on **clinically validated targets**
- Start with **best possible and clearly differentiated molecule** from day one
- Non-core tasks outsourced
- Technology validation by selective partnering
- Carefully limit the availability of the technology keeping all in process IP and key materials in-house

Two Antibody Leads against clinically validated targets

Preclinical pipeline targeting clinically validated antigens

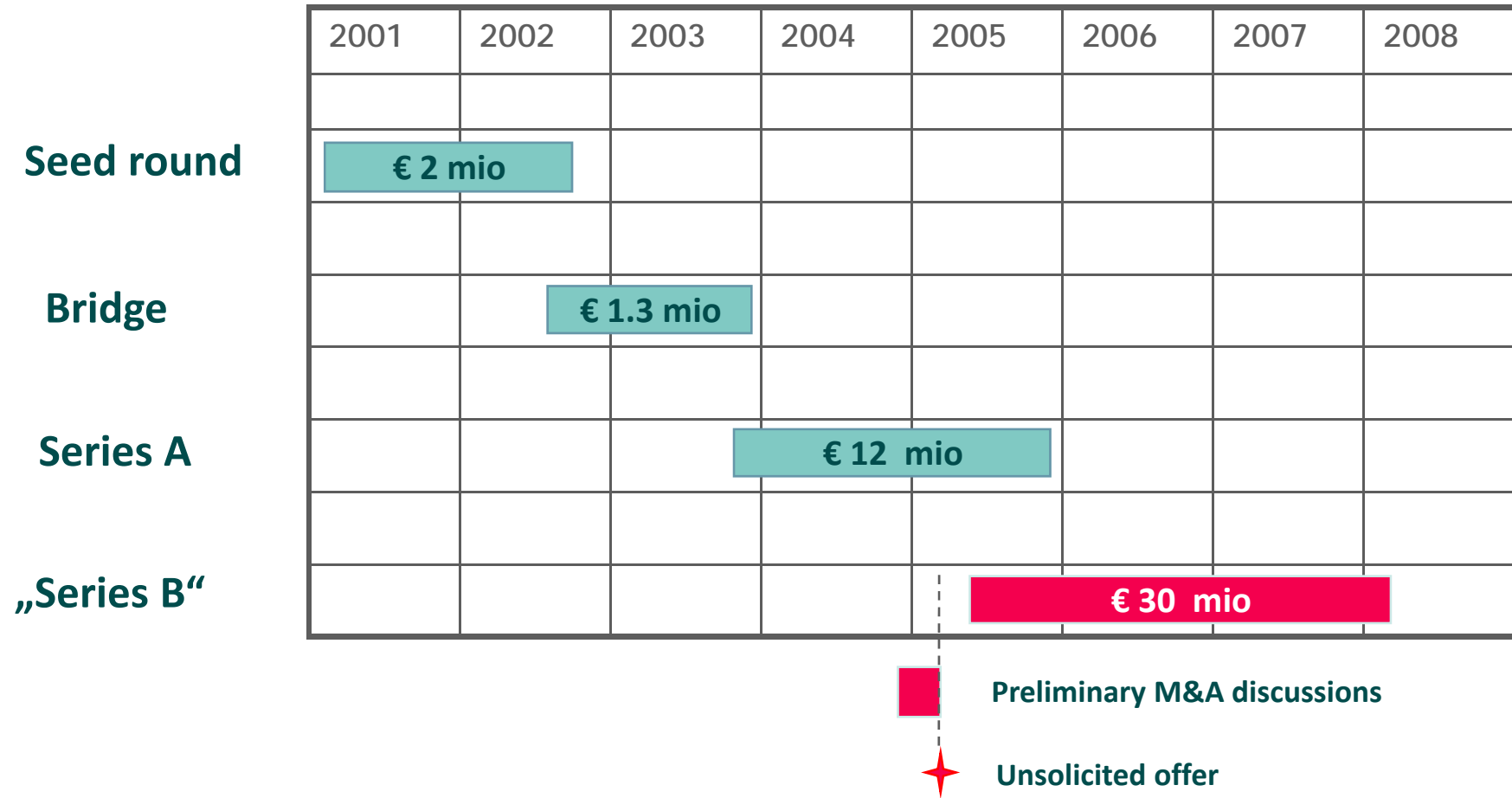
Two proprietary antibodies to enter into the clinic in 2007



Value proposition for potential acquirers or investors

- Unique technology to enhance the efficacy of antibodies
- Proprietary pipeline with three lead compounds
- Potential reduction of clinical trial attrition rate by starting with best possible antibody
- Possible impact in life-cycle management via patent extension
- Credible Management and Board with track record of creating value

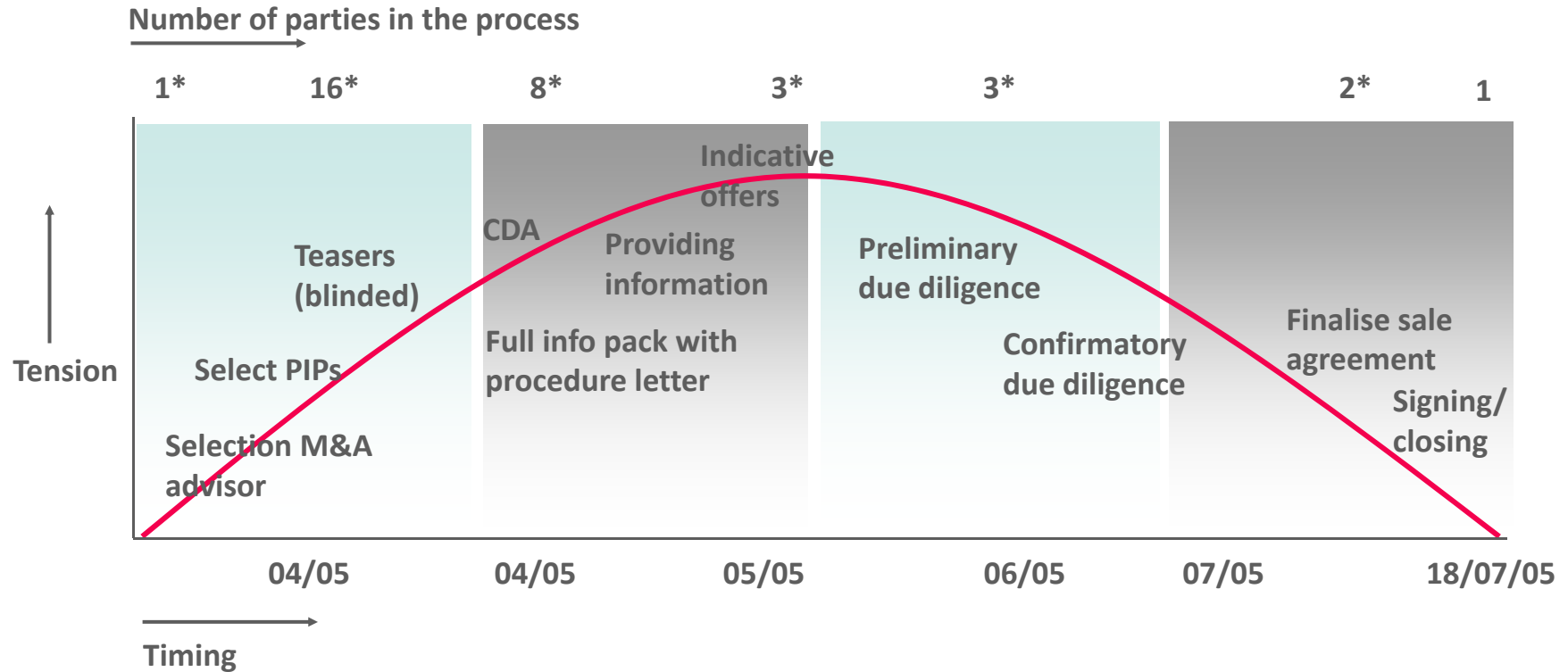
Original Financial Plan



Trade Sale process - Main objectives of GLYCART

Consideration	Objective
Price	Obtain the highest possible share price
Fit / future stage	Partner that understands the business and able to give the additional scale
Timing	45 days to new offers, 90 days to completion
Confidentiality	No leakage into public domain of intended transaction, to ensure security of current offer
Secure current offer	Maintain the interest of current party and achieve highest price with lowest earn out component
Stakeholders	Take into account stakeholder objectives (e.g. employees)

The full process was completed in less than three months

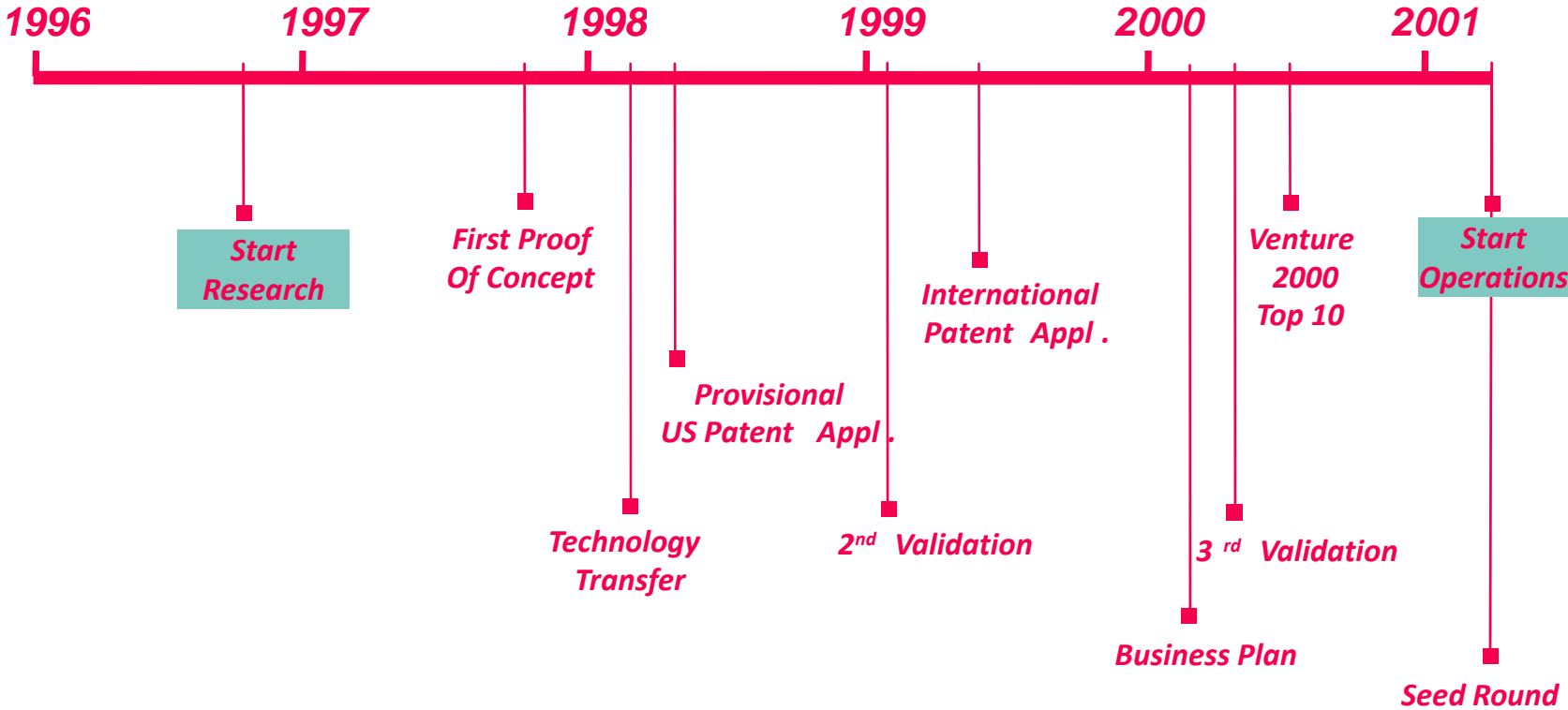


* Number includes the frontrunner

Critical success factors for this deal

- Distinctive technology and compelling product pipeline
- Go to market only with front runner or at least with a strong expression of interest
- Interests of Shareholders and Management fully aligned
- Selection of the most suitable M&A Advisor
- Intensive preparation before launch of the process
- Strict process management
- Immediate disclosure of material items
- Total trust between all deal team members

History from Start to Start



Technology transfer/ IP protection

- IP issues are critical for survival and growth of the company
- Professor's Support
(established network, economic support, laboratory space)
- Negotiations with University
- “What is missing?”
- Patent application: First contact with lawyers

Venture 2000 Business Plan competition: Coaching & outcome

Swiss Federal Institute of Technology (ETH Zurich) and McKinsey & Co.

- Coach (Dr. Georges Haas: former Head of R&D Preclinical development at Ciba Geigy)
- First step in network creation
- Wording, structure, source of specialized information
- Business plan gave solid view of the short term future
- Credibility
- Raised capital for starting operations

Pitfalls & lessons learned

- Cultural difference between academia and industry
- Value creation should be a major driving force
- Use of foundations and government funds
- Hire the best people

Key issues for corporate development (1)

Operational

- Access to experienced and skilled personnel
- Access to suitable funding
- Access to specialized information
(patent monitoring, market analysis, industry trends, ...)
- Access to laboratory space

1-15 FTEs	25 - 400m ²	Academia
15-40 FTEs	400 - 1200m ²	Specialized Science Parks

Key issues for corporate development (2)

Strategic

- Maintain innovative force
- Strategic partnerships
- Take advantage of simple corporate structure
- Solid communication

GLYCART Team: THANKS!

Ackermann

Ast

Brünker

Buholzer

Carle

Emmenegger

Faccin

Ferrara

Forcellino

Gerdes

Grau

Grau

Guarino

Herbez

Hervé

Holenstein

Jäger

Jean-Mairet

Karg

Lutz

Daniela

Oliver

Peter

Patrick

Anna

Andreas

Erica

Claudia

Laurianne

Christian

Roger

Sandra

Barbara

Valentin

Karine

Fabian

Christiane

Joël

Saskia

Seraina

Martínez

Moser

Mössner

Nopora

Patre

Püntener

Rüegg

Schmidt

Sondermann

Späni

Suter

Thöni

Umaña

Unsin

van Puijenbroek E

Vetterli

Wagner

Wirth

Wittig

Zabaleta

Julia

Samuel

Ekkehard

Adam

Monika

Ursula

Priska

Carla

Peter

Manuel

Tobias

Sarina

Pablo

Gabi

rwin

Helen

Karen

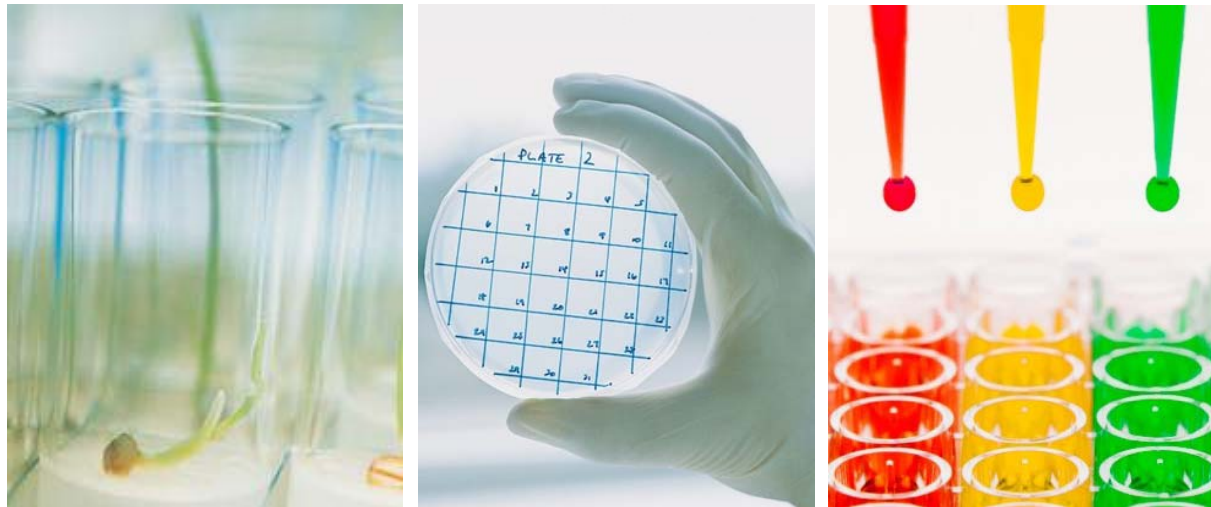
Simona

David

Adriana

ysios BioFund I / Ysios Capital Partners SGECR SA*

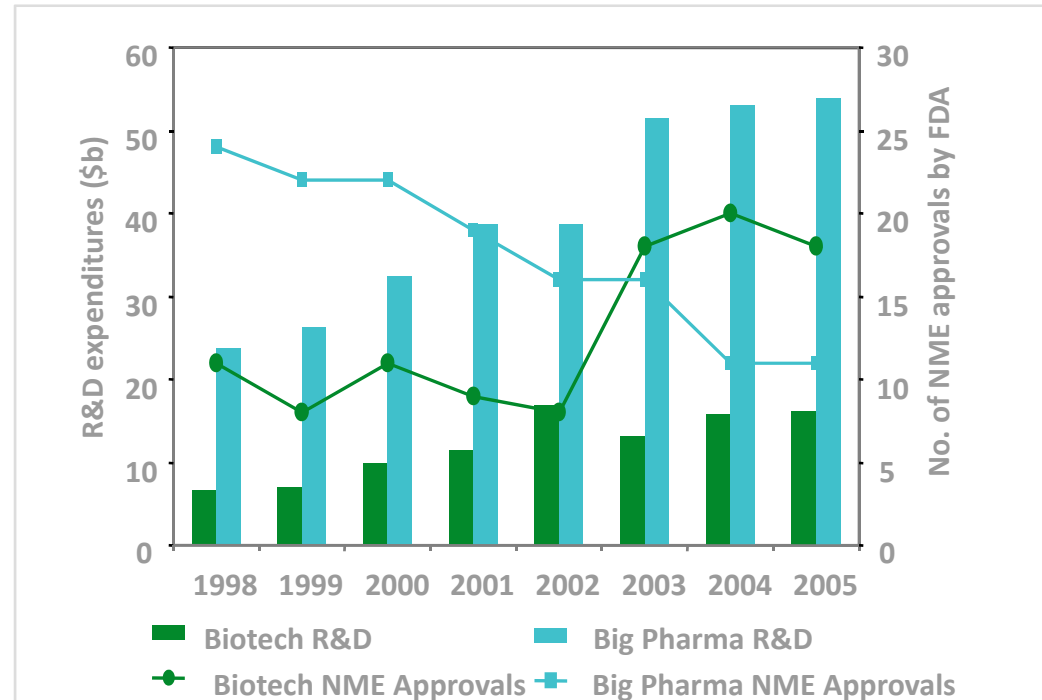
A new venture capital fund focused on human healthcare innovations



Opportunity / Biotech: a solution to big pharma's innovation gap

Between 1998-2005 big pharma's approval rates of New Medical Entities (NMEs) have decreased whereas R&D expenditures have increased substantially

Biotech's NME approvals in 2003 for the first time surpassed big pharma's performance while keeping a moderate increase in R&D expenditure

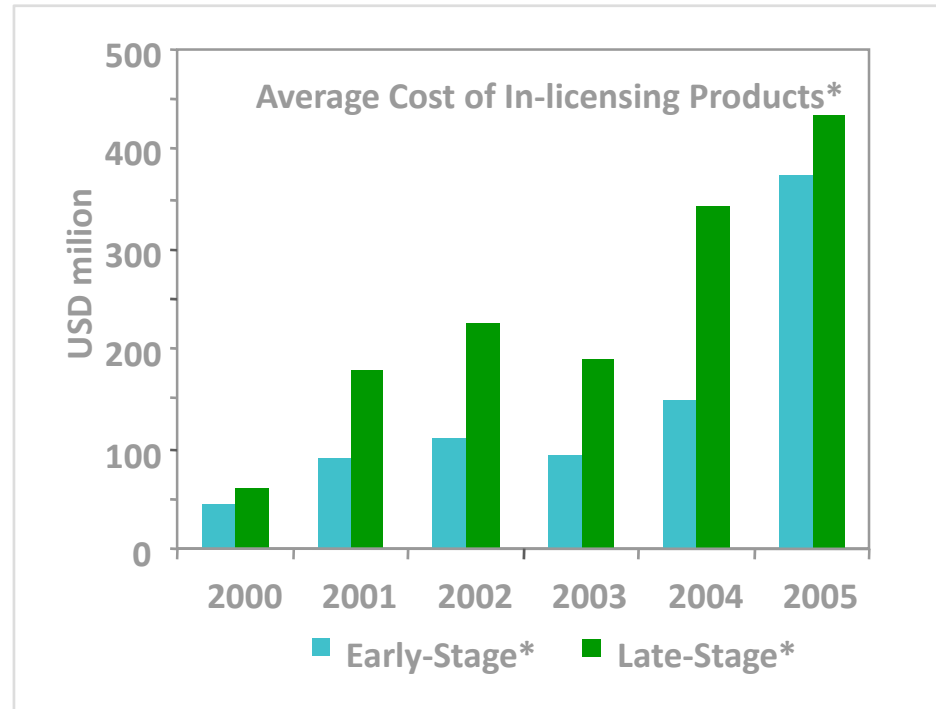


Market potential & opportunity / Licensing trends

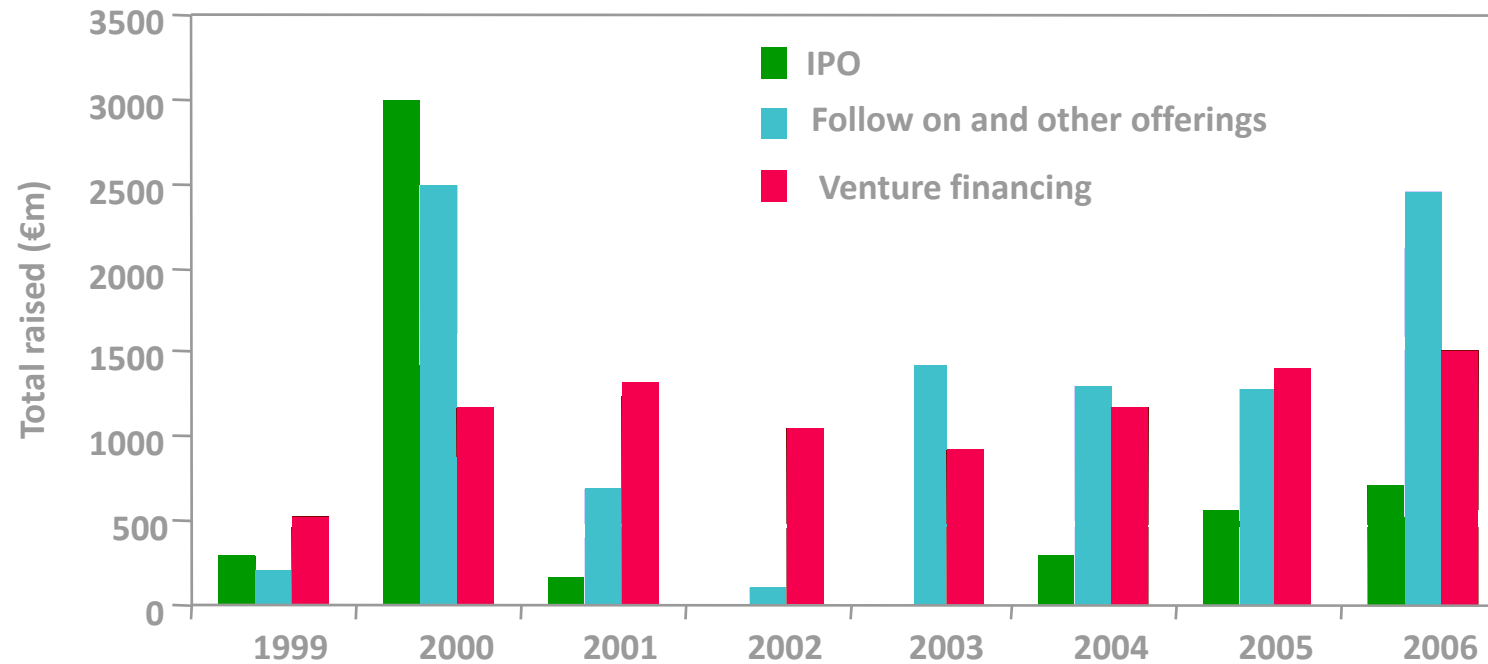
There are clear indications that investment by large Pharma in R&D stage products will continue to rise in 2006 and 2007

Recent examples in 'biodollars' are

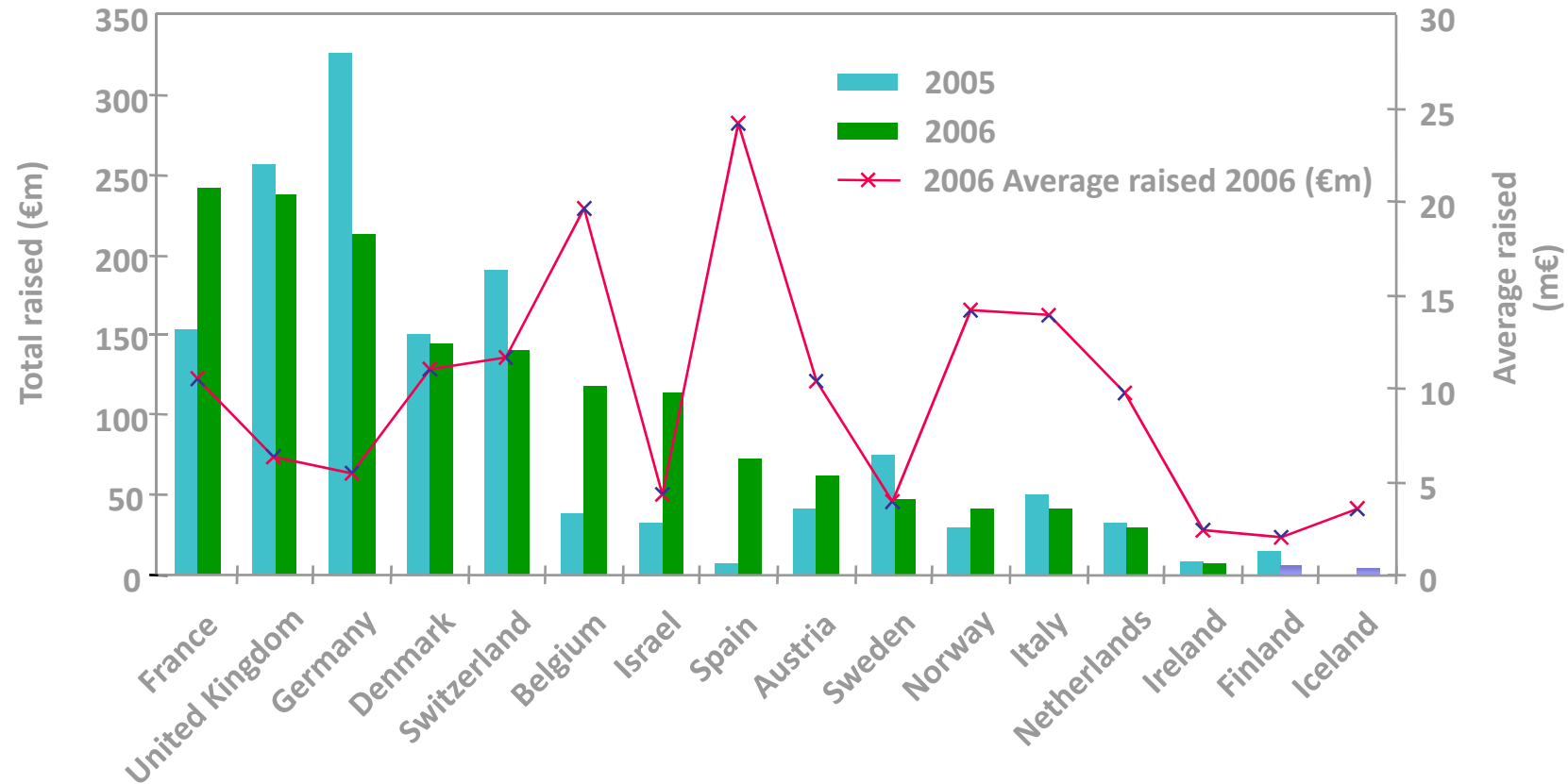
GSK/ChemoCentryx	\$ 1500m
Roche/Actelion	\$ 630m
Novartis/HGS	\$ 554m
Wyeth/Trubion	\$ 800m
Roche/Plexxicon	\$ 660m



1999-2006 / Summary of European biotech financing



2006 EU biotech venture funding / Spain experienced highest growth



Ysios BioFund I / Principal description

Management company	Ysios Capital Partners SGEGR SA
Investment focus	Innovations in healthcare and biotechnology
Fund size	€ 67 mio (max. € 80 mio)
Geographic area	Spain (min 70%) and rest of the world (max 30%)
Investment range	€ 500'000 - € 7 mio
Target portfolio size	10-12 companies
Investment phase	Start up and development phases, few seed rounds
First Closing	August 2008
Fund lifetime / investment period	10 years / 5 years

Contact details/ THANK YOU

Ysios Capital Partners SGECR SA

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www.ysioscapital.com