

## PRESS RELEASE

### The Genetics Company raises CHF 25M in Series C Financing Round

**Zürich, Switzerland - February 15, 2005** – The Genetics Company Inc., a Schlieren, Switzerland, based and privately held drug and diagnostics discovery and development company active in the fields of cancer and Alzheimer's disease announces the closing of its series C private equity financing round of CHF 25 million (EUR 16.2 million).

The round is co-led by Nextech Venture of Zurich, and Novartis Venture Fund and Varuma AG of Basel. Series B investors, the Company's key employees and founders, as well as an undisclosed private investor also contribute to this financing, which comprises fixed initial investments totaling CHF 17 million and a subsequent installment of CHF 8 million, to which all Series C investors signed an option. The total equity raised by the Company since year 2000, thus adds up to CHF 49.5 million.

The Company will use these funds to further advance into Phase I/II clinical trials its pipeline of highly innovative opportunities for cancer therapy. These are based on the inhibition of the so-called Wnt signal transduction pathway, a physiological process aberrantly active in almost all colorectal cancer patients and in the majority of liver cancer patients. The Company's small molecule Wnt-inhibitors currently are being tested for efficacy in animals and clinical trials are expected to start in 2007.

While enhancing its profile as a cancer specialist, the Company aims at partnering or divesting in the short- to medium-term its beta-secretase (BACE) inhibitors program for the therapy of Alzheimer's disease. The Company's *in silico*-chemistry derived small molecule BACE inhibitors are orally available, enter the brain, and are currently being optimized for efficacy studies in animals.

Finally, the Company will intensify the commercialization of its portfolio of unique kits and tools, which enable the selective identification of amyloid beta peptides, the perceived cause of Alzheimer's disease, and which are currently successfully used for the early diagnosis of Alzheimer's patients and biological research. The Company will also further develop novel products for the diagnosis of Alzheimer's disease, however as for its BACE inhibitors program, the Company plans to sell or spin off this business in the medium-term.

"We are very pleased to further invest in The Genetics Company. They have developed a strong commercial track record combined with excellent scientific and managerial capabilities, which together with a portfolio of exclusive assets, make the appropriate ingredients for an attractive exit within the coming years", says Alfred Scheidegger, founder and CEO of Nextech Venture, a Swiss based life science investment firm, and Chairman of the Company's Supervisory Board.

Harald Eistetter, CEO of The Genetics Company, comments "We are proud of having been able to convince both our existing and several new investors of our strategy to focus on our highly exciting cancer assets and to bring these into the clinic within the coming years, while at the same time benefiting from the outstanding commercial potential of our Alzheimer's franchise."

Andreas Ziegler, CFO/COO of The Genetics Company adds "We are happy to have received this level of trust and support in a still difficult venture capital market, especially in Europe, where investors supporting pre-clinical stage drug discovery projects aren't easy to find. We are certain that our commercial track record, which is reflected in revenues in excess of CHF 1 million generated from our Alzheimer's diagnostics business since acquisition from Abeta GmbH in mid 2003, had an impact on the investors' decision. This business continues to grow nicely."

#### **About The Genetics Company, Inc.**

The Genetics Company is a dedicated team of entrepreneurs and scientists focusing on the research, development and commercialization of innovative products for cancer therapy. It has developed a worldwide leadership position in the understanding of Wnt-signaling, a physiological process believed to playing a crucial role in the pathogenesis of colorectal and other cancer. The Company identified small molecule Wnt-inhibitors and several proprietary drug targets within the Wnt-pathway. It also owns a portfolio of innovative assets for the diagnosis and therapy of Alzheimer's disease, comprising small molecule inhibitors of beta-secretase (BACE) and a set of diagnostic kits and tools for the diagnosis and monitoring of patients suffering from Alzheimer's disease, as well as for research purposes. Located in Zurich-Schlieren, Switzerland, the Company currently has 28 employees.

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