

Galantos Pharma Finalized B-Financing Round for the Development of its Next Generation Alzheimer's Medicine.

Leadinvestor equinet Venture Partners heads 2.8 Mio. EUR investment together with KfW, HTGF and ISB.

Mainz/Frankfurt/Bonn, September 6th 2007, Galantos Pharma announced the successful completion of its B-financing round, enabling complete preclinical development and progression to clinical studies of its novel Alzheimer's medication. The 2.8 M€ of fresh money came from lead investor equinet Venture Partners AG managing the RPF (Rheinlandpfalz Fonds) and the EAP Start-Fonds of the KfW. Further investments came from the investors of the A-financing round: the HTGF ("High-Tech Gruenderfond") and the FIB fond of the ISB (Investitions- und Strukturbank Rheinland-Pfalz).

It is expected that the novel cholinergic enhancer of Galantos Pharma GmbH will show improved efficacy at a much reduced side effects profile. The goal is to have patients go directly to the effective dose without side effects, instead of the currently necessary months-long dose increases. The slow dose increases are necessary due to the initial side effects, which are typical for all effective Alzheimer medications currently on the market.

Prof. Maelicke, CSO of Galantos Pharma commented: "We are delighted to have gained the confidence of our Investors for this second step in the development of our company. Our goal is to develop a novel treatment for Alzheimer's dementia that will be well accepted by patients and their caregivers, as it will not have the complications of problematic side effects, and as it will result in immediate onset of efficacy. We hope to finalize our pre-clinical development for our best candidate drug by the end of 2008 so that clinical studies can commence in 2009". It can be expected that clinical studies will be drastically reduced in time and cost, as the active drug, being released from the pro-drug directly at the site of action in the brain, has received market approval already in 2001.

The B-financing round was possible after all milestones of the A-round were successfully achieved. The Galantos Pharma team has demonstrated proof of concept for its pro-drug approach, including improved penetration into the brain, on-site cleavage of pro-drug to active drug and suitable pharmacokinetic profiles. Currently a limited set of successful drug candidates is further optimized and investigated in efficacy studies to select the best candidate for clinical development.

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About Galantos Pharma GmbH

Galantos Pharma GmbH was founded in 2005. The company develops innovative medication for neurodegenerative diseases with a focus on Alzheimer's dementia. It develops neuro-protective and preventive pharmaceuticals parallel to the optimization of the approved natural compound galantamine. The company is utilizing the long-term experience and established technology platform of the founders in the areas of (natural product) synthesis, mechanism of action, molecular medicine and neuro-pharmacology as well as an international network of experts for pre-clinical and clinical development of novel medications.

www.galantos.com

About equinet Venture Partners

Equinet Venture Partners, Frankfurt a.M. is the venture capital arm of the investment bank equinet AG. eVP invests in fast growing technology companies utilizing their currently three venture capital funds of 105 Mio. EUR. So far ten investments came from the VRP Funds e.g.: Mobotix, Phenex, Ganymed and others.

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About KfW Mittelstandsbank

KfW Mittelstandsbank supports founders, self employed professionals, inventors and medium size companies by means of classical loans, Investments and mezzanine financings and advise. For 2006 the total capital invested amounted to 12.6 billion EUR.

KfW Mittelstandsbank invests in the early stage and later stages of companies. It offers Start-Ups and technology focussed companies (TU), as well as established middle size companies, tailored and transparent offers for their financing.

The ERP-Startfonds is one of its investment instruments and offers small TUs active investments or loans up to 3 Mio EUR as part of an investment round. An important requirement is the investment of at least equal funds by an independent lead investor, who oversees and manages the company closely as determined in the cooperation contract.

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About the High-Tech Gründerfonds (HTGF)

HTGF invests venture capital into newly founded and high potential technology ventures, which utilize promising research results as the basis of their companies. The idea is to provide seed financing of up-to 500.0000 EUR to support the research and development of a prototype or result in a proof-of-principle, which will justify a further investment or enable market entrance. It is expected that a side investment of 20% (10% in the former East Germany) of the funds provided by the HTGF is co-invested by the founders or another investor. Through its investment HTGF gains 15% of the shares of its portfolio companies. The HTGF is a result of the initiative "Partners for Innovation" and has a total financial volume of 272 million EUR. Investors of the "public-private partnerships" are the German Minister for Economy and Technology, the KfW bank group as well as six industry partners: BASF, Deutsche Telekom, Siemens, DaimlerChrysler, Robert Bosch und Carl Zeiss.

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About FIB Fonds for Innovation and Employment in Rheinland-Pfalz

FIB is a spin-off of the Investitions- und Strukturbank Rheinland-Pfalz (ISB) GmbH, the central institution for the advancement of the economy of the county of Rheinland-Pfalz, and the KfW.

FIB supports small to medium size companies in Rheinland-Pfalz in the financing of technology-focused or employment-enhancing endeavors through investments at favorable conditions. Co-investments in collaboration with other instruments of the ISB are possible enabling financing as a one-stop-shop using instruments like grants, guaranties, favorable loans and the support for finding suitable vesting and additional investments in a timely manner.

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