

PheneX Pharmaceuticals AG

Press Release

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PheneX AG acquires assets of Nuclear Receptor Research unit from LION bioscience AG

PheneX founders' team performs a "true" management buy-out

Heidelberg, November 13th, 2003

PheneX Pharmaceuticals AG today announced that they have acquired all necessary assets that enable them to continue the drug discovery activities from the former research unit iD3 from LION bioscience AG. PheneX AG has directly secured patents on lead series, chemistry composition of matter and Nuclear Receptor related patents. In a related transaction the founders' team has privately bought out the necessary lab equipment, devices and compound libraries for an undisclosed sum in cash. These assets will be brought into the company by the founders' team, soon.

„This is certainly a major landmark in our strategy to establish a truly independent drug discovery company,” comments Dr. Claus Kremoser, CEO of PheneX AG. “We are grateful to LION that they enabled this direct management buy-out.

And we believe that this is a good deal for both sides and it enables PheneX to directly and independently deal with partners from the pharma and venture finance industry. And last but not least: This is a real proof of our entrepreneurship since we use our private and not other people's money for this step.”

"In a difficult and challenging economical environment, it is a real success for a young founders' team to establish a new company. After LION's decision to discontinue with the Nuclear Receptor Program, we wanted to support a new way to use the assets for future

research programs" said Dr. Daniel Keesman, Chief Business Officer of LION bioscience AG. "We are glad that this happens now with previous LION employees".

"Now we have all necessary prerequisites to close a financing round," adds Thomas Hoffmann, CFO of PheneX. "With the company in 100% ownership of the founders and a steady positive cash flow from partnering deals with now more than 4 customers we are in a good shape to lead our ongoing discussions with Venture Capital companies to a successful end. There are only few examples of drug discovery companies in Germany which are profitable – we are so since two quarters! However, in order to be able to invest intensely into our drug candidate projects, we need to bring in risk capital, be it from VC companies, business angels or even strategic partners from the industry. The current discussions that we have with investors of all three types make me positive that we will reach this next goal, soon."

About PheneX:

PheneX Pharmaceuticals AG was founded by six former senior scientists and executives from the drug discovery unit of LION bioscience AG together with Prof. Dr. Günther Schütz from the German Cancer Research Center (DKFZ) in Heidelberg. The company focusses on the identification and analysis of novel selective drug candidates that target Nuclear Receptors using its *SNuRM* technology (= **S**elective **N**uclear **R**eceptor **M**odulators = SNuRMs). Currently, PheneX is solely owned and financed by its founders and generates revenues through research collaborations with international partners from the pharmaceutical and biotech industries.

The *SNuRM* -Technology combines automated protein interaction analysis with Nuclear Receptor specific gene expression analysis. Nuclear Receptors are generally known as excellent drug targets. With some Nuclear Receptors the unusual phenomenon can be observed that the same ligand at the same receptor can be stimulatory as well as inhibitory, depending on the chemical nature of the ligand and the tissue environment. Classical Nuclear Receptor targetted drugs tend to yield a good efficacy for their main indication at the cost of potentially severe adverse effects (e.g. estradiol for hormone replacement therapy or cortisol as an antiinflammatory glucocorticoid). PheneX' *SNuRM* – Technology analyses the molecular effects of different compounds at the targetted Nuclear Receptor and thereby contributes important information to the design of novel selective drugs with much less adverse effects.

Links: <http://www.phenex-pharma.com/>
