

BioMedInvest leads Series A financing round of Oncalis AG

Basel, September 6, 2006

BioMedInvest announces the spin-out of the kinase inhibitor programs from Esbatech AG to form Oncalis AG. The new company will focus on novel, targeted small molecule cancer therapeutics. The Series A financing round is led by BioMedInvest AG. All other ESBATech's Series A investors, including Novartis Venture Fund, and VI Partners, participated in the financing.

The spin-out transaction includes the transfer of all small molecule related assets, including a yeast-cell based, high-throughput screening platform for receptor tyrosine kinases (RTKs), and a number of specific and potent kinase inhibitors. ESBATech reported that the decision to spin-out its small molecule programs allows the company to focus on one technology platform and drug development strategy of advancing antibody fragment therapeutics into the clinic. Oncalis will now focus on the discovery and development of small molecule inhibitors for oncology indications.

Dominik Escher Ph.D., CEO of ESBATech AG, commented "ESBATech recently completed a USD \$41M (CHF 50M) Series B financing round with a leading global venture capital syndicate of investors that enables our first antibody fragment therapeutic candidate, ESBA105, to move into clinical development in several inflammatory indications and to progress additional antibody fragment candidates into clinical development over the next three years."

Oncalis has recruited its core team, including Dr. Alcide Barberis as Chief Executive Officer, from ESBATech, where he was Chief Scientific Officer. Dr. Peter Traxler has also joined the company as Vice President of Drug Development. He was formerly an advisor to ESBATech and a key member of the Oncology Research Therapeutic Area Board of Novartis. This core management team will ensure the smooth transfer of ESBATech's small molecule technology and development programs to Oncalis.

Alcide Barberis Ph.D., CEO of Oncalis AG, added, "I am excited about the opportunity to lead Oncalis at this time. As CSO of ESBATech, I have been intimately involved in our small molecule program aimed at the development of receptor tyrosine kinase inhibitors. Giving this program the focus and necessary funding will accelerate and maximize the development of our targeted, small molecule cancer therapeutic clinical candidates. I look forward to further developing these programs and potentially other products that can benefit from our unique cell biology expertise."

Dr. Gerhard Ries, General Partner at BioMedPartners and board member of Oncalis commented, "The Oncalis spin-out from ESBATech offers a great potential for investors and we are confident that with its unique proprietary high-throughput screening technology platform Oncalis is well positioned in the targeted small molecular cancer therapeutic area, an area of significant interest to pharmaceutical partners."

About ESBATech AG

Privately-held ESBATech AG is a Zurich, Switzerland based drug discovery and development company focused on advancing antibody fragments for therapeutic applications. Current venture investors include SV Life Sciences (SVLS), Clarus Ventures, HBM BioVentures, HBM BioCapital, Novartis Venture Fund, BioMedinvest and VI Partners. For more information about ESBATech, please visit www.esbatech.com.

About Oncalis AG

Oncalis' unique discovery approach involves combining proprietary cutting-edge yeast cell-based technologies with chemistry/medicinal chemistry provided by alliances with specialized companies to ensure rapid development of selected drug candidates through the value chain. Oncalis is based in Zurich, Switzerland. For more information about Oncalis, please visit www.oncalis.com

About BioMedPartners

BioMedPartners is a leading independent European venture capital firm, providing private equity and mezzanine financing to early- to mid-stage healthcare and life-science companies. Since 2003, BioMedPartners has invested in nearly 20 highly innovative enterprises of which four already have successfully completed their IPO (Arpida AG, Santhera Pharmaceuticals AG) or have been acquired or merged with leading companies in the industry (Glycart Biotechnology AG, Carex AG). With more than CHF 150 million in capital under management and a strong team of experienced specialist with a broad expertise and an extensive scientific and financial network, BioMedPartners has established itself as one of the leading early-stage healthcare investors in Europe. For additional information please visit: www.biomedvc.com

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