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**m-phasys Completes Series C Financing  
and Sets Up New Business Unit "Therapeutic Anti-GPCR Antibodies"**

*TÜBINGEN, Germany – February 8<sup>th</sup>, 2005* – m-phasys GmbH today announced the closing of its series C private equity financing with the KfW Bankengruppe joining the existing syndicate Grazia Equity, Gradus Ventures, Heidelberg Innovation and TechnoStart Ventures.

In response to strong market demand from pharmaceutical and biotech customers, m-phasys will use the proceeds to expand its business activities in the area of therapeutic and diagnostic antibodies against human membrane proteins.

Membrane proteins, the core expertise of m-phasys, form the most valuable, though technically most challenging drug target class. Efforts to generate antibodies of sufficient quality against membrane targets often failed in the past due to the inability to provide the antigen in a sufficiently pure, stable form.

In a technological breakthrough, m-phasys together with partners from industry and academia recently succeeded in generating high quality anti-GPCR antibodies by applying its proprietary M-FOLD™ platform both with phage- and mouse-based antibody technologies. Direct comparison confirmed that only antigens produced by M-FOLD™ resulted in antibodies with the required affinity, biological activity and selectivity.

m-phasys will now extend its current collaborations and look for additional partners in the antibody field.

"This investment provides the financial strength to establish an additional business and substantially leverage our M-FOLD™ platform", says Hans Kiefer, CSO of m-phasys. "We are pleased with the strong support from our investors and their recognition of our recent break-through in the antibody field. The current investment will carry the company comfortably to mid 2007. It will allow



us to build a sustainable business not only in the antibody area, but also to continue our efforts in structural analysis of membrane proteins at unabated speed."

"This financing will give m-phasys the power to accelerate its commercial program in the antibody field, especially with regard to the very attractive anti-GPCR antibodies opportunity", says Bettina Krüger-Derst, Senior Investment Manager at KfW Bankengruppe. "The KfW is delighted about supporting m-phasys' excellent prospects of attracting customers and potential strategic partners."

### **Service:**

About m-phasys

Privately-held **m-phasys GmbH** was formed in 2000 to commercialise membrane protein production technologies developed by Dr. Hans Kiefer. The company is focused on the production of ultra-pure, active GPCR and ion channels in proprietary E.coli expression systems. m-phasys investors comprise TechnoStart Ventures, Gradus Ventures, Heidelberg Innovation, Grazia Equity, the KfW Bankengruppe and private investors.

For more information, please visit [www.m-phasys.com](http://www.m-phasys.com)

About KfW

**KfW Bankengruppe** gives impetus to economic, social and ecological development worldwide. With its long-term, low-interest loans KfW Bankengruppe promotes small and medium-sized enterprises and business start-ups, among others. In addition, the bank stimulates innovations and the equity capital market, advances environmental protection and encourages the expansion of municipal infrastructure. But KfW Bankengruppe does not limit its role to investment finance inside Germany as it is also engaged in export and project finance, the promotion of developing countries and advisory and other services. Through KfW Mittelstandsbank it promotes SMEs and business start-ups by granting classical promotional loans and innovative financings. KfW Mittelstandsbank was established following the merger of DtA (Deutsche Ausgleichsbank) and KfW in July 2003. The goal is to confront tomorrow's problems today with promising, future-oriented solutions. To accomplish this KfW has developed model solutions to take up the challenges that long-term SME financing faces in the wake of "Basel II".

For more information, please visit [www.kfw.de](http://www.kfw.de)

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