



November 14, 2005

m·phasys and Fraunhofer Institute to collaborate on GPCR Antibodies for Therapeutic and Diagnostic use

TÜBINGEN, AACHEN, Germany, November 14, 2005. - m·phasys GmbH and Fraunhofer Institute of Molecular Biology and Applied Ecology IME today announced the signing of a collaboration agreement aimed at the generation of monoclonal antibodies to human GPCR cancer targets. In this collaboration, initially termed for one year but subject to extension, m·phasys will deliver two GPCR targets known to be critical in the progression of several cancer types and for certain lung diseases, to Fraunhofer IME in a purified, functional form. Fraunhofer IME will use the GPCR antigens for the production of monoclonal antibodies that might functionally block the targets. The antibodies will be collaboratively taken through early preclinical development and then offered to third parties for in-licensing.

"This agreement is a major milestone turning m·phasys from a technology-centred into a product-focussed company", stated Armin Peter Czernilofsky, consulting business developer at m·phasys. "Proof of concept studies with a model GPCR have previously shown that m·phasys' proprietary M-FOLD™ technology is able to deliver purified antigens that can be used to successfully generate antibodies against these difficult targets. These results will at this moment be turned into real value by using highly relevant cancer targets as antigens. Fraunhofer IME is an excellent partner with high standards in monoclonal antibody generation, antibody engineering and protein production facilities".

"Using the unique M-FOLD™ technology, Fraunhofer IME will dramatically improve its immunization strategies and use its monoclonal antibody technologies as well as protein engineering capacities to generate tailor-made proteins for cancer diagnosis and therapy" confirmed Stefan Barth, head of the department of pharmaceutical product development.

"Together with m·phasys we are confident to generate novel proprietary rights and generate a strong basis allowing penetration into the antibody-based pharmaceutical market."

About Fraunhofer IME:

The Fraunhofer Institute for Molecular Biology and Applied Ecology (IME), headed by Prof. Dr. Rainer Fischer, was founded in 1953 and conducts research in the field of applied life sciences from a molecular level to entire ecosystems. 180 employees in Germany and the USA offer research and development services for molecular medicine, agriculture and environmental sciences with the main emphasis on the diagnosis and therapy of human, animal and plant diseases, integrated production technologies for biopharmaceuticals, the protection and improvement of food and feed stocks, the risk assessment of synthetic and biogenous substances for consumer and environment, and the development of strategies for minimization of risks. The interdisciplinary organization of the institute as well as state-of-the-art infrastructure and equipment for life science research provide the basis for the solution of complex R&D tasks in the areas of molecular biology, biotechnology, medicine, microbiology, environmental chemistry, ecotoxicology and ecology. The institute has pioneered the expression of recombinant antibodies in plants and is now establishing a cGMP

facility for the production and downstream processing of pharmaceutical proteins from a wide variety of expression hosts.

About m-phasys:

m-phasys GmbH was founded in 1999 by Dr. Hans Kiefer, Dr. Wolfgang Vogt, Marc Lohrmann and i.con. innovation GmbH. Today, a 20-strong research team is working on the continued development of the patented M-FOLD™ technology. The company specialises in the production of high-purity, biologically active G protein-coupled receptors (GPCRs) and ion channels from a bacterial expression system. The proprietary M-FOLD™ technology allows to prepare refolded receptor proteins against which monoclonal antibodies can be generated.

TechnoStart Ventures, Gradus Ventures, Heidelberg Innovation, Grazia Equity, the KfW banking group and private investors have all invested in m-phasys.

Media contact:

Dr. Hans Kiefer

CSO

m-phasys GmbH

Vor dem Kreuzberg 17

72070 Tübingen

Phone: +49 (7071) 7945 14

Hans.Kiefer@m-phasys.com