

MATCHING SWISS VENTURE CAPITAL WITH SWEDISH LIFE SCIENCE COMPANIES

- AN INITIATIVE BY INVEST SWEDEN AND SWEDISH TRADE COUNCIL

Zurich, July, 2010

Collaborating partners



STC AND INVEST SWEDEN COOPERATE TO MATCH SWISS VENTURE CAPITAL WITH SWEDISH LIFE SCIENCE COMPANIES

Background:

- Swedish life science industry has pinpointed the lack of venture capital as being one of the obstacles for development of the industry. Money is needed for e.g. R&D, certifications as well as for marketing and sales activities, not the least on export markets
- Switzerland constitutes an interesting source of venture capital for the Swedish industry. Switzerland is a financial centre for investments in life science in Europe. However, Sweden is not a market in focus and needs to be highlighted as the interesting investment possibility it is. Individual Swedish companies often lack time, financial resources and network to engage and evaluate opportunities with major Swiss investors.

Invest Sweden and STC have formalized a cooperation with selected Swiss venture capital investors to match them with Swedish Life Science companies

THE PROJECT IS RUN BY THE OFFICIAL TRADE AND INVESTMENT PROMOTION AGENCIES IN SWEDEN



- Sweden's official trade representation
- Offices in 60 countries and 500 employees
- Offices in Zurich and Vienna responsible for Switzerland and Austria
- www.tradewithsweden.com



INVEST:SWEDEN

- The official investment promotion agency
 - Profound knowledge about Swedish industry
 - A department for Life Science with expert knowledge and a wide network within the industry
 - www.investsweden.se
-
- Invest Sweden has expert knowledge in the life science industry, understands the companies' needs and has a broad contact network.
 - STC has a broad network in Switzerland and has a profound understanding of how to locally find the right partners for Swedish companies and how to “sell” the Swedish solutions to the Swiss counterparts.

TAKE THE OPPORTUNITY TO GET YOUR COMPANY MATCHED WITH MAJOR EUROPEAN VC INVESTORS

STC and Invest Sweden have established a sourcing cooperation with Swiss VC firms

The cooperation provides following opportunities:

- A selected group/platform of some of the most interesting Life Science investors in Switzerland and Europe with interest in Swedish Life Science companies
- Access to key decision makers and dedicated feedback on your company
- Opportunity to get short listed for in-depth discussions with venture capital funds



Novartis Venture Funds is one of the world's largest corporate biotech venture funds managing MUS\$ 700



Among the global leaders in Life Science-focused investing with USD 1 billion under management



Early stage venture capital fund investing in Life Science and ICT with focus on e.g. Scandinavia



A healthcare dedicated venture capital fund in the Bellevue Group (listed on the SIX Swiss Exchange)

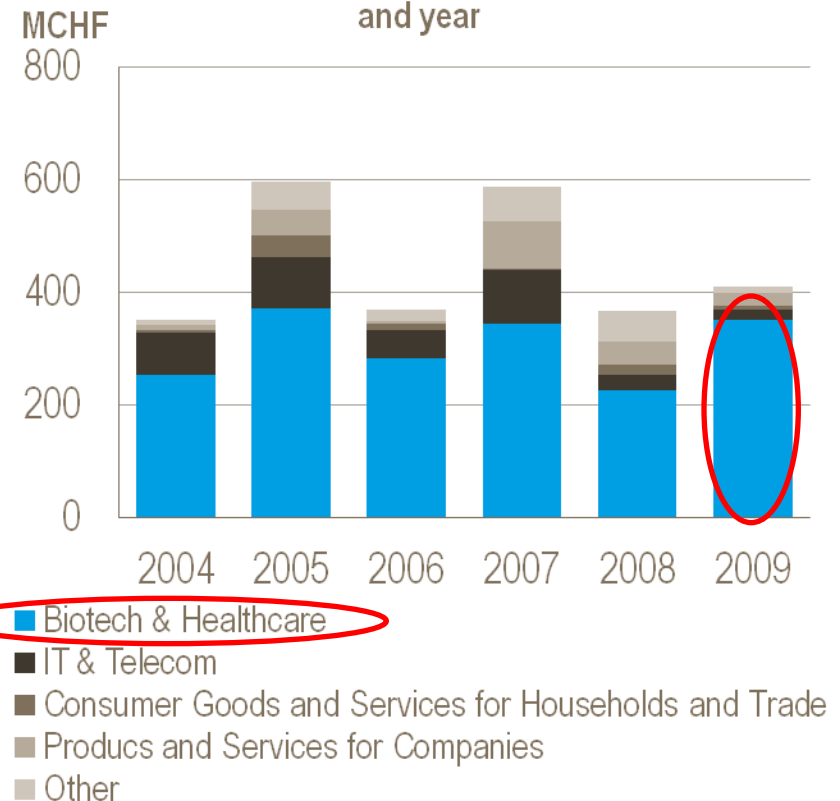
There is an excellent match between Sweden and Switzerland in the area of VC into Life Science

WHY SWISS VENTURE CAPITAL? EUROPEAN CENTRE FOR LIFE SCIENCE INVESTMENTS

Switzerland constitutes an interesting VC pool:

- Even in the current down turn Swiss VC investments in Life Science show steady volumes and actually increases relative other segments
- The VCs see a problem in the low “deal flow” i.e. a lack of interesting business ventures
- The Swiss VCs invest 90% of their capital (that is to a relative high degree foreign capital) in European ventures
 - Historically, however investments in Swedish entities have not been substantial

Volumes of Venture Capital invested in Switzerland (early & late stages) per industry and year



Switzerland constitutes an excellent bilateral investment partner for the Swedish Life Science industry

WHAT ARE THE SWISS INVESTORS LOOKING FOR?

The Swiss investors are looking for:

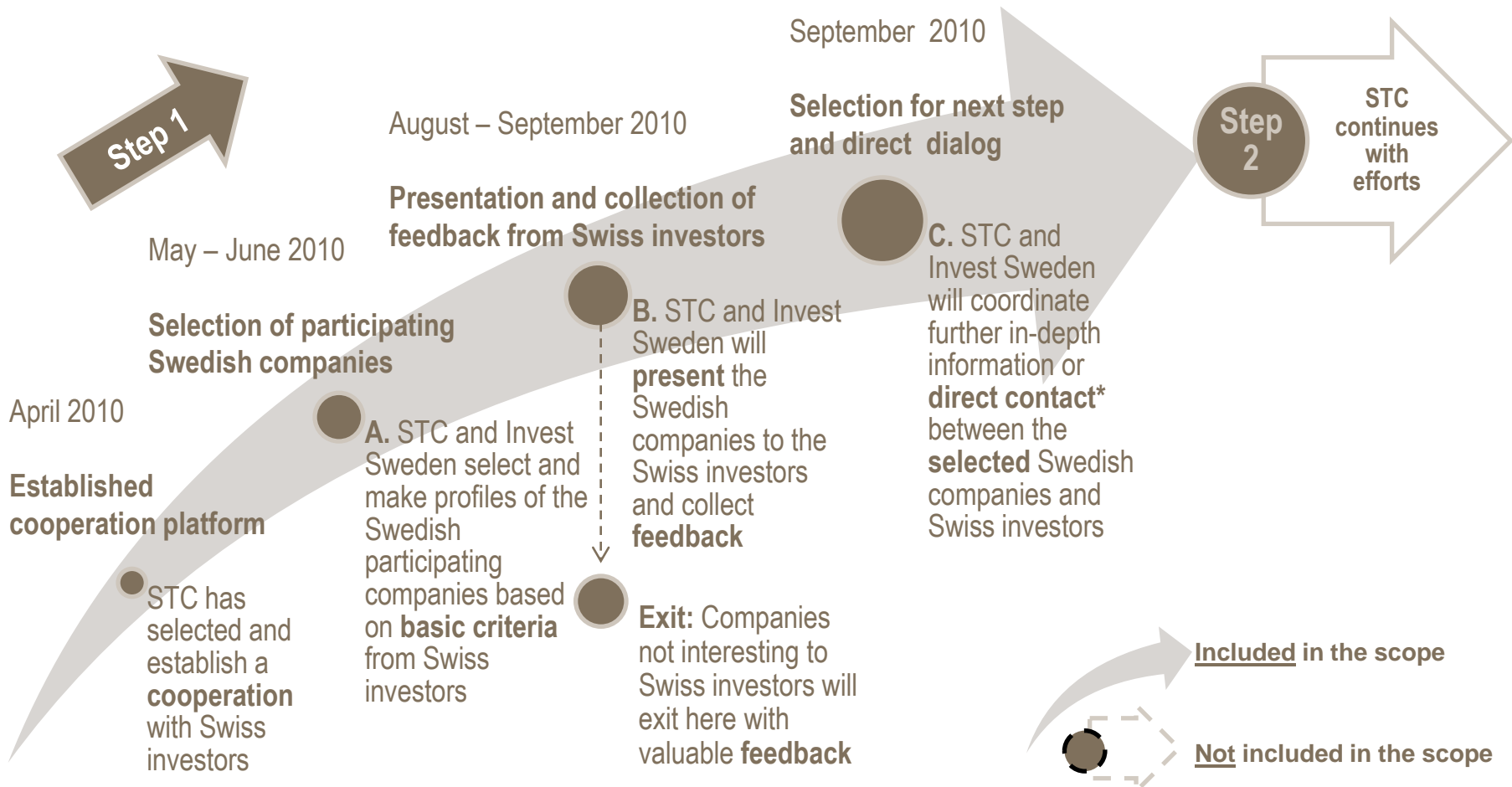
- Drug development, biotech platforms, medtech/medical device, diagnostics, therapeutics
- From start-up/seed capital to late stage investments
 - From R&D, clinical studies and human proof-of-concept trials to registration trials/marketing and businesses/growth capital
- Investment range MEUR 0.1-30
- Innovative and leading companies in their niche

Invest Sweden and Swedish Trade Council will select participating companies based on the profile

“The best possible way to get our attention is to be introduced by someone we know and respect”

Redalpine Venture Partners AG

PROCESS FOR THE SWEDISH COOPERATION WITH SWISS VENTURE CAPITALIST FUNDS (1/2)



Possibility to quickly and cost efficiently reach relevant potential investors

* Note: STC and Invest Sweden can never guarantee direct contact or meetings with the Swiss investors– no contact details will be given without their approval

PROCESS FOR THE SWEDISH COOPERATION WITH SWISS VENTURE CAPITALISTS (2/2)

»» Step 1 – includes:

- »» Workshop to prepare a presentation of the Swedish company's products/solutions / business plan
- »» Presentations carried out by STC and Invest Sweden in Switzerland and collection of feedback on the products/solutions
- »» Follow-up on the interest on the products/solutions from the Swiss investors
- »» On request by the Swiss investors, coordination of additional information from participating Swedish companies
- »» On request by the Swiss investors, coordination of direct contact* with participating Swedish companies
- »» Short written summary of the activities carried out and results

»» Step 2 – offers continuous opportunities (not included in this scope)

- »» Continuous efforts towards relevant decision makers at initiated investors
- »» Potential new collaborations with relevant investors
- »» Activities in connection with the Swiss Scandinavian Bio-Business Seminar (prel. 21st of October 2010)
- »» Other activities TBD (to be decided)

Register for participation via **registration form** or **online**** no later than **July 14th**
The number of participating companies is limited
and Invest Sweden and STC will select participating companies based on match with investor search profiles

Note: Direct contact or meetings can not be guaranteed. Contact data only on request from Swiss investors

** www.swedishtrade.se/sv/calendarpage/matching-swiss-venture-capital-with-swedish-life-science-companies

FEES AND CONDITIONS OF PAYMENT

The project is described in the proposal: "Matching Swiss venture capital with Swedish life science companies" (May 2010)

<input type="checkbox"/> I wish to participate and am a small company*** (Fee will only be invoiced if company is selected for participation)	Fee	Step 1 A – B	5 000 SEK
		Step 1 C	10 000 SEK (SME subsidy)
<input type="checkbox"/> I wish to participate (Fee will only be invoiced if company is selected for participation)	Fee	Step 1 A - B	5 000 SEK
		Step 1 C	20 000 SEK

Should the participating company not be selected for continued dialogue the company will only pay a fee of 5 000 SEK for the initial step 1. A-B. Participants commit, if selected, to proceed with Step C

The project is partly financed with government money by STC. Invest Sweden's services in the project are free of charge

Conditions of payment:

- The invoice will be sent after the presentations to the Swiss investors have been carried out by the Swedish Trade Council and Invest in Sweden Agency
- Participants commits if selected to proceed with Step C - D
- Invoicing will be made in SEK – conditions of payment is 20 days after the date of invoice – VAT will be added when applicable
- Swedish Trade Council's "General Conditions for Assignments, September 29, 2006" apply to the project

*** **We hereby certify that:** our company has no more than 50 employees; our company has an annual turnover of no more than 10 million EUR; our company is not owned or controlled to the order of more than 25% by one or more companies jointly that do not themselves fulfill the aforementioned requirements; our company is not a part of a group of companies with more than 250 employees or annual turnover of 50 million EUR

The proposal is hereby accepted by:

(signature)

(date)

(name)

(company)

(invoice address)

Please send signed copy via e-mail or fax to:

Anna Nordström, Swedish Trade Council,

E-mail: anna.nordstrom@swedishtrade.se / Fax: +41 44 287 30 05

SWEDISH TRADE COUNCIL

General Conditions for Assignments, September 29, 2006

1. Applicability of Terms

The following General Conditions of Assignments ("Terms") are applicable to all assignments that the Swedish Trade Council, including any of its foreign branch offices and owned privately held companies (jointly hereinafter referred to as "STC"), undertake on behalf of a client. These Terms may not be modified in any respect by any verbal statement, representation, or agreement made by any employee, officer, or representative of STC, or by any written document unless it is signed by a duly authorized officer of STC and the client.

2. Contracts for Assignments

Assignment shall be in writing and be based on a written proposal by STC to the client (the "Proposal"). Such Proposal must be signed and dated by a duly authorized representative of STC and shall be valid for one (1) calendar month, unless otherwise specifically stated in writing in the Proposal. A contract shall be established and become binding upon STC and a client upon acceptance of such Proposal, evidenced by execution by a duly authorized officer of client and, if required by the terms of a specific Contract, the receipt by STC of payment from client of any required up-front fee ("Contract").

3. STC Project Teams

In the event a Contract by its terms assigns a STC project team for the fulfillment of any part or all of a Contract, STC expressly reserves the right to in its discretion at any time exchange a STC project team member. STC shall provide notice to a client of such change in a timely fashion taking into account the specific circumstances at the time and will make a reasonable effort to inform a client of any such anticipated change in advance.

To accomplish an assignment goal, STC may from time to time in its discretion engage external professional service providers, in which case STC agrees to inform the client of the identity of such external professional service provider(s) and the part of an agreed assignment under a Contract such external professional service provider is being utilized.

4. Referrals

It is understood that STC may from time to time outside the scope of a Contract assignment refer a client to other professional service providers. Although STC makes every effort to

refer clients only to external professional service providers known to perform quality services and in a professional manner, STC does not under any circumstances warrant or guarantee to a client the outcome or quality of such service provider's engagement. Such referral shall be made by STC as a courtesy and deemed as information provided for the benefit of the client only. The engagement of and all fees related to services rendered by such professional service provider shall be the client's sole responsibility.

5. Fees

Fees for assignments carried out by STC pursuant to a binding Contract shall be stated in SEK and shall be exclusive of VAT, out-of-pocket expenses or local public charges or taxes. Any local public charges, taxes or other out-of-pocket expenses necessary for the fulfillment of an assignment shall be the responsibility of the client.

6. Terms of Payment

Invoices for assignments shall be paid by client in full no later than twenty (20) days from the date of invoice. Unless otherwise specifically agreed in writing between STC and a client, invoicing and payment shall be in SEK.

In the event STC has incurred out-of-pocket expenses on behalf of a client in local currency, such expenses shall be charged to the client pursuant to the SEK currency exchange rate at the date of invoice. If the currency exchange rate has changed by more than 5% between the date of invoice and payment, STC reserves the right to adjust its charge to a client accordingly.

In the event of late payment penalty interest shall be due and payable to STC at the current Swedish reference rate ("referensränta") plus eight (8) percentage points. Any costs for collection or other measures to obtain payment are for the client account, including attorneys' fees.

STC reserves the right to at any time client is more than thirty (30) days past due in payment of an outstanding invoice, in addition to remedies provided elsewhere herein or in the Contract, temporarily suspend providing services under the Contract and until such time client has submitted payment in full, unless otherwise agreed in writing between the STC and the client.

7. Term and Early Termination of Contract

The term of an assignment shall be specified in the Contract.

STC is entitled to terminate a Contract with immediate effect if the client (i) is in breach of any of the material terms or conditions of the Contract and shall fail to cure such default within thirty (30) days after receipt of notice in writing from STC of the default complained of, giving reasonable particulars of such default and the intention of STC to terminate the Contract pursuant to this paragraph unless such default is cured; (ii) jeopardizes the purpose or carrying out of the assignment; (iii) is judicially declared bankrupt or insolvent by a court in the jurisdiction in which its principal office is located, makes an assignment for the benefit of, or enters into a compromise with its creditors, institutes bankruptcy or insolvency proceedings of any kind or proceedings for winding up its affairs or for the appointment of a receiver or similar official with respect to its assets, becomes a party to a dissolution proceeding; (iv) supplies incorrect or misleading information to STC; or (v) engages in activities that are illegal, fraudulent, or against public policy in Sweden or in any other country where services are to be delivered by STC pursuant to a Contract.

The client is entitled to terminate a Contract in progress at any time by providing thirty (30) days prior written notice to STC, unless otherwise agreed in writing between STC and the client, and by paying a cancellation fee equal to 25% of the agreed upon fee for the uncompleted portion of the Contract.

Termination of a Contract under the above paragraphs shall not affect the client's obligation to pay for services performed by STC up to the effective date of termination or expenses reasonably incurred by STC for which STC is entitled to reimbursement.

8. Obligations of the Parties

Client shall provide STC with accurate and sufficient information and resources necessary for STC to perform the duties called for by the Contract. Client shall dedicate at least one staff person to assist STC's personnel in coordinating STC's efforts under the Contract and as more specifically described in the specific Contract.

Such client staff person(s) shall be available throughout the term of the Contract and shall act as a central contact and liaison between STC's and client. STC shall perform the duties of the Contract in a professional and workmanlike manner and in compliance with applicable

local laws, rules and regulations.

THE FOREGOING OBLIGATIONS AND WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL WARRANTIES OF QUALITY OF PERFORMANCE, SPECIFIC OUTCOME OF ASSIGNMENTS, WRITTEN, ORAL OR IMPLIED. ALL OTHER WARRANTIES, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, PERFORMANCE AND FITNESS OF SERVICES RENDERED FOR PARTICULAR PURPOSE ARE HEREBY DISCLAIMED.

9. Limitation of Remedies and Liability

STC's liability on a claim, whether in contract, negligence, tort, strict liability or otherwise, arising in whole or in part out of the Contract shall in no case exceed the lesser of the fees paid by the client to STC under the Contract or the fees paid to STC for the portion of Contract which give rise to the claim. These remedies shall be client's sole and exclusive remedy and in lieu of all other remedies available at law or in equity for any act performed, or allegedly not performed, in connection with the Contract, or for any breach of the Contract, whether brought under a theory of tort liability, contract liability or any other theory.

STC's liability with respect to the quality and conformity of services supplied to client shall be limited to the provision of the warranties set forth above. **IN NO EVENT SHALL STC BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, WHETHER FOR BREACH OF WARRANTY OR CONTRACT, NEGLIGENCE OR OTHER TORT, STRICT LIABILITY OR OTHER THEORIES OF LAW.**

Without limiting the generality of the foregoing, STC shall under no circumstances have responsibility to compensate client for losses or costs to client stemming from inaccuracies or omissions in information provided by client to STC in connection with the performance of the contracted assignment.

10. Defense and Indemnification

Client shall indemnify, and at its sole expense, defend and hold STC and its employees or representatives harmless from and against any and all claims or suits by a third party against STC or any of its employees or representatives, or any liabilities or judgments based thereon (including, without limitation, attorneys' fees and other costs incurred in defending any action), arising from STC's performance under the terms of a Contract with client, including as a result of services provided by a STC employee, representative, independent contractor or professional service provider engaged by STC.

11. Hiring of STC Personnel

STC's personnel are trained and their expertise maintained at considerable cost to STC. STC accordingly requests that client not solicit STC's personnel for work directly for the client. In any event, client agrees that, without the prior written consent of STC, client shall not solicit or hire any current or former employee of STC, who has been engaged, or worked, directly or indirectly with the client as part of a Contract, until the expiration of six (6) months following the termination of the Contract (the "Minimum Period"). Client furthermore agrees to give STC not less than thirty (30) days prior written notice that client intends to hire any current or former STC personnel after the Minimum Period.

12. Force Majeure

STC shall be excused from performance of any of the duties of an Contract for any period and to the extent that STC is prevented from performing any services, in the whole or in part, as a result of delays caused by the client, and act of God, war, civil disturbance, court order, labor dispute, third party nonperformance, or other cause beyond STC's reasonable control or which STC could not reasonably anticipate and which unreasonably adds to the cost of carrying out the assignment. STC shall as soon as possible after the event constituting force majeure is considered to exist inform the client in an appropriate manner. Should the assignment be postponed for six (6) months or more the Contract shall be cancelled, unless otherwise agreed by the client and STC in writing. Should the assignment thus be cancelled, STC is entitled to payment for accrued costs on behalf of the client up until the date of cancellation.

13. Disputes

Contracts shall be governed by and construed in accordance with the laws of the Kingdom of Sweden. Disputes concerning the interpretation or application of contracted assignments and legal matters connected therewith shall be finally settled by arbitration in Stockholm, Sweden, in accordance with the rules of the Arbitration Institute of the Stockholm Chamber of Commerce. If in the case of dispute the value of what is claimed clearly does not exceed ten times the current base amount (under the Swedish National Insurance Act) at the time of instituting the arbitration proceedings, the dispute shall finally be settled by arbitration in accordance with the Rules of the Arbitration Institute on simplified proceedings.

14. Waiver

The failure of either STC or Client to enforce at any time any provision of these Terms or a

Contract or to exercise any option which is therein provided or to require or to fail to require at any time performance by the other party of any provision thereof shall in no way affect the validity of these Terms or the Contract or any part thereof or the right of such foregoing party thereafter to enforce its rights thereunder, nor shall it be taken to constitute a waiver of the default of any other or subsequent default or breach by the other party.

15. Invalid or Unenforceable Provisions

If any provision of these Terms or a Contract, or the application thereof to any person or circumstance should, for any reason and to any extent, be invalid or unenforceable, the remainder of these Terms and Contract and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law in the jurisdiction where applied.

16. Amendment

A Contract may only be amended if in writing and signed by a duly authorized representative of the STC and client, respectively.

17. Independent Contractors

Neither these Terms or a Contract shall constitute STC an agent of client or client an agent of STC for any purpose whatsoever and neither STC or client shall have the authority to assume or to incur any obligations or responsibility, express or implied, for or on behalf of or in the name of the other, nor to bind the other in any other matter or form than specifically stated in a Contract.

18. Prior Agreements

A Contract between the STC and a client shall constitute the final agreement between such parties as pertains to the subject matter of such Contract and shall supersede any and all prior agreements and understandings, whether oral or written between STC and client.

19. Miscellaneous

In the event of any conflict or inconsistency between the English and Swedish versions of these Terms, the terms of the English version shall prevail.