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## **Novagali Pharma completes second financing round of 14.2 million euros**

### **Novagali Pharma will use new funds for clinical trials of its ophthalmic products and to develop new applications for its innovative technology**

Evry, France, September 20, 2004 – Novagali Pharma, a drug delivery specialist using cationic emulsions to address ophthalmic and other applications including oncology, announces today the completion of its second round of financing. The total amount raised is EUR14.2 million.

New investors Edmond de Rothschild Investment Partners and Siparex Ventures participated in the funding along with previous investors CDC Enterprise Innovation, Auriga Ventures, 1.2.3. Multinova (1.2.3. Ventures), FJCE Co-Investment Funds for Young Enterprises (CDC-PME), and CPR Private Equity (Crédit Agricole Group).

The new capital brings the total funding raised by Novagali Pharma to EUR17.98 million. The Series A funding, EUR3.78 million, from CDC and Auriga, took place in 2000. The latest round was split into EUR5 million in November 2003 (CDC, Auriga, 1.2.3. Ventures, FCJE and CPR Private Equity) and EUR9.2 million in September 2004 (CDC, Auriga, 1.2.3. Ventures, FCJE, Rothschild and Siparex).

Novagali Pharma will use the funds primarily to continue the clinical development of a series of products for the treatment of diseases of the anterior and posterior segments of the eye, respectively dry eye syndrome and glaucoma and age-related macular degeneration and diabetic retinopathy. Two Phase II clinical trials are already ongoing in ophthalmology. The money will also be used to accelerate the development of other products for ophthalmic pathologies as well as in oncology with a Phase I clinical study on an oral formulation of Paclitaxel now about to start. Paclitaxel is chemotherapy that is given as a treatment for some types of cancer. It is most commonly used to treat breast, ovarian and non-small cell lung cancer.

“The amount of the new funding is an encouraging endorsement of our approach to drug delivery using cationic nanoemulsions,” said Jérôme Martinez, Novagali’s President and Chief Executive Officer. “It means we can accelerate the clinical development of our lead dry eye product, Cationorm (TM), and also increase our R&D for other pathologies. We have a number



of products in our pipeline and believe we are the only company with the technology to deliver active compounds to the back of the eye in therapeutic quantities following topical administration."

"The attraction of Novagali Pharma's strategy is that the technology is now mature, and has been used in several products already at the clinical stage," said Raphaël Wisniewski, who joined Novagali's Advisory Board as a representative of Edmond de Rothschild Investment Partners. "This paves the way for the aggressive development of a second wave of highly sophisticated projects for therapeutic areas where today the increasing demands of patients and physicians remain unanswered. Novagali's expansion in the long term is also assured thanks to the continual development of new potential applications of its technology, discovered in collaboration with international leaders in the field of ophthalmology."

"Recent clinical trial results provide an excellent foundation for developing new projects, and convinced us that we should play a significant part in this second round of financing," said Paul Tholly of Siparex Ventures. "Novagali has been careful to target projects with strong commercial potential and these factors, together with the robustness of the technology, the validation of the production process and the collaboration projects already under way with big pharma, played a role in our investment decision."

**About Novagali Pharma** <http://www.novagali.com>

Novagali Pharma, Evry, near Paris, develops innovative drug delivery technologies focused on ophthalmology and oncology. Created in 2000, Novagali already has a number of products in Phase I and II clinical trials. These include ophthalmic emulsions to treat dry eye syndrome and orally administered anti-cancer drugs.

The technology is based on cationic nano-emulsions. The originality of this approach lies in creating emulsion droplets with positive charges on their surface (whereas these droplets usually have negative charges). Thanks to this, the positive emulsion droplets are attracted to all biological membranes as the latter are negatively charged. Novagali's nano-emulsion droplets are about 150 nanometers in size and allow the formulation of a wide range of molecules while enhancing their absorption and effectiveness. This technology platform can be applied in many delivery applications, including ocular, oral, injectable and dermatological, and also across a variety of therapeutic areas.

Other developments under way include the treatment of various eye pathologies, such as age-related macular degeneration (ARMD) which is on the increase and can cause blindness.