



Valuing your enterprise

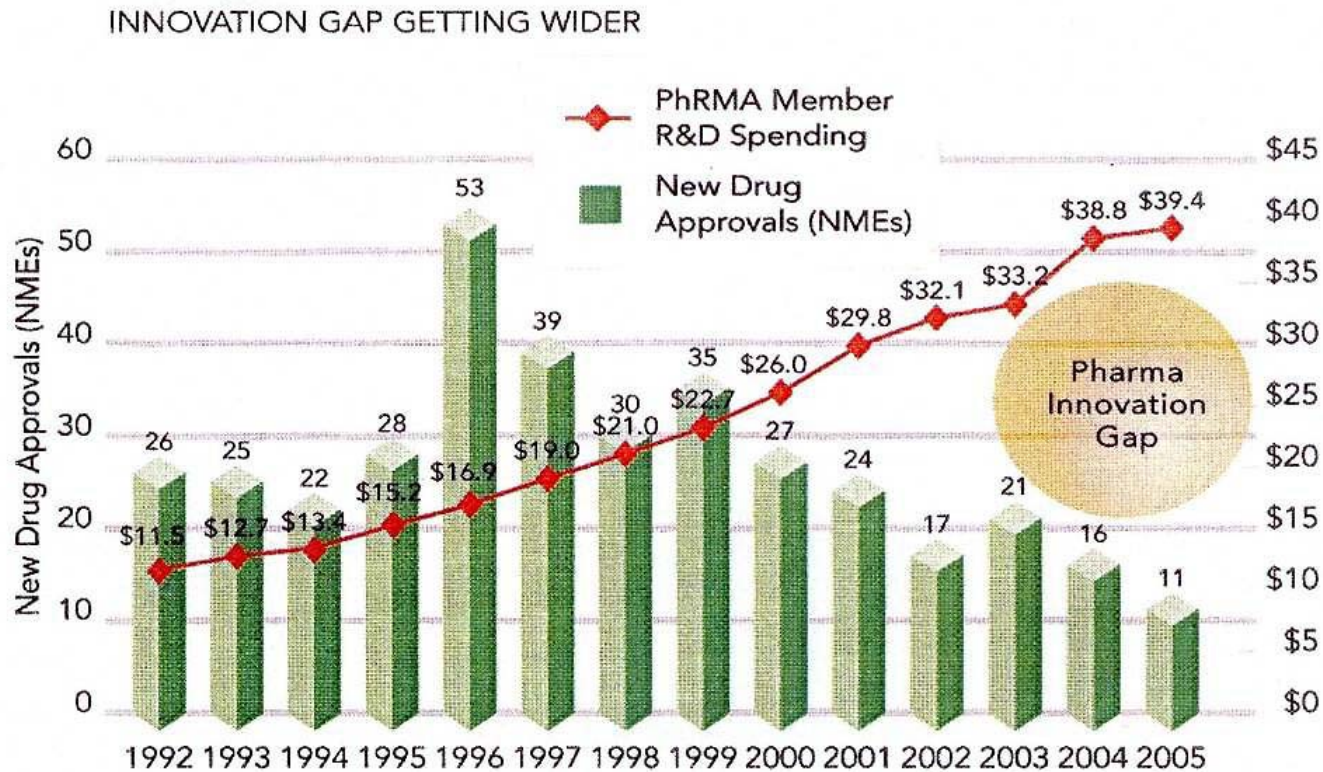
ELISSI: September 22, 2006

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Current scenario. The pharma innovation gap

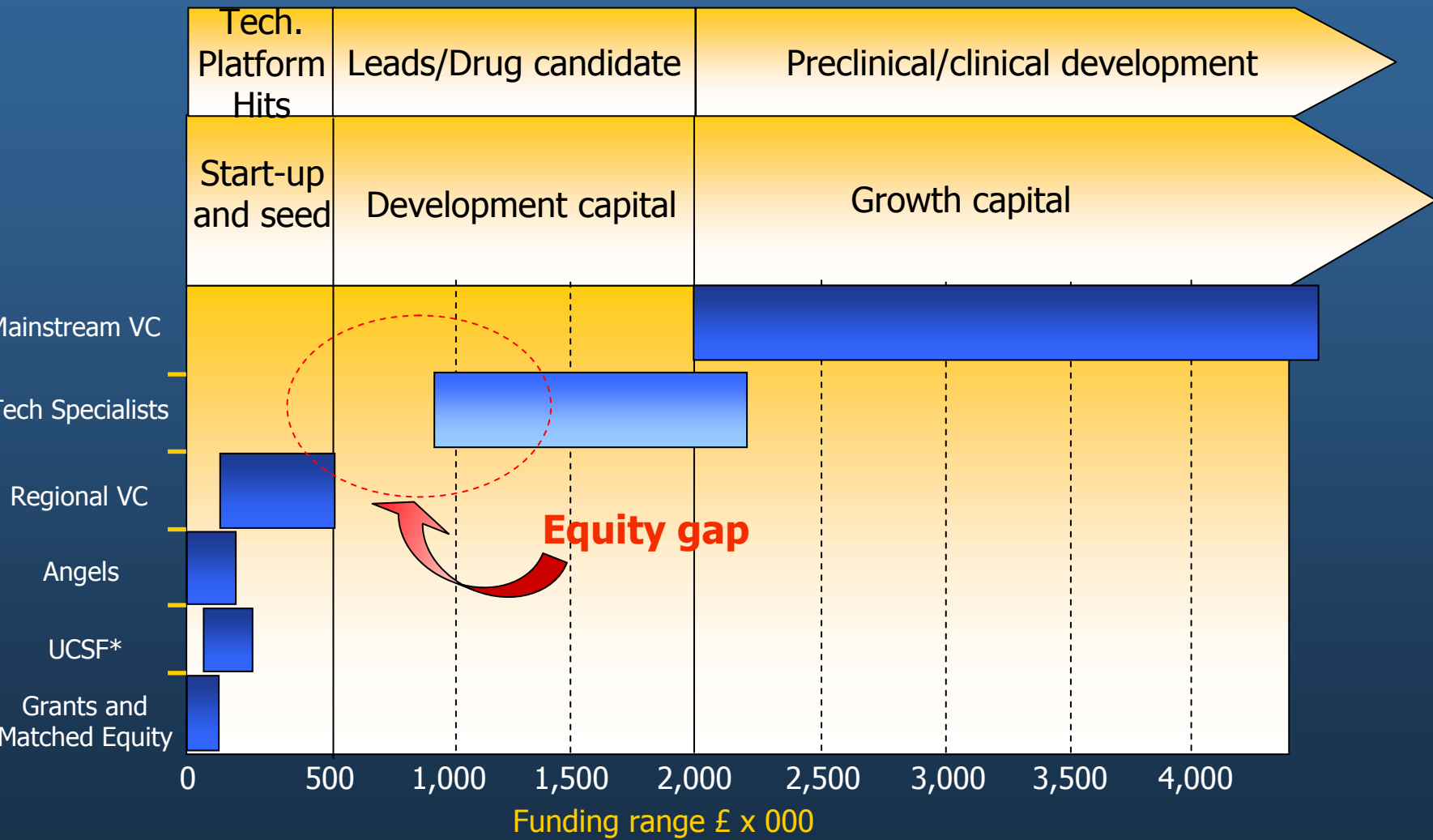


The increasing R&D costs and the reduced R&D efficiency increase challenges and opportunities for biotech companies



Source: Burrill & Company

The "equity gap"



* University Challenge Seed Funds

Source: Modified from European Biopharmaceutical Review, Spring 2006



- The traditional R&D approach is no longer sustainable
- Significant funding and expertise “gaps” exist for early-stage life science companies
- Public capital market thresholds for liquidity in both North America and the EU continue to rise

These factors demand a unique approach to life sciences investing...

Key Message

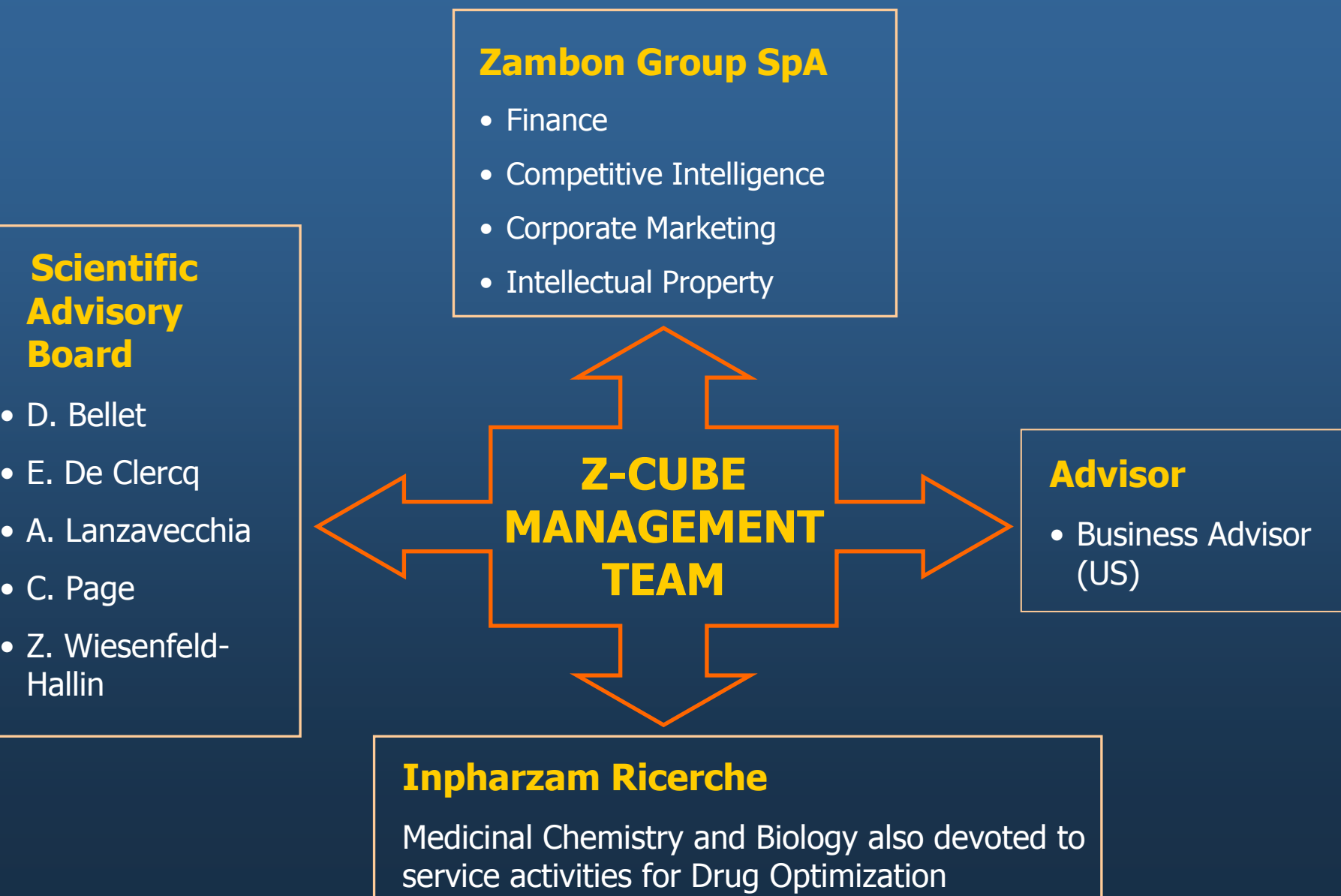


- Venture-backed companies need greater degree of R & D and business development expertise than ever before
- Z-Cube brings both sets of skills with a pharma company level of competency



- **Focus:** life science therapeutics
- **Main therapeutic areas:** respiratory, pain and inflammation, allergy and immunology, anti-infectives
- **Geographical areas:** Europe, Israel
- **Business activity**
 - Corporate venture capital, investing mainly in early stage
 - NewCos to be developed: ~12-15
 - Expert support
 - Strategic Advisory activities for NewCo formation and development
 - Strategic partnering for NewCo development
 - Leverage from pharma company expertise in different areas
- **Location:** Bresso (Milan, Italy)

Z-Cube integrates competencies for NewCo success



The Z-Cube Process for Start-up Companies

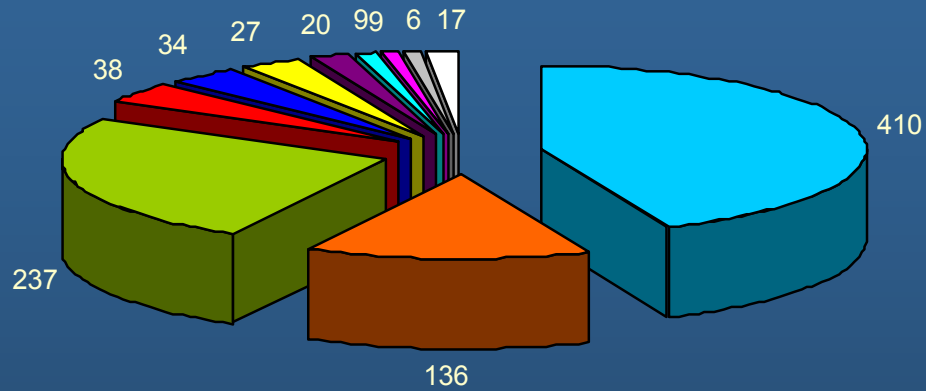


- **Z-CUBE** will fund selected projects with a seed investment to develop the Business Plan
- Each project will be assigned a **project coordinator** and **professional team from Z-Cube/Zambon**. This will ensure the development of a validated and marketable business plan with maximum financing potential
- **Z-Cube** designed to invest in and syndicate the early financing rounds for the NewCos
- **Z-Cube** will support the NewCo with growth capital and its relationship network going forward

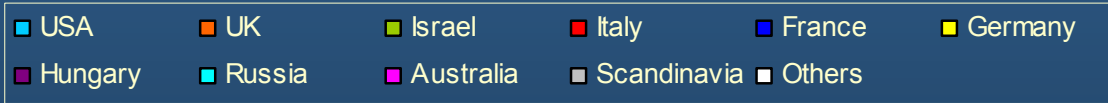


- Z-Cube s.r.l. operationalized in March 2003 by Zambon as a corporate incubator of new companies
- Z-Cube performance to date:
 - about 1000 projects screened to date
 - 8 projects selected for sponsorship (5 in Europe, 3 in U.S.)
 - 3 companies to date launched and targeted for investment

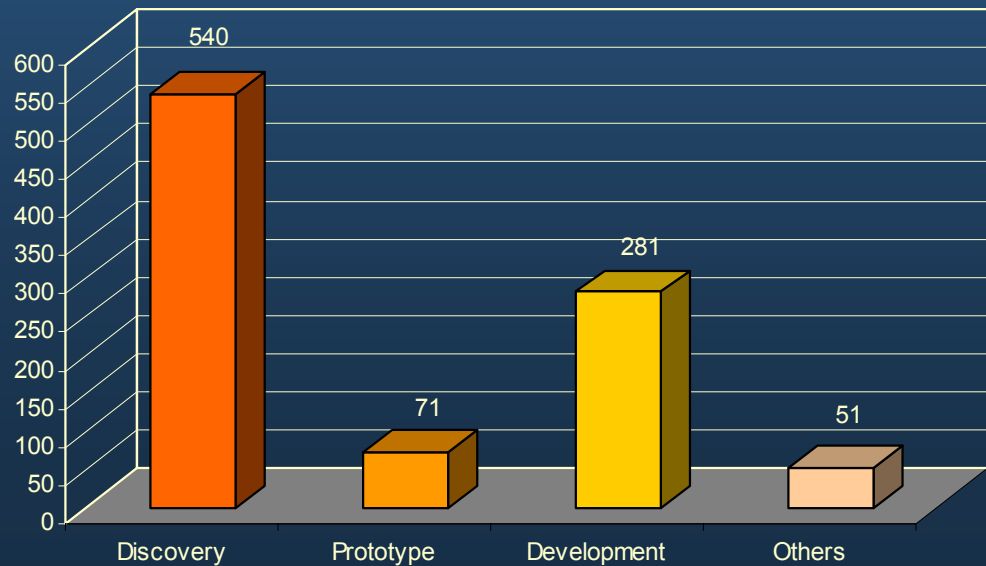
Proposals received up to June 2006



Geographic distribution



Development stage





Idea/technology

- **Innovative Target**
- **Feasible approach**
- **Intellectual Property**



Market

- **Unmet Medical needs**
- **Competitive advantages**



The proponent:

- Dynamic researchers/team of scientists with a track record of publications in peer reviewed journals and/or successful industrial collaborations
- Strong entrepreneurial attitude and willingness to support a NewCo creation *OR* Company recently formed

Target at end of incubation/ company launch



- Company created/consolidated
- IP secured
- Lead project/product no more than 12-18 months from IND
- Minimal staff on board (at least CEO)



Z-Cube support is not limited to creating and financing the NewCos:

- Expertise of a professional team to deliver a marketable VC-grade Business Plan
- First class competences in R&D, clinical development, project management, support for regulatory strategy and market positioning, business development
- Leverage from Zambon Pharma key competences in intellectual property, legal, finance, strategic marketing
- Leverage from DOIT (Inpharzam) research centre for technical assessments, drug optimization and library testing
- As lead investor, syndicating capitals from third party investors
- Support in company staffing and financing

NewCos launched



SuppreMol GmbH - Max Planck Society, Munich

Development of recombinant Soluble Fc receptors in Idiopathic Thrombocytopenic Purpura with upside potential to rheumatoid arthritis, lupus erythematosus and multiple sclerosis

PharmEste srl - University of Ferrara

Development of orally available, high affinity and selective capsaicin receptor (vanilloid receptor, VR1) antagonists for the treatment of Neuropathic Pain and bladder hyperactivity (incontinence)

Elagen Inc.- UMASS and Tufts University, Boston

Development novel therapeutics to effectively treat diseases caused by the human papillomavirus (HPV)



- Z-Cube srl: venture capital arm of Zambon Group launched in 2003
- Employing an innovative investment strategy focused on Z-Cube-facilitated start-ups
- Designed to fully leverage the extensive pharma resources
- This unique approach represents an efficacious response to the overall difficult scenario in life science investing