

First biotechnology investment made by MCI Management SA.

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The latest investment of MCI Management SA was made in Finepharm sp. z o.o. (headquartered in Jelenia Góra). The company is active both in biotech and pharma markets. Its primary scope of business is the manufacturing of Active Pharmaceutical Ingredients (API), which are used by pharmaceutical companies for the production of medicines and some diet supplements. Finepharm is one of the few companies in Poland that are involved in biotechnology at the level of ongoing production.

Biotechnology comprises the usage of living organisms and cells as well as biotech and engineering sciences, which are used for the invention of products and services. Finepharm is focused on the development of biotechnology know-how and unique production and research technologies, which support the manufacturing of active pharmaceutical ingredients (API).

In the years 2007-2009 MCI will provide financing in the amount of 7 million PLN with the company in the following stages.

- First investment round in the amount of 1 million PLN is being executed through the acquisition of 20% shares in Finepharm by MCI. When certain budget criteria will be met in 2007 there will be additional co-investment of 1 million PLN.

- Second, optional investment round in the amount of 5 million PLN is scheduled for the mid of 2009 and will be executed on the basis of the valuation of cash flow generated by Finepharm. MCI will acquire 60% shares in the second investment round.

- The conditions of the investment contract stipulate preferential investment exit rights for MCI.

Monies provided by the Fund will be spent on the development of technology and

enlargement of production facilities, as well as completion of GMP implementation and the development of new portfolio of products.

â€œFinepharm is a biotechnology company established in 2003 on the basis of former production facilities, which were bought out from a pharmaceutical company Jelfa. Since 2004 the level of sales realized by Finepharm has amounted to 6 million PLN per year and the company has been involved in very expensive restructuring program focused on production facilities and laboratories. In 2006 the company had to face the following challenges:

Â- Necessity to introduce Good Manufacturing Practices, which allows to diversify the portfolio of customers and expansion into new markets;

Â- Launching a new production line of medicines registered in EU, which will be sold on a market more than 10 times bigger than the Polish one.

â€œâ€œThe successful execution of these challenges requires big investments. I am convinced that MCI with its financial involvement will make this vision happen and the production volume will be few times higher by 2011. Furthermore I believe that within next 3 years Finepharm will go public due to support provided by MCI â€œ said Jan Czarnecki, Chairman and CEO of Finepharm

Piotr Kl odnicki, an investment director in MCI, who is responsible for this project said: â€œâ€œInvestment in Finepharm is the ideal symbiosis for MCI in terms of involvement of the Fund in biotech and med-tech sectors. Furthermore this investment is also in line with the fast growth rate for these sectors in the coming years.

Finepharm is a biotechnology company, which is in its growth stage. It has a good technological, personnel and product portfolio potential. It has the access to necessary production machines and research laboratories. All these assets provide the company with market opportunities for its fast growth and the creation of shareholder value. Financial assets provided by MCI will be spent on removing the obstacles for further development of the company, mainly combined with the introduction of GMP standards, which will allow registering new medicines and active pharmaceutical ingredients. MCI has made a decision to invest in Finepharm because we see huge potential for the development of biotechnology sector in Poland and opportunities for further expansion of this company into other EU markets.â€œ

About FinePharm and its products

The company was established in 2003 as a spin-off from a pharmaceutical company Jelfa SA through the management buyout and the upgrade of the property, machinery and laboratories. Finepharm has great technological know-how and contacts with other biotechnology companies in Europe and the USA as well as the team of professionals consisting of 12 biotechnologists, who are equipped with GMP and research skills. The company assets comprise unique production technologies based on API, production facilities, R&D laboratories and experienced staff.

Products manufactured by Finepharm are based on the technologies, which were originally invented and implemented by Jan Czarnecki (PhD in biochemistry and also a founder of the company).

He has been running research for more than 30 years. He is the inventor of TFX medicine, which is used in healing hepatitis type B and C and rheumatoid inflammation of joints. TFX is one of the fifth original medicines which were accepted into therapy in the history of Polish pharmacy.

The main research focus of J.Czarnecki is the invention of active pharmaceutical ingredients.

The main products, which are either currently manufactured or planned for future production, comprise the following categories:

• Aprotinin – inhibitor of serine protease, which are used in healing of pancreatitis and heart muscle ischemia

• Pancreatine – is a mixture of liposyne, amylase and protease, medicine in this group contain pancreatine, which improve the absorption of proteins and carbohydrates

• Hialuronidase – increases the absorption of tissues, decreases the exsudation. It is used in healing phlebitis, hematoma, contusion, damaged tendons and ligaments

• TFX (thymus factor X) is stimulating for the creation of white blood cells in marrow, increases immunity against tumours, hepatitis and is used in healing using radioactive X-rays.

• Fasfoamina (new product) an ingredient used to reduce the number of calories of meals through blocking of digestive enzymes.

• Chondroitin sulphate (new product) • a unique blend of ingredients, which is to strengthen joints,

• Low- molecular heparines (new product) • used as anticoagulant for blood

• Others • own portfolio of new medicines and active pharmaceutical ingredients

The company is running production in its own production laboratories. Sales are made to domestic customers. Current and new products are prepared for foreign distribution.

In order to execute its strategy, the company is running the implementation of GMP standard to be finished between 2007 and 2008. In addition to that it is going to launch the production of certified API, other diet supplements and registered medicines.

The founder - Ryszard Czarnecki,

• Studied at the Mathematics-Physics and Chemistry Department at the University of Wrocław 1960-1966

• JeleniogÅłrskie ZakŁady Farmaceutyczne- Head of Laboratory Research 1966-1986

• PhD- Silesian Academy of Medicine 1985

• Thymoorgan GMBH, Germany, Head of Research & Development department 1987-2004

• Laureate of a great deal of technical competitions including the Master of Polish Technology Competition where he was awarded with the first place for the development of a unique medicine called TFX (thymus factor X) one of the fifth in the history of Polish pharmacy.

• Author of around 100 scientific articles published both in Poland and abroad.

• Author and co-author of numerous patents.

• Since 2003 the major shareholder and founder of Finepharm • responsible for research, development and corporate strategy.